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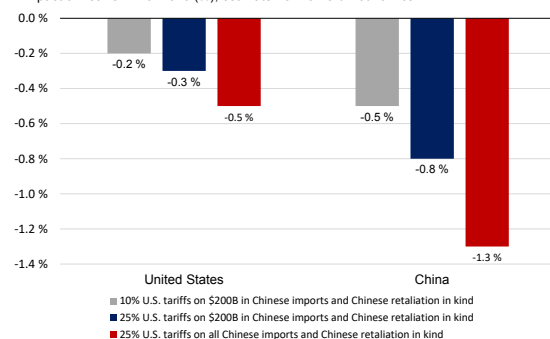
Trade tensions are exacerbated

World

Trade tensions between the two largest global economies were exacerbated when the United States raised trade tariffs on \$200 billion in Chinese imports from 10% to 25%, citing the lack of progress in the most recent round of negotiations between the two countries. China reacted by increasing its tariffs on about \$60 billion in American products. This escalation ends the cooling-off period agreed upon by the two parties at the last G20 Summit, in December 2018. In terms of economic impact, recent studies from Oxford University point to a negative impact of 0.3% on the American GDP and 0.8% on the Chinese GDP for 2020 (blue bars in the graph).

World: Potential impact of trade tensions between the United States and China

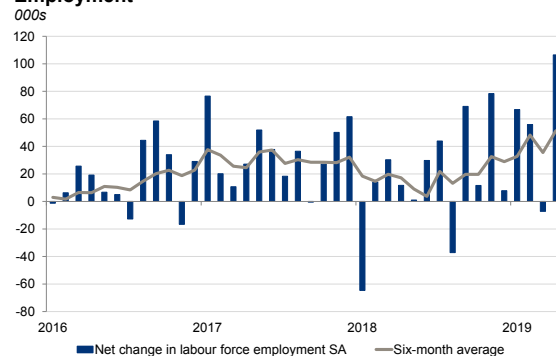
Impact on real GDP for 2020 (%), estimate from Oxford Economics



North America

In May, the Bank of Canada (BoC) kept its key policy rate unchanged at 1.75%. The central bank's press release reflected an overall positive tone with respect to the domestic economy, citing strong employment growth and increased stability of the housing market. On the heels of the slowdown at the end of 2018 and early 2019, the BoC expects economic activity to pick up in the second half of the year. It also welcomed the removal of U.S. steel and aluminium tariffs and the growing prospect of ratification of the CUSMA by the U.S. Congress. However, the BoC indicates that international trade risks are a concern. This situation should cause the BoC to remain cautious in 2019.

Canada: Monthly Change in Labour Force Employment



Financial markets

This year has been characterized by a massive decrease in bond rates across the globe. In the United States, ten-year sovereign rates reached 2.22%, the lowest since the summer of 2017. In Germany ten-year rates dipped into the negative, to -0.16%, reaching historic lows observed during the Brexit affair in 2016. While commercial uncertainty should persist in the coming quarters, we believe that current interest rate levels already reflect the pessimism regarding global economic outlooks. The market could therefore be sensitive to positive surprises in some economic data, primarily with respect to China, where authorities have recently indicated their intention to maintain a high level of monetary and fiscal stimulus.

