

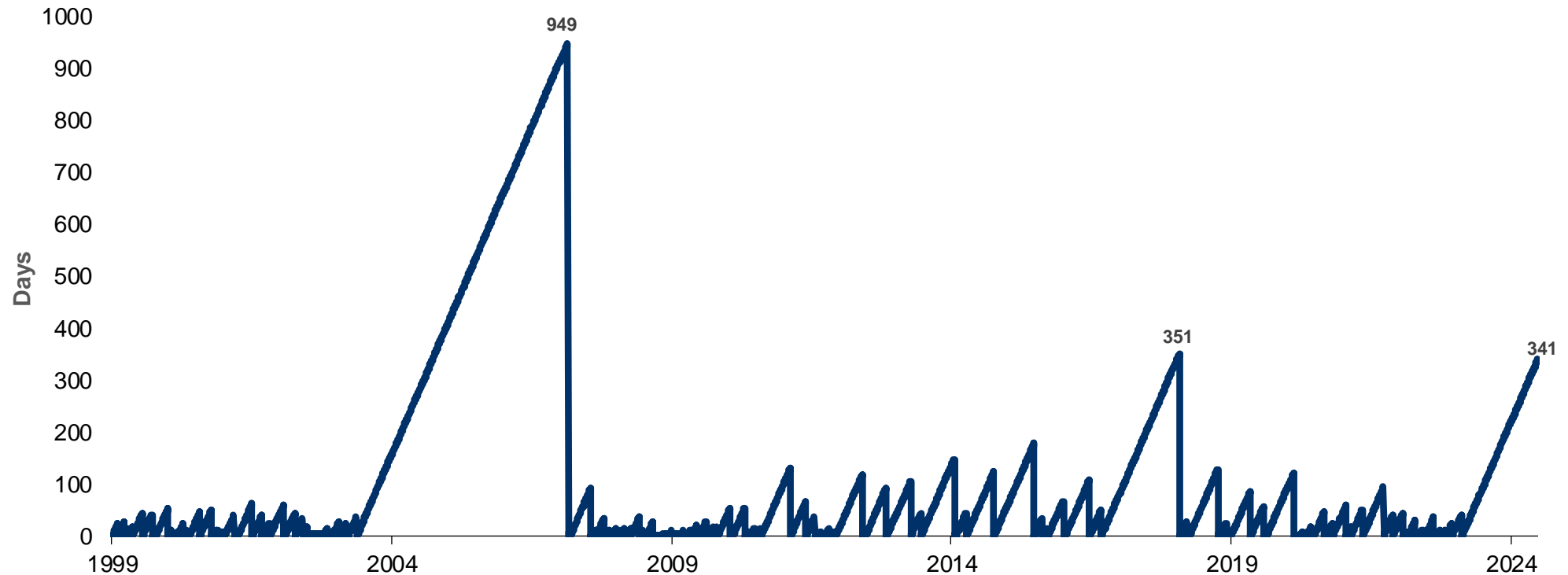
# Charts of interest



# Stocks have been remarkably calm

Since 1999, there have been only two other instances where the S&P 500 has gone this long without a 2% or more drawdown

