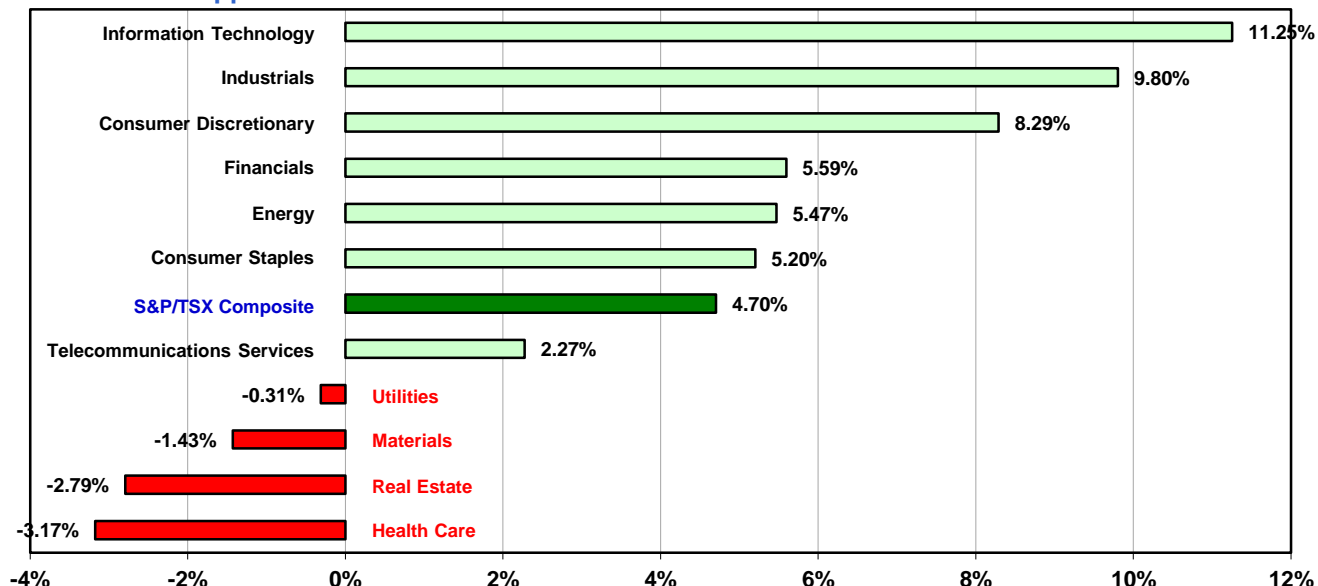


## 2016 Q3: TSX gains in Q1, Q2 and Q3 for first time since 2007 Economically sensitive sectors lead the way in Q3

### 2016 Q3 Capped Sector Performance



- The S&P/TSX Composite returned +4.7% in Q3.
- Of the 248 stocks that were in the TSX Composite at some point during Q3, 163 (66%) recorded a gain.
- Large Cap (TSX 60) outperformed Small Cap which outperformed Mid Cap (Completion Index) in Q3. The TSX 60 moderately outperformed the TSX Composite.
- In Q3, the Canadian market outperformed the US market in home currency terms (US returned +3.3%) but underperformed in Canadian dollar terms (US market returned +4.9% in C\$ terms).
- Economically sensitive sectors such as Information Technology, Industrials and Consumer Discretionary were the biggest gainers in Q3 suggesting increased investor optimism about stronger economic growth in coming quarters.
- Materials had a minor decline in Q3 while Energy rose, mostly in the last few days of the quarter on the apparent deal from OPEC to cap oil production. They remain the first and second best performing sectors respectively YTD.
- Real Estate became the 11th sector during Q3 as it was officially split out from Financials to become its own sector.

2016 Index Returns	Q3	YTD
<b>S&amp;P/TSX Composite</b>	<b>+4.70%</b>	<b>+13.19%</b>
S&P/TSX 60 (Large Cap)	+4.99%	+12.29%
S&P/TSX Completion (Mid)	+3.83%	+16.13%
S&P/TSX Small Cap	+4.38%	+31.91%

#### Q3 Biggest Contributors

Bank Of Nova Scotia  
Canadian National Railway  
Royal Bank Of Canada  
Canadian Pacific Railway  
Toronto-Dominion Bank  
Alimentation Couche-Tard  
Magna International  
Teck Resources  
Brookfield Asset Management  
EnCana Corporation

#### Q3 Biggest Detractors

Barrick Gold Corporation  
Goldcorp  
Great-West Lifeco  
Crescent Point Energy  
Cameco Corporation  
Franco-Nevada Corporation  
Concordia Healthcare  
Yamana Gold  
Kinross Gold Corporation  
Turquoise Hill Resources

