



2010 Apex Funds

Financial Report
Investment Funds

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INDUSTRIAL ALLIANCE PACIFIC INSURANCE AND FINANCIAL SERVICES INC.

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Independent Auditor's Report

To the unitholders of Industrial Alliance Pacific Apex Funds,

We have audited the statements of investment portfolio of Industrial Alliance Pacific Apex Funds (the "Funds") listed in Note 1a) as at December 31, 2010, the statements of net assets as at December 31, 2010 and 2009, the statements of changes in net assets and the statements of operations for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the investment portfolio of the Funds as at December 31, 2010, their financial position as at December 31, 2010 and 2009, and the results of their operations and their changes in net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair / Deloitte & Touche s.e.n.c.r.l.¹

Samson Bélair/Deloitte & Touche s.e.n.c.r.l.¹

Quebec, Quebec
March 24, 2011

¹ Chartered Accountant Auditor permit no 18527

APEX Money Market

Statements of Net Assets

As at December 31 In thousands (except number of units and per unit figures)	2010 \$	2009 \$
ASSETS		
Investments at fair value*	2,168	2,649
Cash	5	68
Interest, dividends and other receivable	-	1
	2,173	2,718
LIABILITIES		
Expenses payable	3	1
	3	1
NET ASSETS	2,170	2,717
NET ASSETS PER UNIT		
Ecoflex	1.23	1.22
UNITS OUTSTANDING		
Ecoflex	1,766,628	2,231,072
* Investments, at average cost	2,163	2,649

Statements of Operations

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
INVESTMENT INCOME		
Interest	10	23
Securities lending	-	1
	10	24
EXPENSES (Note 6)		
Management fees and operating expenses	12	20
NET INVESTMENT INCOME (LOSS)	(2)	4
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized gain (loss) on sale of investments	19	(4)
Change in unrealized gain (loss) of investments	5	(2)
NET GAIN (LOSS) ON INVESTMENTS	24	(6)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	22	(2)

Statements of Changes in Net Assets

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
NET ASSETS - BEGINNING OF THE PERIOD	2,717	3,760
Increase (decrease) in net assets from operations	22	(2)
CAPITAL UNIT TRANSACTIONS (Note 7)		
Units issued	152	274
Units redeemed	(721)	(1,315)
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD	(547)	(1,043)
NET ASSETS - END OF THE PERIOD	2,170	2,717

The accompanying Notes to the Financial Statements are an integral part of these statements.

Statement of Investment Portfolio

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
INVESTMENT FUNDS (99.91%)			
Industrial Alliance Money Market Fund	106,910	2,163	2,168
OTHER NET ASSETS (0.09%)			2
TOTAL NET ASSETS (100.00%)			2,170

INDUSTRIAL ALLIANCE MONEY MARKET FUND

Top 25 Holdings of the Underlying Fund

As at December 31, 2010 In thousands	Face value \$	Average Cost \$	Fair Value \$	% of portfolio		
Government of Canada	1.120 %	2011-05-26	73,950	73,571	73,579	33.27%
Government of Canada	1.060 %	2011-04-28	40,000	39,804	39,807	18.00%
Government of Canada	1.120 %	2011-06-23	24,350	24,216	24,211	10.95%
Government of Canada	0.940 %	2011-02-03	12,750	12,723	12,722	5.75%
Bank of Montreal	1.140 %	2011-01-31	10,000	9,974	9,975	4.51%
National Bank of Canada	1.130 %	2011-02-03	10,000	9,974	9,974	4.51%
Bank of Nova Scotia	1.180 %	2011-02-09	10,000	9,971	9,971	4.51%
Government of Canada	1.090 %	2011-03-03	7,550	7,512	7,513	3.40%
Government of Canada	1.130 %	2011-05-26	5,650	5,619	5,620	2.54%
Government of Canada	1.000 %	2011-03-31	5,550	5,524	5,525	2.50%
Government of Canada	0.830 %	2011-01-06	3,550	3,536	3,536	1.60%
Government of Canada	1.130 %	2011-06-23	2,900	2,883	2,885	1.30%
Government of Canada	1.025 %	2011-03-31	1,800	1,792	1,792	0.81%
Government of Canada	1.040 %	2011-04-28	1,700	1,693	1,692	0.76%
Government of Canada	0.850 %	2011-01-06	1,500	1,494	1,494	0.68%
Government of Canada	0.845 %	2011-01-06	1,400	1,394	1,394	0.63%
Government of Canada	1.010 %	2011-03-31	1,250	1,243	1,244	0.56%
Government of Canada	0.970 %	2011-03-31	1,150	1,145	1,145	0.52%
Government of Canada	1.110 %	2011-05-26	1,050	1,045	1,045	0.47%
Government of Canada	1.050 %	2011-04-28	900	895	896	0.41%
Government of Canada	1.060 %	2011-03-03	800	796	796	0.36%
Government of Canada	1.080 %	2011-03-03	600	597	598	0.27%
Government of Canada	1.040 %	2011-03-03	600	597	597	0.27%
Government of Canada	0.980 %	2011-03-31	600	598	597	0.27%
Government of Canada	1.030 %	2011-03-03	500	497	498	0.23%
			219,093	219,106	219,106	99.08%

APEX Money Market

Discussion of Financial Instrument Risk Management

As at December 31, 2010 and 2009 (Note 2, Note 3 and Note 4)
(in thousands of dollars)

Investment Objectives

The APEX Money Market Fund (the "Fund") is invested in units of the Industrial Alliance Money Market Fund (the "underlying fund"), which is managed by Industrial Alliance Investment Management Inc.

The Fund seeks to maintain excellent protection of capital and a high level of liquidity, while maximizing the total return. It is composed essentially of quality securities, with a maximum term of one year, guaranteed by the provinces, governments and some companies. The management style focuses on interest rate forecasts which are based on a careful analysis of the economic outlook.

Fair Value Measurements

The following tables are a summary of the inputs used, as at December 31, 2010 and 2009, on the Fund's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements.

According to the hierarchy of fair value valuations, cash and bank overdraft are always valued according to level 1 parameters and are not part of the following tables.

As at December 31, 2010

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	2,168	-	-	2,168
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	2,168	-	-	2,168

As at December 31, 2009

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	2,649	-	2,649
Derivative financial instruments	-	-	-	-
Total	-	2,649	-	2,649

There were no significant transfers between the levels during the periods ended December 31, 2010 and 2009.

Credit Risk

As at December 31, 2010, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2010 (%)
R1	100.05

*Excludes other Net Assets

As at December 31, 2009, the Fund had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2009 (%)
R1	97.50

*Excludes other Net Assets

Credit ratings are obtained from DBRS, Standard & Poor's or Moody's.

Liquidity Risk

As at December 31, 2010 and 2009, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at December 31, 2010. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non-interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	2,171	-	-	-	(3)	2,168	7
Cash	5	-	-	-	-	5	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	3	3	-

The following table summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at December 31, 2009. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non-interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	2,649	-	-	-	-	2,649	4
Cash	68	-	-	-	-	68	-
Other assets	-	-	-	-	1	1	-
Liabilities	-	-	-	-	1	1	-

APEX Money Market

Discussion of Financial Instrument Risk Management (continued)

Currency Risk

As at December 31, 2010, the Fund, through its underlying fund, had no significant exposure to currency risk.

As at December 31, 2009, the Fund had no significant exposure to currency risk.

