iA Global Asset Management

Monthly Macro & Strategy

October 2023

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Highlights

- Global economy has outperformed expectations so far in 2023, but important risks remain
- Consumer spending is likely to be influenced by the elasticity of demand for staple and discretionary goods and services
- If central banks stay the course and keep rates higher for longer, then the odds of a soft landing are low.

Global Asset Allocation Positioning (October 2023)

	--	-	N	+	++	Δ
Asset Classes						
Money Market				■		
Fixed Income				■		
Equities		■				
Alternatives			■			
Relative Equity						
Canadian Equities			■			
U.S. Equities		■				
International Equities			■			
EM Equities			■			
Relative Fixed Income						
Government Bonds					■	
IG Corporate Bonds				■		
HY Bonds	■					
Other						
Oil				■		
Gold			■			
USD (trade weighted)				■		
CAD/USD			■			

Where the global economy stands

With three quarters of the year already in the books, to say that the global economy has outperformed expectations so far is an understatement.

Even though our trusty macro framework continues to point to a slippery road ahead, the consensus of forecasters and that of global markets have gradually turned more optimistic throughout the year, with the soft-landing narrative dominating the landscape. As we discussed at length last month (see here), there is nothing different this time; the end of hiking cycles tends to be dominated by general optimism, as the long and variable lags of monetary policy slowly take hold at the heart of the economic machine.

This month, we thought it would be helpful to focus on how above-average inflation in food, gasoline, health care and shelter will inevitably lead to more spending in nominal terms, but necessarily with fewer goods and services changing hands. And, with 60% or more of developed countries' GDP being tied to consumption, more headwinds to GDP growth will most likely be added.

But before we go into the inner workings of the inelasticity of demand for non-discretionary goods and services, we thought the time was right to take a broad look at the current macro landscape around the world.

China

China's growth has disappointed since the economy's grand reopening in January, and one thing has become clear: Chinese authorities are more interested in implementing their structural reforms than in reaching aggressive short-term growth targets. In fact, many observers have been calling for the government to implement a stimulus effort similar in size and scope to what was seen in 2008, but so far the effort has been rather timid.

We think it is becoming more and more evident that China's annual contribution to global growth will continue to shrink.

Historical reliance on real estate and consumer tech platforms, alongside issues of regulatory overreach and low foreign investment inflows, has demonstrated the overuse of leverage and poses structural challenges. Additionally, pockets of high indebtedness have limited the scope for traditional stimulus. Youth unemployment is also a concern, while the halted release of relevant data has not been helpful. As a result, the administration seems resolved to steer the economy in a different direction and avoid the pitfall of thinking too much about the short term.

Concerns about indebtedness in parts of the economy further limit options for substantial financial stimulus and are forcing the Chinese government to review its growth model. It seems likely that Chinese growth will come from sectors such as higher-value-added manufacturing, green energy, health care, artificial intelligence, supercomputing and life sciences.

The country also faces external pressures and limitations, including questions about the reliability of previously strong exports, disrupted imports of crucial industrial inputs, a decline in foreign direct investment and a general reduction in global investor confidence.

All in all, the authorities' apparent unwillingness to continue relying on traditional stimulus measures, which could make it more difficult for China to move beyond being a middle-income economy, is further hampering long-term growth. When the impact of slowing demographic growth is added, China's window to eventually becoming the world's largest economy is closing before our eyes.

Even so, the authorities won't sit idly by; rather, the base case is that China's government will simply hold itself to small stimulus measures, while better communicating its desire to transition to growth sectors, such as those cited above.

This restructuring will take time, it will require a commitment to overcoming short-term disruption and it will entail some relinquishing of centralized power so that the private sector can become a powerful engine of growth. Accordingly, China's return as a key engine of global growth is deemed unlikely for some years to come.

Europe

The European Central Bank (ECB) might have the toughest job of all global central banks right now: persistent inflation is still fueling wage growth, and its main economic engine, Germany, is most likely already in a recession.

The European Commission seems to agree with our take; it has lowered its expectations for economic growth in the euro zone this year and next, on the back of decreasing consumer demand caused by high inflation, with the economy of Germany, currently the euro zone's largest economy, predicted to shrink by 0.4% this year, versus a forecast of 0.2% growth last May. The Commission is forecasting slow growth of euro zone GDP, namely 0.8% in 2023 and 1.3% in 2024. Projections released in May called for 1.1% and 1.6%, respectively.

Behind these lower forecasts is the recognition that inflation has had a greater impact on domestic demand than previously expected. In fact, inflation in Europe could remain problematic for longer than in North America, given Europe's over-reliance on energy imports, and the fact that wage growth remains elevated. The latest forecasts of consumer inflation remain lofty, at 5.6% in 2023 and 2.9% in 2024, both higher than the European Central Bank's target of 2.0%.

