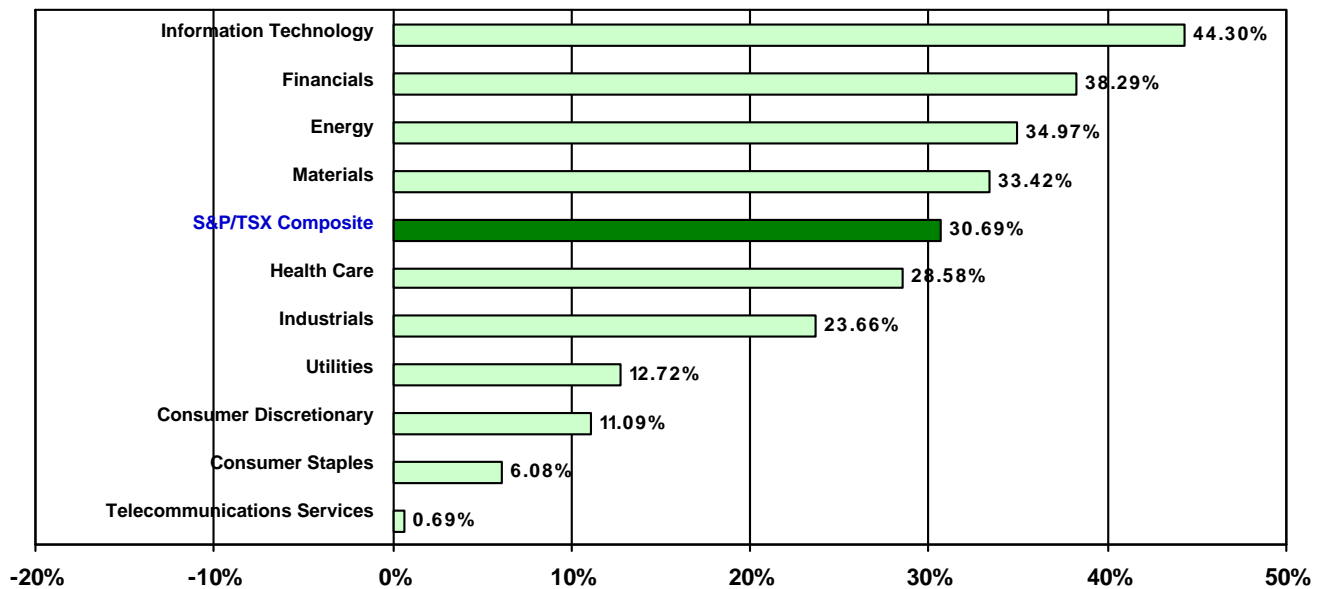


**2009: Canadian Market Gains 31% for the Year**

All Ten Sectors Post Yearly Gains with Information Technology, Financials Leading the Way

**2009 Sector Returns**



- The S&P/TSX Composite gained 30.7% in 2009, regaining much of its 35.0% 2008 loss.
- Of the 239 stocks that were in the TSX Composite at some point during the year, 184 (77%) showed a gain for the year (or for the portion that they were part of the index).
- Small-cap and mid-cap stocks outperformed the TSX 60 (large cap) for the year and by a particularly large margin in Q4. This is the traditional bull market pattern.
- For 2009, the Canadian market beat the US market in home currency terms and in Canadian dollar terms. US returns were 26.5% in US\$ but only 9.1% in C\$.
- Information Technology was the leading sector as it was in the United States (it was second globally).
- Financials were the second leading sector due to strong gains early in the bull market. Canadian financials significantly outpaced global counterparts and especially US counterparts. However, Financials had a negative return in Q4 on worries about future growth prospects.
- The Energy and Materials sectors showed gains based on higher commodity prices related to brighter global economic prospects.

2009 Index Returns	Q4	YTD
<b>S&amp;P/TSX Composite</b>	<b>+3.08%</b>	<b>+30.69%</b>
S&P/TSX 60 (Large Cap)	+2.06%	+32.94%
S&P/TSX Completion (Mid)	+8.05%	+41.70%
S&P/TSX Small Cap	+13.72%	+56.16%

**2009 Biggest Contributors**

Royal Bank of Canada  
 Toronto Dominion Bank  
 Bank of Nova Scotia  
 Teck Resources  
 Cdn Natural Resources  
 Bank of Montreal  
 Suncor Energy  
 Research in Motion  
 Petro-Canada  
 Talisman Energy

**2009 Biggest Detractors**

Barrick Gold  
 Rogers Communications  
 Kinross Gold  
 Manulife Financial  
 Thomson Reuters  
 Agnico-Eagle Mines  
 TELUS Corporation  
 Yellow Pages Inc. Fund  
 Husky Energy  
 Shoppers Drug Mart

