

Recommended List of Investment Funds

Prepared July 27, 2012

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Methodology & Ratings Definitions

June 2012

Methodology:

Fund Ratings highlighted in Green indicate an upgrade from the previous report. Fund Ratings highlighted in Red indicate a 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 be 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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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 patterns. 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	3 Month	1 Year	3 Year	5 Year	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	SCMU	MER A Series	
Fixed Income - Core														
1	Dynamic Canadian Bond Fund	Not Rated	1.7%	7.0%	5.6%	6.0%	0.43	0.04%	0.79	0.0759	0.1144	0.2165	0.9226	1.54
2	PH&N Bond Fund	Not Rated	1.7%	8.1%	7.0%	6.6%	0.43	0.03%	0.91	0.1444	0.1754	0.3169	0.9214	0.61
3	TD Canadian Bond Fund	Not Rated	2.0%	8.2%	7.1%	6.4%	0.41	0.01%	0.91	0.0975	0.0955	0.2448	0.9445	1.11
Fixed Income - Specialty														
1	RBC Global Corporate Bond	Not Rated	1.8%	8.4%	7.3%	6.8%	0.38	0.15%	0.71	0.3099	0.3305	0.5359	0.6181	1.74
2	Manulife Strategic Income Fund	Not Rated	0.6%	2.5%	6.6%	8.5%	0.26	0.49%	0.38	-0.2230	0.3287	0.2754	0.1691	2.15
Canadian Equity - Core														
1	Fidelity Canadian Large Cap Fund	B	-2.4%	6.8%	15.3%	5.9%	0.10	0.53%	0.84	0.9431	0.5863	0.6706	-0.0200	2.49
2	IA Clarington Canadian Conservative Equity Fund	C	-3.6%	-3.0%	9.6%	2.6%	0.04	0.23%	0.62	0.9265	0.5190	0.6218	-0.1787	2.44
3	RBC North American Value Fund	C	-4.4%	-3.6%	9.3%	2.3%	0.04	0.21%	0.69	0.9305	0.7410	0.7848	-0.1171	2.09
4	Harbour Fund	C	-3.9%	-6.2%	5.1%	-0.7%	-0.02	-0.01%	0.82	0.9360	0.6425	0.7285	-0.1338	2.43
5	Signature Select Canadian Fund	C	-5.3%	-8.0%	5.6%	-1.3%	-0.03	-0.07%	0.78	0.9328	0.7093	0.8069	-0.1239	2.43
Canadian Equity - Small Cap														
1	Sentry Small Cap Income Fund	A	-3.4%	8.2%	23.2%	10.7%	0.21	0.89%	0.63	0.8149	0.6453	0.7160	-0.0456	2.79
2	BMO GDN Enterprise Classic	B	-4.8%	-0.6%	18.8%	3.3%	0.05	0.36%	0.96	0.8921	0.5538	0.7102	-0.0395	2.25
3	CI Can-Am Small Cap Corporate Class	C	-1.8%	0.6%	11.7%	2.3%	0.04	0.21%	0.56	0.8138	0.7199	0.7608	-0.0977	2.40
US Equity - Core														
1	Trimark U.S. Companies Fund	C	-2.1%	9.5%	10.0%	0.0%	-0.01	0.07%	1.02	0.5202	0.9439	0.7254	-0.0593	2.97
2	Dynamic American Value Fund	C	-0.3%	-2.4%	9.9%	-0.3%	-0.02	0.04%	0.58	0.7481	0.5876	0.6496	-0.0095	2.49
3	CI American Value Fund	C	-2.6%	3.8%	6.5%	-1.9%	-0.06	-0.10%	0.90	0.6241	0.9421	0.8382	-0.0047	2.42
4	RBC O'Shaughnessy U.S. Value Fund	F	-3.4%	3.9%	18.4%	-4.0%	-0.04	-0.14%	1.25	0.7738	0.7570	0.7707	0.0074	1.53

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Name	Quantitative Rating	3 Month	1 Year	3 Year	5 Year	Sharpe Ratio	Alpha	Beta	TSX	S&P 500	MSCI EAFE	SCMU	MER A Series	
US Small and Mid Cap Equity														
1	Trimark U.S. Small Companies Class	C	-3.1%	6.6%	19.9%	1.6%	0.03	0.28%	1.20	0.4963	0.8139	0.6551	-0.1203	2.97
2	TD U.S. Mid - Cap Growth Fund	C	-3.5%	2.6%	12.8%	1.3%	0.02	0.20%	1.06	0.6887	0.8880	0.7792	-0.0164	2.54
Global / International Equity - Core														
1	Mac Ivy Foreign Equity Fund	B	-1.0%	4.9%	6.6%	2.1%	0.03	0.31%	0.51	0.1815	0.7552	0.6376	0.2430	2.57
2	Renaissance Global Markets Fund	C	-3.5%	-3.7%	9.0%	-2.2%	-0.06	0.05%	0.82	0.8167	0.7204	0.8201	0.0257	2.70
3	Mutual Discovery Fund	C	-2.5%	-3.1%	5.3%	-2.7%	-0.09	-0.04%	0.72	0.7212	0.7256	0.8637	-0.1164	2.77
4	Invesco International Growth Class	C	-4.3%	-4.7%	4.6%	-5.9%	-0.13	-0.05%	0.84	0.6914	0.7506	0.9514	0.1659	2.90
5	Trimark Fund	UNDER REVIEW	-2.4%	5.7%	7.8%	-4.8%	-0.11	-0.13%	0.96	0.5380	0.8792	0.8565	0.2206	1.72
Global Small/Mid Cap Equity														
1	Mac Cundill Recovery Fund	C	-8.0%	-19.2%	4.5%	-6.1%	-0.05	0.02%	1.33	0.8426	0.5220	0.7443	-0.0968	2.62
2	CI Global Small Companies Fund Class	C	-7.3%	-6.5%	6.5%	-2.8%	-0.07	0.02%	0.91	0.6912	0.8376	0.8769	-0.0275	2.45
3	Templeton Global Smaller Companies	UNDER REVIEW	-11.7%	-21.4%	4.0%	-6.1%	-0.08	-0.08%	1.31	0.7528	0.7392	0.8660	-0.0140	2.90
Specialty / Sector Funds														
1	BMO GDN Asian Growth & Income Fund	B	0.8%	-0.4%	6.6%	1.7%	0.02	0.48%	0.61	0.7052	0.5436	0.7876	0.2827	2.87
2	Dynamic Power Global Growth Class	C	-9.1%	-16.1%	12.8%	2.3%	0.05	0.68%	1.24	0.6956	0.6349	0.6816	-0.0010	3.81
3	CI Global Health Sciences Corporate Class	C	9.0%	13.1%	12.8%	2.7%	0.04	0.32%	0.88	0.4590	0.7240	0.7049	0.1665	2.44
4	Dynamic Global Real Estate Fund	C	5.1%	12.1%	15.2%	1.0%	0.01	0.32%	0.78	0.8188	0.6537	0.7299	0.0315	2.46
5	CI Signature Canadian Resource Fund	C	-9.0%	-20.8%	2.1%	-0.9%	0.00	0.05%	1.14	0.9173	0.3597	0.5706	-0.0866	2.41
6	Sprott Canadian Equity Fund	UNDER REVIEW	-20.1%	-32.0%	4.4%	-6.2%	-0.03	-0.22%	1.18	0.6910	0.0973	0.3374	-0.0206	2.98
7	AGF Emerging Markets Fund	UNDER REVIEW	-6.1%	-5.7%	8.3%	2.5%	0.04	0.78%	0.94	0.7939	0.5372	0.7763	0.1636	3.07

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Canadian Balanced / Income														
1	CI Signature High Income Fund	B	1.8%	5.4%	13.9%	4.6%	0.10	0.39%	0.47	0.8244	0.6104	0.7178	0.0063	1.60
2	AGF Monthly High Income Fund	C	-2.0%	-0.7%	14.3%	3.4%	0.06	0.03%	1.27	0.9057	0.6230	0.7319	0.0518	2.42
3	Fidelity Canadian Balanced Fund	C	-1.2%	-0.9%	7.3%	2.8%	0.05	0.03%	0.89	0.9772	0.5357	0.6753	0.0531	2.27
4	CI Signature Canadian Balanced Fund	UNDER REVIEW	-2.3%	-2.9%	6.3%	1.7%	0.02	-0.04%	0.83	0.9261	0.7140	0.8178	-0.0493	2.42
Income Options														
1	TD Mortgage Fund	Not Rated	0.5%	2.6%	2.0%	3.7%	0.36	0.21%	0.17	0.0520	-0.0514	0.0170	0.3300	1.82
2	RBC Monthly Income Fund	C	-0.7%	2.2%	7.3%	3.6%	0.10	0.15%	0.64	0.9445	0.6589	0.7404	0.1447	1.19
3	Sentry Canadian Income Fund A	B	-0.2%	6.3%	17.6%	6.5%	0.13	0.55%	0.61	0.8741	0.6346	0.7042	-0.0771	2.69
4	BMO GDN Monthly High Income Fund II	B	-1.8%	0.9%	17.4%	4.6%	0.08	0.42%	0.74	0.8878	0.5521	0.6379	-0.0397	2.39
Passive Options														
1	TD Canadian Bond Index Fund	Not Rated	2.1%	8.5%	6.2%	6.0%	0.38	-0.07%	0.99	-0.0759	0.0293	0.1299	0.9978	0.83
2	TD Canadian Index Fund	D	-5.8%	-11.0%	5.8%	-1.5%	-0.03	-0.07%	0.98	1.0000	0.5352	0.6531	-0.0832	0.88
3	TD U.S. Index Fund	F	-0.9%	10.4%	10.4%	-1.5%	-0.05	-0.06%	0.99	0.5137	0.9947	0.7956	0.0526	0.54
4	TD International Index Fund	F	-4.9%	-9.8%	0.4%	-7.8%	-0.15	-0.13%	0.99	0.6372	0.8100	0.9728	0.1398	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%

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.

Fixed Income Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
DEX Universe Bond Index	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	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.

Additions and Deletions

- We removed the **TD Real Return Bond Fund** from our Recommended List. The main reason is valuation. Recently, yields on Real Return Bonds touched historic lows of 0.30%. Further, the duration of the fund is 15.1, leaving it susceptible to any increase in interest rates, in the absence of inflation. We believe that the risks to the downside for real return bonds are as high as they have been in recent memory.
- We added the **RBC Global Corporate Bond Fund** to our Recommended List. We like this fund for a number of reasons. First, it is expected that corporate bonds will outperform governments when rates move higher. This fund invests exclusively in corporate bonds. Second, the duration is shorter than the benchmark which will help mitigate the impact of rising interest rates. Third, all currency exposure is hedge and fourth, the historic risk reward profile is very strong compared not only to the index, but also the global fixed income category.
- We added the **Manulife Strategic Income Fund** to our Recommended List. We like this fund because of the way that it is managed. It is a tactically managed bond fund that invests in a wide range of fixed income sectors including global government bonds, investment grade and high yield corporate bonds. It also employs a dynamic currency management strategy to help add return and provide downside protection.

Fixed Income Commentary and Outlook

- Canadian bonds, particularly governments, were driven higher on flight to safety concerns caused by headlines coming out of Europe.
- Long term government yields are at historic lows. Corporate credit spreads have moved slightly higher, but continue to offer highly attractive yields.
- With continued global uncertainty, yields are not expected to move substantially higher in the near term. Equity market volatility is expected to remain high.

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%

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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

- This is our most defensive pick in the fixed income category.
- The fund is defensively positioned with a duration of 5.02 years, which is lower than the DEX Bond Universe Index duration of 7.0 years. This will result in less downside when interest rates move higher.
- It is heavily weighted towards government bonds, holding 53% in governments and 40% in corporates.
- Credit quality is very high with two thirds invested in bonds rated A or better.
- This positioning will provide downside protection when rates do move higher, but will cause it to lag in a bond market rally.
- The higher MER may cause it to lag our other picks over the long term.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.1%	1.7%	7.0%	5.3%	5.6%	6.0%	5.3%
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	6.5%
Quartile	1	3	3	2	2	1	2

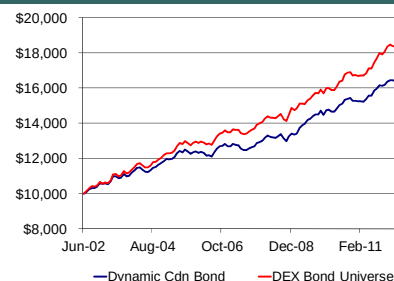
Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	Michael McHugh (Dec 98)
Inception Date	August 31, 1979
Total Assets	\$1,507.60 Million
Management Fee / MER	1.25% 1.54%
Risk Rating	Low
Objective	Income
Time Horizon	Short

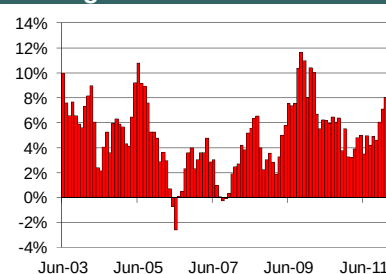
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.48%	5.96%
Standard Deviation	0.85%	2.95%
Sharpe Ratio	0.42	1.52
Alpha (5 Year)		0.04%
Beta (5 Year)		0.79
Worst Drawdown	-3.06% (Sep 05 - Aug 06)	
Time to Recover	12 Months	

Growth of Investment



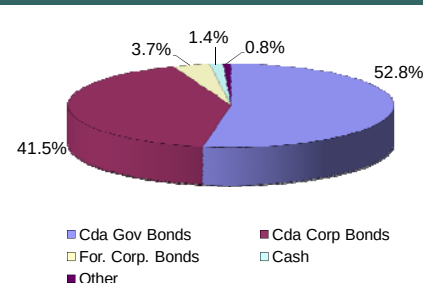
Rolling 12 Month Returns



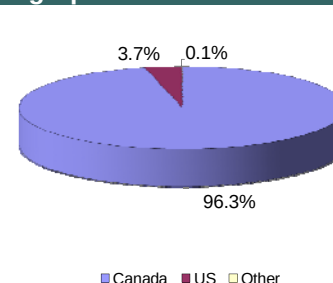
Top 10 Holdings (Apr 30/12)

Canada 0.75% 01-May-14	5.1%
BC 3.70% 18-Dec-20	5.0%
Ontario 4.40% 02-Jun-19	4.0%
Canada 3.00% 01-Jun-14	3.8%
Canada 2.00% 01-Dec-14	3.7%
Ontario FRN 12-Apr-16	3.2%
Canada 3.25% 01-Jun-21	3.2%
Canada 2.25% 01-Aug-14	3.0%
Ontario 4.00% 02-Jun-21	2.7%
Sask. 5.75% 06-Mar-29	2.1%
Total	35.7%

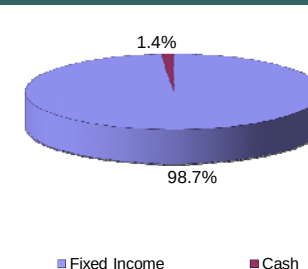
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Despite slipping on a risk adjusted return basis, this fund remains our top pick in the category because of its management, cost and performance.
- Canadian bond yields have been pushed to historic lows as investors sought safe haven alternatives in Q2.
- These interest rate levels are not sustainable. Managers have shortened duration to protect against rising rates.
- Corporate and provincial bonds remain compelling based on their yield advantage relative to Canadas. As such, it holds a moderate overweight in both corporate and provincial bonds.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	1.7%	8.1%	6.4%	7.0%	6.6%	6.3%
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	6.5%
Quartile	2	3	1	1	1	1	1

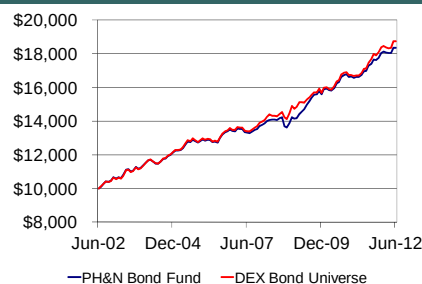
Fund Facts

Fund Sponsor PH&N Investment Mgmt
Fund Manager PH&N Fixed Income Team (Dec 70)
Inception Date November 30, 1970
Total Assets \$8,031.80 Million
Management Fee / MER 0.50% 0.61%
Risk Rating Low
Objective Income
Time Horizon Short

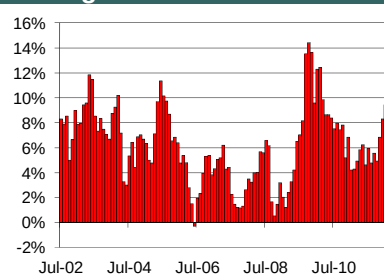
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.54%	6.64%
Standard Deviation	0.98%	3.40%
Sharpe Ratio	0.42	1.52
Alpha (5 Year)		0.03%
Beta (5 Year)		0.91
Worst Drawdown	-4.26% (Sep 08 to Mar 09)	
Time to Recover	7 Months	

Growth of Investment



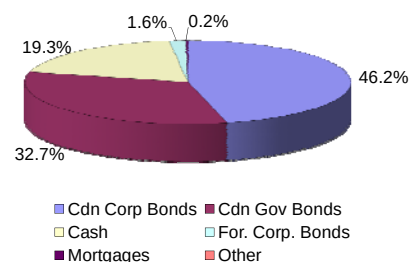
Rolling 12 Month Returns



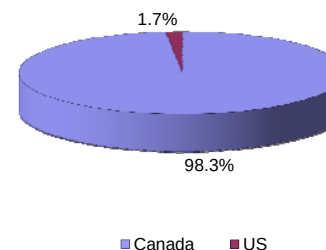
Top 10 Holdings (Jun 30/12)

Ontario 7.60% 02-Jun-27	9.3%
Ontario 6.50% 03-Mar-29	3.9%
RBC 2.58% 13-Apr-17	1.7%
Cda Hsg Tr#1 15-Mar-20	1.7%
RBC 2.68% 08-Dec-16	1.7%
TD Bank FRN 01-Nov-17	1.5%
Ontario 5.60% 02-Jun-35	1.4%
Quebec 3.50% 01-Dec-22	1.4%
Ontario 8.50% 02-Dec-25	1.3%
Canada 3.775% 01-Jun-22	1.2%
Total	25.0%

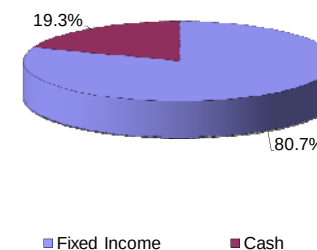
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Governments outperformed corporates, benefitting from their safe haven status as concerns over Europe worried investors.
- Corporate bonds held up well due to their higher yields and sound balance sheets.
- The portfolio is positioned with a duration that is lower than the benchmark and a yield that is higher.
- The fund is also significantly overweight in corporate bonds.
- These factors will help the fund do well in a flat or rising rate environment, however the high corporates may detract in periods of elevated volatility.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	2.0%	8.2%	6.2%	7.1%	6.4%	6.1%
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	6.5%
Quartile	2	1	1	1	1	1	1

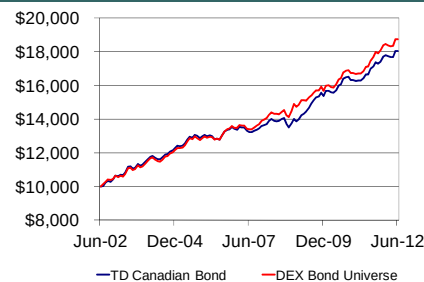
Fund Facts

Fund Sponsor	TD Asset Management
Fund Manager	Satish Rai (Jun 88) Geoff Wilson (Feb 02)
Inception Date	June 29, 1988
Total Assets	\$10,924.10 Million
Management Fee / MER	1.25% 1.37%
Risk Rating	Low
Objective	Income
Time Horizon	Short

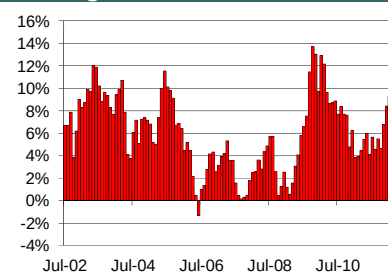
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.52%	6.37%
Standard Deviation	0.96%	3.32%
Sharpe Ratio	0.41	1.47
Alpha (5 Year)		0.01%
Beta (5 Year)		0.91
Worst Drawdown	-4.00% (Sep 08 - Mar 09)	
Time to Recover	7 Months	

Growth of Investment



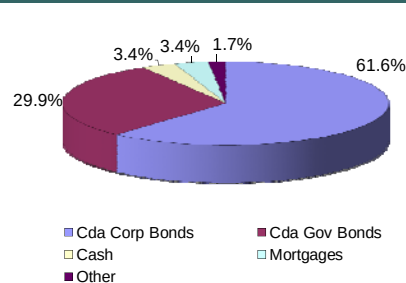
Rolling 12 Month Returns



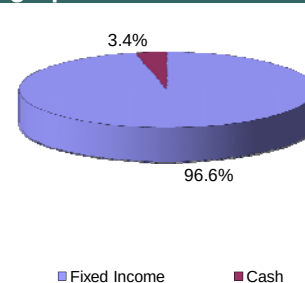
Top 10 Holdings (Jun 30/12)

Canada 4.00%	01-Jun-41	4.2%
Ontario 0.00%	02-Jun-27	3.6%
Cash		3.4%
Canada 5.00%	01-Jun-37	2.7%
Canada 2.75%	01-Jun-22	2.7%
TD Bank FRN 14-Dec-2105		2.0%
Canada 5.75%	01-Jun-29	1.4%
CIBC FRN 30-Jun-2108		1.2%
Canada 3.75%	01-Jun-19	1.2%
Alberta 4.45%	15-Dec-25	1.2%
Total		23.5%

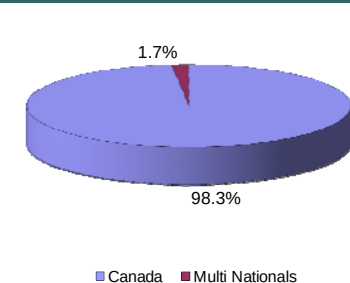
Asset Mix



Geographic Breakdown



Sector Breakdown



RBC Global Corporate Bond Fund

Fund Codes

Front End	RBF 753
DSC	RBF 853
Min Purchase	\$500

Investment Objective

To provide a high level of interest income with the potential for modest capital growth by investing primarily in global corporate bonds. The fund invests primarily in investment grade corporate debt securities from anywhere around the world. It may also invest in high yield debt securities and emerging market sovereign and corporate bonds.

