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Financial markets are restless

Market volatility took investors by surprise at the beginning of the year. Although the economic backdrop remained unchanged, the combined effect of further declines in oil prices, uncertainties surrounding China, and the beginning of the interest rate normalization process by the U.S. Federal Reserve caused investors' aversion to risk to go up a notch around the world. The MSCI - World stock market index fell 5.4% during the month. However, we believe that fears of a world recession are exaggerated. The primary engine of the world economy, the United States, is still in good health, propelled by consumer spending and the service sector, while the Chinese economy is in much better shape than its stock market suggests.

Canada: Bank opts for status quo

The Bank of Canada (BoC) did not judge it necessary, on January 20, to modify its key interest rate, currently at 0.5%. The BoC is waiting to see how much stimulation will be included in the next federal budget, to be presented by April latest. Although it lowered its GDP growth forecast from 2.0% to 1.4% for 2016 in light of the additional drop in commodity prices over the last few months, the Bank remains confident that economic activity in non-energy sectors will pick up speed.

The latest GDP figures show a 0.3% expansion for the month of November, the first increase in three months. Production in the

manufacturing sector, retail sales and wholesale trade were the main contributors to this rebound in growth. It will be interesting to see whether the much-anticipated increase in manufacturing will continue in 2016, as it could lessen the impact of the difficulties suffered by natural resource-related industries.

United States: Sustained by services and consumption

A first estimate for the fourth quarter shows that U.S. GDP grew at an annual pace of 0.7%, compared to 2.0% in the third quarter. A large part of this deceleration can be attributed to decreased exports (-2.5%) and business investment (-1.8%) in reaction to the strength of the U.S. dollar, the drop in oil prices and a weakening in foreign demand. Moreover, companies cleared more of their inventories, dragging GDP growth down 0.5%.

Although the manufacturing sector is showing signs of slowing, the service sector is in good shape (see graph). In fact, the services' share of the GDP continues to grow, now at more than 68%, while manufacturing accounts for only 12%. Nearly 80% of the 5.8 million jobs created in the last two years in the U.S. were in the private service sector. The sturdiness of the job market, household confidence and low prices at the pump continue to sustain consumption in the country, so much that the level of discretionary spending is at an historical high.

Economic and Financial Statistics

	As at 2016-01-31 ¹	As at 2015-12-31
Canada - Unemployment rate	7.1%	7.1%
Canada - CPI (year/year variation)	1.6%	1.4%
Canada - GDP (year/year variation)	0.2%	-0.2%
U.S. - Unemployment rate	5.0%	5.0%
U.S. - CPI (year/year variation)	0.7%	0.5%
U.S. - GDP (year/year variation)	1.8%	2.1%
2-year Canada Bonds	0.42%	0.48%
10-year Canada Bonds	1.22%	1.40%
Oil (West Texas) (\$US)	33.6	37.2
Gold (\$US)	1,117.2	1,062.4
CRB Commodities Index (\$US)	166.8	176.1
Exchange rate \$CA/\$US	1.3973	1.3841

Source: iAIM

United States: Manufacturing sector is slowing, but the services sector remains strong

