

# Global Markets Compass

Quarterly market and economic breakdown to help guide you in the right direction

Winter 2025 | As of December 31, 2024



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## Portfolio Solutions Research Forum

The views of our Portfolio Solutions Research Forum help guide CIBC Asset Management and our partners by providing strategic asset allocation recommendations, as well as strategic and tactical investment oversight for CIBC managed solutions.



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# Market review



## Economic overview

- Despite volatility in the last few trading days of 2024, global equity markets posted strong gains for the year.
- The US presidential election drove strong US market sentiment as investors anticipated pro-business policies under the new Trump administration.
- Outside of the US, most equity markets lagged due to threats of tariffs on US imports under the new Trump administration. Canadian equities held up relatively well, boosted by robust Shopify returns.
- Emerging markets delivered the weakest returns as China—a large proportion of emerging markets equity—remains the largest target for proposed US import tariffs.



## Fixed income markets

- 10-year US Treasury yields fell to a low of 3.62% in September when the US Federal Reserve (the Fed) embarked on its first rate cut, causing a rally in bonds. However, this was short lived as the 10-year yield rose by over 100 basis points (bps) to end the year. While the Fed cut its key policy rate in each of the last three meetings of the year, it signaled a more hawkish tone going forward.
- Within Canada, bond market returns were flat in Q4 but gained over 4% for the year following the Bank of Canada's (BoC) rate cuts that outpaced those implemented by the Fed. Given the Fed's slower pace of cuts and less dovish tone, bond markets in the US fell by 3% USD in the final quarter of the year but still managed small gains of 1.3% USD for the year. High-yield bonds outperformed throughout the year, while short-term bonds outperformed longer terms.
- The FTSE Canada Universe Bond Index rose 4.2% CAD on the year, with gains seen in high-yield, short-term and government bonds for Q4 as well. Mid- and long-term bonds underperformed with negative Q4 returns, but all Canadian bond sectors managed positive returns for the year, led by double-digit gains among high-yield indices.



## Equities

### Canada

- The BoC aggressively cut its key overnight interest rate in the second half of 2024, with five cuts totaling 175 bps, including two 50 bps cuts in Q4. The BoC was encouraged by slowing inflation, while the cuts helped push the S&P/TSX Composite Index to 2024 gains of over 20% and set all-time highs in December.
- Following a strong first half of 2024, the Canadian economy grew in Q3 at a slower pace, but with strong Year-over-Year (Y/Y) growth led by household and government spending. This was slightly offset by slowing business investment and exports. With an increase in labour force entrants, the Canadian unemployment rate edged higher to 6.8% in November, an increase of 1% Y/Y and 2% since its 2022 lows.
- As with other global indices, the S&P/TSX Composite Index was led higher by the information technology sector, which rose over 22% on the quarter and 38% in the year, while the financials sector gained over 30% in 2024. This was partly offset by the communication services sector, down over 19% in Q4, making it the only negative sector on the year (-21.1%).

### US

- US markets were buoyed by continued economic growth where technology gains driven by artificial intelligence, low unemployment, income growth, and strong retail sales were all important factors.
- The S&P 500 index rose 2.4% USD (9% CAD) in the fourth quarter, led by the consumer discretionary sector, which was propelled by shares of Tesla, which may be a strong beneficiary of lighter regulation under the Trump administration. Over the year, the index benefited from the performance of Magnificent 7 stocks such as Nvidia, which rose 171%.

- In contrast small- and mid-cap stocks underperformed over the year, with the Russell 2000 Index still posting double-digit gains but less than half the returns of the large-cap S&P 500 index which gained 25% USD (36.4% CAD) on the year following similar gains in 2023.
- The materials sector was the only sector not to post gains in 2024, while eight sectors rose by at least 15% USD for the year.

### International

- While global growth remained resilient, international economies had mixed results. The World Bank maintained a growth projection of 7% for India despite high inflation, while China's GDP growth slowed since Q2, attributed to weakness in the real estate sector from higher borrowing costs. Germany is projected to return to growth in 2025 following negative GDP in 2023 and into Q4 2024, while Japan's GDP also remained muted in 2024.
- International equity markets struggled in local currency terms in Q4 but still managed double-digit gains for the year, as measured by the MSCI EAFE Index. The Nikkei 225 Index rose over 5% JPY (1.9% CAD) in Q4 and nearly 20% JPY (17.2% CAD) for the year as Japan ended eight years of negative interest rates in the spring, but maintained ultra-low borrowing rates in an attempt to stimulate growth. International value stocks outperformed growth, led by the financials sector. Canadian investors holding international equities also benefited from a weaker Canadian dollar.
- While emerging markets demonstrated relative weakness in Q4, driven by weakness in Chinese stocks, emerging markets outperformed developed non-US stocks, as measured by the MSCI EAFE Index, over the year. MSCI China delivered -1.7% CAD in Q4, but over 30% CAD in 2024. The MSCI Taiwan Index rose over 10% CAD in the final quarter and over 47% CAD for the year. Conversely the MSCI Emerging Markets Latin America Index fell by over 10% CAD in Q4 and over 19% on the year.

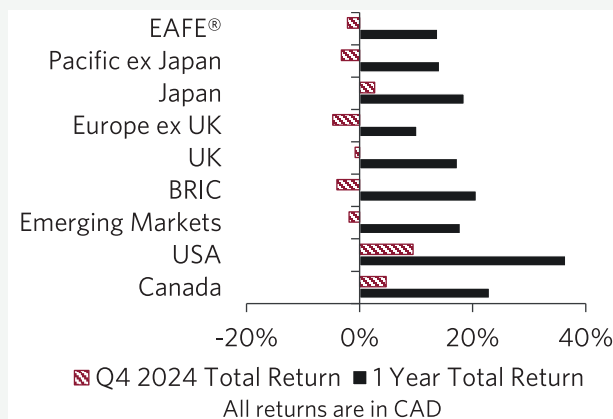
"EAFE®" is a registered trademark of MSCI Inc., used under license.

# Summary in charts

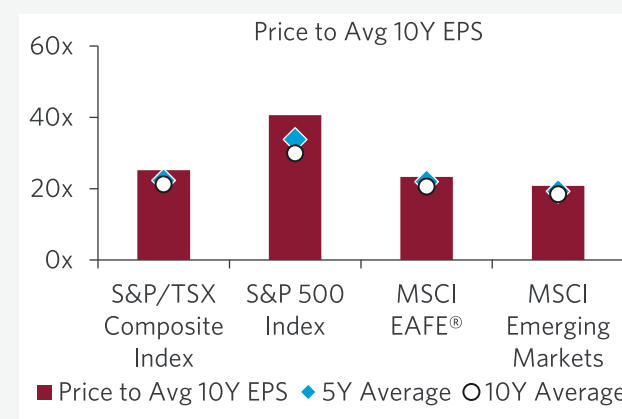
A traditional 60/40 equity and fixed income balanced portfolio continued to outperform cash over 3 months, 6 months and 1 year.

3 Months	6 Months	1 Year
<b>US Equities</b> 9.02%	<b>Canadian Equities</b> 14.71%	<b>US Equities</b> 36.36%
<b>Global Equities</b> 6.39%	<b>US Equities</b> 13.97%	<b>Global Equities</b> 30.01%
<b>Canadian Equities</b> 3.76%	<b>Canadian Dividend</b> 12.60%	<b>Canadian Equities</b> 21.65%
<b>Balanced Portfolio</b> 2.52%	<b>Global Equities</b> 11.82%	<b>Canadian Dividend</b> 19.85%
<b>Canadian High Yield</b> 2.52%	<b>Balanced Portfolio</b> 7.94%	<b>Emerging Market Equities</b> 17.85%
<b>Canadian Dividend</b> 1.98%	<b>Canadian High Yield</b> 6.64%	<b>Balanced Portfolio</b> 15.31%
<b>Cash</b> 1.08%	<b>Global Bonds</b> 6.30%	<b>International Equities</b> 13.81%
<b>Canadian Corporate Bonds</b> 1.03%	<b>Canadian Corporate Bonds</b> 5.75%	<b>Canadian High Yield</b> 11.48%
<b>Global Bonds</b> 0.67%	<b>Emerging Market Equities</b> 5.47%	<b>Canadian Corporate Bonds</b> 6.97%
<b>Canadian Gov Bonds</b> -0.40%	<b>Canadian Gov Bonds</b> 4.25%	<b>Global Bonds</b> 5.94%
<b>Emerging Market Equities</b> -1.88%	<b>International Equities</b> 3.71%	<b>Cash</b> 4.92%
<b>International Equities</b> -2.13%	<b>Cash</b> 2.31%	<b>Canadian Gov Bonds</b> 3.31%

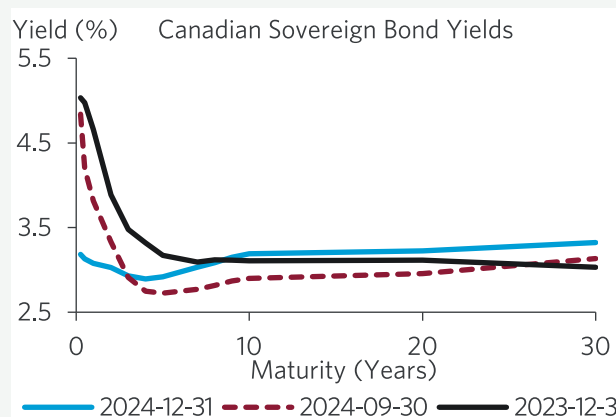
The economy remains robust and the outlook is positive. Many equity markets continue to experience strong performance.



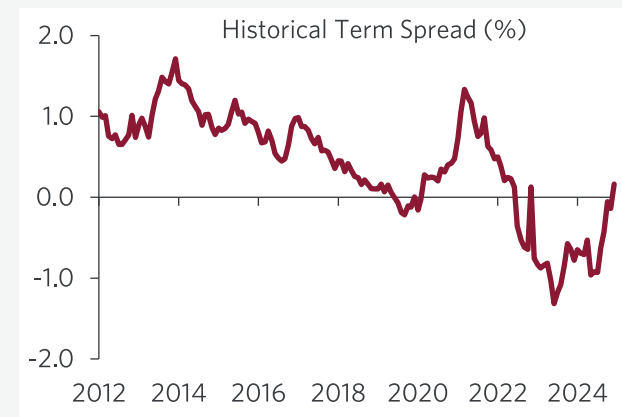
US equities trade at higher relative valuations but are expected to deliver higher earnings growth than the rest of the world.



Longer-term Canadian bond yields rose slightly over the quarter in line with modestly higher inflation expectations and a gradual restoration of a term premium.



While the yield curve is no longer inverted between the 10 and 2Y, the term spread remains relatively flat, reflecting only a small risk premium for longer-dated bonds.



Canadian Dollar Total Returns. Performance of CIBC Smart Balanced is used to illustrate the performance of a balanced, multi-asset portfolio. Sources: PC Bond Analytics, FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc., Rimes Technologies Inc., Bloomberg. Benchmark Proxies: MSCI EAFE® (EAFE®), MSCI Pacific ex Japan (Pacific ex Japan), MSCI Japan (Japan), MSCI Europe ex UK (Europe ex UK), MSCI UK (UK), MSCI BRIC (BRIC), MSCI Emerging Markets (Emerging Markets). Sources: MSCI Indices, Bloomberg. Data as of December 31, 2024.

## Winter 2025 *Global Markets Compass* commentary—Trump 2.0 drives Q4 market returns

The US elections and expectations around the new Trump administration (2.0) dominated headlines and markets over the last quarter. Trump's proposed policies impacted investor expectations, and in turn, asset prices.

US equity markets, as measured by the S&P 500 index, delivered strong returns (9.02% CAD) in the final three months of the year—especially across Big Tech and small cap stocks—as investors found renewed optimism on Trump's promises of deregulation and lower corporate tax rates. US energy and financials stocks also benefitted from the prospect of a lighter regulatory environment.

Meanwhile, non-US stocks underperformed in Q4, at least in part due to the expected impact of US import tariffs under Trump 2.0. The MSCI EAFE Index and the MSCI Emerging Markets Index delivered -2.18% CAD and -1.88% CAD, respectively.

Domestic stocks held up reasonably well, with the S&P/TSX Composite Index generating 3.76% over the quarter, despite a 3.27% pullback in December in light of tariff and economic uncertainties.

In bond markets, the US bond yield curve steepened due to higher inflation expectations and more resilient growth. Both encouraged a hawkish pivot by the Fed and market rate expectations. The World Government Bond Index (hedged to CAD) delivered -1.46%. The Canadian bond market returned -0.04%, while also facing a steepening curve, in part due to higher inflation expectations and yield curve normalization, with the continued restoring of a term premium.

Despite relatively strong equity returns in North America over the quarter, Trump tariffs, lingering inflation, budget deficits, the 2025 Canadian election, and lofty valuations formed a wall of worry, that weighed on

investor sentiment and put downwards pressure on US and Canadian equities at the end of the period. Over the last month, US and Canadian equities delivered 0.27% and -3.27% in CAD respectively, though the positive US return in CAD belies a brief decline in that market in local currency terms in the period. This wall of worry also weighed on bond markets.

### Climbing the wall of worry

Heading into the new year, the economic fundamentals in Canada were positive, with the Q3 GDP print continuing to show growth, and inflation being in the middle of the Bank of Canada's target range. However, in many parts of the world, inflation remains elevated and not perceived to be in the comfort zone of most central banks. With US trade tariffs and potential retaliation elevated risks the buzzwords "data dependent" will be heard again in 2025.

While much remains uncertain, we expect the net result of Trump 2.0 to be a stronger-for-longer US dollar (USD), a continuation of US exceptionalism, higher interest rates along the yield curve than would have otherwise been the case, and a steeper yield curve. Several items on the new administration's agenda could lead to stickier inflation and fewer US Federal Reserve rate cuts than previously priced-in. To de-risk the US economy from China, it will push for more expansionary fiscal policy, deregulation, and higher and broader tariffs. These policies include an increase in tech, supply chain, and military investment spending. Meanwhile, immigration curbs are likely to incrementally reduce the US economy's trend growth rate and also push inflation upwards.

