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UWO CDN EQUITY SEG PENSION

Fourth Quarter Report 2011
December 31, 2011

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UWO CDN EQUITY SEG PENSION

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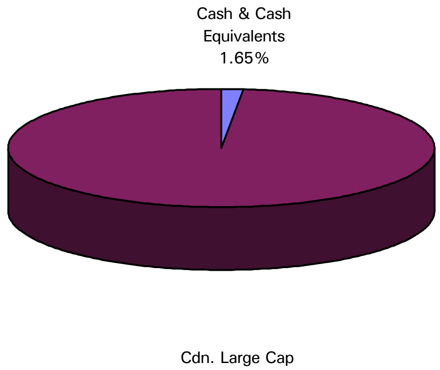
Asset Class	3 Month	6 Month	9 Month	1 Year	2 Year
Cash Equivalents	0.25	0.57	0.83	1.12	0.83
DEX 91-DAY T.B. CSL	0.22	0.48	0.72	1.00	0.77
Canadian Equities	5.83	-7.22	-9.46	-5.35	4.81
S&P/TSX	3.59	-8.86	-13.55	-8.71	3.62
Total Portfolio	**5.75**	**-6.94**	**-9.12**	**-5.07**	**4.78**

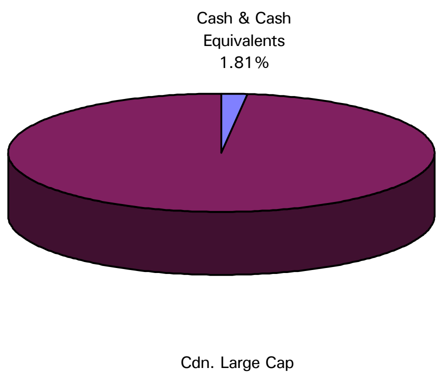
UWO CDN EQUITY SEG PENSION

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

Asset Mix – December 31, 2011



Asset Class	Market Value	%
Cash & Cash Equivalents	1,278,586.48	1.81
Equities		
Canadian Large Cap	69,419,267.00	98.19
Total Equities	**69,419,267.00**	98.19
Total Portfolio	**70,697,853.48**	100

Global growth expected to slow to its weakest level in three years

There are many short-term uncertainties clouding the economic and investment picture. The cliché that the global outlook is fragile is quite accurate.

Some of the difficult questions facing us include: will the debt crisis in the euro zone trigger a financial crisis in the G7? How long will the current weak phase of U.S. economic growth last? And lastly, will the U.S. and Canada be able to shrug off the latest financial crisis centered on sovereign debt in the euro area?

Here are a number of economic and policy framework conclusions that should shape the economic and investment environment in the coming year.

- While a number of smaller European economies are already in recession, the negative spill over into the rest of the world will not be catastrophic. The euro area financial crisis is not trivial and will surely slow global growth in the coming year. By 2013, however, the worst of Europe's sovereign debt crisis should have passed and global economic growth should be accelerating.
- Political gridlock in the U.S. is hampering the world's largest economy, particularly on the capital investment and job creation fronts. Gridlock has also made it virtually impossible to develop a longer term plan for restoring fiscal health. Nonetheless, the United States should avoid following Europe into recession this year.
- The emerging market economies will grow significantly slower in 2012 than in the previous two years. China will avoid a hard landing because its economic policy levers have already shifted from moderate restraint towards expanding growth.
- In this slower world growth environment, commodity prices and global equity markets will remain volatile, and they could stay in a roughly sideways pattern for quite a while.
- Food and energy inflation pressure will ease this year, giving central banks more freedom to maintain accommodative benchmark lending rates. Indeed, with many governments adopting fiscal austerity measures, the world's major central banks will be in no position to tighten in 2012.

The U.S. economy appears to have turned the corner – Canada will follow the U.S.

- Economic growth in Canada and the U.S. will sharply outperform the euro area in 2012. The euro zone economies will shrink by about 0.3% in 2012 after growing 1.5% in 2011.
- The U.S. and Canada both will record relatively modest growth of around 2% in 2012. Growth should accelerate to around 3% in both countries in 2013.
- U.S. consumer spending in 2012 could increase more quickly than in Canada for the second year in a row, as U.S. employment growth is starting to outpace Canada's. Further, there is more pent up potential consumer demand in the U.S. than in Canada. Nevertheless, the U.S. economy still requires stronger job and housing markets before it can again begin firing on all cylinders.
- Housing construction should marginally boost U.S. growth this year after hampering growth between 2006 and 2011.
- Canada's housing sector, which has been impervious to bad news in recent years, will likely ease in 2012 and 2013. This is already evident in what was Canada's hottest housing market, Vancouver, where sales are already slipping and prices are moderating.

The World Economy at a glance: 2009-'13
Real GDP Growth (%)

	Latest*	2011f	2012f	2012f
U.S.	2.0 Q3	1.8	2.2	3.0
Japan	5.6 Q3	0.3	2.2	1.6
Canada	3.5 Q3	2.4	2.1	3.0
Germany	2.0 Q3	2.8	0.5	1.9
France	1.2 Q3	1.5	0.0	1.6
Italy	1.2 Q2	0.9	-0.8	0.5
U.K.	2.3 Q3	0.8	0.6	1.8
Euro (17)	0.6 Q3	1.5	-0.3	1.4
China	9.5 Q3	9.3	8.5	9.0
Russia**	4.8 Q3	4.0	3.5	4.1
India**	6.9 Q3	7.6	7.2	8.2
World***	n.a.	3.9	3.3	3.7

*Annual growth in quarter/year **12-month growth ***PPP

The U.S. job market continues to post modest gains

Non-farm payroll employment in the U.S. increased by 200,000 in December, and the unemployment rate slipped to 8.5%. Employment in the private sector rose by 212,000 in December, while the public sector continued to lose jobs. Indeed, the private sector in the U.S. has created more than 150,000 new jobs every month since September.

