



### MARKET UPDATE

The previous month's tailwinds continued into the final month of 2023, as the Canadian fixed income market advanced 3.43%, proxied by the FTSE Canada Universe Bond Index, and finished the year up 6.69%. Given the on-going central banker rhetoric of higher-for-longer, the US Fed delivered a cheerful gift in December by confirming the markets expectations that rates are sufficiently restrictive to meet their inflation objective over time and that the next move in rates will be a cut in 2024. This confirmation added further to the demand for bonds and sent yields lower and credit spreads tighter.

The move in yields over the final two month of the year was significant. After the Canadian and US 10-year yields peaked in October at 4.24% and 5.11%, respectively, rates have dramatically rallied. The Canada 10-year rate ended the year at 3.11%, 113bps below the peak and 19bps below beginning of year level. Similarly, the US 10-year Treasury yield rallied 123bps to 3.88% and was effectively unchanged from beginning of year levels. The latter data point is interesting, despite the additional 2023 rate hikes and focus on rising rates over the course of the year, the stumbling from one market narrative to the next left rates effectively unchanged to lower across the curve over the calendar year.

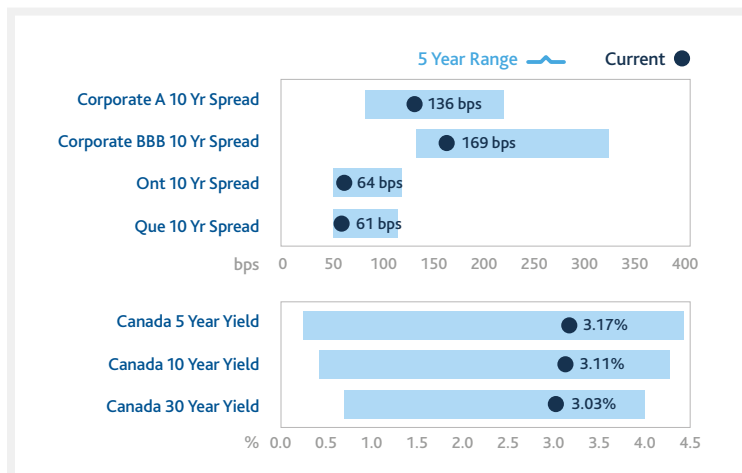
One of the more counterintuitive events that unfolded was the muted bull-steepening that occurred in both Canada and US yield curves. The explicit shift from Chair Powell of pushing for more hikes to laying the groundwork for 2024 cuts should have triggered a front-end rally and ultimately a bull-steepener. However, North American curve inversions were relatively unchanged versus when yields reached their October peaks, with the downward shift in rates occurring in a parallel fashion. This reflects the markets shift to a willingness for duration exposure.

Entering 2024, inflation, employment and growth trends will be the key indicators to watch. Progress on inflation has been encouraging, but it remains uncomfortably high for Central Bankers to declare mission accomplished. The labour market has loosened from extremes but remains tight from a historical context. Economic growth has proved to be more resilient in the US than expected, while Canada has shown its vulnerability to higher rates with effectively flatline growth over the past half-year. With markets pricing in 5-7 cuts from the BoC and Fed at year-end. Will central bankers be able to live up to expectations?

### CREDIT IN FOCUS

Credit markets had a bullish performance to end the year with spreads compressing 10bps in December and 30bps over 2023. Corporates were the best performing sector across each maturity bucket for the calendar year. Overall, corporate new issuance was lower in 2023 versus 2022, (\$105B vs \$123B). However, the previous year's heavy issuance from Banks gave way to ex-financial corporate issuers, with the latter actually increasing supply from \$52B to \$69B.

