

**UNIVERSITY OF WESTERN ONTARIO**

October 13, 2011

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Peter Clarke, Managing Director, Client Service

## **Beutel Goodman Overview**

- Active equity (value) and fixed income investors since 1967
- Private\* and independent
- Investment philosophy based on absolute risk and sustainable returns
- Disciplined and transparent decision making & investment process
- Long-term value added returns

\* AMG owns 49% of Beutel Goodman.

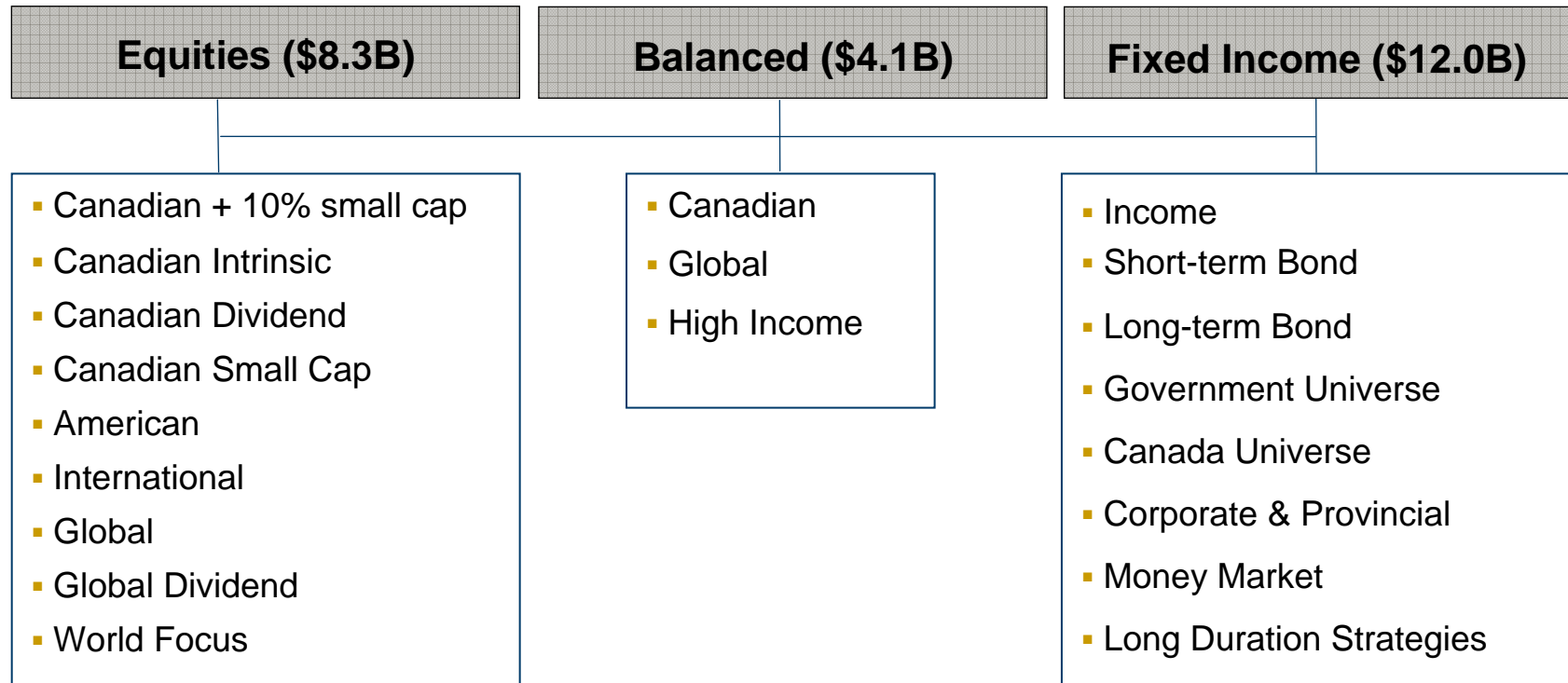
## **Ownership Structure**

- Private Partnership
  - 51% owned by 38 employees\*
  - 49% minority partner AMG Canada Corp.
- Effective share transfer program
- Shares held through shareholders trust
- Ownership change requires 80% vote of the trust
- 10 Year share retention after age 60/65

\* As of June 30, 2011

**Assets Under Management: \$24.4B (June 30, 2011)**

**Institutional: 78% Segregated & 22% Pooled**



## Performance Results

### University of Western Ontario – Operating & Endowment Fund, Canadian Equities

Annualized: As at September 30, 2010

UWO	3 mos.	YTD	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.	6 Yrs.	7 Yrs.	8 Yrs.	9 Yrs.	10 Yrs.	Since Inception
TOTAL PORTFOLIO	-11.92	-10.28	-2.99	3.58	4.58	-0.01	3.80	4.73	7.09	8.74	10.03	8.80	10.33
S&P/TSX	-12.02	-11.88	-3.55	3.75	2.66	-1.90	2.61	3.68	7.01	8.42	9.90	7.95	8.93
<b>MANAGEMENT EFFECT</b>	<b>0.10</b>	<b>1.60</b>	<b>0.56</b>	<b>-0.17</b>	<b>1.92</b>	<b>1.89</b>	<b>1.19</b>	<b>1.05</b>	<b>0.08</b>	<b>0.32</b>	<b>0.13</b>	<b>0.85</b>	<b>1.40</b>

Annual: As at September 30th

UWO	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
TOTAL PORTFOLIO	-2.99	10.60	6.60	-12.57	20.56	9.52	22.44	20.96	20.94	-1.70
S&P/TSX	-3.55	11.60	0.51	-14.40	22.81	9.23	29.34	18.85	22.45	-8.07
<b>MANAGEMENT EFFECT</b>	<b>0.56</b>	<b>-1.00</b>	<b>6.09</b>	<b>1.83</b>	<b>-2.25</b>	<b>0.29</b>	<b>-6.90</b>	<b>2.11</b>	<b>-1.51</b>	<b>6.37</b>

## Performance Results

### University of Western Ontario – Retirement Plan, Canadian Equities

Annualized: As at September 30, 2011

UWO CDN EQUITY SEG FUND	3 mos.	YTD	1 Yr.	2 Yrs.	Since Inception
TOTAL PORTFOLIO	-12.00	-10.24	-3.98	2.54	3.55
S&P/TSX	-12.02	-11.88	-3.55	3.75	5.88
<b>MANAGEMENT EFFECT</b>	<b>0.02</b>	<b>1.64</b>	<b>-0.43</b>	<b>-1.21</b>	<b>-2.33</b>

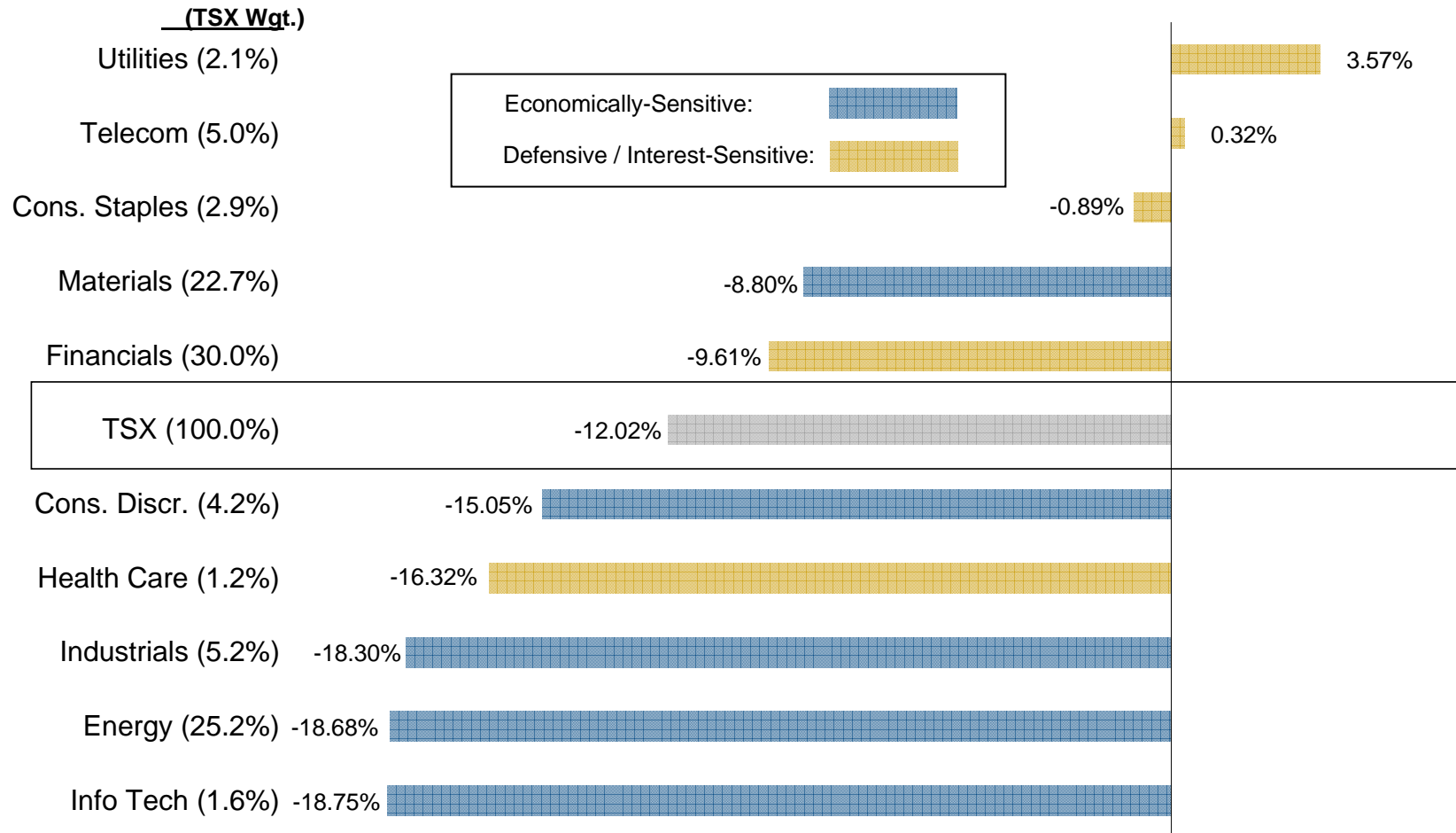
Annual: As at September 30th

UWO CDN EQUITY SEG FUND	2011	2010
TOTAL PORTFOLIO	-3.98	9.50
S&P/TSX	-3.55	11.60
<b>MANAGEMENT EFFECT</b>	<b>-0.43</b>	<b>-2.10</b>

## Large-Cap Review

## S&P/TSX Composite Sector Returns

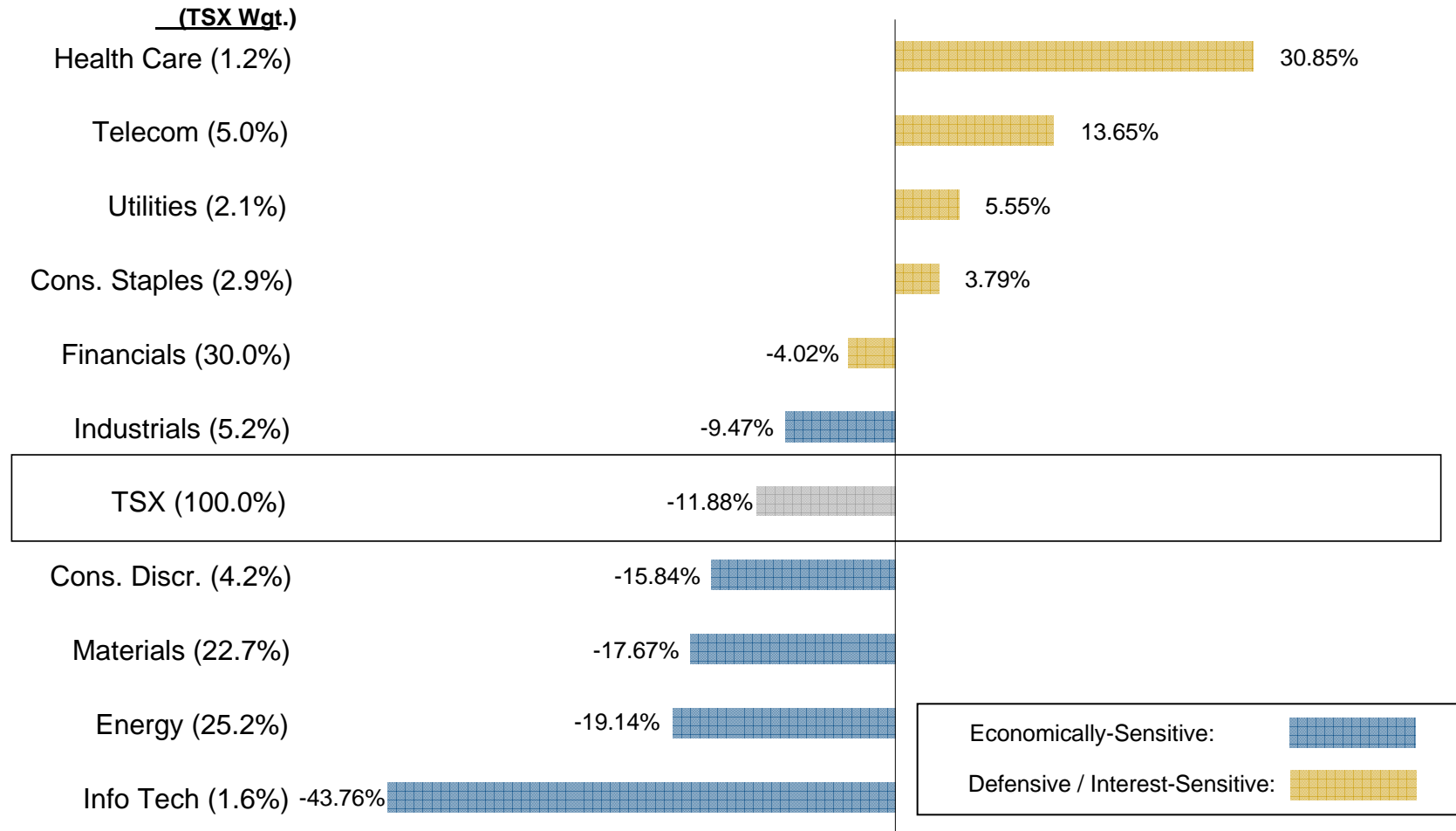
### 3 Months To September 30, 2011





## S&P/TSX Composite Sector Returns

### 9 Months To September 30, 2011



## Canadian Equities Investment Strategy

- Fully invested – cash targeted at less than 2%
- Recent downturn presented opportunity to increase high quality cyclical exposure by over 6%
- Underweight Energy with bias towards low-cost oil producers
- Maintain overweight in stable-demand value opportunities in Consumer Staples and Telecom
- Maintain overweight in Financials:
  - Added to insurers on undue concerns over the impact of yield curve moves on capital levels
  - Holding bank exposures on encouraging operating results and the potential for dividend increases
- Free cash flow companies at 95% of large cap holdings
- Portfolio dividend yield of 3.1% well in excess of market yield of 2.4%

