



**GWL** Investment Management Ltd.

**Where do we go from here?  
Market Outlook 2010**

John Smith, President



# 2008 & 2009 – Making History

Financial Crisis/Banking Crisis

Credit Crisis

Housing Bubble

"Great Recession"

Historically low  
Central Bank Rates

\$13 Trillion in Stimulus!

# Unprecedented times!



## S&P/TSX (\$Cdn)

June 18/08 **-48.5%** → Mar 9/09 **55.2%** → Dec 31/09

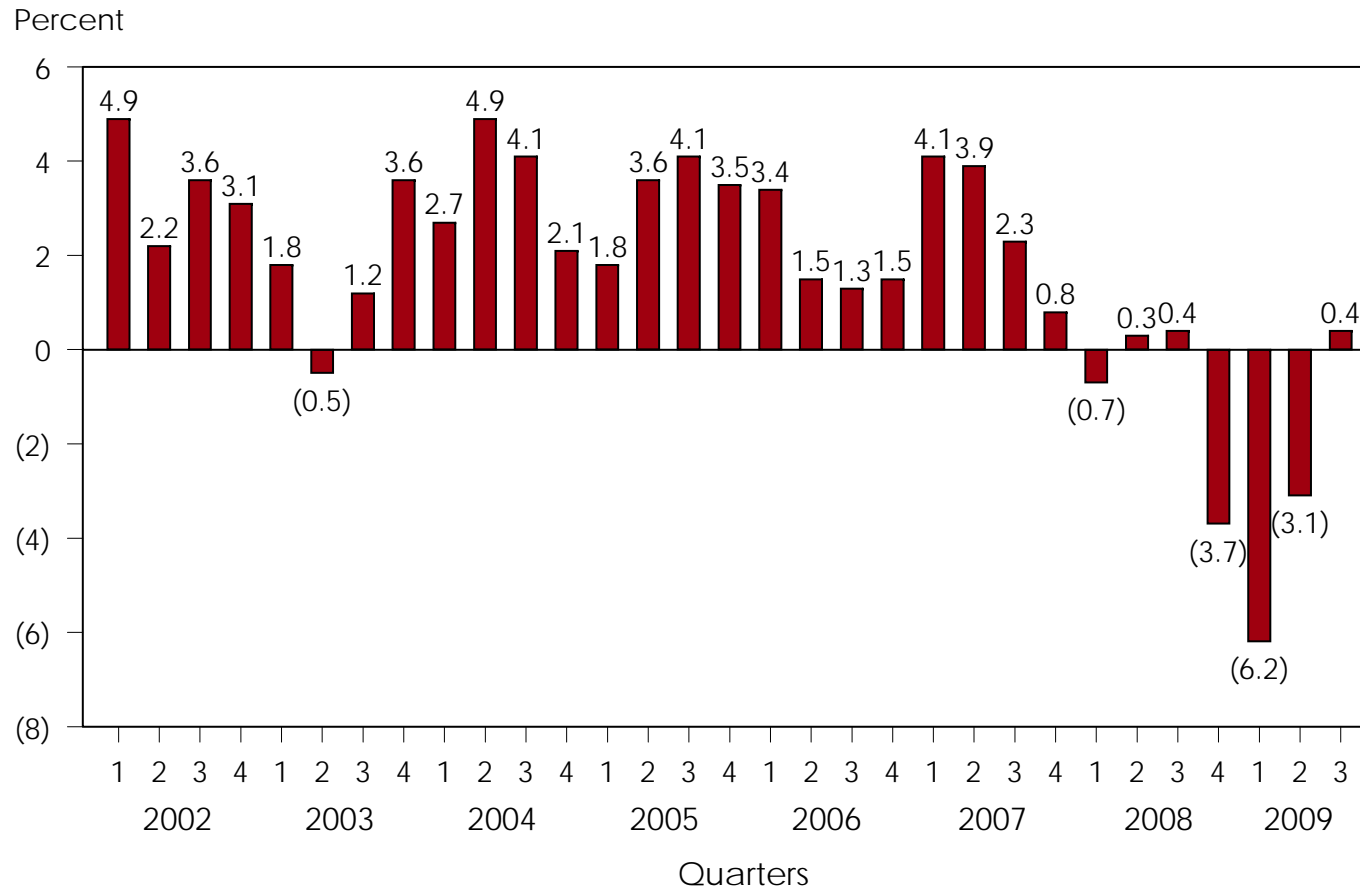
## S&P 500 (\$US)

