



CIBC ASSET MANAGEMENT

GLOBAL MARKETS COMPASS

Q4 2023



Table of contents

Global Markets Compass contributors	3
Market review	4
Long-term summary in charts	5
Message from our Portfolio Solutions Research Forum	6
Our asset allocation views	8
Economic review	9
Fixed income, currency and commodities markets	17
Equity markets	25
Asset allocation	30
Appendix – Index returns	33
About CIBC Asset Management	44

2024 outlook for global economies and markets

Recommended for investment professionals

Michael Sager, Managing Director & Head, Multi-Asset & Currency Management at CIBC Asset Management discusses expectations for global and domestic asset classes, currencies and commodities in 2024. Dr. Sager also sheds light on the current state of the global economy, with a focus on Canada, the US, Eurozone and China as well as our 12-month economic outlook.

[Watch webcast](#)

Speaker



Michael Sager, Ph.D.
Managing Director & Head,
Multi Asset & Currency Management,
CIBC Asset Management

Global Markets Compass contributors

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.



Leslie Alba
Director, Portfolio Solutions
Total Investment Solutions



David Wong
CIO, Managing Director & Head
Total Investment Solutions



Michael Sager
Managing Director & Head
Multi-Asset & Currency Management



Patrick Thillou
Managing Director & Head
Trading, Global Beta, Outcome & Overlays Management
Total Investment Solutions



Glen Martin
Executive Director, Global Beta
Total Investment Solutions



Philip Lee
Executive Director, Manager Research
Total Investment Solutions



Francis Thivierge
Senior Portfolio Manager
Multi Asset & Currency Management



Gaurav Dhiman
Portfolio Manager
Global Fixed Income



Crystal Maloney
Head of Equity Research



Michael Cook
Vice President
LDI Client Portfolio Manager
Institutional Client Relations

Q4 2023 market review



Economic overview

- Following declines in Q3, equity markets continued a tradition of year-end rallies to help reverse losses posted in 2022
- Bond markets rallied amid less hawkish outlooks for monetary policy from major central banks
- Equity markets returned to risk-on sentiment with stronger corporate earnings reports
- Technology and growth-oriented sectors outperformed over the year, as a potential ebbing in interest rates and new artificial intelligence (AI) technologies stand to benefit those companies the most



Fixed income

- Fixed income markets reversed losses from Q3 as central bank sentiment grew less hawkish and bonds continued to offer elevated yields across most major global markets
- **Bloomberg Global Aggregate Bond Index** reversed some prior losses with a gain of 8.1% USD in Q4 and a 5.7% USD gain on the year
- **FTSE Canada Universe Bond Index** rose 8.3% CAD in Q4 and 5% CAD on the year
- Canadian bond returns were highest among long-term bonds, which rose by close to 10% CAD for the year

Source: CIBC Asset Management



Equities

Canada:

- **S&P/TSX Composite Index** posted strong gains of over 8% CAD in Q4, finishing 2023 with gains close to 12% CAD
- **Bank of Canada (BoC)** left its target policy rate unchanged at 5%
- Population growth continued to put pressure on employment growth and housing costs, with the inflation rate slowing but remaining well above the 2% BoC targets

US:

- **Nasdaq Composite Index** gained 40.8% USD on the year
- **S&P 500 Composite Index** gained 26.3% USD on the year
- **US Federal Reserve Board (Fed)** left its key policy rate unchanged in the last quarter of the year as inflation cooled
- US equities were led by the “Magnificent Seven” mega-cap stocks, which more than doubled in 2023 as measured by the Bloomberg Magnificent 7 Total Return Index

International

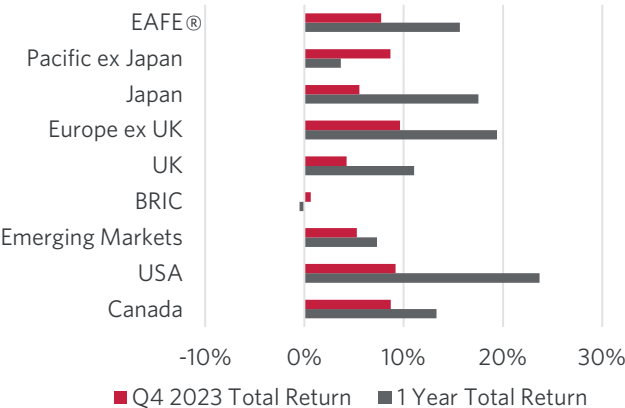
- **MSCI World Index** added 8.8% CAD in Q4, bringing 2023 gains to over 21% CAD
- **MSCI EAFE® Index** underperformed other major indices but still gained 7.7% CAD in Q4, adding to 15.7% calendar year returns
- **MSCI Emerging Markets Index**, a distant laggard, posted gains of 5.3% CAD for Q4, and 7.3% CAD in 2023

Summary in charts

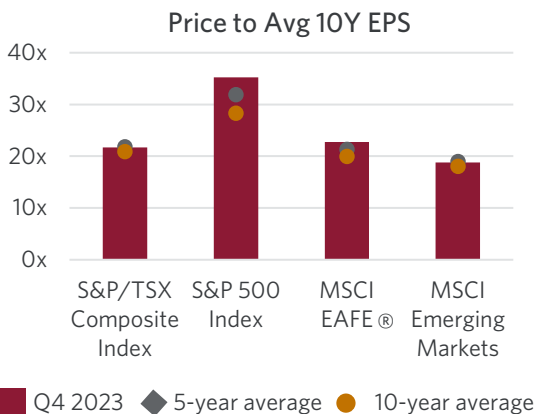
A traditional 60/40 equity and fixed income balanced portfolio outperformed cash over 3 months, 6 months and 1 year

3 Months	6 Months	1 Year
US Equities: 8.93%	US Equities: 7.66%	US Equities: 22.90%
Global Equities: 8.78%	Global Equities: 7.40%	Global Equities: 21.08%
Canadian Gov Bonds: 8.49%	Canadian High Yield: 7.24%	International Equities: 15.66%
Canadian Equities: 8.11%	Canadian Equities: 5.73%	Balanced Portfolio: 12.77%
International Equities: 7.74%	Balanced Portfolio: 5.65%	Canadian Equities: 11.83%
Canadian Corporate Bonds: 7.63%	International Equities: 5.63%	Canadian High Yield: 10.00%
Balanced Portfolio: 7.43%	Canadian Dividend: 5.56%	Canadian Dividend: 9.63%
Canadian Dividend: 7.32%	Canadian Corporate Bonds: 5.24%	Canadian Corporate Bonds: 8.37%
Canadian High Yield: 6.11%	Emerging Market Equities: 4.55%	Emerging Market Equities: 7.31%
Global Bonds: 5.41%	Canadian Gov Bonds: 3.68%	Canadian Gov Bonds: 6.11%
Emerging Market Equities: 5.27%	Global Bonds: 3.10%	Cash: 4.71%
Cash: 1.28%	Cash: 2.52%	Global Bonds: 2.36%

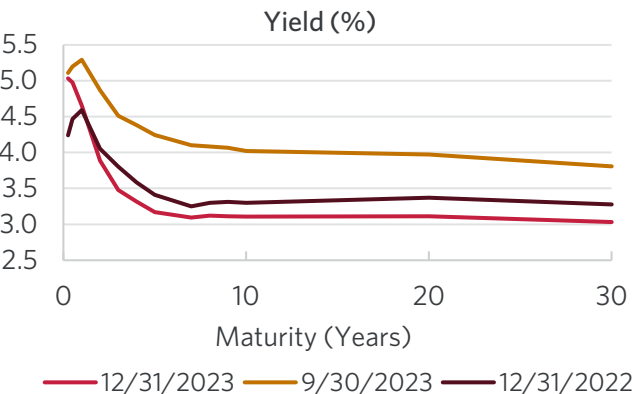
Investor optimism around US economic resilience and the “Magnificent Seven” have driven stocks up...



...moving valuations to their longer-term averages



The yield curve remains inverted, with short-term interest rates above longer-dated yields



A lower rate on longer-dated bonds vs. short-term bonds means investors aren't paid for taking term risk

Historical Term Spread (10Y-2Y %)



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). “EAFE” is a registered trademark of MSCI Inc., used under license. The Balanced Portfolio is composed as follows: 21.5% Canadian Bonds, 16.5% Canadian Stocks, 25% US Stocks, 15% International Stocks, 3.5% Emerging Market Stocks, 5% T-Bills, and 13.5% Global Bonds. Source: MSCI Indices, TSX © Copyright 2022 TSX Inc. All rights reserved., Bloomberg, Rimes Technologies Inc. Calculations based on Data available as of December 31, 2023.

Message from our Portfolio Solutions Research Forum

The fourth quarter of 2023 started with extreme market pessimism based on higher-for-longer interest rate expectations fueled by hawkish central bank comments. However, this was all forgotten by the end of December, with sentiment shifting on the back of softer economic data, the US Federal Reserve signaling a pivot towards policy easing, and the Bank of Canada pausing on rate hikes over the quarter. As a result, the final two months of 2023 witnessed an “everything rally”, with strong returns in virtually all asset classes.

US equities rebounded from 2022’s underperformance relative to Canadian and EAFE® stocks, with the S&P 500 returning an almost 23% gain on the year. Over 1, 3, 5, and 10-year timeframes, US equities have outperformed the key benchmarks in Canadian, International, and Emerging markets. While many arguments have been presented on the reversal of this leadership over the years, diversification across equities has proven to be the right approach versus any extreme regional views.

Much has been made about the narrowness of the market leadership in 2023 US equity returns. The Magnificent Seven (Apple, Microsoft, Alphabet, Amazon, NVIDIA, Tesla, and Meta) delivered returns that averaged 100%, against the rest of the market’s more modest 10% average. Those more inclined to a bullish view, however, might note that this bunch-up simply continued the US market’s 14-year trend of concentration in its top 10 names, moving from around 19% at the end of 2009, to around 32% at the end of 2023.

The yield on the Government of Canada 10-Year bond fell from 4.27% at the start of the quarter to 3.10%. This is lower than the 3.3% yield at the start of 2023. This dramatic move reversed what had been a negative year-to-date return on bonds as recently as the end of October. After two consecutive years of negative performance, 2023 saw the FTSE Canada

Bond index provide a 6.7% return. Despite many retail investors preferring the high yields available in cash throughout the year, bonds easily outpaced the FTSE Canada 91 Day T-Bill 2023 return of 4.7%.

While final data on the 2023 environment for active money managers is not yet available at the time of writing, we expect that some markets were more difficult to beat than others. US equity managers had the challenge of its benchmarks’ largest names posting abnormally high returns. Canadian equity managers did not face this headwind, with relatively tame performance from the market’s top 10 names. Active investors in the US will be heartened to hear that the strong rally in November and December saw the average Magnificent Seven stock underperform the average of the rest of the S&P 500 by over 1%.

Looking out to 2024, we anticipate that the intense focus on policy rate direction that has been dominating the market’s mindshare for much of the past two years will continue. With investors pricing in more rate cuts than the median of the Federal Reserve members’ expectations, volatility could be heightened this year.

The US economy has shown continued strength, with unemployment and gross domestic product (GDP) data displaying little reason for concern, while inflation remains above target. This backdrop poses a risk for disappointment on expectations for significant rate easing. In contrast, the Canadian economy has softened, with Q3 showing a negative quarter-over-quarter print, and unemployment data displaying some underlying weakness (though employment growth remains positive).

