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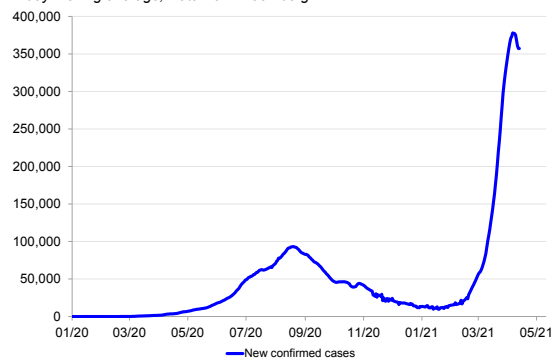
Canada's first budget in two years

World

The global vaccination campaign is advancing quickly, and the results are positive, particularly in North America. However, the number of new cases in emerging countries is concerning. The situation in India, the second most populous country in the world with 1.4 billion residents, is a good example and is attracting worldwide attention. As illustrated in the graph on the right, the number of new daily cases in India right now is over 375,000, which makes up about 40% of new cases worldwide. The good news is that the country should soon be receiving aid from other countries to increase availability of vaccines and ventilators. Despite the progress made in developed countries, the global situation remains concerning.

COVID-19 : Important new wave in India

7-day moving average, Data from Bloomberg

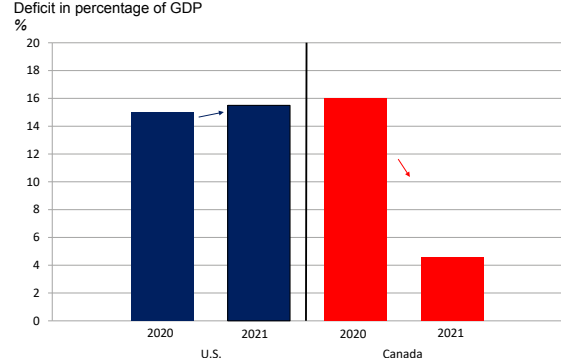


North America

The end of April was marked by the announcement of the first budget from Chrystia Freeland, Canada's Minister of Finance. Unsurprisingly, the focus was on the projected deficit and economic stimulus measures. While the size of the Canadian deficit in 2020 has raised many eyebrows, it should be noted that the size of the deficit as a proportion of GDP is comparable to that of other developed countries (see the U.S. example in the chart to the right). In addition, the expected deficit in the United States in 2021 could be four times higher than in Canada due to the accumulation of large stimulus packages in the U.S., which will extend over the next several years.

North America: Lower proportional deficit for Canada in 2021

Deficit in percentage of GDP



Financial markets

At the start of 2021, we saw a significant increase in interest rates. This hike seems to have stalled over the past several weeks, but many leading indicators are now pointing towards a strong economic recovery accompanied by a potential rise in inflation, which should provide a tailwind for long-term interest rates in the coming quarters. As illustrated in the graph on the right, the ratio for copper (a barometer for economic activity in the global manufacturing sector) to gold (considered a safe-haven commodity) has historically been a good indicator for the trajectory of interest rates. The ratio's sustained rise in recent months is in line with the observed strength of the global economic recovery, and suggests that the U.S. 10-year interest rates will increase to near the 2% level in the coming months.

