

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
Management Fees	Back-End Load: 2.40% No-Load: 2.55% No-Load with Resets: 2.55%

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 equities 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 July 31, 2006

Investments	Coupon	Maturity Date	% of Net Assets
1 Royal Bank of Canada			3.7
2 Manulife Financial Corporation			3.3
3 Canada Housing Trust	5.100%	Sept. 15, 2007	2.9
4 Bank of Nova Scotia, (The)			2.9
5 EnCana Corporation			2.7
6 Canada Housing Trust	4.600%	Sept. 15, 2011	2.7
7 Toronto-Dominion Bank, (The)			2.4
8 Money market instruments and cash			2.1
9 Canada Housing Trust	4.050%	Mar. 15, 2011	2.0
10 Barrick Gold Corporation			1.9

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 trust investment risk. For more information concerning these risks, see Risks of Investing in Ideal Segregated Funds in the *Ideal Segregated Fund Information Folder*.

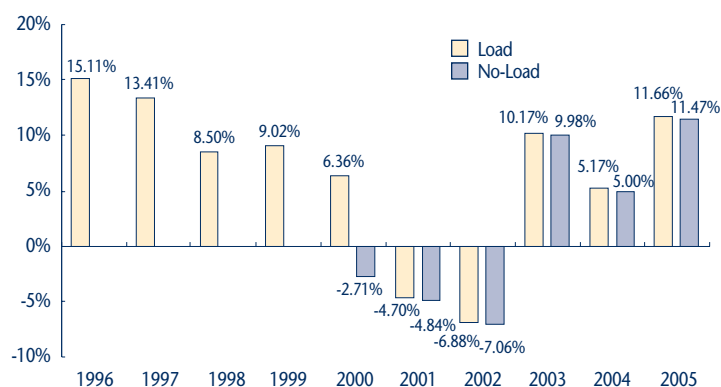
Past Performance

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. Performance for the no-load option has been calculated since inception, October 10, 2000.

Year-by-Year Returns

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



Overall Past Performance

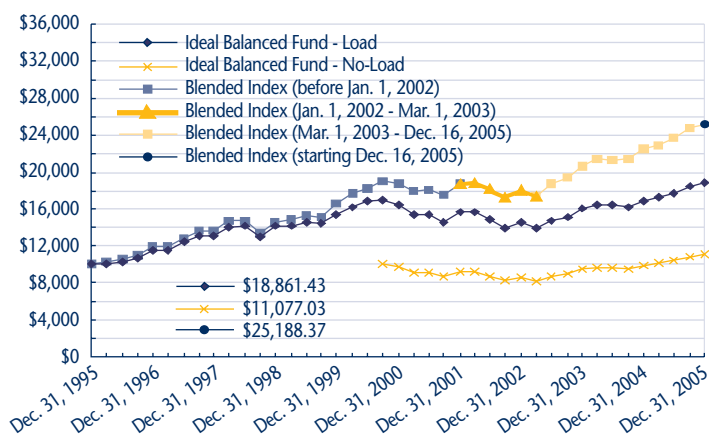
The following chart compares the growth of a \$10,000 premium allocated to the Fund with the growth of the same premium allocated to a blended index.

The table below shows the constitution of the blended index over different time periods:

Indices	Until Jan. 1, 2002	From Jan. 1, 2002 to Mar. 1, 2003	From Mar. 1, 2003 to Dec. 16, 2005	Starting Dec. 16, 2005
Scotia Capital (SC) Universe Bond Index	45%	42.5%	42.5%	42.5%
S&P/TSX Capped Composite Index	42.5%	37.5%	32.5%	-
S&P/TSX Capped Equity Index	-	-	-	32.5%
S&P 500 Index (CA\$)	7.5%	7.5%	10%	10%
MSCI EAFE Index (CA\$)	-	7.5%	10%	10%
SC 91-Day T-Bill Index	5%	5%	5%	5%

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On January 1st, 2002, the blended index was modified to better reflect the weighting of international equities in the Fund's portfolio. In the beginning of 2003, the portfolio advisor re-evaluated his portfolio management process and increased the weight of foreign equities and reduced the weight of Canadian equities in the Fund's portfolio. Consequently, the blended index was rebalanced to more adequately 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.



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 described in the Overall Past Performance section above.

	Past 10 Years or Since Inception	Past 5 Years	Past 3 Years	Past Year
Ideal Balanced Fund – Back-End Load (%)	6.55 (Past 10 years)	2.80	8.97	11.66
Ideal Balanced Fund – No-Load (%)	1.98 (Since inception)	2.63	8.78	11.47
Blended Index (%)	Back-End Load: 9.68 (Past 10 years) No-Load: 5.74 (Since inception)	6.11	11.76	11.79

Financial Highlights, as at December 31

The following tables present 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*.

Back-End Load Option

Ratios and Supplemental Data					
	2001	2002	2003	2004	2005
Net Assets (millions)	\$686.2	\$583.8	\$563.3	\$540.0	\$498.5
Number of Units Outstanding	19,273,330	17,423,514	15,767,178	13,814,775	11,420,668
Management Expense Ratio ⁽¹⁾	2.59%	2.57%	2.56%	2.58%	2.56%
Portfolio Turnover Rate	117.68%	142.66%	167.76%	144.79%	135.28%
Net Asset Value per Unit	\$35.60	\$33.51	\$35.73	\$39.09	\$43.65

No-Load Option

Ratios and Supplemental Data					
	2001	2002	2003	2004	2005
Net Assets (millions)	\$3.2	\$5.4	\$6.9	\$8.9	\$10.4
Number of Units Outstanding	88,655	160,816	195,036	228,826	239,880
Management Expense Ratio ⁽¹⁾	2.77%	2.77%	2.73%	2.75%	2.73%
Portfolio Turnover Rate	117.68%	142.66%	167.76%	144.79%	135.28%
Net Asset Value per Unit	\$35.55	\$33.40	\$35.55	\$38.83	\$43.28

⁽¹⁾ 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 voluntarily absorbed some of the fees and other expenses otherwise chargeable to the Fund. If the Fund had paid all such fees and other expenses absorbed in 2001, 2002, 2003, 2004 and 2005, the MERs for the back-end load option would have been 2.59%, 2.59%, 2.57%, 2.59% and 2.57%, respectively, and the MERs for the no-load option would have been 2.77%, 2.77%, 2.73%, 2.75% and 2.73%, respectively. The decision to absorb fees and other expenses is reviewed annually and is determined at the discretion of Standard Life, without notice to policyholders.