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UWO CDN EQUITY SEG PENSION

Third Quarter Report 2011
September 30, 2011

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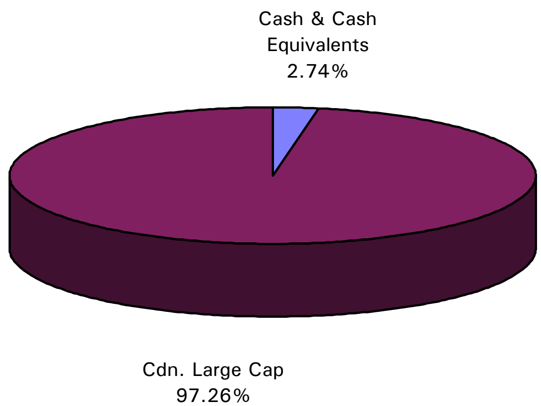
UWO CDN EQUITY SEG PENSION

Asset Class	3 Month	6 Month	9 Month	1 Year	2 Year	3 Year	4 Year	5 Year
Cash Equivalents	0.32	0.58	0.87	1.15	0.74	-	-	-
DEX 91-DAY T.B. CSL	0.26	0.50	0.78	1.02	0.70	0.89	1.58	2.14
Canadian Equities	-12.33	-14.45	-10.56	-4.20	2.50	-	-	-
S&P/TSX	-12.02	-16.55	-11.88	-3.55	3.75	2.66	-1.90	2.61
Total Portfolio	**-12.00**	**-14.06**	**-10.24**	**-3.98**	**2.54**	**-**	**-**	**-**

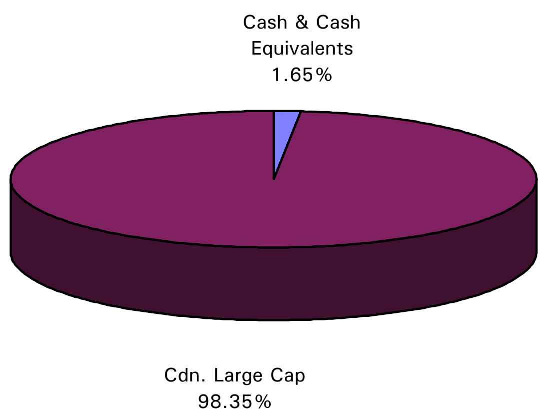
UWO CDN EQUITY SEG PENSION

Asset Mix – June 30, 2011



Asset Class	Market Value	%
Cash & Cash Equivalents	2,208,337.67	2.74
Equities		
Canadian Large Cap	78,277,699.00	97.26
Total Equities	**78,277,699.00**	97.26
Total Portfolio	**80,486,036.67**	100

Asset Mix – September 30, 2011

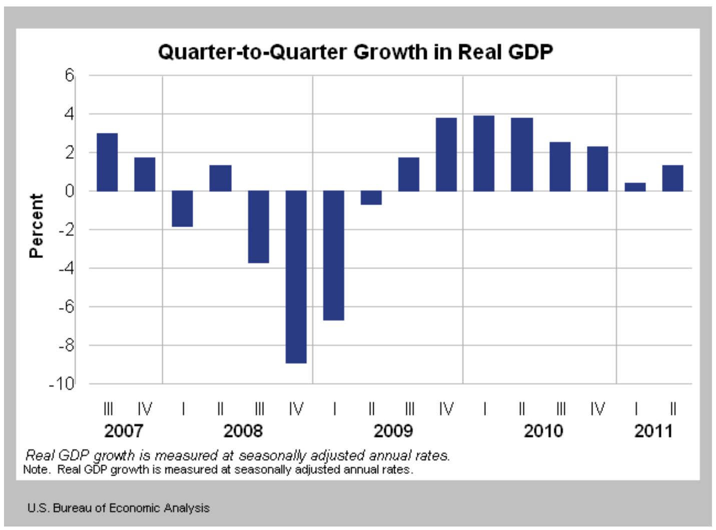


Asset Class	Market Value	%
Cash & Cash Equivalents	1,120,675.64	1.65
Equities		
Canadian Large Cap	66,696,048.50	98.35
Total Equities	**66,696,048.50**	98.35
Total Portfolio	**67,816,724.14**	100

A sideways U.S. recovery rather than a return to recession

The U.S. economy's recovery since 2009 has been fraught with difficulty. Despite numerous efforts to build momentum, growth in the world's largest economy has now slowed to its weakest level since the recession ended in mid-2009.

Headline U.S. unemployment came in at 9.1% in September, and the broadest measure of unemployment and underemployment was 16.5%. There is no denying that the U.S. economy is in miserable shape.



Early on in the recovery process, optimists tended to overestimate the nature and the speed of the rebound and to underestimate the need for major political and economic structural adjustments to sustain the U.S. recovery.

Even though it is well known that recoveries from financial crises are extremely difficult and tend to take considerable time, deep divisions in the U.S. political system with respect to how to tackle the short and long-term adjustment issues remain.

Moving forward, U.S. consumers and global financial markets will be looking to monetary and government policy makers for creative solutions to some deep seeded problems. In particular, they'll demand convincing plans to manage ballooning deficit and debt issues, to fuel economic growth and to reduce the nation's chronic rate of unemployment.

No such initiatives appear to be on tap at this time and the public and the markets are discouraged, even though the U.S. could solve its cyclical and structural problems much more easily than the European Union.

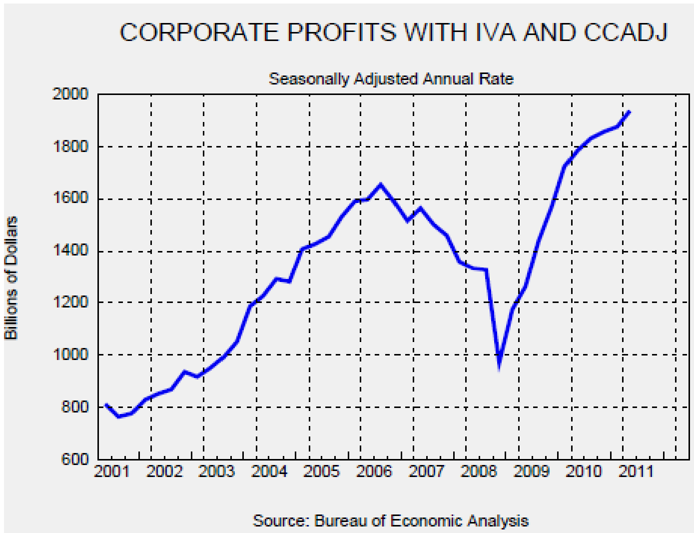
Despite the uncertainty, it is unlikely the U.S. economy will actually contract simply because the cyclical forces that normally drag the U.S. into recession – inventories, auto sales, and housing – are already at severely depressed levels.

