

DIVIDENDS

GROUP PENSIONS

Inception date: January 1998

Investment Advisor



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%

Volatility



FU160

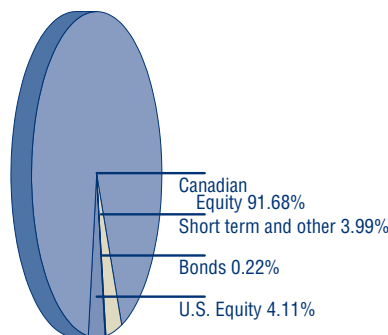
TOTAL NET ASSETS: \$602.9 MILLION

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 June 30, 2010



Sector Allocation

As at June 30, 2010

Canadian Equity Portfolio

Energy	27.21%
Materials	11.18%
Industrials	3.99%
Consumer Discretionary	2.99%
Consumer Staples	0.00%
Health Care	0.00%
Financials	35.48%
Information Technology	0.00%
Telecommunication Services	5.94%
Utilities	4.89%
Total	91.68%

Top 10 holdings of the Fund

As at June 30, 2010

Royal Bank of Canada	6.50%	Canadian National Railway Co.	3.99%
The Toronto-Dominion Bank	5.88%	TransCanada Corp.	3.95%
Barrick Gold Corp.	5.73%	Bank of Nova Scotia	3.56%
Bank of Montreal	4.55%	Enbridge Inc.	3.40%
Suncor Energy Inc.	4.12%	Sun Life Financial Services of Canada Inc.	3.32%
		Total	45.00%

Performance - Gross returns

Returns before deduction of management and administration fees.

Compound returns

As at June 30, 2010 /	YTD	1 month	3 months	6 months	1 year	2 years	3 years	5 years	7 years	10 years
Fund	(0.9)	(2.7)	(4.1)	(0.9)	12.0	(2.4)	(0.8)	7.6	11.9	12.2
Reference Index ¹	(3.3)	(4.0)	(5.7)	(3.3)	7.9	(9.8)	(3.5)	6.1	10.1	2.8

Annual returns

As at December 31	09	08	07	06	05	04	03	02	01	00
Fund	32.3	(26.0)	6.3	19.7	27.9	17.9	25.8	2.2	9.2	33.5
Reference Index ¹	31.9	(31.2)	11.1	19.2	26.3	13.8	25.5	(14.0)	(14.8)	8.0

¹ S&P/TSX 60.

Past performance is not a guarantee of future returns.