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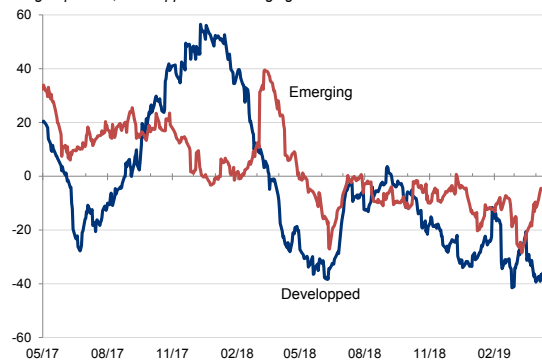
## Good news from emerging countries

### World

The first signs of economic recovery in China bring positivity to international economic outlooks. In fact, the recent dose of budgetary and monetary stimuli (i.e. increased infrastructure spending and a reduction in the mandatory reserves of several commercial banks) is starting to be felt in the advanced indicators of several emerging countries. As shown in the graph, the economic surprises indicator for emerging economies was positive in April. Because of the fuller integration of global supply chains, it will be interesting to see if this positive wind could lead to the recovery of the global manufacturing sector, primarily in Asia and Europe.

**Economic surprises index**

*Citigroup Index, developed and emerging economies*



### North America

In the U.S., concerns over the global economy and the tightening of financial conditions at the end of 2018 caused the Federal Reserve (Fed) to press pause on its cycle of rate hikes. We believe this decision should be maintained for the rest of the year while core inflation remains below target (around 1.5%). The bond market shows a probability of more than 60% that the Fed will reduce its rate by the end of the year, which we believe is exaggerated. Our view on the U.S. economy remains positive whereas lower rates and tax refunds (resulting from personal income tax cuts 2018) should help consumers, who are the main driver of the U.S. economy.

**U.S.: The market shows a high probability of a Fed rate cut by the end of 2019**

*Implied probability by fed funds futures market, in %*



### Financial markets

In the first quarter, almost 75% of S&P 500 companies reported earnings that were higher than analysts' expectations and positive surprises were, on average, 7%. These results were well-received by investors, who had lowered their expectations because of fears of a recession, which settled in at the end of 2018. The return of 18.2% on the Wall Street barometer index since the beginning of the year is impressive, hitting a historic peak in April. Despite recent gains on international stock markets, valuation levels remains very close to historical averages, which leads us to believe that the rebound may be sustainable in the medium term.

