

Fund Wrap

Wild swings in the equity markets, fuelled by fears of a recession in the U.S. and the spectre of collapsing American financial institutions, made mutual funds a tough sell in March.

Net sales of mutual funds for the month are estimated to be between \$2.3 billion and \$2.8 billion, according to preliminary data from the

Investment Funds Institute of Canada (IFIC).

Worst hit were foreign equity funds, which were pummelled during the first quarter of 2008. Many of the world's markets had double-digit losses for the three-month period, but for Canadian fund investors the blow was softened by the Loonie's steep drop against most major currencies during that time.

One of the few bright spots in the first

quarter was the Global Fixed Income category. The funds in that category gained an average of 6.8% in those three months, which was the best return among all 42 Morningstar Canada Fund Indices. The result is net assets under management by the industry estimated to be between \$681.8 billion and \$686.8 billion – up about 0.83% at the end of February.

AER

MORNINGSTAR FUND INDEX

As of March 31, 2008	1M	YTD	As of March 31, 2008	1M	YTD
European Equity	4.6	-6.1	Canadian Short Term Fixed Income	0.5	2.6
Real Estate Equity	4.3	-1.7	High Yield Fixed Income	0.5	-1.5
Global Fixed Income	3.8	7.5	2015 Target Date Portfolio	0.3	-2.3
Canadian Inflation-Protected Fixed Income	3.5	4.9	Canadian Money Market	0.3	0.9
Science & Technology Equity	3.0	-11.8	Canadian Neutral Balanced	0.3	-1.4
International Equity	2.8	-7.8	Financial Services Equity	0.3	-9.3
US Equity	2.8	-7.6	Global Small/Mid Cap Equity	0.2	-8.1
North American Equity	2.7	-6.1	US Money Market	0.2	0.8
Global Equity	2.2	-6.8	Canadian Focused Equity	0.0	-4.5
US Small/Mid Cap Equity	1.8	-9.5	Asia Pacific Equity	-0.2	-8.6
Global Equity Balanced	1.6	-3.5	Asia Pacific ex-Jpn	-0.2	-10.3
Canadian Long Term Fixed Income	1.4	1.5	Canadian Equity Balanced	-0.2	-2.8
Global Neutral Balanced	1.2	-2.8	Tactical Balanced	-0.2	-4.2
2020+ Target Date Portfolio	1.1	-2.6	Health Care Equity	-0.3	-7.2
Japanese Equity	1.1	-6.4	Canadian Dividend & Income Equity	-1.0	-5.0
Global Fixed Income Balance	0.9	-0.3	Canadian Equity	-1.4	-3.9
2020 Target Date Portfolio	0.8	-1.9	Emerging Markets Equity	-1.6	-9.0
Canadian Fixed Income	0.8	2.5	Natural Resources Equity	-2.2	1.8
2010 Target Date Portfolio	0.6	-0.5	Canadian Small/Mid Cap Equity	-2.3	-5.2
Canadian Income Trust Equity	0.6	-0.1	Cdn Focused Small/Mid Cap Equity	-2.6	-6.9
Canadian Fixed Income Balanced	0.5	-0.2	Precious Metals Equity	-7.6	4.4