Waning confidence, however, can reduce domestic spending and investment, and it is in this respect that the recent hefty losses in equity markets are significant. Nevertheless, it takes time for negative shocks from the financial markets to work their way into the economic data. This is why the U.S. economy is more likely to move sideways going into 2012 than return to recession.

U.S. corporate profits are up but companies are not hiring

One of the frustrating aspects about the current slow growth picture is that U.S. corporate profits have clearly recovered. In fact, cash flows are very strong. For a reflection of this, please see the following chart. (Note that IVA stands for "inventory valuation adjustment," while CCADJ means "capital cost adjustment.")

So why aren't profitable American companies expanding domestic investment or hiring more workers? Political squabbling and a negative corporate herd mentality have a lot to do with this.



Globalization pressures are also a factor. That is, while globalization is often thought of as a longer term structural adjustment issue, U.S. companies are still expanding production overseas rather than in the U.S. Meanwhile, at home, corporations are investing in labour-saving technologies rather than in new jobs.

Finally, many companies are using profits to buy back their stock. While this supports their share prices, it doesn't create jobs.

At this time, a little bit of price inflation would actually be an answer to many of the U.S. economic problems, but of course this is a politically unpopular idea.

A new American "Operation Twist"

"The Committee intends to purchase, by the end of June 2012, US$400 billion of Treasury securities with remaining maturities of 6 years to 30 years and to sell an equal amount of Treasury securities with remaining maturities of 3 years or less. To help support conditions in mortgage markets, the Committee will now reinvest principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities." (Statement from the U.S. Federal Reserve's Federal Open Market Committee, September 21, 2011.)

It is important to stress the fact that the Fed's September 21st announcement merely represents a shift in the composition of the Fed's portfolio of government securities, not a net new injection of Federal Reserve funds.

Will these open market operations designed to increase the average duration of the Treasury debt held by the Fed, collectively known as "Operation Twist," work their magic? Perhaps a little bit, for the policy could apply downward pressure on longer term interest rates. This may or may not make the broader financial system more accommodative to credit expansion.

The ultimate success of the operation depends on whether the U.S. financial system will use it to expand lending for home purchases and to help businesses expand. The biggest beneficiaries of the Fed's initiative will be households with equity in their homes that can refinance mortgages at a lower rate. Doing so will free up extra cash for those homeowners and provide some stimulus to the economy.

In effect, this minuscule new effort confirms that the Fed is increasingly aware of its internal and external political constraints. This could actually prove to be positive as Fed Chairman Ben Bernanke is likely to lean increasingly on Congress for aid in his fight against unemployment.

The bottom line is that the U.S. economy is very weak and it is likely to remain weak regardless of what the Fed does. This policy on its own doesn't change very much, but it is better than doing nothing.

Are we in a global slowdown or the early stages of a new recession?

There is growing recognition that the world economy is in a precarious situation. A confluence of sovereign debt and banking risks has complicated a weakening global economic outlook, especially in the U.S. and Europe. Add to this picture a growing lack of confidence in the ability of governments and central banks to arrest the crisis.

The *euro* zone is at the epicentre of the current crisis even though the U.S. and the U.K are facing similar problems in terms of sovereign debt and the health of their banks.

In the final analysis, no single country can be immune to the convergence of all of these problems even though the emerging market economies are now more of a stabilizing force for the world's industrial economies and the global financial system than they were in the past.

Nonetheless, one sees the glimmer of a grand bargain emerging from all of this confusion.

As columnists Philip Aldrick and Angela Monaghan recently observed, a political solution for the euro zone is not insurmountable. "The idea had three key elements – a bank recapitalization, a bigger eurozone bail-out fund, and a possible Greek default. The goal was to put a firebreak around the single currency periphery to prevent contagion spreading across Europe to the core of Spain and Italy in particular." ("Plan B: Flood the markets," *The Telegraph*, September 26, 2011.)

In the U.S., fiscal policy is also in limbo until the Presidential election is over. This leaves monetary policy as the only game in town. Nonetheless, the rough outline of a U.S. compromise agreement appears to be emerging.

A new U.S. deal will likely include a short-term stimulus package, perhaps a QE3 to follow the operation twist, and a fiscal plan with a longer term focus on deficit and debt reduction.

The Senate-Congressional joint committee created by the debt ceiling agreement is said to be looking for ways to cut at least US$1.2 trillion from the federal deficit. If the committee does not succeed, there will be automatic spending cuts which will be very unpopular.

President Obama has offered a plan which would cut the deficit by US$1.57 trillion, but it also includes some new tax revenues. At this time, the Obama plan has little traction.

Too much fiscal austerity could dampen the world economy

The International Monetary Fund (IMF) has joined the chorus of forecasting agencies warning that the global economic recovery is in trouble. Indeed, in its latest World Economic Outlook, the IMF says new efforts are urgently needed to halt the deepening crisis in the euro currency area.

Such new efforts would include a continuation of the European Central Bank's purchases of government bonds and possibly interest rate cuts.

Meanwhile, there is a growing focus on fiscal austerity in the G-7 economies, since austerity threatens fragile recoveries. Where will future global growth come from as governments step back? Clearly, household spending and business investment will have to step up to compensate for the loss of the government stimulus. So far, this is not happening as domestic demand in the advanced economies remains very weak.

Instead, there has been a sharp increase in financial volatility since the middle of the summer. Much of this stems from the market's increased scepticism over government indebtedness. Of course, worries about sovereign debt translate into worries about the solvency of the banks holding these debts.

Fiscal problems, financial sector weakness and slow economic growth are inter-related and feed upon each other. This is why fiscal austerity should not be introduced too quickly, for doing so would kill economic growth. On the other hand, governments would lose credibility in the bond markets if they were to introduce austerity too slowly.

All of these developments have worsened the world economic outlook. While global growth will be close to 4% this year, which does not sound too bad, it is still very unbalanced, particularly in the industrial economies. Last year, for example, the emerging market economies grew by 7.3% while the advanced economies averaged growth of just 3.1%.

Relatively slow growth in the advanced economies is being projected this year, with slightly stronger growth in 2012.

