

Recommended List of Investment Funds

Prepared January 30, 2013

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Methodology & Ratings Definitions

December 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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		Returns				Correlations								
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	PH&N Bond Fund	Not Rated	0.3%	3.4%	6.2%	6.3%	0.42	0.04%	0.91	0.1489	0.1669	0.2925	0.9236	0.61
2	TD Canadian Bond Fund	Not Rated	0.2%	3.5%	6.0%	6.1%	0.42	0.02%	0.91	0.1010	0.0854	0.2154	0.9472	1.11
3	Dynamic Canadian Bond Fund	Not Rated	0.3%	3.0%	5.2%	5.4%	0.42	0.04%	0.78	0.0906	0.1055	0.1915	0.9195	1.56
Fixed Income - Specialty														
1	RBC Global Corporate Bond	Not Rated	1.3%	8.8%	7.2%	6.9%	0.41	0.21%	0.69	0.3430	0.3181	0.5127	0.5980	1.74
2	Manulife Strategic Income Fund	Not Rated	2.5%	9.1%	6.5%	9.7%	0.34	0.63%	0.33	-0.1622	0.3071	0.2591	0.1557	2.15
Canadian Equity - Core														
1	Fidelity Canadian Large Cap Fund	B	4.1%	5.8%	11.0%	5.6%	0.10	0.40%	0.82	0.9275	0.6444	0.7079	-0.0129	2.47
2	IA Clarington Canadian Conservative Equity Fund	B	2.0%	5.8%	7.2%	4.0%	0.09	0.27%	0.61	0.9247	0.5752	0.6583	-0.1643	2.42
3	RBC North American Value Fund	B	3.3%	11.7%	7.5%	4.3%	0.09	0.29%	0.71	0.9364	0.7658	0.8022	-0.1210	2.10
4	Harbour Fund	C	0.3%	8.2%	2.7%	0.7%	0.01	0.00%	0.83	0.9393	0.6719	0.7453	-0.1359	2.43
5	Signature Select Canadian Fund	C	1.8%	8.2%	3.0%	0.7%	0.01	-0.01%	0.80	0.9412	0.7299	0.8171	-0.1252	2.43
Canadian Equity - Small Cap														
1	Sentry Small Cap Income Fund	A	2.5%	15.5%	15.8%	11.6%	0.23	0.88%	0.64	0.8170	0.6663	0.7225	-0.0356	2.79
2	BMO GDN Enterprise Classic	B	4.7%	15.6%	13.1%	5.8%	0.10	0.44%	0.94	0.8917	0.6257	0.7650	-0.0166	2.25
3	CI Can-Am Small Cap Corporate Class	B	4.5%	13.1%	8.5%	4.6%	0.10	0.33%	0.56	0.8102	0.7579	0.7947	-0.0846	2.42
US Equity - Core														
1	Trimark U.S. Companies Fund	C	-1.3%	10.3%	8.5%	2.4%	0.05	0.06%	1.01	0.5701	0.9399	0.7197	-0.0616	2.97
2	RBC O'Shaughnessy U.S. Value Fund	D	1.0%	12.4%	11.1%	-0.8%	0.01	-0.14%	1.28	0.7821	0.7696	0.7793	0.0029	1.53
3	Dynamic American Value Fund	D	-1.2%	3.1%	3.1%	-0.7%	-0.02	-0.12%	0.60	0.7430	0.6086	0.6598	-0.0047	2.45
4	CI American Value Fund	UNDER REVIEW	0.7%	7.3%	4.3%	-1.2%	-0.04	-0.22%	0.91	0.6768	0.9455	0.8435	-0.0261	2.42

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Back to Contents		Returns				Correlations								
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	B	1.3%	10.0%	10.8%	5.9%	0.10	0.38%	1.19	0.5327	0.8196	0.6653	-0.1103	2.97
2	TD U.S. Mid - Cap Growth Fund	C	2.4%	9.6%	9.4%	3.2%	0.06	0.14%	1.07	0.7146	0.8842	0.7764	-0.0204	2.55
Global / International Equity - Core														
1	Mac Ivy Foreign Equity Fund	C	3.4%	7.9%	4.8%	2.6%	0.06	0.23%	0.50	0.2558	0.7563	0.6443	0.2180	2.55
2	Mutual Global Discovery Fund	C	3.1%	12.6%	5.4%	-0.3%	-0.02	0.00%	0.72	0.7421	0.7289	0.8678	-0.1326	2.77
3	Trimark Fund	C	4.1%	12.0%	6.7%	-0.9%	-0.02	-0.03%	0.95	0.5923	0.8761	0.8635	0.2119	1.72
4	Renaissance Global Markets Fund	C	4.7%	5.9%	7.6%	-1.5%	-0.04	-0.08%	0.84	0.8130	0.7467	0.8368	0.0216	2.68
5	Invesco International Growth Class	C	5.5%	12.4%	4.2%	-3.0%	-0.06	-0.04%	0.84	0.7155	0.7615	0.9532	0.1538	2.90
Global Small/Mid Cap Equity														
1	CI Global Small Companies Fund Class	C	2.9%	10.0%	5.7%	0.2%	0.00	0.06%	0.92	0.7149	0.8442	0.8787	-0.0366	2.44
2	Mac Cundill Recovery Fund	D	10.0%	15.6%	2.7%	-4.3%	-0.02	-0.14%	1.37	0.8466	0.5587	0.7585	-0.0940	2.60
3	Templeton Global Smaller Companies	UNDER REVIEW	5.2%	11.5%	0.5%	-1.2%	0.00	0.03%	1.34	0.7674	0.7554	0.8785	-0.0073	2.90
Specialty / Sector Funds														
1	CI Global Health Sciences Corporate Class	B	2.6%	30.3%	11.1%	7.1%	0.13	0.49%	0.87	0.5138	0.7134	0.7028	0.1622	2.44
2	Dynamic Global Real Estate Fund	B	1.3%	17.8%	10.5%	3.3%	0.06	0.32%	0.78	0.8218	0.6653	0.7391	0.0410	2.44
3	BMO GDN Asian Growth & Income Fund	B	5.5%	21.9%	7.2%	3.4%	0.07	0.44%	0.62	0.7360	0.5777	0.8018	0.2738	2.87
4	CI Signature Canadian Resource Fund	C	-2.6%	-4.6%	-1.8%	-1.1%	0.00	-0.11%	1.14	0.9191	0.4137	0.5941	-0.0766	2.41
5	Dynamic Power Global Growth Class	D	-1.9%	7.2%	7.2%	-3.3%	-0.02	-0.10%	1.30	0.7071	0.7325	0.7272	-0.0071	1.42
6	AGF Emerging Markets Fund	UNDER REVIEW	6.2%	14.6%	4.1%	3.2%	0.06	0.56%	0.95	0.7984	0.5855	0.7957	0.1712	3.06

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		Returns				Correlations								
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	
Canadian Balanced / Income														
1	CI Signature High Income Fund	B	2.7%	11.6%	10.5%	6.7%	0.17	0.49%	0.48	0.8299	0.6252	0.7288	0.0138	1.60
2	AGF Monthly High Income Fund	C	0.3%	5.6%	8.4%	4.5%	0.09	0.04%	1.30	0.9142	0.6410	0.7357	0.0579	2.39
3	Fidelity Canadian Balanced Fund	C	0.5%	5.7%	5.7%	3.2%	0.07	0.01%	0.89	0.9772	0.5773	0.7012	0.0579	2.27
4	CI Signature Canadian Balanced Fund	C	1.4%	6.4%	3.9%	2.9%	0.07	0.00%	0.84	0.9355	0.7328	0.8251	-0.0486	2.42
Income Options														
1	TD Mortgage Fund	Not Rated	0.2%	1.4%	1.9%	3.4%	0.37	0.19%	0.17	0.0567	-0.0547	-0.0083	0.3360	1.82
2	RBC Monthly Income Fund	C	1.5%	6.8%	6.5%	4.3%	0.14	0.17%	0.64	0.9461	0.6931	0.7591	0.1524	1.20
3	Sentry Canadian Income Fund A	B	1.4%	11.5%	11.9%	7.6%	0.16	0.55%	0.62	0.8745	0.6633	0.7132	-0.0656	2.70
4	BMO GDN Monthly High Income Fund II	B	1.9%	7.6%	12.8%	6.8%	0.13	0.49%	0.75	0.8882	0.5794	0.6578	-0.0257	2.39
Passive Options														
1	TD Canadian Bond Index Fund	Not Rated	0.1%	2.8%	5.8%	5.4%	0.36	-0.07%	0.99	-0.0710	0.0252	0.1044	0.9980	0.83
2	TD Canadian Index Fund	D	1.5%	6.3%	3.9%	0.0%	0.01	-0.07%	0.98	1.0000	0.5863	0.6875	-0.0772	0.88
3	TD U.S. Index Fund	F	0.5%	12.4%	8.1%	1.0%	0.02	-0.06%	0.99	0.5634	0.9946	0.7977	0.0463	0.54
4	TD International Index Fund	D	8.7%	14.5%	1.0%	-4.4%	-0.07	-0.11%	0.99	0.6678	0.8086	0.9737	0.1115	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%

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Fixed Income Funds

Index Performance Details							
	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
DEX Universe Bond Index	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%

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

- There were no additions or deletions in the Fixed Income category during the quarter.

Fixed Income Commentary and Outlook

- The Bank of Canada maintained overnight rates at 1%.
- Both government and corporate bonds were higher in the last quarter of the year.
- Corporate bonds outpaced government bonds while midterm bonds outpaced both long and short term bonds.
- Looking forward, the Bank of Canada would like to begin removing some of the stimulus in the economy, but given the current economic environment, combined with the likelihood that the U.S. Federal Reserve is on hold until at least 2014, it is doubtful that Canadian rates can move higher any time soon.
- But they will no doubt move higher at some point in the future.
- In this type of environment, bonds which offer a higher yield than governments are likely to outperform. In a flat rate environment, they will provide additional yield to investors, and in a rising rate environment, they will provide better downside protection.
- With the knowledge that rates will move higher and bonds will drop in value, the temptation is to sell bond holdings and move into equities. We still believe that some exposure to fixed income is necessary given their safe haven appeal in times of crisis, and their ability to dampen overall portfolio volatility.

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%

PH&N Bond

Fund Codes

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

Investment Objective

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

Strategy

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

Analysis

- This fund remains our top pick for a core bond holding for most investors.
- Despite a modest rise in rates during the quarter, the fund posted a small gain, matching that of the DEX Bond Universe.
- It remains defensively positioned with a duration shorter than the benchmark. This short duration strategy will help mitigate effects of rising interest rates.
- It also has a relatively high allocation to provincial and corporate bonds which provide a higher yield than federal bonds, which are expected to outperform in flat and rising rate environments.
- Managers expect that rates will continue to rise and intend to keep the portfolio defensively positioned..

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	0.3%	3.4%	5.9%	6.2%	6.3%	5.8%
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%
Quartile	1	1	2	2	1	1	1

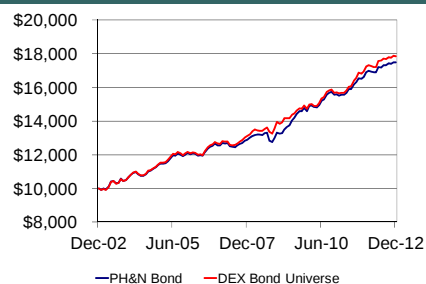
Fund Facts

Fund Sponsor PH&N Investment Mgmt
Fund Manager PH&N Fixed Income Team (Dec 70)
Inception Date November 30, 1970
Total Assets \$8,512.30 Million
Management Fee / MER 0.50% 0.61%
Risk Rating Low
Objective Income
Time Horizon Short

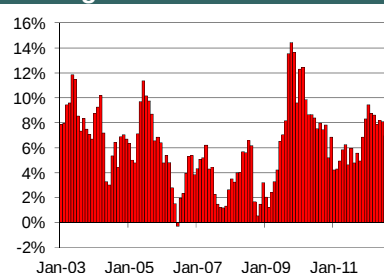
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.51%	6.34%
Standard Deviation	0.99%	3.41%
Sharpe Ratio	0.43	1.53
Alpha (5 Year)		0.04%
Beta (5 Year)		0.91
Worst Drawdown	-4.26% (Sep 08 to Mar 09)	
Time to Recover	7 Months	

Growth of Investment



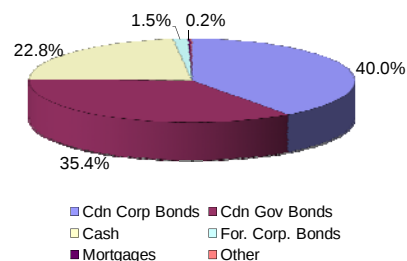
Rolling 12 Month Returns



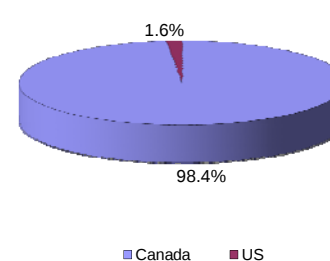
Top 10 Holdings (Dec 31/12)

Ontario 7.60 % 02-Jun-2027	7.6%
CDA 1.50% 01-Sep-2017	4.2%
Ontario 5.60 % 02-Jun-2035	3.7%
Quebec 3.50 % 01-Dec-2022	2.6%
Ontario 6.50 % 8-Mar-2029	2.0%
Canada Housing Trust No 1 3.75 % 15-Mar-2020	1.8%
RBC 2.68 % 08-Dec-2016	1.5%
Ontario 3.15 % 02-Jun-2022	1.5%
Ontario 4.65 % 02-Jun-2041	1.3%
Ontario 8.50 % 02-Dec-2025	1.3%
Total	27.4%

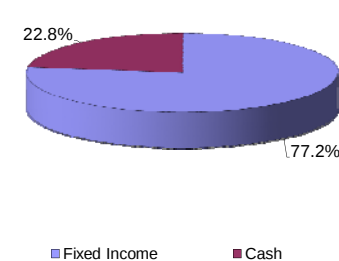
Asset Mix



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

- Corporates and governments were higher in the quarter, corporates outperformed.
- Corporates are well positioned with higher yields and strong company balance sheets. Governments benefitted from their safe haven appeal.
- Portfolio is defensively positioned with a duration that is shorter than the index.
- Yield on the underlying bonds in the portfolio is higher than the benchmark. Higher yields will provide stronger returns in both flat and rising rate environments.
- This remains one of our favourite core fixed income funds.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.2%	0.2%	3.5%	5.9%	6.0%	6.1%	5.6%
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%
Quartile	2	2	2	2	1	1	1

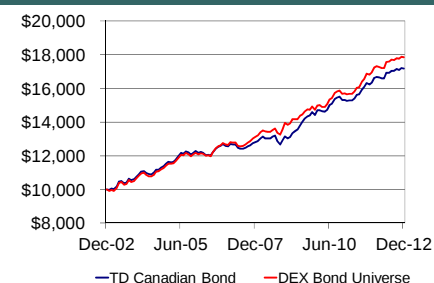
Fund Facts

Fund Sponsor	TD Asset Management	
Fund Manager	Satish Rai (Jun 88) Geoff Wilson (Feb 02)	
Inception Date	June 29, 1988	
Total Assets	\$11,141.32 Million	
Management Fee / MER	1.25%	1.11%
Risk Rating	Low	
Objective	Income	
Time Horizon	Short	

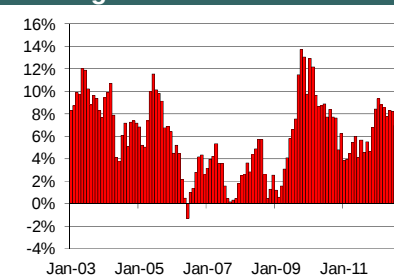
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.49%	6.07%
Standard Deviation	0.96%	3.34%
Sharpe Ratio	0.41	1.48
Alpha (5 Year)	0.02%	
Beta (5 Year)	0.91	
Worst Drawdown	-4.00% (Sep 08 - Mar 09)	
Time to Recover	7 Months	

Growth of Investment



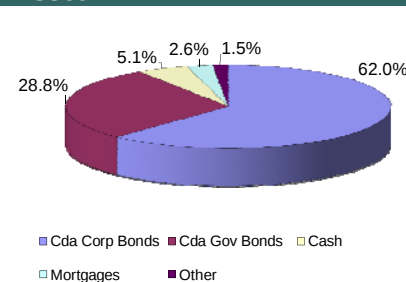
Rolling 12 Month Returns



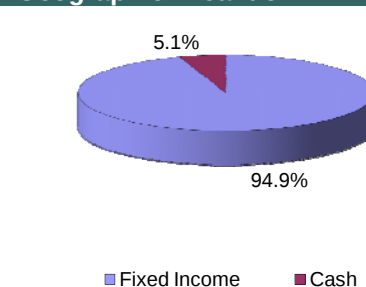
Top 10 Holdings (Dec 31/12)

Cash and Cash Equivalents	4.6%
Canada 4.00% 01-Jun-2041	4.0%
Ontario 0.00 % 02-Jun-2027	3.6%
Canada 5.00 % 01-Jun-2037	3.5%
Canada 2.75 % 01-Jun-2022	2.2%
TD Bank FRN 14-Dec-2105	2.0%
BC 4.30 % 18-Jun-2042	1.3%
CIBC FRN 30-Jun-2108	1.2%
Td Capital Trust FRN	1.2%
Alberta Capital Finance	1.2%
4.45% 15-Dec-2025	
Total	24.8%
	%

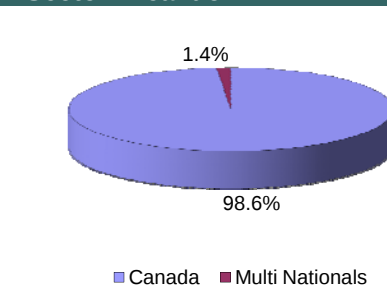
Asset Mix



Geographic Breakdown



Sector Breakdown



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 with 8% in Federal Bonds, 43% in Provincials and 41% in corporates.
- Has a duration of 4.7 years, which is lower than the Index duration of 7.0 years. This will result in less downside when interest rates move higher.
- They remain positive on corporates and believe that they will outperform in 2013.
- This defensive positioning will allow the fund to hold up well in periods of uncertainty, but it is our opinion that the lower weighting in corporates will cause it to lag our other two picks should rates remain flat.
- Another concern we have about this fund is its cost. It has an MER of 1.56%, which is well above our other two picks.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.1%	0.3%	3.0%	5.1%	5.2%	5.4%	4.8%
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%
Quartile	1	1	2	3	2	2	2

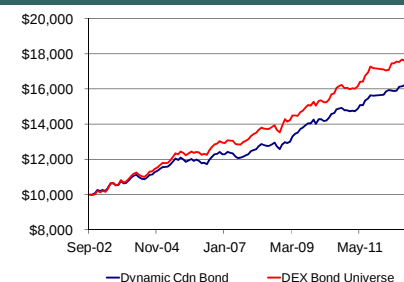
Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	Michael McHugh (Dec 98)
Inception Date	August 31, 1979
Total Assets	\$1,612.00 Million
Management Fee / MER	1.25% 1.56%
Risk Rating	Low
Objective	Income
Time Horizon	Short

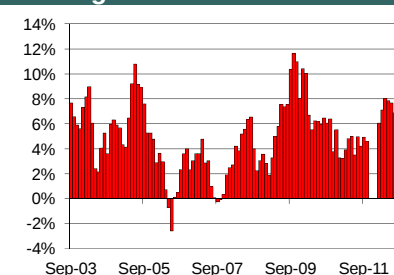
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.46%	5.63%
Standard Deviation	0.85%	2.93%
Sharpe Ratio	0.43	1.54
Alpha (5 Year)		0.04%
Beta (5 Year)		0.78
Worst Drawdown	-3.06% (Sep 05 - Aug 06)	
Time to Recover	12 Months	

Growth of Investment



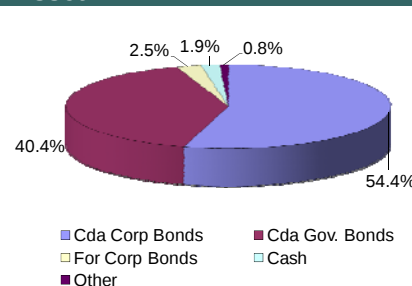
Rolling 12 Month Returns



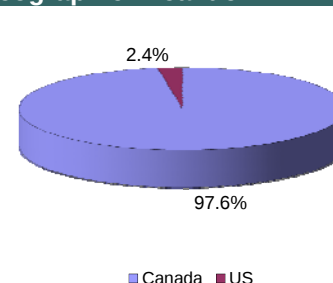
Top 10 Holdings (Oct 31/12)

Hydro QC FRN 20-Feb-2014	4.4%
BC 3.70 % 18-Dec-2020	4.0%
Ontario 4.40 % 02-Jun-2019	3.7%
Ontario 4.00 % 02-Jun-2021	3.2%
Hydro QC FRN 11-Feb-2015	3.2%
Ontario 3.15 % 02-Jun-2022	2.8%
Ontario FRN 05-Oct-2015	2.5%
Ontario FRN 27-Jun-2016	2.1%
Ontario FRN 12-Apr-2016	2.0%
BC 5.70 % 18-Jun-2029	1.8%
Total	29.8%