Oct 9/07 **-55.3%** → Mar 9/09 **64.8%** → Dec 31/09

## MSCI World (\$US)

Oct 31/07 **-60.1%** → Mar 9/09 **73.4%** → Dec 31/09

# Canada Real GDP Growth (Quarterly Annualized)



December 23, 2009  
Source: Statistics Canada

# Where we are today...

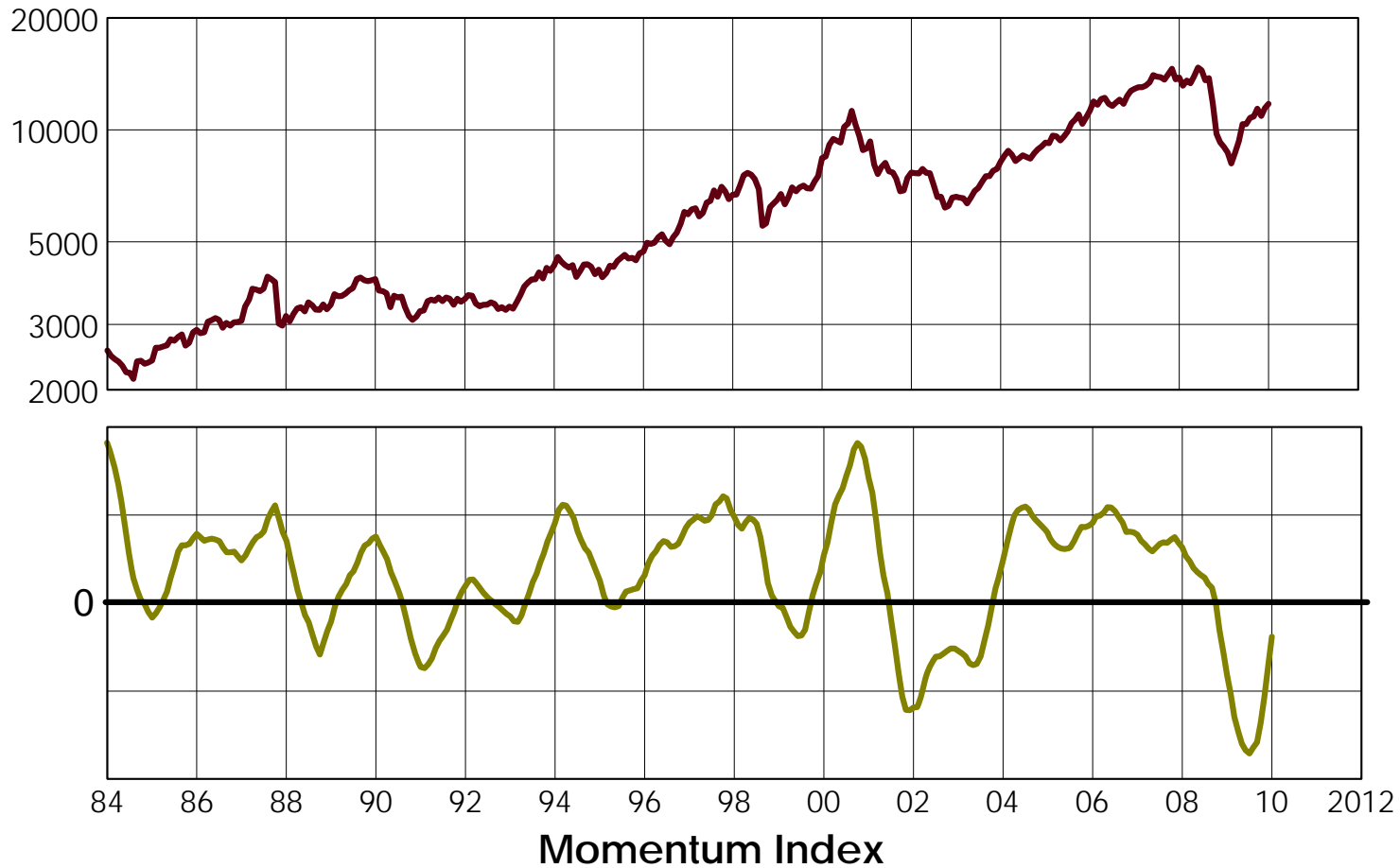
- Consumer and Business confidence is increasing
- Housing has turned around, both pricing and inventories
- Dramatic increase in automobile production and sales
- Mergers and acquisitions starting to explode
- Inflation and interest rates remain low
- Corporate earnings are surpassing expectations and surprising analysts
- Emerging markets are Recovering
- Inventories at record lows
- Commodity prices improving
- Banks are aggressively pursuing lending activity
- Cash: \$12 T in short term investments world wide
- U.S. consumer in great shape
- 780+ stimulus packages distributed world wide
- Economic indicators will continue to improve

