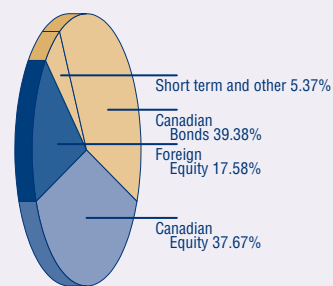




Asset mix of the Fund



Sector Allocation

**Canadian Equity Portfolio**

Energy	10.18%
Materials	8.27%
Industrials	2.86%
Consumer Discretionary	1.35%
Consumer Staples	0.32%
Health Care	0.29%
Financials	11.64%
Information Technology	0.86%
Telecommunication Services	1.82%
Utilities	0.08%
	37.67%

Top 10 holdings of the Fund

The Toronto-Dominion Bank	2.53%
Royal Bank of Canada	2.43%
Bank of Nova Scotia	1.71%
Suncor Energy Inc.	1.68%
Canadian Natural Resources Ltd.	1.59%
Barrick Gold Corp.	1.44%
Gov. of Canada, 5.000%, 2037-06-01	1.41%
Canadian National Railway Co.	1.41%
Canada Housing Trust, Series 41-1, 2.750%, 2016-06-15	1.38%
Bank of Montreal	1.29%
	16.87%

Characteristics of the Fund

**Bond and short term Portfolios**

Average rating - Bonds	AA
Average term	7.98 years
Modified duration	5.58 years
Average coupon	3.52%
Yield at cost	3.06%
Yield at market value	2.32%

**Investment limits**

	Min.	Max.
Short term	0%	15%
Bonds	25%	65%
Mortgage loans/ mortgage-backed securities	0%	10%
Canadian equity securities	25%	50%
Foreign equity securities	0%	30%

The maximum invested in an economic sector of the stock market is limited to the higher of 20% of the Fund's assets and twice this sector's weighting on the S&P/TSX Composite Index.

The average duration of the bond portion of the Fund must be situated between 50% and 150% of the duration of the DEX Universe Bond Index.

Commentary

The Fund's investment strategy focuses primarily on a judicious allocation of Canadian and international equities and fixed-income securities. Given the importance of this allocation, a committee was created to make asset mix decisions according to its members' views on the economic environment. In addition, to provide further diversification to the portfolio, security selection was entrusted to several managers. Thus, two managers share the responsibility of selecting stocks (following a value-oriented management style), while two other managers are in charge of selecting bonds.

Investment Advisor



Luc R. Fournier, B.Adm.Sc., BA Econ. Christian Pouliot, MBA, CFA  
 François Lalande, CFA Bob Farley, CFA  
 Louis Gagnon, CFA

Inception date: January 1987  
 Ecoflex first offering: February 1993  
 Management expense ratio (MER): 2.77% (GST and HST incl.)

Objectives of the Fund

- Combines capital growth with current income
- Diversification of the risk between the asset classes
- Active allocation of investments by asset classes
- Conforms to a medium- and long-term investment horizon

Investment style

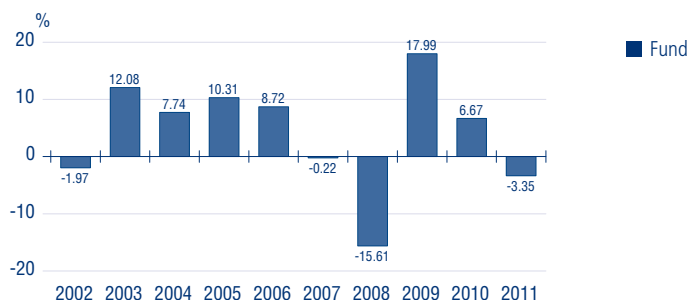
Asset mix favouring a fair balance between asset classes

Performance Data

The returns or performance information shown assume that all income/realized net gains are retained by the segregated fund in the periods shown and are reflected in higher unit values of the segregated fund. The return or performance information do not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance. How the segregated fund has performed in the past does not necessarily indicate how it will perform in the future.

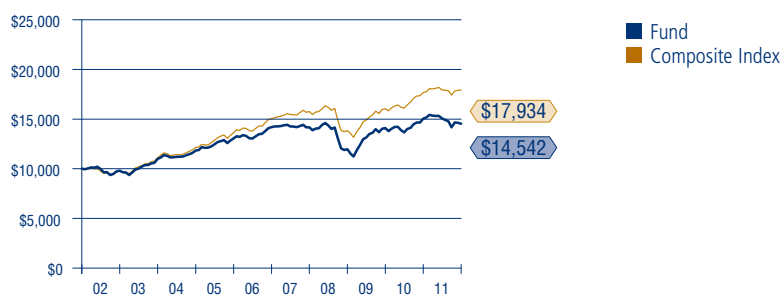
Year By Year Returns

This chart shows you the fund's annual performance and how an investment made on January 1 would have changed by December 31.



Past Performance

This graph shows you how a \$10,000 investment in this fund would have changed in value compared with the reference index.



Annual Compound Returns

This table shows the simple returns for the monthly periods and the historical annual compound total return of the segregated fund compared with the reference index.

	Since February 1993	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	6.1	3.8	0.5	6.7	1.5	(3.4)	(3.5)	2.6	(0.5)	(3.4)
Composite Index <sup>1</sup>		6.0	3.6	9.0	5.8	1.4	0.0	2.9	0.2	1.4

<sup>1</sup> DEX Universe Bond Index (50%), S&P/TSX Composite Index (35%), MSCI - World (Can. \$) (net ret.) (10%), DEX 91 day Tbill Index (5%).