iA Global Asset Management

Monthly Macro & Strategy

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Highlights

- The inflationary environments of the 1940s and the 1970s were largely driven by single, significant exogenous shocks, whereas today's pressures result from various sources.
- Disparities in goods and services inflation highlight the shifting dynamics over time due to the global economy, government policies, and consumer behavior.
- This month, we introduce our proprietary momentum indicators for each individual asset class.

Inflation Time Machine: A Journey from the Swingin' Forties to the Disco Seventies and Beyond

The economic landscape evolves under the influence of various factors that shape the course of history and the financial markets. Inflationary environments during different eras have been marked by distinct features and influential factors, teaching valuable lessons that apply today.

This edition of our monthly publication takes you on a journey through the inflationary episodes of the 1940s, the 1970s, and the present day, offering insights into how exogenous shocks, goods and services inflation, and wage dynamics have evolved within the U.S. economy. Even though the primary focus is on the United States, many of the conclusions apply to other developed markets, such as Canada. By examining these patterns in depth, we can better understand economic trends and navigate the constantly changing financial world that defines our contemporary reality.

Exogenous Shocks: Comparing the 1940s, 1970s, and Today

The inflationary environments of the 1940s and the 1970s were largely driven by single, significant exogenous shocks. In contrast, today's inflationary pressures are more complex, resulting from a combination of factors.

In the 1940s, the Second World War emerged as the principal catalyst for inflation. The war sparked a massive increase in the demand for raw materials, labour, and equipment, placing substantial strain on global supply chains. Additionally, governments implemented various price controls and rationing measures, further contributing to supply shortages and driving up prices. In the post-war years, pent-up consumer demand and wage hikes fuelled inflationary pressures. Overall, the exogenous shocks during this period were due primarily to the wartime economy.

Global Asset Allocation Positioning (November 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			■			

The 1970s brought another major exogenous shock – the OPEC oil embargo. With oil prices quadrupling almost overnight, the effects reverberated throughout the global economy, especially in developed nations reliant on imported oil. Consequently, businesses faced increased production costs, which they transferred to consumers. Furthermore, the price hikes spurred wage-price spirals, as workers demanded

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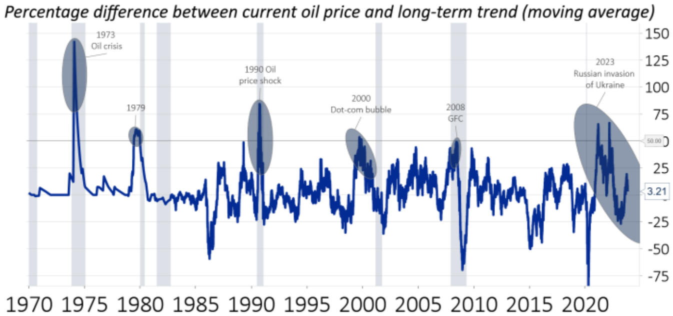
higher wages to cope with rising living expenses, exacerbating inflation even more.

Effect of exogenous shocks on the price of oil

Percentage difference between current oil price and long-term trend (moving average)



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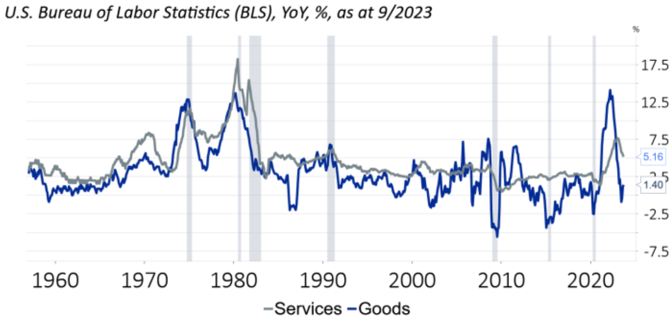
In contrast, the current inflationary environment isn't driven solely by a single, powerful exogenous shock. Instead, it is due to various factors, such as global supply-chain disruptions caused by the COVID-19 pandemic, fiscal stimulus measures, and an uneven economic recovery. This blend of demand- and supply-side pressures has led to a more intricate inflationary landscape, where multiple elements interact with and influence one another.

Goods versus Services Inflation: Comparing the 1940s, 1970s, and Today

The disparities in goods and services inflation in the 1940s, the 1970s, and the present day highlight the shifting dynamics of the global economy, government policies, consumer behaviour, and exogenous factors over time.

