



# Financial and Economic Notes

May 2008 vol. 102

## Highlights

- Equity markets rebound strongly
- Credit crisis slowly starting to ease

### Economic indicators

Most economic figures, particularly for the domestic side of the U.S. economy, were clearly on the weak side. However, it is worth noting that the data was consistent with very sluggish, but nonetheless still positive, economic growth. Advance data for the U.S. first quarter GDP was +0.6%. Given the strength of construction spending, there may even be some upward adjustments to this preliminary figure.

The jobless data for April was also less worrisome than some had feared and the unemployment rate at 5% (4.95% at two digits) is clearly inconsistent with an economy that is falling apart. The Fed cut rates again to 2%, as expected, and signaled that it was ready to take a break and see things evolve going forward.

On the Canadian side, domestic demand is still very strong as shown by auto sales for the first 4 months of the year that are 6.1% higher than for the same period in 2007, which is the best ever beginning of a year

The export side of our economy could still be a drag on the first quarter numbers but we tend to think not as large as many fear.

### Financial markets

Equity markets surged upwards in April providing beleaguered investors with some much needed relief. Canadian equities outperformed both U.S. and EAFE equities as commodities, particularly oil, reached new highs. In addition to the strong rebound in equity indices, many indicators were signaling that the worst of the current seizure in the credit markets may finally be behind us.

The Bank of Canada (BOC) cut rates by 0.5% to 3% and signaled that more easing may be forthcoming. Clearly the BOC is keeping its options open in recognition of the fact that our economy has not been as adversely impacted by the current crisis as the U.S. economy has.

Looking forward, it seems that all of the measures taken by the Fed and other central banks around the world are starting to have a broader effect on the global credit system. There are now many indicators that make the Fund Managers even more optimistic about the resolution of the credit crisis and that better times lie ahead on the economic front.

The Fund Managers remain comfortable with their overweight in equities and still favor U.S. equities for now. Their overweight in equities worked well in April given the strong equity returns and the negative bond returns.

All major equity markets increased in value during the month of April with the exception of the DEX Universe Bond index which decreased in value: -0.5%. The S&P/TSX had a return of 4.6%, the S&P500 3.0% and the MSCI EAFE 3.5%.



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## Assumption Life Investment Funds Applicable for Registered Pension Plan clients only

Gross returns as of April 30, 2008

FUNDS	1 MTH %	YTD* %	1 year %	2 years %	3 years %	4 years %	5 years %
<b>ASSUMPTION LIFE FUNDS</b>							
<b>Assumption Life Balanced Fund - RPP</b>	<b>1.6</b>	<b>-0.7</b>	<b>-0.6</b>	<b>4.2</b>	<b>6.8</b>	<b>7.8</b>	<b>9.8</b>
Multi-Index	2.2	1.0	1.4	6.0	8.8	8.7	10.6
<b>Canadian Equity Fund</b>	<b>2.0</b>	<b>-4.1</b>	<b>4.6</b>	<b>6.5</b>	<b>13.4</b>	<b>14.6</b>	<b>16.6</b>
S&P / TSX Index	4.6	1.6	6.6	9.6	16.8	16.6	18.7
<b>U.S. Equity Fund (\$CAN)</b>	<b>0.9</b>	<b>-4.3</b>	<b>-7.3</b>	<b>1.8</b>	<b>2.2</b>	<b>1.5</b>	<b>3.4</b>
S&P 500 Index (\$ CAN)	3.0	-3.0	-13.1	-0.5	0.6	-0.2	3.1
<b>Money Market Fund</b>	<b>0.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
SCM 91 Day T-Bills	0	n/a	n/a	n/a	n/a	n/a	n/a
<b>MONTRUSCO BOLTON FUNDS</b>							
<b>Canadian Equity+ Fund</b>	<b>2.7</b>	<b>-3.8</b>	<b>4.1</b>	<b>5.0</b>	<b>12.0</b>	<b>14.0</b>	<b>18.0</b>
S&P / TSX Index	4.6	1.6	6.6	9.6	16.8	16.6	18.7
<b>Small Cap. Canadian Equity Fund</b>	<b>1.6</b>	<b>-6.5</b>	<b>2.0</b>	<b>5.5</b>	<b>15.1</b>	<b>17.0</b>	<b>21.9</b>
BMO NB Small Cap Weighted Index	-0.3	-7.7	-15.6	-3.0	11.5	10.6	18.0
<b>TSX 100 Momentum</b>	<b>0.1</b>	<b>-9.0</b>	<b>16.4</b>	<b>12.0</b>	<b>25.5</b>	<b>28.7</b>	<b>32.6</b>
S&P / TSX Index	4.6	1.6	6.6	9.6	16.8	16.6	18.7
<b>E.A.F.E. Equity Fund (CAN\$)</b>	<b>5.7</b>	<b>-1.9</b>	<b>-11.6</b>	<b>-1.4</b>	<b>2.4</b>	<b>2.9</b>	<b>7.5</b>
MSCI EAFE Index	3.5	-1.9	-10.4	3.0	8.1	7.4	12.3
<b>Global Equity Fund (CAN\$)</b>	<b>2.7</b>	<b>-6.9</b>	<b>-11.6</b>	<b>-2.2</b>	<b>1.5</b>	<b>2.1</b>	<b>5.5</b>
MSCI World Index	3.4	-2.2	-11.0	1.4	4.4	3.6	7.4
<b>Fixed Income Fund (Can. bonds)</b>	<b>-0.7</b>	<b>1.9</b>	<b>3.3</b>	<b>4.8</b>	<b>4.0</b>	<b>4.8</b>	<b>5.5</b>
SCM Universe Bond Index	-0.5	2.4	5.2	5.8	4.8	5.4	5.9
<b>FIDELITY FUNDS</b>							
<b>Canadian Opportunities Fund</b>	<b>4.8</b>	<b>-2.0</b>	<b>5.7</b>	<b>6.7</b>	<b>14.7</b>	<b>14.5</b>	<b>19.2</b>
S&P / TSX Small and Mid Cap Combined Index	1.3	-2.6	-3.9	2.7	10.8	11.2	16.0
<b>True North Fund</b>	<b>5.8</b>	<b>1.6</b>	<b>10.9</b>	<b>14.6</b>	<b>20.0</b>	<b>19.9</b>	<b>21.0</b>
S&P / TSX Index	4.6	1.6	6.6	9.6	16.8	16.6	18.7
<b>Overseas Fund</b>	<b>3.4</b>	<b>-7.7</b>	<b>-16.0</b>	<b>0.5</b>	<b>8.8</b>	<b>6.1</b>	<b>13.1</b>
MSCI EAFE Index	3.5	-1.9	-10.4	3.0	8.1	7.4	12.3
<b>Focus Healthcare Fund</b>	<b>-1.2</b>	<b>-5.5</b>	<b>-13.5</b>	<b>-0.1</b>	<b>0.1</b>	<b>1.1</b>	<b>3.0</b>
Goldman Sachs HealthCare Index	-0.9	-6.0	-17.6	-3.4	-2.6	-2.2	1.1
<b>Focus Technology Fund</b>	<b>4.7</b>	<b>-10.5</b>	<b>-8.2</b>	<b>-0.4</b>	<b>4.9</b>	<b>0.8</b>	<b>5.8</b>
Goldman Sachs Technology Index	5.3	-5.3	-7.2	-0.5	4.6	0.5	6.8
<b>Europe Fund</b>	<b>6.0</b>	<b>1.3</b>	<b>10.8</b>	<b>20.4</b>	<b>23.3</b>	<b>19.0</b>	<b>21.5</b>
MSCI Europe Index	2.6	-2.5	-10.4	6.0	9.3	8.9	12.7
<b>American Disciplined Equity Fund</b>	<b>3.8</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	3.0	n/a	n/a	n/a	n/a	n/a	n/a
<b>NorthStar Fund</b>	<b>4.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	3.4	n/a	n/a	n/a	n/a	n/a	n/a
<b>Monthly Income Fund</b>	<b>2.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	2.2	n/a	n/a	n/a	n/a	n/a	n/a
<b>Canadian Asset Allocation Fund</b>	<b>4.1</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	2.2	n/a	n/a	n/a	n/a	n/a	n/a



