

Fund Information

| | |
|----------------------|--------------------|
| Inception Date | January 2001 |
| IFSC Category | Canadian Small Cap |
| Plan Eligibility: | RRSP Yes |
| | Non-Registered Yes |
| Management Fee / MER | 3.25% / 3.43% |

Segregated Fund Investment Objective

This segregated fund invests all of its assets in the Bissett Small Cap Fund, a mutual fund managed by Bissett Investment Management, or another substantially similar underlying fund.

Investor Profile (of underlying fund)

Suited to the investor with long-term investment goals.

Investment Objective (of underlying fund)

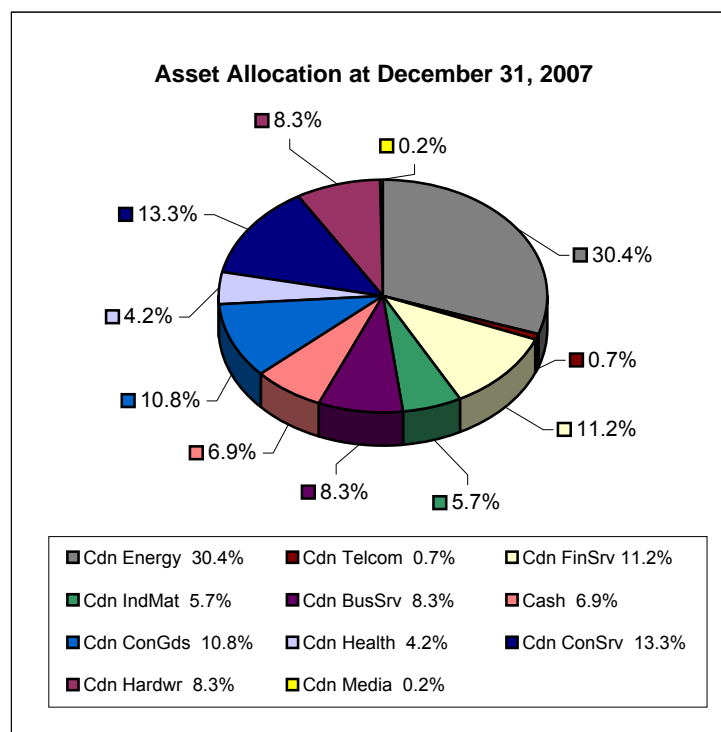
The fund objective is to provide long-term growth opportunities through investments in small to mid-sized Canadian and U.S. companies. Selected companies are expected to provide above-average returns.

Investment Strategy (of underlying fund)

- Fund managers use a bottom-up stock selection process to choose well-managed companies that are deemed to offer the potential for long-term capital appreciation.
- Companies are selected from various industries in order to compensate for the volatility inherent in small cap stocks.

FaithLife Financial Benchmark

BMO Nesbitt Burns Small Cap Index* (unweighted)



Top 10 Holdings of the Underlying Fund as at Dec. 31, 2007

| | |
|-------------------------------|------|
| Aastra Technologies Ltd. | 6.7% |
| Flint Energy Services Ltd. | 5.5% |
| Reitmans Canada Ltd. | 5.3% |
| Axcan Pharma Inc. | 4.9% |
| Savanna Energy Services Corp. | 4.7% |
| Equitable Group Inc. | 4.5% |
| Richelieu Hardware Ltd. | 4.5% |
| Horizon North Logistics Inc. | 4.0% |
| Mullen Transportation Inc. | 3.8% |
| Transcontinental Inc. | 3.8% |

Top 10 Total Percentage of Fund 47.7%

Fund Risks

- | | | | |
|---|--|--|--|
| <input checked="" type="checkbox"/> General | <input checked="" type="checkbox"/> Special Equities | <input type="checkbox"/> Currency | <input checked="" type="checkbox"/> Market |
| <input type="checkbox"/> Securities Lending | <input checked="" type="checkbox"/> Interest Rate | <input checked="" type="checkbox"/> Derivative | <input checked="" type="checkbox"/> Credit |
| <input checked="" type="checkbox"/> Underlying Fund | <input type="checkbox"/> Foreign Market | <input type="checkbox"/> Sovereign | <input type="checkbox"/> Index |

The following table shows the simple returns for the monthly periods and the historical annual compound total return of the FORTRESS Canadian Small Cap Equity Fund, compared to the performance of the BMO Nesbitt Burns Small Cap Index to June 30, 2008.

