



# PIE US Equity 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 442 Series A  
TCG 542 Series F  
TCG 642 Series I

Distributions: Annually

Min. Investment \$500.00

### WHO IS THIS FUND FOR?

The Fund is designed to be an 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.

### HOW RISKY IS THE FUND

High  
Medium to High  
**Medium**  
Low to Medium  
Low  
Very Low



### OVERVIEW

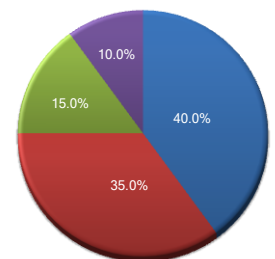
The Fund aims to invest in a cross-section of US stocks. The Fund will hold a position in the S&P 500 Depository Receipts, which represent a basket of large size US stocks, the FTSE RAFI Fundamental Index, the Russell small-cap value and the Russell mid-cap value. The Fund will rebalance periodically in order to maintain the target investment mix.

### PERFORMANCE

Fund Code	TCG 442 (Series A)	TCG 542 (Series F)	TCG 642 (Series I)
NAV	\$11.06	\$11.04	\$11.90
1 Month	-3.30%	-3.30%	-3.17%
3 Month	-2.92%	-2.92%	-2.51%
6 Month	0.38%	0.35%	1.20%
1 Year	15.69%	15.69%	17.66%
2 Year	7.54%	7.47%	9.47%
Since Inception	3.94%	3.95%	7.08%
*Inception	Nov 25, 2008	Dec 08, 2008	Dec 15, 2008
Annual Std Dev's	13.47%	13.49%	13.61%
Benchmark Std Dev'n	15.14%		

### PORTFOLIO ALLOCATION

SPDR's - S&P 500	40%
CLU - FTSE RAFI US Index (C\$ hedged)	35.0%
IWS - Russell small-cap value	15.0%
IWN - Russell mid-cap value	10.0%



## MARKET COMMENTARY

The Federal Reserve Board predicted in June that the US economy would grow only sluggishly, at an annual 2.9% for all of 2011, following a tepid annual 1.9% expansion of the US economy in the first quarter. Fed Chairman Ben Bernanke was at a loss: "We don't have a precise read on why this slower pace of growth is persisting," he said at a press conference. The Fed announced that its benchmark federal funds rate would remain at near zero for "an extended period," and that it would complete its US\$600 billion program of Treasury bond purchases by the end of July as scheduled.

Ben Bernanke, the Chairman of the Federal Reserve Board, warned lawmakers of the danger of flirting with even a "technical default" as the Aug. 2 deadline for raising the US\$14.3 trillion debt ceiling approaches. Mr. Bernanke argued that without some action by Congress, there could be "damage to the special role of the dollar and treasury securities in global markets in the long term." Central bankers have a gift for stating the obvious - it's their job. But from our perch, the odds of a US default are zero.

Nevertheless, a comatose housing market, stubbornly high unemployment, subdued consumer spending, and supply-chain bottlenecks arising from Japan's earthquake continued to weigh on U.S. stock markets in the second quarter. Those factors, along with growing concerns about an economic slowdown in China put U.S. stock markets into a quarter-over-quarter loss.

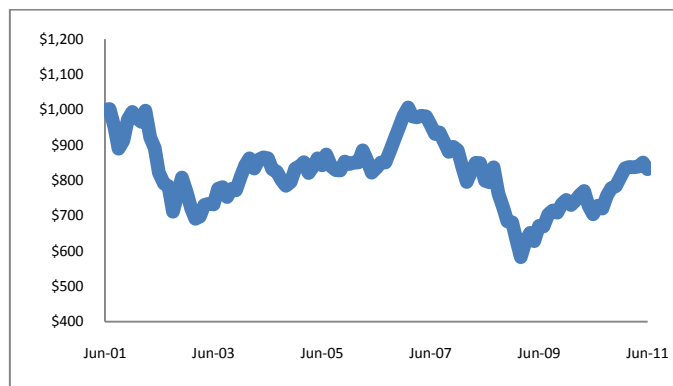
The second-quarter slide in U.S. stocks suppressed the Fund's performance in the second quarter. The Fund's key holding of the SPDR S&P 500 ETF (NYSE: SPY) fell 1.2% (in C\$). In addition, the Fund's weighting to US diversified equities through its holding of mid- and small-cap value style-based indexes also declined in the quarter, contributing to the Fund's overall weak performance. The iShares Russell MidCap Value Index Fund (NYSE: IWS) dropped 2.2% in the second quarter (in C\$), while the iShares Russell 2000 Value Index Fund (NYSE: IWN) retreated 3.4% (in C\$).

June 30, 2011

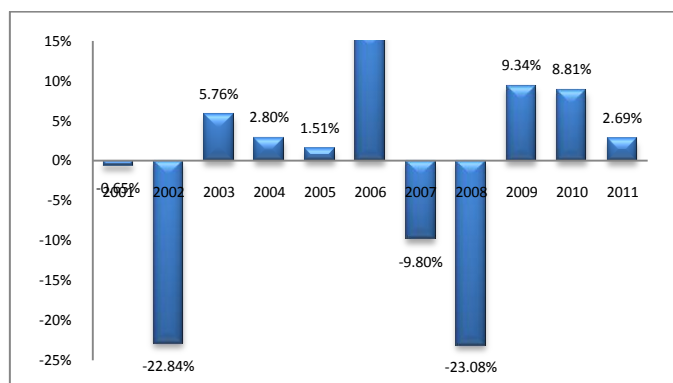
## FUND BENCHMARK INDEX

The performance of each PIE Fund is compared with an appropriate benchmark index. The PIE US Equity Fund benchmark consists of Canadian dollar adjusted benchmark indexes comprising 70% S&P 500 Composite Total Return Index plus 30% S&P 600 Small Cap 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 and do not account for the potential or risk associated with covered option writing or fund rebalancing.

## BENCHMARK CUMULATIVE RETURNS



## BENCHMARK ANNUAL RETURNS



## 10 - YEAR BENCHMARK STATISTICS

Compound Annual Returns	-1.82%	Average % Up	2.86%
Annual Standard Deviation	13.07%	Average % Down	-3.13%
Sharpe Ratio	-0.16	Number of Up months	61
Maximum % Up	7.71%	Number of Down Months	59
Maximum % Down	-9.24%		

\*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.