**New Positions:** Canadian Natural Resources, Inmet Mining, Teck Resources

**Adds:** Agrium, Potash, Finning, Magna

**Trims:** Canadian Oil Sands, AltaGas, Enbridge, IGM Financial

## UWO Canadian Equities

### Portfolio Activity July 1, 2011 – September 30, 2011

	<u>Buys</u>	<u># of Hldgs</u>	<u>Sells</u>	<u># of Hldgs</u>	<u>Net</u>	<u>BG</u> <u>9/30/2011</u>	<u>TSX</u> <u>9/30/2011</u>	<u>Variance</u>
Energy	1.4%	3	1.7%	3	-0.3%	14.8%	25.2%	-10.4%
Materials	2.9%	5			2.9%	7.0%	22.7%	-15.6%
Industrials	0.2%	2			0.2%	7.1%	5.2%	1.9%
Consumer Discretionary	0.3%	3			0.3%	9.5%	4.2%	5.3%
Consumer Staples	0.0%	1			0.0%	9.1%	2.9%	6.2%
Health Care							1.2%	-1.2%
Financials	0.1%	4	0.5%	1	-0.3%	33.6%	30.0%	3.6%
Information Technology							1.6%	-1.6%
Telecommunication Services	0.3%	1	0.2%	1	0.1%	10.0%	5.0%	5.0%
Utilities							2.1%	-2.1%
Small Cap			0.4%	1	-0.4%	7.5%		7.5%
Cash			2.5%		-2.5%	1.5%		1.5%
<b>Total</b>	<b>5.3%</b>	<b>19</b>	<b>5.3%</b>	<b>6</b>		<b>100.0%</b>	<b>100.0%</b>	

## UWO Canadian Equities

### Portfolio Activity July 1, 2011 – September 30, 2011

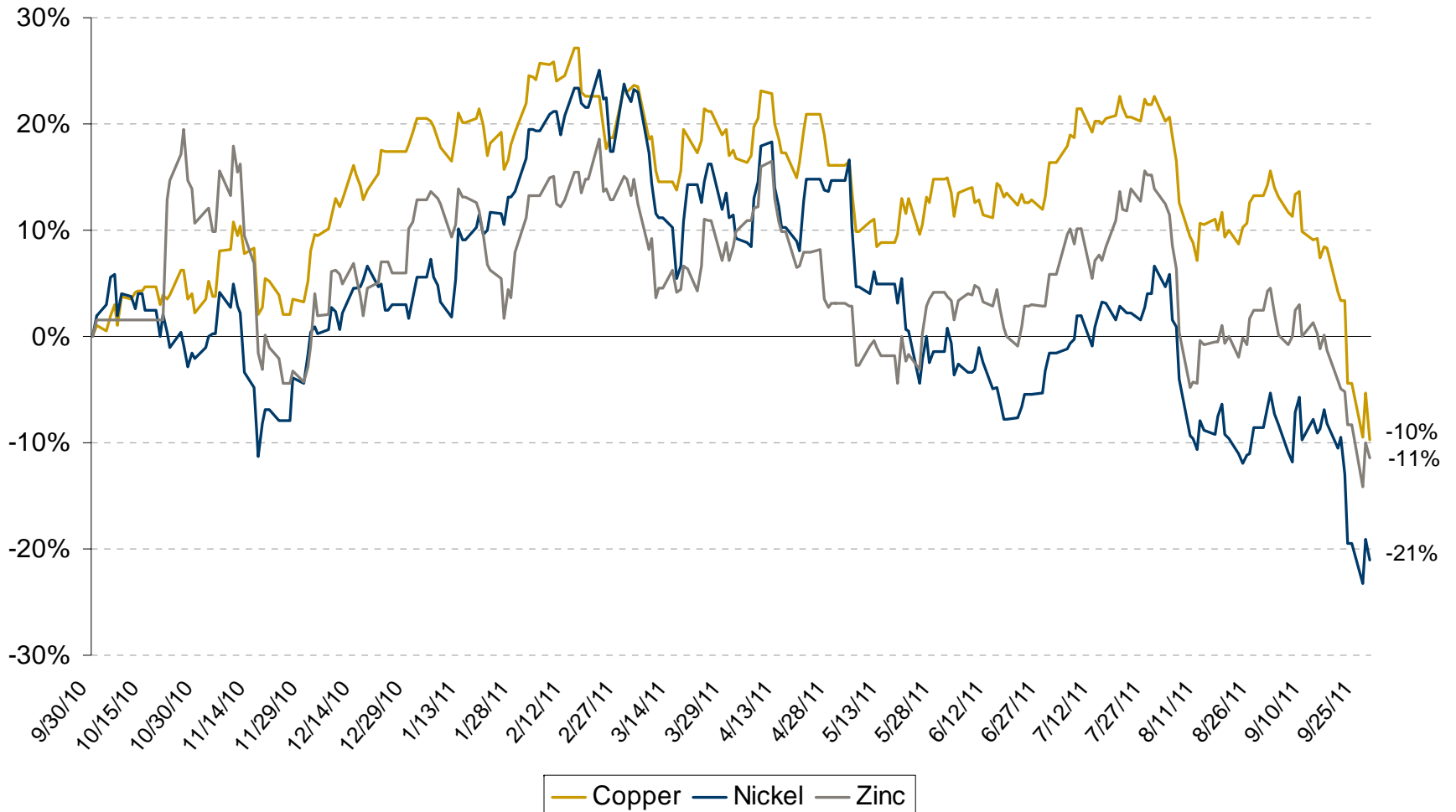
	<u>Buys</u>	<u>Sells</u>
<b>Energy</b>	<b>CNQ</b> , Encana, Cameco	Enbridge, Canadian Oil Sands, AltaGas
<b>Materials</b>	<b>Inmet</b> , Potash, <b>Teck</b> , Agrium, Kinross	
<b>Industrials</b>	Finning, CP Railway	
<b>Consumer Discretionary</b>	Magna, Thomson, Quebecor	
<b>Consumer Staples</b>	Molson Coors	
<b>Health Care</b>		
<b>Financials</b>	Sun Life, Manulife, Great-West, RBC	IGM
<b>Information Technology</b>		
<b>Telecommunication Services</b>	Rogers	Telus
<b>Utilities</b>		

***Bold** = New Position Added to the Portfolio*

## **Canadian Equities Outlook – 3<sup>rd</sup> Quarter 2011**

- Equity markets suffered their largest declines in the third quarter since the end of 2008
- Failure by Europe to deal decisively with the Greek debt situation has driven more generalized fears of a renewed global recession to the surface
- Risks of another global liquidity freeze are mitigated by several factors:
  - Better capitalized banking system
  - High corporate cash levels and strong balance sheets
  - Lack of systemic threats from key sectors such as housing
- Governments and monetary authorities are likely to maintain conditions supportive of growth to offset the drag from deleveraging and structural reform
- Actual economic data out of the U.S., Europe and Asia so far are not consistent with a recession

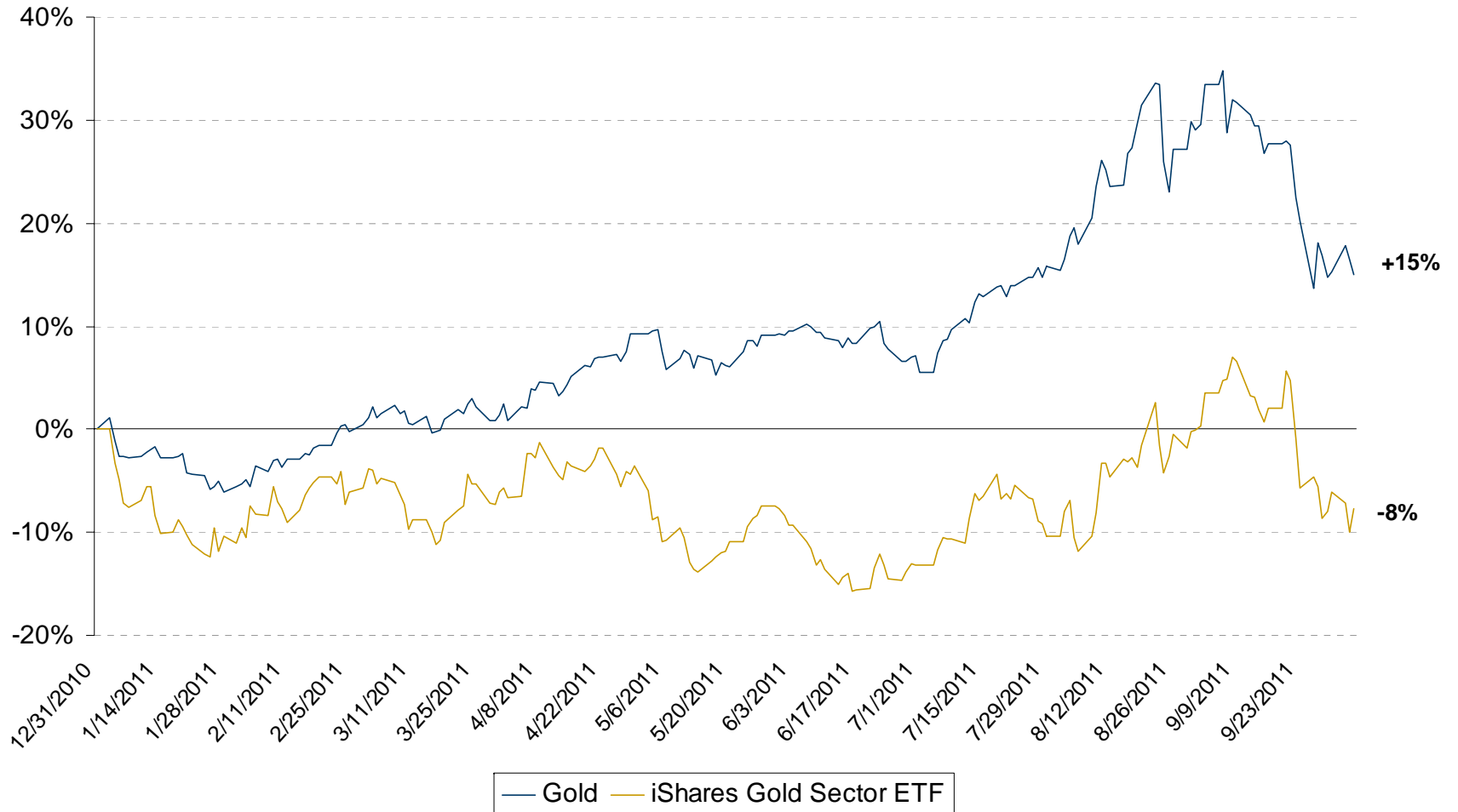
## Base Metal Prices – September 2010 – September 2011



Source: Thomson Reuters

## Gold vs. Gold Stocks

### 12-Months to September 2011



## Canadian Banks

- Operating results for the Canadian banks have remained strong
- Any shortfalls in earnings have been due mostly to one-time effects that do not impair long-term business value
- Several banks have now raised their dividends, and payout ratios below upper targeted levels suggest there is more potential on this front
- On basic measures of value, for example Price/Book Value divided by Return on Equity, banks continue to trade at attractive levels