Over the past 12 months, total non-farm payroll employment increased by 1.6 million. Private sector employment was up by 1.9 million over the year, while government employment declined by 280,000 over the year.

As the data make very clear, the real problem on the jobs front is the large scale cutbacks at the state and local government levels.

Still, the important message in December's modest job growth numbers is that the American labour market continues to improve. This gradual improvement is expected to continue in 2012.

Canada's job market has been weakening over the past six months

The Canadian economy created just 18,000 new jobs in December and the nation's unemployment rate edged up to 7.5% as more people participated in the labour market.

Over the past 12 months, total Canadian employment rose by 199,000 or 1.2%, registering nearly all of those gains in the first half of the year. By contrast, the Canadian economy created a whopping 298,000 new jobs in 2010.

Manufacturing employment increased 30,000 in December after shedding nearly 80,000 jobs in the previous three months. On a year-over-year basis, employment in the service sector was up 1.5% (+194,000 jobs) while total employment in the goods sector was flat. Total employment in manufacturing declined by 50,000 jobs over the same period.

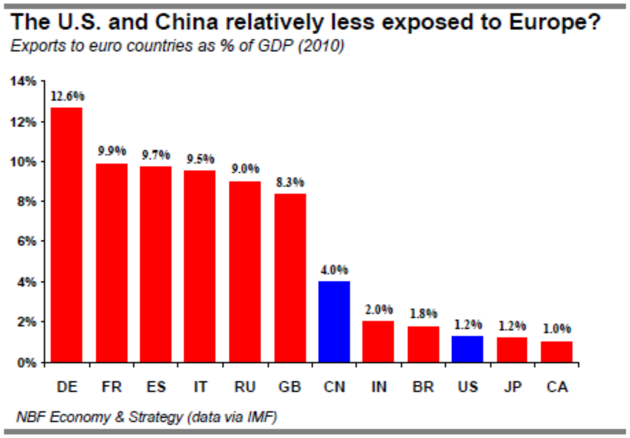
The main message here is that the Canadian economy has been struggling over the past six months. This has given the U.S. labour market an opportunity to "catch up" to its Canadian counterpart.

The spill over effect from a European recession

The euro zone is being pushed into its second recession in less than four years, so the real question is to what extent will a European recession spill over into the rest of the world?

As the following chart illustrates, there is considerable inter-European trade which will be negatively affected by the austerity driven European recession. However, the U.S., China and Canada are relatively underexposed to European markets in terms of export sales.

In terms of the two economic giants, the direct U.S. export exposure is only 1.2% of its GDP while China's is 4%. Britain and Russia are quite heavily exposed to the European markets.



Coordinated Central Bank action buys some time for the Euro governments

The good news is that the U.S. Federal Reserve, in coordination with five other major central banks, has agreed to implement supportive measures to ease the European Union's sovereign debt crisis.

Specifically, the coordinated central bank action is designed to promote liquidity in U.S. dollar swaps to ensure that credit markets do not enter another prolonged freeze as they did in late 2008. It is generally recognized that this action only buys governments in the euro some time. Commodity prices will likely remain weak until the crisis phase is fully over.

The last time we saw this type of coordinated, central bank intervention was in September of 2008 when the U.S. housing market was sliding into an abyss that threatened the global economy.

The ECB has begun backdoor quantitative easing

The European Central Bank (ECB) has chosen to provide direct relief to the liquidity problems of the European banks, but has chosen to distance itself from government sovereign debt problems.

The ECB has stepped up its response to the euro zone crisis by providing €489 billion in unprecedented three-year loans to more than 500 banks across the region.

Indeed, the liquidity injections in December were huge, and this has sharply expanded the ECB balance sheet. As Gavyn Davies points out in a December 21 *Financial Times* article, this represents quantitative easing (QE) on a significant scale. "The lines between this form of QE," he says, "and the direct monetization of budget deficits, which is forbidden by the spirit of the euro zone treaties, are becoming increasingly blurred."

Under Mario Draghi, its president since November 1, the ECB has resisted political pressure to step up intervention in government bond markets.

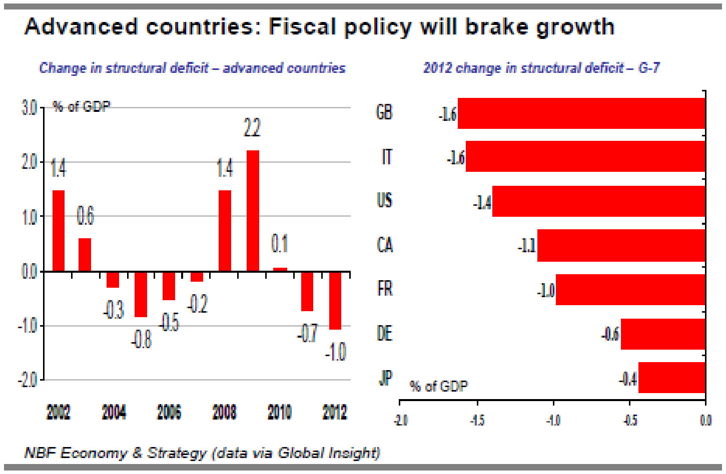
By flooding the financial system with funds, the ECB hoped to achieve at least three objectives: limit the risk of a major bank collapse; prevent a credit crunch and thereby minimize the coming recession, and, in turn, relieve stress in government debt markets.

