

MDPIM Pooled Funds

2011 Annual Financial Statements



PHYSICIAN
SERVICES INC.
A CMA COMPANY

1	MDPIM Canadian Bond Pool
8	MDPIM Dividend Pool
13	MDPIM Canadian Equity Pool
19	MDPIM US Equity Pool
25	MDPIM International Equity Pool
38	MDPIM Canadian Long Term Bond Pool
42	Notes to Annual Financial Statements

Audited Annual Financial Statements for the Year Ended December 31, 2011

These audited Annual Financial Statements do not contain the Annual Management Report of Fund Performance ("MRFP") of the investment fund. If you have not received a copy of the Annual MRFP with this report, you may obtain a copy of the Annual MRFP at your request, and at no cost, by calling the toll-free number 1 800 267-2332, by writing to us at MD Physician Services Inc., 1870 Alta Vista Drive, Ottawa ON K1G 6R7, by visiting our website at md.cma.ca or by visiting the SEDAR website at sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

MD Physician Services Inc. either wholly owns or has a majority interest in its seven subsidiaries (the MD group of companies*), provides financial products and services, is the fund manager for the MD family of mutual funds, offers investment counselling services, and also provides practice management services (such as consulting, EMR and Health Portal solutions) and related billing services.

* For a detailed list of companies, visit md.cma.ca.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Standard performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges payable by any securityholder which would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing. You may obtain a copy of the prospectus before investing by calling your MD advisor or the MD TradeCentre at 1 800 267-2332.

MDPIM Pooled Funds

Management's Responsibility for Financial Reporting

Management acknowledges responsibility for the preparation and presentation of the financial statements of MDPIM Canadian Bond Pool, MDPIM Dividend Pool, MDPIM Canadian Equity Pool, MDPIM US Equity Pool, MDPIM International Equity Pool and MDPIM Canadian Long Term Bond Pool (collectively "the Funds"). These financial statements have also been approved, in its capacity as trustee, by the Board of Directors of MD Physician Services Inc.

The financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has, where required, made these judgments and estimates on a reasonable basis to ensure that the financial statements are presented fairly in all material respects. Management also maintains strong internal controls to provide reasonable assurance that the financial information provided is reliable and accurate, that the funds' assets are appropriately accounted for and safeguarded, and that any compliance requirements arising under corporate legislation, securities regulations and internal codes of business conduct are strictly adhered to.

The Board of Directors of MD Physician Services Inc. are responsible to ensure that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements as outlined above.

The Board of Directors meets with management and the external auditors periodically to discuss internal control, accounting and auditing matters and financial reporting issues, to satisfy themselves that each party has properly discharged its responsibilities. The Board reviews unaudited semiannual financial statements and audited annual financial statements including the external auditors' report thereon. The Board considers these findings when making its ultimate approval of the financial statements for issuance. The Board also reviews the appointment of the external auditor annually.

The financial statements have been audited by PricewaterhouseCoopers LLP, the external auditors, in accordance with Canadian generally accepted standards. PricewaterhouseCoopers LLP has full and free access to the Board of MD Physician Services Inc.

Signed on behalf of MD Physician Services Inc. in its capacity as trustee of MDPIM Canadian Bond Pool, MDPIM Dividend Pool, MDPIM Canadian Equity Pool, MDPIM US Equity Pool, MDPIM International Equity Pool and MDPIM Canadian Long Term Bond Pool.



Brian Peters
President and Chief Executive Officer
MD Physician Services Inc.



Guy Bélanger
Chief Financial Officer
MD Physician Services Inc.



March 9, 2012

Independent Auditor's Report

To the Unitholders and Trustee of:
MDPIM Canadian Bond Pool
MDPIM Canadian Equity Pool
MDPIM Dividend Pool
MDPIM International Equity Pool
MDPIM US Equity Pool
MDPIM Canadian Long Term Bond Pool

(collectively the "Funds")

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at December 31, 2011 and the statements of net assets, operations and changes in net assets as at and for the periods indicated in note 1, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements of each of the Funds based on each of our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PricewaterhouseCoopers LLP, Chartered Accountants
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PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds, the results of each of their operations and the changes in each of their net assets as at and for the periods indicated in note 1 in accordance with Canadian generally accepted accounting principles

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

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MDPIM Canadian Bond Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Domestic Bonds					
Asset Backed Securities (9.27%)					
Algonquin Credit Card Trust	3/15/36	4.56%	12,500	12,252	12,661
BMW Canada Auto Trust	9/22/14	3.05%	6,037	6,037	6,046
Cards II Trust	1/15/12	1.83%	16,000	16,000	15,933
Cards II Trust	1/15/15	3.10%	20,000	20,000	20,654
Cards II Trust	1/15/16	3.33%	12,500	12,500	12,949
Ford Auto Securitization Trust	1/15/13	2.75%	6,119	6,119	6,151
Ford Auto Securitization Trust	1/15/14	6.34%	13,500	13,500	13,861
Glacier Credit Card Trust	1/20/15	3.16%	11,000	11,000	11,300
Golden Credit Card Trust	1/15/16	3.51%	15,400	15,400	16,083
Golden Credit Card Trust	1/15/15	3.82%	17,000	17,000	17,909
NBC Asset Trust	12/31/49	7.45%	14,780	14,575	17,433
NHA Mortgage Backed Securities	1/1/15	1.95%	28,457	28,614	28,663
NHA Mortgage Backed Securities	1/1/14	2.30%	15,957	15,644	16,224
NHA Mortgage Backed Securities	1/1/15	2.50%	36,003	36,823	36,804
NHA Mortgage Backed Securities	1/1/18	4.50%	11,569	12,105	12,899
NHA Mortgage Backed Securities	2/1/24	5.30%	8,973	9,603	10,662
NHA Mortgage Backed Securities	2/1/24	5.60%	10,021	10,961	12,178
Total for Asset Backed Securities			255,816	258,133	268,410

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Collateralized Mortgage Obligations (0.71%)					
Claret Trust	3/15/33	4.71%	448	448	452
Schooner Trust	2/12/20	3.97%	9,096	8,791	9,502
Schooner Trust	2/12/21	4.71%	3,800	3,800	4,115
Schooner Trust	3/12/38	4.76%	4,500	4,499	4,874
Solar Trust	1/12/16	4.65%	1,380	1,348	1,389
Total for Collateralized Mortgage Obligations			19,224	18,886	20,332

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Corporate Bonds (39.44%)					
407 International Inc.	1/16/15	3.88%	17,400	17,397	18,480
AltaLink LP	1/5/13	5.43%	10,000	10,806	10,530
American Express Canada Credit Corp.	1/6/14	2.25%	11,800	11,800	11,769
American Express Canada Credit Corp.	1/3/14	4.85%	4,900	4,900	5,172
American Express Canada Credit Corp.	1/2/13	5.90%	5,500	5,494	5,747
Arrow Lakes Power	4/5/41	5.52%	1,250	1,250	1,447
Bank of Montreal	2/8/21	3.98%	41,110	41,390	42,609
Bank of Montreal	2/28/23	6.17%	16,820	17,824	19,606
BC Gas, Inc.	1/30/16	10.30%	8,500	11,577	11,431
bcIMC Realty Corporation	1/29/15	3.38%	6,750	6,750	7,009
Bell Aliant Regional Communications LP	1/26/18	4.88%	10,600	10,599	11,184
Bell Aliant Regional Communications LP	1/26/14	4.95%	13,300	13,679	13,924
Bell Aliant Regional Communications LP	1/26/19	5.52%	6,200	6,197	6,697
Bell Canada	1/2/15	3.60%	22,850	22,789	23,719
Bell Canada	1/30/14	4.85%	9,900	10,424	10,518
Caisse Centrale Desjardins de Quebec	1/4/14	3.11%	9,700	9,700	9,984
Caisse Centrale Desjardins de Quebec	1/5/17	3.50%	5,980	5,980	6,184
Canadian Capital Auto Receivables	1/17/12	2.00%	1,105	1,105	1,105
Canadian Capital Auto Receivables Asset Trust II	1/17/14	2.63%	10,000	10,000	10,075
Canadian Credit Card Trust	1/24/15	3.44%	27,000	27,000	28,110
Canadian Imperial Bank of Commerce	1/14/16	3.40%	4,660	4,654	4,848
Canadian Imperial Bank of Commerce	3/1/20	4.11%	10,500	11,057	10,993
Canadian Tire Corporation, Limited	1/1/16	5.65%	4,200	4,207	4,684
Canadian Western Bank	1/26/13	1.98%	12,500	12,500	12,459
Canadian Western Bank	1/4/14	2.57%	4,600	4,600	4,629
Capital Desjardins Inc.	2/23/20	3.80%	23,000	23,000	23,441

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
CDP Financial Inc.	1/15/15	1.73%	5,700	5,700	5,693
CDP Financial Inc.	1/25/19	4.40%	26,000	27,741	28,686
Chip Mortgage Trust	1/1/16	3.97%	13,300	13,285	13,901
CI Financial Corporation	1/17/12	3.30%	15,000	14,999	15,134
CI Financial Corporation	1/14/16	3.94%	12,000	11,997	12,378
Co-operators Financial Services Limited	1/20/12	5.07%	5,750	5,749	5,821
Daimler Canada Finance Inc.	1/14/14	3.16%	19,800	19,798	20,037
Emera Inc.	1/20/14	4.10%	17,500	17,915	18,346
Enbridge Pipelines Inc.	1/19/18	6.62%	5,400	5,432	6,735
EnCana Corporation	1/18/18	5.80%	17,150	17,134	19,701
EPCOR Utilities Inc.	3/24/39	5.75%	10,600	10,585	12,651
Fairfax Financial Holdings Limited	2/25/21	6.40%	10,900	10,856	11,029
First Capital Realty Inc.	3/1/20	5.60%	15,650	15,950	16,420
FortisBC Inc. 5.48%	1/28/14	5.48%	8,000	8,832	8,789
George Weston Limited	1/25/16	3.78%	6,700	6,700	6,860
Greater Toronto Airports Authority	1/15/16	4.70%	12,800	12,506	14,060
Greater Toronto Airports Authority	1/17/18	5.26%	14,110	14,093	16,209
Greater Toronto Airports Authority	1/20/19	5.96%	6,300	7,150	7,600
Health Montreal Collective LP	4/30/49	6.72%	10,000	10,000	11,519
HSBC Bank Canada	1/4/17	3.56%	27,800	27,773	28,822
Husky Energy Inc.	2/12/20	5.00%	5,000	4,982	5,491
Hydro One Inc.	1/19/14	3.13%	24,800	24,863	25,713
Loblaws Companies Limited	1/8/14	4.85%	5,000	5,209	5,291
Manulife Financial Capital Trust II	10/31/08	7.41%	10,400	10,411	11,307
Manulife Financial Corporation	1/26/15	5.16%	24,700	24,759	26,035
Manulife Financial Corporation	1/8/19	7.77%	12,200	12,238	14,504
Master Credit Card Trust	1/21/16	3.50%	16,200	16,200	16,912
Merrill Lynch Mortgage Loans, Inc.	1/1/16	2.97%	16,170	16,528	16,776
National Bank of Canada	1/26/16	3.58%	12,500	12,500	13,052
National Bank of Canada	1/26/15	4.03%	33,000	33,000	34,970
NAV Canada	1/29/13	1.68%	25,000	25,001	25,001
NAV Canada	1/24/16	4.71%	12,000	12,829	13,244
NAV Canada	1/17/19	5.30%	5,200	5,200	6,077
Plenary Health Care Partnership Humber LP	1/18/15	2.63%	23,000	23,000	23,052
Plenary Properties LTAP LP	5/1/44	6.29%	6,000	6,350	7,354
PSP Capital Inc.	1/3/15	2.94%	1,400	1,399	1,455
RioCan Real Estate Investment Trust	1/21/16	4.50%	2,350	2,419	2,425
Rogers Communications, Inc.	2/29/20	4.70%	12,360	12,371	12,934
Rogers Communications, Inc.	1/26/16	5.80%	11,650	11,623	13,066
Royal Bank of Canada	1/15/14	1.63%	17,400	17,400	17,294
Royal Bank of Canada	1/1/16	2.35%	4,397	4,485	4,468
Royal Bank of Canada	1/6/18	5.00%	17,700	17,695	18,427
Shaw Communications Inc.	1/1/19	5.65%	5,600	5,582	6,123
Shaw Communications Inc.	3/9/39	6.75%	11,400	11,441	11,878
Sun Life Capital Trust II	10/31/08	5.86%	5,800	5,800	5,922
Sun Life Financial Inc.	3/2/23	5.59%	12,600	12,911	13,344
Sun Life Financial Inc.	1/2/19	5.70%	15,100	15,514	16,407
TD Capital Trust IV	10/30/08	6.63%	6,000	6,000	6,798
TELUS Corporation	1/25/16	3.65%	13,000	12,952	13,470
Teranet Holdings LP	1/16/15	3.53%	32,100	32,100	33,214
Teranet Holdings LP	2/16/20	4.81%	22,000	21,614	23,507
Terason Gas Inc.	3/2/37	6.00%	5,000	5,415	6,543
The Bank of Nova Scotia	1/20/12	1.73%	14,500	14,500	14,513
The Bank of Nova Scotia	1/27/18	4.99%	11,250	11,232	11,653
The Bank of Nova Scotia	1/31/18	5.30%	4,500	4,499	4,655
The Bank of Nova Scotia	1/3/18	6.00%	14,500	14,496	15,469
The Toronto-Dominion Bank	2/9/23	5.83%	17,300	17,332	19,932

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Toronto Hydro Corporation	1/14/17	5.15%	12,000	12,002	13,691
Union Gas Limited	1/27/18	5.35%	4,800	4,801	5,528
Vancouver International Airport Authority	1/13/15	5.02%	6,000	6,007	6,665
Total for Corporate Bonds			1,072,462	1,085,534	1,140,905

Government of Canada Bonds (29.02%)

Canada Housing Trust	1/15/15	1.41%	60,000	60,000	60,043
Canada Housing Trust	1/15/14	1.65%	16,600	16,808	16,756
Canada Housing Trust No 1	1/15/16	1.33%	263,400	263,424	261,719
Canada Housing Trust No 1	1/15/16	2.75%	183,490	184,259	193,162
Government of Canada	1/1/17	1.50%	57,500	56,827	57,889
Government of Canada	1/1/16	2.00%	75,370	77,582	77,795
Government of Canada	2/1/20	3.50%	139,660	156,762	157,602
Government of Canada	1/1/12	3.75%	13,900	14,234	14,059
Total for Government of Canada Bonds			809,920	829,896	839,025

Municipal Bonds (3.23%)

City of Montreal	1/1/18	5.00%	8,750	8,681	9,946
City of Montreal	2/1/24	5.50%	18,200	18,935	21,661
City of Toronto	1/2/19	4.50%	8,200	8,199	9,147
City of Toronto	1/28/16	4.85%	12,950	13,575	14,601
City of Toronto	1/18/17	5.05%	17,500	18,151	20,064
Regional Municipality of York	1/29/19	5.00%	15,800	16,856	18,150
Total for Municipal Bonds			81,400	84,397	93,569

Provincial Bonds (11.36%)

Financement Quebec	1/16/13	1.26%	27,000	26,717	26,957
Financement Quebec	1/2/16	1.55%	26,000	25,770	25,858
Financement Quebec	1/1/14	3.25%	23,500	23,757	24,589
Financement Quebec	3/1/34	5.25%	8,500	8,687	10,567
Province of Ontario	2/2/20	4.20%	30,890	33,948	34,478
Province of Ontario	1/8/18	4.20%	81,860	81,336	91,665
Province of Ontario	4/2/41	4.65%	2,200	2,578	2,708
Province of Quebec	2/1/20	4.50%	74,600	76,979	84,558
Province of Quebec	1/1/18	4.50%	24,000	24,431	27,273
Total for Provincial Bonds			298,550	304,203	328,653
Total for Domestic Bonds (93.03%)			2,537,372	2,581,049	2,690,894

Foreign Bonds

Australia (3.25%)

Australia and New Zealand Banking Group Limited	1/22/15	3.75%	11,900	11,869	12,217
Commonwealth Bank of Australia	1/14/14	3.63%	21,500	21,508	21,916
Commonwealth Bank of Australia	2/9/20	5.15%	15,500	15,452	16,444
National Australia Bank Limited	1/20/15	4.19%	18,150	18,149	18,915
St George Bank Limited	1/23/17	4.65%	11,000	10,993	11,058
Westpac Banking Corporation	1/1/14	3.75%	13,250	13,212	13,591
Total for Australia			91,300	91,183	94,141

India (1.59%)

ICICI Bank Limited	1/1/16	1.95%	16,317	16,307	16,423
ICICI Bank Limited	1/1/16	2.03%	9,467	9,461	9,512
ICICI Bank Limited	1/1/16	2.04%	8,631	8,626	8,668
ICICI Bank Limited	1/1/16	2.05%	11,089	11,017	11,172
Total for India			45,504	45,411	45,775

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Netherlands (0.36%)					
Rabobank Nederland - Cooperatieve Centrale					
Raiffeisen - Boerenleenbank BA	1/5/15	3.13%	10,020	10,002	10,356
Total for Netherlands			10,020	10,002	10,356

Norway (0.45%)

Kommunalbanken AS	2/27/21	3.74%	12,500	12,497	13,144
Total for Norway			12,500	12,497	13,144

