

# DIVERSIFIED SECURITY

GROUP SAVINGS  
AND RETIREMENT

**Inception date:** January 1999

**FU240**

**TOTAL NET ASSETS: \$307.4 MILLION**

## Investment Advisor



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

## 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

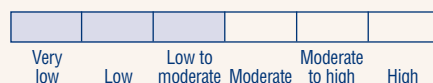
## Investment limits

	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.

## Risk level

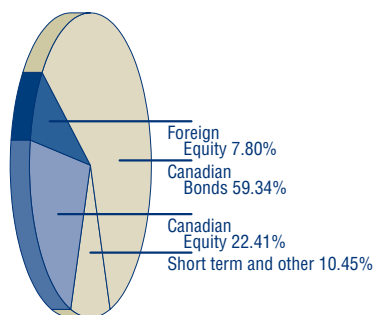


## Commentary

The Fund's investment strategy focuses 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. 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.

## Asset mix of the Fund

As at December 31, 2011



## Sector Allocation

As at December 31, 2011

### 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>

## Characteristics of the Fund

As at December 31, 2011

### 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%

## 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	3.6	0.4	2.7	1.7	3.6	5.7	9.3	5.0	6.1	6.9
Composite Index <sup>1</sup>	4.4	0.7	2.4	2.7	4.4	6.4	7.9	4.6	5.7	6.0

### Annual returns

As at December 31	11	10	09	08	07	06	05	04	03	02
Fund	3.6	7.9	16.6	(4.4)	2.5	8.0	9.8	8.7	11.9	5.4
Composite Index <sup>1</sup>	4.4	8.4	10.9	(4.5)	4.5	7.5	9.5	8.1	10.3	2.2

<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%).

Past performance is not a guarantee of future returns.