Looking at a broad array of the latest forecasts, tariffs are expected to be short-lived and the global economy is projected to maintain its expansion into 2025, primarily driven by the US, though the growth gap between the US and the rest of the world is expected to narrow. With other major economies experiencing less resilient growth, as well as the threat of US trade tariffs, we expect outperformance of US equities to persist for the foreseeable future. From a fundamental perspective, Canadian equities remain attractive, although the threat of imposition of more pervasive tariffs than we expect is an important risk to this constructive view. One third of Canada's GDP is made up of exports, and roughly 80 per cent of those exports go to the US market. While the calculus is complicated, simplistically, a stronger USD relative to CAD could have adverse impacts on the Canadian economy due to the possibility of importing inflation into our economy. That said, the range of possible outcomes due to tariffs are complex, not only because there remains uncertainty around how long any tariffs may last for, but also because of potential retaliation, substitution effects and currency impacts.

## Market valuation reflects a bubble...or a revolution!

Our constructive view on US equities considers both the downside risk on the high valuation against the upside potential for the next industrial revolution.

On traditional valuation metrics like Price-to-Earnings, Cyclically-Adjusted-Price-to-Earnings, Price-to-Sales and Price-to-Book, US equities appear expensive. Meanwhile, markets are at peak concentration levels, with US equities representing just under 75% of the MSCI World Index, while the Magnificent 8 (welcome Broadcom!) account for around 35% of the US market cap.

When we look at the drivers of US exceptionalism, or the continued outperformance of the US economy and equity market, we find that several contributors are unsustainable on their own. US productivity over

the last couple of decades was propelled by innovation, and to a larger extent, globalization and offshoring, which we're starting to see some reversal in through examples like Brexit and Trump 2.0's proposed trade tariffs. Meanwhile, profit margins expanded because of new technologies and a lower cost of capital from low interest rates, which in turn supported higher equity price multiples. However, margins tend to erode with increased competition, and we see the real short-term rate normalizing at around 1.5%, which is higher than the average over the last 15 years. Lower valuations tend to follow structurally lower earnings.

But we are mindful of the potential for shifts upward on the productivity curve, which history has shown to be unpredictable. We are therefore careful not to discount the ability of artificial intelligence (AI) to multiply long-term total factor productivity, boost profit margins higher for longer, and deliver greater economic productivity growth than the internet provided. If this is true, US equities could be considered reasonably priced—even with Nvidia rising 8-fold over the last 2 years.

However, there are several reasons to remain cautious around this theme. Firstly, while AI adoption rates are high amongst technology companies, adoption rates remain low in other industries. Secondly, it's difficult to predict and quantify potential increases in labour or economic productivity from AI. And finally, future market leadership is hard to identify. We only need to look as far back as the early 2000s, to Nokia, Motorola and Blackberry, to realize few would have expected us to walk around with mini-computers in our pockets less than 10 years later. Back then, it was hard to imagine the importance of platforms or networks as a business model, so we'd be naïve not to expect the unexpected.

The potential paths around the known unknowns should therefore be managed through broad exposure to assets. As one of the greatest thinkers on the topic of investment risk, Peter Bernstein, once said, "risk means that more things can happen than will happen." Diversification remains a sound plan for risk management.



## Positioning for 2025

Overall, and from a fundamental perspective, we are relatively constructive on equities, especially Canada and to a lesser extent the US. We are also positive on bonds heading into 2025. Long-term bond returns tend to closely follow the yield at entry, and bond yields today are significantly higher than their 15-year long-term average. Although bonds carry the risk of selling off when interest rates rise, the most likely trajectory for rates this year is down rather than up. Yields are also at

levels where their diversification potential can shine through in the event of any unexpected economic headwinds.

We expect periods of increased volatility compared to the relatively low ebb of 2024 amid uncertainty around the economy, tariffs, inflation, and politics. In times like these, our advice is to prepare—we can't prevent a storm if it comes, but we can be positioned for it. We prepare portfolios for adverse outcomes by maintaining a diversified mix across asset classes, geographies and styles in our strategic asset allocation.



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## Our asset allocation views



### Strategic

**There are no changes to our long-term views, or base probability estimates, of relative asset class performance**

#### Our strategic views:

- Equities will remain the cornerstone of wealth generation and will continue to reward investors for additional volatility over risk-free assets.
- Similar to equities, over the long term, corporate bonds will reward investors for additional risk, such as default risk.
- Higher growth in emerging markets relative to developed markets will drive a higher relative return.
- Market-impacting events can unfold unpredictably; our priority is to continue to identify diversifying assets that will create value for our clients.



### Tactical

#### Positioned for economic growth with sticky inflation

- Neutral equities versus fixed income.
- Overweight Canada and underweight international equities.
- Overweight global fixed income, underweight Canadian fixed income.

#### Our tactical views:

- We remain broadly constructive on the outlook for the global economy and financial markets. US GDP growth has remained resilient and there are green shoots of recovery elsewhere in the global economy.
- Inflation has moderated, and looks to be a weaker constraint on the speed and magnitude of central bank easing than it was at the beginning of 2024.
- Political risk is the key challenge to our constructive outlook. Geopolitical risks have increased, and the ramifications of the new Trump administration are top-of-mind for investors.
- We remain focused on relative investment strategies within asset classes. In equities, we're relatively more constructive on Canadian equities than international equities.
- Corporate profits in Europe have been more resilient than expected in the context of a weak economy. As such, the potential for further positive performance is limited in relative terms. Europe is also at higher risk of headwinds given its sensitivity to global growth.
- Our relative fixed income positioning is motivated by a pick-up in hedged carry. This tilt has not played out recently given the BoC's dovish bias. But market pricing of future BoC easing appears too aggressive, given residual inflation risks.

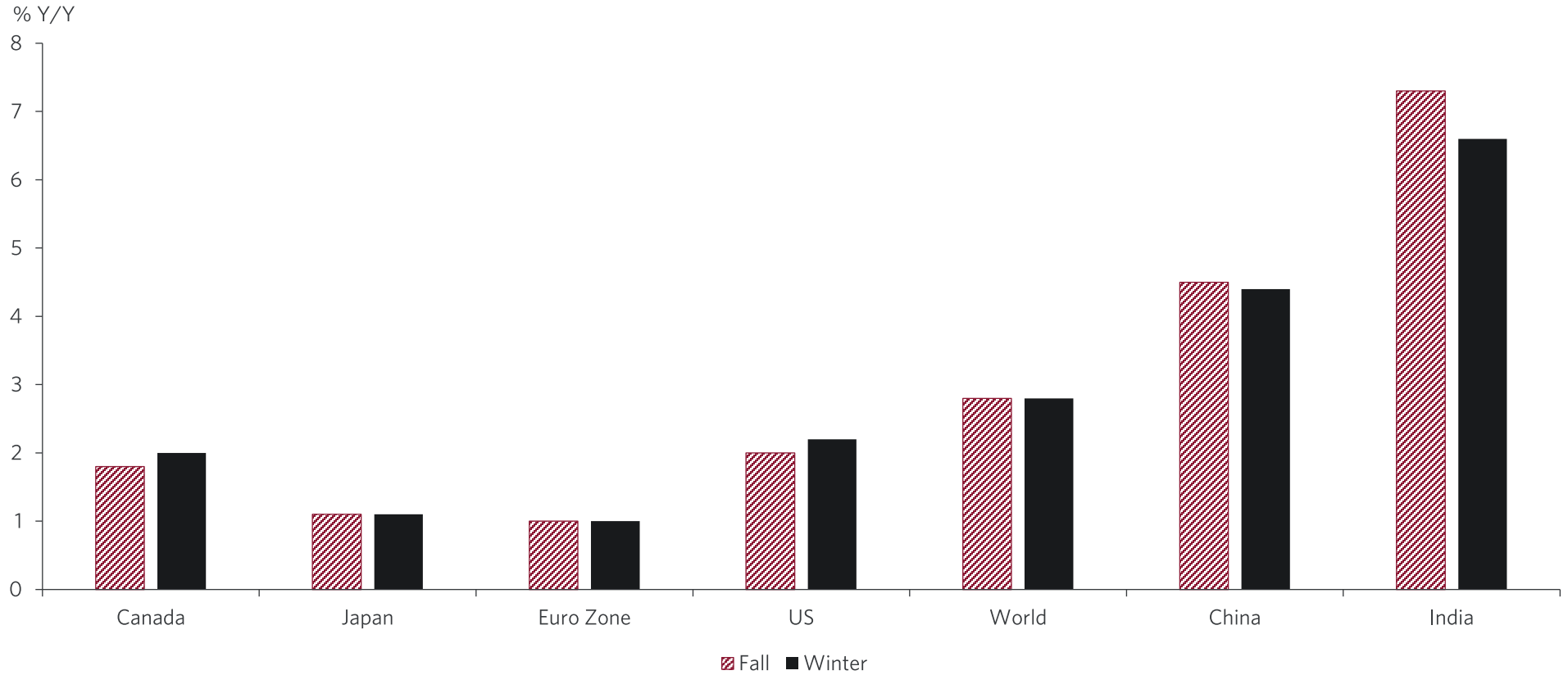
# Economic review

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# What is the outlook for global growth?

Global economic growth is likely to remain resilient in the next year. The US continues to lead the way amongst major economies, although Canada is expected to strengthen through 2025. Europe’s recovery is likely to be more tepid, and China’s outlook remains challenging.

**Global Growth Projections: Fall (striped bars) vs. Winter (grey bars) CAM forecast**

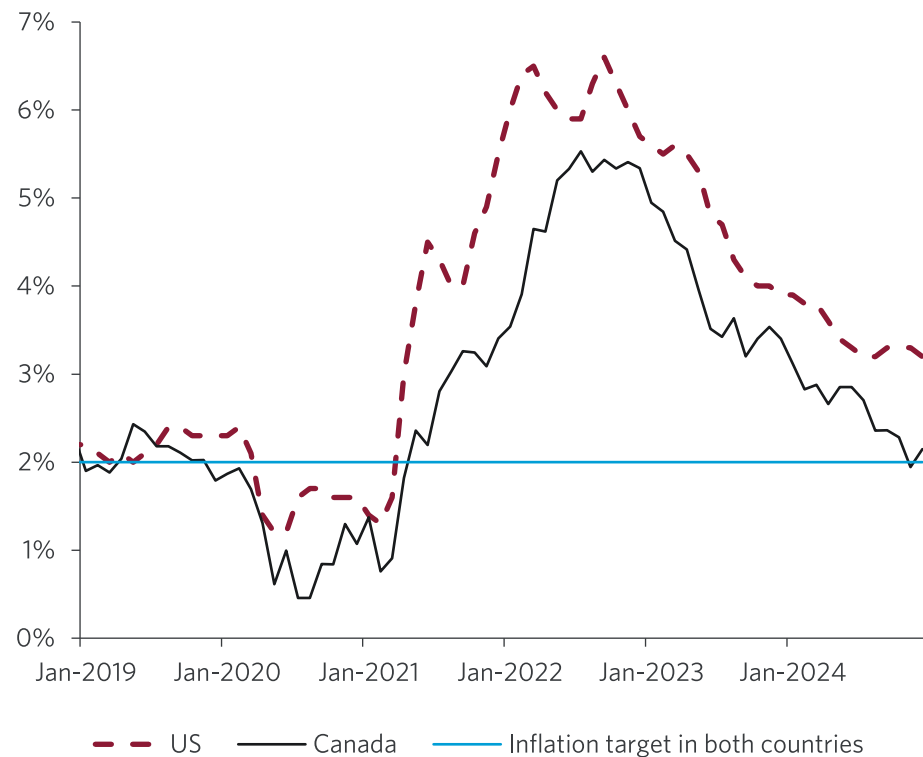


Source: Macrobond and CIBC Asset Management Inc. Data as of December 31, 2024.

## Will inflation continue to moderate?

While inflation is projected to continue its decline globally, it does remain elevated and for most central banks, it's not perceived to be in the comfort zone; the buzzwords "data dependent" will be heard again in 2025.

### CPI excluding food & energy



### Canadian consumer price inflation

Categories	12-month inflation	Change from previous quarter
CPI	2.0%	-0.7%
Core CPI	1.5%	-0.4%
Food	2.7%	-0.12%
Energy	-4.7%	-5.2%
Shelter	5.3%	-0.9%
Transportation	-0.1%	-2.1%
Health and personal care	2.6%	-0.4%
Recreation, education and reading	-0.2%	-0.8%
Clothing and footwear	-4.4%	-1.2%
Alcoholic beverages and tobacco products	3.1%	0.0%
Household operations, furnishings and equipment	-0.8%	0.2%

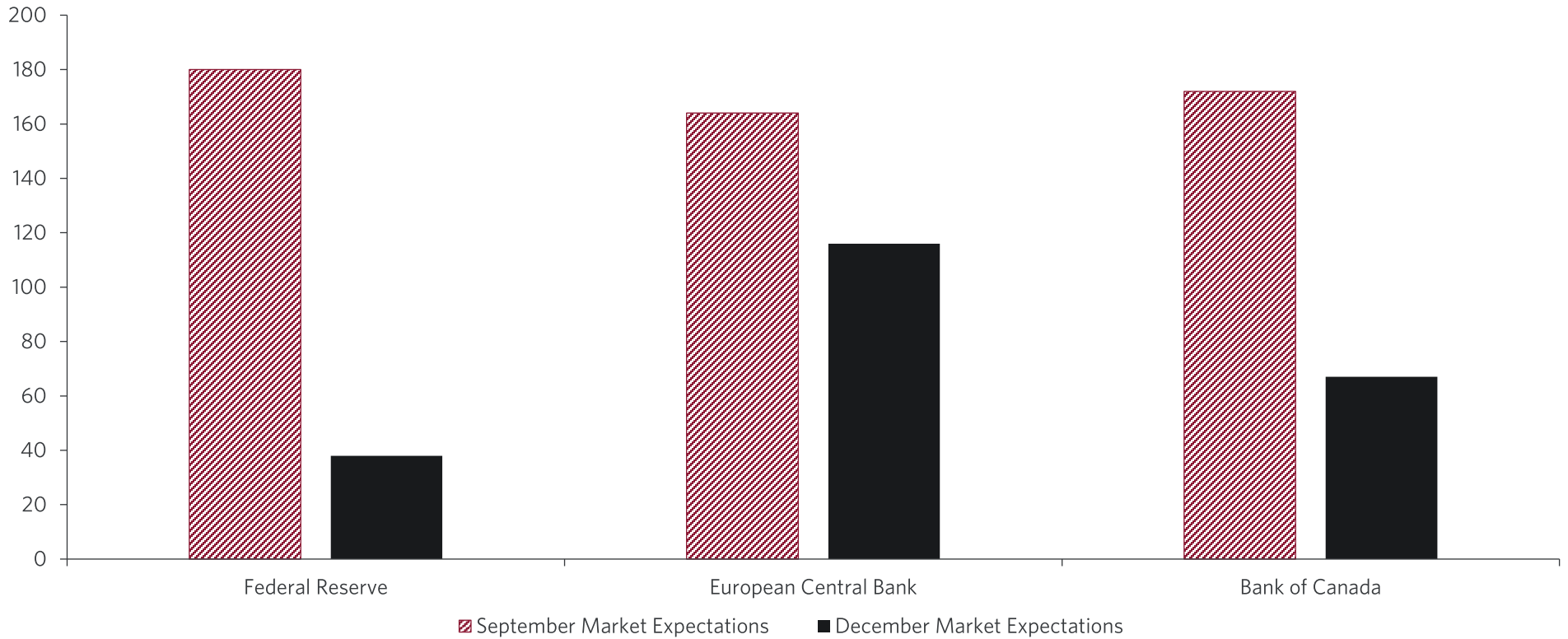
Source: Statistics Canada, Bank of Canada. The information is provided by CIBC Asset Management Inc. using data from the following third-party providers: LSEG Datastream. Data as at January 22, 2025.

