

FUND ADVISORY MARKET INDEX HEAT MAP

As of March 31st, 2023

iAIM Fund Management and Oversight Team

Fixed Income Indices

| | Trailing Performance % (CAD) | | | | | | |
|---------------------------------|------------------------------|-------|------|-------|-------|-------|-------|
| | 1m | 3m | 6m | YTD | 1 yr | 3 yrs | 5 yrs |
| Money Market (FTSE) | 0.41 | 1.12 | 2.13 | 1.12 | 2.81 | 1.10 | 1.34 |
| Canada Short Term (FTSE) | 1.22 | 1.82 | 2.50 | 1.82 | 0.70 | 0.02 | 1.33 |
| Canada Long Term (FTSE) | 2.61 | 4.72 | 3.66 | 4.72 | -7.17 | -4.39 | -0.20 |
| Canada Universe (FTSE) | 2.16 | 3.22 | 3.32 | 3.22 | -2.01 | -1.67 | 0.89 |
| Canada Corporate (FTSE) | 1.33 | 2.79 | 3.81 | 2.79 | -0.97 | 0.63 | 1.60 |
| Canada Real Return Bonds (FTSE) | 0.69 | -0.23 | 2.56 | -0.23 | -5.73 | -0.56 | 0.94 |
| Canada Investment Grade | 1.34 | 2.45 | 3.64 | 2.45 | -0.59 | 0.61 | 1.56 |
| Canada High Yield | -0.10 | 1.38 | 3.97 | 1.38 | 0.32 | 6.12 | 4.16 |
| U.S. High Yield | 1.24 | 3.34 | 7.58 | 3.34 | -4.28 | 3.71 | 1.65 |
| Global Aggregate | 2.18 | 2.76 | 3.70 | 2.76 | -4.34 | -2.34 | 0.55 |
| Floating Rate Notes | 0.42 | 1.33 | 2.38 | 1.33 | 3.26 | 1.49 | 1.47 |

Equity Indices

| | Trailing Performance % (CAD) | | | | | | |
|------------------------------------|------------------------------|-------|-------|-------|--------|-------|-------|
| | 1m | 3m | 6m | YTD | 1 yr | 3 yrs | 5 yrs |
| S&P/TSX 60 | -0.47 | 4.11 | 9.89 | 4.11 | -5.66 | 17.41 | 9.28 |
| Canadian Equities (TSX Composite) | -0.22 | 4.55 | 10.79 | 4.55 | -5.17 | 18.02 | 8.80 |
| Canadian Equities (TSX Dividend) | -0.86 | 3.50 | 9.08 | 3.50 | -4.32 | 18.97 | 9.29 |
| Canada Small Cap (TSX) | -0.43 | 4.50 | 13.25 | 4.50 | -12.56 | 27.64 | 5.74 |
| U.S. Equities (S&P 500) | 3.05 | 7.37 | 13.88 | 7.37 | -0.02 | 16.63 | 12.27 |
| U.S. Equities (Nasdaq 100) | 8.81 | 20.35 | 18.33 | 20.35 | -3.75 | 17.06 | 16.02 |
| Global Equities (MSCI World) | 2.55 | 7.75 | 16.76 | 7.75 | 1.27 | 15.01 | 9.63 |
| Global Equities Growth (MSCI) | 6.34 | 15.04 | 18.85 | 15.04 | -2.06 | 14.25 | 11.74 |
| Global Equities Value (MSCI) | -1.17 | 1.01 | 14.47 | 1.01 | 3.69 | 14.81 | 6.83 |
| Global Small Cap (MSCI) | -3.08 | 4.29 | 14.03 | 4.29 | -1.33 | 16.13 | 5.93 |
| International Equities (MSCI EAFE) | 2.00 | 8.50 | 25.60 | 8.50 | 7.42 | 11.62 | 5.05 |
| Emerging Markets (MSCI) | 2.46 | 3.89 | 12.48 | 3.89 | -2.81 | 6.42 | 0.44 |

Canadian Sectors (S&P/TSX Composite)

| | Weight (%) | Trailing Performance % (CAD) | | | | | | |
|------------------------|------------|------------------------------|-------|--------|--------|--------|--------|--------|
| | | 1m | 3m | 6m | YTD | 1 yr | 3 yrs | 5 yrs |
| Consumer discretionary | 3.66 | 0.38 | 4.64 | 13.86 | 6.53 | 6.53 | 26.61 | 6.33 |
| Consumer staples | 4.35 | 4.33 | 7.88 | 17.03 | 12.71 | 12.71 | 18.68 | 13.45 |
| Energy | 16.83 | -2.21 | -2.33 | 6.41 | -1.15 | -1.15 | 30.34 | 8.84 |
| Financials | 30.00 | -5.93 | 1.67 | 5.10 | -9.81 | -9.81 | 17.44 | 7.82 |
| Health Care | 0.34 | -11.31 | 0.88 | -10.12 | -57.65 | -57.65 | -27.46 | -26.97 |
| Industrials | 13.84 | 2.04 | 6.51 | 14.34 | 4.02 | 4.02 | 20.14 | 13.12 |
| Information Technology | 6.69 | 11.11 | 26.53 | 42.47 | -5.95 | -5.95 | 10.52 | 17.05 |
| Materials | 12.51 | 6.90 | 8.08 | 16.92 | -8.44 | -8.44 | 19.51 | 10.23 |
| Real Estate | 2.46 | -4.70 | 5.85 | 13.31 | -12.86 | -12.86 | 13.35 | 5.34 |
| Communication services | 4.81 | 0.72 | 3.21 | 9.52 | -7.63 | -7.63 | 9.51 | 7.71 |
| Utilities | 4.51 | 5.38 | 6.74 | -1.18 | -9.04 | -9.04 | 9.06 | 10.32 |