Financial Markets: Indicators point toward higher interest rates

Data from Bloomberg

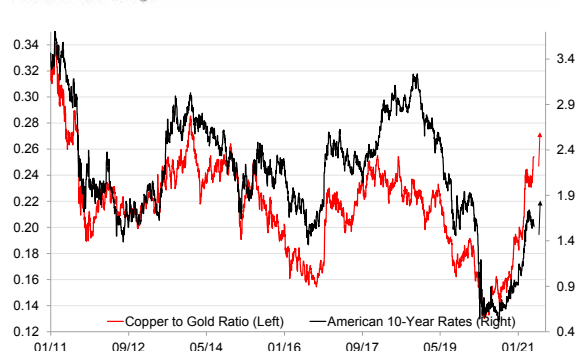


Table of net returns as at April 30, 2021

Ecoflex / My Education / APEX

	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	17.68	258.5	0.4	(0.8)	(1.5)	6.5	3.1	2.2	2.4	3.20	Various Managers
Focus Moderate	19.38	312.1	0.7	0.5	0.0	10.5	3.8	3.1	2.9	3.26	Various Managers
Focus Balanced	21.12	450.2	0.9	2.0	1.6	15.1	4.5	4.0	3.5	3.28	Various Managers
Focus Growth	22.82	159.4	1.1	3.2	2.9	19.2	5.1	4.9	3.9	3.31	Various Managers
Focus Aggressive	24.49	51.8	1.4	4.6	4.3	23.0	5.6	5.7	4.4	3.36	Various Managers
Selection Funds											
Selection Prudent	11.84	99.9	0.6	(0.8)	(1.6)	4.7	2.0	1.8	-	2.99	Various Managers
Selection Moderate	12.11	185.5	0.8	0.0	(0.6)	7.8	2.2	2.2	-	3.14	Various Managers
Selection Balanced	12.66	244.6	1.1	1.5	1.0	12.0	2.7	3.1	-	3.28	Various Managers
Selection Growth	13.27	102.6	1.4	2.9	2.7	16.8	3.6	4.1	-	3.46	Various Managers
Selection Aggressive	13.51	26.6	1.5	2.8	2.8	19.9	3.8	4.3	-	3.63	Various Managers
Income Funds											
Money Market ⁵	17.37	668.4	0.0	0.0	0.0	0.2	0.5	0.4	0.3	1.68	Industrial Alliance
Short Term Bond	15.70	175.5	0.0	(1.1)	(1.1)	0.2	1.3	0.3	0.5	2.42	Industrial Alliance
Bond ⁵	30.00	3,256.3	(0.1)	(4.1)	(5.3)	(3.3)	2.0	1.0	1.9	2.44	Industrial Alliance
Core Plus Bond (Wellington Square)	11.20	42.3	0.5	(0.8)	(0.6)	6.2	1.1	1.0	0.9*	2.77	Wellington Square
Diversified Funds											
Diversified Security	22.68	657.6	0.7	0.1	(0.6)	5.8	2.4	1.7	2.7	3.18	Industrial Alliance
Diversified ⁵	47.54	2,167.4	1.3	3.5	3.0	15.2	4.4	3.6	4.0	3.18	Industrial Alliance
Diversified Opportunity	31.05	477.3	1.7	5.5	5.2	21.1	5.3	4.5	4.3	3.18	Industrial Alliance
SRI Moderate (Inhance)	10.29	40.8	0.8	(0.5)	(0.9)	10.4*	4.6*	3.6*	3.3*	3.67	Vancity
SRI Balanced (Inhance)	17.43	165.5	1.0	0.4	0.0	17.1	6.8	5.6	4.4*	3.75	Vancity
SRI Growth (Inhance)	10.69	30.7	1.2	0.8	0.6	21.4*	8.1*	7.0*	5.3*	3.86	Vancity
Diversified Income	31.26	303.1	1.7	5.3	4.9	20.0	4.9	4.5	4.4	3.04	Industrial Alliance
Strategic Income	15.17	230.1	1.2	5.7	6.4	19.5	4.5	4.8	-	3.63	iA Clarington
Global Diversified (Loomis Sayles)	18.04	816.9	2.3	3.6	2.5	15.8	9.1	9.8	5.7	3.39	Loomis Sayles
Canadian Equity Funds											
Strategic Equity Income	19.69	181.3	2.2	10.3	10.6	26.2	6.5	6.2	5.4	5.0	iA Clarington
Dividend Growth	23.45	1,056.9	2.0	9.7	9.2	26.4	6.3	6.4	5.2	4.9	Industrial Alliance
Canadian Equity Index	27.53	704.8	1.9	10.9	10.1	27.8	7.6	7.0	3.7	3.4	Industrial Alliance
Fidelity True North [®]	44.12	277.9	2.9	9.7	9.0	27.1	9.4	7.1	5.9	5.4	Fidelity
Canadian Equity Growth ⁵	38.12	830.0	2.6	11.2	10.9	33.6	8.2	8.0	4.9	4.5	Industrial Alliance
Fidelity Canadian Opportunities	61.19	418.3	2.5	10.2	8.3	41.2	17.3	12.7	7.4	7.1	Fidelity
North American Equity	56.80	123.5	2.4	7.9	8.1	33.0	7.6	7.2	3.5	3.2	Industrial Alliance

