



Sébastien Mc Mahon, MEcon., PRM, CFA
Frédéric Gagnon, MFin

economics@ia.ca or ia.ca/economy

The Fed shows caution

World

The German economy is still a concern on the European continent. The PMI manufacturer index declined further in March and now sits at levels seen in 2011-2012, when the euro zone was in a recession, grappling with debt problems. We believe that the current situation is less concerning. The domestic economy remains in good shape, supported by the service sector, and the unemployment rate is at an historic 10-year low in most countries. Rather, it is the external sector that is suffering from the slowdown in demand in some emerging Asian countries, like China. At this level, we believe that the monetary and fiscal stimuli introduced by Chinese authorities in the last few months should show results and lead to stabilization of the manufacturing sector in the second half of the year.

North America

The U.S. Federal Reserve (the "Fed") changed course significantly over the last few months, indicating that it will now wait for clear signs of rising inflation before raising its leading rate again. The Fed's most recent decision, in March, raised eyebrows due to its dovish nature. First, in its forecasts, the Fed indicates that it will not raise its leading rate in 2019 whereas it foreshadowed two increases this year when it published its forecasts in the fall. Thereafter, the Fed now foresees a single increase to its leading rate by the end of 2021. The Fed's message is clear: the U.S. economy still needs its support in the years to come.

Financial markets

There is a strong dichotomy in the financial markets. While the stock market rebounded with vigor since the beginning of the year, interest rates are under pressure. The yield curve inverted in March (U.S. ten-year rates dipped below three-month rates), a signal that is historically linked to the arrival of a recession, which confuses some stock market investors. On our side, we believe that it is too early to talk about a recession in the U.S. The job market is in good shape, inflation is under control, it is relatively easy to access credit and industrial production continues to grow. In this context, we believe that it is also too early to shun riskier assets like equities on a diversified portfolio.

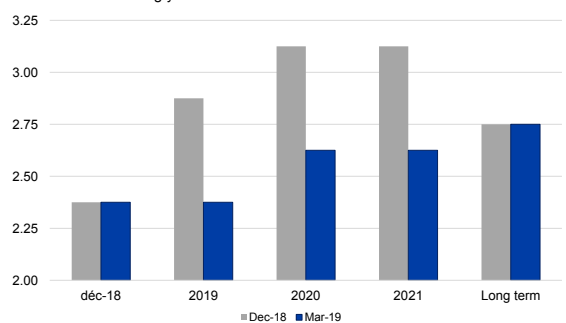
Germany: PMI manufacturing Index

Markit/BME data



United States: The Fed lowers its projections on the level of its leading rate

Median of Fed governors' projections on expected federal fund rate in the coming years



Financial markets: Significant divergence between the path of interest rates and the stock market