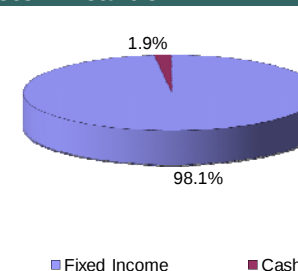
Asset Mix



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

- Corporate and high yield bonds outperformed government bonds as investor demand for yield remains high.
- Managers remain positive on corporate bonds given solid fundamentals, and investors insatiable need for yield.
- Expect returns to moderate going forward given that yields are at or near record lows. Other headwinds include declining corporate credit quality, macro risks and future rising rates.
- This remains a great pick for investors looking for conservatively managed corporate bond exposure.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.2%	1.3%	8.8%	7.5%	7.3%	6.9%	N/A
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	N/A
Quartile	2	2	1	1	1	1	N/A

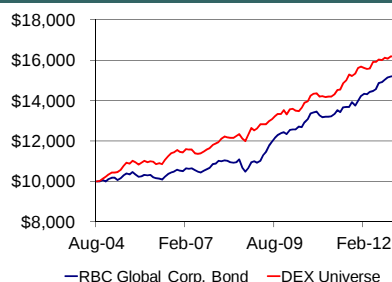
Fund Facts

Fund Sponsor	RBC Global Asset Management
Fund Manager	Frank Gambino (Aug 04) Marty Balch (Jun 09)
Inception Date	August 23, 2004
Total Assets	\$1,185.90 Million
Management Fee / MER	1.50% 1.74%
Risk Rating	Low
Objective	Income
Time Horizon	Medium to Long

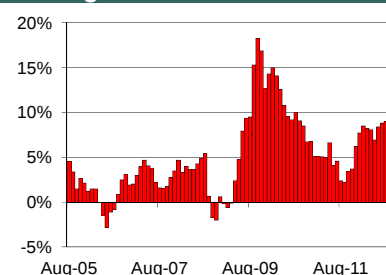
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.57%	7.03%
Standard Deviation	1.15%	3.97%
Sharpe Ratio	0.41	1.49
Alpha (5 Year)		0.21%
Beta (5 Year)		0.69
Worst Drawdown	-5.57% (Sep 08 - Apr 09)	
Time to Recover	8 Months	

Growth of Investment



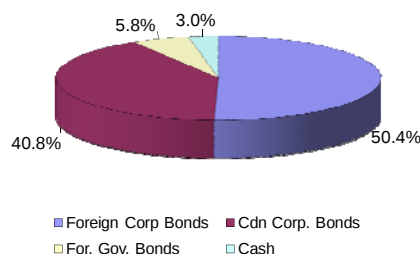
Rolling 12 Month Returns



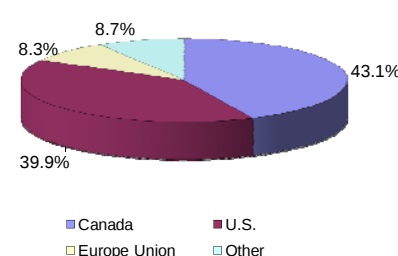
Top 10 Holdings (Sep 30/12)

RBC Emerging Markets Bond	6.9%
BlueBay EM Corporate Bond	3.0%
Citibank 3.95% 15-Jun-2016	1.0%
Royal Bank of Scotland Bond	0.9%
UK 4.25% 07-Jun-2032	0.8%
JPMorgan Chase 3.45% Bd	0.7%
CIBC BA 15-Oct-2012	0.7%
BofA 3.63% 17-Mar-2016	0.7%
IBM 7.00% 30-Oct-2025	0.7%
Georgia Pacific Bond 2020	0.6%
Total	16.1%

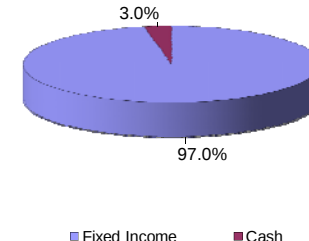
Asset Mix



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

- Currency is managed opportunistically looking to add value and provide additional diversification.
- As of December 31, it holds 58% in Corporates and 26% in global government debt. Geographically, its largest position is in the US with 47%, followed by Canada at 7%.
- Duration lengthened over the quarter to 4.2 yrs from 4.0 yrs. and yield dropped from 6.48% to 5.8%, Despite this erosion, its positioning is still more attractive than what is offered by the DEX Bond Universe.
- Within a portfolio, this fund can be a good diversifier. It offers strong downside protection and a favourable correlation profile with the major asset classes.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	2.5%	9.1%	5.5%	6.5%	9.7%	N/A
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	N/A
Quartile	2	2	3	4	4	4	N/A

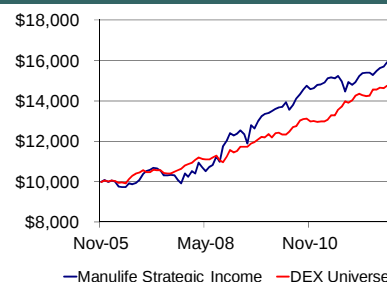
Fund Facts

Fund Sponsor	Manulife Mutual Funds
Fund Manager	Dan Janis (Feb 06)
Inception Date	November 28, 2005
Total Assets	\$2,524.60 Million
Management Fee / MER	1.70% 2.15%
Risk Rating	Low to Moderate
Objective	Income
Time Horizon	Medium

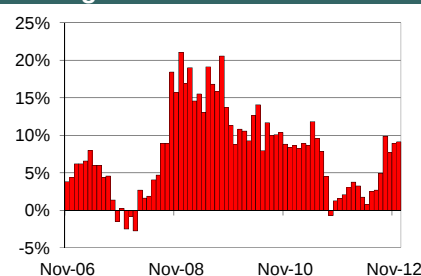
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.70%	8.67%
Standard Deviation	2.09%	7.25%
Sharpe Ratio	0.29	1.04
Alpha (5 Year)		0.63%
Beta (5 Year)		0.33
Worst Drawdown	-7.20% (Mar 07 - Mar 08)	
Time to Recover	13 Months	

Growth of Investment



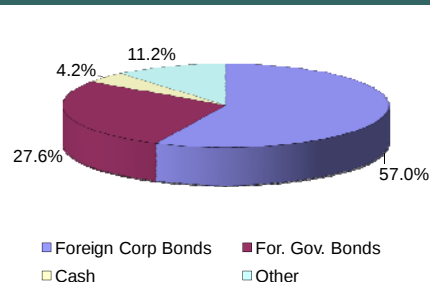
Rolling 12 Month Returns



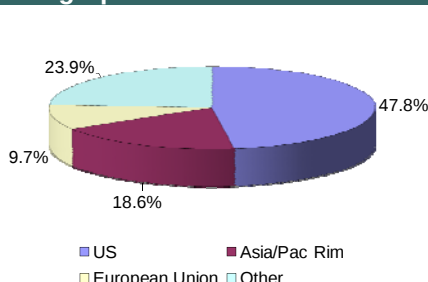
Top 10 Holdings (Dec 31/12)

New Zealand Gov't 6%	1.4%
Sweden 3.75%	1.1%
New South Wales 6.0%	1.0%
Ireland 5.4%	1.0%
Korea 3.25%	0.9%
Sweden 4.50%	0.9%
New Zealand Gov't	0.9%
Queensland 6.0%	0.9%
Philippine Gov't 5.88% Mr32	0.8%
Singapore 2.375%	0.8%
Total	9.8%

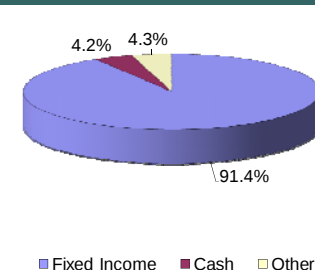
Asset Mix



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	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
BMO Cdn Small Cap Index	2.8%	-1.1%	2.5%	-6.2%	6.8%	2.6%	10.2%

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

- Consumer staples and information technology were the best performing sectors during Q4, while energy and materials were the only sectors in the red. Gold dropped by 6.3%, while silver was off by nearly 14%.
- Job gains in November surprised to the upside, pushing unemployment down to 7.2%.
- The Bank of Canada maintained overnight rates at 1%
- Looking ahead, economic growth is expected to remain positive, but should moderate throughout the year. Low interest should help to provide support for consumer spending and investment.
- With the U.S. and China looking as though they are on the mend, some improvements in exports could occur.
- In this lower growth environment, we continue to favour large cap stocks offering high shareholder yields (dividends & share buybacks).

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%

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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

- 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 very attractive valuation.
- Holds nearly half of the fund in foreign equities, with the U.S. and the UK making up most of that exposure.
- Holds 42 names with the top 10 making up about 44% of the fund.
- The fund outperaced the Index in Q4 largely due to its overweight positions in consumer staples and technology and lack of materials exposure.
- Despite the fund's underperformance for the year, this fund remains our top Canadian focused equity pick.
- Remains fairly conservatively positioned.
- Volatility has remained below that of the index, and given the portfolio's positioning, we expect that to continue going forward.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.8%	4.1%	5.8%	8.0%	11.0%	5.6%	11.2%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	1	1	3	1	1	1	1

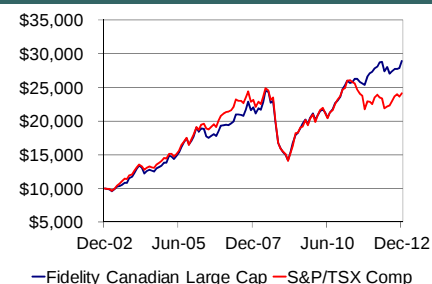
Fund Facts

Fund Sponsor	Fidelity Investments Canada
Fund Manager	Daniel Dupont (Apr 11)
Inception Date	February 1, 1998
Total Assets	\$1,627.90 Million
Management Fee / MER	2.00% 2.47%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

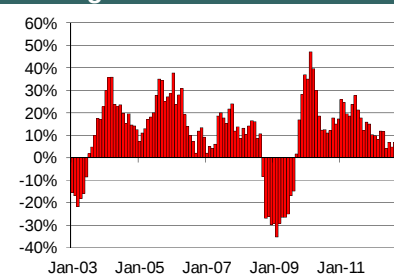
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.48%	5.97%
Standard Deviation	4.46%	15.44%
Sharpe Ratio	0.09	0.31
Alpha (5 Year)		0.40%
Beta (5 Year)		0.82
Worst Drawdown	-41.96% (Jun 08 - Dec 10)	
Time to Recover	31 Months	

Growth of Investment



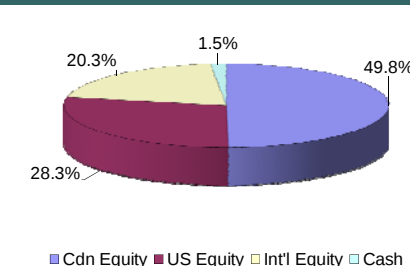
Rolling 12 Month Returns



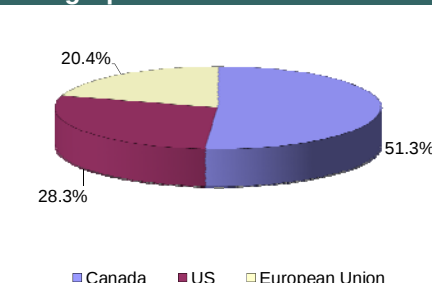
Top 10 Holdings (Nov 30/12)

Shoppers Drug Mart	7.0%
Vivendi	4.9%
Loblaw Companies Ltd.	4.2%
BP PLC	4.2%
AstraZeneca PLC	4.2%
Astral Media	3.8%
IA Insurance & Financial	3.8%
Fairfax Financial Holdings	3.6%
Robbins & Myers Inc.	3.4%
Aetna Inc.	3.3%
Total	42.3%

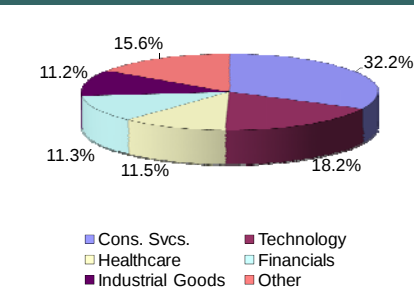
Asset Mix



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

- Gaining 1.7% in the quarter, it outpaced the index, but finished in the lower half of the category.
- The managers believe that we are in a slow and choppy economic environment. They also expect that recovery will take longer this time around due to the massive deleveraging that is taking place.
- They expect the market will be range bound. Should this turn out to be the case, this fund has a strong potential of outperforming because of its attractive dividend yield.
- Given the conservative nature of this fund, it remains one of our top picks for the current environment. However, should we experience a period of robust markets, this fund will likely lag.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.7%	2.0%	5.8%	4.1%	7.2%	4.1%	7.7%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	3	3	3	2	1	1	1

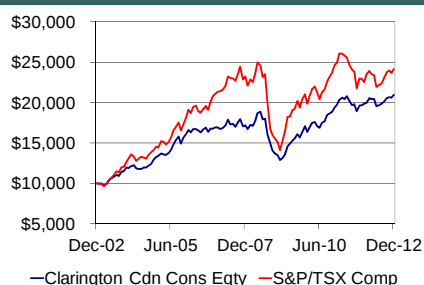
Fund Facts

Fund Sponsor	IA Clarington Investments Inc.
Fund Manager	George Frazer (Oct 50) Doug Kee (May 06)
Inception Date	October 13, 1950
Total Assets	\$861.40 Million
Management Fee / MER	2.00% 2.42%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

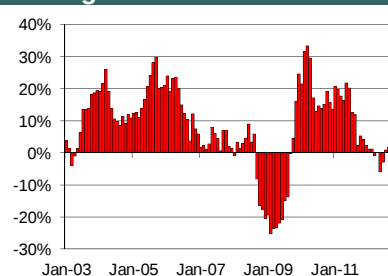
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.55%
Standard Deviation	3.30%	11.42%
Sharpe Ratio	0.06	0.21
Alpha (5 Year)		0.27%
Beta (5 Year)		0.61
Worst Drawdown	-31.64% (Jul 08 - Dec 10)	
Time to Recover	30 Months	

Growth of Investment



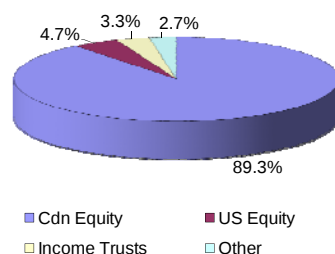
Rolling 12 Month Returns



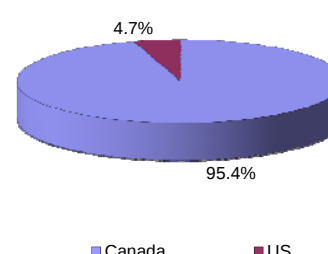
Top 10 Holdings (Sep 30/12)

Thomson Reuters	4.7%
Bank of Montreal	4.6%
BCE Inc.	4.5%
Enbridge Inc.	4.4%
Bank of Nova Scotia	4.3%
TransCanada Corp.	4.1%
Toronto Dominion Bank	4.0%
Royal Bank of Canada	3.8%
Cenovus Energy Inc.	3.7%
Canadian National Railway	3.7%
Total	41.6%

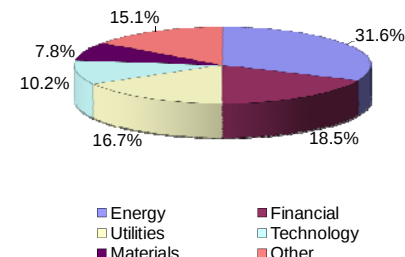
Asset Mix



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

- This outperformance was attributed to the fund's underweight exposure to gold companies and its holdings in the Consumer and Financial sectors.
- Continue to favour Canada, however U.S. exposure has been rising in recent quarters. Was 43% at year end.
- They believe that many of the issues that drove 2012 - U.S. economic recovery, Europe and Asia remain in focus, although improvement is happening.
- If Asia continues to rebound, Canadian commodity companies will benefit.
- This is a very solid core Canadian focused equity fund for most investors offering strong risk adjusted returns, reasonable volatility and fair pricing.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.5%	3.3%	11.7%	3.8%	7.5%	4.3%	9.0%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	1	1	1	1	1	1	1

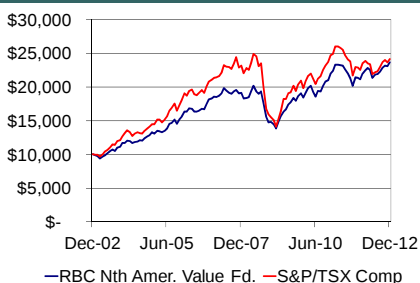
Fund Facts

Fund Sponsor	RBC Global Asset Management
Fund Manager	Doug Raymond (Dec 05) Stuart Kedwell (Dec 05)
Inception Date	March 3, 1998
Total Assets	\$686.90 Million
Management Fee / MER	1.75% 2.10%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

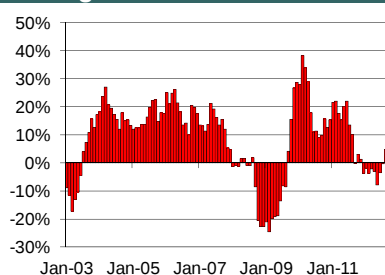
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.58%
Standard Deviation	3.78%	13.10%
Sharpe Ratio	0.05	0.19
Alpha (5 Year)		0.29%
Beta (5 Year)		0.71
Worst Drawdown	-31.38% (Jun 08 - Sep 10)	
Time to Recover	28 Months	

Growth of Investment



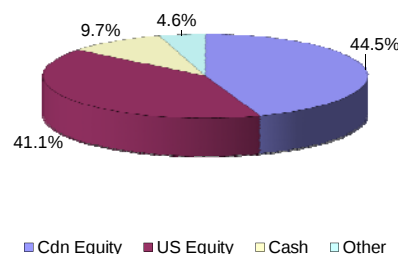
Rolling 12 Month Returns



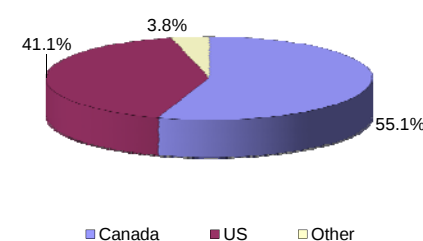
Top 10 Holdings (Sep 30/12)

CIBC BA	4.0%
iShares S&P/TSX Gbl Gold	3.7%
Suncor Energy Inc.	3.5%
National Bank BA	3.1%
Bank of Nova Scotia	3.0%
TD Bank BA	2.7%
Royal Bank of Canada	2.6%
Canadian Natural Resources	2.4%
Berkshire Hathaway Inc.	2.0%
Toronto Dominion Bank	1.9%
Total	28.7%

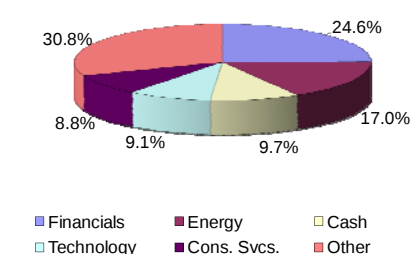
Asset Mix



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

- During the quarter, there was a change in the management of the fund.
- Gerry Coleman was the lead manager of the fund, backed up by Stephen Jenkins. This has switched, with Mr. Jenkins assuming the lead manager role.
- There is not expected to be any major changes to the investment process employed. It will remain a value focused, team oriented approach.
- We expected the fund may take on a bit more of a value tilt, which may help lower volatility and improve downside protection.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.8%	0.3%	8.2%	-0.5%	2.7%	0.7%	7.2%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	2	4	2	2	2	1	1

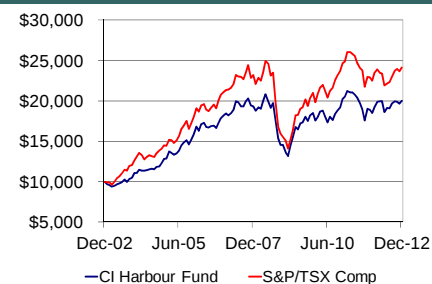
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Gerry Coleman (Jun 97) Stephen Jenkins (Jun 97)
Inception Date	June 27, 1997
Total Assets	\$4,191.00 Million
Management Fee / MER	2.00% 2.43%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

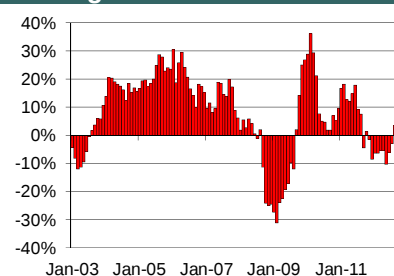
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.02%	0.19%
Standard Deviation	4.42%	15.31%
Sharpe Ratio	-0.02	-0.06
Alpha (5 Year)		0.00%
Beta (5 Year)		0.83
Worst Drawdown	-36.61% (Jun 08 - Feb 11)	
Time to Recover	33 Months	