Fiscal austerity is weakening the global recovery

How severely will the current and future round of fiscal austerity hamper economic growth and create higher unemployment? In a 2010 research study (See *the Economist*, "Cutting Edge," September 30, 2010) the IMF highlighted a rather common sense Keynesian economic conclusion – namely, that fiscal austerity cuts GDP growth rather than promotes it.

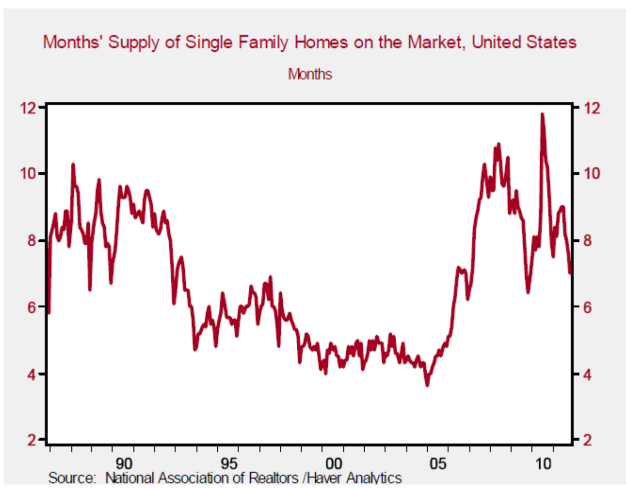
According to recent IMF data on structural budget deficits (which in theory the European governments plan to reduce), an elimination of the recent increase in the structural budget deficits would result in a massive negative impact on the advanced economies.

Indeed, according to the report, eliminating the huge run up in structural deficits would have the largest negative economic impact since the agency began compiling such data. This is why, using very careful language, the IMF has encouraged the G-20 countries to minimize short-term fiscal austerity while the global economy is so fragile.



The massive glut of unsold housing in the U.S. is now gone

It has taken a while, but at seven months, the supply of U.S. houses for sale has been reduced to its traditional norm.



Existing home sales increased from 4.25 million in October to 4.42 million in November, an increase of 4%. The increase in sales in November was in-line with the 9.2% increase in mortgage purchase applications and a 10.4% increase in the Pending Home Sales Index.

While home purchase affordability in the U.S. is theoretically near an all-time high, a combination of hesitant buyers and credit constraints is still restraining existing home sales growth.

Closing comments

1. The U.S. Federal Reserve wants to avoid a repeat of the 1930s depression and a similarly lengthy period of deflation. This is why the Fed plans to keep U.S. monetary policy extremely easy for some time, and in the process boost the rate of inflation using a lower dollar and increased growth in monetary aggregates.
2. However, U.S. chartered banks are holding huge excess reserves at the Federal Reserve System. In other words, the banks have the capacity to lend out more funds, but they are either unwilling or unable to do so.
3. The Canadian economy rebounded at an annual rate of 3.5% in the third quarter of 2011 following a 0.5% decline in the second quarter. The strong gain in Q3 GDP confirms that the disappointing second-quarter was due to a number of temporary factors. These included supply-chain problems in the motor vehicle sector caused by the natural disasters in Japan and wildfires in northern Alberta that contributed to numerous shutdowns of oil sand production facilities. Most of the rebound in Q3 was in the trade balance area, though consumer spending was quite sluggish.
4. Canadian consumer prices rose 2.9% in the 12 months ending November, which was identical to the rate of increase in October. While the 12-month change in gasoline prices has continued to ease, the year-over-year increase in food prices has remained high. Nonetheless, the slow economic growth environment, together with easing food price inflation, should lower the total rate of inflation a bit this year.

5. Canada's labour force is changing quite dramatically. The annual growth rate in the labour force has slowed dramatically due to the demographic impact of the baby boomer bulge on the statistics. When the boomers were entering the job market in the 1970s, the annual labour force growth rate was just above 4% a year. Currently, labour force growth is in the 1.5% range, and it is projected by Statistics Canada to drop into the 0.5% range by 2031.

6. Of course, a projected slowdown in the growth of the labour force means that there will be a similar slowdown in Canadian GDP growth.

7. The message which arises from demographic projections is that retiring baby boomers will significantly slow the rate of growth of the labour force over the next 20 years. Indeed, neither increased immigration nor an increase in fertility or higher education can alter the trend to slower labour force growth.

Arthur Donner, Ph.D.
Economist

Market Overview

After suffering a 16.5% decline over the prior six months, the S&P/TSX Composite Index managed a 5.6% gain in October but subsequently resumed its downward trend, ending the quarter up only 3.6%.

Europe continued to be the main drag on the market. After months of delay, there appeared to be some movement towards a solution, but hopes were dashed when Germany refused to go along with solutions presented at an October 23 summit. With no agreement on sovereign writedowns or funding for an expanded bailout fund, the situation went from bad to worse. Spain, Italy and Greece all went through rapid changes in political leadership and bond markets across Europe began to deteriorate. A rapid series of downgrades for banks and sovereign credits ensued, as evidence of slowing economic activity across much of Europe and the U.K. mounted. The notable exception was Germany, where factory orders, exports and confidence all showed improvement. While the year ended with no solution to the debt crisis, the markets did get some temporary relief in December from the ECB's decision to cut the administered rate by another quarter point (following a quarter point cut in November) and offer a more aggressive than expected $645 billion, three-year lending facility for European banks.