**S&P 500: Forward earnings revision**

*Three-month change in earnings estimates for the next 12 months*



# Table of net returns as at April 30, 2019

## Ecoflex / My Education

	Unit Value \$	Net assets <sup>1</sup> in millions \$	Simple returns <sup>2</sup>			Compound annual returns				MER <sup>3</sup> %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
<b>Focus Funds</b>											
Focus Prudent	16.56	167.4	0.7	3.1	5.2	2.6	1.4	1.4	3.0	3.19	Various Managers
Focus Moderate	17.80	256.7	1.2	3.8	6.6	2.6	2.2	1.7	3.7	3.24	Various Managers
Focus Balanced	19.00	441.9	1.8	4.6	8.0	2.5	3.1	2.0	4.5	3.26	Various Managers
Focus Growth	20.14	149.9	2.3	5.4	9.4	2.4	3.9	2.2	5.2	3.29	Various Managers
Focus Aggressive	21.26	56.4	2.8	6.1	10.8	2.2	4.7	2.4	5.9	3.33	Various Managers
<b>Selection Funds</b>											
Selection Prudent	11.55	90.2	1.0	3.6	6.0	3.4	2.2	2.2	-	2.98	Various Managers
Selection Moderate	11.73	181.6	1.4	4.3	7.2	3.4	2.6	2.5	-	3.13	Various Managers
Selection Balanced	12.12	243.7	2.0	5.2	8.7	3.7	3.7	3.0	-	3.27	Various Managers
Selection Growth	12.39	106.6	2.6	6.1	10.2	3.9	4.4	3.4	-	3.45	Various Managers
Selection Aggressive	12.52	33.0	3.1	7.0	11.4	3.6	4.5	3.6	-	3.62	Various Managers
<b>Income Funds</b>											
Money Market	17.19	322.4	0.1	0.1	0.2	0.5	0.3	0.3	0.2	1.66	Industrial Alliance
Short Term Bond	15.36	189.0	0.1	0.9	1.4	1.6	(0.3)	0.0	0.8	2.41	Industrial Alliance
Bond	29.22	2,980.8	(0.1)	2.0	3.2	3.4	0.7	1.6	2.3	2.42	Industrial Alliance
Tactical Bond	10.88	60.6	0.2	1.5	2.4	0.4	0.6	(0.1)	-	2.78	iA Clarington
SPECIALTY	Strategic Corporate Bond <sup>6</sup>	13.11	203.5	0.5	2.5	4.0	0.8	4.6	2.2	2.73	iA Clarington
	Real Return Bond	9.08	6.6	(0.1)	3.0	4.1	1.4	(0.8)	0.6	2.69	Industrial Alliance
<b>Diversified Funds</b>											
Diversified Security	21.38	685.5	0.9	2.7	5.0	1.2	0.8	2.0	3.7	3.18	Industrial Alliance
Diversified	42.38	2,326.0	1.8	4.2	8.1	1.5	2.0	2.8	5.1	3.19	Industrial Alliance
Diversified Opportunity	26.92	617.3	2.5	5.1	10.2	1.3	2.6	2.7	5.6	3.23	Industrial Alliance
Canadian Balanced (QV)	13.91	142.3	1.5	4.2	7.7	0.4	0.3	0.0	4.6*	3.57	QV Investors Inc.
SRI Balanced (Inhance)	15.06	42.9	2.2	5.8	9.4	5.2	4.3	3.0	-	3.74	Vancity
Diversified Income	27.59	444.6	2.5	5.2	10.1	1.9	3.3	3.5	7.6	3.07	Industrial Alliance
Strategic Income	14.10	153.5	1.5	4.5	8.5	6.0	5.5	2.6	-	3.62	iA Clarington
Global Diversified (Loomis Sayles)	15.24	228.5	3.8	9.6	13.6	9.6	10.4	5.5	7.1	3.39	Loomis Sayles
Tactical Income	18.79	20.6	1.5	3.8	7.6	5.7	4.7	1.3	5.1*	3.59	iA Clarington
<b>Canadian Equity Funds</b>											
Strategic Equity Income	17.61	210.7	2.1	5.5	10.8	8.1	6.6	4.4	7.9	2.64	iA Clarington
Dividend Growth	21.61	972.4	3.9	7.7	15.7	10.9	8.0	5.3	8.2	2.89	Industrial Alliance
Canadian Conservative Equity	20.36	135.5	3.5	8.0	15.3	12.1	6.6	1.3	6.6	3.23	iA Clarington
Canadian Equity Index	23.88	404.2	3.4	6.8	15.4	8.0	6.8	3.5	5.8	3.02	Industrial Alliance
Select Canadian <sup>5</sup>	29.56	17.6	3.4	6.6	14.5	5.2	5.1	0.4	4.7	3.08	Industrial Alliance
Canadian Equity Value	47.18	213.8	3.7	7.6	13.7	3.6	5.5	1.7	5.0	3.13	Industrial Alliance
Canadian Equity (Taylor AM)	18.99	209.8	3.8	5.2	8.1	(1.7)	5.2	(0.4)	3.6	3.40	Taylor AM
Fidelity True North <sup>®</sup>	35.85	275.3	1.7	5.9	11.1	6.4	4.6	3.6	7.3	3.70	Fidelity
Canadian Equity Growth	31.72	703.9	3.6	7.2	15.7	5.5	7.0	3.8	7.4	3.02	Industrial Alliance
Fidelity Canadian Opportunities	41.94	131.7	1.4	6.8	12.2	10.6	7.6	5.3	9.9	3.71	Fidelity
Canadian Equity Small Cap (QV)	21.63	148.9	0.9	4.6	9.8	0.0	2.2	0.9	9.4*	3.97	QV Investors Inc.