Thus, real U.S. GDP is projected to grow by 1.7% this year and 2.4% in 2012. Canadian economic growth is expected to be similarly sluggish in both years.

The euro zone is expected to grow by 1.5% and 1.7% in 2011 and 2012, respectively, while the U.K. economy is expected to grow by 1.2% this year and 1.5% in 2012.

Emerging market economies, led by China and India, will continue to post relatively high growth rates.

Among the key drivers of continued global growth will be a strong recovery in Japan in 2012, lower oil prices and strong corporate investment funded by high profits.

Unfortunately, economic growth in the advanced economies will be slow for some time, and this means that the banking systems will continue to be vulnerable for a while.

The World Economy At A Glance: 2009-'12
Real GDP Growth

	*Latest**	*2011f*	*2012f*
U.S.	1.0 Q2	1.7	2.4
Japan	-2.1 Q2	0.3	3.0
Canada	-0.4 Q2	2.2	2.1
Germany	0.5 Q2	2.8	2.0
U.K.	0.7 Q2	1.2	1.5
Euro (17)	0.6 Q2	1.5	1.7
China	9.1 Q2	9.3	8.7
Russia	Q2	4.2	4.5
India	Q2	8.3	8.0
World**	n.a.	3.9	3.7

** Annual growth in specific quarter. **PPP basis*

Global manufacturing is also slowing

While growth in the manufacturing sector led the global recovery, it is not surprising that this important trading sector is also in a slowing phase.

The JP Morgan Global Manufacturing PMI (an index of purchasing managers intentions) fell to a nine-month low of 53.8 in August. This was also down sharply from April's near six-year high. This mainly reflected a broad-based slowdown of the recovery in the euro zone and in the UK. The expansion in Japan was also the slowest for 14 months.

In China, the nation’s Manufacturing Purchasing Managers' Index fell to 49.4 in September from 49.9 in August. Index readings below 50 indicate manufacturing activity is contracting.

The slowing global manufacturing figures indicate that the earlier boost from inventory rebuilding has waned and that international trade is also moderating.

Canada’s economy had some momentum in the summer, but inflation has increased

Canadian GDP data for July indicated that the economy was growing at a decent rate at the start of the second half of 2011. Canada’s real GDP rose 0.3% in July following a 0.2% increase in June. Nonetheless, the global economy has experienced a seismic down-shift over the summer, so we cannot take too much satisfaction from these old data.

Another relatively important consideration is that Canada’s inflation rate has been escalating, with prices rising faster than wage and salary gains.

While the headline inflation rate has been quite erratic on a month-to-month basis, Canada’s CPI rose to 3.1% in August on a year-over-year basis. Total inflation was at a 2.7% y/y in the prior month. The core inflation rate, which excludes volatile food and energy prices, has also increased from 1.7% in July to 2% in August.

The problem facing Canadians is that inflation continues to exceed annual wage and salary gains which are in the vicinity of 2%. In other words, real wages are declining in the midst of very difficult economic times.

America's banks are heavily exposed to the risky derivative market

Each quarter, the Office of the Currency Comptroller (OCC) prepares a report on the exposure of American banks and trust companies to the derivative market.

(Derivatives are financial securities whose value is based on the performance of underlying gauges or securities, such as interest rates, currency exchange rates, commodity prices, credit ratings and equity prices.)

The latest data indicates that the American financial system is still heavily engaged in buying and selling derivatives. This can be very risky when markets are volatile. Indeed, the four largest American banks hold a massive and disproportionate amount of the derivative risk in the financial system.

According to the OCC there was a total of US$250 trillion in derivative contracts outstanding as of the second quarter. The bulk of the banks' derivative exposure was in interest rate swaps ($204.6 trillion), followed by FX ($26.5 trillion) and CDS ($15.2 trillion). Equity and commodity contracts made up the remaining $1.6 trillion and $1.4 trillion, respectively.

Four of the large banks account for 94.4% of the total exposure to the U.S. bank derivative market. These top four banks are JPM with $78.1 trillion in exposure, Citi with $56 trillion, Bank of America with $53 trillion, and Goldman with $48 trillion. HSBC (USA) had $3.9 trillion in derivatives, ranking fifth in this market.

Of course, there is a difference between gross and net exposure to derivatives. If all goes well, the net exposure for a financial institution could be zero. For a portfolio of derivative contracts, the net exposure is the gross positive fair value of contracts less the dollar amount of netting benefits. Of course in 2008 and 2009, all did not go well.

The main point is that if "too big to fail" is a concern, these four banks which hold a disproportionate amount of the derivative risk would certainly be considered too big to fail should their derivatives strategies backfire.

Closing comments

1. The outlook for Canada's job market is starting to sour as public works spending at the federal and provincial levels winds down. A recent National Bank report points out that there was an average of 127,000 more jobs in the construction industry in the first eight months of 2011 than in 2007, and 39,000 additional construction jobs this year compared to 2010. The main point is that going forward construction employment cannot be counted on to boost Canadian job creation. This, among other reasons, is why job creation in Canada is expected to slow to a snail's pace over the next couple of years.

2. The first half of 2011 was the weakest two-quarter economic growth period for the U.S. economy since the recession ended in 2009. Final GDP growth numbers for the second quarter came in at a real annual rate of 1.3%.

3. The U.S. economy has still not reached its former 2007 highs in terms of GDP, the job market or the housing market. This is why a boost to aggregate spending from higher inflation would be a very good thing.

4. Since 2005 when the Chinese government first revalued the RMB (renminbi or yuan), the currency has risen about 20% relative to the U.S. dollar. Nonetheless, China's trade surplus with the U.S. has not markedly decreased despite the currency revaluation. The U.S. recorded a US$273 billion deficit in goods trade with China in 2010, and in the first seven months of 2011 the deficit amounted to US$160 billion. Given the huge bilateral trade imbalance between the two countries, most economists still believe that China's currency is severely undervalued against the U.S. greenback.

5. Experts on China's economy continue to expect a "soft landing," and suggest that China's policy makers are on the right track. Economic growth in China has been moderating to more sustainable levels, and the country's dependence on net exports has been shrinking. China's resilient domestic demand is expected to support GDP growth of around 8.5% to 9% in coming quarters.