ISM Manufacturing and non-manufacturing



Source: iAIM

¹ Most recent data available at such date

Gross returns as at January 31, 2016

		Net assets ¹ in millions \$	Simple returns ²			Compound annual returns					Investment advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	4 years %	5 years %	10 years %	
Asset Allocation Funds											
506	Asset Allocation - Conservative	71.5	(0.5)	0.5	(0.5)	0.3	7.0	6.6	6.6	6.0	Various Managers
507	Asset Allocation - Moderate	120.2	(0.8)	0.1	(0.8)	0.3	8.0	7.6	6.9	6.0	Various Managers
508	Asset Allocation - Balanced	302.2	(1.2)	(0.2)	(1.2)	0.1	9.0	8.6	7.1	6.0	Various Managers
509	Asset Allocation - Growth	168.6	(1.5)	(0.5)	(1.5)	(0.1)	9.9	9.5	7.2	6.0	Various Managers
510	Asset Allocation - Aggressive Growth	86.6	(1.9)	(0.8)	(1.9)	(0.2)	10.8	10.5	7.4	6.0	Various Managers
Income Funds											
070	Money Market	339.1	0.1	0.1	0.1	0.6	0.9	0.9	0.9	1.8	Industrial Alliance
170	Short Term Bond	315.7	0.2	0.7	0.2	1.1	2.8	2.7	3.2	3.9	Industrial Alliance
489	Emerald Canadian Bond Index (TD)	163.1	0.4	1.6	0.4	(0.7)	4.0	3.6	5.0	5.1	TD
020	Bond	2,642.1	0.3	1.6	0.3	(0.5)	4.1	3.8	5.2	5.4	Industrial Alliance
472	Bond (Fiera Capital)	87.4	0.2	1.4	0.2	(0.6)	3.6	3.4	4.8	5.1	Fiera Capital
521	Bond (PH&N)	28.1	0.3	1.6	0.3	(0.4)	4.4	4.0	5.2	5.4	Phillips, Hager & North
632	Core Plus Bond (PH&N)	9.3	0.1	1.2	0.1	(0.6)*	-	-	-	-	Phillips, Hager & North
860	Core Plus Bond (PIMCO)	166.5	0.0	1.6	0.0	0.3	4.2	4.4	5.0	-	PIMCO
504	Long Term Bond	152.1	0.4	2.8	0.4	(3.7)	5.3	4.6	7.7	6.8	Industrial Alliance
861	Core Plus Long Term Bond (PIMCO)	10.0	0.1	2.9	0.1	(2.3)	5.8	5.6	7.8	-	PIMCO
893	Global Fixed Income (PIMCO)	112.9	0.1	(0.7)	0.1	3.4	5.4*	9.8*	12.3*	-	PIMCO
111	Floating Rate Bank Loan (AlphaFixe) ³	12.1	0.0	(1.0)	0.0	1.7*	-	-	-	-	AlphaFixe Capital
Diversified Funds											
240	Diversified Security	569.4	(0.5)	(0.2)	(0.5)	1.9	8.0	7.1	6.7	6.3	Industrial Alliance
889	Balanced Moderate Index (BlackRock)	1.4	(1.9)	(0.5)	(1.9)	(1.0)	8.7	8.4*	7.5*	5.7*	BlackRock
040	Diversified	1,967.8	(1.4)	(1.8)	(1.4)	0.2	9.4	8.6	7.1	6.3	Industrial Alliance
751	Balanced (Beutel Goodman)	32.3	(2.2)	(1.7)	(2.2)	(1.1)	8.5	9.1	7.6*	6.5*	Beutel Goodman
463	Balanced (Jarislowsky) ⁴	86.2	(1.6)	0.1	(1.6)	2.6	11.2	11.3	9.4	6.6	Jarislowsky
380	Balanced Growth (MFS)	17.2	(1.6)	(1.0)	(1.6)	0.9	10.1	9.5	6.3	5.5	MFS
522	Balanced (PH&N)	5.9	(1.7)	(1.2)	(1.7)	(0.5)	9.5	9.1	7.0	5.5	Phillips, Hager & North
250	Diversified Opportunity	594.9	(2.0)	(2.6)	(2.0)	(1.5)	9.8	9.0	6.7	6.2	Industrial Alliance
462	Fidelity Canadian Asset Allocation	25.9	(1.3)	(2.3)	(1.3)	(2.1)	7.9	6.7	5.1	6.2	Fidelity
Canadian Equity Funds											
753	Canadian Equity Index (TD)	46.3	(1.2)	(4.4)	(1.2)	(9.8)	3.5	3.9	1.9*	3.7*	TD
160	Dividend	957.2	(0.7)	(3.0)	(0.7)	(1.9)	7.6	8.1	6.6	6.5	Industrial Alliance
887	Canadian Dividend (Beutel Goodman)	13.3	(0.7)	(1.6)	(0.7)	0.6	12.1	12.5*	10.9*	8.3*	Beutel Goodman
633	Canadian Equity Value (PH&N)	2.8	(0.7)	(3.9)	(0.7)	(6.0)*	6.3*	7.6*	5.7*	-	Phillips, Hager & North
634	Canadian Equity (QV)	5.8	0.0	(2.4)	0.0	(4.8)*	8.2*	9.8*	7.3*	-	QV Investors Inc.
473	Canadian Equity Selexia (Fiera Capital)	17.5	(5.6)	(9.7)	(5.6)	(11.8)	3.5	5.7	2.5	4.5	Fiera Capital
871	Canadian Focused Equity (Pyramis)	101.6	(3.2)	(5.3)	(3.2)	(2.7)	11.8	11.5	7.9*	7.4*	Pyramis
888	Canadian Equity Low Volatility (TD)	49.8	1.1	(2.6)	1.1	(5.1)	8.8	10.5*	10.7*	-	TD
151	Canadian Equity All Cap (Triasima)	3.8	(4.6)	(3.6)	(4.6)	(1.3)*	7.6*	8.1*	6.4*	-	Triasima
464	Canadian Equity Growth	605.9	(2.1)	(4.5)	(2.1)	(6.5)	6.8	6.8	3.9	6.7	Industrial Alliance
899	Canadian Equity Q Growth (CC&L)	34.2	(3.2)	(4.1)	(3.2)	(8.8)*	7.4*	8.1*	5.7*	5.4*	CC&L
488	Canadian Equity (Jarislowsky)	136.3	(0.8)	(2.5)	(0.8)	(2.4)	9.0	9.7	6.3	5.8	Jarislowsky
360	Canadian Equity Growth (MFS)	28.6	(2.8)	(5.0)	(2.8)	(6.7)	7.8	7.2	1.5	4.0	MFS
010	Canadian Equity Value	238.2	(2.2)	(3.6)	(2.2)	(5.2)	5.1	5.2	2.6	3.5	Industrial Alliance
270	Fidelity True North [®]	243.7	(1.0)	(1.7)	(1.0)	(1.6)	12.1	11.6	8.3	7.4	Fidelity
514	Canadian Equity Responsible (MFS)	2.3	(2.3)	(4.6)	(2.3)	(6.9)	7.4	8.0	3.1	4.4	MFS
511	Canadian Equity Small Cap (Montrusco)	47.3	(2.8)	(2.4)	(2.8)	(12.5)	0.3	0.2	(0.8)	4.8	Montrusco
541	Canadian Equity Small Cap (QV)	113.3	(1.7)	(2.1)	(1.7)	(2.2)	11.0	13.9	11.5	8.5*	QV Investors Inc.
Foreign Equity Funds											
876	Global Equity Index ACWI (BlackRock)	76.9	(4.5)	(1.1)	(4.5)	4.6	16.8	16.3*	12.2*	-	BlackRock
707	Global Equity	173.9	(4.6)	(1.2)	(4.6)	8.7	19.9	18.6	13.1	-	Industrial Alliance
500	Global Equity (Hexavest)	174.3	(1.5)	3.8	(1.5)	9.8	20.1	17.8	14.0	7.9	Hexavest
865	Global Equity (CS-Hedged) (Hexavest)	35.4	(2.0)	(2.1)	(2.0)	1.0	10.8	11.3	8.8	-	Hexavest
534	Global Equity (QV)	14.0	(1.7)	(0.6)	(1.7)	2.7	12.6	14.5	11.2	5.7*	QV Investors Inc.
754	Global Equity (Sprucegrove)	14.9	(5.6)	(4.0)	(5.6)	(2.1)	13.5	13.6	10.3*	4.8*	Sprucegrove
465	Global Equity (Templeton)	270.9	(6.3)	(3.9)	(6.3)	1.1	17.6	18.5	12.6	6.3	Templeton
120	Global Equity (Aberdeen)	4.0	(3.0)	(3.3)	(3.0)	(5.4)	9.6*	11.3*	9.5*	-	Aberdeen
390	Global Research Equity (MFS)	37.2	(4.4)	(0.8)	(4.4)	6.9	18.0	16.9	12.2	6.0	MFS
863	Global Select Equity (Pyramis)	6.6	(4.8)	(1.1)	(4.8)	5.8	19.6	19.0	13.7	-	Pyramis
886	Global Equity Low Volatility ACWI (TD)	26.3	(2.1)	0.5	(2.1)	4.1	18.4	17.6*	-	-	TD
133	Global Equity (Mawer)	13.4	(3.4)	2.4	(3.4)	11.1*	21.6*	21.0*	17.8*	-	Mawer
490	Global Equity Endeavour (Invesco)	1.1	(2.9)	0.4	(2.9)	8.4	20.5*	19.4*	17.3*	10.2*	Invesco
531	Global Equity Small Cap (Deutsche AWM) ⁵	83.2	(6.7)	(2.2)	(6.7)	5.6	17.6	16.9	12.7	-	Deutsche AWM
130	Global Equity Small Cap (Mawer)	23.6	(4.5)	2.1	(4.5)	16.1	27.5*	27.6*	23.1*	-	Mawer
300	International Equity Index (BlackRock)	29.2	(6.0)	(3.1)	(6.0)	1.8	13.1	14.0	9.0	4.1	BlackRock
706	International Equity	352.2	(4.0)	(0.2)	(4.0)	7.3	15.8	15.9	10.1	-	Industrial Alliance
852	International Equity (Hexavest)	26.2	(3.8)	(0.8)	(3.8)	4.4	14.1	13.9	9.4	5.1	Hexavest
755	International Equity (Sprucegrove)	1.9	(6.5)	(5.9)	(6.5)	(6.6)	8.9	10.3	6.8*	4.0*	Sprucegrove
080	International Equity (Templeton)	62.2	(7.7)	(5.2)	(7.7)	(0.5)	12.8	13.9	8.5	4.2	Templeton

