



Financial Information as of December 31, 2009

# 2009 Annual Report

## Pooled Funds



**Desjardins**  
Financial Security®

Money working for people

Life, health, retirement



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## SUMMARY FACTS STATEMENTS — Unaudited

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>MONEY MARKET FUND</b> The Fund, actively managed, aims to provide capital protection and a moderate return derived primarily from income by investing in a portfolio of high quality short-term notes of governments and corporations.	1 year 3 years 5 years 10 years	10,110 10,976 11,730 14,108	1.1% 3.2% 3.2% 3.5%
<b>MORTGAGE FUND<sup>(1)</sup></b> The Fund, actively managed, aims to provide a moderate real return derived primarily from income by investing in a diversified portfolio of mortgage securities and mortgage-backed securities. The excess return derived from income will come from allocation between residential, commercial and industrial mortgages, mortgage-backed security credit class spreads and from duration management.	1 year 3 years 5 years 10 years	10,379 11,371 12,601 17,522	3.8% 4.4% 4.7% 5.8%
<b>BLACKROCK UNIVERSE BOND INDEX FUND</b> The Fund, passively managed, aims to provide a moderate real return derived primarily from income by investing in a diversified portfolio of Canadian debt securities. The Fund invests only in top-quality securities.	1 year 3 years 5 years 10 years	10,544 11,575 12,840 —	5.4% 5.0% 5.1% —
<b>ETHICAL INCOME FUND</b> The Fund, actively managed, aims to provide a high level of current interest income while, at the same time, preserving capital and seeking opportunities for capital appreciation. The Fund is comprised primarily of bonds, debentures and securities that are issued or guaranteed by the government of Canada, a province or Canadian companies and money market securities. The Fund follows a socially responsible approach to investing.	1 month 3 months 1 year Since inception	9,875 9,984 — 10,546	-1.2% -0.2% — 5.5%
<b>BEUTEL GOODMAN INCOME FUND</b> The Fund, actively managed, aims to provide a high rate of income return by investing in a diversified portfolio of fixed-income securities of Canadian government and corporate issuers. The strategy seeks to add value through management of duration, yield-curve and credit risk. Credit exposure is gained through the use of high grade corporate bonds. Emphasis is placed on the corporate security's liquidity, transparency and consistent cash flow generation through the economic cycle.	1 month 3 months 1 year Since inception	9,848 9,961 — 10,283	-1.5% -0.4% — 2.8%
<b>BOND FUND</b> The Fund, actively managed, aims to provide a moderate real return derived primarily from income by investing in Canadian government and corporate bonds. It can also hold a limited portion of mortgages and short-term notes. The Fund uses a conservative investment approach and aims to achieve a higher return than the Canadian bond market by managing the duration in the portfolio based on interest rate forecasts and modifying the relative weight of fixed-income securities based on economic conditions as well as the relative value of different sectors.	1 year 3 years 5 years 10 years	10,536 11,692 12,937 18,830	5.4% 5.3% 5.3% 6.5%
<b>McLEAN BUDDEN FIXED INCOME FUND</b> The Fund, actively managed, aims to provide a moderate real return derived from income by investing in a diversified portfolio of primarily Canadian debt securities of government and corporations and from time-to-time U.S. debt. The Fund invests only in investment grade debt. The excess return will be generated from duration management, yield-curve positioning and sector allocation.	1 year 3 years 5 years 10 years	10,610 11,659 12,907 19,395	6.1% 5.3% 5.2% 6.8%
<b>ADDENDA CANADIAN BOND FUND</b> The Fund, actively managed, aims to provide a moderate return derived from income by investing in a diversified portfolio of Canadian debt instruments. The excess return derived from income will be generated principally from interest rate anticipation and active duration management.	1 year 3 years 5 years 10 years	10,940 11,799 12,903 —	9.4% 5.7% 5.2% —
<b>BLACKROCK LONG BOND INDEX FUND</b> The Fund, passively managed, aims to provide a moderate real return derived primarily from income by investing in a largely diversified portfolio of Canadian bonds with maturity of 10 years or more.	1 month 3 months 1 year Since inception	9,769 9,849 10,430 10,905	-2.3% -1.5% 4.3% 9.1%
<b>LONG TERM BOND FUND</b> The Fund, actively managed, aims to provide a moderate return derived from income, by investing primarily in Canadian government and corporate bonds with maturities of over 10 years. The choice of fixed-income securities and their relative weight to the Index is a crucial part of the Fund's strategy. The duration management, based on interest rate forecasts, is another important strategic tool used for this mandate.	1 year 3 years 5 years 10 years	10,495 11,428 13,480 —	4.9% 4.5% 6.2% —

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>FIDELITY CANADIAN BALANCED FUND</b> The Fund, actively managed, aims to provide long-term capital appreciation and regular income stream by investing in a diversified portfolio of stocks, fixed-income securities and high yield securities. Equity investment decisions are based on a thorough examination of the company, financial conditions and long-term earnings growth potential. Fixed-income strategy includes sector allocation, security selection, credit analysis and yield-curve positioning strategies.	1 year 3 years 5 years 10 years	12,465 11,379 14,902 —	24.6% 4.4% 8.3% —
<b>TRIMARK INCOME GROWTH FUND</b> The Fund, actively managed, aims to provide a long-term capital appreciation and regular income stream by investing in a diversified portfolio of Canadian and foreign companies and fixed-income securities including government and corporate bonds. Equity security selection favours companies whose competitive advantages provide opportunities for long-term growth, and that are believed to be undervalued in relation to their intrinsic value. Fixed-income security selection places emphasis on rigorous credit analysis to identify bonds trading at attractive prices. The Manager also studies long-term trends in interest rates and yield-curve positioning for the portfolio.	1 year 3 years 5 years 10 years	11,972 9,522 11,547 21,876	19.7% -1.6% 2.9% 8.1%
<b>JARISLOWSKY FRASER BALANCED FUND</b> The Fund, actively managed, aims to add value through long-term asset mix positioning rather than short term trading by investing in a diversified portfolio consisting of fixed income securities and Canadian and foreign stocks. The Fund's equity style emphasizes buying long-term growth at a reasonable price. Fixed-income securities generate regular income reflecting the objective of capital preservation.	1 year 3 years 5 years 10 years	11,470 10,081 12,546 —	14.7% 0.3% 4.6% —
<b>CONSERVATIVE DIVERSIFIED FUND</b> The Fund, actively managed, aims to provide an above-average return in comparison with similar funds derived from both income and capital appreciation by investing in a diversified portfolio of Canadian and foreign stocks, alternative strategies, bonds, and short-term notes. The strategy provides optimal asset allocation, security selection and portfolio diversification, with below-average risk.	1 year 3 years 5 years 10 years	11,785 10,801 13,874 16,843	17.9% 2.6% 6.8% 5.4%
<b>McLEAN BUDDEN BALANCED GROWTH FUND</b> The Fund, actively managed, aims to provide a superior real return derived both from income and capital appreciation by investing in a diversified portfolio of Canadian and foreign stocks, fixed-income securities and short-term notes. The strategy provides optimal asset allocation and favours stocks of high-growth companies.	1 year 3 years 5 years 10 years	12,076 10,177 12,889 17,125	20.8% 0.6% 5.2% 5.5%
<b>CANADIAN EQUITY DIVIDEND FUND</b> The Fund, actively managed, aims to provide investors with the right balance between capital growth and dividend income by means of investments in shares of large financially stable Canadian companies.	1 year 3 years 5 years 10 years	13,353 10,132 14,297 —	33.5% 0.4% 7.4% —
<b>BERNSTEIN CANADIAN VALUE EQUITY FUND</b> The Fund, actively managed, aims to provide a long-term return derived primarily from capital appreciation by investing in a diversified portfolio of Canadian equities of large and medium capitalization companies. The Fund may also hold a limited portion of international equities. Security selection favours companies that are attractively priced relative to the long-term earnings and cash-flow potential.	1 year 3 years 5 years 10 years	13,701 8,990 13,676 —	37.0% -3.5% 6.5% —
<b>BEUTEL GOODMAN CANADIAN EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real return derived from long-term capital appreciation by investing in a diversified portfolio of established Canadian issuers. The strategy uses a disciplined bottom-up, fundamental value approach to invest in companies trading at discounts to their business value, based on the belief that stocks purchased at discount to business value provide a margin of safety. This combined with a focus on quality companies with stable, growing businesses, with strong balance sheets, should provide important downside protection.	1 month 3 months 1 year Since inception	10,372 10,174 — 11,165	3.7% 1.7% — 11.6%
<b>FIDELITY TRUE NORTH FUND<sup>(2)</sup></b> The Fund, actively managed, aims to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of shares of small, medium and large Canadian corporations. The Fund may also invest in a limited portion of foreign securities. Securities selection is based on a thorough examination of the company's financial conditions and long-term earnings growth potential. The Fund targets companies of all market capitalizations with a solid management, which are leaders in their sector.	1 year 3 years 5 years 10 years	13,358 8,067 10,617 16,805	33.6% -6.9% 1.2% 5.3%



## SUMMARY FACTS STATEMENTS — Unaudited (cont.)

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>JARISLOWSKY FRASER CANADIAN EQUITY FUND</b> The Fund, actively managed, aims to provide capital appreciation while controlling risk by investing in a diversified portfolio of Canadian equity. The Fund's equity style emphasizes buying long-term growth at a reasonable price.	1 year 3 years 5 years 10 years	12,641 10,292 15,068 —	26.4% 1.0% 8.5% —
<b>ETHICAL CANADIAN EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real return derived from capital appreciation by investing in a widely diversified portfolio of equities. The Fund uses a multi-management strategy that allocates capital between different mandates, each with a specific approach. The Fund follows a socially responsible approach to investing.	1 month 3 months 1 year Since inception	10,523 10,640 — 13,430	5.2% 6.4% — 34.3%
<b>BLACKROCK CANADIAN EQUITY INDEX FUND</b> The Fund, passively managed, aims to provide a return derived primarily from capital appreciation by investing in a broadly diversified portfolio of Canadian equity securities.	1 year 3 years 5 years 10 years	13,471 10,004 14,551 —	34.7% 0.0% 7.8% —
<b>McLEAN BUDDEN CANADIAN EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real return derived primarily from capital appreciation by investing in a diversified portfolio of mostly large capitalization Canadian equities. Half of the Fund is invested in growth stocks. The other half of the Fund invests in value stocks. Security selection favours companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or with above average long-term earnings growth potential.	1 year 3 years 5 years 10 years	13,569 9,963 14,265 —	35.7% -0.1% 7.4% —
<b>BLACKROCK ACTIVE CANADIAN EQUITY FUND</b> The Fund, actively managed, aims to provide a return in the long term derived primarily from capital appreciation by investing in a diversified portfolio of Canadian equities. The strategy identifies subsets of the securities in the S&P/TSX Equity Index that seeks to offer higher expected returns after all trading costs. Risk is controlled by keeping the fund sector, style, and size neutral.	1 year 3 years 5 years 10 years	13,557 10,489 15,866 —	35.6% 1.6% 9.7% —
<b>GE CANADIAN EQUITY FUND<sup>(3)</sup></b> The Fund, actively managed, aims to provide a long term return derived mostly from capital appreciation by investing in a diversified portfolio of Canadian stocks. Security selection favours companies undervalued relative to their growth prospects based on bottom-up, fundamental research. This strategy is designed to be transparent and disciplined with the primary goal of delivering consistent performance while controlling portfolio risk.	1 year 3 years 5 years 10 years	13,732 9,949 13,846 22,022	37.3% -0.2% 6.7% 8.2%
<b>CANADIAN EQUITY GARP FUND</b> The Fund aims to provide investors with long-term capital growth by investing primarily in Canadian medium and large cap equity securities. The Fund can also invest in foreign equities. Security selection favours companies with above average long-term earnings growth prospects and whose shares are trading at a reasonable price.	1 year 3 years 5 years 10 years	14,427 9,673 14,296 17,658	44.3% -1.1% 7.4% 5.9%
<b>McLEAN BUDDEN CANADIAN EQUITY GROWTH FUND</b> The Fund, actively managed, aims to provide a superior real return derived primarily from capital appreciation by investing in a portfolio of growth stocks of large Canadian corporations and short-term securities. The Fund may also invest in foreign equities. Security selection favours companies with above average long-term earnings growth potential.	1 year 3 years 5 years 10 years	14,239 9,884 14,727 22,181	42.4% -0.4% 8.1% 8.3%
<b>NORTH AMERICAN SMALL COMPANY FUND</b> The Fund, both actively and passively managed, aims to provide investors with long-term capital growth by investing mainly in shares of small Canadian and American companies. The Fund seeks to achieve significant growth through investments in dynamic and fast-growing companies found throughout North America. It invests much of its foreign component in futures contracts and other derivative assets based on American small-cap market indices.	1 year 3 years 5 years 10 years	13,439 8,143 10,959 14,658	34.4% -6.6% 1.8% 3.9%
<b>BISSETT SMALL CAP FUND</b> The Fund invests in a diversified portfolio of common shares of Canadian companies that are fairly valued with small to medium size market capitalization, expected to provide above average returns. The Fund may also invest in foreign equities. Security selection favours companies with above-average long-term earnings growth prospects and whose shares are trading at a reasonable price.	1 year 3 years 5 years 10 years	16,346 8,838 12,743 30,637	63.5% -4.0% 5.0% 11.8%



Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>MONTRUSCO BOLTON CANADIAN SMALL CAP EQUITY FUND</b> The Fund, actively managed, aims to provide a long-term return derived primarily from capital appreciation by investing in a concentrated portfolio of small Canadian companies. The Fund may also hold short-term securities and foreign equities. Security selection targets companies with above-average long-term earnings growth prospects.	1 month 3 months 1 year Since inception	10,942 11,879 16,814 10,874	9.4% 18.8% 68.1% 8.7%
<b>U.S. INDEX-PLUS FUND<sup>(4)</sup></b> The Fund, passively managed, aims to provide return derived primarily from capital appreciation by investing in a broadly diversified portfolio of equities, derivative products and short-term Canadian and American securities. The Manager uses indexed derivative securities, primarily futures contracts on the S&P 500 Index, without any leverage, as well as currency contracts, if applicable, to reproduce the performance of the S&P 500 Index, while eliminating the effects of movements in the value of currencies.	1 year 3 years 5 years 10 years	12,325 7,663 9,115 8,291	23.3% -8.5% -1.8% -1.9%
<b>BLACKROCK US EQUITY INDEX FUND</b> The Fund, passively managed, aims to provide a return derived primarily from long-term capital appreciation by investing in a largely diversified portfolio of American equity securities.	1 month 3 months 1 year Since inception	10,177 10,416 10,773 10,734	1.8% 4.2% 7.7% 7.3%
<b>BERNSTEIN U.S. EQUITY VALUE FUND</b> The Fund, actively managed, aims to provide long-term growth of capital on a total return basis by investing in a diversified portfolio of American stocks. Security selection favours undervalued securities with sound business fundamentals and good future prospects in the market of major American corporations.	1 year 3 years 5 years 10 years	10,849 7,098 8,541 —	8.5% -10.8% -3.1% —
<b>GE U.S. CORE EQUITY VALUE FUND</b> The Fund, actively managed, aims to provide a superior real return mainly through long-term growth of capital by investing in a diversified portfolio of U.S. equities of large and medium capitalization companies. Security selection favours companies which are believed to be undervalued by the market but have solid growth prospects by employing a relative value approach to identify companies across all economic sectors which are undervalued relative to the market, their peers, their historical valuation or their growth rate.	1 month 3 months 1 year Since inception	10,069 10,257 — 10,284	0.7% 2.6% — 2.8%
<b>UBS U.S. LARGE CAP EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of shares of American large capitalization companies. The Fund may also hold shares of medium capitalization companies. The Manager emphasizes fundamental research. Security selection favours companies whose market prices are deemed inferior to their fundamental value, in order to construct a portfolio with an attractive price/intrinsic value ratio.	1 year 3 years 5 years 10 years	11,280 7,264 8,870 —	12.8% -10.1% -2.4% —
<b>McLEAN BUDDEN AMERICAN EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real rate of return derived primarily from capital appreciation by investing in a diversified portfolio of U.S. equities. Security selection targets companies which are considered to be undervalued or with above average earnings growth potential.	1 year 3 years 5 years 10 years	11,239 8,275 9,777 —	12.4% -6.1% -0.4% —
<b>TRIMARK FUND</b> The Fund, actively managed, aims to provide a superior return derived primarily from capital appreciation by investing in a concentrated portfolio of high-quality stocks of companies located worldwide. Security selection favours companies that are attractively priced relative to their prospective earnings, cash flow and stock valuation to ensure long-term capital growth.	1 year 3 years 5 years 10 years	11,226 7,476 10,205 14,869	12.3% -9.2% 0.4% 4.0%
<b>HEXAVEST GLOBAL EQUITIES FUND</b> The Fund, actively managed, aims to provide long-term capital growth by investing in securities around the world. The Manager's top-down approach consists in active management at each decisional level (regional allocation, country selection, sector allocation, stock selection and currency management) in order to diversify the sources of added value and reduce related portfolio risk. The primary decisions are governed by a fundamental analysis of macro economic factors and are supported by quantitative models.	1 month 3 months 1 year Since inception	10,050 9,972 — 12,429	0.5% -0.3% — 24.3%



## SUMMARY FACTS STATEMENTS — Unaudited (cont.)

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>BERNSTEIN GLOBAL EQUITY VALUE FUND</b> The Fund, actively managed, aims to provide returns derived primarily from capital appreciation by investing in a widely diversified portfolio of foreign equities. Security selection favours companies whose shares appear to be trading below their inherent value. Currency exposure is actively managed, typically through the use of currency forward contracts.	1 month 3 months 1 year Since inception	10,130 10,113 11,221 8,252	1.3% 1.1% 12.2% -17.5%
<b>ETHICAL GLOBAL EQUITY FUND</b> The Fund, actively managed, aims to provide long-term capital appreciation by investing in all types of securities issued by companies or governments around the world. The portfolio Manager uses an equity investment approach, based on a combination of qualitative company selection strategies and a strict pricing discipline. Implementation of this approach involves an interaction between top-down, macroeconomic analysis, bottom-up industry analysis, and security selection. The Fund follows a socially responsible approach to investing.	1 month 3 months 1 year Since inception	10,299 10,301 — 12,620	3.0% 3.0% — 26.2%
<b>McLEAN BUDDEN GLOBAL EQUITY FUND</b> The Fund, actively managed, aims to provide a superior real return derived primarily from capital appreciation by investing in a portfolio of non-Canadian equities. A small portion of the Fund is also invested in emerging markets stocks. Security selection favours large companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or with above average long-term earnings growth potential.	1 year 3 years 5 years 10 years	11,348 8,178 10,341 9,237	13.5% -6.5% 0.7% -0.8%
<b>BERNSTEIN INTERNATIONAL EQUITY VALUE FUND<sup>(5)</sup></b> The Fund, actively managed, aims to generate long-term capital appreciation from the economic growth of countries in Europe, Asia and other non-U.S. regions. The Fund aims at exceeding the average return of international equity markets by investing in established companies that are determined to be undervalued, using a fundamental value approach. Currency exposure is actively managed, typically through the use of currency forward contracts.	1 year 3 years 5 years 10 years	11,215 6,765 10,245 11,083	12.1% -12.2% 0.5% 1.0%
<b>TEMPLETON INTERNATIONAL STOCK FUND</b> The Fund, actively managed, aims to provide a superior return derived primarily from long-term capital appreciation by investing primarily in a widely diversified portfolio of equity securities of companies located outside North America. Security selection favours companies whose shares appear to be trading below their inherent value.	1 year 3 years 5 years 10 years	12,357 8,342 12,272 —	23.6% -5.9% 4.2% —
<b>BLACKROCK MSCI EAFE EQUITY INDEX FUND</b> The Fund, passively managed, aims to provide a return derived primarily from capital appreciation by investing in a broadly diversified portfolio of non-North American equity securities.	1 year 3 years 5 years 10 years	11,169 7,489 10,316 —	11.7% -9.2% 0.6% —
<b>GE INTERNATIONAL EQUITY FUND</b> The Fund, actively managed, aims to provide a high return derived primarily from capital appreciation by investing in a strongly diversified portfolio of large capitalization companies in developed and emerging countries located outside the United States. Security selection favours companies expected to grow faster than relevant markets and whose security prices do not fully reflect their potential for growth. Stock selection is key to the performance of the Fund.	1 year 3 years 5 years 10 years	11,016 7,958 11,358 —	10.2% -7.3% 2.6% —
<b>BAILLIE GIFFORD INTERNATIONAL EQUITY FUND<sup>(6)</sup></b> The Fund, actively managed, aims to provide superior returns primarily through capital appreciation by investing in a diversified portfolio of companies located outside North America. Security selection favours companies that can sustain above average growth in earnings and cash flow, while trading at a reasonable price.	1 year 3 years 5 years 10 years	12,690 8,132 10,619 —	26.9% -6.7% 1.2% —
<b>GLOBAL REAL ESTATE FUND</b> The Fund, actively managed, aims to provide returns comparable to those of real estate markets trading on stock exchanges around the world derived primarily from long-term capital appreciation by investing in global companies and real estate investment trusts. The investment strategy combines a bottom-up approach to identify intrinsically undervalued companies and a top-down approach to determine asset allocation based on the Manager's macroeconomic view.	1 month 3 months 1 year Since inception	10,217 10,223 12,001 8,597	2.2% 2.2% 20.0% -14.0%

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<b>DGAM EMERGING MARKETS FUND</b> The Fund, actively managed, aims to provide superior return derived primarily from long-term capital appreciation by investing in a widely diversified portfolio of companies located in emerging markets. The multi-management investment strategy combines a quantitative and fundamental approach. The quantitative approach uses different models to value each security based on fundamental measures. The fundamental approach looks for companies that are well managed and represent good long-term investments.	1 month 3 months 1 year Since inception	10,286 10,523 15,514 10,010	2.9% 5.2% 55.1% 0.1%
<b>DGAM ALTERNATIVE INVESTMENTS FUND</b> The Fund, actively managed, aims to provide capital appreciation using a strategy that seeks to reproduce the performance of a global hedge fund portfolio. This alternative management based asset class, which seeks an investment return that is decorrelated from traditional asset returns, is an integral part of an asset allocation diversification strategy.	1 month 3 months 1 year Since inception	10,139 10,130 10,918 10,231	1.4% 1.3% 9.2% 2.3%
<b>MULTI-MANAGEMENT 20/80 FUND</b> This portfolio of Funds emphasizes the preservation of capital and obtaining a stable return. It suits the needs of an investor profile with very little tolerance for risk. The portfolio of Funds invests in a wide array of pooled funds, with a strong concentration in fixed income funds.	1 year 3 years 5 years 10 years	10,825 10,838 12,580 —	8.2% 2.7% 4.7% —
<b>MULTI-MANAGEMENT 35/65 FUND</b> This portfolio of Funds emphasizes the preservation of capital but also strives to enhance returns by including a relatively small growth component. It suits the needs of an investor profile with a low tolerance for risk but also aims for a moderate return. The portfolio of Funds invests in a wide array of pooled funds, with a concentration in fixed income funds.	1 year 3 years 5 years 10 years	11,164 10,321 12,528 —	11.6% 1.1% 4.6% —
<b>MULTI-MANAGEMENT 50/50 FUND</b> This portfolio of Funds equally emphasizes the preservation of capital and long-term capital growth. It suits the needs of an investor profile with a moderate tolerance for risk and aims for moderately strong returns. The portfolio of Funds invests in a wide array of pooled funds, with a close balance between fixed income funds and equity funds.	1 year 3 years 5 years 10 years	11,795 10,014 12,546 —	18.0% 0.0% 4.6% —
<b>MULTI-MANAGEMENT 65/35 FUND</b> This portfolio of Funds emphasizes capital growth over the long term while maintaining a certain degree of stability. It suits the needs of an investor profile with a higher tolerance for risk and aims for strong long-term returns. The portfolio of Funds invests in a wide array of pooled funds, with a bias towards equity funds.	1 year 3 years 5 years 10 years	12,328 10,015 13,010 —	23.3% 0.1% 5.4% —
<b>MULTI-MANAGEMENT 80/20 FUND</b> This portfolio of Funds emphasizes strong capital growth over the long term. It suits the needs of an investor profile with a high tolerance for risk that mainly aims for high long-term returns and less concern of short-term portfolio fluctuation. The portfolio of Funds invests in a wide array of pooled funds, with a strong concentration in equity funds.	1 year 3 years 5 years 10 years	12,813 9,605 12,734 —	28.1% -1.3% 5.0% —
<b>MULTI-MANAGEMENT 100 FUND</b> This portfolio of Funds aims to achieve maximum capital growth. It suits the needs of an investor profile with a very high tolerance for risk that aims for the highest long-term return and not worried by short-term portfolio fluctuation. The portfolio of Funds invests exclusively in a wide array of equity pooled funds.	1 year 3 years 5 years 10 years	13,532 9,209 12,633 —	35.3% -2.7% 4.8% —
<b>FÉRIQUE BALANCED FUND</b> The FÉRIQUE Balanced Fund seeks to maximize long-term capital gains by a policy of diversification among different types of investments. The Fund mainly invests in bond securities, Canadian and foreign equities as well as money market securities.	3 months 6 months 1 year 3 years	10,164 10,964 11,885 9,893	1.6% 9.6% 18.9% -0.4%
<b>FÉRIQUE EQUITY FUND</b> The FÉRIQUE Equity Fund seeks to maximize the total return by capital appreciation rather than income maximization. The value of the capital thus varies and the investment horizon is long-term. For this purpose, the portfolio is essentially composed of all classes of common shares.	3 months 6 months 1 year 3 years	10,461 11,638 13,754 10,344	4.6% 16.4% 37.5% 1.1%
<b>FÉRIQUE WORLD FUND</b> The FÉRIQUE World Fund seeks to maximize long-term return by capital appreciation. The Fund mainly invests in all classes and categories of common shares on the foreign markets.	3 months 6 months 1 year 3 years	10,267 11,088 11,518 8,045	2.7% 10.9% 15.2% -7.0%





## SUMMARY FACTS STATEMENTS — Unaudited (cont.)

Investment Policy of each Fund	Period Ending December 31, 2009	Gross Performance Information	
		\$10,000 Lump Sum Value	Total Gain (Annualized)
<p><b>FORESIGHT 30/70 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived primarily from income by investing in a diversified portfolio of mainly fixed-income securities and a small proportion in equity securities of Canadian and foreign corporations. This portfolio of Funds emphasizes the preservation of capital and obtaining a stable return. It suits the needs of an investor profile with little tolerance for risk.</p>	1 month 3 months 1 year Since inception	9,963 10,055 — 10,525	-0.4% 0.5% — 5.3%
<p><b>FORESIGHT 40/60 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived primarily from income and on a lesser extent from capital appreciation by investing in a diversified portfolio of mainly fixed-income securities and a certain proportion in equity securities of Canadian and foreign corporations. This portfolio of Funds emphasizes the preservation of capital but also strives to enhance returns by including a relatively small growth component. It suits the needs of an investor profile with a low tolerance for risk but also aims for a moderate return.</p>	1 month 3 months 1 year Since inception	9,999 10,087 — 10,610	0.0% 0.9% — 6.1%
<p><b>FORESIGHT 50/50 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived both from income and capital appreciation by investing in a diversified portfolio of equity securities of Canadian and foreign corporations and fixed-income securities. This portfolio of Funds equally emphasizes the preservation of capital and long-term capital growth. It suits the needs of an investor profile with a moderate tolerance for risk and aims for moderately strong returns.</p>	1 month 3 months 1 year Since inception	10,041 10,121 — 10,697	0.4% 1.2% — 7.0%
<p><b>FORESIGHT 60/40 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived primarily from capital appreciation and on a lesser extent from income by investing in a diversified portfolio of mainly equity securities of Canadian and foreign corporations and a certain proportion in fixed-income securities. This portfolio of Funds emphasizes capital growth over the long term while maintaining a certain degree of stability. It suits the needs of an investor profile with a higher tolerance for risk and aims for strong long-term returns.</p>	1 month 3 months 1 year Since inception	10,074 10,131 — 10,781	0.7% 1.3% — 7.8%
<p><b>FORESIGHT 75/25 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of mainly equity securities of Canadian and a small proportion in fixed-income securities. This portfolio of Funds emphasizes strong capital growth over the long-term. It suits the needs of an investor profile with a high tolerance for risk that mainly aims for high long-term returns and less concern of short-term portfolio fluctuation.</p>	1 month 3 months 1 year Since inception	10,133 10,172 — 10,909	1.3% 1.7% — 9.1%
<p><b>FORESIGHT 85/15 PORTFOLIO FUND</b></p> <p>This portfolio of Funds, actively managed, aims to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of mainly equity securities of Canadian and a very small proportion in fixed-income securities. This portfolio of Funds emphasizes strong capital growth over the long term. It suits the needs of an investor profile with a very high tolerance for risk that mainly aims for high long-term returns and less concern of short-term portfolio fluctuation.</p>	1 month 3 months 1 year Since inception	10,168 10,197 — 10,996	1.7% 2.0% — 10.0%

- (1) Desjardins Global Asset Management.
- (2) Fidelity Investments has managed this Fund since August 29, 2008.
- (3) GE Asset Management (GEAM) has managed this Fund since August 29, 2008.
- (4) Fiera Capital has managed this Fund since September 2003.
- (5) Sanford C. Bernstein manages this Fund since July 2000.
- (6) Baillie Gifford has managed this Fund since December 2007.



# Fixed Income





## MONEY MARKET

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	496,436	41,829
Investments at fair value*	61,640,584	38,716,831
Premiums receivable	182,021	195,356
Interest, dividends and other receivables	16,690	9,943
	<u>62,335,731</u>	<u>38,963,959</u>
<b>LIABILITIES</b>		
Accrued expenses	12,937	4,882
Withdrawals payable	532,583	548,124
	<u>545,520</u>	<u>553,006</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>61,790,211</u>	38,410,953
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>60.48</u>	60.02
* <i>Investments at cost</i>	61,609,693	38,519,937

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>38,410,953</u>	25,184,080
Increase (Decrease) in Net Assets from Operations	<u>355,275</u>	1,164,769
Premiums		
Series 1	<u>50,613,803</u>	32,750,221
Withdrawals		
Series 1	<u>(27,589,820)</u>	(20,688,117)
<b>NET ASSETS, END OF YEAR</b>	<u>61,790,211</u>	38,410,953

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	591,214	1,133,080
Revenue from securities lending	392	1,403
	<u>591,606</u>	<u>1,134,483</u>
<b>EXPENSES</b>		
Management fees	60,358	38,038
Operating expenses	4,852	1,298
	<u>65,210</u>	<u>39,336</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>526,396</u>	1,095,147
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(5,118)	(4,665)
Net unrealized gain (loss)	(166,003)	74,287
	<u>(171,121)</u>	<u>69,622</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>355,275</u>	1,164,769
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>355,275</u>	1,164,769
- per unit	<u>0.45</u>	2.27

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Money Market Fund	
CDP of Quebec, Municipal Promissory Note, January 27, 2010	5.7%
Scotiabank, Bearer Depository Note, February 2, 2010	4.8%
Borealis Inc., Discounted Commercial Paper, February 24, 2010	4.4%
Ontario Treasury Bill, March 17, 2010	4.4%
Corporation d'hébergement du Québec, Municipal Promissory Note, March 4, 2010	4.1%
Canada Treasury Bill, March 4, 2010	4.0%
Canada Treasury Bill, May 27, 2010	4.0%
Société de transport de Montréal, Municipal Promissory Note, March 18, 2010	3.7%
GE Capital Canada Fund, Discount Note, April 5, 2010	3.6%
Laurentian Bank of Canada, 5.05%, June 8, 2010	3.4%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>MONEY MARKET SECURITIES (88.4%)</b>			
Borealis Retail Real Estate Investment Trust, notes 0.300%, 2010-02-24	2,750,000	2,748,102	2,747,983
Caisse centrale Desjardins, notes 0.282%, 2010-01-19	750,000	749,468	749,844
0.491%, 2010-01-25	450,000	448,902	449,877
0.278%, 2010-02-09	1,000,000	999,330	999,562
Canada Treasury Bills 0.320%, 2010-03-04	2,495,000	2,491,224	2,494,257
0.341%, 2010-04-15	525,000	524,002	524,691
0.300%, 2010-04-29	600,000	599,172	599,572
0.281%, 2010-05-27	2,450,000	2,446,729	2,447,574
0.585%, 2010-06-10	500,000	497,210	499,427
0.570%, 2010-07-08	1,500,000	1,491,525	1,497,692
0.590%, 2010-09-30	1,645,000	1,635,377	1,639,054
0.535%, 2010-10-28	1,925,000	1,915,182	1,916,365
Canadian Imperial Bank of Commerce, notes 0.450%, 2010-03-22	1,700,000	1,696,260	1,698,579
0.288%, 2010-03-31	100,000	99,929	99,929
CDP Financial, notes 0.280%, 2010-01-27	3,500,000	3,497,586	3,498,874
0.361%, 2010-03-01	1,500,000	1,497,660	1,498,791
Corporation d'hébergement du Québec, notes 0.369%, 2010-03-04	2,550,000	2,547,619	2,549,109
Financière agricole du Québec, notes 0.381%, 2010-03-01	1,825,000	1,823,266	1,824,398
GE Capital Canada Funding Company, notes 0.399%, 2010-04-05	2,200,000	2,196,348	2,197,769
0.371%, 2010-04-19	1,425,000	1,423,204	1,423,223
0.349%, 2010-04-20	1,400,000	1,398,166	1,398,230
HSBC Bank Canada, notes 0.321%, 2010-03-08	2,100,000	2,098,341	2,098,439
Laurentian Bank of Canada, notes 0.349%, 2010-01-25	700,000	699,405	699,827
Montreal University, notes 0.382%, 2010-02-26	1,300,000	1,298,804	1,299,293
National Bank of Canada, notes 0.291%, 2010-03-15	1,665,000	1,663,829	1,663,736
OMERS Realty Corporation, notes 0.300%, 2010-03-18	1,000,000	999,260	998,943
Ontario Treasury Bills 0.339%, 2010-03-17	2,710,000	2,706,125	2,708,866
Potash Corporation of Saskatchewan, notes 0.361%, 2010-03-18	1,100,000	1,099,021	1,098,837
PSP Capital, note 0.400%, 2010-03-11	975,000	973,060	974,071
Scotiabank, notes 0.321%, 2010-02-02	2,950,000	2,947,647	2,949,039
0.321%, 2010-02-09	1,300,000	1,298,960	1,299,483
Société de transport de Montréal, notes 0.340%, 2010-03-18	2,300,000	2,298,137	2,298,247
Toronto-Dominion Bank, notes 0.461%, 2010-07-30	800,000	797,664	797,241



## MONEY MARKET (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>MONEY MARKET SECURITIES (cont.)</b>			
Volkswagen Credit Canada, notes			
0.477%, 2010-01-05	2,000,000	1,999,060	1,999,871
0.487%, 2010-01-07	600,000	599,832	599,946
0.532%, 2010-01-26	400,000	399,796	399,866
<b>TOTAL MONEY MARKET SECURITIES</b>		<b>54,605,202</b>	<b>54,640,505</b>
<b>CANADIAN BONDS (11.4%)</b>			
<b>Provincial Governments and Crown Corporations (2.2%)</b>			
Province of Ontario			
floating rate, 2011-07-15	1,325,000	1,325,000	1,337,256
<b>Municipalities and Semi-Public Institutions (0.7%)</b>			
City of Varennes			
3.850%, 2010-12-09	400,000	410,948	410,732
<b>Corporations (8.5%)</b>			
Caisse centrale Desjardins			
floating rate, 2011-09-15	1,125,000	1,125,000	1,125,000
GE Capital Canada Funding Company			
3.650%, 2010-06-07	560,000	568,652	565,529
Laurentian Bank of Canada			
5.050%, 2010-06-08	2,075,000	2,128,785	2,105,364
Master Asset Vehicle III (Note 10)			
Class 9, 2016-09-12	971	978	978
Scotiabank			
floating rate, 2010-07-02	1,450,000	1,445,128	1,455,220
		5,268,543	5,252,091
<b>TOTAL CANADIAN BONDS</b>		<b>7,004,491</b>	<b>7,000,079</b>
<b>TOTAL INVESTMENTS (99.8%)</b>		<b>61,609,693</b>	<b>61,640,584</b>
<b>OTHER NET ASSETS (0.2%)</b>			149,627
<b>NET ASSETS (100%)</b>			<b>61,790,211</b>



## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return higher than the DEX 91-Day Treasury Bills Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide capital protection and a moderate return derived primarily from income by investing in a portfolio of high quality short-term notes of governments and corporations.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Bonds	1,337,256	5,661,845	978	7,000,079
Money Market Securities	14,327,498	40,313,007	—	54,640,505
<b>TOTAL</b>	<b>15,664,754</b>	<b>45,974,852</b>	<b>978</b>	<b>61,640,584</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
<b>Balance, Beginning of Year</b>	<b>75,427</b>
Proceeds from sale of investments	(148,956)
Investments purchased	75,000
Net realized gain (loss)	(493)
Net unrealized gain (loss)	—
Transfers to (from) Level 3	—
<b>Balance, End of Year</b>	<b>978</b>
<b>CHANGE IN UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES HELD AS AT DECEMBER 31, 2009</b>	<b>—</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.

### FINANCIAL INSTRUMENTS RISKS

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.



## MONEY MARKET (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Interest Rate Risk

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2009	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	62,137,020*	—	—	—	—	62,137,020
Other receivables	—	—	—	—	198,711	198,711
<b>TOTAL ASSETS</b>	<b>62,137,020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>198,711</b>	<b>62,335,731</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	12,937	12,937
Other liabilities	—	—	—	—	532,583	532,583
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>545,520</b>	<b>545,520</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>62,137,020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(346,809)</b>	<b>61,790,211</b>

\* See Note 10 regarding ABCP.

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2008	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	38,683,233	—	75,427*	—	—	38,758,660
Other receivables	—	—	—	—	205,299	205,299
<b>TOTAL ASSETS</b>	<b>38,683,233</b>	<b>—</b>	<b>75,427</b>	<b>—</b>	<b>205,299</b>	<b>38,963,959</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	4,882	4,882
Other liabilities	—	—	—	—	548,124	548,124
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>553,006</b>	<b>553,006</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>38,683,233</b>	<b>—</b>	<b>75,427</b>	<b>—</b>	<b>(347,707)</b>	<b>38,410,953</b>

\* See Note 10 regarding ABCP.

As at December 31, 2009, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by \$36,747 (\$32,886 as at December 31, 2008).

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

The Fund trades in financial instruments, taking positions in over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX 91-Day Treasury Bills	+/- 0.25	+/- 119,140

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX 91-Day Treasury Bills	+/- 0.25	+/- 61,928

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the Fund's credit risk concentration is spread between fixed-income and money market securities. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The Fund invests in financial assets which have an investment grade as rated by the *Dominion Bond Rating Service ("DBRS")*, *Standard & Poor's*, *Moody's* or *Fitch*. When several credit ratings are available for a security, the lowest rating with equivalent *DBRS* format is used. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

#### Portfolio's fixed-income securities by rating category

As at December 31, 2009	Percentage of Fixed-Income Securities	As at December 31, 2008	Percentage of Fixed-Income Securities
Rating	%	Rating	%
AA	8	AAA	85
AAL	56	AH	15
AL	6	TOTAL	<u>100</u>
BBB	30		
TOTAL	<u>100</u>		

#### Portfolio's money market securities by rating category

As at December 31, 2009	Percentage of Money Market Securities	As at December 31, 2008	Percentage of Money Market Securities
Rating	%	Rating	%
R-1 (High)	69	R-1 (High)	86
R-1 (Middle)	8	R-1 (Middle)	14
R-1 (Low)	23	TOTAL	<u>100</u>
TOTAL	<u>100</u>		



## MONEY MARKET (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	12,937	—	—	Accrued expenses	4,882	—	—
Other liabilities	532,583	—	—	Other liabilities	548,124	—	—
<b>TOTAL LIABILITIES</b>	<b>545,520</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>553,006</b>	<b>—</b>	<b>—</b>



## MORTGAGE

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	43,898	10,028
Investments at fair value*	39,142,829	34,619,576
Premiums receivable	158,949	196,141
Securities lending collateral		
Cash and short term notes	1,533,099	1,157,553
Canadian bonds	458,405	1,535,712
Accrued investment income	1,526	573
Interest, dividends and other receivables	150,525	150,999
	<b>41,489,231</b>	<b>37,670,582</b>
<b>LIABILITIES</b>		
Accrued expenses	133,039	135,928
Withdrawals payable	50,083	652,864
Securities lending collateral payable to broker	1,993,030	2,693,838
	<b>2,176,152</b>	<b>3,482,630</b>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>39,313,079</b>	<b>34,187,952</b>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>313.48</b>	303.73
* <i>Investments at cost</i>	<b>38,434,292</b>	33,371,788

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>34,187,952</b>	45,922,896
Increase (Decrease) in Net Assets from Operations	<b>1,136,081</b>	1,978,582
Premiums		
Series 1	<b>11,001,658</b>	13,954,227
Withdrawals		
Series 1	<b>(7,012,612)</b>	(27,667,753)
<b>NET ASSETS, END OF YEAR</b>	<b>39,313,079</b>	<b>34,187,952</b>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	1,771,058	2,339,944
Revenue from securities lending and repurchase transactions	2,813	5,430
	<b>1,773,871</b>	<b>2,345,374</b>
<b>EXPENSES</b>		
Management fees	174,319	207,776
Operating expenses	7,279	1,528
	<b>181,598</b>	<b>209,304</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1,592,273</b>	2,136,070
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	83,059	129,347
Net unrealized gain (loss)	(539,251)	(286,835)
	<b>(456,192)</b>	<b>(157,488)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>1,136,081</b>	1,978,582
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>1,136,081</b>	1,978,582
- per unit	<b>9.71</b>	13.76

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Mortgage Fund	
Commercial, 7.78%, Ontario	3.4%
Residential, 11.75%, Ontario	3.0%
Commercial, 8.27%, Ontario	2.9%
Residential, 7.68%, Ontario	2.5%
Commercial, 5.93%, Ontario	2.4%
Residential, 8.50%, Ontario	2.4%
Residential, 7.88%, Ontario	2.3%
Residential, 4.17%, Quebec	1.6%
Residential, 10.41%, Ontario	1.6%
Residential, 4.50%, Quebec	1.4%

The accompanying Notes are an integral part of these financial statements.





## MORTGAGE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Residential and Apartment \$	Commercial and Professional \$	Industrial \$	Cost \$	Fair Value \$
<b>MORTGAGE LOANS (38.0%)</b>					
<b>By Province</b>					
Alberta	—	715,950	—	715,950	727,899
British Columbia	673,215	—	—	673,215	689,791
Manitoba	—	462,696	—	462,696	460,508
Nova Scotia	8,517	—	—	8,517	8,564
Ontario	5,366,998	3,713,657	498,793	9,579,448	9,986,146
Quebec	2,625,999	349,267	—	2,975,266	3,062,124
<b>TOTAL MORTGAGE LOANS</b>	<b>8,674,729</b>	<b>5,241,570</b>	<b>498,793</b>	<b>14,415,092</b>	<b>14,935,032</b>

	Par Value \$	Cost \$	Fair Value \$
<b>MORTGAGE-BACKED SECURITIES (36.3%)</b>			
Canada Mortgage Acceptance Corporation 4.274%, 2011-09-15	815,502	811,286	815,608
Column Canada Issuer Corporation 4.934%, 2016-09-15	1,000,000	821,760	854,178
Merrill Lynch Financial Asset 4.071%, 2015-04-12	1,500,000	1,152,397	1,207,749
4.380%, 2015-08-12	1,250,000	989,508	1,016,115
4.745%, 2017-01-12	1,000,000	830,460	877,957
Merrill Lynch Financial Asset Class B, Series 2006-CA20, 4.900%, 2016-10-12	1,000,000	787,730	818,115
N-45° First CMBS Issuer Corporation 4.636%, 2013-03-15	2,000,000	1,236,242	1,291,098
NHA First National Financial 3.050%, 2014-08-01	2,000,000	1,987,333	1,960,400
NHA of Scotiabank 4.050%, 2016-04-01	1,965,000	1,815,063	1,780,799
Real Estate Asset Liquidity Trust 4.708%, 2016-09-12	1,000,000	850,000	820,653
Schooner Trust 5.046%, 2016-09-12	1,000,000	771,010	806,735
Toronto-Dominion Bank NHA 4.250%, 2014-07-01	2,000,000	2,033,812	2,008,600
<b>TOTAL MORTGAGE-BACKED SECURITIES</b>		<b>14,086,601</b>	<b>14,258,007</b>
<b>CANADIAN BONDS (16.7%)</b>			
<b>Government of Canada (5.1%)</b>			
Government of Canada 3.750%, 2019-06-01	1,970,000	2,010,191	1,991,350

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>CANADIAN BONDS (cont.)</b>			
<b>Provincial Governments and Crown Corporations (11.6%)</b>			
Province of Ontario			
4.750%, 2013-06-02	850,000	917,484	910,944
Province of Québec			
4.500%, 2018-12-01	3,570,000	3,606,069	3,647,905
<b>TOTAL CANADIAN BONDS</b>		<u>6,533,744</u>	<u>6,550,199</u>
<b>MONEY MARKET SECURITIES (8.6%)</b>			
Alberta Capital Finance Authority, notes			
2010-01-05	1,000,000	999,430	999,975
Canada Treasury Bills			
2010-04-01	700,000	699,510	699,667
Province of Québec, notes			
2010-01-06	1,700,000	1,699,915	1,699,949
<b>TOTAL MONEY MARKET SECURITIES</b>		<u>3,398,855</u>	<u>3,399,591</u>
<b>TOTAL INVESTMENTS (99.6%)</b>		<u><b>38,434,292</b></u>	<u><b>39,142,829</b></u>
<b>OTHER NET ASSETS (0.4%)</b>			<u>170,250</u>
<b>NET ASSETS (100%)</b>			<u><b>39,313,079</b></u>

The accompanying Notes are an integral part of these financial statements.



## MORTGAGE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a moderate real return derived primarily from income by investing in a diversified portfolio of mortgage securities and mortgage-backed securities. The excess return derived from income will come from allocation between residential, commercial and industrials mortgages, mortgage-backed security credit class spreads and from duration management.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Bonds	6,550,199	—	—	6,550,199
Mortgage Loans	—	14,935,032	—	14,935,032
Mortgage-Backed Securities	—	14,258,007	—	14,258,007
Money Market Securities	2,399,616	999,975	—	3,399,591
<b>TOTAL</b>	<b>8,949,815</b>	<b>30,193,014</b>	<b>—</b>	<b>39,142,829</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

##### Interest Rate Risk

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2009	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	9,150,541	13,256,010	16,780,176	—	—	39,186,727
Other receivables	—	—	—	—	2,302,504	2,302,504
<b>TOTAL ASSETS</b>	<b>9,150,541</b>	<b>13,256,010</b>	<b>16,780,176</b>	<b>—</b>	<b>2,302,504</b>	<b>41,489,231</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	133,039	133,039
Other liabilities	—	—	—	—	2,043,113	2,043,113
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,176,152</b>	<b>2,176,152</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>9,150,541</b>	<b>13,256,010</b>	<b>16,780,176</b>	<b>—</b>	<b>126,352</b>	<b>39,313,079</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the contractual maturity dates.

