RJL PCS: INSIGHTS & STRATEGIES

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September 2024 Insights & Strategies: Lies, Damned Lies, and Statistics

Neil Linsdell, CFA - Head of Investment Strategy; Eve Zhou, CFA - Senior Investment Strategy Analyst

Mark Twain popularized the phrase “lies, damned lies, and statistics”, referring to figures that would beguile him. Within that same spirit, as investors, we must resist the lure of putting too much weight on individual data points, that can be very valid in their own right, but might also lead to unwarranted conclusions without considering the broader picture or at least corroborating data. Last month, markets reacted negatively to a number of factors, including a U.S. July unemployment reading that triggered the Sahm rule, quickly spreading fears of a recession starting. Even the rule’s creator, Claudia Sahm, tried to put context to (downplay) the predictive power of this statistic. Following a quick pullback and recovery in the market we think it is important to emphasize that relying on a single data point can be misleading. It's crucial to consider the broader picture utilizing multiple indicators from different aspects before drawing conclusions and making investment decisions.

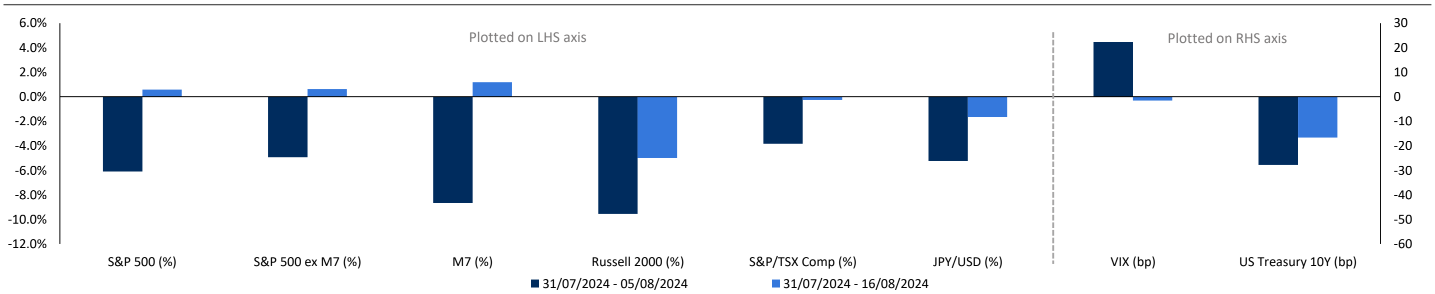
Recent Equity Market Pullback Recap

As we've noted in previous reports, the equity markets are likely to experience increased volatility as we approach the end of the year. After delivering a total return of 15.1% from the start of the year until the day before the U.S. July employment report was released, the S&P 500 index fell by about 4.8% over the following two trading days. While there were multiple factors attributing to this decline, including the unwinding of the yen carry trade, a key spark was the unemployment rate increasing from 4.1% to 4.3%, triggering the Sahm rule, a historically strong recession indicator. With a soft landing in doubt due to cracks in the labour market, these fears soon spilled over into other developed markets. The S&P/TSX Composite also dropped by around 3.3% on August 2 and August 6 combined.

However, it didn’t take long for the markets to realize that they may have overreacted to the employment report. After all, only a few indicators showed significant weakness, while most macroeconomic indicators and the latest large-cap company earnings still support the base case for a soft landing. In the following two weeks, several positive data points, including better-than-expected initial jobless claims for the first week of August, a mildly encouraging CPI print, and strong retail sales for July, helped large-cap equity indices rebound and calm the markets, bringing the VIX back to normal levels.

That said, if investors had simply closed their eyes for two weeks, the returns on their accounts would likely have remained largely unchanged from the end of July (Chart 1). The exception is small-cap stocks represented here by the Russell 2000, which, as of the time this report was written, have not yet recovered to their pre-pullback levels. This aligns with our expectations, as we noted in the August 2024 Insights & Strategies: Is It Time to Broaden Our Focus?, that small caps are more sensitive to macroeconomic uncertainties. We need to see further fundamental improvements in small-cap earnings to be convinced that they are positioned for sustained outperformance—anticipated Fed rate cuts alone are not enough to drive continued rotation into these stocks.

Chart 1 - Changes In Selected Financial Markets (31/07/2024 - 05/08/2024 vs. 31/07/2024 - 16/08/2024)

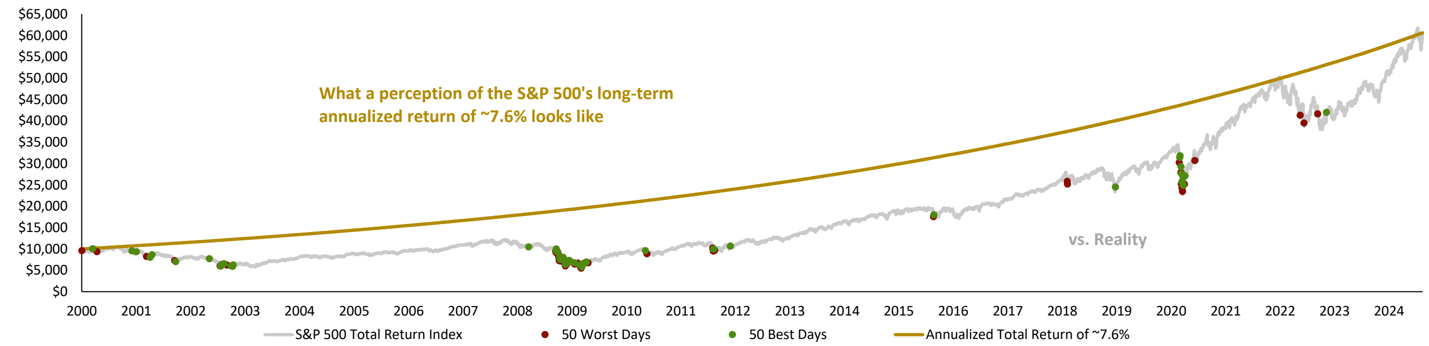


Source: FactSet; Capital Economics; Raymond James Ltd.; Data as of August 16, 2024.