# How much further will central banks ease policy?

Resilient growth, sticky inflation, and in the US some additional fiscal concerns caused markets to scale back the extent of central bank policy easing expected in the next year. The revision in expectations was biggest for the US, and provided an important boost to the US dollar.

## Central bank market expectation of policy rate cuts

basis points (bps)

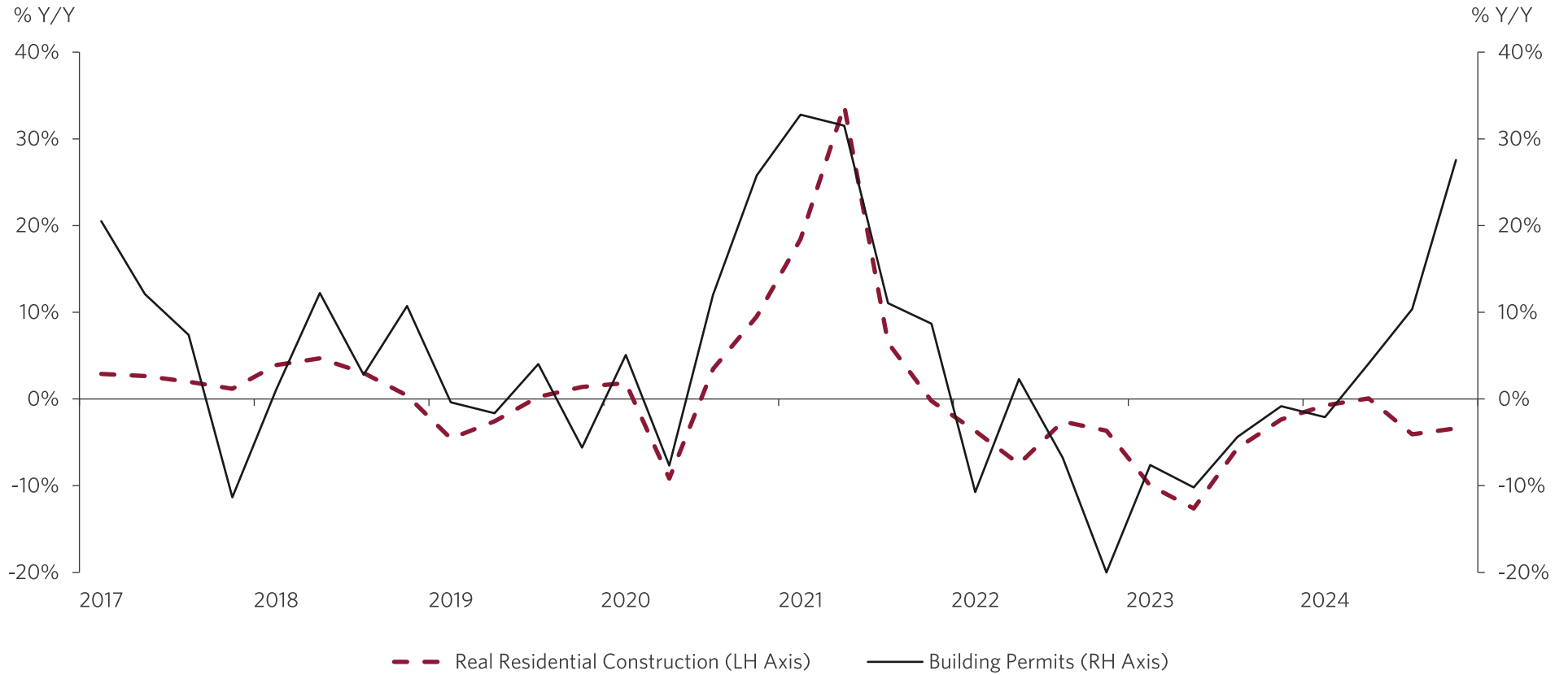


Source: Macrobond and CIBC Asset Management Inc. Data as of December 31, 2024.

# What is the Canadian economic outlook?

A vigorous economic recovery is taking shape in Canada, catalyzed by aggressive Bank of Canada easing, robust real incomes, and an expected recovery in construction activity. We think economic recovery will be a tailwind for Canadian equity.

## Construction activity



Source: The information is provided by CIBC Asset Management Inc. using data from the following third-party provider: Bloomberg. Data as at 4 January 2025.



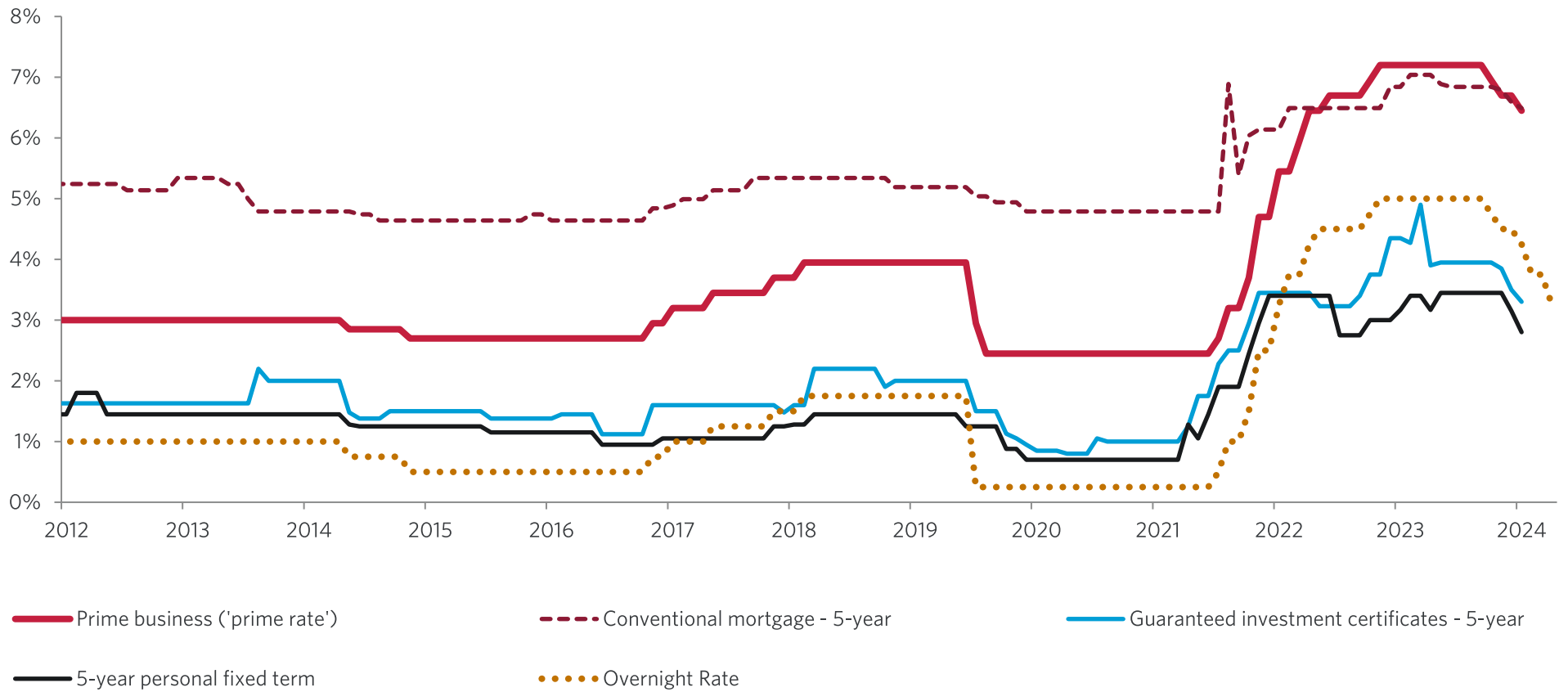
# Fixed income, currency and commodities markets

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# Canadian key interest rates

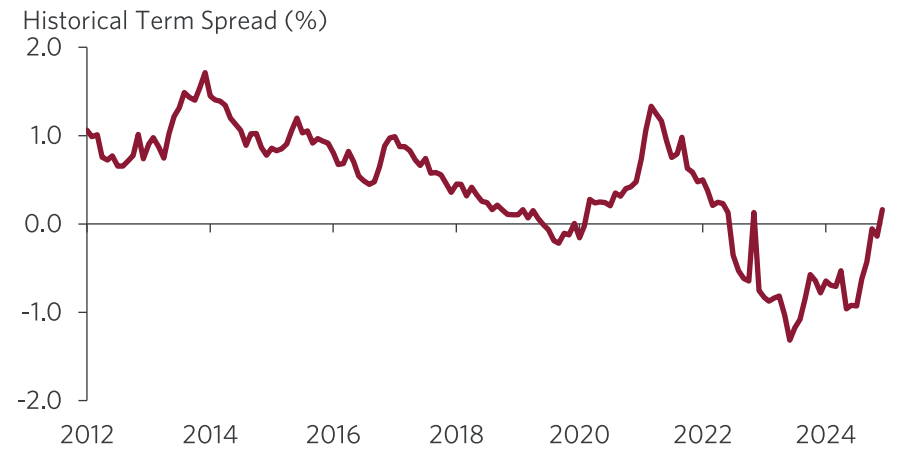
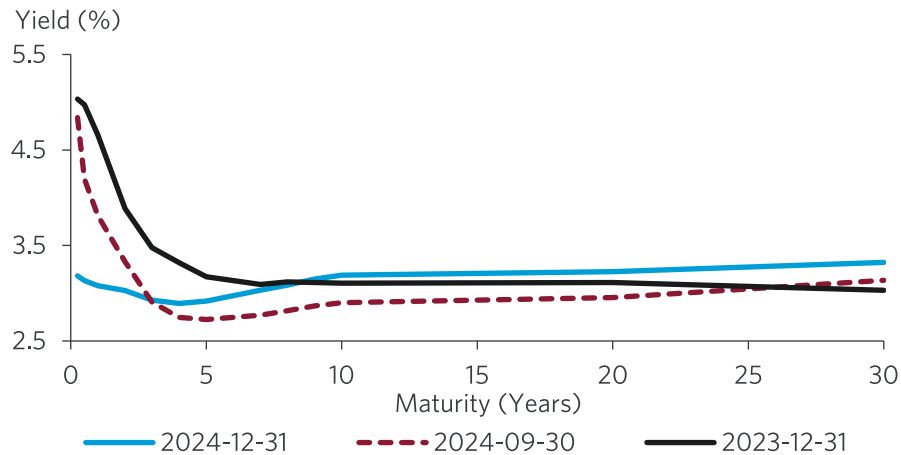
The Bank of Canada reduced the overnight lending rate from 5.00% to 3.25% in 2024. It started 2025 by reducing it another 25 bps to 3.00% in January. We expect the BoC to cut rates further over the next 12 months.



Source: Bank of Canada. Data as of December 31, 2024.

# Canadian sovereign bond yields

Canadian bond yields should continue to decline from current levels. The yield curve is still inverted over the short end of the curve, but we expect an eventual return to a normal / sloped yield curve, which should help restore risk premiums and improve the reward to investors for taking on additional risk.



