

# FORTRESS® Funds

2007 ANNUAL FINANCIAL STATEMENTS



™ FaithLife Financial is a registered trade name for Lutheran Life Insurance Society of Canada.

## AUDITORS' REPORT

To the Members and Board of Directors of Lutheran Life Insurance Society of Canada and to the Unitholders of the Lutheran Life Insurance Society of Canada Segregated Funds listed below (the "Funds"):

Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

We have audited the statements of net assets and investment portfolio of each of the Funds as at December 31, 2007 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds and the investments as at December 31, 2007 and the results of their operations and the changes in their net assets for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants, Licensed Public Accountants

Waterloo, Canada

January 28, 2008

## SEGREGATED FUNDS - FORTRESS

### Statement of Changes in Net Assets

Year Ended December 31, 2007

(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Funds at Beginning of Year</b>	\$ 1,970	\$ 1,911	\$ 12,204	\$ 9,346	\$ 613	\$ 805	\$ 16,759	\$ 15,934	\$ 6,930	\$ 5,340
Members' Deposits	1,413	911	2,924	3,003	30	51	2,226	2,091	2,322	1,614
Transfers Between Funds	125	(317)	(1,087)	976	(43)	(180)	(405)	(457)	1,196	99
Net Balance of Investment Operations and Expenses for the Year	75	58	152	216	(48)	8	(20)	1,523	(83)	628
Members' Withdrawals	(634)	(593)	(2,500)	(1,337)	(88)	(71)	(1,984)	(2,332)	(793)	(751)
Net Change in Funds for year	979	59	(511)	2,858	(149)	(192)	(183)	825	2,642	1,590
<b>Funds at End of year</b>	<b>2,949</b>	<b>1,970</b>	<b>11,693</b>	<b>12,204</b>	<b>464</b>	<b>613</b>	<b>16,576</b>	<b>16,759</b>	<b>9,572</b>	<b>6,930</b>
Net Asset Value per Unit	80.02	77.64	142.34	140.42	12.87	13.99	56.72	56.82	17.81	17.91

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Funds at Beginning of Year</b>	\$ 40,394	\$ 29,045	\$ 8,085	\$ 5,322	\$ 4,006	\$ 3,313	\$ 18,333	\$ 17,538	\$ 11,123	\$ 9,906
Members' Deposits	10,764	10,435	2,128	2,434	814	785	1,769	1,629	977	3,019
Transfers Between Funds	2,080	1,231	651	315	(318)	(89)	(189)	(788)	(2,052)	(696)
Net Balance of Investment Operations and Expenses for the Year	473	3,708	285	1,025	(2)	371	2,279	2,553	(917)	259
Members' Withdrawals	(4,769)	(4,025)	(942)	(1,011)	(452)	(374)	(2,158)	(2,599)	(1,081)	(1,365)
Net Change in Funds for year	8,548	11,349	2,122	2,763	42	693	1,701	795	(3,073)	1,217
<b>Funds at End of year</b>	<b>48,942</b>	<b>40,394</b>	<b>10,207</b>	<b>8,085</b>	<b>4,048</b>	<b>4,006</b>	<b>20,034</b>	<b>18,333</b>	<b>8,050</b>	<b>11,123</b>
Net Asset Value per Unit	28.94	28.51	29.03	27.93	20.34	20.35	306.93	272.20	17.59	19.51

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2007	2006	2007	2006	2007	2006
<b>Funds at Beginning of Year</b>	\$ 5,018	\$ 4,647	\$ 1,036	\$ 781	\$ 1,926	\$ 1,126
Members' Deposits	505	388	568	100	459	235
Transfers Between Funds	(392)	(482)	446	8	(7)	379
Net Balance of Investment Operations and Expenses for the Year	(526)	980	250	210	(351)	343
Members' Withdrawals	(586)	(515)	(174)	(63)	(229)	(157)
Net Change in Funds for year	(999)	371	1,090	255	(128)	800
<b>Funds at End of year</b>	<b>4,019</b>	<b>5,018</b>	<b>2,126</b>	<b>1,036</b>	<b>1,798</b>	<b>1,926</b>
Net Asset Value per Unit	59.21	65.90	12.84	10.97	21.81	25.39

## SEGREGATED FUNDS - FORTRESS 2

### Statement of Changes in Net Assets

Year Ended December 31, 2007

(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Funds at Beginning of Year</b>	\$ 166	\$ 216	\$ 399	\$ 419	\$ 493	\$ 475	\$ 630	\$ 363	\$ 259	\$ 217
Members' Deposits	90	10	89	26	74	18	288	235	160	24
Transfers Between Funds	14	(38)	(42)	(19)	(48)	4	50	20	(2)	6
Net Balance of Investment Operations and Expenses for the Year	6	6	5	6	(12)	40	(15)	62	2	24
Members' Withdrawals	(66)	(28)	(95)	(33)	(24)	(44)	(14)	(50)	(36)	(12)
Net Change in Funds for year	44	(50)	(43)	(20)	(10)	18	309	267	124	42
<b>Funds at End of year</b>	<b>210</b>	<b>166</b>	<b>356</b>	<b>399</b>	<b>483</b>	<b>493</b>	<b>939</b>	<b>630</b>	<b>383</b>	<b>259</b>
Net Asset Value per Unit	11.24	10.88	14.46	14.41	16.50	16.92	17.71	17.90	17.07	16.95

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Funds at Beginning of Year</b>	\$ 706	\$ 559	\$ 430	\$ 346	\$ 251	\$ 179	\$ 47	\$ 44	\$ 83	\$ 78
Members' Deposits	197	112	459	32	141	49	24	1	99	2
Transfers Between Funds	(41)	17	29	(2)	27	2	1	-	(3)	(5)
Net Balance of Investment Operations and Expenses for the Year	29	73	51	66	23	30	(8)	5	(14)	12
Members' Withdrawals	(63)	(55)	(38)	(12)	(39)	(9)	(7)	(3)	(12)	(4)
Net Change in Funds for year	122	147	501	84	152	72	10	3	70	5
<b>Funds at End of year</b>	<b>828</b>	<b>706</b>	<b>931</b>	<b>430</b>	<b>403</b>	<b>251</b>	<b>57</b>	<b>47</b>	<b>153</b>	<b>83</b>
Net Asset Value per Unit	31.18	29.83	28.93	26.27	41.20	38.26	10.04	11.51	14.42	16.08

	International Equity Fund (Indexed)	
	2007	2006
<b>Funds at Beginning of Year</b>	\$ 175	\$ 103
Members' Deposits	172	28
Transfers Between Funds	15	16
Net Balance of Investment Operations and Expenses for the Year	(30)	31
Members' Withdrawals	(36)	(3)
Net Change in Funds for year	121	72
<b>Funds at End of year</b>	<b>296</b>	<b>175</b>
Net Asset Value per Unit	14.76	16.03

## SEGREGATED FUNDS - FORTRESS

Statement of Net Assets  
Year ended December 31, 2007  
(in thousands of Canadian dollars)

### ASSETS

Investments at Market Value,  
represented by investments in funds  
managed by 3rd party investment  
manager

Total net assets and  
funds held for  
benefit of members

Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
\$ 2,949	\$ 1,970	\$ 11,693	\$ 12,204	\$ 464	\$ 613	\$ 16,576	\$ 16,759	\$ 9,572	\$ 6,930
\$ 2,949	\$ 1,970	\$ 11,693	\$ 12,204	\$ 464	\$ 613	\$ 16,576	\$ 16,759	\$ 9,572	\$ 6,930

### ASSETS

Investments at Market Value,  
represented by investments in funds  
managed by 3rd party investment  
manager