### **ROE-Adjusted P/BV**

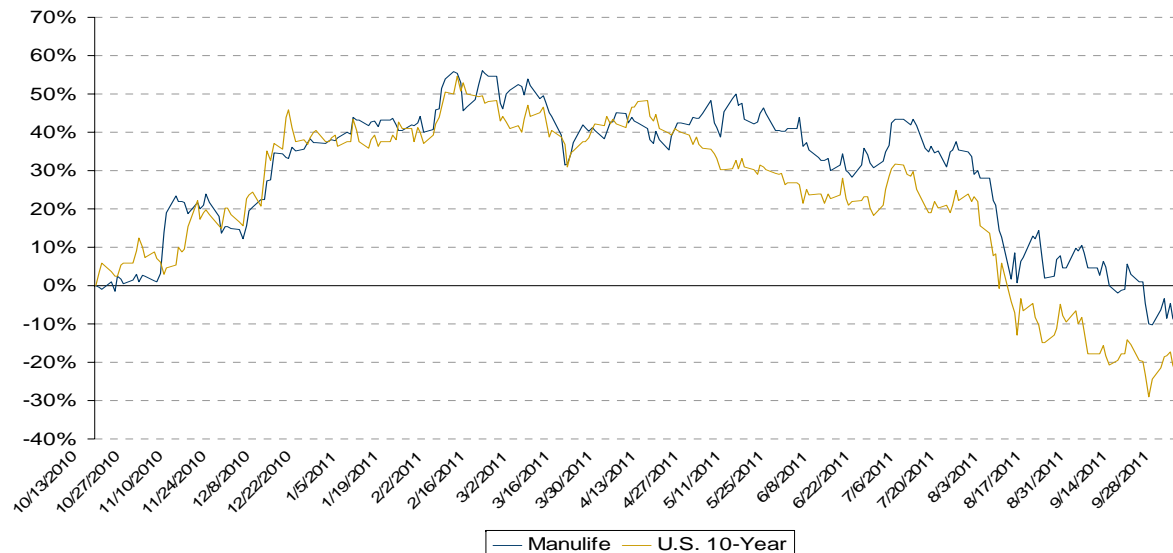
	<u>Latest Rpt</u>	<u>Fiscal 2010</u>	<u>Fiscal 2009</u>	<u>Fiscal 2008</u>	<u>Fiscal 2007</u>	<u>Fiscal 2006</u>
<b>Royal</b>	11.9	14.1	10.2	11.3	13.2	12.8
<b>TD</b>	12.9	12.0	10.1	13.1	12.2	13.1
<b>CIBC</b>	10.1	11.1	9.7	9.9	11.0	11.6
<b>BNS</b>	11.8	12.8	10.7	12.1	12.9	12.7
<b>BMO</b>	10.8	12.3	11.1	11.5	12.2	12.8



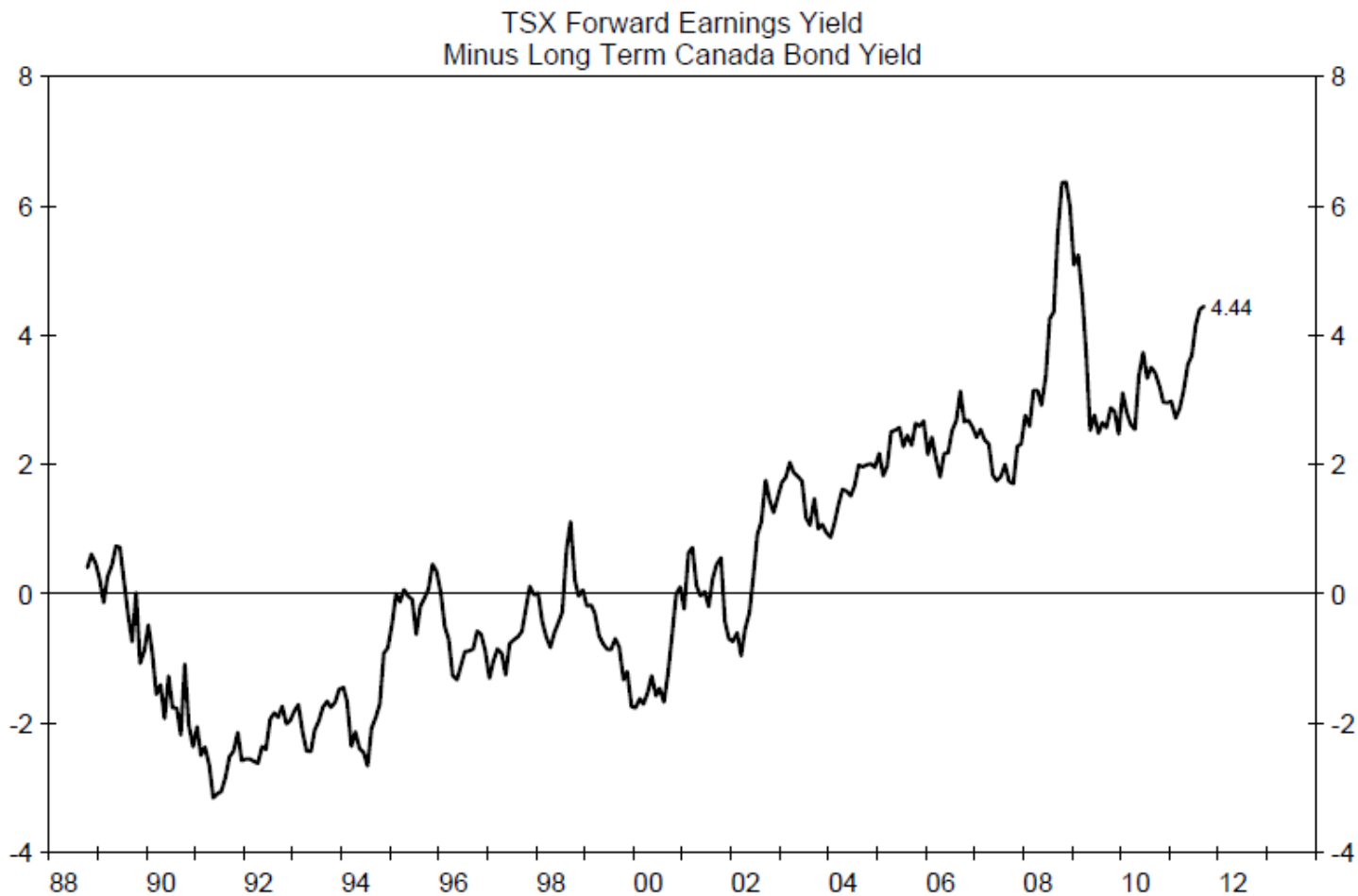
## Canadian Insurers

- Recent operating results for major Canadian insurers met or exceeded expectations
- Capital levels remain well in excess of regulatory requirements
- Stock continue to reflect macro risk concerns around interest rate and equity market sensitivities, even though these have been significantly reduced since the market bottom in March 2009

### Manulife vs. 10-Year U.S. Treasury 12-Months to September 2011 (Rate as Yield)



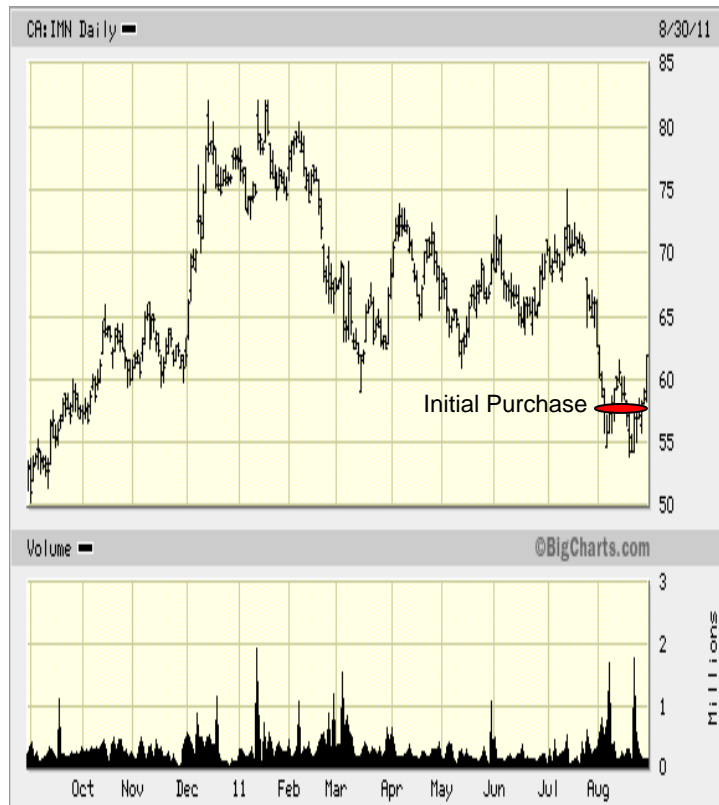
## Canadian Equity Valuations Well Supported by Low Bond Yields



## Security Position

### Inmet Mining Corporation

Purchase Price: \$57.88  
Current Price: \$61.84



### Company

- 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
- Experienced management team
- Low cost producer with potential to triple copper production by 2015
- Conservatively managed, with low debt and above-average cash levels
- Current share price places an unrealistically low value on Panama project.

### Valuation at Purchase

	<u>Inmet</u>	<u>S&amp;P/TSX</u>
Fwd. P/E	8.1x	12.8x
Price/Book	1.4x	1.8x
Price/CF	8.0x	9.6x
ROE	14%	12%
LT Debt/Capital	1%	27%

## Security Position

### Finning International

Purchase Price: \$13.25  
Current Price\*: \$24.09



\* As at August 30, 2011

### Company

- World's largest Caterpillar equipment dealer, founded in 1933
- Geographically diverse dealer network with leading position in core markets
- Business model has weathered numerous business cycles (free cash flow positive in '08-'09 bottom)
- Large, very profitable parts and service business
- Position initiated in late 2008 after the collapse of the commodity bubble near its historic low Price/Book Value

### Valuation at Purchase

	<u>Finning</u>	<u>S&amp;P/TSX</u>
Fwd. P/E	8.0x	11.0x
Price/Book	1.3x	2.1x
Price/CF	4.0x	n.a.
Yield	3.3%	5.0%

## Performance

## University of Western Ontario - Retirement Plan

<u>Company</u>	<u>%</u>	<u>Company</u>	<u>%</u>
TORONTO DOMINION BANK	8.8%	CDN PACIFIC RAILWAY	2.3%
CDN IMP BANK COMMERCE	7.3%	POTASH CORP OF SASK	2.0%
TELUS CORP	6.2%	THOMSON REUTERS CORP	1.7%
ROYAL BANK CANADA	5.9%	BAYTEX ENERGY CORP	1.6%
BANK OF NOVA SCOTIA	4.8%	SUN LIFE FNCL INC	1.5%
ROGERS COMMUNICATION	4.6%	METRO INC	1.3%
MOLSON COORS CANADA	4.3%	ENSIGN ENERGY SERVCS	1.3%
CDN NATL RAILWAY	4.3%	IGM FINANCIAL INC	1.3%
MANULIFE FINCL CORP	3.4%	AGRIUM INC	1.3%
GREAT-WEST LIFECO	3.3%	LOBLAW COS LTD	1.2%
CENOVUS ENERGY	3.2%	FINNING INTL	1.1%
QUEBECOR INC	3.2%	CDN NATURAL RES	1.0%
SHOPPERS DRUG MART	3.0%	ALTAGAS LTD	0.9%
MAGNA INTL INC	2.8%	ENBRIDGE INC	0.9%
KINROSS GOLD CORP	2.8%	INMET MINING CORP	0.9%
CDN TIRE CORP	2.6%	TECK RESOURCES LTD	0.7%
TALISMAN ENERGY INC	2.4%	TELUS CORP	0.1%
CAMECO CORP	2.4%	Cash	1.7%
ENCANA CORPORATION	2.4%		100.0%

**10 Largest Holdings: 52.7%**

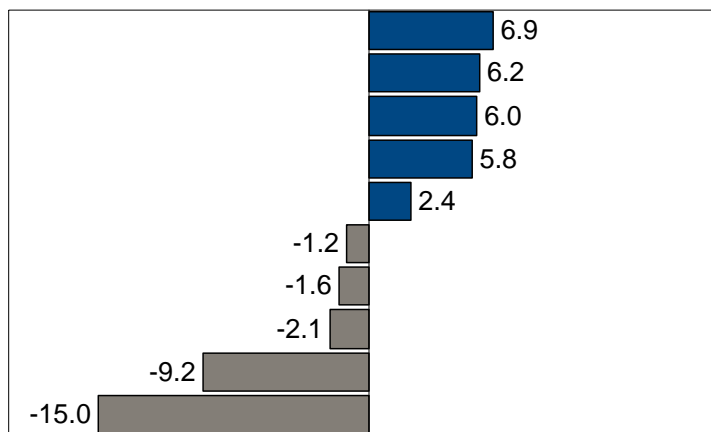
## Portfolio Sector Position

University of Western Ontario, Retirement Plan – September 30, 2011

### Sector Weights (%)

Sector	UWO	S&P/TSX
Consumer S.	9.8	2.9
Financials	36.2	30.0
Consumer D.	10.2	4.2
Telecom	10.8	5.0
Industrials	7.6	5.2
Health Care	0.0	1.2
Info. Tech.	0.0	1.6
Utilities	0.0	2.1
Energy	16.0	25.2
Materials	7.7	22.7
Cash	1.7	

