



# 2010 Apex Funds

Semi-Annual  
Financial Report (Unaudited)  
Investment Funds

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INDUSTRIAL ALLIANCE PACIFIC INSURANCE AND FINANCIAL SERVICES INC.

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## APEX Money Market

## Statements of Net Assets

|  | June 30<br>2010 | Dec. 31<br>2009 |
|--|-----------------|-----------------|
| As at (unaudited)  |                 |                 |
| In thousands (except number of units and per unit figures) | \$              | \$              |
| <b>ASSETS</b>  |                 |                 |
| Investments at fair value*                                 | 2,392           | 2,649           |
| Cash   | 80              | 68              |
| Interest, dividends and other receivable                   | 2               | 1               |
|  | 2,474           | 2,718           |
| <b>LIABILITIES</b>   |                 |                 |
| Expenses payable   | 2               | 1               |
|  | 2               | 1               |
| <b>NET ASSETS</b>  | <b>2,472</b>    | <b>2,717</b>    |
| <b>NET ASSETS PER UNIT</b>                                 |                 |                 |
| Ecoflex  | 1.23            | 1.22            |
| <b>UNITS OUTSTANDING</b>                                   |                 |                 |
| Ecoflex  | 2,014,524       | 2,231,072       |
| * Investments, at average cost                             | 2,392           | 2,649           |

## Statement of Investment Portfolio

|  |        |            | Face<br>Value<br>\$ | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|--|--------|------------|---------------------|-----------------------|---------------------|
| As at June 30, 2010 (unaudited)            |        |            |                     |                       |                     |
| In thousands                               |        |            |                     |                       |                     |
| <b>MONEY MARKET (96.76%)</b>               |        |            |                     |                       |                     |
| <b>FEDERAL TREASURY BILLS (96.76%)</b>     |        |            |                     |                       |                     |
| Government of Canada                       | 0.291% | 2010-07-08 | 150                 | 150                   | 150                 |
| Government of Canada                       | 0.268% | 2010-07-22 | 100                 | 100                   | 100                 |
| Government of Canada                       | 0.750% | 2010-11-10 | 1,150               | 1,146                 | 1,146               |
| Government of Canada                       | 0.790% | 2010-12-09 | 500                 | 498                   | 498                 |
| Government of Canada                       | 0.795% | 2010-12-09 | 500                 | 498                   | 498                 |
| <b>TOTAL INVESTMENT PORTFOLIO (96.76%)</b> |        |            | <b>2,392</b>        | <b>2,392</b>          |                     |
| <b>OTHER NET ASSETS (3.24%)</b>            |        |            |                     | 80                    | 80                  |
| <b>TOTAL NET ASSETS (100.00%)</b>          |        |            |                     | <b>2,472</b>          | <b>2,472</b>        |

## Statements of Operations

|   | 2010      | 2009       |
|---|-----------|------------|
| For the periods ended June 30 (unaudited) (Note 1)        |           |            |
| In thousands  | \$        | \$         |
| <b>INVESTMENT INCOME</b>                                  |           |            |
| Interest  | 4         | 20         |
| <b>EXPENSES (Note 6)</b>                                  |           |            |
| Management fees and operating expenses                    | 4         | 16         |
| <b>NET INVESTMENT INCOME (LOSS)</b>                       | <b>-</b>  | <b>4</b>   |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> |           |            |
| Realized gain (loss) on sale of investments               | 20        | (3)        |
| Change in unrealized gain (loss) of investments           | -         | (2)        |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>                     | <b>20</b> | <b>(5)</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>  | <b>20</b> | <b>(1)</b> |

## Statements of Changes in Net Assets

|   | 2010         | 2009         |
|---|--------------|--------------|
| For the periods ended June 30 (unaudited) (Note 1)      |              |              |
| In thousands  | \$           | \$           |
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>             | <b>2,717</b> | <b>3,760</b> |
| Increase (decrease) in net assets from operations       | 20           | (1)          |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>               |              |              |
| Units issued  | 113          | 140          |
| Units redeemed  | (378)        | (899)        |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b> | <b>(245)</b> | <b>(760)</b> |
| <b>NET ASSETS - END OF THE PERIOD</b>                   | <b>2,472</b> | <b>3,000</b> |

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

## APEX Money Market

**Discussion of Financial Instrument Risk Management**

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

**Investment Objectives**

The APEX Money Market Fund (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 table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

**As at June 30, 2010**

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | -                    | -               | -               | -             |
| Investment funds                 | -                    | -               | -               | -             |
| Bonds                            | -                    | -               | -               | -             |
| Short-term investments           | -                    | 2,392           | -               | 2,392         |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | -                    | 2,392           | -               | 2,392         |

There were no significant transfers between the levels during the period ended June 30, 2010.

**Credit Risk**

As at June 30, 2010, the Fund had invested in debt instruments with the following credit ratings:

| Debt Instruments*<br>by Credit Rating | Percentage of Net Assets<br>as at June 30, 2010<br>(%) |
|---------------------------------------|--|
| R1                                    | 96.76  |

\*Excludes other Net Assets

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

**Liquidity Risk**

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

**Interest Rate Risk**

The table below summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at June 30, 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 June 30, 2010**

|              | < 1 year<br>(\$) | 1-5<br>years<br>(\$) | 6-10<br>years<br>(\$) | > 10<br>years<br>(\$) | Non-<br>interest<br>Bearing<br>(\$) | Total<br>(\$) | Impact<br>on Net<br>Assets<br>(\$) |
|--------------|------------------|----------------------|-----------------------|-----------------------|-------------------------------------|---------------|------------------------------------|
| Investments  | 2,392            | -                    | -                     | -                     | -                                   | 2,392         | 9                                  |
| Cash         | 80               | -                    | -                     | -                     | -                                   | 80            | -                                  |
| Other assets | -                | -                    | -                     | -                     | 2                                   | 2             | -                                  |
| Liabilities  | -                | -                    | -                     | -                     | 2                                   | 2             | -                                  |

**Currency Risk**

As at June 30, 2010, the Fund had no significant exposure to currency risk.

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 2010**

| Benchmark              | Change in<br>Benchmark<br>(%) | Exposure to<br>Benchmark<br>(%) | Impact on<br>Net Assets<br>(%) | Impact on<br>Net Assets<br>(\$) |
|------------------------|-------------------------------|---------------------------------|--------------------------------|---------------------------------|
| DEX 91 day Tbill Index | 1.00                          | 100.00                          | 1.00                           | 25                              |

## APEX Fixed Income

## Statements of Net Assets

|  | June 30<br>2010 | Dec. 31<br>2009 |
|--|-----------------|-----------------|
| As at (unaudited)  |                 |                 |
| In thousands (except number of units and per unit figures) | \$              | \$              |
| <b>ASSETS</b>  |                 |                 |
| Investments at fair value*                                 | 3,680           | 4,050           |
| Cash   | 183             | 76              |
| Receivable for investments sold                            | 52              | -               |
| Interest, dividends and other receivable                   | 27              | 27              |
|  | 3,942           | 4,153           |
| <b>LIABILITIES</b>   |                 |                 |
| Expenses payable   | 8               | 8               |
| Redemptions payable  | 1               | 23              |
| Payable for investments purchased                          | 53              | -               |
|  | 62              | 31              |
| <b>NET ASSETS</b>  | <b>3,880</b>    | <b>4,122</b>    |
| <b>NET ASSETS PER UNIT</b>                                 |                 |                 |
| Ecoflex  | 7.72            | 7.50            |
| <b>UNITS OUTSTANDING</b>                                   |                 |                 |
| Ecoflex  | 502,797         | 549,304         |
| * Investments, at average cost                             | 3,582           | 4,013           |

## Statements of Operations

|   | 2010       | 2009      |
|---|------------|-----------|
| For the periods ended June 30 (unaudited) (Note 1)        |            |           |
| In thousands  | \$         | \$        |
| <b>INVESTMENT INCOME</b>                                  |            |           |
| Interest  | 88         | 99        |
| <b>EXPENSES (Note 6)</b>                                  |            |           |
| Management fees and operating expenses                    | 48         | 51        |
| <b>NET INVESTMENT INCOME (LOSS)</b>                       | <b>40</b>  | <b>48</b> |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> |            |           |
| Realized gain (loss) on sale of investments               | 9          | 31        |
| Change in unrealized gain (loss) of investments           | 61         | 9         |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>                     | <b>70</b>  | <b>40</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>  | <b>110</b> | <b>88</b> |

## Statements of Changes in Net Assets

|   | 2010         | 2009         |
|---|--------------|--------------|
| For the periods ended June 30 (unaudited) (Note 1)      |              |              |
| In thousands  | \$           | \$           |
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>             | <b>4,122</b> | <b>4,353</b> |
| Increase (decrease) in net assets from operations       | 110          | 88           |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>               |              |              |
| Units issued  | 8            | 34           |
| Units redeemed  | (360)        | (242)        |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b> | <b>(242)</b> | <b>(120)</b> |
| <b>NET ASSETS - END OF THE PERIOD</b>                   | <b>3,880</b> | <b>4,233</b> |

