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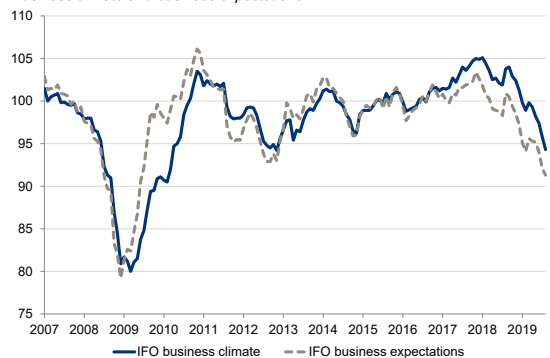
August seesawed

World

Economic damage associated with uncertainty on business policies are starting to manifest more seriously. In August, we learned that the German economy is on the verge of officially falling into a recession, with its GDP contracting in the second quarter and all indicators published since then, suggesting further contraction in the third quarter. German business confidence has dropped to its lowest level since 2012, while Europe was in recession. Uncertainty caused by the wave of U.S. protectionism is well and truly undermining business confidence around the globe and risks turning into real economic downturn.

Germany: IFO Survey

Business climate and business expectations

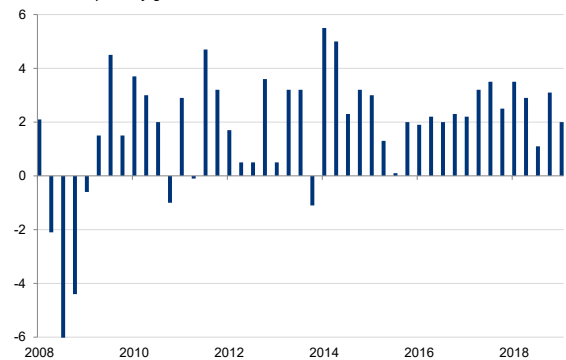


North America

The U.S. economy continues to grow, with an increase of about 2% in the second quarter, which is in line with our estimate of its potential. However, we are seeing that American consumers are almost single-handedly supporting this growth, supported only by government spending. Recent business investment data shows a major slowdown, as was felt in the real estate and international commerce sectors. Although American consumers are far from being the most important piece of the economic puzzle and that the strength of the jobs market coupled with an historically high savings rate should help the U.S. economy bounce back, the climate of uncertainty created by the Trump administration is being reflected more and more in economic data.

U.S.: Growth of 2.0% in Q2 2019

Annualized quarterly growth, in %



Financial markets

Global stock markets were directionless in August, typically the month in which trading volumes are the lowest during the year. The U.S. market, more specifically, seesawed in August, driven by sometimes positive, often negative news about trade tensions between the United States and China. September will be more turbulent, with a heavy agenda: trade tensions, the upcoming conclusion of Brexit and decisions by central banks around the world. Remember that, historically, September is also the worst month for stock markets. All the pieces are there for a turbulent fall.