Annual Compound Returns:

| | 1-month | 3-month | 6-month | 1-Year | 2-Year | 3-Year | 4-Year | 5-Year | 10-Year | Since Inception |
|---|---------|---------|---------|--------|--------|--------|--------|--------|---------|-----------------|
| FORTRESS Canadian Small Cap Equity Fund | -3.1% | 0.7% | -0.3% | -13.6% | -3.3% | 3.0% | 8.2% | 11.8% | N/A | 10.8% |
| Benchmark | -2.5% | 2.4% | -2.3% | -12.7% | 1.8% | 7.6% | 8.3% | 14.3% | 6.6% | 9.4% |

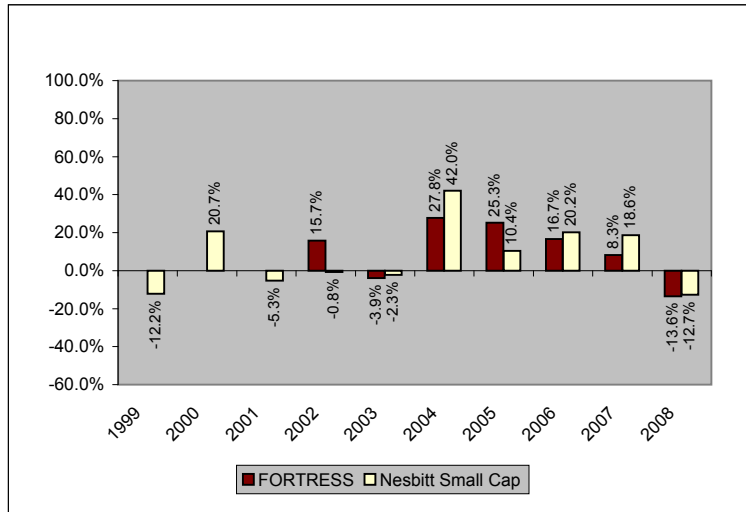
* Nesbitt Burns Small Cap Index -- This index reflects the performance of 400 small-capitalization Canadian stocks.

The performance data shown reflects changes in unit values and assumes that all income/realized net gains are retained by the Fund in the periods shown and are reflected in higher unit values of the Fund. It does not take into account sales, redemption, distribution or other optional charges or income taxes payable that would have reduced returns.

Past results are not indicative of future performance of the Fund.

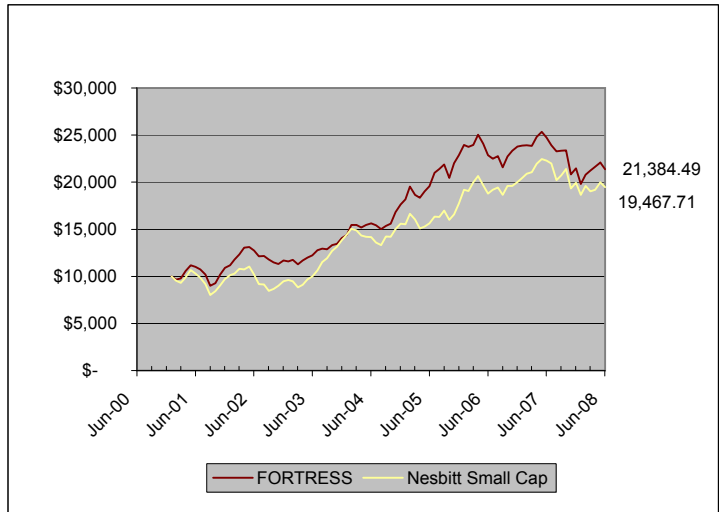
Year-by-Year Returns as of June 30, 2008

The Year-by-Year Returns chart shows the annual performance of the Fund, compared to the performance of the BMO Nesbitt Burns Small Cap Index. It illustrates how the Fund's performance has changed from year to year. For years prior to the Fund's inception date, performance is shown for the Index alone.



Overall Past Performance as of June 30, 2008

The Overall Past Performance graph shows the growth of a hypothetical \$10,000 investment in the FORTRESS Canadian Small Cap Equity Fund, compared to that of the BMO Nesbitt Burns Small Cap Index for each year since inception of the FORTRESS Canadian Small Cap Equity Fund.



Financial Highlights:

The Fund's Net Asset Value per Unit

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|-------|-------|-------|-------|-------|
| Net asset value at Dec. 31 of year shown | 11.52 | 14.46 | 18.92 | 19.51 | 17.59 |

Ratios and Supplemental Data

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------|---------|---------|----------|---------|
| Net assets (000's) ⁽¹⁾ | \$2,385 | \$4,195 | \$9,906 | \$11,123 | \$8,050 |
| Number of units outstanding ⁽¹⁾ | 207,045 | 290,066 | 523,651 | 570,187 | 457,698 |
| Management expense ratio ⁽²⁾ | 3.49% | 3.51% | 3.51% | 3.48% | 3.43% |
| Portfolio turnover rate ⁽³⁾ | 24.24% | 16.90% | 26.00% | 24.61% | 20.53% |

The Financial Highlights tables (left) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years. This information is derived from the Fund's audited financial statements.

⁽¹⁾ As at December 31st of the year shown.

⁽²⁾ The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST.

⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

If you would like to obtain either the Fund's semi-annual unaudited or annual audited financial statements, or a detailed description of the Fund's investment policy, please send your request in writing to *Member Care, FaithLife Financial, 470 Weber Street North, Waterloo, Ontario N2J 4G4*.

Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.