The triggering of the Sahm rule and weakness in the ISM manufacturing sector do send cautionary signals about the current economy, and these warnings should not be ignored, as we see many indicators that point to the economy slowing, but still must emphasize that we do not see any kind of imminent precipitous decline or mass layoffs.

However, if investors relied solely on a few data points to judge whether the economy was in a recession, prompting them to sell off their holdings due to the swirling narratives, they would likely miss out on the rebound and end up realizing losses that hurt their overall returns. Market overreactions are not uncommon, and in many market cycles, the best trading days have followed closely after the worst ones (Chart 2). Therefore, during volatile periods, it's essential to keep perspective, stay focused on long-term goals, and remain invested.

Chart 2 - Growth of 10K - Market's Best Trading Days Tend to Occur Shortly After the Worst Trading Days



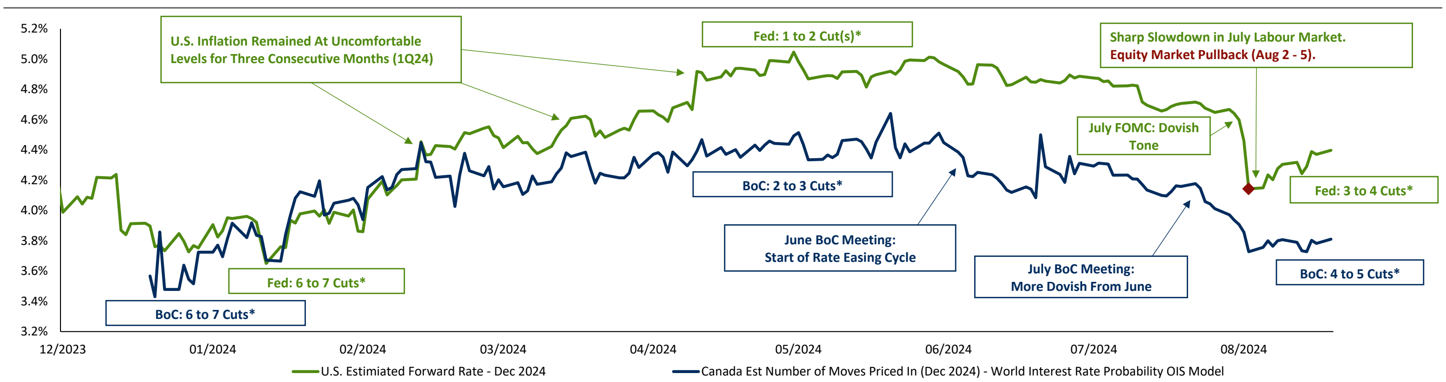
Source: FactSet; Raymond James Ltd; Data as of August 16, 2024. Initial investment of USD 10,000 on January 1, 2000.

Focus Has Shifted from Inflation to the Labour Market

The equity market wasn't the only area experiencing volatility in early August — market expectations for central bank policy rates by the end of 2024 have also been rapidly shifting in response to economic headlines (Chart 3). In the U.S., the number of rate cuts expected for 2024, as implied by forward rates, decreased from six or seven at the start of the year, to just one or two after inflation remained stubbornly high throughout the first quarter. However, the July jobs report triggered panic, and suddenly the market priced in two additional cuts on the day of the report's release. Pundits shouted for a 50 bps cut in September and even for a dramatic inter-meeting cut. Calmer heads have now prevailed, but the rapid shifts in sentiment highlight how markets have moved their focus from inflation to the labour market and economic growth, and returned to a "good news is good news" mentality. As confidence has grown in inflation being under control, the Fed has put more emphasis during its June and July meetings on the other side of its dual mandate, employment. We believe U.S. labour market conditions will gradually become the primary driver of rate decisions for the remainder of this cycle.

In Canada, expectations for rate cuts this year have followed a similar pattern. Due in part to strong immigration, Canada's labour market cooled down ahead of the U.S., and the potential of more economic strain from a wave of mortgage renewals has perhaps led the Bank of Canada (BoC) to adopt a more dovish stance compared to the Fed. Now, with greater certainty around a Fed rate cut in September, the BoC also has less to worry about regarding interest rate differentials, specifically, the risk of a depreciating loonie pushing up inflation from imported goods. This gives the BoC more room to cut rates if that's what the domestic economy needs.

Chart 3 - Market Expectations for Central Bank Policy Rates Have Been Rapidly Changing Amid Economic Uncertainty



Source: Bloomberg; Raymond James Ltd.; Data as of August 19, 2024. *Number of 25 bp rate cut(s) by the end of 2024.

One thing to keep in mind is that as inflation decreases, the real rate (the policy rate minus inflation rate), will rise and become more restrictive on the economy if the policy rate remains unchanged. So, even if the economy is currently resilient, it's crucial for central banks to cut rates to keep pace with disinflation, reducing the risk of the economy slipping into a recession due to an overly restrictive environment. Therefore, we expect the BoC to continue cutting rates by 25 basis points twice, or more, in the remaining three meetings this year, ending the year with a policy rate (upper bound) between 3.75% and 4%. In the U.S., we anticipate the Fed will also cut rates twice or more this year, ending 2024 with a policy rate (upper bound) between 4.75% and 5%.

Cracks in the Labour Market: What Are Other Indicators Telling Us?

The condition of the labour market is crucial because a strong labour market underpins healthy consumer spending, which accounts for more than half of GDP. As mentioned earlier, while the triggering of the Sahm rule should not be overlooked entirely, a comprehensive understanding of the labour market requires looking beyond just one or two measures. Timely data, especially those based on sampling surveys, often rely on modeling assumptions and are subject to revisions. For example, the recent annual Bureau of Labor Statistics (BLS) benchmark revision revealed that U.S. non-farm payroll data for the 12 months ending March 2024 required downward adjustment of 818,000 jobs created, the largest downward revision since 2009, indicating that the labour market was not as strong as might have previously been accepted using that one measure. The number of average jobs created over that period was therefore 173,500 rather than 242,000 each month. Given the potential for such large revisions, it's crucial to connect the dots with other indicators to better understand the situation. Interestingly, this revision narrowed the difference between that BLS benchmark and the Establishment and Household Survey from 2.5 mln to 1.7 mln, further emphasizing the need to look beyond one data series.