“EAFE” is a registered trademark of MSCI Inc., used under license.

Message from our Portfolio Solutions Research Forum (cont.)

Bonds could prove to be a strong performer in any downturn in 2024. Investors have picked up on the attraction, with the yield on the FTSE Canada Universe Bond index declining from 4.97% at the start of Q4 to 3.94% by the end. While bonds have been moved out of the depths of the bargain bin, it is important to note that the average yield on the index over the past 10-years is 2.4%. Bonds continue to be attractive relative to recent history, and the math supports the countercyclical role they could play in a recessionary environment.

We have been tactically underweight risk in 2023 given expectations for a mild global recession. This continues to be the broad stance of our positioning heading into 2024. However, we did take profits on part of the overweight to bonds in response to Q4's strong rally. We also closed our tactical underweight position in Canadian Equity against cash. Aggregate Canadian corporate earnings have risen strongly in the past two years, while the market index has been trading water. As a result,

Canada's valuation is now trading in line with its long-term Cyclically-Adjusted Price-to-Earnings (CAPE) ratio. This is a significant improvement.

That said, Canada is a cyclical equity market dependent on the US economy. This dependence tempers our optimism in the near term, given recession risk, and explains why we have gone back to neutral and are not currently considering an overweight position. But an improved valuation does set the stage for outperformance of Canada in the longer term. The near-term outlook for equities remains less constructive in other markets, and valuations in US and International Equity remain more challenging. This motivates retaining underweight positions in both these markets, albeit against Canadian fixed income rather than cash.



David Wong, CFA, FRM

Chief Investment Officer, Managing Director & Head,
Total Investment Solutions
Interim Co-Chair, Portfolio Solutions Research Forum



Michael Sager, Ph.D.

Managing Director & Head,
Multi Asset & Currency Management
Interim Co-Chair, Portfolio Solutions Research Forum



Leslie Alba, CFA

Director, Total Investment Solutions
Chair, Portfolio Solutions Research Forum

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
- Ahead of potential economic weakness, our priority is to continue to identify diversifying assets that will create value for our clients



Tactical

Positioned for economic slowdown and equity market weakness

- **Underweight** Equities and Non-Investment Grade Bonds
- **Overweight** Investment Grade Bonds

Our tactical views:

- Risk of downside in equities: valuations remain high in many markets, earnings are expected to correct lower, and high interest might persist to combat inflation
- Generally, bonds are relatively more attractive than the recent past: longer maturity yields have corrected to reflect inflation risks. The rapid decline in bond yields in November allowed for profit taking on half this position, with a reallocation from Universe to Short-Term bonds to shorten duration exposure.
- Credit spreads are trading close to their long-term average and appear historically tight when adjusted by the risk-free interest rate. This is not consistent with any significant pricing of recession risk.

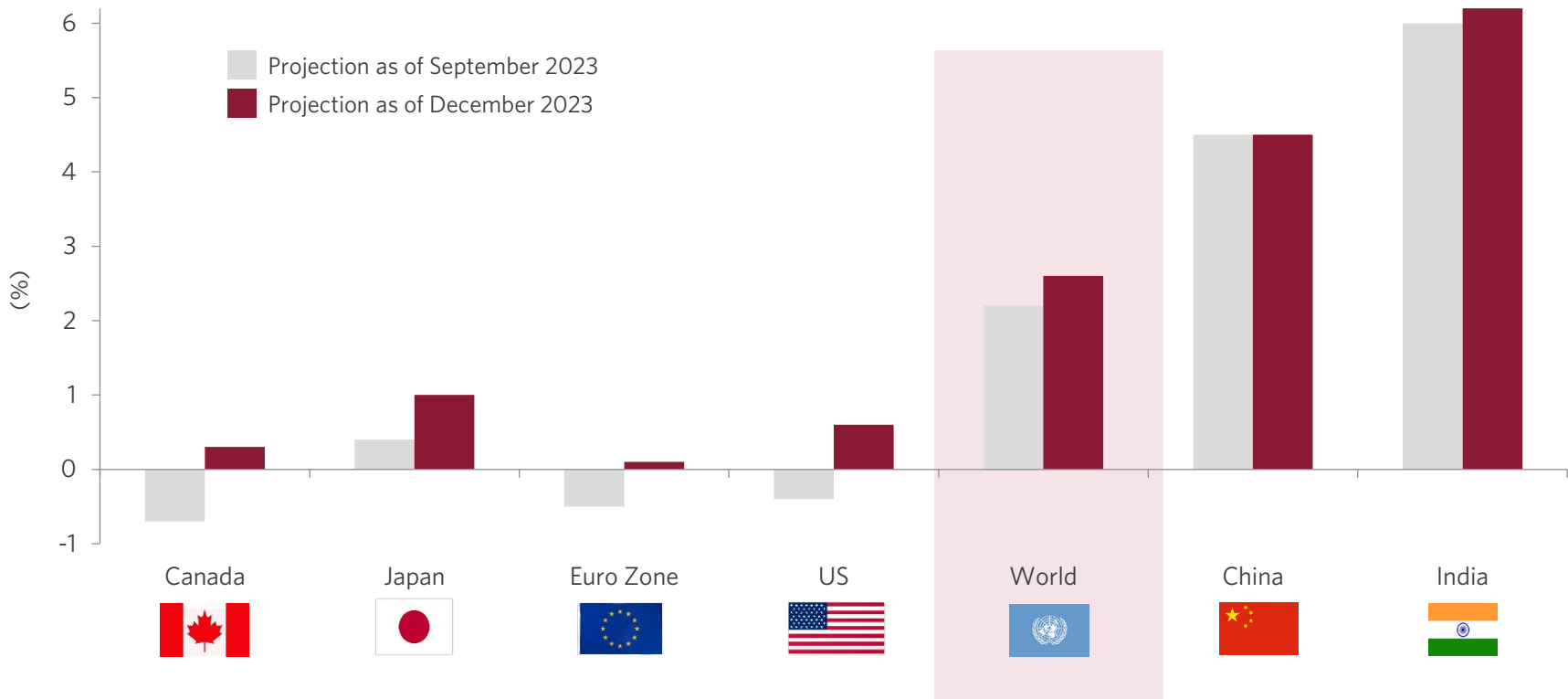
Source: CIBC Asset Management

Economic review

Q4 2023 Global Markets Compass

Global growth projections

Global growth prospects are improving, although GDP growth will likely remain below trend in 2024.



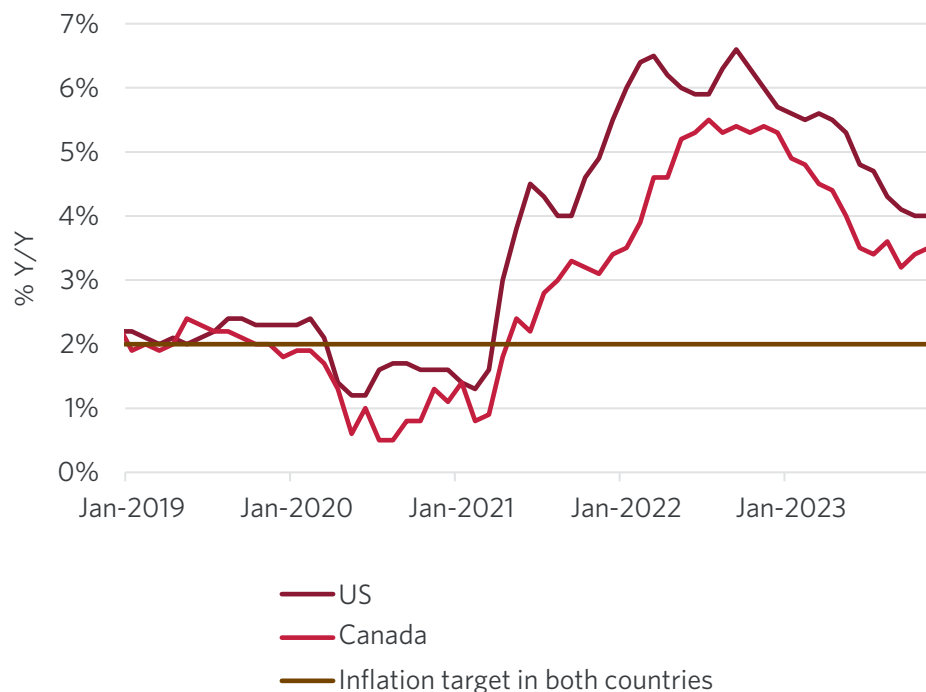
To learn more, see CIBC Asset Management’s quarterly [Perspectives](#) publication.

Sources: Refinitiv-Datastream and CIBC Asset Management Inc. Data as of December 31, 2023.

Inflation in Canada and the US continues to decline

Returning inflation all the way back to policy targets will likely prove challenging, given resilient growth in the US and sticky labour costs in Canada. This suggests fewer rate cuts than currently priced by the market consensus.

