



# 2011 Apex Funds

Semi-Annual  
Financial Report  
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

As at	June 30 2011 (unaudited) \$	Dec. 31 2010 (audited) \$
In thousands (except number of units and per unit figures)		
<b>ASSETS</b>		
Investments at fair value*	2,148	2,168
Cash	-	5
Receivable for investments sold	6	-
	2,154	2,173
<b>LIABILITIES</b>		
Bank overdraft	1	-
Expenses payable	1	3
	2	3
<b>NET ASSETS</b>	<b>2,152</b>	<b>2,170</b>
<b>NET ASSETS PER UNIT</b>		
Ecoflex	1.24	1.23
<b>UNITS OUTSTANDING</b>		
Ecoflex	1,740,626	1,766,628
* Investments, at average cost	2,132	2,163

## Statements of Operations

For the periods ended June 30 (unaudited) (Note 1) In thousands	2011 \$	2010 \$
<b>INVESTMENT INCOME</b>		
Interest	-	4
Dividends	2	-
	2	4
<b>EXPENSES (NOTE 5)</b>		
Management fees and operating expenses	15	4
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(13)</b>	<b>-</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Realized gain (loss) on sale of investments	16	20
Change in unrealized gain (loss) of investments	11	-
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>27</b>	<b>20</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>14</b>	<b>20</b>

## Statements of Changes in Net Assets

For the periods ended June 30 (unaudited) (Note 1) In thousands	2011 \$	2010 \$
<b>NET ASSETS - BEGINNING OF THE PERIOD</b>	<b>2,170</b>	<b>2,717</b>
Increase (decrease) in net assets from operations	14	20
<b>CAPITAL UNIT TRANSACTIONS (Note 6)</b>		
Units issued	155	113
Units redeemed	(187)	(378)
<b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>	<b>(18)</b>	<b>(245)</b>
<b>NET ASSETS - END OF THE PERIOD</b>	<b>2,152</b>	<b>2,472</b>

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

## Statement of Investment Portfolio

As at June 30, 2011 (unaudited) In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
<b>INVESTMENT FUND (99.81%)</b>			
Industrial Alliance Money Market Fund	105,322	2,132	2,148
<b>OTHER NET ASSETS (0.19%)</b>			4
<b>TOTAL NET ASSETS (100.00%)</b>			<b>2,152</b>

## Industrial Alliance Money Market Fund

## Top Holdings of the Underlying Fund

As at June 30, 2011 (unaudited) In thousands	Face Value \$	Average Cost \$	Fair Value \$	% of Portfolio		
Government of Canada	1.040%	2011-11-10	57,800	57,529	57,543	25.47%
Government of Canada	0.931%	2011-07-06	23,800	23,788	23,788	10.53%
Government of Canada	1.060%	2011-07-21	21,950	21,844	21,846	9.67%
Government of Canada	1.111%	2011-10-13	21,200	21,093	21,104	9.34%
Financement-Québec	1.052%	2011-08-29	20,000	19,945	19,946	8.83%
Province of Ontario	1.079%	2011-09-14	20,000	19,934	19,936	8.83%
Canadian Imperial Bank of Commerce	1.142%	2011-09-08	11,000	10,969	10,967	4.86%
Bank of Montreal	1.091%	2011-08-05	10,500	10,482	10,482	4.64%
Bank of Nova Scotia	1.180%	2011-08-08	10,100	10,071	10,072	4.46%
National Bank of Canada	1.160%	2011-07-25	10,000	9,972	9,972	4.41%
Government of Canada	1.018%	2011-12-08	7,700	7,663	7,663	3.39%
Government of Canada	1.050%	2011-09-15	4,750	4,725	4,728	2.09%
Government of Canada	0.913%	2011-07-07	4,000	3,998	3,998	1.77%
Government of Canada	1.080%	2011-08-18	3,600	3,581	3,582	1.59%
Government of Canada	1.110%	2011-08-18	1,750	1,741	1,741	0.77%
Government of Canada	1.100%	2011-08-18	1,350	1,343	1,344	0.59%
Government of Canada	1.040%	2011-08-18	950	946	946	0.42%
Government of Canada	1.019%	2011-08-18	550	548	547	0.24%
Government of Canada	1.070%	2011-07-21	400	398	398	0.18%
Government of Canada	1.050%	2011-08-18	300	299	299	0.13%
			<b>230,869</b>	<b>230,902</b>	<b>230,902</b>	<b>102.21%</b>

## APEX Money Market

## Discussion of Financial Instrument Risk Management

As at June 30, 2011 (unaudited) (Note 2 and Note 3)  
(in thousands of dollars)

### Investment Objectives

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

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

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2011, on the Fund's financial instruments carried at fair value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements found in the 2010 Annual 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, 2011

	Financial instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	2,148	-	-	2,148
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	2,148	-	-	2,148

There were no significant transfers between the levels during the period ended June 30, 2011.