Total net assets and  
funds held for  
benefit of members

Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
\$ 48,942	\$ 40,394	\$ 10,207	\$ 8,085	\$ 4,048	\$ 4,006	\$ 20,034	\$ 18,333	\$ 8,050	\$ 11,123
\$ 48,942	\$ 40,394	\$ 10,207	\$ 8,085	\$ 4,048	\$ 4,006	\$ 20,034	\$ 18,333	\$ 8,050	\$ 11,123

### ASSETS

Investments at Market Value,  
represented by investments in funds  
managed by 3rd party investment  
manager

Total net assets and  
funds held for  
benefit of members

Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
2007	2006	2007	2006	2007	2006
\$ 4,019	\$ 5,018	\$ 2,126	\$ 1,036	\$ 1,798	\$ 1,926
\$ 4,019	\$ 5,018	\$ 2,126	\$ 1,036	\$ 1,798	\$ 1,926

## SEGREGATED FUNDS - FORTRESS 2

**Statement of Net Assets**  
**Year ended December 31, 2007**  
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>ASSETS</b>										
Investments at Market Value, represented by investments in funds managed by 3rd party investment manager	\$ 209	\$ 166	\$ 356	\$ 399	\$ 483	\$ 493	\$ 939	\$ 630	\$ 383	\$ 259
Total net assets and funds held for benefit of members	\$ 209	\$ 166	\$ 356	\$ 399	\$ 483	\$ 493	\$ 939	\$ 630	\$ 383	\$ 259

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>ASSETS</b>										
Investments at Market Value, represented by investments in funds managed by 3rd party investment manager	\$ 829	\$ 706	\$ 931	\$ 430	\$ 403	\$ 251	\$ 57	\$ 47	\$ 153	\$ 83
Total net assets and funds held for benefit of members	\$ 829	\$ 706	\$ 931	\$ 430	\$ 403	\$ 251	\$ 57	\$ 47	\$ 153	\$ 83

	International Equity Fund (Indexed)	
	2007	2006
<b>ASSETS</b>		
Investments at Market Value, represented by investments in funds managed by 3rd party investment manager	\$ 296	\$ 175
Total net assets and funds held for benefit of members	\$ 296	\$ 175

## SEGREGATED FUNDS - FORTRESS

### Statement of Operations for Year Ended December 31, 2007 (in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Income</b>										
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ 105	\$ 85	\$ 426	\$ 459	\$ (36)	\$ 23	\$ 393	\$ 1,915	\$ 130	\$ 775
<b>Expenses</b>										
Management and administrative fees	30	27	274	243	12	15	413	392	213	147
Net Balance of Investment Operations and Expenses for Year	\$ 75	\$ 58	\$ 152	\$ 216	\$ (48)	\$ 8	\$ (20)	\$ 1,523	\$ (83)	\$ 628

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Income</b>										
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ 1,542	\$ 4,524	\$ 540	\$ 1,207	\$ 104	\$ 464	\$ 2,785	\$ 3,028	\$ (606)	\$ 612
<b>Expenses</b>										
Management and administrative fees	1,069	817	255	182	106	93	506	475	311	353
Net Balance of Investment Operations and Expenses for Year	\$ 473	\$ 3,707	\$ 285	\$ 1,025	\$ (2)	\$ 371	\$ 2,279	\$ 2,553	\$ (917)	\$ 259

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2007	2006	2007	2006	2007	2006
<b>Income</b>						
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ (402)	\$ 1,098	\$ 292	\$ 232	\$ (294)	\$ 375
<b>Expenses</b>						
Management and administrative fees	124	118	42	22	57	32
Net Balance of Investment Operations and Expenses for Year	\$ (526)	\$ 980	\$ 250	\$ 210	\$ (351)	\$ 343

## SEGREGATED FUNDS - FORTRESS 2

### Statement of Operations for Year Ended December 31, 2007 (in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Income</b>										
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ 10	\$ 9	\$ 13	\$ 14	\$ -	\$ 51	\$ 3	\$ 74	\$ 9	\$ 29
<b>Expenses</b>										
Management and administrative fees	4	4	8	8	12	11	18	12	7	5
Net Balance of Investment Operations and Expenses for Year	\$ 6	\$ 5	\$ 5	\$ 6	\$ (12)	\$ 40	\$ (15)	\$ 62	\$ 2	\$ 24

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>Income</b>										
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ 47	\$ 89	\$ 66	\$ 75	\$ 30	\$ 35	\$ (7)	\$ 6	\$ (11)	\$ 14
<b>Expenses</b>										
Management and administrative fees	18	15	15	9	7	5	1	1	3	2
Net Balance of Investment Operations and Expenses for Year	\$ 29	\$ 74	\$ 51	\$ 66	\$ 23	\$ 30	\$ (8)	\$ 5	\$ (14)	\$ 12

	International Equity Fund (Indexed)	
	2007	2006
<b>Income</b>		
Net investment income, capital gains and unrealized appreciation (depreciation) on investments	\$ (23)	\$ 34
<b>Expenses</b>		
Management and administrative fees	7	3
Net Balance of Investment Operations and Expenses for Year	\$ (30)	\$ 31

## SEGREGATED FUNDS

### Statement of Investment Portfolio

as at December 31, 2007

(in thousands of Canadian dollars)

#### SEGREGATED FUNDS - FORTRESS

Holdings	Fund Name	Issuer / Description	Cost	Market Value	% of Portfolio
292,239	Balanced Fund (Laketon)	Canada Life Managed Fund (Laketon)	\$ 20,054	\$ 16,576	11.80
65,274	Canadian Equity Fund (Growth)	Canada Life Canadian Equity Fund (Laketon)	15,304	20,034	14.26
1,691,200	Enhanced Dividend Fund	Canada Life Enhanced Dividend Fund (Laketon)	27,337	48,942	34.84
82,151	Canadian Bond Fund	Canada Life Fixed Income Fund (Laketon)	9,529	11,693	8.32
67,885	Global Equity Fund	Canada Life Global Equity Fund (Laketon)	10,379	4,019	2.86
457,698	Canadian Small Cap Equity Fund	Canada Life Small Cap Equity Fund (Bissett)	5,624	8,050	5.73
537,521	Balanced Fund (McLean Budden)	Canada Life Balanced Fund (McLean Budden)	5,013	9,572	6.82
351,590	Canadian Equity Fund (Value)	Canada Life Canadian Equity Fund (SRA)	4,836	10,207	7.27
36,849	Money Market Fund	Canada Life Money Market Fund (Laketon)	4,189	2,949	2.10
199,047	Canadian Equity Fund (Core)	Canada Life Canadian Equity Fund (Bissett)	2,000	4,048	2.88
82,423	European Equity Fund	Canada Life European Equity Fund (Laketon)	2,316	1,798	1.28
36,067	Global Bond Fund	Canada Life International Bond Fund (Laketon)	1,652	464	0.33
165,502	Asia Pacific Equity Fund	Canada Life Asia Pacific Fund (Laketon)	1,114	2,126	1.51
TOTAL NET ASSETS			\$ 109,347	\$ 140,478	100