### Underweight/Overweight %



## University of Western Ontario, Operating & Endowment Fund

Company	%	Company	%
TORONTO DOMINION BANK	8.2%	CDN PACIFIC RAILWAY	2.2%
CDN IMP BANK COMMERCE	6.8%	POTASH CORP OF SASK	1.8%
TELUS CORP	5.7%	THOMSON REUTERS CORP	1.6%
ROYAL BANK CANADA	5.4%	BAYTEX ENERGY CORP	1.5%
BANK OF NOVA SCOTIA	4.5%	SUN LIFE FNCL INC	1.4%
ROGERS COMMUNICATION	4.3%	METRO INC	1.2%
CDN NATL RAILWAY	4.0%	ENSIGN ENERGY SERVCS	1.2%
MOLSON COORS CANADA	4.0%	AGRIUM INC	1.2%
MANULIFE FINCL CORP	3.2%	IGM FINANCIAL INC	1.2%
GREAT-WEST LIFE CO	3.0%	LOBLAW COS LTD	1.1%
QUEBECOR INC	2.9%	FINNING INTL	1.0%
CENOVUS ENERGY	2.9%	CDN NATURAL RES	0.9%
SHOPPERS DRUG MART	2.8%	ENBRIDGE INC	0.8%
MAGNA INTL INC	2.6%	ALTAGAS LTD	0.8%
KINROSS GOLD CORP	2.6%	INMET MINING CORP	0.8%
CDN TIRE CORP	2.4%	TECK RESOURCES LTD	0.7%
TALISMAN ENERGY INC	2.3%	BG SMALL	7.5%
CAMECO CORP	2.2%	Cash	1.5%
ENCANA CORPORATION	2.2%		100.0%

**10 Largest Holdings: 48.9%**



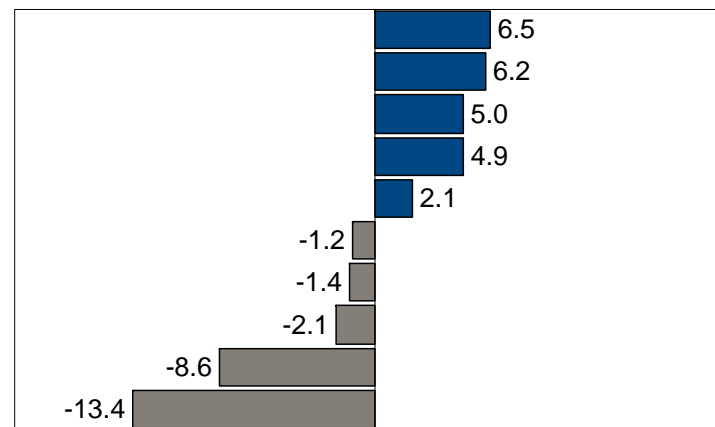
## Portfolio Sector Position

University of Western Ontario, Operating & Endowment Fund - September 30, 2011

### Sector Weights (%)

Sector	UWO	S&P/TSX
Consumer D.	10.7	4.2
Consumer S.	9.1	2.9
Telecom	10.0	5.0
Financials	34.9	30.0
Industrials	7.4	5.2
Health Care	0.0	1.2
Info. Tech.	0.2	1.6
Utilities	0.0	2.1
Energy	16.6	25.2
Materials	9.3	22.7
Cash	1.9	

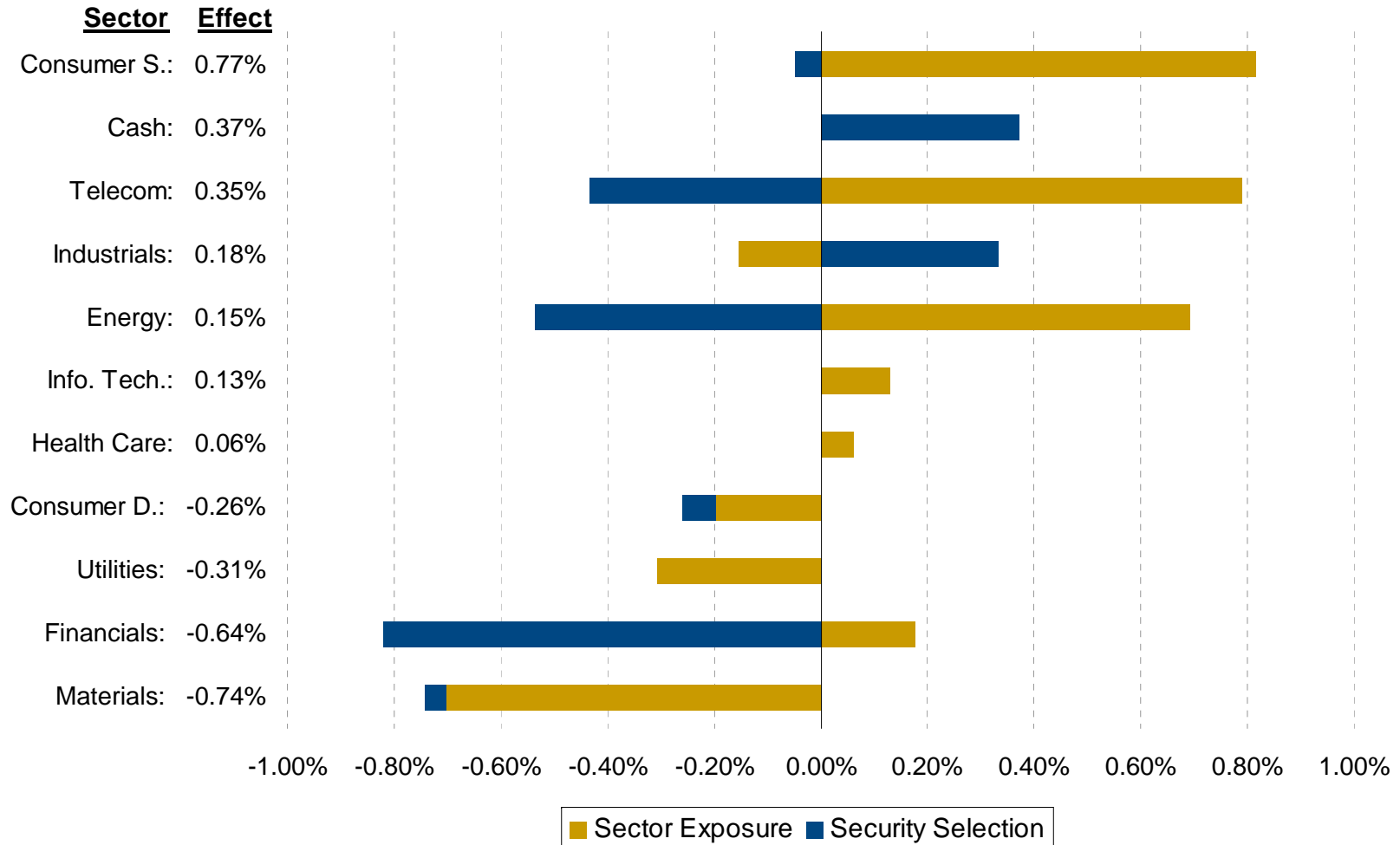
### Underweight/Overweight %



\* UWO weights are combined to include Small Cap component.

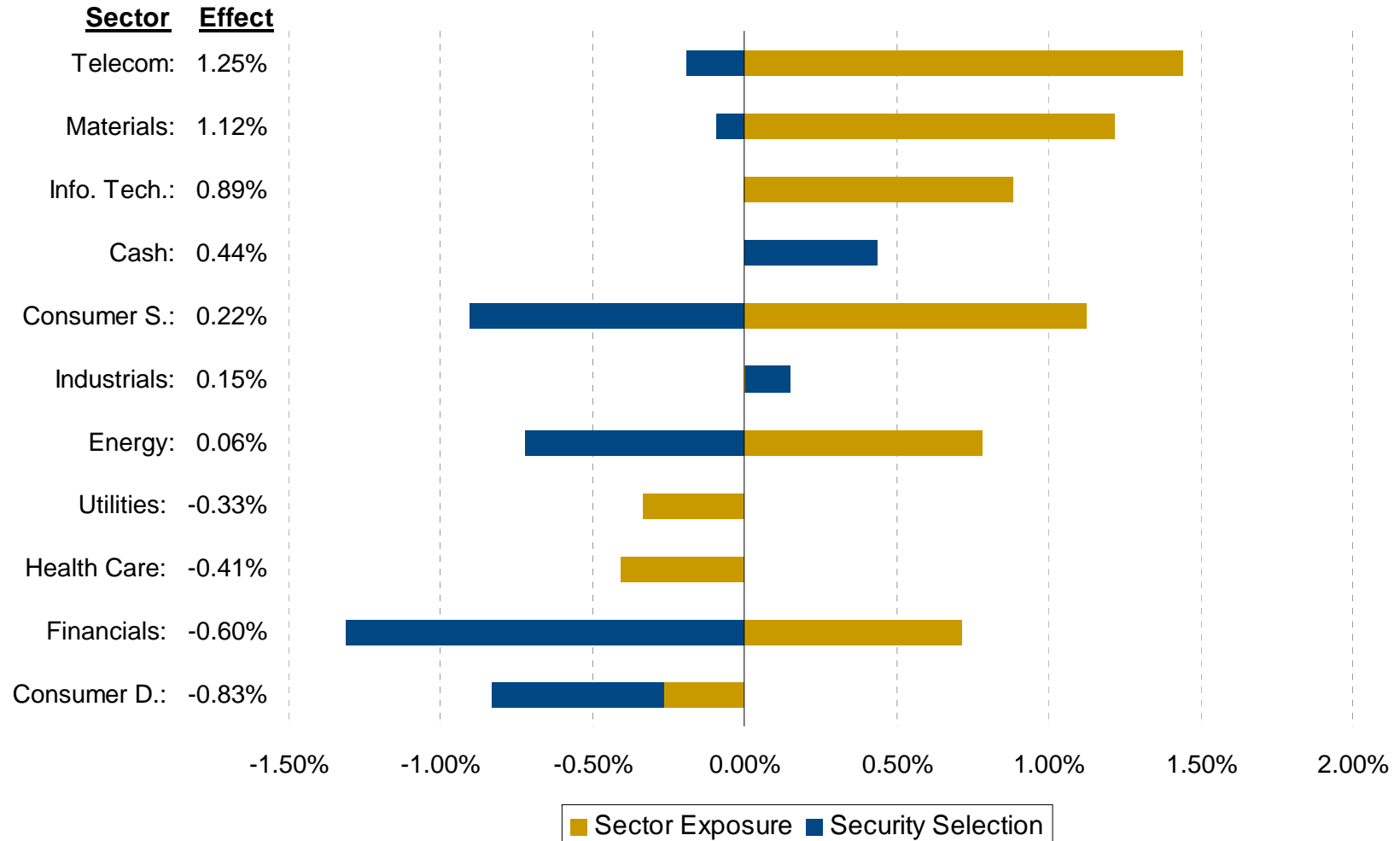
## Relative Performance Attribution

### UWO Retirement - 3 Months To September 30, 2011



## Relative Performance Attribution

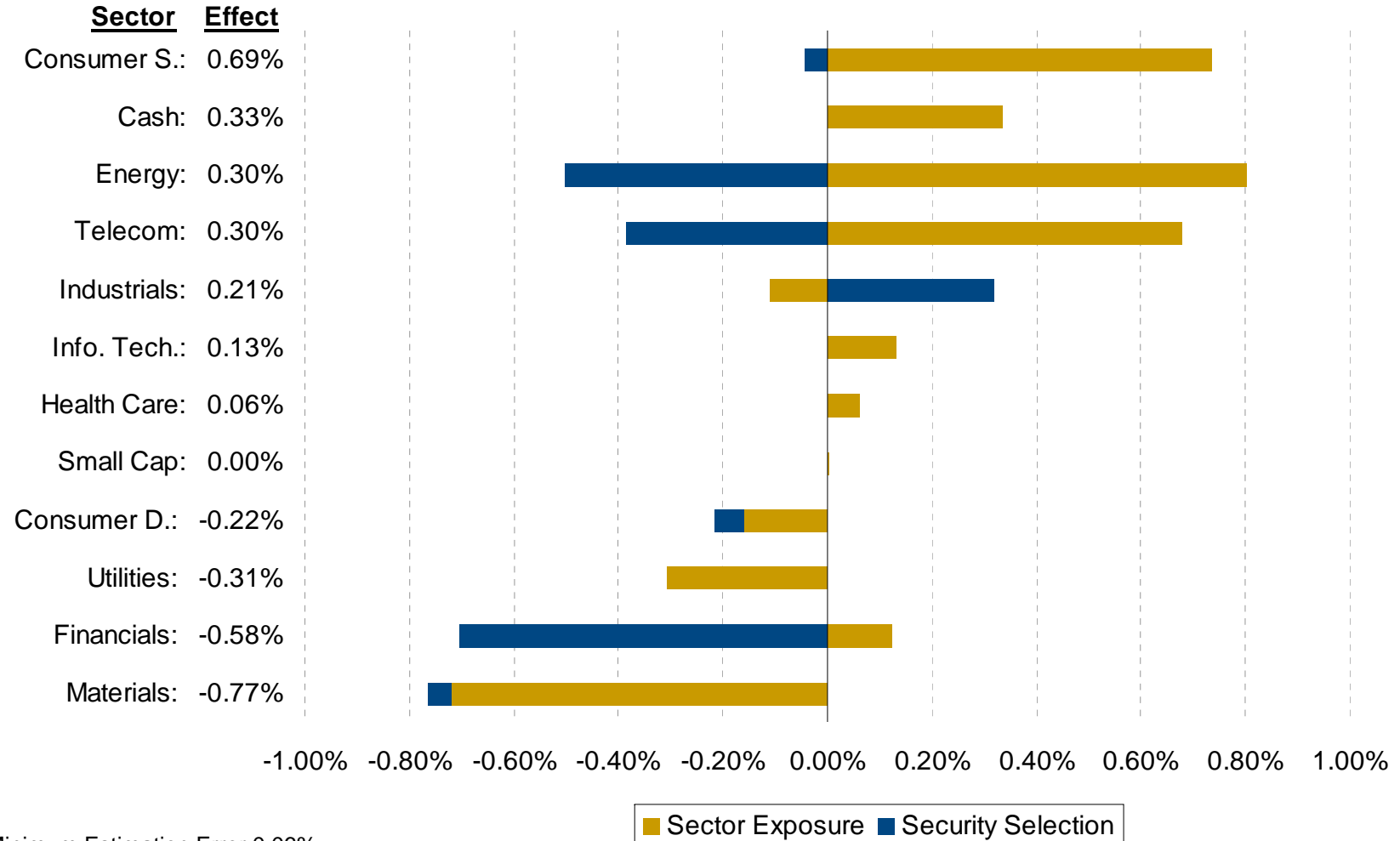
### UWO Retirement - 9 Months To September 30, 2011