# Table of net returns as at April 30, 2019

## Ecoflex / My Education

	Unit Value \$	Net assets <sup>1</sup> in millions \$	Simple returns <sup>2</sup>			Compound annual returns				MER <sup>3</sup> %	Investment Advisor
			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
<b>U.S. &amp; International Equity Funds</b>											
Global Equity Index ACWI (BlackRock)	25.19	185.7	3.9	9.1	12.8	6.8*	10.3*	7.8*	8.6*	3.48	BlackRock
Global Dividend (Dynamic)	23.67	545.3	3.1	13.4	15.7	17.3	16.5	13.4	11.9	3.54	Dynamic
Global Equity	18.25	29.5	4.3	9.4	11.8	(0.1)	6.2	6.5	9.0	3.54	Industrial Alliance
Global Equity (Templeton)	17.19	331.5	2.4	4.9	8.3	(3.5)	6.3	3.0	7.6	3.68	Templeton
Global Opportunities (Radin)	15.70	23.8	3.1	4.0	8.3	(9.2)	2.4	2.6	-	3.96	Radin Capital Partners
Fidelity NorthStar®	18.72	204.8	0.2	2.3	3.4	(2.6)	1.7	4.5	9.6	3.75	Fidelity
International Equity Index (BlackRock)	10.61	81.6	3.3	8.0	10.4	(1.2)	6.8	3.9	6.4	3.03	BlackRock
International Equity	19.93	490.3	3.5	9.4	11.6	(4.1)	5.0	3.9	6.3*	3.70	Industrial Alliance
International Equity (Templeton)	17.43	57.3	2.5	4.1	6.7	(6.4)	4.5	1.3	5.1	3.70	Templeton
Fidelity European Equity	13.67	69.1	4.0	10.2	13.5	(1.7)	5.5	2.1	6.8	3.77	Fidelity
U.S. Equity Index (BlackRock)	21.05	222.0	4.5	11.2	15.2	15.2	13.8	12.5	13.0	3.04	BlackRock
U.S. Dividend Growth	18.71	207.0	5.0	9.6	12.0	2.9	6.3	8.0	9.0	3.53	Industrial Alliance
U.S. Equity <sup>4</sup>	12.27	40.1	5.0	9.5	12.1	3.0	6.7	8.4	11.0	3.40	Industrial Alliance
U.S. Equity (Sarbit) - Currency Neutral	19.16	65.0	2.6	0.1	9.4	(4.2)	0.3	0.3	-	3.97	Sarbit
<b>Specialty Funds</b>											
Asian Pacific (Dynamic)	9.69	87.2	5.5	15.2	20.6	4.1	13.1	7.6	10.2	3.34	Dynamic
Emerging Markets (Mackenzie)	13.06	33.1	2.7	4.4	8.1	(10.2)	5.5	(1.6)	3.9	4.44	Mackenzie Cundill
Global Health Care (Renaissance)	34.68	171.5	(3.1)	1.1	4.3	10.9	5.7	9.7	13.5	3.81	CIBC
Real Estate Income	35.37	59.0	(2.1)	4.0	10.1	10.6	6.9	5.6	11.7	2.95	Industrial Alliance
U.S. DAQ Index	16.91	203.2	5.9	14.7	19.9	20.9	21.6	19.1	17.7	3.20	Industrial Alliance
<b>Education Savings Plan</b>											
Diploma Elementary	17.48	963.5	2.1	5.6	9.5	5.8	4.9	3.8	5.2	3.61	Industrial Alliance
Diploma Secondary	11.74	262.0	0.4	1.9	3.2	1.7	0.2	0.2	0.8	3.60	Industrial Alliance
<b>Not offered to new contract subscribers</b>											
Diploma	14.89	186.6	2.2	5.9	9.6	6.3	5.3	4.2	5.5	3.63	Industrial Alliance
Dividend	54.73	1,025.5	3.9	7.8	15.6	10.1	7.9	5.6	8.8	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.

<sup>1</sup> Total net assets of the fund including individual and group contracts.

<sup>2</sup> The rates for the period are non-annualized.

<sup>3</sup> Management expense ratio (GST and HST included).

