

Equity Update

Canada Performance

- **Canadian equities, as represented by the S&P/TSX Composite TR Index returned 3.22% for the month of April**, with 8 sectors posting positive returns. Year to date, the index was returned 16.94%.
- Among all equity sectors, Consumer Discretionary (7.09%), Information Technology (6.43%) and Financials (5.86%) were the top three performing sectors. Conversely, Real Estate (-2.49%), Materials (-2.45%) and Communication Services (-0.83%) were the three negative performing sectors.
- **The Bank of Canada (BoC) held the overnight rate unchanged at 1.75%**. As detailed in the BoC's most recent Monetary Policy Report (MPR), the bank downgraded their previously reported growth forecast of 1.7% to 1.2%. The BoC is of the belief that monetary policy needs to maintain a degree of accommodation to offset current macroeconomic headwinds, such as the stress currently present in Canada's oil sector and the uncertainty about future trade policies with the U.S. The Ontario government has landed on a 5-year Deficit Elimination Plan that, if achieved, would set the stage for a gradual reduction in the Province's elevated debt to GDP ratio.

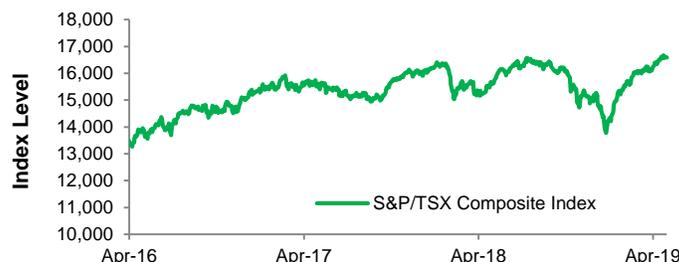
U.S. Performance

- **U.S. equities as represented by the S&P 500 TR Index returned 4.51% for the month and 16.34% year to date¹.**
- For the month of April, 9 sectors posted positive returns. Health Care (-2.20%) and Real Estate (-0.03%) were the only two negative sectors¹.
- **The Federal Open Markets Committee (FOMC) maintained the federal funds rate at 2.50%**. In light of current economic and financial developments globally, the FOMC will take a patient approach in determining what future adjustments to the target range for the federal funds rate may be appropriate.

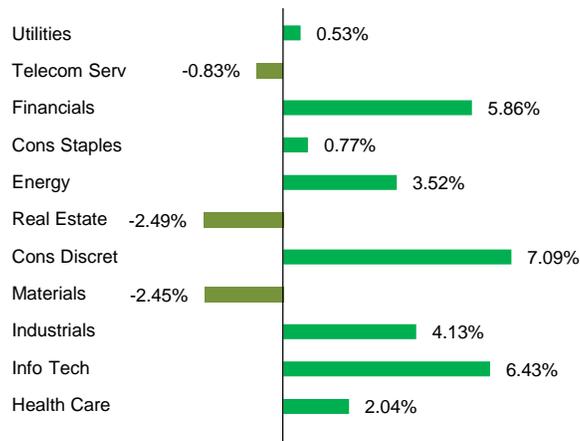
¹S&P 500 returns were taken from Bloomberg Finance L.P. Data as of April 2019.

Canada	Level	MoM	YTD
S&P/TSX COMPOSITE INDEX	16600	3.22%	16.94%
S&P/TSX 60 INDEX	996	3.94%	16.94%
S&P/TSX SMALLCAP INDEX	579	-0.27%	10.41%

S&P/TSX Composite Returns



Monthly S&P/TSX Composite Sector Returns



Key Indicators	Level	Report Date
Real GDP (YoY %)	1.1	28-Feb-19
Headline CPI (YoY %)	1.9	31-Mar-19
Core CPI (YoY %)	1.6	31-Mar-19
Unemployment Rate (%)	5.8	31-Mar-19
Net Change Employment (000s)	-7.2	31-Mar-19
Consumer Confidence	122	30-Dec-17
Retail Sales (YoY %)	1.8	28-Feb-19
Housing Starts (000s)	192	31-Mar-19



International Markets Performance

- International Equities, as represented by the MSCI ACWI ex-USA returned **3.17% for the month and 11.61% year to date**¹. Chinese real gross domestic product (GDP) rose by 6.4% year-on-year in the first quarter of 2019, a tenth of a point better than expected. This pace of expansion is unchanged from the previous quarter.
- Eurozone GDP growth accelerated to 0.4% in the first quarter of 2019, relieving fears of recession. The latest data suggests that the Eurozone has largely bypassed most of the temporary headwinds faced in the second half of 2018.

