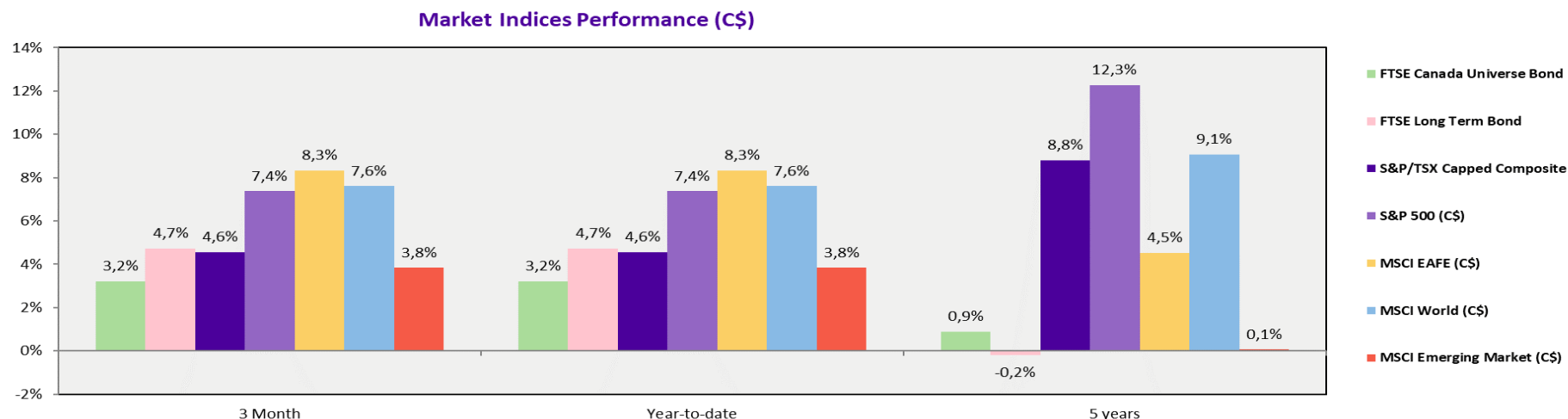


Commentary as at March 31, 2023



Eventful start to the year: markets closing the quarter on a high

The year 2023 started off strong with positive performances across all markets. This is in the wake of a difficult 2022 where equity markets had negative performances. The banking turmoil in the US marked the first quarter of 2023. Investors remained optimistic, nonetheless, reassured by the Fed's quick intervention. The coming months, however, remain a source of uncertainty, with inflation rates still high.

The international market (excluding Canada and the US) was the top performer in the first quarter, as evidenced by the MSCI EAFE's returns (8.3%). Meanwhile, MSCI World and MSCI Emerging Markets posted performances of 7.6% and 3.8%, respectively. The US market closed the quarter with a return of 7.4%, outpacing a more muted performance from the Canadian market (4.6%). In the bond markets, FTSE Canada Universe (3.2%) and FTSE Canada Long Term (4.7%) each closed the first quarter in positive territory.

The U.S. market was marked by two consecutive policy rate hikes at the end of the quarter. These increases were made by the Fed in response to sustained inflation. In addition, monetary authorities had to react to the collapse of Silicon Valley Bank in the banking sector, on top of containing inflation. Investor optimism at the beginning of the year overcame this turmoil and resulted in positive performance.

On the European side, the banking sector was also turbulent with the rescue of Credit Suisse by the UBS Group at the end of the quarter. In spite of this, European markets maintained the positive momentum that began in the final quarter of 2022 with a robust performance.

Gold finished the quarter up 9.2%, closing at US\$1,979.70 an ounce (spot price). In the oil patch, a barrel of Brent crude was down -7.0%, closing at US\$79.89. West Texas Intermediate (WTI) and Western Canada Select (WCS) were down -3.48% and -4.78%, closing the quarter at US\$75.67 and US\$54.42, respectively.