Market Overview

In the third quarter, the S&P/TSX Composite suffered its largest decline since the end of 2008, dropping 12.02%. The market moved down in a volatile pattern over the period, with selling accelerating in September. While public wrangling over the debt ceiling in the U.S. and failure to resolve the Greek debt crisis dominated headlines, it was recession fears that most affected sentiment. The Toronto market was led lower by double-digit declines for all cyclical groups, with the exception of Materials, which was partly buoyed by a 3% gain for the gold subsector. Only the defensive Utilities, Telecom and Consumer Staples sectors managed to post returns just on either side of zero.

The quarter began with a number of weaker than expected economic readings from the U.S., parts of Europe and even China. While none indicated an imminent slide into recession, they did point to softening growth. Signs of stagnation in employment led the U.S. Federal Reserve to take the unusual step of putting a timeframe on monetary policy in August, committing to record low interest rates until mid-2013, and then announcing so-called "Operation Twist" in September, an intervention in the bond market designed to flatten the yield curve by swapping short for long maturities. These moves did little to calm fears and may have actually hurt sentiment.

The real blow to confidence came in August, when S&P downgraded U.S. debt. Perversely, the U.S. dollar and U.S. Treasuries then rallied, as the intensifying debt crisis in Europe and recession fears drove investors into safe havens such as gold, Swiss Francs, Yen, cash, and even freshly downgraded U.S. debt. The situation deteriorated in September, with theatrical posturing and even open dissention among world leaders over the European debt crisis triggered fears of a disorderly Greek default. Confidence was further sapped by downgrades for Italy, New Zealand and a number of banks in the U.S. and France.

Energy, base metals, agricultural commodities and even precious metals suffered significant declines, as growth expectations for the global economy were revised downwards. As the quarter progressed, however, economic data and corporate results failed to match the level of pessimism implicit in much of the rhetoric. For example, ISM surveys released in September for U.S. manufacturing and service sectors showed expansion. The U.S. trade gap for August fell to a three-month low, as exports of capital goods, autos and parts overseas hit record levels. Even the moribund housing market showed some life, with sales of existing homes rising 7.7% and permits for new homes up slightly. The weak spots continued to be employment and consumer spending, but even these were just flat rather than down. Outside the U.S., measures of Chinese and German manufacturing softened but remained well above recessionary levels. In Canada, a 0.3% gain for GDP in July was better than expected.

S&P/TSX Composite Total Returns

Q3 2011	%
Utilities	3.57
Telecom. Services	0.32
Consumer Staples	-0.89
Materials	-8.80
Financials	-9.61
S&P/TSX Composite	**-12.02**
Consumer Discretionary	-15.05
Health Care	-16.32
Industrials	-18.30
Energy	-18.68
Information Technology	-18.75

Performance

The portfolio returned -11.84% in the third quarter, 18 basis points ahead of the -12.02% decline for the S&P/TSX Composite. Added value came primarily from sector weighting effects, most notably an underweight in Energy and overweights in Consumer Staples and Telecom. On a net basis, stock selection was a partial offset.

Market action in the third quarter was dominated by macro themes, with a clear division between a group of safe-haven stocks and everything else. On the negative side, the indiscriminate selling provided little distinction in performance based on considerations of quality and valuation. On the positive side, this highly correlated move down generated numerous value opportunities, of which we were able to take advantage.

In the resource groups, positive contributions from our gold and defensive energy holdings such as Enbridge and AltaGas were modestly outweighed by double-digit declines for holdings with any exposure to the severe downdraft in commodity prices, in particular oil, natural gas, base metals and agricultural products.

The small negative selection effect in resources was more than offset by a positive contribution in the Industrials sector. Both of our railway holdings outperformed the group, based on a confirmation of guidance from CP and data out of the U.S. that showed railroad shipments at their highest level in almost three years.

The largest negative stock selection effect was in Financials. Dramatic declines in U.S. and Canada government bond yields had an exaggerated influence on the stocks of insurers, trumping the impact of recent operating results that met or exceeded expectations. Bank results reported in August showed strong gains in core operations, but this encouraging news was eventually overwhelmed by fears of a potential crisis in the European banking system. Another factor was our lack of exposure to REITs, which, in contrast to the insurers, benefited from the extreme declines in long bond yields.

Across the remainder of the portfolio, selection effects were neutral in the Consumer sectors, with relative strength in defensive holdings offset by weakness in more cyclical positions such as Magna. While our overweight in Telecom was a strong source of added value, selection in the group was a partial offset, a result of profit taking in Telus and a lack of exposure to BCE.

Transactions

The wave of selling that hit the market in the third quarter created a large number of opportunities. In addition to introducing three new positions to the portfolio, we augmented seventeen existing positions, with most of the buying concentrated in cyclical stocks. The purchases were funded from cash, reductions in three positions on valuation, Enbridge, AltaGas and IGM, and the removal of a small remaining holding in Canadian Oil Sands.

In the Energy sector, we added a new position in Canadian Natural Resources. Canadian Natural Resources is one of Canada's largest energy producers, with an approximately 70/30 split between oil and natural gas. The company is well diversified by project type and geography. It is a disciplined operator with a strong balance sheet and a record of managing capital expenditures in line with conservative expectations for energy markets. A decline of over 40% from its 52-week high provided an excellent opportunity to initiate a position at about a 5x cash flow multiple.

In the Materials sector, we introduced two new holdings. The first was Inmet Mining Corporation. Inmet is an intermediate-sized producer of copper and zinc with mature operations in Turkey and Finland, a new mine in Spain and a project under development in Panama. It is a low cost producer with potential to triple copper production by 2015. The company is conservatively managed, with low debt and above-average cash levels. The second new position was Teck Resources. Teck is Canada's largest mining company, with operations concentrated in copper, zinc and metallurgical coal. While long impressive as a low-cost operator, the company came under severe financial stress during the commodity collapse of 2008 after taking on debt to buy Fording Coal. Since that time Teck has significantly reduced its balance sheet risk. At about 1x book value, the current price represented a good entry point.

With respect to other cyclical holdings, we added to our existing positions in Cameco, Encana, Agrium, Inmet, Kinross, Potash, CP Railway, Finning, Magna and Canadian Tire. We also added to some relatively more defensive positions in the Consumer sectors, specifically Thomson Reuters, Quebecor and Molson Coors. In Telecom, we took advantage of weakness to add to Rogers Communications, funding the purchase with a reduction in Telus. Finally, we added to selected Financials that came under pressure in the quarter, namely Great-West Lifeco, Manulife, Sunlife and RBC.