The focus now, of course, is on the transmission of higher rates (going from *negative* 0.5% to 4.0% in less than 18 months) to the economy's credit supply and the compounded impact on the potential for growth in the coming years. For now, it looks like the economy will continue to slow in the coming months, as the manufacturing sector contracts and the momentum in services decreases.

United States

The U.S. economy has so far held up better than we had expected, and the consensus of economists has done a complete U-turn, from expecting close to 0% growth in January to now seeing 2.0% on the year.

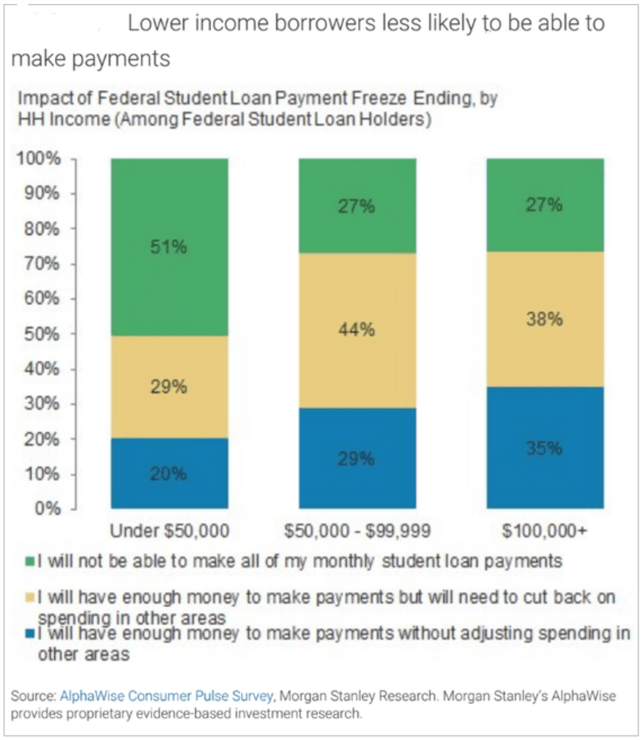
Even though we're still reluctant to endorse the soft-landing view (as we discussed in detail last month), we recognize that some data points are starting to show encouraging signs. For example, the ISM manufacturing index, while still in contraction territory, appears to be making a bottom. The ISM nonmanufacturing index has also rebounded in recent months, resisting the magnetic pull lower from higher interest rates as U.S. consumers continue to draw down their accumulated excess savings.

One of the main reasons for our cautious outlook on the world's largest economy is that American exceptionalism has come to include an unsustainable factor: the growth of the U.S. deficit. The current fiscal expansion is, from our vantage point, led by ever-growing government spending, which by definition is unsustainable, as the Congressional Budget Office constantly reminds us. In fact, the CBO was already warning in early 2023 that if nothing is done to slow the pace of government spending, annual interest payments on federal government debt will exceed the country's defense budget in the coming few years. In short, the cost of American exceptionalism could soon become too steep, as interest rates rise and the debt balloons accordingly.

Another reason behind our careful stance is that we worry about the end of the moratorium on student loan repayments, which will pull more than $50 billion from the pockets of U.S. households every quarter. Even though this figure might seem manageable in relation to the size of the accumulated savings glut (see last month's piece for a simple arithmetic estimate), it is significant enough to have an impact on consumer behaviour, given the distribution of student debt.

A recent Alphawise Consumer Pulse survey (see below) suggests an outsized impact on households with an annual income under $50,000, precisely the income group that has a larger marginal propensity to consume. Among that group, 51% of the population surveyed said that they won't be able to make all their monthly payments, and 29% said that they will have to cut back spending on other goods and services.

The picture is less dire in other income groups, but it is still notable that a majority (65%) of households with annual income above $100,000 say they'll have to review their budgets.



The conclusion is that this debt matters, and that households will not necessarily wait until their savings accounts are empty before they start adjusting their spending habits. We are likely to see more restrained spending in the coming quarters as this negative wealth effect accumulates in an environment of higher interest rates and still-above-target inflation.

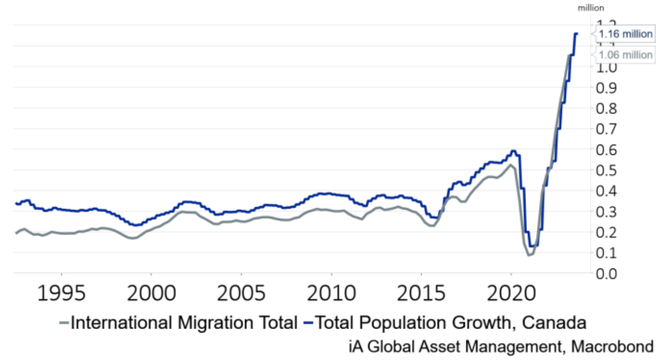
Canada

Canada's current economy can be summarized in one word: demographics. Canada's economic immigration policy has made the economy one of the most resilient among the developed countries, with current population growth clocking in at 3% year-over-year, the fastest pace since the baby boom of the 1950s and 1960s. As one might have guessed, the population surge is almost entirely from international migration.