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

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)                        |        |            | Face<br>Value<br>\$ | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|--|--------|------------|---------------------|-----------------------|---------------------|
| In thousands   |        |            |                     |                       |                     |
| <b>CANADIAN BONDS (92.27%)</b>                         |        |            |                     |                       |                     |
| <b>FEDERAL GUARANTEE (31.52%)</b>                      |        |            |                     |                       |                     |
| Canada Housing Trust                                   | 4.600% | 2011-09-15 | 150                 | 156                   | 156                 |
| Canada Housing Trust                                   | 4.550% | 2012-12-15 | 160                 | 163                   | 170                 |
| Canada Housing Trust                                   | 3.600% | 2013-06-15 | 260                 | 271                   | 271                 |
| Canada Housing Trust                                   | 3.550% | 2013-09-15 | 190                 | 191                   | 198                 |
| Canada Housing Trust                                   | 3.150% | 2014-06-15 | 30                  | 31                    | 31                  |
| Canada Housing Trust                                   | 2.950% | 2015-03-15 | 10                  | 10                    | 10                  |
| Canada Housing Trust                                   | 4.100% | 2018-12-15 | 60                  | 61                    | 63                  |
| Canada Mortgage & Housing Corp.                        | 4.300% | 2015-04-01 | 200                 | 198                   | 214                 |
| Export Development Canada                              | 5.100% | 2014-06-02 | 100                 | 107                   | 110                 |
|  |        |            |                     | 1,188                 | 1,223               |
| <b>PROVINCIALS (20.08%)</b>                            |        |            |                     |                       |                     |
| Province of British Columbia                           | 7.500% | 2014-06-09 | 150                 | 185                   | 178                 |
| Province of British Columbia                           | 4.700% | 2037-06-18 | 50                  | 51                    | 51                  |
| Province of Manitoba                                   | 5.500% | 2018-11-15 | 100                 | 107                   | 112                 |
| Province of Newfoundland                               | 4.650% | 2040-10-17 | 100                 | 93                    | 101                 |
| Province of Nova Scotia                                | 4.150% | 2019-11-25 | 10                  | 10                    | 10                  |
| Province of Ontario                                    | 4.400% | 2019-06-02 | 20                  | 20                    | 21                  |
| Province of Quebec                                     | 5.000% | 2015-12-01 | 50                  | 54                    | 55                  |
| Province of Quebec                                     | 5.000% | 2041-12-01 | 60                  | 62                    | 63                  |
| Province of Saskatchewan                               | 6.300% | 2032-02-13 | 100                 | 123                   | 125                 |
| Province of Saskatchewan                               | 4.750% | 2040-06-01 | 60                  | 60                    | 63                  |
|  |        |            |                     | 765                   | 779                 |
| <b>CORPORATES (40.67%)</b>                             |        |            |                     |                       |                     |
| 407 International Inc.                                 | 5.960% | 2035-12-03 | 100                 | 111                   | 111                 |
| 407 International Inc.                                 | 5.750% | 2036-02-14 | 20                  | 20                    | 20                  |
| Aéroports de Montréal                                  | 5.170% | 2035-09-17 | 100                 | 100                   | 99                  |
| Bank of Montreal                                       | 6.020% | 2018-05-02 | 90                  | 102                   | 102                 |
| Bank of Nova Scotia                                    | 3.030% | 2012-06-04 | 40                  | 40                    | 41                  |
| Bank of Nova Scotia                                    | 3.340% | 2015-03-25 | 50                  | 50                    | 51                  |
| Bank of Nova Scotia, Fixed - Floating Rate             | 4.990% | 2018-03-27 | 90                  | 90                    | 94                  |
| Bell Aliant Regional Communications, LP                | 4.720% | 2011-09-26 | 50                  | 50                    | 51                  |
| Broadway Credit Card Trust                             | 5.234% | 2011-06-17 | 30                  | 30                    | 30                  |
| Brookfield Power Corp.                                 | 5.250% | 2018-11-05 | 50                  | 50                    | 50                  |
| Canadian Imperial Bank of Commerce                     | 3.100% | 2015-03-02 | 20                  | 20                    | 20                  |
| Enbridge Inc.  | 4.530% | 2020-03-09 | 30                  | 30                    | 31                  |
| FortisBC Inc.  | 5.480% | 2014-11-28 | 60                  | 60                    | 65                  |
| GE Capital Canada Funding Co.                          | 5.680% | 2019-09-10 | 40                  | 39                    | 42                  |
| Genesis Trust  | 4.245% | 2011-09-15 | 40                  | 40                    | 42                  |
| Greater Toronto Airports Authority                     | 7.100% | 2031-06-04 | 120                 | 127                   | 145                 |
| HSBC Financial Corp., Ltd.                             | 4.800% | 2011-04-13 | 30                  | 30                    | 31                  |
| Husky Energy Inc.                                      | 5.000% | 2020-03-12 | 20                  | 20                    | 20                  |
| Hydro One Inc.   | 3.130% | 2014-11-19 | 40                  | 40                    | 40                  |
| Hydro One Inc.   | 4.400% | 2020-06-01 | 60                  | 60                    | 61                  |
| Manulife Finance (Delaware), LP, Fixed - Floating Rate | 4.448% | 2026-12-15 | 50                  | 50                    | 50                  |
| Master Credit Card Trust                               | 4.444% | 2011-11-21 | 130                 | 131                   | 135                 |
| RBC Subordinated Notes Trust, Fixed - Floating Rate    | 4.580% | 2017-04-30 | 20                  | 20                    | 21                  |
| RioCan Real Estate Investment Trust                    | 5.230% | 2013-03-11 | 150                 | 150                   | 156                 |
| Royal Bank of Canada                                   | 3.660% | 2017-01-25 | 40                  | 40                    | 40                  |
| TELUS Corp.  | 5.050% | 2019-12-04 | 20                  | 20                    | 20                  |
| The Consumers' Waterheater Operating Trust             | 5.250% | 2013-03-15 | 10                  | 10                    | 10                  |
|  |        |            |                     | 1,530                 | 1,578               |
| <b>TOTAL CANADIAN BONDS</b>                            |        |            |                     | <b>3,483</b>          | <b>3,580</b>        |
| <b>SHORT-TERM INVESTMENTS (2.58%)</b>                  |        |            |                     | <b>99</b>             | <b>100</b>          |
| <b>TOTAL INVESTMENT PORTFOLIO (94.85%)</b>             |        |            |                     | <b>3,582</b>          | <b>3,680</b>        |
| <b>OTHER NET ASSETS (5.15%)</b>                        |        |            |                     | <b>200</b>            | <b>200</b>          |
| <b>TOTAL NET ASSETS (100.00%)</b>                      |        |            |                     | <b>3,782</b>          | <b>3,880</b>        |

## APEX Fixed Income

**Discussion of Financial Instrument Risk Management**

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

**Investment Objectives**

Management of the APEX Fixed Income Fund (the "Fund") is oriented toward current income and seeks moderate long-term capital growth. The core of the portfolio is actively managed with respect to the duration, the allocation between different classes of issuers and the maturity spread. On occasion, the manager may add securities denominated in foreign currencies, real return bonds or other special situations likely to improve the portfolio's return or to reduce volatility.

**Fair Value Measurements**

The following table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

**As at June 30, 2010**

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | -                    | -               | -               | -             |
| Investment funds                 | -                    | -               | -               | -             |
| Bonds                            | -                    | 3,580           | -               | 3,580         |
| Short-term investments           | -                    | 100             | -               | 100           |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | -                    | 3,680           | -               | 3,680         |

There were no significant transfers between the levels during the period ended June 30, 2010.

**Credit Risk**

As at June 30, 2010, the Fund had invested in debt instruments with the following credit ratings:

| Debt Instruments*<br>by Credit Rating | Percentage of Net Assets<br>as at June 30, 2010<br>(%) |
|---------------------------------------|--|
| AAA                                   | 36.85  |
| AA                                    | 19.22  |
| A                                     | 26.83  |
| BBB                                   | 9.37   |
| R1                                    | 2.58   |

\*Excludes other Net Assets

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

**Liquidity Risk**

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

**Interest Rate Risk**

The table below summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at June 30, 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 June 30, 2010**

|              | < 1 year<br>(\$) | 1-5<br>years<br>(\$) | 6-10<br>years<br>(\$) | > 10<br>years<br>(\$) | Non-<br>interest<br>Bearing<br>(\$) | Total<br>(\$) | Impact<br>on Net<br>Assets<br>(\$) |
|--------------|------------------|----------------------|-----------------------|-----------------------|-------------------------------------|---------------|------------------------------------|
| Investments  | 161              | 2,118                | 622                   | 778                   | 1                                   | 3,680         | 212                                |
| Cash         | 183              | -                    | -                     | -                     | -                                   | 183           | -                                  |
| Other assets | -                | -                    | -                     | -                     | 79                                  | 79            | -                                  |
| Liabilities  | -                | -                    | -                     | -                     | 62                                  | 62            | -                                  |

**Currency Risk**

As at June 30, 2010, the Fund had no significant exposure to currency risk.

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 2010**

| Benchmark               | Change in<br>Benchmark<br>(%) | Exposure to<br>Benchmark<br>(%) | Impact on<br>Net Assets<br>(%) | Impact on<br>Net Assets<br>(\$) |
|-------------------------|-------------------------------|---------------------------------|--------------------------------|---------------------------------|
| DEX Universe Bond Index | 3.00                          | 100.00                          | 3.00                           | 116                             |

## APEX Balanced (AGF)

## Statements of Net Assets

| As at (unaudited)<br>In thousands (except number of units and per unit figures) | June 30<br>2010<br>\$ | Dec. 31<br>2009<br>\$ |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                       |
| Investments at fair value*  | 7,557                 | 8,998                 |
| Cash  | 806                   | 353                   |
| Interest, dividends and other receivable  | 77                    | 31                    |
|   | 8,440                 | 9,382                 |
| <b>LIABILITIES</b>  |                       |                       |
| Expenses payable  | 23                    | 25                    |
| Redemptions payable   | 5                     | 29                    |
|   | 28                    | 54                    |
| <b>NET ASSETS</b>   | <b>8,412</b>          | <b>9,328</b>          |
| <b>NET ASSETS PER UNIT</b>  |                       |                       |
| Ecoflex   | 8.32                  | 8.52                  |
| <b>UNITS OUTSTANDING</b>  |                       |                       |
| Ecoflex   | 1,011,004             | 1,096,113             |
| * Investments, at average cost  | 6,788                 | 8,034                 |

## Statements of Operations

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands | 2010<br>\$   | 2009<br>\$ |
|--|--------------|------------|
| <b>INVESTMENT INCOME</b>   |              |            |
| Interest   | 83           | 79         |
| Dividends  | 47           | 67         |
|  | 130          | 146        |
| <b>EXPENSES (Note 6)</b>   |              |            |
| Management fees and operating expenses                             | 139          | 151        |
| <b>NET INVESTMENT INCOME (LOSS)</b>                                | <b>(9)</b>   | <b>(5)</b> |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>          |              |            |
| Realized gain (loss) on sale of investments                        | 8            | 56         |
| Change in unrealized gain (loss) of investments                    | (195)        | 278        |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>                              | <b>(187)</b> | <b>334</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>           | <b>(196)</b> | <b>329</b> |

## Statements of Changes in Net Assets

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands | 2010<br>\$   | 2009<br>\$    |
|--|--------------|---------------|
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>                        | <b>9,328</b> | <b>10,011</b> |
| Increase (decrease) in net assets from operations                  | (196)        | 329           |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>                          |              |               |
| Units issued   | 45           | 50            |
| Units redeemed   | (765)        | (665)         |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>            | <b>(916)</b> | <b>(286)</b>  |
| <b>NET ASSETS - END OF THE PERIOD</b>                              | <b>8,412</b> | <b>9,725</b>  |

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

## APEX Balanced (AGF)

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>CANADIAN EQUITIES (48.54%)</b>   |                         |                       |                     |
| <b>ENERGY (11.46%)</b>  |                         |                       |                     |
| Bonavista Energy Trust  | 4,100                   | 98                    | 94                  |
| Cenovus Energy Inc.   | 2,826                   | 55                    | 77                  |
| Enbridge Inc.   | 1,700                   | 58                    | 84                  |
| EnCana Corp.  | 2,826                   | 61                    | 91                  |
| Ensign Energy Services Inc.   | 4,200                   | 78                    | 53                  |
| Nexen Inc.  | 2,100                   | 67                    | 44                  |
| Niko Resources Ltd.   | 700                     | 53                    | 69                  |
| Petrobank Energy & Resources  | 600                     | 33                    | 22                  |
| ShawCor Ltd.  | 3,400                   | 51                    | 91                  |
| Suncor Energy Inc.  | 6,096                   | 152                   | 191                 |
| Talisman Energy Inc.  | 8,700                   | 62                    | 140                 |
| U.S. Geothermal Inc.  | 9,300                   | 10                    | 8                   |
| U.S. Geothermal Inc., Warrants, August 2011                                   | 4,650                   | 2                     | -                   |
|   |                         | 780                   | 964                 |
| <b>MATERIALS (9.15%)</b>  |                         |                       |                     |
| Agnico-Eagle Mines Ltd.   | 500                     | 21                    | 32                  |
| Barrick Gold Corp.  | 2,900                   | 117                   | 140                 |
| Cameco Corp.  | 1,300                   | 49                    | 29                  |
| Goldcorp Inc.   | 2,600                   | 83                    | 121                 |
| IAMGold Corp.   | 8,505                   | 109                   | 160                 |
| Inmet Mining Corp.  | 700                     | 10                    | 30                  |
| Potash Corporation of Saskatchewan Inc.                                       | 300                     | 30                    | 28                  |
| Red Back Mining Inc.  | 6,200                   | 106                   | 167                 |
| Teck Resources Ltd., Class B  | 2,000                   | 89                    | 63                  |
|   |                         | 614                   | 770                 |
| <b>INDUSTRIALS (2.81%)</b>  |                         |                       |                     |
| Aecon Group Inc.  | 5,000                   | 62                    | 52                  |
| Canadian National Railway Co.   | 1,000                   | 40                    | 61                  |
| GLV Inc., Class A   | 3,600                   | 39                    | 28                  |
| Stantech Inc.   | 2,000                   | 57                    | 47                  |
| Toromont Industries Ltd.  | 2,100                   | 46                    | 48                  |
|   |                         | 244                   | 236                 |
| <b>CONSUMER DISCRETIONARY (3.23%)</b>   |                         |                       |                     |
| Astral Media Inc., Class A  | 1,500                   | 46                    | 54                  |
| Rogers Communications Inc., Class B   | 3,300                   | 41                    | 115                 |
| Thomson Reuters Corp.   | 2,700                   | 107                   | 103                 |
|   |                         | 194                   | 272                 |
| <b>CONSUMER STAPLES (5.50%)</b>   |                         |                       |                     |
| Alliance Grain Traders Inc.   | 200                     | 6                     | 6                   |
| Metro Inc., Class A   | 2,700                   | 56                    | 113                 |
| Tim Hortons Inc.  | 2,900                   | 96                    | 99                  |
| Saputo Inc.   | 3,000                   | 62                    | 91                  |
| Shoppers Drug Mart Corp.  | 2,800                   | 102                   | 92                  |
| Viterra Inc.  | 8,805                   | 73                    | 62                  |
|   |                         | 395                   | 463                 |
| <b>HEALTH CARE (0.23%)</b>  |                         |                       |                     |
| Cardiome Pharma Corp.   | 2,200                   | 20                    | 19                  |
| <b>FINANCIALS (11.27%)</b>  |                         |                       |                     |
| Bank of Nova Scotia   | 3,600                   | 93                    | 177                 |
| Brookfield Asset Management Inc.  | 3,687                   | 75                    | 89                  |
| Brookfield Properties Corp.   | 2,550                   | 25                    | 38                  |
| Extendicare Real Estate Investment Trust                                      | 2,300                   | 28                    | 20                  |
| IGM Financial Inc.  | 1,600                   | 47                    | 59                  |
| Manulife Financial Corp.  | 6,400                   | 140                   | 99                  |
| Power Corporation of Canada   | 2,600                   | 40                    | 66                  |
| Royal Bank of Canada  | 3,400                   | 106                   | 172                 |
| Sun Life Financial Services of Canada Inc.                                    | 2,300                   | 96                    | 64                  |
| The Toronto-Dominion Bank   | 2,300                   | 98                    | 158                 |
| TMX Group Inc.  | 200                     | 5                     | 6                   |
|   |                         | 753                   | 948                 |

