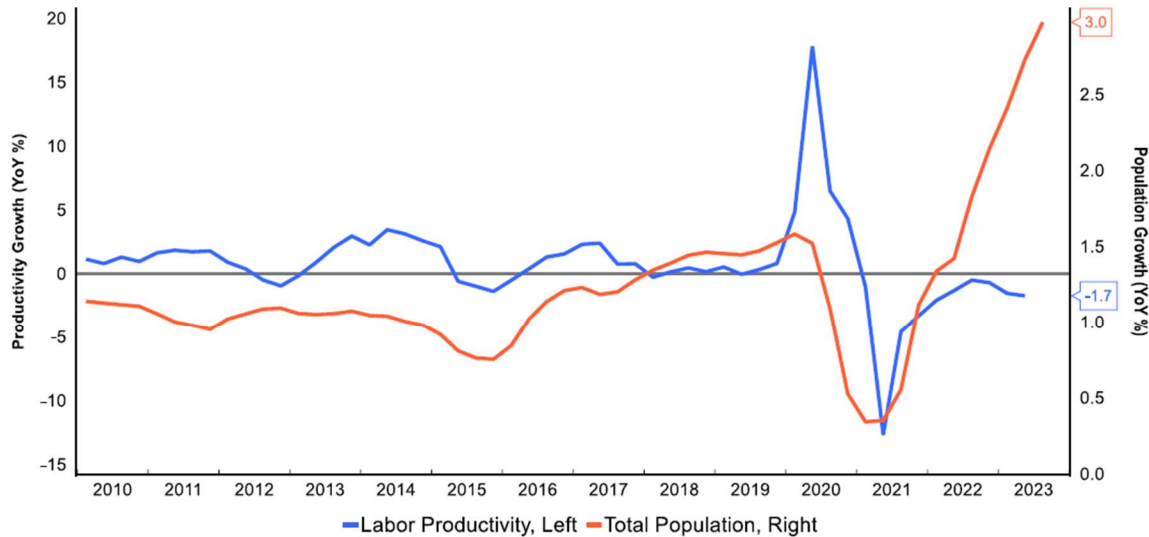


Theme #1: Reasons to remain cautious

Despite strong population growth, weakness in productivity remains a headwind

Canada: Record-level immigration flows are being offset by weak productivity growth

Data as of July 2023



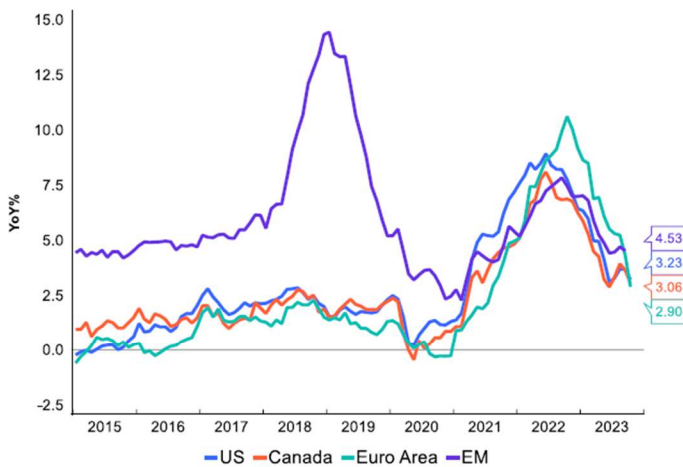
Source: StatCan, Macrobond.
Important data provider notices and terms available at www.franklintempletondatasources.com.

Theme #2: Higher for longer

Inflation much improved but the last mile is the longest

CPI

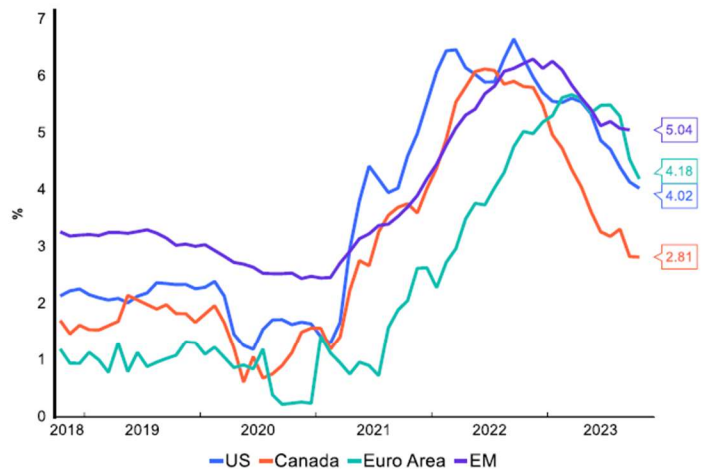
Data as of October 2023



Source: BLS, StatCan, Eurostat, ONS, SBJ, ABS, NBS, Federal Reserve Bank of Dallas, Macrobond.
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Core CPI