As at December 31, 2008	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	6,156,960	14,874,216	13,598,428	—	—	34,629,604
Other receivables	—	—	—	—	3,040,978	3,040,978
<b>TOTAL ASSETS</b>	<b>6,156,960</b>	<b>14,874,216</b>	<b>13,598,428</b>	<b>—</b>	<b>3,040,978</b>	<b>37,670,582</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	135,928	135,928
Other liabilities	—	—	—	—	3,346,702	3,346,702
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,482,630</b>	<b>3,482,630</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>6,156,960</b>	<b>14,874,216</b>	<b>13,598,428</b>	<b>—</b>	<b>(441,652)</b>	<b>34,187,952</b>

As at December 31, 2009, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by \$208,386 (\$308,204 as at December 31, 2008).

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Price Risk

The Fund trades in financial instruments, taking positions in over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price %	Impact on Net Assets \$
<b>Benchmarks</b>		
DEX Short Term Bond (75%)	+/- 1.00	+/- 173,968
DEX Mid Term Bond (25%)	+/- 1.00	+/- 57,989

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price %	Impact on Net Assets \$
<b>Benchmarks</b>		
DEX Short Term Bond (75%)	+/- 1.00	+/- 256,410
DEX Mid Term Bond (25%)	+/- 1.00	+/- 85,470

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.



## MORTGAGE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Credit Risk

As at December 31, 2009 and 2008, the Fund's credit risk is mainly concentrated in fixed-income securities. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The Fund invests in financial assets which have an investment grade as rated by the *Dominion Bond Rating Service ("DBRS")*, *Standard & Poor's*, *Moody's* or *Fitch*. When several credit ratings are available for a security, the lowest rating with equivalent *DBRS* format is used. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

#### Portfolio's fixed-income securities by rating category

As at December 31, 2009	Percentage of Fixed-Income Securities	As at December 31, 2008	Percentage of Fixed-Income Securities
Rating	%	Rating	%
AAA	66	AAA	72
AA	8	AA	12
AAL	4	AH	10
AH	18	A	6
A	4	TOTAL	<b>100</b>
TOTAL	<b>100</b>		

#### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	133,039	—	—	Accrued expenses	135,928	—	—
Other liabilities	2,043,113	—	—	Other liabilities	652,864	—	2,693,838
TOTAL LIABILITIES	<b>2,176,152</b>	—	—	TOTAL LIABILITIES	<b>788,792</b>	—	<b>2,693,838</b>





## BLACKROCK UNIVERSE BOND INDEX

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Investments at fair value*	<b>121,387,785</b>	99,493,642
Premiums receivable	<b>48,904</b>	162,253
	<b>121,436,689</b>	99,655,895
<b>LIABILITIES</b>		
Bank overdraft	<b>152,443</b>	925,519
Accrued expenses	<b>27,933</b>	22,048
Withdrawals payable	<b>27,563</b>	103,532
	<b>207,939</b>	1,051,099
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>121,228,750</b>	98,604,796
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>14.41</b>	13.70
* <i>Investments at cost</i>	<b>120,251,412</b>	99,179,688

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>98,604,796</b>	87,061,488
Increase (Decrease) in Net Assets from Operations	<b>5,278,310</b>	5,372,075
Premiums		
Series 1	<b>51,236,394</b>	40,590,572
Withdrawals		
Series 1	<b>(33,890,750)</b>	(34,419,339)
<b>NET ASSETS, END OF YEAR</b>	<b>121,228,750</b>	98,604,796

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	<b>4,474,432</b>	4,935,175
<b>EXPENSES</b>		
Management fees	<b>221,503</b>	198,150
Operating expenses	<b>2,426</b>	3,979
	<b>223,929</b>	202,129
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>4,250,503</b>	4,733,046
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>205,388</b>	(799,496)
Net unrealized gain (loss)	<b>822,419</b>	1,438,525
	<b>1,027,807</b>	639,029
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>5,278,310</b>	5,372,075
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>5,278,310</b>	5,372,075
- per unit	<b>0.70</b>	0.75

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

BlackRock Universe Bond Index Fund	
Government of Canada, 3.50%, June 1, 2013	5.0%
Canada Housing Trust, 4.55%, December 15, 2012	3.7%
Canada Housing Trust, 2.20%, March 15, 2014	3.0%
Canada Housing Trust, 4.05%, March 15, 2011	2.7%
Canada Housing Trust, 4.60%, September 15, 2011	2.4%
Canada Housing Trust, 4.80%, June 15, 2012	2.2%
Government of Canada, 3.00%, June 1, 2014	1.7%
Government of Canada, 5.25%, June 1, 2013	1.6%
Government of Canada, 3.75%, June 1, 2019	1.6%
Government of Canada, 5.75%, June 1, 2033	1.6%

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK UNIVERSE BOND INDEX (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.1%)			
BlackRock Canada Universe Bond Index, Class D	6,259,120	120,251,412	121,387,785
<b>TOTAL INVESTMENTS</b>		<b>120,251,412</b>	<b>121,387,785</b>
OTHER NET ASSETS (-0.1%)			(159,035)
<b>NET ASSETS (100%)</b>			<b>121,228,750</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund aims to reproduce as closely as possible the annualized return for the DEX Universe Bond Index, over four year moving periods.

#### Strategy of the Fund

The investments are passively managed in order to provide a moderate real return derived primarily from income by investing in a diversified portfolio of Canadian debt securities. The Fund invests only in top-quality securities.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	121,387,785	—	121,387,785
<b>TOTAL</b>	<b>—</b>	<b>121,387,785</b>	<b>—</b>	<b>121,387,785</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BLACKROCK UNIVERSE BOND INDEX (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 1,219,509

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 985,456

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	152,443	—	—	Financial liabilities held for trading	925,519	—	—
Accrued expenses	27,933	—	—	Accrued expenses	22,048	—	—
Other liabilities	27,563	—	—	Other liabilities	103,532	—	—
<b>TOTAL LIABILITIES</b>	<b>207,939</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>1,051,099</b>	<b>—</b>	<b>—</b>



## ETHICAL INCOME

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	238
Investments at fair value*	158,734
Premiums receivable	<u>20</u>
	<u>158,992</u>
<b>LIABILITIES</b>	
Accrued expenses	<u>111</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>158,881</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>10.57</u>
* <i>Investments at cost</i>	<u>153,731</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>—</u>
Increase (Decrease) in Net Assets from Operations	<u>8,581</u>
Premiums	
Series 1	<u>150,300</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>158,881</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	<u>4,215</u>
<b>EXPENSES</b>	
Management fees	619
Operating expenses	<u>34</u>
	<u>653</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>3,562</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	16
Net unrealized gain (loss)	<u>5,003</u>
	<u>5,019</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>8,581</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>8,581</u>
- per unit	<u>0.57</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Ethical Income Fund	
Canada Housing Trust, 4.10%, December 15, 2018	10.5%
Canada Housing Trust, Floating Rate Note, September 15, 2014	7.9%
Financement-Québec, Floating Rate Note, September 16, 2013	4.8%
Scotiabank, Floating Rate Note, March 27, 2018	3.4%
Government of Canada, 5.00%, June 1, 2037	3.2%
RBC Capital Trust, 4.87%, December 31, 2015	2.7%
Government of Canada, 3.75%, June 1, 2019	2.4%
Canada Housing Trust, Floating Rate Note, June 15, 2013	2.3%
407 International Inc., 7.00%, July 26, 2040	1.9%
Ontario, 4.30%, March 8, 2017	1.8%

\*\* Beginning of operations in March 2009.

The accompanying Notes are an integral part of these financial statements.





## ETHICAL INCOME (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
NEI Canadian Bond Fund, Series I	13,860	153,731	158,734
TOTAL INVESTMENTS		<b>153,731</b>	<b>158,734</b>
OTHER NET ASSETS (0.1%)			147
NET ASSETS (100%)			<b>158,881</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return 0.50% higher than the DEX Universe Bond Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a high level of current interest income while, at the same time, preserving capital and seeking opportunities for capital appreciation. The Fund is comprised primarily of bonds, debentures and securities that are issued or guaranteed by the government of Canada, a province or Canadian companies and money market securities. The Fund follows a socially responsible approach to investing.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	158,734	—	—	158,734
<b>TOTAL</b>	<b>158,734</b>	<b>—</b>	<b>—</b>	<b>158,734</b>

#### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## ETHICAL INCOME (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 1,589

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

#### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Accrued expenses	111	—	—
<b>TOTAL LIABILITIES</b>	<b>111</b>	<b>—</b>	<b>—</b>



## BEUTEL GOODMAN INCOME

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	65
Investments at fair value*	1,626,264
Premiums receivable	<u>14,773</u>
	<u>1,641,102</u>
<b>LIABILITIES</b>	
Accrued expenses	778
Payable for investments purchased	<u>4,997</u>
	<u>5,775</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>1,635,327</b></u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u><b>10.28</b></u>

\* Investments at cost

1,681,572

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>(4,359)</u>
Premiums	
Series 1	<u>1,658,586</u>
Withdrawals	
Series 1	<u>(18,900)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>1,635,327</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	<u>19,730</u>
<b>EXPENSES</b>	
Management fees	985
Operating expenses	<u>310</u>
	<u>1,295</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>18,435</b></u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	32,514
Net unrealized gain (loss)	<u>(55,308)</u>
	<u>(22,794)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>(4,359)</b></u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>(4,359)</u>
- per unit	<u>(0.08)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Beutel Goodman Income Fund	
Canada Housing Trust, 3.60%, June 15, 2013	19.4%
Government of Canada, 1.25%, June 1, 2011	12.0%
Government of Canada, 5.00%, June 1, 2037	6.1%
Canada Housing Trust, 4.55%, December 15, 2012	3.3%
Ontario, 4.40%, March 8, 2016	3.2%
Ontario, 5.375%, December 2, 2012	2.8%
Ontario, 4.50%, March 8, 2015	1.8%
Ontario, 8.10%, September 8, 2023	1.5%
Ontario, 4.70%, June 2, 2037	1.5%
Ontario, 4.20%, March 8, 2018	1.4%

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.



## BEUTEL GOODMAN INCOME (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.4%)			
Beutel Goodman Income Fund, I-Class	133,618	1,681,572	1,626,264
TOTAL INVESTMENTS		<b>1,681,572</b>	<b>1,626,264</b>
OTHER NET ASSETS (0.6%)			9,063
NET ASSETS (100%)			<b>1,635,327</b>

The accompanying Notes are an integral part of these financial statements.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return higher than the DEX Universe Bond Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a high rate of income return by investing in a diversified portfolio of fixed-income securities of Canadian government and corporate issuers. The strategy seeks to add value through management of duration, yield curve and credit risk. Credit exposure is gained through the use of high grade corporate bonds. Emphasis is placed on the corporate security's liquidity, transparency and consistent cash flow generation through the economic cycle.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	1,626,264	—	—	1,626,264
<b>TOTAL</b>	<b>1,626,264</b>	<b>—</b>	<b>—</b>	<b>1,626,264</b>

#### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BEUTEL GOODMAN INCOME (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 16,353

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

#### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	4,997	—	—
Accrued expenses	778	—	—
<b>TOTAL LIABILITIES</b>	<b>5,775</b>	<b>—</b>	<b>—</b>



## BOND

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	67,184	—
Investments at fair value*	138,894,389	105,557,514
Premiums receivable	538,901	491,434
	<u>139,500,474</u>	<u>106,048,948</u>
<b>LIABILITIES</b>		
Bank overdraft	—	76,499
Accrued expenses	44,405	32,540
Withdrawals payable	122,470	691,411
Payable for investments purchased	62,000	—
	<u>228,875</u>	<u>800,450</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>139,271,599</b></u>	<u>105,248,498</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>490.06</b></u>	466.51
* <i>Investments at cost</i>	<u><b>140,098,799</b></u>	104,511,905

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>105,248,498</b></u>	105,115,746
Increase (Decrease) in Net Assets from Operations	<u><b>5,840,323</b></u>	6,010,343
Premiums		
Series 1	<u><b>58,640,028</b></u>	36,054,091
Withdrawals		
Series 1	<u><b>(30,457,250)</b></u>	(41,931,682)
<b>NET ASSETS, END OF YEAR</b>	<u><b>139,271,599</b></u>	<u>105,248,498</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	<u><b>5,584,664</b></u>	5,189,835
<b>EXPENSES</b>		
Management fees	<u><b>352,614</b></u>	304,290
Operating expenses	<u><b>2,426</b></u>	4,088
	<u><b>355,040</b></u>	<u>308,378</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>5,229,624</b></u>	4,881,457
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<u><b>2,860,718</b></u>	542,603
Net unrealized gain (loss)	<u><b>(2,250,019)</b></u>	586,283
	<u><b>610,699</b></u>	<u>1,128,886</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>5,840,323</b></u>	6,010,343
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u><b>5,840,323</b></u>	6,010,343
- per unit	<u><b>23.29</b></u>	26.11

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bond Fund	
Government of Canada, 2.00%, September 1, 2012	19.9%
Government of Canada, 2.00%, December 1, 2014	13.9%
Government of Canada, 1.25%, December 1, 2011	5.7%
PSP Capital, 4.57%, December 9, 2013	5.6%
Royal Office Finance, 5.209%, November 12, 2032	4.5%
Government of Canada, 3.50%, June 1, 2020	4.3%
Quebec, 5.75%, December 1, 2036	3.0%
Toronto-Dominion Bank, 5.763%, December 18, 2017	2.2%
Government of Canada, 5.00%, June 1, 2037	2.0%
Government of Canada, 4.00%, June 1, 2017	1.8%

The accompanying Notes are an integral part of these financial statements.





## BOND (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.7%)			
Fiera Active Fixed Income Fund	14,040,298	140,098,799	138,894,389
<b>TOTAL INVESTMENTS</b>		<b>140,098,799</b>	<b>138,894,389</b>
OTHER NET ASSETS (0.3%)			377,210
<b>NET ASSETS (100%)</b>			<b>139,271,599</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return that is higher than the DEX Universe Bond Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a moderate real return derived primarily from income by investing in Canadian government and corporate bonds. It can also hold a limited portion of mortgages and short-term notes. The Fund uses a conservative investment approach and aims to achieve a higher return than the Canadian bond market by managing the duration in the portfolio based on interest rate forecasts and modifying the relative weight of fixed-income securities based on economic conditions as well as the relative value of different sectors.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	138,894,389	—	138,894,389
<b>TOTAL</b>	<b>—</b>	<b>138,894,389</b>	<b>—</b>	<b>138,894,389</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BOND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 1,403,773

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 1,049,222

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	62,000	—	—	Financial liabilities held for trading	76,499	—	—
Accrued expenses	44,405	—	—	Accrued expenses	32,540	—	—
Other liabilities	122,470	—	—	Other liabilities	691,411	—	—
<b>TOTAL LIABILITIES</b>	<b>228,875</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>800,450</b>	<b>—</b>	<b>—</b>



## McLEAN BUDDEN FIXED INCOME

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	10,580	3,064
Investments at fair value*	30,287,497	41,718,714
Premiums receivable	43,849	484,509
	<u>30,341,926</u>	<u>42,206,287</u>
<b>LIABILITIES</b>		
Accrued expenses	15,937	17,201
Withdrawals payable	5,959	6,213,811
	<u>21,896</u>	<u>6,231,012</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>30,320,030</u>	35,975,275
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>22.07</u>	20.87
* Investments at cost	30,027,220	41,863,639

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>35,975,275</u>	71,584,079
Increase (Decrease) in Net Assets from Operations	<u>1,776,366</u>	3,901,274
Premiums		
Series 1	<u>6,287,858</u>	20,565,512
Withdrawals		
Series 1	<u>(13,719,469)</u>	(60,075,590)
<b>NET ASSETS, END OF YEAR</b>	<u>30,320,030</u>	35,975,275

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	<u>1,458,209</u>	2,841,888
<b>EXPENSES</b>		
Management fees	108,860	212,062
Operating expenses	2,426	1,956
	<u>111,286</u>	214,018
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>1,346,923</u>	2,627,870
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	24,241	645,793
Net unrealized gain (loss)	405,202	627,611
	<u>429,443</u>	1,273,404
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>1,776,366</u>	3,901,274
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,776,366</u>	3,901,274
- per unit	<u>1.18</u>	1.24

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden Fixed Income Fund	
Government of Canada, 3.75%, June 1, 2012	9.7%
Government of Canada, 3.50%, June 1, 2013	4.3%
Government of Canada, 5.75%, June 1, 2029	4.2%
Ontario, 4.20%, March 8, 2018	4.2%
Government of Canada, 4.25%, June 1, 2018	4.0%
Ontario, 5.60%, June 2, 2035	2.8%
Canada Housing Trust, 4.80%, June 15, 2012	2.6%
Government of Canada, 4.00%, June 1, 2041	2.4%
Government of Canada, 4.50%, June 1, 2015	2.4%
U.S. Treasury Bill, 4.50%, May 15, 2038	2.1%

The accompanying Notes are an integral part of these financial statements.



## McLEAN BUDDEN FIXED INCOME (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
McLean Budden Fixed Income Pooled Fund	542,089	30,027,220	30,287,497
TOTAL INVESTMENTS		<b>30,027,220</b>	<b>30,287,497</b>
OTHER NET ASSETS (0.1%)			32,533
NET ASSETS (100%)			<b>30,320,030</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return of 0.5% higher than the DEX Universe Bond Index over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a moderate real return derived from income by investing in a diversified portfolio of primarily Canadian debt securities of government and corporations and from time-to-time U.S. debt. The Fund invests only in investment grade debt. The excess return will be generated from duration management, yield curve positioning and sector allocation.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	30,287,497	—	30,287,497
<b>TOTAL</b>	<b>—</b>	<b>30,287,497</b>	<b>—</b>	<b>30,287,497</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## McLEAN BUDDEN FIXED INCOME (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 288,218

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Universe Bond	+/- 1.00	+/- 348,097

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	15,937	—	—	Accrued expenses	17,201	—	—
Other liabilities	5,959	—	—	Other liabilities	6,213,811	—	—
<b>TOTAL LIABILITIES</b>	<b>21,896</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>6,231,012</b>	<b>—</b>	<b>—</b>



## ADDENDA CANADIAN BOND

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	350,236	1,616
Investments at fair value*	132,016,323	105,005,348
Premiums receivable	1,518,793	1,442,748
Receivable for investments sold	—	13,102
	<u>133,885,352</u>	<u>106,462,814</u>
<b>LIABILITIES</b>		
Accrued expenses	50,594	40,081
Withdrawals payable	44,531	5,385,767
Payable for investments purchased	334,682	—
	<u>429,807</u>	<u>5,425,848</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>133,455,545</u>	<u>101,036,966</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>12.83</u>	<u>11.77</u>
* <i>Investments at cost</i>	128,615,088	106,342,295

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>101,036,966</u>	<u>101,472,855</u>
Increase (Decrease) in Net Assets from Operations	9,404,061	2,500,876
Premiums		
Series 1	<u>86,398,994</u>	<u>47,643,848</u>
Withdrawals		
Series 1	<u>(63,384,476)</u>	<u>(50,580,613)</u>
<b>NET ASSETS, END OF YEAR</b>	<u>133,455,545</u>	<u>101,036,966</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	<u>4,270,112</u>	<u>4,646,917</u>
<b>EXPENSES</b>		
Management fees	411,850	392,381
Operating expenses	2,426	4,394
	<u>414,276</u>	<u>396,775</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>3,855,836</u>	<u>4,250,142</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	810,043	(967,002)
Net unrealized gain (loss)	4,738,182	(782,264)
	<u>5,548,225</u>	<u>(1,749,266)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>9,404,061</u>	<u>2,500,876</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	9,404,061	2,500,876
- per unit	<u>1.04</u>	<u>0.27</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Addenda Canadian Bond Fund	
Canada Mortgage Bonds, Floating Rate Note, September 15, 2010	6.7%
Financement-Québec, Floating Rate Note, September 16, 2013	6.1%
Ontario, 4.30%, March 8, 2017	5.1%
Government of Canada, 5.00%, June 1, 2037	5.1%
Ontario, 4.50%, March 8, 2015	4.8%
Canada Mortgage Bonds, Floating Rate Note, June 15, 2013	4.3%
Ontario, Floating Rate Note, December 3, 2010	3.8%
Government of Canada, 1.25%, June 1, 2011	3.8%
Financement-Québec, Floating Rate Note, December 1, 2014	3.2%
Financement-Québec, Floating Rate Note, April 25, 2012	2.9%

The accompanying Notes are an integral part of these financial statements.





## ADDENDA CANADIAN BOND (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (98.9%)</b>			
Addenda Bond Pooled Fund	10,686,831	128,595,023	132,006,957
Addenda Money Market 2 Pooled Fund	1,509	20,065	9,366
<b>TOTAL INVESTMENTS</b>		<b>128,615,088</b>	<b>132,016,323</b>
<b>OTHER NET ASSETS (1.1%)</b>			1,439,222
<b>NET ASSETS (100%)</b>			<b>133,455,545</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return of 0.75% higher than the DEX Universe Bond Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a moderate return derived from income by investing in a diversified portfolio of Canadian debt instruments. The excess return derived from income will be generated principally from interest rate anticipation and active duration management.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	132,016,323	—	132,016,323
<b>TOTAL</b>	<b>—</b>	<b>132,016,323</b>	<b>—</b>	<b>132,016,323</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).



## ADDENDA CANADIAN BOND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
<b>Benchmark</b>	<b>%</b>	<b>\$</b>
DEX Universe Bond	+/- 1.00	+/- 827,827

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
<b>Benchmark</b>	<b>%</b>	<b>\$</b>
DEX Universe Bond	+/- 1.00	+/- 869,019

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	334,682	—	—				
Accrued expenses	50,594	—	—	Accrued expenses	40,081	—	—
Other liabilities	44,531	—	—	Other liabilities	5,385,767	—	—
<b>TOTAL LIABILITIES</b>	<b>429,807</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>5,425,848</b>	<b>—</b>	<b>—</b>



## BLACKROCK LONG BOND INDEX

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Investments at fair value*	<b>17,898,935</b>	8,772,169
<b>LIABILITIES</b>		
Bank overdraft	83	6
Accrued expenses	5,163	269
	<b>5,246</b>	275
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>17,893,689</b>	8,771,894
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>11.19</b>	10.75
* <i>Investments at cost</i>	<b>18,119,124</b>	8,661,554

### STATEMENT OF CHANGES IN NET ASSETS

Periods Ended December 31

	2009 \$	2008** \$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>8,771,894</b>	—
Increase (Decrease) in Net Assets from Operations	<b>277,978</b>	319,260
Premiums		
Series 1	<b>10,950,718</b>	8,452,634
Withdrawals		
Series 1	<b>(2,106,901)</b>	—
<b>NET ASSETS, END OF PERIOD</b>	<b>17,893,689</b>	8,771,894

### STATEMENT OF OPERATIONS

Periods Ended December 31

	2009 \$	2008** \$
<b>INCOME</b>		
Interest	<b>637,986</b>	208,920
<b>EXPENSES</b>		
Management fees	<b>23,669</b>	227
Operating expenses	<b>2,426</b>	48
	<b>26,095</b>	275
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>611,891</b>	208,645
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(3,109)</b>	—
Net unrealized gain (loss)	<b>(330,804)</b>	110,615
	<b>(333,913)</b>	110,615
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>277,978</b>	319,260
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>277,978</b>	319,260
- per unit	<b>0.27</b>	0.77

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Blackrock Long Bond Index Fund	
Government of Canada, 5.75%, June 1, 2029	6.9%
Government of Canada, 5.75%, June 1, 2033	6.1%
Government of Canada, 5.00%, June 1, 2037	5.7%
Government of Canada, 8.00%, June 1, 2027	3.8%
Government of Canada, 4.00%, June 1, 2041	3.8%
Ontario, 8.10%, September 8, 2023	3.1%
Government of Canada, 8.00%, June 1, 2023	2.8%
Ontario, 5.60%, June 2, 2035	2.6%
Ontario, 5.85%, March 8, 2033	2.6%
Ontario, 7.60%, June 2, 2027	2.4%

\*\* Beginning of operations in November 2008.

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK LONG BOND INDEX (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
BlackRock Canada Long Bond Index, Class D	1,613,308	18,119,124	17,898,935
TOTAL INVESTMENTS		<b>18,119,124</b>	<b>17,898,935</b>
OTHER NET ASSETS (-0.0%)			(5,246)
NET ASSETS (100%)			<b>17,893,689</b>

The accompanying Notes are an integral part of these financial statements.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund aims to reproduce as closely as possible the annualized return for the DEX Long Term Bond Index, over four year moving periods.

#### Strategy of the Fund

The investments are passively managed in order to provide a moderate real return derived primarily from income by investing in a largely diversified portfolio of Canadian bonds with maturity of 10 years or more.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	17,898,935	—	17,898,935
<b>TOTAL</b>	<b>—</b>	<b>17,898,935</b>	<b>—</b>	<b>17,898,935</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BLACKROCK LONG BOND INDEX (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Long Term Bond	+/- 1.00	+/- 178,937

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Long Term Bond	+/- 1.00	+/- 87,666

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	83	—	—	Financial liabilities held for trading	6	—	—
Accrued expenses	5,163	—	—	Accrued expenses	269	—	—
<b>TOTAL LIABILITIES</b>	<b>5,246</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>275</b>	<b>—</b>	<b>—</b>



## LONG TERM BOND

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	359,895	6,279
Investments at fair value*	42,653,753	33,296,310
Premiums receivable	22,942	5,182,208
Securities lending collateral		
Cash and short term notes	10,810,865	6,419,949
Canadian bonds	3,232,504	8,517,272
Accrued investment income	10,763	3,178
Interest, dividends and other receivables	243,564	156,944
	<u>57,334,286</u>	<u>53,582,140</u>
<b>LIABILITIES</b>		
Accrued expenses	17,092	7,859
Withdrawals payable	16,577	1,206,971
Payable for investments purchased	—	3,872,384
Securities lending collateral payable to broker	14,054,132	14,940,399
	<u>14,087,801</u>	<u>20,027,613</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>43,246,485</u>	<u>33,554,527</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>15.64</u>	14.96
* <i>Investments at cost</i>	42,437,376	32,923,701

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>33,554,527</u>	16,500,204
Increase (Decrease) in Net Assets from Operations	<u>1,865,649</u>	1,071,345
Premiums		
Series 1	<u>28,142,390</u>	24,579,865
Withdrawals		
Series 1	<u>(20,316,081)</u>	(8,596,887)
<b>NET ASSETS, END OF YEAR</b>	<u>43,246,485</u>	<u>33,554,527</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	1,855,532	1,009,156
Revenue from securities lending and repurchase transactions	11,855	8,962
	<u>1,867,387</u>	<u>1,018,118</u>
<b>EXPENSES</b>		
Management fees	130,318	67,261
Operating expenses	4,852	1,023
	<u>135,170</u>	<u>68,284</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>1,732,217</u>	949,834
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	289,664	187,827
Net unrealized gain (loss)	(156,232)	(66,316)
	<u>133,432</u>	<u>121,511</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>1,865,649</u>	1,071,345
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,865,649</u>	1,071,345
- per unit	<u>0.69</u>	0.72

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Long Term Bond Fund	
Government of Canada, 5.00%, June 1, 2037	18.6%
Government of Canada, 1.25%, December 1, 2011	13.2%
Quebec, 5.00%, December 1, 2038	12.5%
Royal Office Finance, 5.209%, November 12, 2032	9.4%
Quebec, 5.75%, December 1, 2036	4.7%
Greater Toronto Airports Authority, 6.47%, February 2, 2034	4.2%
Ontario, 6.50%, March 8, 2029	3.3%
Government of Canada, Stripped, June 1, 2037	3.1%
Hospital for Sick Children, 5.22%, December 16, 2049	2.8%
Canada Treasury Bill, March 4, 2010	2.1%

The accompanying Notes are an integral part of these financial statements.





## LONG TERM BOND (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>CANADIAN BONDS (93.7%)</b>			
<b>Government of Canada (47.8%)</b>			
Government of Canada			
1.250%, 2011-12-01	5,700,000	5,692,910	5,675,775
2.000%, 2012-09-01	900,000	902,680	901,682
5.750%, 2033-06-01	625,000	760,632	769,810
stripped, 2037-06-01	4,000,000	1,399,400	1,337,488
5.000%, 2037-06-01	6,911,000	8,101,327	7,952,830
Royal Office Finance			
Series A, 5.209%, 2032-11-12	4,078,258	3,958,483	4,021,610
		20,815,432	20,659,195
<b>Provincial Governments and Crown Corporations (25.2%)</b>			
Hydro-Québec			
stripped, 2035-02-15	1,285,000	358,961	372,972
6.000%, 2040-02-15	385,000	454,880	452,751
Province of Ontario			
6.500%, 2029-03-08	1,165,000	1,459,124	1,402,216
6.200%, 2031-06-02	380,000	459,763	446,106
4.700%, 2037-06-02	400,000	397,950	394,108
Province of Québec			
6.000%, 2029-10-01	355,000	412,529	401,890
6.250%, 2032-06-01	70,000	83,644	81,952
5.750%, 2036-12-01	1,800,000	1,980,398	2,018,704
5.000%, 2038-12-01	5,250,000	5,235,719	5,342,514
		10,842,968	10,913,213
<b>Municipalities and Semi-Public Institutions (3.5%)</b>			
Hospital for Sick Children			
Series A, 5.217%, 2049-12-16	1,200,000	1,200,000	1,180,454
Ontario School Boards Financing Corporation, Private Placement			
Series 06A1, 5.070%, 2031-04-18	323,146	323,146	311,038
		1,523,146	1,491,492
<b>Corporations (17.2%)</b>			
407 International			
Series 04A3, 5.960%, 2035-12-03	150,000	161,070	157,195
Alliance Pipeline Limited Partnership			
5.546%, 2023-12-31	267,672	269,813	277,201
7.217%, 2025-12-31	605,518	672,125	667,400
British Columbia Ferry Services			
5.021%, 2037-03-20	500,000	412,456	458,695
CIBC Capital Trust			
10.250%, 2099-06-30	80,000	118,466	114,515
Enbridge			
5.750%, 2039-09-02	900,000	899,109	872,668
FortisAlberta			
6.220%, 2034-10-31	400,000	372,800	435,723
Greater Toronto Airports Authority			
6.470%, 2034-02-02	1,600,000	1,597,497	1,738,016
Loblaw Companies			
6.050%, 2034-06-09	140,000	130,900	128,388
Metro			
5.970%, 2035-10-15	500,000	375,402	455,530

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>CANADIAN BONDS (cont.)</b>			
Northwest Territories Power Corporation 5.443%, 2028-08-01	300,000	300,000	296,169
Ornge 5.727%, 2034-06-11	800,000	800,000	808,137
TD Capital Trust IV 10.000%, initial rate (until 2039), 2108-06-30	80,000	118,742	116,779
TransCanada PipeLines 5.650%, 2029-06-20	300,000	291,954	292,070
Winnipeg Airports Authority 6.102%, 2040-11-20	650,000	650,000	636,862
		<u>7,170,334</u>	<u>7,455,348</u>
<b>TOTAL CANADIAN BONDS</b>		<u>40,351,880</u>	<u>40,519,248</u>
<b>MONEY MARKET SECURITIES (3.8%)</b>			
Canada Treasury Bills 2010-01-07	500,000	499,950	499,986
2010-03-04	915,000	914,433	914,728
Ontario Treasury Bills 2010-01-06	250,000	249,978	249,993
		<u>1,664,361</u>	<u>1,664,707</u>
<b>TOTAL MONEY MARKET SECURITIES</b>		<u>1,664,361</u>	<u>1,664,707</u>
<b>MORTGAGE-BACKED SECURITY (1.1%)</b>			
Column Canada Issuer Corporation 4.934%, 2016-09-15	550,000	421,135	469,798
		<u>421,135</u>	<u>469,798</u>
<b>TOTAL INVESTMENTS (98.6%)</b>		<u><b>42,437,376</b></u>	<u><b>42,653,753</b></u>
<b>OTHER NET ASSETS (1.4%)</b>			<u>592,732</u>
<b>NET ASSETS (100%)</b>			<u><b>43,246,485</b></u>

The accompanying Notes are an integral part of these financial statements.



## LONG TERM BOND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the DEX Long Term Bond Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a moderate return derived from income, by investing primarily in Canadian government and corporate bonds with maturities of over 10 years. The choice of fixed-income securities and their relative weight to the Index is a crucial part of the Fund's strategy. The duration management, based on interest rate forecasts, is another important strategic tool used for this mandate.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Bonds	26,725,075	13,794,173	—	40,519,248
Mortgage-Backed Securities	—	469,798	—	469,798
Money Market Securities	1,664,707	—	—	1,664,707
<b>TOTAL</b>	<b>28,389,782</b>	<b>14,263,971</b>	<b>—</b>	<b>42,653,753</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Interest Rate Risk

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2009	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	2,024,601	6,577,457	469,798	33,941,792	—	43,013,648
Other receivables	—	—	—	—	14,320,638	14,320,638
<b>TOTAL ASSETS</b>	<b>2,024,601</b>	<b>6,577,457</b>	<b>469,798</b>	<b>33,941,792</b>	<b>14,320,638</b>	<b>57,334,286</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	17,092	17,092
Other liabilities	—	—	—	—	14,070,709	14,070,709
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,087,801</b>	<b>14,087,801</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>2,024,601</b>	<b>6,577,457</b>	<b>469,798</b>	<b>33,941,792</b>	<b>232,837</b>	<b>43,246,485</b>

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the contractual maturity dates.

As at December 31, 2008	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	6,636,083	967,990	81,885	25,616,631	—	33,302,589
Other receivables	—	—	—	—	20,279,551	20,279,551
<b>TOTAL ASSETS</b>	<b>6,636,083</b>	<b>967,990</b>	<b>81,885</b>	<b>25,616,631</b>	<b>20,279,551</b>	<b>53,582,140</b>
<b>Liabilities</b>						
Payable for investments purchased	—	—	—	—	3,872,384	3,872,384
Accrued expenses	—	—	—	—	7,859	7,859
Other liabilities	—	—	—	—	16,147,370	16,147,370
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20,027,613</b>	<b>20,027,613</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>6,636,083</b>	<b>967,990</b>	<b>81,885</b>	<b>25,616,631</b>	<b>251,938</b>	<b>33,554,527</b>

As at December 31, 2009, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by \$1,217,402 (\$1,102,602 as at December 31, 2008).

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.



## LONG TERM BOND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

The Fund trades in financial instruments, taking positions in over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Long Term Bond	+/- 1.00	+/- 425,580

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
DEX Long Term Bond	+/- 1.00	+/- 332,894

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009, the Fund's credit risk is mainly concentrated in fixed-income securities. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

As at December 31, 2008, the Fund's credit risk concentration is spread between fixed-income and money market securities. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The Fund invests in financial assets which have an investment grade as rated by the *Dominion Bond Rating Service ("DBRS")*, *Standard & Poor's*, *Moody's* or *Fitch*. When several credit ratings are available for a security, the lowest rating with equivalent *DBRS* format is used. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

#### Portfolio's fixed-income securities by rating category

As at December 31, 2009	Percentage of Fixed-Income Securities	As at December 31, 2008	Percentage of Fixed-Income Securities
Rating	%	Rating	%
AAA	52	AAA	56
AAL	11	AA	10
AH	21	AAL	1
A	6	AH	26
AL	2	A	5
BBBH	6	AL	1
BBB	1	BBB	1
Not Rated	1	TOTAL	<u>100</u>
TOTAL	<u>100</u>		

#### Portfolio's money market securities by rating category

As at December 31, 2008	Percentage of Money Market Securities
Rating	%
R-1 (High)	100
TOTAL	<u>100</u>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$	As at December 31, 2008	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Accrued expenses	17,092	—	—	Payable for investments purchased	3,872,384	—	—
Other liabilities	14,070,709	—	—	Accrued expenses	7,859	—	—
<b>TOTAL LIABILITIES</b>	<b>14,087,801</b>	<b>—</b>	<b>—</b>	Other liabilities	1,206,971	—	14,940,399
				<b>TOTAL LIABILITIES</b>	<b>5,087,214</b>	<b>—</b>	<b>14,940,399</b>





# Balanced Funds





## FIDELITY CANADIAN BALANCED

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	15,152	11,193
Investments at fair value*	11,177,420	7,907,771
Premiums receivable	32,672	49,575
Receivable for investments sold	—	16,548
	<u>11,225,244</u>	<u>7,985,087</u>
<b>LIABILITIES</b>		
Accrued expenses	11,334	6,579
Withdrawals payable	244	54,744
Payable for investments purchased	36,278	10,310
	<u>47,856</u>	<u>71,633</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>11,177,388</b></u>	<u>7,913,454</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>18.06</b></u>	14.62
* <i>Investments at cost</i>	<b>10,503,143</b>	9,196,405

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>7,913,454</b></u>	6,912,286
Increase (Decrease) in Net Assets from Operations	<u><b>2,019,131</b></u>	(1,799,553)
Premiums		
Series 1	<u><b>5,185,452</b></u>	6,898,992
Withdrawals		
Series 1	<u><b>(3,940,649)</b></u>	(4,098,271)
<b>NET ASSETS, END OF YEAR</b>	<u><b>11,177,388</b></u>	7,913,454

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	194,638	198,373
Dividends	179,688	159,031
Other income	—	178
	<u><b>374,326</b></u>	<u>357,582</u>
<b>EXPENSES</b>		
Management fees	84,499	78,769
Operating expenses	2,209	351
	<u><b>86,708</b></u>	<u>79,120</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>287,618</b></u>	278,462
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(231,398)	(363,508)
Net unrealized gain (loss)	1,962,911	(1,714,507)
	<u><b>1,731,513</b></u>	<u>(2,078,015)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>2,019,131</b></u>	(1,799,553)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>2,019,131</b></u>	(1,799,553)
- per unit	<u><b>3.48</b></u>	(3.45)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Fidelity Canadian Balanced Fund	
Royal Bank of Canada	3.7%
Suncor Energy Inc.	3.2%
Toronto-Dominion Bank	2.9%
Ontario, 4.40%, June 2, 2019	1.9%
Canadian Natural Resources Ltd	1.8%
Canadian National Railway Company	1.8%
Canada Housing Trust, 2.75%, December 15, 2014	1.8%
Canada Housing Trust, 4.55%, December 15, 2012	1.7%
Research in Motion Ltd	1.6%
Canadian Imperial Bank of Commerce	1.6%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
Fidelity Canadian Balanced Fund, Series O	605,445	10,503,143	11,177,420
<b>TOTAL INVESTMENTS</b>		<b>10,503,143</b>	<b>11,177,420</b>
OTHER NET ASSETS (-0.0%)			(32)
<b>NET ASSETS (100%)</b>			<b>11,177,388</b>

The accompanying Notes are an integral part of these financial statements.



## FIDELITY CANADIAN BALANCED (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide long-term capital appreciation and regular income stream by investing in a diversified portfolio of stocks, fixed-income securities and high yield securities. Equity investment decisions are based on a thorough examination of the company, financial conditions and long term earnings growth potential. Fixed-income strategy includes sector allocation, security selection, credit analysis and yield-curve positioning strategies.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	11,177,420	—	—	11,177,420
<b>TOTAL</b>	<b>11,177,420</b>	<b>—</b>	<b>—</b>	<b>11,177,420</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (40%)	+/- 1.00	+/- 46,948
Merrill Lynch High Yield Master II (10%)	+/- 1.50	+/- 17,605
S&P/TSX Capped (50%)	+/- 3.00	+/- 176,054

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (40%)	+/- 3.00	+/- 94,961
Merrill Lynch High Yield Master II (10%)	+/- 3.00	+/- 23,740
S&P/TSX Capped (50%)	+/- 3.00	+/- 118,702

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	36,278	—	—	Payable for investments purchased	10,310	—	—
Accrued expenses	11,334	—	—	Accrued expenses	6,579	—	—
Other liabilities	244	—	—	Other liabilities	54,744	—	—
<b>TOTAL LIABILITIES</b>	<b>47,856</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>71,633</b>	<b>—</b>	<b>—</b>



## TRIMARK INCOME GROWTH

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	9,218	7,573
Investments at fair value*	41,269,215	34,761,019
Premiums receivable	38,251	78,134
Receivable for investments sold	—	17,667
	<u>41,316,684</u>	<u>34,864,393</u>
<b>LIABILITIES</b>		
Accrued expenses	37,065	29,512
Withdrawals payable	7,709	82,461
Payable for investments purchased	25,839	4,832
	<u>70,613</u>	<u>116,805</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>41,246,071</b></u>	<u>34,747,588</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>22.11</b></u>	18.63
* <i>Investments at cost</i>	<b>40,644,247</b>	40,776,271

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>34,747,588</b></u>	44,206,534
Increase (Decrease) in Net Assets from Operations	<u><b>6,437,295</b></u>	<u>(6,626,496)</u>
Premiums		
Series 1	<u><b>5,481,047</b></u>	5,729,463
Withdrawals		
Series 1	<u><b>(5,419,859)</b></u>	<u>(8,561,913)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>41,246,071</b></u>	<u>34,747,588</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	390,883	578,814
Dividends	832,003	857,132
	<u><b>1,222,886</b></u>	<u>1,435,946</u>
<b>EXPENSES</b>		
Management fees	327,290	360,133
Operating expenses	2,426	1,493
	<u><b>329,716</b></u>	<u>361,626</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>893,170</b></u>	<u>1,074,320</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,096,095)	(234,832)
Net unrealized gain (loss)	6,640,220	(7,465,984)
	<u><b>5,544,125</b></u>	<u>(7,700,816)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>6,437,295</b></u>	<u>(6,626,496)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>6,437,295</b></u>	<u>(6,626,496)</u>
- per unit	<u><b>3.48</b></u>	<u>(3.44)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Trimark Income Growth Fund	
Government of Canada, 4.50%, June 1, 2015	5.0%
Johnson & Johnson	3.4%
Comcast Corporation	3.2%
Rona Inc.	3.1%
Medtronic, Inc.	2.6%
Toronto-Dominion Bank	2.5%
Suncor Energy Inc.	2.4%
Royal Bank of Canada	2.4%
Yahoo! Inc.	2.3%
Shoppers Drug Mart Inc.	2.2%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.1%)			
Trimark Income Growth Fund, Series I	3,695,971	40,644,247	41,269,215
<b>TOTAL INVESTMENTS</b>		<b>40,644,247</b>	<b>41,269,215</b>
OTHER NET ASSETS (-0.1%)			(23,144)
<b>NET ASSETS (100%)</b>			<b>41,246,071</b>

The accompanying Notes are an integral part of these financial statements.



