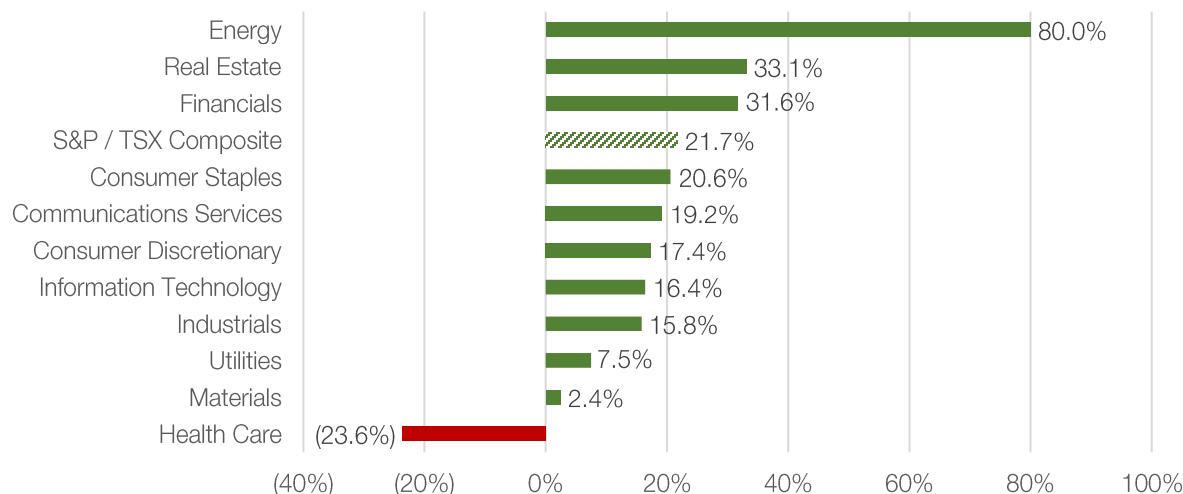


2021: TSX Composite posts best year since 2009

Energy leads all sectors for the year with Real Estate and Financials also posting strong gains

2021 Capped Sector Performance



2021 Highlights

- The S&P/TSX Composite returned +5.7% in Q4 to boost the full-year gain on the index to +21.7%.
- Of the 260 stocks that were in the TSX Composite at some point during 2021, 178 (68%) recorded a gain.
- For 2021, large caps (S&P/TSX 60) performed best, followed by small caps (S&P/TSX SmallCap) with mid-capitalization (S&P/TSX Completion) in the rear.
- In 2021, the Canadian market underperformed the US market in home currency terms (US returned +26.9%) and in Canadian dollar terms (US market returned +26.4% in C\$ terms).
- Energy was by far the best performing sector for the year on the back of solid gains in oil and natural gas commodity prices.
- Real Estate and Financials were the second and third best performing sectors. Financials' large weight (the sector constitutes almost a third of the Canadian market) meant that the gains in that sector had a large impact on the overall market gains. Five of the top ten market contributors came from the Financials sector.
- Health Care was the only losing sector for the year as cannabis stocks saw significant declines.

2021 Index Returns	Q4	YTD
S&P/TSX Composite	+5.7%	+21.7%
S&P/TSX 60 (Large Cap)	+7.0%	+24.4%
S&P/TSX Completion (Mid Cap)	+1.4%	+12.6%
S&P/TSX SmallCap	+2.6%	+18.2%

2021 Biggest Contributors	2021 Biggest Detractors
Toronto-Dominion Bank	Barrick Gold
Royal Bank of Canada	Canopy Growth Corporation
Brookfield Asset Management	Agnico-Eagle Mines
Shopify	Tilray
Canadian Natural Resources	Ballard Power Systems
Bank of Montreal	Lightspeed Commerce
Bank of Nova Scotia	Saputo
Thomson Reuters	Brookfield Renewable Energy
Nutrien	Pan American Silver
Enbridge	Kinross Gold

