



PIE Income Fund

Fund Fact Sheet | June 2011

QUICK FACTS

Portfolio Manager: R.N. Croft Financial Group Inc.

Management Fee: 1.80% Series A
0.30% Series I
1.80% Series F

Fund Code: TCG 440 Series A
TCG 540 Series F
TCG 640 Series I

Distributions: Annually

Min. Investment \$500

WHO IS THIS FUND FOR?

The Fund is designed to be an income 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 low-risk investors seeking tax-advantaged income and capital preservation.

HOW RISKY IS THE FUND

High
Medium to High
Medium
Low to Medium
Low
Very Low



OVERVIEW

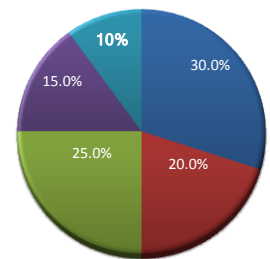
The Fund aims to generate a stable stream of income by investing in 1) cash and cash equivalent positions, 2) fixed-income investments, 3) dividend-paying common shares, 4) convertible preferred shares, preferred equity securities, and 5) a covered option-writing program. The Fund will rebalance periodically in order to realign the investment mix. The manager believes that disciplined rebalancing maintains a desired risk level within the portfolio. The strategy follows a buy-low, sell-high philosophy that is intended to realign the investment mix back to mandate.

PERFORMANCE

Fund Code	TCG 440 (Series A)	TCG 540 (Series F)	TCG 640 (Series I)
NAV	\$10.65	\$10.46	\$10.94
1 Month	-0.37%	-0.37%	-0.23%
3 Month	0.45%	0.45%	0.88%
6 Month	0.80%	0.78%	1.63%
1 Year	2.64%	2.64%	4.39%
2 Year	2.28%	2.29%	3.98%
Since Inception	3.83%	3.79%	5.73%
*Inception	Nov 25, 2008	Dec 08, 2008	Dec 15, 2008
Annual Std Dev's	2.75%	2.67%	2.81%
Benchmark Std Dev'n	4.04%		

PORTFOLIO ALLOCATION

CASH - T-Bills	30%
CAB - Broad Bond Index	20%
XRБ - Real Return Bonds	15%
CPD - S&P/TSX Preferred Shares	25%
Covered Options Writing on XIU	10%



MARKET COMMENTARY

In its biannual *Financial System Review*, released in June, the Bank of Canada (BoC) painted a picture of elevated global risk to Canada's financial system, even though the Canadian financial system remains healthy. The report said "*principal* risk for Canadian financial stability is associated with the acute financial strains in peripheral Europe." [Emphasis added.] It added, "The risk associated with global sovereign debt thus remains high and has edged even higher since December."

The fiscal problems in eurozone peripheral nations Greece, Portugal, Ireland, and Spain thus eclipse all other threats to the global financial system according to the BoC. And, to emphasize the risks still facing Canada's economy, in an interview with *The Wall Street Journal* BoC Governor Mark Carney said, "Monetary policy may still need to be stimulative in order to close the output gap and in order to get inflation back to target." Read that to mean low interest rates for quite some time yet.

The Bank of Canada maintained its benchmark target overnight rate unchanged through the first quarter at 1.0%, even though the all-items Consumer Price Index rose to an annual 3.7% in May (core inflation rose to 1.8%) and house prices continued to climb raising concerns about the potential for a real estate bubble. Yields on Canada bills and bonds slipped through the second quarter as investors' appetite for risk waned. Canada 3-month Treasury bills slipped to 0.92% at the end of June from 0.96% in May, while 10-year Canada bonds dropped to 2.98% by the end of June from around 3.5% in May.

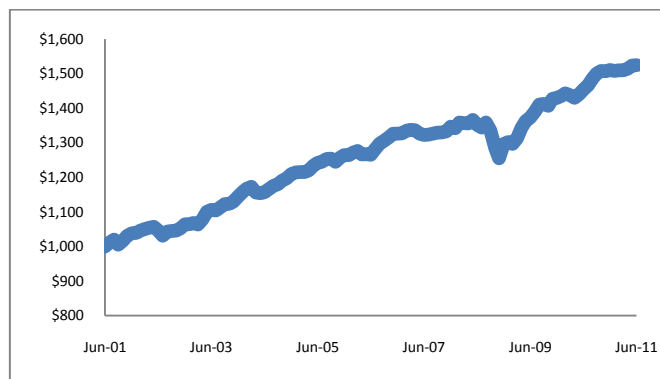
The Fund posted a gain in the first quarter despite weakness in both dividend-paying and fixed-income holdings. The Fund's key holding of Claymore Advantaged Bond ETF (TSX: CAB) gained 1.4% quarter over quarter. The fund's overweight defensive cash position helped cushion stalled performance in both the Claymore S&P Canadian Preferred Share ETF (TSX: CPD) and the iShares DEX Real Return Bond Index Fund (TSX: XRB), as well as a 5.6% quarterly loss in the iShares S&P/TSX 60 Index Fund (TSX: XIU).

June 30, 2011

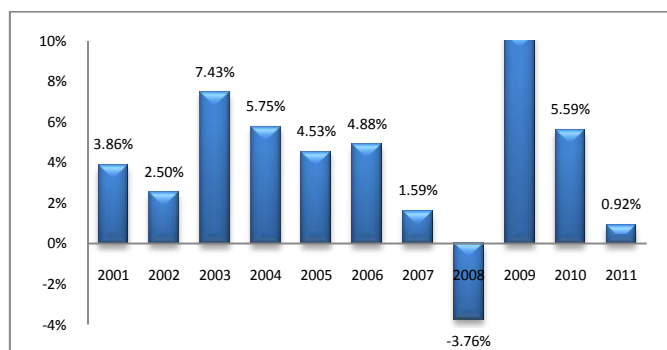
FUND BENCHMARK INDEX

The performance of each PIE Fund is compared with an appropriate benchmark index. The benchmark used for the PIE Income Fund is calculated as a total return index (i.e., income is reinvested in additional units of the underlying benchmark). The benchmark index for the PIE Income Fund includes the following total return indexes: 1) 30% 183 Government of Canada Treasury Bills; 2) 35% Canadian Broad Bond Universe; 3) 25% average of Canadian Dividend Income Funds; 4) 10% Montreal Exchange Covered Call Writers Index. Returns* are shown for illustrative purposes only.

BENCHMARK CUMULATIVE RETURNS



BENCHMARK ANNUAL RETURNS



10 - YEAR BENCHMARK STATISTICS

Compound Annual Returns	4.30%	Average % Up	0.70%
Annual Standard Deviation	4.04%	Average % Down	-0.72%
Sharpe Ratio	0.94	Number of Up months	91
Maximum % Up	3.26%	Number of Down Months	29
Maximum % Down	-3.83%		

*PIE performance as at June 30, 2011. Benchmark metrics as at June 30, 2011. 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.