

# Ideal Segregated Fund Information Folder

**The Standard Life Assurance Company of Canada**  
Retail Investments, Customer Services  
1245 Sherbrook Street West  
Montreal, Quebec H3C 1G3

P.O. Box 11497, Stn. Centre-ville  
Montreal, Quebec H3C 5S5

*This Information Folder describes benefits that are not guaranteed.  
It is published for information purposes and is not an insurance policy.*



# Executive Summary

A description of the key features of the Ideal Segregated Fund Policy, an individual variable insurance contract, is contained in this Information Folder.

**Any part of the premium or other amount allocated to an Ideal Segregated Fund is invested at the risk of the Policyholder and may increase or decrease in value.**

Here are the highlights of the *Ideal Segregated Fund Information Folder*:

- The Ideal Segregated Fund Policy is available for investment in a non-registered savings plan or registered savings plan (RSP, LIRA, LRSP, RLSP or Tax-Free Savings Account), or a registered retirement income plan (RIF, LIF, RLIF, LRIF or PRIF).

Plan Types
<b>Savings plans</b> <ul style="list-style-type: none"><li>» Non-registered savings plan</li><li>» Registered savings plans<ul style="list-style-type: none"><li>• Retirement savings plan (RSP, including spousal RSP)</li><li>• Locked-in retirement account (LIRA)</li><li>• Locked-in retirement savings plan (LRSP)</li><li>• Restricted locked-in savings plan (RLSP)</li><li>• Tax-free savings account (TFSA)</li></ul></li></ul>
<b>Registered retirement income plans</b> <ul style="list-style-type: none"><li>• Retirement income fund (RIF, including spousal RIF)</li><li>• Life income fund (LIF)</li><li>• Locked-in retirement income fund (LRIF)</li><li>• Prescribed retirement income fund (PRIF, Saskatchewan only)</li><li>• Restricted life income fund (RLIF)</li></ul>

- **Allocating Premiums to the Ideal Segregated Funds:** Premiums paid into an Ideal Segregated Fund Policy are allocated to the Ideal Segregated Funds. The Ideal Segregated Funds are available under a back-end load option, a no-load option, a no-load with reset option or a Platinum no-load option.

- **Premiums and Minimums:** You can open a savings plan either by paying a lump sum premium of \$1,000 or by starting a \$50 pre-authorized chequing (PAC) agreement. Additional premiums must be at least \$250. For the Platinum no-load option, you must have an initial premium of \$250,000. Additional premiums must be at least \$5,000.

For a registered retirement income plan (RIF, LIF, RLIF, LRIF, or PRIF), you must pay a premium of at least \$10,000 initially. Additional premiums must be at least \$1,000 and must be in the form of a transfer of RSP funds, including the full or partial commuted value of a registered annuity, or a transfer from another RIF. The only exception is the Platinum no-load option, where you must have an initial premium of at least \$250,000 and additional premiums must be at least \$5,000. All premiums paid into a LIF, RLIF, LRIF or PRIF must be in the form of a transfer of registered locked-in funds or a transfer from another LIF, RLIF, LRIF or PRIF. No other type of premium payment can be made.

- **Allocation of Units to your Policy:** When you allocate your premium to an Ideal Segregated Fund, Fund units are allocated to your Policy. The Standard Life Assurance Company of Canada (Standard Life) holds these units on your behalf.

- **Premium Allocation Option:** You can allocate your premiums to four premium allocation options: the Back-End Load Option, the No-Load Option, the No-Load with Reset Option or the Platinum No-Load Option.

- **Surrenders:** You may surrender your units in the Ideal Segregated Funds at any time. However, surrender charges may apply.

- **Switches and Transfers:** You can make switches between Funds and transfers between plans. Some restrictions apply and a surrender charge or administration fee may be applicable.

- **Guarantees:** The Ideal Segregated Fund Policy offers benefits upon the Annuitant's death and Policy maturity.

- **Management Fees and Other Expenses:** Management Fees and Other Expenses are deducted from the Market Value of the assets of an Ideal Segregated Fund. The Management Fees are based on both the Ideal Segregated Fund and the premium allocation option chosen.

- **Taxation:** For a non-registered savings plan, income earned is taxable every year. For a plan registered as an RSP, premiums are tax deductible up to prescribed limits and income earned is tax deferred.

All retirement income payments received from registered retirement income plans are taxable for income tax purposes. Payments received in excess of the annual minimum are taxed at source.

- **Account Statement:** A statement outlining all Policy activities and details will be provided to you at least once a year.

- **Ideal Segregated Fund Assets:** The assets of the Ideal Segregated Funds are held by Standard Life on behalf of all Policyholders. The Ideal Segregated Funds are not separate legal entities. You do not own any of the assets of nor own an interest in the Ideal Segregated Funds. Rather, units of the selected Ideal Segregated Funds are allocated to your Policy for determining the benefits to which you are entitled. Those benefits are based on the Unit Value of the Ideal Segregated Funds held in your Policy on a particular date.

Some of Standard Life's Ideal Segregated Funds invest a portion of their assets in underlying mutual funds. Policyholders who have purchased an insurance Policy with fund-of-funds do not own an interest in the underlying mutual fund(s) and are not entitled to any of the rights of the unitholders of the underlying mutual funds. Standard Life will advise Policyholders of fundamental changes to the investment objectives of the underlying mutual funds.

- **Annual Financial Statement:** Before you allocate premiums to the Ideal Segregated Funds, we advise you to review the audited financial statements found in brochure number 1068 titled *Ideal Segregated Funds, Annual Financial Statements*. Semi-Annual unaudited financial statements are available upon request or on our website at [www.standardlife.ca](http://www.standardlife.ca).

For the underlying mutual funds, copies of the Simplified Prospectus, the Annual Information Form and the annual audited financial statements (brochure number 2423 titled *Standard Life Mutual Funds, Annual Financial Statements*) are available upon request.

## **Certification**

The Standard Life Assurance Company of Canada certifies that this Information Folder (including the *Ideal Segregated Fund Highlights* and brochure number 1068) provides brief and plain disclosure of all material facts relating to the variable nature of the Ideal Segregated Funds component under the Ideal Segregated Fund Policy.



Denis Berthiaume,  
Senior Vice-President, Retail Markets



Penny Westman  
Senior Vice-President, Legal and Compliance

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# 1. This Information Folder

This Information Folder is a guide to your Ideal Segregated Fund Policy, a variable insurance policy that can be used to accumulate savings and also provide retirement income. The Information Folder should be read in conjunction with the *Ideal Segregated Fund Highlights*, which presents specific information on the Ideal Segregated Funds.

Throughout this Information Folder, any reference made to the Ideal Segregated Fund Policy applies to savings plans (RSP, LIRA, LRSP, RLSP, TFSA and non-registered savings plans) and registered retirement income plans (RIF, LIF, LRIF, RLIF and PRIF). Moreover, any reference made to Ideal Segregated Funds also applies to our Ideal Portfolios.

## 2. Standard Life

The Ideal Segregated Fund Policy is offered by The Standard Life Assurance Company of Canada (Standard Life), a financial institution licensed to transact the business of life insurance and annuities in all ten provinces and three territories of Canada. The Head Office is located at 1245 Sherbrooke Street West, Montreal, Quebec H3G 1G3.

### **Customer Service**

Standard Life is committed to high customer service standards. As explained in the Policy Provisions, we offer a Six-Month Total Customer Satisfaction Guarantee on all Ideal Segregated Funds.

### **Standard Life and You**

In this Information Folder, the terms “we”, “us” and “our” refer to Standard Life and the terms “you” and “your” refer to the Policyholder (and Additional Policyholder, if applicable).

## 3. Terms used in this Information Folder

### Allocation of Investment Income

A segregated fund does not distribute earnings. The net income is retained in the Fund, thus benefiting Policyholders through changes in the value of their units. However, as required by law, tax allocations relating to income and realized capital gains and losses of a particular Fund, (if any), must be made to you each year.

### Anniversary Date

Anniversary date is the day that is one year after the day immediately preceding the day on which the policy was issued and each day that occurs at each successive one-year interval, as defined by the *Income Tax Act* (Canada).

### Annuitant

The Annuitant is the person insured under the Policy. The Policy is based on the life of the Annuitant, who can be the Policyholder or another person chosen by the Policyholder. If the plan is registered, the Policyholder and the Annuitant must be the same person.

### Annuity Commencement Date

In the event that you do not specify a date, for non-registered savings plans the Annuity Commencement Date is the Annuitant's 100<sup>th</sup> birthday and for registered savings plans it is December 31<sup>st</sup> of the year in which you reach the legislative age limit for maturing registered savings plans (see section 5 for further details). For Newfoundland and Labrador, LIF monies must be used to purchase an annuity at age 80.

### Business Day

This is a day on which the Toronto Stock Exchange (TSX) is open for business.

### CLHIA

The Canadian Life and Health Insurance Association Inc. (CLHIA) is the national trade association of life and health insurance companies in Canada.

### Death Benefit

This is the amount that is payable upon the death of the Annuitant (see section 9 for further details).

### Fund-of-Fund Investment

This is an Ideal Segregated Fund that invests most of its assets in units of one or more underlying mutual funds. Any amount allocated to an Ideal Segregated Fund is considered a premium payment into an individual variable contract issued by Standard Life.

### Fund Value

The Fund Value, with respect to an Ideal Segregated Fund, is the total number of units credited to a Policy multiplied by the corresponding Fund Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Ideal Portfolios

The Ideal Portfolios are strategic combinations of underlying Standard Life Mutual Funds. The general objective of each Portfolio is to provide a diversified mix of investments specifically designed to match the investment style of Policyholders with similar investor profiles. To achieve this objective, each professionally designed Portfolio varies the overall mix of fixed income and equity.

### Ideal Segregated Fund

This is a segregated fund established by Standard Life. In this Information Folder, the word "Fund" refers to an Ideal Segregated Fund.

### Individual Variable Insurance Contract (IVIC)

This is an individual policy of life insurance, including annuities, under which the liabilities vary in amount depending on the market value of a specified group of assets in a segregated fund. As detailed in section 9, Standard Life individual variable insurance contracts provide guarantees upon Policy maturity and the Annuitant's death.

### Information Folder

This is the document you are currently reading. It explains an individual variable insurance contract and segregated funds. It follows the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* and has been filed with the insurance regulators.

### Insurance Representative

This is an individual who is qualified to provide advice to current and prospective Policyholders and to solicit applications for insurance products.

### Life Income Fund (LIF)

This is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan. If you are a LIF policyholder, you must surrender a minimum amount each year but you cannot surrender more than what is allowed by a formula set by provincial legislation (which we refer to as the maximum). In Newfoundland and Labrador, on or before December 31<sup>st</sup> of the year in which you reach 80 years of age, the remaining funds must be used to purchase a life annuity.

### Locked-in Retirement Account (LIRA)/Locked-in RSP (LRSP)

Premium payments can be made to these types of registered retirement savings plans with money transferred from a registered pension plan or another locked-in registered plan.

### Locked-in Retirement Income Fund (LRIF)

Similar to a LIF, an LRIF is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan. LRIF withdrawals are subject to minimum and maximum annual limits. However, the maximum amount payment formula differs from that of a LIF. Moreover, as LRIFs are payable for life, there is no requirement to acquire a life annuity by the end of the year in which you turn 80 years of age. Subject to provincial legislation, any unused withdrawal room may be carried forward for use in future years.

### Management Fees

These are fees that an investment firm or insurance company receives in exchange for providing administrative and management services to segregated funds and policyholders (see section 12 for details on Ideal Segregated Fund Management Fees).

### Market Value

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Date. To the extent possible, the Market Value of a Fund's assets will be their closing sale prices on nationally recognized stock exchanges. Securities that are traded over-the-counter are valued on the basis of the mean between the current bid and ask prices for that particular date. Short-term notes are recorded at cost for all Funds except the Ideal Money Market Fund II, where they are recorded at Market Value. In all other cases, the Market Value will be the fair market value as determined by us. The Market Value of each Ideal Segregated Fund that invests in an underlying mutual fund is based on cash and

on the value of units of the mutual fund. The value of the units of the underlying mutual fund is established at the close of business on each Valuation Date. The Market Value of each Ideal Segregated Fund will always be determined at least once a month.

### **Maturity Benefit**

This is the amount that is payable upon Policy maturity (see section 9 for further details).

### **Net Asset Value**

The Net Asset Value of each Ideal Segregated Fund is the Market Value of the Fund's assets less its liabilities (including accrued Management Fees and Other Expenses). The market value is based on either the closing sale price on the recognized stock exchange on which the equity is listed or principally traded or by the median of the bond bid and ask quotations obtained from one or more recognized investment dealers.

### **Net Premium**

The Net Premium is equal to the sum of premiums paid less the sum of proportional reductions for prior surrenders.

### **Policy**

This is the individual variable insurance contract issued by Standard Life. Your Policy gives you certain guarantees and permits you to allocate premiums to the Ideal Segregated Funds.

### **Policyholder**

A Policyholder refers to the owner of an individual variable insurance contract.

### **Policy Value**

The Policy Value is the sum of all the Fund Values under your Ideal Segregated Fund Policy.

### **Pre-Authorized Chequing (PAC)**

This program allows you to pay regular premiums into your Ideal Segregated Policy through automatic debit from your bank account.

### **Prescribed Retirement Income Fund (PRIF)**

Similar to a LIF, a PRIF is a specific type of registered retirement income fund set up with money from a registered pension plan or the proceeds of a locked-in retirement account or locked-in retirement savings plan. PRIFs can also be set up with money from existing life income funds or locked-in retirement income funds that were entered into prior to April 1, 2002. If you are a PRIF policyholder, you must surrender a minimum amount each year however you are not subject to any annual maximum limits. There is no requirement to acquire a life annuity at any age.

### **Registered Plan**

This is a plan that has been registered under the *Income Tax Act* (Canada). Registered plans include registered retirement savings plans (RSPs), Tax-Free Savings Accounts (TFSA) and registered retirement income funds (RIFs). Pension legislation may require these plans to be locked-in RSPs (LRSPs), locked-in retirement accounts (LIRAs), restricted locked-in savings plans (RLSPs), life income funds (LIFs), restricted life income funds (RLIFs), locked-in retirement income funds (LRIFs), or prescribed retirement income funds (PRIFs).

### **Segregated Fund**

Offered by life insurance companies, segregated funds are investment funds that provide various insurance benefits. Segregated funds invest in a portfolio of securities on behalf of numerous Policyholders. Segregated funds are held separate from an insurer's general assets.

### **Successor Annuitant**

The Successor Annuitant is appointed by the Policyholder and is the person who will automatically become the Annuitant in the event of the death of the Annuitant. Under such circumstances, the Policy will remain in force and no Death Benefit will be payable. A Successor Annuitant can only be appointed in the case of non-registered savings plans and RIF plans (not applicable in the case of LIF, RLIF, LRIF or PRIF plans). For a RIF, only a legal spouse, as defined by the *Income Tax Act* (Canada), can be named as Successor Annuitant.

### **Surrender Value**

The Surrender Value is the Policy Value of your Ideal Segregated Fund Policy less applicable surrender charges and taxes.

**The Surrender Value on an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### **Systematic Withdrawal Plan (SWP)**

This is a plan that enables you to automatically surrender a specific dollar amount from your Policy at predetermined intervals.

### **Tax-Free Savings Account (TFSA)**

This is a type of registered savings plan, which allows an annual non-deductible contribution of \$5,000 (with this amount being indexed annually to the nearest \$500). Unused TFSA contribution room can be carried forward for future years. Any capital gains and other investment income earned in this plan and any withdrawals from this plan will not be taxed.

### **Underlying Mutual Fund**

This is a mutual fund in which an Ideal Segregated Fund invests. Any amount allocated to an Ideal Segregated Fund is considered a premium payment into an individual variable contract issued by Standard Life.

### **Units**

When you allocate your premium to the Ideal Segregated Funds, units are assigned to your plan. However, you do not actually own, buy or sell any part of the Ideal Segregated Funds, underlying mutual funds or any fund units. Moreover, you do not have any voting rights associated with the Ideal Segregated Funds and underlying mutual funds. Rather, we hold the assets of the Funds on your behalf. For ease of understanding, we may use the terms "acquire units", "surrender", "switch" and "transfer" to refer to Fund transactions within your plan.

### **Unit Value**

For every Ideal Segregated Fund, a separate Unit Value is calculated for each load option. A Fund's Unit Value for a particular load option is calculated by dividing the Net Asset Value of the Fund for that load option by the total number of Fund units outstanding for the load option immediately prior to the Valuation Date. The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.

### **Valuation Day/Date**

This is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for premium allocation, surrender, switch or transfer purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Standard Life may calculate these values on another day or at another time, at its discretion.

## 4. The Ideal Segregated Fund Policy

The Ideal Segregated Fund Policy is an individual variable insurance contract. As a Policyholder, you have the option of allocating your premiums to any of our Ideal Segregated Funds that are available under the premium allocation option selected for your accumulation and retirement needs. The Ideal Segregated Funds are available under a non-registered savings plan or registered savings plans (RSP, LIRA, LRSP, RLSP or TFSA), or registered retirement income plans (RIF, LIF, RLIF, LRIF or PRIF). From time to time, Standard Life may revise its product offering and, consequently, may no longer offer particular policies. In the case that this Policy is no longer offered, we will provide you with adequate notice and allow you to choose from alternative policies.

### Potential Creditor Protection

Under provincial insurance laws, in some circumstances, your Policy may be protected from creditors if the Beneficiary is the married Spouse (or a common law spouse in some provinces), parent, child or grandchild of the Annuitant (in Quebec, if the Beneficiary is a Spouse (married or civil union) or an ascendant or descendant of the Policyholder) or if the Beneficiary is named irrevocably.

**There are important limitations with respect to this protection. This summary is of a very general nature only and does not include all possible considerations. You should consult your legal advisor with respect to your particular circumstance to find out if you are eligible for this kind of protection.**

### Confirmation Notice

When you pay a premium into your Ideal Segregated Fund Policy, we will provide you with a confirmation notice. The notice will confirm the amount of the premium and the number of Ideal Segregated Fund units allocated to your Policy. You will also receive a confirmation notice for each surrender, switch and transfer. Please note that for PAC agreements, dollar cost averaging and systematic withdrawal plans, only the first transaction will produce a confirmation notice.

### Statements

Standard Life will provide you with at least one statement per year outlining all financial activity that has occurred in your Policy. The statement will also show the number of units held of each Ideal Segregated Fund and the Unit Value of each Ideal Segregated Fund on the Valuation Date corresponding with the statement date. In addition, each RIF, LIF, RLIF, LRIF or PRIF statement for the period ending December 31<sup>st</sup> will advise you of the government required minimum payment for the upcoming year and the maximum payment for LIF, RLIF and LRIF plans. This will give you an opportunity to review your income stream and make changes as required.

### Financial Statements for the Ideal Segregated Funds

Before you allocate premiums to the Ideal Segregated Funds, we advise you to review the audited financial statements found in brochure number 1068 titled *Ideal Segregated Funds, Annual Financial Statements*. Semi-Annual unaudited financial statements are available upon request or on our website at [www.standardlife.ca](http://www.standardlife.ca).

For the underlying mutual funds, copies of the Simplified Prospectus, the Annual Information Form and the annual audited financial statements (brochure number 2423 titled *Standard Life Mutual Funds, Annual Financial Statements*) are available upon request.



## 5. Plan Types

The Ideal Segregated Fund Policy is available in a non-registered savings plan, a registered savings plan (RSP, LIRA, LRSP, RLSP or TFSA), or a registered retirement income plan (RIF, LIF, RLIF, LRIF or PRIF).

Plan Types
<b>Savings plans</b> <ul style="list-style-type: none"><li>» <b>Non-registered savings plan</b></li><li>» <b>Registered savings plans</b><ul style="list-style-type: none"><li>• Retirement savings plan (RSP, including spousal RSP)</li><li>• Locked-in retirement account (LIRA)</li><li>• Locked-in retirement savings plan (LRSP)</li><li>• Restricted locked-in savings plan (RLSP)</li><li>• Tax-free savings account (TFSA)</li></ul></li></ul>
<b>Registered retirement income plans</b> <ul style="list-style-type: none"><li>• Retirement income fund (RIF, including spousal RIF)</li><li>• Life income fund (LIF)</li><li>• Locked-in retirement income fund (LRIF)</li><li>• Prescribed retirement income fund (PRIF, Saskatchewan only)</li><li>• Restricted life income fund (RLIF)</li></ul>

### Plan Features

#### Non-registered Savings Plan

- Under a non-registered savings plan, you can elect to be the Annuitant or you can designate another individual as Annuitant.
- You have the option of selecting an Annuity Commencement Date. However, if you do not specify a date, the default Annuity Commencement Date will be the Annuitant's 100<sup>th</sup> birthday.
- You can assign a non-registered savings plan in whole or in part. In other words, you can change the ownership of the Policy. If you choose to assign the Policy, you must forward notice of its assignment to Standard Life. The assignee is responsible for the validity of any assignment.

#### Nominee Plans

All nominee plans will be held in non-registered savings plans at Standard Life. For premium payments, surrenders, transfers and guarantees, the non-registered savings plan provisions will apply regardless of how the plan is registered with the third party (i.e. registered savings plan or registered retirement income plan).

If your Policy is held in a nominee plan with a distributor, creditor protection may not be available. Consult your legal advisor about your particular situation.

#### Registered Plans

- Under a registered plan, you are both the Policyholder and the Annuitant.
- You cannot assign a registered Policy, nor can you assign any annuity payable to you or your Spouse under the Policy, in whole or in part.
- You cannot use a registered Policy as collateral for loan purposes.

#### Registered Savings Plans

You can set up your Ideal Segregated Fund Policy in a registered plan, as a registered retirement savings plan (RSP), or a Tax-Free Savings Account (TFSA) under the *Income Tax Act* (Canada) and, if applicable, the *Taxation Act* (Quebec).

The premiums you pay into your registered savings plan may be eligible for tax deduction, up to the allowable limits, and gains are not subject to income tax when earned. On the Annuity Commencement Date, the Maturity Benefit is paid in the form of retirement income and each annuity payment is fully taxable for income tax purposes. Currently, you have the option of selecting an Annuity Commencement Date. However, if you do not specify a date, it will default to December 31<sup>st</sup> of the year in which you reach the legislative age limit for maturing registered savings plans.

#### Registered Retirement Income Plans

Registered retirement income plans (RIFs, LIFs, RLIFs, LRIFs and PRIFs) must be registered as retirement income funds under the *Income Tax Act* (Canada) and, if applicable, the *Taxation Act* (Quebec).

Registered retirement income plans allow you to tailor your retirement income stream to your individual needs and make partial surrenders (subject to government prescribed maximums for LIF, RLIF and LRIF plans). All payments out of a registered retirement income plan are fully taxable for income tax purposes and any amount you surrender in a calendar year may be subject to the withholding of income tax at source.

Government regulations require that all premiums paid into a RIF plan be made in the form of a transfer of RSP funds, including the full or partial commuted value of a registered annuity, or a transfer from another RIF. All premiums paid into a LIF, RLIF, LRIF or PRIF must be in the form of a transfer of registered locked-in funds or a transfer from another LIF, RLIF, LRIF or PRIF. No other type of premium payment can be made.

#### Minimum Amount

In accordance with federal legislation, RIF, LIF, RLIF, LRIF or PRIF policyholders are required to surrender a minimum annual payment. This minimum amount must be calculated each calendar year after the year in which the RIF, LIF, RLIF, LRIF or PRIF is established. For the purpose of calculating the minimum amount, payments from a RIF can be based on the policyholder's age or that of the policyholders' Spouse. In most jurisdictions, LIF and LRIF policyholders can also use their spouse's age.

#### Maximum Amount

In accordance with provincial legislation, LIFs, RLIFs and LRIFs also have a maximum annual income limit. The application rules for the maximum income formulas as well as other LIF, RLIF and LRIF criteria may vary depending on the pension jurisdiction.

#### Automatic Transfers from Your Registered Retirement Savings Plan to Your Registered Retirement Income Plan

Standard Life will automatically transfer the Policy Value of your registered retirement savings plan, determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date, to a registered retirement income plan offered by Standard Life, unless you provide instructions to Standard Life prior to the Annuity Commencement Date. Furthermore, if you wish to have the minimum annual income payment based on your Spouse's age, Standard Life must be advised prior to the Annuity Commencement Date, otherwise the minimum will be determined based on your age. The decision as to whose age will be used to determine the minimum annual income payment is irrevocable after the Annuity Commencement Date. As required by the *Income Tax Act* (Canada), minimum payments in accordance with the Standard Life Default Schedule will be made every December 31<sup>st</sup> until we are advised otherwise.

## 6. Premiums

### Processing Your Premiums

#### Electronic Processing

Your insurance representative will forward your premium allocation instructions to us electronically. If we receive these instructions at or before 4:00 p.m. Eastern Time on a Business Day, you will pay the Unit Value(s) of the selected Ideal Segregated Fund(s) on that Valuation Date. If we receive these instructions after 4:00 p.m. Eastern Time, you will pay the Unit Value(s) on the next Valuation Date.

We must receive payment within three Business Days of receiving your instructions (or one Business Day for the Ideal Money Market Fund II). If we do not receive payment within three Business Days, we will surrender your units. If the surrender proceeds are less than the payment you owe, we will pay the difference to the Fund and we will collect this amount from your insurance representative, who may have the right to collect it from you. If the surrender proceeds are greater than the payment you owe, we will keep the difference. We reserve the right to reject any premium allocation instructions within one Business Day of receiving them. If we reject your instructions we will return your money immediately.

#### Manual Processing

For premium allocation instructions that are not forwarded electronically, you will pay the Unit Value(s) established on the Valuation Date coincident with or immediately following the receipt of your instructions (the paperwork and the banking of the premium by Standard Life). Premiums received by Standard Life after 4 p.m. Eastern Time will be processed on the next Business Day.

With both electronic and manual processing, the number of units of an Ideal Segregated Fund allocated to your Policy is determined by dividing the amount of the premium by the Unit Value of the Ideal Segregated Fund, as established on the Valuation Date on which your instructions are processed.

#### Premium Allocation Options

The Ideal Segregated Funds are available under four premium allocation options:

- **Back-End Load Option:** This option currently features a surrender charge that decreases over five years (see section 7 for further details). The back-end load option is associated with lower Management Fees than the no-load option (see section 12).
- **No-Load Option:** There are no surrender charges under the no-load option. However, the no-load option is associated with higher Management Fees than the back-end load option (see section 12).
- **No-Load with Reset Option:** There are no surrender charges under the no-load with reset option. However, the no-load with reset option is associated with higher Management Fees than the back-end load option (see section 12).
- **Platinum No-Load Option:** There are no surrender charges under the Platinum no-load option. However, the Platinum no-load option has higher premium minimum requirements and lower Management Fees than our other no-load options (see section 12).

If you already own a Policy with us of the same plan type, we will process your allocation instructions as an additional premium payment into the existing Policy.

The back-end and no-load premium allocation options can be combined in the same policy however the no-load with reset option and the Platinum no-load option require separate policies. You can activate only one Policy per plan type.

### Premium Minimums

Premiums must meet the following minimum amounts:

#### For Back-End Load, No-Load and No-Load with Reset Options:

Type of Plan	Initial Premium	Additional Premium	PAC
Savings Plans	\$1,000	\$250	\$50
Registered Retirement Income Plans	\$10,000	\$1,000	N/A

#### For Platinum No-Load Option:

Type of Plan	Initial Premium	Additional Premium	PAC
Savings Plans	\$250,000	\$5,000	\$1,000
Registered Retirement Income Plans	\$250,000	\$5,000	N/A

#### Savings Plans

##### Lump Sum Premiums (For Back-End Load, No-Load and No-Load with Reset Options):

- Your initial premium must be at least \$1,000 for the plan and \$250 per Ideal Segregated Fund.
- Additional premiums must be at least \$250 for the plan and per Ideal Segregated Fund.

##### Lump Sum Premiums (For Platinum No-Load Option)

- Your initial premium must be at least \$250,000 for the plan and \$5,000 per Ideal Segregated Fund.
- Additional premiums must be at least \$5,000 for the plan and \$5,000 per Ideal Segregated Fund.

#### Pre-Authorized Chequing (PAC) Agreement

- For the back-end load option, the no-load option and the no-load with reset options, PAC premium payments must be at least \$50 for the plan and \$50 per Ideal Segregated Fund.
- For the Platinum no-load option, PAC premium payments must be at least \$1,000 for the plan and \$1,000 per Ideal Segregated Fund. At all times the Policy level minimum of \$250,000 must be maintained.
- If your selected draw date does not fall on a Business Day, the purchase will be processed on the next Business Day.
- You can make PAC premium payments on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis.
- Subject to the current minimums, you may change the amount of the premium at any time by notifying Standard Life 10 Business Days prior to the draw date.
- If you stop paying premiums into an Ideal Segregated Fund before the minimum is met, we reserve the right to switch the balance in the Fund into another Ideal Segregated Fund or to surrender the Fund Value on the Valuation Date immediately following the discontinuance.
- We reserve the right to modify or discontinue the PAC terms of this Policy, in which case we will provide you with written notice.

#### Registered Retirement Income Plans

The minimum amount required to open a registered retirement income plan is \$250,000 for the Platinum no-load option and \$10,000 for all other premium allocation options. Additional premiums must be at least \$5,000 for the Platinum no-load option and 1,000 for all other premium allocation options per Ideal Segregated Fund. The minimum that can be allocated per Ideal Segregated Fund is \$1,000 for all premium allocation options.

## 7. Surrenders

### Processing Your Surrenders

For electronic and manual processing, you may submit your surrender instructions to your insurance representative on any Business Day. Your insurance representative will forward your instructions to us and your surrender will be processed on the applicable Valuation Date. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, you will receive the Ideal Segregated Fund Unit Value(s) on that Valuation Date. If we receive your order after 4:00 p.m. Eastern Time, you will receive the Unit Value(s) on the next Valuation Date.

For electronic processing only, if we have not received all documentation needed to settle your surrender within 10 Business Days, we will repurchase your units. If the surrender proceeds are less than the repurchase amount, we will pay the difference and seek reimbursement from your insurance representative, who may have the right to collect it from you. If the surrender proceeds are greater than the repurchase amount, we will keep the difference.

We will mail you or electronically transfer the Surrender Value to your bank account within five Business Days of the fulfillment of our settlement requirements.

We may suspend your right to surrender units if normal trading is suspended on any exchange within or outside Canada on which securities or derivatives that make up more than 50% of the Fund's value or its underlying market exposure are traded, provided those securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Fund.

**The Surrender Value of an Ideal Segregated Fund or any portion of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Surrender Minimums

You may request a total or partial surrender of units held under your Policy at any time. In the case of a partial surrender, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be surrendered.

The minimum amount you can surrender is \$5,000 for the Platinum no-load option and \$250 for all other load options. This amount is subject to minimums and maximums as applicable. For savings plans, you must maintain a minimum Policy Value of \$250,000 for the Platinum no-load option and \$1,000 for all other load options unless you have an active PAC agreement. If after a partial surrender the Policy Value of your plan falls below \$250,000 or \$1,000 respectively, Standard Life reserves the right to surrender the balance of the Policy to you.

### Systematic Withdrawal Plan

- Systematic withdrawal plans are available for non-registered savings plans only.
- You can make periodic withdrawals from the Policy on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis.
- You must have a minimum balance of \$250,000 for the Platinum no-load option and \$5,000 for all other load options. Your regular payment must be at least \$5,000 and \$100 respectively.
- If you fail to specify the Fund(s) from which the withdrawal is to be made or if the Fund(s) you have chosen is (are) exhausted, the payments will be made according to Standard Life's Default Schedule (see Default Schedule below).
- Under the no-load options there are no surrender charges applicable.
- Under the back-end load option, withdrawals may be subject to a surrender charge (see the Back-End Load Option Surrender Charge Table below).

- You may cancel the systematic withdrawal plan at any time by giving Standard Life 10 Business Days' notice.
- We reserve the right to modify or discontinue the systematic withdrawal plan terms of this Policy, in which case we will provide you with written notice.

### Retirement Income Payments

You must begin receiving your RIF, LIF, RLIF, LRIF or PRIF income payments no later than December 31<sup>st</sup> of the calendar year following the issuance of your Policy. Retirement income payments are subject to government prescribed minimums (and maximums for LIFs and LRIFs).

