



Portfolio Strategy

The Monthly Chart Book

March 1, 2024

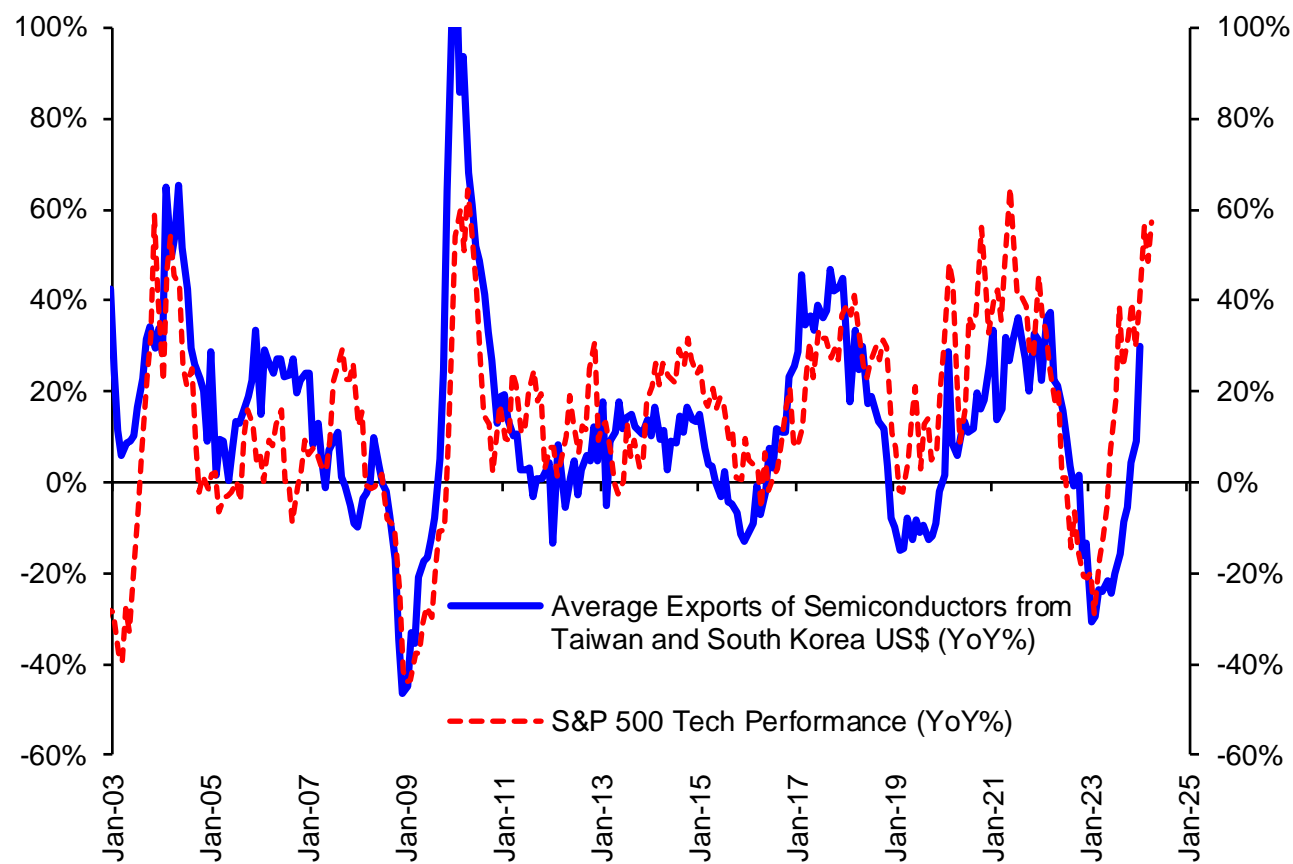
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Surging Semiconductor Exports in Taiwan/Korea Supporting Broader Tech Momentum

Surge in Semi-Related Exports Support Rally in US Tech Sector



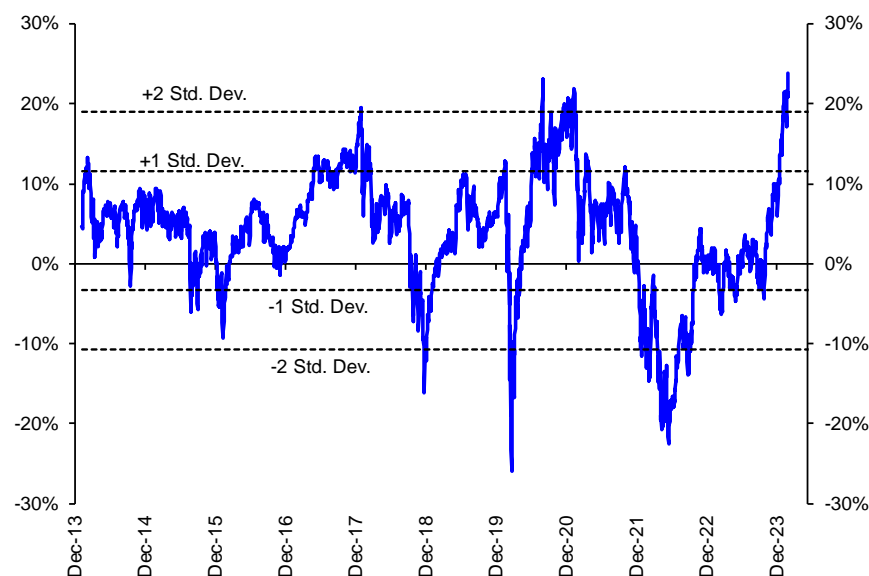
Source: Scotiabank GBM Portfolio Strategy, Haver Analytics.

Different Styles... But All Have High Big-Tech Exposure

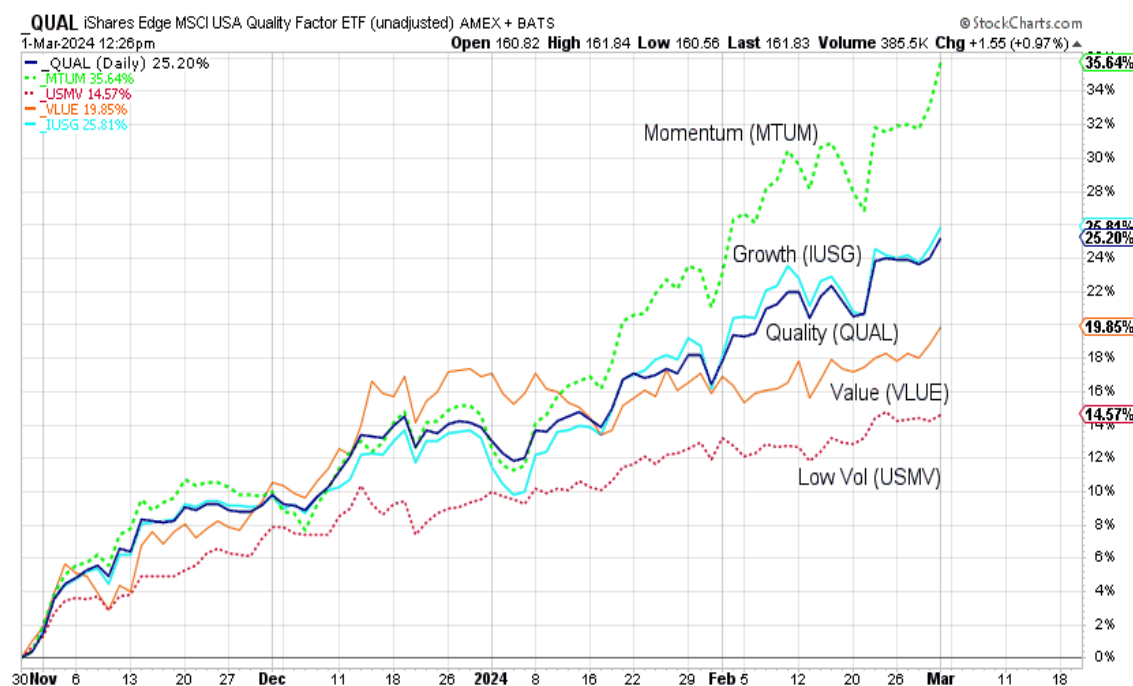
- From a style perspective, Momentum stocks have been by far the best performers since late October, with the MTUM ETF rising more than 35%. While Growth and Quality ETFs are also performing strongly, Value and Low-volatility ETFs are trailing far behind, as shown below.
- It's well known by now, even by less sophisticated investors, that buying Momentum, Growth, and Quality ETFs is akin to betting on big tech. What is less well known, however, is that no matter what you buy, a big chunk of your money is going into "tech land."
- Here is the largest sector exposure for each ETF (rounded; as at Feb. 28):

– Momentum (MTUM):	Tech 42%, Comm 14%.
– Growth (IUSG):	Tech 45%, Disc 15%.
– Quality (QUAL):	Tech 31%, HC 12%.
– Value (VLUE):	Tech 29%, Fin 13%.
– Low volatility (USMV):	Tech 25%, HC 17%.

US Momentum Stocks Now Trading 20%+ Above their 200-d Line



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

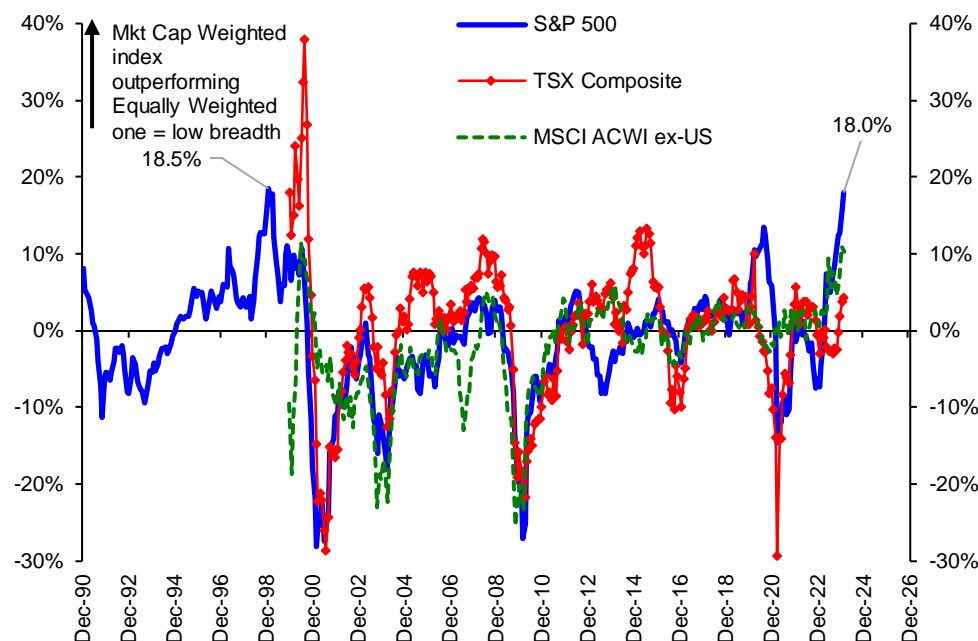


Source: Scotiabank GBM Portfolio Strategy, chart courtesy of StockCharts.com.

Partying Like It's 1999 – Low Breadth Could Last Longer than Expected

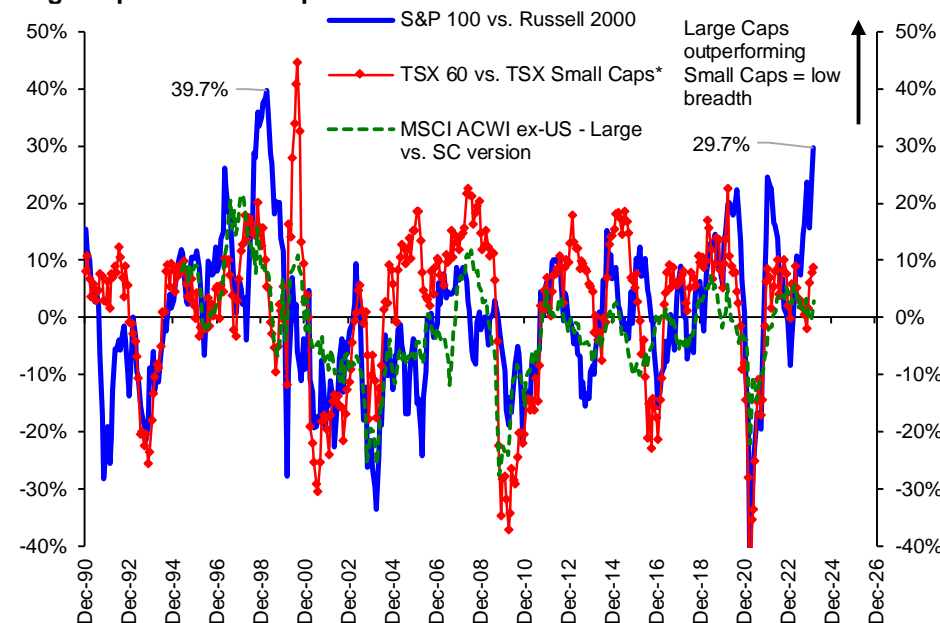
- Recent strong results from NVIDIA and most of the Magnificent 7 have led to substantial outperformance from these mega caps, while the rest of the market offers more tepid performance at best. As shown below on the left, the year-over-year (y/y) outperformance from the S&P 500 market cap weighted over the S&P 500 Equally Weighted (EW) has reached 18% y/y, within a whisper of its all-time high in January 1999.
- Likewise, when looking at the performance gap between large and small caps, we see some pretty extreme numbers in the United States, reminiscent again of 1999 (see right-side chart). This narrow leadership is not shared elsewhere: Canadian and Rest of the World performance differentials are much more tepid. We would note that the MSCI ACWI ex-U.S. dominance over its EW variant is just below its 2000 peak, but the magnitude is not especially wide.
- While low breadth is always concerning, especially after strong rallies, we would warn that extreme dominance by a few names does not necessarily imply that a reversal is a sure thing in the near term. For example, if large cap leadership versus small caps/EW peaked in early 1999 in the United States, it did remain positive until the summer of 2000, when markets peaked (i.e., close to 18 months). The AI craze could thus cause lasting pain for those unwilling to chase, even if mean-reversion wins out in the end.

Equity Index Mkt Cap Weighted vs. Equally Weighted YoY



Source: Scotiabank GBM Portfolio Strategy, Bloomberg, TMX.

Large Caps vs. Small Caps YoY

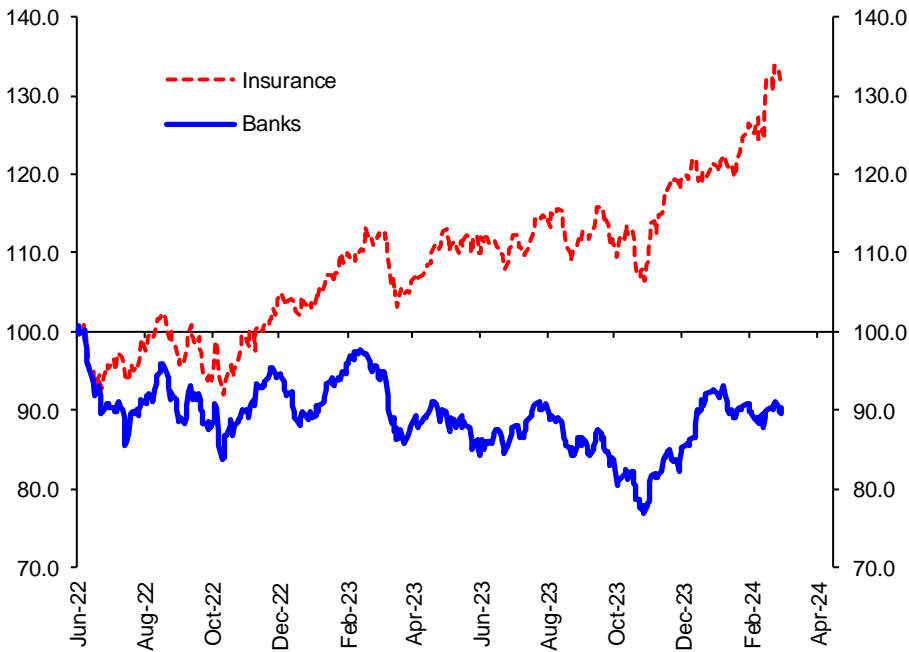


*S&P Canada Small Caps prior to 1999

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

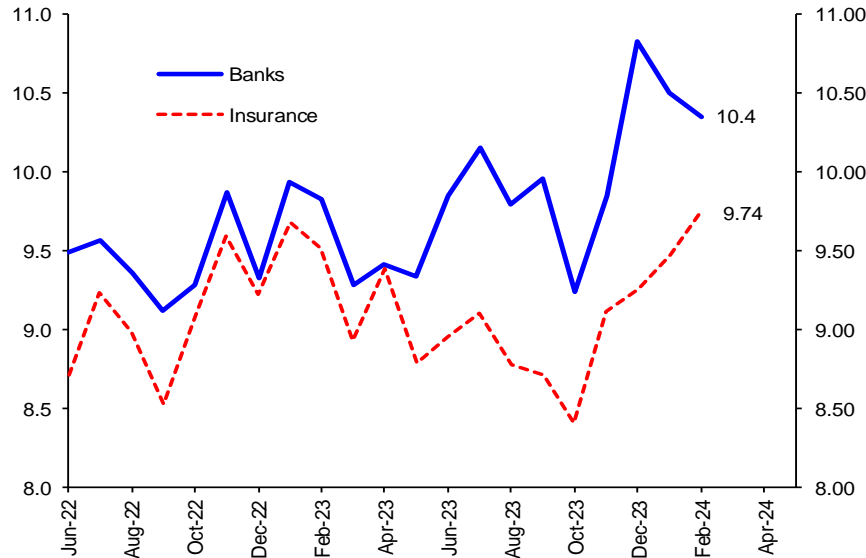
TSX Banks Beat a Low Bar, but Insurance Is Cheaper and Displays Superior EPS Momentum

