

MARKET OVERVIEW AS AT JUNE 30, 2024

MARKET INDEX HEAT MAP Fixed Income Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Money Market (FTSE)	0.38	1.30	2.55	2.55	5.13	3.06	2.18
Canada Short Term (FTSE)	0.75	1.24	1.57	1.57	5.61	0.64	1.40
Canada Long Term (FTSE)	1.60	0.22	-3.39	-3.39	0.38	-5.15	-2.32
Canada Universe (FTSE)	1.13	0.86	-0.38	-0.38	3.69	-1.78	-0.05
Canada Corporate (FTSE)	0.96	1.09	1.16	1.16	6.46	-0.09	1.40
Canada Real Return Bonds (FTSE)	1.60	1.05	-0.78	-0.78	1.47	-2.74	-0.19
Canada Investment Grade	0.91	1.18	1.19	1.19	6.31	0.16	1.47
Canada High Yield	0.48	1.65	4.79	4.79	11.51	3.69	4.99
U.S. High Yield	0.87	0.84	1.87	1.87	8.81	0.50	2.13
Global Aggregate	0.69	-0.08	-0.29	-0.29	4.86	-2.84	0.10
Floating Rate Notes	0.39	1.23	2.53	2.53	5.12	3.19	2.32

Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	-1.77	-1.34	4.90	4.90	11.18	5.97	9.40
Canadian Equities (TSX Composite)	-1.42	-0.53	6.05	6.05	12.13	5.98	9.28
Canadian Equities (TSX Dividend)	-1.84	-0.17	6.44	6.44	12.36	8.34	9.72
Canada Small Cap (TSX)	-1.93	0.85	8.83	8.83	14.42	1.28	8.06
U.S. Equities (S&P 500)	3.98	5.45	19.64	19.64	28.80	13.74	16.11
U.S. Equities (Nasdaq 100)	6.59	9.03	21.39	21.39	34.09	14.33	21.86
Global Equities (MSCI World)	2.46	3.93	16.26	16.26	24.87	11.01	13.36
Global Equities Growth (MSCI)	5.23	7.61	21.80	21.80	30.94	11.29	16.60
Global Equities Value (MSCI)	-0.44	0.12	10.66	10.66	18.66	9.98	9.37
Global Small Cap (MSCI)	-1.52	-1.54	5.60	5.60	13.41	2.53	8.35
International Equities (MSCI EAFE)	-1.22	0.95	9.74	9.74	15.91	6.93	7.97
Emerging Markets (MSCI)	4.40	6.29	11.74	11.74	16.83	-1.45	4.45

Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3.54	-0.87	-1.47	3.13	2.99	5.07	2.88	8.36
Consumer staples	4.25	0.52	4.15	8.96	8.28	16.61	15.37	11.65
Energy	18.05	-3.82	0.87	14.36	14.06	26.43	20.11	13.34
Financials	30.65	-1.84	-1.17	4.59	4.31	5.95	5.95	9.66
Health Care	0.28	1.62	-18.58	-4.18	-3.62	15.10	-34.31	-29.14
Industrials	14.05	1.04	-3.38	7.73	7.34	12.55	10.15	11.47
Information Technology	8.21	6.83	-5.58	-1.68	-1.02	14.68	-8.33	14.52
Materials	12.11	-4.59	7.37	13.21	13.65	14.02	6.41	9.26
Real Estate	2.03	0.62	-5.74	-4.26	-4.14	2.15	-3.25	1.33
Communication services	3.05	-4.59	-3.44	-11.26	-11.63	-15.78	-3.62	0.40
Utilities	3.76	-2.46	0.21	-0.45	-0.89	-3.78	-1.94	5.12