The secret of Canada's economic resilience does create some increasingly serious problems: it is pushing home prices higher still, aggravating the home affordability issues that have plagued the younger age groups for years, and is also making it increasingly difficult for institutions such as the Bank of Canada to fight inflation.

Canada: Population Growth vs Net Migration

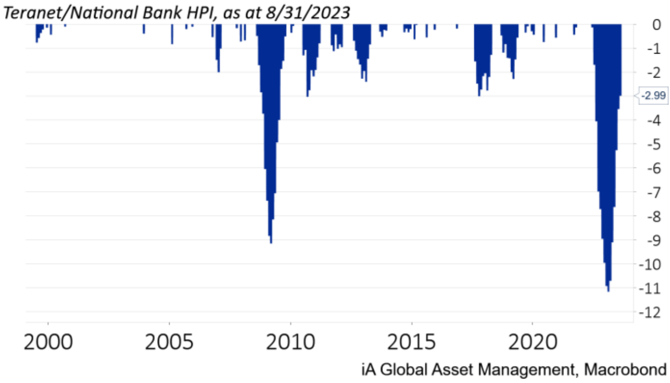
Statistics Canada, as at 9/2023



Starting with housing, we find it especially noteworthy that the clash of titans between sharply higher mortgage rates and booming population growth has, so far, been dominated by the latter. Only one year ago in a note to clients (available [here]), we tried to estimate the potential drawdown on Canada real estate from the Bank of Canada's monetary policy tightening, and came up with 20-30% as the most likely range. The recent demographic surge made our most optimistic forecasts look pessimistic, as prices contracted by only 11% before recently climbing back within 3% of all-time highs.

Canada: House Price Index Drawdown

Teranet/National Bank HPI, as at 8/31/2023

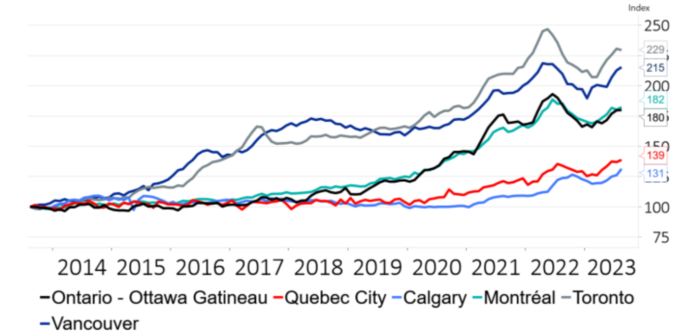


It's too early to say that housing is out of the woods, and it's reasonable to expect some volatility, as the long and variable lags of monetary policy make their way across the economy. But so far it seems that Canada's vulnerability to interest rate shocks has been buffered somewhat by its immigration policy.

The impact of demographics on the economy is complex, and we'll only scratch the surface here.

Canada: Evolution of housing prices in main cities

Teranet, last 10 years, as at 8/2023



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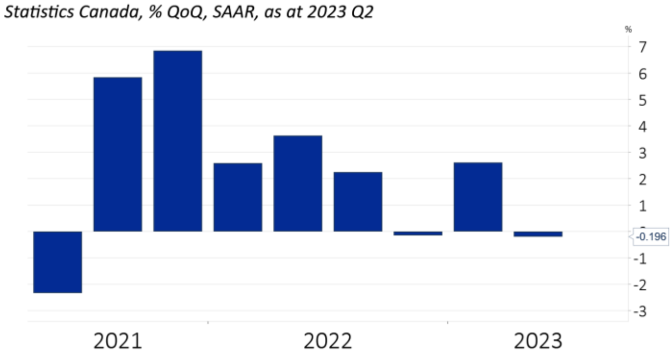
The main worry is that as the population grows, so does the potential growth rate and the aggregate wealth of households, as new Canadians bring ample financial and human capital with them. Thus, GDP growth and the labour market have become resilient in the face of higher rates, sustaining wage pressures and complicating the central bank's job.