## TRIMARK INCOME GROWTH (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long-term capital appreciation and regular income stream by investing in a diversified portfolio of Canadian and foreign companies and fixed-income securities including government and corporate bonds. Equity security selection favours companies whose competitive advantages provide opportunities for long-term growth, and that are believed to be undervalued in relation to their intrinsic value. Fixed-income security selection places emphasis on rigorous credit analysis to identify bonds trading at attractive prices. The manager also study long-term trends in interest rates and yield curve positioning for the portfolio.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	41,269,215	—	—	41,269,215
<b>TOTAL</b>	<b>41,269,215</b>	<b>—</b>	<b>—</b>	<b>41,269,215</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (5%)	+/- 0.25	+/- 4,972
DEX Universe Bond (35%)	+/- 1.00	+/- 139,207
S&P/TSX (35%)	+/- 3.00	+/- 417,622
MSCI World (25%)	+/- 3.00	+/- 298,301

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-Day Treasury Bills (5%)	+/- 0.25	+/- 4,343
DEX Universe Bond (35%)	+/- 1.00	+/- 121,617
S&P/TSX (35%)	+/- 3.00	+/- 364,850
MSCI World (25%)	+/- 3.00	+/- 260,607

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	25,839	—	—	Payable for investments purchased	4,832	—	—
Accrued expenses	37,065	—	—	Accrued expenses	29,512	—	—
Other liabilities	7,709	—	—	Other liabilities	82,461	—	—
<b>TOTAL LIABILITIES</b>	<b>70,613</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>116,805</b>	<b>—</b>	<b>—</b>





## JARISLOWSKY FRASER BALANCED

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	321,920	—
Investments at fair value*	51,973,186	41,808,240
	<u>52,295,106</u>	<u>41,808,240</u>
<b>LIABILITIES</b>		
Bank overdraft	—	212,818
Accrued expenses	22,317	15,302
	<u>22,317</u>	<u>228,120</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>52,272,789</b></u>	41,580,120
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>14.54</u>	12.73
* Investments at cost	55,550,149	51,630,108

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>41,580,120</u>	46,728,921
Increase (Decrease) in Net Assets from Operations	6,391,690	(5,902,568)
Premiums		
Series 1	<u>17,268,513</u>	8,525,201
Withdrawals		
Series 1	<u>(12,967,534)</u>	(7,771,434)
<b>NET ASSETS, END OF YEAR</b>	<u><b>52,272,789</b></u>	41,580,120

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	678,487	594,099
Dividends	937,046	1,084,102
Other income	—	247
	<u>1,615,533</u>	<u>1,678,448</u>
<b>EXPENSES</b>		
Management fees	170,064	164,390
Operating expenses	2,426	1,706
	<u>172,490</u>	<u>166,096</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>1,443,043</b></u>	1,512,352
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,296,258)	823,345
Net unrealized gain (loss)	6,244,905	(8,238,265)
	<u>4,948,647</u>	<u>(7,414,920)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>6,391,690</b></u>	(5,902,568)
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	6,391,690	(5,902,568)
- per unit	<u>1.85</u>	(1.83)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Jarislowsky Fraser Balanced Fund	
Government of Canada, 5.75%, June 1, 2029	2.9%
Royal Bank of Canada	2.1%
Jarislowsky Special Equity Fund	2.0%
Canada Housing Trust, 4.55%, December 15, 2012	1.9%
Scotiabank	1.7%
SNC-Lavalin Group Inc.	1.6%
Toronto-Dominion Bank	1.5%
Ontario, 4.30%, March 8, 2017	1.5%
Talisman Energy Inc.	1.4%
Canadian Imperial Bank of Commerce, 3.30%, November 19, 2014	1.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.4%)			
Jarislowsky Fraser Balanced Fund	3,867,801	55,550,149	51,973,186
<b>TOTAL INVESTMENTS</b>		<b>55,550,149</b>	<b>51,973,186</b>
OTHER NET ASSETS (0.6%)			299,603
<b>NET ASSETS (100%)</b>			<b>52,272,789</b>

*The accompanying Notes are an integral part of these financial statements.*



## JARISLOWSKY FRASER BALANCED (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return that is higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to add value through long term asset mix positioning rather than short term trading by investing in a diversified portfolio consisting of fixed income securities and Canadian and foreign stocks. The Fund's equity style emphasizes buying long-term growth at a reasonable price. Fixed-income securities generate regular income reflecting the objective of capital preservation.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	51,973,186	—	51,973,186
<b>TOTAL</b>	<b>—</b>	<b>51,973,186</b>	<b>—</b>	<b>51,973,186</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (6%)	+/- 0.25	+/- 7,201
DEX Universe Bond (39%)	+/- 1.00	+/- 187,234
S&P/TSX (30%)	+/- 3.00	+/- 432,078
S&P 500 (12.5%)	+/- 3.00	+/- 180,033
MSCI EAFE (12.5%)	+/- 3.00	+/- 180,033

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (6%)	+/- 0.25	+/- 6,237
DEX Universe Bond (39%)	+/- 1.00	+/- 162,162
S&P/TSX (30%)	+/- 3.00	+/- 374,221
S&P 500 (12.5%)	+/- 3.00	+/- 155,925
MSCI EAFE (12.5%)	+/- 3.00	+/- 155,925

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	22,317	—	—	Accrued expenses	15,302	—	—
TOTAL LIABILITIES	<b>22,317</b>	—	—	Other liabilities	212,818	—	—
				TOTAL LIABILITIES	<b>228,120</b>	—	—



## CONSERVATIVE DIVERSIFIED

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	41,127	—
Investments at fair value*	79,898,465	70,697,528
Premiums receivable	93,098	472,232
Interest, dividends and other receivables	38,524	109,764
	<u>80,071,214</u>	<u>71,279,524</u>
<b>LIABILITIES</b>		
Bank overdraft	—	64,527
Accrued expenses	16,855	1,409
Withdrawals payable	42,709	467,343
Payable for investments purchased	67,900	80,106
	<u>127,464</u>	<u>613,385</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>79,943,750</b></u>	<u>70,666,139</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>253.95</b></u>	216.05
* <i>Investments at cost</i>	<b>80,532,287</b>	90,051,640

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>70,666,139</b></u>	101,071,676
Increase (Decrease) in Net Assets from Operations	<u><b>11,788,760</b></u>	(11,376,674)
Premiums		
Series 1	<u><b>9,238,433</b></u>	9,129,314
Withdrawals		
Series 1	<u><b>(11,749,582)</b></u>	(28,158,177)
<b>NET ASSETS, END OF YEAR</b>	<u><b>79,943,750</b></u>	70,666,139

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	1,083,970	4,467,865
Dividends	715,680	839,829
Revenue from securities lending	5,808	10,635
Net income (loss) from derivative financial instruments	—	(91,429)
Other income	445	109,194
	<u><b>1,805,903</b></u>	<u>5,336,094</u>
<b>EXPENSES</b>		
Management fees	215,872	262,910
Operating expenses	4,852	3,188
	<u><b>220,724</b></u>	<u>266,098</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>1,585,179</b></u>	<u>5,069,996</u>
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTION COSTS</b>		
Net realized gain (loss)	<b>(8,427,981)</b>	1,051,071
Net unrealized gain (loss)	<b>18,719,622</b>	(17,382,093)
Commissions and other portfolio transaction costs (Note 6)	<b>(88,060)</b>	(115,648)
	<u><b>10,203,581</b></u>	<u>(16,446,670)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>11,788,760</b></u>	<u>(11,376,674)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>11,788,760</b></u>	(11,376,674)
- per unit	<u><b>37.60</b></u>	(30.45)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Conservative Diversified Fund	
Fiera Active Fixed Income Trust Fund	24.6%
Fiera Capital Money Market Fund	9.5%
Fiera Private Wealth Income Fund	9.0%
Fiera Capital Market Neutral Fund	8.8%
Fiera Capital Global Macro Fund	7.7%
Fiera International Equity Fund	7.4%
Fiera Capital U.S. Equity Fund	7.3%
Suncor Energy Inc.	1.5%
Royal Bank of Canada	1.4%
Manulife Financial	1.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (74.2%)</b>			
Fiera Active Fixed Income Trust Fund	1,986,521	20,012,302	19,652,258
Fiera Global Macro, Class P, November 2008	350,706	3,507,091	3,397,712
Fiera Global Macro, Class P, December 2008	144,200	1,442,000	1,391,443
Fiera Global Macro, Class P, March 2009	140,000	1,400,000	1,334,018
Fiera International Equity Diversified Fund	583,574	8,582,222	5,930,572
Fiera Market Neutral Fund, Class M	663,194	5,790,223	7,052,665
Fiera Money Market Fund	667,033	7,595,739	7,583,667
Fiera Private Wealth Income Fund	988,340	6,991,475	7,162,898
Fiera U.S. Equity Fund	103,890	6,922,299	5,826,752
<b>TOTAL INVESTMENT FUNDS</b>		<b>62,243,351</b>	<b>59,331,985</b>
	<b>Number of Shares</b>		
<b>EQUITIES (25.7%)</b>			
<b>Energy (7.1%)</b>			
ARC Energy Trust	20,420	370,189	407,175
Baytex Energy Trust	6,800	115,820	200,804
Cameco Corporation	6,600	157,526	223,146
Canadian Natural Resources	10,300	646,470	779,401
Canadian Oil Sands Trust	8,500	316,463	253,130
Cenovus Energy	7,840	229,550	207,525
EnCana Corporation	23,740	728,878	808,347
Husky Energy	5,100	153,200	153,102
PetroBakken Energy, Class A	8,600	259,230	277,866
Precision Drilling Trust	28,900	183,861	219,640
Suncor Energy	32,384	1,005,252	1,201,770
Talisman Energy	34,750	562,460	679,362
Vermilion Energy Trust	8,400	253,761	272,160
		<b>4,982,660</b>	<b>5,683,428</b>
<b>Materials (5.2%)</b>			
Agnico-Eagle Mines	2,600	125,314	147,654
Barrick Gold Corporation	18,100	714,900	749,340
Centerra Gold	23,200	238,514	247,776
Consolidated Thompson Iron Mines, Restricted	89,400	393,360	597,416
Goldcorp	10,700	365,439	442,017
IAMGOLD Corporation	7,900	91,074	130,271
Potash Corporation of Saskatchewan	3,200	341,362	365,152
Sino-Forest	23,600	404,442	455,952
Teck Resources, Class B	14,700	378,364	539,490
Thompson Creek Metals Company	18,300	207,339	225,090
Yamana Gold	25,500	344,034	304,980
		<b>3,604,142</b>	<b>4,205,138</b>
<b>Industrials (1.0%)</b>			
Canadian National Railway Company	4,700	242,272	268,605
Canadian Pacific Railway	4,000	195,528	226,800
Finning International	19,000	301,202	315,210
		<b>739,002</b>	<b>810,615</b>



## CONSERVATIVE DIVERSIFIED (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (cont.)</b>			
<b>Consumer Discretionary (1.9%)</b>			
Dollarama	11,800	222,808	263,730
Magna International, Class A	7,400	399,038	393,532
Thomson Reuters Corporation	17,200	564,740	583,080
Tim Hortons	9,200	281,520	295,044
		1,468,106	1,535,386
<b>Consumer Staples (0.9%)</b>			
Alimentation Couche-Tard, Class B	12,800	192,092	265,600
Shoppers Drug Mart Corporation	9,500	410,575	431,205
		602,667	696,805
<b>Financials (7.6%)</b>			
Brookfield Asset Management, Class A	11,300	279,405	263,742
Canadian Imperial Bank of Commerce	10,236	612,450	695,536
Industrial Alliance Insurance and Financial Services	8,100	234,877	260,172
Intact Financial	5,000	140,909	184,400
Manulife Financial Corporation	51,728	1,021,488	998,350
National Bank of Canada	6,700	401,234	403,072
Royal Bank of Canada	20,469	908,973	1,153,633
Scotiabank	15,300	647,594	752,607
Skylon Growth & Income Trust, Units	16,300	144,963	133,497
TMX Group	6,700	219,540	221,837
Toronto-Dominion Bank	15,100	850,690	995,694
		5,462,123	6,062,540
<b>Information Technology (1.6%)</b>			
CGI Group, Class A	20,000	210,311	284,000
Research In Motion	13,800	952,717	979,248
		1,163,028	1,263,248
<b>Telecommunication Services (0.4%)</b>			
Rogers Communications, Class B	9,500	300,324	309,320
<b>TOTAL EQUITIES</b>		18,322,052	20,566,480
<b>PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST</b>		(33,116)	—
<b>TOTAL INVESTMENTS (99.9%)</b>		<b>80,532,287</b>	<b>79,898,465</b>
<b>OTHER NET ASSETS (0.1%)</b>			45,285
<b>NET ASSETS (100%)</b>			<b>79,943,750</b>

The accompanying Notes are an integral part of these financial statements.

## FINANCIAL INSTRUMENTS DISCLOSURES

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return of 1.0% higher than the benchmark indices below, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide an above-average return in comparison with similar funds derived from both income and capital appreciation by investing in a diversified portfolio of Canadian and foreign stocks, alternative strategies, bonds, and short-term notes. The strategy provides optimal asset allocation, security selection and portfolio diversification, with below average risk.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Equities	19,969,064	—	597,416	20,566,480
Investment Funds	—	59,331,985	—	59,331,985
<b>TOTAL</b>	<b>19,969,064</b>	<b>59,331,985</b>	<b>597,416</b>	<b>79,898,465</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
<b>Balance, Beginning of Year</b>	<b>275,677</b>
Proceeds from sale of investments	—
Investments purchased	393,360
Net realized gain (loss)	—
Net unrealized gain (loss)	106,232
Transfers to (from) Level 3	(177,853)
<b>Balance, End of Year</b>	<b>597,416</b>
<b>CHANGE IN UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES HELD AS AT DECEMBER 31, 2009</b>	<b>204,056</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.





## CONSERVATIVE DIVERSIFIED (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES

as at December 31, 2009

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, part of the Fund's net assets are denominated in U.S. dollars. The following tables summarize the Fund's exposure to currency risk, excluding the currency risk related to the current underlying funds.

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	18,299	763	—	—

As at December 31, 2008	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	293,644	—	—	—

As at December 31, 2009 and 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

## FINANCIAL INSTRUMENTS DISCLOSURES

as at December 31, 2009

As at December 31, 2009	Change in Price	Impact on Net Assets
<b>Benchmarks</b>	<b>%</b>	<b>\$</b>
DEX Universe Bond (35%)	+/- 1.00	+/- 250,905
Absolute return of 8% (15%)	+/- 1.00	+/- 107,531
S&P/TSX Capped (30%)	+/- 3.00	+/- 645,185
S&P 500 (10%)	+/- 3.00	+/- 215,062
MSCI EAFE Free Net (10%)	+/- 3.00	+/- 215,062

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
<b>Benchmarks</b>	<b>%</b>	<b>\$</b>
DEX Universe Bond (20%)	+/- 1.00	+/- 141,332
DEX Corporate Universe (5%)	+/- 1.00	+/- 35,333
DEX Long Term Bond (5%)	+/- 1.00	+/- 35,333
DEX Real Return (5%)	+/- 1.00	+/- 35,333
Absolute return 8% (15%)	+/- 1.00	+/- 105,999
S&P/TSX Capped (25%)	+/- 3.00	+/- 529,996
S&P/TSX Small Cap (5%)	+/- 3.00	+/- 105,999
MSCI EAFE (10%)	+/- 3.00	+/- 211,998
S&P 500 (10%)	+/- 3.00	+/- 211,998

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	67,900	—	—	Payable for investments purchased	80,106	—	—
Accrued expenses	16,855	—	—	Accrued expenses	1,409	—	—
Other liabilities	42,709	—	—	Other liabilities	467,343	—	—
<b>TOTAL LIABILITIES</b>	<b>127,464</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>613,385</b>	<b>—</b>	<b>—</b>



## McLEAN BUDDEN BALANCED GROWTH

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	24,053	7,801
Investments at fair value*	135,375,165	109,174,469
Premiums receivable	107,639	501,830
	<u>135,506,857</u>	<u>109,684,100</u>
<b>LIABILITIES</b>		
Accrued expenses	47,511	36,609
Withdrawals payable	54,525	164,446
	<u>102,036</u>	<u>201,055</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>135,404,821</u>	109,483,045
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>38.72</u>	32.17
* <i>Investments at cost</i>	136,295,731	132,309,599

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>109,483,045</u>	133,234,731
Increase (Decrease) in Net Assets from Operations	<u>22,409,609</u>	(23,746,236)
Premiums		
Series 1	<u>20,148,834</u>	14,776,255
Withdrawals		
Series 1	<u>(16,636,667)</u>	(14,781,705)
<b>NET ASSETS, END OF YEAR</b>	<u>135,404,821</u>	109,483,045

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	1,673,271	1,595,064
Dividends	2,131,094	2,558,757
Other income	—	1,085
	<u>3,804,365</u>	<u>4,154,906</u>
<b>EXPENSES</b>		
Management fees	403,996	420,504
Operating expenses	2,426	4,624
	<u>406,422</u>	<u>425,128</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>3,397,943</u>	3,729,778
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(3,202,898)	1,161,508
Net unrealized gain (loss)	22,214,564	(28,637,522)
	<u>19,011,666</u>	<u>(27,476,014)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>22,409,609</u>	(23,746,236)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>22,409,609</u>	(23,746,236)
- per unit	<u>6.54</u>	(6.98)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden Balanced Growth Fund	
McLean Budden Global Equity Growth Fund	10.6%
Government of Canada, 3.75%, June 1, 2012	4.7%
Government of Canada, 3.50%, June 1, 2013	1.9%
Suncor Energy Inc.	1.8%
Toronto-Dominion Bank	1.7%
Research in Motion Ltd	1.6%
Government of Canada, 4.25%, June 1, 2018	1.6%
Government of Canada, 4.00%, June 1, 2041	1.4%
Royal Bank of Canada	1.4%
Manulife Financial	1.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
McLean Budden Balanced Growth Pooled Fund	11,107,615	136,295,731	135,375,165
<b>TOTAL INVESTMENTS</b>		<b>136,295,731</b>	<b>135,375,165</b>
OTHER NET ASSETS (0.0%)			29,656
<b>NET ASSETS (100%)</b>			<b>135,404,821</b>

The accompanying Notes are an integral part of these financial statements.



## McLEAN BUDDEN BALANCED GROWTH (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.0% higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investment are actively managed in order to provide a superior real return derived both from income and capital appreciation by investing in a diversified portfolio of Canadian and foreign stocks, fixed-income securities and short-term notes. The strategy provides optimal asset allocation and favours stocks of high-growth companies.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	135,375,165	—	135,375,165
<b>TOTAL</b>	<b>—</b>	<b>135,375,165</b>	<b>—</b>	<b>135,375,165</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (5%)	+/- 0.25	+/- 17,894
DEX Universe Bond (35%)	+/- 1.00	+/- 501,020
S&P/TSX Capped (30%)	+/- 3.00	+/- 1,288,336
MSCI World (30%)	+/- 3.00	+/- 1,288,336

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (5%)	+/- 0.25	+/- 13,685
DEX Universe Bond (35%)	+/- 1.00	+/- 383,191
S&P/TSX Capped (30%)	+/- 3.00	+/- 985,347
MSCI World (30%)	+/- 3.00	+/- 985,347

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	47,511	—	—	Accrued expenses	36,609	—	—
Other liabilities	54,525	—	—	Other liabilities	164,446	—	—
<b>TOTAL LIABILITIES</b>	<b>102,036</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>201,055</b>	<b>—</b>	<b>—</b>





# Canadian Equity





## CANADIAN EQUITY DIVIDEND

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	23,911	26,643
Investments at fair value*	5,814,226	3,531,941
Premiums receivable	34,344	181,364
	<u>5,872,481</u>	<u>3,739,948</u>
<b>LIABILITIES</b>		
Accrued expenses	2,829	1,012
Withdrawals payable	17,079	193,739
Payable for investments purchased	20,000	20,000
	<u>39,908</u>	<u>214,751</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>5,832,573</u>	3,525,197
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>14.94</u>	11.22
* <i>Investments at cost</i>	5,334,179	4,771,316

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>3,525,197</u>	2,574,117
Increase (Decrease) in Net Assets from Operations	<u>1,390,390</u>	(1,258,100)
Premiums		
Series 1	<u>2,485,172</u>	3,278,907
Withdrawals		
Series 1	<u>(1,568,186)</u>	(1,069,727)
<b>NET ASSETS, END OF YEAR</b>	<u>5,832,573</u>	3,525,197

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	23
Dividends	275,384	85,909
	<u>275,384</u>	<u>85,932</u>
<b>EXPENSES</b>		
Management fees	13,671	8,810
Operating expenses	1,166	134
	<u>14,837</u>	<u>8,944</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>260,547</u>	76,988
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(589,579)	(190,762)
Net unrealized gain (loss)	1,719,422	(1,144,326)
	<u>1,129,843</u>	<u>(1,335,088)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>1,390,390</u>	(1,258,100)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,390,390</u>	(1,258,100)
- per unit	<u>3.82</u>	(5.88)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Canadian Equity Dividend Fund	
Royal Bank of Canada	6.4%
Suncor Energy Inc.	5.7%
Toronto-Dominion Bank	5.5%
Barrick Gold Corporation	4.3%
Scotiabank	4.2%
Agrium inc.	3.6%
Canadian Natural Resources Ltd	3.5%
Goldcorp	3.4%
Canadian Imperial Bank of Commerce	3.3%
Manulife Financial	3.1%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.7%)			
Fiera Canadian Equity Fund	451,757	5,334,179	5,814,226
<b>TOTAL INVESTMENTS</b>		<b>5,334,179</b>	<b>5,814,226</b>
OTHER NET ASSETS (0.3%)			18,347
<b>NET ASSETS (100%)</b>			<b>5,832,573</b>

The accompanying Notes are an integral part of these financial statements.



## CANADIAN EQUITY DIVIDEND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide investors with the right balance between capital growth and dividend income by means of investments in shares of large financially stable Canadian companies.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	5,814,226	—	5,814,226
<b>TOTAL</b>	<b>—</b>	<b>5,814,226</b>	<b>—</b>	<b>5,814,226</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 167,621

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
RBC High Yield	+/- 3.00	+/- 104,201

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	20,000	—	—	Payable for investments purchased	20,000	—	—
Accrued expenses	2,829	—	—	Accrued expenses	1,012	—	—
Other liabilities	17,079	—	—	Other liabilities	193,739	—	—
<b>TOTAL LIABILITIES</b>	<b>39,908</b>	—	—	<b>TOTAL LIABILITIES</b>	<b>214,751</b>	—	—



## BERNSTEIN CANADIAN VALUE EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	5,158	401,309
Investments at fair value*	11,041,284	9,641,890
Premiums receivable	234,263	364,610
	<u>11,280,705</u>	<u>10,407,809</u>
<b>LIABILITIES</b>		
Accrued expenses	10,321	6,888
Withdrawals payable	219,793	—
	<u>230,114</u>	<u>6,888</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>11,050,591</u>	10,400,921
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>17.75</u>	13.05
* <i>Investments at cost</i>	11,629,446	14,964,124

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	10,400,921	25,117,367
Increase (Decrease) in Net Assets from Operations	3,236,093	(7,006,818)
Premiums		
Series 1	1,567,550	11,220,554
Withdrawals		
Series 1	(4,153,973)	(18,930,182)
<b>NET ASSETS, END OF YEAR</b>	<u>11,050,591</u>	<u>10,400,921</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	3,739
Dividends	367,256	781,943
	<u>367,256</u>	<u>785,682</u>
<b>EXPENSES</b>		
Management fees	76,914	153,246
Operating expenses	2,258	518
	<u>79,172</u>	<u>153,764</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>288,084</u>	<u>631,918</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,786,063)	(1,772,779)
Net unrealized gain (loss)	4,734,072	(5,865,957)
	<u>2,948,009</u>	<u>(7,638,736)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>3,236,093</u>	<u>(7,006,818)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	3,236,093	(7,006,818)
- per unit	<u>4.56</u>	<u>(6.23)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bernstein Canadian Value Equity Fund	
Suncor Energy Inc.	7.5%
Royal Bank of Canada	7.3%
EnCana Corporation	3.9%
Nexen Inc.	3.6%
Potash Corporation of Saskatchewan Inc.	3.4%
Talisman Energy Inc.	3.4%
Canadian Imperial Bank of Commerce	3.3%
Barrick Gold Corporation	3.2%
Bombardier	3.1%
Toronto-Dominion Bank	2.8%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
Bernstein Canadian Equity Value Fund	385,520	11,629,446	11,041,284
<b>TOTAL INVESTMENTS</b>		<b>11,629,446</b>	<b>11,041,284</b>
OTHER NET ASSETS (0.1%)			9,307
<b>NET ASSETS (100%)</b>			<b>11,050,591</b>

*The accompanying Notes are an integral part of these financial statements.*



## BERNSTEIN CANADIAN VALUE EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return 2.0% to 3.0% higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long-term return derived primarily from capital appreciation by investing in a diversified portfolio of Canadian equities of large and medium capitalization companies. The Fund may also hold a limited portion of international equities. Security selection favours companies that are attractively priced relative to long-term earnings and cash-flow potential.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	11,041,284	—	11,041,284
<b>TOTAL</b>	<b>—</b>	<b>11,041,284</b>	<b>—</b>	<b>11,041,284</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 316,752

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 302,854

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	10,321	—	—	Accrued expenses	6,888	—	—
Other liabilities	219,793	—	—	TOTAL LIABILITIES	<b>6,888</b>	—	—
<b>TOTAL LIABILITIES</b>	<b>230,114</b>	—	—				





## BEUTEL GOODMAN CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	5
Investments at fair value*	883,220
Premiums receivable	<u>1,627</u>
	<u>884,852</u>
<b>LIABILITIES</b>	
Accrued expenses	521
Withdrawals payable	<u>106</u>
	<u>627</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>884,225</b></u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u><b>11.11</b></u>
* <i>Investments at cost</i>	<b>830,906</b>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>74,185</u>
Premiums	
Series 1	<u>841,294</u>
Withdrawals	
Series 1	<u>(31,254)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>884,225</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Dividends	<u>21,117</u>
<b>EXPENSES</b>	
Management fees	1,535
Operating expenses	<u>171</u>
	<u>1,706</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>19,411</b></u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	2,460
Net unrealized gain (loss)	<u>52,314</u>
	<u>54,774</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>74,185</b></u>
<b>DATA PER SERIES</b>	
SERIES 1	
Increase (Decrease) in Net Assets from Operations	<u>74,185</u>
- per unit	<u><b>1.34</b></u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Beutel Goodman Canadian Equity Fund	
Beutel Goodman Small Cap Fund	8.2%
Toronto-Dominion Bank	7.7%
Canadian Imperial Bank of Commerce	6.7%
Manulife Financial	5.2%
Talisman Energy Inc.	4.5%
Scotiabank	4.4%
Molson Coors Canada	4.2%
Telus Corporation	4.2%
Great-West Lifeco	4.0%
Rogers Communication Inc.	3.6%

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
Beutel Goodman Canadian Equity Fund, I-Class	37,163	830,906	883,220
TOTAL INVESTMENTS		<b>830,906</b>	<b>883,220</b>
OTHER NET ASSETS (0.1%)			1,005
NET ASSETS (100%)			<b>884,225</b>

The accompanying Notes are an integral part of these financial statements.



## BEUTEL GOODMAN CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the S&P/TSX Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived from long-term capital appreciation by investing in a diversified portfolio of established Canadian issuers. The strategy uses a disciplined bottom-up, fundamental value approach to invest in companies trading at discounts to their business value, based on the belief that stocks purchased at discount to business value provide a margin of safety. This combined with a focus on quality companies with stable, growing businesses, with strong balance sheets, should provide important downside protection.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	883,220	—	—	883,220
<b>TOTAL</b>	<b>883,220</b>	<b>—</b>	<b>—</b>	<b>883,220</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX	+/- 3.00	+/- 26,527

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Accrued expenses	521	—	—
Other liabilities	106	—	—
<b>TOTAL LIABILITIES</b>	<b>627</b>	<b>—</b>	<b>—</b>



## FIDELITY TRUE NORTH®

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Investments at fair value*	14,238,936	9,612,114
Premiums receivable	34,450	34,700
Receivable for investments sold	—	10,587
	<u>14,273,386</u>	<u>9,657,401</u>
<b>LIABILITIES</b>		
Bank overdraft	9,421	15,498
Accrued expenses	14,259	8,102
Withdrawals payable	1,698	36,910
Payable for investments purchased	27,667	4,003
	<u>53,045</u>	<u>64,513</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>14,220,341</u>	<u>9,592,888</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>17.14</u>	12.95
* <i>Investments at cost</i>	14,442,728	14,578,122

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	9,592,888	18,665,621
Increase (Decrease) in Net Assets from Operations	3,468,421	(5,541,758)
Premiums		
Series 1	4,245,672	2,312,377
Withdrawals		
Series 1	(3,086,640)	(5,843,352)
<b>NET ASSETS, END OF YEAR</b>	<u>14,220,341</u>	<u>9,592,888</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Dividends	219,219	195,082
<b>EXPENSES</b>		
Management fees	111,230	126,963
Operating expenses	2,426	473
	<u>113,656</u>	<u>127,436</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>105,563</u>	<u>67,646</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,399,358)	(1,072,223)
Net unrealized gain (loss)	4,762,216	(4,537,181)
	<u>3,362,858</u>	<u>(5,609,404)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>3,468,421</u>	<u>(5,541,758)</u>
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	3,468,421	(5,541,758)
- per unit	<u>4.15</u>	<u>(6.82)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Fidelity True North® Fund	
Toronto-Dominion Bank	6.1%
Suncor Energy Inc.	6.0%
Royal Bank of Canada	5.4%
Canadian Natural Resources Ltd	4.9%
Goldcorp	4.3%
Research in Motion Ltd	3.6%
Potash Corporation of Saskatchewan Inc.	3.1%
Canadian National Railway Company	3.0%
Canadian Imperial Bank of Commerce	2.9%
Rogers Communication Inc.	2.6%

® Fidelity True North is a registered trademark of FMR Corp.  
The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.1%)			
Fidelity True North® Fund, Series O	472,290	14,442,728	14,238,936
<b>TOTAL INVESTMENTS</b>		<b>14,442,728</b>	<b>14,238,936</b>
OTHER NET ASSETS (-0.1%)			(18,595)
<b>NET ASSETS (100%)</b>			<b>14,220,341</b>

The accompanying Notes are an integral part of these financial statements.



## FIDELITY TRUE NORTH® (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return that is higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of shares of small, medium and large Canadian corporations. The Fund may also invest in a limited portion of foreign securities. Securities selection is based on a thorough examination of the company's financial conditions and long-term earnings growth potential. The Fund targets companies of all market capitalizations with a solid management, which are leaders in their sector.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	14,238,936	—	—	14,238,936
<b>TOTAL</b>	<b>14,238,936</b>	<b>—</b>	<b>—</b>	<b>14,238,936</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 364,256

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 257,569

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	9,421	—	—	Financial liabilities held for trading	15,498	—	—
Payable for investments purchased	27,667	—	—	Payable for investments purchased	4,003	—	—
Accrued expenses	14,259	—	—	Accrued expenses	8,102	—	—
Other liabilities	1,698	—	—	Other liabilities	36,910	—	—
<b>TOTAL LIABILITIES</b>	<b>53,045</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>64,513</b>	<b>—</b>	<b>—</b>





## JARISLOWSKY FRASER CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	—	154,012
Investments at fair value*	<b>68,849,667</b>	46,591,544
	<b>68,849,667</b>	46,745,556
<b>LIABILITIES</b>		
Bank overdraft	<b>161,082</b>	—
Accrued expenses	<b>25,795</b>	15,752
	<b>186,877</b>	15,752
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>68,662,790</b>	46,729,804
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>22.17</b>	17.60
* Investments at cost	<b>64,900,359</b>	56,317,019

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>46,729,804</b>	64,901,916
Increase (Decrease) in Net Assets from Operations	<b>13,104,525</b>	(12,551,932)
Premiums		
Series 1	<b>31,139,141</b>	20,404,378
Withdrawals		
Series 1	<b>(22,310,680)</b>	(26,024,558)
<b>NET ASSETS, END OF YEAR</b>	<b>68,662,790</b>	46,729,804

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	776
Dividends	<b>1,445,318</b>	1,349,624
	<b>1,445,318</b>	1,350,400
<b>EXPENSES</b>		
Management fees	<b>197,876</b>	210,675
Operating expenses	<b>2,426</b>	1,868
	<b>200,302</b>	212,543
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1,245,016</b>	1,137,857
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(1,815,274)</b>	1,997,751
Net unrealized gain (loss)	<b>13,674,783</b>	(15,687,540)
	<b>11,859,509</b>	(13,689,789)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>13,104,525</b>	(12,551,932)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>13,104,525</b>	(12,551,932)
- per unit	<b>4.71</b>	(4.75)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Jarislowsky Fraser Canadian Equity Fund	
Royal Bank of Canada	6.8%
Jarislowsky Special Equity Fund	6.6%
Scotiabank	5.4%
SNC-Lavalin Group Inc.	5.1%
Toronto-Dominion Bank	4.7%
Talisman Energy Inc.	4.5%
Suncor Energy Inc.	3.9%
Nexen Inc.	3.8%
Potash Corporation of Saskatchewan Inc.	3.6%
Manulife Financial	3.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.3%)			
Jarislowsky Fraser Canadian Equity Fund	2,165,186	64,900,359	68,849,667
<b>TOTAL INVESTMENTS</b>		<b>64,900,359</b>	<b>68,849,667</b>
OTHER NET ASSETS (-0.3%)			(186,877)
<b>NET ASSETS (100%)</b>			<b>68,662,790</b>

The accompanying Notes are an integral part of these financial statements.



## JARISLOWSKY FRASER CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return that is higher than the S&P/TSX Index over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide capital appreciation while controlling risk by investing in a diversified portfolio of Canadian equity. The Fund's equity style emphasizes buying long-term growth at a reasonable price.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	68,849,667	—	68,849,667
<b>TOTAL</b>	<b>—</b>	<b>68,849,667</b>	<b>—</b>	<b>68,849,667</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX	+/- 3.00	+/- 1,740,471

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX	+/- 3.00	+/- 1,354,790

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	161,082	—	—				
Accrued expenses	25,795	—	—	Accrued expenses	15,752	—	—
<b>TOTAL LIABILITIES</b>	<b>186,877</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>15,752</b>	<b>—</b>	<b>—</b>



## ETHICAL CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Investments at fair value*	<u>353,669</u>
<b>LIABILITIES</b>	
Bank overdraft	16
Accrued expenses	<u>318</u>
	<u>334</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>353,335</b></u>
NET ASSETS PER UNIT (NOTE 3)	
Series 1	<u>13.21</u>
* Investments at cost	<u>268,934</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>—</u>
Increase (Decrease) in Net Assets from Operations	<u>85,895</u>
Premiums	
Series 1	<u>267,440</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>353,335</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Dividends	<u>2,865</u>
<b>EXPENSES</b>	
Management fees	1,870
Operating expenses	<u>71</u>
	<u>1,941</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>924</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	236
Net unrealized gain (loss)	<u>84,735</u>
	<u>84,971</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>85,895</b></u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>85,895</u>
- per unit	<u>3.23</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Ethical Canadian Equity Fund	
Transcontinental Inc.	3.6%
Astral Media Inc.	3.1%
Telus Corporation	3.1%
BCE Inc.	3.1%
Canadian Utilities Ltd	2.9%
Research in Motion Ltd	2.4%
Canfor Corporation	2.4%
Husky Energy	2.3%
Torontom Industries Ltd	2.2%
Canadian National Railway Company	2.2%

\*\* Beginning of operations in March 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (100.1%)</b>			
Ethical Canadian Dividend Fund, Series I	10,586	135,571	174,642
Ethical Growth Fund, Series I	7,940	79,824	102,393
Ethical Special Equity Fund, Series I	5,569	53,539	76,634
<b>TOTAL INVESTMENTS</b>		<b>268,934</b>	<b>353,669</b>
<b>OTHER NET ASSETS (-0.1%)</b>			(334)
<b>NET ASSETS (100%)</b>			<b>353,335</b>

The accompanying Notes are an integral part of these financial statements.



## ETHICAL CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the benchmarks below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived from capital appreciation by investing in a widely diversified portfolio of equities. The Fund uses a multi-management strategy that allocates capital between different mandates, each with a specific approach. The Fund follows a socially responsible approach to investing.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	353,669	—	—	353,669
<b>TOTAL</b>	<b>353,669</b>	<b>—</b>	<b>—</b>	<b>353,669</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
S&P/TSX Small Cap (20%)	+/- 3.00	+/- 2,120
S&P/TSX Capped (80%)	+/- 3.00	+/- 8,480

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Financial liabilities held for trading	16	—	—
Accrued expenses	318	—	—
<b>TOTAL LIABILITIES</b>	<b>334</b>	<b>—</b>	<b>—</b>





## BLACKROCK CANADIAN EQUITY INDEX

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	4,958	—
Investments at fair value*	12,335,866	4,006,412
Premiums receivable	2,476	657,926
	<u>12,343,300</u>	<u>4,664,338</u>
<b>LIABILITIES</b>		
Bank overdraft	—	14,440
Accrued expenses	3,490	864
Withdrawals payable	—	658,146
	<u>3,490</u>	<u>673,450</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>12,339,810</b></u>	<u>3,990,888</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>20.85</b></u>	15.51
* <i>Investments at cost</i>	<b>11,756,492</b>	5,126,910

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>3,990,888</b></u>	5,011,877
Increase (Decrease) in Net Assets from Operations	<u><b>1,776,000</b></u>	(1,910,829)
Premiums		
Series 1	<u><b>8,167,161</b></u>	3,134,372
Withdrawals		
Series 1	<u><b>(1,594,239)</b></u>	(2,244,532)
<b>NET ASSETS, END OF YEAR</b>	<u><b>12,339,810</b></u>	3,990,888

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	29
Dividends	243,884	123,200
	<u>243,884</u>	<u>123,229</u>
<b>EXPENSES</b>		
Management fees	12,427	10,428
Operating expenses	1,675	182
	<u>14,102</u>	<u>10,610</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>229,782</b></u>	<u>112,619</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(153,654)	(392,739)
Net unrealized gain (loss)	1,699,872	(1,630,709)
	<u>1,546,218</u>	<u>(2,023,448)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>1,776,000</b></u>	<u>(1,910,829)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations		
- per unit	<u><b>1,776,000</b></u>	(1,910,829)
	<u><b>5.46</b></u>	(8.04)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

BlackRock Canadian Equity Index Fund	
Royal Bank of Canada	6.7%
Suncor Energy Inc.	4.9%
Toronto-Dominion Bank	4.7%
Scotiabank	4.2%
Canadian Natural Resources Ltd	3.4%
Barrick Gold Corporation	3.4%
Research in Motion Ltd	3.0%
Manulife Financial	2.8%
Potash Corporation of Saskatchewan Inc.	2.8%
Bank of Montreal	2.6%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUND (100.0%)</b>			
Blackrock Canadian Equity Index Fund, Class D	594,823	11,756,346	12,335,866
	<b>Number of Shares</b>		
<b>CANADIAN EQUITIES (0.0%)</b>			
<b>Information Technology</b>			
Nortel Networks Corporation	16	146	—
<b>TOTAL INVESTMENTS (100.0%)</b>		<b>11,756,492</b>	<b>12,335,866</b>
<b>OTHER NET ASSETS (0.0%)</b>			3,944
<b>NET ASSETS (100%)</b>			<b>12,339,810</b>

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK CANADIAN EQUITY INDEX (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund aims to reproduce as closely as possible the annualized return for the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are passively managed in order to provide a return derived primarily from capital appreciation by investing in a broadly diversified portfolio of Canadian equity securities.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	12,335,866	—	12,335,866
<b>TOTAL</b>	<b>—</b>	<b>12,335,866</b>	<b>—</b>	<b>12,335,866</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 370,179

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 119,691

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	3,490	—	—	Financial liabilities held for trading	14,440	—	—
<b>TOTAL LIABILITIES</b>	<b>3,490</b>	<b>—</b>	<b>—</b>	Accrued expenses	864	—	—
				Other liabilities	658,146	—	—
				<b>TOTAL LIABILITIES</b>	<b>673,450</b>	<b>—</b>	<b>—</b>



## McLEAN BUDDEN CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	6,593	3,113
Investments at fair value*	3,453,148	2,420,022
Premiums receivable	9,128	6,730
	<u>3,468,869</u>	<u>2,429,865</u>
<b>LIABILITIES</b>		
Accrued expenses	1,826	803
Withdrawals payable	264	2,741
	<u>2,090</u>	<u>3,544</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>3,466,779</b></u>	2,426,321
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>20.07</b></u>	14.84

\* Investments at cost

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>2,426,321</b></u>	4,888,786
Increase (Decrease) in Net Assets from Operations	<u><b>878,305</b></u>	(1,298,973)
Premiums		
Series 1	<u><b>971,289</b></u>	1,215,738
Withdrawals		
Series 1	<u><b>(809,136)</b></u>	(2,379,230)
<b>NET ASSETS, END OF YEAR</b>	<u><b>3,466,779</b></u>	2,426,321

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	82	46
Dividends	74,961	98,491
	<u><b>75,043</b></u>	<u>98,537</u>
<b>EXPENSES</b>		
Management fees	9,729	13,779
Operating expenses	699	124
	<u><b>10,428</b></u>	<u>13,903</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>64,615</b></u>	84,634
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(266,991)	(278,396)
Net unrealized gain (loss)	1,080,681	(1,105,211)
	<u><b>813,690</b></u>	<u>(1,383,607)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>878,305</b></u>	(1,298,973)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>878,305</b></u>	(1,298,973)
- per unit	<u><b>5.23</b></u>	(6.30)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden Canadian Equity Fund	
Toronto-Dominion Bank	5.3%
Suncor Energy Inc.	4.7%
Manulife Financial	4.4%
Cameco Corporation	4.2%
Royal Bank of Canada	4.1%
Research in Motion Ltd	4.1%
Scotiabank	3.7%
Talisman Energy Inc.	3.6%
Canadian National Railway Company	3.4%
Agrium inc.	3.4%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.6%)			
McLean Budden Canadian Equity Pooled Fund	322,613	3,441,923	3,453,148
<b>TOTAL INVESTMENTS</b>		<b>3,441,923</b>	<b>3,453,148</b>
OTHER NET ASSETS (0.4%)			13,631
<b>NET ASSETS (100%)</b>			<b>3,466,779</b>

The accompanying Notes are an integral part of these financial statements.



## McLEAN BUDDEN CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.5% higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from capital appreciation by investing in a diversified portfolio of mostly large capitalization Canadian equities. Half of the Fund is invested in growth stocks. The other half of the Fund invests in value stocks. Security selection favours companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or with above average long-term earnings growth potential.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	3,453,148	—	3,453,148
<b>TOTAL</b>	<b>—</b>	<b>3,453,148</b>	<b>—</b>	<b>3,453,148</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 94,934

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 71,676

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	1,826	—	—	Accrued expenses	803	—	—
Other liabilities	264	—	—	Other liabilities	2,741	—	—
<b>TOTAL LIABILITIES</b>	<b>2,090</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>3,544</b>	<b>—</b>	<b>—</b>





## BLACKROCK ACTIVE CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	108,658	704,173
Investments at fair value*	45,742,021	26,687,550
Premiums receivable	26,148	93,090
Interest, dividends and other receivables	—	322
	<u>45,876,827</u>	<u>27,485,135</u>
<b>LIABILITIES</b>		
Accrued expenses	20,609	10,087
Withdrawals payable	9,344	62,899
	<u>29,953</u>	<u>72,986</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>45,846,874</u>	27,412,149
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>22.79</u>	16.88
* <i>Investments at cost</i>	43,424,291	35,788,360

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>27,412,149</u>	21,023,985
Increase (Decrease) in Net Assets from Operations	<u>11,737,922</u>	(10,049,989)
Premiums		
Series 1	<u>18,803,065</u>	23,055,910
Withdrawals		
Series 1	<u>(12,106,262)</u>	(6,617,757)
<b>NET ASSETS, END OF YEAR</b>	<u>45,846,874</u>	27,412,149

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	76
Dividends	1,273,538	580,424
	<u>1,273,538</u>	<u>580,500</u>
<b>EXPENSES</b>		
Management fees	160,738	99,786
Operating expenses	2,426	1,019
	<u>163,164</u>	<u>100,805</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>1,110,374</u>	479,695
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(790,992)	(1,826,292)
Net unrealized gain (loss)	11,418,540	(8,703,392)
	<u>10,627,548</u>	<u>(10,529,684)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>11,737,922</u>	(10,049,989)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>11,737,922</u>	(10,049,989)
- per unit	<u>6.03</u>	(9.10)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

BlackRock Active Canadian Equity Fund	
Royal Bank of Canada	7.7%
Toronto-Dominion Bank	5.6%
Suncor Energy Inc.	4.7%
Canadian Natural Resources Ltd	4.5%
Scotiabank	4.5%
Barrick Gold Corporation	4.3%
BCE Inc.	2.9%
Research in Motion Ltd	2.9%
Canadian National Railway Company	2.7%
EnCana Corporation	2.6%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.8%)			
BlackRock Active Canadian Equity Fund	2,216,036	43,424,291	45,742,021
<b>TOTAL INVESTMENTS</b>		<b>43,424,291</b>	<b>45,742,021</b>
OTHER NET ASSETS (0.2%)			104,853
<b>NET ASSETS (100%)</b>			<b>45,846,874</b>

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK ACTIVE CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the S&P/TSX Equity Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a return in the long term derived primarily from capital appreciation by investing in a diversified portfolio of Canadian equities. The strategy identifies subsets of the securities in the S&P/TSX Equity Index that seeks to offer higher expected returns after all trading costs. Risk is controlled by keeping the Fund sector, style, and size neutral.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	45,742,021	—	45,742,021
<b>TOTAL</b>	<b>—</b>	<b>45,742,021</b>	<b>—</b>	<b>45,742,021</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Equity	+/- 3.00	+/- 1,295,814

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Equity	+/- 3.00	+/- 819,075

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	20,609	—	—	Accrued expenses	10,087	—	—
Other liabilities	9,344	—	—	Other liabilities	62,899	—	—
<b>TOTAL LIABILITIES</b>	<b>29,953</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>72,986</b>	<b>—</b>	<b>—</b>



## GE CANADIAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	232,741	626,049
Investments at fair value*	33,515,033	24,729,241
Premiums receivable	190,382	134,614
Receivable for investments sold	—	59,822
Securities lending collateral		
Cash and short term notes	—	221,431
Canadian bonds	—	293,769
Accrued investment income	—	110
Interest, dividends and other receivables	86,332	76,772
	<u>34,024,488</u>	<u>26,141,808</u>
<b>LIABILITIES</b>		
Accrued expenses	21,708	12,349
Withdrawals payable	4,960	2,492,571
Payable for investments purchased	—	42,054
Securities lending collateral payable to broker	—	515,310
	<u>26,668</u>	<u>3,062,284</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>33,997,820</u>	23,079,524
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>22.92</u>	16.73
* <i>Investments at cost</i>	29,492,127	32,187,242

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>23,079,524</u>	21,730,209
Increase (Decrease) in Net Assets from Operations	<u>9,205,876</u>	(10,504,011)
Premiums		
Series 1	<u>10,023,470</u>	26,368,091
Withdrawals		
Series 1	<u>(8,311,050)</u>	(14,514,765)
<b>NET ASSETS, END OF YEAR</b>	<u>33,997,820</u>	23,079,524

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	97,497	7,752
Dividends	739,927	378,664
Revenue from securities lending	7,393	2,829
Other income	—	77,217
	<u>844,817</u>	<u>466,462</u>
<b>EXPENSES</b>		
Management fees	151,864	121,615
Operating expenses	4,852	1,029
	<u>156,716</u>	<u>122,644</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>688,101</u>	343,818
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTION COSTS</b>		
Net realized gain (loss)	(2,875,126)	(358,208)
Net unrealized gain (loss)	11,476,781	(10,417,550)
Commission and other portfolio transaction costs (Note 6)	(83,880)	(72,071)
	<u>8,517,775</u>	<u>(10,847,829)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>9,205,876</u>	(10,504,011)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>9,205,876</u>	(10,504,011)
- per unit	<u>6.24</u>	(9.40)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

GE Canadian Equity Fund	
Royal Bank of Canada	6.3%
Suncor Energy Inc.	6.2%
Toronto-Dominion Bank	5.5%
Barrick Gold Corporation	5.4%
Research in Motion Ltd	4.2%
Canadian Natural Resources Ltd	3.8%
TransCanada Corporation	3.6%
EnCana Corporation	3.6%
BCE Inc.	3.3%
Scotiabank	3.2%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (98.6%)</b>			
<b>CANADIAN EQUITIES (98.1%)</b>			
<b>Energy (26.4%)</b>			
ARC Energy Trust	23,582	434,168	470,225
Cameco Corporation	10,352	299,289	350,001
Canadian Natural Resources	17,042	978,226	1,289,568
Cenovus Energy	19,170	591,563	507,430
EnCana Corporation	35,542	1,136,842	1,210,205
Imperial Oil	9,619	415,715	390,628
Nexen	6,815	167,529	171,329
ShawCor, Class A	21,865	484,120	640,207
Suncor Energy	57,043	2,209,010	2,116,875
Talisman Energy	30,640	469,095	599,012
TransCanada Corporation	34,188	1,128,722	1,235,896
		8,314,279	8,981,376
<b>Materials (15.9%)</b>			
Agrium	2,470	189,389	159,834
Barrick Gold Corporation	44,291	1,638,606	1,833,647
Eldorado Gold Corporation	31,135	316,452	462,977
Equinox Minerals	43,224	62,464	174,625
Goldcorp	22,947	782,830	947,941
Kinross Gold Corporation	7,994	123,652	154,524
Neo Material Technologies	74,899	190,530	341,539
Polaris Minerals Corporation	86,297	263,222	144,979
Potash Corporation of Saskatchewan	1,987	237,675	226,737
Silver Wheaton Corporation	20,030	194,790	316,274
Teck Resources, Class B	4,219	163,442	154,837
Thompson Creek Metals Company	19,570	208,177	240,711
Thompson Creek Metals Company, warrants, 2011-10-23	55,832	220,435	262,969
		4,591,664	5,421,594
<b>Industrials (4.9%)</b>			
Bombardier, Class B	52,571	355,961	251,815
CAE	18,076	193,106	157,623
Canadian National Railway Company	7,032	335,366	401,879
Garda World Security Corporation, Class A	34,133	181,298	349,181
GENIVAR Income Fund	9,134	234,866	247,075
WestJet Airlines	19,655	232,056	242,543
		1,532,653	1,650,116
<b>Consumer Discretionary (5.6%)</b>			
Dollarama	21,053	372,905	470,535
Gildan Activewear	6,978	164,157	178,427
Magna International, Class A	4,922	254,686	261,752
Quebecor, Class B	27,564	459,692	747,260
Tim Hortons	8,005	244,633	256,720
		1,496,073	1,914,694



## GE CANADIAN EQUITY (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>CANADIAN EQUITIES (cont.)</b>			
<b>Consumer Staples (4.6%)</b>			
Atrium Innovations	17,037	249,050	268,503
Jean Coutu Group (PJC), Class A	25,809	193,320	250,089
Metro, Class A	4,627	145,018	181,378
North West Company Fund	9,580	154,703	181,924
Saputo Group	22,655	513,592	696,641
		1,255,683	1,578,535
<b>Health Care (0.5%)</b>			
Biovail Corporation	10,565	128,911	154,672
<b>Financials (26.9%)</b>			
Bank of Montreal	11,727	460,766	654,249
Brookfield Properties Corporation	46,253	393,669	588,801
Canadian Imperial Bank of Commerce	7,759	442,604	527,224
IGM Financial	7,915	335,236	334,250
Industrial Alliance Insurance and Financial Services	5,316	157,817	170,750
Intact Financial	4,597	144,615	169,537
Manulife Financial Corporation	14,392	361,577	277,766
National Bank of Canada	10,760	543,950	647,322
Power Corporation of Canada	5,334	112,411	155,326
Power Financial Corporation	15,703	475,134	486,636
Royal Bank of Canada	37,917	1,704,111	2,137,002
Scotiabank	22,367	890,814	1,100,233
Toronto-Dominion Bank	28,590	1,616,552	1,885,225
		7,639,256	9,134,321
<b>Information Technology (5.5%)</b>			
CGI Group, Class A	30,470	318,068	432,674
Research In Motion	20,004	1,489,069	1,419,484
		1,807,137	1,852,158
<b>Telecommunication Services (5.2%)</b>			
BCE	38,820	1,129,112	1,123,839
Rogers Communications, Class B	20,189	652,212	657,354
		1,781,324	1,781,193
<b>Utilities (1.3%)</b>			
Emera	7,249	153,722	181,732
Fortis	9,515	239,529	272,890
		393,251	454,622
<b>Index-Based Investments (1.3%)</b>			
iShares CND S&P/TSX 60 Index Fund	25,324	438,637	439,371
<b>TOTAL CANADIAN EQUITIES</b>		29,378,868	33,362,652

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
FOREIGN EQUITIES (0.5%)			
Australia (0.5%)			
Paladin Energy	38,972	155,898	152,381
TOTAL EQUITIES		29,534,766	33,515,033
PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST		(42,639)	—
TOTAL INVESTMENTS (98.6%)		<b>29,492,127</b>	<b>33,515,033</b>
OTHER NET ASSETS (1.4%)			482,787
NET ASSETS (100%)			<b>33,997,820</b>

The accompanying Notes are an integral part of these financial statements.