### Credit Risk

As at June 30, 2011, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at June 30, 2011 (%)
R1	102.06

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2011, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 3 to the Financial Statements.

### Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at June 30, 2011. 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, 2011

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non-interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	2,196	-	-	-	(48)	2,148	4
Cash (Bank overdraft)	(1)	-	-	-	-	(1)	-
Other assets	-	-	-	-	6	6	-
Liabilities	-	-	-	-	1	1	-

### Currency Risk

As at June 30, 2011, the Fund, through its underlying fund, had no significant exposure to currency risk.

### Other Price Risk

As at June 30, 2011, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following table. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2011

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

## APEX Fixed Income

## Statements of Net Assets

As at	June 30 2011 (unaudited) \$	Dec. 31 2010 (audited) \$
In thousands (except number of units and per unit figures)		
<b>ASSETS</b>		
Investments at fair value*	3,335	3,601
	3,335	3,601
<b>LIABILITIES</b>		
Bank overdraft	3	-
Expenses payable	8	7
	11	7
<b>NET ASSETS</b>	<b>3,324</b>	<b>3,594</b>
<b>NET ASSETS PER UNIT</b>		
Ecoflex	7.89	7.82
<b>UNITS OUTSTANDING</b>		
Ecoflex	421,123	459,701
* Investments, at average cost	3,222	3,557

## Statements of Operations

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>INVESTMENT INCOME</b>		
Interest	-	88
<b>EXPENSES (NOTE 5)</b>		
Management fees and operating expenses	44	48
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(44)</b>	<b>40</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Realized gain (loss) on sale of investments	6	9
Change in unrealized gain (loss) of investments	69	61
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>75</b>	<b>70</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>31</b>	<b>110</b>

## Statements of Changes in Net Assets

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>NET ASSETS - BEGINNING OF THE PERIOD</b>	<b>3,594</b>	<b>4,122</b>
Increase (decrease) in net assets from operations	31	110
<b>CAPITAL UNIT TRANSACTIONS (Note 6)</b>		
Units issued	19	8
Units redeemed	(320)	(360)
<b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>	<b>(270)</b>	<b>(242)</b>
<b>NET ASSETS - END OF THE PERIOD</b>	<b>3,324</b>	<b>3,880</b>

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

## Statement of Investment Portfolio

As at June 30, 2011 (unaudited)	Number of Securities	Average Cost \$	Fair Value \$
In thousands (except number of securities)			
<b>INVESTMENT FUND (100.33%)</b>			
Industrial Alliance Bonds - series 2 Fund	150,505	3,222	3,335
<b>OTHER NET ASSETS (-0.33%)</b>			(11)
<b>TOTAL NET ASSETS (100.00%)</b>			<b>3,324</b>

## Industrial Alliance Bonds - series 2 Fund

## Top 25 Holdings of the Underlying Fund

As at June 30, 2011 (unaudited)	Face Value \$	Average Cost \$	Fair Value \$	% of Portfolio		
In thousands						
Canada Housing Trust, Floating Rate	3.202%	2013-06-15	25,870	25,828	25,874	3.91%
Government of Canada	3.750%	2019-06-01	21,300	22,283	22,605	3.42%
Canada Housing Trust	2.750%	2014-09-15	19,820	20,050	20,234	3.06%
Canada Housing Trust	2.950%	2015-03-15	18,700	18,951	19,184	2.90%
Canada Housing Trust, Series 41-1	2.750%	2016-06-15	18,810	18,921	18,963	2.87%
Government of Canada	5.000%	2037-06-01	13,180	16,521	16,325	2.47%
Province of British Columbia	4.700%	2037-06-18	15,400	15,826	16,296	2.47%
Canada Housing Trust	3.550%	2013-09-15	14,170	14,729	14,721	2.23%
Canada Housing Trust	3.600%	2013-06-15	14,110	14,666	14,630	2.21%
Province of Ontario	4.000%	2021-06-02	12,710	12,593	12,868	1.95%
Government of Canada	4.000%	2017-06-01	11,830	12,634	12,779	1.93%
Province of Ontario	4.650%	2041-06-02	12,050	12,218	12,648	1.91%
Golden Credit Card Trust	3.510%	2016-05-15	12,370	12,406	12,540	1.90%
Province of Quebec, Real Return Bond	4.500%	2020-12-01	11,260	11,635	11,857	1.79%
Canadian Imperial Bank of Commerce	5.000%	2012-09-10	10,000	10,459	10,381	1.57%
Government of Canada	4.250%	2018-06-01	8,450	9,041	9,272	1.40%
Province of Ontario	4.400%	2019-06-02	8,460	8,808	8,973	1.36%
Bank of Montreal	3.930%	2015-04-27	8,430	8,672	8,777	1.33%
Bank of Nova Scotia, Fixed - Floating Rate	4.990%	2018-03-27	8,140	8,551	8,520	1.29%
Greater Toronto Airports Authority	7.100%	2031-06-04	6,480	7,939	8,161	1.23%
Province of Quebec	4.500%	2016-12-01	7,240	7,748	7,829	1.18%
Royal Bank of Canada	3.270%	2014-11-10	7,420	7,525	7,599	1.15%
Cadillac Fairview Finance Trust	3.240%	2016-01-25	7,460	7,460	7,564	1.14%
Government of Canada	2.000%	2016-06-01	7,520	7,300	7,404	1.12%
Municipal Finance Authority of British Columbia	4.800%	2017-12-01	6,650	7,172	7,249	1.10%
			<b>319,936</b>	<b>323,253</b>	<b>48.89%</b>	

