



# Financial and Economic Notes

March 2009 vol. 112

## Highlights

- February offered no relief to investors
- Effects of U.S. stimulus expected by mid-year

## Economic indicators

In Canada, economic data revealed continued weakness in employment, retail sales, and manufacturing. There was also evidence of weakness starting to emerge in the housing sector which, so far, had been resistant to the downturn. Canadian GDP for the fourth quarter of 2008 came in at -3.4% which was somewhat better than the -3.6% that had been expected. Nonetheless it was the largest decline since March 1991.

In the U.S., it was more of the same with respect to economic data except for January's consumer consumption data which reported an increase. It was the first increase in spending in seven months. Another small positive indicator was February's ISM Manufacturing Index which reported its third consecutive month without a decline.

## Financial markets

February started off on an upbeat note but it was to be short lived. By mid-month equity markets had reversed themselves on weaker economic data, lack of clarity in the U.S. bank rescue plan, and worse than expected results from U.S. financial institutions.

As for inflation, on both sides of the border it remains tame with headline CPI flirting near zero in the U.S. and 1.1% in Canada on a year over year basis. Core CPI (which excludes food and energy) is at 1.6% in the U.S. and 1.9% in Canada.

There were a number of stimulus measures put forward by various governments around the globe this month including the massive \$790 billion spending package approved in the U.S. It is expected that the U.S. measures will start to have a meaningful impact around mid-year.

Without a doubt, the current economic and investment environment has had an unprecedented impact on investors. It is essential that the crisis in a number of large U.S. and European financial institutions is resolved before the global economy can stabilize. To that end, governments around the world are working diligently to recapitalize banks

and guarantee the value of toxic assets on their balance sheets.

Throughout the turmoil Fund Managers have continued to focus on investing in quality companies with strong balance sheets necessary to weather the recession. This disciplined investment philosophy has enabled them to outperform the relevant benchmarks on all of their core equity strategies for the twelve-month period ended February 28th.

While these are unquestionably difficult times, they believe that ultimately the current challenges will be overcome and that better times lie ahead.

All major equity Markets decreased in value during the month of February for the exception of the DEX Universe Bond Index that had a return of 0.7%. The performance of the S&P/TSX had a return of -6.3%, the S&P500 -7.4%, and the MSCI EAFE -7.0%.