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |              |     |
|---|-------------------------|-----------------------|---------------------|--------------|-----|
| <b>INFORMATION TECHNOLOGY (2.82%)</b>   |                         |                       |                     |              |     |
| CGI Group Inc.  | 6,400                   | 70                    | 101                 |              |     |
| Research In Motion Ltd.   | 2,600                   | 125                   | 136                 |              |     |
|   |                         | 195                   | 237                 |              |     |
| <b>TELECOMMUNICATION SERVICES (1.62%)</b>                                     |                         |                       |                     |              |     |
| BCE Inc.  | 1,015                   | 29                    | 32                  |              |     |
| TELUS Corp.   | 2,600                   | 102                   | 104                 |              |     |
|   |                         | 131                   | 136                 |              |     |
| <b>UTILITIES (0.45%)</b>  |                         |                       |                     |              |     |
| Fortis Inc.   | 1,400                   | 38                    | 38                  |              |     |
| <b>TOTAL CANADIAN EQUITIES</b>  |                         | <b>3,364</b>          | <b>4,083</b>        |              |     |
| <b>FOREIGN EQUITIES (0.38%)</b>   |                         |                       |                     |              |     |
| Open Text Corp.   | 800                     | 17                    | 32                  |              |     |
|   | Face<br>Value<br>\$     | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |              |     |
| <b>CANADIAN BONDS (40.92%)</b>  |                         |                       |                     |              |     |
| <b>FEDERAL GOVERNMENT (37.35%)</b>  |                         |                       |                     |              |     |
| Government of Canada  | 6.000%                  | 2011-06-01            | 848                 | 909          | 886 |
| Government of Canada  | 5.200%                  | 2012-03-01            | 440                 | 440          | 442 |
| Government of Canada  | 5.250%                  | 2013-06-01            | 570                 | 611          | 625 |
| Government of Canada  | 3.500%                  | 2020-06-01            | 495                 | 495          | 512 |
| Government of Canada  | 5.000%                  | 2037-06-01            | 550                 | 651          | 677 |
|   |                         |                       | 3,106               | 3,142        |     |
| <b>FEDERAL GUARANTEE (3.57%)</b>  |                         |                       |                     |              |     |
| Canada Housing Trust  | 3.600%                  | 2015-03-15            | 300                 | 301          | 300 |
| <b>TOTAL CANADIAN BONDS</b>   |                         |                       | <b>3,407</b>        | <b>3,442</b> |     |
| <b>TOTAL INVESTMENT PORTFOLIO (89.84%)</b>                                    |                         |                       | <b>6,788</b>        | <b>7,557</b> |     |
| <b>OTHER NET ASSETS (10.16%)</b>  |                         |                       | 855                 | 855          |     |
| <b>TOTAL NET ASSETS (100.00%)</b>   |                         |                       | <b>7,643</b>        | <b>8,412</b> |     |

## APEX Balanced (AGF)

## Discussion of Financial Instrument Risk Management

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

### Investment Objectives

The APEX Balanced (AGF) Fund (the "Fund") combines long-term capital appreciation with a reasonable income yield. The asset mix of the Fund is managed by AGF. The Fund will at all times maintain a minimum of 20% and a maximum of 80% in stocks and bonds. Security selection favours large-cap growth companies trading at reasonable prices. The manager identifies companies with the ability to generate above-average growth in sales, earnings and cash flows.

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

#### As at June 30, 2010

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | 4,115                | -               | -               | 4,115         |
| Investment funds                 | -                    | -               | -               | -             |
| Bonds                            | 3,142                | 300             | -               | 3,442         |
| Short-term investments           | -                    | -               | -               | -             |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | 7,257                | 300             | -               | 7,557         |

Bonds with a fair value of \$3,142 were transferred from Level 2 to Level 1 during the period as a result of an incorrect classification as at December 31, 2009.

### Credit Risk

As at June 30, 2010, the Fund had invested in debt instruments with the following credit ratings:

| Debt Instruments*<br>by Credit Rating | Percentage of Net Assets<br>as at June 30, 2010<br>(%) |
|---------------------------------------|--|
| AAA                                   | 40.92  |

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

### Interest Rate Risk

The table below summarizes the Fund's exposure to interest rate risk by remaining terms to maturity as at June 30, 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 June 30, 2010

|              | < 1 year<br>(\$) | 1-5<br>years<br>(\$) | 6-10<br>years<br>(\$) | > 10<br>years<br>(\$) | Non-<br>interest<br>Bearing<br>(\$) | Total<br>(\$) | Impact<br>on Net<br>Assets<br>(\$) |
|--------------|------------------|----------------------|-----------------------|-----------------------|-------------------------------------|---------------|------------------------------------|
| Investments  | 886              | 1,367                | 512                   | 677                   | 4,115                               | 7,557         | 184                                |
| Cash         | 806              | -                    | -                     | -                     | -                                   | 806           | -                                  |
| Other assets | -                | -                    | -                     | -                     | 77                                  | 77            | -                                  |
| Liabilities  | -                | -                    | -                     | -                     | 28                                  | 28            | -                                  |

### Currency Risk

As at June 30, 2010, the Fund had no significant exposure to currency risk.

### Other Price Risk

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2010

| Benchmark                  | Change in<br>Benchmark<br>(%) | Exposure to<br>Benchmark<br>(%) | Impact on<br>Net Assets<br>(%) | Impact on<br>Net Assets<br>(\$) |
|----------------------------|-------------------------------|---------------------------------|--------------------------------|---------------------------------|
| DEX 91 day Tbill Index     | 1.00                          | 10.00                           | 0.10                           | 8                               |
| DEX Universe Bond<br>Index | 3.00                          | 40.00                           | 1.20                           | 101                             |
| S&P/TSX Composite<br>Index | 10.00                         | 40.00                           | 4.00                           | 336                             |
| S&P 500 Index (Can. \$)    | 10.00                         | 10.00                           | 1.00                           | 84                              |

## APEX Growth &amp; Income

## Statements of Net Assets

|  | June 30<br>2010 | Dec. 31<br>2009 |
|--|-----------------|-----------------|
| In thousands (except number of units and per unit figures) | \$              | \$              |
| <b>ASSETS</b>  |                 |                 |
| Investments at fair value*                                 | 3,259           | 3,735           |
| Cash   | 114             | 182             |
| Receivable for investments sold                            | 61              | 15              |
| Interest, dividends and other receivable                   | 10              | 14              |
|  | 3,444           | 3,946           |
| <b>LIABILITIES</b>   |                 |                 |
| Expenses payable   | 8               | 9               |
|  | 8               | 9               |
| <b>NET ASSETS</b>  | <b>3,436</b>    | <b>3,937</b>    |
| <b>NET ASSETS PER UNIT</b>                                 |                 |                 |
| Ecoflex  | 9.19            | 9.46            |
| <b>UNITS OUTSTANDING</b>                                   |                 |                 |
| Ecoflex  | 373,874         | 416,032         |
| * Investments, at average cost                             | 2,923           | 3,193           |

## Statements of Operations

| For the periods ended June 30 (unaudited) (Note 1)                              | 2010         | 2009       |
|---|--------------|------------|
| In thousands  | \$           | \$         |
| <b>INVESTMENT INCOME</b>  |              |            |
| Interest  | 33           | 41         |
| Dividends   | 19           | 28         |
|   | 52           | 69         |
| <b>EXPENSES (Note 6)</b>  |              |            |
| Management fees and operating expenses  | 50           | 51         |
| <b>NET INVESTMENT INCOME (LOSS)</b>   | <b>2</b>     | <b>18</b>  |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS</b> |              |            |
| Realized gain (loss) on sale of investments                                     | 99           | 11         |
| Change in unrealized gain (loss) of investments                                 | (206)        | 296        |
| Transaction costs   | -            | (1)        |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>   | <b>(107)</b> | <b>306</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>                        | <b>(105)</b> | <b>324</b> |

## Statements of Changes in Net Assets

| For the periods ended June 30 (unaudited) (Note 1)      | 2010         | 2009         |
|---|--------------|--------------|
| In thousands  | \$           | \$           |
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>             | <b>3,937</b> | <b>3,920</b> |
| Increase (decrease) in net assets from operations       | (105)        | 324          |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>               |              |              |
| Units issued  | 10           | 71           |
| Units redeemed  | (406)        | (406)        |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b> | <b>(501)</b> | <b>(11)</b>  |
| <b>NET ASSETS - END OF THE PERIOD</b>                   | <b>3,436</b> | <b>3,909</b> |