Gross returns as at January 31, 2016

	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns					Investment advisor
		1 month %	3 months %	YTD %	1 year %	3 years %	4 years %	5 years %	10 years %	
121 International Equity (Aberdeen)	6.2	(4.8)	(5.0)	(4.8)	(9.6)	5.5*	7.9*	6.1*	-	Aberdeen
483 International Equity (Jarislowsky)	14.0	(5.0)	(3.2)	(5.0)	1.9	12.5	14.7	11.3	5.3	Jarislowsky
131 International Equity (Mawer)	7.0	(3.9)	0.6	(3.9)	6.3	17.3*	18.0*	13.3*	8.7*	Mawer
467 International Equity (MFS)	19.1	(4.7)	(2.5)	(4.7)	3.8	13.7	14.6	10.0	5.1	MFS
760 U.S. Equity Index (BlackRock) ⁴	68.4	(3.7)	0.9	(3.7)	10.2	24.7	22.6	18.7*	8.7*	BlackRock
895 U.S. Equity Index Non-Registered (BlackRock) ⁶	13.5	(3.7)	0.9	(3.7)	10.1	24.4*	22.2*	18.4*	8.4*	BlackRock
518 U.S. Dividend Growth	187.3	(4.5)	(1.2)	(4.5)	9.9	22.0	-	-	-	Industrial Alliance
705 U.S. Equity	317.2	(4.5)	(0.3)	(4.5)	12.2	25.4	22.4	17.6	-	Industrial Alliance
512 U.S. Equity (Jarislowsky)	22.6	(3.0)	3.0	(3.0)	14.7	25.7	23.8	19.2	9.5	Jarislowsky
132 U.S. Equity (Mawer)	23.7	(3.3)	0.7	(3.3)	10.7	24.3*	22.8*	19.0*	9.9*	Mawer
513 U.S. Equity Core (MFS)	28.5	(3.1)	1.2	(3.1)	11.6	24.0	22.3	17.1	8.3	MFS
479 U.S. Equity (Fiera Capital)	4.7	(2.8)	1.9	(2.8)	11.0	27.8	24.6	19.8	7.7	Fiera Capital
898 Emerging Markets Equity Index (BlackRock) ³	3.4	(3.4)	(4.0)	(3.4)	(10.4)	2.2*	-	-	-	BlackRock
122 Emerging Markets (Aberdeen) ³	25.1	(3.4)	(3.4)	(3.4)	(10.1)*	2.3*	5.5*	5.3*	-	Aberdeen
758 Emerging Markets (Templeton) ³	2.1	(4.1)	(5.0)	(4.1)	(15.8)	(1.7)	0.7	(1.1)*	3.6*	Templeton