#### SEGREGATED FUNDS - FORTRESS 2

Holdings	Fund Name	Issuer / Description	Cost	Market Value	% of Portfolio
29,261	Balanced Fund (Jarislowsky)	Canada Life Balanced Fund (Jarislowsky Fraser)	\$ 421	\$ 483	9.58
24,277	Canadian Bond Fund (Indexed)	TDQC Emerald Canadian Bond Index Fund	274	356	7.06
26,685	Canadian Equity Fund (Core 2)	Canada Life Canadian Equity Fund (Jarislowsky Fraser)	549	829	16.45
18,602	Money Market Fund 2	TDQC Emerald Short-Term Investment Fund	167	209	4.15
32,189	Canadian Equity Fund (Growth 2)	Canada Life Canadian Equity Fund (Greystone)	678	931	18.48
53,017	Balanced Fund (Scheer Rowlett)	Canada Life Balanced Fund (SRA)	741	939	18.64
22,419	Balanced Fund (TDQC)	TDQC Emerald Balanced Fund	304	383	7.59
9,772	Canadian Equity Fund (Indexed)	TDQC Emerald Canadian Equity Index Fund	251	403	7.99
20,078	International Equity Fund (Indexed)	TDQC Emerald International Equity Index Fund	272	296	5.88
10,627	Global Equity Fund 2	Canada Life Global Equity Fund (McLean Budden)	143	153	3.04
5,702	U.S. Equity Fund (Indexed)	TDQC Emerald U.S. Market Index	55	57	1.14
TOTAL NET ASSETS			\$ 3,855	\$ 5,039	100

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements

Year ended December 31, 2007

---

Lutheran Life Insurance Society of Canada (the "Society") is a fraternal benefit society, incorporated by an Act of the Parliament of Canada on June 28, 1972. Its operations are governed by the federal Insurance Companies Act and the Insurance Acts of the provinces in which the Society operates.

## 1. Description of the funds:

The FORTRESS® Funds consist of 13 segregated funds and the FORTRESS2 Funds consist of 11 segregated funds maintained by Lutheran Life Insurance Society of Canada in respect of variable deferred annuity contracts issued under the FORTRESS® and FORTRESS2 Fund plans. The assets of each fund are segregated from the other assets of the Society and are invested in funds managed by third party investment managers. The funds are not separate legal entities. The following funds were established by a resolution of the Board of Directors of the Society:

---

Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

---

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

---

## **2. Significant accounting policies:**

These financial statements have been prepared within the framework of the significant accounting policies summarized below:

### (a) Investments:

Investments are recorded in the accounts at their market value in Canadian currency. The difference between market value and the average cost is included in investment income as unrealized appreciation (depreciation) on investments.

### (b) Accrual basis of accounting:

Income and expenses are recorded on an accrual basis.

## **3. Units of a fund/value of units:**

Each fund is subdivided into units and these units are attributed to individual contracts for the purpose of determining the value of the benefits under those contracts. A contract holder acquires no direct claim on the units or assets of a fund by purchasing a contract, but only the benefits which are provided under the contract. Units are attributed to and withdrawn from a contract when required by the terms of the contract.

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

### 3. Units of a fund/value of units (continued):

The number of units outstanding in each fund and the per unit value as at December 31, 2007 and 2006 were as follows:

#### (a) FORTRESS® Funds:

	2007		2006	
	Units outstanding	Value per unit	Units outstanding	Value per unit
Money Market Fund	36,849	\$ 80.02	25,376	\$ 77.64
Canadian Bond Fund	82,151	142.34	86,911	140.42
Global Bond Fund	36,067	12.87	43,798	13.99
Balanced Fund (Laketon) Balanced Fund	292,239	56.72	294,963	56.82
(McLean Budden)	537,521	17.81	386,939	17.91
Enhanced Dividend Fund	1,691,200	28.94	1,416,627	28.51
Canadian Equity Fund (Value)	351,590	29.03	289,526	27.93
Canadian Equity Fund (Core)	199,047	20.34	196,892	20.35
Canadian Equity Fund (Growth)	65,274	306.93	67,350	272.20
Canadian Small Cap Equity Fund	457,698	17.59	570,187	19.51
Global Equity Fund	67,885	59.21	76,150	65.90
Asia Pacific Equity Fund	165,502	12.84	94,435	10.97
European Equity Fund	82,423	21.81	75,834	25.39

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

### 3. Units of a fund/value of units (continued):

(b) FORTRESS<sup>2</sup> Funds:

	2007		2006	
	Units outstanding	Value per unit	Units outstanding	Value per unit
Money Market Fund 2	18,602	\$ 11.24	15,204	\$ 10.88
Canadian Bond Fund (Indexed)	24,277	14.46	27,684	14.41
Balanced Fund (Jarislowsky)	29,261	16.50	29,130	16.92
Balanced Fund (Scheer Rowlett)	53,017	17.71	35,179	17.90
Balanced Fund (TDQC)	22,419	17.07	15,308	16.95
Canadian Equity Fund (Core 2)	26,685	31.18	23,684	29.83
Canadian Equity Fund (Growth 2)	32,189	28.93	16,373	26.27
Canadian Equity Fund (Indexed)	9,772	41.20	6,565	38.26
U.S. Equity Fund (Indexed)	5,702	10.04	4,089	11.51
Global Equity Fund 2	10,627	14.42	5,161	16.08
International Equity Fund (Indexed)	20,078	14.76	10,948	16.03

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

## 4. Management and administrative fees:

In return for investment management and administrative services, the Society is paid a management fee from the funds. These fees are a per annum percentage of the daily average net assets of the funds and are as follows:

### (a) FORTRESS® Funds:

	Per annum management fee*
Money Market Fund	1.25%
Canadian Bond Fund	2.25%
Global Bond Fund	2.25%
Balanced Fund (Laketon)	2.50%
Balanced Fund (McLean Budden)	2.50%
Enhanced Dividend Fund	2.40%
Canadian Equity Fund (Value)	2.60%
Canadian Equity Fund (Core)	2.60%
Canadian Equity Fund (Growth)	2.60%
Canadian Small Cap Equity Fund	3.25%
Global Equity Fund	2.60%
Asia Pacific Equity Fund	2.60%
European Equity Fund	2.60%

### (b) FORTRESS<sup>2</sup> Funds:

	Per annum management fee*
Money Market Fund 2	1.25%
Canadian Bond Fund (Indexed)	2.00%
Balanced Fund (Jarislowsky)	2.35%
Balanced Fund (Scheer Rowlett)	2.35%
Balanced Fund (TDQC)	2.10%
Canadian Equity Fund (Core 2)	2.40%
Canadian Equity Fund (Growth 2)	2.40%
Canadian Equity Fund (Indexed)	2.15%
U.S. Equity Fund (Indexed)	2.30%
Global Equity Fund 2	2.55%
International Equity Fund (Indexed)	2.30%

\* Goods and services tax ("GST") is applicable on the management fees paid.

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

## 5. Taxation of the funds:

Each fund is treated as a separate segregated fund trust under the Income Tax Act (Canada). Income and realized gains and losses, as applicable, are allocated to owners and their beneficiaries. Accordingly, under current tax legislation, there is no income tax liability owing by a fund.

