



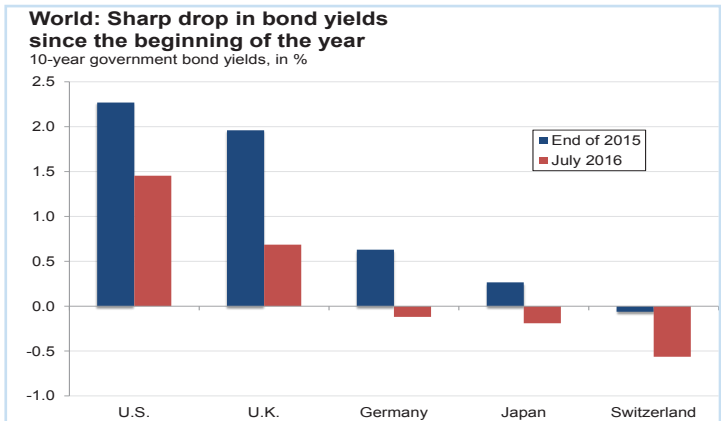
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Are bond rates too low?

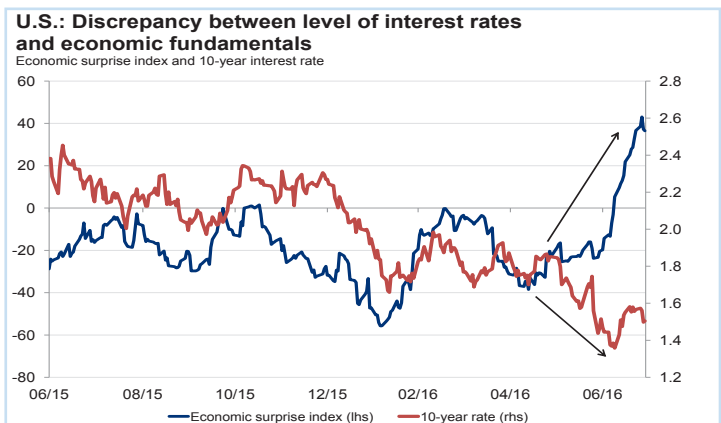
World

Pressure on bond rates has been strong since the start of the year, such that more than 70% of sovereign bonds outstanding worldwide are trading at yields below 1%. This movement can be largely attributed to the massive asset purchasing programs as well as the adoption of negative deposit rates by the European and Japanese central banks. Moreover, there are questions as to whether these extraordinary monetary measures have not reached their limits and whether the next steps should involve some kind of fiscal stimulus instead.



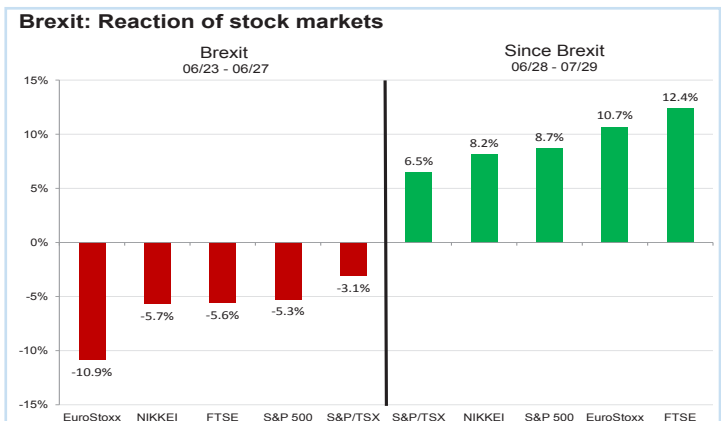
North America

In the United States, stronger-than-expected economic data published in July on the job market, consumer spending and real estate should, theoretically, have put upward pressure on interest rates in anticipation of improved growth and inflation outlooks for the country. However, the economic uncertainty in Europe and Japan is weighing on interest rates worldwide, and the North American markets are no exception.



Financial markets

Since their strong reaction to the Brexit surprise on June 24, world stock markets have rebounded, to the extent that the majority of indices posted higher levels at the end of July than before the referendum. Investors saw this period as an investment opportunity, betting on the willingness of central banks to intervene if needed and anticipating that the short-term effects of this popular decision on the world economic and financial front would be contained.



