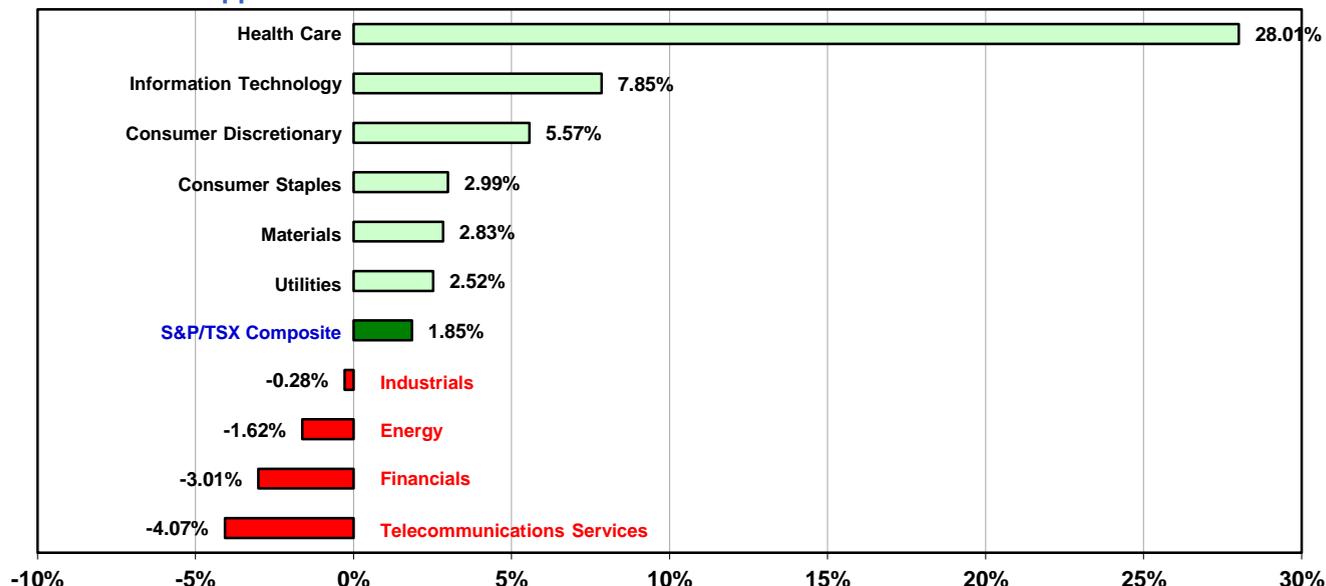


**2015 Q1: TSX posts modest gains**

Valeant Pharmaceuticals responsible for more than half of index gains

**2015 Q1 Capped Sector Performance**



- The S&P/TSX Composite returned +1.9% in Q1.
- Of the 254 stocks that were in the TSX Composite at some point during Q1, 124 (49%) finished the quarter in positive territory.
- The Completion Index (mid-caps) beat the Composite and their large cap (TSX 60) brethren (which modestly underperformed the Composite). Canadian Small Caps remained an underperformer as they were in 2014.
- In Q1, the Canadian market outperformed the US market in home currency terms (US returned +0.4%) but significantly lagged the US market in Canadian dollar terms (US market returned +9.7% in C\$ terms). The US dollar rose 9.2% against the Canadian dollar in Q1.
- Health Care was the best performing sector largely due to the performance of Valeant Pharmaceuticals. The sector now represents 5% of the Canadian market whereas it was only 1% of the market as recently as 2011, primarily due to the growth of Valeant.
- Due to its large size in the index, the Financials sector was the biggest drag on the index in Q1. The five big banks were all among the six biggest detractors from index performance.

2015 Index Returns	Q1	YTD
<b>S&amp;P/TSX Composite</b>	<b>+1.85%</b>	<b>+1.85%</b>
S&P/TSX 60 (Large Cap)	+1.69%	+1.69%
S&P/TSX Completion (Mid)	+2.33%	+2.33%
S&P/TSX Small Cap	-0.96%	-0.96%

**Q1 Biggest Contributors**

- Valeant Pharmaceuticals
- Brookfield Asset Management
- Canadian National Railways
- Thomson Reuters
- Canadian Natural Resources
- Catamaran Corporation
- Agrium
- Great-West Lifeco
- CGI Group
- Fairfax Financial

**Q1 Biggest Detractors**

- Royal Bank
- Bank of Montreal
- Bombardier
- Bank of Nova Scotia
- CIBC
- Toronto-Dominion Bank
- TransCanada Corporation
- Cenovus Energy
- Sun Life Financial
- Husky Energy

