

# RBC Global Equity Index ETF Fund



## Commentary as at December 31, 2023

Many equity investors began the period concerned that higher interest rates would tip the U.S. economy into recession. These concerns were amplified in March, when rapidly increasing interest rates caused bank balance sheets to weaken, and the failure of a number of midsize U.S. banks raised fears of even tighter credit conditions. U.S. consumers, however, continued to spend, and fears of a recession gradually gave way to a growing consensus that a contraction might be avoided.

The equity market was characterized by strong performance from a narrow group of large technology-related U.S. firms, many of which benefited from optimism over the prospects for artificial intelligence. As a result, large-cap U.S. equity indexes outperformed most other markets. China's post-pandemic economic recovery continued to be lacklustre, with the economy slipping into deflation toward the end of the period. Economic growth was also muted in Europe.

Inflation continued to moderate across most regions, and the U.S. Federal Reserve signalled toward the end of the period that interest rates had likely peaked, causing equity markets to rally in the final two months of 2023.

The portfolio manager has no recent developments to report.

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