

CANADIAN EQUITY (SMALL CAP.) (QV)

Inception date: November 2007

Investment Advisor



Investors Inc.

Management team composed of several managers

Objectives of the Fund

- Long-term capital growth through investments in small capitalization Canadian companies
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

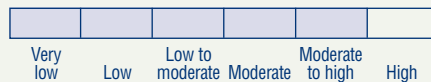
Growth at a reasonable price

Investment limits

Industrial Alliance Fund

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

Risk level



Underlying Fund

IA Clarington Canadian Small Cap. Fund

Asset mix of the Industrial Alliance Fund

As at December 31, 2011	Distribution
Short term	(0.16)%
Units of the underlying fund	100.16%
	100.00%

FU541

TOTAL NET ASSETS: \$25.8 MILLION

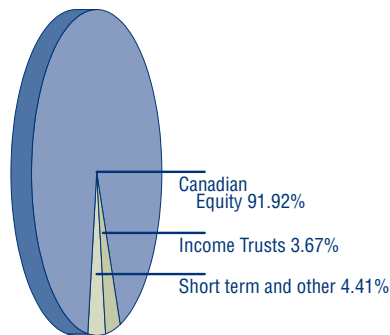
GROUP SAVINGS
AND RETIREMENT

Commentary

QV Investors Inc. believes investing is the process of buying ownership stakes in businesses run by managers we want as long-term partners. They seek to buy our investments at a price calculated to deliver a rate of return superior to the return on equity of Canadian corporations. They believe the study of the business environment can enhance returns by putting values, companies, credit and cultures in a global or thematic context. The elements of the portfolio management are as follows: - Quality, Value, Growth and Diversification - and relate to the management of portfolio risk. Quality is analysis of the integrity of management and corporate finance. Value is the calculation of a security's price relative to its earning power and inflation. Growth in capital is the objective. Diversification is the means to modify risk.

Asset mix of the underlying fund

As at December 31, 2011



Sector Allocation

As at December 31, 2011

Canadian Equity Portfolio

Energy	12.76%
Materials	13.88%
Industrials	13.69%
Consumer Discretionary	9.03%
Consumer Staples	16.67%
Health Care	3.03%
Financials	15.60%
Information Technology	7.68%
Telecommunication Services	3.25%
Utilities	0.00%
	95.59%

Top 10 holdings of the underlying fund

As at December 31, 2011

CCL Industries Inc., Class B, NV	4.19%	Empire Co. Ltd., Class A, NV	3.75%
Laurentian Bank of Canada	4.06%	Pason Systems Inc.	3.72%
Winpak Ltd.	4.06%	Transcontinental Inc., Class A, SV	3.72%
AltaGas Ltd.	4.01%	Crombie Real Estate Investment Trust	3.67%
Maple Leaf Foods Inc.	3.95%	Astral Media Inc., Class A, NV	3.62%
			38.75%

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	(0.5)	1.4	5.3	(4.0)	(0.5)	7.8	15.7	3.6	8.1*	14.1*
Reference Index ¹	(14.4)	(1.7)	5.0	(10.6)	(14.4)	8.9	27.6	2.5	6.7	9.8

Annual returns

As at December 31	11	10	09	08	07	06	05	04	03	02
Fund	(0.5)	16.9	33.1	(31.0)	12.0	12.8*	28.2*	21.0*	37.9*	29.3*
Reference Index ¹	(14.4)	38.5	75.1	(46.6)	2.0	16.6	19.7	14.1	42.7	(0.9)

¹ BMO Nesbitt Burns Small Cap.

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

Past performance is not a guarantee of future returns.