

**Fund Information**

Inception Date	December 1994
IFSC Category	Canadian Balanced
Plan Eligibility:	RRSP Yes
	Non-Registered Yes
Management Fee / MER *	2.50% / 2.64% *

**Segregated Fund Investment Objective**

The objective of this segregated fund is to invest all of its assets in the Canada Life Managed Fund (Laketon), a pooled fund managed by Laketon Investment Management Ltd., or another substantially similar underlying fund.

**Investor Profile (of underlying fund)**

Suited to the investor whose objectives are income and growth over the medium to long term, seeking diversification across all the asset classes and global markets.

**Investment Objective (of underlying fund)**

The objective is to provide income combined with capital preservation and appreciation. The fund provides investors with an optimal mix of Canadian equities, foreign equities and fixed income, based on a number of risk and reward factors.

**Investment Strategy (of underlying fund)**

- Laketon assesses the position of the economy within the business cycle and the potential returns for asset classes over time. This information, in concert with market sentiment indicators and assessment of the relative attractiveness of markets around the world, are used in the asset allocation decision.
- Equities feature a greater concentration of growth-oriented securities with significant proven and sustainable earnings potential. Fixed income investments consist of government, provincial, and corporate bonds and mortgage-backed securities.

**FaithLife Financial Benchmark**

made up as follows: \*\*  
 30% S&P/TSX Composite Index  
 25% MSCI World Index  
 40% DEX Universe Bond Index  
 5% DEX 91-Day Treasury Bill Index

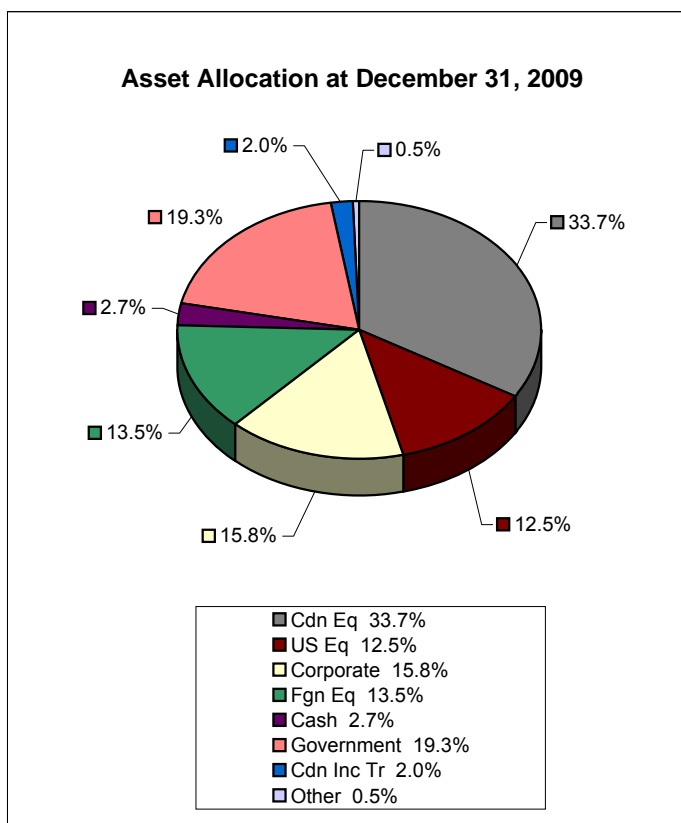
The following table shows the simple returns for the monthly periods and the historical annual compound total return of the FORTRESS Balanced Fund (Laketon), compared to the performance of the Benchmark to June 30, 2010.

**Annual Compound Returns:**

	1-month	3-month	6-month	1-Year	2-Year	3-Year	4-Year	5-Year	10-Year	Inception
FORTRESS Balanced Fund (Laketon)	-1.5%	-4.3%	-3.1%	3.7%	-4.3%	-3.3%	0.1%	1.2%	-0.3%	4.0%
Benchmark	-0.9%	-2.6%	-1.1%	6.9%	-1.8%	-0.8%	2.6%	3.5%	3.1%	7.2%

\* HST will be factored in beginning July 1, 2010

\*\* **S&P/TSX Composite Index** -- a market capitalization weighted index of the most widely held stocks traded on the Toronto Stock Exchange.  
**Morgan Stanley Capital International (MSCI) World Index** -- includes stocks of companies in all the developed markets around the world.  
**DEX Universe Bond Index** -- designed to be a broad measure of the Canadian investment-grade fixed income market. Prior to October 22, 2007, the DEX Universe Bond Index was named Scotia Capital Universe Bond Index.  
**DEX 91 Day Treasury Bill Index** -- Measures the return attributable to 91-day treasury bills which are issued and secured by the Canadian government. Prior to October 22, 2007, the DEX 91 Day T-Bill Index was named Scotia Capital 91-Day T-Bill Index.