- You can receive payments from your RIF, LIF, RLIF, LRIF or PRIF on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis.
- You can request that the retirement income payments be the minimum, as specified by the *Income Tax Act* (Canada), or maximum, as specified by the applicable provincial pension legislation.
- Alternatively, you can specify a dollar amount or, as a hedge against inflation, you can specify an initial dollar amount, increasing at a specified rate not exceeding 20 percent per year (LIF, RLIF and LRIF policies are subject to government prescribed maximums).
- Each year, if the retirement income payments for that year have not met the required minimum, a payment will be made to bring the amount paid for the year to the minimum.
- Income tax is withheld on any amounts paid in excess of the required minimum.

### Default Schedule

If we do not receive instructions from you regarding the Fund withdrawal order, the following Default Schedule will apply:

- 1) Ideal Money Market Fund II
- 2) Ideal Canadian Bond Fund
- 3) Ideal Corporate High Yield Bond Fund
- 4) Ideal International Bond Fund
- 5) Ideal Conservative Portfolio
- 6) Ideal Income Balanced Fund
- 7) Ideal Monthly Income Fund
- 8) Ideal Moderate Portfolio
- 9) Ideal Global Monthly Income Fund
- 10) Ideal Dividend Income Fund
- 11) Ideal Canadian Dividend Growth Fund
- 12) Ideal Balanced Fund
- 13) Ideal Growth Portfolio
- 14) Ideal Canadian Equity Fund
- 15) Ideal Canadian Small Cap Fund
- 16) Ideal Canadian Equity Focus Fund
- 17) Ideal Aggressive Portfolio
- 18) Ideal U.S. Dividend Growth Fund
- 19) Ideal Global Dividend Growth Fund
- 20) Ideal U.S. Equity Fund
- 21) Ideal U.S. Mid Cap Fund
- 22) Ideal U.S. Equity Focus Fund
- 23) Ideal European Equity Fund
- 24) Ideal International Equity Fund
- 25) Ideal Global Equity Fund
- 26) Ideal Global Equity Focus Fund

Standard Life reserves the right to alter the sequence of the preceding schedule at any time without notice. Should a Fund from which you have requested your payments to be surrendered become depleted, the remaining payments will default to the preceding schedule.

The value of each retirement income payment from an Ideal Segregated Fund is obtained by surrendering units of that Fund, and is calculated using the Fund Unit Value established on the Valuation Date coincident with or immediately preceding the due date of the payment (except if the due date is January 1<sup>st</sup> where it would be calculated on the following Valuation Date).

### Surrender Charges

- **No-Load Option, No-Load with Reset Option, and Platinum No-Load Option**

You can surrender units of the Ideal Segregated Funds without incurring any surrender charges.

- **Back-End Load Option**

For the back-end load option, at present, a surrender charge is applicable within the five years following your premium payment (see the Back-End Load Option Surrender Charge Table). You may be entitled to receive an annual allowance of free surrenders based on your plan type, as specified below.

To determine the surrender charge, we first establish how many premiums are being surrendered and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as the amount surrendered multiplied by the ratio of (1) the sum of premiums paid under the back-end load option of the Policy and not previously surrendered and (2) the sum of the Fund Values of the back-end load portion of the Policy. Then, the premiums up to the premium equivalent amount are surrendered in the order in which they were paid, regardless of the Ideal Segregated Fund from which the surrender is effected. This ensures that premiums entailing the lowest charge rates will be surrendered first.

The surrender charge is the sum of charges applicable to each premium being surrendered under the back-end load option. For each premium (up to the premium equivalent amount), the surrender charge is equal to the premium multiplied by the charge rate applicable to that premium. The applicable charge rate is based on the number of years since the payment date of the premium and declines over time as set forth in the following table:

### Back-End Load Option Surrender Charge Table

Number of Years Since the Premium Payment Date	Charge Rate Applicable to the Premium
Less than 1 year	6%
1 year	5%
2 years	4%
3 years	3%
4 years	2%
5 years or more	0%

We may waive the surrender charge at our discretion.

We reserve the right to modify the above Back-End Load Option Surrender Charge Table and its application, in which case we will provide you with prior notification. Any changes we implement will only apply to premiums paid on or after the effective date of the change.

**Any portion of the total Fund Value that is based on the value of the units of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Free Surrenders

Under the no-load, no-load with reset and Platinum no-load options, surrenders are always free of charges. Under the back-end load option, the following applies:

### Savings Plans

In the first year, you are allowed to surrender up to 10 percent of the sum of the premiums you paid under the back-end load option during that year. In each subsequent year, you are allowed to surrender up to 10 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 10 percent of any additional premiums you paid under the back-end load option during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward for use in future years.

### Registered Retirement Income Plans

For your registered retirement income plan, you are allowed to surrender up to 20 percent of the sum of the premiums you paid under the back-end load option in the first year. In each subsequent year, you are allowed to surrender up to 20 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 20 percent of any additional premiums you paid under the back-end load option during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward for use in future years.

Free surrenders are not applicable in the case of transfers to another carrier.

## 8. Switches and Transfers

### Processing Your Switches and Transfers

For manual and electronic processing, you may submit your switch or transfer instructions to your insurance representative on any Business Day. Your insurance representative will forward your instructions to us and your switch or transfer will be processed on the applicable Valuation Date. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, your transaction will be processed using the Unit Value(s) of that Valuation Date. If we receive your instructions after 4:00 p.m. Eastern Time, your transaction will be processed using the Unit Value(s) of the next Valuation Date.

### Minimums

For savings plans, the minimum amount that can be switched between Funds within a plan or transferred from one plan to another is \$5,000 per Ideal Segregated Fund for the Platinum no-load option and \$250 per Ideal Segregated Fund for all other load options. For registered retirement income plans, the minimum amount that can be switched between Funds for the Platinum no-load option is \$5,000 and for all other load options is \$1,000.

### Switches Within Plans

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) within your plan. Surrender charges do not apply to Fund switches made within the same premium allocation option.

Your Policy guarantees are not affected by Fund switches (please refer to section 9 for an explanation of your Policy guarantees).

### Transfers Between Plans

A transfer is the surrender of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. Surrender charges do not apply to transfers made within the same premium allocation option. All transfers between plans must respect the minimums described in section 6. We reserve the right to reject transfers requested between different premium allocation options.

With respect to your Policy guarantees, in most situations, a transfer out of a plan will be treated as a surrender and a transfer into a plan will be treated as a new premium payment. For further details, please refer to the administrative rules in place at the time of the transfer.

For more information on your guarantees and RRSP to RRIF transfers, please refer to Section 9.

### Dollar Cost Averaging

Dollar cost averaging allows you to switch your premium from an Ideal Segregated Fund into any other Ideal Segregated Fund(s) on a systematic basis. Dollar cost averaging involves pre-selecting the amount of the premium you wish to switch from one Fund to another, and the frequency and date of the switch. This feature allows you to spread the risk of investing by averaging the highs and lows of the price of units allocated to your Policy.

You may activate this feature under the following conditions:

- For the Platinum no-load option you must switch at least \$1,000. For all other load options you must switch at least \$250 for savings plans and \$1,000 for all registered retirement income plans from an Ideal Segregated Fund to any other Ideal Segregated Fund(s).
- You can make dollar cost averaging switches on a weekly, biweekly, monthly, bimonthly, quarterly, semi-annual or annual basis.
- You can make the switch on any day of the month. If your selected switch date falls on a non-Business Day, the transaction will be processed on the next Business Day.
- You may cancel the dollar cost averaging plan at any time by giving us 10 Business Days' notice.
- Policy minimums must be maintained at all times.
- We reserve the right to modify or discontinue the dollar cost averaging terms of this Policy, in which case we will provide you with written notice.

## 9. Guarantees

The Ideal Segregated Fund Policy offers guarantees on premiums allocated to the Ideal Segregated Funds—a Savings Maturity Benefit Guarantee for savings plans or a Payout Guarantee for retirement income plans and a Death Benefit Guarantee for both savings and retirement income plans.

Your Policy guarantees are calculated based on the Net Premium in your Policy. The Net Premium is equal to the sum of premiums paid less the sum of proportional reductions for prior surrenders of the Ideal Segregated Funds (for residents of Quebec, please refer to the policy provisions).

### Savings Maturity Benefit Guarantee

Your Ideal Segregated Fund Policy for your savings plan will mature on the Annuity Commencement Date. Your Policy guarantees that the Maturity Benefit payable on the Annuity Commencement Date will be equal to the Policy Value or 75 percent of the Net Premium, whichever amount is greater—on the condition that your Policy has been in force for a minimum of 10 years from the date of your first premium payment or your last reset date (for more information on resets please refer to the text at the end of this section).

You may select an Annuity Commencement Date provided that it is at least 10 years from the date of your first premium payment or last reset date. If you do not specify an Annuity Commencement Date, for non-registered savings plans it will default to the Annuitant's 100<sup>th</sup> birthday and for registered savings plans it will default to December 31<sup>st</sup> of the year in which you reach the legislative age limit for maturing registered savings plans.

You may change the Annuity Commencement Date by submitting a written request at least one year prior to both the new Annuity Commencement Date you are selecting and the Annuity Commencement Date in effect at the time. Any change is subject to our approval and must also conform to the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Quebec). You will not be allowed to alter the Annuity Commencement Date to a date that is less than 10 complete years from the date of your first premium payment or your last reset date.

**Example 1:** Let's assume that the Policyholder of a non-registered savings plan allocated premiums totaling \$30,000 to the Ideal Segregated Funds and the Policy Value of the account is \$22,000 on the Annuity Commencement Date (assuming a negative growth rate of 26.67 percent). The Policyholder did not make any surrenders prior to the Annuity Commencement Date. In this instance, Standard Life will pay \$22,500 (75 percent of the \$30,000 Net Premium) rather than the Policy Value of \$22,000.

**Example 2:** The Policyholder has made partial surrenders prior to the Annuity Commencement Date. In this case, a proportional reduction is applied in calculating the Maturity Benefit.

**Proportional reduction =  $A \times B / C$**

Where,

A = Net Premium prior to the surrender. If no prior surrenders have been made, the Net Premium equals the sum of premiums.

B = The amount surrendered.

C = The sum of the Fund Values on the Valuation Date, not including the surrender.

Let's assume that the Policyholder pays premiums equaling \$30,000 and thereafter decides to surrender \$2,200. The sum of the Fund Values on the Valuation Date prior to the surrender is \$22,000 (assuming a negative growth rate of 26.67 percent). In this case,

A = \$30,000

B = \$2,200

C = \$22,000

The proportional reduction =  $\$30,000 \times \$2,200 / \$22,000 = \$3,000$

Therefore,

Net Premium after surrender =  $\$30,000 - \$3,000 = \$27,000$

Assuming no further surrenders are made, on the Annuity Commencement Date, Standard Life will pay the greater of the Policy Value on the applicable Valuation Date and \$20,250 (75 percent of the \$27,000 Net Premium).

If a subsequent surrender is made the Net Premium is recalculated accordingly.

### Transfer from Your Registered Retirement Savings Plan to a Registered Retirement Income Plan

Unless you advise us otherwise in advance, on the Annuity Commencement Date, the Policy Value of your Standard Life registered retirement savings plan (RSP, LIRA or LRSP) will automatically be transferred to a Standard Life registered retirement income plan (RIF, LIF, LRIF or PRIF). We will carry over the Net Premium and we will use the date of your first premium payment in your registered retirement savings plan or your last reset date to determine the 10-year minimum requirement for your Payout Guarantee (discussed in the Payout Guarantee section below).

If your Ideal Segregated Fund Policy for your savings plan remains in force for at least 10 years from the date of your first premium payment or last reset date, you may request to apply your Savings Maturity Benefit Guarantee on the Annuity Commencement Date prior to transferring your monies to a registered retirement income plan. The Maturity Benefit will become your starting Net Premium in the registered retirement income plan and the Payout Guarantee will apply in 10 years.

### Payout Guarantee

Provided that your Ideal Segregated Fund Policy for your registered retirement income plan remains in force for at least 10 years from the date of your first premium payment into your Ideal Segregated Fund registered retirement income plan or last reset date, Standard Life guarantees that the amount paid as retirement income payments over the lifetime of your Policy will be at least 75 percent of your Net Premium minus the sum of your scheduled retirement income payments.

If the Policy Value is carried over from a Standard Life registered retirement savings plan, we will use the date of the first premium payment into your Standard Life registered retirement savings plan or last reset date to determine the 10-year minimum requirement.

If you make any partial surrenders from the RIF, LIF, RLIF, LRIF or PRIF beyond your scheduled retirement income payments, a proportional reduction calculation will be applied to determine your guarantee.

**Example 1:** Let's assume that the Policyholder had paid a total of \$30,000 in premiums into a Standard Life registered retirement savings plan over a 10-year period and had not made any surrenders. On the Annuity Commencement Date, the Policy Value was automatically transferred to a Standard Life RIF. Standard Life guarantees that the Policyholder will receive a minimum of \$22,500 (75 percent of the \$30,000 Net Premium) in regular income payments over the lifetime of the RIF, provided the Policyholder does not make any surrenders.

**Example 2:** Let's assume that the Policyholder surrenders \$5,000 from the RIF. In this case, the Payout Guarantee is recalculated using 75 percent of the new Net Premium amount:

A = Net Premium = \$30,000

B = Surrender amount = \$5,000

C = Policy Value prior to the surrender = \$24,000

The proportional reduction =  $\$30,000 \times \$5,000 / \$24,000 = \$6,250$

The new Net Premium =  $\$30,000 - \$6,250 = \$23,750$

The Policyholder is guaranteed to receive a minimum of \$17,812.50 (75 percent of \$23,750) in regular income payments over the lifetime of the Policy provided that no additional surrenders are made.

If a subsequent surrender is made the Net Premium is recalculated accordingly.

## Death Benefit Guarantee

### Savings Plans

Your Ideal Segregated Fund Policy for your savings plan offers a Death Benefit Guarantee in the event of the Annuitant's death:

- Where the Annuitant is younger than 80 years of age when the first premium is paid, the Ideal Segregated Fund Policy guarantees that the Death Benefit payable will be the Policy Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death, or 100 percent of the Net Premium, whichever amount is greater.
- Where the Annuitant is 80 years of age or older when the first premium is paid, the Ideal Segregated Fund Policy guarantees that the Death Benefit payable will be the Policy Value on the Valuation Date coinciding with or immediately following the day that we are notified of the Annuitant's death, or 75 percent of the Net Premium, whichever amount is greater.

**Example:** Let's assume that the Policyholder pays a first premium into the Ideal Segregated Fund Policy when the Annuitant is 50 years of age. The Annuitant dies at age 53. At the time of the Annuitant's death, the Policyholder had allocated premiums equaling \$10,000 to Ideal Segregated Funds and made no surrenders.

**Scenario 1:** The Policy Value on the applicable Valuation Date amounts to \$8,000 (assuming a negative growth rate of 20 percent). Standard Life will pay the greater of \$8,000 (Policy Value) and \$10,000 (100 percent of the Net Premium). As a result, Standard Life will pay \$10,000.

**Scenario 2:** The Policy Value on the applicable Valuation Date amounts to \$12,000. Standard Life will pay the greater of \$12,000 (Policy Value) and \$10,000 (100 percent of the Net Premium). As a result, Standard Life will pay \$12,000.

## Registered Retirement Income Plans

Your Ideal Segregated Fund Policy for your registered retirement income plan offers a Death Benefit Guarantee upon your death:

- If you are younger than 80 years of age when you pay your first premium, the Ideal Segregated Fund Policy guarantees that the Death Benefit payable will be equal to the Policy Value on the Valuation Date coinciding with or immediately following the day that we are notified of your death or 100 percent of the Net Premium, less prior scheduled retirement income payments, whichever amount is greater.
- If you are 80 years or older when you pay your first premium, the Ideal Segregated Fund Policy guarantees that the Death Benefit payable will be the Policy Value on the Valuation Date coinciding with or immediately following the day that we are notified of your death, or 75 percent of the Net Premium, less prior scheduled retirement income payments, whichever amount is greater (please note that you can only allocate premiums to segregated funds after age 80 if it is permitted by your provincial jurisdiction).

**Example:** Let's assume that at age 65 an Annuitant (also the Policyholder) transfers his or her RSP of \$100,000 to a RIF. The Annuitant allocates the \$100,000 to Ideal Segregated Funds. Five years later, the Annuitant dies. On the date we are advised in writing of the Annuitant's death, the Policy Value is \$70,000. The Annuitant received retirement income payments that amount to \$20,000 and had made no other surrenders.

Standard Life will pay the greater of \$70,000 (Policy Value) and \$80,000 (i.e. \$100,000 - \$20,000). As a result, Standard Life will pay \$80,000.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Fund.**

### Resets

Your Ideal Segregated Fund no-load with reset option and your Platinum no-load option offer you a reset of your Net Premium.

- You are permitted 2 resets per anniversary year until you reach age 70.
- You will need to request this option in writing.
- Resets will not be allowed in the 10 years preceding your Annuity Commencement Date.

In addition, if you already own an Ideal Segregated Fund Policy with us:

- When you reallocate your funds from your existing policy to the no-load with reset option or to your Platinum no-load option your guarantee will not be impacted.
- Your Net Premium for your maturity and death benefit guarantee will be reset to the Policy Value at the time of your request for a reset.
- We reserve the right to withdraw the reset feature upon 60 days' written notice.

# 10. Ideal Segregated Funds

## 10.1 History

On December 31<sup>st</sup>, 1986, Standard Life launched the Series 2000 Variable Funds with back-end load options. The Series 2000 Variable Funds included the Equity 2000 Fund, the Bond 2000 Fund and the Balanced 2000 Fund. On October 1<sup>st</sup>, 1993, the Series 2000 Variable Funds were renamed the Ideal Investment Funds. The respective Funds were renamed the Ideal Equity Fund, the Ideal Bond Fund and the Ideal Balanced Fund. The Ideal Money Market Fund was introduced at the same time.

At the end of 1998, Standard Life created four new Ideal Investment Funds: the Ideal Payout Balanced Fund (renamed the Ideal Income Balanced Fund on April 1<sup>st</sup>, 2000), the Ideal Canadian Dividend Fund, the Ideal U.S. Equity Fund and the Ideal International Equity Fund. The latter three Funds invested most of their assets in units of the corresponding Standard Life Mutual Fund. Since May 1<sup>st</sup>, 2000, the Ideal Investment Funds have been referred to as Ideal Segregated Funds.

In October 2000, Standard Life created seven new Ideal Segregated Funds: the Ideal Corporate High Yield Bond Fund, the Ideal International Bond Fund, the Ideal Growth Equity Fund, the Ideal S&P 500<sup>®</sup> Index RSP Fund, the Ideal Active U.S. Index RSP Fund, the Ideal Active Global Diversified Index RSP Fund and the Ideal Active Global Index RSP Fund. These seven Funds invested most of their assets in units of their corresponding Standard Life Mutual Funds. At the same time, Standard Life launched a second premium allocation option—the no-load option. The premium allocation options have different Management Fees and Unit Values. All other features pertaining to the Funds are the same.

Standard Life launched the Ideal Portfolios on January 6, 2003.

Toward the end of 2003, Standard Life renamed some of the Ideal Segregated Funds, as presented in the following table:

Previous Name	New Name
Ideal Bond Fund	Ideal Canadian Bond Fund
Ideal International Bond Fund	Ideal International Bond RSP Fund
Ideal Active Global Diversified Index RSP Fund	Ideal Monthly Income Fund
Ideal Canadian Dividend Fund	Ideal Canadian Dividend Growth Fund
Ideal Equity Fund	Ideal Canadian Equity Fund
Ideal Growth Equity Fund	Ideal Canadian Small Cap Fund
Ideal Active U.S. Index RSP Fund	Ideal Tactical U.S. Equity RSP Fund
Ideal Active Global Index RSP Fund	Ideal Tactical Global Equity RSP Fund

In addition to changing the name of the Ideal Active Global Diversified Index RSP Fund to the deal Monthly Income Fund, Standard Life also made a fundamental change to the investment objectives and investment strategies of the Fund.

In 2004, The Standard Life Assurance Company, now known as The Standard Life Assurance Company 2006 (“Standard Life 2006”) entered into an agreement with The Standard Life Assurance Company of Canada (“Standard Life”), which was at that time an indirect wholly

owned subsidiary of Standard Life. Under the terms of the agreement, Standard Life Canada assumed substantially all of the non-participating insurance policies previously issued by Standard Life, including the segregated fund policies. On July 10, 2006, Standard Life completed a demutualization process under the law of the United Kingdom. Out of that process, a new company called Standard Life plc was created and listed on the London Stock Exchange. Standard Life Canada is an indirect wholly owned subsidiary of Standard Life plc.

In 2004, Standard Life changed its financial year end from November 15<sup>th</sup> to December 31<sup>st</sup>.

Standard Life launched the Ideal Global Dividend Growth Fund on January 10, 2005.

As of October 3, 2005 the Ideal Monthly Income Fund no longer operated solely as a fund of fund but invested as described in the Fund’s investment objectives and strategies. In December 2005, Standard Life terminated the Ideal Tactical U.S. Equity RSP Fund and the Ideal S&P 500<sup>®</sup> Index RSP Fund. In addition, the Ideal Tactical Global Equity RSP Fund was renamed the Ideal Global Equity Fund and the underlying Standard Life Mutual Fund in which the fund invests was changed from the Standard Life Tactical Global Equity RSP Fund to the Standard Life Global Equity Fund. The Ideal International Bond RSP Fund was also renamed the Ideal International Bond Fund.

On November 6, 2006, Standard Life launched a third premium allocation option the No-Load with Reset option. The premium allocation options have different Management Fees and Unit Values. For more information on the No-Load with Reset option please refer to section 6 and section 9.

In October 2007, Standard Life launched 8 additional funds, the Ideal Global Monthly Income Fund, Ideal Dividend Income Fund, Ideal Canadian Equity Focus Fund, Ideal U.S. Dividend Growth Fund, Ideal U.S. Equity Focus Fund, Ideal U.S. Mid Cap Fund, Ideal Global Equity Focus Fund and Ideal European Equity Fund. At the same time, Standard Life launched a fourth premium allocation option named the Platinum no-load option. This premium allocation option has higher minimum requirements and no surrender charges.

On June 1, 2009, Standard Life stopped selling the Ideal Money Market Fund. As of this date, the Ideal Money Market Fund II was made available for all new and existing policyholders.

## 10.2 Ideal Segregated Fund Termination or Removal

If we decide to terminate an Ideal Segregated Fund or discontinue offering a Fund within the Ideal Segregated Fund Policy, we will provide you with prior notification. At any time within the notice period, you can request the surrender of your Fund units (with no applicable fees) and the allocation of the corresponding Fund Value to any other Ideal Segregated Fund. The Fund Value will be determined on the Valuation Date corresponding with or immediately following the receipt of your request. If at the end of the notice period we have not received your instructions, we will surrender your Fund units and allocate the corresponding Fund Value to another Ideal Segregated Fund or investment option deemed appropriate at the time. The Fund Value at the time of transfer will be determined on the Valuation Date immediately following the end of the notice period.



**In the event of the termination or removal of an Ideal Segregated Fund, the Fund Value is not guaranteed and will fluctuate with the Market Value of the assets of the Fund. Furthermore, the value of the units acquired upon switching to another Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### 10.3 Investment Policy

The investment policy describes the type of investment instruments that an Ideal Segregated Fund may use. Investments are made in adherence with the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* and in accordance with the provisions of the *Insurance Companies Act (Canada)*, both of which could be amended from time to time. The investment strategies executed by Fund portfolio managers are governed by these guidelines.

Standard Life does not intend to engage in any of the following activities with regard to the Ideal Segregated Funds:

- a) borrowing money for the use of leverage
- b) making loans, whether secured or unsecured, exclusive of the purchase of debt securities for investment purposes
- c) short selling securities\*
- d) lending securities

\* Standard Life will engage in short selling securities for a short period of time only when implementing a hedging strategy.

### 10.4 Investment Objectives and Strategies

Each of our Ideal Segregated Funds has its own investment objectives. As outlined in section 10.6, we may modify a Fund's objectives or strategies from time to time.

A detailed description of each Ideal Segregated Fund's investment objectives and strategies is presented in the *Ideal Segregated Fund Highlights*.

Subject to each Fund's investment objectives and investment strategies, the assets of the Funds will be invested in the following asset categories:

#### Equity Securities

Standard Life's segregated equity funds and balanced funds purchase equities and equity-type securities. Equities and equity-type securities include, but are not limited to, common shares, preferred shares, income trusts (see Income Trust Investment Risk), limited partnerships, ADRs and exchange traded funds. Investments could also be made in other instruments such as bonds and rights that are convertible into common shares.

#### Debt Securities

Fixed-income securities, such as bonds, debentures or money market instruments, are debt obligations. A debt issuer—usually a government or a company—borrows money for a specified length of time and agrees to pay investors the original amount borrowed plus interest. Other issuers may include government authorities, public sector entities, and special purpose vehicles that hold pools of assets that support mortgage-backed securities or asset-backed securities.

**Fixed Income:** Securities eligible for this asset category include, but are not limited to, government guaranteed bonds as well as non-government bonds, real return bonds, debentures, private placements, term deposits, floating rate notes and other evidences of indebtedness. At all times, the portfolios will have an average credit rating of at least BBB. Should a given security after acquisition be downgraded to BB or lower, the portfolio advisor may continue to hold the security in the portfolio of the fund, provided the portfolio advisor considers it prudent, in the best interest of the fund and subject to applicable laws and regulations, until such time as it is advisable to dispose of the security.

For some Funds, bonds with a maturity of less than one year may be considered part of the fixed income portion of the portfolio.

**Money Market Instruments:** Investments will have a term to maturity of one year or less and will comprise government guaranteed securities or debt instruments issued by major financial institutions, large corporations or by other issuers which have a short-term credit rating of at least R-1-L by Dominion Bond Rating Service Limited or equivalently by another recognized credit rating agency.

#### Cash

Cash has the same meaning as in the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds*, which can be amended from time to time. Cash primarily includes, but is not limited to, cash on deposit, treasury bills and other evidences of deposits with financial institutions maturing in less than one year.

#### Derivatives

A derivative is an investment whose value is based on the performance of other investments or on the movement of interest rates, exchange rates or market indices. Derivatives are often used for hedging against potential losses because of changes in interest or foreign exchange rates. Derivatives also allow segregated funds to indirectly invest in the returns of a stock or index without actually buying the stock or all the stocks in the index.

The Ideal Segregated Funds may use derivatives (including forwards, futures and other types of derivatives) as permitted by the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds*. Additionally, Ideal Segregated Funds that invest in an underlying mutual fund may be indirectly exposed to derivatives, as described in the Standard Life Mutual Funds Simplified Prospectus and in accordance with Canadian securities regulations.

#### Underlying Funds

Segregated funds may invest in underlying funds such as another segregated fund, a mutual fund or another investment fund.

Some of Standard Life's Ideal Segregated Funds invest a substantial portion of their assets in units of underlying Standard Life Mutual Funds. Policyholders who have purchased an insurance Policy with fund-of-funds do not own an interest in underlying mutual funds and are not entitled to any of the rights of the unitholders of underlying mutual funds.

#### Fund Earnings

The earnings of the assets of each Ideal Segregated Fund are currently reinvested in the respective Fund. We reserve the right to discontinue this practice at any time.

## 10.5 Risks of Investing in Ideal Segregated Funds

### Asset-backed and mortgage-backed securities investment risk

Some Funds may invest in mortgage-backed or asset-backed securities, including asset-backed commercial paper. These types of debt obligations are issued by an entity that has been created for the specific purpose of holding a pool of assets and their associated cash flows and contractual rights. This entity is a special-purpose vehicle (SPV), and in Canada is usually in the legal form of a trust. The ability of the SPV to make interest payments and repayment of principal at maturity depends on the quality and performance of the underlying loans and additional credit and liquidity support features. If there is a sudden change in interest rates, the creditworthiness of the borrowers of the underlying loans may be affected, and the underlying loans could be subject to default or prepayment, and in these circumstances, the value of the securities may be affected. In addition, there may be a mismatch in timing between the cash flow of the underlying loans and the payment schedule of the asset-backed or mortgage-backed security which may affect payments or liquidity.

### Currency Exchange Risk

The currency of a country in which a Fund invests may decline in value relative to the Canadian dollar, thus adversely affecting the returns of foreign assets held in the Fund and the total return of the Fund.

### Derivatives Risk

Derivatives have their own special risks. Here are some of the common risks:

- Using derivatives for hedging may not always work and could limit an Ideal Segregated Fund's opportunity to make a gain.
- The price of a derivative may not accurately reflect the value of the underlying currency or security.
- When derivatives add to the market exposure, the Fund, will hold cash, which together with any margin will equal to the notional value of any derivative instrument help.
- There is no guarantee that an Ideal Segregated Fund can close a derivative contract when it wants to. If an exchange imposes trading limits, it could also affect the ability of a Fund to close out its positions in derivatives. These events could prevent a Fund from making a profit or limiting its losses.
- Derivatives traded on foreign markets may be harder to trade and have higher credit risks than derivatives traded in North America.
- The other party to a derivative contract may not be able to live up to its agreement to complete the transaction.

### Exchange Traded Funds Risk

Exchange traded funds, commonly known as ETFs, are investment products that allow an investor to buy an entire basket of securities through a single security. The most widely used ETFs are index participation units (IPUs), which track the returns of a stock market index. IPUs are considered to be a special type of index mutual fund, but they are listed on an exchange and trade like a stock. IPUs hold the same weighting of securities as the underlying index. Investing in IPUs and other ETFs entails risks because these instruments are passively managed.

### Credit Risk

Credit risk is the risk that the government or company issuing a debt security will be unable to make interest payments or pay back the original investment. Credit risk is lowest among issuers with good credit ratings and highest among those with low or no credit ratings.

### Foreign Market Risk

Ideal Segregated Funds that invest in foreign countries (both directly and indirectly through underlying funds) are affected by general economic and market conditions in those countries. In addition, the Funds may be exposed to the following risks:

- **Regulatory Risk:** The risk of loss on foreign investments may be heightened given that there is often less available information about foreign companies. In some countries, companies are not subject to the same accounting, auditing and financial reporting standards and practices, government supervision and regulation, and other disclosure requirements that apply to companies in Canada.
- **Political and Economic Risk:** The Ideal Segregated Funds' investment portfolios may be subject to foreign investment and exchange control laws, foreign withholding tax, or the risk of possible expropriation or imposition of confiscatory taxation. Trade and settlement practices may also differ from those normally used in the Canadian markets. Furthermore, international stock markets may be less liquid and more volatile than their North American counterparts.
- **Foreign Debt Risk:** Changes in interest rates may be more pronounced in some countries than in North America, adversely affecting fixed income investments. Moreover, in some countries there is a greater chance that a borrower will default on debt payments.

### Fund-of-Fund Investment Risk

An Ideal Segregated Fund (called a primary fund) that invests in units of another fund (an underlying fund) is not directly exposed to the risk factors described in the section Risks of Investing in Ideal Segregated Funds. However, since the underlying fund invests in assets that may be subject to these risks, the Ideal Segregated Fund is also subject to the same risks.

Additionally, as a primary fund, the Ideal Segregated Fund's Net Asset Value may be affected by large buys and sells of units of the underlying fund. The underlying fund may have to significantly alter its portfolio of securities to accommodate large purchases and redemptions. This may affect its Net Asset Value since the underlying fund may have to sell some of its portfolio at an unfavorable time. This will ultimately affect the primary fund.

### Interest Rate Risk

An increase in interest rates may impact the price of any asset within a particular Fund and could reduce the overall return of the Fund.

### Market Risk

The Unit Value of an Ideal Segregated Fund will fluctuate daily with changes in the market value of the Fund's investments. Such changes in market value may occur as the result of various factors, including general economic and market conditions, the level of interest rates, specific industry and company factors, as well as political and international developments.

### **Small Cap Equity Risk**

Investing in a Fund that concentrates on small capitalization companies entails additional risk. The securities of smaller companies are often less liquid, less marketable and more volatile than those of larger companies, thereby increasing the risk. Also, there is a chance that smaller companies, often being newer companies, may not experience the growth they expect as compared to well-established, larger companies.