Outlook

Failure by Europe to deal decisively with the Greek debt situation has driven more generalized fears of a renewed global recession to the surface. Investors are worried that undue dithering or policy mistakes could spark a repeat crisis in the global banking system, restricting liquidity at a time when the balance sheets of central banks are already stretched. While this risk is real and should not be minimized, it involves some assumptions that need to be examined.

The first assumption is that the global banking system is as vulnerable as it was in 2008. While there are specific areas of stress and strain, the system as a whole is much better capitalized and capable of absorbing higher levels of economic volatility. The second is the exposure of the corporate sector to a contraction in liquidity. In general, companies are sitting on record levels of cash and have made great strides in deleveraging their balance sheets. Similar to the banks, their ability to withstand economic shocks has greatly improved. Finally, the key culprit in the last collapse, housing, has already suffered significant declines and does not represent the systemic threat it did in 2008.

It could be argued that these various risks have merely been transferred to public balance sheets, but at least in this form they can be isolated and managed. Just how and when that will happen is the big uncertainty currently weighing on the markets. Given the high cost of failure, we are confident necessary structural change will eventually happen, although the process is likely to be protracted and inelegant.

For now, we continue to think there is sufficient support for the global economy to avoid a coordinated recession. Our analysis shows that many stocks are now discounting too dire an outlook, especially in resource and other cyclical areas.

While we have increased our cyclical exposure by over 6% through transactions over recent months, we remain overweight in relatively more defensive areas such as Financials, Telecom and Consumer Staples. The undifferentiated nature of the recent sell-off has placed unwarranted discounts on many of our quality positions in these areas as well.

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER		ANNUAL INCOME	MARKET YIELD
CASH & CASH EQUIVALENTS												
CASH												
-172,861	CASH - CA	CANADIAN DOLLARS	CASH	1.00	-172,860.82	1.00	-172,860.82	-0.25				
					-172,860.82		***-172,860.82***	***-0.25***				
CASH EQUIVALENTS - CANADA												
129,354	BG CASH MANAGEMENT	FUND	CMF	10.00	1,293,536.46	10.00	1,293,536.46	1.91	0.10		12,417.95	0.96
					1,293,536.46		***1,293,536.46***	***1.91***			***12,417.95***	***0.96***
TOTAL CASH & CASH EQUIVALENTS					**1,120,675.64**		**1,120,675.64**	**1.65**			**12,417.95**	**1.11**
EQUITIES - CANADA												
ENERGY												
23,100	ALTAGAS LTD	COMMON	ALA	18.23	421,139.39	27.08	625,548.00	0.92	1.32		30,492.00	4.87
24,000	BAYTEX ENERGY CORP	COMMON	BTE	27.56	661,430.39	43.81	1,051,440.00	1.55	2.40		57,600.00	5.48
84,400	CAMECO CORP	COMMON	CCO	29.43	2,483,476.49	19.24	1,623,856.00	2.39	0.40		33,760.00	2.08
21,200	CDN NATURAL RES	COMMON	CNQ	30.59	648,441.31	30.77	652,324.00	0.96	0.36		7,632.00	1.17
66,500	CENOVUS ENERGY	COMMON	CVE	28.18	1,874,233.42	32.27	2,145,955.00	3.16	0.80		53,200.00	2.48
18,500	ENBRIDGE INC	COMMON	ENB	22.68	419,494.03	33.45	618,825.00	0.91	0.98		18,130.00	2.93
79,900	ENCANA CORPORATION	COMMON	ECA	28.67	2,290,307.73	20.17	1,611,583.00	2.38	0.80	US	66,406.49	4.12
65,100	ENSIGN ENERGY SERVCS	COMMON	ESI	15.31	996,810.36	13.75	895,125.00	1.32	0.38		24,738.00	2.76
127,200	TALISMAN ENERGY INC	COMMON	TLM	17.89	2,275,252.77	12.88	1,638,336.00	2.42	0.27	US	35,679.98	2.18
					12,070,585.89		***10,862,992.00***	***16.02***			***327,638.47***	***3.02***
MATERIALS												
12,300	AGRIUM INC	COMMON	AGU	67.21	826,688.77	69.75	857,925.00	1.27	0.11	US	1,405.63	0.16
13,800	INMET MINING CORP	COMMON	IMN	58.04	800,953.56	44.40	612,720.00	0.90	0.20		2,760.00	0.45
121,100	KINROSS GOLD CORP	COMMON	K	21.38	2,589,621.60	15.57	1,885,527.00	2.78	0.12	US	15,097.29	0.80
29,900	POTASH CORP OF SASK	COMMON	POT	42.24	1,262,989.96	45.50	1,360,450.00	2.01	0.28	US	8,697.67	0.64
16,000	TECK RESOURCES LTD	CLASS B SUB VTG	TCK.B	32.80	524,831.86	30.92	494,720.00	0.73	0.60		9,600.00	1.94
					6,005,085.75		***5,211,342.00***	***7.68***			***37,560.59***	***0.72***
INDUSTRIALS												
41,200	CDN NATL RAILWAY	COMMON	CNR	57.93	2,386,511.29	70.03	2,885,236.00	4.25	1.30		53,560.00	1.86
30,900	CDN PACIFIC RAILWAY	COMMON	CP	59.36	1,834,106.78	50.52	1,561,068.00	2.30	1.20		37,080.00	2.38
38,000	FINNING INTL	COMMON	FTT	19.04	723,331.22	19.15	727,700.00	1.07	0.52		19,760.00	2.72
					4,943,949.29		***5,174,004.00***	***7.63***			***110,400.00***	***2.14***
CONSUMER DISCRETIONARY												
30,400	CDN TIRE CORP	CLASS A NON VTG	CTC.A	56.26	1,710,179.53	57.00	1,732,800.00	2.56	1.10		33,440.00	1.93
55,300	MAGNA INTL INC	COMMON	MG	33.08	1,829,520.60	34.65	1,916,145.00	2.83	1.00	US	57,451.17	3.00
64,600	QUEBECOR INC	CLASS B SUB VTG	QBR.B	27.67	1,787,585.38	33.20	2,144,720.00	3.16	0.20		12,920.00	0.60
40,100	THOMSON REUTERS CORP	COMMON	TRI	35.14	1,409,017.09	28.40	1,138,840.00	1.68	1.24	US	51,658.26	4.54
					6,736,302.60		***6,932,505.00***	***10.22***			***155,469.43***	***2.24***
CONSUMER STAPLES												
20,700	LOBLAW COS LTD	COMMON	L	34.81	720,483.95	39.44	816,408.00	1.20	0.84		17,388.00	2.13