Growth of Investment



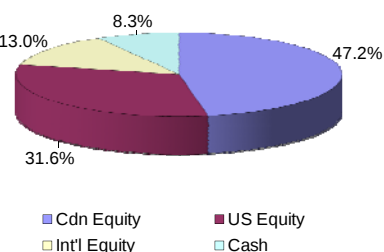
Rolling 12 Month Returns



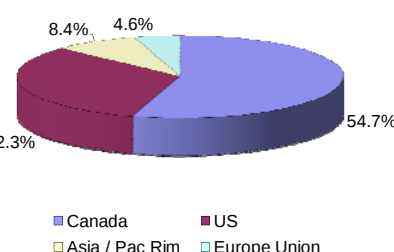
Top 10 Holdings (Dec 31/12)

Suncor Energy Inc.	5.5%
Canadian National Railway	5.4%
Microsoft Corporation	4.4%
CIBC	4.4%
Dundee Corporation	4.2%
Discover Financial Services	4.2%
Bank of Nova Scotia	4.1%
Abbott Laboratories	3.9%
Bank of New York Mellon	3.7%
Diageo PLC	3.6%
Total	43.4%

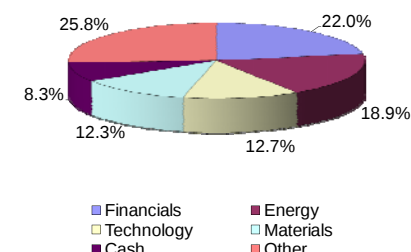
Asset Mix



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 uses a top down macro approach combined with a fundamental bottom up security selection process.
- Focuses on the entire capital structure of the company including bonds, prefs and common shares. This gives manager a more complete picture of the company
- The managers used the November selloff in equity markets as an opportunity to add a number of new names into the fund.
- Performance was boosted by their automotive and luxury goods holdings.
- They remain concerned about the potential impact of low rates on asset values going forward.
- This fund remains a solid core offering for most investors.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.4%	1.8%	8.2%	-0.5%	3.0%	0.7%	7.9%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	3	2	2	2	2	1	1

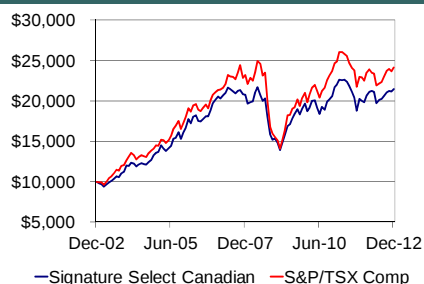
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Eric Bushell (May 98)
Inception Date	May 25, 1998
Total Assets	\$2,259.50 Million
Management Fee / MER	2.00% 2.43%
Risk Rating	Moderate
Objective	Income
Time Horizon	Medium to Long

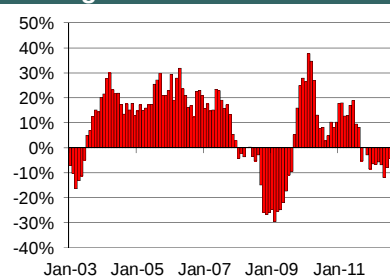
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.00%	0.00%
Standard Deviation	4.25%	14.71%
Sharpe Ratio	-0.02	-0.08
Alpha (5 Year)		-0.01%
Beta (5 Year)		0.80
Worst Drawdown	-35.76% (Jun 08 - Jan 11)	
Time to Recover	32 Months	

Growth of Investment



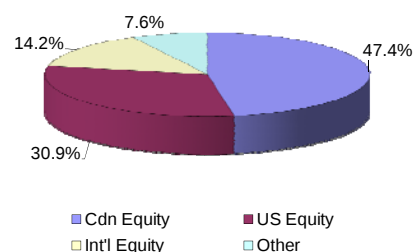
Rolling 12 Month Returns



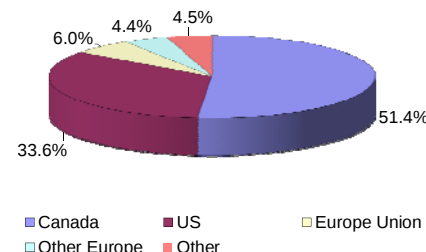
Top 10 Holdings (Dec 31/12)

TD Bank	6.7%
SPDR Gold Trust	5.4%
CIBC	4.5%
ABN Amro 1.0% 02-Jan-13	3.5%
Suncor Energy Inc.	3.2%
Eli Lilly & Co.	2.8%
Royal Bank of Canada	2.7%
Canadian Natural Resources	2.6%
Canadian National Railway	2.3%
Bank of Nova Scotia	2.1%
Total	35.7%

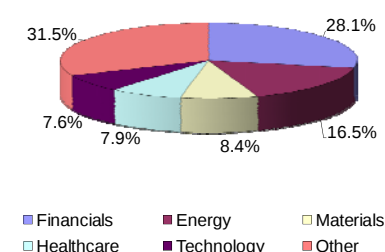
Asset Mix



Geographic Breakdown



Sector Breakdown



Sentry Small Mid Cap Income

Fund Codes

Front End	NCE 721
DSC	NCE 321
Min Purchase	\$500

Investment Objective

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

Strategy

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

Analysis

- The manager's focus is on small and medium sized businesses that provide a high level of income yield for investors.
- Manager utilizes a value oriented process focusing on stocks that generate a high return on invested capital, generate free cash flow and have modest capital expenditure requirements
- The fund continues to be one of the least volatile funds in the category.
- They continue with their disciplined investment style that looks to find quality companies with solid balance sheet and a history of increasing dividends.
- Portfolio allocation to the U.S. has increased slightly during the quarter.
- Valuations appear to be reasonable.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.2%	2.5%	15.5%	10.9%	15.8%	11.6%	N/A
BMO Sm Cap	2.8%	-1.1%	2.5%	-6.2%	6.8%	2.6%	N/A
Quartile	2	2	2	1	1	1	N/A

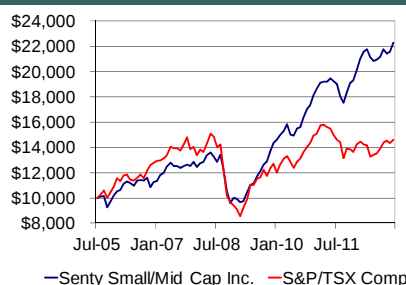
Fund Facts

Fund Sponsor	Sentry Investments
Fund Manager	Michael Simpson (Jul 05) Aubrey Hearn (Jul 05)
Inception Date	July 27, 2005
Total Assets	\$395.00 Million
Management Fee / MER	2.25% 2.79%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

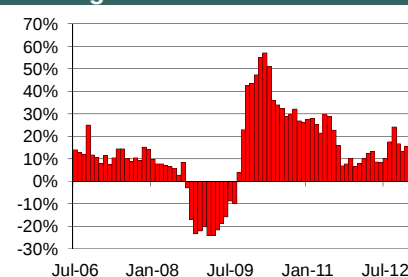
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.88%	11.03%
Standard Deviation	3.92%	13.57%
Sharpe Ratio	0.20	0.73
Alpha (5 Year)		0.88%
Beta (5 Year)		0.64
Worst Drawdown	-29.51% (Jun 08 - Nov 09)	
Time to Recover	18 Months	

Growth of Investment



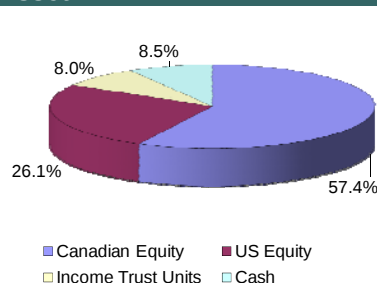
Rolling 12 Month Returns



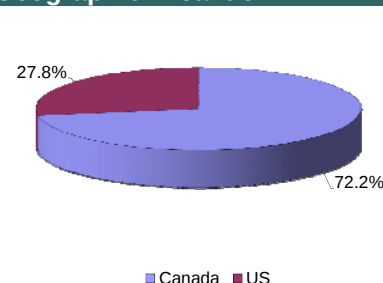
Top 10 Holdings (Sep 30/12)

Cash	5.6%
Stantec	4.3%
Badger Daylighting Ltd.	3.7%
Towers Watson & Co.	3.7%
Western Union	3.3%
TransForce Inc.	3.2%
Republic Services	3.2%
Chemtrade Logistics	3.1%
Canexus Corporation	3.1%
Progressive Waste Solutions	3.0%
Total	36.3%

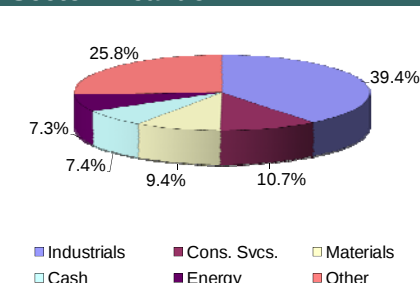
Asset Mix



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 through capital appreciation, 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.
- Managed using a fundamentally driven, GARP process, looking for high quality, financially strong companies with a competitive advantage and the ability to generate free cash flow.
- Remains conservatively positioned, dramatically underweight in materials and energy. Financials and industrials are its biggest sector weights, representing 30% and 26% respectively.
- While we continue to favour large caps over small caps, this fund is a good option for investors seeking small cap exposure.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.6%	4.8%	15.6%	7.2%	13.1%	5.8%	10.2%
BMO Sm Cap	2.8%	-1.1%	2.5%	-6.2%	6.8%	2.6%	10.2%
Quartile	2	1	1	1	1	1	2

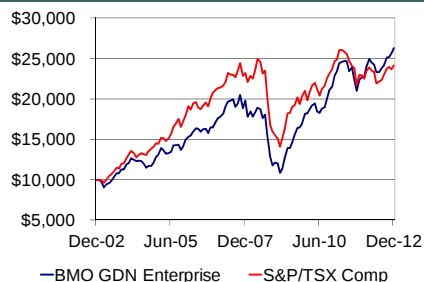
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	Martin Ferguson (Aug 04)
Inception Date	August 15, 1972
Total Assets	\$234.80 Million
Management Fee / MER	1.75% 2.25%
Risk Rating	High
Objective	Growth
Time Horizon	Long

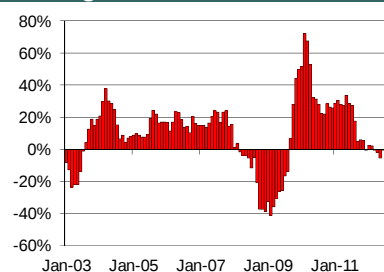
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.43%	5.29%
Standard Deviation	5.27%	18.26%
Sharpe Ratio	0.06	0.23
Alpha (5 Year)		0.44%
Beta (5 Year)		0.94
Worst Drawdown	-46.91% (Nov 07 - Oct 10)	
Time to Recover	36 Months	

Growth of Investment



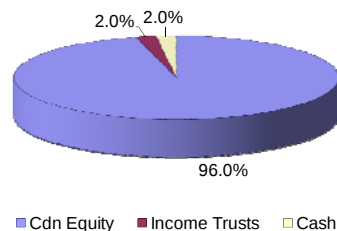
Rolling 12 Month Returns



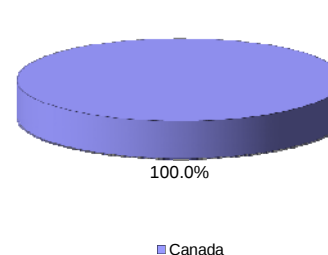
Top 10 Holdings (Dec 31/12)

Home Capital Group	5.9%
Constellation Software Inc.	5.7%
Stella-Jones Inc.	5.6%
Stantec	5.5%
Paladin Labs Inc.	4.4%
Canadian Energy Services	4.2%
AltaGas Ltd.	4.0%
Canadian Western Bank	3.8%
Equitable Group Inc.	3.4%
Newalta Corporation	3.4%
Total	45.9%

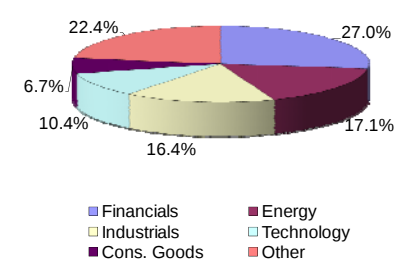
Asset Mix



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

- Invests in companies that have quality characteristics such as strong management teams and solid balance sheets that are trading at a reasonable level of valuation.
- Outperformed the benchmark in Q4 due to its greater sector diversification compared to the benchmark combined with prudent security selection.
- North American profitability continues to grow and profit levels remain at record levels. They believe equity markets will remain strong due to profit growth, liquidity in the markets and reasonable valuations.
- Expect that volatility will remain high.
- We like this fund because of the manager, their investment process and emphasis on yield.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	4.5%	4.5%	13.1%	5.3%	8.5%	4.6%	12.3%
BMO Sm Cap	2.8%	-1.1%	2.5%	-6.2%	6.8%	2.6%	10.2%
Quartile	1	2	2	1	1	1	1

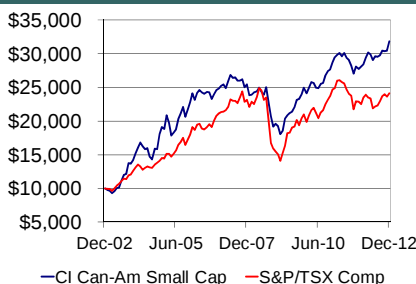
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Leigh Pullen (Dec 05) Joe Jugovic (Dec 05)
Inception Date	December 29, 1997
Total Assets	\$119.50 Million
Management Fee / MER	2.00% 2.42%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Medium to Long

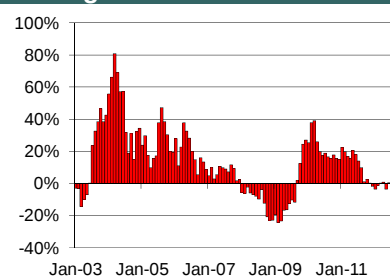
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.28%	3.44%
Standard Deviation	3.46%	12.00%
Sharpe Ratio	0.05	0.19
Alpha (5 Year)		0.33%
Beta (5 Year)		0.56
Worst Drawdown	-32.60% (Jun 07 - Oct 10)	
Time to Recover	41 Months	

Growth of Investment



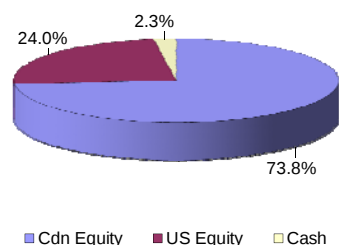
Rolling 12 Month Returns



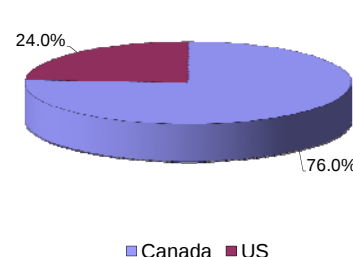
Top 10 Holdings (Dec 31/12)

CCL Industries Inc.	6.2%
Atco Ltd.	5.3%
Empire Company Ltd.	5.0%
New York Community Bancrp	4.9%
AltaGas Ltd.	4.7%
Pason Systems Inc.	4.6%
E-L Financial Corporation	4.2%
WGL Holdings Inc.	3.9%
Leon's Furniture Ltd.	3.7%
Manitoba Telecom Services	3.4%
Total	45.8%

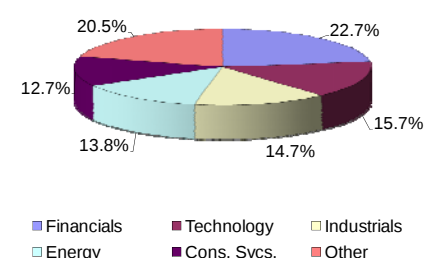
Asset Mix



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\$)	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Russell 2000 (C\$)	3.8%	3.1%	13.8%	5.7%	10.3%	3.7%	4.8%

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

- In early January, an agreement to avoid the fiscal cliff was reached. Under the deal, income taxes will rise for high income earners and dividend and estate taxes will also rise. While this is a positive, it failed to address the debt ceiling, which will come to a head in May.
- During the fourth quarter, it was financials, industrials and materials leading the way, while telecom, technology and utilities were the laggards.
- Signs the economy is chugging along continue to emerge. Job growth continues, car sales are strong, the housing market continues its recovery, and consumer confidence, which took a hit in December, is expected to bounce back.
- While some economic growth is happening, it is still much too slow to have a meaningful impact on either job growth or inflation. Under this type of environment, it is very unlikely that the U.S. Federal Reserve will step in and raise rates for the foreseeable future.
- For this challenging environment it is our opinion that emphasis should be on large cap stocks offering high shareholder yields (dividends & share buybacks).

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

- Looks for companies that have strong management, are leaders in their industry, reinvest heavily back into their business and offer a proprietary advantage.
- The fund underperformed the benchmark in Q4. Most of the weakness was due to the underperformance of the fund's healthcare and financial holdings, which lagged their peers.
- Apple, the fund's largest holding also dragged relative performance.
- They believe that the economic recovery in the U.S. is still on track, although not as quickly as many would like. Housing is showing definitive signs of a rebound
- Remains one of our favourite U.S. Equity funds.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.3%	-1.3%	10.3%	5.2%	8.5%	2.4%	0.5%
S&P 500	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Quartile	4	4	2	2	1	1	2

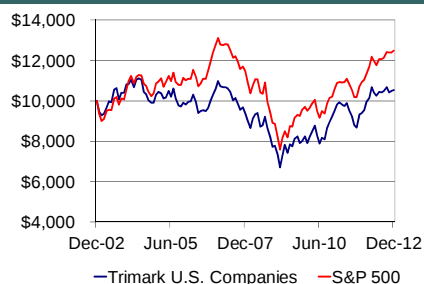
Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Jim Young (Oct 99) Ashley Misquitta (Feb 12)
Inception Date	October 22, 1999
Total Assets	\$233.90 Million
Management Fee / MER	2.00% 2.97%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

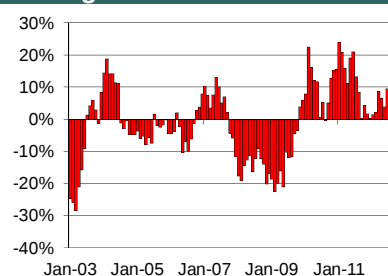
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.01%	0.15%
Standard Deviation	4.02%	13.94%
Sharpe Ratio	-0.02	-0.07
Alpha (5 Year)		0.06%
Beta (5 Year)		1.01
Worst Drawdown	-48.66% (Apr 02 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



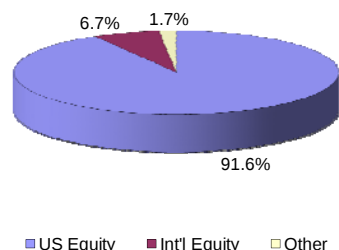
Rolling 12 Month Returns



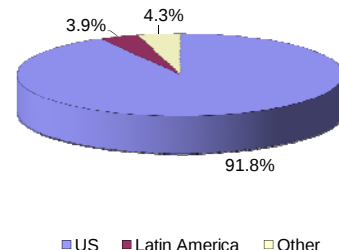
Top 10 Holdings (Dec 31/12)

Apple Inc.	4.6%
Wells Fargo & Co.	4.0%
ACE Ltd.	3.9%
Johnson & Johnson	3.7%
KLA-Tencor Corporation	3.5%
Monsanto Co.	3.4%
Celgene Corporation	3.4%
Analog Devices Inc.	3.3%
Google Inc.	3.1%
PNC Financial Services Grp.	3.1%
Total	36.1%

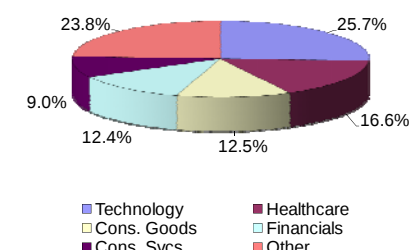
Asset Mix



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 is managed using a quantitatively driven process that rates and 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.
- While we like this as a core equity fund, we believe that it is only suitable for those investors with higher risk tolerances, given the higher volatility profile of the fund.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.1%	1.0%	12.4%	9.5%	11.1%	-0.8%	4.6%
S&P 500	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Quartile	2	2	1	1	1	2	1

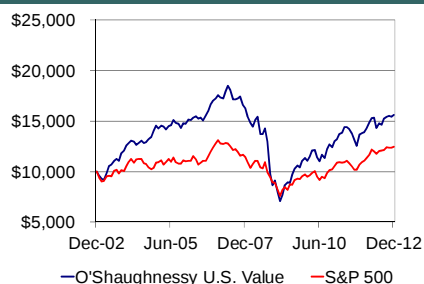
Fund Facts

Fund Sponsor RBC Global Asset Management
Fund Manager Jim O'Shaughnessy (Sep 97)
Inception Date September 23, 1997
Total Assets \$1,017.60 Million
Management Fee / MER 1.25% 1.53%
Risk Rating Moderate
Objective Growth
Time Horizon Long

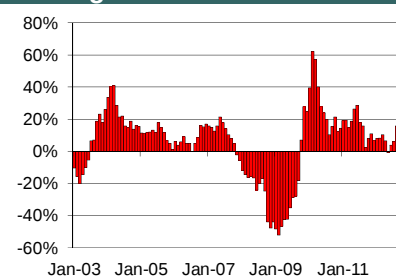
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.22%	-2.65%
Standard Deviation	6.23%	21.56%
Sharpe Ratio	-0.05	-0.18
Alpha (5 Year)		-0.14%
Beta (5 Year)		1.28
Worst Drawdown	-61.78% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



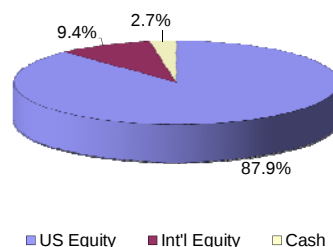
Rolling 12 Month Returns



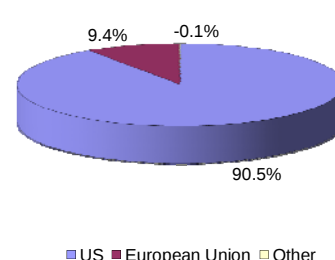
Top 10 Holdings (Sep 30/12)

Gap Inc.	5.0%
DirectTV	4.1%
Ameriprise Financial	3.9%
Travelers Cos Inc.	3.7%
Viacom Inc.	3.7%
ConocoPhillips	3.6%
Kohls Corp.	3.5%
Time Warner Cable Inc.	3.5%
L-3 Communications Hldgs	3.4%
Lockheed Martin Corp.	3.4%
Total	37.6%

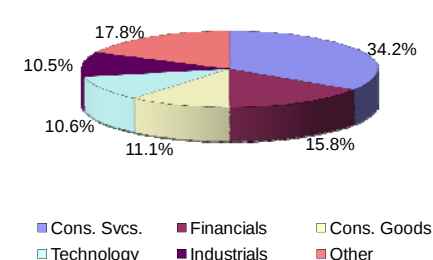
Asset Mix



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

- Performance lagged significantly in the past year. There are a few factors that have contributed to this. They include the extremely defensive portfolio positioning in Q4 2011, and the underweight positions in healthcare and financials.
- Underperformed in Q4 due to underweight in financials and exposure to Apple.
- They increased exposure to non bank financials including REITS, property and casualty Insurers & credit card providers.
- Technology continues to be the biggest exposure. Believe that technology will benefit from improved business spending.
- Volatility has remained in check.
- Despite this underperformance, we believe that this fund is a good core U.S. equity holding for those with below average risk tolerance.