Other Price Risk

As at December 31, 2010 and 2009, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following tables. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	100.00	1.00	22

As at December 31, 2009

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	100.00	1.00	27

APEX Fixed Income

Statements of Net Assets

As at December 31 In thousands (except number of units and per unit figures)	2010 \$	2009 \$
ASSETS		
Investments at fair value*	3,601	4,050
Cash	-	76
Interest, dividends and other receivable	-	27
	3,601	4,153
LIABILITIES		
Expenses payable	7	8
Redemptions payable	-	23
	7	31
NET ASSETS	3,594	4,122
NET ASSETS PER UNIT		
Ecoflex	7.82	7.50
UNITS OUTSTANDING		
Ecoflex	459,701	549,304
* Investments, at average cost	3,557	4,013

Statements of Operations

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
INVESTMENT INCOME		
Interest	162	196
EXPENSES (Note 6)		
Management fees and operating expenses	97	102
NET INVESTMENT INCOME (LOSS)	65	94
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Realized gain (loss) on sale of investments	88	38
Change in unrealized gain (loss) of investments	7	29
NET GAIN (LOSS) ON INVESTMENTS	95	67
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	160	161

Statements of Changes in Net Assets

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
NET ASSETS - BEGINNING OF THE PERIOD	4,122	4,353
Increase (decrease) in net assets from operations	160	161
CAPITAL UNIT TRANSACTIONS (Note 7)		
Units issued	63	40
Units redeemed	(751)	(432)
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD	(528)	(231)
NET ASSETS - END OF THE PERIOD	3,594	4,122

The accompanying Notes to the Financial Statements are an integral part of these statements.

Statement of Investment Portfolio

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
INVESTMENT FUND (100.19%)			
Industrial Alliance Bonds - series 2 Fund	166,173	3,557	3,601
OTHER NET ASSETS (-0.19%)			(7)
TOTAL NET ASSETS (100.00%)			3,594

INDUSTRIAL ALLIANCE BONDS - SERIES 2 FUND

Top 25 Holdings of the Underlying Fund

As at December 31, 2010 In thousands			Face value \$	Average Cost \$	Fair Value \$	% of portfolio
Government of Canada Canada Housing Trust, Floating Rate	5.000%	2037-06-01	23,120	28,021	28,675	4.53%
Government of Canada Canada Housing Trust	3.202%	2013-06-15	25,870	25,827	25,832	4.08%
Government of Canada Canada Housing Trust	3.750%	2019-06-01	21,800	22,800	22,979	3.63%
Canada Housing Trust	2.450%	2015-12-15	19,340	19,054	19,130	3.02%
Canada Housing Trust	2.750%	2014-09-15	16,160	16,334	16,388	2.59%
Province of British Columbia	4.700%	2037-06-18	15,400	15,826	16,330	2.58%
Canada Housing Trust	3.550%	2013-09-15	15,660	16,279	16,273	2.57%
Canada Housing Trust Province of Quebec, Real Return Bond	3.600%	2013-06-15	14,110	14,667	14,660	2.31%
Canada Housing Trust	4.500%	2020-12-01	12,170	12,577	12,765	2.01%
Master Credit Card Trust	3.150%	2014-06-15	10,150	10,433	10,444	1.65%
Canada Housing Trust	4.444%	2011-11-21	10,060	10,317	10,297	1.62%
Government of Canada	4.550%	2012-12-15	9,440	9,947	9,932	1.57%
Canada Housing Trust	3.250%	2021-06-01	9,600	9,513	9,623	1.52%
Canada Housing Trust	2.950%	2015-03-15	9,370	9,519	9,542	1.51%
Province of Ontario	4.400%	2019-06-02	8,460	8,808	8,920	1.41%
Bank of Nova Scotia Bank of Nova Scotia, Fixed - Floating Rate	3.340%	2015-03-25	8,590	8,659	8,683	1.37%
Eagle Credit Card Trust	4.990%	2018-03-27	8,140	8,551	8,553	1.35%
Province of Quebec	4.441%	2014-03-17	8,500	8,565	8,549	1.35%
Royal Bank of Canada	4.500%	2016-12-01	7,240	7,748	7,788	1.23%
Municipal Finance Authority of British Columbia	3.270%	2014-11-10	7,420	7,525	7,542	1.19%
Province of Ontario	4.650%	2016-04-19	6,630	7,138	7,167	1.13%
Hydro One Inc.	4.200%	2020-06-02	6,810	6,918	7,022	1.11%
Bank of Montreal, Fixed - Floating Rate	4.400%	2020-06-01	6,510	6,622	6,691	1.06%
407 International Inc.	6.170%	2023-03-28	5,740	6,431	6,480	1.02%
	4.300%	2021-05-26	6,310	6,184	6,289	0.99%
			304,263	306,554	48.40%	

APEX Fixed Income

Discussion of Financial Instrument Risk Management

As at December 31, 2010 and 2009 (Note 2, Note 3 and Note 4)
(in thousands of dollars)

Investment Objectives

The APEX Fixed Income Fund (the "Fund") is invested in units of the Industrial Alliance Bonds - series 2 Fund (the "underlying fund"), which is managed by Industrial Alliance Investment Management Inc.

Management of the Fund is oriented toward current income and seeks moderate long-term capital growth. The Fund's approach in bond management is a top-down fundamental approach starting from determining the duration of the portfolio, the yield curve positioning, sector allocation and security selection. The value added is generated from different sources with the investment style being a combination of interest rate anticipation and spread trading. The manager may also add foreign bonds, real return bonds or other special situations that would contribute to increasing portfolio return or reducing variability.

Fair Value Measurements

The following tables are a summary of the inputs used, as at December 31, 2010 and 2009, on the Fund's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements.

According to the hierarchy of fair value valuations, cash and bank overdraft are always valued according to level 1 parameters and are not part of the following tables.

As at December 31, 2010

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	3,601	-	-	3,601
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	3,601	-	-	3,601

As at December 31, 2009

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	-	-	-	-
Bonds	346	3,604	-	3,950
Short-term investments	-	100	-	100
Derivative financial instruments	-	-	-	-
Total	346	3,704	-	4,050

There were no significant transfers between the levels during the periods ended December 31, 2010 and 2009.

Credit Risk

As at December 31, 2010, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2010 (%)
AAA	41.33
AA	27.61
A	20.96
BBB	4.59
R1	5.61

*Excludes other Net Assets

As at December 31, 2009, the Fund had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2009 (%)
AAA	42.87
AA	19.46
A	21.70
BBB	11.79
R1	2.43

*Excludes other Net Assets

Credit ratings are obtained from DBRS, Standard & Poor's or Moody's.

Liquidity Risk

As at December 31, 2010 and 2009, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

APEX Fixed Income

Discussion of Financial Instrument Risk Management (continued)

Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at December 31, 2010. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	433	1,705	742	718	3	3,601	204
Cash	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	7	7	-

The following table summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at December 31, 2009. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	252	2,236	386	1,176	-	4,050	248
Cash	76	-	-	-	-	76	-
Other assets	-	-	-	-	27	27	-
Liabilities	-	-	-	-	31	31	-

Currency Risk

As at December 31, 2010, the Fund, through its underlying fund, had no significant exposure to currency risk.

As at December 31, 2009, the Fund had no significant exposure to currency risk.