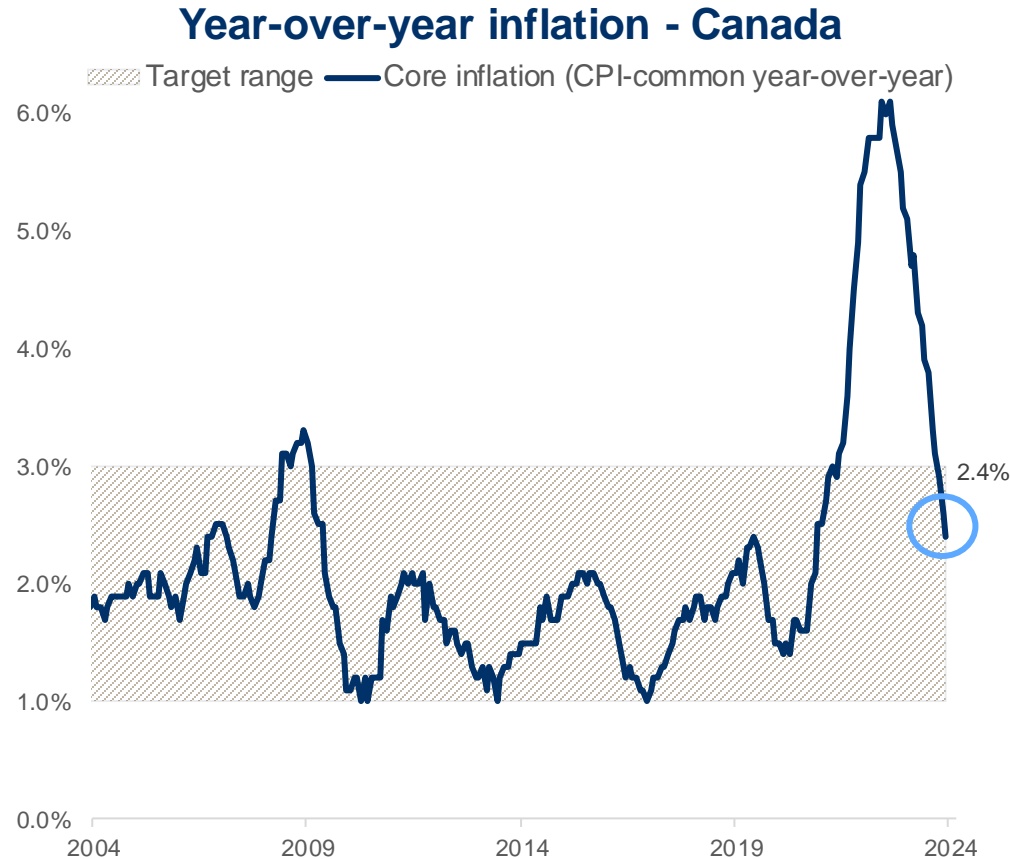
## Days without a 2% or more drawdown in the S&P 500



Source: Morningstar, RBC GAM. Count of cumulative days the S&P 500 TR went without a -2% close in a single day. Period ranges from January 1, 1999, to June 28, 2024. An investment cannot be made directly into an index. The above does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results

