

MARKET OVERVIEW AS AT AUGUST 31, 2024

MARKET INDEX HEAT MAP

Fixed Income Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Money Market (FTSE)	0.40	1.25	2.55	3.44	5.20	3.35	2.30
Canada Short Term (FTSE)	0.51	2.82	3.82	3.66	7.49	1.18	1.68
Canada Long Term (FTSE)	-0.13	4.62	3.52	-0.53	7.32	-4.58	-2.48
Canada Universe (FTSE)	0.33	3.86	4.10	2.32	7.88	-1.19	0.08
Canada Corporate (FTSE)	0.26	3.47	4.17	3.68	9.61	0.42	1.57
Canada Real Return Bonds (FTSE)	-1.19	3.88	4.84	1.44	8.07	-2.41	-0.19
Canada Investment Grade	0.37	3.30	4.06	3.59	9.11	0.63	1.63
Canada High Yield	0.50	2.28	4.75	6.67	11.84	3.94	5.03
U.S. High Yield	1.44	4.29	5.36	5.32	10.91	1.38	2.65
Global Aggregate	1.03	3.94	4.36	2.92	8.14	-2.13	0.12
Floating Rate Notes	0.39	1.14	2.42	3.30	4.96	3.46	2.43

Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	1.67	5.97	10.41	13.16	19.14	7.87	10.91
Canadian Equities (TSX Composite)	1.22	5.65	11.01	13.65	18.77	7.58	10.63
Canadian Equities (TSX Dividend)	0.91	5.43	11.58	14.32	19.44	10.13	11.20
Canada Small Cap (TSX)	-1.26	2.46	13.25	13.70	14.18	3.61	8.66
U.S. Equities (S&P 500)	-0.07	6.18	10.88	22.17	26.65	11.75	16.25
U.S. Equities (Nasdaq 100)	-1.37	4.41	7.80	18.91	25.79	10.24	20.88
Global Equities (MSCI World)	0.17	5.47	10.22	19.68	24.52	9.75	13.98
Global Equities Growth (MSCI)	-0.02	5.20	9.34	21.76	26.96	8.28	16.17
Global Equities Value (MSCI)	0.38	5.75	11.18	17.54	21.95	10.61	11.05
Global Small Cap (MSCI)	-1.93	4.20	8.06	11.74	16.24	3.17	9.84
International Equities (MSCI EAFE)	0.74	3.43	9.04	14.90	19.53	6.95	9.45
Emerging Markets (MSCI)	-0.83	4.91	9.25	12.28	15.07	-0.54	5.48

Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3.49	0.96	4.70	5.07	8.78	13.86	5.38	8.72
Consumer staples	4.17	-3.50	5.25	5.72	13.37	19.84	12.82	11.37
Energy	17.46	0.06	-0.31	12.18	18.22	17.69	23.35	15.15
Financials	31.48	2.80	8.46	12.96	15.26	8.56	8.56	12.21
Health Care	0.28	-2.40	3.46	-5.93	-1.88	-4.48	-30.72	-24.77
Industrials	13.33	-1.25	2.40	0.80	8.78	11.66	8.57	11.62
Information Technology	8.37	6.20	16.23	2.46	7.70	26.02	-8.08	14.03
Materials	12.32	-0.44	3.74	34.70	23.57	17.72	9.26	9.35
Real Estate	2.21	4.97	17.16	12.28	11.61	13.83	-0.34	3.40
Communication services	3.06	0.80	2.21	-3.43	-5.34	-5.22	-3.01	1.52
Utilities	3.84	1.83	7.10	12.83	8.82	8.70	-0.11	5.73

U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	9.67	-3.17	4.50	0.86	8.75	12.79	4.08	11.09
Consumer staples	6.00	3.55	6.46	12.20	19.72	16.84	10.18	9.65
Energy	3.53	-3.88	-1.94	7.72	13.84	6.28	31.76	15.72
Financials	13.32	2.15	9.00	13.30	24.90	33.89	9.90	13.19
Health Care	12.19	2.77	8.82	8.78	18.91	18.40	9.33	14.06
Industrials	8.46	0.52	5.67	8.55	18.51	22.15	11.67	13.45
Information Technology	31.05	-1.02	7.21	14.30	29.80	38.63	18.72	26.51
Materials	2.24	0.13	2.58	8.11	13.70	15.86	7.81	13.45
Real Estate	2.35	3.44	14.51	12.59	13.12	20.80	2.93	6.01
Communication services	8.76	-1.00	0.79	10.28	25.86	31.99	4.96	14.00
Utilities	2.43	2.54	4.71	24.26	25.28	24.06	9.44	7.84

