

CANADIAN EQUITY (PYRAMIS)

GROUP SAVINGS
AND RETIREMENT

Inception date: November 2009

FU862

TOTAL NET ASSETS: \$27.9 MILLION

Investment Advisor



Andrew Marchese
Joe Overdeest

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

Core with a growth bias

Investment limits

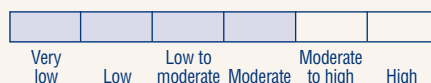
Industrial Alliance Fund

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

Underlying fund

| | Min. | Max. |
|----------------------------|------|------|
| Short term | 0% | 20% |
| Canadian equity securities | 80% | 100% |

Risk level



The "super" sector weightings may vary from +/- 2% compared to the index.

Underlying Fund

Pyramis Canadian Systematic Equity Trust

Asset mix of the Industrial Alliance Fund

| As at December 31, 2011 | Distribution |
|------------------------------|--------------|
| Short term | (0.19)% |
| Units of the underlying fund | 100.19% |
| | 100.00% |

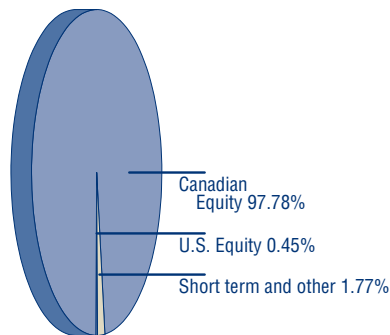
Commentary

The Fund is a core strategy that combines fundamental and quantitative stock selection inputs in a risk-controlled framework. Portfolio relative risk is controlled by maintaining "super" sector allocations in line with those of the S&P/TSX Capped Composite Index.

The strategy invests in stocks that are highly rated by both Pyramis fundamental equity research analysts and by proprietary quantitative research models. Combining these two independent alpha signals along with a "super" sector neutral discipline to portfolio construction helps to create a portfolio that is concentrated, but that actively controls risk at both the security selection and portfolio construction levels.

Asset mix of the underlying fund

As at December 31, 2011



Sector Allocation

As at December 31, 2011

Canadian Equity Portfolio

| | |
|----------------------------|---------------|
| Energy | 27.80% |
| Materials | 18.54% |
| Industrials | 5.48% |
| Consumer Discretionary | 3.42% |
| Consumer Staples | 2.21% |
| Health Care | 3.79% |
| Financials | 27.11% |
| Information Technology | 1.66% |
| Telecommunication Services | 6.83% |
| Utilities | 0.94% |
| Total | 97.78% |

Top 10 holdings of the underlying fund

As at December 31, 2011

| | | | |
|------------------------------------|-------|--|---------------|
| The Toronto-Dominion Bank | 7.87% | Potash Corporation of Saskatchewan Inc. | 3.74% |
| Bank of Montreal | 5.07% | Goldcorp Inc. | 3.72% |
| Canadian National Railway Co. | 4.98% | Enbridge Inc. | 3.63% |
| Suncor Energy Inc. | 4.75% | Intact Financial Corp. | 3.16% |
| Canadian Imperial Bank of Commerce | 3.85% | Valeant Pharmaceuticals International Inc. | 3.14% |
| | | Total | 43.91% |

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 | (7.3) | (2.7) | 3.0 | (8.7) | (7.3) | 5.6 | 14.3* | 4.6* | 9.5* | - |
| Reference Index ¹ | (8.7) | (1.7) | 3.6 | (8.9) | (8.7) | 3.6 | 13.2 | 1.3 | 6.5 | - |

Annual returns

| As at December 31 | 11 | 10 | 09 | 08 | 07 | 06 | 05 | 04 | 03 | 02 |
|------------------------------|-------|------|-------|---------|-------|-------|-------|-------|-------|----|
| Fund | (7.3) | 20.4 | 33.8* | (33.3)* | 25.4* | 13.3* | 33.3* | 18.8* | 28.1* | - |
| Reference Index ¹ | (8.7) | 17.6 | 35.1 | (33.0) | 9.8 | 17.3 | 24.1 | 14.5 | 26.7 | - |

¹ S&P/TSX Capped Composite.

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

Past performance is not a guarantee of future returns.