

**AON**

# Quarterly Investment Review

The City of Hamilton Master  
Trust

Fourth Quarter 2023

Investment advice and consulting services provided by Aon Solutions  
Canada Inc.



# Table Of Contents

1	Executive Summary	Page 1
2	Capital Markets Performance	Page 7
3	Total Fund Analysis	Page 10
4	Asset Class Analysis	Page 19
5	Appendix A - Plan Information	Page 38
6	Appendix B - Manager Updates	Page 40
7	Appendix C - Capital Market Environment	Page 44
8	Appendix D - Description of Market Indices and Statistics	Page 54
9	Appendix E - Fee Analysis	Page 58
10	Appendix F - Disclosure	Page 59

## Executive Summary

# Asset Allocation & Performance

As of 31 December 2023

	Allocation		Performance (%)						
	Market Value (\$000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Total Fund</b>	<b>298,315</b>	<b>100.0</b>	<b>10.2 (1)</b>	<b>9.4 (92)</b>	<b>-2.3 (99)</b>	<b>2.4 (97)</b>	<b>4.0 (91)</b>	<b>5.9 (94)</b>	<b>5.8 (93)</b>
<i>Benchmark</i>			10.4 (1)	9.7 (85)	-2.6 (99)	1.7 (98)	4.5 (85)	6.8 (83)	6.6 (75)
Value Added			-0.2	-0.3	0.3	0.7	-0.5	-0.9	-0.8
<b>Canadian Equity</b>	<b>81,890</b>	<b>27.5</b>	<b>6.8 (77)</b>	<b>13.0 (28)</b>	<b>4.5 (44)</b>	<b>12.2 (34)</b>	<b>8.9 (69)</b>	<b>10.4 (83)</b>	<b>8.1 (54)</b>
Guardian (including cash)	44,445	14.9	8.5 (28)	16.3 (13)	4.6 (44)	10.6 (58)	9.1 (59)	10.9 (71)	8.3 (43)
<i>S&amp;P/TSX Composite</i>			8.1 (46)	11.8 (47)	2.6 (79)	9.6 (81)	8.6 (74)	11.3 (61)	7.6 (68)
Value Added			0.4	4.5	2.0	1.0	0.5	-0.4	0.7
Letko (including cash)	37,445	12.6	4.9 (93)	9.5 (73)	4.6 (43)	14.1 (14)	9.5 (48)	10.7 (80)	8.3 (43)
<i>S&amp;P/TSX Composite</i>			8.1 (46)	11.8 (47)	2.6 (79)	9.6 (81)	8.6 (74)	11.3 (61)	7.6 (68)
Value Added			-3.2	-2.3	2.0	4.5	0.9	-0.6	0.7
<b>Global Equities</b>	<b>55,832</b>	<b>18.7</b>	<b>8.3 (41)</b>	<b>18.5 (38)</b>	<b>4.3 (35)</b>	<b>8.1 (49)</b>	<b>8.2 (64)</b>	<b>10.2 (68)</b>	<b>8.7 (86)</b>
Aberdeen	13,841	4.6	9.7 (18)	17.0 (48)	2.6 (54)	8.5 (45)	10.0 (32)	11.7 (44)	9.3 (79)
<i>MSCI World (Net)</i>			8.7 (33)	20.5 (28)	2.8 (50)	8.5 (44)	9.8 (37)	12.0 (37)	11.0 (45)
Value Added			1.0	-3.5	-0.2	0.0	0.2	-0.3	-1.7
GMO	41,991	14.1	7.9 (50)	19.0 (35)	2.9 (50)	6.6 (67)	6.9 (81)	9.3 (78)	8.3 (91)
<i>MSCI World (Net)</i>			8.7 (33)	20.5 (28)	2.8 (50)	8.5 (44)	9.8 (37)	12.0 (37)	11.0 (45)
Value Added			-0.8	-1.5	0.1	-1.9	-2.9	-2.7	-2.7

\*GMO returns are reported net-of-fees.

# Asset Allocation & Performance

As of 31 December 2023

	Allocation		Performance (%)						
	Market Value (\$000)	%	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Canadian Fixed Income</b>	<b>160,531</b>	<b>53.8</b>	<b>12.7</b>	<b>4.6</b>	<b>-7.0</b>	<b>-5.0</b>	<b>-0.9</b>	<b>1.3</b>	<b>3.0</b>
TDAM Long Bonds	54,458	18.3	15.2	10.0	-7.1	-6.2	-1.8	1.0	3.4
<i>FTSE Canada Long Term Overall Bond</i>			14.8	9.5	-7.4	-6.5	-2.2	0.6	3.3
Value Added			0.4	0.5	0.3	0.3	0.4	0.4	0.1
TDAM Real Return Bonds	105,956	35.5	11.5	1.8	-6.9	-4.1	0.0	1.6	2.7
<i>FTSE Canada Real Return Bond</i>			10.5	2.0	-6.5	-3.8	0.1	1.7	2.7
Value Added			1.0	-0.2	-0.4	-0.3	-0.1	-0.1	0.0
TDAM Cash	160,531	53.8							
<b>Operating Account</b>	<b>62</b>	<b>0.0</b>							

\*GMO returns are reported net-of-fees.

# Asset Allocation & Performance

As of 31 December 2023

	Performance (%)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Fund</b>	<b>9.4 (92)</b>	<b>-12.7 (93)</b>	<b>12.6 (55)</b>	<b>8.7 (61)</b>	<b>13.8 (76)</b>	<b>-4.2 (85)</b>	<b>9.5 (35)</b>	<b>9.3 (22)</b>	<b>2.6 (93)</b>	<b>12.0 (28)</b>	<b>13.0 (91)</b>
<i>Benchmark</i>	<i>9.7 (85)</i>	<i>-13.6 (99)</i>	<i>10.8 (82)</i>	<i>13.5 (6)</i>	<i>16.4 (36)</i>	<i>-2.6 (56)</i>	<i>8.6 (59)</i>	<i>8.4 (33)</i>	<i>4.3 (82)</i>	<i>13.9 (1)</i>	<i>9.7 (97)</i>
Value Added	-0.3	0.9	1.8	-4.8	-2.6	-1.6	0.9	0.9	-1.7	-1.9	3.3
<b>Canadian Equities</b>	<b>13.0 (28)</b>	<b>-3.3 (53)</b>	<b>29.3 (28)</b>	<b>-0.5 (78)</b>	<b>16.7 (90)</b>	<b>-10.0 (71)</b>	<b>12.3 (8)</b>	<b>24.1 (18)</b>	<b>-5.3 (49)</b>	<b>11.9 (41)</b>	<b>25.3 (16)</b>
Guardian (including cash)	16.3 (13)	-6.0 (88)	23.8 (90)	4.5 (45)	18.5 (83)	-6.3 (13)	9.9 (31)	18.3 (59)	-4.0 (42)	13.0 (23)	13.8 (92)
<i>S&amp;P/TSX Composite</i>	<i>11.8 (47)</i>	<i>-5.8 (86)</i>	<i>25.1 (76)</i>	<i>5.6 (37)</i>	<i>22.9 (30)</i>	<i>-8.9 (52)</i>	<i>9.1 (52)</i>	<i>21.1 (35)</i>	<i>-8.3 (82)</i>	<i>10.6 (57)</i>	<i>13.0 (95)</i>
Value Added	4.5	-0.2	-1.3	-1.1	-4.4	2.6	0.8	-2.8	4.3	2.4	0.8
Letko (including cash)	9.5 (73)	-0.1 (29)	35.8 (7)	-3.2 (95)	15.6 (91)	-12.7 (92)	13.8 (2)	28.1 (6)	-5.9 (56)	11.5 (45)	31.5 (3)
<i>S&amp;P/TSX Composite</i>	<i>11.8 (47)</i>	<i>-5.8 (86)</i>	<i>25.1 (76)</i>	<i>5.6 (37)</i>	<i>22.9 (30)</i>	<i>-8.9 (52)</i>	<i>9.1 (52)</i>	<i>21.1 (35)</i>	<i>-8.3 (82)</i>	<i>10.6 (57)</i>	<i>13.0 (95)</i>
Value Added	-2.3	5.7	10.7	-8.8	-7.3	-3.8	4.7	7.0	2.4	0.9	18.5
<b>Global Equities</b>	<b>18.5 (38)</b>	<b>-8.2 (44)</b>	<b>16.1 (67)</b>	<b>8.6 (58)</b>	<b>18.3 (63)</b>	<b>-3.9 (70)</b>	<b>15.8 (52)</b>	<b>4.7 (35)</b>	<b>10.4 (93)</b>	<b>10.2 (82)</b>	<b>26.3 (93)</b>
Aberdeen	17.0 (48)	-10.0 (53)	21.1 (30)	14.9 (41)	18.7 (60)	-2.8 (62)	17.1 (43)	5.4 (31)	5.3 (97)	10.5 (81)	21.3 (99)
<i>MSCI World (Net)</i>	<i>20.5 (28)</i>	<i>-12.2 (66)</i>	<i>20.8 (32)</i>	<i>13.9 (45)</i>	<i>21.2 (41)</i>	<i>-0.5 (40)</i>	<i>14.4 (64)</i>	<i>3.8 (44)</i>	<i>18.9 (55)</i>	<i>14.4 (45)</i>	<i>35.2 (54)</i>
Value Added	-3.5	2.2	0.3	1.0	-2.5	-2.3	2.7	1.6	-13.6	-3.9	-13.9
GMO	19.0 (35)	-11.0 (62)	14.5 (77)	7.7 (63)	19.5 (57)	-5.3 (80)	18.1 (37)	4.2 (40)	12.9 (88)	8.1 (91)	29.1 (84)
<i>MSCI World (Net)</i>	<i>20.5 (28)</i>	<i>-12.2 (66)</i>	<i>20.8 (32)</i>	<i>13.9 (45)</i>	<i>21.2 (41)</i>	<i>-0.5 (40)</i>	<i>14.4 (64)</i>	<i>3.8 (44)</i>	<i>18.9 (55)</i>	<i>14.4 (45)</i>	<i>35.2 (54)</i>
Value Added	-1.5	1.2	-6.3	-6.2	-1.7	-4.8	3.7	0.4	-6.0	-6.3	-6.1

Parentheses contain percentile rankings.

# Asset Allocation & Performance

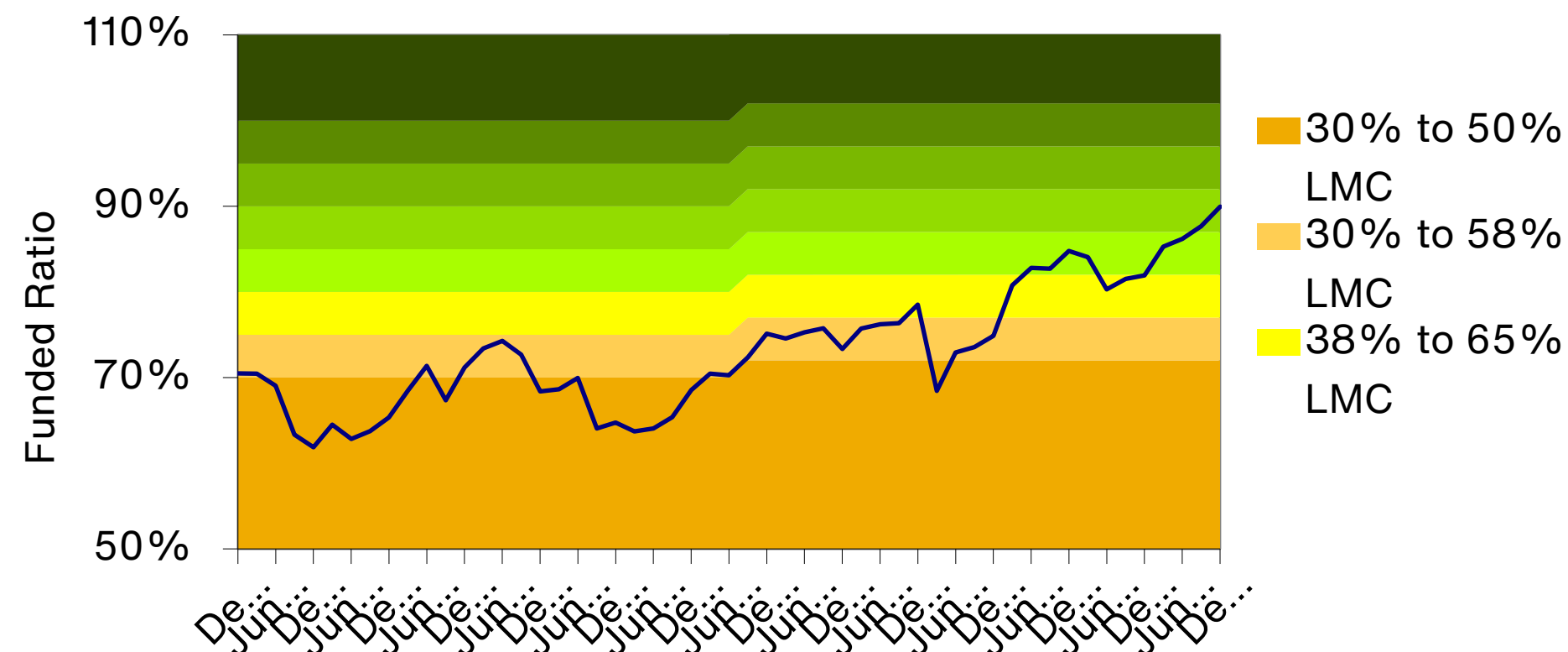
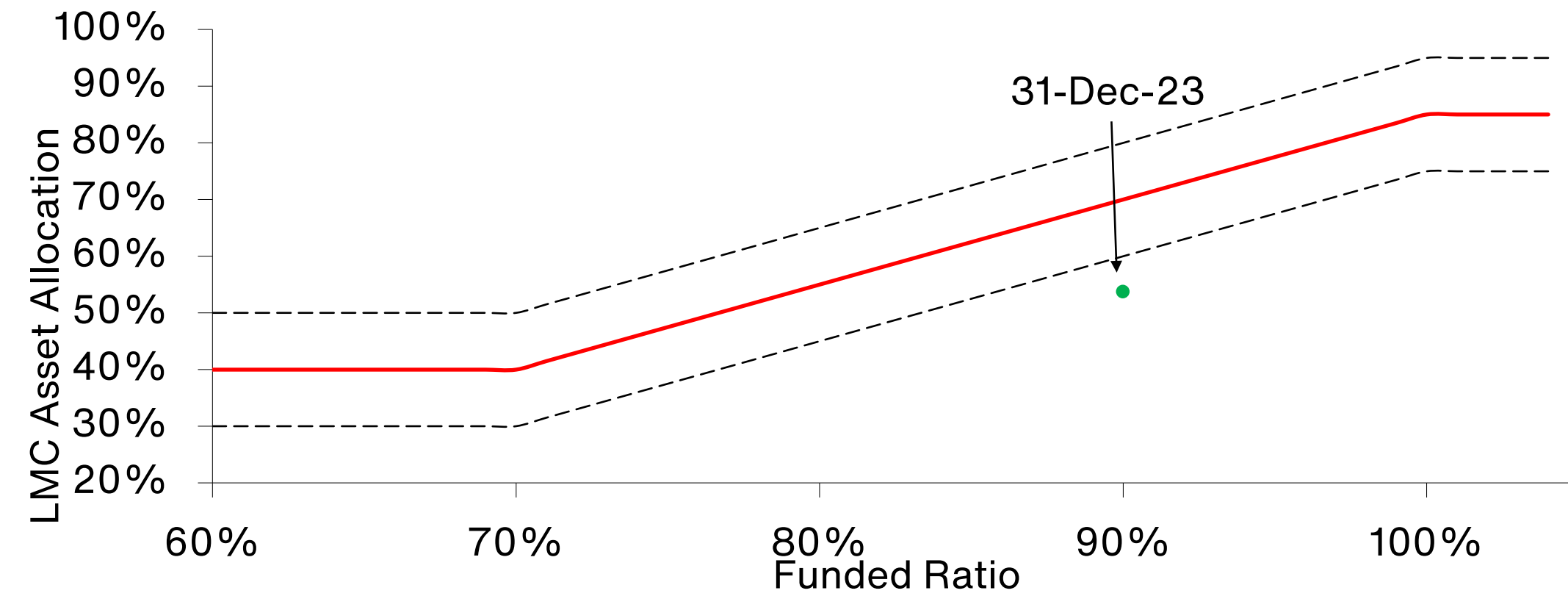
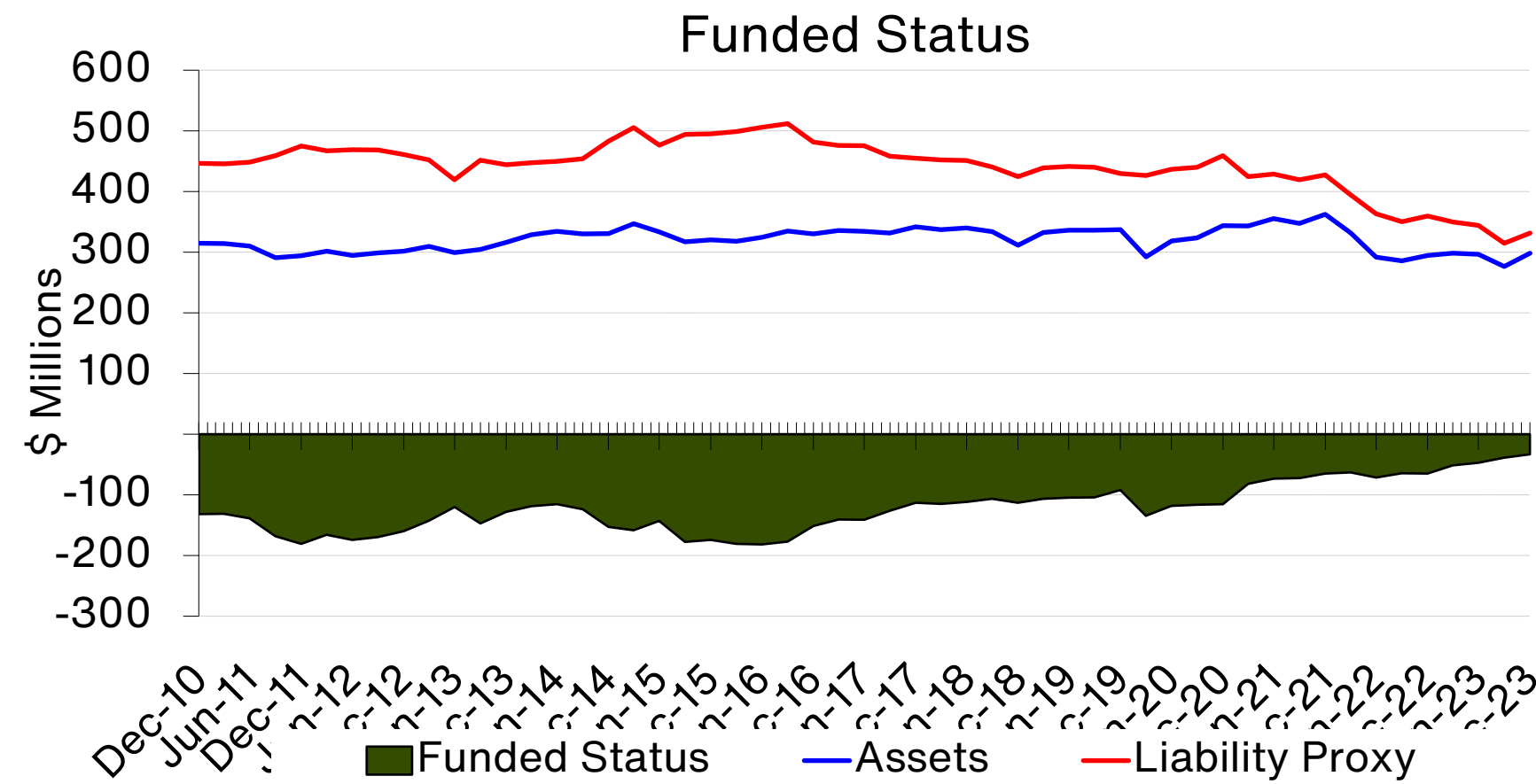
As of 31 December 2023

	Performance (%)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Canadian Fixed Income	4.6	-17.3	-0.9	12.5	10.8	-0.3	3.8	3.0	3.1	14.8	-7.4
TDAM Long Bonds	10.0	-21.6	-4.2	12.3	13.0	-0.2	7.0	2.8	3.4	16.8	-5.7
<i>FTSE Canada Long Term Overall Bond</i>	9.5	-21.8	-4.5	11.9	12.7	0.3	7.0	2.5	3.8	17.5	-6.2
Value Added	0.5	0.2	0.3	0.4	0.3	-0.5	0.0	0.3	-0.4	-0.7	0.5
TDAM Real Return Bonds	1.8	-14.9	1.9	13.2	8.4	-0.3	0.6	3.1	2.6	13.0	-11.5
<i>FTSE Canada Real Return Bond</i>	2.0	-14.3	1.8	13.0	8.0	0.0	0.7	2.9	2.8	13.2	-13.1
Value Added	-0.2	-0.6	0.1	0.2	0.4	-0.3	-0.1	0.2	-0.2	-0.2	1.6

Parentheses contain percentile rankings.

# Funded Status and Glide Path Information

## As of December 31, 2023



Snapshot (Wind-Up)	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
Market value of assets (\$ Millions)	\$298.3	\$296.7	\$276.3	\$298.3
Liability proxy (\$ Millions)	\$349.7	\$344.1	\$315.0	\$331.5
Funded status (\$ Millions)	(\$51.4)	(\$47.4)	(\$38.7)	(\$33.2)
Funded ratio	85.3%	86.2%	87.7%	90.0%
Current LMC Asset Allocation	54.7%	53.9%	52.1%	53.8%

### Rebalancing

- The rebalancing strategy for this plan requires that assets be rebalanced to the target allocation (indicated by the red line) whenever the LMC Asset Allocation falls outside of the range deemed acceptable for a given funded ratio (indicated by the dashed lines).
- Because the LMC Asset Allocation as of December 31, 2023 falls outside of the range determined acceptable for the current funded ratio (90.0%), the asset mix should be rebalanced such that the LMC portion of the portfolio comprises 60% of total assets.



## Capital Markets Performance

# Major Capital Markets' Returns

## As of 31 December 2023

	1 Quarter	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Equity</b>								
S&P/TSX Composite	8.1	11.8	11.8	2.6	9.6	8.6	11.3	7.6
S&P 500	8.9	22.9	22.9	3.9	11.3	12.5	14.9	14.5
S&P 500 (USD)	11.7	26.3	26.3	1.7	10.0	12.0	15.7	12.0
MSCI EAFE (Net)	7.7	15.1	15.1	2.8	5.2	5.4	7.4	6.6
MSCI World (Net)	8.7	20.5	20.5	2.8	8.5	9.8	12.0	11.0
MSCI ACWI (Net)	8.3	18.9	18.9	2.0	7.0	8.7	10.9	10.3
MSCI Emerging Markets (Net)	5.2	6.9	6.9	-4.3	-4.0	0.7	3.0	4.9
<b>Real Estate</b>								
MSCI/REALPAC Canada Quarterly Property Fund	-2.6	-2.0	-2.0	3.4	7.2	5.5	6.2	6.6
Global Real Estate Fund Index (GREFI) (USD)*	-2.7	-6.2	-6.2	-0.2	3.7	4.0	3.8	5.5
<b>Fixed Income</b>								
FTSE Canada Universe Bond	8.3	6.7	6.7	-2.9	-2.8	0.0	1.3	2.4
FTSE Canada Long Term Overall Bond	14.8	9.5	9.5	-7.4	-6.5	-2.2	0.6	3.3
FTSE Canada 91 Day TBill	1.3	4.7	4.7	3.3	2.2	1.9	1.8	1.3
<b>Consumer Price Index</b>								
Canadian CPI, unadjusted	-0.1	3.4	3.4	4.8	4.8	3.8	3.5	2.6

### Canadian Equities

The S&P/TSX Composite Index returned +8.1% in the fourth quarter of 2023. Performance was positive across all sectors except Energy (-1.3%). Info Tech (+24.0%), Financials (+12.8%), and Real Estate (+10.7%) led through the quarter. Value stocks modestly outperformed growth over the fourth quarter (+9.0% vs. +8.3%) however growth outperformed over the year (+14.0% vs. +12.6%). The S&P/TSX Composite Index returned +11.8% over the calendar year. Over 2023, Comm. Services (-3.9%) and Materials (-1.3%) lagged, while Info Tech (+69.2%), Health Care (+18.3%), and Financials (+13.9%) led the Canadian market.

### U.S. Equities

The S&P 500 Index returned +8.9% in Canadian dollar terms over the quarter, with 11 of 12 sectors delivering positive returns. The best performing sectors were Real Estate (+15.9%), Info Tech (+14.3%), and Financials (+11.2%) while Energy (-9.2%) trailed. Over 2023, the S&P 500 Index has returned +22.9% in Canadian dollar terms.

### Non-North American Equities

The MSCI EAFE Index returned +7.7% in Canadian dollar terms in the fourth quarter. Returns were positive across all sectors except Energy. The top performing sectors included Info Tech (+18.3%), Materials (+14.2%), and Real Estate (+12.0%), while Energy (-2.1%) trailed. Over 2023, the index returned +15.1% in Canadian dollar terms, with Info Tech (+32.7%) and Industrials (+24.2%) leading, while Consumer Staples (+1.7%) and Real Estate (+6.1%) trailed.

### Canadian Fixed Income

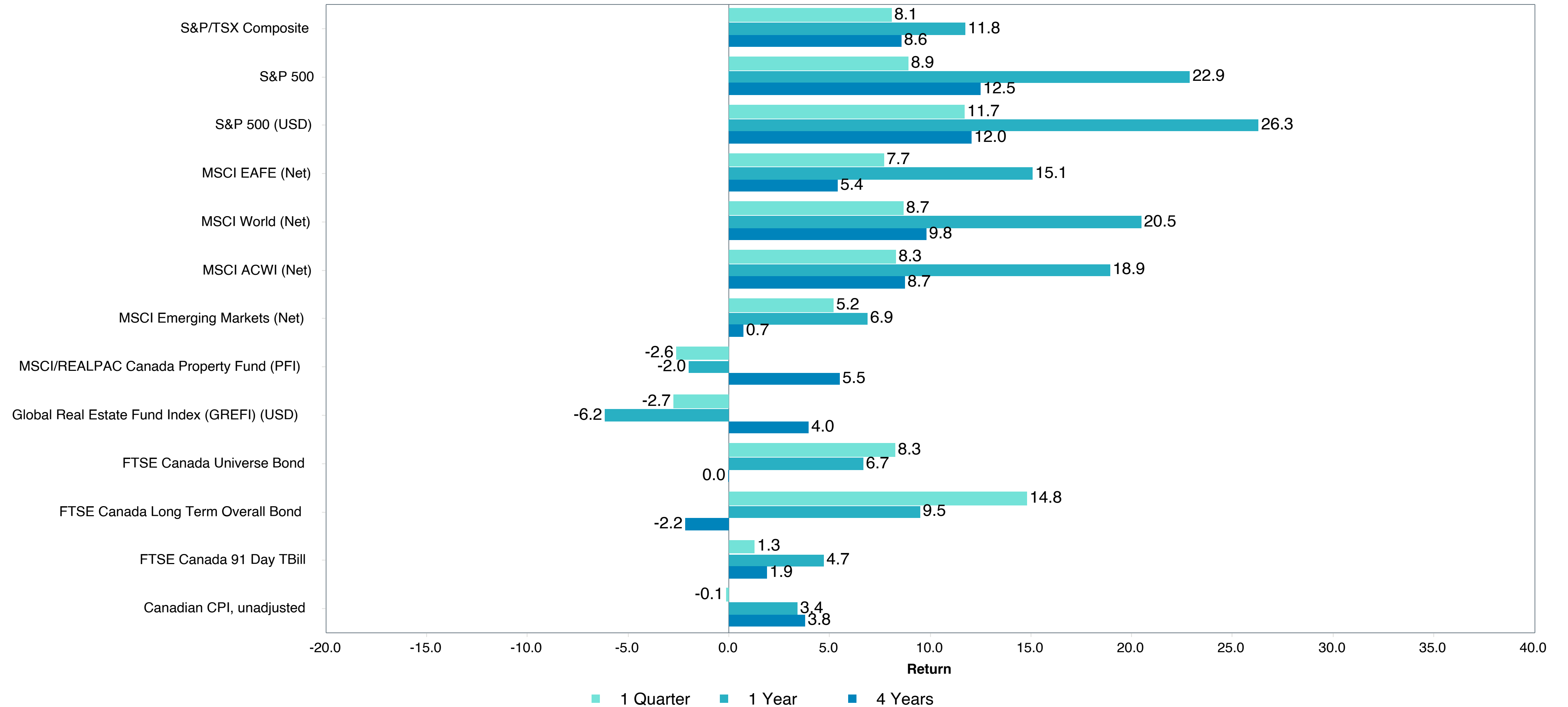
The Canadian investment grade bond market, as measured by the FTSE Canada Universe Bond Index, returned +8.3% over the quarter. Provincial bonds (+10.4%) outperformed Corporate bonds (+7.6%) and Federal bonds (+6.8%). From a term perspective, long term bonds (+14.8%) outperformed both medium term bonds (+8.3%) and short term bonds (+4.1%). Over 2023, the index returned +6.7% with Corporate bonds (+8.4%) and Provincial bonds (+7.3%) slightly ahead of the index, while Federal bonds (+5.0%) trailed the index. From a term perspective, over 2023, long term bonds (+9.5%) outperformed medium term bonds (+6.1%) and short term bonds (+5.0%).

\* Lagged one quarter.

Returns for periods greater than one year are annualized. Sector returns are sourced from MSCI.