## APEX Fixed Income

## Discussion of Financial Instrument Risk Management

As at June 30, 2011 (unaudited) (Note 2 and Note 3)  
(in thousands of dollars)

### Investment Objectives

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

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

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2011, on the Fund's financial instruments carried at fair value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements found in the 2010 Annual 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, 2011

	Financial instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	3,335	-	-	3,335
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	3,335	-	-	3,335

There were no significant transfers between the levels during the period ended June 30, 2011.

### Credit Risk

As at June 30, 2011, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at June 30, 2011 (%)
AAA	39.36
AA	30.54
A	22.36
BBB	5.69
R1	1.24

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2011, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 3 to the Financial Statements.

### Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at June 30, 2011. 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, 2011

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	95	1,717	865	621	37	3,335	198
Cash (Bank overdraft)	(3)	-	-	-	-	(3)	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	8	8	-

### Currency Risk

As at June 30, 2011, the Fund, through its underlying fund, had no significant exposure to currency risk.

### Other Price Risk

As at June 30, 2011, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following table. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2011

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
DEX Universe Bond Index	3.00	100.00	3.00	100

## APEX Growth &amp; Income

## Statements of Net Assets

As at	June 30 2011 (unaudited) \$	Dec. 31 2010 (audited) \$
In thousands (except number of units and per unit figures)		
<b>ASSETS</b>		
Investments at fair value*	10,003	10,758
Cash	-	1
	10,003	10,759
<b>LIABILITIES</b>		
Expenses payable	24	18
	24	18
<b>NET ASSETS</b>	<b>9,979</b>	<b>10,741</b>
<b>NET ASSETS PER UNIT</b>		
Ecoflex	10.12	10.10
<b>UNITS OUTSTANDING</b>		
Ecoflex	986,353	1,063,481
* Investments, at average cost	9,935	10,587

## Statements of Operations

For the periods ended June 30 (unaudited) (Note 1)	2011 \$	2010 \$
In thousands		
<b>INVESTMENT INCOME</b>		
Interest	82	33
Dividends	77	19
	159	52
<b>EXPENSES (NOTE 5)</b>		
Management fees and operating expenses	144	50
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>15</b>	<b>2</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Realized gain (loss) on sale of investments	114	99
Change in unrealized gain (loss) of investments	(103)	(206)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>11</b>	<b>(107)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>26</b>	<b>(105)</b>

## Statements of Changes in Net Assets

For the periods ended June 30 (unaudited) (Note 1)	2011 \$	2010 \$
In thousands		
<b>NET ASSETS - BEGINNING OF THE PERIOD</b>	<b>10,741</b>	<b>3,937</b>
Increase (decrease) in net assets from operations	26	(105)
<b>CAPITAL UNIT TRANSACTIONS (Note 6)</b>		
Units issued	85	10
Units redeemed	(873)	(406)
<b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>	<b>(762)</b>	<b>(501)</b>
<b>NET ASSETS - END OF THE PERIOD</b>	<b>9,979</b>	<b>3,436</b>

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

## Statement of Investment Portfolio

As at June 30, 2011 (unaudited)	Number of Securities	Average Cost \$	Fair Value \$
In thousands (except number of securities)			
<b>INVESTMENT FUND (100.24%)</b>			
Industrial Alliance Diversified Fund	139,261	9,935	10,003
<b>OTHER NET ASSETS (-0.24%)</b>			<b>(24)</b>
<b>TOTAL NET ASSETS (100.00%)</b>			<b>9,979</b>

