

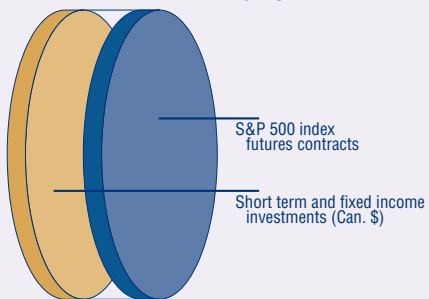
ULTRAFLEX R – M U.S. Equity Index

Net assets: 1.3 million As at September 30, 2010

Volatility



Asset mix of the underlying fund



Investment limits

Industrial Alliance Fund

	Min.	Max.	Real
Short term	0%	20%	(0.26)%
Units of an underlying fund	80%	100%	100.26%

Commentary

The performance and risk of the U.S. Equity Index Fund is similar to the Standard & Poor's 500 Index (S&P 500). The Fund "synthetically" produces exposure to the S&P 500 using a combination of Canadian money market investments and S&P 500 futures contracts. The Fund does not hold the 500 individual stocks. By using this approach the Fund is considered Canadian content rather than foreign content. The Fund also participates in changes in the exchange rate between the Canadian and US dollar. A weaker Canadian dollar (a stronger US dollar) adds to the Fund's performance. Of course, the opposite is also true. This exposure to fluctuations in exchange rates is referred to as being "unhedged."

Investment Advisor



Gregory J. Chrispin, CFA

Inception date: November 1998

Management expense ratio (MER): 3.74% (GST and HST incl.)

Objectives of the Fund

- Medium- and long-term capital growth through an indexed portfolio management built with financial instruments that reproduce the return of the S&P 500 (converted into Can. \$)
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

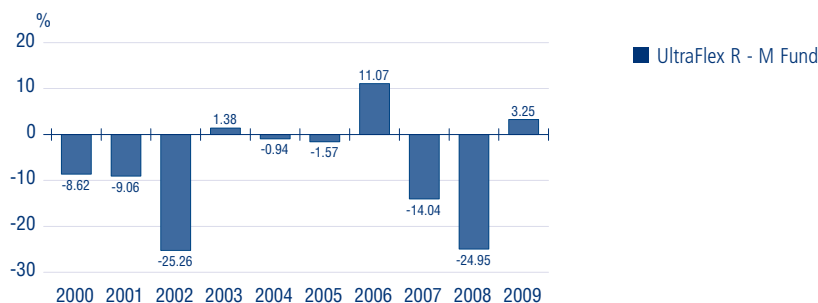
Indexed

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 does not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance. How a segregated fund has performed in the past does not necessarily indicate how it will perform in the future.

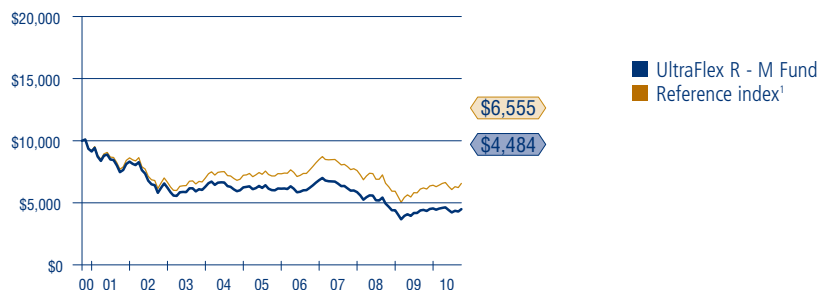
Year By Year Returns

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



Past Performance

This graph shows 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 Inception	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	(5.3)	(7.7)	(5.7)	(10.1)	(4.7)	1.3	(2.2)	6.3	4.4	(1.2)
Reference index ¹		(4.1)	(1.8)	(6.1)	(0.2)	5.8	0.0	8.1	5.4	2.2

¹ S&P 500 (Can. \$).