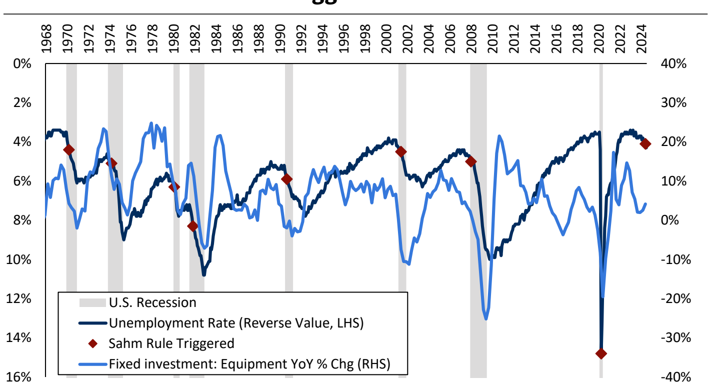
In Chart 4, we examine the U.S. unemployment rate alongside the year-over-year percentage change in fixed investment in equipment, a component of GDP. The unemployment rate is shown on a reverse axis on the left, with red markers indicating each time the Sahm rule was triggered. We noticed that the growth rate of fixed investment in equipment often decreases before the unemployment rate begins to rise (go down on the graph) and even prior to the Sahm rule being triggered during past recessions or slowdowns.

The reasoning behind this is that, unlike fixed investments in structures and intellectual property, investment in equipment is highly cyclical and closely tied to a company's short-term cash availability and/or outlook. When investment in equipment rises, it generally signals business growth, leading to increased hiring and a decrease in the unemployment rate. Conversely, during economic downturns, companies tend to cut back on equipment investment due to earnings pressure and cash constraints. If conditions worsen, they may have to lay off workers, causing the unemployment rate to increase.

In the current cycle, the growth in fixed investment in equipment slowed in 2023 but picked up again in the first two quarters of 2024. Since this is a leading indicator for the unemployment rate, its recent acceleration gives us confidence that the labour market remains strong despite the disappointing July job numbers. If this positive trend continues, we expect the unemployment rate to avoid significant deterioration.

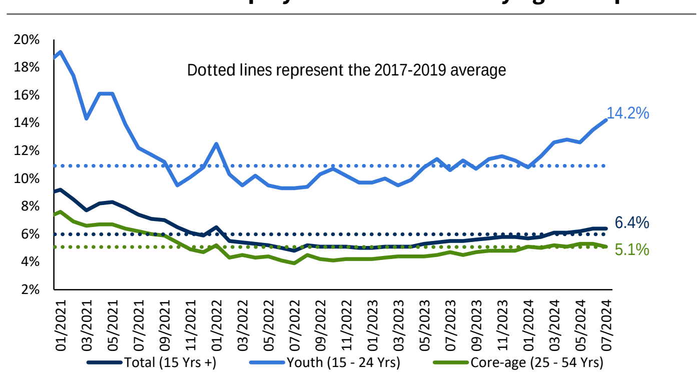
Additionally, other macro indicators, such as the ISM services PMI and control group retail sales, are still holding up well, and banks have eased up on tightened lending standards, which should support business lending and investment. Finally, U.S. consumers have been more bifurcated during the rate-hiking cycle, with higher-income households, who have less debt and spend more on investments, boosting their net worth. This could help sustain consumer spending and prevent a sharp decline. Taking all this into account, we believe the overall data still points to a soft landing, though the increased risk of a recession means we need to monitor the situation carefully.

Chart 4 - The Sahm Rule Is Triggered…But Is This Time Different?



Source: U.S. Bureau of Labor Statistics; Raymond James Ltd.; Data as of July 31, 2024.

Chart 5 - Canada Unemployment Rate Trends by Age Group



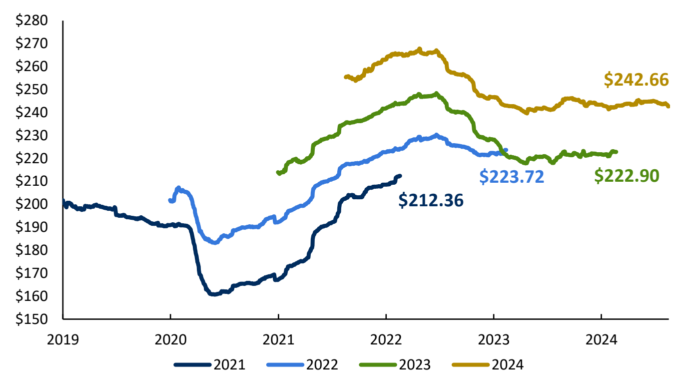
Source: Statistics Canada; Raymond James Ltd.; Data as of July 31, 2024.

In Canada, the labour market began loosening earlier than in the U.S. However, since the rise in the unemployment rate was mainly due to labour force growth outpacing job creation, rather than widespread layoffs, we still expect a soft landing for Canada, although the risk of a recession remains. Another factor suggesting that the 6.4% unemployment rate may not be as concerning as it appears, when compared to the lower U.S. rate, is that the weakness has been concentrated among 15 to 24-year-olds, while employment for the core-age group has remained stable throughout the year (Chart 5). Therefore, while an imminent recession seems unlikely, the spike in youth unemployment should prompt the BoC to consider cutting rates more proactively to avoid falling behind the curve. If the economy deteriorates further, layoffs could follow the current hiring freezes. Additionally, according to BoC's Staff Analytical Notes from April, the unemployment rate for 15 to 24-year-old males is most strongly linked to CPI-trim inflation among 41 indicators. This spike in youth unemployment should provide the BoC with more confidence that disinflation will continue as expected.