South Korea (0.25%)

Korea Gas Corporation	1/12/16	4.58%	7,100	7,098	7,370
Total for South Korea			7,100	7,098	7,370

United States (1.07%)

Bank of America Corporation	1/17/14	5.45%	10,000	9,992	9,879
Metropolitan Life Global Funding I	1/8/13	4.45%	12,200	12,234	12,636
New York Life Global Funding	1/19/14	4.30%	8,000	7,914	8,372
Total for United States			30,200	30,140	30,887

Total for Foreign Bonds (6.97%)			196,624	196,331	201,673
Total for MDPIM Canadian Bond Pool (100.00%)			\$2,733,996	\$2,777,380	\$2,892,567

Schedule of Derivative Instruments

(in \$'000's)

Forward Currency Contracts

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Amounts Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized Gain (Loss) CAD \$
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Counterparty: The Toronto-Dominion Bank

CAD	AA-	02/28/12	1.000	29,669	29,669	29,669	—
USD	AA-	02/28/12	1.001	(29,628)	(29,669)	(29,628)	41

Net unrealized gain (loss) on forward currency contracts

41

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 2,892,567	\$ 2,647,265
Cash and short-term investments	51,635	107,412
Interest receivable	17,340	18,806
Net unrealized gain on derivatives	41	2,551
Receivable for investment transactions	13,079	—
Subscriptions receivable	1,621	2,105
	2,976,283	2,778,139
Liabilities		
Distributions payable	36	32
Redemptions payable	37	859
	73	891
Net assets and unitholders' equity	\$ 2,976,210	\$ 2,777,248
Number of units outstanding (see Schedule of Fund Unit Transactions)		
	274,039,861	262,237,469
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
	\$ 10.86	\$ 10.59

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$000's except for per unit amounts)

	2011	2010
Income		
Interest	\$ 102,871	\$ 101,960
Gain (loss) on foreign exchange	3,316	(329)
Securities lending	203	114
Deduct: Withholding tax on foreign income	—	(39)
	106,390	101,706
Expenses		
Regulatory filing fees	153	90
Audit fees	37	9
Custodial fees	297	58
Securityholder reporting costs	80	14
Administration charges	2,033	724
Independent Review Committee (IRC) fees	10	9
Interest expense	3	—
Operating expenses absorbed by the Fund Manager (Note 3)	(2,610)	(904)
	3	—
Net investment income (loss)	\$ 106,387	\$ 101,706
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ 23,614	\$ 19,156
Net realized gain (loss) on sale of derivative instruments	—	2,248
Change in unrealized appreciation (depreciation) of investments and derivatives	52,182	10,705
	75,796	32,109
Net gain (loss) on investments	\$ 75,796	\$ 32,109
Increase (decrease) in net assets from operations	\$ 182,183	\$ 133,815
Increase (decrease) in net assets from operations per unit, for the period		
	\$ 0.64	\$ 0.52

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Financial Statements

Statement of Changes in Net Assets

for the years ended December 31 (in \$'000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 2,777,248	\$ 2,394,052
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	182,183	133,815
Unitholders		
Proceeds from issue of units	1,183,191	1,081,353
Consideration paid for redemption of units	(1,161,479)	(827,133)
Securities issued on reinvestment of distributions	98,354	101,954
	120,066	356,174
Distributions to unitholders		
From net investment income	(103,287)	(101,627)
From net realized gains on investments	—	(5,166)
	(103,287)	(106,793)
Net assets - end of the year	\$ 2,976,210	\$ 2,777,248

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Financial Statements – Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	262,237,469	228,425,942
Issued	119,797,527	111,444,872
Redeemed	(107,995,135)	(77,633,345)
Outstanding, end of year	274,039,861	262,237,469

Schedule of Securities on Loan

As at December 31 (in \$000's)

	2011	2010
Loaned	\$ 112,025	\$ 227,195
Collateral (non-cash)	\$ 115,147	\$ 233,242

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 10.87	\$ 10.61
Bid price adjustment	(0.01)	(0.02)
Net assets per unit	\$ 10.86	\$ 10.59

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM Canadian Bond Pool (the "Pool") invests in Government of Canada, provincial, municipal, corporate, asset-backed and foreign bonds with short- to mid-terms to maturity as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements. The Pool's significant exposure and sensitivity to each risk is presented below.

Credit Risk

The Pool's credit risk is concentrated in investments in debt instruments and Forward Currency Contracts. The Pool's maximum exposure to credit risk is the carrying value of domestic and foreign bonds presented on the Statement of Investment Portfolio as well as the cash and short-term investments presented on the Statement of Net Assets which are invested in overnight deposits at schedule one chartered banks. As at December 31, 2011, the forward contracts were in an unrealized gain position of \$41 (December 31, 2010—unrealized gain of \$2,551), which is the amount that is subject to credit risk exposure. All forward contracts are with counterparties with credit ratings of AA-.

As at December 31, 2011 and December 31, 2010 the Pool invested in debt instruments with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
AAA / R-1 (High)	45.8%	39.5%
AA / R-1 (Mid)	22.0%	21.5%
A / R-1 (Low)	19.0%	24.7%
BBB	12.1%	9.6%
Unrated	—	3.8%
Total	98.9%	99.2%

All credit ratings are from external credit rating agencies such as Dominion Bond Rating Service, Standard & Poor's and Moody's.

Currency Risk

As at December 31, 2011 and December 31, 2010 the Pool's exposures to foreign currencies are presented in the table below.

Currency	Cash and Other Net Assets (\$000s)	Invest- ments at Fair Value (\$000s)	Derivative Exposure (\$000s)	Net Currency Exposure (\$000s)	Percentage of Net Assets (%)
December 31, 2011					
U.S. Dollar	1,009	28,686	(29,627)	68	0.00%
December 31, 2010					
U.S. Dollar	11,595	68,599	(79,669)	525	0.02%

Interest Rate Risk

The Pool's exposure to interest rate risk was concentrated in investments in domestic and foreign bonds presented in the Statement of Investment Portfolio. The amounts of these investments by term to maturity are presented in the table below. In general, longer terms to maturity result in increased interest rate risk.

The sensitivity represents the expected impact to Net Assets if interest rates for all maturities fluctuate by 25 basis points. If interest rates rise, Net Assets will decrease by the amount shown, conversely, if interest rates fall, Net Assets will increase by the amount shown. These sensitivities are estimates, actual results may vary and the variance may be material.

As at December 31, 2011 and December 31, 2010 the Pool's exposures to debt instruments by maturity are presented in the table below:

Debt instruments by Maturity Date	December 31, 2011		December 31, 2010	
	Fair Value (\$000s)	Percentage (%)	Fair Value (\$000s)	Percentage (%)
Less than 1 year	66,567	2.2%	201,469	7.3%
1 to 4 years	817,518	27.5%	1,307,754	47.1%
4 to 7 years	1,193,428	40.1%	493,818	17.8%
7 to 9 years	508,761	17.1%	312,651	11.3%
9 to 12 years	70,897	2.4%	80,722	2.9%
12 to 20 years	97,383	3.3%	41,798	1.5%
More than 20 years	138,014	4.6%	209,053	7.5%
Total	2,892,568	97.2%	2,647,265	95.3%
Sensitivity (+/-)	27,841	0.9%	27,796	1.0%

* Excludes cash and short-term investments, as applicable.

Other Price Risk

The Pool does not hold equity securities and therefore does not have significant exposure to price risk.

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Bond Pool

Financial Instruments Risks

(in \$000's)

Fair Value Hierarchy

The following is a summary of MDPIM Canadian Bond Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Bonds	\$ —	\$ 2,690,894	\$ 2,690,894
Foreign Bonds	—	201,673	201,673
	—	2,892,567	2,892,567
Cash and Short-Term Investments	1,765	49,870	51,635
Derivative Instruments	—	41	41
Total	\$ 1,765	\$ 2,942,478	\$ 2,944,243
December 31, 2010			
Domestic Bonds	\$ —	\$ 2,440,057	\$ 2,440,057
Foreign Bonds	—	207,208	207,208
	—	2,647,265	2,647,265
Cash and Short-Term Investments	84	107,328	107,412
Derivative Instruments	—	2,551	2,551
Total	\$ 84	\$ 2,757,144	\$ 2,757,228

*MDPIM Canadian Bond Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2011 to December 31, 2011 and from January 1, 2010 to December 31, 2010.

The accompanying notes are an integral part of these financial statements.

MDPIM Dividend Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Domestic Equities			
Consumer Discretionary (10.16%)			
Cineplex, Inc.	37,400	692	959
Groupe Aeroplan, Inc.	1,411,000	15,576	16,833
New Flyer Industries Inc.	528,300	4,857	2,969
Reitmans (Canada) Limited Cl. A	645,300	9,987	9,544
Thomson Reuters Corporation	907,500	31,938	24,675
Total for Consumer Discretionary		63,050	54,980
Consumer Staples (0.47%)			
North West Company, Inc.	127,700	2,290	2,568
Total for Consumer Staples		2,290	2,568
Energy (22.47%)			
ARC Resources Ltd.	157,300	3,362	3,931
Baytex Energy Corporation	75,300	2,816	4,285
Bonavista Energy Corporation	120,500	2,814	3,139
Cathedral Energy Services Ltd.	213,800	1,175	1,514
Crescent Point Energy Corp.	287,500	11,453	12,889
Enbridge Inc.	465,000	11,292	17,712
Freehold Royalties Ltd.	145,800	2,484	2,829
Husky Energy Inc.	661,200	17,286	16,180
Just Energy Group, Inc.	336,500	4,299	3,856
Keyera Corp.	43,457	947	2,162
Mullen Group Limited	780,200	13,752	15,300
NAL Energy Corp.	489,600	4,989	3,838
Parkland Fuel Corporation	314,900	3,460	3,990
Pembina Pipeline Corporation	50,700	833	1,503
PHX Energy Services Corp.	153,200	1,688	1,624
TransCanada Corporation	522,100	19,176	23,233
Zargon Oil & Gas Ltd.	267,800	4,908	3,650
Total for Energy		106,734	121,635
Financials (34.58%)			
Bank of Montreal	332,400	19,096	18,558
Canadian Imperial Bank of Commerce	223,200	16,062	16,459
IGM Financial, Inc.	438,500	18,592	19,347
National Bank of Canada	47,500	2,875	3,426
Power Financial Corporation	1,029,100	28,899	26,252
Royal Bank of Canada	488,300	24,935	25,353
Sun Life Financial Inc.	360,500	11,175	6,813
The Bank of Nova Scotia	570,100	28,941	28,933
The Toronto-Dominion Bank	311,900	21,611	23,782
TMX Group Inc.	438,000	15,510	18,238
Total for Financials		187,696	187,161
Health Care (0.59%)			
CML Healthcare, Inc.	333,200	3,740	3,215
Total for Health Care		3,740	3,215
Industrials (6.24%)			
Badger Daylighting Ltd.	128,300	2,376	2,717
Bird Construction, Inc.	831,300	8,655	9,543
Davis + Henderson Income Corporation	146,600	2,442	2,470
Longview Oil Corporation	20,100	202	203
Morneau Shepell, Inc.	392,600	3,767	4,083

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Russel Metals Inc.	573,200	11,918	12,840
Vicwest, Inc.	212,600	2,524	1,918
Total for Industrials		31,884	33,774
Materials (4.29%)			
Canexus Corp.	485,300	3,029	3,125
Labrador Iron Ore Royalty Corp.	57,200	1,905	2,137
Methanex Corporation	660,900	14,264	15,359
Vermilion Energy, Inc.	57,300	2,122	2,590
Total for Materials		21,320	23,211
Telecommunication Services (9.90%)			
BCE Inc.	433,000	13,115	18,376
Rogers Communications, Inc. Cl. B	502,600	16,983	19,722
TELUS Corporation Non-Voting	283,500	11,239	15,468
Total for Telecommunication Services		41,337	53,566
Utilities (5.55%)			
Canadian Utilities Limited Cl. A	203,300	9,393	12,507
Fortis, Inc.	482,000	14,264	16,065
Northland Power Inc.	80,800	1,007	1,442
Total for Utilities		24,664	30,014
Total for Domestic Equities (94.25%)		482,715	510,124
Domestic Equities - Income Trusts			
Energy (0.35%)			
Inter Pipeline Fund L.P., Cl. A	102,600	1,072	1,903
Total for Energy		1,072	1,903
Real Estate (2.31%)			
Allied Properties REIT	116,900	2,526	2,952
Calloway Real Estate Investment Trust	49,200	894	1,317
Canadian Real Estate Investment Trust	47,400	1,351	1,676
Cominar Real Estate Investment Trust	137,300	2,428	3,022
Northern Property Real Estate Investment Trust	78,600	1,690	2,334
RioCan Real Estate Investment Trust	45,100	863	1,191
Total for Real Estate		9,752	12,492
Total for Domestic Equities - Income Trusts (2.66%)		10,824	14,395
Domestic Equities - Preferred			
Preferred Shares (2.51%)			
Husky Energy Inc 4.45% Preferred	86,100	2,187	2,220
Manulife Financial Corporation 6.60% Series 4 Preferred	245,200	6,665	6,581
Power Financial Corporation 5.75% Series H Preferred	58,900	1,475	1,499
Sun Life Financial Inc. 4.45% Series 4 Preferred	156,200	2,941	3,252
Total for Preferred		13,268	13,552
Straight (0.58%)			
Brookfield Asset Management Inc. 4.75% Preferred	135,000	2,808	3,139
Total for Straight		2,808	3,139
Total for Domestic Equities - Preferred (3.09%)		16,076	16,691
Total for MDPIM Dividend Pool (100.00%)		\$509,615	\$541,210

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Dividend Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 541,210	\$ 389,443
Cash and short-term investments	34,961	10,612
Dividends and interest receivable	3,088	1,874
Subscriptions receivable	604	669
Other receivable	—	2
	579,863	402,600
Liabilities		
Payable for investment transactions	—	252
Redemptions payable	18	107
	18	359
Net assets and unitholders' equity	\$ 579,845	\$ 402,241
Net Assets per Series		
Series A	\$ 579,638	\$ 402,241
Series T	\$ 207	—
Number of units outstanding (see Schedule of Fund Unit Transactions)		
Series A	60,825,170	41,461,099
Series T	21,635	3
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
Series A	\$ 9.53	\$ 9.70
Series T	\$ 9.57	\$ 10.03

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$000's except for per unit amounts)

	2011	2010
Income		
Dividends	\$ 19,347	\$ 10,115
Interest	413	2,734
Gain (loss) on foreign exchange	(2)	—
Securities lending	66	104
	19,824	12,953
Expenses		
Regulatory filing fees	22	22
Audit fees	5	10
Custodial fees	43	35
Securityholder reporting costs	12	6
Administration charges	295	105
Independent Review Committee (IRC) fees	1	1
Interest expense	18	—
Operating expenses absorbed by the Fund Manager (Note 3)	(379)	(179)
	18	—
Net investment income (loss)	\$ 19,806	\$ 12,953
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ 12,027	\$ 1,980
Change in unrealized appreciation (depreciation) of investments and derivatives	(16,365)	34,947
Transaction costs	(286)	(156)
Net gain (loss) on investments	\$ (4,624)	\$ 36,771
Increase (decrease) in net assets from operations	\$ 15,182	\$ 49,724
Increase (decrease) in net assets from operations per Series		
Series A	\$ 15,183	\$ 49,724
Series T	\$ (1)	—
Increase (decrease) in net assets from operations per unit, for the period		
Series A	\$ 0.34	\$ 1.62
Series T	\$ (0.06)	—

The accompanying notes are an integral part of these financial statements.

MDPIM Dividend Pool

Financial Statements

Statement of Changes in Net Assets

for the years ended December 31 (in \$000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 402,241	\$ 210,576
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	15,183	49,724
Unitholders		
Proceeds from issue of units	347,827	211,544
Consideration paid for redemption of units	(184,509)	(69,064)
Securities issued on reinvestment of distributions	23,265	11,826
	186,583	154,306
Distributions to unitholders		
From net investment income	(18,199)	(12,033)
From net realized gains on investments	(5,712)	—
Return of capital	(458)	(332)
	(24,369)	(12,365)
Net assets - end of the year	\$ 579,638	\$ 402,241

SERIES T		
Net assets - beginning of year	\$ —	\$ —
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(1)	—
Unitholders		
Proceeds from issue of units	511	—
Consideration paid for redemption of units	(288)	—
Securities issued on reinvestment of distributions	—	—
	223	—
Distributions to unitholders		
From net investment income	(6)	—
From net realized gains on investments	—	—
Return of capital	(9)	—
	(15)	—
Net assets - end of the year	\$ 207	\$ —

	2011	2010
TOTAL FUND		
Net assets - beginning of year	\$ 402,241	\$ 210,576
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	15,182	49,724
Unitholders		
Proceeds from issue of units	348,338	211,544
Consideration paid for redemption of units	(184,797)	(69,064)
Securities issued on reinvestment of distributions	23,265	11,826
	186,806	154,306
Distributions to unitholders		
From net investment income	(18,205)	(12,033)
From net realized gains on investments	(5,712)	—
Return of capital	(467)	(332)
	(24,384)	(12,365)
Net assets - end of the year	\$ 579,845	\$ 402,241

The accompanying notes are an integral part of these financial statements.