## Industrial Alliance Diversified Fund

## Top 25 Holdings of the Underlying Fund

As at June 30, 2011 (unaudited)	No. of Securities/ Face value	Average Cost \$	Fair Value \$	% of Portfolio		
In thousands (except number of securities)						
Industrial Alliance U.S. Equity Fund	18,942,895	169,368	165,673	9.53%		
Industrial Alliance International Equity Fund	10,366,776	133,653	141,233	8.12%		
Government of Canada	3.250%	2021-06-01	46,170	46,349	46,707	2.69%
Royal Bank of Canada			727,450	25,807	40,002	2.30%
The Toronto-Dominion Bank			477,700	23,363	39,052	2.25%
Bank of Nova Scotia Potash Corporation of Saskatchewan Inc.			515,600	15,329	29,905	1.72%
Government of Canada	4.000%	2017-06-01	527,400	16,975	28,959	1.67%
Suncor Energy Inc.			25,635	27,319	27,693	1.59%
Province of Quebec, Real Return Bond	4.500%	2020-12-01	715,568	20,259	26,963	1.55%
Barrick Gold Corp.			23,465	24,114	24,709	1.42%
Canadian Natural Resources Ltd.			545,169	20,379	23,807	1.37%
Canadian National Railway Co.			566,800	11,018	22,848	1.31%
Bank of Montreal			290,180	6,185	22,341	1.28%
Canada Housing Trust	2.950%	2015-03-15	341,490	14,067	20,910	1.20%
Canada Housing Trust	2.750%	2015-12-15	19,040	19,150	19,533	1.12%
Goldcorp Inc.			19,225	19,171	19,477	1.12%
Canadian Imperial Bank of Commerce			402,155	13,681	18,708	1.08%
Province of Ontario	4.000%	2021-06-02	243,950	14,163	18,565	1.07%
Canada Housing Trust	2.750%	2014-12-15	17,385	17,585	17,603	1.01%
Province of Ontario	6.500%	2029-03-08	17,215	17,369	17,561	1.01%
Government of Canada	5.000%	2037-06-01	13,460	16,768	17,246	0.99%
Genovus Energy Inc.			13,405	16,719	16,604	0.95%
BCE Inc.			452,252	11,199	16,421	0.94%
Teck Resources Ltd., Class B, SV			426,530	12,456	16,132	0.93%
			271,247	7,202	13,250	0.76%
			<b>719,648</b>	<b>851,902</b>	<b>48.98%</b>	

## APEX Growth &amp; Income

## Discussion of Financial Instrument Risk Management

As at June 30, 2011 (unaudited) (Note 2 and Note 3)  
(in thousands of dollars)

### Investment Objectives

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

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

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2011, on the Fund's financial instruments carried at fair value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements found in the 2010 Annual 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, 2011

	Financial instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	10,003	-	-	10,003
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	10,003	-	-	10,003

There were no significant transfers between the levels during the period ended June 30, 2011.

### Credit Risk

As at June 30, 2011, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at June 30, 2011 (%)
AAA	17.20
AA	11.20
A	10.63
BBB	2.56
R1	6.59
Not rated	0.17

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2011, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 3 to the Financial Statements.

### Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at June 30, 2011. 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, 2011

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	663	2,214	1,161	787	5,178	10,003	261
Cash (Bank overdraft)	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	24	24	-

### Currency Risk

The following table summarizes the Fund's exposure, through its underlying fund, to currency risk and the impact on Net Assets as at June 30, 2011, 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, 2011

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	16	-	16	0.16	1
CHF	95	-	95	0.95	5
EUR	279	-	279	2.80	14
GBP	102	-	102	1.02	5
HKD	41	-	41	0.41	2
JPY	155	-	155	1.55	8
KRW	8	-	8	0.08	-
NOK	18	-	18	0.18	1
SEK	18	-	18	0.18	1
SGD	18	-	18	0.18	1
USD	994	-	994	9.96	50

See Note 3 to the Financial Statements for currency symbols.

## APEX Growth &amp; Income

## Discussion of Financial Instrument Risk Management (continued)

### Other Price Risk

As at June 30, 2011, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following table. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2011

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	10
DEX Universe Bond Index	3.00	35.00	1.05	105
S&P/TSX Composite Index	10.00	45.00	4.50	449
MSCI - World Index (Can. \$) (net ret.)	10.00	10.00	1.00	100

## APEX Canadian Value (Dynamic)

## Statements of Net Assets

As at	June 30 2011 (unaudited) \$	Dec. 31 2010 (audited) \$
In thousands (except number of units and per unit figures)		
<b>ASSETS</b>		
Investments at fair value*	629,862	626,480
Cash	4,318	18,593
Subscriptions receivable	2,250	1,933
Receivable for investments sold	3,331	-
Interest, dividends and other receivable	851	939
Open currency contracts receivable	2,112	2,111
	642,724	650,056
<b>LIABILITIES</b>		
Expenses payable	1,395	1,379
Redemptions payable	214	267
Payable for investments purchased	4,113	633
	5,722	2,279
<b>NET ASSETS</b>	<b>637,002</b>	<b>647,777</b>
<b>NET ASSETS PER UNIT</b>		
IAG SRP	26.44	-
Ecoflex	18.46	19.79
Ecoflex <sup>extra</sup>	18.49	19.83
COL003	18.72	19.76
<b>UNITS OUTSTANDING</b>		
IAG SRP	318,649	-
Ecoflex	19,462,194	20,054,074
Ecoflex <sup>extra</sup>	7,868,530	7,362,736
COL003	6,612,372	5,309,552
* Investments, at average cost	558,194	508,990