In employment news, the US economy created 1,034,000 jobs in the quarter, with a total of 3,971,000 added in the past 12 months. North of the border, 206,500 jobs were created in the quarter, while 391,600 were added in the past 12 months. Unemployment rates in Canada and the US remained stable from the previous quarter at 5.0% and 3.5%, respectively.

In the US residential real estate market, the most recent S&P CoreLogic Case-Shiller data (January 2023) showed a 12-month variation of +1.63%, while the Teranet-National Bank Home Price index (March 2023), which tracks Canadian residential property, showed a variation of -6.9% for the same period.

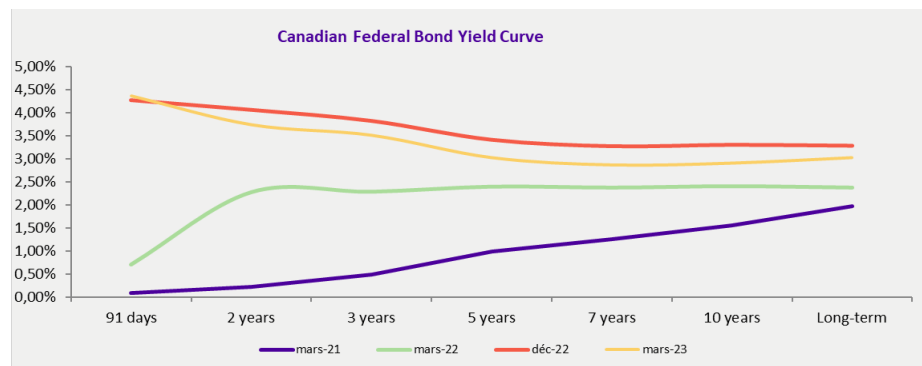
	Canada	United States
GDP Growth (y/y)	2.1%	0.9%
Inflation (y/y growth)	4,3%	5,0%
Job Creation (QTD)	206 500	1 034 000
Job Creation (y/y growth)	391 600	3 971 000
Unemployment Rate	5,0%	3,5%

