

PIE Alternative Strategies Fund (Series I)

Quick Facts

Inception date: December 15, 2008
 Management fee: Series I: 0.30%
 Portfolio Manager: R.N. Croft Financial Group Inc.
 Distributions: Annually, as specified in the prospectus
 Fund codes: Series I: TCG645

Performance

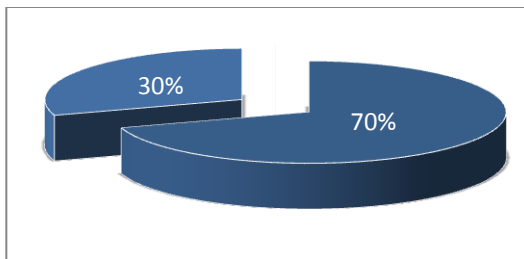
| | |
|-----------|---------------------|
| NAV | Series I \$13.34 |
| 3 Month | 5.58% |
| 6 Month | 1.35% |
| 1 Year | 23.34% |
| Inception | 19.95% |

As of June 30, 2010
 Inception date 12/15/2008

What Does the Fund Invest in?

The Fund aims to invest in a cross-section of alternative strategies that historically have had a low correlation with the broader equity markets. The Fund will hold positions in Canadian, US, and global real Estate investment trusts. The Fund may also take minor positions in gold bullion, materials, including agricultural stocks, oil and energy stocks as determined by the manager. The Fund will rebalance periodically to maintain the targeted investment mix. The Fund may also sell covered options to generate internal tax-advantaged cash flow and to reduce the risk of holding alternative investments during certain adverse market cycles.

Fund Asset Mix



| | |
|---------------------------------|-----|
| Canadian, US, Global REIT Index | 70% |
| Commodity Basket | 30% |

As at June 30, 2010

How Risky Is the Fund

High
 Medium to High
Medium
 Low to Medium
 Low
 Very Low



Who Is This Fund for?

The Fund invests in real estate investment trusts and commodities. Generally, investors would use this fund as a diversifier within a portfolio mandate. As such, the percentage invested in this Fund may vary depending on the investor's objectives and risk tolerance within the context of his or her portfolio mix. Generally, this Fund should appeal to medium-risk investors seeking capital appreciation from alternative asset classes.

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Market Commentary

The Fund's investment objective is to provide long-term capital appreciation by investing in a diversified portfolio of publicly listed issues whose business or assets are exposed largely to real estate, with the remainder to a cross-section of commodities, including precious metals, agricultural commodities, energy related assets, exchange-traded commodity funds, and commodity index funds.

Canadian REITs faced an uphill struggle in the second quarter, even though market activity continued to grow following the slowdown through 2009. Both office and retail activity picked up in the quarter as the Canadian economy continued to post solid growth and both consumer spending and residential housing markets saw some strength. Industrial property markets also saw some improvement against a backdrop of growing industrial production and firm commodity prices. However, a vacancy rates have generally risen in all sectors as increased supply from 2009 overhangs the market.

The Fund's roughly 30% allocation to commodities weighed on overall performance, however, as commodity prices eased on fears that the eurozone debt crisis would begin to erode the strength of the global recovery. With the exception of gold, most commodity prices slipped during the quarter.

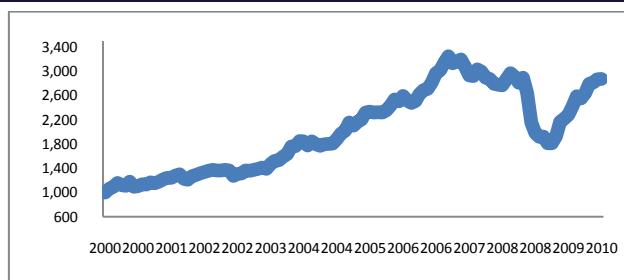
The Fund's heavy weighting to the Canadian REIT sector helped mitigate the slide in commodities through the second quarter, and contributed to the Fund's marginally positive return in the quarter. Holdings of the broad commodity index through iShares S&P GSCI Commodity-Indexed Trust (NYSE: GSG) slipped 6.9% (in C\$); however, the Fund's holding of the iShares S&P/TSX Global Gold Index Fund (TSX: XGD) advanced 21.4% in the quarter, also helping to mitigate overall weakness in the commodity sector.

June 30, 2010

Fund Benchmark Index

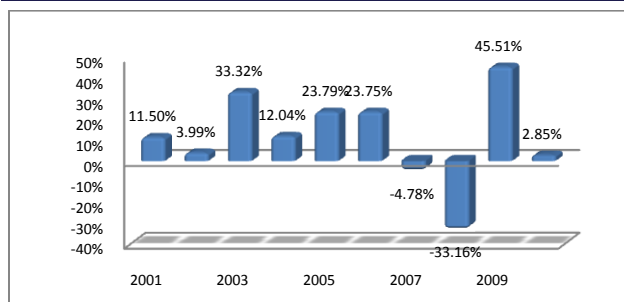
The performance of each PIE Fund is compared with an appropriate benchmark index. The PIE Alternative Strategies benchmark is a combination of the following indices: 1) 70% in the S&P/TSX REIT Total Return Index; 2) 10% S&P/TSX Materials Index; 3) 10% S&P/TSX Energy Index; and 4) 10% Gold bullion C\$. In a total return index, dividends and interest income are reinvested to purchase additional units of the benchmark index. These returns* are for illustrative purposes only, and do not account for the potential or risk associated with covered option writing or fund rebalancing.

Benchmark Cumulative Returns



As of March 31, 2010

Benchmark Annual Returns



As of March 31, 2010

10-Year Benchmark Statistics

| | | | |
|---------------------------|---------|-----------------------|--------|
| Compound Annual Returns | 11.12% | Average % Up | 3.02% |
| Annual Standard Deviation | 13.29% | Average % Down | -2.98% |
| Sharpe Ratio | 0.80 | Number of Up months | 78 |
| Maximum % Up | 12.44% | Number of Down Months | 42 |
| Maximum % Down | -18.64% | | |

As of March 31, 2010

*All metrics as at June 30, 2010, for Series I funds. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance data have not been audited and are for illustrative purposes only. Benchmark performance is based on returns adjusted for fees at a rate of 1% per annum. Valuations and performance results are reported in Canadian dollars. Performance is also calculated net transaction fees. Additional information regarding calculating and reporting performance is available upon request. The Fund is offered by prospectus by PIE Portfolio Index Evolution Corporation, which is related, connected, and managed by R.N. Croft Financial Group Inc., which also acts as investment advisor to the Fund.