## Canadian bond yields (%)

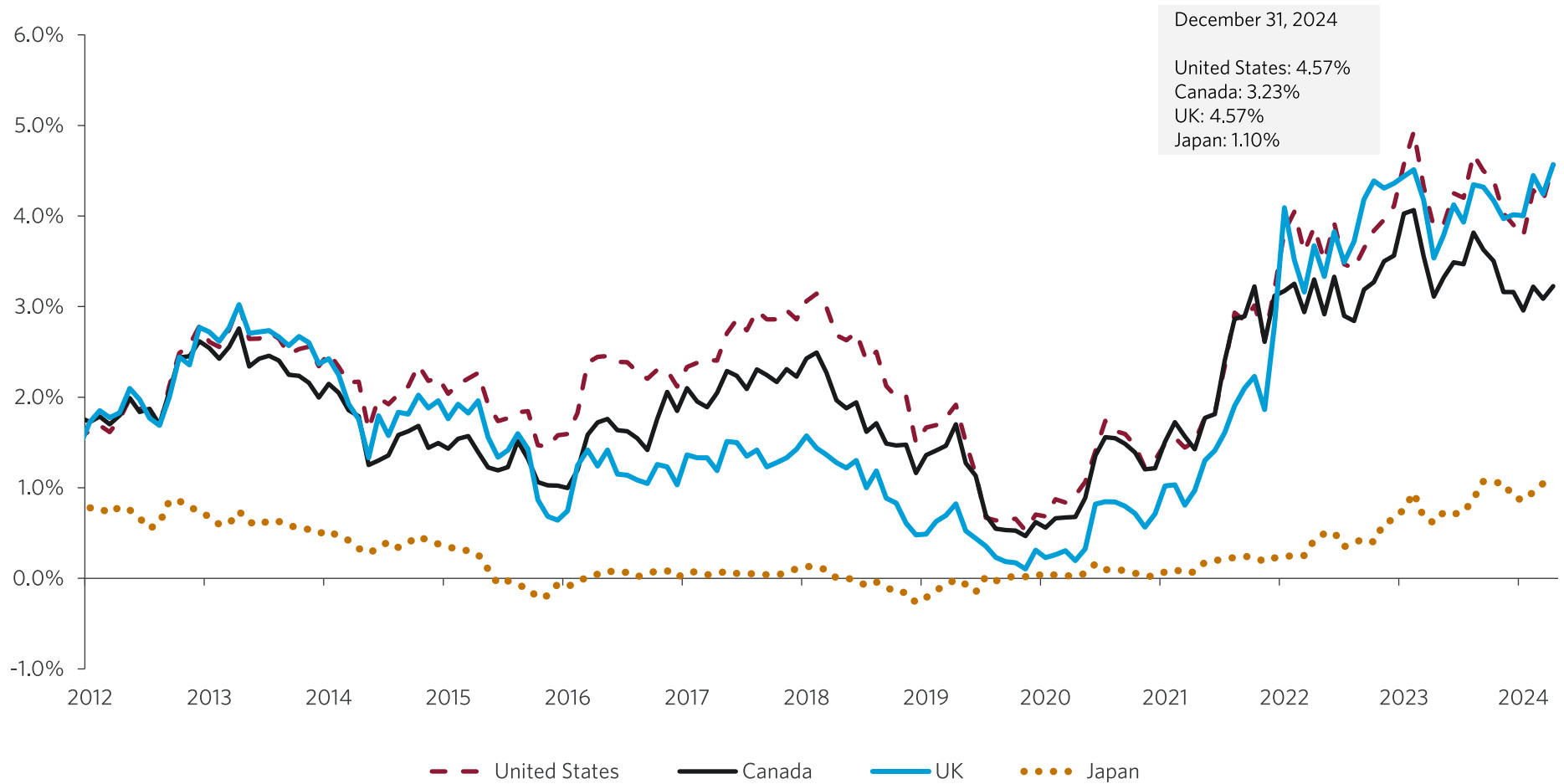
Period	3 mo	6 mo	1 yr	2 yr	3 yr	4 yr	5 yr	7 yr	8 yr	9 yr	10 yr	20 yr	30 yr
2024-12-31	3.18	3.13	3.08	3.03	2.93	2.89	2.92	3.03	3.09	3.15	3.19	3.23	3.32
2024-09-30	4.84	4.20	3.81	3.33	2.91	2.75	2.73	2.77	2.82	2.87	2.90	2.96	3.13
2023-12-31	5.03	4.97	4.66	3.89	3.48	3.32	3.17	3.09	3.12	3.11	3.11	3.11	3.03

Source: Bank of Canada. Data as of December 31, 2024.

# Global government bond yields

The 10-year government bond yields of the US, Canada, the UK and Japan rose over the fourth quarter, reflecting higher inflation expectations and some risk premium. As this chart shows, global government bond yields have been on a general up trend since 2020. Before 2020, going back to 2012, the bond yields of the US, Canada and the UK typically fluctuated within the 1% to 3% range. The 10-year government bond yield for Japan during this same period was consistently below 1%.

## Global government bond yields

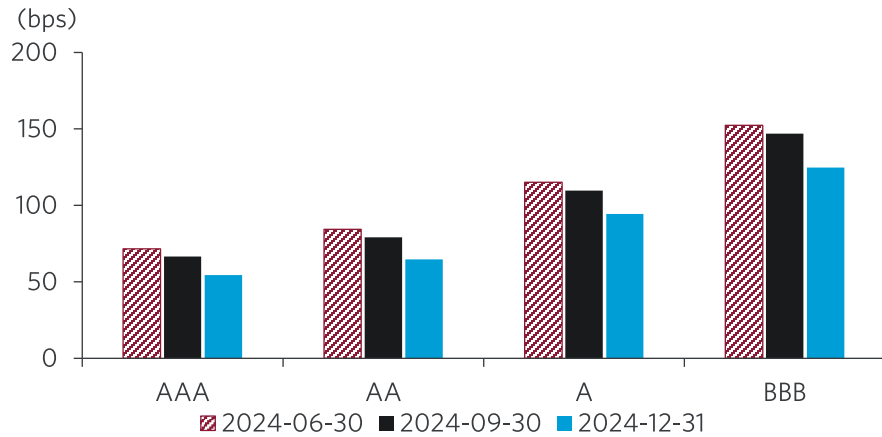


Source: Bank of Canada. Data as of December 31, 2024.

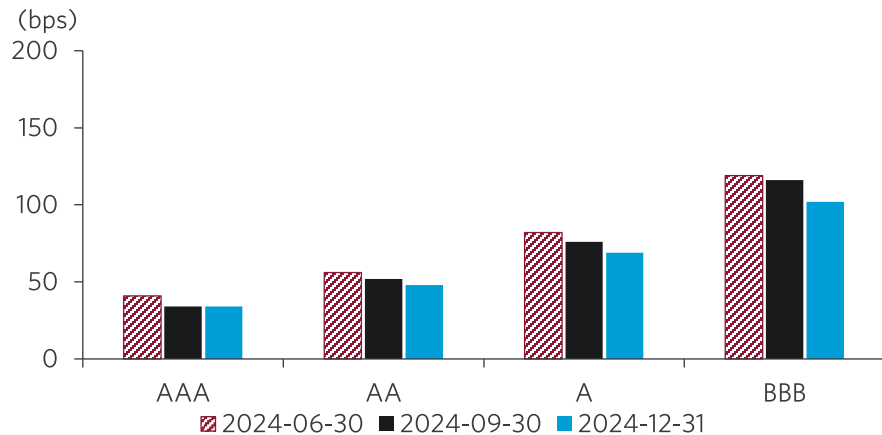
# Credit spreads

Credit spreads continue to tighten as economic worries abate. Yields remain attractive and continue to present an opportunity for investors to benefit from the relatively high current level of interest rates.

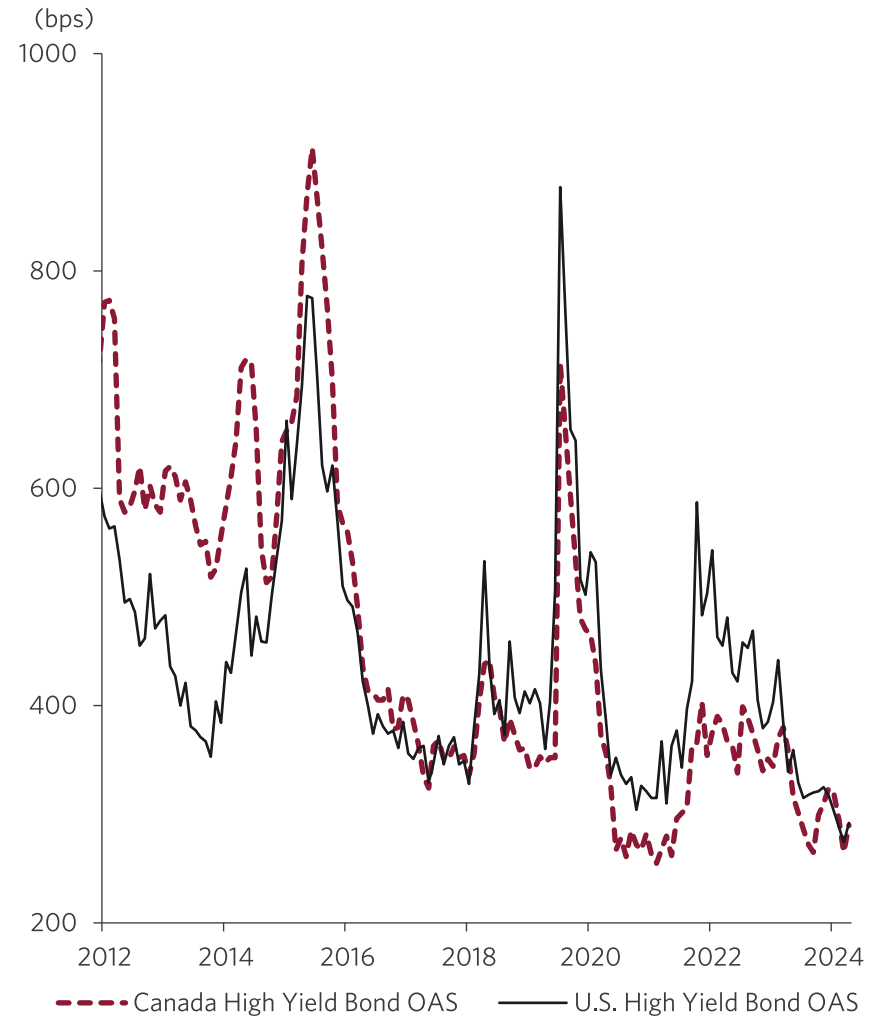
**FTSE Canada all corporate bond index corporate bond spreads**



**The BofA Merrill Lynch US corporate index corporate bond spreads**



















**High-yield corporate bond spreads**

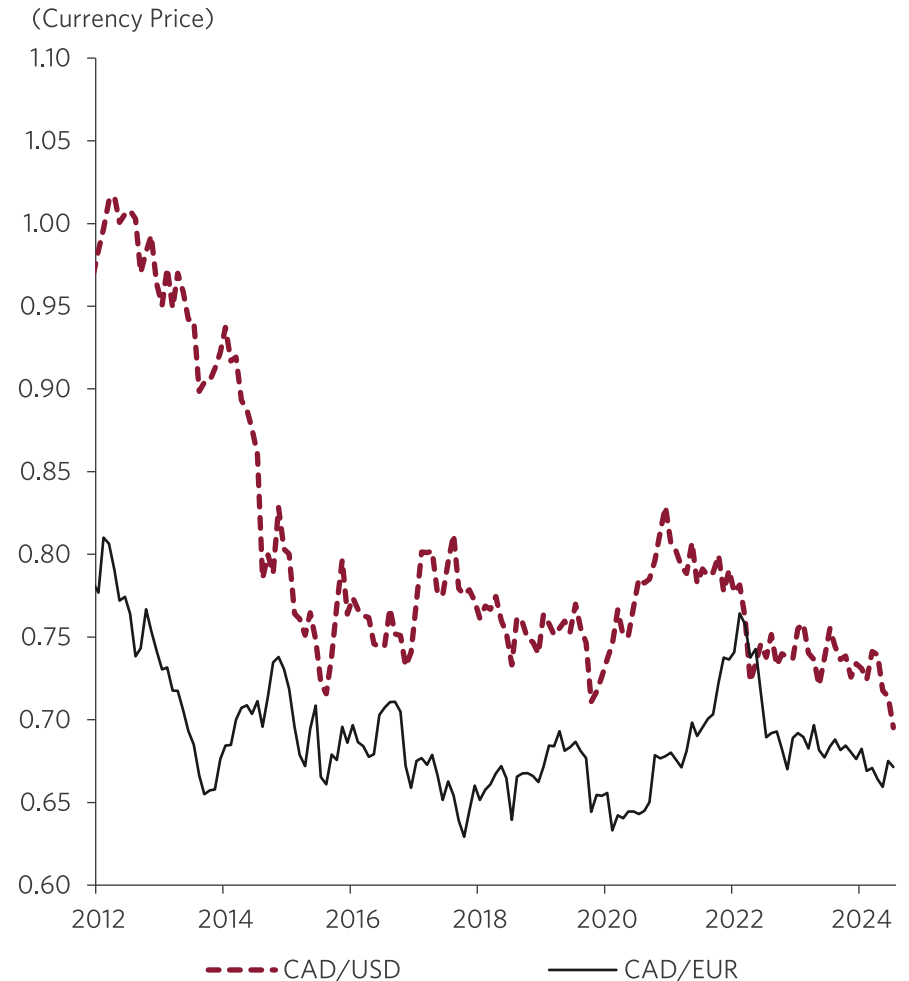


High-yield bond sectors represented by Merrill Lynch Canada High Yield Index and Merrill Lynch U.S. High Yield Master II Index. Investment grade corporate bond sectors represented by FTSE Canada Universe Corporate Index and BofA Merrill Lynch U.S. Corporate Index. Source: Bloomberg, Bank of America Merrill Lynch Bond Indices, PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Data as of December 31, 2024.

## Key Canadian dollar (CAD) exchange rates

	Currency	Exchange	12-31-24	9-30-24
	US Dollar	CAD-USD	0.70	0.74
	Euro	CAD-EUR	0.67	0.66
	Japanese Yen	CAD-JPY	109.34	106.20
	Pound Sterling	CAD-GBP	1.80	1.81
	Australian Dollar	CAD-AUD	1.12	1.07
	Swiss Franc	CAD-CHF	0.63	0.63
	Hong Kong Dollar	CAD-HKD	5.40	5.75
	Chinese Yuan	CAD-CNY	5.07	5.19
	Swedish Krona	CAD-SEK	7.69	7.51
	New Zealand Dollar	CAD-NZD	1.24	1.16
	South Korean Won	CAD-KRW	1028.13	972.30
	Singapore Dollar	CAD-SGD	0.95	0.95
	Norwegian Krone	CAD-NOK	7.92	7.80
	Mexican Peso	CAD-MXN	14.48	14.56
	Brazilian Real	CAD-BRL	4.30	4.03
	Indian Rupee	CAD-INR	59.58	61.98

At the end of Q424, CAD-USD and CAD-EUR were reasonably flat. A stronger-for-longer USD appears to be one of the highest conviction market views, however, we are alert to the risk of a significant reversal in CAD/USD.



Source: MSFX Indices, Rimes Technologies Inc. Data as of December 31, 2024.

## Canadian bonds: Performance

High Yield and Investment Grade Bonds delivered the strongest returns over the quarter and the year as the positive mood around the Canadian economy increased the market's risk appetite. On a 1-year period, major bond asset classes delivered positive returns.