Sector	2009 Return	Biggest Impacts
<b>Information Technology</b> 4% of S&P/TSX Composite	+44.30%	<ul style="list-style-type: none"> <li>• Research in Motion (+43%) was the major sector contributor since its market capitalization dwarfs the rest of the Canadian IT space combined. RIM's strength came primarily early in Q2 when it beat earnings expectations and raised guidance. The stock underperformed in the second half on worries about increasing competition in smart phones and on weaker than expected results.</li> </ul>
<b>Financials</b> 30% of S&P/TSX Composite	+38.29%	<ul style="list-style-type: none"> <li>• The rally was broad-based in Financials with most up in 2009.</li> <li>• The big banks were the biggest contributors with Royal Bank (+56%), Toronto-Dominion Bank (+52%), Bank of Nova Scotia (+48%), Bank of Montreal (+79%) and CIBC (+33%) all contributing. National Bank (+92%) was the biggest percentage gainer in banking.</li> <li>• The life insurance sub-sector generally underperformed with Great-West Life (+30%) market performing, Sun Life (+6%) a laggard and Manulife (-7%) a detractor.</li> </ul>
<b>Energy</b> 28% of S&P/TSX Composite	+34.97%	<ul style="list-style-type: none"> <li>• The energy rally was fairly broad based with most of the smaller players and energy trusts producing strong gains.</li> <li>• Leading contributors included Canadian Natural Resources (+56%), Suncor (+57%) and Talisman (+62%). Petro-Canada (+70%) was a leading contributor until its removal from the index in August on its acquisition by Suncor.</li> <li>• The two big detractors were both integrated names consistent with global underperformance by this group: Husky Energy (-3%) and Imperial Oil (-1%).</li> </ul>
<b>Materials</b> 19% of S&P/TSX Composite	+33.42%	<ul style="list-style-type: none"> <li>• Diversified metals and mining companies Teck Resources (+512%), Ivanhoe Mines (+374%) and First Quantum Minerals (+356%) were leading contributors due to high leverage to industrial metals prices.</li> <li>• Fertilizer companies Potash Corporation (+28%) and Agrium (+58%) were the other big contributors on stronger agricultural prices.</li> <li>• Gold stocks were among the biggest detractors with Barrick Gold (-7%), Kinross Gold (-14%) and Agnico-Eagle Mines (-9%) declining in spite of record high gold prices during Q4.</li> </ul>
<b>Health Care</b> <1% of S&P/TSX Composite	+28.58%	<ul style="list-style-type: none"> <li>• The sector has very little impact on the Canadian market.</li> <li>• Results were primarily driven by Biovail (+27%) on key drug acquisitions and successful corporate refinancing.</li> </ul>
<b>Industrials</b> 6% of S&P/TSX Composite	+23.66%	<ul style="list-style-type: none"> <li>• Canadian National Railways (+28%) and Canadian Pacific Railways (+39%) were leading contributors on an improved commodity outlook.</li> <li>• SNC-Lavalin (+36%) aided sector performance due to government commitments to more infrastructure spending globally.</li> </ul>
<b>Utilities</b> 2% of S&P/TSX Composite	+12.72%	<ul style="list-style-type: none"> <li>• Most Utilities underperformed the broad market for the year due to their nature as "defensive" or "non-cyclical" stocks.</li> <li>• Fortis (+17%) and Just Energy Income Fund (+65%) contributed.</li> </ul>
<b>Consumer Discretionary</b> 4% of S&P/TSX Composite	+11.09%	<ul style="list-style-type: none"> <li>• Canadian Consumer Discretionary stocks significantly lagged US and global counterparts in 2009.</li> <li>• Leading contributors were Magna International (+45%), Gildan Activewear (+81%) and Canadian Tire (+32%).</li> <li>• The leading detractor was Thomson Reuters (-5%), on concerns about ongoing weak demand from the financial industry.</li> </ul>
<b>Consumer Staples</b> 3% of S&P/TSX Composite	+6.08%	<ul style="list-style-type: none"> <li>• Dairy producer Saputo (+39%) and convenience store chain Alimentation Couche Tard (+44%) led contributors on better than expected financial performance.</li> <li>• Shoppers Drug Mart (-5%) was the major detractor on reduced earnings prospects and its nature as a "defensive" stock.</li> </ul>
<b>Telecommunications Services</b> 4% of S&P/TSX Composite	+0.69%	<ul style="list-style-type: none"> <li>• The Telecommunications Services sector lagged the market due to fears about increasing competition and a lack of pricing power.</li> <li>• BCE (+15%) was the leading contributor for the year.</li> <li>• Rogers Communications (-11%) and TELUS (-8%) were the leading detractors.</li> </ul>