CPI Excluding Food & Energy



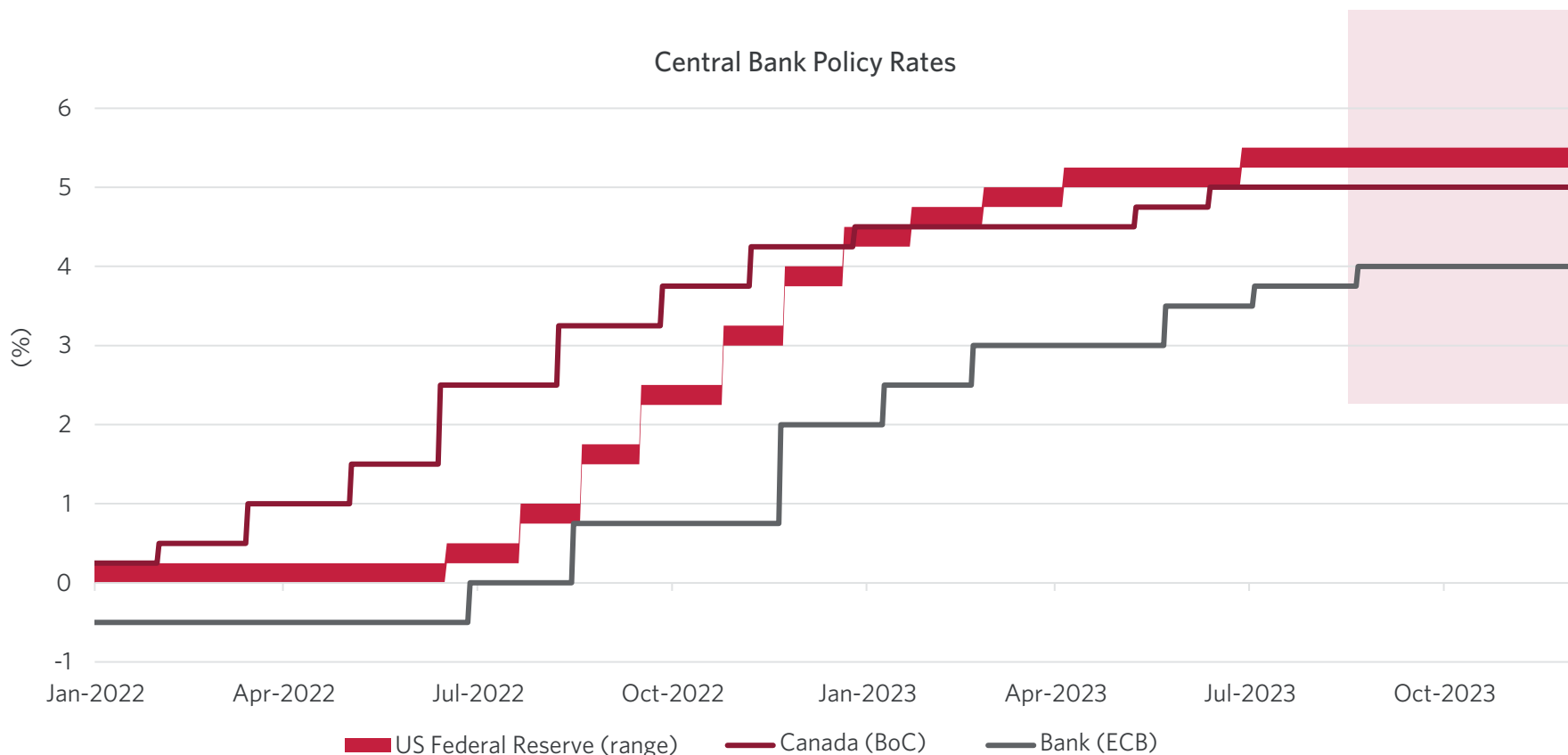
Canadian Consumer Price Inflation

Categories	12-month inflation	Change from previous quarter
CPI	3.1%	-0.9%
Core CPI	2.8%	-0.5%
Food	5.0%	-1.8%
Energy	-5.7%	-7.5%
Shelter	5.9%	-0.1%
Transportation	-0.1%	-2.4%
Health and personal care	4.2%	-1.7%
Recreation, education and reading	3.8%	1.6%
Clothing and footwear	0.6%	-1.1%
Alcoholic beverages and tobacco products	4.6%	-0.6%
Household operations, furnishings and equipment	-1.5%	-1.5%

Sources: US Bureau of Labour Statistics, Stats Canada. Available data as of December 31, 2023.

Central banks are at the end of aggressive policy tightening cycles

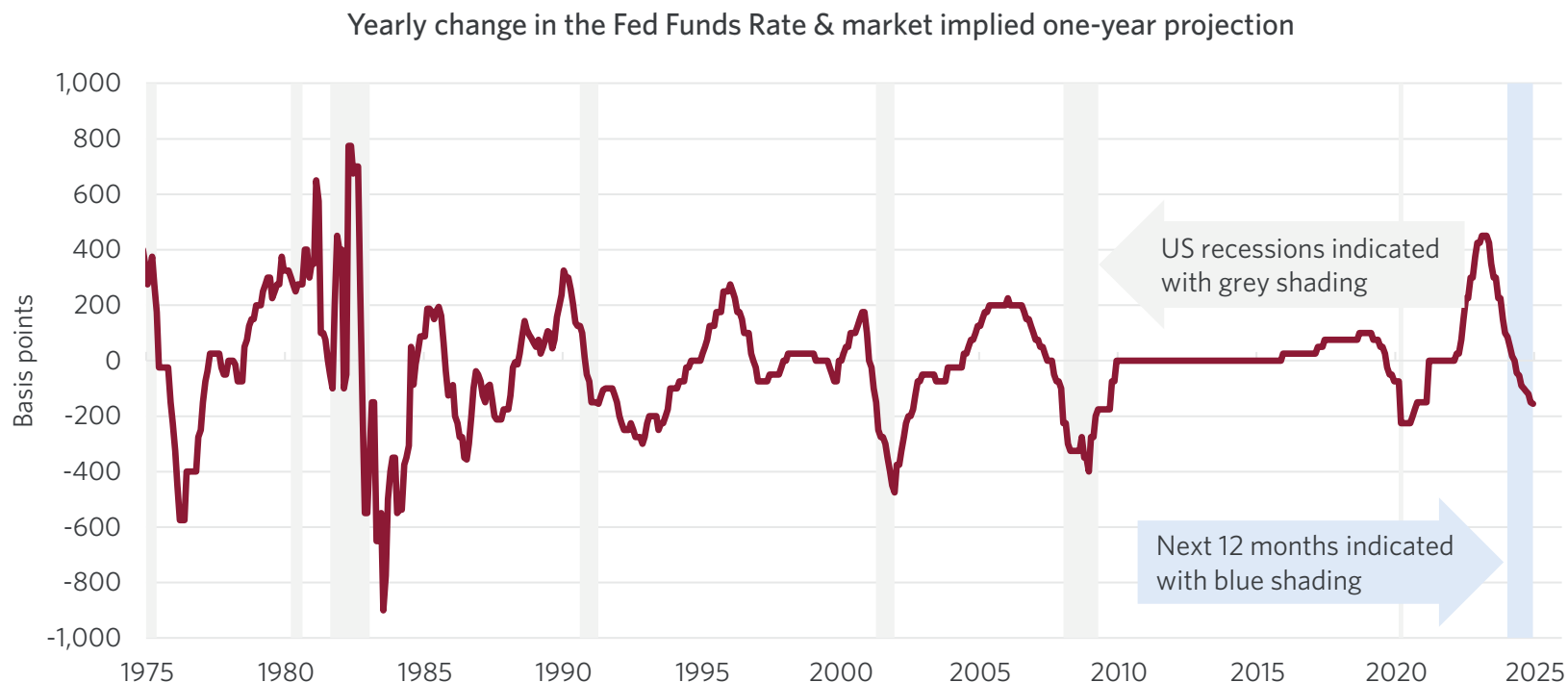
Weaker inflation will allow developed market (DM) central banks to start easing policy, and many emerging market (EM) central banks to continue their existing easing cycles.



Sources: Bank of Canada, European Central Bank and US Federal Reserve. Available data as of December 31, 2023.

Sticky inflation may limit the Fed's easing cycle

Markets assume inflation will quickly return to the Fed's target, allowing deep interest rate cuts. Resilient growth is a risk to this view.



To learn more, see CIBC Asset Management's quarterly [Perspectives](#) publication.

Sources: Refinitiv-Datastream and CIBC Asset Management Inc. Available data as of December 31, 2023.

Canadian housing affordability looks stretched

The BoC is set to walk a tightrope. Easing policy too aggressively risks stoking house price inflation and widening imbalances. Keeping policy too tight risks a more severe housing-led economic downturn.



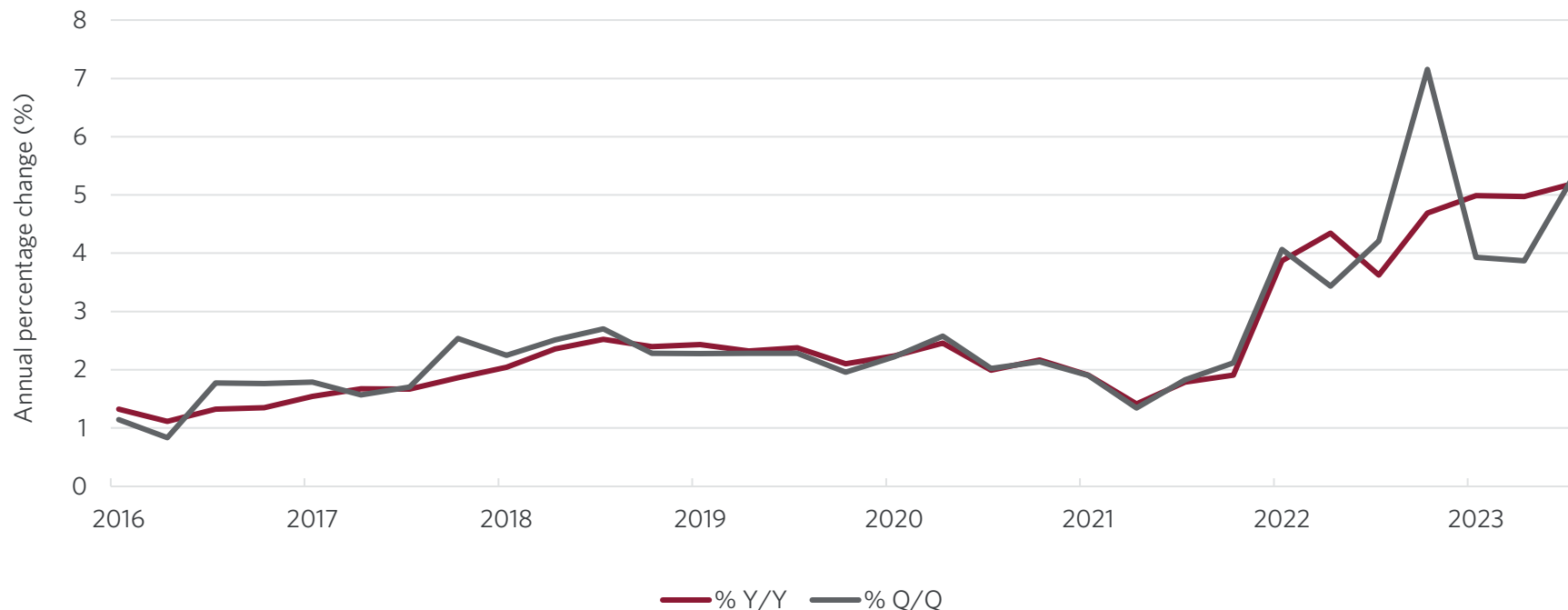
To learn more, see CIBC Asset Management's quarterly [Perspectives](#) publication.

Sources: Refinitiv-Datastream and CIBC Asset Management Inc. Available data as of December 31, 2023.

The ECB has a difficult balancing act ahead

The ECB needs to weaken the euro and improve competitiveness by cutting interest rates. Inflation above its policy target, due in part to strong wage growth, will limit its room for maneuver.

Eurozone Wage Inflation



To learn more, see CIBC Asset Management's quarterly [Perspectives](#) publication.

Sources: Goldman Sachs. Available data as of December 31, 2023.

Chinese growth disappointment to continue

China will have no choice but to launch more policy stimulus. Still, residential construction will likely fall further due to excess supply and adverse demographics. And aggregate GDP growth will remain weak.



To learn more, see CIBC Asset Management's quarterly [Perspectives](#) publication.

