

CANADIAN EQUITY (NATCAN)

GROUP PENSIONS

Inception date: December 2001

FU473

TOTAL NET ASSETS: \$21.9 MILLION

Investment Advisor

N A T C A N
Jacques Chartrand
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Objectives of the Fund

- Long-term capital growth mainly through investments in Canadian equity securities
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

Value

Investment limits

Industrial Alliance Fund	Min.	Max.
Short term	0%	20%
Units of an underlying fund	80%	100%

Volatility



Underlying Fund

Natcan Canadian Equity Fund

Asset mix of the Industrial Alliance Fund

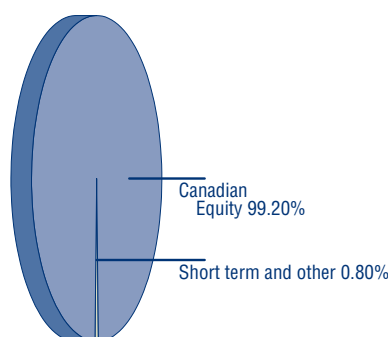
As at June 30, 2010	Distribution
Short term	0.20%
Units of the underlying fund	99.80%
	100.00%

Commentary

The management team favours a truly active management style where significant deviations from the index often prevail. Although both are important, security selection takes precedence over sector selection. Indeed, sector deviations are often the result of the security selection process. The team clearly favours "value" securities and sectors over their "momentum" counterparts and has an aversion to expensive securities or securities with excessive debt levels. Instead, it prefers to focus on securities that offer attractive thematic characteristics or specific catalysts likely to have a favourable impact on future earnings.

Asset mix of the underlying fund

As at June 30, 2010



Sector Allocation

As at June 30, 2010

Canadian Equity Portfolio

Energy	22.20%
Materials	17.60%
Industrials	6.70%
Consumer Discretionary	13.20%
Consumer Staples	2.40%
Health Care	0.00%
Financials	29.40%
Information Technology	4.40%
Telecommunication Services	3.30%
Utilities	0.00%
Total	99.20%

Top 10 holdings of the underlying fund

As at June 30, 2010

Barrick Gold Corp.	6.24%	Canadian Imperial Bank of Commerce	4.43%
Suncor Energy Inc.	5.72%	Bank of Nova Scotia	3.44%
Royal Bank of Canada	5.56%	Goldcorp Inc.	3.26%
Canadian Natural Resources Ltd.	4.76%	Magna International Inc., Class A	3.05%
Bank of Montreal	4.63%	Sun Life Financial Services of Canada Inc.	2.86%
		Total	43.95%

Performance of the Industrial Alliance Fund - 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	(3.9)	(4.6)	(7.2)	(3.9)	10.5	(3.4)	(2.8)	5.6	10.6	7.2*
Reference Index ¹	(2.5)	(3.7)	(5.5)	(2.5)	12.0	(8.8)	(3.9)	5.5	9.7	3.3

Annual returns

As at December 31	09	08	07	06	05	04	03	02	01	00
Fund	37.0	(28.3)	6.1	17.6	19.7	14.6	30.6	(13.0)	0.5*	28.3*
Reference Index ¹	35.1	(33.0)	9.8	17.3	24.1	14.5	26.7	(12.4)	(12.6)	7.4

¹ S&P/TSX Composite Index.

* Simulation of past returns as if the Fund had been in effect for these periods.

Past performance is not a guarantee of future returns.