### **Income Trust Investment Risk**

Some Funds may invest in income trusts, such as real estate investment trusts or royalty trusts. An investor in a trust may be held liable for certain obligations and claims of the trust. To the extent that the assets of the income trust do not satisfy the claim, there is a risk that the Fund can be held liable for the obligations of the income trust.

## **10.6 Fundamental Change**

Any one of the following events will trigger a fundamental change:

- An increase in the Management Fees of an Ideal Segregated Fund;
- A change in the fundamental investment objective of an Ideal Segregated Fund;
- A decrease in the frequency with which units of segregated funds are valued.

In the event of a fundamental change to an Ideal Segregated Fund, Standard Life will provide you with prior notification in accordance with the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds*. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge, or
- Surrender your units of the Ideal Segregated Fund without charge, if a similar Fund is not available.

In the context of a fundamental change, a similar Fund means an Ideal Segregated Fund that has comparable investment objectives, is in the same investment fund category (in accordance with fund categories published in a financial publication with broad distribution) and, at the time that notice is given, whose management fee and insurance fee are the same as or lower than those of the Ideal Segregated Fund undergoing the fundamental change.

Please note that we must receive your instructions at least five days prior to the expiry of the notice period.

## 11. Ideal Segregated Funds – Portfolio Advisor

Standard Life Investments Inc. is the portfolio advisor of the Ideal Segregated Funds and of the underlying Standard Life Mutual Funds. Standard Life Investments Inc. undertakes investment research, makes decisions, and places purchase and sales orders for securities. Transactions are normally arranged through a large number of brokerage houses and no principal broker is retained. Standard Life Investments Inc. is responsible for its own investment analysis and makes independent investment decisions.

Standard Life Investments Inc. is an affiliate of Standard Life. The Head Office of Standard Life Investments Inc. is situated at 1001 de Maisonneuve West, Montreal, Quebec H3A 3C8.

Standard Life Mutual Funds Ltd. is the manager of each of the underlying Standard Life Mutual Funds. Standard Life Mutual Funds Ltd. is an affiliate of Standard Life. The Head Office of Standard Life Mutual Funds Ltd. is situated at 1245 Sherbrooke Street West, Montreal, Quebec H3G 1G3.

### **Auditor**

The audit of the Ideal Segregated Funds was performed by PricewaterhouseCoopers, Chartered Accountants, situated at PricewaterhouseCoopers LLP, Chartered Accountants, 1250 René-Lévesque Blvd West, Suite 2800, Montreal, Quebec H3B 2G4.

## 12. Ideal Segregated Funds – Fees and Expenses

### Management Fees

Management Fees cover the expenses of administering and managing an Ideal Segregated Fund. The Management Fee is calculated and accrued daily on each Valuation Date and paid twice a month by the Ideal Segregated Fund to Standard Life. The Management Fee is an annualized figure that is calculated as a percentage of a Fund's Net Asset Value. The Management Fee reduces a Fund's Unit Value.

We pay trailing commissions out of our Management Fees to eligible insurance representatives or the insurance representatives' firms. Trailing commissions are paid for ongoing service and advice you receive. The trailing commission fees vary depending on the sales charge option of the Funds you select. The current maximum annual rates are 0.5 percent for the back-end load option and no-load with reset option and 1.0 percent for the no-load option, and the Platinum no-load option. Standard Life reserves the right to change the rates and terms of the trailing commissions.

The Management Fees charged to each underlying Standard Life Mutual Fund are incorporated into the Management Fees charged to each Ideal Segregated Fund that invests in units of the underlying Standard Life Mutual Fund. There is no duplication of fees and expenses.

### Other Expenses

These expenses include, but are not limited to, legal, audit and custodian fees, applicable taxes, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Ideal Segregated Fund. These expenses vary from year to year and from Fund to Fund.

### Short-term Trading Fee

Short-term or frequent trading represents an expense for all Policyholders and may affect the returns of a Fund. Consequently, if you trade frequently, we may charge you a short-term trading fee of 2% of the value of the transaction amount, in addition to any applicable charges. We may also refuse your order. Whether trading is frequent will be determined at our sole discretion and is based on various circumstances. If you surrender, switch or transfer your units within 30 days of acquiring them, you may be charged a short-term trading fee of 2% of the value of the transaction amount. If you surrender, switch or transfer your units between 31 and 90 days of acquiring them, you may be charged a short-term trading fee of 2% of the value of the transaction.

The fee or other charges will not apply where appropriate, including surrenders, switches or transfers:

- From the Ideal Money Market Fund II;
- For systematic transactions that are pre-arranged and approved;
- To access the 10% free surrender amount.

### Management Expense Ratio

The Management Expense Ratio (MER) is the Management Fee plus the Other Expenses of the Ideal Segregated Fund shown as a percentage of the Ideal Segregated Fund's average daily Net Asset Value. The Management Fee and the MER depend on the Ideal Segregated Fund and the premium allocation option (back-end load, no-load or no-load with reset options) chosen. For further information regarding the premium allocation options, please refer to section 6.

The following table shows:

- the Management Fees for each Ideal Segregated Fund premium allocation option and
- the MER for each Ideal Segregated Fund premium allocation option.

Ideal Segregated Funds	Management Fees Charged to the Ideal Segregated Funds Per Year <sup>(1)</sup>				Management Expense Ratio (MER) of the Ideal Segregated Funds for the Year Ended Dec. 31 <sup>st</sup> , 2009			
	Premium Allocation Options				Premium Allocation Options			
	Back-End Load	No-Load	No-Load with Reset	Platinum No-Load	Back-End Load	No-Load	No-Load with Reset	Platinum No-Load
Ideal Money Market Fund II <sup>(2)</sup>	0.75%	0.75%	0.75%	0.75%	N/A	N/A	N/A	N/A
Ideal Canadian Bond Fund	1.70%	1.85%	1.80%	1.40%	1.80%	1.96%	1.90%	1.48%
Ideal Corporate High Yield Bond Fund	2.10%	2.25%	2.20%	1.80%	2.22%	2.38%	2.33%	1.90%
Ideal International Bond Fund	2.20%	2.35%	2.30%	1.85%	2.29%	2.46%	2.40%	1.94%
Ideal Income Balanced Fund	2.40%	2.55%	2.55%	1.95%	2.53%	2.69%	2.69%	2.06%
Ideal Monthly Income Fund	2.40%	2.55%	2.55%	1.95%	2.53%	2.69%	2.69%	2.06%
Ideal Global Monthly Income Fund	2.40%	N/A	2.55%	1.95%	2.79%	N/A	2.95%	2.31%
Ideal Dividend Income Fund	2.40%	N/A	2.55%	1.95%	2.41%	N/A	2.54%	1.92%
Ideal Canadian Dividend Growth Fund	2.40%	2.55%	2.55%	1.95%	2.53%	2.69%	2.69%	2.05%
Ideal Balanced Fund	2.40%	2.55%	2.55%	1.95%	2.52%	2.69%	2.69%	2.06%
Ideal Canadian Equity Fund	2.40%	2.55%	2.55%	1.95%	2.52%	2.69%	2.69%	2.06%
Ideal Canadian Small Cap Fund	2.35%	2.50%	2.60%	1.95%	2.47%	2.63%	2.74%	2.04%
Ideal Canadian Equity Focus Fund	2.40%	N/A	2.55%	1.95%	2.48%	N/A	2.64%	2.01%
Ideal U.S. Dividend Growth Fund	2.40%	N/A	2.55%	1.95%	2.58%	N/A	2.74%	2.09%
Ideal Global Dividend Growth Fund	2.40%	2.55%	2.65%	1.95%	2.53%	2.69%	2.80%	2.05%
Ideal U.S. Equity Fund	2.50%	2.65%	2.65%	2.05%	2.65%	2.81%	2.81%	2.17%
Ideal U.S. Mid Cap Fund	2.50%	N/A	2.65%	2.05%	2.46%	N/A	2.62%	1.97%
Ideal U.S. Equity Focus Fund	2.50%	N/A	2.65%	2.05%	2.52%	N/A	2.68%	2.04%
Ideal European Equity	2.50%	N/A	2.65%	2.05%	2.57%	N/A	2.73%	2.09%
Ideal International Equity Fund	2.65%	2.80%	2.85%	2.20%	2.81%	2.97%	3.03%	2.33%
Ideal Global Equity Fund	2.50%	2.65%	2.70%	2.05%	2.68%	2.84%	2.90%	2.20%
Ideal Global Equity Focus Fund	2.50%	N/A	2.65%	2.05%	2.49%	N/A	2.66%	2.01%
Ideal Conservative Portfolio	2.30%	2.45%	2.45%	1.85%	2.41%	2.57%	2.57%	1.93%
Ideal Moderate Portfolio	2.35%	2.50%	2.50%	1.90%	2.48%	2.64%	2.63%	1.99%
Ideal Growth Portfolio	2.45%	2.60%	2.60%	2.00%	2.57%	2.74%	2.73%	2.09%
Ideal Aggressive Portfolio	2.50%	2.65%	2.65%	2.05%	2.65%	2.81%	2.81%	2.16%

<sup>(1)</sup> This rate excludes any sales (or service) tax applicable on the Management Fee. It includes the underlying Standard Life Mutual Fund's management fee where applicable.

<sup>(2)</sup> This Fund has not been available for 12 complete months, therefore no MERs are available.

We reserve the right to alter the Management Fee at any time after providing you with prior notification in accordance with the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds*. Nonetheless, the Management Fee will never exceed 3 percent per year except for the no-load with reset and Platinum no-load options.

## 13. Taxation

Each Ideal Segregated Fund will allocate its income and realized capital gains and losses to policyholders in each year so that no income tax will be payable by the Fund. Income earned by Ideal Segregated Funds from foreign sources may be subject to foreign withholding taxes.

### Reporting Income

Net income that should be reported by Policyholders includes investment income, capital gains and capital losses. Income is taxed differently if you hold the monies in a registered Policy or a non-registered Policy.

The information provided here applies to Canadian residents who are Ideal Segregated Fund Policyholders. Given that each person's situation is different, you should consult your accountant or insurance representative.

### Investment Income and Capital Gains from Standard Life's Ideal Segregated Funds

#### Non-registered Savings Plans

If you hold your Ideal Segregated Funds in a non-registered plan, you must pay income tax on any net investment income and net capital gains that have been allocated to you. Investment income includes interest income, dividend income from taxable Canadian corporations and foreign income. If an Ideal Segregated Fund has earned foreign income and paid foreign withholding tax on it, you may credit some or all of this tax against the Canadian income tax you have to pay.

Capital losses may only be deducted from capital gains. Currently, one-half of net capital gains must be included in your income. You may carry net capital losses back three years or forward indefinitely and deduct them from future capital gains.

#### Registered Plans

If you hold your Ideal Segregated Funds in a registered savings plan, premiums may be tax-deductible, up to the maximum amount allowed by income tax legislation. You also do not pay income tax on the net investment income or capital gains allocated by the Funds or on switches between funds. However, any amounts surrendered from your registered savings plan will be subject to withholding tax at source.

If you hold your Ideal Segregated Funds in a registered retirement income plan, as with registered savings plans, you do not pay income tax on the net investment income or capital gains allocated by the Funds or on the surrender of units. However, your retirement income payments (scheduled and unscheduled) will be fully taxable as income.

For both registered plans, your estate may be subject to tax on the Policy Value upon your death.

### Capital Gains and Losses Resulting from the Surrender of Units of Standard Life's Ideal Segregated Funds

#### Non-registered Savings Plans

When you surrender, transfer or switch units of an Ideal Segregated Fund for more money than they cost you, you have a net profit, or capital gain, which must be included as capital gains income when you complete your tax return. When you surrender units of a Fund at a net loss, or less than they originally cost, you have a capital loss, which you can deduct against your capital gains when you complete your tax return.

#### Registered Plans

You do not pay capital gains tax when you surrender, transfer or switch monies within a registered Policy. Monies surrendered from a registered Policy are subject to withholding taxes. When you begin to surrender money from the Policy, your premiums and earnings will be taxed as regular income.

### Tax Slips

#### Non-registered Savings Plans

We will send you tax information on your non-registered accounts annually. This tax record will indicate your share of the Ideal Segregated Funds' annual allocations of net income and net capital gains, and your allowable tax credit, if any. We will send you all the information you need to report these earnings on your tax return.

#### Registered Plans

For RSPs, LIRAs, LRSPs and RLSPs you do not pay any taxes and we will not send you any tax records. If you surrender monies in cash from your RSP, the amount is fully taxable and you will receive a T4RSP tax slip. You will receive a contribution receipt for premium payments into your RSP. For registered retirement income plans, all retirement income payments are fully taxable and are reported on your T4RIF tax slip.

## 14. Additional Information

There are no legal proceedings pending or contemplated against Standard Life with respect to the Ideal Segregated Funds.

Any transaction conducted within the three years prior to the filing date of this Information Folder or proposed transaction involving any director or senior officer or any associate or affiliate of Standard Life has not or will not materially affect Standard Life with respect to the Ideal Segregated Funds.

There is no policy with regard to the Ideal Segregated Funds entered into by Standard Life in the last two years that can be reasonably considered as presently material to owners of Policies under which Ideal Segregated Funds can be selected.

There are no other material facts relating to the Policies under which the Ideal Segregated Funds can be selected and not disclosed pursuant to the foregoing items.

### Financial Statements

Please refer to the *Ideal Segregated Funds, Annual Financial Statements* (brochure no. 1068) for audited financial statements. The Annual Financial Statements also includes a listing of Fund holdings. The brochure and the *Ideal Segregated Fund Highlights* are an integral part of this Information Folder and the Folder cannot be considered complete without them.



# Ideal Segregated Fund Policy Provisions

Any part of the premium or other amount that is allocated to an Ideal Segregated Fund is invested at the risk of the policyholder and may increase or decrease in value.

## Section I. General Provisions

Any part of the premium or other amount allocated to an Ideal Segregated Fund is invested at the risk of the Policyholder and may increase or decrease in value.

**This Policy is a non-participating policy.**

In this Policy,

“You” and “your” refer to the Policyholder, including an Additional Policyholder if applicable.

“We”, “our” and “us” refer to The Standard Life Assurance Company of Canada, also referred to as “Standard Life”.

### Definitions

**Annuitant:** The “Annuitant” is the person insured under the Policy. The Policy is based on the life of the Annuitant, who can be the Policyholder or another person chosen by the Policyholder. For registered plans, the Policyholder is also the Annuitant.

**Beneficiary:** The “Beneficiary” is the person who will receive the Death Benefit if the Annuitant dies prior to Policy maturity, unless otherwise noted.

**Business Day:** A “Business Day” is any day on which the Toronto Stock Exchange is open for business.

**Information Folder:** The “Information Folder” refers to the *Ideal Segregated Fund Information Folder*.

**Net Premium:** The “Net Premium” is equal to the sum of premiums paid less the sum of proportional reductions for prior surrenders of the Ideal Segregated Funds.

**Policyholder:** The “Policyholder” refers to the owner of a Standard Life individual variable insurance contract.

**Spouse:** A “Spouse” is a spouse or common-law partner as recognized under the *Income Tax Act* (Canada).

**Successor Annuitant:** A “Successor Annuitant” is appointed by the Policyholder and is the person who will automatically become the Annuitant in the event of the death of the Annuitant indicated on the application. Under such circumstances, the Policy will remain in force and no Death Benefit will be payable. A Successor Annuitant can only be appointed in the case of non-registered savings plans and RIF plans (not applicable in the case of an LRIF or LIF plan). For a RIF, only a legal spouse, as defined by the *Income Tax Act* (Canada), can be named as Successor Annuitant.

**Switch:** A “switch” is the partial or total reallocation of your premium from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) within your plan.

**Transfer:** A “transfer” is the surrender of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan.

**Valuation Day/Date:** A “Valuation Day/Date” is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for premium allocation, surrender, switch or transfer purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Standard Life may calculate these values on another day or at another time, at its discretion.

### Annuity

The annuity payments will be payable to the Annuitant.

The annuity payments will commence on the Annuity Commencement Date for savings plans or on the Policy Maturity Date for registered retirement income plans (as defined in Section IV).

The annuity payments will be level and payable monthly for 10 years and for the life of the Annuitant thereafter.

The annuity payments will be calculated using the Maturity Benefit on the Annuity Commencement Date and the then current annuity rates (please refer to the Maturity Benefit section of each plan).

We reserve the right to change the frequency of the annuity so that the annuity payments meet our minimum annuity payment requirement. In no event will annuity payments be less frequent than once a year.

### Policy

The Ideal Segregated Fund Policy is an annuity policy issued on the life of the Annuitant. Unless otherwise specified in the application, the Policyholder is also the Annuitant. The entire Policy consists of the following:

- Application
- Policy Provisions
- Notice of Confirmation
- Amendments or relevant written agreements made on or after the date of the application
- Endorsement for locked-in funds

There may be situations where we may no longer offer this Policy. In such cases, we will provide you with notice and allow you to choose from alternative policies.

The Policy is either non-registered or registered, as specified on the application, and can be categorized as follows:

### Savings plans

- Non-registered savings plan
- Registered savings plans
  - Retirement savings plan (RSP, including spousal RSP)
  - Locked-in retirement account (LIRA)
  - Locked-in retirement savings plan (Locked-in RSP)
  - Restricted locked-in savings plan (RLSP)

### Registered retirement income plans

- Retirement income fund (RIF, including spousal RIF)
- Life income fund (LIF)
- Locked-in retirement income fund (LRIF)
- Prescribed retirement income fund (PRIF)
- Restricted life income fund (RLIF)

Only one plan is allowed in a Policy at a time.

### Registered plans

If requested by the Policyholder on the application, we will submit this Policy for registration, pursuant to Section 146 of the *Income Tax Act* (Canada) for registered retirement savings plans and Section 146.3 of the *Income Tax Act* (Canada) for registered retirement income funds, and any applicable provincial tax legislation. Under a registered Policy, the Policyholder is the Annuitant.

### Alteration of the policy

In order to be considered valid, any change to the terms of the Policy must be submitted to us in writing and approved by one of our authorized signing officers.

### Loans

Loans are not available.

### Currency

All payments made to or by Standard Life under this Policy are to be made in Canada, in Canadian currency, unless otherwise stipulated.

### Evidence

Standard Life reserves the right to require the Annuitant or Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, proof satisfactory to it of the survival and/or death of the Annuitant and entitlement of the claimant.

## Section I – A) Ideal Segregated Funds

This Policy allows the Policyholder to allocate premiums to the Ideal Segregated Fund(s) available in that premium allocation option at the time of the premium payment, switch or transfer.

The net assets of the Ideal Segregated Funds are held by Standard Life on behalf of all Policyholders. The Ideal Segregated Funds are subdivided into notional units that are attributed to individual policies for the purpose of determining benefits under those policies. When you pay a premium into your Ideal Segregated Fund Policy, units of the selected Ideal Segregated Fund(s) are allocated to your plan. However, you do not actually own, buy or sell any part of the Ideal Segregated Funds, underlying mutual funds or any Fund units. Moreover, you do not have any voting rights associated with the Ideal Segregated Funds and underlying mutual funds. Rather, we hold the assets of the Funds on your behalf. For ease of understanding, we may use the terms “acquire units”, “surrender”, “switch” and “transfer” to refer to Fund transactions within your plan.

Standard Life reserves the right to change the investment policy of an Ideal Segregated Fund at any time. We also reserve the right to add, terminate or discontinue offering a Fund within the Ideal Segregated Fund Policy. In the event of such changes we will provide you with prior notification.

For more information on the Ideal Segregated Funds, please refer to the *Ideal Segregated Fund Information Folder*, which accompanies these Policy Provisions. The Information Folder does not form part of the Policy.

### Fundamental Change

Any one of the following events will trigger a fundamental change:

- An increase in Management Fees of an Ideal Segregated Fund
- A change in the fundamental investment objective of an Ideal Segregated Fund
- A decrease in the frequency with which units of segregated funds are valued

In the event of a fundamental change to an Ideal Segregated Fund, Standard Life will give you 60 days’ written notice. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge; or
- Surrender your units of the Ideal Segregated Fund without charges, if a similar Fund is not available.

Please note that we must receive your instructions at least five days prior to the expiry of the notice period.

## Market Value of Ideal Segregated Funds

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Day. To the extent possible, the Market Value of a Fund asset will be the closing sale price on a nationally recognized stock exchange. Securities that are traded over-the-counter are valued on the basis of the mean between the current bid and ask prices for that particular date. Short-term notes are recorded at cost for all Funds except the Ideal Money Market Fund II, where they are recorded at Market Value. In all other cases, the Market Value of a Fund asset will be the fair market value as determined by us. The Market Value of each Ideal Segregated Fund that invests in (an) underlying mutual fund(s) is based on cash and on the value of units held of the underlying mutual fund(s). The value of units of the underlying Standard Life Mutual Fund is established at the close of business on a Valuation Day, which is currently each day the Toronto Stock Exchange is open for business. The Market Value of each Ideal Segregated Fund will never be determined less frequently than once a month.

## Unit Value

For every Fund, a separate Unit Value is calculated for each premium allocation option. A Fund's Unit Value for a particular premium allocation option is calculated by dividing the value of the Fund's net assets associated with that premium allocation option by the total number of Fund units outstanding for that premium allocation option immediately prior to the Valuation Date. Net assets are equal to the Market Value of the Fund's assets less its liabilities (including Management Fees and Other Expenses).

The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.

**The Unit Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Fund Value

The Fund Value, with respect to an Ideal Segregated Fund, is equal to the number of units of the Fund held in your Policy multiplied by the corresponding Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Policy Value

On any Valuation Date, the Policy Value is equal to the sum of all the Fund Values under your Ideal Segregated Fund Policy.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Management Fees and Other Expenses

A Management Fee is charged to each Ideal Segregated Fund on the Valuation Date. The Management Fees depend on both the Ideal Segregated Fund and the premium allocation option chosen (back-end load option and no-load options). The Management Fees are currently calculated as a percentage of the Market Value of the net assets of the Fund on the date the Fee is charged.

Standard Life reserves the right to alter the Management Fees at any time, in which case we will provide you with prior notification. Nonetheless, the Management Fees will never exceed 3 percent per year except for the no-load with reset option.

In addition, expenses incurred in the ordinary course of business relating to the operation of the Ideal Segregated Funds will be charged to the assets of each respective Fund. These expenses include, but are not limited to, legal, audit and custodian fees, applicable taxes, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Fund.

The Management Fees and Other Expenses paid by each Ideal Segregated Fund include the Management Fees paid by the underlying Standard Life Mutual Fund(s), where applicable. However, there is no duplication of Management Fees and Other Expenses.

## Section I – B) Processing your instructions

### Premium Payment

You may place your premium allocation instructions through your insurance representative, who will then forward these instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day. The number of units of an Ideal Segregated Fund allocated to your Policy is determined by dividing the premium by the Unit Value established on the Valuation Day on which your instructions are processed.

If we do not receive instructions or receive incomplete instructions, your premium will be allocated according to the administrative rules in effect at that time.

If you already own an Ideal Segregated Fund Policy with us of the same plan type, we will process your request as an additional premium to the existing Policy. We will issue only one Policy per plan type.

**The value of units of each Ideal Segregated Fund allocated to your Policy is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Fund.**

### Minimum Requirements

Minimum requirements refer to minimum premiums and minimum balances to be maintained in your Ideal Segregated Fund Policy as defined by Standard Life from time to time. Minimum requirements vary by plan. Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

Standard Life may change these requirements from time to time.

### Switches Between Funds

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) within your plan. You may place your switch instructions through your insurance representative, who will then forward your instructions to us. If we

receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day.

On the applicable Valuation Day, we will surrender units of the Ideal Segregated Fund you have specified so that the number of units surrendered multiplied by the Fund's Unit Value equals the amount to be switched from that Fund. We will then allocate the proceeds from the surrendered units to your selected Ideal Segregated Fund(s) and acquire units of the Fund(s) on your behalf. Surrender charges do not apply to Fund switches made within the same premium allocation option.

**The Value of units surrendered or acquired to effect a switch is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Ideal Segregated Fund.**

### Transfers Between Plans

A transfer is the surrender of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. If we receive your request to transfer to another authorized Standard Life Ideal Segregated Fund plan at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. With respect to your Policy guarantees, a transfer out of a Standard Life plan will be treated as a surrender and a transfer into a Standard Life plan will be treated as a new premium payment. Surrender charges do not apply to transfers made within the same premium allocation option.

### Surrenders and Surrender Value

At any time, you can request the total or partial surrender of units allocated to your Policy. The Surrender Value is equal to the Policy Value less any applicable surrender charges and taxes. A partial surrender is the surrender of a portion of the Surrender Value. For a partial surrender, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be surrendered.

Surrender requests can be made in writing or electronically. If we receive your request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. You must provide us with all the documents needed to process your surrender in accordance with the administrative rules in effect at the time.

The amount to be surrendered must exceed the minimum surrender amount requirement in effect at the time. After a surrender, minimum requirements must be met in all Funds. We reserve the right to charge an administration fee on surrenders.

**The Surrender Value or any portion thereof is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Surrender Charge

Under the no-load options, there is no surrender charge applicable to retirement income payments, total surrenders and partial surrenders of units held under your Policy.

Under the back-end load option, a surrender charge may be applicable to retirement income payments and total and partial surrenders of the units held under your Policy. The surrender charge is determined on the Valuation Date coincident with or immediately following the receipt of your surrender request.

To determine the surrender charge, we first establish how many premiums are being surrendered and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as the amount surrendered multiplied by the ratio of (1) the sum of premiums paid under the back-end load option of the Policy and not previously surrendered and (2) the sum of the Fund Values under the back-end load option of the Policy. Then, premiums up to the premium equivalent amount are surrendered in the order in which they were paid, regardless of the Ideal Segregated Fund to which they were allocated or the Ideal Segregated Fund from which the surrender is effected. This ensures that premiums with the lowest surrender charge rates will be surrendered first.

The surrender charge is calculated as the sum of charges applicable to each premium being surrendered under the back-end load option. For each premium (up to the premium equivalent amount), the surrender charge is equal to the amount of the premium multiplied by the charge rate applicable to that premium.

The charge rate applicable to a premium is based upon the number of years that have elapsed since the date of the payment of that premium, and declines over time as set out in the following table:

Back-End Load Option Surrender Charge Table	
Number of years since the payment of the premium	Charge rate applicable to the premium
Less than one year	6%
1 year	5%
2 years	4%
3 years	3%
4 years	2%
5 years or more	0%

We reserve the right to modify the above charge rate table and its application, in which case we will provide you with prior notification. Any change we implement will only apply in respect of premiums paid on or after the effective date of the change. Please refer to the applicable provision section for free surrenders.

We may waive the surrender charge at our discretion.

Free surrenders are available in all plans. Please refer to the specific provision section for details.

## Section II. Non-Registered Savings Plans

### Assignments

Notices of assignment of this Policy are to be forwarded to Standard Life in writing. Responsibility for the validity of any assignment rests with the assignee and not with Standard Life.

### Current Minimum Requirements

Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

### Free Surrenders

Under the no-load options, surrenders are always free of charges. Under the back-end load option, the following applies:

During the first year, you are allowed to surrender up to 10 percent of the sum of premiums paid under the back-end load option during the year.

For each subsequent year, you are allowed to surrender up to 10 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 10 percent of additional premiums paid under the back-end load option during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward to future years.

### Annuity Commencement Date

The first premium payment into your Ideal Segregated Fund Policy must be made at least 10 complete years before the Annuity Commencement Date or last reset date. At issue, you can determine the Annuity Commencement Date. In the event that you do not specify a date, the Annuity Commencement Date will be the Annuitant's 100<sup>th</sup> birthday.

You may change the Annuity Commencement Date provided that you submit a written request at least one year prior to both the new Annuity Commencement Date you are selecting and the Annuity Commencement Date in effect at the time. Any change to the Annuity Commencement Date is subject to our approval. You will not be allowed to alter the Annuity Commencement Date to a date that is less than 10 complete years from the payment date of your first premium or your last reset date.

### Maturity Benefit

The Maturity Benefit is equal to:

- a) the Policy Value, determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date,
  - or
  - b) 75 percent of the Net Premium;
- whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Death Benefit

If a Successor Annuitant has not been designated, in the event of the death of the Annuitant:

- a) On or before the Annuity Commencement Date, Standard Life will pay the Beneficiary or Policyholder if living a Death Benefit equal to:
  - i) the Policy Value, determined on the Valuation Date coincident with or immediately following the day Standard Life is notified of the death of the Annuitant,
  - or
  - ii) **If the Annuitant was younger than 80 years of age when the first premium was paid into the Policy:** 100 percent of the Net Premium;  
**If the Annuitant was 80 years of age or older when the first premium was paid into the Policy:** 75 percent of the Net Premium;

whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Standard Life is notified of the death of the Annuitant, Standard Life will transfer the Death Benefit into the Ideal Money Market Fund II. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund II will be paid to the Beneficiary and the Policy will be terminated.

- b) After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary or Policyholder if living as they fall due.

### For Residents of Quebec

In this Policy, all premiums paid become the property of Standard Life and are allocated to the Ideal Segregated Funds, which are also owned by Standard Life. Standard Life has the sole authority to manage these premiums. However, Standard Life agrees to distribute premiums among the various Funds according to the selection made by the Policyholder.

Unless Standard Life receives different instructions prior to your Annuity Commencement Date, Standard Life will disburse the annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually for 15 years.

The annual annuity payments will be calculated using the Maturity Benefit on the Annuity Commencement Date multiplied by a factor of 66.944 and divided by 1,000.

E.g.  $(\$100,000 \times 66.944) \div 1,000 = \$6,694.40$

Other types of annuities are available and the type chosen can increase or decrease the factor shown above.

Standard Life reserves the right to change the calculation factor upon 60 days prior written notification to policyholders. If the Maturity Benefit on the Annuity Commencement Date is less than \$20,000, Standard Life also reserves the right to make a lump sum payment.

## Section III. Registered Savings Plans

### General

No advantage conditional in any way upon the existence of this Policy may be extended to you, as the Annuitant of the Policy, or to a person with whom you were not dealing at arm's length other than those permitted under Paragraph 146(2)(c.4) of the *Income Tax Act* (Canada).

This Policy is subject to the terms of the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Quebec). Benefit payments under this Policy after the Annuity Commencement Date will meet the requirements set out in Paragraphs 146(2)(b), (b.1) and (b.2) of the *Income Tax Act* (Canada). This Policy does not provide for the payment of a retirement income to you, except by way of equal annual or more frequent periodic annuity payments, as permitted in Paragraph 146(3)(b) of the *Income Tax Act* (Canada).

In the event of over-contribution under this Policy, we will permit the payment of an amount to you or, in the case of a spousal contribution, to your Spouse, where the amount is paid to reduce the amount of tax otherwise payable under Part X.1 of the *Income Tax Act* (Canada). We reserve the right to charge an administration fee for such payment.

### Assignments

This Policy cannot be assigned and no annuity payable to you or your Spouse under this Policy can be assigned, in whole or in part.

### Current Minimum Requirements

Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

### Free Surrenders

Under the no-load options, surrenders are always free of charges. Under the back-end load option, the following applies:

In the first year, you are allowed to surrender up to 10 percent of the sum of premiums paid under the back-end load option during the year.

For each subsequent year, you are allowed to surrender up to 10 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 10 percent of additional premiums paid under the back-end load option during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward to future years.

### Annuity Commencement Date

The first premium payment into your Ideal Segregated Fund Policy must be made at least 10 complete years before the Annuity Commencement Date or last reset date. At issue, you can determine the Annuity Commencement Date. In the event that you do not specify a date, the Annuity Commencement Date will be December 31<sup>st</sup> of the year in which you reach the legislative age limit for maturing registered retirement savings plans, as prescribed in the *Income Tax Act* (Canada).

You may change the Annuity Commencement Date provided that you submit a written request at least one year prior to both the new Annuity Commencement Date you are selecting and the Annuity Commencement Date in effect at the time. Any change is subject to our approval and must also conform to the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Quebec). You will not be allowed to alter the Annuity Commencement Date to a date that is less than 10 complete years from the date of your first premium payment or your last reset date.