MDPIM Dividend Pool

Financial Statements – Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	41,461,099	24,563,179
Issued	38,361,533	24,558,310
Redeemed	(18,997,462)	(7,660,390)
Outstanding, end of year	60,825,170	41,461,099
SERIES T		
Outstanding, beginning of year	3	0
Issued	49,486	8
Redeemed	(27,854)	(5)
Outstanding, end of year	21,635	3

Schedule of Soft dollar commissions

For the years ended December 31 (in \$000's)

	2011	2010
Soft dollar commissions	\$ 31	\$ 8

The term “soft dollar” is used to describe a widely accepted business practice by which the investment advisors receive various benefits from the broker through the course of a normal business relationship. Such benefits may be in the form of research or other materials that aid in the investment process, thus contributing to the long-term realization of returns for the unitholders.

Schedule of Securities on Loan

As at December 31 (in \$000's)

	2011	2010
Loaned	\$ 79,302	\$ 27,580
Collateral (non-cash)	\$ 81,428	\$ 28,315

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 9.55	\$ 9.72
Bid price adjustment	(0.02)	(0.02)
Net assets per unit	\$ 9.53	\$ 9.70
SERIES T		
Net asset value per unit	\$ 9.59	\$ 10.04
Bid price adjustment	(0.02)	(0.01)
Net assets per unit	\$ 9.57	\$ 10.03

The accompanying notes are an integral part of these financial statements.

MDPIM Dividend Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM Dividend Pool (the "Pool") invests primarily in dividend producing common shares, preferred shares and income trusts as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. The Pool's exposure and sensitivity to these risks are presented below. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements.

Credit Risk

The Pool's credit risk is concentrated in investments in short-term debt instruments and preferred shares. The Pool's maximum exposure to credit risk is the carrying value of preferred shares presented on the Statement of Investment Portfolio as well as the cash and short-term investments presented on the Statement of Net Assets.

As at December 31, 2011 and December 31, 2010, the Pool invested in short-term debt instruments and preferred shares with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
Debt Instruments		
AAA / R-1 (High)	5.9%	2.6%
A / R-1 (Low)	—	0.4%
	5.9%	3.1%
Preferred Shares		
Pfd-1 (High)	—	1.0%
Pfd-1 (Low)	0.8%	—
Pfd-2 (High)	1.1%	—
Pfd-2 (Mid)	—	1.4%
Pfd-2 (Low)	0.9%	—
	2.8%	2.4%
Total	8.7%	5.5%

Currency Risk

Exposures to foreign currencies as at December 31, 2011 are presented in the table below.

Currency	Cash and Other Net Assets (\$000s)	Invest- ments at Fair Value (\$000s)	Derivative Exposure (\$000s)	Net Currency Exposure (\$000s)	Percentage of Net Assets (%)
December 31, 2011					
U.S. Dollar	114	—	—	114	0.02%

Interest Rate Risk

The majority of the Pool's financial assets are non-interest bearing. The maturity dates of the interest bearing assets held by the Pool are less than 1 year. Therefore, the Pool's exposure to interest rate risk is not significant.

Other Price Risk

As at December 31, 2011, 93.3% (December 31, 2010—96.8%) of the Pool's Net Assets were invested in equity financial instruments traded in active markets. If prices of securities traded on these markets decrease by 10%, with all other factors remaining constant, Net Assets could fall by approximately \$54,121 (December 31, 2010—\$38,944). Conversely, If prices increase by 10%, Net Assets could rise by approximately \$54,121 (December 31, 2010—\$38,944). These sensitivities are estimates, actual results may vary, and the variance may be significant.

Fair Value Hierarchy

The following is a summary of MDPIM Dividend Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Equities	\$ 524,519	\$ —	\$ 524,519
Domestic Equities— Preferred	16,691	—	16,691
	541,210	—	541,210
Cash and Short-Term Investments	538	34,423	34,961
Total	\$ 541,748	\$ 34,423	\$ 576,171
December 31, 2010			
Domestic Equities	\$ 377,853	\$ —	\$ 377,853
Domestic Equities— Preferred	11,590	—	11,590
	389,443	—	389,443
Cash and Short-Term Investments	120	10,492	10,612
Total	\$ 389,563	\$ 10,492	\$ 400,055

*MDPIM Dividend Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2011 to December 31, 2011 and from January 1, 2010 to December 31, 2010.

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Domestic Equities			
Consumer Discretionary (10.07%)			
Alimentation Couche-Tard Inc. Cl. B Sub. Voting	656,910	9,901	20,791
Canadian Tire Corporation, Limited Cl. A	304,800	17,576	20,010
Dollarama Inc.	283,900	9,486	12,617
Dorel Industries Inc. Cl. B Sub. Voting	518,036	16,234	13,153
George Weston Limited	152,800	10,477	10,371
Linamar Corporation	1,360,000	25,642	18,931
Magna International Inc. Cl. A Sub. Voting	608,300	26,181	20,609
Shaw Communications Inc. Cl. B Non-Voting	542,900	11,640	10,983
Thomson Reuters Corporation	879,249	32,154	23,907
Tim Hortons, Inc.	202,400	9,926	9,984
Total for Consumer Discretionary		169,217	161,356
Consumer Staples (2.31%)			
Loblaw Companies Limited	680,400	23,369	26,114
Maple Leaf Foods Inc.	80,000	840	865
The Jean Coutu Group (PIC) Inc. Cl. A Sub. Voting	793,308	9,728	10,107
Total for Consumer Staples		33,937	37,086
Energy (28.32%)			
ARC Resources Ltd.	412,700	9,915	10,313
Baytex Energy Corporation	251,000	13,388	14,284
Birchcliff Energy Ltd.	712,500	8,657	9,676
Calfrac Well Services Ltd.	210,419	7,152	5,978
Canadian Natural Resources Limited	1,528,700	49,530	58,091
Enbridge Inc.	624,400	21,733	21,099
Enbridge Inc.	1,254,500	33,283	47,784
EnCana Corporation	1,498,770	39,758	28,312
Ensign Energy Services, Inc.	484,900	8,748	7,821
Flint Energy Services Ltd.	1,721,739	29,049	21,780
Imperial Oil Limited	318,900	14,308	14,462
Keyera Corp.	277,324	7,865	13,800
Nexen Inc.	507,000	13,269	8,213
Pembina Pipeline Corporation	376,246	9,470	11,156
Peyto Exploration & Development Corporation	371,912	8,279	9,026
Precision Drilling Corporation	738,074	6,981	7,720
Provident Energy Ltd.	774,200	6,607	7,626
Savanna Energy Services Corp.	1,175,300	8,019	8,756
ShawCor Ltd. Cl. A Sub. Voting	876,000	19,538	25,168
Suncor Energy, Inc.	1,915,700	60,693	56,283
Talisman Energy Inc.	1,925,100	30,356	24,949
TransCanada Corporation	633,800	22,449	28,204
Trican Well Service Ltd.	433,962	6,935	7,599
Trilogy Energy Corp.	155,000	5,080	5,814
Total for Energy		441,062	453,914
Financials (16.90%)			
Bank of Montreal	263,200	11,371	14,695
Canadian Imperial Bank of Commerce	446,000	31,843	32,888
Genworth MI Canada Inc.	1,090,722	23,994	22,327
Industrial Alliance Insurance and Financial Services Inc.	504,583	14,278	13,225
Intact Financial Corporation	287,000	15,242	16,787
Laurentian Bank of Canada	143,100	6,206	6,840
Manulife Financial Corporation	1,893,903	31,375	20,511
National Bank of Canada	404,100	27,307	29,148
Power Financial Corporation	1,065,700	28,905	27,186

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Royal Bank of Canada	693,400	33,043	36,001
Sun Life Financial Inc.	868,800	28,533	16,420
The Toronto-Dominion Bank	457,066	28,622	34,851
Total for Financials		280,719	270,879
Health Care (1.89%)			
SXC Health Solutions Corporation	270,168	10,400	15,400
Valeant Pharmaceuticals International, Inc.	314,500	15,304	14,929
Total for Health Care		25,704	30,329
Industrials (8.43%)			
Bombardier Inc. Cl. B	5,055,000	26,348	20,422
CAE Inc.	1,506,800	13,387	14,842
Canadian National Railway Company	264,000	15,295	21,139
Canadian Pacific Railway Limited	401,400	21,485	27,649
Macdonald, Dettwiler and Associates Ltd.	148,703	7,938	7,002
Russel Metals Inc.	325,245	6,695	7,286
Sherritt International Corporation	2,344,539	15,718	12,754
Stantec Inc.	301,900	7,989	8,314
Transcontinental Inc. Cl. A Sub. Voting	1,238,499	16,876	15,605
Total for Industrials		131,731	135,013
Information Technology (1.24%)			
CGI Group Inc. Cl. A Sub. Voting	483,500	9,631	9,268
Open Text Corporation	204,800	11,804	10,658
Total for Information Technology		21,435	19,926
Materials (24.08%)			
Agrium Inc.	479,600	31,442	32,757
Alamos Gold Inc.	291,817	4,823	5,086
AuRico Gold Inc.	482,300	4,771	3,936
Aurizon Mines Ltd.	778,000	5,259	3,890
Eastern Platinum Limited	10,219,800	13,408	5,416
Eldorado Gold Corporation	806,200	16,521	11,238
Endeavour Silver Corp.	359,400	4,374	3,540
First Majestic Silver Corp.	320,500	5,378	5,481
Franco-Nevada Corporation	342,300	13,094	13,247
Goldcorp Inc.	1,266,600	53,103	57,073
IAMGOLD Corporation	1,997,900	34,760	32,186
Kinross Gold Corp.	1,004,900	14,782	11,667
Labrador Iron Ore Royalty Corp.	220,900	7,726	8,253
Major Drilling Group International Inc.	423,800	5,037	6,548
Methanex Corporation	839,215	16,162	19,503
Neo Material Technologies, Inc.	1,278,900	10,744	9,362
New Gold Inc.	734,201	6,631	7,503
North American Palladium Ltd.	1,489,900	7,850	3,874
Pan American Silver Corp.	233,900	6,393	5,188
Potash Corporation of Saskatchewan Inc.	1,089,614	48,016	45,862
Progressive Waste Solutions Ltd.	1,176,894	19,912	23,420
Silver Wheaton Corp.	398,643	11,201	11,760
Teck Resources Ltd. Cl. B Sub-Voting	705,804	25,205	25,303
Thompson Creek Metals Company, Inc.	1,360,300	12,740	9,617
Vermilion Energy, Inc.	270,755	12,720	12,235
West Fraser Timber Co. Ltd.	289,728	11,605	11,995
Total for Materials		403,657	385,940

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Telecommunication Services (4.08%)			
BCE Inc.	544,000	21,635	23,088
Rogers Communications, Inc. Cl. B	381,429	12,783	14,967
TELUS Corporation Non-Voting	502,492	20,318	27,416
Total for Telecommunication Services		54,736	65,471
Utilities (1.75%)			
ATCO Ltd. Cl. I	164,169	8,761	9,855
Fortis, Inc.	252,100	8,460	8,403
TransAlta Corporation	464,300	10,391	9,755
Total for Utilities		27,612	28,013
Total for Domestic Equities (99.07%)		1,589,810	1,587,927

Domestic Equities - Income Trusts

Energy (0.93%)			
Inter Pipeline Fund L.P., Cl. A	801,859	12,073	14,874
Total for Energy		12,073	14,874
Total for Domestic Equities - Income Trusts (0.93%)		12,073	14,874
Total for MDPIM Canadian Equity Pool (100.00%)		\$1,601,883	\$1,602,801

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 1,602,801	\$ 1,784,927
Cash and short-term investments	50,040	26,285
Dividends and interest receivable	4,324	3,907
Receivable for investment transactions	1,945	734
Subscriptions receivable	381	616
	1,659,491	1,816,469
Liabilities		
Distributions payable	20	—
Redemptions payable	—	1,020
	20	1,020
Net assets and unitholders' equity	\$ 1,659,471	\$ 1,815,449
Net Assets per Series		
Series A	\$ 14,384	\$ 20,112
Series T	\$ 745	\$ 668
Private Trust Series	\$ 1,644,342	\$ 1,794,669
Number of units outstanding (see Schedule of Fund Unit Transactions)		
Series A	883,422	1,041,900
Series T	96,274	66,517
Private Trust Series	105,995,300	93,424,620
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
Series A	\$ 16.28	\$ 19.30
Series T	\$ 7.74	\$ 10.04
Private Trust Series	\$ 15.51	\$ 19.21

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$000's except for per unit amounts)

	2011	2010
Income		
Dividends	\$ 37,518	\$ 29,673
Interest	1,126	3,629
Gain (loss) on foreign exchange	(5)	(14)
Early redemption fee	4	—
Securities lending	210	258
	38,853	33,546
Expenses		
Management fees (Note 3)	251	264
Regulatory filing fees	80	60
Audit fees	20	10
Custodial fees	156	55
Securityholder reporting costs	42	24
Administration charges	1,069	474
Independent Review Committee (IRC) fees	5	6
Interest expense	2	—
Operating expenses absorbed by the Fund Manager (Note 3)	(1,373)	(629)
	253	264
Net investment income (loss)	\$ 38,600	\$ 33,282
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ 52,301	\$ 71,577
Change in unrealized appreciation (depreciation) of investments and derivatives	(333,035)	177,431
Transaction costs	(3,423)	(2,849)
Net gain (loss) on investments	\$ (284,157)	\$ 246,159
Increase (decrease) in net assets from operations	\$ (245,557)	\$ 279,441
Increase (decrease) in net assets from operations per Series		
Series A	\$ (2,787)	\$ 3,178
Series T	\$ (119)	\$ 3
Private Trust Series	\$ (242,651)	\$ 276,260
Increase (decrease) in net assets from operations per unit, for the period		
Series A	\$ (2.91)	\$ 2.76
Series T	\$ (1.59)	\$ 0.04
Private Trust Series	\$ (2.74)	\$ 3.30

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Financial Statements

Statement of Changes in Net Assets

for the years ended December 31 (in \$'000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 20,112	\$ 19,776
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(2,787)	3,178
Unitholders		
Proceeds from issue of units	1,640	1,521
Consideration paid for redemption of units	(4,581)	(4,362)
Securities issued on reinvestment of distributions	31	49
	(2,910)	(2,792)
Distributions to unitholders		
From net investment income	(31)	(50)
Net assets - end of the year	\$ 14,384	\$ 20,112

SERIES T		
Net assets - beginning of year	\$ 668	\$ —
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(119)	3
Unitholders		
Proceeds from issue of units	595	665
Consideration paid for redemption of units	(330)	—
	265	665
Distributions to unitholders		
From net realized gains on investments	(33)	—
Return of capital	(36)	—
	(69)	—
Net assets - end of the year	\$ 745	\$ 668

	2011	2010
PRIVATE TRUST SERIES		
Net assets - beginning of year	\$ 1,794,669	\$ 1,267,107
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(242,651)	276,260
Unitholders		
Proceeds from issue of units	810,663	627,400
Consideration paid for redemption of units	(714,253)	(375,004)
Securities issued on reinvestment of distributions	90,678	30,274
	187,088	282,670
Distributions to unitholders		
From net investment income	(38,047)	(31,368)
From net realized gains on investments	(56,717)	—
	(94,764)	(31,368)
Net assets - end of the year	\$ 1,644,342	\$ 1,794,669

TOTAL FUND		
Net assets - beginning of year	\$ 1,815,449	\$ 1,286,883
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(245,557)	279,441
Unitholders		
Proceeds from issue of units	812,898	629,586
Consideration paid for redemption of units	(719,164)	(379,366)
Securities issued on reinvestment of distributions	90,709	30,323
	184,443	280,543
Distributions to unitholders		
From net investment income	(38,078)	(31,418)
From net realized gains on investments	(56,750)	—
Return of capital	(36)	—
	(94,864)	(31,418)
Net assets - end of the year	\$ 1,659,471	\$ 1,815,449

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Financial Statements – Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	1,041,900	1,203,549
Issued	90,705	92,471
Redeemed	(249,183)	(254,120)
Outstanding, end of year	883,422	1,041,900
SERIES T		
Outstanding, beginning of year	66,517	—
Issued	62,802	66,522
Redeemed	(33,045)	(5)
Outstanding, end of year	96,274	66,517
PRIVATE TRUST SERIES		
Outstanding, beginning of year	93,424,620	77,038,629
Issued	51,321,054	38,113,861
Redeemed	(38,750,374)	(21,727,870)
Outstanding, end of year	105,995,300	93,424,620

Schedule of Soft dollar commissions

For the years ended December 31 (in \$000's)

	2011	2010
Soft dollar commissions	\$ 269	\$ 126

The term “soft dollar” is used to describe a widely accepted business practice by which the investment advisors receive various benefits from the broker through the course of a normal business relationship. Such benefits may be in the form of research or other materials that aid in the investment process, thus contributing to the long-term realization of returns for the unitholders.

Schedule of Securities on Loan

As at December 31 (in \$000's)

	2011	2010
Loaned	\$ 116,846	\$ 70,724
Collateral (non-cash)	\$ 120,179	\$ 72,601

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 16.32	\$ 19.33
Bid price adjustment	(0.04)	(0.03)
Net assets per unit	\$ 16.28	\$ 19.30
SERIES T		
Net asset value per unit	\$ 7.75	\$ 10.05
Bid price adjustment	(0.01)	(0.01)
Net assets per unit	\$ 7.74	\$ 10.04
PRIVATE TRUST SERIES		
Net asset value per unit	\$ 15.55	\$ 19.24
Bid price adjustment	(0.04)	(0.03)
Net assets per unit	\$ 15.51	\$ 19.21

Schedule of Fees

As at December 31

	2011
Maximum annualized management fee	
Series A	1.25%
Series T	0.00%
Private Trust Series	0.00%

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Equity Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM Canadian Equity Pool (the "Pool") invests in Canadian equity securities as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. The Pool's exposure and sensitivity to these risks are presented below. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements.