## Statements of Operations

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>INVESTMENT INCOME</b>		
Interest	122	55
Securities lending	45	-
Dividends	5,989	4,863
	6,156	4,918
<b>EXPENSES (NOTE 5)</b>		
Management fees and operating expenses	8,597	6,695
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(2,441)</b>	<b>(1,777)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND TRANSACTION COSTS</b>		
Realized gain (loss) on sale of investments	3,189	50
Realized gain (loss) on foreign currency	1,120	-
Change in unrealized gain (loss) of investments	(45,822)	(29,906)
Change in unrealized gain (loss) on foreign currency	2	(2,164)
Transaction costs	(379)	-
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(41,890)</b>	<b>(32,020)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>(44,331)</b>	<b>(33,797)</b>

## Statements of Changes in Net Assets

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>NET ASSETS - BEGINNING OF THE PERIOD</b>	<b>647,777</b>	<b>502,831</b>
Increase (decrease) in net assets from operations	(44,331)	(33,797)
<b>CAPITAL UNIT TRANSACTIONS (Note 6)</b>		
Units issued	99,478	106,398
Units redeemed	(65,922)	(51,118)
<b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>	<b>(10,775)</b>	<b>21,483</b>
<b>NET ASSETS - END OF THE PERIOD</b>	<b>637,002</b>	<b>524,314</b>

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

## APEX Canadian Value (Dynamic)

## Statement of Investment Portfolio

As at June 30, 2011 (unaudited) In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
<b>CANADIAN EQUITIES (62.90%)</b>			
<b>ENERGY (12.81%)</b>			
Canadian Natural Resources Ltd.	21,500	752	867
Canadian Oil Sands Ltd.	57,000	1,538	1,583
EnCana Corp.	1,039,400	33,267	30,870
MEG Energy Corp.	384,500	19,102	19,275
Progress Energy Resources Corp.	2,115,700	26,714	29,028
		81,373	81,623
<b>MATERIALS (19.45%)</b>			
Canam Group Inc.	1,286,200	6,340	8,643
Eldorado Gold Corp.	1,315,200	13,154	18,636
HudBay Minerals Inc.	1,685,172	13,030	24,233
Osisko Mining Corp.	2,739,229	15,981	40,952
Quadra FX Mining Ltd.	2,198,500	35,098	31,438
		83,603	123,902
<b>INDUSTRIALS (1.34%)</b>			
Vicwest Inc.	662,830	8,169	8,498
<b>CONSUMER DISCRETIONARY (7.44%)</b>			
Magna International Inc., Class A	690,400	20,593	35,984
RONA Inc.	948,900	12,230	11,396
		32,823	47,380
<b>FINANCIALS (17.04%)</b>			
Bank of Montreal	491,100	28,866	30,070
Bank of Nova Scotia	268,700	11,695	15,584
IGM Financial Inc.	249,988	10,354	12,620
Royal Bank of Canada	455,100	21,041	25,026
The Toronto-Dominion Bank	308,700	18,035	25,236
		89,991	108,536
<b>INFORMATION TECHNOLOGY (1.69%)</b>			
Kab Distribution Inc.	3,152,700	4,667	16
Research In Motion Ltd.	387,200	22,183	10,768
		26,850	10,784
<b>TELECOMMUNICATION SERVICES (3.13%)</b>			
Rogers Communications Inc., Class B, NV	523,900	15,595	19,940
<b>TOTAL CANADIAN EQUITIES</b>		<b>338,404</b>	<b>400,663</b>
<b>U.S. EQUITIES (29.74%)</b>			
<b>ENERGY (13.40%)</b>			
Arch Coal Inc.	756,300	14,289	19,443
Halliburton Co.	612,200	22,914	30,101
Marathon Oil Corp.	264,300	13,054	13,411
Petrohawk Energy Corp.	940,534	20,000	22,384
		70,257	85,339
<b>MATERIALS (10.54%)</b>			
Allied Nevada Gold Corp.	94,600	2,743	3,199
Freeport-McMoRan Copper & Gold Inc.	623,500	32,487	31,794
Newmont Mining Corp.	618,400	33,396	32,172
		68,626	67,165
<b>FINANCIALS (5.80%)</b>			
Bank of America Corp.	2,020,000	31,928	21,329
JPMorgan Chase & Co.	396,000	17,841	15,622
		49,769	36,951
<b>TOTAL U.S. EQUITIES</b>		<b>188,652</b>	<b>189,455</b>