Strategy

The portfolio manager invests primarily in investment grade debt securities rated BBB(-) and above by Standard & Poor's (or equivalent rating agency) from anywhere around the world; maintains a minimum portfolio average credit quality rating of BBB(-); employs a value-focused philosophy for corporate bonds, primarily investing in quality companies having stable to improving credit profiles which are undervalued given current market sentiment.

Analysis

- This fund was added to our Recommended List in June 2012.
- The fund invests in investment grade corporate debt from around the world. It can also invest up to 30% into high yield and emerging market debt.
- The team conducts detailed credit and industry analysis to identify companies that offer a high probability of strong returns, with minimal default risk.
- The fund's currency exposure is hedged.
- This is a good fund to help mitigate some of the risk of rising rates in the fixed income portion of a portfolio.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.7%	1.8%	8.4%	6.2%	7.3%	6.8%	N/A
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	N/A
Quartile	1	3	2	1	1	1	N/A

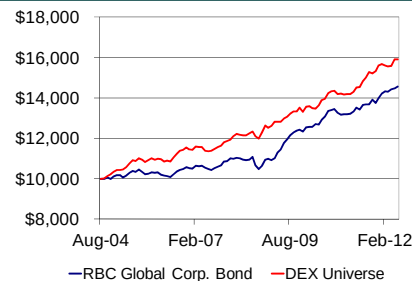
Fund Facts

Fund Sponsor	RBC Global Asset Management		
Fund Manager	Frank Gambino (Aug 04) Marty Balch (Jun 09)		
Inception Date	August 23, 2004		
Total Assets	\$862.65 Million		
Management Fee / MER	1.50%	1.74%	
Risk Rating	Low		
Objective	Income		
Time Horizon	Medium to Long		

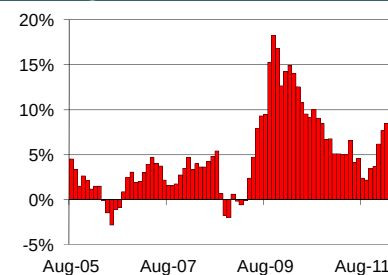
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.55%	6.82%
Standard Deviation	1.14%	3.97%
Sharpe Ratio	0.37	1.34
Alpha (5 Year)	0.15%	
Beta (5 Year)	0.71	
Worst Drawdown	-5.57% (Sep 08 - Apr 09)	
Time to Recover	8 Months	

Growth of Investment



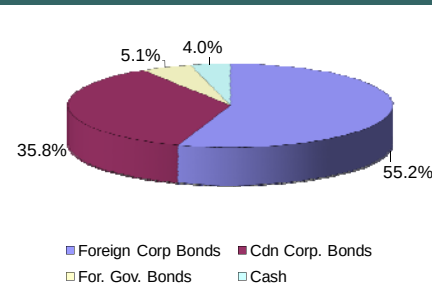
Rolling 12 Month Returns



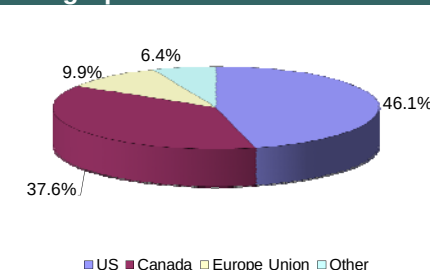
Top 10 Holdings (Jun 30/12)

RBC Emerg Mkt Bond Fd	7.9%
BLBAY EM Corp bond	1.9%
RBS 5.38% 30-Sep-19	1.1%
JPMorgan 3.45% 01-Mar-16	1.0%
Citigroup 3.95% 15-Jun-16	0.8%
Bk of Amer. 7.0% 15-Jun-16	0.8%
BMO Term Deposit	0.7%
HSBC 4.50% 30-Apr-14	0.7%
Deutsche Telekom Bond	0.6%
Anheuser-Busch Bond	0.6%
Total	15.9%

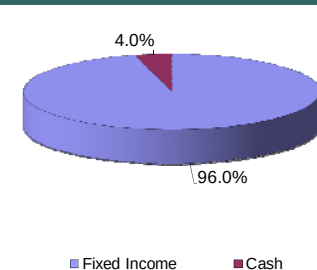
Asset Mix



Geographic Breakdown



Sector Breakdown



Manulife Strategic Income Fund

Fund Codes

Front End	MMF 559
DSC	MMF 459
Min Purchase	\$500

Investment Objective

The investment objective of the fund is to provide income generation with an emphasis on capital preservation. This Fund invests primarily in government and corporate debt securities from developed and emerging markets. It also invests in U.S. Government and agency securities and high yield bonds.

Strategy

In managing the Fund, the portfolio sub-advisor allocates assets based on analyses of economic factors such as projected international interest rate movements, industry cycles and political trends. However, the portfolio sub-advisor may invest up to 100% of the Fund's assets in any one sector.

Analysis

- This fund was added to our Recommended List in June 2012.
- The fund is tactically managed across multiple fixed income sectors including global government bonds, investment grade and high yield corporate bonds. It also employs a dynamic currency management strategy to help add return and provide downside protection.
- The team follows a multi step process where they look to invest in attractive sectors based on their top down macro economic analysis.
- Individual securities within the sectors are identified using a bottom up process that looks for relative value opportunities.
- Currency is managed opportunistically looking to add value and provide additional diversification.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.4%	0.6%	2.5%	6.0%	6.6%	8.5%	N/A
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	N/A
Quartile	1	4	4	1	1	1	N/A

Fund Facts

Fund Sponsor	Manulife Mutual Funds
Fund Manager	Dan Janis (Feb 06)
Inception Date	November 28, 2005
Total Assets	\$2,112.40 Million
Management Fee / MER	1.70% 2.15%
Risk Rating	Low to Moderate
Objective	Income
Time Horizon	Medium

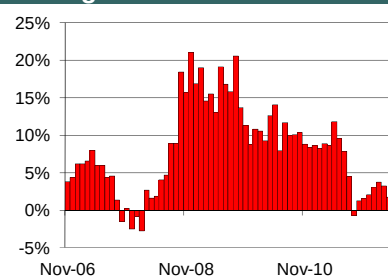
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.68%	8.48%
Standard Deviation	2.24%	7.75%
Sharpe Ratio	0.25	0.90
Alpha (5 Year)		0.49%
Beta (5 Year)		0.38
Worst Drawdown	-7.20% (Mar 07 - Mar 08)	
Time to Recover	13 Months	

Growth of Investment



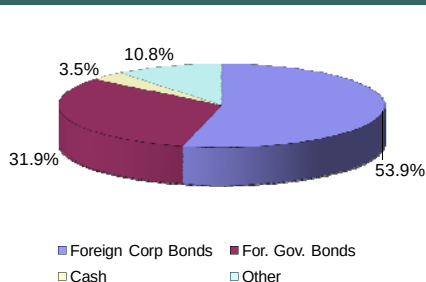
Rolling 12 Month Returns



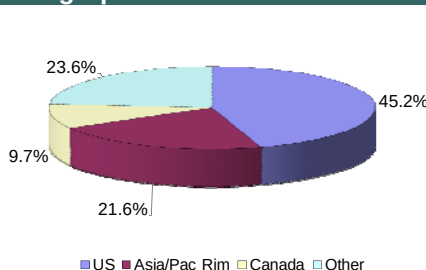
Top 10 Holdings (Jun 30/12)

New Zealand 6% 15-Dec-17	1.7%
Singapore 2.88% 01-Jul-15	1.3%
New Zealand 6% 15-May-21	1.0%
Sweden 4.5% 12-Aug-15	1.0%
US 0.875% 28-Feb-17	1.0%
New S. Wales 6% 01-May-20	1.0%
Philippines 5.875%	1.0%
Cd Hsg Tr#1 2.75% 15Jun16	0.9%
Euro In Bk 4.25% 04-Feb-15	0.9%
Indonesia 8.25% 15-Jul-21	0.8%
Total	10.6%

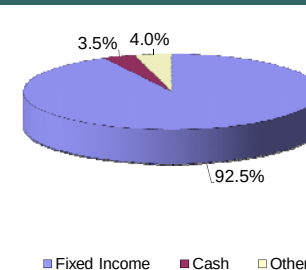
Asset Mix



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	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
BMO Cdn Small Cap Index	-2.7%	-13.1%	-17.9%	2.6%	12.5%	-4.1%	5.9%

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.

Additions and Deletions

- During the quarter, there were no additions or deletions in the Canadian Equity categories.

Canadian Equity Commentary and Outlook

- Volatility, which had been noticeably absent in the first quarter, returned with a vengeance in the second quarter as macro themes including the European debt crisis, elections in France and Greece, a slowdown in economic activity in the U.S., and worries over a deceleration in China weighed on investors.
- Large caps outperformed small caps as investors focused on size and quality.
- Economic news in Canada was encouraging, with strong GDP and payroll numbers released.
- It is our expectation that much of the action in the Canadian equity markets will continue to be driven by external factors. With no quick fix in sight for the European debt crisis and China showing serious signs of a slowdown, we expect that, we expect that volatility will remain high for the near to medium term.
- We continue to emphasize actively managed funds that focus on high quality, well managed companies that have the ability to generate significant cash flows for investors. While there may be periods where high beta stocks outperform, we believe that higher quality companies will weather the volatility better over the long term.

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

- The fund is managed using a very value focused approach with an emphasis on preserving capital. To do this, the manager looks for high quality companies that are trading at a attractive valuations.
- Manager still believes that large caps are attractively valued relative to their small cap brethren.
- Expects that large caps will outperform small caps for the next few years.
- Is concerned about the impact that a slowdown in China and the emerging markets will have on Canada. Because of this, the fund holds virtually no materials and is very underweight in energy.
- Is also concerned about Canadian real estate, and is underweight Cdn banks.
- The portfolio appears attractive from a valuation standpoint, with a P/E ratio well below the broader market and a dividend yield that is higher.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.2%	-2.4%	6.8%	16.8%	15.3%	5.9%	9.5%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	2	1	1	1	1	1	1

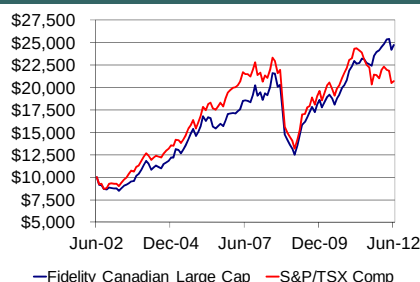
Fund Facts

Fund Sponsor	Fidelity Investments Canada
Fund Manager	Daniel Dupont (Apr 11)
Inception Date	February 1, 1998
Total Assets	\$1,427.70 Million
Management Fee / MER	2.00% 2.49%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

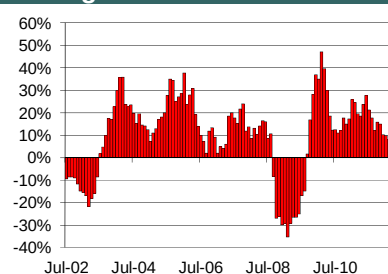
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.48%	5.93%
Standard Deviation	4.55%	15.77%
Sharpe Ratio	0.08	0.28
Alpha (5 Year)		0.53%
Beta (5 Year)		0.84
Worst Drawdown	-41.96% (Jun 08 - Dec 10)	
Time to Recover	31 Months	

Growth of Investment



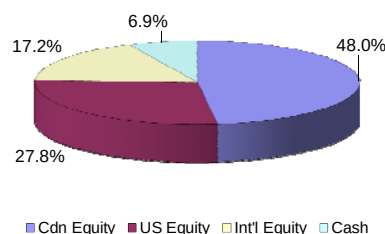
Rolling 12 Month Returns



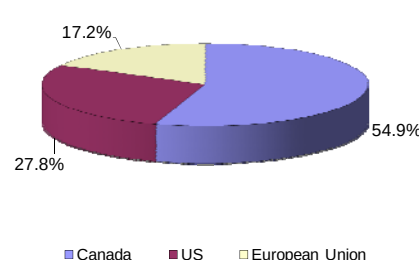
Top 10 Holdings (May 31/12)

Cash	6.9%
Shoppers Drug Mart	6.9%
Goodrich Corp.	5.2%
Vivendi	4.9%
AstraZeneca PLC	4.8%
BP PLC	4.4%
Hewlett-Packard Co.	4.3%
Fairfax Financial Holdings	3.9%
Loblaw Companies Ltd.	3.8%
IA Insurance & Financial	3.7%
Total	48.7%

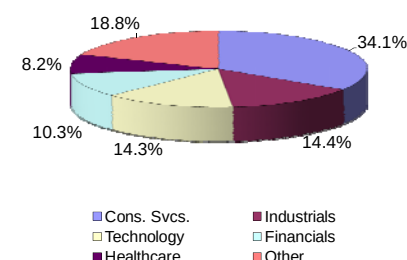
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Given the elevated volatility and conservative nature of this fund, it is not surprising that it outperformed the benchmark during the quarter.
- The team continues to focus on a portfolio of Canadian companies that have a history of maintaining and growing dividends over time.
- The frequency and pace of dividend increases give the managers optimism of positive returns in the fund going forward, as over time, the market tends to pay for dividend increases.
- The dividend yield in the fund is 4.2%, which is significantly higher than the broader market.
- This is a great pick for volatile times, but we expect that it will lag in a hot market.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.6%	-3.6%	-3.0%	8.0%	9.6%	2.6%	7.0%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	4	2	2	1	1	1	1

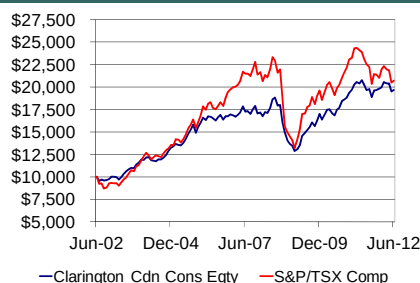
Fund Facts

Fund Sponsor	IA Clarington Investments Inc.
Fund Manager	George Frazer (Oct 50) Doug Kee (May 06)
Inception Date	October 13, 1950
Total Assets	\$784.80 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

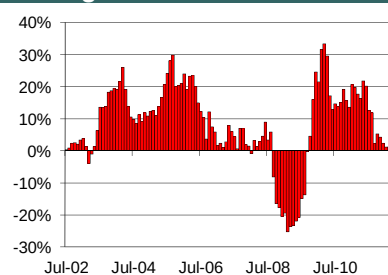
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.21%	2.60%
Standard Deviation	3.39%	11.73%
Sharpe Ratio	0.03	0.09
Alpha (5 Year)		0.23%
Beta (5 Year)		0.62
Worst Drawdown	-31.64% (Jul 08 - Dec 10)	
Time to Recover	30 Months	

Growth of Investment



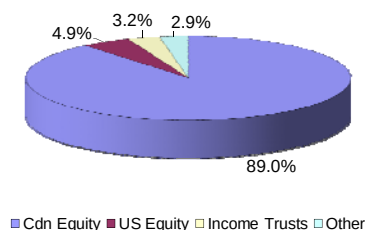
Rolling 12 Month Returns



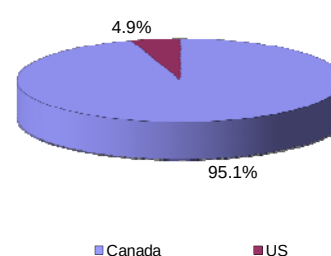
Top 10 Holdings (Mar 31/12)

Thomson Reuters Inc.	4.9%
Enbridge Inc.	4.6%
BCE Inc.	4.3%
Cenovus Energy Inc.	4.1%
TransCanada Corp.	4.1%
Bank of Nova Scotia	3.9%
Bank of Montreal	3.7%
Toronto Dominion Bank	3.7%
Royal Bank of Canada	3.6%
Canadian National Railway	3.5%
Total	40.4%

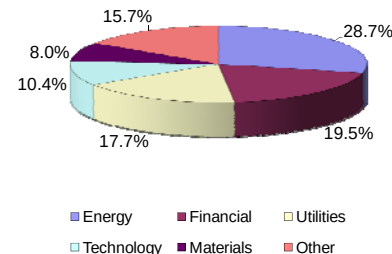
Asset Mix



Geographic Breakdown



Sector Breakdown



RBC North American Value Fund

Fund Codes

Front End	RBF 766
DSC	RBF 857
Min Purchase	\$500

Investment Objective

The objective of the fund is to provide long-term capital growth. The fund invests primarily in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

Strategy

To achieve the fund's objectives, the manager applies a bottom-up stock selection process to identify quality companies that are undervalued based on criteria such as assets, earnings and cash flow, reviews the financial statistics of each company to determine if the stock is priced below its fundamental value or relative to similar companies and uses a value investment approach which focuses on buying undervalued securities and therefore should provide a lower level of volatility.

Analysis

- The fund underperformed the benchmark due to its lack of exposure to telecom and below benchmark exposure to industrials.
- North American equity performance is being driven more by macro events and sentiment, and management expects that this will continue.
- Volatility is expected to remain high as policy makers struggle with Europe's debt, and investor worry has also focused on signs that China and the US are slowing.
- The managers view this heightened volatility as an opportunity to buy high quality companies at lower valuations.
- The fund has nearly 11% in cash, which it will deploy as opportunities arise.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.2%	-4.4%	-3.6%	8.4%	9.3%	2.3%	7.5%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	2	2	1	1	1	1	1

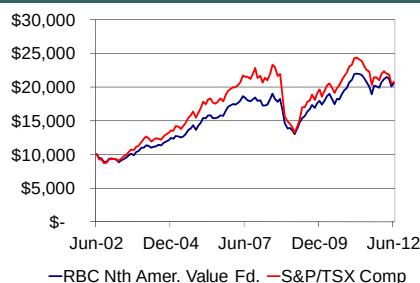
Fund Facts

Fund Sponsor	RBC Global Asset Management
Fund Manager	Doug Raymond (Dec 05) Stuart Kedwell (Dec 05)
Inception Date	March 3, 1998
Total Assets	\$532.49 Million
Management Fee / MER	1.75% 2.09%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

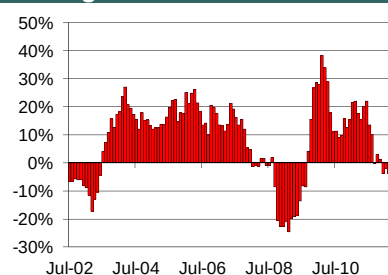
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.26%
Standard Deviation	3.79%	13.12%
Sharpe Ratio	0.02	0.06
Alpha (5 Year)		0.21%
Beta (5 Year)		0.69
Worst Drawdown	-31.38% (Jun 08 - Sep 10)	
Time to Recover	28 Months	

Growth of Investment



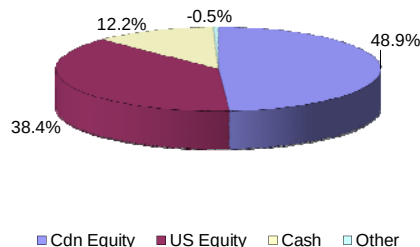
Rolling 12 Month Returns



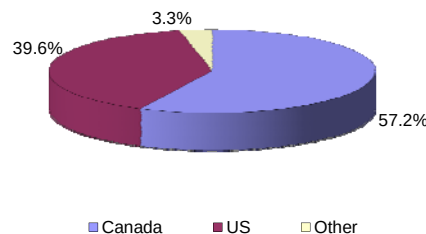
Top 10 Holdings (mar 31/12)

CIBC Bankers Acceptance	3.7%
National Bank BA	3.5%
Bank of Nova Scotia	2.9%
TD Bank Bankers Accept.	2.7%
Toronto Dominion Bank	2.5%
Royal Bank of Canada	2.4%
Cenovus Energy Inc.	2.1%
Potash Corp. of Sask.	2.1%
Brookfield Asset Mgmt.	2.0%
Berkshire Hathaway Inc.	2.0%
Total	25.8%

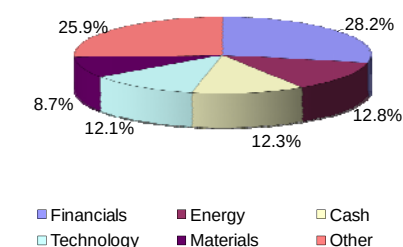
Asset Mix



Geographic Breakdown



Sector Breakdown



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

This fund invests primarily in equity and equity-related securities of high-quality, large and mid-capitalization Canadian companies. The fund may invest up to 49% of its assets in foreign market investments. 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 second quarter saw a return of volatility that was noticeably absent in Q1 thanks to investors refocusing their attention to Europe's debt, China's slowdown, and the strength of the U.S. comeback.
- Portfolio activity was muted, with only minor profit taking in a couple of names.
- The fund's foreign content is essentially maxed, holding 47% outside Canada.
- The fund is fairly defensively positioned, but holds a big overweight in technology.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.8%	-4.0%	-6.2%	5.2%	5.1%	-0.7%	6.3%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	1	1	1	1	2	1	1

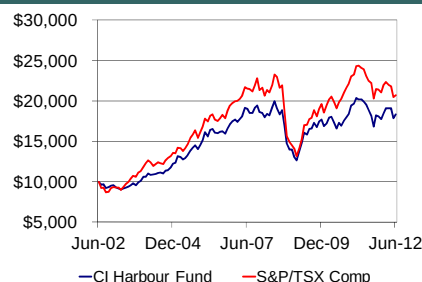
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Gerry Coleman (Jun 97) Stephen Jenkins (Jun 97)
Inception Date	June 27, 1997
Total Assets	\$4,398.70 Million
Management Fee / MER	2.00% 2.43%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

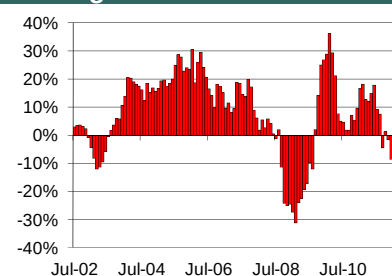
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.06%	-0.70%
Standard Deviation	4.46%	15.47%
Sharpe Ratio	-0.04	-0.14
Alpha (5 Year)		-0.01%
Beta (5 Year)		0.82
Worst Drawdown	-36.61% (Jun 08 - Feb 11)	
Time to Recover	33 Months	