Alternative/Specialty Funds

491 Balanced-Risk Allocation (Invesco)	7.8	(0.5)	(2.4)	(0.5)	(4.5)	2.8*	-	-	-	Invesco
896 Global Developed Real Estate Index (BlackRock) ³	3.2	(3.0)	1.5	(3.0)	1.2	16.4*	-	-	-	BlackRock
540 Global Real Estate (Pyramis) ³	18.3	(3.1)	1.2	(3.1)	4.0	17.7	19.0	15.2	-	Pyramis
897 Global Infrastructure Equity Index (BlackRock) ³	2.6	0.9	(2.0)	0.9	(4.4)	16.4*	-	-	-	BlackRock
757 Global Infrastructure (Lazard) ³	23.6	(0.2)	(0.1)	(0.2)	5.5	18.0	18.9	14.9*	-	Lazard
892 Canadian Resources (Invesco) ³	0.3	(8.7)	(17.5)	(8.7)	(34.2)	(17.7)	(12.8)*	(12.3)*	(0.7)*	Invesco
153 Global Direct Real Estate - 100% (UBS) ³	17.8	1.1	1.3	1.1	6.2*	8.1*	-	-	-	UBS
152 Global Direct Real Estate - Portfolios (UBS) ³	47.0	0.9	2.1	0.9	8.0*	8.7*	-	-	-	UBS

Benchmark Indexes ⁷	Simple returns ²			Compound annual returns					
	1 month %	3 months %	YTD %	1 year %	3 years %	4 years %	5 years %	10 years %	
Money market index									
IN018 FTSE TMX 91 Day T-bill Index	0.1	0.1	0.1	0.5	0.8	0.9	0.9	1.7	
Bond indexes									
IN019 FTSE TMX Canada Short Term Bond Index	0.2	0.7	0.2	0.9	2.5	2.3	2.8	3.9	
IN056 FTSE TMX Canada Long Term Bond Index	0.5	2.8	0.5	(3.6)	5.5	4.7	7.8	6.7	
IN021 FTSE TMX Canada Universe Bond Index	0.4	1.6	0.4	(0.7)	4.0	3.6	5.0	5.1	
Equity indexes									
IN024 S&P/TSX Composite Index	(1.2)	(4.4)	(1.2)	(9.9)	3.4	3.8	1.9	3.6	
IN037 S&P/TSX SmallCap Index	(4.1)	(7.2)	(4.1)	(17.3)	(5.2)	(5.9)	(6.4)	(1.1)	
IN097 MSCI - ACWI Index (Can. \$) (net ret.)	(4.4)	(1.5)	(4.4)	3.2	16.5	15.9	11.8	5.8	
IN008 MSCI - World Index (Can. \$) (net ret.)	(4.4)	(1.1)	(4.4)	5.1	18.4	17.6	13.2	6.1	
IN104 MSCI - World Index (Local \$) (net ret.)	(5.4)	(6.9)	(5.4)	(2.9)	9.0	11.0	7.9	4.0	
IN079 MSCI - World Small Cap Index (Can. \$)	(6.1)	(2.1)	(6.1)	4.1	18.7	17.9	13.5	7.0	
IN002 MSCI - EAFE Index (Can. \$) (net ret.)	(5.6)	(3.0)	(5.6)	1.4	12.9	13.8	8.7	3.8	
IN014 S&P 500 Index (Can. \$)	(3.3)	1.0	(3.3)	10.0	24.8	22.5	18.7	8.7	
IN006 MSCI - Emerging Markets Index (Can. \$)	(4.9)	(5.4)	(4.9)	(12.1)	2.1	3.4	1.4	4.3	

The benchmark index for each fund is published in the *Quarterly Update*.

¹ Total net assets of the fund including individual and group contracts.

² The rates of return for the period are non-annualized.

³ Offered only for certain types of contracts.

⁴ Not available in non-registered and TFSA contracts.

⁵ Fund managed by Deutsche Asset & Wealth Management (Deutsche AWM) since March 31, 2008.