U.S.: Inflation in Goods vs Services

U.S. Bureau of Labor Statistics (BLS), YoY, %, as at 9/2023



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1940s: Balanced Inflation

In the 1940s, goods and services inflation manifested itself more evenly. The world was grappling with the Great Depression's aftermath, and the Second World War demanded massive resource reallocations. The balanced nature of goods and services inflation during this period can be attributed primarily to the broader economic challenges and the transition from a wartime to a peacetime economy.

1970s: Goods Inflation Outpaces Services

The 1970s saw a notable divergence between goods and services inflation, with goods inflation escalating to 10.3% in 1973. The primary driver for this stark difference was the OPEC oil embargo, which dramatically raised production costs as oil prices quadrupled. Businesses passed the increased costs on to consumers, leading to higher goods prices. Meanwhile, services inflation registered a lower rate, at 6.4%, because it was less directly affected by the oil crisis.

Present Day: Services Inflation Takes the Lead

In today's economic climate, services inflation has overtaken goods inflation, with service prices now standing at 5.16% a year versus a 1.4% increase in goods prices. The primary catalyst for this reversal is the COVID-19 pandemic, which has dramatically altered consumer behaviour and spending patterns. As lockdowns and social distancing measures forced people to limit purchases of non-essential goods, they pivoted to services, particularly in the digital realm. This demand shift caused a surge in prices for various services, such as streaming platforms, online education, and telemedicine. Consequently, the current economic environment exhibits a significant departure from past inflationary episodes, with services inflation assuming a more dominant role.

Wage Inflation Dynamics: Elaborating on the 1940s and 1970s

The wage inflation spirals of the 1940s and 1970s were influenced by the unique economic, political, and social contexts of those times. To understand the underlying mechanisms driving these wage-inflation dynamics, it is essential to delve deeper into the specific conditions that shaped the two decades.

1940s: Complex Post-War Wage Pressures

The wage inflation spiral of the 1940s was shaped predominantly by the aftermath of the Second World War. The complex interplay between several factors contributed to the upward pressure on wages and inflation during this period. Labour-market shifts occurred as military personnel returned to civilian life, substantially expanding the labour force and altering the skills landscape as women who had entered the workforce during the war were displaced amid the conversion of plants from military to civilian use.

Government interventions during this period played a significant role in shaping wage dynamics. For example, the GI Bill provided financial support for education, housing, and business opportunities, affecting labour-market conditions and wage prospects. Furthermore, the strength of labour unions played a crucial role in wage pressures, with union membership soaring to more than 14 million workers in 1945, or about 35% of the non-agricultural workforce. This surge in membership led to collective bargaining agreements and strikes, further influencing the inflationary environment.

Despite these seemingly powerful drivers, the wage-inflation spiral in the 1940s was relatively contained, with wage growth peaking at an annualized rate of 14.4% in 1947. The strong focus on rebuilding and recovery across industries and the continued presence of government interventions, including price controls and rationing systems, played a moderating role.

1970s: Oil Crisis and Escalating Wages

The wage-inflation spiral of the 1970s was markedly different from the previous decades, largely because of the OPEC oil embargo and its far-reaching impact on goods prices and the cost of living.

As businesses faced higher production costs due to soaring oil prices, they passed the costs on to consumers, causing a significant spike in goods prices. For example, U.S. consumer prices for goods increased by an average of 7.4% a year from 1973 to 1982. In response to spiralling costs, workers demanded increased wages to maintain their standard of living.

A prime example of the wage-inflation spiral was the 1974 coal miners' strike in the United Kingdom, which resulted in a 35% pay rise and contributed to the inflationary spiral. The settlement elevated the base for wages, which then contributed to a self-reinforcing cycle of rising wages and prices.

Persistently high inflation during the 1970s led to widespread expectations of continuing inflation. Consequently, businesses and workers factored these expectations into their wage- and price-setting decisions, further perpetuating the wage inflation spiral. In 1980, annual inflation peaked at 13.5% in the United States.

Government measures to address inflation during this period, such as monetary and fiscal policies, as well as attempts to regulate wages and prices, were largely unsuccessful. Often, these policies led to unintended consequences, such as stagflation (a combination of stagnant economic growth, high unemployment, and high inflation), or they were met with public resistance, adding to the challenge of containing inflation.