Credit Risk

The Pool's credit risk is concentrated in investments in short-term debt instruments. The Pool's maximum exposure to credit risk is the cash and short term investments presented on the Statement of Net Assets.

As at December 31, 2011 and December 31, 2010, the Pool invested in short-term debt instruments with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
R-1 (High)	2.9%	1.4%

Currency Risk

The Pool does not have assets or liabilities denominated in foreign currencies and therefore does not have material exposure to currency risk.

Interest Rate Risk

The majority of the Pool's financial assets are non-interest bearing. The maturity dates of the interest bearing assets held by the Pool are less than 1 year. Therefore, the Pool's exposure to interest rate risk is not significant.

Other Price Risk

As at December 31, 2011, 96.6% (December 31, 2010—98.3%) of the Pool's Net Assets were invested in equity financial instruments traded in active markets. If prices of securities traded on these markets decrease by 10%, with all other factors remaining constant, Net Assets could fall by approximately \$160,280 (December 31, 2010—\$178,493). Conversely, If prices increase by 10%, Net Assets could rise by approximately \$160,280 (December 31, 2010—\$178,493). These sensitivities are estimates, actual results may vary, and the variance may be significant.

Fair Value Hierarchy

The following is a summary of MDPIM Canadian Equity Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Equities	\$ 1,602,801	\$ —	\$ 1,602,801
Cash and Short-Term Investments	1,178	48,862	50,040
Total	\$ 1,603,979	\$ 48,862	\$ 1,652,841
December 31, 2010			
Domestic Equities	\$ 1,784,927	\$ —	\$ 1,784,927
Cash and Short-Term Investments	205	26,080	26,285
Total	\$ 1,785,132	\$ 26,080	\$ 1,811,212

*MDPIM Canadian Equity Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2011 to December 31, 2011 and from January 1, 2010 to December 31, 2010.

The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Domestic Equities			
Energy (1.48%)			
Canadian Natural Resources Limited	259,300	8,565	9,848
Imperial Oil Ltd.	66,200	2,702	2,998
Talisman Energy Inc.	821,700	10,700	10,653
Total for Energy		21,967	23,499
Materials (0.80%)			
Barrick Gold Corporation	276,400	13,004	12,721
Total for Materials		13,004	12,721
Total for Domestic Equities (2.28%)		34,971	36,220

Foreign Equities

Consumer Discretionary (10.73%)

Aeropostale, Inc.	13,400	195	208
Darden Restaurants, Inc.	19,200	897	889
Eaton Corporation	82,800	3,616	3,665
Ford Motor Company	463,800	5,325	5,070
Fortune Brands Home & Security Inc.	50,700	774	875
General Motors Co.	338,699	10,689	6,981
Guess?, Inc.	56,800	1,720	1,720
Harman International Industries Inc.	62,100	2,321	2,404
Macy's, Inc.	59,600	1,782	1,950
Nike Inc. Cl. B	113,800	9,273	11,152
Omnicom Group Inc.	931,700	40,688	42,206
Penske Automotive Group, Inc.	35,000	660	685
Staples, Inc.	1,193,900	17,639	16,850
Target Corporation	79,800	4,295	4,156
The Home Depot, Inc.	39,200	1,659	1,675
The Interpublic Group of Companies, Inc.	556,800	4,725	5,509
The Walt Disney Company	55,200	1,922	2,104
Time Warner Inc.	788,100	26,576	28,954
Viacom Inc. Cl. B	279,000	9,957	12,883
Wal-Mart Stores, Inc.	345,000	19,911	20,954
Total for Consumer Discretionary		164,624	170,890

Consumer Staples (10.91%)

Archer-Daniels-Midland Company	251,200	7,039	7,305
Beam, Inc.	53,300	2,632	2,776
Bunge Limited	106,900	6,193	6,213
Colgate-Palmolive Company	178,500	14,472	16,762
CVS Caremark Corporation	285,871	9,891	11,854
Diageo PLC ADR	195,000	16,547	17,326
Kimberly-Clark Corporation	222,800	16,233	16,659
Nestlé SA ADR	290,525	16,760	17,040
PepsiCo, Inc.	335,700	22,381	22,646
Sysco Corp.	708,400	19,125	21,120
The Coca-Cola Company	160,600	9,915	11,427
The Procter & Gamble Company	334,300	21,761	22,660
Total for Consumer Staples		162,949	173,788

Energy (7.37%)

Anadarko Petroleum Corporation	99,000	7,787	7,685
Apache Corporation	185,166	17,400	17,055
Baker Hughes Inc.	43,800	2,403	2,166
Chevron Corporation	42,500	4,445	4,596
Devon Energy Corporation	312,900	19,768	19,730

	Number of Shares	Average Cost (\$)	Fair Value (\$)
EQT Corporation	57,300	3,722	3,191
Exxon Mobil Corporation	111,900	8,977	9,635
Halliburton Company	319,174	10,981	11,197
Helmerich & Payne, Inc.	40,100	2,086	2,378
Hess Corporation	100,213	6,313	5,788
Noble Energy, Inc.	77,241	4,687	7,414
Occidental Petroleum Corporation	46,800	4,036	4,459
QEP Resources Inc.	50,700	1,671	1,511
Range Resources Corporation	39,600	2,862	2,495
Schlumberger Limited	173,400	12,011	12,043
Southwestern Energy Company	67,300	2,653	2,186
Superior Energy Services, Inc.	96,600	2,610	2,793
Tidewater Inc.	22,500	1,052	1,127
Total for Energy		115,464	117,449

Financials (14.81%)

ACE Limited	47,400	3,234	3,380
Affiliated Managers Group, Inc.	27,400	2,417	2,671
American Express Company	261,800	12,344	12,554
AON Corporation	130,961	5,361	6,234
Bank of New York Mellon Corporation	806,600	16,006	16,322
Berkshire Hathaway Inc. Cl. B	319,700	24,180	24,807
Citigroup Inc.	374,500	14,046	10,011
City National Corp.	38,900	1,594	1,748
Comerica Inc.	527,500	12,826	13,828
Commerce Bancshares, Inc.	43,485	1,576	1,685
Cullen/Frost Bankers, Inc.	53,200	2,586	2,861
Genworth Financial Inc. Cl. A	800,085	13,222	5,321
JPMorgan Chase & Co.	272,400	10,814	9,207
Lazard Ltd Cl. A	163,600	3,948	4,334
Loews Corporation	214,000	7,477	8,193
LPL Investment Holdings, Inc.	66,100	1,786	2,051
M&T Bank Corporation	15,100	1,128	1,172
Marsh & McLennan Companies, Inc.	163,600	4,752	5,260
MetLife, Inc.	350,868	12,534	11,124
PNC Financial Services Group	130,200	6,901	7,636
Prudential Financial, Inc.	26,800	1,348	1,366
Raymond James Financial, Inc.	54,300	1,689	1,710
Signature Bank	29,900	1,513	1,823
State Street Corporation	161,000	6,166	6,598
T. Rowe Price Group Inc.	365,000	19,889	21,126
The Goldman Sachs Group, Inc.	79,445	11,169	7,307
The Hartford Financial Services Group	621,002	20,128	10,255
The Travelers Companies, Inc.	34,900	2,094	2,100
U.S. Bancorp	166,000	4,160	4,566
UnumProvident Corporation	430,415	9,785	9,222
Wells Fargo & Company	290,841	8,805	8,151
Willis Group Holdings PLC	286,000	10,875	11,278
Total for Financials		256,353	235,901

Health Care (13.64%)

Abbott Laboratories	304,800	16,079	17,409
AmerisourceBergen Corporation	399,200	15,419	15,084
Amgen Inc.	30,793	1,789	2,010
Becton, Dickinson and Company	195,700	15,605	14,871
C.R. Bard Inc.	94,100	8,189	8,181
Celgene Corporation	77,900	5,178	5,354
CIGNA Corporation	48,400	2,105	2,067
Covidien PLC	282,400	12,918	12,925
DaVita, Inc.	47,300	3,362	3,648
Express Scripts, Inc. Cl. A	103,900	4,288	4,721

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
GlaxoSmithKline PLC ADR	352,250	15,669	16,337
Humana Inc.	14,800	1,112	1,319
Laboratory Corporation of America Holdings	79,000	6,597	6,907
Mckesson Corporation	45,400	3,411	3,595
Medtronic, Inc.	263,700	10,952	10,254
Merck & Co., Inc.	135,000	4,584	5,174
Onyx Pharmaceuticals, Inc.	17,200	603	768
Pfizer Inc.	627,710	11,063	13,812
Sanofi-Aventis SA ADR	359,000	12,870	13,343
St. Jude Medical, Inc.	31,300	1,236	1,092
Stryker Corporation	259,200	13,594	13,102
Teva Pharmaceutical Industries Ltd. ADR	383,000	15,628	15,718
UnitedHealth Group Incorporated	68,900	3,300	3,551
Varian Medical Systems, Inc.	105,000	6,771	7,166
Vertex Pharmaceuticals Inc.	100,000	3,375	3,376
Warner Chilcott PLC Cl. A	100,800	1,690	1,550
Waters Corporation	147,300	9,493	11,084
Watson Pharmaceuticals, Inc.	48,100	3,127	2,950
Total for Health Care		210,007	217,368

Industrials (16.96%)

3M Co.	508,125	41,464	42,203
Automatic Data Processing, Inc.	523,200	26,251	28,718
C.H. Robinson Worldwide, Inc.	173,860	11,377	12,336
Cintas Corporation	340,325	10,207	12,046
Dover Corporation	74,400	4,077	4,392
Ecolab Inc.	101,300	4,733	5,955
Emerson Electric Co.	419,300	20,426	19,864
EnerSys	40,100	1,018	1,059
Equifax Inc.	357,300	12,618	14,071
GulfMark Offshore, Inc. Cl. A	23,500	996	1,004
Illinois Tool Works Inc.	273,575	13,047	12,986
Ingersoll-Rand PLC	430,400	12,742	13,327
Jacobs Engineering Group Inc.	77,500	3,182	3,197
Kansas City Southern	17,700	1,037	1,224
Kennametal Inc.	45,300	1,645	1,681
Koppers Holdings, Inc.	35,000	1,043	1,223
PACCAR Inc.	152,300	5,675	5,803
Pall Corporation	45,700	2,231	2,655
Parker-Hannifin Corporation	27,600	2,160	2,140
Paychex, Inc.	204,220	6,459	6,249
Pitney Bowes Inc.	237,100	6,085	4,470
Raytheon Company	129,646	6,183	6,379
Reliance Steel & Aluminum Co.	100,000	4,230	4,950
Robbins & Myers, Inc.	5,700	243	281
The Dun & Bradstreet Corporation	10,127	765	771
Trinity Industries Inc.	133,500	3,569	4,078
Union Pacific Corporation	47,200	3,114	5,085
United Parcel Service, Inc. Cl. B	255,400	18,036	19,002
United Technologies Corporation	328,580	23,633	24,417
URS Corporation	102,100	3,648	3,647
Waste Management, Inc.	150,000	4,988	4,988
Total for Industrials		256,882	270,201

Information Technology (12.32%)

Accenture PLC	295,850	17,012	16,013
Adobe Systems Inc.	541,900	16,574	15,572
Amphenol Corp. Cl. A	363,959	15,188	16,798
Anixter International Inc.	70,400	3,910	4,269
Arrow Electronics Inc.	46,200	1,579	1,757
CA Inc.	767,900	18,133	15,773
Cisco Systems, Inc.	580,490	9,730	10,672

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Cognizant Technology Solutions Corp. Cl. A	244,300	12,175	15,973
EMC Corporation	71,600	1,706	1,567
Hewlett-Packard Company	190,000	4,990	4,977
Intel Corporation	66,000	1,622	1,628
Intuit Inc.	28,300	1,490	1,513
Lam Research Corporation	16,600	655	625
Microsoft Corporation	1,427,993	38,901	37,695
Motorola Solutions, Inc.	111,997	4,299	5,272
Netapp Inc.	13,200	568	487
Oracle Corporation	599,790	15,975	15,632
QUALCOMM Incorporated	35,600	2,048	1,979
Rockwell Collins, Inc.	71,600	3,908	4,031
TE Connectivity Limited	469,200	15,673	14,695
Teledyne Technologies Inc.	13,200	714	736
Texas Instruments Incorporated	170,700	5,234	5,051
Thermo Electron Corp.	79,400	4,079	3,631
Total for Information Technology		196,163	196,346

Materials (3.81%)

Air Products and Chemicals Inc.	36,400	3,072	3,152
Albemarle Corporation	23,700	1,213	1,240
AngloGold Ashanti Limited ADR	324,900	13,818	14,028
Carpenter Technology Corporation	22,300	1,115	1,166
CONSOL Energy Inc.	52,100	2,136	1,944
Freeport-McMoran Copper & Gold, Inc.	70,300	2,832	2,630
Greif Inc.	36,300	1,675	1,680
International Paper Co.	86,200	2,301	2,595
LyondellBasell Industries NV	34,900	953	1,153
Monsanto Company	120,400	8,812	8,579
PPG Industries Inc.	27,800	2,232	2,360
Praxair, Inc.	167,700	14,803	18,221
Sigma Aldrich Corporation	30,000	1,992	1,905
Total for Materials		56,954	60,653

Utilities (0.47%)

NextEra Energy, Inc.	68,100	3,780	4,214
NRG Energy, Inc.	185,000	4,990	3,408
Total for Utilities		8,770	7,622

Exchange Traded Fund (6.70%)

SPDR Trust Series 1	835,000	103,790	106,703
Total for Exchange Traded Fund		103,790	106,703
Total for Foreign Equities (97.72%)		1,531,956	1,556,921
Total for MDPIM US Equity Pool (100.00%)		\$1,566,927	\$1,593,141

Schedule of Derivative Instruments

(in \$'000's)

Futures Contracts

Counter party	Credit Rating	Description		Notional Amount	Unrealized Gain (Loss) CAD \$
Newedge Canada Inc.	N/A	S&P 500 E-Mini Index Futures	USD	11,512	(27)
Net unrealized gain (loss) futures contracts					(27)
Total for Schedule of Derivative Instruments					\$(27)

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$'000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 1,593,141	\$ 1,225,380
Cash and short-term investments	77,739	58,556
Dividends and interest receivable	2,124	1,237
Net unrealized gain on derivatives	—	128
Net margin due from broker on future contracts	894	877
Receivable for investment transactions	545	—
Receivable for securities lending transactions	5	5
Other receivable	—	10
Subscriptions receivable	742	679
	1,675,190	1,286,872
Liabilities		
Payable for investment transactions	22,257	—
Redemptions payable	40	295
Unrealized loss on derivative instruments	27	—
	22,324	295
Net assets and unitholders' equity	\$ 1,652,866	\$ 1,286,577
Net Assets per Series		
Series A	\$ 1,935	\$ 2,380
Series T	\$ 627	\$ 384
Private Trust Series	\$ 1,650,304	\$ 1,283,813
Number of units outstanding (see Schedule of Fund Unit Transactions)		
Series A	332,224	396,817
Series T	68,816	39,266
Private Trust Series	243,585,051	184,762,827
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
Series A	\$ 5.82	\$ 6.00
Series T	\$ 9.12	\$ 9.77
Private Trust Series	\$ 6.78	\$ 6.95

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$'000's except for per unit amounts)

	2011	2010
Income		
Dividends	\$ 29,072	\$ 18,181
Interest	42	56
Gain (loss) on foreign exchange	(5,319)	897
Miscellaneous	—	40
Securities lending	22	7
Deduct: Withholding tax on foreign income	(5,263)	(2,783)
	18,554	16,398
Expenses		
Management fees (Note 3)	38	35
Regulatory filing fees	84	37
Audit fees	20	10
Custodial fees	163	38
Securityholder reporting costs	44	26
Administration costs	1,113	335
Independent Review Committee (IRC) fees	5	4
Interest expense	11	2
Operating expenses absorbed by the Fund Manager (Note 3)	(1,429)	(450)
	49	37
Net investment income (loss)	\$ 18,505	\$ 16,361
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ (64,098)	\$ 11,113
Net realized gain (loss) on sale of derivative instruments	15,242	—
Change in unrealized appreciation (depreciation) of investments and derivatives	(18,324)	75,805
Transaction costs	(2,143)	(676)
Net gain (loss) on investments	\$ (69,323)	\$ 86,242
Increase (decrease) in net assets from operations	\$ (50,818)	\$ 102,603
Increase (decrease) in net assets from operations per Series		
Series A	\$ (49)	\$ 179
Series T	\$ (34)	\$ (9)
Private Trust Series	\$ (50,735)	\$ 102,433
Increase (decrease) in net assets from operations per unit, for the period		
Series A	\$ (0.13)	\$ 0.39
Series T	\$ (0.51)	\$ (0.23)
Private Trust Series	\$ (0.21)	\$ 0.64

