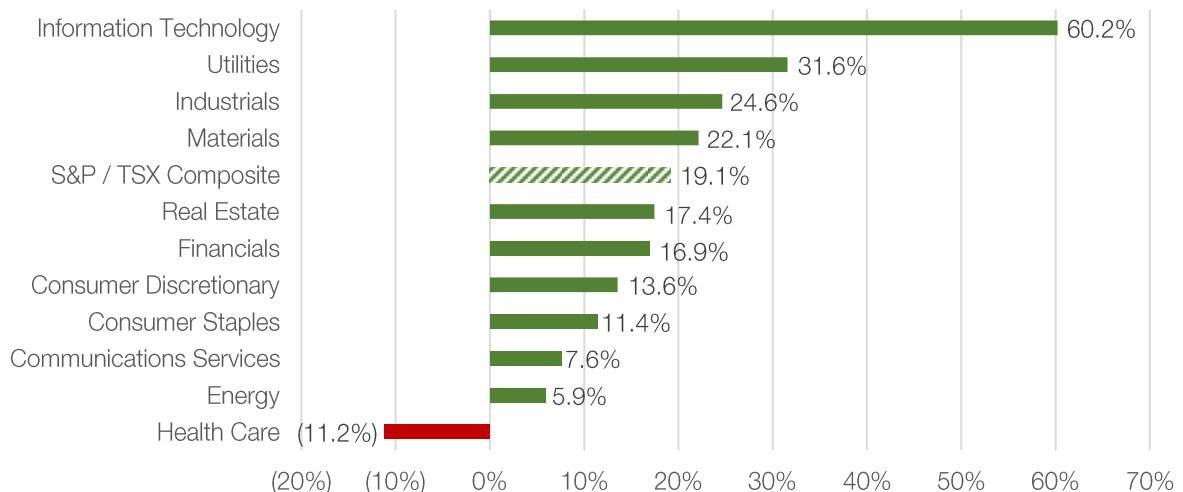


2019: TSX delivers biggest annual gain since 2009

Information Technology's gain in 2019 best annual return for any sector this decade

2019 Capped Sector Performance



2019 Highlights

- The S&P/TSX Composite returned +2.4% in Q4 and +19.1% for the entire year. 2019 was the strongest year for the index since 2009.
- Of the 260 stocks that were in the TSX Composite at some point during 2019, 178 (68%) recorded a gain.
- In 2019, mid-capitalization (S&P/TSX Completion) stocks generated better returns than the overall Composite while large cap (S&P/TSX 60) slightly lagged.
- In 2019, the Canadian market underperformed the US market in home currency terms (US returned +28.9%) and in Canadian dollar terms (US market returned +22.7% in C\$ terms).
- Ten of eleven sectors generated positive 2019 returns.
- Information Technology posted the strongest gains in 2019, delivering the best year for any sector in any year of the decade, primarily due to a triple-digit percentage gain in Shopify. Utilities, Industrials and Materials also generated returns in excess of the overall market.
- The Health Care sector was the only losing sector in 2019 primarily due to weakness from cannabis stocks.

2019 Index Returns	Q4	YTD
S&P/TSX Composite	+2.4%	+19.1%
S&P/TSX 60 (Large Cap)	+1.7%	+18.1%
S&P/TSX Completion (Mid Cap)	+5.1%	+22.7%
S&P/TSX SmallCap	+5.5%	+12.9%

2019 Biggest Contributors	2019 Biggest Detractors
Shopify	Aurora Cannabis
Brookfield Asset Management	Teck Resources
TC Energy Corporation	Husky Energy
Enbridge	Canopy Growth Corporation
Manulife Financial	SNC - Lavalin Group
Thomson Reuters	Turquoise Hill Resources
Royal Bank of Canada	Rogers Communications
Canadian Pacific Railway	EnCana
Canadian National Railway	Cameco
Canadian Natural Resources	OceanaGold