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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%	3.1%	-0.2%	3.1%	-0.7%	4.3%
S&P 500	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Quartile	4	4	4	4	4	2	1

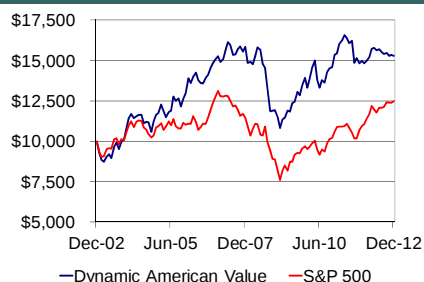
Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	David Fingood (May 05) Izet Elmazi (Mar 12)
Inception Date	August 31, 1979
Total Assets	\$527.00 Million
Management Fee / MER	2.00% 2.45%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

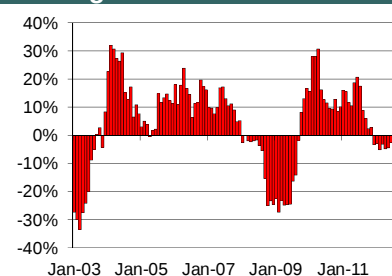
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.06%	-0.78%
Standard Deviation	3.66%	12.69%
Sharpe Ratio	-0.04	-0.15
Alpha (5 Year)		-0.12%
Beta (5 Year)		0.60
Worst Drawdown	-33.65% (Apr 02 - Jan 06)	
Time to Recover	46 Months	

Growth of Investment



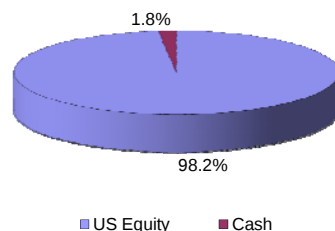
Rolling 12 Month Returns



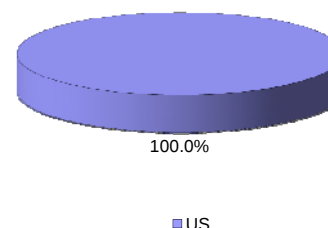
Top 10 Holdings (Oct 31/12)

American Tower Corp.	4.8%
Apple Inc.	4.7%
Exxon Mobil Corp.	4.3%
IBM Corp.	4.1%
TJX Cos.	3.8%
Noble Energy Inc.	3.4%
W.W. Grainger Inc.	3.3%
Chubb Corp.	3.2%
Johnson & Johnson	3.2%
American Express Co.	3.0%
Total	37.8%

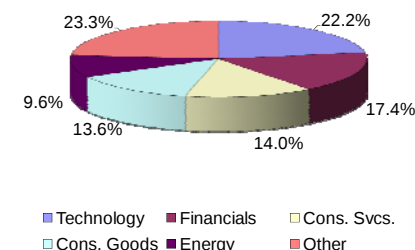
Asset Mix



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. As these companies exceed market expectations, the fund expects to capture excess returns over the course of a two to five year investment time frame. 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

- Management believes that P/E multiples don't have much room to expand, with all the central bank stimulus in the economy.
- Instead, price appreciation will be dependent on company fundamentals.
- They believe gains will be led by companies with improving revenue and cash flow generation.
- We have become increasingly concerned about the performance of this fund of late. It has failed to live up to expectations and we are monitoring it closely.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.5%	0.7%	7.3%	3.7%	4.3%	-1.2%	3.2%
S&P 500	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Quartile	3	2	4	3	3	2	1

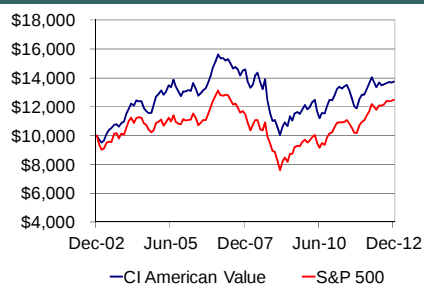
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	William Priest (Oct 02) David Pearl (Oct 02)
Inception Date	May 27, 1957
Total Assets	\$363.00 Million
Management Fee / MER	2.00% 2.42%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

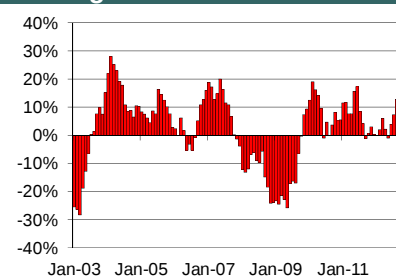
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.13%	-1.60%
Standard Deviation	3.58%	12.39%
Sharpe Ratio	-0.06	-0.22
Alpha (5 Year)		-0.22%
Beta (5 Year)		0.91
Worst Drawdown	-51.48% (Sep 00 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



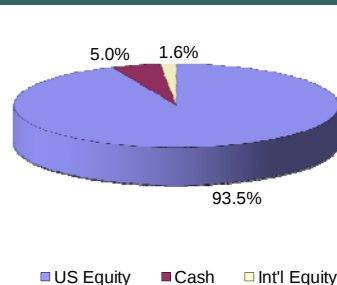
Rolling 12 Month Returns



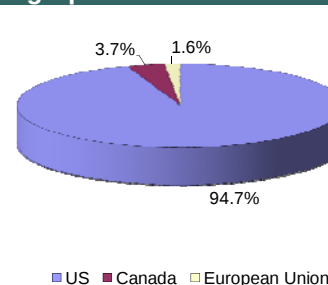
Top 10 Holdings (Dec 31/12)

Canadian Dollars	3.7%
Apple Inc.	3.6%
Microsoft Corp.	3.1%
Abbott Laboratories	2.8%
Exxon Mobil Corp.	2.7%
Blackrock Inv.Quality MuniTr.	2.5%
Oracle Corporation	2.4%
Boeing Co.	2.4%
Davita Healthcare Partners	2.4%
Praxair Inc.	2.3%
Total	28.0%

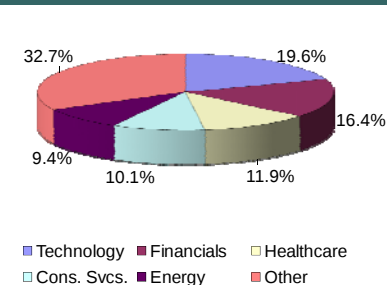
Asset Mix



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

- Lagged the index and peer group during the quarter as the fund's holdings in materials, healthcare, and energy dragged overall performance.
- Cash grew to approximately 20% as management sold two names; Brightpoint and Arbitron, both of which were acquired by competitors.
- This high cash balanced dragged performance in a rising equity market. It will be deployed as they are able to identify high quality names that meet the team's strict quality and valuation metrics.
- They continue to focus solely on the fundamental outlook for each company, rather than the short term macro economic news.
- This is our top pick in the U.S. small cap space because of its management, concentrated portfolio and favourable risk reward characteristics.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.0%	1.3%	10.0%	9.4%	10.8%	5.9%	6.5%
Russell 2000C\$	3.8%	3.1%	13.8%	5.7%	10.3%	3.7%	4.8%
Quartile	3	3	2	1	1	1	1

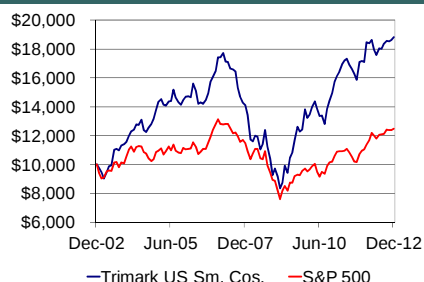
Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Rob Mikalachki (Aug 02) Virginia Au (Apr 10)
Inception Date	August 29, 2002
Total Assets	\$126.30 Million
Management Fee / MER	2.00% 2.97%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

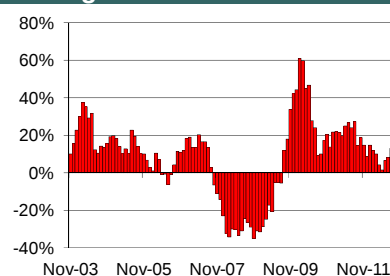
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.25%
Standard Deviation	5.43%	18.81%
Sharpe Ratio	0.02	0.06
Alpha (5 Year)		0.38%
Beta (5 Year)		1.19
Worst Drawdown	-52.85% (Apr 07 - Jan 12)	
Time to Recover	58 Months	

Growth of Investment



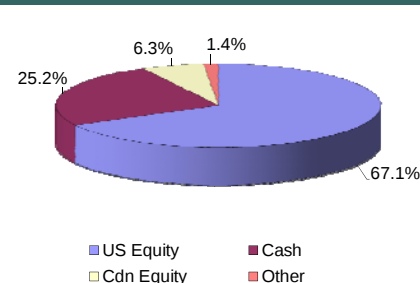
Rolling 12 Month Returns



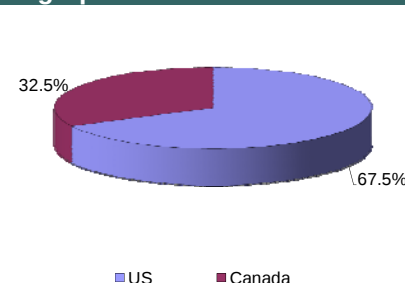
Top 10 Holdings (Dec 31/12)

Invesco U.S. Cash Mgmt	18.0%
Alliance Data Systems	7.7%
Invesco Cdn \$ Cash Mgmt	6.3%
International Rectifier Corp.	5.9%
Charles River Laboratories	4.0%
Rovi Corporation	4.0%
Lender Processing Services	3.9%
American Public Education	3.8%
Synaptics Incorporated	3.7%
ION Geophysical	3.7%
Total	60.8%

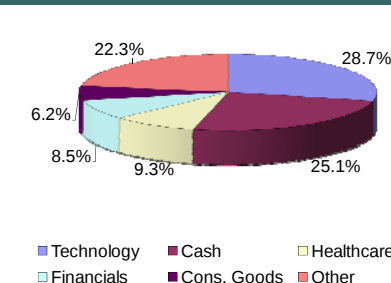
Asset Mix



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

- It is very well diversified, holding more than 130 names and the top 10 holdings make up approximately 17% of the fund.
- Despite lagging the return of the index, the fund's 2.4% rise was strong enough to put it in the upper half of the category for the quarter.
- This underperformance was largely due to holdings in the industrial and business services sectors which failed to keep pace with the benchmark.
- Consumer staples and energy holdings were also detractors.
- Over the long term, they believe that their strategy of avoiding momentum stocks and instead focusing on high quality management teams that are focusing on long term growth.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.8%	2.4%	9.6%	4.4%	9.4%	3.2%	4.8%
Russell 2000C\$	3.8%	3.1%	13.8%	5.7%	10.3%	3.7%	4.8%
Quartile	3	2	2	3	2	2	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	\$428.10 Million
Management Fee / MER	2.00% 2.55%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Long

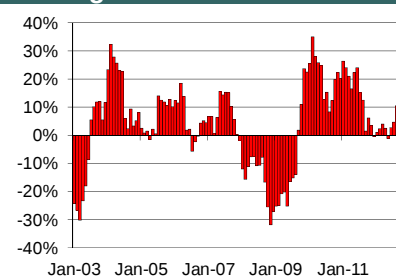
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.14%	1.70%
Standard Deviation	4.53%	15.68%
Sharpe Ratio	0.01	0.04
Alpha (5 Year)		0.14%
Beta (5 Year)		1.07
Worst Drawdown	-38.10% (Jun 07 - Jan 11)	
Time to Recover	44 Months	

Growth of Investment



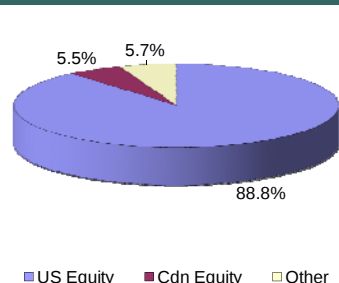
Rolling 12 Month Returns



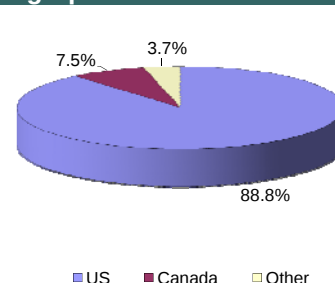
Top 10 Holdings (Dec 31/12)

Cash	2.0%
Ametek Inc.	1.9%
DENTSPLY International	1.8%
HIS CI A	1.7%
Roper Industries Inc.	1.6%
Fiserv Inc.	1.6%
Gartner	1.6%
Trimble Navigation Ltd.	1.5%
CarMax Inc.	1.5%
Calpine	1.5%
Total	16.6%

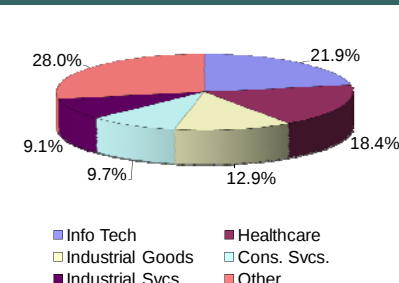
Asset Mix



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\$)	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
MSCI EAFE (C\$)	3.4%	7.8%	15.3%	2.0%	2.2%	-3.0%	3.9%

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

- During the quarter, there were no additions or deletions in the Global or International Equity categories.
- Effective immediately, we are removing the **UNDER REVIEW** rating from the **Trimark Fund**. The management team has been running the fund since April 2011. Since that time, the risk reward profile of the fund has improved, and we have developed a level of comfort with the managers. Based on this, we feel it is appropriate to reinstate the fund back on to our Recommended List.

Global / International Equity Commentary and Outlook

- The global economic recovery continues, but growth rates are near the low end of historic averages. Developed economies continue to lag, while emerging markets drive the global growth picture
- Most of the major central banks are easing or are on hold. Given the anemic pace of growth, it is unlikely that will change.
- Consumer discretionary, technology and financials were the best performing sectors during the quarter, while telecom and energy lagged.

Suggested Portfolio Weighting by Investor Type

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

Mackenzie Ivy Foreign Equity

Fund Codes

Front End	MFC 081
DSC	MFC 611
Min Purchase	\$500

Investment Objective

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

Strategy

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

Analysis

- This is a good core fund for most investors. It tends to be defensively positioned which results in good downside protection, yet often results in underperformance in rising markets.
- Given the defensive nature of the fund, it is not surprising that it underperformed during the quarter.
- Management does not believe that market valuations are attractive at the moment.
- They are still able to find high quality businesses at reasonably valuations, but it is becoming more difficult.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.7%	3.4%	7.9%	5.5%	4.9%	2.6%	2.7%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	3	3	4	1	1	1	2

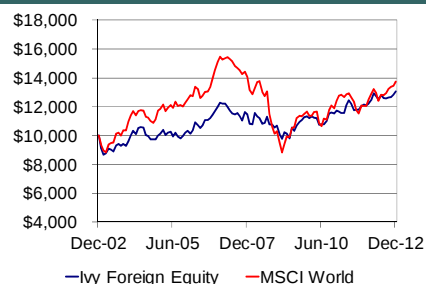
Fund Facts

Fund Sponsor	Mackenzie Financial
Fund Manager	Paul Musson (Apr 99) Matt Moody (Jan 09)
Inception Date	October 13, 1992
Total Assets	\$2,134.80 Million
Management Fee / MER	2.00% 2.55%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

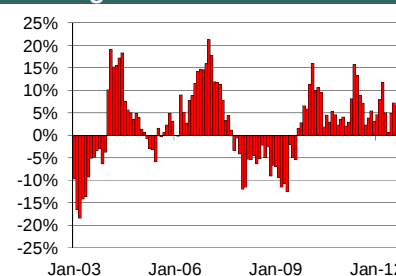
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.25%
Standard Deviation	2.75%	9.53%
Sharpe Ratio	0.03	0.12
Alpha (5 Year)		0.23%
Beta (5 Year)		0.50
Worst Drawdown	-20.48% (Feb 07 - May 11)	
Time to Recover	52 Months	

Growth of Investment



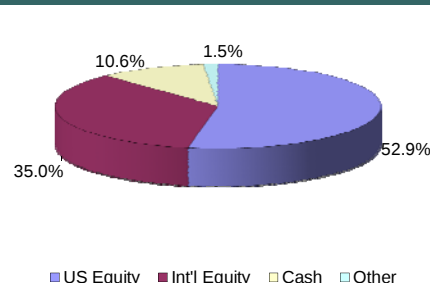
Rolling 12 Month Returns



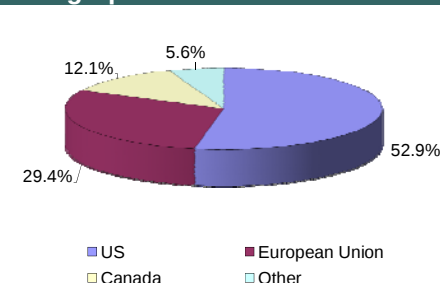
Top 10 Holdings (Oct 31/12)

Cash	10.6%
Groupe Danone	5.1%
Pearson PLC	4.9%
Admiral Group PLC	4.7%
Unilever NV	4.5%
Colgate-Palmolive Co.	4.4%
Etn Fr Colruyt NV	4.0%
PepsiCo Inc.	3.9%
Becton Dickinson & Co.	3.9%
Henry Schein Inc.	3.9%
Total	49.7%

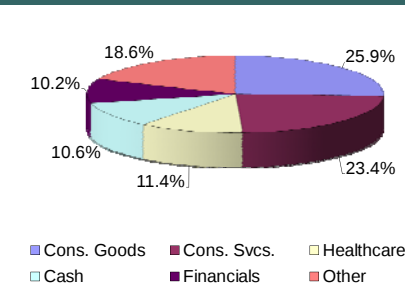
Asset Mix



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

- This is a go anywhere fund that invests in undervalued stocks, merger arbitrage opportunities and distressed securities.
- In addition to being undervalued, a stock must have a near term catalyst in place.
- The portfolio is built on a bottom up basis.
- During the quarter, the fund lagged both its benchmark and peer group, finishing in the third quartile.
- The underperformance was largely attributed to stock selection in the technology and utility sectors.
- This is a great core equity fund for investors looking for long term capital growth with a modest level of volatility.
- Given the investment process and positioning, we would expect that it will lag the index 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	2.1%	3.1%	12.6%	4.3%	5.4%	-0.3%	N/A
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	N/A
Quartile	2	3	2	2	1	1	N/A