Normalized Return: TSX Banks vs Insurance

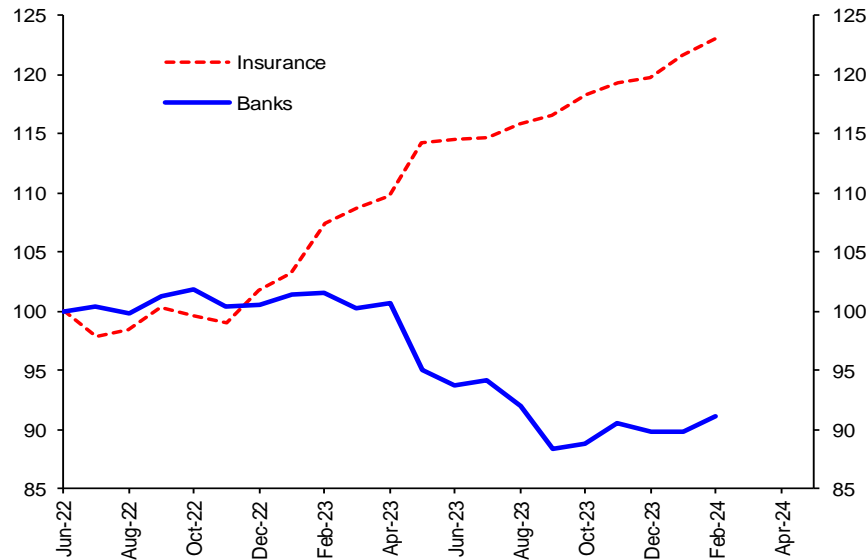


Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

12-M Fwd P/E: TSX Banks vs Insurance



Normalized 12-M Fwd EPS: TSX Banks vs Insurance

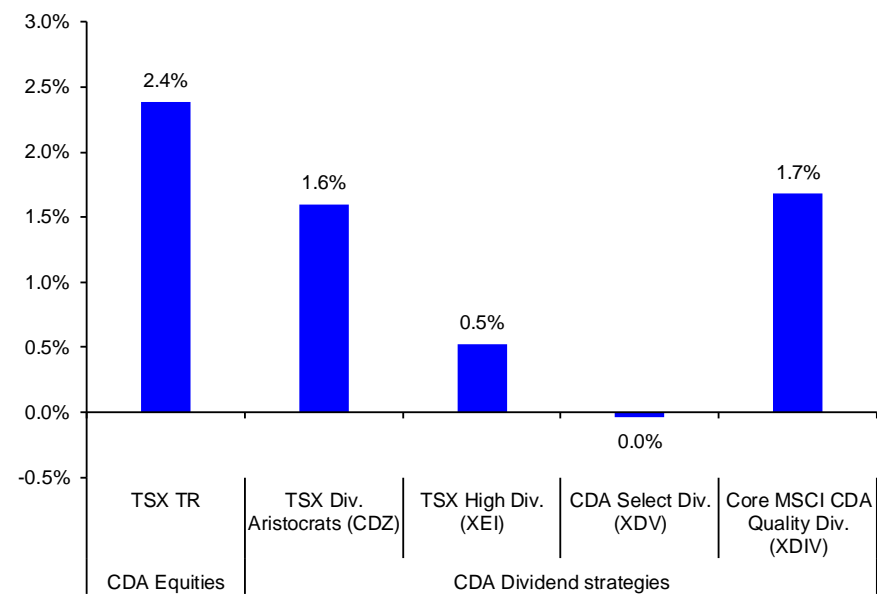


Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

Canadian Dividend Strategies Underperforming Again

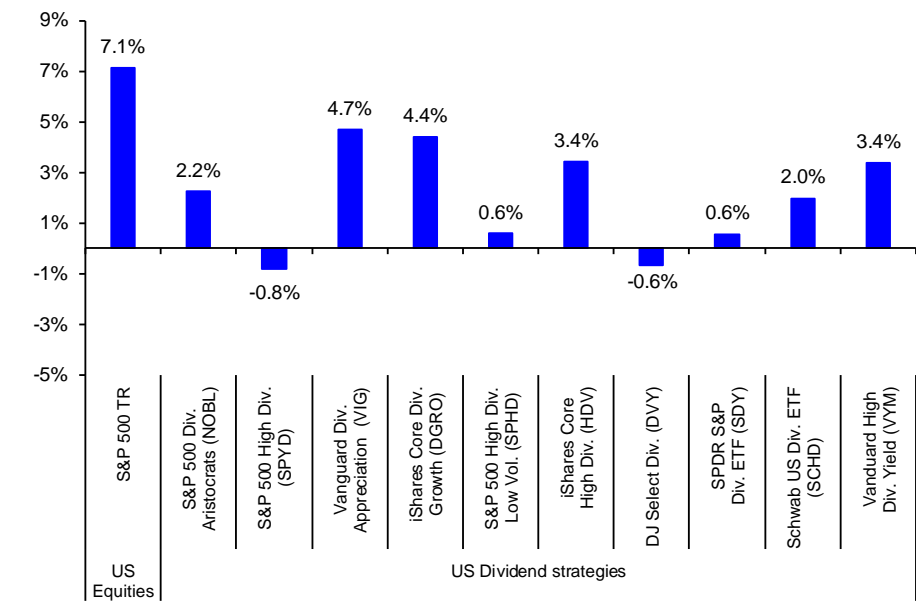
- After a challenging 2023, Canadian dividend strategies continue to struggle this year. We track four Canadian dividend-focused ETFs, and not only are all of them underperforming the TSX Composite year to date (YTD), but one is posting negative total return performance so far. Traditional income-generating sectors (Banks, Utilities, Communications, Real Estate, and Pipelines) are performing poorly, mainly due to elevated/rising bond yields and strong risk appetite.
- While that may be cold comfort to Canadian dividend investors, they're not reeling alone. Out of 10 U.S. dividend-focused ETFs we track, two are down YTD and all 10 are trailing the S&P 500 by a distant margin after less than two months (their average gain is +2.0%/median +2.1%). In the United States, the problem is compounded by a concentrated mega cap Tech leadership.
- Again, lower bond yields (and firmer EPS growth relative to other sectors) might be needed to propel dividend strategies in the driver's seat. Despite the rough stretch, keep in mind that dividends matter over time, as they account for the lion's share of long-run returns.

CDA Div. Strategies Are Underperforming YTD (TR%)



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

US Dividend Strategies YTD (TR%)

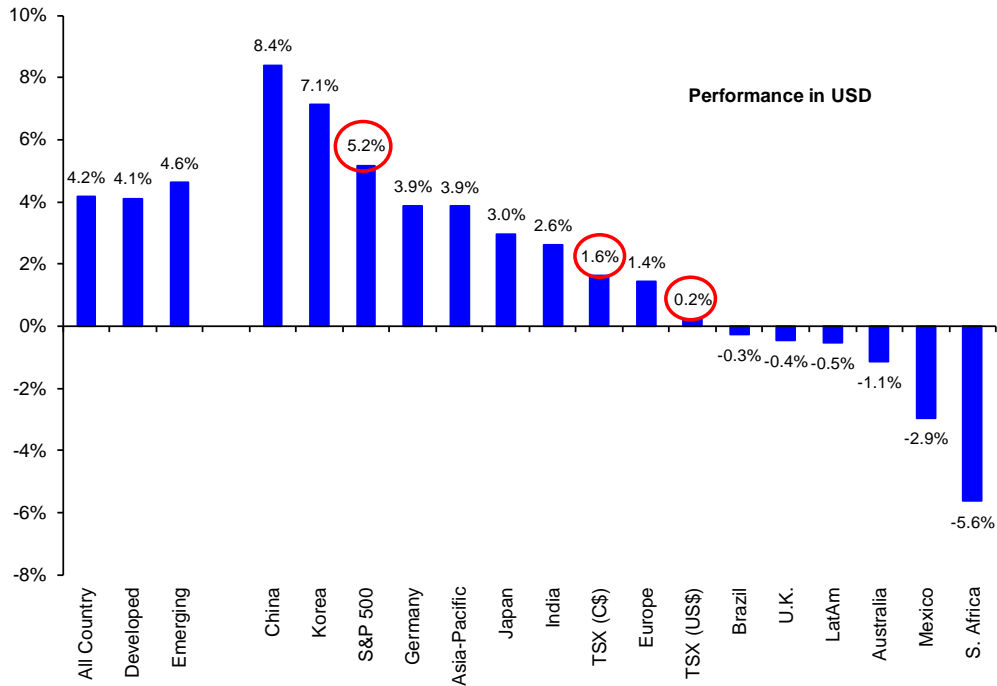


Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

February Review – AI Frenzy Doesn’t Cease to Amaze

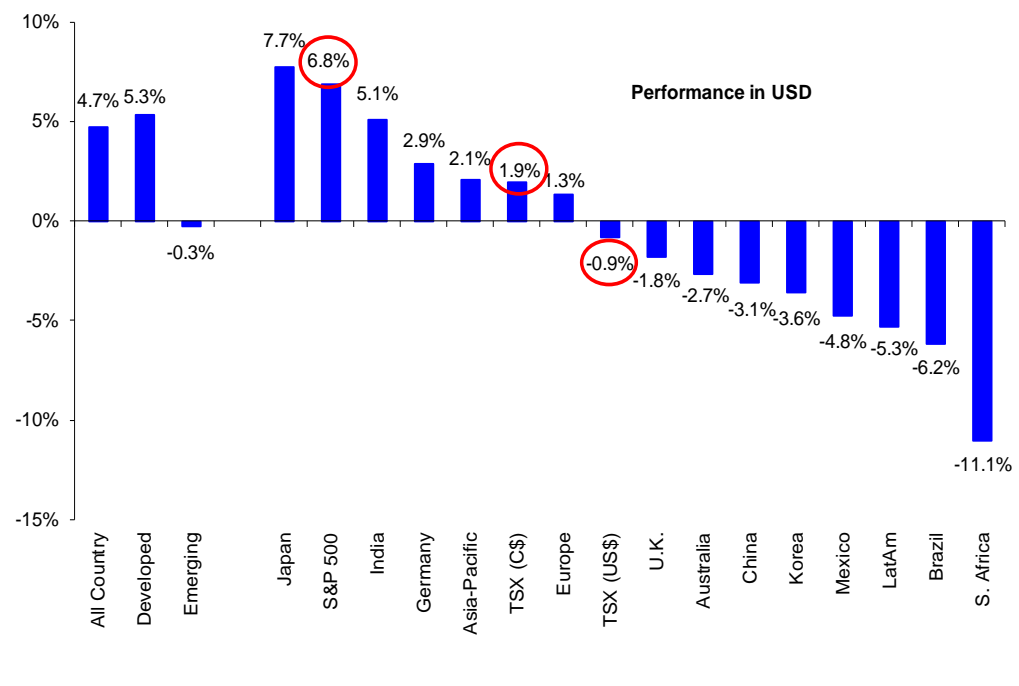
- Just as investors began to postpone bets of a first Fed rate cut and markets were starting to run out of steam, NVIDIA’s strong set of results mid-month propelled major stock indices to new highs. As such, the MSCI AC World gained +4.2%, with both developed markets (DMs) and emerging markets (EMs) increasing by +4.1% and +4.6%, respectively. U.S. equities (+5.2%) continued to climb to new highs, finishing the month ahead of the Asia Pacific (+3.9%) and Europe (+1.4%) regions.
- In Canada, while the TSX ended the month slightly higher, it lagged most of its peers (+1.6% in CAD; +0.2% in USD).
- China rebounded strongly in February, posting the best monthly performance among indices we track at +8.4%, after the adoption of further easing measures. As for LatAm equities, they retreated -0.4%, dragged lower by both Mexico (-2.9%) and Brazil (-0.3%). Peru (+6.9%), Chile (+5.6%), and Colombia (+1.7%) managed to gain ground.

Global Large Cap Equities: MTD Performance (As at February 29, 2024)



Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

Global Large Cap Equities: YTD Performance (As at February 29, 2024)

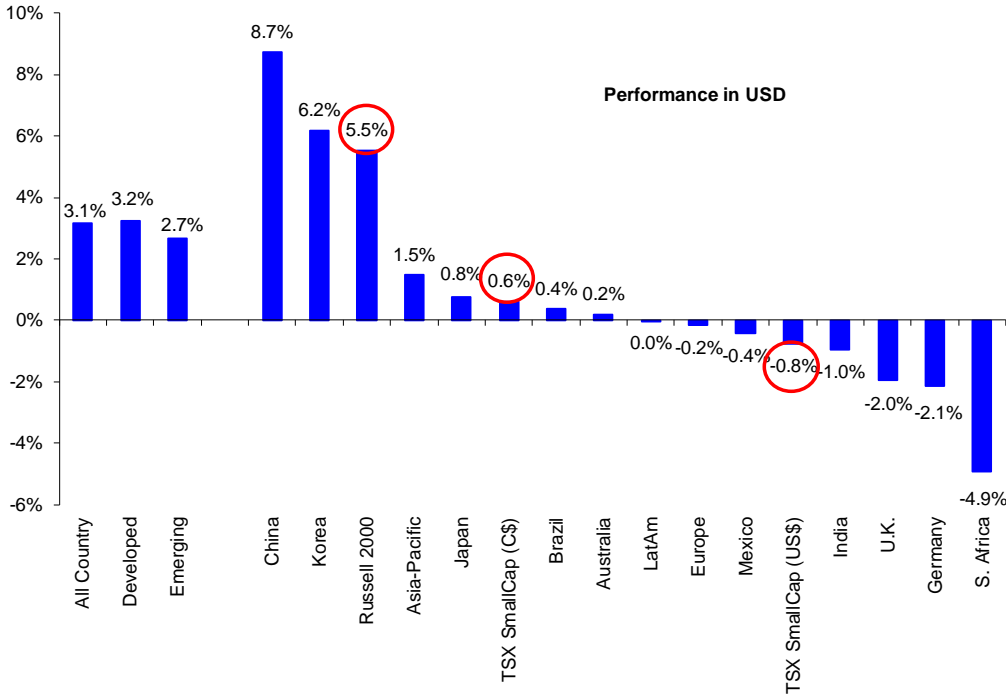


Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

Global Small Cap Equities – MTD & YTD

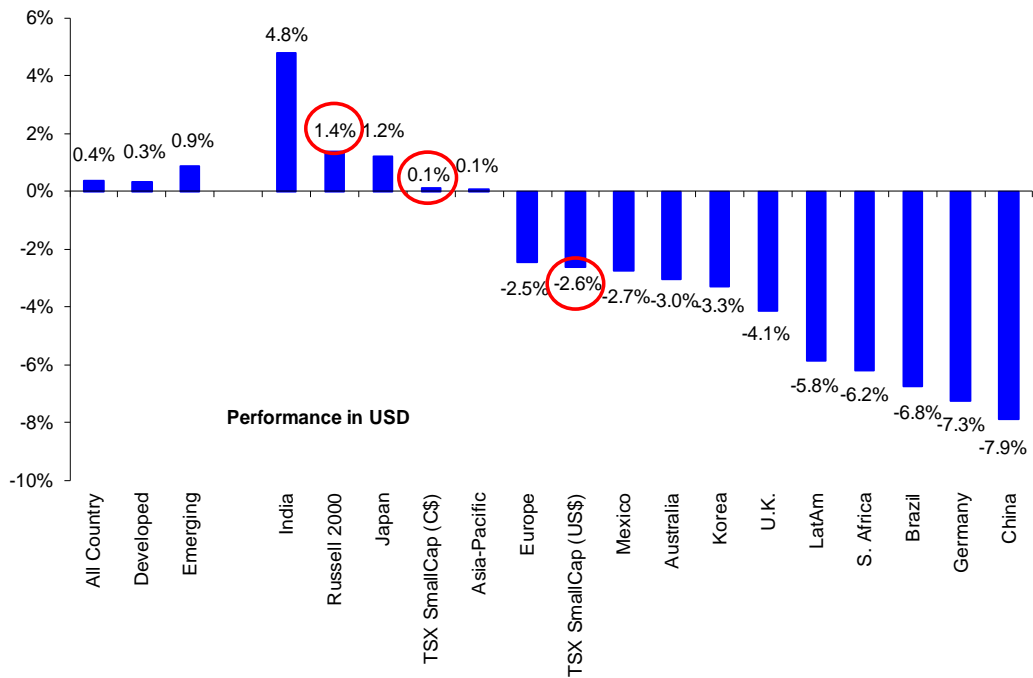
- The MSCI AC World Small Cap index rose 3.1% in February, with DM small caps (+3.2%) edging their EM peers (+2.7%) by a small margin. Small caps in the United States (R2000 +5.5%) easily outperformed their Asia-Pacific (+1.5%) and Europe (-0.2%) peers.
- Canadian small cap equities managed to end the month +0.6% higher in local currency, but their USD performance disappointed (-0.8% in USD).
- LatAm small caps were essentially unchanged last month, as Brazil gained 0.4% but Mexico slipped -0.4%.