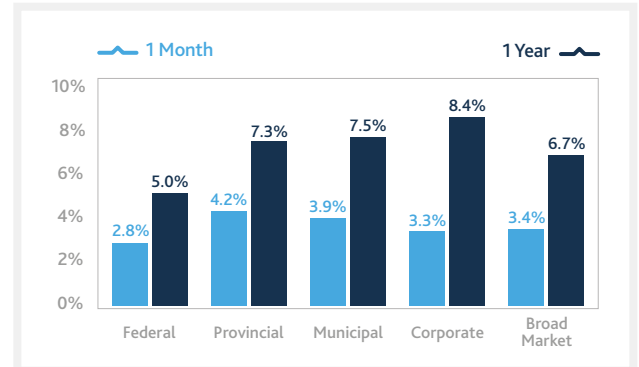
### Current vs. Historical 5 Yr Ranges



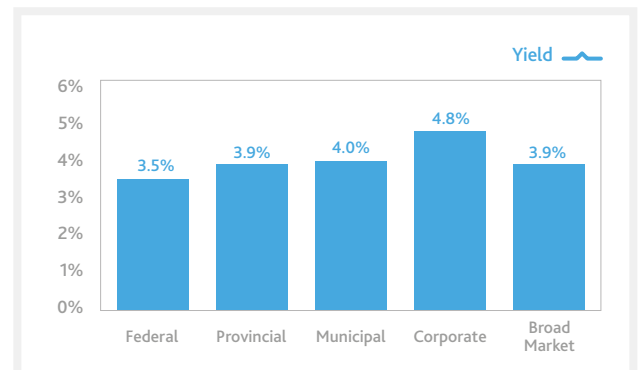
Source: Bloomberg Financial LP, FTSE Russell Global Debt Market Indices, as of December 29, 2023.