Growth of Investment



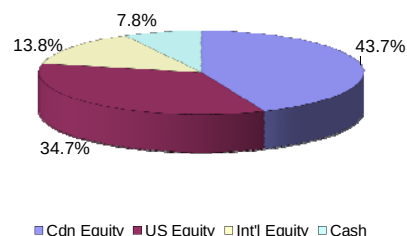
Rolling 12 Month Returns



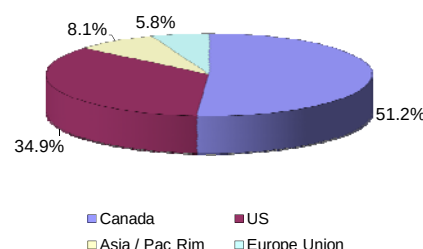
Top 10 Holdings (Jun 30/12)

Microsoft Corp.	6.0%
Canadian National Railway	5.3%
Suncor Energy	4.7%
Petsmart Inc.	4.4%
Discover Financial Services	4.4%
Abbot Laboratories	3.9%
CIBC	3.7%
Bank of Nova Scotia	3.6%
Tim Hortons Inc.	3.5%
Occidental Petroleum Corp.	3.4%
Total	42.8%

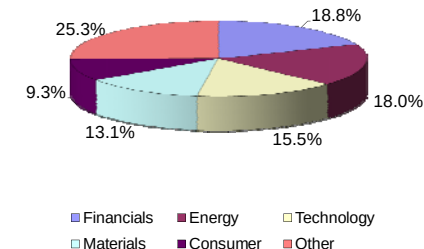
Asset Mix



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

- Manager focuses on the entire capital structure of the company including bonds, prefs and common shares. This gives them a complete picture of the company
- Q2 brought signs of slower global growth, fears of a slowdown in China, lower commodity prices and more pessimistic investor sentiment.
- The manager remains conservatively positioned with higher than normal cash levels of approximately 10% and lower exposure to economically sensitive areas such as materials and energy.
- They continue to seek companies with stronger balance sheets that have the potential to capitalize on weakness in their competitors.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.0%	-5.3%	-8.1%	4.6%	5.6%	-1.3%	6.6%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	2	2	2	2	1	1	1

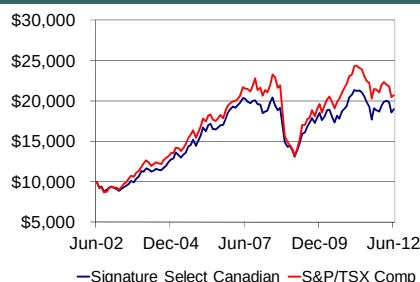
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Eric Bushell (May 98)
Inception Date	May 25, 1998
Total Assets	\$2,159.24 Million
Management Fee / MER	2.00% 2.43%
Risk Rating	Moderate
Objective	Income
Time Horizon	Medium to Long

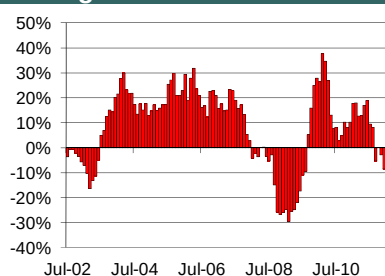
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.11%	-1.29%
Standard Deviation	4.25%	14.72%
Sharpe Ratio	-0.05	-0.19
Alpha (5 Year)		-0.07%
Beta (5 Year)		0.78
Worst Drawdown	-35.76% (Jun 08 - Jan 11)	
Time to Recover	32 Months	

Growth of Investment



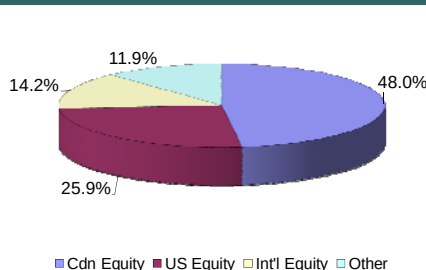
Rolling 12 Month Returns



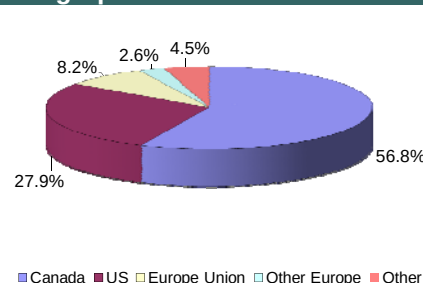
Top 10 Holdings (Jun 30/12)

Toronto Dominion Bank	6.6%
CIBC	4.4%
ABN Amro Bank Term Dep.	4.2%
BNS Term Deposit	4.2%
Suncor Energy	3.0%
Eli Lilly and Co.	2.9%
Brookfield Asset Mgmt.	2.4%
Canadian National Railway	2.2%
Canadian Natural Resources	2.1%
Cenovus Energy Inc.	2.0%
Total	34.0%

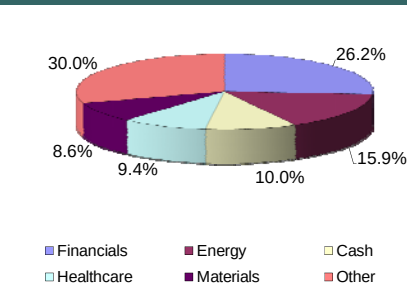
Asset Mix



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

- The current distribution is \$.05 per month which works out to an annualized yield of approximately 4.3% at current prices
- The manager's focus is on small and medium sized businesses that provide a high level of income yield for investors.
- The fund continues to be one of the least volatile funds in the category.
- During the quarter, the fund performed significantly better than the small cap index.
- Managers are concerned about slowing earnings and corporate profits.
- They continue with their disciplined investment style that looks to find quality companies with solid balance sheet and a history of increasing dividends.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.4%	-3.4%	8.2%	18.1%	23.2%	10.7%	N/A
BMO Sm Cap	-2.7%	-13.1%	-17.9%	2.6%	12.5%	-4.1%	N/A
Quartile	3	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	\$233.88 Million
Management Fee / MER	2.25% 2.79%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

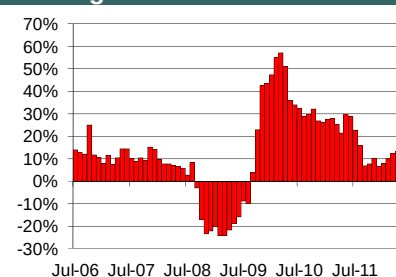
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.85%	10.68%
Standard Deviation	3.91%	13.56%
Sharpe Ratio	0.19	0.68
Alpha (5 Year)		0.89%
Beta (5 Year)		0.63
Worst Drawdown	-29.51% (Jun 08 - Nov 09)	
Time to Recover	18 Months	

Growth of Investment



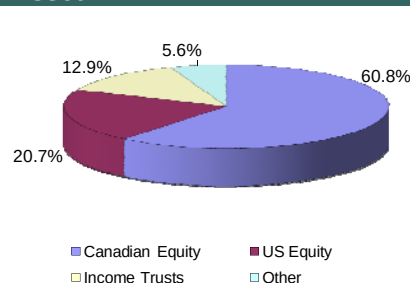
Rolling 12 Month Returns



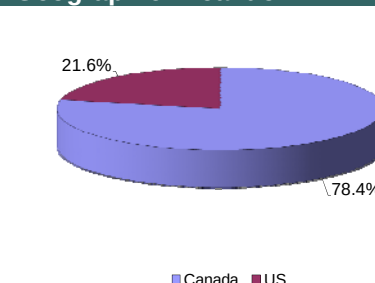
Top 10 Holdings (Dec 31/11)

McGraw-Hill Companies	3.4%
Stantec Inc.	3.4%
Canexus Income Fund	3.3%
Newalta Inc.	3.3%
Chemtrade Logistics	3.2%
Canadian Helicopters Grp.	3.2%
Towers Watson & Co.	3.1%
Fiserv Inc.	2.9%
Corus Entertainment Inc.	2.8%
TransForce Inc.	2.8%
Total	31.5%

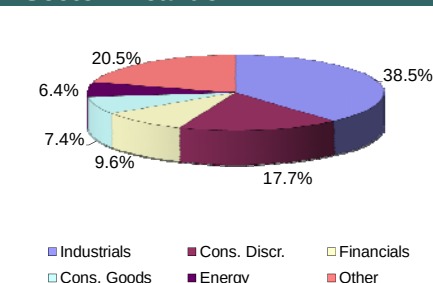
Asset Mix



Geographic Breakdown



Sector Breakdown



BMO GDN Enterprise Fund

Fund Codes

Front End	GGF 464
DSC	GGF 179
Min Purchase	\$500

Investment Objective

This fund's objective is to provide long-term growth by investing primarily in a portfolio of Canadian equities and equity-related securities issued by companies with small to medium market capitalization.

Strategy

The manager invests in equity holdings chosen through a bottom-up selection process which emphasizes growth in earnings and sales, while also taking into account the valuations of the companies so chosen; invests primarily in Canadian companies selected from the BMO Blended Small Cap Index, and the companies comprising the 175 smallest members by market capitalization of the S&P/TSX Composite Index.

Analysis

- The Fund is virtually identical to the Mawer New Canada Fund, which has consistently been one of the best small cap funds in the country.
- Small caps were pummeled in the second quarter as investors showed the desire to move up the size and quality spectrum.
- The portfolio remains conservatively positioned, dramatically underweight in materials and energy. Financials and industrials are its biggest sector weights, representing 28% and 24% respectively.
- While we continue to favour large caps over small caps, this fund is a good option for investors seeking small cap exposure.
- Performance on a risk adjusted basis has outpaced both the benchmark and the majority of the category.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	-4.8%	-0.6%	12.9%	18.8%	3.3%	7.4%
BMO Sm Cap	-2.7%	-13.1%	-17.9%	2.6%	12.5%	-4.1%	5.9%
Quartile	2	1	1	1	1	1	2

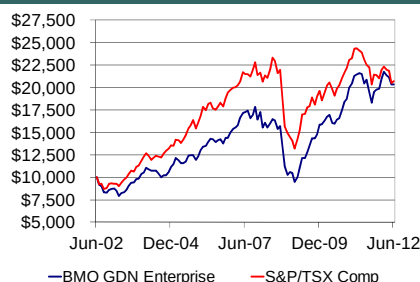
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	Martin Ferguson (Aug 04)
Inception Date	August 15, 1972
Total Assets	\$209.10 Million
Management Fee / MER	1.75% 2.25%
Risk Rating	High
Objective	Growth
Time Horizon	Long

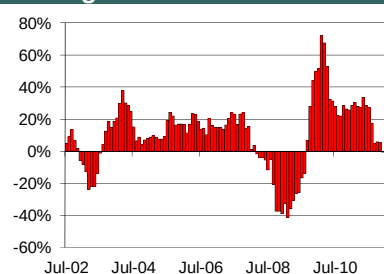
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.27%	3.30%
Standard Deviation	5.46%	18.93%
Sharpe Ratio	0.03	0.10
Alpha (5 Year)		0.36%
Beta (5 Year)		0.96
Worst Drawdown	-46.91% (Nov 07 - Oct 10)	
Time to Recover	36 Months	

Growth of Investment



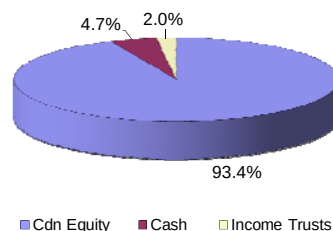
Rolling 12 Month Returns



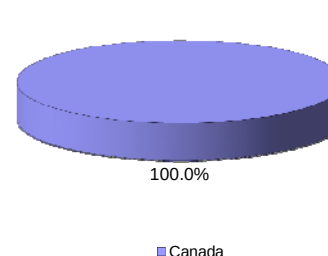
Top 10 Holdings (Jun 30/12)

Constellation Software Inc.	5.9%
Paladin Labs Inc.	5.8%
Home Capital Group Inc.	5.2%
Stantec Inc.	4.7%
Canadian Energy Services	4.4%
Stella-Jones Inc.	4.4%
AltaGas Ltd.	3.9%
Winpak Ltd.	3.4%
Descartes Systems Inc.	3.3%
Canadian Western Bank	3.2%
Total	44.2%

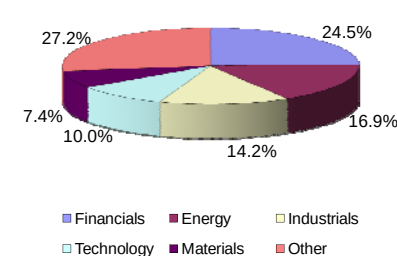
Asset Mix



Geographic Breakdown



Sector Breakdown



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

The manager will employ a disciplined management style designed to capture the returns and the diversification benefits of a broad crosssection of North American small cap companies. The manager will pursue this objective by participating in the investment performance of a broad range of readily marketable North American common share securities.

Analysis

- Investor concern over European debt weighed on stocks during the quarter, with Canada's commodity heavy index losing more than its U.S. counterpart.
- Outside of the resource sector, corporate profitability continues to grow.
- Management expects that volatility will remain high for the near term, and they expect that the negative headlines will continue for the foreseeable future.
- They feel that the portfolio is attractive based on its valuation, growth and balance sheet characteristics.
- The underlying portfolio has a dividend yield of over 3%, with nearly all of the companies paying a dividend.
- We like the fund for its relatively low volatility and expect that it will do well in volatile markets.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.9%	-1.8%	0.6%	9.0%	11.7%	2.3%	11.3%
BMO Sm Cap	-2.7%	-13.1%	-17.9%	2.6%	12.5%	-4.1%	5.9%
Quartile	1	1	2	1	3	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	\$115.50 Million
Management Fee / MER	2.00% 2.40%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Medium to Long

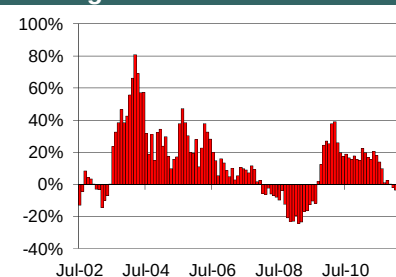
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.30%
Standard Deviation	3.49%	12.09%
Sharpe Ratio	0.02	0.07
Alpha (5 Year)		0.21%
Beta (5 Year)		0.56
Worst Drawdown	-32.60% (Jun 07 - Oct 10)	
Time to Recover	41 Months	

Growth of Investment



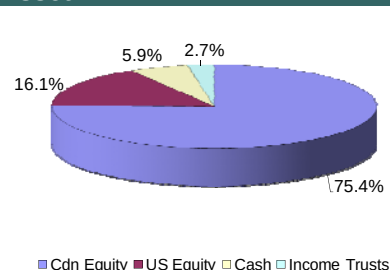
Rolling 12 Month Returns



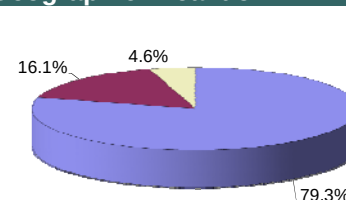
Top 10 Holdings (Jun 30/12)

Atco Ltd.	5.9%
AltaGas Ltd.	5.7%
CCL Industries Inc.	5.6%
Laurentian Bank of Canada	5.0%
NY Community Bancorp	4.9%
Astral Media Inc.	4.8%
Cash	4.6%
Empire Co Ltd.	4.3%
WGL Holdings Inc.	4.1%
Pason Systems Inc.	4.1%
Total	48.8%

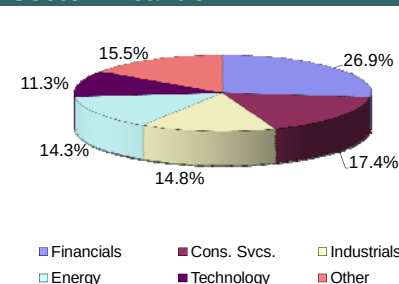
Asset Mix



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\$)	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Russell 2000 (C\$)	3.1%	-2.0%	1.7%	11.8%	11.2%	-1.8%	1.5%

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.

Addition and Deletions

- During the quarter, there were no additions or deletions in the U.S. Equity categories.

US Equity Commentary and Outlook

- Volatility, which had been noticeably absent in the first quarter, returned with a vengeance in the second quarter as macro themes including the European debt crisis, elections in France and Greece, a slowdown in economic activity in the U.S., and worries over a deceleration in China weighed on investors.
- Large caps outperformed small caps as investors focused on size and quality.
- The Canadian dollar dropped from \$1.0009 to \$0.9813 during the quarter, which helped to mute overall losses for funds which did not hedge currency.
- U.S. economic growth looks to have slowed over the quarter. Unemployment has stalled at 8.2% as more job seekers enter the market. Reductions in government spending offset gains in consumer spending.
- Corporate profits were adjusted downward due to a reduction in earnings from abroad. Despite this, corporate profitability remains strong. A troubling sign that is emerging is that while profitability is strong, there has been a slowdown in revenue growth, pointing to a slowdown in profit expectations.
- The U.S. remains our top pick and as in Canada, our focus is on actively managed funds that invest in high quality, well managed companies that have the ability to generate significant cash flows for investors.

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%

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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 applies a rigorous bottom-up fundamental investment approach to analyze the quality and value of individual companies to determine whether or not to invest in them. The portfolio management team looks for companies that exhibit strong cash flows and that invest significantly to obtain a competitive advantage. There is no attempt to mirror the composition of the Fund's benchmark index.

Analysis

- The Fund underperformed the benchmark during the quarter largely due to the underperformance of its technology holdings.
- Management believes that European governments are in the early stages of a credible solution to the regions debt crisis. They believe that while stock prices of their European holdings will be impacted in the short term, the longer term operational effect
- They believe that the recovery in the U.S. remains on track, but is slower than many would like. They feel that there remain many attractive investment opportunities in the U.S.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.7%	-2.2%	9.5%	15.1%	10.0%	0.0%	-0.5%
S&P 500	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Quartile	3	1	1	1	1	1	2

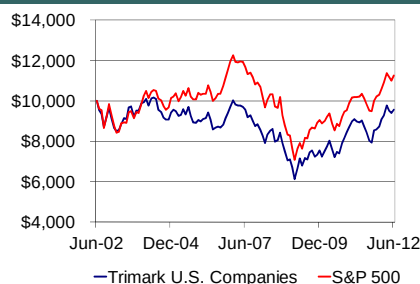
Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Jim Young (Oct 99)
Inception Date	October 22, 1999
Total Assets	\$227.00 Million
Management Fee / MER	2.00% 2.97%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

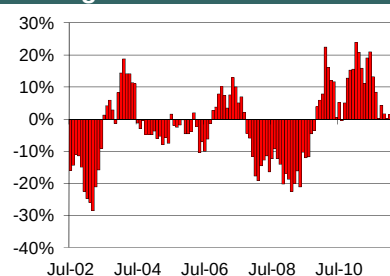
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.00%	0.00%
Standard Deviation	4.11%	14.22%
Sharpe Ratio	-0.03	-0.10
Alpha (5 Year)		0.07%
Beta (5 Year)		1.02
Worst Drawdown	-48.66% (Apr 02 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



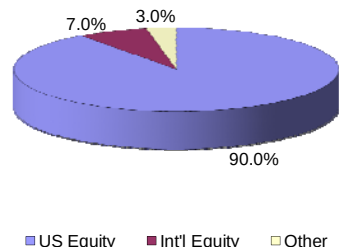
Rolling 12 Month Returns



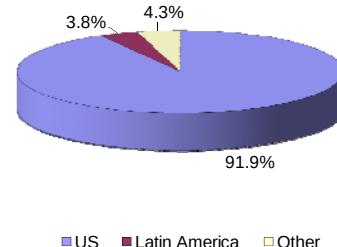
Top 10 Holdings (Jun 30/12)

Apple Inc.	4.9%
Wells Fargo & Co.	4.2%
ACE Ltd.	3.8%
US Bancorp.	3.8%
KLA Tencor Corp.	3.8%
Johnson & Johnson	3.7%
Union Pacific Corp.	3.7%
Occidental Petroleum Corp.	3.5%
PVH Corp.	3.2%
Monsanto Co.	3.2%
Total	37.8%

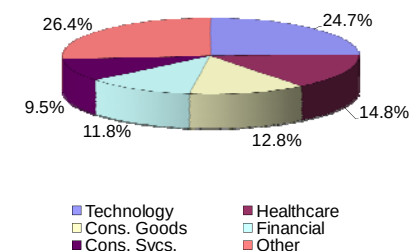
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- In early March, it was announced that lead manager, David Fingold, would be stepping aside for a couple of months for medical reasons.
- During this absence, he will be replaced by Izet Elmazi, who is currently the co-manager on the fund and has been involved with the day to day management of the fund for the past four years.
- Mr. Fingold and Mr. Elmazi have been in constant contact over the leave, and there has not been any major changes to the portfolio management process or the portfolio itself.
- The security selection process remains a fundamentally driven, bottom up approach looking for high quality, large cap companies trading at a significant discount.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.3%	-0.3%	-2.4%	8.5%	9.9%	-0.3%	3.4%
S&P 500	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Quartile	4	1	4	4	1	1	1

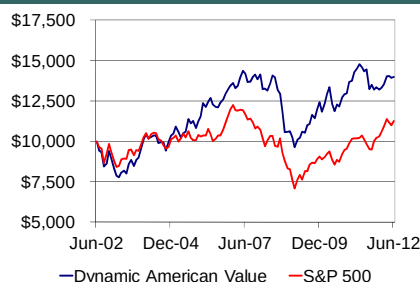
Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	David Fingold (May 05) Izet Elmazi (Mar 12)
Inception Date	August 31, 1979
Total Assets	\$657.80 Million
Management Fee / MER	2.00% 2.49%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

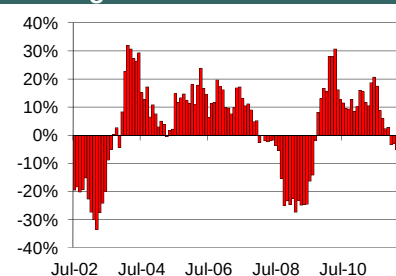
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.03%	-0.32%
Standard Deviation	3.72%	12.88%
Sharpe Ratio	-0.04	-0.14
Alpha (5 Year)		0.04%
Beta (5 Year)		0.58
Worst Drawdown	-33.65% (Apr 02 - Jan 06)	
Time to Recover	46 Months	

Growth of Investment



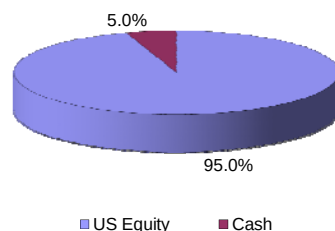
Rolling 12 Month Returns



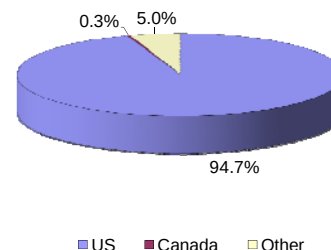
Top 10 Holdings (Jun 30/12)

W.W. Grainger Inc.	4.8%
IBM Corp.	4.7%
American Tower Corp.	4.4%
Apple Inc.	4.0%
Exxon Mobil Corp.	4.0%
Intel Corp.	4.0%
TJX Companies Inc.	3.9%
Dollar Tree Inc.	3.5%
Noble Energy	3.0%
O'Reilly Automotive Inc.	2.9%
Total	39.2%

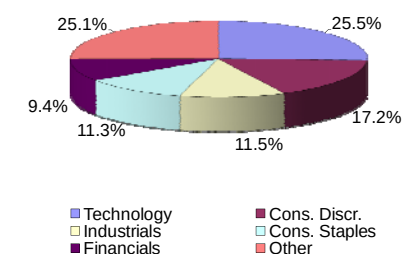
Asset Mix



Geographic Breakdown



Sector Breakdown



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

The portfolio advisor utilizes a bottom-up approach to identify companies whose prospects are not fully appreciated by the marketplace. 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 market.