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
High Yield 2.52%	High Yield 6.64%	High Yield 11.48%	High Yield 5.06%	High Yield 5.61%	High Yield 5.51%	High Yield 6.05%
Corporate 1.03%	Corporate 5.75%	Corporate 6.97%	Short Term 2.13%	Corporate 2.31%	Corporate 2.93%	Corporate 3.04%
Short Term 0.65%	Mid Term 4.97%	Short Term 5.70%	Corporate 1.47%	Short Term 2.13%	Short Term 2.23%	Mid Term 2.15%
Real Return 0.31%	Long Term 4.91%	MBS 4.67%	MBS 0.93%	MBS 1.57%	Mid Term 2.02%	Core 1.98
Core -0.04%	Core 4.62%	Mid Term 4.65%	Mid Term -0.12%	Mid Term 1.31%	MBS 1.93%	Short Term 1.93%
MBS -0.19%	Real Return 4.55%	Core 4.23%	Federal -0.50%	Real Return 0.85%	Core 1.73%	Real Return 1.84%
Government -0.40%	Government 4.25%	Real Return 3.73%	Core -0.60%	Core 0.79%	Real Return 1.72%	MBS 1.83%
Mid Term -0.41%	Short Term 4.06%	Federal 3.48%	Government -1.32%	Federal 0.58%	Government 1.31%	Long Term 1.79%
Federal -0.44%	Federal 3.87%	Government 3.31%	Real Return -3.22%	Government 0.27%	Federal 1.28%	Government 1.60%
Long Term -0.80%	MBS 3.21%	Long Term 1.35%	Long Term -4.59%	Long Term -1.49%	Long Term 0.69%	Federal 1.27%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

## Currency returns relative to the Canadian dollar

Expected interest rate differentials are the key drivers of foreign exchange rates. The Hong Kong Dollar delivered strong returns over the quarter and the US Dollar continued to appreciate versus the Canadian Dollar.

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Hong Kong Dollar 6.39%	Japanese Yen 7.58%	Hong Kong Dollar 9.21%	Swiss Franc 4.57%	Swiss Franc 3.37%	Swiss Franc 2.98%	Swiss Franc 3.09%
US Dollar 6.35%	Hong Kong Dollar 5.67%	US Dollar 8.62%	Hong Kong Dollar 4.54%	Hong Kong Dollar 2.13%	Hong Kong Dollar 2.03%	US Dollar 2.16%
Chinese Yuan 2.39%	US Dollar 5.15%	Pound Sterling 6.78%	US Dollar 4.41%	US Dollar 2.06%	US Dollar 1.94%	Hong Kong Dollar 2.14%
Mexican Peso 0.58%	Chinese Yuan 4.72%	Chinese Yuan 5.82%	Mexican Peso 4.03%	Singapore Dollar 1.78%	Singapore Dollar 1.63%	Singapore Dollar 1.86%
Singapore Dollar 0.07%	Singapore Dollar 4.41%	Singapore Dollar 5.00%	Singapore Dollar 4.00%	Chinese Yuan 1.14%	Mexican Peso 1.20%	Euro 0.57%
Pound Sterling -0.52%	Pound Sterling 4.10%	Euro 1.91%	Pound Sterling 1.74%	Pound Sterling 0.90%	Pound Sterling 0.84%	Chinese Yuan 0.52%
Swiss Franc -0.94%	Swiss Franc 4.09%	Swiss Franc 0.63%	Euro 1.17%	Euro 0.43%	Chinese Yuan 0.31%	Pound Sterling -0.05%
Euro -1.13%	Euro 1.60%	Australian Dollar -1.32%	Chinese Yuan -0.35%	Mexican Peso 0.25%	Euro -0.19%	Japanese Yen -0.60%
Japanese Yen -2.86%	Australian Dollar -2.42%	Japanese Yen -2.71%	Australian Dollar 0.96%	Australian Dollar -0.44%	Australian Dollar -1.37%	Australian Dollar -0.63%
Australian Dollar -4.79%	Mexican Peso -7.37%	Mexican Peso -10.95%	Japanese Yen -5.93%	Japanese Yen -5.24%	Japanese Yen -2.81%	Mexican Peso -1.25%

Source: MSFX Indices, Rimes Technologies Inc. Data as of December 31, 2024.

# Equity markets

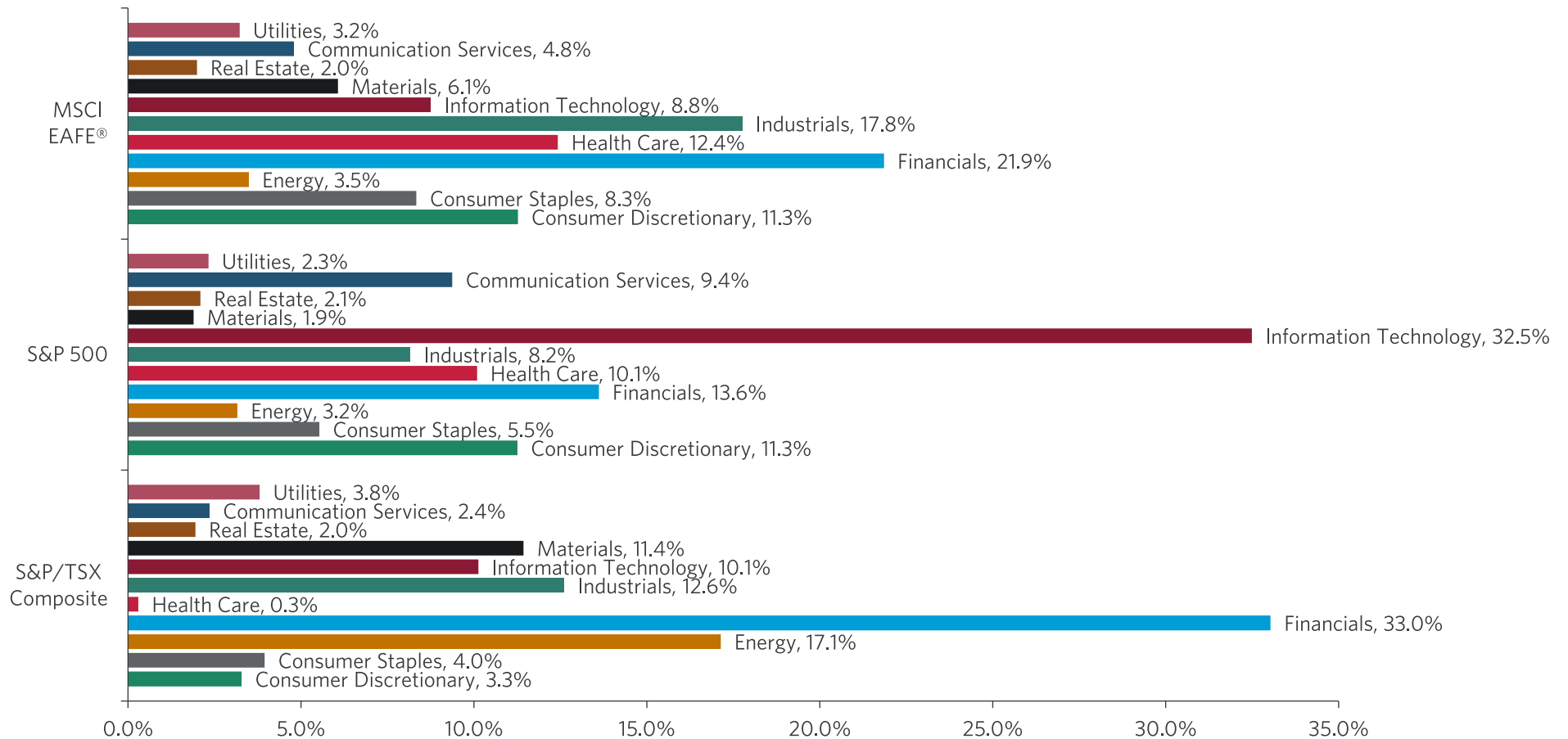
Winter 2025 Global Markets Compass



# Canadian equities

The Canadian equity market is comprised of more cyclical industries like financials, energy, materials and industrials than non-domestic markets. The difference in sector composition is a large driver of relative performance.

## GICS sector breakdown across equity markets



Source: S&P/TSX GICS Indices, TSX© Copyright 2025 TSX Inc. All rights reserved. Due to rounding totals may not always equal 100%. Data as of December 31, 2024.

# Annual US equity returns

US equities delivered another great year of returns following exceptional gains in 2023. Since 1928, the US market produced returns -20% or worse in only 6 years (around 6.3% of the time), but produced a return greater than 20% more than 38.5% of the time.

**27% negative annual returns**

**73% positive annual returns**

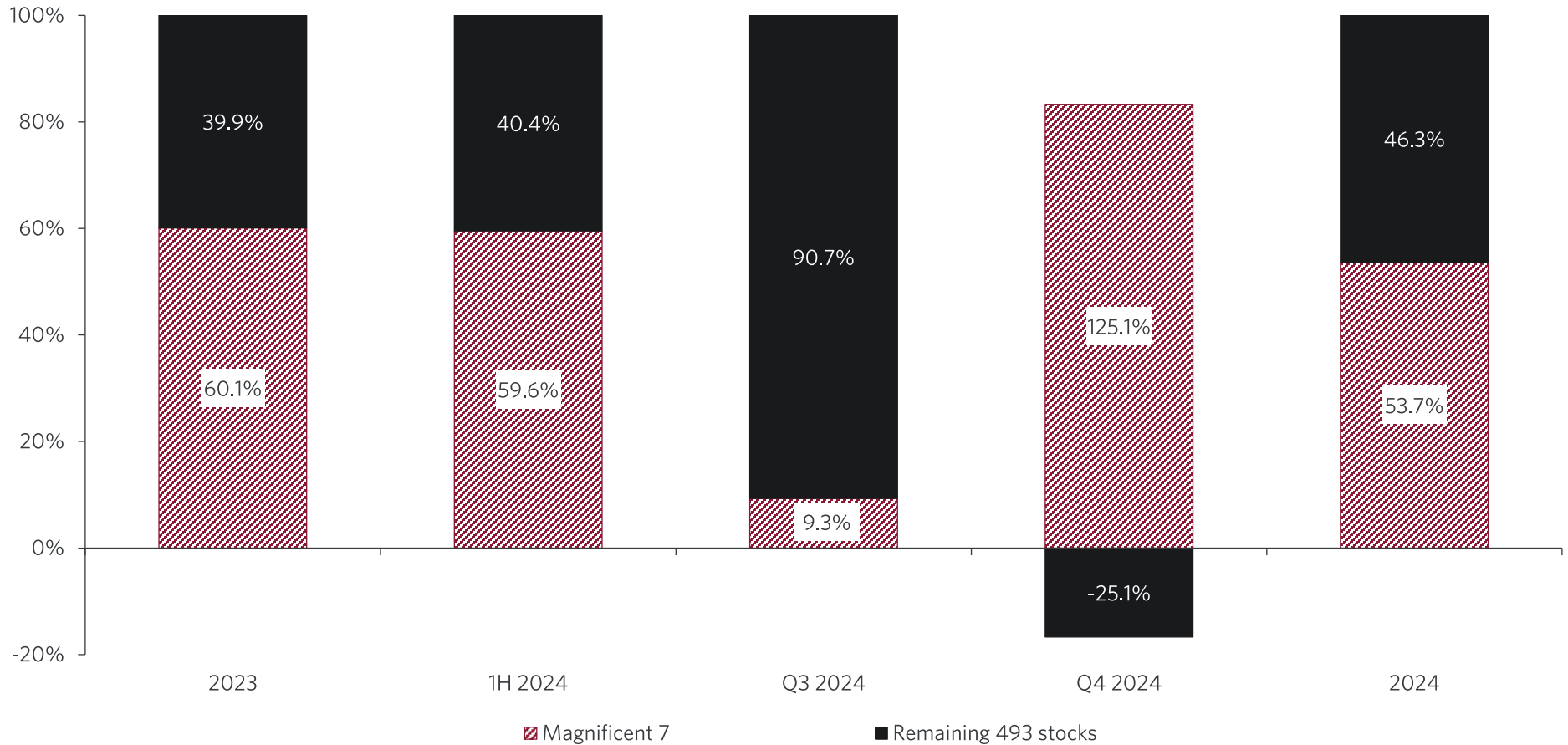
-20% or less	-20% to -10%	-10% to 0%	0% to +10%	+10% to +20%	+20% to +30%	+30% to +40%	+40% or more
2008	2022	2018	2015	2020	2024	2019	1958
2002	2001	2000	2011	2016	2023	2013	1954
1974	1973	1990	2007	2014	2021	1997	1935
1937	1957	1981	2005	2012	2017	1995	1933
1931	1941	1977	1994	2010	2009	1989	
1930	1932	1969	1993	2006	2003	1985	
	1929	1966	1992	2004	1999	1980	
		1962	1987	1988	1998	1975	
		1953	1984	1986	1996	1955	
		1946	1978	1979	1991	1950	
		1940	1970	1972	1983	1945	
		1939	1960	1971	1982	1936	
		1934	1956	1968	1976	1928	
			1948	1965	1967		
			1947	1964	1963		
				1959	1961		
				1952	1951		
				1944	1949		
				1942	1943		
					1938		

Source: Bloomberg. Data as of December 31, 2024.

## Can the Magnificent 7 continue dominate US market returns?

Market participation broadened slightly in 2024, with the S&P 500 excluding the Magnificent 7 (Tesla, Alphabet, Meta, Amazon, Nvidia, Apple and Microsoft) contributing a greater percentage of the S&P 500's returns than they did in 2023. Nevertheless, market leadership remained narrow.