The positive offset to the news out of Europe was evidence that the recovery in the U.S. was gaining strength. Most measures of business activity, employment, retail sales and even housing surprised on the upside. The shifting fortunes of the U.S. and Europe led to a nearly 4-cent rise in the U.S. dollar relative to the Euro and contributed to a precipitous drop in the gold price over the last two months of the year. The relative attractiveness of U.S. investments also kept downward pressure on U.S. Treasury yields, despite signs of an improving economic backdrop.

While most industrial commodity prices rose in the period, the gains were held back by evidence of slowing momentum in China and the other so-called BRIC nations, Brazil, India and Russia. An exception on the upside was oil, which advanced over 20%, although this was largely due to increasing tensions with Iran. The exception on the downside was natural gas, which slid a further 21% on a combination of ample supply and a warm start to the winter across North America. For the year, the spread between oil and natural gas prices widened by nearly 50%.

The Toronto market was led by a 15.1% gain in the Industrials sector, as transportation, construction and capital good stocks reflected the improving U.S. economic sentiment. Railway stocks received an additional boost from shareholder activism involving CP Rail. By virtue of size, the Energy sector's 11.4% return made the largest contribution to the Index in the period. Telecom was next in terms of impact, with a 9.9% gain in the wake of good results from the major wireless players. The worst performing sector in the quarter was Information Technology, which declined 15.5% on a further 30.7% fall in struggling Research in Motion. In terms of contribution, however, the largest drag on the Index came from a 4.3% decline in the Materials sector, due entirely to a 10.5% drop for the gold subsector.

S&P/TSX Composite Total Returns

Q4 2011	%
Industrials	15.05
Health Care	14.94
Energy	11.41
Telecom. Services	9.91
S&P/TSX Composite	**3.59**
Consumer Staples	2.87
Financials	1.22
Utilities	0.88
Consumer Discretionary	0.47
Materials	-4.29
Information Technology	-15.53

Performance

The portfolio returned 5.39% in the fourth quarter, 1.80% ahead of the TSX return of 3.59%. Added value was evenly split between stock selection and industry weighting effects.

The largest contribution came from the Materials sector, primarily as a result of our underweight in gold stocks. Our recent additions of base metals stocks Inmet Mining and Teck Resources also added value, rallying 47.5% and 16.1%, respectively, on a combination of positive company developments and firmer commodity prices.

In terms of stock selection, the largest positive effect came from the Industrials sector in names such as CP Railway, CNR and Finning International. Consumer companies Canadian Tire, Quebecor, Molson Coors and grocer Metro also made positive contributions.

The largest negative impact in the quarter came from an underweight in the Energy sector. Nonetheless, our holdings in Baytex Energy and Ensign Energy Services participated in the rebound for oil prices.

With respect to the remainder of the portfolio, selection was marginally negative in the Financials sector, with strong results from RBC and TD Bank outweighed by weakness in insurers. Selection effects were also positive in Telecom, due mainly to a 12.4% advance in Telus.

Transactions

In the fourth quarter, no new positions were added to the portfolio and one holding was sold from the portfolio.

In Energy, we continued to build towards a target weight in Canadian Natural Resources, which we introduced to the portfolio in September. We also used weakness to add to our longstanding holding in oil producer, Talisman. A decline in the stock on news of a temporary shutdown of two of its North Sea platforms on health and safety concerns from British authorities provided a good entry point. These purchases were partly funded by a reduction in our position in Encana, which is being affected by concerns surrounding capacity in the North American natural gas market. We also reduced our holding in AltaGas, as it hit its sell target in the quarter.

In the Materials sector, we took advantage of volatility to build up our new holding in Teck Resources and add to existing positions in agricultural commodity companies, Potash and Agrium. On the sale side, we reduced our position in Kinross Gold. While we continue to prefer the company's growth profile relative to its large cap peers, increasing cost pressures have reduced upside potential.

In the Financials sector, we kept our overall weight constant but shifted both the mix and relative exposure of our insurance and bank holdings. We added to Royal Bank and Great-West Lifeco reduced CIBC and sold Sun Life from the portfolio. These trades were transacted based on considerations of relative upside potential rather than any fundamental issues.

Similarly in Industrials, we shifted weight from CN Railway to CP Railway, based on our analysis that indicates better upside potential for CP at this point.

Outlook

This past year began with hopes that unprecedented interventions by monetary authorities in the wake of the financial crisis would be enough to stabilize the global economy and allow a self-sustaining recovery to take hold. While we agreed that the increase in confidence was justified, we also cautioned that the pace of growth implied by the sharp recovery in commodity prices was probably unrealistic, given the significant challenge of deleveraging ahead. Of course, few imagined just how inept Europe's response to that challenge would be.

Regardless of how we got there, 2011 ended fairly close to our expectations. Consensus views on the U.S. economy have proven to be too pessimistic while the outlook for China and emerging market growth has proven too optimistic. The special case of Europe aside, expectations for the global recovery are now more moderate and balanced.