⁶ Available in non-registered and TFSA contracts.

⁷ Please refer to the Legal Notices on page 6 for more information about these indexes.

* Simulation of past returns as if the fund had been in effect for these periods.

Index funds: Simulation of past returns from the return of the index that the fund aims to reproduce.

Asset allocation funds: Simulation of past returns based on the return of the funds included in the asset allocation fund and on an asset allocation decision.

The above returns are gross returns and do not take into account management and administration fees.

Past performance is not a guarantee of future returns.

Guaranteed Investments	Returns as at January 31, 2016 (%)										
	Special 1-day	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years
Published rates	0.05	0.25	1.05	1.10	1.20	1.35	0.35	0.35	0.35	0.35	1.50

The rates applicable to your guaranteed investments may differ from those presented above. To find out the applicable adjustment, please call Client Service at the following number: 1-800-567-5670.

ATTITUDE Portfolios - Gross Returns as at January 31, 2016

	Benchmark indexes	PORTFOLIOS						INDEXES					
		Simple returns ¹			Compound annual returns			Simple returns ¹			Compound annual returns		
		1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %
Conservative													
Conservative Portfolio 2001 to 2005	INP9545	(0.2)	0.8	(0.2)	0.4	4.1	4.4	(0.1)	0.7	(0.1)	(0.1)	3.8	4.2
Conservative Portfolio 2006 to 2010	INP9000	(0.2)	0.7	(0.2)	0.2	4.7	5.1	(0.1)	0.6	(0.1)	(0.6)	4.3	4.7
Conservative Portfolio 2011 to 2015	INP9546	(0.3)	0.7	(0.3)	0.0	5.2	5.6	(0.1)	0.6	(0.1)	(0.9)	4.7	5.0
Conservative Portfolio 2016 to 2020	INP9001	(0.4)	0.5	(0.4)	(0.1)	5.6	6.0	(0.3)	0.4	(0.3)	(1.2)	5.1	5.4
Conservative Portfolio 2021 to 2025	INP9547	(0.7)	0.3	(0.7)	(0.1)	6.3	6.6	(0.5)	0.1	(0.5)	(1.5)	5.6	5.8
Conservative Portfolio 2026 to 2030	INP9002	(0.9)	0.0	(0.9)	0.0	6.9	6.4	(0.8)	(0.2)	(0.8)	(1.7)	6.0	5.8
Conservative Portfolio 2031 to 2035	INP9548	(1.0)	(0.1)	(1.0)	0.1	7.2	6.7	(0.9)	(0.5)	(0.9)	(1.7)	6.3	6.0
Conservative Portfolio 2036 to 2040	INP9003	(1.2)	(0.3)	(1.2)	0.2	7.6	6.7	(1.1)	(0.7)	(1.1)	(1.7)	6.7	6.1
Conservative Portfolio 2041 to 2045	INP9549	(1.2)	(0.4)	(1.2)	0.2	7.8	7.0	(1.1)	(0.8)	(1.1)	(1.8)	6.9	6.2
Conservative Portfolio 2046 to 2050	INP9004	(1.3)	(0.5)	(1.3)	0.2	8.1	7.0	(1.2)	(0.9)	(1.2)	(1.8)	7.1	6.2
Conservative Portfolio 2051 to 2055	INP9550	(1.3)	(0.5)	(1.3)	0.3	8.3	7.2	(1.2)	(0.9)	(1.2)	(1.9)	7.3	6.4
Conservative Portfolio 2056 to 2060	INP9339	(1.3)	(0.5)	(1.3)	0.3	8.3	6.9	(1.2)	(0.9)	(1.2)	(1.9)	7.3	6.2
Conservative Portfolio 2061 to 2065	INPA005	(1.3)	(0.5)	(1.3)	0.2	8.3	6.9	(1.2)	(0.9)	(1.2)	(1.9)	7.3	6.2
Moderate													
Moderate Portfolio 2001 to 2005	INP9552	(0.3)	0.6	(0.3)	0.4	4.8	4.5	(0.3)	0.4	(0.3)	(0.4)	4.3	4.3
Moderate Portfolio 2006 to 2010	INP9005	(0.4)	0.5	(0.4)	0.2	5.6	5.4	(0.4)	0.3	(0.4)	(0.9)	5.0	5.0
Moderate Portfolio 2011 to 2015	INP9553	(0.5)	0.5	(0.5)	0.0	6.2	6.0	(0.4)	0.3	(0.4)	(1.3)	5.5	5.4
Moderate Portfolio 2016 to 2020	INP9006	(0.7)	0.2	(0.7)	(0.1)	6.7	6.3	(0.7)	(0.1)	(0.7)	(1.6)	5.9	5.7
Moderate Portfolio 2021 to 2025	INP9554	(0.9)	(0.1)	(0.9)	(0.1)	7.2	6.8	(0.9)	(0.4)	(0.9)	(1.9)	6.3	6.0
Moderate Portfolio 2026 to 2030	INP9007	(1.2)	(0.3)	(1.2)	0.0	7.6	6.7	(1.2)	(0.8)	(1.2)	(2.0)	6.6	6.0