Analysis

- US markets were lower in Q2 on renewed concerns about the sovereign debt crisis, weak employment data in the U.S. and slowing growth in China.
- Earnings forecasts for the remainder of the year were lowered.
- Dividend payers were the best performers, acting as a fixed income alternative.
- It is fully invested, holding less than 3% cash. It is overweight financials, industrials and healthcare, while underweight consumer names.
- Volatility remains well below the category average and the benchmark. A solid pick for volatile times.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.3%	-2.7%	3.8%	10.4%	6.5%	-1.9%	2.0%
S&P 500	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Quartile	2	1	2	2	3	1	1

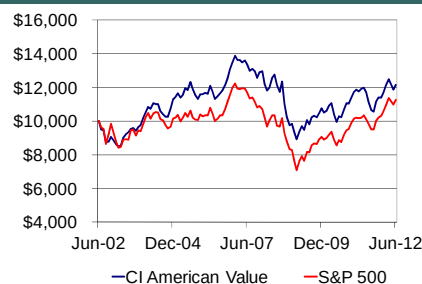
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	William Priest (Oct 02) David Pearl (Oct 02)
Inception Date	May 27, 1957
Total Assets	\$450.00 Million
Management Fee / MER	2.00% 2.43%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

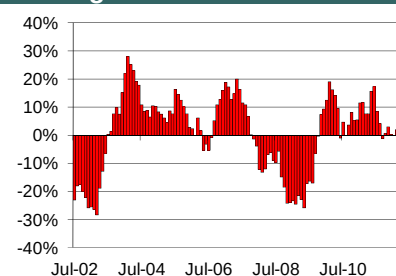
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.16%	-1.87%
Standard Deviation	3.63%	12.56%
Sharpe Ratio	-0.08	-0.27
Alpha (5 Year)		-0.10%
Beta (5 Year)		0.90
Worst Drawdown	-51.48% (Sep 00 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



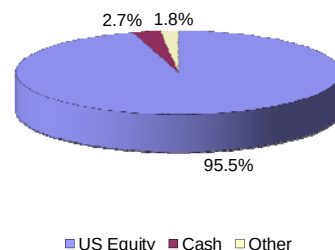
Rolling 12 Month Returns



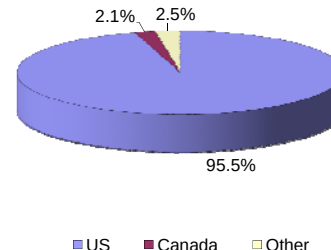
Top 10 Holdings (Mar 31/12)

Microsoft Corp.	3.7%
Abbott Laboratories	2.9%
DaVita Inc.	2.8%
Comcast Corp.	2.7%
Apple Inc.	2.6%
Exxon Mobil Corp.	2.5%
Wisconsin Energy Corp.	2.5%
Boeing Co.	2.5%
Praxair Inc.	2.4%
Oracle Inc.	2.3%
Total	26.8%

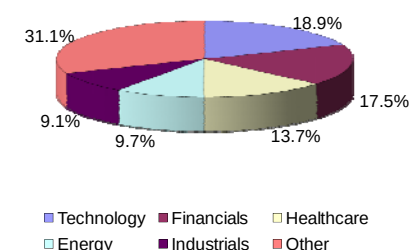
Asset Mix



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 is to 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 lagged the benchmark and the category during the second quarter.
- Most of this was driven by the fund's underweight in healthcare and utilities.
- Growth outperformed value in Q2.
- The model is quantitatively driven and rates & ranks the S&P 500 stock universe based on a number of criteria including price/sales, price/earnings, enterprise value/EBITDA and shareholder yield.
- Long term results for the model are strong, however, it does tend to be more volatile than an actively managed fund and the downside can be harsh.
- All US dollar exposure is hedged.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.2%	-3.4%	3.9%	15.7%	18.4%	-4.0%	2.7%
S&P 500	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Quartile	1	3	2	1	1	3	1

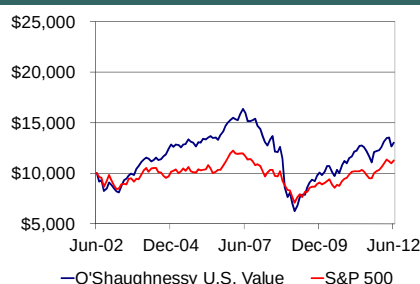
Fund Facts

Fund Sponsor RBC Global Asset Management
Fund Manager Jim O'Shaughnessy (Sep 97)
Inception Date September 23, 1997
Total Assets \$923.71 Million
Management Fee / MER 1.25% 1.53%
Risk Rating Moderate
Objective Growth
Time Horizon Long

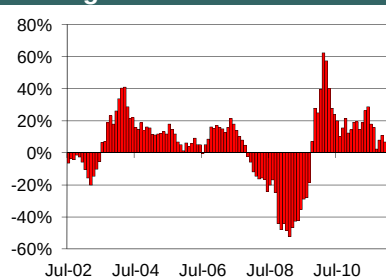
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.34%	-3.98%
Standard Deviation	6.27%	21.71%
Sharpe Ratio	-0.07	-0.25
Alpha (5 Year)		-0.14%
Beta (5 Year)		1.25
Worst Drawdown	-61.78% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



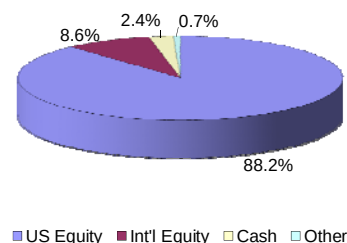
Rolling 12 Month Returns



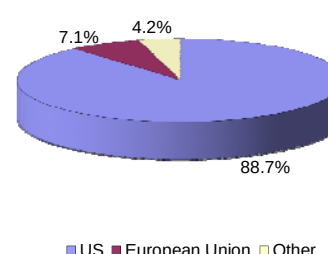
Top 10 Holdings (Mar 31/12)

Gap Inc.	4.2%
Lowe's Companies Inc.	3.6%
DIRECTV	3.4%
Kohl's Corp.	3.2%
ConocoPhillips	3.0%
The Travelers Companies Inc	2.9%
Aetna Inc.	2.7%
Chubb Corp.	2.7%
Lockheed Martin Corp.	2.6%
Time Warner Cable Inc.	2.5%
Total	30.7%

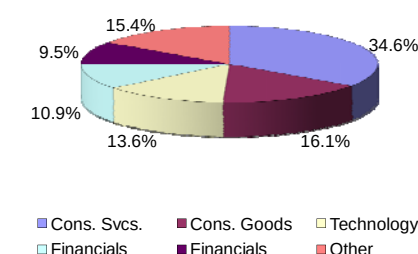
Asset Mix



Geographic Breakdown



Sector Breakdown



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 high-quality small-cap U.S. stocks with demonstrated growth potential that are attractively priced relative to their prospective earnings and cash flow to achieve long-term capital growth.

Analysis

- Management team follows a very disciplined, fundamentally driven, bottom up approach that looks for companies that offer strong management, industry leadership and a stable financial structure.
- The fund lagged the index during the quarter was the result of weaker performance of its holdings in financials, healthcare and technology.
- The fund sold Collective Brands after it had received a takeover offer.
- Two new positions were added, bringing the cash balance down to 18% from the previous quarter's 24%.
- Equity markets were very volatile because of the headline news and macroeconomic events.
- The management ignores much of this short term noise and instead uses the volatility to its advantage, allowing it to buy high quality businesses that are trading at a discount to their intrinsic value.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.7%	-3.1%	6.6%	16.2%	19.9%	1.6%	N/A
Russell 2000C\$	3.1%	-2.0%	1.7%	11.8%	11.2%	-1.8%	N/A
Quartile	1	2	1	1	1	1	N/A

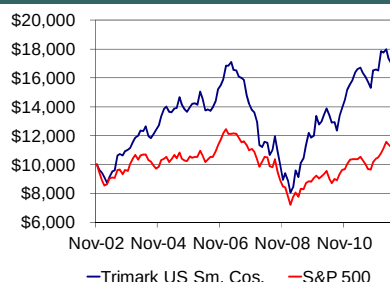
Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Rob Mikalachki (Aug 02) Virginia Au (Apr 10)
Inception Date	August 29, 2002
Total Assets	\$111.90 Million
Management Fee / MER	2.00% 2.97%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

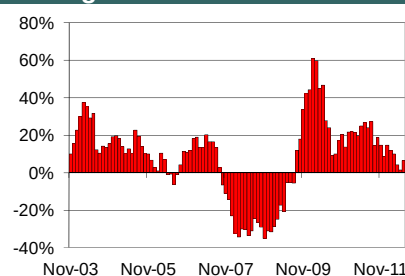
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.13%	1.62%
Standard Deviation	5.56%	19.27%
Sharpe Ratio	0.00	0.01
Alpha (5 Year)		0.28%
Beta (5 Year)		1.20
Worst Drawdown	-52.85% (Apr 07 - Jan 12)	
Time to Recover	58 Months	

Growth of Investment



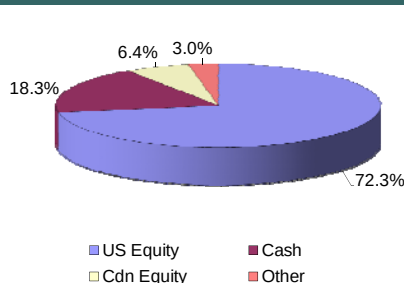
Rolling 12 Month Returns



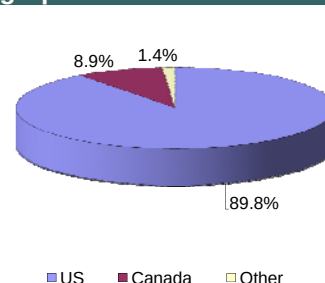
Top 10 Holdings (Jun 30/12)

Cash	17.4%
Alliance Data Systems	8.2%
International Rectifier Corp.	7.7%
Lender Processing Services	4.4%
John Wiley & Sons Inc.	4.0%
Charles River Laboratories	3.9%
FirstService Corp.	3.9%
Synaptics Inc.	3.8%
ION Geophysical Corp.	3.6%
Inverness Medical Innovation	3.5%
Total	60.4%

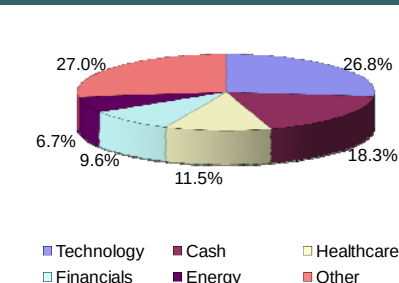
Asset Mix



Geographic Breakdown



Sector Breakdown



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

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund by investing at least 65% of the Fund's total assets in a diversified portfolio of common stocks of medium-sized U.S. companies whose earnings the portfolio adviser expects to grow at a faster rate than the average company. 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 looking for quality management, leadership position, and valuation
- Fund is diversified, holding more than 130 names with the top 10 holdings making up approximately 17% of the portfolio.
- The fund lost 3.5% during the quarterly, underperforming the Russell 2000.
- Healthcare, energy, industrials and business services helped the fund, while financials and utilities hurt it.
- Technology, industrials and healthcare are the fund's biggest sector exposures. Combined, they make up more than 63%.
- Large cap stocks are more attractively valued than their small cap brethren, which should make them better performers over the long term.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.8%	-3.5%	2.6%	12.8%	12.8%	1.3%	3.5%
Russell 2000C\$	3.1%	-2.0%	1.7%	11.8%	11.2%	-1.8%	1.5%
Quartile	4	2	2	2	2	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	\$406.16 Million
Management Fee / MER	2.00% 2.54%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Long

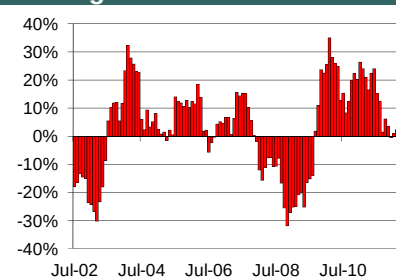
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.11%	1.33%
Standard Deviation	4.52%	15.65%
Sharpe Ratio	0.00	-0.01
Alpha (5 Year)		0.20%
Beta (5 Year)		1.06
Worst Drawdown	-38.10% (Jun 07 - Jan 11)	
Time to Recover	44 Months	

Growth of Investment



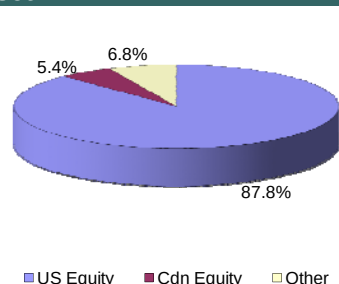
Rolling 12 Month Returns



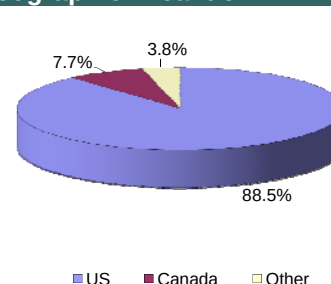
Top 10 Holdings (Jun 30/12)

Cash	2.3%
Ametek Inc.	2.1%
Information Handling Svcs.	2.0%
Dollar General Corp.	1.9%
Roper Industries Inc.	1.9%
DENTSPLY International	1.5%
Gartner Inc.	1.5%
Textron Inc.	1.5%
Nuance Communications	1.5%
Calpine Corp.	1.4%
Total	17.7%

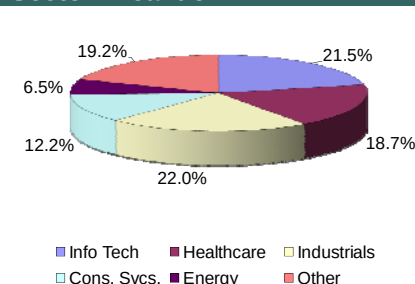
Asset Mix



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\$)	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
MSCI EAFE (C\$)	5.4%	-5.0%	-8.1%	4.4%	2.0%	-6.4%	1.6%

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.

Additions and Deletions

- We removed the **Cundill Value Fund** from our Recommended List during the quarter. The main reason for this is that the fund's volatility profile has risen dramatically in the past several quarters. Historically, the Cundill Value Fund had exhibited a level of volatility that was in the lower half of the category and was below the benchmark. That has changed and the volatility is now significantly higher than the benchmark and is in the upper half of the category. Based on information provided to us by Mackenzie, this has occurred because of the fund's deep value style. However, based on the ten years of history which we have on the fund, this uptick in volatility is out of character for the fund, and not consistent with the risk reward characteristics we had recommended. We will be continuing to follow the fund and have a conference call scheduled with the fund managers in late August.

Global / International Equity Commentary and Outlook

- Volatility, which had been noticeably absent in the first quarter, returned with a vengeance in the second quarter as macro themes including the European debt crisis, elections in France and Greece, a slowdown in economic activity in the U.S., and worries over a deceleration in China weighed on investors.
- We expect that until a resolution to the debt crisis in Europe is found, that volatility will remain high.

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%

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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 is defensively positioned which results in good downside protection, yet underperformance in rising markets.
- Manager runs a concentrated portfolio, holding 25 to 35 names with top 10 making up more than half of the portfolio.
- The fund holds more than 50% in the U.S. with 40% in Europe.
- The manager continues to invest in high quality businesses.
- We continue to favour this fund for periods of market volatility.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.3%	-1.0%	4.9%	9.0%	6.6%	2.1%	2.7%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	3	1	1	1	1	1	1

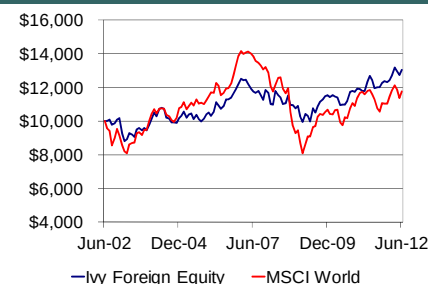
Fund Facts

Fund Sponsor	Mackenzie Financial
Fund Manager	Paul Musson (Apr 99) David Arpin (Mar 09)
Inception Date	October 13, 1992
Total Assets	\$1,961.11 Million
Management Fee / MER	2.00% 2.52%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

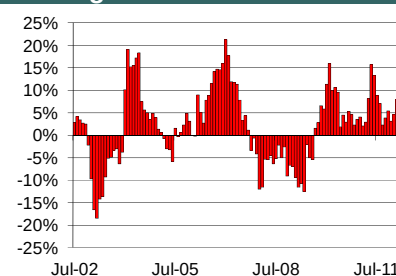
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.17%	2.10%
Standard Deviation	2.86%	9.89%
Sharpe Ratio	0.02	0.06
Alpha (5 Year)		0.31%
Beta (5 Year)		0.51
Worst Drawdown	-20.48% (Feb 07 - May 11)	
Time to Recover	52 Months	

Growth of Investment



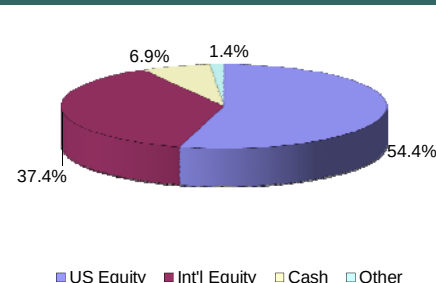
Rolling 12 Month Returns



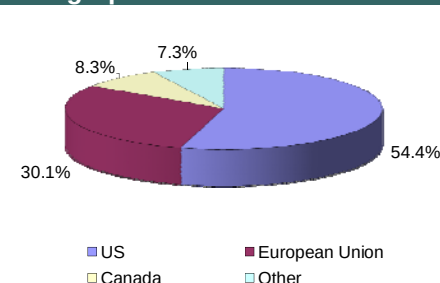
Top 10 Holdings (Apr 30/12)

Cash	6.9%
Admiral Group PLC	5.2%
Pearson PLC	5.2%
Groupe Danone	5.2%
Pepsico Inc.	5.1%
Colgate-Palmolive Co	4.2%
Unilever NV	4.2%
Omnicom Group Inc.	4.1%
Becton Dickinson & Co.	4.1%
Sonova Holding AG	4.1%
Total	48.2%

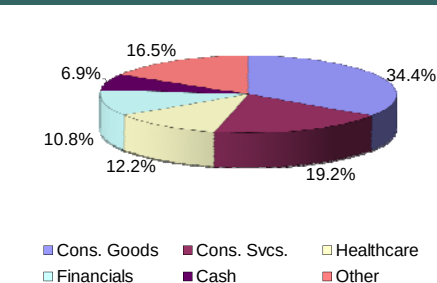
Asset Mix



Geographic Breakdown



Sector Breakdown



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.

Strategy

The fund invests in equity securities of companies located around the world that are priced below their intrinsic value as determined by the portfolio sub-advisor. Investments will be focused in areas the portfolio sub-advisor finds the most compelling at any given time and could result in a concentrated portfolio and relatively high exposure to individual countries and/or sectors.