Global Small Caps: MTD Performance (As at February 29, 2024)



Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Global Small Caps: YTD Performance (As at February 29, 2024)

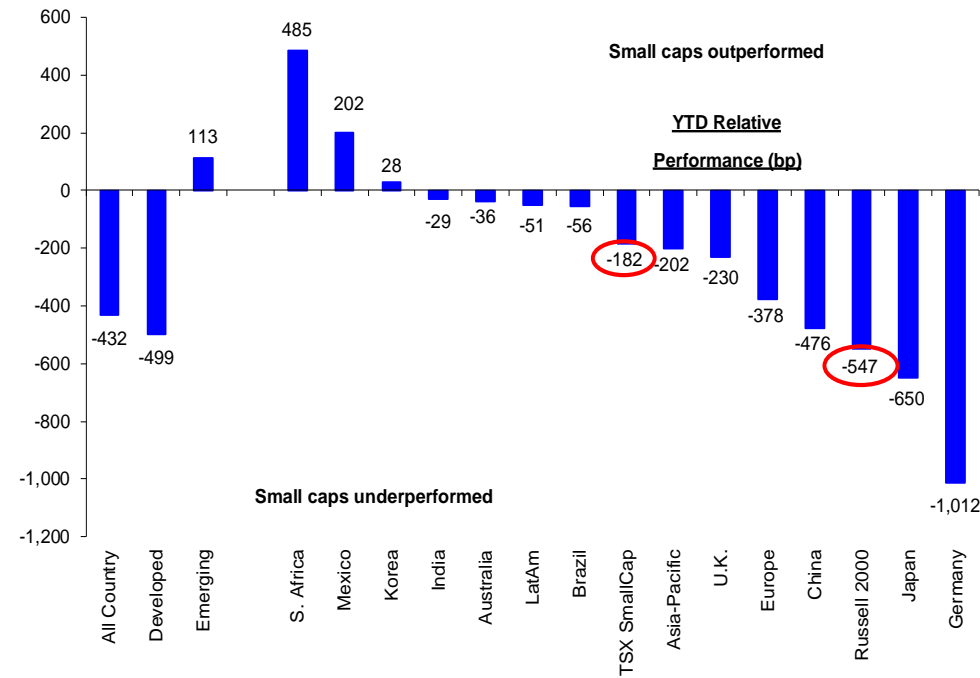


Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Size – Large is Leading Small YTD

- In February, the MSCI ACWI small cap (SC) index trailed its large cap (LC) counterpart by 432 bp. While DM small caps lagged well behind LC peers, EM small caps managed to beat their LC counterparts by 113 bp.
- Although U.S. small caps beat their LC peers in February, they continue to trail large by more than 540 bp YTD. In Canada, the TSX SmallCap is underperforming the TSX Composite by 182 bp YTD.
- YTD, large caps are leading their small cap peers in most major markets, as shown in the chart on the right.

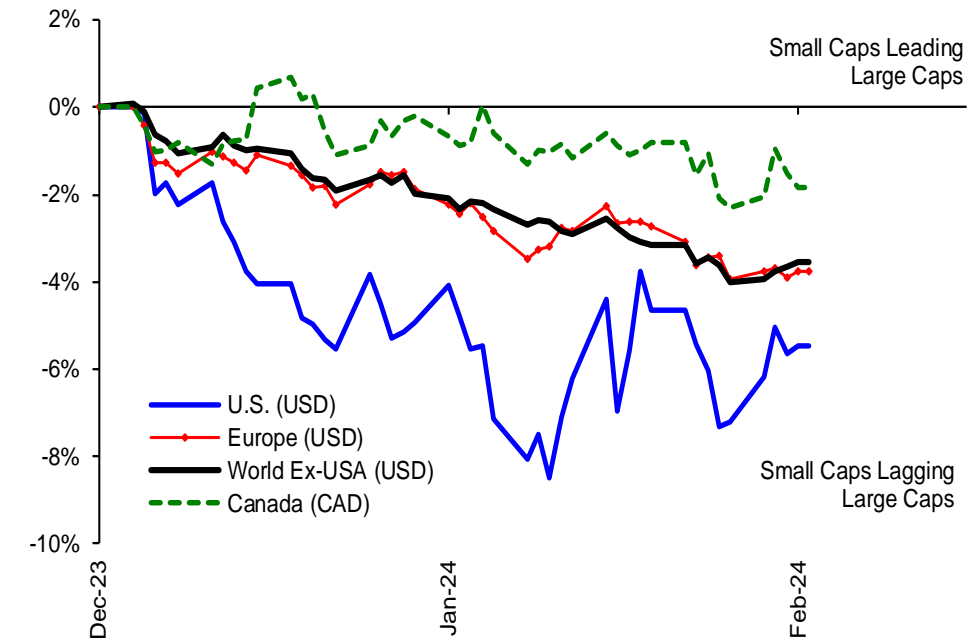
Small vs. Large: YTD Relative Performance (As at February 29, 2024)



Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Small Caps vs. Large caps - YTD Performance

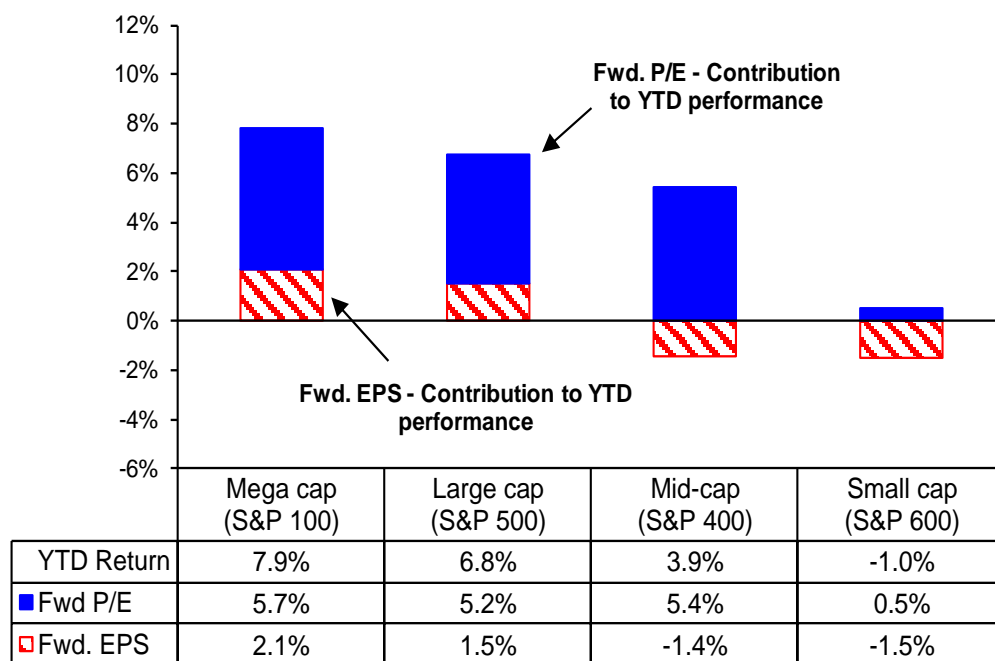
2024-02-29



Based on MSCI indices unless otherwise indicated
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

2024 Returns: P/E or EPS Driven?

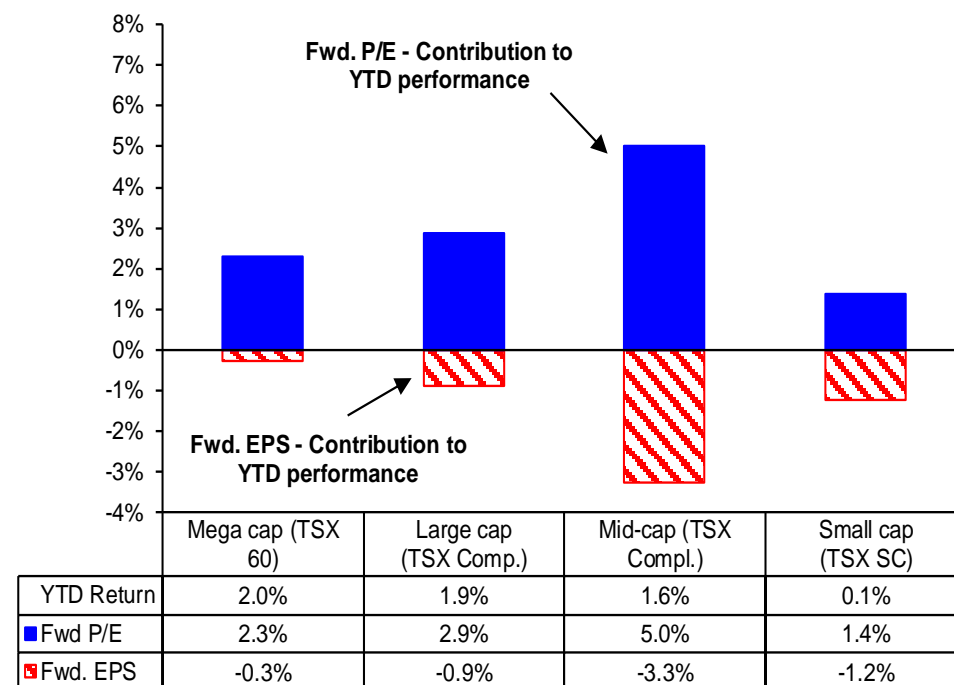
US Equities: YTD Returns - P/E or EPS Driven?



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

2024-02-29 Canadian Equities: YTD Returns - P/E or EPS Driven?

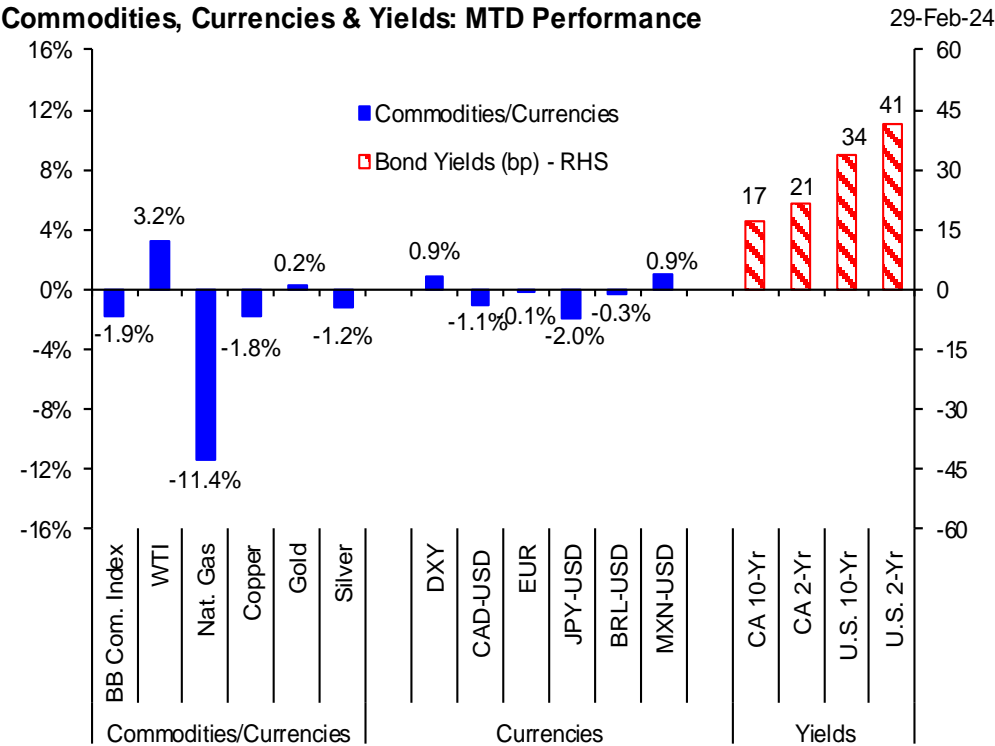
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Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

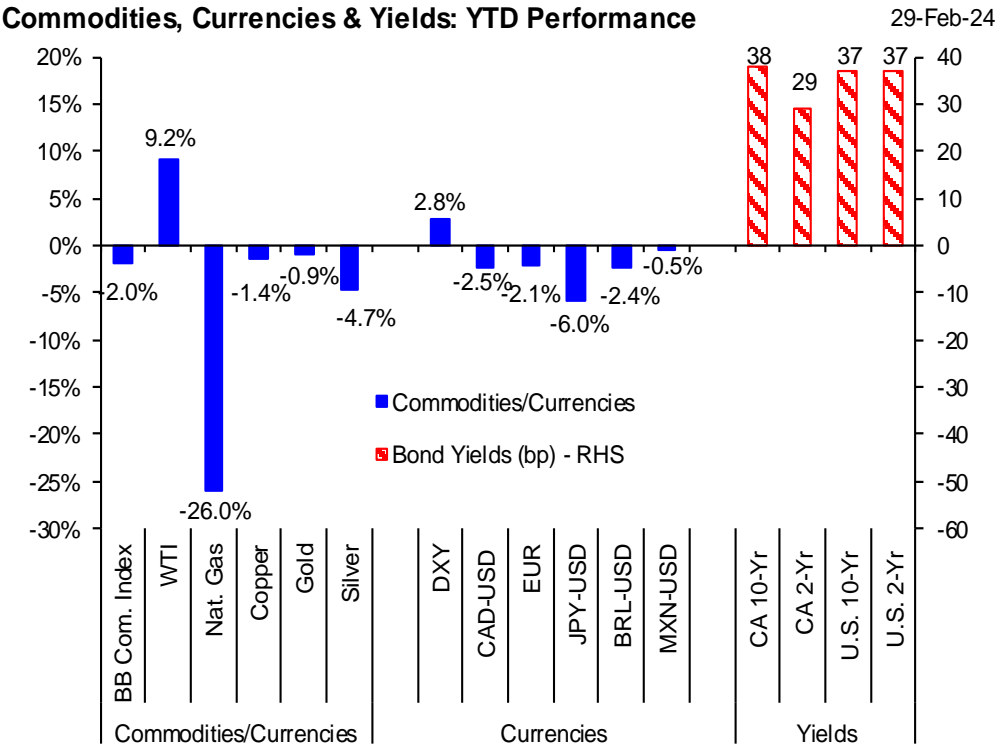
Commodities, Currencies, and Yields

Commodities, Currencies & Yields: MTD Performance



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Commodities, Currencies & Yields: YTD Performance



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Global Sector Heat Map – YTD Returns

- The colour scheme highlights the best and worst performers, not positive and negative returns.

Global Sector Heat Map (MTD Return)

29-Feb-24

Index	MTD Return (%; USD)							
	US	Canada		DM Europe	DM Pacific	EM Asia	LatAm	World ex-USA
		C\$	US\$					
	5.2%	1.6%	0.2%	1.4%	5.8%	2.1%	-0.5%	1.6%
Energy	2.6%	3.3%	1.9%	-2.1%	-4.1%	4.2%	-1.8%	-1.0%
Materials	6.3%	-2.3%	-3.6%	0.3%	-3.7%	2.0%	-2.0%	-1.5%
Industrials	7.0%	5.6%	4.2%	5.4%	1.4%	8.3%	1.8%	4.0%
Discretionary	8.6%	2.0%	0.6%	7.0%	4.1%	10.9%	4.6%	5.6%
Staples	2.1%	5.2%	3.7%	-3.7%	-2.6%	4.4%	-3.6%	-3.1%
Health Care	3.1%	8.3%	6.8%	-0.4%	0.5%	6.0%	-4.0%	-0.2%
Financials	4.0%	2.1%	0.7%	1.8%	3.7%	3.8%	0.7%	2.2%
Technology	6.2%	-1.6%	-2.9%	5.6%	6.8%	6.2%	-3.2%	5.1%
Comm. Services	5.7%	-4.7%	-6.0%	-1.8%	3.1%	3.0%	3.9%	0.4%
Utilities	0.5%	-3.0%	-4.3%	-6.1%	-0.9%	5.2%	1.1%	-4.9%
Real Estate	2.5%	-1.3%	-2.6%	-7.7%	0.6%	2.3%	7.0%	-1.3%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Global Sector Heat Map (YTD Return)

29-Feb-24

Index	YTD Return (%; USD)							
	US	Canada		DM Europe	DM Pacific	EM Asia	LatAm	World ex-USA
		C\$	US\$					
	6.8%	1.9%	-0.9%	1.2%	0.2%	4.0%	-5.3%	1.9%
Energy	2.0%	4.9%	2.1%	-5.9%	-2.8%	11.4%	2.0%	-3.0%
Materials	2.1%	-8.4%	-10.9%	-5.0%	-8.1%	-7.9%	-10.9%	-6.8%
Industrials	6.0%	7.8%	4.9%	4.5%	4.8%	1.6%	-10.3%	4.7%
Discretionary	4.7%	3.2%	0.4%	7.6%	10.1%	-0.5%	1.5%	8.3%
Staples	3.5%	7.1%	4.2%	-4.4%	-3.5%	-4.2%	-6.1%	-3.7%
Health Care	6.0%	3.9%	1.1%	1.7%	2.8%	-3.2%	-15.2%	2.1%
Financials	7.0%	1.1%	-1.6%	1.1%	5.7%	1.8%	-3.8%	2.0%
Technology	10.3%	5.1%	2.2%	13.9%	10.3%	1.6%	-11.0%	11.3%
Comm. Services	10.8%	-2.0%	-4.7%	0.0%	6.3%	-3.4%	-1.0%	2.8%
Utilities	-2.6%	-4.4%	-7.0%	-11.0%	-1.2%	7.6%	-2.9%	-8.8%
Real Estate	-2.5%	-1.2%	-3.9%	-10.7%	-3.2%	-7.4%	-1.6%	-4.8%

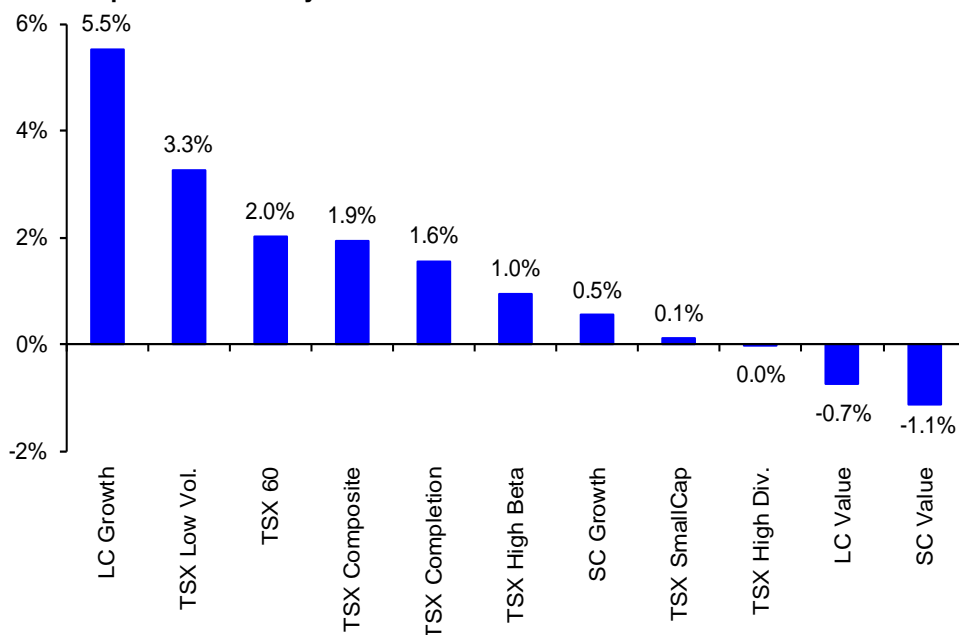
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Canadian Equities: Size and Style

- Size and style.** LC Growth was the best-performing style in February, rising 3.4%, while LC Value ended slightly higher at +0.6%. On the small cap size, SC Growth also (+2.1%) managed to edge SC Value (-0.5%). In terms of size, the bigger the better: Mega caps (TSX 60 +1.8%) beat Large (TSX Composite +1.6%), Mid (+1.1%), and Small (TSX SC +0.6%). **LC Growth > SC Growth > LC Value > SC Value in February.**
- Asset mix.** Canadian equities (TSX: +1.8% TR) advanced in February, with Cash (T-bills, 91-days; +0.4%) also delivering positive results. The FTSE Canada Universe Bond index (-0.3%) disappointed with another negative showing last month. YTD, Equities > Cash > Bonds.

