Recommended List of Investment Funds

Prepared November 1, 2011

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Paterson & Associates—Recommended List of Investment Funds

Methodology & Ratings Definitions

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Methodology:

Fund Ratings highlighted in Green indicate an upgrade from the previous report. Fund Ratings highlighted in Red indicate an downgrade from the previous report.

The period under review is the most recent 60 month period, or the inception date of the fund, whichever is shorter.

To determine our rankings, fund returns are analyzed, both on an absolute and a relative basis. We study such factors as the average return, the average relative return, the average monthly volatility, the average relative volatility, the risk adjusted return, expected future returns, and the greatest up and down returns in the past 60 months. We then put these quantitative factors into our proprietary model which ranks the funds based on our criteria. We combine this quantitative ranking with qualitative factors to determine a fund's final monthly ranking. We then undertake a detailed qualitative review of each of the funds for consideration on the Recommended List.

Only funds with greater than 36 months of data are eligible to included in our Recommended List.

Ranking Definitions:

Effective January 1, 2011, we switched to a letter grade rating system. A brief explanation of our ratings follows:

F - Over the most recent 60 month period, the fund did not generate a rate of return in excess of its benchmark on either a net of fees or gross of fees basis. The Fund will also have an expected return which is lower than its benchmark. A fund rated F may still have a place within a portfolio for risk reduction purposes, depending on individual circumstances.

D - Over the most recent 60 month period, the fund did not generate a rate of return in excess of its benchmark on a net of fees basis. It did generate excess return on a gross of fees basis.

C - A fund which is rated a C added some level of value to the benchmark. However, the consistency in returns and the consistency with which the fund beat the benchmark is lacking.

B - A fund that is rated a B has a strong track record of steady returns and has consistently added value to the benchmark.

A - A fund rated A has delivered stellar risk adjusted returns for the period under review.

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Disclaimer

September 2011

Information is from sources believed to be reliable. Every effort is made to ensure its accuracy, however, we cannot be responsible for inaccuracies or omissions in any of the data.

Information used in this analysis is historic in nature. Past performance is no guarantee of future performance.

Monthly Standard Deviation is the most recent 60 month historical standard deviation of returns.

Sharpe Ratio is a measure of risk adjusted returns. The higher the ratio, the better the manager has been at delivering more return for less risk.

Alpha represents the excess return which the manager has been able to deliver over and above the applicable benchmark.

Beta represents the volatility of the fund relative to its applicable benchmark. A beta of one means that there is a level of volatility equal that of the benchmark. A beta in excess of one indicates that the volatility is greater than the benchmark, while a beta of less than one indicates that volatility is less than the benchmark.

Correlation measures the similarity in return patterns between the fund and a benchmark. The correlation will range between –1 and +1. A correlation close to +1 indicates that the fund and the index have very similar return patters. A correlation close to –1 indicates that the returns are almost opposite, while a correlation close to zero indicates no relationship.

Historic returns are calculated using the monthly return data in our database. Slight variations in return results will be attributable to decimal rounding and number truncation.

This is not a solicitation from Paterson & Associates to sell mutual funds or any financial product. For additional information, please contact your advisor or refer to the important information found in the mutual fund prospectus. - All Information is for Broker Use Only

About Us:

D. A. Paterson and Associates Inc. is an independent consulting firm specializing in Asset Allocation and Mutual Fund Research. We are not affiliated with any Mutual Fund Company, Mutual Fund Distributor or any other firm. Our Asset Allocation models are based on the Nobel Prize winning techniques developed by Harry Markowitz.

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	Name	Quantitative Rating	Returns: 3 Month	1 Year	3 Year	5 Year	Sharpe Ratio	Alpha	Beta	Correlations: TSX	S&P 500	MSCI EAFE	SCMU	MER A Series
Fixed Income - Core														
1	PH&N Bond Fund	Not Rated	4.1%	5.6%	8.8%	5.8%	0.31	0.02%	0.93	0.1497	0.1992	0.3695	0.9267	0.61
2	TD Canadian Bond Fund	Not Rated	4.3%	5.5%	8.2%	5.4%	0.29	-0.01%	0.92	0.1115	0.1268	0.3048	0.9466	1.11
3	Dynamic Canadian Bond Fund	Not Rated	3.7%	4.9%	7.1%	5.0%	0.27	-0.01%	0.85	0.0599	0.1275	0.2362	0.9328	1.54
Fixed Income - Inflation Protected														
1	TD Real Return Bond Fund	Not Rated	4.5%	9.1%	9.9%	5.5%	0.12	-0.25%	1.47	0.3614	0.3261	0.4270	0.5764	1.50
Canadian Equity - Core														
1	Fidelity Canadian Large Cap Fund	B	-3.3%	12.1%	8.5%	7.3%	0.12	0.40%	0.86	0.9493	0.5733	0.6517	0.0049	2.49
2	IA Clarington Canadian Conservative Equity Fund	C	-6.7%	1.0%	4.8%	2.5%	0.03	0.05%	0.61	0.9200	0.5083	0.5774	-0.1613	2.41
3	Harbour Fund	D	-14.0%	-4.4%	-0.3%	1.1%	0.00	-0.09%	0.80	0.9411	0.6343	0.6955	-0.0965	2.43
4	Signature Select Canadian Fund	D	-14.0%	-5.4%	1.4%	0.8%	0.00	-0.11%	0.76	0.9344	0.7145	0.7942	-0.0751	2.43
Canadian Equity - Small Cap														
1	Sentry Small Cap Income Fund	B	-9.0%	6.9%	12.9%	9.0%	0.16	0.60%	0.60	0.7646	0.5638	0.6594	-0.0252	2.84
2	CI Can-Am Small Cap Corporate Class	C	-8.1%	1.0%	6.0%	3.1%	0.04	0.12%	0.57	0.8204	0.7009	0.7275	-0.0594	2.42
3	AGF Canadian Small Cap Fund	C	-15.0%	-6.7%	6.7%	2.0%	0.03	0.00%	1.04	0.8787	0.4017	0.5980	0.0487	2.81
US Equity - Core														
1	Dynamic American Value Fund	C	-5.9%	6.0%	4.4%	1.4%	0.01	0.27%	0.62	0.7920	0.6168	0.6812	-0.0407	2.49
2	Trimark U.S. Companies Fund	C	-9.0%	0.2%	0.1%	-2.1%	-0.07	0.04%	1.00	0.5208	0.9443	0.7382	-0.0211	2.90
3	CI American Value Fund	C	-9.7%	-1.2%	-1.5%	-2.8%	-0.09	-0.05%	0.90	0.6245	0.9396	0.8451	0.0412	2.43
4	RBC O'Shaughnessy U.S. Value Fund	D	-11.8%	2.4%	-1.1%	-4.7%	-0.06	-0.04%	1.21	0.7758	0.7408	0.7526	0.0540	1.53
5	Fidelity American Disciplined Equity Fund	UNDER REVIEW	-10.7%	-2.9%	-1.9%	-4.1%	-0.11	-0.14%	0.97	0.6508	0.9249	0.8043	0.0131	2.54

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Name		Quantitative Rating	Returns: 3 Month	1 Year	3 Year	5 Year	Sharpe Ratio	Alpha	Beta	Correlations: TSX	S&P 500	MSCI EAFE	SCMU	MER A Series
US Small and Mid Cap Equity														
1	Trimark U.S. Small Companies Class	C	-6.3%	14.4%	12.1%	1.2%	0.02	0.41%	1.20	0.4747	0.8159	0.6486	-0.0916	2.83
2	TD U.S. Mid - Cap Growth Fund	C	-10.5%	1.6%	5.2%	1.3%	0.01	0.35%	1.05	0.6833	0.8812	0.7730	0.0362	2.54
Global / International Equity - Core														
1	Mac Ivy Foreign Equity Fund	C	-3.5%	2.3%	3.1%	1.0%	-0.01	0.21%	0.52	0.1617	0.7475	0.6343	0.3186	2.52
2	Renaissance Global Markets Fund	C	-10.1%	-1.3%	0.9%	-1.0%	-0.05	0.13%	0.82	0.8011	0.7295	0.8356	0.0763	2.76
3	Invesco International Growth Class	C	-9.9%	-5.1%	0.8%	-2.8%	-0.07	0.08%	0.89	0.6726	0.7562	0.9528	0.2029	2.64
4	Trimark Fund	C	-3.7%	3.5%	-0.7%	-3.2%	-0.08	-0.01%	1.00	0.5419	0.8881	0.8692	0.2312	1.66
5	Mutual Discovery Fund	C	-14.4%	-7.9%	-1.2%	-1.9%	-0.09	0.00%	0.67	0.7279	0.7214	0.8555	-0.0784	2.77
6	Mac Cundill Value Fund	C	-17.8%	-9.3%	-2.7%	-4.2%	-0.10	-0.11%	0.89	0.7334	0.6943	0.7622	-0.0935	2.51
Global Small/Mid Cap Equity														
1	Mac Cundill Recovery Fund	C	-25.7%	-19.5%	0.2%	-1.9%	-0.01	0.33%	1.25	0.8290	0.4884	0.7139	-0.0642	2.58
2	Templeton Global Smaller Companies	C	-18.2%	-13.7%	3.8%	-0.8%	-0.01	0.33%	1.31	0.7434	0.7624	0.8666	0.0374	2.90
3	CI Global Small Companies Fund Class	C	-14.2%	-5.2%	1.7%	-1.1%	-0.05	0.14%	0.91	0.6677	0.8405	0.8809	0.0452	2.45
Specialty / Sector Funds														
1	AGF Emerging Markets Fund	B	-11.2%	-14.7%	10.4%	6.9%	0.10	0.95%	0.94	0.7719	0.5608	0.7737	0.2003	3.07
2	CI Signature Canadian Resource Fund	B	-17.0%	-6.5%	2.3%	5.9%	0.08	0.29%	1.12	0.9201	0.3833	0.5603	-0.0454	2.34
3	Dynamic Power Global Growth Class	B	-17.4%	-3.8%	5.9%	5.7%	0.08	0.91%	1.22	0.6817	0.6308	0.6655	0.0530	3.81
4	BMO GDN Global Technology Fund	B	-12.6%	-3.5%	8.3%	3.2%	0.04	0.53%	1.08	0.6213	0.8053	0.7224	-0.0463	2.74
5	Sprott Canadian Equity Fund	C	-11.9%	-2.0%	8.5%	4.2%	0.06	0.31%	1.10	0.6807	0.1097	0.3194	0.0603	4.69
6	CI Global Health Sciences Corporate Class	C	-6.5%	4.0%	4.5%	-0.3%	-0.02	0.20%	0.92	0.4541	0.7444	0.7019	0.2243	2.44
7	Dynamic Global Real Estate Fund	C	-5.5%	0.7%	3.9%	-0.4%	-0.03	0.20%	0.82	0.8367	0.6763	0.7609	0.0442	2.46
8	BMO GDN Asian Growth & Income Fund	UNDER REVIEW	-8.1%	-8.1%	6.0%	3.2%	0.05	0.50%	0.64	0.6945	0.5660	0.7899	0.2983	2.84

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	Name	Quantitative Rating	Returns: 3 Month	Returns: 1 Year	Returns: 3 Year	Returns: 5 Year	Sharpe Ratio	Alpha	Beta	Correlations: TSX	Correlations: S&P 500	Correlations: MSCI EAFE	Correlations: SCMU	MER A Series
Canadian Balanced / Income														
1	CI Signature High Income Fund	B	-4.3%	3.5%	7.3%	3.6%	0.06	0.18%	0.47	0.7970	0.5808	0.6759	0.0020	1.60
2	Fidelity Canadian Balanced Fund	C	-5.2%	1.6%	5.4%	4.1%	0.08	0.01%	0.90	0.9792	0.5414	0.6724	0.0712	2.27
3	AGF Monthly High Income Fund	C	-5.9%	1.2%	10.1%	4.7%	0.07	-0.03%	1.25	0.8750	0.5955	0.6974	0.0585	2.42
4	CI Signature Canadian Balanced Fund	D	-8.2%	-1.4%	4.1%	2.8%	0.04	-0.06%	0.82	0.9242	0.7223	0.8115	-0.0030	2.42
Income Options														
1	TD Mortgage Fund	Not Rated	0.9%	1.6%	3.5%	3.6%	0.24	0.20%	0.20	0.0095	-0.0302	0.0434	0.3692	1.82
2	RBC Monthly Income Fund	D	-2.9%	2.5%	5.1%	3.6%	0.08	0.06%	0.64	0.9383	0.6497	0.7159	0.1513	1.18
3	Sentry Canadian Income Fund A	C	-6.3%	6.4%	8.2%	5.1%	0.09	0.29%	0.61	0.7964	0.5432	0.6093	-0.0865	2.70
4	BMO GDN Monthly High Income Fund II	C	-4.9%	10.0%	8.9%	4.4%	0.07	0.21%	0.75	0.8462	0.5069	0.5724	-0.0555	2.35
Passive Options														
1	TD Canadian Bond Index Fund	Not Rated	4.9%	5.8%	7.1%	5.2%	0.26	-0.07%	0.99	-0.0530	0.0708	0.2058	0.9980	0.83
2	TD Canadian Index Fund	D	-12.2%	-4.4%	1.8%	1.8%	0.02	-0.06%	0.98	1.0000	0.5406	0.6365	-0.0620	0.88
3	TD U.S. Index Fund	F	-6.6%	2.2%	-0.1%	-3.2%	-0.10	-0.07%	0.99	0.5168	0.9942	0.8068	0.0926	0.54
4	TD International Index Fund	F	-13.3%	-9.4%	-3.6%	-5.9%	-0.12	-0.15%	0.99	0.6228	0.8212	0.9736	0.2095	1.38

Model Portfolios

To assist in the portfolio construction process, we have created a series of model portfolios. The asset mixes were created using our proprietary Portfolio Optimization Model which strives to create an asset mix which delivers the highest level of expected return for each level of expected risk. Our asset mixes are outlined below:

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Fixed Income (Total)	**70% to 100%**	**50% to 70%**	**40% to 50%**	**20% to 40%**	**0% to 20%**
Core Fixed Income	50%	30%	20%	10%	0%
Specialty Fixed Income	20%	20%	20%	10%	0%
Balanced / Income (Total)	**0%**	**0% to 10%**	**0% to 10%**	**0% to 10%**	**0% to 10%**
Canadian Equity (Total)	**0% to 5%%**	**0% to 5%**	**5% to 10%**	**10% to 20%**	**20% to 25%**
Large Cap	5%	5%	10%	20%	15%
Small / Mid Cap	0%	0%	0%	0%	7.5%
US Equity (Total)	**0% to 5%%**	**5% to 10%**	**5% to 10%**	**10% to 20%**	**20% to 30%**
Large Cap	5%	10%	10%	20%	20%
Small / Mid Cap	0%	0%	0%	0%	10%
Global / Int'l Equity (Total)	**0% to 15%%**	**15% to 20%**	**15% to 20%**	**15% to 20%**	**15% to 20%**
Large Cap	15%	20%	20%	20%	20%
Small / Mid Cap	0%	0%	0%	0%	0%
Specialty / Sector (Total)	**0% to 5%%**	**0% to 5%**	**5% to 10%**	**5% to 10%**	**10% to 20%**
Healthcare	5%	5%	7.5%	7.5%	7.5%
Real Estate	0%	0%	0%	0%	5%
Resources	0%	0%	2.5%	2.5%	5%
Emerging Markets	0%	0%	0%	0%	0%
Science & Tech.	0%	0%	0%	0%	0%
Aggressive / Tactical	0%	0%	0%	0%	0%

Fixed Income Funds

Index Performance Details	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
DEX Index	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%

Funds

The Fixed Income Category is broken down into two sub categories; Core Fixed Income and Specialty Fixed Income. The Core Fixed Income Group is made up solely of traditional bond funds. These funds will generally be funds that have posted performance numbers which are comparable to their respective index with a comparable or lower level of portfolio volatility, and will also tend to be fairly low in cost. Core Fixed Income Funds are used in a portfolio mainly to preserve capital and earn a very modest level of return over the long term for investors. The more Conservative an investor, the higher their exposure to Core Fixed Income Funds.

The Specialty Fixed Income Group includes a wide range of Fixed Income Categories including High Yield Fixed Income, Inflation Protected Fixed Income, Global Fixed Income as well as other specialty products. Funds on our recommended list in this category will typically be the top performing fund, on a risk adjusted basis in the category. Specialty Fixed Income Funds are used in a portfolio to help preserve capital, but also to provide a modest level of return for investors over the long term. Depending on the circumstances, investors may consider using the specialty funds to take advantages of anomalies in the marketplace.

Fixed Income Commentary

- Effective September 30, we officially removed the PH&N High Yield Bond Fund from our Recommended List of Funds.
- This was not in reaction to any performance or management issues with the Fund. However, with it having been capped since November 2010, the fund is no longer for sale to new investors. Therefore we removed it from the list.

Fixed Income Outlook

- Canadian bonds rallied higher in the third quarter, driven largely by fears of a default on its outstanding bonds by Greece.
- Investors flocked to both Canadian and U.S. Bonds on a flight to quality
- In Canada, while consumer debt may be reaching all time highs, banks are generating strong earnings and have very strong balance sheets.
- Given the current uncertainty, combined with slower than expected growth rates, it appears as if the Bank of Canada will keep interest rates low for the foreseeable future.
- Inflation has remained outside of the BoC's target ranger, however they expect that by early to mid 2012 the rate will have fallen back into the range.
- Given this, we expect that bonds should fare relatively well in the next quarter or two before rates move higher.
- Bonds will also provide a good buffer against the heightened equity market volatility that is expected until the European debt crisis is solved.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Fixed Income (Total)	70% to 100%	50% to 70%	40% to 50%	20% to 40%	0% to 20%
Core Fixed Income	50%	30%	20%	10%	0%
Specialty Fixed Income	20%	20%	20%	10%	0%

September 30, 2011
Paterson & Associates Fund Rating: Not Rated
Canadian Fixed Income

PH&N Bond

Fund Codes

Front End	PHN 6110
DSC	PHN 4110 (Low Load)
Min Purchase	$1,000

Investment Objective

The fundamental investment objectives of the fund are to provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of fixed income securities issued by Canadian governments and corporations.

Strategy

To achieve the fund's investment objectives, the manager will invest in high quality Canadian corporate bonds and government bonds issued in Canadian or U.S. dollars. The average term to maturity of the portfolio is managed within strict guidelines, typically between seven and twelve years. In addition to the standard investment restrictions imposed by securities legislation, the value of any one investment at month-end must not exceed 15% of the fund's net assets at market value.

Analysis

- This fund remains our top pick in the category based on a number of factors including management, cost and performance.
- The managers feel that bond price rise in quarter was overdone when compared to the economic reality.
- The Fund is positioned to take advantage of rising rates, which muted overall performance in the quarter.
- Corporate bond spreads moved higher. As spreads moved higher, the manager increased exposure to corporates.
- Should spreads continue to widen, manager will add to corporate exposure.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.5%	4.1%	5.6%	6.5%	8.8%	5.8%	6.3%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	2	2	1	1	1	1	1

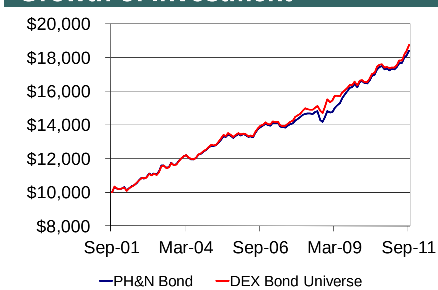
Fund Facts

Fund Sponsor		PH&N Investment Mgmt
Fund Manager		PH&N Fixed Income Team (Dec 70)
Inception Date		November 30, 1970
Total Assets		$839.05 Million
Management Fee / MER	0.50%	0.61%
Risk Rating		Low
Objective		Income
Time Horizon		Short

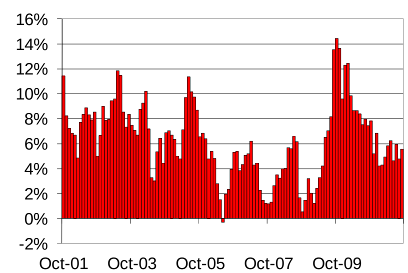
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.48%	5.91%
Standard Deviation	1.01%	3.49%
Sharpe Ratio	0.31	1.13
Alpha (5 Year)	0.02%	
Beta (5 Year)	0.93	
Worst Drawdown	-4.26% (Sep 08 to Mar 09)	
Time to Recover	7 Months	

Growth of Investment



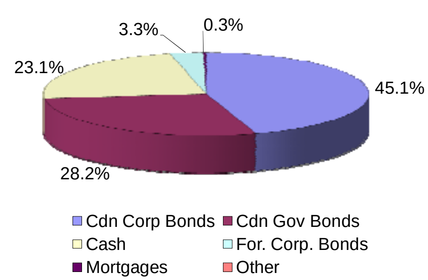
Rolling 12 Month Returns



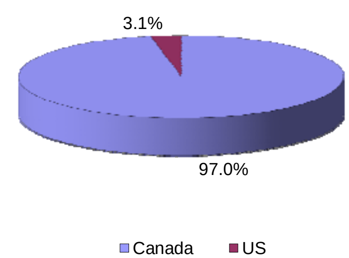
Top 10 Holdings (Sep 30/11)

Ontario 7.6% 02-Jun-27	10.3%
Ontario 6.5% 03-Aug-29	3.8%
CHT #1 3.75% 15-Mar-20	2.7%
Ontario 4,65% 02-Jun-41	2.6%
Morgan Stly 4.5% 23-Feb-12	1.9%
TD Bank FRN 01-Nov-17	1.9%
Canada 4.0% 01-Jun-41	1.7%
Ontario 8.5% 02-Dec-25	1.4%
BMO 5.18% 10-Jun-15	1.4%
BMO 3.49% 10_Jun-16	1.4%
Total	**29.1%**

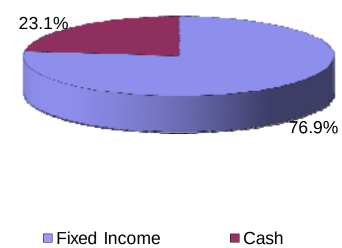
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: Not Rated
Canadian Fixed Income

TD Canadian Bond

Fund Codes

Front End	TDB 306
DSC	TDB 336
Min Purchase	$100

Investment Objective

The fundamental investment objective is to earn a high rate of interest income through investments in high-quality bonds and debentures issued principally by Canadian borrowers in Canadian dollars. These securities may consist of debt obligations of, or guaranteed by, Canadian federal, provincial or municipal governments, Canadian chartered banks, Canadian loan or trust companies or Canadian corporations.

Strategy

The manager will focus on the Canadian corporate debt market as well as global macroeconomic trends. The portfolio advisor believes a strategy using rigorous bottom-up security selection in regard to the macro environment will add value and enhance long term performance while at the same time reducing risk. Generally, the Fund employs a "buy-and-hold" strategy.

Analysis

- Bond prices, particularly government bonds were strong during the quarter, benefitting from a flight to quality amid worries over a global econmic slowdown.
- As bond spreads widened, liquidity in the corporate space weakened.
- Demand for corporate bonds remains solid thanks largely to higher yields and strong company balance sheets.
- Portfolio is currently positioned with a duration that is shorter than the benchmark. Yields within the portfolio are higher than the benchmark which will help mitigate impact of a rising rates.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.4%	4.3%	5.5%	6.6%	8.2%	5.4%	6.1%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	2	2	1	1	1	1	1

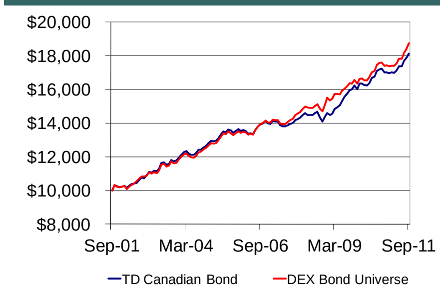
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Satish Rai (Jun 88)
		Geoff Wilson (Feb 02)
Inception Date		June 29, 1988
Total Assets		$9,869.35 Million
Management Fee / MER	1.25%	1.37%
Risk Rating		Low
Objective		Income
Time Horizon		Short

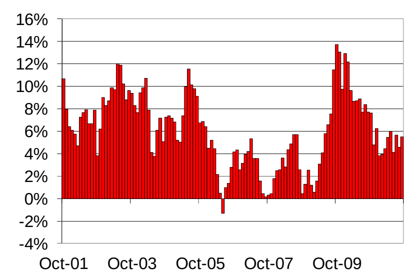
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.44%	5.44%
Standard Deviation	0.98%	3.41%
Sharpe Ratio	0.28	1.02
Alpha (5 Year)	-0.01%	
Beta (5 Year)	0.92	
Worst Drawdown	-4.00% (Sep 08 - Mar 09)	
Time to Recover	7 Months	

Growth of Investment



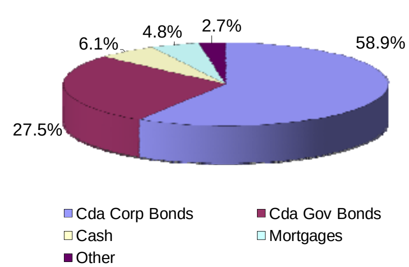
Rolling 12 Month Returns



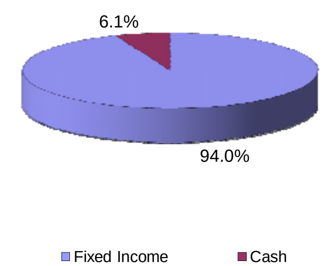
Top 10 Holdings (Sep 30/11)

Cash	5.4%
Ontario 0.00% 02-Jun-27	3.6%
Canada 5.0% 01-Jun-37	2.8%
Canada 3.75% 01-Jun-19	2.4%
Canada 5.75% 01-Jun-29	2.2%
TD Bank FRN 14-Dec-2105	2.2%
AB Cap Fin. 4.45% 15-Dec25	1.3%
TD Bank FRN 18-Dec-2106	1.3%
Ontario 5.6% 02-Jun-35	1.2%
Manitoba 4.25% 05-Mar-39	1.1%
Total	**23.4%**

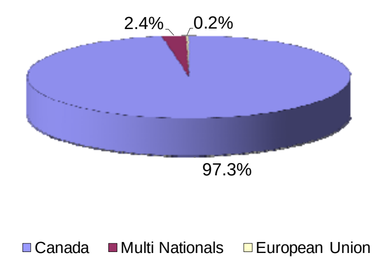
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: Not Rated
Canadian Fixed Income

Dynamic Canadian Bond

Fund Codes

Front End	DYN 042
DSC	DYN 742
Min Purchase	$500

Investment Objective

The Dynamic Canadian Bond Fund seeks to provide a portfolio with the minimum risk of income interruption and maximum income return primarily through investment in a diversified portfolio primarily of Canadian fixed-income securities including government and corporate bonds.

Strategy

The Fund invests primarily in a diversified portfolio of Canadian fixed-income securities primarily issued by the federal or provincial governments and corporate bonds. A disciplined approach is used in managing risk as fixed-income securities are actively traded to take advantage of movements in the level of bond yields and the shape of the yield curve.