Sector	Q1 Return	Biggest Impacts
<b>Health Care</b> 5% of S&P/TSX Composite	+28.01%	<ul style="list-style-type: none"> <li>Valeant Pharmaceuticals (+50%) increased its market capitalization by \$28 billion in Q1 (4.5 times more than any other Canadian company), accounting for more than half the entire Q1 index gain, based on increased sales and margin guidance and favourable reaction to its announced takeover of Salix Pharmaceuticals.</li> <li>Catamaran Corporation (+25%) rose late in Q1 based on a takeover offer by UnitedHealth Group.</li> </ul>
<b>Information Technology</b> 2% of S&P/TSX Composite	+7.85%	<ul style="list-style-type: none"> <li>CGI Group (+21%) was the biggest sector contributor on a 25% rise in quarterly profits (on weaker revenue), an increase in order backlogs and a new share buyback program authorizing a repurchase of up to 10% of the company's public float.</li> </ul>
<b>Consumer Discretionary</b> 7% of S&P/TSX Composite	+5.57%	<ul style="list-style-type: none"> <li>Thomson Reuters (+10%) was the leading contributor on positive market reaction to its plan to focus on EBITDA margin expansion.</li> <li>Magna International (+8%) fell in January after reducing sales guidance but went on to announce better than expected earnings results in February helping it to a stock price gain for Q1 overall.</li> <li>Shaw Communications (-9%) was the biggest sector detractor due to a negative earnings surprise.</li> </ul>
<b>Consumer Staples</b> 4% of S&P/TSX Composite	+2.99%	<ul style="list-style-type: none"> <li>Alimentation Couche-Tard (+4%) was the leading contributor in the sector. The market reacted positively to its acquisition of more locations in Denmark and in the Southern United States.</li> </ul>
<b>Materials</b> 11% of S&P/TSX Composite	+2.83%	<ul style="list-style-type: none"> <li>Agrium (+20%) was the largest contributor as it announced plans to buyback up to 5% of its stock over the next 12 months and increased its target dividend payout ratio from 25-35% to 40-50%.</li> <li>Gold miners gained back some of their 2014 losses with Barrick (+11%), Agnico-Eagle Mines (+22%) and Goldcorp (+7%) leading.</li> </ul>
<b>Utilities</b> 2% of S&P/TSX Composite	+2.52%	<ul style="list-style-type: none"> <li>Leading contributors to sector performance included Brookfield Renewable Energy Partners (+11%), Emera (+7%) and Transalpa Corporation (+12%).</li> </ul>
<b>Industrials</b> 8% of S&P/TSX Composite	-0.28%	<ul style="list-style-type: none"> <li>Canadian National Railways (+6%) and Canadian Pacific Railways (+4%) were the biggest contributors for the sector on positive earnings surprises and settlement of labour disputes with their unions (when the federal government threatened a legislated settlement).</li> <li>Bombardier (-40%) was the largest sector detractor after it announced a halt to its Learjet 85 program due to weak demand.</li> </ul>
<b>Energy</b> 21% of S&P/TSX Composite	-1.62%	<ul style="list-style-type: none"> <li>TransCanada Corporation (-5%) was the leading sector detractor on rejection of the Keystone Pipeline by the Obama administration.</li> <li>Cenovus Energy (-11%), Husky Energy (-6%) and EnCana (-13%) also detracted as all tapped financial markets amid lower oil prices.</li> <li>Canadian Natural Resources (+9%) was the biggest sector contributor amid positive market reaction to its capital spending plan and lower debt levels relative to other major energy sector players.</li> <li>TORC Oil &amp; Gas (+27%) and Whitecap Resources (+26%) were Q1's best performing Energy stocks on a price appreciation basis.</li> </ul>
<b>Financials</b> 34% of S&P/TSX Composite	-3.01%	<ul style="list-style-type: none"> <li>Banks were the biggest detractors in Q1 amid concerns that a slowing Canadian economy would impact revenue growth potential and loan losses. In order of negative contribution to the index the biggest losers were Royal Bank (-5%), Bank of Montreal (-8%), Bank of Nova Scotia (-4%) and CIBC (-8%). Toronto Dominion Bank (-2%) was Q1's top performing bank on a price appreciation basis.</li> <li>Among life insurers, Sun Life (-7%) and Manulife (-3%) detracted while Great West Lifeco (+9%) contributed.</li> </ul>
<b>Telecommunications Services</b> 5% of S&P/TSX Composite	-4.07%	<ul style="list-style-type: none"> <li>The big sector detractor was Rogers Communications (-6%) amid stagnating earnings growth and heavier competition from upstart firms in the Canadian market.</li> <li>BCE (+1%) and TELUS (0%) were essentially flat in Q1.</li> </ul>