Other Price Risk

As at December 31, 2010 and 2009, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following tables. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX Universe Bond Index	3.00	100.00	3.00	108

As at December 31, 2009

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX Universe Bond Index	3.00	100.00	3.00	124

APEX Growth & Income

Statements of Net Assets

As at December 31 In thousands (except number of units and per unit figures)	2010 \$	2009 \$
ASSETS		
Investments at fair value*	10,758	3,735
Cash	1	182
Receivable for investments sold	-	15
Interest, dividends and other receivable	-	14
	10,759	3,946
LIABILITIES		
Expenses payable	18	9
	18	9
NET ASSETS	10,741	3,937
NET ASSETS PER UNIT		
Ecoflex	10.10	9.46
UNITS OUTSTANDING		
Ecoflex	1,063,481	416,032
* Investments, at average cost	10,587	3,193

Statements of Operations

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
INVESTMENT INCOME		
Interest	67	80
Securities lending	-	1
Dividends	40	56
	107	137
EXPENSES (Note 6)		
Management fees and operating expenses	108	104
NET INVESTMENT INCOME (LOSS)	(1)	33
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS		
Realized gain (loss) on sale of investments	667	101
Change in unrealized gain (loss) of investments	(371)	428
Transaction costs	-	(1)
NET GAIN (LOSS) ON INVESTMENTS	296	528
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	295	561

Statements of Changes in Net Assets

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
NET ASSETS - BEGINNING OF THE PERIOD	3,937	3,920
Increase (decrease) in net assets from operations	295	561
CAPITAL UNIT TRANSACTIONS (Note 7)		
Units issued	7,630	145
Units redeemed	(1,121)	(689)
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD	6,804	17
NET ASSETS - END OF THE PERIOD	10,741	3,937

The accompanying Notes to the Financial Statements are an integral part of these statements.

Statement of Investment Portfolio

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
INVESTMENT FUND (100.16%)			
Industrial Alliance Diversified Fund	152,122	10,587	10,758
OTHER NET ASSETS (-0.16%)			(17)
TOTAL NET ASSETS (100.00%)			10,741

INDUSTRIAL ALLIANCE DIVERSIFIED FUND

Top 25 Holdings of the Underlying Fund

As at December 31, 2010 In thousands (except number of securities)	No. of Securities/ Face value \$	Average Cost \$	Fair Value \$	% of Portfolio
Templeton Master Trust Fund, Series 1	13,105,308	133,197	116,637	6.79%
Industrial Alliance U.S. Equity Fund	8,803,884	74,548	76,813	4.47%
MB Global Equity Fund	4,858,767	67,364	58,658	3.42%
Industrial Alliance International Equity Fund	3,520,373	37,414	46,096	2.68%
Royal Bank of Canada	778,850	26,158	40,655	2.37%
Suncor Energy Inc.	993,068	28,115	37,915	2.21%
The Toronto-Dominion Bank	459,100	21,340	34,020	1.98%
Canadian Natural Resources Ltd.	688,700	13,182	30,489	1.78%
Bank of Nova Scotia	485,800	13,612	27,705	1.61%
Potash Corporation of Saskatchewan Inc.	175,800	16,975	27,128	1.58%
Barrick Gold Corp.	488,569	17,652	25,909	1.51%
Government of Canada 2.000% 2012-09-01	25,225	25,355	25,385	1.48%
Canadian National Railway Co.	365,780	7,797	24,233	1.41%
Canadian Imperial Bank of Commerce	251,850	14,146	19,697	1.15%
Goldcorp Inc.	411,255	13,769	18,832	1.10%
Teck Resources Ltd., Class B, SV	303,247	8,052	18,686	1.09%
Agrium Inc.	203,200	6,803	18,593	1.08%
Cenovus Energy Inc.	538,152	13,151	17,829	1.04%
Talisman Energy Inc.	755,900	12,104	16,713	0.97%
Bank of Montreal	286,290	10,422	16,442	0.96%
Government of Canada 4.000% 2017-06-01	15,275	16,361	16,437	0.96%
Province of Quebec, Real Return Bond 4.500% 2020-12-01	15,600	15,783	16,362	0.95%
Canada Housing Trust 2.450% 2015-12-15	15,370	15,218	15,204	0.89%
EnCana Corp.	504,552	9,534	14,653	0.85%
Province of Ontario 4.500% 2015-03-08	13,435	14,206	14,436	0.84%
	632,258	775,527	45,17%	

APEX Growth & Income

Discussion of Financial Instrument Risk Management

As at December 31, 2010 and 2009 (Note 2, Note 3 and Note 4)
(in thousands of dollars)

Investment Objectives

The APEX Growth & Income Fund (the "Fund") is invested in units of the Industrial Alliance Diversified Fund (the "underlying fund"), which is managed by Industrial Alliance Investment Management Inc.

The Fund combines capital growth with current income. The Fund's investment strategy focuses primarily on a judicious allocation of Canadian and international equities and fixed-income securities. Given the importance of this allocation, a committee was created to make asset mix decisions according to its members' views on the economic environment. In addition, to provide further diversification to the portfolio, security selection was entrusted to several managers.

Fair Value Measurements

The following tables are a summary of the inputs used, as at December 31, 2010 and 2009, on the Fund's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements.

According to the hierarchy of fair value valuations, cash and bank overdraft are always valued according to level 1 parameters and are not part of the following tables.

As at December 31, 2010

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	10,758	-	-	10,758
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	10,758	-	-	10,758

As at December 31, 2009

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,406	-	-	1,406
Investment funds	648	-	-	648
Bonds	650	931	-	1,581
Short-term investments	-	100	-	100
Derivative financial instruments	-	-	-	-
Total	2,704	1,031	-	3,735

There were no significant transfers between the levels during the periods ended December 31, 2010 and 2009.

Credit Risk

As at December 31, 2010, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2010 (%)
AAA	16.21
AA	9.41
A	9.17
BBB	2.39
R1	5.05
Not rated	0.12

*Excludes other Net Assets

As at December 31, 2009, the Fund, through its direct holdings and its underlying funds, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2009 (%)
AAA	18.60
AA	10.96
A	10.35
R1	2.66
Not rated	0.25

*Excludes other Net Assets

Credit ratings are obtained from DBRS, Standard & Poor's or Moody's.

Liquidity Risk

As at December 31, 2010 and 2009, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

APEX Growth & Income

Discussion of Financial Instrument Risk Management (continued)

Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at December 31, 2010. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	646	2,404	842	659	6,207	10,758	228
Cash	1	-	-	-	-	1	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	18	18	-

The following table summarizes the Fund's exposure, through its direct holdings and its underlying funds, to interest rate risk by remaining terms to maturity as at December 31, 2009. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	187	968	25	506	2,049	3,735	109
Cash	182	-	-	-	-	182	-
Other assets	-	-	-	-	29	29	-
Liabilities	-	-	-	-	9	9	-

Currency Risk

The following table summarizes the Fund's exposure, through its underlying fund, to currency risk and the impact on Net Assets as at December 31, 2010, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	13	-	13	0.12	1
BRL	2	-	2	0.02	-
CHF	78	-	78	0.73	4
CNY	1	-	1	0.01	-
EUR	332	-	332	3.09	17
GBP	200	-	200	1.86	10
HKD	36	-	36	0.34	2
IDR	3	-	3	0.03	-
ILS	3	-	3	0.03	-
JPY	127	-	127	1.18	6
KRW	26	-	26	0.24	1
MXN	4	-	4	0.04	-
NOK	22	-	22	0.20	1
SEK	16	-	16	0.15	1
SGD	25	-	25	0.23	1
TWD	13	-	13	0.12	1
USD	936	-	936	8.71	47

