



PIE CANADIAN EQUITY FUND

Quick Facts

Inception date	November 4, 2008
Management fee	Maximum 1.80%
Portfolio Manager	R.N. Croft Financial Group Inc.
Distributions	Annually, as specified in the prospectus
Fund codes	Series A: TCG441; Series F: TCG541; Series I: TCG641

Series A at Dec. 31, 2009	
NAVPS	\$10.87
Returns*	
3-Mo.	2.9%
6-Mo.	9.7%
1-Yr.	17.2%
Inception	20.4%

What does the Fund invest in?

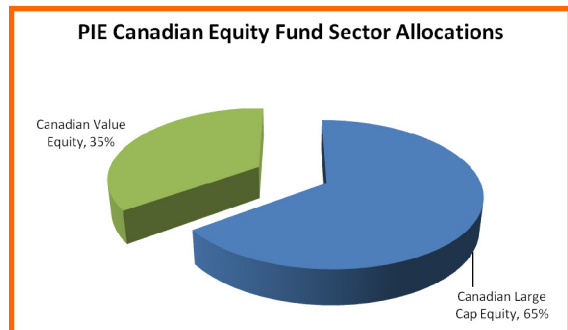
The Fund invests in a cross-section of Canadian stocks. The Fund will hold a position in the iShares CDN LargeCap 60 Index Fund, which represents a basket of large-capitalization Canadian stocks. The Fund may also tilt the portfolio with exposure to value and growth stocks from time to time as determined by the Fund manager. The Fund will rebalance periodically in order to maintain the investment mix. The Fund may also sell covered options to generate internal tax-advantaged cash flow and to reduce the risk of holding Canadian equities during certain adverse market cycles.

Top holdings

iShares CDN LargeCap 60 Index Fund exposure	65%
Claymore Canadian Fundamental Index ETF	35%

As at Dec. 31, 2009

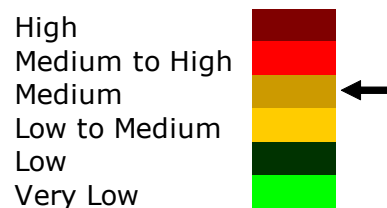
What is the Fund's investment mix?



Who is this Fund for?

The Fund is designed to be the Canadian equity component within a portfolio mandate. As such, the percentage invested in this Fund may vary depending on the investor's objectives and risk tolerance within the context of his or her portfolio mix. Generally, this Fund should appeal to medium-risk investors seeking capital appreciation, with some dividend income.

How risky is the Fund?

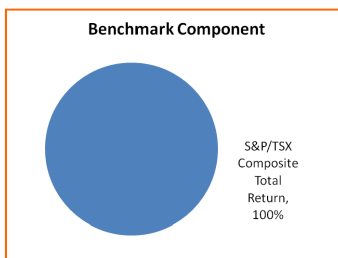


How much does it cost to buy the Fund?

The PIE Canadian Equity Fund is generally offered as a no-load fund. This means that typically, there is no upfront cost to acquire the Fund. Your advisor may negotiate a front-end commission with you for initial purchase of the Fund. The Fund prospectus allows your advisor to negotiate a front-end commission as high as 5% of the initial purchase value. On a \$1,000 deposit, the maximum upfront charge would be \$50.00. The front-end charge is deducted from the purchase price and paid to your advisor. If you invest \$1,000.00 and agree to a front-end fee of \$50.00, your initial investment into the Fund would equal \$950.00.

Fund Benchmark Index

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



Quarterly Commentary

Canadian equities consolidated somewhat in the fourth quarter, following a strong advance since bottoming in March. Sovereign debt problems among weaker members of the European Union helped the US dollar stage a comeback in the final weeks of the year as investors returned to the relative safety of US Treasury issues. That put downward pressure on commodity prices, most of which are denominated in US dollars. As a consequence, the Canadian dollar's advance towards parity with the greenback lost some steam, while the S&P/TSX Composite Index, which is heavily weighted to resource issues, experienced more volatility than it did in the second and third quarters, even while touching a new 12-month high in December.

Meanwhile, the growing economic recovery helped boost investor confidence, despite growing concerns over rising inflation (up 1% annually in November) and over potential asset bubbles developing in the real estate market. Canadian gross domestic product grew for the second straight month in October, up 0.2% from September, spurred by a surge in existing home sales, revived consumer spending, and a recovery in auto sales. The all-items consumer price index rose 1% in November, while homes sales surged 73%, as prices gained 17% year over year.