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

<sup>5</sup> Not offered in registered contracts and TFSA's

<sup>6</sup> 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 indexes<sup>2</sup>

Returns as at April 30, 2019

	Simple returns <sup>1</sup>			Compound annual returns			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
<b>Indexes related to Income Funds</b>							
FTSE Canada 91 Day T-Bill Index	0.1	0.4	0.5	1.5	0.9	0.8	0.8
FTSE Canada Short Term Bond Index	0.3	1.3	2.0	3.8	1.6	1.9	2.5
FTSE Canada Universe Bond Index	(0.1)	2.4	3.8	6.1	2.7	3.6	4.4
SB - World Government Bonds (Can. \$)	0.2	2.3	(0.3)	4.7	2.7	4.5	3.4
<b>Indexes related to Canadian Equity Funds</b>							
S&P/TSX 60	3.9	7.9	17.0	11.5	10.1	6.7	9.0
S&P/TSX Completion Index	0.8	6.2	16.7	3.8	6.0	2.5	9.7
S&P/TSX Composite Index	3.2	7.5	16.9	9.6	9.1	5.6	9.1
S&P/TSX Capped Composite Index	3.2	7.5	16.9	9.6	9.1	5.6	9.1
<b>Indexes related to U.S. &amp; International Equity Funds</b>							
S&P 500 (Can. \$) (Reuters)	4.8	12.1	16.5	19.1	17.6	16.3	16.8
MSCI - World (Can. \$)	4.3	10.7	14.7	11.7	14.0	11.8	12.9
MSCI - World Small Cap. (Can. \$)	3.9	9.0	15.7	6.1	13.8	12.0	15.2
MSCI - EAFE (Can. \$)	3.5	8.7	11.4	1.6	9.8	6.9	9.2
MSCI - EAFE (Can. \$) (Reuters)	3.5	8.7	11.4	1.6	9.8	6.9	9.3
MSCI - Europe (Can. \$)	4.4	10.6	13.4	2.5	10.1	6.1	9.9
<b>Index related to Specialty Funds</b>							
MSCI - AC Asian Pacific Free (Can. \$)	2.3	6.9	9.8	0.6	12.9	10.7	10.2
MSCI - Emerging Markets (Can. \$)	2.8	5.7	10.6	0.0	14.3	8.8	9.2
MSCI - World Health Care (Can. \$)	(1.9)	2.8	4.0	14.3	10.9	12.5	15.7
NASDAQ 100 (Can. \$)	6.2	15.4	21.1	23.6	24.3	21.7	20.2
S&P/TSX Capped REIT Index	(3.3)	4.2	11.9	17.3	10.7	8.5	15.4
<b>Exchange Rate (Can. \$ / US \$)</b>							
As at April 30, 2019: 1.35	0.7	2.4	(1.5)	4.9	2.4	4.2	1.2
<b>Exchange Rate (US \$ / Can. \$)</b>							
As at April 30, 2019: 0.74	(0.7)	(2.4)	1.5	(4.7)	(2.3)	(4.0)	(1.2)

<sup>1</sup> The rates for the period are non-annualized.

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

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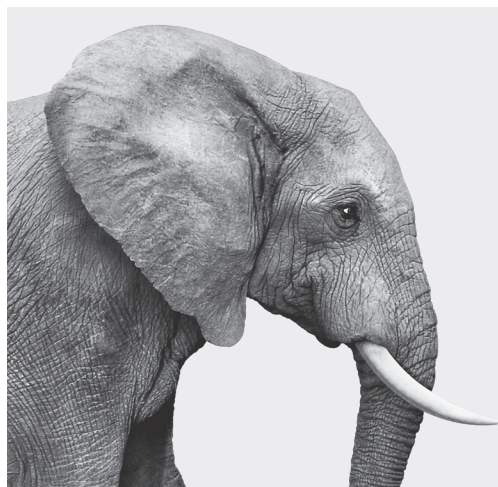
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## Economic and Financial Statistics as at April 30, 2019

	As at 2019-04-30 <sup>1</sup>	As at 2018-12-31
Canada - Unemployment rate	5.8%	5.6%
Canada - CPI (year/year variation)	1.9%	1.7%
Canada - GDP (year/year variation)	1.1%	2.2%
U.S. - Unemployment rate	3.6%	3.7%
U.S. - CPI (year/year variation)	1.9%	2.2%
U.S. - GDP (year/year variation)	3.2%	3.0%
2-year Canada Bonds	1.56%	1.86%
10-year Canada Bonds	1.71%	1.96%
Oil (West Texas) (US \$)	63.91	45.41
Gold (US \$)	1,283.1	1,281.3
CRB Commodities Index (US \$)	184.3	169.8
Exchange rate Can. \$/US \$	1.3452	1.3658

<sup>1</sup> Most recent data available at such date.



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