



PIE US 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: TCG442; Series F: TCG542; Series I: TCG642

Series A at Dec. 31, 2009	
NAVPS	\$10.03
Returns*	
3-Mo.	0.8%
6-Mo.	4.9%
1-Yr.	0.3%
Inception	0.3%

What does the Fund invest in?

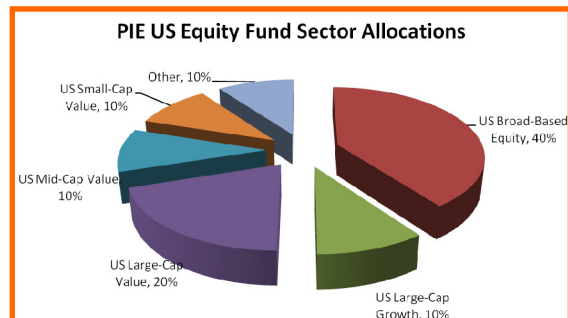
The Fund aims to invest in a cross-section of US stocks. The Fund will hold a position in the S&P 500 Depository Receipts, which represent a basket of large- and mid-size US stocks. The Fund will also tilt the portfolio by holding exchange-traded funds representing value, growth, and small-cap stocks, as determined by the Fund's 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 US equities during certain adverse market cycles.

Top holdings

Standard & Poor's Depository Receipts exposure	40%
iShares Russell 1000 Value Index Fund	20%
iShares Russell 1000 Growth Index Fund	10%
iShares Russell Midcap Value Index Fund	10%
iShares Russell 2000 Value Index Fund	10%
Other	10%

As at Dec. 31, 2009

What is the Fund's investment mix?



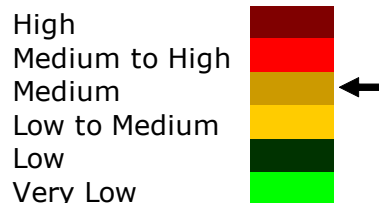
Who is this Fund for?

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

How much does it cost to buy the Fund?

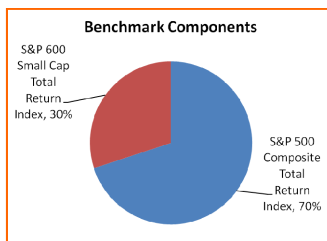
The PIE US Equity Fund is generally offered as a no-load fund. This means that typically, there is no upfront cost to acquire the fund. Your advisor may negotiate a front-end commission with you for initial purchase of the fund. The Fund prospectus allows your advisor to negotiate a front-end commission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

How risky is the Fund?



Fund Benchmark Index

The performance of each PIE Fund is compared with an appropriate benchmark index. The PIE US Equity Fund benchmark consists of Canadian dollar-adjusted benchmark indexes comprising 70% S&P 500 Composite Total Return Index plus 30% S&P 600 Small Cap Total Return Index. In a total return index, dividends and interest income are reinvested – that is, the income is used to buy additional units of the benchmark. These returns* are for illustrative purposes only and do not account for the potential or risk associated with covered option writing or fund rebalancing.



Quarterly Commentary

The US economy grew in the third quarter, but not by quite as much as originally estimated. The final estimate for gross domestic product came in at 2.2%, down from the earlier estimate of 2.8%, mainly because of subdued consumer spending and slower business investment. Still, the positive number after four consecutive quarters of shrinking GDP indicates a solid return to growth, and sets the stage for even stronger growth for the fourth quarter.

Durable goods orders – those expected to last five years or more – rose in 0.2% in November, less than the 0.6% that had been expected, but still on the positive side. The US National Association of Realtors reported that existing home sales rose 7.4% in November from the previous month, while the median sales price rose for the first time since June. US housing starts grew again in November in all parts of the country, for a total increase of 8.9%, following a dropoff in October. In a sign that US factories are starting to roll again, industrial production rose 0.8% in November from October's level. And capacity utilization rose to 71.3% from 70.6% in October.

Along with a 1.8% jump in the US producer price index in November, and a 1.8% jump in the all-items consumer price index for November, these data points also tend to spotlight a shift to inflation worries, which leads again to speculation about the "when" and the "how much" of the Fed's next rate move. In the fourth quarter, however, the Fed maintained the status quo, keeping its target benchmark overnight rate at 0% to 0.25%.

