



PIE INCOME 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: TCG440; Series F: TCG540; Series I: TCG640

Series A at Dec. 31, 2009	
NAVPS	\$10.51
Returns*	
3-Mo.	0.2%
6-Mo.	2.5%
1-Yr.	5.5%
Inception	7.4%

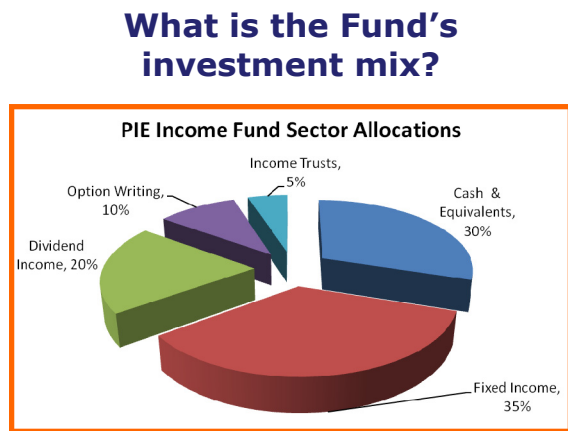
What does the Fund invest in?

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

Top holdings of the Fund

iShares CDN Bond Index Fund	35%
183-Day Treasury Bills	30%
Claymore S&P/TSX CDN Preferred Share ETF	20%
iShares CDN LargeCap 60 Index Fund exposure	10%
iShares CDN Income Trust Sector Index Fund	5%

As at Dec. 31, 2009



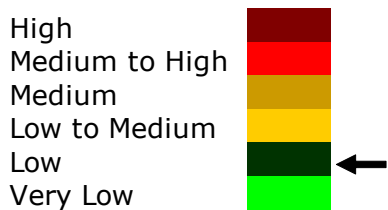
Who is this Fund for?

The Fund is designed to be an income components within a portfolio mandate. As such, the percentage invested in this Fund may vary depending on the investor's objectives and risk tolerance within the context of his or her portfolio mix. Generally, this Fund should appeal to low-risk investors seeking tax-advantaged income and capital preservation.

How much does it cost to buy the Fund?

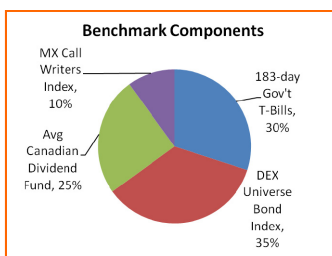
The PIE Income Fund is generally offered as a no-load fund. This means that typically, there is no upfront cost to acquire the fund. Your advisor may negotiate a front-end commission with you for initial purchase of the Fund. The Fund prospectus allows your advisor to negotiate a front-end commission 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.

How risky is the Fund?

