

## FUND ADVISORY MARKET INDEX HEAT MAP

As of June 30th, 2023

iAGAM Fund Management and Oversight Team

### Fixed Income Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Money Market (FTSE)	0.34	1.01	2.14	2.14	3.70	1.40	1.48
Canada Short Term (FTSE)	-0.34	-0.80	1.00	1.00	1.37	-0.95	1.11
Canada Long Term (FTSE)	1.09	0.64	5.39	5.39	5.90	-7.51	-0.26
Canada Universe (FTSE)	0.04	-0.69	2.51	2.51	3.15	-3.75	0.65
Canada Corporate (FTSE)	0.21	0.18	2.97	2.97	4.24	-1.88	1.55
Canada Real Return Bonds (FTSE)	0.08	-0.04	-0.27	-0.27	3.44	-2.55	0.54
Canada Investment Grade	0.26	0.17	2.63	2.63	3.99	-1.53	1.50
Canada High Yield	0.37	1.07	2.47	2.47	5.59	3.91	4.19
U.S. High Yield	1.57	0.87	4.23	4.23	7.29	1.62	1.62
Global Aggregate	-0.13	-0.12	2.64	2.64	-0.11	-3.13	0.53
Floating Rate Notes	0.47	1.29	2.64	2.64	4.40	1.65	1.65

### Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	3.57	1.55	5.72	5.72	9.66	12.65	8.13
Canadian Equities (TSX Composite)	3.35	1.10	5.70	5.70	10.43	12.42	7.62
Canadian Equities (TSX Dividend)	3.09	0.34	3.85	3.85	7.98	14.76	8.04
Canada Small Cap (TSX)	0.59	-4.62	-0.33	-0.33	5.34	12.71	3.42
U.S. Equities (S&P 500)	3.78	6.32	14.16	14.16	22.68	13.50	12.44
U.S. Equities (Nasdaq 100)	3.67	12.60	35.51	35.51	35.36	13.24	16.75
Global Equities (MSCI World)	3.27	4.62	12.73	12.73	22.21	11.64	9.76
Global Equities Growth (MSCI)	3.32	8.04	24.29	24.29	29.93	10.25	12.21
Global Equities Value (MSCI)	3.21	1.00	2.01	2.01	14.43	12.28	6.60
Global Small Cap (MSCI)	3.51	1.08	5.42	5.42	16.43	9.87	5.03
International Equities (MSCI EAFE)	1.81	0.93	9.50	9.50	22.49	8.43	5.02
Emerging Markets (MSCI)	1.14	-1.21	2.64	2.64	4.86	1.73	1.44

### Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	3.93	9.05	6.35	11.28	11.28	26.15	17.57	6.28
Consumer staples	4.21	1.48	-2.64	5.04	5.04	16.94	13.36	12.07
Energy	16.64	3.94	0.04	-2.29	-2.29	0.84	25.95	5.71
Financials	30.66	4.21	2.00	3.70	3.70	5.87	15.89	7.81
Health Care	0.26	-1.96	0.46	1.34	1.34	-15.52	-29.59	-28.83
Industrials	13.71	4.79	2.10	8.75	8.75	21.68	16.06	11.56
Information Technology	7.86	4.37	16.61	47.54	47.54	58.34	-2.20	18.22
Materials	11.68	0.75	-6.92	0.60	0.60	11.59	3.81	7.02
Real Estate	2.40	0.69	-2.85	2.83	2.83	2.99	8.18	3.77
Communication services	4.20	1.10	-1.09	2.09	2.09	0.16	9.47	7.08
Utilities	4.46	-2.26	-1.46	5.19	5.19	-7.12	7.18	10.09