Considering the broader perspective, consumer spending in Canada is declining across the board, as retail sales are cooling, and there are warning signs in business investment. On the positive side, rapid population growth is bolstering consumption as new arrivals purchase necessities. While this support is temporary, it is helping to prevent the economy from slipping into a more imminent recession. Additionally, the completion of the Trans Mountain pipeline expansion project is expected to boost exports, with Vancouver crude exports increasing fourfold in June. This should help exports contribute more to GDP growth as consumer spending slows.

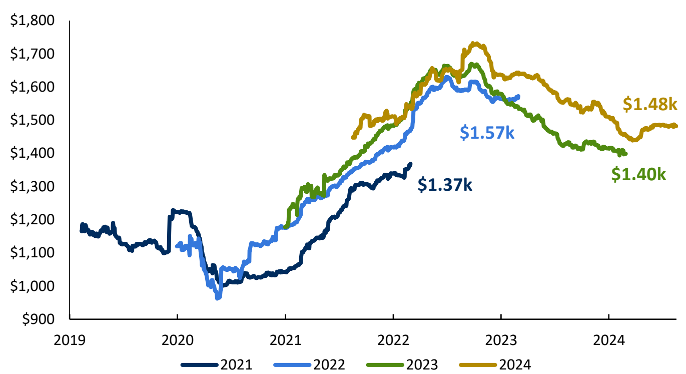
Outlook for S&P 500 and S&P/TSX Composite

Chart 6 - S&P 500 Headline EPS Estimates (Annual)



Source: Bloomberg; Raymond James Ltd.; Data as of August 16, 2024.

Chart 7 - S&P/TSX Composite Headline EPS Estimates (Annual)



Source: Bloomberg; Raymond James Ltd.; As of August 16, 2024.

As the second-quarter 2024 earnings season wraps up, the consensus annual earnings growth estimates for 2024 stand at around 9% for the S&P 500 and about 4% for the S&P/TSX Composite, compared to 2023 actuals (Chart 6 and 7), aligning with their long-term averages. However, the earnings expectation for the S&P 500 seems more achievable than for the S&P/TSX Composite.

The S&P 500 posted year-over-year EPS growth of approximately 7% and 11% in the first two quarters, indicating that the S&P 493 is gradually recovering from last year's earnings recession. To recap, 2023's earnings growth was flat, with the Magnificent Seven driving impressive gains to offset the S&P 493's declines. Given the strong earnings growth for the S&P 500 so far this year, it could meet its annual target if it generates earnings similar to those in 2Q24 for the remaining two quarters. However, it's important to note that much of the good news is already priced in, and with the S&P 500's trailing P/E ratio trading above the 90th percentile, any negative surprises in economic data or earnings could lead to a contraction in multiples, hurting its performance.

On the other hand, while the S&P/TSX Composite also experienced an earnings recession in 2023, its rebound this year has been less robust compared to the S&P 500. To hit the full-year consensus expectation of $1,480, both the third and fourth quarters would need to deliver earnings that are 10% higher than the second quarter, which seems ambitious given the current economic slowdown. However, this doesn't necessarily imply that the S&P/TSX Composite will decline for the rest of the year. With its P/E ratio at a reasonable level and potential strong demand for energy and materials, we might see some multiple expansion that could support the index's performance. Overall, we continue to favour defensive sectors in both S&P 500 and S&P/TSX Composite and expect a rotation into these sectors to persist.

All in all, it can be very stressful when various headlines grab our attention and the equity market pulls back during the late stages of an economic cycle. However, when assessing economic conditions, it's crucial to consider data in context and from various perspectives to gain a comprehensive understanding. We should also remind ourselves that market pullbacks are normal, and the best trading days often follow the worst ones. Therefore, it's essential to stick to your long-term plan, as history shows that staying fully invested has generally paid off for investors.

The Great “Carry Trade” Unwind

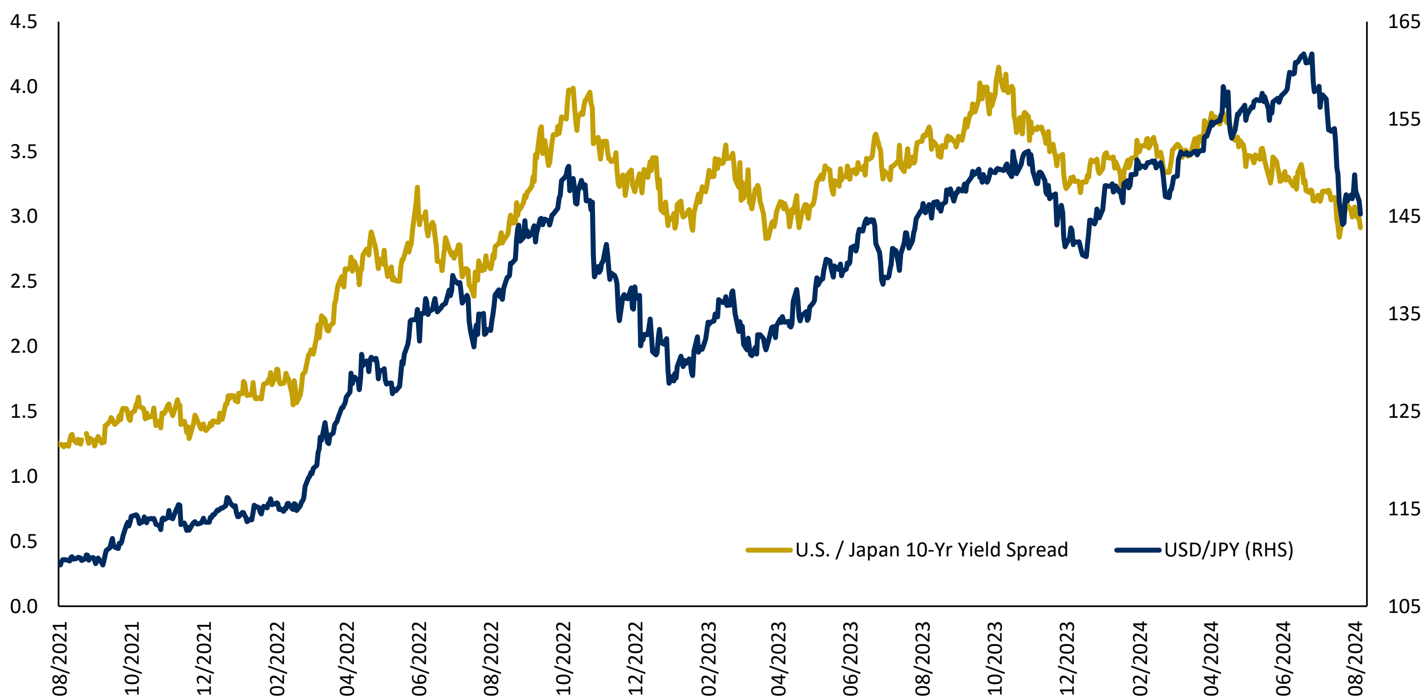
Ajay Virk, CFA, CMT - Head Trader, Currencies