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Gross returns as of April 30, 2008

FUNDS	1 MTH %	YTD* %	1 year %	2 years %	3 years %	4 years %	5 years %
<b>CI FUNDS</b>							
<b>Harbour Growth &amp; Income Fund</b>	<b>3.7</b>	<b>3.7</b>	<b>6.8</b>	<b>8.0</b>	<b>13.2</b>	<b>14.0</b>	<b>14.3</b>
Multi-Index	2.2	1.0	1.4	6.0	8.8	8.7	10.6
<b>Global Balanced Corporate Class</b>	<b>1.8</b>	<b>1.8</b>	<b>-9.9</b>	<b>1.1</b>	<b>4.0</b>	<b>2.3</b>	<b>7.9</b>
Multi-Index	2.2	1.0	1.4	6.0	8.8	8.7	10.6
<b>Synergy American Fund</b>	<b>3.2</b>	<b>3.2</b>	<b>-6.6</b>	<b>2.0</b>	<b>6.0</b>	<b>6.7</b>	<b>9.0</b>
S&P 500 Index (\$CAN)	3.0	-3.0	-13.1	-0.5	0.6	-0.2	3.1
<b>Global Managers Corporate Class Fund</b>	<b>2.9</b>	<b>2.9</b>	<b>-9.5</b>	<b>1.6</b>	<b>6.0</b>	<b>4.2</b>	<b>9.6</b>
MSCI World Index	3.4	-2.2	-11.0	1.4	4.4	3.6	7.4
<b>Canadian Bond Fund</b>	<b>-0.5</b>	<b>-0.5</b>	<b>5.2</b>	<b>6.0</b>	<b>5.0</b>	<b>5.5</b>	<b>5.7</b>
SCM Universe Bond Index	-0.5	2.4	5.2	5.8	4.8	5.4	5.9
<b>Signature High Income</b>	<b>2.6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	2.2	n/a	n/a	n/a	n/a	n/a	n/a
<b>American Value</b>	<b>5.1</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	3.0	n/a	n/a	n/a	n/a	n/a	n/a
<b>Synergy Global Corporate Class</b>	<b>3.5</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	3.4	n/a	n/a	n/a	n/a	n/a	n/a
<b>Global Small Companies</b>	<b>1.6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	3.4	n/a	n/a	n/a	n/a	n/a	n/a
<b>AGF FUNDS</b>							
<b>Dividend Income Fund</b>	<b>4.5</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P / TSX Index	4.6	n/a	n/a	n/a	n/a	n/a	n/a
<b>US Value Class</b>	<b>1.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	3.0	n/a	n/a	n/a	n/a	n/a	n/a
<b>Global Financial Services Class</b>	<b>4.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Globe Financial Service Peer Index	4.4	n/a	n/a	n/a	n/a	n/a	n/a
<b>International Stock Class</b>	<b>4.0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI EAFE Index	3.5	n/a	n/a	n/a	n/a	n/a	n/a