Interest rate on 10-year U.S. Treasury bonds (%) and S&P 500



Table of net returns as at March 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	16.45	167.7	1.7	4.5	4.5	1.5	1.2	1.3	3.1	3.19	Various Managers
Focus Moderate	17.58	254.1	1.5	5.3	5.3	1.4	1.9	1.5	3.9	3.24	Various Managers
Focus Balanced	18.67	436.9	1.2	6.1	6.1	1.2	2.6	1.7	4.7	3.26	Various Managers
Focus Growth	19.69	147.0	1.0	6.9	6.9	0.9	3.3	1.8	5.5	3.29	Various Managers
Focus Aggressive	20.68	55.0	0.8	7.7	7.7	0.7	4.0	1.9	6.2	3.33	Various Managers
Selection Funds											
Selection Prudent	11.44	88.3	1.7	5.0	5.0	2.1	2.2	2.1	-	2.98	Various Managers
Selection Moderate	11.56	178.8	1.5	5.7	5.7	1.8	2.5	2.3	-	3.13	Various Managers
Selection Balanced	11.88	237.7	1.3	6.6	6.6	1.8	3.4	2.7	-	3.27	Various Managers
Selection Growth	12.08	103.7	1.2	7.4	7.4	1.7	4.0	3.0	-	3.45	Various Managers
Selection Aggressive	12.14	31.6	1.2	8.1	8.1	1.1	3.9	3.1	-	3.62	Various Managers
Income Funds											
Money Market	17.18	331.9	0.0	0.1	0.1	0.5	0.3	0.2	0.2	1.66	Industrial Alliance
Short Term Bond	15.34	186.6	0.7	1.2	1.2	1.3	(0.4)	0.0	0.9	2.41	Industrial Alliance
Bond	29.26	2,974.1	2.1	3.3	3.3	2.6	0.7	1.7	2.3	2.42	Industrial Alliance
Tactical Bond	10.85	60.9	0.5	2.1	2.1	0.0	0.7	(0.1)	-	2.78	iA Clarington
SPECIALTY	Strategic Corporate Bond ⁶	13.05	205.1	1.1	3.6	3.6	0.7	5.7	2.3	2.73	iA Clarington
	Real Return Bond	9.09	6.7	3.6	4.2	4.2	0.5	(0.8)	0.8	2.69	Industrial Alliance
Diversified Funds											
Diversified Security	21.20	685.0	1.2	4.1	4.1	(0.2)	0.7	2.0	3.9	3.18	Industrial Alliance
Diversified	41.64	2,295.8	1.1	6.2	6.2	0.0	1.8	2.6	5.3	3.19	Industrial Alliance
Diversified Opportunity	26.27	605.4	0.8	7.6	7.6	(0.6)	2.2	2.4	6.0	3.23	Industrial Alliance
Canadian Balanced (QV)	13.71	141.5	0.4	6.2	6.2	(0.7)	0.0	(0.1)	5.1*	3.57	QV Investors Inc.
SRI Balanced (Inhance)	14.74	41.6	1.8	7.1	7.1	2.8	3.4	2.6	-	3.74	Vancity
Diversified Income	26.91	434.6	0.8	7.4	7.4	(0.2)	2.8	3.3	8.1	3.07	Industrial Alliance
Strategic Income	13.89	146.5	1.1	6.9	6.9	5.0	5.6	2.4	-	3.62	iA Clarington
Global Diversified (Loomis Sayles)	14.68	212.6	2.1	9.4	9.4	5.2	8.6	4.5	7.2	3.39	Loomis Sayles
Tactical Income	18.52	20.1	0.5	6.0	6.0	4.6	4.6	1.0	5.6*	3.59	iA Clarington
Canadian Equity Funds											
Strategic Equity Income	17.26	207.6	1.2	8.5	8.5	6.5	5.8	4.1	8.6	2.64	iA Clarington
Dividend Growth	20.81	937.8	0.6	11.3	11.3	7.4	7.0	4.9	8.4	2.89	Industrial Alliance
Canadian Conservative Equity	19.67	132.7	1.2	11.4	11.4	9.4	6.7	1.2	6.6	3.23	iA Clarington
Canadian Equity Index	23.10	387.9	0.7	11.6	11.6	5.9	6.7	3.2	6.2	3.02	Industrial Alliance
Select Canadian ⁵	28.58	17.1	0.5	10.7	10.7	3.5	5.2	0.2	5.3	3.08	Industrial Alliance
Canadian Equity Value	45.50	209.2	1.0	9.6	9.6	1.2	4.9	1.3	5.3	3.13	Industrial Alliance
Canadian Equity (Taylor AM)	18.30	205.2	(3.1)	4.2	4.2	1.0	5.9	(1.0)	4.4	3.40	Taylor AM
Fidelity True North [®]	35.27	273.2	1.3	9.3	9.3	6.2	4.1	3.6	7.7	3.70	Fidelity
Canadian Equity Growth	30.62	680.5	0.5	11.7	11.7	3.5	6.4	3.4	8.1	3.02	Industrial Alliance
Fidelity Canadian Opportunities	41.36	128.6	2.2	10.7	10.7	11.4	8.9	5.1	10.9	3.71	Fidelity
Canadian Equity Small Cap (QV)	21.44	147.0	0.7	8.8	8.8	0.6	3.2	0.9	10.6*	3.97	QV Investors Inc.