Minimum Estimation Error 0.31%

## Relative Performance Attribution

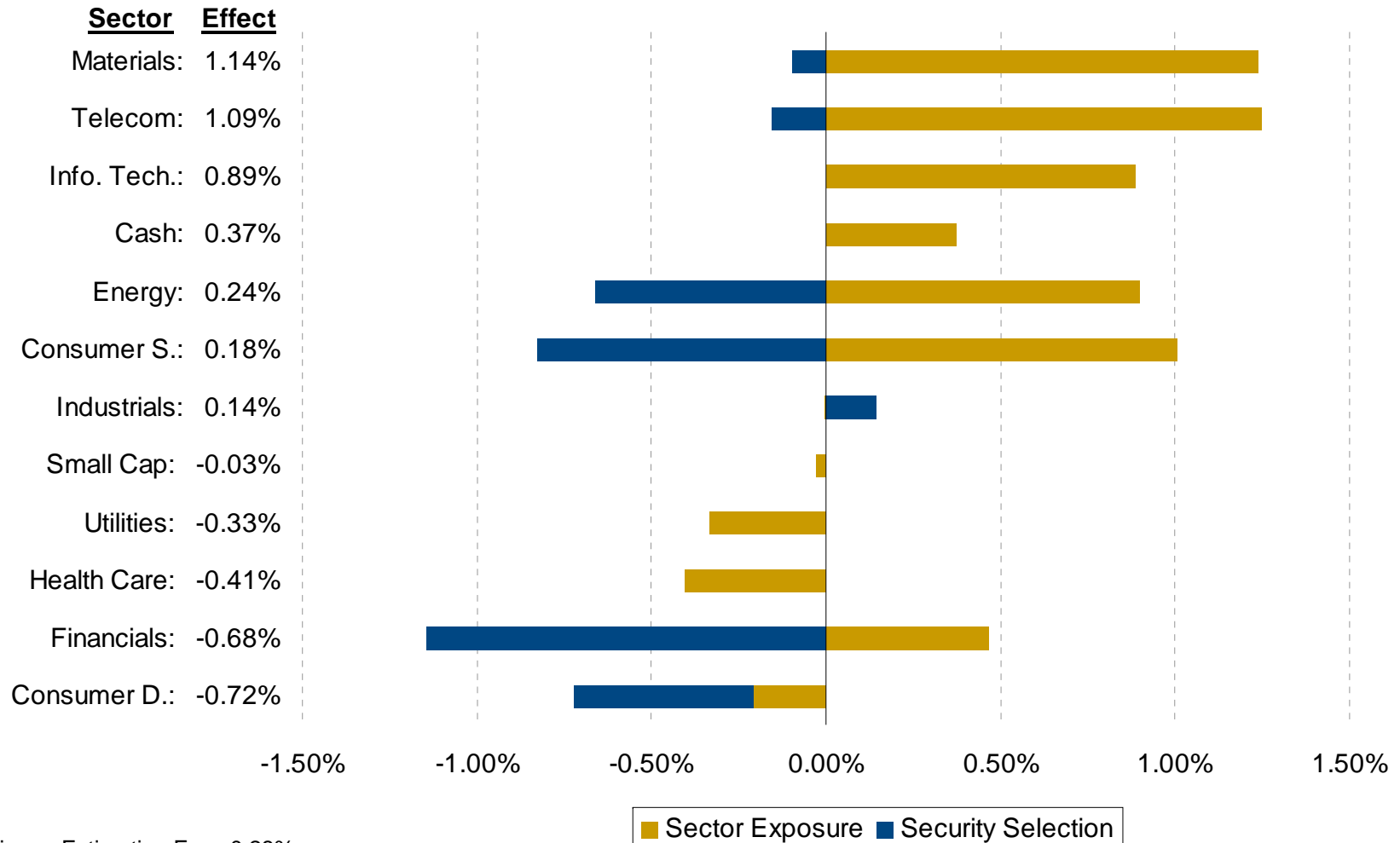
### UWO Endowment - 3 Months To September 30, 2011



Minimum Estimation Error 0.06%

## Relative Performance Attribution

### UWO Endowment - 9 Months To September 30, 2011



## Top & Bottom 10 Contributors

### UWO Retirement, Canadian Equities – 3 Months to September 30, 2011

#### Top Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Quebecor Inc	2.66%	4.80%	4.80%	0.30%	-0.30%	0.13%
2 Shoppers Drug Mart	2.55%	3.44%	2.90%	0.63%	-0.09%	0.09%
3 Kinross Gold Corp	2.41%	2.40%	2.23%	0.39%	-0.22%	0.06%
4 Altagas Ltd	1.17%	3.76%	5.17%	1.18%	-2.59%	0.04%
5 Loblaw Cos Ltd	1.04%	1.46%	1.26%	0.54%	-0.34%	0.02%
6 Cdn Natural Res	0.78%	0.60%	0.60%			0.00%
7 Enbridge Inc	1.74%	-0.16%	6.66%	0.41%	-7.23%	0.00%
8 Teck Resources Ltd	0.64%	-5.74%	-5.74%			-0.04%
9 Metro Inc	1.22%	-4.08%	-4.52%	0.39%	0.05%	-0.05%
10 Telus Corp	5.23%	-2.17%	-3.30%	1.12%		-0.11%

#### Bottom Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Manulife Fincl Corp	4.31%	-28.32%	-30.09%	0.72%	1.06%	-1.22%
2 Magna Intl Inc	3.65%	-30.50%	-33.56%	0.46%	2.59%	-1.11%
3 Talisman Energy Inc	3.24%	-34.10%	-34.98%		0.88%	-1.11%
4 Encana Corporation	2.89%	-29.22%	-32.27%	0.68%	2.37%	-0.85%
5 Royal Bank Cda	5.92%	-11.53%	-12.82%	0.96%	0.34%	-0.68%
6 Toronto Dominion Bk	8.40%	-8.02%	-8.79%	0.81%	-0.04%	-0.67%
7 Cameco Corp	2.77%	-22.91%	-24.37%	0.38%	1.08%	-0.63%
8 Great-West Lifeco	3.56%	-17.35%	-19.11%	1.14%	0.63%	-0.62%
9 Ensign Energy Svcs	1.60%	-26.34%	-28.09%	0.50%	1.24%	-0.42%
10 Finning Intl	1.28%	-30.70%	-33.04%	0.48%	1.86%	-0.39%

## Top & Bottom 10 Contributors

### UWO Retirement, Canadian Equities – Year to Date September 30, 2011

#### Top Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Telus Corp	4.31%	16.76%	12.91%	3.85%		0.72%
2 Toronto Dominion Bk	7.50%	3.21%	0.46%	2.56%	0.19%	0.24%
3 Rogers Communication	3.76%	6.02%	3.67%	2.69%	-0.34%	0.23%
4 Cdn Natl Railway	3.47%	6.24%	5.55%	1.39%	-0.70%	0.22%
5 Enbridge Inc	1.53%	12.86%	18.89%	2.17%	-8.20%	0.20%
6 Shoppers Drug Mart	2.49%	5.12%	3.34%	1.81%	-0.03%	0.13%
7 Altagas Ltd	0.65%	19.39%	24.79%	6.58%	-11.98%	0.13%
8 Cdn Oil Sands	1.72%	5.34%	3.84%	1.59%	-0.09%	0.09%
9 Igm Financial Inc	1.52%	5.43%	2.49%	3.48%	-0.53%	0.08%
10 Metro Inc	1.07%	7.53%	6.16%	1.31%	0.07%	0.08%

#### Bottom Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Cameco Corp	4.16%	-48.98%	-52.26%	0.65%	2.63%	-2.04%
2 Talisman Energy Inc	3.69%	-37.88%	-41.77%	0.56%	3.33%	-1.40%
3 Manulife Fincl Corp	4.24%	-26.66%	-30.38%	2.18%	1.54%	-1.13%
4 Magna Intl Inc	3.52%	-28.36%	-33.25%	1.30%	3.59%	-1.00%
5 Encana Corporation	2.78%	-26.22%	-30.66%	1.77%	2.67%	-0.73%
6 Molson Coors Canada	4.46%	-16.03%	-18.32%	1.71%	0.58%	-0.71%
7 Great-West Lifeco	3.61%	-17.39%	-21.93%	3.25%	1.29%	-0.63%
8 Cdn Pacific Railway	2.41%	-20.63%	-21.82%	1.06%	0.13%	-0.50%
9 Kinross Gold Corp	2.83%	-14.65%	-17.66%	0.55%	2.47%	-0.41%
10 Cdn Tire Corp	2.63%	-14.84%	-16.41%	1.19%	0.38%	-0.39%

## Top & Bottom 10 Contributors

### UWO Operating & Endowment, Canadian Equities – 3 Months to September 30, 2011

#### Top Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Quebecor Inc	2.42%	5.09%	4.80%	0.31%	-0.01%	0.12%
2 Shoppers Drug Mart	2.34%	3.53%	2.90%	0.63%		0.08%
3 Kinross Gold Corp	2.18%	2.43%	2.23%	0.40%	-0.21%	0.05%
4 Altagas Ltd	1.08%	3.80%	5.17%	1.20%	-2.57%	0.04%
5 Loblaw Cos Ltd	0.95%	1.80%	1.26%	0.54%		0.02%
6 Cdn Natural Res	0.74%	0.60%	0.60%			0.00%
7 Enbridge Inc	1.60%	-0.13%	6.66%	0.42%	-7.22%	0.00%
8 Teck Resources Ltd	0.60%	-6.02%	-6.02%			-0.04%
9 Metro Inc	1.11%	-4.12%	-4.52%	0.40%		-0.05%
10 Telus Corp	5.29%	-2.19%	-3.30%	1.04%	0.07%	-0.12%

#### Bottom Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Manulife Fincl Corp	3.90%	-29.11%	-30.09%	0.75%	0.24%	-1.14%
2 Magna Intl Inc	3.33%	-31.51%	-33.56%	0.47%	1.58%	-1.05%
3 Talisman Energy Inc	2.99%	-34.98%	-34.98%			-1.04%
4 BG Small Cap	7.71%	-11.54%	-11.85%		0.31%	-0.89%
5 Encana Corporation	2.72%	-29.60%	-32.27%	0.68%	1.99%	-0.80%
6 Royal Bank Cda	5.38%	-11.79%	-12.82%	0.97%	0.06%	-0.63%
7 Toronto Dominion Bk	7.72%	-7.98%	-8.79%	0.81%		-0.62%
8 Cameco Corp	2.52%	-23.79%	-24.37%	0.39%	0.19%	-0.60%
9 Great-West Lifeco	3.23%	-17.75%	-19.11%	1.19%	0.17%	-0.57%
10 Ensign Energy Servcs	1.47%	-27.59%	-28.09%	0.50%		-0.40%



## Top & Bottom 10 Contributors

### UWO Operating & Endowment, Canadian Equities – Year to Date September 30, 2011

#### Top Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Telus Corp	4.37%	16.51%	12.91%	3.52%	0.08%	0.72%
2 Altagas Ltd	0.88%	26.21%	24.79%	4.46%	-3.04%	0.23%
3 Toronto Dominion Bk	6.76%	3.06%	0.46%	2.60%		0.21%
4 Rogers Communication	3.43%	6.01%	3.67%	2.70%	-0.36%	0.21%
5 Cdn Natl Railway	3.16%	6.23%	5.55%	1.42%	-0.74%	0.20%
6 Enbridge Inc	1.39%	13.06%	18.89%	2.21%	-8.04%	0.18%
7 Shoppers Drug Mart	2.25%	5.17%	3.34%	1.83%		0.12%
8 Cdn Oil Sands	1.55%	4.99%	3.37%	1.62%		0.08%
9 Metro Inc	0.96%	7.49%	6.16%	1.34%		0.07%
10 Igm Financial Inc	1.37%	4.89%	2.49%	3.54%	-1.14%	0.07%