The sudden unraveling of a historically popular foreign exchange strategy, specifically a carry trade involving the Japanese yen, added fuel to the global stock and bond market decline witnessed in early August. There were a myriad of factors at play at the time, including worries over the health of the U.S. economy following a disappointing July jobs report, and concerns that the Fed may be dragging its feet in cutting interest rates. However, the unwinding of the yen carry trade after the Bank of Japan hiked interest rates only exacerbated the global market selloff.

In the foreign exchange space, a carry trade simply involves borrowing a currency of a country with a relatively low interest rate (i.e. the funding currency) and investing the proceeds in a currency of a country with a relatively higher interest rate (i.e. the target currency). Your profit would essentially be the interest rate differential (i.e. the ”carry”).

For example, you could take a long position in the USD/JPY currency pair (i.e. buy USD and sell JPY), which by doing so, you are effectively borrowing JPY to buy USD. As long as U.S. interest rates remain higher than Japanese interest rates, you would earn a positive interest differential along with any favourable movements in the USD/JPY currency pair. Similarly, you could use your USD funds (via going long JPY/USD) to purchase U.S. securities and potentially further enhance your returns, so long as your returns are greater than the borrowing costs of your JPY loan (Chart 8).

Chart 8 - Fed & BoJ Monetary Policy Divergence Sends JPY Rallying



Source: FactSet; Raymond James, Ltd.; Data as of August 20, 2024.

What Happened?

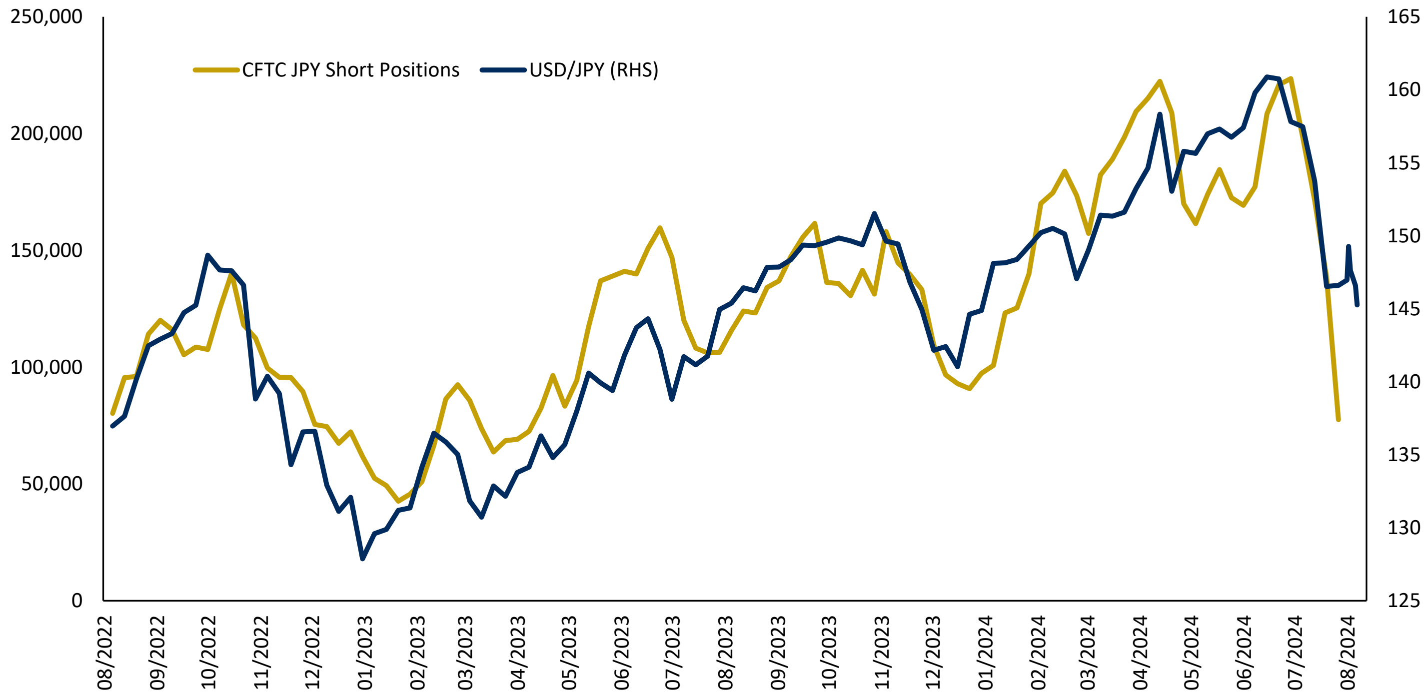
The “carry trade” unwind sparked a bloodbath in global markets, stoked by a surprise 15bps rate hike in Japan on July 30. This triggered some investors to begin unwinding their carry trades as the JPY strengthened and borrowing costs rose, sparking a worldwide tsunami of selling to cover their JPY short positions.