The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Financial Statements

Statement of Changes in Net Assets

for the years ended December 31 (in \$000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 2,380	\$ 2,834
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(49)	179
Unitholders		
Proceeds from issue of units	194	283
Consideration paid for redemption of units	(590)	(916)
Securities issued on reinvestment of distributions	14	4
	(382)	(629)
Distributions to unitholders		
From net investment income	(14)	(4)
Net assets - end of the year	\$ 1,935	\$ 2,380

SERIES T		
Net assets - beginning of year	\$ 384	—
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(34)	(9)
Unitholders		
Proceeds from issue of units	878	393
Consideration paid for redemption of units	(569)	—
	309	393
Distributions to unitholders		
Return of capital	(32)	—
Net assets - end of the year	\$ 627	\$ 384

	2011	2010
PRIVATE TRUST SERIES		
Net assets - beginning of year	\$ 1,283,813	\$ 925,945
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(50,735)	102,433
Unitholders		
Proceeds from issue of units	1,237,537	462,126
Consideration paid for redemption of units	(819,136)	(206,012)
Securities issued on reinvestment of distributions	22,408	13,939
	440,809	270,053
Distributions to unitholders		
From net investment income	(23,583)	(14,618)
Net assets - end of the year	\$ 1,650,304	\$ 1,283,813

TOTAL FUND		
Net assets - beginning of year	\$ 1,286,577	\$ 928,779
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(50,818)	102,603
Unitholders		
Proceeds from issue of units	1,238,609	462,802
Consideration paid for redemption of units	(820,295)	(206,928)
Securities issued on reinvestment of distributions	22,422	13,943
	440,736	269,817
Distributions to unitholders		
From net investment income	(23,597)	(14,622)
Return of capital	(32)	—
	(23,629)	(14,622)
Net assets - end of the year	\$ 1,652,866	\$ 1,286,577

The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Financial Statements – Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	396,817	509,204
Issued	35,709	49,057
Redeemed	(100,302)	(161,444)
Outstanding, end of year	332,224	396,817
SERIES T		
Outstanding, beginning of year	39,266	—
Issued	89,563	39,271
Redeemed	(60,013)	(5)
Outstanding, end of year	68,816	39,266
PRIVATE TRUST SERIES		
Outstanding, beginning of year	184,762,827	143,445,863
Issued	182,590,726	72,806,410
Redeemed	(123,768,502)	(31,489,446)
Outstanding, end of year	243,585,051	184,762,827

Schedule of Securities on Loan

As at December 31 (in \$000's)

	2011	2010
Loaned	\$ 1,031	\$ 12,656
Collateral (non-cash)	\$ 1,074	\$ 13,090

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 5.82	\$ 6.00
Bid price adjustment	—	—
Net assets per unit	\$ 5.82	\$ 6.00
SERIES T		
Net asset value per unit	\$ 9.12	\$ 9.77
Bid price adjustment	—	—
Net assets per unit	\$ 9.12	\$ 9.77
PRIVATE TRUST SERIES		
Net asset value per unit	\$ 6.78	\$ 6.95
Bid price adjustment	—	—
Net assets per unit	\$ 6.78	\$ 6.95

Schedule of Fees

As at December 31

	2011
Maximum annualized management fee	
Series A	1.25%
Series T	0.00%
Private Trust Series	0.00%

Schedule of Tax Loss Carry Forwards

As at December 31 (in \$000's)

	2011
Net capital loss carried forward	\$ 193,614
Non-capital losses expiring:	
2012	\$ —
2013	—
in 2014 and thereafter	—
Total	\$ —

The Pool qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) and, accordingly, is subject to tax on its income for the year, including net realized capital gains which is not paid or payable to its unitholders as at the end of the year. It is the intention of management that all annual net investment income and sufficient net realized taxable capital gains will be distributed to unitholders annually by December 31, such that there are no Canadian income taxes payable by the Pools, or that these are otherwise minimized.

As of the taxation year ended December 2011, the Pool has accumulated net realized capital losses and non-capital losses available for utilization against net realized gains or net income for tax purposes in future years. Capital losses have no expiry. Non-capital losses realized before 2004 can be carried forward for up to seven years. Non-capital losses realized in 2004 and 2005 can be carried forward for up to ten years. Non-capital losses realized in 2006 and after can be carried forward for up to twenty years. No benefit has been recorded by the Pools in their financial statements in respect of their unused losses as at December 31, 2011.

The accompanying notes are an integral part of these financial statements.

MDPIM US Equity Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM US Equity Pool (the "Pool") invests in equity securities of U.S. companies as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. The Pool's exposure and sensitivity to these risks are presented below. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements.

Credit Risk

The Pool's credit risk is concentrated in investments in short-term debt instruments. The Pool's maximum exposure to credit risk is the cash and short term investments presented on the Statement of Net Assets.

As at December 31, 2011 and December 31, 2010, the Pool invested in short-term debt instruments with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
AAA / R-1 (High)	0.7%	0.9%

Currency Risk

Exposures to foreign currencies as at December 31, 2011 and December 31, 2010 are presented in the table below.

Currency	Cash and Other Net Assets (\$000s)	Invest- ments at Fair Value (\$000s)	Derivative Exposure (\$000s)	Net Currency Exposure (\$000s)	Percentage of Net Assets (%)
December 31, 2011					
U.S. Dollar	58,966	1,593,141	(27)	1,652,080	99.95%
December 31, 2010					
U.S. Dollar	60,267	1,225,380	128	1,285,775	99.94%

If the Canadian Dollar had strengthened against the US Dollar by 10% then the Net Assets of the Pool could have decreased by approximately \$165,208 (December 31, 2010—\$128,578). Conversely, had the Canadian Dollar weakened against the US Dollar by 10% then the Net Assets of the Pool could have increased by approximately \$165,208 (December 31, 2010—\$128,578). These sensitivities are estimates. Actual results may vary and the variance may be significant.

Interest Rate Risk

The majority of the Pool's financial assets are non-interest bearing. The maturity dates of the interest bearing assets held by the Pool are less than 1 year. Therefore, the Pool's exposure to interest rate risk is not significant.

Other Price Risk

As at December 31, 2011, 96.4% (December 31, 2010—95.2%) of the Pool's Net Assets were invested in equity financial instruments traded in active markets. If prices of securities traded on these markets decrease by 10%, with all other factors remaining constant, Net Assets could fall by approximately \$159,314 (December 31, 2010—\$122,538). Conversely, If prices increase by 10%, Net Assets could rise by approximately \$159,314 (December 31, 2010—\$122,538). These sensitivities are estimates. Actual results may vary, and the variance may be significant.

Fair Value Hierarchy

The following is a summary of MDPIM US Equity Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Equities	\$ 36,220	\$ —	\$ 36,220
Foreign Equities	1,556,921	—	1,556,921
	1,593,141	—	1,593,141
Cash and Short-Term Investments	66,556	11,183	77,739
Derivative Instruments	(27)	—	(27)
Total	\$ 66,529	\$ 11,183	\$ 1,670,853
December 31, 2010			
Foreign Equities	\$ 1,225,380	\$ —	\$ 1,225,380
Cash and Short-Term Investments	47,042	11,514	58,556
Derivative Instruments	128	—	128
Total	\$ 1,272,550	\$ 11,514	\$ 1,284,064

*MDPIM US Equity Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2011 to December 31, 2011 and from January 1, 2010 to December 31, 2010.

Effective April 30, 2010, the Pool subscribes to the services of a third-party valuation service provider to provide fair value adjustments, where applicable, to the prices of foreign securities due to changes in the value of securities in North American markets following the closure of the foreign markets. The parameters used to apply the fair value adjustments are based on observable market data, and as such, the foreign securities are considered Level 2 priced securities.

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Domestic Equities			
Telecommunication Services (0.15%)			
Rogers Communications, Inc. Cl. B	53,300	1,941	2,088
Total for Telecommunication Services		1,941	2,088
Total for Domestic Equities (0.15%)		1,941	2,088

Foreign Equities

Australia (4.93%)			
AMP Limited	421,833	2,085	1,790
Bank of Queensland Ltd.	129,500	1,077	987
BHP Billiton Limited ADR	60,100	4,460	4,316
Billabong International Limited	207,200	812	382
Caltex Australia Limited	50,300	699	617
Challenger Financial Services Group Limited	216,200	994	928
Coca-Cola Amatil Limited	999,100	12,460	11,986
Cochlear Ltd.	70,400	4,814	4,549
CSL Limited	371,800	11,847	12,397
Harvey Norman Holdings, NPV	84,000	158	159
Macquarie Group Limited	68,900	1,765	1,708
Myer Holdings Ltd.	538,100	1,209	1,085
National Australia Bank Limited	83,400	2,093	2,030
Newcrest Mining Limited	70,402	2,583	2,172
QBE Insurance Group Limited	378,840	7,788	5,113
Sims Group Limited	50,700	705	665
St. Barbara Limited	341,100	783	688
Suncorp-Metway Limited	50,775	433	443
Telstra Corporation Limited	1,876,137	5,974	6,512
Woodside Petroleum Limited	357,500	10,289	11,406
Total for Australia		73,028	69,933

Austria (0.88%)			
Conwert Immobilien Invest SE	170,312	2,298	1,883
Erste Group Bank AG	87,300	1,836	1,533
OMV AG	55,700	1,840	1,704
Schoeller-Bleckmann Oilfield Equipment AG	73,017	6,049	6,510
Voestalpine AG	32,300	1,047	911
Total for Austria		13,070	12,541

Belgium (0.85%)			
Colruyt SA	269,000	13,165	10,352
Delhaize Group	30,900	1,959	1,769
Total for Belgium		15,124	12,121

Bermuda (1.45%)			
Bunge Limited	40,000	2,487	2,325
CLSA Financial Products Ltd.	700,000	4,985	3,180
Credicorp Limited	31,100	3,254	3,460
Everest Re Group, Ltd.	38,400	3,242	3,285
First Pacific Company Limited	826,000	778	875
Johnson Electric Holdings Limited	1,825,000	1,030	1,025
Kerry Properties Limited	206,500	743	691
Orient Overseas International Ltd.	651,000	2,804	3,839
SmarTone Telecommunication Holdings Ltd.	436,000	721	765
Yue Yuen Industrial (Holdings) Limited	349,500	979	1,121
Total for Bermuda		21,023	20,566

Brazil (4.51%)			
Banco Bradesco SA ADR	168,600	2,835	2,860
CIA Brasileira de Moios de Pagamento	90,000	2,315	2,362
Companhia de Bebidas das Americas Preferred ADR	68,400	1,821	2,508
Companhia de Concessoes Rodoviaras	1,062,800	7,363	7,069
Companhia Siderurgica Nacional ADR	139,100	2,104	1,157
CPFL Energia SA ADR	89,000	2,241	2,552
Duratex SA	450,000	2,450	2,188
Itau Unibanco Holding SA ADR	138,500	2,506	2,611
Itausa - Investimentos Itau SA Preferred	640,088	4,707	3,891
JBS SA	1,500,000	5,492	4,906
Petroleo Brasileiro SA ADR	575,900	17,275	13,844
Petroleo Brasileiro SA Preferred	454,600	5,987	5,323
Redecard SA	344,700	5,420	5,485
Vale SA ADR	26,400	605	576
Vale SA Preferred ADR	160,100	4,550	3,352
Weg SA	320,000	3,941	3,276
Total for Brazil		71,612	63,960

Cayman Islands (0.69%)			
Belle International Holdings Limited	1,015,398	1,727	1,795
Hengan International Group Company Limited	190,000	1,701	1,800
Tencent Holdings Limited	170,000	4,161	3,472
Want Want China Holdings Limited	2,647,000	2,422	2,675
Total for Cayman Islands		10,011	9,742

Chile (0.22%)			
Enersis SA	172,000	4,124	3,080
Total for Chile		4,124	3,080

China (2.90%)			
Anhui Conch Cement Company Limited Cl. H	924,500	2,702	2,784
Beijing Enterprises Holdings Limited	425,000	2,783	2,590
China Construction Bank Corporation Cl. H	5,839,350	4,946	4,128
China Life Insurance Co., Limited Cl. H	1,600,000	5,553	4,018
China Merchants Bank Co., Ltd. Cl. H	1,088,000	1,866	2,234
China Oilfield Services Limited Cl. H	2,018,000	3,053	3,213
China Shenhua Energy Company Limited Cl. H	2,080,000	9,409	9,150
China Shipping Container Lines Co. Ltd.	3,803,000	719	876
China Shipping Development Company Limited	280,000	371	177
Industrial and Commercial Bank of China Cl. H	9,092,335	6,111	5,488
Mindray Medical International Limited ADR Cl. A	94,800	2,415	2,465
Weichai Power Co., Ltd.	817,000	3,541	4,075
Total for China		43,469	41,198

Colombia (0.23%)			
Bancolombia SA Preferred ADR	53,900	3,261	3,263
Total for Colombia		3,261	3,263

Denmark (0.93%)			
A.P. Moller - Maersk A/S	100	661	672
Bryggerigruppen A/S	10,800	589	616
Novo Nordisk A/S Cl. B	102,200	8,229	11,960
Total for Denmark		9,479	13,248

Finland (0.54%)			
Kone OYJ Cl. B	122,000	6,943	6,417
OKO Bank (OKO Osuuspankkien Keskuspankki OYJ) Series A	119,200	1,402	1,180
Total for Finland		8,345	7,597

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
France (5.95%)			
Arkema	10,200	719	736
AXA SA	78,900	1,282	1,043
BNP Paribas	16,800	840	673
Carrefour SA	281,570	11,393	6,531
Compagnie de Saint-Gobain SA	159,145	6,973	6,206
Compagnie Generale des Etablissements Michelin Cl. B	12,300	804	739
Essilor International SA	103,400	4,249	7,434
France Telecom SA	470,287	11,509	7,524
Groupe Danone	176,200	11,149	11,270
L'Oréal SA	106,800	11,149	11,337
Sanofi-Aventis SA	150,937	9,526	11,296
Societe Generale	162,183	7,100	3,677
Total SA	194,851	11,895	10,134
Valeo SA	20,400	1,025	826
Vallourec SA	42,690	4,738	2,824
Vivendi Universal SA	93,300	2,173	2,082
Total for France		96,524	84,332
Germany (3.32%)			
Adidas-Salomon AG	186,000	10,091	12,338
BASF SE	31,300	2,250	2,217
Bayer AG	28,200	1,774	1,829
Daimler AG	19,700	895	881
Deutsche Bank AG	25,500	1,049	985
Deutsche Post AG	112,600	1,638	1,770
Freenet AG NPV	91,800	1,173	1,212
Leoni AG	18,600	741	632
Merck KGaA	18,500	1,579	1,873
Muenchener Rueckversicherungs-Gesellschaft AG	7,500	1,019	935
Pheintmetall AG	12,900	713	584
RWE AG	251,425	15,763	8,951
SAP AG	203,900	10,181	11,005
Volkswagen AG	9,700	1,363	1,321
Wincor Nixdorf AG	13,300	702	603
Total for Germany		50,931	47,136
Hong Kong (2.99%)			
China Merchants Holdings International Company Limited	796,000	2,689	2,350
China Mobile (Hong Kong) Limited	1,189,000	10,360	11,807
China Resources Power Holdings Company Limited	1,208,000	2,486	2,357
China Shinewa Pharmaceutical Group Limited	432,000	624	622
CLP Holdings Limited	887,000	6,080	7,659
CNOOC Limited	6,430,000	8,311	11,432
Hong Kong & China Gas Company Limited	2,647,920	4,986	6,212
Total for Hong Kong		35,536	42,439
India (0.96%)			
Axis Bank Limited GDR	167,410	5,372	2,565
Bharti Airtel Limited, Warrants (Exp. 06/29/12)	300,000	2,394	1,970
ICICI Bank Limited ADR	115,800	3,731	3,112
Larsen & Toubro Ltd. GDR	142,196	4,408	2,746
Tata Motors Limited	184,700	4,288	3,174
Total for India		20,193	13,567