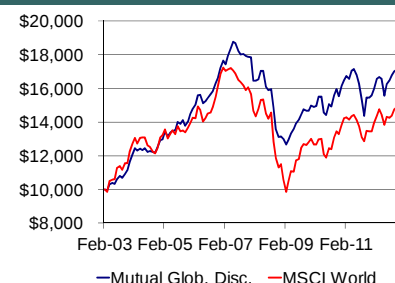
Fund Facts

Fund Sponsor	Franklin Templeton Inv.
Fund Manager	Peter Langerman (Dec 09) Philippe Brugere-Trelat (Dec 09)
Inception Date	February 17, 2003
Total Assets	\$900.30 Million
Management Fee / MER	2.00% 2.77%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Medium to Long

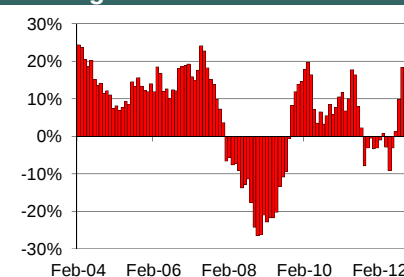
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.09%	-1.13%
Standard Deviation	3.33%	11.52%
Sharpe Ratio	-0.06	-0.20
Alpha (5 Year)		0.00%
Beta (5 Year)		0.72
Worst Drawdown	-32.45% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



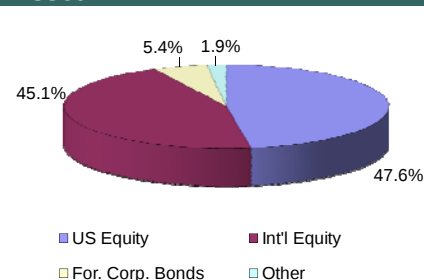
Rolling 12 Month Returns



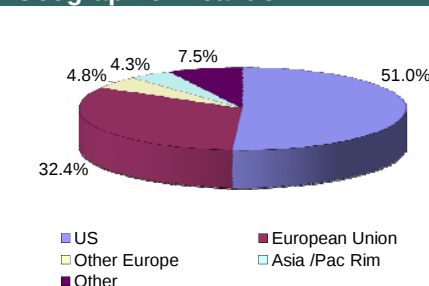
Top 10 Holdings (Sep 30/12)

Merck & Co. Inc.	2.5%
Vodafone Group PLC	2.2%
Royal Dutch Shell PLC	2.1%
British American Tobacco	2.1%
ACE Ltd.	2.0%
Jardine Strategic Holding Ltd	2.0%
Mondelez International Inc.	1.9%
Rexam PLC	1.7%
Imperial Tobacco Group PLC	1.7%
Continental AG	1.6%
Total	19.8%

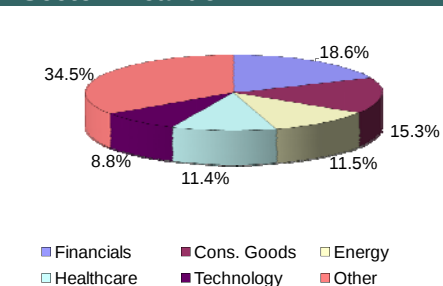
Asset Mix



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

- At the helm for nearly a year, the new management team has done a good job with the fund. As a result, we are removing our UNDER REVIEW rating effective immediately.
- The fund outperformed both its benchmark and peer group during the quarter, thanks largely to their technology, materials healthcare and industrial holdings.
- As new opportunities are found, cash will be deployed.
- They believe that economic growth is likely limited for the foreseeable future. They expect volatility will provide opportunities to upgrade the quality of the portfolio.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.7%	4.1%	12.0%	7.5%	6.7%	-0.9%	2.6%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	3	2	2	1	1	1	2

Fund Facts

Fund Sponsor	Invesco Trimark
Fund Manager	Michael Hatcher (Apr 11) Jeff Feng (Apr 11)
Inception Date	September 1, 1981
Total Assets	\$2,645.70 Million
Management Fee / MER	1.75% 1.72%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

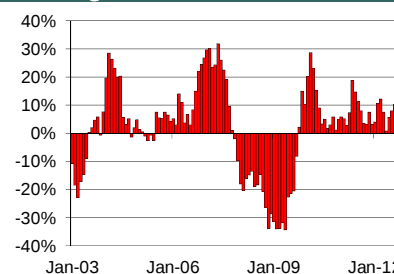
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.26%	-3.12%
Standard Deviation	4.10%	14.19%
Sharpe Ratio	-0.09	-0.30
Alpha (5 Year)		-0.03%
Beta (5 Year)		0.95
Worst Drawdown	-48.25% (Jun 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



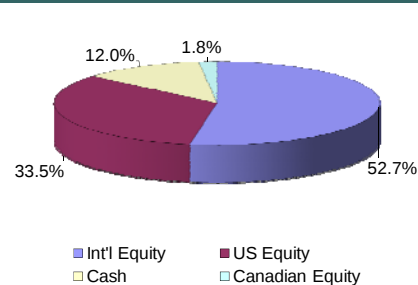
Rolling 12 Month Returns



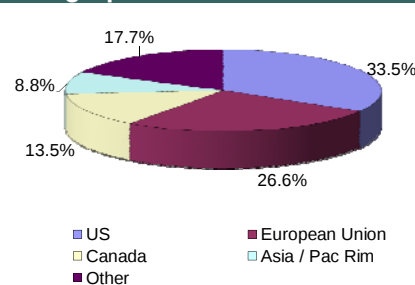
Top 10 Holdings (Dec 31/12)

Invesco Cdn\$ Cash Mgmt	10.3%
Nestle SA	3.4%
Google Inc.	3.2%
Walt Disney	3.0%
British American Tobacco	3.0%
Becton Dickinson & Co.	3.0%
Novartis AG	2.8%
Visa	2.8%
addidas AG	2.8%
SMC Corp (Japan)	2.8%
Total	37.0%

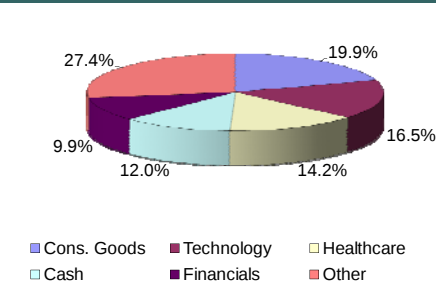
Asset Mix



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

- The manager used short term volatility as an opportunity to selectively add to a number of positions.
- They are very optimistic about the companies in the portfolio. Sees considerable opportunity outside of North American and the European Union.
- Top holding is Jardine Matheson, a conglomerate focused on the Asian consumer market. The company is growing, has quality management and is trading at a discount to NAV.
- Likes Nestle because of its good and improving economics, strong shareholder focused management team, and valuation levels.
- Continues to be a great core global equity fund for most investors.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.4%	4.7%	5.9%	3.2%	7.6%	-1.5%	2.5%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	4	1	4	2	1	2	2

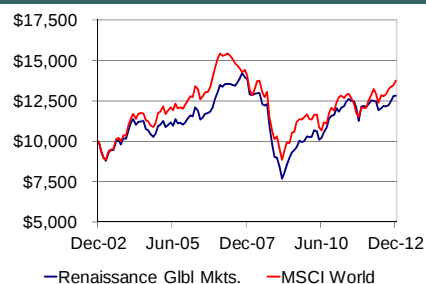
Fund Facts

Fund Sponsor	CIBC Asset Management
Fund Manager	David Winters (Oct 06)
Inception Date	January 11, 1993
Total Assets	\$226.00 Million
Management Fee / MER	2.00% 2.68%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

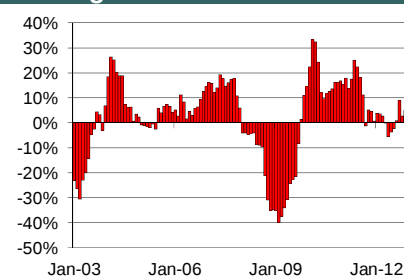
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.07%	-0.89%
Standard Deviation	3.87%	13.42%
Sharpe Ratio	-0.04	-0.15
Alpha (5 Year)		-0.08%
Beta (5 Year)		0.84
Worst Drawdown	-45.82% (Nov 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



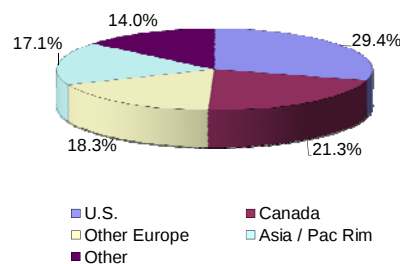
Rolling 12 Month Returns



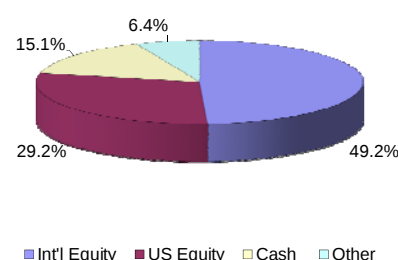
Top 10 Holdings (Sep 30/12)

Jardine Matheson Holding	9.6%
British American Tobacco	5.7%
Berkshire Hathaway Inc.	5.0%
Imperial Tobacco Group	4.7%
Swatch Group AG	4.6%
Compagnie Fin. Richemont	4.3%
Franklin Resources Inc.	4.3%
Nestle SA	4.0%
Genting Malaysia Berhad	3.9%
Phillip Morris International	3.8%
Total	49.8%

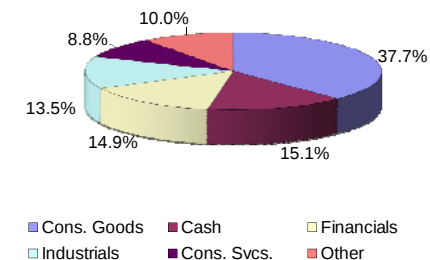
Asset Mix



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

- The fund modestly underperformed the MSCI EAFE Index largely due to the fund's financial and technology holdings.
- During the quarter, three names were sold out and replaced with names that the management improve risk reward profile.
- Remain cautious about the underlying growth and market fundamentals.
- Continue to focus on finding companies that fit their EQV criteria and exhibit solid, organic revenue growth, pricing power, solid balance sheets & defensive growth.
- While we continue to like the fund, we have noticed that the risk reward characteristics have not kept pace with the index. We will continue to monitor to see if this trend continues.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.8%	5.6%	12.4%	2.8%	4.2%	-3.0%	4.8%
MSCI EAFE	3.4%	7.8%	15.3%	2.0%	2.2%	-3.0%	3.9%
Quartile	3	4	4	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	\$246.00 Million
Management Fee / MER	2.00% 2.90%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

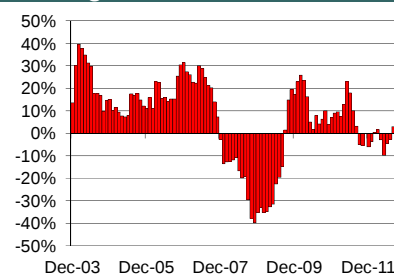
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.33%	-3.89%
Standard Deviation	4.12%	14.27%
Sharpe Ratio	-0.10	-0.35
Alpha (5 Year)		-0.04%
Beta (5 Year)		0.84
Worst Drawdown	-45.65% (May 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



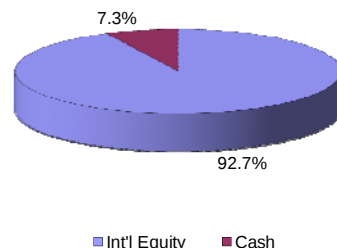
Rolling 12 Month Returns



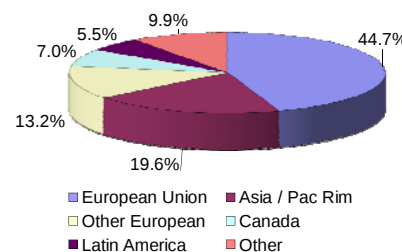
Top 10 Holdings (Dec 31/12)

Invesco Cdn.\$ Cash Mgmt	6.9%
Aryzta AG	2.8%
Anheuser-Busch InBev	2.5%
SAP AG	2.3%
Compass Group PLC	2.3%
DCC PLC	2.1%
Naspers Limited	2.0%
Imperial Tobacco Group	1.9%
Banco Bradesco SA	1.9%
British American Tobacco	1.8%
Total	26.5%

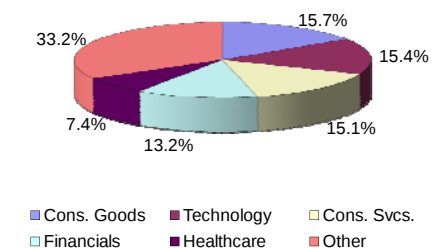
Asset Mix



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

- Managed by the same team that manages the CI American Value Fund.
- Management believes that P/E multiples don't have much room to expand, given all the central bank stimulus in the economy.
- Instead, price appreciation will be dependent on company fundamentals.
- They believe gains will be led by companies with improving revenue and cash flow generation.
- Companies that can increase dividends, share buybacks and debt repayment are expected to be the main benefactors.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.6%	2.9%	10.0%	-0.5%	5.7%	0.2%	5.4%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	3	2	2	2	1	1	1

Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Bill Priest (Aug 02)
Inception Date	April 7, 1993
Total Assets	\$113.20 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Medium to Long

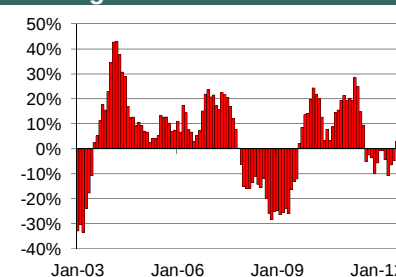
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.12%	-1.47%
Standard Deviation	3.95%	13.68%
Sharpe Ratio	-0.05	-0.19
Alpha (5 Year)		0.06%
Beta (5 Year)		0.92
Worst Drawdown	-39.65% (Apr 07 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



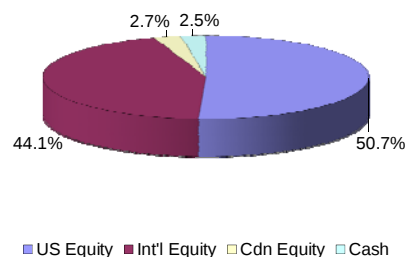
Rolling 12 Month Returns



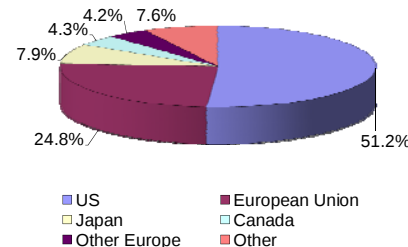
Top 10 Holdings (Dec 31/12)

Canadian dollars	1.6%
Subsea 7 SA	1.3%
Ashtead Group PLC	1.3%
Arthur J. Gallagher & Co.	1.2%
Hexcel Corp.	1.2%
NeuStar	1.2%
Woodward Inc.	1.1%
JGC Corp.	1.1%
Catlin Group Ltd.	1.1%
Oil States International	1.0%
Total	11.9%

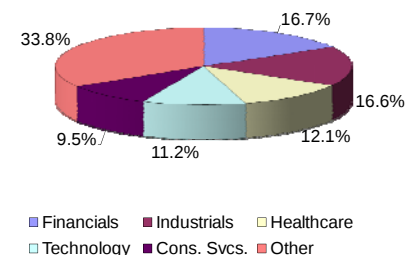
Asset Mix



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

- Looks for stocks that are trading at a significant discount to its intrinsic value and has a near term catalyst to unlock value and raise stock price
- The fund substantially outperformed the MSCI World Small/Mid Cap Index, finishing firmly in the top quartile.
- 75% of the companies in the portfolio contributed to the positive performance. Chinese property stocks were the biggest contributors to the performance.
- The manager is continuing to "clean up" the portfolio. Ten small positions were sold out and four new ones were initiated.
- They believe that equity markets by and large are fairly valued.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	5.7%	10.0%	15.6%	-7.8%	2.7%	-4.3%	10.1%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	1	1	1	4	2	4	1

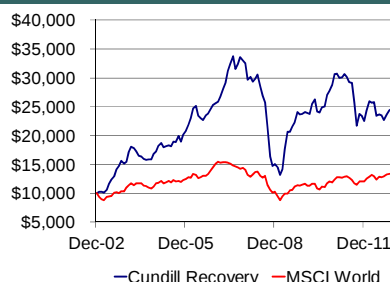
Fund Facts

Fund Sponsor	Mackenzie Financial
Fund Manager	James Morton (Jun 03)
Inception Date	October 7, 1998
Total Assets	\$1,166.00 Million
Management Fee / MER	2.00% 2.60%
Risk Rating	High
Objective	Growth
Time Horizon	Long

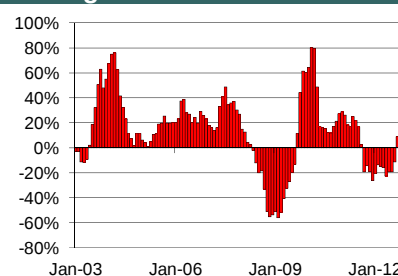
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.33%	-3.88%
Standard Deviation	7.47%	25.88%
Sharpe Ratio	-0.06	-0.19
Alpha (5 Year)		-0.14%
Beta (5 Year)		1.37
Worst Drawdown	-60.91% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



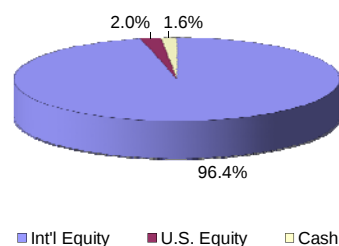
Rolling 12 Month Returns



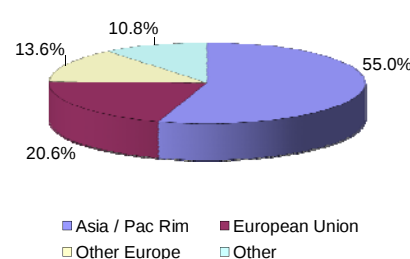
Top 10 Holdings (Oct 31/12)

Guangzhou Investment Co.	6.9%
HeidelbergCement AG	5.0%
Nizhnekamskneftekhim OAO	4.5%
First Pacific Co. Ltd.	4.2%
KWG Property Holding Ltd.	4.0%
Raven Russia Ltd.	4.0%
Tian An China Investments	3.7%
Motor Sich	3.6%
UM Land Holdings Berhad	2.8%
Bakrie & Brothers Tbk	2.7%
Total	41.6%

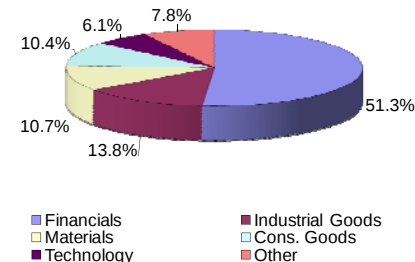
Asset Mix



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

- We have been concerned about this fund for the past couple of quarters, particularly from a volatility perspective. As a result, it remains **UNDER REVIEW** and will continue to monitor its risk reward profile for further erosion.
- The investment approach is a value focused, bottom up approach that looks to identify names that are undervalued.
- The fund gained 5.2% in the quarter, slightly underperforming its benchmark.
- Economically sensitive names in the financial and consumer discretionary sectors were the biggest contributors to performance.
- Profit taking in some of the winners muted overall gains during the quarter.
- Portfolio turnover was modest and expected to remain muted, barring any dramatic moves in the markets.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	3.9%	5.2%	11.5%	-7.3%	0.5%	-1.2%	4.4%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	2	2	2	4	4	1	2

Fund Facts

Fund Sponsor	Franklin Templeton Inv.
Fund Manager	Martin Cobb (Mar 11)
Inception Date	January 31, 1989
Total Assets	\$714.40 Million
Management Fee / MER	2.00% 2.90%
Risk Rating	Moderate to High
Objective	Growth
Time Horizon	Long

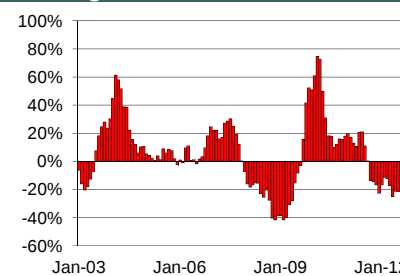
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.31%	-3.71%
Standard Deviation	6.03%	20.87%
Sharpe Ratio	-0.07	-0.23
Alpha (5 Year)		0.03%
Beta (5 Year)		1.34
Worst Drawdown	-55.11% (Aug 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



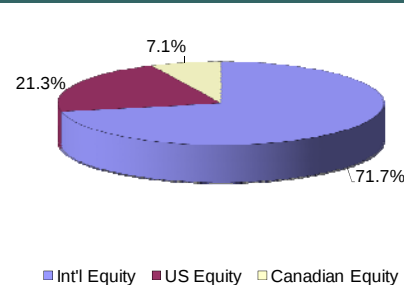
Rolling 12 Month Returns



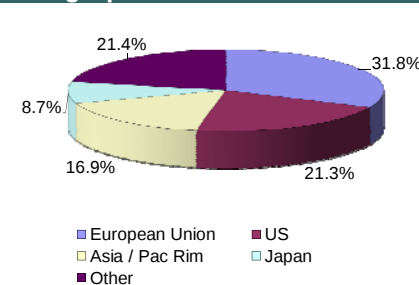
Top 10 Holdings (Sep 30/12)

Techtron Industries Co.	3.7%
AllianceBernstein Holding LP	2.9%
Popular Inc.	2.9%
HudBay Minerals Inc.	2.8%
Ensign Energy Services	2.7%
BS Financial Group Inc.	2.4%
Hajime Construction Co.	2.4%
Kobayashi Pharmaceutical	2.3%
Hyundai Mipo Dockyard Co.	2.3%
Callaway Golf Co.	2.3%
Total	26.6%

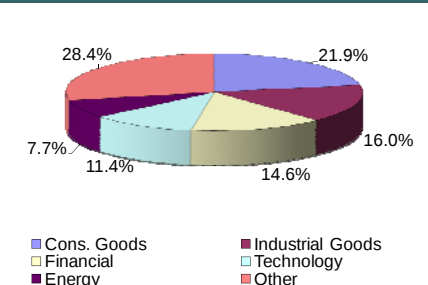
Asset Mix



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

- During the quarter, we removed the **Sprott Canadian Equity Fund** from our list. There is little debate that the fund had had a tremendous run. In fact, prior to 2008, it seemed that it could do no wrong. While the fund had always been volatile, volatility has been on the upswing since the onset of the financial crisis. The fund has always been thematically managed. That has not changed. But the fund has now essentially morphed into a precious metals fund, with more than 80% invested in precious metals bullion or equities. Based on recent manager commentary, this positioning is expected to remain in place for some time. In reviewing the fund in light of this, it becomes increasingly difficult to justify having the fund on our Recommended List. It has struggled on a risk adjusted basis of late, and has lagged many other precious metals funds on a number of metrics. Considering the fund's positioning, volatility profile, and cost, we believe that investors may be better off investing in a precious metals fund directly. We would **suggest RBC Global Precious Metals**, or the **Sentry Precious Metals Growth** as a couple of good options in the category.