A marginal 15bps rate hike in Japan may not seem material, especially with the U.S. target rate currently sitting at 5.50%; however, it is important to note that carry trades are more sensitive to both rate expectations and currency moves than the actual level of interest rates.

Now, with the Fed currently gearing up to cut rates in September while there is a possibility of further rate hikes in Japan, the yen has rallied nearly 13% since early July, albeit the yen has given back some of those earlier gains at the time of writing. For countries such as Japan, an export-oriented economy, an appreciation in that country’s currency makes exported goods less competitive in the global market, which can add downside pressure on that country’s risk markets.

On August 5, Japan's Nikkei 225 index saw its largest single-day rout since the 1987 Black Monday sell-off, driven by a myriad of global economic and growth factors, with the unwinding of JPY carry trades being the central catalyst (Chart 9).

Chart 9 - Short JPY Positions Plummet & Take USD/JPY Down with It



Source: FactSet; Raymond James, Ltd.; Data as of August 20, 2024.

Is the Unwind Nightmare Over?

While it may be a bit difficult to assess the scale and depth of the yen carry trade with any accuracy, we can look to the U.S. Commodity Futures Trading Commission for data on the JPY and how investors have been positioning themselves. From the accompanying chart, it is evident that net short JPY positions have plummeted as of late, as investors began closing out their shorts, taking USD/JPY down with it in the process (i.e. USD weakness / JPY strength).

Some argue that since the interest rate gap between Japan and the U.S. remains wide, we could very well see a revival of the JPY carry trade once market jitters subside. The market was also reassured by Bank of Japan Deputy Governor Shinichi Uchida who said that the Bank would refrain from further rate hikes when financial markets are deemed unstable.

On the other end, some argue that it is still a bit too early to call an end to this current carry trade unwind phenomenon. As a result, we may see a continuing phase where volatility remains elevated, and liquidity conditions remain tight. Furthermore, with the market pricing in three additional rate cuts for the Fed by year-end, this may very well further exacerbate the carry trade unwind.

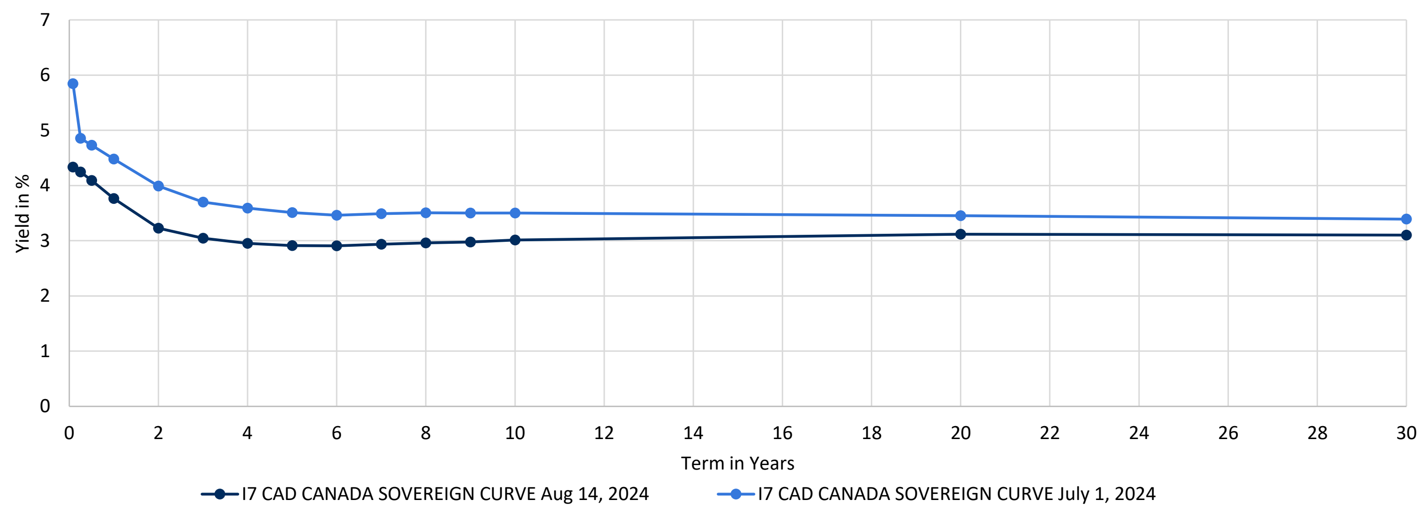
A Market Update

Joshua Lucchetto - Fixed Income Associate; Charlotte Jakubowicz, CMT, CIM - Vice President, Fixed Income and Currencies

Canadian Interest rates and yields

The Bank of Canada (BoC) executed its second 25 basis point rate cut at the end of July, bringing the overnight interest rate to 4.5%. Since early July, there has been a marked shift towards a flatter yield curve. Initially, short-term yields were elevated, with the one-month Government of Canada yield at 5.84% and the one-year yield at 4.48%. By mid-August, these yields had significantly decreased to 4.33% and 3.76%, respectively. On the longer end of the curve, changes were less pronounced, with the 10-year yield dropping approximately 50 basis points and the 30-year yield decreasing by around 20 basis points.

Chart 10 - Canada Yield Curve



Source: Bloomberg; Raymond James Ltd.

As yields decline and the curve flattens, the prices of outstanding issues have begun to rise. The BoC is anticipated to continue with rate cuts, maintaining inflation within the 1%-3% target range. Expectations are for two additional 25 basis point cuts by year-end with a strong possibility of a third cut. This trend suggests potential opportunities for investors to realize capital gains by selling currently-held fixed income securities as prices increase.

United States

In contrast, the United States has lagged other G7 nations, having not cut interest rates since inflation surged in 2022. The U.S. is progressing towards its inflation target, with July's core CPI at 3.2%, down from 3.3% the previous month. The Federal Reserve opted against a rate cut at the end of July, but there is strong belief that the Fed will implement a rate cut at its next meeting in September. Projections indicate three 25 basis point cuts by the end of the year. The U.S. yield curve remains steeper than Canada's, with American bond yields currently higher across the curve. For example, the current five year U.S. yield is 3.77% in contrast to Canada's at 2.91%, a more than 85bp difference.