U.S. 10-year interest rate



Table of net returns as at May 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	16.50	165.9	(0.4)	2.0	4.8	1.4	0.9	1.2	2.8	3.19	Various Managers	
Focus Moderate	17.56	251.9	(1.3)	1.3	5.1	0.2	1.3	1.4	3.3	3.24	Various Managers	
Focus Balanced	18.55	429.9	(2.4)	0.6	5.4	(1.0)	1.7	1.4	3.8	3.26	Various Managers	
Focus Growth	19.46	144.2	(3.4)	(0.2)	5.7	(2.3)	2.0	1.5	4.3	3.29	Various Managers	
Focus Aggressive	20.33	53.6	(4.4)	(0.9)	5.9	(3.7)	2.3	1.5	4.8	3.33	Various Managers	
Selection Funds												
Selection Prudent	11.46	90.0	(0.7)	1.9	5.2	1.8	1.6	1.9	-	2.98	Various Managers	
Selection Moderate	11.53	180.3	(1.7)	1.2	5.4	0.6	1.7	2.0	-	3.13	Various Managers	
Selection Balanced	11.79	238.0	(2.7)	0.6	5.8	(0.3)	2.2	2.3	-	3.27	Various Managers	
Selection Growth	11.94	103.7	(3.7)	0.0	6.2	(1.3)	2.6	2.5	-	3.45	Various Managers	
Selection Aggressive	11.95	31.7	(4.6)	(0.5)	6.3	(2.7)	2.3	2.5	-	3.62	Various Managers	
Income Funds												
Money Market	17.20	353.9	0.0	0.1	0.2	0.5	0.3	0.3	0.2	1.66	Industrial Alliance	
Short Term Bond	15.40	191.4	0.2	1.1	1.6	1.9	(0.3)	0.0	0.8	2.41	Industrial Alliance	
Bond	29.65	3,015.6	1.5	3.4	4.7	4.3	1.0	1.7	2.5	2.42	Industrial Alliance	
Tactical Bond	10.89	60.9	0.1	0.9	2.5	1.0	0.4	(0.1)	-	2.78	iA Clarington	
SPECIALTY	Strategic Corporate Bond ⁶	12.99	199.8	(1.0)	0.6	3.0	(0.2)	3.9	1.9	-	2.73	iA Clarington
	Real Return Bond	9.26	6.9	1.9	5.5	6.1	1.8	(0.6)	0.5	2.5*	2.69	Industrial Alliance
Diversified Funds												
Diversified Security	21.23	679.7	(0.7)	1.4	4.3	(0.3)	0.3	1.8	3.3	3.18	Industrial Alliance	
Diversified	41.54	2,264.7	(2.0)	0.9	5.9	(1.7)	1.0	2.3	4.4	3.19	Industrial Alliance	
Diversified Opportunity	26.11	593.2	(3.0)	0.2	6.9	(2.9)	1.2	2.1	4.6	3.23	Industrial Alliance	
Canadian Balanced (QV)	13.65	139.4	(1.8)	0.0	5.7	(2.1)	(0.5)	(0.3)	3.6*	3.57	QV Investors Inc.	
SRI Balanced (Inhance)	14.79	42.9	(1.8)	2.1	7.4	2.4	3.0	2.5	-	3.74	Vancity	
Diversified Income	26.80	430.6	(2.9)	0.4	6.9	(2.3)	1.8	2.9	6.3	3.07	Industrial Alliance	
Strategic Income	13.86	155.0	(1.7)	0.9	6.6	3.5	4.2	2.0	-	3.62	iA Clarington	
Global Diversified (Loomis Sayles)	14.75	231.0	(3.2)	2.6	10.0	3.8	7.8	4.6	6.6	3.39	Loomis Sayles	
Tactical Income	18.47	20.3	(1.7)	0.3	5.8	3.2	3.4	0.8	4.4*	3.59	iA Clarington	
Canadian Equity Funds												
Strategic Equity Income	17.20	206.0	(2.4)	0.9	8.2	4.4	4.8	3.6	7.0	2.64	iA Clarington	
Dividend Growth	20.72	929.5	(4.2)	0.2	10.9	4.0	5.8	4.4	6.9	2.89	Industrial Alliance	
Canadian Conservative Equity	19.53	128.3	(4.1)	0.4	10.6	6.7	4.6	0.3	5.4	3.23	iA Clarington	
Canadian Equity Index	23.12	396.8	(3.2)	0.8	11.7	1.5	5.5	2.8	4.2	3.02	Industrial Alliance	
Select Canadian ⁵	28.40	16.5	(3.9)	(0.2)	10.0	(1.7)	3.3	(0.3)	3.2	3.08	Industrial Alliance	
Canadian Equity Value	45.08	201.5	(4.5)	0.1	8.6	(3.3)	3.2	0.9	3.6	3.13	Industrial Alliance	
Canadian Equity (Taylor AM)	17.42	189.3	(8.3)	(7.8)	(0.8)	(9.5)	1.7	(1.8)	1.7	3.01	Industrial Alliance	
Fidelity True North [®]	35.54	270.8	(0.9)	2.0	10.1	2.6	3.6	3.7	6.1	3.70	Fidelity	
Canadian Equity Growth	30.43	693.0	(4.0)	(0.1)	11.0	(1.4)	5.0	3.0	5.9	3.02	Industrial Alliance	
Fidelity Canadian Opportunities	41.63	131.5	(0.8)	2.9	11.4	8.3	6.4	5.4	8.6	3.71	Fidelity	
Canadian Equity Small Cap (QV)	21.35	147.2	(1.3)	0.3	8.3	(4.1)	1.4	0.6	8.9*	3.97	QV Investors Inc.	