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%

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

- This was the best performing healthcare fund in 2012.
- It owns a mix of growth and value stocks.
- Pharmaceutical stocks have been on a nice run since last year as investors seeking yield moved into defensive plays.
- Since this is a sector fund, portfolio exposure should be limited to no more than 10% of the portfolio.
- Given the sharp run-up in value, investors may want to consider rebalancing their portfolios to take some profits off the table.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.8%	2.6%	30.3%	14.6%	11.1%	7.1%	7.7%
MSCI Wrld Healthcare	0.7%	2.1%	15.7%	14.3%	8.5%	5.1%	2.6%
Quartile	2	1	1	1	2	1	1

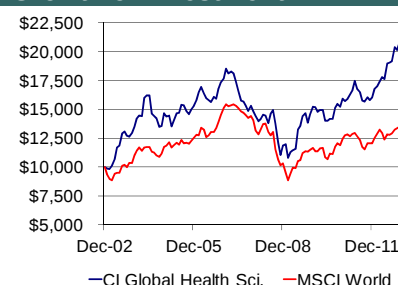
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Andrew Waight (Jun 00)
Inception Date	July 23, 1996
Total Assets	\$123.50 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	High
Objective	Growth
Time Horizon	Long

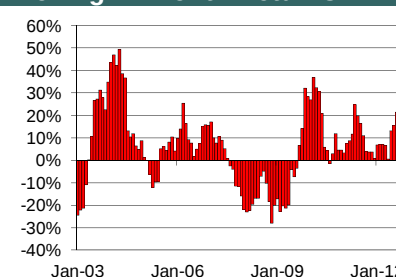
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.35%	4.24%
Standard Deviation	4.52%	15.67%
Sharpe Ratio	0.06	0.20
Alpha (5 Year)		0.49%
Beta (5 Year)		0.87
Worst Drawdown	-41.69% (Feb 07 - Jun 12)	
Time to Recover	65 Months	

Growth of Investment



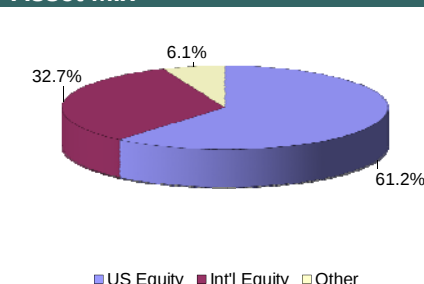
Rolling 12 Month Returns



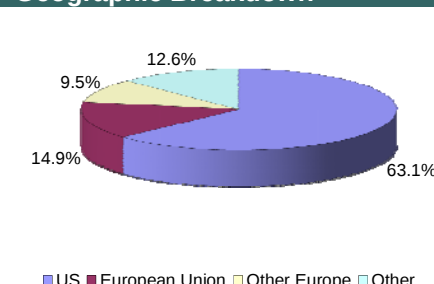
Top 10 Holdings (Dec 31/12)

Healthsouth Corp.	5.7%
Roche Holding AG	5.4%
BioMarin Pharmaceuticals	4.8%
Boston Scientific Corp.	4.8%
Celgene Corporation	4.2%
GlaxoSmithKline PLC	4.1%
Novartis AG	4.0%
ONYX Pharmaceuticals Inc.	4.0%
Patheon Inc.	3.9%
Gilead Sciences Inc.	3.8%
Total	44.6%

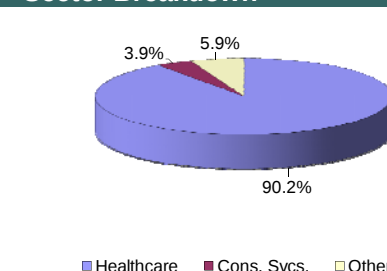
Asset Mix



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 North American focused with more than 80% invested in the region.
- REITs have had a great run, handily outpacing the broader market. As a result, they have trimmed some REIT names in Canada, and reinvested them in the U.S. and Australia.
- Even with Canadian valuations near their peak, they still expect mid to high single digit total returns.
- This is a good way to gain access to the real estate market. Has provided decent returns with lower volatility than its peer group.
- We expect that trend to continue going forward. It may not be the best performer on an absolute basis, but will do well on a risk adjusted basis.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.5%	1.3%	17.8%	10.1%	10.5%	3.3%	9.6%
TSX Real Est.	4.2%	3.0%	20.0%	14.0%	19.3%	7.9%	13.3%
Quartile	4	4	3	2	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	\$186.80 Million
Management Fee / MER	2.00% 2.44%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

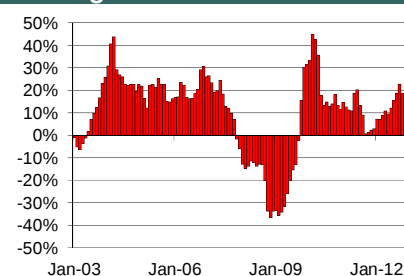
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.15%	1.79%
Standard Deviation	4.02%	13.91%
Sharpe Ratio	0.01	0.05
Alpha (5 Year)		0.32%
Beta (5 Year)		0.78
Worst Drawdown	-46.02% (Jun 07 - Jun 12)	
Time to Recover	61 Months	

Growth of Investment



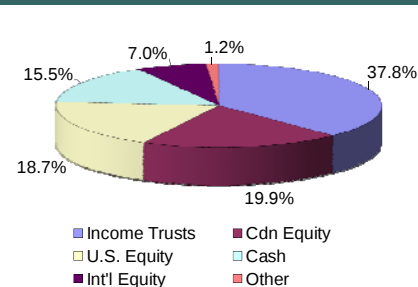
Rolling 12 Month Returns



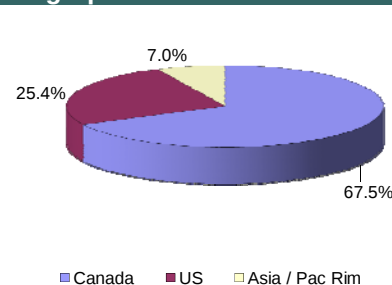
Top 10 Holdings (Oct 31/12)

Cash	7.7%
U.S. Dollars	6.2%
Brookfield Properties	4.6%
Brookfield Asset Mgmt.	4.4%
Dundee REIT	4.3%
Morguard Corporation	4.1%
H&R REIT	4.0%
InterRent REIT	3.7%
Westfield Group	3.7%
Allied Properties REIT	3.6%
Total	46.2%

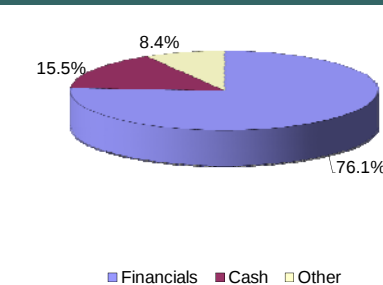
Asset Mix



Geographic Breakdown



Sector Breakdown



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 goal of the fund is to participate in long term growth opportunities in Asia with less risk & better downside protection.
- Focus on companies with healthy balance sheets, high returns on capital, strong cash flow generation and significant competitive advantages.
- Despite gaining 5.5% in Q4, the fund still lagged the benchmark and peer group.
- This underperformance was largely attributed to the underweight in Chinese banking stocks, and issues with a couple of individual healthcare names.
- Convertible bond holdings dragged performance. They believe that compelling opportunities exist in the segment.
- They remain optimistic on the outlook for Asian equities. Expect strong economic growth and valuations are reasonable..

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	2.6%	5.5%	21.9%	4.7%	7.2%	3.4%	N/A
MS Far East	4.5%	7.3%	13.0%	-0.4%	3.4%	-1.4%	N/A
Quartile	4	3	1	1	1	1	N/A

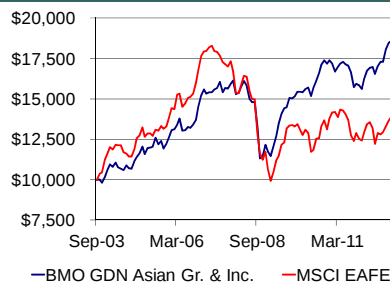
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	Robert Horrocks (Aug 09) Jesper Madsen (Mar 11)
Inception Date	August 25, 2003
Total Assets	\$730.00 Million
Management Fee / MER	0.02% 2.87%
Risk Rating	High
Objective	Growth
Time Horizon	Long

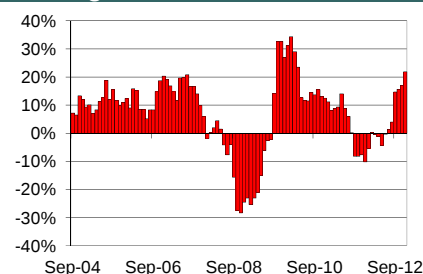
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.30%	3.62%
Standard Deviation	3.61%	12.49%
Sharpe Ratio	0.06	0.20
Alpha (5 Year)		0.44%
Beta (5 Year)		0.62
Worst Drawdown	-29.76% (Jan 08 - Aug 10)	
Time to Recover	32 Months	

Growth of Investment



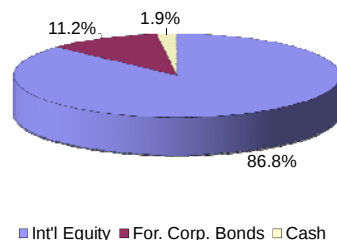
Rolling 12 Month Returns



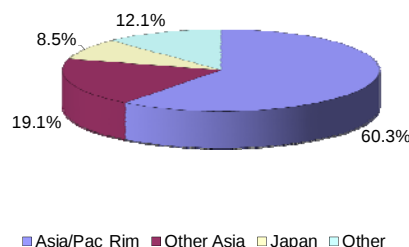
Top 10 Holdings (Dec 31/12)

Singapore Technologies Eng	4.3%
HSBC Holdings PLC	3.1%
Ascendas REIT	2.9%
Keppel Corp. Ltd.	2.8%
China Petroleum & Chem Bd	2.7%
Hisamitsu Pharmaceutical	2.7%
CLP Holdings Ltd.	2.5%
PTT PCL	2.5%
AMMB Holdings Bhd	2.4%
Hang Lung Properties Ltd.	2.2%
Total	28.0%

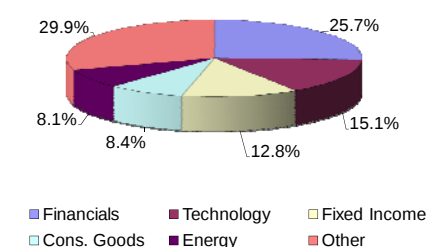
Asset Mix



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 utilizes a combination top down macro analysis combined with bottom up security selection
- Manager tends to focus on larger firms, already in production. Nearly 75% of the fund is invested in large caps.
- The fund is a diversified portfolio holding approximately 65 names with the top 10 making up 30% of the fund.
- The manager remains conservatively positioned with higher than normal cash levels of approximately 8%.
- The fund holds more than 50% in energy and 35% in materials.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	-2.6%	-4.6%	-9.4%	-1.8%	-1.1%	13.2%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	3	3	2	2	3	1	1

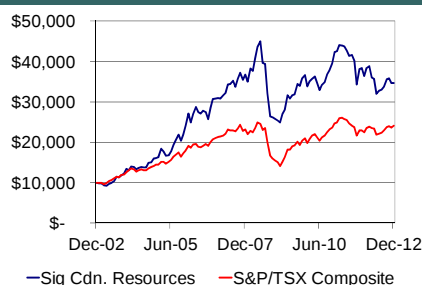
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Scott Vali (Jan 06)
Inception Date	April 11, 1997
Total Assets	\$481.90 Million
Management Fee / MER	2.00% 2.41%
Risk Rating	High
Objective	Growth
Time Horizon	Long

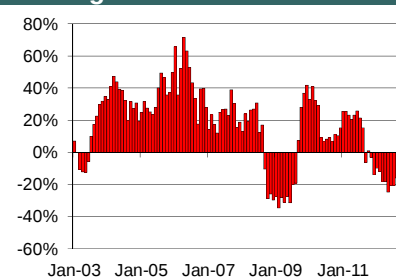
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.01%	0.15%
Standard Deviation	6.24%	21.61%
Sharpe Ratio	-0.01	-0.04
Alpha (5 Year)		-0.11%
Beta (5 Year)		1.14
Worst Drawdown	-44.48% (Jul 08 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



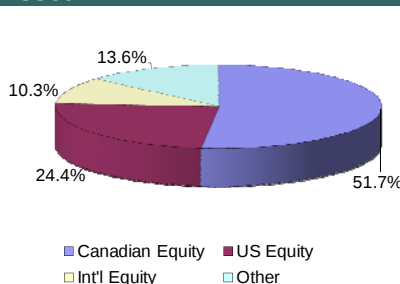
Rolling 12 Month Returns



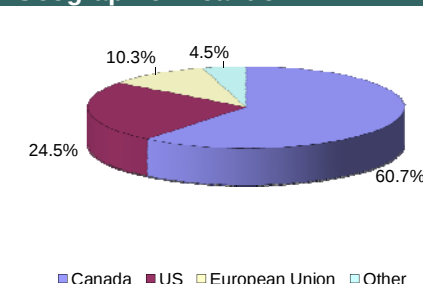
Top 10 Holdings (Dec 31/12)

RBC Term Deposit	7.5%
Gold Bullion	4.5%
Freeport-McMoRan Copper	4.0%
Suncor Energy Inc.	3.7%
BHP Billiton PLC	3.6%
Canadian Natural Resources	3.5%
Rio Tinto PLC	3.2%
Tourmaline Oil Corp.	3.2%
Barrick Gold Corp.	3.1%
Lundin Mining Corporation	2.4%
Total	38.5%

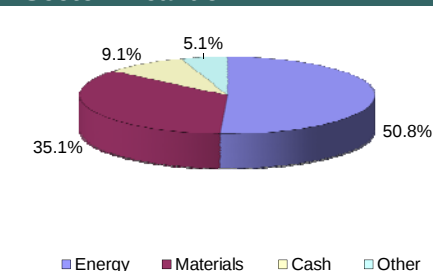
Asset Mix



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

- This is a shorter term holding for aggressive investors looking for return and are comfortable with high volatility.
- The fund dramatically underperformed in 2012.
- Much of this underperformance stems from the fact that most of the rally was in sectors that are traditionally lower growth sectors - drugs, utilities and financials.
- The focus of this fund is on high growth stocks and the manager has remained committed to their approach, process and philosophy during the year.
- Despite the short term underperformance we believe that this fund is very good at what it does over the long term.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	-0.5%	-1.9%	7.2%	0.4%	7.3%	-3.3%	8.3%
MSCI World	2.1%	3.8%	14.0%	5.2%	5.6%	-0.4%	3.2%
Quartile	4	4	4	3	1	3	1

Fund Facts

Fund Sponsor	Dynamic Funds
Fund Manager	Noah Blackstein (Jan 01)
Inception Date	January 23, 2001
Total Assets	\$521.30 Million
Management Fee / MER	2.00% 1.42%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

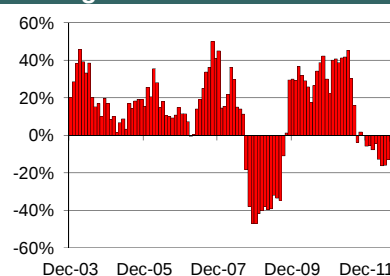
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.24%	2.93%
Standard Deviation	6.56%	22.72%
Sharpe Ratio	0.02	0.08
Alpha (5 Year)		-0.10%
Beta (5 Year)		1.30
Worst Drawdown	-52.87% (Jan 08 to Present)	
Time to Recover	Still Recovering	

Growth of Investment



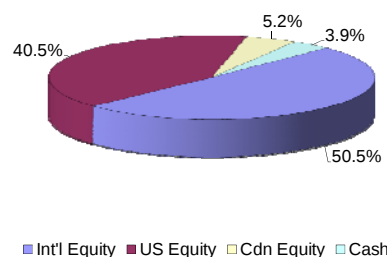
Rolling 12 Month Returns



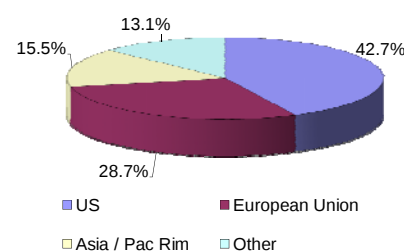
Top 10 Holdings (Oct 31/12)

Tencent Holdings Ltd.	7.4%
Industria de Diseno Textil	6.7%
Gemalto	6.4%
Telecity Group PLC	6.4%
Regeneron Pharmaceuticals	5.9%
Fusion-io	5.8%
Ulta Salon Cosmetics	5.8%
Salesforce.com	5.3%
SolarWinds	5.3%
lululemon athletica inc.	5.2%
Total	60.3%

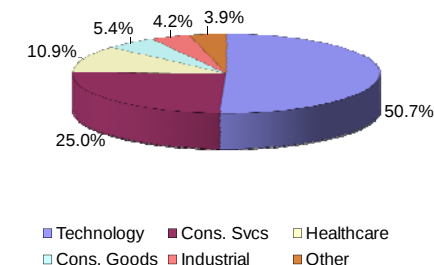
Asset Mix



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. As a result of this change, we are keeping the fund UNDER REVIEW.
- To date, we have not seen a significant deterioration of the risk reward metrics of the fund under the new management.
- The manager continues to see positive signs in the global economy, but the environment continues to be uncertain and many risks still remain.
- They expect further easing and growth supportive policies from EM policymakers.
- They continue to implement their fundamentally driven, bottom up investment process in the fund.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	4.0%	6.2%	14.6%	-1.1%	4.1%	3.2%	14.2%
MSCI Emg Mkt	5.1%	6.9%	16.0%	-1.4%	3.2%	-0.4%	11.6%
Quartile	4	3	2	1	1	1	1

Fund Facts

Fund Sponsor	AGF Funds
Fund Manager	Stephen Way (Apr 12)
Inception Date	March 11, 1994
Total Assets	\$1,293.80 Million
Management Fee / MER	2.50% 3.06%
Risk Rating	High
Objective	Growth
Time Horizon	Long

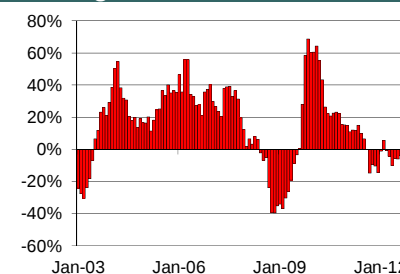
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.33%	4.00%
Standard Deviation	5.54%	19.20%
Sharpe Ratio	0.04	0.15
Alpha (5 Year)		0.56%
Beta (5 Year)		0.95
Worst Drawdown	-40.96% (Nov 07 - Nov 09)	
Time to Recover	24 Months	