Moderate Portfolio 2031 to 2035	INP9555	(1.4)	(0.5)	(1.4)	0.1	8.0	7.0	(1.3)	(1.0)	(1.3)	(2.0)	6.9	6.2
Moderate Portfolio 2036 to 2040	INP9008	(1.5)	(0.7)	(1.5)	0.3	8.5	7.1	(1.5)	(1.2)	(1.5)	(2.0)	7.3	6.3
Moderate Portfolio 2041 to 2045	INP9556	(1.6)	(0.8)	(1.6)	0.3	8.7	7.3	(1.6)	(1.3)	(1.6)	(2.1)	7.5	6.4
Moderate Portfolio 2046 to 2050	INP9009	(1.7)	(0.9)	(1.7)	0.4	9.0	7.3	(1.6)	(1.4)	(1.6)	(2.1)	7.7	6.5
Moderate Portfolio 2051 to 2055	INP9557	(1.7)	(0.9)	(1.7)	0.4	9.2	7.5	(1.6)	(1.4)	(1.6)	(2.2)	7.9	6.6
Moderate Portfolio 2056 to 2060	INP9340	(1.7)	(0.9)	(1.7)	0.4	9.2	7.2	(1.6)	(1.4)	(1.6)	(2.2)	7.9	6.5
Moderate Portfolio 2061 to 2065	INPA004	(1.7)	(0.9)	(1.7)	0.4	9.2	7.2	(1.6)	(1.4)	(1.6)	(2.2)	7.9	6.4
Balanced													
Balanced Portfolio 2001 to 2005	INP9559	(0.5)	0.4	(0.5)	0.3	5.5	5.1	(0.5)	0.1	(0.5)	(0.8)	4.9	4.7
Balanced Portfolio 2006 to 2010	INP9010	(0.6)	0.3	(0.6)	0.1	6.2	5.7	(0.6)	0.0	(0.6)	(1.2)	5.4	5.2
Balanced Portfolio 2011 to 2015	INP9560	(0.7)	0.2	(0.7)	0.0	6.6	6.1	(0.7)	(0.1)	(0.7)	(1.5)	5.8	5.5
Balanced Portfolio 2016 to 2020	INP9011	(0.9)	(0.1)	(0.9)	(0.1)	7.0	6.5	(1.0)	(0.5)	(1.0)	(1.8)	6.1	5.8
Balanced Portfolio 2021 to 2025	INP9561	(1.2)	(0.4)	(1.2)	0.0	7.8	7.1	(1.3)	(0.9)	(1.3)	(2.1)	6.7	6.2
Balanced Portfolio 2026 to 2030	INP9012	(1.5)	(0.7)	(1.5)	0.1	8.4	7.1	(1.6)	(1.3)	(1.6)	(2.3)	7.1	6.2
Balanced Portfolio 2031 to 2035	INP9562	(1.7)	(0.8)	(1.7)	0.2	8.8	7.5	(1.7)	(1.5)	(1.7)	(2.4)	7.5	6.5
Balanced Portfolio 2036 to 2040	INP9013	(1.8)	(1.0)	(1.8)	0.5	9.3	7.3	(1.9)	(1.7)	(1.9)	(2.3)	8.0	6.5
Balanced Portfolio 2041 to 2045	INP9563	(1.9)	(1.1)	(1.9)	0.5	9.5	7.6	(2.0)	(1.8)	(2.0)	(2.3)	8.1	6.6
Balanced Portfolio 2046 to 2050	INP9014	(2.0)	(1.2)	(2.0)	0.5	9.9	7.6	(2.1)	(1.9)	(2.1)	(2.4)	8.4	6.6
Balanced Portfolio 2051 to 2055	INP9564	(2.0)	(1.3)	(2.0)	0.5	10.1	7.8	(2.0)	(1.9)	(2.0)	(2.5)	8.5	6.8
Balanced Portfolio 2056 to 2060	INP9341	(2.0)	(1.3)	(2.0)	0.5	10.1	7.5	(2.0)	(1.9)	(2.0)	(2.5)	8.5	6.6
Balanced Portfolio 2061 to 2065	INPA003	(2.0)	(1.3)	(2.0)	0.5	10.0	7.5	(2.0)	(2.0)	(2.0)	(2.5)	8.5	6.6
Growth													
Growth Portfolio 2001 to 2005	INP9566	(0.6)	0.2	(0.6)	0.3	6.3	5.4	(0.7)	(0.1)	(0.7)	(1.1)	5.5	5.0
Growth Portfolio 2006 to 2010	INP9015	(0.7)	0.1	(0.7)	0.1	6.9	5.9	(0.8)	(0.2)	(0.8)	(1.5)	6.0	5.4
Growth Portfolio 2011 to 2015	INP9567	(0.8)	0.1	(0.8)	0.0	7.3	6.4	(0.9)	(0.3)	(0.9)	(1.8)	6.3	5.7
Growth Portfolio 2016 to 2020	INP9016	(1.1)	(0.3)	(1.1)	(0.1)	7.8	6.7	(1.2)	(0.7)	(1.2)	(2.1)	6.6	5.9
Growth Portfolio 2021 to 2025	INP9568	(1.4)	(0.6)	(1.4)	0.0	8.5	7.3	(1.5)	(1.2)	(1.5)	(2.3)	7.2	6.3
Growth Portfolio 2026 to 2030	INP9017	(1.7)	(0.9)	(1.7)	0.1	9.1	7.3	(1.8)	(1.6)	(1.8)	(2.6)	7.7	6.4
Growth Portfolio 2031 to 2035	INP9569	(1.9)	(1.1)	(1.9)	0.3	9.6	7.7	(2.0)	(1.8)	(2.0)	(2.6)	8.1	6.7
Growth Portfolio 2036 to 2040	INP9018	(2.0)	(1.2)	(2.0)	0.6	10.2	7.6	(2.1)	(2.0)	(2.1)	(2.5)	8.6	6.7
Growth Portfolio 2041 to 2045	INP9570	(2.1)	(1.3)	(2.1)	0.6	10.4	7.8	(2.2)	(2.2)	(2.2)	(2.6)	8.8	6.8
Growth Portfolio 2046 to 2050	INP9019	(2.2)	(1.5)	(2.2)	0.6	10.7	7.8	(2.3)	(2.3)	(2.3)	(2.6)	9.0	6.8
Growth Portfolio 2051 to 2055	INP9571	(2.2)	(1.5)	(2.2)	0.6	10.9	8.0	(2.3)	(2.3)	(2.3)	(2.7)	9.2	7.0
Growth Portfolio 2056 to 2060	INP9342	(2.2)	(1.5)	(2.2)	0.6	10.9	7.8	(2.3)	(2.3)	(2.3)	(2.7)	9.2	6.8
Growth Portfolio 2061 to 2065	INPA002	(2.2)	(1.5)	(2.2)	0.6	10.9	7.8	(2.3)	(2.3)	(2.3)	(2.7)	9.2	6.8

