

Taking Stock with Steele

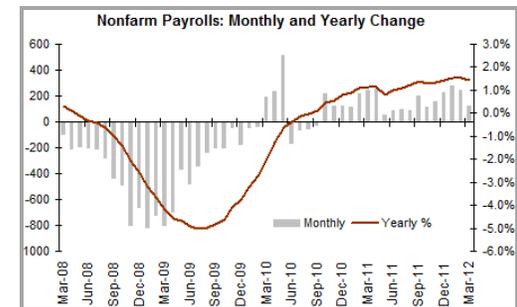
Your Monthly Newsletter

The purpose of this newsletter is to share insights and expertise. Our goal is to ensure that our clients are well-informed of changes affecting local business decisions and our investment recommendations. We believe Knowledge Pays and we want our knowledge to help pay for you.

ECONOMIC TIDBITS AN INVENTORY OF NOTABLE DATA AND INFO

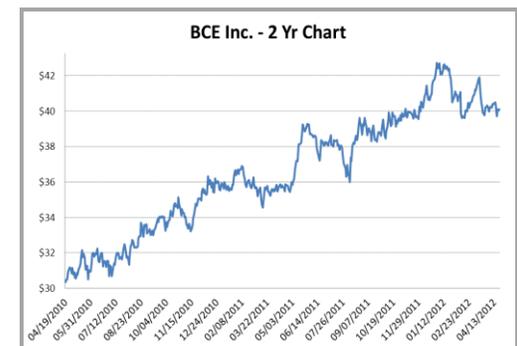
- Since our last newsletter, markets are mostly down as economic data generally came in at or below expectations and worries about Spain's ability to avoid a bailout emerged.
- Economic activity was relatively steady over the month, as indicated by the still decidedly expansionary March JPM Global All-Industry Output Index reading of 54.6. In contrast, HSBC's PMI indices indicate that credit strains may be affecting smaller businesses more than official data suggests, particularly in China, where the manufacturing PMI fell well into contraction territory.
- Spain came under pressure in early April, with 10-year sovereign bond yields breaching the oft claimed as unsustainable 6%, over its reeling economy, large deficit, undercapitalized banks and overpriced housing market.
- The U.S. economy added 85,000 fewer jobs than were expected for the month of March, forcing many market participants to lower their expectations for the U.S. economy. See Fig. 1 for chart of U.S. Payrolls

Fig. 1



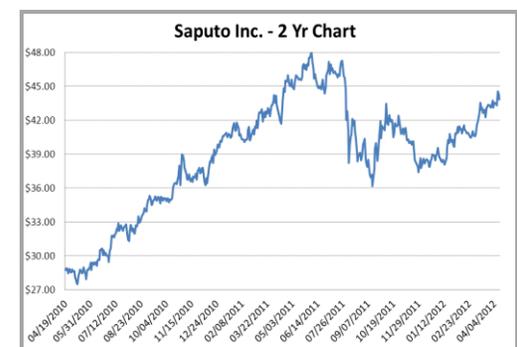
Data Source: Haver Analytics

Fig. 2



Data Source: Market-Q

Fig. 3



Data Source: Market-Q

LE JIT A "JUST-IN-TIME" RUNDOWN OF OUR CURRENT INVESTMENT THEME

Further Evidence In Support of Our Defensive Stance

- Worsening U.S. economic data and a resurfacing of the Eurozone debt crisis may signal a turn in market sentiment
- We believe a defensive stance is warranted with the Telecom, Utilities and Consumer Staples sectors being the most attractive sectors
- In addition, as the seasonally weak period for equities is approaching, we believe small cap positions should be reduced (if overweight)
- **BCE Inc. (BCE)** and **Saputo Inc. (SAP)** are two investment ideas related to this theme:
 - BCE is Canada's largest communications company providing broadband communications and media content of residential and business customers. See Fig. 2 for 2-year chart.
 - Saputo is Canada's largest dairy producer/distributor and operates dairy networks in the U.S. and Argentina. See Fig. 3 for 2-year chart.