### Contribution to S&P 500 Total Returns



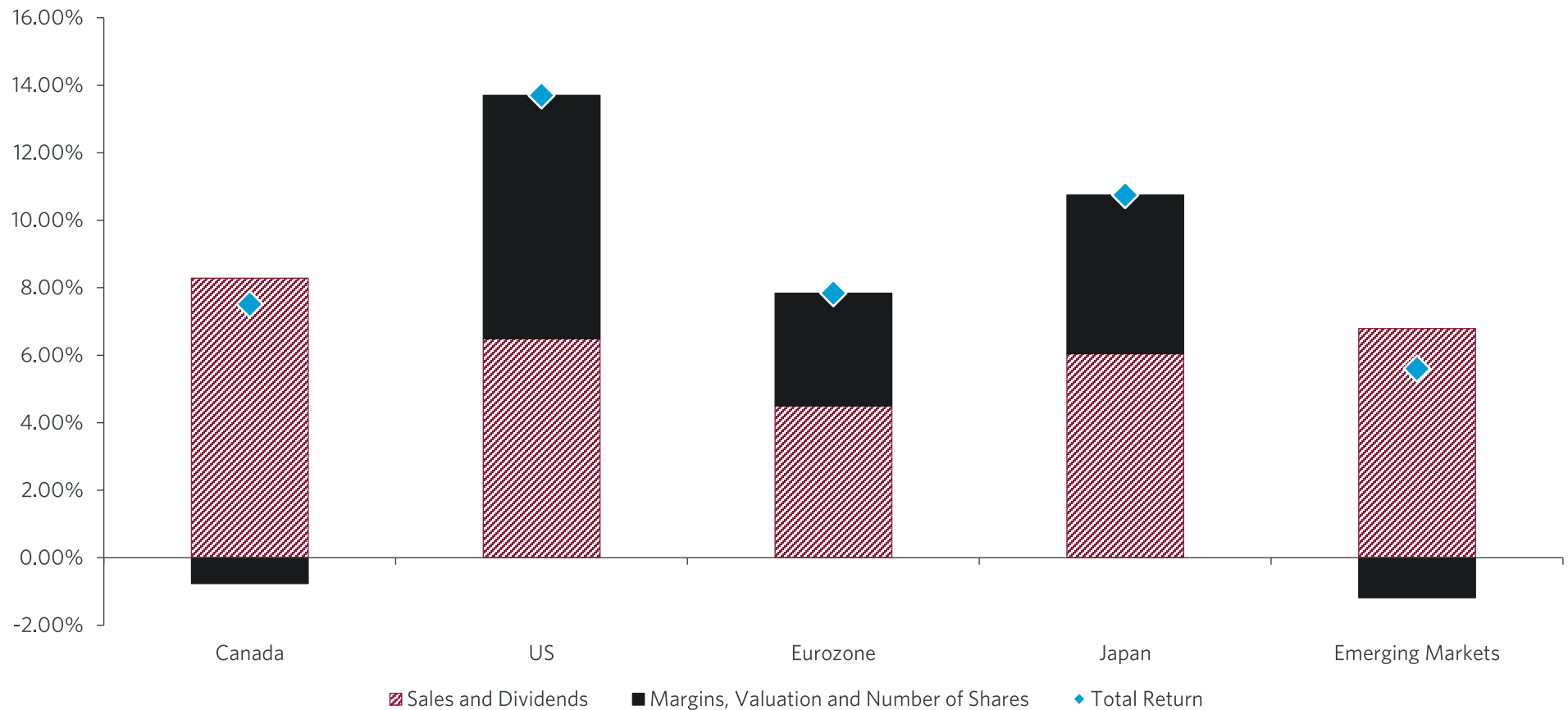
Source: LSEG Data & Analytics (formerly, Refinitiv). Data as of December 31, 2024.

## Does AI have the potential to sustain margin expansion into the foreseeable future?

Over the long term, stock prices tend to grow alongside corporate sales and dividends. Typically, excess margins erode, valuations reset and share issuance/buybacks normalize. AI might multiply long-term total factor productivity and support margin expansion into the foreseeable future. If it doesn't, US equities might generate lower returns versus history and versus other regions.

### Drivers of total return

annualized growth

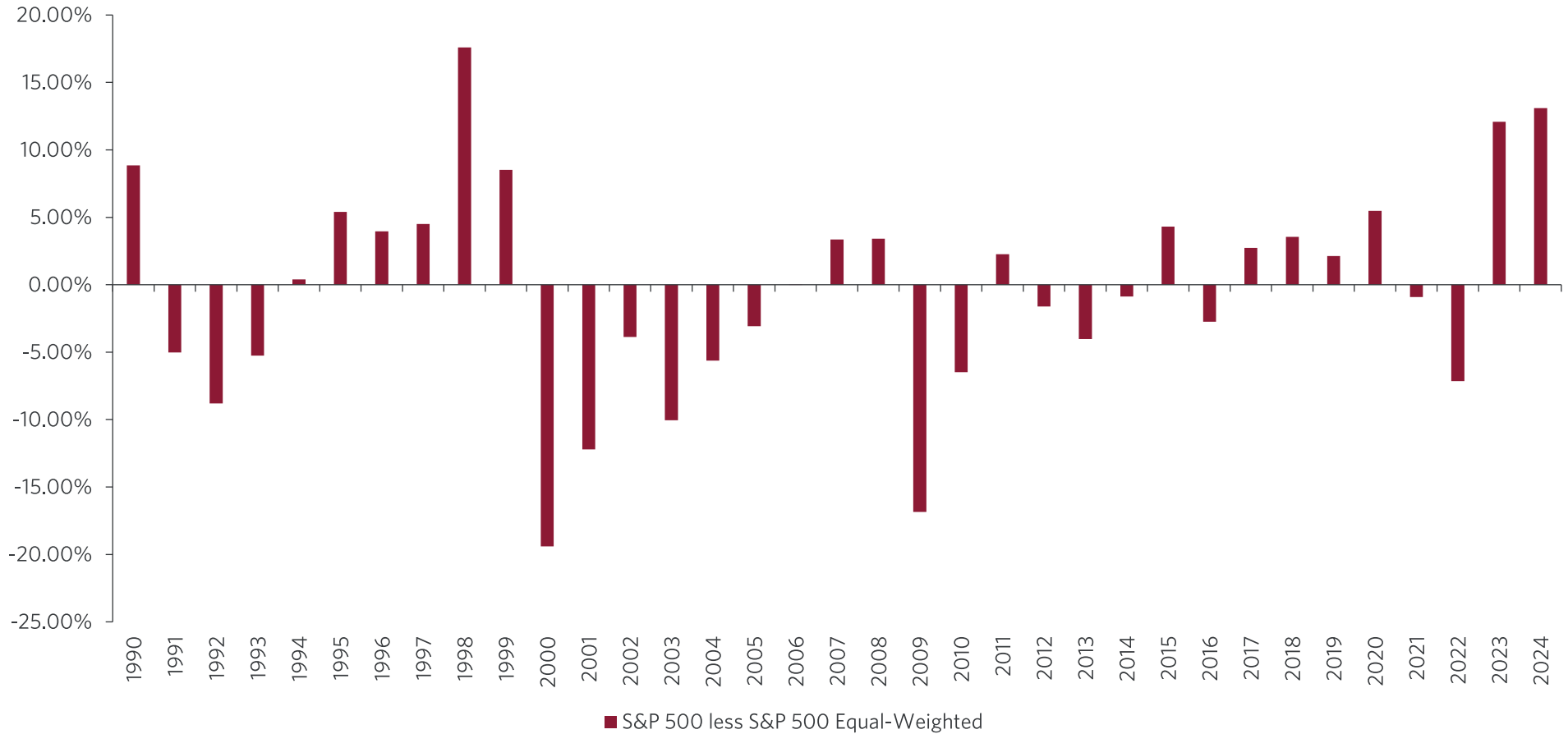


Source: IBES and LSEG Data & Analytics (formerly, Refinitiv). Returns are all in local currency except for Emerging Markets, which are in USD. Regional Market Proxies: S&P/TSX for Canada; S&P 500 for US; MSCI Eurozone for Eurozone; TOPIX for Japan and MSCI Emerging Markets for Emerging Markets. Data from December 31, 2010 to October 31, 2024.

# S&P equal-weighted returns vs. the S&P 500

The S&P 500 Equal-Weighted Index provides diversified US equity exposure, without concentration risk. In the 35 years since the inception of the S&P 500 Equal-Weighted Index, the returns have been 11.96% annualized, versus 11.31% for the standard S&P 500.

**S&P equal-weighted returns vs. the S&P 500**



Source: eVestment. Data as of December 31, 2024.

## Global equities: GICS sector returns

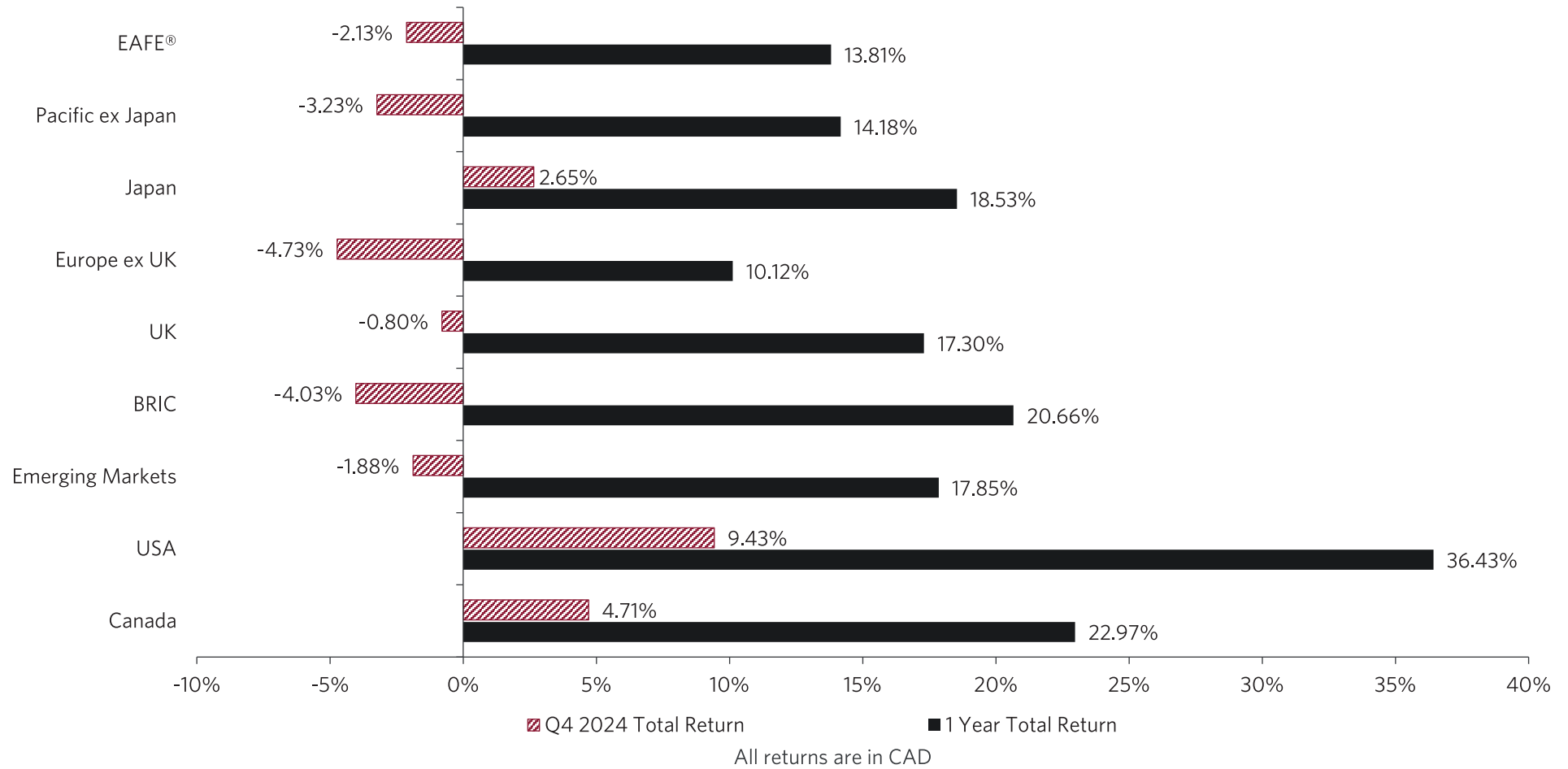
'Big Tech' sectors including consumer discretionary, communication services and information technology delivered the strongest returns over the quarter, though financials also did well. These sectors were driven by US stocks, which benefitted from expectations of lighter regulation under the new Trump administration.

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Consumer Discretionary 15.78%	Consumer Discretionary 22.63%	Communication Services 46.44%	Energy 21.71%	Information Technology 24.20%	Information Technology 23.69%	Information Technology 22.86%
Communication Services 13.66%	Financials 21.26%	Information Technology 45.18%	Information Technology 17.35%	Consumer Discretionary 14.68%	Consumer Discretionary 13.83%	Consumer Discretionary 13.84%
Information Technology 11.41%	Communication Services 15.47%	Financials 39.01%	Financials 15.37%	Communication Services 14.27%	Communication Services 12.94%	Industrials 12.02%
Financials 10.84%	Utilities 14.02%	Consumer Discretionary 32.98%	Communication Services 12.18%	Financials 13.49%	Financials 10.86%	Financials 11.69%
Energy 3.66%	Information Technology 11.72%	Utilities 24.26%	Industrials 11.80%	Industrials 12.32%	Industrials 10.74%	Communication Services 11.55%
Industrials 1.83%	Industrials 11.07%	Industrials 23.94%	Utilities 8.06%	Energy 11.59%	Health Care 10.61%	Health Care 10.23%
Consumer Staples -0.33%	Consumer Staples 7.63%	Consumer Staples 15.99%	Consumer Discretionary 7.95%	Health Care 8.93%	Utilities 9.54%	Materials 9.17%
Utilities -1.97%	Energy 0.10%	Energy 13.03%	Consumer Staples 5.62%	Materials 8.90%	Energy 7.95%	Utilities 8.98%
Health Care -5.59%	Materials -0.28%	Health Care 10.82%	Health Care 4.66%	Utilities 7.54%	Consumer Staples 7.32%	Consumer Staples 8.64%
Materials -8.72%	Health Care -1.39%	Materials 3.48%	Materials 3.77%	Consumer Staples 7.21%	Materials 7.32%	Energy 6.86%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

# Global equities performance

The economy remains robust and the outlook is positive. Many equity markets continue to experience strong performance.



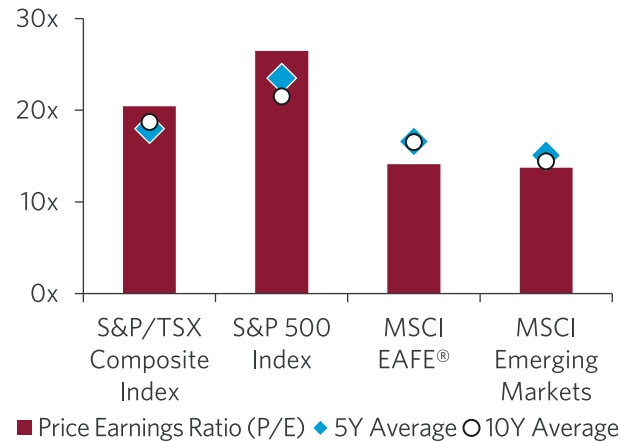
Source: MSCI Indices, Bloomberg. All returns are in CAD.