Canada: Real GDP Growth

Statistics Canada, % QoQ, SAAR, as at 2023 Q2



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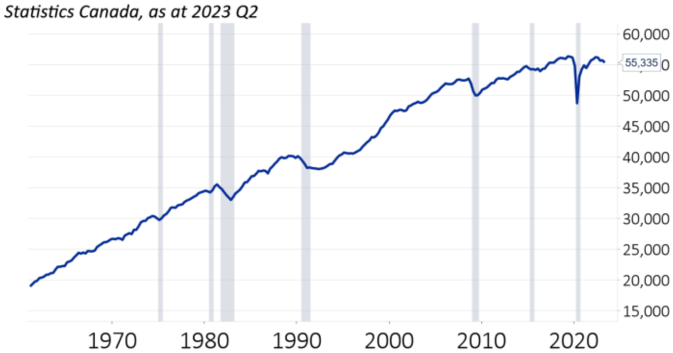
Recent quarterly real GDP growth has not been stellar, for sure, with 2 of the past 3 quarters showing a negative print. But when looking at per capita figures, we see a completely different picture. On an annual basis, Canada's per capita GDP has contracted by 2% and has erased all the gains made since 2017, including the post-COVID boom.

Real GDP per Capita

Statistics Canada, as at 2023 Q2



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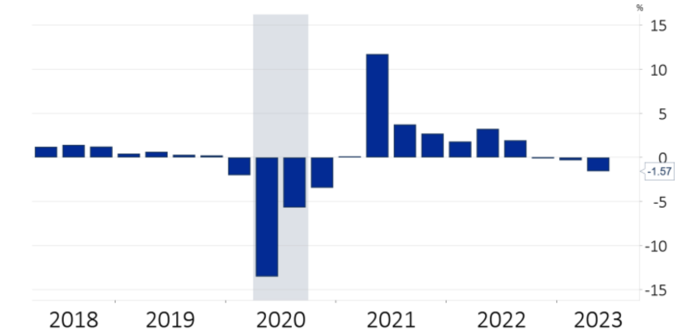
Canada: Real GDP per Capita

Statistics Canada, % YoY, as at 2023 Q2



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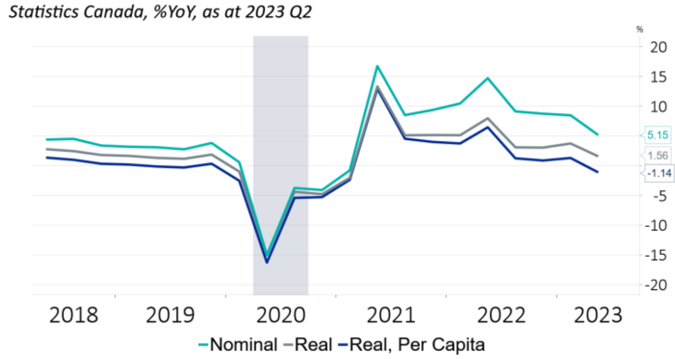
Turning now to consumer spending, we see a similar pattern. High prices have pushed nominal spending growth to more than 5% year-over-year, but real growth per capita is in fact *down* 1.5% year-over-year.

Canada: Final Consumption Expenditure

Statistics Canada, %YoY, as at 2023 Q2



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So, households are feeling the pinch and adjusting their spending in the face of tighter monetary policy, which is precisely how monetary policy transmission works; but the total size of the economy continues to grow at a pace that is not yet consistent with inflation returning to 2%. Adjusting the Bank of Canada's models to account for this is not a trivial task, and a data-dependant approach is warranted.

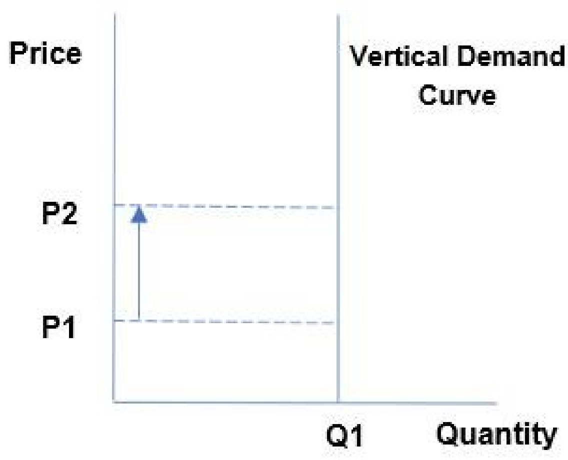
But do we have to start looking at most variables through a per capita lens? And will per capita effects be enough to put a lid on inflation? Most likely not, leading us to think that the recipe might be to keep rates high for as long as it takes, and to let the cumulative weight of tight monetary policy do its work to tame the beast eventually.

What economic theory says about consumer resilience

Shifting gears, let's delve into economic theory to illustrate how inflation acts on households' budget constraints and becomes a headwind to economic growth.

During the pandemic, Canadians accumulated record excess savings totalling $300 billion. The surge in savings was driven by public health restrictions, reduced discretionary spending and precautionary behaviour. That being said, not all the savings are in liquid form, easily accessible for immediate consumption. Canadians used these funds to pay down debt, to invest in real estate and to purchase financial assets.

