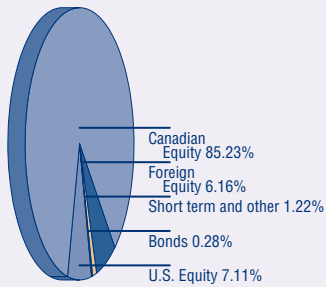




Asset mix of the Fund



Sector Allocation

Canadian Equity Portfolio

Energy	22.94%
Materials	19.04%
Industrials	7.27%
Consumer Discretionary	3.14%
Consumer Staples	1.09%
Health Care	0.00%
Financials	26.10%
Information Technology	1.72%
Telecommunication Services	3.54%
Utilities	0.39%
	85.23%

Top 10 holdings of the Fund

The Toronto-Dominion Bank	6.04%
Royal Bank of Canada	6.03%
Canadian Natural Resources Ltd.	4.08%
Canadian National Railway Co.	3.97%
Suncor Energy Inc.	3.78%
Barrick Gold Corp.	3.77%
Bank of Nova Scotia	3.65%
Potash Corporation of Saskatchewan Inc.	3.24%
Goldcorp Inc.	3.12%
Cenovus Energy Inc.	3.05%
	40.73%

Investment limits

	Min.	Max.
Short term	0%	15%
Canadian equity securities	75%	95%
Foreign equity securities	5%	30%

The maximum invested in an economic sector is limited to the higher of 20% of the Fund's assets and twice this sector's weighting on the S&P/TSX Composite Index.

The maximum that may be invested in the same company's stocks is 10% of the Fund's assets.

Commentary

The Fund is composed mainly of securities of large Canadian companies and includes a portion of foreign equities. It adheres to a value-oriented investment style. After conducting a macroeconomic analysis to identify the top performing sectors of the Canadian economy, the manager searches the market, stock by stock, seeking companies that, according to his analysis, have a stock market price below their intrinsic value. In other words, he looks for undervalued securities, selecting them according to criteria such as their price/earnings ratio, their price-to-book ratio and their intrinsic value.

Investment Advisor



Bob Farley, CFA

Inception date: May 1969

Ecoflex first offering: February 1993

Management expense ratio (MER): 2.78% (GST and HST incl.)

Objectives of the Fund

- Long-term capital growth mainly through investments in Canadian equity securities
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

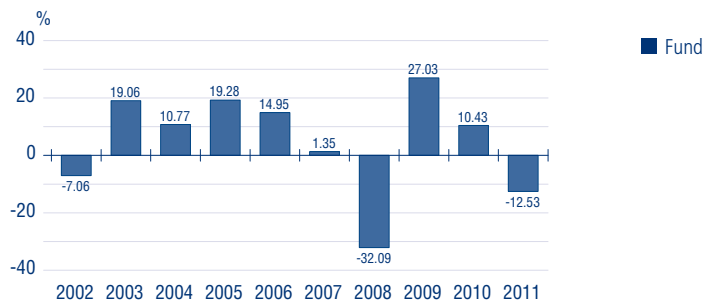
Value

Performance Data

The returns or performance information shown assume that all income/realized net gains are retained by the segregated fund in the periods shown and are reflected in higher unit values of the segregated fund. The return or performance information do not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns or performance. How the segregated fund has performed in the past does not necessarily indicate how it will perform in the future.

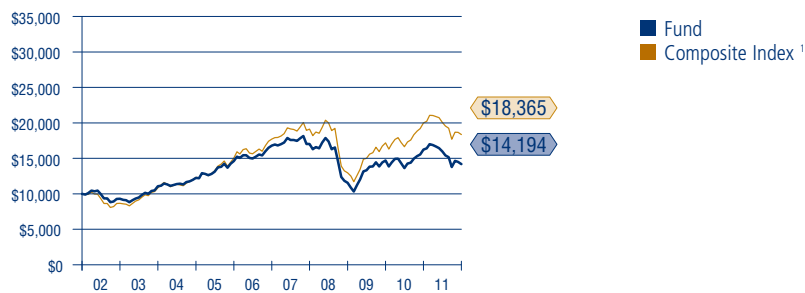
Year By Year Returns

This chart shows you the fund's annual performance and how an investment made on January 1 would have changed by December 31.



Past Performance

This graph shows you how a \$10,000 investment in this fund would have changed in value compared with the reference index.



Annual Compound Returns

This table shows the simple returns for the monthly periods and the historical annual compound total return of the segregated fund and the underlying fund compared with the reference index.

	Since February 1993	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	6.7	3.6	(3.3)	7.1	(1.7)	(12.5)	(11.1)	3.0	(2.0)	(12.5)
Composite Index ¹		6.3	0.7	12.3	3.4	(8.2)	(8.5)	3.8	(1.6)	(8.2)

¹ S&P/TSX Composite Index (90%), MSCI - World (Can. \$) (net ret.) (10%).