Sector	2019 Returns	Biggest Impacts
Information Technology 6% of S&P/TSX Composite	+60.2%	<ul style="list-style-type: none"> Shopify (+173%) led sector contributors as its addition to the S&P/TSX 60 index, plans to double its workforce in the Toronto area, introduction of a strategy involving new innovations for merchants and consumers including development of a US fulfillment network and late-year speculation that it could be a takeover target outweighed the likelihood that it will deliver lower earnings in 2019 than in 2018. Constellation Software (+44%) and CGI (+30%) were also leading sector contributors.
Utilities 5% of S&P/TSX Composite	+31.6%	<ul style="list-style-type: none"> Stocks in this high-dividend yielding sector benefited from declining interest rates with every stock in the sector recording a yearly gain and Brookfield Infrastructure Partners (+38%), Brookfield Renewable Energy Partners (+71%) and Fortis (+18%) the leading sector contributors.
Industrials 11% of S&P/TSX Composite	+24.6%	<ul style="list-style-type: none"> Thomson Reuters (+41%), which moved from the Financials sector to Industrials in Q3 due to a change in its revenue mix, led contributors from the sector on four consecutive positive quarterly earnings surprises and positive reaction to the sale of a stake in Refinitiv. Canadian Pacific Railway (+37%) and Canadian National Railways (+16%) ranked second and third among sector contributors. 2019 saw a slight increase in railway traffic in Canada as pipeline capacity constraints caused more petroleum shipments by rail, helping both railways. Canadian National, which has more exposure to the US market, lagged as overall US railway traffic declined during 2019.
Materials 11% of S&P/TSX Composite	+22.1%	<ul style="list-style-type: none"> An 18% increase in the price of gold during 2019 aided Franco-Nevada Corp (+40%), Barrick Gold (+31%), Agnico-Eagle Mines (+45%) and Wheaton Precious Metals (+45%) to lead sector contributors. Teck Resources (-23%) led sector detractors as lower average copper and zinc prices and lower 2019 production targets for steelmaking coal will cause a second consecutive annual earnings decline.
Real Estate 4% of S&P/TSX Composite	+17.4%	<ul style="list-style-type: none"> Every stock in the Real Estate sector rose in 2019 as investors sought perceived safety and relatively high yields with Canadian Apartment Properties REIT (+20%) and Colliers International (+34%) leading sector contributors.
Financials 32% of S&P/TSX Composite	+16.9%	<ul style="list-style-type: none"> Brookfield Asset Management (+43%) led sector contributors on 2019 earnings that will be below 2018 results but that nevertheless have to-date come in well above analyst forecasts. Life insurers delivered strong results with Manulife (+36%) and Sun Life (+31%) ranking as the second and fifth leading sector contributors with Great-West Lifeco (+18%) lagging due to weaker earnings. Every bank except CIBC delivered earnings growth in fiscal 2019 (ending October), but each struggled to meet quarterly earnings expectations at some point, causing banks to lag the broad market. Their large weightings meant they still were major contributors to sector performance with Royal Bank (+10%), Toronto-Dominion (+7%), Bank of Montreal (+13%), Bank of Nova Scotia (+8%), National Bank (+29%) and CIBC (+6%) ranking third, fourth, sixth, eighth, tenth and fourteenth, respectively.
Consumer Discretionary 4% of S&P/TSX Composite	+13.6%	<ul style="list-style-type: none"> Dollarama (+37%), Stars Group (+50%), Magna International (+15%) and Restaurant Brands International (+16%) were the four leading contributors from the sector. Stars Group's increase was a result of its agreement to be acquired by Flutter Entertainment, which owns Irish bookmaker Paddy Power.
Consumer Staples 4% of S&P/TSX Composite	+11.4%	<ul style="list-style-type: none"> Alimentation Couche-Tard (+21%) was the leading sector contributor based on a strong first half. Loblaw Companies (+10%) and George Weston (+14%) were also leading sector contributors in 2019.
Communications Services 6% of S&P/TSX Composite	+7.6%	<ul style="list-style-type: none"> BCE (+12%) and TELUS (+11%) led sector contributors in a sector whose performance was constrained after Rogers Communications (-8%) initiated an "unlimited data" price war in mid-June, forcing providers to also offer customers better data packages and pricing. In spite of its small weight in the sector, Cogeco Communications (+72%) was the third leading sector contributor as fiscal 2019 earnings rose by double-digit percentages for the third consecutive year.
Energy 17% of S&P/TSX Composite	+5.9%	<ul style="list-style-type: none"> Declining interest rates caused investors to seek higher yields in the pipeline space in 2019 benefiting TC Energy Corporation (+42%) and Enbridge (+22%) which led contributors from the sector. Both delivered consistent positive earnings surprises in 2019 but Enbridge price gains were constrained by a series of regulatory and legal issues with their Line 3 and Line 5 oil pipelines in the US. The S&P GSCI Energy commodity price index rose 30% in 2019, but did not universally benefit energy companies. Canadian Natural Resources (+28%), Suncor (+12%), and Cenovus (+38%) were third, fourth and fifth among sector contributors but Husky (-26%) and EnCana (-23%) led sector detractors.
Health Care 1% of S&P/TSX Composite	-11.2%	<ul style="list-style-type: none"> Cannabis companies weighed on sector performance as results indicated sales, while growing, were weaker than investors anticipated and that this new industry is struggling to translate sales growth into profitability. Aurora Cannabis (-59%) and Canopy Growth Corporation (-25%) led sector detractors. Bausch Health Companies (+54%) had a very strong year on building analyst and investor confidence that their turnaround will succeed.