



Financial and Economic Notes

April 2012 vol. 139



Highlights

Much to the relief of weary investors' equity markets around the world recorded their second consecutive quarter of positive returns.

Economic indicators

The Bank of Canada projects that the economy will grow by 2.4 per cent in both 2012 and 2013 before moderating to 2.2 per cent in 2014.

Canadian employment was weak to begin the year with 22,000 jobs created in January followed by a decline of 2,800 in February. Figures for March beat expectations with 82,300 jobs created, a gain dominated by full-time positions. The unemployment rate lowered to 7.2%, from 7.4%.

The Bank of Canada said it was concerned about the housing market and high household debt, saying that Canadian household spending relies too much on low borrowing rates and the high value of homes

GDP growth in the U.S. increased at an annual rate of 3.0 percent in the fourth quarter of 2011, according to the "third" estimate released by the Bureau of Economic Analysis. In 2011, real GDP increased 1.7 percent. The increase in real GDP in 2011 primarily reflected positive contributions from personal consumption expenditures, exports, and non-residential fixed investment that were partly offset by negative contributions from state and local government spending, private inventory investment, and federal government spending.

Unemployment in the euro zone reached its highest level in almost 15 years in February, with more than 17 million people out of work, and economists said they expected job office queues to grow even longer later this year.

Financial markets

Both the S&P 500, up 10.6%, and MSCI EAFE up 8.9%, outperformed the S&P/TSX Composite Index which rose 4.4% this past quarter. The Energy and Materials sectors represent over 46% of the S&P/TSX Composite Index. Both sectors were basically flat in the quarter at -0.5% and 0.2%, respectively, which weighed heavily on the overall index return.

Small cap stocks outperformed large caps in Canada indicating that investors are becoming less risk averse. Commodity prices in general were lower in the first quarter over concerns of weaker demand from China due to slowing growth.

Profits on S&P 500 companies have exceeded analysts' estimates for 12 consecutive quarters. Both the S&P 500 and Dow Jones Industrial Average reached four year highs in the quarter. Despite concerns of recession and slowing growth, Europe recorded a solid first quarter return fueled by investor optimism and an increase in rescue funds for Euro zone countries.

Fixed income markets started the year 2012 with small negative returns with the DEX Universe Bond Index depreciating 0.21% for the first three months. Market participants reduced the odds of additional quantitative easing after the end of the "Operation Twist" in June following some recent comments from the FED, which pushed yields higher.



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Assumption Life Investment Funds

Applicable for Registered Pension Plan clients only

Gross returns as of March 31, 2012

FUNDS	1 MTH %	YTD %	1 year %	2 years %	3 years %	4 years %	5 years %
ASSUMPTION / LOUISBOURG FUNDS							
Balanced Fund - RPP	0.4	3.0	0.6	5.2	9.1	2.7	1.8
Multi-Index	0.1	3.9	1.2	6.0	11.0	3.0	2.4
Canadian Dividend Fund	-0.3	7.0	-1.5	10.7	19.8	3.6	3.9
S&P / TSX Index	-1.6	4.4	-9.8	4.2	15.6	1.1	1.7
U.S. Equity Fund (\$CAN)	2.3	6.9	11.7	10.1	12.3	3.9	1.2
S&P 500 Index (\$ CAN)	4.6	10.6	11.6	11.1	14.2	3.1	-0.9
Money Market Fund	0.1	0.2	1.0	0.9	0.9	n/a	n/a
SCM 91 Day T-Bills	0.1	0.2	0.9	0.9	0.7	n/a	n/a
Canadian Equity Fund	-1.4	6.6	-8.4	4.1	14.3	-1.3	-0.6
S&P / TSX Index	-1.6	4.4	-9.8	4.2	15.6	1.1	1.7
Fixed Income Fund	-0.2	0.1	9.5	7.4	7.9	6.7	6.1
SCM Universe Bond Index	-0.3	-0.2	9.7	7.4	6.7	6.2	6.1
Growth Portfolio	-0.1	4.8	-4.1	n/a	n/a	n/a	n/a
Multi-Index	0.1	6.4	-4.4	n/a	n/a	n/a	n/a
Balanced Growth Portfolio	-0.1	3.9	-1.6	n/a	n/a	n/a	n/a
Multi-Index	-0.1	4.8	-1.6	n/a	n/a	n/a	n/a
Balanced Portfolio	0.1	2.9	1.8	n/a	n/a	n/a	n/a
Multi-Index	-0.1	3.1	2.1	n/a	n/a	n/a	n/a
Conservative Portfolio	0.0	2.8	6.0	n/a	n/a	n/a	n/a
Multi-Index	-0.2	1.5	5.6	n/a	n/a	n/a	n/a
Small Cap. Canadian Equity Fund	-3.8	5.8	-6.1	12.3	31.6	8.4	8.0
BMO NB Small Cap Weighted Index	-4.9	6.0	-14.2	7.6	29.6	3.6	0.2
TSX Momentum	-1.8	-0.3	-23.9	0.6	9.5	-1.7	1.3
S&P / TSX Index	-1.6	4.4	-9.8	4.2	15.6	1.1	1.7
FIDELITY FUNDS							
Canadian Opportunities Fund	0.9	6.4	-7.8	9.1	26.6	9.3	8.0
S&P / TSX Small and Mid Cap Combined Index	-2.6	3.9	-8.7	8.9	24.4	4.1	2.7
True North Fund	0.2	4.6	-6.9	5.0	14.6	1.3	2.4
S&P / TSX Index	-1.6	4.4	-9.8	4.2	15.6	1.1	1.7
Overseas Fund	0.3	10.2	-4.2	2.8	10.5	-3.5	-6.9
MSCI EAFE Index	0.8	8.9	-3.1	1.2	8.4	-4.4	-6.2
Global Health Care Fund	3.6	7.9	10.5	6.1	9.3	5.0	1.5
Goldman Sachs HealthCare Index	4.7	6.0	16.0	8.7	9.0	5.6	0.9
Global Technology Fund	4.6	17.1	11.4	9.7	16.7	7.3	3.2
Goldman Sachs Technology Index	5.7	18.0	16.4	10.8	16.6	6.3	2.5
Europe Fund	2.9	15.4	0.9	6.5	12.1	-4.1	-1.9
MSCI Europe Index	0.9	8.6	-5.0	1.3	8.9	-5.6	-6.7
American Disciplined Equity Fund	3.9	11.7	7.3	9.1	12.9	n/a	n/a
S&P 500 Index (\$CAN)	4.6	10.6	11.6	11.1	14.2	n/a	n/a
NorthStar Fund	3.5	8.6	-0.4	5.7	15.5	n/a	n/a
MSCI World Index	2.6	9.6	3.4	5.9	11.3	n/a	n/a
Monthly Income Fund	1.0	3.8	7.4	10.8	19.0	n/a	n/a
Multi-Index	0.1	3.9	1.2	6.0	11.0	n/a	n/a
Canadian Asset Allocation Fund	-1.0	2.8	-2.9	4.2	12.4	n/a	n/a
Multi-Index	0.1	3.9	1.2	6.0	11.0	n/a	n/a
Far East Fund	-1.4	10.1	-2.5	n/a	n/a	n/a	n/a
MSCI AC FE ex Jap (G)	-1.5	11.1	-2.6	n/a	n/a	n/a	n/a