# Capital Market Returns

## As of 31 December 2023

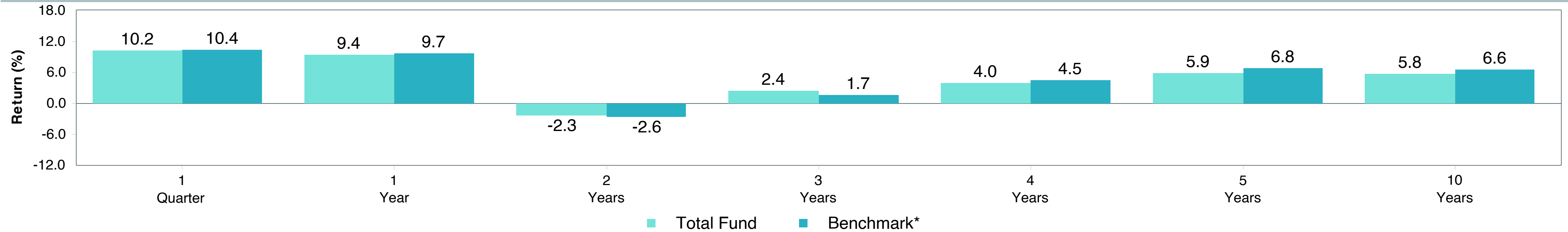


## Total Fund Analysis

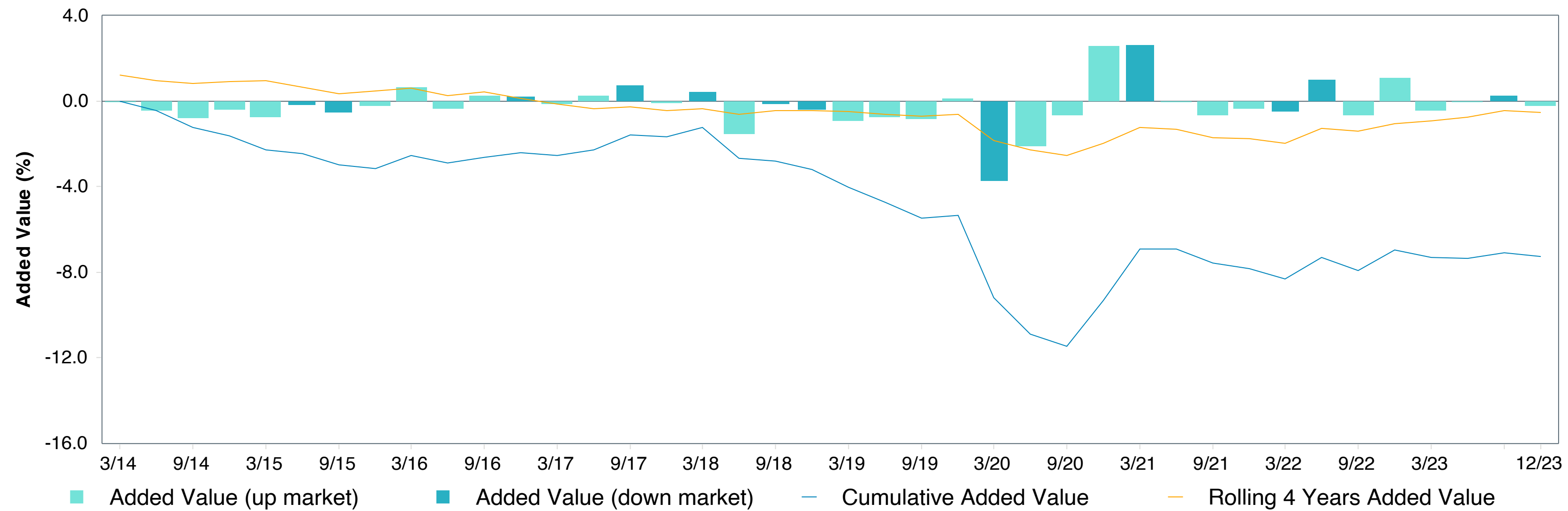
# Performance Summary

## As of 31 December 2023

### Return Summary



### Added Value History (%)



Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	28	93.5
Down Markets	12	100.3
<b>Batting Average</b>		
Up Markets	28	25.0
Down Markets	12	50.0
Overall	40	32.5



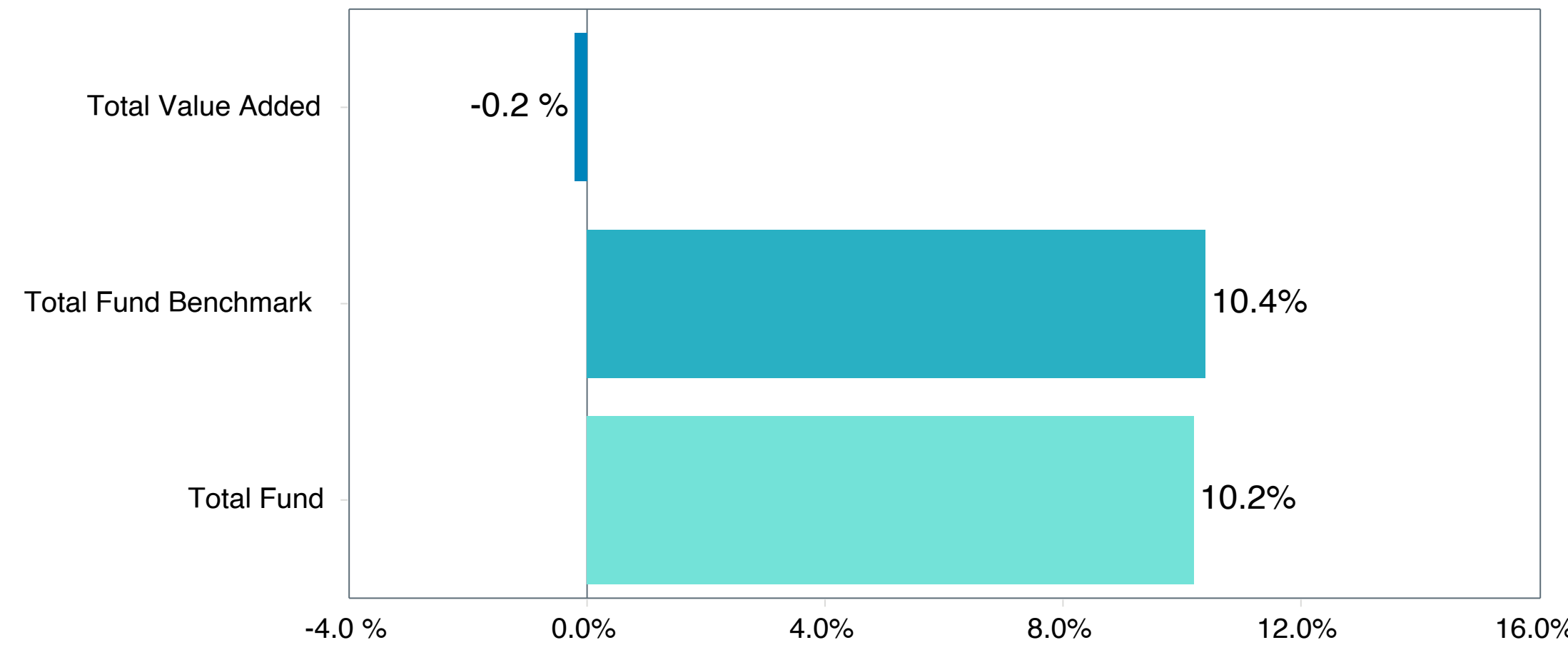
\* See Appendix A for benchmark components.

Total Fund

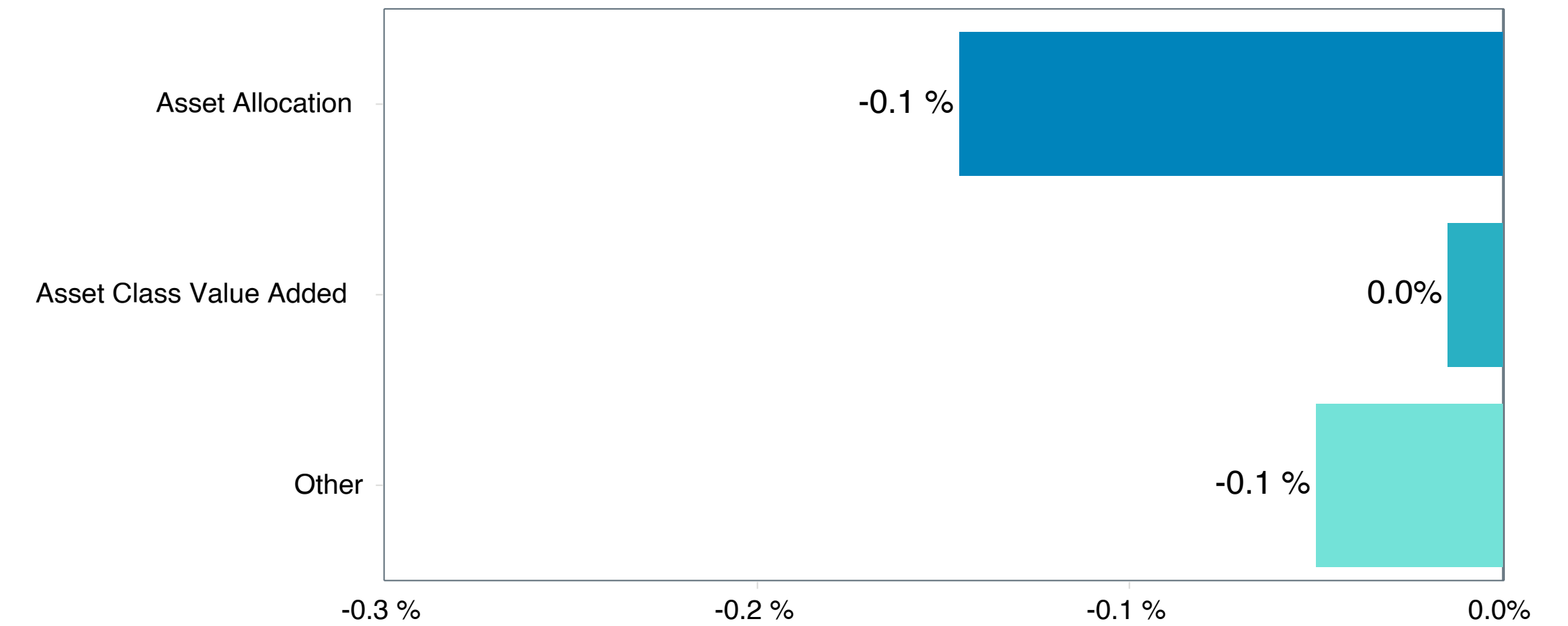
# Total Fund Performance Attribution

## 1 Quarter Ending 31 December 2023

Total Fund Performance



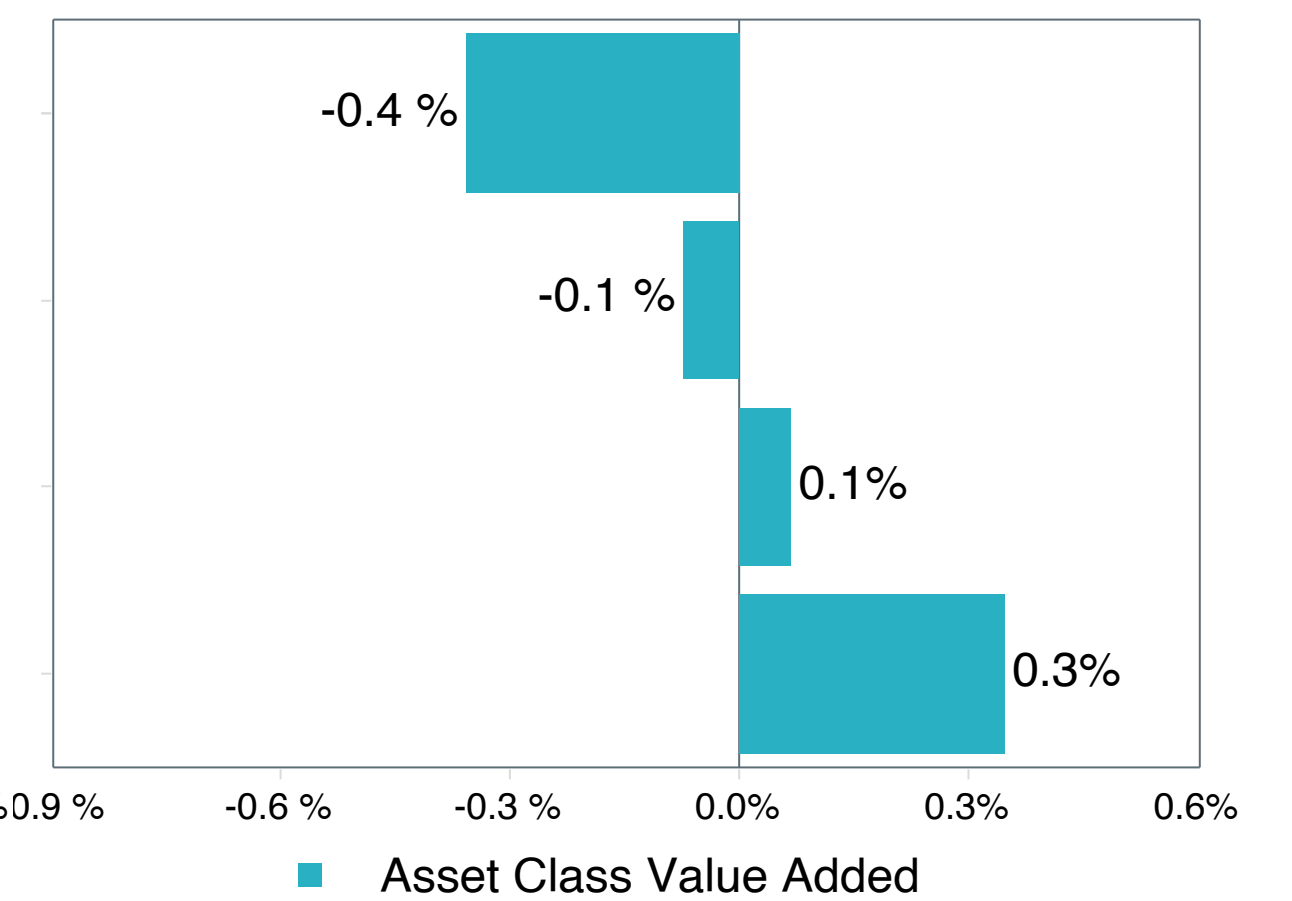
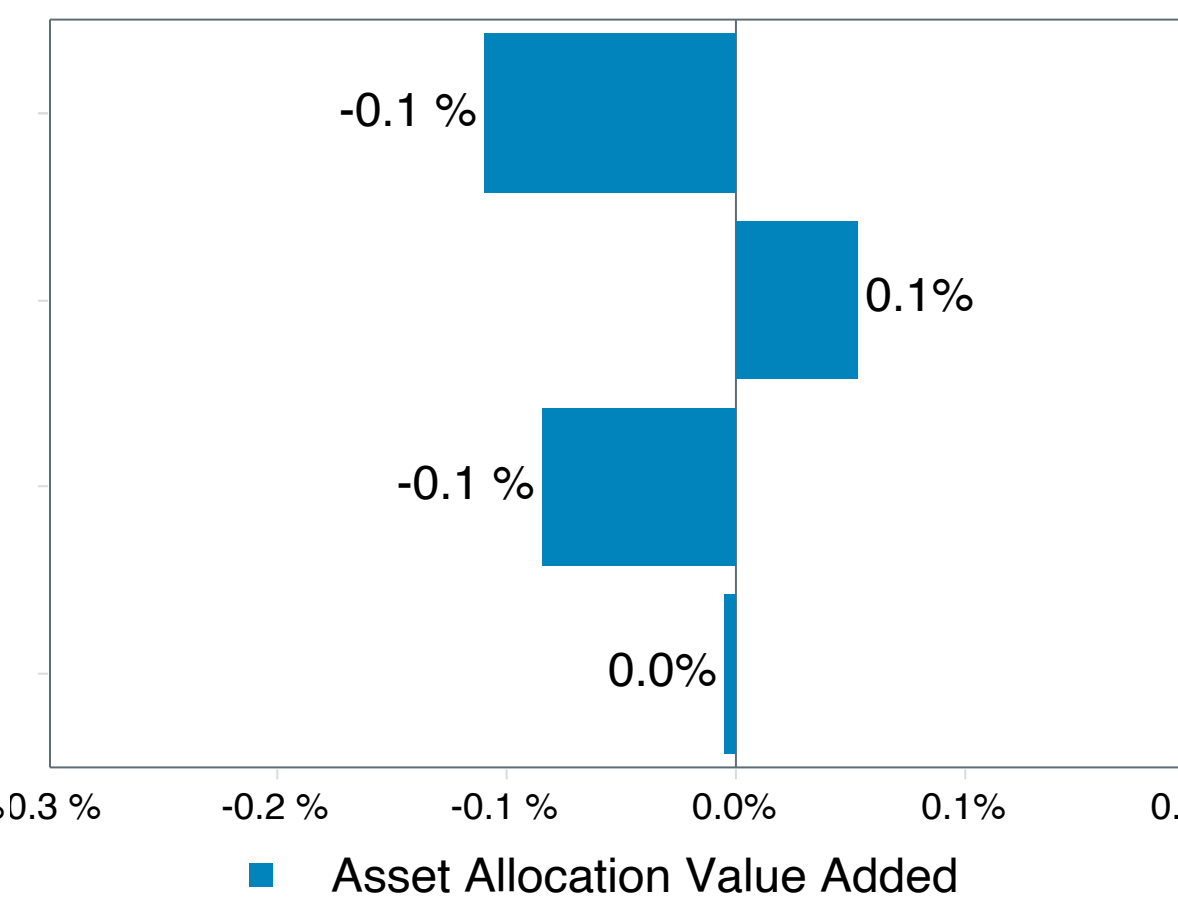
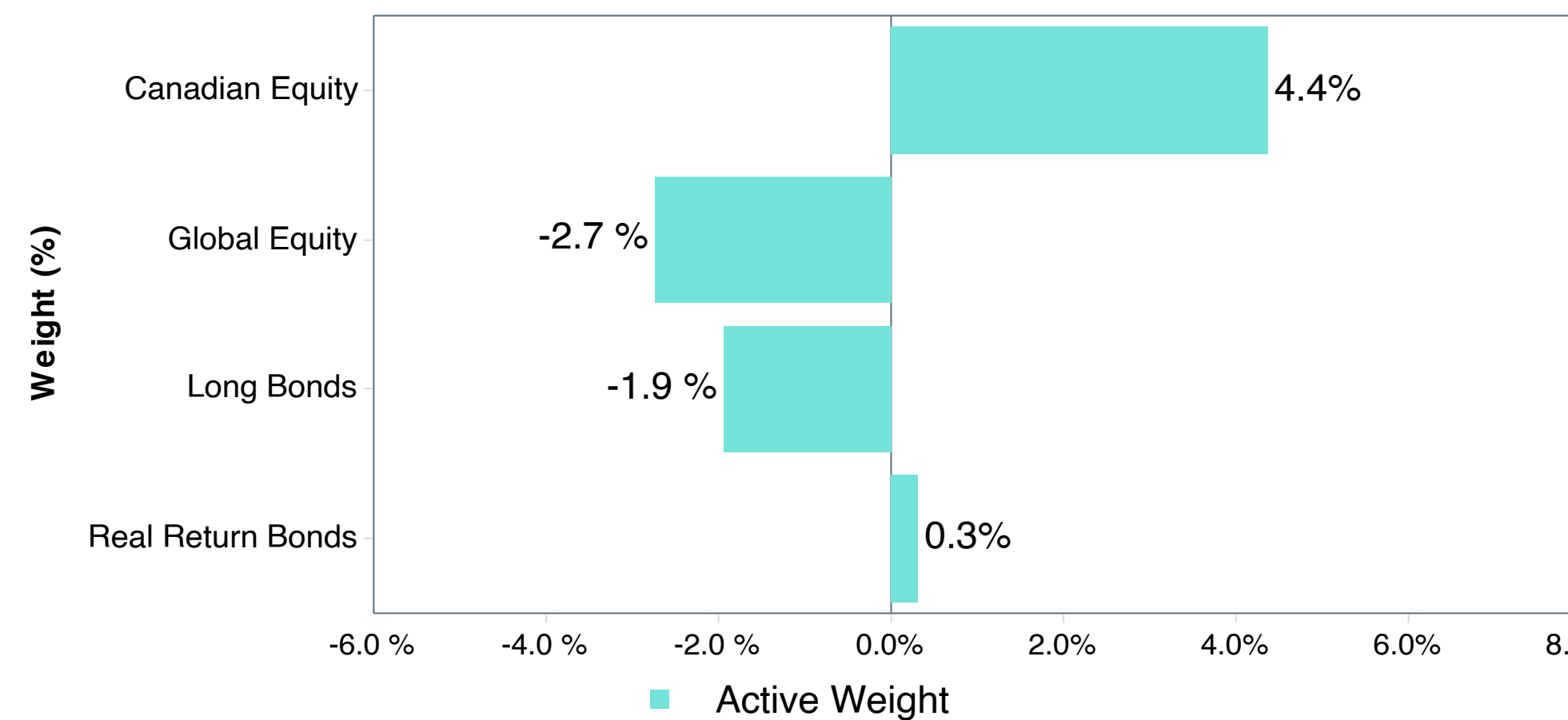
Total Value Added: -0.2 %



1 Quarter

Total Asset Allocation: -0.1 %

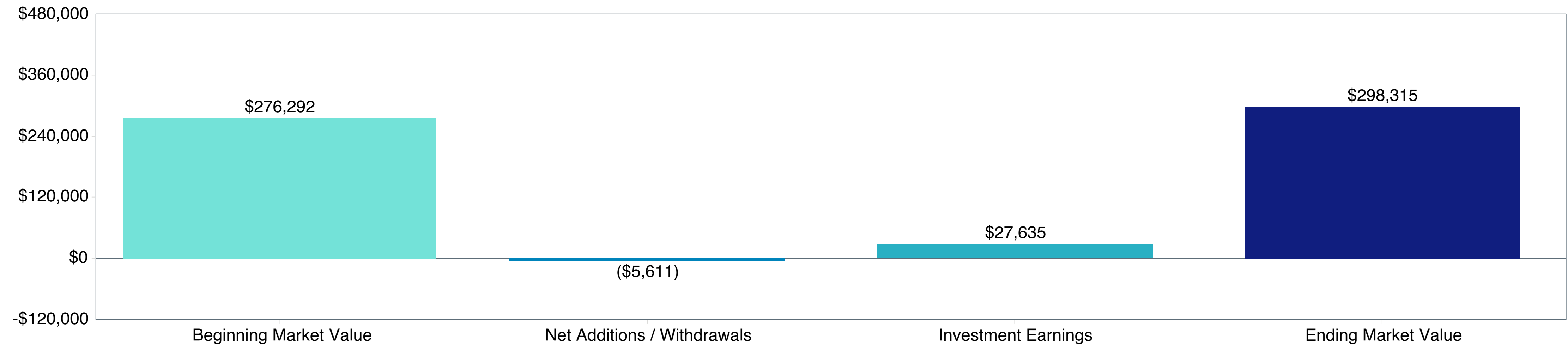
Total Asset Class Value Added: 0.0 %



# Total Fund Asset Summary

As of 31 December 2023

## Change in Market Value (\$000) From 1 October 2023 to 31 December 2023



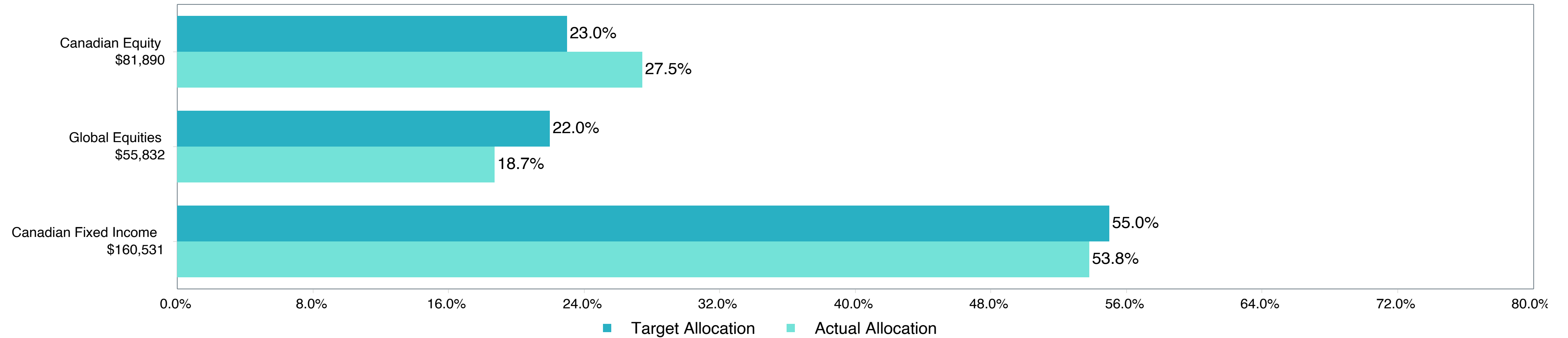
## Summary of Cash Flows (\$000)

	1 Quarter	Year To Date	1 Year	4 Years
<b>Total Fund</b>				
Beginning Market Value	276,292	294,807	294,807	337,452
+/- Net Cash Flows	-5,611	-22,465	-22,465	-88,050
+/- Income	6,169	9,646	9,646	61,823
+/- Capital Gains / Losses	21,466	16,328	16,328	-12,910
<b>= Ending Market Value</b>	<b>298,315</b>	<b>298,315</b>	<b>298,315</b>	<b>298,315</b>

Total Fund

# Asset Allocation Compliance

As of 31 December 2023

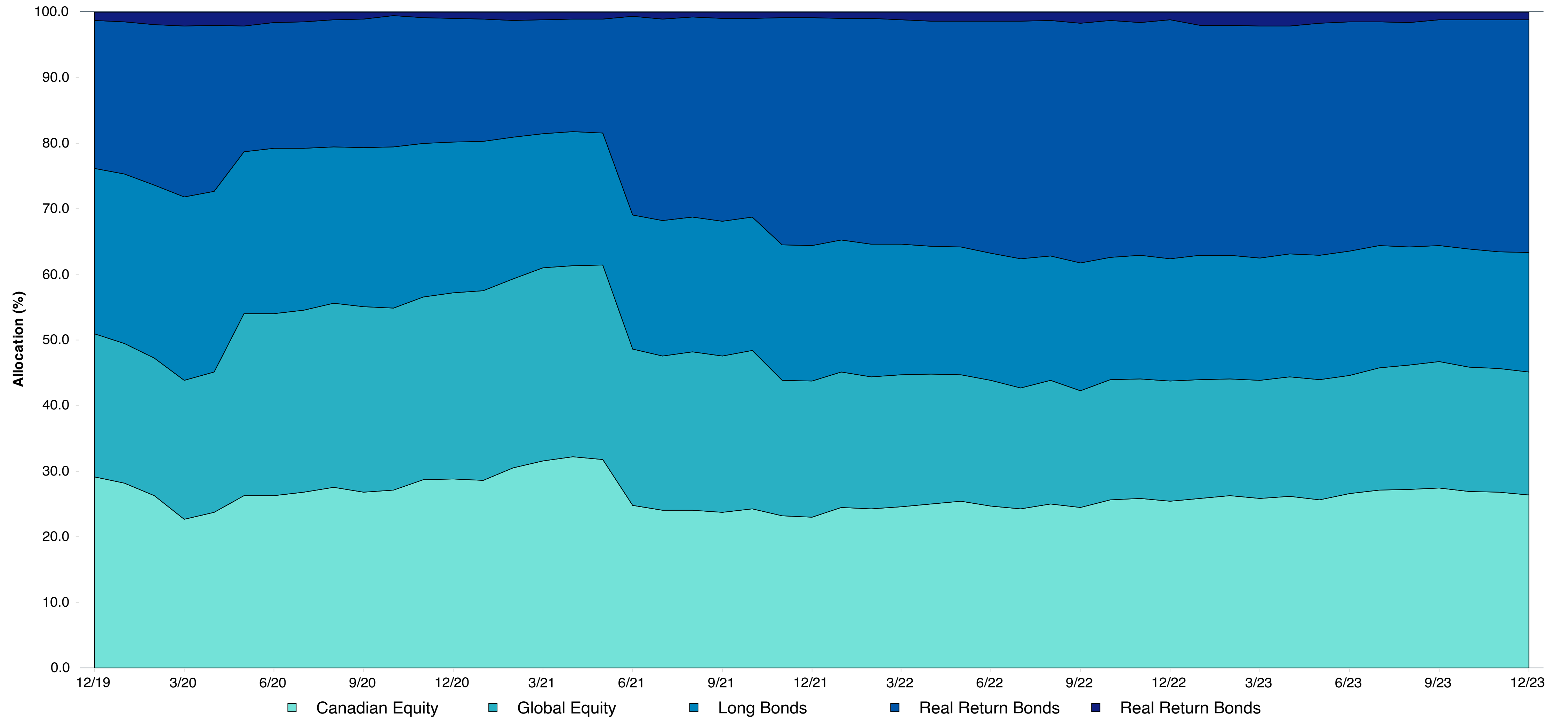


	Market Value (\$000)	Market Value (%)	Target Allocation (%)	Differences (%)	Minimum Allocation (%)	Maximum Allocation (%)	Within Range
<b>Total Fund</b>	<b>298,315</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>			
Canadian Equity	81,890	27.5	23.0	4.5	18.0	28.0	Yes
Global Equities	55,832	18.7	22.0	-3.3	17.0	27.0	Yes
Canadian Fixed Income	160,531	53.8	55.0	-1.2	45.0	65.0	Yes