Investment strategies

Investors navigating these evolving market conditions could consider several strategies to maximize returns in fixed income. Currently, bond yields are lower than most guaranteed investmentcertificates (GICs) for the 1–5-year period. For registered accounts and investors that don't require the liquidity, GICs may offer the best returns. However, bonds have higher liquidity, allowing the holder to sell prior to maturity, and can be more tax advantageous when held in non-registered accounts. Low coupon bonds, for instance, may yield higher after-tax returns than GICs, as the majority of income is derived from capital gains rather than interest income.

Additionally, investors should consider extending the duration of their fixed income securities out to roughly five years to lock in higher rates as rate cuts continue. This strategy can also create capital gain opportunities, as bond prices rise when rates and yields fall.

Finally, there remains significant opportunity in USD bonds, as the U.S. has yet to cut rates, generally presenting higher yields today. However, investors should be mindful of currency risk and potential tax consequences when investing in securities denominated in foreign currencies.

2024 ETF Launches

Luke Kahnert, MBA, CIM - Senior Mutual Fund & ETF Specialist

It has been a busy first half of the year for the Canadian ETF marketplace with a total of 125 new tickers launched as of June 30, 2024. These product launches may reflect where issuers believe investor demand is heading. As market conditions and investor preferences change, ETF issuers may adjust their product offerings for future market environments. Therefore, by analyzing the types of ETF launches, their timing and the themes they cover may provide one with a window of where fund issuers see opportunities. Below are a few key takeaways, and **a full list of all ETFs launched in the first half of 2024 can be found on the next page.**

Quick Takeaways

- Almost 1/3 of the ETFs launched in the first half of the year are options-based strategies with most of these ETFs leveraging a covered call overlay.
- About 1/3 of the ETFs launched in the first half of the year are fixed income strategies with the majority structured as targetmaturity bond ETFs.
- Asset managers continue to look at the liquid alt structure in the ETF channel as an efficient way to provide exposure to their alternative strategies.
- Fidelity, RBC, AGF and Mackenzie launched ETF purchase options of existing active mutual fund strategies. Moving forward, it looks promising that this trend will continue to roll out as other mutual fund providers look to expand existing mutual fund purchase options in an ETF vehicle.

Table 1 - List of All ETFs Launched in the First Half of 2024

January 2024

Ticker	ETF Name	CIFSC Category
GBFD	GuardBondsTM 2027 Investment Grade Bond ETF	Canadian Short Term Fixed Income
GBFA	GuardBonds TM 2024 Investment Grade Bond ETF	Canadian Short Term Fixed Income
GBFC	GuardBonds TM 2026 Investment Grade Bond ETF	Canadian Short Term Fixed Income
GBFB	GuardBonds TM 2025 Investment Grade Bond ETF	Canadian Short Term Fixed Income
GBLF	GuardBonds TM 1-3 Year Laddered IG Bond ETF	Canadian Short Term Fixed Income
HPYM*	Harvest Premium Yield 7-10 Year Treasuty ETF	Global Fixed Income
HPYT.U	Harvest Premium Yield Treasury ETF	Global Fixed Income
TBIL	Harvest Canadian T-Bill ETF	Canadian Money Market
CMOM.B*	CI US Enhanced Momentum Index ETF	US Equity
CMOM	CI US Enhanced Momentum Index ETF	US Equity
CVLU.B	CI US Enhanced Value Index ETF	US Equity
CVLU	CI US Enhanced Value Index ETF	US Equity
YNVD	NVIDIA NVDA Yield Shares Purpose ETF	Alternative
MSFY	Miscrosoft MSFT Yield Shares ETF	Alternative
UCSH.U	Global X USD High Interest Savings ETF	US Money Market
INAI	Invesco Morningstar Global Next Gen AI Index ETF	Global Equity
INAI.F	Invesco Morningstar Global Next Gen AI Index ETF	Global Equity
IUFR.U	Invesco US Treasury Floating Rate Note Index ETF	Global Fixed Income
ZJAN	BMO US Equity Buffer Hedged to CAD ETF	US Equity

February 2024

Ticker	ETF Name	CIFSC Category
FCAM	Fidelity All American Equity ETF	US Equity
FCLS	Fidelity Canadian Long/Short Alternative ETF	Alternative
FMNA	Fidelity Market Neutral Alternative ETF	Alternative
FLSA	Fidelity Long Short Alternative ETF	Alternative
FCCA	Fidelity All-Canadian Equity ETF	Canadian Equity
FGLS	Fidelity Global Value Long/Short Fund ETF	Alternative
FCIN	Fidelity All-International Equity ETF	International Equity
EMAX	Hamilton Energy Yield Maximizer ETF	Energy Equity
FMAX	Hamilton US Financials Yield Maximizer ETF	Financial Services Equity
LMAX	Hamilton Healthcare Yield Maximizer ETF	Sector Equity
BOND.B*	Evolve Enhanced Yield Bond ETF	Global Fixed Income
MWLV	Mackenzie World Low Volatility ETF	Global Equity
TCSH	TD Cash Management ETF	Canadian Short Term Fixed Income
ATRB	AGF Total Return Bond Fund	Multi Sector Fixed Income
ASMD	AGF US Small Mid Cap Fund	US Small/Mid Cap Equity
AGLR	AGF Global Real Assets Fund	Global Equity Balanced

March 2024

Ticker	ETF Name	CIFSC Category
ZGLD*	BMO Gold Bullion ETF	Commodity
ZGLH	BMO Gold Bullion Hedged to CAD ETF	Commodity
RPLS	RBC Core Plus Bond Pool	Global Fixed Income
RCNS	RBC Conservative Bond Pool	Global Fixed Income
RCOR	RBC Core Bond Pool	Global Fixed Income
FLVI	Franklin International Low Volatility High Div Index ETF	International Equity
FLVU	Franklin US Low Volatility High Dividend Index ETF	US Dividend & Income Equity
FLVC	Franklin Canadian Low Volatility High Div Index ETF	Canadian Dividend & Income Equity
ARTI	Evolve Artificial Intelligence Fund	US Equity
EVO	Evovest Global Equity ETF	Global Equity

