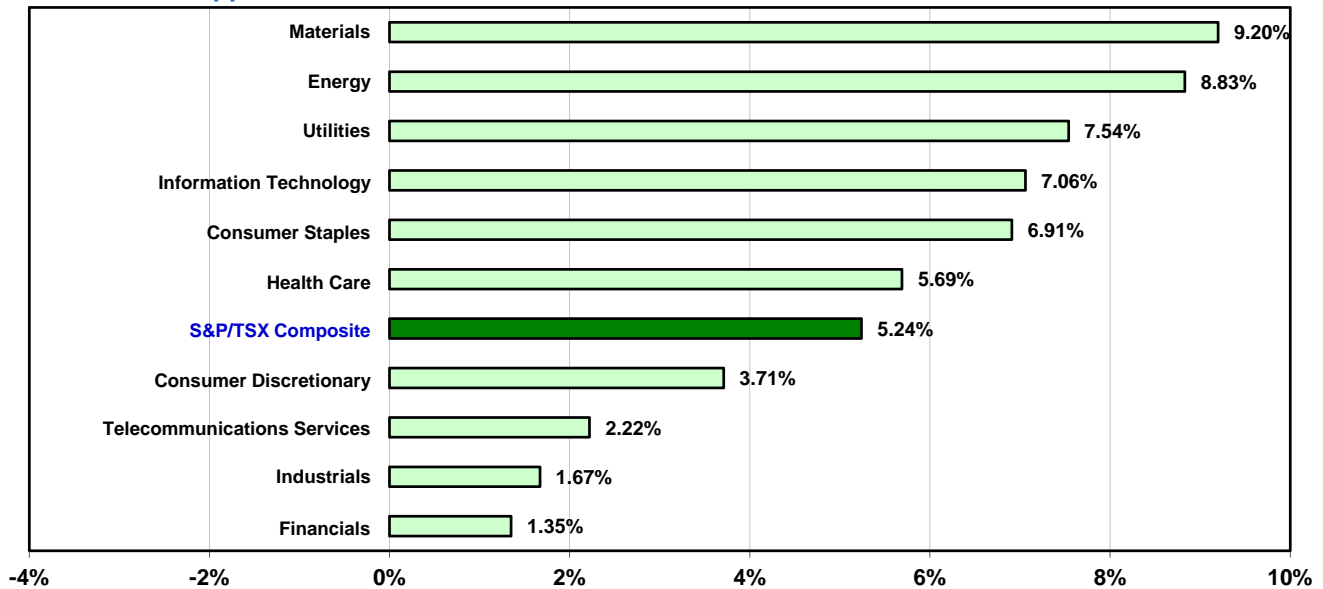


**2014 Q1: TSX records strong gains as resource stocks lead**  
All sectors rise in Q1

2014 Q1 Capped Sector Performance



- The S&P/TSX Composite returned +5.2% in Q1.
- Of the 248 stocks that were in the TSX Composite at some point during the quarter, 173 (70%) were higher in Q1.
- The TSX 60 (large cap) modestly underperformed the broader market in Q1 while the Completion (mid cap) and Small Cap Indices outperformed.
- In Q1, the Canadian market significantly outperformed the US market in home currency terms (US returned +1.3%) but performed similarly in Canadian dollar terms (US market returned +5.3% in C\$ terms).
- The Materials and Energy sectors, which were laggards in 2013, were the two best performing sectors in Q1 on stronger commodity prices and hopes of more stimulus in China. Their positions as the third and second largest sectors respectively helped ensure the overall index posted strong gains.
- Financials were the worst performing sector in Q1. The high weight of the sector in the overall index (34%) caused this to hold back the index from further gains. The two largest detractors from overall market returns were both Financials.

2014 Index Returns	Q1	YTD
<b>S&amp;P/TSX Composite</b>	<b>+5.24%</b>	<b>+5.24%</b>
S&P/TSX 60 (Large Cap)	+4.69%	+4.69%
S&P/TSX Completion (Mid)	+6.81%	+6.81%
S&P/TSX Small Cap	+7.13%	+7.13%

**Q1 Biggest Contributors**

Cdn Natural Resources  
Valeant Pharmaceuticals  
Magna International  
Potash Corporation  
Imperial Oil  
Toronto-Dominion Bank  
Enbridge  
EnCana Corporation  
Goldcorp  
Brookfield Asset Mgmt

**Q1 Biggest Detractors**

Bank Of Nova Scotia  
Great-West Lifeco  
Thomson Reuters  
Teck Resources  
Talisman Energy  
Power Financial  
ShawCor  
Rogers Communications  
IGM Financial  
Bombardier