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Indonesia (0.41%)			
PT Astra International Inc.	318,000	1,947	2,637
PT Perusahaan Gas Negara	8,809,500	3,912	3,112
Total for Indonesia		5,859	5,749
Ireland (0.22%)			
Dragon Oil PLC	93,500	725	672
ICON PLC ADR	142,400	2,259	2,476
Total for Ireland		2,984	3,148
Israel (0.48%)			
Ceragon Networks, Ltd.	94,100	924	736
Teva Pharmaceutical Industries Ltd.	44,800	1,805	1,831
Teva Pharmaceutical Industries Ltd. ADR	104,600	4,126	4,293
Total for Israel		6,855	6,860
Italy (0.95%)			
Enel SPA	357,600	1,798	1,462
Eni SPA	372,114	8,050	7,779
Intesa Sanpaolo SPA	1,651,771	5,888	2,802
Telecom Italia SPA	1,259,200	1,578	1,362
Total for Italy		17,314	13,405
Japan (18.26%)			
ADEKA CORPORATION	83,800	899	836
AEON Mall Co., Ltd.	298,300	7,025	6,426
Aisin Seiki Co., Ltd.	29,800	961	861
Aozora Bank, Ltd.	306,000	762	857
Asahi Holdings, Inc.	37,600	795	758
Asahi Kasei Corporation	302,000	1,901	1,843
Canon Inc.	438,800	19,478	19,705
CHUGAI Pharmaceuticals Co., Ltd.	360,000	5,791	6,019
cocokara fine HOLDINGS Inc.	25,600	677	673
Daikin Industries, Ltd.	185,700	6,428	5,168
Daito Trust Construction Company Ltd.	90,200	4,990	7,851
Denso Corp.	501,300	16,439	14,043
DOUTOR NICHIRETS Holdings Co., Ltd	53,100	669	710
Fanuc Ltd.	72,500	8,123	11,261
Gigas Ks Denki Corporation	19,500	760	783
Heiwa Corporation	37,400	688	656
Hitachi, Ltd.	545,000	2,889	2,901
Honda Motor Co., Ltd.	392,300	13,042	12,135
Hoya Corporation	294,000	9,610	6,419
INPEX Corporation	1,860	14,520	11,890
Itochu Corporation	66,500	658	687
J-OIL MILLS, INC.	165,000	518	477
Kao Corporation	264,400	6,987	7,323
KDDI Corporation	340	2,609	2,220
Keyence Corporation	37,155	8,754	9,108
Komatsu Ltd.	459,800	12,653	10,907
Matsumotokiyoshi Holdings Co., Ltd. NPV	38,500	780	792
Megmilk Snow Brand Co., Ltd.	43,100	892	839
Mitsubishi Chemical Holdings Corp.	205,500	1,358	1,145
Mitsubishi Estate Company, Limited	651,000	11,104	9,862
Mitsubishi Gas & Chemical Company, Limited	222,000	1,376	1,246
Mitsubishi UFJ Financial Group, Inc.	499,900	2,205	2,146
Mitsui & Co.	121,000	1,747	1,910
Mitsui Mining & Smelting Company, Limited	261,000	684	686
Mizuho Financial Group, Inc.	536,500	777	730
Morinaga Milk Industry Co. Ltd.	259,000	1,177	1,019

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Nichias Corp.	143,000	782	803
Nippon Electric Glass Co., Ltd.	67,000	648	673
Nippon Flour Mills Co., Ltd.	108,000	534	483
Nippon Steel Corporation	966,000	2,734	2,437
Nippon Telegraph and Telephone Corporation	38,100	1,898	1,975
Nissan Motor Co., Ltd.	190,500	1,778	1,736
NTT DoCoMo, Inc.	600	1,137	1,120
OILES CORPORATION	39,500	801	757
Roybi Limited	153,000	689	562
Secom Co., Ltd.	84,800	4,224	3,965
Seino Transportation Company Ltd.	85,000	684	670
Seven & I Holdings Co. Ltd.	251,600	6,551	7,114
Shimamura Co., Ltd.	75,200	7,264	7,807
Shin-Etsu Chemical Co., Ltd.	267,600	14,460	13,377
Sumitomo Corp.	123,400	1,551	1,693
Sumitomo Heavy Industries Limited	219,000	1,221	1,296
Sumitomo Mitsui Financial Group Inc.	76,000	2,124	2,150
Takeda Pharmaceutical Company Limited	176,400	8,517	7,851
Terumo Corporation	244,900	12,897	11,709
Toagosei Co. Ltd.	182,000	909	755
Tokai Rubber Industries, Ltd.	87,500	1,210	985
Tokio Marine Holdings, Inc.	772,000	23,121	17,333
Toyota Motor Corporation	184,100	7,858	6,220
Toyota Tsusho Corporation	49,400	848	886
Tsuruha Holdings, Inc.	14,100	767	802
Yamatate Corporation	39,400	837	867
Total for Japan		276,770	258,918
Jersey (0.70%)			
Randgold Resources Limited	32,500	2,661	3,381
Shire PLC	185,200	5,987	6,553
Total for Jersey		8,648	9,934
Kazakhstan (0.11%)			
KazMunaiGas Exploration Production - GDR	105,873	1,916	1,593
Total for Kazakhstan		1,916	1,593
Luxembourg (0.47%)			
Kernal Holding SA	110,000	2,782	2,160
MHP SA GDR	210,000	3,459	2,287
Tenaris SA ADR	60,000	1,724	2,267
Total for Luxembourg		7,965	6,714
Malaysia (0.42%)			
Genting Berhad	1,100,000	3,769	3,860
Maxis Berhad	1,189,400	2,095	2,087
Total for Malaysia		5,864	5,947
Mexico (0.81%)			
Grupo Elektra, S.A. de C.V.	32,200	2,324	3,262
Grupo Mexico SA	1,094,606	3,644	2,905
Grupo Televisa SA ADR	130,000	2,940	2,781
Wal-Mart de Mexico SA de CV Series V	900,000	2,491	2,501
Total for Mexico		11,399	11,449
Netherlands (2.00%)			
AEGON NV	166,000	789	679
Core Laboratories NV	58,200	5,754	6,735
CSM NV	78,800	1,225	1,248
Heineken NV	60,000	2,770	2,831

	Number of Shares	Average Cost (\$)	Fair Value (\$)
ING Groep NV	96,000	781	704
Koninklijke (Royal) KPN NV	273,000	3,791	3,329
Koninklijke Ahold NV	558,924	7,373	7,645
Koninklijke DSM NV	19,300	1,004	912
Reed Elsevier NV	361,093	4,965	4,268
Total for Netherlands		28,452	28,351
New Zealand (0.10%)			
Chorus Limited	153,520	356	379
Telecom Corporation of New Zealand Limited	604,000	1,246	973
Total for New Zealand		1,602	1,352
Norway (0.81%)			
Cermaq ASA	68,200	806	815
DnB Holding ASA	484,600	5,364	4,819
Fred. Olsen Energy ASA	21,000	684	716
StatoilHydro ASA	63,400	1,528	1,655
StatoilHydro ASA ADR	132,500	3,321	3,449
Total for Norway		11,703	11,454
Philippines (0.22%)			
Philippine Long Distance Telephone Company ADR	54,400	3,325	3,180
Total for Philippines		3,325	3,180
Russia (0.86%)			
Gazprom ADR	167,571	1,921	1,818
LUKOIL ADR	35,500	2,113	1,919
Magnit	1,215	105	99
Magnit GDR	120,000	2,594	2,548
Mobile Telesystems ADR	210,000	4,299	3,132
Novorossiysk Sea Trade Port	350,000	3,233	2,634
Total for Philippines		14,265	12,150
Singapore (1.41%)			
DBS Group Holdings Limited	1,154,332	13,045	10,442
SembCorp Industries Limited	189,000	583	601
Singapore Telecommunications Limited	1,195,000	2,620	2,900
United Overseas Bank Ltd.	500,840	5,724	6,006
Total for Singapore		21,972	19,949
South Africa (1.24%)			
AngloGold Ashanti Limited	55,000	2,594	2,371
Gold Fields Limited	270,000	4,496	4,185
MTN Group Limited	120,000	2,242	2,168
Naspers Limited	80,000	4,216	3,545
Sasol	49,305	2,299	2,393
Tiger Brands Limited	90,185	2,479	2,848
Total for South Africa		18,326	17,510
South Korea (0.93%)			
KB Financial Group, Inc.	27,491	1,287	881
KB Financial Group, Inc. ADR	41,700	1,945	1,328
NHN Corp.	15,000	2,721	2,794
Samsung Electronics Co., Ltd.	4,934	3,850	4,608
Samsung Life Insurance Co.	50,000	4,210	3,570
Total for South Korea		14,013	13,181

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Spain (2.46%)			
Banco Santander SA	519,539	6,168	4,018
Distribuidora Internacional de Alimentacion	172,958	819	796
Iberdrola SA	888,005	7,354	5,662
Industria de Diseno Textil SA	146,000	8,784	12,180
Mapfre SA	1,485,800	5,060	4,809
Telefonica SA	422,301	9,927	7,453
Total for Spain		38,112	34,918
Sweden (1.44%)			
Billerud	89,700	706	776
Boliden AB	74,900	978	1,112
Getinge AB	150,500	3,699	3,866
Hennes & Mauritz AB Cl. B	364,400	9,559	11,857
Swedbank AB Series A	68,900	898	907
Telefonaktiebolaget LM Ericsson Cl. B	114,300	1,245	1,184
Trelleborg AB	86,300	651	760
Total for Sweden		17,736	20,462
Switzerland (5.65%)			
Baloise Holding Ltd.	12,600	1,010	880
Credit Suisse Group	35,100	987	840
Credit Suisse Group ADR	94,800	2,526	2,263
Georg Fischer AG	2,300	923	801
Nestlé SA	222,000	9,668	12,989
Novartis AG	418,401	23,655	24,367
Novartis AG ADR	47,100	2,790	2,737
Roche Holding AG	75,100	11,971	12,958
SGS Societe Generale de Surveillance Holding SA	5,121	6,987	8,636
Swiss Life Holding	9,300	1,106	871
Swiss Re Ltd.	19,100	989	992
Transocean Ltd.	50,200	2,720	1,960
UBS AG	56,700	725	686
Valora Holding AG	4,100	1,026	870
Zurich Financial Services AG	36,089	8,783	8,317
Total for Switzerland		75,866	80,167
Taiwan (2.93%)			
Acer Inc. Warrants (Exp. 07/15/14)	1,800,000	3,612	2,123
Advanced Semiconductor Engineering Inc. ADR	852,500	3,606	3,762
Chunghwa Telecom Co., Ltd. ADR	64,720	1,811	2,188
HTC Corporation Warrants (Exp. 09/06/12)	94,500	2,561	1,577
Taiwan Semiconductor Manufacturing Company Limited	1,936,000	3,816	4,915
Taiwan Semiconductor Manufacturing Company Limited ADR	2,062,739	23,617	27,016
Total for Taiwan		39,023	41,581
Thailand (0.37%)			
Kasikornbank Public Company Limited	578,300	2,198	2,265
PTT Public Company Limited	316,200	3,272	3,047
Total for Thailand		5,470	5,312
Turkey (0.37%)			
Coca-Cola Icecek Uretim AS	111,000	1,494	1,343
Tupras-Turkiye Petrol Rafinerileri AS	89,043	2,190	1,904
Turkiye Garanti Bankasi A.S.	630,818	3,213	2,005
Total for Turkey		6,897	5,252

	Number of Shares	Average Cost (\$)	Fair Value (\$)
United Kingdom (16.46%)			
ARM Holdings PLC ADR	268,600	7,357	7,557
AstraZeneca PLC	69,600	3,352	3,264
BAE Systems PLC	262,900	1,188	1,182
Barclays PLC	420,500	1,221	1,169
BG Group PLC	567,800	8,958	12,347
Bodycote PLC	170,800	730	709
BP PLC	1,611,194	13,447	11,703
BT Group PLC	753,900	2,230	2,274
Burberry Group PLC	441,900	3,648	8,272
Cable & Wireless Communications PLC	1,528,500	896	917
Cairn Energy PLC	1,928,000	9,720	8,080
Centrica PLC	2,953,000	14,297	13,491
Cookson Group PLC	117,900	924	948
Debenhams PLC	660,600	695	610
Diageo PLC	188,900	4,006	4,197
Eurasian Natural Resources Corporation	148,200	1,568	1,477
FirstGroup PLC	149,100	803	793
GKN	295,600	901	855
GlaxoSmithKline PLC	350,709	7,245	8,150
HSBC Holdings PLC	1,777,300	17,830	13,787
J Sainsbury PLC	317,300	1,498	1,514
Marks & Spencer Group PLC	262,900	1,381	1,287
Micro Focus International PLC	129,000	700	787
Mondi PLC	146,000	1,214	1,049
Old Mutual PLC	854,700	1,518	1,830
Reckitt Benckiser Group PLC	239,000	11,550	12,006
Rexam PLC	133,100	695	739
Rio Tinto PLC ADR	86,700	4,245	4,313
Royal & Sun Alliance Insurance Group PLC	472,000	863	784
Royal Dutch Shell PLC Cl. A	307,057	9,930	11,401
Royal Dutch Shell PLC Cl. B	169,800	5,888	6,581
SABMiller PLC	359,000	12,720	12,854
SABMiller PLC	90,000	3,071	3,207
Smith & Nephew PLC	1,314,000	11,889	12,974
Standard Chartered PLC	503,700	11,999	11,212
Tesco PLC	3,255,082	22,502	20,746
The Go-Ahead Group PLC	41,689	968	909
Unilever PLC	254,683	7,400	8,698
Vodafone Group PLC	2,749,788	6,583	7,771
William Morrison Supermarkets PLC	1,666,600	8,613	8,585
WS Atkins PLC	92,500	797	905
Xstrata PLC	102,900	1,610	1,587
Total for United Kingdom		228,650	233,521
United States (8.42%)			
Avon Products, Inc.	64,000	1,835	1,138
Carnival Corporation	80,500	2,788	2,671
iShares MSCI EAFE Index Fund	1,460,946	76,141	73,431
iShares MSCI Emerging Markets Index Fund	429,800	18,156	16,573
iShares MSCI United Kingdom Index Fund	151,100	2,496	2,404
Synthes, Inc.	34,600	4,770	5,910
Vanguard MSCI Emerging Markets ETF	447,000	19,412	17,327
Total for United States		125,598	119,454
Total for Foreign Equities (99.85%)		1,472,314	1,416,234
Total for MDPIM International Equity Pool (100.00%)		\$1,474,255	\$1,418,322

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

Schedule of Derivative Instruments

(in \$'000's)

Forward Currency Contracts

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized Gain (Loss) CAD \$
Counterparty: Barclays Bank PLC							
EUR	A+	01-03-12	1.323	573	758	756	(2)
CAD	A+	01-03-12	1.000	(758)	(758)	(758)	—
EUR	A+	01-04-12	1.035	488	505	505	1
AUD	A+	01-04-12	1.035	(488)	(505)	(509)	(4)
Counterparty: Brown Brothers Harriman & Co.							
HKD	A+	01-03-12	1.018	111	113	113	—
USD	A+	01-03-12	1.018	(111)	(113)	(113)	—
Counterparty: Royal Bank of Canada							
CZK	AA-	01-11-12	0.057	2,090	119	108	(11)
CAD	AA-	01-11-12	1.000	(119)	(119)	(119)	—
HUF	AA-	01-12-12	0.005	184,330	857	771	(86)
CAD	AA-	01-12-12	1.000	(857)	(857)	(857)	—
NZD	AA-	01-12-12	0.799	1,440	1,150	1,142	(8)
CAD	AA-	01-12-12	1.000	(1,150)	(1,150)	(1,150)	—
HUF	AA-	01-12-12	0.005	22,695	108	95	(13)
CAD	AA-	01-12-12	1.000	(108)	(108)	(108)	—
NZD	AA-	01-12-12	0.808	610	493	484	(9)
CAD	AA-	01-12-12	1.000	(493)	(493)	(493)	—
CNY	AA-	01-13-12	1.039	51,021	53,028	52,452	(576)
USD	AA-	01-13-12	1.039	(51,021)	(53,028)	(51,893)	1,135
USD	AA-	01-13-12	0.160	49,720	7,940	7,946	6
CNY	AA-	01-13-12	0.160	(49,720)	(7,940)	(8,032)	(92)
USD	AA-	01-13-12	0.159	13,060	2,075	2,080	5
CNY	AA-	01-13-12	0.159	(13,060)	(2,075)	(2,110)	(35)
CNY	AA-	01-13-12	1.018	3,287	3,345	3,393	48
USD	AA-	01-13-12	1.018	(3,287)	(3,345)	(3,343)	2
CNY	AA-	01-13-12	1.016	257	261	265	4
USD	AA-	01-13-12	1.016	(257)	(261)	(261)	—
USD	AA-	01-13-12	0.160	14,500	2,319	2,313	(6)
CNY	AA-	01-13-12	0.160	(14,500)	(2,319)	(2,343)	(24)
USD	AA-	01-13-12	0.159	12,635	2,013	2,022	9
CNY	AA-	01-13-12	0.159	(12,635)	(2,013)	(2,041)	(28)
CNY	AA-	01-13-12	1.019	1,680	1,712	1,722	10
USD	AA-	01-13-12	1.019	(1,680)	(1,712)	(1,709)	3
USD	AA-	01-13-12	0.161	12,540	2,014	2,011	(3)
CNY	AA-	01-13-12	0.161	(12,540)	(2,014)	(2,026)	(12)
USD	AA-	01-13-12	0.162	4,475	723	717	(6)
CNY	AA-	01-13-12	0.162	(4,475)	(723)	(723)	—
USD	AA-	01-13-12	0.164	16,720	2,744	2,661	(83)
CNY	AA-	01-13-12	0.164	(16,720)	(2,744)	(2,701)	43
CNY	AA-	01-13-12	1.017	4,405	4,480	4,528	48
USD	AA-	01-13-12	1.017	(4,405)	(4,480)	(4,480)	—
CNY	AA-	01-13-12	1.019	1,785	1,819	1,834	15
USD	AA-	01-13-12	1.019	(1,785)	(1,819)	(1,816)	3
USD	AA-	01-13-12	0.163	62,710	10,192	10,078	(114)
CNY	AA-	01-13-12	0.163	(62,710)	(10,192)	(10,131)	61
SEK	AA-	01-17-12	0.152	138,849	21,045	20,527	(518)
CAD	AA-	01-17-12	1.000	(21,045)	(21,045)	(21,045)	—
NOK	AA-	01-17-12	0.177	113,635	20,131	19,347	(784)
CAD	AA-	01-17-12	1.000	(20,131)	(20,131)	(20,131)	—

