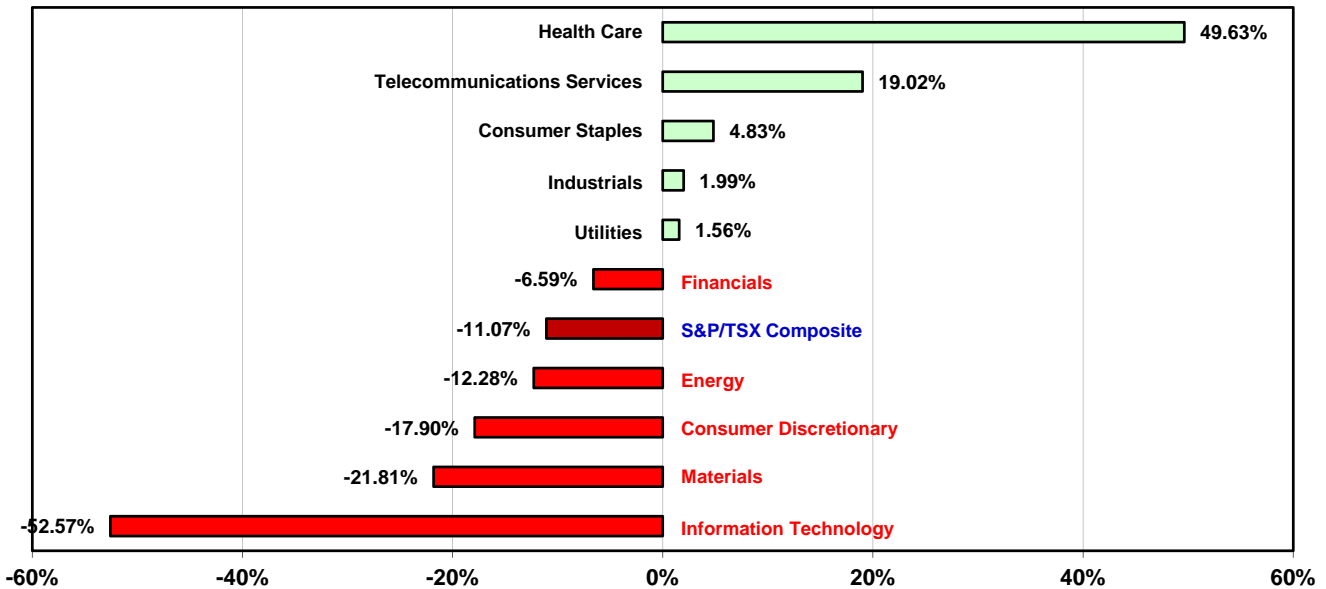


2011: TSX Composite registers only second losing year in last nine
 Defensive sectors gain, most cyclical sectors lose in 2011

2011 Full Year



- The S&P/TSX Composite lost 11.1% in 2011.
- Of the 273 stocks that were in the TSX Composite at some point during 2011, 180 (66%) lost ground during the year.
- The TSX 60 (large cap) underperformed mid-caps and outperformed small-cap stocks.
- In 2011, the Canadian market underperformed the US market in home currency terms (US returned 0.0%) and in Canadian dollar terms (US market returned +2.3% in C\$ terms).
- Economically sensitive sectors (Information Technology, Materials and Consumer Discretionary) were the worst market performers as fears rose over a weakening global economy.
- Financials outperformed the Canadian market and counterparts in the US (worst sector) and globally (second worst sector) as Canada's banking sector was viewed more favourably.
- High gold exposure failed to help Canadian Materials stocks as they fell with US and global counterparts, where it was the second worst and worst performing sector, respectively.
- Defensive sectors like Health Care, Telecom Services and Consumer Staples were the strongest performers, but together constitute less than 10% of Canadian market cap.