UWO CDN EQUITY SEG PENSION

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
19,700	METRO INC	CLASS A SUB VTG	MRU.A	43.16	850,304.79	45.82	902,654.00	1.33	0.77	15,169.00	1.68
70,500	MOLSON COORS CANADA	EXCH NON VTG CL B	TPX.B	50.29	3,545,703.54	41.21	2,905,305.00	4.28	1.23	86,495.04	2.98
49,700	SHOPPERS DRUG MART	COMMON	SC	42.18	2,096,169.76	40.85	2,030,245.00	2.99	1.00	49,700.00	2.45
					7,212,662.04		***6,654,612.00***	***9.81***		***168,752.04***	***2.54***
FINANCIALS											
62,000	BANK OF NOVA SCOTIA	COMMON	BNS	47.98	2,974,444.86	52.72	3,268,640.00	4.82	2.08	128,960.00	3.95
67,100	CDN IMP BANK COMMERC	COMMON	CM	68.21	4,577,191.24	73.38	4,923,798.00	7.26	3.60	241,560.00	4.91
107,800	GREAT-WEST LIFECO	COMMON	GWO	25.27	2,723,531.47	20.61	2,221,758.00	3.28	1.23	132,594.00	5.97
19,700	IGM FINANCIAL INC	COMMON	IGM	41.16	810,801.05	44.54	877,438.00	1.29	2.15	42,355.00	4.83
195,300	MANULIFE FINCL CORP	COMMON	MFC	18.80	3,672,067.54	11.94	2,331,882.00	3.44	0.52	101,556.00	4.36
82,800	ROYAL BANK CDA	COMMON	RY	54.26	4,492,461.47	48.06	3,979,368.00	5.87	2.16	178,848.00	4.49
40,600	SUN LIFE FNCL INC	COMMON	SLF	30.49	1,237,927.29	25.03	1,016,218.00	1.50	1.44	58,464.00	5.75
79,600	TORONTO DOMINION BK	COMMON	TD	68.08	5,419,384.26	74.59	5,937,364.00	8.76	2.64	210,144.00	3.54
					25,907,809.18		***24,556,466.00***	***36.21***		***1,094,481.00***	***4.46***
TELECOMMUNICATION SERVICES											
86,500	ROGERS COMMUNICATION	CLASS B NON VTG	RCI.B	33.23	2,874,649.54	35.87	3,102,755.00	4.58	1.42	122,830.00	3.96
81,200	TELUS CORP	COMMON	T	36.71	2,980,657.56	51.35	4,169,620.00	6.15	2.20	178,640.00	4.28
650	TELUS CORP	NON VTG	T.A	32.52	21,138.00	48.85	31,752.50	0.05	2.20	1,430.00	4.50
					5,876,445.10		***7,304,127.50***	***10.77***		***302,900.00***	***4.15***
TOTAL EQUITIES - CANADA					**68,752,839.85**		**66,696,048.50**	**98.35**		**2,197,201.53**	**3.30**
TOTAL EQUITIES					**68,752,839.85**		**66,696,048.50**	**98.35**		**2,197,201.53**	**3.30**
TOTAL PORTFOLIO					**69,873,515.49**		**67,816,724.14**	**100.00**		**2,209,619.48**	**3.26**