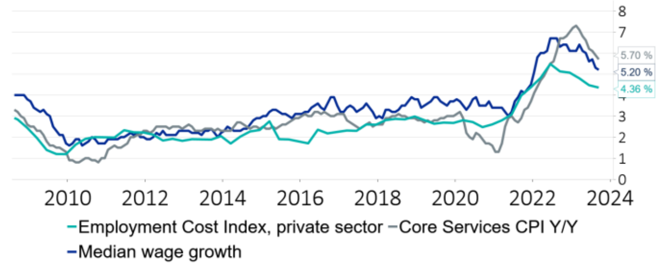
Current Wage-Inflation Dynamics

The current wage-inflation dynamics present a unique and complex situation compared with the historical episodes of the 1940s and 1970s. Several factors contribute to the evolving landscape, highlighting the multifaceted nature of today's economic environment.

First, the COVID-19 pandemic temporarily disrupted labour markets around the world, leading to widespread job losses and furloughs in severely affected industries, such as leisure and hospitality, retail, and tourism. In contrast, some sectors, such as e-commerce, health care, and technology, saw an increase in demand for workers, resulting in upward pressure on wages.

U.S.: Faster wage growth to keep services inflation elevated

BLS, as at 9/2023



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The pandemic has also accelerated the adoption of remote work, allowing employees to work from home or to relocate to more affordable areas while retaining their jobs. This shift has altered the dynamics of labour supply, giving companies access to a wider pool of talent across different regions and potentially increasing the bargaining power of workers and their wage demands.

Governments around the world have implemented various measures to support workers and businesses during the pandemic. Programs such as unemployment benefits, wage-support schemes, and direct cash transfers have temporarily mitigated the downward wage pressures caused by the crisis. Even so, the phased withdrawal or termination of these programs might create new labour-market dynamics and wage pressures.

As the economic landscape continues to evolve, the demand for some skills increases while others become obsolete. This skills mismatch, coupled with the rise of automation and artificial intelligence in various industries, can further influence wage dynamics by creating shortages of highly skilled labour, leading to increased competition for such workers and higher wages.

Lastly, the recent uptick in inflation, driven by factors such as supply-chain disruptions, pent-up consumer demand, and fiscal stimulus, has prompted concerns about rising inflation expectations. If businesses and workers begin to expect higher inflation, this mindset may become ingrained in wage- and price-setting decisions, potentially contributing to a wage-price spiral.

Concluding Remarks on Inflation

When comparing the inflationary periods of the 1940s, the 1970s, and the present day, we can see clearly that each era is marked by distinct characteristics and factors. Even though the United States serves as the primary focus of this analysis, the general conclusions apply to other developed markets. Recognizing these differences is crucial as we navigate the current inflationary environment and adapt our financial strategies accordingly.

The current inflation bout notably diverges from that of the 1970s, which was characterized by the OPEC oil embargo and ensuing wage-price spirals. In contrast, today's inflationary pressures are multifaceted, resulting from a combination of global supply-chain disruptions caused by the COVID-19 pandemic, fiscal stimulus measures, and an uneven economic recovery. This complex interplay of factors distinguishes the current inflation scenario from the historically significant, exogenous, shock-driven inflation of the 1970s.

Moreover, the changing dynamics of goods and services inflation, as well as the evolving wage inflation landscape, further emphasize the distinct nature of today's economic environment. By acknowledging these differences and learning from the challenges faced during the 1940s and 1970s, financial professionals and market observers can develop a more comprehensive understanding of current inflationary pressures and craft informed strategies to address them.

Bottom line

Equities

The **macroeconomic** environment remains a risk factor as the lagged impacts of monetary policy continue to make their way slowly into the economy and markets.

S&P 500: 12-Month Fwd Sales YoY vs ISM Manufacturing

6 month lead on ISM, as at 10/31/2023

The manufacturing sector is already in a recession and recently seems to have bottomed. That being said, between the ISM manufacturing index is a leading indicator of both sales and earnings growth on the S&P 500 Index, and the historical relationship is too tight to ignore.

