

BONDS (NATCAN)

GROUP SAVINGS
AND RETIREMENT

Inception date: December 2001

FU472

TOTAL NET ASSETS: \$11.1 MILLION

Investment Advisor



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Objectives of the Fund

- Oriented toward current income
- Moderate long-term capital growth
- Conforms to a medium- to long-term investment horizon

Investment style

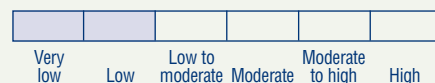
Interest rate forecasts

Investment limits

Industrial Alliance Fund

| | Min. | Max. |
|-----------------------------|------|------|
| Short term | 0% | 20% |
| Units of an underlying fund | 80% | 100% |

Risk level



Underlying Fund

Natcan Canadian Bond Fund

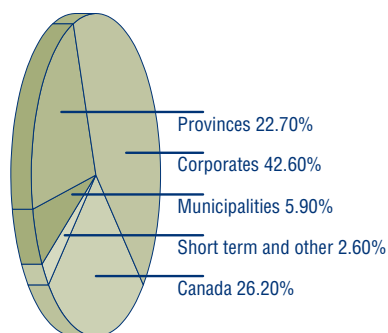
Asset mix of the Industrial Alliance Fund

| As at December 31, 2011 | Distribution |
|------------------------------|--------------|
| Short term | (0.08)% |
| Units of the underlying fund | 100.08% |
| | 100.00% |

Commentary

The Fund aims to provide investors with a moderate real rate of return primarily through interest income. Returns in excess of income will be gained through duration, yield and sector management. The Fund invests primarily in a diversified portfolio of bonds issued or guaranteed by Canadian governments (federal and provincial) and corporations.

Asset mix of the underlying fund As at December 31, 2011



Characteristics of the underlying fund

As at December 31, 2011

Bond and Short term Portfolios

| | |
|------------------------|------------|
| Average rating - Bonds | N/A |
| Average term | N/A |
| Modified duration | 6.85 years |
| Average coupon | N/A |
| Yield at cost | 3.45% |
| Yield at market value | 2.94% |

Performance of the Industrial Alliance Fund - 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 | 9.3 | 1.7 | 2.0 | 6.9 | 9.3 | 7.9 | 7.6 | 6.5 | 6.0 | 6.5 |
| Reference Index ¹ | 9.7 | 1.7 | 2.1 | 7.3 | 9.7 | 8.2 | 7.3 | 6.4 | 6.0 | 6.5 |

Annual returns

| As at December 31 | 11 | 10 | 09 | 08 | 07 | 06 | 05 | 04 | 03 | 02 |
|------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Fund | 9.3 | 6.5 | 6.9 | 6.0 | 3.8 | 3.6 | 6.2 | 6.5 | 7.3 | 8.7 |
| Reference Index ¹ | 9.7 | 6.7 | 5.4 | 6.4 | 3.7 | 4.1 | 6.5 | 7.1 | 6.7 | 8.7 |

¹ DEX Universe Bond Index.

Past performance is not a guarantee of future returns.