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

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)            | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|--|-------------------------|-----------------------|---------------------|
| In thousands (except number of securities) |                         |                       |                     |
| <b>CANADIAN EQUITIES (33.96%)</b>          |                         |                       |                     |
| <b>ENERGY (9.87%)</b>                      |                         |                       |                     |
| Birchcliff Energy Ltd.                     | 1,200                   | 7                     | 12                  |
| Cameco Corp.                               | 300                     | 12                    | 6                   |
| Canadian Natural Resources Ltd.            | 1,700                   | 14                    | 60                  |
| Canadian Oil Sands Trust                   | 1,000                   | 24                    | 27                  |
| Cenovus Energy Inc.                        | 1,000                   | 12                    | 28                  |
| Crescent Point Energy Corp.                | 400                     | 11                    | 15                  |
| EnCana Corp.                               | 1,000                   | 10                    | 32                  |
| Husky Energy Inc.                          | 600                     | 10                    | 15                  |
| Nexen Inc.                                 | 1,400                   | 18                    | 29                  |
| Progress Energy Resources Corp.            | 600                     | 8                     | 8                   |
| Suncor Energy Inc.                         | 2,336                   | 17                    | 73                  |
| Talisman Energy Inc.                       | 1,500                   | 21                    | 24                  |
| Vermilion Energy Trust                     | 300                     | 9                     | 10                  |
|  |                         | 173                   | 339                 |
| <b>MATERIALS (7.74%)</b>                   |                         |                       |                     |
| Agnico-Eagle Mines Ltd.                    | 400                     | 16                    | 26                  |
| Agrium Inc.                                | 600                     | 12                    | 31                  |
| Barrick Gold Corp.                         | 1,200                   | 38                    | 58                  |
| First Quantum Minerals Ltd.                | 200                     | 13                    | 11                  |
| Goldcorp Inc.                              | 1,045                   | 26                    | 49                  |
| HudBay Minerals Inc.                       | 1,500                   | 28                    | 16                  |
| Inmet Mining Corp.                         | 200                     | 13                    | 9                   |
| Potash Corporation of Saskatchewan Inc.    | 300                     | 25                    | 27                  |
| Sherritt International Corp.               | 2,000                   | 16                    | 12                  |
| Teck Resources Ltd., Class B, SV           | 678                     | 10                    | 21                  |
| Thompson Creek Metals Co., Inc.            | 600                     | 7                     | 6                   |
|  |                         | 204                   | 266                 |
| <b>INDUSTRIALS (2.79%)</b>                 |                         |                       |                     |
| Canadian National Railway Co.              | 900                     | 17                    | 54                  |
| Canadian Pacific Railway Co.               | 350                     | 10                    | 20                  |
| Finnish International Inc.                 | 500                     | 15                    | 9                   |
| SNC-Lavalin Group Inc.                     | 300                     | 12                    | 13                  |
|  |                         | 54                    | 96                  |
| <b>CONSUMER DISCRETIONARY (0.55%)</b>      |                         |                       |                     |
| Shaw Communications Inc., Class B, NV      | 400                     | 8                     | 8                   |
| Thomson Reuters Corp.                      | 300                     | 13                    | 11                  |
|  |                         | 21                    | 19                  |
| <b>CONSUMER STAPLES (0.29%)</b>            |                         |                       |                     |
| Shoppers Drug Mart Corp.                   | 300                     | 13                    | 10                  |
| <b>FINANCIALS (10.56%)</b>                 |                         |                       |                     |
| Bank of Montreal                           | 650                     | 19                    | 38                  |
| Bank of Nova Scotia                        | 950                     | 22                    | 46                  |
| Canadian Imperial Bank of Commerce         | 700                     | 27                    | 46                  |
| Manulife Financial Corp.                   | 1,500                   | 34                    | 24                  |
| National Bank of Canada                    | 300                     | 10                    | 16                  |
| Power Corporation of Canada, SV            | 500                     | 12                    | 13                  |
| Royal Bank of Canada                       | 1,650                   | 37                    | 83                  |
| Sun Life Financial Services of Canada Inc. | 1,000                   | 35                    | 28                  |
| The Toronto-Dominion Bank                  | 1,000                   | 36                    | 69                  |
|  |                         | 232                   | 363                 |
| <b>INFORMATION TECHNOLOGY (1.11%)</b>      |                         |                       |                     |
| Open Text Corp.                            | 300                     | 9                     | 12                  |
| Research In Motion Ltd.                    | 500                     | 25                    | 26                  |
|  |                         | 34                    | 38                  |
| <b>TELECOMMUNICATION SERVICES (1.05%)</b>  |                         |                       |                     |
| BCE Inc.                                   | 760                     | 19                    | 24                  |
| TELUS Corp.                                | 300                     | 10                    | 12                  |
|  |                         | 29                    | 36                  |
| <b>TOTAL CANADIAN EQUITIES</b>             |                         | <b>760</b>            | <b>1,167</b>        |

## APEX Growth &amp; Income

## Statement of Investment Portfolio

As at June 30, 2010 (unaudited)  
In thousands (except number of securities)

|  | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|--|-------------------------|-----------------------|---------------------|
| <b>U.S. EQUITIES - INVESTMENT FUND (4.31%)</b> |                         |                       |                     |
| Industrial Alliance U.S. Equity Fund           | 20,089                  | 168                   | 148                 |

**FOREIGN EQUITIES - INVESTMENT FUND (12.75%)**

|   |        |     |     |
|---|--------|-----|-----|
| Industrial Alliance International Equity Fund | 7,865  | 80  | 88  |
| MB Global Equity Fund                         | 10,911 | 145 | 116 |
| Templeton Master Trust Fund, Series 1         | 29,221 | 302 | 234 |

**TOTAL FOREIGN EQUITIES - INVESTMENT FUND** **527** **438**

**CANADIAN BONDS (43.68%)****FEDERAL GOVERNMENT (12.54%)**

|                                    |        |            | Face<br>Value<br>\$ | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|------------------------------------|--------|------------|---------------------|-----------------------|---------------------|
| Government of Canada               | 2.000% | 2012-09-01 | 105                 | 105                   | 106                 |
| Government of Canada               | 2.000% | 2014-12-01 | 35                  | 35                    | 35                  |
| Government of Canada               | 2.500% | 2015-06-01 | 5                   | 5                     | 5                   |
| Government of Canada               | 3.000% | 2015-12-01 | 5                   | 5                     | 5                   |
| Government of Canada               | 4.000% | 2016-06-01 | 20                  | 21                    | 21                  |
| Government of Canada               | 4.000% | 2017-06-01 | 45                  | 48                    | 49                  |
| Government of Canada               | 3.750% | 2019-06-01 | 45                  | 46                    | 47                  |
| Government of Canada               | 3.500% | 2020-06-01 | 45                  | 44                    | 47                  |
| Government of Canada               | 5.750% | 2029-06-01 | 50                  | 61                    | 65                  |
| Government of Canada               | 5.750% | 2033-06-01 | 15                  | 19                    | 19                  |
| Government of Canada,<br>Residuals | 0.000% | 2027-06-01 | 60                  | 30                    | 32                  |
|                                    |        |            |                     | 419                   | 431                 |

**FEDERAL GUARANTEE (3.55%)**

|                      |        |            |     |     |     |
|----------------------|--------|------------|-----|-----|-----|
| Canada Housing Trust | 2.700% | 2013-12-15 | 105 | 106 | 107 |
| Canada Housing Trust | 2.950% | 2015-03-15 | 15  | 15  | 15  |
|                      |        |            |     | 121 | 122 |

**PROVINCIALS (13.36%)**

|                                      |        |            |    |     |     |
|--------------------------------------|--------|------------|----|-----|-----|
| Financement-Québec,<br>Floating Rate | 4.767% | 2014-12-01 | 45 | 44  | 45  |
| Province of British Columbia         | 5.400% | 2035-06-18 | 20 | 20  | 23  |
| Province of British Columbia         | 4.950% | 2040-06-18 | 45 | 48  | 48  |
| Province of Ontario                  | 3.250% | 2014-09-08 | 15 | 15  | 15  |
| Province of Ontario                  | 4.500% | 2015-03-08 | 90 | 93  | 96  |
| Province of Ontario                  | 4.400% | 2019-06-02 | 15 | 16  | 15  |
| Province of Ontario                  | 4.200% | 2020-06-02 | 15 | 15  | 16  |
| Province of Ontario                  | 4.700% | 2037-06-02 | 30 | 29  | 30  |
| Province of Quebec                   | 5.000% | 2015-12-01 | 75 | 79  | 82  |
| Province of Quebec                   | 4.500% | 2018-12-01 | 50 | 51  | 53  |
| Province of Quebec                   | 4.500% | 2020-12-01 | 35 | 35  | 36  |
|                                      |        |            |    | 445 | 459 |

**SUBSIDIZED (0.76%)**

|                              |        |            |    |    |    |
|------------------------------|--------|------------|----|----|----|
| City of Montreal             | 5.450% | 2019-12-01 | 15 | 16 | 16 |
| Municipalité de Lac-Beauport | 3.100% | 2014-12-22 | 10 | 10 | 10 |
|                              |        |            |    | 26 | 26 |

As at June 30, 2010 (unaudited)  
In thousands

**CORPORATES (13.47%)**

|   |        |            | Face<br>Value<br>\$ | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|--------|------------|---------------------|-----------------------|---------------------|
| Bank of Nova Scotia                                 | 3.030% | 2012-06-04 | 15                  | 15                    | 16                  |
| Caisse centrale Desjardins                          | 3.114% | 2014-12-04 | 15                  | 15                    | 15                  |
| CI Financial Corp.                                  | 3.300% | 2012-12-17 | 5                   | 5                     | 5                   |
| CI Financial Corp.,<br>Floating Rate                | 1.639% | 2011-12-16 | 15                  | 15                    | 15                  |
| Enbridge Inc.                                       | 4.530% | 2020-03-09 | 10                  | 10                    | 10                  |
| EPCOR Utilities Inc.                                | 5.750% | 2039-11-24 | 10                  | 10                    | 11                  |
| GE Capital Canada<br>Funding Co.                    | 4.375% | 2012-09-28 | 15                  | 16                    | 15                  |
| Greater Toronto Airports<br>Authority               | 6.470% | 2034-02-02 | 20                  | 23                    | 23                  |
| Intact Financial Corp.                              | 6.400% | 2039-11-23 | 10                  | 10                    | 10                  |
| Loblaw Companies Ltd.                               | 6.500% | 2029-01-22 | 15                  | 15                    | 15                  |
| Metro Inc.  | 5.970% | 2035-10-15 | 25                  | 25                    | 25                  |
| National Bank of Canada                             | 3.147% | 2015-02-11 | 10                  | 10                    | 10                  |
| National Bank of Canada,<br>Fixed - Floating Rate   | 4.700% | 2020-11-02 | 65                  | 64                    | 68                  |
| Royal Bank of Canada                                | 3.660% | 2017-01-25 | 25                  | 25                    | 25                  |
| Royal Bank of Canada,<br>Fixed - Floating Rate      | 4.350% | 2020-06-15 | 5                   | 5                     | 5                   |
| Scotiabank Capital Trust II,<br>Series 2003-1       | 6.282% | 2049-12-29 | 85                  | 86                    | 92                  |
| Sun Life Capital Trust                              | 5.863% | 2108-12-31 | 5                   | 5                     | 5                   |
| Suncor Energy Inc.                                  | 5.800% | 2018-05-22 | 35                  | 38                    | 38                  |
| The Consumers' Waterheater<br>Operating Trust       | 5.250% | 2013-03-15 | 15                  | 15                    | 15                  |
| The Toronto-Dominion Bank,<br>Fixed - Floating Rate | 5.480% | 2020-04-02 | 10                  | 11                    | 11                  |
| Thomson Reuters Corp.                               | 6.000% | 2016-03-31 | 30                  | 34                    | 34                  |
|   |        |            |                     | 452                   | 463                 |

**TOTAL CANADIAN BONDS** **1,463** **1,501**

**U.S. BONDS (0.15%)****CORPORATES (0.15%)**

|                        |        |            |   |   |   |
|------------------------|--------|------------|---|---|---|
| MetLife Global Funding | 2.625% | 2012-12-03 | 5 | 5 | 5 |
|------------------------|--------|------------|---|---|---|

**TOTAL INVESTMENT PORTFOLIO (94.85%)** **2,923** **3,259**

**OTHER NET ASSETS (5.15%)** **177** **177**

**TOTAL NET ASSETS (100.00%)** **3,100** **3,436**

## APEX Growth &amp; Income

## Discussion of Financial Instrument Risk Management

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

### Investment Objectives

The APEX Growth & Income Fund (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, split between direct holdings of securities as well as underlying funds. In addition, to provide further diversification to the portfolio, security selection was entrusted to several managers.