Analysis

- Manager utilizes a fundamentally driven, deep value approach looking for undervalued and distressed companies of any size, that are out of favour with the broader market that have strong prospects for a significant return.
- The portfolio tends to be concentrated holding 30 to 40 names, with the top 10 making up about half of the portfolio.
- In the current environment he is finding a lot of great opportunities.
- Cash is currently 14% which provides significant resources when opportunities arise.
- Likes the tobacco industry as they generate strong cash flows and have good pricing power.
- Prefers consumer companies that operate in developing markets as there is tremendous opportunities there.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	-3.6%	-3.7%	8.6%	9.0%	-2.2%	0.9%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	4	2	2	1	1	1	2

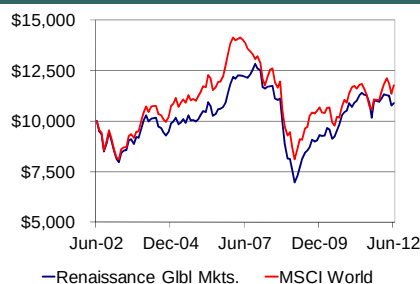
Fund Facts

Fund Sponsor	CIBC Asset Management
Fund Manager	David Winters (Oct 06)
Inception Date	January 11, 1993
Total Assets	\$209.11 Million
Management Fee / MER	2.00% 2.74%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

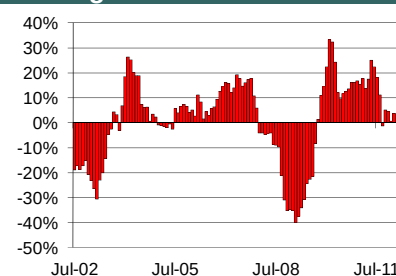
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.19%	-2.22%
Standard Deviation	3.88%	13.45%
Sharpe Ratio	-0.08	-0.28
Alpha (5 Year)		0.05%
Beta (5 Year)		0.82
Worst Drawdown	-45.82% (Nov 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



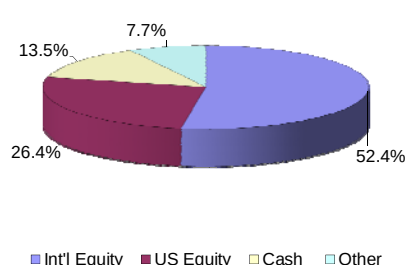
Rolling 12 Month Returns



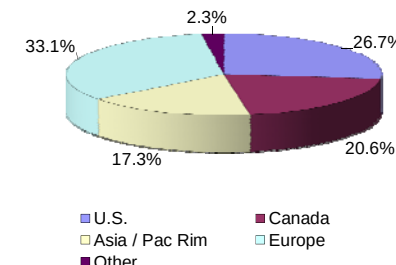
Top 10 Holdings (Mar 31/12)

Jardine Matheson Hldg	8.7%
British American Tobacco	5.9%
Swatch Group AG	5.4%
Imperial Tobacco Group	5.2%
Comp. Financiere Richemont	4.6%
Genting Malaysia Berhad	4.3%
Nestle SA	4.0%
Philip Morris International	3.9%
Schindler Holding AG	3.8%
Canadian Natural Resources	3.8%
Total	49.6%

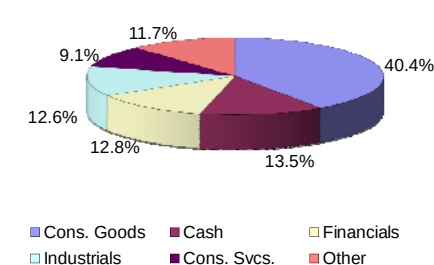
Asset Mix



Geographic Breakdown



Sector Breakdown



Mutual Global 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 its 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

- Q2 was particularly volatile due to negative sentiment resulting from the ongoing European debt crisis.
- Given the volatility, it is not surprising that the fund outpaced the MSCI World Index and finished in the first quartile.
- Management is using this elevated volatility as an opportunity to invest in companies which are attractively valued, and where they believe that the risk reward ratio is skewed in their favour.
- They feel that Europe is an area of opportunity, but only for patient, cautious and selective investors. They believe that volatility will remain high.
- In an environment, this fund is a good global equity holding that will provide decent risk adjusted returns.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	4.5%	-2.5%	-3.1%	6.2%	5.3%	-2.7%	N/A
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	N/A
Quartile	1	1	2	2	2	1	N/A

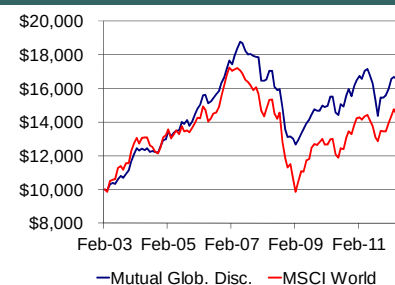
Fund Facts

Fund Sponsor	Franklin Templeton Inv.
Fund Manager	Peter Langerman (Dec 09) Philippe Brugere-Trelat (Dec 09)
Inception Date	February 17, 2003
Total Assets	\$967.00 Million
Management Fee / MER	2.00% 2.77%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

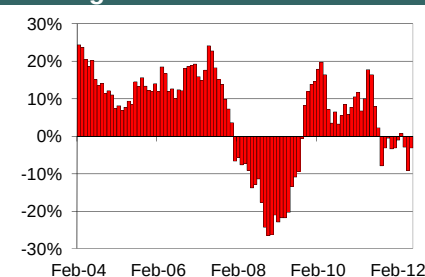
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.23%	-2.73%
Standard Deviation	3.31%	11.47%
Sharpe Ratio	-0.11	-0.37
Alpha (5 Year)		-0.04%
Beta (5 Year)		0.72
Worst Drawdown	-32.45% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



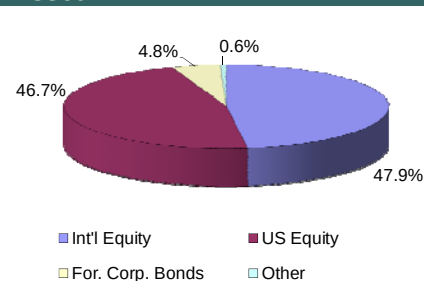
Rolling 12 Month Returns



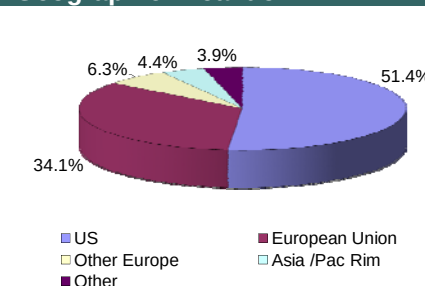
Top 10 Holdings (Mar 31/12)

British American Tobacco	3.1%
Vodafone Group PLC	2.1%
Merck & Co. Inc.	2.1%
Royal Dutch Shell PLC	2.0%
Kraft Foods Inc.	1.9%
Lorillard Inc.	1.9%
ACE Ltd.	1.9%
Imperial Tobacco Group PLC	1.8%
Pernod-Ricard SA	1.8%
Pfizer Inc.	1.8%
Total	20.2%

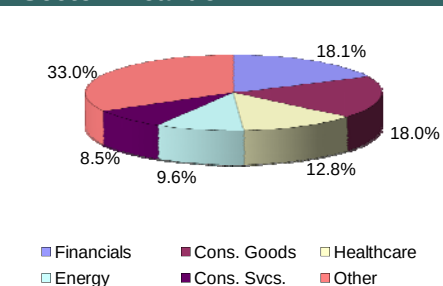
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Management continued to look for opportunities to improve the growth potential and quality of the portfolio in Q2
- Management remains concerned about the global macroeconomic environment and are seeing a number of signs which point to a slowing global economy.
- The fund is well positioned in stocks that show solid, organic revenue growth, pricing power, strong balance sheets and offer defensive growth.
- They feel that valuations remain reasonable, but not overly compelling. They are concerned of further downside.
- They continue to monitor a number of companies that they would like to own, but remain disciplined on their entry points.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.4%	-4.4%	-4.7%	6.1%	4.6%	-5.9%	2.8%
MSCI EAFE	5.4%	-5.0%	-8.1%	4.4%	2.0%	-6.4%	1.6%
Quartile	3	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	\$226.50 Million
Management Fee / MER	2.00% 2.90%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

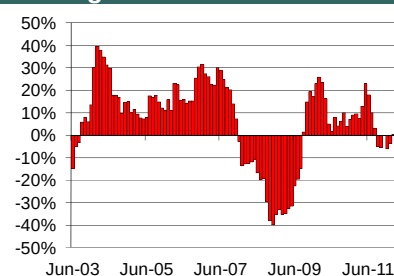
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.50%	-5.89%
Standard Deviation	4.10%	14.21%
Sharpe Ratio	-0.15	-0.52
Alpha (5 Year)		-0.05%
Beta (5 Year)		0.84
Worst Drawdown	-45.65% (May 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



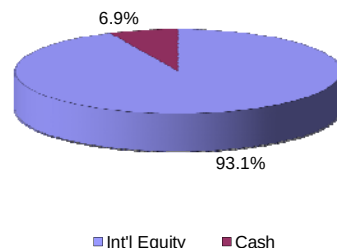
Rolling 12 Month Returns



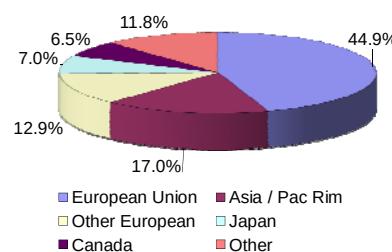
Top 10 Holdings (Jun 30/12)

Cash	6.8%
Aryzta AG	3.0%
Anheuser-Busch InBev	2.6%
Compass Group PLC	2.2%
Imperial Tobacco Group	2.1%
Parkson Holdings	2.1%
IG Group Holding	2.0%
British American Tobacco	2.0%
Naspers Limited	1.9%
SAP AG	1.8%
Total	26.5%

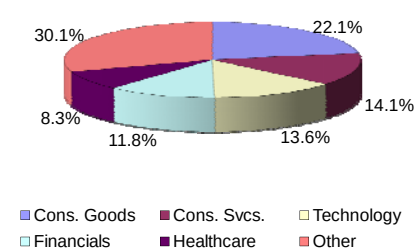
Asset Mix



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. There is no attempt to mirror the composition of the Fund's benchmark index.

Analysis

- We remain encouraged by the performance of the fund since the new management team took in Q1. We are keeping the fund UNDER REVIEW.
- It outperformed the MSCI World due to stock selection in cons. staples, industrial, energy and info tech, its underweight in financials and its 12% cash weighting.
- Cash will be opportunistically invested.
- The portfolio's transition continued during the quarter, selling five names that were held by the previous management team.
- Management expects that volatility will remain high in the short term. They will use this volatility to buy high quality companies that are trading at what they believe to be moderate valuations.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.9%	-2.4%	5.7%	10.1%	7.8%	-4.8%	1.2%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	2	1	1	1	1	2	2

Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Michael Hatcher (Apr 11) Jeff Feng (Apr 11)
Inception Date	September 1, 1981
Total Assets	\$2,486.40 Million
Management Fee / MER	1.75% 1.72%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

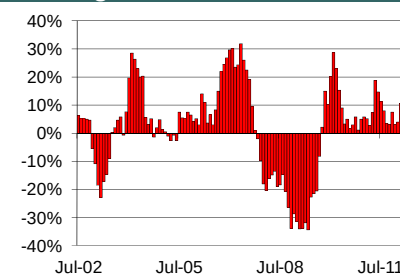
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.40%	-4.75%
Standard Deviation	4.15%	14.39%
Sharpe Ratio	-0.13	-0.43
Alpha (5 Year)		-0.13%
Beta (5 Year)		0.96
Worst Drawdown	-48.25% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



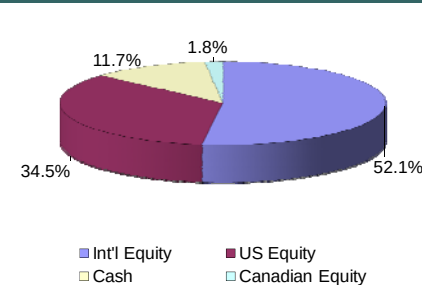
Rolling 12 Month Returns



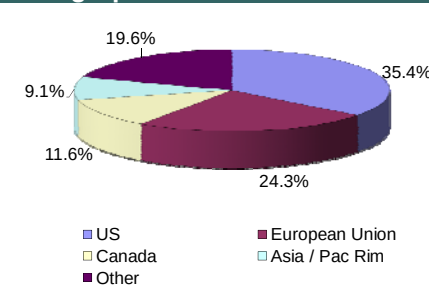
Top 10 Holdings (Jun 30/12)

Cash	9.9%
Nestle SA	3.4%
Walt Disney Co.	3.2%
British American Tobacco	3.2%
Becton Dickinson and Co.	3.1%
Google Inc.	2.8%
Novartis AG	2.7%
Aryzta AG	2.7%
Apple Inc.	2.7%
Nabtesco Corp.	2.6%
Total	36.2%

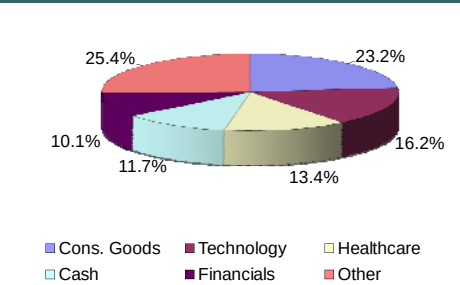
Asset Mix



Geographic Breakdown



Sector Breakdown



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 fund struggled during the quarter, due to its Russian and Ukrainian holdings.
- The manager is encouraged to see improved performance from the Chinese property stocks, which make up 17% of the fund.
- Manager feels that sentiment has shifted.
- They believe the portfolio is attractive based on valuation. The key valuation metrics such as price to net asset value, P/E and leverage are in the bottom quintile for the history of this strategy.
- This fund is prone to periods of extreme volatility. More conservative investors should consider the other global small cap options or stick with large caps.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	-8.0%	-19.2%	-0.7%	4.5%	-6.1%	6.9%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	4	4	4	4	3	4	1

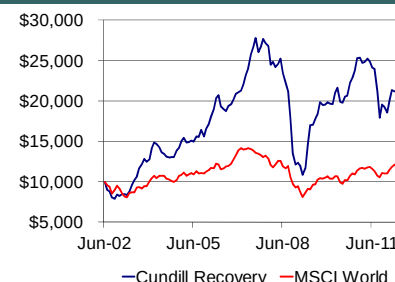
Fund Facts

Fund Sponsor	Mackenzie Financial
Fund Manager	James Morton (Jun 03)
Inception Date	October 7, 1998
Total Assets	\$1,139.27 Million
Management Fee / MER	2.00% 2.57%
Risk Rating	High
Objective	Growth
Time Horizon	Long

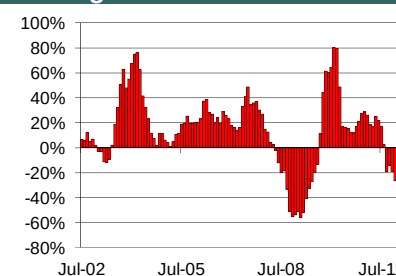
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.52%	-6.12%
Standard Deviation	7.48%	25.93%
Sharpe Ratio	-0.09	-0.29
Alpha (5 Year)		0.02%
Beta (5 Year)		1.33
Worst Drawdown	-61.91% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



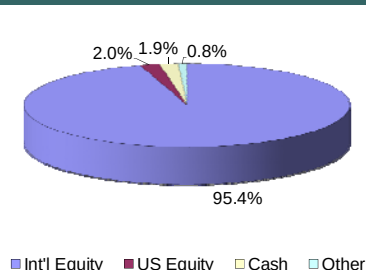
Rolling 12 Month Returns



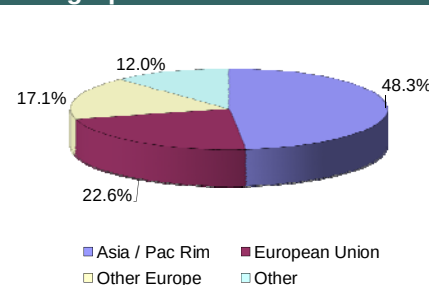
Top 10 Holdings (Apr 30/12)

Guangzhou Investment Co	4.9%
Gazprom OAO	4.3%
Motor Sich	4.3%
HeidelbergCement AG	4.1%
Energi Mega Persada	4.1%
KWG Property Holding Ltd.	4.0%
Porsche Automobil Holding	3.9%
First Pacific Co Ltd.	3.7%
Nizhnekamskneftekhim	3.5%
Bakrie & Brothers	3.4%
Total	40.4%

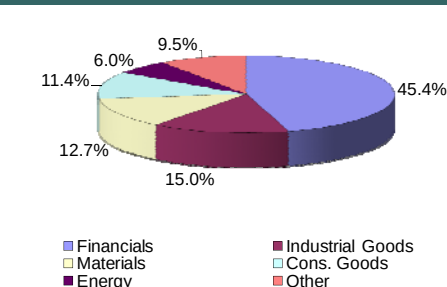
Asset Mix



Geographic Breakdown



Sector Breakdown



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 portfolio is fairly well diversified with the top 10 making up slightly more than 12% of the fund.
- Earnings forecasts for the remainder of the year were lowered.
- Equities that paid high distributions were the best performers, acting as a fixed income alternative.
- The team believes that equities remain a cornerstone of investors portfolios, despite the uninspiring macroeconomic environment.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.2%	-7.3%	-6.5%	8.1%	6.5%	-2.8%	3.1%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	1	4	4	4	3	2	1

Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Bill Priest (Aug 02)
Inception Date	April 7, 1993
Total Assets	\$190.00 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Medium to Long

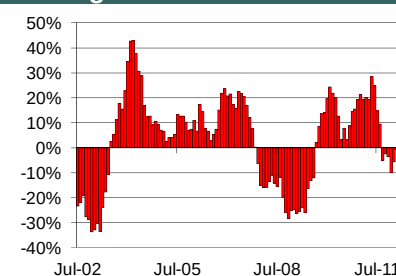
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.24%	-2.82%
Standard Deviation	3.93%	13.60%
Sharpe Ratio	-0.09	-0.32
Alpha (5 Year)		0.02%
Beta (5 Year)		0.91
Worst Drawdown	-39.65% (Apr 07 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



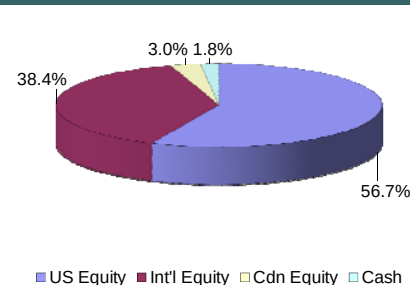
Rolling 12 Month Returns



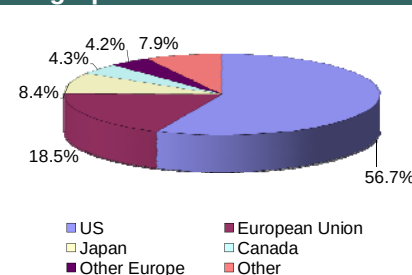
Top 10 Holdings (Jun 30/12)

JGC Corp.	1.3%
Cash	1.3%
Arthur J. Gallagher & Co.	1.3%
Woodward Governor Co.	1.3%
Bio-Reference Laboratories	1.3%
Hexcel Corp.	1.2%
NeuStar Inc.	1.2%
Acery SA	1.2%
Alkermes Plc	1.1%
Sawai Pharmaceutical Co.	1.1%
Total	12.4%

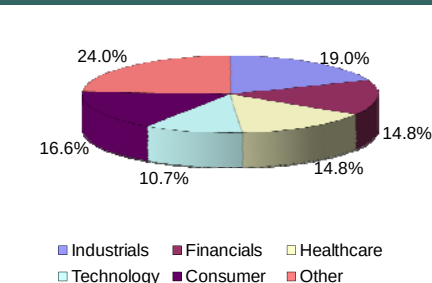
Asset Mix



Geographic Breakdown



Sector Breakdown



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 Fund had another disappointing quarter as markets favoured stocks that price and business momentum, regardless of valuation.
- It's loss of 11.7% was one of the worst in the category and in the bottom quartile.
- During the quarter the managers sold a number of financials and a number of southern Europe names, particularly Greece.
- The transition from the previous manager is finally complete. We are disappointed that it took more than a year to complete this transition.
- We have become concerned about this fund of late, particularly from a volatility perspective. As a result, we are placing the fund UNDER REVIEW and will continue to monitor its risk reward profile for further erosion.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.1%	-11.7%	-21.4%	-2.5%	4.0%	-6.1%	2.2%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	2	4	2	1	1	1	2

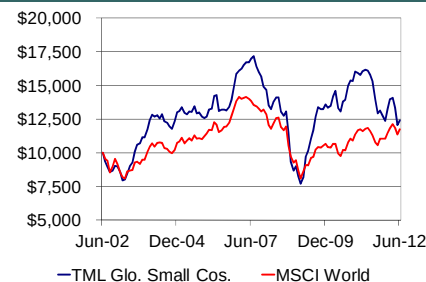
Fund Facts

Fund Sponsor	Franklin Templeton Inv.
Fund Manager	Martin Cobb (Mar 11)
Inception Date	January 31, 1989
Total Assets	\$810.20 Million
Management Fee / MER	2.00% 2.90%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Long

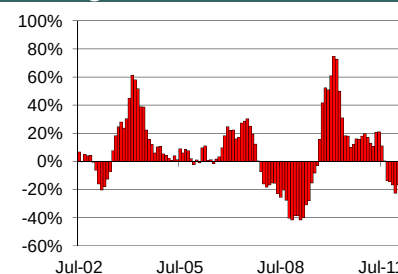
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.52%	-6.07%
Standard Deviation	5.99%	20.76%
Sharpe Ratio	-0.11	-0.36
Alpha (5 Year)		-0.08%
Beta (5 Year)		1.31
Worst Drawdown	-55.11% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



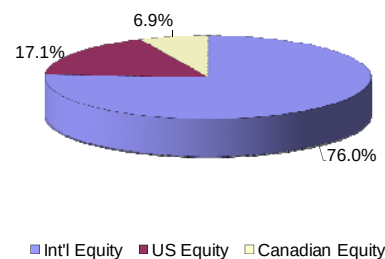
Rolling 12 Month Returns



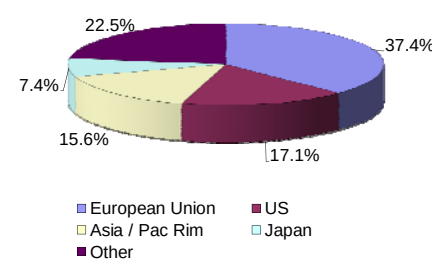
Top 10 Holdings (Mar 31/12)

Techtronic Industries	3.0%
AllianceBernstein Holding	2.8%
Azimut Holding SpA	2.8%
BS Financial Group Inc.	2.7%
HudBay Minerals Inc.	2.6%
Tutor Perini Corp.	2.5%
Kobayashi Pharmaceutical	2.5%
Poplar Inc.	2.3%
Investment Technology Grp.	2.2%
Korea Investment Holdings	2.2%
Total	25.5%

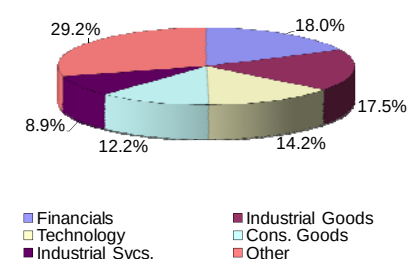
Asset Mix



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.

Additions and Deletions

- **BMO Guardian Global Technology Fund** was removed from the list because the fund was liquidated.
- During the quarter, we placed the **Sprott Canadian Equity Fund** UNDER REVIEW. The reason for this action is that the fund's relative performance while it's volatility, both on an absolute and relative basis has been increasing. While this fund has always been more volatile, performance has often more than justified it. However, that has been changing recently as gold and gold companies, a major theme of the fund, have not kept pace with other sectors of the market. We will continue to monitor this fund closely over the next few quarters.
- Last quarter, after the departure of Patricia Perez-Coutts, we placed the **AGF Emerging Markets Fund** UNDER REVIEW. While we have been encouraged by the performance and volatility of the fund since her departure, there has not been sufficient time to gain a level of comfort with the new management team. Therefore we continue to monitor the situation closely.