# Historical Asset Allocation by Segment

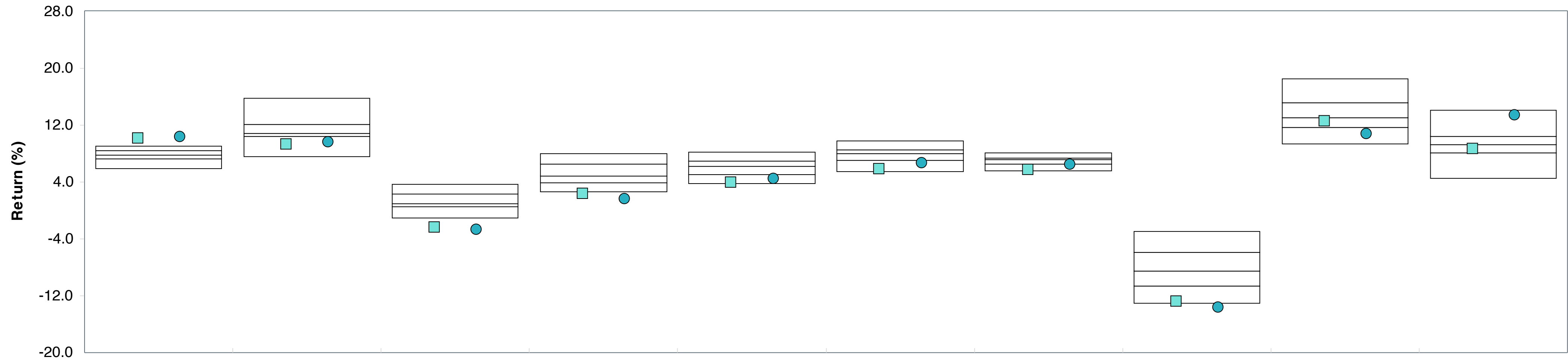
4 Years Ending 31 December 2023



# Peer Group Analysis

## As of 31 December 2023

### Balanced Funds



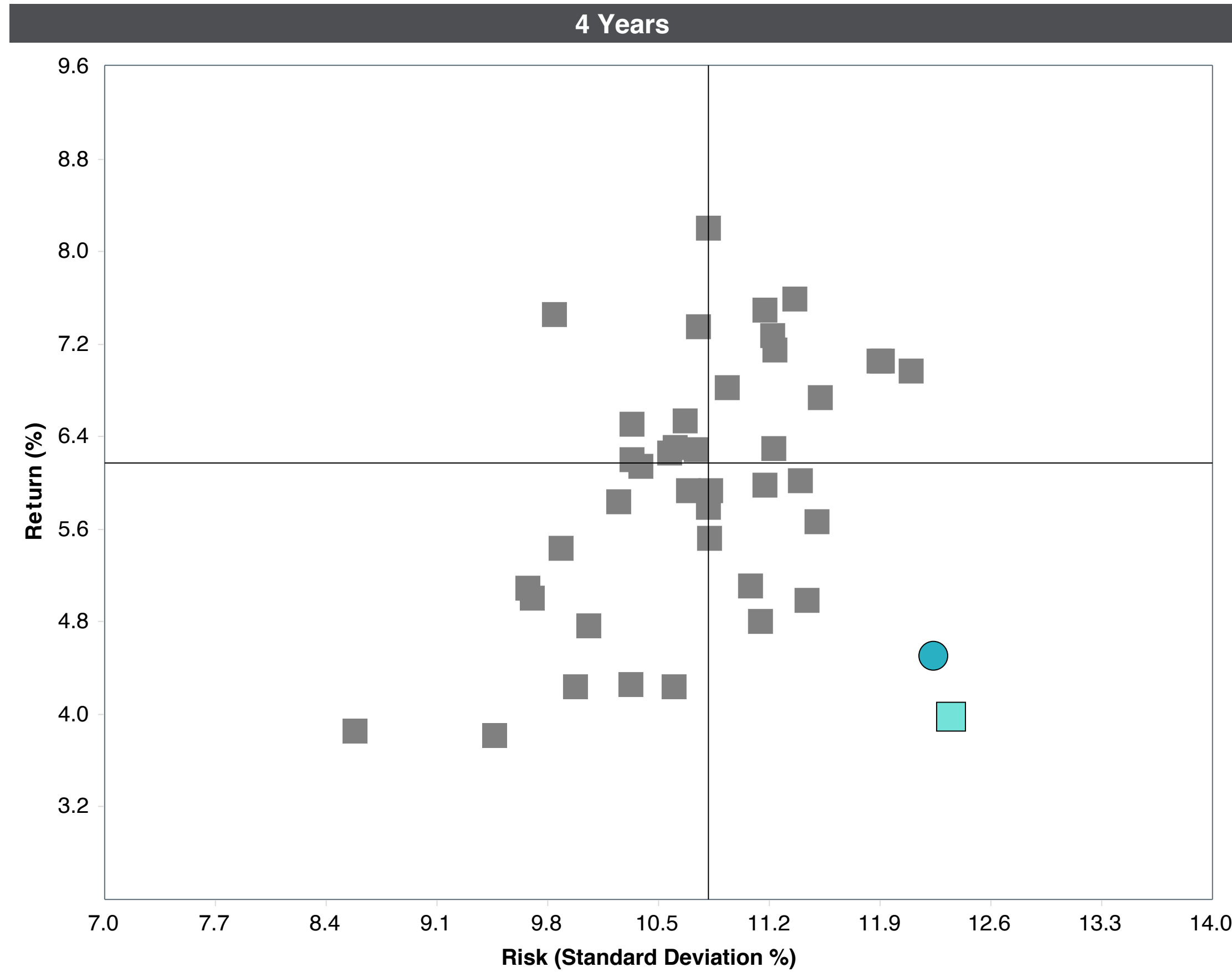
	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Dec-2022	1 Year Ending Dec-2021	1 Year Ending Dec-2020
■ Total Fund	10.2 (1)	9.4 (92)	-2.3 (99)	2.4 (97)	4.0 (91)	5.9 (94)	5.8 (93)	-12.7 (93)	12.6 (55)	8.7 (61)
● Benchmark	10.4 (1)	9.7 (85)	-2.6 (99)	1.7 (98)	4.5 (85)	6.8 (83)	6.6 (75)	-13.6 (99)	10.8 (82)	13.5 (6)
5th Percentile	9.0	15.7	3.7	8.0	8.2	9.7	8.1	-3.0	18.5	14.1
1st Quartile	8.4	12.1	2.3	6.6	7.0	8.5	7.4	-5.9	15.2	10.4
Median	7.8	10.9	1.0	4.8	6.2	7.9	7.1	-8.5	13.1	9.2
3rd Quartile	7.2	10.4	0.5	3.9	5.1	7.1	6.6	-10.6	11.7	8.1
95th Percentile	5.9	7.6	-1.1	2.6	3.7	5.5	5.6	-13.0	9.3	4.5
Population	48	48	48	48	48	48	48	49	50	51

Parentheses contain percentile rankings.  
Source: Aon Manager Universe

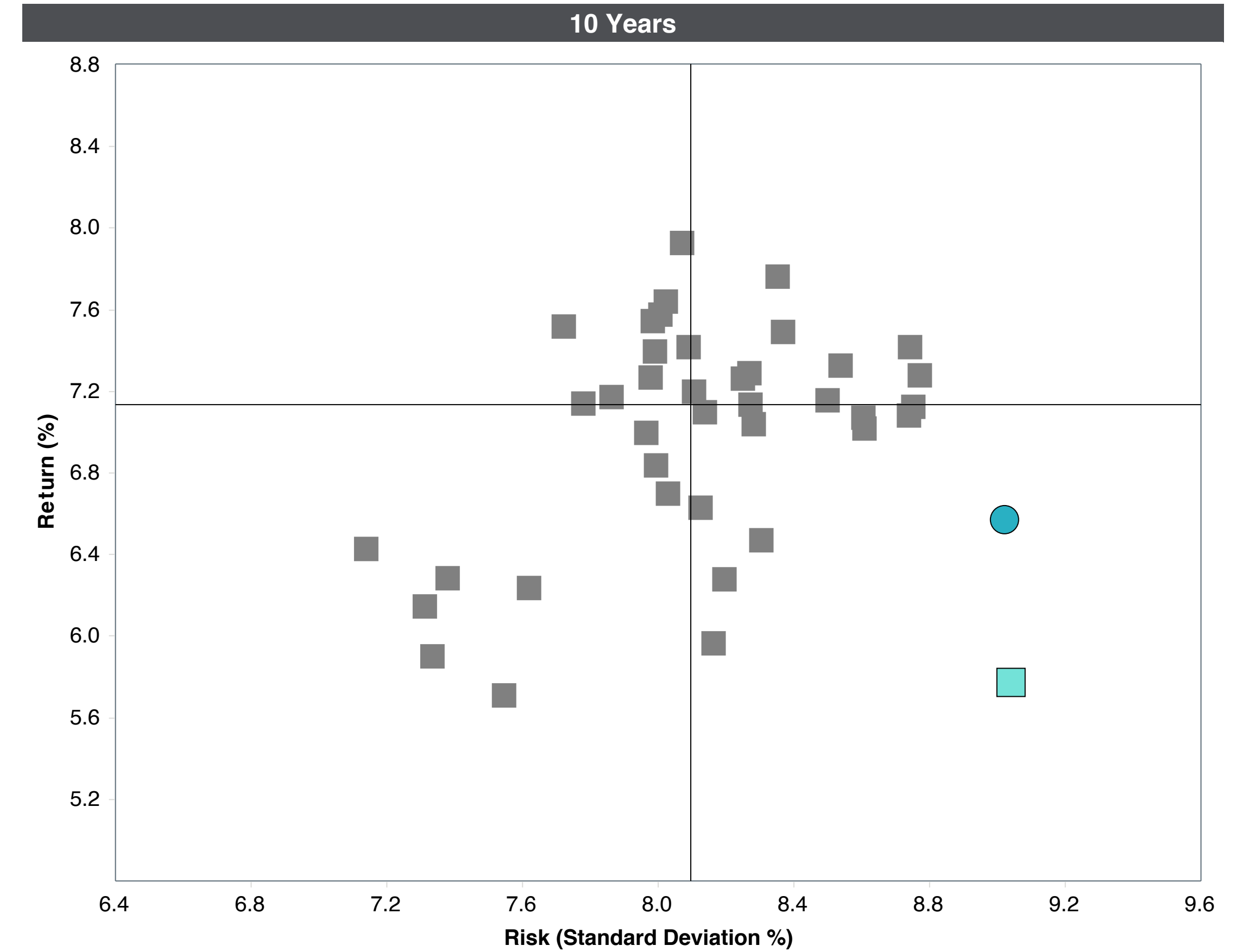
Balanced Funds

# Peer Group Scattergram

## Periods Ending 31 December 2023



	Return	Standard Deviation
■ Total Fund	4.0	12.4
● Benchmark	4.5	12.2
— Median	6.2	10.8



	Return	Standard Deviation
■ Total Fund	5.8	9.0
● Benchmark	6.6	9.0
— Median	7.1	8.1

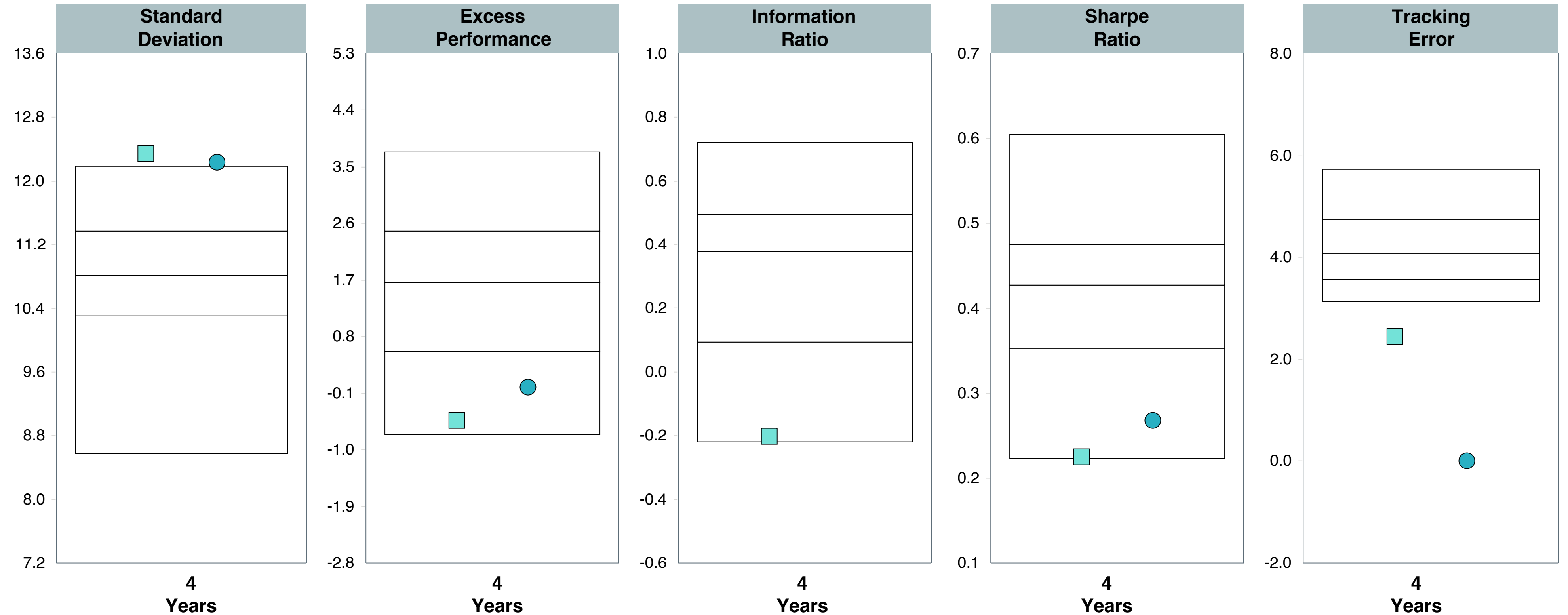
Source: Aon Manager Universe



Balanced Funds

# Peer Group Analysis

## As of 31 December 2023



	4 Years	4 Years	4 Years	4 Years	4 Years
■ Total Fund	12.4 (4)	-0.5 (91)	-0.2 (95)	0.2 (95)	2.4 (100)
● Benchmark	12.2 (5)	0.0 (85)	N/A	0.3 (90)	0.0 (100)
5th Percentile	12.2	3.7	0.7	0.6	5.7
1st Quartile	11.4	2.5	0.5	0.5	4.7
Median	10.8	1.7	0.4	0.4	4.1
3rd Quartile	10.3	0.6	0.1	0.4	3.6
95th Percentile	8.6	-0.8	-0.2	0.2	3.1

Parentheses contain percentile rankings.  
Source: Aon Manager Universe



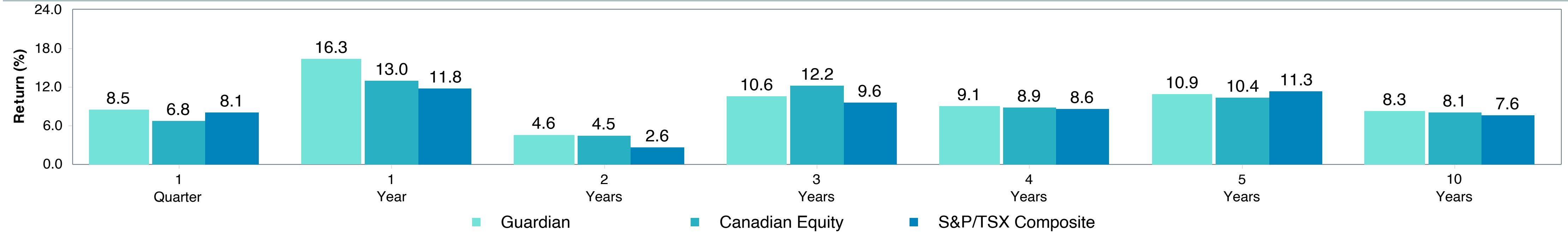
## Asset Class Analysis

Canadian Equity

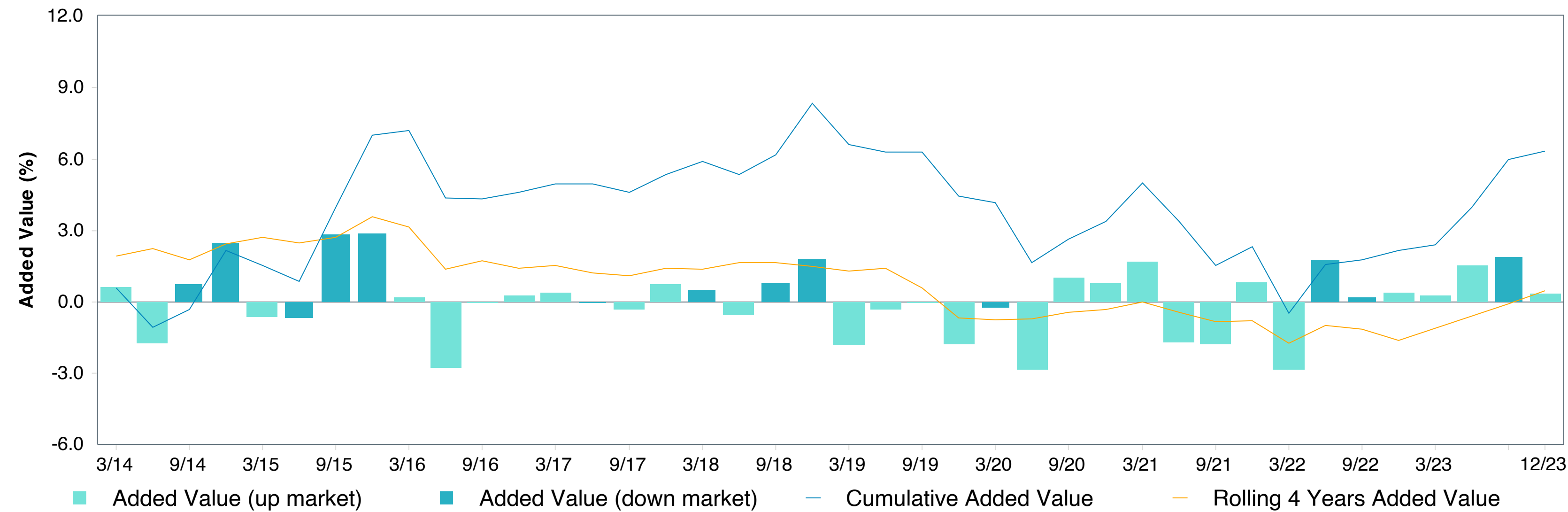
# Guardian Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)



### Performance Statistics

	Quarters	%
<b>Market Capture</b>		
Up Markets	27	93.4
Down Markets	13	77.9
<b>Batting Average</b>		
Up Markets	27	48.1
Down Markets	13	76.9
Overall	40	57.5

# Guardian Portfolio Characteristics

As of 31 December 2023

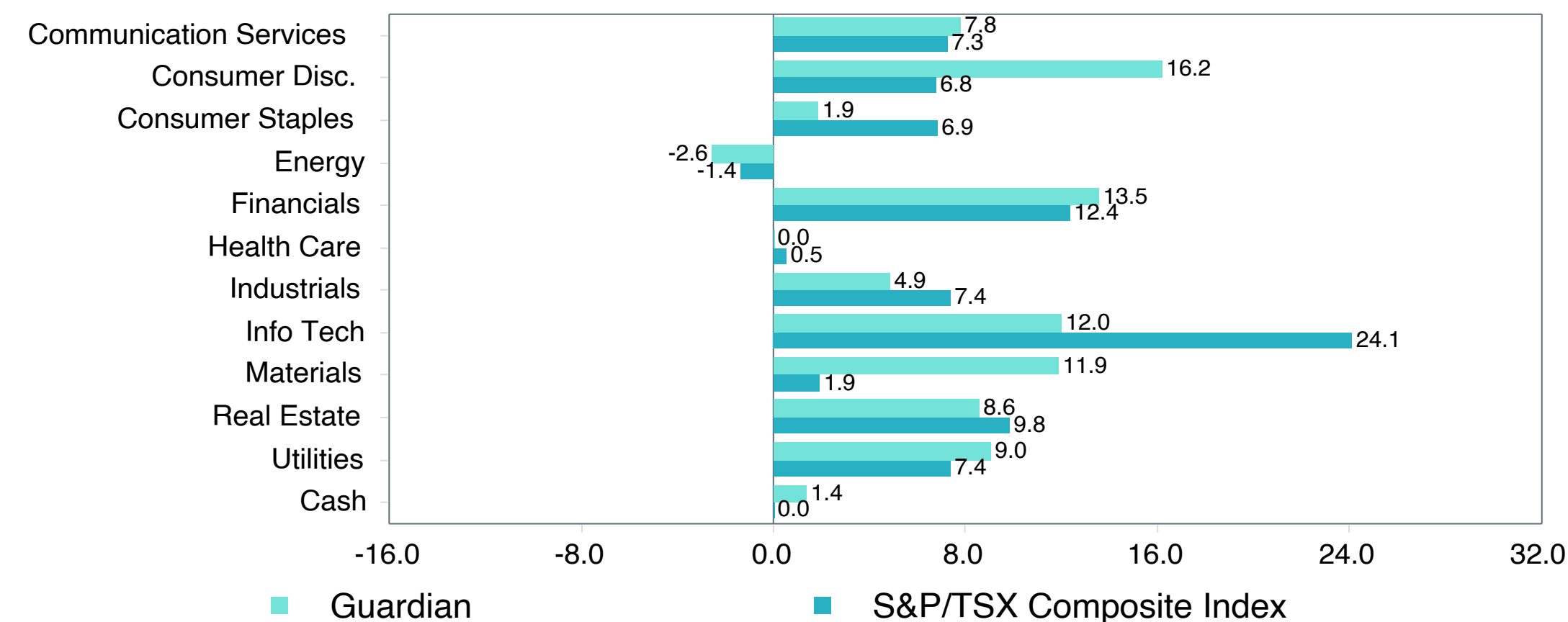
## Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	52,950	65,051
Median Mkt. Cap (\$M)	29,262	4,174
Price/Earnings ratio	15.7	16.1
Price/Book ratio	1.9	2.0
5 Yr. EPS Growth Rate (%)	12.1	8.3
Current Yield (%)	2.7	3.3
Return on Equity (%)	3.3	4.5
Debt to Equity (%)	159.5	169.7
Number of Holdings	36	225

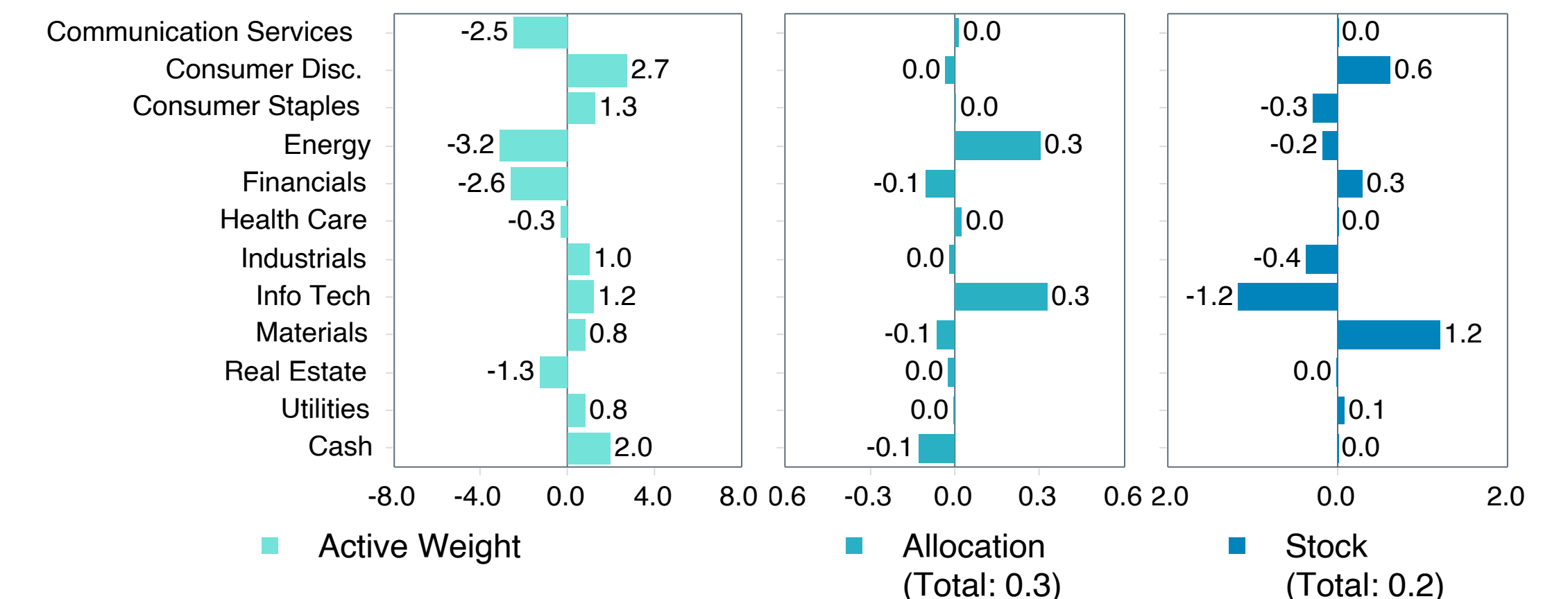
## Manager Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bank of Montreal	7.05	3.15	3.90	16.06
Canadian Natural Resources	6.04	3.14	2.90	0.01
Royal Bank of Canada	5.99	6.27	-0.28	14.29
Suncor Energy	5.73	1.83	3.90	-8.01
Agnico Eagle Mines Ltd	4.71	1.20	3.51	18.58
Brookfield Asset Management	4.55	2.54	2.01	25.39
Canadian Pacific Railway	4.10	3.26	0.84	4.03
CGI Group	3.73	0.98	2.75	6.03
Open Text	3.57	0.50	3.07	17.55
Loblaw	3.52	0.63	2.89	11.57
% of Portfolio	48.99	23.50	25.49	

## Sector Returns (%)



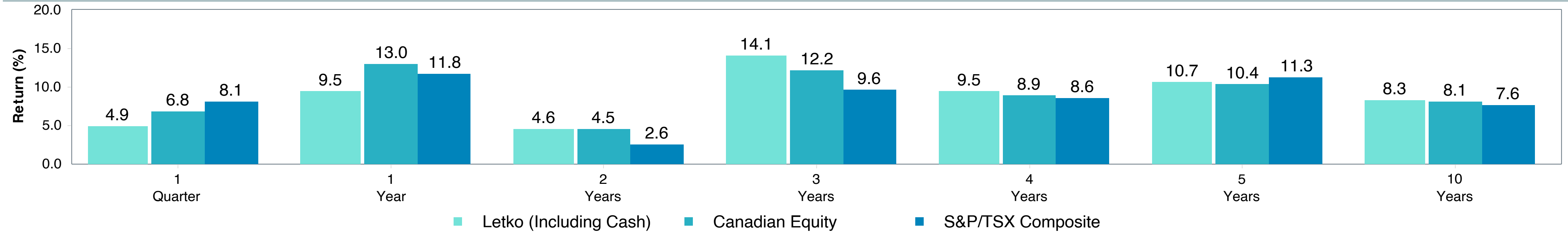
## Sector Performance Attribution (%)



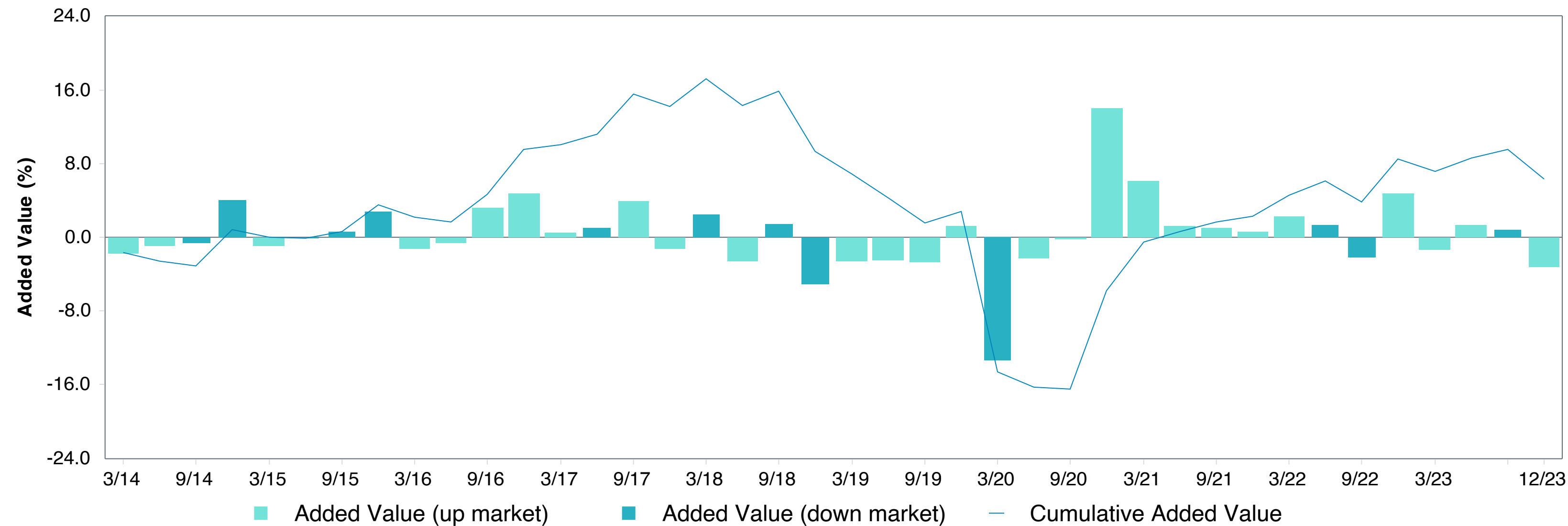
# Letko Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)



Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	27	114.0
Down Markets	13	109.9
<b>Batting Average</b>		
Up Markets	27	48.1
Down Markets	13	61.5
Overall	40	52.5



Canadian Equity

# Letko Portfolio Characteristics

As of 31 December 2023

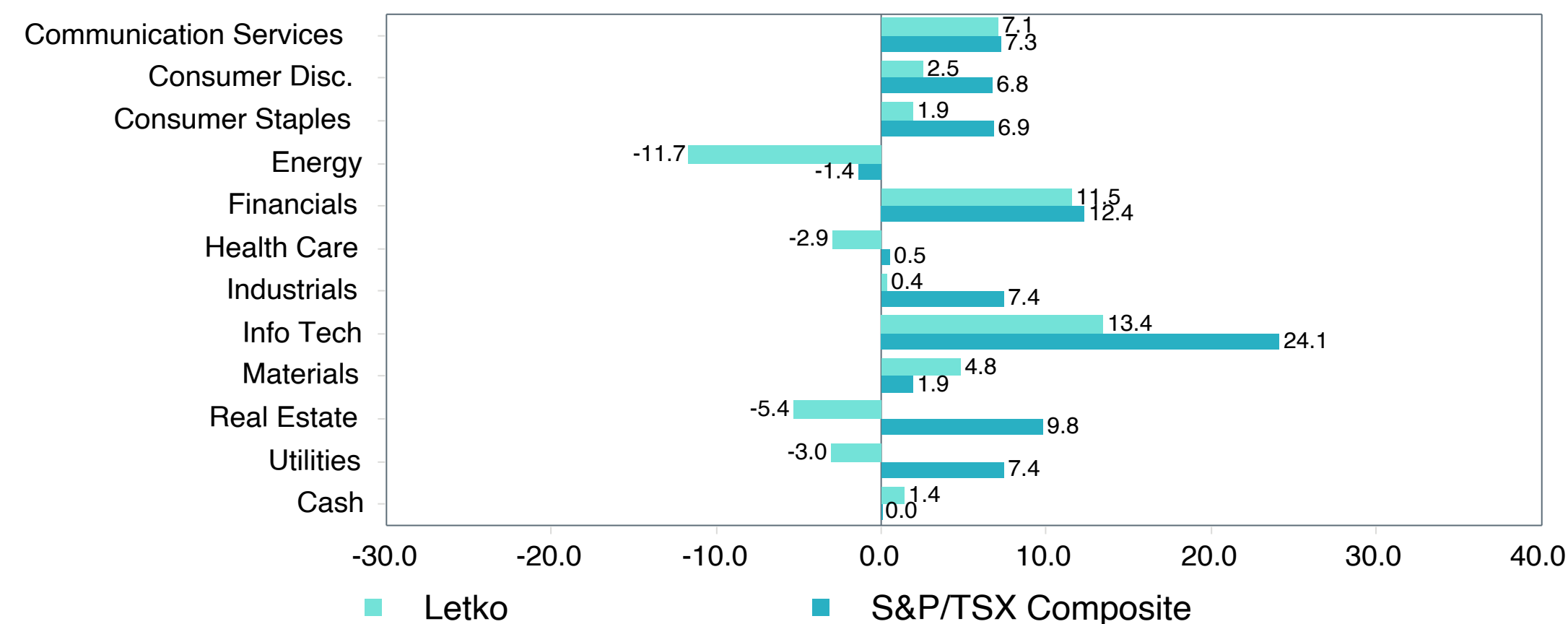
## Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	54,987	65,051
Median Mkt. Cap (\$M)	10,119	4,174
Price/Earnings ratio	12.7	16.1
Price/Book ratio	1.7	2.0
5 Yr. EPS Growth Rate (%)	7.0	8.3
Current Yield (%)	3.6	3.3
Return on Equity (%)	7.5	4.5
Debt to Equity (%)	199.0	169.7
Number of Holdings	92	225