Analysis

- Manager feels that current environment will result in bond yields remaining relatively low for the near to medium term.
- The economic, policy and financial environment is likely to result in continued high levels of volatilty in the capital markets until reforms are implemented.
- Credit spreads have widened in recent months, it is the manager's belief that they are pricing in slowdown, not recession.
- Manager has increased exposure to Floating Rate Notes given the valuation at the short end of the yield curve.
- The fund's duration strategy has been shortened to reflect the likelihood of a lower yield environment and sustained volatility given the weaker economic backdrop and heighted financial risks.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	3.7%	4.9%	5.5%	7.1%	5.0%	5.3%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	3	3	2	2	2	1	1

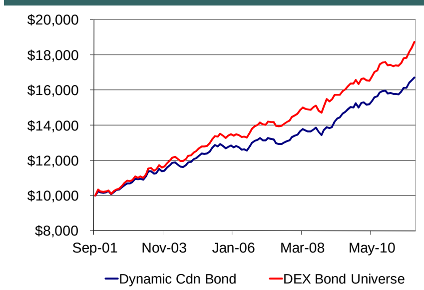
Fund Facts

Fund Sponsor		Dynamic Funds
Fund Manager		Michael McHugh (Dec 98)
Inception Date		August 31, 1979
Total Assets		$304.74 Million
Management Fee / MER	1.25%	1.54%
Risk Rating		Low
Objective		Income
Time Horizon		Short

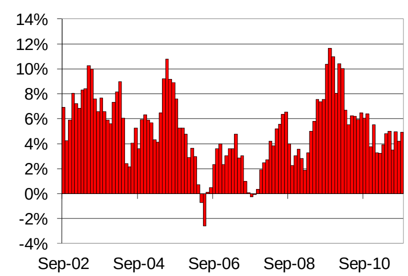
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.42%	5.16%
Standard Deviation	0.92%	3.18%
Sharpe Ratio	0.28	1.00
Alpha (5 Year)	-0.01%	
Beta (5 Year)	0.85	
Worst Drawdown	-3.06% (Sep 05 - Aug 06)	
Time to Recover	12 Months	

Growth of Investment



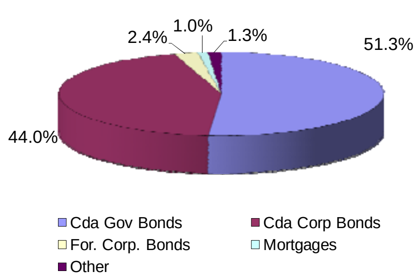
Rolling 12 Month Returns



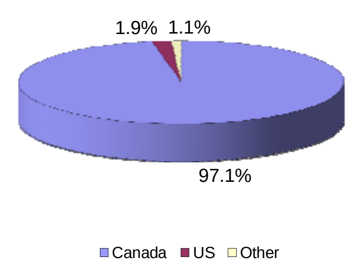
Top 10 Holdings (July 31/11)

Canada 3.0% 01-Jun-14	8.6%
CHT#1 0.96% 15-Sep-20	5.5%
BC 3.70% 18-Dec-20	4.9%
Ontario 4.0% 02-Jun-21	4.0%
Ontario FRN 12-Apr-16	4.0%
Canada 2.0% 01-Dec-14	3.6%
Canada 3.0% 01-Jun-19	2.9%
Canada 3.75% 01-Jun-19	2.7%
Ontario 4.4% 02-Jun-19	2.6%
Sask. 5.75% 05-Mar-29	2.1%
Total	**40.8%**

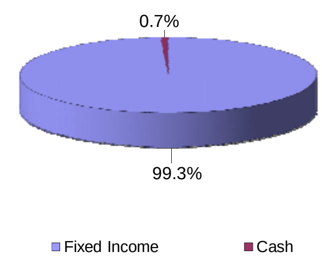
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: Not Rated
Canadian Inflation Protected Fixed Income

TD Real Return Bond

Fund Codes

Front End	TDB 755
DSC	TDB 775
Min Purchase	$100

Investment Objective

The fundamental investment objectives is to provide a regular level of interest income that is hedged against inflation, by investing primarily in Canadian government guaranteed real return bonds, as well as those issued by the governments of foreign countries.

Strategy

The manager will invest mainly in Canadian government inflation-linked bonds. The Fund may invest in foreign securities, but is not expected to exceed 30% of the Fund at the time that foreign securities are purchased. The fund may also invest in foreign government inflation-linked bonds. Generally, the fund employs a "buy-and-hold" strategy.

Analysis

- Real Return Bonds were strong during the quarter, however, they did underperform nominal bonds.
- Inflation is outside of the Bank of Canada's target range, coming in at 3.1% in August.
- The manager expects that over the long term, the yields on real return bonds will rise.
- The Fund is underweight real return bonds relative to the benchmark and the portfolio's duration is shorter than the index.
- The yield on the fund is higher than the benchmark.
- This positioning is defensive and should allow for stronger downsidr protetion relative to the real return bond index in a rising rate environment.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.5%	4.5%	9.1%	10.4%	9.9%	5.5%	7.2%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	2	3	3	2	2	2	2

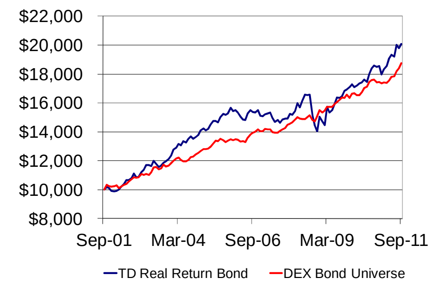
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Geoff Wilson (Feb 02)
		David McCulla (Jan 08)
Inception Date		November 23, 1994
Total Assets		$1,672.51 Million
Management Fee / MER	1.20%	1.48%
Risk Rating		Low to Moderate
Objective		Income
Time Horizon		Medium

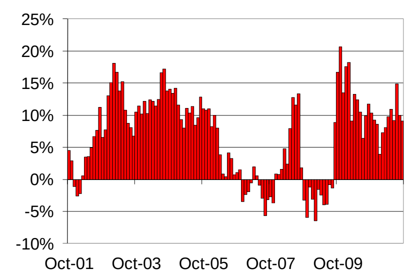
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.43%	5.31%
Standard Deviation	2.58%	8.94%
Sharpe Ratio	0.10	0.37
Alpha (5 Year)	-0.25%	
Beta (5 Year)	1.47	
Worst Drawdown	-15.37% Sep 08 - Oct 09)	
Time to Recover	14 Months	

Growth of Investment



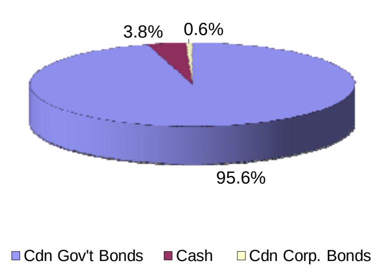
Rolling 12 Month Returns



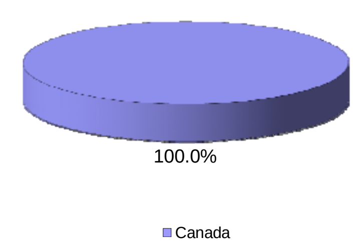
Top 10 Holdings (Sep 30/11)

Cda RRB 4.25% 01-Dec-26	22.0%
CDA RRB 3.0% 01-Dec-36	14.2%
Cda RRB 4.25% 01-Dec-21	12.5%
Cda RRB 2.0% 01-Dec-41	9.5%
Ont. RRB 2.0% 01-Dec-36	9.4%
Cda RRB 4.0% 01-Dec-31	9.2%
MB RRB 1.74% 01-Dec-18	6.2%
Cda RRB 1.50% 01-Dec-44	4.6%
Cash	3.3%
QC RRB 4.5% 01-Dec-21	3.1%
Total	**94.0%**

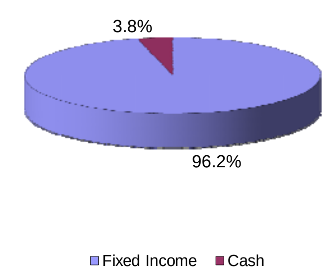
Asset Mix



Geographic Breakdown



Sector Breakdown



Canadian Equity Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
S&P/TSX Composite	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
BMO Cdn Small Cap Index	-11.7%	-15.4%	-4.5%	10.5%	9.2%	0.1%	8.8%

Funds

The Canadian Equity Category is broken into two groups; Canadian Large Cap and Canadian Small / Mid Cap. In the Canadian Equity space we look for funds which are managed by very strong management teams which have exhibited a long history of delivering strong risk adjusted returns to investors. We are also looking for managers which have disciplined processes in place which lead us to believe that there is a high probability that they will continue to deliver strong risk adjusted returns for investors going forward.

The Canadian Large Cap Funds are used as a core holding for investors. Within the portfolio the goal of the Canadian Large Cap Funds is to deliver capital growth potential for investors with moderate levels of portfolio volatility. For the small cap funds, the goal is to deliver an even higher level of capital growth over the long term for investors. However, within the small cap holdings investors must be willing to accept high levels of volatility within the funds.

Canadian Equity Commentary

- During the quarter, we made two deletions and one addition in the Canadian equity fund category.
- We deleted the Dynamic Value Fund of Canada. This move was made because of the resignation of David Taylor who resigned from Dynamic on October 11. He was replaced by Cecilia Mo, who was formerly at Fidelity. While Ms. Mo's track record at Fidelity is solid, most of it was earned managing an income type fund. Her style is significantly different than Mr. Taylor's and it is expected that significant changes will be made over the next several months to bring the fund into line. We will re-examine the fund once the transition has fully occurred.
- We deleted the Invesco Canadian Premier Growth Fund from our Recommended List of Funds. This move was made on disappointing performance from the fund in the past several quarters.
- We added the IA Clarington Canadian Conservative Equity Fund to our Recommended List of Funds. This fund was added because we believe that the conservative nature of the fund, combined with the manager's fundamentally driven focus on identifying companies with a demonstrated history of growing dividends paid to investors will allow it to outperform in the near to medium term. The fund provides solid downside protection in volatile markets. We do expect that this fund will underperform in a very strong market rally. It is our opinion that this fund can be a good core holding for investors seeking high yielding, high quality Canadian equities.

Canadian Equity Outlook

- Canadian equity markets sold off sharply in the quarter on fears of a slowing economy and the impact of a potential Greek debt default.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Canadian Equity (Total)	0% to 5%%	0% to 5%	5% to 10%	10% to 20%	20% to 25%
Large Cap	5%	5%	10%	20%	15%
Small / Mid Cap	0%	0%	0%	0%	7.5%

Fidelity Canadian Large Cap

Fund Codes

Front End	FID 231
DSC	FID 531
Min Purchase	$500

Investment Objective

This fund aims to achieve long-term capital growth. It invests primarily in equity securities of Canadian companies and tends to focus on large companies.

Strategy

When buying and selling securities for the fund, the manager examines each company's potential for success in light of its current financial condition, its industry position, and economic and market conditions. The manager considers factors like growth potential, earnings estimates and quality of management.

Analysis

- Brandon Snow resigned from Fidelity in March 2011. He was replaced by Daniel Dupont. Performance, on a relative basis, has been very strong since the change
- Because of this, we are removing the UNDER REVIEW rating of the fund.
- Investment process is a fundamentally driven, bottom up approach.
- Portfolio is very concentrated, holding 28 stocks, with the top 10 names making up nearly 75% of the fund.
- Manager has increased exposure to the consumer services sector, while cutting exposure to healthcare and industrials.
- Cash has remained fairly stable over the quarter.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.9%	-3.3%	12.1%	12.1%	8.5%	7.3%	8.9%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	1	1	1	1	1	1	1

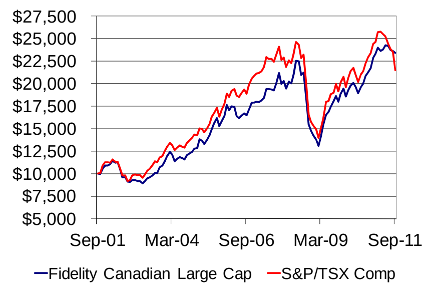
Fund Facts

Fund Sponsor		Fidelity Investments Canada
Fund Manager		Daniel Dupont (Apr 11)
Inception Date		February 1, 1998
Total Assets		$713.50 Million
Management Fee / MER	2.00%	2.49%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

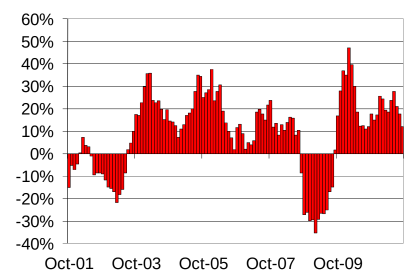
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.67%	8.36%
Standard Deviation	4.54%	15.73%
Sharpe Ratio	0.11	0.41
Alpha (5 Year)	0.40%	
Beta (5 Year)	0.86	
Worst Drawdown	-42.01% (Jun 08 - Dec 10)	
Time to Recover	31 Months	

Growth of Investment



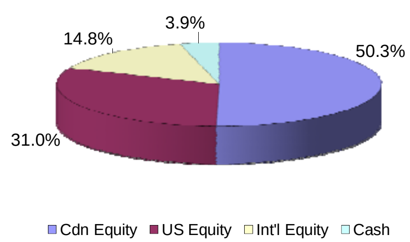
Rolling 12 Month Returns



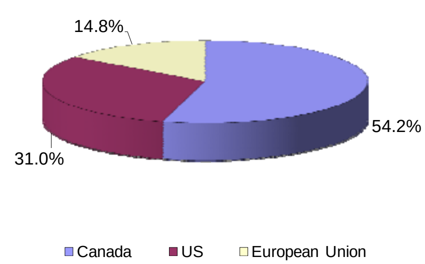
Top 10 Holdings (Aug 31/11)

Shoppers Drug Mart	6.9%
Rogers Communications	6.8%
Fairfax Financial Holdings	6.8%
Metro Inc.	6.0%
Toronto Dominion Bank	5.5%
Best Buy Co Inc.	4.8%
Lubrizol Corp.	4.7%
BP PLC	4.6%
Imperial Tobacco Group	4.2%
Microsoft Corp.	4.1%
Total	**54.5%**

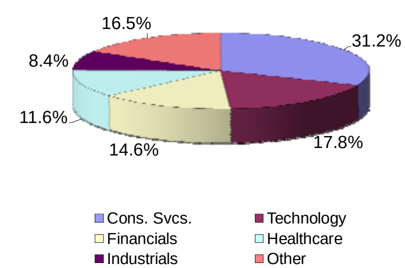
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Canadian Dividend & Income Equity

IA Clarington Canadian Conservative Equity Fund

Fund Codes

Front End	CCM 1300
DSC	CCM 1400
Min Purchase	$500

Investment Objective

The Fund's objective is to seek to achieve long-term capital growth and maintain value by investing primarily in equity securities of Canadian companies.

Strategy

The fund emphasizes investment in Canadian preferred and common shares, diversifies through investment in securities of companies of many industries, invests primarily in securities that derive income and provide the Fund with the ability to pay quarterly distributions, protect value of investment and achieve long term capital appreciation, may invest in foreign securities; such investments will generally be less than 30% of the cost amount of the fund.

Analysis

- The Fund was added to our Recommended List in September 2011.
- The Fund is managed using the same investment process that has been in place at Leon Frazer since 1939.
- Combines a top down economic overview with bottom up security selection process.
- Top down economic overview is used to develop investment themes, set cash weighting and identify sector weights.
- Bottom up security selection process utilizes a 9 factor quantitative model combined with qualitative analysis.
- Portfolio will be concentrated holding between 25-35 stocks.
- Portfolio is typically low turnover and seeks to generate a dividend yield of at least 125% of the TSX Composite..

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-4.4%	-6.7%	1.0%	7.4%	4.8%	2.5%	7.1%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	2	1	1	1	1	1	1

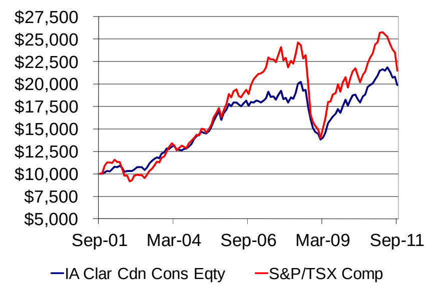
Fund Facts

Fund Sponsor		IA Clarington Investments Inc.
Fund Manager		George Frazer (Oct 50) Doug Kee (May 06)
Inception Date		October 13, 1950
Total Assets		$370.83 Million
Management Fee / MER	2.00%	2.41%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

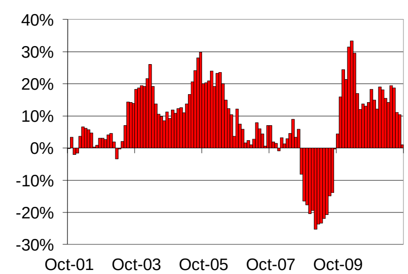
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.33%	4.03%
Standard Deviation	3.37%	11.66%
Sharpe Ratio	0.05	0.18
Alpha (5 Year)	0.05%	
Beta (5 Year)	0.61	
Worst Drawdown	-31.65% (Jul 08 - Dec 10)	
Time to Recover	30 Months	

Growth of Investment



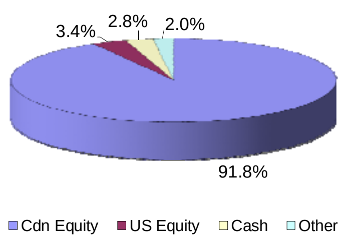
Rolling 12 Month Returns



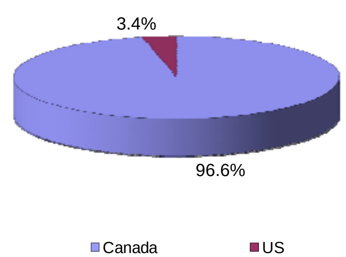
Top 10 Holdings (Jun 30/11)

BCE Inc.	4.7%
TransCanada Corp.	4.6%
Bank of Montreal	4.5%
Enbridge Inc.	4.3%
Bank of Nova Scotia	4.2%
TransAlta Corp.	3.9%
Baytex Energy Corp.	3.9%
Fortis Inc.	3.8%
Emera Inc.	3.7%
Thomson Reuters Corp.	3.4%
Total	**41.0%**

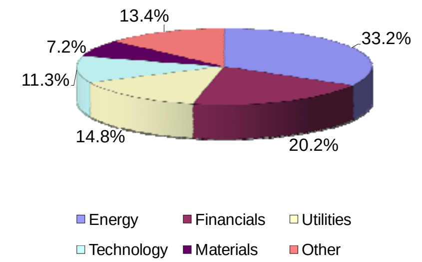
Asset Mix



Geographic Breakdown



Sector Breakdown



This analysis is provided for advisor use only. Past results do not guarantee future returns. Mutual funds may lose money over time. Although data is gathered from sources believed to be reliable, Paterson & Associates cannot guarantee completeness and accuracy. Important information about these funds is found in the fund's simplified prospectus. Obtain a copy and read it before investing.

September 30, 2011
Paterson & Associates Fund Rating: D
Canadian Focused Equity

CI Harbour Fund

Fund Codes

Front End	CIG 690
DSC	CIG 890
Min Purchase	$500

Investment Objective

This fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of high quality, large and mid-capitalization Canadian companies that the portfolio adviser believes have good potential for future growth.

Strategy

The portfolio adviser may use techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio adviser: analyzes financial data and other information sources assesses the quality of management conducts company interviews, where possible.

Analysis

- The manager uses a predominantly bottom up, value based approach, but will consider macro issues when analyzing a stock for inclusion in the portfolio.
- The portfolio tends to be fairly concentrated holding between 25 to 40 names. Top 10 holdings make up approx. 40% of the portfolio
- Q3 was one of the worst quarters for equities that the manager can recall.
- During the quarter, the manager sold Exxon and TD Bank on valuation issues.
- Manager notes that the dividend yield on the S&P 500 is now greater than the yield on 10 year U.S. Treasuries. In 80% of cases when this has occurred, markets have rallied significantly in the following 12 months.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-7.5%	-14.0%	-4.4%	-1.3%	-0.3%	1.1%	6.6%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	2	3	1	3	2	1	1

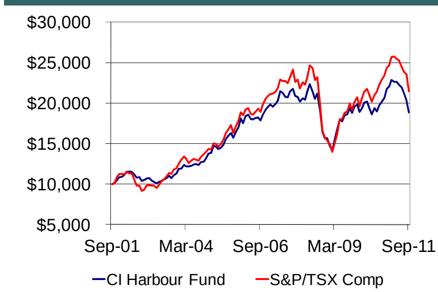
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Gerry Coleman (Jun 97)
		Stephen Jenkins (Jun 97)
Inception Date		June 27, 1997
Total Assets		$3,584.43 Million
Management Fee / MER	2.00%	2.43%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Medium to Long

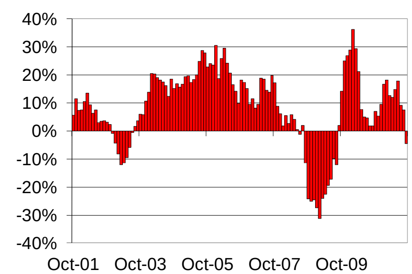
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.33%	4.05%
Standard Deviation	4.31%	14.92%
Sharpe Ratio	0.04	0.14
Alpha (5 Year)	-0.09%	
Beta (5 Year)	0.80	
Worst Drawdown	-36.61% (Jun 08 - Feb 11)	
Time to Recover	33 Months	

Growth of Investment



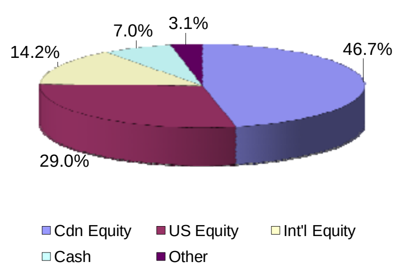
Rolling 12 Month Returns



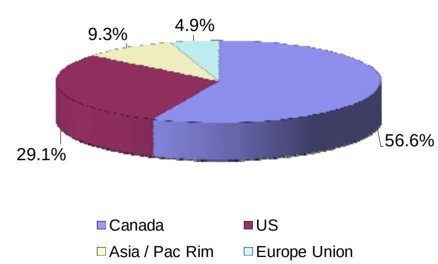
Top 10 Holdings (Sep 30/11)

Suncor Energy	5.5%
Canadian National Railway	5.2%
BHP Billiton Ltd.	4.8%
Tim Hortons Inc.	4.6%
CIBC	3.7%
Cisco Systems	3.7%
Potash Corp.	3.5%
Bank of Nova Scotia	3.5%
Petsmart Inc.	3.3%
Barrick Gold Corp.	3.2%
Total	**41.0%**

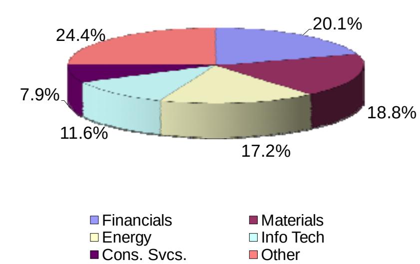
Asset Mix



Geographic Breakdown



Sector Breakdown



CI Signature Select Canadian

Fund Codes

Front End	CIG 677
DSC	CIG 777
Min Purchase	$500

Investment Objective

This fund's objective is to seek capital appreciation over the long-term coupled with dividend income. It invests primarily in common shares and convertible securities of Canadian companies and preferred shares that pay regular income. The fund's investments are diversified across industry sectors.

Strategy

The portfolio adviser identifies companies that offer good value and the potential for growth in their industry and then considers the impact of economic trends. The portfolio adviser may use techniques such as fundamental analysis to assess growth and value potential. This means evaluating the financial condition and management of each company.

Analysis

- Equity markets were pounded in the 3rd quarter as the European sovereign debt issues moved from the peripheral countries to the core of the banking and financial system.
- The fund was defensively positioned in the quarter holding nearly 22% of the fund in cash & gold.
- The manager is seeing some attractive opportunities in the energy sector due to lower commodity and equity prices.
- Manager feels that US financials are trading at a very attractive valuation.
- The manager feels that a solution to stabilize the banking system is imminent and has begun to take advantage of buying opportunities so far in Q4.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-7.9%	-14.0%	-5.4%	-0.4%	1.4%	0.8%	7.1%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	3	3	2	2	1	1	1

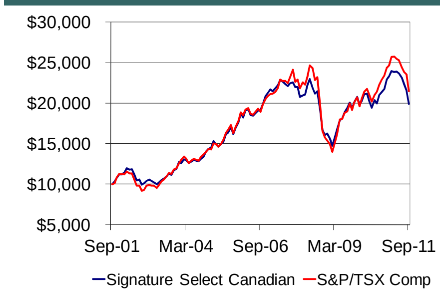
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Eric Bushell (May 98)
Inception Date		May 25, 1998
Total Assets		$2,191.71 Million
Management Fee / MER	2.00%	2.43%
Risk Rating		Moderate
Objective		Income
Time Horizon		Medium to Long

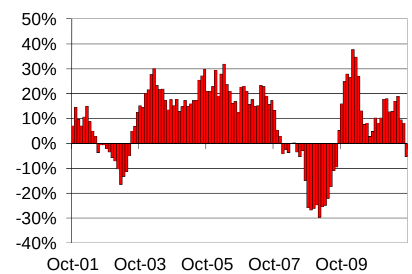
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.38%	4.60%
Standard Deviation	4.12%	14.26%
Sharpe Ratio	0.05	0.18
Alpha (5 Year)	-0.11%	
Beta (5 Year)	0.76	
Worst Drawdown	-35.76% (Jun 08 - Jan 11)	
Time to Recover	32 Months	

Growth of Investment



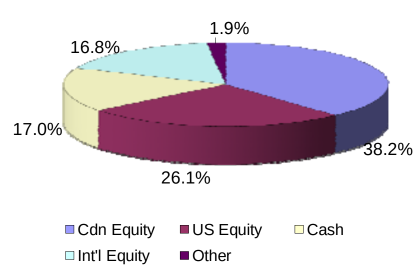
Rolling 12 Month Returns



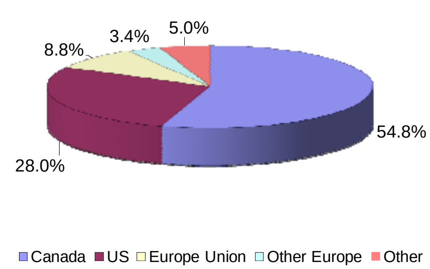
Top 10 Holdings (Sep 30/11)

National Bank Term Deposit	8.7%
ABN Amro Term Deposit	6.9%
SPDR Gold Trust	4.6%
Toronto Dominion Bank	4.2%
CIBC	2.9%
Canadian Natural Resources	2.7%
Barrick Gold Corp.	2.5%
Suncor Energy Inc.	2.1%
Eli Lilly and Co.	2.0%
Talisman Energy	2.0%
Total	**38.7%**

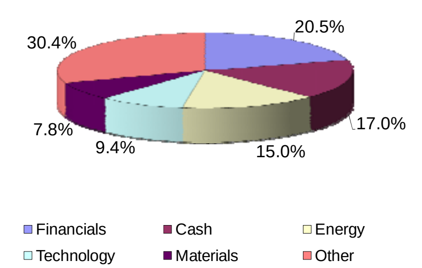
Asset Mix



Geographic Breakdown



Sector Breakdown



Sentry Small Mid Cap Income

Fund Codes

Front End	NCE 721
DSC	NCE 321
Min Purchase	$500

Investment Objective

The Fund's investment objective is to provide consistent monthly income and capital appreciation by investing in equity securities of small and medium capitalization companies, as well as preferred securities and convertible debentures and to a lesser extent other interest bearing securities, such as bonds, bills or banker's acceptances.

Strategy

The Manager will employ a value oriented investment approach, utilizing fundamental analysis to identify stocks that have high returns on invested capital, generate free cash flow, and have modest capital expenditure requirements. In addition, the Fund may hold preferred securities and convertible debentures.

Analysis

- This Fund was added to our Recommended List in December 2009.
- The Fund is one of only a handful in the Small/Mid Cap category that provides a monthly distribution. The current distribution is $.05 per month distribution which works out to an annualized yield of approximately 4.5% at current prices
- The manager's focus is on small and medium sized businesses tht provide a high level of income yield for investors.
- Manager utilizes a value oriented process focusing on stocks that generate a high return on invested capital, free cash flow and have modest cap-ex requirements
- The fund continues to be one of the least volatile funds in the category.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.9%	-9.0%	6.9%	17.7%	12.9%	9.1%	N/A
BMO Sm Cap	-11.7%	-15.4%	-4.5%	10.5%	9.2%	0.1%	8.8%
Quartile	1	1	1	1	1	1	N/A

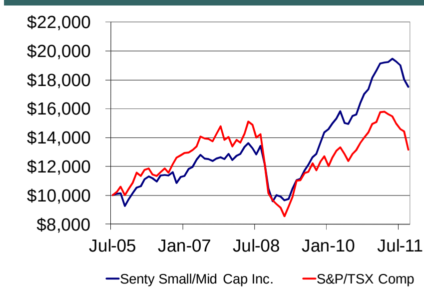
Fund Facts

Fund Sponsor		Sentry Investments
Fund Manager		Michael Simpson (Jul 05)
		Aubrey Hearn (Jul 05)
Inception Date		July 27, 2005
Total Assets		$107.91 Million
Management Fee / MER	2.25%	2.84%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

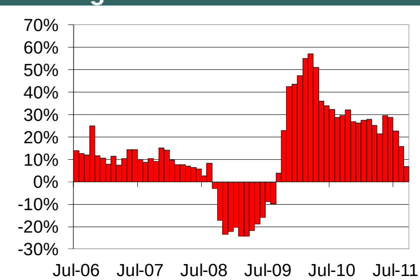
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.94%	11.93%
Standard Deviation	3.97%	13.76%
Sharpe Ratio	0.20	0.72
Alpha (5 Year)	0.60%	
Beta (5 Year)	0.60	
Worst Drawdown	-29.51% (Jun 08 - Nov 09)	
Time to Recover	18 Months	

Growth of Investment



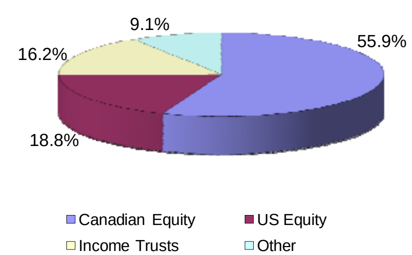
Rolling 12 Month Returns



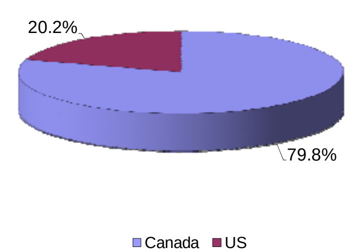
Top 10 Holdings (Jun 30/11)

RBC Term Deposit	4.6%
Cargojet Inc.	3.4%
McGraw-Hill Companies	3.4%
Canadian Helicopters Grp.	3.4%
TransForce Inc.	3.1%
Stantec Inc.	3.0%
Newalta Inc.	3.0%
Towers Watson & Co.	2.9%
Chemtrade Logistics Inc.	2.8%
Fiserv Inc.	2.5%
Total	**32.1%**

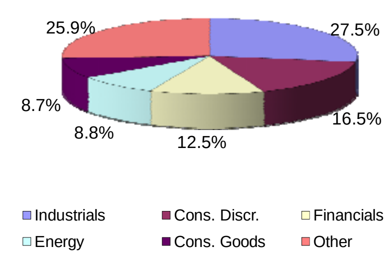
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Canadian Focused Small/Mid Cap Equity

CI Can-Am Small Cap Capital Class

Fund Codes

Front End	CIG 6104
DSC	CIG 6154
Min Purchase	$500

Investment Objective

The fund seeks long-term capital growth by investing primarily in equity and equity-related securities of Canadian small capitalization companies.The fund may also invest in foreign securities.