Canadian Equities: Size & Style - YTD Performance

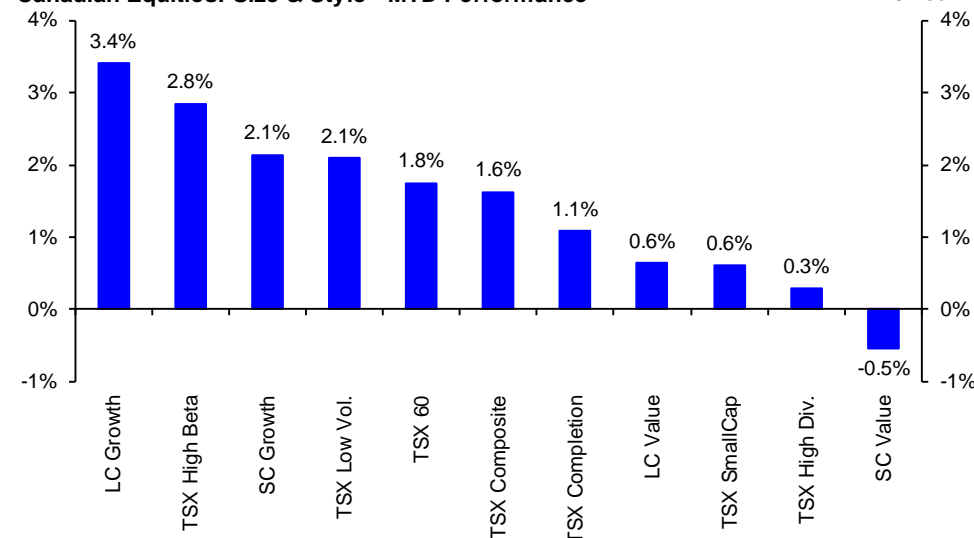
29-Feb-24



We used MSCI indices to track performance of Value/Growth.
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

Canadian Equities: Size & Style - MTD Performance

29-Feb-24



MSCI indices were used to track performance of Value/Growth.
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

Canadian Asset Performance (TR%)

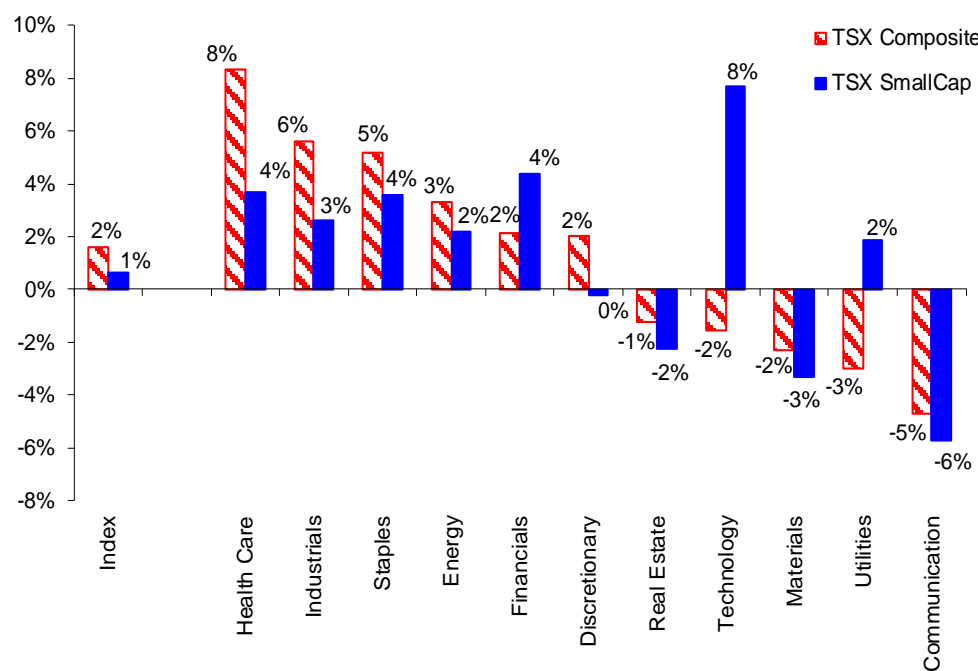
29-Feb-24	Total Return (%)			
	MTD	QTD	YTD	YOY
Canadian Equities				
TSX Composite	1.8%	2.4%	2.4%	9.0%
TSX 60	2.0%	2.5%	2.5%	9.5%
TSX Completion	1.2%	1.9%	1.9%	6.9%
TSX SmallCap	0.8%	0.4%	0.4%	1.0%
Canadian Bonds				
FTSE Canada Universe Bond	-0.3%	-1.7%	-1.7%	4.2%
FTSE Canada Government Bond	-0.5%	-2.1%	-2.1%	3.4%
FTSE Canada Corporate Bond	0.2%	-0.5%	-0.5%	6.7%
Cash				
Tbills (91-d)	0.4%	0.8%	0.8%	4.9%

Source: Scotiabank GBM Portfolio Strategy, FTSE

TSX Composite versus TSX SmallCap: Sector Comparison

TSX Composite vs TSX SmallCap: MTD Performance

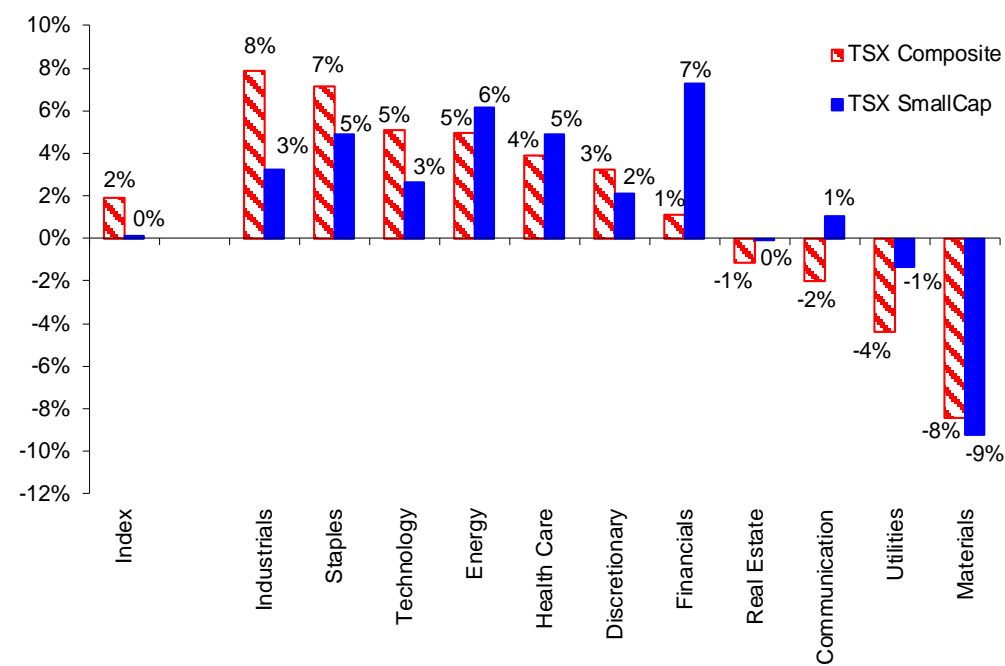
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Source: Scotiabank GBM Portfolio Strategy, Bloomberg

TSX Composite vs TSX SmallCap: YTD Performance

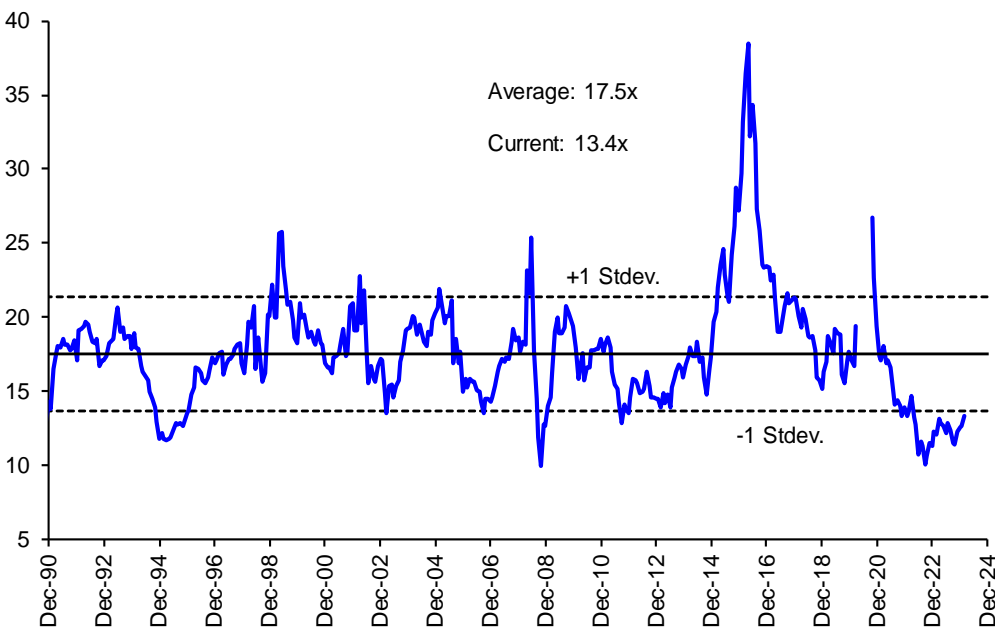
29-Feb-24



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

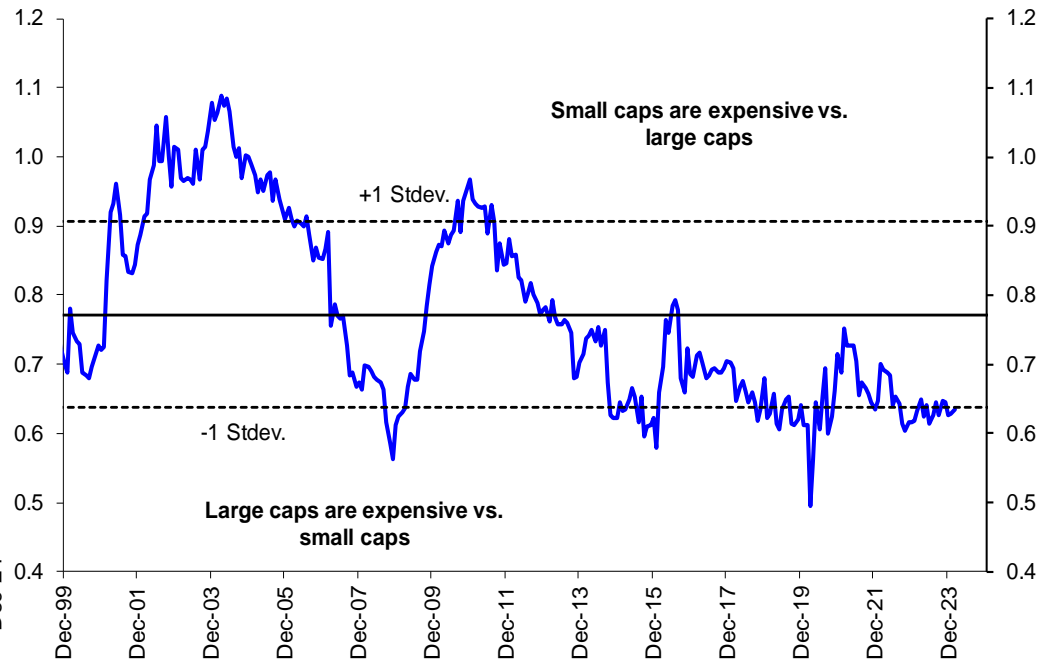
TSX SmallCap: Forward P/E and Relative P/B Ratio

TSX SmallCap Forward P/E Ratio



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap P/B Ratio Relative to TSX Composite



Source: Scotiabank GBM Portfolio Strategy, Morningstar CPMS, Bloomberg

S&P/TSX SmallCap – Sector Scorecard

TSX SmallCap Performance Scorecard

29-Feb-24	Weight (%)	# of stocks	Level	Performance (Price-only; %)				
				MTD	QTD	6-M	YTD	YOY
TSX SmallCap	100%	244	703	0.6%	0.1%	-0.5%	0.1%	-2.4%
Non-resources	52%	139		2.1%	3.1%	5.6%	3.1%	0.9%
Resources	48%	105		-0.9%	-3.0%	-6.4%	-3.0%	-5.6%
Cyclicals	24%	61		3.0%	2.9%	6.8%	2.9%	12.3%
Int. Sensitive	15%	47		-0.9%	0.9%	-0.6%	0.9%	-19.2%
Energy	21%	45	92	2.2%	6.1%	-3.2%	6.1%	2.8%
EN - Services	6%	13	69	1.9%	11.0%	3.3%	11.0%	17.8%
EN - Producers	15%	32	108	2.3%	4.4%	-5.5%	4.4%	-1.4%
Materials	27%	60	273	-3.3%	-9.2%	-8.7%	-9.2%	-11.8%
Div. M/Mining	3%	10	145	2.1%	0.2%	0.8%	0.2%	-11.5%
Gold	12%	22	369	-4.0%	-8.9%	-8.8%	-8.9%	-7.8%
P. & Forest	1%	4	94	-1.1%	-10.4%	-15.4%	-10.4%	-31.9%
Industrials	14%	30	283	2.6%	3.2%	7.9%	3.2%	11.7%
Capital goods	10%	19	318	5.2%	4.5%	10.7%	4.5%	19.0%
Transportation	4%	6	536	-3.7%	-0.6%	2.7%	-0.6%	0.3%
Discretionary	5%	17	178	-0.2%	2.1%	-3.8%	2.1%	-6.3%
Staples	3%	9	202	3.6%	4.9%	21.5%	4.9%	-3.3%
Health Care	5%	15	18	3.7%	4.9%	12.8%	4.9%	3.6%
Financials	8%	16	287	4.4%	7.3%	10.6%	7.3%	11.2%
Real Estate	10%	29	135	-2.2%	0.0%	-4.7%	0.0%	-23.6%
Technology	5%	14	419	7.7%	2.6%	16.6%	2.6%	37.1%
Communication	1%	6	23	-5.7%	1.0%	-4.0%	1.0%	-17.2%
Utilities	1%	3	147	1.9%	-1.3%	-7.6%	-1.3%	-15.3%

Cyclicals based on IN, CD, and IT sectors, while Int. Sensitive based on CS, UT, TS and RE.

Source: Scotiabank GBM Portfolio Strategy, Toronto Stock Exchange

S&P/TSX Composite: Top/Bottom 20 Performers MTD

TSX Composite: Top Performer by Sector MTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	ENERPLUS CORP	ERF	23%
Materials	LITHIUM AMERICAS	LAC	27%
Industrials	TFI INTERNATIONAL	TFII	14%
Discretionary	CANADA GOOSE HOL	GOOS	18%
Staples	PRIMO WATER CORP	PRMW	12%
Health Care	BAUSCH HEALTH CO	BHC	21%
Financials	DEFINITY FINANCI	DFY	17%
Technology	CELESTICA INC	CLS	25%
Telecom	TELUS CORP	T	-2%
Utilities	ALTAGAS LTD	ALA	4%
Real Estate	ALTUS GROUP LTD	AIF	11%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX Composite Top-20 Performers MTD

29-Feb-24

Name	Ticker	Sector	Return (%)
LITHIUM AMERICAS	LAC	Materials	27%
CELESTICA INC	CLS	Technology	25%
ENERPLUS CORP	ERF	Energy	23%
BAUSCH HEALTH CO	BHC	Health Care	21%
CCL INDS B	CCL/B	Materials	20%
CANADA GOOSE HOL	GOOS	Discretionary	18%
DEFINITY FINANCI	DFY	Financials	17%
TRISURA GROUP LT	TSU	Financials	17%
MEG ENERGY CORP	MEG	Energy	14%
WESDOME GOLD MIN	WDO	Materials	14%
ADVANTAGE ENERGY	AAV	Energy	14%
TFI INTERNATIONAL	TFII	Industrials	13%
ATHABASCA OIL CO	ATH	Energy	13%
CRESCENT POINT	CPG	Energy	13%
PARAMOUNT RES -A	POU	Energy	12%
PRIMO WATER CORP	PRMW	Staples	12%
LITHIUM AMERICAS	LAAC	Materials	12%
NUVISTA ENERGY	NVA	Energy	12%
ARC RESOURCES LT	ARX	Energy	11%
IAMGOLD CORP	IMG	Materials	11%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX Composite Bottom-20 Performers MTD

29-Feb-24

Name	Ticker	Sector	Return (%)
SSR MINING INC	SSRM	Materials	-54%
LIGHTSPEED COMME	LSPD	Technology	-23%
NORTHWEST HEALTH	NWH-U	Real Estate	-19%
AFRICA OIL CORP	AOI	Energy	-17%
OCEANAGOLD CORP	OGC	Materials	-16%
ENERGY FUELS INC	EFR	Energy	-15%
CAMECO CORP	CCO	Energy	-14%
ELDORADO GOLD	ELD	Materials	-14%
KINAXIS INC	KXS	Technology	-14%
ALLIED PROP REIT	AP-U	Real Estate	-13%
K92 MINING	KNT	Materials	-13%
B2GOLD CORP	BTO	Materials	-13%
BROOKFIELD RENEW	BEP-U	Utilities	-13%
MTY FOOD GROUP I	MTY	Discretionary	-12%
WHEATON PRECIOUS	WPM	Materials	-11%
ATS CORP	ATS	Industrials	-11%
OPEN TEXT CORP	OTEX	Technology	-11%
WESTSHORE TERMIN	WTE	Industrials	-10%
KINROSS GOLD	K	Materials	-10%
DENISON MINES CO	DML	Energy	-10%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