#### Bottom Ten

<u>Name</u>	<u>Effective Weight</u>	<u>Total DWRR</u>	<u>Price Change</u>	<u>Dividend Impact</u>	<u>Residual Effects</u>	<u>Weighted Contribution</u>
1 Cameco Corp	3.74%	-50.04%	-52.26%	0.66%	1.56%	-1.87%
2 Talisman Energy Inc	3.37%	-39.11%	-41.77%	0.57%	2.09%	-1.32%
3 Manulife Fincl Corp	3.78%	-27.89%	-30.38%	2.25%	0.24%	-1.05%
4 Magna Intl Inc	3.16%	-29.57%	-33.25%	1.33%	2.35%	-0.93%
5 BG Small Cap	9.03%	-9.31%	-12.49%		3.18%	-0.84%
6 Encana Corporation	2.57%	-27.19%	-30.66%	1.77%	1.70%	-0.70%
7 Molson Coors Canada	4.02%	-16.34%	-18.32%	1.76%	0.22%	-0.66%
8 Great-West Lifeco	3.22%	-18.17%	-21.93%	3.37%	0.39%	-0.58%
9 Cdn Pacific Railway	2.29%	-20.66%	-21.82%	1.05%	0.11%	-0.47%
10 Kinross Gold Corp	2.53%	-14.82%	-17.66%	0.56%	2.28%	-0.38%

## Small-Cap Review

## Small Cap Value Philosophy & Sell Discipline

- Buy good companies with good management at discounts to our estimate of business value:
  - Free cash flow: Net Asset Value derived from present value of free cash flow
  - Historical market valuations: EV/EBITDA, P/BV, P/E
  - Equivalent M&A cash transactions
- Return prospect of 100% over 3 to 4 years
- Liquidity risk and trading costs

Sell - Target Price Achieved
<ul style="list-style-type: none"> <li>▪ Sell 1/4</li> <li>▪ Research standard review</li> <li>▪ Peer review process</li> <li>▪ Business value <i>increased</i>: HOLD</li> <li>▪ Business value <i>unchanged</i>: SELL</li> </ul>

Revised - Change in Fundamentals
<ul style="list-style-type: none"> <li>▪ Change in senior management or corporate strategy</li> <li>▪ Major asset acquisition or disposal</li> <li>▪ Material increase in financial leverage</li> <li>▪ Business value becomes indeterminate</li> </ul>

## Mandate Map - BG Small Cap

Market Capitalization (float)	\$100 million to \$1.5 billion
Number of Holdings	30 – 50
Cash	0% - 30%
Maximum Sector Weight	> of 25% or 2X's BMO SC
Minimum Sector Weight	0%
Target Initial Position (MV)	1% - 5%
Maximum Single Holding (MV)	10%
Average Annual Turnover	35%

## Investment Performance

### BG Small Cap Trust

Annualized: As at September 30, 2011

	3 mos.	YTD	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.	6 Yrs.	7 Yrs.	8 Yrs.	9 Yrs.	10 Yrs.
BG SMALL CAP TRUST	-11.53	-12.19	2.83	14.94	17.88	7.91	9.84	10.21	11.46	12.25	14.36	13.58
BMO SCAP	-14.88	-18.44	-2.33	13.22	12.60	0.34	3.27	4.68	7.44	9.03	11.42	11.07
<b>MANAGEMENT EFFECT</b>	<b>3.35</b>	<b>6.25</b>	<b>5.16</b>	<b>1.72</b>	<b>5.28</b>	<b>7.57</b>	<b>6.57</b>	<b>5.53</b>	<b>4.02</b>	<b>3.22</b>	<b>2.94</b>	<b>2.51</b>

Annual: As at September 30th

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
BG SMALL CAP TRUST	2.83	28.47	24.00	-17.17	17.93	12.11	19.27	17.86	32.82	6.75
BMO SCAP	-2.33	31.24	11.36	-28.93	15.89	12.04	25.58	20.83	32.50	8.03
<b>MANAGEMENT EFFECT</b>	<b>5.16</b>	<b>-2.77</b>	<b>12.64</b>	<b>11.76</b>	<b>2.04</b>	<b>0.07</b>	<b>-6.31</b>	<b>-2.97</b>	<b>0.32</b>	<b>-1.28</b>

## BG Small Cap Trust

<u>Company</u>	<u>%</u>	<u>Company</u>	<u>%</u>
INTACT FINANCIAL	8.0%	SULLIDEN GOLD CORP	1.8%
ALLIED NEVADA GOLD	6.2%	HUDBAY MINERALS	1.8%
MINEFINDERS CORP LTD	6.1%	FIRSTSERVICE CORP	1.7%
QUEBECOR INC	5.7%	MOOD MEDIA CORP	1.6%
IND ALLNCE & FNCL	4.9%	AURICO GOLD INC	1.5%
PARAMOUNT RES LTD	4.5%	OREZONE GOLD CORP	1.4%
UNI SELECT INC	3.5%	MAJOR DRILLING GRP	1.4%
CCL INDUSTRIES INC	3.1%	LEONS FURNITURE LTD	1.1%
ALTAGAS LTD	2.9%	DOREL INDUSTRIES INC	1.1%
LINAMAR CORPORATION	2.7%	COM DEV INTL LTD	1.1%
WESTJET AIRLINES	2.3%	CASH STORE FIN SRVCS	1.1%
CATHEDRAL ENGY SERV	2.2%	C&C ENERGIA LTD	1.0%
FAIRBORNE ENERGY LTD	2.2%	HANFENG EVERGREEN	1.0%
WINPAK LTD	2.2%	SHAWCOR LTD	1.0%
KEEGAN RESOURCES	2.1%	VOLTA RESOURCES	0.9%
EQUITABLE GROUP INC	2.1%	EMERGE OIL & GAS	0.9%
URANIUM ONE	2.1%	TOROMONT INDS LTD	0.8%
PACIFIC RUBIALES ENE	2.1%	ZCL COMPOSITES INC	0.7%
ENSIGN ENERGY SERVCS	2.1%	ENERFLEX LTD	0.4%
CREW ENERGY	1.9%	PILOT GOLD	0.4%
GENNUM CORP	1.9%	Cash	6.4%
			<u>100.0%</u>

**10 Largest Holdings: 47.7%**

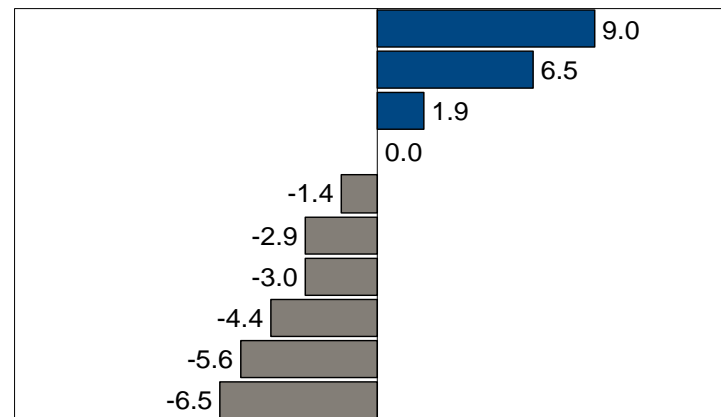
## Portfolio Sector Position

### BG Small Cap Trust – September 30, 2011

#### Sector Weights (%)

Sector	BG	BMOSC
Energy	23.5	14.5
Consumer D.	15.8	9.3
Financials	17.8	15.9
Telecom	0.0	0.0
Info. Tech.	3.0	4.4
Health Care	0.0	2.9
Consumer S.	0.0	3.0
Utilities	0.0	4.4
Materials	30.0	35.7
Industrials	3.5	10.0
Cash	6.4	

#### Underweight/Overweight %



## **Current Small Cap Investment Strategy**

- Small cap market sold off in the third quarter on concerns over slowing growth and the potential for a liquidity event emerging from the European debt crisis
- Declines in commodity prices reflecting an increased perceived recession risk
- Outlook for modest or plodding growth calls for caution in resource cyclicals
- Modestly underweight resource cyclicals with an overweight in energy and gold producers and an underweight in base metals.
- Focus on efficient operators supported by growing asset values, strong balance sheets and access to capital
- Exposed to the ongoing North American recovery through quality companies in areas such as construction, autos, hard goods, transportation, telecom and media
- Modestly overweight Financials with a continued focus on quality niche insurers

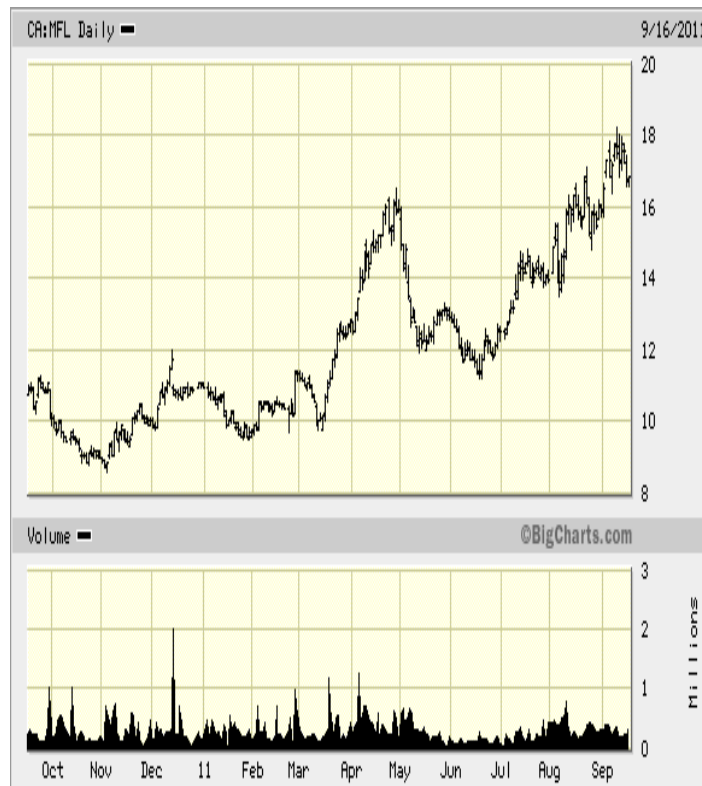


## Security Position

### Minefinders Corp.

Purchase Price: \$10.09

Current Price: \$16.85



### Company

- Gold and silver mine production started mid-2009
- Initial setbacks are now resolved and production is increasingly nicely
- Low cash cost per ounce of production at \$450/oz.
- Strong balance sheet, and generating good levels of free cash flow from operations
- Valuation upside as production increases and exploration adds resources

### Valuation

- Trading at a discount to net asset value (NAV) at spot gold and silver prices. Growing gold producers regularly trade at significant premiums to NAV

## Security Position

### Uni-Select

Purchase Price: \$27.16  
Current Price: \$26.24



### Company

- Distributor of aftermarket auto parts paints to independent service and repair shops across North America
- Recent acquisition of FinishMaster, the largest independent distributor of automotive coatings in the U.S., will increase revenues by 25-35% at similar margins to existing business, and is accretive to EPS
- Acquisition provides synergy, cross-selling and expansion opportunities

### Valuation at Purchase

	<u>Uni-Select</u>	<u>S&amp;P/TSX</u>
P/E	13.0x	18.0x
Price/Book	1.4x	2.6x
Price/CF	9.6x	10.7x
ROE	15.6%	16.5%
Yield	1.4%	2.1%

# Portfolio Valuation as at September 30, 2011

## University of Western Ontario - Retirement Plan

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
<b>CASH &amp; CASH EQUIVALENTS</b>											
<b>CASH</b>											
-172,861	CASH - CA	CANADIAN DOLLARS	CASH	1.00	-172,860.82	1.00	-172,860.82	-0.25			
					<b>-172,860.82</b>		<b>-172,860.82</b>	<b>-0.25</b>			
<b>CASH EQUIVALENTS - CANADA</b>											
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
					<b>1,293,536.46</b>		<b>1,293,536.46</b>	<b>1.91</b>		<b>12,417.95</b>	<b>0.96</b>
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>					<b>1,120,675.64</b>		<b>1,120,675.64</b>	<b>1.65</b>		<b>12,417.95</b>	<b>1.11</b>
<b>EQUITIES - CANADA</b>											
<b>ENERGY</b>											
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	66,406.49	4.12
65,100	ENSIGN ENERGY SERVC	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	35,679.98	2.18
					<b>12,070,585.89</b>		<b>10,862,992.00</b>	<b>16.02</b>		<b>327,638.47</b>	<b>3.02</b>
<b>MATERIALS</b>											
12,300	AGRIUM INC	COMMON	AGU	67.21	826,688.77	69.75	857,925.00	1.27	0.11	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	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	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
					<b>6,005,085.75</b>		<b>5,211,342.00</b>	<b>7.68</b>		<b>37,560.59</b>	<b>0.72</b>
<b>INDUSTRIALS</b>											
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
					<b>4,943,949.29</b>		<b>5,174,004.00</b>	<b>7.63</b>		<b>110,400.00</b>	<b>2.14</b>
<b>CONSUMER DISCRETIONARY</b>											
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	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	51,658.26	4.54
					<b>6,736,302.60</b>		<b>6,932,505.00</b>	<b>10.22</b>		<b>155,469.43</b>	<b>2.24</b>

