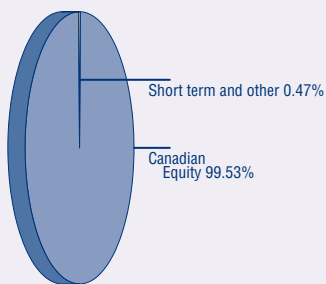




Asset mix of the Fund



Sector Allocation

**Canadian Equity Portfolio**

Energy	27.62%
Materials	21.86%
Industrials	5.65%
Consumer Discretionary	3.71%
Consumer Staples	0.00%
Health Care	1.32%
Financials	32.83%
Information Technology	2.71%
Telecommunication Services	3.83%
Utilities	0.00%
	99.53%

Top 10 holdings of the Fund

Royal Bank of Canada	6.82%
The Toronto-Dominion Bank	6.32%
Bank of Nova Scotia	5.02%
Suncor Energy Inc.	4.31%
Barrick Gold Corp.	4.14%
Canadian Natural Resources Ltd.	4.05%
Canadian Imperial Bank of Commerce	3.84%
Bank of Montreal	3.66%
Goldcorp Inc.	3.16%
Canadian National Railway Co.	2.91%
	44.23%

**Investment limits**

	Min.	Max.
Short term	0%	15%
Canadian equity securities	85%	100%

Commentary

The Fund's investment strategy centres on a process that combines the bottom-up and top-down approaches. First, the manager uses the top-down approach, which involves carrying out a macroeconomic analysis to determine the economy's best performing sectors. Then, the manager follows the bottom-up approach, which allows him to select securities according to a "value" management style. In this approach, the manager looks for securities he considers undervalued and offering growth potential on the stock market. As well, the Fund is managed so as to obtain maximum tax deferral through long-term holding of the stocks of large Canadian companies.

\* Not offered in registered contracts and TFSAs.

Investment Advisor



Luc R. Fournier, B.AdM.Sc., BA Econ.

Inception date: January 1998

Management expense ratio (MER): 2.72% (GST and HST incl.)

Objectives of the Fund

- Capital growth and maximum tax deferral by long-term holding of stocks from large Canadian companies
- Transactions are minimized in the Fund's portfolio in order to limit taxable income in the year
- Conforms to investment horizons that are sufficiently distant to tolerate the volatility of the market values

Investment style

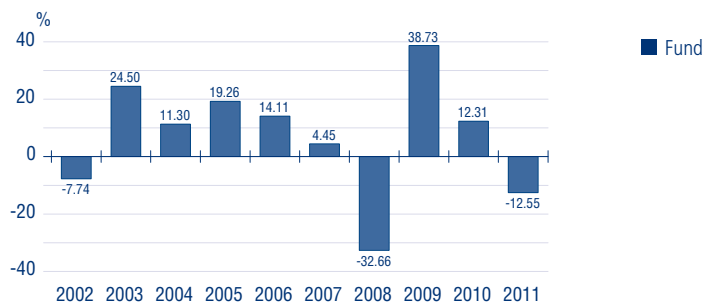
Buy and hold strategy

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.

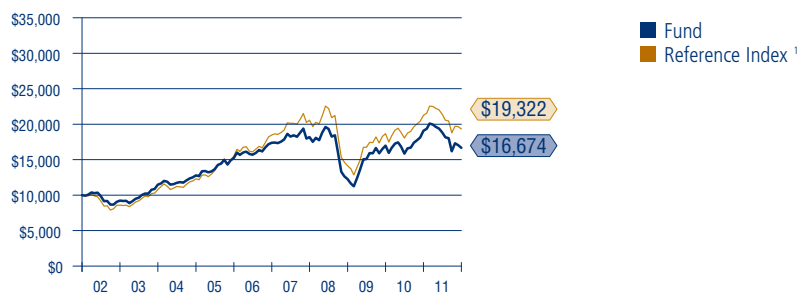
Year By Year Returns

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 compared with the reference index.

	Since January 1998	10 years	5 years	3 years	2 years	1 year	6 months	3 months	1 month	YTD
Fund	6.1	5.2	(0.8)	10.9	(0.9)	(12.6)	(11.3)	3.1	(2.2)	(12.6)
Reference Index <sup>1</sup>		6.8	0.9	10.9	1.7	(9.1)	(9.6)	2.8	(1.8)	(9.1)

<sup>1</sup> S&P/TSX 60.