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

#### As at June 30, 2010

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | 1,167                | -               | -               | 1,167         |
| Investment funds                 | 586                  | -               | -               | 586           |
| Bonds                            | 431                  | 1,075           | -               | 1,506         |
| Short-term investments           | -                    | -               | -               | -             |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | 2,184                | 1,075           | -               | 3,259         |

There were no significant transfers between the levels during the period ended June 30, 2010.

### Credit Risk

As at June 30, 2010, the Fund, through its direct holdings and its underlying funds, had invested in debt instruments with the following credit ratings:

| Debt Instruments*<br>by Credit Rating | Percentage of Net Assets<br>as at June 30, 2010<br>(%) |
|---------------------------------------|--|
| AAA                                   | 16.10  |
| AA                                    | 10.06  |
| A                                     | 16.22  |
| BBB                                   | 1.17   |
| R1                                    | 0.07   |
| Not rated                             | 0.29   |

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

### Interest Rate Risk

The table below summarizes the Fund's exposure, through its direct holdings and its underlying funds, to interest rate risk by remaining terms to maturity as at June 30, 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 June 30, 2010

|              | < 1 year<br>(\$) | 1-5<br>years<br>(\$) | 6-10<br>years<br>(\$) | > 10<br>years<br>(\$) | Non-<br>interest<br>bearing<br>(\$) | Total<br>(\$) | Impact<br>on Net<br>Assets<br>(\$) |
|--------------|------------------|----------------------|-----------------------|-----------------------|-------------------------------------|---------------|------------------------------------|
| Investments  | 2                | 848                  | 321                   | 338                   | 1,750                               | 3,259         | 97                                 |
| Cash         | 114              | -                    | -                     | -                     | -                                   | 114           | -                                  |
| Other assets | -                | -                    | -                     | -                     | 71                                  | 71            | -                                  |
| Liabilities  | -                | -                    | -                     | -                     | 8                                   | 8             | -                                  |

### Currency Risk

The table below summarizes the Fund's exposure, through its direct holdings and its underlying funds, to currency risk and the impact on Net Assets as at June 30, 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 June 30, 2010

| Currency | Financial<br>Instruments<br>(\$) | Currency<br>Contracts<br>(\$) | Total<br>Exposure<br>(\$) | Percentage of<br>Net Assets<br>(%) | Impact on<br>Net Assets<br>(\$) |
|----------|----------------------------------|-------------------------------|---------------------------|------------------------------------|---------------------------------|
| AUD      | 1                                | -                             | 1                         | 0.03                               | -                               |
| BRL      | 2                                | -                             | 2                         | 0.06                               | -                               |
| CHF      | 28                               | -                             | 28                        | 0.81                               | 1                               |
| CNY      | 2                                | -                             | 2                         | 0.06                               | -                               |
| DKK      | 1                                | -                             | 1                         | 0.03                               | -                               |
| EUR      | 113                              | -                             | 113                       | 3.29                               | 6                               |
| GBP      | 63                               | -                             | 63                        | 1.83                               | 3                               |
| HKD      | 9                                | -                             | 9                         | 0.26                               | -                               |
| IDR      | 1                                | -                             | 1                         | 0.03                               | -                               |
| ILS      | 1                                | -                             | 1                         | 0.03                               | -                               |
| JPY      | 36                               | -                             | 36                        | 1.05                               | 2                               |
| KRW      | 8                                | -                             | 8                         | 0.23                               | -                               |
| MXN      | 1                                | -                             | 1                         | 0.03                               | -                               |
| NOK      | 4                                | -                             | 4                         | 0.12                               | -                               |
| SEK      | 5                                | -                             | 5                         | 0.15                               | -                               |
| SGD      | 7                                | -                             | 7                         | 0.20                               | -                               |
| TWD      | 4                                | -                             | 4                         | 0.12                               | -                               |
| USD      | 283                              | -                             | 283                       | 8.24                               | 14                              |

See Note 4 to the Financial Statements for currency symbols.

## APEX Growth &amp; Income

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 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                     | 3                         |
| DEX Universe Bond Index                 | 3.00                    | 35.00                     | 1.05                     | 36                        |
| S&P/TSX Composite Index                 | 10.00                   | 45.00                     | 4.50                     | 155                       |
| MSCI - World Index (Can. \$) (net ret.) | 10.00                   | 10.00                     | 1.00                     | 34                        |

## APEX Canadian Growth (AGF)

## Statements of Net Assets

| As at (unaudited)<br>In thousands (except number of units and per unit figures) | June 30<br>2010<br>\$ | Dec. 31<br>2009<br>\$ |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                       |
| Investments at fair value*  | 6,290                 | 7,177                 |
| Cash  | 279                   | 415                   |
| Interest, dividends and other receivable  | 54                    | 13                    |
|   | 6,623                 | 7,605                 |
| <b>LIABILITIES</b>  |                       |                       |
| Expenses payable  | 19                    | 20                    |
|   | 19                    | 20                    |
| <b>NET ASSETS</b>   | <b>6,604</b>          | <b>7,585</b>          |
| <b>NET ASSETS PER UNIT</b>  |                       |                       |
| Ecoflex   | 11.22                 | 11.93                 |
| <b>UNITS OUTSTANDING</b>  |                       |                       |
| Ecoflex   | 589,023               | 637,266               |
| * Investments, at average cost  | 4,927                 | 5,472                 |

## Statements of Operations

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands | 2010<br>\$   | 2009<br>\$  |
|--|--------------|-------------|
| <b>INVESTMENT INCOME</b>   |              |             |
| Interest   | 1            | 2           |
| Dividends  | 71           | 83          |
|  | 72           | 85          |
| <b>EXPENSES (Note 6)</b>   |              |             |
| Management fees and operating expenses                             | 114          | 111         |
| <b>NET INVESTMENT INCOME (LOSS)</b>                                | <b>(42)</b>  | <b>(26)</b> |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>          |              |             |
| Realized gain (loss) on sale of investments                        | (28)         | (21)        |
| Change in unrealized gain (loss) of investments                    | (342)        | 611         |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>                              | <b>(370)</b> | <b>590</b>  |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>           | <b>(412)</b> | <b>564</b>  |

## Statements of Changes in Net Assets

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands | 2010<br>\$   | 2009<br>\$   |
|--|--------------|--------------|
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>                        | <b>7,585</b> | <b>7,215</b> |
| Increase (decrease) in net assets from operations                  | (412)        | 564          |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>                          |              |              |
| Units issued   | 49           | 112          |
| Units redeemed   | (618)        | (440)        |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>            | <b>(981)</b> | <b>236</b>   |
| <b>NET ASSETS - END OF THE PERIOD</b>                              | <b>6,604</b> | <b>7,451</b> |

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

## APEX Canadian Growth (AGF)

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>CANADIAN EQUITIES (94.46%)</b>   |                         |                       |                     |
| <b>ENERGY (21.67%)</b>  |                         |                       |                     |
| Bonavista Energy Trust  | 3,200                   | 76                    | 73                  |
| Cenovus Energy Inc.   | 4,526                   | 86                    | 124                 |
| Enbridge Inc.   | 2,600                   | 76                    | 129                 |
| EnCana Corp.  | 4,526                   | 94                    | 146                 |
| Ensign Energy Services Inc.   | 6,600                   | 124                   | 83                  |
| Nexen Inc.  | 3,300                   | 109                   | 69                  |
| Niko Resources Ltd.   | 1,200                   | 91                    | 119                 |
| Petrobank Energy & Resources  | 400                     | 22                    | 15                  |
| ShawCor Ltd.  | 5,300                   | 73                    | 142                 |
| Suncor Energy Inc.  | 9,700                   | 223                   | 304                 |
| Talisman Energy Inc.  | 13,700                  | 81                    | 221                 |
| U.S. Geothermal Inc., Restricted  | 7,400                   | 8                     | 6                   |
| U.S. Geothermal Inc., Warrants, August 2011                                   | 3,700                   | 2                     | -                   |
|   |                         | 1,065                 | 1,431               |
| <b>MATERIALS (15.90%)</b>   |                         |                       |                     |
| Agnico-Eagle Mines Ltd.   | 2,500                   | 106                   | 161                 |
| Barrick Gold Corp.  | 2,400                   | 97                    | 116                 |
| Cameco Corp.  | 2,200                   | 92                    | 50                  |
| Goldcorp Inc.   | 5,200                   | 162                   | 242                 |
| IAMGold Corp.   | 9,631                   | 115                   | 181                 |
| Inmet Mining Corp.  | 1,400                   | 15                    | 59                  |
| Potash Corporation of Saskatchewan Inc.                                       | 600                     | 109                   | 55                  |
| Red Back Mining Inc.  | 4,900                   | 84                    | 132                 |
| Teck Resources Ltd., Class B  | 1,700                   | 75                    | 54                  |
|   |                         | 855                   | 1,050               |
| <b>INDUSTRIALS (5.74%)</b>  |                         |                       |                     |
| Aecon Group Inc.  | 8,000                   | 98                    | 82                  |
| Canadian National Railway Co.   | 1,600                   | 32                    | 98                  |
| GLV Inc., Class A   | 5,600                   | 65                    | 43                  |
| Stantech Inc.   | 3,400                   | 103                   | 80                  |
| Toromont Industries Ltd.  | 3,300                   | 69                    | 76                  |
|   |                         | 367                   | 379                 |
| <b>CONSUMER DISCRETIONARY (4.47%)</b>   |                         |                       |                     |
| Astral Media Inc., Class A  | 2,395                   | 72                    | 86                  |
| Thomson Reuters Corp.   | 5,500                   | 235                   | 209                 |
|   |                         | 307                   | 295                 |
| <b>CONSUMER STAPLES (10.84%)</b>  |                         |                       |                     |
| Alliance Grain Traders Inc.   | 125                     | 4                     | 4                   |
| Metro Inc., Class A   | 4,700                   | 82                    | 196                 |
| Saputo Inc.   | 4,700                   | 91                    | 143                 |
| Shoppers Drug Mart Corp.  | 3,800                   | 132                   | 125                 |
| Tim Hortons Inc.  | 4,800                   | 159                   | 163                 |
| Viterra Inc.  | 11,942                  | 100                   | 85                  |
|   |                         | 568                   | 716                 |
| <b>HEALTH CARE (0.94%)</b>  |                         |                       |                     |
| Cardiome Pharma Corp.   | 3,500                   | 32                    | 30                  |
| Extencare Real Estate Investment Trust  | 3,800                   | 50                    | 32                  |
|   |                         | 82                    | 62                  |
| <b>FINANCIALS (22.47%)</b>  |                         |                       |                     |
| Bank of Nova Scotia   | 5,500                   | 123                   | 270                 |
| Brookfield Asset Management Inc.  | 5,812                   | 101                   | 140                 |
| Brookfield Properties Corp.   | 4,050                   | 37                    | 60                  |
| IGM Financial Inc.  | 2,500                   | 71                    | 93                  |
| Manulife Financial Corp.  | 9,900                   | 225                   | 153                 |
| Parkbridge Lifestyle Communities Inc.   | 15                      | -                     | -                   |
| Power Corporation of Canada   | 4,200                   | 62                    | 107                 |
| Royal Bank of Canada  | 5,100                   | 131                   | 259                 |
| Sun Life Financial Services of Canada Inc.                                    | 3,600                   | 158                   | 100                 |
| The Toronto-Dominion Bank   | 3,700                   | 145                   | 255                 |
| TMX Group Inc.  | 1,700                   | 35                    | 47                  |
|   |                         | 1,088                 | 1,484               |

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>INFORMATION TECHNOLOGY (5.18%)</b>   |                         |                       |                     |
| CGI Group Inc.  | 11,700                  | 128                   | 185                 |
| Research In Motion Ltd.   | 3,000                   | 88                    | 157                 |
|   |                         | 216                   | 342                 |
| <b>TELECOMMUNICATION SERVICES (6.10%)</b>                                     |                         |                       |                     |
| BCE Inc.  | 1,475                   | 43                    | 46                  |
| Rogers Communications Inc., Class B   | 5,300                   | 57                    | 184                 |
| TELUS Corp.   | 4,300                   | 175                   | 173                 |
|   |                         | 275                   | 403                 |
| <b>UTILITIES (1.15%)</b>  |                         |                       |                     |
| Fortis Inc.   | 2800                    | 78                    | 76                  |
| <b>TOTAL CANADIAN EQUITIES</b>  |                         | <b>4,901</b>          | <b>6,238</b>        |
| <b>FOREIGN EQUITIES (0.79%)</b>   |                         |                       |                     |
| Open Text Corp.   | 1,300                   | 26                    | 52                  |
| <b>TOTAL INVESTMENT PORTFOLIO (95.25%)</b>                                    |                         | <b>4,927</b>          | <b>6,290</b>        |
| OTHER NET ASSETS (4.75%)  |                         | 314                   | 314                 |
| <b>TOTAL NET ASSETS (100.00%)</b>   |                         | <b>5,241</b>          | <b>6,604</b>        |

## APEX Canadian Growth (AGF)

**Discussion of Financial Instrument Risk Management**

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

**Investment Objectives**

The APEX Canadian Growth (AGF) Fund (the "Fund") seeks long-term capital growth mainly through investments in Canadian equity securities. The asset mix of the Fund is managed by AGF. The Fund units are invested mainly on the Canadian stock market.