# 10 Year Bond Yields (1950 – 2008)



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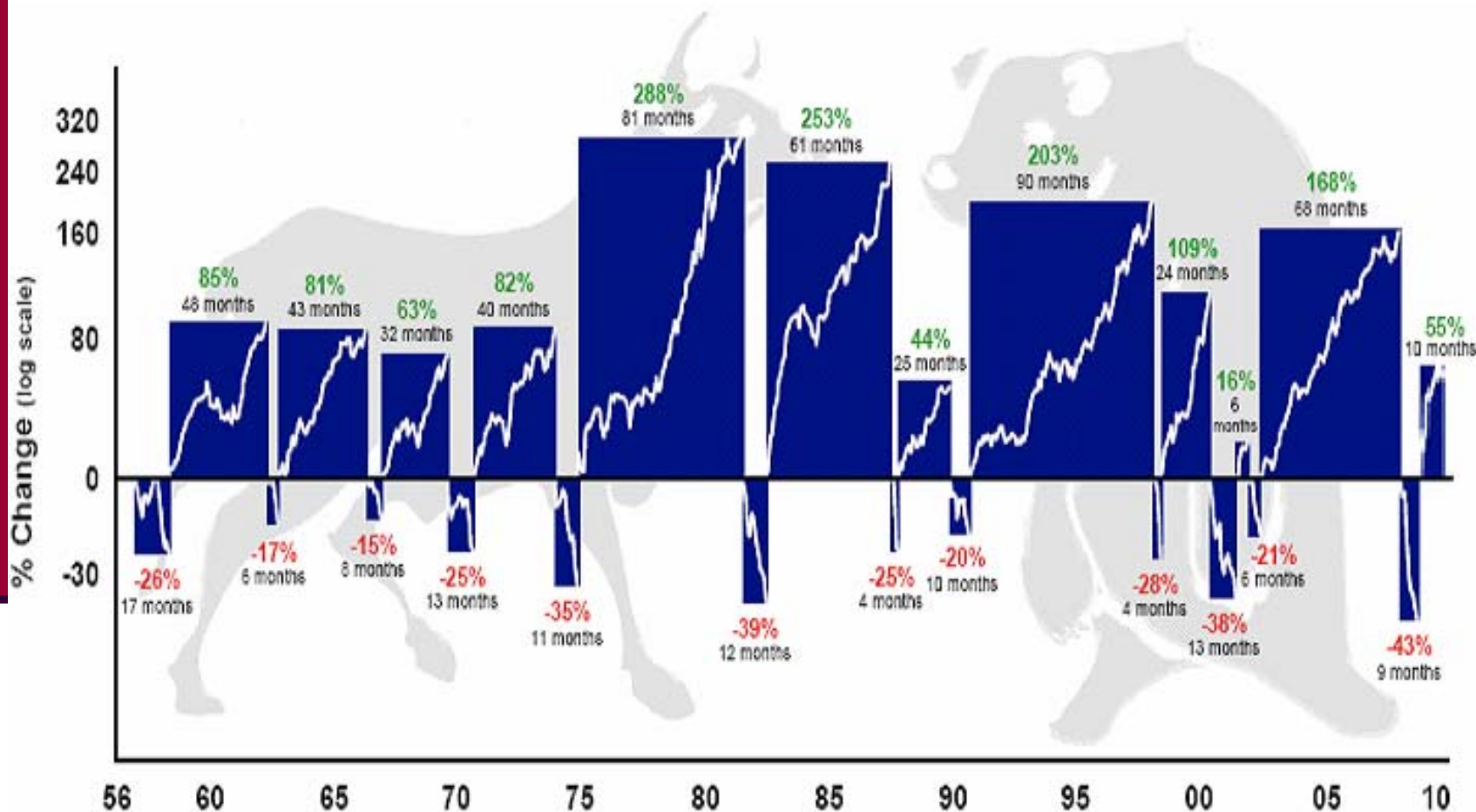
# S&P/TSX Composite Index