### Automatic Transfer from a Registered Retirement Savings Plan to a Registered Retirement Income Plan

For registered retirement savings plans, unless you provide written instructions to Standard Life prior to the Annuity Commencement Date, then, on the Annuity Commencement Date, Standard Life will automatically transfer the Policy Value determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date to a Standard Life registered retirement income plan available at that time. The investment splits amongst all Funds will be maintained upon transfer. We will carry over the Net Premium and we will use the date of your first premium payment into the registered retirement savings plan or your last reset date to determine the 10-year minimum requirement for the Payout Guarantee (discussed in Section IV).

If your Ideal Segregated Fund Policy for your registered savings plan remains in force for at least 10 years from the date of your first premium payment or your last reset date, you may request to apply your Savings Maturity Benefit Guarantee on the Annuity Commencement Date prior to transferring your monies to a registered retirement income plan. The Maturity Benefit will become your starting Net Premium in the registered retirement plan and the Payout Guarantee will apply in 10 years.

If you wish to have the minimum annual income payment determined based on your Spouse's age, you must advise Standard Life prior to the Annuity Commencement Date, otherwise the minimum will be determined based on your age on the Annuity Commencement Date. The decision as to whose age will be used to determine the annual minimum income payment is irrevocable after the Annuity Commencement Date.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

If we do not receive any instructions pertaining to your retirement income payments before December 31<sup>st</sup> of the year following the automatic transfer, a payment will be made in order to meet the Government's required minimum for that year. Minimum payments will be continued every December 31<sup>st</sup> until we are advised otherwise in writing. Standard Life will surrender the retirement income payments from the Funds in accordance with the default schedule in effect at the time.

## Maturity Benefit

The Maturity Benefit is equal to:

a) The Policy Value, determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date,

or

b) 75 percent of the Net Premium;  
whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

Notwithstanding the above, if the Policy Value determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date is automatically transferred to a registered retirement income plan, Standard Life will guarantee, under the registered retirement income plan, that the amount paid as retirement income payments over the lifetime of the Policy will be at least 75 percent of the Net Premium. This Payout Guarantee will apply as of the date of transfer and only if you do not instruct Standard Life otherwise in writing prior to the Annuity Commencement Date.

**The Policy Value automatically transferred to a registered retirement income plan is not guaranteed and will fluctuate with the Market Value of the assets of each Ideal Segregated Fund both at the time of transfer and, subsequently, under the registered retirement income plan.**

## Death Benefit

In the event of your death:

a) On or before the Annuity Commencement Date, Standard Life will pay the Beneficiary a Death Benefit equal to:

i) the Policy Value, determined on the Valuation Date coincident with or immediately following the day Standard Life is notified of your death,

or

ii) 100 percent of the Net Premium;  
whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Standard Life is notified of your death, Standard Life will transfer the Death Benefit into the Ideal Money Market Fund II. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund II will be paid to the Beneficiary and the Policy will be terminated.

b) After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary as they fall due. If your Spouse is not the Beneficiary, any remaining guaranteed annuity payments will be commuted and paid in a lump sum to the Beneficiary.

## For Residents of Quebec

In this Policy, all premiums paid become the property of Standard Life and are allocated to the Ideal Segregated Funds, which are also owned by Standard Life. Standard Life has the sole authority to manage these premiums. However, Standard Life agrees to distribute premiums among the various Funds according to the selection made by the Policyholder.

Unless Standard Life receives different instructions prior to your Annuity Commencement Date, Standard Life will disburse your annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually. The annuity payments will be payable until, but not including, your 90th birthday and for your life thereafter.

The annuity payments will be calculated using your Maturity Benefit on your Annuity Commencement Date, multiplied by a factor based on your age (at your last birthday) and gender (see table below), divided by 1,000.

E.g. If you are a male aged 69, with a Maturity Benefit of \$100,000, at your Annuity Commencement Date, your annual annuity payment would be calculated as  $(\$100,000 \times 39.5460) \div 1,000 = \$3,954.60$ .

Factor per \$1,000 of Maturity Benefit

Age (last birthday)	Male (\$)	Female (\$)
55	25.2120	24.6260
56	25.8750	25.2580
57	26.5750	25.9250
58	27.3170	26.6300
59	28.1030	27.3760
60	28.9370	28.1660
61	29.8240	29.0060
62	30.7680	29.8990
63	31.7760	30.8500
64	32.8520	31.8650
65	34.0040	32.9510
66	35.2400	34.1140
67	36.5690	35.3630
68	38.0000	36.7070
69	39.5460	38.1560
70	41.2190	39.7220
71	43.0360	41.4310

Other types of annuities are available and the type chosen can increase or decrease the factors shown in the table above.

However, Standard Life reserves the right to change the calculation factors, provided Policyholders receive written notice to this effect 60 days in advance, if the interest rate varies with respect to the official discount rate in effect at the Bank of Canada on June 30, 2007. In addition, if the Maturity Benefit on the Annuity Commencement is less than \$10,000, Standard Life also reserves the right to use a different factor or make a lump sum payment.

## Section IV. Registered Retirement Income Plans

### General

No benefit or loan conditional in any way upon the existence of this Policy may be extended to you, as the Annuitant of the Policy, or to a person with whom you were not dealing at arm's length other than:

- 1) a benefit, the amount of which is required to be included in computing your income, or
- 2) an amount referred to in Paragraphs 146.3(5)(a) or (b) of the *Income Tax Act* (Canada), or
- 3) the benefit derived from the provision of administrative or investment services in respect of this Policy.

Investments made for the trust governed by this Policy will be restricted to the qualified investments described in Subsection 146.3(1) of the *Income Tax Act* (Canada) and will be selected at the sole discretion of Standard Life.

### Assignments

This Policy cannot be assigned and no annuity payable to you or your Spouse under this Policy can be assigned in whole or in part.

### Current Minimum Requirements

All premiums paid into a registered retirement income plan must come from one of the sources of funds specified in Paragraph 146.3(2)(f) of the *Income Tax Act* (Canada).

Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

### Retirement Income Payments

Standard Life will not make any payments under a registered retirement income plan except in accordance with those described in Paragraph 146.3(2)(a) of the *Income Tax Act* (Canada).

The type and method of retirement income payments will be as specified by you, provided that:

- the required yearly minimum amount, pursuant to Subsection 146.3(1) of the *Income Tax Act* (Canada), is met and
- the required yearly minimum amount does not exceed the maximum amount, as specified by pension regulations, if applicable, except that if the maximum amount is less than the minimum amount then the minimum amount must be paid.

The type and method of retirement income payments selected at inception will continue for the lifetime of the Policy unless we receive other written instructions from you. Any alteration is subject to our approval and must conform to government regulations. Standard Life reserves the right to charge an administration fee for multiple changes to the retirement income payments in any given year. On December 31<sup>st</sup> of each year this Policy is in force, if the retirement income payments for the year do not meet the minimum amount required, pursuant to the *Income Tax Act* (Canada), a payment will be made to bring payments for the year to the minimum.

### Transfers to Another Carrier

Upon receipt of your written request for a transfer to another carrier of retirement income plans, in proper form, Standard Life will proceed to a partial surrender or a total surrender. As required by Paragraph 146.3(2)(e.1) or (e.2) of the *Income Tax Act* (Canada), Standard Life will retain an amount at least equal to the lesser of the amount sufficient to ensure that the minimum payment for the year may be paid to you and the amount transferred. The Policy Value may be subject to a surrender charge, as described in the Surrender Charge section. Standard Life reserves the right to charge an administration fee in accordance with practices in effect at the time.

**The Policy Value of an Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

### Free Surrenders

Under the no-load options, surrenders are always free of charges. Under the back-end load option the following applies:

In the first year, you are allowed to surrender up to 20 percent of the sum of premiums paid under the back-end load option during the year.

For each subsequent year, you are allowed to surrender up to 20 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 20 percent of any additional premiums paid under the back-end load option of the Policy during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward to future years.

Free surrenders are not applicable on any total or partial surrenders of your Policy for the purpose of transferring funds to another carrier.

We may waive the surrender charge at our discretion.

### Policy Maturity Date (LIF plans only)

If you have a LIF plan, depending on your provincial jurisdiction, your LIF may need to be transferred to an annuity on December 31<sup>st</sup> of the year in which you reach the age limit for maturity set by government regulation (referred to as the "Policy Maturity Date").

For LIFs that do not have such a requirement and for all other registered retirement income plans, there will be no Policy Maturity Date.

### Maturity Benefit (LIF plans with a policy maturity date only)

If your LIF plan has a Policy Maturity Date, provided that your Ideal Segregated Fund Policy for your LIF plan has been in effect for at least 10 years, on the Policy Maturity Date, Standard Life will allocate premiums to a Standard Life immediate annuity in the amount of:

a) the Policy Value, determined on the Valuation Date coincident with or immediately following the Policy Maturity Date,

or

b) 75 percent of the Net Premium, minus any prior retirement income payments; whichever amount is greater.

### Payout Guarantee (For registered retirement income plans without a policy maturity date)

Provided that your Ideal Segregated Fund Policy for your registered retirement income plan remains in force for a minimum period of 10 years from the date of your first premium payment into your Ideal Segregated Fund registered retirement income plan or your last reset date, Standard Life guarantees that the amount paid as retirement income payments over the lifetime of your Policy will be at least 75 percent of your Net Premium minus the sum of your scheduled retirement income payments.

If the Policy Value is carried over from a Standard Life registered retirement savings plan, we will use the date of the first premium payment into your Standard Life registered retirement savings plan or your last reset date to determine the 10-year minimum requirement for the Payout Guarantee.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Death Benefit

If you have appointed your Spouse as Successor Annuitant (available only for Policies registered as a RIF), then on the day that Standard Life is notified of your death, the retirement income payments will continue to your Spouse.

If you have not appointed your Spouse as Successor Annuitant, upon your death, payments will cease and Standard Life will pay the Beneficiary a Death Benefit equal to:

a) The Policy Value, determined on the Valuation Date coincident with or immediately following the day that Standard Life is notified of your death,

or

b) **If you were younger than 80 years of age when you paid your first premium into the Policy:** 100 percent of the Net Premium, minus any prior retirement income payments;

**If you were 80 years or older when you paid the first premium into the Policy:** 75 percent of the Net Premium, minus any prior retirement income payments;

whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Standard Life is notified of your death, Standard Life will switch the Death Benefit into the Ideal Money Market Fund II. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund II will be paid to the Beneficiary and the Policy will be terminated.

### For Residents of Quebec

In this Policy, all premiums paid become the property of Standard Life and are allocated to the Ideal Segregated Funds, which are also owned by Standard Life. Standard Life has the sole authority to manage these premiums. However, Standard Life agrees to distribute premiums among the various Funds according to the selection made by the Policyholder.

At any time you may choose to convert your retirement income plan to a life annuity. If you elect to convert your retirement income plan to a life annuity, Standard Life will disburse your annuity as follows:

The first annuity payment will be made one year after your conversion date.

The annuity payments will be level and paid annually. The annuity payments will be payable until, but not including, your 90<sup>th</sup> birthday and for your life thereafter.

The annuity payments will be calculated using your Policy Value (net of any applicable surrender charges) on your conversion date, multiplied by a factor based on your age (at your last birthday) and gender (see table below), divided by 1,000.

e.g. If you are a male aged 75, with a Policy Value of \$100,000, at your conversion date, your annual annuity payment would be calculated as  $(\$100,000 \times 52.1360) \div 1,000 = \$5,213.60$ .

Factor per \$1,000 of Policy Value

Age (last birthday)	Male (\$)	Female (\$)
55	25.2120	24.6260
56	25.8750	25.2580
57	26.5750	25.9250
58	27.3170	26.6300
59	28.1030	27.3760
60	28.9370	28.1660
61	29.8240	29.0060
62	30.7680	29.8990
63	31.7760	30.8500
64	32.8520	31.8650
65	34.0040	32.9510
66	35.2400	34.1140
67	36.5690	35.3630
68	38.0000	36.7070
69	39.5460	38.1560
70	41.2190	39.7220
71	43.0360	41.4310
72	45.0140	43.2770
73	47.1740	45.2880
74	49.5390	47.4860
75	52.1360	49.8920
76	54.9970	52.5360
77	58.1540	55.4440
78	61.6470	58.6510
79	65.5180	62.1920
80	69.8120	66.1000
81	74.6070	70.4020
82	79.8600	75.1250
83	85.6300	80.2730
84	91.9020	85.8160
85	98.6100	91.6730
86	105.6040	97.6750
87	112.9180	103.8490
88	120.2890	109.9580
89	127.2680	115.6350
90	133.7900	121.1620

Other types of annuities are available and the type chosen can increase or decrease the factors show in the table above.

Standard Life reserves the right to change the calculation factors upon 60 days prior written notification to policyholders. If the Maturity Benefit on the Annuity Commencement Date is less than \$10,000, Standard Life also reserves the right to use a different factor or make a lump sum payment.

## Section V. Total Customer Satisfaction Guarantee

As evidence of our commitment to our customers' satisfaction and of the confidence we have in our intermediaries, we are pleased to offer our Total Customer Satisfaction Guarantee. The terms of the guarantee are quite straightforward:

If you are not satisfied with the sales process within six months of the Policy's issue date, the Policy Value on the Valuation Date the Total Customer Satisfaction Guarantee is invoked is payable (no surrender charges are applicable). The refund may also be subject to taxation legislation.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of the particular Ideal Segregated Fund.**

In order to better meet our customers' needs in the future, we ask that you complete a simple form indicating which of the eight principles of our Code of Ethics of the Sales Process (available upon request) has not been met to your satisfaction.

\* Additional premiums are covered under the Total Customer Satisfaction Guarantee as long as they are paid within six months of your Policy's issue date.

# **Ideal Segregated Fund Policy Provisions – Tax-Free Savings Account**

# Ideal Segregated Fund Policy Provisions – Tax-Free Savings Account



## Section I. General Provisions

Any part of the premium or other amount allocated to an Ideal Segregated Fund is invested at the risk of the Planholder and may increase or decrease in value.

**This Policy is a non-participating policy.**

In this Policy,

“You” and “your” refer to the Planholder,

“We”, “our” and “us” refer to The Standard Life Assurance Company of Canada, also referred to as “Standard Life”.

### Definitions

**Annuitant:** The “Annuitant” is the person insured under the Policy. The Policy is based on the life of the Annuitant, who is also the Planholder, the Holder and must be at least 18 years of age at the time the Policy is entered into.

**Beneficiary:** The “Beneficiary” is the person who will receive the Death Benefit if the Annuitant dies prior to the Plan maturity, unless otherwise noted.

**Business Day:** A “Business Day” is any day on which the Toronto Stock Exchange is open for business.

**Information Folder:** The “Information Folder” refers to the *Ideal Segregated Fund Information Folder*.

**Net Premium:** The “Net Premium” is equal to the sum of premiums paid less the sum of proportional reductions for prior surrenders of the Ideal Segregated Funds.

**Planholder:** The “Planholder” refers to the owner of a Standard Life Tax-free Savings Account.

**Spouse:** A “Spouse” is a spouse or common-law partner as recognized under the *Income Tax Act (Canada)*.

**Successor Planholder:** A “Successor Planholder” is the individual who will become the new Planholder upon the death of the Planholder indicated on the application. Only a legal spouse, as defined by the *Income Tax Act (Canada)*, can be named as Successor Planholder.

**Switch:** A “switch” is the partial or total reallocation of your premium from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) within your plan.

**Transfer:** A “transfer” is the surrender of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan.

**Valuation Day/Date:** A “Valuation Day/Date” is a Business Day on which the Market Value and Unit Value of an Ideal Segregated Fund are calculated for premium allocation, surrender, switch or transfer purposes. The Market and Unit Values of an Ideal Segregated Fund are normally calculated on each Business Day after the TSX closes. However, in some circumstances, Standard Life may calculate these values on another day or at another time, at its discretion.

### Annuity

The annuity payments will be payable to the Annuitant. The annuity payments will commence on the Annuity Commencement Date.

The annuity payments will be level and payable monthly for 10 years and for the life of the Annuitant thereafter.

The annuity payments will be calculated using the Maturity Benefit on the Annuity Commencement Date and the then current annuity rates.

We reserve the right to change the frequency of the annuity so that the annuity payments meet our minimum annuity payment requirement. In no event will annuity payments be less frequent than once a year.

### Policy

The Policy is a Tax-free Savings Account, as specified on the application. The entire Policy consists of the following:

- Application for Tax-free Savings Account
- Policy Provisions for Tax-free Savings Account
- Notice of Confirmation
- Amendments or relevant written agreements made on or after the date of the application.

There may be situations where we may no longer offer this Policy. In such cases, we will provide you with notice and allow you to choose from alternative policies.

### Policy Registration

We will file an election with the Minister of National Revenue, to register this Plan, pursuant to Section 146.2 of the *Income Tax Act (Canada)* as a Tax-free Savings Account.

### Alteration of The Policy

In order to be considered valid, any change to the terms of the Policy must be submitted to us in writing and approved by one of our authorized signing officers.

### Loans

Loans are not available.

### Currency

All payments made to or by Standard Life under this Policy are to be made in Canada, in Canadian currency, unless otherwise stipulated.

### Evidence

Standard Life reserves the right to require the Annuitant or Beneficiary, as the case may be, to provide, at the appropriate time and at their own expense, proof satisfactory to it of the survival and/or death of the Annuitant and entitlement of the claimant.

## Section I – A) Ideal Segregated Funds

This Policy allows the Planholder to allocate premiums to the Ideal Segregated Fund(s) available in that premium allocation option at the time of the premium payment, switch or transfer.

The net assets of the Ideal Segregated Funds are held by Standard Life on behalf of the Planholder. The Ideal Segregated Funds are subdivided into notional units that are attributed to individual policies for the purpose of determining benefits under those policies. When you pay a premium into your Ideal Segregated Fund Policy, units of the selected Ideal Segregated Fund(s) are allocated to your plan. However, you do not actually own, buy or sell any part of the Ideal Segregated Funds, underlying mutual funds or any Fund units. Moreover, you do not have any voting rights associated with the Ideal Segregated Funds and underlying mutual funds. Rather, we hold the assets of the Funds on your behalf. For ease of understanding, we may use the terms “acquire units”, “surrender”, “switch” and “transfer” to refer to Fund transactions within your plan.

Standard Life reserves the right to change the investment policy of an Ideal Segregated Fund at any time. We also reserve the right to add, terminate or discontinue offering a Fund within the Ideal Segregated Fund Policy. In the event of such changes we will provide you with prior notification.

For more information on the Ideal Segregated Funds, please refer to the *Ideal Segregated Fund Information Folder*, which accompanies these Policy Provisions. The Information Folder does not form part of the Policy.

### Fundamental Change

Any one of the following events will trigger a fundamental change:

- An increase in Management Fees of an Ideal Segregated Fund
- A change in the fundamental investment objective of an Ideal Segregated Fund
- A decrease in the frequency with which units of segregated funds are valued

In the event of a fundamental change to an Ideal Segregated Fund, Standard Life will give you 60 days’ written notice. The notice will provide you with the following options:

- Switch into a similar Ideal Segregated Fund not subject to the same change, without charge; or
- Surrender your units of the Ideal Segregated Fund without charges, if a similar Fund is not available.

Please note that we must receive your instructions at least five days prior to the expiry of the notice period.

### Market Value of Ideal Segregated Funds

The Market Value of each Ideal Segregated Fund will be determined on a Valuation Day. To the extent possible, the Market Value of a Fund asset will be the closing sale price on a nationally recognized stock exchange. Securities that are traded over-the-counter are valued on the basis of the mean between the current bid and ask prices for that particular date. Short-term notes are recorded at cost for all Funds except the Ideal Money Market Fund II, where they are recorded at Market Value. In all other cases, the Market Value of a Fund asset will be the fair market value as determined by us. The Market Value of each Ideal Segregated Fund that invests in (an) underlying mutual fund(s) is based on cash and on the value of units held of the underlying mutual fund(s). The value of units of the underlying Standard Life Mutual Fund is established at the close of business on a Valuation Day, which is currently each day the Toronto Stock Exchange is open for business. The Market Value of each Ideal Segregated Fund will never be determined less frequently than once a month.

### Unit Value

For every Fund, a separate Unit Value is calculated for each premium allocation option. A Fund’s Unit Value for a particular premium allocation option is calculated by dividing the value of the Fund’s net assets associated with that premium allocation option by the total number of Fund units outstanding for that premium allocation option immediately prior to the Valuation Date. Net assets are equal to the Market Value of the Fund’s assets less its liabilities (including Management Fees and Other Expenses).

The Unit Value of an Ideal Segregated Fund increases or decreases with changes in the Market Value of the assets of the Fund and by the reinvestment of net income.

**The Unit Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**



## Fund Value

The Fund Value, with respect to an Ideal Segregated Fund, is equal to the number of units of the Fund held in your Policy multiplied by the corresponding Unit Value established on the Valuation Date coincident with or immediately following the date the Fund Value is determined.

**The Fund Value of each Ideal Segregated Fund is not guaranteed and will fluctuate with the Market Value of the assets of the Fund.**

## Policy Value

On any Valuation Date, the Policy Value is equal to the sum of all the Fund Values under your Ideal Segregated Fund Policy.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

## Management Fees and Other Expenses

A Management Fee is charged to each Ideal Segregated Fund on the Valuation Date. The Management Fees depend on both the Ideal Segregated Fund and the premium allocation option chosen (back-end load option and no-load options). The Management Fees are currently calculated as a percentage of the Market Value of the net assets of the Fund on the date the Fee is charged.

Standard Life reserves the right to alter the Management Fees at any time, in which case we will provide you with prior notification. Nonetheless, the Management Fees will never exceed 3 percent per year except for the no-load with reset option.

In addition, expenses incurred in the ordinary course of business relating to the operation of the Ideal Segregated Funds will be charged to the assets of each respective Fund. These expenses include, but are not limited to, legal, audit and custodian fees, interest and bank charges, regulatory filing fees and any expenses that may be incurred to preserve the assets or income of the Fund.

The Management Fees and Other Expenses paid by each Ideal Segregated Fund include the Management Fees paid by the underlying Standard Life Mutual Fund(s), where applicable. However, there is no duplication of Management Fees and Other Expenses.

## Section I – B) Processing your instructions

### Premium Payment

You may place your premium allocation instructions through your insurance representative, who will then forward these instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day. The number of units of an Ideal Segregated Fund allocated to your Policy is determined by dividing the premium by the Unit Value established on the Valuation Day on which your instructions are processed.

If we do not receive instructions or receive incomplete instructions, your premium will be allocated according to the administrative rules in effect at that time.

If you already own an Ideal Segregated Fund Policy with us of the same plan type, we will process your request as an additional premium to the existing Policy. We will issue only one Policy per plan type.

**The value of units of each Ideal Segregated Fund allocated to your Policy is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Fund.**

### Minimum Requirements

Minimum requirements refer to minimum premiums and minimum balances to be maintained in your Ideal Segregated Fund Policy as defined by Standard Life from time to time. Minimum requirements vary by plan. Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

Standard Life may change these requirements from time to time.

### Switches Between Funds

A switch is the partial or total reallocation of your premium from an Ideal Segregated Fund to any other Ideal Segregated Fund(s) within your plan. You may place your switch instructions through your insurance representative, who will then forward your instructions to us. If we receive your instructions at or before 4:00 p.m. Eastern Time on a Business Day, we will process them on that day. If we receive your instructions after 4:00 p.m. Eastern Time on a Business Day, we will process them on the next Valuation Day.

On the applicable Valuation Day, we will surrender units of the Ideal Segregated Fund you have specified so that the number of units surrendered multiplied by the Fund's Unit Value equals the amount to be switched from that Fund. We will then allocate the proceeds from the surrendered units to your selected Ideal Segregated Fund(s) and acquire units of the Fund(s) on your behalf. Surrender charges do not apply to Fund switches made within the same premium allocation option.

**The Value of units surrendered or acquired to effect a switch is not guaranteed and will fluctuate with the Market Value of the assets of the corresponding Ideal Segregated Fund.**

### Transfers Between Plans

A transfer is the surrender of units of a Fund in one plan to acquire units of the same Fund or another Fund in a different plan. If we receive your request to transfer to another authorized Standard Life Ideal Segregated Fund plan at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. With respect to your Policy guarantees, a transfer out of a Standard Life plan will be treated as a surrender and a transfer into a Standard Life plan will be treated as a new premium payment. Surrender charges do not apply to transfers made within the same premium allocation option.

## Surrenders and Surrender Value

At any time, you can request the total or partial surrender of units allocated to your Policy. The Surrender Value is equal to the Policy Value less any applicable surrender charges. A partial surrender is the surrender of a portion of the Surrender Value. For a partial surrender, you must specify the Ideal Segregated Fund(s) from which the requested amount is to be surrendered.

Surrender requests can be made in writing or electronically. If we receive your request at or before 4:00 p.m. Eastern Time on a Business Day, it will be processed on that day. If we receive your request after 4:00 p.m. Eastern Time on a Business Day, it will be processed on the next Valuation Day. You must provide us with all the documents needed to process your surrender in accordance with the administrative rules in effect at the time.

The amount to be surrendered must exceed the minimum surrender amount requirement in effect at the time. After a surrender, minimum requirements must be met in all Funds. We reserve the right to charge an administration fee on surrenders.

**The Surrender Value or any portion thereof is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

### Surrender Charge

Under the no-load options, there is no surrender charge applicable to total surrenders and partial surrenders of units held under your Policy.

Under the back-end load option, a surrender charge may be applicable to total and partial surrenders of the units held under your Policy. The surrender charge is determined on the Valuation Date coincident with or immediately following the receipt of your surrender request.

To determine the surrender charge, we first establish how many premiums are being surrendered and when these premiums were paid. To account for fluctuations in Fund Values, we determine a premium equivalent amount, which is calculated as the amount surrendered multiplied by the ratio of (1) the sum of premiums paid under the back-end load option of the Policy and not previously surrendered and (2) the sum of the Fund Values under the back-end load option of the Policy. Then, premiums up to the premium equivalent amount are surrendered in the order in which they were paid, regardless of the Ideal Segregated Fund to which they were allocated or the Ideal Segregated Fund from which the surrender is effected. This ensures that premiums with the lowest surrender charge rates will be surrendered first.

The surrender charge is calculated as the sum of charges applicable to each premium being surrendered under the back-end load option. For each premium (up to the premium equivalent amount), the surrender charge is equal to the amount of the premium multiplied by the charge rate applicable to that premium.

The charge rate applicable to a premium is based upon the number of years that have elapsed since the date of the payment of that premium, and declines over time as set out in the following table:

Back-End Load Option Surrender Charge Table	
Number of years since the payment of the premium	Charge rate applicable to the premium
Less than one year	6.00%
1 year	5.00%
2 years	4.00%
3 years	3.00%
4 years	2.00%
5 years or more	Nil

We reserve the right to modify the above charge rate table and its application, in which case we will provide you with prior notification. Any change we implement will only apply in respect of premiums paid on or after the effective date of the change. Please refer to the applicable provision section for free surrenders.

We may waive the surrender charge at our discretion.

Free surrenders are available in all plans. Please refer to the specific provision section for details.

## Section II. Tax-Free Savings Account

### General

This Policy is subject to the terms of section 146.2 of the *Income Tax Act* (Canada) and, where applicable, the *Taxation Act* (Quebec) as follows: As required by paragraph

- 146.2(2)(a), the Policy will be maintained for the exclusive benefit of the Annuitant.
- 146.2(2)(b), no individual other than the Annuitant and Standard Life will have rights relating to the amount and timing of withdrawals and the investing of funds.
- 146.2(2)(c), premium payments can only be made by the Annuitant.
- 146.2(2)(d), the Policy will permit for withdrawals to be made to reduce the amount of tax otherwise payable by the Planholder under section 207.02 or 207.03 of the *Income Tax Act* (Canada). These sections impose taxes on excess TFSA contributions and TFSA contributions made by the Annuitant while a non-resident of Canada.
- 146.2(2)(e), upon receipt of your written request for a transfer to another carrier of Tax-free Savings Account, in proper form, Standard Life will proceed with a partial surrender or a total surrender. The Policy Value may be subject to a surrender charge, as described in the Surrender Charge section. Standard Life reserves the right to charge an administration fee in accordance with practices in effect at the time.

- 146.2(2)(g) the Policy will comply with prescribed conditions. Any issues that may arise in the implementation of the Tax-free Savings Accounts will be dealt with through regulations.

In the event of excess-contribution under this Policy, we reserve the right to charge an administration fee for such payment.

#### Assignments

Notices of assignment of this Policy are to be forwarded to Standard Life in writing. Responsibility for the validity of any assignment rests with the assignee and not with Standard Life.

#### Current Minimum Requirements

Please refer to the administrative rules in effect at the time of the applicable transaction for minimum requirements.

#### Free Surrenders

Under the no-load options, surrenders are always free of charges. Under the back-end load option, the following applies:

In the first year, you are allowed to surrender up to 10 percent of the sum of premiums paid under the back-end load option during the year.

For each subsequent year, you are allowed to surrender up to 10 percent of the sum of the back-end load option Fund Values as at January 1<sup>st</sup> and 10 percent of additional premiums paid under the back-end load option during the year.

This right is not cumulative and any unused amount of free surrenders cannot be carried forward to future years.

#### Annuity Commencement Date

The first premium payment into your Ideal Segregated Fund Policy must be made at least 10 complete years before the Annuity Commencement Date or last reset date. At issue, you can determine the Annuity Commencement Date. In the event that you do not specify a date, the Annuity Commencement Date will be the Annuitant's 100<sup>th</sup> birthday.

You may change the Annuity Commencement Date provided that you submit a written request at least one year prior to both the new Annuity Commencement Date you are selecting and the Annuity Commencement Date in effect at the time. Any change to the Annuity Commencement Date is subject to our approval. You will not be allowed to alter the Annuity Commencement Date to a date that is less than 10 complete years from the payment date of your first premium or your last reset date.

#### Maturity Benefit

The Maturity Benefit is equal to:

- a) The Policy Value, determined on the Valuation Date coincident with or immediately following the Annuity Commencement Date,

or

- b) 75 percent of the Net Premium;

whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

#### Death Benefit

In the event of your death:

If a Successor Planholder has not been designated, on or before the Annuity Commencement Date, Standard Life will pay the Beneficiary a Death Benefit equal to:

- i) the Policy Value, determined on the Valuation Date coincident with or immediately following the day Standard Life is notified of your death,

or

- ii) **If the Annuitant was younger than 80 years of age when the first premium was paid into the Policy:** 100 percent of the Net Premium;

**If the Annuitant was 80 years of age or older when the first premium was paid into the Policy:** 75 percent of the Net Premium;

whichever amount is greater.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of each particular Ideal Segregated Fund.**

On the Valuation Date coincident with or immediately following the day Standard Life is notified of your death, Standard Life will transfer the Death Benefit into the Ideal Money Market Fund II. Upon receipt of all required documentation, the Fund Value of the Ideal Money Market Fund II will be paid to the Beneficiary and the Policy will be terminated.

After the Annuity Commencement Date, any remaining guaranteed annuity payments will be paid to the Beneficiary as they fall due.

#### For Residents of Quebec

In this Policy, all premiums paid become the property of Standard Life and are allocated to the Ideal Segregated Funds, which are also owned by Standard Life. Standard Life has the sole authority to manage these premiums. However, Standard Life agrees to distribute premiums among the various Funds according to the selection made by the Policyholder.

Unless Standard Life receives different instructions prior to your Annuity Commencement Date, Standard Life will disburse the annuity as follows:

The first annuity payment will be made one year after your Annuity Commencement Date.

The annuity payments will be level and paid annually for 15 years.

The annual annuity payments will be calculated using the Maturity Benefit on the Annuity Commencement Date multiplied by a factor of 66.944 and divided by 1,000.

E.g.  $(\$100,000 \times 66.944) \div 1,000 = \$6,694.40$

Other types of annuities are available and the type chosen can increase or decrease the factor shown above.

Standard Life reserves the right to change the calculation factor upon 60 days prior written notification to planholders. If the Maturity Benefit on the Annuity Commencement Date is less than \$20,000, Standard Life also reserves the right to make a lump sum payment.

### Section III. Total Customer Satisfaction Guarantee

As evidence of our commitment to our customers' satisfaction and of the confidence we have in our intermediaries, we are pleased to offer our Total Customer Satisfaction Guarantee. The terms of the guarantee are quite straightforward:

If you are not satisfied with the sales process within six months of the Policy's issue date, the Policy Value on the Valuation Date the Total Customer Satisfaction Guarantee is invoked is payable (no surrender charges are applicable). The refund may also be subject to taxation legislation.