Table of net returns as at March 31, 2019

Ecoflex / My Education

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			1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %		
U.S. & International Equity Funds											
Global Equity Index ACWI (BlackRock)	24.25	175.9	2.6	8.6	8.6	2.6*	8.1*	7.1*	8.7*	3.48	BlackRock
Global Dividend (Dynamic)	22.96	512.1	4.0	12.2	12.2	12.7	14.1	12.3	11.6	3.54	Dynamic
Global Equity	17.50	28.5	2.2	7.2	7.2	(3.5)	4.1	5.5	9.2	3.54	Industrial Alliance
Global Equity (Templeton)	16.80	322.5	0.5	5.8	5.8	(4.8)	4.8	2.5	8.0	3.68	Templeton
Global Opportunities (Radin)	15.23	23.5	(1.3)	5.0	5.0	(10.9)	2.1	1.5	-	3.96	Radin Capital Partners
Fidelity NorthStar®	18.68	208.2	0.1	3.2	3.2	(2.8)	0.4	4.6	10.1	3.75	Fidelity
International Equity Index (BlackRock)	10.27	78.4	1.9	6.8	6.8	(2.8)	5.4	3.3	6.7	3.03	BlackRock
International Equity	19.25	474.1	2.1	7.8	7.8	(6.3)	3.1	3.1	6.1*	3.70	Industrial Alliance
International Equity (Templeton)	17.00	56.5	0.1	4.0	4.0	(7.2)	3.1	0.9	5.4	3.70	Templeton
Fidelity European Equity	13.15	68.2	2.5	9.1	9.1	(2.6)	3.6	1.3	7.0	3.77	Fidelity
U.S. Equity Index (BlackRock)	20.15	210.9	3.1	10.2	10.2	9.8	11.0	11.5	12.9	3.04	BlackRock
U.S. Dividend Growth	17.82	198.2	2.1	6.6	6.6	(2.2)	3.8	7.0	8.8	3.53	Industrial Alliance
U.S. Equity ⁴	11.68	39.2	2.0	6.7	6.7	(2.1)	3.9	7.2	11.3	3.40	Industrial Alliance
U.S. Equity (Sarbit) - Currency Neutral	18.67	64.4	(2.5)	6.6	6.6	(6.0)	(0.9)	(0.2)	-	3.97	Sarbit
Specialty Funds											
Asian Pacific (Dynamic)	9.19	81.1	5.8	14.4	14.4	(3.0)	9.3	6.6	10.9	3.34	Dynamic
Emerging Markets (Mackenzie)	12.71	32.1	2.6	5.3	5.3	(14.9)	3.4	(2.9)	5.1	4.44	Mackenzie Cundill
Global Health Care (Renaissance)	35.79	176.9	1.5	7.7	7.7	11.2	6.6	9.9	13.3	3.81	CIBC
Real Estate Income	36.12	56.7	3.2	12.5	12.5	13.3	8.0	6.2	12.6	2.95	Industrial Alliance
U.S. DAQ Index	15.96	190.4	5.1	13.2	13.2	13.7	16.6	17.4	17.8	3.20	Industrial Alliance
Education Savings Plan											
Diploma Elementary	17.12	938.2	1.8	7.2	7.2	3.7	4.3	3.5	5.3	3.61	Industrial Alliance
Diploma Secondary	11.70	254.0	1.2	2.8	2.8	0.8	0.0	0.2	0.9	3.60	Industrial Alliance
Not offered to new contract subscribers											
Diploma	14.57	184.7	1.9	7.3	7.3	4.0	4.5	3.9	5.6	3.63	Industrial Alliance
Dividend	52.67	987.2	0.6	11.3	11.3	6.7	6.9	5.2	9.0	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 March 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	0.4	1.5	0.9	0.8	0.8
FTSE Canada Short Term Bond Index	0.9	1.7	1.7	3.5	1.4	1.9	2.5
FTSE Canada Universe Bond Index	2.4	3.9	3.9	5.3	2.7	3.8	4.4
SB - World Government Bonds (Can. \$)	2.7	(0.5)	(0.5)	2.0	2.0	4.5	2.8
Indexes related to Canadian Equity Funds							
S&P/TSX 60	1.0	12.5	12.5	9.0	10.0	6.3	9.3
S&P/TSX Completion Index	1.2	15.8	15.8	5.4	7.2	2.9	10.4
S&P/TSX Composite Index	1.0	13.3	13.3	8.1	9.3	5.4	9.5
S&P/TSX Capped Composite Index	1.0	13.3	13.3	8.1	9.3	5.4	9.5
Indexes related to U.S. & International Equity Funds							
S&P 500 (Can. \$) (Reuters)	3.4	11.2	11.2	13.5	14.7	15.2	16.6
MSCI - World (Can. \$)	2.8	10.0	10.0	7.8	11.8	10.9	13.0
MSCI - World Small Cap. (Can. \$)	0.9	11.4	11.4	2.5	12.0	10.6	15.9
MSCI - EAFE (Can. \$)	2.1	7.6	7.6	(0.2)	8.3	6.3	9.6
MSCI - EAFE (Can. \$) (Reuters)	2.1	7.6	7.6	(0.2)	8.4	6.3	9.6
MSCI - Europe (Can. \$)	2.2	8.6	8.6	0.4	8.3	5.6	10.3
Index related to Specialty Funds							
MSCI - AC Asian Pacific Free (Can. \$)	2.7	7.3	7.3	(1.4)	11.4	9.9	10.6
MSCI - Emerging Markets (Can. \$)	2.3	7.6	7.6	(3.7)	12.2	8.1	10.0
MSCI - World Health Care (Can. \$)	2.4	6.0	6.0	16.9	11.6	12.8	15.3
NASDAQ 100 (Can. \$)	5.5	14.0	14.0	16.2	19.2	19.9	20.3
S&P/TSX Capped REIT Index	3.8	15.8	15.8	21.5	12.8	9.6	16.7
	Variation			Compound annual variation			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
Exchange Rate (Can. \$ / US \$)							
As at March 31, 2019: 1.34	1.4	(2.2)	(2.2)	3.6	1.1	3.9	0.6
Exchange Rate (US \$ / Can. \$)							
As at March 31, 2019: 0.75	(1.4)	2.2	2.2	(3.5)	(1.1)	(3.7)	(0.6)