The COVID-19 pandemic has also drastically affected U.S. households, leading to an unprecedented accumulation of excess savings during the recession. Even though a portion of the savings has been steadily withdrawn, a significant amount—$500 billion, according to the San Francisco Fed—persists.

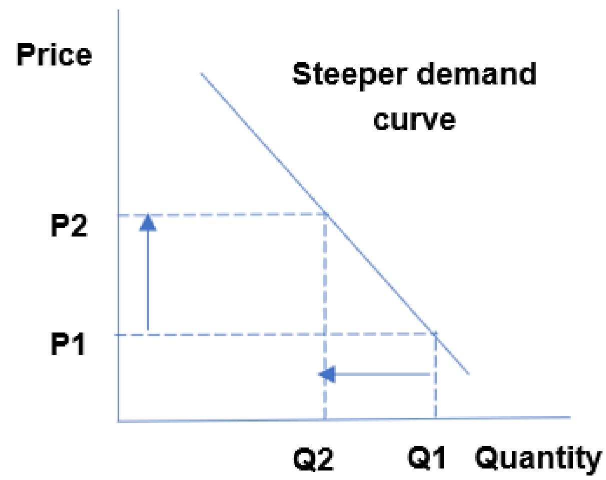


Perfectly Inelastic

There is considerable uncertainty regarding the distribution of the savings among household income levels and the types of assets in which they are being held. Even so, recent data on household assets and chequing account balances suggest that households from various income brackets have a larger amount of liquid funds at their disposal than they did in the pre-pandemic period.

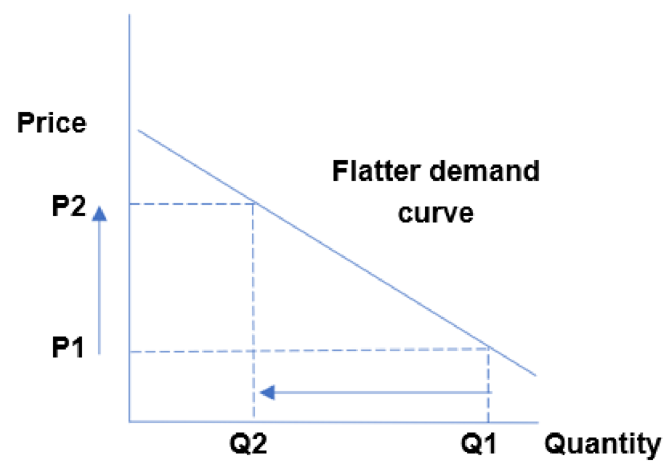
The current economic consensus forecast projects that the remaining excess savings will probably bolster consumer spending at least through the fourth quarter of 2023. As these savings dwindle, different segments of consumer spending are likely to be affected, depending on their elasticity of demand.

Elasticity of demand is an economic concept that measures the responsiveness of consumer demand to changes in factors such as the price of a good or service or consumers' income levels. It provides insight into how sensitive the quantity demanded is to these changes. Elasticity can be divided into two main categories: price elasticity of demand and income elasticity of demand.



Inelastic

Price elasticity of demand measures the percentage change in the quantity demanded with respect to a percentage change in the price of the product. Income elasticity of demand, on the other hand, measures the percentage change in the quantity demanded in response to a percentage change in consumers' income.



Elastic

Goods and services can be classified as staples or discretionary items. Staples are essential items, such as food, utilities and health care, that households typically continue to purchase regardless of fluctuations in their income levels. Discretionary spending, in contrast, refers to non-essential purchases and luxury items, such as vacations, electronics and entertainment.

Staples tend to have inelastic demand, meaning that consumers do not significantly change their purchases of these items in response to changes in income or prices. Their inelastic nature stems from the fact that such goods are necessities that households continue to consume even in the face of financial constraints or price increases.

Discretionary spending, however, exhibits a much higher elasticity of demand; thus, the quantity demanded for such goods and services is more sensitive to fluctuations in income and prices. Consumers can easily postpone or cancel the purchase of these non-essential items when they experience a drop in income or when prices rise. As a result, discretionary spending tends to be more vulnerable to inflation swings, economic downturns and income changes.

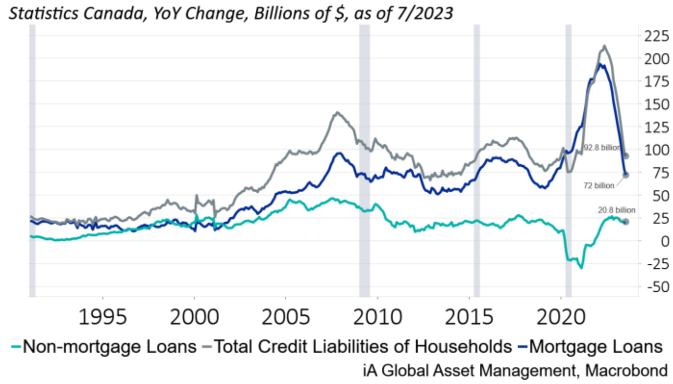
Lending Conditions: Canada & U.S.