**The Policy Value is not guaranteed and will fluctuate with the Market Value of the assets of the particular Ideal Segregated Fund.**

In order to better meet our customers' needs in the future, we ask that you complete a simple form indicating which of the eight principles of our Code of Ethics of the Sales Process (available upon request) has not been met to your satisfaction.

\*Additional premiums are covered under the Total Customer Satisfaction Guarantee as long as they are paid within six months of your Policy's issue date.





# Ideal Segregated Fund Highlights





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# How to read the Ideal Segregated Fund Highlights

- 1 Type of Fund:**  
The category of fund.
- 2 Inception Date:**  
The date on which the Ideal Segregated Fund became available to policyholders.
- 3 Investment Objectives:**  
An Ideal Segregated Fund's investment objectives describe the nature of the Fund or the features that distinguish it from other Ideal Segregated Funds.
- 4 Investment Strategies:**  
An Ideal Segregated Fund's investment strategies determine which type of investments the Fund will use to achieve its investment objectives. For Ideal Segregated Funds that invest in underlying funds, we disclose the objectives of the underlying funds in effect as at the date of this document.

- 5 Top 10 Holdings:**  
This section shows you the top 10 holdings of the Ideal Segregated Fund. For Ideal Segregated Funds that invest in underlying funds, we present the top 10 holdings of the underlying funds, unless otherwise indicated. Please note that this information may change due to ongoing transactions of a Fund. You may obtain a more current listing from your insurance representative or by calling our Customer Service Centre at 1-888-841-6633.

- 6 Investment Risks:**  
There are certain risks associated with allocating premiums to the Ideal Segregated Funds. The degree of risk varies depending on the type of fund. For Ideal Segregated Funds that invest in underlying funds, we disclose the risks associated with the underlying funds as at the date of this document.

- 7 Past Performance:**  
The charts in this section show how the Fund has performed in the past and can help you understand the risks of investing in the Fund. The returns are calculated assuming all income/gains are retained and reflected in higher Unit Values. The Fund's past performance does not necessarily indicate how the Fund will perform in the future.

## Ideal Canadian Bond Fund

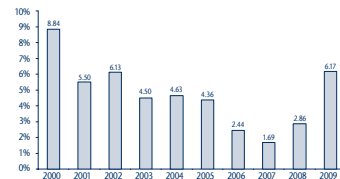
Fund Details	
Type of Fund	Bond
Inception Date	Back-End Load: December 31, 1986 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 1.70% No-Load: 1.85% No-Load with Resets: 1.80% Platinum No-Load: 1.40%

- 6 Investment Risks**  
The Ideal Canadian Bond Fund is subject to asset-backed and mortgage-backed securities investment risk, derivatives risk, exchange traded funds risk, credit risk, interest rate risk, currency risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

- 7 Past Performance**  
The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

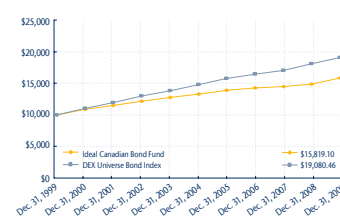
Performance for the back-end load option has been calculated for a period of 10 years.

- 8 Year-by-Year Returns**  
The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

- 9 Overall Past Performance**  
The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the DEX Universe Bond Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Investment Objectives

The investment objective of the Ideal Canadian Bond Fund is to achieve maximum returns by investing primarily in the most liquid and highest quality government, asset-backed and corporate fixed income securities available on the market.

### Investment Strategies

The investment strategy of the Ideal Canadian Bond Fund is to maintain a high degree of flexibility so as to be able to make changes to the Fund's assets quickly if market conditions change. The Fund will frequently have substantial cash positions for liquidity, strategic and management purposes. Securities other than government guaranteed bonds may not, in aggregate, exceed 50 percent of the Fund at market value. The Fund may use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. The Fund may also employ derivative instruments for hedging purposes.

The Ideal Canadian Bond Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Fixed Income	80%	100%
Money Market Instruments & Cash	0%	20%

In the context of the above fund parameters, bonds with a maturity of less than one year may be considered part of the fixed income asset category.

### Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YY/MM/DD)	% of Net Assets
1 Canada Housing Trust	4.55%	2012-12-15	8.70
2 Government of Canada	2.00%	2012-09-01	6.88
3 Government of Canada	4.00%	2041-06-01	3.89
4 Province of Ontario	4.50%	2012-12-02	3.39
5 Province of Quebec	6.00%	2029-10-01	2.59
6 Province of Quebec	4.50%	2016-12-01	2.57
7 Province of Quebec	5.50%	2014-12-01	2.47
8 Province of Ontario	6.50%	2029-03-08	2.26
9 Bank of Nova Scotia, (The)	4.99%	2013-03-27	2.26
10 Province of Ontario	4.75%	2013-06-02	2.10

## Ideal Canadian Bond Fund

- 10 Annual Compound Returns**  
The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Bond Fund (%)	4.69%	3.49%	3.55%	6.17%
DEX Universe Bond Index (%)	6.67%	5.20%	5.16%	5.41%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

- 11 Financial Highlights, as at December 31**

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$79.7	\$75.6	\$66.7	\$83.2	\$89.4
Number of Units Outstanding	1,886,039	1,744,627	1,515,296	1,835,773	1,859,416
Management Expense Ratio <sup>(1)</sup>	1.83%	1.83%	1.82%	1.80%	1.80%
Portfolio Turnover Rate	245.88%	244.99%	185.78%	157.62%	181.20%
Net Asset Value per Unit	\$42.27	\$43.31	\$44.04	\$45.30	\$48.09

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.



**8 Year-by-Year Returns:**

This bar chart shows the annual performance of the Fund for the past 10 years or since its inception and illustrates how a premium allocated to the Fund on January 1<sup>st</sup> of each year would have increased or decreased by December 31<sup>st</sup> of that year.

**9 Overall Past Performance:**

This line graph illustrates the growth of a hypothetical \$10,000 premium allocated to the Fund over the past 10 years or since the inception of the Fund compared to the growth of the same premium allocated to a blended index or an appropriate market index. A blended index is a combination of two or more market indices. The widely used market indices are listed in Appendix 2.

**10 Annual Compound Returns:**

This table shows the historical annual compound total returns of the Fund compared to the annual compound total returns of a blended index or an appropriate market index for the past ten years (or since the Fund's inception), past five years, past three years and for the past one-year period ending December 31<sup>st</sup>.

**11 Financial Highlights:**

The table shown in this section presents selected key financial data on the Fund and are intended to give you an idea of the Fund's financial performance in the past five years (if applicable). This information was provided in the past as at November 15th but due to a change in Standard Life's financial year end in 2004, this information is provided as at December 31<sup>st</sup>. The information is taken from the Fund's audited annual financial statements and other internal reports. Audited financial statements for each Ideal Segregated Fund will be made available to you on an annual basis. Semi-annual unaudited financial statements are available upon request or on our website at [www.standardlife.ca](http://www.standardlife.ca).

**12 Portfolio Turnover Rate:**

A Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages the investments in the Fund's portfolio. A portfolio turnover rate of 100 percent is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of the Fund receiving taxable capital gains in that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Note: The *Ideal Segregated Fund Highlights* presents specific information on the Ideal Segregated Funds to which you can allocate premiums through the Ideal Segregated Fund Policy. This document should be read in conjunction with the *Ideal Segregated Fund Information Folder*.

# Ideal Money Market Fund II

Fund Details	
Type of Fund	Money market
Inception Date	Back-End Load: June 1, 2009 No-Load: June 1, 2009 No-Load with Resets: June 1, 2009 Platinum No-Load: June 1, 2009
Management Fees	Back-End Load: 0.75% No-Load: 0.75% No-Load with Resets: 0.75% Platinum No-Load: 0.75%

## Investment Objectives

The investment objective of the Ideal Money Market Fund II is to provide policyholders with a low-risk, secure source of interest income based on current money market yields by investing primarily in Canadian money market instruments and cash.

## Investment Strategies

The Fund invests in money market instruments, cash and/or other investments in accordance with the *CLHIA Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds* with respect to money market funds. The average term is set within a range of 15 days to 180 days.

## Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1 Province of Quebec	10%	2010-06-28	4.70
2 Province of Ontario	0%	2010-06-02	3.06
3 Province of Ontario	0.20%	2010-04-21	3.04
4 HSBC Bank Canada	0.37%	2010-04-29	2.94
5 Province of Manitoba	0.47%	2012-05-02	2.89
6 Toronto-Dominion Bank, (The)	0.89%	2010-11-19	2.76
7 Government of Canada	0.77%	2011-03-17	2.74
8 Province of Ontario	0.29%	2010-12-03	2.68
9 OMERS Realty Corp.	0.30%	2010-04-12	2.30
10 Bank of Montreal	0.49%	2011-02-01	2.26

## Investment Risks

The Ideal Money Market Fund II is subject to interest rate risk, currency risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The past performance for this Fund cannot be shown because the Fund is new and has been offered less than one year.

## Financial Highlights, as at December 31

Financial highlights are not available since the Fund has been offered for less than one year.

# Ideal Canadian Bond Fund

Fund Details	
Type of Fund	Bond
Inception Date	Back-End Load: December 31, 1986 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 1.70% No-Load: 1.85% No-Load with Resets: 1.80% Platinum No-Load: 1.40%

## Investment Objectives

The investment objective of the Ideal Canadian Bond Fund is to achieve maximum returns by investing primarily in the most liquid and highest quality government, asset-backed and corporate fixed income securities available on the market.

## Investment Strategies

The investment strategy of the Ideal Canadian Bond Fund is to maintain a high degree of flexibility so as to be able to make changes to the Fund's assets quickly if market conditions change. The Fund will frequently have substantial cash positions for liquidity, strategic and management purposes. Securities other than government guaranteed bonds may not, in aggregate, exceed 50 percent of the Fund at market value. The Fund may use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. The Fund may also employ derivative instruments for hedging purposes.

The Ideal Canadian Bond Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Fixed Income	80%	100%
Money Market Instruments & Cash	0%	20%

In the context of the above fund parameters, bonds with a maturity of less than one year may be considered part of the fixed income asset category.

## Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1 Canada Housing Trust	4.55%	2012-12-15	8.70
2 Government of Canada	2.00%	2012-09-01	6.88
3 Government of Canada	4.00%	2041-06-01	3.89
4 Province of Ontario	4.50%	2012-12-02	3.39
5 Province of Quebec	6.00%	2029-10-01	2.59
6 Province of Quebec	4.50%	2016-12-01	2.57
7 Province of Quebec	5.50%	2014-12-01	2.47
8 Province of Ontario	6.50%	2029-03-08	2.26
9 Bank of Nova Scotia, (The)	4.99%	2013-03-27	2.26
10 Province of Ontario	4.75%	2013-06-02	2.10

## Investment Risks

The Ideal Canadian Bond Fund is subject to asset-backed and mortgage-backed securities investment risk, derivatives risk, exchange traded funds risk, credit risk, interest rate risk, currency risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

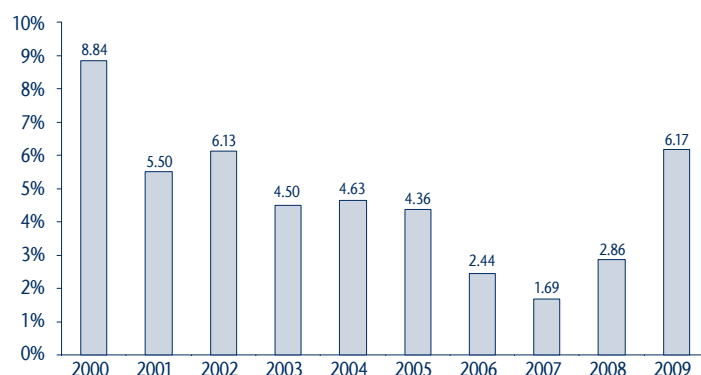
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

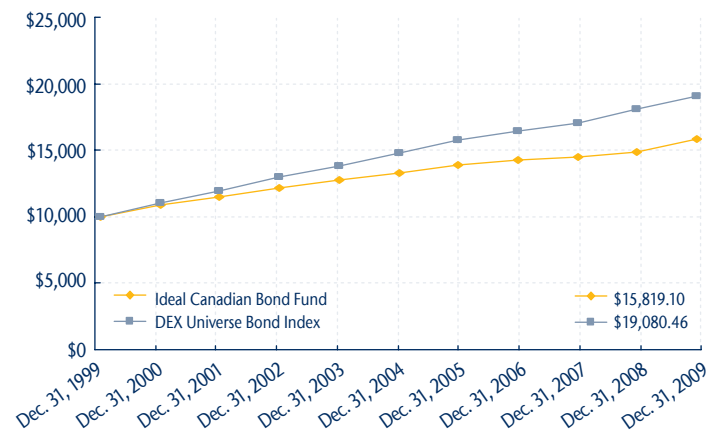
The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the DEX Universe Bond Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Canadian Bond Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Bond Fund (%)	4.69%	3.49%	3.55%	6.17%
DEX Universe Bond Index (%)	6.67%	5.20%	5.16%	5.41%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$79.7	\$75.6	\$66.7	\$83.2	\$89.4
Number of Units Outstanding	1,886,039	1,744,627	1,515,296	1,835,773	1,859,416
Management Expense Ratio <sup>(1)</sup>	1.83%	1.83%	1.82%	1.80%	1.80%
Portfolio Turnover Rate	245.88%	244.99%	185.78%	157.62%	181.20%
Net Asset Value per Unit	\$42.27	\$43.31	\$44.04	\$45.30	\$48.09

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Corporate High Yield Bond Fund

Fund Details	
Type of Fund	High yield bond
Inception Date	Back-End Load: October 10, 2000 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.10% No-Load: 2.25% No-Load with Resets: 2.20% Platinum No-Load: 1.80%

## Investment Objectives

The investment objective of the Ideal Corporate High Yield Bond Fund is to provide a bond portfolio offering superior income compared to traditional bond funds. To achieve this objective, the Fund invests in a diversified portfolio of primarily Canadian corporate bonds either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Corporate High Yield Bond Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Corporate High Yield Bond Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Corporate High Yield Bond Fund invests primarily in corporate bonds of Canadian issuers. The underlying Fund may also invest in bonds, mortgage-backed securities and asset-backed securities and other fixed-income instruments denominated in Canadian and/or foreign currency issued by Canadian and/or foreign issuers.

The Ideal Corporate High Yield Bond Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Corporate High Yield Bond Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1 Money market instruments & Cash			3.47
2 Government of Canada	2.50%	2015-06-01	2.60
3 IGM Financial Inc.	7.00%	2018-03-07	2.36
4 American Express Canada Credit Corporation	5.00%	2014-10-03	2.26
5 Manulife Financial Capital Trust II	7.41%	2019-12-31	2.26
6 Toronto-Dominion Bank, (The)	4.78%	2016-12-14	1.92
7 Wells Fargo Financial Canada	4.00%	2014-11-03	1.90
8 Sobeys Inc.	7.16%	2018-02-26	1.88
9 Toronto-Dominion Bank, (The)	5.76%	2017-12-18	1.82
10 Richardson International Ltd	5.49%	2014-09-25	1.75

## Investment Risks

The Ideal Corporate High Yield Bond Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

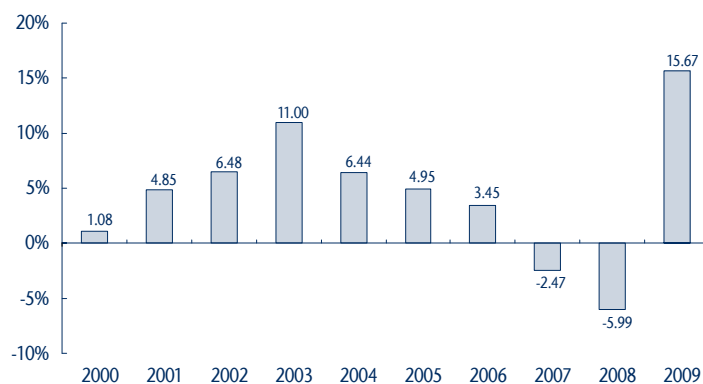
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 10, 2000.

### Year-by-Year Returns

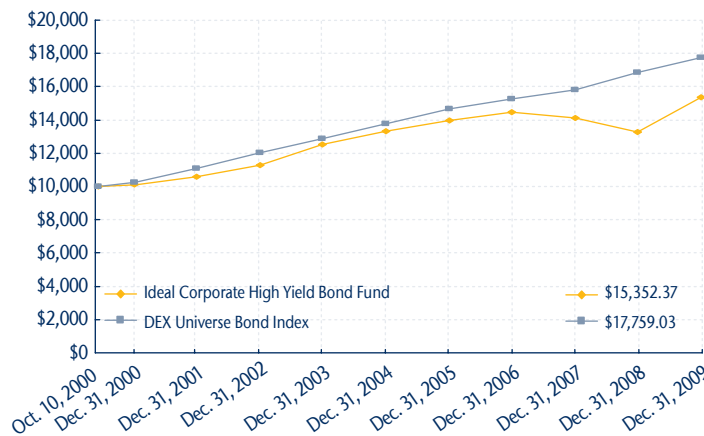
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the DEX Universe Bond Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Corporate High Yield Bond Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Corporate High Yield Bond Fund (%)	4.76%	2.86%	1.98%	15.67%
DEX Universe Bond Index (%)	6.42%	5.20%	5.16%	5.41%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in How to Read the *Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$32.0	\$31.0	\$26.4	\$21.4	\$32.8
Number of Units Outstanding	2,283,027	2,143,195	1,870,232	1,611,705	2,139,454
Management Expense Ratio <sup>(1)</sup>	2.25%	2.25%	2.25%	2.22%	2.22%
Portfolio Turnover Rate	7.69%	15.15%	11.06%	14.05%	9.50%
Net Asset Value per Unit	\$13.99	\$14.47	\$14.12	\$13.27	\$15.35

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal International Bond Fund

Fund Details	
Type of Fund	International bond
Inception Date	Back-End Load: October 10, 2000 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.20% No-Load: 2.35% No-Load with Resets: 2.30% Platinum No-Load: 1.85%

## Investment Objectives

The investment objective of the Ideal International Bond Fund is to provide superior income returns and currency diversification. To achieve this objective, the Fund invests in a diversified portfolio of Canadian and/or foreign currency denominated fixed income securities of primarily high-quality Canadian and/or foreign issuers either directly or through one or more underlying funds.

## Investment Strategies

The Ideal International Bond Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the International Bond Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life International Bond Fund invests in foreign currency denominated bonds, asset-backed securities, mortgage-backed securities and other fixed income instruments of high-quality Canadian or foreign issuers.

The Ideal International Bond Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life International Bond Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1 Province of Quebec	3.63%	2015-02-10	10.33
2 Province of Quebec	2.00%	2013-05-09	9.18
3 Japan-87	1.00%	2014-12-20	7.62
4 Province of Quebec	7.50%	2029-09-15	7.51
5 Government of France	4.00%	2038-10-25	6.97
6 United States Treasury	4.00%	2039-11-15	6.65
7 UK Treasury Gilt	4.75%	2020-03-07	6.30
8 Bundesrepublik Deutschland	4.00%	2037-01-04	4.68
9 Province of Ontario	4.00%	2019-10-07	4.19
10 United States Treasury	4.25%	2039-05-15	4.15

## Investment Risks

The Ideal International Bond Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

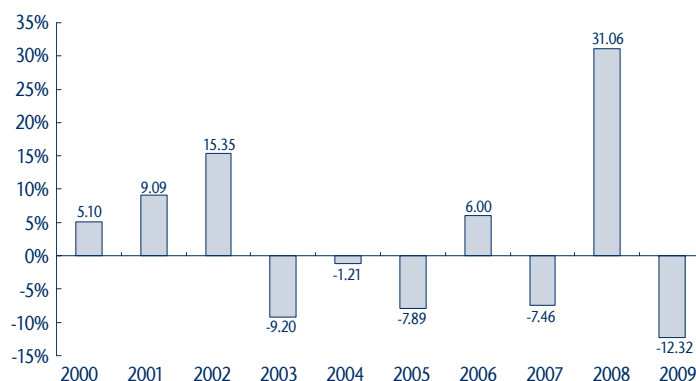
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end option has been calculated since inception, October 10, 2000.

### Year-by-Year Returns

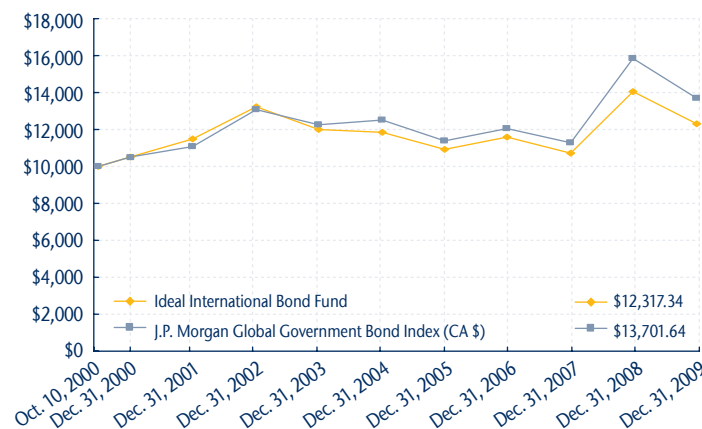
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the J.P. Morgan Global Government Bond Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal International Bond Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal International Bond Fund (%)	2.29%	0.75%	2.07%	-12.32%
J.P. Morgan Global Government Bond Index (CA\$) (%)	3.47%	1.85%	4.44%	-13.46%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$3.5	\$2.8	\$2.8	\$10.0	\$4.2
Number of Units Outstanding	323,009	236,514	259,874	710,043	338,607
Management Expense Ratio <sup>(1)</sup>	2.41%	2.44%	2.47%	2.32%	2.29%
Portfolio Turnover Rate	8.55%	13.05%	26.93%	40.43%	62.97%
Net Asset Value per Unit	\$10.93	\$11.58	\$10.72	\$14.05	\$12.32

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.



# Ideal Income Balanced Fund

Fund Details	
Type of Fund	Balanced
Inception Date	Back-End Load: December 7, 1998 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Income Balanced Fund is to accommodate the needs of policyholders who are drawing upon their assets for income purposes but still wish to attain long-term capital growth. To achieve this objective, the Fund invests in a diversified portfolio of Canadian and foreign equities and/or equity-type securities and fixed income securities.

## Investment Strategies

The Ideal Income Balanced Fund is structured more defensively than the Ideal Balanced Fund in that it is slightly more exposed to bonds and shorter-term securities to reflect a typical policyholder's requirement for income withdrawal and need for low volatility. The average term to maturity of the bonds held is also lower to adjust for the income needs of a typical policyholder over the coming years. The balance of the portfolio's holdings is designed to provide for moderate capital growth that extends beyond the expected time horizon during which policyholders are drawing from the Fund to meet their income needs. The Fund may invest in derivatives for hedging purposes.

The Ideal Income Balanced Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Total Equities	20%	55%
Canadian Equities	20%	55%
Foreign Equities	0%	30%
Fixed Income	30%	65%
Money Market Instruments & Cash	0%	20%

In the context of the above fund parameters, bonds with a maturity of less than one year may be considered part of the fixed income asset category.

## Top 10 Holdings, as at March 30, 2010

	Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1	Canada Housing Trust	4.55%	2012-12-15	4.26
2	Royal Bank of Canada			4.07
3	Money market instruments & Cash			3.48
4	Toronto-Dominion Bank, (The)			3.43
5	Bank of Nova Scotia, (The)			3.40
6	Government of Canada	2.00%	2012-09-01	2.91
7	Bank of Montreal			2.60
8	Government of Canada	4.00%	2017-06-01	1.77
9	Cdn Imperial Bank of Commerce			1.76
10	Canadian National Railway Co.			1.71

## Investment Risks

The Ideal Income Balanced Fund is subject to currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

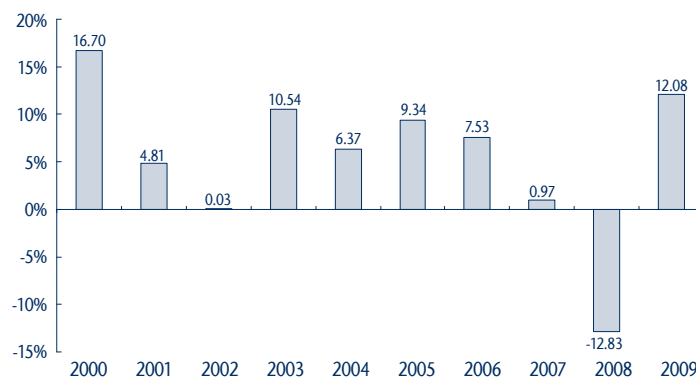
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Income Balanced Fund

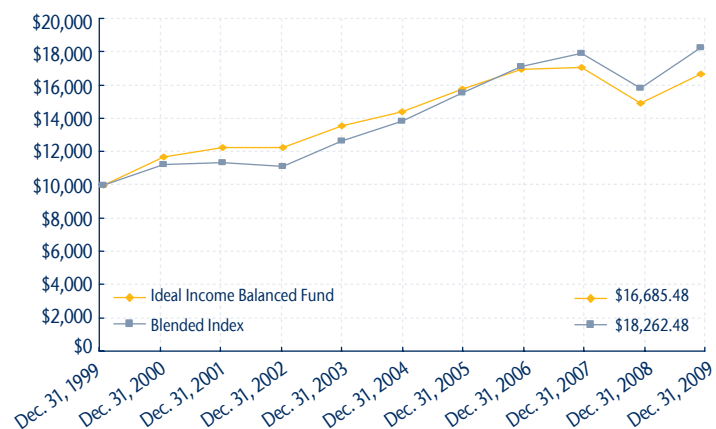
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 50 percent DEX Universe Bond Index,
- 35 percent S&P/TSX Capped Composite Index,
- 7.5 percent S&P 500 (CA\$),
- 5 percent DEX 91-Day T-Bill Index and
- 2.5 percent MSCI EAFE Index.

In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index so that the blended index would better reflect the Fund's portfolio. Due to the change in legislation regarding income trusts, as of September 29, 2006, the S&P/TSX Capped Equity Index was replaced by the S&P/TSX Capped Composite Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the indices described in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Income Balanced Fund (%)	5.25%	3.01%	-0.45%	12.08%
Blended Index (%)	6.21%	5.74%	2.17%	15.64%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$124.9	\$153.6	\$149.2	\$113.1	\$112.7
Number of Units Outstanding	8,052,337	9,207,599	8,855,575	7,704,440	6,844,787
Management Expense Ratio <sup>(1)</sup>	2.57%	2.58%	2.56%	2.53%	2.53%
Portfolio Turnover Rate	129.64%	127.44%	96.54%	92.47%	94.33%
Net Asset Value per Unit	\$15.52	\$16.68	\$16.85	\$14.68	\$16.46

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For all years shown, the total amount of fees or other expenses absorbed by Standard Life for the back-end load option was negligible which resulted in no change to the MERs. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Monthly Income Fund

Fund Details	
Type of Fund	Balanced
Inception Date	Back-End Load: October 10, 2000* No-Load: October 10, 2000* No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

\* Although this Fund was launched on the inception date indicated above, its investment objectives were changed on December 1<sup>st</sup>, 2003. Since that time the Fund has operated as a fund-of-fund, investing most of its assets in the underlying mutual fund the Standard Life Monthly Income Fund. As of October 3, 2005, the Fund no longer operated solely as a fund-of-fund but invested as described below.

## Investment Objectives

The investment objective of the Ideal Monthly Income Fund is to provide capital appreciation while accommodating the needs of investors who are drawing upon their assets for income purposes. To achieve its objective, the Fund invests primarily in a diversified portfolio of Canadian and foreign equities and/or equity-type securities and fixed income securities either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Monthly Income Fund invests in a diversified portfolio composed primarily of equities and/or equity-type securities and fixed income securities denominated in Canadian or foreign currency. These securities are offered by Canadian or foreign issuers.

The equity portion of the Fund is composed of a diversified selection of equity and equity-type instruments such as common and preferred shares, rights, convertible securities, trust units (for example, royalty trusts units, income trusts and real estate investment trusts (REITs)), depositary receipts (DRs), and exchange traded funds (ETFs). Moreover, the Fund may invest in units of other funds, some of which are also managed by us.

The fixed-income portion of the Fund includes, but is not limited to, bonds and debentures, floating rate notes, mortgage-backed securities, asset-backed securities, and convertible bonds.

The Fund may use derivatives for non-hedging purposes in order to invest indirectly in or gain exposure to other currencies, securities or financial markets. The Fund may also employ derivative instruments for hedging purposes.

The Fund may hold a portion of its assets in cash or money market instruments for strategic reasons.

The Ideal Monthly Income Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Total Equities	20%	65%
Canadian Equities	20%	65%
Foreign Equities	0%	20%
Fixed Income	20%	60%
Money Market Instruments & Cash	0%	15%

## Top 10 Holdings, as at March 30, 2010

	Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1	Money market instruments & Cash			4.41
2	SPDR S&P 500 ETF Trust			4.25
3	Royal Bank of Canada			3.59
4	Bank of Nova Scotia, (The)			3.23
5	Toronto-Dominion Bank, (The)			3.11
6	Government of Canada	4.00%	2041-06-01	2.35
7	Government of Canada	5.75%	2033-06-01	2.30
8	Cdn Imperial Bank of Commerce			2.20
9	Bank of Montreal			2.20
10	Province of Ontario	5.85%	2033-03-08	2.08

## Investment Risks

The Ideal Monthly Income Fund is subject to asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

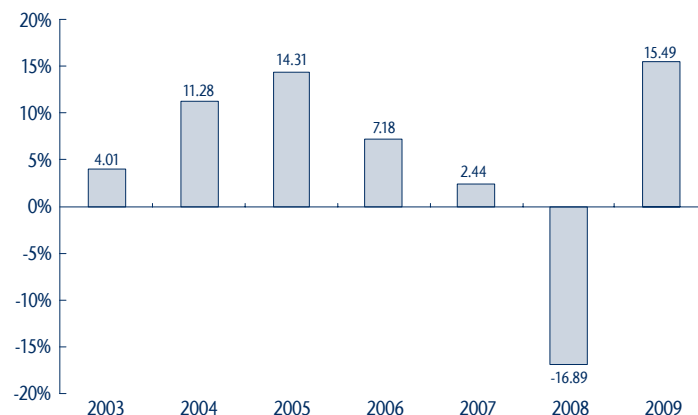
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since the Fund changed its investment objective, which was effective December 1<sup>st</sup>, 2003.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Monthly Income Fund

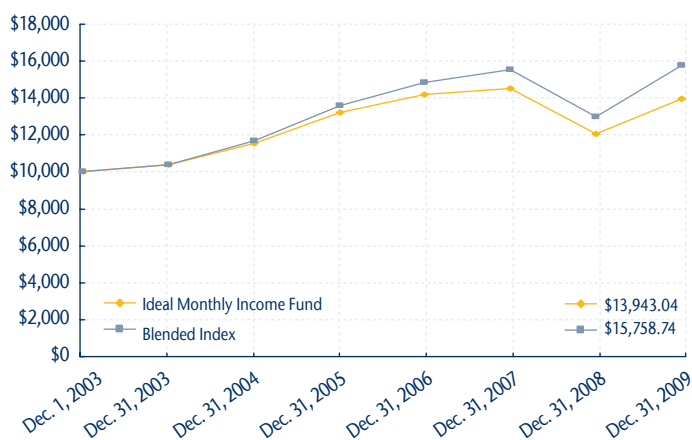
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 32 percent S&P/TSX Capped Equity Index,
- 19 percent DEX Long Term Government Bond Index,
- 19 percent DEX All Corporate Bond Index,
- 15 percent S&P/TSX Income Trust Index
- 10 percent S&P 500 Index (CA\$)
- 5 percent DEX 91-Day T-Bill Index

In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index so that the blended index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Monthly Income Fund (%)	5.61%	3.80%	-0.56%	15.49%
Blended Index (%)	7.75%	6.16%	1.96%	21.17%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$66.8	\$118.7	\$148.1	\$118.1	\$134.9
Number of Units Outstanding	5,932,916	9,843,516	11,981,546	11,495,499	11,370,065
Management Expense Ratio <sup>(1)</sup>	2.51%	2.57%	2.56%	2.53%	2.53%
Portfolio Turnover Rate	158.62%	48.33%	67.88%	55.25%	45.89%
Net Asset Value per Unit	\$11.25	\$12.06	\$12.36	\$10.27	\$11.86

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Global Monthly Income Fund

Fund Details	
Type of Fund	Global Balanced
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Global Monthly Income Fund is to provide capital appreciation while accommodating the needs of investors who are drawing upon their assets for income purposes. The Fund invests primarily in global equities and fixed-income securities of issuers throughout the world either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Global Monthly Income Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Global Monthly Income Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The underlying Fund invests in a diversified portfolio composed primarily of equities and fixed-income securities in global markets. The fixed-income portion of the Fund comprises a diversified selection of bonds which may include asset-backed securities, mortgage-backed securities or other fixed income instruments. The equity portion of the Fund is composed of a diversified selection of equities, such as commons shares, preferred shares, trust units (for example, royalty trust units, income trusts and real estate investment trust (REITs)), convertible securities, DRs and ETFs.