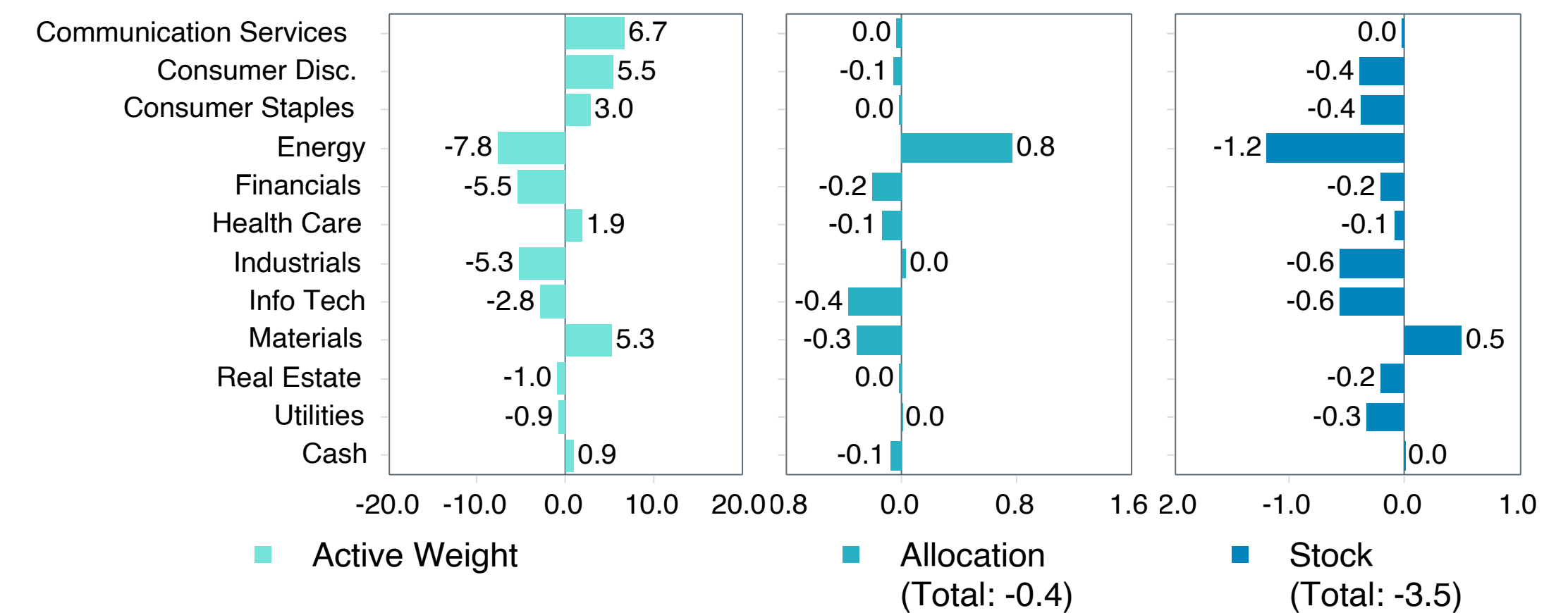
## Manager Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Manulife Financial	2.93	1.77	1.16	19.62
Bank of Nova Scotia	2.92	2.59	0.33	5.95
Toronto-Dominion Bank	2.89	5.22	-2.33	5.90
Bank of Montreal	2.84	3.15	-0.31	16.06
Royal Bank of Canada	2.75	6.27	-3.52	14.29
Rogers Communications	2.68	0.77	1.91	19.91
Power Corporation of Canada	2.51	0.70	1.81	11.10
Linamar	2.44	0.09	2.35	-1.79
Teck Resources	2.27	0.86	1.41	-3.97
George Weston	2.22	0.33	1.89	9.70
% of Portfolio	26.45	21.75	4.70	

## Sector Returns (%)



## Sector Performance Attribution (%)

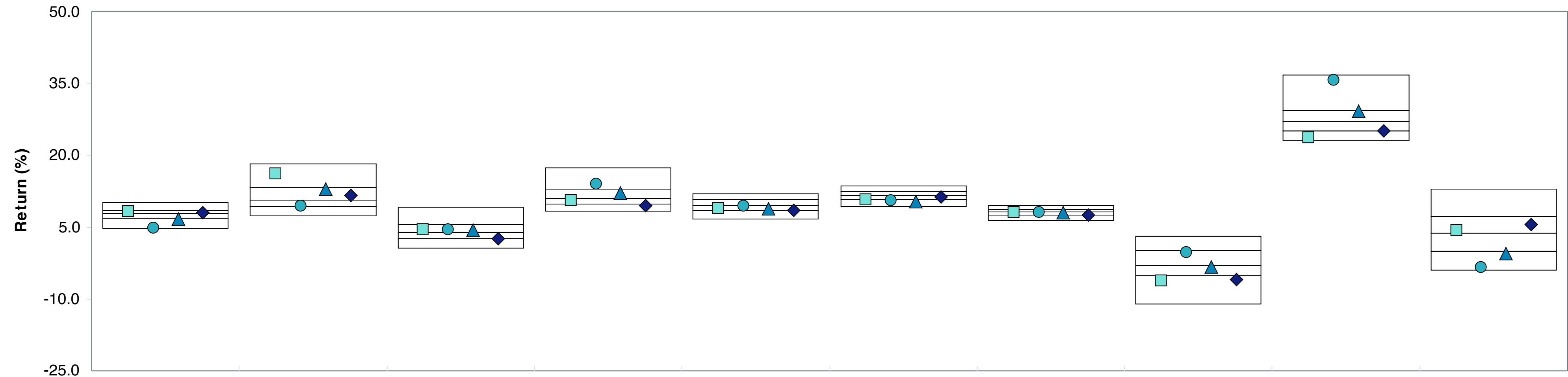


Canadian Equity

# Peer Group Analysis

As of 31 December 2023

Canadian Equity



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Dec-2022	1 Year Ending Dec-2021	1 Year Ending Dec-2020
Guardian	8.5 (28)	16.3 (13)	4.6 (44)	10.6 (58)	9.1 (59)	10.9 (71)	8.3 (43)	-6.0 (88)	23.8 (90)	4.5 (45)
Letko	4.9 (93)	9.5 (73)	4.6 (43)	14.1 (14)	9.5 (48)	10.7 (80)	8.3 (43)	-0.1 (29)	35.8 (7)	-3.2 (95)
<b>Total Canadian Equities</b>	<b>6.8 (77)</b>	<b>13.0 (28)</b>	<b>4.5 (44)</b>	<b>12.2 (34)</b>	<b>8.9 (69)</b>	<b>10.4 (83)</b>	<b>8.1 (54)</b>	<b>-3.3 (53)</b>	<b>29.3 (28)</b>	<b>-0.5 (78)</b>
S&P/TSX Composite	8.1 (46)	11.8 (47)	2.6 (79)	9.6 (81)	8.6 (74)	11.3 (61)	7.6 (68)	-5.8 (86)	25.1 (76)	5.6 (37)
5th Percentile	10.3	18.3	9.3	17.5	12.1	13.7	9.6	3.0	36.8	13.0
1st Quartile	8.5	13.3	5.6	13.1	10.9	12.5	8.7	0.2	29.5	7.3
Median	7.9	10.7	4.0	11.0	9.5	11.7	8.2	-3.0	27.1	3.8
3rd Quartile	6.9	9.3	2.7	9.9	8.5	10.8	7.5	-5.1	25.2	0.1
95th Percentile	4.8	7.4	0.6	8.5	6.8	9.4	6.4	-11.1	23.2	-3.9
Population	83	83	83	83	83	83	83	85	85	88

Parentheses contain percentile rankings.  
Source: Aon Manager Universe

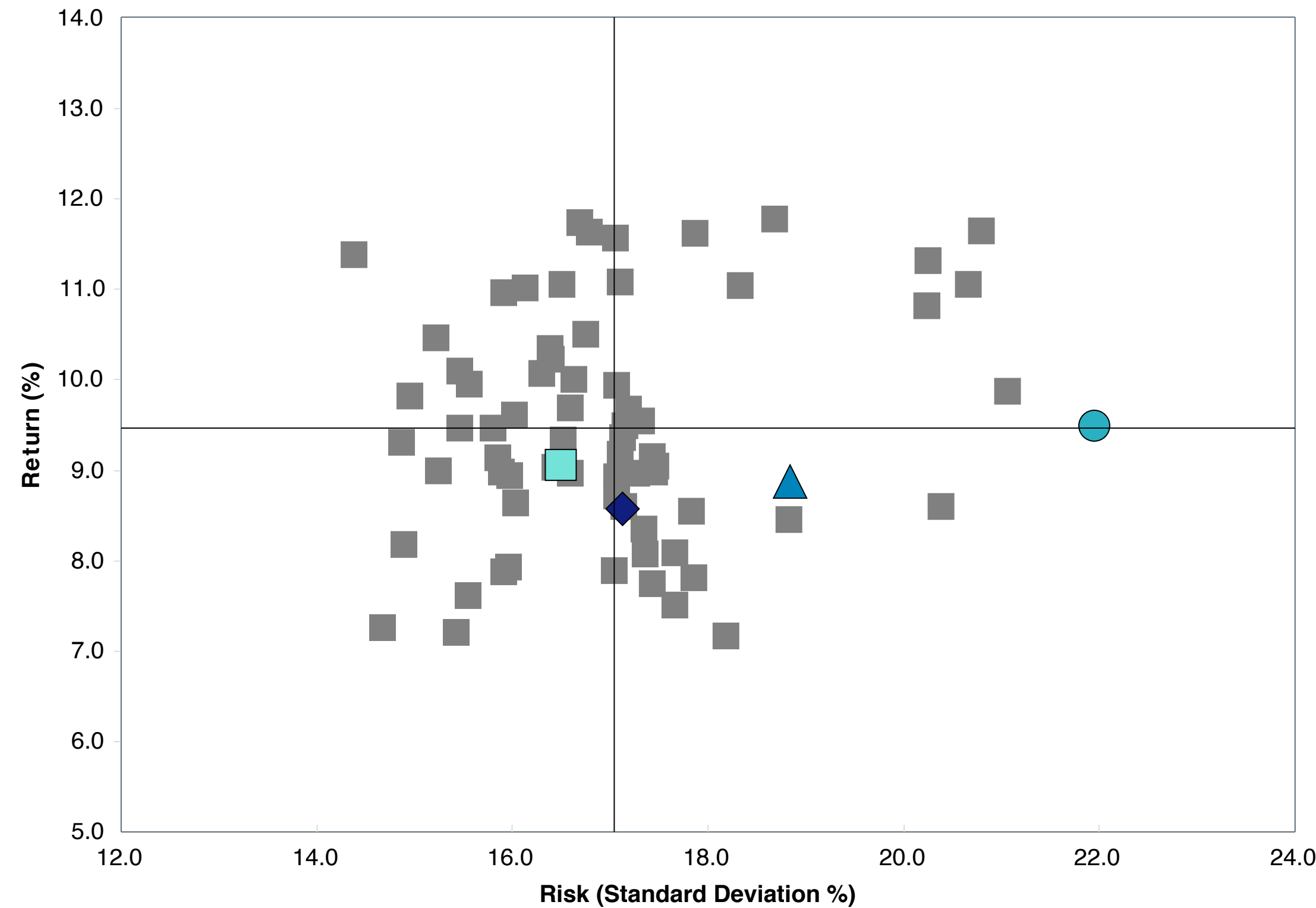


Canadian Equity

# Peer Group Scattergram

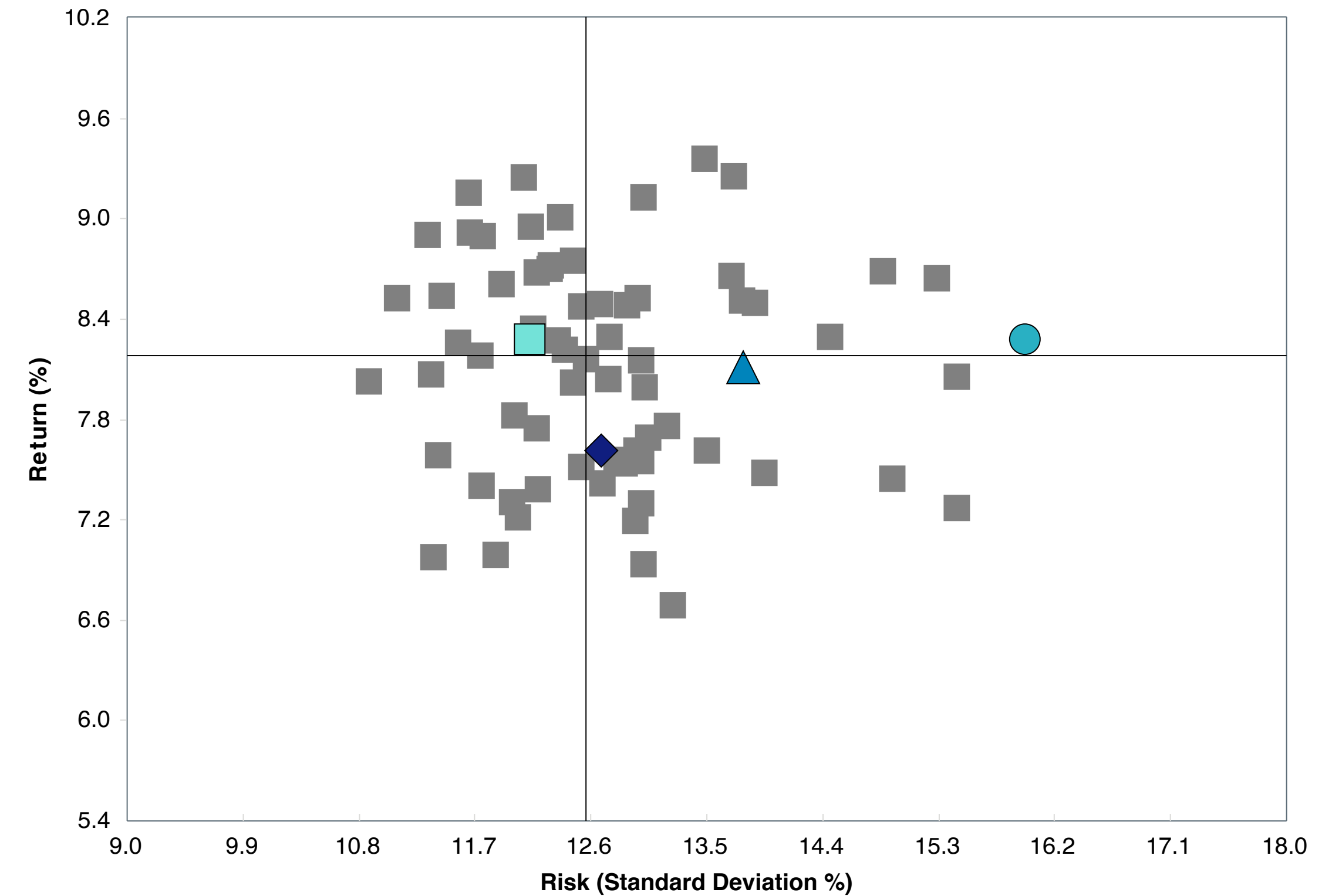
## Periods Ending 31 December 2023

4 Years



	Return	Standard Deviation
Guardian	9.1	16.5
Letko	9.5	21.9
Canadian Equity	8.9	18.8
S&P/TSX Composite	8.6	17.1
—Median	9.5	17.0

10 Years



	Return	Standard Deviation
Guardian	8.3	12.1
Letko	8.3	16.0
Canadian Equity	8.1	13.8
S&P/TSX Composite	7.6	12.7
—Median	8.2	12.6

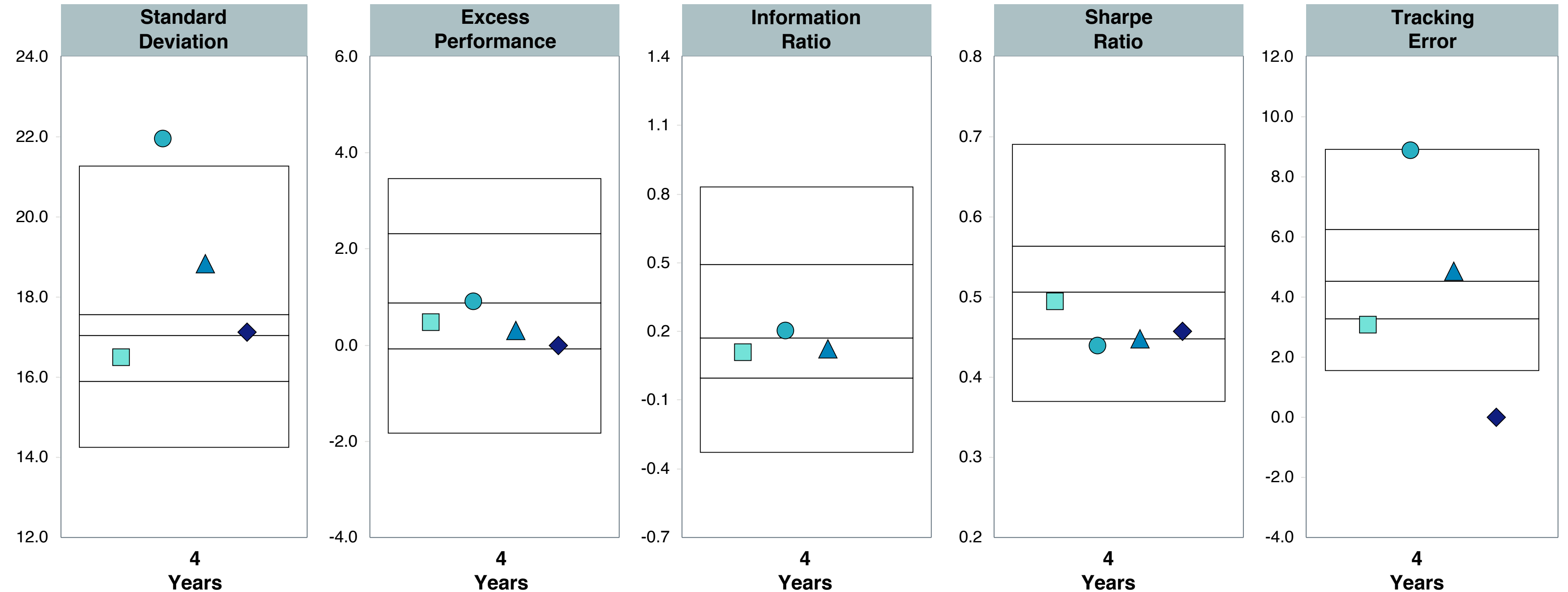
Source: Aon Manager Universe



Canadian Equity

# Peer Group Analysis

As of 31 December 2023



	4 Years	4 Years	4 Years	4 Years	4 Years
Guardian	16.5 (60)	0.5 (59)	0.1 (57)	0.5 (56)	3.1 (77)
Letko	21.9 (5)	0.9 (48)	0.2 (49)	0.4 (79)	8.9 (6)
Total Canadian Equities	18.8 (15)	0.3 (69)	0.1 (56)	0.4 (76)	4.9 (43)
S&P/TSX Composite	17.1 (41)	0.0 (74)	N/A	0.5 (74)	0.0 (100)

5th Percentile	21.3	3.5	0.8	0.7	8.9
1st Quartile	17.6	2.3	0.5	0.6	6.3
Median	17.0	0.9	0.2	0.5	4.5
3rd Quartile	15.9	-0.1	0.0	0.4	3.3
95th Percentile	14.3	-1.8	-0.3	0.4	1.6

Parentheses contain percentile rankings.  
Source: Aon Manager Universe

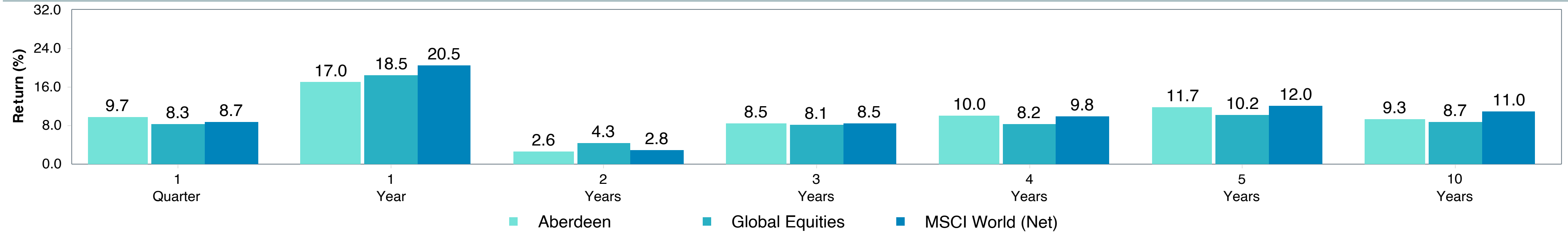


Global Equity

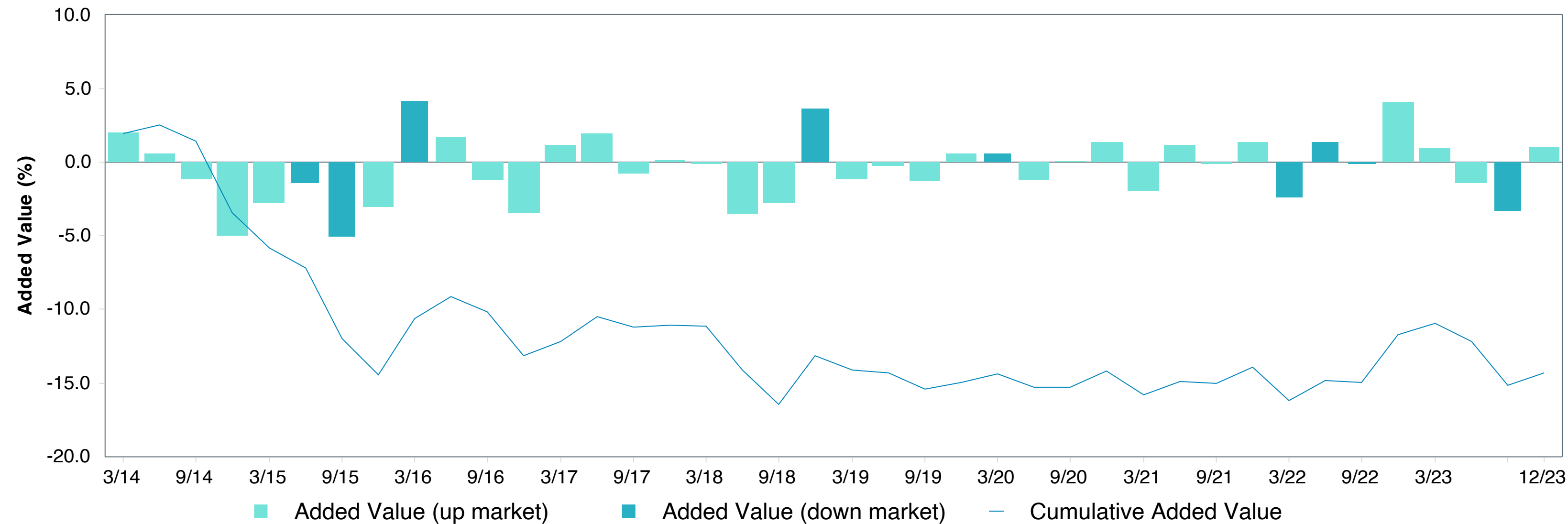
# Aberdeen Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)



Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	31	92.1
Down Markets	9	105.0
<b>Batting Average</b>		
Up Markets	31	45.2
Down Markets	9	44.4
Overall	40	45.0

# Aberdeen Portfolio Characteristics

As of 31 December 2023

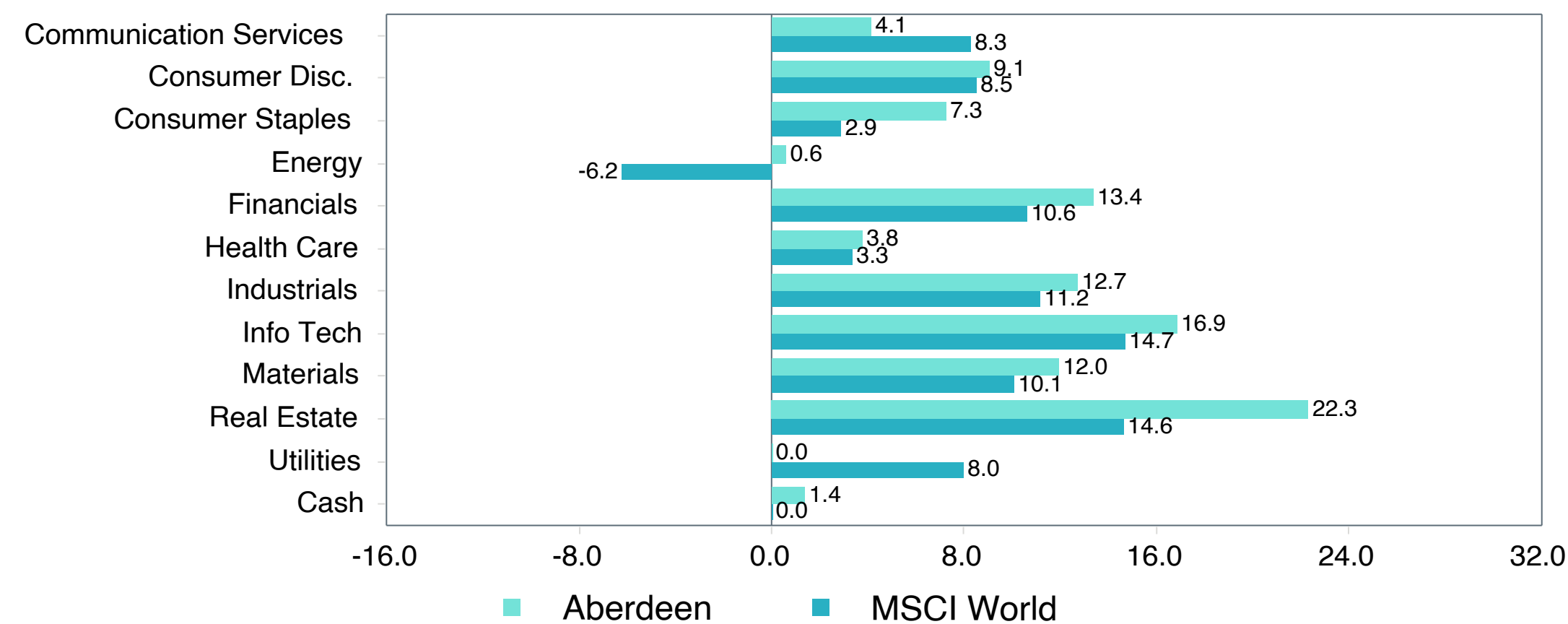
## Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	481,784	665,713
Median Mkt. Cap (\$M)	163,453	24,683
Price/Earnings ratio	27.3	19.9
Price/Book ratio	4.7	3.7
5 Yr. EPS Growth Rate (%)	12.2	15.1
Current Yield (%)	1.7	2.0
Return on Equity (%)	8.4	9.1
Debt to Equity (%)	75.7	120.8
Number of Holdings	45	1,480

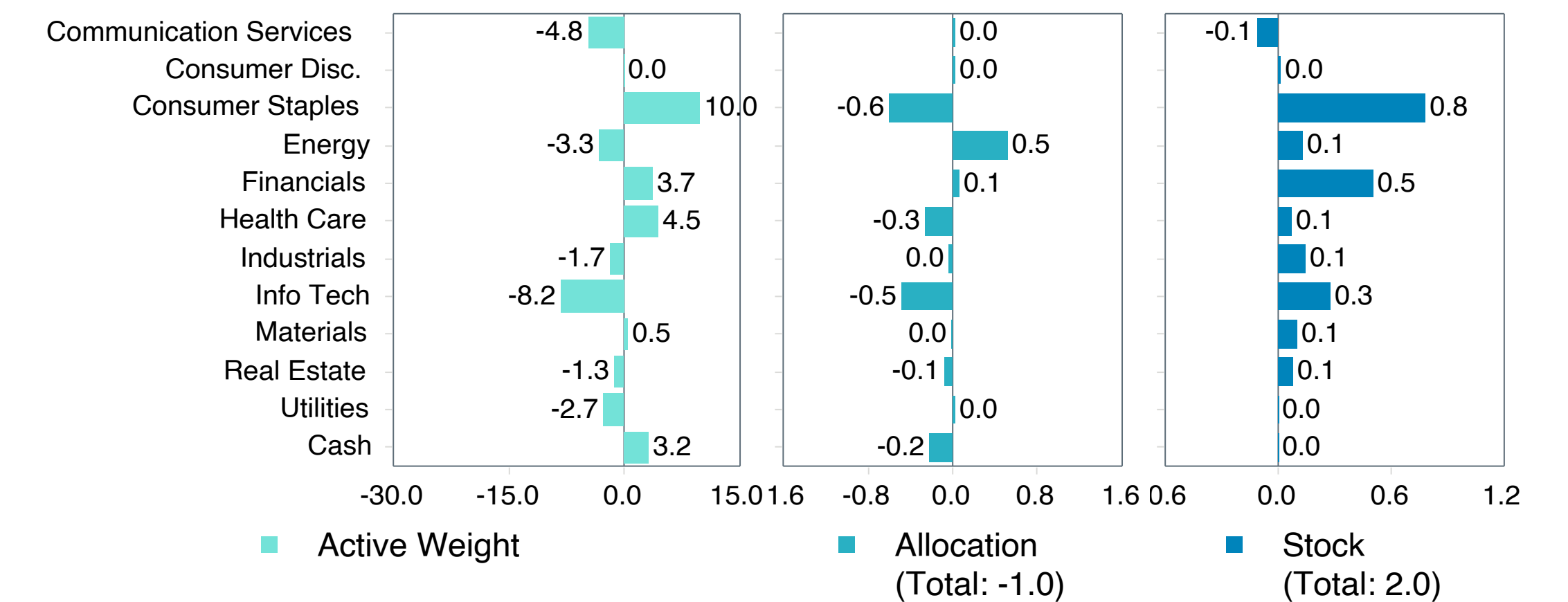
## Manager Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft	4.70	4.41	0.29	16.39
Schneider Electric	3.25	0.18	3.07	17.83
Novo Nordisk	3.10	0.56	2.54	10.36
Boston Scientific Corp	3.10	0.14	2.96	6.78
Taiwan Semiconductor ADR	3.06	0.00	3.06	17.26
Amazon.com	3.02	2.34	0.68	16.57
LVMH	3.00	0.37	2.63	5.02
TJX Companies	2.88	0.18	2.70	3.32
Intercontinental Exchange	2.84	0.12	2.72	14.24
AstraZeneca	2.53	0.35	2.18	-2.74
% of Portfolio	31.48	8.65	22.83	