Table of net returns as at April 30, 2021 (continued)

Ecoflex / My Education / APEX

	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)	29.41	71.8	1.6	4.9	4.4	23.5	7.6*	9.4*	8.2*	3.63	BlackRock
Global Dividend (Dynamic)	26.76	1,239.6	0.4	(0.8)	(3.2)	11.9	9.9	12.3	9.7	3.55	Dynamic
Global Equity	27.05	121.3	2.4	5.7	5.4	22.1	6.7	7.8	8.2	3.52	Industrial Alliance
Global Opportunities (Loomis Sayles)	10.78	34.3	3.1	6.0	4.5	22.9*	12.5*	13.5*	11.0*	3.96	Loomis Sayles
Fidelity NorthStar®	23.13	140.7	0.3	4.1	4.3	29.9	6.4	5.4	8.4	3.75	Fidelity
International Equity Index (BlackRock)	11.37	191.4	0.6	3.1	2.0	20.4	1.9	5.4	5.0	3.04	BlackRock
International Equity	21.83	533.3	1.0	0.9	(0.1)	18.2	1.7	4.8	4.5*	3.68	Industrial Alliance
Fidelity European Equity	13.47	42.1	1.0	5.1	2.5	17.1	(1.1)	3.0	4.0	3.77	Fidelity
U.S. Equity Index (BlackRock)	26.55	380.9	2.8	7.9	6.9	25.1	13.3	13.2	13.4	3.04	BlackRock
Thematic Innovation	22.41	763.1	1.8	3.8	5.5	31.3	15.8*	15.7*	-	3.97	Industrial Alliance
U.S. Equity	24.50	107.2	3.0	8.0	8.3	24.3	9.4	9.1	10.9	3.41	Industrial Alliance
U.S. Dividend Growth	21.87	199.4	2.0	6.2	5.2	19.6	6.4	7.0	9.2	3.54	Industrial Alliance
Specialty Funds											
Asian Pacific (Dynamic)	14.00	244.9	1.1	(8.0)	(3.8)	38.0	14.6	15.9	7.8	3.34	Dynamic
Emerging Markets (Jarislowsky Fraser)	12.22	59.7	(1.1)	(4.9)	0.4	30.7	4.7*	8.2*	-	4.42	Jarislowsky Fraser
Global Health Care (Renaissance)	40.93	298.6	1.4	(3.1)	(1.9)	2.8	9.4	6.9	13.1	3.82	CIBC
Real Estate Income	37.42	94.4	3.9	11.3	11.4	28.0	5.4	5.3	5.9	2.96	Industrial Alliance
U.S. DAQ Index	26.17	725.0	3.3	2.6	2.9	32.8	23.2	22.7	19.6	3.24	Industrial Alliance
Education Savings Plan											
Diploma Elementary	19.55	1,235.7	1.1	3.2	2.2	13.5	5.8	5.2	4.5	3.62	Industrial Alliance
Diploma Secondary	12.10	460.3	0.4	(0.3)	(1.2)	3.1	1.6	0.7	0.7	3.61	Industrial Alliance
Not offered to new contract subscribers											
Diploma	16.37	120.4	0.9	1.6	0.5	9.2	5.3	5.1	4.7	3.64	Industrial Alliance
Dividend	60.01	953.0	2.1	10.0	9.5	27.1	6.5	6.6	5.6	2.41	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 Fund closed to new investments as of June 30th, 2015.