The Ideal Global Monthly Income Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Global Monthly Income Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

	Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1	Money market instruments & Cash			5.32
2	iShares			5.03
3	iShares			3.48
4	Toronto-Dominion Bank, (The)			2.95
5	Bank of Nova Scotia, (The)			2.43
6	Royal Bank of Canada			2.23
7	Government of Canada	4.00%	2041-06-01	2.12
8	Canadian Natural Resources Ltd			2.00
9	Government of Canada	4.00%	2017-06-01	1.76
10	United States Treasury	4.25%	2039-05-15	1.37

## Investment Risks

The Ideal Global Monthly Income Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include asset-backed securities and mortgage-backed securities risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

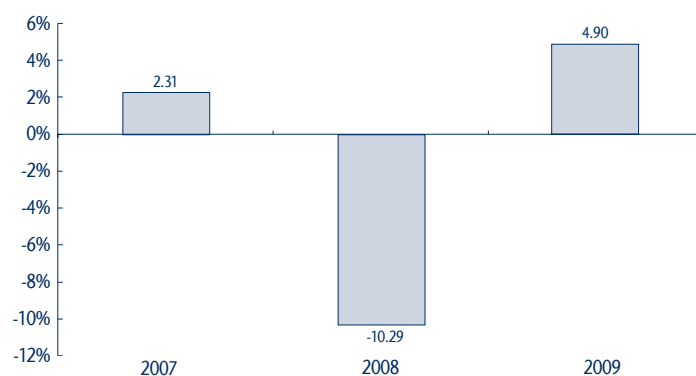
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

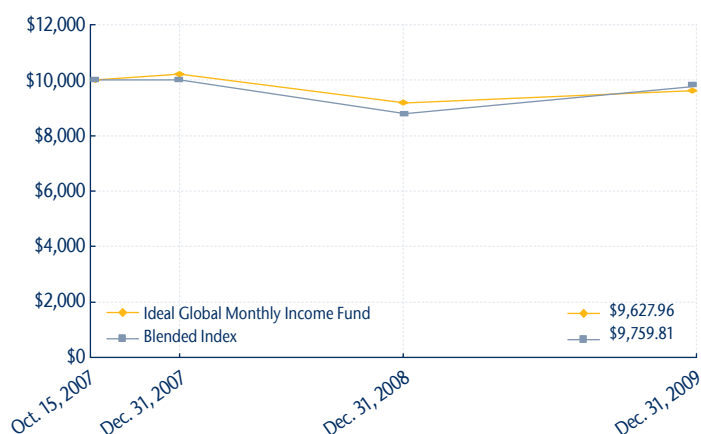
# Ideal Global Monthly Income Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 40 percent MSCI World Index (CA\$),
- 20 percent S&P/TSX Capped Composite Index,
- 15 percent J.P. Morgan Global Government Bond Index (CA\$),
- 10 percent DEX All Corporate Bond Index,
- 10 percent DEX Long Term Bond Index
- 5 percent DEX 91 Day T-Bill Index



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Global Monthly Income Fund (%)	-1.70%	-	-	4.90%
Blended Index (%)	-1.09%	-	-	11.07%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.8	\$1.2	\$1.3
Number of Units Outstanding	54,020	90,542	89,918
Management Expense Ratio <sup>(1)</sup>	2.47%	2.76%	2.79%
Portfolio Turnover Rate <sup>(2)</sup>	17.84%	31.89%	22.98%
Net Asset Value per Unit	\$15.35	\$13.77	\$14.44

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MER in 2007 for the back-end load option, would have been 4.92%. For the years 2008 and 2009, the total amount of fees or other expenses absorbed by Standard Life for the back-end load option was negligible which resulted in no change to the MERs. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal Dividend Income Fund

Fund Details	
Type of Fund	Canadian dividend
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Dividend Income Fund is to achieve a combination of capital growth and income. To achieve this objective, the Fund invests in a diversified portfolio of high-yielding equity and equity-type securities either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Dividend Income Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Dividend Income Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Dividend Income Fund invests in Canadian and foreign equity and equity-type instruments. The underlying Fund may also invest in securities that currently do not pay dividends but do show good potential to do so in the future.

The Ideal Dividend Income Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Dividend Income Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Toronto-Dominion Bank, (The)	7.82
2 Royal Bank of Canada	7.75
3 Cdn Imperial Bank of Commerce	6.51
4 Bank of Nova Scotia, (The)	5.90
5 Suncor Energy Inc.	5.04
6 Canadian Natural Resources Ltd	4.40
7 Manulife Financial Corporation	4.01
8 Canadian Oil Sands Trust	3.14
9 Rogers Communications Inc.	2.52
10 Xcel Energy Inc.	2.52

## Investment Risks

The Ideal Dividend Income Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

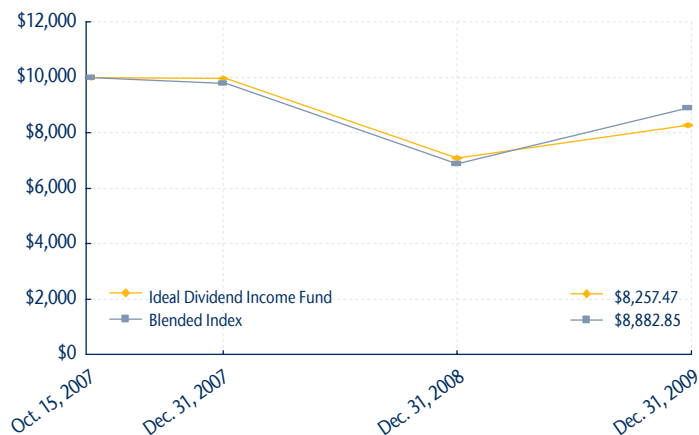
# Ideal Dividend Income Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 80 percent S&P/TSX Capped Composite Index,
- 15 percent S&P 500 Index (CA\$) and
- 5 percent DEX 91 Day T-Bill.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Dividend Income Fund (%)	-8.29%	-	-	16.76%
Blended Index (%)	-5.21%	-	-	29.07%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.7	\$1.3	\$3.8
Number of Units Outstanding	47,938	122,214	306,063
Management Expense Ratio <sup>(1)</sup>	2.49%	2.78%	2.41%
Portfolio Turnover Rate <sup>(2)</sup>	2.12%	38.17%	10.67%
Net Asset Value per Unit	\$14.94	\$10.61	\$12.39

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MER in 2007 for the back-end load option would have been 5.10%. For the years 2008 and 2009, the total amount of fees or other expenses absorbed by Standard Life for the back-end load option was negligible which resulted in no change to the MERs. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.



# Ideal Canadian Dividend Growth Fund

Fund Details	
Type of Fund	Canadian dividend
Inception Date	Back-End Load: December 21, 1998 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Canadian Dividend Growth Fund is to provide both capital growth and superior dividend income by investing in a diversified portfolio of high-quality, high-yielding Canadian equities and equity-type securities either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Canadian Dividend Growth Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Canadian Dividend Growth Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Canadian Dividend Growth Fund invests primarily in common shares but may also invest in preferred shares. The underlying Fund may also invest in bonds, warrants, rights or other instruments that are convertible into common shares which carry the attributes of paying high dividends consistently over time.

The Ideal Canadian Dividend Growth Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Canadian Dividend Growth Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments		% of Net Assets
1	Toronto-Dominion Bank, (The)	8.77
2	Royal Bank of Canada	8.43
3	Bank of Nova Scotia, (The)	7.68
4	Cdn Imperial Bank of Commerce	6.33
5	Suncor Energy Inc.	5.81
6	Manulife Financial Corporation	4.51
7	Canadian Natural Resources Ltd	4.35
8	Canadian National Railway Co.	3.81
9	Canadian Oil Sands Trust	3.24
10	Rogers Communications Inc.	2.79

## Investment Risks

The Ideal Canadian Dividend Growth Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include derivatives risk, exchange traded funds risk, credit risk, interest rate risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

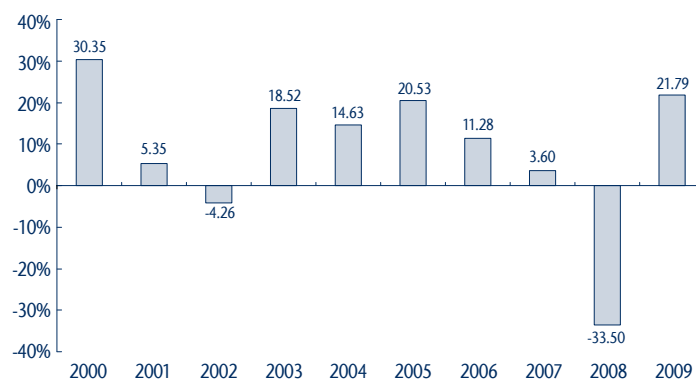
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



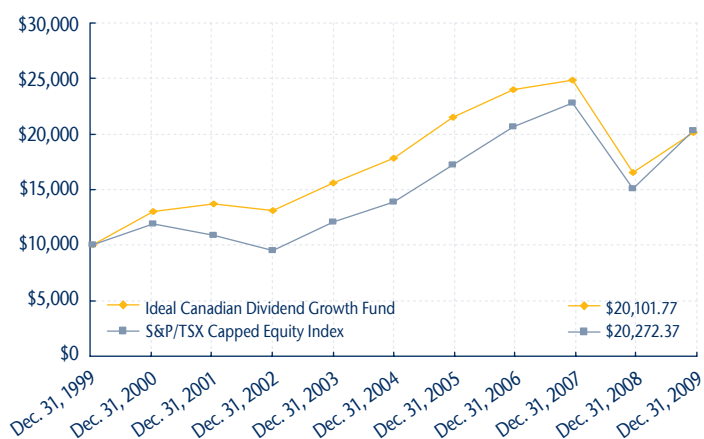
\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Canadian Dividend Growth Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P/TSX Capped Equity Index.

In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index to preserve the original character of the benchmark.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Dividend Growth Fund (%)	7.23%	2.39%	-5.68%	21.79%
S&P/TSX Capped Equity Index (%)	7.32%	7.91%	-0.65%	34.51%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$508.5	\$666.0	\$723.1	\$437.0	\$479.6
Number of Units Outstanding	21,626,995	25,456,144	26,679,988	24,247,188	21,846,583
Management Expense Ratio <sup>(1)</sup>	2.57%	2.58%	2.55%	2.54%	2.53%
Portfolio Turnover Rate	0.74%	3.92%	4.87%	6.13%	6.61%
Net Asset Value per Unit	\$23.51	\$26.16	\$27.10	\$18.02	\$21.95

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is based on total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Balanced Fund

Fund Details	
Type of Fund	Balanced
Inception Date	Back-End Load: December 31, 1986 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Balanced Fund is to provide superior long-term capital appreciation and steady income while limiting risk through asset diversification with an emphasis on quality and liquidity. To achieve its objective, the Fund invests in a diversified portfolio of Canadian and foreign equities and fixed income securities.

## Investment Strategies

To comply with the risk control objective, investment in equity and equity-type securities is limited to a maximum of 65 percent of the Fund's assets. To ensure proper diversification, the Canadian equity portfolio will comprise a minimum of 40 securities and will be diversified by sector and industry. The foreign equity component will comprise a minimum of 10 foreign securities. The Fund may invest in derivatives for hedging purposes.

The Ideal Balanced Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Total Equities	40%	65%
Canadian Equities	20%	60%
Foreign Equities	0%	30%
Fixed Income	20%	45%
Money Market Instruments & Cash	0%	20%

In the context of the above fund parameters, bonds with a maturity of less than one year may be considered part of the fixed income asset category.

## Top 10 Holdings, as at March 30, 2010

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1 SPDR S&P 500 ETF Trust			4.55
2 Money market instruments & Cash			4.08
3 Government of Canada	2.00%	2012-09-01	2.92
4 iShares			2.72
5 Royal Bank of Canada			2.40
6 Suncor Energy Inc.			2.31
7 Toronto-Dominion Bank, (The)			2.11
8 Canadian Natural Resources Ltd			1.64
9 Bank of Nova Scotia, (The)			1.60
10 Canada Housing Trust	4.55%	2012-12-15	1.38

## Investment Risks

The Ideal Balanced Fund is subject to currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

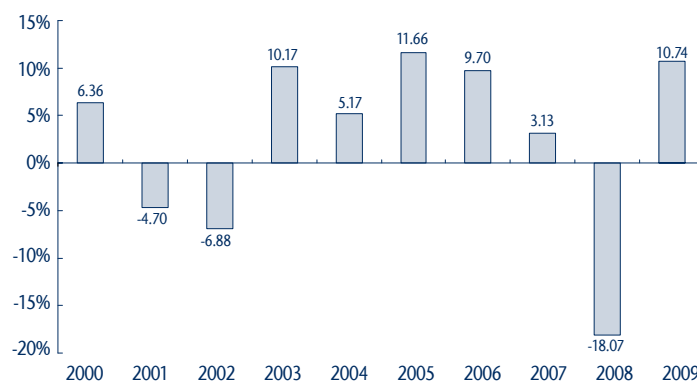
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Balanced Fund

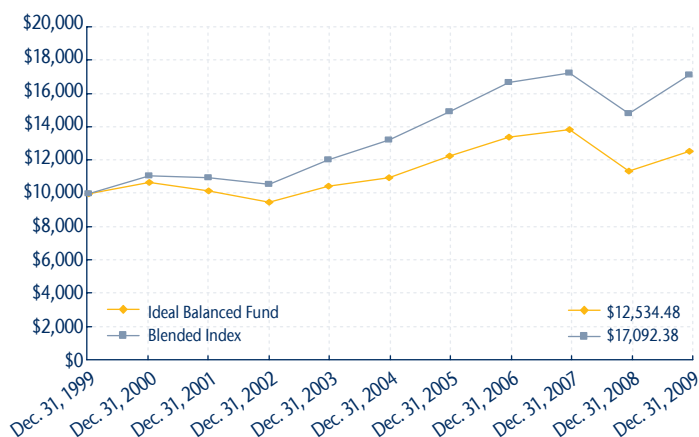
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 42.5 percent DEX Universe Bond Index,
- 32.5 percent S&P/TSX Capped Composite Index,
- 10 percent S&P 500 Index (CA\$).
- 10 percent MSCI EAFE Index (CA\$) and
- 5 percent DEX 91-Day T-Bill Index.

In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index so that the blended index would better reflect the Fund's portfolio. Due to the change in legislation regarding income trusts, as of September 29, 2006 we replaced the S&P/TSX Capped Equity Index with the S&P/TSX Capped Composite Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the indices described in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Balanced Fund (%)	2.29%	2.77%	-2.19%	10.74%
Blended Index (%)	5.51%	5.29%	0.86%	15.65%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$498.5	\$487.3	\$438.4	\$320.1	\$305.1
Number of Units Outstanding	11,420,668	10,175,188	8,877,797	7,910,209	6,809,561
Management Expense Ratio <sup>(1)</sup>	2.56%	2.56%	2.54%	2.52%	2.52%
Portfolio Turnover Rate	135.28%	131.74%	118.20%	107.81%	130.30%
Net Asset Value per Unit	\$43.65	\$47.89	\$49.39	\$40.46	\$44.81

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and other expenses, the MERs from 2005 to 2009 for the back-end load option would have been 2.57%, 2.57%, 2.55%, 2.53% and 2.53% respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Canadian Equity Fund

Fund Details	
Type of Fund	Canadian equity
Inception Date	Back-End Load: December 31, 1986 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Canadian Equity Fund is to provide superior capital appreciation by investing primarily in Canadian equities and equity-type securities.

## Investment Strategies

The Fund invests a large portion of its assets in the shares of a “core” group of the top companies trading on the Toronto Stock Exchange (TSX), thereby providing the stability of high-quality equities. This highly liquid group also provides the flexibility to quickly convert to cash when the need arises.

The balance of the assets of the Ideal Canadian Equity Fund is invested in the shares of smaller, less liquid companies with good growth prospects with the aim of enhancing total returns and providing long-term growth. The Fund may invest in derivatives for hedging purposes. To ensure proper diversification, the Canadian equity portfolio will comprise a minimum of 40 securities and will be diversified by sector and industry. The foreign equity component will comprise a minimum of 10 foreign securities.

The Ideal Canadian Equity Fund’s portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Canadian Equities	60%	100%
Foreign Equities	0%	30%
Money Market Instruments & Cash	0%	20%

## Top 10 Holdings, as at March 30, 2010

Investments		% of Net Assets
1	Royal Bank of Canada	7.59
2	Toronto-Dominion Bank, (The)	5.95
3	Bank of Nova Scotia, (The)	5.58
4	Canadian Natural Resources Ltd	5.07
5	Potash Corporation of Saskatchewan Inc.	4.48
6	Suncor Energy Inc.	4.25
7	Barrick Gold Corporation	3.24
8	Canadian National Railway Co.	2.75
9	Goldcorp Inc.	2.68
10	Manulife Financial Corporation	2.65

## Investment Risks

The Ideal Canadian Equity Fund is subject to currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

The bar chart below shows the Fund’s annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Canadian Equity Fund

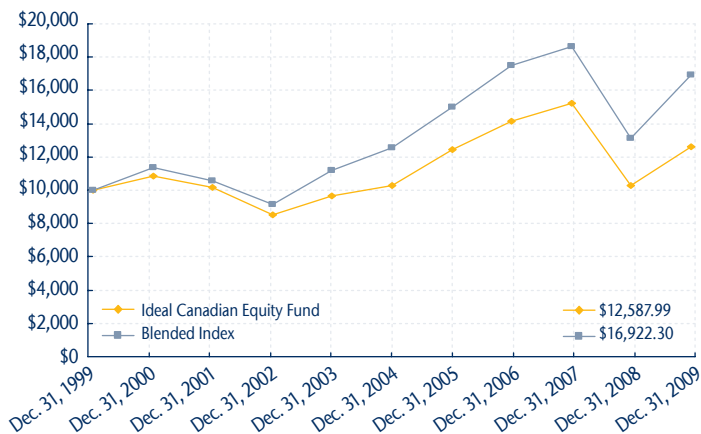
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 80 percent S&P/TSX Capped Composite Index,
- 15 percent S&P 500 Index (CA\$) and
- 5 percent DEX 91-Day T-Bill Index.

Prior to September 2000, the blended index was constructed using the S&P/TSX Composite Index. In September 2000, we replaced the S&P/TSX Composite Index with the S&P/TSX Capped Composite Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Equity Fund (%)	2.33%	4.10%	-3.82%	22.17%
Blended Index (%)	5.40%	6.19%	-1.14%	29.07%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$294.4	\$302.8	\$286.6	\$182.0	\$193.5
Number of Units Outstanding	5,820,580	5,265,505	4,629,097	4,346,809	3,781,521
Management Expense Ratio <sup>(1)</sup>	2.56%	2.56%	2.54%	2.52%	2.52%
Portfolio Turnover Rate	39.72%	21.39%	19.82%	31.39%	58.00%
Net Asset Value per Unit	\$50.57	\$57.50	\$61.92	\$41.88	\$51.16

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all fees and expenses, the MERs for years 2005 to 2009 for the back-end load option would have been, 2.57%, 2.57%, 2.55%, 2.53% and 2.53%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Canadian Small Cap Fund

Fund Details	
Type of Fund	Canadian equity
Inception Date	Back-End Load: October 10, 2000 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.35% No-Load: 2.50% No-Load with Resets: 2.60% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Canadian Small Cap Fund is to provide superior capital growth by investing in a diversified portfolio of equities and equity-type securities of small capitalization Canadian companies either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Canadian Small Cap Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Canadian Small Cap Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Canadian Small Cap Fund invests in a diversified portfolio composed primarily of the shares of small capitalization Canadian companies, which may include both value and traditional growth companies. The fund invests in equity and equity-type instruments including common and preferred shares, convertible securities, DRs, IPU's and ETFs. The underlying fund may also invest, to a lesser extent, in foreign equities traded in the U.S. markets.

The Ideal Canadian Small Cap Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Canadian Small Cap Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments		% of Net Assets
1	Canadian Western Bank	3.81
2	Reitmans (Canada) Limited	3.65
3	Money market instruments & Cash	3.48
4	Labrador Iron Ore Royalty Fund	3.47
5	Gran Tierra Energy Inc	3.45
6	ATS Automation Tooling Sys Inc	3.25
7	Bankers Petroleum Ltd	3.10
8	Cominar R. E. Investment Trust	3.10
9	Mullen Group Ltd	2.89
10	GENIVAR Income Fund	2.84

## Investment Risks

The Ideal Canadian Small Cap Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

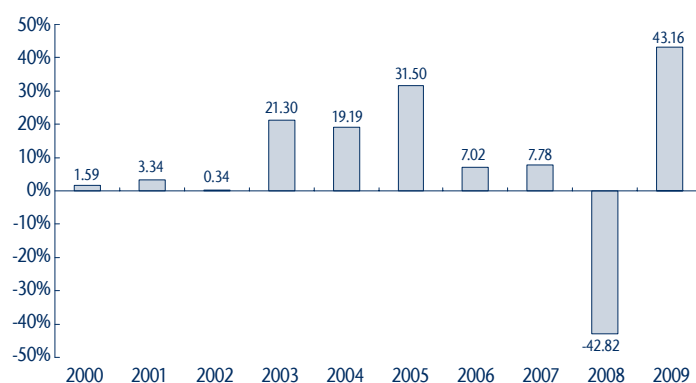
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 10, 2000.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



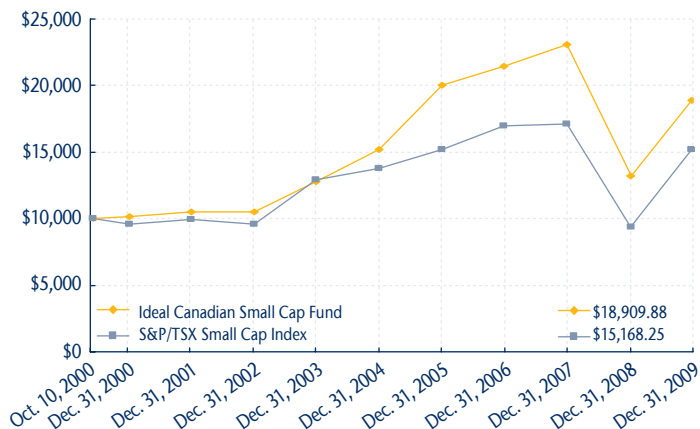
\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Canadian Small Cap Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P/TSX SmallCap Index.

In December 2005, the composition of the S&P/TSX SmallCap Index was changed to include income trusts. In response to this change we replaced the S&P/TSX SmallCap Index with the S&P/TSX SmallCap Equity Index to preserve the original character of the benchmark. On April 1, 2007, we replaced the S&P/TSX SmallCap Equity Index with the S&P/TSX SmallCap Index so that the index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Small Cap Fund (%)	7.15%	4.43%	-4.09%	43.16%
S&P/TSX SmallCap Index (%)	4.62%	1.97%	-3.70%	62.38%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$97.4	\$115.4	\$117.5	\$60.0	\$80.9
Number of Units Outstanding	4,863,270	5,385,549	5,084,807	4,538,918	4,277,933
Management Expense Ratio <sup>(1)</sup>	2.51%	2.51%	2.54%	2.48%	2.47%
Portfolio Turnover Rate	6.52%	14.43%	14.20%	6.53%	11.22%
Net Asset Value per Unit	\$20.03	\$21.43	\$23.10	\$13.21	\$18.91

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.



# Ideal Canadian Equity Focus Fund

Fund Details	
Type of Fund	Canadian equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Canadian Equity Focus Fund is to provide long-term growth. To achieve this objective, the Fund invests in Canadian equity and equity-type securities either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Canadian Equity Focus Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Canadian Equity Focus Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Canadian Equity Focus Fund invests primarily in Canadian equity and equity-type instruments. The Fund may invest in small, medium and large companies.

The Ideal Canadian Equity Focus Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Canadian Equity Focus Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments		% of Net Assets
1	Royal Bank of Canada	7.30
2	Toronto-Dominion Bank, (The)	6.07
3	Canadian Natural Resources Ltd	4.86
4	Bank of Nova Scotia, (The)	4.83
5	Suncor Energy Inc.	4.82
6	Manulife Financial Corporation	4.24
7	Potash Corporation of Saskatchewan Inc.	4.13
8	Research In Motion Limited	4.09
9	Cdn Imperial Bank of Commerce	3.80
10	Cenovus Energy Inc.	3.42

## Investment Risks

The Ideal Canadian Equity Focus Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include derivatives risk, exchange traded funds risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

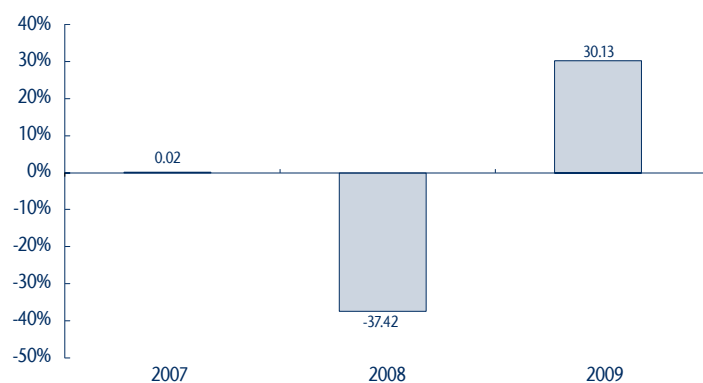
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.

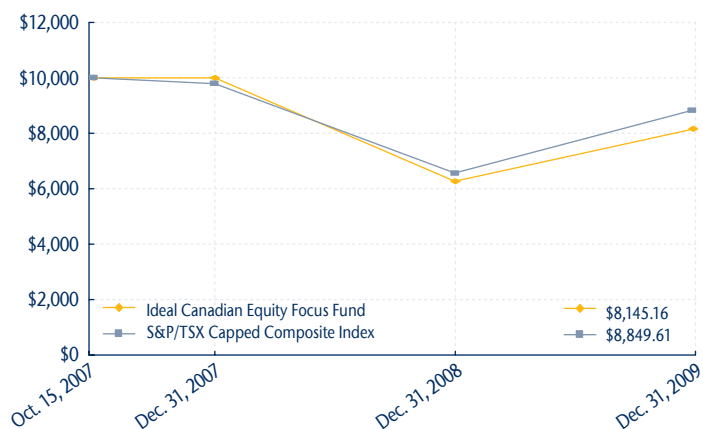


\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Canadian Equity Focus Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P/TSX Capped Composite Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Canadian Equity Focus Fund (%)	-8.86%	-	-	30.13%
S&P/TSX Capped Composite Index (%)	-5.37%	-	-	35.05%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table shows selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.1	\$2.0	\$7.6
Number of Units Outstanding	6,139	315,842	931,307
Management Expense Ratio <sup>(1)</sup>	2.54%	2.46%	2.48%
Portfolio Turnover Rate <sup>(2)</sup>	0.05%	37.13%	29.57%
Net Asset Value per Unit	\$10.00	\$6.26	\$8.14

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MER in 2007 for the back-end load option would have been 29.83%. For the years 2008 and 2009, the total amount of fees or other expenses absorbed by Standard Life for the back-end load option was negligible which resulted in no change to the MERs. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal U.S. Dividend Growth Fund

Fund Details	
Type of Fund	U.S. equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load with Resets: 2.55% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal U.S. Dividend Growth Fund is to achieve a combination of capital growth and income. To achieve this objective, the Fund invests in a diversified portfolio of U.S. equity and equity-type securities and other income producing investments either directly or through one or more underlying funds.

## Investment Strategies

The Ideal U.S. Dividend Growth Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the U.S. Dividend Growth Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life U.S. Dividend Growth Fund invests in a diversified portfolio of high-quality, U.S. equity and equity-type investments. The underlying Fund invests primarily in common shares but may also invest in preferred shares. The underlying Fund may also invest in bonds, warrants, rights or other securities that are convertible into common shares which carry the attributes of paying high dividends consistently over time.

The Ideal U.S. Dividend Growth Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life U.S. Dividend Growth Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 J.P. Morgan Chase & Co.	3.56
2 Money market instruments & Cash	3.40
3 Pfizer Inc.	3.32
4 ChevronTexaco Corporation	3.29
5 AT&T Inc.	3.14
6 Exxon Mobil Corporation	3.08
7 Emerson Electric Co.	2.92
8 PepsiCo Inc.	2.87
9 Johnson & Johnson	2.71
10 Microsoft Corporation	2.67

## Investment Risks

The Ideal U.S. Dividend Growth Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

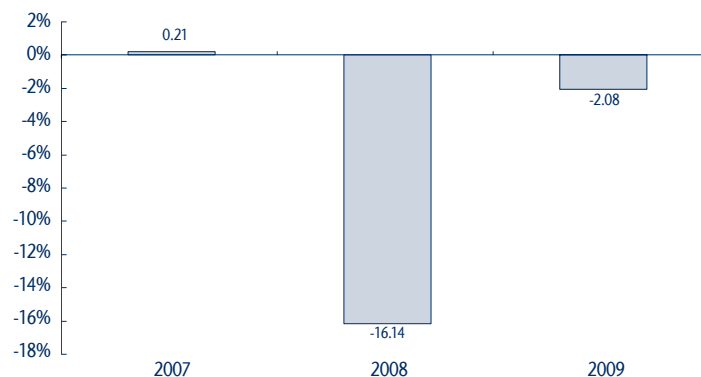
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

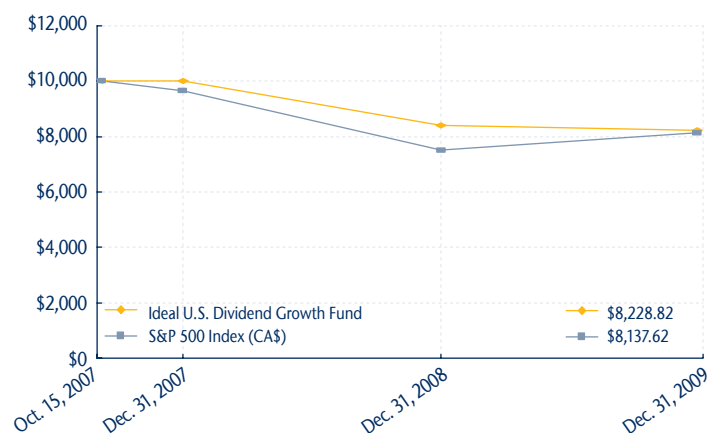
The bar chart below shows the Fund's annual performance.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P 500 Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal U.S. Dividend Growth Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal U.S. Dividend Growth Fund (%)	-8.44%	-	-	-2.08%
S&P 500 Index (CA\$) (%)	-8.89%	-	-	8.08%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.5	\$0.7	\$0.9
Number of Units Outstanding	47,746	93,483	115,288
Management Expense Ratio <sup>(1)</sup>	2.45%	2.78%	2.58%
Portfolio Turnover Rate <sup>(2)</sup>	0.82%	45.53%	35.57%
Net Asset Value per Unit	\$10.02	\$8.40	\$8.23

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MERs from 2007 to 2009 for the back-end load option would have been 8.45%, 3.07% and 2.92%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal Global Dividend Growth Fund

Fund Details	
Type of Fund	Global dividend
Inception Date	Back-End Load: January 10, 2005 No-Load: January 10, 2005 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.65% Platinum No-Load: 1.95%

## Investment Objectives

The investment objective of the Ideal Global Dividend Growth Fund is to provide both capital growth and income by investing primarily in a globally diversified portfolio of equities and equity-type securities and other income-producing investments either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Global Dividend Growth Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Global Dividend Growth Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Global Dividend Growth Fund invests primarily in a globally diversified portfolio of equity and equity-type securities and other income-producing investments. The underlying Fund may also invest in securities that currently do not pay dividends but do show good potential to do so in the future. The underlying Fund also invests in fixed-income securities and other funds.