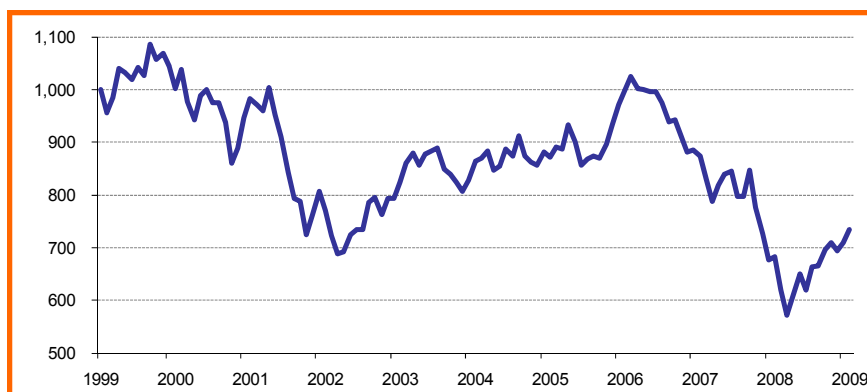
The trend to ever-smaller monthly job losses that's prevailed since July got a major boost with a much stronger than expected nonfarm payroll report for November, as the unemployment rate ticked down to 10% from 10.2% in October. That, in turn, was underpinned by positive manufacturing surveys that have shown a slow but steady increase in new orders and manufacturing activity over the past four months.

It all adds up to a picture of subdued economic recovery through the fourth quarter, with rising consumer spending but a still-weak labor market, and no upward pressure on wage growth.

Although some of the momentum the S&P 500 Composite Index had sustained since the March bottom evaporated in the fourth quarter, the index closed the year at 1,115.10. The Standard & Poor's Depository Receipts (NYSE: SPY), which track the S&P 500 Composite Index, and the fund's largest holding, gained 3.0% (in C\$) quarter over quarter, and advanced 5.5% on the year (in C\$). Mid- and small-cap growth and value style-based indexes also advanced in the quarter. The iShares Russell 1000 Value Index Fund (NYSE: IWD), the Fund's second-largest holding, gained 1.0% quarter-over-quarter, but dropped 1.0% for the full year (in C\$), while the iShares Russell Mid-cap Value Index Fund (NYSE: IWS) advanced 1.8% in the fourth quarter and 11.0% for the year (in C\$).

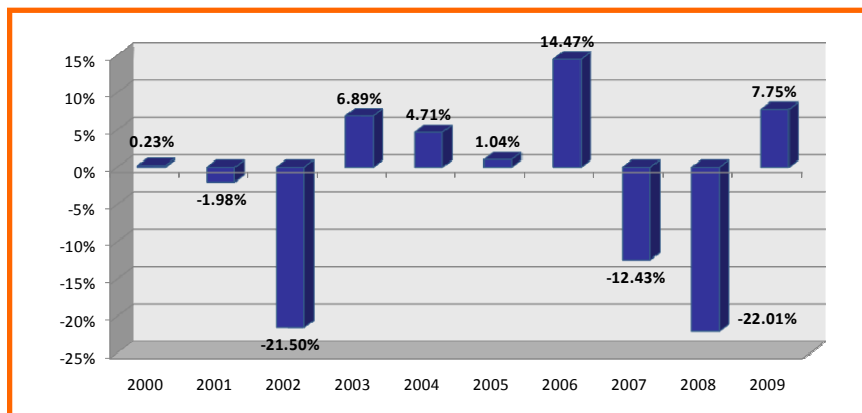
December 31, 2009

PIE US Equity Fund Benchmark Cumulative Returns



As at Dec. 31, 2009

PIE US Equity Fund Benchmark Annual Returns



As at Dec. 31, 2009

10-Year Benchmark Statistics

Compound Annual Return	-3.04%	Average % Up	2.93%
Annual Standard Deviation	13.71%	Average % Down	-3.61%
Sharpe Ratio	-0.26	Number of Up Months	63
Maximum % Up	7.40%	Number of Down Months	57
Maximum % Down	-9.09%		

*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.