Strategy

A small cap style of investing focuses predominantly on investments in securities of publicly traded companies with a market capitalization of less than $1 billion (Canadian holdings) and $2 billion (foreign holdings) market capitalization at the time of initial investment. Due to their lack of liquidity, small cap companies are not as well followed by investment analysis as stocks of larger companies. Small cap managers believe that this lack of attention results in inefficient pricing.

Analysis

- Performance, both on a risk adjusted and relative basis has returned to a level where we are once again comfortable with the manager and process. We are reinstating our rating on the fund effective September 30, 2011
- The fund significantly outperformed both the benchmark and it's peer group in the quarter.
- Macroeconomic issues weighed on investor enthusiasm during the quarter.
- Small and mid cap stocks underperformed their large cap brethren.
- Given the defensive positioning, we would expect this fund to lag in up markets, but outperform in volatile and down markets.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-4.1%	-8.1%	1.0%	8.0%	6.0%	3.1%	12.8%
BMO Sm Cap	-11.7%	-15.4%	-4.5%	10.5%	9.2%	0.1%	8.8%
Quartile	1	1	1	1	2	1	1

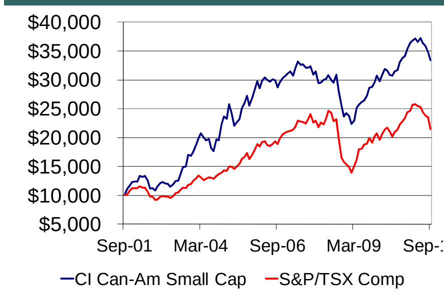
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Leigh Pullen (Dec 05)
		Joe Jugovic (Dec 05)
Inception Date		December 29, 1997
Total Assets		$70.18 Million
Management Fee / MER	2.00%	2.40%
Risk Rating		Moderate to High
Objective		Growth
Time Horizon		Medium to Long

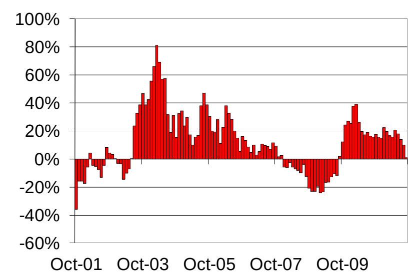
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.33%	4.09%
Standard Deviation	3.50%	12.14%
Sharpe Ratio	0.05	0.17
Alpha (5 Year)	0.12%	
Beta (5 Year)	0.57	
Worst Drawdown	-47.02% (Sep 00 - Feb 04)	
Time to Recover	42 Months	

Growth of Investment



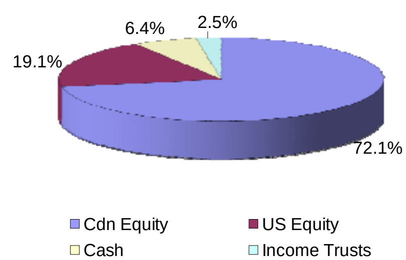
Rolling 12 Month Returns



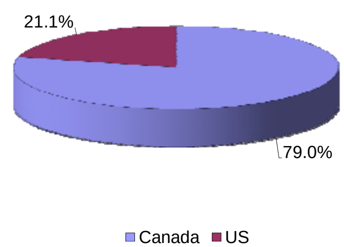
Top 10 Holdings (Sept 30/11)

Atco Ltd.	6.4%
Laurentian Bank of Canada	5.2%
Empire Co Ltd.	5.0%
AltaGas Ltd.	4.9%
Total System Services Inc.	4.6%
WGL Holdings Inc.	4.6%
CCL Industries Inc.	4.0%
Pason Systems Inc.	4.0%
Manitoba Telcom	3.8%
IA Insurance & Financial	3.8%
Total	**46.3%**

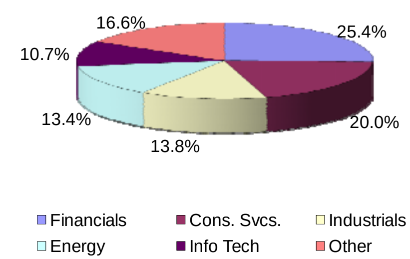
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Canadian Small/Mid Cap Equity

AGF Canadian Small Cap

Fund Codes

Front End	AGF 796
DSC	AGF 696
Min Purchase	$500

Investment Objective

The fund's objective is to provide superior capital growth. It invests primarily in shares of small and medium Canadian companies that have the potential to generate above-average growth.

Strategy

The portfolio manager uses a bottom-up growth investment style, focusing on companies that it believes may exhibit superior growth potential. When evaluating companies, it looks for four key characteristics: shareholder-driven management with a clearly defined strategy; niche products, services or technology that it perceives to have clear competitive advantages; the potential to generate above-average growth in sales, earnings and cash flow; the capability to finance future growth.

Analysis

- The Fund underperformed both the benchmark and its peer group during the quarter, largely because of its overweight exposure to energy and underweight exposure to financials.
- The manager sold some energy positions, using the proceeds to increase cash and its exposure to materials.
- Manager expects that markets will be volatile in the near term, creating attractive investment opportunities.
- Manager feels that in the near term, macroeconomic concerns may outweigh company specific positive fundamentals.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-10.5%	-15.0%	-6.7%	8.4%	6.7%	2.0%	8.5%
BMO Sm Cap	-11.7%	-15.4%	-4.5%	10.5%	9.2%	0.1%	8.8%
Quartile	2	2	3	2	3	2	2

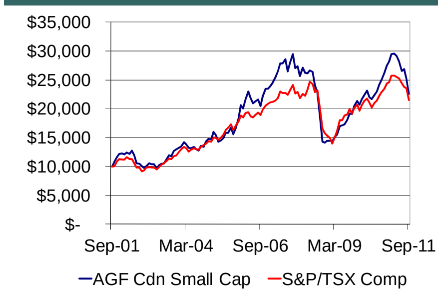
Fund Facts

Fund Sponsor		AGF Funds
Fund Manager		Caterina Preto (Apr 08)
Inception Date		February 15, 1996
Total Assets		$207.80 Million
Management Fee / MER	2.25%	2.81%
Risk Rating		High
Objective		Growth
Time Horizon		Long

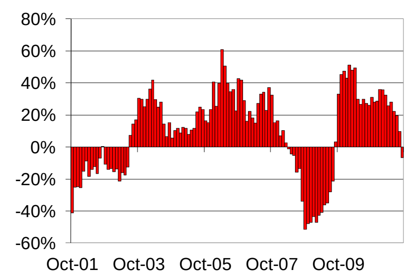
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.40%	4.87%
Standard Deviation	5.97%	20.69%
Sharpe Ratio	0.04	0.14
Alpha (5 Year)	0.00%	
Beta (5 Year)	1.04	
Worst Drawdown	-53.74% (Sep 00 - Nov 06)	
Time to Recover	75 Months	

Growth of Investment



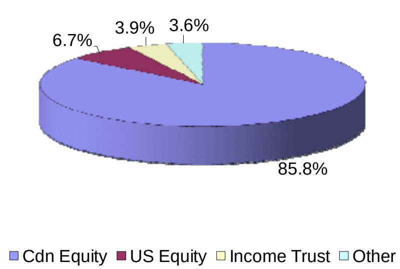
Rolling 12 Month Returns



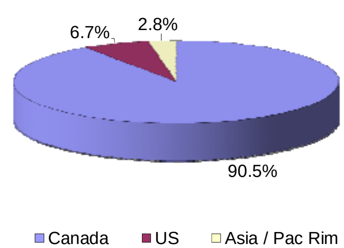
Top 10 Holdings (Sept 30/11)

Keyera Corp.	3.9%
Metro Inc.	3.5%
Alamos Gold Inc.	3.3%
Painted Pony Petroleum	2.8%
Canadian Western Bank	2.7%
Aurizon Mines Ltd.	2.5%
Minefinders Corporation	2.5%
ShawCor Ltd.	2.5%
Alacer Gold Corp.	2.3%
IA Insurance & Financial	2.3%
Total	**28.2%**

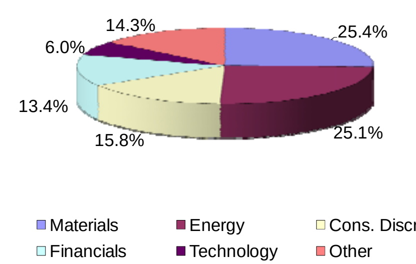
Asset Mix



Geographic Breakdown



Sector Breakdown



US Equity Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
S&P 500 (C$)	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Russell 2000 (C$)	-5.0%	-15.2%	-2.8%	2.2%	-2.2%	-3.6%	0.6%

Funds

The US Equity Category is broken into two groups; US Large Cap and US Small / Mid Cap. In the US Equity space we look for funds which are managed by very strong management teams which have exhibited a long history of delivering strong risk adjusted returns to investors. We are also looking for managers which have disciplined processes in place which lead us to believe that there is a high probability that they will continue to deliver strong risk adjusted returns for investors going forward.

The US Large Cap Funds are used as a core holding for investors. Within the portfolio the goal of the US Large Cap Funds is to deliver capital growth potential for investors with moderate levels of portfolio volatility. For the small cap funds, the goal is to deliver an even higher level of capital growth over the long term for investors. However, within the small cap holdings investors must be willing to accept high levels of volatility within the funds. Another risk which may be present in the US Equity space is currency risk. With the underlying investments being denominated in US dollars, the fluctuation in the value between the US and Canadian dollar can impact fund values. Some of the funds we have selected implement currency hedging either on a full or tactical basis, while other funds do not hedge currency.

US Equity Commentary

- During the quarter, there were no additions or deletions to any of the funds in the category.
- Markets sold off sharply in the quarter, with large caps holding their value better than small caps.
- The impact to Canadian investors was somewhat offset by the strengthening in the U.S. dollar, which rose over the quarter on flight to safety activity.
- Markets were impacted by the fears coming out of Europe, combined with the fear of a U.S. recession as economic activity struggles.
- Job growth continues to lag with an unemployment rate of 9.1%.

US Equity Outlook

- GDP growth in the U.S. appears to be rebounding above recent expectations, putting fears of an imminent recession on the backburner.
- While economic growth is positive, we don’t expect the U.S. economy to roar back any time soon. There is still much deleveraging which must occur.
- Continued political gridlock is a concern as we enter into an election year.
- It is our expectation that until the European crisis is resolved, or on its way to being fixed, there will be continued high levels of volatility in equity markets.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
US Equity (Total)	0% to 5%%	5% to 10%	5% to 10%	10% to 20%	20% to 30%
Large Cap	5%	10%	10%	20%	20%
Small / Mid Cap	0%	0%	0%	0%	10%

September 30, 2011
Paterson & Associates Fund Rating: C
U.S. Equity

Dynamic American Value

Fund Codes

Front End	DYN 041
DSC	DYN 741
Min Purchase	$500

Investment Objective

The Dynamic American Value Fund seeks to achieve long-term capital growth by investing primarily in equity securities of United States businesses.

Strategy

The Fund will invest primarily in United States companies. From time-to-time and to a lesser extent, this Fund may also invest in companies in other countries in the Americas. Investment analysis for this Fund follows a bottom-up-approach, which emphasizes careful company specific analysis. Using a value investment approach, this Fund invests in companies that represent good value based on current stock price relative to the company's intrinsic value.

Analysis

- The manager runs a fairly concentrated portfolio, holding between 30-40 names with top 10 holdings making up roughly half the portfolio.
- During the quarter the manager dramatically increased his cash weighting, moving it from approximately 4% to nearly 44%.
- Manager is very defensive and is avoiding highly cyclical stocks until the economy hits its low.
- Does not expect energy or base metals to increase dramatically because fundamentals do not support it.
- Consumer discretionary stocks offer the best risk return profile.
- Manager has deployed a good chunk of the cash during the month of October.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.9%	-5.9%	6.0%	7.7%	4.4%	1.4%	2.4%
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	1	1	1	1	1	1	1

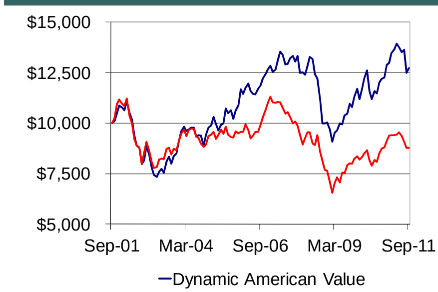
Fund Facts

Fund Sponsor		Dynamic Funds
Fund Manager		David Fingoold (May 05)
Inception Date		August 31, 1979
Total Assets		$267.89 Million
Management Fee / MER	2.00%	2.49%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

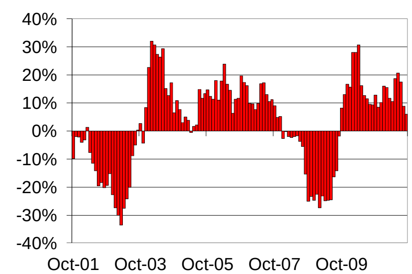
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.28%	3.39%
Standard Deviation	3.77%	13.06%
Sharpe Ratio	0.03	0.11
Alpha (5 Year)	0.27%	
Beta (5 Year)	0.62	
Worst Drawdown	-38.72% (Apr 00 - Oct 06)	
Time to Recover	79 Months	

Growth of Investment



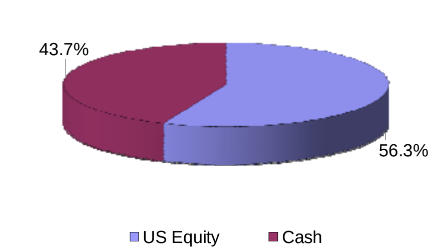
Rolling 12 Month Returns



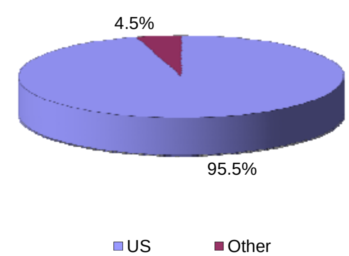
Top 10 Holdings (Sept 30/11)

Exxon Mobil Corporation	5.1%
Globe Specialty Metals	3.3%
IBM	3.3%
American Tower Corp.	3.2%
Apple Inc.	3.2%
Simon Property Group	3.0%
Boston Properties	2.7%
Dollar Tree	2.2%
ITC Holdings	2.2%
O'Reilly Automotive	2.2%
Total	**30.4%**

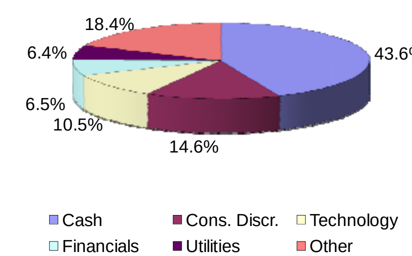
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
U.S. Equity

Trimark U.S. Companies

Fund Codes

Front End	AIM 1743
DSC	AIM 1741
Min Purchase	$500

Investment Objective

Trimark U.S. Companies Fund seeks to provide strong capital growth over the long term. The Fund invests primarily in equities of American companies.

Strategy

To achieve these objectives, the portfolio management team looks for companies that exhibit strong cash flows and that invest significantly to obtain a competitive advantage.

Analysis

- The Fund was added to our Recommended List in December 2010.
- Manager looks for companies with a proprietary advantage, strong capital investment programs, with strong management and industry leadership.
- The Fund underperformed the benchmark, but outpaced much of its peer group during the quarter.
- The Fund's exposure to healthcare, industrials and utilities dragged both absolute and relative performance, while the fund's financials outperformed.
- The manager sold a number of positions due to valuation levels being reached, and purchased a number of high quality businesses including Johnson & Johnson and Microsoft.
- The manager believes that much of the negative headline news has been built into the price of stocks and is using short term volatility as a buying opportunity to upgrade the portfolio on a risk / reward basis.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.2%	-9.0%	0.2%	2.6%	0.1%	-2.1%	-2.1%
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	2	2	2	1	1	1	2

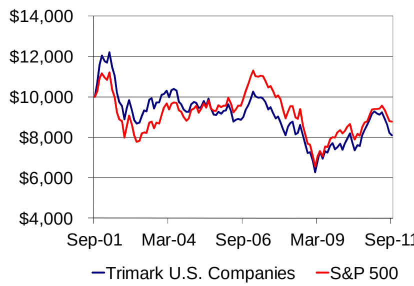
Fund Facts

Fund Sponsor		Invesco Trimark
Fund Manager		Jim Young (Oct 99)
Inception Date		October 22, 1999
Total Assets		$107.51 Million
Management Fee / MER	2.00%	2.90%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

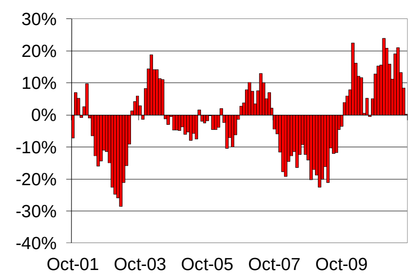
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.01%	0.10%
Standard Deviation	3.97%	13.74%
Sharpe Ratio	-0.04	-0.14
Alpha (5 Year)	0.04%	
Beta (5 Year)	1.00	
Worst Drawdown	-48.66% (Apr 02 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



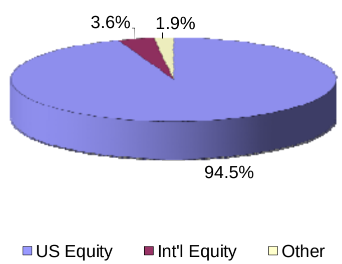
Rolling 12 Month Returns



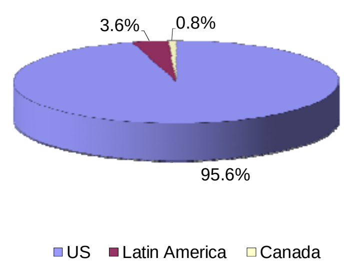
Top 10 Holdings (Sept 30/11)

Apple Inc.	5.2%
Google Inc.	4.1%
Wells Fargo & Co.	3.8%
PVH Corp.	3.6%
KLA Tencor Corp.	3.6%
ACE Ltd.	3.6%
Praxair Inc.	3.4%
Analog Devices Inc.	3.4%
United Parcel Service	3.3%
Occidental Petroleum	3.3%
Total	**37.4%**

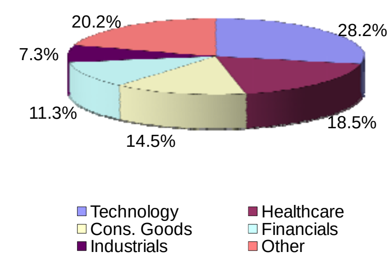
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
U.S. Equity

CI American Value

Fund Codes

Front End	CIG 7500
DSC	CIG 7505
Min Purchase	$500

Investment Objective

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States.

Strategy

To achieve its objective, the portfolio adviser invests primarily in common shares of larger U.S. companies. The manager uses a disciplined, bottom-up stock selection to evaluate a company. The manager focuses on companies that are considered undervalued in relation to their future prospects. The stocks will also offer good absolute and relative value as characterized by measures which should include a lower than average price\book and price\earnings ratio and higher than-average dividend yield as compared to the over all market.

Analysis

- The manager does not hedge currency.
- Markets have reacted to a deceleration in the global economy and the potential risk of a recession.
- Healthcare and technology dragged relative performance, while the fund's stock selection in consumer discretionary and materials helped.
- Manager notes that their analysts are hearing from many companies that orders have not significantly slowed.
- Manager is seeing a growing number of high quality companies trading at an attractive valuation.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.0%	-9.7%	-1.2%	1.2%	-1.5%	-2.8%	-0.1%
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	1	2	2	2	2	1	1

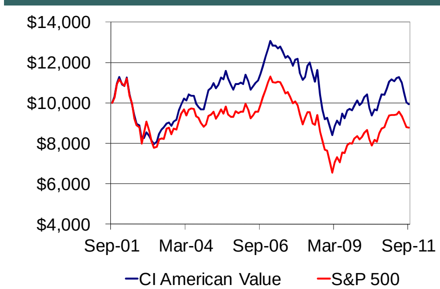
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		William Priest (Oct 02)
		David Pearl (Oct 02)
Inception Date		May 27, 1957
Total Assets		$165.18 Million
Management Fee / MER	2.00%	2.43%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Medium to Long

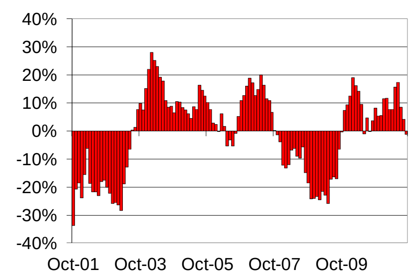
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.03%	0.38%
Standard Deviation	3.56%	12.33%
Sharpe Ratio	-0.04	-0.13
Alpha (5 Year)	-0.05%	
Beta (5 Year)	0.90	
Worst Drawdown	-51.48% (Sep 00 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



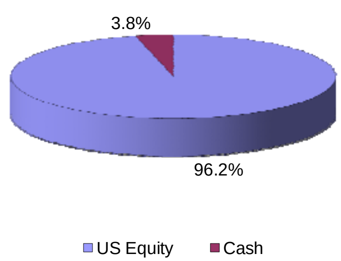
Rolling 12 Month Returns



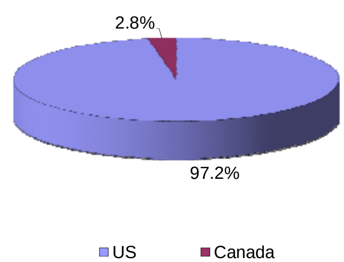
Top 10 Holdings (Sept 30/11)

Microsoft Corp.	3.6%
Exxon Mobil Corp.	3.4%
Praxair Inc.	3.0%
Comcast Corp.	3.0%
Cash	2.8%
Visa Inc.	2.8%
Oracle Corp.	2.7%
Apple Inc.	2.5%
Thermo Fisher Scientific	2.5%
Boeing Co.	2.4%
Total	**28.7%**

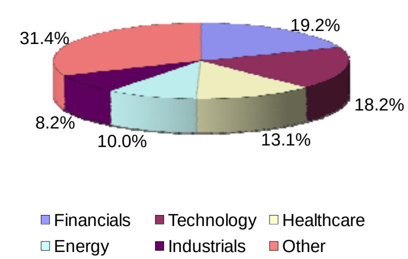
Asset Mix



Geographic Breakdown



Sector Breakdown



RBC O'Shaughnessy US Value

Fund Codes

Front End	RBF 776
DSC	RBF 134 (Low Load)
Min Purchase	$500

Investment Objective

This fund's objective isto provide a long-term total return, consisting of capital growth and current income. The fund invests primarily in equity securities of U.S. companies based on Strategy Indexing, an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

Strategy

To achieve the fund's objectives, the portfolio manager employs a proprietary quantitative approach to stock selection based on research and analysis of historical data. The manager invests the fund's assets in securities selected through the US Value Strategy. The US Value Strategy selects the 50 highest shareholder yielding securities which meet the following criteria; above average market capitalization, sales over the past 12 months, trading volume and cash flow.

Analysis

- The Fund underperformed the benchmark and the peer group in the quarter in Canadian dollar terms.
- The fund's currency hedging program was the biggest detractor from performance over the quarter as the Canadian dollar weakened. In US dollar terms, the fund outperformed the S&P 500 over the quarter.
- In US dollar terms, the fund's higher dividend yield and an underweight in financials, and energy aided relative performance.
- The Fund remains fully invested with a very modest 1.3% cash in the fund.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-4.7%	-11.8%	2.4%	8.8%	-1.1%	-4.7%	2.5%
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	4	3	1	1	2	2	1

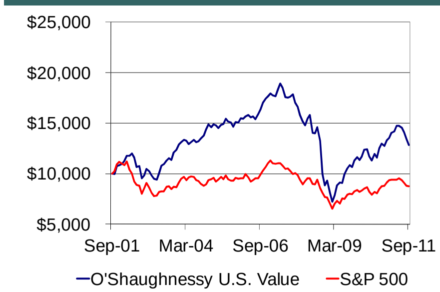
Fund Facts

Fund Sponsor		RBC Asset Management
Fund Manager		Jim O'Shaughnessy (Sep 97)
Inception Date		September 23, 1997
Total Assets		$780.08 Million
Management Fee / MER	1.25%	1.53%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

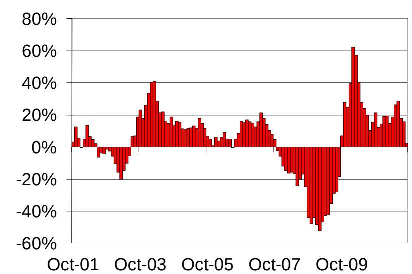
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.13%	-1.50%
Standard Deviation	6.11%	21.16%
Sharpe Ratio	-0.05	-0.16
Alpha (5 Year)	-0.04%	
Beta (5 Year)	1.21	
Worst Drawdown	-61.78% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



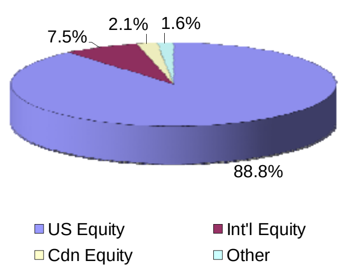
Rolling 12 Month Returns



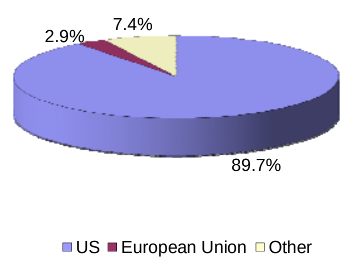
Top 10 Holdings (June 30/11)

WellPoint Inc.	2.4%
Sara Lee Corp.	2.2%
Northrop Grunman Corp.	2.2%
DirecTV	2.2%
Philip Morris International	2.2%
Aetna Inc.	2.1%
Chubb Corp.	2.1%
IBM	2.1%
Time Warner Inc.	2.0%
CSX Corp.	2.0%
Total	**21.4%**

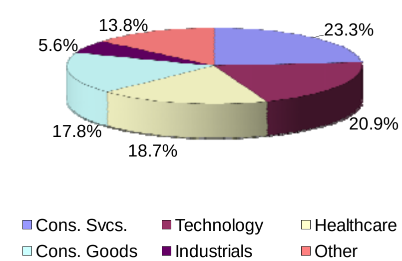
Asset Mix



Geographic Breakdown



Sector Breakdown



Fidelity American Discpiplined Equity

Fund Codes

Front End	FID 283
DSC	FID 583
Min Purchase	$500

Investment Objective

The fund aims to achieve long-term capital growth. It invests primarily in equity securities of U.S. companies.

Strategy

The fund aims to invest in sectors in approximately the same proportion as those sectors are represented in the S&P 500 Index. Members of a team of analysts are assigned to each sector. They put forward suggestions for investments for their sector based on a thorough review of each company's management, financial conditions and potential for earnings growth over the long term and the portfolio manager makes the final investment decisions.