The following table summarizes the Fund's exposure, through its direct holdings and its underlying funds, to currency risk and the impact on Net Assets as at December 31, 2009, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

APEX Growth & Income

Discussion of Financial Instrument Risk Management (continued)

As at December 31, 2009

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	6	-	6	0.15	-
BRL	6	-	6	0.15	-
CHF	32	1	33	0.85	2
CNY	1	-	1	0.04	-
DKK	18	-	18	0.45	1
EUR	110	-	110	2.79	5
GBP	59	-	59	1.49	3
HKD	12	-	12	0.31	1
ILS	10	-	10	0.25	-
JPY	22	-	22	0.57	1
KRW	18	-	18	0.46	1
NOK	5	-	5	0.13	-
PHP	2	-	2	0.04	-
RUB	2	-	2	0.05	-
SEK	14	-	14	0.35	1
SGD	8	-	8	0.20	-
TWD	5	-	5	0.14	-
USD	308	(1)	307	7.78	15

See Note 4 to the Financial Statements for currency symbols.

Other Price Risk

As at December 31, 2010 and 2009, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following tables. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	10.00	0.10	11
DEX Universe Bond Index	3.00	35.00	1.05	113
S&P/TSX Composite Index	10.00	45.00	4.50	483
MSCI - World Index (Can. \$) (net ret.)	10.00	10.00	1.00	107

As at December 31, 2009

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	10.00	0.10	4
DEX Universe Bond Index	3.00	35.00	1.05	41
S&P/TSX Composite Index	10.00	45.00	4.50	177
MSCI - World Small Cap. Index	10.00	10.00	1.00	39

APEX Canadian Value (Dynamic)

Statements of Net Assets

As at December 31 In thousands (except number of units and per unit figures)	2010 \$	2009 \$
ASSETS		
Investments at fair value*	626,480	500,164
Cash	18,593	2,006
Subscriptions receivable	1,933	1,174
Receivable for investments sold	-	18
Interest, dividends and other receivable	939	849
Open currency contracts receivable	2,111	-
	650,056	504,211
LIABILITIES		
Expenses payable	1,379	1,016
Redemptions payable	267	359
Payable for investments purchased	633	-
Open currency contracts payable	-	5
	2,279	1,380
NET ASSETS	647,777	502,831
NET ASSETS PER UNIT		
Ecoflex	19.79	17.57
Ecoflex ^{extra}	19.83	17.59
COL003	19.76	17.01
UNITS OUTSTANDING		
Ecoflex	20,054,074	20,003,740
Ecoflex ^{extra}	7,362,736	3,514,794
COL003	5,309,552	5,355,093
* Investments, at average cost	508,990	426,828

Statements of Operations

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
INVESTMENT INCOME		
Interest	1,368	136
Securities lending	25	-
Dividends	9,631	9,202
	11,024	9,338
EXPENSES (Note 6)		
Management fees and operating expenses	14,213	9,366
NET INVESTMENT INCOME (LOSS)	(3,189)	(28)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS		
Realized gain (loss) on sale of investments	34,412	25,502
Realized gain (loss) on foreign currency	(1,047)	-
Change in unrealized gain (loss) of investments	44,154	129,263
Change in unrealized gain (loss) on foreign currency	2,115	(150)
Transaction costs	(137)	-
NET GAIN (LOSS) ON INVESTMENTS	79,497	154,615
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	76,308	154,587

Statements of Changes in Net Assets

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
NET ASSETS - BEGINNING OF THE PERIOD	502,831	282,683
Increase (decrease) in net assets from operations	76,308	154,587
CAPITAL UNIT TRANSACTIONS (Note 7)		
Units issued	194,942	159,280
Units redeemed	(126,304)	(93,719)
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD	144,946	220,148
NET ASSETS - END OF THE PERIOD	647,777	502,831

The accompanying Notes to the Financial Statements are an integral part of these statements.

APEX Canadian Value (Dynamic)

Statement of Investment Portfolio

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
CANADIAN EQUITIES (68.45%)			
ENERGY (15.28%)			
Canadian Natural Resources Ltd.	530,200	18,555	23,472
Canadian Oil Sands Trust	546,200	14,736	14,441
Genovus Energy Inc.	225,000	6,645	7,455
EnCana Corp.	981,400	31,692	28,500
Progress Energy Resources Corp.	1,978,800	24,886	25,130
		96,514	98,998
MATERIALS (20.89%)			
Canam Group Inc.	1,286,200	6,340	9,338
Eldorado Gold Corp.	1,315,200	13,154	24,318
HudBay Minerals Inc.	1,685,172	13,030	30,266
Kinross Gold Corp.	1,678,500	29,382	31,656
Osisko Mining Corp.	2,743,329	14,583	39,724
		76,489	135,302
INDUSTRIALS (1.55%)			
Vicwest Income Fund	662,830	8,169	10,028
CONSUMER DISCRETIONARY (7.58%)			
Magna International Inc., Class A	690,400	20,593	35,694
RONA Inc.	948,900	12,230	13,398
		32,823	49,092
FINANCIALS (15.75%)			
AGF Management Ltd., Class B, NV	66,500	1,396	1,296
Bank of Montreal	368,000	21,459	21,134
Bank of Nova Scotia	387,800	16,879	22,116
IGM Financial Inc.	249,988	10,353	10,842
Royal Bank of Canada	479,900	22,189	25,051
The Toronto-Dominion Bank	291,600	16,751	21,607
		89,027	102,046
INFORMATION TECHNOLOGY (4.68%)			
Kab Distribution Inc.	3,152,700	4,667	16
Research In Motion Ltd.	523,500	31,428	30,273
		36,095	30,289
TELECOMMUNICATION SERVICES (2.72%)			
Rogers Communications Inc., Class B, NV	511,600	15,154	17,655
TOTAL CANADIAN EQUITIES		354,271	443,410
U.S. EQUITIES (18.02%)			
ENERGY (10.33%)			
Arch Coal Inc.	839,400	15,859	29,270
Halliburton Co.	552,500	20,284	22,443
Petrohawk Energy Corp.	836,100	18,454	15,176
		54,597	66,889
MATERIALS (4.23%)			
Freeport-McMoRan Copper & Gold Inc.	229,200	17,425	27,385
FINANCIALS (3.46%)			
Bank of America Corp.	1,690,800	27,393	22,434
TOTAL U.S. EQUITIES		99,415	116,708

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
FOREIGN EQUITIES (3.65%)			
MATERIALS (3.65%)			
Israel Chemicals Ltd.	1,383,840	12,604	23,662
SHORT-TERM INVESTMENTS (6.59%)			
		42,700	42,700
TOTAL INVESTMENT PORTFOLIO (96.71%)			508,990
OTHER NET ASSETS (3.29%)			21,297
TOTAL NET ASSETS (100.00%)			647,777

The accompanying Notes to the Financial Statements are an integral part of these statements.

APEX Canadian Value (Dynamic)

Discussion of Financial Instrument Risk Management

As at December 31, 2010 and 2009 (Note 2, Note 3 and Note 4)
(in thousands of dollars)

Investment Objectives

The APEX Canadian Value (Dynamic) Fund (the "Fund") seeks long-term capital growth mainly through investments in Canadian equity securities. The manager of the Fund suits investors with investment horizons that are sufficiently distant to tolerate the volatility of the market values.