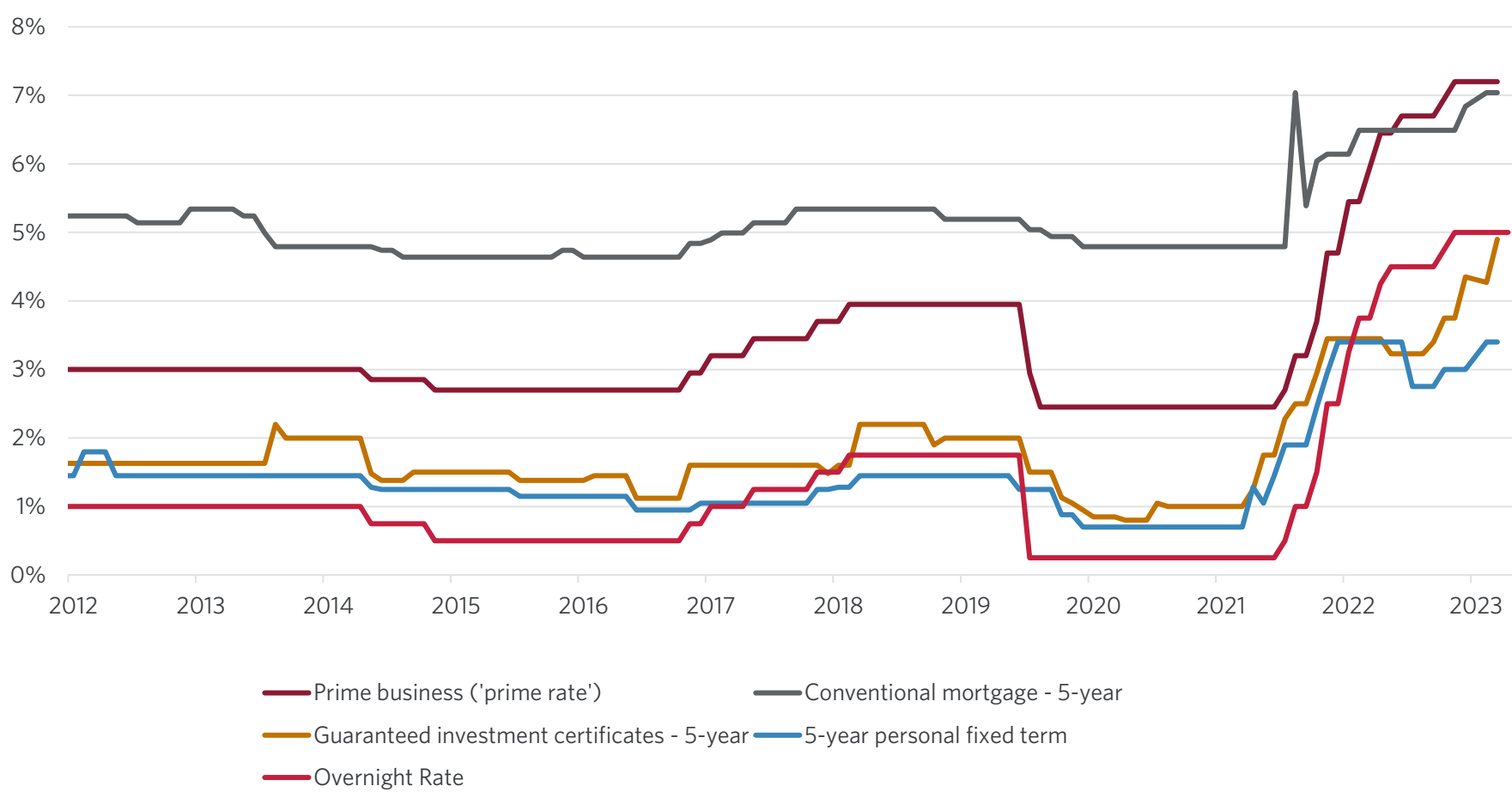
Sources: Refinitiv-Datastream and CIBC Asset Management Inc. Available data as of December 31, 2023.

Fixed income, currency and commodities markets

Q4 2023 Global Markets Compass

Canadian key interest rates

The BoC policy rate remained at 5% in Q4 2023.

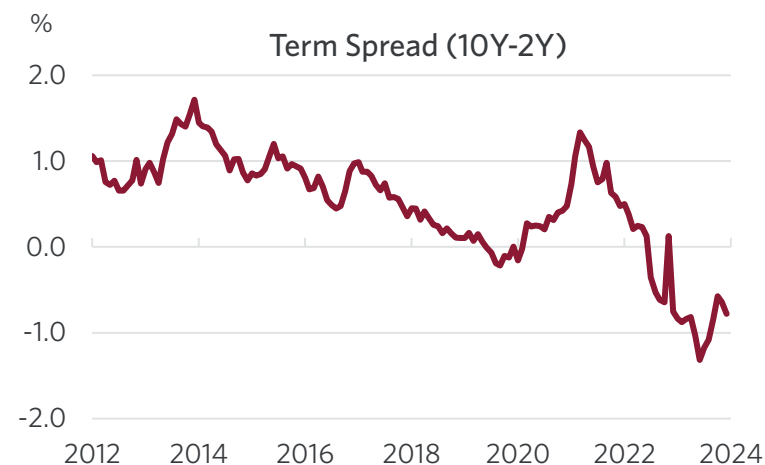
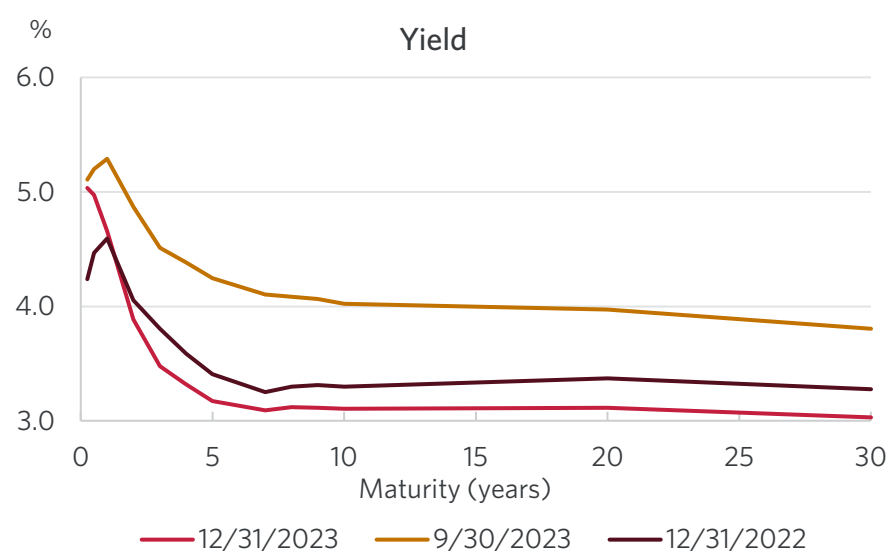


Source: Bank of Canada. Data as of December 31, 2023.



Canadian sovereign bond yields

The Canadian yield curve remained inverted in Q4, although longer-date yields did fall a little more than short-dated yields.



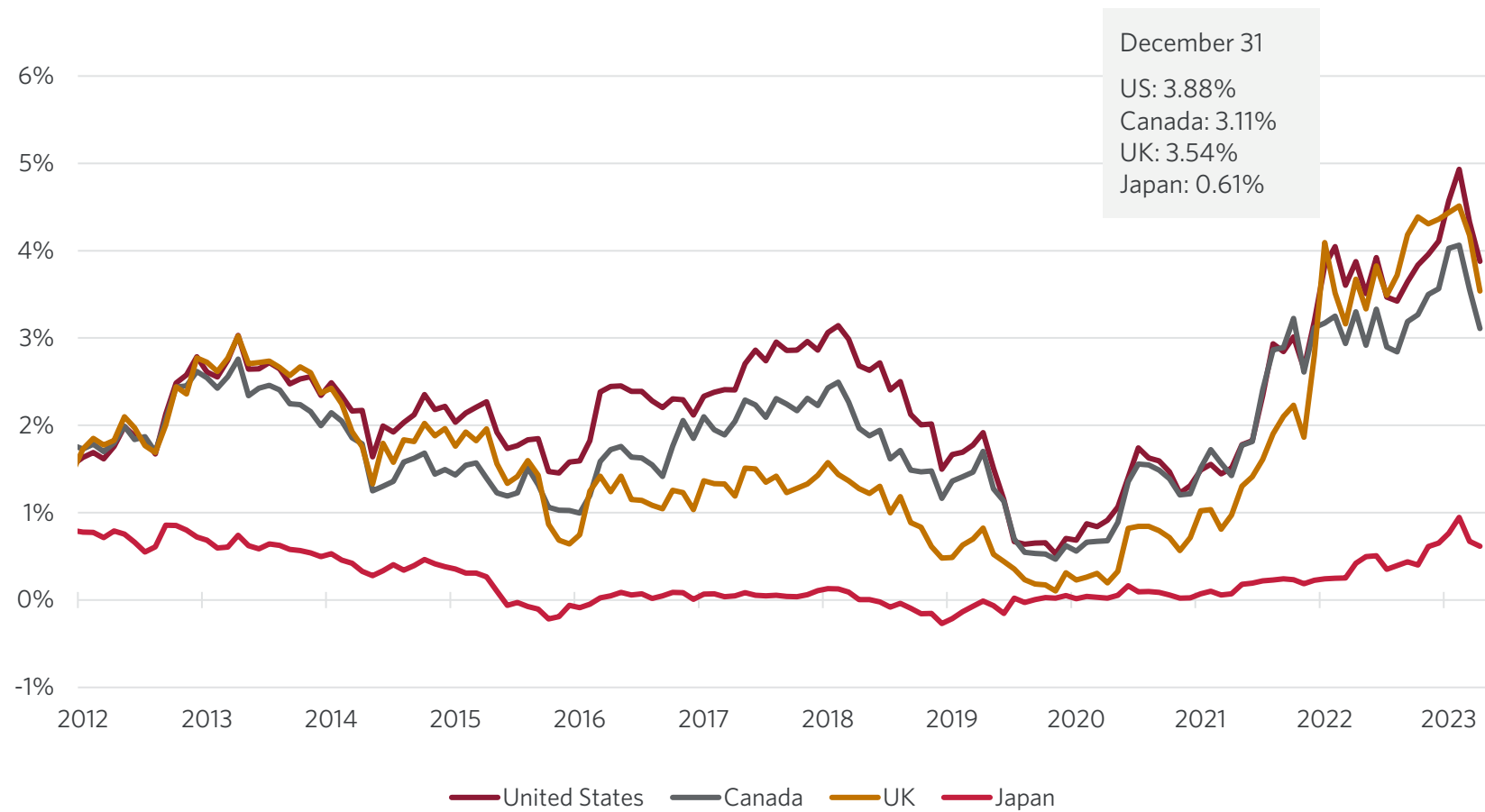
Canadian bond yields

Date	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
12/31/2023	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
9/30/2023	5.11	5.20	5.29	4.87	4.51	4.38	4.25	4.10	4.08	4.07	4.02	3.97	3.81
12/31/2022	4.24	4.47	4.59	4.05	3.80	3.59	3.41	3.25	3.30	3.31	3.30	3.37	3.28

Source: Bloomberg. Data as of December 31, 2023.