**Fair Value Measurements**

The following table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

**As at June 30, 2010**

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | 6,290                | -               | -               | 6,290         |
| Investment funds                 | -                    | -               | -               | -             |
| Bonds                            | -                    | -               | -               | -             |
| Short-term investments           | -                    | -               | -               | -             |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | 6,290                | -               | -               | 6,290         |

There were no significant transfers between the levels during the period ended June 30, 2010.

**Credit Risk**

As at June 30, 2010, the Fund had no significant exposure to credit risk.

**Liquidity Risk**

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

**Interest Rate Risk**

As at June 30, 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.

**Currency Risk**

As at June 30, 2010, the Fund had no significant exposure to currency risk.

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 2010**

| Benchmark                  | Change in<br>Benchmark<br>(%) | Exposure to<br>Benchmark<br>(%) | Impact on<br>Net Assets<br>(%) | Impact on<br>Net Assets<br>(\$) |
|----------------------------|-------------------------------|---------------------------------|--------------------------------|---------------------------------|
| S&P/TSX Composite<br>Index | 10.00                         | 100.00                          | 10.00                          | 660                             |

## APEX Canadian Value (Dynamic)

## Statements of Net Assets

|   | June 30<br>2010 | Dec. 31<br>2009 |
|---|-----------------|-----------------|
| As at (unaudited)<br>In thousands (except number of units and per unit figures) | \$              | \$              |
| <b>ASSETS</b>   |                 |                 |
| Investments at fair value*  | 518,109         | 500,164         |
| Cash  | 4,591           | 2,006           |
| Subscriptions receivable  | 409             | 1,174           |
| Receivable for investments sold   | 48              | 18              |
| Interest, dividends and other receivable  | 4,725           | 849             |
|   | 527,882         | 504,211         |
| <b>LIABILITIES</b>  |                 |                 |
| Expenses payable  | 1,206           | 1,016           |
| Redemptions payable   | 192             | 359             |
| Open currency contracts payable   | 2,170           | 5               |
|   | 3,568           | 1,380           |
| <b>NET ASSETS</b>   | <b>524,314</b>  | <b>502,831</b>  |
| <b>NET ASSETS PER UNIT</b>  |                 |                 |
| Ecoflex   | 16.41           | 17.57           |
| Ecoflex <sup>tra</sup>  | 16.43           | 17.59           |
| COL003  | 16.13           | 17.01           |
| <b>UNITS OUTSTANDING</b>  |                 |                 |
| Ecoflex   | 21,193,227      | 20,003,740      |
| Ecoflex <sup>tra</sup>  | 5,424,911       | 3,514,794       |
| COL003  | 5,473,175       | 5,355,093       |
| * Investments, at average cost  | 474,679         | 426,828         |

## Statements of Operations

| For the periods ended June 30 (unaudited) (Note 1)        | 2010            | 2009          |
|---|-----------------|---------------|
| In thousands  | \$              | \$            |
| <b>INVESTMENT INCOME</b>                                  |                 |               |
| Interest  | 55              | 254           |
| Dividends   | 4,863           | 4,573         |
|   | 4,918           | 4,827         |
| <b>EXPENSES (Note 6)</b>                                  |                 |               |
| Management fees and operating expenses                    | 6,695           | 3,807         |
| <b>NET INVESTMENT INCOME (LOSS)</b>                       | <b>(1,777)</b>  | <b>1,020</b>  |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b> |                 |               |
| Realized gain (loss) on sale of investments               | 50              | 4,324         |
| Change in unrealized gain (loss) of investments           | (29,906)        | 62,557        |
| Change in unrealized gain (loss) on foreign currency      | (2,164)         | (1,711)       |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>                     | <b>(32,020)</b> | <b>65,170</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>  | <b>(33,797)</b> | <b>66,190</b> |

## Statements of Changes in Net Assets

| For the periods ended June 30 (unaudited) (Note 1)      | 2010           | 2009           |
|---|----------------|----------------|
| In thousands  | \$             | \$             |
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>             | <b>502,831</b> | <b>282,683</b> |
| Increase (decrease) in net assets from operations       | (33,797)       | 66,190         |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>               |                |                |
| Units issued  | 106,398        | 78,587         |
| Units redeemed  | (51,118)       | (43,015)       |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b> | <b>21,483</b>  | <b>101,762</b> |
| <b>NET ASSETS - END OF THE PERIOD</b>                   | <b>524,314</b> | <b>384,445</b> |

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

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>CANADIAN EQUITIES (70.98%)</b>   |                         |                       |                     |
| <b>ENERGY (20.58%)</b>  |                         |                       |                     |
| Canadian Natural Resources Ltd.   | 530,200                 | 18,555                | 18,732              |
| Canadian Oil Sands Trust  | 483,200                 | 13,063                | 13,042              |
| Enovus Energy Inc.  | 295,000                 | 8,713                 | 8,080               |
| EnCana Corp.  | 865,800                 | 28,349                | 27,913              |
| Galleon Energy Inc.   | 1,253,000               | 9,361                 | 5,375               |
| Progress Energy Resources Corp.   | 1,729,200               | 21,895                | 21,286              |
| Suncor Energy Inc.  | 430,600                 | 15,104                | 13,486              |
|   |                         | 115,040               | 107,914             |
| <b>MATERIALS (28.13%)</b>   |                         |                       |                     |
| Andean Resources Ltd.   | 5,301,700               | 8,595                 | 15,958              |
| Canam Group Inc.  | 1,286,200               | 6,339                 | 8,952               |
| Eldorado Gold Corp.   | 1,411,800               | 13,294                | 26,937              |
| Gerdau Ameristeel Corp.   | 1,771,100               | 14,163                | 20,509              |
| HudBay Minerals Inc.  | 2,062,972               | 15,932                | 23,043              |
| Kinross Gold Corp.  | 879,800                 | 16,602                | 15,977              |
| Osisko Mining Corp.   | 3,148,329               | 16,477                | 36,079              |
|   |                         | 91,402                | 147,455             |
| <b>INDUSTRIALS (1.76%)</b>  |                         |                       |                     |
| Vicwest Income Fund   | 662830                  | 8,169                 | 9,246               |
| <b>CONSUMER DISCRETIONARY (2.84%)</b>   |                         |                       |                     |
| Kab Distribution Inc.   | 3,152,700               | 4,667                 | 15                  |
| RONA Inc.   | 948,900                 | 12,229                | 14,888              |
|   |                         | 16,896                | 14,903              |
| <b>FINANCIALS (14.03%)</b>  |                         |                       |                     |
| AGF Management Ltd., Class B  | 201,600                 | 4,234                 | 2,884               |
| Bank of Nova Scotia   | 332,800                 | 14,093                | 16,320              |
| IGM Financial Inc.  | 249,988                 | 10,354                | 9,277               |
| Manulife Financial Corp.  | 908,400                 | 16,523                | 14,034              |
| Royal Bank of Canada  | 273,000                 | 11,696                | 13,841              |
| The Toronto-Dominion Bank   | 249,800                 | 13,757                | 17,221              |
|   |                         | 70,657                | 73,577              |
| <b>TELECOMMUNICATION SERVICES (3.64%)</b>                                     |                         |                       |                     |
| Rogers Communications Inc., Class B   | 548,900                 | 16,259                | 19,085              |
| <b>TOTAL CANADIAN EQUITIES</b>  |                         | <b>318,423</b>        | <b>372,180</b>      |
| <b>U.S. EQUITIES (24.06%)</b>   |                         |                       |                     |
| Arch Coal Inc.  | 839,400                 | 15,860                | 17,632              |
| Banco Santander (Brasil) SA   | 874,087                 | 12,555                | 9,575               |
| Bank of America Corp.   | 1,229,200               | 23,132                | 18,717              |
| Freeport-McMoRan Copper & Gold Inc.   | 307,200                 | 22,914                | 19,258              |
| Magna International Inc., Class A   | 368,400                 | 21,978                | 25,834              |
| Petrohawk Energy Corp.  | 915,000                 | 20,333                | 16,446              |
| Research In Motion Ltd.   | 357,000                 | 23,087                | 18,678              |
| <b>TOTAL U.S. EQUITIES</b>  |                         | <b>139,859</b>        | <b>126,140</b>      |
| <b>FOREIGN EQUITIES (2.48%)</b>   |                         |                       |                     |
| Israel Chemicals Ltd.   | 1,167,440               | 9,597                 | 12,989              |
| <b>SHORT-TERM INVESTMENTS (1.30%)</b>   |                         | <b>6,800</b>          | <b>6,800</b>        |
| <b>TOTAL INVESTMENT PORTFOLIO (98.82%)</b>                                    |                         | <b>474,679</b>        | <b>518,109</b>      |
| <b>OTHER NET ASSETS (1.18%)</b>   |                         | 8,375                 | 6,205               |
| <b>TOTAL NET ASSETS (100.00%)</b>   |                         | <b>483,054</b>        | <b>524,314</b>      |

## APEX Canadian Value (Dynamic)

**Discussion of Financial Instrument Risk Management**

As at June 30, 2010 (unaudited) (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 table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

**As at June 30, 2010**

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | 511,309              | -               | -               | 511,309       |
| Investment funds                 | -                    | -               | -               | -             |
| Bonds                            | -                    | -               | -               | -             |
| Short-term investments           | -                    | 6,800           | -               | 6,800         |
| Derivative financial instruments | -                    | (2,170)         | -               | (2,170)       |
| Total                            | 511,309              | 4,630           | -               | 515,939       |

There were no significant transfers between the levels during the period ended June 30, 2010.

**Credit Risk**

As at June 30, 2010, the Fund had no significant exposure to credit risk.

**Liquidity Risk**

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

**Interest Rate Risk**

As at June 30, 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.

**Currency Risk**

The table below summarizes the Fund's exposure to currency risk and the impact on Net Assets as at June 30, 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 June 30, 2010**

| Currency | Financial Instruments<br>(\$) | Currency Contracts<br>(\$) | Total Exposure<br>(\$) | Percentage of Net Assets<br>(%) | Impact on Net Assets<br>(\$) |
|----------|-------------------------------|----------------------------|------------------------|---------------------------------|------------------------------|
| ILS      | 12,989                        | -                          | 12,989                 | 2.48                            | 649                          |
| USD      | 126,140                       | (66,000)                   | 60,140                 | 11.47                           | 3,007                        |

See Note 4 to the Financial Statements for currency symbols.