Fair Value Measurements

The following tables are a summary of the inputs used, as at December 31, 2010 and 2009, on the Fund's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements.

According to the hierarchy of fair value valuations, cash and bank overdraft are always valued according to level 1 parameters and are not part of the following tables.

As at December 31, 2010

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	583,765	16	-	583,780
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	42,700	-	42,700
Derivative financial instruments	-	2,111	-	2,111
Total	583,765	44,827	-	628,591

As at December 31, 2009

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	481,664	-	-	481,664
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	18,500	-	18,500
Derivative financial instruments	-	(5)	-	(5)
Total	481,664	18,495	-	500,159

There were no significant transfers between the levels during the periods ended December 31, 2010 and 2009.

Credit Risk

As at December 31, 2010 and 2009, the Fund had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2010 (%)	Percentage of Net Assets as at December 31, 2009 (%)
AAA	-	3.68
R1	6.59	-

*Excludes other Net Assets

Credit ratings are obtained from DBRS, Standard & Poor's or Moody's.

Liquidity Risk

As at December 31, 2010 and 2009, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

Interest Rate Risk

As at December 31, 2010, the majority of the Fund's financial assets and liabilities were non-interest bearing and, accordingly, the Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The following table summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at December 31, 2009. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	18,500	-	-	-	481,664	500,164	2
Cash	2,006	-	-	-	-	2,006	-
Other assets	-	-	-	-	2,041	2,041	-
Liabilities	-	-	-	-	1,380	1,380	-

Currency Risk

The following tables summarize the Fund's exposure to currency risk and the impact on Net Assets as at December 31, 2010 and 2009, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
ILS	23,663	-	23,663	3.65	1,183
USD	182,700	(88,678)	94,022	14.51	4,701

As at December 31, 2009

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
IDR	5,477	-	5,477	1.09	274
ILS	13,103	-	13,103	2.61	655
USD	80,998	(42,946)	38,052	7.57	1,903

See Note 4 to the Financial Statements for currency symbols.

APEX Canadian Value (Dynamic)

Discussion of Financial Instrument Risk Management (continued)

Other Price Risk

As at December 31, 2010 and 2009, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following tables. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
S&P/TSX Composite Index	10.00	100.00	10.00	64,778

As at December 31, 2009

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
S&P/TSX Composite Index	10.00	100.00	10.00	50,283

APEX Canadian Stock

Statements of Net Assets

As at December 31 In thousands (except number of units and per unit figures)	2010 \$	2009 \$
ASSETS		
Investments at fair value*	8,667	2,995
Cash	-	75
Interest, dividends and other receivable	-	6
	8,667	3,076
LIABILITIES		
Expenses payable	16	7
NET ASSETS	8,651	3,069
NET ASSETS PER UNIT		
Ecoflex	12.09	10.97
UNITS OUTSTANDING		
Ecoflex	715,380	279,733
* Investments, at average cost	8,424	2,049

Statements of Operations

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
INVESTMENT INCOME		
Interest	3	1
Dividends	64	74
	67	75
EXPENSES (Note 6)		
Management fees and operating expenses	86	77
NET INVESTMENT INCOME (LOSS)	(19)	(2)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS		
Realized gain (loss) on sale of investments	1,054	115
Change in unrealized gain (loss) of investments	(703)	596
Transaction costs	(1)	(1)
NET GAIN (LOSS) ON INVESTMENTS	350	710
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	331	708

Statements of Changes in Net Assets

For the periods ended December 31 (Note 1) In thousands	2010 \$	2009 \$
NET ASSETS - BEGINNING OF THE PERIOD	3,069	2,674
Increase (decrease) in net assets from operations	331	708
CAPITAL UNIT TRANSACTIONS (Note 7)		
Units issued	6,543	71
Units redeemed	(1,292)	(384)
INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD	5,582	395
NET ASSETS - END OF THE PERIOD	8,651	3,069

The accompanying Notes to the Financial Statements are an integral part of these statements.

Statement of Investment Portfolio

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
INVESTMENT FUND (100.18%)			
Industrial Alliance Canadian Equity Value Fund	43,244	8,424	8,667
OTHER NET ASSETS (-0.18%)			(16)
TOTAL NET ASSETS (100.00%)			8,651

INDUSTRIAL ALLIANCE CANADIAN EQUITY VALUE FUND

Top 25 Holdings of the Underlying Fund

As at December 31, 2010 In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value	% of Portfolio
Royal Bank of Canada	549,550	16,422	28,687	5.55%
Industrial Alliance U.S. Equity Fund	3,081,455	27,830	26,885	5.20%
Suncor Energy Inc.	683,640	12,320	26,101	5.05%
The Toronto-Dominion Bank	317,000	12,885	23,490	4.54%
Templeton Master Trust Fund, Series 1	2,523,643	29,344	22,460	4.34%
Canadian Natural Resources Ltd.	444,000	8,038	19,656	3.80%
Canadian National Railway Co.	272,720	7,338	18,068	3.49%
Potash Corporation of Saskatchewan Inc.	114,000	9,842	17,592	3.40%
Bank of Nova Scotia	305,900	6,597	17,446	3.37%
Barrick Gold Corp.	310,074	10,179	16,444	3.18%
Agrium Inc.	157,300	4,112	14,393	2.78%
Teck Resources Ltd., Class B, SV	230,050	5,530	14,175	2.74%
Goldcorp Inc.	292,445	7,403	13,391	2.59%
Canadian Imperial Bank of Commerce	169,450	9,084	13,253	2.56%
Bank of Montreal	219,950	8,530	12,632	2.44%
Cenovus Energy Inc.	333,668	6,376	11,054	2.14%
Talisman Energy Inc.	479,500	8,411	10,602	2.05%
Nexen Inc.	391,800	8,885	8,929	1.73%
MB Global Equity Fund	739,326	10,042	8,926	1.73%
BCE Inc.	250,786	7,091	8,860	1.71%
Agnico-Eagle Mines Ltd.	112,600	5,376	8,608	1.66%
Research In Motion Ltd.	142,400	8,201	8,269	1.60%
EnCana Corp.	273,668	3,598	7,947	1.54%
Canadian Oil Sands Trust	264,300	9,553	6,988	1.35%
SNC-Lavalin Group Inc.	115,700	5,003	6,875	1.33%
	247,990	371,731	71,877	71.87%

APEX Canadian Stock

Discussion of Financial Instrument Risk Management

As at December 31, 2010 and 2009 (Note 2, Note 3 and Note 4)
(in thousands of dollars)

Investment Objectives

The APEX Canadian Stock Fund (the "Fund") is invested in units of the Industrial Alliance Canadian Equity Value Fund (the "underlying fund"), which is managed by Industrial Alliance Investment Management Inc.

The Fund seeks long-term capital growth mainly through investments in securities of large Canadian companies and includes a portion of foreign equities.

Fair Value Measurements

The following tables are a summary of the inputs used, as at December 31, 2010 and 2009, on the Fund's assets carried at fair value. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements.

According to the hierarchy of fair value valuations, cash and bank overdraft are always valued according to level 1 parameters and are not part of the following tables.

As at December 31, 2010

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	8,667	-	-	8,667
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	8,667	-	-	8,667

As at December 31, 2009

	Assets at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	2,470	-	-	2,470
Investment funds	525	-	-	525
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	2,995	-	-	2,995

There were no significant transfers between the levels during the periods ended December 31, 2010 and 2009.