Global government bond yields

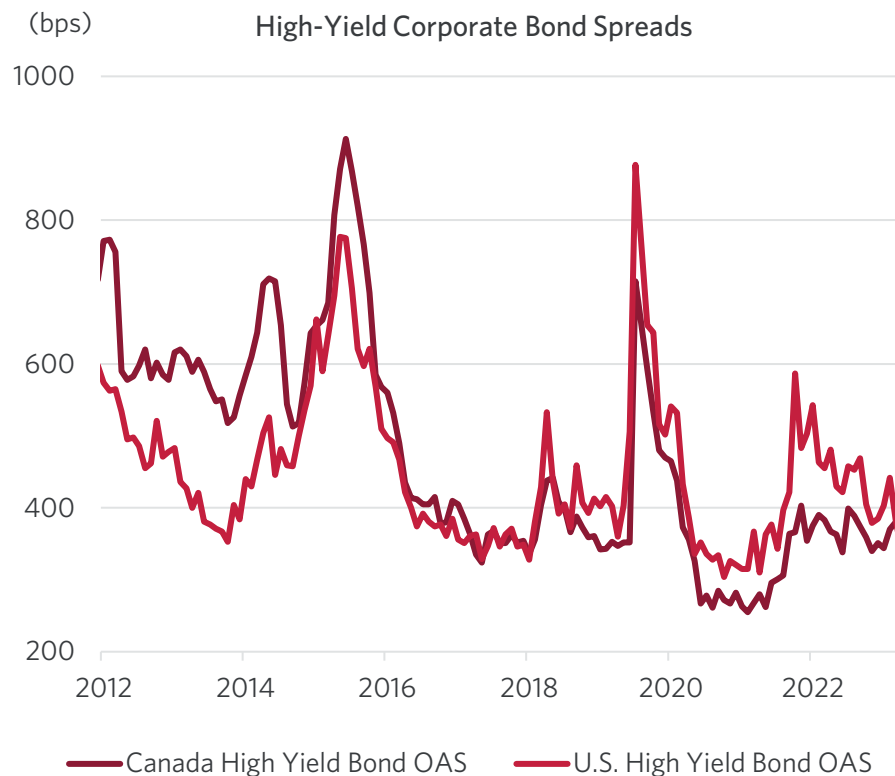
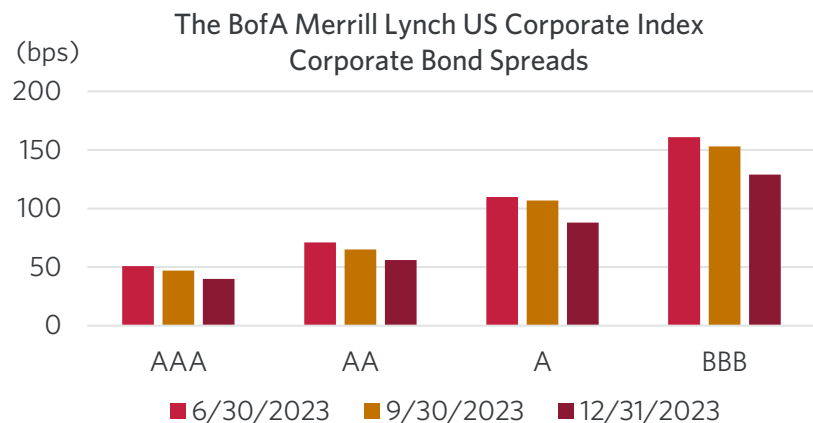
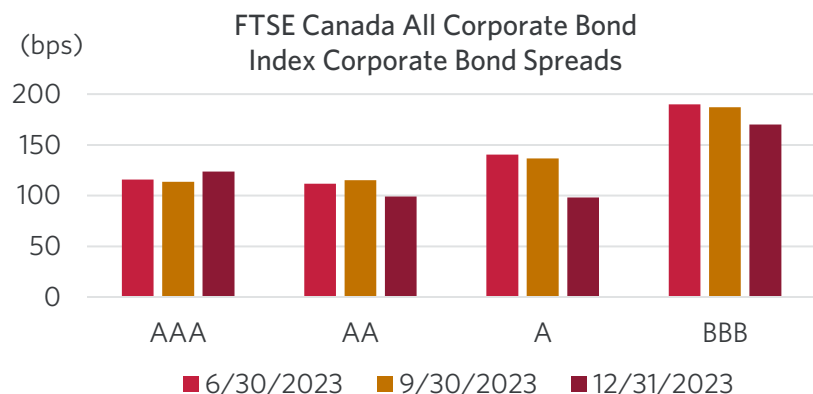
10-year government bond yields in most major economies have declined from recent peaks.



Source: Bloomberg. Data as of December 31, 2023.

Credit spreads

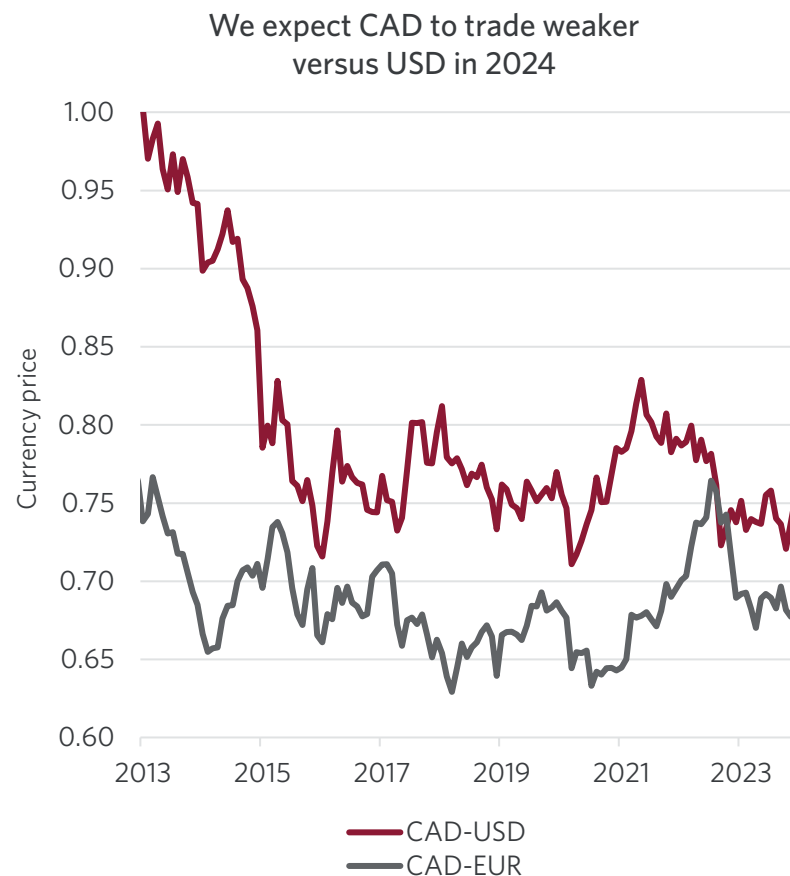
Credit spreads are tight relative to historical averages. We think a risk of widening remains, given residual recession risks.



Source: Bloomberg, Bank of America Merrill Lynch Bond Indices, PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Data as of December 31, 2023. High-Yield bond sectors represented by Merrill Lynch Canada High Yield Index and Merrill Lynch US High Yield Master II Index. Investment Grade Corporate Bond sectors represented by FTSE Canada Universe Corporate Index and BofA Merrill Lynch US Corporate Index.

Key Canadian dollar (CAD) exchange rates

	Currency	Conversion	12/31/23	9/30/23
	US Dollar	CAD-USD	0.76	0.74
	Euro	CAD-EUR	0.68	0.70
	Japanese Yen	CAD-JPY	106.32	110.01
	Pound Sterling	CAD-GBP	1.69	1.66
	Australian Dollar	CAD-AUD	1.11	1.14
	Swiss Franc	CAD-CHF	0.63	0.67
	Hong Kong Dollar	CAD-HKD	5.90	5.77
	Chinese Yuan	CAD-CNY	5.37	5.41
	Swedish Krona	CAD-SEK	7.62	8.05
	New Zealand Dollar	CAD-NZD	1.19	1.23
	South Korean Won	CAD-KRW	974.53	992.79
	Singapore Dollar	CAD-SGD	1.00	1.01
	Norwegian Krone	CAD-NOK	7.68	7.87
	Mexican Peso	CAD-MXN	12.80	12.85
	Brazilian Real	CAD-BRL	3.66	3.71
	Indian Rupee	CAD-INR	62.80	61.86



Source: Bloomberg. Data as of December 31, 2023.

Canadian bonds: Performance

3 Months	6 Months	1 Year
Long Term 14.82%	High Yield 7.24%	High Yield 10.00%
Real Return 10.50%	Corporate 5.24%	Long Term 9.51%
Government 8.49%	Mid Term 4.20%	Corporate 8.37%
Core 8.27%	Core 4.08%	Core 6.69%
Mid Term 8.26%	Short Term 3.98%	Mid Term 6.13%
Corporate 7.63%	Long Term 3.91%	Government 6.11%
Federal 6.80%	Government 3.68%	Short Term 5.02%
High Yield 6.11%	MBS 3.57%	Federal 5.00%
Short Term 4.11%	Federal 3.52%	MBS 4.15%
MBS 4.04%	Real Return 2.27%	Real Return 1.99%

High-yield and long-term were the best performing fixed income categories in Q4 2023. Long-term bonds outperformed short-term bonds over the quarter and the year.

The performance of high-yield contradicted fears of US recession. Spreads now appear tight, and at risk of some widening.

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian Dollar Total Returns. Data as of December 31, 2023.

Currency returns

3 Months	6 Months	1 Year
Swiss Franc 6.11%	Swiss Franc 6.41%	Mexican Peso 12.23%
Australian Dollar 3.39%	Australian Dollar 2.47%	Swiss Franc 7.44%
Japanese Yen 3.34%	Singapore Dollar 2.47%	Pound Sterling 2.90%
Pound Sterling 1.86%	Japanese Yen 2.34%	Euro 0.69%
Euro 1.73%	Chinese Yuan 2.08%	Singapore Dollar -0.67%
Singapore Dollar 1.02%	Euro 1.09%	Australian Dollar -2.14%
Chinese Yuan 0.32%	Mexican Peso 0.91%	U.S. Dollar -2.29%
Mexican Peso 0.00%	Hong Kong Dollar 0.34%	Hong Kong Dollar -2.36%
Hong Kong Dollar -2.19%	Pound Sterling 0.23%	Chinese Yuan -5.24%
U.S. Dollar -2.46%	U.S. Dollar 0.01%	Japanese Yen -9.10%

The Swiss Franc led currency returns over the 3- and 6-month periods. In general, there was a significant amount of currency return variability throughout 2023.