Sector	Q3 Return	Biggest Impacts
<b>Information Technology</b> 3% of S&P/TSX Composite	+11.25%	<ul style="list-style-type: none"> <li>CGI Group (+13%) was the largest sector contributor on slightly better than expected quarterly earnings, strong bookings in Canada and the US and no realized negative impacts to their business as a result of the Brexit vote.</li> <li>Constellation Software (+18%), Open Text Corp (+11%) and BlackBerry (+21%) also contributed strongly in concert with a 13% rise in the S&amp;P Global Information Technology sector index during Q3.</li> </ul>
<b>Industrials</b> 9% of S&P/TSX Composite	+9.80%	<ul style="list-style-type: none"> <li>Canadian National Railways (+12%) and Canadian Pacific (+20%) led sector contributors as rail traffic showed considerable improvement since May which was reflected in both companies beating quarterly earnings expectations.</li> </ul>
<b>Consumer Discretionary</b> 5% of S&P/TSX Composite	+8.29%	<ul style="list-style-type: none"> <li>Auto parts maker Magna International (+24%) was the leading contributor from the sector as its Q2 earnings beat analyst expectations on strong vehicle sales in North America and Europe and it boosted its forward guidance.</li> <li>Dollarama (+14%), Restaurant Brands International (+9%) and Shaw Communications (+8%) also were strong contributors from the sector.</li> </ul>
<b>Financials</b> 33% of S&P/TSX Composite	+5.59%	<ul style="list-style-type: none"> <li>The big banks were the leading sector contributors with Bank of Nova Scotia (+10%), Royal Bank (+6%), Toronto Dominion (+5%), Bank of Montreal (+5%) and CIBC (+5%) all rising on better than expected earnings. Bank of Nova Scotia significantly underperformed other big banks through 2014 and 2015 on concerns about exposure to Latin American economies. Those investor fears seem to be dissipating and now Scotiabank is making up lost ground.</li> <li>Brookfield Asset Management (+8%) was also a leading sector contributor on positive market reaction to its purchase (with a consortium) of a natural gas pipeline unit from Brazilian oil producer, Petrobras.</li> <li>Life insurers continue to lag within the sector with Great-West Life (-5%) detracting while Manulife (+5%) and Sun Life (+1%) contributed.</li> </ul>
<b>Energy</b> 21% of S&P/TSX Composite	+5.47%	<ul style="list-style-type: none"> <li>In spite of a slight decline in energy commodity prices in Q3, the sector made gains. The largest contributors to performance were EnCana (+36%), Canadian Natural Resources (+5%) and Seven Generations Energy (+28%).</li> <li>Enbridge (+5%) and TransCanada Corp (+7%) were also top contributors from the sector. Enbridge announced plans to takeover Spectra Energy in a deal that would create the largest energy infrastructure firm in North America.</li> </ul>
<b>Consumer Staples</b> 4% of S&P/TSX Composite	+5.20%	<ul style="list-style-type: none"> <li>Alimentation Couche-Tard (+15%) led sector contributors on favorable market reaction to its deal to buy U.S. convenience store chain CST.</li> <li>Saputo (+19%) also strongly contributed on better than expected quarterly earnings and an 11% dividend increase.</li> </ul>
<b>Telecommunications Services</b> 5% of S&P/TSX Composite	+2.27%	<ul style="list-style-type: none"> <li>While all three major sector players delivered better than expected quarterly earnings and surprisingly strong wireless subscriber growth Rogers Communications (+6%) and TELUS (+4%) led sector contributors while BCE (-1%) and takeover partner Manitoba Telecom (-1%) lagged behind.</li> </ul>
<b>Utilities</b> 3% of S&P/TSX Composite	-0.31%	<ul style="list-style-type: none"> <li>Utilities delivered a remarkably flat quarter with seven sector constituents rising and seven falling. Fortis (-3%) had the biggest influence on sector performance due to its higher market capitalization than other index players.</li> </ul>
<b>Materials</b> 13% of S&P/TSX Composite	-1.43%	<ul style="list-style-type: none"> <li>While gold prices only declined about 1% in Q3 gold stocks had a rough quarter with Barrick Gold (-16%), Goldcorp (-12%), Franco-Nevada (-7%), Yamana Gold (-16%) and Kinross Gold (-13%) all leading sector detractors.</li> <li>Teck Resources (+39%) and First Quantum Minerals (+20%) led sector contributors on stronger industrial metals prices along with Silver Wheaton (+17%) on its acquisition of additional gold production from Vale.</li> </ul>
<b>Real Estate</b> 3% of S&P/TSX Composite	-2.79%	<ul style="list-style-type: none"> <li>RioCan REIT (-7%) was the leading detractor from the sector primarily due to its higher market capitalization than other index constituents. Most REITs in the index declined in Q3 while non-REIT constituents mostly rose.</li> </ul>
<b>Health Care</b> 1% of S&P/TSX Composite	-3.17%	<ul style="list-style-type: none"> <li>Concordia Healthcare (-74%) was removed from the index in Q3 but first caused the bulk of the sector decline during Q3 amid concerns about its debt load, reduced revenue guidance, a CFO departure and a dividend suspension.</li> <li>Valeant Pharmaceuticals (+24%) was the biggest contributor from the sector as investors embraced the reorganization plans put forward by new CEO Joseph Papa. Even after this gain the stock still remains down 77% YTD.</li> </ul>