The combination of disasters, political uprisings and the European debt crisis overwhelmed fundamentals in 2011. On the positive side, this overhang of macro concerns provided opportunities to add quality holdings at very attractive levels and realize profits in positions that performed strongly during periods of severe risk aversion. On the downside, stubbornly low U.S. Treasury yields and concerns over contagion from Europe kept pressure on our insurance and bank holdings for most of the year, but even this presented some opportunities.

With value returning to economically sensitive areas of the market last year, especially in the third quarter, we were able to increase cyclical exposure close to market level, but with some significant variations from the Index. With the introduction of two new base metals holdings and additions to our agricultural commodity stocks we are now near a market weight in the non-gold portion of Materials sector. With further additions to our transportation, auto parts and retail holdings, we are now significantly overweight the Industrial and Consumer Discretionary sectors. The offset is a continued underweight in the Energy sector. Cost pressures and the likelihood of only modest improvements in energy demand have led us to concentrate on a handful of the most efficient and well financed producers and services companies.

Outside the cyclical sectors, we remain overweight Telecom. We also remain overweight the Consumer Staples sector, based on attractive upside potential for our specific holdings in this group. In Financials, we remain overweight ex-real estate with an increased emphasis on banks. Valuations in this area remain attractive and the prospect of a firming North American economy should provide a good backdrop for continued gains in banking and capital market operations.

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												
542,616	CASH - CA	CANADIAN DOLLARS	CASH	1.00	542,616.38	1.00	542,616.38	0.77				
					542,616.38		***542,616.38***	***0.77***				
CASH EQUIVALENTS - CANADA												
73,597	BG CASH MANAGEMENT	FUND	CMF	10.00	735,970.10	10.00	735,970.10	1.04	0.13		9,420.42	1.28
					735,970.10		***735,970.10***	***1.04***			***9,420.42***	***1.28***
TOTAL CASH & CASH EQUIVALENTS					**1,278,586.48**		**1,278,586.48**	**1.81**			**9,420.42**	**0.74**
EQUITIES - CANADA												
ENERGY												
21,000	ALTAGAS LTD	COMMON	ALA	18.23	382,853.99	31.84	668,640.00	0.95	1.38		28,980.00	4.33
23,600	BAYTEX ENERGY CORP	COMMON	BTE	27.56	650,406.55	56.97	1,344,492.00	1.90	2.64		62,304.00	4.63
82,500	CAMECO CORP	COMMON	CCO	29.43	2,427,568.84	18.41	1,518,825.00	2.15	0.40		33,000.00	2.17
32,200	CDN NATURAL RES	COMMON	CNQ	30.77	990,617.58	38.15	1,228,430.00	1.74	0.36		11,592.00	0.94
65,100	CENOVUS ENERGY	COMMON	CVE	28.18	1,834,775.88	33.83	2,202,333.00	3.12	0.80		52,080.00	2.36
18,100	ENBRIDGE INC	COMMON	ENB	22.68	410,423.89	38.09	689,429.00	0.98	0.98		17,738.00	2.57
62,200	ENCANA CORPORATION	COMMON	ECA	28.67	1,782,942.94	18.89	1,174,958.00	1.66	0.80	US	50,605.92	4.31
63,700	ENSIGN ENERGY SERVCS	COMMON	ESI	15.31	975,373.57	16.25	1,035,125.00	1.46	0.42		26,754.00	2.58
140,500	TALISMAN ENERGY INC	COMMON	TLM	17.26	2,424,549.55	12.98	1,823,690.00	2.58	0.27	US	38,579.89	2.12
					11,879,512.79		***11,685,922.00***	***16.53***			***321,633.81***	***2.75***
MATERIALS												
14,100	AGRIUM INC	COMMON	AGU	68.05	959,537.43	68.38	964,158.00	1.36	0.45	US	6,452.86	0.67
13,000	INMET MINING CORP	COMMON	IMN	58.04	754,521.47	65.50	851,500.00	1.20	0.20		2,600.00	0.31
80,100	KINROSS GOLD CORP	COMMON	K	21.38	1,712,871.10	11.63	931,563.00	1.32	0.12	US	9,775.40	1.05
49,400	POTASH CORP OF SASK	COMMON	POT	42.95	2,121,807.62	42.11	2,080,234.00	2.94	0.28	US	14,067.14	0.68
25,600	TECK RESOURCES LTD	CLASS B SUB VTG	TCK.B	32.81	840,036.79	35.91	919,296.00	1.30	0.80		20,480.00	2.23
					6,388,774.41		***5,746,751.00***	***8.13***			***53,375.40***	***0.93***
INDUSTRIALS												
36,000	CDN NATL RAILWAY	COMMON	CNR	57.93	2,085,301.12	80.15	2,885,400.00	4.08	1.30		46,800.00	1.62
34,800	CDN PACIFIC RAILWAY	COMMON	CP	59.34	2,065,106.39	69.01	2,401,548.00	3.40	1.20		41,760.00	1.74
37,300	FINNING INTL	COMMON	FTT	19.04	710,006.69	22.21	828,433.00	1.17	0.52		19,396.00	2.34
					4,860,414.20		***6,115,381.00***	***8.65***			***107,956.00***	***1.76***
CONSUMER DISCRETIONARY												
29,800	CDN TIRE CORP	CLASS A NON VTG	CTC.A	56.26	1,676,425.99	65.90	1,963,820.00	2.78	1.10		32,780.00	1.67
54,000	MAGNA INTL INC	COMMON	MG	33.08	1,786,511.98	34.00	1,836,000.00	2.60	1.00	US	54,918.00	2.99
63,200	QUEBECOR INC	CLASS B SUB VTG	QBR.B	27.67	1,748,845.14	34.89	2,205,048.00	3.12	0.20		12,640.00	0.57
39,200	THOMSON REUTERS CORP	COMMON	TRI	35.14	1,377,393.27	27.23	1,067,416.00	1.51	1.24	US	49,434.34	4.63
					6,589,176.38		***7,072,284.00***	***10.00***			***149,772.34***	***2.12***
CONSUMER STAPLES												
20,200	LOBLAW COS LTD	COMMON	L	34.81	703,080.96	38.48	777,296.00	1.10	0.84		16,968.00	2.18