Federal Reserve, Bank of Canada, as of 9/2023

In normal circumstances, when household savings are reduced, consumers may resort to credit as a means of smoothing consumption and maintaining their standard of living. The idea of consumption smoothing, rooted in the concept of the permanent income hypothesis, suggests that consumers prefer to maintain a stable level of consumption over time, despite short-term fluctuations in income. To that end, when their savings are insufficient to meet their spending needs, they may rely on credit, such as loans, credit cards and lines of credit.

Canada: Consumer Credit & Mortgage Loans

Statistics Canada, YoY Change, Billions of $, as of 7/2023



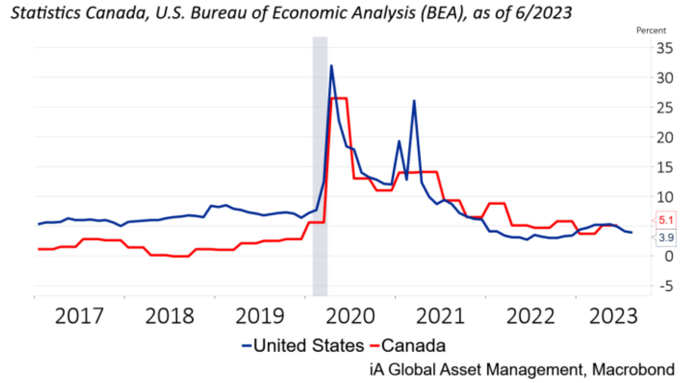
Even so, in a context of high interest rates, tight credit conditions and substantial economic uncertainty, the use of credit for consumption smoothing can be severely limited. High interest rates make borrowing costlier, and consumers may be discouraged from taking on additional debt that could worsen their financial situation. Tighter credit conditions, such as stricter lending standards or reduced credit availability, may also hinder borrowers' access to credit, as lenders often become more cautious in extending loans during uncertain economic periods.

Furthermore, economic uncertainty itself can make consumers more hesitant to use credit for maintaining their consumption levels. Uncertainty may stem from concerns about job security, income prospects or the overall health of the economy, leading consumers to be more conservative with their spending and borrowing. In this case, rather than resorting to credit, people may opt to reduce their discretionary spending, delay or forego major purchases, or find ways to adjust their budget and expenses to accommodate their reduced savings.

In conclusion, the COVID-19 pandemic led to a significant accumulation of excess savings by Canadian and U.S. households, driven by factors such as public health restrictions, reduced discretionary spending and precautionary behaviour. Although these savings are not entirely in liquid form, data suggest that households across various income levels now have more liquid funds available than in pre-pandemic times.

Personal Savings Rate

Statistics Canada, U.S. Bureau of Economic Analysis (BEA), as of 6/2023



Current economic forecasts project that the remaining excess savings will bolster consumer spending through the fourth quarter of 2023. Even so, the impact on different segments of consumer spending is likely to be influenced by the elasticity of demand for staple and discretionary items. Under normal circumstances, consumers might rely on credit to smooth consumption and maintain their standard of living when savings are insufficient. That being said, in a context of high interest rates, tightened credit conditions and economic uncertainty, consumers may instead opt to adjust their discretionary spending and/or their budgets, which should lead to subdued consumption spending.

Some final thoughts on the macro landscape

We continue to push back on the soft-landing narrative from intellectual and historical perspectives.

Our thinking goes along these lines.

If central banks stay the course and keep rates higher for longer, then the odds that it's different this time and the economy takes it in stride are low. In such a scenario, an overweight position in fixed income makes sense, as does an underweight position in equities.

If the economic picture suddenly deteriorates under the weight of restrictive monetary policy, then central banks are likely to ease off and start cutting. Once again, an overweight position in fixed income makes sense, as does an underweight position in equities.

Tying everything together, we think that fixed income offers better value right now, as an asset class, and that equities, especially in the United States, offer less value to a prudent investor.

Bottom line

Equities

Even though we have been vocal about the valuation of U.S. equities, especially in the information technology sector, there are still a few appealing stories worth exploring in the stock market.

For example, the Canadian stock market continues to offer an attractive relative valuation based on its P/E ratio and its dividend yield, and the telecommunications sector comes as a bright spot. Utilities and banks, given their solid revenue base and generous distribution yields, also offer ample value at current prices.

