



Financial and Economic Notes

April 2009 vol. 113

Highlights

- Markets rally on economic data
- BoC lowers overnight rate to record low

Economic indicators

On the Canadian front, because of the typical lag in the release of economic data (January's GDP was released only on March 31st), most of the recent news was on the weak side and it looks like the first quarter of 2009 will be significantly negative.

Consistent with the negative news, the Bank of Canada (BoC) lowered its benchmark rate to 0.5% from 1% and suggested rates will remain low for an extended period as highlighted from the following extract of their press release: *"The Bank's decision to lower its policy rate by 50 basis points today brings the cumulative monetary policy easing to 400 basis points since December 2007. Consistent with returning total CPI inflation to 2 per cent, the target for the overnight rate can be expected to remain at this level or lower at least until there are clear signs that excess supply in the economy is being taken up"*.

Financial markets

After hitting new lows in the early part of March, markets rebounded sharply providing investors with much needed relief and a faint glimmer of hope. While there was certainly no shortage of disappointing economic news, there was an increasing number of data points suggesting the economic slump appears to be leveling off. Evidence of this was most prevalent in the U.S. and China. In the U.S., examples include data related to housing, manufacturing, and consumption. As for China, auto sales and credit demand appeared to indicate that the Chinese slump might not be as severe as expected, assuming the economic news continues to improve.

Commodities generally reacted favourably to this news helping to explain why the resource laden Canadian market has outperformed most other developed markets year-to-date. Markets in general also reacted favourably to the unveiling of more details by U.S. Treasury Secretary Geithner of his bank rescue plan. Despite the positive market reaction, many still criticized the plan which is dependent on financial institutions selling their toxic assets at a price needed to attract potential buyers/investors.

The healing process appears to be gradually taking hold. Bond activity has been fairly robust in recent weeks with many issuers coming to the market and receiving strong demand from investors. While the Canadian economy and financial system are in much better shape than many other industrialized countries, the Fund Managers remain cautious. A resolution to the North American auto industry woes and the U.S. banking system crisis remains critical to a sustainable economic rebound.

All major equity Markets increased in value during the month of March. The DEX Universe Bond Index had a return of 1.8%, the S&P/TSX had a return of 7.8%, the S&P500 7.9%, and the MSCI EAFE 5.5%.



Financial and Economic Notes

Assumption Life Investment Funds Applicable for Registered Pension Plan clients only

Gross returns as of March 31, 2009

FUNDS	1 MTH %	YTD* %	1 year %	2 years %	3 years %	4 years %	5 years %
ASSUMPTION LIFE FUNDS							
Assumption Life Balanced Fund - RPP	4.0	-2.4	-14.4	-8.2	-3.0	0.7	2.6
Multi-Index	5.1	-2.4	-17.7	-9.3	-3.4	0.9	2.1
Canadian Dividend Fund	5.7	-3.4	-33.0	-16.2	-9.2	-1.9	2.1
S&P / TSX Index	7.8	-2.0	-32.4	-16.2	-7.8	0.1	2.8
U.S. Equity Fund (\$CAN)	9.9	-2.3	-17.9	-13.6	-6.6	-3.1	-2.3
S&P 500 Index (\$ CAN)	7.9	-7.9	-24.1	-19.9	-10.8	-6.5	-5.5
Money Market Fund	0.2	0.6	3.1	n/a	n/a	n/a	n/a
SCM 91 Day T-Bills	0.1	0.3	2.4	n/a	n/a	n/a	n/a
MONTRUSCO BOLTON FUNDS							
Canadian Equity+ Fund	7.8	-3.4	-36.4	-19.4	-11.5	-4.4	0.9
S&P / TSX Index	7.8	-2.0	-32.4	-16.2	-7.8	0.1	2.8
Small Cap. Canadian Equity Fund	4.5	-0.8	-39.4	-19.8	-12.3	-3.7	2.0
BMO NB Small Cap Weighted Index	6.8	5.0	-47.1	-31.9	-19.5	-8.7	-5.3
TSX Momentum	8.3	4.6	-29.0	-9.9	-2.0	7.8	12.1
S&P / TSX Index	7.8	-2.0	-32.4	-16.2	-7.8	0.1	2.8
Quantitative EAFE Equity Fund (CAN\$)	-3.8	-19.3	-30.4	-23.7	-14.0	-8.0	-6.1
MSCI EAFE Index	5.4	-12.3	-34.4	-24.7	-12.3	-5.2	-3.0
Global Equity Fund (CAN\$)	8.6	-0.9	-21.0	-17.6	-10.3	-5.1	-3.3
MSCI World Index	6.7	-8.9	-29.6	-22.1	-11.5	-5.8	-4.3
Fixed Income Fund (Can. bonds)	1.9	1.9	3.2	3.6	4.2	4.3	4.4
SCM Universe Bond Index	1.8	1.5	4.9	5.4	5.4	5.3	5.2
FIDELITY FUNDS							
Canadian Opportunities Fund	9.7	1.3	-29.5	-14.8	-8.1	-0.4	2.3
S&P / TSX Small and Mid Cap Combined Index	5.2	-4.2	-39.0	-22.9	-13.5	-5.6	-2.3
True North Fund	7.6	0.3	-30.0	-13.6	-4.8	2.7	5.5
S&P / TSX Index	7.8	-2.0	-32.4	-16.2	-7.8	0.1	2.8
Overseas Fund	7.7	-8.4	-35.5	-28.0	-14.0	-5.2	-4.5
MSCI EAFE Index	5.4	-12.3	-34.4	-24.7	-12.3	-5.2	-3.0
Global Health Care Fund	4.7	-3.7	-6.7	-9.2	-3.3	0.8	1.0
Goldman Sachs HealthCare Index	4.9	-8.0	-4.2	-10.3	-4.8	-0.8	-1.0
Global Technology Fund	12.3	7.6	-16.6	-14.3	-8.4	-2.1	4.5
Goldman Sachs Technology Index	11.1	4.4	-19.4	-15.6	-9.5	-3.4	-5.2
Europe Fund	6.8	-11.1	-39.9	-19.6	-5.5	1.7	2.7
MSCI Europe Index	6.0	-12.9	-38.6	-26.0	-12.1	-5.7	-2.6
American Disciplined Equity Fund	8.6	-5.3	-25.9	n/a	n/a	n/a	n/a
S&P 500 Index (\$CAN)	7.9	-7.9	-24.1	n/a	n/a	n/a	n/a
NorthStar Fund	5.9	-4.8	-29.3	n/a	n/a	n/a	n/a
MSCI World Index	6.7	-8.9	-29.6	n/a	n/a	n/a	n/a
Monthly Income Fund	4.4	-0.1	-16.2	n/a	n/a	n/a	n/a
Multi-Index	5.1	-2.4	-17.7	n/a	n/a	n/a	n/a
Canadian Asset Allocation Fund	5.4	0.3	-16.2	n/a	n/a	n/a	n/a
Multi-Index	5.1	-2.4	-17.7	n/a	n/a	n/a	n/a



