

# Quarterly Asset Evolution Report



meritage  
PORTFOLIOS®

Agile. Diligent. Proactive.

## Summary of contributions per asset class

Q3 | 2024

### Contributors for the quarter

#### Active management of fixed income

- › Several underlying fixed income funds in the Meritage Portfolios added value during the quarter, including:
  - TD Canadian Core Plus Bond Fund
  - CI Canadian Bond Fund
  - Manulife Strategic Income Fund

#### Active management of American and international equities

- › Several underlying equity funds in the Meritage Portfolios added value during the quarter, including:
  - AGF American Growth Fund
  - PH&N Overseas Equity Fund

### Detractors for the quarter

#### Active management of Canadian equities

- › Several underlying equity funds in the Meritage Portfolios underperformed their benchmark over the past quarter. This is particularly the case for:
  - Leith Wheeler Canadian Equity Fund
  - Beutel Goodman Canadian Equity Fund
  - Beutel Goodman Canadian Dividend Fund

#### Fixed income diversification

- › Fixed income diversification in the Meritage Portfolios removed value during the quarter. Several fixed income categories have underperformed the traditional bond universe, including:
  - Global bonds

## Explanations

- ▶ The third quarter brought good news for investors, with considerable gains in most asset classes, although equities were confronted with much higher volatility than in the first half of the year. In the face of this turbulence, several lagging market segments managed to make up ground, as was the case not only for Canadian equities, but also for bonds, which performed particularly well over the period.
- ▶ Specifically, the S&P/TSX outperformed emerging markets, the EAFE region and the S&P 500. In addition, the onset of interest-rate cuts benefited all fixed-income securities, with greater gains for credit and longer-dated segments. Among commodities, a drop in demand coupled with rumors of increased supply led to a significant decline in the price of a barrel of oil, while persistent geopolitical tensions benefited gold prices. Finally, the Fed's change of tone led to a general decline in the U.S. dollar, which was nevertheless limited against the Canadian dollar.
- ▶ The Fund made no changes to its strategy during the third quarter. However, the reduction of equities in the EAFE region in exchange for a purchase of emerging markets at the very end of the second quarter proved beneficial.

Please consult the Meritage [Round Table](#) and [Summary Table](#) for supplementary information.

Contact us:



[nbinvestments.ca/meritage](https://nbinvestments.ca/meritage)



Open architecture.  
Endless opportunities.

The information and the data supplied in the present document, including those supplied by third parties, are considered accurate at the time of their printing and were obtained from sources which we considered reliable. We reserve the right to modify them without advance notice. This information and data are supplied as informative content only. No representation or guarantee, explicit or implicit, is made as for the exactness, the quality and the complete character of this information and these data. The opinions expressed are not to be construed as a solicitation or as an offer to buy or sell the shares or units mentioned herein and should not be considered as recommendations.

Meritage Portfolios® (the "Portfolios") are managed by National Bank Investments Inc., a wholly owned subsidiary of National Bank of Canada. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus of the Portfolios before investing. The Portfolios' securities are not insured by the Canada Deposit Insurance Corporation or by any other government deposit insurer. The Portfolios are not guaranteed, their values change frequently and past performance may not be repeated.

® MERITAGE PORTFOLIOS and the Meritage Portfolios logo are registered trademarks of National Bank of Canada, used under licence by National Bank Investments Inc.

® NATIONAL BANK INVESTMENTS is a registered trademark of National Bank of Canada, used under licence by National Bank Investments Inc.

© National Bank Investments Inc., 2024. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank Investments Inc.

National Bank Investments is a signatory of the United Nations-supported Principles for Responsible Investment, a member of Canada's Responsible Investment Association, and a founding participant in the Climate Engagement Canada initiative.