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized Gain (Loss) CAD \$
SEK	AA-	01-17-12	0.154	4,455	687	659	(28)
CAD	AA-	01-17-12	1.000	(687)	(687)	(687)	—
TRY	AA-	01-17-12	0.553	1,535	849	825	(24)
CAD	AA-	01-17-12	1.000	(849)	(849)	(849)	—
NOK	AA-	01-17-12	0.181	3,025	548	515	(33)
CAD	AA-	01-17-12	1.000	(548)	(548)	(548)	—
DKK	AA-	01-17-12	0.189	4,490	850	797	(53)
CAD	AA-	01-17-12	1.000	(850)	(850)	(850)	—
TRY	AA-	01-17-12	0.552	5,010	2,764	2,691	(73)
CAD	AA-	01-17-12	1.000	(2,764)	(2,764)	(2,764)	—
SEK	AA-	01-17-12	0.153	49,445	7,562	7,310	(252)
CAD	AA-	01-17-12	1.000	(7,562)	(7,562)	(7,562)	—
DKK	AA-	01-17-12	0.189	11,035	2,089	1,959	(130)
CAD	AA-	01-17-12	1.000	(2,089)	(2,089)	(2,089)	—
NOK	AA-	01-17-12	0.181	22,460	4,066	3,824	(242)
CAD	AA-	01-17-12	1.000	(4,066)	(4,066)	(4,066)	—
SEK	AA-	01-17-12	0.153	15,655	2,394	2,314	(80)
CAD	AA-	01-17-12	1.000	(2,394)	(2,394)	(2,394)	—
NOK	AA-	01-17-12	0.181	7,550	1,366	1,285	(81)
CAD	AA-	01-17-12	1.000	(1,366)	(1,366)	(1,366)	—
DKK	AA-	01-17-12	0.188	5,420	1,020	962	(58)
CAD	AA-	01-17-12	1.000	(1,020)	(1,020)	(1,020)	—
TRY	AA-	01-17-12	0.541	2,550	1,380	1,370	(10)
CAD	AA-	01-17-12	1.000	(1,380)	(1,380)	(1,380)	—
NOK	AA-	01-17-12	0.175	5,235	915	891	(24)
CAD	AA-	01-17-12	1.000	(915)	(915)	(915)	—
DKK	AA-	01-17-12	0.181	11,445	2,068	2,031	(37)
CAD	AA-	01-17-12	1.000	(2,068)	(2,068)	(2,068)	—
SEK	AA-	01-17-12	0.149	5,555	828	821	(7)
CAD	AA-	01-17-12	1.000	(828)	(828)	(828)	—
CAD	AA-	01-17-12	1.000	3,603	3,603	3,603	—
DKK	AA-	01-17-12	1.051	(3,428)	(3,603)	(3,428)	175
PENA	A-	01-17-12	1.045	1,357	1,418	1,417	(1)
USD	AA-	01-17-12	1.045	(1,357)	(1,418)	(1,380)	38
PEN	AA-	01-17-12	1.030	364	375	377	2
USD	AA-	01-17-12	1.030	(364)	(375)	(371)	4
CAD	AA-	01-17-12	1.000	822	822	822	—
DKK	AA-	01-17-12	1.051	(782)	(822)	(782)	40
CAD	AA-	01-17-12	1.000	7,041	7,041	7,041	—
SEK	AA-	01-17-12	1.035	(6,801)	(7,041)	(6,801)	240
CAD	AA-	01-17-12	1.000	410	410	410	—
TRY	AA-	01-17-12	1.046	(392)	(410)	(392)	18
COP	AA-	01-18-12	1.026	381	391	384	(7)
USD	AA-	01-18-12	1.026	(381)	(391)	(387)	4
CLP	AA-	01-18-12	1.030	4,006	4,128	3,969	(159)
USD	AA-	01-18-12	1.030	(4,006)	(4,128)	(4,075)	53
CLP	AA-	01-18-12	1.028	9,860	10,138	9,922	(216)
USD	AA-	01-18-12	1.028	(9,860)	(10,138)	(10,030)	108
USD	AA-	01-18-12	0.002	367,875	735	739	4
CLPA	A-	01-18-12	0.002	(367,875)	(735)	(719)	16
USD	AA-	01-18-12	0.002	544,795	1,074	1,062	(12)
CLP	AA-	01-18-12	0.002	(544,795)	(1,074)	(1,064)	10
ZAR	AA-	02-16-12	0.127	4,485	569	561	(8)
CAD	AA-	02-16-12	1.000	(569)	(569)	(569)	—
CAD	AA-	02-16-12	1.000	463	463	463	—
ZAR	AA-	02-16-12	0.987	(469)	(463)	(469)	(6)
GBP	AA-	02-17-12	1.627	17,632	28,680	27,870	(810)
CAD	AA-	02-17-12	1.000	(28,680)	(28,680)	(28,680)	—
GBP	AA-	02-17-12	1.610	1,115	1,795	1,762	(33)

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized	Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized
							Gain (Loss) CAD \$								Gain (Loss) CAD \$
DKK	AA-	01-17-12	1.049	(690)	(724)	(690)	34	USD	AA-	02-28-12	0.019	184,200	3,564	3,587	23
SEK	AA-	01-17-12	0.152	1,370	208	203	(5)	INR	AA-	02-28-12	0.019	(184,200)	(3,564)	(3,493)	71
CAD	AA-	01-17-12	1.000	(208)	(208)	(208)	-	USD	AA-	02-28-12	0.001	4,355,755	3,850	3,838	(12)
DKK	AA-	01-17-12	0.186	1,240	231	220	(11)	KRW	AA-	02-28-12	0.001	(4,355,755)	(3,850)	(3,835)	15
CAD	AA-	01-17-12	1.000	(231)	(231)	(231)	-	TWD	AA-	02-29-12	1.040	25,246	26,245	25,731	(514)
USD	AA-	01-17-12	0.033	53,310	1,756	1,741	(15)	USD	AA-	02-29-12	1.040	(25,246)	(26,245)	(25,704)	541
RUB	AA-	01-17-12	0.033	(53,310)	(1,756)	(1,685)	71	THB	AA-	02-29-12	0.033	8,875	294	285	(9)
CAD	AA-	01-17-12	1.000	378	378	378	-	CAD	AA-	02-29-12	1.000	(294)	(294)	(294)	-
NOK	AA-	01-17-12	1.053	(359)	(378)	(359)	19	CAD	AA-	02-29-12	1.000	60,189	60,189	60,189	-
CAD	AA-	01-17-12	1.000	809	809	809	-	JPY	AA-	02-29-12	1.025	(58,703)	(60,189)	(58,703)	1,486
DKK	AA-	01-17-12	1.063	(761)	(809)	(761)	48	JPY	AA-	02-29-12	0.013	175,050	2,288	2,317	29
TRY	AA-	01-17-12	0.547	810	443	435	(8)	CAD	AA-	02-29-12	1.000	(2,288)	(2,288)	(2,288)	-
CAD	AA-	01-17-12	1.000	(443)	(443)	(443)	-	CAD	AA-	02-29-12	1.000	482	482	482	-
DKK	AA-	01-17-12	0.183	2,070	378	367	(11)	THB	AA-	02-29-12	1.023	(471)	(482)	(471)	11
CAD	AA-	01-17-12	1.000	(378)	(378)	(378)	-	CAD	AA-	02-29-12	1.000	861	861	861	-
SEK	AA-	01-17-12	0.150	6,880	1,031	1,017	(14)	JPY	AA-	02-29-12	0.995	(865)	(861)	(865)	(4)
CAD	AA-	01-17-12	1.000	(1,031)	(1,031)	(1,031)	-	USD	AA-	02-29-12	0.034	53,885	1,835	1,816	(19)
SEK	AA-	01-17-12	0.150	2,300	345	340	(5)	TWD	AA-	02-29-12	0.034	(53,885)	(1,835)	(1,814)	21
CAD	AA-	01-17-12	1.000	(345)	(345)	(345)	-	CAD	AA-	02-29-12	1.000	281	281	281	-
NOK	AA-	01-17-12	0.176	2,300	405	392	(13)	THB	AA-	02-29-12	1.018	(276)	(281)	(276)	5
CAD	AA-	01-17-12	1.000	(405)	(405)	(405)	-	JPY	AA-	02-29-12	0.013	624,813	8,288	8,270	(18)
CAD	AA-	01-17-12	1.000	260	260	260	-	CAD	AA-	02-29-12	1.000	(8,288)	(8,288)	(8,288)	-
SEK A	A-	01-17-12	1.024	(254)	(260)	(254)	6	JPY	AA-	02-29-12	0.013	19,125	250	253	3
CAD	AA-	01-17-12	1.000	525	525	525	-	CAD	AA-	02-29-12	1.000	(250)	(250)	(250)	-
DKK	AA-	01-17-12	1.033	(508)	(525)	(508)	17	HKD	AA-	03-01-12	0.132	70,930	9,390	9,300	(90)
CAD	AA-	01-17-12	1.000	1,360	1,360	1,360	-	CAD	AA-	03-01-12	1.000	(9,390)	(9,390)	(9,390)	-
TRY	AA-	01-17-12	1.009	(1,348)	(1,360)	(1,348)	12	CAD	AA-	03-01-12	1.000	3,404	3,404	3,404	-
CAD	AA-	01-17-12	1.000	1,018	1,018	1,018	-	HKD	AA-	03-01-12	1.001	(3,401)	(3,404)	(3,401)	3
NOK	AA-	01-17-12	1.023	(995)	(1,018)	(995)	23	BRL	AA-	03-02-12	1.048	7,162	7,507	7,272	(235)
TRY	AA-	01-17-12	0.535	770	412	414	2	USD	AA-	03-02-12	1.048	(7,162)	(7,507)	(7,293)	214
CAD	AA-	01-17-12	1.000	(412)	(412)	(412)	-	MYR	AA-	03-02-12	1.030	3,666	3,777	3,742	(35)
NOK	AA-	01-17-12	0.171	2,215	378	377	(1)	USD	AA-	03-02-12	1.030	(3,666)	(3,777)	(3,733)	44
CAD	AA-	01-17-12	1.000	(378)	(378)	(378)	-	USD	AA-	03-02-12	0.323	1,770	571	565	(6)
COP	AA-	01-18-12	1.025	2,195	2,249	2,197	(52)	MYR	AA-	03-02-12	0.323	(1,770)	(571)	(567)	4
USD	AA-	01-18-12	1.025	(2,195)	(2,249)	(2,233)	16	USD	AA-	03-02-12	0.549	3,360	1,844	1,825	(19)
ZAR	AA-	02-16-12	0.124	2,900	361	363	2	BRL	AA-	03-02-12	0.549	(3,360)	(1,844)	(1,811)	33
CAD	AA-	02-16-12	1.000	(361)	(361)	(361)	-	IDR	AA-	03-06-12	1.030	2,872	2,958	2,948	(10)
CAD	AA-	02-17-12	1.000	682	682	682	-	USD	AA-	03-06-12	1.030	(2,872)	(2,958)	(2,925)	33
GBP	AA-	02-17-12	1.027	(664)	(682)	(664)	18	PHP	AA-	03-06-12	1.011	1,882	1,902	1,883	(19)
GBP	AA-	02-17-12	1.579	805	1,271	1,272	1	USD	AA-	03-06-12	1.011	(1,882)	(1,902)	(1,917)	(15)
CAD	AA-	02-17-12	1.000	(1,271)	(1,271)	(1,271)	-	USD	AA-	03-06-12	0.000	6,978,105	777	769	(8)
CAD	AA-	02-17-12	1.000	16,453	16,453	16,453	-	IDR	AA-	03-06-12	0.000	(6,978,105)	(777)	(779)	(2)
GBP	AA-	02-17-12	1.013	(16,249)	(16,453)	(16,249)	204	AUD	AA-	03-07-12	1.034	36,962	38,218	38,305	87
CAD	AA-	02-17-12	1.000	2,976	2,976	2,976	-	CAD	AA-	03-07-12	1.000	(38,218)	(38,218)	(38,218)	-
GBP	AA-	02-17-12	1.009	(2,948)	(2,976)	(2,948)	28	CAD	AA-	03-07-12	1.000	1,444	1,444	1,444	-
CAD	AA-	02-17-12	1.000	1,609	1,609	1,609	-	AUD	AA-	03-07-12	0.995	(1,451)	(1,444)	(1,451)	(7)
GBP	AA-	02-17-12	1.008	(1,596)	(1,609)	(1,596)	13	CAD	AA-	03-07-12	1.000	2,395	2,395	2,395	-
CHF	AA-	02-27-12	1.123	20,021	22,481	21,763	(718)	AUD	AA-	03-07-12	0.992	(2,415)	(2,395)	(2,415)	(20)
CAD	AA-	02-27-12	1.000	(22,481)	(22,481)	(22,481)	-	CAD	AA-	03-07-12	1.000	2,538	2,538	2,538	-
CAD	AA-	02-27-12	1.000	1,137	1,137	1,137	-	AUD	AA-	03-07-12	0.993	(2,555)	(2,538)	(2,555)	(17)
CHF	AA-	02-27-12	1.046	(1,087)	(1,137)	(1,087)	50	CAD	AA-	03-07-12	1.000	1,065	1,065	1,065	-
CHF	AA-	02-27-12	1.105	840	928	913	(15)	AUD	AA-	03-07-12	0.993	(1,073)	(1,065)	(1,073)	(8)
CAD	AA-	02-27-12	1.000	(928)	(928)	(928)	-	CAD	AA-	03-09-12	1.000	6,974	6,974	6,974	-
CAD	AA-	02-27-12	1.000	2,431	2,431	2,431	-	USD	AA-	03-09-12	0.995	(7,006)	(6,974)	(7,006)	(32)
CHF	AA-	02-27-12	1.017	(2,391)	(2,431)	(2,391)	40	USD	AA-	03-09-12	1.023	16,625	17,008	16,930	(78)
CAD	AA-	02-27-12	1.000	5,063	5,063	5,063	-	CAD	AA-	03-09-12	1.000	(17,008)	(17,008)	(17,008)	-
CHF	AA-	02-27-12	1.019	(4,968)	(5,063)	(4,968)	95	USD	AA-	03-09-12	1.021	6,875	7,020	7,001	(19)
KRW	AA-	02-28-12	1.049	40,552	42,556	41,146	(1,410)	CAD	AA-	03-09-12	1.000	(7,020)	(7,020)	(7,020)	-
USD	AA-	02-28-12	1.049	(40,552)	(42,556)	(41,287)	1,269	CAD	AA-	03-09-12	1.000	24,826	24,826	24,826	-

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$'000's except for number of shares)

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized
							Gain (Loss) CAD \$
USD	AA-	03-09-12	1.012	(24,542)	(24,826)	(24,542)	284
CAD	AA-	03-09-12	1.000	7,003	7,003	7,003	-
USD	AA-	03-09-12	1.004	(6,976)	(7,003)	(6,976)	27
USD	AA-	03-09-12	1.021	3,945	4,028	4,017	(11)
CAD	AA-	03-09-12	1.000	(4,028)	(4,028)	(4,028)	-
CAD	AA-	03-16-12	1.000	91	91	91	-
SGD	AA-	03-16-12	1.011	(90)	(91)	(90)	1
CAD	AA-	03-16-12	1.000	254	254	254	-
SGD	AA-	03-16-12	1.008	(252)	(254)	(252)	2
PLN	AA-	03-22-12	0.299	7,120	2,129	2,090	(39)
CAD	AA-	03-22-12	1.000	(2,129)	(2,129)	(2,129)	-
EUR	AA-	03-23-12	1.350	5,660	7,640	7,484	(156)
CAD	AA-	03-23-12	1.000	(7,640)	(7,640)	(7,640)	-
CAD	AA-	03-23-12	1.000	3,401	3,401	3,401	-
EUR	AA-	03-23-12	1.009	(3,372)	(3,401)	(3,372)	29
CZK	AA-	04-11-12	0.053	19,405	1,022	1,009	(13)
CAD	AA-	04-11-12	1.000	(1,022)	(1,022)	(1,022)	-
HUF	AA-	04-12-12	0.004	207,025	912	859	(53)
CAD	AA-	04-12-12	1.000	(912)	(912)	(912)	-