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
19,300	METRO INC	CLASS A SUB VTG	MRU.A	43.16	833,039.72	54.00	1,042,200.00	1.47	0.77	14,861.00	1.43
68,800	MOLSON COORS CANADA	EXCH NON VTG CL B	TPX.B	50.29	3,460,204.31	45.10	3,102,880.00	4.39	1.31	90,054.25	2.90
48,700	SHOPPERS DRUG MART	COMMON	SC	42.18	2,053,993.31	41.14	2,003,518.00	2.83	1.00	48,700.00	2.43
					7,050,318.30		***6,925,894.00***	***9.80***		***170,583.25***	***2.46***
FINANCIALS											
60,900	BANK OF NOVA SCOTIA	COMMON	BNS	47.98	2,921,672.46	50.83	3,095,547.00	4.38	2.08	126,672.00	4.09
61,000	CDN IMP BANK COMMERC	COMMON	CM	68.21	4,161,082.94	73.79	4,501,190.00	6.37	3.60	219,600.00	4.88
122,600	GREAT-WEST LIFECO	COMMON	GWO	24.56	3,011,557.83	20.40	2,501,040.00	3.54	1.23	150,798.00	6.03
18,700	IGM FINANCIAL INC	COMMON	IGM	41.16	769,643.64	44.23	827,101.00	1.17	2.15	40,205.00	4.86
190,500	MANULIFE FINCL CORP	COMMON	MFC	18.80	3,581,817.03	10.85	2,066,925.00	2.92	0.52	99,060.00	4.79
96,000	ROYAL BANK CDA	COMMON	RY	52.96	5,084,423.35	51.98	4,990,080.00	7.06	2.16	207,360.00	4.16
78,000	TORONTO DOMINION BK	COMMON	TD	68.08	5,310,451.91	76.29	5,950,620.00	8.42	2.72	212,160.00	3.57
					24,840,649.16		***23,932,503.00***	***33.85***		***1,055,855.00***	***4.41***
TELECOMMUNICATION SERVICES											
84,800	ROGERS COMMUNICATION	CLASS B NON VTG	RCI.B	33.23	2,818,153.53	39.25	3,328,400.00	4.71	1.42	120,416.00	3.62
79,400	TELUS CORP	COMMON	T	36.71	2,914,583.87	57.64	4,576,616.00	6.47	2.32	184,208.00	4.02
650	TELUS CORP	NON VTG	T.A	32.52	21,138.00	54.64	35,516.00	0.05	2.32	1,508.00	4.25
					5,753,875.40		***7,940,532.00***	***11.23***		***306,132.00***	***3.85***
TOTAL EQUITIES - CANADA					**67,362,720.64**		**69,419,267.00**	**98.19**		**2,165,307.80**	**3.12**
TOTAL EQUITIES					**67,362,720.64**		**69,419,267.00**	**98.19**		**2,165,307.80**	**3.12**
TOTAL PORTFOLIO					**68,641,307.12**		**70,697,853.48**	**100.00**		**2,174,728.22**	**3.08**

