



Highlights



News of a promising COVID-19 vaccine trial helped spur strong global stock market gains and a significant sector rotation from growth into value sectors.



Beginning in 2021, GLC will be amalgamated into Mackenzie Investments and together we will be stronger as one of Canada's largest asset managers.



The drawn-out U.S. presidential election gave way to begin the transition of power to President-elect Biden and alleviate some market uncertainty.



From all of us at GLC, we wish you the very best of the holiday season and a very happy New Year!

Stock markets rose strongly in November, reversing October's swoon and rising on promising COVID-19 vaccine developments and post-U.S. election clarity (that emerged slowly, but surely) for a regime change in the White House.

Betting on the 're-opening trade'

In early November, Pfizer and its German partner, BioNtech, released results of their ongoing trial for a COVID-19 vaccine, showing very positive early results of 90% efficacy rates. Shortly after, Moderna followed suit with similarly positive results from their COVID vaccine trial. In the midst of a second wave of increasing case counts and the communal weariness from ongoing (and increasing) restrictions and lockdowns, the good news couldn't have come soon enough. Investors around the globe were quick to hitch their wagons to the idea of a vaccine-enabled return to gatherings, events, traditional business functions and economic activity. Emblematic of this 're-opening trade' is the sharp rise for oil prices. Prices jumped on expectations for increased fuel demand with thoughts of forthcoming return to work commutes and the re-start of business and leisure travel.

Overall, there was a significant sector rotation in November from growth to value stocks. Previously beaten-down sectors (for example, Canada's heavy-weight Energy and Financials sectors) saw strong monthly gains. The jump in Health Care was enabled by the legalization of recreational marijuana in several more U.S. states – good news for Canada's cannabis companies. Of course, the overall positive sentiment toward Health Care amidst the vaccine news didn't hurt the sector either.

European and Japanese stock markets saw some of the biggest gains globally as they are particularly sensitive to the end of the pandemic given their heavy reliance on cyclical stocks like Industrials, Materials and Financials. Relatively speaking, the S&P500

Market Summary

Canadian Fixed Income ¹	Month	YTD
FTSE Canada Universe Bond Index	1.0%	8.3%
FTSE Canada All Corporate Bond Index	1.7%	7.9%

Canadian Equities ²	Month	YTD
S&P/TSX Composite	10.3%	0.7%

Global Equities ²	Month		YTD	
	Local	CAD	Local	CAD
S&P 500	10.8%	7.7%	12.1%	12.1%
MSCI EAFE	13.0%	12.2%	-3.7%	0.8%
MSCI Emerging Markets	7.7%	6.2%	10.2%	8.1%

Currencies and Commodities (in USD)	Level	Month	YTD
CDN \$	\$0.769	2.4%	-0.1%
Oil (West Texas)	\$45.34	26.7%	-25.7%
Gold	\$1,778.11	-5.4%	16.8%
Reuters/Jeffries CRB Index	\$160.06	10.6%	-13.8%

Canadian Sector Performance ²	Month	YTD
Energy	18.6%	-30.8%
Materials	-4.8%	16.0%
Industrials	7.7%	12.3%
Cons. Disc.	14.4%	8.4%
Info Tech	14.4%	75.0%
Health Care	35.0%	-14.8%
Financials	16.3%	-4.5%
Cons. Staples	2.6%	3.7%
Comm. Services	7.5%	-6.7%
Utilities	5.4%	10.1%
Real Estate	12.6%	-10.5%

Local currency unless otherwise stated.

¹Total return ²Price only return

Source: Bloomberg



underperformed its developed market peers due to its large exposure to growth stocks.

Turning away from safe-havens

On the flip side of the 're-opening trade', risk-adverse safe-haven assets were abandoned. Values for the U.S. dollar, gold bullion and sovereign bonds each took a hit.

Bond yields initially rose during the month before they retreated and stabilized, with the yield curve steepening only to eventually flatten again. Corporate bonds, with their higher yields, performed best for fixed-income investors in November.

In the case of gold, the drop in bullion's value also represented a consolidation of its parabolic spring/summer move. In our view, it will take rising inflation fears to see gold values soar again. It's something that could happen, but likely further down the road and not a near-term risk we see today.

Election reflections

Similar to the approach I take with my birthday, the U.S. presidential election day was drawn out to be a month-long affair. Lengthy counting processes for mail-in ballots, inquiries into voter improprieties and President Trump's resistance to President-elect Biden's use of transitional resources served to drag the conversation out for days (and ultimately weeks) past the closing of polls. Finally, at the end of November (and without a formal concession from President Trump), the General Services Administration permitted the transition process to start.

President-elect Biden started to announce his cabinet and advisors with a number of familiar names from the Obama presidency, including former U.S. Federal Reserve Chair, Janet Yellen, as Treasury Secretary. The market reaction was positive, embracing her experience and comforted by her 'dovish' tilt – a nod to the old adage of 'better the devil you know than the one you don't'.

The last page of a great story

Beginning in 2021, GLC will be amalgamated into Mackenzie Investments and together we will be stronger. Still, it's a closing chapter for GLC Asset Management Group as we know it.

From the beginnings of three independently successful asset management shops brought together under one umbrella, to hitting our stride with award-winning fund offerings and trusted market insights, to bold ambition and punching well above our weight with expanded portfolio management capabilities and progressive responsible investing policies – GLC is a success story. We were driven by a singular focus: to deliver strong investment results powered by the most exceptional group of professionals that I have ever worked with. I couldn't be prouder of the team.

So, it's with both sadness and satisfaction that I pen my last GLC Market Matters commentary. Every month I faced a blank screen to answer three simple questions: What happened? Why? Why does it matter? ...And I tried not to be boring. The latter was aspirational and much easier said than done! But believe me when I say, 'Thank you!' from the bottom of my heart and to all our readers and investors. Your frequent feedback (good and bad) made us all better. Your loyalty and support were never taken for granted. Indeed, you (investors, advisors, consultants, business partners) and your investment success were always our 'raison d'être'.

And that's a wrap

To you and yours over the festive season, happy holidays and whatever the 'new normal' of 2021 will be, may it bring you happiness, good health and good fortune!

~ From all of us at
GLC Asset Management Group



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VP Marketing and Communications, has more than 20 years of investment industry experience and has been writing the monthly Market Matters for over 15 years.

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