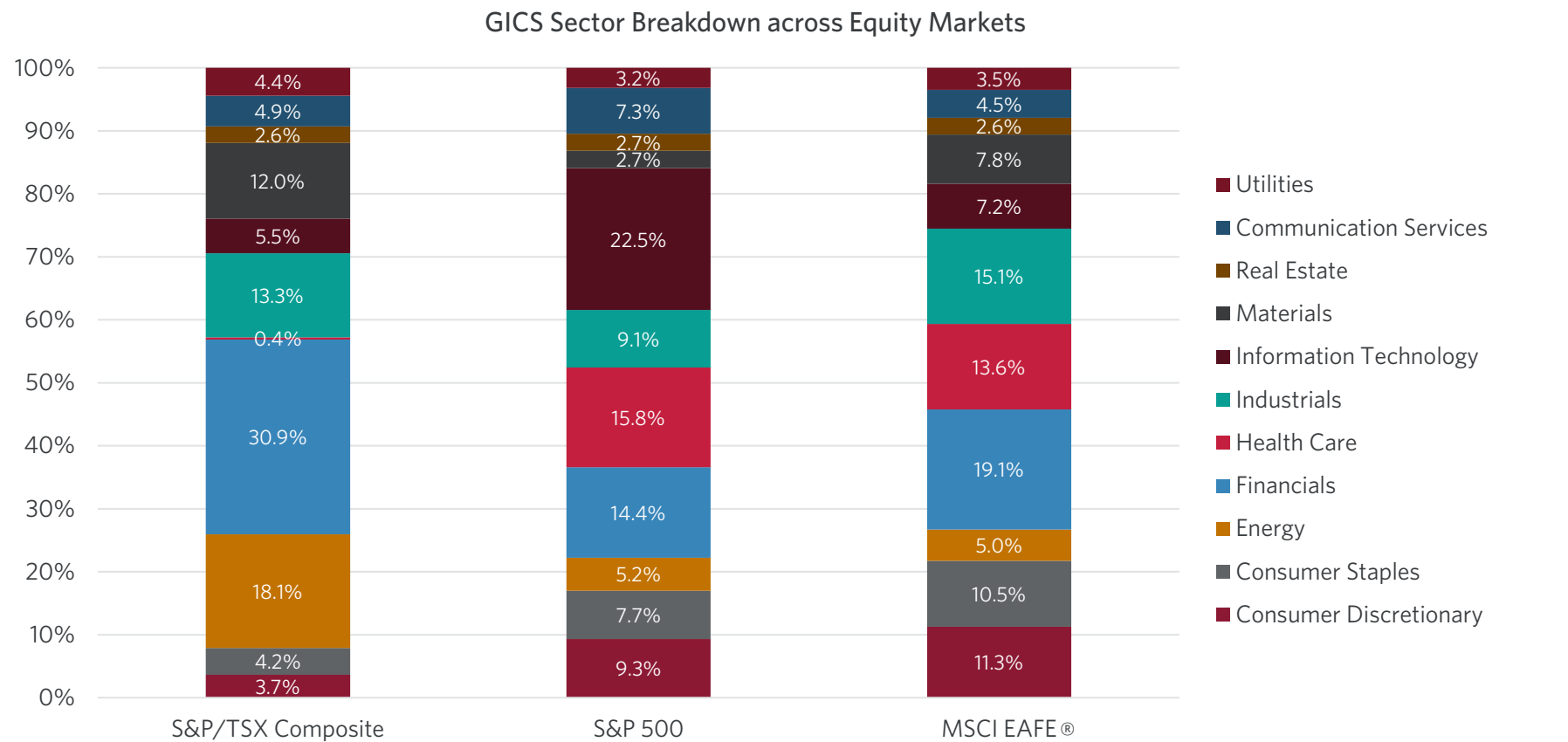
Source: Bloomberg. Currency returns relative to the Canadian dollar. Data as of December 31, 2023.

Equity markets

Q4 2023 Global Markets Compass

Canadian equities

The Canadian Equity market has a higher allocation to cyclical sectors like Financials, Energy, and Materials than some other market indices. Differences in sector composition are an important driver of relative performance.



Source: S&P/TSX GICS Indices, TSX© Copyright 2023 TSX Inc. "EAFE" is a registered trademark of MSCI Inc., used under license. All rights reserved. Due to rounding totals may not always equal 100%. Data as of December 31, 2023.

Global equities: GICS sector returns

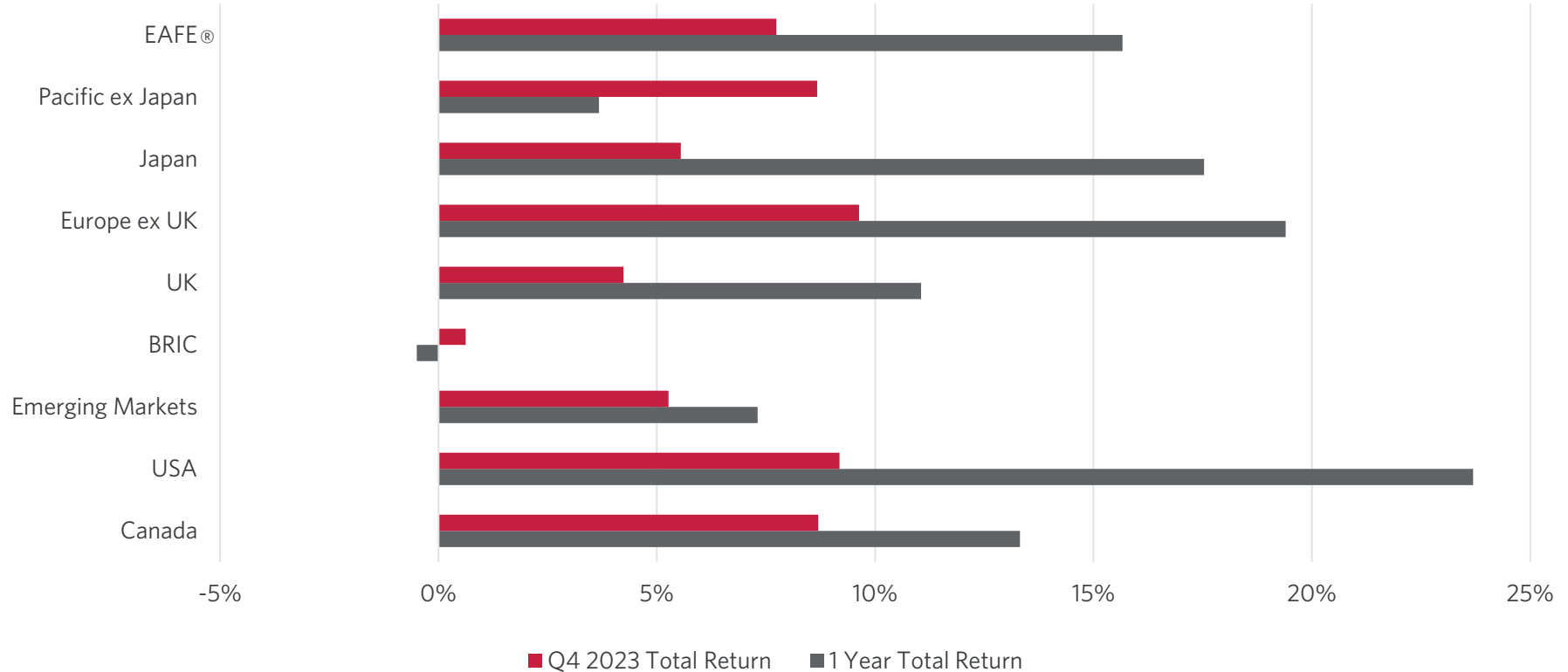
3 Months	6 Months	1 Year
Information Technology 14.68%	Financials 12.32%	Information Technology 49.53%
Industrials 11.11%	Communication Services 12.22%	Communication Services 42.08%
Financials 10.58%	Information Technology 10.11%	Consumer Discretionary 31.89%
Materials 9.99%	Materials 8.07%	Industrials 20.49%
Consumer Discretionary 8.50%	Industrials 7.73%	Financials 13.86%
Communication Services 8.13%	Energy 6.81%	Materials 12.24%
Utilities 8.01%	Consumer Discretionary 4.68%	Health Care 1.48%
Health Care 3.35%	Health Care 2.79%	Energy 0.75%
Consumer Staples 2.89%	Utilities 0.38%	Consumer Staples 0.26%
Energy -6.25%	Consumer Staples -1.47%	Utilities -1.51%

Global market performance has been driven by a narrow set of technology stocks. Defensive sectors such as Utilities, Consumer Staples, and Health Care underperformed in the face of US economic resilience.

Source: MSCI World Index, Bloomberg. All rights reserved. Canadian Dollar Total Returns. Data as of December 31, 2023.

Global equities performance

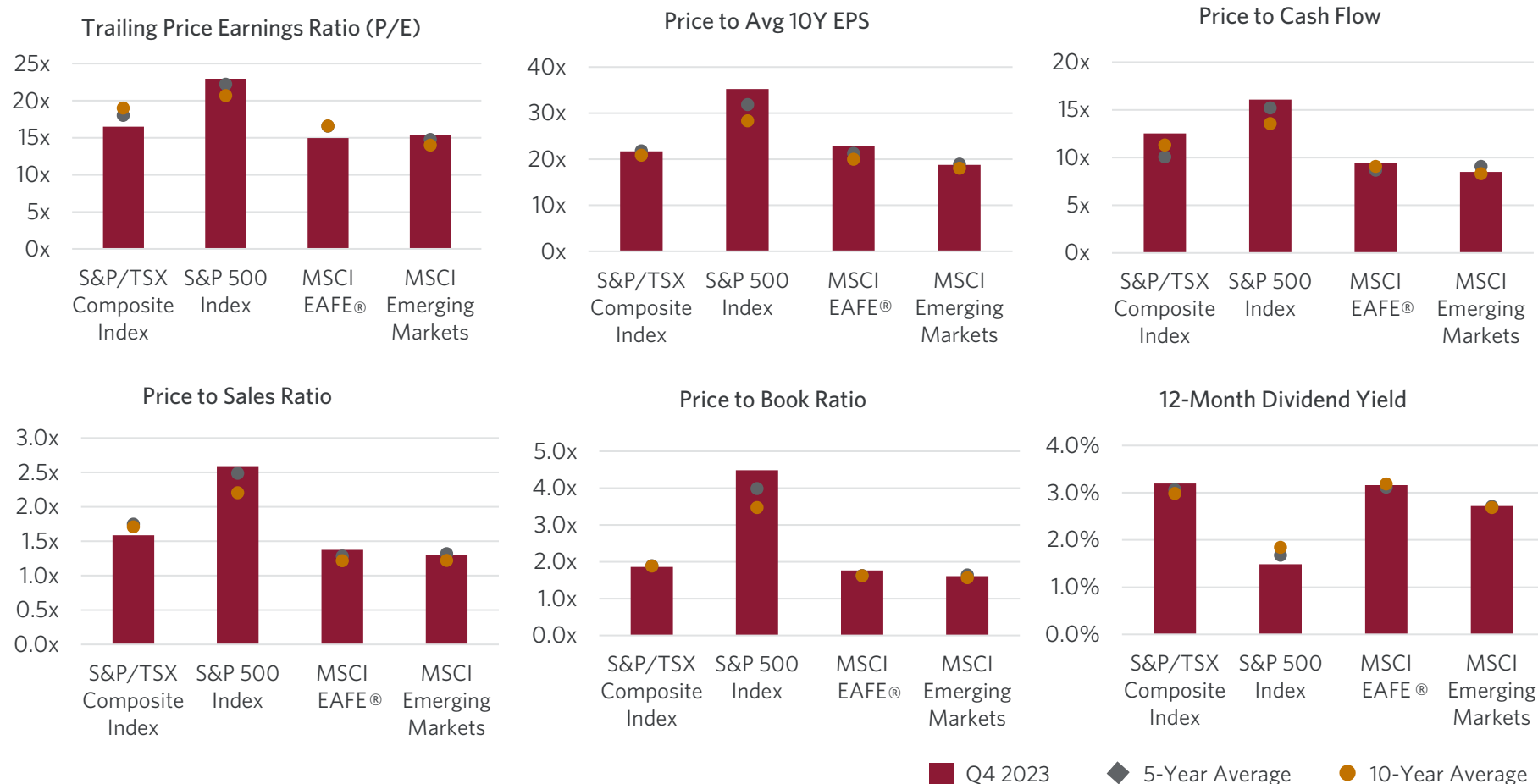
US economic resilience, weaker inflation, and an end to central bank tightening cycles drove market optimism. Most equity markets continued to experience robust performance over the quarter and 1-year period.



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). "EAFE" is a registered trademark of MSCI Inc., used under license. All returns are in CAD. Data as of December 31, 2023.