Data as of October 2023



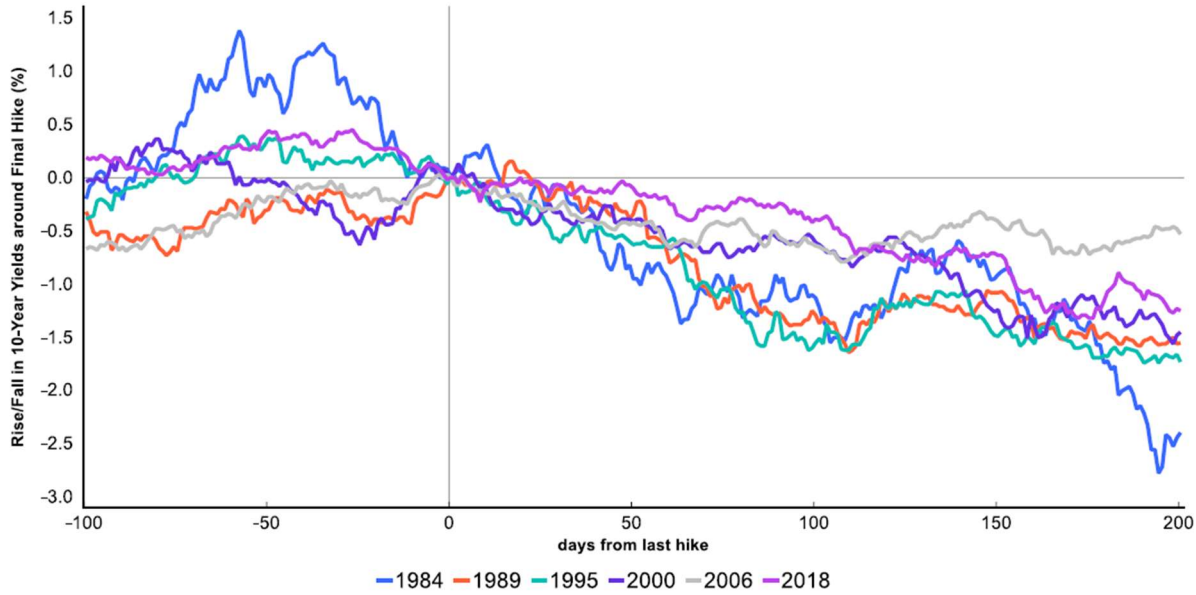
Source: BLS, StatCan, Eurostat, ONS, SBJ, ABS, NBS, Federal Reserve Bank of Dallas, Macrobond.
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Note: For Canada, the target inflation rate in the chart represents the mid-value of the target inflation range. The current inflation rates pertain to: US – Headline CPI YoY; Canada- Total Consumer Price Index; Europe - Monetary Union Index of Consumer Prices, All Items; Japan - Core Consumer Prices Index;
Source: FTIS, Fed, BoC, ECB, BOJ, StatCan, Japanese Statistics Bureau, Ministry of Internal Affairs & Communications (Japan), BIS, Bloomberg, Macrobond.

Theme #3: Among the risks, opportunities exist

Government bonds tend to rally after last rate hike

Change in the US 10YR Yield from Last Rate Hike (%)

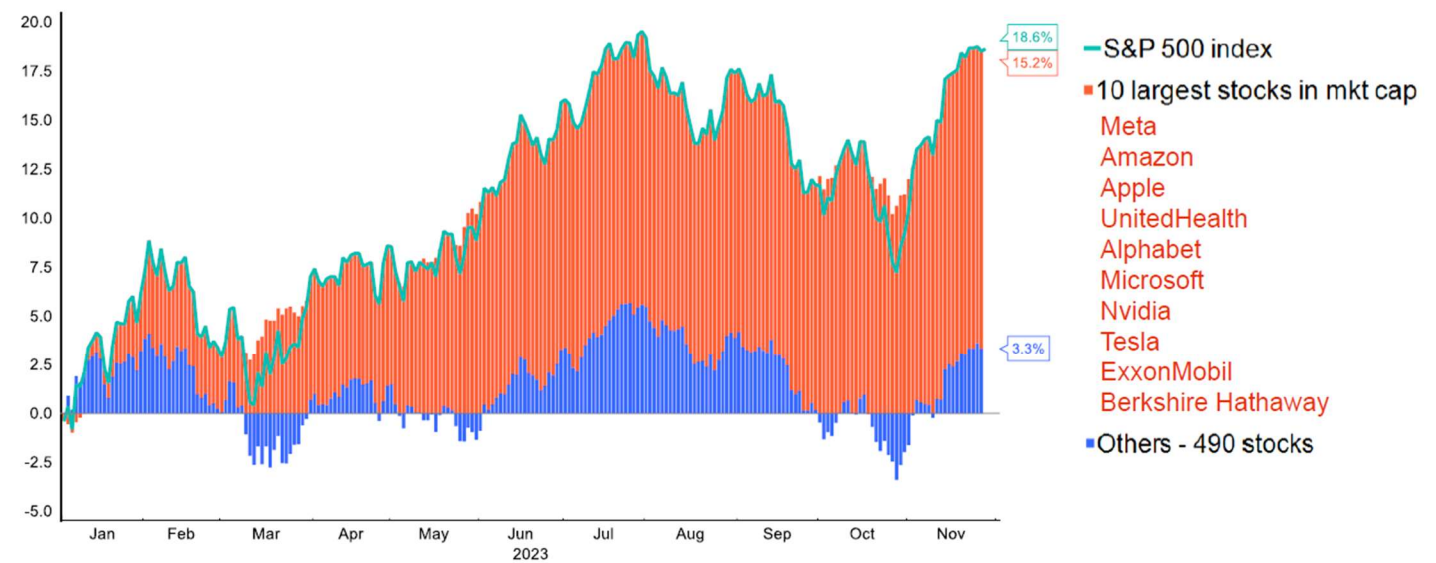


Source: U.S. Department of Treasury, Macrobond.
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Theme #3: Among the risks, opportunities exist

Market breadth still narrow, but broadening

As of November 27, 2023



Source: S&P Global, Macrobond.
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