## 6. Management expense ratio:

The management expense ratio for a segregated fund is the ratio of the total expenses payable by the fund divided by the average fund value, including the GST. The Society only offers one fee option for its segregated funds. The management expense ratios for each fund for the last five financial years are as follows:

### (a) FORTRESS® Funds:

	2007	2006	2005	2004	2003
Money Market Fund	1.36%	1.37%	1.37%	1.35%	1.35%
Canadian Bond Fund	2.42%	2.44%	2.44%	2.42%	2.42%
Global Bond Fund	2.42%	2.45%	2.44%	2.42%	2.42%
Balanced Fund (Laketon)	2.68%	2.69%	2.70%	2.69%	2.69%
Balanced Fund (McLean Budden)	2.69%	2.71%	2.71%	2.69%	2.69%
Enhanced Dividend Fund	2.57%	2.60%	2.60%	2.59%	2.58%
Canadian Equity Fund (Value)	2.79%	2.82%	2.82%	2.81%	2.80%
Canadian Equity Fund (Core)	2.79%	2.82%	2.81%	2.82%	2.80%
Canadian Equity Fund (Growth)	2.79%	2.80%	2.81%	2.79%	2.80%
Canadian Small Cap Equity Fund	3.48%	3.51%	3.51%	3.51%	3.49%
Global Equity Fund	2.81%	2.79%	2.82%	2.79%	2.80%
Asia Pacific Equity Fund	2.80%	2.86%	2.93%	2.79%	2.80%
European Equity Fund	2.80%	2.79%	2.83%	2.79%	2.80%

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

## 6. Management expense ratio (continued):

(b) FORTRESS<sub>2</sub> Funds:

	2007	2006	2005	2004	2003
Money Market Fund 2	1.36%	1.36%	1.36%	1.34%	1.36%
Canadian Bond Fund (Indexed)	2.14%	2.15%	2.15%	2.14%	2.14%
Balanced Fund (Jarislowsky)	2.52%	2.55%	2.54%	2.53%	2.53%
Balanced Fund (Scheer Rowlett)	2.51%	2.53%	2.53%	2.53%	2.53%
Balanced Fund (TDQC)	2.27%	2.28%	2.28%	2.25%	2.29%
Canadian Equity Fund (Core 2)	2.57%	2.60%	2.60%	2.58%	2.58%
Canadian Equity Fund (Growth 2)	2.58%	2.61%	2.60%	2.58%	2.58%
Canadian Equity Fund (Indexed)	2.29%	2.32%	2.31%	2.30%	2.30%
U.S. Equity Fund (Indexed)	2.49%	2.49%	2.48%	2.46%	2.54%
Global Equity Fund 2	2.75%	2.79%	2.76%	2.74%	2.74%
International Equity Fund (Indexed)	2.56%	2.55%	2.56%	2.46%	2.62%

The Society currently absorbs the costs for auditing, regulatory compliance and mailing statements to policyholders although it is allowed to charge these costs to the funds. If the costs had been charged to the funds in 2007, each fund's management expense ratio would have increased by 0.06%.

# LUTHERAN LIFE INSURANCE SOCIETY OF CANADA SEGREGATED FUNDS

Notes to Financial Statements (continued)

Year ended December 31, 2007

## 7. Underlying funds:

### (a) FORTRESS® Funds:

	2007	2006
Money Market Fund	2.78%	1.74%
Canadian Bond Fund	7.47%	7.44%
Global Bond Fund	6.17%	6.29%
Balanced Fund (Laketon)	5.59%	4.73%
Balanced Fund (McLean Budden)	6.56%	4.20%
Enhanced Dividend Fund	6.26%	5.31%
Canadian Equity Fund (Value)	18.97%	14.43%
Canadian Equity Fund (Core)	12.03%	10.30%
Canadian Equity Fund (Growth)	6.89%	6.43%
Canadian Small Cap Equity Fund	9.91%	9.37%
Global Equity Fund	5.14%	4.86%
Asia Pacific Equity Fund	3.30%	4.83%
European Equity Fund	3.86%	3.45%

### (b) FORTRESS2 Funds:

	2007	2006
Money Market Fund 2	0.01%	0.01%
Canadian Bond Fund (Indexed)	0.01%	0.01%
Balanced Fund (Jarislowsky)	0.64%	0.46%
Balanced Fund (Scheer Rowlett)	1.02%	0.74%
Balanced Fund (TDQC)	0.11%	0.08%
Canadian Equity Fund (Core 2)	1.43%	1.22%
Canadian Equity Fund (Growth 2)	2.55%	1.27%
Canadian Equity Fund (Indexed)	0.01%	0.01%
U.S. Equity Fund (Indexed)	0.01%	0.01%
Global Equity Fund 2	2.80%	1.36%
International Equity Fund (Indexed)	0.03%	0.02%

## END OF AUDITED FINANCIAL STATEMENTS

Semi-annual unaudited financial statements are available upon written request to Member Care, FaithLife Financial, 470 Weber Street North, Waterloo, Ontario N2J 4G4

## Portfolio Top Holdings - FORTRESS®

as at December 31, 2007 (in Canadian dollars)

### FORTRESS® Money Market Fund

The Money Market Fund invests its assets in a Secondary Fund, Canada Life's Money Market Fund (Laketon) (S29). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
20,700,000	Government of Canada Sep/04/2008 4.02980%	20,109	20,109	17.8%
12,000,000	Government of Canada Jun/12/2008 4.70023%	11,499	11,499	10.2%
9,600,000	Government of Canada Feb/07/2008 4.13017%	9,440	9,440	8.4%
9,100,000	Government of Canada Feb/21/2008 3.95837%	9,005	9,005	8.0%
9,000,000	Government of Canada Jan/10/2008 4.05993%	8,886	8,886	7.9%
6,000,000	GE Capital Canada Inc. Jan/30/2008 4.68910%	5,931	5,931	5.3%
6,000,000	The Toronto-Dominion Bank Jan/28/2008 4.64988%	5,931	5,931	5.3%
6,000,000	Government of Canada Sep/04/2008 3.96002%	5,841	5,841	5.2%
5,000,000	The Toronto-Dominion Bank Feb/22/2008 4.67845%	4,941	4,941	4.4%
5,000,000	GE Canada Enterprises Feb/21/2008 4.74961%	4,941	4,941	4.4%
4,700,000	Government of Canada Jan/24/2008 4.27021%	4,561	4,561	4.0%
4,000,000	Woodbridge Finance Corp. Jan/17/2008 4.75799%	3,989	3,989	3.5%
3,400,000	HSBC Bank Canada Feb/27/2008 4.90085%	3,359	3,359	3.0%
2,700,000	Government of Canada Jan/10/2008 3.90073%	2,680	2,680	2.4%
2,000,000	Government of Canada Feb/07/2008 3.98847%	1,981	1,981	1.8%
1,450,000	Government of Canada Jun/12/2008 4.60017%	1,396	1,396	1.2%
1,400,000	Government of Canada Mar/20/2008 3.81019%	1,387	1,387	1.2%
1,200,000	Government of Canada Mar/06/2008 3.86906%	1,189	1,189	1.1%
1,200,000	Royal Bank of Canada Feb/22/2008 4.69854%	1,186	1,186	1.1%
1,000,000	Government of Canada Mar/06/2008 3.84149%	991	991	0.9%
1,000,000	Government of Canada Feb/07/2008 4.15084%	982	982	0.9%
800,000	Government of Canada Mar/06/2008 3.81855%	794	794	0.7%
400,000	Government of Canada Mar/20/2008 3.79881%	396	396	0.4%
400,000	Government of Canada Feb/07/2008 3.94080%	396	396	0.4%
400,000	Government of Canada Feb/21/2008 3.97123%	396	396	0.4%
<b>Total Investments</b>		<b>112,805</b>	<b>112,805</b>	<b>100.0%</b>