Growth of Investment



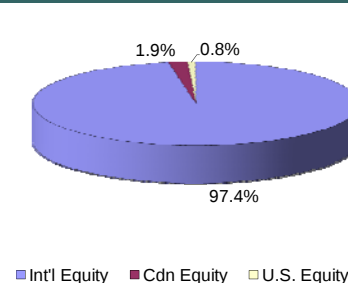
Rolling 12 Month Returns



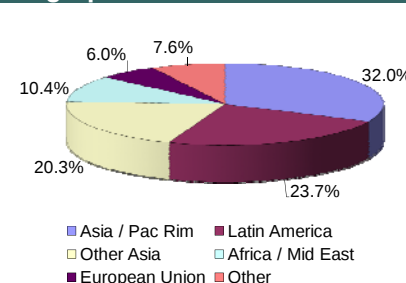
Top 10 Holdings (Dec 31/12)

Lojas Renner SA	2.7%
Woolworths Holdings Ltd.	2.5%
Samsung Electronics	2.3%
ASM Pacific Technology	2.3%
Taiwan Semiconductor Mfg.	2.2%
Daphne International	2.2%
Kasikornbank PCL	2.2%
Forschini Ltd.	2.0%
VTech Holdings	2.0%
Wharf Holdings Ltd.	1.9%
Total	22.3%

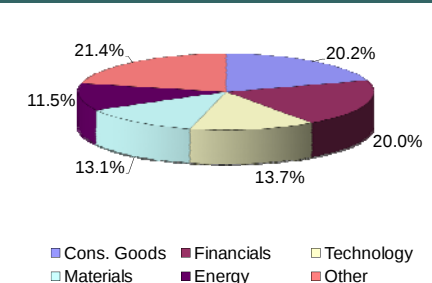
Asset Mix



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)	1.1%	1.2%	5.9%	2.1%	5.8%	3.2%	8.1%
Global Balanced Index (60% MSCI World Index / 40% DEX Bond Universe)	1.2%	2.4%	9.9%	9.9%	5.9%	6.2%	2.2%

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

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

- The portfolio is a mix of high yielding equity securities and primarily corporate and high yield debt.
- Pays a monthly distribution of \$0.07 per month, which at current prices works out to an annualized yield of 5.9%. It is likely that this level is sustainable near term.
- They used the market selloff in November as an opportunity to add names into the portfolio including Crombie REIT and Brookfield Asset Management.
- We expect that this fund will continue to deliver above average relative returns. We don't expect that the absolute levels of returns are sustainable going forward.
- Portfolio may be riskier than historic volatility suggests because of its exposure to high yield debt.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.5%	2.7%	11.6%	8.1%	10.5%	6.7%	9.7%
Glb Bal Ind.	1.2%	2.4%	9.9%	9.9%	5.9%	6.2%	2.2%
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	\$7,986.30 Million
Management Fee / MER	1.25% 1.60%
Risk Rating	Low to Moderate
Objective	Income
Time Horizon	Medium

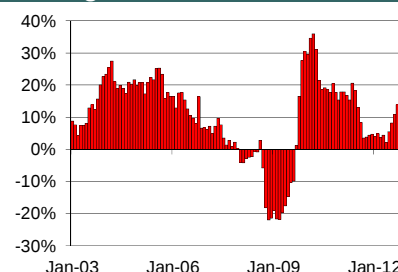
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.43%	5.31%
Standard Deviation	2.88%	9.97%
Sharpe Ratio	0.12	0.42
Alpha (5 Year)		0.49%
Beta (5 Year)		0.48
Worst Drawdown	-27.38% (Jun 07 - Apr 10)	
Time to Recover	35 Months	

Growth of Investment



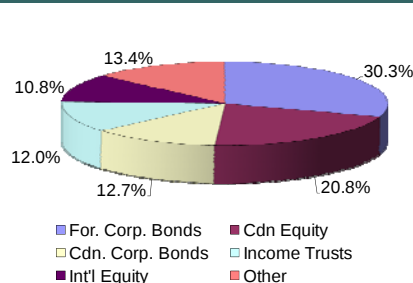
Rolling 12 Month Returns



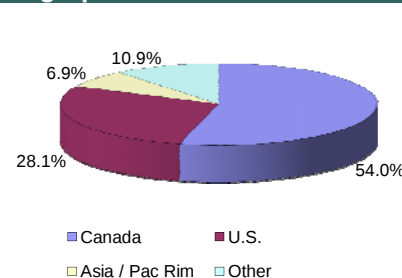
Top 10 Holdings (Dec 31/12)

ABN Amro Term Deposit	3.9%
National Bank Term Deposit	2.7%
Inter Pipeline Fund	2.2%
Suncor Energy Inc.	1.9%
Singapore Telecom	1.8%
Allied Properties REIT	1.6%
Canadian REIT	1.6%
Royal Dutch Shell PLC	1.6%
Cominair REIT	1.6%
Transurban Group	1.4%
Total	20.3%

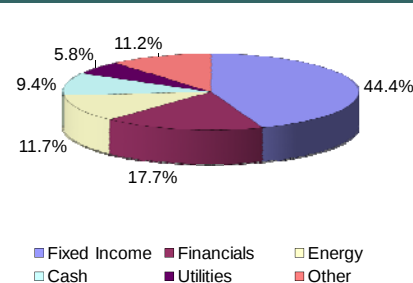
Asset Mix



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 has a target asset mix of 50% fixed income and 50% equities. The manager has flexibility to invest up to 80% in either equity or fixed income.
- It underperformed the benchmark and the majority of its peer group during the quarter largely due to its equity holdings
- The fund holds more than two thirds in equities, which is the most aggressive of any of the balanced funds on our Rec List.
- They expect that equities will continue to grind higher, but also expect that volatility will be above average.
- Investors concerned about volatility may want to consider one of the other balanced funds on our list.

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.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.7%	0.3%	5.6%	3.2%	8.4%	4.5%	N/A
Bal Ind.	1.1%	1.2%	5.9%	2.1%	5.8%	3.2%	N/A
Quartile	4	4	3	2	1	1	N/A

Fund Facts

Fund Sponsor	AGF Funds
Fund Manager	Peter Frost (May 10) Tristan Sones (Apr 06)
Inception Date	January 25, 2005
Total Assets	\$824.10 Million
Management Fee / MER	2.00% 2.39%
Risk Rating	Moderate
Objective	Income
Time Horizon	Medium to Long

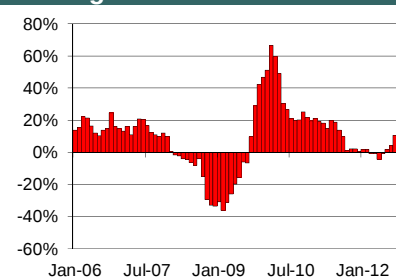
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.33%	4.01%
Standard Deviation	4.24%	14.70%
Sharpe Ratio	0.06	0.20
Alpha (5 Year)		0.04%
Beta (5 Year)		1.30
Worst Drawdown	-40.26% (Jun 07 - Mar 10)	
Time to Recover	34 Months	

Growth of Investment



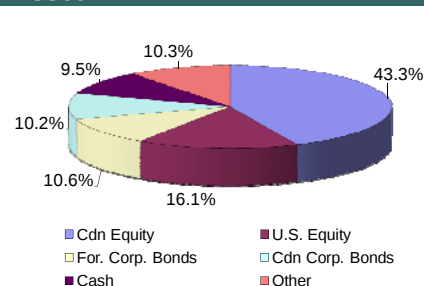
Rolling 12 Month Returns



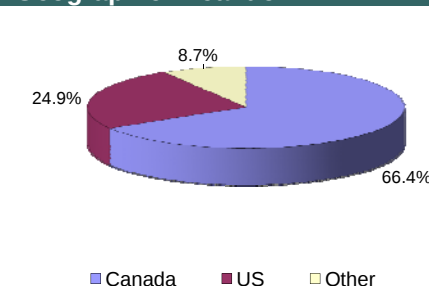
Top 10 Holdings (Dec 31/12)

Cash	9.2%
Pembina Pipeline Corp.	1.8%
Rogers Communications	1.6%
Chartwell Retirement Res.	1.6%
Gibson Energy Inc.	1.5%
British American Tobacco	1.5%
Sun Life Financial Inc.	1.5%
Altria Group	1.5%
Reynolds American Inc.	1.4%
CenturyLink	1.4%
Total	23.2%

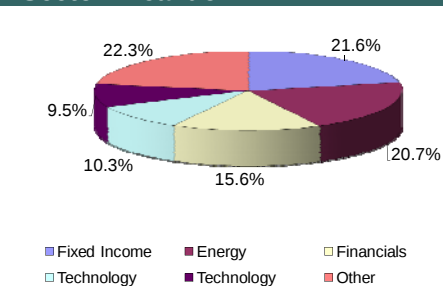
Asset Mix



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 November 30, it was neutral, holding 47% equity, 37% bonds, 10% 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.
- In Q4, the fund lagged both its peer group and benchmark.
- We like this fund's fairly conservative positioning, particularly for volatile markets. However, with the relatively static asset mix, it may not keep pace with its peer group in either a sharply rising equity market or in a rising interest rate environment.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.4%	0.5%	5.7%	2.2%	5.7%	3.2%	6.8%
Bal Ind.	1.1%	1.2%	5.9%	2.1%	5.8%	3.2%	8.1%
Quartile	4	4	2	3	1	1	1

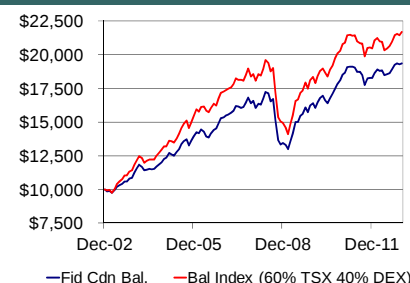
Fund Facts

Fund Sponsor	Fidelity Investments Canada
Fund Manager	Mark Friebe (Apr 10) Mariana Egan (Mar 09)
Inception Date	September 30, 1998
Total Assets	\$6,799.10 Million
Management Fee / MER	1.85% 2.27%
Risk Rating	Low to Moderate
Objective	Growth & Income
Time Horizon	Long

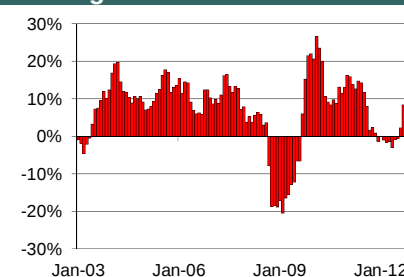
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.27%	3.33%
Standard Deviation	2.71%	9.40%
Sharpe Ratio	0.07	0.23
Alpha (5 Year)		0.01%
Beta (5 Year)		0.89
Worst Drawdown	-24.51% (Jun 08 - Sep 10)	
Time to Recover	28 Months	

Growth of Investment



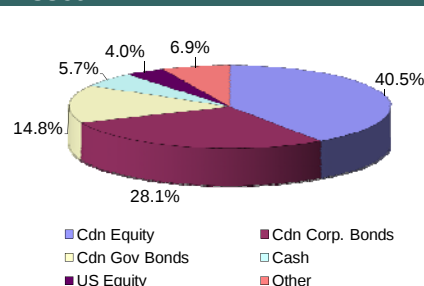
Rolling 12 Month Returns



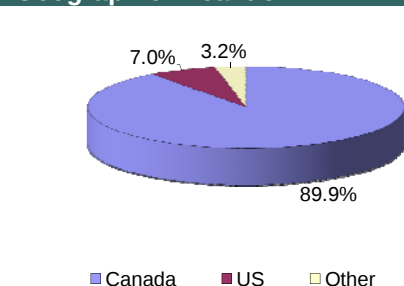
Top 10 Holdings (Nov 30/12)

High Yield Debt	7.6%
Toronto Dominion Bank	3.9%
Cash	3.8%
Royal Bank of Canada	3.8%
Suncor Energy	2.4%
Enbridge Inc.	2.3%
Cenovus Energy Inc.	2.2%
Valeant Pharmaceuticals	1.9%
Canadian Pacific Railway	1.6%
Gildan Activewear Inc.	1.6%
Total	30.9%

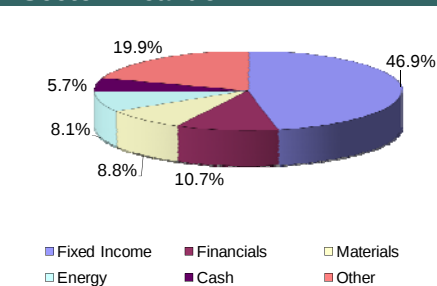
Asset Mix



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

- The manager used short term volatility as an opportunity to selectively add to a number of positions.
- As of December 31, portfolio was more aggressively positioned, holding 64% equity, 32% bonds and 4% cash. Cash is down from 12% in September.
- From a sector perspective, it is heavily weighted towards financials.
- Given this positioning, we expect that volatility has the potential to increase slightly going forward.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.9%	1.4%	6.4%	1.3%	4.0%	2.9%	7.2%
Bal Ind.	1.1%	1.2%	5.9%	2.1%	5.8%	3.2%	8.1%
Quartile	2	2	1	4	2	1	1

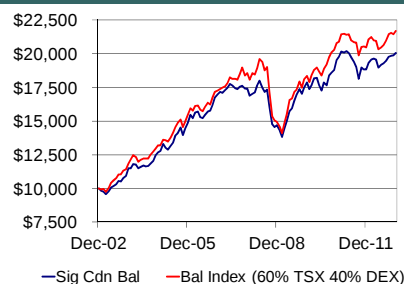
Fund Facts

Fund Sponsor	CI Investments
Fund Manager	Eric Bushell (Jul 02) John Shaw (Jul 02)
Inception Date	June 25, 1997
Total Assets	\$1,924.20 Million
Management Fee / MER	2.00% 2.42%
Risk Rating	Moderate
Objective	Growth & Income
Time Horizon	Medium to Long

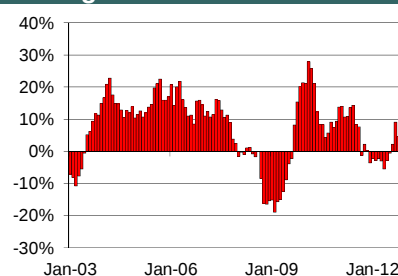
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.19%	2.36%
Standard Deviation	2.73%	9.45%
Sharpe Ratio	0.04	0.13
Alpha (5 Year)		0.00%
Beta (5 Year)		0.84
Worst Drawdown	-23.23% (Jun 08 - Mar 10)	
Time to Recover	22 Months	

Growth of Investment



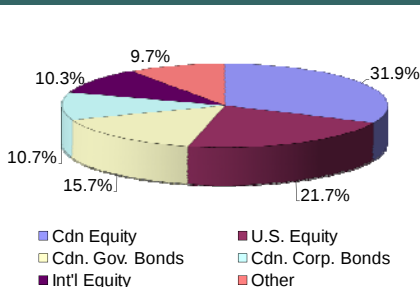
Rolling 12 Month Returns



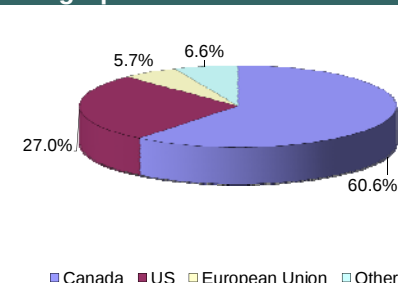
Top 10 Holdings (Dec 31/12)

Toronto Dominion Bank	4.6%
SPDR Gold Trust	3.7%
CIBC	3.1%
Canada 2.00% 01-Mar-14	2.5%
Suncor Energy Inc.	2.2%
Eli Lilly & Co.	1.9%
Royal Bank of Canada	1.8%
Canada 5.0% 01-Jun-2037	1.6%
Canadian Natural Resources	1.5%
Canada 2.75% 01-Jun-22	1.4%
Total	24.3%

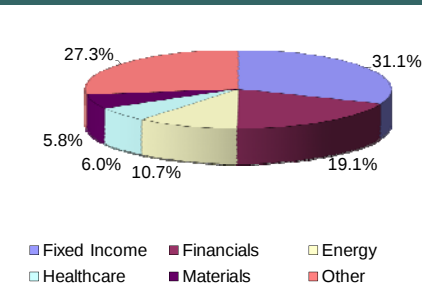
Asset Mix



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)	2.3%	4.7%	7.9%	4.2%	6.2%	3.0%	8.5%

Funds

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

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

Income Options Commentary

- There were no additions or deletions of any Income Funds during the quarter.
- At the conservative end, we have the **TD Mortgage Fund**. Like the name suggests, it invests in mortgages that are issued by TD Bank. The Fund is very stable and provides a variable monthly distribution. At current prices, the yield is approximately 2.5%, down from the 2.6% offered in Q3.
- 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 3.8% at current prices, down from 3.9% at the end of Q3. 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 5.6%, down from Q3's yield of 5.7%. BMO Guardian pays a monthly distribution of \$.06 per unit, which works out to a yield of 5.2% which down from Q3's yield of 5.3%.

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 2.5%
- 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.
- Rates on 1 and 3 year mortgages were lowered during the quarter while 5 year rates remain unchanged.
- The fund holds 93% in mortgages, 5% in bonds and the balance in cash.
- It is conservatively positioned with a duration that is lower than the benchmark and a yield that is higher.

Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	0.0%	0.2%	1.4%	1.8%	1.9%	3.4%	3.1%
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%
Quartile	1	1	2	3	2	2	2

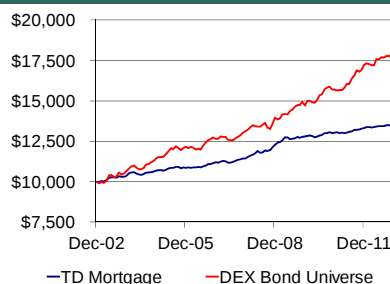
Fund Facts

Fund Sponsor	TD Asset Management
Fund Manager	David McCulla (Jan 04) Olga Bylaard (Jan 09)
Inception Date	January 1, 1975
Total Assets	\$524.83 Million
Management Fee / MER	1.50% 1.82%
Risk Rating	Low
Objective	Income
Time Horizon	Moderate

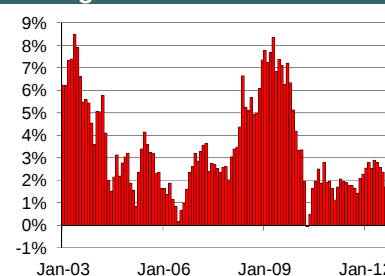
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.29%	3.50%
Standard Deviation	0.51%	1.77%
Sharpe Ratio	0.38	1.34
Alpha (5 Year)		0.19%
Beta (5 Year)		0.17
Worst Drawdown	-1.58% (Apr 04 - Nov 04)	
Time to Recover	8 Months	

Growth of Investment



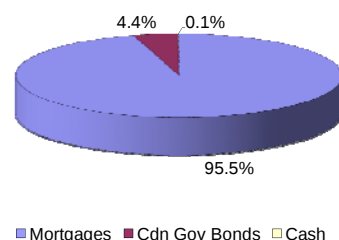
Rolling 12 Month Returns



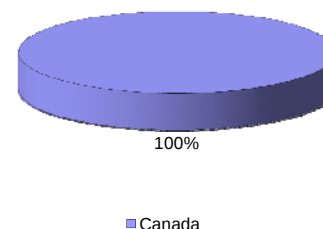
Top 10 Holdings (Dec 31/12)

NHA Mortgages	82.8%
Conventional Mortgages	12.8%
Provincial Bonds	3.3%
Federal Bonds	1.1%
Cash	0.1%

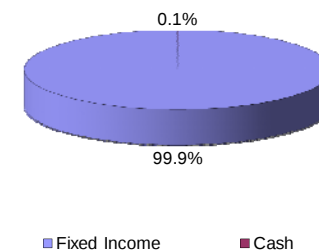
Asset Mix



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

- In Q4 the fund gained 1.6%, lagging the index, finishing in the 3rd quartile.
- The fund was overweight equities and cash, underweight fixed income.
- Performance in the bond sleeve was helped by the corporate bond holdings. They will continue to be defensive, holding corporate and provincial bonds for their yield advantage, which will allow for outperformance in flat and rising rate environments.
- Within the equity sleeve, the fund is overweight financials and real estate, and underweight energy
- Pays a monthly distribution of \$0.0425 per unit, which works out to an annualized yield of 3.8%.
- This is a great pick for non registered investors looking for a mix of income and growth 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	1.0%	1.5%	6.8%	4.8%	6.5%	4.3%	7.7%
Bal Ind.	1.1%	1.2%	5.9%	2.1%	5.8%	3.2%	8.1%
Quartile	2	2	1	1	1	1	1

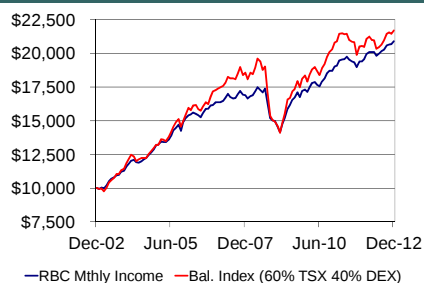
Fund Facts

Fund Sponsor RBC Global Asset Management
Fund Manager Jennifer McClelland (Apr 07)
 Suzanne Gaynor (Mar 08)
Inception Date June 23, 1997
Total Assets \$8,589.80 Million
Management Fee / MER 1.00% 1.20%
Risk Rating Low to Moderate
Objective Growth & Income
Time Horizon Medium to Long

