

FUND ADVISORY MARKET INDEX HEAT MAP

As of October 31st, 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)	0.46	1.29	2.39	3.87	4.59	1.95	1.73
Canada Short Term (FTSE)	0.78	0.75	-0.59	1.66	2.40	-0.98	1.26
Canada Long Term (FTSE)	-0.29	-7.36	-10.95	-4.90	-3.12	-9.96	-1.51
Canada Universe (FTSE)	0.37	-2.43	-5.11	-1.09	0.01	-4.78	0.25
Canada Corporate (FTSE)	0.40	-1.47	-2.97	1.09	3.00	-2.72	1.40
Canada Real Return Bonds (FTSE)	-0.23	-5.12	-8.56	-7.92	-5.90	-6.23	-0.20
Canada Investment Grade	0.37	-1.02	-2.55	1.23	3.21	-2.25	1.40
Canada High Yield	0.23	0.38	1.48	3.82	6.25	2.76	4.25
U.S. High Yield	-1.51	-2.62	-1.26	2.73	3.82	-0.26	1.26
Global Aggregate	-0.78	-2.72	-3.29	-0.16	1.09	-4.24	0.07
Floating Rate Notes	0.36	1.23	2.56	4.34	5.14	2.11	1.88

Equity Indices

	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	-3.15	-7.60	-7.44	-0.22	-0.31	10.29	8.30
Canadian Equities (TSX Composite)	-3.21	-7.72	-7.00	0.06	0.43	9.85	7.96
Canadian Equities (TSX Dividend)	-2.80	-6.74	-7.02	-0.71	-0.36	12.26	8.46
Canada Small Cap (TSX)	-2.58	-8.90	-6.73	-3.67	0.66	9.35	4.95
U.S. Equities (S&P 500)	0.52	-3.24	3.78	13.41	12.10	11.85	12.25
U.S. Equities (Nasdaq 100)	0.55	-3.55	11.35	34.96	28.58	10.72	16.94
Global Equities (MSCI World)	-0.27	-4.25	0.97	11.00	13.02	10.13	10.03
Global Equities Growth (MSCI)	0.20	-4.86	3.32	21.07	20.47	7.24	12.54
Global Equities Value (MSCI)	-0.78	-3.58	-1.54	1.64	5.74	12.51	6.83
Global Small Cap (MSCI)	-3.60	-9.67	-4.85	-0.61	1.30	5.90	5.59
International Equities (MSCI EAFE)	-1.47	-5.94	-5.48	5.78	17.05	7.69	5.78
Emerging Markets (MSCI)	-1.30	-7.28	-2.28	0.62	13.23	-1.99	3.12

Canadian Sectors (S&P/TSX Composite)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	3.64	-1.97	-9.58	-4.45	1.37	2.02	11.01	7.46
Consumer staples	4.33	3.78	4.90	-1.40	7.72	10.77	13.97	13.01
Energy	18.90	-0.06	5.87	5.38	7.68	3.04	35.92	11.16
Financials	30.06	-4.94	-10.87	-8.52	-3.99	-3.75	12.11	6.76
Health Care	0.30	-12.61	-17.51	-4.90	1.37	-15.80	-27.63	-29.94
Industrials	13.33	-3.50	-8.19	-6.18	0.51	0.82	9.60	9.94
Information Technology	7.43	-6.15	-14.85	-0.28	28.05	30.08	-4.96	16.19
Materials	12.01	-4.11	-13.27	-16.77	-7.15	1.18	-1.14	9.30
Real Estate	2.30	-5.97	-13.24	-15.14	-9.16	-5.52	2.60	1.08
Communication services	3.76	-0.56	-7.24	-19.28	-11.22	-10.25	4.85	4.07
Utilities	3.94	-4.46	-14.92	-19.06	-11.52	-16.04	-1.92	7.24

U.S. Sectors (S&P 500)

	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	10.55	-1.99	-6.55	7.47	23.93	10.22	3.21	9.96
Consumer staples	6.62	1.35	-4.26	-7.98	-3.64	-1.15	8.13	8.92
Energy	4.54	-3.53	3.43	3.43	2.10	-0.42	52.65	11.43
Financials	12.76	0.06	-3.18	0.58	-1.76	-1.09	14.46	7.70
Health Care	13.15	-0.70	-1.81	-3.85	-4.93	-3.00	10.28	10.19
Industrials	8.33	-0.40	-5.81	1.37	3.89	7.91	12.39	10.31
Information Technology	28.06	2.57	-3.28	12.45	37.94	32.99	16.88	21.68
Materials	2.42	-0.67	-6.14	-2.55	1.74	6.56	10.06	11.27
Real Estate	2.36	-0.27	-7.93	-8.78	-5.87	-4.96	3.92	5.28
Communication services	8.71	0.72	-0.39	12.64	41.19	37.99	5.83	9.95
Utilities	2.50	3.92	-5.57	-10.14	-11.22	-6.21	3.06	6.66

Currency USD/CAD

	Rate	Trailing Performance (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0.72 \$	-2.61	-5.19	-2.30	-2.40	-1.74	-1.34	-1.10

*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

In October, the fixed-income market experienced a mostly negative tone as the probability of "higher for longer" rates began to increase. As a result, bond yields rose to levels not seen since 2007, and credit spreads (the difference in yield between a risky and a risk-free bond) widened significantly. In such an environment, it is no surprise to see riskier funds like **Fidelity American High Yield Currency Neutral** lagging, while less risky funds like **Bond (iA)** outperformed. The clear winners were funds with a shorter duration (sensitivity to interest rates), which is reflected in the results of **Short term Bond (iA)** and **Money Market (iA)**

In October, there was a notable decline in equities due to weak market sentiment, with Canadian equities experiencing significant underperformance. However, Canadian investors benefited from the appreciation of the US dollar during this period, leading to stronger returns for global equities. The **Canadian Equity Index (iA)** and **Strategic Equity Income (iA)** both had unfavourable monthly returns, contributing further to an already challenging year for the asset class. Continuing the trend, the growth equity sector continued to outperform value, benefiting funds such as the **U.S. DAQ Index (iA)**. Meanwhile, funds like **Climate Strategy (Wellington)** faced challenges due to their current value bias.

The Canadian equity market performed poorly across most of its sectors in October. However, two funds managed to outperform their peers: **Fidelity True North** and **Canadian Equity Small Cap (QV)**. Fidelity's success was due in part to its overweight position in consumer staples, while QV's strong performance was attributed to its small cap exposure, which outperformed larger cap equities during this period. On the flip side, **Real Estate Income (iA)** had lagging performance relative to other Canadian equity funds, due to its significant exposure to the real estate sector. Similarly, **Fidelity Canadian Opportunities** suffered from an overweight to technology, the second worst performing sector.

In the US, the S&P 500 rise was primarily fuelled by the Information Technology sector, comprising 28% of the index. **Thematic Innovation (iA)** reaped the benefits of its overweight allocation to the sector, while **Fidelity Insights** saw strong returns thanks to its significant investment in Communication services. In contrast, **Fidelity European Equity** suffered in October as European funds tend to have smaller Technology allocations, which held true for the fund. Similarly, **Fidelity Global Concentrated Equity** underperformed largely due to its overweight position in Consumer discretionary, one of the worst performing sector in October.

To conclude, the Canadian dollar (CAD) depreciated against the U.S. dollar (USD) which helped Canadian investors investing in U.S. securities. In October, the CAD/USD return was -2.61%.

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