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

Gross returns as of February 28, 2009

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>-3.2</b>	<b>-6.2</b>	<b>-17.1</b>	<b>-9.9</b>	<b>-3.6</b>	<b>-0.6</b>	<b>1.6</b>
Multi-Index	-3.8	-7.1	-21.0	-11.3	-4.2	-0.6	0.9
<b>Canadian Dividend Fund</b>	<b>-5.8</b>	<b>-8.6</b>	<b>-37.3</b>	<b>-18.3</b>	<b>-9.7</b>	<b>-3.6</b>	<b>0.6</b>
S&P / TSX Index	-6.3	-9.1	-38.2	-18.8	-9.0	-1.8	0.8
<b>U.S. Equity Fund (\$CAN)</b>	<b>-5.3</b>	<b>-11.1</b>	<b>-22.5</b>	<b>-17.7</b>	<b>-8.3</b>	<b>-6.1</b>	<b>-4.8</b>
S&P 500 Index (\$ CAN)	-7.4	-14.6	-26.5	-23.0	-11.9	-9.1	-7.6
<b>Money Market Fund</b>	<b>0.2</b>	<b>0.4</b>	<b>3.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
SCM 91 Day T-Bills	0.1	0.2	2.8	n/a	n/a	n/a	n/a
<b>MONTRUSCO BOLTON FUNDS</b>							
<b>Canadian Equity+ Fund</b>	<b>-7.8</b>	<b>-10.4</b>	<b>-42.5</b>	<b>-22.3</b>	<b>-11.8</b>	<b>-6.3</b>	<b>-0.8</b>
S&P / TSX Index	-6.3	-9.1	-38.2	-18.8	-9.0	-1.8	0.8
<b>Small Cap. Canadian Equity Fund</b>	<b>-5.5</b>	<b>-5.0</b>	<b>-45.4</b>	<b>-21.7</b>	<b>-11.7</b>	<b>-5.0</b>	<b>0.7</b>
BMO NB Small Cap Weighted Index	-4.9	-1.7	-52.4	-33.4	-19.6	-11.0	-6.7
<b>TSX Momentum</b>	<b>-4.5</b>	<b>-3.4</b>	<b>-41.1</b>	<b>-13.1</b>	<b>-2.5</b>	<b>4.3</b>	<b>9.9</b>
S&P / TSX Index	-6.3	-9.1	-38.2	-18.8	-9.0	-1.8	0.8
<b>Quantitative EAFE Equity Fund (CAN\$)</b>	<b>-6.9</b>	<b>-16.1</b>	<b>-25.6</b>	<b>-22.0</b>	<b>-11.2</b>	<b>-8.2</b>	<b>-5.7</b>
MSCI EAFE Index	-9.4	-9.4	-30.8	-23.0	-9.8	-4.6	-2.1
<b>Global Equity Fund (CAN\$)</b>	<b>-3.6</b>	<b>-8.8</b>	<b>-26.1</b>	<b>-20.9</b>	<b>-11.3</b>	<b>-7.9</b>	<b>-5.4</b>
MSCI World Index	-7.0	-14.6	-31.4	-24.4	-12.0	-8.1	-6.0
<b>Fixed Income Fund (Can. bonds)</b>	<b>0.6</b>	<b>-0.1</b>	<b>2.1</b>	<b>2.5</b>	<b>3.4</b>	<b>3.8</b>	<b>4.1</b>
SCM Universe Bond Index	0.7	-0.3	4.1	4.3	4.7	4.8	4.9
<b>FIDELITY FUNDS</b>							
<b>Canadian Opportunities Fund</b>	<b>-7.8</b>	<b>-7.6</b>	<b>-37.6</b>	<b>-18.6</b>	<b>-9.4</b>	<b>-3.4</b>	<b>0.3</b>
S&P / TSX Small and Mid Cap Combined Index	-6.8	-8.9	-43.2	-24.7	-13.8	-7.6	-3.3
<b>True North Fund</b>	<b>-4.6</b>	<b>-6.8</b>	<b>-35.9</b>	<b>-15.8</b>	<b>-5.9</b>	<b>0.8</b>	<b>3.5</b>
S&P / TSX Index	-6.3	-9.1	-38.2	-18.8	-9.0	-1.8	0.8
<b>Overseas Fund</b>	<b>-5.3</b>	<b>-14.9</b>	<b>-39.8</b>	<b>-29.8</b>	<b>-14.2</b>	<b>-8.2</b>	<b>-5.9</b>
MSCI EAFE Index	-9.4	-9.4	-30.8	-23.0	-9.8	-4.6	-2.1
<b>Global Health Care Fund</b>	<b>-6.1</b>	<b>-8.0</b>	<b>-9.7</b>	<b>-11.2</b>	<b>-3.5</b>	<b>-1.0</b>	<b>-0.7</b>
Goldman Sachs HealthCare Index	-9.3	-12.3	-7.3	-13.0	-5.2	-2.5	-2.9
<b>Global Technology Fund</b>	<b>-0.9</b>	<b>-4.3</b>	<b>-24.2</b>	<b>-19.1</b>	<b>-10.2</b>	<b>-5.9</b>	<b>-7.6</b>
Goldman Sachs Technology Index	-2.9	-6.1	-24.5	-20.3	-11.1	-6.9	-7.7
<b>Europe Fund</b>	<b>-16.8</b>	<b>-6.2</b>	<b>-41.8</b>	<b>-20.7</b>	<b>-5.1</b>	<b>-1.4</b>	<b>0.2</b>
MSCI Europe Index	-8.1	-17.9	-39.1	-27.5	-12.0	-8.1	-4.8
<b>American Disciplined Equity Fund</b>	<b>-6.3</b>	<b>-12.8</b>	<b>-29.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	-7.4	-14.6	-26.5	n/a	n/a	n/a	n/a
<b>NorthStar Fund</b>	<b>-5.6</b>	<b>-10.1</b>	<b>-33.9</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	-7.0	-14.6	-31.4	n/a	n/a	n/a	n/a
<b>Monthly Income Fund</b>	<b>-2.7</b>	<b>-4.3</b>	<b>-19.9</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	-3.8	-7.1	-21.0	n/a	n/a	n/a	n/a
<b>Canadian Asset Allocation Fund</b>	<b>-3.2</b>	<b>-4.8</b>	<b>-21.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	-3.8	-7.1	-21.0	n/a	n/a	n/a	n/a



