

CANADIAN EQUITY (SCHEER ROWLETT)

Inception date: January 2009

FU543

TOTAL NET ASSETS: \$31.8 MILLION

**GROUP SAVINGS
AND RETIREMENT**

Investment Advisor



Management team composed of several managers

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

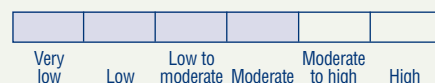
Industrial Alliance Fund

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

Underlying fund

| | Min. | Max. |
|-----------------|------|------|
| Short term | 0% | 10% |
| Canadian equity | 90% | 100% |
| Foreign equity | 0% | 10% |

Risk level



Underlying Fund

Scheer Rowlett and Associates Canadian Equity Fund

Asset mix of the Industrial Alliance Fund

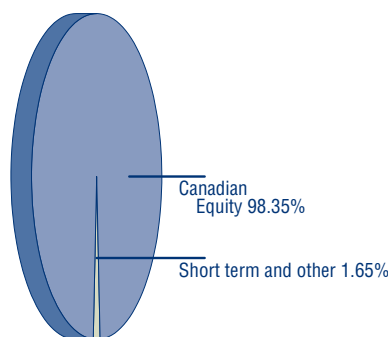
| As at December 31, 2011 | Distribution |
|------------------------------|--------------|
| Short term | 0.30% |
| Units of the underlying fund | 99.70% |
| | 100.00% |

Commentary

Scheer, Rowlett & Associates Investment Management Ltd. (Scheer Rowlett) believes that the core value of a company is reflected in its share price over the long term, but that in the short term, market inefficiencies often lead to incorrect valuation of securities. Since it is a value manager, Scheer Rowlett endeavours to acquire shares of attractive companies when they are undervalued. It relies on thorough fundamental analysis to determine whether long-term investment is justified. In essence, Scheer Rowlett's objective is to consistently produce strong risk-adjusted returns in both up and down markets.

Asset mix of the underlying fund

As at December 31, 2011



Sector Allocation

As at December 31, 2011

Canadian Equity Portfolio

| | |
|----------------------------|---------------|
| Energy | 22.31% |
| Materials | 23.51% |
| Industrials | 5.32% |
| Consumer Discretionary | 6.23% |
| Consumer Staples | 1.40% |
| Health Care | 0.02% |
| Financials | 30.10% |
| Information Technology | 0.99% |
| Telecommunication Services | 8.47% |
| Utilities | 0.00% |
| | 98.35% |

Top 10 holdings of the underlying fund

As at December 31, 2011

| | | | |
|---------------------------|-------|---|---------------|
| The Toronto-Dominion Bank | 8.10% | Canadian Imperial Bank of Commerce | 5.80% |
| Barrick Gold Corp. | 8.00% | Canadian Natural Resources Ltd. | 5.40% |
| Bank of Nova Scotia | 7.40% | Agrium Inc. | 4.30% |
| Royal Bank of Canada | 7.00% | TELUS Corp., NV | 4.20% |
| Suncor Energy Inc. | 6.40% | Potash Corporation of Saskatchewan Inc. | 3.70% |
| | | | 60.30% |

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 | (11.8) | (1.2) | 4.6 | (11.3) | (11.8) | 1.2 | 12.2 | 0.0* | 6.3* | 7.8* |
| Reference Index ¹ | (8.7) | (1.7) | 3.6 | (8.9) | (8.7) | 3.6 | 13.2 | 1.3 | 6.5 | 7.0 |

Annual returns

| As at December 31 | 11 | 10 | 09 | 08 | 07 | 06 | 05 | 04 | 03 | 02 |
|------------------------------|--------|------|--------|--------|------|-------|-------|-------|--------|--------|
| Fund | (11.8) | 16.0 | 37.9 | (33.5) | 6.8* | 19.7* | 28.0* | 15.7* | 28.9* | (7.7)* |
| Reference Index ¹ | 17.6 | 35.1 | (33.0) | 9.8 | 17.3 | 24.1 | 14.5 | 26.7 | (12.4) | (12.6) |

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.