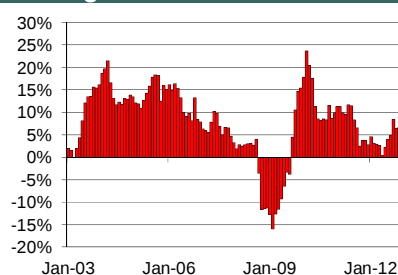
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.34%	4.12%
Standard Deviation	1.99%	6.91%
Sharpe Ratio	0.12	0.43
Alpha (5 Year)		0.17%
Beta (5 Year)		0.64
Worst Drawdown	-19.16% (Jun 08 - Feb 10)	
Time to Recover	21 Months	

Growth of Investment



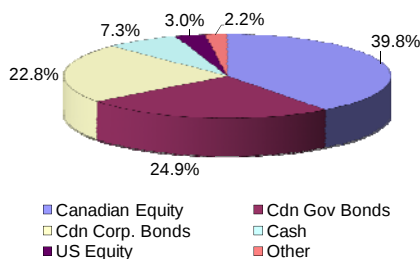
Rolling 12 Month Returns



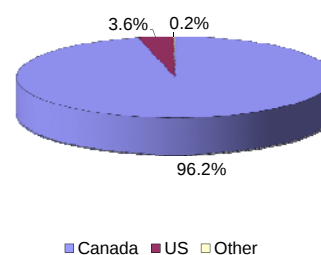
Top 10 Holdings (Sep 30/12)

TD Bank	3.3%
Royal Bank of Canada	3.3%
Bank of Nova Scotia	3.1%
CIBC BA	2.4%
Canada 2.0% 01-Jun-2016	1.9%
Suncor Energy Inc.	1.7%
Ontario 4.65% 02-Jun-2041	1.4%
Bank of Montreal	1.3%
Potash Corp	1.3%
Enbridge Inc.	1.3%
Total	21.0%

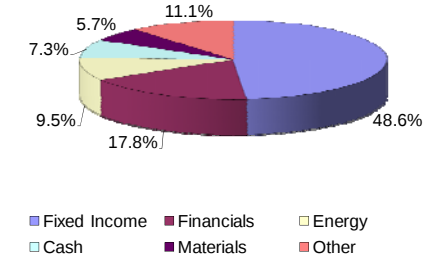
Asset Mix



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 conservatively managed. Sector weights currently below 20%.
- Pays a monthly distribution of \$0.0775 per month, which is a yield of approximately 5.6%, down from 5.7% at the end of Q3.
- This fund is best suited to medium to high risk investors looking for income.
- They believe the general outlook for equity markets is positive, but expect periods of high volatility.
- Market valuations appear to be fair.
- They continue to follow their process, looking for companies with healthy balance sheets, strong free cash flows, smart capital allocation and increasing dividends.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.8%	1.4%	11.5%	8.8%	11.9%	7.6%	13.5%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	2	4	1	1	1	1	1

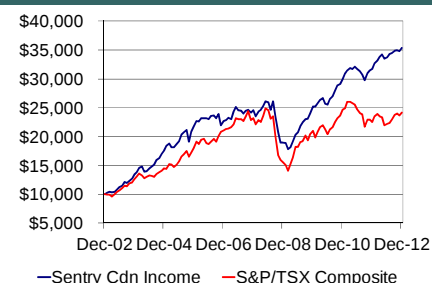
Fund Facts

Fund Sponsor	Sentry Select Capital Corp.
Fund Manager	Michael Simpson (Oct 06) Aubrey Hearn (Apr 10)
Inception Date	February 11, 2002
Total Assets	\$2,644.90 Million
Management Fee / MER	2.25% 2.70%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

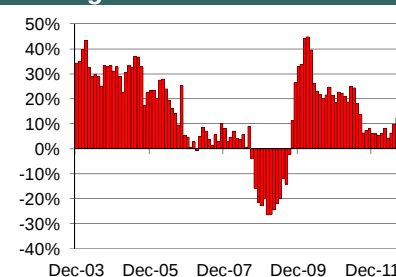
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.55%	6.83%
Standard Deviation	3.55%	12.28%
Sharpe Ratio	0.13	0.47
Alpha (5 Year)		0.55%
Beta (5 Year)		0.62
Worst Drawdown	-31.68 (Sep 08 - Mar 10)	
Time to Recover	19 Months	

Growth of Investment



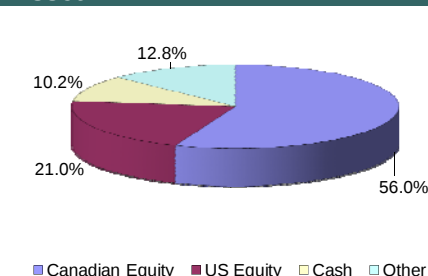
Rolling 12 Month Returns



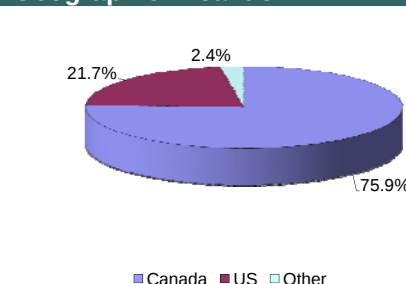
Top 10 Holdings (Sep 30/12)

Republic Services	5.0%
Cash	4.8%
Progressive Waste Solutions	4.1%
Alimentation Couche-Tarde	3.7%
Canadian REIT	3.3%
Canadian Natural Resources	2.9%
Agrium Inc.	2.7%
TELUS Corporation	2.6%
Suncor Energy	2.6%
Microsoft Corp.	2.5%
Total	34.2%

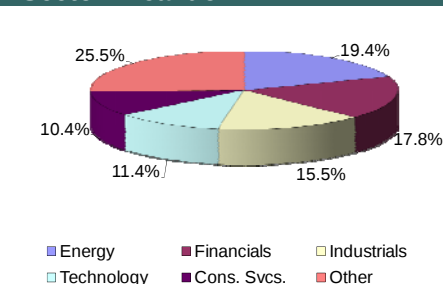
Asset Mix



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 5.2% at current prices. This is down from 5.3% at the end of Q3.
- 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.

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Performance Details

	1 Month	3 Month	1 Year	2 Year	3 Year	5 Year	10 Year
Fund	1.3%	1.9%	7.6%	9.0%	12.8%	6.8%	11.7%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	4	3	2	1	1	1	1

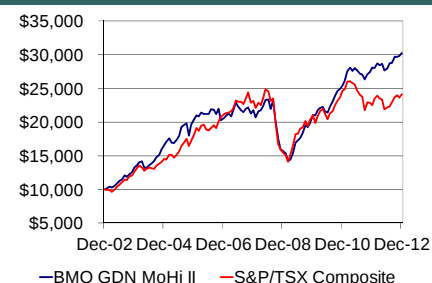
Fund Facts

Fund Sponsor	BMO GDN Funds
Fund Manager	John Priestman (Oct 02) Kevin Hall (Jan 03)
Inception Date	October 10, 2002
Total Assets	\$1,119.60 Million
Management Fee / MER	1.85% 2.39%
Risk Rating	Moderate
Objective	Growth
Time Horizon	Long

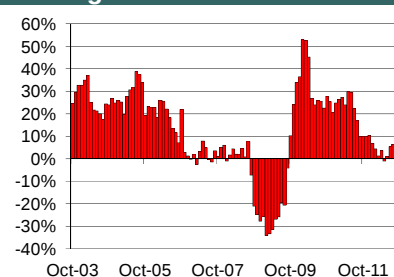
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.46%	5.67%
Standard Deviation	4.22%	14.61%
Sharpe Ratio	0.09	0.31
Alpha (5 Year)		0.49%
Beta (5 Year)		0.75
Worst Drawdown	-39.06% (Jul 08 - Sep 10)	
Time to Recover	27 Months	

Growth of Investment



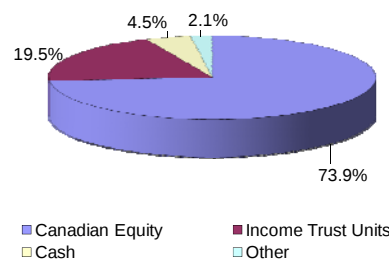
Rolling 12 Month Returns



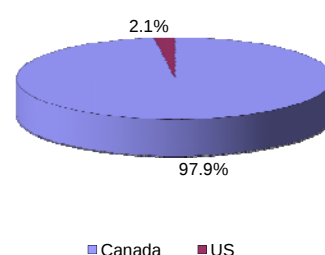
Top 10 Holdings (Dec 31/12)

Toronto Dominion Bank	4.5%
Bank of Nova Scotia	4.1%
Canadian REIT	3.5%
TELUS Corp.	3.4%
Royal Bank of Canada	3.2%
Keyera Corp.	3.1%
Baytex Energy Corp.	3.1%
Crescent Point Energy	3.0%
AltaGas Ltd.	3.0%
RioCan REIT	2.9%
Total	33.8%

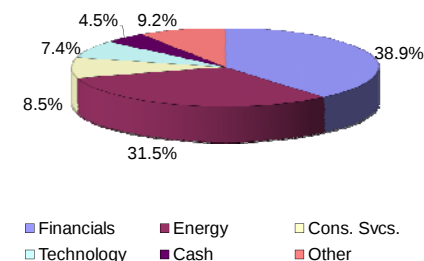
Asset Mix



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 its 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	-0.2%	0.1%	2.8%	5.7%	5.8%	5.4%	4.9%
DEX Bond	-0.1%	0.3%	3.6%	6.6%	6.6%	6.3%	6.0%
Quartile	3	3	2	2	1	2	1

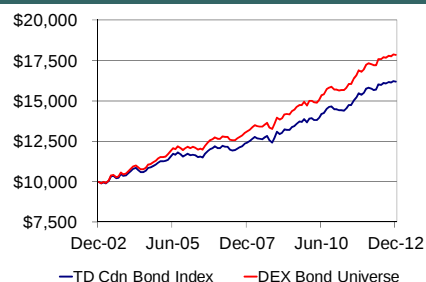
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Michelle Hegeman (Aug 08)
Inception Date May 13, 1997
Total Assets \$497.99 Million
Management Fee / MER 0.75% 0.83%
Risk Rating Low
Objective Income
Time Horizon Moderate

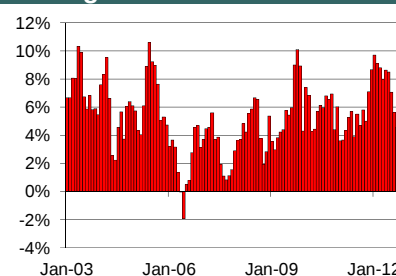
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.46%	5.69%
Standard Deviation	0.99%	3.44%
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



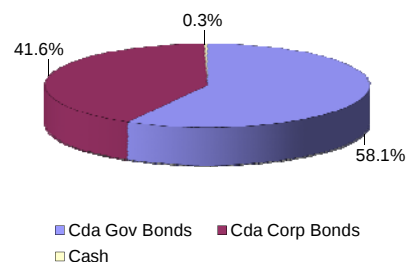
Rolling 12 Month Returns



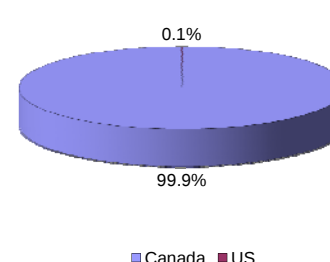
Top 10 Holdings (Dec 31/12)

Canada 5.00%	01-Jun-37	1.5%
Canada 3.00%	01-Jun-14	1.4%
Canada 5.75%	01-Jun-33	1.4%
Canada 4.00%	01-Jun-41	1.3%
Canada 5.75%	01-Jun-29	1.3%
Canada 2.25%	01-Aug-14	1.3%
Canada 0.75%	01-May-14	1.2%
Canada 3.75%	01-Jun-19	1.2%
Canada 2.00%	01-Dec-14	1.2%
Canada 3.00%	01-Dec-15	1.2%
Total		12.9%

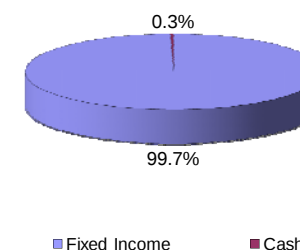
Asset Mix



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	1.9%	1.5%	6.3%	-1.9%	3.9%	0.0%	8.4%
S&P/TSX Cp	1.9%	1.7%	7.2%	-1.1%	4.8%	0.8%	9.2%
Quartile	2	3	2	2	2	2	1

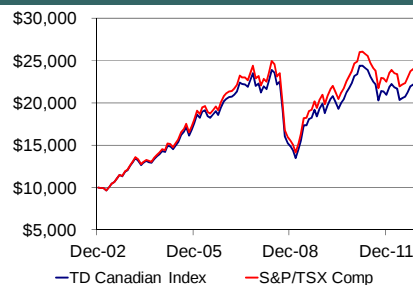
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Vishal Bhatia (Mar 05)
 Dino Bourdos (Nov 10)
Inception Date September 30, 1985
Total Assets \$943.97 Million
Management Fee / MER 0.80% 0.88%
Risk Rating Moderate
Objective Growth
Time Horizon Long

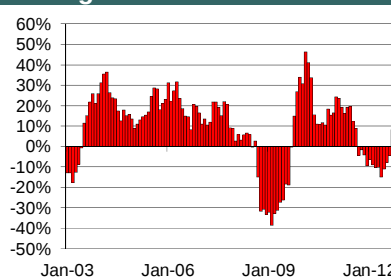
Portfolio Characteristics

	Monthly	Annualized
Average Return	0.00%	0.05%
Standard Deviation	4.92%	17.03%
Sharpe Ratio	-0.02	-0.06
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



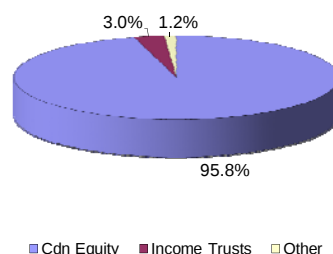
Rolling 12 Month Returns



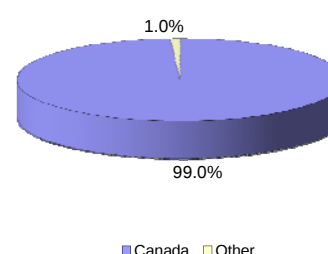
Top 10 Holdings (Dec 31/12)

Royal Bank of Canada	5.8%
Toronto Dominion Bank	5.1%
Bank of Nova Scotia	4.5%
Suncor Energy Inc.	3.3%
Bank of Montreal	2.6%
Canadian National Railway	2.6%
Potash Corporation	2.3%
Barrick Gold Corp.	2.3%
Enbridge Inc.	2.3%
TransCanada Corp.	2.2%
Total	33.2%

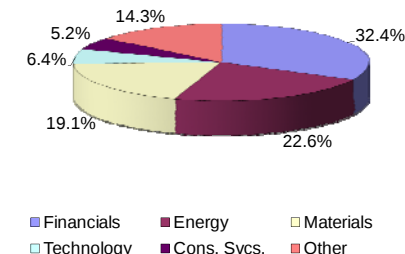
Asset Mix



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	1.1%	0.5%	12.4%	8.0%	8.1%	1.0%	1.4%
S&P 500	0.7%	0.5%	12.9%	8.6%	8.7%	1.7%	2.2%
Quartile	2	2	1	1	1	1	2

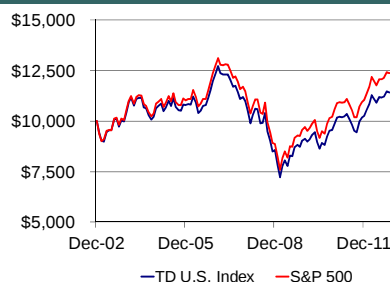
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Vishal Bhatia (Mar 05)
Dino Bourdos (Nov 10)
Inception Date April 30, 1998
Total Assets \$420.97 Million
Management Fee / MER 0.50% 0.54%
Risk Rating Moderate
Objective Growth
Time Horizon Long

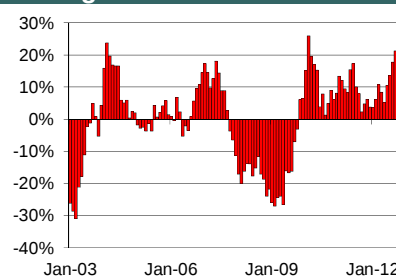
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.07%	-0.78%
Standard Deviation	3.72%	12.90%
Sharpe Ratio	-0.04	-0.15
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



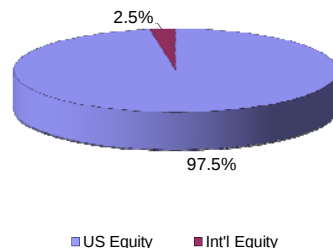
Rolling 12 Month Returns



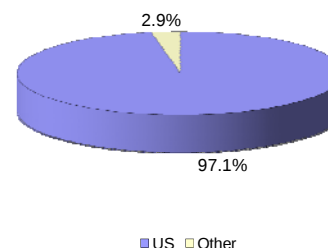
Top 10 Holdings (Dec 31/12)

Apple Inc.	3.9%
Exxon Mobil Corp.	3.1%
General Electric	1.7%
Chevron	1.7%
IBM	1.6%
Microsoft Corporation	1.6%
Johnson & Johnson	1.5%
AT&T	1.5%
Google Inc.	1.5%
Procter & Gamble Co.	1.5%
Total	19.5%

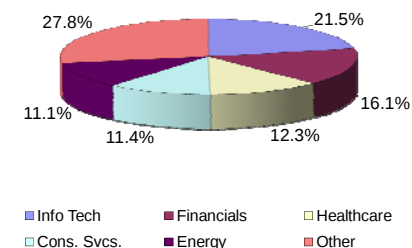
Asset Mix



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	4.3%	8.7%	14.5%	1.1%	1.0%	-4.4%	2.2%
MSCI EAFE	3.4%	7.8%	15.3%	2.0%	2.2%	-3.0%	3.9%
Quartile	1	1	3	2	2	2	2

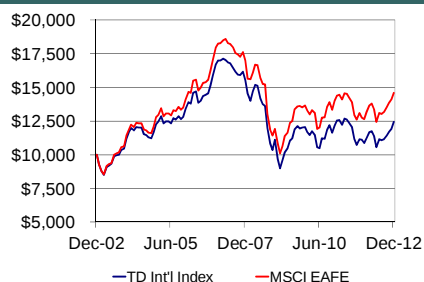
Fund Facts

Fund Sponsor TD Asset Management
Fund Manager Vishal Bhatia (Mar 05)
 Dino Bourdos (Nov 10)
Inception Date May 13, 1997
Total Assets \$214.63 Million
Management Fee / MER 1.25% 1.38%
Risk Rating Moderate
Objective Growth
Time Horizon Long

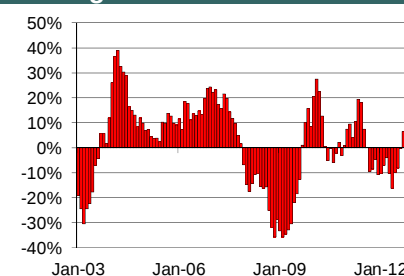
Portfolio Characteristics

	Monthly	Annualized
Average Return	-0.45%	-5.30%
Standard Deviation	4.74%	16.42%
Sharpe Ratio	-0.12	-0.39
Alpha (5 Year)		-0.11%
Beta (5 Year)		0.99
Worst Drawdown	-47.51% (Apr 07 - Present)	
Time to Recover	Still Recovering	

Growth of Investment



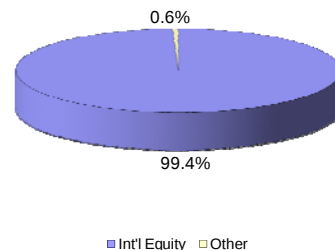
Rolling 12 Month Returns



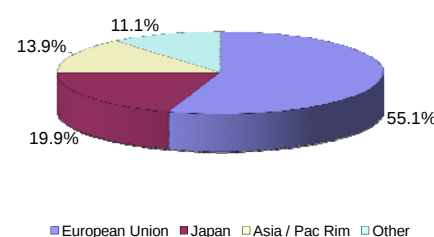
Top 10 Holdings (Dec 31/12)

Nestle SA	1.9%
HSBC Holdings PLC	1.8%
Novartis AG	1.3%
Roche Holding AG	1.3%
BP PLC	1.2%
Royal Dutch Shell PLC	1.2%
Toyota Motor Corp.	1.2%
BHP Billiton Ltd.	1.1%
Vodafone Group PLC	1.1%
Sanofi-Aventis	1.0%
Total	13.1%

Asset Mix



Geographic Breakdown



Sector Breakdown