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 2010**

| Benchmark               | Change in Benchmark<br>(%) | Exposure to Benchmark<br>(%) | Impact on Net Assets<br>(%) | Impact on Net Assets<br>(\$) |
|-------------------------|----------------------------|------------------------------|-----------------------------|------------------------------|
| S&P/TSX Composite Index | 10.00                      | 100.00                       | 10.00                       | 52,431                       |

## Statements of Net Assets

| As at (unaudited)<br>In thousands (except number of units and per unit figures) | June 30<br>2010<br>\$ | Dec. 31<br>2009<br>\$ |
|---|-----------------------|-----------------------|
| <b>ASSETS</b>   |                       |                       |
| Investments at fair value*  | 2,490                 | 2,995                 |
| Cash  | 63                    | 75                    |
| Receivable for investments sold   | 71                    | -                     |
| Interest, dividends and other receivable  | 5                     | 6                     |
|   | 2,629                 | 3,076                 |
| <b>LIABILITIES</b>  |                       |                       |
| Expenses payable  | 6                     | 7                     |
|   | 6                     | 7                     |
| <b>NET ASSETS</b>   | <b>2,623</b>          | <b>3,069</b>          |
| <b>NET ASSETS PER UNIT</b>  |                       |                       |
| Ecoflex   | 10.19                 | 10.97                 |
| <b>UNITS OUTSTANDING</b>  |                       |                       |
| Ecoflex   | 257,470               | 279,733               |
| * Investments, at average cost  | 1,789                 | 2,049                 |

## Statements of Operations

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands                  | 2010<br>\$   | 2009<br>\$ |
|---|--------------|------------|
| <b>INVESTMENT INCOME</b>  |              |            |
| Interest  | 1            | 1          |
| Dividends   | 29           | 35         |
|   | 30           | 36         |
| <b>EXPENSES (Note 6)</b>  |              |            |
| Management fees and operating expenses  | 39           | 36         |
| <b>NET INVESTMENT INCOME (LOSS)</b>   | <b>(9)</b>   | <b>-</b>   |
| <b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS<br/>AND TRANSACTION COSTS</b> |              |            |
| Realized gain (loss) on sale of investments   | 53           | 39         |
| Change in unrealized gain (loss) of investments                                     | (245)        | 376        |
| Transaction costs   | -            | (1)        |
| <b>NET GAIN (LOSS) ON INVESTMENTS</b>   | <b>(192)</b> | <b>414</b> |
| <b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>                            | <b>(201)</b> | <b>414</b> |

## Statements of Changes in Net Assets

| For the periods ended June 30 (unaudited) (Note 1)<br>In thousands | 2010<br>\$   | 2009<br>\$   |
|--|--------------|--------------|
| <b>NET ASSETS - BEGINNING OF THE PERIOD</b>                        | <b>3,069</b> | <b>2,674</b> |
| Increase (decrease) in net assets from operations                  | (201)        | 414          |
| <b>CAPITAL UNIT TRANSACTIONS (Note 7)</b>                          |              |              |
| Units issued   | 42           | 55           |
| Units redeemed   | (287)        | (156)        |
| <b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>            | <b>(446)</b> | <b>313</b>   |
| <b>NET ASSETS - END OF THE PERIOD</b>                              | <b>2,623</b> | <b>2,987</b> |

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

## APEX Canadian Stock

## Statement of Investment Portfolio

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>CANADIAN EQUITIES (83.61%)</b>   |                         |                       |                     |
| <b>ENERGY (22.34%)</b>  |                         |                       |                     |
| Cameco Corp.  | 700                     | 20                    | 16                  |
| Canadian Natural Resources Ltd.   | 3,800                   | 24                    | 134                 |
| Canadian Oil Sands Trust  | 1,000                   | 31                    | 27                  |
| Cenovus Energy Inc.   | 1,776                   | 19                    | 49                  |
| Crescent Point Energy Corp.   | 500                     | 13                    | 18                  |
| EnCana Corp.  | 1,776                   | 14                    | 58                  |
| Husky Energy Inc.   | 1,600                   | 27                    | 40                  |
| Nexen Inc.  | 2,800                   | 20                    | 59                  |
| Progress Energy Resources Corp.   | 1,000                   | 12                    | 12                  |
| Suncor Energy Inc.  | 3,448                   | 26                    | 108                 |
| Talisman Energy Inc.  | 3,000                   | 55                    | 48                  |
| Vermilion Energy Trust  | 500                     | 15                    | 17                  |
|   |                         | 276                   | 586                 |
| <b>MATERIALS (18.68%)</b>   |                         |                       |                     |
| Agnico-Eagle Mines Ltd.   | 600                     | 23                    | 39                  |
| Agrium Inc.   | 1,300                   | 29                    | 67                  |
| Barrick Gold Corp.  | 1,700                   | 53                    | 82                  |
| First Quantum Minerals Ltd.   | 350                     | 22                    | 19                  |
| Goldcorp Inc.   | 2,235                   | 56                    | 104                 |
| HudBay Minerals Inc.  | 3,500                   | 49                    | 39                  |
| Inmet Mining Corp.  | 200                     | 13                    | 9                   |
| Potash Corporation of Saskatchewan Inc.                                       | 500                     | 42                    | 46                  |
| Sherritt International Corp.  | 4,500                   | 32                    | 25                  |
| Teck Resources Ltd., Class B, SV  | 1,294                   | 10                    | 41                  |
| Thompson Creek Metals Co., Inc.   | 2,000                   | 50                    | 19                  |
|   |                         | 379                   | 490                 |
| <b>INDUSTRIALS (7.39%)</b>  |                         |                       |                     |
| Canadian National Railway Co.   | 1,800                   | 25                    | 109                 |
| Canadian Pacific Railway Co.  | 800                     | 14                    | 46                  |
| Finning International Inc.  | 1,000                   | 6                     | 18                  |
| SNC-Lavalin Group Inc.  | 500                     | 21                    | 21                  |
|   |                         | 66                    | 194                 |
| <b>CONSUMER DISCRETIONARY (2.71%)</b>   |                         |                       |                     |
| Canadian Tire Corporation Ltd., Class A, NV                                   | 400                     | 11                    | 21                  |
| Shaw Communications Inc., Class B, NV   | 600                     | 12                    | 12                  |
| Thomson Reuters Corp.   | 1,000                   | 41                    | 38                  |
|   |                         | 64                    | 71                  |
| <b>CONSUMER STAPLES (0.88%)</b>   |                         |                       |                     |
| Shoppers Drug Mart Corp.  | 700                     | 34                    | 23                  |
| <b>FINANCIALS (25.43%)</b>  |                         |                       |                     |
| Bank of Montreal  | 1,400                   | 43                    | 81                  |
| Bank of Nova Scotia   | 2,000                   | 33                    | 98                  |
| Canadian Imperial Bank of Commerce  | 1,300                   | 50                    | 86                  |
| Manulife Financial Corp.  | 3,400                   | 63                    | 52                  |
| National Bank of Canada   | 700                     | 23                    | 38                  |
| Power Corporation of Canada, SV   | 1,000                   | 24                    | 26                  |
| Royal Bank of Canada  | 2,250                   | 111                   | 114                 |
| Sun Life Financial Services of Canada Inc.                                    | 1,700                   | 58                    | 47                  |
| The Toronto-Dominion Bank   | 1,800                   | 51                    | 125                 |
|   |                         | 456                   | 667                 |
| <b>INFORMATION TECHNOLOGY (3.28%)</b>   |                         |                       |                     |
| Open Text Corp.   | 1,000                   | 43                    | 39                  |
| Research In Motion Ltd.   | 900                     | 51                    | 47                  |
|   |                         | 94                    | 86                  |
| <b>TELECOMMUNICATION SERVICES (2.90%)</b>                                     |                         |                       |                     |
| BCE Inc.  | 1,150                   | 26                    | 36                  |
| TELUS Corp.   | 1,000                   | 32                    | 40                  |
|   |                         | 58                    | 76                  |
| <b>TOTAL CANADIAN EQUITIES</b>  |                         | <b>1,427</b>          | <b>2,193</b>        |

| As at June 30, 2010 (unaudited)<br>In thousands (except number of securities) | Number<br>of Securities | Average<br>Cost<br>\$ | Fair<br>Value<br>\$ |
|---|-------------------------|-----------------------|---------------------|
| <b>FOREIGN EQUITIES - INVESTMENT FUND (11.32%)</b>                            |                         |                       |                     |
| Industrial Alliance International Equity Fund                                 | 7,486                   | 77                    | 83                  |
| MB Global Equity Fund   | 6,045                   | 81                    | 65                  |
| Templeton Master Trust Fund, Series 1   | 18,607                  | 204                   | 149                 |
| <b>TOTAL FOREIGN EQUITIES - INVESTMENT FUND</b>                               |                         | <b>362</b>            | <b>297</b>          |
| <b>TOTAL INVESTMENT PORTFOLIO (94.93%)</b>                                    |                         | <b>1,789</b>          | <b>2,490</b>        |
| OTHER NET ASSETS (5.07%)  |                         | 133                   | 133                 |
| <b>TOTAL NET ASSETS (100.00%)</b>   |                         | <b>1,922</b>          | <b>2,623</b>        |

## APEX Canadian Stock

**Discussion of Financial Instrument Risk Management**

As at June 30, 2010 (unaudited) (Note 2, Note 3 and Note 4)  
(in thousands of dollars)

**Investment Objectives**

The APEX Canadian Stock Fund (the "Fund") seeks long-term capital growth mainly through investments in securities of large Canadian companies and includes a portion of foreign equities. The Fund is invested in underlying funds as well as direct holdings of securities.

**Fair Value Measurements**

The following table is a summary of the inputs used, as at June 30, 2010, 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 used in the table below, 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 table.

**As at June 30, 2010**

|                                  | Assets at Fair Value |                 |                 |               |
|----------------------------------|----------------------|-----------------|-----------------|---------------|
|                                  | Level 1<br>(\$)      | Level 2<br>(\$) | Level 3<br>(\$) | Total<br>(\$) |
| Equities                         | 2,193                | -               | -               | 2,193         |
| Investment funds                 | 297                  | -               | -               | 297           |
| Bonds                            | -                    | -               | -               | -             |
| Short-term investments           | -                    | -               | -               | -             |
| Derivative financial instruments | -                    | -               | -               | -             |
| Total                            | 2,490                | -               | -               | 2,490         |

There were no significant transfers between the levels during the period ended June 30, 2010.

**Credit Risk**

As at June 30, 2010, the Fund, through its direct holdings and its underlying funds, had no significant exposure to credit risk.

**Liquidity Risk**

As at June 30, 2010, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 4 to the Financial Statements.

**Interest Rate Risk**

As at June 30, 2010, the majority of the Fund's and its underlying funds' 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.

