

**Fund Information**

Inception Date	July 1998
IFSC Category	European Equity
<u>Plan Eligibility:</u>	RRSP Yes
	Non-Registered Yes
Management Fee / MER	2.60% / 2.74%

**Segregated Fund Investment Objective**

The objective of this segregated fund is to invest all of its assets in the European Equity Fund (Setanta), a mutual fund managed by Setanta Asset Management <sup>(4)</sup>, or another substantially similar underlying fund.

**Investor Profile (of underlying fund)**

Suited to the investor seeking growth opportunities over the long term.

**Investment Objective (of underlying fund)**

The objective is to provide long-term capital growth through investments in shares of companies trading in Europe.

**Investment Strategy (of underlying fund)**

- The fund may comprise of securities in all European Union members, applicant countries and Switzerland.
- The fund managers will apply an aggressive bottom-up driven process aided by Setanta's cashflow-based quantitative screening and valuation. The goal is to invest in well-managed companies with strong market positions combined with sustainable revenue and earnings growth.
- The fund will target a range of 35 to 45 stock holdings.
- The fund will impose a minimum market capitalization of euro 0.5 Billion for any one holding at the time of purchase.
- The fund may have a private equity exposure, which will be a maximum of 10% of the fund.

**FaithLife Financial Benchmark**

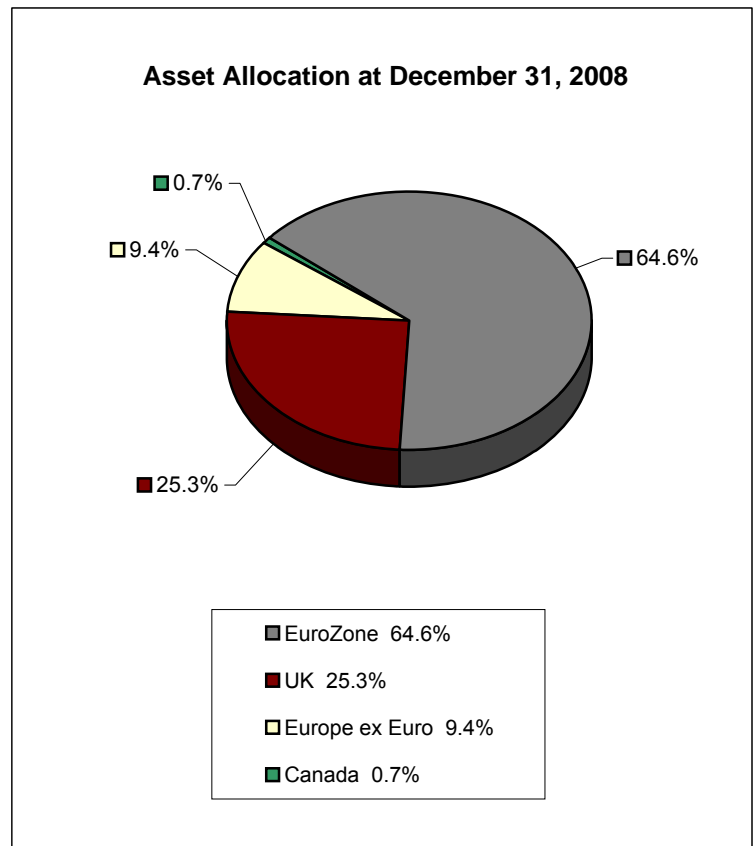
MSCI Europe Index \*

The following table shows the simple returns for the monthly periods and the historical annual compound total return of the FORTRESS European Equity Fund, compared to the performance of the MSCI Europe Index to September 30, 2009.

**Annual Compound Returns: <sup>(4)</sup>**

	1-month	3-month	6-month	1-Year	2-Year	3-Year	4-Year	5-Year	10-Year	Since Inception
FORTRESS European Equity Fund	2.5%	11.1%	27.2%	4.1%	-12.8%	-8.5%	-2.4%	0.2%	-2.9%	-2.7%
Benchmark	2.3%	13.6%	32.1%	3.3%	-12.4%	-4.3%	0.9%	3.5%	0.5%	0.1%

\* MSCI Europe Index -- A market capitalization weighted index from Morgan Stanley Capital International (MSCI) that includes stocks traded in European markets.