## GE CANADIAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 2% higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long term return derived mostly from capital appreciation by investing in a diversified portfolio of Canadian stocks. Security selection favours companies undervalued relative to their growth prospects based on bottom-up, fundamental research. This strategy is designed to be transparent and disciplined with the primary goal of delivering consistent performance while controlling portfolio risk.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Equities	33,252,064	262,969	—	33,515,033
<b>TOTAL</b>	<b>33,252,064</b>	<b>262,969</b>	<b>—</b>	<b>33,515,033</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009	Financial Assets Held for Trading \$	Other Assets \$	Financial Liabilities Held for Trading \$	Other Liabilities \$
U.S. Dollar	52,005	1,137	—	—

  

As at December 31, 2008	Financial Assets Held for Trading \$	Other Assets \$	Financial Liabilities Held for Trading \$	Other Liabilities \$
U.S. Dollar	19,219	—	—	—

As at December 31, 2009 and 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk arising from fluctuations in the prevailing levels of market interest rates.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 924,011

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 658,943

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the Fund had no significant investments in fixed-income securities. As a result, the Fund is not significantly exposed to credit risk.

### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	21,708	—	—	Payable for investments purchased	42,054	—	—
Other liabilities	4,960	—	—	Accrued expenses	12,349	—	—
<b>TOTAL LIABILITIES</b>	<b>26,668</b>	<b>—</b>	<b>—</b>	Other liabilities	2,492,571	—	515,310
				<b>TOTAL LIABILITIES</b>	<b>2,546,974</b>	<b>—</b>	<b>515,310</b>



## CANADIAN EQUITY GARP

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	37,309	669,705
Investments at fair value*	61,946,245	47,360,353
Premiums receivable	27,659	318,653
Interest, dividends and other receivables	112,134	140,832
	<u>62,123,347</u>	<u>48,489,543</u>
<b>LIABILITIES</b>		
Accrued expenses	23,421	14,714
Withdrawals payable	23,734	100,525
Payable for investments purchased	168,780	515,631
	<u>215,935</u>	<u>630,870</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>61,907,412</u>	47,858,673
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>634.02</u>	440.37
* <i>Investments at cost</i>	56,864,186	60,761,697

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	47,858,673	82,975,521
Increase (Decrease) in Net Assets from Operations	19,886,511	(30,620,506)
Premiums		
Series 1	3,054,066	14,264,636
Withdrawals		
Series 1	(8,891,838)	(18,760,978)
<b>NET ASSETS, END OF YEAR</b>	<u>61,907,412</u>	47,858,673

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	152,235	9,274
Dividends	1,204,459	1,263,955
Revenue from securities lending	16,023	39,087
Other income	76,190	403,316
	<u>1,448,907</u>	<u>1,715,632</u>
<b>EXPENSES</b>		
Management fees	161,343	211,643
Operating expenses	4,852	2,389
	<u>166,195</u>	<u>214,032</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>1,282,712</u>	1,501,600
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTIONS COSTS</b>		
Net realized gain (loss)	358,673	(19,515,540)
Net unrealized gain (loss)	18,481,439	(11,627,000)
Commissions and other portfolio transactions costs (Note 6)	(236,313)	(979,566)
	<u>18,603,799</u>	<u>(32,122,106)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>19,886,511</u>	(30,620,506)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	19,886,511	(30,620,506)
- per unit	<u>192.61</u>	<u>(262.78)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Canadian Equity GARP Fund	
Suncor Energy Inc.	6.0%
Royal Bank of Canada	5.5%
Toronto-Dominion Bank	4.8%
Research in Motion Ltd	4.8%
Manulife Financial	4.7%
EnCana Corporation	3.8%
Canadian Natural Resources Ltd	3.7%
Scotiabank	3.6%
Barrick Gold Corporation	3.5%
Canadian Imperial Bank of Commerce	3.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (98.4%)</b>			
<b>Energy (27.4%)</b>			
ARC Energy Trust	60,354	1,090,199	1,203,459
Baytex Energy Trust	20,100	372,548	593,553
Cameco Corporation	19,700	452,047	666,057
Canadian Natural Resources	30,600	2,257,047	2,315,502
Canadian Oil Sands Trust	25,000	948,516	744,500
EnCana Corporation	23,200	748,592	614,104
EnCana Corporation	69,900	2,242,073	2,380,095
Husky Energy	15,100	453,592	453,302
PetroBakken Energy, Class A	25,100	756,589	810,981
Precision Drilling Trust	86,500	549,462	657,400
Suncor Energy	99,672	3,313,334	3,698,828
Talisman Energy	103,500	1,759,972	2,023,425
Vermilion Energy Trust	24,500	740,324	793,800
		15,684,295	16,955,006
<b>Materials (20.0%)</b>			
Agnico-Eagle Mines	7,800	368,146	442,962
Barrick Gold Corporation	52,854	2,043,067	2,188,156
Centerra Gold	67,700	695,941	723,036
Consolidated Thompson Iron Mines, Restricted	265,700	1,169,080	1,775,540
Goldcorp	31,400	1,081,563	1,297,134
IAMGOLD Corporation	23,100	266,469	380,919
Potash Corporation of Saskatchewan	9,500	1,070,859	1,084,045
Sino-Forest	69,500	1,191,106	1,342,740
Teck Resources, Class B	43,300	1,116,545	1,589,110
Thompson Creek Metals Company	53,800	609,554	661,740
Yamana Gold	74,300	1,002,542	888,628
		10,614,872	12,374,010
<b>Industrials (3.9%)</b>			
Canadian National Railway Company	13,900	730,569	794,385
Canadian Pacific Railway	11,900	581,721	674,730
Finning International	56,400	894,030	935,676
		2,206,320	2,404,791
<b>Consumer Discretionary (7.4%)</b>			
Dollarama	35,000	660,382	782,250
Magna International, Class A	22,200	1,197,100	1,180,596
Thomson Reuters Corporation	51,900	1,699,175	1,759,410
Tim Hortons	28,000	856,800	897,960
		4,413,457	4,620,216
<b>Consumer Staples (3.3%)</b>			
Alimentation Couche-Tard, Class B	38,500	573,551	798,875
Shoppers Drug Mart Corporation	28,000	1,209,415	1,270,920
		1,782,966	2,069,795



## CANADIAN EQUITY GARP (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (cont.)</b>			
<b>Financials (28.7%)</b>			
Brookfield Asset Management, Class A	34,100	847,258	795,894
Canadian Imperial Bank of Commerce	30,135	1,743,022	2,047,673
Industrial Alliance Insurance and Financial Services	22,900	674,356	735,548
Intact Financial	18,800	541,048	693,344
Manulife Financial Corporation	151,392	3,108,023	2,921,866
National Bank of Canada	20,500	1,227,690	1,233,280
Royal Bank of Canada	60,855	2,837,925	3,429,788
Scotiabank	45,500	1,943,859	2,238,145
TMX Group	20,600	676,504	682,066
Toronto-Dominion Bank	45,200	2,677,178	2,980,488
		16,276,863	17,758,092
<b>Information Technology (6.2%)</b>			
CGI Group, Class A	59,400	612,343	843,480
Research In Motion	41,950	3,391,642	2,976,772
		4,003,985	3,820,252
<b>Telecommunication Services (1.5%)</b>			
Rogers Communications, Class B	28,700	932,743	934,472
		932,743	934,472
<b>TOTAL EQUITIES</b>		55,915,501	60,936,634
	<b>Par Value</b>		
	\$		
<b>MONEY MARKET SECURITIES (1.7%)</b>			
Canada Treasury Bills 2010-03-18	760,000	759,666	759,709
Manitoba Treasury Bills 2010-03-10	250,000	249,865	249,902
		1,009,531	1,009,611
<b>TOTAL MONEY MARKET SECURITIES</b>		1,009,531	1,009,611
<b>PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST</b>		(60,846)	—
<b>TOTAL INVESTMENTS (100.1%)</b>		<b>56,864,186</b>	<b>61,946,245</b>
<b>OTHER NET ASSETS (-0.1%)</b>			(38,833)
<b>NET ASSETS (100%)</b>			<b>61,907,412</b>

The accompanying Notes are an integral part of these financial statements.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return of 1.0% higher than the S&P/TSX Capped Index, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide investors with long-term capital growth by investing primarily in Canadian medium and large cap equity securities. The Fund can also invest in foreign equities. Security selection favours companies with above average long-term earnings growth prospects and whose shares are trading at a reasonable price.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Equities	59,161,094	—	1,775,540	60,936,634
Money Market Securities	1,009,611	—	—	1,009,611
<b>TOTAL</b>	<b>60,170,705</b>	<b>—</b>	<b>1,775,540</b>	<b>61,946,245</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
<b>Balance, Beginning of Year</b>	<b>851,533</b>
Proceeds from sale of investments	—
Investments purchased	1,169,080
Net realized gain (loss)	—
Net unrealized gain (loss)	304,297
Transfers to (from) Level 3	(549,370)
<b>Balance, End of Year</b>	<b>1,775,540</b>
<b>CHANGE IN UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES HELD AS AT DECEMBER 31, 2009</b>	<b>606,460</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.



## CANADIAN EQUITY GARP (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	28,230	2,228	—	—

  

As at December 31, 2008	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	911,574	—	—	—

As at December 31, 2009 and 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk arising from fluctuations in the prevailing levels of market interest rates.

##### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 1,964,913

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 1,415,803

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Credit Risk

As at December 31, 2009 and 2008, the Fund had no significant investments in fixed-income securities. As a result, the Fund is not significantly exposed to credit risk.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$	As at December 31, 2008	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Payable for investments purchased	168,780	—	—	Payable for investments purchased	515,631	—	—
Accrued expenses	23,421	—	—	Accrued expenses	14,714	—	—
Other liabilities	23,734	—	—	Other liabilities	100,525	—	—
<b>TOTAL LIABILITIES</b>	<b>215,935</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>630,870</b>	<b>—</b>	<b>—</b>





## McLEAN BUDDEN CANADIAN EQUITY GROWTH

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	—	44,590
Investments at fair value*	<b>106,362,599</b>	74,568,734
Premiums receivable	<b>463,157</b>	3,262,369
	<b>106,825,756</b>	77,875,693
<b>LIABILITIES</b>		
Bank overdraft	<b>997,797</b>	—
Accrued expenses	<b>36,693</b>	23,771
Withdrawals payable	<b>241,620</b>	202,956
	<b>1,276,110</b>	226,727
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>105,549,646</b>	77,648,966
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>29.31</b>	20.65
* <i>Investments at cost</i>	<b>101,479,945</b>	105,906,496

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>77,648,966</b>	121,501,560
Increase (Decrease) in Net Assets from Operations	<b>32,605,332</b>	(42,224,682)
Premiums		
Series 1	<b>26,180,529</b>	46,355,424
Withdrawals		
Series 1	<b>(30,885,181)</b>	(47,983,336)
<b>NET ASSETS, END OF YEAR</b>	<b>105,549,646</b>	77,648,966

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	107
Dividends	<b>2,116,931</b>	2,209,854
	<b>2,116,931</b>	2,209,961
<b>EXPENSES</b>		
Management fees	<b>313,931</b>	356,739
Operating expenses	<b>2,426</b>	3,382
	<b>316,357</b>	360,121
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1,800,574</b>	1,849,840
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(5,415,658)</b>	3,361,301
Net unrealized gain (loss)	<b>36,220,416</b>	(47,435,823)
	<b>30,804,758</b>	(44,074,522)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>32,605,332</b>	(42,224,682)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>32,605,332</b>	(42,224,682)
- per unit	<b>8.67</b>	(11.84)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden Canadian Equity Growth Fund	
Suncor Energy Inc.	6.2%
Toronto-Dominion Bank	5.9%
Research in Motion Ltd	5.6%
Royal Bank of Canada	4.9%
Scotiabank	4.6%
Manulife Financial	4.5%
Canadian Natural Resources Ltd	4.4%
Cameco Corporation	4.3%
Talisman Energy Inc.	4.1%
Canadian National Railway Company	3.8%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.8%)			
McLean Budden Canadian Equity Growth Pooled Fund	1,400,106	101,479,945	106,362,599
<b>TOTAL INVESTMENTS</b>		<b>101,479,945</b>	<b>106,362,599</b>
OTHER NET ASSETS (-0.8%)			(812,953)
<b>NET ASSETS (100%)</b>			<b>105,549,646</b>

The accompanying Notes are an integral part of these financial statements.



## McLEAN BUDDEN CANADIAN EQUITY GROWTH (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.5% higher than the S&P/TSX Capped Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from capital appreciation by investing in a portfolio of growth stocks of large Canadian corporations and short-term securities. The Fund may also invest in foreign equities. Security selection favours companies with above average long-term earnings growth potential.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	106,362,599	—	106,362,599
<b>TOTAL</b>	<b>—</b>	<b>106,362,599</b>	<b>—</b>	<b>106,362,599</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 3,439,744

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX Capped	+/- 3.00	+/- 2,288,470

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	997,797	—	—	Accrued expenses	23,771	—	—
Accrued expenses	36,693	—	—	Other liabilities	202,956	—	—
Other liabilities	241,620	—	—	<b>TOTAL LIABILITIES</b>	<b>226,727</b>	—	—
<b>TOTAL LIABILITIES</b>	<b>1,276,110</b>	—	—				



## NORTH AMERICAN SMALL COMPANY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	14,853	14,071
Investments at fair value*	11,411,240	8,209,957
Premiums receivable	50,484	44,661
Interest, dividends and other receivables	73,201	53,354
	<u>11,549,778</u>	<u>8,322,043</u>
<b>LIABILITIES</b>		
Accrued expenses	4,052	1,777
Withdrawals payable	2,288	17,960
Payable for investments purchased	25,377	20,688
	<u>31,717</u>	<u>40,425</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>11,518,061</b></u>	<u>8,281,618</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>15.55</b></u>	11.63
* <i>Investments at cost</i>	<b>8,623,125</b>	8,801,609

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>8,281,618</b>	19,657,612
Increase (Decrease) in Net Assets from Operations	<b>3,023,946</b>	(4,701,317)
Premiums		
Series 1	<u><b>3,171,127</b></u>	5,397,261
Withdrawals		
Series 1	<u><b>(2,958,630)</b></u>	(12,071,938)
<b>NET ASSETS, END OF YEAR</b>	<u><b>11,518,061</b></u>	<u>8,281,618</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	436,953	25
Other income	255,846	409,855
	<u>692,799</u>	<u>409,880</u>
<b>EXPENSES</b>		
Operating expenses	2,275	2,059
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>690,524</b></u>	<u>407,821</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,046,345)	(2,439,044)
Net unrealized gain (loss)	3,379,767	(2,670,094)
	<u>2,333,422</u>	<u>(5,109,138)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>3,023,946</b></u>	<u>(4,701,317)</u>
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u>3,023,946</u>	(4,701,317)
- per unit	<u>4.00</u>	(4.74)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

North American Small Company Fund	
Futures contracts – Russell 2000	49.3%
Genivar Income Fund	2.2%
DundeeWealth	2.0%
Consolidated Thompson Iron Mines, Restricted	1.6%
Home Capital Group Inc.	1.5%
Jaguar Mining	1.5%
Rocky Mountain Dealerships	1.5%
Astral Media Inc.	1.5%
Celtic Exploration	1.4%
Atrium Innovations	1.4%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.1%)			
DFS GIF – North American Small Company – Fiera, Series 3	1,844,360	8,623,125	11,411,240
<b>TOTAL INVESTMENTS</b>		<b>8,623,125</b>	<b>11,411,240</b>
OTHER NET ASSETS (0.9%)			106,821
<b>NET ASSETS (100%)</b>			<b>11,518,061</b>

*The accompanying Notes are an integral part of these financial statements.*



## NORTH AMERICAN SMALL COMPANY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.0% higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are both actively and passively managed in order to provide investors with long-term capital growth by investing mainly in shares of small Canadian and American companies. The Fund seeks to achieve significant growth through investments in dynamic and fast-growing companies found throughout North America. It invests much of its foreign component in futures contracts and other derivative assets based on American small-cap market indices.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	11,411,240	—	11,411,240
<b>TOTAL</b>	<b>—</b>	<b>11,411,240</b>	<b>—</b>	<b>11,411,240</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
<b>Benchmarks</b>	<b>%</b>	<b>\$</b>
BMO NB Small Cap (Equity) (50%)	+/- 3.00	+/- 153,228
Russell 2000 (50%)	+/- 3.00	+/- 153,228

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
<b>Benchmarks</b>	<b>%</b>	<b>\$</b>
BMO NB Small Cap (Equity) (50%)	+/- 3.00	+/- 124,224
Russell 2000 (50%)	+/- 3.00	+/- 124,224

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	25,377	—	—	Payable for investments purchased	20,688	—	—
Accrued expenses	4,052	—	—	Accrued expenses	1,777	—	—
Other liabilities	2,288	—	—	Other liabilities	17,960	—	—
<b>TOTAL LIABILITIES</b>	<b>31,717</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>40,425</b>	<b>—</b>	<b>—</b>





## BISSETT SMALL CAP

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	23,813	20,508
Investments at fair value*	21,752,425	18,975,074
Premiums receivable	103,145	790,650
	<u>21,879,383</u>	<u>19,786,232</u>
<b>LIABILITIES</b>		
Accrued expenses	15,766	10,633
Withdrawals payable	108,481	1,852,036
Payable for investments purchased	23,065	770,605
	<u>147,312</u>	<u>2,633,274</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>21,732,071</b></u>	<u>17,152,958</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>28.75</b></u>	<u>17.70</u>
* <i>Investments at cost</i>	<b>18,421,743</b>	26,595,148

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>17,152,958</b></u>	<u>49,140,382</u>
Increase (Decrease) in Net Assets from Operations	<u><b>9,371,958</b></u>	<u>(14,182,661)</u>
Premiums		
Series 1	<u><b>6,581,595</b></u>	<u>17,930,345</u>
Withdrawals		
Series 1	<u><b>(11,374,440)</b></u>	<u>(35,735,108)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>21,732,071</b></u>	<u>17,152,958</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	131
Dividends	398,825	429,130
	<u>398,825</u>	<u>429,261</u>
<b>EXPENSES</b>		
Management fees	120,380	246,447
Operating expenses	2,426	985
	<u>122,806</u>	<u>247,432</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>276,019</b></u>	<u>181,829</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,854,817)	(10,673,027)
Net unrealized gain (loss)	10,950,756	(3,691,463)
	<u>9,095,939</u>	<u>(14,364,490)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>9,371,958</b></u>	<u>(14,182,661)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>9,371,958</u>	<u>(14,182,661)</u>
- per unit	<u>10.73</u>	<u>(10.01)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bissett Small Cap Fund	
Savanna Energy Services Corp.	5.2%
NuVista Energy Ltd	4.8%
Sears Canada	4.8%
Richelieu Hardware	4.7%
Equitable Group Inc.	4.6%
Transcontinental Inc.	4.5%
Flint Energy Services Ltd	4.4%
Mullen Group Ltd	4.4%
Rona Inc.	4.0%
Leon's Furniture Ltd	3.8%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.1%)			
Bissett Small Cap Fund, Series O	330,233	18,421,743	21,752,425
<b>TOTAL INVESTMENTS</b>		<b>18,421,743</b>	<b>21,752,425</b>
OTHER NET ASSETS (-0.1%)			(20,354)
<b>NET ASSETS (100%)</b>			<b>21,732,071</b>

The accompanying Notes are an integral part of these financial statements.



## BISSETT SMALL CAP (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return that is higher than the BMO NB Small Cap (Blended) Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from capital appreciation by investing mostly in a diversified portfolio of stocks of Canadian companies. The Fund may also invest in foreign equities. Security selection favours companies with above average long-term earnings growth prospects and whose shares are trading at a reasonable price.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	21,752,425	—	—	21,752,425
<b>TOTAL</b>	<b>21,752,425</b>	<b>—</b>	<b>—</b>	<b>21,752,425</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
BMO NB Small Cap (Blended)	+/- 3.00	+/- 607,292

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
BMO NB Small Cap (Blended)	+/- 3.00	+/- 483,816

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	23,065	—	—	Payable for investments purchased	770,605	—	—
Accrued expenses	15,766	—	—	Accrued expenses	10,633	—	—
Other liabilities	108,481	—	—	Other liabilities	1,852,036	—	—
<b>TOTAL LIABILITIES</b>	<b>147,312</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>2,633,274</b>	<b>—</b>	<b>—</b>



## MONTRUSCO BOLTON CANADIAN SMALL CAP EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	30,024	18,368
Investments at fair value*	27,737,285	16,014,004
Premiums receivable	188,775	172,343
	<u>27,956,084</u>	<u>16,204,715</u>
<b>LIABILITIES</b>		
Accrued expenses	18,075	8,810
Withdrawals payable	11,352	84,435
	<u>29,427</u>	<u>93,245</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>27,926,657</u>	16,111,470
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>11.10</u>	6.64
* <i>Investments at cost</i>	22,345,500	22,693,288

### STATEMENT OF CHANGES IN NET ASSETS

Periods Ended December 31

	2009 \$	2008** \$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>16,111,470</u>	—
Increase (Decrease) in Net Assets from Operations	<u>12,137,575</u>	(8,017,361)
Premiums		
Series 1	<u>9,645,561</u>	27,286,913
Withdrawals		
Series 1	<u>(9,967,949)</u>	(3,158,082)
<b>NET ASSETS, END OF PERIOD</b>	<u>27,926,657</u>	16,111,470

### STATEMENT OF OPERATIONS

Periods Ended December 31

	2009 \$	2008** \$
<b>INCOME</b>		
Dividends	<u>399,285</u>	470,242
<b>EXPENSES</b>		
Management fees	137,761	35,606
Operating expenses	<u>2,426</u>	381
	<u>140,187</u>	<u>35,987</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>259,098</u>	434,255
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(192,592)	(1,772,332)
Net unrealized gain (loss)	<u>12,071,069</u>	<u>(6,679,284)</u>
	<u>11,878,477</u>	<u>(8,451,616)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>12,137,575</u>	(8,017,361)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>12,137,575</u>	(8,017,361)
- per unit	<u>4.47</u>	(3.34)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Montrusco Bolton Canadian Small Cap Equity Fund	
Home Capital Group Inc.	5.4%
Crew Energy	5.0%
Daylight Resources Trust	4.4%
Transat A.T. Inc.	4.2%
Alamos Gold	3.9%
BMTC Group	3.8%
Jaguar Mining	3.6%
Major Drilling Group International	3.4%
WaterFurnace Renewable Energy	3.4%
Income Trust, North West Company Inc.	3.0%

\*\* Beginning of operations in September 2008.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.3%)			
Montrusco Bolton Small Capitalization Equity Fund	1,430,494	22,345,500	27,737,285
<b>TOTAL INVESTMENTS</b>		<b>22,345,500</b>	<b>27,737,285</b>
OTHER NET ASSETS (0.7%)			189,372
<b>NET ASSETS (100%)</b>			<b>27,926,657</b>

*The accompanying Notes are an integral part of these financial statements.*



## MONTRUSCO BOLTON CANADIAN SMALL CAP EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return 2.5% higher than the BMO NB Small Cap (Equity) Index over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long-term return derived primarily from capital appreciation by investing in a concentrated portfolio of small Canadian companies. The Fund may also hold short-term securities and foreign equities. Security selection targets companies with above average long-term earnings growth prospects.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	27,737,285	—	27,737,285
<b>TOTAL</b>	<b>—</b>	<b>27,737,285</b>	<b>—</b>	<b>27,737,285</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
BMO NB Small Cap (Equity)	+/- 3.00	+/- 837,800

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
BMO NB Small Cap (Equity)	+/- 3.00	+/- 463,189

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	18,075	—	—	Accrued expenses	8,810	—	—
Other liabilities	11,352	—	—	Other liabilities	84,435	—	—
<b>TOTAL LIABILITIES</b>	<b>29,427</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>93,245</b>	<b>—</b>	<b>—</b>







# Foreign Equity



## U.S. INDEX-PLUS

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	218,935	3,356,991
Margin deposited on futures contracts	120,958	2,017,530
Investments at fair value*	20,548,442	12,884,223
Unrealized appreciation on derivatives	350,106	383,472
Premiums receivable	104,860	836,549
	<u>21,343,301</u>	<u>19,478,765</u>
<b>LIABILITIES</b>		
Accrued expenses	9,101	3,878
Unrealized depreciation on derivatives	4,746	17,240
Withdrawals payable	167,693	1,632,385
	<u>181,540</u>	<u>1,653,503</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>21,161,761</b></u>	<u>17,825,262</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>16.44</b></u>	13.36
* Investments at cost	<u><b>20,548,433</b></u>	12,901,282

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>17,825,262</b></u>	29,985,342
Increase (Decrease) in Net Assets from Operations	<u><b>4,377,779</b></u>	(12,040,947)
Premiums		
Series 1	<u><b>5,216,572</b></u>	8,813,918
Withdrawals		
Series 1	<u><b>(6,257,852)</b></u>	(8,933,051)
<b>NET ASSETS, END OF YEAR</b>	<u><b>21,161,761</b></u>	<u>17,825,262</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	114,682	938,743
Revenue from securities lending	24	844
Net income (loss) from derivative financial instruments	<u><b>4,206,295</b></u>	(13,155,717)
	<u><b>4,321,001</b></u>	<u>(12,216,130)</u>
<b>EXPENSES</b>		
Management fees	36,545	48,383
Operating expenses	<u><b>4,622</b></u>	875
	<u><b>41,167</b></u>	<u>49,258</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>4,279,834</b></u>	<u>(12,265,388)</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	129,221	(871,116)
Net unrealized gain (loss)	<u><b>(31,276)</b></u>	1,095,557
	<u><b>97,945</b></u>	<u>224,441</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>4,377,779</b></u>	<u>(12,040,947)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>4,377,779</b></u>	(12,040,947)
- per unit	<u><b>3.16</b></u>	(8.68)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

U.S. Index-Plus Fund	
Futures contracts – S&P 500	99.5%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Par Value \$	Cost \$	Fair Value \$
<b>MONEY MARKET SECURITIES (97.0%)</b>			
Bank of Montreal, notes 2010-03-02	1,750,000	1,748,740	1,749,055
Caisse centrale Desjardins, notes 2010-03-16	4,000,000	3,997,120	3,996,630
Canada Treasury Bills 2010-03-04*	1,750,000	1,748,548	1,749,479
CDP Financial, notes 2010-03-11	1,000,000	999,250	999,048
2010-03-17	1,300,000	1,299,167	1,298,969
FirstBank (BMO), notes 2010-03-29	1,000,000	999,290	999,300
GE Capital Canada Funding Company, notes 2010-03-03	1,200,000	1,199,196	1,199,232
PSP Capital, notes 2010-03-16	3,500,000	3,497,725	3,497,266
Royal Bank of Canada, notes 2010-03-23	1,450,000	1,449,072	1,449,058
2010-03-24	1,000,000	999,350	999,360
Scotiabank, notes 2010-03-30	2,600,000	2,597,946	2,597,993
<b>TOTAL MONEY MARKET SECURITIES</b>		<u>20,535,404</u>	<u>20,535,390</u>
<b>CANADIAN BONDS (0.1%)</b>			
<b>Corporations (0.1%)</b>			
Master Asset Vehicle III Class 9, 2016-09-12 (Note 10)	12,970	13,029	13,052
<b>TOTAL INVESTMENTS (97.1%)</b>		<u><b>20,548,433</b></u>	<u><b>20,548,442</b></u>
<b>UNREALIZED APPRECIATION ON DERIVATIVES (TABLE 1) (1.6%)</b>			<u>350,106</u>
<b>UNREALIZED DEPRECIATION ON DERIVATIVES (TABLE 2) (-0.0%)</b>			<u>(4,746)</u>
<b>OTHER NET ASSETS (1.3%)</b>			<u>267,959</u>
<b>NET ASSETS (100%)</b>			<u><b>21,161,761</b></u>

\* Security held as collateral by the counterparties to the futures contracts for a par value of \$1,750,000.



## U.S. INDEX-PLUS (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

TABLE 1

Futures Contracts		Number of Contracts	Maturity	Currency Contracted Value	Unrealized Appreciation \$		
Unrealized Appreciation on Purchase of Futures Contracts S&P 500 Index		71	March 2010	USD 19,445,000	284,361		
Foreign Currency Forward Contracts		Number of Contracts	Maturity	Average Exchange Rate of Contracts (Currency/CAD)	Currency Amount	Contracted Value \$	Unrealized Appreciation \$
Unrealized Appreciation on Purchase of Foreign Currencies for Canadian Dollars U.S. Dollar		1	March 2010	1.0379	4,000,000	4,151,600	33,595
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars U.S. Dollar		2	March 2010	1.0528	4,938,631	5,199,434	32,150
<b>UNREALIZED APPRECIATION ON DERIVATIVES</b>							350,106

TABLE 2

Futures Contracts		Number of Contracts	Maturity	Currency Contracted Value	Unrealized Depreciation \$		
Unrealized Depreciation on Purchase of Futures Contracts S&P 500 Index		1	March 2010	USD 279,575	(1,962)		
Foreign Currency Forward Contracts		Number of Contracts	Maturity	Average Exchange Rate of Contracts (Currency/CAD)	Currency Amount	Contracted Value \$	Unrealized Depreciation \$
Unrealized Depreciation on Sale of Foreign Currencies for Canadian Dollars U.S. Dollar		1	March 2010	1.0383	346,731	360,000	(2,784)
<b>UNREALIZED DEPRECIATION ON DERIVATIVES</b>							(4,746)

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund aims to reproduce as closely as possible the return of the S&P 500 Index, expressed in Canadian dollars, including coverage for currency fluctuation, over four-year moving periods, the S&P 500 (Canadian dollars/Hedged).

#### Strategy of the Fund

The investments are passively managed in order to provide return derived primarily from capital appreciation by investing in a broadly diversified portfolio of equities, derivative products and short-term Canadian and American securities. The manager uses indexed derivative securities, primarily futures contracts on the S&P 500 Index, without any leverage, as well as currency contracts, if applicable, to reproduce the performance of the S&P 500 Index, while eliminating the effects of movements in the value of currencies.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following tables categorize the Fund's financial assets or financial liabilities fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section Valuation of Investments in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Bonds	—	—	13,052	13,052
Money Market Securities	1,749,479	18,785,911	—	20,535,390
Derivative financial instruments	284,361	65,745	—	350,106
<b>TOTAL</b>	<b>2,033,840</b>	<b>18,851,656</b>	<b>13,052</b>	<b>20,898,548</b>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Liabilities Held for Trading</b>				
Derivative financial instruments	1,962	2,784	—	4,746
<b>TOTAL</b>	<b>1,962</b>	<b>2,784</b>	<b>—</b>	<b>4,746</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
<b>Balance, Beginning of Year</b>	<b>988,399</b>
Proceeds from sale of investments	(1,990,366)
Investments purchased	1,000,000
Net realized gain (loss)	(4,456)
Net unrealized gain (loss)	19,475
Transfers to (from) Level 3	—
<b>Balance, End of Year</b>	<b>13,052</b>
<b>CHANGE IN NET UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES HELD AS AT DECEMBER 31, 2009</b>	<b>23</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.



## U.S. INDEX-PLUS (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	4,469,556	848,626	5,532,030	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2008	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	1,668,545	673,962	1,774,714	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2009 and 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Interest Rate Risk

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2009	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Non-Interest Bearing	Total
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
Financial assets held for trading	20,767,377**	—	—	—	—	20,767,377
Other receivables	—	—	—	—	454,966	454,966
Margin deposited on futures contracts	120,958	—	—	—	—	120,958
<b>TOTAL ASSETS</b>	<b>20,888,335</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>454,966</b>	<b>21,343,301</b>
<b>Liabilities</b>						
Accrued expenses	—	—	—	—	9,101	9,101
Other liabilities	—	—	—	—	172,439	172,439
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>181,540</b>	<b>181,540</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>20,888,335</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>273,426</b>	<b>21,161,761</b>

\*\* See Note 10 regarding ABCP.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the contractual maturity dates.

As at December 31, 2008	Less than 1 Year \$	1 to 5 Years \$	5 to 10 Years \$	Greater than 10 Years \$	Non-Interest Bearing \$	Total \$
<b>Assets</b>						
Financial assets held for trading	15,233,363	—	1,007,851**	—	383,472	16,624,686
Other receivables	—	—	—	—	836,549	836,549
Margin deposited on futures contracts	2,017,530	—	—	—	—	2,017,530
<b>TOTAL ASSETS</b>	<b>17,250,893</b>	<b>—</b>	<b>1,007,851</b>	<b>—</b>	<b>1,220,021</b>	<b>19,478,765</b>
<b>Liabilities</b>						
Financial liabilities held for trading	—	—	—	—	17,240	17,240
Accrued expenses	—	—	—	—	3,878	3,878
Other liabilities	—	—	—	—	1,632,385	1,632,385
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,653,503</b>	<b>1,653,503</b>
<b>TOTAL INTEREST SENSITIVITY GAP</b>	<b>17,250,893</b>	<b>—</b>	<b>1,007,851</b>	<b>—</b>	<b>(433,482)</b>	<b>17,825,262</b>

\*\* See Note 10 regarding ABCP.

As at December 31, 2009, had prevailing interest rates increased or decreased by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by \$10,556 (\$6,738 as at December 31, 2008).

There is minimal sensitivity to changes in interest rates for money market securities since these are usually held to maturity and tend to be short-term in nature. In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price %	Impact on Net Assets \$
<b>Benchmark</b>		
S&P 500 (Canadian dollar/Hedged)	+/- 3.00	+/- 628,563

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price %	Impact on Net Assets \$
<b>Benchmark</b>		
S&P 500 (Canadian dollar/Hedged)	+/- 3.00	+/- 530,052

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.





## U.S. INDEX-PLUS (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Credit Risk

As at December 31, 2009 and 2008, the Fund's credit risk concentration is spread between money market securities and derivative financial instruments. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The Fund invests in financial assets which have an investment grade as rated by the *Dominion Bond Rating Service* ("DBRS"), *Standard & Poor's*, *Moody's* or *Fitch*. When several credit ratings are available for a security, the lowest rating with equivalent DBRS format is used. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

*Portfolio's money market securities by rating category*

As at December 31, 2009	Percentage of Money Market Securities	As at December 31, 2008	Percentage of Money Market Securities
Rating	%	Rating	%
R-1 (High)	100	R-1 (High)	92
TOTAL	<b>100</b>	R-1 (Middle)	8
		TOTAL	<b>100</b>

The derivative financial instruments' fair value reflects the Fund's own credit risk as well as the counterparties' risk. As at December 31, 2009, the counterparties to derivative financial instruments have a credit rating of at least "A-1" from *Standard & Poor's* ("A-1" as at December 31, 2008).

#### Liquidity Risk

The Fund may invest in over-the-counter derivative financial instruments which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to liquidate them quickly at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	—	4,746	—	Financial liabilities held for trading	—	17,240	—
Accrued expenses	9,101	—	—	Accrued expenses	3,878	—	—
Other liabilities	167,693	—	—	Other liabilities	1,632,385	—	—
<b>TOTAL LIABILITIES</b>	<b>176,794</b>	<b>4,746</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>1,636,263</b>	<b>17,240</b>	<b>—</b>



## BLACKROCK US EQUITY INDEX

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Investments at fair value*	2,336,780	162,942
Premiums receivable	98	—
	<u>2,336,878</u>	<u>162,942</u>
<b>LIABILITIES</b>		
Bank overdraft	279	6
Accrued expenses	163	9
	<u>442</u>	<u>15</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>2,336,436</b></u>	<u>162,927</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>11.68</b></u>	10.86
* Investments at cost	<u><b>2,341,597</b></u>	151,258

### STATEMENT OF CHANGES IN NET ASSETS

Periods Ended December 31

	2009 \$	2008** \$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u><b>162,927</b></u>	—
Increase (Decrease) in Net Assets from Operations	<u><b>3,436</b></u>	12,927
Premiums		
Series 1	<u><b>2,170,684</b></u>	150,000
Withdrawals		
Series 1	<u><b>(611)</b></u>	—
<b>NET ASSETS, END OF PERIOD</b>	<u><b>2,336,436</b></u>	<u>162,927</u>

### STATEMENT OF OPERATIONS

Periods Ended December 31

	2009 \$	2008** \$
<b>INCOME</b>		
Dividends	<u><b>20,443</b></u>	1,258
<b>EXPENSES</b>		
Management fees	<u><b>458</b></u>	13
Operating expenses	<u><b>56</b></u>	2
	<u><b>514</b></u>	<u>15</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>19,929</b></u>	1,243
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<u><b>8</b></u>	—
Net unrealized gain (loss)	<u><b>(16,501)</b></u>	11,684
	<u><b>(16,493)</b></u>	<u>11,684</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>3,436</b></u>	12,927
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u><b>3,436</b></u>	12,927
- per unit	<u><b>0.17</b></u>	0.86

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Blackrock US Equity Index Fund	
Exxon Mobil Corporation	3.3%
Microsoft Corporation	2.4%
Apple Inc.	1.9%
Johnson & Johnson	1.8%
Procter & Gamble Company	1.8%
International Business Machines Corporation	1.7%
AT&T Wireless Services Inc.	1.7%
JPMorgan Chase & Company	1.7%
General Electric Company	1.6%
Chevron Corporation	1.6%

\*\* Beginning of operations in November 2008.

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK US EQUITY INDEX (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	347,766	2,341,597	2,336,780
TOTAL INVESTMENTS		<b>2,341,597</b>	<b>2,336,780</b>
OTHER NET ASSETS (-0.0%)			(344)
NET ASSETS (100%)			<b>2,336,436</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund aims to reproduce as closely as possible the annualized returns of the S&P 500 Index, expressed in Canadian dollars, over four-year moving periods.

#### Strategy of the Fund

The investments are passively managed in order to provide a return derived primarily from long term capital appreciation by investing in a largely diversified portfolio of American equity securities.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	2,336,780	—	2,336,780
<b>TOTAL</b>	<b>—</b>	<b>2,336,780</b>	<b>—</b>	<b>2,336,780</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BLACKROCK US EQUITY INDEX (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009 and 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 70,093

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 4,888

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	279	—	—	Financial liabilities held for trading	6	—	—
Accrued expenses	163	—	—	Accrued expenses	9	—	—
<b>TOTAL LIABILITIES</b>	<b>442</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>15</b>	<b>—</b>	<b>—</b>



## BERNSTEIN U.S. EQUITY VALUE

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	188,528	240,220
Investments at fair value*	15,243,487	10,980,445
Premiums receivable	92,397	85,175
Interest, dividends and other receivables	23,092	34,007
	<u>15,547,504</u>	<u>11,339,847</u>
<b>LIABILITIES</b>		
Accrued expenses	14,276	8,008
Withdrawals payable	19,678	45,599
	<u>33,954</u>	<u>53,607</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>15,513,550</u>	11,286,240
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>8.89</u>	8.24
* <i>Investments at cost</i>	14,813,728	13,641,665

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>11,286,240</u>	8,721,689
Increase (Decrease) in Net Assets from Operations	<u>1,309,512</u>	(2,944,638)
Premiums		
Series 1	<u>6,178,674</u>	8,467,013
Withdrawals		
Series 1	<u>(3,260,876)</u>	(2,957,824)
<b>NET ASSETS, END OF YEAR</b>	<u>15,513,550</u>	11,286,240

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	3,133
Dividends	359,946	279,406
Revenue from securities lending	1,375	557
	<u>361,321</u>	<u>283,096</u>
<b>EXPENSES</b>		
Management fees	96,578	73,910
Operating expenses	3,183	449
	<u>99,761</u>	<u>74,359</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>261,560</u>	208,737
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTION COSTS</b>		
Net realized gain (loss)	(2,032,464)	(1,062,703)
Net unrealized gain (loss)	3,093,937	(2,085,216)
Commissions and other portfolio transaction costs (Note 6)	(13,521)	(5,456)
	<u>1,047,952</u>	<u>(3,153,375)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>1,309,512</u>	(2,944,638)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,309,512</u>	(2,944,638)
- per unit	<u>0.81</u>	(2.76)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bernstein U.S. Equity Value Fund	
Microsoft Corporation	3.1%
Merck & Company Inc.	3.0%
AT&T Wireless Services Inc.	2.6%
Pfizer Inc.	2.5%
ConocoPhillips	2.2%
International Business Machines Corporation	2.1%
News Corporation	1.9%
Exxon Mobil Corporation	1.9%
Johnson & Johnson	1.8%
Procter & Gamble Company	1.8%

The accompanying Notes are an integral part of these financial statements.



## BERNSTEIN U.S. EQUITY VALUE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>EQUITIES (98.3%)</b>			
<b>CANADIAN EQUITY (0.8%)</b>			
<b>Energy (0.8%)</b>			
Nexen	4,700	104,604	117,713
<b>U.S. EQUITIES (87.7%)</b>			
<b>Energy (9.1%)</b>			
Anadarko Petroleum Corporation	700	47,642	45,730
Apache Corporation	425	53,071	45,891
Chevron Corporation	1,200	98,532	96,656
Cimarex Energy	2,300	96,810	127,509
ConocoPhillips	6,300	371,554	336,406
Devon Energy Corporation	2,900	229,989	223,084
Exxon Mobil Corporation	4,150	335,846	295,873
Occidental Petroleum Corporation	1,200	93,043	102,069
Valero Energy Corporation	7,800	153,505	136,739
		1,479,992	1,409,957
<b>Materials (2.5%)</b>			
AK Steel Holding Corporation	3,400	72,499	75,973
E.I. du Pont de Nemours and Company	5,800	181,343	204,327
Sonoco Products Company	1,000	32,652	30,613
Steel Dynamics	4,100	75,477	75,566
		361,971	386,479
<b>Industrials (7.2%)</b>			
3M Co.	1,100	87,968	95,083
Caterpillar	1,450	55,207	86,487
Dover Corporation	1,500	68,482	65,324
General Electric Company	16,000	227,882	253,362
Hertz Global Holdings	4,300	34,528	53,645
Lockheed Martin Corporation	400	35,946	31,520
Masco Corporation	5,700	65,438	82,386
Northrop Grumman Corporation	2,600	137,885	151,842
Raytheon Company	1,700	87,694	91,666
SPX Corporation	600	32,886	34,350
Terex Corporation	2,200	31,777	45,613
United Parcel Service, Class B	450	24,719	26,996
United Technologies Corporation	1,400	78,818	101,600
		969,230	1,119,874
<b>Consumer Discretionary (13.7%)</b>			
CBS Corporation, Class B	11,000	157,278	161,753
Comcast Corporation, Class A	2,000	36,826	35,292
D.R. Horton	3,400	35,622	38,680
Foot Locker	3,000	28,006	34,978
Ford Motor Company	12,500	112,954	130,564
Home Depot	2,200	72,894	66,543
J.C. Penney Company	2,300	68,589	63,983
Jones Apparel Group	2,100	48,344	35,254
Kohl's Corporation	450	23,538	25,400
Limited Brands	4,400	51,687	88,601
Lowe's Companies	3,900	110,445	95,432

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>U.S. EQUITIES (cont.)</b>			
<b>Consumer Discretionary (cont.)</b>			
Macy's	4,800	129,185	84,197
McDonald's Corporation	1,500	78,490	97,962
News Corporation, Class A	20,700	224,244	296,590
NVR	145	96,409	107,851
Pulte Homes	4,900	64,413	51,284
Staples	3,800	92,034	97,797
Time Warner	6,567	238,333	200,075
Time Warner Cable	4,300	116,180	186,272
TJX Companies	1,900	77,401	72,662
TRW Automotive Holdings Corp.	1,300	22,730	32,450
Viacom, Class B	3,700	121,889	114,973
		2,007,491	2,118,593
<b>Consumer Staples (12.0%)</b>			
Altria Group	8,400	179,309	172,489
Archer Daniels Midland Company	4,500	151,355	147,461
Coca-Cola Company	2,900	158,791	172,913
Coca-Cola Enterprises	3,900	64,759	86,493
ConAgra Foods	2,600	58,800	62,723
Constellation Brands, Class A	2,600	38,112	43,321
Dean Foods Company	4,800	82,119	90,577
Del Monte Foods Company	3,000	37,349	35,606
H.J. Heinz	400	18,239	17,901
Kimberly-Clark	600	40,954	40,008
Kraft Foods, Class A	2,001	72,816	56,901
PepsiCo	2,300	159,920	146,285
Philip Morris International	1,400	77,479	70,522
Procter & Gamble	4,300	278,544	272,724
Reynolds American	1,300	69,359	72,070
Sara Lee Corporation	3,200	57,051	40,759
Smithfield Foods	2,300	31,091	36,565
SUPERVALU	6,100	97,086	81,081
Tyson Foods, Class A	5,800	78,861	74,483
Wal-Mart Stores	2,625	143,643	146,790
		1,895,637	1,867,672
<b>Health Care (9.6%)</b>			
Abbott Laboratories	2,200	137,426	124,222
Aetna	4,200	132,942	139,037
Amgen	1,500	93,030	88,810
Hospira	325	11,681	17,347
Johnson & Johnson	4,100	280,227	276,045
Merck & Co.	12,001	418,372	458,451
Pfizer	20,000	436,391	380,755
		1,510,069	1,484,667
<b>Financials (10.4%)</b>			
Allstate Corporation	2,450	89,767	77,002
Ameriprise Financial	150	7,581	6,094
Bank of America Corporation	8,600	158,836	135,552
BB&T Corporation	3,400	100,051	90,278
Chubb Corporation	425	19,161	21,876





## BERNSTEIN U.S. EQUITY VALUE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>U.S. EQUITIES (cont.)</b>			
<b>Financials (cont.)</b>			
Goldman Sachs Group	1,500	222,752	264,655
JP Morgan Chase & Co.	5,700	246,074	248,589
MetLife	4,025	160,557	148,915
Morgan Stanley	5,000	171,584	154,793
Torchmark Corporation	200	15,345	9,200
Travelers Companies	1,400	69,669	73,043
U.S. Bancorp	7,700	223,812	181,163
Unum Group	1,900	48,683	38,797
Wells Fargo & Company	6,100	164,224	171,993
		1,698,096	1,621,950
<b>Information Technology (17.2%)</b>			
AOL	597	14,911	14,546
Cisco Systems	7,700	164,838	192,929
Computer Sciences Corporation	1,300	71,881	78,275
Corning	11,700	155,554	236,334
Dell	11,900	172,714	178,848
Electronic Arts	4,200	80,855	78,024
EMC Corporation	2,300	34,082	42,006
Fidelity National Information Services	1,600	35,637	39,252
Hewlett-Packard Company	3,800	171,662	204,701
Intel Corporation	3,700	81,912	78,998
International Business Machines Corporation (IBM)	2,400	246,986	328,626
Micron Technology	10,200	70,789	112,732
Microsoft Corporation	15,200	409,660	485,047
Motorola	16,000	89,167	129,779
Oracle Corporation	5,500	127,592	141,260
Symantec Corporation	5,700	115,214	106,725
Texas Instruments	2,300	69,773	62,659
Western Digital Corporation	3,300	82,803	152,485
		2,196,030	2,663,226
<b>Telecommunication Services (4.4%)</b>			
AT&T	13,700	440,375	401,906
Sprint Nextel Corporation	45,200	271,505	173,142
Verizon Communications	3,300	124,237	114,424
		836,117	689,472
<b>Utilities (1.6%)</b>			
Ameren Corporation	900	47,525	26,327
American Electric Power Company	1,900	88,054	69,162
CMS Energy Corporation	1,100	15,575	18,029
Entergy Corporation	325	29,214	27,834
NiSource	5,100	68,468	82,094
RRI Energy	3,800	70,055	22,749
		318,891	246,195
<b>TOTAL U.S. EQUITIES</b>		13,273,524	13,608,085

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>FOREIGN EQUITIES (9.8%)</b>			
<b>Bermuda (1.1%)</b>			
Bunge	1,600	85,382	106,888
XL Capital, Class A	3,400	73,470	65,191
		158,852	172,079
<b>Cayman Islands (0.6%)</b>			
Seagate Technology	4,800	72,605	91,030
<b>Finland (0.8%)</b>			
Nokia, ADR	9,000	147,097	120,946
<b>France (0.3%)</b>			
Total, ADR	800	60,501	53,620
<b>Germany (0.8%)</b>			
Deutsche Bank	1,675	103,145	124,310
<b>Ireland (2.1%)</b>			
Accenture, Class A	1,800	73,321	78,181
Cooper Industries, Class A	1,900	59,023	84,772
Ingersoll-Rand Company, Class A	4,200	122,878	157,104
		255,222	320,057
<b>Switzerland (2.6%)</b>			
ACE	1,700	100,983	89,673
Novartis, ADR	1,000	47,717	56,914
Transocean	400	34,733	34,638
Tyco Electronics	8,700	227,674	222,993
		411,107	404,218
<b>Taiwan (0.4%)</b>			
AU Optronics Corp., ADR	5,459	61,262	68,504
<b>United Kingdom (1.1%)</b>			
ENSCO International, ADR	1,500	66,533	62,702
Vodafone Group, ADR	4,200	105,400	100,223
		171,933	162,925
<b>TOTAL FOREIGN EQUITIES</b>		1,441,724	1,517,689
<b>TOTAL EQUITIES</b>		14,819,852	15,243,487
<b>PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST</b>		(6,124)	—
<b>TOTAL INVESTMENTS (98.3%)</b>		<b>14,813,728</b>	<b>15,243,487</b>
<b>OTHER NET ASSETS (1.7%)</b>			270,063
<b>NET ASSETS (100%)</b>			<b>15,513,550</b>

The accompanying Notes are an integral part of these financial statements.