### U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	10.74	9.07	12.09	30.07	30.07	28.15	7.99	10.08
Consumer staples	6.67	0.48	-1.73	-1.00	-1.00	9.52	10.84	11.19
Energy	4.13	3.79	-3.04	-7.64	-7.64	22.01	34.12	6.72
Financials	12.51	3.84	3.05	-2.76	-2.76	12.50	14.54	7.31
Health Care	13.18	1.57	0.72	-3.70	-3.70	8.26	10.62	11.91
Industrials	8.50	8.31	4.18	7.71	7.71	28.60	16.83	10.64
Information Technology	28.18	3.74	14.66	39.56	39.56	44.11	18.81	21.95
Materials	2.48	8.08	1.07	5.31	5.31	18.27	14.88	9.87
Real Estate	2.53	2.77	-0.40	1.45	1.45	-1.50	5.22	6.65
Communication services	8.47	-0.16	10.61	33.18	33.18	20.49	6.25	9.40
Utilities	2.60	-1.07	-4.64	-7.81	-7.81	-1.04	7.38	8.35

### Currency USD/CAD

	Rate	Trailing Performance (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0.76 \$	2.72	2.27	2.40	2.40	-2.52	0.97	-0.12

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

Sources: iA Global Asset Management and Morningstar

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### Market observations and impact on our funds

The first semester of 2023 came to a close after a period of overall positivity. Although equity markets rebounded more impressively than the fixed income market, most major fixed income indices still managed to finish the period in positive territory. In Canada, shorter duration bonds underperformed, resulting in lower returns for **iA Short Term Bond**. Meanwhile, positive economic sentiment in the U.S. regarding the possibility of a soft landing helped high yield fixed income funds such as **Fidelity American High Yield Currency Neutral** and **Floating Rate Income (Wellington Square)**. Finally, with Global bonds being down 0.13%, it was more challenging for funds like **Global Multisector Bond (Loomis Sayles)**.

Returns in the equity markets were generally positive in the first half of 2023, particularly for growth-oriented equities, as evidenced by the strong returns of the MSCI Global Equities Growth index. The trend carried into June, with growth-oriented funds such as **iA Thematic Innovation** and **Fidelity Insights** outperforming their peers. Conversely, funds tilted towards value had a more challenging time relative to the market, with **Global Equity Opportunistic Value (Wellington)** being one example. Emerging-market equities posted positive returns for the month, but continued to lag behind developed markets, reflecting the difficult performance of Chinese equities. In this environment, funds like **iA Asian Pacific** and **Emerging Markets (Jarislowsky Fraser)** underperformed developed market funds. Finally, despite poor performance by small cap equities in general, **Canadian Equity Small Cap (QV)** managed to outperform, which is noteworthy.

In Canada, Consumer discretionary was by far the top-performing sector. While its weight is just under 4% in the index, **Fidelity Canadian Opportunities** allocated near 15% to the sector, which was beneficial to its relative performance. **iA Canadian Equity Growth** also performed well on a relative basis due not only to an overweight to consumer discretionary, but also to Industrials, which outperformed relative to other sectors. While these funds benefited from overweight to these sectors, others like **iA Dividend Growth** overallocated to lagging sectors and struggled as a result. In particular, the fund's overinvestment in the utilities and health care sectors hurt its relative returns.

In the US, most sectors ended the month with positive returns following an upward revision to the Q1 GDP growth numbers. Similar to Canada, the consumer discretionary sector led the way, which proved beneficial for funds that were overweight in this sector, including **Fidelity Global Concentrated Equity** and **American (Dynamic)**. Conversely, **iA U.S. Dividend Growth** and **Fidelity NorthStar** struggled on a relative basis due to their active weights (difference between the fund's and the index's allocation) in consumer discretionary and consumer staples sectors. Similarly, **Global Infrastructure (Dynamic)**, which had over half of the fund allocated to the utilities sector, underperformed relative to other global equity funds.

To conclude, the Canadian dollar (CAD) appreciated against the U.S. dollar (USD) which hurt Canadian investors investing in U.S. securities. In June, the CAD/USD return was 2.72%.

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