



Financial and Economic Notes

December 2009 vol. 121



Highlights

- Equity markets resume growth
- Price of gold surges

Economic indicators

Canadian markets had the added benefit of higher gold prices. Gold prices surged partly because of the weaker U.S. dollar and fear over the consequences of the unprecedented levels of global stimulus in light of improving economic conditions. Also bullish for gold was the early November purchase by India's central bank of 200 metric tons from the International Monetary Fund in an attempt to diversify its foreign exchange reserves.

With the exception of gold, most commodity prices were generally unchanged during the month. Flat commodity prices combined with efforts by Bank of Canada Governor Mark Carney to talk down our currency helped explain why the Canadian dollar was only marginally higher, despite strong equity performance.

Economic data releases continued to improve this month adding support to the sustainability of the recovery. In the U.S., the leading indicator, ISM Manufacturing Index, new vehicle sales (despite end of cash for clunkers) and retail sales were all higher. There was also a notable improvement in jobless claims as well as a large increase in productivity (almost 10%) helping explain why corporate profits are so strong despite weak growth. The news was not all positive though with the unemployment rate breaking above 10% as well as weaker industrial production and durable goods orders.

There was not much change in Canada. The leading indicator, retail sales, and housing all show signs of continued improvement while manufacturing and a surprising number of job losses for the month of October remain troublesome.

Financial markets

After last month's pause, financial markets resumed their upward climb with most equity indices reporting very solid returns for November. Even bonds had a good month. Strong performance from corporate bonds (once again), low interest rates, and the usual technical effects associated with the December first coupon payment were all factors behind lower yields.

Canadian and U.S. equities moved higher on favourable third quarter U.S. corporate profit results and generally positive economic news releases. A renewed commitment by both countries' central banks to keep rates at historic lows, despite signs that the recovery is gaining strength, also helped to lift equity markets.

All major equity markets increased in value during the month of November. The DEX Universe Bond Index indicates a return of 1.3%, the S&P/TSX 5.2%, the S&P 500 4.0% and the MSCI EAFE 0.1 %.



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Assumption Life Investment Funds Applicable for Registered Pension Plan clients only