# Inflation in Canada is easing faster than the U.S.

Canadian inflation back within target range; the U.S. is still not there

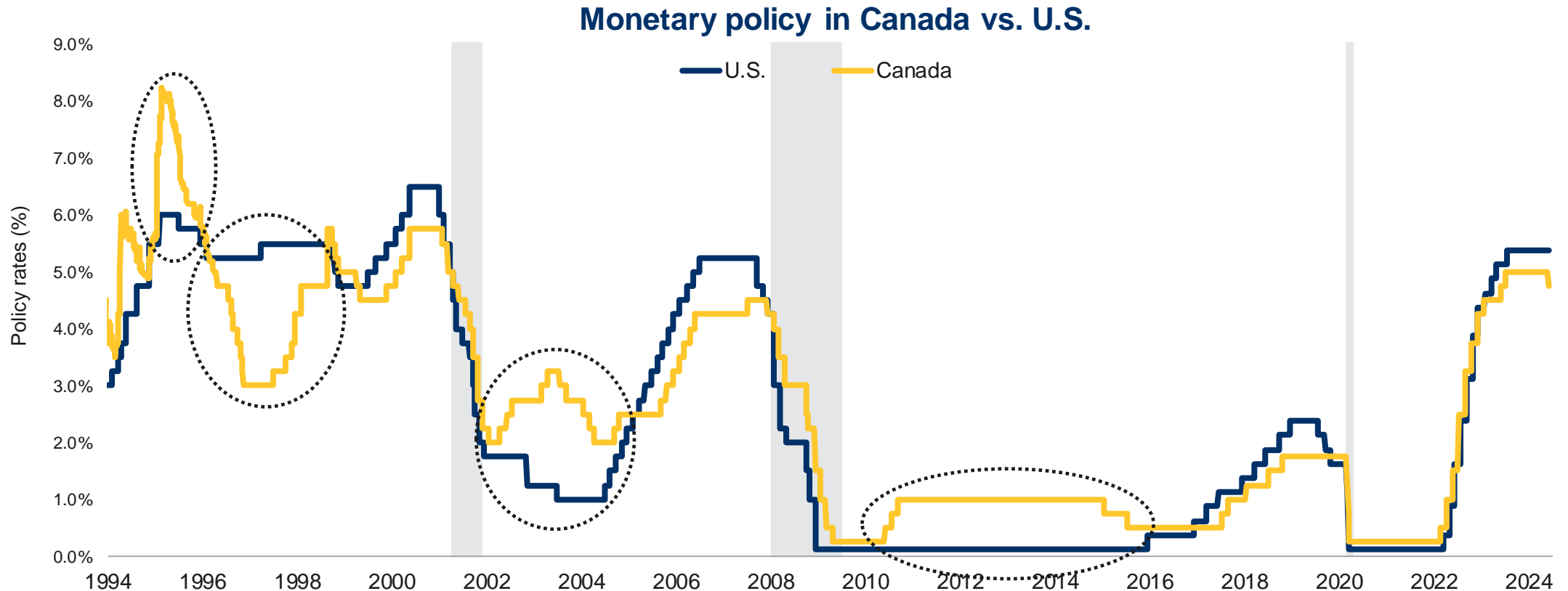


Source: Statistics Canada, U.S. bureau of labor statistics, RBC GAM. Canada - Monthly core inflation (CPI-common year-over-year). Period ranges from June 1, 2004 to May 30 2024. U.S. - Monthly all times CPI change, not seasonally adjusted. Period ranges from June 1, 2004 to May 30, 2024.



# Canadian and U.S. monetary policy can somewhat deviate

Canada has begun its rate cutting cycle, while the U.S. is widely expected to begin cutting later in 2024

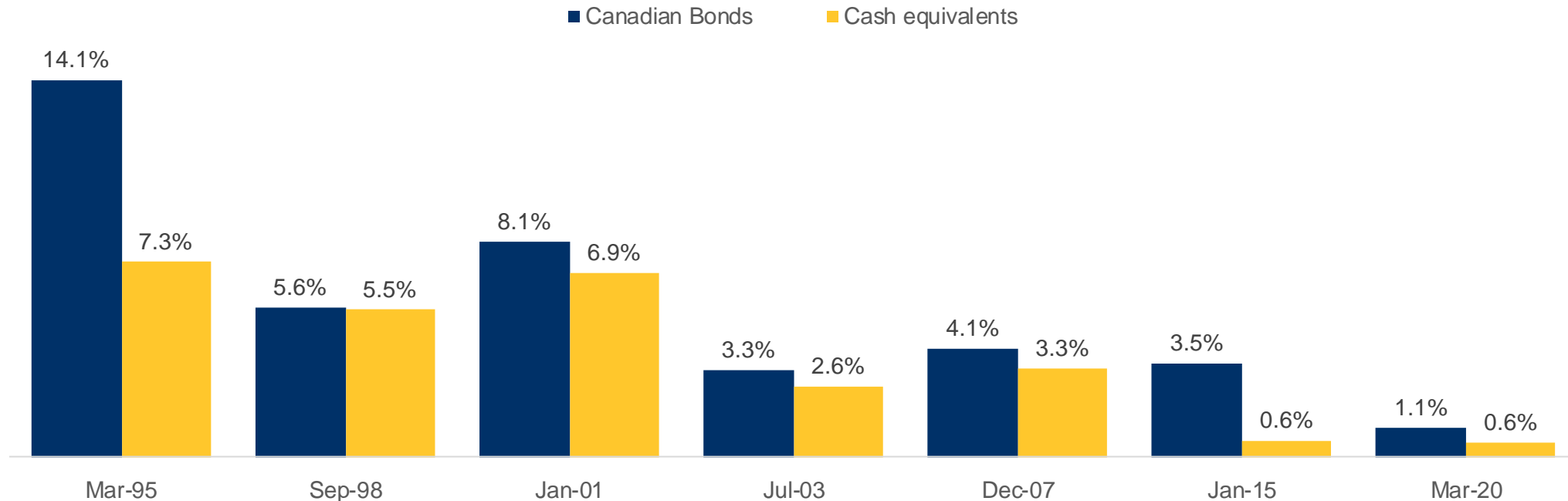


Source: Macrobond, RBC GAM. As of June 30, 2024. Shaded area represents U.S. recession.

