

MARKET OVERVIEW AS AT SEPTEMBER 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)	0,35	1,22	2,53	3,80	5,13	3,45	2,34
Canada Short Term (FTSE)	1,31	3,39	4,68	5,02	9,33	1,74	2,02
Canada Long Term (FTSE)	2,70	5,75	5,98	2,16	17,30	-2,85	-1,71
Canada Universe (FTSE)	1,90	4,66	5,56	4,27	12,89	-0,10	0,63
Canada Corporate (FTSE)	2,12	4,67	5,81	5,88	13,96	1,49	2,11
Canada Real Return Bonds (FTSE)	1,94	4,23	5,32	3,41	14,27	-1,30	0,38
Canada Investment Grade	1,68	4,09	5,32	5,33	12,60	1,53	2,08
Canada High Yield	1,66	3,48	5,18	8,44	14,15	4,46	5,29
U.S. High Yield	1,49	4,93	5,81	6,88	14,09	1,94	2,92
Global Aggregate	1,50	4,77	4,68	4,46	11,98	-1,30	0,53
Floating Rate Notes	0,37	1,13	2,37	3,69	4,95	3,57	2,47

Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	3,05	11,16	9,67	16,61	26,83	9,70	11,15
Canadian Equities (TSX Composite)	3,15	10,54	9,96	17,24	26,74	9,52	10,95
Canadian Equities (TSX Dividend)	2,81	10,42	10,24	17,53	26,13	11,56	11,23
Canada Small Cap (TSX)	3,80	8,44	9,36	18,02	25,07	4,95	10,09
U.S. Equities (S&P 500)	2,38	4,54	10,23	25,07	36,25	14,34	16,45
U.S. Equities (Nasdaq 100)	2,73	0,62	9,71	22,15	36,22	13,35	21,44
Global Equities (MSCI World)	2,11	5,11	9,24	22,20	32,93	11,98	14,05
Global Equities Growth (MSCI)	2,22	2,19	9,97	24,46	37,65	10,94	16,65
Global Equities Value (MSCI)	2,00	8,34	8,47	19,89	28,01	12,35	10,69
Global Small Cap (MSCI)	2,17	8,11	6,44	14,16	25,36	4,91	9,93
International Equities (MSCI EAFE)	1,21	5,97	6,97	16,29	25,28	8,32	9,16
Emerging Markets (MSCI)	6,97	7,49	14,25	20,11	26,44	3,00	6,58

Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3,41	2,04	7,78	6,19	11,00	19,11	7,64	9,40
Consumer staples	4,13	1,24	6,00	10,40	14,77	24,02	15,17	11,69
Energy	16,66	-1,62	1,97	2,86	16,30	14,75	19,39	13,52
Financials	32,25	5,86	16,97	15,60	22,01	37,59	11,28	12,02
Health Care	0,32	14,46	16,53	-5,11	12,31	14,57	-25,27	-21,53
Industrials	12,95	1,30	2,66	-0,81	10,19	18,34	9,49	12,39
Information Technology	8,53	4,83	14,06	7,70	12,90	40,00	-3,32	16,80
Materials	12,45	3,17	12,18	20,45	27,49	29,90	12,30	11,71
Real Estate	2,24	5,60	22,96	15,91	17,87	30,46	2,60	3,89
Communication services	3,06	3,16	10,51	6,70	-2,35	5,07	-0,90	1,96
Utilities	3,99	6,18	16,58	16,82	15,54	24,99	2,94	6,33

U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	10,11	7,13	6,48	8,26	16,49	27,70	7,06	12,54
Consumer staples	5,89	0,85	7,42	9,77	20,73	23,99	11,80	9,59
Energy	3,31	-2,65	-3,52	-4,89	10,82	0,56	26,76	14,35
Financials	12,91	-0,54	9,17	7,90	24,22	37,89	10,20	12,16
Health Care	11,60	-1,65	4,77	4,82	16,95	21,35	10,64	13,82
Industrials	8,51	3,39	10,06	7,84	22,53	34,87	15,21	13,64
Information Technology	31,70	2,51	0,31	15,26	33,06	51,91	22,10	26,88
Materials	2,23	2,67	8,35	4,54	16,74	24,85	11,40	13,45
Real Estate	2,34	3,35	15,74	14,68	16,90	35,45	5,89	6,60
Communication services	8,86	4,67	0,43	10,96	31,74	42,51	8,70	15,05
Utilities	2,53	6,64	17,90	24,65	33,60	41,42	14,02	8,42

Currencies

	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0,74 \$	-0,24	1,29	0,17	-2,39	0,08	-2,12	-0,40

*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

The third quarter of 2024 was marked by a good performance from equities and fixed-income securities.

