

Monthly Highlights

• On July 15th, the Bank of Canada Governor Stephen Poloz decided to cut interest rates by 25 basis points to 0.5%. Poloz stated that while the Bank of Canada is confident in the outlook for the Canadian economy in the second half of the year, the BoC "has room to move" in terms of further monetary policy action.

• Canada's GDP declined by 0.2% in May - the fifth consecutive monthly decline. Goods producing industries saw a 0.6% drop in output during the month of May. The Canadian economy has now contracted roughly 1.8% annualized over the March to May period.

• With the loosening of Canadian monetary policy, slower growth and Federal Reserve Chair Janet Yellen confirming the likelihood of a rise in the federal funds rate target towards the end of this year, the Canadian dollar fell roughly 4% against the US dollar in July.

• Canadian employment rose by 7000 in July according to the Labour Force Survey. The jobless rate, however, remained unchanged at 6.8% as the participation rate fell one basis point to 65.7%. The increase in July employment was primarily due to self-employment which more than offset declines in the private sector and government.

• Housing starts reached an annualized level of 193,000 in July, while the merchandise trade deficit was narrower than expected at \$0.5 billion for the month.

Equity Index Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
S&P/TSX Capped Composite	-0.3	0.6	-2.9	7.4
S&P/TSX 60	1.0	1.6	-0.6	7.6
S&P/TSX SmallCap	-6.4	-5.5	-19.7	1.0
S&P/TSX High Dividend Index	-3.7	-6.3	-11.8	N/A
BMO NB SmallCap (wtd)	-7.3	-6.4	-19.0	3.2
Ethical Canadian Index	2.4	2.9	0.1	8.8
FTSE/TMX Canada Universe Bond	1.4	3.8	7.1	5.3
FTSE/TMX 91 Day Tbill	0.1	0.5	0.9	0.9
FTSE/TMX High Yield Overall	-1.1	2.9	-1.4	5.7

Sources: TD Securities BMO NB, Bloomberg, and PC Bond

Bond Sector Returns (%) - FTSE/TMX Indices*

	1 Month	Short Term	Mid Term	Long Term
Federals		0.40	1.70	3.20
Provincials		0.47	1.72	3.05
Corporates		0.30	1.14	1.90

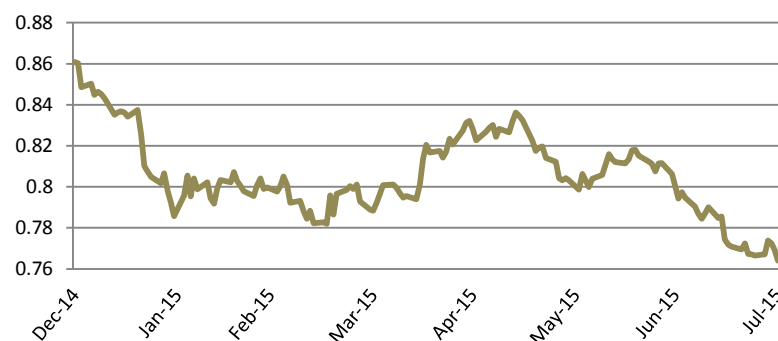
Source: PC Bond * Previously DEX.

S&P / TSX Composite Sector Total Returns (%)

	1 Mth	YTD	1 Yr.	5Yrs.
Energy	-6.5	-11.5	-28.8	0.0
Materials	-14.5	-13.9	-28.8	-9.5
Industrials	5.0	-3.5	1.4	16.5
Consumer Discretionary	2.9	11.0	29.4	18.8
Consumer Staples	7.5	10.9	41.0	24.5
Health Care	18.4	87.5	139.9	58.2
Financials	0.6	0.4	0.7	11.4
Information Technology	8.1	10.0	29.1	-0.9
Telecommunication Services	2.6	5.2	15.7	16.0
Utilities	2.9	-1.7	5.2	6.5

Sources: TD Securities & Bloomberg

CAD/USD Year-to-date Performance



Source: Bloomberg

	P/E Ratio (Trailing 12 mth)	Dividend Yield %
S&P / TSX Composite	17.3	3.0

Source: CPMS

Stocks of Influence for the Month

Top Performers	Impact*(%)	Return**(%)
Valeant Pharmaceuticals	1.02	21.0
Cdn National Railway Co.	0.42	13.2
Suncor Energy Inc.	0.19	7.1

Bottom Performers	Impact*(%)	Return**(%)
Barrick Gold Corp	-0.26	-30.7
First Quantum Minerals	-0.22	-36.0
EnCana Corp	-0.18	-27.8

Source: TD Securities *Impact of stock on the S&P / TSX Composite **Price Return

GUARDIAN CAPITAL LP - COMMERCE COURT WEST, SUITE 3100, TORONTO ON M5L 1E8 TEL: 416-364-8341

Index returns are for information purposes only and do not represent actual strategy or fund performance. Index returns do not reflect the impact of management fees, transaction costs or expenses. This document includes information concerning financial markets that was developed at a particular point in time and is subject to change at any time, without notice, and without update. This information is for general information purposes only and is not intended as legal, tax, accounting, securities, or investment advice. Certain information contained in this document has been obtained from external parties which we believe to be reliable, however we cannot guarantee its accuracy. Guardian Capital LP is an indirect, wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange. For further information on Guardian Capital LP, please visit www.guardiancapital.com