## FORTRESS® Canadian Bond Fund

The Canadian Bond Fund invests its assets in a Secondary Fund, Canada Life's Fixed Income Fund (Laketon) (S19). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
52,916,000	Government of Canada 4.00% 06-01-17	52,818	52,960	23.1%
33,853,000	Government of Canada 4.00% 06-01-16	33,125	33,923	14.8%
17,275,000	Province of Ontario 6.50% 03-08-29	21,203	21,668	9.5%
15,668,000	Government of Canada 5.00% 06-01-14	16,652	16,620	7.3%
9,603,000	Province of Quebec 6.25% 06-01-32	11,201	11,682	5.1%
6,611,000	Province of Manitoba 6.30% 03-05-31	7,160	8,160	3.6%
6,309,000	Government of Canada 5.00% 06-01-37	7,006	7,291	3.2%
6,398,000	JPMorgan & Chase Co. 3.88% 09-08-15	6,380	6,188	2.7%
5,214,000	HBOS PLC 5.109% 06-21-17 Callable 12	5,177	5,167	2.3%
4,757,000	US Bank NA 3.80% 08-09-15	4,733	4,603	2.0%
4,375,000	Bell Canada 6.15% 06-15-09	4,470	4,450	1.9%
4,102,000	Renaissance Energy Ltd. 6.95% 07-14-09	4,125	4,234	1.8%
3,957,000	American Express Canada Credit Corp. 4.30% 11-12-10	3,943	3,869	1.7%
3,875,000	Bank of America 5.15% 05-30-17	3,845	3,677	1.6%
3,509,000	The Toronto-Dominion Bank 5.382% 11-01-17	3,512	3,548	1.5%
2,935,000	Province of New Brunswick 5.65% 12-27-28	2,971	3,334	1.5%
3,268,000	TransCanada PipeLines Ltd. 5.10% 01-11-17	3,266	3,262	1.4%
3,139,000	Bell Aliant Regional Communications LP 4.72% 09-2	3,125	3,017	1.3%
2,913,000	The Toronto-Dominion Bank 5.763% 12-18-06 Callable 17	2,912	2,902	1.3%
2,876,000	Algonquin Credit Card Trust 4.562% 06-15-12	2,874	2,799	1.2%
2,726,000	407 ETR International Inc. 5.75% 02-14-36	2,718	2,692	1.2%
2,444,000	Hydro One Inc. 6.40% 12-01-11	2,478	2,597	1.1%
2,700,000	Suncor Energy Inc. 5.39% 03-26-37	2,672	2,532	1.1%
2,513,000	GE Capital Canada Funding Co. 4.65% 02-11-15	2,492	2,444	1.1%
2,379,000	Caterpillar Financial Services Ltd. 4.94% 06-01-1	2,382	2,357	1.0%
<b>Total Investments</b>		226,150	229,162	100.0%

## FORTRESS® Global Bond Fund

The Global Bond Fund invests its assets in a Secondary Fund, Canada Life's International Bond Fund (Laketon) (S36). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
309,000,000	European Investment Bank 1.40% 06-20-17	2,933	2,731	25.2%
1,370,000	Government of Canada 4.875% 07-07-08	1,985	1,989	18.4%
1,445,000	Intl Bank Recon & Devp 5.00% 04-01-16	1,638	1,501	13.9%
770,000	Reseau Ferre France 5.0% 10-10-33	1,167	1,135	10.5%
1,026,000	Intl Bank Recon & Devp 4.75% 02-15-35	1,005	994	9.2%
700,000	Caisse D'Amort Dette 3.75% 10-25-20	965	928	8.6%
250,000	Intl Bank Recon & Devp 4.875% 12-07-28	523	500	4.6%
500,000	Hydro One Inc. 4.64% 03-03-16	500	494	4.6%
300,000	Government of Canada 5.75% 06-01-33	376	377	3.5%
89,000	General Electric Cap Corp 6.25% 12-15-17	208	182	1.7%
<b>Total Investments</b>		11,300	10,831	100.0%

## FORTRESS® Balanced Fund (Laketon)

The Balanced Fund (Laketon) invests its assets in a Secondary Fund, Canada Life's Managed Fund (Laketon) (S35). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
26,010,000	Government of Canada 4.00% 06-01-17	25,952	26,031	9.1%
13,860,000	Government of Canada 4.00% 06-01-16	13,431	13,888	4.9%
7,909,000	Province of Ontario 6.50% 03-08-29	9,701	9,919	3.5%
7,304,000	Government of Canada 5.00% 06-01-14	7,760	7,748	2.7%
176,500	Manulife Financial Corp.	5,176	7,139	2.5%
95,087	EnCana Corp.	5,253	6,418	2.2%
55,100	Suncor Energy Inc.	4,556	5,946	2.1%
107,900	Royal Bank of Canada	3,875	5,469	1.9%
97,700	Sun Life Financial Inc.	4,616	5,431	1.9%
4,365,000	Province of Quebec 6.25% 06-01-32	5,074	5,310	1.9%
129,206	Gildan Activewear Inc.	1,516	5,288	1.9%
75,710	The Toronto-Dominion Bank	4,452	5,258	1.8%
93,844	Petro-Canada	4,660	4,997	1.8%
99,400	The Bank of Nova Scotia	5,207	4,986	1.7%
58,190	Canadian Natural Resources Ltd.	3,158	4,221	1.5%
33,300	Research In Motion Ltd.	1,982	3,748	1.3%
2,974,000	Province of Manitoba 6.30% 03-05-31	3,182	3,671	1.3%
86,600	Barrick Gold Corp.	2,897	3,609	1.3%
75,200	Canadian National Railway Co.	2,609	3,508	1.2%
101,600	Goldcorp Inc.	2,953	3,429	1.2%
23,900	Potash Corp. of Saskatchewan Inc.	1,765	3,420	1.2%
2,825,000	Government of Canada 5.00% 06-01-37	3,138	3,265	1.1%
177,470	Talisman Energy Inc.	3,277	3,258	1.1%
76,300	TransCanada Corp.	2,767	3,091	1.1%
2,908,000	JPMorgan & Chase Co. 3.88% 09-08-15	2,908	2,813	1.0%
<b>Total Investments</b>		<b>269,304</b>	<b>285,334</b>	<b>100.0%</b>

## FORTRESS® Balanced Fund (McLean Budden)

The Balanced Fund (McLean Budden) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (McLean Budden) (S110). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
11,026,191	McLean Budden Balanced Fund Pooled	139,763	145,865	100.0%
<b>Total Investments</b>		139,763	145,865	100.0%

## FORTRESS® Enhanced Dividend Fund

The Enhanced Dividend Fund invests its assets in a Secondary Fund, Canada Life's Enhanced Dividend Fund (S39). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,355,100	BCE Inc.	45,650	53,662	8.5%
585,200	The Toronto-Dominion Bank	26,711	40,641	6.4%
734,500	Royal Bank of Canada	25,394	37,231	5.9%
910,000	Manulife Financial Corp.	24,545	36,809	5.8%
618,500	Bank of Montreal	34,398	34,791	5.5%
681,000	The Bank of Nova Scotia	24,155	34,159	5.4%
567,600	National Bank of Canada	26,963	29,612	4.7%
420,000	Sun Life Financial Inc.	16,661	23,348	3.7%
325,200	Canadian Imperial Bank of Commerce	23,242	22,943	3.6%
536,900	TransCanada Corp.	16,866	21,750	3.4%
513,000	The Thomson Corp.	22,564	20,664	3.3%
240,000	Magna International Inc. Class A Sub. voting	20,635	19,164	3.0%
375,500	TELUS Corp. Class A non-voting	11,675	17,998	2.8%
593,700	Finning International Inc.	10,646	17,004	2.7%
536,600	Fortis Inc.	12,216	15,518	2.4%
604,900	First Capital Realty Inc.	12,407	14,524	2.3%
255,000	Petro-Canada	10,770	13,579	2.1%
321,199	Canadian Oil Sands Trust	5,271	12,421	2.0%
260,000	Rogers Communications Inc. Class B non-voting	7,821	11,697	1.8%
732,400	Nortel Networks Corp. 5.10%	13,308	10,913	1.7%
269,700	Enbridge Inc.	8,282	10,788	1.7%
290,000	TransAlta Corp.	6,727	9,657	1.5%
300,000	Bell Aliant Regional Communications Income Fund	9,765	8,829	1.4%
330,000	BFI Canada Income Fund	7,097	8,778	1.4%
343,550	Crescent Point Energy Trust	5,851	8,482	1.3%
<b>Total Investments</b>		<b>526,519</b>	<b>634,920</b>	<b>100.0%</b>