Financial and Economic Notes



Assumption Life Investment Funds Applicable for Registered Pension Plan clients only

Gross returns as of March 31, 2009

FUNDS	1 MTH %	YTD* %	1 year %	2 years %	3 years %	4 years %	5 years %
CI FUNDS							
Harbour Growth & Income Fund	8.1	0.2	-17.9	-7.4	-2.4	3.3	6.1
Multi-Index	5.1	-2.4	-17.7	-9.3	-3.4	0.9	2.1
Global Balanced Corporate Class	5.0	0.6	-18.1	-15.1	-6.7	-2.1	-2.1
Multi-Index	5.1	-2.4	-17.7	-9.3	-3.4	0.9	2.1
Synergy American Fund	5.9	-4.6	-24.0	-17.1	-9.3	-3.6	-1.6
S&P 500 Index (\$CAN)	7.9	-7.9	-24.1	-19.9	-10.8	-6.5	-5.5
Global Managers Corporate Class Fund	5.8	-1.5	-12.4	-12.7	-4.6	0.7	0.4
MSCI World Index	6.7	-8.9	-29.6	-22.1	-11.5	-5.8	-4.3
Signature Canadian Bond Fund	1.8	0.6	2.4	4.1	4.6	4.8	4.8
SCM Universe Bond Index	1.8	1.5	4.9	5.4	5.4	5.3	5.2
Signature High Income	1.0	-0.7	-20.6	n/a	n/a	n/a	n/a
Multi-Index	5.1	-2.4	-17.7	n/a	n/a	n/a	n/a
American Value	5.7	-3.8	-19.7	n/a	n/a	n/a	n/a
S&P 500 Index (\$CAN)	7.9	-7.9	-24.1	n/a	n/a	n/a	n/a
Synergy Global Corporate Class	5.9	-6.0	-27.8	n/a	n/a	n/a	n/a
MSCI World Index	6.7	-8.9	-29.6	n/a	n/a	n/a	n/a
Global Small Companies	3.9	-5.5	-23.9	n/a	n/a	n/a	n/a
MSCI World Index	6.7	-8.9	-29.6	n/a	n/a	n/a	n/a
AGF FUNDS							
Dividend Income Fund	5.1	-4.4	-26.7	n/a	n/a	n/a	n/a
S&P / TSX Index	7.8	-2.0	-32.4	n/a	n/a	n/a	n/a
US Value Class	11.3	-17.3	-45.6	n/a	n/a	n/a	n/a
S&P 500 Index (\$CAN)	7.9	-7.9	-24.1	n/a	n/a	n/a	n/a
Global Financial Services Class	9.1	-17.5	-53.5	n/a	n/a	n/a	n/a
Globe Financial Service Peer Index	12.3	-15.2	-48.5	n/a	n/a	n/a	n/a
International Stock Class	9.1	-12.1	-35.8	n/a	n/a	n/a	n/a
MSCI EAFE Index	5.4	-12.3	-34.4	n/a	n/a	n/a	n/a