The Ideal Global Dividend Growth Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Global Dividend Growth Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Exxon Mobil Corporation	2.89
2 BP PLC	2.86
3 J.P. Morgan Chase & Co.	2.66
4 Zurich Financial Services	2.24
5 Balfour Beatty PLC	2.15
6 Apple Inc.	2.12
7 Tesco PLC	2.09
8 Santander Central Hispano S.A.	2.06
9 Merck & Co., Inc.	2.01
10 Pfizer Inc.	1.95

## Investment Risks

The Ideal Global Dividend Growth Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, interest rate risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

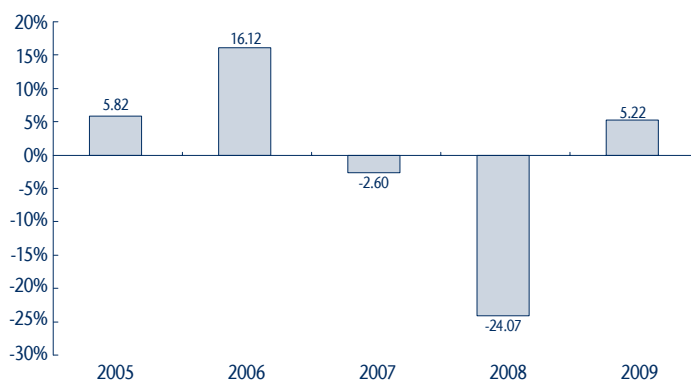
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, January 10, 2005.

### Year-by-Year Returns

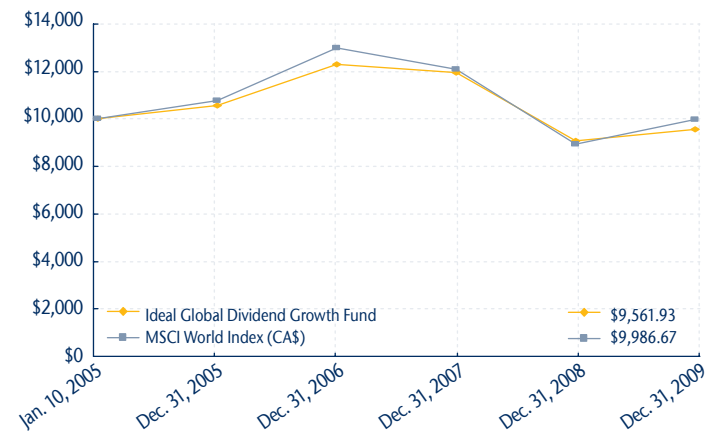
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the MSCI World Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Global Dividend Growth Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Global Dividend Growth Fund (%)	-0.90%	-	-8.02%	5.22%
MSCI World Index (CA\$) (%)	-0.03%	-	-8.43%	11.78%

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$7.9	\$34.1	\$64.0	\$45.6	\$43.7
Number of Units Outstanding	749,246	2,772,049	5,348,844	5,022,802	4,572,665
Management Expense Ratio <sup>(1)</sup>	2.40%	2.52%	2.54%	2.53%	2.53%
Portfolio Turnover Rate	43.22%	1.87%	5.66%	11.01%	7.86%
Net Asset Value per Unit	\$10.58	\$12.29	\$11.97	\$9.09	\$9.56

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal U.S. Equity Fund

Fund Details	
Type of Fund	U.S. equity
Inception Date	Back-End Load: December 21, 1998 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load: 2.65% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal U.S. Equity Fund is to provide long-term capital growth and diversification by investing primarily in a diversified portfolio of equities and equity-type securities of companies listed on U.S. exchanges either directly or through one or more underlying funds.

## Investment Strategies

The Ideal U.S. Equity Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the U.S. Equity Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life U.S. Equity Fund invests in a core portfolio composed primarily of mid-to large-cap companies.

The Ideal U.S. Equity Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life U.S. Equity Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Exxon Mobil Corporation	3.73
2 J.P. Morgan Chase & Co.	3.52
3 Bank of America Corporation	3.41
4 Wells Fargo & Company	2.69
5 Microsoft Corporation	2.69
6 Apple Inc.	2.60
7 General Electric Company	2.53
8 Pfizer Inc.	2.42
9 Cisco Systems Inc.	2.32
10 Johnson & Johnson	2.30

## Investment Risks

The Ideal U.S. Equity Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, interest rate risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

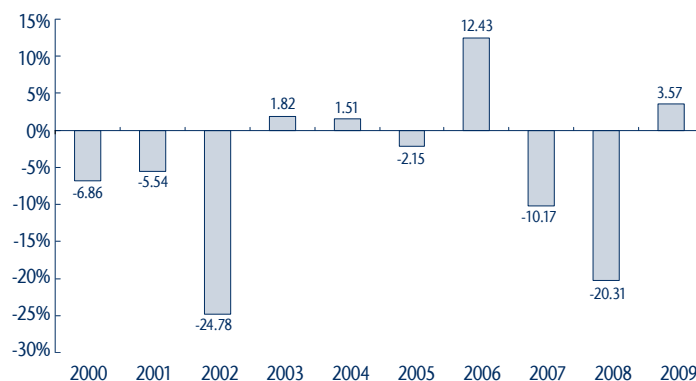
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

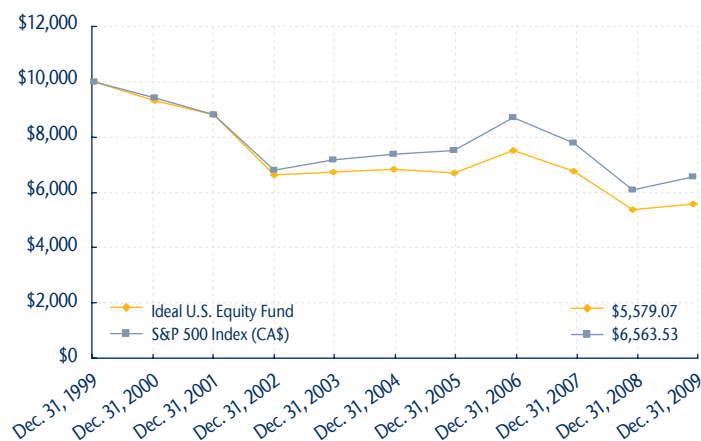
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P 500 Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal U.S. Equity Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal U.S. Equity Fund (%)	-5.67%	-4.00%	-9.49%	3.57%
S&P 500 Index (CA\$) (%)	-4.12%	-2.35%	-8.95%	8.08%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$30.1	\$29.7	\$24.5	\$17.2	15,2 \$
Number of Units Outstanding	4,158,439	3,649,963	3,346,820	2,956,300	2,512,139
Management Expense Ratio <sup>(1)</sup>	2.68%	2.69%	2.76%	2.65%	2.65%
Portfolio Turnover Rate	21.87%	6.48%	13.25%	9.72%	3,81 %
Net Asset Value per Unit	\$7.25	\$8.15	\$7.32	\$5.83	\$6.04

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.



# Ideal U.S. Mid Cap Fund

Fund Details	
Type of Fund	U.S. equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal U.S. Mid Cap Fund is to provide superior capital growth. The Fund invests primarily in a diversified portfolio of small- and mid-capitalization American companies either directly or through one or more underlying funds.

## Investment Strategies

The Ideal U.S. Mid Cap Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the U.S. Mid Cap Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life U.S. Mid Cap Fund invests in small- and mid-capitalization equities whose underlying business is characterized by better revenue and/or earnings growth potential over a business cycle when compared to an appropriate index or to the overall economy.

The Ideal U.S. Mid Cap Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life U.S. Mid Cap Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Money market instruments & Cash	4.37
2 Telephone and Data Systems	3.10
3 Nalco Holding Company	2.78
4 AMETEK, Inc.	2.75
5 HCC Insurance Holdings Inc	2.59
6 Electronic Arts Inc.	2.40
7 DENSTPLY International Inc.	2.08
8 Covance Inc.	1.92
9 Alberto-Culver Company	1.88
10 Raymond James Financial Inc.	1.86

## Investment Risks

The Ideal U.S. Mid Cap Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk and small cap equity risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

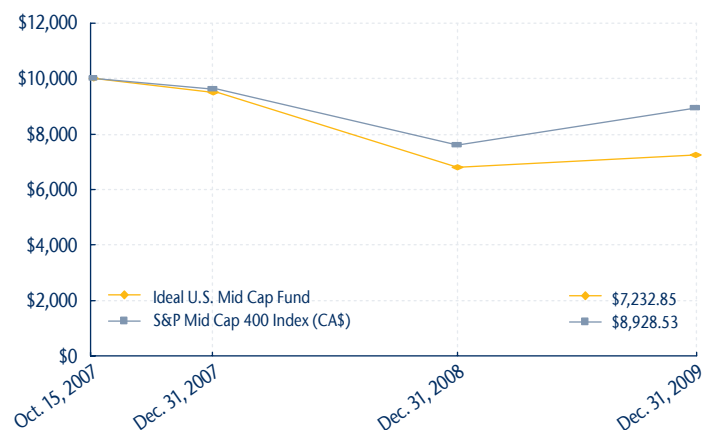
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P MidCap 400 Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal U.S. Mid Cap Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal U.S. Mid Cap Fund (%)	-13.63%	-	-	6.55%
S&P MidCap 400 Index (CA\$) (%)	-4.99%	-	-	17.41%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.0	\$0.0	\$0.0
Number of Units Outstanding	2,033	4,249	11,017
Management Expense Ratio <sup>(1)</sup>	2.59%	5.79%	2.46%
Portfolio Turnover Rate <sup>(2)</sup>	0.10%	5.11%	8.97%
Net Asset Value per Unit	\$9.50	\$6.79	\$7.23

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MERs from 2007 to 2009 for the back-end load option would have been 48.12%, 7.22% and 3.69%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal U.S. Equity Focus Fund

Fund Details	
Type of Fund	U.S. equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal U.S. Equity Focus Fund is to provide long-term capital growth. To achieve this objective, the Fund invests in U.S. equity and equity-type securities either directly or through one or more underlying funds.

## Investment Strategies

The Ideal U.S. Equity Focus Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the U.S. Equity Focus Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life U.S. Equity Focus Fund invests in U.S. equity and equity-type instruments.

The Ideal U.S. Equity Focus Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life U.S. Equity Focus Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Money market instruments & Cash	4.79
2 J.P. Morgan Chase & Co.	4.70
3 Wells Fargo & Company	3.21
4 Alberto-Culver Company	3.00
5 Bank of America Corporation	2.97
6 Pfizer Inc.	2.63
7 United Parcel Service, Inc.	2.54
8 Marriott International Inc.	2.48
9 Guess? Inc.	2.41
10 QUALCOMM Incorporated	2.39

## Investment Risks

The Ideal U.S. Equity Focus Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

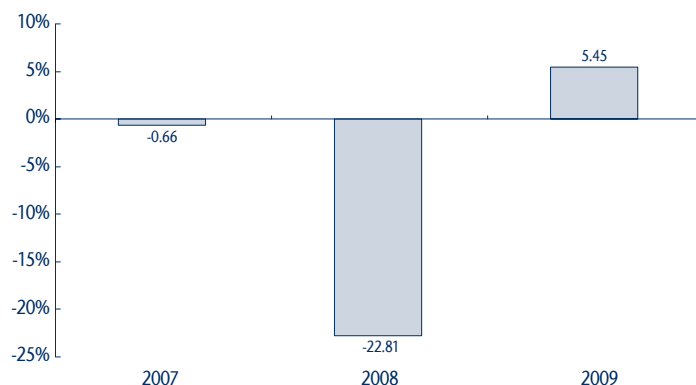
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

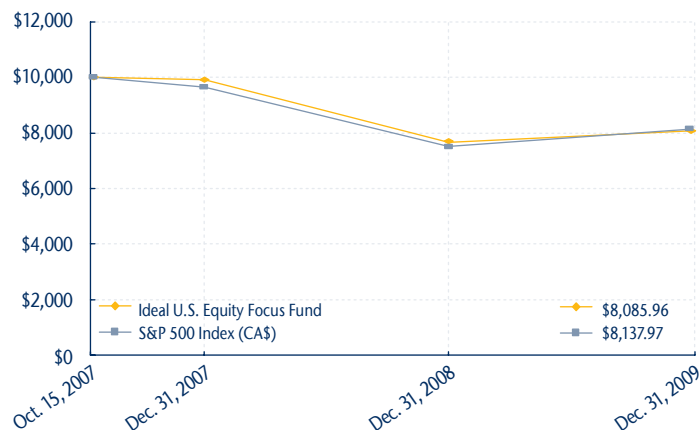
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the S&P 500 Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal U.S. Equity Focus Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal U.S. Equity Focus Fund (%)	-9.16%	-	-	5.45%
S&P 500 Index (CA\$) (%)	-8.89%	-	-	8.08%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.0	\$0.3	\$0.3
Number of Units Outstanding	1,109	42,051	42,830
Management Expense Ratio <sup>(1)</sup>	2.66%	3.33%	2.52%
Portfolio Turnover Rate <sup>(2)</sup>	0.13%	29.86%	134.43%
Net Asset Value per Unit	\$9.93	\$7.67	\$8.09

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MERs from 2007 to 2009 for the back-end load option would have been 51.01%, 4.29% and 3.48%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal European Equity Fund

Fund Details	
Type of Fund	European equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal European Equity Fund is to provide capital appreciation over the medium to longer term. The Fund invests primarily in equity markets of Europe either directly or through one or more underlying funds.

## Investment Strategies

The Ideal European Equity Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the European Equity Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life European Equity Fund invests directly or indirectly in equities and equity-type securities listed on the main European markets. From time to time, up to 10% of the Fund may be invested in smaller emerging European markets included in the MSCI Emerging Markets Index.

The Ideal European Equity Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life European Equity Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Money market instruments & Cash	4.12
2 BP PLC	3.96
3 Roche Holdings AG	3.32
4 Xstrata PLC	2.97
5 Nestlé S.A.	2.80
6 InBev N.V.	2.75
7 Telefonica S.A.	2.74
8 Siemens AG	2.67
9 Sanofi-Aventis	2.62
10 BNP Paribas	2.53

## Investment Risks

The Ideal European Equity Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk and small cap equity risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

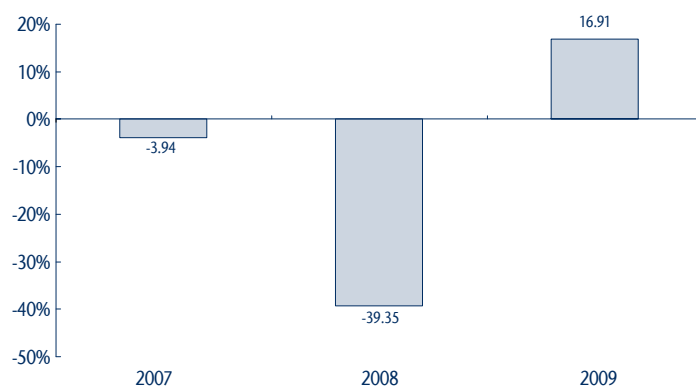
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

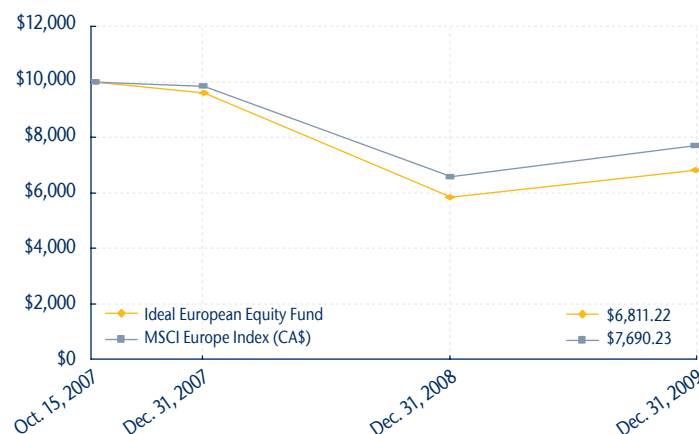
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the MSCI Europe Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal European Equity Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal European Equity Fund (%)	-15.93%	-	-	16.91%
MSCI Europe Index (CA\$) (%)	-11.19%	-	-	16.93%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.1	\$0.4	\$0.5
Number of Units Outstanding	8,614	70,805	79,132
Management Expense Ratio <sup>(1)</sup>	2.69%	3.13%	2.57%
Portfolio Turnover Rate <sup>(2)</sup>	0.20%	18.41%	43.94%
Net Asset Value per Unit	\$9.61	\$5.83	\$6.81

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MERs from 2007 to 2009 for the back-end load option, the no-load with reset option and the Platinum no-load option would have been 17.84%, 3.57% and 3.25%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal International Equity Fund

Fund Details	
Type of Fund	International equity
Inception Date	Back-End Load: December 21, 1998 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.65% No-Load: 2.80% No-Load with Resets: 2.85% Platinum No-Load: 2.20%

## Investment Objectives

The investment objective of the Ideal International Equity Fund is to provide long-term capital growth and portfolio diversification. To achieve this objective, the Fund invests primarily in a diversified portfolio of equities and equity-type securities of international companies either directly or through one or more underlying funds.

## Investment Strategies

The Ideal International Equity Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the International Equity Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life International Equity Fund primarily invests in a broad selection of companies based outside North America. The underlying Fund invests primarily in high-quality equities and equity-type instruments, and DRs, which may consist of, but is not limited to, ADRs. The securities held are primarily of mid- to large-cap companies.

The Ideal International Equity Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life International Equity Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 HSBC Holdings PLC	2.61
2 Money market instruments & Cash	2.42
3 Santander Central Hispano S.A.	2.31
4 Vodafone Group PLC	2.06
5 BHP Billiton PLC	2.00
6 BP PLC	1.98
7 Sanofi-Aventis	1.96
8 Telefonica S.A.	1.88
9 Commonwealth Bank of Australia	1.84
10 Toyota Motor Corporation	1.78

## Investment Risks

The Ideal International Equity Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, interest rate risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

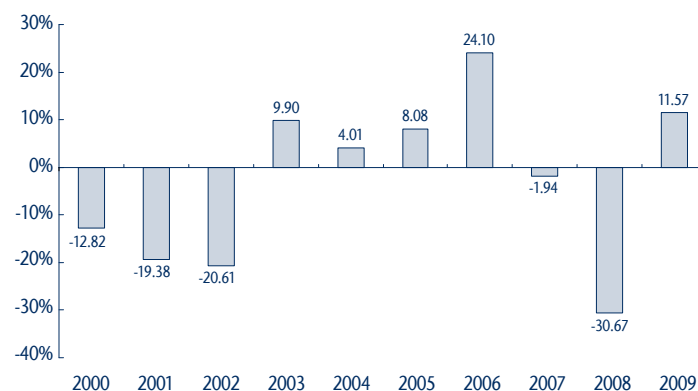
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated for a period of 10 years.

### Year-by-Year Returns

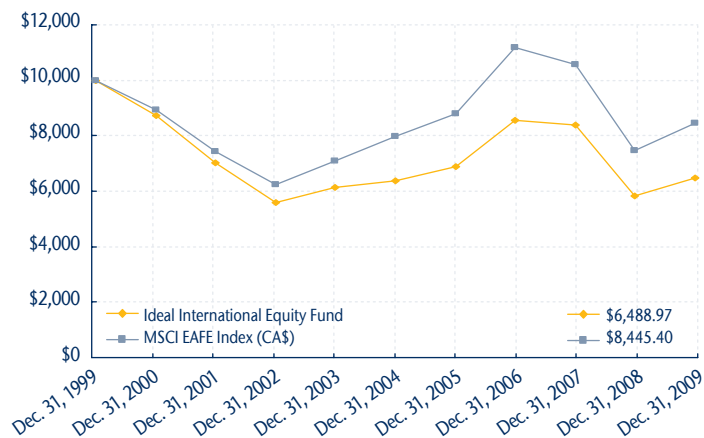
The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the MSCI EAFE Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal International Equity Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Ideal International Equity Fund (%)	-4.23%	0.34%	-8.80%	11.57%
MSCI EAFE Index (CA\$) (%)	-1.68%	1.15%	-8.89%	13.21%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$24.9	\$43.0	\$44.8	\$26.5	\$24.5
Number of Units Outstanding	3,030,577	4,221,739	4,484,627	3,826,338	3,170,396
Management Expense Ratio <sup>(1)</sup>	2.85%	2.84%	2.82%	2.79%	2.81%
Portfolio Turnover Rate	1.45%	5.27%	19.39%	6.55%	4.38%
Net Asset Value per Unit	\$8.21	\$10.19	\$9.99	\$6.93	\$7.73

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.



# Ideal Global Equity Fund

Fund Details	
Type of Fund	Global equity
Inception Date	Back-End Load: October 10, 2000 No-Load: October 10, 2000 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load: 2.65% No-Load with Resets: 2.70% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal Global Equity Fund is to provide capital appreciation over the medium to long-term by investing primarily in a diversified portfolio of equities and equity-type securities of multinational companies throughout the world either directly or through one or more underlying funds. It may also invest in companies that the portfolio manager expects will achieve multinational status.

## Investment Strategies

The Ideal Global Equity Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Global Equity Fund and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Global Equity Fund invests in a diversified portfolio of equities and equity-type securities of multinational companies in developed and emerging markets. The underlying fund may also invest in companies that are expected to achieve multinational status.

The Ideal Global Equity Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Global Equity Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Money market instruments & Cash	2.36
2 Apple Inc.	2.25
3 Walt Disney Company, (The)	1.60
4 PepsiCo Inc.	1.49
5 Bank of America Corporation	1.47
6 Koninklijke Philips Electronic	1.39
7 Goldman Sachs Group, Inc. (The)	1.39
8 Polycom, Inc.	1.39
9 Pearson plc	1.38
10 Cie Generale De Geophysique	1.35

## Investment Risks

The Ideal Global Equity Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk and market risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

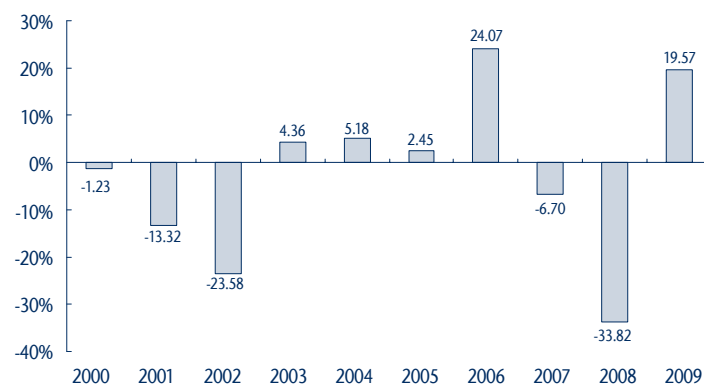
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load has been calculated since inception, October 10, 2000.

### Year-by-Year Returns

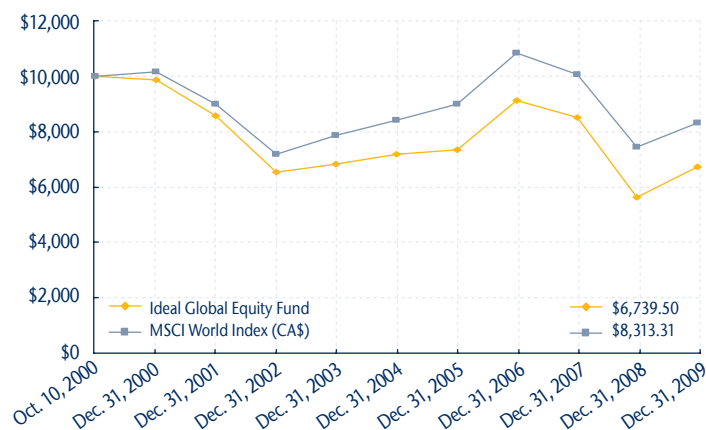
The bar charts below show the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to the MSCI World Index (CA\$).



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Global Equity Fund

## Annual Compound Returns

The following table shows the Fund's annual compound total returns compared to the annual compound total returns of the index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Global Equity Fund (%)	-4.19%	-1.26%	-9.62%	19.57%
MSCI World Index (CA\$) (%)	-1.98%	-0.26%	-8.43%	11.78%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in How to Read the *Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$1.5	\$5.5	\$10.1	\$5.8	\$5.8
Number of Units Outstanding	202,676	601,057	1,188,901	1,028,569	862,466
Management Expense Ratio <sup>(1)</sup>	2.76%	2.70%	2.75%	2.67%	2.68%
Portfolio Turnover Rate	123.82%	12.58%	40.69	10.94%	17.93%
Net Asset Value per Unit	\$7.36	\$9.13	\$8.52	\$5.64	\$6.74

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life for all surrender options was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Global Equity Focus Fund

Fund Details	
Type of Fund	Global equity
Inception Date	Back-End Load: October 15, 2007 No-Load with Resets: October 15, 2007 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The investment objective of the Ideal Global Equity Focus Fund is to provide long-term capital growth. To achieve this objective, the Fund invests in a diversified portfolio of equity and equity-type securities of issuers throughout the world either directly or through one or more underlying funds.

## Investment Strategies

The Ideal Global Equity Focus Fund invests most of its assets in the units of the Standard Life Mutual Fund (SLMF) named the Global Equity Focus Fund, and holds the remaining assets as money market instruments and cash for liquidity, strategic and management purposes. The Standard Life Global Equity Focus Fund invests in equity and equity-type instruments. The underlying fund will use both growth and value approaches when selecting securities, and so will invest in securities which offer better earnings growth potential and attractive valuations relative to the securities of global peers.

The Ideal Global Equity Focus Fund's portfolio is structured within these parameters:

Asset Category	Fund Exposure	
	Minimum	Maximum
Standard Life Global Equity Focus Fund	90%	100%
Money Market Instruments & Cash	0%	10%

## Top 10 Holdings, as at March 30, 2010

Investments	% of Net Assets
1 Canadian Natural Resources Ltd	2.90
2 Bank of Nova Scotia, (The)	2.64
3 Cdn Imperial Bank of Commerce	2.61
4 Royal Bank of Canada	2.56
5 Suncor Energy Inc.	2.46
6 Potash Corporation of Saskatchewan Inc.	2.43
7 Manulife Financial Corporation	2.37
8 Toronto-Dominion Bank, (The)	2.24
9 J.P. Morgan Chase & Co.	1.82
10 Microsoft Corporation	1.82

## Investment Risks

The Ideal Global Equity Focus Fund is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include currency exchange risk, derivatives risk, exchange traded funds risk, foreign market risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

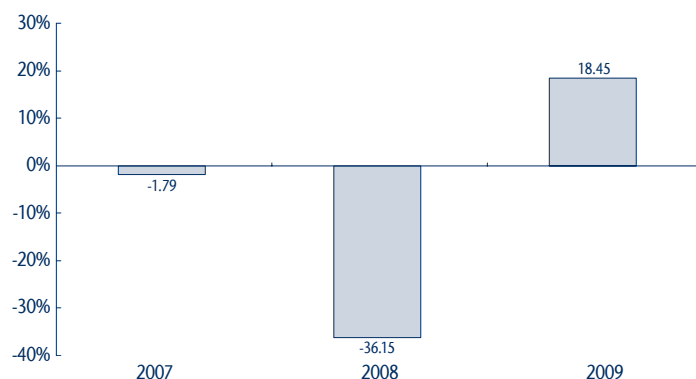
## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

Performance for the back-end load option has been calculated since inception, October 15, 2007.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

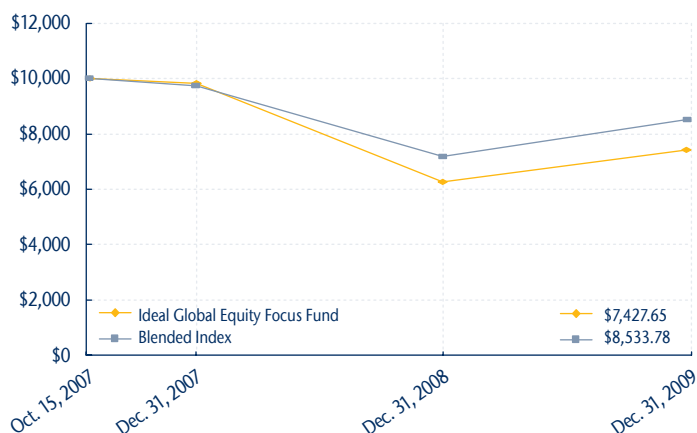
# Ideal Global Equity Focus Fund

## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund and the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 38 percent S&P/TSX Capped Composite Index,
- 38 percent S&P 500 Index (CA\$),
- 19 percent MSCI EAFE Index (CA\$) and
- 5 percent DEX 91-Day T-Bill Index.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table presents the Fund's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Global Equity Focus Fund (%)	-12.58%	-	-	18.45%
Blended Index (%)	-6.92%	-	-	18.75%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Fund. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data			
	2007	2008	2009
Net Assets (millions)	\$0.1	\$0.2	\$0.2
Number of Units Outstanding	3,397	27,389	32,048
Management Expense Ratio <sup>(1)</sup>	2.64%	3.43%	2.49%
Portfolio Turnover Rate <sup>(2)</sup>	0.11%	44.45%	17.99%
Net Asset Value per Unit	\$9.82	\$6.27	\$7.43

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and expenses, the MERs from 2007 to 2009 for the back-end load option, the no-load with reset option and the Platinum no-load option would have been 44.53%, 4.37% and 3.64%, respectively. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

<sup>(2)</sup> The portfolio turnover rate for 2007 is annualized.

# Ideal Conservative Portfolio

Fund Details	
Type of Fund	Fund-of-fund
Inception Date	Back-End Load: January 6, 2003 No-Load: January 6, 2003 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.30% No-Load: 2.45% No-Load with Resets: 2.45% Platinum No-Load: 1.85%

## Investment Objectives

The Portfolio's investment objective is to provide a consistent flow of income with an emphasis on preservation of capital.

## Investment Strategies

The target asset mix of the Ideal Conservative Portfolio is composed of 70 percent fixed income and 30 percent equity funds. For the Portfolio's equity component, we have selected underlying funds from the high-quality Standard Life Mutual Funds (SLMF). The mix may fluctuate based on the portfolio manager's expectations of long-term market performance.

The Ideal Conservative Portfolio's investments will be allocated according to the pre-established targets detailed below. Standard Life reserves the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. We will not notify policyholders of these changes. At least once per quarter or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time.

The current target allocation is as follows:

Underlying Funds	Target Allocation	Category of Underlying Fund
Standard Life Canadian Bond Fund	59.3%	Canadian bond
Standard Life International Bond Fund	6%	International bond
Standard Life Canadian Equity Fund	12.8%	Canadian equity
Standard Life Dividend Income Fund	7%	Canadian dividend
Standard Life U.S. Dividend Growth Fund	4.7%	U.S. equity
Standard Life International Equity Fund	2.7%	International equity
Standard Life Global Monthly Income Fund	4%	Global balanced
Standard Life Global Dividend Growth Fund	3.5%	Global equity

Please refer to Appendix 1 for the investment summary of the underlying Standard Life Mutual Funds.

## Top 10 Holdings, as at March 30, 2010

Underlying Funds		% of Net Assets of Ideal Portfolio
1	Standard Life Canadian Bond Fund	60.37
2	Standard Life Canadian Equity Fund	11.46
3	Standard Life Dividend Income Fund	7.36
4	Standard Life International Bond Fund	5.60
5	Standard Life U.S. Dividend Growth Fund	4.99
6	Standard Life Global Monthly Income Fund	3.96
7	Standard Life Global Dividend Growth Fund	3.41
8	Standard Life International Equity Fund	2.89

The following investments were the 10 largest holdings of the Standard Life Canadian Bond Fund as at, March 30, 2010.