### AS OF DECEMBRE 29, 2023

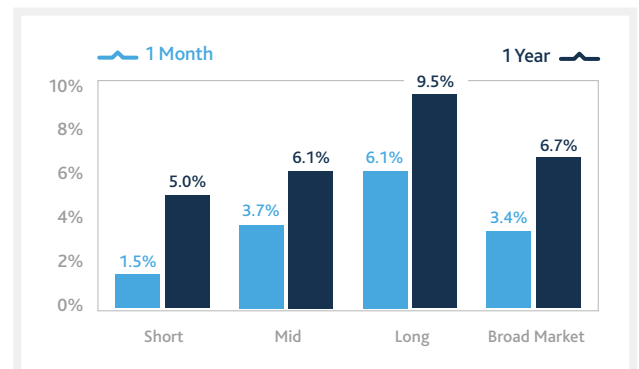
#### Broad Market Returns



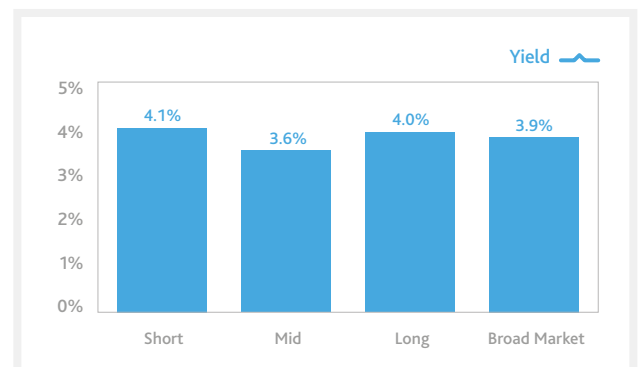
#### Broad Market Yields



#### Term Bucket Returns



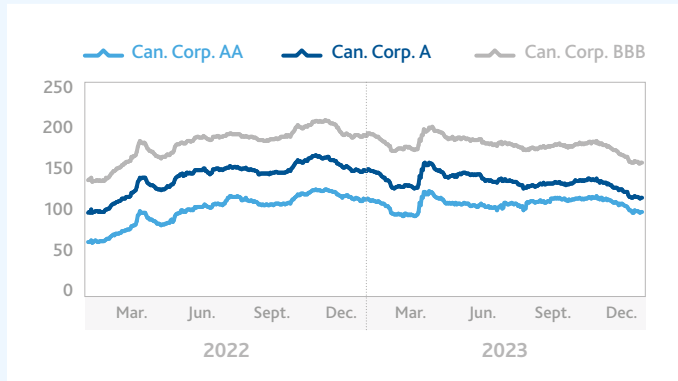
#### Term Bucket Yields



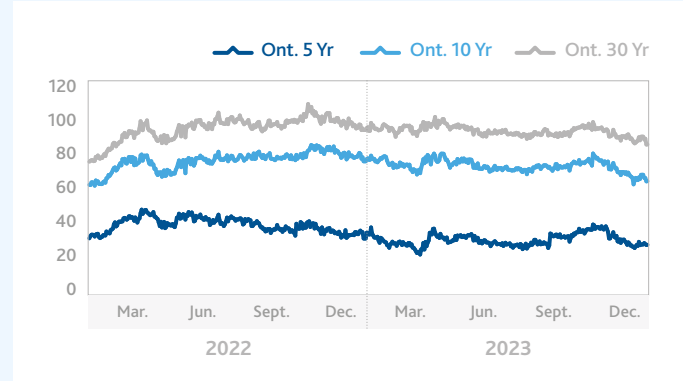


# CHARTING THE FIXED INCOME MARKET | AS OF DECEMBRE 29, 2023

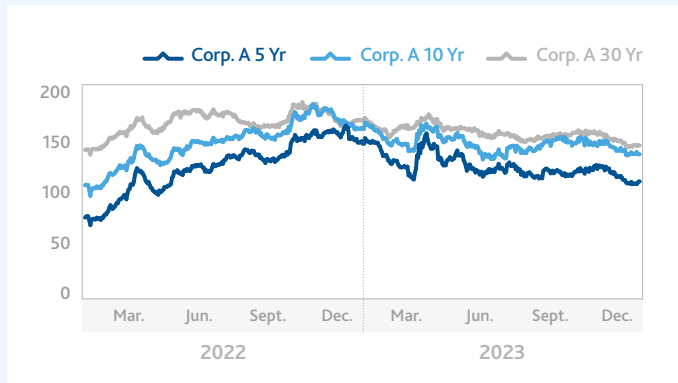
### Canada Corporate Ratings Spreads (bps)



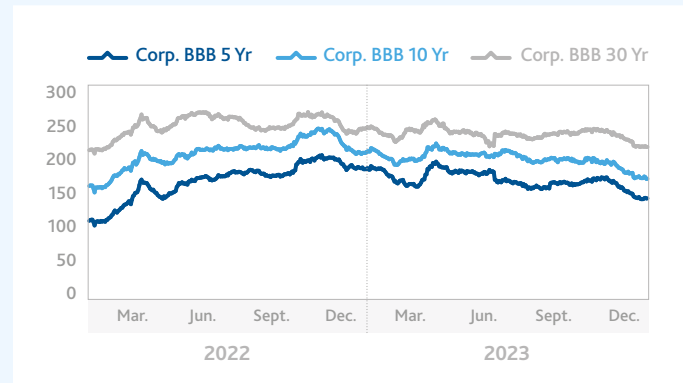
### Provincial Spreads (bps)



### Canada Corporate A Spreads (bps)



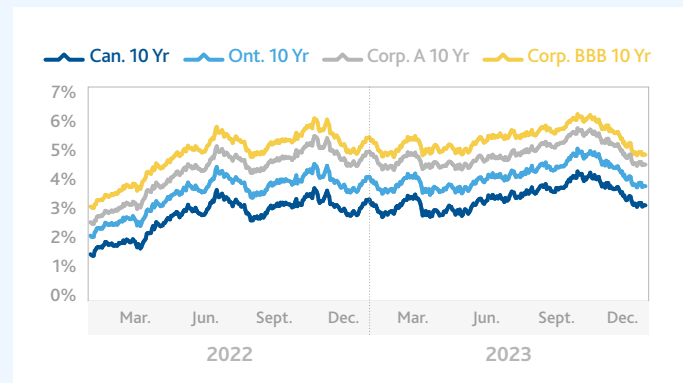
### Canada Corporate BBB Spreads (bps)



### Govt. of Canada Yields



### Canadian Bond Yields



### Yield Curve Slope (bps)



### Canada Corporate & U.S. High Yield Spreads (bps)



Source: Bloomberg Financial LP.