Credit Risk

As at December 31, 2010, the Fund, through its underlying fund, had no significant exposure to credit risk.

As at December 31, 2009, the Fund, through its direct holdings and its underlying funds, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at December 31, 2009 (%)
R1	0.12

*Excludes other Net Assets

Credit ratings are obtained from DBRS, Standard & Poor's or Moody's.

Liquidity Risk

As at December 31, 2010 and 2009, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

Interest Rate Risk

As at December 31, 2010, the majority of the underlying fund's financial assets and liabilities were non-interest bearing and, accordingly, the Fund was not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

The following table summarizes the Fund's exposure, through its direct holdings and its underlying funds, to interest rate risk by remaining terms to maturity as at December 31, 2009. If the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the Net Assets would have respectively decreased or increased by the amount presented under "Impact on Net Assets." The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	4	-	-	-	2,991	2,995	-
Cash	75	-	-	-	-	75	-
Other assets	-	-	-	-	6	6	-
Liabilities	-	-	-	-	7	7	-

APEX Canadian Stock

Discussion of Financial Instrument Risk Management (continued)

Currency Risk

The following table summarizes the Fund's exposure, through its underlying fund, to currency risk and the impact on Net Assets as at December 31, 2010, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	3	-	3	0.03	-
BRL	1	-	1	0.01	-
CHF	29	-	29	0.34	1
CNY	1	-	1	0.01	-
EUR	141	-	141	1.63	7
GBP	82	-	82	0.95	4
HKD	13	-	13	0.15	1
IDR	1	-	1	0.01	-
ILS	1	-	1	0.01	-
JPY	49	-	49	0.57	2
KRW	10	-	10	0.12	1
MXN	2	-	2	0.02	-
NOK	9	-	9	0.10	-
SEK	6	-	6	0.07	-
SGD	11	-	11	0.13	1
TWD	6	-	6	0.07	-
USD	744	-	744	8.60	37

The following table summarizes the Fund's exposure, through its direct holdings and its underlying funds, to currency risk and the impact on Net Assets as at December 31, 2009, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2009

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	6	-	6	0.20	-
BRL	7	-	7	0.22	-
CHF	32	1	33	1.08	2
CNY	2	-	2	0.06	-
DKK	15	-	15	0.47	1
EUR	129	-	129	4.21	6
GBP	69	-	69	2.25	3
HKD	14	-	14	0.46	1
ILS	8	-	8	0.26	-
JPY	26	-	26	0.85	1
KRW	18	-	18	0.59	1
NOK	6	-	6	0.20	-
PHP	2	-	2	0.07	-
RUB	2	-	2	0.07	-
SEK	16	-	16	0.51	1
SGD	9	-	9	0.29	-
TWD	6	-	6	0.19	-
USD	147	(1)	146	4.75	7

See Note 4 to the Financial Statements for currency symbols.

Other Price Risk

As at December 31, 2010 and 2009, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following tables. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2010

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	10.00	0.10	9
S&P/TSX Composite Index	10.00	80.00	8.00	692
MSCI - World Index (Can. \$) (net ret.)	10.00	10.00	1.00	87

As at December 31, 2009

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX 91 day Tbill Index	1.00	10.00	0.10	3
S&P/TSX Composite Index	10.00	80.00	8.00	246
MSCI - World Index (Can. \$) (net ret.)	10.00	10.00	1.00	31

Notes to the Financial Statements

December 31, 2010 (in thousands of \$ or units, except for per unit amounts)

1- The Funds

a) Establishment and legal structure of the Funds

The Industrial Alliance Pacific APEX Funds (the "Funds") are segregated funds created by Industrial Alliance Pacific Insurance and Financial Services Inc. (the "Company") under *An Act respecting insurance and fraternal benefit societies*. The Funds are not separate legal entities. The assets of each Fund are segregated from the other assets of the Company and are owned by it.

The units of Ecoflex and Ecoflextra are offered to individual investors. COL003 units are designated for investment in underlying funds administrated by the Company.

The Funds were established on the following dates:

Fund Name	Establishment Date
APEX Money Market	February 1994
APEX Fixed Income	September 1971
APEX Growth & Income	December 1996
APEX Canadian Value (Dynamic)	July 1998
APEX Canadian Stock	December 1996

b) Financial Reporting Dates

The Statements of Net Assets are as at December 31, 2010 and 2009. The Statements of Operations and the Statements of Changes in Net Assets are for the years ended December 31, 2010 and 2009. The Statement of Investment Portfolio is as at December 31, 2010.

c) Fund Transfer

The following Investment Fund units invested were transferred on the date indicated below:

December 10, 2010

Terminating Fund	Continuing Fund	Net Asset Value Acquired
APEX Balanced (AGF)	APEX Growth & Income	\$7,591
APEX Canadian Growth (AGF)	APEX Canadian Stock	\$6,489

2- Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include estimates and assumptions made by management that affect the reported amount of assets, liabilities, income and expenses during the reporting periods. Actual results could differ from these estimates.

In September 2008, the Canadian Securities Administrators ("CSA") adopted changes to National Instrument 81-106 Investment Fund Continuous Disclosure ("NI 81-106"). The changes primarily address the implications of Section 3855, Financial Instruments – Recognition and Measurement of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The adoption of Section 3855 results in the use of different valuation techniques for certain investments than was previously used. The primary impact of the application of the new section concerns the determination of the fair value of the financial assets quoted on an active market using the bid price for a long position and the ask price for a short position rather than according to the closing price previously used. The "Net Assets" determined according to Canadian GAAP is used for financial statements only, and the "Net Asset Value" calculated in accordance with NI 81-106 part 14 is used for all other purposes, including purchases and redemptions. The Net Assets per unit versus the Net Asset Value per unit are disclosed in Note 5.

For Funds that primarily hold underlying funds, which are not actively traded, there is not expected to be a significant difference between the Net Assets per unit and the Net Asset Value per unit used for pricing purposes.

The significant accounting policies are as follows:

a) Valuation of Units

Units of the Funds are issued and redeemed at their Net Asset Value ("NAV") per unit. The Net Asset Value per unit is determined at the end of each day the Toronto Stock Exchange is open for trading. For Funds that have only one series of units, the Net Asset Value per unit of the Fund is calculated by dividing total net assets at fair value by the total number of the Fund's outstanding units at that time. Each category of units in a same fund has a different unit value which varies according to its applicable management fees.

b) Valuation of Investments

Investments are categorized as held for trading in accordance with Section 3855 and therefore are recorded at fair value.

Section 3862, Financial Instruments – Disclosures establishes a disclosure hierarchy that categorizes the inputs to valuations techniques used to value assets and liabilities at measurements date. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities. The hierarchy gives the highest priority to readily available unadjusted quoted prices in active markets for identical assets and lowest priority to unobserved inputs when market prices are not readily available or reliable. The three levels of the hierarchy are described below:

Level 1 – Valuation based on quoted prices in active markets (unadjusted) for identical assets or liabilities.

Level 2 – Valuation model based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Valuation model based on significant unobservable inputs that are supported by little or no market activity.

