

MARKET OVERVIEW AS AT JULY 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)	0.47	1.30	2.56	3.03	5.21	3.21	2.24
Canada Short Term (FTSE)	1.54	3.21	3.32	3.13	7.33	1.03	1.71
Canada Long Term (FTSE)	3.10	8.15	2.98	-0.40	6.25	-4.67	-1.80
Canada Universe (FTSE)	2.37	5.36	3.40	1.99	7.34	-1.34	0.39
Canada Corporate (FTSE)	2.23	4.64	4.12	3.41	9.23	0.34	1.77
Canada Real Return Bonds (FTSE)	3.48	8.34	5.78	2.66	7.89	-2.15	0.41
Canada Investment Grade	2.00	4.22	3.89	3.21	8.81	0.51	1.77
Canada High Yield	1.29	3.16	4.80	6.14	11.91	3.85	5.06
U.S. High Yield	1.92	3.96	4.14	3.82	9.58	1.08	2.44
Global Aggregate	2.17	4.20	1.96	1.87	6.55	-2.55	0.35
Floating Rate Notes	0.37	1.18	2.48	2.91	5.07	3.33	2.37

Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	6.10	7.00	10.72	11.30	15.49	7.78	10.65
Canadian Equities (TSX Composite)	5.87	7.26	11.67	12.28	15.73	7.72	10.46
Canadian Equities (TSX Dividend)	6.44	8.20	12.89	13.29	16.65	10.26	11.04
Canada Small Cap (TSX)	5.81	6.52	15.58	15.15	14.11	4.14	8.62
U.S. Equities (S&P 500)	2.19	10.66	18.67	22.26	28.20	13.36	16.17
U.S. Equities (Nasdaq 100)	-0.69	11.63	16.82	20.56	28.97	12.72	21.01
Global Equities (MSCI World)	2.76	9.20	16.49	19.47	24.77	11.05	13.75
Global Equities Growth (MSCI)	-0.01	10.39	17.70	21.78	27.89	9.92	16.22
Global Equities Value (MSCI)	5.82	7.96	15.23	17.10	21.51	11.53	10.54
Global Small Cap (MSCI)	7.89	10.29	15.63	13.93	17.23	5.11	9.77
International Equities (MSCI EAFE)	3.93	5.94	11.91	14.05	17.30	7.75	8.98
Emerging Markets (MSCI)	1.33	5.59	17.18	13.23	11.96	1.02	4.86

Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3.50	4.62	4.00	6.35	7.75	6.64	4.63	8.58
Consumer staples	4.36	8.50	13.88	15.30	17.49	28.33	15.18	13.14
Energy	17.69	3.59	3.36	16.29	18.14	23.49	23.24	15.05
Financials	30.98	7.49	9.32	12.42	12.12	8.46	8.46	11.02
Health Care	0.29	4.31	-10.32	4.59	0.53	-3.19	-30.30	-26.47
Industrials	13.65	2.63	5.62	7.88	10.16	12.56	9.85	11.65
Information Technology	7.96	2.46	2.70	-4.99	1.41	14.09	-8.01	14.35
Materials	12.53	9.21	10.73	32.43	24.12	14.39	8.12	10.69
Real Estate	2.13	10.92	12.22	5.93	6.33	8.58	-1.27	3.02
Communication services	3.07	6.27	4.53	-8.70	-6.09	-5.75	-1.91	1.84
Utilities	3.84	7.82	11.76	8.20	6.86	2.94	-0.34	6.34