U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	9.95	5.14	1.68	8.64	9.41	18.38	5.90	11.50
Consumer staples	5.77	-0.05	2.19	12.50	12.39	11.61	10.10	9.52
Energy	3.65	-1.06	-1.43	14.51	14.86	21.66	29.09	13.94
Financials	12.42	-0.69	-1.16	13.40	13.79	30.83	9.00	10.86
Health Care	11.72	2.15	0.05	11.59	11.63	17.28	10.47	12.50
Industrials	8.13	-0.74	-2.02	11.03	11.33	20.83	11.20	11.92
Information Technology	32.45	9.57	14.91	32.19	32.65	48.84	23.87	27.90
Materials	2.15	-2.80	-3.52	7.29	7.73	14.74	8.25	11.87
Real Estate	2.15	2.26	-0.91	-0.16	1.01	10.65	1.80	5.32
Communication services	9.34	5.05	10.49	30.43	31.17	50.06	9.85	15.72
Utilities	2.26	-5.29	5.73	13.14	13.32	12.59	8.89	7.04

Currencies

	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0.73 \$	-0.38	-1.10	-3.64	-3.64	-3.30	-3.27	-0.92

**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

A second quarter marked by the underperformance of Canadian equities

FIXED-INCOME SECURITIES POST POSITIVE RETURNS OVERALL

During the second quarter of 2024, high inflation persisted, reducing the number of central bank rate cuts expected by investors. However, fears of a recession faded as hopes of a soft landing prevailed. Some central banks in Europe and Canada made their first rate cuts, but economic strength confirms that high interest rates can be expected for a longer time. These conditions favoured short-dated and high-yield bonds, but hurt long-dated bonds. In this environment, variable-rate securities outperformed.

- The **Canadian Corporate Bond (iA)** and **Short Term Bond (iA)** funds outperformed.
- The **Floating Rate Income (Wellington Square)** and **Global Multisector Bond (Loomis Sayles)** had a more difficult quarter.

U.S. MARKETS AND EMERGING MARKETS OUTPERFORM

The second quarter of 2024 showed mixed results for equities, with Canadian equities posting disappointing returns and U.S. and emerging market equities outperforming. U.S. market performance was driven especially by the outperformance of technology companies, particularly those exposed to artificial intelligence, in May and June. This outperformance favoured growth stocks, which once again outperformed value stocks during the quarter.

- The **U.S. DAQ Index (iA)** and **U.S. Equity Index (BlackRock)** funds benefited from the outperformance of U.S. stock markets.
- The **Canadian Equity Index (iA)** fund suffered from the underperformance of Canadian equities.
- The **International Equity Index (BlackRock)** fund was disadvantaged by its lack of allocation to U.S. markets.
- The **Fidelity Global Innovators** fund benefited from its tilt toward growth stocks, while the **Global Equity Opportunistic Value (Wellington)** fund was penalized by its defensive value-oriented style.

RATHER NEGATIVE SECTOR RESULTS FOR CANADIAN EQUITIES

The materials and consumer staples sectors stood out during the quarter, posting the best performances. These sectors make up over 15% of the index, making a fairly significant contribution to overall performance in Canada. However, it was a more difficult period for virtually all other sectors, with healthcare, real estate and information technology particularly underperforming.

- The **Strategic Equity Income (iA)** fund suffered from its sector allocation, and particularly from its under-allocation to the materials sector.
- The **Canadian Small-Cap Equity (QV)** fund benefited from the outperformance of Canadian small-cap equities relative to the rest of the Canadian market.
- The **North American Equity (iA)** benefited from its growth bias and U.S. allocation, despite a sector allocation that was not optimal.

U.S. EQUITIES PERFORMED WELL OVERALL

U.S. equities posted gains across most sectors in the second quarter. Indeed, the information technology, telecommunications and utilities sectors contributed to the good performance of U.S. equities. The materials and industrials sectors, on the other hand, were the biggest detractors from U.S. markets during the quarter.

- The **Fidelity Insights** fund benefited from an over-allocation to the communication services sector and an exposure to the growth style.
- The **Thematic Innovation (iA)** fund benefited from its exposure to the growth style in a market where this style was favoured.
- The **U.S. Dividend Growth (iA)** fund was disadvantaged by its under-allocation to the information technology sector and its over-allocation to the industrials sector.
- The **American (Dynamic)** fund suffered from its sector positioning throughout the quarter, as it failed to position itself in the right sectors at the right times.

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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