

# DIVERSIFIED

GROUP SAVINGS  
AND RETIREMENT

Inception date: January 1987

FU040

TOTAL NET ASSETS: \$1,637.9 MILLION

## Investment Advisor



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## 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

## 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.

## Risk level

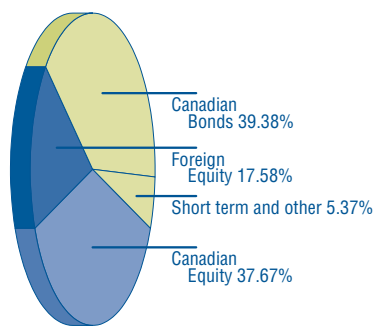
Very low	Low	Low to moderate	Moderate	Moderate to high	High
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## Commentary

The Fund's investment strategy focuses primarily on a judicious allocation of Canadian and foreign equities and fixed-income securities. Given the importance of this allocation, a committee was created to make asset mix decisions according 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.

## Asset mix of the Fund

As at December 31, 2011



## Sector Allocation

As at December 31, 2011

### 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%
<b>Total</b>	<b>37.67%</b>

## Characteristics of the Fund

As at December 31, 2011

### 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%

## Performance - Gross returns

Returns before deduction of management and administration fees.

### Compound returns

As at December 31, 2011 / YTD	1 month	3 months	6 months	1 year	2 years	3 years	5 years	7 years	10 years	
Fund	(0.6)	(0.3)	3.3	(2.2)	(0.6)	4.4	9.7	3.3	5.9	6.7
Composite Index <sup>1</sup>	1.4	0.2	2.9	0.0	1.4	5.8	9.0	3.6	5.7	6.0

### Annual returns

As at December 31	11	10	09	08	07	06	05	04	03	02
Fund	(0.6)	9.7	21.3	(13.2)	2.6	11.8	13.4	10.8	15.3	0.8
Composite Index <sup>1</sup>	1.4	10.3	15.8	(12.2)	4.8	10.2	12.3	9.5	13.5	(2.3)

<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%).

Past performance is not a guarantee of future returns.