

LONG TERM BONDS

GROUP SAVINGS
AND RETIREMENT

First offering: December 2004

Inception date: August 2004

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

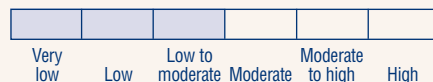
Investment style

Interest rate forecasts

Investment limits

	Min.	Max.
Short term Bonds	0%	20%
	80%	100%

Risk level



FU504

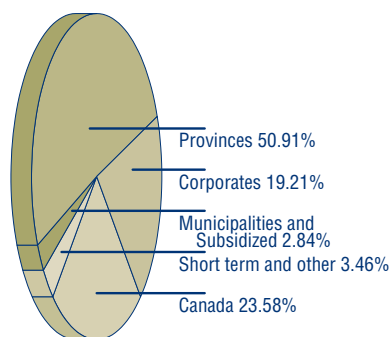
TOTAL NET ASSETS: \$80.2 MILLION

Commentary

The fund is primarily composed of bonds with long-term maturities (10 or more years). Management of the fund is based primarily on interest rate movements resulting from our analysis of macroeconomic trends. Management of the duration is the primary source of value added, whereas the choice of sectors and securities selection are also sources of value added. The manager could occasionally add securities denominated in foreign currencies, real return bonds or other special situations that can contribute to enhancing the return of the portfolio or reduce its volatility.

Asset mix of the Fund

As at December 31, 2011



Characteristics of the Fund

As at December 31, 2011

Bond and Short term Portfolios

Average rating - Bonds	AA
Average term	22.29 years
Modified duration	13.76 years
Average coupon	4.91%
Yield at cost	4.14%
Yield at market value	3.26%

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	18.2	3.7	5.2	15.4	18.2	15.0	11.9	8.5	8.7	9.3*
Reference Index ¹	18.1	3.7	4.9	15.3	18.1	15.3	11.9	8.3	8.4	8.9

Annual returns

As at December 31	11	10	09	08	07	06	05	04	03	02
Fund	18.2	11.8	6.1	4.6	2.7	4.3	13.8	10.4*	9.5*	12.3*
Reference Index ¹	18.1	12.5	5.5	2.7	3.4	4.1	13.8	10.3	9.1	11.1

¹ DEX Long Term Bond 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.