## FORTRESS® Canadian Equity Fund (Value)

The Canadian Equity Fund (Value) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (SRA) (S202). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
5,408,972	Scheer Rowlett Canadian Equity Fund Pooled	72,950	87,762	100.0%
<b>Total Investments</b>		72,950	87,762	100.0%

## FORTRESS® Canadian Equity Fund (Core)

The Canadian Equity Fund (Core) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Bissett) (S103). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
455,465	Bissett Canadian Equity Fund Series O	30,285	41,643	100.0%
<b>Total Investments</b>		<b>30,285</b>	<b>41,643</b>	<b>100.0%</b>

## FORTRESS® Canadian Equity Fund (Growth)

The Canadian Equity Fund (Growth) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Laketon) (S9). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
172,800	Research In Motion Ltd.	9,835	19,450	6.9%
124,800	Potash Corp. of Saskatchewan Inc.	9,169	17,858	6.3%
155,030	Suncor Energy Inc.	11,500	16,729	5.9%
390,600	Manulife Financial Corp.	11,079	15,800	5.6%
233,116	EnCana Corp.	12,754	15,735	5.6%
204,128	The Toronto-Dominion Bank	12,228	14,177	5.0%
275,960	Royal Bank of Canada	9,966	13,988	4.9%
319,104	Gildan Activewear Inc.	3,743	13,061	4.6%
243,630	Petro-Canada	12,104	12,973	4.6%
256,000	The Bank of Nova Scotia	13,408	12,841	4.5%
217,406	Sun Life Financial Inc.	10,207	12,086	4.3%
163,820	Canadian Natural Resources Ltd.	9,229	11,884	4.2%
293,200	Goldcorp Inc.	8,904	9,896	3.5%
221,100	Barrick Gold Corp.	7,686	9,213	3.3%
694,700	CAE Inc.	8,543	9,205	3.3%
395,770	Talisman Energy Inc.	7,176	7,266	2.6%
122,800	Shoppers Drug Mart Corp.	3,824	6,540	2.3%
145,000	Rogers Communications Inc. Class B non-voting	3,356	6,524	2.3%
1,053,000	Bombardier Inc. Class B Sub. voting	6,155	6,276	2.2%
127,460	Canadian National Railway Co.	4,644	5,946	2.1%
314,200	Kinross Gold Corp.	5,017	5,740	2.0%
173,360	Nexen Inc.	5,588	5,558	2.0%
91,520	Cognos Inc.	3,944	5,228	1.8%
58,200	Inmet Mining Corp.	3,888	4,678	1.7%
66,200	Canadian Imperial Bank of Commerce	6,293	4,670	1.7%
<b>Total Investments</b>		<b>219,557</b>	<b>282,990</b>	<b>100.0%</b>

## FORTRESS® Canadian Small Cap Equity Fund

The Canadian Small Cap Equity Fund invests its assets in a Secondary Fund, Canada Life's Canadian Small Cap Equity Fund (Bissett) (S105). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,146,483	Bissett Small Cap Fund Series O	80,085	83,407	100.0%
<b>Total Investments</b>		80,085	83,407	100.0%

## FORTRESS® Global Equity Fund

The Global Equity Fund invests its assets in a Secondary Fund, Canada Life's Global Equity Fund (Setanta) (S34). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
780,694	Vodafone Group PLC	2,478	2,893	3.0%
200,000	CL Euro Focus 20 Fund SF306	2,470	2,813	2.9%
74,850	DCC PLC	1,936	2,106	2.2%
22,250	Deutsche Postbank AG	2,098	1,952	2.0%
126,350	DnB NOR ASA	2,004	1,903	2.0%
21,758	Total SA	1,393	1,791	1.9%
587,800	Kasikornbank PCL - NVDR	1,372	1,674	1.7%
7,335	E.On AG	1,289	1,545	1.6%
383,450	Terna SPA	1,130	1,526	1.6%
60,419	Banco Bilbao Vizcaya Argentaria SA	1,556	1,472	1.5%
13,500	Apache Corp.	1,132	1,440	1.5%
26,200	Sigma-Aldrich Corp.	994	1,421	1.5%
69,900	Intralot SA Integrated Lottery	1,252	1,373	1.4%
18,582	ENI SPA ADR	854	1,337	1.4%
13,350	Hess Corp.	742	1,336	1.4%
20,000	Johnson & Johnson	1,607	1,324	1.4%
22,500	Emerson Electric Co.	891	1,264	1.3%
30,130	Royal Dutch Shell PLC A [ Dutch shares ]	1,095	1,256	1.3%
147,243	Unicredito Italiano SPA	1,233	1,216	1.3%
53,700	Pfizer Inc.	2,133	1,211	1.3%
13,650	General Dynamics Corp.	1,217	1,206	1.2%
11,194	BNP Paribas SA	1,173	1,204	1.2%
8,849	Schneider Electric SA	953	1,189	1.2%
54,974	Diageo PLC	953	1,171	1.2%
84,350	United Overseas Bank Ltd.	934	1,155	1.2%
<b>Total Investments</b>		<b>91,997</b>	<b>96,543</b>	<b>100.0%</b>

## FORTRESS® Asia Pacific Equity Fund

The Asia Pacific Equity Fund invests its assets in a Secondary Fund, Canada Life's Far East Equity Fund (Mackenzie) (S38). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
3,323,613	Mackenzie Universal Select Managers Far East Capital Fund Class S	53,379	64,072	100.0%
<b>Total Investments</b>		53,379	64,072	100.0%

## FORTRESS® European Equity Fund

The European Equity Fund invests its assets in a Secondary Fund, Canada Life's European Equity Fund (Setanta) (S37). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Shares</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
21,850	ArcelorMittal	1,505	1,678	3.7%
57,550	DCC PLC	2,189	1,619	3.5%
18,150	Deutsche Postbank AG	1,720	1,592	3.5%
33,050	Lanxess	1,889	1,592	3.5%
19,250	Total SA	1,566	1,585	3.5%
37,981	Royal Dutch Shell PLC B	1,440	1,566	3.4%
11,630	Schneider Electric SA	1,762	1,562	3.4%
19,650	KRONES AG	1,695	1,561	3.4%
187,950	Unicredito Italiano SPA	2,044	1,552	3.4%
107,100	Pearson PLC	1,779	1,548	3.4%
417,800	Vodafone Group PLC	1,328	1,548	3.4%
7,335	E.On AG	1,289	1,545	3.4%
14,300	BNP Paribas SA	1,766	1,539	3.4%
14,250	Casino Guichard-Perrashon SA	1,568	1,537	3.4%
42,400	Eni SPA	1,450	1,533	3.3%
31,300	Belgacom SA	1,648	1,531	3.3%
39,800	Nokia OYJ	1,207	1,520	3.3%
71,250	Diageo PLC	1,264	1,518	3.3%
47,950	Kerry Group PLC A	1,320	1,513	3.3%
172,550	Royal Bank of Scotland Group PLC	2,267	1,511	3.3%
25,200	Credit Suisse Group Reg.	1,810	1,504	3.3%
61,650	Banco Bilbao Vizcaya Argentaria SA	1,599	1,502	3.3%
12,150	Synthes Inc.	1,553	1,491	3.3%
21,300	Swiss Reinsurance Co. AG Reg.	1,882	1,483	3.2%
99,150	United Utilities PLC	1,731	1,480	3.2%
<b>Total Investments</b>		<b>50,979</b>	<b>45,791</b>	<b>100.0%</b>

