

BONDS (PIMCO)

GROUP SAVINGS
AND RETIREMENT

Inception date: November 2009

FU860

TOTAL NET ASSETS: \$82.4 MILLION

Investment Advisor

P I M C O

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

Multiple strategies

Investment limits

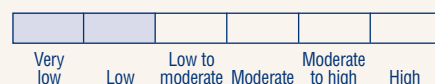
Industrial Alliance Fund

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

Underlying fund

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

Risk level



Underlying Fund

PIMCO Canada Canadian CorePLUS Bond Trust

Asset mix of the Industrial Alliance Fund

As at December 31, 2011	Distribution
Short term	2.44%
Units of the underlying fund	97.56%
	100.00%

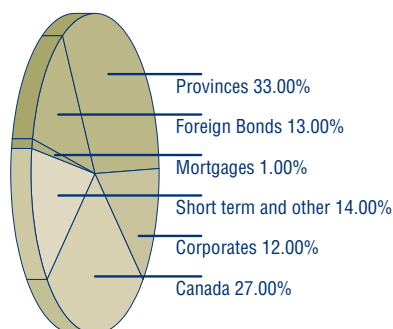
Commentary

PIMCO is a "core-plus" manager. Their goal is to add value by consistently outperforming the benchmark by tapping traditional and non-traditional sectors of the fixed income markets, while maintaining overall risk similar to that of the benchmark.

Risk factors to which PIMCO is overweight or underweight include: duration; yield curve; sectors of the Canadian bond market, including government bonds, provincials and corporate bonds; and credit quality. In addition, PIMCO allocates a small portion of its CorePLUS portfolios to out-of-index risk factors comprised of the firm's best ideas from around the global bond markets, which include international fixed income, currency, Canadian and non-Canadian inflation-linked bonds, Canadian and non-Canadian high yield, emerging markets, liquidity and volatility strategies.

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	10.57 years
Modified duration	7.58 years
Average coupon	4.58%
Yield at cost	N/A
Yield at market value	N/A

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	6.1	2.1	2.8	3.5	6.1	7.4	9.4*	6.6*	-	-
Reference Index ¹	9.7	1.7	2.1	7.3	9.7	8.2	7.3	6.4	-	-

Annual returns

As at December 31	11	10	09	08	07	06	05	04	03	02
Fund	6.1	8.7	13.5*	0.7*	4.6*	-	-	-	-	-
Reference Index ¹	9.7	6.7	5.4	6.4	3.7	-	-	-	-	-

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.