The financial instruments are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

i) Equities

Each listed long position investment security is valued at the latest bid price reported by the principal securities exchange on which the issue is traded or, if no bid price is reported, the closing sale price is used. Securities which are traded over-the-counter are priced at the bid price quoted by a major dealer in such securities.

ii) Investments in underlying funds

Investments in underlying funds are valued at the closing NAV of the units owned established by the manager of the underlying funds at the valuation date.

iii) Bonds

Fixed-income investments are valued on bid prices using independent pricing services or by dealers who make markets in such securities. Pricing services consider yield or price of fixed-income securities of comparable quality, coupon, maturity and type as well as dealer supplied prices.

iv) Short-term investments

Short-term investments are accounted for at the bid price.

For the APEX Money Market Fund, the cost of short-term investments together with interest accrued approximates their fair value.

v) Cash

Cash and Bank overdraft are deemed to be held for trading and carried at fair value.

Notes to the Financial Statements

December 31, 2010 (in thousands of \$ or units, except for per unit amounts)

vi) Derivative financial instruments

The fair value of currency contracts is based on current market quotes for the underlying currencies, whereby forward bid rates (for currencies held) and forward ask rates (for currencies sold short) are used. Gains or losses from daily valuation are included in "Change in unrealized gain (loss) of foreign currency." Realized gains or losses from settlement are included in "Realized gain (loss) on foreign currency."

The difference between the total fair value and the total cost of securities corresponds to the unrealized gain (loss) on investments.

If an investment security cannot be valued under the above criteria or under any valuation criteria set out in securities legislation or if any of the valuation criteria adopted by the Company but not set out in securities legislation are at any time considered by the Company to be inappropriate in the circumstances, then the Company shall use a valuation that it considers to be fair in the circumstances.

c) Fair Value

For the purpose of calculating the Net Asset Value the Funds use fair value pricing with a view to deter excessive short-term trading in the Funds and to mitigate market timing opportunities. Fair value pricing is designed to provide a more accurate NAV by making fair value factor adjustment to quoted or published prices of the non-North-American securities for significant events occurring between the earlier close of non-North-American markets and the time at which NAV is determined. Therefore, the fair value of securities for the purpose of calculating the NAV of the Funds may differ from the closing market price of the securities.

d) Investment Transactions and Income

Investment transactions are accounted for on the trade date (date that the order to buy or sell is executed). Dividend and income trust income is recorded on the ex-dividend date. Distribution income from the underlying funds is recognized on the distribution date. This latter may include dividends, interest, capital gains and return of capital and retain its nature. Interest income is recorded on the accrual basis and includes realized foreign exchange gains or losses on short-term investments. Realized and unrealized gains and losses of investments are calculated on an average cost basis, without giving effect to transaction costs.

e) Transaction Costs

Transaction costs are expensed and are included in "Transaction costs" in the Statements of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issuance or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

f) Foreign Currency Translation

The fair value of foreign currency denominated portfolio investments, foreign currency holdings and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange applicable on the valuation date. Investment transactions, income and expenses are translated at the rates of exchange on the dates of such transactions.

Realized and unrealized foreign currency gains or losses on investments are included in "Realized gain (loss) on sale of investments" and "Change in unrealized gain (loss) of investments," respectively. Realized and unrealized foreign currency gains or losses on assets other than investments, and on liabilities and income denominated in foreign currencies are included in "Realized gain (loss) on foreign currency" and "Change in unrealized gain (loss) of foreign currency," respectively.

g) Other Net Assets

Other financial assets and liabilities are short-term items and are recorded at cost or amortized cost. As a result of their term, their carrying value approximates their fair value.

Interest, dividends and other receivable, subscriptions receivable, receivable for investments sold, and other assets are designated to be loans and receivables. Similarly, redemptions payable, payable for investments purchased and expenses payable are designated to be financial liabilities.

3- Change in Accounting Policies

a) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee ("EIC") published EIC-173 *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. Under this EIC, the Company's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative financial instruments. The adoption of this abstract had no impact on the Company since its methods already took these credit risks into account.

b) Financial Instruments – Disclosures

In June 2009, the CICA modified Section 3862, Financial Instruments – Disclosures, to improve the disclosure of fair value measurements, particularly with respect to the relative reliability of the data on which these measurements are based, and the liquidity risk related to financial instruments. Adoption of this policy does not impact the daily price of the Fund's securities for subscription and redemption purposes, nor for the calculation of Net Assets. Refer to the "Discussion of Financial Instrument Risk Management" located after each Fund's Statement of Investment Portfolio and Note 2b) for new disclosure relating to the adoption of the new requirement.

c) Transition to International Financial Reporting Standards ("IFRS")

Contrary to what was reported in the last financial statements published, the Company will adopt IFRS in the financial year beginning January 1, 2013 and will produce its first financial statements in accordance with IAS 34, Interim financial reporting, for semi-annual accounts ended on June 30, 2013. Previously, the Company expected to adopt IFRS on January 1, 2011, but following the decision by the Canadian Institute of Chartered Accountants ("CICA"), in October 2010, to change the IFRS application date to January 1, 2012 for investment companies that apply the Accounting Guideline on Investment Companies ("AcG-18"), and following the recent decision by the Canadian Accounting Standards Board (AcSB) to defer adoption of IFRS by an additional year for these companies, the Company decided to officially make the changeover on January 1, 2013.

In order to be ready for the changeover to IFRS, the Company has developed a transition plan containing three phases: 1) identification of the risks; 2) implementation of the new standards; and 3) conversion. During the next two periods, the Company will continue to evaluate the financial consequences and impacts of the conversion to IFRS and complete the design of financial statements and the notes to the financial statements according to IFRS requirements. The Company will also evaluate the impact of the new accounting standards on disclosure controls and procedures and internal control over financial reporting and make the necessary changes. The Company anticipates there will be changes to the financial statements but the impact, if any, cannot be reasonably estimated at this time. Training and communication plans will continue throughout the year to prepare and assess the required information.

Given the evolution of accounting standards, the overall impact of adopting IFRS on the funds' financial situation and future results cannot be reasonably established until the process is completed.

4- Management of Financial Risks

A Fund's investment activities expose it to a variety of financial risks which may include: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within a Fund's portfolio can fluctuate from day to day, reflecting changes in interest rates, economic conditions,

Notes to the Financial Statements

December 31, 2010 (in thousands of \$ or units, except for per unit amounts)

and market and company news related to specific securities within the Fund. The Statement of Investment Portfolio groups securities by asset type, geographic region, and market segment. The level of risk depends on a Fund's investment objectives and strategy.

The Company manages the potential adverse effects of the financial risks on a Fund's performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor a Fund's positions and market events and diversify the investment portfolio within the constraints of the investment guidelines. A Fund's overall risk management practice involves oversight of investment activities and monitoring and testing of compliance with the Fund's investment strategy and securities regulations.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Credit risk can also arise when there is a concentration of investments in entities with similar operations, in a same sector of activity, in a same geographic region or when a substantial investment is made with a single entity.

The Fund's investment strategy aims to limit this risk by ensuring sound diversification, by limiting exposure to a same issuer and by seeking a relatively high quality of issuers. The Fund invests in financial assets, which have an investment grade as rated by a well known rating agency. The fair value of debt instruments includes consideration of the credit worthiness of the issuer, and represents the maximum credit risk exposure of the Fund.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Liquidity Risk

Liquidity risk represents the contingency that the Fund will be unable to gather the funds required to respect its financial obligations at the appropriate time and under reasonable conditions. The Fund's exposure to liquidity risk is concentrated in the daily cash redemption of units. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of, in accordance with securities regulations. In addition, the Fund retains sufficient cash and short-term investments to maintain liquidity for the purpose of funding redemptions. The Company also has the ability to borrow up to 5% of the Funds' Net Asset Value for the purpose of funding redemptions.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash or short-term investments since they are invested at short-term market interest rates and usually held to maturity.

