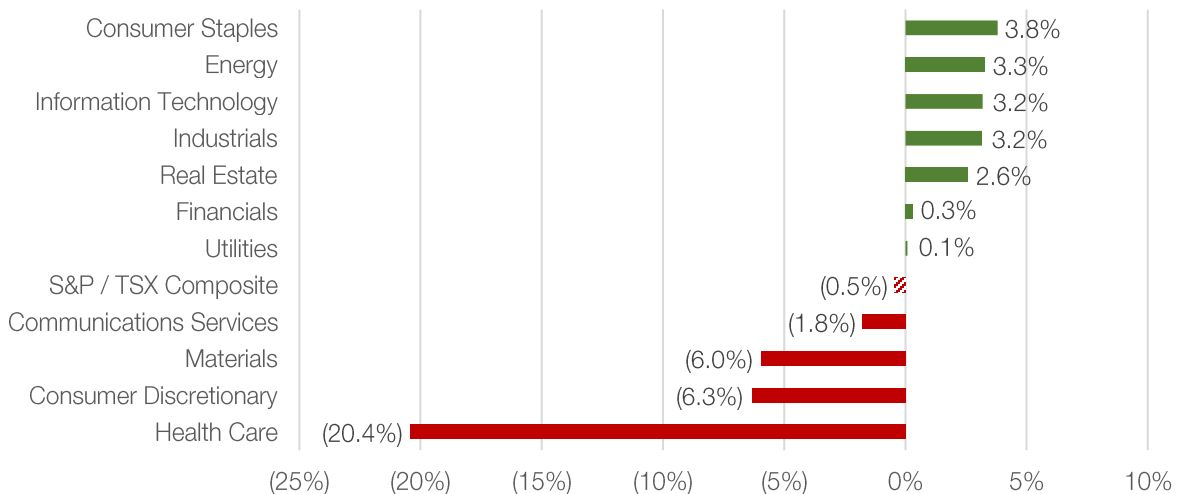


### Q3 2021: TSX Composite little changed in quarter

Eight of eleven sectors generate gains or losses of less than 4% in Q3

#### Q3 2021 Capped Sector Performance



#### Q3 2021 Highlights

- The S&P/TSX Composite returned -0.5% in Q3. YTD the index has risen +15.1%.
- Of the 239 stocks that were in the TSX Composite at some point during Q3, 109 (46%) recorded a gain.
- For Q3, mid-capitalization (S&P/TSX Completion) performed best, followed closely by large caps (S&P/TSX 60) with small caps (S&P/TSX SmallCap) lagging.
- In Q3, the Canadian market underperformed the US market in home currency terms (US returned +0.2%) and in Canadian dollar terms (US market returned +3.0% in C\$ terms).
- Health Care was the worst performing sector, but its modest weighting in the index meant that its impact on overall index return was minor.
- Consumer Discretionary and Materials ranked second and third among losing sectors in Q3.
- Consumer Staples, Energy, Information Technology and Industrials were the best performing sectors in Q3, delivering similar modest gains.
- YTD, Energy is the best performing sector, generating a +58.9% return, nearly tripling the next best sector (Real Estate at +22.8%).

2021 Index Returns	Q3	YTD
S&P/TSX Composite	-0.5%	+15.1%
S&P/TSX 60 (Large Cap)	-0.5%	+16.3%
S&P/TSX Completion (Mid Cap)	-0.4%	+11.0%
S&P/TSX SmallCap	-3.0%	+15.2%

Q3 Biggest Contributors	Q3 Biggest Detractors
Canadian National Railway	Shopify
Thomson Reuters	Canadian Pacific Railway
Brookfield Asset Management	Magna International
Constellation Software	Toronto-Dominion Bank
Nutrien	Suncor Energy
Loblaw Companies	Barrick Gold
Waste Connections	Canopy Growth Corporation
George Weston	Tilray
Tourmaline Oil	First Quantum Minerals
Nuvei Corporation	Bank of Nova Scotia