As at June 30, 2011 (unaudited) In thousands (except number of securities)	Number of Securities	Average Cost \$	Fair Value \$
<b>FOREIGN EQUITIES (3.43%)</b>			
<b>MATERIALS (3.43%)</b>			
Israel Chemicals Ltd.	1,426,840	13,238	21,844
<b>SHORT-TERM INVESTMENTS (2.81%)</b>			
		<b>17,900</b>	<b>17,900</b>
<b>TOTAL INVESTMENT PORTFOLIO (98.88%)</b>		<b>558,194</b>	<b>629,862</b>
OTHER NET ASSETS (1.12%)			7,140
<b>TOTAL NET ASSETS (100.00%)</b>			<b>637,002</b>

## APEX Canadian Value (Dynamic)

## Discussion of Financial Instrument Risk Management

As at June 30, 2011 (unaudited) (Note 2 and Note 3)  
(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, 2011, on the Fund's financial instruments carried at fair value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements found in the 2010 Annual 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, 2011

	Financial instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	611,946	16	-	611,962
Investment funds	-	-	-	-
Bonds	-	-	-	-
Short-term investments	-	17,900	-	17,900
Derivative financial instruments	-	2,112	-	2,112
Total	611,946	20,012	-	631,958

There were no significant transfers between the levels during the period ended June 30, 2011.

### Credit Risk

As at June 30, 2011, the Fund had no significant exposure to credit risk.

### Liquidity Risk

As at June 30, 2011, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 3 to the Financial Statements.

### Interest Rate Risk

As at June 30, 2011, 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 following table summarizes the Fund's exposure to currency risk and the impact on Net Assets as at June 30, 2011, 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, 2011

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
ILS	21,399	-	21,399	3.36	1,070
USD	233,128	(160,665)	72,463	11.38	3,623

See Note 3 to the Financial Statements for currency symbols.

### Other Price Risk

As at June 30, 2011, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following table. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2011

Benchmark	Change in Benchmark (%)	Exposure to Benchmark (%)	Impact on Net Assets (%)	Impact on Net Assets (\$)
S&P/TSX Composite Index	10.00	100.00	10.00	63,700

## APEX Canadian Stock

## Statements of Net Assets

As at	June 30 2011 (unaudited) \$	Dec. 31 2010 (audited) \$
In thousands (except number of units and per unit figures)		
<b>ASSETS</b>		
Investments at fair value*	7,766	8,667
Cash	1	-
	7,767	8,667
<b>LIABILITIES</b>		
Expenses payable	19	16
	19	16
<b>NET ASSETS</b>	<b>7,748</b>	<b>8,651</b>
<b>NET ASSETS PER UNIT</b>		
Ecoflex	11.90	12.09
<b>UNITS OUTSTANDING</b>		
Ecoflex	650,984	715,380
* Investments, at average cost	8,000	8,424

## Statements of Operations

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>INVESTMENT INCOME</b>		
Interest	2	1
Dividends	94	29
	96	30
<b>EXPENSES (NOTE 5)</b>		
Management fees and operating expenses	115	39
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(19)</b>	<b>(9)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Realized gain (loss) on sale of investments	383	53
Change in unrealized gain (loss) of investments	(477)	(245)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(94)</b>	<b>(192)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>(113)</b>	<b>(201)</b>

## Statements of Changes in Net Assets

For the periods ended June 30 (unaudited) (Note 1)	2011	2010
In thousands	\$	\$
<b>NET ASSETS - BEGINNING OF THE PERIOD</b>	<b>8,651</b>	<b>3,069</b>
Increase (decrease) in net assets from operations	(113)	(201)
<b>CAPITAL UNIT TRANSACTIONS (Note 6)</b>		
Units issued	105	42
Units redeemed	(895)	(287)
<b>INCREASE (DECREASE) IN NET ASSETS FOR THE PERIOD</b>	<b>(903)</b>	<b>(446)</b>
<b>NET ASSETS - END OF THE PERIOD</b>	<b>7,748</b>	<b>2,623</b>

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

## Statement of Investment Portfolio

As at June 30, 2011 (unaudited)	Number of Securities	Average Cost \$	Fair Value \$
In thousands (except number of securities)			
<b>INVESTMENT FUND (100.23%)</b>			
Industrial Alliance Canadian Equity Value Fund	38,827	8,000	7,766
<b>OTHER NET ASSETS (-0.23%)</b>			(18)
<b>TOTAL NET ASSETS (100.00%)</b>			<b>7,748</b>