Most recent data as of March 31st, 2022

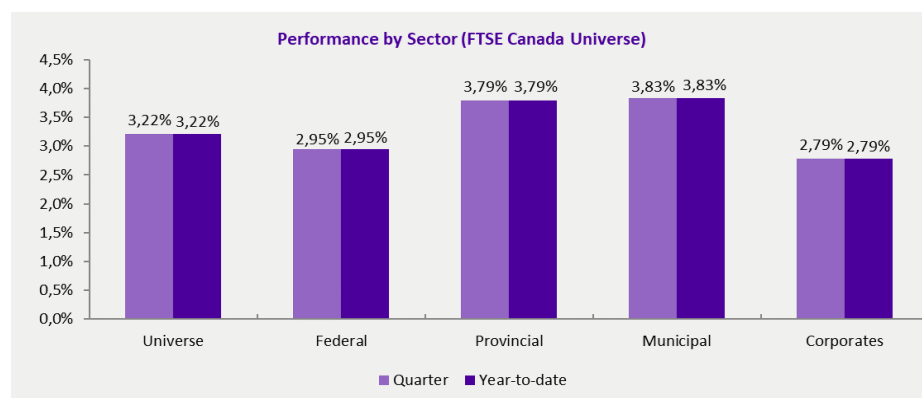
Commentary as at March 31, 2023

Canadian bond market

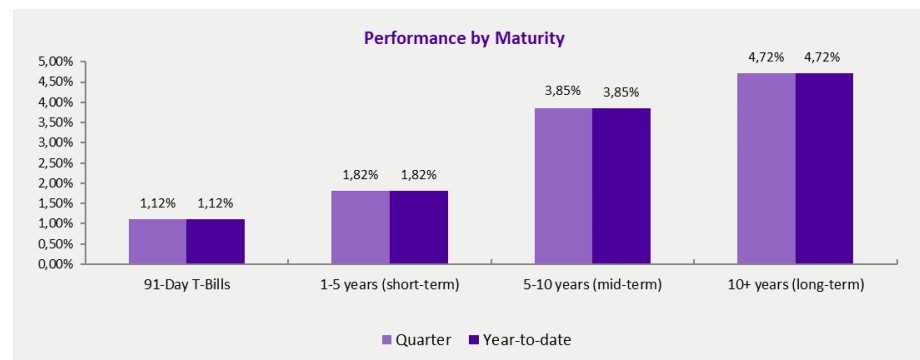
Bonds underperformed in Q1 2023 compared to the previous quarter.



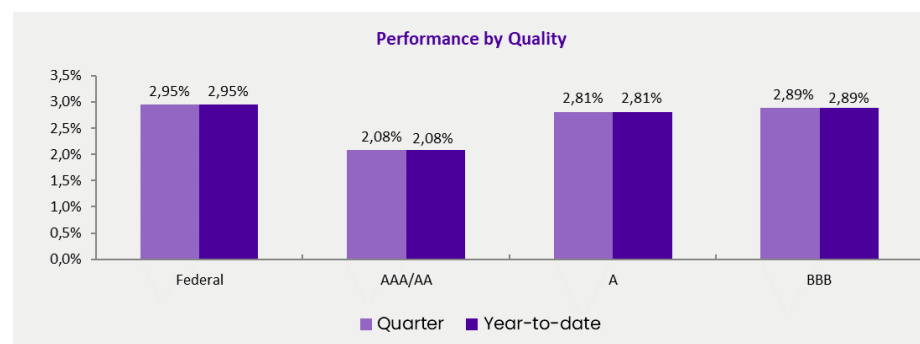
During the period, the FTSE Canada Universe index posted a return of 3.22%. Municipal bonds were the best performers with a return of 3.83%, followed closely by provincial bonds (3.79%).



Corporate bonds delivered the weakest performance with 2.79% return and federal bonds closed the quarter at 2.95%. The yield for Canada 10-year bonds dropped from 3.30% to 2.90%.



Long-term bonds were the best performers with a 4.72% return. Short- and medium-term bonds also did well in early 2023 with returns of 1.82% and 3.85%, respectively. Finally, 91-day Treasury bills posted the most modest return (1.12%). The 2-year, 10-year and 30-year federal bonds finished the quarter with yields to maturity of 3.74%, 2.90% and 3.02%, while 91-day Treasury bills posted a yield of 4.37%.

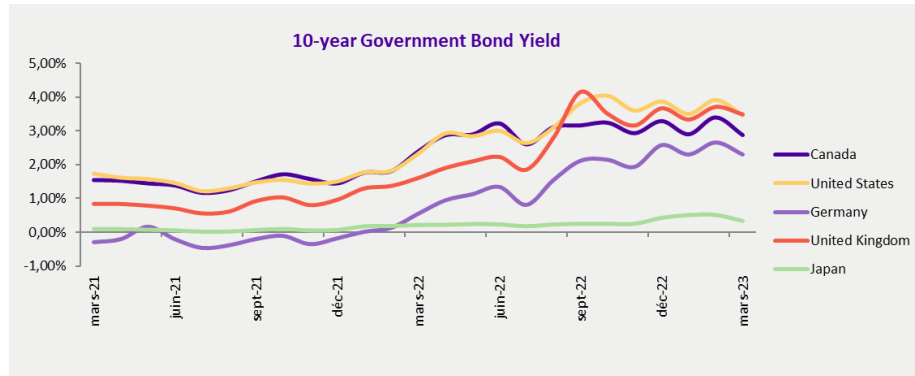


In terms of quality, federal bonds were the best performers with a return of 2.95% followed closely by BBB rated corporate bonds (2.89%). On the flip side, AAA/AA rated bonds were the worst performers in the first quarter with a return of 2.08%.