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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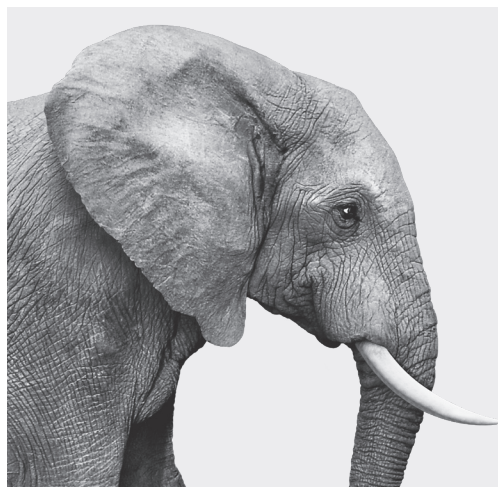
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Economic and Financial Statistics as at March 31, 2019

	As at 2019-03-31 ¹	As at 2018-12-31
Canada - Unemployment rate	5.8%	5.6%
Canada - CPI (year/year variation)	1.5%	1.7%
Canada - GDP (year/year variation)	1.6%	2.2%
U.S. - Unemployment rate	3.8%	3.7%
U.S. - CPI (year/year variation)	1.5%	2.2%
U.S. - GDP (year/year variation)	3.0%	3.0%
2-year Canada Bonds	1.49%	1.86%
10-year Canada Bonds	1.62%	1.96%
Oil (West Texas) (US \$)	60.14	45.41
Gold (US \$)	1,295.7	1,281.3
CRB Commodities Index (US \$)	183.8	169.8
Exchange rate Can. \$/US \$	1.3360	1.3658

¹ Most recent data available at such date.



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