Benchmark Proxies: MSCI EAFE® (EAFE®), MSCI Pacific ex Japan (Pacific ex Japan), MSCI Japan (Japan), MSCI Europe ex UK (Europe ex UK), MSCI UK (UK), MSCI BRIC (BRIC), MSCI Emerging Markets (Emerging Markets).  
Data as of December 31, 2024.

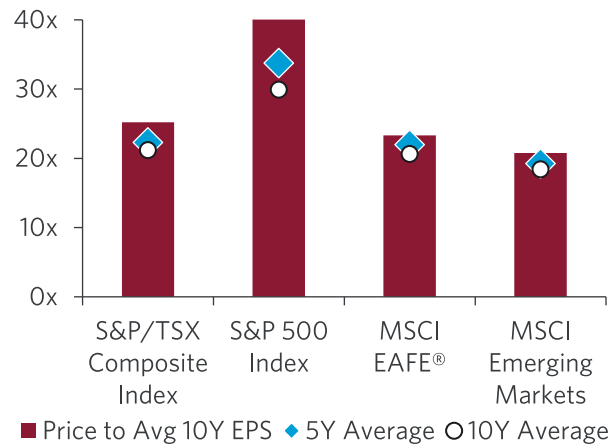
# Equity valuation measures

US equities trade at higher valuations relative to other regions, and relative to its own history. However, US companies are expected to deliver higher earnings growth than the rest of the world.

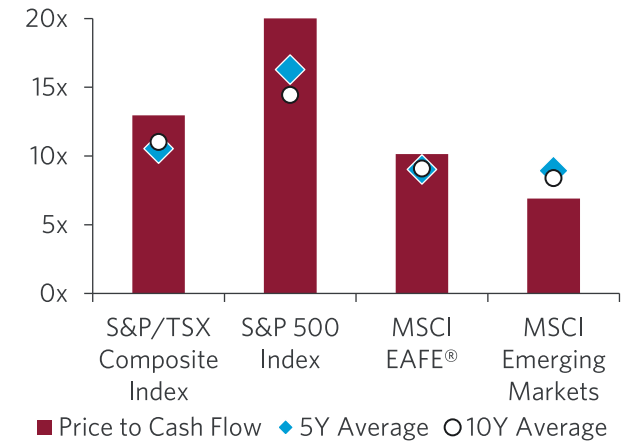
**Trailing price earnings ratio (P/E)**



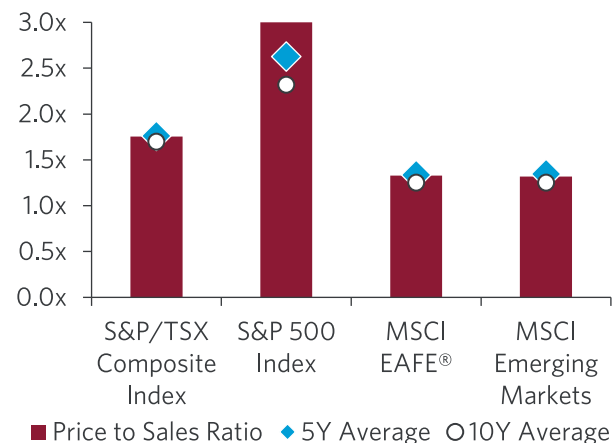
**Price to avg 10Y EPS**



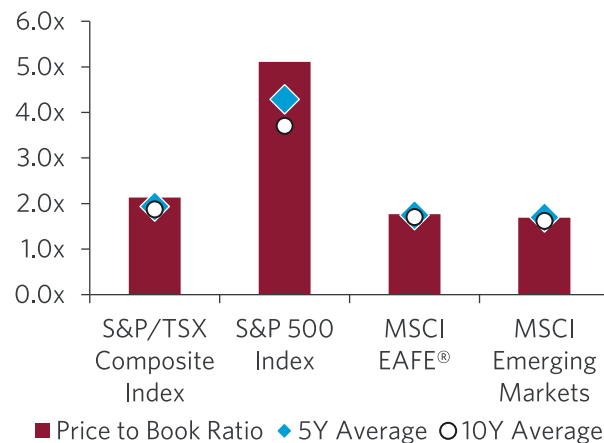
**Price to cash flow**



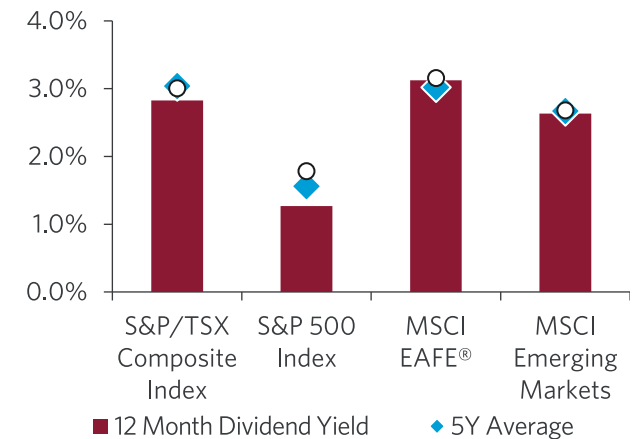
**Price to sales ratio**



**Price to book ratio**



**12-month dividend yield**



Source: TSX © Copyright 2025 TSX Inc. All rights reserved., Bloomberg, Rimes Technology Inc. Data as of December 31, 2024.



# Asset allocation

Winter 2025 Global Markets Compass

## Asset class returns

Asset class leadership varies over time based on a variety of factors. Investing in a broadly diversified portfolio will ensure at least some participation in the highest performing asset classes at any given time and is an appropriate prescription for uncertain timing. This approach, proxied by a balanced portfolio, continued to provide superior returns versus cash in Q424.

	3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
US Equities	9.02%	Canadian Equities 14.71%	US Equities 36.36%	US Equities 13.76%	US Equities 16.92%	US Equities 16.10%	US Equities 15.58%
Global Equities	6.39%	US Equities 13.97%	Global Equities 30.01%	Global Equities 11.58%	Global Equities 14.04%	Global Equities 13.00%	Global Equities 12.94%
Canadian Equities	3.76%	Canadian Dividend 12.60%	Canadian Equities 21.65%	Canadian Dividend 9.49%	Canadian Dividend 11.14%	Canadian Equities 9.54%	Canadian Dividend 8.98%
Balanced Portfolio	2.52%	Global Equities 11.82%	Canadian Dividend 19.85%	Canadian Equities 8.57%	Canadian Equities 11.08%	Canadian Dividend 9.49%	Canadian Equities 8.65%
Canadian High Yield	2.52%	Balanced Portfolio 7.94%	Emerging Market Equities 17.85%	International Equities 6.68%	International Equities 7.44%	International Equities 6.70%	International Equities 8.02%
Canadian Dividend	1.98%	Canadian High Yield 6.64%	Balanced Portfolio 15.31%	Balanced Portfolio 5.74%	Balanced Portfolio 6.92%	Balanced Portfolio 6.57%	Balanced Portfolio 6.93%
Cash	1.08%	Global Bonds 6.30%	International Equities 13.81%	Canadian High Yield 5.06%	Canadian High Yield 5.61%	Canadian High Yield 5.51%	Emerging Market Equities 6.31%
Canadian Corporate Bonds	1.03%	Canadian Corporate Bonds 5.75%	Canadian High Yield 11.48%	Cash 3.81%	Emerging Market Equities 4.24%	Emerging Market Equities 3.80%	Canadian High Yield 6.05%
Global Bonds	0.67%	Emerging Market Equities 5.47%	Canadian Corporate Bonds 6.97%	Emerging Market Equities 2.88%	Cash 2.48%	Canadian Corporate Bonds 2.93%	Canadian Corporate Bonds 3.04%
Canadian Gov Bonds	-0.40%	Canadian Gov Bonds 4.25%	Global Bonds 5.94%	Canadian Corporate Bonds 1.47%	Canadian Corporate Bonds 2.31%	Cash 2.20%	Cash 1.71%
Emerging Market Equities	-1.88%	International Equities 3.71%	Cash 4.92%	Canadian Gov Bonds -1.32%	Canadian Gov Bonds 0.27%	Canadian Gov Bonds 1.31%	Canadian Gov Bonds 1.60%
International Equities	-2.13%	Cash 2.31%	Canadian Gov Bonds 3.31%	Global Bonds -1.67%	Global Bonds -1.05%	Global Bonds 0.44%	Global Bonds 1.58%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar returns. Data as of December 31, 2024.

# Asset class correlations

Currency: CAD	Cash	Canadian Equities	Canadian Dividend	Canadian Bond	Canadian High Yield	US Equities	Global Equities	International Equities	Emerging Market Equities	Global Bonds	Benchmark
<b>Cash</b>	1.00	-0.13	0.02	-0.32	-0.16	-0.30	-0.25	0.16	-0.19	-0.07	FTSE Canada 91 Day T-Bill Index
<b>Canadian Equities</b>	-0.06	1.00	0.98	0.70	0.65	0.52	0.64	0.51	-0.19	0.59	S&P/TSX Composite Index
<b>Canadian Dividend</b>	-0.09	0.99	1.00	0.69	0.69	0.48	0.62	0.62	-0.13	0.64	S&P/TSX Composite Dividend Index
<b>Canadian Bonds</b>	0.13	0.49	0.43	1.00	0.55	0.44	0.52	0.40	0.16	0.76	FTSE Canada Universe Bond Index
<b>Canadian High Yield</b>	-0.02	0.70	0.67	0.49	1.00	0.20	0.34	0.58	0.14	0.61	FTSE Canada High Yield Overall Bond Index
<b>US Equities</b>	0.05	0.80	0.76	0.49	0.51	1.00	0.98	0.33	0.04	0.21	S&P 500 Index
<b>Global Equities</b>	0.06	0.85	0.81	0.52	0.58	0.98	1.00	0.52	0.05	0.32	MSCI World Index
<b>International Equities</b>	0.07	0.80	0.78	0.48	0.59	0.78	0.88	1.00	0.17	0.49	MSCI EAFE® Index
<b>Emerging Market Equities</b>	0.04	0.54	0.50	0.36	0.57	0.52	0.59	0.67	1.00	0.23	MSCI Emerging Markets Index
<b>Global Bonds</b>	0.27	-0.19	-0.24	0.59	-0.07	-0.03	-0.03	0.00	0.03	1.00	Citigroup World Government Bond Index

□ 1-Year Correlations

▤ 7-Year Correlations

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc, Rimes Technologies Inc, Bloomberg. Canadian currency. Data as of December 31, 2024.

# Appendix – Index returns

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# Canadian bonds: Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
High Yield 11.48%	High Yield 10.00%	Short Term -4.04%	High Yield 6.18%	Real Return 13.02%	Long Term 12.71%	MBS 2.47%	High Yield 9.94%	High Yield 16.93%	Mid Term 4.86%
Corporate 6.97%	Long Term 9.51%	High Yield -5.44%	Real Return 1.84%	Long Term 11.90%	High Yield 8.48%	Federal 2.39%	Long Term 7.03%	Corporate 3.73%	Government 3.84%
Short Term 5.70%	Corporate 8.37%	MBS -5.69%	MBS -0.76%	Mid Term 10.08%	Corporate 8.05%	High Yield 2.15%	Corporate 3.38%	Real Return 2.86%	Long Term 3.80%
MBS 4.67%	Core 6.69%	Federal -9.34%	Short Term -0.93%	Corporate 8.74%	Real Return 8.02%	Short Term 1.91%	Core 2.52%	Long Term 2.47%	Federal 3.66%
Mid Term 4.65%	Mid Term 6.13%	Corporate -9.87%	Corporate -1.34%	Government 8.69%	Core 6.87%	Mid Term 1.91%	Government 2.18%	Core 1.66%	Core 3.52%
Core 4.23%	Government 6.11%	Mid Term -10.29%	Core -2.54%	Core 8.68%	Government 6.42%	Government 1.53%	MBS 0.97%	Mid Term 1.61%	Real Return 2.79%
Real Return 3.73%	Short Term 5.02%	Core -11.69%	Federal -2.62%	Federal 7.28%	Mid Term 5.75%	Core 1.41%	Mid Term 0.96%	MBS 1.24%	Corporate 2.71%
Federal 3.48%	Federal 5.00%	Government -12.34%	Mid Term -2.69%	High Yield 6.69%	Federal 3.73%	Corporate 1.10%	Real Return 0.72%	Short Term 1.01%	Short Term 2.61%
Government 3.31%	MBS 4.15%	Real Return -14.32%	Government -2.97%	MBS 5.95%	MBS 3.21%	Long Term 0.31%	Federal 0.13%	Government 0.89%	MBS 2.54%
Long Term 1.35%	Real Return 1.99%	Long Term -21.76%	Long Term -4.52%	Short Term 5.29%	Short Term 3.10%	Real Return -0.05%	Short Term 0.08%	Federal 0.00%	High Yield -3.81%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

## Global equities: GICS sector returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Communication Services 46.44%	Information Technology 49.53%	Energy 58.33%	Energy 40.57%	Information Technology 41.73%	Information Technology 40.66%	Health Care 12.33%	Information Technology 29.63%	Energy 23.16%	Consumer Staples 28.48%
Information Technology 45.18%	Communication Services 42.08%	Utilities 3.11%	Information Technology 29.04%	Consumer Discretionary 34.59%	Industrials 22.00%	Utilities 12.16%	Materials 20.98%	Materials 18.79%	Health Care 28.43%
Financials 39.01%	Consumer Discretionary 31.89%	Health Care 1.94%	Financials 27.60%	Communication Services 21.27%	Communication Services 21.46%	Information Technology 6.55%	Industrials 17.62%	Industrials 9.62%	Consumer Discretionary 27.06%
Consumer Discretionary 32.98%	Industrials 20.49%	Consumer Staples 1.31%	Health Care 19.32%	Materials 18.38%	Consumer Discretionary 20.69%	Consumer Discretionary 3.45%	Consumer Discretionary 16.06%	Financials 9.26%	Information Technology 26.18%
Utilities 24.26%	Financials 13.86%	Financials -2.99%	Consumer Discretionary 17.17%	Health Care 12.10%	Financials 20.02%	Communication Services -0.94%	Financials 15.30%	Information Technology 8.10%	Communication Services 24.00%
Industrials 23.94%	Materials 12.24%	Materials -3.80%	Industrials 16.07%	Industrials 10.22%	Materials 17.67%	Consumer Staples -1.34%	Health Care 12.51%	Utilities 3.19%	Industrials 18.13%
Consumer Staples 15.99%	Health Care 1.48%	Industrials -6.42%	Materials 15.79%	Consumer Staples 6.62%	Health Care 17.63%	Industrials -6.36%	Consumer Staples 10.06%	Communication Services 2.86%	Financials 16.49%
Energy 13.03%	Energy 0.75%	Information Technology -25.56%	Communication Services 13.81%	Utilities 3.78%	Consumer Staples 17.34%	Energy -7.55%	Utilities 7.08%	Consumer Discretionary 0.06%	Utilities 12.98%
Health Care 10.82%	Consumer Staples 0.26%	Consumer Discretionary -28.28%	Consumer Staples 12.76%	Financials -3.89%	Utilities 17.33%	Financials -8.94%	Communication Services -0.26%	Consumer Staples -1.26%	Materials 2.09%
Materials 3.48%	Utilities -1.51%	Communication Services -32.14%	Utilities 9.81%	Energy -31.74%	Energy 6.79%	Materials -9.04%	Energy -1.08%	Health Care -9.56%	Energy -6.66%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