Sector / Specialty Equity Outlook

- Signs emerged that China was in the midst of a slowdown from their previous torrid pace. This impacted emerging markets as well as the demand for commodities.

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%

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BMO Guardian 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

- The fund invests in equities, convertible bonds, preferreds and fixed income.
- The focus of the fund is to participate in long term growth opportunities in Asia, but with lower volatility, less risk and better downside protection.
- As a result, it typically has less exposure to traditional, higher beta, more volatile sectors and geographies.
- The fund outperformed the index and category during the quarter because of its more conservative positioning.
- The manager still sees risks in the markets, one of which being the continued slow down in China due to the authorities working to prevent a real estate bubble.
- They approach the future with optimism and see opportunities to buy strong companies at compelling valuations.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.1%	0.8%	-0.4%	4.2%	6.6%	1.7%	N/A
MS Far East	1.0%	-4.6%	-6.8%	4.3%	6.5%	0.4%	N/A
Quartile	2	1	1	1	1	1	N/A

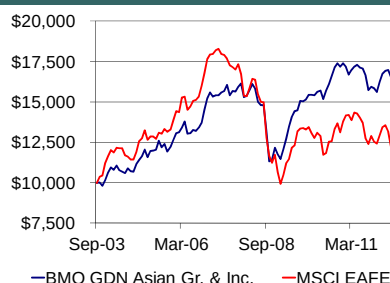
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	Robert Horrocks (Aug 09) Jesper Madsen (Mar 11)
Inception Date	August 25, 2003
Total Assets	\$618.60 Million
Management Fee / MER	0.02% 0.03%
Risk Rating	High
Objective	Growth
Time Horizon	Long

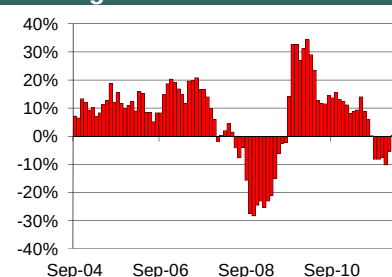
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.14%	1.70%
Standard Deviation	3.61%	12.50%
Sharpe Ratio	0.00	0.02
Alpha (5 Year)		0.48%
Beta (5 Year)		0.61
Worst Drawdown	-29.76% (Jan 08 - Aug 10)	
Time to Recover	32 Months	

Growth of Investment



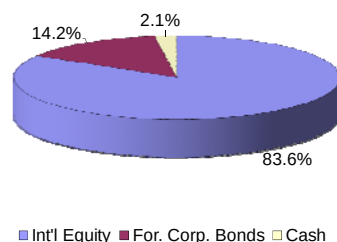
Rolling 12 Month Returns



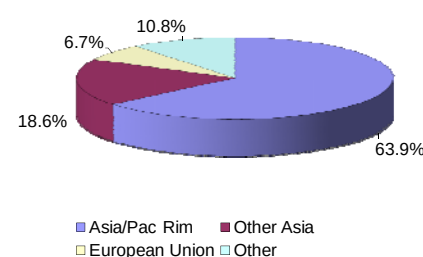
Top 10 Holdings (Jun 30/12)

Singapore Technologies	4.0%
Telstra Corp. Ltd.	3.7%
Hisamitsu Pharmaceutical	3.1%
China Petroleum & Chemical	3.1%
HSBC Holdings PLC	3.1%
CLP Holdings Ltd.	3.0%
Ascendas REIT	3.0%
PTT PCL	2.8%
AMMB Holdings	2.6%
Japan Real Estate Inv. Corp.	2.4%
Total	30.7%

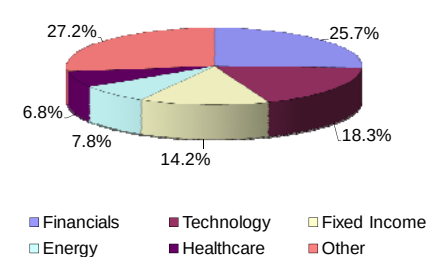
Asset Mix



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 in a broadly diversified 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. Based on the manager's view of the global capital markets, the Fund may invest from time to time in a limited number of countries and areas of the world.

Analysis

- 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.
- The manager remains bullish on stock specific opportunities despite the apparent systemic risk that remains on the horizon.
- While the macro issues are important, they can provide opportunities on a stock by stock basis.
- We expect that volatility will remain high for this fund. As a result, it is our opinion that it is only suitable for those with a medium high or high risk tolerance.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.8%	-9.1%	-16.1%	10.4%	12.8%	2.3%	6.5%
MSCI World	3.5%	-3.0%	1.3%	9.7%	6.9%	-3.2%	1.6%
Quartile	4	4	4	1	1	1	1

Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	Noah Blackstein (Jan 01)
Inception Date	January 23, 2001
Total Assets	\$526.50 Million
Management Fee / MER	2.00% 3.81%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

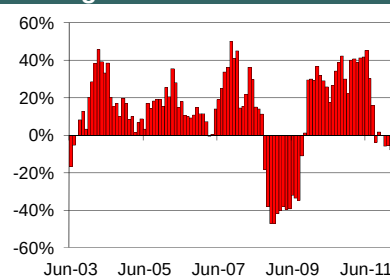
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.32%
Standard Deviation	6.86%	23.75%
Sharpe Ratio	0.01	0.04
Alpha (5 Year)		0.68%
Beta (5 Year)		1.24
Worst Drawdown	-52.87% (Jan 08 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



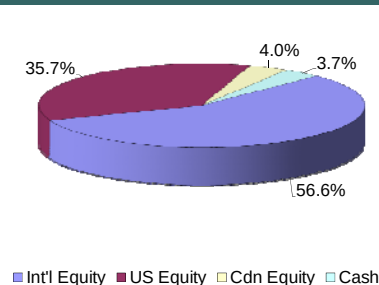
Rolling 12 Month Returns



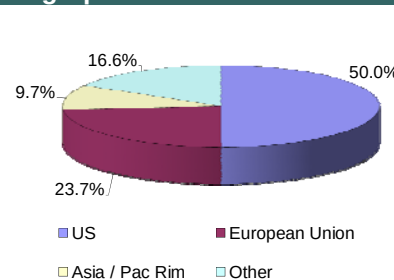
Top 10 Holdings (Mar 31/12)

BroadSoft Inc.	5.7%
Lululemon athletica inc.	5.7%
Netease.com Inc.	5.6%
Alexion Pharmaceuticals	5.3%
Salesforce.com	5.1%
Mercadolibre Inc.	5.1%
ASML Holding NV	5.1%
Gemalto	4.8%
Mallanox Technologies Ltd.	4.8%
Ulta Salon Cosmetics & Frag.	4.6%
Total	51.9%

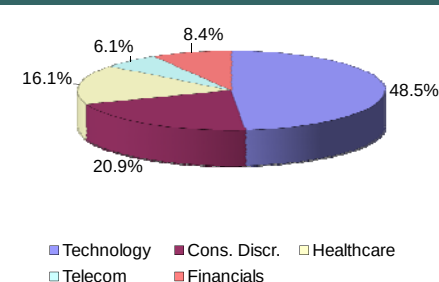
Asset Mix



Geographic Breakdown



Sector Breakdown



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 portfolio is fairly concentrated holding approximately 40 names, with the top 10 making up nearly half of the fund.
- Despite global equity markets struggling over the quarter, the fund was sharply higher, thanks to a 7.8% rebound in June.
- The portfolio is well positioned for the current environment. It holds companies that have good balance sheet strength and strong normalized earning power that are trading at discounted level
- We like its defensive characteristics.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	7.8%	9.0%	13.1%	16.4%	12.8%	2.7%	5.9%
MSCI Wrld Healthcare	4.6%	3.4%	12.1%	14.5%	9.6%	2.5%	1.8%
Quartile	1	1	1	2	1	2	1

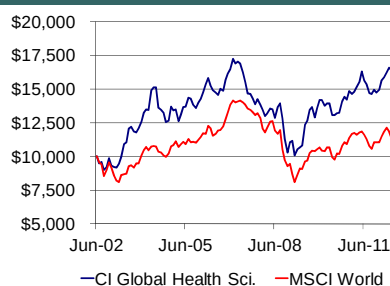
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Andrew Waight (Jun 00)
Inception Date	July 23, 1996
Total Assets	\$112.50 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	High
Objective	Growth
Time Horizon	Long

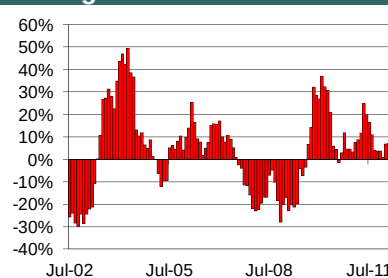
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.22%	2.68%
Standard Deviation	4.58%	15.87%
Sharpe Ratio	0.02	0.07
Alpha (5 Year)		0.32%
Beta (5 Year)		0.88
Worst Drawdown	-41.69% (Feb 07 - Jun 12)	
Time to Recover	65 Months	

Growth of Investment



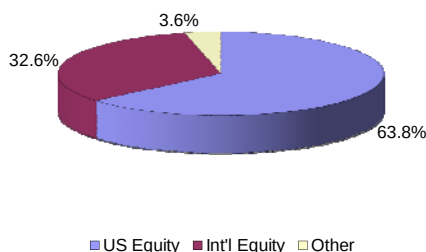
Rolling 12 Month Returns



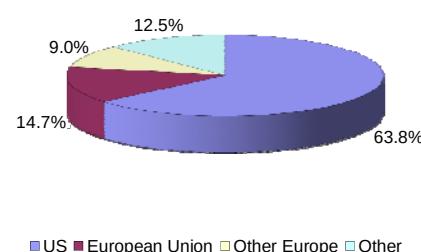
Top 10 Holdings (Jun 30/12)

Biomarin Pharmaceuticals	7.9%
HealthSouth Corp.	7.1%
Onyx Pharmaceuticals Inc.	5.4%
Roche Holding AG	5.2%
Merck & Co. Inc.	4.9%
Boston Scientific Corp.	4.0%
Gilead Sciences Inc.	4.0%
Novartis AG	3.8%
Coviden PLC	3.6%
GlaxoSmithKline PLC	3.5%
Total	49.4%

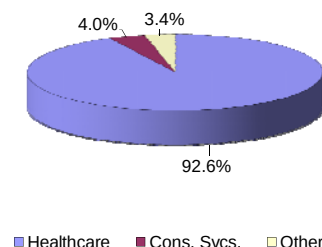
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Portfolio is fairly concentrated with approximately 50 names and the top 10 making up roughly 40% of the Fund.
- Management added approximately 10 new names to the portfolio over the quarter.
- Portfolio is concentrated in North America with nearly 95% of the fund invested in Canada and US.
- Management is "reasonably bullish" on Canadian REITs for at least the next year. Low interest rates and investor desire for yield will be a tailwind for the sector.
- Real estate is very sensitive to banks, so if a new banking crisis were to emerge, the sector could be hit very hard.
- This fund can help to reduce overall volatility when used as part of a well diversified portfolio.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.4%	5.1%	12.1%	16.1%	15.2%	1.0%	8.5%
TSX Real Est.	2.3%	5.8%	12.9%	22.9%	27.8%	3.9%	12.0%
Quartile	4	1	2	1	2	2	2

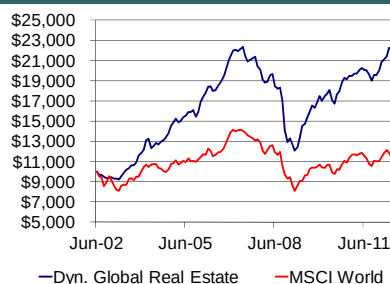
Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	Oscar Belaiche (Jan 99) Tom Dicker (Apr 11)
Inception Date	December 31, 1996
Total Assets	\$299.00 Million
Management Fee / MER	2.00% 2.46%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

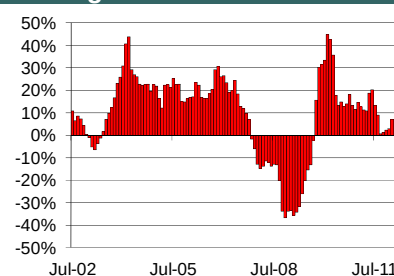
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.08%	1.01%
Standard Deviation	4.06%	14.06%
Sharpe Ratio	-0.01	-0.03
Alpha (5 Year)		0.32%
Beta (5 Year)		0.78
Worst Drawdown	-46.02% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



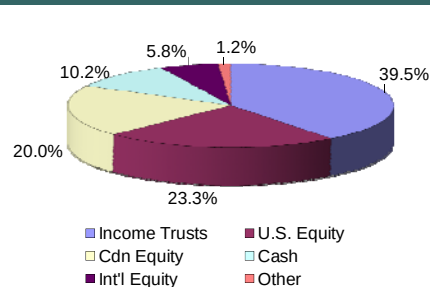
Rolling 12 Month Returns



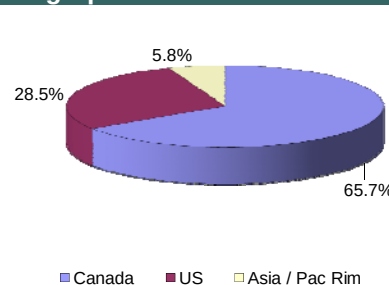
Top 10 Holdings (Apr 30/12)

BNS Term Deposit	5.2%
U.S. Dollars	5.0%
Simon Property Group Inc.	4.7%
Dundee REIT	4.3%
Morguard Corp.	4.0%
Brookfield Asset Mgmt.	3.9%
Allied Properties REIT	3.9%
H&R REIT	3.8%
First Capital Realty Inc.	3.7%
Brookfield Properties	3.6%
Total	42.0%

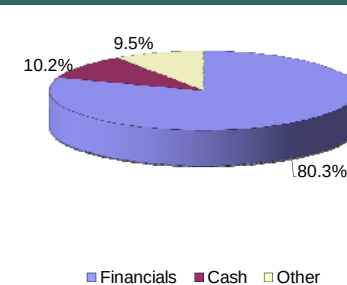
Asset Mix



Geographic Breakdown



Sector Breakdown



CI Signature Canadian Resources

Fund Codes

Front End	CIG 611
DSC	CIG 811
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 Canadian companies engaged in or related to the energy, commodity and natural resource industries.

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. Nearly 75% of the fund is invested in large caps.
- The fund holds 65 names with the top 10 making up less than 30% of the fund.
- Q2 brought signs of slower global growth, fears of a slowdown in China, lower commodity prices and more pessimistic investor sentiment.
- The manager remains conservative, with higher than normal cash levels of 10%.
- The fund holds more than 50% in energy and 36% in materials.
- They continue to seek companies with stronger balance sheets that have the potential to capitalize on weakness in their competitors.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.4%	-9.0%	-20.8%	-0.2%	2.1%	-0.9%	11.9%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	1	1	1	2	3	1	1

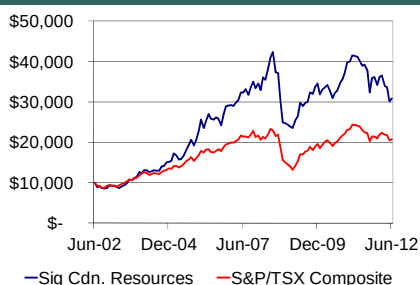
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Scott Vali (Jan 06)
Inception Date	April 11, 1997
Total Assets	\$483.41 Million
Management Fee / MER	2.00% 2.41%
Risk Rating	High
Objective	Growth
Time Horizon	Long

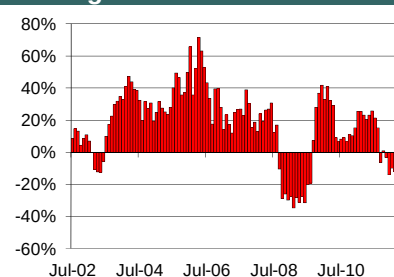
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.08%	-0.95%
Standard Deviation	6.32%	21.91%
Sharpe Ratio	-0.03	-0.11
Alpha (5 Year)		0.05%
Beta (5 Year)		1.14
Worst Drawdown	-44.48% (Jul 08 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



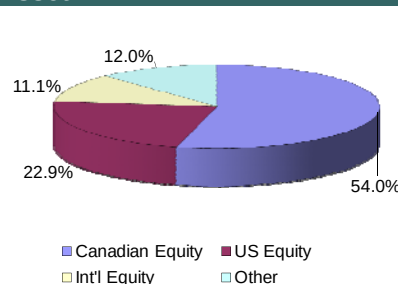
Rolling 12 Month Returns



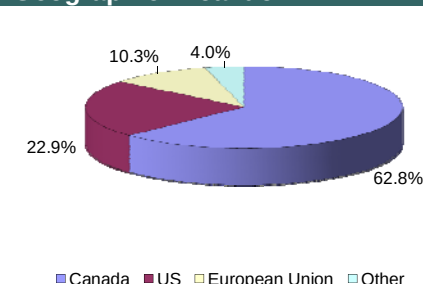
Top 10 Holdings (Jun 30/12)

National Bank Term Deposit	4.7%
Royal Bank Term Deposit	4.3%
Suncor Energy	4.1%
Goldcorp Inc.	3.5%
Tourmaline Oil Corp.	3.4%
Rio Tinto PLC	3.0%
Canadian Natural Resources	2.9%
BHP Billiton PLC	2.7%
Cenovus Energy Inc.	2.6%
Eldorado Gold Corp.	2.5%
Total	33.5%

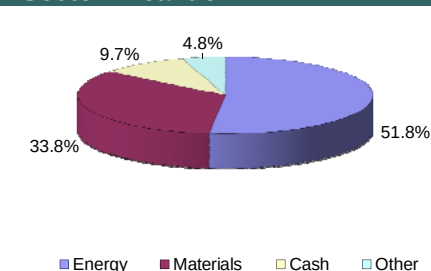
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- The fund's relative performance has been declining while its volatility, both on an absolute and relative basis has been increasing. This is giving us cause for concern. As a result, we have placed the fund **UNDER REVIEW** effective immediately while we ful
- The manager does not believe that there is an economic solution to Europe's crisis.
- In line with that belief, the manager feels that gold will prove to be the ultimate safe haven from wealth erosion.
- This is a fund that is only suited for those investors with a very high tolerance for risk.

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Performance Details

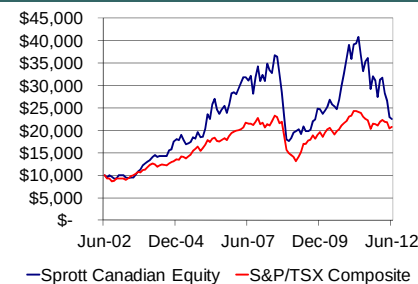
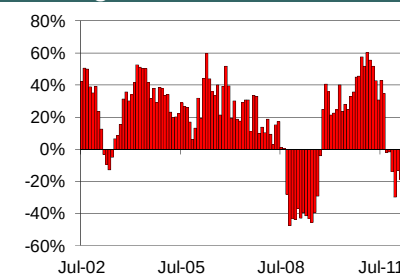
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-1.9%	-20.1%	-32.0%	-5.7%	4.4%	-6.2%	8.5%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	3	4	4	4	2	3	2

Fund Facts

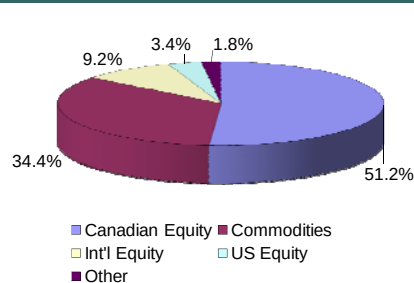
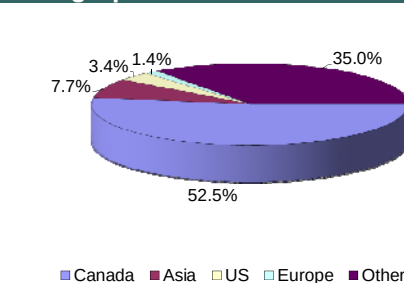
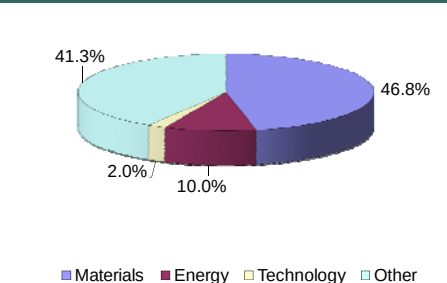
Fund Sponsor Sprott Asset Mgmt.
Fund Manager Eric Sprott (Sep 97)
Alan Jacobs (Aug 10)
Inception Date September 26, 1997
Total Assets \$1,050.20 Million
Management Fee / MER 2.50% 2.95%
Risk Rating High
Objective Growth
Time Horizon Long

Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.53%	-6.18%
Standard Deviation	8.70%	30.15%
Sharpe Ratio	-0.08	-0.25
Alpha (5 Year)		-0.22%
Beta (5 Year)		1.18
Worst Drawdown	-52.05% (Jun 08 - Dec 10)	
Time to Recover	31 Months	

Growth of Investment**Rolling 12 Month Returns****Top 10 Holdings (Mar 31/12)**

Silver Bullion	31.0%
Gold Bullion	3.5%
First Majestic Silver Corp.	2.1%
Silver Lake Resources	2.1%
Aurcana Corp.	2.0%
Yukon Nevada Gold Corp.	1.8%
Fortuna Silver Mines Inc.	1.5%
High River Gold Resources	1.4%
Alexco Resources Corp.	1.3%
Continental Gold Ltd.	1.3%
Total	47.9%

Asset Mix**Geographic Breakdown****Sector Breakdown**

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

- Patricia Perez-Coutts and three members of her team resigned on April 9. She was replaced by Stephen Way, a 25 year veteran of the firm.
- AGF states that there will be no changes to the investment management process that is being used to manage the fund.
- Our concern is that Mr. Way will be spread thin and unable to devote the same level of attention to the fund as Mr. Perez-Coutts was able to.
- Performance thus far has not suffered, outpacing not only the index, but the majority of the category.
- We are keeping our rating of UNDER REVIEW in place and will continue to monitor the fund for an erosion in the risk reward profile of the fund.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.3%	-6.1%	-5.7%	1.9%	8.3%	2.5%	12.3%
MSCI Emg Mkt	2.3%	-6.9%	-10.9%	1.8%	5.4%	-0.6%	9.9%
Quartile	2	2	1	1	1	1	1

Fund Facts

Fund Sponsor	AGF Funds
Fund Manager	Stephen Way (Apr 12)
Inception Date	March 11, 1994
Total Assets	\$1,621.70 Million
Management Fee / MER	2.50% 3.06%
Risk Rating	High
Objective	Growth
Time Horizon	Long

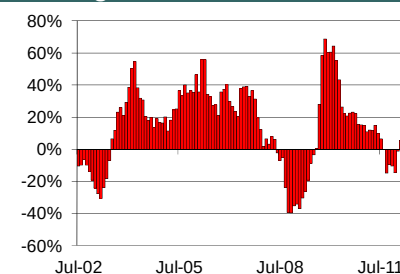
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.21%	2.53%
Standard Deviation	5.58%	19.33%
Sharpe Ratio	0.02	0.05
Alpha (5 Year)		0.78%
Beta (5 Year)		0.94
Worst Drawdown	-40.96% (Nov 07 - Nov 09)	
Time to Recover	24 Months	

Growth of Investment



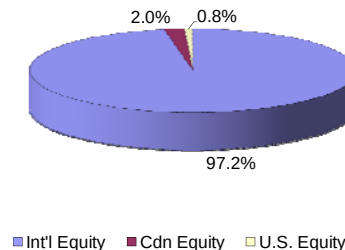
Rolling 12 Month Returns



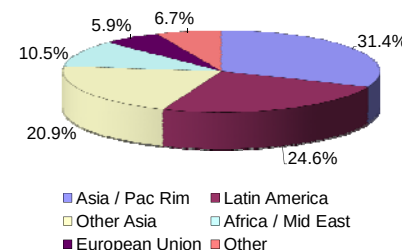
Top 10 Holdings (Jun 30/12)

VTech Holdings Ltd.	2.3%
Lojas Renner SA	2.2%
Forschini Ltd.	2.1%
ASM Pacific Technologies	2.1%
Woolworths Holdings Ltd.	2.1%
Taiwan Semiconductor	2.1%
Kasikornbank PCL	2.0%
Credicorp Ltd.	2.0%
Samsung Electronics	2.0%
ITC Ltd.	1.9%
Total	20.8%

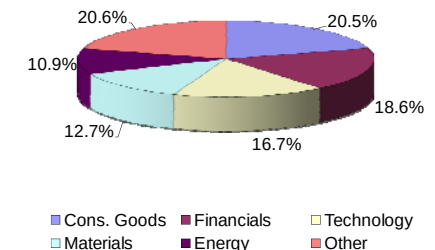
Asset Mix



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)	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	7.3%
Global Balanced Index (60% MSCI World Index / 40% DEX Bond Universe)	2.1%	-0.8%	4.8%	4.8%	8.8%	7.1%	0.8%

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 overlay 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.