## Portfolio Valuation as at September 30, 2011

### University of Western Ontario - Retirement Plan

PAR VALUE / SHARES	SECURITY NAME	SECURITY DESCRIPTION	CODE	AVG. COST	BOOK VALUE	MARKET PRICE	MARKET VALUE	% OF PORT	DIVID INTER	ANNUAL INCOME	MARKET YIELD
<b>CONSUMER STAPLES</b>											
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
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
					<b>7,212,662.04</b>		<b>6,654,612.00</b>	<b>9.81</b>		<b>168,752.04</b>	<b>2.54</b>
<b>FINANCIALS</b>											
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 LIFE CO	COMMON	GW0	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
					<b>25,907,809.18</b>		<b>24,556,466.00</b>	<b>36.21</b>		<b>1,094,481.00</b>	<b>4.46</b>
<b>TELECOMMUNICATION SERVICES</b>											
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
					<b>5,876,445.10</b>		<b>7,304,127.50</b>	<b>10.77</b>		<b>302,900.00</b>	<b>4.15</b>
<b>TOTAL EQUITIES - CANADA</b>					<b>68,752,839.85</b>		<b>66,696,048.50</b>	<b>98.35</b>		<b>2,197,201.53</b>	<b>3.30</b>
<b>TOTAL EQUITIES</b>					<b>68,752,839.85</b>		<b>66,696,048.50</b>	<b>98.35</b>		<b>2,197,201.53</b>	<b>3.30</b>
<b>TOTAL PORTFOLIO</b>					<b>69,873,515.49</b>		<b>67,816,724.14</b>	<b>100.00</b>		<b>2,209,619.48</b>	<b>3.26</b>

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

## Portfolio Valuation as at September 30, 2011

### University of Western Ontario - Operating & Endowment 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
<b>CASH &amp; CASH EQUIVALENTS</b>											
<b>CASH</b>											
-45,015	CASH - CA	CANADIAN DOLLARS	CASH	1.00	-45,014.60	1.00	-45,014.60	-0.14			
					<b>-45,014.60</b>		<b>-45,014.60</b>	<b>-0.14</b>			
<b>CASH EQUIVALENTS - CANADA</b>											
50,526	BG CASH MANAGEMENT	FUND	CMF	10.00	505,255.71	10.00	505,255.71	1.59	0.10	4,850.45	0.96
					<b>505,255.71</b>		<b>505,255.71</b>	<b>1.59</b>		<b>4,850.45</b>	<b>0.96</b>
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>					<b>460,241.11</b>		<b>460,241.11</b>	<b>1.45</b>		<b>4,850.45</b>	<b>1.05</b>
<b>EQUITIES - CANADA</b>											
<b>ENERGY</b>											
9,700	ALTAGAS LTD	COMMON	ALA	20.69	200,671.23	27.08	262,676.00	0.83	1.32	12,804.00	4.87
10,500	BAYTEX ENERGY CORP	COMMON	BTE	23.98	251,791.34	43.81	460,005.00	1.45	2.40	25,200.00	5.48
36,500	CAMECO CORP	COMMON	CCO	24.21	883,501.72	19.24	702,260.00	2.21	0.40	14,600.00	2.08
8,900	CDN NATURAL RES	COMMON	CNQ	30.59	272,223.84	30.77	273,853.00	0.86	0.36	3,204.00	1.17
28,800	CENOVUS ENERGY	COMMON	CVE	29.43	847,699.61	32.27	929,376.00	2.93	0.80	23,040.00	2.48
8,000	ENBRIDGE INC	COMMON	ENB	13.74	109,926.43	33.45	267,600.00	0.84	0.98	7,840.00	2.93
34,500	ENCANA CORPORATION	COMMON	ECA	30.08	1,037,742.40	20.17	695,865.00	2.19	0.80	28,673.64	4.12
28,200	ENSIGN ENERGY SERVC	COMMON	ESI	13.16	370,978.34	13.75	387,750.00	1.22	0.38	10,716.00	2.76
55,420	TALISMAN ENERGY INC	COMMON	TLM	11.82	654,792.10	12.88	713,809.60	2.25	0.27	15,545.48	2.18
					<b>4,629,327.01</b>		<b>4,693,194.60</b>	<b>14.80</b>		<b>141,623.12</b>	<b>3.02</b>
<b>MATERIALS</b>											
5,300	AGRIUM INC	COMMON	AGU	60.97	323,114.13	69.75	369,675.00	1.17	0.11	605.68	0.16
5,800	INMET MINING CORP	COMMON	IMN	58.12	337,111.95	44.40	257,520.00	0.81	0.20	1,160.00	0.45
52,400	KINROSS GOLD CORP	COMMON	K	17.54	918,838.75	15.57	815,868.00	2.57	0.12	6,532.60	0.80
12,600	POTASH CORP OF SASK	COMMON	POT	38.10	480,048.29	45.50	573,300.00	1.81	0.28	3,665.24	0.64
6,700	TECK RESOURCES LTD	CLASS B SUB VTG	TCK.B	32.90	220,424.22	30.92	207,164.00	0.65	0.60	4,020.00	1.94
					<b>2,279,537.34</b>		<b>2,223,527.00</b>	<b>7.01</b>		<b>15,983.52</b>	<b>0.72</b>
<b>INDUSTRIALS</b>											
18,000	CDN NATL RAILWAY	COMMON	CNR	50.91	916,302.69	70.03	1,260,540.00	3.97	1.30	23,400.00	1.86
13,500	CDN PACIFIC RAILWAY	COMMON	CP	52.89	713,996.09	50.52	682,020.00	2.15	1.20	16,200.00	2.38
16,500	FINNING INTL	COMMON	FTT	15.09	248,954.87	19.15	315,975.00	1.00	0.52	8,580.00	2.72
					<b>1,879,253.65</b>		<b>2,258,535.00</b>	<b>7.12</b>		<b>48,180.00</b>	<b>2.14</b>
<b>CONSUMER DISCRETIONARY</b>											
13,200	CDN TIRE CORP	CLASS A NON VTG	CTC.A	48.77	643,721.94	57.00	752,400.00	2.37	1.10	14,520.00	1.93
24,000	MAGNA INTL INC	COMMON	MG	27.85	668,439.78	34.65	831,600.00	2.62	1.00	24,933.60	3.00
28,100	QUEBECOR INC	CLASS B SUB VTG	QBR.B	25.53	717,409.41	33.20	932,920.00	2.94	0.20	5,620.00	0.60
17,400	THOMSON REUTERS CORP	COMMON	TRI	37.25	648,121.81	28.40	494,160.00	1.56	1.24	22,415.31	4.54
					<b>2,677,692.94</b>		<b>3,011,080.00</b>	<b>9.49</b>		<b>67,488.91</b>	<b>2.24</b>

## Portfolio Valuation as at September 30, 2011

### University of Western Ontario - Operating & Endowment 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
<b>CONSUMER STAPLES</b>											
9,000	LOBLAW COS LTD	COMMON	L	41.48	373,275.23	39.44	354,960.00	1.12	0.84	7,560.00	2.13
8,500	METRO INC	CLASS A SUB VTG	MRU.A	43.16	366,882.74	45.82	389,470.00	1.23	0.77	6,545.00	1.68
30,448	MOLSON COORS CANADA	EXCH NON VTG CL B	TPX.B	39.75	1,210,219.31	41.21	1,254,762.08	3.96	1.23	37,356.04	2.98
21,700	SHOPPERS DRUG MART	COMMON	SC	43.54	944,800.72	40.85	886,445.00	2.80	1.00	21,700.00	2.45
					<b>2,895,178.00</b>		<b>2,885,637.08</b>	<b>9.10</b>		<b>73,161.04</b>	<b>2.54</b>
<b>FINANCIALS</b>											
26,900	BANK OF NOVA SCOTIA	COMMON	BNS	33.73	907,365.67	52.72	1,418,168.00	4.47	2.08	55,952.00	3.95
29,250	CDN IMP BANK COMMERC	COMMON	CM	53.30	1,559,146.45	73.38	2,146,365.00	6.77	3.60	105,300.00	4.91
46,700	GREAT-WEST LIFE CO	COMMON	GWO	22.73	1,061,669.32	20.61	962,487.00	3.03	1.23	57,441.00	5.97
8,228	IGM FINANCIAL INC	COMMON	IGM	31.76	261,320.08	44.54	366,475.12	1.16	2.15	17,690.20	4.83
84,200	MANULIFE FINCL CORP	COMMON	MFC	19.33	1,627,126.28	11.94	1,005,348.00	3.17	0.52	43,784.00	4.36
35,900	ROYAL BANK CDA	COMMON	RY	49.30	1,769,860.01	48.06	1,725,354.00	5.44	2.16	77,544.00	4.49
17,400	SUN LIFE FNCL INC	COMMON	SLF	30.01	522,098.02	25.03	435,522.00	1.37	1.44	25,056.00	5.75
34,700	TORONTO DOMINION BK	COMMON	TD	41.65	1,445,383.85	74.59	2,588,273.00	8.16	2.64	91,608.00	3.54
					<b>9,153,969.68</b>		<b>10,647,992.12</b>	<b>33.57</b>		<b>474,375.20</b>	<b>4.46</b>
<b>TELECOMMUNICATION SERVICES</b>											
37,700	ROGERS COMMUNICATION	CLASS B NON VTG	RCI.B	31.69	1,194,833.47	35.87	1,352,299.00	4.26	1.42	53,534.00	3.96
35,100	TELUS CORP	COMMON	T	42.62	1,495,859.51	51.35	1,802,385.00	5.68	2.20	77,220.00	4.28
					<b>2,690,692.98</b>		<b>3,154,684.00</b>	<b>9.95</b>		<b>130,754.00</b>	<b>4.14</b>
<b>UNITS IN BG FUNDS</b>											
73,739	BG SMALL	CAPITALIZATION FUND	S646	28.76	2,120,539.57	32.28	2,380,150.48	7.50	0.46	34,036.15	1.43
					<b>2,120,539.57</b>		<b>2,380,150.48</b>	<b>7.50</b>		<b>34,036.15</b>	<b>1.43</b>
<b>TOTAL EQUITIES - CANADA</b>					<b>28,326,191.17</b>		<b>31,254,800.28</b>	<b>98.55</b>		<b>985,601.94</b>	<b>3.15</b>
<b>TOTAL EQUITIES</b>					<b>28,326,191.17</b>		<b>31,254,800.28</b>	<b>98.55</b>		<b>985,601.94</b>	<b>3.15</b>
<b>TOTAL PORTFOLIO</b>					<b>28,786,432.28</b>		<b>31,715,041.39</b>	<b>100.00</b>		<b>990,452.39</b>	<b>3.12</b>