**Currency Risk**

The table below summarizes the Fund's exposure, through its direct holdings and its underlying funds, to currency risk and the impact on Net Assets as at June 30, 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 June 30, 2010**

| Currency | Financial Instruments<br>(\$) | Currency Contracts<br>(\$) | Total Exposure<br>(\$) | Percentage of Net Assets<br>(%) | Impact on Net Assets<br>(\$) |
|----------|-------------------------------|----------------------------|------------------------|---------------------------------|------------------------------|
| AUD      | 1                             | -                          | 1                      | 0.04                            | -                            |
| BRL      | 1                             | -                          | 1                      | 0.04                            | -                            |
| CHF      | 20                            | -                          | 20                     | 0.76                            | 1                            |
| CNY      | 1                             | -                          | 1                      | 0.04                            | -                            |
| DKK      | 1                             | -                          | 1                      | 0.04                            | -                            |
| EUR      | 79                            | -                          | 79                     | 3.01                            | 4                            |
| GBP      | 45                            | -                          | 45                     | 1.72                            | 2                            |
| HKD      | 8                             | -                          | 8                      | 0.30                            | -                            |
| IDR      | 1                             | -                          | 1                      | 0.04                            | -                            |
| JPY      | 26                            | -                          | 26                     | 0.99                            | 1                            |
| KRW      | 6                             | -                          | 6                      | 0.23                            | -                            |
| MXN      | 1                             | -                          | 1                      | 0.04                            | -                            |
| NOK      | 3                             | -                          | 3                      | 0.11                            | -                            |
| SEK      | 3                             | -                          | 3                      | 0.11                            | -                            |
| SGD      | 5                             | -                          | 5                      | 0.19                            | -                            |
| TWD      | 2                             | -                          | 2                      | 0.08                            | -                            |
| USD      | 83                            | -                          | 83                     | 3.16                            | 4                            |

See Note 4 to the Financial Statements for currency symbols.

**Other Price Risk**

As at June 30, 2010, 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 table below. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**As at June 30, 2010**

| Benchmark                               | Change in Benchmark<br>(%) | Exposure to Benchmark<br>(%) | Impact on Net Assets<br>(%) | Impact on Net Assets<br>(\$) |
|---|----------------------------|------------------------------|-----------------------------|------------------------------|
| DEX 91 day Tbill Index                  | 1.00                       | 10.00                        | 0.10                        | 3                            |
| S&P/TSX Composite Index                 | 10.00                      | 80.00                        | 8.00                        | 210                          |
| MSCI – World Index (Can. \$) (net ret.) | 10.00                      | 10.00                        | 1.00                        | 26                           |

# Condensed Notes to the Financial Statements

## June 30, 2010 (unaudited) (in thousands of \$ or units, except for per unit amounts)

### 1- The Funds

#### a) Financial Reporting Dates

The Statements of Net Assets are as at June 30, 2010 and December 31, 2009. The Statements of Operations and Changes in Net Assets are for the six-month periods ended June 30, 2010 and 2009. The Statements of Investment Portfolio are as at June 30, 2010.

### 2- Significant Accounting Policies

These semi-annual financial statements should be read in conjunction with the Annual Financial Statements for the year ended December 31, 2009, as set out in the 2009 Annual Financial Statements. The significant accounting policies followed in the presentation of these semi-annual Financial Statements are consistent with those found in the 2009 Annual Financial Statements.

### 3- Change in Accounting Policies

#### a) Transition to International Financial Reporting Standards ("IFRS")

The Company will adopt IFRS on January 1, 2011 and will produce its first financial statements with these standards in the first half of 2011. These statements will have to comply with IAS 34 *Interim Financial Reporting*, which requires the presentation of corresponding comparative financial reporting in 2010. The interim financial statements will also have to include an opening balance sheet as at January 1, 2010.

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.

The transition plan is on schedule, which ensures that the Company will be able to meet IFRS requirements. Phase 3, conversion, is currently under way. The Company is preparing its opening balance sheet as well as its balance sheet and income statement for the first half of 2010 according to IFRS. During the period, 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 adoption of IFRS will not lead to any significant changes to the Company's information systems. The training and communication plans will continue throughout the year.

To date, the Company has determined the following major differences between IFRS and Canadian GAAP.

|                         |  |
|-------------------------|--|
| Consolidation           | Under Canadian GAAP, according to Accounting Guideline AcG-18, <i>Investment Companies</i> , investment funds held by other investment funds that meet the control requirement are not required to be consolidated. According to IFRS, IAS 27, <i>Consolidated and Separate Financial Statements</i> , a fund that meets the control criteria must be consolidated in the financial statements of the investment fund that holds it. According to the preliminary analysis performed, the Company does not expect this standard to have an impact on segregated funds. |
| Classification of units | Under Canadian GAAP, according to EIC-149, <i>Accounting for Retractable or Mandatorily Redeemable Shares</i> , units must be presented in unitholders' equity. According to IFRS, IAS 32, <i>Financial Instruments: Presentation</i> , units will have to be classified in unitholders' equity or in liabilities according to the characteristics of the units.   |
| Cash flows statements   | According to Canadian GAAP, cash flows statements are not mandatory for investment funds that satisfy certain criteria. This exemption will no longer be permitted according to IFRS.  |

Moreover, the Company monitors and analyzes the amendments made to IFRS considering that these amendments could influence the preliminary decisions. Among recently published Exposure Drafts, of note is the *Adoption of IFRSs by Investment Companies* Exposure Draft, which anticipates changes in the changeover date to IFRS, and the *Consolidated Financial Statements* Exposure Draft. Adoption of IFRS for investment companies would be mandatory for interim and annual financial statements for fiscal years beginning on or after January 1, 2012 only. Early adoption is permitted. The Company is currently analyzing these Exposure Drafts and their consequences on the funds.

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. However, based on preliminary analysis, IFRS is not expected to have a significant impact on the calculation of the Net Asset Value per unit.

### 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, 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.

# Condensed Notes to the Financial Statements

June 30, 2010 (unaudited) (in thousands of \$ or units, except for per unit amounts)

## 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; 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 options and 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.

|                                      | 2010                              |                              |
|--------------------------------------|-----------------------------------|------------------------------|
|                                      | Net Asset Value<br>Per Unit<br>\$ | Net Assets<br>Per Unit<br>\$ |
| <b>APEX Money Market</b>             |                                   |                              |
| Ecoflex                              | 1.23                              | 1.23                         |
| <b>APEX Fixed Income</b>             |                                   |                              |
| Ecoflex                              | 7.72                              | 7.72                         |
| <b>APEX Balanced (AGF)</b>           |                                   |                              |
| Ecoflex                              | 8.32                              | 8.32                         |
| <b>APEX Growth &amp; Income</b>      |                                   |                              |
| Ecoflex                              | 9.19                              | 9.19                         |
| <b>APEX Canadian Growth (AGF)</b>    |                                   |                              |
| Ecoflex                              | 11.22                             | 11.22                        |
| <b>APEX Canadian Value (Dynamic)</b> |                                   |                              |
| Ecoflex                              | 16.41                             | 16.41                        |
| Ecoflex <i>extra</i>                 | 16.43                             | 16.43                        |
| COL003                               | 16.13                             | 16.13                        |
| <b>APEX Canadian Stock</b>           |                                   |                              |
| Ecoflex                              | 10.19                             | 10.19                        |

APEX FUNDS

## 6- Related Party Transactions

### a) 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 portion of the individual annuity investments, 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.

|                               | 2010  | 2009  |
|-------------------------------|-------|-------|
| <b>Income Funds</b>           |       |       |
| APEX Money Market             | 1.63% | 1.63% |
| APEX Fixed Income             | 2.42% | 2.42% |
| <b>Balanced Funds</b>         |       |       |
| APEX Balanced (AGF)           | 3.15% | 3.15% |
| APEX Growth & Income          | 2.68% | 2.68% |
| <b>Canadian Equity Funds</b>  |       |       |
| APEX Canadian Growth (AGF)    | 3.15% | 3.15% |
| APEX Canadian Value (Dynamic) | 3.06% | 3.06% |
| APEX Canadian Stock           | 2.68% | 2.68% |

Following a recent decline in interest rates, the Company absorbs, since March 16, 2009, all of the management fees for the APEX Money Market Fund which are higher than its returns. This modification is temporary and will help protect clients' investments from potential negative returns that the Fund could generate.

## 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*extra* 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 June 30, 2010 and 2009, the following units were issued and redeemed:

| Funds                             |             | Beginning<br>of Period | Units<br>Issued | Units<br>Redeemed | End of<br>Period |
|-----------------------------------|-------------|------------------------|-----------------|-------------------|------------------|
| <b>APEX Money Market</b>          |             |                        |                 |                   |                  |
| Ecoflex                           | <b>2010</b> | 2,231                  | 93              | 309               | 2,015            |
|                                   | 2009        | 3,086                  | 115             | 738               | 2,463            |
| <b>APEX Fixed Income</b>          |             |                        |                 |                   |                  |
| Ecoflex                           | <b>2010</b> | 549                    | 1               | 47                | 503              |
|                                   | 2009        | 602                    | 5               | 33                | 574              |
| <b>APEX Balanced (AGF)</b>        |             |                        |                 |                   |                  |
| Ecoflex                           | <b>2010</b> | 1,096                  | 5               | 90                | 1,011            |
|                                   | 2009        | 1,257                  | 6               | 84                | 1,179            |
| <b>APEX Growth &amp; Income</b>   |             |                        |                 |                   |                  |
| Ecoflex                           | <b>2010</b> | 416                    | 1               | 43                | 374              |
|                                   | 2009        | 479                    | 9               | 49                | 439              |
| <b>APEX Canadian Growth (AGF)</b> |             |                        |                 |                   |                  |
| Ecoflex                           | <b>2010</b> | 637                    | 4               | 52                | 589              |
|                                   | 2009        | 710                    | 11              | 44                | 677              |

Unaudited Semi-Annual Financial Statements

# Condensed Notes to the Financial Statements

June 30, 2010 (unaudited) (in thousands of \$ or units, except for per unit amounts)

| Funds                                |             | Beginning<br>of Period | Units<br>Issued | Units<br>Redeemed | End of<br>Period |
|--------------------------------------|-------------|------------------------|-----------------|-------------------|------------------|
| <b>APEX Canadian Value (Dynamic)</b> |             |                        |                 |                   |                  |
| Ecoflex                              | <b>2010</b> | <b>20,004</b>          | <b>3,358</b>    | <b>2,169</b>      | <b>21,193</b>    |
|                                      | 2009        | 17,072                 | 3,715           | 1,703             | 19,084           |
| Ecoflextra                           | <b>2010</b> | <b>3,515</b>           | <b>2,214</b>    | <b>304</b>        | <b>5,425</b>     |
|                                      | 2009        | 1,277                  | 1,779           | 651               | 2,405            |
| COL003                               | <b>2010</b> | <b>5,355</b>           | <b>618</b>      | <b>500</b>        | <b>5,473</b>     |
|                                      | 2009        | 6,053                  | 620             | 1,133             | 5,540            |
| <b>APEX Canadian Stock</b>           |             |                        |                 |                   |                  |
| Ecoflex                              | <b>2010</b> | <b>280</b>             | <b>4</b>        | <b>27</b>         | <b>257</b>       |
|                                      | 2009        | 312                    | 7               | 19                | 300              |

## 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 June 30, 2010, the fair value of the loaned securities of each Fund included in the investments is as follows:

| Funds                         | 2010<br>\$ |
|-------------------------------|------------|
| APEX Money Market             | 250        |
| APEX Fixed Income             | 360        |
| APEX Balanced (AGF)           | 3,366      |
| APEX Growth & Income          | 1,016      |
| APEX Canadian Growth (AGF)    | 2,055      |
| APEX Canadian Value (Dynamic) | 54,947     |
| APEX Canadian Stock           | 642        |

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

## 9- Currency Contracts

The following Fund has entered into a currency contracts. The details of these currency contracts as at June 30, 2010, are as follows:

| Fund                                | Settlement<br>Date | Number of<br>Contracts | To Purchase<br>\$ | To Sell<br>\$ | Unrealized<br>Gain<br>(Loss) –<br>CAD\$ |
|-------------------------------------|--------------------|------------------------|-------------------|---------------|---|
| APEX<br>Canadian Value<br>(Dynamic) | July 13, 2010      | 1                      | CAD 67,817        | USD 66,000    | (2,170)                                 |

## 10- Comparative Figures

Certain of the prior period's comparative figures have been reclassified to conform to the current period's financial statement presentation.







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