**Top 10 Holdings of the Underlying Fund as at Dec. 31, 2009**

Government of Canada	4.00%	06-01-16	5.3%
Canada Housing Trust	3.55%	09-15-13	4.4%
Province of Ontario	6.50%	03-08-29	3.5%
Royal Bank of Canada			3.0%
Suncor Energy Inc.			2.3%
Barrick Gold Corp.			2.1%
Canadian Natural Resources Ltd.			2.0%
The Toronto-Dominion Bank			1.9%
Province of Quebec	6.25%	06-01-32	1.7%
Teck Resources Ltd. Class B Sub. voting			1.6%
<b>Top 10 Total Percentage of Fund</b>			<b>27.7%</b>

**Fund Risks**

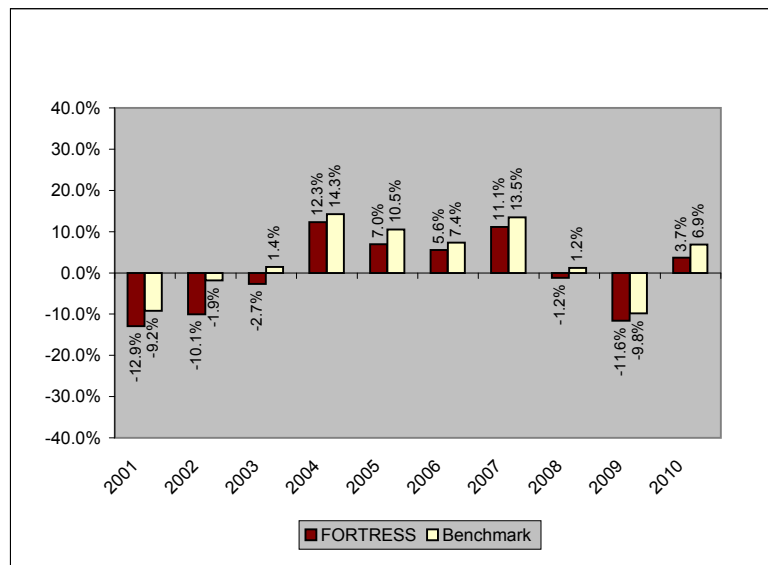
<input checked="" type="checkbox"/> General	<input type="checkbox"/> Special Equities	<input checked="" type="checkbox"/> Currency	<input checked="" type="checkbox"/> Market
<input type="checkbox"/> Securities Lending	<input checked="" type="checkbox"/> Interest Rate	<input checked="" type="checkbox"/> 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.**

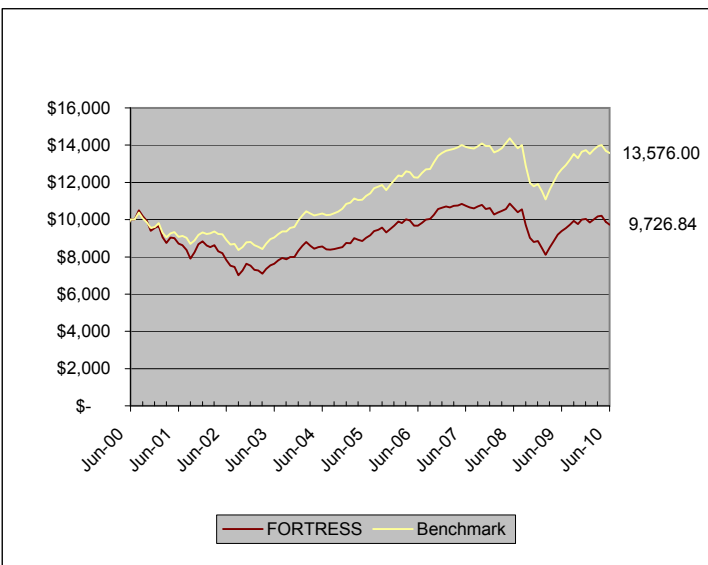
**Year-by-Year Returns as of June 30, 2010**

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



**Overall Past Performance as of June 30, 2010**

The Overall Past Performance graph shows the growth of a hypothetical \$10,000 investment in the FORTRESS Balanced Fund (Laketon), compared to that of the Benchmark over the past 10 years.



**Financial Highlights:**

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

	2005	2006	2007	2008	2009
Net asset value at Dec. 31 of year shown	51.71	56.82	56.72	47.28	53.61

**Ratios and Supplemental Data**

	2005	2006	2007	2008	2009
Net assets (000's) <sup>(1)</sup>	\$15,934	\$16,759	\$16,576	\$12,620	\$13,392
Number of units outstanding <sup>(1)</sup>	308,149	294,963	292,239	266,908	249,802
Management expense ratio <sup>(2)</sup>	2.70%	2.69%	2.68%	2.65%	2.64%
Portfolio turnover rate <sup>(3)</sup>	201.37%	60.12%	114.91%	201.37%	49.00%

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.

<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.

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.**