## Canadian equities: Returns

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Growth 10.77%	Value 20.77%	Growth 28.99%	Value 12.65%	Value 12.47%	Value 10.01%	Value 9.39%
Value 5.16%	Growth 17.30%	Value 27.43%	Growth 10.22%	Large Cap 11.44%	Large Cap 9.90%	Large Cap 9.06%
Large Cap 3.80%	Large Cap 15.39%	Core 21.65%	Dividend 9.49%	Growth 11.19%	Growth 9.80%	Dividend 8.98%
Core 3.76%	Core 14.71%	Large Cap 21.04%	Core 8.57%	Dividend 11.14%	Core 9.54%	Core 8.65%
Dividend 1.98%	Dividend 12.60%	Dividend 19.85%	Large Cap 8.34%	Core 11.08%	Dividend 9.49%	Growth 8.31%
Preferred 1.97%	Equity Income 12.51%	Small Cap 18.83%	Equity Income 7.59%	Equity Income 9.44%	Equity Income 8.43%	Equity Income 7.61%
Equity Income 0.77%	Small Cap 9.19%	Preferred 17.58%	Small Cap 4.15%	Small Cap 8.93%	Small Cap 5.49%	Small Cap 6.01%
Small Cap 0.69%	Preferred 6.04%	Equity Income 15.68%	Preferred -3.21%	Preferred 0.62%	REIT 3.57%	REIT 4.64%
REIT -14.64%	REIT 5.13%	REIT -2.36%	REIT -5.90%	REIT -0.42%	Preferred -1.70%	Preferred -2.39%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

# Canadian equities: Returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Growth 28.99%	Growth 12.27%	Value 1.51%	Value 36.18%	Small Cap 12.87%	Equity Income 25.81%	REIT 6.29%	Growth 13.06%	Small Cap 38.48%	REIT -4.74%
Value 27.43%	Large Cap 12.05%	Equity Income 0.65%	Equity Income 36.10%	Growth 10.53%	Value 22.93%	Growth -6.05%	REIT 9.85%	Equity Income 28.49%	Value -6.38%
Core 21.65%	Core 11.83%	Dividend -0.09%	REIT 35.22%	Core 5.60%	Core 22.84%	Large Cap -7.58%	Large Cap 9.78%	Value 27.01%	Dividend -7.66%
Large Cap 21.04%	Value 10.51%	Core -5.75%	Large Cap 28.05%	Large Cap 5.56%	REIT 22.79%	Dividend -8.59%	Dividend 9.33%	Dividend 24.00%	Large Cap -7.76%
Dividend 19.85%	Dividend 9.63%	Large Cap -6.24%	Dividend 27.82%	Dividend 1.08%	Large Cap 21.93%	Core -8.88%	Core 9.08%	Large Cap 21.36%	Core -8.33%
Small Cap 18.83%	Equity Income 6.97%	Growth -7.53%	Core 25.15%	Preferred 0.05%	Dividend 21.71%	Equity Income -10.77%	Preferred 8.34%	Core 21.08%	Growth -10.53%
Preferred 17.58%	Small Cap 4.79%	Small Cap -9.29%	Small Cap 20.27%	Equity Income -7.39%	Growth 20.44%	Value -11.86%	Equity Income 7.61%	REIT 17.63%	Small Cap -13.31%
Equity Income 15.68%	REIT 2.80%	REIT -16.99%	Growth 14.84%	Value -7.55%	Small Cap 15.84%	Preferred -12.21%	Value 5.84%	Growth 14.20%	Equity Income -14.55%
REIT -2.36%	Preferred -0.73%	Preferred -22.31%	Preferred 13.65%	REIT -13.08%	Preferred -2.02%	Small Cap -18.17%	Small Cap 2.75%	Preferred 1.25%	Preferred -19.31%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.



# Asset class returns

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
US Equities 36.36%	US Equities 22.90%	Cash 1.82%	Canadian Dividend 27.82%	Emerging Market Equities 16.60%	US Equities 24.84%	Global Bonds 8.09%	Emerging Market Equities 28.70%	Canadian Dividend 24.00%	US Equities 21.59%
Global Equities 30.01%	Global Equities 21.08%	Canadian Dividend -0.09%	US Equities 27.61%	US Equities 16.32%	Canadian Equities 22.84%	US Equities 4.23%	International Equities 17.36%	Canadian Equities 21.08%	Global Equities 19.55%
Canadian Equities 21.65%	International Equities 15.66%	Canadian High Yield -5.44%	Canadian Equities 25.15%	Global Equities 14.45%	Global Equities 21.91%	Canadian High Yield 2.15%	Global Equities 14.99%	Canadian High Yield 16.93%	International Equities 19.46%
Canadian Dividend 19.85%	Balanced Portfolio 12.77%	Canadian Equities -5.75%	Global Equities 21.31%	Balanced Portfolio 9.91%	Canadian Dividend 21.71%	Canadian Gov Bonds 1.53%	US Equities 13.83%	US Equities 8.09%	Global Bonds 15.22%
Emerging Market Equities 17.85%	Canadian Equities 11.83%	International Equities -7.76%	International Equities 10.82%	Canadian Corporate Bonds 8.74%	International Equities 16.45%	Cash 1.38%	Canadian High Yield 9.94%	Emerging Market Equities 7.74%	Balanced Portfolio 7.78%
Balanced Portfolio 15.31%	Canadian High Yield 10.00%	Balanced Portfolio -9.09%	Balanced Portfolio 7.53%	Canadian Gov Bonds 8.69%	Emerging Market Equities 12.87%	Canadian Corporate Bonds 1.10%	Canadian Dividend 9.33%	Balanced Portfolio 6.33%	Canadian Gov Bonds 3.84%
International Equities 13.81%	Canadian Dividend 9.63%	Canadian Corporate Bonds -9.87%	Canadian High Yield 6.18%	Global Bonds 8.18%	Balanced Portfolio 12.56%	Global Equities 0.06%	Balanced Portfolio 9.27%	Global Equities 4.41%	Canadian Corporate Bonds 2.71%
Canadian High Yield 11.48%	Canadian Corporate Bonds 8.37%	Global Equities -11.75%	Cash 0.17%	Canadian High Yield 6.69%	Canadian High Yield 8.48%	Balanced Portfolio -0.76%	Canadian Equities 9.08%	Canadian Corporate Bonds 3.73%	Emerging Market Equities 2.42%
Canadian Corporate Bonds 6.97%	Emerging Market Equities 7.31%	US Equities -12.16%	Canadian Corporate Bonds -1.34%	International Equities 6.38%	Canadian Corporate Bonds 8.05%	International Equities -5.55%	Canadian Corporate Bonds 3.38%	Canadian Gov Bonds 0.89%	Cash 0.63%
Global Bonds 5.94%	Canadian Gov Bonds 6.11%	Global Bonds -12.32%	Canadian Gov Bonds -2.97%	Canadian Equities 5.60%	Canadian Gov Bonds 6.42%	Emerging Market Equities -6.52%	Canadian Gov Bonds 2.18%	Cash 0.51%	Canadian High Yield -3.81%
Cash 4.92%	Cash 4.71%	Canadian Gov Bonds -12.34%	Emerging Market Equities -3.06%	Canadian Dividend 1.08%	Cash 1.61%	Canadian Dividend -8.59%	Cash 0.56%	Global Bonds -1.91%	Canadian Dividend -7.66%
Canadian Gov Bonds 3.31%	Global Bonds 2.36%	Emerging Market Equities -13.90%	Global Bonds -7.76%	Cash 0.90%	Global Bonds 0.54%	Canadian Equities -8.88%	Global Bonds 0.43%	International Equities -2.00%	Canadian Equities -8.33%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc., Rimes Technologies Inc., Bloomberg. Canadian dollar total returns. Data as of December 31, 2024.

# US equity performance

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Mid Cap Growth 8.14%	Mid Cap Growth 15.22%	Large Cap Growth 33.36%	Large Cap Growth 10.47%	Large Cap Growth 18.96%	Large Cap Growth 18.08%	Large Cap Growth 16.78%
Large Cap Growth 7.07%	Large Cap Growth 10.49%	Large Cap Core 24.51%	Large Cap Core 8.41%	Large Cap Core 14.28%	Large Cap Core 13.58%	Large Cap Core 12.87%
Large Cap Core 2.75%	Small Cap Growth 10.26%	Mid Cap Growth 22.10%	Large Cap Value 5.63%	Mid Cap Growth 11.47%	Mid Cap Growth 12.08%	Mid Cap Growth 11.54%
Small Cap Growth 1.70%	Mid Cap Core 9.89%	Mid Cap Core 15.34%	Mid Cap Growth 4.04%	Mid Cap Core 9.92%	Mid Cap Core 9.65%	Mid Cap Core 9.63%
Mid Cap Core 0.62%	Small Cap Core 9.64%	Small Cap Growth 15.15%	Mid Cap Value 3.88%	Large Cap Value 8.68%	Large Cap Value 8.41%	Large Cap Value 8.49%
Small Cap Core 0.33%	Large Cap Core 9.00%	Large Cap Value 14.37%	Mid Cap Core 3.79%	Mid Cap Value 8.59%	Mid Cap Value 7.72%	Mid Cap Value 8.10%
Small Cap Value -1.06%	Small Cap Value 8.98%	Mid Cap Value 13.07%	Small Cap Value 1.94%	Small Cap Core 7.40%	Small Cap Growth 7.16%	Small Cap Growth 8.08%
Mid Cap Value -1.75%	Mid Cap Value 8.16%	Small Cap Core 11.54%	Small Cap Core 1.24%	Small Cap Value 7.29%	Small Cap Core 6.91%	Small Cap Core 7.82%
Large Cap Value -1.98%	Large Cap Value 7.26%	Small Cap Value 8.05%	Small Cap Growth 0.21%	Small Cap Growth 6.86%	Small Cap Value 6.13%	Small Cap Value 7.14%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

# US equity performance

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Large Cap Growth 33.36%	Large Cap Growth 42.68%	Large Cap Value -7.54%	Mid Cap Value 28.34%	Large Cap Growth 38.49%	Large Cap Growth 36.39%	Large Cap Growth -1.51%	Large Cap Growth 30.21%	Small Cap Value 31.72%	Large Cap Growth 5.67%
Large Cap Core 24.51%	Large Cap Core 26.53%	Mid Cap Value -12.03%	Small Cap Value 28.27%	Mid Cap Growth 35.59%	Mid Cap Growth 35.47%	Mid Cap Growth -4.75%	Mid Cap Growth 25.27%	Small Cap Core 21.31%	Large Cap Core 0.92%
Mid Cap Growth 22.10%	Mid Cap Growth 25.87%	Small Cap Value -14.48%	Large Cap Growth 27.60%	Small Cap Growth 34.63%	Large Cap Core 31.43%	Large Cap Core -4.78%	Small Cap Growth 22.14%	Mid Cap Value 20.00%	Mid Cap Growth -0.20%
Mid Cap Core 15.34%	Small Cap Growth 18.66%	Mid Cap Core -17.32%	Large Cap Core 26.46%	Large Cap Core 20.96%	Mid Cap Core 30.54%	Large Cap Value -8.27%	Large Cap Core 21.69%	Large Cap Value 17.34%	Small Cap Growth -1.38%
Small Cap Growth 15.15%	Mid Cap Core 17.23%	Large Cap Core -19.13%	Large Cap Value 25.16%	Small Cap Core 19.96%	Small Cap Growth 28.48%	Mid Cap Core -9.06%	Mid Cap Core 18.52%	Mid Cap Core 13.80%	Mid Cap Core -2.44%
Large Cap Value 14.37%	Small Cap Core 16.93%	Small Cap Core -20.44%	Mid Cap Core 22.58%	Mid Cap Core 17.10%	Mid Cap Value 27.06%	Small Cap Growth -9.33%	Small Cap Core 14.65%	Large Cap Core 12.05%	Large Cap Value -3.83%
Mid Cap Value 13.07%	Small Cap Value 14.65%	Small Cap Growth -26.36%	Small Cap Core 14.82%	Mid Cap Value 4.96%	Large Cap Value 26.54%	Small Cap Core -11.01%	Large Cap Value 13.66%	Small Cap Growth 11.28%	Small Cap Core -4.41%
Small Cap Core 11.54%	Mid Cap Value 12.71%	Mid Cap Growth -26.72%	Mid Cap Growth 12.73%	Small Cap Value 4.63%	Small Cap Core 25.52%	Mid Cap Value -12.29%	Mid Cap Value 13.34%	Mid Cap Growth 7.33%	Mid Cap Value -4.78%
Small Cap Value 8.05%	Large Cap Value 11.46%	Large Cap Growth -29.14%	Small Cap Growth 2.83%	Large Cap Value 2.80%	Small Cap Value 22.39%	Small Cap Value -12.84%	Small Cap Value 7.82%	Large Cap Growth 7.08%	Small Cap Value -7.47%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian dollar total returns. Data as of December 31, 2024.

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**\$255  
billion**

of assets under  
management<sup>2</sup>

**150+**

highly qualified investment  
professionals with an average  
of **over 19 years** of industry  
experience

**50+**

years of experience  
in actively managing  
investment mandates

# Disclosure

Released February 2025

<sup>1</sup> Benefits Canada – Top 40 Money Manager survey – Fall 2023.

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