## BERNSTEIN U.S. EQUITY VALUE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 3.0% higher than the S&P 500 Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide long term growth of capital on a total return basis by investing in a diversified portfolio of American stocks. Security selection favours undervalued securities with sound business fundamentals and good future prospects in the market of major American corporations.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Equities	15,243,487	—	—	15,243,487
<b>TOTAL</b>	<b>15,243,487</b>	<b>—</b>	<b>—</b>	<b>15,243,487</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	15,406,500	22,749	—	—
As at December 31, 2008				
	\$	\$	\$	\$
U.S. Dollar	11,225,463	33,703	—	—

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, net assets would have decreased or increased by \$462,877 (\$337,775 as at December 31, 2008).

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk arising from fluctuations in the prevailing levels of market interest rates.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 490,729

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 331,003

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the Fund had no significant investments in fixed-income securities. As a result, the Fund is not significantly exposed to credit risk.

### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	14,276	—	—	Accrued expenses	8,008	—	—
Other liabilities	19,678	—	—	Other liabilities	45,599	—	—
<b>TOTAL LIABILITIES</b>	<b>33,954</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>53,607</b>	<b>—</b>	<b>—</b>



## GE U.S. CORE VALUE EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	4
Investments at fair value*	<u>932,856</u>
	<u>932,860</u>
<b>LIABILITIES</b>	
Accrued expenses	<u>451</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>932,409</b></u>
NET ASSETS PER UNIT (NOTE 3)	
Series 1	<u><b>10.38</b></u>
* Investments at cost	<b>915,750</b>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>—</u>
Increase (Decrease) in Net Assets from Operations	<u><b>33,438</b></u>
Premiums	
Series 1	<u><b>919,228</b></u>
Withdrawals	
Series 1	<u><b>(20,257)</b></u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>932,409</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Dividends	<u><b>14,661</b></u>
<b>EXPENSES</b>	
Management fees	<b>916</b>
Operating expenses	<u><b>192</b></u>
	<u><b>1,108</b></u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>13,553</b></u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	<b>2,779</b>
Net unrealized gain (loss)	<u><b>17,106</b></u>
	<u><b>19,885</b></u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>33,438</b></u>
<b>DATA PER SERIES</b>	
SERIES 1	
Increase (Decrease) in Net Assets from Operations	<u><b>33,438</b></u>
- per unit	<u><b>0.38</b></u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

GE U.S. Core Value Equity Fund	
International Business Machines Corporation	3.6%
Procter & Gamble Company	2.8%
Microsoft Corporation	2.6%
Time Warner	2.4%
Exxon Mobil Corporation	2.3%
PepsiCo	2.2%
Bank of America Corporation	2.1%
Hewlett-Packard Company	2.1%
Omnicom Group Inc.	2.1%
Johnson & Johnson	1.9%

\*\* Beginning of operations in August 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
GE Core Value Equity Fund, I-Class	99,376	915,750	932,856
TOTAL INVESTMENTS		<b>915,750</b>	<b>932,856</b>
OTHER NET ASSETS (-0.0%)			(447)
NET ASSETS (100%)			<b>932,409</b>

The accompanying Notes are an integral part of these financial statements.



## GE U.S. CORE VALUE EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 2.0% higher than the S&P 500 Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return mainly through long-term growth of capital by investing in a diversified portfolio of U.S. equities of large and medium capitalization companies. Security selection favours companies which are believed to be undervalued by the market but have solid growth prospects by employing a relative value approach to identify companies across all economic sectors which are undervalued relative to the market, their peers, their historical valuation or their growth rate.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Investment Fund	932,856	—	—	932,856
<b>TOTAL</b>	<b>932,856</b>	<b>—</b>	<b>—</b>	<b>932,856</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, part of the Fund's net assets are denominated in U.S. dollars. The following table summarizes the Fund's exposure to currency risk, excluding the currency risk related to the current underlying fund.

As at December 31, 2009	Financial Assets Held for Trading \$	Other Assets \$	Financial Liabilities Held for Trading \$	Other Liabilities \$
U.S. Dollar	932,856	—	—	—

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, net assets would have decreased or increased by \$27,986.

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 27,972

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Accrued expenses	451	—	—
<b>TOTAL LIABILITIES</b>	<b>451</b>	<b>—</b>	<b>—</b>





## UBS U.S. LARGE CAP EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	—	198,944
Investments at fair value*	<b>16,346,628</b>	15,087,973
Premiums receivable	<b>6,882</b>	39,382
	<b>16,353,510</b>	15,326,299
<b>LIABILITIES</b>		
Bank overdraft	<b>43,231</b>	—
Accrued expenses	<b>9,251</b>	6,112
Withdrawals payable	<b>3,919</b>	27,242
	<b>56,401</b>	33,354
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>16,297,109</b>	15,292,945
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>9.12</b>	8.12
* <i>Investments at cost</i>	<b>18,073,397</b>	20,024,223

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>15,292,945</b>	28,076,510
Increase (Decrease) in Net Assets from Operations	<b>1,949,799</b>	(5,518,895)
Premiums		
Series 1	<b>8,087,986</b>	8,654,083
Withdrawals		
Series 1	<b>(9,033,621)</b>	(15,918,753)
<b>NET ASSETS, END OF YEAR</b>	<b>16,297,109</b>	15,292,945

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	79
Dividends	<b>204,895</b>	306,889
	<b>204,895</b>	306,968
<b>EXPENSES</b>		
Management fees	<b>65,456</b>	96,899
Operating expenses	<b>2,426</b>	705
	<b>67,882</b>	97,604
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>137,013</b>	209,364
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(1,396,695)</b>	(2,901,432)
Net unrealized gain (loss)	<b>3,209,481</b>	(2,826,827)
	<b>1,812,786</b>	(5,728,259)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>1,949,799</b>	(5,518,895)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>1,949,799</b>	(5,518,895)
- per unit	<b>1.02</b>	(2.35)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

UBS U.S. Large Cap Equity Fund	
Microsoft Corporation	3.0%
Covidien Ltd	2.8%
Apple Inc.	2.6%
JPMorgan Chase & Company	2.6%
Pfizer Inc.	2.5%
Wells Fargo & Company	2.5%
Procter & Gamble Company	2.4%
Fedex Corporation	2.4%
Comcast Corporation	2.3%
Chevron Corporation	2.2%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.3%)			
UBS American Equity Fund	1,500,090	18,073,397	16,346,628
<b>TOTAL INVESTMENTS</b>		<b>18,073,397</b>	<b>16,346,628</b>
OTHER NET ASSETS (-0.3%)			(49,519)
<b>NET ASSETS (100%)</b>			<b>16,297,109</b>

The accompanying Notes are an integral part of these financial statements.



## UBS U.S. LARGE CAP EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return 2.0% to 2.5% higher than the Russell 1000 Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from long term capital appreciation by investing in a diversified portfolio of shares of American large capitalization companies. The Fund may also hold shares of medium capitalization companies. The manager emphasizes fundamental research. Security selection favours companies whose market prices are deemed inferior to their fundamental value, in order to construct a portfolio with an attractive price/intrinsic value ratio.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Fund	16,346,628	—	—	16,346,628
<b>TOTAL</b>	<b>16,346,628</b>	<b>—</b>	<b>—</b>	<b>16,346,628</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
Russell 1000	+/- 3.00	+/- 536,607

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
Russell 1000	+/- 3.00	+/- 446,126

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	43,231	—	—	Accrued expenses	6,112	—	—
Accrued expenses	9,251	—	—	Other liabilities	27,242	—	—
Other liabilities	3,919	—	—	<b>TOTAL LIABILITIES</b>	<b>33,354</b>	—	—
<b>TOTAL LIABILITIES</b>	<b>56,401</b>	—	—				



## McLEAN BUDDEN AMERICAN EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	—	3,926,756
Investments at fair value*	<b>43,566,241</b>	22,253,412
Premiums receivable	<b>231,559</b>	1,886,711
	<b>43,797,800</b>	28,066,879
<b>LIABILITIES</b>		
Bank overdraft	<b>82,553</b>	—
Accrued expenses	<b>16,639</b>	8,676
Withdrawals payable	<b>10,467</b>	82,245
	<b>109,659</b>	90,921
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>43,688,141</b>	27,975,958
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>11.22</b>	10.02
* <i>Investments at cost</i>	<b>43,436,490</b>	26,729,527

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>27,975,958</b>	23,279,850
Increase (Decrease) in Net Assets from Operations	<b>4,646,428</b>	(7,234,981)
Premiums		
Series 1	<b>19,405,429</b>	17,898,774
Withdrawals		
Series 1	<b>(8,339,674)</b>	(5,967,685)
<b>NET ASSETS, END OF YEAR</b>	<b>43,688,141</b>	27,975,958

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	<b>1,943</b>	19
Dividends	<b>725,225</b>	455,584
	<b>727,168</b>	455,603
<b>EXPENSES</b>		
Management fees	<b>120,556</b>	84,845
Operating expenses	<b>2,426</b>	1,085
	<b>122,982</b>	85,930
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>604,186</b>	369,673
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(563,624)</b>	(4,647,898)
Net unrealized gain (loss)	<b>4,605,866</b>	(2,956,756)
	<b>4,042,242</b>	(7,604,654)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>4,646,428</b>	(7,234,981)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>4,646,428</b>	(7,234,981)
- per unit	<b>1.32</b>	(3.33)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden American Equity Fund	
Microsoft Corporation	4.6%
Merck & Company Inc.	3.7%
CVS Caremark Corporation	3.6%
PepsiCo	3.4%
Exxon Mobil Corporation	3.2%
Pfizer Inc.	3.1%
AT&T Wireless Services Inc.	3.0%
ACE Limited	2.9%
JPMorgan Chase & Company	2.8%
Hewlett-Packard Company	2.6%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.7%)			
McLean Budden American Equity Fund, Class C	1,465,781	43,436,490	43,566,241
TOTAL INVESTMENTS		<b>43,436,490</b>	<b>43,566,241</b>
OTHER NET ASSETS (0.3%)			121,900
NET ASSETS (100%)			<b>43,688,141</b>

The accompanying Notes are an integral part of these financial statements.



## McLEAN BUDDEN AMERICAN EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.5% higher than the S&P 500, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real rate of return derived primarily from capital appreciation by investing in a diversified portfolio of U.S. equities. Security selection targets companies which are considered to be undervalued or with above average earnings growth potential.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	43,566,241	—	43,566,241
<b>TOTAL</b>	<b>—</b>	<b>43,566,241</b>	<b>—</b>	<b>43,566,241</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 1,211,580

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P 500	+/- 3.00	+/- 812,422

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	82,553	—	—	Accrued expenses	8,676	—	—
Accrued expenses	16,639	—	—	Other liabilities	82,245	—	—
Other liabilities	10,467	—	—	<b>TOTAL LIABILITIES</b>	<b>90,921</b>	—	—
<b>TOTAL LIABILITIES</b>	<b>109,659</b>	—	—				





## TRIMARK FUND

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	10,103	11,026
Investments at fair value*	14,861,569	11,680,767
Premiums receivable	25,705	51,666
Receivable for investments sold	—	6,210
	<u>14,897,377</u>	<u>11,749,669</u>
<b>LIABILITIES</b>		
Accrued expenses	15,099	10,008
Withdrawals payable	246	43,509
Payable for investments purchased	19,265	9,031
	<u>34,610</u>	<u>62,548</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>14,862,767</b></u>	<u>11,687,121</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>18.80</b></u>	16.89
* <i>Investments at cost</i>	<b>16,604,536</b>	15,983,458

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>11,687,121</b></u>	16,911,198
Increase (Decrease) in Net Assets from Operations	<u><b>1,566,134</b></u>	(4,685,191)
Premiums		
Series 1	<u><b>3,785,275</b></u>	2,743,693
Withdrawals		
Series 1	<u><b>(2,175,763)</b></u>	(3,282,579)
<b>NET ASSETS, END OF YEAR</b>	<u><b>14,862,767</b></u>	11,687,121

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	—	49
Dividends	<u>262,239</u>	505,750
	<u>262,239</u>	505,799
<b>EXPENSES</b>		
Management fees	<u>112,534</u>	131,723
Operating expenses	<u>2,426</u>	523
	<u>114,960</u>	132,246
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>147,279</b></u>	373,553
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<u>(1,140,869)</u>	(240,553)
Net unrealized gain (loss)	<u>2,559,724</u>	(4,818,191)
	<u>1,418,855</u>	(5,058,744)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>1,566,134</b></u>	(4,685,191)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,566,134</u>	(4,685,191)
- per unit	<u>2.09</u>	(6.62)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Trimark Fund	
Nestlé SA	10.7%
Microsoft Corporation	8.5%
Roche Holding AG	6.4%
Nokia Corporation	6.1%
Synthes, Inc.	5.0%
Cisco Systems Inc.	4.0%
Diageo plc	4.0%
Aryzta AG	3.9%
Rockwell Collins Inc.	3.8%
Schindler Holding Ltd	3.5%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
Trimark Fund, Series I	510,830	16,604,536	14,861,569
<b>TOTAL INVESTMENTS</b>		<b>16,604,536</b>	<b>14,861,569</b>
OTHER NET ASSETS (0.0%)			1,198
<b>NET ASSETS (100%)</b>			<b>14,862,767</b>

*The accompanying Notes are an integral part of these financial statements.*



## TRIMARK FUND (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior return derived primarily from capital appreciation by investing in a concentrated portfolio of high-quality stocks of companies located worldwide. Security selection favours companies that are attractively priced relative to their prospective earnings, cash flow and stock valuation to ensure long term capital growth.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	14,861,569	—	—	14,861,569
<b>TOTAL</b>	<b>14,861,569</b>	<b>—</b>	<b>—</b>	<b>14,861,569</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 486,639

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 331,435

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	19,265	—	—	Payable for investments purchased	9,031	—	—
Accrued expenses	15,099	—	—	Accrued expenses	10,008	—	—
Other liabilities	246	—	—	Other liabilities	43,509	—	—
<b>TOTAL LIABILITIES</b>	<b>34,610</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>62,548</b>	<b>—</b>	<b>—</b>



## HEXAVEST GLOBAL EQUITIES

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Investments at fair value*	5,857,253
Premiums receivable	<u>16,443</u>
	<u>5,873,696</u>
<b>LIABILITIES</b>	
Bank overdraft	14,092
Accrued expenses	3,016
Withdrawals payable	<u>2,090</u>
	<u>19,198</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>5,854,498</b></u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u><b>12.64</b></u>
* <i>Investments at cost</i>	<b>5,991,324</b>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>67,164</u>
Premiums	
Series 1	<u>6,989,697</u>
Withdrawals	
Series 1	<u>(1,202,363)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>5,854,498</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Dividends	<u>149,316</u>
<b>EXPENSES</b>	
Management fees	5,579
Operating expenses	<u>529</u>
	<u>6,108</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>143,208</b></u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	58,027
Net unrealized gain (loss)	<u>(134,071)</u>
	<u>(76,044)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>67,164</b></u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>67,164</u>
- per unit	<u><b>0.84</b></u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Hexavest Global Equities Fund	
Microsoft Corporation	2.0%
Pfizer Inc.	1.9%
Procter & Gamble Company	1.9%
Bank of America Corporation	1.8%
General Electric Company	1.7%
Merck & Company Inc.	1.7%
ConoccoPhillips	1.6%
Abbott Laboratories	1.5%
Citigroup	1.3%
Wal-Mart Stores Inc.	1.3%

\*\* Beginning of operations in March 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
Hexavest World Fund	6,040	5,991,324	5,857,253
<b>TOTAL INVESTMENTS</b>		<b>5,991,324</b>	<b>5,857,253</b>
OTHER NET ASSETS (-0.0%)			(2,755)
<b>NET ASSETS (100%)</b>			<b>5,854,498</b>

The accompanying Notes are an integral part of these financial statements.



## HEXAVEST GLOBAL EQUITIES (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 2.0% higher than the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide long term capital growth by investing in securities around the world. The manager's top-down approach consists in active management at each decisional level (regional allocation, country selection, sector allocation, stock selection and currency management) in order to diversify the sources of added value and reduce related portfolio risk. The primary decisions are governed by a fundamental analysis of macro economic factors and are supported by quantitative models.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	5,857,253	—	5,857,253
<b>TOTAL</b>	<b>—</b>	<b>5,857,253</b>	<b>—</b>	<b>5,857,253</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 175,635

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Financial liabilities held for trading	14,092	—	—
Accrued expenses	3,016	—	—
Other liabilities	2,090	—	—
<b>TOTAL LIABILITIES</b>	<b>19,198</b>	<b>—</b>	<b>—</b>





## BERNSTEIN GLOBAL EQUITY VALUE

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	259,317	234,735
Investments at fair value*	28,317,845	11,884,181
Interest, dividends and other receivables	122,571	30,532
	<u>28,699,733</u>	12,149,448
<b>LIABILITIES</b>		
Accrued expenses	7,186	5,878
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>28,692,547</u>	12,143,570
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>5.92</u>	5.31
* Investments at cost	28,775,292	15,635,798

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>12,143,570</u>	3,163,870
Increase (Decrease) in Net Assets from Operations	<u>2,839,121</u>	(3,680,068)
Premiums		
Series 1	<u>21,025,948</u>	14,662,339
Withdrawals		
Series 1	<u>(7,316,092)</u>	(2,002,571)
<b>NET ASSETS, END OF YEAR</b>	<u>28,692,547</u>	12,143,570

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	—	18
Dividends	223,344	139,054
Other income	434,967	127,576
	<u>658,311</u>	266,648
<b>EXPENSES</b>		
Management fees	33,092	51,173
Operating expenses	2,426	375
	<u>35,518</u>	51,548
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>622,793</u>	215,100
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,077,842)	(424,581)
Net unrealized gain (loss)	3,294,170	(3,470,587)
	<u>2,216,328</u>	(3,895,168)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>2,839,121</u>	(3,680,068)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>2,839,121</u>	(3,680,068)
- per unit	<u>0.83</u>	(3.49)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bernstein Global Equity Value Fund	
Merck & Company Inc.	1.7%
Royal Dutch Shell	1.5%
Vodafone Group plc	1.3%
Pfizer Inc.	1.3%
AT&T Wireless Services Inc.	1.3%
International Business Machines Corporation	1.3%
Microsoft Corporation	1.2%
Banco Santander SA	1.2%
Telefonica	1.2%
Altria Group Inc.	1.1%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (98.7%)			
Desjardins Global Equity Value Fund, A-Class	1,256,337	28,775,292	28,317,845
TOTAL INVESTMENTS		<b>28,775,292</b>	<b>28,317,845</b>
OTHER NET ASSETS (1.3%)			374,702
NET ASSETS (100%)			<b>28,692,547</b>

The accompanying Notes are an integral part of these financial statements.



## BERNSTEIN GLOBAL EQUITY VALUE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide returns derived primarily from capital appreciation by investing in a widely diversified portfolio of foreign equities. Security selection favours companies whose shares appear to be trading below their inherent value. Currency exposure is actively managed, typically through the use of currency forward contracts.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	28,317,845	—	—	28,317,845
<b>TOTAL</b>	<b>28,317,845</b>	<b>—</b>	<b>—</b>	<b>28,317,845</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 860,776

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 351,994

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	7,186	—	—	Accrued expenses	5,878	—	—
<b>TOTAL LIABILITIES</b>	<b>7,186</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>5,878</b>	<b>—</b>	<b>—</b>



## ETHICAL GLOBAL EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	49
Investments at fair value*	744,589
Premiums receivable	<u>3,637</u>
	<u>748,275</u>
<b>LIABILITIES</b>	
Accrued expenses	692
Payable for investment purchased	<u>2,287</u>
	<u>2,979</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>745,296</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>12.59</u>
* <i>Investments at cost</i>	<u>672,322</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>70,439</u>
Premiums	
Series 1	<u>685,460</u>
Withdrawals	
Series 1	<u>(10,603)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>745,296</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	—
<b>EXPENSES</b>	
Management fees	2,037
Operating expenses	<u>148</u>
	<u>2,185</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>(2,185)</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	357
Net unrealized gain (loss)	<u>72,267</u>
	<u>72,624</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>70,439</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>70,439</u>
- per unit	<u>2.62</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Ethical Global Equity Fund	
Amdocs	2.3%
Cisco Systems Inc.	2.1%
Sonic Healthcare	1.9%
Google Inc.	1.8%
TNT Post Group	1.8%
Southwest Airlines Company	1.8%
Walt Disney Company	1.8%
Unilever plc	1.6%
Cadbury Schweppes plc	1.6%
Bank of New York	1.5%

\*\* Beginning of operations in March 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
Ethical Global Equity Fund, Series I	72,981	672,322	744,589
TOTAL INVESTMENTS		<b>672,322</b>	<b>744,589</b>
OTHER NET ASSETS (0.1%)			707
NET ASSETS (100%)			<b>745,296</b>

The accompanying Notes are an integral part of these financial statements.



## ETHICAL GLOBAL EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than that of the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide long term capital appreciation by investing in all types of securities issued by companies or governments around the world. The portfolio manager uses an equity investment approach, based on a combination of qualitative company selection strategies and a strict pricing discipline. Implementation of this approach involves an interaction between top-down, macroeconomic analysis, bottom-up industry analysis, and security selection. The Fund follows a socially responsible approach to investing.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Fund	744,589	—	—	744,589
<b>TOTAL</b>	<b>744,589</b>	<b>—</b>	<b>—</b>	<b>744,589</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 22,359

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	2,287	—	—
Accrued expenses	692	—	—
<b>TOTAL LIABILITIES</b>	<b>2,979</b>	—	—





## McLEAN BUDDEN GLOBAL EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	6,180	4,868
Investments at fair value*	20,985,535	23,012,235
Premiums receivable	25,472	27,403
	<u>21,017,187</u>	<u>23,044,506</u>
<b>LIABILITIES</b>		
Accrued expenses	22,343	20,619
Withdrawals payable	947	4,016,577
	<u>23,290</u>	<u>4,037,196</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>20,993,897</u>	19,007,310
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>15.93</u>	14.11
* <i>Investments at cost</i>	<u>23,901,446</u>	30,201,099

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>19,007,310</u>	28,267,030
Increase (Decrease) in Net Assets from Operations	<u>2,454,201</u>	(6,555,061)
Premiums		
Series 1	<u>4,227,219</u>	10,191,034
Withdrawals		
Series 1	<u>(4,694,833)</u>	(12,895,693)
<b>NET ASSETS, END OF YEAR</b>	<u>20,993,897</u>	19,007,310

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	11
Dividends	493,852	881,916
	<u>493,852</u>	<u>881,927</u>
<b>EXPENSES</b>		
Management fees	101,396	137,309
Operating expenses	2,426	978
	<u>103,822</u>	<u>138,287</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>390,030</u>	743,640
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(2,208,782)	(486,816)
Net unrealized gain (loss)	4,272,953	(6,811,885)
	<u>2,064,171</u>	<u>(7,298,701)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>2,454,201</u>	(6,555,061)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>2,454,201</u>	(6,555,061)
- per unit	<u>1.82</u>	(4.06)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

McLean Budden Global Equity Fund	
BP plc	2.5%
Microsoft Corporation	2.2%
Nestlé SA	2.0%
Cash and Cash Equivalents	1.9%
Roche Holding AG	1.8%
CVS Caremark Corporation	1.8%
Merck & Company Inc.	1.8%
Novartis AG	1.8%
PepsiCo	1.7%
Hewlett-Packard Company	1.7%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
McLean Budden Global Equity Pooled Fund	1,736,509	23,901,446	20,985,535
<b>TOTAL INVESTMENTS</b>		<b>23,901,446</b>	<b>20,985,535</b>
OTHER NET ASSETS (0.0%)			8,362
<b>NET ASSETS (100%)</b>			<b>20,993,897</b>

*The accompanying Notes are an integral part of these financial statements.*



## McLEAN BUDDEN GLOBAL EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return of 1.5% higher than the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from capital appreciation by investing in a portfolio of non-Canadian equities. A small portion of the Fund is also invested in emerging markets stocks. Security selection favours large companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or with above average long-term earnings growth potential.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	20,985,535	—	20,985,535
<b>TOTAL</b>	—	<b>20,985,535</b>	—	<b>20,985,535</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 577,532

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 559,613

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	22,343	—	—	Accrued expenses	20,619	—	—
Other liabilities	947	—	—	Other liabilities	4,016,577	—	—
<b>TOTAL LIABILITIES</b>	<b>23,290</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>4,037,196</b>	<b>—</b>	<b>—</b>



## BERNSTEIN INTERNATIONAL EQUITY VALUE

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	3,157,413	4,211,233
Investments at fair value*	64,414,268	45,814,585
Unrealized appreciation on derivatives	318,319	91,211
Premiums receivable	371,643	650,430
Receivable for investments sold	74,779	367,840
Interest, dividends and other receivables	168,785	98,069
	<u>68,505,207</u>	<u>51,233,368</u>
<b>LIABILITIES</b>		
Accrued expenses	59,257	39,451
Unrealized depreciation on derivatives	288,005	193,757
Withdrawals payable	166,301	153,396
Payable for investments purchased	551,305	—
	<u>1,064,868</u>	<u>386,604</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>67,440,339</b></u>	<u>50,846,764</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>14.81</u>	13.28
Series 3	<u>14.82</u>	13.29
* Investments at cost	<u>72,123,764</u>	69,231,603

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>50,846,764</u>	69,141,130
Increase (Decrease) in Net Assets from Operations	<u>7,398,328</u>	(24,542,382)
Premiums		
Series 1	19,371,080	28,867,166
Series 3	8,424,607	1,518,577
	<u>27,795,687</u>	<u>30,385,743</u>
Withdrawals		
Series 1	(18,442,582)	(24,089,389)
Series 3	(157,858)	(48,338)
	<u>(18,600,440)</u>	<u>(24,137,727)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>67,440,339</b></u>	<u>50,846,764</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	557	9,426
Dividends	2,001,788	2,355,053
Net income (loss) from derivative financial instruments	<u>329,503</u>	595,521
	<u>2,331,848</u>	<u>2,960,000</u>
<b>EXPENSES</b>		
Management fees	411,837	431,547
Operating expenses	7,764	6,898
	<u>419,601</u>	<u>438,445</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>1,912,247</u>	<u>2,521,555</u>
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTION COSTS</b>		
Net realized gain (loss)	(10,225,995)	(10,332,769)
Net unrealized gain (loss)	15,808,475	(16,665,778)
Commissions and other portfolio transaction costs (Note 6)	(96,399)	(65,390)
	<u>5,486,081</u>	<u>(27,063,937)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>7,398,328</b></u>	<u>(24,542,382)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>6,107,694</u>	(23,338,358)
- per unit	<u>1.63</u>	(7.01)
<b>SERIES 3</b>		
Increase (Decrease) in Net Assets from Operations	<u>1,290,634</u>	(1,204,024)
- per unit	<u>2.40</u>	(7.22)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Bernstein International Equity Value Fund	
BP plc	2.4%
Royal Dutch Shell	2.3%
Vodafone Group plc	2.1%
Banco Santander SA	1.9%
Telefonica	1.6%
GlaxoSmithKline plc	1.6%
Rio Tinto plc	1.6%
Novartis AG	1.5%
Allianz AG	1.5%
Sanofi-Aventis SA	1.5%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (95.5%)</b>			
<b>Australia (4.9%)</b>			
Ancor	29,343	114,264	170,919
Australia and New Zealand Banking Group	29,000	504,353	623,102
Bendigo and Adelaide Bank	27,000	254,493	249,605
BHP Billiton	11,700	405,476	473,540
Insurance Australia Group, Preferred shares	45,000	139,056	170,378
Lend Lease Group	1,400	8,243	13,508
Macquarie Group	13,400	293,284	609,194
Macquarie Infrastructure Group	56,757	172,454	71,186
National Australia Bank	26,839	532,334	690,391
Qantas Airways	7,673	14,075	21,482
Telstra Corporation	72,200	237,857	231,984
		2,675,889	3,325,289
<b>Austria (0.6%)</b>			
OMV	8,300	370,021	378,727
<b>Belgium (0.0%)</b>			
Fortis, Rights, 2014-07-01	20,800	—	—
<b>Bermuda (0.8%)</b>			
Noble Group	159,000	314,248	384,104
Yue Yuen Industrial (Holding)	46,500	111,467	140,911
		425,715	525,015
<b>Denmark (1.2%)</b>			
Carlsberg, Class B	5,500	433,608	425,779
Danske Bank	16,300	428,325	387,757
		861,933	813,536
<b>Finland (1.3%)</b>			
Nokia	63,200	1,394,460	845,612
<b>France (12.3%)</b>			
BNP Paribas	11,410	1,129,875	955,012
Carrefour	3,600	154,689	181,223
Casino Guichard-Perrachon	3,600	280,293	337,552
Compagnie de Saint-Gobain	9,400	525,274	536,643
Crédit Agricole	28,369	949,861	525,746
Électricité de France	7,100	401,311	442,079
France Télécom	27,100	866,071	708,323
Klepierre	6,100	268,001	258,852
Lagardère	7,000	607,528	298,199
Sanofi-Aventis	12,044	1,162,662	994,709
Société Générale	8,985	1,041,196	659,316
Total, Series B	12,984	1,000,394	876,513
Unibail-Rodamco (Union du Crédit-Bail Immobilier)	2,100	483,978	483,838
Vallourec	2,227	367,430	424,241
Vivendi Universal	19,930	610,927	621,514
		9,849,490	8,303,760



## BERNSTEIN INTERNATIONAL EQUITY VALUE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (cont.)</b>			
<b>Germany (11.6%)</b>			
Allianz	7,600	1,306,467	995,899
BASF	13,800	978,529	903,136
Bayer	10,000	678,160	840,746
Bayerische Motoren Werke (BMW)	9,500	509,201	455,998
Celesio	4,400	119,764	117,083
Deutsche Bank	10,400	977,401	772,352
Deutsche Post	25,620	397,254	518,802
Deutsche Telekom	45,300	841,477	701,240
E.ON	20,200	1,229,362	880,817
Metro	6,300	348,825	403,229
Muenchener Rueckversicherung	3,700	710,755	604,669
RWE	3,320	335,251	338,987
ThyssenKrupp	6,900	266,112	274,481
		8,698,558	7,807,439
<b>Hong Kong (1.2%)</b>			
Esprit Holdings	54,330	394,562	380,612
New World Development Company	187,000	331,365	402,856
		725,927	783,468
<b>Italy (4.5%)</b>			
Assicurazioni Generali	416	13,304	11,744
Banca Popolare di Milano (BPM)	33,300	247,902	248,750
Enel	52,000	335,726	315,703
Eni	28,755	948,516	767,755
Intesa Sanpaolo	46,500	175,434	219,711
Telecom Italia	305,500	579,088	498,574
Telecom Italia RSP	197,100	313,085	228,536
Unicredit	212,037	780,146	745,041
		3,393,201	3,035,814
<b>Japan (18.6%)</b>			
Aeon Co.	25,600	278,616	216,383
Ajinomoto Co.	20,000	185,276	196,475
Astellas Pharma	3,200	127,334	124,449
Canon	4,500	237,413	197,262
Elpida Memory	16,800	260,025	283,626
Furukawa Electric Co.	35,000	137,579	151,066
Hitachi High-Technologies Corporation	400	7,938	8,264
ITOCHU Corporation	56,000	390,052	428,649
JFE Holdings	10,500	387,421	429,593
Kansai Electric Power Company	12,900	359,617	304,492
KDDI Corporation	78	490,330	431,346
KIRIN Holdings Company	23,000	332,508	384,936
Kyocera Corporation	2,900	243,806	266,309
Kyushu Electric Power Company	17,300	476,926	372,181
Medipal Holdings	13,200	170,022	170,772
Mitsubishi Corporation	21,500	533,733	557,026
Mitsubishi Estate Company	6,000	174,062	99,407
Mitsubishi Materials Corporation	111,000	394,132	283,214
Mitsubishi Tanabe Pharma Corp	17,000	200,126	221,653
Mitsubishi UFJ Financial Group	57,200	407,252	289,961
Mitsui & Co.	37,000	609,106	545,219
Mitsui Fudosan Co.	24,000	379,453	418,937
Mizuho Financial Group	69,000	226,198	127,967

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (cont.)</b>			
<b>Japan (cont.)</b>			
Murata Manufacturing Co.	8,600	452,450	443,688
NAMCO BANDAI Holdings	8,400	145,835	83,747
NEC Corporation	44,000	159,570	117,705
Nippon Mining Holdings	25,000	188,381	111,557
Nippon Mitsubishi Oil Corporation	29,000	176,027	139,837
Nippon Shinyaku Co.	17,000	158,631	152,673
Nippon Telegraph and Telephone Corporation	10,800	595,706	443,081
Nippon Yusen Kabushiki	73,000	332,566	233,848
Nissan Motor Co.	70,500	715,899	641,068
NTT DoCoMo	229	454,762	333,328
NTT Urban Development Corporation	143	150,070	99,011
ORIX Corporation	4,980	222,052	349,845
Sharp Corporation	30,000	555,204	393,512
Sony Corporation	8,400	301,322	251,619
Sumitomo Mitsui Financial Group	18,300	1,391,758	544,055
Sumitomo Realty & Development Co.	13,000	288,818	253,664
Tokyo Electric Power Company	11,200	365,852	293,948
Tokyo Gas Co.	89,000	372,696	370,133
Toshiba Corporation	93,000	726,964	533,113
West Japan Railway Company	69	260,066	241,975
		15,023,554	12,540,594
<b>Netherlands (2.2%)</b>			
ING Groep	21,859	375,429	226,240
Koninklijke Ahold	35,980	502,667	499,760
Koninklijke DSM	4,100	208,029	211,928
Randstad Holding	10,700	349,136	559,821
		1,435,261	1,497,749
<b>New Zealand (0.7%)</b>			
Fletcher Building	45,500	245,164	274,436
Telecom Corporation of New Zealand	119,816	360,617	226,259
		605,781	500,695
<b>Norway (0.9%)</b>			
Statoil ASA	23,650	694,893	618,468
<b>Spain (4.0%)</b>			
Banco Bilbao Vizcaya Argentaria	10,100	198,161	192,783
Banco Santander	71,249	1,137,177	1,233,848
Iberdrola	20,900	194,912	209,103
Telefonica	36,855	1,029,133	1,079,109
		2,559,383	2,714,843
<b>Sweden (0.8%)</b>			
Svenska Cellulosa, Series B	2,900	49,641	40,497
Telefonaktiebolaget LM Ericsson, Class B	23,000	231,625	221,747
Volvo, B Shares	30,600	477,593	275,098
		758,859	537,342





## BERNSTEIN INTERNATIONAL EQUITY VALUE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (cont.)</b>			
<b>Switzerland (4.0%)</b>			
Adecco	7,600	363,150	430,155
Credit Suisse Group	4,200	218,999	217,129
Nestlé	16,525	742,605	835,094
Novartis	17,820	1,061,529	1,014,004
Roche Holding	1,200	209,445	211,763
		2,595,728	2,708,145
<b>United Kingdom (25.9%)</b>			
Arriva	22,100	300,232	184,961
Associated British Foods	11,700	215,598	162,706
AstraZeneca	16,600	916,221	816,253
Aviva	32,791	417,233	219,683
BAE Systems	75,100	451,033	453,962
Barclays	141,300	1,001,192	658,582
BP	156,200	1,589,002	1,585,544
British American Tobacco	10,122	377,403	345,226
Centrica	59,800	335,063	283,172
Charter International	21,100	254,144	257,731
Cookson Group	22,400	150,235	159,997
Drax Group	12,100	120,298	84,278
FirstGroup	32,700	224,057	235,614
GlaxoSmithKline	46,555	1,305,150	1,038,861
HSBC Holdings	69,700	1,146,723	835,801
IMI	31,500	249,739	276,316
Inchcape	507,100	263,717	256,085
Kazakhmys	16,200	355,905	363,965
Kingfisher	94,700	235,981	366,887
Lloyds Banking Group	305,940	1,133,609	259,569
Marks & Spencer Group	66,300	457,206	450,009
Old Mutual	221,300	439,661	408,463
Pearson	26,100	453,859	393,427
Premier Foods	254,700	161,239	153,831
Prudential	15,889	212,618	170,559
Rio Tinto	18,100	991,433	1,038,065
Rolls-Royce Group	59,800	392,338	488,950
Rolls-Royce Group, C Shares	3,588,000	6,319	6,070
Royal Dutch Shell, Class A	49,056	1,774,265	1,552,615
Standard Chartered	7,900	104,429	208,496
Thomas Cook Group	62,000	306,925	241,354
Travis Perkins	13,600	140,624	196,031
TUI Travel	49,900	284,501	215,272
Unilever	8,000	185,847	269,604
Vodafone Group	576,112	1,859,794	1,397,663
Wolseley	17,500	363,341	369,191
WPP	47,900	425,269	491,893
Xstrata	30,640	526,270	581,086
		20,128,473	17,477,772

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
TOTAL EQUITIES		72,197,126	64,414,268
PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST		(73,362)	—
TOTAL INVESTMENTS (95.5%)		<b>72,123,764</b>	<b>64,414,268</b>
UNREALIZED APPRECIATION ON DERIVATIVES (TABLE 1) (0.5%)			318,319
UNREALIZED DEPRECIATION ON DERIVATIVES (TABLE 2) (-0.4%)			(288,005)
OTHER NET ASSETS (4.4%)			2,995,757
NET ASSETS (100%)			<b>67,440,339</b>

TABLE 1

Foreign Currency Forward Contracts	Number of Contracts	Maturity	Average Exchange Rate of Contracts (Currency/CAD)	Currency Amount	Contracted Value \$	Unrealized Appreciation \$
Unrealized Appreciation on Purchase of Foreign Currencies for Canadian Dollars						
Australian Dollar	1	February 2010	0.9256	322,000	298,030	2,882
Norwegian Krone	1	February 2010	0.1800	1,560,000	280,838	248
Swedish Krone	1	February 2010	0.1451	4,448,000	645,187	5,319
						<u>8,449</u>
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars						
Euro	2	February 2010	1.5595	3,372,000	5,258,549	201,939
Hong Kong Dollar	2	February 2010	0.1365	6,186,000	844,339	9,330
Japanese Yen	1	February 2010	0.0119	161,433,000	1,913,550	98,601
						<u>309,870</u>
UNREALIZED APPRECIATION ON DERIVATIVES						318,319



## BERNSTEIN INTERNATIONAL EQUITY VALUE (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

TABLE 2

Foreign Currency Forward Contracts	Number of Contracts	Maturity	Average Exchange Rate of Contracts (Currency/CAD)	Currency Amount	Contracted Value \$	Unrealized Depreciation \$
<b>Unrealized Depreciation on Purchase of Foreign Currencies for Canadian Dollars</b>						
Australian Dollar	1	February 2010	0.9577	3,118,000	2,986,109	(72,308)
Japanese Yen	1	February 2010	0.0116	27,527,000	318,257	(8,778)
New Zealand Dollar	1	February 2010	0.7625	2,266,000	1,727,712	(13,798)
Norwegian Krone	1	February 2010	0.1866	8,562,000	1,597,740	(55,009)
Pound Sterling	1	February 2010	1.7539	1,141,000	2,001,166	(72,139)
Swedish Krone	1	February 2010	0.1524	8,564,000	1,305,177	(52,719)
						<u>(274,751)</u>
<b>Unrealized Depreciation on Sale of Foreign Currencies for Canadian Dollars</b>						
Pound Sterling	1	February 2010	1.6821	1,551,000	2,608,937	<u>(13,254)</u>
<b>UNREALIZED DEPRECIATION ON DERIVATIVES</b>						<u>(288,005)</u>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return higher than the MSCI EAFE Index, expressed in Canadian dollars, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to generate long-term capital appreciation from the economic growth of countries in Europe, Asia and outside of North America regions. Security selection favours established companies that are determined to be undervalued, using a fundamental value approach. Currency exposure is actively managed, typically through the use of currency forward contracts.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following tables categorize the Fund's financial assets or financial liabilities fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Equities	64,408,198		6,070	64,414,268
Derivative financial instruments	—	318,319	—	318,319
<b>TOTAL</b>	<b>64,408,198</b>	<b>318,319</b>	<b>6,070</b>	<b>64,732,587</b>
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial liabilities held for trading</b>				
Derivative financial instruments	—	288,005	—	288,005
<b>TOTAL</b>	<b>—</b>	<b>288,005</b>	<b>—</b>	<b>288,005</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
Balance, Beginning of Year	—
Proceeds from sale of investments	—
Investments purchased	6,319
Net realized gain (loss)	—
Net unrealized gain (loss)	(249)
Transfers to (from) Level 3	—
Balance, End of Year	<b>6,070</b>
<b>CHANGE IN NET UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES HELD AS AT DECEMBER 31, 2009</b>	<b>(249)</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.



## BERNSTEIN INTERNATIONAL EQUITY VALUE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### FINANCIAL INSTRUMENTS RISKS

##### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009

	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
Australian Dollar	7,084,608	587	—	—
Danish Krone	819,962	—	—	—
Euro	26,323,271	—	5,056,609	—
Hong Kong Dollar	941,671	10,141	835,009	—
Japanese Yen	12,881,633	5,352	1,814,949	—
New Zealand Dollar	1,713,914	—	—	—
Norwegian Krone	2,442,285	—	—	—
Pound Sterling	17,890,287	45,061	2,622,191	—
Singapore Dollar	393,720	—	—	—
Swedish Krona	2,548,977	—	—	—
Swiss Franc	2,721,356	—	—	—
U.S. Dollar	790	5,836	—	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2008

	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
Australian Dollar	2,686,852	16,299	—	—
Danish Krone	24,200	—	—	—
Euro	19,362,475	—	3,508,712	—
Hong Kong Dollar	258,337	6,755	—	—
Japanese Yen	12,873,142	10,033	—	—
New Zealand Dollar	626,540	—	—	—
Norwegian Krone	1,600,619	—	—	—
Pound Sterling	10,600,737	55,744	1,014,920	—
Singapore Dollar	124,266	—	—	—
Swedish Krona	1,391,287	—	—	—
Swiss Franc	2,767,499	—	—	—
U.S. Dollar	11,534	—	—	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the following foreign currencies, with all other variables held constant, net assets would have decreased or increased by:

As at December 31, 2009	Impact on Net Assets
	\$
Australian Dollar	212,556
Euro	638,000
Japanese Yen	332,161
Pound Sterling	459,395

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the other foreign currencies, with all other variables held constant, the impact on net assets would not have been significant.

As at December 31, 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the following foreign currencies, with all other variables held constant, net assets would have decreased or increased by:

As at December 31, 2008	Impact on Net Assets
	\$
Australian Dollar	81,095
Euro	475,613
Japanese Yen	386,495
Pound Sterling	289,247
Swiss Franc	83,025

As at December 31, 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the other foreign currencies, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk arising from fluctuations in the prevailing levels of market interest rates.

### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 2,132,872

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 1,503,742

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the Fund's credit risk is mainly concentrated in derivative financial instruments. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The derivative financial instruments' fair value reflects the Fund's own credit risk as well as the counterparties' risk. As at December 31, 2009, the counterparties to derivative financial instruments have a credit rating of at least "A-1" from *Standard & Poor's* ("A-1" as at December 31, 2008).



## BERNSTEIN INTERNATIONAL EQUITY VALUE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Liquidity Risk

The Fund may invest in over-the-counter derivative financial instruments which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to liquidate them quickly at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$	As at December 31, 2008	Less than 1 Month \$	1 to 3 Months \$	No Stated Maturity \$
Financial liabilities held for trading	—	288,005	—	Financial liabilities held for trading	—	193,757	—
Payable for investments purchased	551,305	—	—	Accrued expenses	39,451	—	—
Accrued expenses	59,257	—	—	Other liabilities	153,396	—	—
Other liabilities	166,301	—	—	<b>TOTAL LIABILITIES</b>	<b>192,847</b>	<b>193,757</b>	<b>—</b>
<b>TOTAL LIABILITIES</b>	<b>776,863</b>	<b>288,005</b>	<b>—</b>				



## TEMPLETON INTERNATIONAL STOCK

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	4,221	2,092
Investments at fair value*	2,160,387	1,557,592
Premiums receivable	12,103	16,083
	<u>2,176,711</u>	<u>1,575,767</u>
<b>LIABILITIES</b>		
Accrued expenses	2,680	1,780
Withdrawals payable	280	12,326
Payable for investments purchased	10,368	1,789
	<u>13,328</u>	<u>15,895</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>2,163,383</b></u>	<u>1,559,872</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>14.43</b></u>	11.78
* <i>Investments at cost</i>	<u><b>2,237,316</b></u>	2,167,953

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>1,559,872</b></u>	2,186,971
Increase (Decrease) in Net Assets from Operations	<u><b>390,784</b></u>	(845,026)
Premiums		
Series 1	<u><b>618,512</b></u>	1,250,063
Withdrawals		
Series 1	<u><b>(405,785)</b></u>	(1,032,136)
<b>NET ASSETS, END OF YEAR</b>	<u><b>2,163,383</b></u>	1,559,872

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	18
Dividends	28,690	56,351
	<u>28,690</u>	<u>56,369</u>
<b>EXPENSES</b>		
Management fees	16,092	17,797
Operating expenses	434	69
	<u>16,526</u>	<u>17,866</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>12,164</b></u>	38,503
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(154,812)	(73,915)
Net unrealized gain (loss)	533,432	(809,614)
	<u>378,620</u>	<u>(883,529)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>390,784</b></u>	(845,026)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>390,784</b></u>	(845,026)
- per unit	<u><b>2.73</b></u>	(6.28)

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Templeton International Stock Fund	
Telenor	2.5%
Nestlé SA	2.4%
Siemens AG	2.3%
Novartis AG	2.2%
Telefonica	2.2%
Pearson plc	2.1%
Vodafone Group plc	2.1%
Sanofi-Aventis SA	2.0%
Adecco SA	2.0%
British Sky Broadcasting Group	1.9%

The accompanying Notes are an integral part of these financial statements.