## FUND PERFORMANCE | AS OF DECEMBRE 29, 2023

ANNUALIZED RETURNS	MTD	QTD	YTD	1Y	3Y	5Y	7Y	10Y	Since Inception	Inception
<b>UNIVERSE</b>										
Fiera ASFI – Active Canadian Bonds Universe Fund	4.11	9.22	7.43	7.43	-2.64	1.69	1.82	2.66	4.68	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-2.80	1.30	1.49	2.42	4.40	1998-07-01
<b>Added Value</b>	<b>0.68</b>	<b>0.95</b>	<b>0.75</b>	<b>0.75</b>	<b>0.16</b>	<b>0.39</b>	<b>0.34</b>	<b>0.24</b>	<b>0.28</b>	
Fiera Integrated Fixed Income – Universe Fund	3.53	8.49	7.57	7.57	-2.24	1.89	2.07	2.91	7.89	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-2.80	1.30	1.49	2.42	-	
<b>Added Value</b>	<b>0.10</b>	<b>0.23</b>	<b>0.88</b>	<b>0.88</b>	<b>0.56</b>	<b>0.59</b>	<b>0.59</b>	<b>0.50</b>	<b>-</b>	
Fiera ASFI – Strategic Fixed Income Universe Fund	4.10	9.16	7.69	7.69	-2.61	1.89	-	-	2.17	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-2.80	1.30	-	-	1.57	2018-10-01
<b>Added Value</b>	<b>0.67</b>	<b>0.89</b>	<b>1.00</b>	<b>1.00</b>	<b>0.19</b>	<b>0.59</b>	<b>-</b>	<b>-</b>	<b>0.60</b>	
Fiera ASFI - Core Plus Canadian Bond Universe Fund	3.89	8.50	8.17	8.17	-	-	-	-	-0.41	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-	-	-	-	-1.29	2022-01-19
<b>Added Value</b>	<b>0.46</b>	<b>0.23</b>	<b>1.48</b>	<b>1.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.88</b>	
Fiera SFI – Canadian Universe Bond Fund	3.83	8.68	8.67	8.67	-1.58	2.78	2.90	3.62	3.40	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-2.80	1.30	1.49	2.42	2.12	2012-09-23
<b>Added Value</b>	<b>0.40</b>	<b>0.41</b>	<b>1.98</b>	<b>1.98</b>	<b>1.22</b>	<b>1.48</b>	<b>1.41</b>	<b>1.21</b>	<b>1.28</b>	
Fiera ASFI – Active Universe Ethical Fund	4.06	9.13	7.40	7.40	-2.65	1.66	1.79	2.56	4.05	
FTSE Canada Universe Bond Index	3.43	8.27	6.69	6.69	-2.80	1.30	1.49	2.42	3.78	2004-01-01
<b>Added Value</b>	<b>0.63</b>	<b>0.86</b>	<b>0.71</b>	<b>0.71</b>	<b>0.16</b>	<b>0.36</b>	<b>0.30</b>	<b>0.15</b>	<b>0.27</b>	
<b>LONG TERM</b>										
Fiera Long Bond Fund	6.33	15.53	10.13	10.13	-6.33	0.84	1.64	3.35	4.07	
FTSE Canada Long Term Bond Index	6.09	14.82	9.51	9.51	-6.47	0.63	1.47	3.30	3.94	2010-07-01
<b>Added Value</b>	<b>0.24</b>	<b>0.71</b>	<b>0.62</b>	<b>0.62</b>	<b>0.14</b>	<b>0.21</b>	<b>0.17</b>	<b>0.04</b>	<b>0.12</b>	
Fiera ASFI – Strategic Fixed Income Long Term Universe Fund	6.18	15.24	10.39	10.39	-6.08	-	-	-	0.66	
FTSE Canada Long Term Bond Index	6.09	14.82	9.51	9.51	-6.47	-	-	-	0.20	2019-02-01
<b>Added Value</b>	<b>0.09</b>	<b>0.43</b>	<b>0.88</b>	<b>0.88</b>	<b>0.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.46</b>	
Fiera Relative Value Long Term Fixed Income Universe Fund	5.91	14.91	9.48	9.48	-5.82	1.57	-	-	1.79	
FTSE Canada Long Term Bond Index	6.09	14.82	9.51	9.51	-6.47	0.63	-	-	0.82	2018-06-11
<b>Added Value</b>	<b>-0.18</b>	<b>0.09</b>	<b>-0.03</b>	<b>-0.03</b>	<b>0.65</b>	<b>0.94</b>	<b>-</b>	<b>-</b>	<b>0.96</b>	
<b>SHORT TERM</b>										
Fiera Integrated Fixed Income - Short Term Fund	1.60	4.35	5.72	5.72	0.33	2.05	1.83	2.02	3.66	
FTSE Canada Short Term Bond Index	1.51	4.11	5.02	5.02	-0.06	1.62	1.44	1.66	3.41	2000-10-01