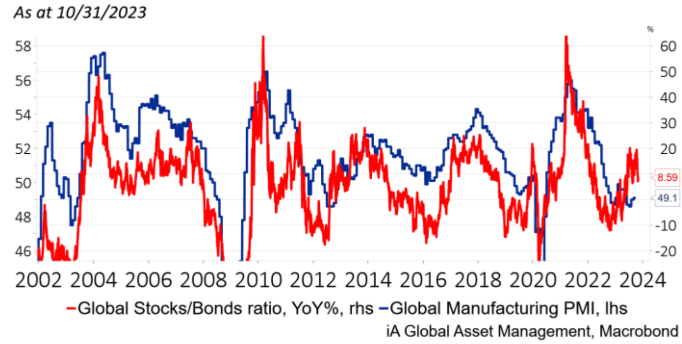
S&P 500: Earnings Growth vs ISM Manufacturing

6 month lead on ISM, as at 10/31/2023

The relationship between the performance of the global stocks/bonds ratio also hinges on the behaviour of the global manufacturing cycle, and, although the macro data have recently taken a turn for the better, we continue to reserve our judgment before calling a bottom, at least until we clear the hurdle caused by the short-term, ultra-stimulative fiscal policy in the United States.

Global PMI vs Global Stocks/Bonds Ratio

As at 10/31/2023



Still, our integrated framework makes use of our macro views and combines them with other important factors, such as momentum, valuation, and sentiment analysis. Even though our macro views are not conducive to risk taking, the picture is a bit more constructive on a tactical level from momentum and valuation.

In terms of **momentum**,[1] our framework paints a diverging regional picture.

Starting with the U.S. indexes, we see that short-term trends have turned negative on every index, while the long-term, slow-moving trends remain positive. The medium-term trend is diverging between the NASDAQ and the S&P 500, with a more negative signal on the latter.

Outside the U.S., we note that momentum signals are generally negative on every window, with the Nikkei and EAFE indexes sending a few positive signals on the medium and/or slow components. Overall, even though momentum has led our positioning to be more favourable to global

[1] The momentum tables across this publication show the output of our proprietary methodology, with the z-scores of momentum measures across three time windows, fast (less than 100 days), medium (between 100 and 200 days) and slow (more than 200 days).

equities in previous months, the deterioration of most trends is arguing for a reduction in equity exposure.

Momentum across equity indices

Equities	Fast	Medium	Slow
S&P500	-0.67	-1.13	0.35
NASDAQ	-0.95	0.68	1.11
Russel 2000	-0.46	-0.97	-0.40
S&P/TSX 60	-0.86	-0.51	-0.50
MSCI EAFE	-0.24	-0.43	0.21
NIKKEI 225	-1.43	0.74	1.41
MSCI EM	-0.61	-0.90	-0.12

Turning to **valuation**, we get mixed signals, depending on geographies. As can be inferred from the table below, the large cap U.S. indexes are considered on most metrics to be expensive on a historical basis, with median 10-year percentiles of 71% on the S&P 500 and 77% on the NASDAQ, far ahead of Canada (11%), EAFE (7%) and Japan (20%). In the United States, small caps remain inexpensive as the median percentile is among the lowest listed below, at 8%.

Current valuation vs. 10 years historical (percentile)

	EV/Sales	EV/EBITDA	Price/Book	FCF Yield	P/E	Dividend yield*	Median
S&P/TSX	4%	N.A	14%	71%	11%	4%	11%
NASDAQ	78%	80%	77%	12%	79%	72%	77%
S&P 500	70%	72%	76%	13%	60%	75%	71%
MSCI World	56%	24%	76%	28%	36%	71%	46%
MSCI Japan	16%	10%	56%	7%	55%	23%	20%
Russell 2000	3%	13%	2%	100%	0%	95%	8%
MSCI EAFE	3%	2%	42%	88%	4%	11%	7%
MSCI ACWI	51%	32%	74%	58%	41%	69%	55%
MSCI EM	36%	54%	28%	98%	51%	9%	44%

* Inverted

Emerging markets are more of a mixed bag, with the median percentile sitting near the mid-point, at 44%.

Finally, we see the large footprint of U.S. equities in the global indexes; the MSCI World and ACWI indexes show median percentiles of about 50%.

U.S.: AAII Stocks as % of Total Holdings

American Association of Individual Investors (AAII), as at 9/25/2023

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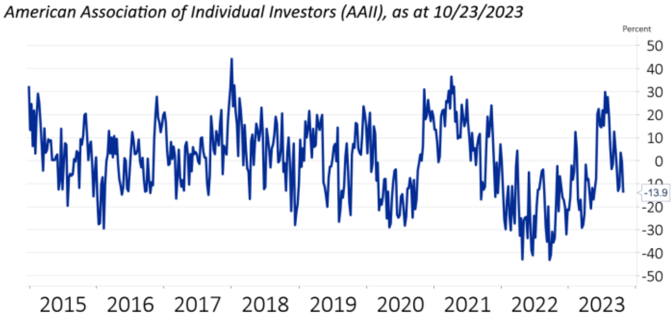
Turning to **sentiment**, we note that investor perception has shifted wildly over the past year, from strongly negative to strongly positive, as shown by both the AAII sentiment survey and the well-followed JP Morgan Global Equity Sentiment Indicator.