CUMULATIVE CAPITAL GAIN 778,245.54

CONTRIBUTED BOOK VALUE 69,095,269.95

1 US Dollar = 1.0389 Canadian Dollar

S&P/TSX	11,623.84
S&P 500	1,131.42
DJ 30	10,913.38

PORTFOLIO PREPARED IN CANADIAN DOLLARS ON TRADE DATE BASIS

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
CASH & CASH EQUIVALENTS											
CASH											
-29,084,171	CASH - CA	CANADIAN DOLLARS	CASH	1.00	-29,084,170.78	1.00	-29,084,170.78	-17.12			
					-29,084,170.78		***-29,084,170.78***	***-17.12***			
CASH EQUIVALENTS - CANADA											
16,600,000	CANADA GOVT	0.000 DEC 08 11	T1208	99.85	16,574,464.00	99.85	16,574,464.00	9.76		133,989.19	0.81
75,000	CANADA GOVT	0.000 DEC 22 11	T1222	99.76	74,823.00	99.76	74,823.00	0.04		659.23	0.88
					16,649,287.00		***16,649,287.00***	***9.80***		***134,648.42***	***0.81***
100,000	NEW BRUNSWICK T/B	0.000 OCT 25 11	NB1025	99.76	99,755.00	99.76	99,755.00	0.06		1,016.19	1.02
2,350,000	B.C. PROM NOTE	0.000 JAN 11 12	BC0111	99.26	2,332,516.00	99.26	2,332,516.00	1.37		27,746.35	1.19
					2,432,271.00		***2,432,271.00***	***1.43***		***28,762.54***	***1.18***
4,925,000	WESTCOAST ENERGY D/N	0.000 OCT 03 11	WTC1003	99.97	4,923,333.51	99.97	4,923,333.51	2.90		52,040.65	1.06
1,000,000	ROY BK OF CDA B/A	0.000 OCT 04 11	ROY1004	99.94	999,401.75	99.94	999,401.75	0.59		10,226.32	1.02
3,000,000	BK OF MONTREAL B/A	0.000 OCT 06 11	BMO1006	99.72	2,991,480.00	99.72	2,991,480.00	1.76		33,802.17	1.13
350,000	ENBRIDGE GAS DIST	0.000 OCT 07 11	ENB1007	99.93	349,758.50	99.93	349,758.50	0.21		3,832.50	1.10
5,700,000	UNION GAS D/N	0.000 OCT 07 11	UNG1007	99.95	5,697,378.00	99.95	5,697,378.00	3.35		59,814.38	1.05
1,895,000	TRANSCDA PIPE D/N	0.000 OCT 11 11	TRP1111	99.91	1,893,351.35	99.91	1,893,351.35	1.11		20,750.25	1.10
2,525,000	ENBRIDGE GAS D/N	0.000 OCT 14 11	ENB1014	99.95	2,523,788.00	99.95	2,523,788.00	1.49		27,648.75	1.10
4,000,000	NOVA SCOTIA POWER	0.000 OCT 17 11	NSP1017	99.91	3,996,200.00	99.91	3,996,200.00	2.35		43,343.75	1.08
5,000,000	TRANSCDA PIPE D/N	0.000 OCT 17 11	TRP1017	99.71	4,985,350.00	99.71	4,985,350.00	2.94		58,760.99	1.18
725,000	CIBC B/A	0.000 OCT 19 11	CMB1019	99.72	722,940.39	99.72	722,940.39	0.43		8,236.49	1.14
5,075,000	ENBRIDGE GAS DIST	0.000 OCT 21 11	ENB1021	99.91	5,070,400.25	99.91	5,070,400.25	2.99		56,309.01	1.11
1,525,000	BANK OF NS B/A	0.000 OCT 24 11	BNS1024	99.72	1,520,684.25	99.72	1,520,684.25	0.90		17,310.43	1.14
2,400,000	NOVA SCOTIA POWER	0.000 OCT 25 11	NSP1025	99.90	2,397,648.00	99.90	2,397,648.00	1.41		26,014.55	1.09
3,700,000	FORTIS BC	0.000 OCT 26 11	BCG1026	99.87	3,695,042.00	99.87	3,695,042.00	2.18		38,503.62	1.04
7,475,000	ALTALINK D/N	0.000 OCT 31 11	ALK1031	99.80	7,459,676.25	99.80	7,459,676.25	4.39		88,780.46	1.19
6,050,000	NOVA SCOTIA POWER	0.000 NOV 01 11	NSP1101	99.91	6,044,252.50	99.91	6,044,252.50	3.56		65,557.42	1.08
10,825,000	TRANSCANADA PIPELINE	0.000 NOV 03 11	TRP1103	99.59	10,780,292.75	99.59	10,780,292.75	6.35		129,509.10	1.20
9,000,000	CIBC B/A	0.000 NOV 10 11	CMB1110	99.76	8,978,580.00	99.76	8,978,580.00	5.29		98,243.55	1.09
8,675,000	ALTALINK D/N	0.000 NOV 14 11	ALK1114	99.82	8,658,932.25	99.82	8,658,932.25	5.10		102,867.99	1.19
650,000	BK OF MONTREAL B/A	0.000 NOV 14 11	BMO1114	99.73	648,225.50	99.73	648,225.50	0.38		7,196.58	1.11
1,875,000	BK OF MONTREAL B/A	0.000 NOV 21 11	BMO1121	99.73	1,869,937.50	99.73	1,869,937.50	1.10		20,531.25	1.10
4,000,000	CIBC B/A	0.000 NOV 22 11	CMB1122	99.72	3,988,960.00	99.72	3,988,960.00	2.35		44,281.32	1.11
6,000,000	FORTIS BC	0.000 NOV 29 11	BCG1129	99.72	5,983,020.00	99.72	5,983,020.00	3.52		65,238.95	1.09
75,000	TOR DOM BANK B/A	0.000 NOV 29 11	TDB1129	99.74	74,803.50	99.74	74,803.50	0.04		815.03	1.09
8,675,000	INTERPIPE (CORRIDOR)	0.000 DEC 02 11	INT1202	99.68	8,647,413.50	99.68	8,647,413.50	5.09		110,649.15	1.28
11,700,000	BK OF MONTREAL BDN	0.000 DEC 07 11	BMO1207	99.37	11,626,641.00	99.37	11,626,641.00	6.85		148,755.75	1.28
7,050,000	INTERPIPE (CORRIDOR)	0.000 DEC 13 11	INT1213	99.74	7,031,670.00	99.74	7,031,670.00	4.14		88,032.24	1.25
4,425,000	BANK OF NS BDN	0.000 DEC 15 11	BNS1215	99.72	4,412,477.25	99.72	4,412,477.25	2.60		50,228.61	1.14
5,300,000	TOR DOM BANK BDN	0.000 JAN 18 12	TDB0118	99.33	5,264,384.00	99.33	5,264,384.00	3.10		71,037.38	1.35
					133,236,022.00		***133,236,022.00***	***78.44***		***1,548,318.64***	***1.16***

BG CASH MANAGEMENT FUND

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
TOTAL CASH & CASH EQUIVALENTS					**123,233,409.22**		**123,233,409.22**	**72.55**		**1,711,729.60**	**1.39**
FIXED INCOME - CANADA											
CORPORATE											
5,500,000	EPCOR UTILITIES	6.600 NOV 01 11	29410ZAD	100.65	5,535,750.00	100.35	5,519,284.87	3.25	6.60	363,000.00	2.52
17,000,000	ROYAL BANK OF CANADA	FLTG APR 10 12	780085Z3	100.00	17,000,000.00	100.00	17,000,000.00	10.01	1.24	211,043.10	1.24
12,000,000	TORONTO DOMINION BK	FLTG SEP 19 12	891145RH	100.00	12,000,000.00	100.00	12,000,000.00	7.06			
12,100,000	BANK OF NOVA SCOTIA	FLTG SEP 28 12	064149F6	100.00	12,100,000.00	100.00	12,100,000.00	7.12			
					46,635,750.00		***46,619,284.87***	***27.45***		***574,043.10***	***0.75***
TOTAL FIXED INCOME - CANADA					**46,635,750.00**		**46,619,284.87**	**27.45**		**574,043.10**	**0.75**
TOTAL FIXED INCOME					**46,635,750.00**		**46,619,284.87**	**27.45**		**574,043.10**	**0.75**
TOTAL PORTFOLIO					**169,869,159.22**		**169,852,694.09**	**100.00**		**2,285,772.70**	**1.21**

