

# Market Overview

## Investor sentiment strengthens and market recovers

An analysis by iAGAM Fund Management and Oversight Team

### Market Index Heat Map

Fixed Income	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Money Market (FTSE)	0,22	0,70	1,59	1,26	3,98	4,16	2,58
Canada Short Term (FTSE)	0,09	0,55	2,29	1,91	6,84	4,05	1,81
Canada Long Term (FTSE)	0,26	-3,29	-2,83	-0,16	6,42	2,12	-2,94
Canada Universe (FTSE)	0,02	-0,91	0,68	1,38	7,26	3,53	-0,05
Canada Corporate (FTSE)	0,58	0,11	1,84	1,98	8,87	5,62	2,15
Canada Real Return Bonds (FTSE)	0,23	-1,93	1,04	1,82	8,15	2,52	0,47
Canada Investment Grade (S&P)	0,58	0,09	2,06	1,96	8,43	5,41	2,21
Canada High Yield (S&P)	1,31	0,28	1,93	1,51	7,59	7,55	6,74
U.S. High Yield (iShares ETF)	1,50	0,36	1,61	2,24	7,97	5,13	4,06
Global Aggregate (Morningstar)	0,02	-0,41	0,03	1,55	5,00	2,44	0,10
Floating Rate Notes (iShares ETF)	0,32	0,70	1,69	1,38	3,89	4,39	2,74

Equities	Trailing Performance % (CAD)						
	1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
S&P/TSX 60	5,13	3,19	3,48	7,07	21,36	11,36	14,94
Canadian Equities (TSX Composite)	5,56	3,87	3,54	7,05	21,05	11,55	14,92
Canadian Equities (TSX Dividend)	5,04	4,54	4,40	7,88	19,22	10,55	15,81
Canada Small Cap (TSX)	7,20	7,94	2,67	6,17	13,69	6,55	14,94
U.S. Equities (S&P 500)	5,81	-4,91	-3,12	-3,39	14,51	17,64	15,82
U.S. Equities (Nasdaq 100)	8,54	-2,47	0,13	-2,90	16,13	22,43	17,31
Global Equities (MSCI World)	5,50	-2,38	0,62	0,55	15,20	16,93	14,60
Global Equities Growth (MSCI)	8,23	-0,91	2,12	-0,99	17,71	21,12	15,12
Global Equities Value (MSCI)	2,69	-3,94	-0,95	2,22	12,61	12,63	13,53
Global Small Cap (MSCI)	5,39	-1,96	-5,03	-1,72	8,61	10,18	10,90
International Equities (MSCI EAFE)	4,24	4,34	12,61	12,15	14,90	15,19	11,87
Emerging Markets (MSCI)	3,83	1,57	6,83	4,10	14,62	8,62	7,40

Canadian Sectors (S&P/TSX Composite)	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer Discretionary	3,3	8,11	7,42	9,37	9,83	21,35	13,22	15,21
Consumer staples	3,9	1,21	9,58	5,59	6,30	18,71	14,09	14,39
Energy	16,0	4,53	2,05	2,08	0,56	6,53	5,64	20,92
Financials	32,9	6,50	4,32	6,64	6,88	31,80	13,72	19,77
Health Care	0,2	1,09	-9,94	-13,94	-14,20	-0,40	-9,76	-18,24
Industrials	12,5	8,92	2,82	5,23	5,67	10,83	12,46	13,61
Information Technology	9,7	7,97	-4,95	-1,08	0,76	51,39	31,18	11,10
Materials	13,5	2,51	11,76	24,44	25,45	27,33	11,92	11,80
Real Estate	1,8	4,42	1,99	1,72	1,79	14,10	1,38	7,85
Communication services	2,2	2,19	-1,81	2,90	1,86	-12,04	-10,94	-0,87
Utilities	3,9	1,93	6,44	9,35	9,72	24,32	2,27	7,77

U.S. Sectors (S&P 500)	Weight (%)	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
Consumer discretionary	10,6	9,02	-5,32	-12,68	-10,10	22,50	16,59	12,17
Consumer staples	5,9	1,37	-4,39	1,98	3,40	15,70	10,38	10,59
Energy	3,0	0,61	-13,72	-7,25	-8,11	-6,71	3,64	20,98
Financials	14,3	3,98	-6,78	-0,18	1,00	26,34	17,16	18,39
Health Care	9,6	-5,91	-14,82	-8,56	-7,36	-4,07	3,98	6,89
Industrials	8,7	8,35	0,05	2,40	3,87	19,18	18,77	17,42
Information Technology	31,6	10,44	-2,17	-8,27	-5,98	15,18	26,23	22,01
Materials	1,9	2,63	-6,49	-2,20	-0,93	-1,68	4,47	11,44
Real Estate	2,1	0,60	-7,23	-1,12	-1,20	16,65	3,82	7,37
Communication services	9,6	9,21	-3,48	-2,98	-0,96	21,68	24,91	15,25
Utilities	2,5	3,43	-0,73	3,41	4,27	19,03	8,92	9,93

Currencies	Rate	Trailing Performance % (CAD)						
		1m	3m	6m	YTD	1 yr	3 yrs	5 yrs
USD/CAD*	0,73 \$	0,46	4,77	1,83	4,60	-0,86	-2,74	0,11

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

### Market Highlights

Investor sentiment experienced a marked improvement in May, driven by a de-escalation of trade tensions. Advancements in tariff negotiations between the U.S. and its global partners helped reduce fears of a potential global recession, supporting a broad-based recovery across financial markets

#### Riskier Fixed-Income Securities Outperformed.

Risk appetite intensified across bond markets, spurring heightened demand for riskier fixed-income assets such as high-yield bonds, which outperformed. However, the downgrade of the U.S. sovereign credit rating contributed to rising interest rates in several developed markets, exerting downward pressure on sovereign bond valuations.

#### U.S. Equities Regain Momentum

Renewed optimism bolstered the rebound in U.S. equities, which outperformed. In contrast, international and emerging markets delivered more moderate gains. Growth stocks continued to outpace value stocks for the second consecutive month, while small-cap equities benefited from the prevailing positive sentiment.

In Canada, the industrial and consumer discretionary sectors emerged as top performers. In the U.S., gains were driven primarily by the information technology and telecommunications sectors. In both countries, the health care sector weighed on overall returns.

The appreciation of the Canadian dollar against the U.S. dollar had an adverse impact on returns for Canadian investors holding U.S. assets.

### Fund Performance Highlights

- The Fidelity American High Yield Currency Neutral and Strategic Corporate Bond (iA) funds outperformed, whereas the Fixed Income Managed Portfolio (iA) and Global Fixed Income (PIMCO) funds faced a more challenging month.
- The U.S. DAQ Index (iA) and U.S. Equity Index (BlackRock) funds benefited from the outperformance of U.S. markets. However, the Global Health Care (Renaissance) fund was negatively impacted by the underperformance of the health care sector.

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