## TEMPLETON INTERNATIONAL STOCK (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.9%)			
Templeton International Stock Fund, Class O	114,246	2,237,316	2,160,387
<b>TOTAL INVESTMENTS</b>		<b>2,237,316</b>	<b>2,160,387</b>
OTHER NET ASSETS (0.1%)			2,996
<b>NET ASSETS (100%)</b>			<b>2,163,383</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annualized return higher than the MSCI EAFE Index, expressed in Canadian dollars, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a superior return derived primarily from long-term capital appreciation by investing primarily in a widely diversified portfolio of equity securities of companies located outside North America. Security selection favours companies whose shares appear to be trading below their inherent value.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	2,160,387	—	—	2,160,387
<b>TOTAL</b>	<b>2,160,387</b>	<b>—</b>	<b>—</b>	<b>2,160,387</b>

#### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## TEMPLETON INTERNATIONAL STOCK (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 66,618

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 45,285

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	10,368	—	—	Payable for investments purchased	1,789	—	—
Accrued expenses	2,680	—	—	Accrued expenses	1,780	—	—
Other liabilities	280	—	—	Other liabilities	12,326	—	—
<b>TOTAL LIABILITIES</b>	<b>13,328</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>15,895</b>	<b>—</b>	<b>—</b>



## BLACKROCK MSCI EAFE EQUITY INDEX

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	1,805	42,633
Investments at fair value*	5,873,748	2,221,680
Premiums receivable	257	150,322
	<u>5,875,810</u>	<u>2,414,635</u>
<b>LIABILITIES</b>		
Accrued expenses	1,820	571
Withdrawals payable	—	149,397
	<u>1,820</u>	<u>149,968</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>5,873,990</b></u>	<u>2,264,667</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>11.10</b></u>	<u>9.96</u>

\* Investments at cost

6,230,955 2,912,775

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>2,264,667</b></u>	<u>2,213,177</u>
Increase (Decrease) in Net Assets from Operations	<u><b>385,863</b></u>	<u>(778,491)</u>
Premiums		
Series 1	<u><b>3,591,936</b></u>	<u>1,210,339</u>
Withdrawals		
Series 1	<u><b>(368,476)</b></u>	<u>(380,358)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>5,873,990</b></u>	<u>2,264,667</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	19
Dividends	117,780	62,634
	<u>117,780</u>	<u>62,653</u>
<b>EXPENSES</b>		
Management fees	7,490	6,219
Operating expenses	769	88
	<u>8,259</u>	<u>6,307</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>109,521</b></u>	<u>56,346</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(57,546)	(81,540)
Net unrealized gain (loss)	333,888	(753,297)
	<u>276,342</u>	<u>(834,837)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>385,863</b></u>	<u>(778,491)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>385,863</u>	<u>(778,491)</u>
- per unit	<u>1.37</u>	<u>(3.94)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

BlackRock MSCI EAFE Equity Index Fund	
HSBC Holdings plc	1.9%
BP plc	1.8%
Nestlé SA	1.6%
Total SA	1.3%
Banco Santander SA	1.3%
BHP Billiton plc	1.3%
Toyota Motor Corporation	1.2%
Vodafone Group plc	1.2%
Roche Holding AG	1.2%
Telefonica	1.2%

The accompanying Notes are an integral part of these financial statements.



## BLACKROCK MSCI EAFE EQUITY INDEX (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (100.0%)			
BlackRock CDN MSCI EAFE Equity Index, Class D	615,228	6,230,955	5,873,748
TOTAL INVESTMENTS		<b>6,230,955</b>	<b>5,873,748</b>
OTHER NET ASSETS (0.0%)			242
NET ASSETS (100%)			<b>5,873,990</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund aims to reproduce as closely as possible the annualized returns of the MSCI EAFE Free Net Index, expressed in Canadian dollars, over four-year moving periods.

#### Strategy of the Fund

The investments are passively managed in order to provide a return derived primarily from long-term capital appreciation by investing in a broadly diversified portfolio of non-North American equity securities.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	—	5,873,748	—	5,873,748
<b>TOTAL</b>	<b>—</b>	<b>5,873,748</b>	<b>—</b>	<b>5,873,748</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## BLACKROCK MSCI EAFE EQUITY INDEX (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE Free Net	+/- 3.00	+/- 175,874

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE Free Net	+/- 3.00	+/- 67,933

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	1,820	—	—	Accrued expenses	571	—	—
	1,820	—	—	Other liabilities	149,397	—	—
<b>TOTAL LIABILITIES</b>	<b>1,820</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>149,968</b>	<b>—</b>	<b>—</b>



## GE INTERNATIONAL EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	300,609	74,728
Investments at fair value*	<u>38,732,639</u>	<u>24,093,777</u>
	<b>39,033,248</b>	<b>24,168,505</b>
<b>LIABILITIES</b>		
Accrued expenses	<u>8,941</u>	<u>4,265</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b><u>39,024,307</u></b>	<b>24,164,240</b>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b><u>11.93</u></b>	10.91
* <i>Investments at cost</i>	<b>43,849,143</b>	33,955,717

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>24,164,240</b>	23,354,047
Increase (Decrease) in Net Assets from Operations	<u>3,759,355</u>	<u>(9,942,512)</u>
Premiums		
Series 1	<u>21,343,634</u>	17,560,993
Withdrawals		
Series 1	<u>(10,242,922)</u>	<u>(6,808,288)</u>
<b>NET ASSETS, END OF YEAR</b>	<b><u>39,024,307</u></b>	<b>24,164,240</b>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	1,233	1,836
Dividends	<u>720,901</u>	<u>698,741</u>
	<b>722,134</b>	<b>700,577</b>
<b>EXPENSES</b>		
Management fees	50,944	37,337
Operating expenses	<u>2,426</u>	<u>983</u>
	<b>53,370</b>	<b>38,320</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>668,764</b>	662,257
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(1,655,286)</b>	1,246,991
Net unrealized gain (loss)	<u>4,745,877</u>	<u>(11,851,760)</u>
	<b>3,090,591</b>	<b>(10,604,769)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b><u>3,759,355</u></b>	<b>(9,942,512)</b>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>3,759,355</u>	<u>(9,942,512)</u>
- per unit	<b><u>1.23</u></b>	<b>(5.52)</b>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

GE International Equity Fund	
Roche Holding AG	3.3%
Nomura Holdings	2.8%
Nestlé SA	2.8%
Banco Santander SA	2.6%
BNP Paribas	2.5%
HSBC Holdings plc	2.4%
Reckitt Benckiser Group plc	2.3%
Rio Tinto plc	2.0%
Bayer AG	2.0%
BHP Billiton plc	1.9%

The accompanying Notes are an integral part of these financial statements.





## GE INTERNATIONAL EQUITY (cont.)

### INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.3%)			
GE International Equity Fund	3,352,551	43,849,143	38,732,639
TOTAL INVESTMENTS		<b>43,849,143</b>	<b>38,732,639</b>
OTHER NET ASSETS (0.7%)			291,668
NET ASSETS (100%)			<b>39,024,307</b>

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### STRATEGY IN USING FINANCIAL INSTRUMENTS

#### Objective of the Fund

The Fund targets an annual return higher than the MSCI EAFE Index, expressed in Canadian dollars, over four-year moving periods.

#### Strategy of the Fund

The investments are actively managed in order to provide a high return derived primarily from long-term capital appreciation by investing in a strongly diversified portfolio of large capitalization companies in developed and emerging countries located outside the United States. Security selection favours companies expected to grow faster than relevant markets and whose security prices do not fully reflect their potential for growth. Stock selection is key to the performance of the Fund.

### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

#### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Fund	38,732,639	—	—	38,732,639
<b>TOTAL</b>	<b>38,732,639</b>	<b>—</b>	<b>—</b>	<b>38,732,639</b>

#### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

### FINANCIAL INSTRUMENTS RISKS

#### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

#### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).



## GE INTERNATIONAL EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

Since the underlying fund is denominated in U.S. dollars, the Fund is exposed to currency risk. The following tables summarize the Fund's exposure to currency risk, excluding the currency risk related to the current underlying funds.

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	38,732,639	—	9,012	—

As at December 31, 2008	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	24,093,776	—	119,300	—

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, net assets would have decreased or increased by \$1,161,709 (\$719,234 as at December 31, 2008).

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

#### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 1,138,947

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EAFE	+/- 3.00	+/- 701,585

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	8,941	—	—	Accrued expenses	4,265	—	—
<b>TOTAL LIABILITIES</b>	<b>8,941</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>4,265</b>	<b>—</b>	<b>—</b>



## BAILLIE GIFFORD INTERNATIONAL EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	482,118	588,392
Investments at fair value*	21,416,657	14,000,313
Premiums receivable	175,237	129,210
Interest, dividends and other receivables	40,011	37,655
	<u>22,114,023</u>	<u>14,755,570</u>
<b>LIABILITIES</b>		
Accrued expenses	21,961	11,232
Withdrawals payable	162,581	51,078
	<u>184,542</u>	<u>62,310</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>21,929,481</u>	14,693,260
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>10.71</u>	8.50
* <i>Investments at cost</i>	22,440,332	20,055,108

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	14,693,260	15,409,255
Increase (Decrease) in Net Assets from Operations	4,703,876	(6,446,328)
Premiums		
Series 1	9,109,858	11,423,197
Withdrawals		
Series 1	(6,577,513)	(5,692,864)
<b>NET ASSETS, END OF YEAR</b>	<u>21,929,481</u>	<u>14,693,260</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	3,858
Dividends	500,279	542,232
	<u>500,279</u>	<u>546,090</u>
<b>EXPENSES</b>		
Management fees	158,601	123,338
Operating expenses	4,585	571
	<u>163,186</u>	<u>123,909</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>337,093</u>	422,181
<b>GAINS (LOSSES) ON INVESTMENTS AND PORTFOLIO TRANSACTION COSTS</b>		
Net realized gain (loss)	(650,381)	(1,693,349)
Net unrealized gain (loss)	5,031,717	(5,154,837)
Commissions and other portfolio transaction costs (Note 6)	(14,553)	(20,323)
	<u>4,366,783</u>	<u>(6,868,509)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>4,703,876</u>	(6,446,328)

#### DATA PER SERIES

##### SERIES 1

Increase (Decrease) in Net Assets from Operations	4,703,876	(6,446,328)
- per unit	<u>2.34</u>	(4.73)

#### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Baillie Gifford International Equity Fund	
Petroleo Brasileiro SA	4.0%
Banco Santander SA	3.4%
Atlas Copco A	2.9%
British American Tobacco plc	2.9%
BHP Billiton plc	2.8%
Standard Chartered	2.8%
Canon Inc.	2.3%
Tesco Corporation	2.3%
Itau Unibanco Holdings	2.0%
L'Oreal Group	2.0%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>EQUITIES (97.7%)</b>			
<b>U.S. EQUITIES (2.4%)</b>			
<b>Financials (1.4%)</b>			
Turkiye Garanti Bankasi, ADR	69,800	187,274	312,377
<b>Information Technology (1.0%)</b>			
Baidu, ADR	500	118,696	215,198
<b>TOTAL U.S. EQUITIES</b>		<b>305,970</b>	<b>527,575</b>
<b>FOREIGN EQUITIES (95.3%)</b>			
<b>Australia (4.4%)</b>			
Brambles	48,635	387,273	307,967
Woodside Petroleum	6,606	299,077	292,938
Woodside Petroleum, Rights, 2010-01-29	550	—	2,635
Woolworths	13,700	356,948	360,391
		<b>1,043,298</b>	<b>963,931</b>
<b>Brazil (6.0%)</b>			
Itau Unibanco Banco Multiplo	18,535	360,322	442,487
Petroleo Brasileiro, ADR	19,600	841,914	867,720
		<b>1,202,236</b>	<b>1,310,207</b>
<b>Cayman Islands (0.9%)</b>			
Tencent Holdings	9,000	125,986	204,943
<b>Denmark (3.1%)</b>			
Novo Nordisk	4,632	287,921	309,792
Novozymes	766	87,535	83,390
Vestas Wind Systems	4,455	406,372	284,706
		<b>781,828</b>	<b>677,888</b>
<b>France (4.8%)</b>			
Essilor International	6,300	385,454	393,402
L'Oréal	3,700	435,345	432,842
Pinault-Printemps-Redoute	1,867	193,197	235,913
		<b>1,013,996</b>	<b>1,062,157</b>
<b>Germany (5.9%)</b>			
Adidas	6,162	339,627	349,199
Celesio	5,850	233,070	155,668
Porsche Automobil Holding	3,191	505,545	207,685
Q-Cells	5,450	283,794	93,603
SAP	7,756	410,073	384,444
TUI	11,700	124,837	102,140
		<b>1,896,946</b>	<b>1,292,739</b>



## BAILLIE GIFFORD INTERNATIONAL EQUITY (cont.)

### INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>FOREIGN EQUITIES (cont.)</b>			
<b>Hong Kong (5.8%)</b>			
China Merchants Bank Co.	32,000	74,619	87,468
China Mobile	20,500	280,676	201,447
China Unicom	118,000	179,210	163,738
CNOOC	106,000	167,977	174,272
Esprit Holdings	30,331	372,123	212,486
Hong Kong Exchanges & Clearing	14,300	284,797	269,076
Li & Fung	26,000	95,321	113,709
Ports Design	16,500	41,768	53,676
		1,496,491	1,275,872
<b>Israel (0.5%)</b>			
Teva Pharmaceutical Industries, ADR	2,000	101,299	117,597
<b>Italy (1.5%)</b>			
Intesa Sanpaolo	69,556	410,817	328,650
<b>Japan (15.8%)</b>			
Canon	11,400	511,423	499,730
Hoya Corporation	8,100	225,002	223,513
Japan Tobacco	94	368,903	329,647
Kyocera Corporation	900	63,930	82,648
Mitsui Sumitomo Insurance Group Holdings	11,800	409,785	313,675
Nintendo Co.	1,450	594,363	359,045
Rakuten	519	296,492	411,266
ROHM Company	1,600	98,782	109,343
SMC Corporation	2,300	269,823	272,222
Toyota Motor Corporation	7,800	326,132	340,167
Trend Micro	2,500	89,599	98,912
YAMADA DENKI CO.	4,320	329,657	303,480
Yamaha Motor Co.	8,200	110,505	107,376
		3,694,396	3,451,024
<b>Luxembourg (1.0%)</b>			
Oriflame	3,100	145,286	194,338
Reinet Investments	1,882	11,658	30,629
		156,944	224,967
<b>Mexico (1.6%)</b>			
América Móvil, serie L, ADR	2,500	141,314	122,741
Wal Mart de Mexico, Series V	47,800	162,212	223,105
		303,526	345,846
<b>Netherlands (0.6%)</b>			
James Hardie Industries	16,018	77,240	127,915
<b>Russia (1.5%)</b>			
Gazprom, ADR	12,650	516,910	337,609
<b>Singapore (0.7%)</b>			
Singapore Exchange	26,000	141,378	161,288
<b>South Africa (0.6%)</b>			
Impala Platinum Holdings	4,400	129,638	125,764

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Shares	Cost \$	Fair Value \$
<b>FOREIGN EQUITIES (cont.)</b>			
<b>South Korea (1.6%)</b>			
Samsung Electronics, GDR	1,000	211,628	357,939
<b>Spain (4.9%)</b>			
Banco Santander	43,254	623,543	749,047
Industria de Diseno Textil	5,000	335,266	325,423
		958,809	1,074,470
<b>Sweden (6.7%)</b>			
Atlas Copco, A Shares	41,800	598,085	643,947
Sandvik	31,350	465,072	396,274
Svenska Handelsbanken	13,955	358,613	416,898
		1,421,770	1,457,119
<b>Switzerland (6.8%)</b>			
ABB	7,100	124,364	142,300
Compagnie Financière Richemont, Class A	9,943	538,954	346,705
Geberit	1,540	206,392	280,167
Syngenta	1,365	364,113	397,466
UBS, preferred shares	20,000	599,845	323,425
		1,833,668	1,490,063
<b>Taiwan (1.2%)</b>			
Taiwan Semiconductor Manufacturing Company, ADR	21,884	222,444	261,792
<b>United Kingdom (19.4%)</b>			
BG Group	12,400	253,689	235,375
BHP Billiton	18,500	563,462	624,397
British American Tobacco	18,341	581,493	625,547
Bunzl	6,600	74,681	75,034
Capita Group	12,000	166,636	151,957
Lloyds Banking Group	219,901	259,227	186,571
Meggitt	68,100	321,460	299,548
Prudential	23,000	226,874	246,891
Rolls-Royce Group	41,221	353,463	337,040
Rolls-Royce Group, C Shares	2,473,260	4,356	4,184
SABMiller	8,000	186,306	246,595
Signet Jewelers	3,400	81,639	95,197
Standard Chartered	23,400	792,431	617,571
Tesco	68,300	557,166	493,395
		4,422,883	4,239,302
<b>TOTAL FOREIGN EQUITIES</b>		22,164,131	20,889,082
<b>TOTAL EQUITIES</b>		22,470,101	21,416,657
<b>PORTFOLIO TRANSACTION COSTS INCLUDED IN THE SECURITIES' COST</b>		(29,769)	—
<b>TOTAL INVESTMENTS (97.7%)</b>		<b>22,440,332</b>	<b>21,416,657</b>
<b>OTHER NET ASSETS (2.3%)</b>			512,824
<b>NET ASSETS (100%)</b>			<b>21,929,481</b>

The accompanying Notes are an integral part of these financial statements.





## BAILLIE GIFFORD INTERNATIONAL EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the MSCI EAFE Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide superior returns primarily through capital appreciation by investing in a diversified portfolio of companies located outside North America. Security selection favours companies that can sustain above average growth in earnings and cash flow, while trading at a reasonable price.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Equities	21,097,461	2,635	316,561	21,416,657
<b>TOTAL</b>	<b>21,097,461</b>	<b>2,635</b>	<b>316,561</b>	<b>21,416,657</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

##### *Reconciliation of Level 3 Fair Value Measurement*

The following table summarizes a reconciliation of movements on Level 3 financial instruments between the beginning and end of the year:

As at December 31, 2009	\$
Balance, Beginning of Year	<b>113,632</b>
Proceeds from sale of investments	(6,306)
Investments purchased	43,852
Net realized gain (loss)	—
Net unrealized gain (loss)	165,383
Transfers to (from) Level 3	—
Balance, End of Year	<b>316,561</b>
<b>CHANGE IN NET UNREALIZED GAIN (LOSS) OF THE YEAR FOR SECURITIES AS AT DECEMBER 31, 2009</b>	<b>124,931</b>

As at December 31, 2009, fair value measurement for certain Level 3 securities is determined by evaluation models. The substitution of one or more data from these models by one or several reasonably possible assumptions should not result in significant changes in the fair value of these investments.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### FINANCIAL INSTRUMENTS RISKS

#### Currency Risk

The following tables summarize the Fund's exposure to currency risk:

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
Australian Dollar	1,091,846	—	—	—
Chinese Yuan Renminbi	—	633	—	—
Danish Krone	677,888	—	—	—
Euro	3,788,645	—	—	—
Hong Kong Dollar	1,480,815	2,877	—	—
Japanese Yen	3,451,024	9,527	—	—
Mexican Peso	223,105	—	—	—
Pound Sterling	4,239,302	1,643	—	—
Singapore Dollar	161,288	—	—	—
South African Rand	125,764	—	—	—
Swedish Krona	1,651,457	—	—	—
Swiss Franc	1,490,063	—	—	—
U.S. Dollar	3,129,789	5,336	—	—

As at December 31, 2008	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
Australian Dollar	983,908	—	—	—
Danish Krone	460,937	—	—	—
Euro	3,002,912	—	—	—
Hong Kong Dollar	1,143,249	—	—	—
Japanese Yen	2,282,435	4,968	—	—
Mexican Peso	190,854	—	—	—
Pound Sterling	2,346,700	693	—	—
Singapore Dollar	112,258	—	—	—
South African Rand	78,167	—	—	—
Swedish Krona	868,644	—	—	—
Swiss Franc	1,009,872	—	—	—
U.S. Dollar	1,949,839	5,807	—	—

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the following foreign currencies, with all other variables held constant, net assets would have decreased or increased by:

As at December 31, 2009	Impact on Net Assets
	\$
Euro	113,659
Hong Kong Dollar	44,511
Japanese Yen	103,816
Pound Sterling	127,228
Swedish Krona	49,544
Swiss Franc	44,702
U.S. Dollar	94,054



## BAILLIE GIFFORD INTERNATIONAL EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the other foreign currencies, with all other variables held constant, the impact on net assets would not have been significant.

As at December 31, 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the following foreign currencies, with all other variables held constant, net assets would have decreased or increased by:

As at December 31, 2008	Impact on Net Assets \$
Australian Dollar	29,517
Euro	90,087
Hong Kong Dollar	34,297
Japanese Yen	68,622
Pound Sterling	70,422
Swedish Krona	26,059
Swiss Franc	30,296
U.S. Dollar	58,669

As at December 31, 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the other foreign currencies, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk arising from fluctuations in the prevailing levels of market interest rates.

#### Price Risk

The Fund trades in financial instruments, taking positions in traded and over-the-counter instruments.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price %	Impact on Net Assets \$
Benchmark		
MSCI EAFE	+/- 3.00	+/- 718,982

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price %	Impact on Net Assets \$
Benchmark		
MSCI EAFE	+/- 3.00	+/- 426,472

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

#### Credit Risk

As at December 31, 2009 and 2008, the Fund had no significant investments in fixed-income securities. As a result, the Fund is not significantly exposed to credit risk.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Liquidity Risk

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	21,961	—	—	Accrued expenses	11,232	—	—
Other liabilities	162,581	—	—	Other liabilities	51,078	—	—
<b>TOTAL LIABILITIES</b>	<b>184,542</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>62,310</b>	<b>—</b>	<b>—</b>





# Alternative Strategies



## GLOBAL REAL ESTATE

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	146,560	1,243,295
Investments at fair value*	<u>30,096,066</u>	<u>18,278,787</u>
	<u>30,242,626</u>	<u>19,522,082</u>
<b>LIABILITIES</b>		
Accrued expenses	<u>22,918</u>	<u>9,520</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>30,219,708</u>	<u>19,512,562</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>6.19</u>	<u>5.20</u>
* Investments at cost	<u>31,107,004</u>	<u>24,922,556</u>

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>19,512,562</u>	<u>1,894,587</u>
Increase (Decrease) in Net Assets from Operations	<u>5,475,104</u>	<u>(6,902,528)</u>
Premiums		
Series 1	<u>13,318,315</u>	<u>27,911,729</u>
Withdrawals		
Series 1	<u>(8,086,273)</u>	<u>(3,391,226)</u>
<b>NET ASSETS, END OF YEAR</b>	<u>30,219,708</u>	<u>19,512,562</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	—	18
Dividends	<u>904,313</u>	<u>673,690</u>
	<u>904,313</u>	<u>673,708</u>
<b>EXPENSES</b>		
Management fees	<u>187,569</u>	<u>64,117</u>
Operating expenses	<u>2,426</u>	<u>643</u>
	<u>189,995</u>	<u>64,760</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>714,318</u>	<u>608,948</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<u>(872,045)</u>	<u>(1,245,673)</u>
Net unrealized gain (loss)	<u>5,632,831</u>	<u>(6,265,803)</u>
	<u>4,760,786</u>	<u>(7,511,476)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>5,475,104</u>	<u>(6,902,528)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>5,475,104</u>	<u>(6,902,528)</u>
- per unit	<u>1.14</u>	<u>(5.02)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

Global Real Estate Fund	
Simon Property Group	5.0%
Westfield Group	4.9%
Unibail-Rodamco	4.7%
Mitsubishi Estate Company	3.8%
Vornado Realty Trust	3.4%
Capitaland Limited	3.1%
Stockland	2.9%
Sun Hung Kai Properties	2.6%
British Land Company	2.6%
Hang Lung Group Ltd	2.5%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.6%)			
Desjardins Global Real Estate Fund, I-Class	5,669,197	31,107,004	30,096,066
<b>TOTAL INVESTMENTS</b>		<b>31,107,004</b>	<b>30,096,066</b>
OTHER NET ASSETS (0.4%)			123,642
<b>NET ASSETS (100%)</b>			<b>30,219,708</b>

The accompanying Notes are an integral part of these financial statements.





## GLOBAL REAL ESTATE (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the FTSE EPRA/NAREIT Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide returns comparable to those of real estate markets trading on stock exchanges around the world derived primarily from long-term capital appreciation by investing in global companies and real estate investment trusts. The investment strategy combines a bottom-up approach to identify intrinsically undervalued companies and a top-down approach to determine asset allocation based on the manager's macroeconomic view.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	30,096,066	—	—	30,096,066
<b>TOTAL</b>	<b>30,096,066</b>	<b>—</b>	<b>—</b>	<b>30,096,066</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
FTSE EPRA/NAREIT	+/- 3.00	+/- 906,591

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
FTSE EPRA/NAREIT	+/- 3.00	+/- 577,825

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	22,918	—	—	Accrued expenses	9,520	—	—
<b>TOTAL LIABILITIES</b>	<b>22,918</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>9,520</b>	<b>—</b>	<b>—</b>



## DGAM EMERGING MARKETS

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	70,716	2,149
Investments at fair value*	7,474,015	4,158,281
Premiums receivable	2,283	2,030,840
Interest, dividends and other receivables	29,088	—
	<u>7,576,102</u>	<u>6,191,270</u>
<b>LIABILITIES</b>		
Accrued expenses	10,134	4,648
Withdrawals payable	206	1,941,930
	<u>10,340</u>	<u>1,946,578</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>7,565,762</u>	4,244,692
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>10.18</u>	6.64
* <i>Investments at cost</i>	7,776,334	4,203,176

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,244,692</u>	4,449,562
Increase (Decrease) in Net Assets from Operations	<u>2,760,004</u>	(2,594,124)
Premiums		
Series 1	<u>1,753,424</u>	4,464,146
Withdrawals		
Series 1	<u>(1,192,358)</u>	(2,074,892)
<b>NET ASSETS, END OF YEAR</b>	<u>7,565,762</u>	4,244,692

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	321	878
Net income (loss) from limited partnership	2,753,830	(2,469,915)
Other income	29,088	—
	<u>2,783,239</u>	<u>(2,469,037)</u>
<b>EXPENSES</b>		
Management fees	77,369	54,308
Operating expenses	1,576	180
	<u>78,945</u>	<u>54,488</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>2,704,294</u>	<u>(2,523,525)</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	313,137	(31,593)
Net unrealized gain (loss)	(257,427)	(39,006)
	<u>55,710</u>	<u>(70,599)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>2,760,004</u>	<u>(2,594,124)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>2,760,004</u>	<u>(2,594,124)</u>
- per unit	<u>3.55</u>	<u>(5.24)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

DGAM Emerging Markets Fund	
Samsung Electronics	2.7%
Petroleo Brasileiro SA (Preferencial)	2.4%
Hon Hai Precision Industry Company Limited	1.9%
Taiwan Semiconductor Manufacturing Company Ltd	1.8%
Petroleo Brasileiro SA (Ord)	1.8%
Vale SA	1.6%
Turkiye Garanti Bankasi A.S.	1.6%
Lukoil Holdings	1.4%
Banco Bradesco SA	1.4%
Bank of China Limited	1.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
LIMITED PARTNERSHIP (98.8%)			
DGAM – Emerging Equity Fund, Class O	49,325	7,776,334	7,474,015
<b>TOTAL INVESTMENTS</b>		<b>7,776,334</b>	<b>7,474,015</b>
OTHER NET ASSETS (1.2%)			91,747
<b>NET ASSETS (100%)</b>			<b>7,565,762</b>

The accompanying Notes are an integral part of these financial statements.



## DGAM EMERGING MARKETS (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the MSCI EM Free Net Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide superior return derived primarily from long-term capital appreciation by investing in a widely diversified portfolio of companies located in emerging markets. The multi-management investment strategy combines a quantitative and fundamental approach. The quantitative approach uses different models to value each security based on fundamental measures. The fundamental approach looks for companies that are well managed and represent good long-term investments.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Limited Partnership	—	7,474,015	—	7,474,015
<b>TOTAL</b>	<b>—</b>	<b>7,474,015</b>	<b>—</b>	<b>7,474,015</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009 and 2008, part of the Fund's net assets are denominated in U.S. dollars. The following tables summarize the Fund's exposure to currency risk, excluding the currency risk related to the current underlying fund.

As at December 31, 2009	Financial Assets Held for Trading	Other Assets	Financial Liabilities Held for Trading	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	7,474,083	—	—	—
<b>As at December 31, 2008</b>	<b>Financial Assets Held for Trading</b>	<b>Other Assets</b>	<b>Financial Liabilities Held for Trading</b>	<b>Other Liabilities</b>
	\$	\$	\$	\$
U.S. Dollar	3,978,124	—	—	—

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, net assets would have decreased or increased by \$224,222 (\$119,344 as at December 31, 2008).

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EM Free Net	+/- 3.00	+/- 226,973

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI EM Free Net	+/- 3.00	+/- 126,730

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	10,134	—	—	Accrued expenses	4,648	—	—
Other liabilities	206	—	—	Other liabilities	1,941,930	—	—
<b>TOTAL LIABILITIES</b>	<b>10,340</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>1,946,578</b>	<b>—</b>	<b>—</b>



## DGAM ALTERNATIVE INVESTMENTS

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	379,848	—
Investments at fair value*	7,652,543	5,074,805
Unrealized appreciation on derivatives	124,469	172,816
Premiums receivable	958	3,578,786
	<u>8,157,818</u>	<u>8,826,407</u>
<b>LIABILITIES</b>		
Bank overdraft	—	648
Accrued expenses	3,848	3,976
Unrealized depreciation on derivatives	—	18,018
Withdrawals payable	220	2,925,052
	<u>4,068</u>	<u>2,947,694</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>8,153,750</b></u>	<u>5,878,713</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>10.38</b></u>	9.59
* <i>Investments at cost</i>	<u><b>7,830,049</b></u>	5,349,528

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>5,878,713</b></u>	<u>3,978,397</u>
Increase (Decrease) in Net Assets from Operations	<u><b>635,109</b></u>	<u>(175,322)</u>
Premiums		
Series 1	<u><b>2,676,825</b></u>	5,469,297
Withdrawals		
Series 1	<u><b>(1,036,897)</b></u>	<u>(3,393,659)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>8,153,750</b></u>	<u>5,878,713</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	1,500	4,376
Net income (loss) from limited partnership	<b>(462,887)</b>	1,062,573
Net income (loss) from derivative financial instruments	<b>1,059,655</b>	(1,237,381)
Other income	<b>33,899</b>	—
	<u><b>632,167</b></u>	<u>(170,432)</u>
<b>EXPENSES</b>		
Management fees	<b>18,921</b>	37,049
Operating expenses	<b>1,680</b>	216
	<u><b>20,601</b></u>	<u>37,265</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>611,566</b></u>	<u>(207,697)</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(43,344)</b>	182,768
Net unrealized gain (loss)	<b>66,887</b>	(150,393)
	<u><b>23,543</b></u>	<u>32,375</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>635,109</b></u>	<u>(175,322)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations - per unit	<u><b>0.87</b></u>	<u>(0.36)</u>

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

As at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>LIMITED PARTNERSHIP (87.7%)</b>			
DGAM – Synthetic Alternative Investment Fund, Class A	61,068	7,330,324	7,152,563
	<u>Par Value</u> \$		
<b>MONEY MARKET SECURITIES (6.2%)</b>			
Québec Treasury Bills 2010-01-08	500,000	499,725	499,980
<b>TOTAL INVESTMENTS (93.9%)</b>		<b><u>7,830,049</u></b>	<b><u>7,652,543</u></b>
<b>UNREALIZED APPRECIATION ON DERIVATIVES (TABLE 1) (1.5%)</b>			<u>124,469</u>
<b>OTHER NET ASSETS (4.6%)</b>			<u>376,738</u>
<b>NET ASSETS (100%)</b>			<b><u>8,153,750</u></b>

TABLE 1

Foreign Currency Forward Contracts	Number of Contracts	Maturity	Average Exchange Rate of Contracts (Currency/CAD)	Currency Amount	Contracted Value \$	Unrealized Appreciation \$
Unrealized Appreciation on Sale of Foreign Currencies for Canadian Dollars U.S. Dollar	1	January 2010	1.0650	6,731,627	7,169,015	<u>124,469</u>
<b>UNREALIZED APPRECIATION ON DERIVATIVES</b>						<u>124,469</u>





## DGAM ALTERNATIVE INVESTMENTS (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund seeks to replicate the characteristics of the HFRI Fund Weighted Composite Index, expressed in American dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide capital appreciation using a strategy that seeks to reproduce the performance of a global hedge fund portfolio. This alternative management based asset class, which seeks an investment return that is decorrelated from traditional asset returns, is an integral part of an asset allocation diversification strategy.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Money Market Securities	499,980	—	—	499,980
Limited Partnership	—	7,152,563	—	7,152,563
Derivative financial instruments	—	124,469	—	124,469
<b>TOTAL</b>	<b>499,980</b>	<b>7,277,032</b>	<b>—</b>	<b>7,777,012</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

Since the underlying fund is denominated in U.S. dollars, the advisor uses derivative financial instruments for foreign currency hedging. The following tables summarize the Fund's exposure to currency risk, excluding the currency risk related to the current underlying fund.

As at December 31, 2009

	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	7,152,590	—	7,044,546	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2008

	Financial Assets Held for Trading*	Other Assets	Financial Liabilities Held for Trading*	Other Liabilities
	\$	\$	\$	\$
U.S. Dollar	5,502,892	—	5,496,146	—

\* Including the notional amount of currency forward contracts.

As at December 31, 2009 and 2008, had the Canadian dollar strengthened or weakened by 3% in relation to the U.S. dollar, with all other variables held constant, the impact on net assets would not have been significant.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Fund trades in financial instruments, taking positions in over-the-counter instruments.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
HFRX US Equal Weighted Strategies	+/- 3.00	+/- 244,613

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
HFRX US Equal Weighted Strategies	+/- 3.00	+/- 109,997

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.



## DGAM ALTERNATIVE INVESTMENTS (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2009 and 2008, the Fund's credit risk is mainly concentrated in derivative financial instruments. Their fair values include consideration of the creditworthiness of the issuer, and accordingly, represent the maximum credit risk exposure of the Fund.

The derivative financial instruments' fair value reflects the Fund's own credit risk as well as the counterparties' risk. As at December 31, 2009, the counterparties to derivative financial instruments have a credit rating of at least "A-1" from *Standard & Poor's* ("A-1+" as at December 31, 2008).

#### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Fund may invest in over-the-counter derivative financial instruments which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to liquidate them quickly at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	3,848	—	—	Financial liabilities held for trading	18,666	—	—
Other liabilities	220	—	—	Accrued expenses	3,976	—	—
<b>TOTAL LIABILITIES</b>	<b>4,068</b>	<b>—</b>	<b>—</b>	Other liabilities	2,925,052	—	—
				<b>TOTAL LIABILITIES</b>	<b>2,947,694</b>	<b>—</b>	<b>—</b>



# Asset Allocation Portfolios



## MULTI-MANAGEMENT 20/80

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	—	2,641
Investments at fair value*	<b>26,512,685</b>	19,853,704
Premiums receivable	<b>293,467</b>	104,882
Receivable for investments sold	<b>99,332</b>	42,338
	<b>26,905,484</b>	20,003,565
<b>LIABILITIES</b>		
Bank overdraft	<b>446</b>	—
Accrued expenses	<b>8,979</b>	5,060
Withdrawals payable	<b>165,097</b>	86,340
Payable for investments purchased	<b>185,143</b>	29,407
	<b>359,665</b>	120,807
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b>26,545,819</b>	19,882,758
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b>14.54</b>	13.50
* <i>Investments at cost</i>	<b>26,453,723</b>	20,890,372

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>19,882,758</b>	14,547,322
Increase (Decrease) in Net Assets from Operations	<b>1,804,296</b>	(492,396)
Premiums		
Series 1	<b>12,248,809</b>	13,022,703
Withdrawals		
Series 1	<b>(7,390,044)</b>	(7,194,871)
<b>NET ASSETS, END OF YEAR</b>	<b>26,545,819</b>	19,882,758

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	<b>687,908</b>	562,864
Dividends	<b>192,770</b>	141,032
	<b>880,678</b>	703,896
<b>EXPENSES</b>		
Management fees	<b>37,460</b>	23,629
Operating expenses	<b>2,426</b>	698
	<b>39,886</b>	24,327
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>840,792</b>	679,569
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(132,126)</b>	166,382
Net unrealized gain (loss)	<b>1,095,630</b>	(1,338,347)
	<b>963,504</b>	(1,171,965)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>1,804,296</b>	(492,396)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<b>1,804,296</b>	(492,396)
- per unit	<b>1.08</b>	(0.41)

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Bernstein International Equity Value Pooled Fund, Series 1	89,430	1,067,418	1,325,424
Desjardins Financial Security Bernstein U.S. Equity Value Pooled Fund, Series 1	153,846	1,282,662	1,368,894
Desjardins Financial Security BlackRock Universe Bond Index Pooled Fund, Series 1	410,813	5,844,564	5,921,089
Desjardins Financial Security Bond Pooled Fund, Series 1	13,457	6,775,431	6,594,559
Desjardins Financial Security Canadian Equity Dividend Pooled Fund, Series 1	135,990	1,712,676	2,031,520
Desjardins Financial Security Global Real Estate Pooled Fund, Series 1	222,742	1,379,361	1,378,726
Desjardins Financial Security Money Market Pooled Fund, Series 1	43,248	2,607,523	2,615,699
Desjardins Financial Security Mortgage Pooled Fund, Series 1	16,818	5,784,088	5,276,774
<b>TOTAL INVESTMENTS</b>		<b><u>26,453,723</u></b>	<b><u>26,512,685</u></b>
<b>OTHER NET ASSETS (0.1%)</b>			<u>33,134</u>
<b>NET ASSETS (100%)</b>			<b><u>26,545,819</u></b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 20/80 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To emphasize the preservation of capital and obtain a stable return.

##### Strategy of the Fund

This portfolio of Funds emphasizes the preservation of capital and obtaining a stable return. It suits the needs of an investor profile with very little tolerance for risk. The portfolio of Funds invests in a wide array of pooled funds, with a strong concentration in fixed income funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	26,512,685	—	26,512,685
<b>TOTAL</b>	—	<b>26,512,685</b>	—	<b>26,512,685</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (10%)	+/- 0.25	+/- 7,029
DEX Universe Bond (50%)	+/- 1.00	+/- 140,589
DEX Short Term Bond (17%)	+/- 1.00	+/- 47,800
DEX Mid Term Bond (3%)	+/- 1.00	+/- 8,435
S&P/TSX Capped (10%)	+/- 3.00	+/- 84,353
S&P 500 (5%)	+/- 3.00	+/- 42,177
MSCI EAFE (5%)	+/- 3.00	+/- 42,177

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (10%)	+/- 0.25	+/- 4,971
DEX Universe Bond (50%)	+/- 1.00	+/- 99,414
DEX Short Term Bond (17%)	+/- 1.00	+/- 33,801
DEX Mid Term Bond (3%)	+/- 1.00	+/- 5,965
S&P/TSX Capped (10%)	+/- 3.00	+/- 59,648
S&P 500 (5%)	+/- 3.00	+/- 29,824
MSCI EAFE (5%)	+/- 3.00	+/- 29,824

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Financial liabilities held for trading	446	—	—				
Payable for investments purchased	185,143	—	—	Payable for investments purchased	29,407	—	—
Accrued expenses	8,979	—	—	Accrued expenses	5,060	—	—
Other liabilities	165,097	—	—	Other liabilities	86,340	—	—
<b>TOTAL LIABILITIES</b>	<b>359,665</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>120,807</b>	<b>—</b>	<b>—</b>





## MULTI-MANAGEMENT 35/65

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	80,522	48,120
Investments at fair value*	47,239,504	36,120,737
Premiums receivable	224,848	148,799
	<u>47,544,874</u>	<u>36,317,656</u>
<b>LIABILITIES</b>		
Accrued expenses	6,969	2,841
Withdrawals payable	9,966	16,693
Payable for investments purchased	256,302	121,012
	<u>273,237</u>	<u>140,546</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>47,271,637</b></u>	<u>36,177,110</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>14.98</b></u>	13.49
* <i>Investments at cost</i>	<u><b>47,990,638</b></u>	40,300,081

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>36,177,110</b></u>	32,278,461
Increase (Decrease) in Net Assets from Operations	<u><b>4,414,023</b></u>	(3,827,152)
Premiums		
Series 1	<u><b>16,170,121</b></u>	18,147,186
Withdrawals		
Series 1	<u><b>(9,489,617)</b></u>	(10,421,385)
<b>NET ASSETS, END OF YEAR</b>	<u><b>47,271,637</b></u>	<u>36,177,110</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	1,013,688	897,421
Dividends	394,330	485,622
	<u><b>1,408,018</b></u>	<u>1,383,043</u>
<b>EXPENSES</b>		
Management fees	32,764	20,917
Operating expenses	2,426	1,411
	<u><b>35,190</b></u>	<u>22,328</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>1,372,828</b></u>	1,360,715
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(387,015)	(198,926)
Net unrealized gain (loss)	3,428,210	(4,988,941)
	<u><b>3,041,195</b></u>	<u>(5,187,867)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>4,414,023</b></u>	(3,827,152)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>4,414,023</b></u>	(3,827,152)
- per unit	<u><b>1.52</b></u>	(1.58)

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Addenda Canadian Bond Pooled Fund, Series 1	181,474	2,298,303	2,327,965
Desjardins Financial Security Bernstein International Equity Value Pooled Fund, Series 1	158,303	1,964,763	2,346,184
Desjardins Financial Security Bernstein U.S. Equity Value Pooled Fund, Series 1	408,683	3,458,556	3,636,383
Desjardins Financial Security BlackRock Universe Bond Index Pooled Fund, Series 1	646,686	9,213,356	9,320,757
Desjardins Financial Security Bond Pooled Fund, Series 1	19,065	9,756,397	9,343,152
Desjardins Financial Security GE Canadian Equity Pooled Fund, Series 1	156,401	3,262,583	3,593,195
Desjardins Financial Security GE International Equity Pooled Fund, Series 1	199,760	2,826,527	2,382,714
Desjardins Financial Security Global Real Estate Pooled Fund, Series 1	591,319	3,797,820	3,660,147
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	163,302	3,663,884	3,620,071
Desjardins Financial Security Mortgage Pooled Fund, Series 1	22,338	7,748,449	7,008,936
<b>TOTAL INVESTMENTS</b>		<b>47,990,638</b>	<b>47,239,504</b>
<b>OTHER NET ASSETS (0.1%)</b>			32,133
<b>NET ASSETS (100%)</b>			<b>47,271,637</b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 35/65 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To emphasize the preservation of capital but also strive to enhance returns by including a relatively small growth component.

##### Strategy of the Fund

This portfolio of Funds emphasizes the preservation of capital but also strives to enhance returns by including a relatively small growth component. It suits the needs of an investor profile with a low tolerance for risk but also aims for a moderate return. The portfolio of Funds invests in a wide array of pooled funds, with a concentration in fixed income funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	47,239,504	—	47,239,504
<b>TOTAL</b>	<b>—</b>	<b>47,239,504</b>	<b>—</b>	<b>47,239,504</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (50%)	+/- 1.00	+/- 257,708
DEX Short Term Bond (13%)	+/- 1.00	+/- 67,004
DEX Mid Term Bond (2%)	+/- 1.00	+/- 10,308
S&P/TSX Capped (20%)	+/- 3.00	+/- 309,250
S&P 500 (5%)	+/- 3.00	+/- 77,312
MSCI EAFE (10%)	+/- 3.00	+/- 154,625

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (50%)	+/- 1.00	+/- 180,886
DEX Short Term Bond (13%)	+/- 1.00	+/- 47,030
DEX Mid Term Bond (2%)	+/- 1.00	+/- 7,235
S&P/TSX Capped (20%)	+/- 3.00	+/- 217,063
S&P 500 (5%)	+/- 3.00	+/- 54,266
MSCI EAFE (10%)	+/- 3.00	+/- 108,531

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	256,302	—	—	Payable for investments purchased	121,012	—	—
Accrued expenses	6,969	—	—	Accrued expenses	2,841	—	—
Other liabilities	9,966	—	—	Other liabilities	16,693	—	—
<b>TOTAL LIABILITIES</b>	<b>273,237</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>140,546</b>	<b>—</b>	<b>—</b>



## MULTI-MANAGEMENT 50/50

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	214,209	22,502
Investments at fair value*	128,126,875	99,201,338
Premiums receivable	508,360	386,385
	<u>128,849,444</u>	<u>99,610,225</u>
<b>LIABILITIES</b>		
Accrued expenses	11,847	7,603
Withdrawals payable	95,105	486,862
Payable for investments purchased	594,200	269,556
	<u>701,152</u>	<u>764,021</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>128,148,292</b></u>	98,846,204
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>15.00</b></u>	12.78
* <i>Investments at cost</i>	<b>130,809,355</b>	119,321,788

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>98,846,204</b></u>	103,661,735
Increase (Decrease) in Net Assets from Operations	<u><b>18,278,097</b></u>	(19,667,193)
Premiums		
Series 1	<u><b>36,443,177</b></u>	41,008,298
Withdrawals		
Series 1	<u><b>(25,419,186)</b></u>	(26,156,636)
<b>NET ASSETS, END OF YEAR</b>	<u><b>128,148,292</b></u>	98,846,204

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	1,889,173	1,820,217
Dividends	1,247,031	1,827,472
	<u><b>3,136,204</b></u>	<u>3,647,689</u>
<b>EXPENSES</b>		
Management fees	66,198	60,867
Operating expenses	2,426	4,028
	<u><b>68,624</b></u>	<u>64,895</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>3,067,580</b></u>	3,582,794
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(2,227,453)	331,189
Net unrealized gain (loss)	17,437,970	(23,581,176)
	<u><b>15,210,517</b></u>	<u>(23,249,987)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>18,278,097</b></u>	(19,667,193)
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>18,278,097</b></u>	(19,667,193)
- per unit	<u><b>2.24</b></u>	(2.72)

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (100.0%)</b>			
Desjardins Financial Security Addenda Canadian Bond Pooled Fund, Series 1	2,190,487	28,152,864	28,099,785
Desjardins Financial Security Baillie Gifford International Equity Pooled Fund, Series 1	605,486	6,364,063	6,500,130
Desjardins Financial Security Bernstein U.S. Equity Value Pooled Fund, Series 1	731,015	6,682,554	6,504,430
Desjardins Financial Security BlackRock Active Canadian Equity Pooled Fund, Series 1	281,611	6,566,864	6,419,176
Desjardins Financial Security BlackRock Universe Bond Index Pooled Fund, Series 1	867,324	12,678,592	12,500,827
Desjardins Financial Security Bond Pooled Fund, Series 1	31,962	15,985,181	15,663,397
Desjardins Financial Security GE International Equity Pooled Fund, Series 1	1,071,981	13,879,555	12,786,484
Desjardins Financial Security Global Real Estate Pooled Fund, Series 1	1,586,885	10,646,074	9,822,499
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	291,924	6,807,020	6,471,336
Desjardins Financial Security McLean Budden Canadian Equity Growth Pooled Fund, Series 1	330,569	9,251,793	9,687,465
Desjardins Financial Security Montrusco Bolton Canadian Small Cap Equity Pooled Fund, Series 1	640,556	6,158,379	7,107,096
Desjardins Financial Security UBS U.S. Large Cap Equity Pooled Fund, Series 1	719,914	7,636,416	6,564,250
<b>TOTAL INVESTMENTS</b>		<b>130,809,355</b>	<b>128,126,875</b>
<b>OTHER NET ASSETS (0.0%)</b>			21,417
<b>NET ASSETS (100%)</b>			<b>128,148,292</b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 50/50 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To emphasize the preservation of capital and long-term capital growth.

