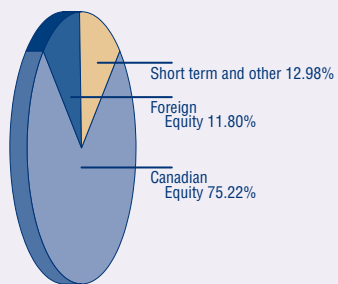




Asset mix of the underlying fund



Sector Allocation

**Canadian Equity Portfolio**

Energy	14.36%
Materials	10.11%
Industrials	5.49%
Consumer Discretionary	4.28%
Consumer Staples	6.26%
Health Care	1.37%
Financials	19.89%
Information Technology	7.12%
Telecommunication Services	5.68%
Utilities	0.66%
	75.22%

Top 10 holdings of the underlying fund

- The Toronto-Dominion Bank
- Shoppers Drug Mart Corp.
- Suncor Energy Inc.
- Canadian National Railway Co.
- Barrick Gold Corp.
- Power Corporation of Canada, SV
- Bank of Montreal
- CGI Group Inc., Class A, SV
- Rogers Wireless Communications Inc., Class B
- Potash Corporation of Saskatchewan Inc.

Top 10 holdings represents 31.29% of the underlying fund's net assets.

Investment limits

	Min.	Max.	Real
<b>Industrial Alliance Fund</b>			
Short term	0%	20%	(0.15)%
Units of an underlying fund	80%	100%	100.15%

Commentary

The Fidelity True North Fund seeks long-term capital appreciation by investing in equity securities of growth-oriented companies at reasonable prices. The first screen criteria is the price/earnings growth (PEG ratio). However, PEG alone tells the manager little about the overall attractiveness of an investment opportunity. After the first screen is done, the focus goes on the balance sheet. The manager needs to see solid cash flow generation and earnings yield. In terms of risk management, the manager manages relative to the benchmark but will take the necessary deviations in order to generate the attractive alpha (value added vs. index). The manager is well supported by the analysts of Team Canada.

Investment Advisor



Maxime Lemieux

Inception date: January 1999

Management expense ratio (MER): 3.40% (GST and HST incl.)

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

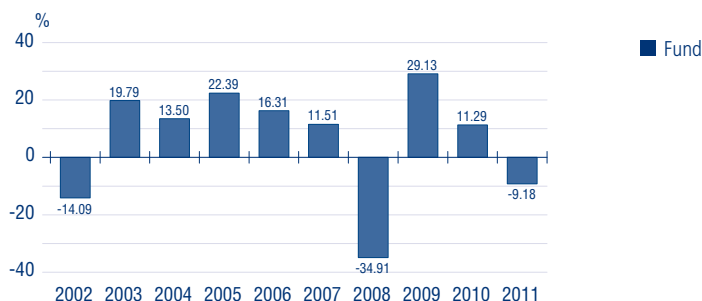
Growth at a reasonable price

Performance Data

The returns or performance information shown assume that all income/realized net gains are retained by the segregated fund in the periods shown and are reflected in higher unit values of the segregated fund. The return or performance information do not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance. How the segregated fund has performed in the past does not necessarily indicate how it will perform in the future.

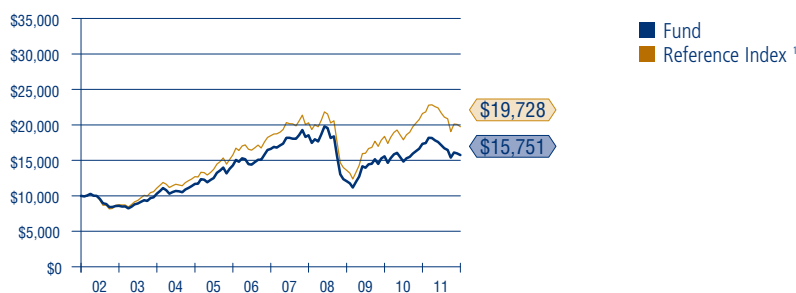
Year By Year Returns

This chart shows you the fund's annual performance and how an investment made on January 1 would have changed by December 31.



Past Performance

This graph shows you how a \$10,000 investment in this fund would have changed in value compared with the reference index.



Annual Compound Returns

This table shows the simple returns for the monthly periods and the historical annual compound total return of the segregated fund compared with the reference index.

	Since January 1999	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	6.2	4.6	(1.1)	9.3	0.5	(9.2)	(8.0)	2.4	(1.4)	(9.2)
Reference Index <sup>1</sup>		7.0	1.3	13.2	3.6	(8.7)	(8.9)	3.6	(1.7)	(8.7)

<sup>1</sup> S&P/TSX Capped Composite.