U.S.: AAII Bull-Bear Spread

American Association of Individual Investors (AAII), as at 10/23/2023



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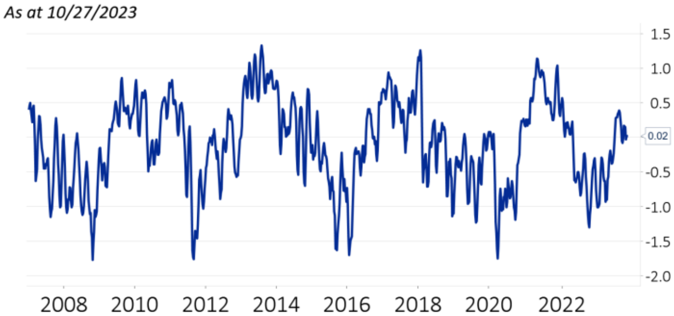
Investors' current positioning also seems to be more neutral, with the VIX index still hovering around the 20 level. All in all, this suggests a more balanced picture on sentiment, with the recent signs of excess enthusiasm from retail investors having largely disappeared.

J.P. Morgan Global Equity Sentiment Indicator

As at 10/27/2023



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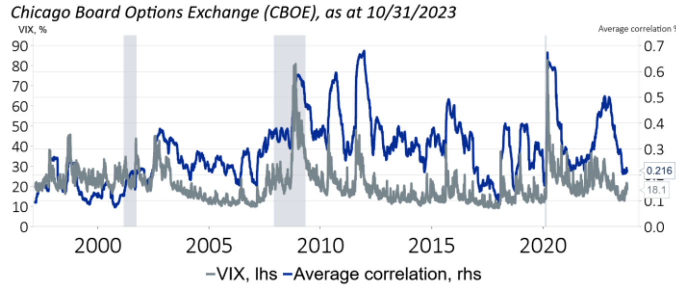
Wrapping up equities, we note that our macro signals and momentum do not tell a compelling story for risk taking, but valuations and sentiment combine to advocate for a less defensive positioning outside the large U.S. indexes.

VIX vs. average correlation of daily rates of changes for all S&P 500 constituents

Chicago Board Options Exchange (CBOE), as at 10/31/2023



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Fixed Income

North American long rates continued their upward trend in October, with gains of as much as 30 basis points in a single week at mid-month.

The recent revisions to expected growth (the soft-landing scenario, which we don't adhere to, continues to gain traction among investors), expected inflation (geopolitical risk premium amid the flare-ups in the Middle East), and the term premium (investors now hearing the higher-for-longer message from central bankers) all played a role in pushing the U.S. 10-year rate to 5% for the first time since 2007.

U.S.: 10-Year Rate

As at 10/31/2023

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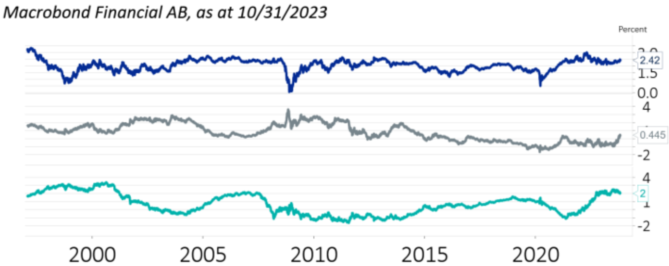
U.S.: 10-Year Rate Decomposition

Macrobond Financial AB, as at 10/31/2023



–10-Year Inflation Expectations –Crump & Moench 10 Year Treasury Term Premium
–Expected Real Growth

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Our **macro** framework is sending convincing signals to overweight sovereign bonds and duration. Given how prevalent the soft-landing narrative is and our view that the negative effects of monetary policy tightening on growth are still unfolding, we expect negative growth and inflation surprise to hit investors in the coming quarters, which should push long sovereign rates lower.