CUMULATIVE CAPITAL GAIN 4,908.75

CONTRIBUTED BOOK VALUE 68,636,398.37

1 US Dollar = 1.017 Canadian Dollar

S&P/TSX	11,955.09
S&P 500	1,257.60
DJ 30	12,217.56

PORTFOLIO PREPARED IN CANADIAN DOLLARS ON TRADE DATE BASIS

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
CASH & CASH EQUIVALENTS											
CASH											
-22,274,371	CASH - CA	CANADIAN DOLLARS	CASH	1.00	-22,274,370.73	1.00	-22,274,370.73	-13.86			
					-22,274,370.73		***-22,274,370.73***	***-13.86***			
CASH EQUIVALENTS - CANADA											
8,900,000	CANADA GOVT	0.000 MAR 15 12	T0315	99.82	8,883,780.00	99.82	8,883,780.00	5.53		71,118.15	0.80
6,450,000	CANADA GOVT	0.000 MAR 29 12	T0329	99.80	6,437,131.25	99.80	6,437,131.25	4.01		52,103.66	0.81
					15,320,911.25		***15,320,911.25***	***9.54***		***123,221.81***	***0.80***
2,000,000	ALBERTA PROV.	0.000 MAR 15 12	ALT0315	99.76	1,995,280.00	99.76	1,995,280.00	1.24		18,931.87	0.95
					1,995,280.00		***1,995,280.00***	***1.24***		***18,931.87***	***0.95***
4,750,000	ENBRIDGE GAS D/N	0.000 JAN 03 12	ENB0203	99.91	4,745,849.48	99.91	4,745,849.48	2.95		52,239.27	1.10
5,175,000	CIBC B/A	0.000 JAN 05 12	CMB0105	99.73	5,160,872.25	99.73	5,160,872.25	3.21		57,295.88	1.11
5,675,000	IMPERIAL OIL D/N	0.000 JAN 05 12	IMO0105	99.92	5,670,176.25	99.92	5,670,176.25	3.53		58,688.96	1.04
4,100,000	INTERPIPE (CORRIDOR)	0.000 JAN 05 12	INT0105	99.93	4,097,294.00	99.93	4,097,294.00	2.55		49,384.50	1.21
11,900,000	ENBRIDGE GAS D/N	0.000 JAN 09 12	ENB0109	99.91	11,889,394.50	99.91	11,889,394.50	7.40		131,787.50	1.11
3,825,000	IMPERIAL OIL D/N	0.000 JAN 12 12	IMO0112	99.90	3,821,175.00	99.90	3,821,175.00	2.38		39,889.29	1.04
6,800,000	NOVA SCOTIA POWER	0.000 JAN 16 12	NSP0116	99.90	6,792,996.00	99.90	6,792,996.00	4.23		73,041.71	1.08
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	3.28		71,037.38	1.35
5,725,000	IMPERIAL OIL D/N	0.000 JAN 19 12	IMO0119	99.90	5,719,389.50	99.90	5,719,389.50	3.56		60,230.37	1.05
7,525,000	LOWER MATTAGAMI ENG	0.000 JAN 25 12	LM0125	99.92	7,518,829.50	99.92	7,518,829.50	4.68		80,436.88	1.07
8,000,000	FORTIS BC	0.000 FEB 01 12	BCG0201	99.89	7,990,870.00	99.89	7,990,870.00	4.97		83,213.65	1.04
4,625,000	NOVA SCOTIA POWER	0.000 FEB 02 12	NSP0202	99.90	4,620,236.25	99.90	4,620,236.25	2.88		49,679.11	1.08
12,875,000	TRANSCDA PIPE D/N	0.000 FEB 02 12	TRP0202	99.71	12,837,276.25	99.71	12,837,276.25	7.99		151,309.55	1.18
2,025,000	BK OF MONTREAL B/A	0.000 FEB 13 12	BMO0213	99.77	2,020,340.25	99.77	2,020,340.25	1.26		21,821.39	1.08
10,250,000	INTERPIPE (CORRIDOR)	0.000 FEB 28 12	INT0228	99.69	10,218,430.00	99.69	10,218,430.00	6.36		130,943.75	1.28
3,625,000	BK OF MONTREAL B/A	0.000 MAR 08 12	BMO0308	99.73	3,615,285.00	99.73	3,615,285.00	2.25		39,399.72	1.09
4,425,000	BANK OF NS BDN	0.000 MAR 15 12	BNS0315	99.71	4,412,344.50	99.71	4,412,344.50	2.75		50,761.07	1.15
6,450,000	CIBC B/A	0.000 MAR 19 12	CMB0319	99.66	6,428,328.00	99.66	6,428,328.00	4.00		71,263.78	1.11
					112,823,470.73		***112,823,470.73***	***70.22***		***1,272,423.76***	***1.13***
TOTAL CASH & CASH EQUIVALENTS					**107,865,291.25**		**107,865,291.25**	**67.14**		**1,414,577.44**	**1.31**
FIXED INCOME - CANADA											
CORPORATE											
12,000,000	TORONTO DOMINION BK	FLTG SEP 19 12	891145RH	100.00	12,000,000.00	100.00	12,000,000.00	7.47	1.32	158,400.00	1.32
12,100,000	BANK OF NOVA SCOTIA	FLTG SEP 28 12	064149F6	100.00	12,100,000.00	100.00	12,100,000.00	7.53	1.32	159,720.00	1.32
11,700,000	BANK OF MONTREAL	FLTG OCT 19 12	063679WB	100.00	11,700,000.00	100.00	11,700,000.00	7.28	1.34	156,780.00	1.34
17,000,000	ROYAL BANK OF CANADA	FLTG NOV 14 12	7800854V	100.00	17,000,000.00	100.00	17,000,000.00	10.58	1.37	232,656.90	1.37
					52,800,000.00		***52,800,000.00***	***32.86***		***707,556.90***	***1.34***

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 FIXED INCOME - CANADA					**52,800,000.00**		**52,800,000.00**	**32.86**		**707,556.90**	**1.34**
TOTAL FIXED INCOME					**52,800,000.00**		**52,800,000.00**	**32.86**		**707,556.90**	**1.34**
TOTAL PORTFOLIO					**160,665,291.25**		**160,665,291.25**	**100.00**		**2,122,134.34**	**1.32**

