

BONDS (PH&N)

GROUP SAVINGS
AND RETIREMENT

Inception date: November 2007

FU521

TOTAL NET ASSETS: \$15.0 MILLION

Investment Advisor



Management team composed of several managers

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 and spread trading

Investment limits

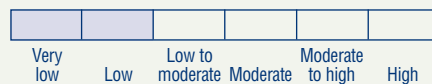
Industrial Alliance Fund

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

Underlying fund

	Min.	Max.
Short term	0%	25%
Bonds	75%	100%

Risk level



Underlying Fund

Phillips, Hager & North Bond Fund

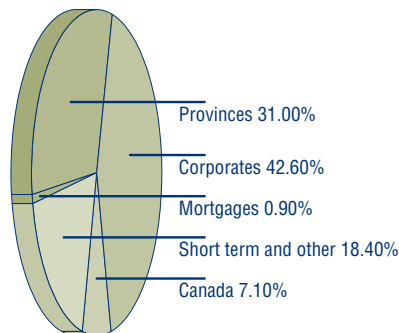
Asset mix of the Industrial Alliance Fund

As at December 31, 2011	Distribution
Short term	(0.03)%
Units of the underlying fund	100.03%
	100.00%

Commentary

To achieve the Fund's investment objectives, the manager invests in high quality Canadian corporate bonds and government bonds issued in Canadian or U.S. dollars. The average term to maturity of the portfolio is managed within strict guidelines, typically between seven and twelve years. In addition to the standard investment restrictions imposed by securities legislation, the value of any one investment at month-end must not exceed 15% of the Fund's net assets at market value. This does not apply to government or government-guaranteed debt instruments.

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	AA
Average term	8.71 years
Modified duration	6.01 years
Average coupon	N/A
Yield at cost	N/A
Yield at market value	2.71%

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	8.8	1.7	2.1	6.4	8.8	8.1	8.8	6.6	6.3*	6.8*
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	8.8	7.5	10.2	3.9	2.8	4.1	6.8*	7.3*	7.3*	9.6*
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.

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

Past performance is not a guarantee of future returns.