Stock market: S&P 500 Index



Table of net returns as at August 31, 2019

Ecoflex / My Education

	Unit Value \$	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns				MER ³ %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
Focus Funds											
Focus Prudent	16.83	173.1	0.6	2.0	6.9	3.0	0.9	1.3	2.6	3.19	Various Managers
Focus Moderate	17.92	260.4	0.3	2.0	7.3	1.4	1.3	1.4	3.1	3.24	Various Managers
Focus Balanced	18.94	433.1	0.0	2.1	7.7	(0.3)	1.7	1.4	3.6	3.26	Various Managers
Focus Growth	19.90	146.2	(0.2)	2.3	8.0	(1.9)	2.1	1.5	4.0	3.29	Various Managers
Focus Aggressive	20.81	54.6	(0.4)	2.4	8.4	(3.6)	2.5	1.5	4.4	3.33	Various Managers
Selection Funds											
Selection Prudent	11.62	112.3	0.2	1.4	6.6	2.5	1.4	1.8	-	2.98	Various Managers
Selection Moderate	11.67	186.7	(0.2)	1.2	6.7	0.7	1.3	1.7	-	3.13	Various Managers
Selection Balanced	11.92	248.3	(0.7)	1.1	6.9	(1.0)	1.8	1.9	-	3.27	Various Managers
Selection Growth	12.07	108.1	(1.0)	1.1	7.3	(2.6)	2.2	2.0	-	3.45	Various Managers
Selection Aggressive	12.06	33.0	(1.4)	1.0	7.4	(4.3)	2.0	1.9	-	3.62	Various Managers
Income Funds											
Money Market	17.22	360.5	0.0	0.1	0.4	0.5	0.3	0.3	0.2	1.66	Industrial Alliance
Short Term Bond	15.44	204.0	0.4	0.3	1.9	2.3	(0.2)	0.1	0.7	2.41	Industrial Alliance
Bond	30.38	2,999.3	1.6	2.5	7.2	7.1	1.1	1.9	2.5	2.42	Industrial Alliance
Core Plus Bond	10.92	60.5	0.0	0.2	2.8	1.0	0.0	(0.1)	-	2.78	iA Clarington
SPECIALTY	Strategic Corporate Bond ⁶	13.00	(0.9)	0.1	3.1	(0.2)	2.2	1.8	-	2.73	iA Clarington
	Real Return Bond	9.47	7.5	1.1	2.3	8.6	4.7	(0.8)	0.4	2.4*	Industrial Alliance
Diversified Funds											
Diversified Security	21.77	691.6	0.9	2.5	6.9	2.4	0.6	1.8	3.1	3.18	Industrial Alliance
Diversified	42.57	2,290.1	0.2	2.5	8.6	0.5	1.2	2.3	4.1	3.19	Industrial Alliance
Diversified Opportunity	26.86	590.3	0.0	2.9	10.0	(0.6)	1.4	2.0	4.3	3.23	Industrial Alliance
Canadian Balanced (QV)	13.60	137.3	(0.1)	(0.4)	5.4	(2.7)	(1.3)	(1.0)	3.1*	3.57	QV Investors Inc.
SRI Balanced (Inhance)	15.13	48.5	0.1	2.3	9.9	2.6	3.0	2.3	-	3.74	Vancity
Diversified Income	27.47	443.9	0.0	2.5	9.6	(0.6)	2.0	2.6	6.0	3.07	Industrial Alliance
Strategic Income	13.94	170.5	(1.0)	0.6	7.3	0.9	3.0	1.5	-	3.62	iA Clarington
Global Diversified (Loomis Sayles)	15.32	274.9	0.0	3.8	14.2	5.4	8.1	5.1	6.3	3.39	Loomis Sayles
Tactical Income	18.58	20.5	(1.0)	0.6	6.4	1.3	2.5	0.2	3.7*	3.59	iA Clarington
Canadian Equity Funds											
Strategic Equity Income	17.30	207.5	(1.3)	0.6	8.8	0.9	4.0	2.7	6.3	2.64	iA Clarington
Dividend Growth	20.92	937.3	(0.9)	1.0	11.9	0.7	5.5	3.3	6.3	2.89	Industrial Alliance
Canadian Conservative Equity	19.47	122.5	(1.4)	(0.3)	10.3	0.8	3.8	(0.9)	4.7	3.23	iA Clarington
Canadian Equity Index	23.60	415.4	0.2	2.1	14.0	2.0	4.9	1.8	4.2	3.02	Industrial Alliance
Select Canadian ⁵	28.78	17.3	(1.2)	1.3	11.5	(1.5)	2.5	(1.2)	2.8	3.08	Industrial Alliance
Canadian Equity Value	45.91	146.3	(1.1)	1.8	10.6	(3.0)	2.9	0.2	3.2	3.05	Industrial Alliance
Canadian Equity	17.41	131.1	(0.8)	0.0	(0.9)	(16.3)	1.3	(2.7)	1.5	3.01	Industrial Alliance
Fidelity True North [®]	36.59	274.5	1.8	3.0	13.4	3.9	3.6	3.1	6.1	3.70	Fidelity
Canadian Equity Growth	31.10	702.9	(0.9)	2.2	13.4	(1.0)	4.5	2.2	5.5	3.02	Industrial Alliance
Fidelity Canadian Opportunities	42.90	141.3	1.9	3.1	14.8	10.6	5.3	5.5	8.0	3.71	Fidelity
Canadian Equity Small Cap (QV)	20.95	143.8	(4.0)	(1.9)	6.3	(9.3)	(0.3)	(0.7)	8.0*	3.97	QV Investors Inc.