December 2009  
Source: RBC Dominion Securities

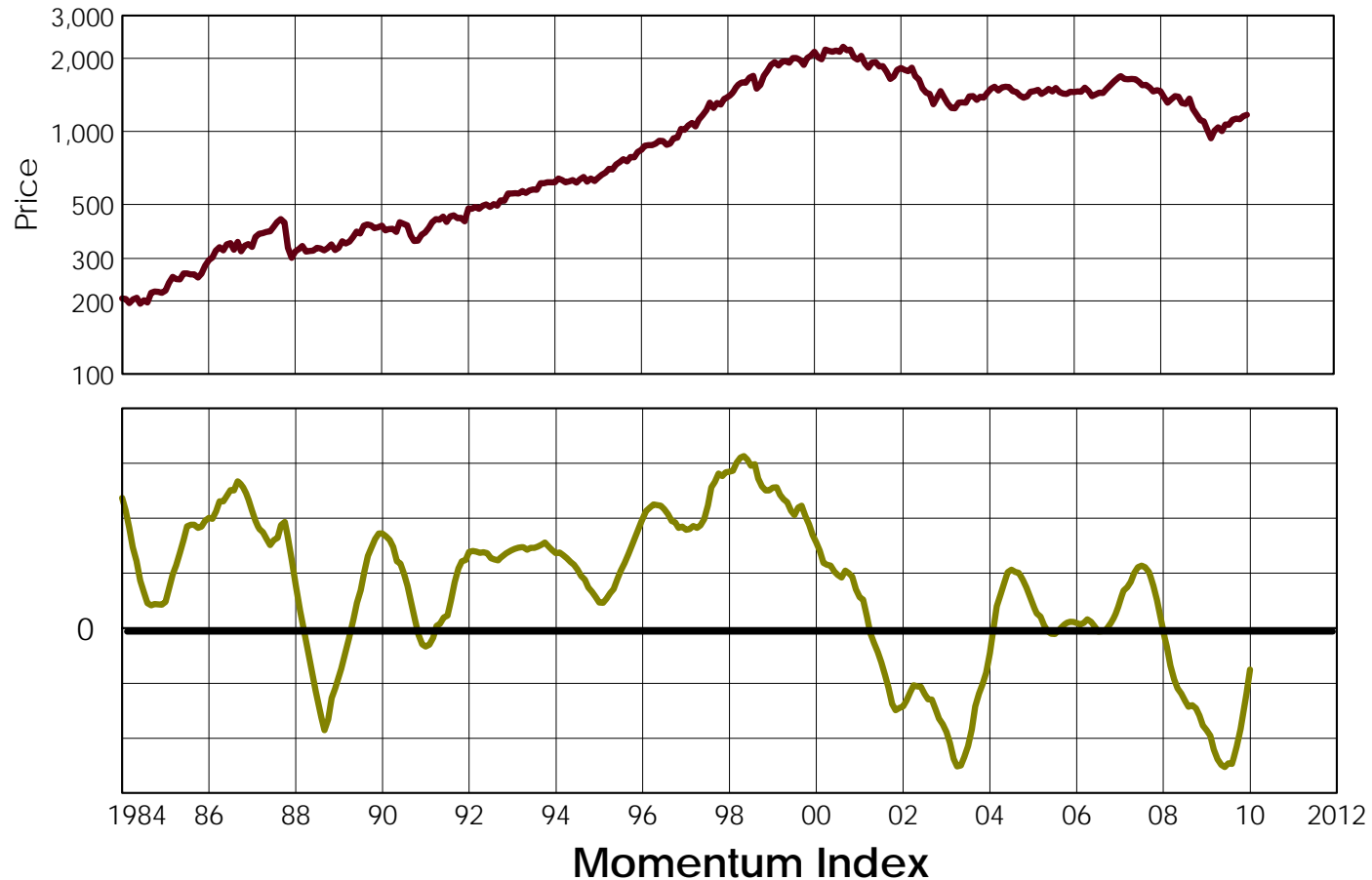
# Bull & Bear Markets

S&P/TSX Composite Index to December 31, 2009



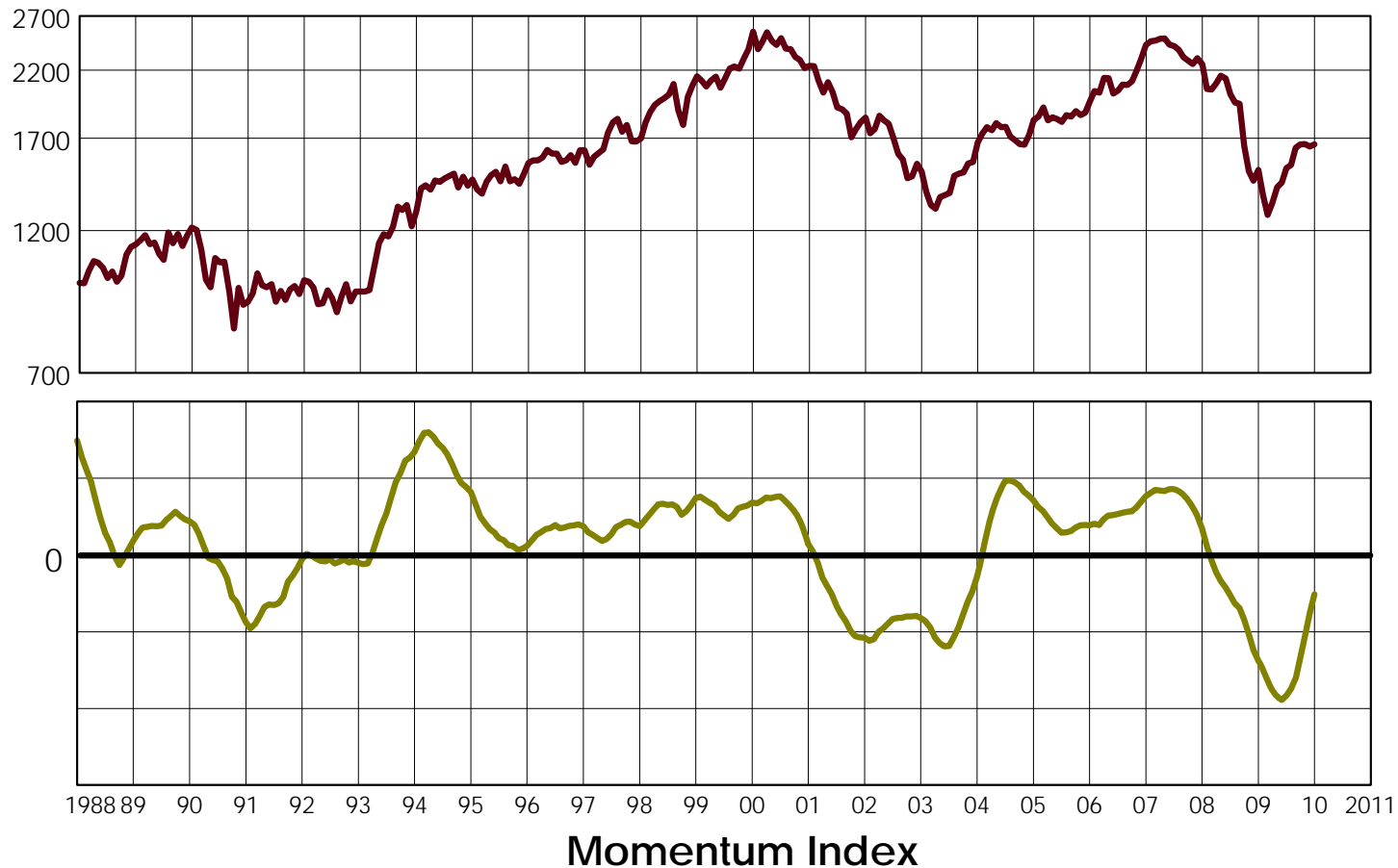
Source: Mackenzie Financial

# S&P 500 Composite Index (Canadian Currency)



December 2009  
Source: RBC Dominion Securities

# EAFE Index (Canadian Currency)




December 2009  
Source: RBC Dominion Securities

# Welcome to the World of "TODAY"

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- Limited returns on Fixed Income investments for years to come
- Growth will come from equities (lead by emerging markets)
- Concentration of Canadian stock market
- Volatility, Volatility, Volatility
- Diversification becomes more important



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