##### Strategy of the Fund

This portfolio of Funds equally emphasizes the preservation of capital and long-term capital growth. It suits the needs of an investor profile with a moderate tolerance for risk and aims for moderately strong returns. The portfolio of Funds invests in a wide array of pooled funds, with a close balance between fixed income funds and equity funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	128,126,875	—	128,126,875
<b>TOTAL</b>	<b>—</b>	<b>128,126,875</b>	<b>—</b>	<b>128,126,875</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (40%)	+/- 1.00	+/- 576,350
DEX Short Term Bond (8.5%)	+/- 1.00	+/- 122,474
DEX Mid Term Bond (1.5%)	+/- 1.00	+/- 21,613
S&P/TSX Capped (20%)	+/- 3.00	+/- 864,525
S&P 500 (10%)	+/- 3.00	+/- 432,262
MSCI EAFE (15%)	+/- 3.00	+/- 648,393
BMO NB Small Cap (Blended) (5%)	+/- 3.00	+/- 216,131

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (40%)	+/- 1.00	+/- 395,385
DEX Short Term Bond (8.5%)	+/- 1.00	+/- 84,019
DEX Mid Term Bond (1.5%)	+/- 1.00	+/- 14,827
S&P/TSX Capped (20%)	+/- 3.00	+/- 593,077
S&P 500 (10%)	+/- 3.00	+/- 296,539
MSCI EAFE (15%)	+/- 3.00	+/- 444,808
BMO NB Small Cap (Blended) (5%)	+/- 3.00	+/- 148,269

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	594,200	—	—	Payable for investments purchased	269,556	—	—
Accrued expenses	11,847	—	—	Accrued expenses	7,603	—	—
Other liabilities	95,105	—	—	Other liabilities	486,862	—	—
<b>TOTAL LIABILITIES</b>	<b>701,152</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>764,021</b>	<b>—</b>	<b>—</b>





## MULTI-MANAGEMENT 65/35

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	246,127	45,671
Investments at fair value*	110,542,814	81,336,722
Premiums receivable	605,285	296,011
Interest, dividends and other receivables	12,022	—
	<u>111,406,248</u>	<u>81,678,404</u>
<b>LIABILITIES</b>		
Accrued expenses	7,399	9,124
Withdrawals payable	11,031	340,007
Payable for investments purchased	740,409	184,043
	<u>758,839</u>	<u>533,174</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>110,647,409</b></u>	<u>81,145,230</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>15.87</b></u>	<u>12.94</u>
* <i>Investments at cost</i>	<u><b>110,895,079</b></u>	<u>101,657,302</u>

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>81,145,230</b></u>	<u>98,228,411</u>
Increase (Decrease) in Net Assets from Operations	<u><b>19,680,321</b></u>	<u>(23,448,099)</u>
Premiums		
Series 1	<u><b>31,281,095</b></u>	<u>35,526,368</u>
Withdrawals		
Series 1	<u><b>(21,459,237)</b></u>	<u>(29,161,450)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>110,647,409</b></u>	<u>81,145,230</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest	1,102,185	1,053,395
Dividends	1,354,408	1,963,600
Other income	8,359	—
	<u>2,464,952</u>	<u>3,016,995</u>
<b>EXPENSES</b>		
Management fees	55,368	89,794
Operating expenses	2,426	3,716
	<u>57,794</u>	<u>93,510</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>2,407,158</b></u>	<u>2,923,485</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(2,695,152)	(3,630,392)
Net unrealized gain (loss)	19,968,315	(22,741,192)
	<u>17,273,163</u>	<u>(26,371,584)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>19,680,321</b></u>	<u>(23,448,099)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>19,680,321</u>	<u>(23,448,099)</u>
- per unit	<u>2.96</u>	<u>(3.60)</u>

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Addenda Canadian Bond Pooled Fund, Series 1	1,669,730	21,667,471	21,419,466
Desjardins Financial Security Bernstein International Equity Value Pooled Fund, Series 1	364,260	4,801,732	5,398,629
Desjardins Financial Security BlackRock Active Canadian Equity Pooled Fund, Series 1	482,690	11,061,354	11,002,680
Desjardins Financial Security BlackRock Universe Bond Index Pooled Fund, Series 1	929,716	13,192,627	13,400,094
Desjardins Financial Security GE Canadian Equity Pooled Fund, Series 1	479,187	10,476,332	11,008,985
Desjardins Financial Security GE International Equity Pooled Fund, Series 1	919,186	12,127,601	10,963,955
Desjardins Financial Security Global Real Estate Pooled Fund, Series 1	907,277	6,063,514	5,615,860
Desjardins Financial Security McLean Budden American Equity Pooled Fund, Series 1	1,002,382	12,597,072	11,250,539
Desjardins Financial Security McLean Budden Canadian Equity Growth Pooled Fund, Series 1	283,333	8,403,756	8,303,185
Desjardins Financial Security Montrusco Bolton Canadian Small Cap Equity Pooled Fund, Series 1	1,097,720	10,503,621	12,179,421
<b>TOTAL INVESTMENTS</b>		<b>110,895,079</b>	<b>110,542,814</b>
<b>OTHER NET ASSETS (0.1%)</b>			104,595
<b>NET ASSETS (100%)</b>			<b>110,647,409</b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 65/35 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To emphasize capital growth over the long-term while maintaining a certain degree of stability.

##### Strategy of the Fund

This portfolio of Funds emphasizes capital growth over the long-term while maintaining a certain degree of stability. It suits the needs of an investor profile with a higher tolerance for risk and aims for strong long-term returns. The portfolio of Funds invests in a wide array of pooled funds, with a bias towards equity funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets Held for Trading				
Investment Funds	—	110,542,814	—	110,542,814
<b>TOTAL</b>	<b>—</b>	<b>110,542,814</b>	<b>—</b>	<b>110,542,814</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (25%)	+/- 1.00	+/- 291,476
DEX Short Term Bond (8.5%)	+/- 1.00	+/- 99,102
DEX Mid Term Bond (1.5%)	+/- 1.00	+/- 17,489
S&P/TSX Capped (25%)	+/- 3.00	+/- 874,427
S&P 500 (15%)	+/- 3.00	+/- 524,656
MSCI EAFE (15%)	+/- 3.00	+/- 524,656
BMO NB Small Cap (Blended) (10%)	+/- 3.00	+/- 349,771

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (25%)	+/- 1.00	+/- 202,863
DEX Short Term Bond (8.5%)	+/- 1.00	+/- 68,973
DEX Mid Term Bond (1.5%)	+/- 1.00	+/- 12,172
S&P/TSX Capped (25%)	+/- 3.00	+/- 608,589
S&P 500 (15%)	+/- 3.00	+/- 365,154
MSCI EAFE (15%)	+/- 3.00	+/- 365,154
BMO NB Small Cap (Blended) (10%)	+/- 3.00	+/- 243,436

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	740,409	—	—	Payable for investments purchased	184,043	—	—
Accrued expenses	7,399	—	—	Accrued expenses	9,124	—	—
Other liabilities	11,031	—	—	Other liabilities	340,007	—	—
<b>TOTAL LIABILITIES</b>	<b>758,839</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>533,174</b>	<b>—</b>	<b>—</b>



## MULTI-MANAGEMENT 80/20

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	76,460	53,747
Investments at fair value*	49,213,990	31,931,591
Premiums receivable	358,748	216,464
Interest, dividends and other receivables	8,542	—
	<u>49,657,740</u>	<u>32,201,802</u>
<b>LIABILITIES</b>		
Accrued expenses	794	2,529
Withdrawals payable	21,354	20,672
Payable for investments purchased	345,732	157,661
	<u>367,880</u>	<u>180,862</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>49,289,860</b></u>	<u>32,020,940</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>16.23</b></u>	12.73
* <i>Investments at cost</i>	<b>48,836,910</b>	41,788,401

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u><b>32,020,940</b></u>	34,706,985
Increase (Decrease) in Net Assets from Operations	<u><b>10,198,253</b></u>	(10,678,660)
Premiums		
Series 1	<u><b>15,333,301</b></u>	16,073,914
Withdrawals		
Series 1	<u><b>(8,262,634)</b></u>	(8,081,299)
<b>NET ASSETS, END OF YEAR</b>	<u><b>49,289,860</b></u>	<u>32,020,940</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	236,135	185,336
Dividends	795,657	747,122
Other income	5,713	—
	<u>1,037,505</u>	<u>932,458</u>
<b>EXPENSES</b>		
Management fees	528	21,904
Operating expenses	2,426	1,315
	<u>2,954</u>	<u>23,219</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>1,034,551</b></u>	<u>909,239</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(1,070,188)	(938,363)
Net unrealized gain (loss)	10,233,890	(10,649,536)
	<u>9,163,702</u>	<u>(11,587,899)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>10,198,253</b></u>	<u>(10,678,660)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>10,198,253</u>	(10,678,660)
- per unit	<u>3.60</u>	(4.78)

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Addenda Canadian Bond Pooled Fund, Series 1	645,593	8,518,610	8,281,728
Desjardins Financial Security Baillie Gifford International Equity Pooled Fund, Series 1	458,795	5,383,491	4,925,350
Desjardins Financial Security Bernstein International Equity Value Pooled Fund, Series 1	160,950	2,099,612	2,385,408
Desjardins Financial Security GE Canadian Equity Pooled Fund, Series 1	158,826	3,414,581	3,648,926
Desjardins Financial Security GE International Equity Pooled Fund, Series 1	304,585	3,966,354	3,633,057
Desjardins Financial Security Global Real Estate Pooled Fund, Series 1	400,841	2,621,471	2,481,127
Desjardins Financial Security McLean Budden American Equity Pooled Fund, Series 1	442,846	5,597,626	4,970,418
Desjardins Financial Security McLean Budden Canadian Equity Growth Pooled Fund, Series 1	333,902	9,701,797	9,785,143
Desjardins Financial Security Montrusco Bolton Canadian Small Cap Equity Pooled Fund, Series 1	485,014	4,565,560	5,381,333
Desjardins Financial Security North American Small Company Pooled Fund, Series 1	239,254	2,967,806	3,721,500
<b>TOTAL INVESTMENTS</b>		<b>48,836,910</b>	<b>49,213,990</b>
<b>OTHER NET ASSETS (0.1%)</b>			75,870
<b>NET ASSETS (100%)</b>			<b>49,289,860</b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 80/20 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To emphasize strong capital growth over the long term.

##### Strategy of the Fund

This portfolio of Funds emphasizes strong capital growth over the long term. It suits the needs of an investor profile with a high tolerance for risk that mainly aims for high long term returns and less concern of short term portfolio fluctuation. The portfolio of Funds invests in a wide array of pooled funds, with a strong concentration in equity funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	49,213,990	—	49,213,990
<b>TOTAL</b>	<b>—</b>	<b>49,213,990</b>	<b>—</b>	<b>49,213,990</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (20%)	+/- 1.00	+/- 107,577
S&P/TSX Capped (25%)	+/- 3.00	+/- 403,414
S&P 500 (20%)	+/- 3.00	+/- 322,731
MSCI EAFE (20%)	+/- 3.00	+/- 322,731
BMO NB Small Cap (Blended) (15%)	+/- 3.00	+/- 242,048

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (20%)	+/- 1.00	+/- 64,042
S&P/TSX Capped (25%)	+/- 3.00	+/- 240,157
S&P 500 (20%)	+/- 3.00	+/- 192,126
MSCI EAFE (20%)	+/- 3.00	+/- 192,126
BMO NB Small Cap (Blended) (15%)	+/- 3.00	+/- 144,094

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	345,732	—	—	Payable for investments purchased	157,661	—	—
Accrued expenses	794	—	—	Accrued expenses	2,529	—	—
Other liabilities	21,354	—	—	Other liabilities	20,672	—	—
<b>TOTAL LIABILITIES</b>	<b>367,880</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>180,862</b>	<b>—</b>	<b>—</b>





## MULTI-MANAGEMENT 100

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	18,348	10,303
Investments at fair value*	15,145,818	9,992,070
Premiums receivable	67,011	81,869
	<u>15,231,177</u>	<u>10,084,242</u>
<b>LIABILITIES</b>		
Accrued expenses	3,325	536
Withdrawals payable	—	43,927
Payable for investments purchased	55,863	21,791
	<u>59,188</u>	<u>66,254</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>15,171,989</b></u>	<u>10,017,988</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u><b>16.72</b></u>	12.42
* Investments at cost	<b>14,527,747</b>	13,473,906

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>10,017,988</b>	14,088,398
Increase (Decrease) in Net Assets from Operations	<u><b>3,866,247</b></u>	<u>(5,374,683)</u>
Premiums		
Series 1	<u><b>5,403,528</b></u>	5,801,751
Withdrawals		
Series 1	<u><b>(4,115,774)</b></u>	<u>(4,497,478)</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>15,171,989</b></u>	<u>10,017,988</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	62	54
Dividends	294,974	291,560
	<u>295,036</u>	<u>291,614</u>
<b>EXPENSES</b>		
Management fees	5,447	3,931
Operating expenses	2,426	482
	<u>7,873</u>	<u>4,413</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>287,163</b></u>	<u>287,201</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(520,823)	(2,014,782)
Net unrealized gain (loss)	4,099,907	(3,647,102)
	<u>3,579,084</u>	<u>(5,661,884)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>3,866,247</b></u>	<u>(5,374,683)</u>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u><b>3,866,247</b></u>	<u>(5,374,683)</u>
- per unit	<u><b>4.40</b></u>	<u>(6.48)</u>

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.8%)</b>			
Desjardins Financial Security Baillie Gifford International Equity Pooled Fund, Series 1	139,505	1,611,326	1,497,647
Desjardins Financial Security Bernstein International Equity Value Pooled Fund, Series 1	48,938	651,020	725,304
Desjardins Financial Security GE Canadian Equity Pooled Fund, Series 1	32,191	705,754	739,576
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	67,234	1,565,963	1,490,435
Desjardins Financial Security McLean Budden American Equity Pooled Fund, Series 1	202,025	2,423,037	2,267,486
Desjardins Financial Security McLean Budden Canadian Equity Growth Pooled Fund, Series 1	152,281	4,566,810	4,462,664
Desjardins Financial Security Monrusco Bolton Canadian Small Cap Equity Pooled Fund, Series 1	221,183	1,750,963	2,454,072
Desjardins Financial Security North American Small Company Pooled Fund, Series 1	96,990	1,252,874	1,508,634
<b>TOTAL INVESTMENTS</b>		<b><u>14,527,747</u></b>	<b><u>15,145,818</u></b>
<b>OTHER NET ASSETS (0.2%)</b>			<u>26,171</u>
<b>NET ASSETS (100%)</b>			<b><u>15,171,989</u></b>

The accompanying Notes are an integral part of these financial statements.



## MULTI-MANAGEMENT 100 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

To achieve maximum capital growth.

##### Strategy of the Fund

This portfolio of Funds aims to achieve maximum capital growth. It suits the needs of an investor profile with a very high tolerance for risk that aims for the highest long term return and not worried by short term portfolio fluctuation. The portfolio of Funds invests exclusively in a wide array of equity pooled funds.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	15,145,818	—	15,145,818
<b>TOTAL</b>	<b>—</b>	<b>15,145,818</b>	<b>—</b>	<b>15,145,818</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
S&P/TSX Capped (40%)	+/- 3.00	+/- 192,463
S&P 500 (20%)	+/- 3.00	+/- 96,232
MSCI EAFE (25%)	+/- 3.00	+/- 120,290
BMO NB Small Cap (Blended) (15%)	+/- 3.00	+/- 72,174

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
S&P/TSX Capped (40%)	+/- 3.00	+/- 120,216
S&P 500 (20%)	+/- 3.00	+/- 60,108
MSCI EAFE (25%)	+/- 3.00	+/- 75,135
BMO NB Small Cap (Blended) (15%)	+/- 3.00	+/- 45,081

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Payable for investments purchased	55,863	—	—	Payable for investments purchased	21,791	—	—
Accrued expenses	3,325	—	—	Accrued expenses	536	—	—
<b>TOTAL LIABILITIES</b>	<b>59,188</b>	<b>—</b>	<b>—</b>	Other liabilities	43,927	—	—
				<b>TOTAL LIABILITIES</b>	<b>66,254</b>	<b>—</b>	<b>—</b>





**FÉRIQUE Funds**





## FÉRIQUE BALANCED

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	6,717	2,816
Investments at fair value*	421,655	388,913
	<u>428,372</u>	<u>391,729</u>
<b>LIABILITIES</b>		
Accrued expenses	131	44
	<u>131</u>	<u>44</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b><u>428,241</u></b>	<b>391,685</b>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>11.55</u>	9.79
* <i>Investments at cost</i>	<b>418,769</b>	470,672

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>391,685</u></b>	<b>329,630</b>
Increase (Decrease) in Net Assets from Operations	<u>74,172</u>	<u>(87,093)</u>
Premiums		
Series 1	<u>109,979</u>	275,603
Withdrawals		
Series 1	<u>(147,595)</u>	(126,455)
<b>NET ASSETS, END OF YEAR</b>	<b><u>428,241</u></b>	<b>391,685</b>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Interest	3,710	4,660
Dividends	4,925	5,776
	<u>8,635</u>	<u>10,436</u>
<b>EXPENSES</b>		
Operating expenses	87	49
	<u>87</u>	<u>49</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b><u>8,548</u></b>	<b>10,387</b>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	(19,021)	(1,749)
Net unrealized gain (loss)	84,645	(95,731)
	<u>65,624</u>	<u>(97,480)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b><u>74,172</u></b>	<b>(87,093)</b>
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u>74,172</u>	<u>(87,093)</u>
- per unit	<u>1.80</u>	<u>(2.59)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

FÉRIQUE Balanced Fund	
FÉRIQUE Equity Fund	15.2%
FÉRIQUE Dividend Fund	15.1%
FÉRIQUE American Fund	14.8%
FÉRIQUE Europe Fund	10.0%
FÉRIQUE Asia Fund	5.2%
Government of Canada, 2.75%, December 1, 2010	3.5%
Government of Canada, 5.00%, June 1, 2037	3.1%
Financement-Québec, Floating Rate Note, March 16, 2010	2.6%
Financement-Québec, Floating Rate Note, March 1, 2010	2.4%
Cash and Cash Equivalents	1.3%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (98.5%)			
FÉRIQUE Balanced Fund	9,351	418,769	421,655
TOTAL INVESTMENTS		<b>418,769</b>	<b>421,655</b>
OTHER NET ASSETS (1.5%)			6,586
NET ASSETS (100%)			<b>428,241</b>

The accompanying Notes are an integral part of these financial statements.





## FÉRIQUE BALANCED (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide attractive return while maintaining a moderate risk exposure derived primarily from long-term capital appreciation by investing with an optimal balance in a diversified portfolio of fixed income securities, Canadian and foreign equities as well as money market securities. The asset classes are managed by specialized managers chosen for their reputation of generating above-median returns.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	421,655	—	421,655
<b>TOTAL</b>	<b>—</b>	<b>421,655</b>	<b>—</b>	<b>421,655</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (3%)	+/- 0.25	+/- 33
DEX Universe Bond (37%)	+/- 1.00	+/- 1,615
S&P/TSX (30%)	+/- 3.00	+/- 3,928
MSCI World (30%)	+/- 3.00	+/- 3,928

As at December 31, 2008, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX 91-day Treasury Bills (3%)	+/- 0.25	+/- 29
DEX Universe Bond (37%)	+/- 1.00	+/- 1,449
S&P/TSX (30%)	+/- 3.00	+/- 3,525
MSCI World (30%)	+/- 3.00	+/- 3,525

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	131	—	—	Accrued expenses	44	—	—
<b>TOTAL LIABILITIES</b>	<b>131</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>44</b>	<b>—</b>	<b>—</b>



## FÉRIQUE EQUITY

### STATEMENT OF NET ASSETS

As at December 31

	2009	2008
	\$	\$
<b>ASSETS</b>		
Cash	4,568	3,324
Investments at fair value*	<u>778,024</u>	<u>419,343</u>
	<u>782,592</u>	<u>422,667</u>
<b>LIABILITIES</b>		
Accrued expenses	<u>207</u>	<u>50</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>782,385</u>	<u>422,617</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<u>13.76</u>	<u>10.07</u>
* <i>Investments at cost</i>	<u>738,635</u>	<u>587,795</u>

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009	2008
	\$	\$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>422,617</u>	<u>450,399</u>
Increase (Decrease) in Net Assets from Operations	<u>210,006</u>	<u>(181,254)</u>
Premiums		
Series 1	<u>202,156</u>	<u>340,535</u>
Withdrawals		
Series 1	<u>(52,394)</u>	<u>(187,063)</u>
<b>NET ASSETS, END OF YEAR</b>	<u>782,385</u>	<u>422,617</u>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009	2008
	\$	\$
<b>INCOME</b>		
Dividends	<u>8,804</u>	<u>7,714</u>
<b>EXPENSES</b>		
Operating expenses	<u>157</u>	<u>56</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>8,647</u>	<u>7,658</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<u>(6,482)</u>	<u>(3,040)</u>
Net unrealized gain (loss)	<u>207,841</u>	<u>(185,872)</u>
	<u>201,359</u>	<u>(188,912)</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>210,006</u>	<u>(181,254)</u>
<b>DATA PER SERIES</b>		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	<u>210,006</u>	<u>(181,254)</u>
- per unit	<u>3.97</u>	<u>(5.04)</u>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

FÉRIQUE Equity Fund	
Royal Bank of Canada	5.9%
Suncor Energy Inc.	5.4%
Canadian Natural Resources Ltd	4.3%
Scotiabank	3.5%
Barrick Gold Corporation	3.5%
Talisman Energy Inc.	3.1%
Toronto-Dominion Bank	3.1%
Research in Motion Ltd	2.8%
Bank of Montreal	2.3%
Industrial Alliance Insurance and Financial Services	2.2%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (99.4%)			
FÉRIQUE Equity Fund	12,824	738,635	778,024
TOTAL INVESTMENTS		<b>738,635</b>	<b>778,024</b>
OTHER NET ASSETS (0.6%)			4,361
NET ASSETS (100%)			<b>782,385</b>

The accompanying Notes are an integral part of these financial statements.



## FÉRIQUE EQUITY (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the S&P/TSX Index, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long term total return derived primarily from capital appreciation by investing in a diversified portfolio composed of all classes of common shares. The Fund uses a multi-management strategy that allocates capital between different mandates, each with a specific approach.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	778,024	—	778,024
<b>TOTAL</b>	<b>—</b>	<b>778,024</b>	<b>—</b>	<b>778,024</b>

##### *Transfers between Level 1 and 2*

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX	+/- 3.00	+/- 21,860

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
S&P/TSX	+/- 3.00	+/- 12,486

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	207	—	—	Accrued expenses	50	—	—
<b>TOTAL LIABILITIES</b>	<b>207</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>50</b>	<b>—</b>	<b>—</b>



## FÉRIQUE WORLD

### STATEMENT OF NET ASSETS

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	2,173	1,005
Investments at fair value*	<u>132,505</u>	<u>142,481</u>
	<b>134,678</b>	<b>143,486</b>
<b>LIABILITIES</b>		
Accrued expenses	<u>42</u>	<u>15</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<b><u>134,636</u></b>	<b>143,471</b>
<b>NET ASSETS PER UNIT (NOTE 3)</b>		
Series 1	<b><u>9.69</u></b>	<b>8.49</b>
* <i>Investments at cost</i>	<b>141,277</b>	<b>186,373</b>

### STATEMENT OF CHANGES IN NET ASSETS

Years Ended December 31

	2009 \$	2008 \$
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>143,471</b>	<b>142,680</b>
Increase (Decrease) in Net Assets from Operations	<u>16,638</u>	<u>(41,382)</u>
Premiums		
Series 1	<u>31,947</u>	<u>124,949</u>
Withdrawals		
Series 1	<u>(57,420)</u>	<u>(82,776)</u>
<b>NET ASSETS, END OF YEAR</b>	<b><u>134,636</u></b>	<b>143,471</b>

### STATEMENT OF OPERATIONS

Years Ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Dividends	<u>1,176</u>	<u>2,869</u>
<b>EXPENSES</b>		
Operating expenses	<u>28</u>	<u>17</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b><u>1,148</u></b>	<b>2,852</b>
<b>GAINS (LOSSES) ON INVESTMENTS</b>		
Net realized gain (loss)	<b>(19,630)</b>	<b>(330)</b>
Net unrealized gain (loss)	<u>35,120</u>	<u>(43,904)</u>
	<b>15,490</b>	<b>(44,234)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b><u>16,638</u></b>	<b>(41,382)</b>
<b>DATA PER SERIES</b>		
<b>SERIES 1</b>		
Increase (Decrease) in Net Assets from Operations	<u>16,638</u>	<u>(41,382)</u>
- per unit	<b><u>1.09</u></b>	<b>(2.79)</b>

### TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2009 – UNAUDITED

FÉRIQUE World Fund	
BP plc	2.5%
Microsoft Corporation	2.2%
Nestlé SA	2.1%
Roche Holding AG	2.0%
Merck & Company Inc.	1.9%
CVS Caremark Corporation	1.8%
Novartis AG	1.7%
Exxon Mobil Corporation	1.7%
Banco Santander Central Hispano SA	1.7%
PepsiCo	1.6%

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
INVESTMENT FUND (98.4%)			
FÉRIQUE World Fund	24,698	141,277	132,505
TOTAL INVESTMENTS		<b>141,277</b>	<b>132,505</b>
OTHER NET ASSETS (1.6%)			2,131
NET ASSETS (100%)			<b>134,636</b>

The accompanying Notes are an integral part of these financial statements.





## FÉRIQUE WORLD (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The Fund targets an annualized return higher than the MSCI World Index, expressed in Canadian dollars, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a long term return derived primarily from capital appreciation by investing in a diversified portfolio composed of all classes of common shares on the foreign markets. Security selection favors companies with superior earnings growth, financial strength and strong management.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Year, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Fund	—	132,505	—	132,505
<b>TOTAL</b>	<b>—</b>	<b>132,505</b>	<b>—</b>	<b>132,505</b>

##### Transfers between Level 1 and 2

During the year ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Fund Risk Management

Monthly, the investment strategy team compares the Fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Interest Rate Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

##### Price Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

As at December 31, 2009, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical beta coefficient (a measure of the sensibility of a security/Fund in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 3,787

As at December 31, 2008, the manager's estimate of the impact on net assets as a result of a reasonably possible change in the benchmark, using a historical correlation between the Fund's return as compared to the return of the Fund's benchmark, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical correlation. The regression analysis uses data based on the monthly returns of the Fund.

As at December 31, 2008	Change in Price	Impact on Net Assets
Benchmark	%	\$
MSCI World	+/- 3.00	+/- 4,216

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

### Credit Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

### Liquidity Risk

As at December 31, 2009 and 2008, the majority of the Fund's net assets are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables analyze the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity	As at December 31, 2008	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$		\$	\$	\$
Accrued expenses	42	—	—	Accrued expenses	15	—	—
<b>TOTAL LIABILITIES</b>	<b>42</b>	<b>—</b>	<b>—</b>	<b>TOTAL LIABILITIES</b>	<b>15</b>	<b>—</b>	<b>—</b>





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## FORESIGHT 30/70

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Investments at fair value*	172,366
Premiums receivable	<u>1,249</u>
	<u>173,615</u>
<b>LIABILITIES</b>	
Bank overdraft	30
Accrued expenses	58
Payable for investments purchased	<u>1,249</u>
	<u>1,337</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>172,278</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>10.53</u>
* <i>Investments at cost</i>	<u>173,142</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>3,858</u>
Premiums	
Series 1	<u>168,724</u>
Withdrawals	
Series 1	<u>(304)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>172,278</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	1,731
Dividends	<u>720</u>
	<u>2,451</u>
<b>EXPENSES</b>	
Management fees	79
Operating expenses	<u>35</u>
	<u>114</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>2,337</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	2,297
Net unrealized gain (loss)	<u>(776)</u>
	<u>1,521</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>3,858</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>3,858</u>
- per unit	<u>0.45</u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (100.1%)</b>			
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	5,791	62,097	59,558
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	989	11,640	12,454
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	950	12,499	12,007
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	814	16,814	18,035
Desjardins Financial Security McLean Budden Fixed Income Pooled Fund, Series 1	2,706	59,973	59,718
Desjardins Financial Security Trimark Pooled Fund, Series 1	564	10,119	10,594
<b>TOTAL INVESTMENTS</b>		<b>173,142</b>	<b>172,366</b>
<b>OTHER NET ASSETS (-0.1%)</b>			(88)
<b>NET ASSETS (100%)</b>			<b>172,278</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 30/70 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from income by investing in a diversified portfolio of mainly fixed-income securities and a small proportion in equity securities of Canadian and foreign corporations. This portfolio of Funds emphasizes the preservation of capital and obtaining a stable return. It suits the needs of an investor profile with little tolerance for risk.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	172,366	—	172,366
<b>TOTAL</b>	<b>—</b>	<b>172,366</b>	<b>—</b>	<b>172,366</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (70%)	+/- 1.00	+/- 1,206
S&P/TSX (10%)	+/- 3.00	+/- 517
S&P 500 (10%)	+/- 3.00	+/- 517
MSCI EAFE (10%)	+/- 3.00	+/- 517

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Financial liabilities held for trading	30	—	—
Payable for investments purchased	1,249	—	—
Accrued expenses	58	—	—
<b>TOTAL LIABILITIES</b>	<b>1,337</b>	<b>—</b>	<b>—</b>





## FORESIGHT 40/60

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	7
Investments at fair value*	316,746
Premiums receivable	1,321
	<u>318,074</u>
<b>LIABILITIES</b>	
Accrued expenses	101
Payable for investments purchased	1,068
	<u>1,169</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>316,905</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>10.61</u>
* <i>Investments at cost</i>	<u>317,060</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>5,885</u>
Premiums	
Series 1	<u>311,332</u>
Withdrawals	
Series 1	<u>(312)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>316,905</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	2,085
Dividends	1,309
	<u>3,394</u>
<b>EXPENSES</b>	
Management fees	93
Operating expenses	65
	<u>158</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>3,236</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	2,963
Net unrealized gain (loss)	(314)
	<u>2,649</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>5,885</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	5,885
- per unit	<u>0.49</u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	9,093	97,003	93,515
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	2,323	27,796	29,240
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	2,240	29,329	28,317
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	1,947	40,455	43,162
Desjardins Financial Security McLean Budden Fixed Income Pooled Fund, Series 1	4,248	94,427	93,733
Desjardins Financial Security Trimark Pooled Fund, Series 1	1,531	28,050	28,779
<b>TOTAL INVESTMENTS</b>		<b>317,060</b>	<b>316,746</b>
<b>OTHER NET ASSETS (0.1%)</b>			159
<b>NET ASSETS (100%)</b>			<b>316,905</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 40/60 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from income and on a lesser extent from capital appreciation by investing in a diversified portfolio of mainly fixed-income securities and a certain proportion in equity securities of Canadian and foreign corporations. This portfolio of Funds emphasizes the preservation of capital but also strives to enhance returns by including a relatively small growth component. It suits the needs of an investor profile with a low tolerance for risk but also aims for a moderate return.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	316,746	—	316,746
<b>TOTAL</b>	<b>—</b>	<b>316,746</b>	<b>—</b>	<b>316,746</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (60%)	+/- 1.00	+/- 1,901
S&P/TSX (15%)	+/- 3.00	+/- 1,426
S&P 500 (10%)	+/- 3.00	+/- 951
MSCI EAFE (15%)	+/- 3.00	+/- 1,426

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	1,068	—	—
Accrued expenses	101	—	—
<b>TOTAL LIABILITIES</b>	<b>1,169</b>	<b>—</b>	<b>—</b>



## FORESIGHT 50/50

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	121
Investments at fair value*	664,754
Premiums receivable	11,560
	<u>676,435</u>
<b>LIABILITIES</b>	
Accrued expenses	188
Payable for investments purchased	10,960
	<u>11,148</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>665,287</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>10.70</u>
* <i>Investments at cost</i>	<u>658,361</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>19,166</u>
Premiums	
Series 1	<u>704,737</u>
Withdrawals	
Series 1	<u>(58,616)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>665,287</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	3,747
Dividends	3,500
	<u>7,247</u>
<b>EXPENSES</b>	
Management fees	164
Operating expenses	126
	<u>290</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>6,957</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	5,816
Net unrealized gain (loss)	6,393
	<u>12,209</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>19,166</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>19,166</u>
- per unit	<u>0.73</u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.9%)</b>			
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	15,764	168,271	162,130
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	5,968	70,585	75,135
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	5,732	74,649	72,475
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	5,360	109,947	118,819
Desjardins Financial Security McLean Budden Fixed Income Pooled Fund, Series 1	7,363	163,641	162,476
Desjardins Financial Security Trimark Pooled Fund, Series 1	3,922	71,268	73,719
<b>TOTAL INVESTMENTS</b>		<b>658,361</b>	<b>664,754</b>
<b>OTHER NET ASSETS (0.1%)</b>			533
<b>NET ASSETS (100%)</b>			<b>665,287</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 50/50 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived both from income and capital appreciation by investing in a diversified portfolio of equity securities of Canadian and foreign corporations and fixed-income securities. This portfolio of Funds equally emphasizes the preservation of capital and long term capital growth. It suits the needs of an investor profile with a moderate tolerance for risk and aims for moderately strong returns.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets Held for Trading				
Investment Funds	—	664,754	—	664,754
<b>TOTAL</b>	<b>—</b>	<b>664,754</b>	<b>—</b>	<b>664,754</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (50%)	+/- 1.00	+/- 3,326
S&P/TSX (25%)	+/- 3.00	+/- 4,990
S&P 500 (10%)	+/- 3.00	+/- 1,996
MSCI EAFE (15%)	+/- 3.00	+/- 2,994

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	10,960	—	—
Accrued expenses	188	—	—
<b>TOTAL LIABILITIES</b>	<b>11,148</b>	<b>—</b>	<b>—</b>





## FORESIGHT 60/40

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	261
Investments at fair value*	1,355,474
Premiums receivable	<u>6,301</u>
	<u>1,362,036</u>
<b>LIABILITIES</b>	
Accrued expenses	361
Payable for investments purchased	<u>5,834</u>
	<u>6,195</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u><b>1,355,841</b></u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u><b>10.79</b></u>
* <i>Investments at cost</i>	<u><b>1,339,580</b></u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>38,539</u>
Premiums	
Series 1	<u>1,333,803</u>
Withdrawals	
Series 1	<u>(16,501)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u><b>1,355,841</b></u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	5,320
Dividends	<u>8,485</u>
	<u>13,805</u>
<b>EXPENSES</b>	
Management fees	185
Operating expenses	<u>278</u>
	<u>463</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u><b>13,342</b></u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	9,303
Net unrealized gain (loss)	<u>15,894</u>
	<u>25,197</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u><b>38,539</b></u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>38,539</u>
- per unit	<u><b>0.83</b></u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (100.0%)</b>			
Desjardins Financial Security Beutel Goodman Canadian Equity Fund, Series 1	13,175	139,696	146,417
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	25,626	272,927	263,557
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	14,346	170,783	180,607
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	13,773	179,174	174,141
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	6,772	138,791	150,125
Desjardins Financial Security McLean Budden Fixed Income Pooled Fund, Series 1	11,969	266,297	264,106
Desjardins Financial Security Trimark Pooled Fund, Series 1	9,392	171,912	176,521
<b>TOTAL INVESTMENTS</b>		<b>1,339,580</b>	<b>1,355,474</b>
<b>OTHER NET ASSETS (0.0%)</b>			367
<b>NET ASSETS (100%)</b>			<b>1,355,841</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 60/40 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from capital appreciation and on a lesser extent from income by investing in a diversified portfolio of mainly equity securities of Canadian and foreign corporations and a certain proportion in fixed-income securities. This portfolio of Funds emphasizes capital growth over the long term while maintaining a certain degree of stability. It suits the needs of an investor profile with a higher tolerance for risk and aims for strong long term returns.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	1,355,474	—	1,355,474
<b>TOTAL</b>	<b>—</b>	<b>1,355,474</b>	<b>—</b>	<b>1,355,474</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (40%)	+/- 1,00	+/- 5,423
S&P/TSX (30%)	+/- 3,00	+/- 12,203
S&P 500 (15%)	+/- 3,00	+/- 6,101
MSCI EAFE (15%)	+/- 3,00	+/- 6,101

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	5,834	—	—
Accrued expenses	361	—	—
<b>TOTAL LIABILITIES</b>	<b>6,195</b>	<b>—</b>	<b>—</b>



## FORESIGHT 75/25

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	382
Investments at fair value*	967,877
Premiums receivable	3,406
	<u>971,665</u>
<b>LIABILITIES</b>	
Accrued expenses	212
Payable for investments purchased	1,601
	<u>1,813</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>969,852</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>10.92</u>
* <i>Investments at cost</i>	<u>952,373</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>34,594</u>
Premiums	
Series 1	<u>936,384</u>
Withdrawals	
Series 1	<u>(1,126)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>969,852</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	3,066
Dividends	7,899
	<u>10,965</u>
<b>EXPENSES</b>	
Management fees	42
Operating expenses	195
	<u>237</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>10,728</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	8,363
Net unrealized gain (loss)	15,503
	<u>23,866</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>34,594</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	34,594
- per unit	<u>1.01</u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.8%)</b>			
Desjardins Financial Security Beutel Goodman Canadian Equity Fund, Series 1	11,988	127,355	133,224
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	22,765	242,626	234,130
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	12,515	148,981	157,557
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	12,024	156,738	152,027
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	6,154	126,557	136,425
Desjardins Financial Security Trimark Pooled Fund, Series 1	8,221	150,116	154,514
<b>TOTAL INVESTMENTS</b>		<b>952,373</b>	<b>967,877</b>
<b>OTHER NET ASSETS (0.2%)</b>			1,975
<b>NET ASSETS (100%)</b>			<b>969,852</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 75/25 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from long term capital appreciation by investing in a diversified portfolio of mainly equity securities of Canadian and a small proportion in fixed-income securities. This portfolio of Funds emphasizes strong capital growth over the long term. It suits the needs of an investor profile with a high tolerance for risk that mainly aims for high long term returns and less concern of short term portfolio fluctuation.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	967,877	—	967,877
<b>TOTAL</b>	—	<b>967,877</b>	—	<b>967,877</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (25%)	+/- 1.00	+/- 2,425
S&P/TSX (30%)	+/- 3.00	+/- 8,729
S&P 500 (20%)	+/- 3.00	+/- 5,819
MSCI EAFE (25%)	+/- 3.00	+/- 7,274

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	1,601	—	—
Accrued expenses	212	—	—
<b>TOTAL LIABILITIES</b>	<b>1,813</b>	<b>—</b>	<b>—</b>





## FORESIGHT 85/15

### STATEMENT OF NET ASSETS

As at December 31

	<u>2009</u>
	\$
<b>ASSETS</b>	
Cash	168
Investments at fair value*	550,883
Premiums receivable	1,551
	<u>552,602</u>
<b>LIABILITIES</b>	
Accrued expenses	112
Payable for investments purchased	588
	<u>700</u>
<b>NET ASSETS HELD FOR THE BENEFIT OF CONTRACTHOLDERS</b>	<u>551,902</u>
<b>NET ASSETS PER UNIT (NOTE 3)</b>	
Series 1	<u>11.01</u>
* <i>Investments at cost</i>	<u>536,499</u>

### STATEMENT OF CHANGES IN NET ASSETS

Period Ended December 31

	<u>2009**</u>
	\$
<b>NET ASSETS, BEGINNING OF PERIOD</b>	—
Increase (Decrease) in Net Assets from Operations	<u>26,063</u>
Premiums	
Series 1	<u>526,422</u>
Withdrawals	
Series 1	<u>(583)</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>551,902</u>

### STATEMENT OF OPERATIONS

Period Ended December 31

	<u>2009**</u>
	\$
<b>INCOME</b>	
Interest	1,230
Dividends	6,112
	<u>7,342</u>
<b>EXPENSES</b>	
Operating expenses	<u>112</u>
<b>NET INVESTMENT INCOME (LOSS)</b>	<u>7,230</u>
<b>GAINS (LOSSES) ON INVESTMENTS</b>	
Net realized gain (loss)	4,450
Net unrealized gain (loss)	14,383
	<u>18,833</u>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<u>26,063</u>
<b>DATA PER SERIES</b>	
<b>SERIES 1</b>	
Increase (Decrease) in Net Assets from Operations	<u>26,063</u>
- per unit	<u>1.14</u>

\*\* Beginning of operations in June 2009.

The accompanying Notes are an integral part of these financial statements.

## INVESTMENT PORTFOLIO

as at December 31, 2009

	Number of Units	Cost \$	Fair Value \$
<b>INVESTMENT FUNDS (99.8%)</b>			
Desjardins Financial Security Beutel Goodman Canadian Equity Fund, Series 1	7,529	79,637	83,667
Desjardins Financial Security Beutel Goodman Income Fund, Series 1	7,736	82,715	79,562
Desjardins Financial Security Ethical Global Equity Pooled Fund, Series 1	7,989	94,176	100,569
Desjardins Financial Security Hexavest Global Equities Pooled Fund, Series 1	8,105	105,599	102,471
Desjardins Financial Security Jarislowsky Fraser Canadian Equity Pooled Fund, Series 1	3,866	79,169	85,701
Desjardins Financial Security Trimark Pooled Fund, Series 1	5,262	95,203	98,913
<b>TOTAL INVESTMENTS</b>		<b>536,499</b>	<b>550,883</b>
<b>OTHER NET ASSETS (0.2%)</b>			1,019
<b>NET ASSETS (100%)</b>			<b>551,902</b>

The accompanying Notes are an integral part of these financial statements.



## FORESIGHT 85/15 (cont.)

### FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

#### STRATEGY IN USING FINANCIAL INSTRUMENTS

##### Objective of the Fund

The portfolio of Funds targets an annualized return higher than the benchmark indices below, over four-year moving periods.

##### Strategy of the Fund

The investments are actively managed in order to provide a superior real return derived primarily from long-term capital appreciation by investing in a diversified portfolio of mainly equity securities of Canadian and a very small proportion in fixed-income securities. This portfolio of Funds emphasizes strong capital growth over the long term. It suits the needs of an investor profile with a very high tolerance for risk that mainly aims for high long term returns and less concern of short term portfolio fluctuation.

#### FINANCIAL INSTRUMENTS FAIR VALUE MEASUREMENT

##### Classification of Financial Instruments at Fair Value Measurement

The amendment of Section 3862 (Note 2) requires the inclusion of enhanced disclosures about fair value measurement methodology. The following table categorizes the Fund's financial assets fair value measurement according to a three level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The fair value measurement is described in the section "Valuation of Investments" in Note 2.

*Investment Fair Value Measurement at the End of the Period, within the Following Levels:*

As at December 31, 2009	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets Held for Trading</b>				
Investment Funds	—	550,883	—	550,883
<b>TOTAL</b>	<b>—</b>	<b>550,883</b>	<b>—</b>	<b>550,883</b>

##### *Transfers between Level 1 and 2*

During the period ended December 31, 2009, there was no transfer of securities between Level 1 and 2.

#### FINANCIAL INSTRUMENTS RISKS

##### Underlying Funds Risk Management

Monthly, the investment strategy team compares the Funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the Funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

##### Currency Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to currency risk. As a result, the Fund is exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds is available in this report.

##### Interest Rate Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to interest rate risk. As a result, the Fund is exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds is available in this report.

## FINANCIAL INSTRUMENTS DISCLOSURES (Note 7)

as at December 31, 2009

### Price Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds is available in this report.

As at December 31, 2009, the manager's best estimate of the impact on net assets as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

As at December 31, 2009	Change in Price	Impact on Net Assets
Benchmarks	%	\$
DEX Universe Bond (15%)	+/- 1.00	+/- 828
S&P/TSX (30%)	+/- 3.00	+/- 4,967
S&P 500 (25%)	+/- 3.00	+/- 4,139
MSCI EAFE (30%)	+/- 3.00	+/- 4,967

In practice, actual trading results may differ from this sensitivity analysis and the difference could be significant.

### Credit Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to credit risk. As a result, the Fund is exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds is available in this report.

### Liquidity Risk

As at December 31, 2009, the majority of the Fund's net assets are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds is available in this report.

The following table analyzes the Fund's financial liabilities by relevant maturity groupings based on the remaining contractual period at the Statement of Net Assets date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at December 31, 2009	Less than 1 Month	1 to 3 Months	No Stated Maturity
	\$	\$	\$
Payable for investments purchased	588	—	—
Accrued expenses	112	—	—
<b>TOTAL LIABILITIES</b>	<b>700</b>	<b>—</b>	<b>—</b>



## NOTES TO THE FINANCIAL STATEMENTS

Years ended December 31, 2009 and 2008

### 1. ESTABLISHMENT OF THE FUNDS

The Desjardins Financial Security Pooled Funds (the "Funds") are variable accumulation Funds of the Desjardins Financial Security Life Assurance Company ("Desjardins Financial Security" or the "Company"). The assets of each Fund are segregated from the other assets of the Company and are owned by Desjardins Financial Security. The Funds are not separate legal entities.