**Top 10 Holdings of the Underlying Fund as at Dec. 31, 2008**

Sanofi-Aventis	4.9%
GlaxoSmithKline PLC	4.6%
Henkel AG & Co. KGaA Pfd.	4.2%
Total SA	4.1%
Nokia OYJ	4.0%
CRH PLC	4.0%
Eni SPA	4.0%
Swiss Reinsurance Co. AG Reg.	4.0%
Vodafone Group PLC	3.9%
Banco Bilbao Vizcaya Argentaria SA	3.9%
<b>Top 10 Total Percentage of Fund</b>	<b>41.7%</b>

**Fund Risks**

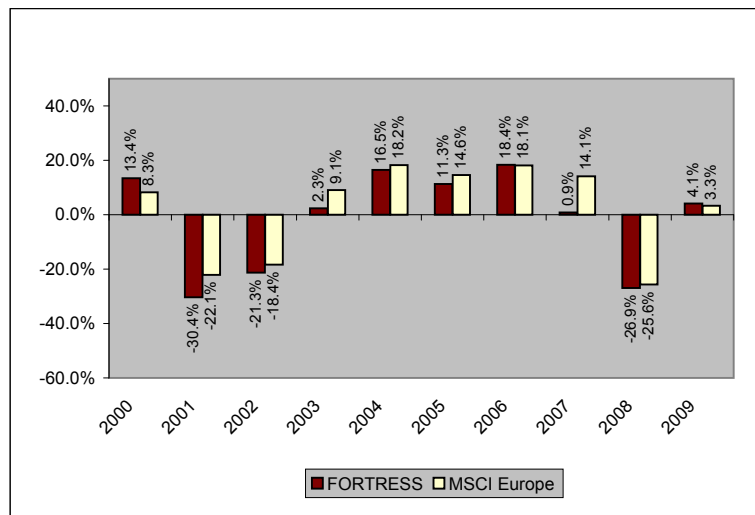
<input checked="" type="checkbox"/> General	<input type="checkbox"/> Special Equities	<input checked="" type="checkbox"/> Currency	<input checked="" type="checkbox"/> Market
<input type="checkbox"/> Securities Lending	<input checked="" type="checkbox"/> Interest Rate	<input type="checkbox"/> Derivative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

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.**

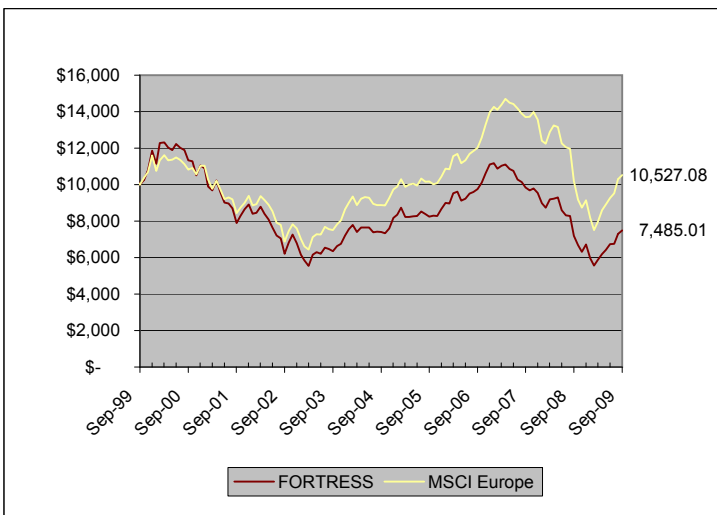
**Year-by-Year Returns as of September 30, 2009 (4)**

The Year-by-Year Returns chart shows the annual performance of the Fund, compared to the performance of the MSCI Europe Index. It illustrates how the Fund's performance has changed from year to year.



**Overall Past Performance as of September 30, 2009 (4)**

The Overall Past Performance graph shows the growth of a hypothetical \$10,000 investment in the FORTRESS European Equity Fund, compared to that of the MSCI Europe Index over the past 10 years.



**Financial Highlights:**

**The Fund's Net Asset Value per Unit**

	2004	2005	2006	2007	2008
Net asset value at Dec. 31 of year shown	18.68	19.82	25.39	21.81	15.35

**Ratios and Supplemental Data**

	2004	2005	2006	2007	2008
Net assets (000's) <sup>(1)</sup>	\$1,278	\$1,126	\$1,926	\$1,798	\$941
Number of units outstanding <sup>(1)</sup>	68,393	56,815	75,834	82,423	61,280
Management expense ratio <sup>(2)</sup>	2.83%	2.79%	2.80%	2.75%	2.74%
Portfolio turnover rate <sup>(3)(5)</sup>	146.00%	31.00%	89.00%	134.00%	44.00%

<sup>(1)</sup> As at December 31st of the year shown.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> In November 2003, the European Equity Fund manager changed from Laketon Investment Management Ltd. to Setanta Asset Management. Although the investment objectives, fees and investment mandates of the fund remained the same, the fund's performance could have been affected had this change been in effect throughout the period. The performance data shown has been calculated net of fees and charges, and reflects the performance under the old fund manager to November 2003 and the performance under the new manager thereafter.

<sup>(5)</sup> The portfolio turnover rate for 2004 was 66% excluding restructuring upon the fund manager change.

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.

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 Services, 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.**