U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	9.95	2.65	7.36	14.80	12.30	17.70	6.18	11.78
Consumer staples	5.77	2.87	4.44	12.34	15.62	12.28	9.73	9.52
Energy	3.65	3.10	0.79	17.23	18.43	15.53	33.38	14.96
Financials	12.42	7.45	9.13	17.05	22.26	31.55	11.37	11.84
Health Care	11.72	3.65	7.52	10.76	15.70	19.03	9.63	13.58
Industrials	8.13	5.90	5.92	17.31	17.90	22.91	12.38	12.97
Information Technology	32.45	-1.14	18.22	24.41	31.13	41.47	21.17	26.67
Materials	2.15	5.40	4.89	16.53	13.55	15.07	8.95	13.04
Real Estate	2.15	8.26	15.38	13.20	9.35	17.29	2.88	6.54
Communication services	9.34	-3.08	7.63	19.37	27.14	36.38	7.33	14.14
Utilities	2.26	7.82	10.37	24.23	22.18	17.85	10.38	8.63

Currencies

	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0.72 \$	-0.95	-0.55	-3.29	-4.55	-4.72	-3.32	-1.01

*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

July shows positive results on equity and fixed-income markets

FIXED-INCOME SECURITIES POST POSITIVE RETURNS

In July, economic data on inflation and labour market in the United States fell below expectations, causing investors to anticipate that the U.S. Federal Reserve will begin to reduce interest rates soon. In light of these anticipated short-term rate cuts, fixed-income securities saw strong performance across various markets. These conditions were favourable for long-term bonds, which are more sensitive to interest rate fluctuations, but were detrimental to short-term bonds and high-yield bonds, which are less sensitive to interest rate variations. As a result, variable-rate securities underperformed in this environment.

- The **Bond (iA)**, **Global Fixed Income (PIMCO)** and **Global Multisector Bond (loomis Sayles)** funds outperformed.
- The **Money Market (iA)** and **Floating Rate Income (Wellington Square)** had a more difficult month.

CANADIAN MARKETS AND SMALL-CAP STOCKS OUTPERFORM

July saw mostly positive results for equities, with Canadian and small-cap stocks delivering strong performances. However, the U.S. and emerging market equities disappointed, posting lower returns. The underperformance on U.S. markets was primarily due to investor dissatisfaction with the second-quarter results published by four of the "magnificent seven". The environment of decreasing interest rates enabled small-cap stocks to outperform, and favoured value stocks over growth stocks.

- 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 underperformance of U.S. stock markets.
- The **Emerging markets (Jarislowsky Fraser)** fund suffered from the underperformance of emerging markets.
- The **Fidelity Global Innovators** fund was penalized by its tilt toward growth stocks, while the **Global Equity Opportunistic Value (Wellington)** fund benefited from its defensive value-oriented style.

POSITIVE SECTOR RESULTS FOR CANADIAN EQUITIES

In July, all sectors in Canada posted positive results, with the real estate, materials and consumer staples sectors standing out with the strongest performances. These sectors, which collectively represent over 15% of the index, significantly contributed to overall performance in Canada. However, it was a more challenging period for the industrials and information technology sectors, which underperformed compared to the other sectors.

- The **Canadian Small-Cap Equity (QV)** fund benefited from the strong performance of Canadian small-cap equities.
- The **North American Equity (iA)** suffered from its growth bias and U.S. allocation.
- The **Fidelity Canadian Opportunities** fund was penalized by its growth bias combined with an over-allocation to the industrial and information technology sectors.

U.S. EQUITIES POST MIXED SECTOR RESULTS

U.S. equities experienced gains in multiple sectors during the month, with real estate, utilities and financials making significant contributions to U.S. market performance. Conversely, the telecommunications and information technology sectors were the most detrimental to the U.S. markets. These two sectors account for over 40% of the index, so their underperformance had a considerable impact on overall U.S. market results.

- The **U.S. Dividend Growth (iA)** fund benefited from its sector allocation, over-allocating to utilities and under-allocating to information technology and communication services.
- The **U.S. Equity (iA)** fund stood out for its under-allocation to the information technology sector and its excellent stock selection.
- The **American (Dynamic)** fund suffered from its sector positioning, which over-allocated to information technology and under-allocated to financials.
- The **Fidelity Insights** fund was penalized by its over-allocation to the communication services sector and an exposure to the growth style.

THE LOONIE REGAINS FEATHERS

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

iAGAM Fund Management and Oversight Team

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