## Sector Returns (%)



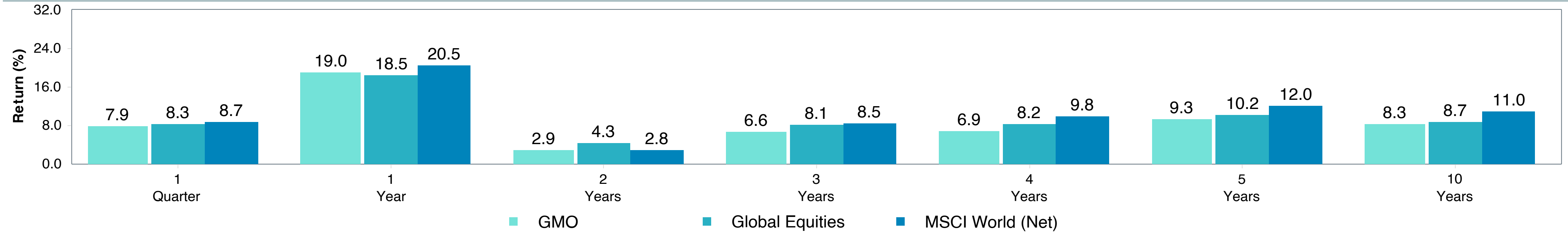
## Sector Performance Attribution (%)



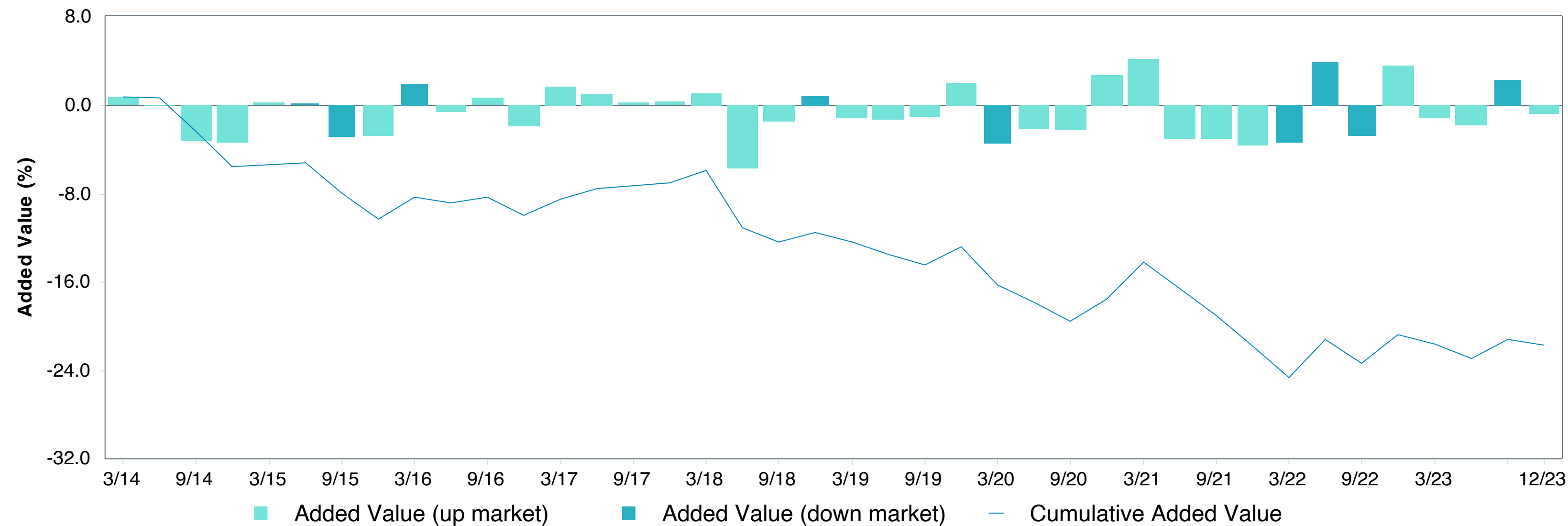
# GMO Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)



Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	31	87.2
Down Markets	9	106.0
<b>Batting Average</b>		
Up Markets	31	38.7
Down Markets	9	55.6
Overall	40	42.5

Global Equity

# GMO Portfolio Characteristics

As of 31 December 2023

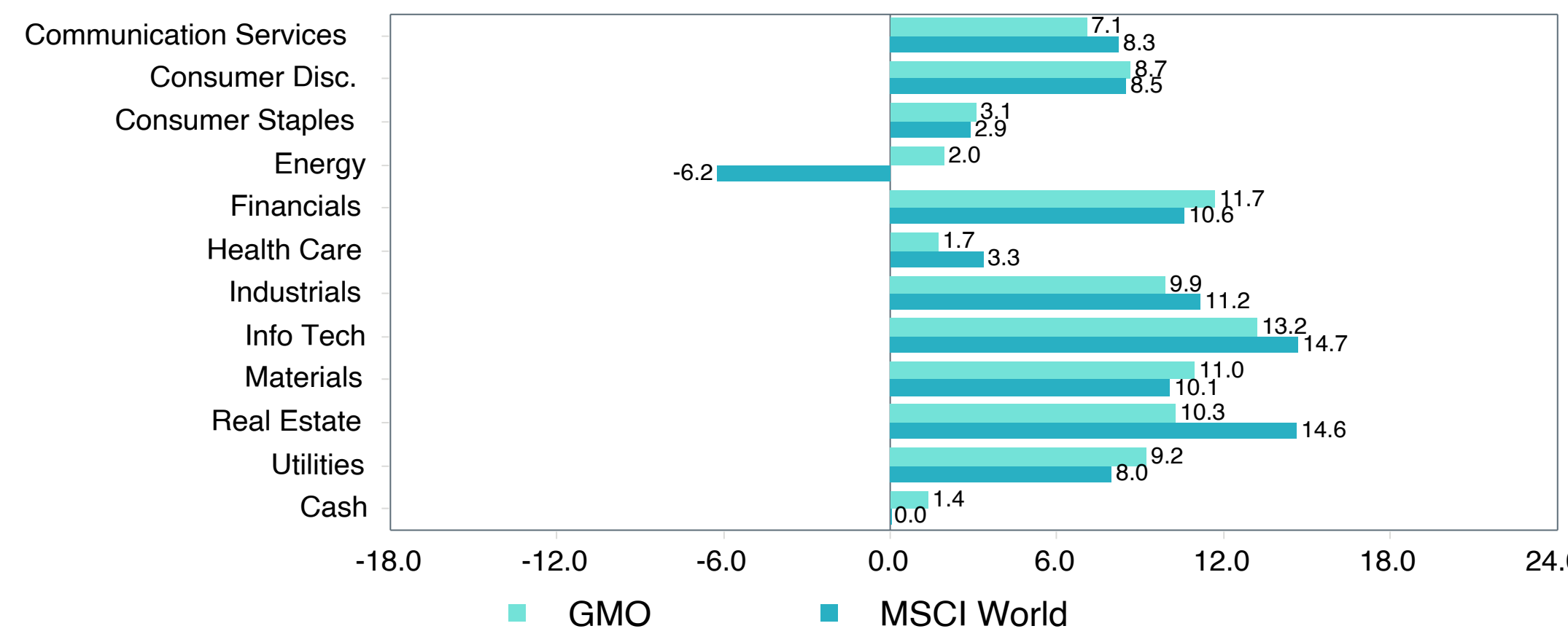
## Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	215,405	665,713
Median Mkt. Cap (\$M)	4,445	24,683
Price/Earnings ratio	10.8	19.9
Price/Book ratio	2.3	3.7
5 Yr. EPS Growth Rate (%)	12.9	15.1
Current Yield (%)	4.2	2.0
Return on Equity (%)	4.0	9.1
Debt to Equity (%)	81.7	120.8
Number of Holdings	1,343	1,480

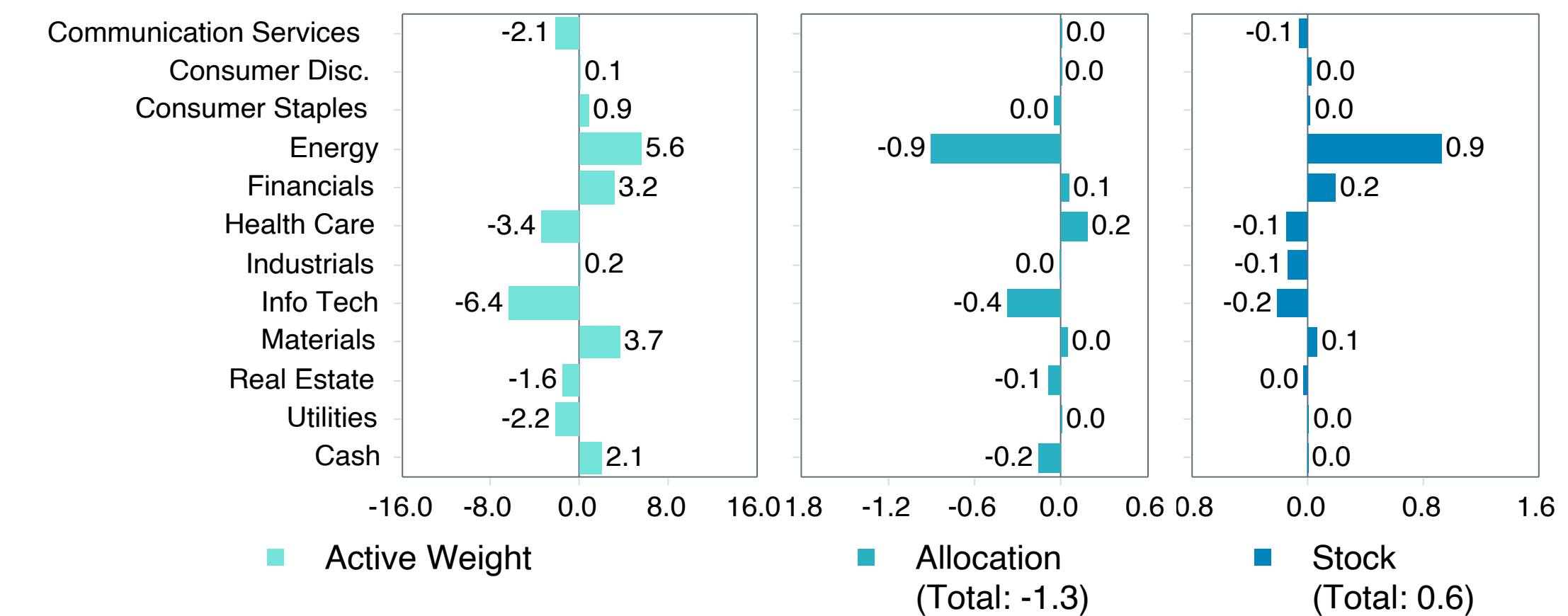
## Manager Top Ten Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semiconductor	1.12	0.00	1.12	16.91
Microsoft	0.98	4.41	-3.43	16.39
Facebook	0.96	1.31	-0.35	14.99
Total	0.93	0.26	0.67	0.60
Roche	0.78	0.34	0.44	3.49
Alphabet Class "A"	0.77	1.38	-0.61	4.11
Apple	0.71	5.00	-4.29	9.82
Grupo Financiero Banorte	0.71	0.00	0.71	24.39
Sanofi	0.69	0.19	0.50	-9.99
Sberbank of Russia	0.68	0.00	0.68	6.48
% of Portfolio	8.33	12.89	-4.56	

## Sector Returns (%)



## Sector Performance Attribution (%)



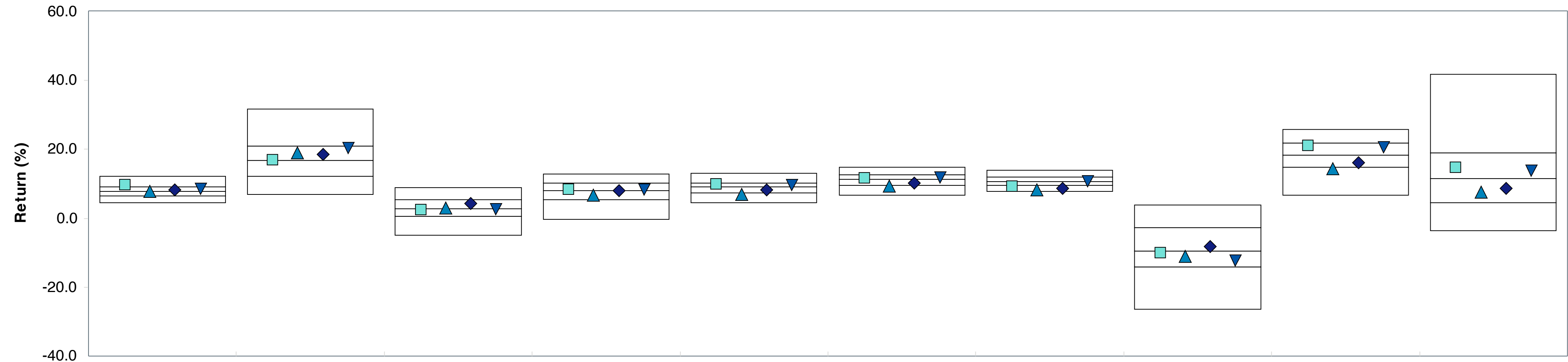


Global Equity

# Peer Group Analysis

As of 31 December 2023

Global Equity



	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	1 Year Ending Dec-2022	1 Year Ending Dec-2021	1 Year Ending Dec-2020
■ Aberdeen	9.7 (18)	17.0 (48)	2.6 (54)	8.5 (45)	10.0 (32)	11.7 (44)	9.3 (79)	-10.0 (53)	21.1 (30)	14.9 (41)
▲ GMO	7.9 (50)	19.0 (35)	2.9 (50)	6.6 (67)	6.9 (81)	9.3 (78)	8.3 (91)	-11.0 (62)	14.5 (77)	7.7 (63)
◆ Global Equities	8.3 (41)	18.5 (38)	4.3 (35)	8.1 (49)	8.2 (64)	10.2 (68)	8.7 (86)	-8.2 (44)	16.1 (67)	8.6 (58)
▼ MSCI World (Net)	8.7 (33)	20.5 (28)	2.8 (50)	8.5 (44)	9.8 (37)	12.0 (37)	11.0 (45)	-12.2 (66)	20.8 (32)	13.9 (45)
5th Percentile	12.1	31.6	8.9	12.9	13.0	14.9	14.0	3.8	25.8	41.8
1st Quartile	9.2	20.9	5.3	10.1	10.3	12.6	12.0	-2.7	21.9	19.1
Median	7.8	16.8	2.8	8.0	9.1	11.3	10.7	-9.4	18.4	11.5
3rd Quartile	6.5	12.3	0.6	5.4	7.4	9.5	9.5	-14.2	14.9	4.4
95th Percentile	4.5	6.8	-5.0	-0.3	4.5	6.7	7.7	-26.5	6.7	-3.7
Population	250	250	250	250	250	250	250	279	295	319

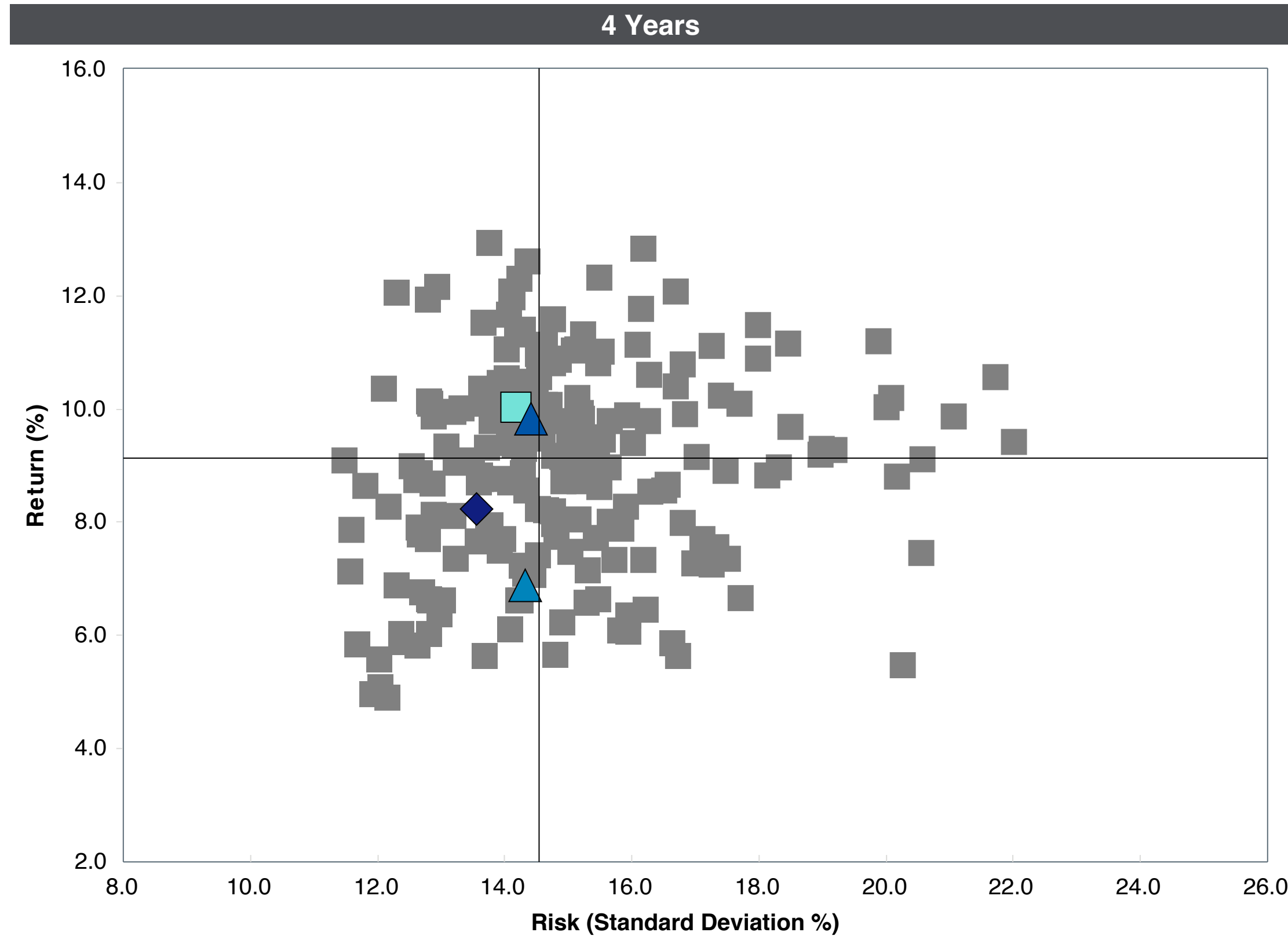
Parentheses contain percentile rankings.  
Source: Aon Manager Universe



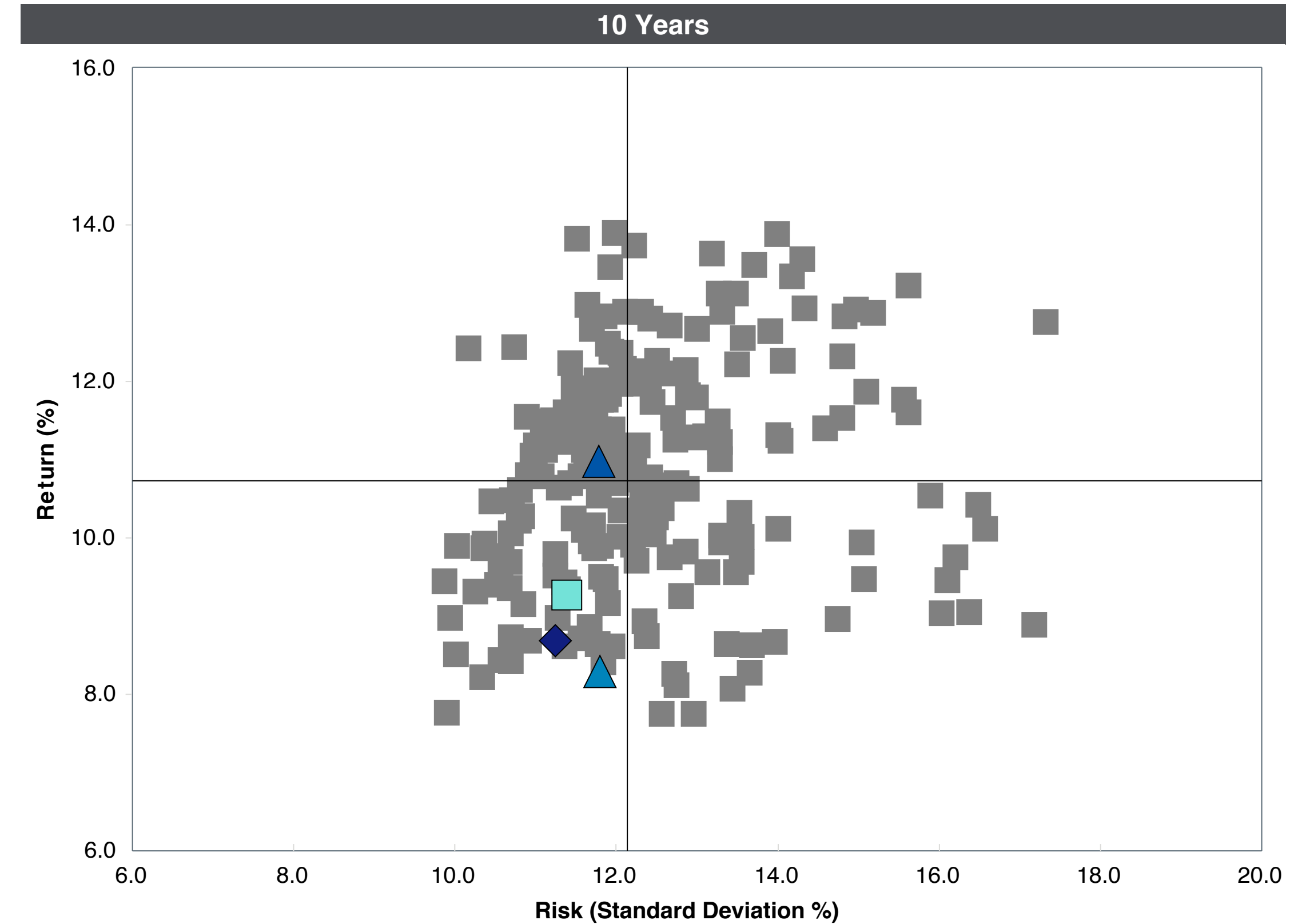
Global Equity

# Peer Group Scattergram

Periods Ending 31 December 2023



	Return	Standard Deviation
■ Aberdeen	10.0	14.2
▲ GMO	6.9	14.3
◆ Global Equities	8.2	13.6
▲ MSCI World (Net)	9.8	14.4
— Median	9.1	14.5



	Return	Standard Deviation
■ Aberdeen	9.3	11.4
▲ GMO	8.3	11.8
◆ Global Equities	8.7	11.2
▲ MSCI World (Net)	11.0	11.8
— Median	10.7	12.1

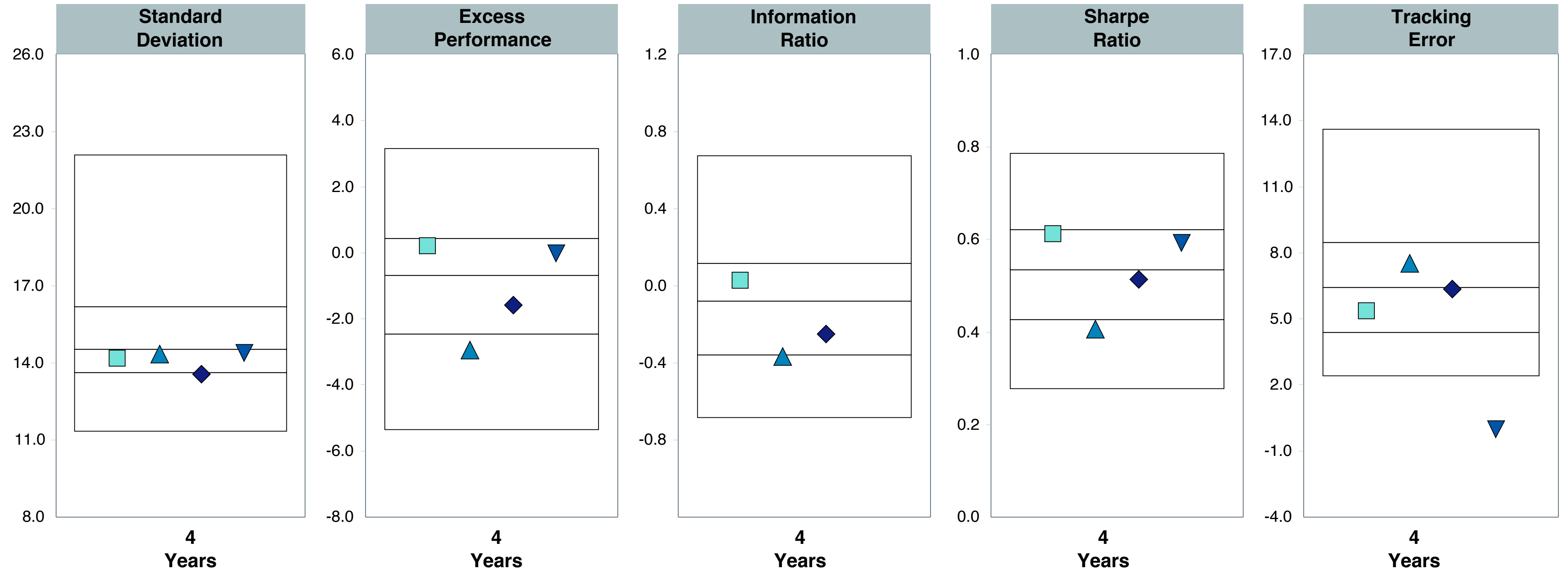
Source: Aon Manager Universe



Global Equity

# Peer Group Analysis

As of 31 December 2023



	4 Years	4 Years	4 Years	4 Years	4 Years
█ Aberdeen	14.2 (63)	0.2 (32)	0.0 (36)	0.6 (27)	5.4 (59)
▲ GMO	14.3 (57)	-2.9 (81)	-0.4 (77)	0.4 (79)	7.5 (35)
◆ Global Equities	13.6 (77)	-1.6 (64)	-0.2 (66)	0.5 (54)	6.4 (51)
▼ MSCI World (Net)	14.4 (54)	0.0 (37)	N/A	0.6 (31)	0.0 (100)

5th Percentile	22.1	3.1	0.7	0.8	13.6
1st Quartile	16.2	0.4	0.1	0.6	8.5
Median	14.5	-0.7	-0.1	0.5	6.4
3rd Quartile	13.6	-2.5	-0.4	0.4	4.4
95th Percentile	11.3	-5.3	-0.7	0.3	2.4

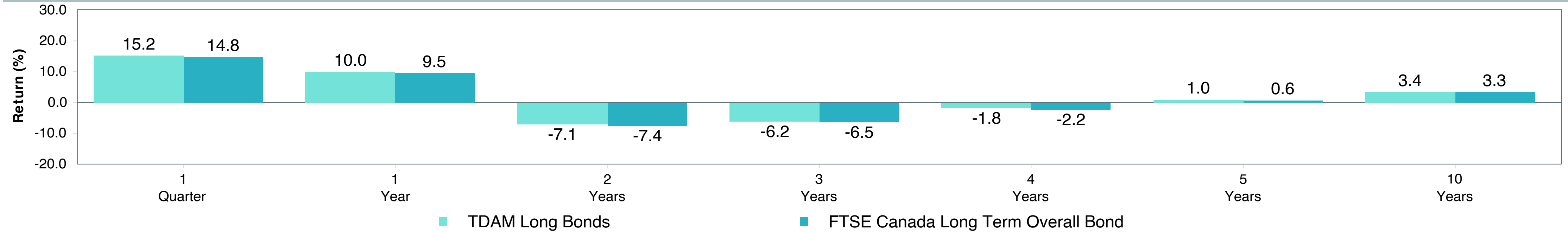
Parentheses contain percentile rankings.  
Source: Aon Manager Universe