Sector	2021 Returns	Biggest Impacts
Energy 13% of S&P/TSX Composite	+80.0%	<ul style="list-style-type: none"> Producers and integrateds Canadian Natural Resources (+75%), Imperial Oil (+89%), Suncor Energy (+48%), Cenovus Energy (+100%) and Tourmaline Oil (+138%) ranked first, third, fourth, fifth and seventh among sector contributors on a 54% increase in the S&P GSCI Energy commodity index. Enbridge (+21%) and TC Energy (+14%) ranked second and sixth among contributors from the sector as both were able to repeatedly beat quarterly earnings expectations.
Real Estate 3% of S&P/TSX Composite	+33.1%	<ul style="list-style-type: none"> FirstService Corp (+43%) and Colliers International (+66%) led sector contributors as both delivered four consecutive quarterly earnings reports that exceeded analyst expectations and are expected to deliver 27% and 39% year-over-year earnings growth in 2021, respectively.
Financials 32% of S&P/TSX Composite	+31.6%	<ul style="list-style-type: none"> All six big banks generated record 2021 fiscal year profits driving Toronto-Dominion Bank (+35%), Royal Bank (+28%), Bank of Montreal (+41%), Bank of Nova Scotia (+30%), CIBC (+36%) and National Bank (+35%) to rank first, second, fourth, fifth, sixth and seventh among sector contributors. Brookfield Asset Management (+45%) ranked third among 2021 sector contributors as it consistently generated strong growth in funds from operations over the course of the year. Life insurers contributed to gains as Sun Life Financial (+24%) Great-West Lifeco (+25%) and Manulife Financial (+6%) ranked eighth, tenth and twelfth among 2021 sector contributors.
Consumer Staples 4% of S&P/TSX Composite	+20.6%	<ul style="list-style-type: none"> Loblaw Companies (+65%) and George Weston (+54%) were the first and third sector contributors after announcing in Q1 that Weston would be divesting its Weston Foods division to concentrate on retail and real estate and that Galen Weston would return as Loblaw's chairman and president. Alimentation Couche-Tard (+22%) was the second leading sector contributor after recovering from early year weakness caused by negative market reaction to its bid to acquire French multinational retailer Carrefour (which was later withdrawn after French government opposition).
Communications Services 5% of S&P/TSX Composite	+19.2%	<ul style="list-style-type: none"> BCE (+21%) and TELUS (+18%) ranked first and third, respectively, among sector contributors. Shaw Communications (+72%) was the sector's second leading contributor after receiving a takeover offer from Rogers Communications (+2%). Rogers underperformed other sector components as an internal battle between members of the Rogers family for control of the company concluded with Edward Rogers emerging victorious, resulting in the departure of CEO Joe Natale in November.
Consumer Discretionary 4% of S&P/TSX Composite	+17.4%	<ul style="list-style-type: none"> Magna International (+14%) led sector contributors as early year earnings strength drove gains that later abated on weakening earnings momentum as the year progressed. Gildan Activewear (+51%) and Dollarama (+22%) ranked second and third among sector contributors, respectively, as both appear poised to deliver record annual earnings during their current fiscal years.
Information Technology 11% of S&P/TSX Composite	+16.4%	<ul style="list-style-type: none"> Shopify (+21%) led sector contributors as Google said it is working with Shopify to let more merchants sell across the search giant's properties and to meaningfully increase its e-commerce business. Constellation Software (+42%) was the second leading sector contributor in 2021.
Industrials 12% of S&P/TSX Composite	+15.8%	<ul style="list-style-type: none"> Thomson Reuters (+45%) led sectors contributors on a series of quarterly earnings beats. Waste Connections (+32%), WSP Global (+52%) and TFI International (+116%) ranked second, fourth and fifth, respectively, among sector contributors in 2021. Canadian National Railway (+11%) was the third leading contributor after it dropped its bid to acquire US railroad Kansas City Southern after failing to gain US regulatory approval. This allowed Canadian Pacific Railway (+3%) to conclude a deal to acquire the US railroad instead. Market participants appeared to view the price associated with the acquisition as too high as Canadian Pacific significantly lagged Canadian National in terms of stock performance.
Utilities 5% of S&P/TSX Composite	+7.5%	<ul style="list-style-type: none"> Fortis (+17%) and Brookfield Infrastructure Partners (+22%) led sector contributors. Brookfield Renewable Energy Partners (-18%) led sector detractors as renewable energy's popularity as an investment theme waned in 2021.
Materials 12% of S&P/TSX Composite	+2.4%	<ul style="list-style-type: none"> Nutrien (+55%) led sector contributors as 2021 earnings appear poised to triple from those of 2020. Teck Resources (+58%) and First Quantum Minerals (+32%) ranked second and third among sector contributors, benefiting from the 31% rise in the S&P GSCI Industrial Metals commodity price index. A 4% drop in gold prices in 2021 caused gold and precious metals miners Barrick Gold (-17%) and Agnico-Eagle Mines (-25%) to respectively rank first and second among sector detractors.
Health Care 1% of S&P/TSX Composite	-23.6%	<ul style="list-style-type: none"> Canopy Growth Corp (-65%) and Tilray (-54%) led sector detractors as Q1 speculative enthusiasm gave way to a realization that cannabis companies were still not profitable in spite of revenue growth. Bausch Health (+32%) led sector contributors based on Q1 gains after it raised revenue guidance and news broke that funds controlled by Carl Icahn had purchased a 7.8% stake in the company.