International	MoM	YTD	YTD C\$
DOW JONES INDEX	2.66%	14.79%	12.99%
S&P 500 INDEX	4.05%	18.25%	16.40%
NASDAQ COMPOSITE INDEX	4.78%	22.39%	20.47%
RUSSELL 2000 INDEX	3.40%	18.46%	16.61%
DAX INDEX	7.10%	16.91%	12.72%
FTSE 100 INDEX	2.28%	12.00%	12.81%
NIKKEI 225 INDEX	4.97%	12.28%	9.61%
MSCI EAFE INDEX	2.89%	13.36%	11.59%
MSCI EM INDEX	2.12%	12.27%	10.52%
MSCI WORLD INDEX	3.60%	16.72%	14.89%

Source: All data from Bloomberg Finance L.P.
As of April 30, 2019

Canadian Fixed Income Update

Benchmark Performance

- Canadian Bonds, as represented the FTSE Canada Universe Bond Index returned **-0.10% in April and 3.80% year to date**. The broad performance of the Federal, Provincial and Municipal segments of the index were negative for the month; whereas the Corporate segment of the index was positive.

Yields and Interest Rates

- The yield curve shifted upward in April, as short-term rates rose in parallel with longer-term maturities. Month-over-month, the Canadian 1-year and 2-year yields rose by 6 basis points and 2 basis points (bps) respectively. The Canadian 30-year yield rose by 9 bps. The difference in yield between a 2-year and 30-year Government of Canada bond was 45bps, 15bps higher than the previous month.

Provincial and Corporate Bonds

- At a broad level, Provincial bonds returned **-0.32% for the month**. The year to date return for broad Provincial bonds was **4.90%**².
- Corporate bonds returned **0.30% in April**, bringing the year to date performance of the segment to **4.33%**. Within the corporate segment, Corporate AAA/AA returned 0.38% for the month. The broad Corporate BBB segment returned 0.43% for the same period².

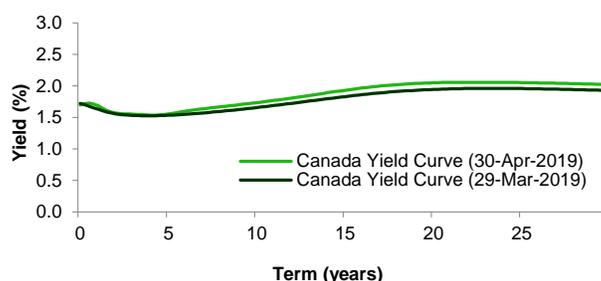
¹S&P 500 returns were taken from Bloomberg Finance L.P.. Data as of April 2019.

²FTSE Canada Universe Bond Index returns were taken from FTSE Global Debt Capital Markets. Data as of April 2019.

Rates

Overnight	1.75%
Prime	3.95%
3 month CDOR	2.01%
3 month LIBOR (USD)	2.58%
Canada 10YR Bond	1.71%
U.S. 10YR Treasury	2.50%

Canadian Yield Curve



FTSE Canada Universe Bond Index

	Monthly Performance	YTD Performance
Overall	-0.10%	3.80%
Federal	-0.19%	2.30%
Provincial	-0.32%	4.90%
Municipal	-0.13%	4.74%
Corporate	0.30%	4.33%

	Duration (Years)	Yield	Index Weight
Overall	7.63	2.33%	-
Federal	5.95	1.75%	35.3%
Provincial	10.22	2.45%	35.2%
Municipal	9.08	2.57%	2.0%
Corporate	6.37	2.90%	27.5%

Source: FTSE Global Debt Capital Markets;
As of April 30, 2019



Glossary of Terms

MoM: Month over month

YTD: Year to Date

YoY: Year over year

CPI: Consumer Price Index

Russell 2000 Index: FTSE Russell Small-Cap Stock Market Index

DAX Index: Stock Market Index representing the 30 Major German companies trading on Frankfurt Stock Exchange.