Currency Risk

The Fund is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises from holding financial instruments denominated in currencies other than the Canadian dollar, which represents the functional currency of the Fund.

Currency Symbols:

AUD - Australian Dollar; BRL - Brazilian Real; CHF - Swiss Franc; CNY - Chinese Yuan Renminbi; DKK - Danish Krone; EUR - Euro; GBP - British Pound; HKD - Hong Kong Dollar; IDR - Indonesian Rupiah; ILS - New Israeli Sheqel; JPY - Japanese Yen; KRW - South-Korean Won; MXN - Mexican Peso; NOK - Norwegian Krone; PHP -

Philippine Peso; RUB - Russian Ruble; SEK - Swedish Krona; SGD - Singapore Dollar; TWD - New Taiwan Dollar; USD - United States Dollar.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market. All investments present a risk of loss of capital. The Fund's portfolio advisor moderates this risk through a careful selection and diversification of securities and other financial instruments within the parameters of the Fund's investment objectives and strategy. Except for currency contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's overall market positions are monitored on a daily basis by the Fund's portfolio advisor.

Refer to the Discussion of Financial Instrument Risk Management for Fund specific risk disclosure.

5- Comparison of Net Asset Value per unit and Net Assets per unit

In accordance with NI 81-106, a comparison between the Net Asset Value per unit and the Net Assets per unit of an Investment Fund, is provided below.

Funds	2010		2009	
	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)
APEX Money Market				
Ecoflex	1.23	1.23	1.22	1.22
APEX Fixed Income				
Ecoflex	7.82	7.82	7.50	7.50
APEX Growth & Income				
Ecoflex	10.10	10.10	9.47	9.46
APEX Canadian Value (Dynamic)				
Ecoflex	19.82	19.79	17.57	17.57
Ecoflex <i>extra</i>	19.85	19.83	17.59	17.59
COL003	19.79	19.76	17.01	17.01
APEX Canadian Stock				
Ecoflex	12.09	12.09	11.00	10.97

6- Related Party Transactions

a) Management fees

Management fees, calculated according to the Net Asset Value of the Funds, are deducted from each investment fund asset on every valuation date and paid to the Company once a month. The management fees vary from one Fund to another. The Company pays the entire management fee to the external managers for the Funds' management, if any.

b) Operating expenses

Other than management fees, operating expenses are charged to the Funds such as audit fees, deposit and safekeeping fees, goods and services tax and all other fees incurred by the Funds in accordance with the *Information Folder* of the Funds. The Company may, at its discretion, assume some of the Funds' operating expenses which would otherwise be deducted from the Funds.

Notes to the Financial Statements

December 31, 2010 (in thousands of \$ or units, except for per unit amounts)

c) Expense ratio

The expense ratio corresponds to the total of the management fees and operating expenses deducted on each valuation date, expressed as an annual percentage. For the individual annuity investments portion, the expense ratio is established according to the Net Asset Value, excluding seed money, at the following annual effective rates. All fees include the Canadian federal tax on goods and services and the harmonized sales tax that came into effect July 1, 2010 for participating provinces.

Funds	2010	2009
Income Funds		
APEX Money Market	1.70%	1.63%
APEX Fixed Income	2.54%	2.42%
Balanced Funds		
APEX Growth & Income	2.80%	2.68%
Canadian Equity Funds		
APEX Canadian Value (Dynamic)	3.14%	3.06%
APEX Canadian Stock	2.82%	2.68%

7- Securities of the Funds

The Company considers the Funds' capital represents the Net Assets of the Funds. Each Fund's capital is managed in accordance with its investment objectives and strategies. Each manager seeks to achieve its investment objectives, while managing liquidity in order to be able to meet redemptions. The Funds have no restrictions or specific capital requirements on issuance and redemption of units. The Statement of Changes in Net Assets identifies the changes in each Fund's capital during the period.

Investors in units of *Ecoflex* are charged different fees depending on the series option chosen. The fees are charged through an automatic surrender of premiums invested and paid quarterly to the Company.

The management fees charged by the Company are listed in Note 6 above.

For the periods ended December 31, 2010 and 2009, the following units were issued and redeemed:

Funds	Beginning of Period	Units Issued	Units Redeemed	End of Period	
APEX Money Market					
Ecoflex	2010	2,231	124	588	1,767
	2009	3,086	225	1,080	2,231
APEX Fixed Income					
Ecoflex	2010	549	8	97	460
	2009	602	6	59	549
APEX Growth & Income					
Ecoflex	2010	416	763	116	1,063
	2009	479	17	80	416
APEX Canadian Value (Dynamic)					
Ecoflex	2010	20,004	4,961	4,911	20,054
	2009	17,072	6,572	3,640	20,004
Ecoflex	2010	3,515	4,919	1,071	7,363
	2009	1,277	3,436	1,198	3,515
COL003	2010	5,355	1,101	1,146	5,310
	2009	6,053	1,084	1,782	5,355
APEX Canadian Stock					
Ecoflex	2010	280	548	113	715
	2009	312	8	40	280

8- Securities Lending

Certain Funds may enter into securities lending transactions. These transactions will be used in conjunction with other investment strategies in order to seek enhanced returns. The minimum allowable collateral is 105% of the fair value of loaned securities. This amount is deposited by the borrower with a lending agent until the underlying security has been returned to the Funds in order to provide for the risk of counterparty default or collateral deficiency. The fair value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market values fluctuate. It is the Funds' practice to obtain a guarantee from the lending agent against counterparty default, including collateral deficiency. Income from securities lending is disclosed separately in the statements of operations.

As at December 31, 2010 and 2009, the fair value of the loaned securities of each Fund included in the investments is as follows:

Funds	2010 (\$)	2009 (\$)
APEX Fixed Income	-	191
APEX Growth & Income	-	986
APEX Canadian Value (Dynamic)	168,007	58,849
APEX Canadian Stock	-	357

The collateral held for the loaned securities consists of bonds, treasury bills, bankers' acceptances and letters of credit.

9- Currency Contracts

The following Fund entered into currency contracts during the periods ended December 31, 2010 and 2009. The details of these currency contracts are as summarize in the tables below:

As at December 31, 2010

Funds	Settlement Date	Number of Contracts	To Purchase	To Sell	Unrealized Gain (Loss) - CAD \$
APEX Canadian Value (Dynamic)	January 20, 2011	3	CAD 108,592	USD 106,535	2,594
APEX Canadian Value (Dynamic)	January 20, 2011	1	USD 17,407	CAD 17,802	(483)
		4			2,111

As at December 31, 2009

Funds	Settlement Date	Number of Contracts	To Purchase	To Sell	Unrealized Gain (Loss) - CAD \$
APEX Canadian Value (Dynamic)	January 26, 2010	1	CAD 42,898	USD 41,000	(5)

10- Income Tax

Each Fund is considered to be a segregated fund trust under the Canadian *Income Tax Act*. The income and realized capital gains and losses, if any, are attributed to the contract holders and their beneficiaries. Under current tax legislation, the Funds do not pay income taxes except for any foreign tax payable.

Other Information

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