ATTITUDE Portfolios - Gross Returns as at January 31, 2016

	Benchmark indexes	PORTFOLIOS						INDEXES					
		Simple returns ¹			Compound annual returns			Simple returns ¹			Compound annual returns		
		1 month	3 months	YTD	1 year	3 years	5 years	1 month	3 months	YTD	1 year	3 years	5 years
		%	%	%	%	%	%	%	%	%	%	%	%
Aggressive													
Aggressive Portfolio 2001 to 2005	INP9573	(0.7)	0.1	(0.7)	0.3	6.9	5.5	(0.9)	(0.3)	(0.9)	(1.2)	5.9	5.1
Aggressive Portfolio 2006 to 2010	INP9020	(0.8)	0.0	(0.8)	0.0	7.6	6.2	(1.0)	(0.4)	(1.0)	(1.8)	6.5	5.6
Aggressive Portfolio 2011 to 2015	INP9574	(1.0)	(0.1)	(1.0)	(0.1)	8.0	6.6	(1.1)	(0.6)	(1.1)	(2.0)	6.9	5.9
Aggressive Portfolio 2016 to 2020	INP9021	(1.3)	(0.4)	(1.3)	(0.1)	8.5	6.9	(1.4)	(1.0)	(1.4)	(2.4)	7.2	6.1
Aggressive Portfolio 2021 to 2025	INP9575	(1.6)	(0.8)	(1.6)	0.0	9.2	7.6	(1.8)	(1.5)	(1.8)	(2.6)	7.7	6.5
Aggressive Portfolio 2026 to 2030	INP9022	(1.9)	(1.1)	(1.9)	0.2	9.9	7.6	(2.1)	(1.9)	(2.1)	(2.9)	8.2	6.5
Aggressive Portfolio 2031 to 2035	INP9576	(2.1)	(1.3)	(2.1)	0.4	10.4	8.0	(2.2)	(2.1)	(2.2)	(2.9)	8.7	6.8
Aggressive Portfolio 2036 to 2040	INP9023	(2.2)	(1.5)	(2.2)	0.7	11.0	7.9	(2.4)	(2.4)	(2.4)	(2.7)	9.3	6.9
Aggressive Portfolio 2041 to 2045	INP9577	(2.3)	(1.6)	(2.3)	0.7	11.3	8.1	(2.5)	(2.5)	(2.5)	(2.8)	9.4	7.0
Aggressive Portfolio 2046 to 2050	INP9024	(2.4)	(1.7)	(2.4)	0.7	11.6	8.1	(2.6)	(2.6)	(2.6)	(2.9)	9.7	7.0
Aggressive Portfolio 2051 to 2055	INP9578	(2.4)	(1.7)	(2.4)	0.7	11.8	8.3	(2.6)	(2.6)	(2.6)	(2.9)	9.8	7.2
Aggressive Portfolio 2056 to 2060	INP9343	(2.4)	(1.7)	(2.4)	0.7	11.8	8.1	(2.6)	(2.6)	(2.6)	(2.9)	9.8	7.0
Aggressive Portfolio 2061 to 2065	INPA001	(2.4)	(1.7)	(2.4)	0.7	11.8	8.1	(2.6)	(2.6)	(2.6)	(3.0)	9.8	7.0