RIDING THE CURVE *A CATALOGUE OF OUR MONTHLY FIXED INCOME FAVOURITES*

BMO Covered Call Utilities ETF (ZWU)

- Exposure to a basket of utility and telecom equities and covered call options
- Covered call options limit a stock's upside and pay the seller a premium in return
- ZWU is not technically fixed income but we believe it will be more sensitive to movements in interest rates than the stock market due to its steady, high yield
- At \$15.40 it yields 6.85%, though the yield can change based on market conditions

Loblaw Companies Preferred A (L.PR.A) Retractable on July 31st, 2015

- Loblaw is the largest food retailer in Canada and owns the brands PC and Joe Fresh
- At \$26.90, the issue has a yield-to-retraction of 3.85%; the shares are rated Pfd-3

George Weston Perpetual Preferred C (WN.PR.C)

- George Weston is a food processor and distributor and owns 62% of Loblaw Cos. (L)
- At \$24.75, it has a yield of 5.25% vs. the yield on comparable bank perpetuals of ~4%

SWM'S ROSTER CONTINUES TO DEVELOP THEIR SKILLS & QUALIFICATIONS

Last month, we celebrated Laura Prust's attainment of the **Certified Professional Consultant on Aging (CPCA) designation**. This month, Matthew Bell met the requirements necessary to complete the CFA Program and has been awarded the CFA charter. Brian Steele has been a CFA charterholder since 1998.

The **Chartered Financial Analyst® (CFA®) designation** is a mark of distinction that is globally recognized by investors as the definitive standard by which to measure investment professionals. The CFA Program equips one with the practical and fundamental knowledge necessary to understand and adapt to the ever-changing financial landscape.

In order to complete the CFA Program, candidates are required to complete three six-hour exams, attain 48 months of investment-related work experience and pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Matthew's completion of the CFA Program further exemplifies Steele Wealth Management's dedication to continuing education and specialization. We believe building a team of professionals with unique and complementary skills and knowledge will benefit our clients.

JEANNINE'S TIP O' THE MONTH *ENHANCING YOUR SWM EXPERIENCE*

Celebrate Earth Day

Held this Sunday April 22nd, Earth Day is distinguished as the world's largest and most celebrated environmental event. For a list of Earth Day events going on in your area, visit www.earthday.ca/pub.

Find out how you can make a change. Visit Take it Up For Earth Day @ www.earthday.ca/takeitup.

Current Rates & Data

Govt of Canada

90 day	0.93%
1 year	1.08%
2 year	1.22%
5 year	1.54%
10 year	2.01%
30 year	2.57%

U.S. Treasury

90 day	0.08%
1 year	0.17%
2 year	0.27%
5 year	0.86%
10 year	2.01%
30 year	3.17%

Canada Prime Rate

3.00%

U.S. Prime Rate

3.25%

Canada CPI Y-o-Y (Feb)

2.60%

U.S. CPI Y-o-Y (Feb)

2.90%

Exchange Rates

CAD/USD	1.001
USD/EUR	1.307
JPY/USD	81.04

This newsletter has been brought to you by Steele Wealth Management

Brian Steele | Jeannine Campbell | Laura Prust
Kelly Townsend | Matthew Bell | Keith Gummow

Phone: (519) 883-6030 Toll-Free: 1 (877) 642-6408

Email: steelewealthmanagement@raymondjames.ca

Address: 1001-20 Erb Street West | Waterloo, Ontario | N2L 1T2

To opt out of receiving this newsletter, please reply to this e-mail with the word “Unsubscribe” in the subject line.

If you know someone who would benefit from receiving this newsletter, please forward it to them and let them know they can subscribe by emailing us at:

steelewealthmanagement@raymondjames.ca

Any bond, debenture or preferred share ratings listed within this newsletter are those of DBRS (Dominion Bond Rating Service).

All rates mentioned within this newsletter are as of April 13th, 2012, unless otherwise stated.

Within the last 12 months, Raymond James Ltd. has undertaken an underwriting liability or has provided advice for a fee with respect to securities of BCE Inc.

This newsletter has been prepared by Steele Wealth Management and expresses the opinions of the author and not necessarily those of Raymond James Ltd. (RJL). Statistics, factual data and other information are from sources RJL believes to be reliable but their accuracy cannot be guaranteed. This newsletter is furnished on the basis and understanding that RJL is to be under no liability whatsoever in respect thereof. It is for information purposes only and is not to be construed as an offer or solicitation for the sale or purchase of securities. RJL and its officers, directors, employees and their families may from time to time invest in the securities discussed in this newsletter. This newsletter is intended for distribution only in those jurisdictions where RJL is registered as a dealer in securities. Any distribution or dissemination of this newsletter in any other jurisdiction is strictly prohibited. Securities-related products and services are offered through Raymond James Ltd. Member-Canadian Investor Protection Fund. Financial planning and insurance products and services are offered through Raymond James Financial Planning Ltd., which is not a Member-Canadian Investor Protection Fund.