Currencies

	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr		
USD/CAD*	0.74 \$	2.50	1.14	0.64	-2.16	0.39	-2.12	-0.28

*Positive performance signifies an appreciation of the Canadian dollar versus the US dollar

Sources: iA Global Asset Management and Morningstar

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FUND PERFORMANCE HIGHLIGHTS

August saw volatile equity markets, while fixed-income securities performed well

FIXED-INCOME SECURITIES POST POSITIVE RETURNS OVERALL

In August, weaker-than-expected U.S. economic data for the second consecutive month fuelled concerns about the economic outlook, reinforcing the case for a rate cut by the U.S. Federal Reserve as early as September. These worries prompted a flight to quality in the fixed-income markets.

These conditions favoured short-dated bonds, which carry less liquidity and interest-rate risk, while long-term bonds suffered. This environment also benefited high-yield bonds and variable-rate securities.

—The **Global Multisector Bond** (Loomis Sayles), **Fidelity American High Yield Currency Neutral** and **Strategic Corporate Bond** (iA) funds outperformed.

—The **Canadian Corporate Bond** (iA) and **Bond** (iA) funds had a more difficult month.

STRONG PERFORMANCE IN CANADIAN MARKETS, WHILE SMALL-CAP STOCKS LAGGED

In August, equity markets showed divergent results, with Canadian and international equities delivering strong performance. Conversely, economic uncertainty negatively impacted small-cap and emerging market equities, leading to underperformance. U.S. markets also exhibited weaker performance, largely attributed to the depreciation of the U.S. dollar. The environment of declining interest rates favoured value stocks, which are more sensitive to interest rate changes, over growth stocks, which are less affected by interest rate changes.

—The **Canadian Equity Index** (iA) fund benefited from the outperformance of Canadian markets.

—The **U.S. DAQ Index** (iA) and **U.S. Equity Index** (BlackRock) funds suffered from the weakness of the U.S. dollar.

—The **Emerging markets** (Jarislowsky Fraser) fund managed to stand out for its good performance, despite the underperformance of emerging markets.

—The **Fidelity Global Innovators** fund faced challenges due to its exposure to the growth style, while the **Fidelity European Equity** fund benefited from its defensive style and its exposure to European markets.

VARIED SECTOR PERFORMANCE IN CANADIAN EQUITIES

In August, Canadian sectors exhibited mixed performances. Information technology, real estate, and financials sectors emerged as top performers during the month. These sectors make up over 40% of the index, contributing significantly to overall performance in Canada. Conversely, the consumer staples, healthcare, and industrials sectors faced challenges, underperforming relative to other sectors.

—The **Canadian Sustainable Equity** (iA) fund added value with its excellent stock selection.

—The **Strategic Income** (iA) fund benefited from its over-allocation to real estate and its under-allocation to healthcare.

—The **Fidelity Canadian Opportunities** fund faced setbacks due to its growth bias, over-allocation to the consumer staples sectors, and under-allocation to financials.

U.S. EQUITIES POST MIXED SECTOR RESULTS

U.S. equities posted gains in several sectors over the month, with consumer staples, real estate, and healthcare sectors contributing to the performance of U.S. markets. However, the energy, consumer discretionary, and information technology sectors proved particularly detrimental to the U.S. markets. These three sectors account for almost 45% of the index, so their underperformance exerted a significant impact on overall U.S. market performance.

—The **Fidelity Insights** fund benefited from its under-allocation to the information technology sector and its over-allocation to the healthcare sector.

—The **American** (Dynamic) fund suffered from its growth bias and its under-allocation to the healthcare sector.

—The **Thematic Innovation** (iA) fund was penalized by its growth bias and its over-allocation to the information technology sector.

THE LOONIE REGAINS FEATHERS

The Canadian dollar (CAD) appreciated against the U.S. dollar (USD), which penalized Canadian investors who invested in U.S. securities.

iAGAM Fund Management and Oversight Team

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