



Ideal Segregated Funds

Investment Policy
November 2014

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.

Contents

- 03** Ideal Money Market Fund II
- 04** Ideal Canadian Bond Fund
- 05** Ideal Corporate Bond Fund
- 06** Ideal Global Bond Fund
- 07** Ideal Income Balanced Fund
- 08** Ideal Monthly Income Fund
- 09** Ideal Balanced Fund
- 10** Ideal Dividend Income Fund
- 11** Ideal Canadian Dividend Growth Fund
- 12** Ideal Canadian Equity Fund
- 13** Ideal Canadian Small Cap Fund
- 14** Ideal U.S. Dividend Growth Fund
- 15** Ideal U.S. Equity Value Fund
- 16** Ideal Global Dividend Growth Fund
- 17** Ideal Global Equity Fund
- 18** Ideal International Equity Fund
- 19** Ideal Conservative Portfolio
- 20** Ideal Moderate Portfolio
- 21** Ideal Growth Portfolio
- 22** Ideal Aggressive Portfolio

Ideal Money Market Fund II

Investment objectives

The investment objective of the Ideal Money Market Fund II is to provide contractholders with a low-risk 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 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.

Risks

The Ideal Money Market Fund II is subject to the following risks:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Canadian Bond Fund

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. A large portion of the Fund is invested in government bonds and corporate debentures. Corporate credit exposure may not exceed 50 percent of the Fund at market value. The Fund may use derivatives for hedging and for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. It may also hold a portion of its assets in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

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 and Cash | 0% | 20% |

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

Risks

The Ideal Canadian Bond Fund is subject to the following risks:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Corporate Bond Fund

Investment objectives

The investment objective of the Ideal Corporate 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 Bond Fund invests most of its assets in units of the Standard Life Corporate Bond Fund¹.

The Standard Life Corporate Bond Fund invests primarily in corporate bonds of Canadian issuers. The underlying fund may also invest in corporate bonds of foreign issuers, 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 underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Corporate Bond Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Global Bond Fund (formerly Ideal International Bond Fund)

Investment objectives

The investment objective of the Ideal Global 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 directly or through one or more underlying funds.

Investment strategies

The Ideal Global Bond Fund invests most of its assets in units of the Standard Life Global Bond Fund¹.

The Standard Life Global Bond Fund invests in foreign currency bonds and debentures of Canadian and foreign issuers as well as international agencies such as the World Bank. The underlying fund is actively managed based on the total return expectations derived from both interest rate changes and the movement in foreign exchange rates.

The underlying fund may also invest in Canadian or foreign currency denominated bonds, asset-backed securities, mortgage-backed securities and other fixed income instruments of high-quality Canadian or foreign issuers.

The Standard Life Global Bond Fund obtained relief from the Canadian securities regulators to invest up to:

- (i) 20% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (1) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (2) rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
- (ii) 35% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (1) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (2) rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations,

(such evidences of indebtedness are collectively referred to as "Foreign Government Securities").

The fund will only invest in Foreign Government Securities that are traded on a mature and liquid market and where the acquisition of which is consistent with the fundamental investment objectives of the fund.

The underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result the portfolio turnover rate may exceed 70%.

Risks

The Ideal Global Bond Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Income Balanced Fund

Investment objectives

The investment objective of the Ideal Income Balanced Fund is to accommodate the needs of contractholders 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 contractholder'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 contractholder 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 contractholders are drawing from the Fund to meet their income needs.

The Fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

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 and 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.

Risks

The Ideal Income Balanced Fund is subject to the following risks:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Monthly Income Fund

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 such as real estate investment trusts (REITs), depositary receipts (DRs), and exchange traded funds (ETFs). Moreover, the Fund may invest in units of other funds.

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 derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

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

| Asset category | Fund exposure | |
|-----------------------------------|---------------|---------|
| | Minimum | Maximum |
| Canadian Equities | 20% | 60% |
| Foreign Equities | 0% | 20% |
| Fixed Income | 20% | 60% |
| Money Market Instruments and Cash | 0% | 20% |

Risks

The Ideal Monthly Income Fund is subject to the following risks:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Balanced Fund

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

The Ideal Balanced Fund invests in a diversified mix of Canadian and foreign stocks, government and corporate bonds, and high-quality money market investments based on a 12 to 18 month outlook for capital markets. It emphasizes quality and liquidity in its investments, and it manages the impact of stock market volatility by diversifying its asset mix. The Fund is actively managed based on total return expectations derived from change in interest rates and changing market conditions overall.

The Fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

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 and Cash | 0% | 20% |

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

Risks

The Ideal Balanced Fund is subject to the following risks:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Dividend Income Fund

Investment objectives

The investment objective of the Ideal Dividend Income Fund is to generate a combination of capital growth and income. To achieve this objective, the Fund invests primarily in a diversified portfolio of high-yielding equity and equity-type securities and may also invest in fixed income investments and money market instruments 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 Dividend Income Fund¹.