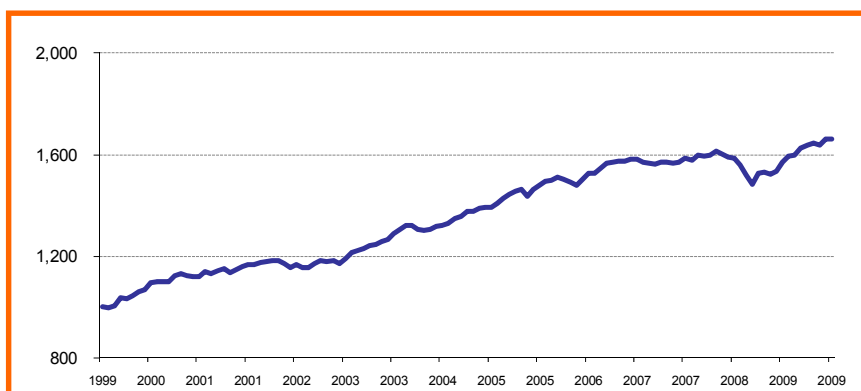


Fund Benchmark Index

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

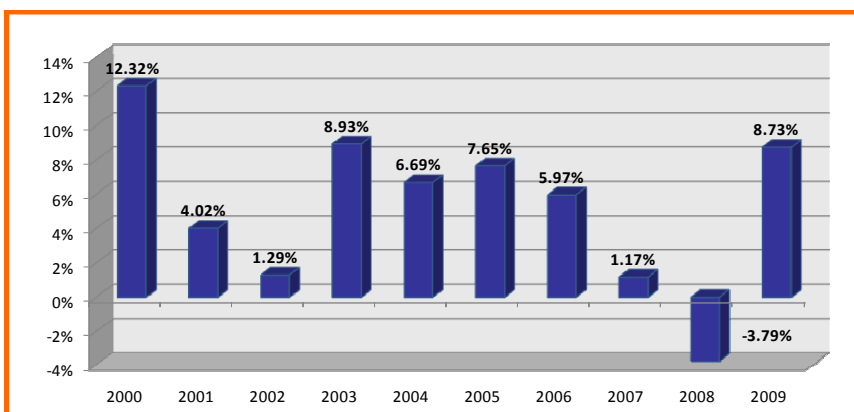


PIE Income Fund Benchmark Cumulative Returns



As at Dec. 31, 2009

PIE Income Fund Benchmark Annual Returns



As at Dec. 31, 2009

10-Year Benchmark Statistics

Compound Annual Return	5.20%	Average % Up	0.92%
Annual Standard Deviation	3.42%	Average % Down	-0.71%
Sharpe Ratio	1.37	Number of Up Months	85
Maximum % Up	2.96%	Number of Down Months	35
Maximum % Down	-2.57%		

Quarterly Commentary

Although Canadian inflation crept upwards in the fourth quarter, the Bank of Canada left the target for its key overnight rate unchanged at 0.25%. November's Consumer Price Index rose by an annual rate of 1%, up from a relatively low 0.1% rate in October, as prices rose across the board, led by food and transportation components. The Core Consumer Price Index, which excludes volatile prices for such items as food and energy, slipped to an annual rate of 1.5% from 1.8% in October.

While announcing that its target overnight rate would remain at 0.25% until the end of the first half of 2010, the Bank of Canada reiterated its views from the October Monetary Policy Report, namely that a recovery in economic activity in Canada is underway, boosted by both fiscal and monetary stimulus. However, it said that both heightened volatility and the strong Canadian dollar are weighing on growth and subduing inflationary pressure.

The fourth quarter saw a slow return to growth as gross domestic product grew 0.2% month over month in October, the second consecutive month of GDP growth. The employment picture also improved somewhat in the fourth quarter, as November's 80,000 gain in jobs provided some indication that the labor market is stabilizing.

The US dollar gained strength towards the end of the fourth quarter on growing fears of sovereign debt downgrades among some smaller member of the European Union. After faltering a bit, the Canadian dollar regained some strength in the final weeks of the year to end the year up 15.9% against the US dollar, at US\$0.9515. Because of Canada's relatively stronger fiscal position, Canada bonds don't command the higher risk premium that similar US bonds do. Two-year Canadas closed 2009 at C\$99.57 to yield 1.48% (33.7 basis points over 2-year US Treasury), while 10-year bonds closed at C\$101.10 to yield 3.61% (22.6 basis points under 10-year US Treasury).

The iShares CDN Bond Index Fund (TSX: XBB), which tracks the DEX Universe Bond Index, rallied to a 12-month high in the fourth quarter before giving back all its gains through December, to close the quarter below breakeven, with a 1.2% loss from the previous quarter. Still, XBB advanced a marginal 0.6% for the year. After initial weakness early in the fourth quarter, the S&P/TSX Preferred Share Index advanced 1.5% quarter-over-quarter, as preferred shares regained lost ground in the quarter. The index posted a 19.5% gain for the year, buoying the Fund's overall annual performance.

December 31, 2009

*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.