Analysis

- This fund is managed in a sector neutral way, which means that the sector weightings in the fund will largely match the sector weightings of the index
- We expect that over the long term, the performance of this fund will largely match the index. It will however be prone to periods of both outperformance and underperformance.
- Performance on a YTD and quarterly basis has been disappointing as the Fidelity stock picking process has not generated any excess returns.
- Given the likelihood of continued volatility, we feel that a more actively managed fund will be a better option for most investors.
- We are placing the fund UNDER REVIEW

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.9%	-10.7%	-2.9%	-0.1%	-1.9%	-4.1%	N/A
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	3	3	3	3	2	2	N/A

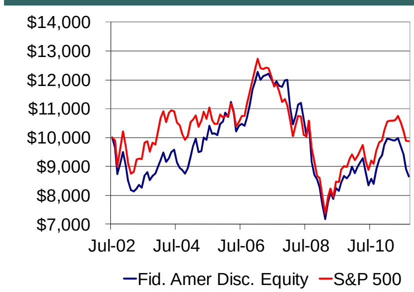
Fund Facts

Fund Sponsor		Fidelity Investments Canada
Fund Manager		John Power (Aug 07)
Inception Date		July 9, 2002
Total Assets		$488.70 Million
Management Fee / MER	2.00%	2.54%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

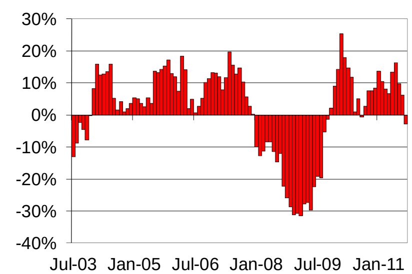
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.12%	-1.41%
Standard Deviation	3.93%	13.61%
Sharpe Ratio	-0.07	-0.25
Alpha (5 Year)	-0.14%	
Beta (5 Year)	0.97	
Worst Drawdown	-41.60% (Feb 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



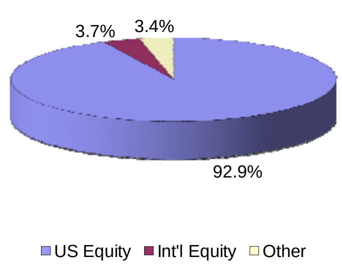
Rolling 12 Month Returns



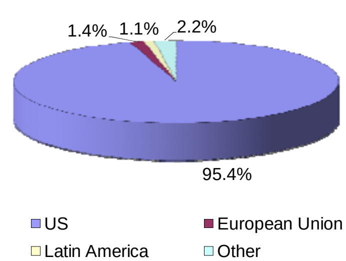
Top 10 Holdings (Aug 31/11)

Apple Inc.	4.2%
Exxon Mobile Corp.	3.3%
Chevron Corp.	3.0%
JPMorgan Chase & Co.	2.8%
Google Inc.	2.7%
CVS Caremark Corp.	2.6%
Cash	2.5%
Pfizer Inc.	2.3%
Procter & Gamble Co.	2.1%
Citigroup Inc.	2.0%
Total	**27.4%**

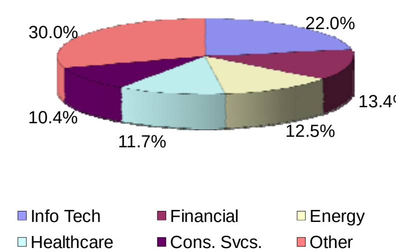
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
U.S. Small/Mid Cap Equity

Trimark US Small Companies

Fund Codes

Front End	AIM 5523
DSC	AIM 5521
Min Purchase	$500

Investment Objective

Trimark U.S. Small Companies Class seeks to provide strong capital growth over the long term. The Fund invests mainly in common shares of a diversified group of U.S. companies with small-market capitalizations.

Strategy

To achieve these objectives, the portfolio management team looks for companies that exhibit: Sound growth potential and attractive valuations; Strong management and leadership in their field; Financial strength.

Analysis

- Co Manager Ted Chisholm resigned from Invesco in April 2011. He was replaced by Jason Whiting.
- Management team follows a very disciplined, fundamentally driven, bottom up approach.
- The Fund significantly outperformed its benchmark and peer group over the quarter, posting a loss of 6.3% while the Russell 2000 dropped by more than 15%.
- The Fund's outperformance can be attributed to its stock selection, particularly in the healthcare and technology holdings. The fund's significant cash weighting (20%) also helped mitigate losses.
- The Fund sold its position in Smart Modular Technologies, which is the target of a takeover.
- The Fund added a couple of new names into the portfolio.
- The manager views the recent volatility as an opportunity to buy great businesses at discounted prices.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.5%	-6.3%	14.4%	12.2%	12.1%	1.3%	N/A
Russell 2000C$	-5.0%	-15.2%	-2.8%	2.2%	-2.2%	-3.6%	0.6%
Quartile	1	1	1	1	1	1	N/A

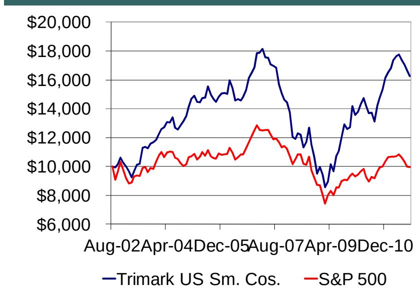
Fund Facts

Fund Sponsor		Invesco Trimark
Fund Manager		Rob Mikalachki (Aug 02)
		Virginia Au (Apr 10)
Inception Date		August 29, 2002
Total Assets		$46.06 Million
Management Fee / MER	2.00%	2.83%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

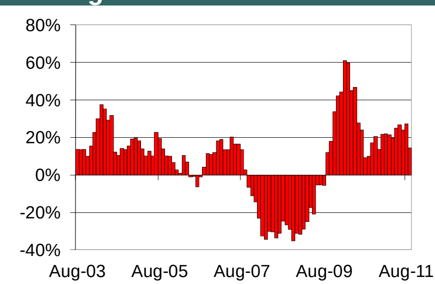
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.28%	3.42%
Standard Deviation	5.48%	18.97%
Sharpe Ratio	0.02	0.08
Alpha (5 Year)	0.41%	
Beta (5 Year)	1.20	
Worst Drawdown	-52.85% (Apr 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



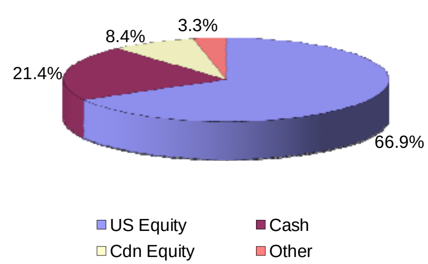
Rolling 12 Month Returns



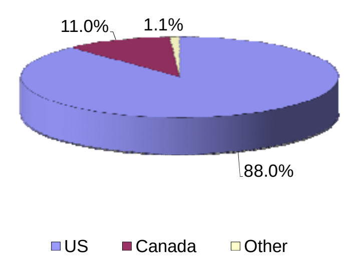
Top 10 Holdings (Sept 30/11)

Cash	
Alliance Data Systems	
Brightpoint Inc.	
International Rectifier Crop.	
Kinetic Concepts Inc.	
Generac Holdings Inc.	
Synaptics Inc.	
John Wiley & Sons Inc.	
FirstService Corp.	
Solutia Inc.	
Total	**%**

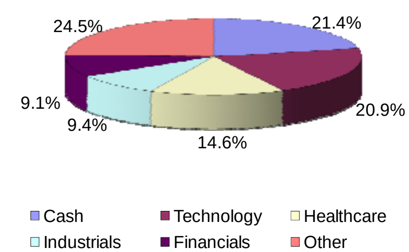
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
U.S. Small/Mid Cap Equity

TD US Mid - Cap Growth Fund

Fund Codes

Front End	TDB 312
DSC	TDB 342
Min Purchase	$100

Investment Objective

The fundamental investment objective is to seek to achieve long-term capital growth by investing primarily in equity securities of medium sized issuers in the United States.

Strategy

Individual companies and industries with a high potential for price and earnings growth are selected.

Analysis

- Manager employs a bottom up growth approach in stock selection.
- Focuses on quality of management, leadership position, and valuation
- Fund is very well diversified, holding more than 140 names and the top 10 holdings make up less than 15% of the portfolio.
- The Fund outperformed the Russell 2000 Index and its peer group for both the month and the quarter.
- Technology, consumer discretionary and energy boosted overall and relative performance.
- Portfolio is also more aggressively positioned from a valuation standpoint with a higher P/E, P/B and lower dividend yield than the benchmark.
- Despite this more aggressive positioning, the manager has done a good job keeping volatility in check, relative to other funds in the category.
- This aggressive position should boost performance further when markets turn higher.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.3%	-10.5%	1.6%	6.9%	5.2%	1.4%	2.4%
Russell 2000C$	-5.0%	-15.2%	-2.8%	2.2%	-2.2%	-3.6%	0.6%
Quartile	1	1	1	1	1	1	1

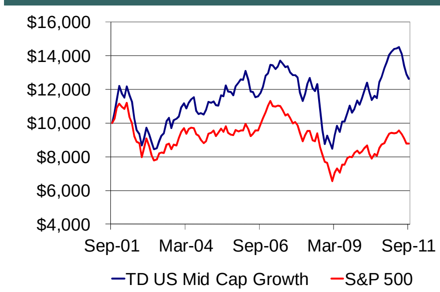
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Brian Berghuis (Nov 00) John Wakeman (Nov 00)
Inception Date		January 4, 1994
Total Assets		$352.76 Million
Management Fee / MER	2.00%	2.54%
Risk Rating		Moderate to High
Objective		Growth
Time Horizon		Long

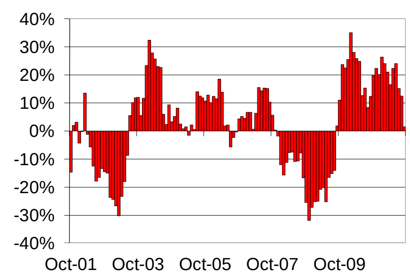
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.57%
Standard Deviation	4.45%	15.41%
Sharpe Ratio	0.03	0.10
Alpha (5 Year)	0.35%	
Beta (5 Year)	1.05	
Worst Drawdown	-38.10% (Jun 07 - Jan 11)	
Time to Recover	44 Months	

Growth of Investment



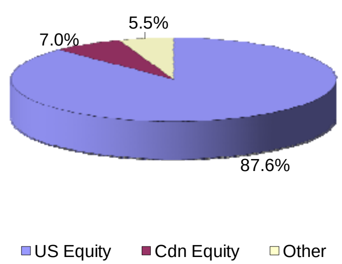
Rolling 12 Month Returns



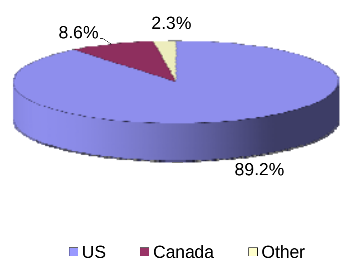
Top 10 Holdings (Sept 30/11)

Dollar General Corp.	2.0%
Cash	1.9%
Nuance Communications	1.8%
Ametek Inc.	1.7%
Information Handling Svcs.	1.6%
Roper Industries Inc.	1.5%
Fastenal Co.	1.5%
Shoppers Drug Mart Corp.	1.5%
Gardner Denver Inc.	1.4%
DENTSPLY International	1.4%
Total	**16.2%**

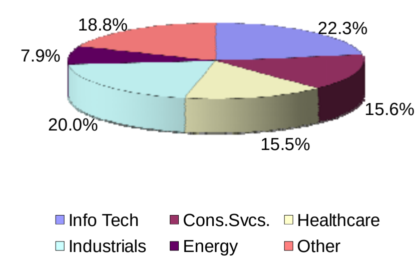
Asset Mix



Geographic Breakdown



Sector Breakdown



Global / International Equity Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
MSCI World Index (C$)	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
MSCI EAFE (C$)	-2.8%	-11.7%	-7.1%	-3.7%	-1.1%	-4.2%	1.3%

Funds

The Global / International Equity Category is broken into two groups; Global / International Large Cap and Global / International Small / Mid Cap. In the Global / International Equity space we look for funds which are managed by very strong management teams which have exhibited a long history of delivering strong risk adjusted returns to investors. We are also looking for managers which have disciplined processes in place which lead us to believe that there is a high probability that they will continue to deliver strong risk adjusted returns for investors going forward.

The Global / International Large Cap Funds are used as a core holding for investors. Within the portfolio the goal of the Global / International Large Cap Funds is to deliver capital growth potential for investors with moderate levels of portfolio volatility. For the small cap funds, the goal is to deliver an even higher level of capital growth over the long term for investors. However, within the small cap holdings investors must be willing to accept high levels of volatility within the funds. Another risk which may be present in the Global / International Equity space is currency risk. With the underlying investments being denominated in foreign currencies, the fluctuation in the value between these foreign currencies and the Canadian dollar can impact fund values. Some of the funds we have selected implement currency hedging either on a full or tactical basis, while other funds do not hedge currency.

Global / International Equity Commentary

- There were no deletions in any of the Global Equity Funds or Global Small Cap Funds on the Recommended List in the quarter.
- We did reinstate the rating on the Trimark Fund. We had some concerns regarding the fund. In conversations with the manager, he had stated that the fund would begin to outperform as the markets began to focus on quality. In the volatile market environment, focus has returned to quality and the fund has performed well on a relative basis. Given our expectation for continued high levels of volatility we expect that this fund will outpace its peers in the near term.

Global / International Equity Outlook

- Uncertainty surrounding the European sovereign debt crisis rose during the quarter resulting in a big selloff in international, particularly European equities.
- In recent days, a plan has been announced to address the debt crisis. While not a perfect plan, it is a step in the right direction. However, a wrench was tossed into things when the Greek PM stated that he would put the package to a referendum.
- Until the situation is on the path to being remedied, we expect that markets will remain highly volatile and subject to significant swings in value on a regular basis.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Global / Int'l Equity (Total)	0% to 15%%	15% to 20%	15% to 20%	15% to 20%	15% to 20%
Large Cap	15%	20%	20%	20%	20%
Small / Mid Cap	0%	0%	0%	0%	0%

Mackenzie Ivy Foreign Equity

Fund Codes

Front End	MFC 081
DSC	MFC 611
Min Purchase	$500

Investment Objective

Ivy Foreign Equity Fund pursues long-term growth consistent with preservation of capital through investments in international businesses-predominantly U.S. companies with significant international operations. The Fund's portfolio may include companies from anywhere in the world, but generally avoids direct participation in emerging markets.

Strategy

The Ivy Fund's management team follows a blended value and growth investment style. While the team's focus is on companies which appear likely to have superior and relatively consistent longer term growth prospects, strong consideration is placed on assessing the investment's true worth relative to its stock price. The disciplined review process included analysis of the company's competitive position, management strengths, expected profitability and financial position.

Analysis

- This is a good core fund for most investors. The manager tends to be defensively positioned which results in good downside protection, yet often results in underperformance in rising markets.
- The Fund's currency hedging boosted fund returns by nearly 4% in the quarter.
- This fund is very conservatively managed and it is our expectation that it will continue to outperform in volatile markets.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	-3.5%	2.3%	3.8%	3.1%	1.0%	2.4%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	1	1	1	1	1	1	1

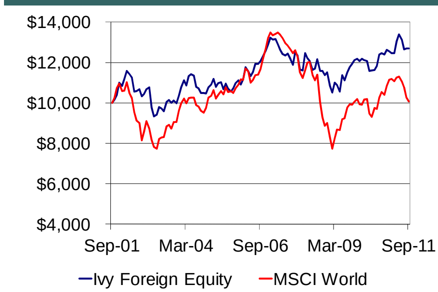
Fund Facts

Fund Sponsor		Mackenzie Financial
Fund Manager		Paul Musson (Apr 99)
		David Arpin (Mar 09)
Inception Date		October 13, 1992
Total Assets		$1,842.72 Million
Management Fee / MER	2.00%	2.52%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Medium to Long

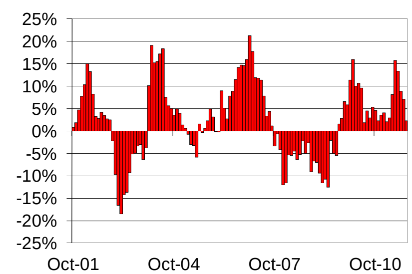
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.22%	2.66%
Standard Deviation	2.86%	9.89%
Sharpe Ratio	0.02	0.07
Alpha (5 Year)	0.21%	
Beta (5 Year)	0.52	
Worst Drawdown	-20.48% (Feb 07 - May 11)	
Time to Recover	52 Months	

Growth of Investment



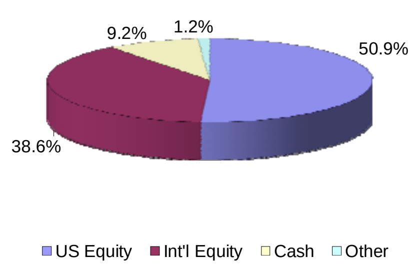
Rolling 12 Month Returns



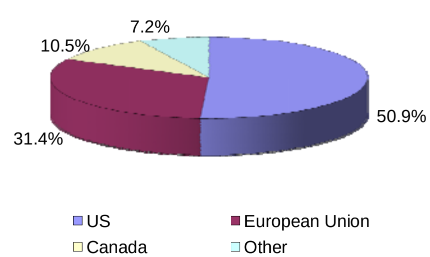
Top 10 Holdings (July 31/11)

Cash	9.2%
Reckitt Benckiser Group	5.5%
Nestle SA	5.2%
Colgate Palmolive Co.	5.2%
McDonalds Corp.	5.0%
Becton Dickinson & Co.	4.9%
Groupe Danone	4.9%
Pepsico Inc.	4.6%
Unilever NV	4.3%
Henry Schein Inc.	4.1%
Total	**53.0%**

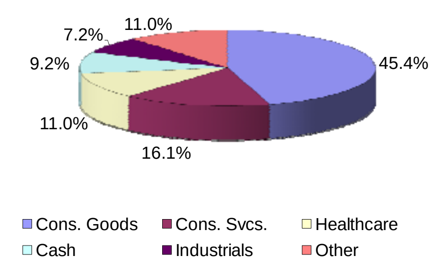
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Global Equity

Renaissance Global Markets Fund

Fund Codes

Front End	ATL 1029
DSC	ATL 1873
Min Purchase	$500

Investment Objective

The Fund's objective is to obtain long-term growth of capital and income by investing primarily in equity and debt securities on a worldwide basis, while maintaining 100% registered plan eligibility.

Strategy

The investment management of this Fund involves the decision to under or overweight certain regions or countries held primarily in the MSCI World Index with an emphasis on established countries. The portfolio sub-advisor will then use options, futures and forward contracts to gain exposure to the stock market indices of those countries identified. The manager may also use direct investments in individual securities to access certain markets and add additional value.

Analysis

- Managed by David Winters, who is the former chief investment office of Franklin Mutual Advisors.
- Manager utilizes a fundamentally driven, deep value approach looking for undervalued and distressed companies that are out of favour with the broader market that have strong prospects for a significant return.
- The manager can invest in companies of any size, operating in any sector anywhere around the world.
- Performance on a relative basis has been strong on a quarterly and YTD basis outpacing the majority of its peer group.
- Manager is significantly overweight in the Consumer sectors.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-6.8%	-10.1%	-1.3%	5.9%	0.9%	-1.0%	-0.3%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	4	2	1	1	1	1	2

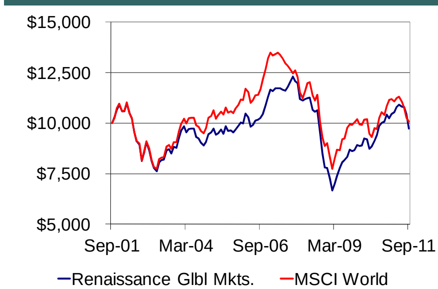
Fund Facts

Fund Sponsor		CIBC Asset Management
Fund Manager		David Winters (Oct 06)
Inception Date		January 11, 1993
Total Assets		$186.94 Million
Management Fee / MER	2.00%	2.76%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

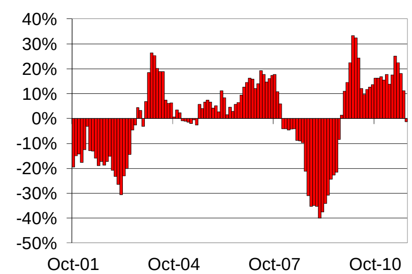
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.15%	1.78%
Standard Deviation	3.79%	13.12%
Sharpe Ratio	0.00	-0.02
Alpha (5 Year)	0.13%	
Beta (5 Year)	0.82	
Worst Drawdown	-45.82% (Nov 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



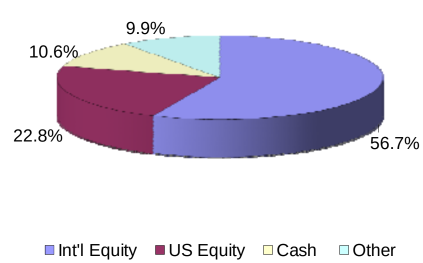
Rolling 12 Month Returns



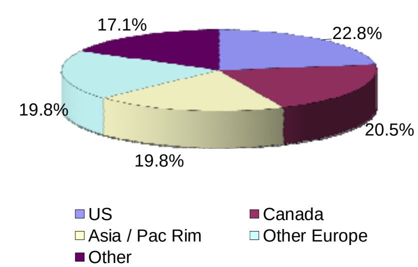
Top 10 Holdings (Aug 31/11)

Jardine Matheson Hldng	10.1%
Swatch Group AG	5.6%
British American Tobacco	5.4%
Schindler Holding AG	5.1%
Imperial Tobacco Group	4.5%
Compagnie Financiere Richemont	4.3%
Nestle SA	4.2%
Genting Malaysia Berhad	3.7%
Birchcliff Energy Ltd.	3.7%
Canadian Natural Resources	3.6%
Total	**50.1%**

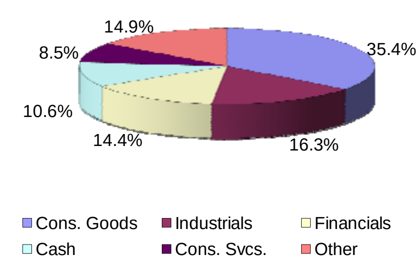
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
International Equity

Invesco International Growth Class

Fund Codes

Front End	AIM 633
DSC	AIM 631
Min Purchase	$500

Investment Objective

Invesco International Growth Class seeks to provide long-term capital growth by primarily investing in mid- and large-cap stocks of companies located outside of Canada and the United States. The Fund will generally not invest more than 10 per cent of its total assets in Canadian and U.S. companies.

Strategy

Based on the principle that corporate earnings drive stock prices, the Fund targets those companies demonstrating constant and improving growth. Growth not yet reflected in the price of the stock. Manager follows their EQV approach, identifying companies with strong and consistent earnings growth, quality and sustainable earnings, trading at a reasonable valuation.

Analysis

- The fund's relative performance was boosted by its stock holdings in Europe, which while down, were down less than the benchmark.
- Over the quarter, the manager made a number of changes to improve the growth potential and quality of the portfolio.
- The manager believes that there are a number of signs pointing to a global economic slowdown and have focused on stocks with strong organic revenue growth and pricing power.
- The manager expects that corporate earnings will slow as a result of stronger year over year comparisons and increasing input costs.
- Valuations reasonable, not compelling.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-3.3%	-9.9%	-5.1%	0.4%	0.8%	-2.8%	2.6%
MSCI EAFE	-2.8%	-11.7%	-7.1%	-3.7%	-1.1%	-4.2%	1.3%
Quartile	1	1	1	1	1	1	1

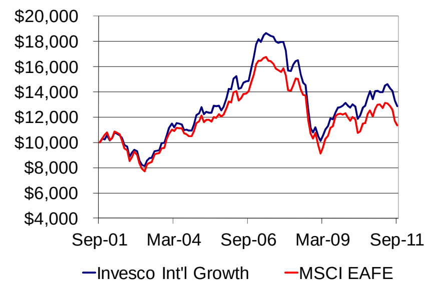
Fund Facts

Fund Sponsor		Invesco Trimark
Fund Manager		Jason Holzer (Jul 00)
		Class Olsson (Jul 00)
Inception Date		July 10, 2000
Total Assets		$99.54 Million
Management Fee / MER	2.00%	2.64%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

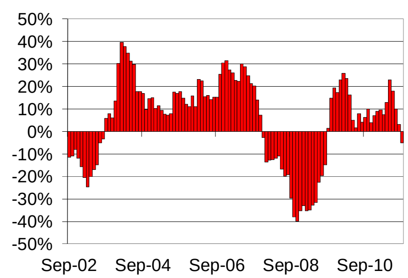
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.00%	-0.06%
Standard Deviation	4.20%	14.56%
Sharpe Ratio	-0.04	-0.14
Alpha (5 Year)	0.08%	
Beta (5 Year)	0.89	
Worst Drawdown	-45.65% (May 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



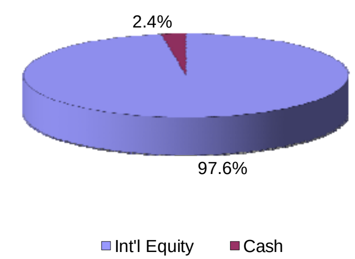
Rolling 12 Month Returns



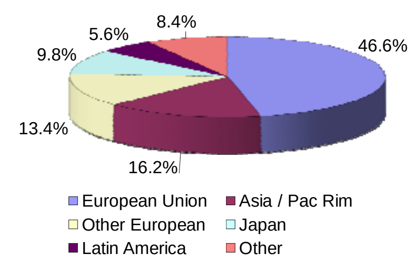
Top 10 Holdings (Sept 30/11)

Cash	3.5%
Aryzta AG	2.8%
EXEDY Corp.	2.8%
Parkson Holdings	2.7%
Paddy Power PLC	2.3%
Homeserve PLC	2.3%
Canon Inc.	2.0%
Imperial Tobacco Group	2.0%
IG Group Hldg PLC	2.0%
DCC PLC	2.0%
Total	**24.3%**

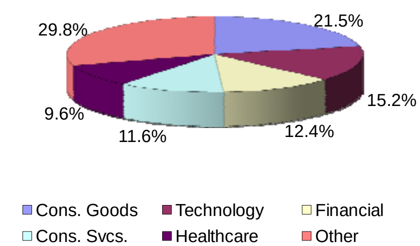
Asset Mix



Geographic Breakdown



Sector Breakdown



Trimark Fund

Fund Codes

Front End	AIM 1513
DSC	AIM 1511
Min Purchase	$500

Investment Objective

Trimark Fund seeks to achieve strong capital growth with a high degree of reliability over the long term. The Fund invests primarily in equities of companies anywhere in the world.

Strategy

The portfolio management team focuses on companies with sustainable competitive advantages, barriers to entry, strong growth prospects and good management teams. Companies tend to be purchased at prices below their long-term intrinsic value as determined by anticipated earnings and cash flow growth over the next 5 to 10 years. This helps to create a margin of safety to minimize the possibility of a permanent loss of capital.