# Bonds tend to outperform cash after the first cut in interest rates

Historically, bonds have outperformed cash over every easing cycle

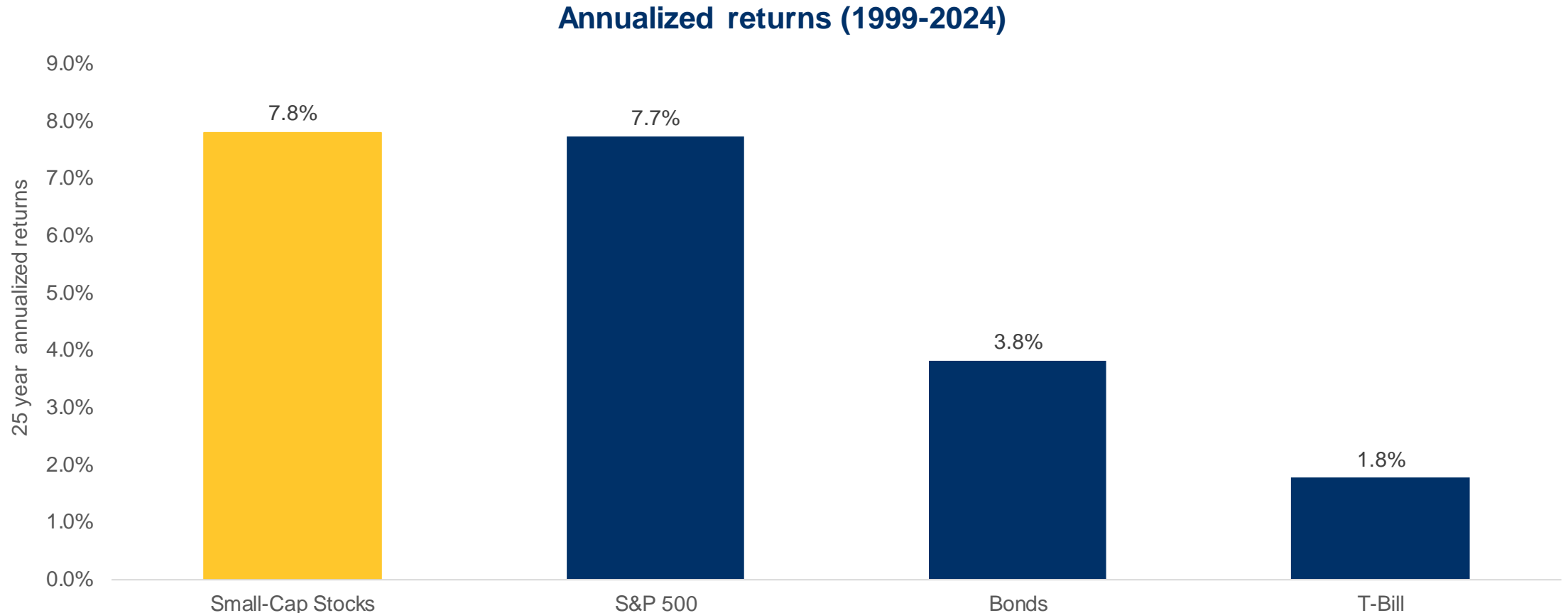
## 1-year return after the first cut in Bank of Canada rates



Source: Morningstar Direct, Bank of Canada. Annualized returns. Dates represent the date of the first cut Bank of Canada rates (3/15/1995, 9/30/1998, 1/24/2001, 7/16/2003, 12/05/2007, 1/21/2015, March 4, 2020). Canadian bonds: FTSE Canada Universe Bond Index. Cash equivalent: FTSE Canada 91 Day T-Bill. The graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. An investment cannot be made directly into an index.