CUMULATIVE CAPITAL GAIN	-3,771,715.84
CONTRIBUTED BOOK VALUE	173,640,875.06

1 US Dollar = 1.0389 Canadian Dollar

S&P/TSX	11,623.84
S&P 500	1,131.42
DJ 30	10,913.38

PORTFOLIO PREPARED IN CANADIAN DOLLARS ON TRADE DATE BASIS

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Purchase
CASH EQUIVALENTS					
30 Sep 11	BG CASH MANAGEMENT	FUND	408,669.00	10.00	4,086,693.85
TOTAL CASH EQUIVALENTS					4,086,693.85
EQUITIES					
6 Sep 11	AGRIUM INC	COMMON	4,400.00	77.93	342,900.43
6 Sep 11	CAMECO CORP	COMMON	3,000.00	22.04	66,106.48
26 Sep 11	CDN NATURAL RES	COMMON	21,200.00	30.59	648,441.31
2 Sep 11	CDN PACIFIC RAILWAY	COMMON	1,100.00	54.64	60,108.07
6 Sep 11	CDN TIRE CORP	CLASS A NON VTG	200.00	52.98	10,596.20
2 Sep 11	ENCANA CORPORATION	COMMON	17,100.00	25.28	432,369.36
22 Aug 11	FINNING INTL	COMMON	7,500.00	22.01	165,048.50
8 Sep 11	GREAT-WEST LIFECO	COMMON	3,200.00	21.40	68,476.79
6 Sep 11	INMET MINING CORP	COMMON	13,800.00	58.04	800,953.56
2 Sep 11	KINROSS GOLD CORP	COMMON	3,900.00	17.31	67,501.26
2 Sep 11	MAGNA INTL INC	COMMON	5,600.00	36.62	205,076.19
6 Sep 11	MANULIFE FINCL CORP	COMMON	5,400.00	12.74	68,780.39
22 Sep 11	MOLSON COORS CANADA	EXCH NON VTG CL B	1,500.00	40.68	61,027.00
29 Sep 11	POTASH CORP OF SASK	COMMON	15,500.00	47.98	743,745.53
12 Sep 11	QUEBECOR INC	CLASS B SUB VTG	1,500.00	32.11	48,171.00
28 Jul 11	ROGERS COMMUNICATION	CLASS B NON VTG	6,100.00	36.29	221,348.63
6 Sep 11	ROYAL BANK CDA	COMMON	1,700.00	48.40	82,281.92
2 Sep 11	SUN LIFE FNCL INC	COMMON	2,300.00	25.72	59,150.94
30 Sep 11	TECK RESOURCES LTD	CLASS B SUB VTG	16,000.00	32.80	524,831.86
6 Sep 11	THOMSON REUTERS CORP	COMMON	2,000.00	29.15	58,295.87
TOTAL EQUITIES					4,735,211.29
TOTAL PURCHASES					8,821,905.14

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Sales	Profit/ Loss
CASH EQUIVALENTS						
26 Sep 11	BG CASH MANAGEMENT	FUND	497,000.00	10.00	4,970,000.00	
TOTAL CASH EQUIVALENTS					**4,970,000.00**	
EQUITIES						
27 Sep 11	AGRIUM INC	COMMON	700.00	79.76	55,828.75	10,486.52
27 Sep 11	ALTAGAS LTD	COMMON	14,400.00	25.34	364,908.62	102,380.16
27 Sep 11	BANK OF NOVA SCOTIA	COMMON	3,900.00	52.38	204,269.88	17,167.70
27 Sep 11	BAYTEX ENERGY CORP	COMMON	1,600.00	49.39	79,029.90	34,934.54
27 Sep 11	CAMECO CORP	COMMON	6,000.00	22.08	132,459.51	-44,851.77
27 Sep 11	CDN IMP BANK COMMERC	COMMON	4,400.00	70.94	312,144.05	12,000.36
27 Sep 11	CDN NATL RAILWAY	COMMON	2,600.00	69.72	181,267.85	30,662.77
26 Sep 11	CDN OIL SANDS	COMMON	15,500.00	20.15	312,326.85	-101,445.42
27 Sep 11	CDN PACIFIC RAILWAY	COMMON	1,200.00	51.06	61,266.36	-9,961.09
27 Sep 11	CDN TIRE CORP	CLASS A NON VTG	2,100.00	57.57	120,907.02	2,744.34
27 Sep 11	CENOVUS ENERGY	COMMON	4,300.00	35.11	150,955.50	29,764.47
27 Sep 11	ENBRIDGE INC	COMMON	27,300.00	29.65	809,326.91	190,289.77
27 Sep 11	ENCANA CORPORATION	COMMON	3,000.00	21.70	65,085.00	-20,909.03
27 Sep 11	ENSIGN ENERGY SERVCS	COMMON	4,200.00	17.68	74,265.75	9,955.40
27 Sep 11	FINNING INTL	COMMON	2,000.00	23.70	47,408.00	10,192.34
27 Sep 11	GREAT-WEST LIFECO	COMMON	8,300.00	21.56	178,986.56	-31,141.07
29 Sep 11	IGM FINANCIAL INC	COMMON	9,600.00	43.47	417,350.42	22,239.24
27 Sep 11	KINROSS GOLD CORP	COMMON	8,900.00	16.01	142,467.70	-48,412.53
27 Sep 11	LOBLAW COS LTD	COMMON	1,300.00	37.20	48,355.50	3,107.72
27 Sep 11	MAGNA INTL INC	COMMON	4,200.00	39.54	166,052.22	27,864.61
27 Sep 11	MANULIFE FINCL CORP	COMMON	14,400.00	13.42	193,231.24	-78,785.72
27 Sep 11	METRO INC	CLASS A SUB VTG	1,300.00	46.26	60,136.50	4,025.02
27 Sep 11	MOLSON COORS CANADA	EXCH NON VTG CL B	4,400.00	42.17	185,562.00	-36,259.44
27 Sep 11	POTASH CORP OF SASK	COMMON	1,300.00	51.76	67,286.29	16,110.37
27 Sep 11	QUEBECOR INC	CLASS B SUB VTG	4,800.00	31.97	153,457.68	20,878.16
27 Sep 11	ROGERS COMMUNICATION	CLASS B NON VTG	5,100.00	36.12	184,205.04	14,717.03
27 Sep 11	ROYAL BANK CDA	COMMON	6,100.00	49.12	299,620.86	-31,724.73
27 Sep 11	SHOPPERS DRUG MART	COMMON	3,300.00	40.31	133,017.50	-6,164.80
27 Sep 11	SUN LIFE FNCL INC	COMMON	2,900.00	25.37	73,564.50	-15,245.04
27 Sep 11	TALISMAN ENERGY INC	COMMON	8,000.00	15.82	126,556.50	-16,541.15
27 Jul 11	TELUS CORP	COMMON	200.00	52.31	10,461.21	3,119.69
27 Sep 11	TELUS CORP	NON VTG	6,000.00	48.19	289,125.80	94,005.80
27 Sep 11	THOMSON REUTERS CORP	COMMON	3,200.00	30.18	96,572.33	-16,319.42

UWO CDN EQUITY SEG PENSION

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Sales	Profit/ Loss
27 Sep 11	TORONTO DOMINION BK	COMMON	5,300.00	74.10	392,714.25	31,875.85
TOTAL EQUITIES					**6,190,174.05**	**230,760.65**
TOTAL SALES					**11,160,174.05**	**230,760.65**