Analysis

- We have removed our UNDER REVIEW rating on this fund. Given the expectation that the markets will continue to be volatile, it is our opinion that the manager's focus on quality will help to provide solid relative returns in the near to medium term.
- The outperformance relative to the benchmark was a result of the fund's underweight position in energy, materials and financials.
- During the quarter the manager added a number of new names including CCR, Barrick Gold, ConocoPhillips, and Cenovus.
- The fund is managed using a bottom up process, but the manager concedes that paying attention to the big picture is now more important than ever.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.1%	-3.7%	3.5%	3.2%	-0.7%	-3.2%	1.8%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	1	1	1	1	2	2	1

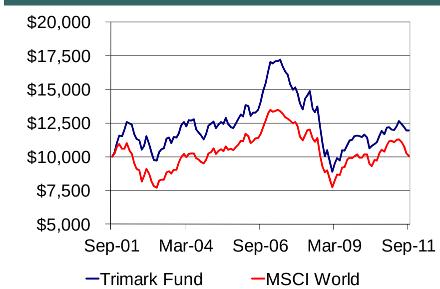
Fund Facts

Fund Sponsor		Invesco Trimark
Fund Manager		Dana Love (Apr 04) Jeff Feng (Apr 11)
Inception Date		September 1, 1981
Total Assets		$852.11 Million
Management Fee / MER	1.75%	1.66%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

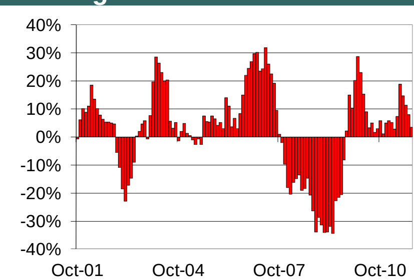
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.11%	-1.33%
Standard Deviation	4.25%	14.72%
Sharpe Ratio	-0.06	-0.22
Alpha (5 Year)	-0.01%	
Beta (5 Year)	1.00	
Worst Drawdown	-48.25% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



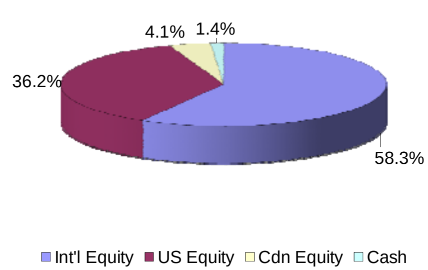
Rolling 12 Month Returns



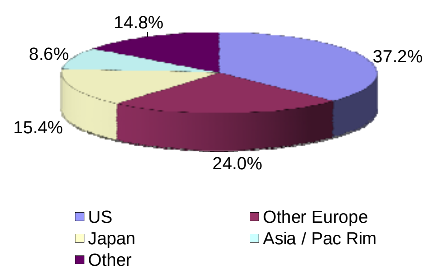
Top 10 Holdings (Sept 30/11)

Visa Inc.	5.5%
Nestle SA	5.5%
Aryzta AG	5.3%
Microsoft Corp.	5.2%
Synthes Inc.	3.9%
Google Inc.	3.5%
Sysco Corp.	3.5%
Mattel Inc.	3.2%
Fujitsu Ltd.	3.2%
Novartis AG	3.2%
Total	**42.0%**

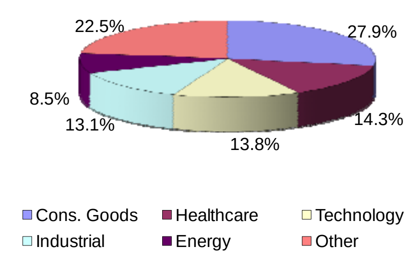
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Global Equity

Mutual Discovery Fund

Fund Codes

Front End	TML 180
DSC	TML 182
Min Purchase	$500

Investment Objective

The Fund's objective is long term capital appreciation by investing primarily in equity and debt securities of issuers around the world.

Strategy

The Fund may hold equities, debt or money market securities in any proportion, provided that in normal market conditions not less than 65% of is assets (excluding cash and cash equivalents, such as money market securities and direct or indirect US government obligations) are invested in common stock, preferred stock, and debt securities convertible or expected to be rated or unrated and if rated, such rating may range from the very highest to the very lowest.

Analysis

- The Fund underperformed both the index and its peer group during the quarter.
- The Fund's exposure to European industrials, US financials and technology stocks dragged performance. Tobacco stocks helped boost the portfolio.
- The Fund's cash position is the byproduct of the stock selection process. Current cash weighting is just under 6%.
- The continuing European sovereign debt crisis and slowing global economy are concerning investors.
- The manager remains committed to their process and will continue to seek out those companies that they believe are trading at a significant discount to their intrinsic value and have a viable catalyst in place to unlock shareholder value.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-6.0%	-14.4%	-7.9%	-1.4%	-1.2%	-2.0%	N/A
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	3	4	3	2	2	1	N/A

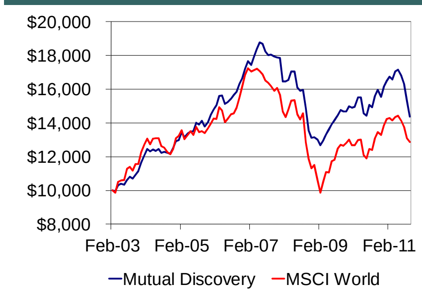
Fund Facts

Fund Sponsor		Franklin Templeton Inv.
Fund Manager		Peter Langerman (Dec 09) Philippe Brugere-Trelat (Dec 09)
Inception Date		February 17, 2003
Total Assets		$475.45 Million
Management Fee / MER	2.00%	2.77%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Medium to Long

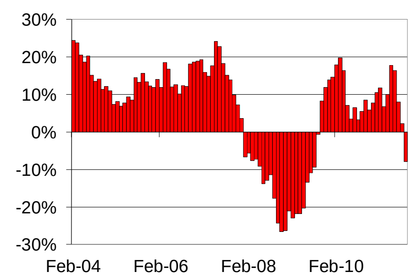
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.16%	1.98%
Standard Deviation	3.09%	10.70%
Sharpe Ratio	0.00	0.00
Alpha (5 Year)	0.00%	
Beta (5 Year)	0.67	
Worst Drawdown	-32.45% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



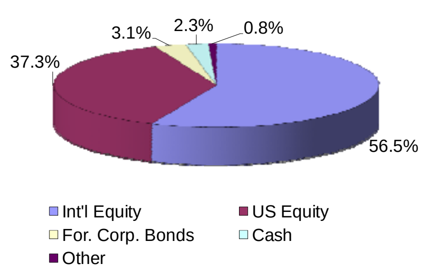
Rolling 12 Month Returns



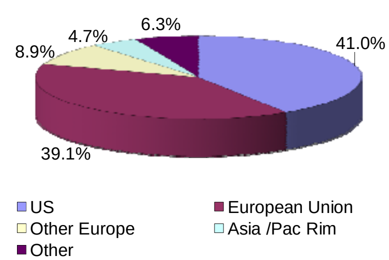
Top 10 Holdings (June 30/11)

British American Tobacco	2.9%
Lorillard Inc.	2.2%
Vodafone Group PLC	2.1%
Imperial Tobacco Group	1.9%
Royal Dutch Shell	1.9%
T-Bills	1.9%
Pernod-Ricard SA	1.9%
Nestle SA	1.8%
CVS Caremark Corp.	1.7%
Jardine Strategic Hldg Ltd.	1.7%
Total	**20.0%**

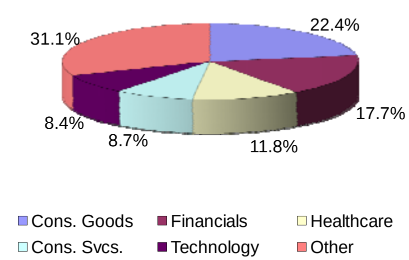
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Global Equity

Mackenzie Cundill Value (Series C)

Fund Codes

Front End	MFC 736
DSC	MFC 836
Min Purchase	$500

Investment Objective

The Fund pursues long-term capital growth from investments primarily in equity securities. The Fund may invest the majority of its assets in the securities of companies in a single country or a single industry depending on prevailing market conditions.

Strategy

The Fund may invest in all types of securities, including common shares, preferred shares, convertible bonds, payment-in-kind bonds, warrants, discounted debt instruments, restructured debt securities, loan assignments, loan participations and high yield, lower rated debt securities, as well as the securities of companies in reorganization and government securities of emerging or other countries.

Analysis

- The Fund's hedging strategy was a drag on its relative and absolute performance as the Canadian dollar weakened.
- Market volatility was a double edged sword for the manager, as current holdings were hit hard, while significant buying opportunities developed.
- The manager estimates that the fund is trading at a 43% discount to it's "fair value", which is similar to what they saw during the 2008-09 financial crisis.
- Manager is now looking for stocks which meet Peter Cundill's "Magic 6" criteria - trading at less than 60% of book value, offering a dividend yield greater than 6% and a P/E ratio of less than 6.
- Manager believes that investors with a 3 year time horizon will be rewarded.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-9.7%	-17.8%	-9.3%	-3.1%	-2.7%	-4.3%	2.6%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	4	4	4	3	3	2	1

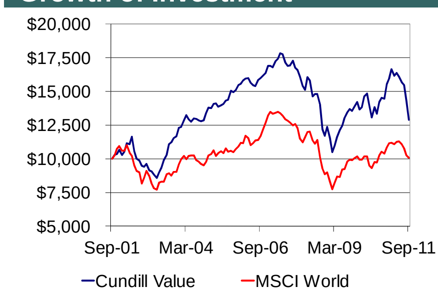
Fund Facts

Fund Sponsor		Mackenzie Financial
Fund Manager		Andrew Massie (Oct 98)
		David Tiley (Nov 10)
Inception Date		October 7, 1998
Total Assets		$4,012.56 Million
Management Fee / MER	2.00%	2.51%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Medium to Long

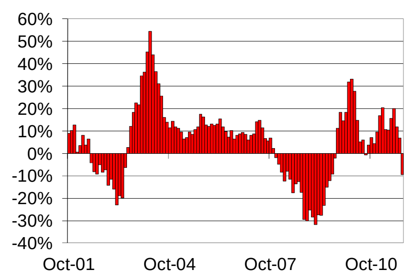
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.02%	0.26%
Standard Deviation	4.43%	15.35%
Sharpe Ratio	-0.03	-0.11
Alpha (5 Year)	-0.11%	
Beta (5 Year)	0.89	
Worst Drawdown	-41.20 (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



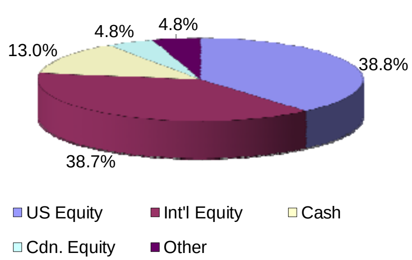
Rolling 12 Month Returns



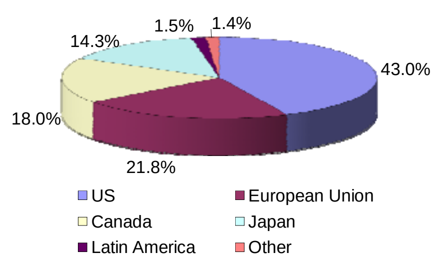
Top 10 Holdings (June 30/11)

Cash	12.8%
Dell Inc.	7.1%
Sega Sammy Holdings	5.9%
Chesapeake Energy Corp.	5.3%
Microsoft Corp.	4.8%
Honda Motor Co. Ltd.	4.7%
EXOR SpA	4.4%
Citigroup Inc.	4.3%
Bank of America Corp.	4.0%
Willis Group Holdings Ltd.	4.0%
Total	**57.3%**

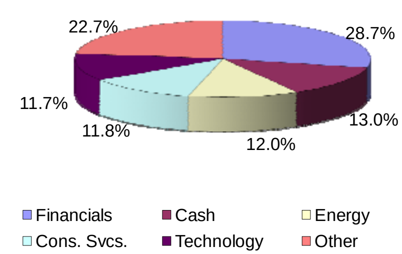
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Global Small/Mid Cap Equity

Mackenzie Cundill Recovery

Fund Codes

Front End	MFC 742
DSC	MFC 842
Min Purchase	$500

Investment Objective

The Fund pursues long-term capital growth primarily from investment, on a worldwide basis, in equity securities of companies which are recently under-performing, companies in turnaround situations and companies with lower credit ratings.

Strategy

The Fund invests in securities which are expected to generate a higher return, or yield, but with a higher level of risk at the individual company level. Often the companies do not have investment-grade credit ratings, but may be lower rated or unrated. The Fund seeks out investments in companies which are recently underperforming or are pursuing a turnaround strategy after encountering financial difficulties, but which offer the potential for significant future gains when analyzed.

Analysis

- The manager utilizes a fundamentally driven, bottom up, go anywhere approach
- Looks for stocks that are trading at a significant discount to it's intrinsic value and has a near term catalyst to unlock value and raise stock price
- Given the fund's significant exposure to the emerging markets, it is no surprise that this fund was pounded over the last quarter, dropping more than 25%.
- The manager is seeing valuations that are below where they were during 2008.
- The manager firmly believes that the portfolio is properly positioned to benefit once the global equity markets rebound.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-15.3%	-25.7%	-19.5%	-5.0%	0.2%	-1.9%	9.5%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	4	4	4	4	3	2	1

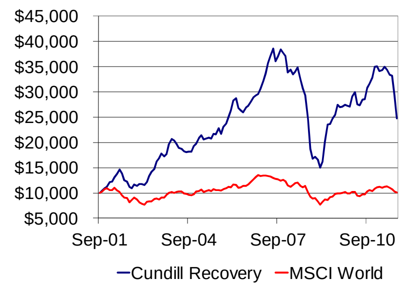
Fund Facts

Fund Sponsor		Mackenzie Financial
Fund Manager		James Morton (Jun 03)
Inception Date		October 7, 1998
Total Assets		$1,160.71 Million
Management Fee / MER	2.00%	2.58%
Risk Rating		High
Objective		Growth
Time Horizon		Long

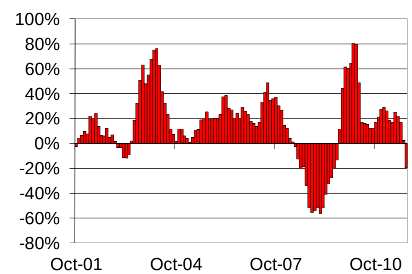
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.39%	4.84%
Standard Deviation	7.31%	25.33%
Sharpe Ratio	0.03	0.11
Alpha (5 Year)	0.33%	
Beta (5 Year)	1.25	
Worst Drawdown	-61.02% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



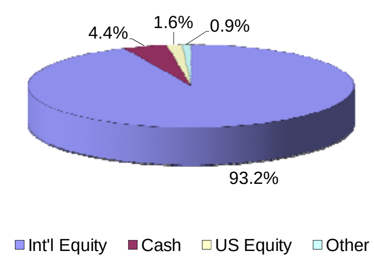
Rolling 12 Month Returns



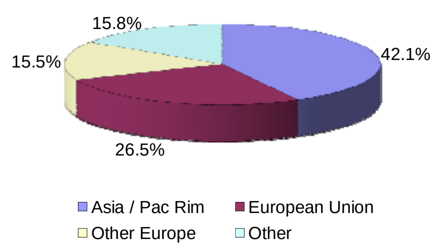
Top 10 Holdings (July 31/11)

Energi Mega Persada	4.7%
First Pacific Co. Ltd.	4.4%
Cash	4.4%
Porsche Automobil Holding	4.1%
Bakrie & Brothers	4.1%
Gazprom OAO	3.8%
Motor Sich	3.7%
Mriya Agro Holding	3.5%
UEM Land Holdings	3.0%
HeidelbergCement	2.6%
Total	**38.1%**

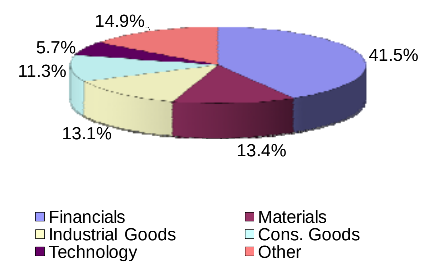
Asset Mix



Geographic Breakdown



Sector Breakdown



This analysis is provided for advisor use only. Past results do not guarantee future returns. Mutual funds may lose money over time. Although data is gathered from sources believed to be reliable, Paterson & Associates cannot guarantee completeness and accuracy. Important information about these funds is found in the fund's simplified prospectus. Obtain a copy and read it before investing.

September 30, 2011
Paterson & Associates Fund Rating: C
Global Small/Mid Cap Equity

Templeton Global Smaller Companies

Fund Codes

Front End	TML 707
DSC	TML 737
Min Purchase	$500

Investment Objective

Long-term capital appreciation by investing primarily in equity securities of smaller companies around the world.

Strategy

The Fund will primarily hold equity securities of smaller companies in developed countries, as well as in emerging markets; may hold a portion of its assets in cash, money market securities or money market mutual funds while seeking investment opportunities or for defensive purposes; may invest in any country or industry in any proportion; selects investments from many different industries and countries to enhance returns and reduce risks.

Analysis

- The investment approach is a value focused, bottom up approach.
- The fund underperformed both the index and its peer group during the quarter due to its overweight in Europe and financials.
- Despite recent weakness in financials, the manager believes that the long term outlook is favourable and has been selectively adding to the sector.
- The fund has long been underweight in materials, however, the manager is now finding some high quality companies that meet his value criteria and expect to add more to the portfolio.
- Sharp selloff and high levels of volatility have presented challenges, the manager believes it has also broadened the opportunities for the fund as a number of high quality stocks now meet the manager's valuation criteria.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-7.2%	-18.2%	-13.7%	-1.7%	3.8%	-0.8%	4.7%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	3	4	4	3	1	1	2

Fund Facts

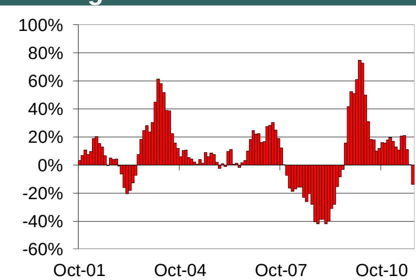
Fund Sponsor		Franklin Templeton Inv.
Fund Manager		Martin Cobb (Mar 11)
Inception Date		January 31, 1989
Total Assets		$412.12 Million
Management Fee / MER	2.00%	2.90%
Risk Rating		Moderate to High
Objective		Growth
Time Horizon		Long

Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.59%
Standard Deviation	5.83%	20.20%
Sharpe Ratio	0.02	0.08
Alpha (5 Year)	0.33%	
Beta (5 Year)	1.31	
Worst Drawdown	-55.19% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment

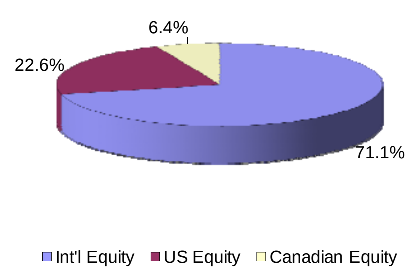
Rolling 12 Month Returns



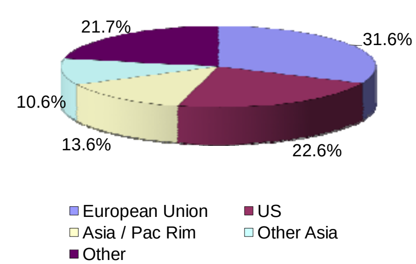
Top 10 Holdings (June 30/11)

Canaccord Capital USA	2.6%
Kobayashi Pharmaceutical	2.4%
BS Financial Group	2.4%
Bank of Ayudhya PCL	2.2%
Barco NV	2.2%
Avis Europe	2.2%
TKH Group	2.1%
Bovis Homes Group PLC	2.1%
Steiner Leisure Ltd.	2.1%
Emeco Holdings Ltd.	2.1%
Total	**22.3%**

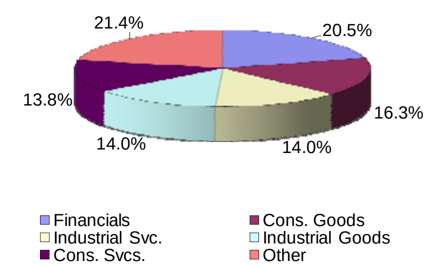
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Global Small/Mid Cap Equity

CI Global Small Companies

Fund Codes

Front End	CIG 215
DSC	CIG 815
Min Purchase	$500

Investment Objective

This fund's objective is to seek maximum long-term capital growth. It invests primarily in equity and equity-related securities of small to mid-capitalization companies around the world. The fund may make large investments in any country including developed and emerging markets and emerging industries of any market.

Strategy

The portfolio adviser identifies companies that have the potential for strong growth in their industry and then considers the impact of economic trends. The portfolio adviser may use techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio adviser analyzes financial data and other information sources assesses the quality of management

Analysis

- The Fund's US exposure outpaced the broader small cap market and relative performance was boosted by healthcare and industrial and a higher cash position.
- The Fund's energy exposure dragged both relative and absolute performance.
- Manager believes that markets are more attractively valued than at any time since 2009 and are looking more compelling.
- Manager continues to favour businesses that have brand and intellectual property to allow them pricing power and preserve margins and a low growth environment.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-5.6%	-14.2%	-5.2%	1.5%	1.7%	-1.1%	1.5%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	3	3	3	1	2	2	3

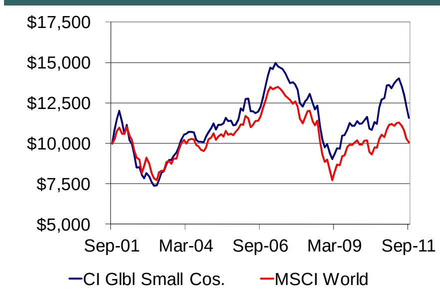
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Bill Priest (Aug 02)
Inception Date		April 7, 1993
Total Assets		$60.43 Million
Management Fee / MER	2.00%	2.44%
Risk Rating		Moderate to High
Objective		Growth
Time Horizon		Medium to Long

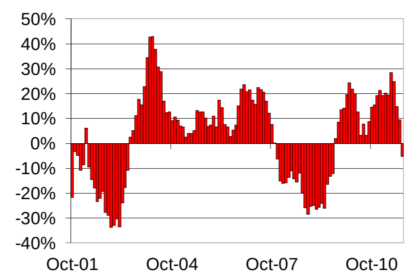
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.20%	2.42%
Standard Deviation	3.85%	13.34%
Sharpe Ratio	0.01	0.03
Alpha (5 Year)	0.14%	
Beta (5 Year)	0.91	
Worst Drawdown	-51.45% (Sep 00 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



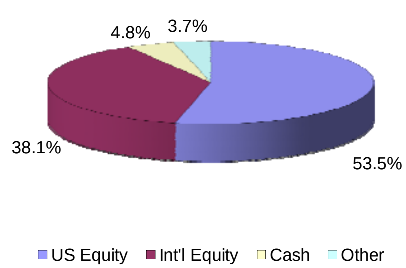
Rolling 12 Month Returns



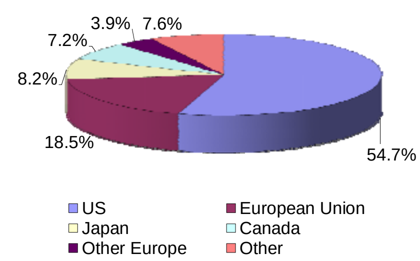
Top 10 Holdings (Sept 30/11)

Cash	3.5%
Acergy SA	1.6%
JGC Corp.	1.5%
Sysmex Corp	1.4%
U.S. Dollars	1.2%
Hexcel Corp.	1.2%
Alkermes Inc.	1.1%
Mueller Industries	1.1%
Sawai Pharmaceutical Co.	1.1%
Arthur J. Gallagher & Go.	1.1%
Total	**14.9%**

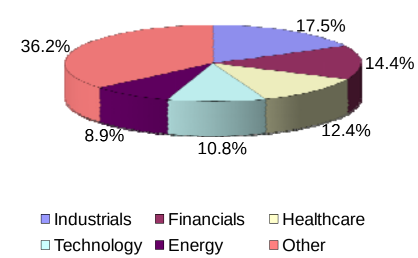
Asset Mix



Geographic Breakdown



Sector Breakdown



Specialty / Sector Funds

Funds

The Specialty / Sector Funds is a category that will include many sector funds such as emerging markets, healthcare, resources, science and technology, and real estate funds. In addition, this category may also contain more traditional core type mutual funds which are considerably more risky and volatile than a traditional core fund. We look for funds managed by strong management teams which have a demonstrated history of delivering strong risk adjusted returns to investors. We are also looking for managers who are not afraid to make tactical calls within their funds where the opportunities are supported by the risk / reward tradeoff.

Within the context of a well diversified portfolio, these funds are used for two main purposes; increasing returns, and risk reduction benefits because of the lower correlation profile of these funds to the more traditional core funds. Because of the higher volatility or the narrower focus of these funds, investors should exercise caution when using these funds. Investors will want to make sure that they limit exposure to these funds to no more than 15% to 20% of their overall portfolio, with individual holdings being capped in the 5% to 7.5% range.

Specialty / Sector Commentary

- There were no additions or deletions to any of the funds in the Specialty category on our Recommended List during the quarter.
- While we typically don't get too hung up on the cost of funds, we do get concerned when we see a Management Expense Ratio in excess of 3%. That is the case now with the AGF Emerging Markets Fund. While we are fans of the fund, the manager, and the process, we do have concerns surrounding the now 3.07% MER. In a sharply rising market, the MER is not as important. However, should we be entering a phase where growth in the emerging markets begins to moderate to more reasonable, sustainable levels, the high cost may prove to be a higher drag on performance. We have begun looking for alternative funds in the sector which can offer comparable risk reward profiles, with a lower cost.

Sector / Specialty Equity Outlook

- It is unlikely that there will be a recession in the emerging markets, however, it is widely expected that growth rates will moderate.
- Gold has continued to rally higher as a hedge against inflation and a safe harbour in uncertain times. Gold finished the quarter at $1781 per ounce, up from $1528 at the end of June. Silver ended the quarter at $38.08 up from $35.80 at the end of June.
- Healthcare held up relatively well during the quarter because of its defensive nature.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Specialty / Sector (Total)	0% to 5%%	0% to 5%	5% to 10%	5% to 10%	10% to 20%
Healthcare	5%	5%	7.5%	7.5%	7.5%
Real Estate	0%	0%	0%	0%	5%
Resources	0%	0%	2.5%	2.5%	5%
Emerging Markets	0%	0%	0%	0%	0%
Science & Tech.	0%	0%	0%	0%	0%
Aggressive / Tactical	0%	0%	0%	0%	0%

AGF Emerging Markets

Fund Codes

Front End	AGF 791
DSC	AGF 691
Min Purchase	$500

Investment Objective

The fund's objective is to provide superior capital growth. It invests primarily in shares of companies that are located or active mainly in emerging market countries

Strategy

The Fund intends to invest primarily in issuers located in emerging markets, as defined by the Morgan Stanley Capital International Emerging Markets Total Return Index, as well as issuers located in Hong Kong and Singapore. The portfolio manager uses a bottom-up stock selection process favouring companies that are trading at a significant discount to what it believes is their underlying earnings potential.

Analysis

- Portfolio is well diversified holding approximately 80 names with top 10 making up just over 20% of the fund
- Emerging markets underperformed developed markets in the quarter amid near term growth concerns and softening demand for commodities.
- The Fund outperformed as materials, financial, consumer and energy exposure added to relative performance.
- Manager feels that heightened volatility is being driven by investor sentiment rather than on market fundamentals.
- Manager expects that a recession is unlikely, although growth rates in the EM are expected to moderate.
- Given the increasing austerity and deleveraging occurring in the developed world, EM may represent a compelling opportunity for long term investors.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-8.0%	-11.2%	-14.7%	2.5%	10.4%	6.9%	12.6%
MSCI Emg Mkt	-8.4%	-15.5%	-14.2%	-0.3%	6.1%	3.9%	11.8%
Quartile	1	1	1	1	1	1	1

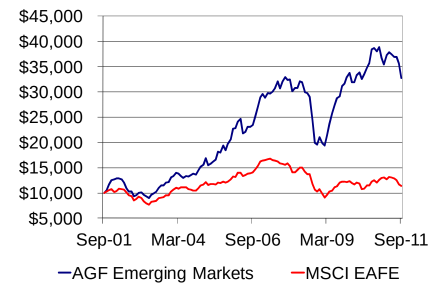
Fund Facts

Fund Sponsor		AGF Funds
Fund Manager		Patricia Perez-Coutts (Jul02)
Inception Date		March 11, 1994
Total Assets		$1,267.27 Million
Management Fee / MER	2.50%	3.07%
Risk Rating		High
Objective		Growth
Time Horizon		Long

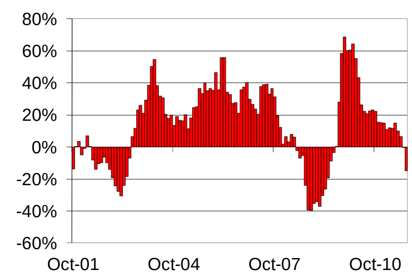
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.86%	10.78%
Standard Deviation	5.50%	19.05%
Sharpe Ratio	0.13	0.46
Alpha (5 Year)	0.95%	
Beta (5 Year)	0.94	
Worst Drawdown	-40.96% (Nov 07 - Nov 09)	
Time to Recover	24 Months	

Growth of Investment



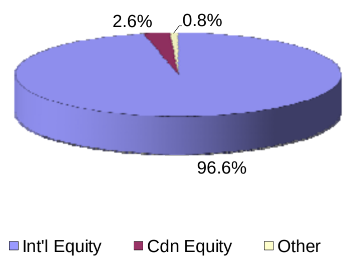
Rolling 12 Month Returns



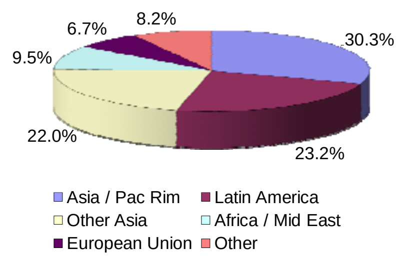
Top 10 Holdings (Sept 30/11)

Lojas Renner SA	2.4%
Rangold Resources	2.1%
VTech Holdings	2.0%
Taiwan Semiconductor	1.9%
Tingyi (Cayman Islands) Hldg	1.9%
ASM Pacific Technology	1.8%
Bharti Airtel Ltd.	1.8%
Petroleo Brasilierio Petrobras	1.8%
ITC Ltd.	1.8%
Eldorado Gold Corp	1.8%
Total	**19.1%**

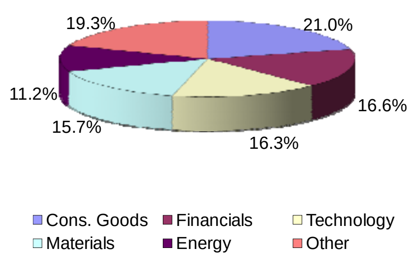
Asset Mix



Geographic Breakdown



Sector Breakdown



CI Signature Canadian Resources

Fund Codes

Front End	CIG 611
DSC	CIG 811
Min Purchase	$500

Investment Objective

The investment objective of the Fund is to provide long term capital appreciation by investing primarily in equity securities of medium and large capitalization Canadian companies involved in the energy and nature resources sector.