The portfolio manager of the underlying fund focuses primarily on companies that have superior financial positions and have historically demonstrated their capacity to pay high relative dividends and sustain such payments over time.

The Standard Life Dividend Income Fund invests primarily in Canadian and foreign equity and equity-type instruments. It may also invest in securities that currently do not pay dividends but do show good potential to do so in the future and in Canadian or foreign fixed income securities, which may include bonds, asset-backed securities, mortgage-backed securities or other fixed income instruments. Moreover it may invest up to 100% in securities of other funds.

The underlying fund may use derivatives for non-hedging and hedging purposes. Such derivatives may include options, futures, forward contracts, swaps and other similar instruments and may be used to gain exposure to securities, indices or currencies without otherwise making a direct investment. Derivatives may also be used to manage the risks to which the underlying investment portfolio is exposed.

The underlying fund may hold a portion of its assets in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Dividend Income Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Canadian Dividend Growth Fund

Investment objectives

The investment objective of the Ideal Canadian Dividend Growth Fund is to generate both capital growth and income by investing primarily in a diversified portfolio of dividend paying Canadian equities either directly or through one or more underlying funds.

Investment strategies

The Ideal Canadian Dividend Growth Fund invests most of its assets in units of the Standard Life Canadian Dividend Growth Fund¹.

The portfolio manager of the underlying fund focuses primarily on companies that have superior financial positions and have historically demonstrated their capacity to pay high relative dividends and sustain such payments over time.

The Standard Life Canadian Dividend Growth Fund invests primarily in common shares but may also invest in preferred shares. It 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. It may invest up to 30% of its assets in foreign equities.

The underlying fund may use derivatives for hedging and non-hedging purposes. Such derivatives may include options, futures, forward contracts, swaps and other similar instruments and may be used to gain exposure to securities, indices or currencies without otherwise making a direct investment. Derivatives may also be used to manage the risks to which the underlying investment portfolio is exposed.

The underlying fund may hold a portion of its assets in cash or money market investments for strategic and administrative reasons.

The portfolio manager of the underlying fund expects to actively trade the investments of the fund. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Canadian Dividend Growth Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Credit risk
- ▶ Derivative risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Canadian Equity Fund

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 Ideal Canadian Equity 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 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. 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 use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the Fund. As a result, the portfolio turnover rate may exceed 70%.

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 | 0% | 10% |

Risks

The Ideal Canadian Equity Fund is subject to the following risks:

- ▶ Derivative risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial contractholder risk

Ideal Canadian Small Cap Fund

Investment objectives

The Ideal Canadian Small Cap Fund investment objective is to generate superior capital growth by investing in a diversified portfolio comprised primarily 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 units of the Standard Life Canadian Small Cap Fund¹.

The portfolio manager of the underlying fund will select primarily small capitalization Canadian securities 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 Canadian economy.

For the purposes of this underlying fund, a small cap investment includes issuers with market capitalization at or below the market capitalization of the largest issuer on a well recognized Canadian small cap index. Market capitalization is determined at the time of investment. The underlying fund shall not be obligated to divest a holding should the market capitalization of the issuer change at a later date.

The underlying fund invests primarily 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 underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Canadian Small Cap Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal U.S. Dividend Growth Fund

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 units of the Standard Life U.S. Dividend Growth Fund¹.

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. It may also invest in royalty trusts, income trusts, real estate investment trusts (REITs), limited partnerships, IPU's and ETFs.

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 may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate of the underlying fund may exceed 70%.

Risks

The U.S. Dividend Growth Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal U.S. Equity Value Fund

Investment objectives

The investment objective of the Ideal U.S. Equity Value 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 Value Fund invests most of its assets in units of the Standard Life U.S. Equity Value Fund¹.

The portfolio manager of the underlying fund uses a bottom-up value investment approach to select stocks that appear to be trading at a discount to their estimated fair value. The portfolio manager of the underlying fund focuses on quality companies with stable, growing businesses and strong balance sheets. The underlying fund will usually display a price-to-earnings ratio and price-to-book ratio that are well below market averages.

The underlying fund invests in equity and equity-type instruments, including common and preferred shares, income trusts, convertible securities, DRs, IPU's and ETFs.

The underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate of the underlying fund may exceed 70%.

Risks

The Ideal U.S. Equity Value Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Global Dividend Growth Fund

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 equity 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 units of the Standard Life Global Dividend Growth Fund¹.

The underlying fund invests primarily in high-quality equities and equity-type instruments, including common and preferred shares, convertible securities, real estate investment trusts (REITs), limited partnerships, DRS, IPU's and ETFs.

The underlying fund also invests in fixed income securities and other funds.

