



## PIE Canadian Equity 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: TCG 641

### Performance

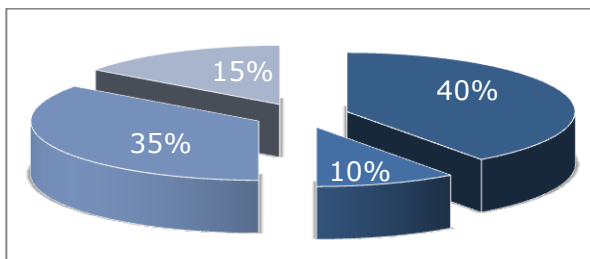
	Series I
NAV	\$10.53
3 Month	-6.07%
6 Month	-2.37%
1 Year	8.03%
Inception	13.28%

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

### What Does the Fund Invest in?

The Fund invests in a cross-section of Canadian stocks. The Fund will hold positions in the iShares CDN LargeCap 60 Index Fund, which represents a basket of large-capitalization Canadian stocks, the Claymore FTSE RAFI Fundamental Index, the iShares S&P/TSX Small Cap Index and the iShares S&P/TSX Completion Index. The Fund will rebalance periodically in order to maintain the target investment mix.

### Fund Asset Mix



XIU - S&P/TSX 60	40%
CRQ - FTSE RAFI Index	35%
XSC - S&P/TSX Small Cap	15%
XMD - S&P/TSX Completion Index	10%

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 is designed to be the Canadian equity component 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, with some dividend income.

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## Market Commentary

In the second quarter, the Canadian economy appeared headed for a third consecutive quarter of growth after staging a 6.1% annual real rate of growth in the first quarter. Surging exports, inventory rebuilding, and residential construction supported most of the growth in the first quarter, but that may be slowing in the second quarter, as global fiscal tightening programs begin to kick in.

Although Canadian productivity numbers rose only 0.7% in the first quarter, more people found jobs as well, with employment rising 0.7%, according to Statistics Canada. StatsCan's composite leading indicator rose 0.9% in May over April, as manufacturing rose. The housing index fell 1.2% however, for the first time in more than a year, as the residential real estate market begins to cool.

In its April Monetary Policy Report, the Bank of Canada suggested that the economic recovery has been gaining steam more rapidly than it had first projected, and it revised gross domestic product to grow 3.7% in 2010 before slowing in 2011.

Statistics Canada's index of leading economic indicators rose for the 12<sup>th</sup> consecutive month in May, powered by growth in manufacturing. However, while corporate profits were up about 17% year over year in the first quarter, much of that was the result of higher prices for resources and exports. The largest positive earnings surprises came from the Consumer Discretionary, Financials, and Telecom Services sectors. Materials and Energy sectors disappointed, with first-quarter earnings coming in below estimates.

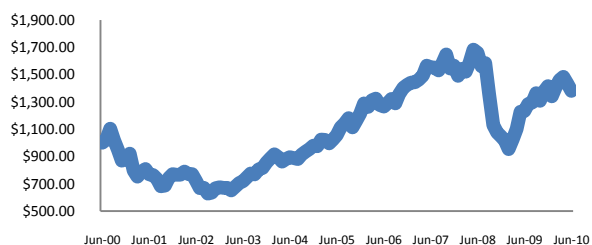
The Fund's dominant exposure to the S&P/TSX 60 Index kept overall performance positive but subdued in the second quarter through its holding of the iShares S&P/TSX 60 Index Fund, which slid about 4.3% from the first quarter. Year to date, the index finished the first half down 6%. The Fund's weighting to the Claymore Canadian Fundamental Index ETF also contributed to second-quarter sluggishness, sliding about 7% quarter over quarter, for a total retreat of 2.8% year-to-date.

June 30 2010

## Fund Benchmark Index

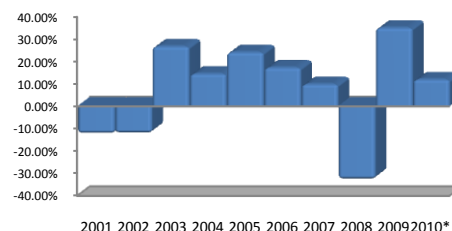
The performance of each PIE Fund is compared with an appropriate benchmark index. The PIE Canadian Equity Fund benchmark is the S&P/TSX Composite Total Return Index. In a total return index, dividends and interest income are reinvested – that is, the income is used to buy additional units of the benchmark. These returns\* are for illustrative purposes only. The returns do not take into account the potential or risk associated with the covered option writing strategy used by the Fund or with Fund rebalancing.

### Benchmark Cumulative Returns



As of June 30, 2010

### Benchmark Annual Returns



As of June 30, 2010

### 10-Year Benchmark Statistics

Compound Annual Returns	3.27%	Average % Up	3.42%
Annual Standard Deviation	16.13%	Average % Down	-4.03%
Sharpe Ratio	0.17	Number of Up months	71
Maximum % Up	11.46%	Number of Down Months	49
Maximum % Down	-16.67%		

As of June 30, 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.