U.S. Sectors (S&P 500)

| | Weight (%) | Trailing Performance % (CAD) | | | | | | |
|------------------------|------------|------------------------------|-------|-------|--------|--------|-------|-------|
| | | 1m | 3m | 6m | YTD | 1 yr | 3 yrs | 5 yrs |
| Consumer discretionary | 10.13 | 2.55 | 16.04 | 3.00 | -12.94 | -12.94 | 12.76 | 9.76 |
| Consumer staples | 7.23 | 3.65 | 0.74 | 12.22 | 9.64 | 9.64 | 12.91 | 11.71 |
| Energy | 4.61 | -0.72 | -4.75 | 15.60 | 23.07 | 23.07 | 46.12 | 10.60 |
| Financials | 12.91 | -10.06 | -5.64 | 5.94 | -7.11 | -7.11 | 16.27 | 6.43 |
| Health Care | 14.20 | 1.66 | -4.39 | 6.58 | 4.30 | 4.30 | 13.61 | 12.91 |
| Industrials | 8.66 | 0.10 | 3.38 | 21.81 | 8.49 | 8.49 | 19.82 | 9.49 |
| Information Technology | 26.08 | 10.32 | 21.72 | 25.99 | 3.38 | 3.38 | 22.41 | 20.80 |
| Materials | 2.64 | -1.59 | 4.20 | 18.47 | 1.50 | 1.50 | 22.00 | 10.66 |
| Real Estate | 2.56 | -1.94 | 1.86 | 4.51 | -13.02 | -13.02 | 8.35 | 8.47 |
| Communication services | 8.11 | 9.77 | 20.40 | 17.34 | -10.92 | -10.92 | 7.73 | 7.47 |
| Utilities | 2.86 | 4.33 | -3.32 | 3.79 | 1.59 | 1.59 | 8.62 | 10.66 |

Currency USD/CAD

| | Rate | Trailing Performance (CAD) | | | | | | |
|----------|---------|----------------------------|------|------|------|-------|-------|-------|
| | | 1m | 3m | 6m | YTD | 1 yr | 3 yrs | 5 yrs |
| USD/CAD* | 0.74 \$ | 0.60 | 0.12 | 1.53 | 0.12 | -7.71 | 1.70 | -0.97 |

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

Sources: iA Investment Management and Morningstar

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Market observations and impact on our funds

Fixed income markets finished the first quarter of 2023 on a positive tone with most indexes in positive territory. As the financial sector was in turmoil with SVB failure and the pressure on Credit Suisse, many investors flew to safer investments such as long maturity bonds, supporting good relative returns for funds like **iA Bonds**, **iA Fixed Income Managed Portfolio** and **Global Multisector Bond (Loomis Sayles)**. Similarly, Investment Grade bonds were preferred over riskier high yield bonds in the Canadian market, explaining in part why **Fidelity American High Yield Currency Neutral** and **Core plus Bond (Wellington Square)** lagged their peers. Finally, with both long and short-term rates falling during the month, floating rate income funds such as **Floating Rate Income (Wellington Square)** trailed in March.

In the equity markets, it was a difficult month for Canadian equities relative to other regions. Even if the banking concerns were mostly in the US and in Europe, the S&P/TSX Composite and its 30% allocation to the financial sector, suffered from it. Consequently, funds with similar sector positioning as the index, such as **iA Canadian Equity Index** and **iA Canadian Equity Growth** lagged their peers. As shown by the performance of **U.S. DAQ Index**, equities with a growth bias were the clear winners in March. Such an environment benefited funds like **Fidelity Global Innovators** and **iA Thematic Innovation**. On the other hand, funds with a value bias retracted value, explaining in part the underperformance of **Global Equity Opportunistic Value (Wellington)**. It was also a difficult month for small cap equities, which is reflected in the performance of **Canadian Equity Small Cap (QV)**.

As mentioned, it was a difficult month for Canadian equities, but several funds performed well on a relative basis. One of them is **Fidelity Canadian Opportunities**. The fund benefited from a significant underweight to the financial sector as well as an overweight to technology to outperform the index. Likewise, **iA North American Equity** was underweight financials allowing the fund to end the month in green territory. With more than 11% negative return, Health Care was the worst performing sector for the month. While its weight in the index is near 0, some funds like and **iA Dividend Growth** were overweight to that sector. The Real Estate sector was also lagging, leaving no chance for a Sector Equity fund like **iA Real Estate Income**.

As for the U.S. equity market, the Information Technology sector was the clear winner for the month. With a significant overweight to the sector, **Global Opportunities (Loomis Sayles)** finished the month with positive return on an absolute and relative basis. Inversely, **Global Dividend (Dynamic)**, **American (Dynamic)** and **iA Global True Conviction** had a significant underweight to the sector, negatively impacting the performance. In a month where global equity indices reported positive returns, being close to its benchmark in terms of sector allocation paid off for many funds. **iA Global Equity**, **iA U.S. Equity** and **iA International Equity** benefited from such positioning.

To conclude, the Canadian dollar (CAD) appreciated against the U.S. dollar (USD) which hurt Canadian investors investing in U.S. securities. In March, the CAD/USD return was 0.6%.

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