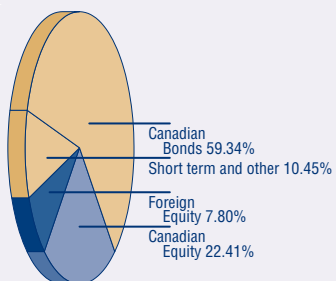




### Asset mix of the Fund



### Sector Allocation Canadian Equity Portfolio

Energy	6.06%
Materials	4.89%
Industrials	1.29%
Consumer Discretionary	0.78%
Consumer Staples	0.13%
Health Care	0.31%
Financials	7.12%
Information Technology	0.49%
Telecommunication Services	1.33%
Utilities	0.01%
<b>Total</b>	<b>22.41%</b>

### Top 10 holdings of the Fund

Canada Housing Trust, 2.750%, 2014-12-15	3.62%
Prov. of Quebec, 4.500%, 2018-12-01	3.60%
Canada Housing Trust, 2.750%, 2015-12-15	3.59%
Gov. of Canada, 2.000%, 2014-12-01	3.31%
Prov. of Ontario, 6.500%, 2029-03-08	2.73%
Prov. of Ontario, 3.150%, 2022-06-02	2.59%
Gov. of Canada, 5.000%, 2037-06-01	2.13%
Canada Housing Trust, Series 41-1, 2.750%, 2016-06-15	1.92%
Gov. of Canada, 2.750%, 2022-06-01	1.89%
Financement-Québec, Floating Rate, 4.323%, 2013-09-16	1.87%
<b>Total</b>	<b>27.55%</b>

### Characteristics of the Fund Bond and short term Portfolios

Average rating - Bonds	AA
Average term	7.67 years
Modified duration	5.44 years
Average coupon	3.24%
Yield at cost	2.70%
Yield at market value	2.22%

### Investment limits

	Min.	Max.
Short term	0%	20%
Bonds	45%	85%
Mortgage loans/ mortgage-backed securities	0%	10%
Canadian equity securities	10%	30%
Foreign equity securities	0%	10%

The maximum invested in an economic sector of the stock market is limited to the higher of 20% of the "Canadian equity sector" of the Fund 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 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. For the portion of Canadian equities, stock selection is carried out according to a "value" management style. For the portion of fixed-income securities, the manager follows an interest-rate anticipation strategy.

### Investment Advisor



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

Inception date: January 1999

Management expense ratio (MER): 2.76% (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

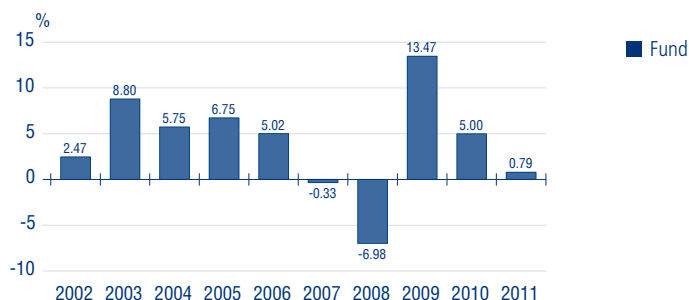
Asset mix favouring fixed income securities

### 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.

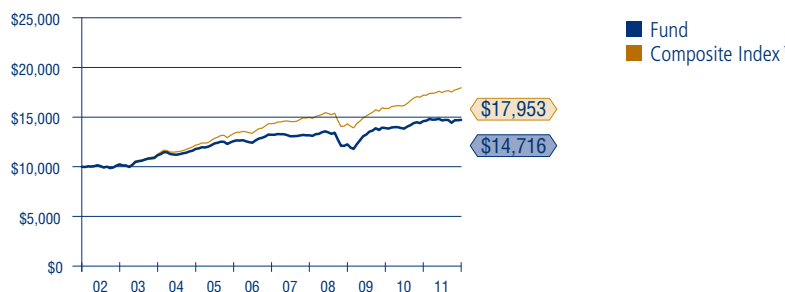
### Year By Year Returns

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 January 1999	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	4.3	3.9	2.2	6.3	2.9	0.8	0.3	2.0	0.2	0.8
Composite Index <sup>1</sup>		6.0	4.6	7.9	6.4	4.4	2.7	2.4	0.7	4.4

<sup>1</sup> DEX Universe Bond Index (65%), S&P/TSX Composite Index (20%), DEX 91 day Tbill Index (10%), MSCI - World (Can. \$) (net ret.) (5%).