

Benchmark: S&P/TSX Index

Style Box	VALUE	VALUE BIAS	CORE	GROWTH BIAS	GROWTH
LARGE CAP	●	●	●	●	●
MID CAP	●	●	●	●	●
SMALL CAP	●	●	●	●	●

Return to Risk Statistics

(as of June 30, 2007)

	3 Year	5 Year
Standard Deviation	7.8%	12.3%
Sharpe Ratio	0.38	0.17
Return to Risk	2.94	1.51
Best Quarter	13.3%	15.1%
Worst Quarter	-1.8%	-13.6%

General Information

- Date established: 1990
- Assets under management: \$3.0 billion
- Number of investment professionals: 3
- Average number of holdings: 35-50
- Average annual turnover: 22%
- Average market capitalization: \$32.3 billion
- Current yield: 1.92%

Representative Clients

- Rexel North America Inc.
- Bombardier Trust (Canada)
- Canada Life Assurance Company

Representative Holdings

(as of June 30, 2007)

Petro Canada

Suncor

Sherritt International

Agrium

CP Rail

BNS

TD Bank

Profile

Scheer, Rowlett & Associates Investment Management Ltd. (Scheer Rowlett) was founded in 1990. It operated as Crown Life Investment Management until 1998, when it changed its name to Scheer Rowlett. At that time, the firm established a partnership with Connor, Clark & Lunn Financial Group. Connor, Clark & Lunn Financial Group provides all the back office support and infrastructure.

Investment Philosophy and Style

Scheer Rowlett's investment philosophy is founded on a belief that a company's fundamentals provide perspective on its true intrinsic value and that this value will be reflected in the market over the mid to long-term. The manager seeks to invest in companies with stronger or improving fundamentals, healthy financial positions and proven management whose true value is not fully reflected in the market.

The manager utilizes a four-stage, bottom-up security selection process based on fundamental analysis

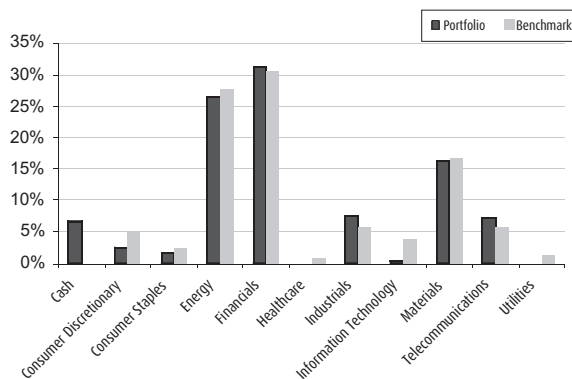
- **Stage 1** – Screen all S&P/TSX companies on the basis of traditional valuation measures such as price-to-book and price-to-earnings ratios.

- **Stage 2** – Develop an understanding of the company and why its valuation is being discounted in the marketplace.
- **Stage 3** – Examine the company's operating environment and identify any changes that may have taken place that might inhibit the company's ability to repeat its past successes.
- **Stage 4** – Establish an estimate of fair value per share based on discounted cash flow, break-up value, net asset value, relative cash flow and earnings multiples.

Stock positions in the portfolio can be fairly concentrated. Sector positions are driven by assessment of value within specific industry groups.

Risk controls include formal security, sector and market capitalization parameters. The portfolio is routinely scrutinized to guard against unintended risks and to ensure the intended balance between risk and return.

Generally, the manager will look to sell a stock for three primary reasons; the price has appreciated to its target level, a change in fundamental outlook has occurred, or a more attractive opportunity has emerged.

Sector Allocation

Key Personnel

Lloyd Rowlett, CFA

Lead Portfolio Manager

Experience: Joined SRA in 1996.

Formerly with Crown Life Investment Company.

Years of Experience: 22

Education: BComm, University of Saskatchewan, FICB

Rob Dionne, CFA

Portfolio Manager

Experience: Joined SRA in 1996.

Formerly with Crown Life Investment Company.

Years of Experience: 14

Education: BBA, University of Regina, CMA

Scott Merriman, CFA

Portfolio Manager

Experience: Joined SRA in 2003.

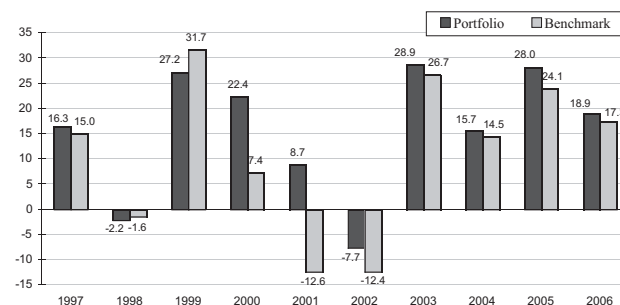
Formerly with UBS Global Asset Management.

Years of Experience: 8

Education: BComm, University of Saskatchewan

Calendar Year Performance (%)

(for the years ending December 31)

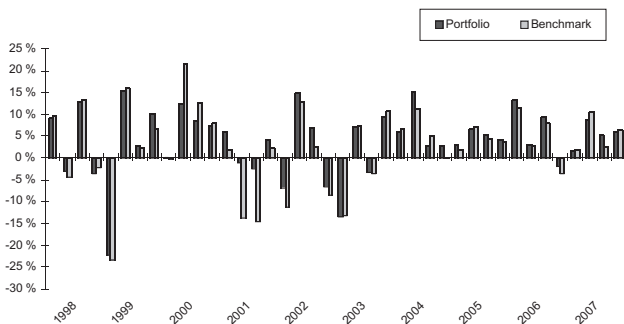


Annualized Rates of Return (%)

(as of June 30, 2007)

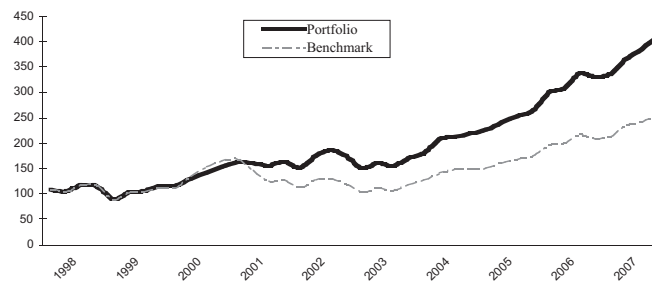
	Portfolio	S&P/TSX
3 months	6.1	6.3
YTD	11.7	9.1
1 year	23.8	22.7
3 years	23.1	20.1
5 years	18.6	16.6
7 years	15.1	6.5
10 years	15.2	9.9

Quarterly Rates of Return



Portfolio Growth of \$100

Ending value as of June 30, 2007: Portfolio \$410 Benchmark \$257



PERFORMANCE NOTE: The performance data set forth herein has been obtained from Mercer Investment Consulting based on information provided by Scheer, Rowlett & Associates (SRA). The performance of this mandate is based on the SRA SMA Model Portfolio. Performance of the model portfolio may differ from the performance of accounts in the BMO Nesbitt Burns Advance Program because accounts in this program are smaller and so have more concentrated holdings than the model portfolio; the portfolio manager may make changes to its preferred selection of securities that are not yet implemented in the model, but are reflected in a client account, or vice versa.

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