S&P/TSX Composite: Top/Bottom 20 Performers YTD

TSX Composite: Top Performer by Sector YTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	MEG ENERGY CORP	MEG	23%
Materials	FIRST QUANTUM	FM	18%
Industrials	WSP GLOBAL INC	WSP	16%
Discretionary	ARITZIA INC-SUB	ATZ	31%
Staples	LOBLAW COS LTD	L	13%
Health Care	BAUSCH HEALTH CO	BHC	20%
Financials	TRISURA GROUP LT	TSU	29%
Technology	CELESTICA INC	CLS	49%
Telecom	QUEBECOR INC-B	QBR/B	1%
Utilities	ALTAGAS LTD	ALA	5%
Real Estate	TRICON RESIDENTI	TCN	25%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX Composite Top-20 Performers YTD

29-Feb-24

Name	Ticker	Sector	Return (%)
CELESTICA INC	CLS	Technology	49%
ARITZIA INC-SUB	ATZ	Discretionary	31%
TRISURA GROUP LT	TSU	Financials	29%
TRICON RESIDENTI	TCN	Real Estate	25%
MEG ENERGY CORP	MEG	Energy	23%
DEFINITY FINANCI	DFY	Financials	22%
SECURE ENERGY SE	SES	Energy	21%
BAUSCH HEALTH CO	BHC	Health Care	20%
ALTUS GROUP LTD	AIF	Real Estate	19%
FAIRFAX FINL HLD	FFH	Financials	19%
FIRST QUANTUM	FM	Materials	18%
ENERPLUS CORP	ERF	Energy	18%
ARC RESOURCES LT	ARX	Energy	18%
ATHABASCA OIL CO	ATH	Energy	18%
ADVANTAGE ENERGY	AAV	Energy	18%
CANADA GOOSE HOL	GOOS	Discretionary	17%
WESDOME GOLD MIN	WDO	Materials	17%
PEYTO EXPL & DEV	PEY	Energy	17%
CCL INDS B	CCL/B	Materials	16%
WSP GLOBAL INC	WSP	Industrials	16%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX Composite Bottom-20 Performers YTD

29-Feb-24

Name	Ticker	Sector	Return (%)
SSR MINING INC	SSRM	Materials	-59%
NOVAGOLD RES	NG	Materials	-32%
LIGHTSPEED COMME	LSPD	Technology	-32%
FORTUNA SILVER	FVI	Materials	-28%
FIRST MAJESTIC S	FR	Materials	-25%
TILRAY BRANDS IN	TLRY	Health Care	-23%
NORTHWEST HEALTH	NWH-U	Real Estate	-23%
PAN AMER SILVER	PAAS	Materials	-22%
B2GOLD CORP	BTO	Materials	-22%
SILVERCREST META	SIL	Materials	-21%
LITHIUM AMERICAS	LAAC	Materials	-20%
STELCO HOLDINGS	STLC	Materials	-20%
MAG SILVER CORP	MAG	Materials	-18%
ELDORADO GOLD	ELD	Materials	-18%
BLACKBERRY LTD	BB	Technology	-18%
BARRICK GOLD CRP	ABX	Materials	-17%
ALGOMA STEEL GRO	ASTL	Materials	-17%
KINROSS GOLD	K	Materials	-17%
AFRICA OIL CORP	AOI	Energy	-16%
ALLIED PROP REIT	AP-U	Real Estate	-16%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P/TSX SmallCap: Top/Bottom 20 Performers MTD

TSX SmallCap: Top Performer by Sector MTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	ENERFLEX LTD	EFX	14%
Materials	NANOXPLORE INC	GRA	24%
Industrials	MDA LTD	MDA	31%
Discretionary	CANADA GOOSE HOL	GOOS	18%
Staples	SUNOPTA INC	SOY	22%
Health Care	ORGANIGRAM HOLDI	OGI	24%
Financials	FIERA CAPITAL CO	FSZ	23%
Technology	DOCEBO INC	DCBO	25%
Communication	STINGRAY GROUP I	RAY/A	6%
Utilities	ALTIUS RENEWABLE	ARR	10%
Real Estate	ALTUS GROUP LTD	AIF	11%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap Top-20 Performers MTD

Name	Ticker	Sector	Return (%)
MDA LTD	MDA	Industrials	31%
DOCEBO INC	DCBO	Technology	25%
BITFARMS LTD/CAN	BITF	Technology	25%
HAMMOND POWER SO	HPS/A	Industrials	25%
ORGANIGRAM HOLDI	OGI	Health Care	24%
NANOXPLORE INC	GRA	Materials	24%
ALITHYA GROUP-A	ALYA	Technology	23%
FIERA CAPITAL CO	FSZ	Financials	23%
SUNOPTA INC	SOY	Staples	22%
HEROUX-DEVTEK IN	HRX	Industrials	20%
5N PLUS INC	VNP	Materials	20%
AIRBOSS AMERICA	BOS	Materials	20%
CANADA GOOSE HOL	GOOS	Discretionary	18%
WESTERN COPPER	WRN	Materials	17%
ADENTRA INC	ADEN	Industrials	17%
COVEO SOLUTIONS	CVO	Technology	17%
TRISURA GROUP LT	TSU	Financials	17%
SYLOGIST LTD	SYZ	Technology	15%
HUT 8 CORP	HUT	Technology	15%
WESDOME GOLD MIN	WDO	Materials	14%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap Bottom-20 Performers MTD

Name	Ticker	Sector	Return (%)
DREAM IMPACT TRU	MPCT-U	Real Estate	-40%
DREAM OFFICE REA	D-U	Real Estate	-31%
NEW PACIFIC META	NUAG	Materials	-29%
CASCADES INC	CAS	Materials	-28%
CORUS ENT INC-B	CJR/B	Communication	-25%
NEXTSOURCE MATER	NEXT	Materials	-22%
GOGOLD RESOURCES	GGD	Materials	-21%
I-80 GOLD CORP	IAU	Materials	-21%
TIDEWATER RENEWA	LCFS	Energy	-19%
NORTHWEST HEALTH	NWH-U	Real Estate	-19%
SKEENA RESOURCES	SKE	Materials	-18%
BRIACELL THERAPE	BCT	Health Care	-18%
AFRICA OIL CORP	AOI	Energy	-17%
OCEANAGOLD CORP	OGC	Materials	-16%
LION ELECTRIC CO	LEV	Industrials	-16%
CANACOL ENERGY L	CNE	Energy	-16%
DENISON MINES CO	DML	Energy	-10%
FORTUNA SILVER	FVI	Materials	-10%
LARGO INC	LGO	Materials	-10%
CHEMTRADE LOG IN	CHE-U	Materials	-9%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

S&P/TSX SmallCap: Top/Bottom 20 Performers YTD

TSX SmallCap: Top Performer by Sector YTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	VALEURA ENERGY I	VLE	38%
Materials	WESDOME GOLD MIN	WDO	17%
Industrials	HAMMOND POWER SO	HPS/A	42%
Discretionary	LEON'S FURNITURE	LNF	23%
Staples	SUNOPTA INC	SOY	35%
Health Care	ORGANIGRAM HOLDI	OGI	62%
Financials	FIERA CAPITAL CO	FSZ	36%
Technology	CONVERGE TECHNOL	CTS	23%
Communication	STINGRAY GROUP I	RAY/A	21%
Utilities	ALTUS RENEWABLE	ARR	16%
Real Estate	ALTUS GROUP LTD	AIF	19%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap Top-20 Performers YTD

Name	Ticker	Sector	29-Feb-24 Return (%)
ORGANIGRAM HOLDI	OGI	Health Care	62%
HAMMOND POWER SO	HPS/A	Industrials	42%
VALEURA ENERGY I	VLE	Energy	38%
FIERA CAPITAL CO	FSZ	Financials	36%
SUNOPTA INC	SOY	Staples	35%
ENERFLEX LTD	EFX	Energy	29%
TRISURA GROUP LT	TSU	Financials	29%
MDA LTD	MDA	Industrials	27%
TOTAL ENERGY SER	TOT	Energy	26%
CES ENERGY SOLUT	CEU	Energy	24%
NORTH AMERICAN C	NOA	Energy	23%
LEON'S FURNITURE	LNF	Discretionary	23%
CONVERGE TECHNOL	CTS	Technology	23%
HEROUX-DEVTEK IN	HRX	Industrials	21%
STINGRAY GROUP I	RAY/A	Communication	21%
SECURE ENERGY SE	SES	Energy	21%
DRI HEALTHCARE T	DHT-U	Health Care	20%
ALTUS GROUP LTD	AIF	Real Estate	19%
SYLOGIST LTD	SYZ	Technology	19%
BIRD CONSTRUCTIO	BDT	Industrials	18%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap Bottom-20 Performers YTD

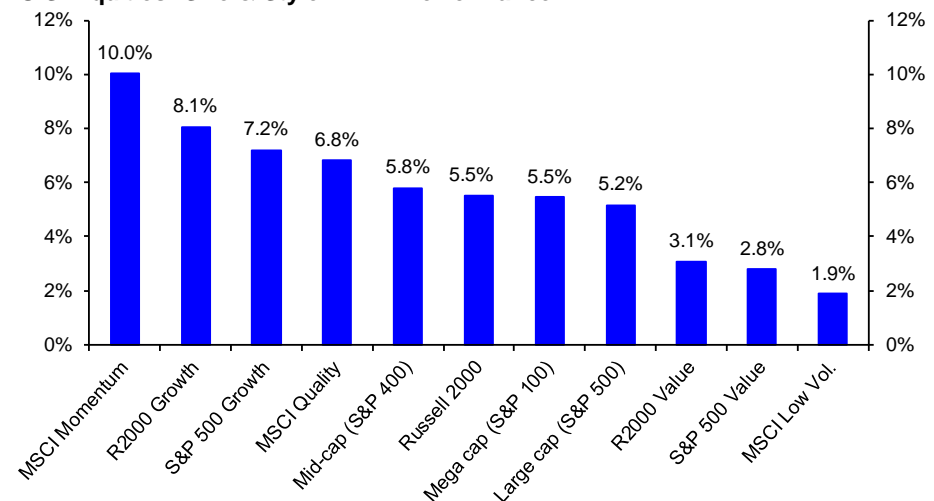
Name	Ticker	Sector	29-Feb-24 Return (%)
NEW PACIFIC META	NUAG	Materials	-52%
NEXTSOURCE MATER	NEXT	Materials	-46%
BRIACELL THERAPE	BCT	Health Care	-40%
DREAM IMPACT TRU	MPCT-U	Real Estate	-35%
EXRO TECHNOLOGIE	EXRO	Industrials	-35%
HUT 8 CORP	HUT	Technology	-35%
DREAM OFFICE REA	D-U	Real Estate	-28%
NANO ONE MATERIA	NANO	Materials	-28%
ARIZONA METALS C	AMC	Materials	-28%
FORTUNA SILVER	FVI	Materials	-28%
GOGOLD RESOURCES	GGD	Materials	-27%
I-80 GOLD CORP	IAU	Materials	-27%
CANACOL ENERGY L	CNE	Energy	-25%
TIDEWATER RENEWA	LCFS	Energy	-25%
FIRST MAJESTIC S	FR	Materials	-25%
ENDEAVOUR SILVER	EDR	Materials	-25%
VICTORIA GOLD	VGCX	Materials	-24%
INOVALIS REAL ES	INO-U	Real Estate	-23%
NORTHWEST HEALTH	NWH-U	Real Estate	-23%
SKEENA RESOURCES	SKE	Materials	-22%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

U.S. Equities: Size and Style

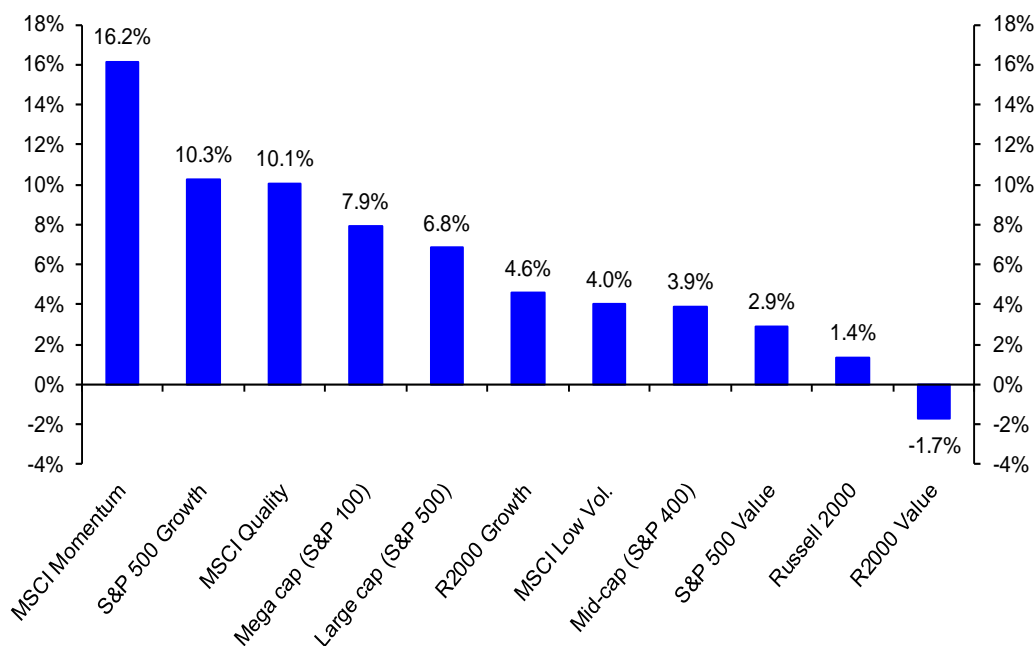
- **Size and style.** Momentum (MSCI Momentum +10.0%) was the leading style in February, while MSCI Low Vol. was the worst at +1.9%. In terms of size, Mid-caps (S&P 400 +5.8%) led, with Small (Russell 2000 +5.5%), Mega (S&P 100 +5.5%), and Large (S&P 500 +5.2%) trailing behind.
- **Asset mix.** U.S. Equities (S&P 500: +5.3% TR) jumped in February with Cash (Bloomberg Short-Term Treasury; +0.3%) also exhibiting positive performance. The Bloomberg U.S. Aggregate Bond Index (-1.4%) finished well in negative territory.

U.S. Equities: Size & Style - MTD Performance



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

U.S. Equities: Size & Style - YTD Performance



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

US Asset Performance (TR%)

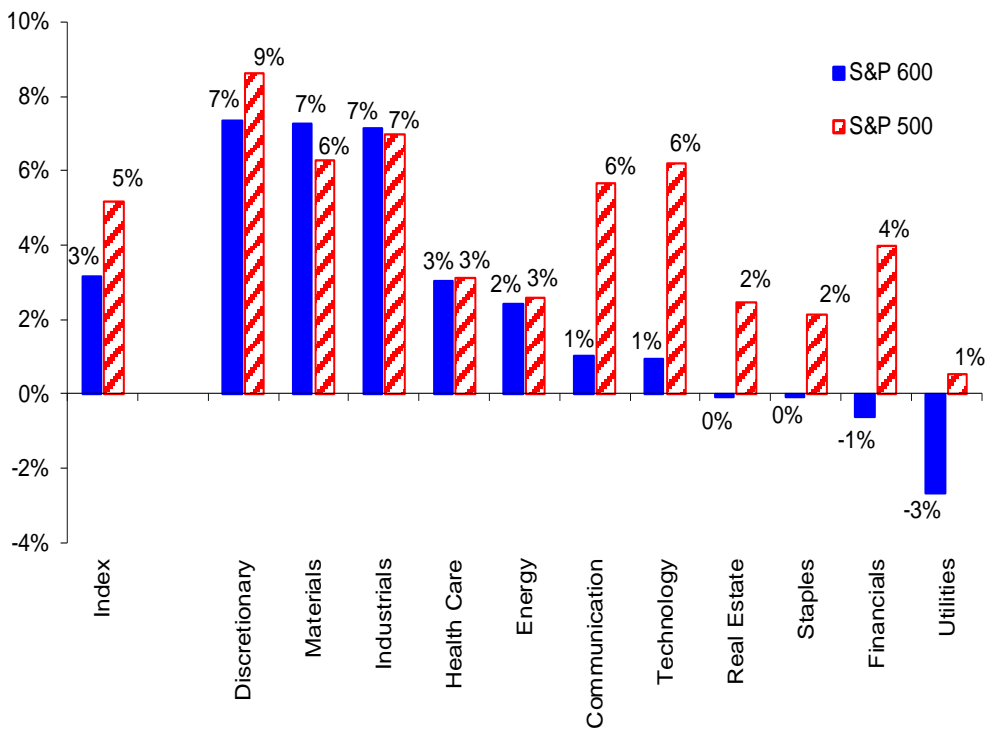
29-Feb-24	Total Return (%)			
	MTD	QTD	YTD	YOY
US Equities				
S&P 500	5.3%	7.1%	7.1%	30.1%
S&P 100	4.8%	7.2%	7.2%	32.1%
S&P 400	5.9%	4.1%	4.1%	12.3%
Russell 2000	5.7%	1.5%	1.5%	10.1%
US Bonds				
Bloomberg US Aggregate Bond	-1.4%	-1.7%	-1.7%	3.4%
Bloomberg US Treasury Bond	-1.3%	-1.6%	-1.6%	2.4%
Bloomberg US Corporate Bond	-1.5%	-1.7%	-1.7%	6.0%
Cash				
Bloomberg Short-Term Treasury	0.3%	0.7%	0.7%	5.2%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