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FUNDS	1 MTH %	YTD %	1 year %	2 years %	3 years %	4 years %	5 years %
CI FUNDS							
Harbour Growth & Income Fund	-0.1	6.7	-2.8	4.6	11.2	3.1	3.4
Multi-Index	0.1	3.9	1.2	6.0	11.0	3.0	2.4
Synergy American Fund	3.2	11.6	6.8	9.8	11.5	1.3	-1.0
S&P 500 Index (\$CAN)	4.6	10.6	11.6	11.1	14.2	3.1	-0.9
Global Managers Corporate Class Fund	1.2	7.1	5.9	7.4	11.4	4.9	1.1
MSCI World Index	2.6	9.6	3.4	5.9	11.3	-0.8	-3.5
Signature Canadian Bond Fund	-0.1	0.4	9.3	7.5	7.6	6.3	6.2
SCM Universe Bond Index	-0.3	-0.2	9.7	7.4	6.7	6.2	6.1
Signature High Income	0.0	3.6	5.4	11.8	19.9	n/a	n/a
Multi-Index	0.1	3.9	1.2	6.0	11.0	n/a	n/a
American Value	3.1	10.2	8.6	9.4	12.5	n/a	n/a
S&P 500 Index (\$CAN)	4.6	10.6	11.6	11.1	14.2	n/a	n/a
Synergy Global Corporate Class	2.3	12.0	1.2	7.4	10.7	n/a	n/a
MSCI World Index	2.6	9.6	3.4	5.9	11.3	n/a	n/a
Global Small Companies	2.6	12.2	1.9	12.0	16.1	n/a	n/a
MSCI World Index	2.6	9.6	3.4	5.9	11.3	n/a	n/a
AGF FUNDS							
Dividend Income Fund	-1.3	4.5	-4.0	6.0	16.6	n/a	n/a
S&P / TSX Index	-1.3	4.6	-10.2	2.7	13.2	n/a	n/a
International Stock Class Fund	-1.0	7.8	-13.9	-4.9	4.4	n/a	n/a
MSCI EAFE Index	0.9	9.0	-2.6	1.6	8.9	n/a	n/a
Global High Yield Bond Fund	0.7	6.5	7.9	n/a	n/a	n/a	n/a
Multi-Index	1.3	3.5	11.1	n/a	n/a	n/a	n/a
Emerging Markets Fund	-1.0	12.3	2.3	n/a	n/a	n/a	n/a
MSCI Emerging markets Free TR Index	-2.1	12.1	-5.9	n/a	n/a	n/a	n/a
Global Resources Class Fund	-8.2	-0.4	-20.3	n/a	n/a	n/a	n/a
Multi-Index	-2.7	4.6	-7.6	n/a	n/a	n/a	n/a