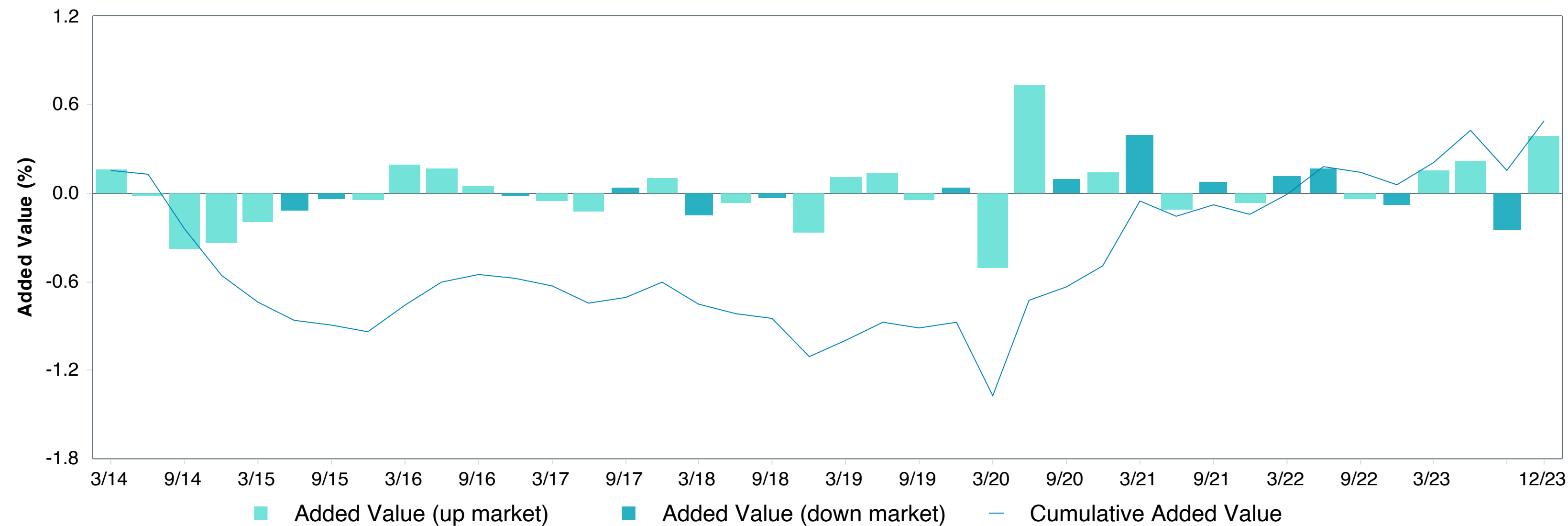
# TDAM Long Bond Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)

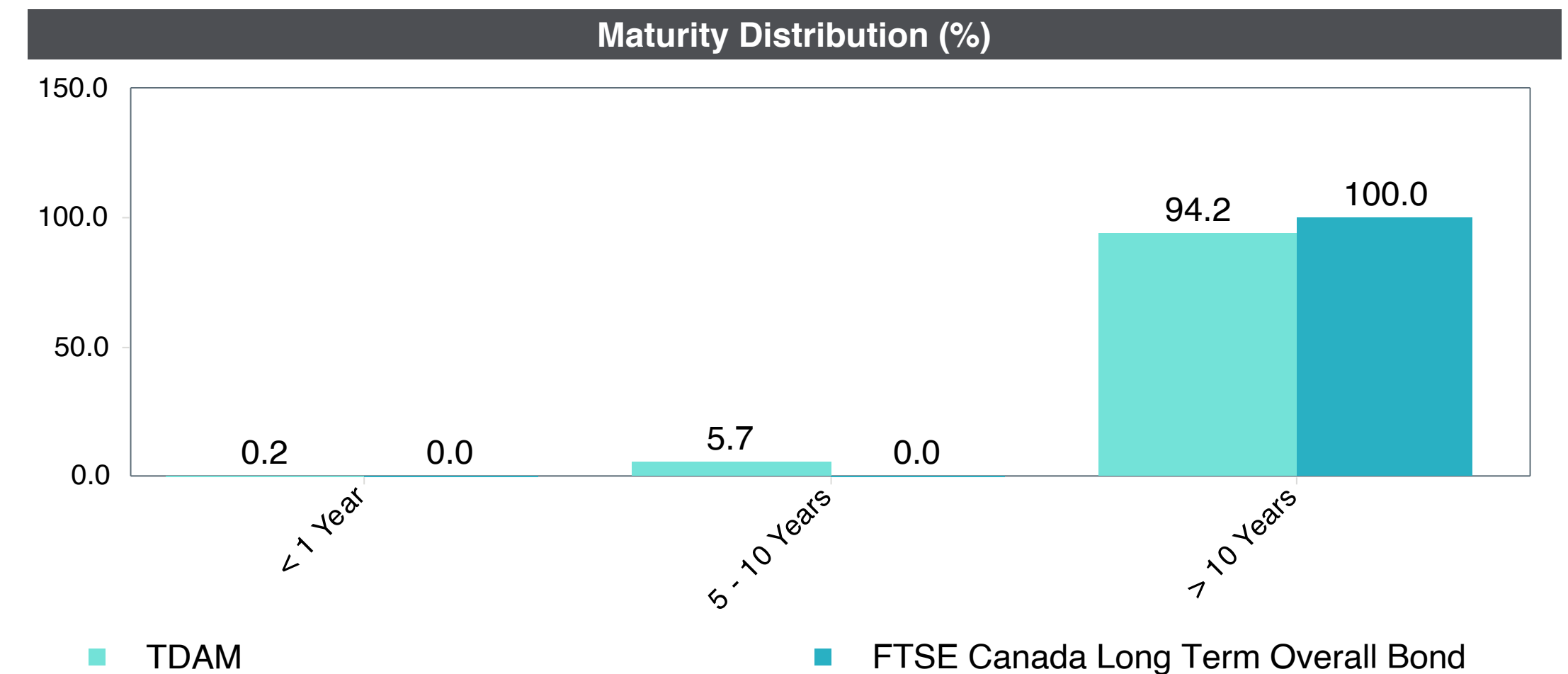
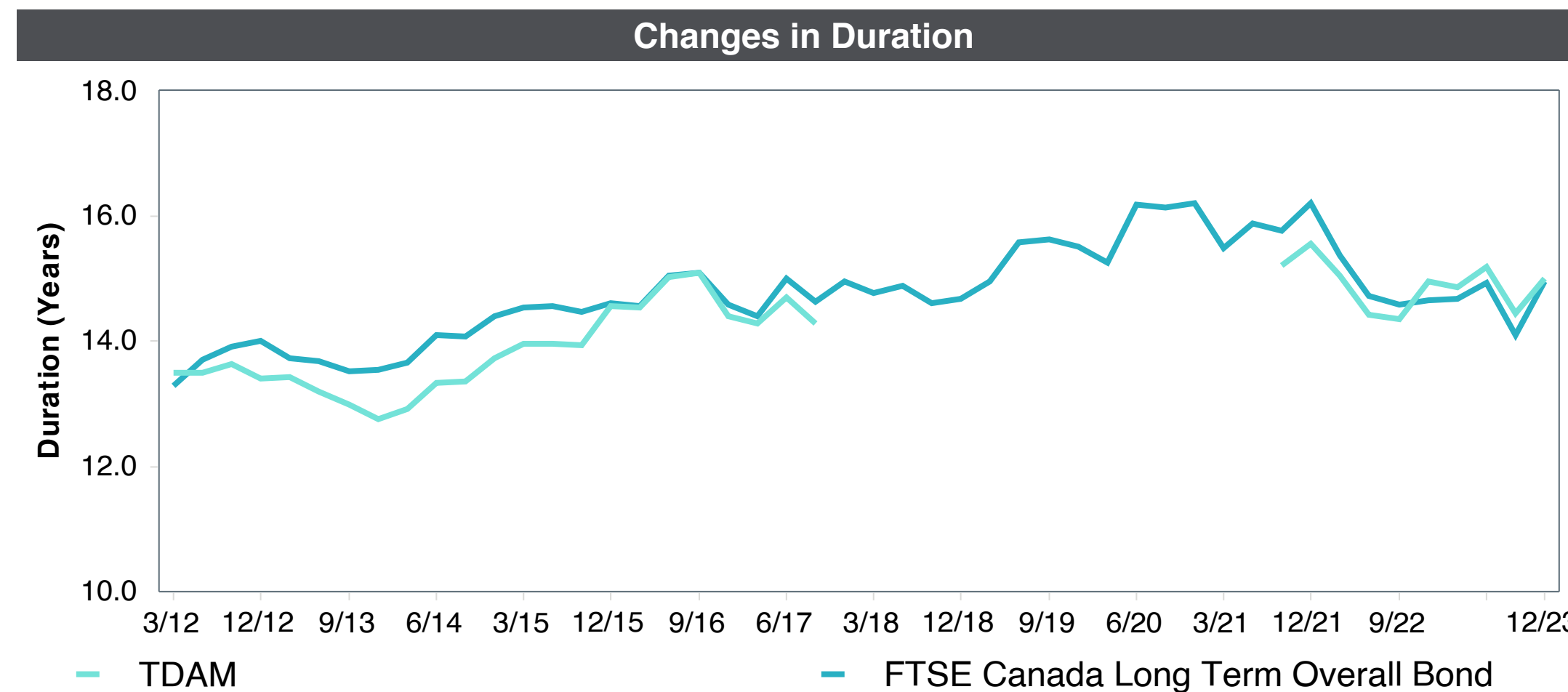
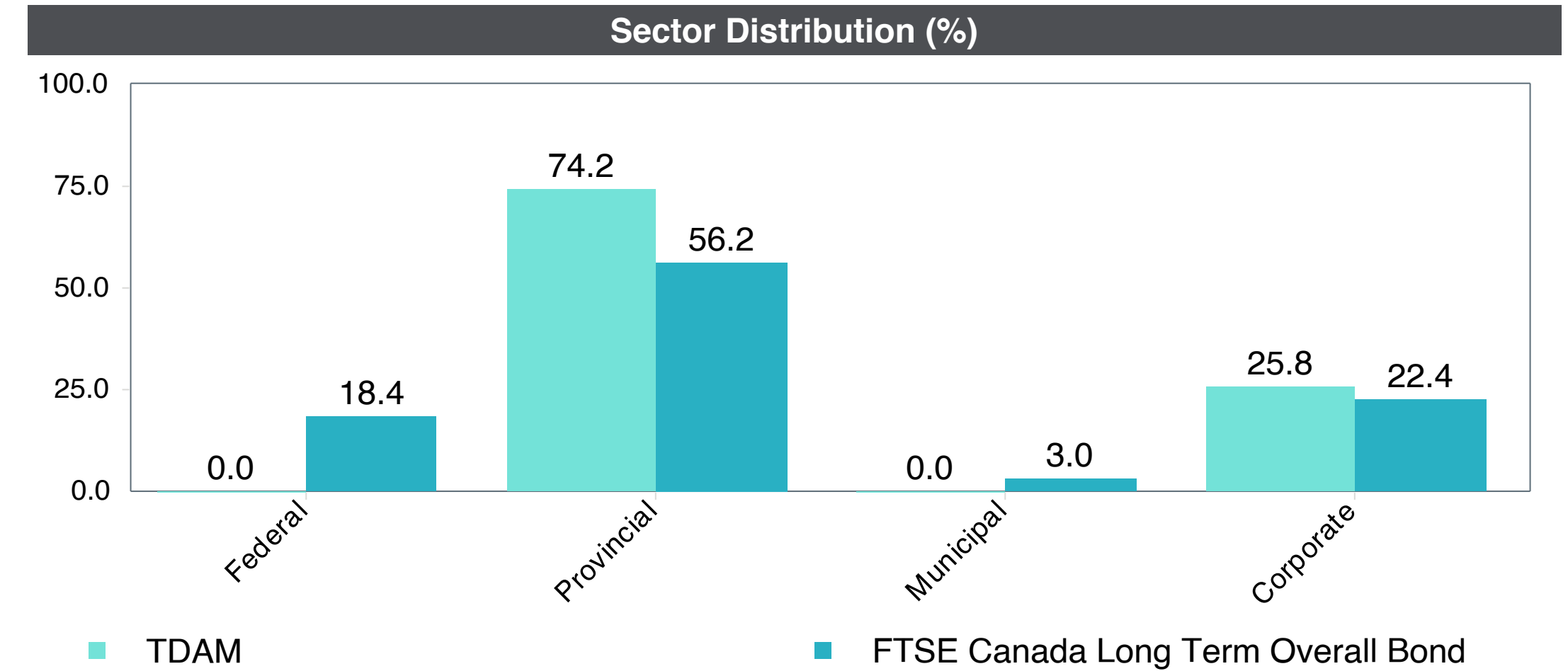


Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	26	100.3
Down Markets	14	99.6
<b>Batting Average</b>		
Up Markets	26	46.2
Down Markets	14	50.0
Overall	40	47.5

# TDAM Long Bond Fund Characteristics

As of 31 December 2023

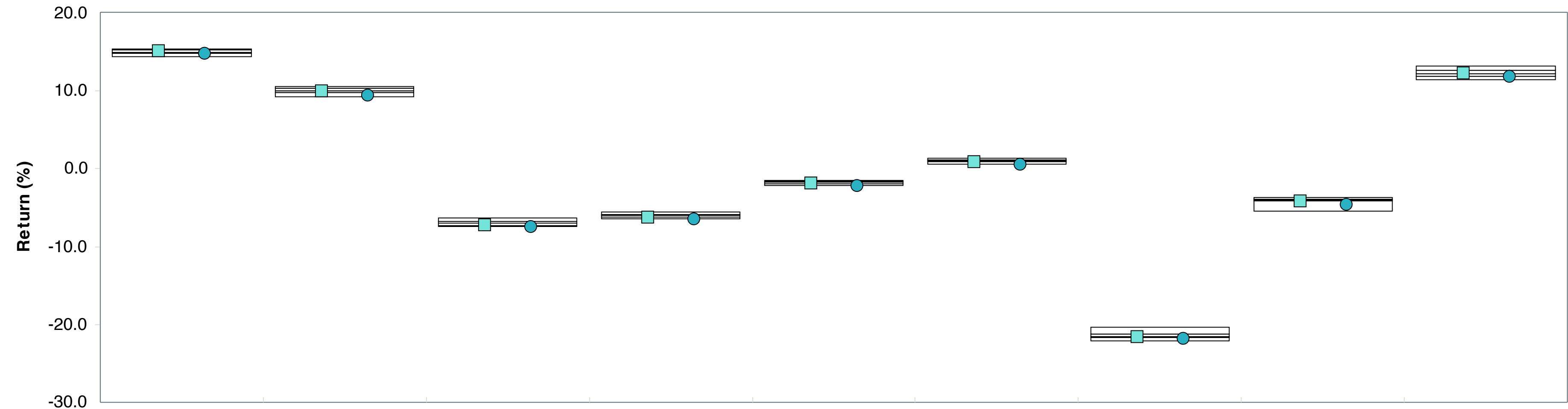
Portfolio Characteristics		
	Portfolio	Benchmark
Modified Duration	15.0	15.0
Avg. Maturity	22.2	22.9
Avg. Quality	A	A+
Yield To Maturity (%)	4.0	4.0



# TDAM Long Bond Peer Group Analysis

As of 31 December 2023

## Canadian Long Bond



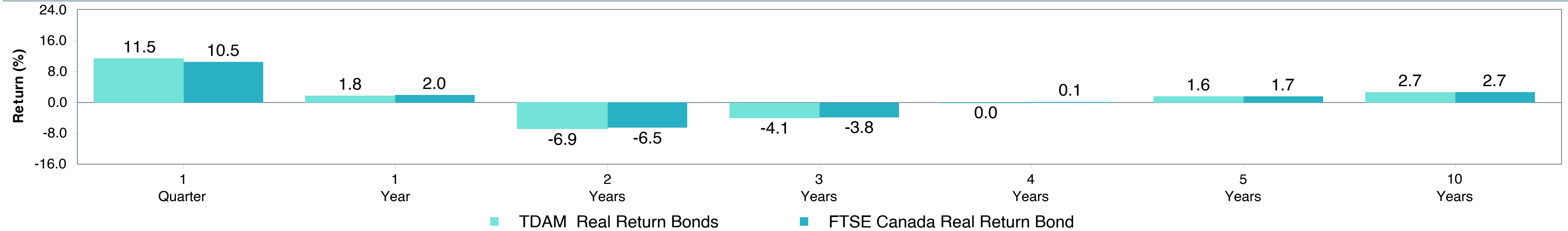
	1 Quarter	1 Year	2 Years	3 Years	4 Years	5 Years	1 Year Ending Dec-2022	1 Year Ending Dec-2021	1 Year Ending Dec-2020
■ TDAM Long Bonds	15.2 (30)	10.0 (57)	-7.1 (67)	-6.2 (68)	-1.8 (68)	1.0 (65)	-21.6 (65)	-4.2 (76)	12.3 (49)
● FTSE Canada Long Term Overall Bond	14.8 (82)	9.5 (92)	-7.4 (93)	-6.5 (97)	-2.2 (98)	0.6 (96)	-21.8 (82)	-4.5 (87)	11.9 (70)
5th Percentile	15.4	10.6	-6.4	-5.6	-1.5	1.3	-20.3	-3.7	13.2
1st Quartile	15.2	10.3	-6.7	-5.8	-1.6	1.2	-21.2	-3.9	12.7
Median	15.0	10.1	-7.0	-6.0	-1.7	1.0	-21.5	-4.0	12.3
3rd Quartile	14.8	9.8	-7.3	-6.2	-2.0	0.9	-21.6	-4.2	11.9
95th Percentile	14.4	9.3	-7.5	-6.4	-2.1	0.6	-22.1	-5.5	11.4
Population	18	18	18	18	18	18	22	22	22

Parentheses contain percentile rankings.  
Source: Aon Manager Universe

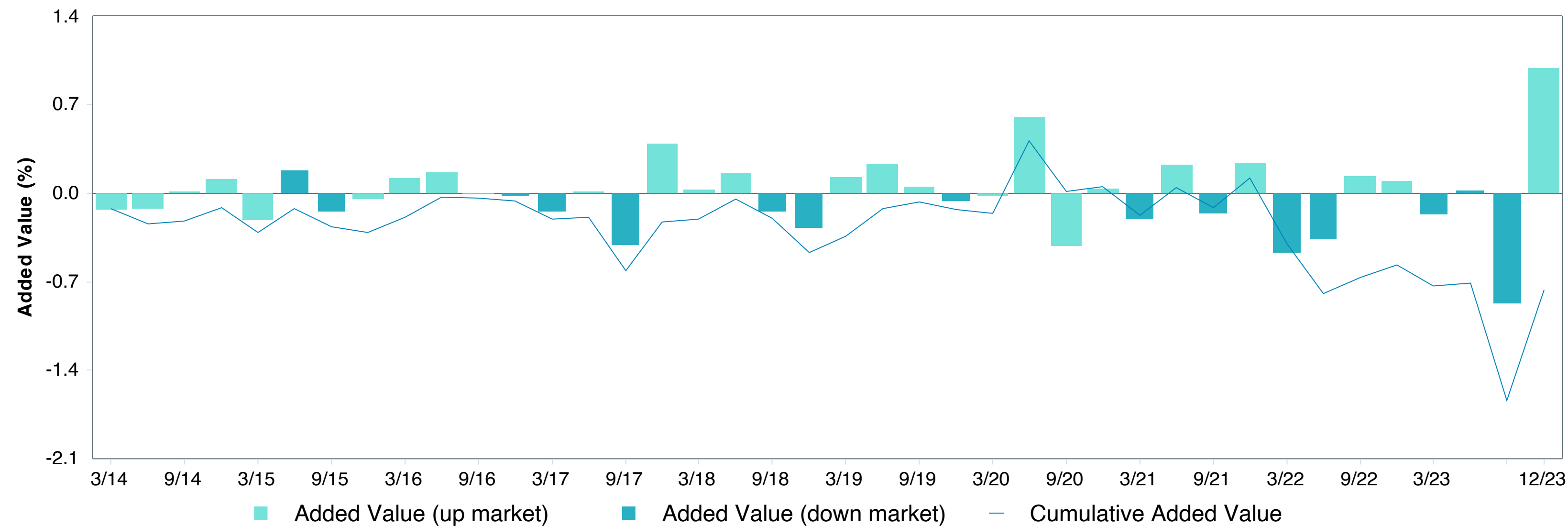
# TDAM Real Return Bond Performance Summary

As of 31 December 2023

## Return Summary



## Added Value History (%)



Performance Statistics		
	Quarters	%
<b>Market Capture</b>		
Up Markets	25	103.4
Down Markets	15	106.1
<b>Batting Average</b>		
Up Markets	25	72.0
Down Markets	15	13.3
Overall	40	50.0

## Appendix A - Plan Information



# Summary of Investment Objectives

## Plan Information

The investment policy contains specific performance objectives for the fund and the investment managers.

All investment rates of return are measured over moving four-year periods. Return objectives are net of fees and include realized and unrealized capital gains or losses plus income from all sources.

Returns will be calculated on a time-weighted basis and compared to the objectives described below.

The *objective* of the total fund is to outperform a benchmark portfolio that is comprised of the following weightings:

	1 April 2022 to 31 March 2023	1 October 2021 to 31 March 2022	1 July 2021 to 30 September 2021	1 April 2021 to 30 June 2021	1 January 2021 to 30 March 2021	1 July 2020 to 31 December 2020	1 April 2020 to 30 June 2020	1 January 2020 to 31 March 2020	1 April 2019 to 31 December 2019	1 January 2019 to 31 March 2019	1 October 2018 to 31 December 2018
S&P/TSX Composite	23%	20%	21%	23%	27%	28%	30%	24%	26%	27%	28%
MSCI World (C\$)	22%	19%	21%	22%	27%	28%	30%	25%	25%	26%	28%
FTSE Canada Long Bond	20%	18%	19%	20%	23%	23%	25%	21%	21%	22%	23%
FTSE Canada Real Return Bond	35%	43%	39%	35%	23%	21%	15%	31%	28%	25%	21%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	1 April 2018 to 30 September 2018	1 January 2018 to 31 March 2018	1 October 2017 to 31 December 2017	1 July 2014 to 30 September 2017	1 April 2012 to 30 June 2014	1 July 2011 to 31 March 2012	1 January 2008 to 30 June 2011	1 July 2006 to 31 December 2007	Up to 30 June 2006
S&P/TSX Composite	27%	27%	27%	28%	30%	30%	30%	30%	25%
MSCI World (C\$)	26%	27%	26%	28%	30%	30%	0%	0%	0%
MSCI World ex. Cda (C\$)	22%	23%	0%	0%	0%	0%	15%	15%	18%
S&P 500 - hedged to C\$	25%	23%	0%	0%	0%	0%	5%	8%	9%
MSCI EAFE - hedged to C\$	<b>100%</b>	<b>100%</b>	0%	0%	0%	0%	5%	8%	9%
FTSE Canada Universe Bond			0%	0%	0%	40%	45%	40%	40%
FTSE Canada Long Bond			22%	22%	25%	0%	0%	0%	0%
FTSE Canada Real Return Bond			25%	22%	15%	0%	0%	0%	0%
			<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Appendix B - Manager Updates

# Manager Updates

## As of 31 December 2023

### **Aberdeen Standard Investments** **Q4 2023**

#### **Business**

There were no significant events during the quarter.

#### **Staff**

- In October 2023, Jason Windsor joined as the Chief Financial Officer succeeding Stephanie Bruce who announced stepped down earlier in the year.
- Christina Woon, Investment Director based in Singapore, left in Jan 2024.
- Hugh Young, Chairman – Asia Pacific based in Singapore, left in Dec 2023.

### **GMO** **Q4 2023**

#### **Business**

During November 2023, GMO opened the GMO U.S. Quality ETF which seeks to generate total return by investing in U.S. equities belonging to quality companies that generate high and sustainable return on capital, with identifiable high-returning assets, durable business models, and long-term capital discipline.

Of the firm's three founding partners, Jeremy Grantham remains an active partner, while Richard Mayo and Eyk Van Otterloo have retired but retain interests in the firm.

#### **Staff**

During December 2023, Julie Coady, Portfolio Manager for Systematic Equity left the firm to pursue new opportunities.

# Manager Updates

## As of 31 December 2023

### Guardian Capital Q4 2023

#### **Business**

Guardian Capital LP announced that the Guardian i3 Global REIT ETF was voluntarily delisted from the Toronto Stock Exchange, effective December 15, 2023.

#### **Staff**

There was no significant events.

### Letko, Brosseau & Associates Inc. ("Letko, Brosseau") Q4 2023

#### **Business**

There were no significant events.

#### **Staff**

On January 1, 2024, Peter Letko, Senior Vice President, transitioned to the role of Senior Advisor.

# Manager Updates

## As of 31 December 2023

### TD Asset Management ("TDAM") Q4 2023

#### **Business**

There were no significant updates.

#### **Staff**

Jeff Tripp, Managing Director, Head of Alternative Investments, will be leaving TDAM in March 2024. Colin Lynch will assume the responsibilities as Head of Alternative Investments and will serve as Chair of the Alternative Investments Committee. Colin had previously served as Head of Global Real Estate Investments. Andrew Croll, Managing Director, will become Head of Global Real Estate Investments in replacement of Colin. Assuming Andrew's role will be Monish Arora, who is currently serving as Vice President & Director, Client Portfolio Manager.

Matthew Sych, currently Vice President & Director, leading the Canadian Portfolio and Asset Management Team, will become Managing Director, Head of Portfolio & Asset Management, Global Real Estate Investments.

Luke Schmidt, currently Vice President & Director, Real Estate Investments, leading the Global Transactions Team, will become Managing Director, Head of Transactions, Global Real Estate Investments.

Mark Cooksley, currently Vice President & Director, Real Estate Investments, leading global development activities, will become Managing Director, Head of Developments, Global Real Estate Investments.

Scott Linner, currently Vice President & Director, Real Estate Investments, leading the International Real Estate Portfolio Management Team, will become Vice President & Director, Research, Global Real Estate Investments.

Dwight Chase, Vice President & Director, Lead of the Portfolio Fund Management Team, will be leaving TDAM.

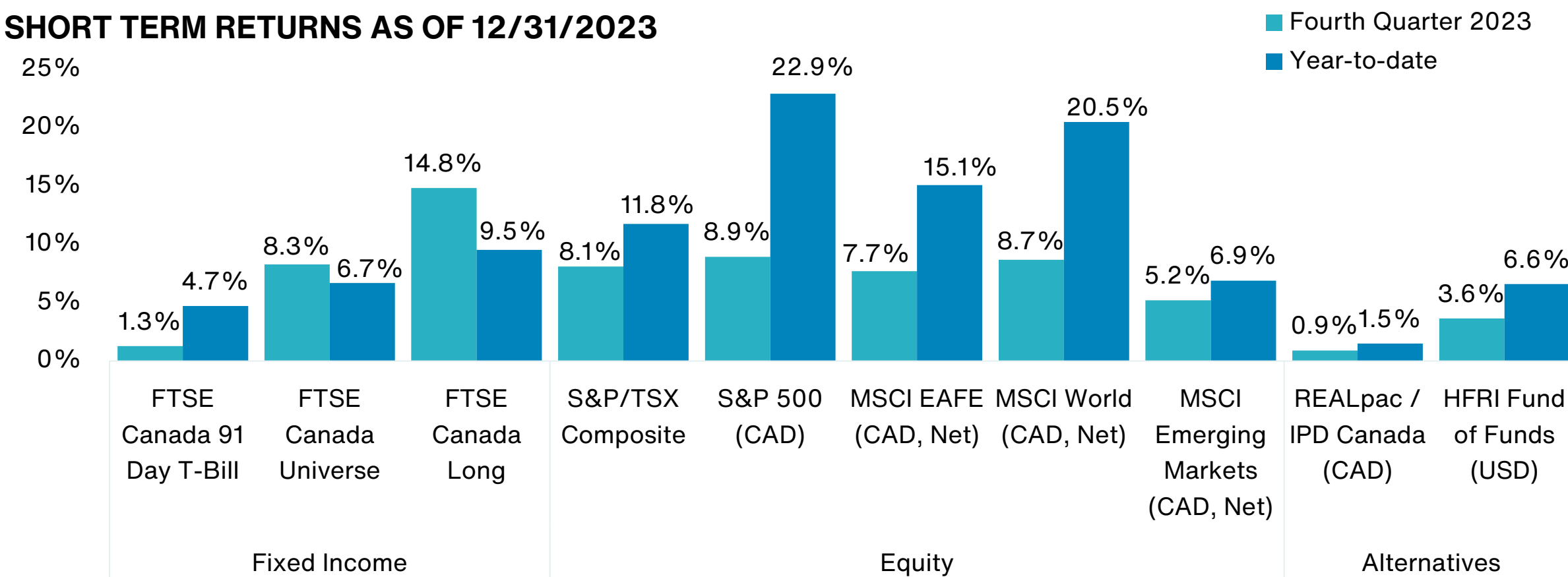
Jeff Tiefenbach, Managing Director, Public Equities will be leaving TDAM in March 2024.

Michael Brown, Vice President & Director, TDAM, will assume Lead Portfolio Manager responsibilities for the TD Greystone International Equity Fund, TD Greystone International Income & Growth Fund, as well as the TD International Equity Focused Fund.

## Appendix C - Capital Market Environment

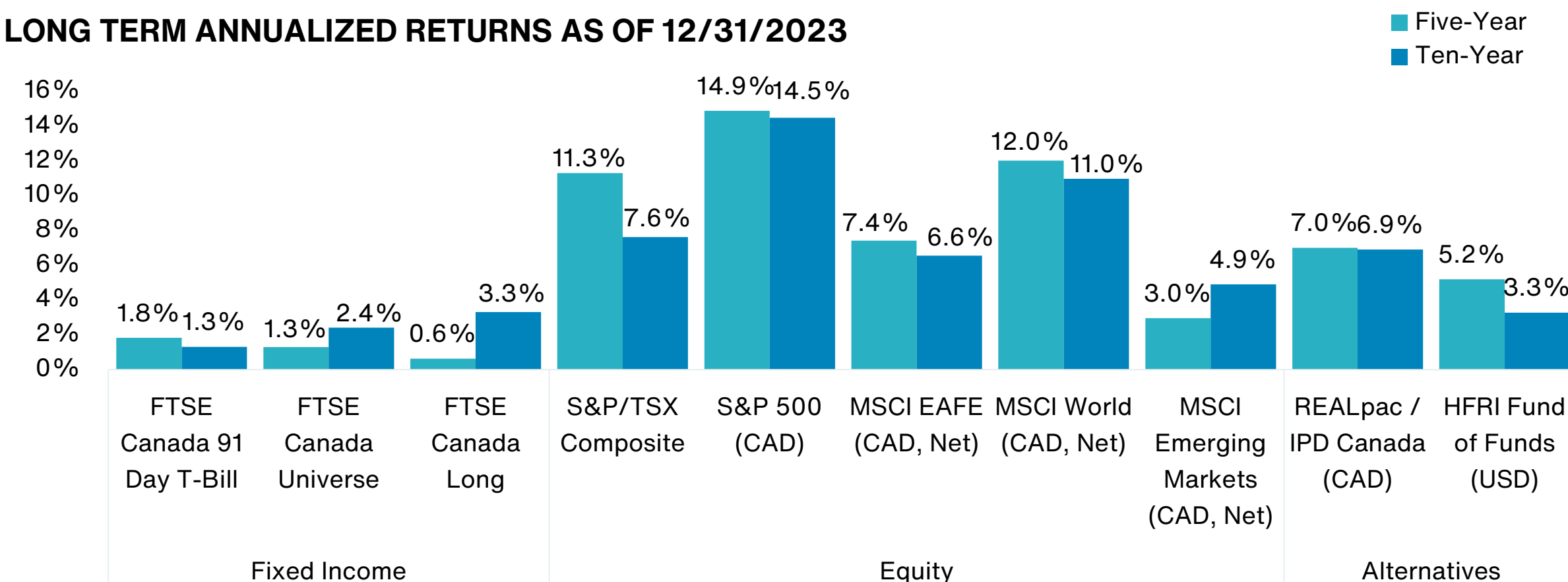
# Market Highlights

## SHORT TERM RETURNS AS OF 12/31/2023



Sources: S&P, MSCI, IPD, FTSE. Unless it's otherwise stated, gross CAD returns are shown in this report.