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1	Canada Housing Trust	2012-12-15	9.89
2	Government of Canada	2012-09-01	6.98
3	Government of Canada	2041-06-01	4.58
4	Province of Ontario	2012-12-02	3.32
5	Province of Quebec	2016-12-01	2.46
6	Province of Quebec	2029-10-01	2.19
7	Province of Quebec	2014-12-01	2.14
8	Province of Ontario	2029-03-08	2.14
9	Province of Ontario	2013-06-02	1.98
10	Bank of Nova Scotia, (The)	2013-03-27	1.80

## Investment Risks

The Ideal Conservative Portfolio is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying funds, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

# Ideal Conservative Portfolio

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

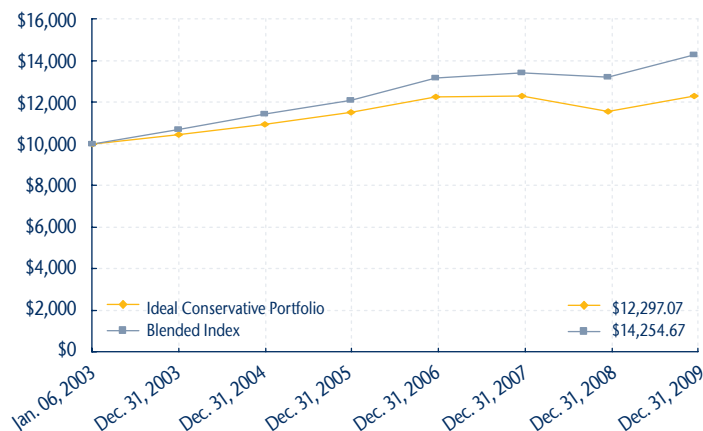
### Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 57 percent DEX Universe Bond Index,
- 14.25 percent S&P/TSX Capped Composite Index,
- 9.5 percent J.P. Morgan Global Government Bond Index (CA\$),
- 5 percent DEX 91-Day T-Bill Index,
- 4.75 percent S&P 500 Index (CA\$),
- 4.75 percent MSCI EAFE Index (CA\$) and
- 4.75 percent MSCI World Index (CA\$).

On September 30<sup>th</sup>, 2005, the blended index was modified to better reflect the Fund's portfolio. In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index so that the blended index would better reflect the Fund's portfolio. On September 29, 2006, we replaced the S&P/TSX Capped Equity Index with the S&P/TSX Capped Composite Index so that the blended index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

### Annual Compound Returns

The following table shows the Portfolio's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Conservative Portfolio (%)	3.01%	2.41%	0.15%	6.58%
Blended Index (%)	5.21%	4.49%	2.76%	8.17%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Conservative Portfolio

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Portfolio. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$27.7	\$31.3	\$32.6	\$33.4	\$43.7
Number of Units Outstanding	2,407,922	2,558,575	2,652,139	2,893,692	3,551,054
Management Expense Ratio <sup>(1)</sup>	2.53%	2.50%	2.45%	2.44%	2.41%
Portfolio Turnover Rate	19.92%	21.68%	37.29%	28.68%	35.38%
Net Asset Value per Unit	\$11.50	\$12.24	\$12.28	\$11.54	\$12.30

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2006 and 2008 to 2009, the total amount of fees or other expenses absorbed for the back-end load option was negligible which resulted in no change to the MERs. If the Fund had paid all such fees and other expenses, the MER in 2007 for the back-end load option would have been 2.46%. For all details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Moderate Portfolio

Fund Details	
Type of Fund	Fund-of-fund
Inception Date	Back-End Load: January 6, 2003 No-Load: January 6, 2003 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.35% No-Load: 2.50% No-Load with Resets: 2.50% Platinum No-Load: 1.90%

## Investment Objectives

The Portfolio's investment objective is to provide income while leaving room for some capital appreciation.

## Investment Strategies

The target asset mix is composed of 60 percent fixed income funds and 40 percent equity funds. The larger proportion of assets will be invested in fixed income funds. For the Portfolio's equity component, we have selected underlying funds from the high-quality Standard Life Mutual Funds (SLMF). The mix may fluctuate based on the portfolio manager's expectations of long-term market performance.

The Ideal Moderate Portfolio's investments will be allocated according to the pre-established targets detailed below. Standard Life reserves the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. We will not notify policyholders of these changes. At least once per quarter or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time.

The current target allocation is as follows:

Underlying Funds	Target Allocation	Category of Underlying Fund
Standard Life Canadian Bond Fund	49.3%	Canadian bond
Standard Life International Bond Fund	6%	International bond
Standard Life Canadian Equity Fund	14.8%	Canadian equity
Standard Life Dividend Income Fund	11%	Canadian dividend
Standard Life U.S. Dividend Growth Fund	6.2%	U.S. equity
Standard Life International Equity Fund	5.2%	International equity
Standard Life Global Monthly Income Fund	4%	Global balanced
Standard Life Global Dividend Growth Fund	3.5%	Global equity

Please refer to Appendix 1 for the investment summary of the underlying Standard Life Mutual Funds.

## Top 10 Holdings, as at March 30, 2010

Underlying Funds		% of Net Assets of Ideal Portfolio
1	Standard Life Canadian Bond Fund	50.30
2	Standard Life Canadian Equity Fund	13.51
3	Standard Life Dividend Income Fund	11.54
4	Standard Life U.S. Dividend Growth Fund	6.47
5	Standard Life International Bond Fund	5.59
6	Standard Life International Equity Fund	5.28
7	Standard Life Global Monthly Income Fund	3.95
8	Standard Life Global Dividend Growth Fund	3.39

The following investments were the 10 largest holdings of the Standard Life Canadian Bond Fund as at March 30, 2010.

Investments	Coupon	Maturity Date (YYYY/MM/DD)	% of Net Assets
1	Canada Housing Trust	2012-12-15	9.89
2	Government of Canada	2012-09-01	6.98
3	Government of Canada	2041-06-01	4.58
4	Province of Ontario	2012-12-02	3.32
5	Province of Quebec	2016-12-01	2.46
6	Province of Quebec	2029-10-01	2.19
7	Province of Quebec	2014-12-01	2.14
8	Province of Ontario	2029-03-08	2.14
9	Province of Ontario	2013-06-02	1.98
10	Bank of Nova Scotia, (The)	2013-03-27	1.80

## Investment Risks

The Ideal Moderate Portfolio is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying funds, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

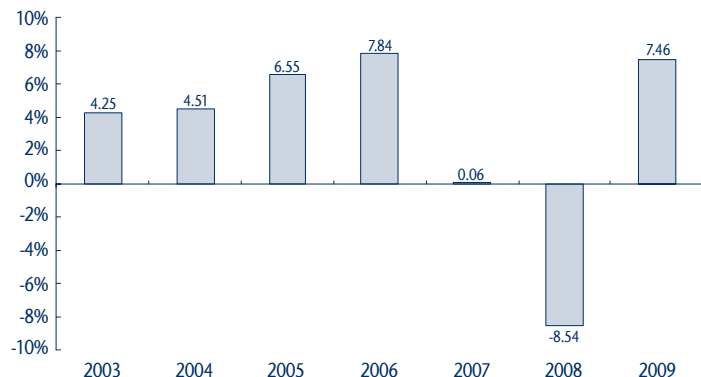
The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.



# Ideal Moderate Portfolio

## Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

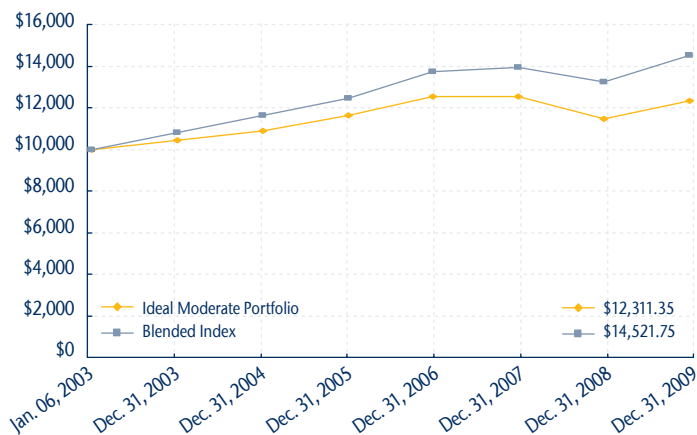
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 47.5 percent DEX Universe Bond Index,
- 19 percent S&P/TSX Capped Composite Index,
- 9.5 percent J.P. Morgan Global Government Bond Index (CA\$),
- 7.12 percent S&P 500 Index (CA\$),
- 7.12 percent MSCI EAFE Index (CA\$),
- 5 percent DEX 91-Day T-Bill Index and
- 4.75 percent MSCI World Index (CA\$).

On September 30<sup>th</sup>, 2005, the blended index was modified to better reflect the Fund's portfolio. In December 2005, the composition of the S&P/TSX Capped Composite Index was changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index so that the blended index would better reflect the Fund's portfolio. On September 29, 2006, we replaced the S&P/TSX Capped Equity Index with the S&P/TSX Capped Composite Index so that the blended index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Portfolio's annual compound rate of returns compared to the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Moderate Portfolio (%)	3.02%	2.47%	-0.56%	7.46%
Blended Index (%)	5.49%	4.51%	1.92%	9.78%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Portfolio. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$33.0	\$46.5	\$50.8	\$57.6	\$77.6
Number of Units Outstanding	2,845,673	3,711,273	4,053,926	5,022,694	6,300,654
Management Expense Ratio <sup>(1)</sup>	2.58%	2.53%	2.50%	2.48%	2.48%
Portfolio Turnover Rate	17.62%	12.86%	35.56%	28.77%	30.85%
Net Asset Value per Unit	\$11.61	\$12.52	\$12.53	\$11.46	\$12.31

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2006 to 2009, the total amount of fees or other expenses absorbed for the back-end load option was negligible which resulted in no change to the MERs. If the Fund had paid all fees and other expenses, the MER in 2005 for the back-end load option would have been 2.59%. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Growth Portfolio

Fund Details	
Type of Fund	Fund-of-fund
Inception Date	Back-End Load: January 6, 2003 No-Load: January 6, 2003 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.45% No-Load: 2.60% No-Load with Resets: 2.60% Platinum No-Load: 2.00%

## Investment Objectives

The Portfolio's investment objective is to emphasize appreciation of capital while still providing some income.

## Investment Strategies

The target asset mix of the Ideal Growth Portfolio is composed of 40 percent fixed income funds and 60 percent equity funds. A larger portion of assets will be invested in equity funds, while a smaller portion will be invested in fixed income funds. We have selected underlying funds from the Standard Life Mutual Fund (SLMF) family. The mix may fluctuate based on the portfolio manager's expectations of long-term market performance.

The Ideal Growth Portfolio's investments will be allocated according to the pre-established targets detailed below. Standard Life reserves the right to change the target allocation and to remove, replace or add funds to help maintain the investment objective of the Portfolio. We will not notify policyholders of these changes. At least once per quarter or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time.

The current target allocation is as follows:

Underlying Funds	Target Allocation	Category of Underlying Fund
Standard Life Canadian Bond Fund	24.3%	Canadian bond
Standard Life International Bond Fund	6%	International bond
Standard Life Dividend Income Fund	5%	Canadian dividend
Standard Life Canadian Equity Fund	21.7%	Canadian equity
Standard Life International Equity Fund	11.9%	International equity
Standard Life Canadian Small Cap Fund	13%	Canadian small cap
Standard Life U.S. Equity Focus Fund	7.1%	U.S. equity
Standard Life U.S. Mid Cap Fund	7%	U.S. growth equity
Standard Life Global Monthly Income Fund	4%	Global balanced

Please refer to Appendix 1 for the investment summary of the underlying Standard Life Mutual Funds.

## Top 10 Holdings, as at March 30, 2010

Underlying Funds	% of Net Assets of Ideal Portfolio
1 Standard Life Canadian Bond Fund	25.10
2 Standard Life Canadian Equity Fund	20.60
3 Standard Life Canadian Small Cap Fund	13.45
4 Standard Life International Equity Fund	11.39
5 Standard Life U.S. Equity Focus Fund	7.54
6 Standard Life U.S. Mid Cap Fund	7.32
7 Standard Life International Bond Fund	5.53
8 Standard Life Dividend Income Fund	5.19
9 Standard Life Global Monthly Income Fund	3.91

## Investment Risks

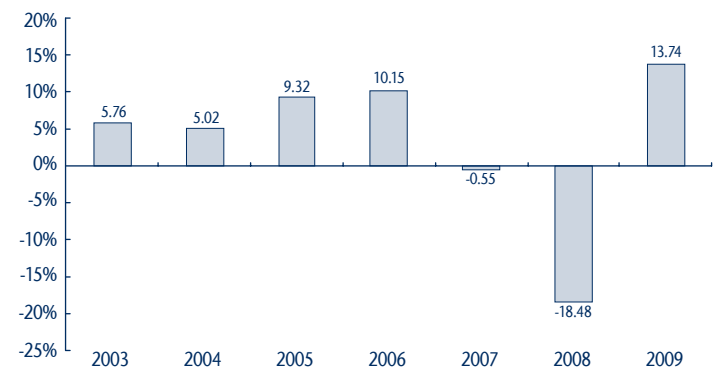
The Ideal Growth Portfolio is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying funds, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Growth Portfolio

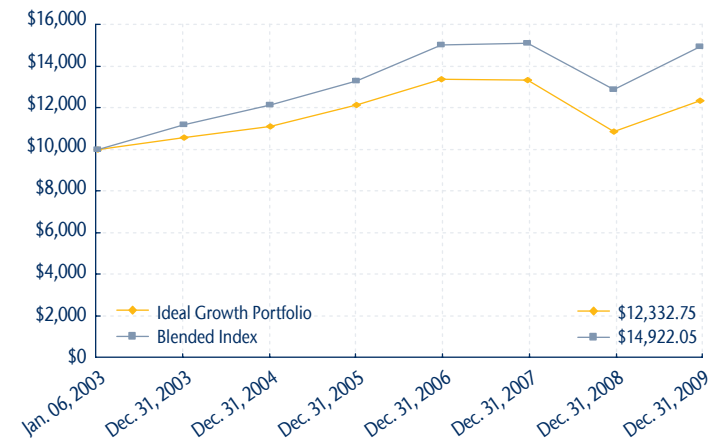
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 28.5 percent DEX Universe Bond Index,
- 19 percent S&P/TSX Capped Composite Index,
- 14.25 percent MSCI EAFE Index (CA\$),
- 9.5 percent J.P. Morgan Global Government Bond Index (CA\$),
- 9.5 percent S&P 500 Index (CA\$),
- 9.5 percent S&P/TSX SmallCap Equity Index (CA\$),
- 5 percent DEX 91-Day T-Bill Index and
- 4.75 percent S&P MidCap 400 Index (CA\$).

On September 30<sup>th</sup>, 2005, the blended index was modified to better reflect the Fund's portfolio. In December 2005, the composition of the S&P/TSX Capped Composite Index and S&P/TSX SmallCap Index was changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index and the S&P/TSX SmallCap Index with the S&P/TSX SmallCap Equity Index, so that the blended index would better reflect the Fund's portfolio. On September 29, 2006, we replaced the S&P/TSX Capped Equity Index with the S&P/TSX Capped Composite Index so that the blended index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Portfolio's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Growth Portfolio (%)	3.05%	2.11%	-2.67%	13.74%
Blended Index (%)	5.90%	4.24%	-0.20%	15.99%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Portfolio. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$27.4	\$39.2	\$43.9	\$42.0	\$61.0
Number of Units Outstanding	2,258,107	2,930,878	3,298,505	3,877,939	4,946,937
Management Expense Ratio <sup>(1)</sup>	2.66%	2.63%	2.68%	2.60%	2.57%
Portfolio Turnover Rate	18.53%	10.20%	28.54%	29.67%	22.62%
Net Asset Value per Unit	\$12.14	\$13.37	\$13.30	\$10.84	\$12.33

\* The table shows financial data for the back-end load options. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all fees and other expenses, the MER in 2006 and 2009 for the back-end load option would have been 2.64% and 2.50% respectively. For the years 2004, 2005, 2007 and 2008, the total amount of fees or other expenses absorbed by Standard Life for the back-end load option was negligible which resulted in no change to the MERs. For details on all other surrender options, please see the annual financial statements. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

# Ideal Aggressive Portfolio

Fund Details	
Type of Fund	Fund-of-fund
Inception Date	Back-End Load: January 6, 2003 No-Load: January 6, 2003 No-Load with Resets: November 6, 2006 Platinum No-Load: October 15, 2007
Management Fees	Back-End Load: 2.50% No-Load: 2.65% No-Load with Resets: 2.65% Platinum No-Load: 2.05%

## Investment Objectives

The Portfolio's investment objective is to maximize long-term capital growth.

## Investment Strategies

The target asset mix is composed of 25 percent fixed income funds and 75 percent equity funds. The strategy is to invest in equity funds from the Standard Life Mutual Fund (SLMF) family with proven long-term performance, while maintaining a small portion in fixed income funds. The mix may fluctuate based on the portfolio manager's expectations of long-term market performance.

The Ideal Aggressive Portfolio's investments will be allocated according to the pre-established targets detailed below. Standard Life reserves the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. We will not notify clients of these changes. At least once per quarter or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time.

The current target allocation is as follows:

Underlying Funds	Target Allocation	Category of Underlying Fund
Standard Life Canadian Bond Fund	14.3%	Canadian bond
Standard Life International Bond Fund	5%	International bond
Standard Life Dividend Income Fund	5%	Canadian dividend
Standard Life Canadian Equity Fund	21.6%	Canadian equity
Standard Life International Equity Fund	16.9%	International equity
Standard Life Canadian Small Cap Fund	18%	Canadian small cap
Standard Life U.S. Equity Focus Fund	9.7%	U.S. equity
Standard Life U.S. Mid Cap Fund	9.5%	U.S. growth equity

Please refer to Appendix 1 for the investment summary of the underlying Standard Life Mutual Funds.

## Top 10 Holdings, as at March 30, 2010

Underlying Funds		% of Net Assets of Ideal Portfolio
1	Standard Life Canadian Equity Fund	20.47
2	Standard Life Canadian Small Cap Fund	18.60
3	Standard Life International Equity	16.02
4	Standard Life Canadian Bond Fund	15.21
5	Standard Life U.S. Equity Focus Fund	10.04
6	Standard Life U.S. Mid Cap Fund	9.93
7	Standard Life Dividend Income Fund	5.18
8	Standard Life International Bond Fund	4.58

## Investment Risks

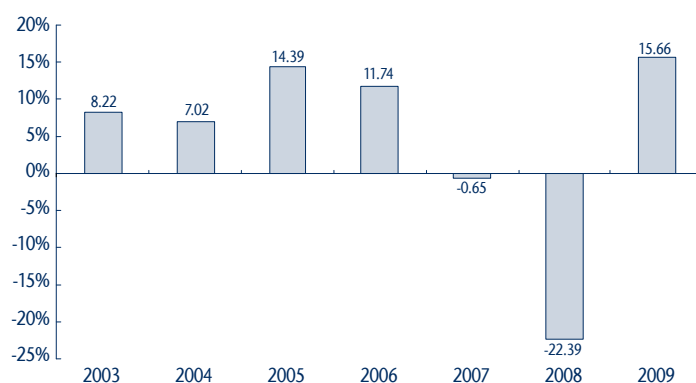
The Ideal Aggressive Portfolio is subject to fund-of-fund investment risk and is exposed to the risks associated with its underlying fund, which include asset-backed and mortgage-backed securities investment risk, currency exchange risk, derivatives risk, exchange traded funds risk, credit risk, foreign market risk, interest rate risk, market risk, small cap equity risk and income trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

## Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund.

### Year-by-Year Returns

The bar chart below shows the Fund's annual performance since its inception.



\* The bar chart shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

# Ideal Aggressive Portfolio

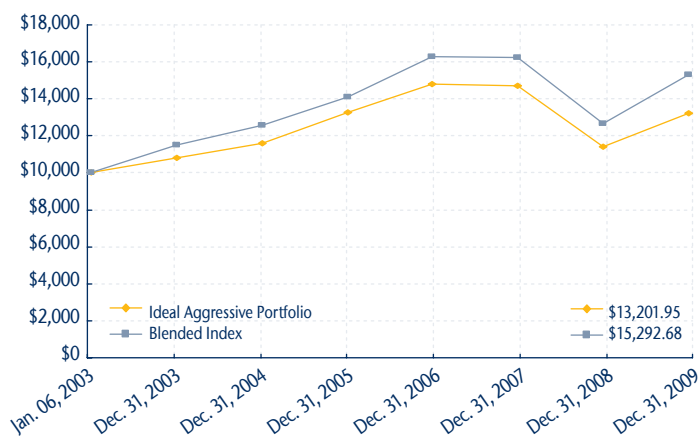
## Overall Past Performance

The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The blended index is composed of:

- 19 percent S&P/TSX Capped Composite Index,
- 19 percent DEX Universe Bond Index,
- 19 percent MSCI EAFE Index (CA\$),
- 14.25 percent S&P/TSX SmallCap Equity Index (CA\$),
- 9.5 percent S&P 500 Index (CA\$),
- 9.5 percent S&P MidCap 400 Index (CA\$),
- 5 percent DEX 91-Day T-Bill Index and
- 4.75 percent J.P. Morgan Global Government Bond Index (CA\$).

On September 30<sup>th</sup>, 2005, the blended index was modified to better reflect the Fund's portfolio. In December 2005, the composition of the S&P/TSX Capped Composite Index and S&P/TSX SmallCap Index was changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index and the S&P/TSX SmallCap Index with the S&P/TSX SmallCap Equity Index, so that the blended index would better reflect the Fund's portfolio. On September 29, 2006, we replaced the S&P/TSX Capped Equity Index with the S&P/TSX Capped Composite Index so that the blended index would better reflect the Fund's portfolio.



\* The line graph shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Annual Compound Returns

The following table shows the Portfolio's annual compound total returns compared to the annual compound total returns of the blended index specified in the Overall Past Performance section above.

	Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Aggressive Portfolio (%)	4.06%	2.65%	-3.75%	15.66%
Blended Index (%)	6.27%	3.99%	-2.04%	20.70%

\* The table shows performance for the back-end load option. Any subsequent offerings have different returns and growth values due to the different inception dates and MERs.

## Financial Highlights, as at December 31

The following table presents selected key financial data on the Portfolio. Please refer to the section entitled Financial Highlights, which can be found in *How to Read the Ideal Segregated Fund Highlights*.

Ratios and Supplemental Data					
	2005	2006	2007	2008	2009
Net Assets (millions)	\$9.8	\$14.5	\$17.6	\$14.5	\$18.2
Number of Units Outstanding	740,594	982,398	1,199,000	1,266,910	1,378,118
Management Expense Ratio <sup>(1)</sup>	2.72%	2.68%	2.64%	2.65%	2.65%
Portfolio Turnover Rate	33.06%	11.71%	27.13%	30.20%	27.56%
Net Asset Value per Unit	\$13.25	\$14.80	\$14.71	\$11.41	\$13.20

\* The table shows financial data for the back-end load option. Any subsequent offerings have different financial data.

<sup>(1)</sup> The management expense ratio (MER) is equal to total expenses for the year attributable to a surrender option as a percentage of daily average net assets outstanding during the year for the surrender option, and is annualized for periods of less than one year. Standard Life may voluntarily absorb some of the fees and other expenses otherwise chargeable to the Fund. For the years 2005 to 2009, the total amount of fees or other expenses absorbed by Standard Life was negligible which resulted in no change to the MERs. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.

## Appendix 1 –

### Investment Objectives of the Underlying Mutual Funds

The following table presents the investment objectives of the underlying Standard Life Mutual Funds targeted to be in the four Ideal Portfolios effective as at the date of this document.

Underlying Mutual Fund	Investment Objective
Standard Life Canadian Bond Fund	The investment objective of the fund is to provide a relatively high level of current income while protecting capital. The fund invests primarily in liquid, high-quality federal and provincial government and corporate bonds and debentures.
Standard Life Corporate High Yield Bond Fund	The investment objective of the fund is to provide a bond portfolio that offers superior income compared to traditional bond funds. The fund invests primarily in Canadian corporate bonds. The portfolio of the fund has an average rating of at least BBB at all times.
Standard Life International Bond Fund	The investment objective of the fund is to provide superior income returns and currency diversification. The fund invests primarily in the foreign currency debt securities of high-quality issuers.
Standard Life Canadian Dividend Growth Fund	The investment objective of the fund is to provide both capital growth and superior dividend income. The fund invests in a diversified portfolio of high-quality, high-yielding Canadian equities. The portfolio advisor focuses on companies that have superior financial positions and have historically demonstrated their capacity to pay relatively high dividends and sustain such payments over time.
Standard Life Dividend Income Fund	The investment objective of the fund is to achieve a combination of capital growth and income. The Fund invests in a diversified portfolio of high-yielding equity and equity-type securities. The portfolio advisor focuses on companies that have superior financial positions and have historically demonstrated their capacity to pay high relative dividends and sustain such payments over time.
Standard Life Canadian Equity Fund	The investment objective of the fund is to provide long-term capital growth. The fund invests in a well-diversified portfolio of Canadian and American equities. The portfolio advisor selects investments based on fundamental security analysis. The outlook for each underlying company's equity is primarily based upon its earnings and growth potential over the coming period.

Underlying Mutual Fund	Investment Objective
Standard Life Canadian Small Cap Fund	The investment objective of the fund is to provide superior capital growth. The fund invests in a diversified portfolio composed primarily of small capitalization Canadian companies, which may consist of both value and traditional growth companies. "Small cap" is generally defined for the purpose of this fund as the shares of companies with a market capitalization value less than \$1.5 billion at the time of the investment purchase, while stocks with a total market cap of less than \$100 million are excluded because of their limited liquidity and the constraints this may impose on the portfolio.
Standard Life Canadian Equity Focus Fund	The investment objective of the fund is to provide long-term capital growth. The fund invests primarily in a diversified portfolio of Canadian equity and equity-type securities.
Standard Life U.S. Equity Fund	The investment objective of the fund is to provide long-term capital growth and diversification. The fund invests in a core portfolio composed primarily of mid- to large-sized companies listed on U.S. exchanges.
Standard Life U.S. Equity Focus Fund	The investment objective of the fund is to achieve long-term capital growth. The fund invests in a diversified portfolio of U.S. equity and equity-type securities.
Standard Life U.S. Dividend Growth Fund	The investment objective of the fund is to achieve a combination of capital growth and income. The fund invests primarily in a diversified portfolio of U.S. equity and equity-type securities and other income producing investments.
Standard Life U.S. Mid Cap Fund	The investment objective of the fund is to provide superior capital growth. The fund invests primarily in a diversified portfolio of small and mid-capitalization American companies. The fund's portfolio consists of traditional growth companies that do not normally pay dividends. As a result, the fund's returns come primarily in the form of capital gains.
Standard Life Global Monthly Income Fund	The investment objective of the fund is to provide a regular flow of monthly revenue. The fund invests primarily in global equities and fixed-income securities of issuers throughout the world.

## Appendix 1 – Investment Objectives of the Underlying Mutual Funds

Underlying Mutual Fund	Investment Objective
Standard Life Global Dividend Growth Fund	The investment objective of the fund is to provide both capital growth and income. The fund invests primarily in a globally diversified portfolio of equity, equity-type securities and other income producing investments.
Standard Life European Equity Fund	The investment objective of the fund is to provide capital appreciation over the medium to long term. The fund invests primarily in the equity markets of Europe. The investments will consist of a diversified portfolio of European equities managed with a thematic approach. The portfolio advisor will focus on sector rather than country asset allocation.
Standard Life International Equity Fund	The investment objective of the fund is to provide long-term capital growth and portfolio diversification. The fund invests primarily in a broad selection of companies based outside North America.
Standard Life Global Equity Focus Fund	The investment objective of the fund is to provide long-term capital growth. The fund invests in a diversified portfolio of equity and equity-type securities of issuers throughout the world.
Standard Life Global Equity Fund	The investment objective of the fund is to provide capital appreciation over the medium to longer term. The fund invests primarily in equity and equity-type securities of multinational companies throughout the world. It may also invest in companies that the sub-advisor expects will achieve multinational status. Income will not be a prime consideration for investors in the fund.

## Appendix 2 – Market Indices

### **All Corporate Sub-Index of the DEX Universe Bond Index**

This index is designed to measure the performance of investment grade corporate bonds in Canada.

### **DEX All Government Long Index**

A sub-index of the Universe Bond Index, the DEX All Government Long Index is composed of bonds with a maturity of 10 years and more issued by federal, provincial and municipal governments.

### **DEX Universe Bond Index**

This index is designed to be a broad measure of the Canadian investment-grade fixed income market.

### **DEX 91-Day T-Bill Index**

This index is a measure of the total return of Canadian federal and provincial treasury bills having a term to maturity of 91 days.

### **J.P. Morgan Global Government Bond Index**

This index tracks the total return for fixed-rate, local currency denominated government bonds with a minimum maturity of 13 months for the following countries: Australia, Denmark, Netherlands, Japan, Italy, Belgium, Sweden, France, Germany, Spain, the United Kingdom, Canada and the United States.

### **Morgan Stanley Capital International (MSCI) - EAFE Index (Europe, Australasia, Far East)**

This index measures developed market equity performance, excluding the United States and Canada.

### **MSCI World Index**

This index measures global developed market equity performance. As of May 2006, the MSCI World Index has consisted of over 23 developed market country indices.

### **S&P 500 Index**

This index reflects changes in the price performance of 500 widely held U.S. common stocks.

### **S&P/TSX Capped Composite Index**

This index measures the price performance of selected securities listed on the TSX. No individual stock exceeds 10 percent of the overall weight of the index. Prior to September 2000, some Ideal Segregated Funds used the TSE 300 Composite Index for performance measurement. After September 2000, these Funds were measured against the TSE 300 Capped Composite Index because it provided a more accurate reflection of share price movements in the Canadian stock market. On May 1, 2002, the TSE 300 Capped Composite Index was renamed the S&P/TSX Capped Composite Index.

### **S&P/TSX Capped Equity Index**

This index includes the same constituents of the S&P/TSX Equity Index. The relative weight of any single index constituent is capped at 10 percent. On December 16, 2005, the composition of the S&P/TSX Capped Composite Index changed to include income trusts. In response to this change, we replaced the S&P/TSX Capped Composite Index with the S&P/TSX Capped Equity Index as the performance benchmark for some of our Ideal Segregated Funds.

### **S&P/TSX Capped Income Trust Index**

This index measures the performance of the income trust marketplace. No individual constituent income trust will have its relative weight above 25 percent of the index.

### **S&P/TSX Composite Index**

The S&P/TSX Composite Index is a benchmark used to measure the price performance of the broad Canadian equity market. Some individual stocks may exceed 10 percent of the overall weight of the index. The TSE 300 Composite Index was used for performance measurement for some of the Ideal Segregated Funds prior to September 2000. After September 2000, these Funds were measured against the TSE 300 Capped Composite Index because it provided a more accurate reflection of share price movements in the Canadian stock market. On May 1, 2002, the TSE 300 Composite Index was renamed the S&P/TSX Composite Index.

### **S&P/TSX SmallCap Index**

The S&P/TSX SmallCap Index measures the performance of Canadian small cap securities. It includes common stock and income trusts units and is calculated in real-time.

### **S&P/TSX Equity SmallCap Index**

This index is a subset of the S&P/TSX SmallCap Index. This index includes the equity constituents of the S&P/TSX SmallCap but excludes income trusts. On December 16, 2005, the composition of the S&P/TSX SmallCap Index changed to include income trusts. In response to this change, we replaced the S&P/TSX SmallCap Index with the S&P/TSX Equity SmallCap Index as the performance benchmark for some of our Ideal Segregated Funds.

### **TSX 100 Index**

This index was a benchmark used to measure the price performance of the largest capitalized and more liquid issues within the S&P/TSX Composite Index. The TSX discontinued this index in May 2003.

### **TSX 100 Interest Sensitive Index**

This index reflected the price movements of stocks within the TSX 100 Index that were sensitive to movements in interest rates. The TSX discontinued this index in May 2003.

### **TSX 200 Index**

This index was a benchmark used to measure the price performance of mid- to small-capitalized issues within the S&P/TSX Composite Index. We have been using the S&P/TSX SmallCap Index since January 1, 2003, following the announcement that the TSX would discontinue the TSX 200 Index in May 2003.

### **Total Return**

Total return is a measure of the return on an investment including interest or dividend income earned and/or capital gains or losses over a specified period of time.

**Please note that the market indices against which we compare the performance of the Ideal Segregated Funds are shown on a total return basis.**









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