Table of net returns as at August 31, 2019

Ecoflex / My Education

	Unit Value \$	Net assets ¹ in millions \$	Simple returns ²			Compound annual returns				MER ³ %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
U.S. & International Equity Funds											
Global Equity Index ACWI (BlackRock)	24.13	189.0	(1.3)	1.7	8.0	(1.7)*	6.0*	6.4*	6.9*	3.48	BlackRock
Global Dividend (Dynamic)	24.22	630.4	0.8	4.4	18.4	7.4	14.3	13.6	11.2	3.54	Dynamic
Global Equity	17.78	27.2	(0.8)	3.5	8.9	(6.2)	4.0	5.6	7.6	3.54	Industrial Alliance
Global Equity (Templeton)	15.73	232.1	(2.4)	(1.2)	(0.9)	(12.4)	1.2	1.5	5.3	3.68	Templeton
Global Opportunities (Radin)	12.92	16.1	(7.3)	(7.2)	(10.9)	(20.0)	(6.0)	(2.0)	-	3.96	Radin Capital Partners
Fidelity NorthStar®	17.63	172.4	(1.3)	(1.6)	(2.6)	(7.1)	(1.8)	2.4	7.2	3.75	Fidelity
International Equity Index (BlackRock)	10.07	74.9	(1.7)	(0.6)	4.8	(4.1)	3.4	3.1	4.1	3.03	BlackRock
International Equity	19.33	584.8	(1.1)	2.2	8.3	(4.9)	3.0	3.7	4.6*	3.64	Industrial Alliance
International Equity (Templeton)	15.55	47.6	(3.1)	(3.8)	(4.8)	(13.4)	(0.9)	(0.4)	2.4	3.70	Templeton
Fidelity European Equity	12.43	57.2	(3.0)	(3.3)	3.1	(8.0)	2.5	1.5	4.2	3.77	Fidelity
U.S. Equity Index (BlackRock)	20.58	222.8	(0.7)	4.2	12.6	1.5	9.5	10.9	11.9	3.04	BlackRock
U.S. Dividend Growth	18.76	201.4	0.1	5.3	12.2	(5.2)	4.5	7.3	8.2	3.53	Industrial Alliance
U.S. Equity ⁴	12.01	36.5	(0.5)	4.3	9.7	(7.8)	3.6	6.8	8.9	3.40	Industrial Alliance
Thematic Innovation - Currency Neutral	19.05	60.5	(2.4)	4.4	8.8	(7.3)	(0.4)	(0.5)	6.5*	3.97	Industrial Alliance
Specialty Funds											
Asian Pacific (Dynamic)	9.03	79.6	(0.3)	5.2	12.5	3.3	5.0	4.6	6.9	3.34	Dynamic
Emerging Markets (Mackenzie)	11.98	29.7	(5.5)	(3.7)	(0.8)	(9.4)	(0.8)	(3.4)	1.2	4.44	Mackenzie Cundill
Global Health Care (Renaissance)	34.87	170.2	(0.9)	2.8	4.9	(3.8)	4.1	8.1	12.2	3.81	CIBC
Real Estate Income	36.72	73.7	1.7	3.4	14.3	7.5	6.6	5.5	9.5	2.95	Industrial Alliance
U.S. DAQ Index	16.39	201.0	(1.0)	5.3	16.2	0.2	15.1	15.6	16.6	3.20	Industrial Alliance
Education Savings Plan											
Diploma Elementary	17.47	990.8	0.3	2.1	9.4	2.5	3.4	3.1	4.3	3.61	Industrial Alliance
Diploma Secondary	11.88	288.2	0.6	1.2	4.5	2.3	0.0	0.2	0.7	3.60	Industrial Alliance
Not offered to new contract subscribers											
Diploma	14.88	171.2	0.3	2.3	9.6	2.7	3.6	3.5	4.7	3.63	Industrial Alliance
Dividend	52.98	1,095.1	(0.8)	1.0	12.0	0.6	5.4	3.6	6.8	2.40	Industrial Alliance

Returns after deduction of MER (Management expense ratio). Past performance is not a guarantee of future returns.

The *EcoStrategist in Brief* | Ecoflex / My Education economic and financial bulletin, produced monthly, and its more exhaustive quarterly version, are available at ia.ca, under Individuals, Savings and Retirement, Economic and Financial Publications.

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

² The rates for the period are non-annualized.

³ Management expense ratio (GST and HST included).

⁴ Industrial Alliance has managed this fund since March 2010. Prior to that date, it was managed by Legg Mason.

⁵ Not offered in registered contracts and TFSA's

⁶ Fund closed to new investments as of June 30th, 2015.

* 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.