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Gross returns as of February 28, 2009

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>-2.6</b>	<b>-7.2</b>	<b>-24.2</b>	<b>-10.3</b>	<b>-3.8</b>	<b>1.2</b>	<b>4.3</b>
Multi-Index	-3.8	-7.1	-21.0	-11.3	-4.2	-0.6	0.9
<b>Global Balanced Corporate Class</b>	<b>-2.6</b>	<b>-4.2</b>	<b>-19.5</b>	<b>-17.1</b>	<b>-6.8</b>	<b>-4.3</b>	<b>-3.3</b>
Multi-Index	-3.8	-7.1	-21.0	-11.3	-4.2	-0.6	0.9
<b>Synergy American Fund</b>	<b>-5.8</b>	<b>-9.8</b>	<b>-25.4</b>	<b>-19.2</b>	<b>-9.4</b>	<b>-5.4</b>	<b>-3.2</b>
S&P 500 Index (\$CAN)	-7.4	-14.6	-26.5	-23.0	-11.9	-9.1	-7.6
<b>Global Managers Corporate Class Fund</b>	<b>-2.6</b>	<b>-6.9</b>	<b>-15.1</b>	<b>-14.7</b>	<b>-4.3</b>	<b>-1.9</b>	<b>-0.9</b>
MSCI World Index	-7.0	-14.6	-31.4	-24.4	-12.0	-8.1	-6.0
<b>Signature Canadian Bond Fund</b>	<b>0.4</b>	<b>-1.2</b>	<b>1.5</b>	<b>3.1</b>	<b>4.0</b>	<b>4.4</b>	<b>4.5</b>
SCM Universe Bond Index	0.7	-0.3	4.1	4.3	4.7	4.8	4.9
<b>Signature High Income</b>	<b>-2.5</b>	<b>-1.6</b>	<b>-20.5</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Multi-Index	-3.8	-7.1	-21.0	n/a	n/a	n/a	n/a
<b>American Value</b>	<b>-4.4</b>	<b>-9.0</b>	<b>-22.8</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	-7.4	-14.6	-26.5	n/a	n/a	n/a	n/a
<b>Synergy Global Corporate Class</b>	<b>-5.6</b>	<b>-11.3</b>	<b>-29.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	-7.0	-14.6	-31.4	n/a	n/a	n/a	n/a
<b>Global Small Companies</b>	<b>-3.4</b>	<b>-9.0</b>	<b>-24.7</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI World Index	-7.0	-14.6	-31.4	n/a	n/a	n/a	n/a
<b>AGF FUNDS</b>							
<b>Dividend Income Fund</b>	<b>-6.4</b>	<b>-9.1</b>	<b>-31.4</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P / TSX Index	-6.3	-9.1	-38.2	n/a	n/a	n/a	n/a
<b>US Value Class</b>	<b>-9.1</b>	<b>-25.7</b>	<b>-49.6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
S&P 500 Index (\$CAN)	-7.4	-14.6	-26.5	n/a	n/a	n/a	n/a
<b>Global Financial Services Class</b>	<b>-10.5</b>	<b>-24.4</b>	<b>-54.6</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Globe Financial Service Peer Index	-13.4	-24.5	-53.2	n/a	n/a	n/a	n/a
<b>International Stock Class</b>	<b>-8.5</b>	<b>-19.4</b>	<b>-38.3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
MSCI EAFE Index	-9.4	-9.4	-30.8	n/a	n/a	n/a	n/a