S&P 500 versus S&P 600: Sector Comparison

US Sectors: Small vs. Large - MTD Performance

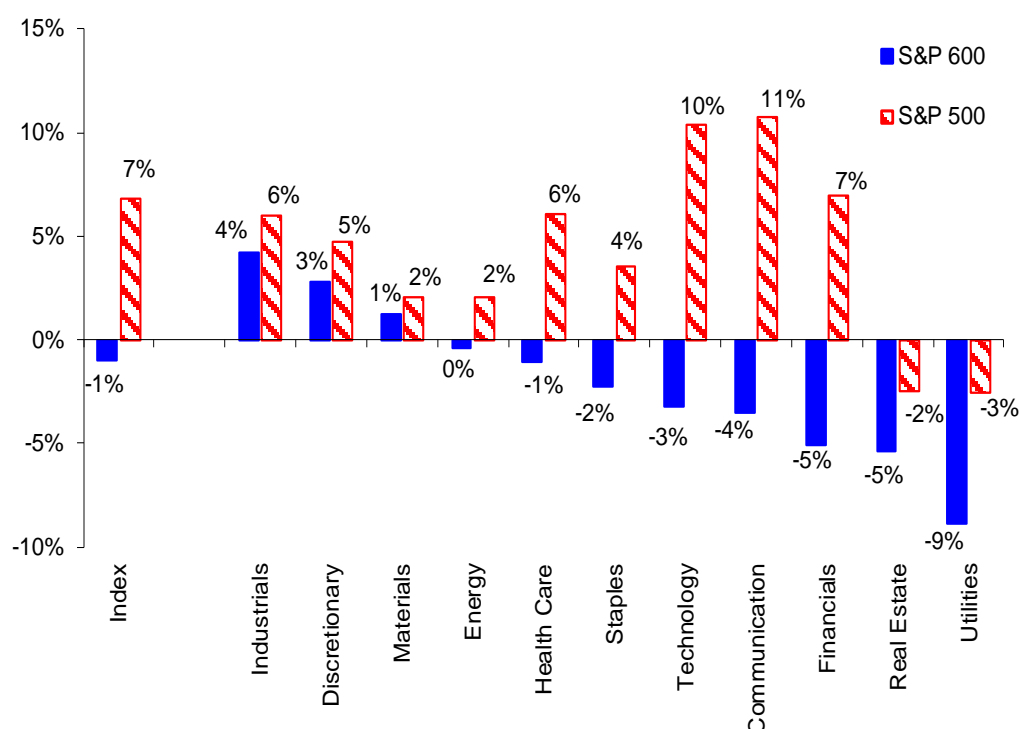
29-Feb-24



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

US Sectors: Small vs. Large - YTD Performance

29-Feb-24



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500: Top/Bottom 20 Performers MTD

S&P 500: Top Performer by Sector MTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	DIAMONDBACK ENER	FANG	19%
Materials	ALBEMARLE CORP	ALB	20%
Industrials	QUANTA SERVICES	PWR	25%
Discretionary	RALPH LAUREN COR	RL	30%
Staples	HORMEL FOODS CRP	HRL	16%
Health Care	GE HEALTHCARE TE	GEHC	25%
Financials	DISCOVER FINANCI	DFS	15%
Technology	NVIDIA CORP	NVDA	29%
Telecom	META PLATFORMS-A	META	26%
Utilities	CONSTELLATION EN	CEG	38%
Real Estate	IRON MOUNTAIN	IRM	17%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500 Top-20 Performers MTD

29-Feb-24

Name	Ticker	Sector	Return (%)
CONSTELLATION EN	CEG	Utilities	38%
RALPH LAUREN COR	RL	Discretionary	29%
NVIDIA CORP	NVDA	Technology	29%
META PLATFORMS-A	META	Telecom	26%
QUANTA SERVICES	PWR	Industrials	24%
GE HEALTHCARE TE	GEHC	Health Care	24%
AXON ENTERPRISE	AXON	Industrials	23%
APPLIED MATERIAL	AMAT	Technology	23%
TAPESTRY INC	TPR	Discretionary	23%
ENPHASE ENERGY	ENPH	Technology	22%
UBER TECHNOLOGIE	UBER	Industrials	22%
TRIMBLE INC	TRMB	Technology	20%
ALBEMARLE CORP	ALB	Materials	20%
MONOLITHIC POWER	MPWR	Technology	19%
IQVIA HOLDINGS I	IQV	Health Care	19%
DIAMONDBACK ENER	FANG	Energy	19%
NXP SEMICONDUCTO	NXPI	Technology	19%
GENERAL ELECTRIC	GE	Industrials	18%
HOWMET AEROSPACE	HWM	Industrials	18%
VULCAN MATERIALS	VMC	Materials	18%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500 Bottom-20 Performers MTD

29-Feb-24

Name	Ticker	Sector	Return (%)
PARAMOUNT GLOB-B	PARA	Telecom	-24%
CHARTER COMMUN-A	CHTR	Telecom	-21%
INSULET CORP	PODD	Health Care	-14%
AMGEN INC	AMGN	Health Care	-13%
WARNER BROS DISC	WBD	Telecom	-12%
XCEL ENERGY INC	XEL	Utilities	-12%
CH ROBINSON	CHRW	Industrials	-12%
BIOGEN INC	BIIB	Health Care	-12%
TAKE-TWO INTERAC	TTWO	Telecom	-11%
AKAMAI TECHNOLOG	AKAM	Technology	-10%
HEALTHPEAK PROPE	PEAK	Real Estate	-9%
NEWMONT CORP	NEM	Materials	-9%
AES CORP	AES	Utilities	-9%
VENTAS INC	VTR	Real Estate	-9%
ADOBE INC	ADBE	Technology	-9%
FOX CORP - B	FOX	Telecom	-9%
MODERNA INC	MRNA	Health Care	-9%
JM SMUCKER CO	SJM	Staples	-9%
RESMED INC	RMD	Health Care	-9%
KENVUE INC	KVUE	Staples	-8%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500: Top/Bottom 20 Performers YTD

S&P 500: Top Performer by Sector YTD

29-Feb-24

Sector	Name	Ticker	Return (%)
Energy	DIAMONDBACK ENER	FANG	18%
Materials	VULCAN MATERIALS	VMC	17%
Industrials	UBER TECHNOLOGIE	UBER	29%
Discretionary	TAPESTRY INC	TPR	29%
Staples	COSTCO WHOLESALE	COST	13%
Health Care	ELI LILLY & CO	LLY	30%
Financials	HARTFORD FINL SV	HIG	19%
Technology	NVIDIA CORP	NVDA	61%
Telecom	META PLATFORMS-A	META	39%
Utilities	CONSTELLATION EN	CEG	44%
Real Estate	IRON MOUNTAIN	IRM	12%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500 Top-20 Performers YTD

29-Feb-24

Name	Ticker	Sector	Return (%)
NVIDIA CORP	NVDA	Technology	60%
CONSTELLATION EN	CEG	Utilities	44%
META PLATFORMS-A	META	Telecom	38%
ADV MICRO DEVICE	AMD	Technology	31%
ELI LILLY & CO	LLY	Health Care	29%
UBER TECHNOLOGIE	UBER	Industrials	29%
TAPESTRY INC	TPR	Discretionary	29%
RALPH LAUREN COR	RL	Discretionary	29%
CATALENT INC	CTLT	Health Care	28%
JUNIPER NETWORKS	JNPR	Technology	26%
APPLIED MATERIAL	AMAT	Technology	24%
NETFLIX INC	NFLX	Telecom	24%
WALT DISNEY CO/T	DIS	Telecom	24%
GENERAL ELECTRIC	GE	Industrials	23%
HOWMET AEROSPACE	HWM	Industrials	23%
UNITED RENTALS	URI	Industrials	21%
DAVITA INC	DVA	Health Care	21%
LAM RESEARCH	LRCX	Technology	20%
EATON CORP PLC	ETN	Industrials	20%
CHIPOTLE MEXICAN	CMG	Discretionary	18%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500 Bottom-20 Performers YTD

29-Feb-24

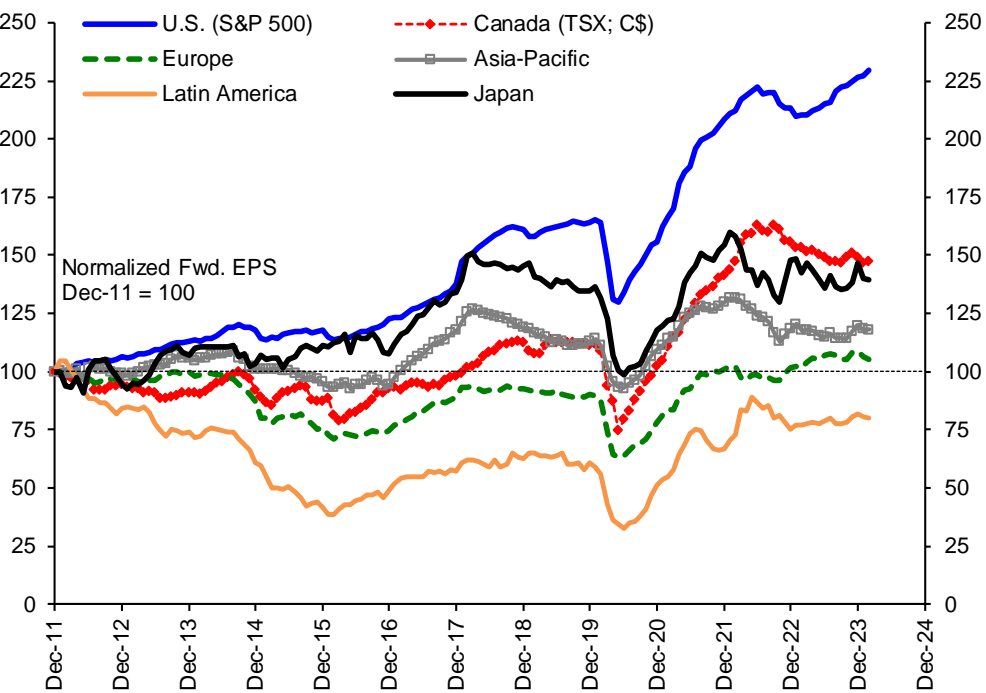
Name	Ticker	Sector	Return (%)
MARKETAXESS	MKTX	Financials	-27%
ARCHER-DANIELS	ADM	Staples	-26%
PARAMOUNT GLOB-B	PARA	Telecom	-25%
NEWMONT CORP	NEM	Materials	-24%
INSULET CORP	PODD	Health Care	-24%
CHARTER COMMUN-A	CHTR	Telecom	-24%
HUMANA INC	HUM	Health Care	-23%
WARNER BROS DISC	WBD	Telecom	-23%
BOEING CO/THE	BA	Industrials	-22%
AES CORP	AES	Utilities	-21%
WALGREENS BOOTS	WBA	Staples	-19%
TESLA INC	TSLA	Discretionary	-19%
SBA COMM CORP	SBAC	Real Estate	-18%
APA CORP	APA	Energy	-17%
BIOGEN INC	BIIB	Health Care	-16%
3M CO	MMM	Industrials	-16%
HEALTHPEAK PROPE	PEAK	Real Estate	-15%
VENTAS INC	VTR	Real Estate	-15%
XCEL ENERGY INC	XEL	Utilities	-15%
CARNIVAL CORP	CCL	Discretionary	-14%

Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Global Forward Earnings

Large Caps

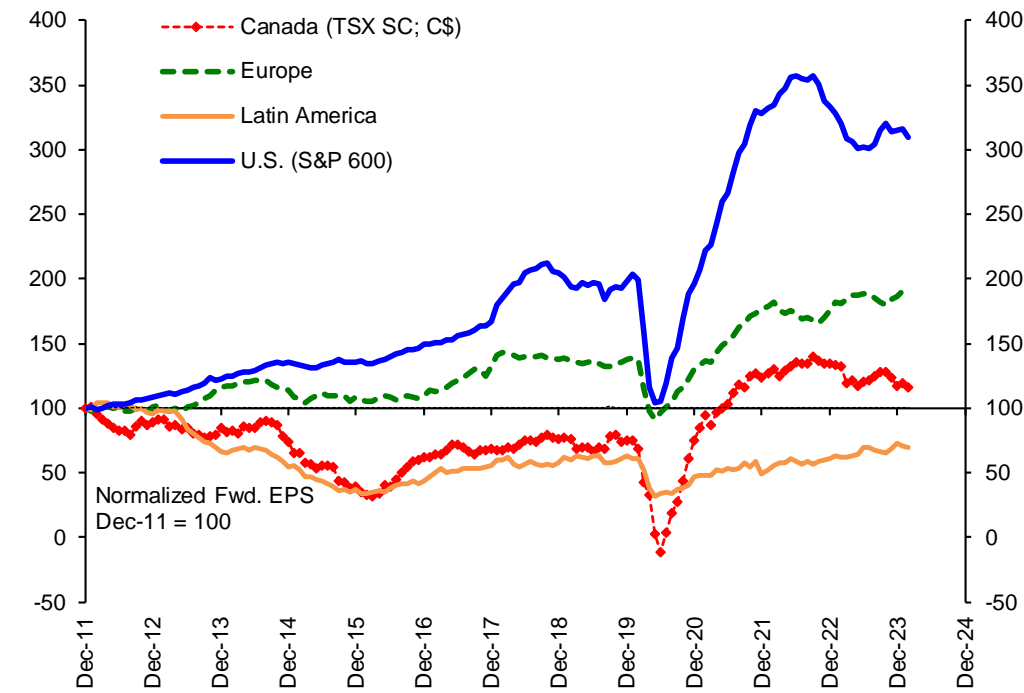
Global Large Caps: 12-M Forward EPS (Normalized; USD)



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Small Caps

Global Small Caps: 12-M Forward EPS (Normalized; USD)

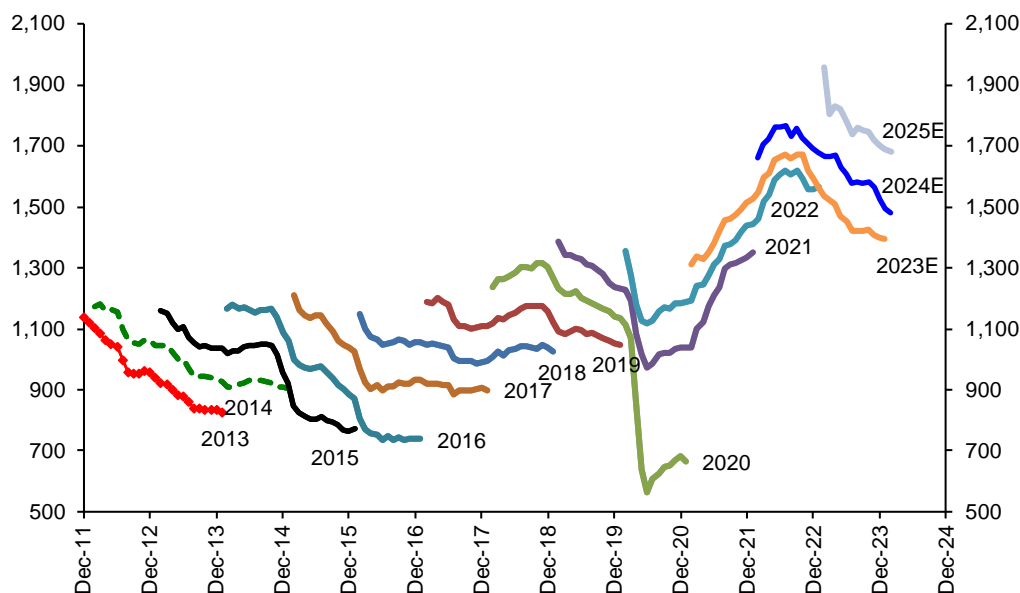


Source: Scotiabank GBM Portfolio Strategy, Bloomberg

Canadian Earnings (Calendar Year and Forward EPS)

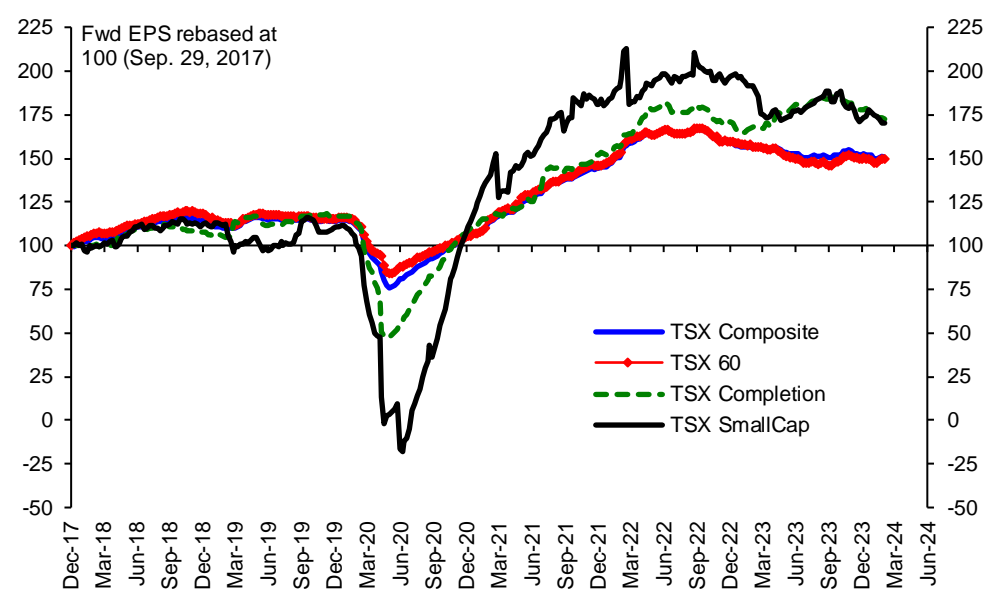
- The 2023 EPS estimate was adjusted upward to C\$1,413, suggesting an 8.0% contraction y/y.
- Consensus sees +4.7% EPS growth in 2024 (C\$1,479) and +13.6% in 2025E (C\$1,681).

TSX FY EPS Estimates (Bottom-up Consensus) - CAD



Source: Scotiabank GBM Portfolio Strategy, LSEG.