Total Return Reference indexes²

Returns as at August 31, 2019

	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 Canada 91 Day T-Bill Index	0.1	0.4	1.1	1.7	1.1	0.9	0.9
FTSE Canada Short Term Bond Index	0.7	0.8	3.3	4.5	1.7	2.0	2.5
FTSE Canada Universe Bond Index	1.9	3.0	8.7	9.6	3.0	3.9	4.6
SB - World Government Bonds (Can. \$)	3.9	2.8	4.8	10.5	2.3	5.6	4.0
Indexes related to Canadian Equity Funds							
S&P/TSX 60	0.5	3.0	16.7	5.1	8.2	5.0	7.3
S&P/TSX Completion Index	0.2	4.6	18.4	2.0	4.3	1.6	7.7
S&P/TSX Composite Index	0.4	3.3	17.1	4.3	7.2	4.1	7.3
S&P/TSX Capped Composite Index	0.4	3.3	17.1	4.3	7.2	4.1	7.3
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	(0.4)	5.0	15.1	4.9	13.2	14.7	15.6
MSCI - World (Can. \$)	(0.9)	3.1	12.0	2.2	10.1	10.5	11.3
MSCI - World Small Cap. (Can. \$)	(2.2)	1.1	9.9	(6.5)	8.4	10.2	12.8
MSCI - EAFE (Can. \$)	(1.4)	0.1	6.7	(1.4)	6.4	6.1	7.0
MSCI - EAFE (Can. \$) (Reuters)	(1.4)	0.1	6.7	(1.4)	6.4	6.1	7.0
MSCI - Europe (Can. \$)	(1.3)	0.3	8.3	(0.5)	7.0	5.9	7.5
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	(2.0)	(0.4)	3.6	(3.0)	6.8	7.7	7.9
MSCI - Emerging Markets (Can. \$)	(3.7)	(1.7)	1.4	(2.2)	6.6	4.9	6.5
MSCI - World Health Care (Can. \$)	1.2	3.8	6.0	2.7	9.0	11.4	14.7
NASDAQ 100 (Can. \$)	(0.8)	6.1	18.2	2.4	17.7	18.2	19.1
S&P/TSX Capped REIT Index	4.1	5.9	20.5	16.3	12.1	9.2	12.8
Exchange Rate (Can. \$ / US \$)							
As at August 31, 2019: 1.3288	1.2	(1.7)	(2.7)	1.9	0.4	4.1	1.9
Exchange Rate (US \$ / Can. \$)							
As at August 31, 2019: 0.7526	(1.2)	1.7	2.8	(1.9)	(0.4)	(4.0)	(1.9)

¹ The rates for the period are non-annualized.

² Please refer to the Legal Notices on page 5 for more information about these indexes.

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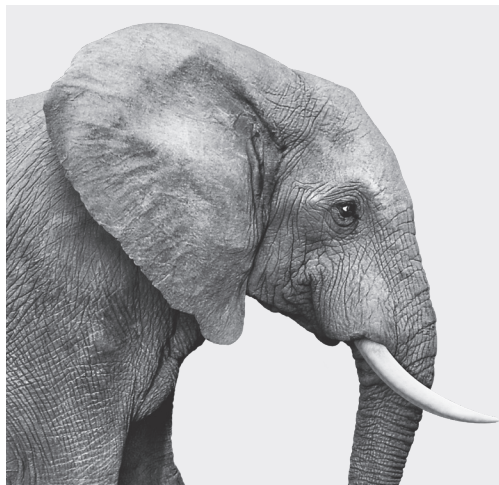
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Economic and Financial Statistics as at August 31, 2019

	As at 2019-08-31 ¹	As at 2018-12-31
Canada - Unemployment rate	5.7%	5.6%
Canada - CPI (year/year variation)	2.0%	1.7%
Canada - GDP (year/year variation)	1.5%	2.2%
U.S. - Unemployment rate	3.7%	3.7%
U.S. - CPI (year/year variation)	1.8%	2.2%
U.S. - GDP (year/year variation)	2.3%	3.0%
2-year Canada Bonds	1.35%	1.86%
10-year Canada Bonds	1.16%	1.96%
Oil (West Texas) (US \$)	55.10	45.41
Gold (US \$)	1,523.3	1,281.3
CRB Commodities Index (US \$)	170.4	169.8
Exchange rate Can. \$/US \$	1.3288	1.3658

¹ Most recent data available at such date.



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