Benchmark Indexes² - Gross Returns as at January 31, 2016

		Simple returns ¹			Compound annual returns		
		1 month	3 months	YTD	1 year	3 years	5 years
		%	%	%	%	%	%
Bond indexes							
IN019	FTSE TMX Canada Short Term Bond Index	0.2	0.7	0.2	0.9	2.5	2.8
IN021	FTSE TMX Canada Universe Bond Index	0.4	1.6	0.4	(0.7)	4.0	5.0
IN124	Barclays U.S. Aggregate Index (CAD Hedged)	1.4	0.8	1.4	0.2	2.9	4.3
Equity indexes							
IN024	S&P/TSX 60 Index	(1.2)	(4.4)	(1.2)	(9.9)	3.4	1.9
IN031	S&P/TSX Capped Composite Index	(1.2)	(4.4)	(1.2)	(9.9)	3.4	1.9
IN037	S&P/TSX SmallCap Index	(4.1)	(7.2)	(4.1)	(17.3)	(5.2)	(6.4)
IN107	MSCI ACWI Ex-Canada Index (Can \$) (Reuters) (net ret.)	(4.9)	(1.5)	(4.9)	3.9	17.0	12.3
IN008	MSCI - World Index (Can. \$) (net ret.)	(4.4)	(1.1)	(4.4)	5.1	18.4	13.2
IN079	MSCI - World Small Cap. Index (Can. \$)	(6.1)	(2.1)	(6.1)	4.1	18.7	13.5
IN006	MSCI - Emerging Markets Index (Can. \$).	(4.9)	(5.4)	(4.9)	(12.1)	2.1	1.4
INDC491	MSCI - World Index (Can. \$) (net ret.) (60%), Barclays U.S. Aggregate Index (CAD Hedged) (40%)	(2.1)	(0.3)	(2.1)	3.3	12.1	0.0
INDC757	Since April 1, 2015: FTSE Developed Core Infrastructure 50/50 Before April 1, 2015: UBS Global 50/50 Infrastructure and Utilities Index (Local \$)	0.8	(3.2)	0.8	(3.7)	12.8	10.5
INDC152	CPI + 4% (75%), FTSE EPRA/NAREIT Developed Index (Can.\$) (Reuters) (net ret.) (20%), FTSE TMX Canada 91 Day T-Bill Index (5%)	(0.7)	0.7	(0.7)	4.5	7.3	0.0
Composite indexes (portfolios)							

Each portfolio index is composed of a set of benchmark sub-indexes, listed above. These sub-indexes are linked to the portfolios' underlying funds. The weighting used is equal to the asset allocation of the portfolios' underlying funds. The asset allocation varies periodically. The current allocation appears on the *Composition of the ATTITUDE portfolios (in %)* page of the *Quarterly Update* publication.

¹ Rates of return for the period are non-annualized.

² Please refer to the Legal Notices on page 6 for more information about these indexes.

Some portfolio returns are simulated as if they were in effect during the periods shown above.

The above returns are gross returns and do not take into account management and administration fees.
Past performance is not a guarantee of future returns.

Europe: More monetary stimulation coming in March?

With a new wave of decreasing natural resource prices and high volatility in the financial markets, the European Central Bank (ECB) repeated in January its firm intention of bringing inflation back to a more desirable level. It stated that there is no limit to the monetary stimulus measures that will be considered at its next meeting in March. One will recall that in December, the ECB lowered its key interest rate to -0.3% and extended its asset-purchasing program to March 2017.

World: Chinese stock market vs. economy

Uncertainty toward China has once again brought volatility to the international financial markets. The Shanghai Composite Index plunged 22.6% in January, representing a 47% decline since its peak last June. However, although the deflating of this bubble does translate into 3.1 trillion U.S. dollars, the impact of the stock market's unknowns on the real economy remains modest. In fact, the role of stocks in business financing is very minor in China, accounting for just 2%, and stocks account for about 1% in household balance sheets. It is clear that the current transition of the Chinese economy is pushing down GDP, but the situation cannot in any way be compared to what is happening on the country's stock market!

Financial markets: A rough start to the year

- The S&P/TSX Composite Index was down 1.2% in January. The health care sector performed least well, with a return of -9.3%, while utilities delivered the best performance, with a return of 5.8%.
- The U.S. S&P 500 Index fell 5.0% during the month (-3.3% in Canadian dollars). The sector with the lowest return in the index was materials, at -10.6%. The financial sector also did poorly, with -9.0%. The sector that offered the highest return was telecommunications, up 5.5%.
- World indices MSCI - EAFE and MSCI - World were down 5.8% and 5.4% respectively in January (-5.6% and -4.3% in Canadian dollars). The emerging markets, measured by the MSCI - Emerging Markets Index, fell 5.2% (-4.9% in Canadian dollars).
- The Canadian bond market, measured by the FTSE TMX Canada Universe Bond Index, saw a gain of 0.4% for the month.

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NEWS

Certificate of Compliance

The certificate of compliance attesting to our proper application of standards for fund managers, particularly regarding investment policies is now available in the document centre in My Client Space, under *Group Savings and Retirement/Investments/Investment Funds/Management Monitoring*, at ia.ca/myaccount. This certificate covers the period from July 1 to December 31, 2015.

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