

U.S. & INTERNATIONAL EQUITY FUNDS

International Equity

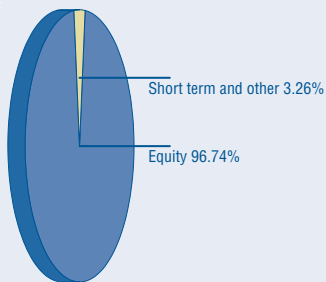
Net assets: 68.0 million

As at June 30, 2010

Volatility



Asset mix of the Fund



Top 10 holdings of the Fund

| | |
|--------------------------------|--------|
| Kia Motors Corp. | 2.74% |
| Petrofac Ltd. | 2.65% |
| SES | 2.40% |
| The Swatch Group AG | 2.29% |
| Nestlé SA | 2.04% |
| CNOOC Ltd. | 1.92% |
| DaimlerChrysler AG, Registered | 1.88% |
| Anheuser-Busch InBev | 1.87% |
| Rohm Co. Ltd. | 1.83% |
| Roche Holdings AG | 1.82% |
| | 21.44% |

Investment limits

Min. Max.

Industrial Alliance Fund

| | | |
|---------------------------|-----|------|
| Short term | 0% | 15% |
| Foreign equity securities | 85% | 100% |

Commentary

The Fund uses a multi-dimensional approach blending top-down analysis for geographic and sector allocation, and bottom-up analysis for security selection. The Fund is managed with the philosophy of providing a diversified portfolio comprised mainly of large capitalization companies possessing steady, sustainable earnings growth potential and trading at a reasonable value. The manager uses both quantitative and qualitative techniques to do so. Investment themes are used to identify macro-economic trends and global themes that could have an impact on the local or regional investment environment.

Investment Advisor



Pierre Chapdelaine, CFA
Sevgi Ipek, CFA

Inception date: November 2008
Ecoflextra first offering: December 2009
Management expense ratio (MER): 2.84% (GST included)
GSB fee rate: 0.90%

Objectives of the Fund

- Long-term capital growth mainly through investments out of North America
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

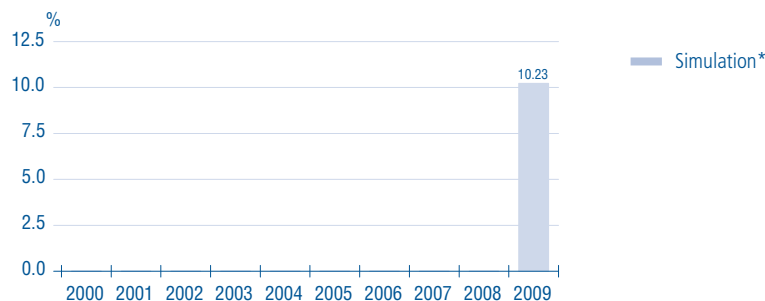
Growth at a reasonable price

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.

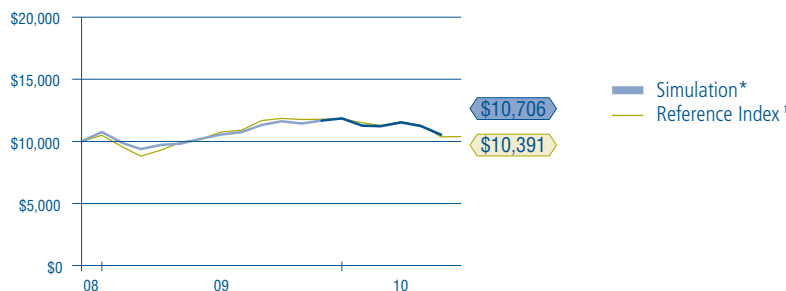
Year By Year Returns

This chart shows the annual performance for each calendar year for the fund starting at its inception date and the annual performance that would have resulted if the fund had existed before that date and the assets held at its inception date had been held throughout the earlier period shown.



Past Performance

This graph shows you how a \$10,000 investment in the fund would have changed in value compared with the reference index using the year by year returns shown above.



Annual Compound Returns

This table shows the simple returns for the monthly period and the historical annual compound total returns calculated for the fund as described above compared to the corresponding returns for the reference index.

| | Since December 2009 | 10 years | 5 years | 3 years | 2 years | 1 year | 6 months | 3 months | 1 month | YTD |
|------------------------------|---------------------|----------|---------|---------|---------|--------|----------|----------|---------|--------|
| Ecoflextra Fund | (10.3) | - | - | - | - | 1.5* | (9.7) | (7.1) | 1.7 | (9.7) |
| Reference Index ¹ | | - | - | - | - | (3.4) | (12.1) | (10.2) | 0.4 | (12.1) |

¹ MSCI - EAFE (Can. \$) (net ret.).

* Simulation of past returns as if the Fund had been in effect for these periods.