Equity valuation measures

The S&P 500 drove up most valuation metrics to or above their 5-year averages.



Source: TSX © Copyright 2023 TSX Inc. All rights reserved., Bloomberg, Rimes Technology Inc. "EAFE" is a registered trademark of MSCI Inc., used under license. Data as of December 31, 2023.

Asset allocation

Q4 2023 Global Markets Compass

Asset class returns

3 Months	6 Months	1 Year
US Equities 8.93%	US Equities 7.66%	US Equities 22.90%
Global Equities 8.78%	Global Equities 7.40%	Global Equities 21.08%
Canadian Government Bonds 8.49%	Canadian High Yield 7.24%	International Equities 15.66%
Canadian Equities 8.11%	Canadian Equities 5.73%	Balanced Portfolio 12.77%
International Equities 7.74%	Balanced Portfolio 5.65%	Canadian Equities 11.83%
Canadian Corporate Bonds 7.63%	International Equities 5.63%	Canadian High Yield 10.00%
Balanced Portfolio 7.43%	Canadian Dividend 5.56%	Canadian Dividend 9.63%
Canadian Dividend 7.32%	Canadian Corporate Bonds 5.24%	Canadian Corporate Bonds 8.37%
Canadian High Yield 6.11%	Emerging Market Equities 4.55%	Emerging Market Equities 7.31%
Global Bonds 5.41%	Canadian Government Bonds 3.68%	Canadian Government Bonds 6.11%
Emerging Market Equities 5.27%	Global Bonds 3.10%	Cash 4.71%
Cash 1.28%	Cash 2.52%	Global Bonds 2.36%

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.

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc, Rimes Technologies Inc, Bloomberg. The Balanced Portfolio is composed as follows: 21.5% Canadian Bonds, 16.5% Canadian Stocks, 25% US Stocks, 15% International Stocks, 3.5% Emerging Market Stocks, 5% T-Bills, and 13.5% Global Bonds. Canadian Dollar Total Returns. Data as of December 31, 2023.

Asset class correlations

Stock and bond markets rallied in Q4 2023 as investors expected slowing inflation. The positive correlation between these asset classes in the quarter was broadly consistent with investor's average experience over 1 and 7 years.

	Cash	Canadian Equities	Canadian Dividend	Canadian Bonds	Canadian High Yield	US Equities	Global Equities	International Equities	Emerging Market Equities	Global Bonds	Benchmark
Cash	1.00	-0.12	-0.12	0.21	0.13	-0.07	-0.09	-0.09	0.14	0.45	FTSE Canada 91 Day T-Bill
Canadian Equities	-0.13	1.00	0.99	0.78	0.83	0.79	0.89	0.96	0.79	0.43	S&P/TSX Composite
Canadian Dividend	-0.16	0.99	1.00	0.75	0.82	0.72	0.84	0.94	0.75	0.40	S&P/TSX Composite Dividend
Canadian Bonds	0.15	0.45	0.39	1.00	0.83	0.76	0.81	0.80	0.64	0.79	FTSE Canada Universe Bond
Canadian High Yield	-0.12	0.69	0.66	0.48	1.00	0.62	0.71	0.76	0.66	0.52	FTSE Canada High Yield Bond
US Equities	-0.01	0.80	0.76	0.51	0.50	1.00	0.98	0.83	0.76	0.59	S&P 500
Global Equities	-0.01	0.84	0.80	0.53	0.56	0.98	1.00	0.93	0.82	0.59	MSCI World
International Equities	0.03	0.79	0.77	0.50	0.56	0.81	0.90	1.00	0.80	0.57	MSCI EAFE®
Emerging Market Equities	-0.05	0.58	0.54	0.40	0.58	0.55	0.63	0.71	1.00	0.44	MSCI Emerging Markets
Global Bonds	0.27	-0.22	-0.27	0.61	-0.09	0.04	0.04	0.07	0.08	1.00	Citigroup World Government Bond

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc, Rimes Technologies Inc, Bloomberg. "EAFE" is a registered trademark of MSCI Inc., used under license. Data as of December 31, 2023.

Appendix – Index returns

Q4 2023 Global Markets Compass

Canadian bonds: Returns

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Long Term 14.82%	High Yield 7.24%	High Yield 10.00%	High Yield 3.37%	High Yield 5.03%	High Yield 5.30%	High Yield 5.17%
Real Return 10.50%	Corporate 5.24%	Long Term 9.51%	Short Term -0.06%	Corporate 2.51%	Corporate 2.43%	Long Term 3.30%
Government 8.49%	Mid Term 4.20%	Corporate 8.37%	MBS -0.85%	Real Return 1.67%	Mid Term 1.50%	Corporate 3.10%
Core 8.27%	Core 4.08%	Core 6.69%	Corporate -1.23%	Short Term 1.62%	Core 1.49%	Real Return 2.73%
Mid Term 8.26%	Short Term 3.98%	Mid Term 6.13%	Federal -2.49%	Mid Term 1.52%	Long Term 1.47%	Mid Term 2.58%
Corporate 7.63%	Long Term 3.91%	Government 6.11%	Mid Term -2.51%	Core 1.30%	Short Term 1.44%	Core 2.42%
Federal 6.80%	Government 3.68%	Short Term 5.02%	Core -2.80%	MBS 1.28%	MBS 1.41%	Government 2.18%
High Yield 6.11%	MBS 3.57%	Federal 5.00%	Government -3.36%	Government 0.86%	Real Return 1.29%	Short Term 1.68%
Short Term 4.11%	Federal 3.52%	MBS 4.15%	Real Return -3.81%	Long Term 0.63%	Government 1.15%	MBS 1.67%
MBS 4.04%	Real Return 2.27%	Real Return 1.99%	Long Term -6.47%	Federal 0.62%	Federal 0.80%	Federal 1.60%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Canadian Dollar Total Returns. Data as of December 31, 2023.

Canadian bonds: Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%	Long Term 17.48%
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%	Real Return 13.18%
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%	Government 9.29%
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 9.16%
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 8.79%
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%	Corporate 7.58%
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 6.91%
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%	MBS 3.10%
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%	Short Term 3.06%
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%	High Yield 2.54%

Source: PC Bond Analytics, FTSE Global Debt Capital Markets Inc. Data as of December 31, 2023.

Global equities: GICS sector returns

3 months	6 months	1 year	3 years	5 years	7 years	10 years
Information Technology 14.68%	Financials 12.32%	Information Technology 49.53%	Energy 30.89%	Information Technology 23.42%	Information Technology 21.71%	Information Technology 21.23%
Industrials 11.11%	Communication Services 12.22%	Communication Services 42.08%	Information Technology 12.83%	Consumer Discretionary 12.48%	Consumer Discretionary 11.64%	Consumer Discretionary 12.08%
Financials 10.58%	Information Technology 10.11%	Consumer Discretionary 31.89%	Financials 12.12%	Industrials 11.97%	Health Care 10.85%	Health Care 11.95%
Materials 9.99%	Materials 8.07%	Industrials 20.49%	Industrials 9.38%	Materials 11.74%	Industrials 9.92%	Industrials 10.70%
Consumer Discretionary 8.50%	Industrials 7.73%	Financials 13.86%	Materials 7.73%	Energy 10.33%	Materials 9.74%	Financials 9.40%
Communication Services 8.13%	Energy 6.81%	Materials 12.24%	Health Care 7.27%	Health Care 10.23%	Financials 7.94%	Materials 9.22%
Utilities 8.01%	Consumer Discretionary 4.68%	Health Care 1.48%	Consumer Staples 4.63%	Financials 10.21%	Utilities 7.24%	Utilities 9.19%
Health Care 3.35%	Health Care 2.79%	Energy 0.75%	Utilities 3.70%	Communication Services 10.08%	Communication Services 6.91%	Consumer Staples 8.80%
Consumer Staples 2.89%	Utilities 0.38%	Consumer Staples 0.26%	Consumer Discretionary 3.49%	Consumer Staples 7.46%	Consumer Staples 6.52%	Communication Services 8.18%
Energy -6.25%	Consumer Staples -1.47%	Utilities -1.51%	Communication Services 3.14%	Utilities 6.31%	Energy 5.91%	Energy 5.24%

Source: MSCI World Index, Bloomberg. All rights reserved. Canadian Dollar Total Returns. Data as of December 31, 2023.

Global equities: GICS sector returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%	Health Care 29.40%
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%	Information Technology 27.12%
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%	Utilities 26.70%
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%	Consumer Staples 17.72%
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%	Consumer Discretionary 13.83%
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%	Financials 13.01%
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%	Industrials 10.05%
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%	Communication Services 7.80%
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 3.95%
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%	Energy -3.00%

Source: MSCI World Index, Bloomberg. All rights reserved. Canadian Dollar Total Returns. Data as of December 31, 2023.

Canadian equities: Returns

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Value 10.17%	Value 7.64%	Growth 12.27%	Value 15.17%	Value 11.67%	Large Cap 8.38%	Large Cap 8.24%
REIT 9.39%	Large Cap 5.99%	Large Cap 12.05%	Equity Income 13.58%	Large Cap 11.60%	Dividend 8.07%	Dividend 8.13%
Large Cap 8.76%	Core 5.73%	Core 11.83%	Dividend 11.87%	Dividend 11.49%	Core 7.88%	Core 7.63%
Core 8.11%	Dividend 5.56%	Value 10.51%	Large Cap 10.39%	Core 11.34%	Growth 7.75%	Value 7.34%
Dividend 7.32%	Small Cap 5.14%	Dividend 9.63%	Core 9.67%	Equity Income 11.29%	Equity Income 7.32%	Growth 7.16%
Equity Income 7.32%	Growth 5.13%	Equity Income 6.97%	Growth 6.04%	Growth 9.68%	Value 7.13%	Equity Income 6.60%
Small Cap 5.98%	Equity Income 3.67%	Small Cap 4.79%	REIT 4.89%	Small Cap 8.37%	REIT 5.33%	REIT 5.91%
Preferred 5.48%	Preferred 2.24%	REIT 2.80%	Small Cap 4.57%	REIT 4.25%	Small Cap 3.32%	Small Cap 3.95%
Growth 4.78%	REIT 2.08%	Preferred -0.73%	Preferred -4.30%	Preferred -2.99%	Preferred -2.84%	Preferred -3.79%

Source: S&P/TSX GICS Indices, TSX © Copyright 2023 TSX Inc. All rights reserved. Canadian Dollar Total Returns. Data as of December 31, 2023.

Canadian equities: Returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%	Growth 15.94%
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%	Large Cap 12.27%
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%	Dividend 10.85%
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%	Core 10.55%
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%	REIT 10.22%
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%	Value 5.38%
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 5.24%
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%	Preferred 1.72%
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%	Small Cap -2.34%

Source: S&P/TSX GICS Indices, TSX © Copyright 2023 TSX Inc. All rights reserved. Canadian Dollar Total Returns. Data as of December 31, 2023.

Asset class returns

A traditional Balanced portfolio has outperformed cash on every period from 3-months to 10 years. Investors benefit from staying invested.