Strategy

The portfolio advisor identifies companies that offer good value and the potential for strong growth in their industry and then considers the impact of economic trends.The portfolio advisor selects investments it believes are trading below their true value and that offer the potential for consistently high growth potential.The portfolio advisor may use techniques such as fundamental analysis to assess growth and value potential.

Analysis

- Manager tends to focus on larger firms, already in production
- Resource funds tend to be highly volatile and only suited to higher risk investors seeking higher returns.
- European debt crisis and fear of a global recession led to a sharp sell off in equities and a pullback in commodity prices.
- Manager remains optimistic on gold and has invested about 25% of the fund in gold - both bullion and equities.
- Manager has higher than normal cash levels and is ready to take advantage of buying opportunities in periods of market weakness.
- Expects markets to remain volatile for the remainder of the year.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-14.4%	-17.0%	-6.5%	0.0%	2.3%	5.9%	15.3%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	2	2	3	4	3	1	1

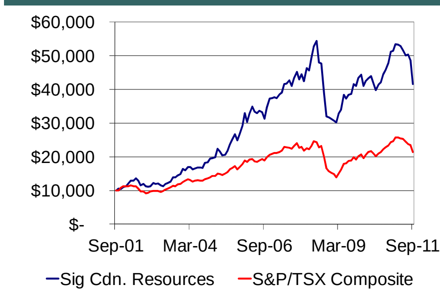
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Scott Vali (Jan 06)
Inception Date		April 11, 1997
Total Assets		$539.34 Million
Management Fee / MER	2.00%	2.41%
Risk Rating		High
Objective		Growth
Time Horizon		Long

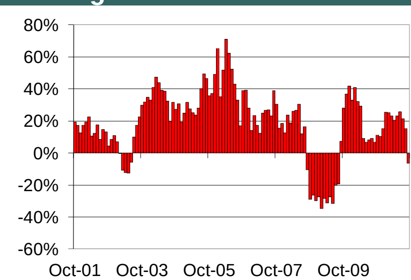
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.70%	8.73%
Standard Deviation	6.13%	21.23%
Sharpe Ratio	0.09	0.32
Alpha (5 Year)	0.29%	
Beta (5 Year)	1.12	
Worst Drawdown	-44.48% (Jul 08 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



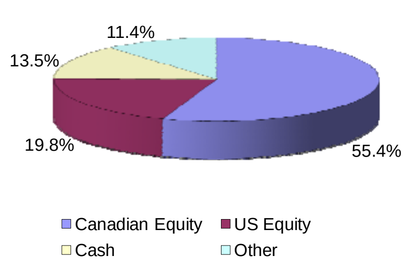
Rolling 12 Month Returns



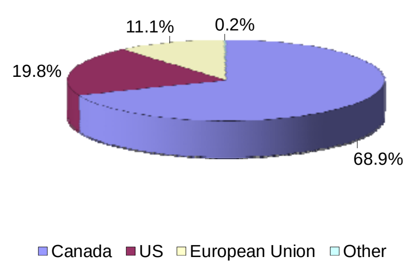
Top 10 Holdings (Sept 30/11)

RBC Term Deposit	9.3%
National Bank Term Deposit	4.2%
Barrick Gold Corp.	3.7%
Canadian Natural Resources	3.4%
Goldcorp. Inc.	3.3%
SPDR Gold Trust	3.3%
Eldorado Gold Corp.	2.9%
IAMGOLD Corp.	2.7%
Suncor Energy Inc.	2.6%
Potash Corp.	2.4%
Total	**37.6%**

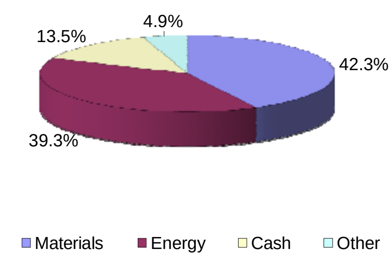
Asset Mix



Geographic Breakdown



Sector Breakdown



Dynamic Power Global Growth Class

Fund Codes

Front End	DYN 014
DSC	DYN 714
Min Purchase	$500

Investment Objective

The Dynamic Power Global Growth Class seeks long term capital appreciation through investment in a broadly diversified portfolio consisting primarily of equity securities of non-Canadian businesses.

Strategy

The Dynamic Power Global Growth Class invests internationally, primarily in a broadly diversifies portfolio of equity securities of business situated outside of Canada. The portfolio managers use a growth style to select investments, which means they look for well-capitalized companies whose earnings show above average growth. To a lesser extent this Fund may invest in other kinds of securities and companies to achieve its investment objective.

Analysis

- This is not a fund that is, in our opinion, well suited as a core fund.
- The manager runs a highly concentrated portfolio which holds between 20 and 30 names.
- The manager utilizes a bottom up stock selection process that focuses on growth companies with strong revenue and earnings growth.
- During the quarter, the manager reduced the fund's international equity exposure and increased cash holdings.
- The manager took significant profits in Technology, and added significantly to the Consumer Discretionary sector.
- Volatility continues to remain higher than the peer group and benchmark.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-8.4%	-17.4%	-3.8%	15.5%	5.9%	5.7%	6.2%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	4	4	1	1	1	1	1

Fund Facts

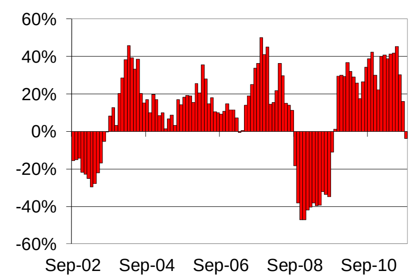
Fund Sponsor		Dynamic Funds
Fund Manager		Noah Blackstein (Jan 01)
Inception Date		January 23, 2001
Total Assets		$199.76 Million
Management Fee / MER	2.00%	3.81%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

Portfolio Characteristics

	Monthly	Annualized
Average Return	0.78%	9.74%
Standard Deviation	6.78%	23.49%
Sharpe Ratio	0.09	0.33
Alpha (5 Year)	0.91%	
Beta (5 Year)	1.22	
Worst Drawdown	-52.87% (Jan 08 to Present)	
Time to Recover	Still Recovering	

Growth of Investment

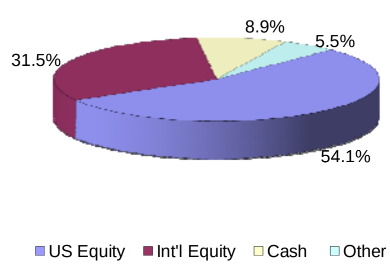
Rolling 12 Month Returns



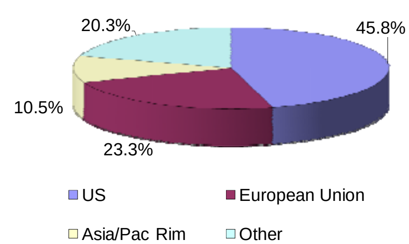
Top 10 Holdings (Sept 30/11)

Asos PLC	6.5%
Apple Inc.	6.1%
ARM Holdings PLC	6.1%
Sodastream International	5.5%
Burberry Group PLC	5.5%
Yandex NV	5.3%
Lululemon athletica Inc.	5.2%
VMware Inc.	5.2%
Under Armour Inc.	5.1%
Tencent Holdings Ltd.	4.9%
Total	**55.4%**

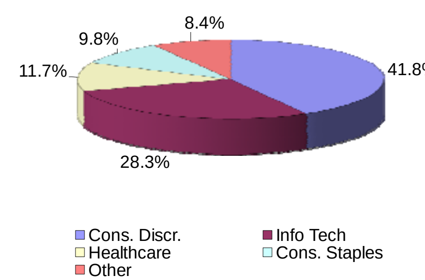
Asset Mix



Geographic Breakdown



Sector Breakdown



BMO GDN Global Technology

Fund Codes

Front End	GGF 603
DSC	GGF 201
Min Purchase	$500

Investment Objective

To provide long term capital gains through a diversified portfolio of equity and equity-related securities of corporations, whose principal businesses are in the technology sector, located throughout the world.

Strategy

The portfolio adviser attempts to achieve the Funds' investment objectives by identifying, through a bottom-up selection process, companies that are displaying strong growth in earnings or sales. This approach is usually described as "growth investing". The Fund may engages in securities lending and repurchase/reverse repurchase transactions as permitted by the securities regulators. These types of transactions are used by the Fund to increase income.

Analysis

- Manager utilizes a bottom up stock selection process seeking technology related companies that are showing strong growth in either sales or earnings.
- Manager runs a concentrated portfolio holding approximately 50 names with the top 10 making up nearly 60% of the fund.
- Manager is very active with annual portfolio turnover rates averaging over 200%
- The manager more than doubled the cash position in the portfolio over the quarter, bringing it up to just over 11%.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-3.2%	-12.6%	-3.3%	7.1%	7.9%	2.7%	4.1%
MSCI World	-1.8%	-9.0%	-1.9%	0.7%	0.0%	-2.9%	0.1%
Quartile	3	3	2	2	2	1	1

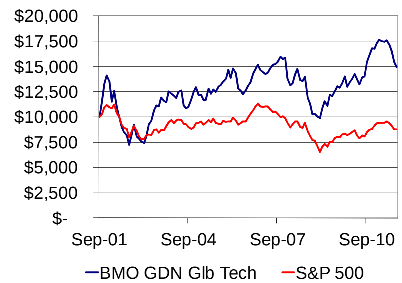
Fund Facts

Fund Sponsor		BMO GDN Funds
Fund Manager		Walter Price (Aug 99)
		Huachen Chen (Aug 99)
Inception Date		August 27, 1999
Total Assets		$12.31 Million
Management Fee / MER	2.60%	2.90%
Risk Rating		High
Objective		Growth
Time Horizon		Long

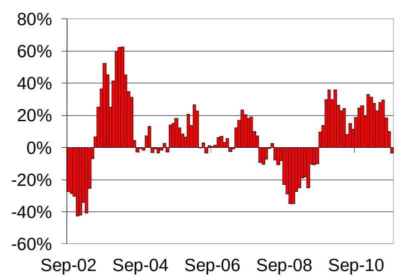
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.51%	6.25%
Standard Deviation	5.00%	17.34%
Sharpe Ratio	0.07	0.25
Alpha (5 Year)	0.50%	
Beta (5 Year)	1.08	
Worst Drawdown	-68.24% (Feb 01 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



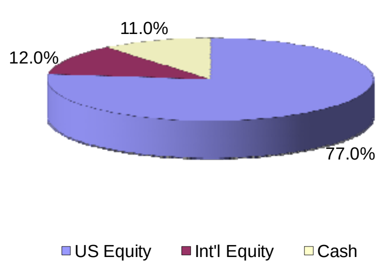
Rolling 12 Month Returns



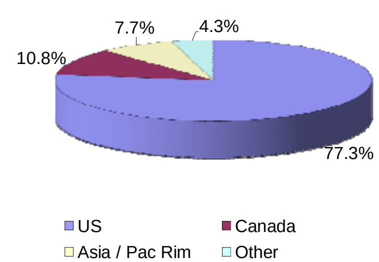
Top 10 Holdings (Sept 30/11)

Cash	10.8%
Apple Inc.	9.5%
Microsoft Corp.	9.2%
Oracle Corp.	5.5%
Amazon.com Inc.	4.6%
Intuit Inc.	3.7%
TIBCO Software Inc.	3.6%
Intel Corp.	3.3%
Salesforce.com Inc.	3.2%
Google Inc.	3.1%
Total	**56.4%**

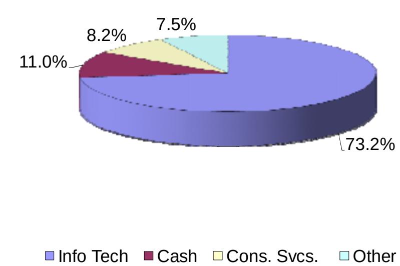
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Natural Resources Equity

Sprott Canadian Equity

Fund Codes

Front End	SPR 001
DSC	SPR 111 (Low Load)
Min Purchase	$5,000

Investment Objective

The objective of the Fund is to outperform the broad Canadian equity market as measured by the S&P/TSX Composite Total Return Index, over the long term of 5+ years, providing long-term capital appreciation and value by investing primarily in small-to-mid capitalization stocks of Canadian issuers.

Strategy

To assist in achieving this objective, the Fund may focus its assets in specific industry sectors and asset classes based on the analysis of business cycles, industry sectors and market outlook. The key aspect of the Funds' strategy is seeking out undervalued companies backed by strong management teams and solid business models that can benefit from macro-economic trends. The Portfolio Advisor looks for exciting ideas and opportunities that have yet to be valued.

Analysis

- That volatility was driven home in the month of September when the fund was off by more than 18%.
- The Fund's thematic positioning remains relatively unchanged, with precious metals making up about 80% of the portfolio.
- Manager believes that gold is the only place to hide from inflation driven wealth erosion.
- Manager is finding more opportunity in gold companies rather than in gold bullion.
- Volatility continues to climb, with a standard deviation that is approaching twice the broader index.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-18.9%	-11.9%	-2.0%	15.4%	8.5%	4.2%	16.2%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	4	1	2	1	1	2	1

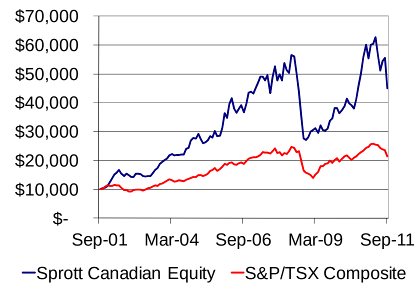
Fund Facts

Fund Sponsor		Sprott Asset Mgmt.
Fund Manager		Eric Sprott (Sep 97)
		Alan Jacobs (Aug 10)
Inception Date		September 26, 1997
Total Assets		$1,467.72 Million
Management Fee / MER	2.50%	4.69%
Risk Rating		Moderate to High
Objective		Growth
Time Horizon		Long

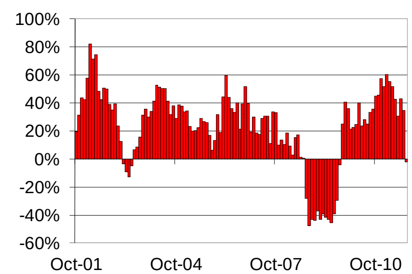
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.56%	6.95%
Standard Deviation	8.11%	28.10%
Sharpe Ratio	0.05	0.18
Alpha (5 Year)	0.31%	
Beta (5 Year)	1.10	
Worst Drawdown	-52.05% (Jun 08 - Dec 10)	
Time to Recover	31 Months	

Growth of Investment



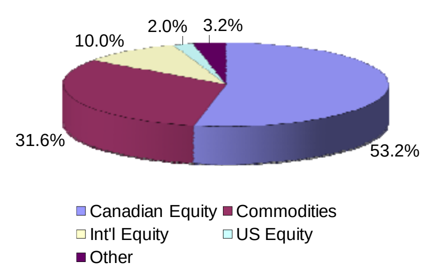
Rolling 12 Month Returns



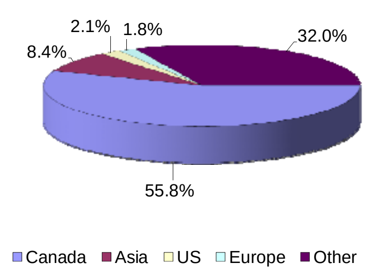
Top 10 Holdings (Sept 30/11)

Silver Bars	24.7%
Gold Bullion	7.0%
Avion Gold Corp	3.7%
Ramelius Resources Ltd.	2.0%
First Majestic Silver Corp.	1.7%
Fortuna Silver Mines Inc.	1.6%
Alexco Resource Corp.	1.5%
Golden Queen Mining Co.	1.4%
Colossus Minerals Inc.	1.4%
Silver Lake Resources Ltd.	1.3%
Total	**46.2%**

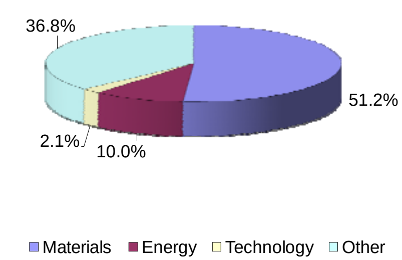
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Health Care Equity

CI Global Health Sciences

Fund Codes

Front End	CIG 201
DSC	CIG 701
Min Purchase	$500

Investment Objective

The fund's objective is to obtain maximum long-term capital growth. It invests primarily in equity and equity-related securities of companies around the world that specialize in the care or medical industry. This includes companies that provide goods and services to these companies and companies that the portfolio adviser believes would benefit from developments in the health sciences industry.

Strategy

The portfolio adviser identifies companies that have the potential for strong growth in their industry and then considers the impact of economic trends. The portfolio adviser may use techniques such as fundamental analysis to assess growth potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the portfolio adviser analyzes financial data and other information sources assesses the quality of management.

Analysis

- The Fund was added to our Recommended List in December 2010.
- The Fund focuses on large and medium cap companies and is a blend between growth and value.
- Increasing volatility and global slowdowns tend to be positive for healthcare stocks, as they tend to be a defensive sector.
- Focus on quality within the portfolio is expected to help temper overall volatility within the fund.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.5%	-6.5%	4.0%	3.4%	4.5%	-0.3%	1.5%
MSCI HealthCr.	2.0%	-2.1%	7.7%	5.2%	3.4%	-0.2%	-1.4%
Quartile	3	2	3	2	2	2	1

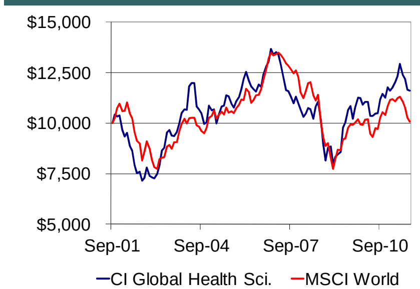
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Andrew Waight (Jun 00)
Inception Date		July 23, 1996
Total Assets		$75.93 Million
Management Fee / MER	2.00%	2.44%
Risk Rating		High
Objective		Growth
Time Horizon		Long

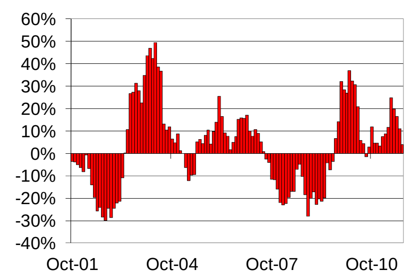
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.10%	1.20%
Standard Deviation	4.60%	15.92%
Sharpe Ratio	-0.01	-0.05
Alpha (5 Year)	0.20%	
Beta (5 Year)	0.92	
Worst Drawdown	-41.69% (Feb 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



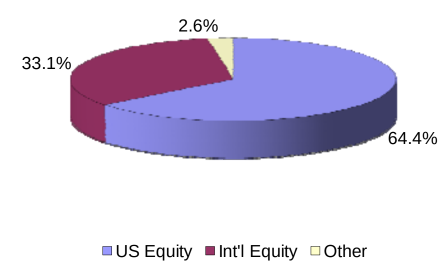
Rolling 12 Month Returns



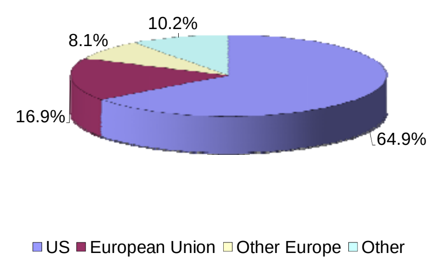
Top 10 Holdings (Sept 30/11)

Biomarin Pharmaceuticals	9.9%
Gilead Sciences Inc.	6.5%
GlaxoSmithKline PLC	5.7%
Roche Holding AG	5.5%
HealthSouth Corp.	5.4%
Merck & Co. Inc.	5.3%
Onyx Pharmaceuticals	4.5%
Coviden PLC	4.0%
Celgene Corp.	4.0%
Sanofi-Aventis	3.7%
Total	**54.6%**

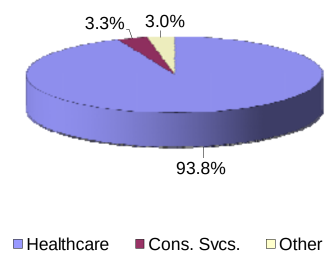
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Real Estate Equity

Dynamic Global Real Estate

Fund Codes

Front End	DYN 085
DSC	DYN 785
Min Purchase	$500

Investment Objective

The Dynamic Global Real Estate Fund seeks to achieve long-term capital appreciation primarily through investment in a diversified portfolio of equity and debt securities of Canadian businesses with potential for increased value as a result of ownership, management or other investment in real estate assets.

Strategy

The Fund invests primarily in securities of companies in Canada that manage real estate or any business which may increase in value as a result of ownership of, investment in, management of, or relationship to real estate assets.

Analysis

- The name of this fund was changed from the Dynamic Focus+ Real Estate Fund in December 2009.
- Manager utilizes a top down Macroeconomic analysis combined with a bottom up security selection process
- Portfolio is fairly concentrated with approximately 40 names and the top 10 making up roughly 40% of the Fund.
- Portfolio remained fairly stable over the quarter.
- Portfolio is concentrated in North America with nearly 95% of the fund invested in Canada and US.
- Tom Dicker added to the management team in April 2011

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.9%	-5.5%	0.7%	7.1%	3.9%	-0.4%	8.0%
TSX Real Est.	-1.1%	-4.8%	7.9%	19.2%	10.4%	3.2%	10.3%
Quartile	2	1	1	1	1	3	2

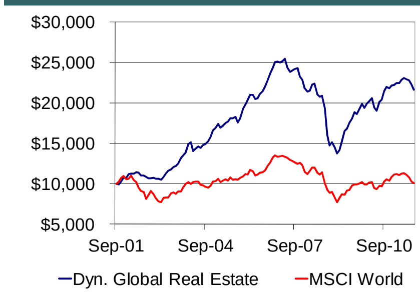
Fund Facts

Fund Sponsor		Dynamic Funds
Fund Manager		Oscar Belaiche (Jan 99)
		Tom Dicker (Apr 11)
Inception Date		December 31, 1996
Total Assets		$94.78 Million
Management Fee / MER	2.00%	2.46%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

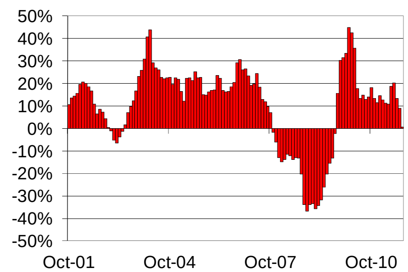
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.17%	2.11%
Standard Deviation	4.09%	14.16%
Sharpe Ratio	0.00	0.01
Alpha (5 Year)	0.20%	
Beta (5 Year)	0.82	
Worst Drawdown	-46.02% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



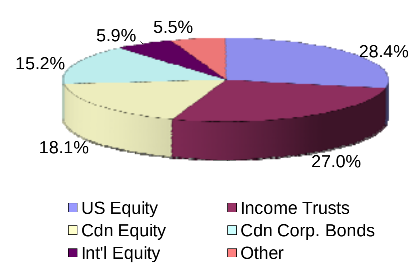
Rolling 12 Month Returns



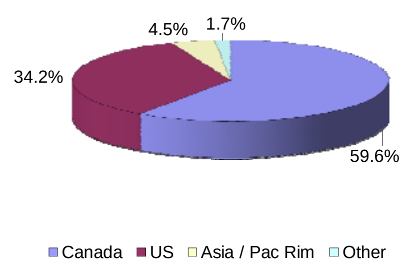
Top 10 Holdings (July 31/11)

Holloway Lodging REIT	15.2%
BNS Term Deposit	9.0%
BMO Term Deposit	7.4%
U.S. Dollars	5.9%
Ventas Inc.	4.5%
Brookfield Properties Corp.	4.3%
H&R REIT	4.2%
Simon Property Group Inc.	4.1%
Macerich Co.	3.6%
First Capital Realty	3.6%
Total	**61.8%**

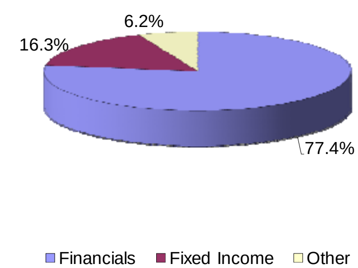
Asset Mix



Geographic Breakdown



Sector Breakdown



BMO GDN Asian Growth & Income

Fund Codes

Front End	GGF 620
DSC	GGF 120
Min Purchase	$500

Investment Objective

The Fund's goal is to provide income and capital appreciation by investing in a diversified portfolio of U.S. dollar-denominated convertible securities and higher yielding securities of Asian companies.

Strategy

The portfolio adviser attempts to achieve the Fund's investment objectives by selecting equities and convertible bonds through a bottom-up selection process based on a GARP (Growth at a reasonable price) methodology. Quantitative and qualitative techniques are used to identify dominant, well-managed businesses in growth industries, selling at discounts to their enterprise value and growth potential.

Analysis

- We are maintaining our UNDER REVIEW rating on the fund for the time being.
- The fund invests in equities, convertible bonds, preferred shares and other fixed income investments.
- The Fund's exposure to Japan provided some level of downside protection over the quarter as it acts as a safe harbour in the region due to the strength of its currency.
- The manager says that demand in Asia remains stable.
- Valuations have fallen to attractive levels in absolute terms as well as offering compelling valuations on a historic basis.
- Management continues to target companies that offer both growth and income in the region.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-5.4%	-8.1%	-8.1%	2.2%	6.0%	3.2%	N/A
MS Far East	2.8%	-0.5%	-0.7%	-0.6%	0.6%	-4.8%	-0.3%
Quartile	2	1	2	1	1	1	N/A

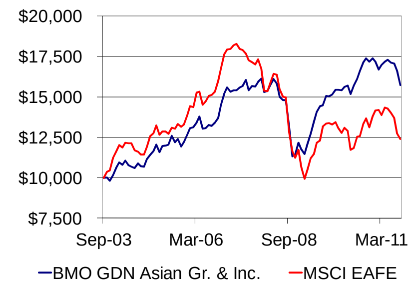
Fund Facts

Fund Sponsor		BMO GDN Funds
Fund Manager		Robert Harrocks (Aug 09)
		Jesper Madsen (Mar 11)
Inception Date		August 25, 2003
Total Assets		$339.58 Million
Management Fee / MER	2.25%	2.84%
Risk Rating		Moderate
Objective		Income
Time Horizon		Medium to Long

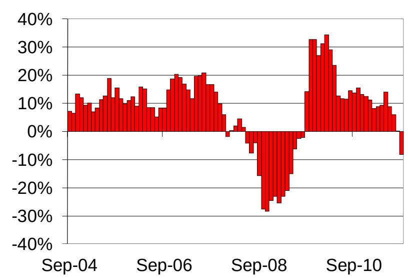
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.45%	5.53%
Standard Deviation	3.66%	12.67%
Sharpe Ratio	0.08	0.28
Alpha (5 Year)	0.50%	
Beta (5 Year)	0.64	
Worst Drawdown	-29.76% (Jan 08 - Aug 10)	
Time to Recover	32 Months	

Growth of Investment



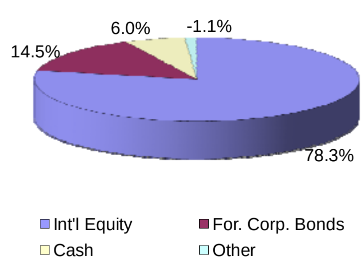
Rolling 12 Month Returns



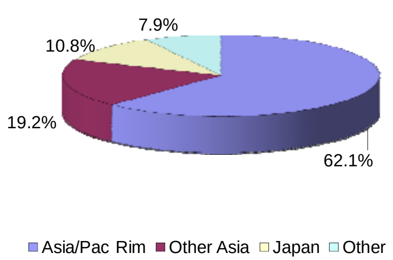
Top 10 Holdings (Sept 30/11)

Cash	4.3%
Hisamitsu Pharmaceuticals	3.8%
Singapore Technologies	3.6%
CLP Holdings Ltd	3.5%
Telestra Corp.	3.3%
China Petroleum & Chemical	3.0%
Ascendas REIT	2.6%
Japan Real Estate Invst Corp	2.5%
HSBC Holdings PLC	2.4%
PTT PCL	2.4%
Total	**31.2%**

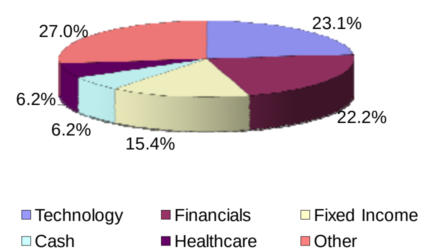
Asset Mix



Geographic Breakdown



Sector Breakdown



Balanced Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Cdn Balanced. Index (60% TSX Composite / 40% DEX Bond Universe)	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%
Global Balanced Index (60% MSCI World Index / 40% DEX Bond Universe)	-0.4%	-3.5%	-1.4%	1.6%	3.3%	3.2%	0.6%

Funds

Balanced / Income funds are funds which are a mix of equity and fixed income. We tend to favour conservatively managed funds with lower than average levels of volatility. We favour funds run by experienced management teams which employ a disciplined process with respect to asset mix selection, as well as security selection.