Sector	Q1 Return	Biggest Impacts
<b>Materials</b> 12% of S&P/TSX Composite	+9.20%	<ul style="list-style-type: none"> <li>• Potash Corporation (+14%) led contributors in spite of weak prices for the commodity and issuance of earnings guidance below analyst expectations. Investors are betting that a potential bottom in potash prices has or is soon to occur.</li> <li>• Goldcorp (+17%) was the second leading contributor as gold prices rose about 15% from the end of 2013 to mid-March before the commodity gave back gains and finished the quarter up 6%.</li> <li>• Teck Resources (-14%) led detractors on an earnings miss and rapidly declining earnings estimates for both 2014 and 2015.</li> </ul>
<b>Energy</b> 26% of S&P/TSX Composite	+8.83%	<ul style="list-style-type: none"> <li>• Most sector constituents (83%) gained ground on higher prices for both oil and natural gas during Q1. Leading contributors were Canadian Natural Resources (+18%), which also seemed to benefit from the announcement of acquisition of assets from Devon Canada, Imperial Oil (+9%), Enbridge (+8%) and EnCana Corporation (+23%).</li> </ul>
<b>Utilities</b> 2% of S&P/TSX Composite	+7.54%	<ul style="list-style-type: none"> <li>• The sector had a very good Q1 with half of the 12 sector constituents posting double-digit percentage gains.</li> <li>• Canadian Utilities (+15%) was the leading contributor on announcement of record earnings.</li> </ul>
<b>Information Technology</b> 2% of S&P/TSX Composite	+7.06%	<ul style="list-style-type: none"> <li>• Constellation Software (+19%) was the leading contributor on rapid expansion as it completed 30 acquisitions in 2013 and grew its revenue line by 36% (primarily as a result of these acquisitions – organic growth was only 4%). Investors have clearly gotten behind the company's strategy of many small acquisitions.</li> </ul>
<b>Consumer Staples</b> 3% of S&P/TSX Composite	+6.91%	<ul style="list-style-type: none"> <li>• The sector had a strong quarter with 9 of 10 constituents rising led by strongest contributors Saputo (+15%), Alimentation Couche-Tard (+12%) and Loblaw Companies (+11%). Loblaw's far exceeded earnings expectations and completed its planned takeover of Shoppers Drug Mart during Q1.</li> </ul>
<b>Health Care</b> 3% of S&P/TSX Composite	+5.69%	<ul style="list-style-type: none"> <li>• Valeant Pharmaceuticals (+17%) was responsible for virtually the entire sector gain on a moderately positive earnings surprise and increases to analyst expectations for 2015 profits.</li> </ul>
<b>Consumer Discretionary</b> 5% of S&P/TSX Composite	+3.71%	<ul style="list-style-type: none"> <li>• Magna International (+22%) was the leading contributor on a positive earnings surprise and rising earnings expectations, in spite of the company reducing revenue guidance during Q1.</li> <li>• Thomson Reuters (-6%) was the biggest detractor due to a very negative earnings surprise and falling future earnings estimates.</li> </ul>
<b>Telecommunications Services</b> 5% of S&P/TSX Composite	+2.22%	<ul style="list-style-type: none"> <li>• TELUS (+8%) and BCE (+4%) both contributed to sector performance on results generally in line with expectations.</li> <li>• Rogers Communications (-5%) was the biggest detractor when it missed earnings estimates and on subsequent reductions in forward earnings expectations by analysts.</li> </ul>
<b>Industrials</b> 8% of S&P/TSX Composite	+1.67%	<ul style="list-style-type: none"> <li>• Canadian Pacific Railways (+3%) and Canadian National Railways (+3%) were the biggest contributors in spite of moderate negative earnings surprises and declining earnings expectations.</li> <li>• Bombardier (-11%) was the biggest detractor after failing to meet analysts' earnings expectations.</li> </ul>
<b>Financials</b> 34% of S&P/TSX Composite	+1.35%	<ul style="list-style-type: none"> <li>• The big banks generally contributed with Toronto Dominion Bank (+4%), Royal Bank (+2%), Bank of Montreal (+4%) and CIBC (+5%) all rising. In spite of some strong earnings beats, falling forward expectations seem to be holding gains in check. Bank of Nova Scotia (-4%) was the leading detractor as it suffered due to its ties to the Latin American economies which have struggled recently.</li> <li>• Life insurers were generally flat with Manulife Financial (+2%) and Sun Life Financial (+2%) posting small gains in spite of a strong earnings beat by Sun Life. Great-West Lifeco (-7%) was the second biggest sector detractor in Q1.</li> </ul>