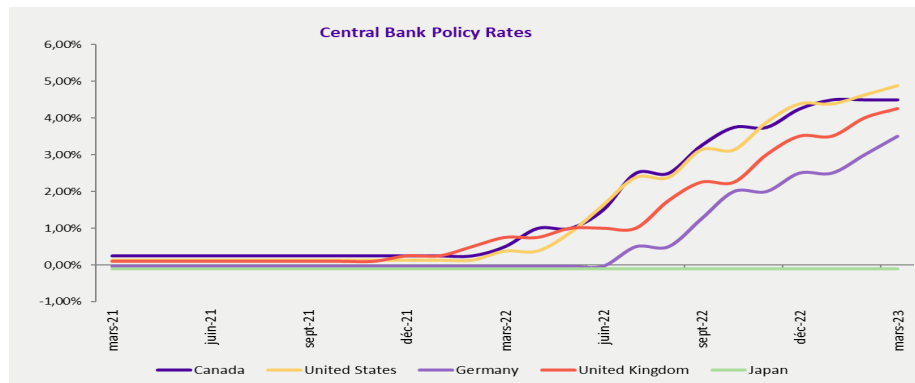
Commentary as at March 31, 2023

Global bond markets

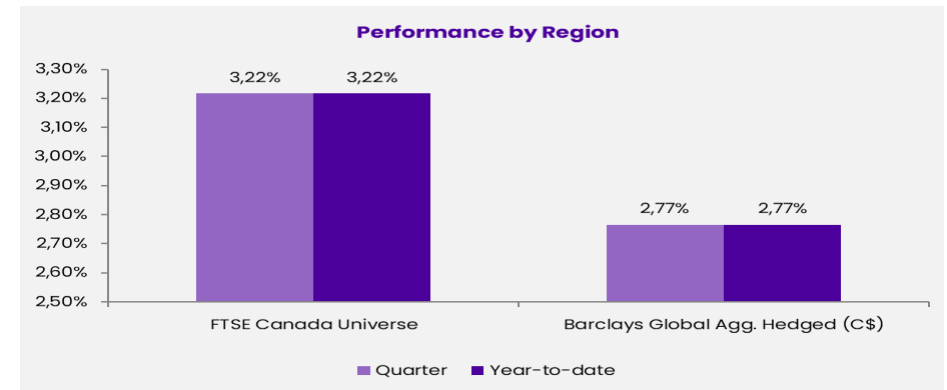
Yields to maturity for 10-year government bonds remained relatively stable, with a slight decline at the end of the quarter for all countries shown in the graph below.



The Bank of Canada raised its key rate to 4.50% during the quarter amid persistent over-target inflation, which represents a 0.25% increase. In the US, the Fed also decided to raise its key rate, to ranging from 4.50% and 4.75%. The Bank of England also moved to hike its key rate to 4.25%. These three central banks have thus continued their upward trend in rates.



Canadian bonds, as measured by the FTSE Canada Universe index, recorded a return of 3.22%, as opposed to 2.77% for global bonds (Barclays Global Aggregate, currency-hedged (CA\$)).