CUMULATIVE CAPITAL GAIN 30,938,117.21

CONTRIBUTED BOOK VALUE -2,151,684.93

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

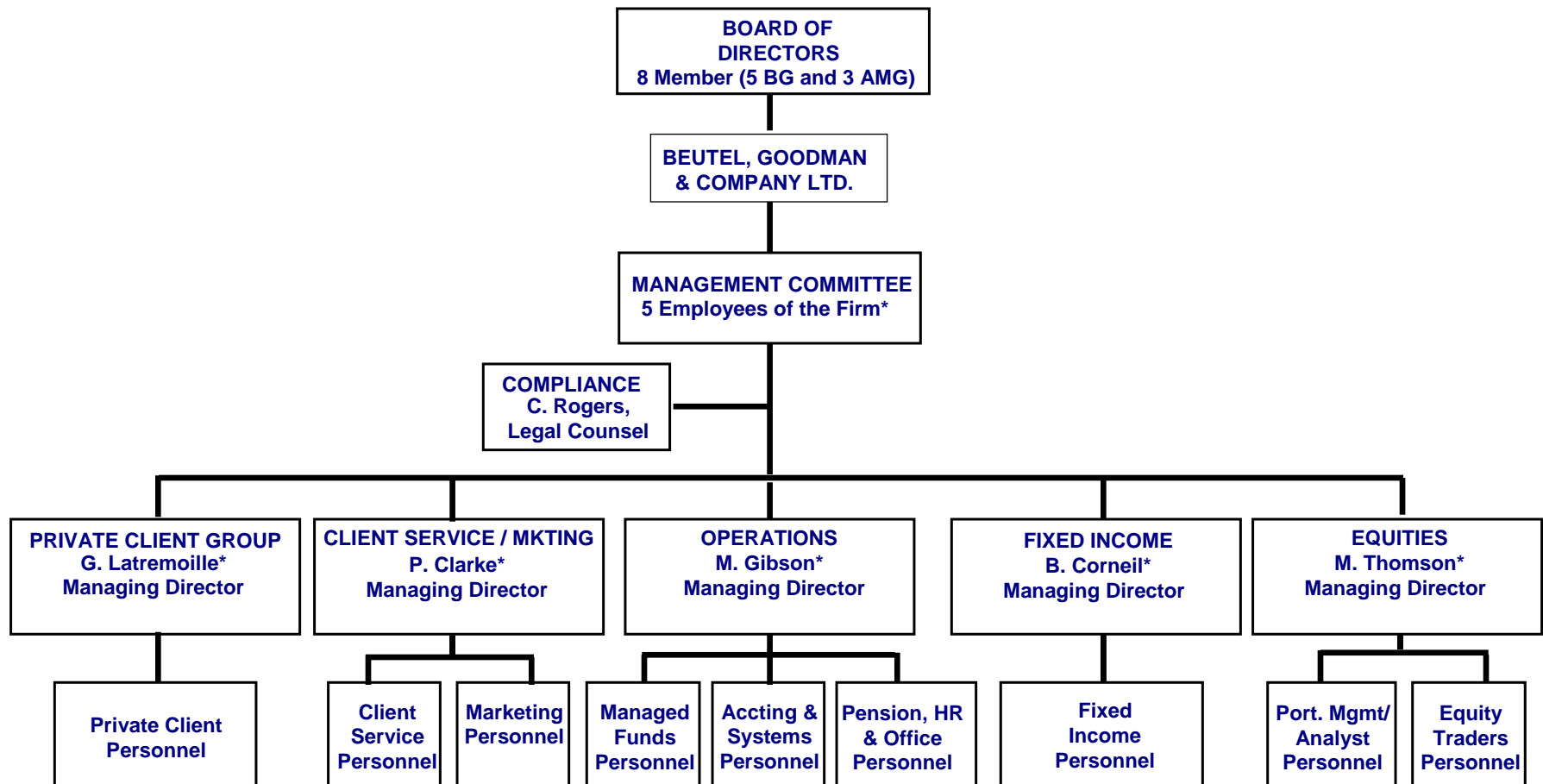
**Appendix**

## Clients Gained/Lost

<u>GAINED</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Q1 2011</u>	<u>Q2 2011</u>
Number of Accounts	15	9	11	50	23	6	5
Asset Value (\$Mlns)	316.7	421.1	495.9	1740.5	809.6	164.3	105.6
<u>LOST</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Q1 2011</u>	<u>Q2 2011</u>
Number of Accounts	4	3	7	1	5	1	0
Asset Value (\$Mlns)	358.5	462.8	431.7	28.4	89.1	199.6	0
<b>Firm AUM (\$Mlns)</b>	<b>15,360</b>	<b>15,926</b>	<b>13,353</b>	<b>18,969</b>	<b>23,373</b>	<b>24,070</b>	<b>24,357</b>
<b>Client Retention Rate</b>	<b>97.7%</b>	<b>97.1%</b>	<b>96.8%</b>	<b>99.9%</b>	<b>99.6%</b>	<b>99.2%</b>	<b>100.0%</b>

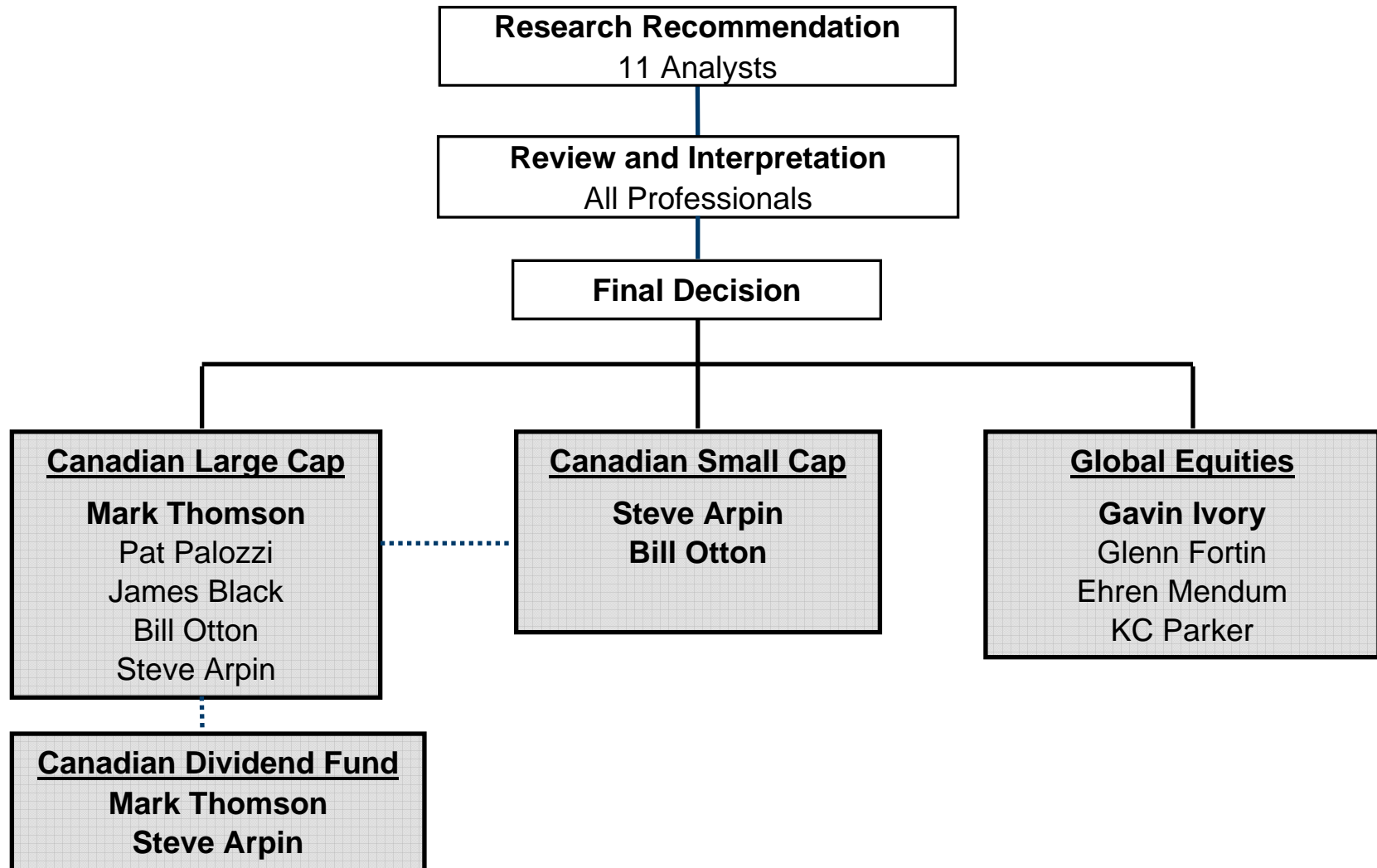


## Organizational Chart



\* Management Committee sits on the Board of Directors

## Equity Decision Making Process



## Professional Staff

	Area	Yrs. Experience	Hire Date
<b><u>Equity Research</u></b>			
<b>Mark Thomson, MFA, CFA</b>	Managing Director, Equities Research, Financials	27	12/89
<b>Gavin Ivory, BA, CFA</b>	Financials	30	02/92
Glenn Fortin, B.Comm, CFA	Consumer Discretionary & Staples, Health Care	17	04/96
KC Parker, BBA, MBA, CFA	Consumer Discretionary, Industrials, Technology	5	02/06
Pat Palozzi, BA, CFA	Consumer Discretionary & Staples, Transportation	24	04/04
James Black, CA, CFA	Telecom, Utilities, Real Estate, Chemicals	18	05/07
Bill Otton, B.Eng., CFA	Small Cap, Materials	22	01/95
Steve Arpin, MA, CFA	Small Cap, Technology, Energy	17	07/93
Greg Latremaille, B.Sc., CA*	Financials	37	04/79
Steve Clements, BA, CFA*	Consumer Discretionary, Industrials	34	09/83
Ehren Mendum, B.Sc., CFA	Telecoms, Consumer Discr., Technology, Utilities	13	11/97
<b><u>Equity Trading</u></b>			
Irene Lau	Canadian Equity	28	09/83
Craig Weisberg	Global Equity	26	09/97
<b><u>Fixed Income</u></b>			
<b>Bruce Corneil, BA, B.ED.</b>	Managing Director, Fixed Income	38	01/94
David Gregoris, MBA, CFA	Vice President, Fixed Income	25	04/92
John Christie, MBA, CFA	Vice President, Fixed Income	21	10/93
John Fuca, BA, CFA	Assistant Vice President, Fixed Income	14	12/97
Sue McNamara, CFA	Vice President, Fixed Income	19	02/06
Mary Granton, BA	Fixed Income Associate	3	04/10
<b><u>Client Service</u></b>			
<b>Peter Clarke, BA</b>	Managing Director, Client Service & Marketing	30	09/08
John Shuter, BA	Vice President, Client Service/Business Dev.	29	04/03
Craig Auwaerter, MBA CFA	Vice President, Client Service/Business Dev.	18	03/10
Nancy Chew, BHSc	Senior Associate, Client Service	8	07/05
Steven Smith, BA, CFA, FCSI*	Vice President, Private Client Group	27	09/01
Paul Hamilton, BA, CIM	Vice President, Managed Accounts	18	09/07

\* Private Client Group

## **BG Canadian Equity Team**

### **Mark D. Thomson, MFA, CFA, Managing Director, Equities Research**

Mark joined Beutel Goodman in 1989 and has over 25 years of investment experience. He is the Director of Research, responsible for oversight of the global equity research process, and a portfolio manager who leads the Canadian Equity Team. He is also a member of the BG Management Committee and sits on the Board of Directors. Prior to joining BG, Mark was a portfolio manager at Pemberton Securities. Mark is a graduate of Mills College and is a CFA charterholder.

### **Stephen J. Arpin, MA, CFA, Vice President, Canadian Equities**

Stephen joined Beutel Goodman in 1993 and has over 15 years of investment experience. He is a portfolio manager and has equity research responsibilities for small cap, technology, consumer discretionary and energy companies. Steve is a graduate of Queen's University and is a CFA charterholder.

### **William Otton, B. Eng., CFA, Canadian Equities**

Bill joined Beutel Goodman in 1995. He is a small cap portfolio manager and has equity research responsibilities in the areas of metals, minerals, golds, printing, steel and fertilizer. Prior to working at BG, Bill worked at La Caisse de Dépôt et Placement du Québec as an equity analyst. Bill is a graduate of McGill University and is a CFA charterholder.

### **Pat Palozzi, B.Comm, CFA, Canadian Equities**

Pat joined Beutel Goodman in May, 2004. He is a large cap portfolio manager and has equity research responsibilities in the areas of consumer staples, retailers and transportation. Prior to joining BG, Pat spent several years at BMO Nesbitt Burns where he worked as a Private Client research analyst. Pat is a graduate of York University and is a CFA charterholder.

### **James W. Black, CA, CFA, Vice President, Canadian Equities**

James joined Beutel Goodman in 2007 and has over 15 years of investment experience. He is a large cap portfolio manager and has equity research responsibilities covering both domestic and foreign companies in the telecom, utilities, real estate and computer industries. Prior to joining BG, James held a key position in a private equity firm. James is a graduate of the University of Western Ontario and is a CA and CFA charterholder.

## **BG Client Service Team**

### **Peter D. Clarke, Managing Director, Client Service & Marketing**

Peter joined Beutel Goodman in 2008 and has over 25 years of investment experience. He is responsible for all client service and marketing activities. He is also a member of the BG Management Committee and sits on the Board of Directors. Prior to joining BG, Peter was Managing Director, Head of UBS Global Asset Management (Canada) where he had overall responsibility for the firm in Canada including the client service and business development divisions. Peter is a member of several professional organizations including the International Benefits Foundation, the Canadian Pension and Benefits Institute and the Investment Counsel Association of Canada where he formerly served on the Association's Board of Directors. Peter is a graduate of the University of Hartford.

### **John G. Shuter, BA, Vice President, Client Service/Business Development**

John joined Beutel Goodman in 2003 and has over 25 years of investment experience. He is responsible for servicing institutional clients and business development. Prior to joining BG, John spent many years working closely with both corporations and individual investors as Vice President and Director of TD Securities. John is a graduate of Bishop's University.

### **Craig Auwaerter, MBA, CFA, Vice President, Client Service/Business Development**

Craig joined Beutel Goodman in 2010 and has over 15 years of investment experience. He is responsible for servicing institutional clients and business development. Prior to joining BG, Craig was Vice President, Head of Institutional Business Development and Client Service at KBSH Capital Management Inc. Craig is a graduate of York University and is a CFA charterholder.

### **Nancy Chew, BHSc, Senior Associate, Client Service**

Nancy joined Beutel Goodman in 2005 and has over 7 years of investment experience. She is responsible for providing institutional client servicing and support. Prior to joining BG, Nancy worked in consulting at Brendan Wood International. Nancy is a Level II candidate in the CFA program and a graduate of the University of Western Ontario.

## **Disclosure Notes**

Investment returns are expressed in Canadian dollars unless otherwise noted, gross of investment management fees and include reinvestment of dividends and income. Returns are time weighted and annualized for periods greater than one year. Values change frequently and past investment performance may not be repeated. Client returns may vary due to cash flow timing and client-specific constraints. Securities noted herein are not to be construed as recommendations to buy or sell and are not representative of Beutel Goodman & Company Ltd. accounts/portfolios as a whole.

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