Momentum across select bond indices

Fixed Income	Fast	Medium	Slow
US 10YR Note	-1.02	-1.30	-1.29
CAN 10YR Bond	-0.95	-1.30	-1.30

Turning to **momentum**, we have to acknowledge that the recent trends have been quite unfavourable, but the fast signals are getting better on both sides of the border, as market rates have crept up to 15-year highs. The road to the current levels has been bumpy, and we never know when such impressive, sustained moves will occur, so we'll keep our eyes on the behaviour of the fast and medium signals before definitely calling for a reversal in momentum.

From a **valuation** perspective, sovereign bonds have become attractive again.

Even though it is generally tricky to come up with a fair value measure of interest rates, we are firm believers in long-term relationships as investment guides. Looking at the historical returns on 10-year U.S. bonds, we find (using the Bogle & Nolan model) that the main determining factor in long-term returns is simply the prevalent rate at the time of purchase, meaning that capital gains tend to be of lesser importance over time (chart).

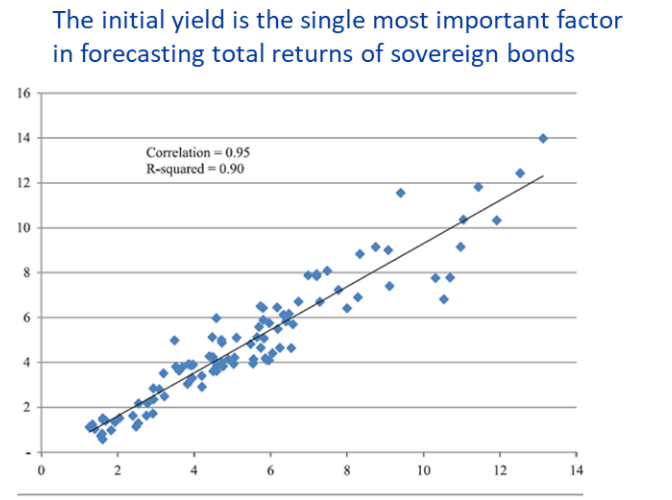

Figure 1. Initial yield on the 10-year U.S. Treasury bond v.s. subsequent 10 years return, yearly data, 1915 - 2014. Source: Bogle and Nolan.

Current valuation doesn't tell us anything about the expected short-term performance of sovereign bonds but it does tell us that, on the basis of this tight historical relationship, the current entry point seems better than at any other time in the past 15 years.

Turning to corporate bonds, we see that spreads on IG and HY bonds remain tight compared with previous recessionary periods, indicating that the space is either cheap or expensive depending on the economic outcome of 2024.

Corporate Spreads: Investment Grade and High Yield

Bloomberg, as at 11/1/2023

–10-Year HY Spread , rhs –10-Year IG Spread , lhs

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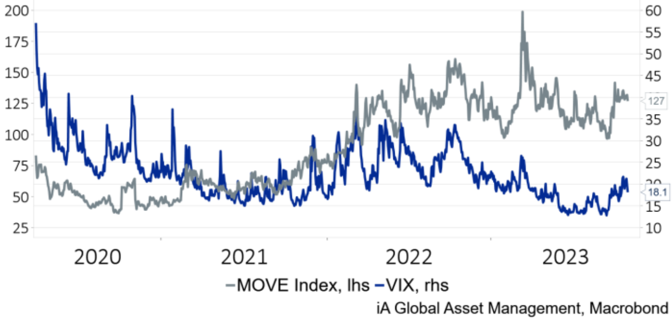
As our macro framework continues to point to risks of a mild recession in the coming quarters, we are inclined to conclude that spreads should be wider, especially for HY bonds, leading us to take a clear underweight position.

Regarding IG bonds, our positioning so far this year has been to remain slightly overweight, given how resilient spreads have been amid strong institutional demand for high-quality paper. We also know from history that HY spreads widen much more than IG spreads in a recession, adding to the opportunity for a long/short trade that could be beneficial if the macro landscape deteriorates.

Implied Volatility in Stocks (VIX) vs Bonds (MOVE)

CBOE, as at 10/31/2023

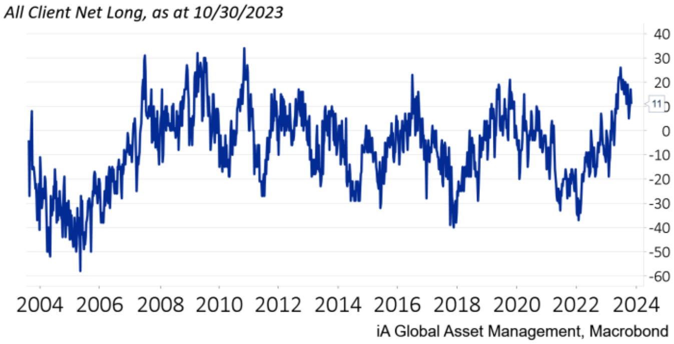


Finally, looking at investor **sentiment**, we note that the MOVE index (representing the bond market's implied volatility) continues to stick out and to suggest ample nervousness in the market.