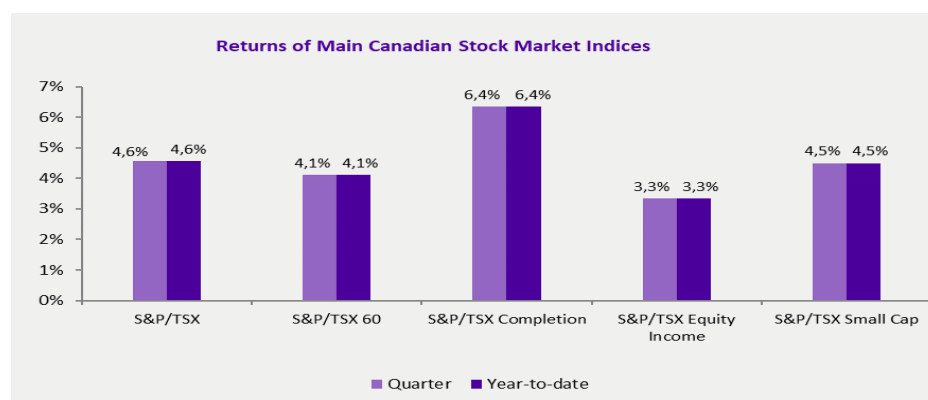


Commentary as at March 31, 2023

Canadian stock market

The Canadian stock market, as measured by the S&P/TSX index, finished the quarter with a return of 4.6%. The positive quarterly performance was primarily due to investor relief as the Bank of Canada halted interest rate hikes at the end of the quarter due to better than anticipated inflation data.

All the main Canadian indexes generated positive returns in the first quarter, with performances ranging from 3.3% to 6.4%, reflecting the wave of optimism in the first quarter. The best performing index was the S&P/TSX Completion with a return of 6.4%. In contrast, the S&P/TSX Equity Income Index had the lowest return at 3.3%.



S&P/TSX Sector	Weight (%)	Returns		
		Quarter	Year-to-date	3 years
Energy	16,8	-2,30%	-2,30%	30,27%
Materials	12,5	8,12%	8,12%	19,54%
Industrials	13,8	6,46%	6,46%	20,01%
Consumer Discretionary	3,7	4,64%	4,64%	26,60%
Consumer Staples	4,3	7,89%	7,89%	18,68%
Health Care	0,3	0,90%	0,90%	-27,44%
Financials	30,0	1,66%	1,66%	17,45%
Information Technology	6,7	26,61%	26,61%	11,11%
Communications Services	4,8	3,21%	3,21%	9,51%
Utilities	4,5	6,74%	6,74%	9,00%
Real Estate	2,5	6,11%	6,11%	13,23%

All S&P/TSX sectors posted positive returns in the first quarter except for Energy. The top performer was IT with a return of 26.6%; BlackBerry Ltd. was the biggest contributor in this regard (40.6%). BlackBerry is organized around the two markets of cybersecurity and the Internet of Things (IoT). The second-best sector was Materials (8.1%) supported by Equinox Gold Corp (56.7%), a growth-focused gold producer with seven operating mines.

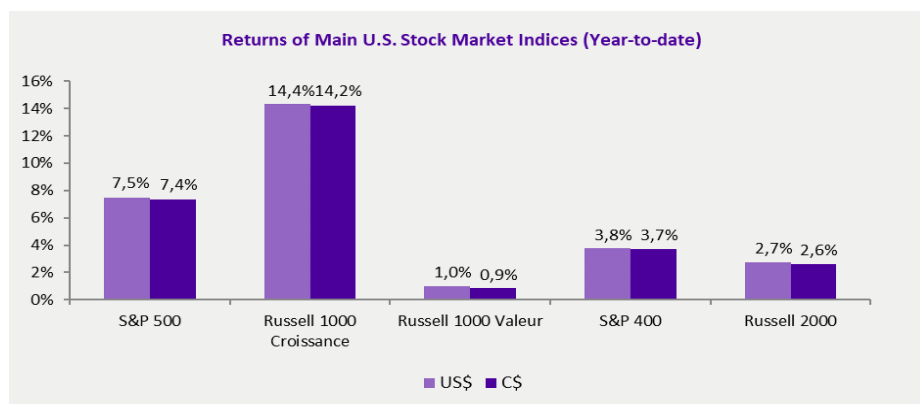
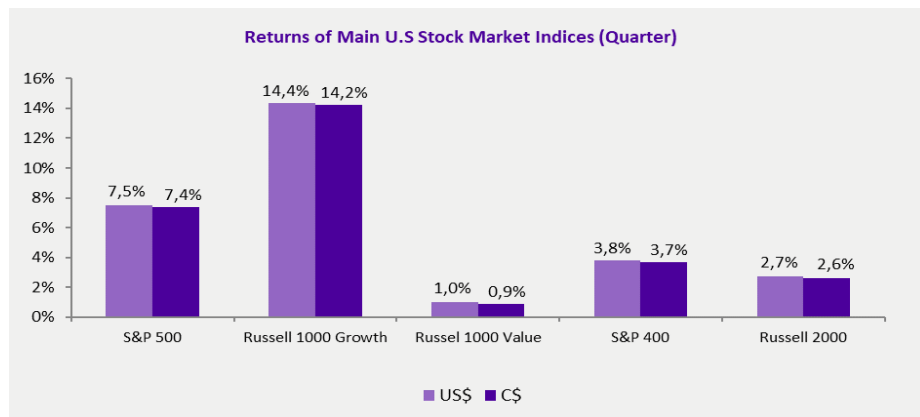
The Energy sector came in last place (-2.3%); its biggest detractor was Precision Drilling Corp (-33.0%). This company is active in the oil industry, particularly in drilling rigs. The Health Care sector also made a negative contribution to the index's quarterly performance, dropping to 10th place with a return of 0.90%. Here, the biggest detractor was Canopy Growth Corp (-24.5%), which specializes in the production and distribution of medicinal cannabis.

