

BONDS (ADDENDA)

GROUP SAVINGS
AND RETIREMENT

Inception date: March 2006

FU822

TOTAL NET ASSETS: \$2.0 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

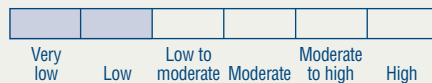
Investment style

Interest rate forecasts and spread trading

Investment limits

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

Risk level



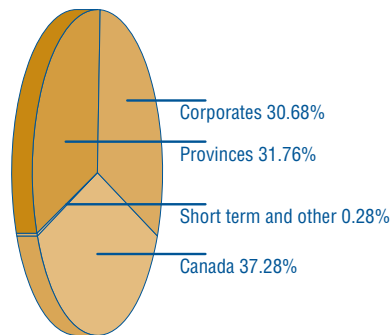
Underlying Fund

Addenda Bond Pooled Fund

Commentary

The manager favours active management of the duration, spreads and timing. The duration is managed according to expected changes in interest rates. Spread management consists of taking advantage of spread changes between federal, provincial, municipal and corporate bonds. Finally, management of timing consists of taking advantage of opportunities created by excessive changes in the markets.

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 | AAA |
| Average term | 5.92 years |
| Modified duration | 4.13 years |
| Average coupon | 3.80% |
| Yield at cost | N/A |
| Yield at market value | 2.28% |

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 | 7.2 | 1.0 | 1.1 | 4.3 | 7.2 | 6.4 | 7.5 | 6.0 | 5.6* | 6.4* |
| 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 | 7.2 | 5.7 | 9.7 | 2.8 | 4.8 | 3.9* | 5.3* | 7.5* | 7.9* | 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.

Asset mix of the Industrial Alliance Fund

| As at December 31, 2011 | Distribution |
|------------------------------|--------------|
| Short term | (0.01)% |
| Units of the underlying fund | 100.01% |
| | 100.00% |

Past performance is not a guarantee of future returns.