FIXED-INCOME SECURITIES POST POSITIVE RETURNS OVERALL

The U.S. Federal Reserve's decision to begin cutting its interest rate in September was prompted by the release of economic data that fell below expectations during the first two months of the quarter. The anticipated interest rate cuts at the beginning of the quarter, combined with the actual rate cuts in September, supported the performance of fixed-income securities and alleviated investors' concerns regarding the economic landscape. This environment was particularly favourable for long-term bonds, which are more responsive to interest rate shifts, but less so for short-term bonds, which are less affected by interest rate fluctuations. High-yield bonds in the U.S. also saw positive effects from this environment, unlike floating-rate securities.

- The **Global Multisector Bond (Loomis Sayles)**, **Fidelity American High Yield Currency Neutral** and **Strategic Corporate Bond (iA)** funds outperformed.
- The **Money Market (iA)** and **Floating Rate Income (Loomis Sayles)** funds had a more difficult quarter.

CANADIAN MARKETS OUTPERFORM, WHILE U.S. EQUITIES LAG

The third quarter of 2024 showed positive results overall for equities, with Canadian stocks outperforming. In contrast, U.S. equities disappointed, posting lower results. The environment of falling interest rates favoured value stocks, which are more sensitive to interest rate changes, over growth stocks, which are less sensitive to interest rate changes.

- The **Canadian Equity Index (iA)** fund benefited from the outperformance of Canadian markets, while the **U.S. DAQ Index (iA)** and **U.S. Equity Index (BlackRock)** funds suffered from the underperformance of U.S. markets.
- The **Emerging markets (Jarislowsky Fraser)** fund managed to stand out for its good performance, despite the median performance of emerging markets.
- The **Fidelity Global Innovators** fund was penalized by its exposure to the growth style, while the **Fidelity European Equity** and **Fidelity Global Concentrated Equity** funds benefited from their defensive style.

POSITIVE SECTOR RESULTS FOR CANADIAN EQUITIES

In Canada, all sectors performed positively during the quarter. The real estate, financials, utilities and healthcare sectors were the best performers. These sectors make up almost 40% of the index, contributing significantly to overall performance in Canada. However, this period was more difficult for the energy and industrials sectors, which underperformed relative to other sectors.

- The **Canadian Sustainable Equity (iA)** fund added value by underweighting the energy sector.
- The **Canadian Equity Growth (iA)** fund benefited from its over-allocation to real estate and its under-allocation to the energy sector.
- The **Real Estate Income (iA)** fund benefited from its exposure to real estate.
- The **Fidelity Canadian Opportunities** fund faced setbacks due to its growth bias, combined with a significant under-allocation to financials and an over-allocation to industrials.

U.S. EQUITIES POST MORE MIXED SECTOR RESULTS

U.S. equities posted gains in several sectors during the quarter. The utilities, real estate and industrials sectors contributed to the performance of U.S. markets. However, the energy, information technology and telecommunications sectors were particularly detrimental to the U.S. markets. These sectors account for almost 45% of the index. Their poor performance therefore had a significant impact on the overall performance of the U.S. markets.

- The **U.S. Dividend Growth (iA)** fund benefited from its under-allocation to the information technology and telecommunications sectors and its over-allocation to the utilities and industrials sectors.
- The **U.S. Equity (iA)** fund benefited from its excellent stock selection and its over-allocation to the industrials sector.
- The **American (Dynamic)** had a more difficult quarter given its growth bias and its under-allocation to the utilities sector.
- The **Thematic Innovation (iA)** fund suffered from its growth bias and its over-allocation to the information technology sector.

THE LOONIE LOOSES 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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