<b>Added Value</b>	<b>0.09</b>	<b>0.24</b>	<b>0.69</b>	<b>0.69</b>	<b>0.39</b>	<b>0.43</b>	<b>0.39</b>	<b>0.35</b>	<b>0.25</b>	
Fiera ASFI - Enhanced Short Term Fund	2.47	5.68	6.97	6.97	0.47	-	-	-	0.99	
75% FTSE Can. Short Term Bond / 25% FTSE Can. Mid Term Bond	2.05	5.14	5.32	5.32	-0.66	-	-	-	-0.19	2020-07-01
<b>Added Value</b>	<b>0.43</b>	<b>0.54</b>	<b>1.65</b>	<b>1.65</b>	<b>1.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.17</b>	
Fiera Integrated Fixed Income – Short and Mid Term Bond Fund	2.79	6.70	7.21	7.21	-0.56	2.44	2.22	-	2.27	
FTSE Canada Custom Benchmark	2.67	6.38	6.38	6.38	-0.96	2.00	1.87	-	1.92	2015-10-01
<b>Added Value</b>	<b>0.13</b>	<b>0.32</b>	<b>0.83</b>	<b>0.83</b>	<b>0.40</b>	<b>0.44</b>	<b>0.35</b>	<b>-</b>	<b>0.34</b>	
<b>CORPORATE</b>										
Fiera Credit Fund	3.40	7.76	8.82	8.82	-0.83	2.91	2.82	3.38	3.35	
FTSE Canada All Corporate Bond Index	3.27	7.63	8.37	8.37	-1.23	2.51	2.43	3.10	3.09	2012-03-01
<b>Added Value</b>	<b>0.13</b>	<b>0.13</b>	<b>0.44</b>	<b>0.44</b>	<b>0.40</b>	<b>0.40</b>	<b>0.39</b>	<b>0.29</b>	<b>0.26</b>	
Fiera LDI Corporate Bond Fund	5.22	12.05	10.63	10.63	-2.97	2.62	2.83	-	3.32	
FTSE Canada Custom Benchmark	5.22	12.06	10.54	10.54	-2.99	2.61	2.88	-	3.50	2014-06-09
<b>Added Value</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.09</b>	<b>0.09</b>	<b>0.03</b>	<b>0.02</b>	<b>-0.05</b>	<b>-</b>	<b>-0.18</b>	
<b>GLOBAL</b>										
Fiera Global Multi-Sector Income Fund	3.53	7.23	11.81	11.81	2.30	3.00	2.93	3.73	4.52	
Bloomberg Global Aggregate Bond Index (Hedged to CAD)	3.07	5.67	3.48	3.48	1.15	0.69	0.49	0.34	0.24	2009-11-30
<b>Added Value</b>	<b>0.46</b>	<b>1.56</b>	<b>8.34</b>	<b>8.34</b>	<b>1.16</b>	<b>2.31</b>	<b>2.44</b>	<b>3.39</b>	<b>4.28</b>	
Fiera High Yield Bond Fund	3.21	7.01	10.42	10.42	1.63	4.41	3.50	3.85	3.85	
BofA Merrill Lynch US High Yield BB-B Constrained	3.27	6.74	11.61	11.61	1.21	4.40	3.61	3.94	3.94	2014-01-02
<b>Added Value</b>	<b>-0.06</b>	<b>0.27</b>	<b>-1.19</b>	<b>-1.19</b>	<b>0.42</b>	<b>0.00</b>	<b>-0.11</b>	<b>-0.10</b>	<b>-0.10</b>	
<b>MONEY MARKET</b>										
Fiera Cash in Action Fund	0.58	1.35	5.02	5.02	2.36	1.92	1.71	1.44	3.52	
FTSE Canada 30-Day T-Bill Index	0.39	1.26	4.77	4.77	2.17	1.76	1.53	1.26	-	1990-01-01
<b>Added Value</b>	<b>0.18</b>	<b>0.09</b>	<b>0.25</b>	<b>0.25</b>	<b>0.19</b>	<b>0.16</b>	<b>0.18</b>	<b>0.18</b>	<b>-</b>	
Fiera Short Term Investment Fund	0.46	1.32	5.01	5.01	2.45	2.07	1.85	1.56	5.21	
FTSE Canada 91-Day T-Bill Index	0.39	1.28	4.71	4.71	2.22	1.83	1.58	1.31	5.01	1981-02-01
<b>Added Value</b>	<b>0.07</b>	<b>0.04</b>	<b>0.30</b>	<b>0.30</b>	<b>0.24</b>	<b>0.24</b>	<b>0.26</b>	<b>0.25</b>	<b>0.20</b>	
Fiera Short Term Plus Fund	0.46	1.32	5.01	5.01	2.40	2.00	1.82	1.63	2.53	
FTSE Canada 91-Day T-Bill Index	0.39	1.28	4.71	4.71	2.22	1.83	1.58	1.31	2.31	1996-10-01
<b>Added Value</b>	<b>0.07</b>	<b>0.04</b>	<b>0.30</b>	<b>0.30</b>	<b>0.18</b>	<b>0.17</b>	<b>0.24</b>	<b>0.31</b>	<b>0.22</b>	

Source: FTSE Russell Global Debt Market Indices, ICE BofA Merrill Lynch Index.

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