3 months	6 months	1 year	3 years	5 years	7 years	10 years
US Equities 8.93%	US Equities 7.66%	US Equities 22.90%	Canadian Dividend 11.87%	US Equities 14.88%	US Equities 13.14%	US Equities 14.48%
Global Equities 8.78%	Global Equities 7.40%	Global Equities 21.08%	US Equities 11.27%	Global Equities 12.58%	Global Equities 11.04%	Global Equities 11.56%
Canadian Government Bonds 8.49%	Canadian High Yield 7.24%	International Equities 15.66%	Canadian Equities 9.67%	Canadian Dividend 11.49%	Canadian Dividend 8.07%	Canadian Dividend 8.13%
Canadian Equities 8.11%	Canadian Equities 5.73%	Balanced Portfolio 12.77%	Global Equities 9.03%	Canadian Equities 11.34%	Canadian Equities 7.88%	Canadian Equities 7.63%
International Equities 7.74%	Balanced Portfolio 5.65%	Canadian Equities 11.83%	International Equities 5.74%	International Equities 7.93%	International Equities 7.17%	International Equities 7.06%
Canadian Corporate Bonds 7.63%	International Equities 5.63%	Canadian High Yield 10.00%	Canadian High Yield 3.37%	Balanced Portfolio 6.40%	Balanced Portfolio 5.75%	Balanced Portfolio 6.59%
Balanced Portfolio 7.43%	Canadian Dividend 5.56%	Canadian Dividend 9.63%	Balanced Portfolio 3.30%	Canadian High Yield 5.03%	Canadian High Yield 5.30%	Emerging Market Equities 5.29%
Canadian Dividend 7.32%	Canadian Corporate Bonds 5.24%	Canadian Corporate Bonds 8.37%	Cash 2.22%	Emerging Market Equities 3.34%	Emerging Market Equities 5.12%	Canadian High Yield 5.17%
Canadian High Yield 6.11%	Emerging Market Equities 4.55%	Emerging Market Equities 7.31%	Canadian Corporate Bonds -1.23%	Canadian Corporate Bonds 2.51%	Canadian Corporate Bonds 2.43%	Canadian Corporate Bonds 3.10%
Global Bonds 5.41%	Canadian Government Bonds 3.68%	Canadian Government Bonds 6.11%	Canadian Government Bonds -3.36%	Cash 1.83%	Cash 1.58%	Canadian Government Bonds 2.18%
Emerging Market Equities 5.27%	Global Bonds 3.10%	Cash 4.71%	Emerging Market Equities -3.61%	Canadian Government Bonds 0.86%	Canadian Government Bonds 1.15%	Global Bonds 1.83%
Cash 1.28%	Cash 2.52%	Global Bonds 2.36%	Global Bonds -6.10%	Global Bonds -2.08%	Global Bonds -0.33%	Cash 1.31%



Source: FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc., Rimes Technologies Inc., Bloomberg & TSX © Copyright 2023 TSX Inc. All rights reserved. The Balanced Portfolio is composed as follows: 21.5% Canadian Bonds, 16.5% Canadian Stocks, 25% US Stocks, 15% International Stocks, 3.5% Emerging Market Stocks, 5% T-Bills, and 13.5% Global Bonds. Canadian Dollar Total Returns. Data as of December 31, 2023.

Asset class returns

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%	US Equities 23.93%
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%	Global Equities 15.01%
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%	Balanced Portfolio 11.66%
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%	Canadian Dividend 10.85%
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%	Canadian Equities 10.55%
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%	Canadian Gov Bonds 9.29%
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%	Global Bonds 8.49%
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 7.58%
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%	Emerging Market Equities 7.03%
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%	International Equities 4.12%
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 High Yield 2.54%
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%	Cash 0.91%

Source: FTSE Global Debt Capital Markets Inc., Zephyr Associates Inc., Rimes Technologies Inc., Bloomberg & TSX © Copyright 2023 TSX Inc. All rights reserved. The Balanced Portfolio is composed as follows: 21.5% Canadian Bonds, 16.5% Canadian Stocks, 25% US Stocks, 15% International Stocks, 3.5% Emerging Market Stocks, 5% T-Bills, and 13.5% Global Bonds. Canadian Dollar Total Returns. Data as of December 31, 2023.

US equity performance

3 Months	6 Months	1 Year	3 Year	5 Year	7 Year	10 Year
Small Cap Value 15.26%	Small Cap Value 11.85%	Large Cap Growth 42.68%	Large Cap Core 8.97%	Large Cap Growth 19.50%	Large Cap Growth 17.68%	Large Cap Growth 14.86%
Mid Cap Growth 14.55%	Large Cap Growth 10.59%	Large Cap Core 26.53%	Large Cap Growth 8.86%	Large Cap Core 15.52%	Large Cap Core 13.21%	Large Cap Core 11.80%
Large Cap Growth 14.16%	Mid Cap Growth 8.56%	Mid Cap Growth 25.87%	Large Cap Value 8.86%	Mid Cap Growth 13.81%	Mid Cap Growth 12.49%	Mid Cap Growth 10.57%
Small Cap Core 14.03%	Large Cap Core 8.44%	Small Cap Growth 18.66%	Mid Cap Value 8.36%	Mid Cap Core 12.68%	Mid Cap Core 10.07%	Mid Cap Core 9.42%
Mid Cap Core 12.82%	Small Cap Core 8.18%	Mid Cap Core 17.23%	Small Cap Value 7.94%	Mid Cap Value 11.16%	Large Cap Value 8.32%	Large Cap Value 8.40%
Small Cap Growth 12.75%	Mid Cap Core 7.54%	Small Cap Core 16.93%	Mid Cap Core 5.92%	Large Cap Value 10.91%	Small Cap Growth 8.07%	Mid Cap Value 8.26%
Mid Cap Value 12.11%	Mid Cap Value 7.11%	Small Cap Value 14.65%	Small Cap Core 2.22%	Small Cap Value 10.00%	Mid Cap Value 7.76%	Small Cap Core 7.16%
Large Cap Core 11.96%	Large Cap Value 6.03%	Mid Cap Value 12.71%	Mid Cap Growth 1.31%	Small Cap Core 9.97%	Small Cap Core 7.33%	Small Cap Growth 7.15%
Large Cap Value 9.50%	Small Cap Growth 4.50%	Large Cap Value 11.46%	Small Cap Growth -3.50%	Small Cap Growth 9.22%	Small Cap Value 6.10%	Small Cap Value 6.75%

Source: Russell Indices, Bloomberg. US Dollar Total Returns. Data as of December 31, 2023.

US equity performance

2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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%	Mid Cap Value 14.75%
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%	Large Cap Value 13.45%
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%	Large Cap Core 13.24%
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%	Mid Cap Core 13.22%
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 Growth 13.05%
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 Growth 11.90%
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 Growth 5.60%
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 Core 4.89%
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%	Small Cap Value 4.21%

Source: Russell Indices, Bloomberg. US Dollar Total Returns. Data as of December 31, 2023.

About CIBC Asset Management

A rich history of service

Since 1972, CIBC Asset Management has grown to become one of the largest asset managers in Canada. We're proud to be trusted by generations of investors and institutions in Canada and worldwide to manage and grow their investments. We've proudly invested on behalf of over two million clients, helping to make their ambitions a reality.

We're dedicated to developing unique multi-asset class investment solutions based on robust research and a tradition of disciplined investment processes. Our expertise and innovative solutions play a pivotal role in shaping the investment landscape of today and tomorrow.

Founded in 1972¹

Expertise spans across various asset classes and investment styles within both public and private markets

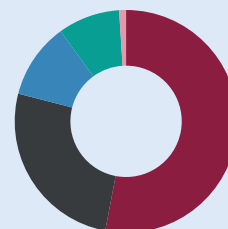
\$203 billion of assets under management²

A leading asset manager headquartered in Canada

96 highly qualified investment professionals

with more than 18 years of industry experience on average

Our clients



- Personal banking
- Institutional
- High net worth
- Independent brokerage
- Online brokerage



Learn more

For more insights, follow us on [LinkedIn](#) and [Twitter](#) or visit the [CIBC Asset Management](#) website.

Disclosure

Released January 2024

¹TAL Global Asset Management Inc., a privately-owned investment manager was founded in 1972. CIBC took an ownership stake in 1994, eventually assuming 100% in 2001.

²As at December 31, 2023. This figure includes \$39 billion in multi-asset and notional currency overlay mandates and \$37 billion in 3rd party sub-advised assets.

The views expressed in this document are the views of CIBC Asset Management Inc. and are subject to change at any time. CIBC Asset Management Inc. does not undertake any obligation or responsibility to update such opinions. This document is provided for general informational purposes only and does not constitute financial, investment, tax, legal or accounting advice nor does it constitute an offer or solicitation to buy or sell any securities referred to. Individual circumstances and current events are critical to sound investment planning; anyone wishing to act on this document should consult with his or her advisor. All opinions and estimates expressed in this document are as of the date of publication unless otherwise indicated and are subject to change.

Certain information that we have provided to you may constitute “forward-looking” statements. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or achievements to be materially different than the results, performance or achievements expressed or implied in the forward-looking statement.

CIBC Asset Management and the CIBC logo are trademarks of Canadian Imperial Bank of Commerce (CIBC), used under license.

The material and/or its contents may not be reproduced without the express written consent of CIBC Asset Management Inc.

FTSE Global Debt Capital Markets Inc. (“FTDCM”), FTSE International Limited (“FTSE”), the London Stock Exchange Group companies (the “Exchange”) or TSX INC. (“TSX” and together with FTDCM, FTSE and the Exchange, the “Licensor Parties”). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE indices provided by FTSE Global Debt Capital Markets Inc. and/or the figure at which the said indices stand at any particular time on any particular day or otherwise. The indices are compiled and calculated by FTSEDCM and all copyright in the indices values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the indices and the Licensor Parties shall not be under any obligation to advise any person of any error therein. “FTSE®” is a trade mark of the FTSE International Limited and is used by FTDCM under licence.

Source: Bank of Canada. Statistical data on the Bank of Canada web site is derived from sources that the Bank considers sufficiently reliable to justify inclusion. However, we cannot guarantee the completeness or accuracy of the data. Also, the Bank of Canada may periodically revise certain data without notice. You acknowledge and agree that your use of the data is at your own risk and that none of the parties involved in creating, producing or delivering this site is liable for any loss, injury, claim, liability or damage of any kind resulting in any way from: (a) any errors in or omissions from the data; (b) the unavailability or delay of the data; or (c) your use of the data or any conclusions you draw from it, regardless of whether you received any assistance from the Bank of Canada or its employees with regard to the data.

Disclosure

Source: MSCI Inc. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

This data product is provided ‘as-is,’ and Statistics Canada makes no warranty, either express or implied, including but not limited to, warranties of merchantability and fitness for a particular purpose. In no event will Statistics Canada be liable for any direct, special, indirect, consequential or other damages, however caused.

Source: TSX® Copyright 2023 TSX Inc. All rights reserved.

The S&P/TSX Indices are products of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and TSX Inc., and has been licensed for use by CIBC Asset Management.

Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by CIBC Asset Management. TSX® is a registered trademark of TSX Inc., and have been licensed for use by SPDJI and CIBC Asset Management. CIBC Asset Management’s products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of said indices.

“Bloomberg®” is a service mark of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the indices (collectively, “Bloomberg”) and have been licensed for use for certain purposes by CIBC Asset Management Inc.. Bloomberg is not affiliated with CIBC Asset Management Inc., and Bloomberg does not approve, endorse, review, or recommend any CIBC Asset Management Inc. products.