CUMULATIVE CAPITAL GAIN -3,806,863.62

CONTRIBUTED BOOK VALUE 164,472,154.87

1 US Dollar = 1.017 Canadian Dollar

S&P/TSX	11,955.09
S&P 500	1,257.60
DJ 30	12,217.56

PORTFOLIO PREPARED IN CANADIAN DOLLARS ON TRADE DATE BASIS

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Purchase
CASH EQUIVALENTS					
30 Dec 11	BG CASH MANAGEMENT	FUND	129,244.00	10.00	1,292,433.64
TOTAL CASH EQUIVALENTS					1,292,433.64
EQUITIES					
7 Oct 11	AGRIUM INC	COMMON	2,100.00	72.98	153,264.35
7 Oct 11	CDN NATURAL RES	COMMON	11,000.00	31.11	342,176.27
29 Nov 11	CDN PACIFIC RAILWAY	COMMON	4,200.00	59.24	248,806.48
2 Dec 11	GREAT-WEST LIFECO	COMMON	17,200.00	20.24	348,203.12
14 Dec 11	POTASH CORP OF SASK	COMMON	19,600.00	44.04	863,090.05
2 Dec 11	ROYAL BANK CDA	COMMON	14,100.00	45.45	640,792.98
7 Oct 11	TALISMAN ENERGY INC	COMMON	15,100.00	11.94	180,358.62
11 Oct 11	TECK RESOURCES LTD	CLASS B SUB VTG	10,200.00	32.83	334,893.29
TOTAL EQUITIES					3,111,585.16
TOTAL PURCHASES					4,404,018.80

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Sales	Profit/ Loss
CASH EQUIVALENTS						
19 Dec 11	BG CASH MANAGEMENT	FUND	185,000.00	10.00	1,850,000.00	
TOTAL CASH EQUIVALENTS					**1,850,000.00**	
EQUITIES						
25 Nov 11	AGRIUM INC	COMMON	300.00	73.41	22,023.50	1,607.81
28 Dec 11	ALTAGAS LTD	COMMON	2,100.00	30.44	63,932.32	25,646.93
25 Nov 11	BANK OF NOVA SCOTIA	COMMON	1,100.00	49.74	54,709.70	1,937.29
25 Nov 11	BAYTEX ENERGY CORP	COMMON	400.00	52.01	20,802.00	9,778.16
25 Nov 11	CAMECO CORP	COMMON	1,900.00	19.63	37,292.50	-18,615.15
29 Nov 11	CDN IMP BANK COMMERC	COMMON	6,100.00	69.58	424,410.22	8,301.93
29 Nov 11	CDN NATL RAILWAY	COMMON	5,200.00	77.57	403,367.99	102,157.83
27 Oct 11	CDN PACIFIC RAILWAY	COMMON	300.00	60.42	18,125.19	318.33
25 Nov 11	CDN TIRE CORP	CLASS A NON VTG	600.00	61.87	37,119.00	3,365.46
25 Nov 11	CENOVUS ENERGY	COMMON	1,400.00	31.94	44,721.00	5,263.46
25 Nov 11	ENBRIDGE INC	COMMON	400.00	34.88	13,952.00	4,881.86
25 Nov 11	ENCANA CORPORATION	COMMON	17,700.00	20.02	354,279.95	-153,084.83
25 Nov 11	ENSIGN ENERGY SERVCS	COMMON	1,400.00	15.29	21,407.00	-29.78
25 Nov 11	FINNING INTL	COMMON	700.00	20.98	14,688.50	1,363.98
25 Nov 11	GREAT-WEST LIFECO	COMMON	2,400.00	20.76	49,818.52	-10,358.24
29 Nov 11	IGM FINANCIAL INC	COMMON	1,000.00	42.79	42,794.00	1,636.59
25 Nov 11	INMET MINING CORP	COMMON	800.00	55.46	44,369.00	-2,063.09
25 Nov 11	KINROSS GOLD CORP	COMMON	41,000.00	14.29	585,751.56	-290,998.93
25 Nov 11	LOBLAW COS LTD	COMMON	500.00	37.33	18,665.50	1,262.50
25 Nov 11	MAGNA INTL INC	COMMON	1,300.00	36.02	46,823.32	3,814.70
25 Nov 11	MANULIFE FINCL CORP	COMMON	4,800.00	12.18	58,456.80	-31,793.70
25 Nov 11	METRO INC	CLASS A SUB VTG	400.00	49.49	19,794.50	2,529.43
25 Nov 11	MOLSON COORS CANADA	EXCH NON VTG CL B	1,700.00	40.99	69,680.00	-15,819.23
27 Oct 11	POTASH CORP OF SASK	COMMON	100.00	51.09	5,108.50	836.11
29 Nov 11	QUEBECOR INC	CLASS B SUB VTG	1,400.00	33.31	46,640.00	7,899.76
25 Nov 11	ROGERS COMMUNICATION	CLASS B NON VTG	1,700.00	36.36	61,813.50	5,317.49
27 Oct 11	ROYAL BANK CDA	COMMON	900.00	48.98	44,081.01	-4,750.09
25 Nov 11	SHOPPERS DRUG MART	COMMON	1,000.00	41.61	41,613.00	-563.45
2 Dec 11	SUN LIFE FNCL INC	COMMON	40,600.00	19.28	782,904.56	-455,022.73
25 Nov 11	TALISMAN ENERGY INC	COMMON	1,800.00	12.80	23,032.00	-8,029.85
25 Nov 11	TECK RESOURCES LTD	CLASS B SUB VTG	600.00	35.68	21,410.44	1,722.08
25 Nov 11	TELUS CORP	COMMON	1,800.00	52.97	95,337.00	29,263.31
25 Nov 11	THOMSON REUTERS CORP	COMMON	900.00	28.68	25,807.50	-5,816.32

Date	Security Name	Security Description	Par Value / Shares	Average Price	Total Sales	Profit/ Loss
25 Nov 11	TORONTO DOMINION BK	COMMON	1,600.00	71.02	113,636.00	4,703.65
TOTAL EQUITIES					**3,728,367.58**	**-773,336.73**
TOTAL SALES					**5,578,367.58**	**-773,336.73**