Current valuation vs. last 10 years (percentile)

	EV/Sales	EV/EBITDA	Price/Book	FCF Yield	P/E	Dividend yield*	Median
S&P/TSX	9%	N.A	24%	68%	12%	6%	12%
Real Estate	0%	27%	4%	99%	29%	64%	28%
Comm Services	67%	70%	0%	6%	8%	1%	7%
Financials	N.A	N.A	9%	N.A	13%	6%	9%
Energy	18%	15%	78%	89%	14%	18%	18%
Cons Staples	76%	2%	70%	77%	21%	18%	46%
Health Care	12%	68%	26%	7%	N.A	N.A	19%
Utilities	27%	23%	0%	14%	1%	6%	10%
Materials	19%	29%	30%	56%	21%	22%	25%
Industrials	70%	51%	3%	95%	59%	87%	65%
Cons Discr	40%	68%	73%	8%	39%	17%	40%
Info Tech	72%	99%	77%	23%	70%	72%	72%

Real Estate - data are since 2016
* Inverted

As for the United States, we've been vocal in recent months about lofty valuations limiting the upside in technology. Our recommendation is to take profits and to move to the money market, to real estate, energy, materials or to defensive sectors, such as utilities or consumer staples. We're staying with our tactical trade of long energy and short technology, as energy tends to be catalyst centric, and the latest moves by OPEC+ to limit any global inventory build could act as such.

Current relative valuation vs. last 10 years (percentile)

	EV/Sales	EV/EBITDA	Price/Book	FCF Yield	P/E	Dividend yield*	Median
S&P 500	75%	76%	81%	8%	67%	79%	75%
Real Estate	4%	6%	2%	57%	11%	14%	8%
Comm Services	69%	85%	79%	35%	75%	95%	77%
Financials	N.A	N.A	97%	N.A.	67%	22%	67%
Energy	45%	9%	95%	88%	11%	65%	55%
Cons Staples	29%	77%	61%	12%	30%	28%	30%
Health Care	7%	77%	71%	66%	68%	30%	67%
Utilities	54%	57%	25%	0%	45%	19%	35%
Materials	59%	34%	24%	50%	24%	43%	38%
Industrials	72%	74%	74%	56%	60%	74%	73%
Cons Discr	77%	75%	74%	25%	70%	75%	75%
Info Tech	83%	84%	81%	4%	83%	88%	83%

Real Estate - since 2016
* Inverted

Finally, earnings resilience has been better than we expected so far this year as nominal growth has outperformed. Still, our leading indicators suggest that the road might be bumpier ahead, and investors should enter 2024 with caution.

Fixed income

Given where we are in the economic cycle, it remains difficult to forecast whether we'll go through some sort of recession, a growth slump or a brief soft patch. But, from our perspective, every one of those scenarios appears to favour bonds.

As stated in the previous sections, the U.S. fiscal trust is an important reason behind the recent bout of U.S. exceptionalism but is unlikely to remain a sustainable tailwind. If the fiscal trust only becomes a neutral factor, meaning the size of the annual government deficit remains stable, than a soft-patch scenario becomes more likely.

What complicates the picture for the most optimistic forecasters is that real rates are now the most elevated since the 2008 financial crisis, creating the potential for aggravation of any economic slowdown.

U.S.: Real 10-Year Rate

Federal Reserve, as at 9/29/2023

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Looking at this picture from an asset allocation perspective, we think it's natural to expect that any unfavourable economic scenario seen as detrimental to equities would lead to a rotation out of equities, especially high-beta themes, and into fixed income. The relative attractiveness of fixed income is quite sizable; in fact, there are plenty of alternatives (TAPA) for investors.

Commodities and FX

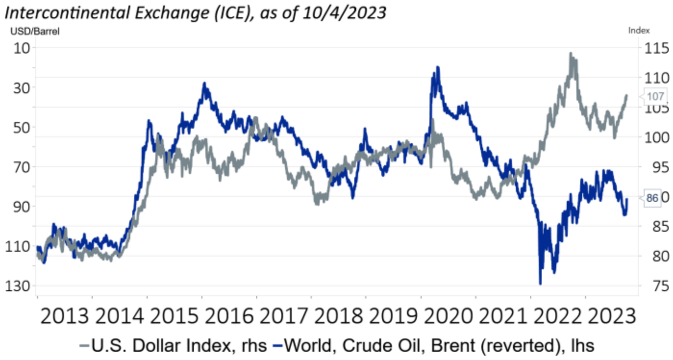
We continue to think commodities should outperform U.S. equities in the coming months, given that both asset classes diverge widely in their pricing-in of recession odds.

Even so, we remain pleasantly surprised at how resilient oil prices have been in the face of a stronger U.S. dollar in the past few years. Fundamental factors are of course at play in the oil market, such as constrained supply and still-growing demand, but we recognize that oil prices could remain elevated in the short run as the shift in correlation between oil prices and the U.S. dollar has been a staple of markets since 2021.