## Industrial Alliance Canadian Equity Value Fund

Top 25 Holdings of the Underlying Fund	Number of Securities	Average Cost \$	Fair Value \$	% of Portfolio
As at June 30, 2011 (unaudited)				
In thousands (except number of securities)				
Industrial Alliance International Equity Fund	1,975,983	26,688	26,920	6.36%
Industrial Alliance U.S. Equity Fund	3,052,801	28,059	26,700	6.31%
Royal Bank of Canada	426,550	12,746	23,456	5.54%
The Toronto-Dominion Bank	275,000	11,178	22,482	5.31%
Suncor Energy Inc.	452,240	8,150	17,040	4.03%
Canadian Natural Resources Ltd.	389,400	7,286	15,697	3.71%
Potash Corporation of Saskatchewan Inc.	284,000	8,173	15,594	3.68%
Canadian National Railway Co.	200,720	5,401	15,454	3.65%
Bank of Nova Scotia	264,900	5,712	15,364	3.63%
Barrick Gold Corp.	301,074	10,380	13,148	3.11%
Goldcorp Inc.	254,445	6,441	11,837	2.80%
Bank of Montreal	189,950	7,367	11,631	2.75%
Cenovus Energy Inc.	314,668	6,316	11,426	2.70%
Canadian Imperial Bank of Commerce	122,450	6,564	9,318	2.20%
Agrium Inc.	109,300	2,857	9,242	2.18%
Talisman Energy Inc.	435,500	7,679	8,606	2.03%
Teck Resources Ltd., Class B, SV	171,550	4,124	8,381	1.98%
BCE Inc.	197,286	5,579	7,461	1.76%
EnCana Corp.	238,668	3,138	7,088	1.67%
Agnico-Eagle Mines Ltd.	97,600	4,660	5,951	1.41%
Sun Life Financial Services of Canada Inc.	199,000	4,834	5,761	1.36%
Canadian Oil Sands Ltd.	199,300	7,203	5,536	1.31%
Vermilion Energy Inc.	107,200	3,479	5,452	1.29%
National Bank of Canada	69,400	3,253	5,421	1.28%
Open Text Corp.	82,000	1,965	5,042	1.19%
	<b>199,232</b>	<b>310,008</b>	<b>73,24%</b>	

## APEX Canadian Stock

## Discussion of Financial Instrument Risk Management

As at June 30, 2011 (unaudited) (Note 2 and Note 3)  
(in thousands of dollars)

### Investment Objectives

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

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

### Fair Value Measurements

The following table is a summary of the inputs used, as at June 30, 2011, on the Fund's financial instruments carried at fair value. The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities. For more information on valuation inputs, and their aggregation into the levels, please refer to the Valuation of Investments section in the accompanying Notes to the Financial Statements found in the 2010 Annual 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, 2011

	Financial instruments at Fair Value			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	-	-	-	-
Investment funds	7,766	-	-	7,766
Bonds	-	-	-	-
Short-term investments	-	-	-	-
Derivative financial instruments	-	-	-	-
Total	7,766	-	-	7,766

There were no significant transfers between the levels during the period ended June 30, 2011.

### Credit Risk

As at June 30, 2011, the Fund, through its underlying fund, had invested in debt instruments with the following credit ratings:

Debt Instruments* by Credit Rating	Percentage of Net Assets as at June 30, 2011 (%)
A	0.25
R1	5.53

\*Excludes other Net Assets

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

### Liquidity Risk

As at June 30, 2011, the Fund had no significant exposure to liquidity risk, except as disclosed in Note 3 to the Financial Statements.

### Interest Rate Risk

The following table summarizes the Fund's exposure, through its underlying fund, to interest rate risk by remaining terms to maturity as at June 30, 2011. 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, 2011

	< 1 year (\$)	1-5 years (\$)	6-10 years (\$)	> 10 years (\$)	Non- interest Bearing (\$)	Total (\$)	Impact on Net Assets (\$)
Investments	428	19	-	-	7,319	7,766	1
Cash (Bank overdraft)	1	-	-	-	-	1	-
Other assets	-	-	-	-	-	-	-
Liabilities	-	-	-	-	19	19	-

### Currency Risk

The following table summarizes the Fund's exposure, through its underlying fund, to currency risk and the impact on Net Assets as at June 30, 2011, 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, 2011

Currency	Financial Instruments (\$)	Currency Contracts (\$)	Total Exposure (\$)	Percentage of Net Assets (%)	Impact on Net Assets (\$)
AUD	10	-	10	0.13	-
CHF	58	-	58	0.75	3
EUR	169	-	169	2.18	8
GBP	62	-	62	0.80	3
HKD	25	-	25	0.32	1
JPY	94	-	94	1.21	5
KRW	5	-	5	0.06	-
NOK	11	-	11	0.14	1
SEK	11	-	11	0.14	1
SGD	11	-	11	0.14	1
USD	515	-	515	6.65	26

See Note 3 to the Financial Statements for currency symbols.