Additions and Deletions

- There were no additions or deletions made to any of the funds in the Balanced Category
- The CI Signature Canadian Balanced Fund remains UNDER REVIEW. While we have been encouraged by the improvement in absolute and relative performance, fixed income manager James Dutkiewicz resigned from Signature Global Advisors and moved to Sentry Investments. We view this as a material change to the fund and will continue to monitor the fund's progress.

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.
- The second quarter of the year brought signs of slower global growth, fears of a slowdown in China, lower commodity prices and more pessimistic investor sentiment.
- The manager remains conservatively positioned with higher than normal cash levels of approximately 10% and lower exposure to economically sensitive areas such as materials and energy.
- High yield and corporate bonds remained resilient, but underperformed government bonds as investors looked for a safe haven.
- They continue to seek companies with stronger balance sheets that have the potential to capitalize on weakness in their competitors.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.8%	1.8%	5.4%	11.6%	13.9%	4.6%	9.1%
Glb Bal Ind.	2.1%	-0.8%	4.8%	4.8%	8.8%	7.1%	0.8%
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	\$6,827.10 Million
Management Fee / MER	1.25% 1.60%
Risk Rating	Low to Moderate
Objective	Income
Time Horizon	Medium

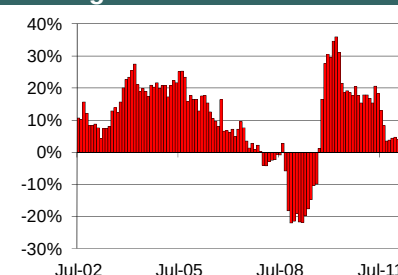
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.37%	4.59%
Standard Deviation	2.91%	10.10%
Sharpe Ratio	0.09	0.31
Alpha (5 Year)		0.39%
Beta (5 Year)		0.47
Worst Drawdown	-27.38% (Jun 07 - Apr 10)	
Time to Recover	35 Months	

Growth of Investment



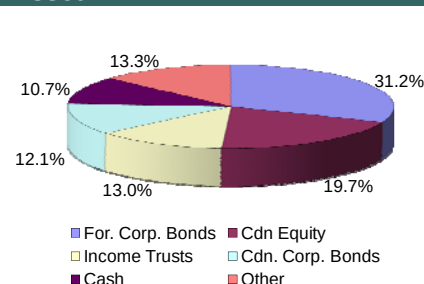
Rolling 12 Month Returns



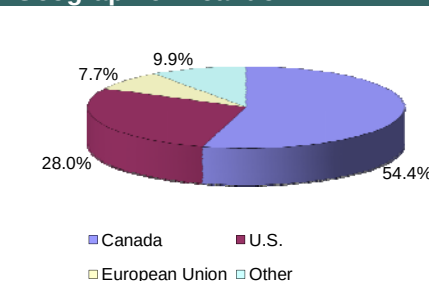
Top 10 Holdings (Jun 30/12)

BNS 0.95% 04-Jul-12	5.7%
ABN Amro 1.0% 03-Jul-12	3.3%
Brookfield Asset Mgmt	2.3%
Inter Pipeline Fund	2.1%
Royal Dutch Shell PLC	2.1%
Suncor Energy Inc.	2.0%
Cominair REIT	2.0%
Canadian REIT	1.8%
Allied Properties REIT	1.6%
Transurban Group	1.5%
Total	24.4%

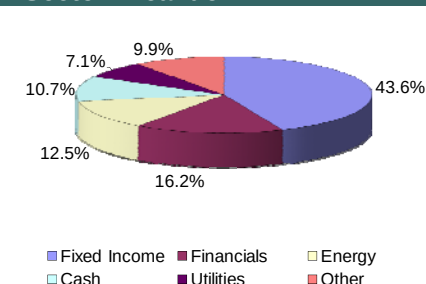
Asset Mix



Geographic Breakdown



Sector Breakdown



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 slightly outpaced its benchmark thanks to strong security selection in the energy and consumer staples sectors.
- The manager did not make any major changes to the fixed income allocation, which totaled 23% at quarter end, of which 21.5% was corporate bonds.
- Over the quarter, the manager has found some attractive opportunities in cyclical stocks, particularly energy. Cash has been reduced to 8.7% at quarter end.
- Of the balanced funds on the Recommended List, this fund has the most aggressive positioning. This will likely result in increased volatility in the near term.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.8%	-2.0%	-0.7%	8.6%	14.3%	3.4%	N/A
Bal Ind.	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	N/A
Quartile	1	2	1	1	1	1	N/A

Fund Facts

Fund Sponsor Fund Manager

AGF Funds
 Peter Frost (May 10)
 Tristan Sones (Apr 06)

Inception Date

January 25, 2005

Total Assets

\$774.70 Million

Management Fee / MER

2.00%

2.41%

Risk Rating

Moderate

Objective

Income

Time Horizon

Medium to Long

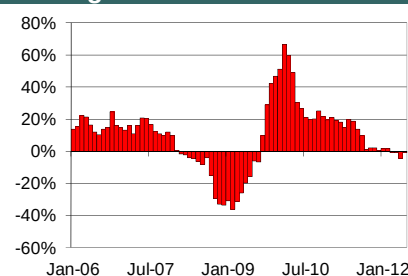
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.28%	3.36%
Standard Deviation	4.25%	14.71%
Sharpe Ratio	0.04	0.13
Alpha (5 Year)		0.03%
Beta (5 Year)		1.27
Worst Drawdown	-40.26% (Jun 07 - Mar 10)	
Time to Recover	34 Months	

Growth of Investment



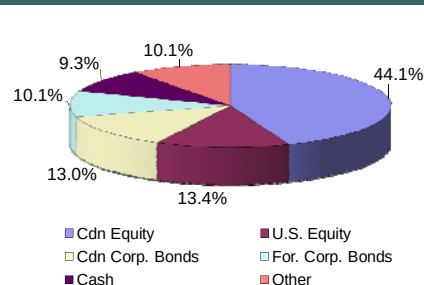
Rolling 12 Month Returns



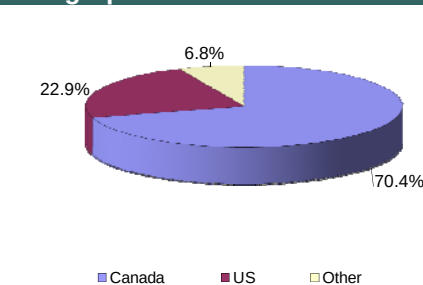
Top 10 Holdings (Jun 30/12)

Canadian Dollar	5.9%
U.S. Dollar	1.8%
Pembina Pipeline Corp.	1.8%
Altria Group Inc.	1.8%
Chartwell Seniors Housing	1.6%
Keyera Corp.	1.5%
FirstEnergy Corp.	1.5%
Reynolds American Inc.	1.5%
Rogers Communications Inc.	1.4%
CenturyTel Inc.	1.4%
Total	20.2%

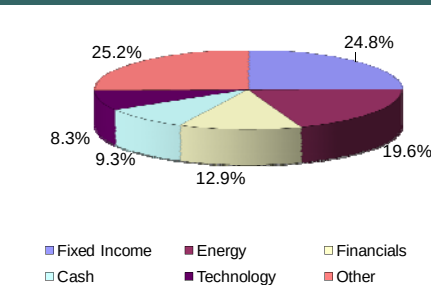
Asset Mix



Geographic Breakdown



Sector Breakdown



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's target mix is set at 50% equity, 40% investment grade bonds and 10% high yield bonds. As of May 31, the fund is defensively positioned, holding 45% equity, 38% bonds, 11% high yield and 6% cash.
- When constructing the portfolio, the managers employ a fundamentally drive, value oriented style.
- They look for solid businesses with strong management teams that are trading at reasonable valuation levels.
- Not surprisingly, the defensive positioning allowed the fund to outperform the benchmark and the majority of its peer group.
- Given its positioning, we feel that this fund is a good pick for volatile markets. However, we expect that in rising markets, it will lag the index and the category.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.5%	-1.2%	-0.9%	6.4%	7.3%	2.8%	6.4%
Bal Ind.	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	7.3%
Quartile	4	2	2	1	1	1	1

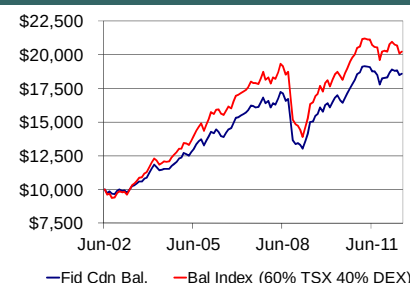
Fund Facts

Fund Sponsor	Fidelity Investments Canada
Fund Manager	Mark Friebe (Apr 10) Mariana Egan (Mar 09)
Inception Date	September 30, 1998
Total Assets	\$6,691.00 Million
Management Fee / MER	1.85% 2.27%
Risk Rating	Low to Moderate
Objective	Growth & Income
Time Horizon	Long

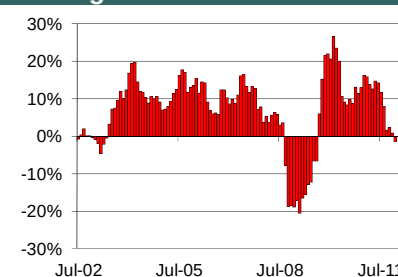
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.23%	2.82%
Standard Deviation	2.75%	9.52%
Sharpe Ratio	0.04	0.14
Alpha (5 Year)		0.03%
Beta (5 Year)		0.89
Worst Drawdown	-24.51% (Jun 08 - Sep 10)	
Time to Recover	28 Months	

Growth of Investment



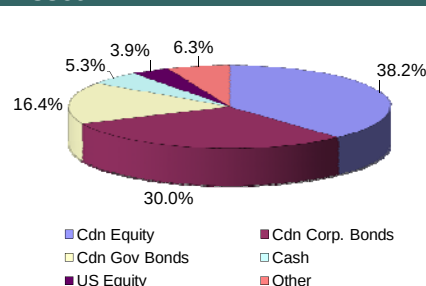
Rolling 12 Month Returns



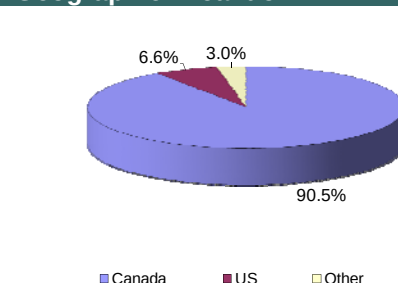
Top 10 Holdings (May 31/12)

High Yield Debt Securities	8.0%
Toronto Dominion Bank	3.9%
Cash	3.4%
Royal Bank of Canada	3.3%
Suncor Energy	2.1%
Cenovus Energy Inc.	1.9%
Enbridge Inc.	1.6%
Valeant Pharmaceuticals	1.6%
Canada 1.00% 01-Feb-15	1.5%
Canadian National Railway	1.3%
Total	28.5%

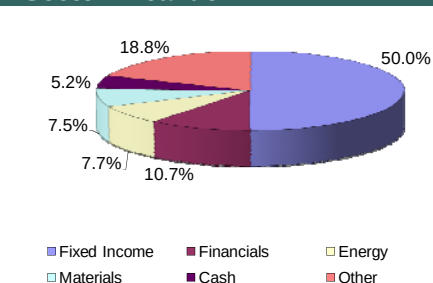
Asset Mix



Geographic Breakdown



Sector Breakdown



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 risk reward profile.

Analysis

- Fixed income manager James Dutkiewicz resigned from CI and moved to Sentry Investments. As a result, we are keeping the fund **UNDER REVIEW**.
- Q2 brought signs of slower global growth, fears of a slowdown in China, lower commodity prices and more pessimistic investor sentiment.
- The manager remains conservatively positioned with higher than normal cash levels of approximately 10% and lower exposure to economically sensitive areas such as materials and energy.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	-2.3%	-2.9%	5.4%	6.3%	1.7%	6.5%
Bal Ind.	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	7.3%
Quartile	2	3	3	2	2	1	1

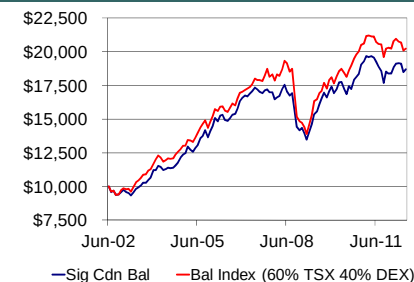
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Eric Bushell (Jul 02) John Shaw (Jul 02)
Inception Date	June 25, 1997
Total Assets	\$1,815.70 Million
Management Fee / MER	2.00% 2.42%
Risk Rating	Moderate
Objective	Growth & Income
Time Horizon	Medium to Long

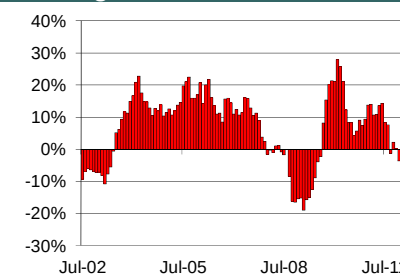
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.14%	1.68%
Standard Deviation	2.74%	9.47%
Sharpe Ratio	0.01	0.02
Alpha (5 Year)		-0.04%
Beta (5 Year)		0.83
Worst Drawdown	-23.24% (Jun 08 - Mar 10)	
Time to Recover	22 Months	

Growth of Investment



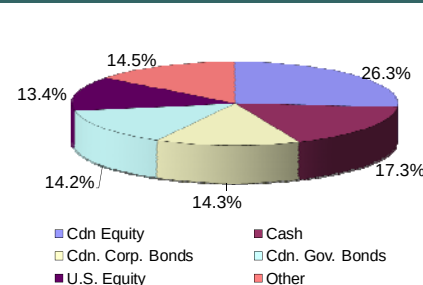
Rolling 12 Month Returns



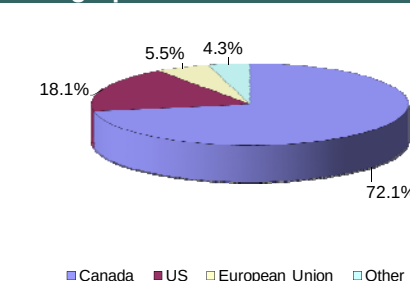
Top 10 Holdings (Jun 30/12)

ABN Amro	1.0%	03-Jul-12	8.4%
Nat. Bk Cda	0.9%	04-Jul-12	7.5%
Toronto Dominion Bank			3.7%
CIBC			2.4%
Canada	4.00%	01-Jun-41	1.9%
Brookfield Asset Mgmt			1.8%
Suncor Energy Inc.			1.6%
Ontario	4.20%	02-Jun-20	1.5%
Barrick Gold Corp.			1.5%
Eli Lilly and Co.			1.4%
Total			31.6%

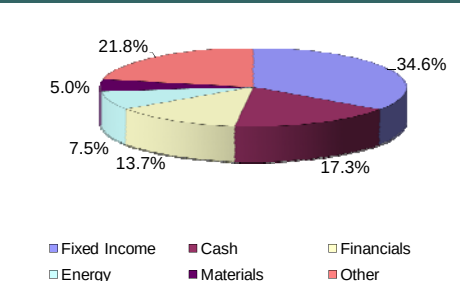
Asset Mix



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)	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	7.3%

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 Q1.
- 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 \$0.0425 per unit which works out to a yield of approximately 3.9% at current prices unchanged from Q1. Prior to January of this year, the distribution was set at \$0.0475 per month.
- For the more growth oriented investors, we have two funds, the **Sentry 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 was 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 Canadian Income Fund, the distribution is \$0.0775 per unit, which equals a yield of approximately 5.8%, up from Q1's yield of 5.6%. BMO Guardian pays a monthly distribution of \$.06 per unit, which works out to a yield of 5.5% which up slightly down from Q1's yield of 5.4%.

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%

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

- Pays a variable monthly distribution which has ranged between \$0.10 to \$0.18, averaging \$0.13. At current prices, this works out to an annualized yield of 2.7%
- Suited for very conservative investors ;looking for a relatively safe parking spot for their cash, while earning a return that is better than a money market fund.
- Most income will be interest income for tax purposes.
- Mortgage rates were left largely unchanged over the quarter.
- The manager continues to keep the duration of the fund shorter than the benchmark to help reduce the risk of rising interest rates, should they occur.
- The yield of the underlying portfolio is higher than the benchmark.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.1%	0.5%	2.6%	2.2%	2.0%	3.7%	3.5%
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	6.5%
Quartile	1	3	3	2	3	2	1

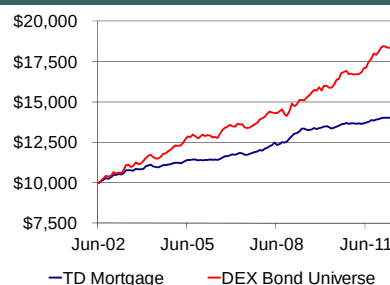
Fund Facts

Fund Sponsor	TD Asset Management
Fund Manager	David McCulla (Jan 04) Olga Bylaard (Jan 09)
Inception Date	January 1, 1975
Total Assets	\$1,293.63 Million
Management Fee / MER	1.50% 1.82%
Risk Rating	Low
Objective	Income
Time Horizon	Moderate

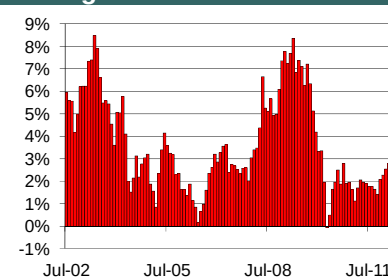
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.30%	3.72%
Standard Deviation	0.51%	1.78%
Sharpe Ratio	0.35	1.25
Alpha (5 Year)		0.21%
Beta (5 Year)		0.17
Worst Drawdown	-1.58% (Apr 04 - Nov 04)	
Time to Recover	8 Months	

Growth of Investment



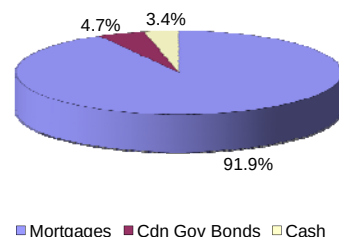
Rolling 12 Month Returns



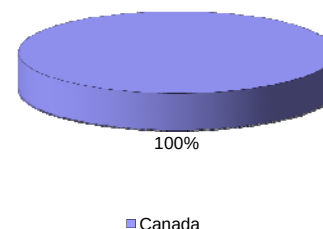
Top 10 Holdings (Jun 30/12)

NHA Mortgages	83.5%
Conventional Mortgages	8.4%
Provincial Bonds	3.4%
Cash	3.4%
Federal Bonds	1.3%

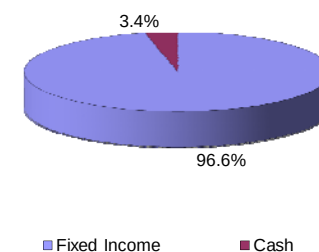
Asset Mix



Geographic Breakdown



Sector Breakdown



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 target asset mix for the fund is 55% bonds, 40% Cdn equities and 5% Cash.
- The fund is slightly overweight equities and cash, and slightly underweight bonds.
- The fixed income exposure is very heavily weighted towards government bonds, which performed well in Q2 on their safe haven status.
- They will position the fund defensively holding corporate and provincial bonds based on their yield premium.
- The manager expects that Canadian equity performance will continue to be driven by macro events. Higher volatility creates opportunities to buy high quality companies at lower valuations.
- The fund pays a monthly distribution of \$0.0425 per unit, which is an annualized yield of 3.93%
- Not available in registered accounts.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.9%	-0.7%	2.2%	6.7%	7.3%	3.6%	7.3%
Bal Ind.	0.7%	-2.5%	-2.5%	5.5%	7.1%	2.5%	7.3%
Quartile	3	1	1	1	1	1	1

