DIVIDENDS

Inception date: January 1998

FU160 TOTAL NET ASSETS: $540.9 MILLION

GROUP SAVINGS AND RETIREMENT

Investment Advisor

INDUSTRIAL ALLIANCE
INVESTMENT MANAGEMENT INC.

Gil Lamothe, CFA

Objectives of the Fund

- To invest in stocks that generate regular dividends (that will be reinvested in the Fund) while ensuring long term capital growth
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

Value

Investment limits

	Min.	Max.
Short term	0%	15%
Canadian equity securities	85%	100%

Risk level

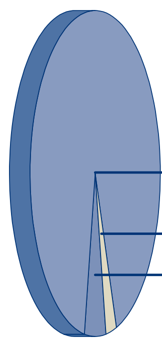
Very low | Low | Low to moderate | Moderate | Moderate to high | High

Commentary

The Fund is primarily composed of common stocks of large companies that offer attractive earnings and dividend potential. The investment strategy used to manage this fund is based on a process that combines the bottom-up and top-down approaches. First, the manager uses the top-down approach, which involves carrying out a macroeconomic analysis to determine the economy's best performing sectors. Then, the manager follows the bottom-up approach, which allows him to select securities according to a value style, giving preference to superior quality Canadian stocks offering regular dividends.

Asset mix of the Fund

As at December 31, 2011



Sector Allocation

As at December 31, 2011

Canadian Equity Portfolio	
Energy	24.48%
Materials	10.18%
Industrials	4.64%
Consumer Discretionary	3.51%
Consumer Staples	0.00%
Health Care	0.00%
Financials	37.69%
Information Technology	0.00%
Telecommunication Services	6.61%
Utilities	4.95%
	92.06%

Top 10 holdings of the Fund

As at December 31, 2011

Royal Bank of Canada	6.82%
The Toronto-Dominion Bank	5.30%
Barrick Gold Corp.	5.27%
Bank of Montreal	4.86%
Canadian National Railway Co.	4.64%
Canadian Imperial Bank of Commerce	4.57%
TransCanada Corp.	4.52%
Bank of Nova Scotia	4.27%
Enbridge Inc.	3.63%
BCE Inc.	3.30%
	47.18%

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	(1.5)	0.3	4.0	(4.9)	(1.5)	6.2	14.3	3.3	8.7	10.5
Reference Index [1]	(9.1)	(1.8)	2.8	(9.6)	(9.1)	1.7	10.9	0.9	6.7	6.8

Annual returns As at December 31	**11**	**10**	**09**	**08**	**07**	**06**	**05**	**04**	**03**	**02**
Fund	(1.5)	14.6	32.3	(26.0)	6.3	19.7	27.9	17.9	25.8	2.2
Reference Index [1]	(9.1)	13.8	31.9	(31.2)	11.1	19.2	26.3	13.8	25.5	(14.0)

[1] S&P/TSX 60.

Past performance is not a guarantee of future returns.