Total Return Reference indexes²

Returns as at July 31, 2016

	Simple returns ¹			Compound annual returns			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Indexes related to Income Funds							
FTSE TMX Canada 91 Day T-Bill Index	0.0	0.1	0.3	0.4	0.7	0.8	1.5
FTSE TMX Canada Short Term Bond Index	0.1	0.9	1.2	1.3	2.6	2.5	3.8
FTSE TMX Canada Universe Bond Index	0.8	3.6	4.9	4.6	5.8	4.9	5.5
S&P/TSX Capped Income Trusts (Total Return)	3.0	9.3	20.0	16.6	12.7	10.9	9.1
SB - World Government Bonds (Can. \$)	0.8	6.7	4.9	11.3	10.8	7.3	5.7
Indexes related to Canadian Equity Funds							
S&P/TSX 60	3.9	4.7	12.9	2.5	9.1	6.1	5.3
S&P/TSX Completion Index	4.0	7.1	18.1	9.0	7.0	4.0	5.2
S&P/TSX Composite Index	3.9	5.3	14.1	4.0	8.5	5.5	5.1
S&P/TSX Capped Composite Index	3.9	5.3	14.1	4.0	8.5	5.5	5.1
S&P/TSX SmallCap. Index	5.5	10.7	35.0	23.8	8.3	0.9	2.2
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$)	3.9	10.0	1.4	5.6	20.3	20.7	9.3
S&P 500 (Can. \$) (Reuters)	4.1	10.2	1.1	5.9	20.3	20.7	9.3
MSCI - World (Can. \$)	4.5	7.7	(1.1)	(0.5)	15.4	14.9	6.3
MSCI - EAFE (Can. \$)	5.3	4.6	(5.4)	(7.6)	10.4	9.7	3.4
MSCI - EAFE (Can. \$) (Reuters)	5.5	4.8	(5.7)	(7.3)	10.4	9.7	3.4
MSCI - Europe (Can. \$)	4.5	3.1	(6.3)	(9.8)	9.9	9.8	3.9
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	6.2	9.0	(1.0)	(1.3)	12.4	9.4	4.9
MSCI - Emerging Markets (Can. \$)	5.3	9.5	5.6	(0.4)	8.3	3.9	5.7
MSCI - World Health Care (Can. \$)	4.8	10.6	(4.1)	(5.8)	19.9	20.7	8.5
NASDAQ 100 (Can. \$)	7.3	13.2	(3.0)	3.0	24.7	22.3	13.7
S&P/TSX Capped REIT Index	2.0	9.1	23.7	14.7	10.3	8.7	8.4
Exchange Rate (Can. \$ / US \$)							
As at July 31, 2016: 1.3041	0.2	3.9	(5.8)	0.0	8.2	6.5	1.4
Exchange Rate (US \$ / Can. \$)							
As at July 31, 2016: 0.7668	(0.2)	(3.8)	6.1	0.0	(7.6)	(6.1)	(1.4)

¹ The rates for the period are non-annualized.

² Please refer to the Legal Notices on page 3 for more information about these Indexes.

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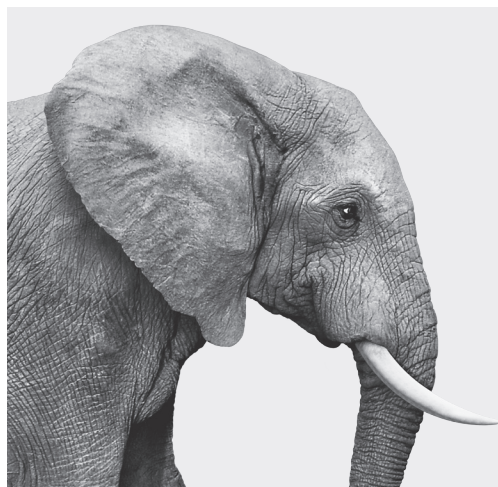
FTSE

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Economic and Financial Statistics as at July 31, 2016

	As at 2016-07-31 ¹	As at 2015-12-31
Canada - Unemployment rate	6.9%	7.1%
Canada - CPI (year/year variation)	1.5%	1.4%
Canada - GDP (year/year variation)	1.0%	-0.2%
U.S. - Unemployment rate	4.9%	5.0%
U.S. - CPI (year/year variation)	1.0%	0.5%
U.S. - GDP (year/year variation)	1.2%	2.1%
2-year Canada Bonds	0.54%	0.48%
10-year Canada Bonds	1.03%	1.40%
Oil (West Texas) (\$US)	41.6	37.2
Gold (\$US)	1,351.3	1,062.4
CRB Commodities Index (\$US)	181.0	176.1
Exchange rate \$CA/\$US	1.3030	1.3841

¹ Most recent data available at such date



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