FTSE 100 Index: Financial Times Stock Exchange 100 Index

NIKKEI 225: Stock Market Index for the Tokyo Stock Exchange.

MSCI ACWI: MSCI All Country World Index

MSCI EAFE: MSCI Europe, Australasia and Far East

MSCI EM: MSCI Emerging Markets

MSCI ACWI ex-US Index: MSCI All Country World Index excluding the U.S.

Provincial Bonds: bonds that issued and backed by provincial government .

Corporate Bonds: bonds that are issued by a corporation and backed by the payment ability of the company.

Credit quality/rating: refers to a bond's credit worthiness or risk of default.

CDOR: Canadian Dollar Offered Rate, is the recognized financial benchmark in Canada for bankers' acceptances (BAs) with a term of maturity of one year or less. It is the rate at which banks are willing to lend to companies.

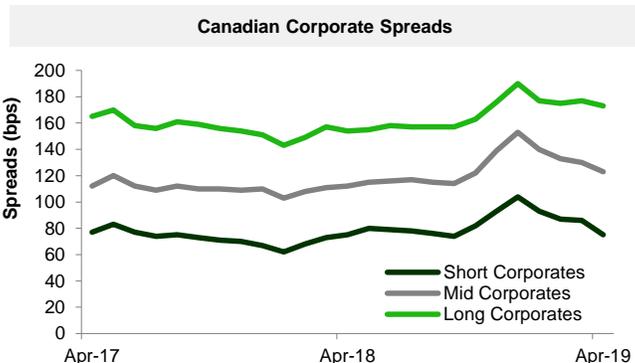
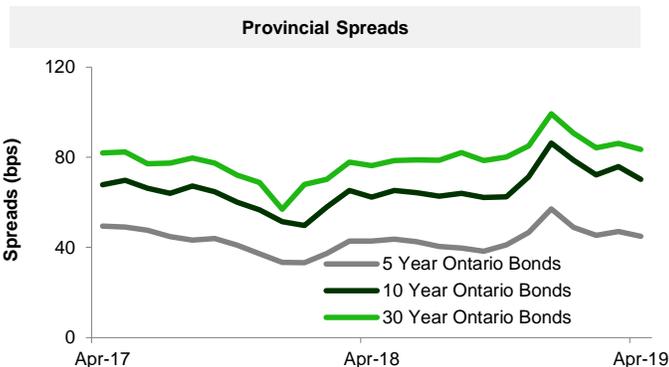
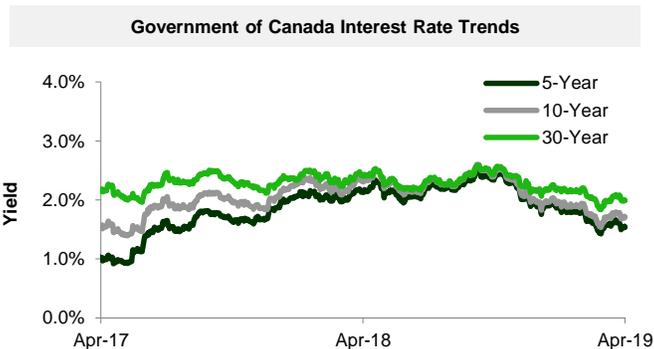
LIBOR: London Interbank Offered Rate, The interest rate at which banks offer to lend funds (wholesale money) to one another in the international interbank market.

Duration: A method of estimating a bond's price volatility, expressed in terms of the weighted average term-to-maturity of all the bond's remaining cash flows - interest and principal.

Yield Curve: graphical representation of the relationship between the yields and maturities of different bonds of similar quality, currency denomination and risk (usually government bonds).

Bond Spreads: the difference between yields of bonds with similar quality and different maturities, or of different quality and the same maturity.

Real Return Bonds: bonds that are issued by the Government of Canada that pay a rate of return that is adjusted for inflation.



Source: FTSE Global Debt Capital Markets;
As of April 30, 2019

Information as of April 30, 2019

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