## Discussion of Financial Instrument Risk Management (continued)

### Other Price Risk

As at June 30, 2011, the estimated impact on the Net Assets of the Fund due to a reasonably possible change in benchmark, with all other variables held constant, is presented in the following table. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### As at June 30, 2011

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	8
S&P/TSX Composite Index	10.00	80.00	8.00	620
MSCI - World Index (Can. \$) (net ret.)	10.00	10.00	1.00	77

# Condensed Notes to the Financial Statements

June 30, 2011 (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, 2011 and December 31, 2010. The Statements of Operations and Changes in Net Assets are for the six-month periods ended June 30, 2011 and 2010. The Statements of Investment Portfolio are as at June 30, 2011.

## 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, 2010, as set out in the 2010 Annual Financial Statements. The significant accounting policies followed in the presentation of these semi-annual Financial Statements are consistent with those found in the 2010 Annual Financial Statements.

## 3- 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.

### 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; CHF - Swiss Franc; EUR - Euro; GBP - British Pound; HKD - Hong Kong Dollar; ILS - New Israeli Sheqel; JPY - Japanese Yen; KRW - South-Korean Won; NOK - Norwegian Krone; SEK - Swedish Krona; SGD - Singapore Dollar; USD - United States Dollar.

### Other Price Risk

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

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

# Condensed Notes to the Financial Statements

June 30, 2011 (unaudited) (in thousands of \$ or units, except for per unit amounts)

## 4- Comparison of Net Asset Value per unit and Net Assets per unit

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

Funds	2011	
	Net Asset Value Per Unit (\$)	Net Assets Per Unit (\$)
<b>APEX Money Market</b>		
Ecoflex	1.24	1.24
<b>APEX Fixed Income</b>		
Ecoflex	7.89	7.89
<b>APEX Growth &amp; Income</b>		
Ecoflex	10.12	10.12
<b>APEX Canadian Value (Dynamic)</b>		
IAG SRP	26.54	26.44
Ecoflex	18.53	18.46
Ecoflex <i>extra</i>	18.56	18.49
COL003	18.79	18.72
<b>APEX Canadian Stock</b>		
Ecoflex	11.90	11.90

## 5- Related Party Transactions

### Expense ratio

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

Funds	2011	2010
<b>Income Funds</b>		
APEX Money Market	1.69%	1.63%
APEX Fixed Income	2.54%	2.42%
<b>Balanced Funds</b>		
APEX Growth & Income	2.80%	2.68%
<b>Canadian Equity Funds</b>		
APEX Canadian Value (Dynamic)	3.14%	3.06%
APEX Canadian Stock	2.82%	2.68%

## 6- Securities of the Funds

The Company considers that 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 5 above.

For the periods ended June 30, 2011 and 2010, the following units were issued and redeemed:

Funds	Beginning of Period	Units Issued	Units Redeemed	End of Period
<b>APEX Money Market</b>				
Ecoflex	2011 1,767	125	151	1,741
	2010 2,231	93	309	2,015
<b>APEX Fixed Income</b>				
Ecoflex	2011 460	2	41	421
	2010 549	1	47	503
<b>APEX Growth &amp; Income</b>				
Ecoflex	2011 1,063	8	85	986
	2010 416	1	43	374
<b>APEX Canadian Value (Dynamic)</b>				
IAG SRP	2011 -	337	18	319
Ecoflex	2011 20,054	2,004	2,596	19,462
	2010 20,004	3,358	2,169	21,193
Ecoflex <i>extra</i>	2011 7,363	1,216	710	7,869
	2010 3,515	2,214	304	5,425
COL003	2011 5,310	1,375	73	6,612
	2010 5,355	618	500	5,473
<b>APEX Canadian Stock</b>				
Ecoflex	2011 715	9	73	651
	2010 280	4	27	257

## 7- 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, 2011, the fair value of the loaned securities of each Fund included in the investments is as follows:

Funds	2011 \$
APEX Canadian Value (Dynamic)	146,270

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

# Condensed Notes to the Financial Statements

June 30, 2011 (unaudited) (in thousands of \$ or units, except for per unit amounts)

## 8- Currency Contracts

The following Fund has entered into currency contracts. The details of these currency contracts as at June 30, 2011, are as follows:

Fund	Settlement Date	Number of Contracts	To Purchase \$	To Sell \$	Unrealized Gain (Loss) – CAD\$
APEX Canadian Value (Dynamic)	July 27, 2011	1	CAD 68,471	USD 70,600	337
APEX Canadian Value (Dynamic)	August 17, 2011	1	CAD 94,306	USD 95,828	1,775
		<b>2</b>			<b>2,112</b>











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