# Small caps look attractive and offer compelling long-term results

U.S. small caps currently have attractive valuations and have historically outperformed

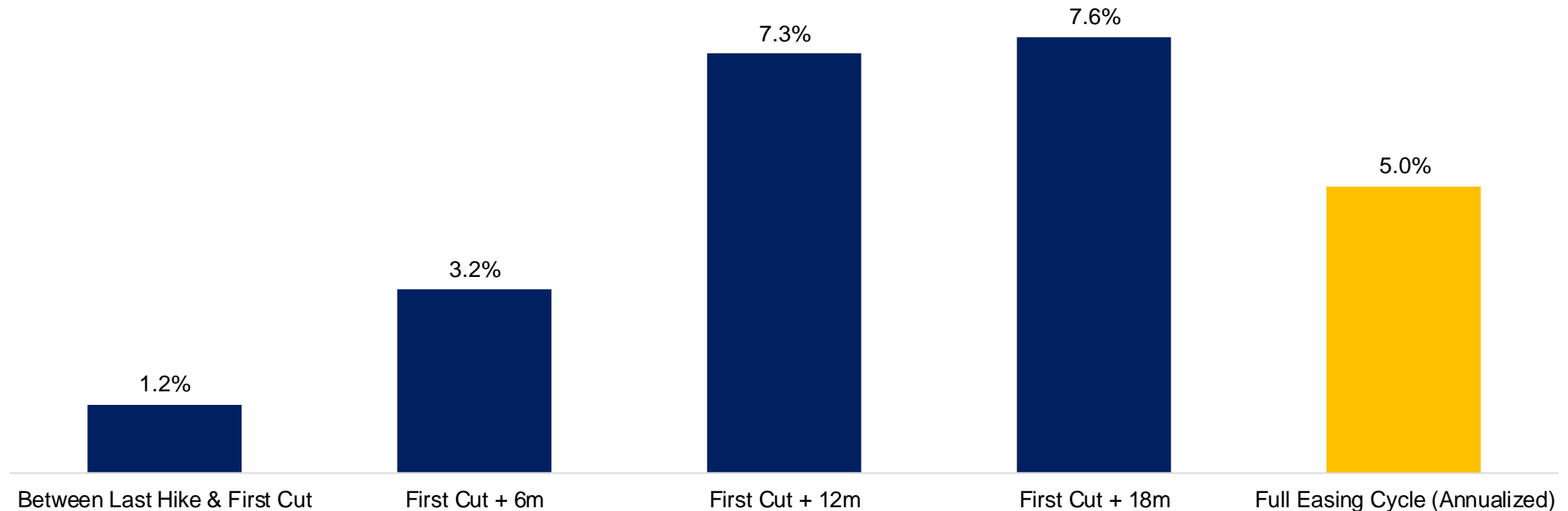


Source: RBC GAM, Morningstar. Annualized total returns period ranges from June 1, 1999 to May 31, 2024 in USD. Small-Cap represented by Russell 2000 Index. S&P 400 represented by S&P 500 Index. Bonds represented by Bloomberg U.S. Agg Bond index. Cash represented by ICE BofA U.S. 1-month Treasury Bill. An investment cannot be made directly into an index. The above does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.

# Following rate cuts, dividend paying stocks have historically performed well

Relative returns over the full easing cycle from dividend paying stocks have outperformed the broader market

## Outperformance of dividend payers over S&P 500



Source: RBC DS, Bloomberg. As of March 7, 2024. Data reflects the last four easing cycles: 1995, 2001, 2007, and 2019. Returns of the S&P 500 Dividend Aristocrats Total Return Index (US\$) versus the S&P 500 Total Return Index (US\$). An investment cannot be made directly into an index. The above does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.

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