Commentary as at March 31, 2023

US stock market

During the first quarter, the S&P 500 was up 7.5% in US currency. The Canadian dollar's performance in relation to the US dollar had an impact on quarterly returns as the loonie appreciated. The Canadian-dollar return was 7.4% for investors.

Growth-style stocks outperformed value-style. The Russell 1000 Growth index posted a return of 14.4%, outperforming the Russell 1000 Value index at 1.0%. As regards market capitalization, large caps (S&P 500) outperformed small caps (Russell 2000) as well as medium caps (S&P 400).



S&P 500 Sector	Weight (%)	Returns (in CA\$)		
		Quarter	Year-to-date	3 years
Energy	4,6	-4,78%	-4,78%	45,96%
Materials	2,6	4,16%	4,16%	21,86%
Industrials	8,7	3,35%	3,35%	19,69%
Consumer Discretionary	10,1	16,00%	16,00%	12,63%
Consumer Staples	7,2	0,71%	0,71%	12,78%
Health Care	14,2	-4,42%	-4,42%	13,49%
Financials	12,9	-5,67%	-5,67%	16,14%
Information Technology	26,1	21,67%	21,67%	22,27%
Communications Services	8,1	20,36%	20,36%	7,62%
Utilities	2,9	-3,36%	-3,36%	8,50%
Real Estate	2,6	1,83%	1,83%	8,17%

Seven of the eleven US market sectors generated positive returns in Canadian dollars. The Financial Services and Energy sectors came in last, while the Information Technology and Communication Services sectors performed positively by 21.7% and 20.6%, making them the top contributors in the quarter. In the Information Technology sector, the largest contributor to performance was NVIDIA Corp (90.1%), a US company that designs parts for PCs and game consoles. In Communication Services, Warner Bros. Discovery (59.3%) made a very positive contribution to the sector's quarterly performance. This company is active in the entertainment industry, particularly in the production and distribution of movies.