These funds can be used in a couple of fashions. Firstly, they can be used as a core holding in smaller accounts where the investor will automatically achieve exposure to fixed income and equities. Secondly, within a portfolio, these funds can act as an active overly portion between the core fixed income and equity section of a portfolio. By employing a portion of a balanced fund in a well constructed portfolio, a slight asset mix tilt may be achieved, while at the same time keeping the risk reward profile of the fund intact. This occurs because the underlying manager will adjust their fund holdings on an ongoing basis.

Balanced / Income Commentary

- During the quarter, we made two deletions and two additions.
- We deleted the AGF Canadian Asset Allocation Fund and the CI Harbour Growth and Income Fund. In both cases, the funds were dropped because we had concerns regarding the recent performance and did not have a positive outlook in the expected future performance of the funds.
- We added the CI Signature High Income Fund and the AGF Monthly High Income Fund to the List.
- The CI Signature High Income Fund is a global neutral balanced fund which invests in high yielding equity securities and Canadian corporate bonds. The Fund has a go anywhere mandate and has consistently delivered strong absolute relative and absolute returns.
- The AGF Monthly High Income is a Canadian balanced fund which has a targeted distribution to investors of 7% per year. The fund has a neutral asset mix of 50% fixed income and 50% equity, but gives the manager significant latitude to invest where the opportunities are. The focus is on high yielding equities. Performance has been strong on an absolute and risk adjusted basis.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Balanced / Income (Total)	0%	0% to 10%	0% to 10%	0% to 10%	0% to 10%

CI Signature High Income Fund

Fund Codes

Front End	CIG 686
DSC	CIG 786
Min Purchase	$500

Investment Objective

This fund's objective is to generate a high level of income and long-term capital growth. It invests primarily in high-yielding equity securities and Canadian corporate bonds.

Strategy

When deciding to buy or sell an investment, the portfolio adviser considers whether the investment is a good value relative to its current price. Fixed income securities may include foreign corporate and government fixed income securities. The fund may invest in corporate bonds that have a low credit rating or are unrated, but offer a higher yield than investment grade bonds.

Analysis

- This Fund was added to our Recommended List in September 2011.
- Portfolio process begins with a top down economic analysis that focuses on macroeconomic conditions, interest rates, and market sentiment that is used to identify investment themes.
- The security selection process is bottom up and utilizes the Signature team's approach which looks at the company's total capital structure and looks for strong fundamentals, and reasonable valuations.
- Manager will use an active, potentially high turnover approach and will tactically hedge currency.
- The Fund invests in a wide range of asset classes including equities, REITS, as well as investment grade and high yield debt.
- The Fund is reasonably priced, boasting an MER of 1.60%.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.5%	-4.3%	3.5%	10.4%	7.3%	3.6%	9.6%
Glb Bal Ind.	-0.4%	-3.5%	-1.4%	1.6%	3.3%	3.2%	0.6%
Quartile	1	1	1	1	1	1	1

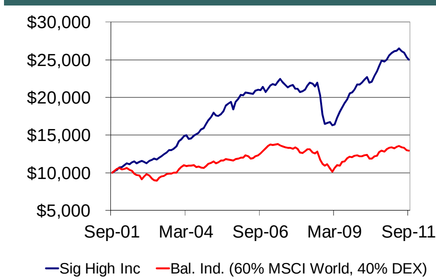
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Eric Bushell (Mar 05)
Inception Date		December 18, 1996
Total Assets		$2,912.87 Million
Management Fee / MER	1.25%	1.60%
Risk Rating		Low to Moderate
Objective		Income
Time Horizon		Medium

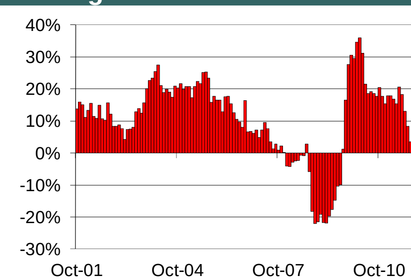
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.41%	5.01%
Standard Deviation	2.97%	10.27%
Sharpe Ratio	0.08	0.30
Alpha (5 Year)	0.18%	
Beta (5 Year)	0.47	
Worst Drawdown	-27.36% (Jun 07 - Apr 10)	
Time to Recover	35 Months	

Growth of Investment



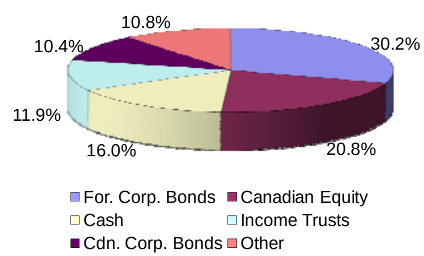
Rolling 12 Month Returns



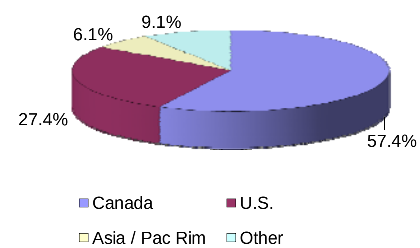
Top 10 Holdings (Sept 30/11)

BNS 0.95% 04-Oct-11	7.2%
ABN Amro 1.0% 03-Oct-11	6.7%
Brookfield Asset Mgmt	2.4%
Inter Pipeline Fund	2.1%
Canadian REIT	1.9%
Cominar REIT	1.8%
Allied Properties REIT	1.5%
Transurban Group	1.5%
Vermillion Energy Inc.	1.5%
Westfield Group	1.4%
Total	**28.0%**

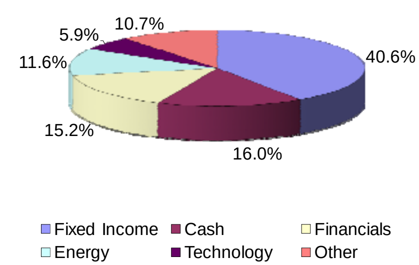
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Canadian Neutral Balanced

Fidelity Canadian Balanced Fund

Fund Codes

Front End	FID 282
DSC	FID 582
Min Purchase	$500

Investment Objective

The fund aims to achieve high total investment return. This fund uses a balanced approach. It invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments.

Strategy

The fund's target mix is 50% equity securities, 40% investment grade bonds and money market instruments, and 10% high yield securities. The manager will generally keep the fund's asset mix within the following ranges: 40-60% equity securities, 30-60% investment-grade bonds and money market instruments and 0-20% high yield securities.

Analysis

- The Fund was added to our Recommended List in December 2010.
- The Fund's target mix is set at 50% equity, 40% investment grade bonds and 10% high yield bonds. The asset mix is kept relatively static.
- Equity manager employs a fundamentally driven, value oriented style when constructing the portfolio.
- He looks for solid businesses and strong management that are trading at a reasonable valuation level.
- The Fund outperformed the benchmark and much of its peer group during the quarter.
- The manager is slightly underweight equities.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-3.9%	-5.2%	1.6%	5.1%	5.4%	4.1%	6.5%
Bal Ind.	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%
Quartile	4	2	1	1	1	1	1

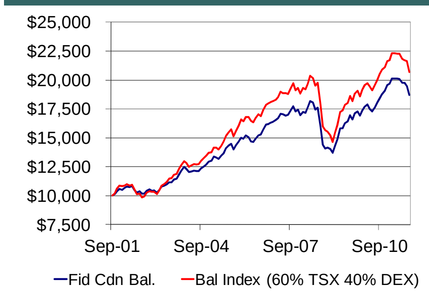
Fund Facts

Fund Sponsor	Fidelity Investments Canada
Fund Manager	Mark Friebel (Apr 10) Mariana Egan (Mar 09)
Inception Date	September 30, 1998
Total Assets	$6,541.00 Million
Management Fee / MER	1.85% 2.27%
Risk Rating	Low to Moderate
Objective	Growth & Income
Time Horizon	Long

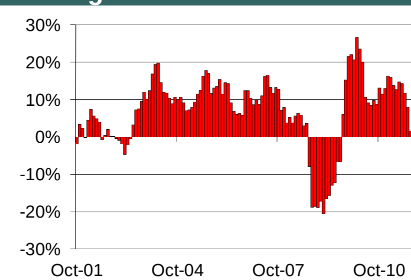
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.50%	6.19%
Standard Deviation	2.75%	9.53%
Sharpe Ratio	0.12	0.44
Alpha (5 Year)	0.01%	
Beta (5 Year)	0.90	
Worst Drawdown	-24.51% (Jun 08 - Sep 10)	
Time to Recover	28 Months	

Growth of Investment



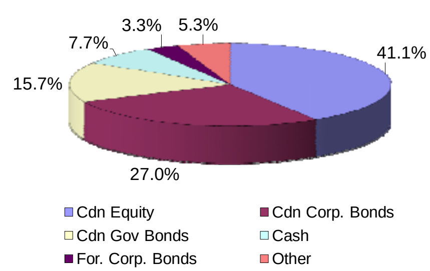
Rolling 12 Month Returns



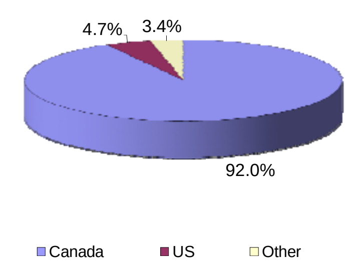
Top 10 Holdings (Aug 31/11)

High Yield Bonds	7.0%
Overnight Cash/Repurchase	6.2%
TD Bank	3.2%
Potash Corp.	2.5%
Suncor Energy Inc.	2.4%
Cenovus Energy Inc.	2.0%
Valeant Pharmaceuticals	1.9%
Canadian National Railway	1.8%
Canada 2.00% 01-Dec-14	1.7%
Goldcorp Inc.	1.7%
Total	**30.2%**

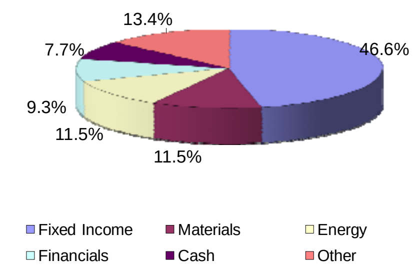
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: C
Canadian Equity Balanced

AGF Monthly High Income Fund

Fund Codes

Front End	AGF 766
DSC	AGF 689
Min Purchase	$500

Investment Objective

The Fund's objective is to achieve a high level of monthly income by investing primarily in income producing securities with added diversification through selective investment in fixed income securities and common shares.

Strategy

The portfolio manager uses a bottom-up asset allocation approach to identify the most attractive income opportunities. The Fund's targeted ex-cash "neutral" weighting is 50% equities and 50% fixed income. The Fund uses a flexible approach to asset allocation and will fluctuate plus or minus 30% on an absolute basis (i.e. a maximum of 80% or a minimum of 20% equities or fixed income) based on relative income opportunities with consideration to the risk/reward characteristics of each asset class.

Analysis

- The Fund was added to our Recommended List in September 2011.
- The fund has a target asset mix of 50% fixed income and 50% equities. The manager has flexibility to invest where they see opportunity and may go as far as 80% exposure to equity or fixed income.
- The manager uses a bottom up approach that looks for companies that have an above average dividend payment.
- Other factors the manager looks for include sustainable dividends, strong balance sheet, stable earnings and cash flows and a strong management team.
- Manager also conducts bottom up analysis on corporate credits.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-3.6%	-5.9%	1.2%	10.2%	10.1%	4.7%	N/A
Bal Ind.	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%
Quartile	2	2	1	1	1	1	N/A

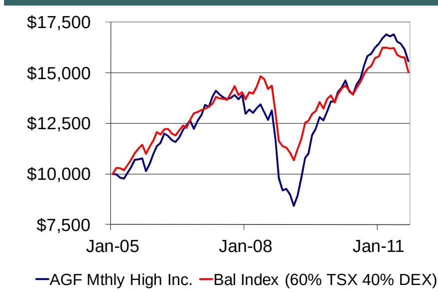
Fund Facts

Fund Sponsor		AGF Funds
Fund Manager		Peter Frost (May 10)
		Tristan Sones (Apr 06)
Inception Date		January 25, 2005
Total Assets		$408.75 Million
Management Fee / MER	2.00%	2.42%
Risk Rating		Moderate
Objective		Income
Time Horizon		Medium to Long

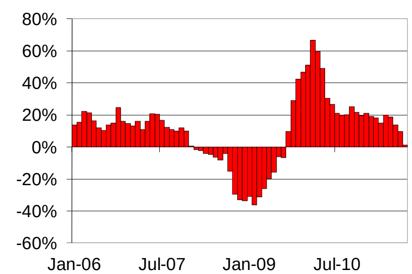
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.60%	7.42%
Standard Deviation	4.29%	14.86%
Sharpe Ratio	0.10	0.37
Alpha (5 Year)	-0.03%	
Beta (5 Year)	1.25	
Worst Drawdown	-40.26% (Jun 07 - Mar 10)	
Time to Recover	34 Months	

Growth of Investment



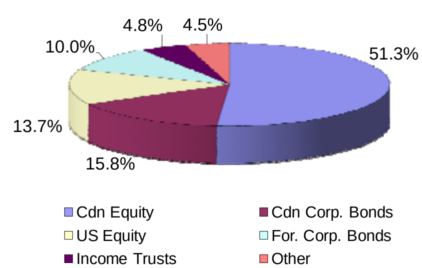
Rolling 12 Month Returns



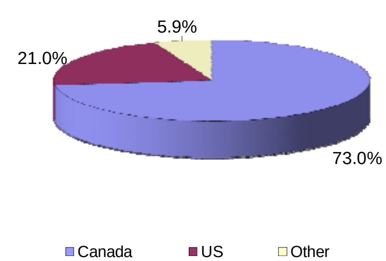
Top 10 Holdings (Sept 30/11)

AT&T Inc.	2.3%
FirstEnergy Corp.	2.3%
Exelon Corp.	2.3%
Altria Group Inc.	2.1%
Keyera Corp.	2.0%
Zarlink Semiconductor Inc.	2.0%
TransAlta Corp.	1.9%
Manitoba Telecom	1.8%
Rogers Communications	1.6%
CML Healthcare	1.6%
Total	**19.9%**

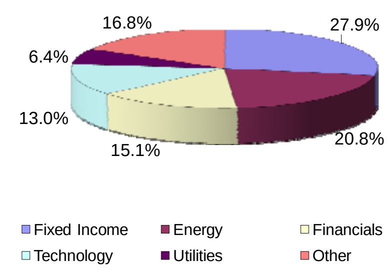
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: D
Canadian Neutral Balanced

CI Signature Canadian Balanced

Fund Codes

Front End	CIG 685
DSC	CIG 785
Min Purchase	$500

Investment Objective

This fund's objective is to achieve an attractive total return, consisting of income and capital gains. It invests primarily in a mix of Canadian equity and equity related securities and fixed income securities. The fund is not limited to how much it invests or keeps invested in each asset class. The mix may vary according to market conditions

Strategy

The portfolio adviser identifies companies that offer good value and the potential for growth in their industry and then considers the impact of economic trends. Equity investments are diversified across industry sectors and emphasize companies that pay consistent dividends or income. The portfolio adviser may use techniques such as fundamental analysis to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall

Analysis

- The neutral asset mix for this fund is set at 60% equities, 40% fixed income.
- Portfolio is defensively positioned.
- Manager has further reduced equity weighting in the fund, bringing it down to approximately 50%, down from 64% at end of Q2. Cash has also been increased from 14% to 19%.
- The manager believes that markets are poised for a rally, noting that there has been a significant improvement in European credit indexes.
- Manager has been deploying cash lately.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-4.6%	-8.2%	-1.4%	2.1%	4.1%	2.8%	5.9%
Bal Ind.	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%
Quartile	4	4	2	3	1	1	1

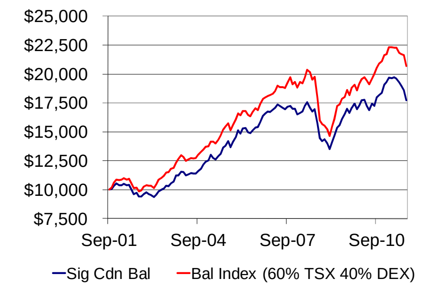
Fund Facts

Fund Sponsor		CI Investments
Fund Manager		Eric Bushell (Jul 02)
Inception Date		June 25, 1997
Total Assets		$1,165.45 Million
Management Fee / MER	2.00%	2.42%
Risk Rating		Moderate
Objective		Growth & Income
Time Horizon		Medium to Long

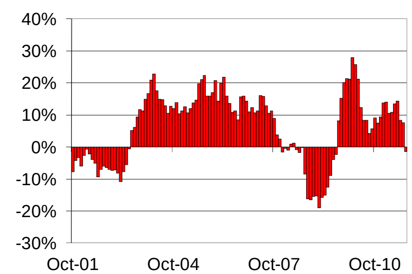
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.43%	5.31%
Standard Deviation	2.68%	9.29%
Sharpe Ratio	0.10	0.36
Alpha (5 Year)	-0.06%	
Beta (5 Year)	0.82	
Worst Drawdown	-23.24% (Jun 08 - Mar 10)	
Time to Recover	22 Months	

Growth of Investment



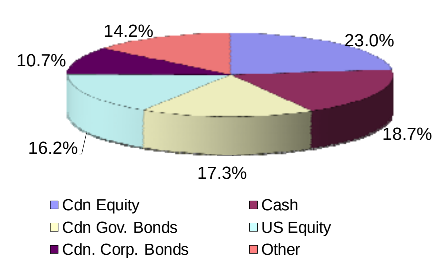
Rolling 12 Month Returns



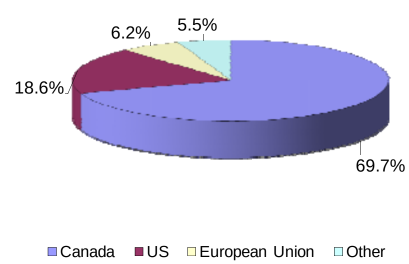
Top 10 Holdings (Sept 30/11)

RBC 0.95% 03-Oct-11	9.3%
BNS 0.95% 04-Oct-11	8.2%
SPDR Gold Trust	3.2%
Canada 2.75% 01-Sep-16	2.7%
TD Bank	2.6%
CIBC	1.8%
Canada 4.0% 01-Jun-41	1.8%
Barrick Gold Corp.	1.6%
Canadian Natural Resources	1.6%
Canada 3.25% 01-Jun-21	1.4%
Total	**34.2%**

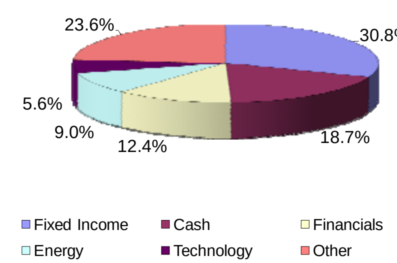
Asset Mix



Geographic Breakdown



Sector Breakdown



Income Options

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Cdn Balanced. Index (60% TSX Composite / 40% DEX Bond Universe)	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%

Funds

Income Funds are a wide range of investment funds which are used primarily to provide investor with a steady stream of income. There are a wide range of income funds available, ranging from Mortgage & Short Term Income Funds, Balanced Income Funds, Dividend Income Funds, Monthly Income Funds, and Income Trust Funds. Additionally, there are more general product types such as T-Series Funds which pay out a monthly distribution that is treated as a return of capital for tax purposes. For our Recommended List of Funds, we have not considered T-Series Funds, but have rather focused on the underlying funds which we feel are good candidates for investors seeking a regular income. We have also looked at a wide range of funds and selected a mix which should cover most investor types from the very conservative to the more growth oriented investor.

These funds can be used as part of a portfolio, or they can be used as standalone income solutions. It is our opinion that the best way to use the funds is as part of a well constructed, diversified portfolio designed to meet the individual needs of the investor.

Income Options Commentary

- There were no additions or deletions of any Income Funds during the quarter.
- At the conservative end, we have the TD Mortgage Fund. Like the name suggests, it invests in mortgages that are issued by TD Bank. The Fund is very stable and provides a variable monthly distribution. At current prices, the yield is approximately 2.7%, unchanged from Q2.
- For the more balanced investor, we have the RBC Monthly Income Fund. The Fund invests in a mix of high yielding common stock and high quality, income producing fixed income. The Fund is more volatile than the TD Mortgage Fund, but is about half as volatile as the broader equity markets. The Fund pays a monthly distribution of $0.0475 per unit which works out to a yield of approximately 4.4% at current prices – up slightly from Q2's yield of 4.3%.
- For the more growth oriented investors, we have two funds, the Sentry Select Canadian Income Fund and the BMO Guardian Monthly High Income II Fund. In both cases, the key factor which led us to select the funds were the quality of management. In both cases, the management teams are very highly regarded. Each of these funds will invest in Income Trusts, REITs and high yielding common stock. They have a level of volatility which is roughly equal to the volatility of the broader equity markets. They will provide a monthly distribution. For the Sentry Select Canadian Income Fund, the distribution is $0.0775 per unit, which equals a yield of approximately 6.0%, up from Q2's yield of 5.8%. BMO Guardian pays a monthly distribution of $.06 per unit, which works out to a yield of 5.5% which is slightly up from Q2's yield of 5.4%.
- To date, the conversion of many income trusts back to corporations has not had a material impact on the distributions of the more aggressive income funds. We will be monitoring this situation in the later part of the year to see if there is any material change. In our previous conversations with the managers, they were confident that things would remain relatively stable for the near to mid term.

Suggested Portfolio Weighting by Investor Type

	Conservative	Moderate Balanced	Balanced	Balanced Growth	Growth
Balanced / Income (Total)	0%	0% to 10%	0% to 10%	0% to 10%	0% to 10%

September 30, 2011
Paterson & Associates Fund Rating: Not Rated
Canadian Short Term Fixed Income

TD Mortgage Fund

Fund Codes

Front End	TDB 2010
DSC	TDB 2011
Min Purchase	$100

Investment Objective

The fundamental investment objective is to provide a steady stream of interest income by investing in a diversified portfolio consisting primarily of high-quality Canadian residential mortgages bought from and administered by TD Bank Financial Group.

Strategy

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by investing primarily in mortgages. The portfolio consists primarily of top-quality conventional and NHA mortgages that are fully backed by either the Government of Canada or TD Bank. The Fund may also invest in open and closed mortgage-backed securities to diversify risk.

Analysis

- This Fund was added to our Recommended List in December 2009.
- Pays a variable monthly distribution which has ranged between $0.10 to $0.23, averaging $0.14
- At current prices, the yield is approximately 2.8%.
- Suited for very conservative investors seeking some level of income.
- Most income will be interest income for tax purposes.
- 1 - 3 year mortgages were left unchanged in September, while 5 year rates were lowered.
- Portfolio yield remains higher than the benchmark.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.1%	0.9%	1.6%	1.8%	3.5%	3.6%	3.6%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	4	4	3	3	2	2	2

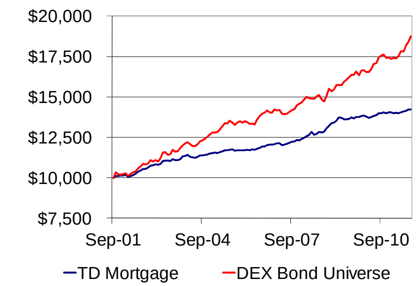
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		David McCulla (Jan 04)
		Olga Bylaard (Jan 09)
Inception Date		January 1, 1975
Total Assets		$1,354.87 Million
Management Fee / MER	1.50%	1.82%
Risk Rating		Low
Objective		Income
Time Horizon		Moderate

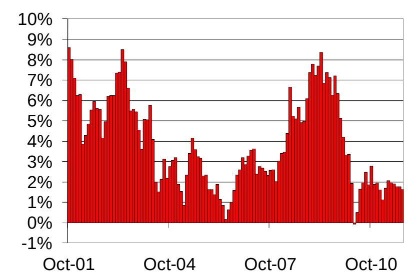
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.31%	3.76%
Standard Deviation	0.54%	1.87%
Sharpe Ratio	0.27	0.95
Alpha (5 Year)	0.20%	
Beta (5 Year)	0.20	
Worst Drawdown	-1.58% (Apr 04 - Nov 04)	
Time to Recover	8 Months	

Growth of Investment



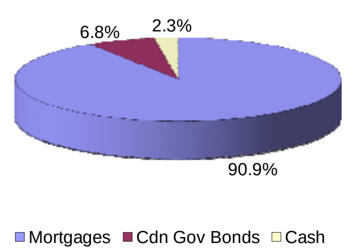
Rolling 12 Month Returns



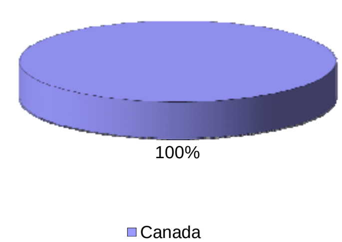
Top 10 Holdings (Sept 30/11)

NHA Mortgages	90.9%
Provincial Bonds	4.0%
Federal Bonds	2.7%
Cash	0.4%
Other Assets	2.4%
Total	**%**

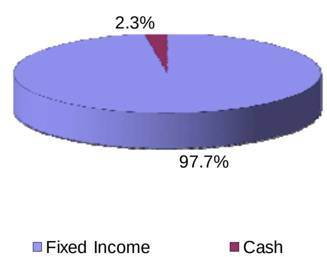
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: D
Canadian Neutral Balanced

RBC Monthly Income

Fund Codes

Front End	RBF 763
DSC	RBF 115 (Low Load)
Min Purchase	$500

Investment Objective

To provide as high a regular monthly income as possible, to provide relatively tax efficient distributions consisting of dividend income, interest income and capital gains and to provide the potential for modest capital growth.

Strategy

To achieve the fund's objectives, the portfolio manager invests in fixed-income, income trust and equity securities utilizing a strategic asset allocation approach. The manager determines the appropriate asset mix within broad pre-established guidelines for each asset class. The neutral asset mix for the fund is set at 60% fixed income and 40% equities.