## LONG TERM ANNUALIZED RETURNS AS OF 12/31/2023



Sources: S&P, MSCI, IPD, FTSE. Unless it's otherwise stated, gross CAD returns are shown in this report.

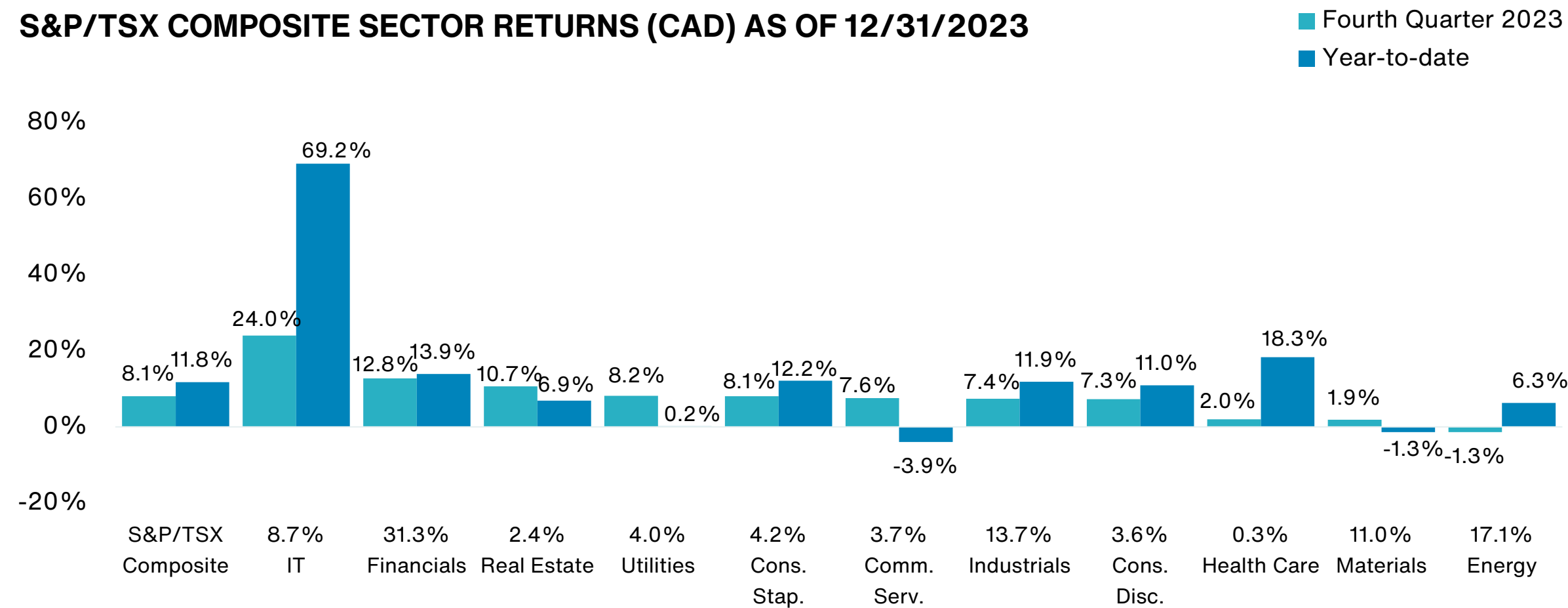
- In Q4 2023, global equity markets rose due to a strong rally in November and December as market participants expect a greater chance of interest rate cuts in 2024. The MSCI World Index rose 10.0% in local currency terms and 8.7% in Canadian dollar (CAD) terms.
- The Bank of Canada (BoC) held its benchmark interest rate at 5% but continues its policy of quantitative tightening. The Governing Council expects to see a further slowdown in core inflation.
- The U.S. Federal Reserve (Fed) kept its benchmark policy rate unchanged at 5.25%-5.5% for the third consecutive meeting. Fed chair Jerome Powell commented that the interest rate is now “likely at or near its peak for this tightening cycle”.
- The Bank of England (BoE) also kept its interest rate unchanged at 5.25% for the third consecutive meeting. The Monetary Policy Committee (MPC) voted six to three in favour of maintaining the current interest rate, with three members preferring a 25bps increase. The MPC indicated that interest rates would likely need to be kept high for an “extended period of time” and kept the option open for further rate rises “if there were evidence of more persistent inflationary pressures”.
- The European Central Bank (ECB) kept its interest rate unchanged at 4.0% for the second consecutive meeting. ECB policymakers signalled interest rates will be kept at “sufficiently restrictive levels for as long as necessary”. The ECB also announced it would reduce the reinvestments of maturing securities by €7.5B a month from July 2024 before ending the program at the end of next year.
- The Bank of Japan (BoJ) kept its interest rate unchanged at minus 0.1%. BoJ Governor Kazuo Ueda acknowledged that there have been improvements in achieving the inflation target, but the central bank is not yet ready to abandon ultra-loose monetary policy.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.

# Canadian Equity Markets

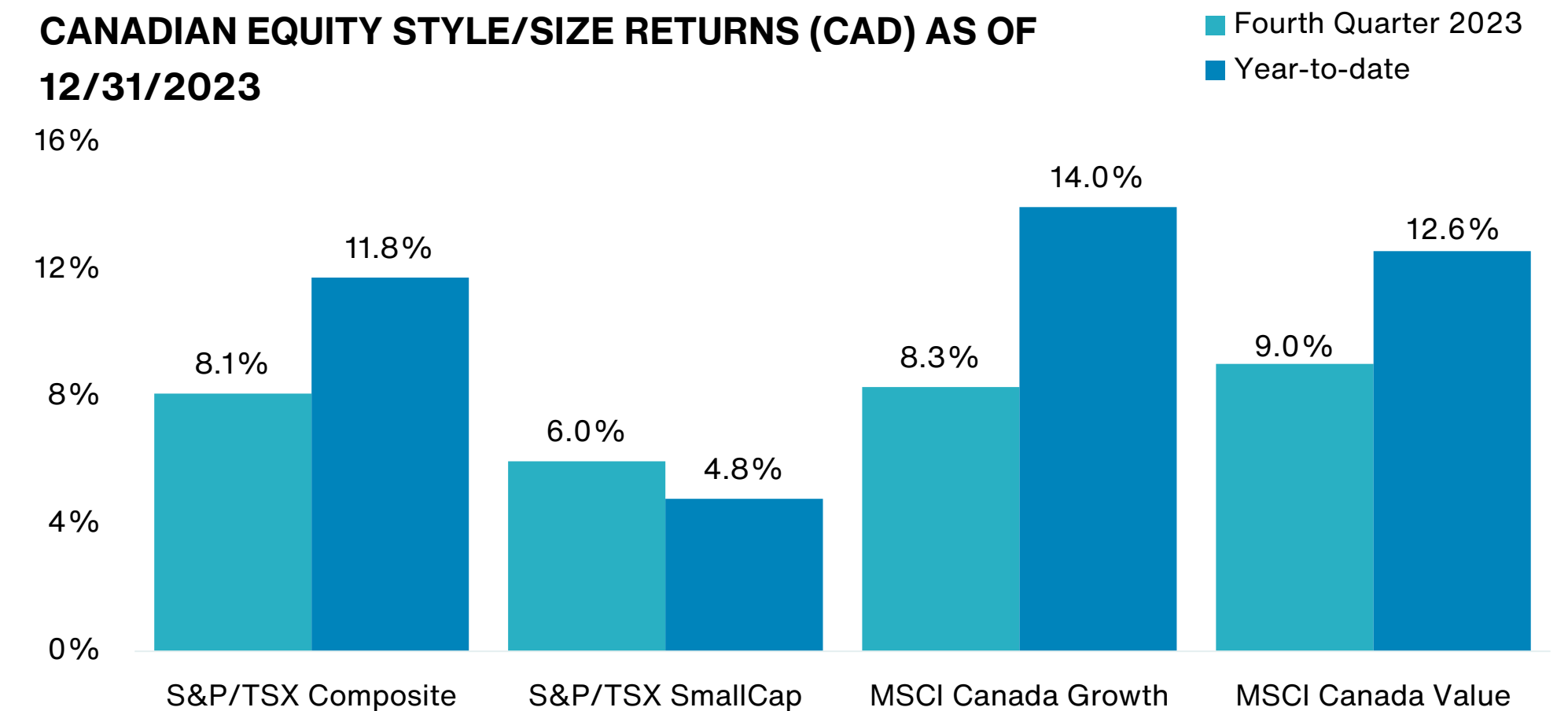
- The S&P/TSX Composite total return index rose 8.1% during the quarter and 11.8% on a YTD basis in CAD terms.
- All sectors except for Energy rose during the fourth quarter. Information Technology and Financials were the best performers for the quarter, rising by 24.0% and 12.8%, respectively, while Energy and Materials were the worst performers with a return of -1.3% and +1.9% respectively. Financials posted an encouraging return due to strong banking sector performance. On a YTD basis, Information Technology was the best performer with a return of 69.2%, while Communication Services was the worst performer with a return of -3.9%.
- Value outperformed Growth for the quarter (9.0% vs. 8.3%) but Growth outperformed Value on a YTD basis (14.0% vs. 12.6%).
- Large-cap equity (8.1%) outperformed Small-cap equity (6.0%) over the quarter and also on a YTD basis.

**S&P/TSX COMPOSITE SECTOR RETURNS (CAD) AS OF 12/31/2023**



Source: S&P

**CANADIAN EQUITY STYLE/SIZE RETURNS (CAD) AS OF 12/31/2023**



Source: S&P, MSCI

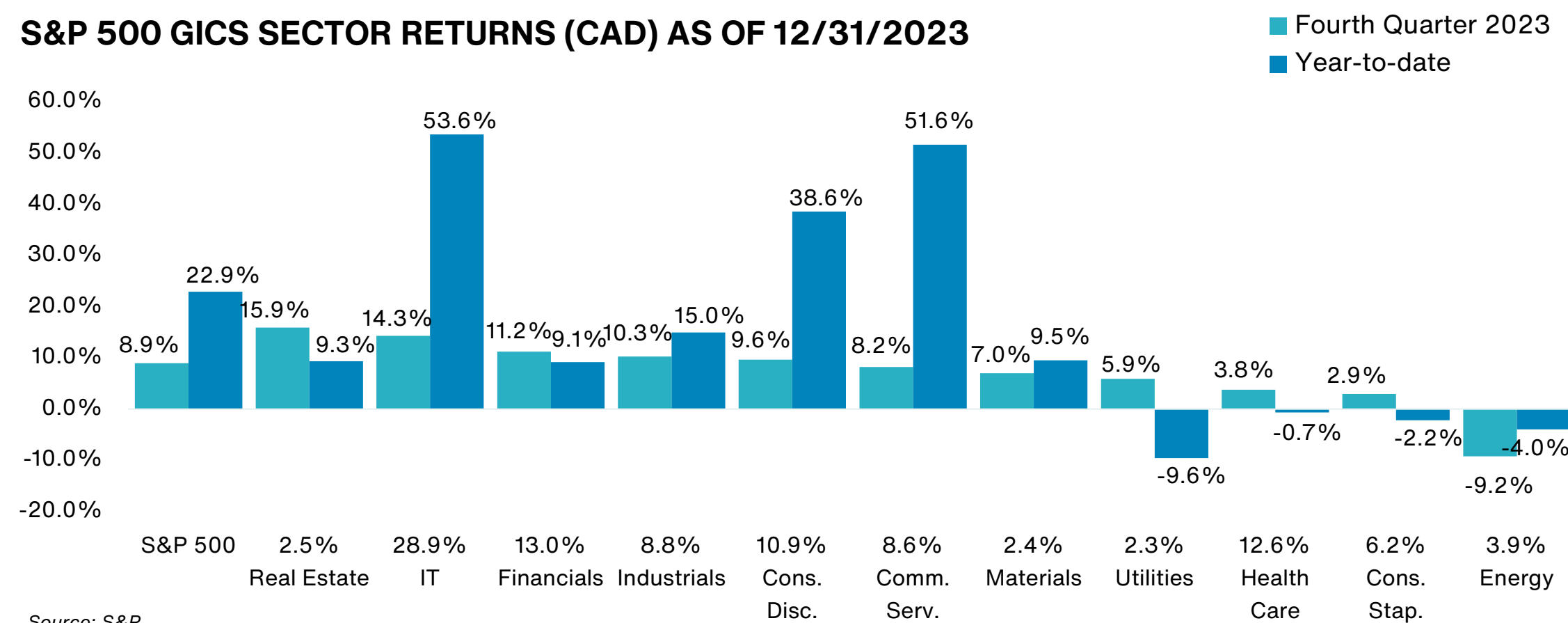
**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.



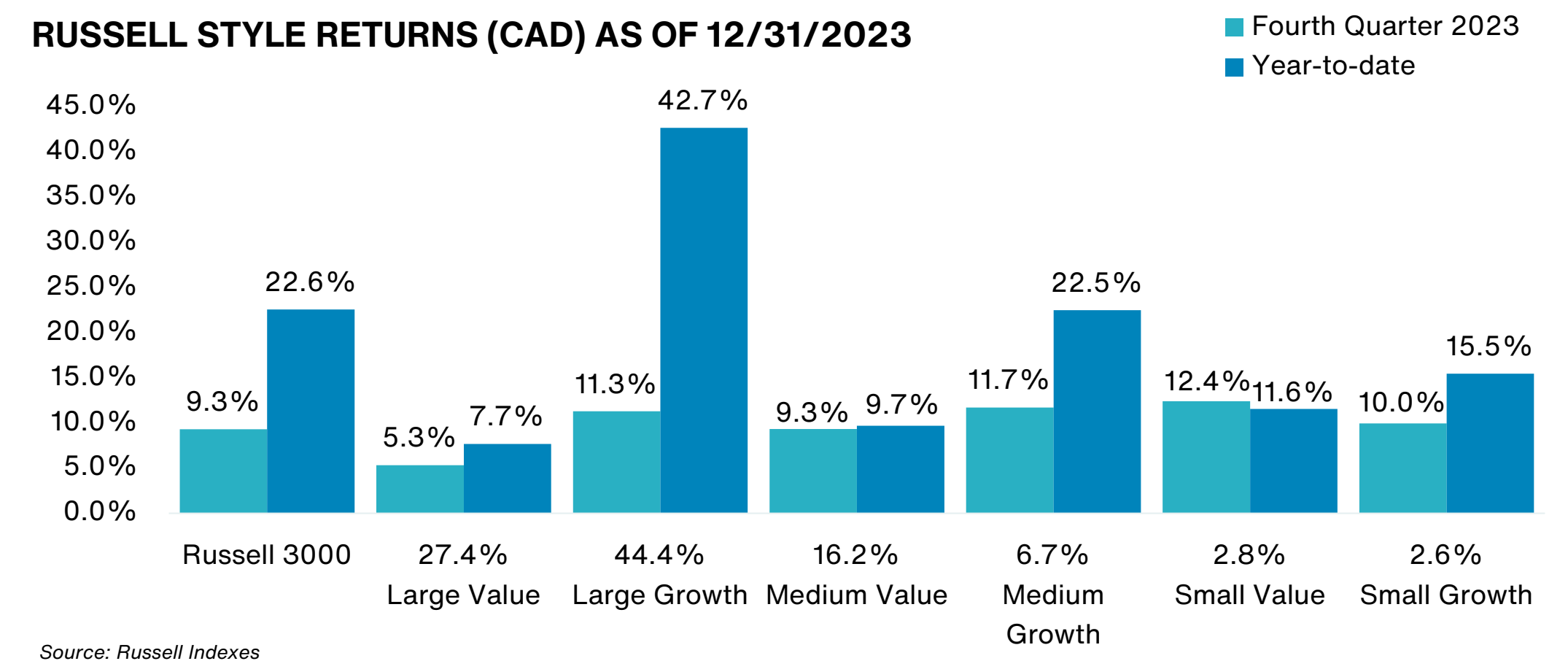
# U.S. Equity Markets

- U.S. equities had positive performance during the quarter amidst anticipated interest rate cuts in 2024. The S&P 500 Index gained 11.7% in USD terms, but appreciation of the Canadian dollar against the U.S. dollar limited the gains to 8.9% in CAD terms.
- The speaker of the U.S. House of Representatives, Kevin McCarthy, became the first leader in the history of the lower chamber of Congress to be removed from the position after infighting within the Republican party. McCarthy lost a no-confidence vote 216-210, as eight Republicans sided with 208 Democrats to remove him as a speaker. Mike Johnson, a Louisiana Republican, was elected as the new Speaker of the House in the fourth round of voting. Johnson received the unanimous backing of all 220 Republicans, surpassing the 215-majority mark. Following this, the U.S. Congress averted a government shutdown as lawmakers approved a short-term stop-gap funding bill to keep the government funded until early 2024.
- Meanwhile, Moody’s downgraded their U.S. credit outlook from ‘stable’ to ‘negative’ amidst sharp rises in debt service costs. Moody’s updated outlook highlighted increasing downside risks to U.S. fiscal strength and added that the drastic rise in Treasury yields this year “has increased pre-existing pressure on U.S. debt affordability”.
- Sectoral performance was positive throughout the quarter except for Energy (-9.2%). Real Estate (+15.9%) and Information Technology (+14.3%) were the best performers while Energy (-9.2%) and Consumer Staples (+2.9%) were the worst performers.
- Over the quarter, on a style basis, growth outperformed value across market capitalization except for small-cap stocks.

**S&P 500 GICS SECTOR RETURNS (CAD) AS OF 12/31/2023**



**RUSSELL STYLE RETURNS (CAD) AS OF 12/31/2023**

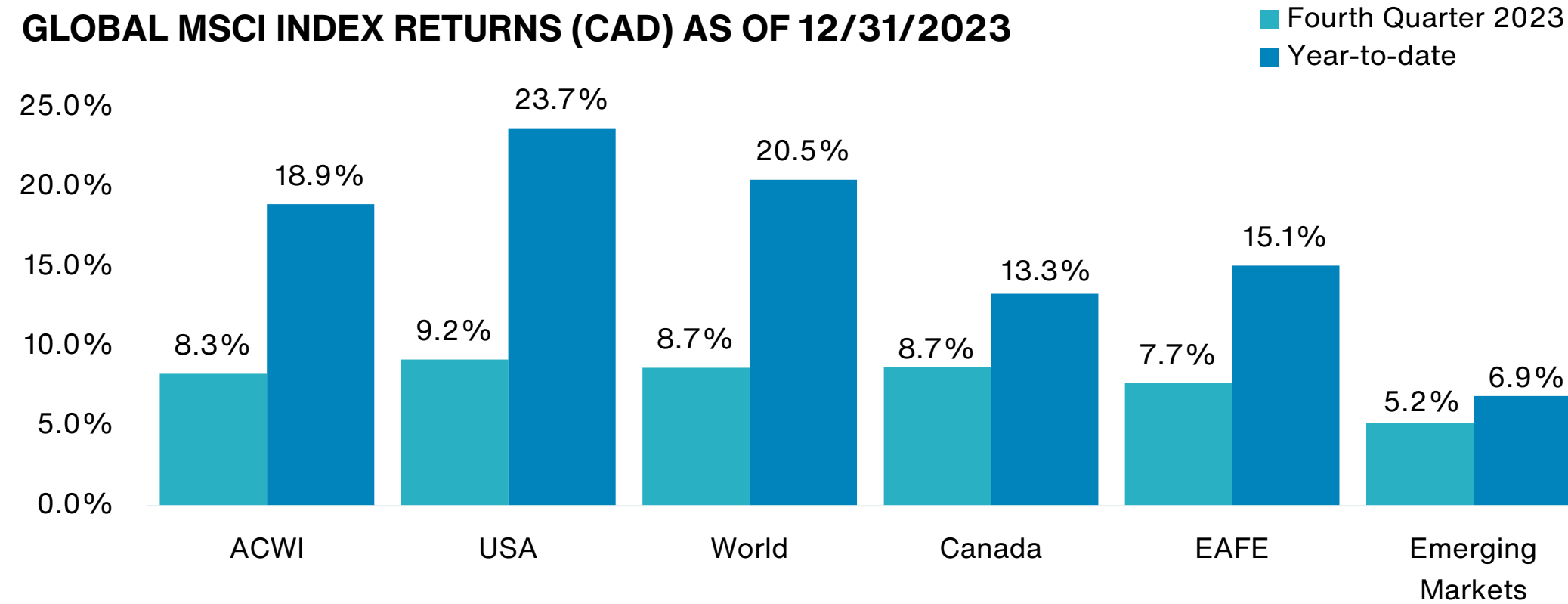


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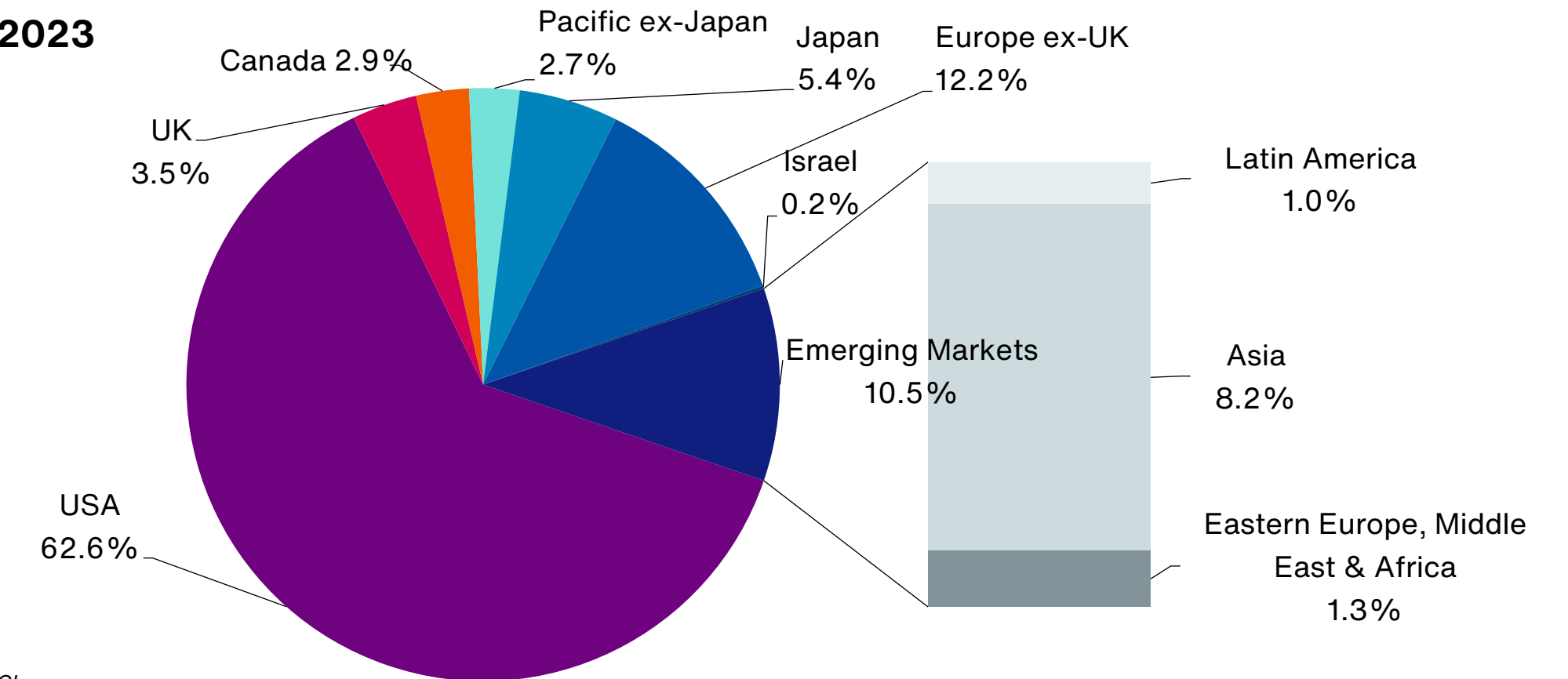
# Global Equity Markets

**GLOBAL MSCI INDEX RETURNS (CAD) AS OF 12/31/2023**



Source: MSCI. Gross returns shown for the MSCI Canada and USA indices, whilst net returns are shown for the other indices.

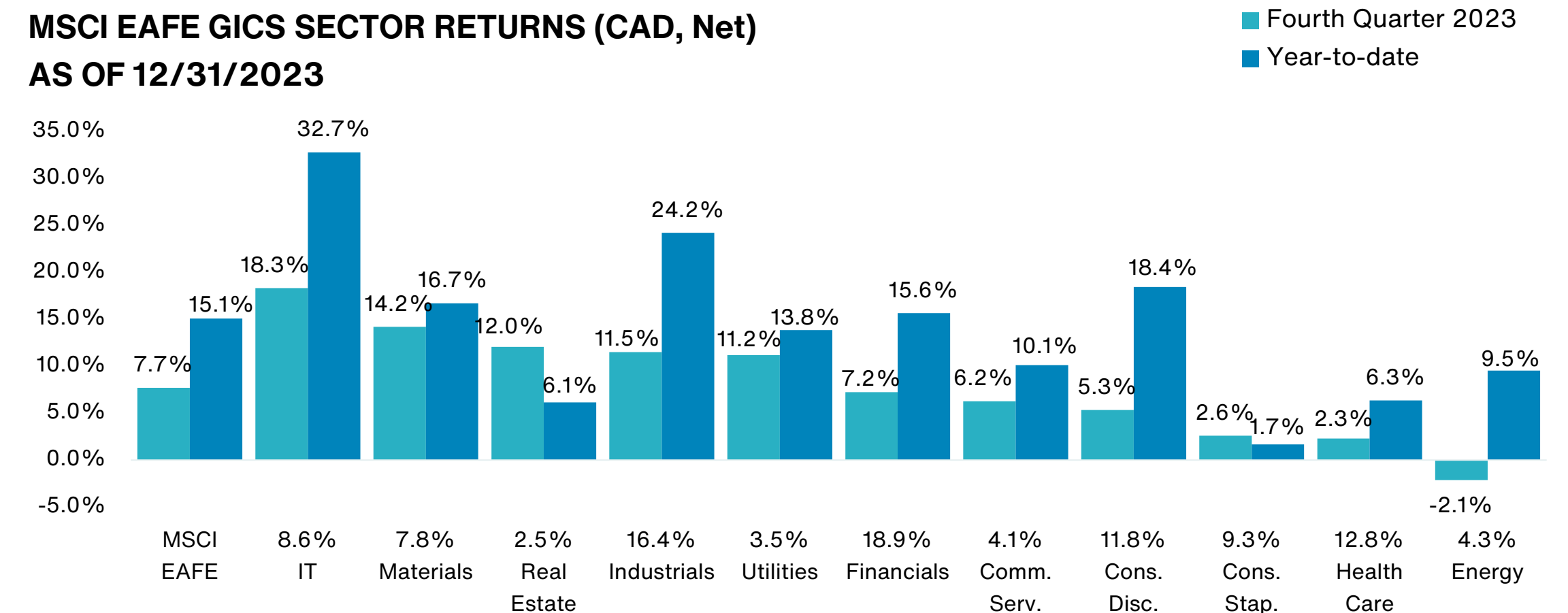
**MSCI ALL COUNTRY WORLD INDEX GEOGRAPHIC ALLOCATION AS OF 12/31/2023**



Source: MSCI

- Global equities rose over the quarter, with the MSCI All Country World Index rising by 8.3% in CAD terms.
- The MSCI EAFE Index rose by 5.0% in local currency terms and 7.7% in CAD terms in Q4 2023. Comparatively higher exposure to the commodities sector led to the relative underperformance of the UK equities compared to its developed market peers. Amongst these, European equities were the best-performing market led by the Financials and Industrials sectors. Japanese equities underperformed as a sharp appreciation in the yen affected exporters over the quarter as it rose to almost a seven-month high against the U.S. dollar.
- Emerging Market (EM) equities delivered positive returns in local terms. All major equity markets, except for Chinese equities (which fell to 4.8%), delivered positive returns. Slower-than-expected economic recovery, and renewed U.S.-China tensions put pressure on Chinese equities. Brazilian equities were the best EM performer, returning 14.4% followed by Indian, Taiwanese, and Korean equities which rose by 12.1%, 11.6%, and 10% respectively in Q4.
- MSCI EAFE sector performance was positive over the quarter except for Energy (-2.1%). Info Tech (+18.3%) and Materials (+14.2%) were the best performers over the quarter.