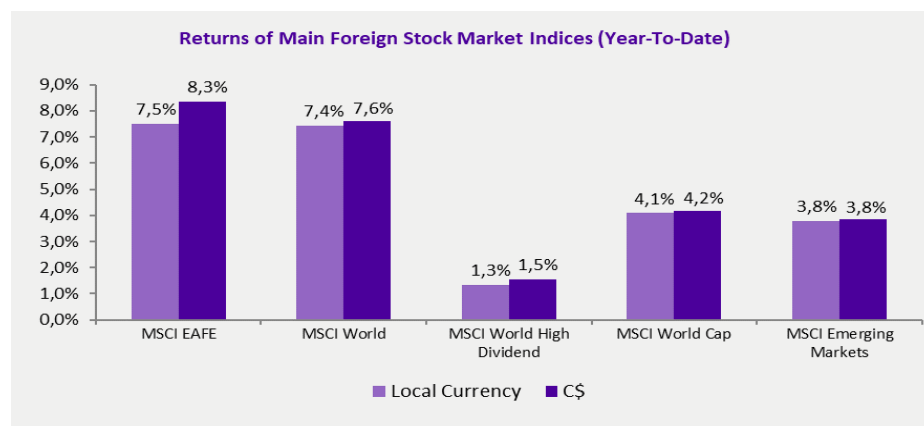
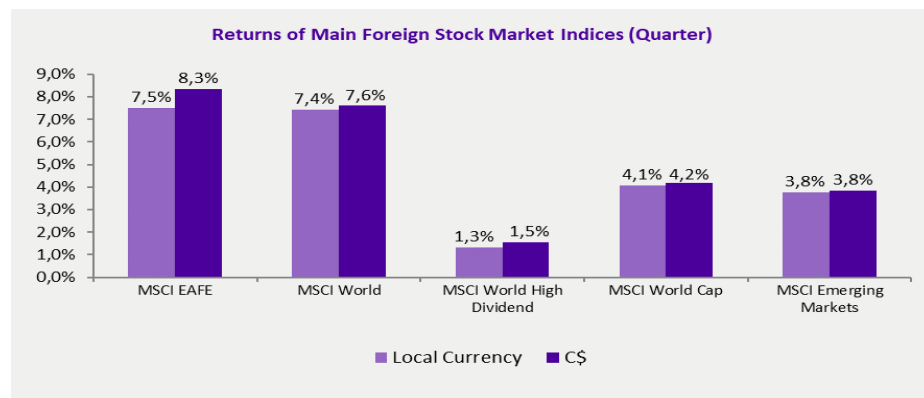
In contrast, the sector that most negatively impacted the index was Financial Services (-5.7%). The sector's biggest detractor is First Republic Bank (-88.5%) following the difficulties that the institution faced in the first quarter of the year. Energy also posted a negative return (-4.8%) and was greatly affected by the performance of APA Corp, which closed the quarter down -22.3%. APA is an American company that operates in the oil industry worldwide.

Commentary as at March 31, 2023

Foreign stock markets

All global stock markets generated positive returns in the first quarter, primarily thanks to a slowdown in inflation and higher investor confidence.

Of the indexes listed below, MSCI EAFE scored the best quarterly performance with a return of 7.5% in local currencies. By contrast, the MSCI World High Dividend Yield index turned in the worst performance with a 1.3% return.



MSCI EAFE Region	Weight (%)	Returns (in local currency)		
		Quarter	Quarter	3 years
United Kingdom	14,68%	3,23%	3,23%	14,70%
Europe ex-UK	41,83%	10,31%	10,31%	15,08%
Japan	21,34%	7,11%	7,11%	15,15%
Pacific ex-Japan	22,15%	3,06%	3,06%	11,99%

In local currencies, 21 of the 24 EAFE index countries generated positive first-quarter returns. Finland posted the lowest return of 2.10%, while the best performing country was Ireland with a return of 19.28%.