Analysis

- The focus of this fund is on high quality high yielding stocks and high coupon fixed income.
- The target asset mix for the fund is 55% bonds, 40% Cdn equities and 5% Cash.
- The Fund held approximately 50% in bonds, and 46% of the fund in equities.
- Manager expects that uncertainty and low interest rates will persist, but expects that securities with an income stream (bonds, dividend paying stocks, REITs) will fare better than the overall markets.
- The Fund pays a monthly distribution of $0.475 per unit, which translates into a yield of approximately 4.5%
- This fund is best suited to moderate risk investors seeking a moderate total return with a monthly income.
- The Fund is not available in registered accounts.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.8%	-2.9%	2.5%	5.4%	5.1%	3.6%	7.3%
Bal Ind.	-4.5%	-5.4%	0.7%	5.3%	5.0%	4.2%	7.5%
Quartile	1	1	1	1	1	1	1

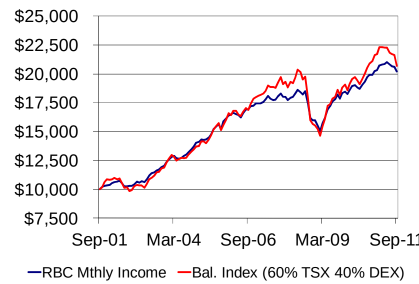
Fund Facts

Fund Sponsor		RBC Asset Management
Fund Manager		Jennifer McClelland (Apr 07)
		Suzanne Michelle Gaynor
Inception Date		June 23, 1997
Total Assets		$7,741.94 Million
Management Fee / MER	1.00%	1.18%
Risk Rating		Low to Moderate
Objective		Growth & Income
Time Horizon		Medium to Long

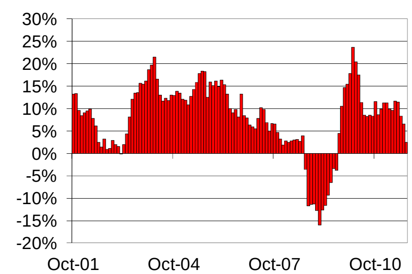
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.42%	5.10%
Standard Deviation	2.01%	6.96%
Sharpe Ratio	0.13	0.45
Alpha (5 Year)	0.06%	
Beta (5 Year)	0.64	
Worst Drawdown	-19.16% (Jun 08 - Feb 10)	
Time to Recover	21 Months	

Growth of Investment



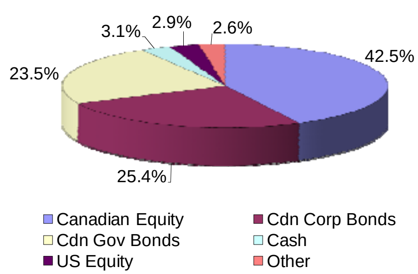
Rolling 12 Month Returns



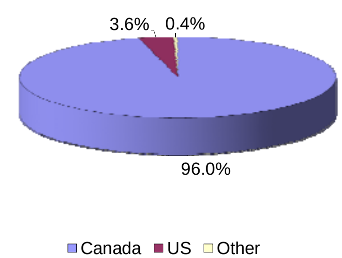
Top 10 Holdings (June 30/11)

TD Bank	3.4%
Royal Bank of Canada	3.4%
Bank of Nova Scotia	2.6%
Canada. 2.50% 01-Sep-13	2.4%
Canada 1.50% 01-Dec-12	2.3%
Suncor Energy	1.7%
CIBC	1.5%
Canadian Natural Resources	1.4%
Bank of Montreal	1.4%
Brookfield Asset Mgmt.	1.2%
Total	**21.1%**

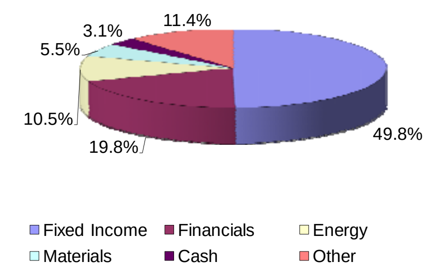
Asset Mix



Geographic Breakdown



Sector Breakdown



This analysis is provided for advisor use only. Past results do not guarantee future returns. Mutual funds may lose money over time. Although data is gathered from sources believed to be reliable, Paterson & Associates cannot guarantee completeness and accuracy. Important information about these funds is found in the fund's simplified prospectus. Obtain a copy and read it before investing.

Sentry Canadian Income

Fund Codes

Front End	NCE 717
DSC	NCE 317
Min Purchase	$500

Investment Objective

The investment objective of the Fund is to provide a consistent monthly income and capital appreciation by investing primarily in a diversified portfolio of Canadian securities including equities, fixed income instruments, real estate investment trusts ("REITs") and income trusts.

Strategy

The Fund invests primarily in Canadian equities, fixed-income instruments, REITs and income trusts. The Manager follows a fundamental, bottom up approach to investing, may invest in foreign securities in an amount not exceeding approximately 30% of the assets of the Fund, may invest in securities of other mutual funds, including those managed by the Manager, in accordance with the Fund's investment objective.

Analysis

- Manager invests primarily in High Yielding common stock, Income Trusts and REIT's.
- Portfolio is becoming a bit more concentrated, holding 60 names, with the top 10 making up approximately 40% of the portfolio vs. 30% last quarter.
- Portfolio is fairly conservatively managed.
- Pays a monthly distribution of $0.0775 per month, which is a yield of approximately 6.3%, up slightly from the 5.8% yield in June.
- This fund is best suited to medium to high risk investors looking for income.
- Performance has been strong relative to its peer group

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-3.1%	-6.3%	6.4%	13.7%	8.2%	5.1%	N/A
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	1	1	1	1	1	1	N/A

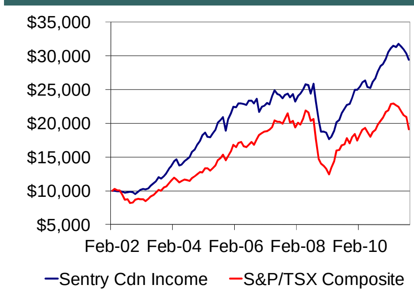
Fund Facts

Fund Sponsor		Sentry Select Capital Corp.
Fund Manager		Michael Simpson (Oct 06)
		Aubrey Hearn (Apr 10)
Inception Date		February 11, 2002
Total Assets		$1,181.35 Million
Management Fee / MER	2.25%	2.70%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

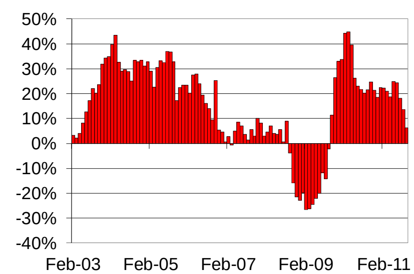
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.54%	6.67%
Standard Deviation	3.84%	13.30%
Sharpe Ratio	0.10	0.35
Alpha (5 Year)	0.29%	
Beta (5 Year)	0.61	
Worst Drawdown	-31.68 (Sep 08 - Mar 10)	
Time to Recover	19 Months	

Growth of Investment



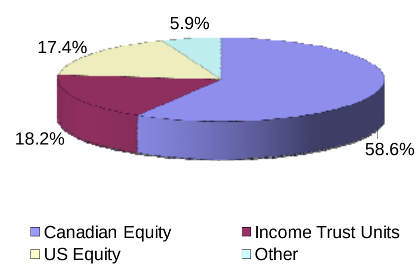
Rolling 12 Month Returns



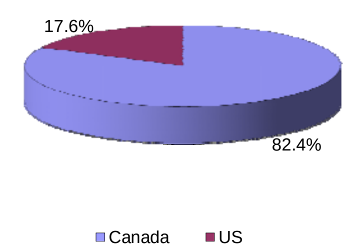
Top 10 Holdings (Jun 30/11)

Alimentation Couche Tard	4.9%
Canadian REIT	4.7%
Republic Services	4.5%
RBC Term Deposit	3.5%
Telus Corp.	3.1%
Baytex Energy Corp.	2.7%
Agrium Inc.	2.4%
Astral Media Inc.	2.3%
H&R REIT	2.3%
Bonavista Energy Corp.	2.3%
Total	**32.7%**

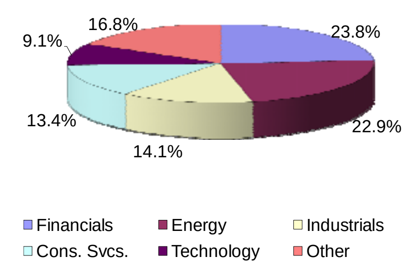
Asset Mix



Geographic Breakdown



Sector Breakdown



BMO GDN Monthly High Income II

Fund Codes

Front End	GGF 619
DSC	GGF 260
Min Purchase	$500

Investment Objective

The Fund's goal is to generate a high level of monthly distributions with moderate volatility by investment primarily in a portfolio of trust units, equity securities and fixed income securities.

Strategy

The portfolio manager invests in trust units such as Royalty Trust Units ("RTUs"), Real Estate Investment Trusts ("REITs") and Business Trusts ("BTs") from various sectors of the economy. The manager may also invest in common equities, typically demonstrating large market capitalizations and above average dividend yields. The Fund may invest in fixed income securities, primarily consisting of Canadian government and corporate issues of any maturity or credit rating.

Analysis

- Managed by one of the best Income teams on the street.
- In mid 2010, they added Ted Macklin to the team to focus on high yielding equity securities.
- Despite the implementation of trust taxation and many conversions back to corporations, the manager does not expect a substantial drop in distributions.
- Pays a monthly distribution of $0.06 per month, which is a yield of approx. 5.5% at current prices, up from 5.4% at the end of June.
- This fund is best suited to medium to high risk investors looking for income.
- Performance has been strong relative to its peer group

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-2.6%	-4.9%	10.0%	16.2%	8.9%	4.4%	N/A
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	1	1	1	1	1	1	N/A

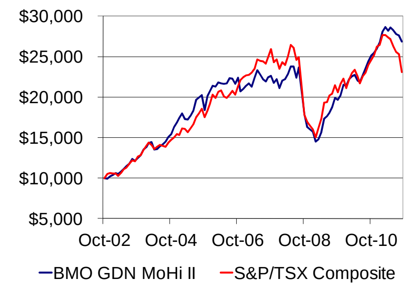
Fund Facts

Fund Sponsor		BMO GDN Funds
Fund Manager		John Priestman (Oct 02)
		Kevin Hall (Jan 03)
Inception Date		October 10, 2002
Total Assets		$770.79 Million
Management Fee / MER	1.85%	2.35%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

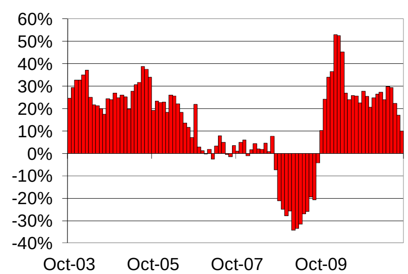
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.44%	5.46%
Standard Deviation	4.46%	15.45%
Sharpe Ratio	0.06	0.23
Alpha (5 Year)	0.21%	
Beta (5 Year)	0.75	
Worst Drawdown	-39.06% (Jul 08 - Sep 10)	
Time to Recover	27 Months	

Growth of Investment



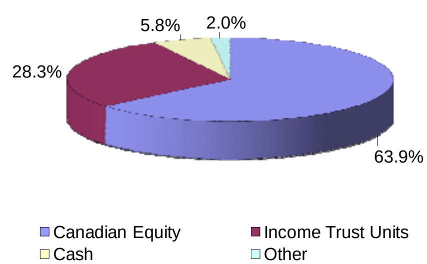
Rolling 12 Month Returns



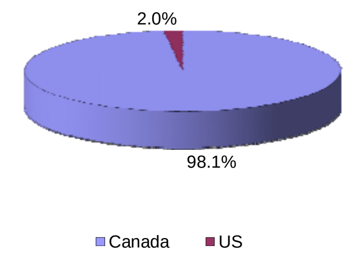
Top 10 Holdings (Sept 30/11)

Riocan REIT	3.7%
Canadian REIT	3.6%
H&R REIT	3.4%
TD Bank	3.1%
Arc Resources	3.1%
Shaw Communications	3.0%
Bonavista Energy Corp.	3.0%
TransCanada Corp.	3.0%
AltaGas Ltd.	3.0%
Telus Corp.	3.0%
Total	**31.8%**

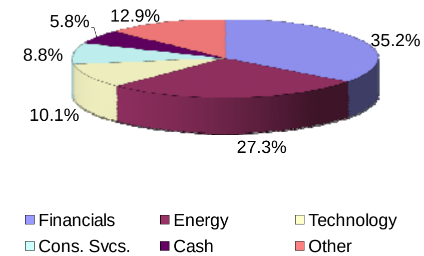
Asset Mix



Geographic Breakdown



Sector Breakdown



Low Cost Passive / Index Funds

Funds

Funds in this category will be suitable as core holdings for most investors. The funds in this category are index funds which provide investors exposure to a range of market indices. In this category, we looked for the index funds which had the lowest costs associated with them. This was because the lower the cost hurdle, the more closely the performance of the fund should replicate it's underlying index.

These funds typically do not pay any form of compensation to advisors. As such, they are best suited for Fee Based Accounts.

When used in a portfolio, these funds should be used the very same way that a regular mutual fund would be utilized.

Effective June 30, 2009, we replaced all of the Altamira Precision Index Funds with Index funds offered by TD Mutual Funds. This change was made because Altamira and National Bank are currently undergoing a restructuring which is resulting in a number of fund mergers and fund closings. Additionally, the TD Index Funds can be purchased on an F-Class basis at a cost structure which was identical to that of the Altamira Precision series. When taking those factors into account, we felt that a shift into the TD Index Funds was prudent at this point in time.

In November 2009, Invesco Trimark launched their PowerShares Funds. The PowerShares Funds are funds which invest in or replicate a PowerShares ETF. The PowerShares ETF employ a fundamental indexing technique which selects an index based on fundamental criteria such as price to book, sales growth or other key factors, rather than the traditional method of index construction which is typically based on market capitalization. The cost for these products is higher than the cost for the F-Class versions of the TD Index Funds on our list, but is typically lower than a more traditional, actively managed fund in the same category. We will be watching these funds closely in the coming quarters.

TD Canadian Bond Index

Fund Codes

Front End	TDB 966
DSC	
Min Purchase	$100

Investment Objective

The objective of the Canadian Bond Index Fund is to participate in the long term performance of the Canadian bond market, through a diversified portfolio consisting primarily of Canadian government and corporate debt instruments.

Strategy

The Fund seeks to obtain total returns (income plus capital gain/losses, before management expenses) that are similar but not identical to the performance of a representative index of the Canadian bond market (the Canadian Bond Index), currently the DEX Universe Bond Index.

Analysis

- While we understand the need for lower cost in the fixed in come world, we would most likely take PH&N or the TD Canadian Bond Fund over this fund.
- The Fund is also available in an F-Class version which carries an MER of 0.56%

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.7%	4.9%	5.8%	6.2%	7.1%	5.2%	5.4%
DEX Bond	1.8%	5.1%	6.7%	7.0%	8.1%	6.1%	6.5%
Quartile	1	1	1	1	2	1	1

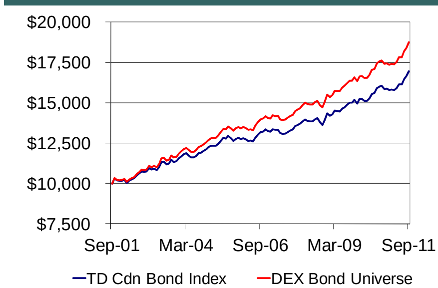
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Eduardo Orfao (Dec 04)
		Michelle Hegeman (Aug 08)
Inception Date		May 13, 1997
Total Assets		$419.96 Million
Management Fee / MER	0.75%	0.83%
Risk Rating		Low
Objective		Income
Time Horizon		Moderate

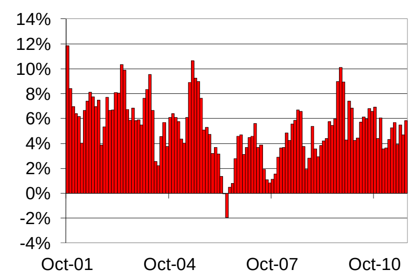
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.42%	5.11%
Standard Deviation	1.00%	3.46%
Sharpe Ratio	0.25	0.90
Alpha (5 Year)	-0.07%	
Beta (5 Year)	0.99	
Worst Drawdown	-3.06% (Sep 08 - Dec 08)	
Time to Recover	4 Months	

Growth of Investment



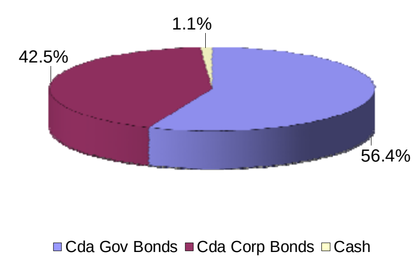
Rolling 12 Month Returns



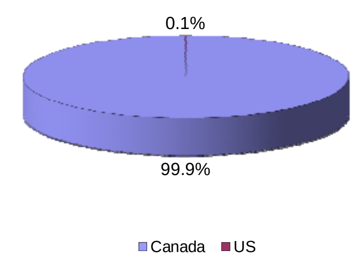
Top 10 Holdings (Sept 30/11)

Canada 1.50% 01-Dec-12	2.2%
Canada 5.00% 01-Jun-37	1.7%
Canada 5.75% 01-Jun029	1.7%
Canada 2.00% 01-Dec-14	1.5%
Canada 5.75% 01-Jun-33	1.5%
Canada 3.00% 01-Dec-15	1.5%
CHT#1 4.55% 15-Dec-12	1.4%
Canada 3.75% 01-Jun-19	1.4%
Canada 1.75% 01-Mar-13	1.4%
Canada 2.00% 01-Jun-14	1.3%
Total	**15.5%**

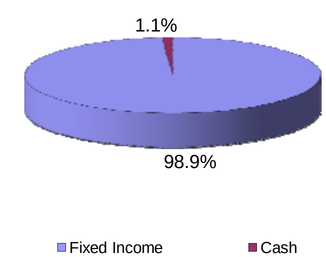
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: D
Canadian Equity

TD Canadian Index

Fund Codes

Front End	TDB 216
DSC	
Min Purchase	$100

Investment Objective

The fundamental investment objective is to provide long-term growth of capital primarily by purchasing Canadian equity securities to track the performance of the S&P/TSX Composite Total Return Index.

Strategy

The portfolio adviser seeks to achieve the fundamental investment objective of the fund primarily by replicating the S&P/TSX Composite Index. Each security in the S&P/TSX Composite Index is held by the Fund in close tolerance to its index weight so that the performance of the Fund closely tracks the performance of the S&P/TSX Composite Index.

Analysis

- Even with the Investor Class version of this fund with an MER of 0.88% it is still lower than the majority of other index funds.
- MER is also significantly lower than the Canadian Equity Fund category average of 2.39%
- For larger clients using a fee based account, the F-Class version of this fund carries an MER of 0.55%.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-8.6%	-12.2%	-4.4%	2.8%	1.8%	1.8%	7.1%
S&P/TSX Cp	-8.7%	-12.0%	-3.6%	3.7%	2.7%	2.6%	8.0%
Quartile	3	2	2	1	2	1	1

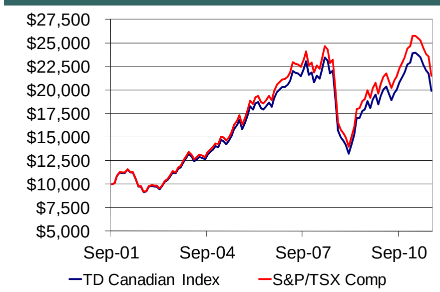
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Vishal Bhatia (Mar 05) Dino Bourdos (Nov 10)
Inception Date		September 30, 1985
Total Assets		$862.51 Million
Management Fee / MER	0.80%	0.88%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

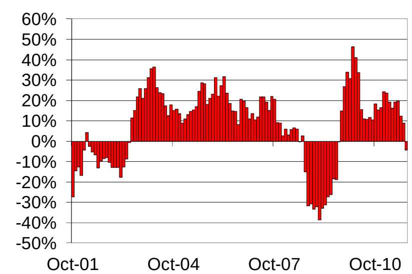
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.40%	4.85%
Standard Deviation	4.94%	17.11%
Sharpe Ratio	0.05	0.17
Alpha (5 Year)	-0.06%	
Beta (5 Year)	0.98	
Worst Drawdown	-43.59% (Jun 08 - Feb 11)	
Time to Recover	33 Months	

Growth of Investment



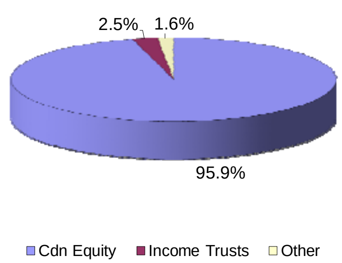
Rolling 12 Month Returns



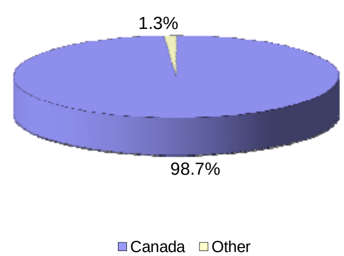
Top 10 Holdings (Sept 30/11)

Royal Bank of Canada	5.0%
TD Bank	4.8%
Bank of Nova Scotia	4.1%
Barrick Gold Corp.	3.5%
Suncor Energy Inc.	3.0%
Potash Corp	2.8%
Goldcorp Inc.	2.8%
Bank of Montreal	2.7%
Canadian Natural Resources	2.4%
Canadian National Railway	2.3%
Total	**33.4%**

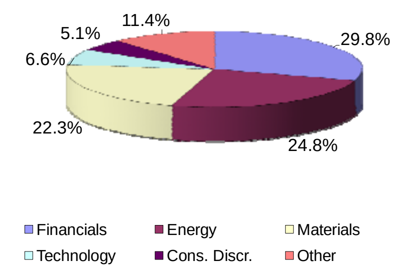
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: F
U.S. Equity

TD US Index

Fund Codes

Front End	TDB 661
DSC	
Min Purchase	$100

Investment Objective

The goal of this Fund is to track the performance of the Standard & Poor's 500 Stock Price Index and provide currency diversification and the potential for long-term growth associated with investing in major U.S. companies.

Strategy

Computer technology is used to match the index as closely as possible. An optimization strategy is followed where the portfolio holds a smaller basket of securities that behave in the same manner as the index. This minimizes transaction costs and increases the efficiency of the portfolio. Sophisticated programs are used to adjust or rebalance the portfolio to reflect changes in the composition of the index being tracked and to handle cashflow of the Fund.

Analysis

- This is the one of lowest cost index option available for those seeking a low cost passive option with an MER of 0.54%.
- In comparison, the median MER in the U.S. Equity Fund category is 2.46%.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.6%	-6.6%	2.2%	3.6%	-0.1%	-3.2%	-2.1%
S&P 500	-0.2%	-6.1%	3.2%	4.6%	0.8%	-2.4%	-1.3%
Quartile	1	1	1	1	1	1	2

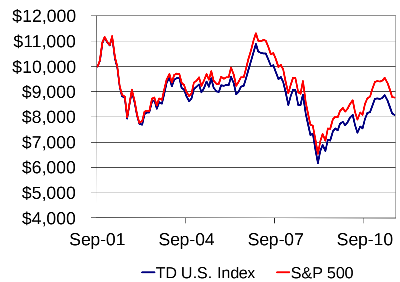
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Vishal Bhatia (Mar 05)
		Dino Bourdos (Nov 10)
Inception Date		April 30, 1998
Total Assets		$335.69 Million
Management Fee / MER	0.50%	0.54%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

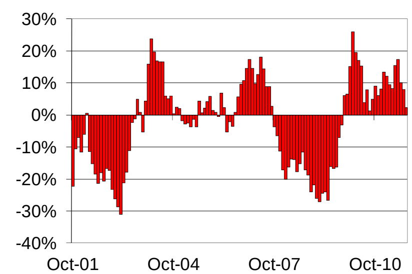
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.06%	-0.75%
Standard Deviation	3.72%	12.88%
Sharpe Ratio	-0.06	-0.21
Alpha (5 Year)	-0.07%	
Beta (5 Year)	0.99	
Worst Drawdown	-54.16% (Sep 00 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



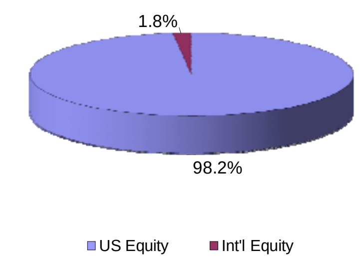
Rolling 12 Month Returns



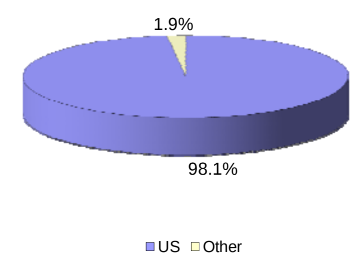
Top 10 Holdings (Sept 30/11)

Apple Inc.	3.4%
Exxon Mobil Corp.	3.4%
IBM Corp.	2.0%
Microsoft Corp.	1.8%
Chevron Corp.	1.8%
Johnson & Johnson	1.7%
Procter & Gamble Co.	1.7%
AT&T Inc.	1.6%
General Electric Co.	1.6%
Coca-Cola Co.	1.5%
Total	**20.5%**

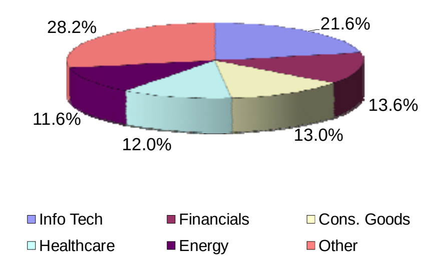
Asset Mix



Geographic Breakdown



Sector Breakdown



September 30, 2011
Paterson & Associates Fund Rating: F
International Equity

TD International Index

Fund Codes

Front End	TDB 964
DSC	
Min Purchase	$100

Investment Objective

The objective of the International Equity Index Fund is to participate in the long term growth of the primary stock markets of the developed countries of the world, excluding the U.S. and Canada, through a broadly diversified portfolio consisting of shares of companies domiciled outside the U.S. and Canada.

Strategy

The Fund seeks to obtain total returns (income net of withholding taxes plus capital gains/losses, before management expenses) that are similar but not identical to the performance of a representative composite index of well-developed and regulated international stock markets (the International Index), currently the Morgan Stanley Capital International Europe, Australia and Far East Index.

Analysis

- After the implementation of the HST, the MER of this fund has creeped up to 1.38% for the Investor Class version of the fund.
- In comparison, the median MER in the International Equity Fund category is 2.46%.
- Despite the higher costs, the fund tends to be one of the better performing International Equity Index Funds out there.
- For investors in a Fee Based Account, an F-Class Version of the Fund is available with an MER of 0.56%.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-4.1%	-13.3%	-9.4%	-5.9%	-3.6%	-5.9%	-0.6%
MSCI EAFE	-2.8%	-11.7%	-7.1%	-3.7%	-1.1%	-4.2%	1.3%
Quartile	1	2	2	2	2	2	2

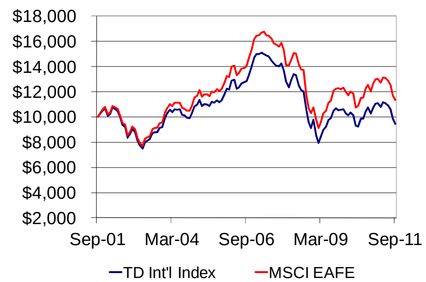
Fund Facts

Fund Sponsor		TD Asset Management
Fund Manager		Vishal Bhatia (Mar 05)
		Dino Bourdos (Nov 10)
Inception Date		May 13, 1997
Total Assets		$181.51 Million
Management Fee / MER	1.25%	1.38%
Risk Rating		Moderate
Objective		Growth
Time Horizon		Long

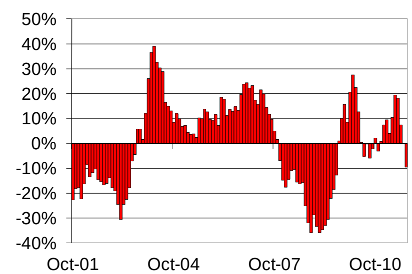
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.21%	-2.44%
Standard Deviation	4.58%	15.87%
Sharpe Ratio	-0.08	-0.28
Alpha (5 Year)	-0.15%	
Beta (5 Year)	0.99	
Worst Drawdown	-62.64% (Apr 00 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



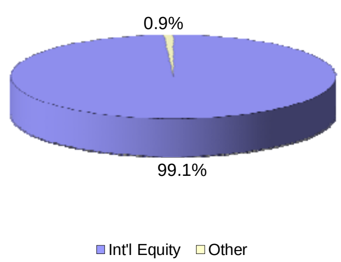
Rolling 12 Month Returns



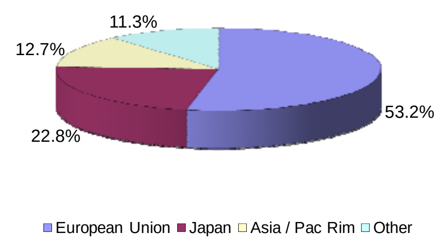
Top 10 Holdings (Sept 30/11)

Nestle SA	2.1%
HSBC Holdings PLC	1.5%
Vodafone Group PLC	1.4%
Novartis AG	1.4%
Roche Holding AG	1.2%
BP PLC	1.2%
Royal Dutch Shell PLC	1.2%
GlaxoSmithKline PLC	1.2%
BHP Billiton Ltd.	1.2%
Toyota Motor Corp.	1.0%
Total	**13.4%**

Asset Mix



Geographic Breakdown



Sector Breakdown