The portfolio manager of the underlying fund will select the securities of mid- to large-sized global issuers with strong financial positions. These issues will have historically demonstrated their capacity to pay distributions and have the ability to sustain earnings and distributions over time. 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 may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate of the underlying fund may exceed 70%.

Risks

The Ideal Dividend Growth Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Global Equity Fund

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.

Investment strategies

The Ideal Global Equity Fund invests most of its assets in units of the Standard Life Global Equity Fund.¹

The Standard Life Global Equity Fund invests primarily in a diversified portfolio of equities and equity-type securities of multinational companies in developed and emerging markets. Equity-type investments include convertible stocks, stock exchange-listed warrants, DRs, ETFs, among other similar investments.

The underlying fund may invest in equity-type instruments where the security price performance is, in the opinion of the sub-manager, influenced significantly by the stock market performance of the company's common shares. Equity selection is derived from the sub-manager's analysis and reports that assess a number of factors which include, but are not limited to, a company's earnings growth, valuations, quality of management as well as its industry and overall economy.

The underlying fund may also invest in companies that the sub-manager expects will achieve multinational status.

The underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate of the underlying fund may exceed 70%.

Risks

The Ideal Global Equity Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal International Equity Fund

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 units of the Standard Life International Equity Fund¹.

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 of companies in developed and emerging markets, including common and preferred shares, convertible securities, DRs, IPU and ETFs. It will select the securities of mid-to large-sized foreign issuers. It offers broad international diversification within the context of a single fund.

The underlying fund may use derivative instruments for hedging purposes. It may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, or gain exposure to other currencies. A portion of its assets can be held in cash or money market instruments for strategic and administrative reasons.

The portfolio manager expects to actively trade the investments of the underlying fund. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal International Equity Fund is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

¹ Currently, Standard Life invests a minimum of 90% of the assets of this fund in the underlying fund. The balance may be held as cash or money market instruments for strategic and administrative purposes.

Ideal Conservative Portfolio

Investment objectives

The investment objective of the Ideal Conservative Portfolio 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% fixed income funds and 30% equity funds. The underlying funds for the Portfolio's equity component are selected 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 pre-established targets. We reserve the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. At least once per quarter, or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time. We will not notify you of these changes.

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

The portfolio manager expects to actively trade the investments of the Portfolio. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Conservative Portfolio is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

Ideal Moderate Portfolio

Investment objectives

The investment objective of the Ideal Moderate Portfolio is to provide income while leaving room for some capital appreciation.

Investment strategies

The target asset mix of the Ideal Moderate Portfolio is composed of 60% fixed income funds and 40% equity funds. The larger proportion of assets will be invested in fixed income funds. The underlying funds for the Portfolio's equity component are selected 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 pre-established targets. We reserve the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. At least once per quarter, or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time. We will not notify you of these changes.

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

The portfolio manager expects to actively trade the investments of the Portfolio. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Moderate Portfolio is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

Ideal Growth Portfolio

Investment objectives

The investment objective of the Ideal Growth Portfolio 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% fixed income funds and 60% equity funds. A larger proportion of assets will be invested in equity funds, while a smaller proportion of assets will be invested in fixed income funds. The underlying funds are selected from the Standard Life Mutual Funds (SLMF). 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 pre-established targets. We reserve the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. At least once per quarter, or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time. We will not notify you of these changes.

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

The portfolio manager expects to actively trade the investments of the Portfolio. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Growth Portfolio is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

Ideal Aggressive Portfolio

Investment objectives

The investment objective of the Ideal Aggressive Portfolio is to maximize long-term capital growth.

Investment strategies

The target mix of the Ideal Aggressive Portfolio is composed of 30% fixed income funds and 70% equity funds. The strategy is to invest in equity funds from the Standard Life Mutual Funds (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 pre-established targets. We reserve the right to change the target allocation and to remove, replace or add funds to help maintain the investment objectives of the Portfolio. At least once per quarter, or more frequently, if required, the Portfolio will be rebalanced to the target allocation in effect at the time. We will not notify you of these changes.

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

The portfolio manager expects to actively trade the investments of the Portfolio. As a result, the portfolio turnover rate may exceed 70%.

Risks

The Ideal Aggressive Portfolio is exposed to the risks associated with the underlying fund that are listed in the Standard Life simplified prospectus which are:

- ▶ Asset-backed and mortgage-backed securities investment risk
- ▶ Credit risk
- ▶ Derivative risk
- ▶ Foreign currency risk
- ▶ Foreign investment risk
- ▶ Income trust risk
- ▶ Interest rate risk
- ▶ Liquidity risk
- ▶ Risk of price change
- ▶ Series risk
- ▶ Substantial securityholder risk

For a full description of the above risks, please refer to the Standard Life Mutual Funds simplified prospectus.

Find out more

Toll Free 1 888 841-6633

www.standardlife.ca