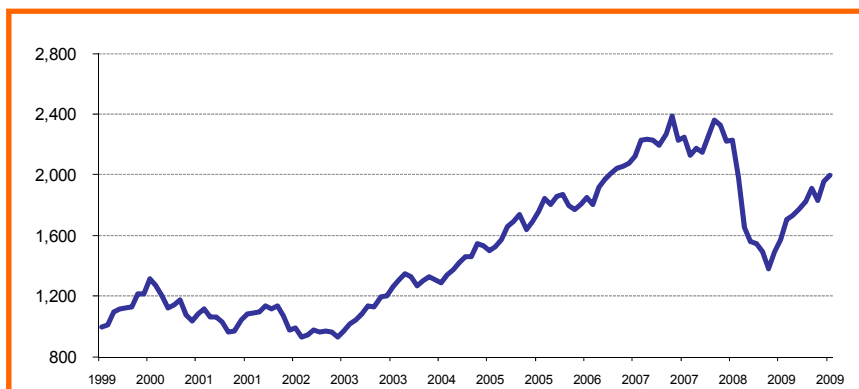
Canadian industry appeared to be on the path to recovery, as factory sales rose 2% in October, marking the fourth gain in five months. The all-important employment picture also brightened in the fourth quarter, more than 79,000 new jobs were created in November, following a surprise 43,000 drop in October. However, the trend has been up, with an average 25,000 new jobs created per month since July.

Of critical importance to Canadian manufacturers and exporters, Canada's merchandise trade crept back into surplus in October driven by a combination of higher commodity prices and growing trade volumes. Thanks to a slow but steady revival in American consumer spending, export volumes grew for the second straight month on large gains in industrial goods and materials.

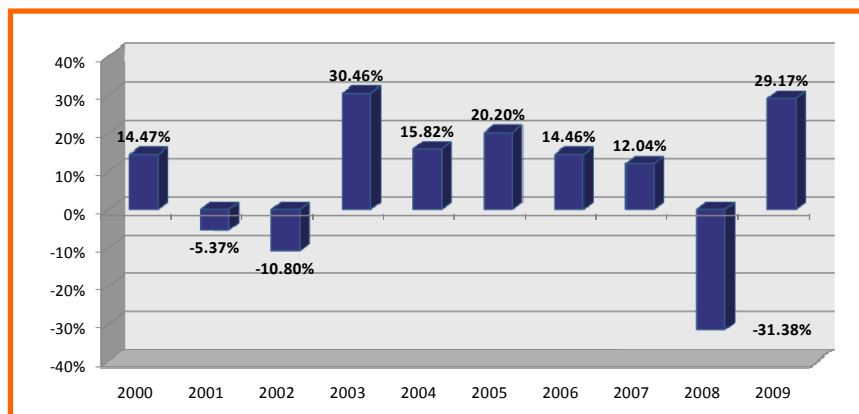
The iShares CDN LargeCap 60 Index Fund (TSX: XIU), which tracks the S&P/TSX 60 Index, gained 1.8% quarter-over-quarter, even though the Index rose to a new 52-week high in early December. For the year, XIU gained 27.8%. During the quarter, the fund replaced holdings of the iShares CDN Growth Index Fund (TSX: XCG) and the iShares CDN Value Index Fund (TSX: XCV) with the Claymore Canadian Fundamental Index ETF (TSX: CRQ). This move was based on the managers' conclusion that the mechanism used to create CRQ creates a greater degree of diversification when coupled with XIU. Therefore, at least for the foreseeable future, the Claymore Canadian Fundamental Index ETF will be a core piece of the Canadian Equity PIE Fund.

The Fund continues to take advantage of option-writing opportunities on the iShares CDN LargeCap 60 Index Fund, a strategy that is expected to continue to reduce portfolio risk. *December 31, 2009*

PIE Canadian Equity Fund Benchmark Cumulative Returns



PIE Canadian Equity Fund Benchmark Annual Returns



10-Year Benchmark Statistics

Compound Annual Return	7.15%	Average % Up	3.18%
Annual Standard Deviation	15.11%	Average % Down	-3.98%
Sharpe Ratio	0.44	Number of Up Months	78
Maximum % Up	8.40%	Number of Down Months	42
Maximum % Down	-16.75%		

*All metrics as at December 31, 2009, for Series A funds. Performance is not guaranteed. Portfolio values change frequently, and past performance may not be repeated. Performance data have not been audited and are for illustrative purposes only. Benchmark performance is based on returns adjusted for fees at a rate of 1% per annum. A complete listing and description of the firm's composites are available upon request. Portfolios of all sizes were included in calculating returns. Valuations and performance results are reported in Canadian dollars. Portfolio returns are net of all withholding taxes. Performance is also calculated net transaction fees. Additional information regarding calculating and reporting performance is available upon request. The Fund is offered by prospectus by PIE Portfolio Index Evolution Corporation, which is related, connected, and managed by R.N. Croft Financial Group Inc., which also acts as investment advisor to the Fund.