Canadian Equities: 12-M Forward EPS (Normalized)

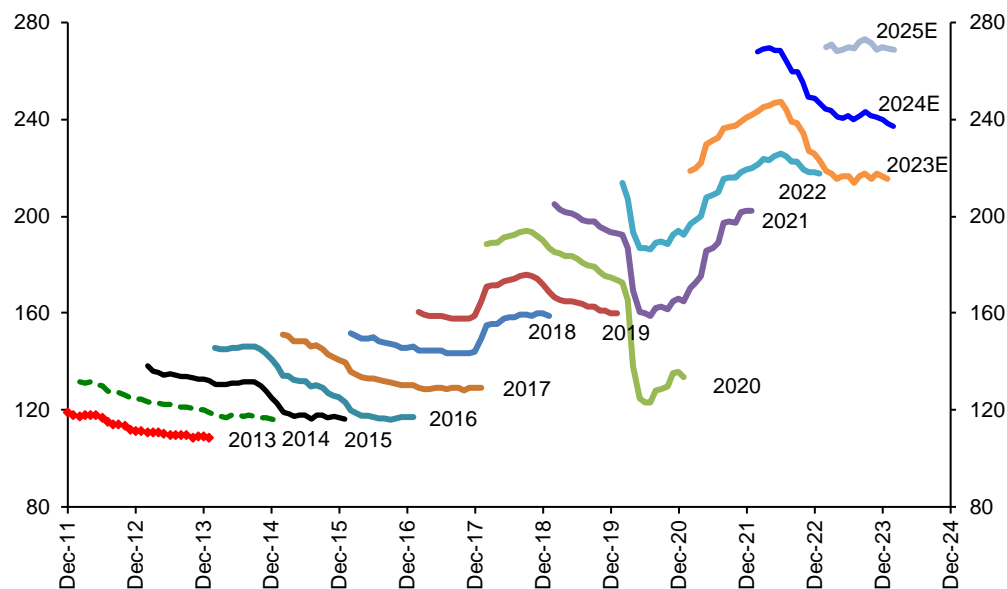


Source: Scotiabank GBM Portfolio Strategy, Bloomberg

U.S. Earnings (Calendar Year and Forward EPS)

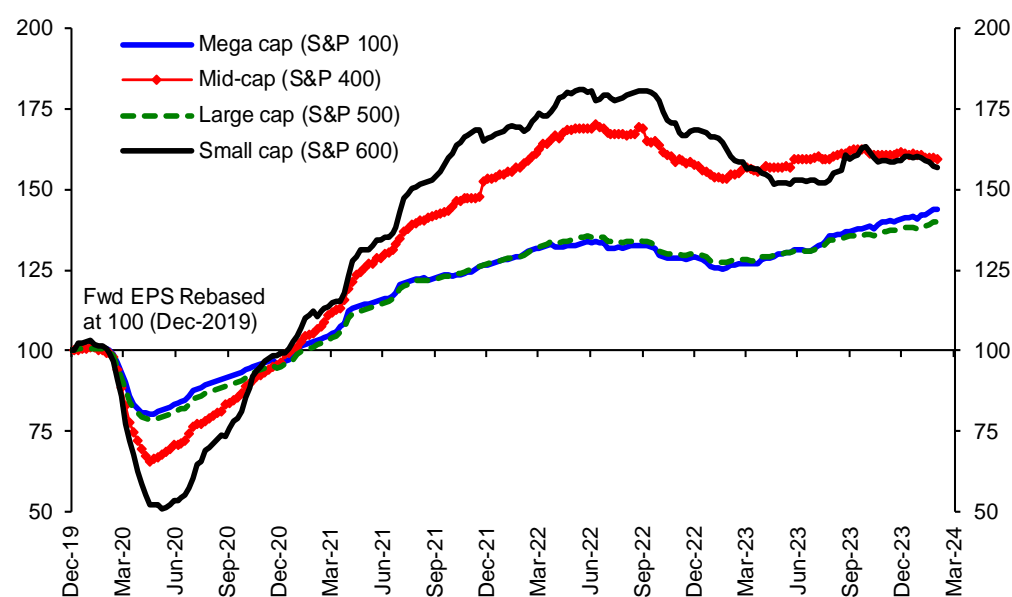
- For 2023, earnings estimates (US\$217) imply a contraction of 0.9% y/y.
- Bottom-up earnings forecasts are seeing 9.6% growth in 2024 (US\$237) and 13.4% in 2025E (US\$269).

S&P 500 FY EPS Estimates (Bottom-up Consensus) - USD



Source: Scotiabank GBM Portfolio Strategy, LSEG.

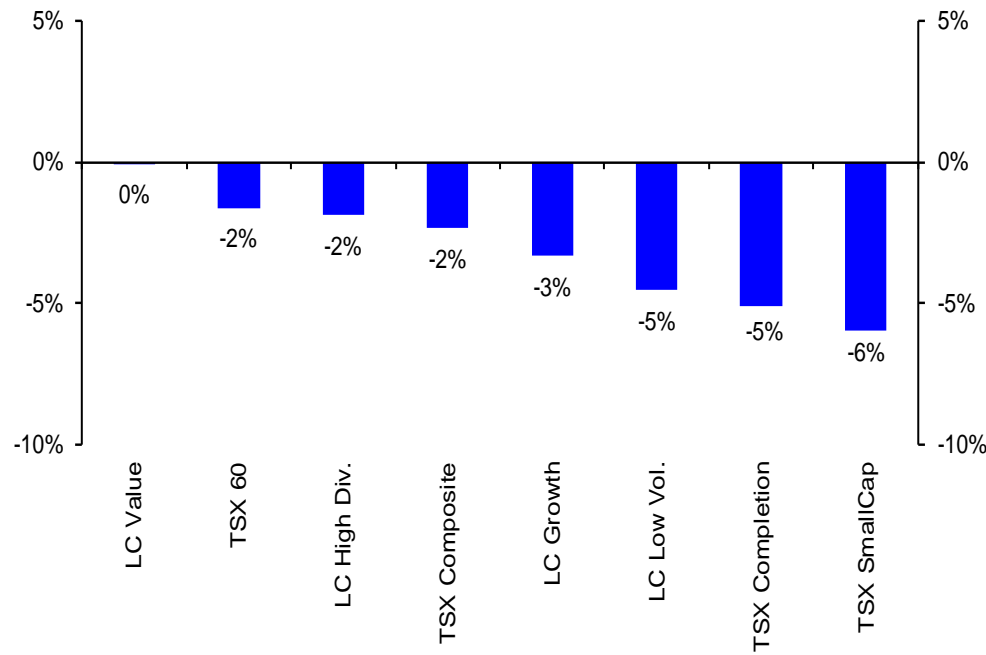
US Equities: 12-M Forward EPS (Normalized)



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

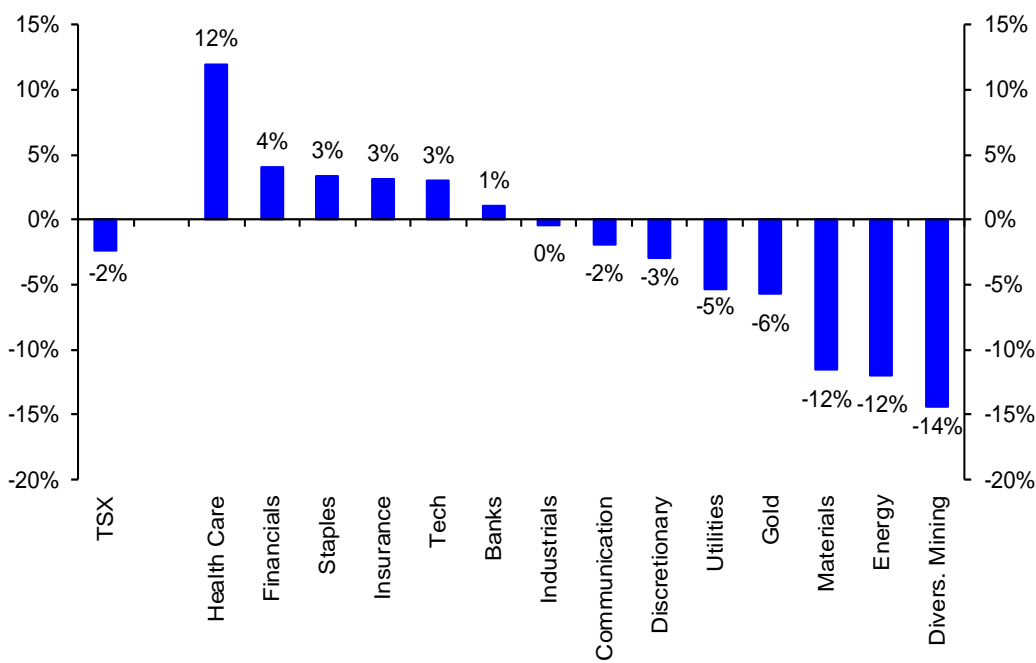
Canadian Earnings Revisions

Canadian EPS Revisions by Size & Style: 3-M Change in Forward EPS



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

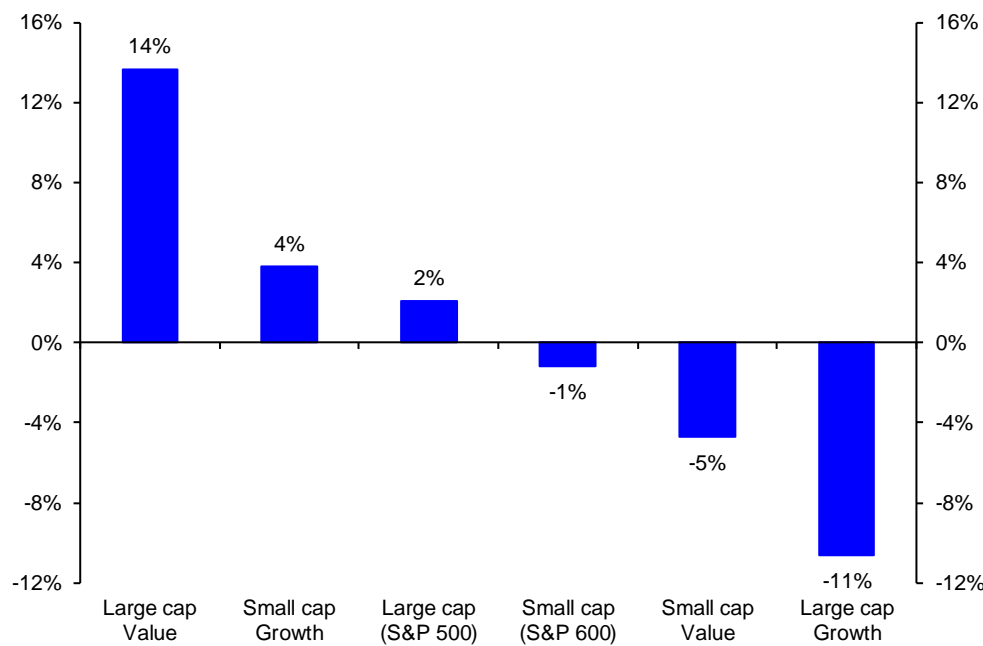
TSX Sector: 3-M Change in Forward EPS



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

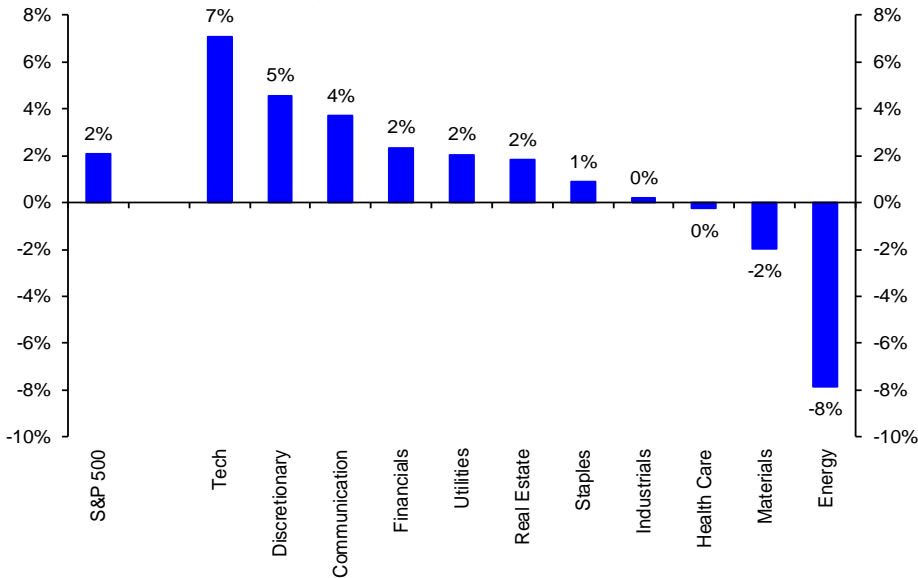
U.S. Earnings Revisions

U.S. EPS Revisions by Size & Style: 3-M Change in Forward EPS



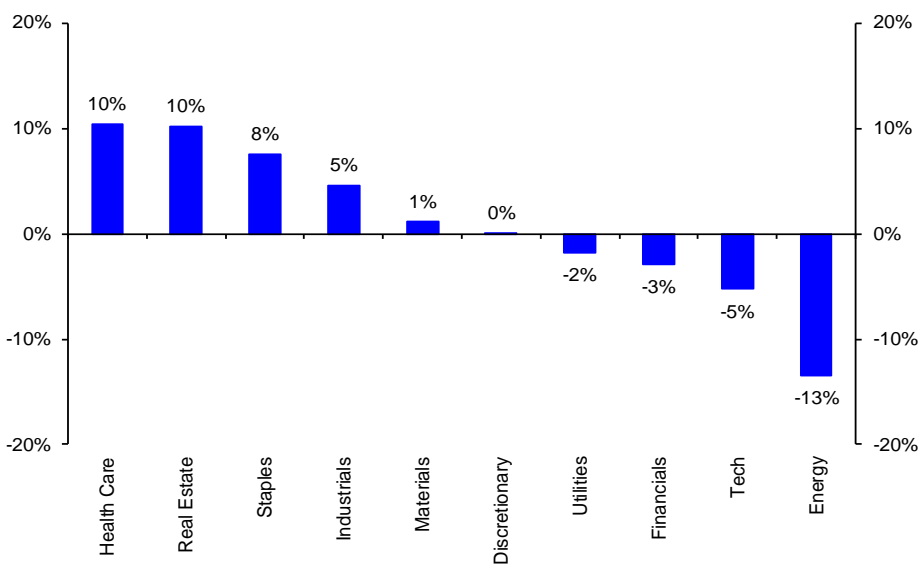
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

S&P 500 Sector: 3-M Change in Forward EPS



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

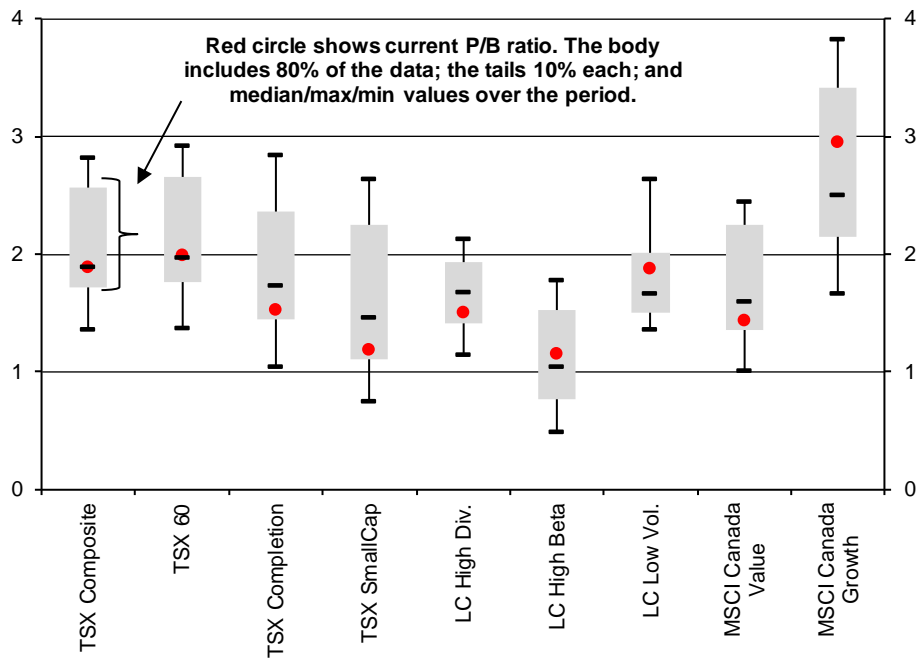
U.S. Small Cap Sector EPS Revisions: 3-M Change in Forward EPS



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

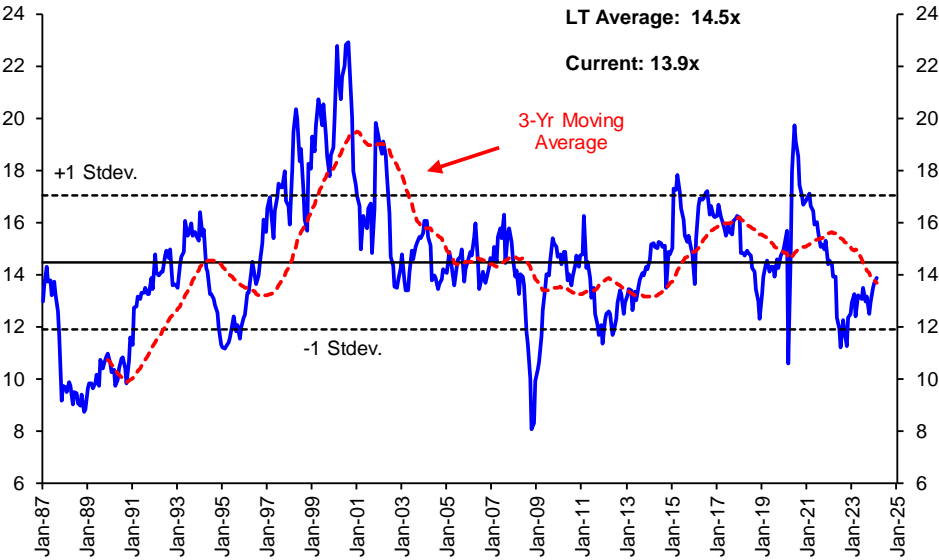
Canadian Equities – Valuation Snapshot

Canadian Equities: P/B Ratio (since 2003*)