Table of net returns as at May 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)	23.73	172.3	(5.8)	0.4	6.3	(0.5)*	6.6*	6.4*	7.9*	3.48	BlackRock
Global Dividend (Dynamic)	23.21	549.2	(1.9)	5.1	13.5	11.4	13.9	12.8	11.3	3.54	Dynamic
Global Equity	17.17	27.3	(5.9)	0.3	5.2	(7.4)	2.7	5.0	8.2	3.54	Industrial Alliance
Global Equity (Templeton)	15.93	305.2	(7.4)	(4.7)	0.3	(10.2)	2.0	1.6	6.7	3.68	Templeton
Global Opportunities (Radin)	13.93	20.8	(11.3)	(9.7)	(3.9)	(19.3)	(2.1)	0.0	-	3.96	Radin Capital Partners
Fidelity NorthStar®	17.91	190.8	(4.3)	(4.0)	(1.1)	(7.5)	(1.0)	3.5	8.7	3.75	Fidelity
International Equity Index (BlackRock)	10.13	78.0	(4.5)	0.5	5.4	(4.5)	4.0	2.9	5.6	3.03	BlackRock
International Equity	18.91	466.7	(5.1)	0.3	5.9	(9.1)	2.1	2.6	5.4*	3.70	Industrial Alliance
International Equity (Templeton)	16.16	52.5	(7.2)	(4.9)	(1.1)	(11.3)	0.7	(0.1)	4.1	3.70	Templeton
Fidelity European Equity	12.84	63.4	(6.1)	0.1	6.6	(6.1)	2.0	1.1	5.8	3.77	Fidelity
U.S. Equity Index (BlackRock)	19.75	208.2	(6.2)	1.1	8.1	4.7	9.2	10.8	12.6	3.04	BlackRock
U.S. Dividend Growth	17.82	194.5	(4.8)	2.1	6.6	(4.5)	2.7	6.7	8.7	3.53	Industrial Alliance
U.S. Equity ⁴	11.52	37.0	(6.1)	0.6	5.2	(5.9)	2.4	6.8	10.1	3.40	Industrial Alliance
U.S. Equity (Sarbit) - Currency Neutral	18.25	61.1	(4.8)	(4.7)	4.2	(7.1)	(1.5)	(1.0)	-	3.97	Industrial Alliance
Specialty Funds											
Asian Pacific (Dynamic)	8.59	76.8	(11.4)	(1.2)	6.9	(9.6)	6.9	4.8	7.4	3.34	Dynamic
Emerging Markets (Mackenzie)	12.44	31.1	(4.8)	0.3	3.0	(12.2)	3.3	(2.7)	2.5	4.44	Mackenzie Cundill
Global Health Care (Renaissance)	33.91	168.8	(2.2)	(3.8)	2.0	5.2	2.4	8.9	13.3	3.81	CIBC
Real Estate Income	35.50	60.8	0.4	1.4	10.5	8.3	6.3	5.5	10.6	2.95	Industrial Alliance
U.S. DAQ Index	15.56	186.8	(8.0)	2.5	10.4	4.3	15.0	16.3	17.4	3.20	Industrial Alliance
Education Savings Plan											
Diploma Elementary	17.11	951.4	(2.1)	1.7	7.1	1.9	3.5	3.2	4.6	3.61	Industrial Alliance
Diploma Secondary	11.74	269.7	(0.1)	1.5	3.2	1.1	0.0	0.1	0.8	3.60	Industrial Alliance
Not offered to new contract subscribers											
Diploma	14.55	181.2	(2.3)	1.8	7.1	2.2	3.7	3.6	5.0	3.63	Industrial Alliance
Dividend	52.45	981.5	(4.2)	0.2	10.8	3.5	5.7	4.7	7.4	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 May 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	0.7	1.6	1.0	0.9	0.8
FTSE Canada Short Term Bond Index	0.5	1.6	2.5	4.2	1.6	1.9	2.6
FTSE Canada Universe Bond Index	1.7	4.0	5.6	7.0	3.0	3.7	4.6
SB - World Government Bonds (Can. \$)	2.2	5.2	1.9	7.1	2.5	5.0	4.1
Indexes related to Canadian Equity Funds							
S&P/TSX 60	(3.1)	1.7	13.4	4.6	8.7	6.0	7.4
S&P/TSX Completion Index	(3.0)	(1.1)	13.2	(1.7)	4.4	2.0	8.5
S&P/TSX Composite Index	(3.1)	1.1	13.4	3.0	7.6	5.0	7.6
S&P/TSX Capped Composite Index	(3.1)	1.1	13.4	3.0	7.6	5.0	7.6
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	(5.9)	2.0	9.6	8.2	13.0	14.6	16.4
MSCI - World (Can. \$)	(5.3)	1.5	8.6	3.9	10.2	10.3	12.3
MSCI - World Small Cap. (Can. \$)	(6.0)	(1.5)	8.7	(4.1)	9.4	10.5	14.5
MSCI - EAFE (Can. \$)	(4.3)	1.1	6.5	(1.8)	6.9	5.8	8.5
MSCI - EAFE (Can. \$) (Reuters)	(4.3)	1.1	6.5	(1.8)	7.0	5.8	8.5
MSCI - Europe (Can. \$)	(4.8)	1.6	8.0	(0.5)	6.9	5.0	9.0
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	(5.4)	(0.5)	3.9	(5.1)	9.7	8.9	9.2
MSCI - Emerging Markets (Can. \$)	(6.8)	(1.9)	3.1	(4.5)	11.4	6.7	7.6
MSCI - World Health Care (Can. \$)	(1.8)	(1.3)	2.1	10.2	8.1	11.8	15.6
NASDAQ 100 (Can. \$)	(7.9)	3.1	11.5	6.6	17.6	18.9	19.9
S&P/TSX Capped REIT Index	1.7	2.0	13.8	15.8	11.0	8.6	14.0
Exchange Rate (Can. \$ / US \$)							
As at May 31, 2019: 1.35	0.5	2.6	(1.0)	4.2	1.1	4.5	2.1
Exchange Rate (US \$ / Can. \$)							
As at May 31, 2019: 0.74	(0.5)	(2.6)	1.0	(4.0)	(1.1)	(4.3)	(2.1)