Even though this nervousness is not surprising, given how violent the recent repricing of the bond market has been, it does continue to suggest that a contrarian long positioning makes sense. The JP Morgan Client Survey Indicator also sends a positive signal that institutional investors remain net long.

JP Morgan U.S. Treasury Investor Sentiment

All Client Net Long, as at 10/30/2023

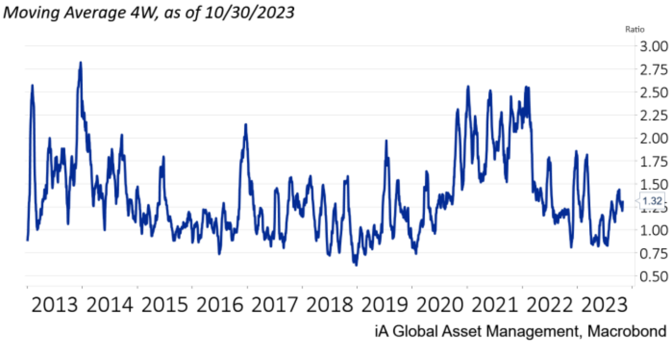


Last, the put/call ratio on 10-year U.S. Treasuries moved above 1 in the past month, but seems to have turned the corner, indicating less appetite for protection and emerging positive views on the asset.

Overall, even though momentum has clearly not been favourable to an overweight in fixed income in general so far in 2023, the convincing signals from our macro, valuation, and sentiment analysis combine to support an overweight position, mostly in high-duration sovereign bonds and IG corporate bonds, and a significant underweight in lower-quality HY bonds.

Put/Call Ratio Treasury Note U.S. 10-Year

Moving Average 4W, as of 10/30/2023



Commodities and Foreign Exchange

Heightened tensions in the Middle East have already increased the geopolitical risk premium on crude oil, and could add further upside to global oil prices, depending on how far the current conflict spreads. This context makes fossil fuels an even more attractive asset class in the short run, while also making the macro picture, inflation expectations, and the outlook for base metals more blurry, given that higher energy prices can be a drag on global growth.

After our comments from last month regarding the potential for commodities to outperform U.S. equities in the coming months, the news flow in October only reinforced our view, mostly from the perspective of higher oil prices.

Momentum across select commodities

Commodities	Fast	Medium	Slow
WTI Crude	0.50	0.56	0.00
Gold	0.51	-0.22	0.45
Copper	-1.12	-1.02	-0.81

Our **momentum** analysis framework suggests that oil and gold are favored in the short-term, with gold also posting a long-term uptrend. Copper, on the other hand, remains out of favour.

Our sights this month are turning to gold.

Gold had an interesting rebound in October in response to the Israel-Gaza situation, playing its role as a geopolitical diversifier in portfolios. The jury is still out about the potential for more gains, given the rise in real rates and the U.S. dollar, but it does seem that the yellow metal continues to have a niche despite the emergence of crypto currencies.

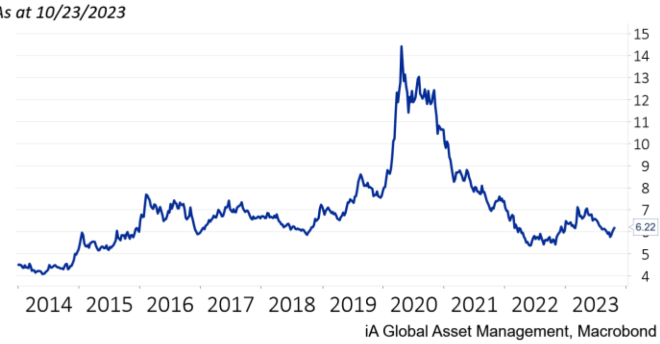
The recent relative performance of gold versus other asset classes is once again informative in that the asset class forms an essential component of a well-balanced portfolio in times of geopolitical turmoil. Gold outperformed not only U.S. equities but also the overall commodity basket in October. As the geopolitical situation in the Middle East remains fluid, and gold has only begun to react, we will be looking for a good entry point in gold in the coming month, which could come from a short-term pullback or a convincing break through the recent resistance levels.