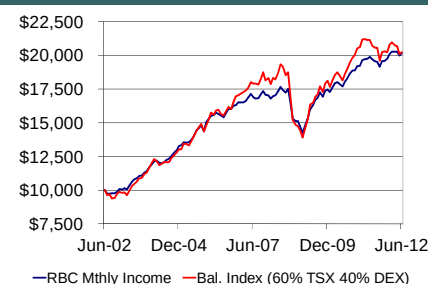
Fund Facts

Fund Sponsor RBC Global Asset Management
Fund Manager Jennifer McClelland (Apr 07)
Suzanne Gaynor (Mar 08)
Inception Date June 23, 1997
Total Assets \$8,119.08 Million
Management Fee / MER 1.00% 1.19%
Risk Rating Low to Moderate
Objective Growth & Income
Time Horizon Medium to Long

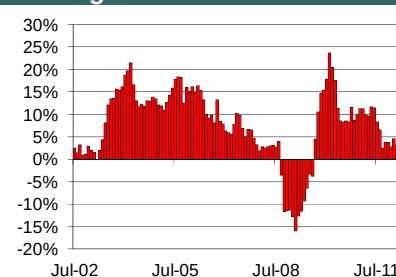
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.60%
Standard Deviation	2.02%	6.98%
Sharpe Ratio	0.09	0.30
Alpha (5 Year)		0.15%
Beta (5 Year)		0.64
Worst Drawdown	-19.16% (Jun 08 - Feb 10)	
Time to Recover	21 Months	

Growth of Investment



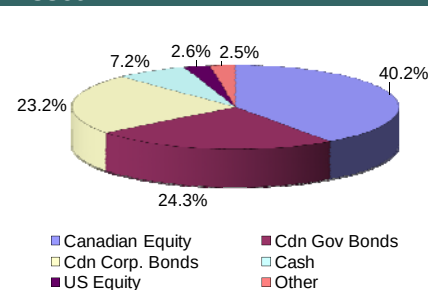
Rolling 12 Month Returns



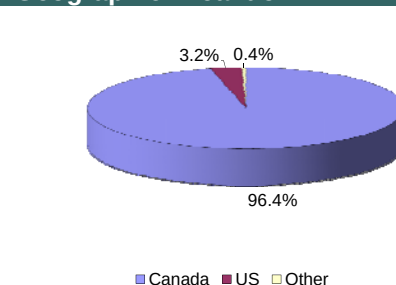
Top 10 Holdings (Mar 31/12)

Toronto Dominion Bank	3.5%
Royal Bank of Canada	3.5%
Bank of Nova Scotia	3.0%
Nat Bk Cda Term Deposit	2.1%
Canada 2.50% 01-Sep-13	2.0%
Ontario 4.40% 02-Jun-19	1.5%
Ontario 4.65% 02-Jun-41	1.5%
Potash Corp of Sask.	1.5%
Bank of Montreal	1.4%
CIBC	1.4%
Total	21.4%

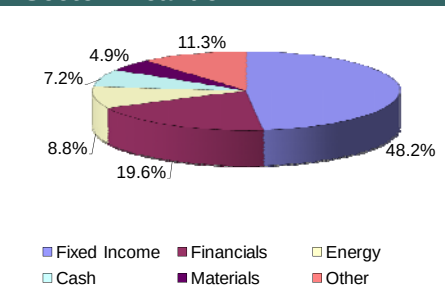
Asset Mix



Geographic Breakdown



Sector Breakdown



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

- Portfolio is well diversified, holding 76 names with the top 10 making up approximately 35% of the portfolio.
- Pays a monthly distribution of \$0.0775 per month, which is a yield of approximately 5.8%, the same as the end of March.
- This fund is best suited to medium to high risk investors looking for income.
- Performance continues to be strong relative to both its peer group and the broader equity market as a whole.
- Managers are concerned about slowing earnings and corporate profits.
- They continue to look to find quality companies with solid balance sheet and a history of increasing dividends.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.8%	-0.2%	6.3%	14.9%	17.6%	6.5%	13.0%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	3	1	1	1	1	1	1

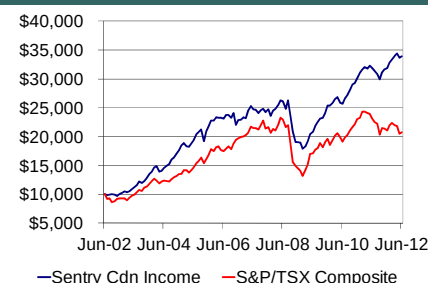
Fund Facts

Fund Sponsor	Sentry Select Capital Corp.
Fund Manager	Michael Simpson (Oct 06) Aubrey Hearn (Apr 10)
Inception Date	February 11, 2002
Total Assets	\$2,049.00 Million
Management Fee / MER	2.25% 2.69%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

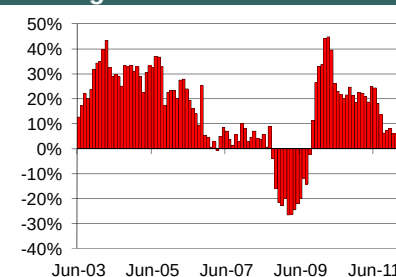
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.53%	6.53%
Standard Deviation	3.58%	12.41%
Sharpe Ratio	0.11	0.41
Alpha (5 Year)		0.55%
Beta (5 Year)		0.61
Worst Drawdown	-31.68 (Sep 08 - Mar 10)	
Time to Recover	19 Months	

Growth of Investment



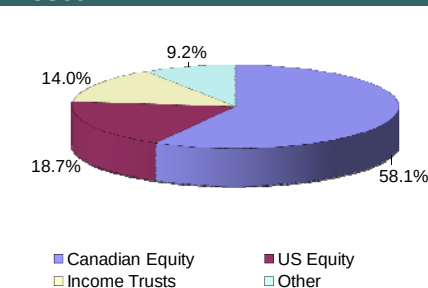
Rolling 12 Month Returns



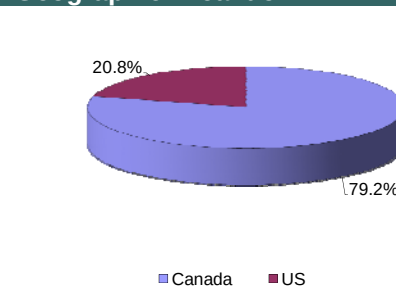
Top 10 Holdings (Dec 31/11)

Republic Services Inc.	5.2%
Alimentation Couche Tard	5.0%
RBC Term Deposit	4.7%
Canadian REIT	4.3%
TELUS Corp.	3.1%
Progressive Waste Solutions	3.0%
Canadian Natural Resources	2.8%
Intact Financial Corp.	2.8%
Astral Media Inc.	2.8%
Agrium Inc.	2.8%
Total	36.4%

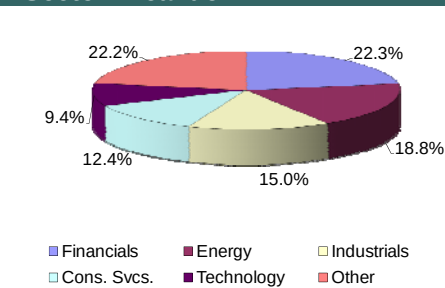
Asset Mix



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

- The fund pays a monthly distribution of \$0.06, which translates into an annualized yield of 5.5% at current prices.
- The manager believes the market is poised to go through a consolidation or correction phase after the recent strong market run up.
- One this occurs, the markets appear to be well positioned to continue to rise for a period of time.
- The expectation is that dividend focused strategies will continue to provide relative stability in the current environment.
- The fund continues to focus on high quality companies with sustainable dividends and the ability to grow their cash flows over time.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.9%	-1.8%	0.9%	14.2%	17.4%	4.6%	N/A
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	N/A
Quartile	3	1	1	1	1	1	N/A

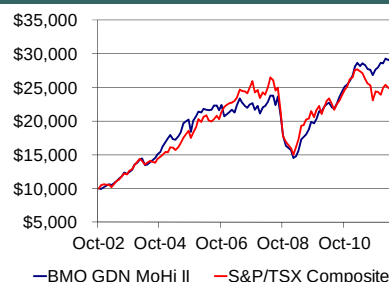
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	John Priestman (Oct 02) Kevin Hall (Jan 03)
Inception Date	October 10, 2002
Total Assets	\$982.90 Million
Management Fee / MER	1.85% 2.35%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

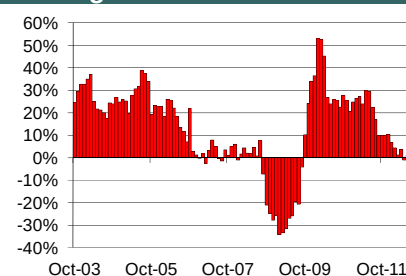
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.38%	4.61%
Standard Deviation	4.27%	14.80%
Sharpe Ratio	0.06	0.21
Alpha (5 Year)		0.42%
Beta (5 Year)		0.74
Worst Drawdown	-39.06% (Jul 08 - Sep 10)	
Time to Recover	27 Months	

Growth of Investment



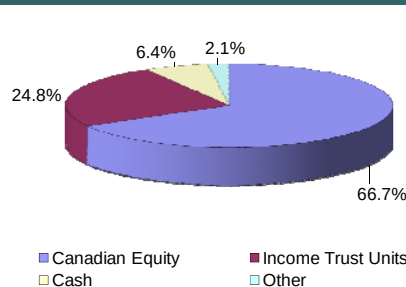
Rolling 12 Month Returns



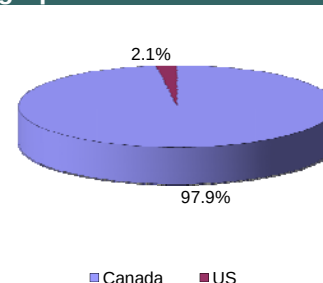
Top 10 Holdings (Jun 30/12)

Toronto Dominion Bank	4.1%
Canadian REIT	3.4%
TELUS Corp.	3.3%
RioCan REIT	3.3%
Bank of Nova Scotia	3.3%
Royal Bank of Canada	3.2%
Baytex Energy Corp.	3.2%
ARC Resources	3.0%
Keyera Corp.	3.0%
Crescent Point Energy	3.0%
Total	32.8%

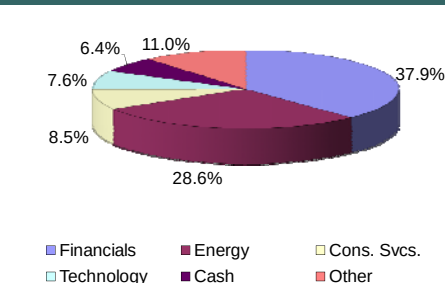
Asset Mix



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.

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 portfolio adviser seeks to track the Universe Index by using a stratified sampling indexing technique. This method involves selecting a subset of bonds from each component of the Universe Index and holding them in the same proportion as the components of the Universe Index.

Analysis

- While we understand the need for lower cost in the fixed income 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	-0.1%	2.1%	8.5%	6.2%	6.2%	6.0%	5.4%
DEX Bond	0.0%	2.2%	9.5%	7.1%	7.0%	7.0%	6.5%
Quartile	3	1	1	1	2	1	1

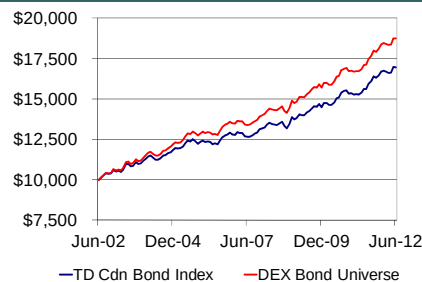
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Michelle Hegeman (Aug 08)
Inception Date May 13, 1997
Total Assets \$502.79 Million
Management Fee / MER 0.75% 0.83%
Risk Rating Low
Objective Income
Time Horizon Moderate

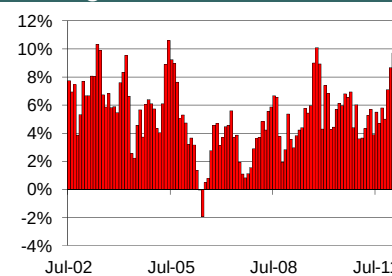
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.49%	6.03%
Standard Deviation	0.99%	3.43%
Sharpe Ratio	0.37	1.33
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



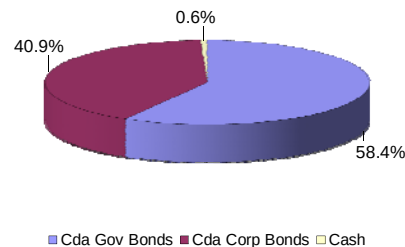
Rolling 12 Month Returns



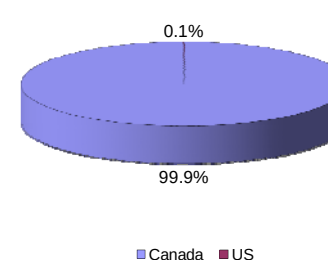
Top 10 Holdings (Jun 30/12)

Canada 3.75% 01-Jun-19	1.9%
Canada 5.00% 01-Jun-37	1.7%
Canada 5.75% 01-Jun-33	1.4%
Canada 4.00% 01-Jun-41	1.4%
Canada 3.50% 01-Jun-20	1.3%
Canada 3.00% 01-Jun-14	1.3%
Canada 2.25% 01-Aug-14	1.3%
Canada Housing Trust 2.75% 15-Jun-16	1.2%
Canada 2.00% 01-Dec-14	1.2%
Canada 4.25% 01-Jun-18	1.1%
Total	13.8%

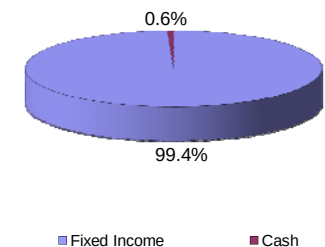
Asset Mix



Geographic Breakdown



Sector Breakdown



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	1.0%	-5.9%	-11.0%	3.2%	5.8%	-1.5%	6.7%
S&P/TSX Cp	1.1%	-5.7%	-10.3%	4.2%	6.7%	-0.7%	7.6%
Quartile	3	3	2	2	2	1	1

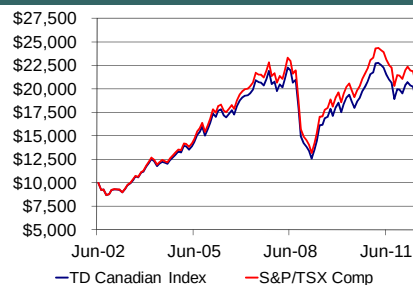
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Vishal Bhatia (Mar 05)
 Dino Bourdos (Nov 10)
Inception Date September 30, 1985
Total Assets \$886.63 Million
Management Fee / MER 0.80% 0.88%
Risk Rating Moderate
Objective Growth
Time Horizon Long

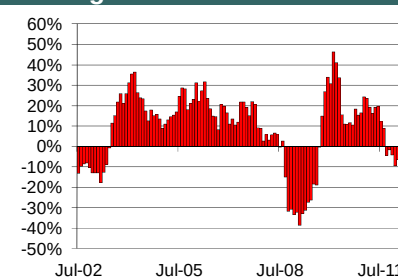
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.13%	-1.54%
Standard Deviation	4.99%	17.30%
Sharpe Ratio	-0.05	-0.17
Alpha (5 Year)		-0.07%
Beta (5 Year)		0.98
Worst Drawdown	-43.59% (Jun 08 - Feb 11)	
Time to Recover	33 Months	

Growth of Investment



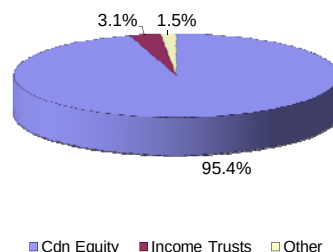
Rolling 12 Month Returns



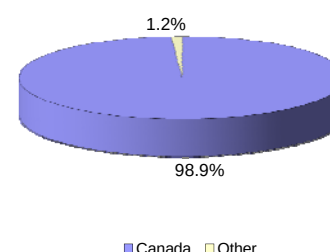
Top 10 Holdings (Jun 30/12)

Royal Bank of Canada	5.4%
Toronto Dominion Bank	5.2%
Bank of Nova Scotia	4.3%
Suncor Energy	3.3%
Barrick Gold Corp.	2.7%
Potash Corp. of Sask.	2.7%
Canadian National Railway	2.7%
Bank of Montreal	2.6%
BCE Inc.	2.3%
Enbridge Inc.	2.3%
Total	33.4%

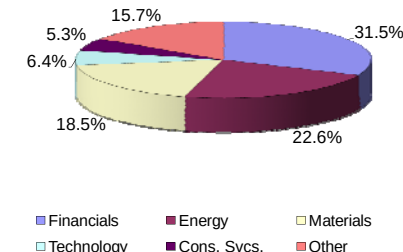
Asset Mix



Geographic Breakdown



Sector Breakdown



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

The portfolio adviser seeks to achieve the fundamental investment objective of the Fund primarily by replicating the S&P 500 Index. Each security in the S&P 500 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 500 Index.

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	2.6%	-0.9%	10.4%	13.8%	10.4%	-1.5%	0.4%
S&P 500	2.5%	-0.9%	11.3%	14.8%	11.3%	-0.7%	1.2%
Quartile	1	1	1	1	1	1	2

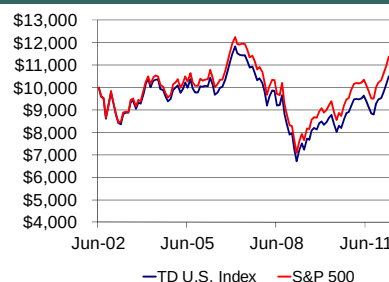
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Vishal Bhatia (Mar 05)
 Dino Bourdos (Nov 10)
Inception Date April 30, 1998
Total Assets \$408.63 Million
Management Fee / MER 0.50% 0.54%
Risk Rating Moderate
Objective Growth
Time Horizon Long

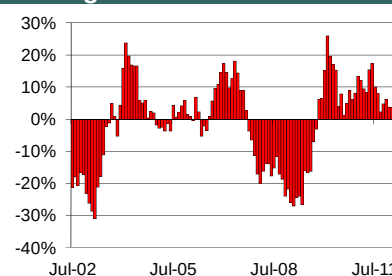
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.12%	-1.46%
Standard Deviation	3.77%	13.07%
Sharpe Ratio	-0.06	-0.23
Alpha (5 Year)		-0.06%
Beta (5 Year)		0.99
Worst Drawdown	-54.16% (Sep 00 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



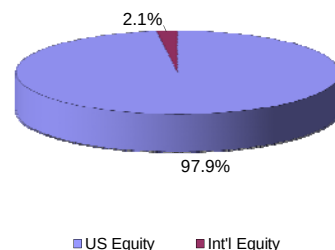
Rolling 12 Month Returns



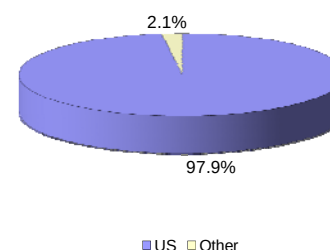
Top 10 Holdings (Jun 30/12)

Apple Inc.	4.4%
Exxon Mobil Corp.	3.2%
Microsoft Corp.	1.9%
IBM Corp.	1.8%
General Electric Co.	1.8%
AT&T Inc.	1.7%
Chevron Corp.	1.7%
Johnson & Johnson	1.5%
Wells Fargo & Co.	1.4%
Coca-Cola Co.	1.4%
Total	20.9%

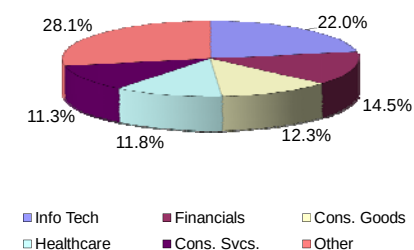
Asset Mix



Geographic Breakdown



Sector Breakdown



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 crept 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	5.8%	-4.9%	-9.8%	3.2%	0.4%	-7.8%	-0.2%
MSCI EAFE	5.4%	-5.0%	-8.1%	4.4%	2.0%	-6.4%	1.6%
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 \$193.05 Million
Management Fee / MER 1.25% 1.38%
Risk Rating Moderate
Objective Growth
Time Horizon Long

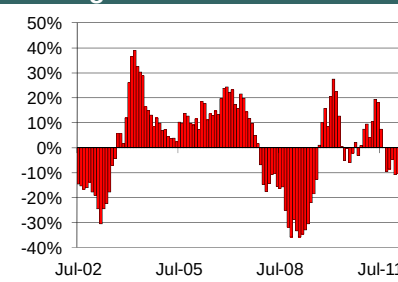
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.68%	-7.82%
Standard Deviation	4.69%	16.26%
Sharpe Ratio	-0.17	-0.57
Alpha (5 Year)		-0.13%
Beta (5 Year)		0.99
Worst Drawdown	-47.51% (Apr 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



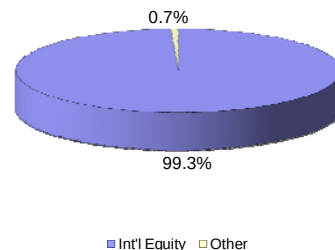
Rolling 12 Month Returns



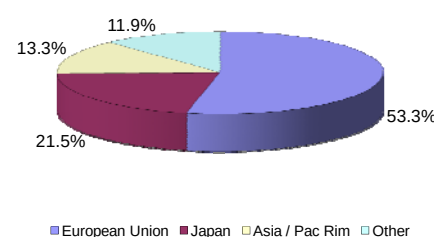
Top 10 Holdings (Jun 30/12)

Nestle SA	2.0%
iShares MSCI EAFE Index	1.7%
HSBC Holdings PLC	1.6%
Vodafone Group PLC	1.4%
Novartis AG	1.3%
BP PLC	1.3%
Royal Dutch Shell PLC	1.3%
Roche Holding AG	1.2%
GlaxoSmithKline PLC	1.2%
Toyota Motor Corp.	1.1%
Total	14.2%

Asset Mix



Geographic Breakdown



Sector Breakdown

