



## **Comments - Second Quarter 2024**

On June 5, the Bank of Canada lowered its key rate for the first time since March 2020. This decision, long awaited by the markets, marks a significant turning point. The wait was long and economically painful for some.

For Canadian investors, this event is the most significant of the last quarter, symbolizing a first step towards a return to a more normal monetary policy. The Bank of Canada seems to believe that the war against inflation is coming to an end.

However, victory is not yet assured, and it is possible that the finish line will be further away than anticipated, which could lead to temporary turbulence in the months to come.

Among our neighbours to the south, an essential subject stands out: Artificial Intelligence (AI). AI is generating economic enthusiasm rarely seen, attracting increasing capital quarter after quarter. Thus, the American market is once again positioned at the head of the pack in 2024.

However, this trend seems difficult to sustain in the long term. Analyzing the performance of the S&P 500 index, it appears that only a few stocks contribute significantly to the overall return, with their concentration increasing worryingly. Historically, this type of period rarely ends happily. It is crucial not to fall into the “this time it’s different” trap.

We conclude virtually all our quarterly comments with this essential reminder:

“As you well know, our main concerns remain investing in quality companies, maintaining good diversification, respecting your risk profile and, above all, being patient.”

This reminder of good practices is as relevant today as yesterday, because the pitfalls in portfolio management never really change!

Good summer!

Marie-France and Charles

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