2011 Index Returns	Q4	YTD
S&P/TSX Composite	+2.85%	-11.07%
S&P/TSX 60 (Large Cap)	+2.07%	-11.42%
S&P/TSX Completion (Mid)	+5.07%	-10.25%
S&P/TSX Small Cap	+5.18%	-18.39%

2011 Biggest Contributors 2011 Biggest Detractors

Enbridge	Research in Motion
BCE Inc	Teck Resources
Valeant Pharmaceuticals	Suncor Energy
Canadian National Railways	Manulife Financial
TransCanada Corp	Potash Corporation
TELUS Corp	Talisman Energy
Imperial Oil	Cameco Corp
Toronto-Dominion Bank	Thomson Reuters
Equinox Minerals	Kinross Gold
Trilogy Energy	EnCana Corporation

Sector	2011 Return	Biggest Impacts
Health Care 1% of S&P/TSX Composite	+49.63%	<ul style="list-style-type: none"> Virtually the entire sector move was driven by Valeant Pharmaceuticals (+69%) as corporate earnings are expected to grow by 114% in 2011 and by 43% in 2012.
Telecommunications Services 5% of S&P/TSX Composite	+19.02%	<ul style="list-style-type: none"> 2011 was an exceptionally strong year for the sector as investors were attracted by the defensive nature and high dividend yields of telecommunications services stocks. BCE (+20%) and TELUS (+27%) were the greatest contributors as they both delivered consistent earnings growth over the year.
Consumer Staples 3% of S&P/TSX Composite	+4.83%	<ul style="list-style-type: none"> Stronger food pricing trends helped the likes of Metro (+19%) and Alimentation Couche-Tard (+17%) in 2011.
Industrials 6% of S&P/TSX Composite	+1.99%	<ul style="list-style-type: none"> The sector was broadly down with 15 issues declining and only 8 advancing on fears about slowing global economic growth. Bombardier (-19%) and SNC-Lavalin (-15%) led detractors. However, overall sector return was pushed to positive due to Canadian National Railways (+21%) on solid 2011 year-over-year earnings growth and projections for further earnings growth in 2012.
Utilities 2% of S&P/TSX Composite	+1.56%	<ul style="list-style-type: none"> Canadian Utilities (+13%) was the biggest contributor based on strong earnings results, while Brookfield Renewable Power Fund (+24%) contributed as a result of its takeover in 2011.
Financials 29% of S&P/TSX Composite	-6.59%	<ul style="list-style-type: none"> Life insurance stocks detracted significantly in 2011 with Manulife (-37%), Sun Life (-37%) and Great-West Lifeco (-23%) declining due to deteriorating earnings profiles amid high exposure to equity markets. The five big banks had forgettable years with Toronto-Dominion Bank (+3%), Royal Bank (-1%), Bank of Montreal (-3%), CIBC (-6%) and Bank of Nova Scotia (-11%) all recording returns below historical averages but better than the broad market in 2011.
Energy 27% of S&P/TSX Composite	-12.28%	<ul style="list-style-type: none"> Many large-cap energy stocks fared poorly in 2011 with Suncor (-23%), Talisman Energy (-41%), EnCana (-35%) and Canadian Natural Resources (-14%), all detracting as natural gas ended the year at new 52-week lows and fears about crude prices continue. Uranium producer Cameco (-54%) also detracted on fears about long-term uranium demand after the Japanese nuclear meltdown. Energy storage and transportation companies Enbridge (+35%) and TransCanada Corporation (+17%) rose on prospects for increased pipeline requirements to handle new North American production.
Consumer Discretionary 4% of S&P/TSX Composite	-17.90%	<ul style="list-style-type: none"> Thompson Reuters (-27%) and Magna International (-35%) were leading detractors based on declining forward earnings estimates in the second half of the year. Yellow Media (-97%) was removed from the index in Q4. The stock plummeted in Q2 and Q3 first on fear then on confirmation it would eliminate its dividend and incur a large restructuring charge.
Materials 21% of S&P/TSX Composite	-21.81%	<ul style="list-style-type: none"> Teck Resources (-42%) was the largest detractor as industrial metal and coal prices declined in 2011 for the first time since 2008 on fears of a slowing economy. Potash Corp (-18%) was also among leading detractors on fears of declining agricultural commodity prices. Several major gold stocks detracted in 2011 including Kinross Gold (-39%), Barrick Gold (-13%), and Agnico-Eagle Mines (-52%) as the price of gold corrected 20% off a 2011 top and as several miners struggled with highly publicized operating issues.
Information Technology 1% of S&P/TSX Composite	-52.57%	<ul style="list-style-type: none"> Research in Motion (-75%) was responsible for the sector's poor performance based continuing deterioration in its share of the smartphone market, greatly lowered analyst expectations and rumours about its exit from the tablet market. The stock dropped more than 20% in each of Q2, Q3 and Q4.