⁵ Only these Funds are offered in the APEX product

* Simulation of past returns as if the Fund or Series 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 April 30, 2021

	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	0.0	0.0	0.0	0.2	1.2	1.0	0.9
FTSE Canada Short Term Bond Index	0.2	(0.5)	(0.4)	1.6	3.2	2.1	2.4
FTSE Canada Universe Bond Index	0.1	(3.9)	(5.0)	(2.0)	4.1	2.9	3.9
SB - World Government Bonds (Can. \$)	(1.0)	(6.9)	(7.9)	(9.9)	1.7	1.7	4.1
Indexes related to Canadian Equity Funds							
S&P/TSX 60	2.2	11.8	11.2	32.0	10.9	10.3	6.9
S&P/TSX Completion Index	3.1	8.1	8.6	38.8	8.9	8.2	4.9
S&P/TSX Composite Index	2.4	11.0	10.6	33.3	10.4	9.8	6.4
S&P/TSX Capped Composite Index	2.4	11.0	10.6	33.3	10.4	9.8	6.4
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	3.1	8.8	8.0	29.3	17.0	17.0	17.2
MSCI - World (Can. \$)	2.4	6.8	6.0	28.7	12.5	13.6	12.8
MSCI - World Small Cap. (Can. \$)	1.7	7.4	9.9	47.7	11.6	14.0	13.3
MSCI - EAFE (Can. \$)	0.8	3.8	2.9	23.9	4.8	8.4	8.0
MSCI - EAFE (Can. \$) (Reuters)	0.8	3.8	2.9	23.9	4.8	8.5	8.0
MSCI - Europe (Can. \$)	2.5	6.6	5.3	27.3	5.4	8.8	8.1
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	(0.7)	(2.0)	0.3	26.4	7.2	12.0	9.7
MSCI - Emerging Markets (Can. \$)	0.3	(2.0)	1.3	32.2	6.4	12.5	6.7
MSCI - World Health Care (Can. \$)	1.6	(0.2)	1.2	6.9	13.6	11.8	16.3
NASDAQ 100 (Can. \$)	3.6	3.3	3.8	36.4	26.3	25.6	22.3
S&P/TSX Capped REIT Index	4.6	14.0	14.3	27.0	8.5	8.1	7.6
	Variation			Compound annual variation			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Exchange Rate (Can. \$ / US \$)							
As at April 30, 2021: 1.2302	(2.1)	(3.7)	(3.4)	(11.4)	(1.4)	(0.4)	2.6
Exchange Rate (US \$ / Can. \$)							
As at April 30, 2021: 0.8129	2.2	3.8	3.6	12.9	1.4	0.4	(2.6)

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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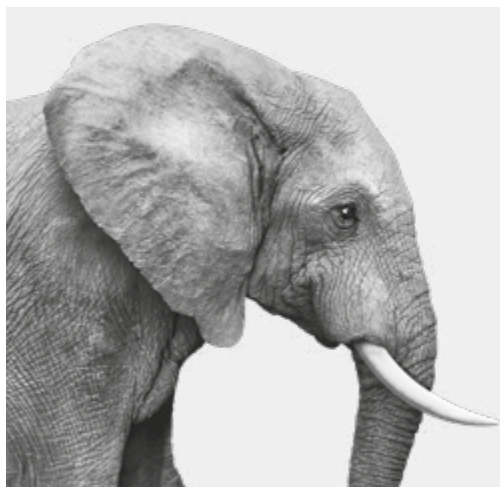
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Economic and Financial Statistics as at April 30, 2021

	As at 2021-04-30 ¹	As at 2020-12-31
Canada - Unemployment rate	8.1%	8.6%
Canada - CPI (year/year variation)	2.2%	1.0%
Canada - GDP (year/year variation)	-2.2%	-3.5%
U.S. - Unemployment rate	6.1%	6.7%
U.S. - CPI (year/year variation)	2.6%	1.2%
U.S. - GDP (year/year variation)	0.4%	-2.8%
2-year Canada Bonds	0.22%	0.20%
10-year Canada Bonds	1.53%	0.68%
Oil (West Texas) (US \$)	63.58	48.52
Gold (US \$)	1,770.5	1,897.8
CRB Commodities Index (US \$)	199.8	167.8
Exchange rate Can. \$/US \$	1.2302	1.2740

¹ Most recent data available at such date.



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