**MSCI EAFE GICS SECTOR RETURNS (CAD, Net) AS OF 12/31/2023**



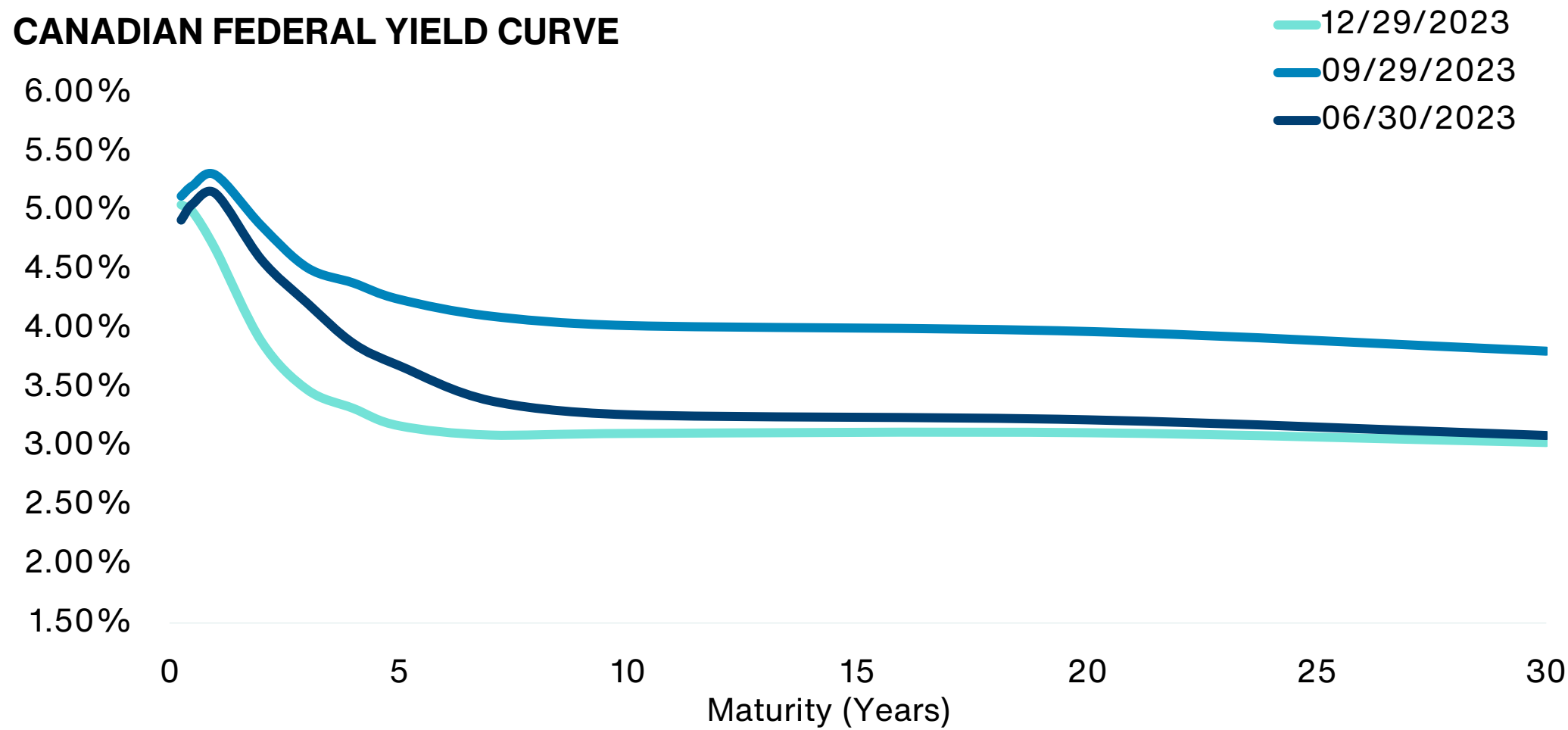
Source: MSCI

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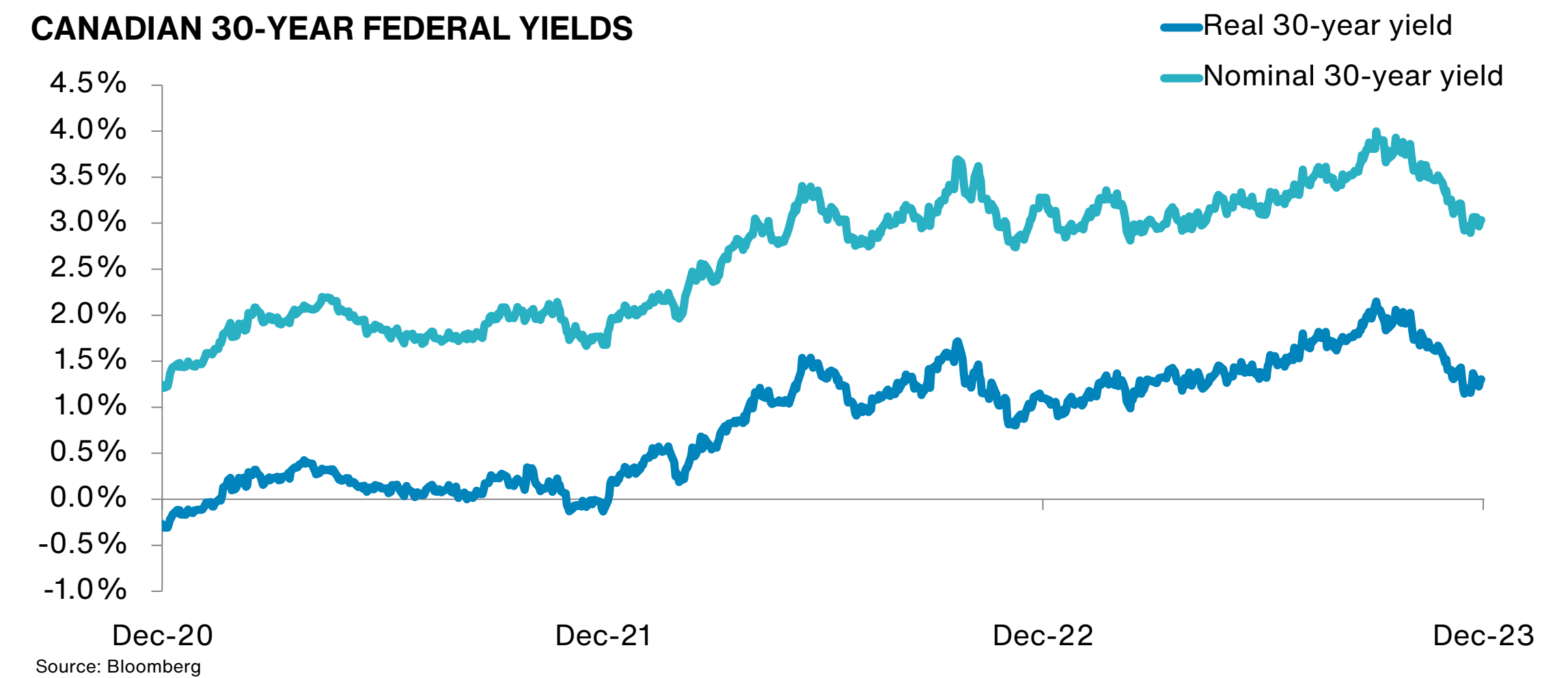
# Canada Fixed Income Markets

**CANADIAN FEDERAL YIELD CURVE**



Source: Bloomberg

**CANADIAN 30-YEAR FEDERAL YIELDS**

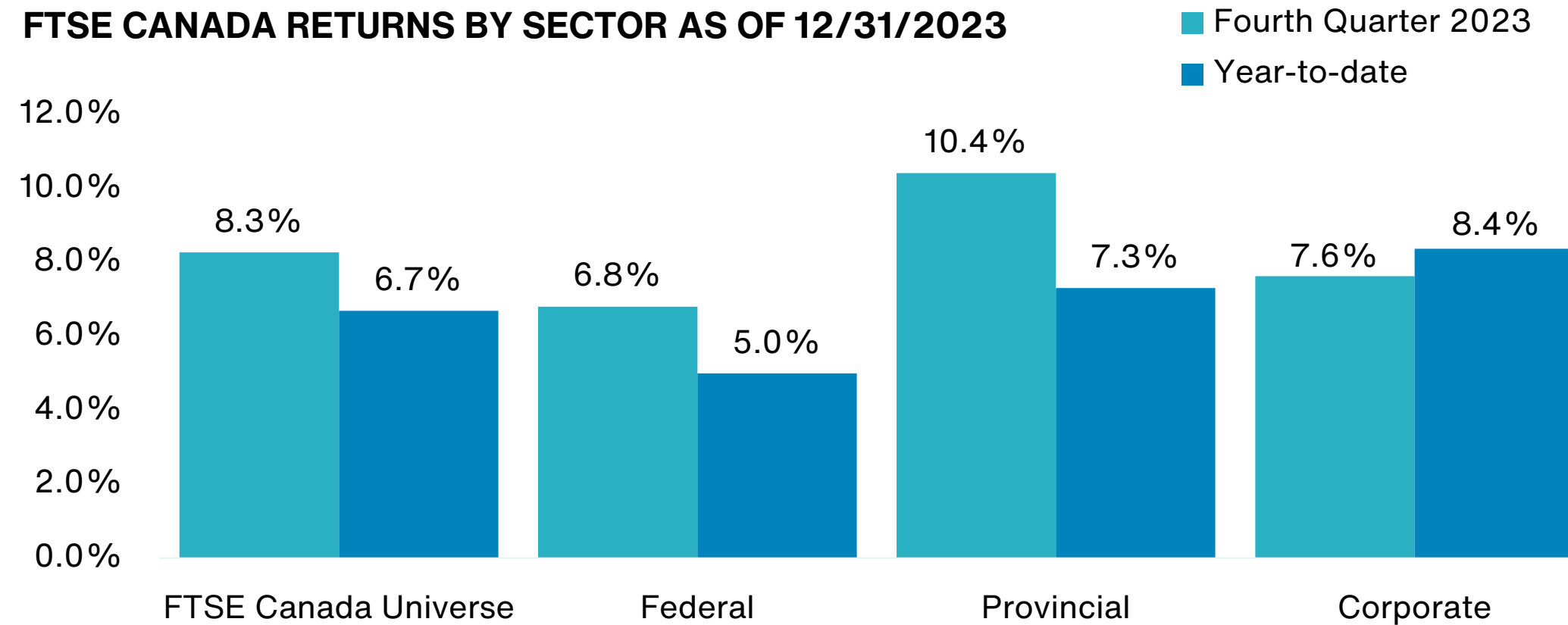


Source: Bloomberg

- The Canadian yield curve shifted downwards over the quarter with treasury yields falling across maturities. Yields fell more sharply at medium-term maturities compared to the long and short ends of the curve. The 5-year yield fell by 107bps to 3.18%. The 10-year and 30-year yields fell 92bps and 78bps to 3.11% and 3.03% respectively over the quarter.
- Real yields fell, with the real 30-year yield decreasing 66bps to 1.30%. Meanwhile, Canada's annual headline inflation was 3.1% in November, unchanged from the previous month and higher than the economists' expectations as mortgage interest costs and the high cost of rent drove inflation higher.

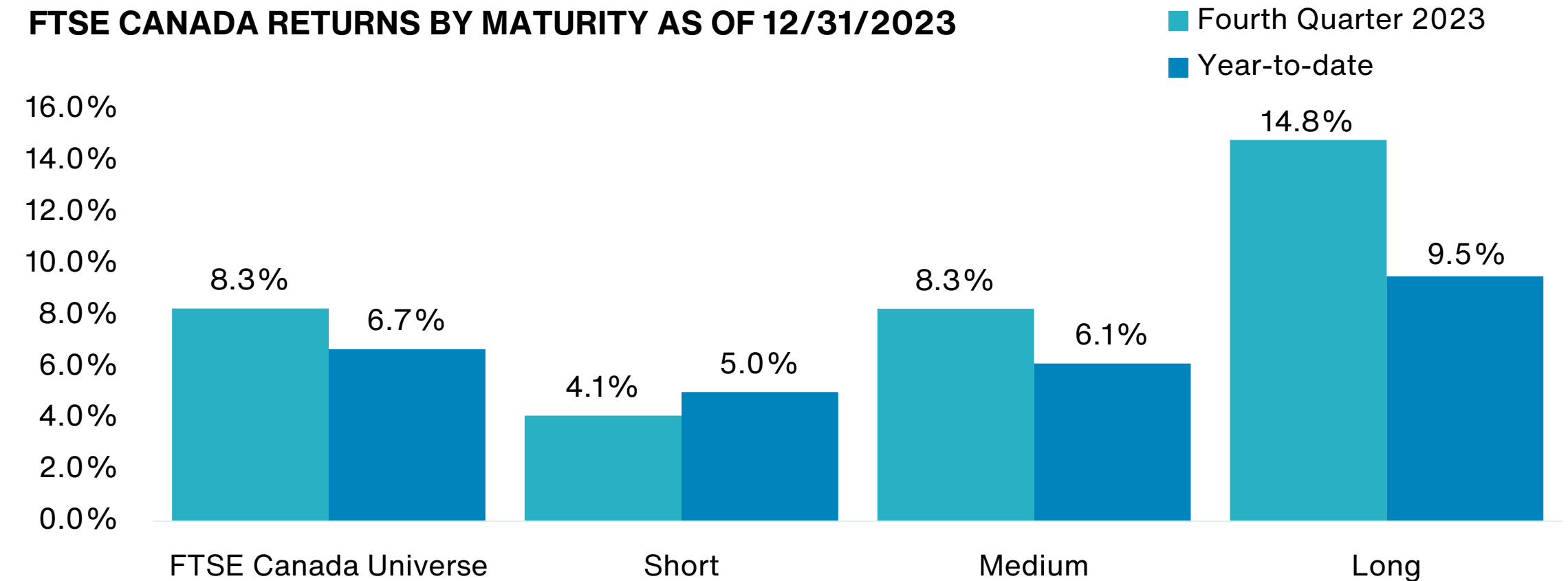
# Canada Fixed Income Markets

**FTSE CANADA RETURNS BY SECTOR AS OF 12/31/2023**



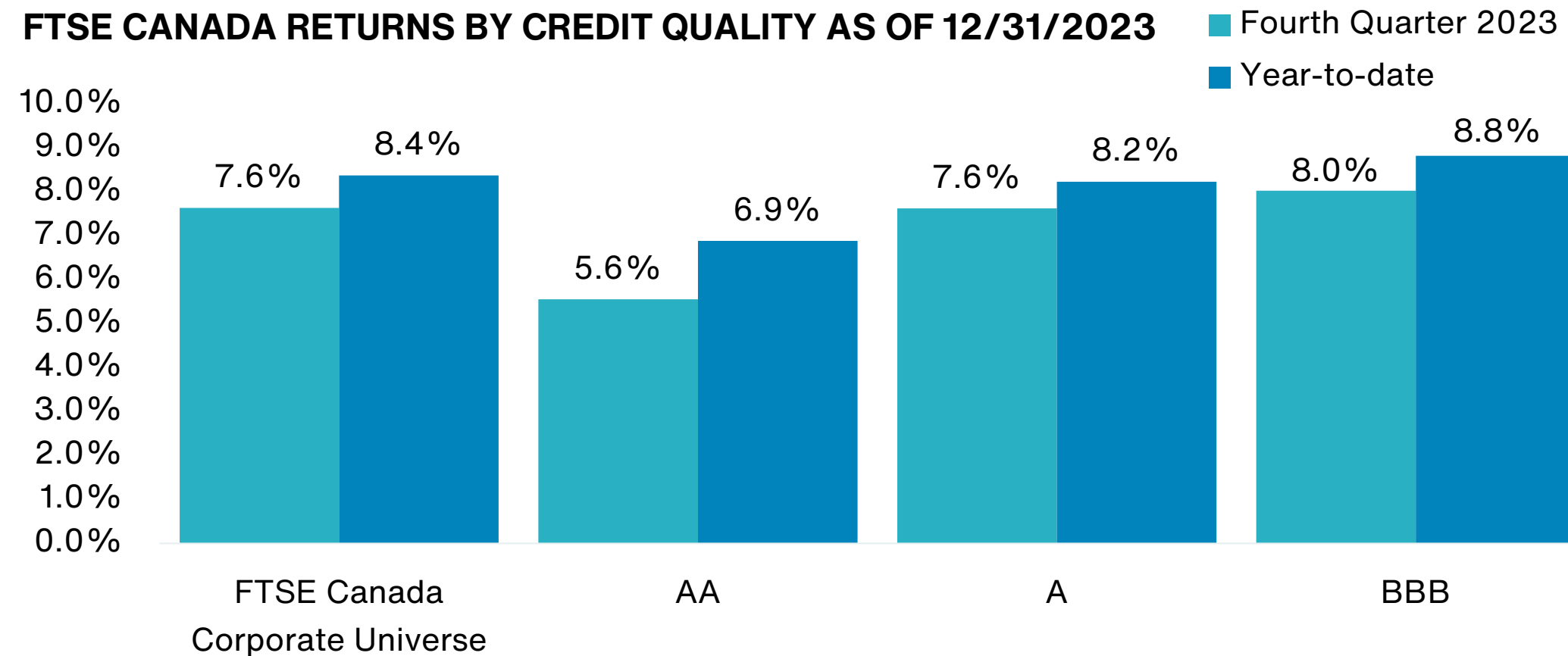
Source: FTSE

**FTSE CANADA RETURNS BY MATURITY AS OF 12/31/2023**



Source: FTSE

**FTSE CANADA RETURNS BY CREDIT QUALITY AS OF 12/31/2023**



Source: FTSE

- Canadian bond market performance was positive over the quarter. Canadian Provincial outperformed all credit segments, including Federal and Corporate issues.
- Within corporate credit, investment grade 'BBB' rated issues outperformed 'AA' and 'A' issues.
- Long-maturity bonds outperformed both medium and short maturity bonds over the quarter.

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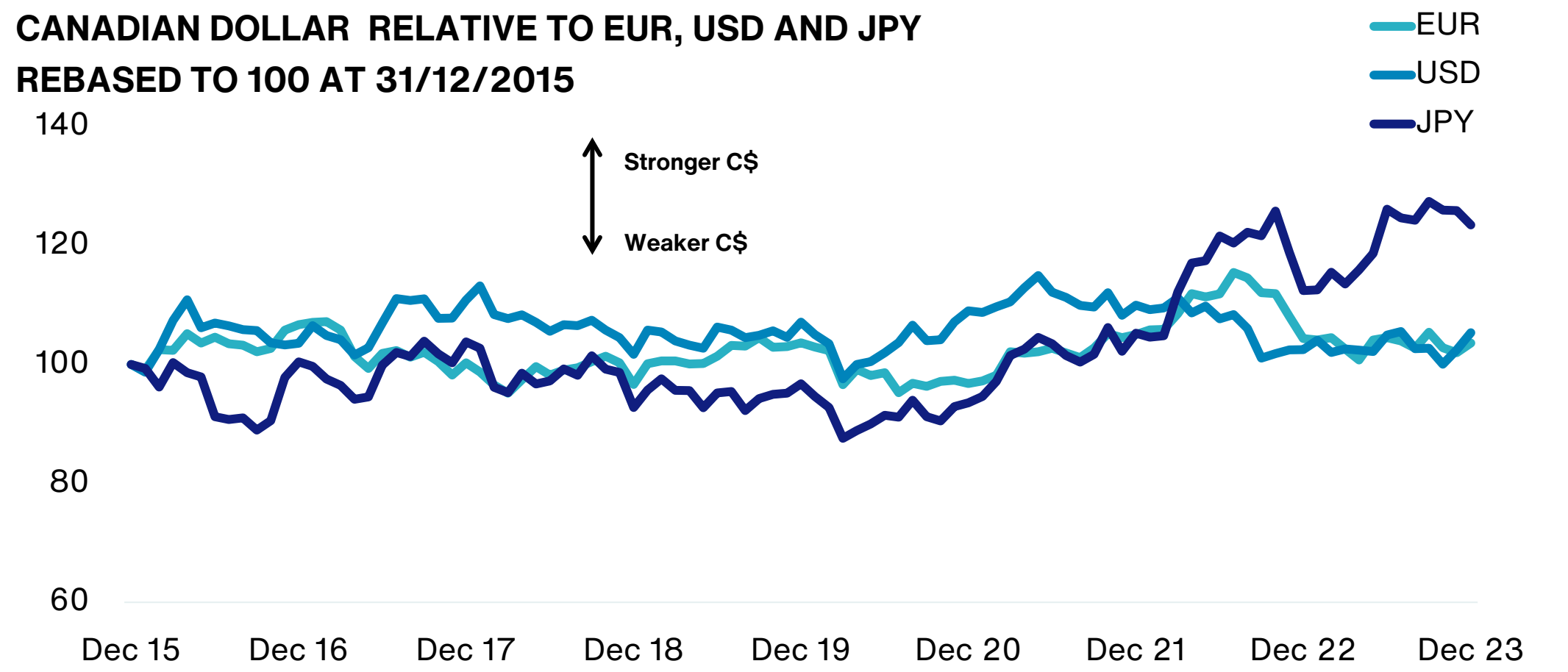
# Currency

TRADE WEIGHTED CANADIAN DOLLAR INDEX (1999 = 100)



Source: Bank of Canada

CANADIAN DOLLAR RELATIVE TO EUR, USD AND JPY  
REBASED TO 100 AT 31/12/2015

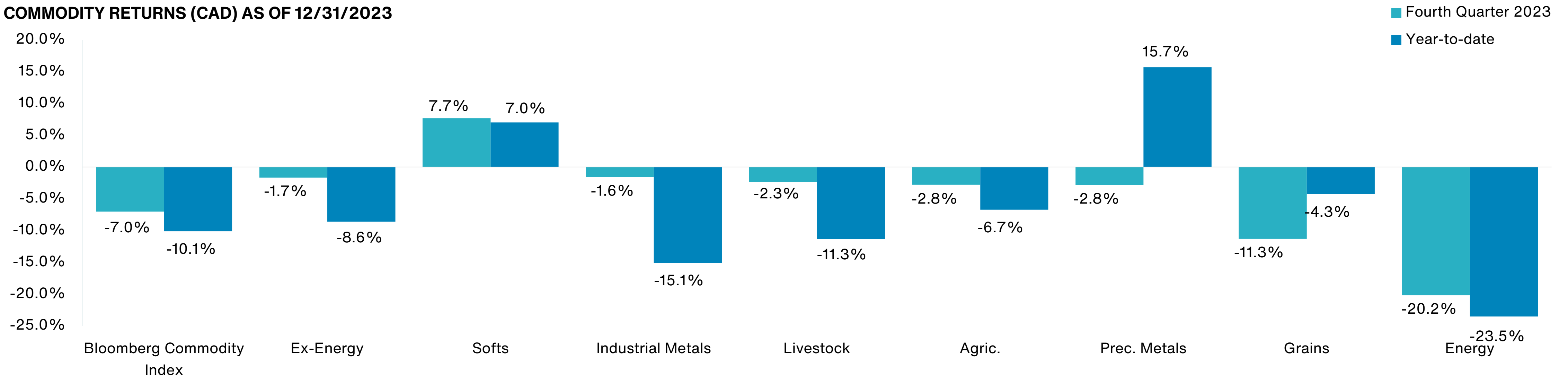


source: Factset

- As measured by the broad trade-weighted Canadian dollar (CAD) index, the CAD fell 0.3% during the fourth quarter, having a negative performance against all the major currencies except the U.S. dollar (USD).
- On a trade-weighted basis, the USD depreciated by 3.2%. The USD also fell by 2.5% against the CAD over the quarter. Additionally, the CAD depreciated by 1.7% against the euro and by 3.1% against the yen.
- The USD depreciated by 4.2% against the euro and by 5.5% against the yen.

# Commodities

COMMODITY RETURNS (CAD) AS OF 12/31/2023



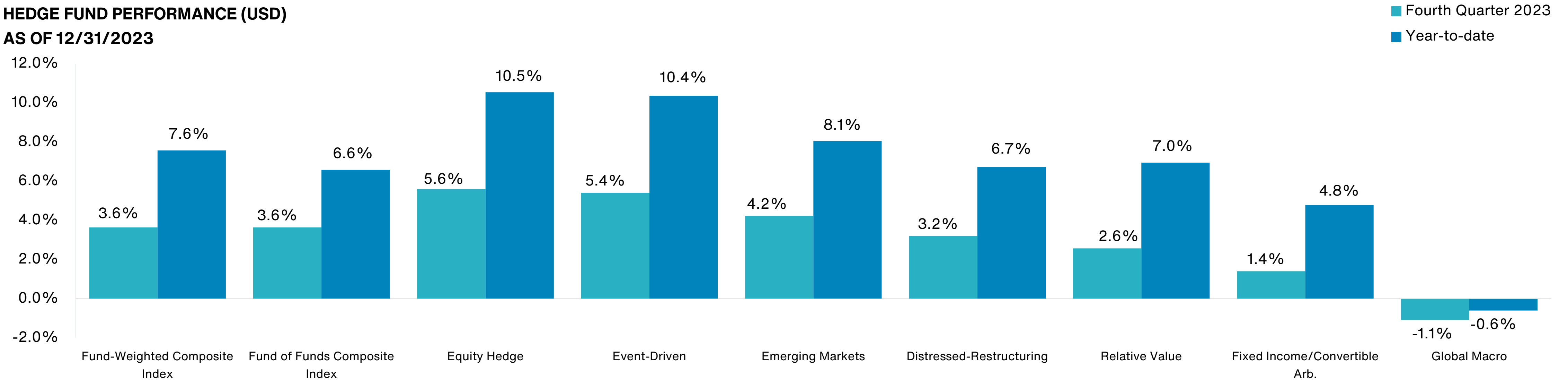
Source: Bloomberg Note: Softs and Grains are part of the wider Agriculture sector

- Commodity prices fell over the quarter, with the Bloomberg Commodity Index falling by 7.0% over the quarter.
- The Energy sector was the worst performer as it fell 20.2% over the quarter and 23.5% over the year. The price of WTI crude oil was significantly down by 21.1% to U.S.\$72/BBL.
- Precious Metals rose the most over the year at 15.7%.
- Meanwhile, Opec+ members announced voluntary oil production cuts until Q1 2024. Saudi Arabia pledged to extend an ongoing 1M barrels per day (bpd) production cut whilst Russia will increase its export reduction from the current 300,000 bpd to 500,000 bpd. Opec+ aims for a total of 2M bpd production cut with the help of other members.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.

# Hedge Funds Market Overview

## HEDGE FUND PERFORMANCE (USD) AS OF 12/31/2023



Source: HFR Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.

- Hedge fund performance was positive over the quarter except for Global Macro.
- The HFRI Fund-Weighted Composite and HFRI Fund of Funds Composite Index both produced returns of 3.6% over the quarter.
- Over the quarter, Equity Hedge was the best performer with a return of 5.6%.
- Global Macro was the worst performer with a return of -1.1% over the quarter.
- On a YTD basis, Equity Hedge has outperformed all other strategies whilst Global Macro has trailed.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses.

## Appendix D - Description of Market Indices and Statistics



# Index Definitions

## As of 31 December 2023

### **S&P/TSX Composite**

S&P/TSX Composite Index comprises approximately 70 percent of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available.

### **S&P 500**

Standard and Poor's 500 Composite Stock Index consists of 500 large companies in the United States chosen for market size, liquidity and industry group representation. It is a market-value weighted index, with each stock's weight in the index proportionate to its market value. For the purposes of this report, the S&P 500 Index returns are converted from U.S. dollars into Canadian dollars, and therefore reflect currency gains or losses.

### **MSCI EAFE**

The MSCI Europe, Australasia and Far East (EAFE) Index is a widely recognized benchmark of non-North American stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 21 European and Pacific Basin Countries and includes reinvestment of all dividends. This index aims to capture 85% of the free float adjusted market capitalization in each industry group in each country.

### **MSCI World**

MSCI World Index consists of more than 1,600 stocks in 23 of the world's largest industrialized countries globally and represents approximately 85% of the total market capitalization in those countries. The index is computed on a float-based capitalization.

### **FTSE Canada Universe Bond**

The FTSE Canada Universe Bond Index covers all marketable Canadian bonds with term to maturity of more than one year. The Index contains approximately one thousand marketable Canadian bonds with an average term of approximately 10.2 years. The purpose of the Index is to reflect the performance of the broad "Canadian Bond Market" in a similar manner to the S&P/TSX Capped Composite Index in the Canadian Equity Market.

### **FTSE Canada Long Term Overall Bond**

The FTSE Canada Long Term Overall Bond Index is a capitalization-weighted index containing bonds with a term to maturity of greater than 10 years. It includes approximately 300 marketable Canadian bonds. The average term is approximately 23.1 years and the average duration is approximately 15.5 years.

### **FTSE Canada Real Return Bond**

The FTSE Canada Real Return Bond Index measures the daily performance of Canadian real return bonds. It currently contains the outstanding real return bonds in the market.

### **CPI**

Consumer Price Index is used to gauge Canada's inflation rate. The series used is the all items, not seasonally adjusted, 2002 base, widely known as the headline inflation.

# Statistic Definitions

## As of 31 December 2023

### **Active Return**

Arithmetic difference between the portfolio return and the benchmark return over a specified time period.

### **Active Weight**

The difference between the portfolio weight and the benchmark weight, where the weight is based on the beginning of period weights for the sector/region/asset class for a certain periodicity (monthly or quarterly, depending upon the reporting frequency), adjusted by the relative return for the sector/region/asset class.

### **Annualized Value Added**

A portfolio's excess return over a benchmark, annualized as it is recorded.

### **Asset Allocation**

The value added or subtracted by under or over weighting sectors/regions/asset classes versus the benchmark weights. Asset allocation measures the impact on performance attributed only to the sector/region/asset class weighting decisions by the manager. It assumes that the manager holds the same securities in each sector/region/asset class and in the same proportion as in the benchmark. Any differences in return can be attributed to differences in sector weights between the manager's fund and the benchmark.

### **Batting Average**

The frequency, expressed in percentage terms, of the portfolio's return equaling or exceeding the benchmark's return.

### **Beta**

A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

### **Correlation**

Also called coefficient of correlation, it is a measure of the co-movements of two sets of returns. Indicates the degree in which two sets of returns move in tandem.

### **Cumulative Added Value**

The geometrically linked excess return of a portfolio over a benchmark.

### **Down Market Capture**

The portfolio's average return as a percentage of the benchmark return, during periods of negative benchmark return. Lower values indicate better portfolio performance.

### **Downside Risk**

A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the portfolio.

### **Duration**

A measure of a bond portfolio's sensitivity to movements in interest rates.

### **EPS**

Earnings Per Share.

### **Excess Return**

Arithmetic difference between the managers return and the risk-free return over a specified time period.

# Statistic Definitions

## As of 31 December 2023

### **Excess Risk**

A measure of the standard deviation of a portfolio's performance relative to the risk free return.

### **Information Ratio**

Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

### **Return**

Compounded rate of return for the period.

### **R-Squared**

The percentage of a portfolio's performance explained by the behaviour of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.

### **Security Selection**

The value added or subtracted by holding securities at weights which differ from those in the benchmark, including securities not in the benchmark or a zero weight. The security selection return assumes the manager weights for each sector/region/asset class in the portfolio are in the same proportion as in the overall benchmark, and excess returns are due to security selection. That is, differences in returns between the manager's fund and the benchmark are attributed to the securities the manager has chosen.

### **Sharpe Ratio**

Represents the excess rate of return over the risk free return divided by the standard deviation of the return. The result is the absolute rate of return per unit of risk. The higher the value, the better the portfolio's historical risk-adjusted performance.

### **Simple Alpha**

The difference between the portfolio's return and the benchmark's return.

### **Standard Deviation**

A statistical measure of the range of a portfolio's performance, the variability of a return around its average return over a specified time period.

### **Tracking Error**

A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate benchmark.

### **Up Market Capture**

The portfolio's average return as a percentage of the benchmark return, during periods of positive benchmark return. Higher values indicate better portfolio performance.

## Appendix E - Fee Analysis

## Appendix F - Disclosure

# Statement of Disclosure

Aon Solutions Canada Inc. reconciles the rates of return with each investment manager quarterly. Aon Solutions Canada Inc. calculates returns from the custodian/trustee statements while the managers use different data sources. Occasionally discrepancies occur because of differences in computational procedures, security prices, "trade date" versus "settlement date" accounting, etc. We monitor these discrepancies closely and find that they generally do not tend to persist over time. However, if a material discrepancy arises or persists, we will bring the matter to your attention after discussion with your money manager.

*This report may contain slight discrepancies due to rounding in some of the calculations. All data presented is in Canadian dollars unless otherwise stated.*

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