The Funds were established on the following dates:

	Establishment Dates
<b>DESJARDINS FINANCIAL SECURITY POOLED FUNDS</b>	
<b>Fixed income</b>	
Money Market	1981
Mortgage	1968
BlackRock Universe Bond Index (Formerly Barclays Universe Bond Index)	January 31, 2003
Ethical Income	March 27, 2009
Beutel Goodman Income	June 26, 2009
Bond	1961
McLean Budden Fixed Income	1997
Addenda Canadian Bond	October 29, 2004
BlackRock Long Bond Index (Formerly Barclays Long Bond Index)	November 21, 2008
Long Term Bond	January 31, 2003
<b>Balanced Funds</b>	
Fidelity Canadian Balanced	January 31, 2003
Trimark Income Growth	1997
Jarislowky Fraser Balanced	2002
Conservative Diversified	1973
McLean Budden Balanced Growth	1994
<b>Canadian equity</b>	
Canadian Equity Dividend	October 29, 2004
Bernstein Canadian Value Equity	January 31, 2003
Beutel Goodman Canadian Equity	June 26, 2009
Fidelity True North® (Formerly Trimark Canadian)	1997
Jarislowky Fraser Canadian Equity	January 31, 2003
Ethical Canadian Equity	March 27, 2009
BlackRock Canadian Equity Index (Formerly Barclays S&P/TSX Composite Index)	January 31, 2003
McLean Budden Canadian Equity	2002
BlackRock Active Canadian Equity (Formerly Barclays Active Canadian Equity)	January 31, 2003
GE Canadian Equity (Formerly Bissett Canadian Equity)	1999
Canadian Equity GARP	1961
McLean Budden Canadian Equity Growth	1997
North American Small Company	1999
Bissett Small Cap	1999
Montrusco Bolton Canadian Small Cap Equity	September 2, 2008
<b>Foreign equity</b>	
U.S. Index-Plus	1997
BlackRock US Equity Index (Formerly Barclays U.S. Equity Index)	November 21, 2008
Bernstein U.S. Equity Value	January 31, 2003
GE U.S. Core Value Equity	August 28, 2009
UBS U.S. Large Cap Equity	October 29, 2004
McLean Budden American Equity	2002
Trimark Fund	1997
Hexavest Global Equities	March 27, 2009
Bernstein Global Equity Value	May 28, 2005
Ethical Global Equity	March 27, 2009
McLean Budden Global Equity	1997

Bernstein International Equity Value (Series 1 and 3)	1996
Templeton International Stock	2002
BlackRock MSCI EAFE Equity Index (Formerly Barclays EAFE Equity Index)	October 29, 2004
GE International Equity	October 29, 2004
Baillie Gifford International Equity	October 29, 2004
<b>Alternative strategies</b>	
Global Real Estate	May 28, 2007
DGAM Emerging Market	May 28, 2007
DGAM Alternative Investments	May 28, 2007
<b>Asset allocation portfolios</b>	
Multi-Management 20/80 (Formerly Security Portfolio)	2002
Multi-Management 35/65 (Formerly Conservative Portfolio)	2002
Multi-Management 50/50 (Formerly Balanced Portfolio)	2002
Multi-Management 65/35 (Formerly Dynamic Portfolio)	2002
Multi-Management 80/20 (Formerly Energetic Portfolio)	2002
Multi-Management 100 (Formerly Aggressive Portfolio)	2002
<b>Férique Funds*</b>	
FÉRIQUE Balanced	May 27, 2005
FÉRIQUE Equity	May 27, 2005
FÉRIQUE World (Formerly FÉRIQUE International)	May 27, 2005
<b>Foresight™ portfolios</b>	
Foresight 30/70	June 27, 2009
Foresight 40/60	June 27, 2009
Foresight 50/50	June 27, 2009
Foresight 60/40	June 27, 2009
Foresight 75/25	June 27, 2009
Foresight 85/15	June 27, 2009

\*The FÉRIQUE Funds are exclusively offered through the Desjardins Financial Security Simplified Pension Plan for Cima+Senc.

On September 2, 2008, Fidelity has replaced Trimark as manager of the Desjardins Financial Security Trimark Canadian Fund. The Fund name has been changed to Desjardins Financial Security Fidelity True North® Pooled Fund. On the same date, the Desjardins Financial Security Bissett Canadian Equity Pooled Fund was changed to Desjardins Financial Security GE Canadian Equity Pooled Fund.

Also on September 2, 2008, the names of the Desjardins Financial Security Security Portfolio, Conservative Portfolio, Balanced Portfolio, Dynamic Portfolio, Energetic Portfolio and Aggressive Portfolio Pooled Funds were changed to Desjardins Financial Security Multi-Management 20/80, Multi-Management 35/65, Multi-Management 50/50, Multi-Management 65/35, Multi-Management 80/20 and Multi-Management 100 Pooled Funds.

On December 31, 2009, the names of the Desjardins Financial Security Barclays Universe Bond Index, Barclays Long Bond Index, Barclays S&P/TSX Composite Index, Barclays Active Canadian Equity, Barclays U.S. Equity Index, Barclays EAFE Equity Index are now respectively shown as BlackRock Universe Bond Index, BlackRock Long Bond Index, BlackRock Canadian Equity Index, BlackRock Active Canadian Equity, BlackRock US Equity Index, BlackRock MSCI EAFE Equity Index.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements, prepared in accordance with Canadian generally accepted accounting principles (the "GAAP"), require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements as well as income and expenses during the reporting years. Actual results could differ from these estimates. The significant accounting policies followed by the Funds are summarized below.

### Accounting changes

#### *Financial Instruments – Disclosures and Presentation*

Section 3862, *Financial Instruments – Disclosures* and Section 3863, *Financial Instruments – Presentation* were issued in December 2006 by the Canadian Institute of Chartered Accountants ("CICA") and are effective for the year beginning on January 1, 2008 for these Funds. These sections replace Section 3861, *Financial Instruments – Disclosures and Presentation*. They modify and improve requirements pertaining to disclosures and maintain the requirements in connection with presentation. These new sections give greater importance to disclosures in terms of the nature and scope of the risks associated with financial instruments, and the way the entity manages these risks. Adoption of this policy does not impact the daily price of the Fund's units for subscription and redemption purposes, nor for the calculation of net assets.



## NOTES TO THE FINANCIAL STATEMENTS (cont.)

### *Financial Instruments – Disclosures*

In June 2009, Section 3862, *Financial Instruments – Disclosures*, was amended in response to the modifications made in the International Financial Reporting Standards IFRS 7, *Financial Instruments: Disclosures*. The amendments are made to enhance disclosures about fair value measurements and liquidity risk. The amendments are effective for fiscal years ending after September 30, 2009. Note 7 “Financial Instruments Disclosures” provides more information on financial instruments measured at fair value and financial risk management. Adoption of these amendments will not significantly impact the Net Asset Value per Unit of the Funds.

### *Capital Disclosures*

CICA Handbook Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity’s capital and how it is managed. This section applies to the Funds since January 1, 2008. Note 4 “Units of a Fund / Value of Units” provides information on the Funds’ capital and how it is managed.

### *Credit Risk and Fair value of Financial Assets and Financial Liabilities*

In January 2009, the Emerging Issues Committee (EIC) of the Canadian Accounting Standards Board (AcSB) issued EIC Abstract 173, *Credit Risk and Fair value of Financial Assets and Financial Liabilities*. This abstract is applicable to interim and annual financial statements for periods ending on or after January 20, 2009 and requires restatement of the beginning of its current period, without retroactive restatement of prior periods. EIC Abstract 173 concludes that the entity’s own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The adoption of this new abstract should not have any significant impact on the Net Asset Value per Unit of the Funds.

### Future Accounting Standards

#### *International Financial Reporting Standards*

In February 2008, the CICA announced that Canadian GAAP, for publicly accountable enterprises, will be replaced by International Financial Reporting Standards (“IFRS”) and it will apply to semi-annual and annual financial statements for fiscal years beginning on or after January 1, 2011.

Management monitors developments in the IFRS conversion program and, in particular, the key elements below:

- Changes in accounting policies;
- Impacts on information technology and data systems;
- Impacts on internal control over financial reporting;
- Impacts on disclosure controls and procedures;
- Impacts on expertise in financial reporting.

As of today, management has completed the Identification phase and analysis of the effects of conversion to IFRS standards. The Feasibility phase is under way, and implementation of improvements is mostly completed. Until transition, management will monitor developments in IFRS and adjust its transition plan, if necessary.

Management established that conversion to the current IFRS will essentially change the following policies:

- Consolidation:  
According to current accounting policies (*Accounting Guideline on Investment companies (AcG-18)*), consolidation is not required for underlying funds held by other investment funds meeting monitoring criterias.  
In accordance with IAS 27, *Consolidated and Separate Financial Statements*, an underlying fund whose monitoring criterias are met will be consolidated in the fund of funds financial statements;
- Classification of Units:  
According to current accounting policies (EIC-149, *Accounting for Retractable or Mandatorily Redeemable Shares*) units are presented to the unitholders’ equity. In accordance with IAS 1, *Presentation of Financial Statements*, and IAS 32, *Financial Instruments: Presentation*, units will be classified as liabilities or as unitholders’ equity based on the units characteristics;
- Income taxes:  
According to current accounting policies (EIC-107, *Application of CICA 3465 to mutual fund trusts, real estate investment trusts, royalty trusts and income trusts*), investment funds do not report any future income taxes.  
In accordance with IAS 12, *Income Taxes*, no similar exception to EIC-107 is permitted. Therefore, investment funds will have to report a future income tax assets or liabilities when applicable;
- Statement of Cash Flow:  
According to current accounting policies (Section 1540, *Cash Flow Statement*), presentation of Cash Flow Statement is not required when the cash flow information is readily apparent from the other financial statements or is adequately disclosed in the notes to the financial statements.  
In accordance with IAS 7, *Statement of Cash Flows*, the presentation of the Statement of Cash Flows will be required for all entities.

A team was appointed to oversee the IFRS conversion project. Beginning 2010, the team will start gathering comparative information in order to prepare for the semi-annual financial statements ending June 30, 2011 under Canadian GAAP and in accordance with IFRS standards.

Given the evolving standards and the unavailability of certain market information’s, management is unable, at this stage, to comment on the financial implications of the transition to IFRS in his statements of net assets and operations. A comment on the quantitative impact will be presented in the annual financial statements of December 31, 2010. Currently, management has determined that the transition to IFRS will have no significant impact on the Funds NAV per unit for all other purposes than financial statements.

#### *Regulation 81-106 on Investment Fund Continuous Disclosure*

On October 16, 2009, the Canadian Securities Administrators published proposed amendments to *Regulation 81-106 on Investment Fund Continuous Disclosure*. These proposed amendments, if adopted, will harmonize the accounting terminology to the ones used in the IFRS standards. Furthermore, amendments will be made to the method of calculation of performance and management fees ratios, in order that the amendments have no impact. The proposed amendments are currently in the consultation stage and their adoption is not finalized.

#### **Valuation of Investments**

CICA Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, has an impact on the Funds' net assets value since it must be calculated pursuant to Canadian GAAP in line with the security regulations applicable to investment funds. The main impact of Section 3855 relates to the determination of the fair value of financial assets listed on an active market with the bid price for a long position and the ask price for a short position instead of the closing price. In accordance with this Section, investments and derivative financial instruments are deemed to be categorized as held for trading, and accordingly are required to be recorded at fair value, which is determined as follows:

##### *Money market securities*

Money market securities are recorded at the bid price.

##### *Equity securities*

Equity securities are recorded at the bid price of the accredited stock exchange on which the corresponding security is principally traded.

##### *Warrants*

Non-rated warrants are valued with the Black & Scholes method.

##### *Bonds, Mortgage-Backed Securities and Asset-Backed Securities*

Bonds, mortgage-backed securities and asset-backed securities are valued based on bid prices obtained from recognized securities dealers.

##### *Investment Funds and Limited Partnership Investments*

The underlying funds' units are valued based on the net asset value per unit provided by the underlying fund's or the limited partnership's manager at the end of each valuation day.

##### *Financial Derivative Instruments*

Certain Funds may use an array of financial derivative instruments such as foreign exchange contracts and futures contracts, for hedging purposes or purposes other than hedging, or both. The fair value of these instruments corresponds to the gains or losses that would result from the contract close-out on the valuation date. As at December 31, 2009, the counterparties to foreign exchange contracts and futures contracts have a credit rating of at least "A-1" from Standard & Poor's.

#### *Regulation 81-106 on Investment Fund Continuous Disclosure*

Since December 31, 2008, management applies the changes adopted by the Canadian Securities Administrators to *Regulation 81-106 on Investment Fund Continuous Disclosure*. The changes are essentially aimed at modifying the requirements pertaining to the calculation of the unit value as a result of the inclusion of Section 3855, *Financial Instruments – Recognition and Measurement*. These changes allow the Funds to report two distinct net asset values: one for the financial statements, which is calculated in accordance with Canadian GAAP (called "net assets") and another for all other purposes, such as unit pricing (called "net asset value").

A reconciliation between the net assets per unit and the net asset value per unit is presented in Note 3. For the funds of funds, there is no discrepancy. The main differences between the valuation principles and practices concern money market, Canadian bonds and equity securities. In order to calculate the net asset value, the money market securities are recorded at cost which, together with the accrued interest, approximates their fair value. Canadian bonds are recorded at the mid-market price obtained from recognized securities dealers. Equity securities are recorded at the closing price of the accredited stock exchange on which the corresponding security is mainly traded or, in the absence of recorded sales, at the average of available bid and asked prices on such exchanges or those made over-the-counter.

#### **Valuation of unlisted securities and others**

When the valuation principles of the aforementioned investments are not appropriate, fair value is determined according to the management's best estimates, based on established valuation procedures. These procedures cover, among others, securities no longer traded, securities issued by private corporations, illiquid securities and warrants. The fair value of securities established for the purpose of calculating the Funds' net asset value may differ from the securities most recent bid or ask price.

#### **Investment Transactions**

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for the money market securities, for which the cost is determined using the First In First Out method. Transaction Cost, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds are recognized in the Statement of Operations. The difference between the fair value and the cost of investments is included in "Net unrealized gain (loss)" in the Statement of Operations. When the Fund disposed of an investment, the difference between the fair value and the cost of investments is included in the "Net realized gain (loss)" in the Statement of Operations.

#### **Securities Lending**

Income from securities lending is recorded as "Revenue from securities lending" in the Statement of Operations on an accrual basis. The securities on loan continue to be displayed in the investment portfolio. The cash collateral received by the investments funds and the obligation to repay the cash collateral is disclosed in the Statement of Net Assets. Aggregate values of securities on loan and related collateral held in trust are disclosed at Note 9.





## NOTES TO THE FINANCIAL STATEMENTS (cont.)

### Cash

Cash and Bank overdraft are deemed to be held for trading and carried at fair value.

### Other Assets and Liabilities

In accordance with Section 3855, margin deposited on futures contracts, premiums receivable, receivable for investments sold and interest, dividends and other receivables are deemed to be loans and receivables and recorded at cost. Similarly, overdraft on futures contracts, accrued expenses, withdrawals payable and payable for investments purchased are deemed to be financial liabilities and recorded at cost. As a result, their carrying amount approximates their fair value.

### Income

Income is accounted for on an accrual basis. Interest income is recorded as it is earned and dividend income is recorded on the ex-dividend date. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the year is included in the "Net unrealized gain (loss)" in the Statement of Operations.

Gains and losses realized when financial derivative instruments held for hedging purposes are closed out are included in the "Net realized gain (loss)". Gains and losses on foreign exchange contracts held for purposes other than hedging are included in "Net income (loss) from derivative financial instruments".

### Foreign Currency Translation

The fair value of investments as well as assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the noon rate of exchange on each valuation date. Purchases and sales of securities as well as income and expenses denominated in foreign currencies are translated into Canadian dollars at the rate in effect on the transaction date.

Realized exchange gains and losses are included in the "Net realized gain (loss)" in the Statement of Operations. The difference between the unrealized exchange gains and losses at the beginning and at the end of the year is included in the "Net unrealized gain (loss)" in that statement.

### Increase (Decrease) in Net Assets from Operations per Unit

Increase (Decrease) in Net Assets from Operations per Unit in the Statement of Operations represents the increase (decrease) in net assets from operations by Series, divided by the average number of units outstanding per Series during the fiscal year.

### 3. RECONCILIATION OF NET ASSETS PER UNIT PER THE FINANCIAL STATEMENTS WITH NET ASSET VALUE PER UNIT FOR PURPOSES OTHER THAN THE FINANCIAL STATEMENTS

The impact of the enforcement of Section 3855 of the CICA Handbook, such as described under Note 2, is presented below.

		Net Assets per Unit per the Financial Statements	Net Asset Value per Unit for Purposes Other than the Financial Statements
		\$	\$
<b>DESJARDINS FINANCIAL SECURITY POOLED FUNDS</b>			
<b>FIXED INCOME</b>			
Money Market	<b>2009</b>	<b>60.48</b>	<b>60.48</b>
	2008	60.02	59.90
Mortgage	<b>2009</b>	<b>313.48</b>	<b>313.77</b>
	2008	303.73	306.76
BlackRock Universe Bond Index	<b>2009</b>	<b>14.41</b>	<b>14.41</b>
	2008	13.70	13.70
Ethical Income	<b>2009</b>	<b>10.57</b>	<b>10.57</b>
	2008	—	—
Beutel Goodman Income	<b>2009</b>	<b>10.28</b>	<b>10.28</b>
	2008	—	—
Bond	<b>2009</b>	<b>490.06</b>	<b>490.06</b>
	2008	466.51	466.51
McLean Budden Fixed Income	<b>2009</b>	<b>22.07</b>	<b>22.07</b>
	2008	20.87	20.87
Addenda Canadian Bond	<b>2009</b>	<b>12.83</b>	<b>12.83</b>
	2008	11.77	11.77
BlackRock Long Bond Index	<b>2009</b>	<b>11.19</b>	<b>11.19</b>
	2008	10.75	10.75
Long Term Bond	<b>2009</b>	<b>15.64</b>	<b>15.66</b>
	2008	14.96	14.97

		Net Assets per Unit per the Financial Statements \$	Net Asset Value per Unit for Purposes Other than the Financial Statements \$
<b>BALANCED FUNDS</b>			
Fidelity Canadian Balanced	<b>2009</b>	<b>18.06</b>	<b>18.06</b>
	2008	14.62	14.62
Trimark Income Growth	<b>2009</b>	<b>22.11</b>	<b>22.11</b>
	2008	18.63	18.63
Jarislowsky Fraser Balanced	<b>2009</b>	<b>14.54</b>	<b>14.54</b>
	2008	12.73	12.73
Conservative Diversified	<b>2009</b>	<b>253.95</b>	<b>254.10</b>
	2008	216.05	216.24
McLean Budden Balanced Growth	<b>2009</b>	<b>38.72</b>	<b>38.72</b>
	2008	32.17	32.17
<b>CANADIAN EQUITY</b>			
Canadian Equity Dividend	<b>2009</b>	<b>14.94</b>	<b>14.94</b>
	2008	11.22	11.22
Bernstein Canadian Value Equity	<b>2009</b>	<b>17.75</b>	<b>17.75</b>
	2008	13.05	13.05
Beutel Goodman Canadian Equity	<b>2009</b>	<b>11.11</b>	<b>11.11</b>
	2008	—	—
Fidelity True North®	<b>2009</b>	<b>17.14</b>	<b>17.14</b>
	2008	12.95	12.95
Jarislowsky Fraser Canadian Equity	<b>2009</b>	<b>22.17</b>	<b>22.17</b>
	2008	17.60	17.60
Ethical Canadian Equity	<b>2009</b>	<b>13.21</b>	<b>13.21</b>
	2008	—	—
BlackRock Canadian Equity Index	<b>2009</b>	<b>20.85</b>	<b>20.85</b>
	2008	15.51	15.51
McLean Budden Canadian Equity	<b>2009</b>	<b>20.07</b>	<b>20.07</b>
	2008	14.84	14.84
BlackRock Active Canadian Equity	<b>2009</b>	<b>22.79</b>	<b>22.79</b>
	2008	16.88	16.88
GE Canadian Equity	<b>2009</b>	<b>22.92</b>	<b>22.97</b>
	2008	16.73	16.82
Canadian Equity GARP	<b>2009</b>	<b>634.02</b>	<b>635.44</b>
	2008	440.37	441.74
McLean Budden Canadian Equity Growth	<b>2009</b>	<b>29.31</b>	<b>29.31</b>
	2008	20.65	20.65
North American Small Company	<b>2009</b>	<b>15.55</b>	<b>15.55</b>
	2008	11.63	11.63
Bissett Small Cap	<b>2009</b>	<b>28.75</b>	<b>28.75</b>
	2008	17.70	17.70
Montrusco Bolton Canadian Small Cap Equity	<b>2009</b>	<b>11.10</b>	<b>11.10</b>
	2008	6.64	6.64
<b>FOREIGN EQUITY</b>			
U.S. Index-Plus	<b>2009</b>	<b>16.44</b>	<b>16.44</b>
	2008	13.36	13.37
BlackRock US Equity Index	<b>2009</b>	<b>11.68</b>	<b>11.68</b>
	2008	10.86	10.86
Bernstein U.S. Equity Value	<b>2009</b>	<b>8.89</b>	<b>8.90</b>
	2008	8.24	8.26
GE U.S. Core Value Equity	<b>2009</b>	<b>10.38</b>	<b>10.38</b>
	2008	—	—
UBS U.S. Large Cap Equity	<b>2009</b>	<b>9.12</b>	<b>9.12</b>
	2008	8.12	8.12



## NOTES TO THE FINANCIAL STATEMENTS (cont.)

		Net Assets per Unit per the Financial Statements	Net Asset Value per Unit for Purposes Other than the Financial Statements
		\$	\$
McLean Budden American Equity	<b>2009</b>	<b>11.22</b>	<b>11.22</b>
	2008	10.02	10.02
Trimark Fund	<b>2009</b>	<b>18.80</b>	<b>18.80</b>
	2008	16.89	16.89
Hexavest Global Equities	<b>2009</b>	<b>12.64</b>	<b>12.64</b>
	2008	—	—
Bernstein Global Equity Value	<b>2009</b>	<b>5.92</b>	<b>5.92</b>
	2008	5.31	5.31
Ethical Global Equity	<b>2009</b>	<b>12.59</b>	<b>12.59</b>
	2008	—	—
McLean Budden Global Equity	<b>2009</b>	<b>15.93</b>	<b>15.93</b>
	2008	14.11	14.11
Bernstein International Equity Value Series 1	<b>2009</b>	<b>14.81</b>	<b>14.82</b>
	2008	13.28	13.31
Series 3	<b>2009</b>	<b>14.82</b>	<b>14.83</b>
	2008	13.29	13.32
Templeton International Stock	<b>2009</b>	<b>14.43</b>	<b>14.43</b>
	2008	11.78	11.78
BlackRock MSCI EAFE Equity Index	<b>2009</b>	<b>11.10</b>	<b>11.10</b>
	2008	9.96	9.96
GE International Equity	<b>2009</b>	<b>11.93</b>	<b>11.93</b>
	2008	10.91	10.91
Baillie Gifford International Equity	<b>2009</b>	<b>10.71</b>	<b>10.74</b>
	2008	8.50	8.53
<b>ALTERNATIVE STRATEGIES</b>			
Global Real Estate	<b>2009</b>	<b>6.19</b>	<b>6.19</b>
	2008	5.20	5.20
DGAM Emerging Market	<b>2009</b>	<b>10.18</b>	<b>10.18</b>
	2008	6.64	6.64
DGAM Alternative Investments	<b>2009</b>	<b>10.38</b>	<b>10.38</b>
	2008	9.59	9.59
<b>ASSET ALLOCATION PORTFOLIOS</b>			
Multi-Management 20/80	<b>2009</b>	<b>14.54</b>	<b>14.54</b>
	2008	13.50	13.50
Multi-Management 35/65	<b>2009</b>	<b>14.98</b>	<b>14.98</b>
	2008	13.49	13.49
Multi-Management 50/50	<b>2009</b>	<b>15.00</b>	<b>15.00</b>
	2008	12.78	12.78
Multi-Management 65/35	<b>2009</b>	<b>15.87</b>	<b>15.87</b>
	2008	12.94	12.94
Multi-Management 80/20	<b>2009</b>	<b>16.23</b>	<b>16.23</b>
	2008	12.73	12.73
Multi-Management 100	<b>2009</b>	<b>16.72</b>	<b>16.72</b>
	2008	12.42	12.42
<b>FÉRIQUE FUNDS</b>			
FÉRIQUE Balanced	<b>2009</b>	<b>11.55</b>	<b>11.55</b>
	2008	9.79	9.79
FÉRIQUE Equity	<b>2009</b>	<b>13.76</b>	<b>13.76</b>
	2008	10.07	10.07
FÉRIQUE World	<b>2009</b>	<b>9.69</b>	<b>9.69</b>
	2008	8.49	8.49

		Net Assets per Unit per	Net Asset Value per Unit
		the Financial Statements	for Purposes Other than
		\$	\$
<b>FORESIGHT™ PORTFOLIOS</b>			
Foresight 30/70	<b>2009</b>	<b>10.53</b>	<b>10.53</b>
	2008	—	—
Foresight 40/60	<b>2009</b>	<b>10.61</b>	<b>10.61</b>
	2008	—	—
Foresight 50/50	<b>2009</b>	<b>10.70</b>	<b>10.70</b>
	2008	—	—
Foresight 60/40	<b>2009</b>	<b>10.79</b>	<b>10.79</b>
	2008	—	—
Foresight 75/25	<b>2009</b>	<b>10.92</b>	<b>10.92</b>
	2008	—	—
Foresight 85/15	<b>2009</b>	<b>11.01</b>	<b>11.01</b>
	2008	—	—

#### 4. UNITS OF A FUND / VALUE OF UNITS

##### Structure of the Funds and the Units

The Funds are wholly owned assets of Desjardins Financial Security, which have been segregated from the Company's other assets. Except for instances where the Company has acquired an interest in the Fund, the Funds' assets may only be used to pay benefits under the Contracts.

Each Fund's units are attributed to individual Contracts for the purpose of determining the value of benefits under those Contracts. A Contract holder acquires no direct claim on the Units or assets of a Fund by purchasing a Contract but only the benefits which are provided under the Contract.

Subject to the Company's administrative rules, Contract holders have the right to make transactions under their Contracts such as premium payments, surrenders and inter-Fund transfers. As a result of these transactions, Units are attributed to and withdrawn from the Contract based on each Contract's terms and conditions or as provided by Law. Since the Contract holder does not own Units of a Fund, ownership of Units cannot be sold or transferred to another party. There are no voting rights associated with the Units of the Fund.

##### Valuation of the Units

The Units of a Fund are valued according to the administrative rules established by the Company and in accordance with the Contract and all laws and regulations applicable to the Funds.

These Units differ with respect to redemption charges and management fees charged to each Series (see Note 5). A separate net asset value per unit is determined on each Market Day by dividing the net assets of the Fund by its outstanding units.

##### Number of Units

The number of units outstanding in each Fund as at December 31, 2009 and 2008 and the number of units attributed to and withdrawn from contracts during each year are as follows:

	Outstanding Units		Attributed Units		Withdrawn Units	
	2009	2008	2009	2008	2009	2008
<b>DFS POOLED FUNDS</b>						
Fixed income						
Money Market	<b>1,021,658</b>	639,981	<b>839,377</b>	554,733	<b>457,700</b>	350,770
Mortgage	<b>125,407</b>	112,559	<b>35,638</b>	46,772	<b>22,790</b>	92,207
BlackRock Universe Bond Index	<b>8,411,002</b>	7,198,094	<b>3,628,586</b>	3,064,345	<b>2,415,678</b>	2,587,507
Ethical Income	<b>15,028</b>	—	<b>15,028</b>	—	—	—
Beutel Goodman Income	<b>159,006</b>	—	<b>160,830</b>	—	<b>1,824</b>	—
Bond	<b>284,191</b>	225,609	<b>122,113</b>	79,656	<b>63,531</b>	93,158
McLean Budden Fixed Income	<b>1,374,070</b>	1,723,966	<b>293,357</b>	1,018,869	<b>643,253</b>	2,958,751
Addenda Canadian Bond	<b>10,403,346</b>	8,584,765	<b>7,058,703</b>	4,058,865	<b>5,240,122</b>	4,314,734
BlackRock Long Bond Index	<b>1,599,522</b>	816,103	<b>976,314</b>	816,103	<b>192,895</b>	—
Long Term Bond	<b>2,764,888</b>	2,243,384	<b>1,859,369</b>	1,686,614	<b>1,337,865</b>	592,691



## NOTES TO THE FINANCIAL STATEMENTS (cont.)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2009	2008	2009	2008	2009	2008
<b>Balanced Funds</b>						
Fidelity Canadian Balanced	<b>618,865</b>	541,309	<b>319,524</b>	403,043	<b>241,968</b>	249,917
Trimark Income Growth	<b>1,865,442</b>	1,864,843	<b>277,882</b>	275,077	<b>277,283</b>	412,423
Jarislowsky Fraser Balanced	<b>3,594,348</b>	3,267,544	<b>1,250,664</b>	619,985	<b>923,860</b>	565,112
Conservative Diversified	<b>314,799</b>	327,085	<b>38,693</b>	39,486	<b>50,979</b>	121,215
McLean Budden Balanced Growth	<b>3,496,654</b>	3,402,880	<b>577,657</b>	406,943	<b>483,883</b>	409,348
<b>Canadian equity</b>						
Canadian Equity Dividend	<b>390,434</b>	314,182	<b>201,712</b>	233,982	<b>125,460</b>	82,117
Bernstein Canadian Value Equity	<b>622,688</b>	797,147	<b>105,002</b>	621,408	<b>279,461</b>	1,016,700
Beutel Goodman Canadian Equity	<b>79,566</b>	—	<b>82,434</b>	—	<b>2,868</b>	—
Fidelity True North®	<b>829,601</b>	740,945	<b>298,682</b>	135,425	<b>210,026</b>	338,902
Jarislowsky Fraser Canadian Equity	<b>3,097,396</b>	2,665,083	<b>1,580,252</b>	1,006,290	<b>1,137,939</b>	1,140,524
Ethical Canadian Equity	<b>26,744</b>	—	<b>26,744</b>	—	—	—
BlackRock Canadian Equity Index	<b>591,745</b>	257,263	<b>423,084</b>	167,039	<b>88,602</b>	127,499
McLean Budden Canadian Equity	<b>172,752</b>	163,511	<b>56,178</b>	60,459	<b>46,937</b>	119,564
BlackRock Active Canadian Equity	<b>2,011,313</b>	1,623,577	<b>992,120</b>	1,088,430	<b>604,384</b>	326,956
GE Canadian Equity	<b>1,483,325</b>	1,379,532	<b>534,269</b>	1,246,478	<b>430,476</b>	773,192
Canadian Equity GARP	<b>97,642</b>	108,679	<b>5,945</b>	23,308	<b>16,982</b>	33,279
McLean Budden Canadian Equity Growth	<b>3,601,708</b>	3,760,273	<b>1,092,263</b>	1,713,055	<b>1,250,828</b>	1,600,158
North American Small Company	<b>740,494</b>	711,934	<b>254,608</b>	356,385	<b>226,048</b>	750,435
Bissett Small Cap	<b>755,863</b>	969,138	<b>294,777</b>	721,448	<b>508,052</b>	1,349,275
Montrusco Bolton Canadian Small Cap Equity	<b>2,517,014</b>	2,426,480	<b>1,271,146</b>	2,918,892	<b>1,180,612</b>	492,412
<b>Foreign equity</b>						
U.S. Index-Plus	<b>1,287,206</b>	1,333,806	<b>377,108</b>	540,357	<b>423,708</b>	559,919
BlackRock US Equity Index	<b>200,095</b>	15,000	<b>185,148</b>	15,000	<b>53</b>	—
Bernstein U.S. Equity Value	<b>1,744,541</b>	1,369,390	<b>780,227</b>	891,778	<b>405,076</b>	320,831
GE U.S. Core Value Equity	<b>89,815</b>	—	<b>91,824</b>	—	<b>2,009</b>	—
UBS U.S. Large Cap Equity	<b>1,787,330</b>	1,883,934	<b>1,087,129</b>	879,845	<b>1,183,733</b>	1,572,400
McLean Budden American Equity	<b>3,892,456</b>	2,791,981	<b>1,916,264</b>	1,540,363	<b>815,789</b>	534,810
Trimark Fund	<b>790,736</b>	691,801	<b>229,269</b>	132,826	<b>130,334</b>	160,862
Hexavest Global Equities	<b>463,049</b>	—	<b>557,209</b>	—	<b>94,160</b>	—
Bernstein Global Equity Value	<b>4,848,634</b>	2,285,763	<b>3,944,660</b>	2,221,495	<b>1,381,789</b>	305,227
Ethical Global Equity	<b>59,202</b>	—	<b>60,062</b>	—	<b>860</b>	—
McLean Budden Global Equity	<b>1,317,650</b>	1,346,749	<b>306,217</b>	673,811	<b>335,316</b>	884,596
Bernstein International Equity Value						
Series 1 .....	<b>3,693,561</b>	3,589,776	<b>1,545,323</b>	1,775,619	<b>1,441,538</b>	1,410,289
Series 3 .....	<b>859,952</b>	239,803	<b>631,950</b>	101,041	<b>11,801</b>	3,434
Templeton International Stock	<b>149,908</b>	132,387	<b>49,691</b>	80,021	<b>32,170</b>	69,027
BlackRock MSCI EAFE Equity Index	<b>529,408</b>	227,380	<b>339,199</b>	104,943	<b>37,171</b>	35,103
GE International Equity	<b>3,271,693</b>	2,215,296	<b>1,999,628</b>	1,306,225	<b>943,231</b>	549,819
Baillie Gifford International Equity	<b>2,047,230</b>	1,728,763	<b>1,003,940</b>	1,051,807	<b>685,473</b>	520,610
<b>Alternative strategies</b>						
Global Real Estate	<b>4,882,143</b>	3,755,592	<b>2,658,684</b>	4,164,836	<b>1,532,133</b>	644,344
DGAM Emerging Markets	<b>743,504</b>	639,475	<b>245,554</b>	565,910	<b>141,525</b>	315,902
DGAM Alternative Investments	<b>785,148</b>	613,215	<b>278,029</b>	563,950	<b>106,096</b>	353,653
<b>Asset allocation portfolios</b>						
Mutli-Management 20/80	<b>1,826,111</b>	1,472,863	<b>886,890</b>	949,837	<b>533,642</b>	520,984
Multi-Management 35/65	<b>3,154,857</b>	2,681,293	<b>1,157,535</b>	1,278,805	<b>683,971</b>	746,732
Multi-Management 50/50	<b>8,543,421</b>	7,732,298	<b>2,691,995</b>	2,870,694	<b>1,880,872</b>	1,855,270
Multi-Management 65/35	<b>6,974,012</b>	6,272,105	<b>2,238,967</b>	2,381,226	<b>1,537,060</b>	2,106,894
Multi-Management 80/20	<b>3,037,631</b>	2,515,294	<b>1,102,739</b>	1,053,402	<b>580,402</b>	537,795
Multi-Management 100	<b>907,402</b>	806,582	<b>389,782</b>	361,431	<b>288,962</b>	313,035

	Outstanding Units		Attributed Units		Withdrawn Units	
	2009	2008	2009	2008	2009	2008
<b>Férique Funds</b>						
FÉRIQUE Balanced	<b>37,089</b>	40,015	<b>10,515</b>	25,144	<b>13,441</b>	12,363
FÉRIQUE Equity	<b>56,879</b>	41,954	<b>19,132</b>	29,191	<b>4,207</b>	17,625
FÉRIQUE World	<b>13,899</b>	16,890	<b>3,694</b>	13,785	<b>6,685</b>	9,646
<b>Foresight™ portfolios</b>						
Foresight 30/70	<b>16,367</b>	—	<b>16,396</b>	—	<b>29</b>	—
Foresight 40/60	<b>29,860</b>	—	<b>29,890</b>	—	<b>30</b>	—
Foresight 50/50	<b>62,168</b>	—	<b>67,664</b>	—	<b>5,496</b>	—
Foresight 60/40	<b>125,707</b>	—	<b>127,246</b>	—	<b>1,539</b>	—
Foresight 75/25	<b>88,852</b>	—	<b>88,957</b>	—	<b>105</b>	—
Foresight 85/15	<b>50,150</b>	—	<b>50,204</b>	—	<b>54</b>	—

## 5. EXPENSES

Management fees are calculated based on the total market value of each Fund, at each valuation date at varying rates for each fund. Operating expenses consist of audit fees.

The DSF Conservative Diversified Fund can own one or more Fiera Capital Funds. When the management fees are included in the net asset value of the underlying fund, Fiera Capital reimburses a portion of the fees. Moreover, some performance fees included in the daily net asset value of the underlying funds can be charged to the Fund.

## 6. RELATED PARTY TRANSACTIONS

The Funds pay management fees to the Company, which are presented in the Statement of Operations. Those fees are calculated on a daily basis with the net asset value of the Fund and paid. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 7. FINANCIAL INSTRUMENTS DISCLOSURES

The assets of Desjardins Financial Security Pooled Funds are held by Desjardins Financial Security on behalf of the contractholders. These Segregated Funds are not separate legal entities. The contractholders do not own any of the assets of the Funds nor own an interest in the Funds. Therefore, the financial instrument risks resulting from the Funds are assumed entirely by Desjardins Financial Security.

Moreover, the Pooled Funds are offered with a guarantee whereby no less than 75 to 100% of the initial investment in a contract will be paid out at contract maturity. For the funds of funds, details regarding the top holdings of the underlying fund(s) are shown in appendix of the statement of operations.

### Classification of Financial Instruments at Fair Value Measurement

The new divulgation requirements instated by the amendment of Section 3862, *Financial Instruments – Disclosures*, modify and improve the notes to the financial statements and introduce the three-level hierarchy for fair value measurement disclosures of financial instruments. This hierarchy reflects the significance of the inputs in such fair value measurements. The hierarchy of the measurements is split into three-level and as per the CICA handbook, they are defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A change in the fair value measurements method could result in a transfer between levels.

### Financial Risk Management

The Funds' activities expose them to a variety of financial risks, among which are market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds' overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Funds' rate of return.

In accordance with the Funds' investment policy, the manager monitors the Funds' risks on a monthly basis and the Investment Committee reviews these risks on a quarterly basis.



## NOTES TO THE FINANCIAL STATEMENTS (cont.)

### *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Funds are exposed to the currency risk in holding assets and/or liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate in accordance with the applicable exchange rates in effect.

The Fund's exposure to currency risk is shown based on the carrying value of monetary and non-monetary assets, (including derivatives and the notional amount of forward currency contracts, if any). For the notional amount of forward currency contracts, a long position is shown under "Financial Assets Held for Trading", and a short position under "Financial Liabilities Held for Trading".

When the Canadian dollar decreases in relation to the foreign currencies, then the value of foreign investments increases. When the value of the Canadian dollar increases, the value of foreign investments decreases.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk occurs when a mutual fund invests in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in market interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise. There is minimal sensitivity to interest rate fluctuations on cash and cash equivalents invested at short-term market interest rates.

### *Price Risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk).

All securities investments present a risk of loss of capital. The portfolio advisor intends to manage this risk through a careful selection of securities and other financial instruments in compliance with the specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Funds' overall market positions are monitored on a monthly basis by the Funds' manager and reviewed on a quarterly basis by the Investment Committee. The Funds' financial instruments are exposed to market price risk arising from uncertainties about the future prices of instruments.

The Funds' market price risk is managed through diversification of the investment portfolio's exposure ratio. The return on investments held by the Funds is monitored by the manager on a monthly basis and reviewed by the Investment Committee on a quarterly basis.

### *Credit Risk*

Credit risk is the risk that the counterparty to a financial instrument will be unable to pay the full amount upon maturity.

The Funds take on exposure to credit risk and default provisions are recorded for the losses incurred prior to the Statement of Net Assets issue date, if any.

All transactions are settled or paid upon delivery through approved brokers. The risk of default is considered minimal as securities sold are delivered only once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party defaults on its obligation.

### *Liquidity Risk*

Liquidity risk is the risk that a counterparty to a financial instrument may not be able to settle or meet its obligation on time or at a reasonable price.

The Funds are exposed to daily cash redemptions of securities. They therefore invest the majority of their assets in liquid investments (i.e. investments that are traded in an active market and that can be readily disposed of). In accordance with securities regulations, the Funds must maintain at least 90% of their assets in liquid investments.

### *Additional Information*

For further information regarding the classification of financial instruments at fair value measurement and risk exposure of each Fund, please refer to the appendix of the investment portfolio of each Fund. Details on risks and various documents on underlying funds (detailed description of each Fund's investment policy and, where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s)) are available upon request by writing to the Company at its address: 200, rue des Commandeurs, Lévis, Québec, G6V 6R2.

## 8. TAXATION OF THE FUNDS AND CAPITAL GAINS

Each Fund is treated as a separate segregated fund trust under the Income Tax Act (Canada) and its income and realized capital gains and losses, as applicable, are allocated to participants on a regular basis. Where the interest in the Fund is held through a registered plan, contractholders will not receive any annual tax advice; however, any amounts paid out to contractholders or former contractholders may be subject to tax in their hands. Contractholders who hold an interest in the Fund through a non-registered plan will receive an annual tax advice for any income, gains and losses allocated. Subject to any foreign withholding taxes that may be payable, under current tax legislation, there are no income taxes payable by the Funds.

## 9. SECURITIES LENDING

The Funds lend securities they own to third parties and receive securities or cash amounts as collateral. The fair value of securities owned by the Funds that have been loaned and the value of Collateral Securities at December 31, 2009 are:

	Fair Value	Value of Collateral Securities
	\$	\$
Mortgage	1,999,148	2,039,978
Long Term Bond	15,419,162	15,727,545
Conservative Diversified	3,668,013	3,741,373
Canadian Equity GARP	10,708,288	10,922,454
GE Canadian Equity	9,376,200	9,563,724
Bernstein U.S. Equity Value	4,095,194	4,177,098

The Funds require collateral in the form of cash or such other securities as may be acceptable to Desjardins Financial Security and that have an aggregate value of not less than 102% of the fair value of the loaned securities.

## 10. ASSETS HELD IN ASSET BACKED COMMERCIAL PAPER (ABCP) ISSUED BY NON-BANK FIRMS

On January 21, 2009, the Pan-Canadian Investors Committee for Third-Party Structured Asset-Backed Commercial Paper announced that restructuring Plan affecting Third-Party ABCP has now been fully implemented. Pursuant to the terms of the Plan, holders of Affected ABCP will have their short term commercial paper exchanged for longer term notes whose maturities match those of assets previously contained in the underlying conduits. The Gemini Trust note held in the Money Market Fund and in the U.S. Index-Plus Fund was exchanged for a security named "Master Asset Vehicule III".

## 11. EVENT SUBSEQUENT TO THE DATE OF THE STATEMENT OF NET ASSETS

On January 15, 2010, a new Fund will be created and will be named Desjardins Financial Security CSD Pooled Fund. This Fund will hold Canadian bonds, Canadian, American and Foreign Equities and will be managed by Letko Brosseau.

Moreover, on February 22, 2010, ten new Series will be offered. The initial net asset value of those units will be at \$10.00. The Funds offering those new Series are the following:

- Money Market, Series O
- BlackRock Universe Bond, Series O
- BlackRock Long Term Bond, Series O
- McLean Budden Balanced Growth, Series O
- BlackRock Canadian Equity Index, Series O
- BlackRock US Equity Index, Series O
- McLean Budden American Equity, Series O
- McLean Budden Global Equity, Series O
- BlackRock MSCI EAFE Equity Index, Series O
- GE International Equity, Series O

Finally, on March 26, 2010, six new Funds of funds will be created and will be named as follows:

- Desjardins Financial Security Beutel Goodman Balanced Pooled Fund
- Desjardins Financial Security Greystone Canadian Equity Pooled Fund
- Desjardins Financial Security MFS Global Equity Pooled Fund
- Desjardins Financial Security Pyramis Select International Equity Pooled Fund
- Desjardins Financial Security Sprucegrove Global Equity Pooled Fund
- Desjardins Financial Security Sprucegrove International Equity Pooled Fund.

## 12. COMPARATIVE DATA

Certain prior year comparative data have been reclassified to conform with the current year's presentation.





## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING IN THE AUDITED ANNUAL FINANCIAL STATEMENTS

### Management

The accompanying financial statements have been prepared by the management of the Funds' trustee, Desjardins Financial Security Life Assurance Company ("Desjardins Financial Security"), in accordance with Canadian generally accepted accounting principles. Management is responsible for the information contained in the financial statements.

Desjardins Financial Security maintains an appropriate system of internal control to ensure that relevant and reliable financial information is produced and that the Funds' assets are appropriately accounted for and safeguarded. A summary of the significant accounting policies applicable to the Funds can be found in Note 2 of the Notes to the Financial Statements.

### External Auditors

Deloitte & Touche LLP have been appointed by the Audit Committee of Desjardins Financial Security as the external auditors of the Funds. Their responsibility is to audit the annual financial statements in accordance with Canadian generally accepted auditing standards and to report to the contract holders of the fairness of the Funds' financial position and results of operations as reflected in the annual financial statements.

Montréal, Quebec  
March 12, 2010

Michel Desmarais  
Senior Vice-President, Group Retirement Savings



## AUDITORS' REPORT

To the Contractholders and the Administrator of the following pooled funds of Desjardins Financial Security Life Assurance Company:

Money Market Fund	BlackRock US Equity Index Fund (Formerly Barclays U.S. Equity Index Fund)
Mortgage Fund	Bernstein U.S. Equity Value Fund
BlackRock Universe Bond Index Fund (Formerly Barclays Universe Bond Index Fund)	GE U.S. Core Value Equity Fund***
Ethical Income Fund*	UBS U.S. Large Cap Equity Fund
Beutel Goodman Income Fund**	McLean Budden American Equity Fund
Bond Fund	Trimark Fund
McLean Budden Fixed Income Fund	Hexavest Global Equities Fund*
Addenda Canadian Bond Fund	Bernstein Global Equity Value Fund
BlackRock Long Bond Index Fund (Formerly Barclays Long Bond Index Fund)	Ethical Global Equity Fund*
Long Term Bond Fund	McLean Budden Global Equity Fund
Fidelity Canadian Balanced Fund	Bernstein International Equity Value Fund
Trimark Income Growth Fund	Templeton International Stock Fund
Jarislowsky Fraser Balanced Fund	BlackRock MSCI EAFE Equity Index Fund (Formerly Barclays EAFE Equity Index Fund)
Conservative Diversified Fund	GE International Equity Fund
McLean Budden Balanced Growth Fund	Baillie Gifford International Equity Fund
Canadian Equity Dividend Fund	Global Real Estate Fund
Bernstein Canadian Value Equity Fund	DGAM Emerging Markets Fund
Beutel Goodman Canadian Equity Fund**	DGAM Alternative Investments Fund
Fidelity True North® Fund (Formerly Trimark Canadian Fund)	Multi-Management 20/80 Fund (Formerly Security Portfolio)
Jarislowsky Fraser Canadian Equity Fund	Multi-Management 35/65 Fund (Formerly Conservative Portfolio)
Ethical Canadian Equity Fund*	Multi-Management 50/50 Fund (Formerly Balanced Portfolio)
BlackRock Canadian Equity Index Fund (Formerly Barclays S&P/TSX Composite Index Fund)	Multi-Management 65/35 Fund (Formerly Dynamic Portfolio)
McLean Budden Canadian Equity Fund	Multi-Management 80/20 Fund (Formerly Energetic Portfolio)
BlackRock Active Canadian Equity Fund (Formerly Barclays Active Canadian Equity Fund)	Multi-Management 100 Fund (Formerly Aggressive Portfolio)
GE Canadian Equity Fund (Formerly Bissett Canadian Equity Fund)	FÉRIQUE Balanced Fund
Canadian Equity GARP Fund	FÉRIQUE Equity Fund
McLean Budden Canadian Equity Growth Fund	FÉRIQUE World Fund (Formerly FÉRIQUE International Fund)
North American Small Company Fund	Foresight 30/70 Portfolio Fund**
Bissett Small Cap Fund	Foresight 40/60 Portfolio Fund**
Monrusco Bolton Canadian Small Cap Equity Fund	Foresight 50/50 Portfolio Fund**
U.S. Index-Plus Fund	Foresight 60/40 Portfolio Fund**
	Foresight 75/25 Portfolio Fund**
	Foresight 85/15 Portfolio Fund**

(Collectively called the "Funds")

\* Beginning of operations in March 2009.

\*\* Beginning of operations in June 2009.

\*\*\* Beginning of operations in August 2009.

We have audited the statements of investment portfolios of the Desjardins Financial Security Pooled Funds as at December 31, 2009, the statements of net assets as at December 31, 2009 and 2008 and the statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the Funds' Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Administrator, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the investment portfolio of each of the Funds as at December 31, 2009, their financial position as at December 31, 2009 and 2008 and the results of their operations and the changes in their net assets for the years then ended in accordance with Canadian generally accepted accounting principles.

Montréal, Quebec

March 12, 2010

*Samson Bilan / Deloitte & Touche s.e.m.c.l.<sup>1</sup>*

<sup>1</sup> Chartered accountant auditor permit No. 8845



## NOTES



## NOTES



## NOTES



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The 2009 Annual Report is also available on the website

[www.desjardinsfinancialsecurity.com](http://www.desjardinsfinancialsecurity.com)

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