Gross returns as of November 30, 2009

FUNDS	1 MTH %	YTD* %	1 year %	2 years %	3 years %	4 years %	5 years %
ASSUMPTION LIFE FUNDS							
Assumption Life Balanced Fund - RPP	2.4	12.3	13.9	-1.9	-0.1	2.7	4.6
Multi-Index	2.9	15.9	16.5	-1.8	0.2	3.4	5.1
Canadian Dividend Fund	6.0	28.9	28.8	-7.3	-1.6	2.9	6.5
S&P / TSX Index	5.2	31.2	27.8	-5.6	-0.7	4.3	7.6
U.S. Equity Fund (\$CAN)	3.9	12.1	11.2	-6.0	-3.7	-0.6	1.2
S&P 500 Index (\$ CAN)	4.0	7.7	7.2	-9.4	-8.2	-3.6	-1.7
Money Market Fund	0.0	1.3	1.6	n/a	n/a	n/a	n/a
SCM 91 Day T-Bills	0.0	0.6	0.9	n/a	n/a	n/a	n/a
MONTRUSCO BOLTON FUNDS							
Canadian Equity+ Fund	5.2	29.8	26.8	-10.2	-2.9	2.4	4.3
S&P / TSX Index	5.2	31.2	27.8	-5.6	-0.7	4.3	7.6
Small Cap. Canadian Equity Fund	8.8	53.6	62.9	-4.8	1.2	5.1	9.0
BMO NB Small Cap Weighted Index	6.7	73.7	86.9	-9.0	-5.8	1.6	4.2
TSX Momentum	7.6	31.2	28.5	-9.7	2.8	8.3	14.1
S&P / TSX Index	5.2	31.2	27.8	-5.6	-0.7	4.3	7.6
Quantitative EAFE Equity Fund (CAN\$)	-1.6	-16.0	-11.2	-20.0	-13.7	-7.5	-5.0
MSCI EAFE Index	-0.2	10.9	17.0	-12.9	-8.0	-0.6	1.7
Global Equity Fund (CAN\$)	1.4	21.1	27.4	-8.1	-4.6	-1.2	1.1
MSCI World Index	2.2	10.9	12.6	-11.1	-7.9	-2.1	0.0
Fixed Income Fund (Can. bonds)	1.3	10.1	12.2	7.1	5.1	5.2	5.5
SCM Universe Bond Index	1.3	6.9	10.0	7.0	5.4	5.5	5.8
FIDELITY FUNDS							
Canadian Opportunities Fund	3.1	55.9	61.1	3.0	5.6	8.2	10.0
S&P / TSX Small and Mid Cap Combined Index	4.8	39.7	40.4	-7.2	-3.0	1.7	4.3
True North Fund	5.6	30.3	27.5	-5.8	0.6	5.9	9.5
S&P / TSX Index	5.2	31.2	27.8	-5.6	-0.7	4.3	7.6
Overseas Fund	1.3	17.7	25.6	-15.3	-9.3	-1.5	1.6
MSCI EAFE Index	-0.2	10.9	17.0	-12.9	-8.0	-0.6	1.7
Global Health Care Fund	3.9	8.0	10.5	-1.3	-0.7	1.5	4.6
Goldman Sachs HealthCare Index	4.6	0.5	7.3	-2.6	-3.2	-0.1	2.5
Global Technology Fund	0.3	32.9	32.5	-6.6	-2.7	0.9	2.7
Goldman Sachs Technology Index	1.6	27.5	30.8	-6.4	-4.5	-0.6	1.2
Europe Fund	0.6	12.1	20.3	-13.6	-2.7	6.4	8.1
MSCI Europe Index	0.7	14.3	19.6	-13.8	-8.0	0.5	2.0
American Disciplined Equity Fund	1.8	8.1	4.7	n/a	n/a	n/a	n/a
S&P 500 Index (\$CAN)	4.0	7.7	7.2	n/a	n/a	n/a	n/a
NorthStar Fund	2.3	22.8	26.0	n/a	n/a	n/a	n/a
MSCI World Index	2.2	10.9	12.6	n/a	n/a	n/a	n/a
Monthly Income Fund	2.4	27.8	26.9	n/a	n/a	n/a	n/a
Multi-Index	2.9	15.9	16.5	n/a	n/a	n/a	n/a
Canadian Asset Allocation Fund	3.4	25.4	25.7	n/a	n/a	n/a	n/a
Multi-Index	2.9	15.9	16.5	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	3.3	22.1	21.4	-0.1	2.6	5.7	8.6
Multi-Index	2.9	15.9	16.5	-1.8	0.2	3.4	5.1
Synergy American Fund	3.1	4.6	3.9	-11.5	-7.5	-2.6	0.1
S&P 500 Index (\$CAN)	4.0	7.7	7.2	-9.4	-8.2	-3.6	-1.7
Global Managers Corporate Class Fund	2.4	17.0	21.1	-1.2	-1.0	4.0	4.7
MSCI World Index	2.2	10.9	12.6	-11.1	-7.9	-2.1	0.0
Signature Canadian Bond Fund	1.5	7.4	9.6	6.3	5.1	5.3	5.6
SCM Universe Bond Index	1.3	6.9	10.0	7.0	5.4	5.5	5.8
Signature High Income	2.1	28.3	29.6	n/a	n/a	n/a	n/a
Multi-Index	2.9	15.9	16.5	n/a	n/a	n/a	n/a
American Value	2.8	8.8	9.8	n/a	n/a	n/a	n/a
S&P 500 Index (\$CAN)	4.0	7.7	7.2	n/a	n/a	n/a	n/a
Synergy Global Corporate Class	1.7	6.7	9.3	n/a	n/a	n/a	n/a
MSCI World Index	2.2	10.9	12.6	n/a	n/a	n/a	n/a
Global Small Companies	0.2	13.8	16.3	n/a	n/a	n/a	n/a
MSCI World Index	2.2	10.9	12.6	n/a	n/a	n/a	n/a
AGF FUNDS							
Dividend Income Fund	4.6	23.7	18.4	n/a	n/a	n/a	n/a
S&P / TSX Index	5.2	31.2	27.8	n/a	n/a	n/a	n/a
International Stock Class	0.5	19.2	25.5	n/a	n/a	n/a	n/a
MSCI EAFE Index	-0.2	10.9	17.0	n/a	n/a	n/a	n/a