



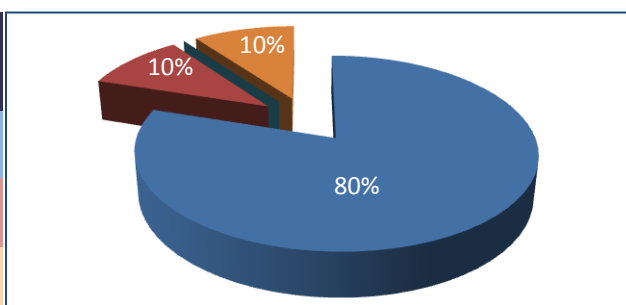
# PIE Portfolio 2

## Conservative Income Mandate

- Objective:** To achieve a consistent, and if appropriate, tax advantaged annual return with minimal downside risk.
- Strategy:** The Conservative Income Portfolio intends to deliver on its objective through its holding of the PIE Income fund which invests in four distinct income producing strategies. The strategies include; 1) cash and fixed income, 2) preferred shares, 3) income trusts and 4) option writing. The portfolio also provides some growth potential through investments in the PIE Canadian Equity Fund and the PIE Alternative Strategies Fund. Portfolio re-balancing is intended to realign the portfolio bringing it back into line with its initial mandate.
- Investor:** This portfolio is suitable for conservative investors seeking income with minimal growth and average downside risk.
- Liquidity:** Funds are available for withdrawal and are not subject to deferred sales charges.
- Reporting:** Investors with minimum accounts of \$25,000 will receive Quarterly Reviews.

### PORTFOLIO COMPOSITION

Mutual Fund	Weight (%)	Fund Risk	Std Dev
<u>PIE Income Fund</u>	80.00%	Low	3.40%
<u>PIE Canadian Equity Fund</u>	10.00%	Medium	16.59%
<u>PIE Alternative Strategies Fund</u>	10.00%	Medium	13.49%

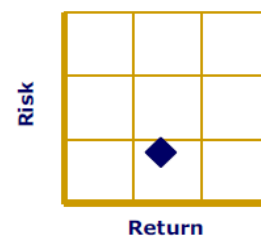


### ADDITIONAL INFORMATION

	Series A	Series F	Series I
Management Fee	1.80%	1.80%	0.30%
Fund Codes	Fund Codes		
PIE Income Fund	TCG 440	TCG 540	TCG 640
PIE Canadian Equity	TCG 441	TCG 541	TCG 641
PIE US Equity Fund	TCG 442	TCG 542	TCG 642
PIE International Equity Fund	TCG 443	TCG 543	TCG 643
PIE Emerging Markets Equity Fund	TCG 444	TCG 544	TCG 644
PIE Alternative Strategies	TCG 445	TCG 545	TCG 645

### PORTFOLIO RISK PROFILE

Objectives		Risk Tolerance	
Safety	0%	Low	0%
Income	0%	Low-Mid	80%
Balanced	90%	Medium	20%
Growth	10%	Mid-High	0%
		High	0%



### TIME HORIZON - 3 + YEARS

This is a lower risk portfolio with a shorter time horizon. Investors in this model should experience lower volatility, allowing for withdrawals as required.

## REAL WORLD CONSERVATIVE INDEX

Croft Financial Group uses the “Croft RealWorld Indexes” as passive benchmarks. These are three globally diversified index-based portfolios based on the FPX Indexes originally co-developed by Richard Croft.

These indexes are diversified by asset mix and geographic region, and are rebalanced semi-annually. What makes these benchmarks different is that they are investable, and they include a basket of index-based exchange traded funds. The Croft RealWorld Indexes take the process a step further and adjust the FPX Indexes for a 1% management fee, about the average fee paid by Canadian investors for portfolio management.

## BENCHMARK CHARACTERISTICS

<b>Unambiguous</b>	The Components are clearly specified
<b>Appropriate</b>	It is consistent with your portfolio objectives
<b>Measurable</b>	Performance can be established frequently
<b>Current</b>	It is based on marketable securities
<b>Investable</b>	It can be replicated and the components can be purchased separately

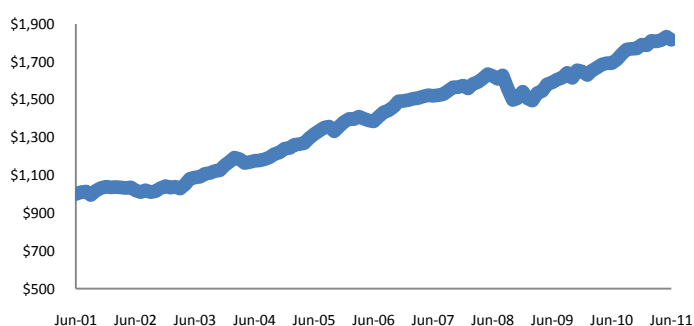
## BENCHMARK COMPOSITION

Government of Canada Treasury Bills	20%
Government of Canada Laddered Bonds	50%
iShares CDN LargeCap 60 Index Fund	25%
S&P 500 Depositary Receipts	5%

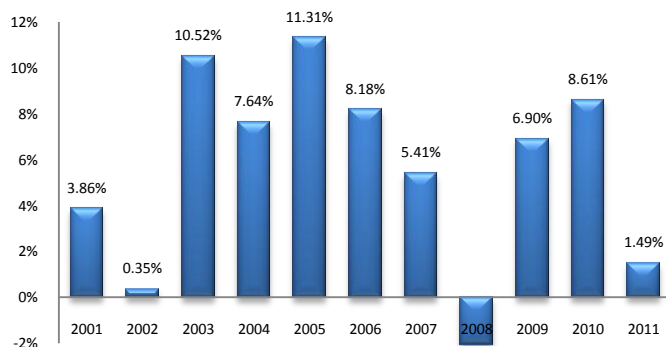
## BENCHMARK STATISTICS (10 YEARS)

Compound Annual Returns	6.15%
Annual Standard Deviation	4.23%
Sharpe Ratio	1.337
Maximum % Up	2.99%
Maximum % Up	-4.26%
Average % Up	1.06%
Average % Down	-1.04%
Number of Up Months	88
Number of Down Months	33

## BENCHMARK CUMULATIVE PERFORMANCE



## BENCHMARK ANNUAL PERFORMANCE



All metrics as at June 30, 2011. The PIE Funds are 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. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated.