

Ermes Monaco

From: Ermes Monaco <emonaco@dundeewealth.com>
Sent: April-19-13 3:53 PM
To: 'Ermes Monaco'
Subject: VALUED CLIENT MAIL LIST - SPRING MARKET COMMENTARY



RELATIVE PERFORMANCE: ALL THINGS NOT BEING EQUAL

We are currently witnessing some dramatic swings in the financial markets which we can attribute to a number of factors. As economic activities occur, rarely do they act independently and most of these mutually dependent conditions are affecting the momentum of the current conditions:

- Overall slowdown in macro-economic global activity
- Resulting slowdown in the demand for commodities which drives much of the TSX
- A migration to the U.S. dollar as safe haven away from gold
- Continuing Euro market contraction
- Stagnant employment levels
- Low liquidity in circulation: Considerable surplus capital remains held in cash and banks continue to practice tight lending policies
- Profit taking from earlier market rallies

What is important to keep in mind, in the midst of the current sentiment, is **that it will become nothing more than another cycle over time** and that not all holdings and sectors have followed the trend. Based on a suitably diversified portfolio, a number of sectors have outperformed the general market to offset much of the weakness and have been providing alternative returns other than strictly market based capital gains.

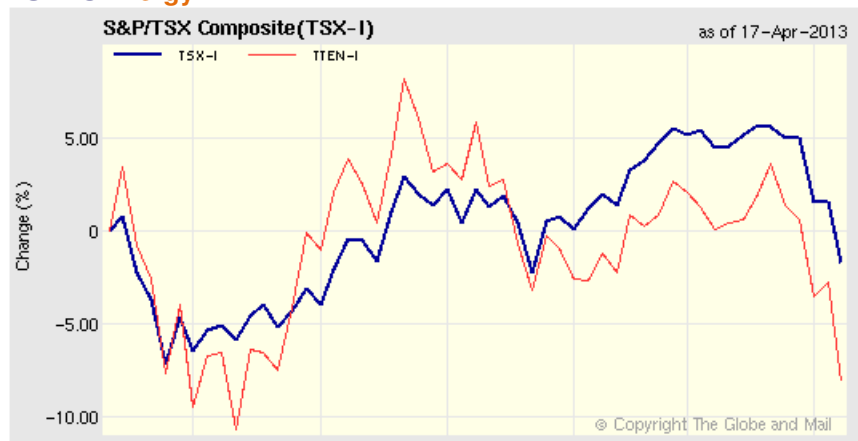
The following charts provide an indication of the relative (and unequal) performances of various sectors over the past year:

Last 12 Months:

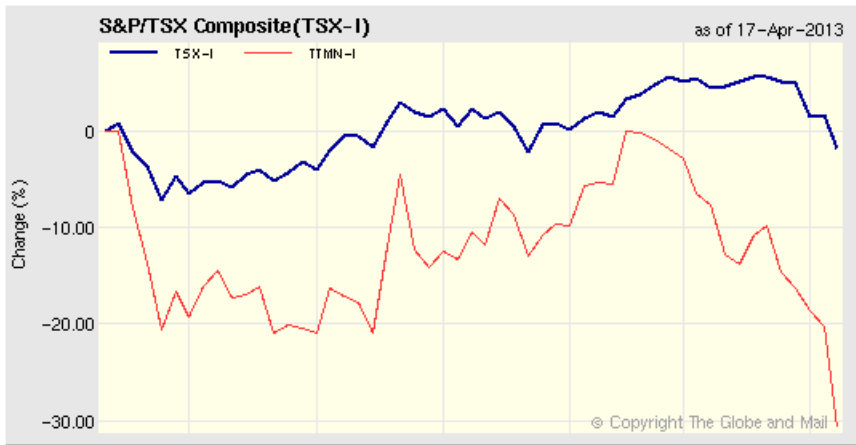
(Source of all charts [Globeinvestorgold](#))