## Portfolio Top Holdings - FORTRESS<sup>®</sup> 2

as at December 31, 2007 (in Canadian dollars)

### FORTRESS<sup>®</sup> 2 Money Market Fund 2

The Money Market Fund 2 invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Canadian Short Term Investment Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
41,990,000	GE Capital Canada Funding Company 5.0000% Apr/23/2008	42,038	42,035	2.0%
40,000,000	Province of Ontario 4.9371% Oct/01/2008	40,037	40,062	1.9%
31,000,000	Bank of Montreal 4.7500% Mar/19/2008	30,683	30,689	1.5%
30,000,000	Citibank N.A. 4.8300% Jan/15/2008	29,944	29,945	1.4%
30,000,000	Government of Canada Treasury Bill 3.9800% Aug/07/2008	29,235	29,301	1.4%
28,000,000	Government of Canada Treasury Bill 3.9500% Sep/04/2008	27,225	27,273	1.3%
25,000,000	Canadian Imperial Bank of Commerce 4.7314% Nov/13/2008	25,000	25,007	1.2%
25,000,000	National Bank of Canada 4.8185% Jun/26/2008	25,000	24,947	1.2%
25,000,000	OMERS Realty Corporation 5.5900% Jan/18/2008	24,944	24,935	1.2%
25,000,000	SOUND Trust 5.4200% Feb/13/2008	24,844	24,841	1.2%
25,000,000	Royal Bank of Canada 4.7400% Mar/11/2008	24,779	24,775	1.2%
25,000,000	Bank of Nova Scotia (The) 4.7400% Mar/12/2008	24,801	24,772	1.2%
25,000,000	Government of Canada Treasury Bill 3.8900% Apr/17/2008	24,719	24,718	1.2%
25,000,000	Government of Canada Treasury Bill 3.9100% May/01/2008	24,659	24,681	1.2%
23,000,000	Government of Canada Treasury Bill 3.9900% Jul/10/2008	22,494	22,531	1.1%
20,000,000	Province of Ontario 4.8685% May/30/2008	19,999	20,032	1.0%
20,000,000	Royal Bank of Canada 4.9457% Oct/06/2008	20,000	20,000	1.0%
20,000,000	SMART Trust 5.9300% Jan/09/2008	19,977	19,974	1.0%
20,000,000	SMART Trust 5.6800% Jan/14/2008	19,962	19,960	1.0%
20,000,000	Diversified Trust 5.6000% Jan/17/2008	19,953	19,951	1.0%
20,000,000	Bank of Nova Scotia (The) 4.7985% Jan/28/2008	20,000	19,943	1.0%
20,000,000	Diversified Trust 5.5400% Jan/21/2008	19,942	19,939	1.0%
20,000,000	SUMMIT Trust 5.4200% Feb/08/2008	19,892	19,888	1.0%
20,000,000	Business Development Bank of Canada 4.1400% Mar/17/2008	19,840	19,829	1.0%
20,000,000	Deutsche Bank Canada 4.6000% Jul/03/2008	19,530	19,547	0.9%
<b>Total Investments</b>		<b>2,076,270</b>	<b>2,076,091</b>	<b>100.0%</b>

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Canadian Bond Fund (Indexed)

The Canadian Bond Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> Canadian Bond Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Par Value</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
79,453,000	Government of Canada 5.7500% Jun/01/2029	95,499	97,741	2.0%
88,452,000	Canada Housing Trust No. 1 4.6000% Sep/15/2011	90,005	89,859	1.9%
69,887,000	Government of Canada 5.7500% Jun/01/2033	85,490	87,958	1.8%
55,124,500	Government of Canada 8.0000% Jun/01/2027	78,192	83,449	1.7%
83,297,000	Canada Housing Trust No. 1 4.0500% Mar/15/2011	82,841	83,179	1.7%
70,378,000	Government of Canada 5.0000% Jun/01/2037	78,113	81,368	1.7%
75,433,000	Canada Housing Trust No. 1 4.8000% Jun/15/2012	75,414	77,387	1.6%
74,713,000	Canada Housing Trust No. 1 4.5500% Dec/15/2012	75,593	75,957	1.6%
71,615,000	Canada Housing Trust No.1 4.5500% Dec/15/2012	71,613	72,808	1.5%
68,697,000	Government of Canada 4.5000% Jun/01/2015	70,666	71,125	1.5%
70,425,000	Canada Housing Trust No. 1 4.6500% Sep/15/2009	71,792	71,120	1.5%
71,107,000	Canada Housing Trust No. 1 3.7500% Mar/15/2010	70,808	70,659	1.5%
66,387,000	Government of Canada 4.2500% Dec/01/2009	66,244	67,005	1.4%
46,181,000	Government of Canada 8.0000% Jun/01/2023	65,824	66,687	1.4%
67,107,000	Canada Housing Trust No. 1 3.9500% Dec/15/2011	66,978	66,643	1.4%
64,437,000	Government of Canada 4.0000% Jun/01/2017	63,218	64,508	1.3%
60,070,000	Canada Housing Trust No. 1 4.0000% Jun/15/2012	59,936	59,692	1.2%
56,527,000	Canada Housing Trust No. 1 3.5500% Sep/15/2010	56,177	55,783	1.2%
50,253,000	Government of Canada 4.0000% Jun/01/2016	49,272	50,370	1.0%
45,771,000	Canada Housing Trust No. 1 3.5500% Mar/15/2009	45,692	45,540	0.9%
43,833,000	Government of Canada 4.2500% Sep/01/2009	44,434	44,151	0.9%
42,808,000	Province of Ontario 4.7000% Jun/02/2037	42,539	43,436	0.9%
40,358,000	Government of Canada 5.0000% Jun/01/2014	42,193	42,819	0.9%
42,423,000	Government of Canada 3.7500% Sep/01/2011	41,940	42,279	0.9%
33,469,000	Province of Ontario 5.6000% Jun/02/2035	37,867	38,601	0.8%
<b>Total Investments</b>		<b>4,735,736</b>	<b>4,789,057</b>	<b>100.0%</b>

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Balanced Fund (Jarislowsky)

The Balanced Fund (Jarislowsky) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (Jarislowsky Fraser) (S233). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
6,737,160	Jarislowsky Fraser Balanced Fund Pooled	97,016	100,385	100.0%
<b>Total Investments</b>		<b>97,016</b>	<b>100,385</b>	<b>100.0%</b>

## FORTRESS<sup>®</sup> 2 Balanced Fund (Scheer Rowlett)

The Balanced Fund (Scheer Rowlett) invests its assets in a Secondary Fund, Canada Life's Balanced Fund (SRA) (S610). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
<b>Investment In Units Of:</b>			
European & Pacific Equity Fund (SRA) SF205	18,185	33,865	36.8%
Bond Fund (SRA) SF199	22,247	28,156	30.6%
Money Market Fund (SRA) SF201	12,458	14,028	15.2%
U.S. Equity Fund (SRA) SF221	10,434	9,562	10.4%
Canadian Equity Fund (SRA) SF202	5,827	6,419	7.0%
<b>Total Investments</b>	<b>69,151</b>	<b>92,030</b>	<b>100.0%</b>

## FORTRESS<sup>®</sup> 2 Balanced Fund (TDQC)

The Balanced Fund (TDQC) invests its assets in a Secondary Fund, TD Asset Management's Emerald™ Balanced Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
10,853,670	TD Emerald Canadian Bond Index Fund 0.0000% Jan/00/1900	128,981	129,852	36.05%
3,237,568	TD Emerald Canadian Equity Index Fund	94,426	126,430	35.10%
4,570,536	TD Emerald U.S. Market Index Fund	51,677	48,546	13.48%
2,566,837	TD Emerald International Equity Index Fund	35,165	38,471	10.68%
1,684,338	TD Emerald Canadian Short Term Investment Fund 0.0000%	16,920	16,911	4.69%
<b>Total Investments</b>		<b>327,169</b>	<b>360,210</b>	<b>100.0%</b>