Sector	Q3 Returns	Biggest Impacts
<b>Consumer Staples</b> 4% of S&P/TSX Composite	+3.8%	<ul style="list-style-type: none"> <li>Loblaw Companies (+14%), George Weston (+16%) and Alimentation Couche-Tard (+6%) led sector contributors as all benefited from notable analyst upgrades during Q3.</li> <li>Saputo (-13%) led sector detractors as analysts lowered price targets following its virtual investor day.</li> </ul>
<b>Energy</b> 13% of S&P/TSX Composite	+3.3%	<ul style="list-style-type: none"> <li>A 7% increase in the S&amp;P GSCI Energy commodity price index, driven by a 61% increase in its natural gas component, prompted producers and integrators Tourmaline Oil (+25%), Cenovus Energy (+8%), Imperial Oil (+6%) and Canadian Natural Resources (+3%) to rank first, second, fourth and fifth, respectively, among contributors from the sector.</li> <li>Enbridge (+2%) traded in a narrow trading range during Q3 but its large market cap caused a small share price gain to translate into the third leading contribution among sector components during Q3.</li> <li>Suncor Energy (-12%) led sector detractors as companies with heavy exposure to gasoline retail (Suncor owns Petro-Canada) tended to underperform the market in Q3.</li> </ul>
<b>Information Technology</b> 12% of S&P/TSX Composite	+3.2%	<ul style="list-style-type: none"> <li>Constellation Software (+11%), Nuvei Corp (+43%) and Lightspeed Commerce (+18%) were the top three sector contributors, respectively, in Q3.</li> <li>Shopify (-5%) led sector detractors on news that Amazon is developing a new point-of-sale system to better compete with Shopify and PayPal in efforts to attract small business customers.</li> </ul>
<b>Industrials</b> 12% of S&P/TSX Composite	+3.2%	<ul style="list-style-type: none"> <li>Markets appeared to view the price associated with the acquisition of US railroad Kansas City Southern as too high. After failing to gain US regulatory approval, Canadian National Railway (+12%) dropped its bid for the US railway and then led Q3 sector contributors. Canadian Pacific Railway (-13%) then successfully concluded a merger deal with the US railway, but that led to CP becoming the sector's largest detractor in Q3.</li> <li>Thomson Reuters (+14%), Waste Connections (+8%) and GFL Environmental (+19%) ranked second, third and fourth, respectively, among sector contributors.</li> </ul>
<b>Real Estate</b> 3% of S&P/TSX Composite	+2.6%	<ul style="list-style-type: none"> <li>Colliers International (+17%) and FirstService Corp (+8%) led sector contributors as both delivered quarterly earnings exceeding analyst expectations.</li> <li>Allied Properties REIT (-11%) led sector detractors on Covid-related fears of a slower return to offices.</li> </ul>
<b>Financials</b> 32% of S&P/TSX Composite	+0.3%	<ul style="list-style-type: none"> <li>Brookfield Asset Management (+7%) led sector contributors in Q3.</li> <li>In spite of delivering earnings that universally beat analyst expectations, big banks delivered flat performance in Q3 with National Bank (+5%) and Royal Bank (+0%) ranking fourth and seventh among sector contributors while Toronto-Dominion Bank (-3%), Bank of Nova Scotia (-3%), Bank of Montreal (-0%) and CIBC (-0%) ranked first, second, fifth and ninth among sector detractors.</li> <li>Life insurers contributed to gains as Great-West Lifeco (+5%) and Sun Life Financial (+2%) ranked third and fifth among sector contributors while Manulife Financial (-0%) was essentially flat.</li> </ul>
<b>Utilities</b> 5% of S&P/TSX Composite	+0.1%	<ul style="list-style-type: none"> <li>Brookfield Infrastructure Partners (+4%) and Fortis (+2%) led sector contributors.</li> <li>Renewable energy firms Northland Power (-6%) and TransAlta Renewables (-9%) led sector detractors on earnings that fell significantly short of analyst estimates.</li> </ul>
<b>Communications Services</b> 5% of S&P/TSX Composite	-1.8%	<ul style="list-style-type: none"> <li>Rogers Communications (-10%) led sector detractors as attempts to gain regulatory approval of its acquisition of Shaw Communications (+3%) dragged on amidst industry and consumer opposition.</li> <li>BCE (+4%) led sector contributors but there were no obvious catalysts for the share price gains.</li> </ul>
<b>Materials</b> 11% of S&P/TSX Composite	-6.0%	<ul style="list-style-type: none"> <li>A 1% Q3 drop in gold prices caused gold and precious metals miners Barrick Gold (-11%), Wheaton Precious Metals (-13%), Franco-Nevada (-9%) and Agnico-Eagle Mines (-12%) to respectively rank first, third, fourth and fifth among sector detractors.</li> <li>First Quantum Minerals (-18%) ranked second among sector detractors on speculation that Panama may seek to increase royalties that would affect the company's copper mine in that country.</li> <li>Nutrien (+9%) led sector contributors as the company again increased its full-year earnings guidance.</li> <li>West Fraser Timber (+20%) was the second leading contributor in the sector.</li> </ul>
<b>Consumer Discretionary</b> 4% of S&P/TSX Composite	-6.3%	<ul style="list-style-type: none"> <li>Magna International (-17%) led sector detractors on negative market reaction to its proposed takeover of Swedish automotive technology developer Veoneer, followed by a so-far unsuccessful attempt by Qualcomm to outbid Magna for the company.</li> <li>Canadian Tire (-10%) was the second leading detractor from the sector.</li> </ul>
<b>Health Care</b> 1% of S&P/TSX Composite	-20.4%	<ul style="list-style-type: none"> <li>Canopy Growth Corp (-41%), Tilray (-36%) and Cronos (-33%) led sector detractors as proposed US legislation to legalize cannabis at the federal level was met with disappointment by investors.</li> <li>Trillium Therapeutics (+84%) led sector contributors as it accepted a takeover offer from Pfizer.</li> </ul>