Underperforming

TSX vs Energy



TSX vs Metals and Mining

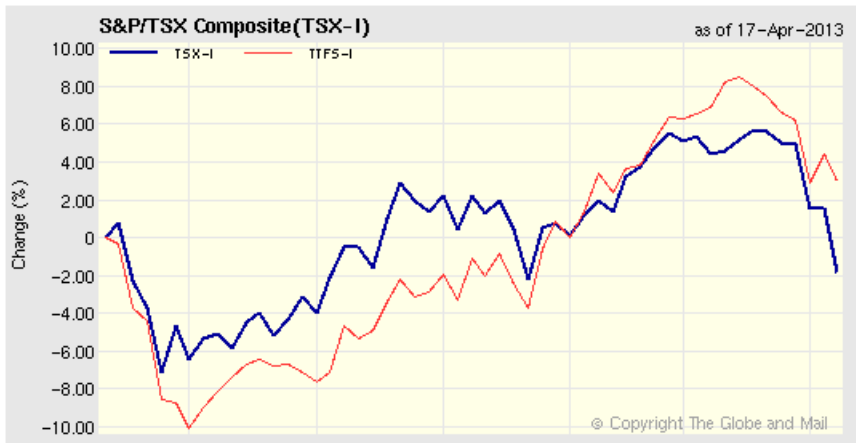


Outperforming

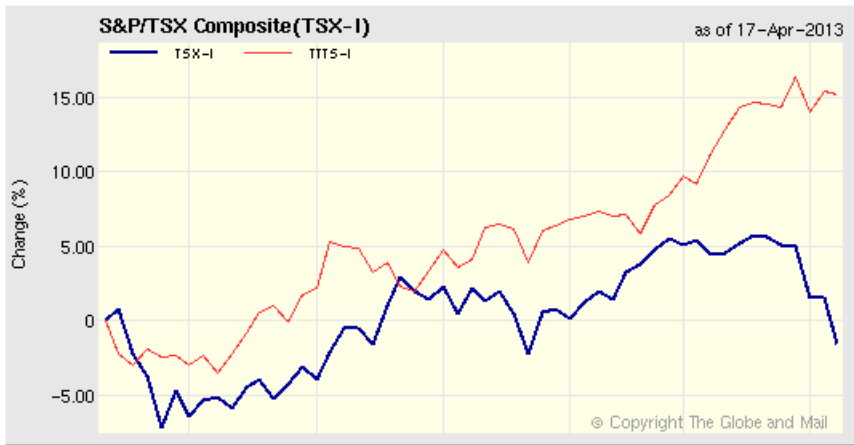
TSX vs Industrials including pipeline utilities



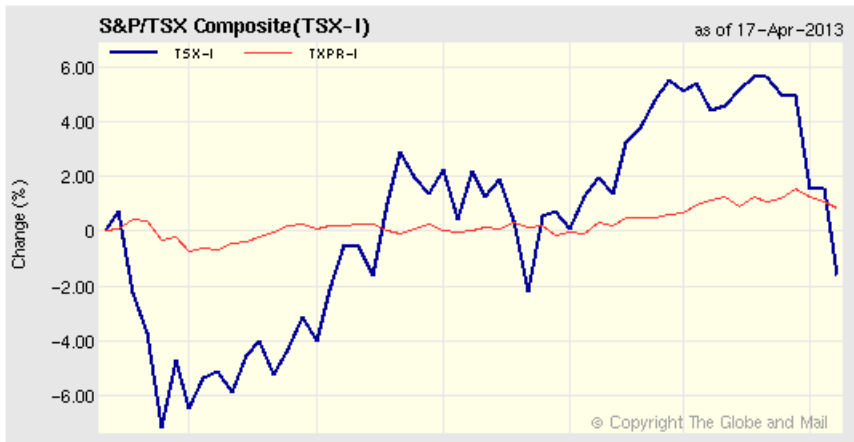
TSX vs Financials



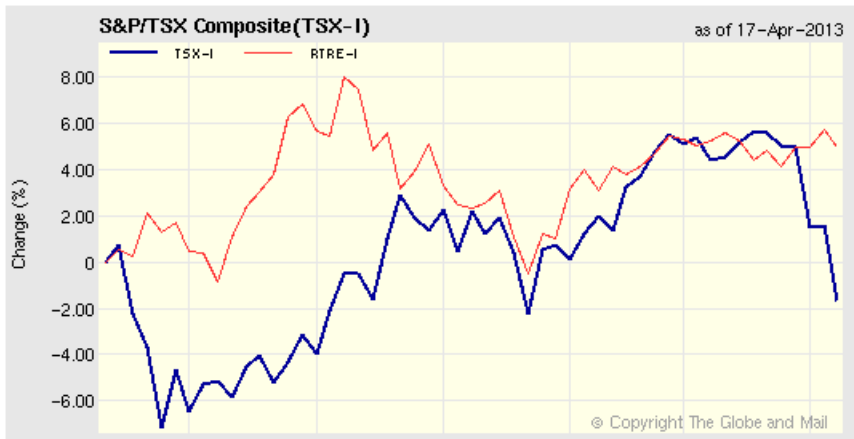
TSX vs Telecom



TSX vs Preferred Shares



TSX vs Real Estate Investment Trusts



Although not all specific assets are performing equally within each sector, an overall continued focus on the asset mix will help mitigate against continued sudden market volatility.

Regards

Ermes Monaco

Investment Advisor

DWM Securities Inc

416-412-4254

www.dundeewealth.com

www.monacoadvisorsteam.com



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