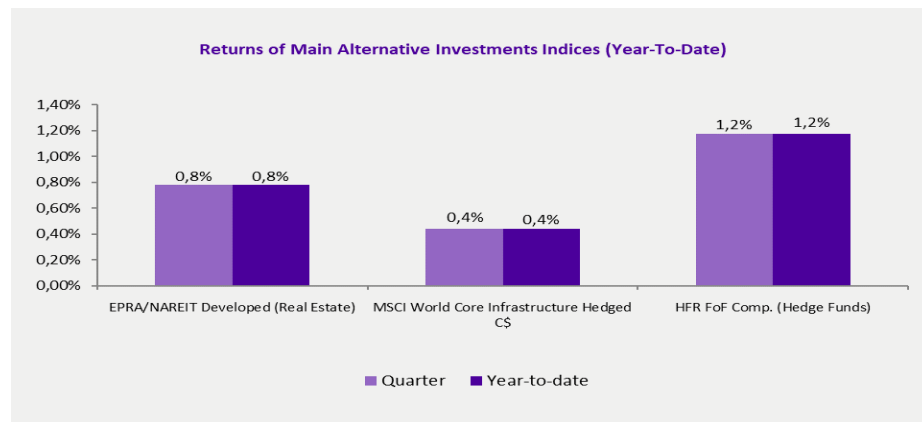
MSCI EAFE Sector	Weight (%)	Returns (in CA\$)		
		Quarter	Year-to-date	3 years
Energy	4,5	0,31%	0,31%	19,39%
Materials	7,7	7,46%	7,46%	18,63%
Industrials	15,6	11,72%	11,72%	13,07%
Consumer Discretionary	12,0	16,89%	16,89%	14,75%
Consumer Staples	10,4	7,45%	7,45%	5,25%
Health Care	13,2	5,25%	5,25%	5,77%
Financials	17,7	2,40%	2,40%	15,07%
Real Estate	2,4	-2,20%	-2,20%	-0,46%
Information Technology	8,6	18,81%	18,81%	12,99%
Communications Services	4,5	10,32%	10,32%	4,21%
Utilities	3,4	8,05%	8,05%	5,82%

All MSCI EAFE index sectors posted positive performances in Canadian currency except for Real Estate. The best quarterly performer was Information Technology with a return of 18.81%, helped by ASM International N.V. (60.5%) and Renesas Electronics Corp (60.1%). Consumer Discretionary came in second with a return of 16.9%; its biggest contributor was JD Sports Fashion PLC (44.7%).

The worst-performing sectors were Real Estate and Energy with returns of -2.20% and 0.31% respectively. The biggest Real Estate detractor was Aroundtown SA (-38.8%), while the biggest Energy detractor was Aker BP ASA (-19.3%).

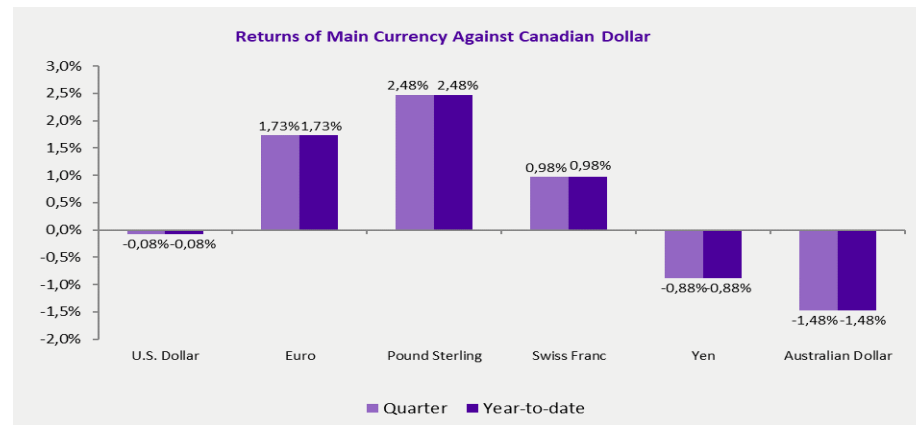
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Alternative investments and currencies



Returns in C\$			
Quarter	0,7%	0,4%	1,1%
YTD	0,7%	0,4%	1,1%

The three main alternative investment indexes had a positive quarter in US dollars, although the Canadian-dollar conversion was unfavourable. The MSCI World Core Infrastructure finished in last place among the alternative investment indexes with a return of 0.4% in US currency. It was followed by the EPRA/NAREIT Developed Index which finished with a return of 0.8%. Finally, the HFR FoF Comp index posted a return of 1.2%.



During the quarter, the Canadian dollar gained against the US dollar, the Yen, and the Australian dollar. It has, however, depreciated against the euro and the pound sterling.