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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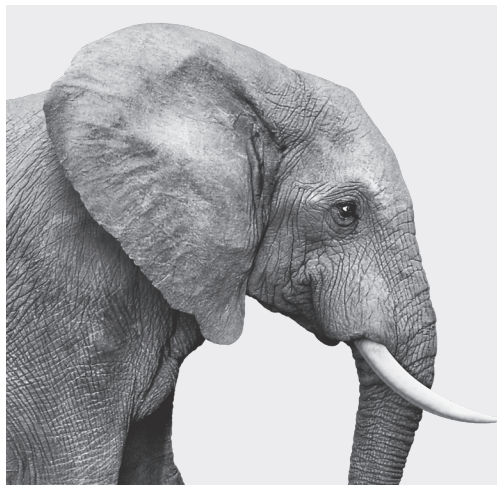
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Economic and Financial Statistics as at May 31, 2019

	As at 2019-05-31 ¹	As at 2018-12-31
Canada - Unemployment rate	5.4%	5.6%
Canada - CPI (year/year variation)	2.0%	1.7%
Canada - GDP (year/year variation)	1.4%	2.2%
U.S. - Unemployment rate	3.6%	3.7%
U.S. - CPI (year/year variation)	2.0%	2.2%
U.S. - GDP (year/year variation)	3.2%	3.0%
2-year Canada Bonds	1.43%	1.86%
10-year Canada Bonds	1.49%	1.96%
Oil (West Texas) (US \$)	53.50	45.41
Gold (US \$)	1,300.1	1,281.3
CRB Commodities Index (US \$)	175.4	169.8
Exchange rate Can. \$/US \$	1.3519	1.3658

¹ Most recent data available at such date.



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