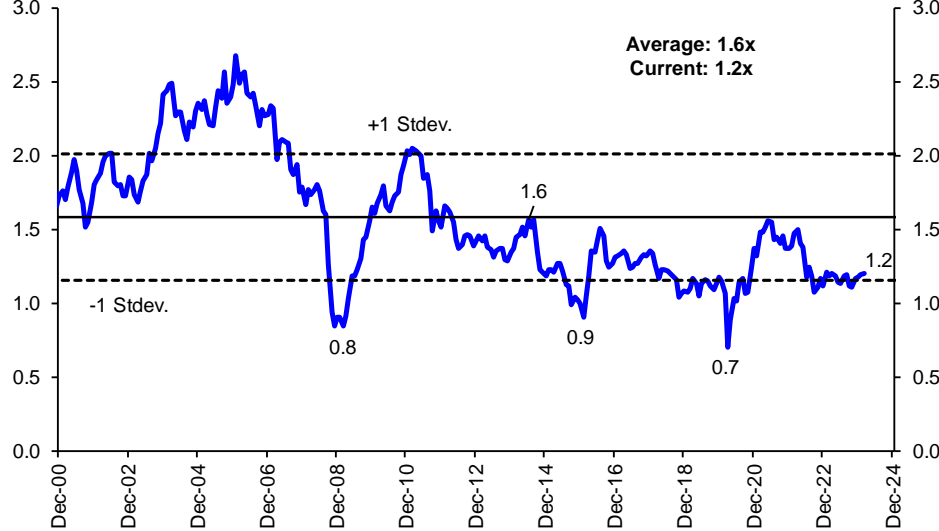
*Data starts in 2011 for LC High Dividend and in 2013 for LC High Beta and LC Low Volatility.
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

S&P/TSX 12-M Forward P/E



Source: Scotiabank GBM Portfolio Strategy, LSEG

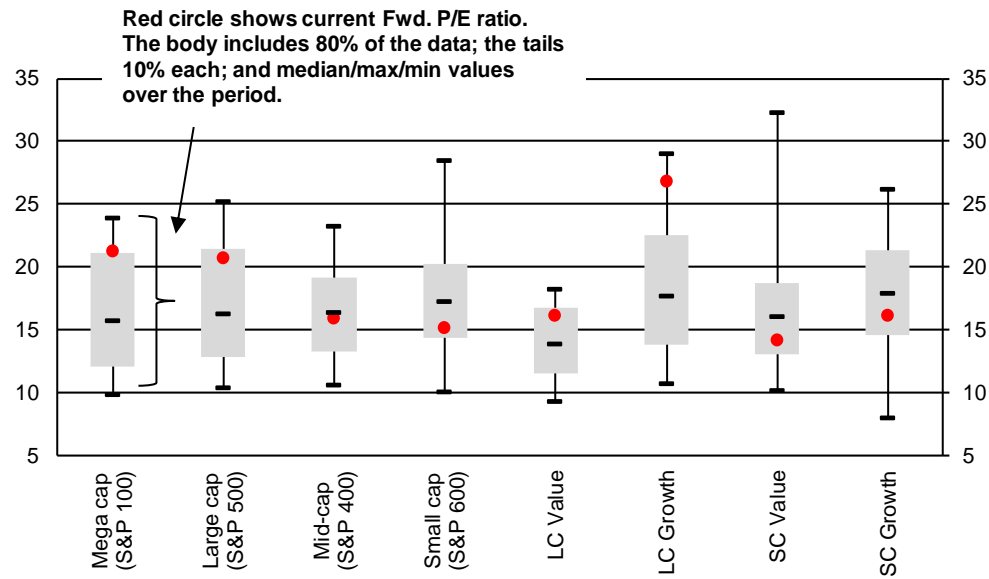
TSX SmallCap: P/B Ratio



Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

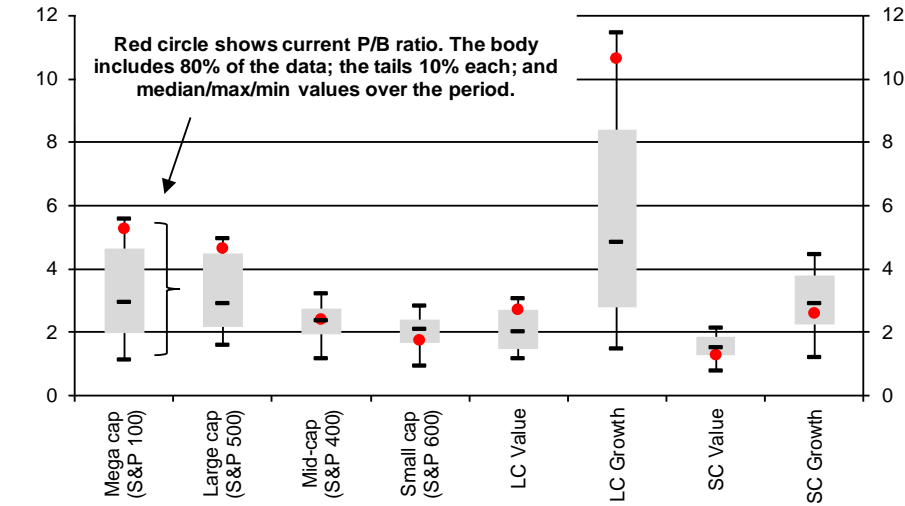
U.S. Equities – Valuation Snapshot

U.S. Equities: 12-M Forward P/E Ratio (since 1995)



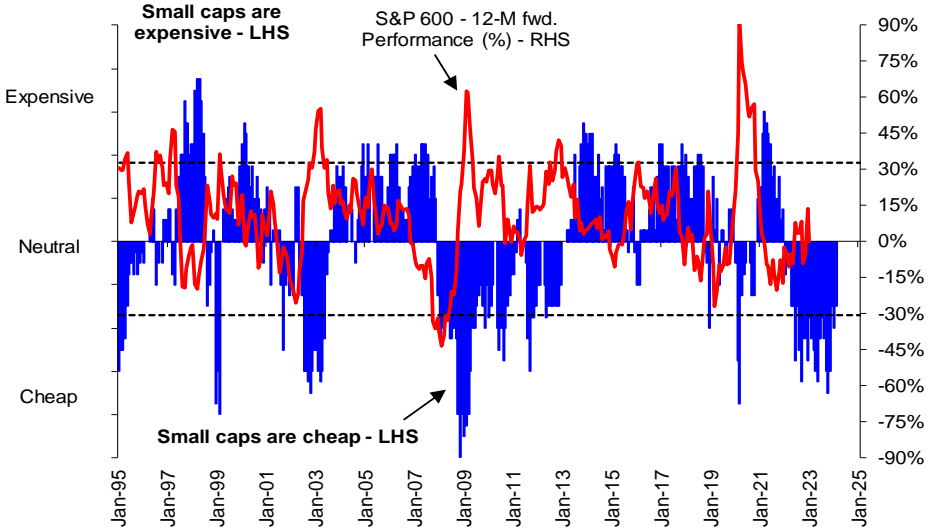
Source: Scotiabank GBM Portfolio Strategy, Bloomberg

U.S. Equities: P/B Ratio (since 1995)



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

U.S. Small Caps Combined Valuation Score



Source: Scotiabank GBM Portfolio Strategy, LSEG, Bloomberg.

Large Cap Sectors – Valuation Snapshot

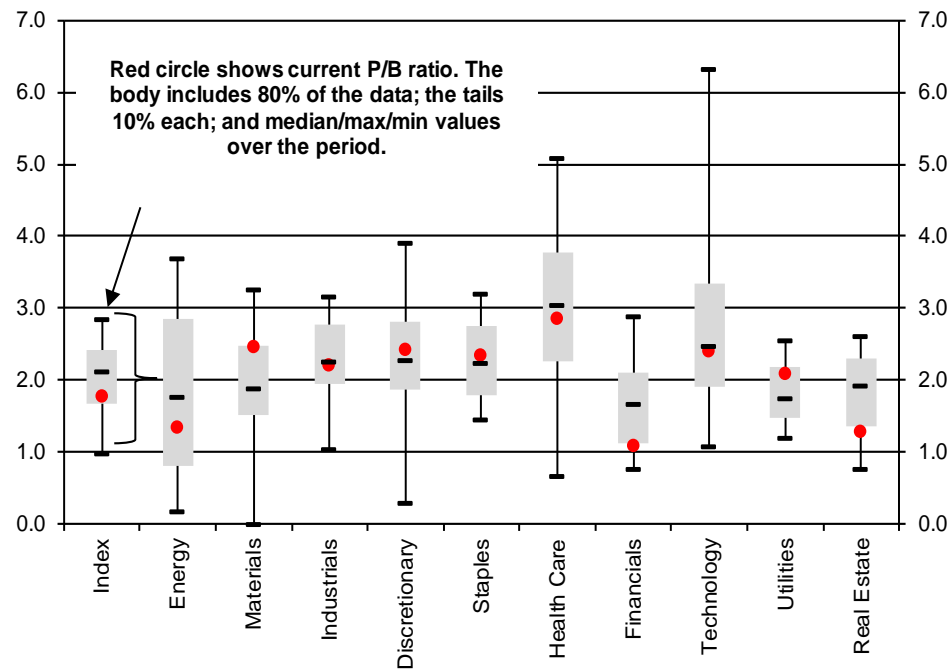
Fwd P/E Ratio (February 23, 2024)

Index	TSX Fwd P/E		S&P 500 Fwd P/E		TSX Relative P/E vs.	
	Level	5-Yr median	Level	5-Yr median	US	5-Yr median
	14.1x	14.4x	20.8x	18.8x	-32%	-2%
Energy	11.7	11.6	11.7	12.6	0%	1%
Materials	16.0	15.5	19.5	17.0	-18%	4%
Industrials	22.8	22.6	20.6	18.5	11%	1%
Discretionary	14.3	13.9	25.7	25.0	-44%	3%
Staples	16.9	16.6	19.7	20.0	-15%	1%
Healthcare	6.2	19.7	19.1	16.3	-68%	-69%
Financials	10.7	10.6	15.4	13.3	-30%	1%
Technology	32.9	35.7	28.2	24.3	16%	-8%
Communications	15.6	16.8	18.9	17.8	-18%	-7%
Utilities	18.0	23.3	15.3	18.6	18%	-23%
Real Estate	13.5	14.6	n/a	42.8	-63%	-7%

Source: Scotiabank GBM Portfolio Strategy, LSEG, Bloomberg.

Small Cap Sectors – Valuation Snapshot

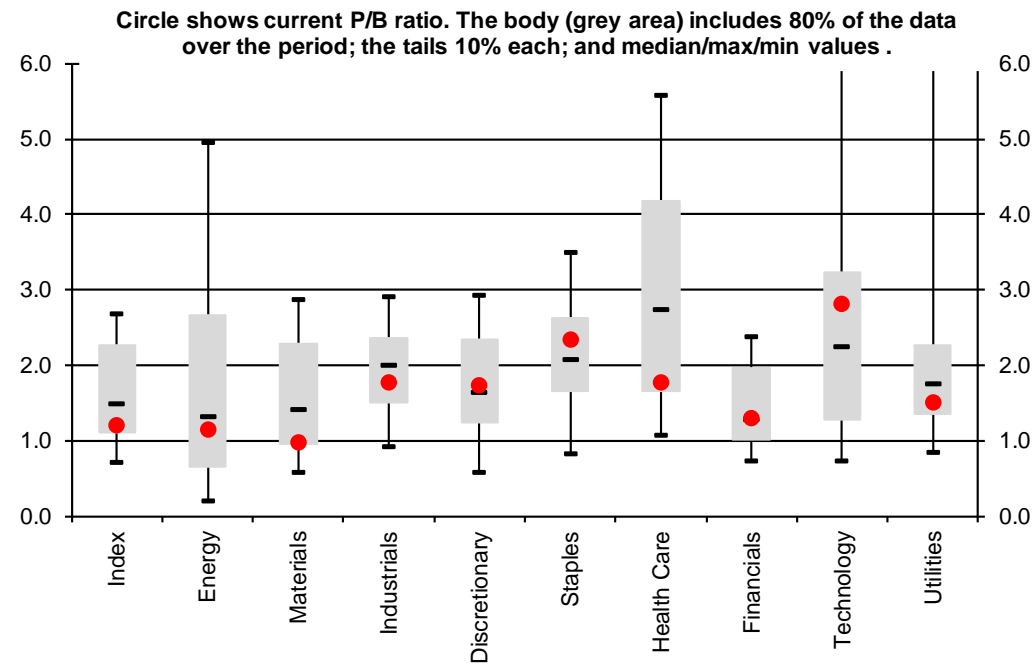
S&P 600 Sector Valuation: Price to Book Ratio (since 1995)



Source: Scotiabank GBM Portfolio Strategy, Bloomberg

TSX SmallCap Sectors: P/B Ratio (since 1999)

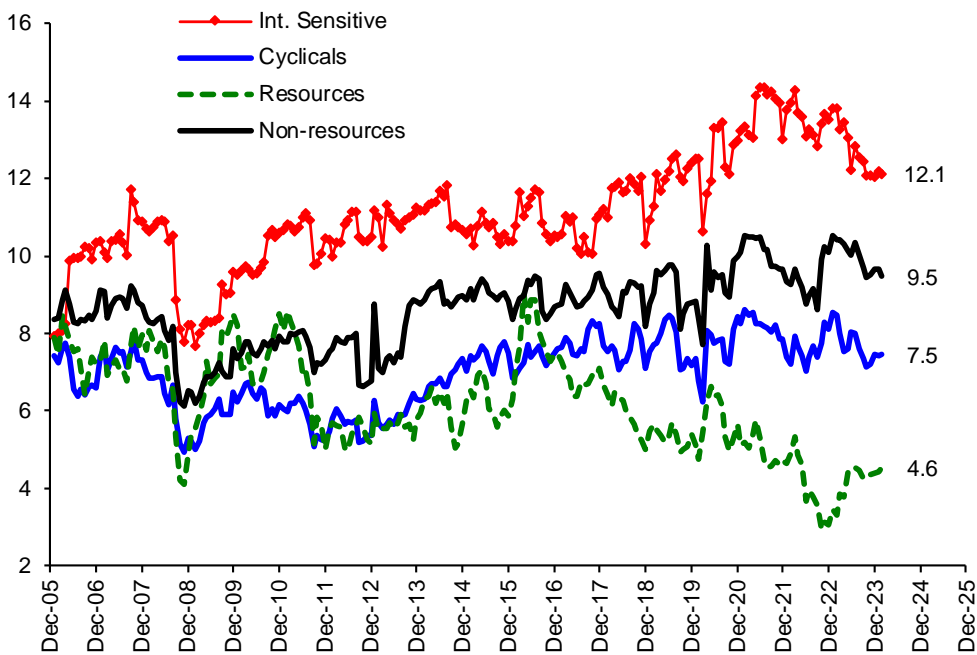
Feb-24



Source: Scotiabank GBM Portfolio Strategy, Bloomberg, Morningstar CPMS

Small Caps – EV/Forward EBITDA

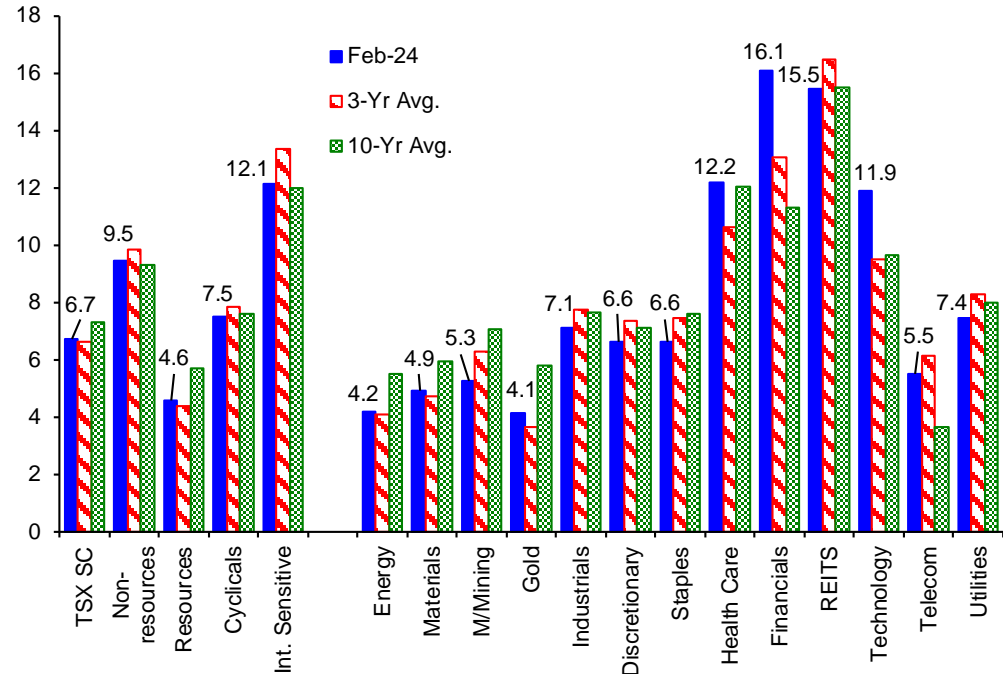
TSX SmallCap EV/12-M Fwd. EBITDA: Cyclical, Int. Sensitive & Resources



Cyclicals based on IN, CD, and IT sectors, while Int. Sensitive based on CS, UT, and RE.
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

TSX SmallCap: EV/12-M Forward EBITDA

Feb-24



Cyclicals based on IN, CD, and IT sectors, while Int. Sensitive based on CS, UT, and RE.
Source: Scotiabank GBM Portfolio Strategy, Bloomberg.

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As of February 28, 2024

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	Count	Percentage	Count	Percentage
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