Gold: Relative performance vs S&P 500

As at 10/23/2023

Gold: Relative performance vs CRB Index

As at 10/23/2023



Gold: Relative performance vs L-T U.S. Treasuries

TLT ETF used as proxy for Treasuries, as at 10/23/2023

Looking at foreign exchange, we see that the strength of the U.S. dollar has been massive over the past 6 months, and momentum on the Canadian dollar is negative across all windows. The euro still seems to be favoured by long-term momentum, but the deterioration of the fast and medium components bodes ill for holding a positive view. The signal from momentum is clear: don't fight the trend (yet) on the U.S. dollar.

Momentum across select exchange rates

FX	Fast	Medium	Slow
CAD/USD	-1.12	-0.28	-0.02
EUR/USD	-0.87	-0.54	0.46

Finally, the loonie is still struggling to find its footing despite the resilience of oil prices. It seems that, for now, the worries surrounding the global economic cycle are pushing capital flows toward the U.S. dollar as a safe haven, and that quite likely a seeming bottom in global macro data or a flare-up in oil prices will be needed to restore an upward trend on the Canadian dollar.

Still, as stated repeatedly in previous publications, 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 October 31st, 2023	MTD%	QTD%	YTD%	Δ1Y%
Equity				
S&P 500	-2.1%	-2.1%	10.7%	10.1%
S&P/TSX	-3.2%	-3.2%	0.1%	0.4%
NASDAQ	-2.1%	-2.1%	31.7%	26.3%
MSCI World	-2.6%	-2.6%	9.1%	9.5%
MSCI EAFE	-3.4%	-3.4%	7.0%	10.4%
MSCI EM	-3.6%	-3.6%	0.7%	10.2%
Commodities				
Gold	7.3%	7.3%	8.8%	21.4%
CRB	-1.6%	-1.6%	-2.8%	-1.8%
WTI	-10.8%	-10.8%	0.9%	-6.4%
Fixed Income				
FTSE Canada Universe Bond	0.4%	0.4%	-1.1%	0.0%
FTSE Canada Long Term Bon	-0.3%	-0.3%	-4.9%	-3.1%
FTSE Canada Corporate Bonc	0.4%	0.4%	1.1%	3.0%
Currency				
DXY	0.5%	0.5%	3.0%	-4.4%
USDCAD	2.2%	2.2%	2.4%	1.8%
USDEUR	0.0%	0.0%	1.2%	-6.6%
USDJPY	1.5%	1.5%	15.7%	2.0%
USDGBP	0.4%	0.4%	-0.6%	-5.6%

As of October 31st, 2023	MTD%	QTD%	YTD%	Δ1Y%
S&P/TSX Sectors				
Financials	-4.9%	-4.9%	-4.0%	-3.8%
Energy	-0.1%	-0.1%	7.7%	3.0%
Industrials	-3.5%	-3.5%	0.5%	0.8%
Materials	-4.1%	-4.1%	-7.2%	1.2%
Information Technology	-6.1%	-6.1%	28.0%	30.1%
Utilities	-4.5%	-4.5%	-11.5%	-16.0%
Communication Services	-0.6%	-0.6%	-9.8%	-10.8%
Consumer Staples	3.8%	3.8%	7.7%	10.8%
Consumer Discretionary	-2.0%	-2.0%	1.4%	2.0%
Real Estate	-6.0%	-6.0%	-9.2%	-5.5%
Health Care	-12.6%	-12.6%	1.4%	-15.8%
S&P 500 Sectors				
Information Technology	-0.1%	-0.1%	33.7%	29.6%
Health Care	-3.3%	-3.3%	-8.5%	-6.2%
Consumer Discretionary	-4.5%	-4.5%	20.0%	7.3%
Financials	-2.6%	-2.6%	-5.6%	-4.7%
Communication Services	-2.0%	-2.0%	36.6%	34.5%
Industrials	-3.0%	-3.0%	0.1%	4.3%
Consumer Staples	-1.4%	-1.4%	-7.9%	-5.3%
Energy	-6.1%	-6.1%	-3.0%	-5.5%
Utilities	1.2%	1.2%	-15.5%	-10.7%
Real Estate	-2.9%	-2.9%	-10.7%	-9.9%
Materials	-3.2%	-3.2%	-2.2%	2.7%

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.