<sup>TM</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Core 2)

The Canadian Equity Fund (Core 2) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Jarislowsky Fraser) (S232). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,931,610	Jarislowsky Fraser Canadian Equity Fund Pooled	53,000	69,089	100.0%
<b>Total Investments</b>		53,000	69,089	100.0%

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Growth 2)

The Canadian Equity Fund (Growth 2) invests its assets in a Secondary Fund, Canada Life's Canadian Equity Fund (Greystone) (S203). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
1,340,532	Greystone Canadian Equity Fund Pooled	34,614	39,440	100.0%
<b>Total Investments</b>		<b>34,614</b>	<b>39,440</b>	<b>100.0%</b>

## FORTRESS<sup>®</sup> 2 Canadian Equity Fund (Indexed)

The Canadian Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald™ Canadian Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares or Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
2,461,586	Royal Bank of Canada	80,968	124,901	4.6%
2,894,288	Manulife Financial Corporation	81,117	117,421	4.3%
907,873	Research In Motion Limited	24,111	102,190	3.8%
1,449,153	EnCana Corporation	50,839	97,818	3.6%
892,293	Suncor Energy Inc.	42,262	96,287	3.6%
1,385,181	Toronto-Dominion Bank (The)	64,533	96,270	3.6%
1,899,604	Bank of Nova Scotia (The)	61,482	95,512	3.5%
610,843	Potash Corporation of Saskatchewan Inc.	18,658	87,650	3.2%
1,039,326	Canadian Natural Resources Limited	33,554	75,434	2.8%
1,673,573	Barrick Gold Corporation	53,318	69,922	2.6%
1,556,262	BCE Inc.	45,993	61,706	2.3%
1,093,182	Sun Life Financial Inc.	41,205	60,901	2.3%
963,037	Bank of Montreal	45,527	54,248	2.0%
936,516	Petro-Canada	29,138	49,869	1.8%
1,029,790	Rogers Communications Inc., Class "B" NV	20,803	46,330	1.7%
1,362,243	Goldcorp Inc.	34,922	46,044	1.7%
646,984	Canadian Imperial Bank of Commerce	39,831	45,645	1.7%
943,514	Canadian National Railway Company	29,816	44,015	1.6%
1,039,798	TransCanada Corporation	28,956	42,153	1.6%
1,957,029	Talisman Energy Inc.	22,270	35,990	1.3%
926,740	Canadian Oil Sands Trust	28,477	35,874	1.3%
970,263	Brookfield Asset Management Inc., Class "A" LV	17,941	34,396	1.3%
1,019,792	Nexen Inc.	17,998	32,735	1.2%
631,707	TELUS Corporation	22,793	31,232	1.2%
839,965	Teck Cominco Limited, Class "B" SV	17,961	29,760	1.1%
<b>Total Investments</b>		<b>2,031,348</b>	<b>2,778,766</b>	<b>100.0%</b>

<sup>TM</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 U.S. Equity Fund (Indexed)

The U.S. Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> U.S. Market Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares or Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
412,219	Exxon Mobil Corporation	28,963	38,117	4.0%
762,481	General Electric Company	33,030	27,896	2.9%
607,066	Microsoft Corporation	22,118	21,330	2.3%
457,706	AT&T Inc.	19,435	18,774	2.0%
234,950	Procter & Gamble Company (The)	15,751	17,025	1.8%
159,814	Chevron Corporation	11,640	14,721	1.6%
216,961	Johnson & Johnson	15,396	14,282	1.5%
334,843	Bank of America Corporation	17,304	13,635	1.4%
66,106	Apple Inc.	5,103	12,923	1.4%
456,601	Cisco Systems Inc.	14,127	12,199	1.3%
17,500	Google Inc., Class "A"	9,065	11,943	1.3%
158,926	Altria Group Inc.	9,403	11,855	1.3%
519,223	Pfizer Inc.	19,581	11,648	1.2%
441,145	Intel Corporation	14,368	11,607	1.2%
103,978	International Business Machines Corporation	12,422	11,093	1.2%
190,601	American International Group Inc.	15,781	10,967	1.2%
376,647	Citigroup Inc.	21,020	10,944	1.2%
253,437	JPMorgan Chase & Co.	12,887	10,918	1.2%
120,678	ConocoPhillips	7,685	10,517	1.1%
194,564	Hewlett-Packard Company	7,725	9,693	1.0%
164,180	Merck & Co., Inc.	10,458	9,416	1.0%
217,525	Verizon Communications Inc.	10,910	9,380	1.0%
149,936	Coca-Cola Company (The)	9,759	9,081	1.0%
121,189	PepsiCo Inc.	8,301	9,078	1.0%
90,236	Schlumberger Limited	5,691	8,761	0.9%
<b>Total Investments</b>		<b>1,037,093</b>	<b>963,228</b>	<b>100.0%</b>

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

## FORTRESS<sup>®</sup> 2 Global Equity Fund 2

The Global Equity Fund 2 invests its assets in a Secondary Fund, Canada Life's Global Equity Fund (McLean Budden) (S111). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

<b>No. of Units</b>	<b>Description</b>	<b>Cost</b> <i>(in thousands)</i>	<b>Market Value</b> <i>(in thousands)</i>	<b>% of Portf.</b>
364,380	McLean Budden Global Equity Fund Pooled	5,228	5,272	100.0%
<b>Total Investments</b>		5,228	5,272	100.0%

## FORTRESS<sup>®</sup> 2 International Equity Fund (Indexed)

The International Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald<sup>™</sup> International Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares or Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
1,533,141	BP PLC	18,797	18,524	1.7%
202,700	iShares MSCI EAFE Index Fund	16,419	15,714	1.4%
4,226,678	Vodafone Group PLC	14,808	15,595	1.4%
938,490	HSBC Holdings PLC	17,963	15,525	1.4%
31,337	Nestle SA	11,591	14,205	1.3%
171,682	TOTAL SA	11,685	14,079	1.3%
289,623	Royal Dutch Shell PLC, Class "A"	10,853	12,012	1.1%
313,513	Nokia Oyj	9,077	11,997	1.1%
215,900	Toyota Motor Corporation	11,672	11,521	1.1%
449,900	GlaxoSmithKline PLC	14,513	11,305	1.0%
342,500	Telefonica SA	7,438	10,982	1.0%
498,609	Banco Santander Central Hispano SA	8,679	10,641	1.0%
67,877	Siemens AG	7,158	10,619	1.0%
49,652	E.ON AG	5,817	10,432	1.0%
184,927	Novartis AG	11,069	10,011	0.9%
56,011	Roche Holding AG	9,415	9,551	0.9%
267,556	BHP Billiton Limited	4,628	9,307	0.9%
221,905	Royal Dutch Shell PLC, Class "B"	8,862	9,112	0.8%
79,461	Rio Tinto PLC	3,638	8,300	0.8%
35,806	Allianz SE	7,768	7,651	0.7%
165,206	UBS AG	8,411	7,547	0.7%
207,557	Eni SpA	5,893	7,502	0.7%
81,425	Sanofi-Aventis	7,837	7,400	0.7%
75,749	Daimler AG	6,082	7,237	0.7%
298,798	Banco Bilbao Vizcaya Argentaria SA	6,675	7,226	0.7%
<b>Total Investments</b>		<b>1,059,258</b>	<b>1,110,336</b>	<b>100.0%</b>

<sup>™</sup> "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.