Our optimism on oil does need to be qualified as cautious; the recent momentum has been strong, and we do not wish to overstay our welcome. The global energy CPI rose at an annualized rate of 14% in the 3 months through August, supported by OPEC+ production cuts. A sustained supply shock like this one should eventually weigh on global growth and, incidentally, oil demand.

Oil: Shifting Market Correlation

Intercontinental Exchange (ICE), as of 10/4/2023



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As long as OPEC+ seems focused on further reducing global oil inventories through production cuts, we can make the case that commodities could hold or even add to their gains. Any sign of sudden economic deterioration should give the signal to take profits on this trade.

FX Rates: CAD/USD

Macrobond Financial AB, as at 10/5/2023

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Interestingly, the loonie has been caught in the crossfires of U.S. exceptionalism versus rising energy prices. We remain careful on our assessment of the next move on the Canadian dollar, given how the U.S. dollar tends to outperform global currencies in global economic slowdowns. But we are of the opinion that, given the resilience of the Canadian economy, the loonie could be one of the quickest currencies out of the gate when we finally see the start of a brand-new economic cycle.

Market Performance

(Total return, in local currency)

As of September 30th, 2023	MTD%	QTD%	YTD%	Δ1Y%
Equity				
S&P 500	-4.8%	-3.3%	13.1%	21.6%
S&P/TSX	-3.3%	-2.2%	3.4%	9.5%
NASDAQ	-5.1%	-3.1%	34.5%	34.1%
MSCI World	-3.7%	-2.6%	12.1%	20.4%
MSCI EAFE	-1.1%	-1.3%	10.7%	20.3%
MSCI EM	-1.8%	-1.3%	4.4%	11.3%
Commodities				
Gold	-4.7%	-3.7%	1.3%	11.3%
CRB	-0.8%	0.1%	-1.1%	-1.9%
WTI	8.6%	28.5%	13.1%	14.2%
Fixed Income				
FTSE Canada Universe Bond	-2.6%	-3.9%	-1.5%	-1.4%
FTSE Canada Long Term Bor	-6.0%	-9.5%	-4.6%	-5.6%
FTSE Canada Corporate Bon	-1.8%	-2.2%	0.7%	1.7%
Currency				
DXY	2.5%	3.2%	2.6%	-5.3%
USDCAD	0.5%	2.5%	0.2%	-1.8%
USDEUR	2.6%	3.2%	1.3%	-7.3%
USDJPY	2.6%	3.5%	13.9%	3.2%
USDGBP	3.9%	4.1%	-1.0%	-8.4%

As of September 30th, 2023	MTD%	QTD%	YTD%	Δ1Y%
S&P/TSX Sectors				
Financials	-2.1%	-2.6%	1.0%	4.4%
Energy	0.9%	10.3%	7.7%	17.4%
Industrials	-3.7%	-4.2%	4.2%	11.8%
Materials	-6.0%	-3.8%	-3.2%	4.7%
Information Technology	-9.9%	-7.5%	36.4%	53.6%
Utilities	-6.8%	-12.0%	-7.4%	-14.3%
Communication Services	-6.2%	-12.5%	-9.3%	-5.5%
Consumer Staples	-1.3%	-1.2%	3.8%	12.6%
Consumer Discretionary	-2.7%	-7.1%	3.4%	12.5%
Real Estate	-6.8%	-6.1%	-3.4%	3.4%
Health Care	-6.4%	14.5%	16.0%	3.4%
S&P 500 Sectors				
Information Technology	-6.9%	-5.8%	33.8%	39.7%
Health Care	-3.1%	-3.1%	-5.3%	6.4%
Consumer Discretionary	-6.0%	-5.0%	25.7%	12.6%
Financials	-3.2%	-1.6%	-3.1%	9.5%
Communication Services	-3.3%	2.8%	39.4%	37.2%
Industrials	-6.1%	-5.6%	3.1%	22.4%
Consumer Staples	-4.8%	-6.6%	-6.6%	4.5%
Energy	2.5%	11.3%	3.2%	25.6%
Utilities	-5.8%	-10.1%	-16.5%	-10.0%
Real Estate	-7.8%	-9.7%	-8.0%	-5.4%
Materials	-5.0%	-5.2%	1.0%	15.6%

About iAGAM

A magnet for top investment talent, iA Global Asset Management is one of Canada's largest asset managers, with over $100 billion under management across institutional and retail mandates. We help investors achieve their long-term wealth creation goals through innovative investment solutions designed for today's complex markets. We are building upon our historic success, supporting the growth of our core strengths, and exploring innovative ways to meet investor needs. We are rooted in history and innovating for the future. Our experienced portfolio managers use a proprietary investment methodology, rooted in iAGAM's unifying commitment to strong risk management, analytical rigor and a disciplined, process-driven approach to asset allocation and security selection.

Rooted in history, innovating for the future.