April 2024

Ticker	ETF Name	CIFSC Category
ZAPR	BMO US Equity Bugger Hedged to CAD ETF - April	US Equity
RUQN*	RBC Target 2025 US Corporate Bond ETF	Global Corporate Fixed Income
RUQO*	RBC Target 2026 US Corporate Bond ETF	Global Corporate Fixed Income
RUQP*	RBC Target 2027 US Corporate Bond ETF	Global Corporate Fixed Income
RUQQ*	RBC Target 2028 US Corporate Bond ETF	Global Corporate Fixed Income
RUQR*	RBC Target 2029 US Corporate Bond ETF	Global Corporate Fixed Income
RUQS*	RBC Target 2030 US Corporate Bond ETF	Global Corporate Fixed Income
RQS	RBC Target 2030 Canadian Corp Bond Index ETF	Canadian Corporate Fixed Income
RGQS	RBC Target 2030 Canadian Government Bond ETF	Canadian Fixed Income

April 2024 (cont.)

Ticker	ETF Name	CIFSC Category
TBCE	TD Target 2025 Investment Grade Bond ETF	Canadian Short Term Fixed Income
TBCF	TD Target 2026 Investment Grade Bond ETF	Canadian Short Term Fixed Income
TBCG	TD Target 2027 Investment Grade Bond ETF	Canadian Short Term Fixed Income
TBUE.U	TD Target 2025 US Investment Grade Bond ETF	Global Corporate Fixed Income
TBUF.U	TD Target 2026 US Investment Grade Bond ETF	Global Corporate Fixed Income
TBUG.U	TD Target 2027 US Investment Grade Bond ETF	Global Corporate Fixed Income
FGOV	Franklin Canadian Government Bond Fund	Canadian Fixed Income
DCBC	Desjardins Canadian Corporate Bond Index ETF	Canadian Corporate Fixed Income
DMEI	Desjardins International Equity Index ETF	International Equity
DMEU	Desjardins American Equity Index ETF	US Equity
DMEC	Desjardins Canadian Equity Index ETF	Canadian Equity
HIND	Harvest Industrial Leaders Income ETF	Sector Equity
HBIG	Harvest Balanced Income & Growth ETF	Global Neutral Balanced
HBIE	Harvest Balanced Income & Growth Enhanced ETF	Alternative
GIGC	Guardian Investment Grade Corporate Bond Fund	Canadian Corporate Fixed Income

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Ticker	ETF Name	CIFSC Category
HDGE.U	Accelerate Absolute Return Fund	Alternative
INCM*	Accelerate Diversified Credit Income Fund	Alternative
KNGC	Brompton Canadian Cash Flow Kings ETF	Canadian Equity
KNGU	Brompton US Cash Flow Kings ETF	US Equity
CIAI	CI Global Artificial Intelligence ETF	Global Equity
CUSA	CI US 500 Index ETF (CAD Hedged)	US Equity
FCEM	Fidelity Emerging Markets Fund - ETF Series	Emerging Markets Equity
FGEB	Fidelity Global Equity + Balanced Fund	Global Neutral Balanced
FGEP	Fidelity Global Equity +	Global Equity
FTHI	Fidelity Tactical High Income Fund - ETF Series	Tactical Balanced
EQCC	Global X All-Equity Asset Allocation Cov Call ETF	Global Equity
AIGO	Global X Artifical Intelligence & Technology Index ETF	Global Equity
EACL	Global X Enhanced MSCI EAFE Covered Call ETF	Alternative
EAFL	Global X Enhanced MSCI EAFE Index ETF	Alternative
EMCL	Global X Enhanced MSCI EM Covered Call	Alternative
EMML	Global X Enhanced MSCI EM Index ETF	Alternative
QQQL	Global X Enhanced NASDAQ-100 Index ETF	Alternative
USSL	Global X Enhanced S&P 500 Index ETF	Alternative
TTTX	Global X Innovative Bluechip Top 10 Index ETF	Global Equitty
EACC	Global X MSCI EAFE Covered Call ETF	International Equity
EAFX*	Global X MSCI EAFE Index ETF	International Equity
EMCC	Global X MSCI Emerging Markets Covered Call ETF	Alternative
EMMX*	Global X MSCI Emerging Markets Index ETF	Alternative
QQQX*	Global X NASDAQ-100 Index ETF	US Equity
USSX*	Global X S&P 500 Index ETF	US Equity
CNDX	Global X S&P/TSX 60 Index ETF	Canadian Equity
PAYS	Global X Short-Term Govt Bond Premium Yield	Canadian Short Term Fixed Income

June 2024

Ticker	ETF Name	CIFSC Category
CBL	Franklin Core ETF Portfolio	Global Neutral Balanced
CNV	Franklin Conservative Income ETF Portfolio	Global Fixed Income Balanced
GRO	Franklin Growth ETF Portfolio	Global Equity Balanced
EQY	Franklin All-Equity ETF Portfolio	Global Equity
RMAX	Hamilton REITs Yield Maximizer ETF	Real Estate Equity
ETHC.B	Purpose Ether Staking Corp ETF	Alternative
HPYT.B	Harvest Premium Yield Treasdury ETF	Global Fixed Income
DGR.U	CI US Quality Dividend Growth Index ETF	US Dividend & Income Equity
UYLD*	Manulife Smart US Enhanced Yield ETF	US Dividend & Income Equity
CYLD	Manulife Smart Enhanced Yield ETF	Canadian Dividend & Income Equity
MCLV	Mackenzie Canada Low Volatility ETF	Canadian Equity
MULV	Mackenzie US Low Volatility ETF	US Equity
MGDV	Mackenzie Global Dividend ETF	Global Equity
PREF	Quadravest Preferred Split Share ETF	Preferred Share Fixed Income

Source: NBF ETF Research, data as of June 30 2024. *Also available in a USD purchase option.

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