

# BONDS (ADDENDA)

GROUP PENSIONS

**Inception date:** March 2006

**FU822**

**TOTAL NET ASSETS: \$3.0 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%

## Volatility



## Underlying Fund

Addenda Bond Pooled Fund

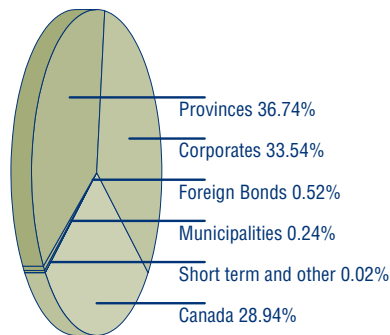
## Asset mix of the Industrial Alliance Fund

As at June 30, 2010	Distribution
Short term	(0.25)%
Units of the underlying fund	100.25%
	100.00%

## 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 June 30, 2010



## Characteristics of the underlying fund As at June 30, 2010

### Bond and Short term Portfolios

Average rating - Bonds	A
Average term	6.58 years
Modified duration	4.12 years
Average coupon	3.34%
Yield at cost	N/A
Yield at market value	2.73%

## Performance of the Industrial Alliance Fund - Gross returns

Returns before deduction of management and administration fees.

### Compound returns

As at June 30, 2010 /	YTD	1 month	3 months	6 months	1 year	2 years	3 years	5 years	7 years	10 years
Fund	3.7	1.4	2.2	3.7	7.7	7.0	6.9	5.2*	5.7*	6.9*
Reference Index <sup>1</sup>	4.2	1.8	2.9	4.2	6.9	6.9	6.9	4.9	5.7	6.6

### Annual returns

As at December 31	09	08	07	06	05	04	03	02	01	00
Fund	9.7	2.8	4.8	3.9*	5.3*	7.5*	7.9*	9.6*	8.5*	12.3*
Reference Index <sup>1</sup>	5.4	6.4	3.7	4.1	6.5	7.1	6.7	8.7	8.1	10.2

<sup>1</sup> 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.