Counterparty: The Toronto-Dominion Bank

CAD	AA-	01-12-12	1.000	35	35	35	-
NZD	AA-	01-12-12	0.972	(36)	(35)	(35)	-
CNY	AA-	01-13-12	1.027	9,416	9,671	9,738	67
USD	AA-	01-13-12	1.027	(9,416)	(9,671)	(9,577)	94
CAD	AA-	01-17-12	1.000	468	468	468	-
SEK	AA-	01-17-12	1.035	(452)	(468)	(452)	16
CAD	AA-	01-17-12	1.000	2,037	2,037	2,037	-
TRY	AA-	01-17-12	1.025	(1,988)	(2,037)	(1,988)	49
CAD	AA-	01-17-12	1.000	1,578	1,578	1,578	-
NOK	AA-	01-17-12	1.058	(1,492)	(1,578)	(1,492)	86
RUB	AA-	01-17-12	1.040	6,322	6,576	6,335	(241)
USD	AA-	01-17-12	1.040	(6,322)	(6,576)	(6,431)	145
RUB	AA-	01-17-12	1.031	2,061	2,124	2,059	(65)
USD	AA-	01-17-12	1.031	(2,061)	(2,124)	(2,097)	27
CAD	AA-	01-17-12	1.000	601	601	601	-
NOK	AA-	01-17-12	1.056	(569)	(601)	(569)	32
CAD	AA-	01-17-12	1.000	1,131	1,131	1,131	-
SEK	AA-	01-17-12	1.033	(1,095)	(1,131)	(1,095)	36
CAD	AA-	01-17-12	1.000	428	428	428	-
TRY	AA-	01-17-12	0.995	(430)	(428)	(430)	(2)
CAD	AA-	01-17-12	1.000	72	72	72	-
DKK	AA-	01-17-12	1.029	(70)	(72)	(70)	2
CAD	AA-	01-17-12	1.000	183	183	183	-
TRY	AA-	01-17-12	1.017	(180)	(183)	(180)	3
CLP	AA-	01-18-12	1.038	661	686	659	(27)
USD	AA-	01-18-12	1.038	(661)	(686)	(672)	14
ZAR	AA-	02-16-12	0.123	4,330	533	542	9
CAD	AA-	02-16-12	1.000	(533)	(533)	(533)	-
GBP	AA-	02-17-12	1.603	330	529	522	(7)
CAD	AA-	02-17-12	1.000	(529)	(529)	(529)	-
CAD	AA-	02-17-12	1.000	567	567	567	-
GBP	AA-	02-17-12	1.025	(553)	(567)	(553)	14
CAD	AA-	02-17-12	1.000	2,117	2,117	2,117	-
GBP	AA-	02-17-12	1.018	(2,079)	(2,117)	(2,079)	38
CAD	AA-	02-27-12	1.000	690	690	690	-
CHF	AA-	02-27-12	1.007	(685)	(690)	(685)	5
CAD	AA-	02-29-12	1.000	398	398	398	-
ILS	AA-	02-29-12	1.023	(389)	(398)	(389)	9

Cur- rency	Credit Rating	Expiry Date	Contract Rate	Amounts Bought (Sold)	Bought (Sold) CAD \$	Current Amount CAD \$	Unrealized
							Gain (Loss) CAD \$
CAD	AA-	02-29-12	1.000	2,155	2,155	2,155	-
JPY	AA-	02-29-12	1.010	(2,133)	(2,155)	(2,133)	22
USD	AA-	02-29-12	0.034	33,050	1,134	1,110	(24)
TWD	AA-	02-29-12	0.034	(33,050)	(1,134)	(1,112)	22
HKD	AA-	03-01-12	0.132	3,020	399	396	(3)
CAD	AA-	03-01-12	1.000	(399)	(399)	(399)	-
HKD	AA-	03-01-12	0.134	26,060	3,489	3,417	(72)
CAD	AA-	03-01-12	1.000	(3,489)	(3,489)	(3,489)	-
CAD	AA-	03-01-12	1.000	103,837	103,837	103,837	-
HKD	AA-	03-01-12	1.025	(101,321)	(103,837)	(101,321)	2,516
AUD	AA-	03-07-12	1.027	1,630	1,674	1,689	15
CAD	AA-	03-07-12	1.000	(1,674)	(1,674)	(1,674)	-
CAD	AA-	03-07-12	1.000	925	925	925	-
AUD	AA-	03-07-12	0.986	(938)	(925)	(938)	(13)
USD	AA-	03-09-12	1.016	21,631	21,969	22,028	59
CAD	AA-	03-09-12	1.000	(21,969)	(21,969)	(21,969)	-
CAD	AA-	03-09-12	1.000	1,693	1,693	1,693	-
USD	AA-	03-09-12	1.023	(1,655)	(1,693)	(1,655)	38
CAD	AA-	03-16-12	1.000	277	277	277	-
SGD	AA-	03-16-12	1.011	(274)	(277)	(274)	3

Net unrealized gain (loss) on forward currency contracts 1,101

Futures Contracts

Counter party	Credit Rating	Description	Notional Amount	Unrealized
				Gain (Loss) CAD \$
Newedge Canada Inc.	N/A	MSCI EAFE E-Mini Index Futures	USD 13,919	234
Newedge Canada Inc.	N/A	MSCI Emerging Market E-Mini Index Futures	USD 1,267	13

Net unrealized gain (loss) futures contracts 247

Total for Schedule of Derivative Instruments \$1,348

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 1,418,322	\$ 978,107
Cash and short-term investments	50,120	38,921
Dividends and interest receivable	3,063	1,678
Net unrealized gain on derivatives	1,348	2,858
Net margin due from broker on future contracts	1,023	2,413
Receivable for investment transactions	425	112
Receivable for securities lending transactions	1	1
Subscriptions receivable	624	665
	1,474,926	1,024,755
Liabilities		
Payable for investment transactions	1,856	264
Distributions payable	1	—
Redemptions payable	40	231
	1,897	495
Net assets and unitholders' equity	\$ 1,473,029	\$ 1,024,260
Net Assets per Series		
Series A	\$ 1,472,420	\$ 1,023,949
Series T	\$ 609	\$ 311
Number of units outstanding (see Schedule of Fund Unit Transactions)		
Series A	132,737,611	83,162,008
Series T	71,314	31,365
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
Series A	\$ 11.09	\$ 12.31
Series T	\$ 8.55	\$ 9.92

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$000's except for per unit amounts)

	2011	2010
Income		
Dividends	\$ 37,615	\$ 30,281
Interest	150	158
Gain (loss) on foreign exchange	(4,814)	(327)
Early redemption fee	77	35
Securities lending	853	673
Deduct: Withholding tax on foreign income	(3,343)	(2,517)
	30,538	28,303
Expenses		
Regulatory filing fees	64	33
Advisory fees (Note 3)	4,170	2,703
Audit fees	16	9
Custodial fees	125	209
Securityholder reporting costs	34	37
Administration charges	857	267
Independent Review Committee (IRC) fees	4	3
Interest expense	13	3
Operating expenses absorbed by the Fund Manager (Note 3)	(1,100)	(557)
	4,183	2,707
Net investment income (loss)	\$ 26,355	\$ 25,596
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ (52,402)	\$ 13,180
Net realized gain (loss) on sale of derivative instruments	(4,009)	610
Change in unrealized appreciation (depreciation) of investments and derivatives	(79,091)	(6,796)
Transaction costs	(2,079)	(923)
Net gain (loss) on investments	\$ (137,581)	\$ 6,071
Increase (decrease) in net assets from operations	\$ (111,226)	\$ 31,667
Increase (decrease) in net assets from operations per Series		
Series A	\$ (111,180)	\$ 31,669
Series T	\$ (46)	\$ (2)
Increase (decrease) in net assets from operations per unit, for the period		
Series A	\$ (1.04)	\$ 0.40
Series T	\$ (0.89)	\$ (0.09)

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Financial Statements

Statement of Changes in Net Assets

for the years ended December 31 (in \$'000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 1,023,949	\$ 890,752
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(111,180)	31,669
Unitholders		
Proceeds from issue of units	1,009,958	389,911
Consideration paid for redemption of units	(448,839)	(287,193)
Securities issued on reinvestment of distributions	27,291	23,976
	588,410	126,694
Distributions to unitholders		
From net investment income	(28,759)	(25,166)
Net assets - end of the year	\$ 1,472,420	\$ 1,023,949
SERIES T		
Net assets - beginning of year	\$ 311	\$ —
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(46)	(2)
Unitholders		
Proceeds from issue of units	654	313
Consideration paid for redemption of units	(275)	—
	379	313
Distributions to unitholders		
From net investment income	(10)	—
Return of capital	(25)	—
	(35)	—
Net assets - end of the year	\$ 609	\$ 311

	2011	2010
TOTAL FUND		
Net assets - beginning of year	\$ 1,024,260	\$ 890,752
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	(111,226)	31,667
Unitholders		
Proceeds from issue of units	1,010,612	390,224
Consideration paid for redemption of units	(449,114)	(287,193)
Securities issued on reinvestment of distributions	27,291	23,976
	588,789	127,007
Distributions to unitholders		
From net investment income	(28,769)	(25,166)
Return of capital	(25)	—
	(28,794)	(25,166)
Net assets - end of the year	\$ 1,473,029	\$ 1,024,260

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Financial Statements – Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	83,162,008	71,852,808
Issued	88,200,818	35,005,425
Redeemed	(38,625,215)	(23,696,225)
Outstanding, end of year	132,737,611	83,162,008
SERIES T		
Outstanding, beginning of year	31,365	—
Issued	68,446	31,370
Redeemed	(28,497)	(5)
Outstanding, end of year	71,314	31,365

Schedule of Soft dollar commissions

For the years ended December 31 (in \$000's)

	2011	2010
Soft dollar commissions	\$ 38	\$ 71

The term "soft dollar" is used to describe a widely accepted business practice by which the investment advisors receive various benefits from the broker through the course of a normal business relationship. Such benefits may be in the form of research or other materials that aid in the investment process, thus contributing to the long-term realization of returns for the unitholders.

Schedule of Securities on Loan

As at December 31 (in \$000's)

	2011	2010
Loaned	\$ 5,653	\$ 26,397
Collateral (non-cash)	\$ 5,940	\$ 27,155

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 11.12	\$ 12.32
Bid price adjustment	(0.03)	(0.01)
Net assets per unit	\$ 11.09	\$ 12.31
SERIES T		
Net asset value per unit	\$ 8.56	\$ 9.93
Bid price adjustment	(0.01)	(0.01)
Net assets per unit	\$ 8.55	\$ 9.92

Schedule of Fees

As at December 31

	2011
Maximum annualized advisory fee	
Series A	0.30%

Schedule of Tax Loss Carry Forwards

As at December 31 (in \$000's)

	2011
Net capital loss carried forward	\$ 67,752
Non-capital losses expiring:	
2012	\$ —
2013	—
in 2014 and thereafter	—
Total	\$ —

The Fund qualifies as a mutual fund trust under the provisions of the *Income Tax Act* (Canada) and, accordingly, is subject to tax on its income for the year, including net realized capital gains which is not paid or payable to its unitholders as at the end of the year. It is the intention of management that all annual net investment income and sufficient net realized taxable capital gains will be distributed to unitholders annually by December 31, such that there are no Canadian income taxes payable by the Funds, or that these are otherwise minimized.

As of the taxation year ended December 2011, the Fund has accumulated net realized capital losses and non-capital losses available for utilization against net realized gains or net income for tax purposes in future years. Capital losses have no expiry. Non-capital losses realized before 2004 can be carried forward for up to seven years. Non-capital losses realized in 2004 and 2005 can be carried forward for up to ten years. Non-capital losses realized in 2006 and after can be carried forward for up to twenty years. No benefit has been recorded by the Funds in their financial statements in respect of their unused losses as at December 31, 2011.

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM International Equity Pool (the "Pool") invests in a diversified portfolio of global equity securities as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. The Pool's exposure and sensitivity to these risks are presented below. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements.

Credit Risk

The Pool's credit risk is concentrated in investments in debt instruments and forward currency contracts. The Pool's maximum exposure to credit risk is the carrying value of short term investments as shown on the Statement of Net Assets. As at December 31, 2011 the forward and futures contracts were in an unrealized gain position of \$1,348 (December 31, 2010 - unrealized gain of \$nil), which is the amount that is subject to credit exposure. All forward contracts are with counterparties with credit ratings of A+ to AA-

As at December 31, 2011 and December 31, 2010, the Pool invested in preferred shares and short-term debt instruments with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
Debt Instruments		
AAA / R-1 (High)	—	1.9%
AA / R-1 (Mid)	0.9%	—
	0.9%	1.9%
Preferred Shares		
Unrated	1.0%	0.5%
Total	1.9%	2.4%

Currency Risk

Exposures to foreign currencies as at December 31, 2011 and December 31, 2010 are presented in the table below.

Currency	Cash and Other Net Assets (\$000s)	Invest- ments at Fair Value (\$000s)	Derivative Exposure (\$000s)	Net Currency Exposure (\$000s)	Percentage of Net Assets (%)
December 31, 2011					
U.S. Dollar	30,380	282,805	(175,918)	137,267	9.32%
European Euro	(662)	245,740	33,782	278,860	18.93%
Australian Dollar	451	65,616	31,796	97,863	6.64%
Brazilian Real	125	34,500	5,461	40,086	2.72%
British Pound	817	216,977	12,490	230,284	15.63%
Chilean Peso	—	—	12,767	12,767	0.87%
Colombian Peso	—	—	2,581	2,581	0.18%
Czech Koruna	—	—	1,009	1,009	0.07%
Danish Krone	21	13,248	(2,166)	11,103	0.75%
Hong Kong Dollar	(79)	99,230	(91,617)	7,534	0.51%
Hungarian Forint	—	—	859	859	0.06%
Indian Rupee	—	—	18,349	18,349	1.25%
Indonesian Rupiah	—	5,749	2,169	7,918	0.54%
Israeli Shekel	47	1,832	5,654	7,533	0.51%
Japanese Yen	503	258,918	(45,904)	213,517	14.50%
Malaysian Ringgit	31	5,947	3,175	9,153	0.62%
Mexican Peso	—	8,668	4,001	12,669	0.86%
New Russian Ruble	—	—	34,276	34,276	2.33%
New Taiwan Dollar	—	4,915	23,841	28,756	1.95%
New Turkish Lira	—	5,252	9,164	14,416	0.98%
New Zealand Dollar	—	1,352	233	1,585	0.11%
Norwegian Krone	—	8,005	13,026	21,031	1.43%
Peruvian Nuevo Sol	—	—	1,794	1,794	0.12%
Philippine Peso	—	—	1,716	1,716	0.12%
Polish Zloty	—	2,160	2,090	4,250	0.29%
Singapore Dollar	64	19,949	(333)	19,680	1.34%
South African Rand	—	20,717	997	21,714	1.47%
South Korean Won	—	11,853	35,882	47,735	3.24%
Swedish Krona	1	20,462	13,902	34,365	2.33%
Swiss Franc	869	79,117	14,996	94,982	6.45%
Thailand Baht	—	5,312	(462)	4,850	0.33%
Yuan Renminbi	—	—	50,043	50,043	3.40%
Total	32,568	1,418,324	19,653	1,470,545	99.85%

The accompanying notes are an integral part of these financial statements.

MDPIM International Equity Pool

Financial Instruments Risks

(in \$'000's)

Currency	Cash and Other Net Assets (\$'000s)	Investments at Fair Value (\$'000s)	Derivative Exposure (\$'000s)	Net Currency Exposure (\$'000s)	Percentage of Net Assets (%)
December 31, 2010					
U.S. Dollar	21,509	152,257	(117,177)	56,589	5.52%
European Euro	107	190,972	19,213	210,292	20.53%
Australian Dollar	—	55,345	12,934	68,279	6.67%
Brazilian Real	26	20,359	10,003	30,388	2.97%
British Pound	1,426	135,587	12,697	149,710	14.62%
Chilean Peso	—	—	3,247	3,247	0.32%
Colombian Peso	—	—	1,454	1,454	0.14%
Czech Koruna	—	1,813	(1,114)	699	0.07%
Danish Krone	—	8,274	(226)	8,048	0.79%
Hong Kong Dollar	146	65,302	(66,139)	(691)	-0.07%
Hungarian Forint	—	—	664	664	0.06%
Indian Rupee	—	—	14,820	14,820	1.45%
Indonesian Rupiah	10	4,713	12,710	17,433	1.70%
Israeli Shekel	—	—	5,997	5,997	0.59%
Japanese Yen	398	217,933	(60,888)	157,443	15.37%
Malaysian Ringgit	31	3,811	1,764	5,606	0.55%
Mexican Peso	—	5,107	3,741	8,848	0.86%
New Russian Ruble	—	—	19,932	19,932	1.95%
New Taiwan Dollar	9	4,689	17,285	21,983	2.15%
New Zealand Dollar	—	—	812	812	0.08%
Norwegian Krone	—	—	14,242	14,242	1.39%
Philippine Peso	—	—	822	822	0.08%
Peruvian Nuevo Sol	—	—	1,332	1,332	0.13%
Polish Zloty	—	—	3,159	3,159	0.31%
Singapore Dollar	235	21,484	(8,260)	13,459	1.31%
South African Rand	—	23,482	(8,031)	15,451	1.51%
South Korean Won	—	—	34,318	34,318	3.35%
Swedish Krona	—	6,473	23,715	30,188	2.95%
Swiss Franc	551	52,992	9,325	62,868	6.14%
Thailand Baht	—	3,164	73	3,237	0.32%
Turkish Lira	—	4,348	14,189	18,537	1.81%
Yuan Renminbi	—	—	43,597	43,597	4.26%
Total	24,448	978,105	20,210	1,022,763	99.88%

As at December 31, 2011, if the Canadian Dollar had strengthened against all other currencies by 10% then the Net Assets of the Pool could have decreased by approximately \$147,055 (December 31, 2010—\$102,276). Conversely, had the Canadian Dollar weakened against all other currencies by 10% then the Net Assets of the Pool could have increased by approximately \$147,055 (December 31, 2010—\$102,276). These sensitivities are estimates, actual results may vary and the variance may be material.

Interest Rate Risk

The majority of the Pool's financial assets are non-interest bearing. The maturity dates of the interest bearing assets held by the Pool are less than 1 year. Therefore, the Pool's exposure to interest rate risk is not significant.

Other Price Risk

As at December 31, 2011, 96.3% (December 31, 2010—95.5%) of the Pool's Net Assets were invested in equity financial instruments traded in active markets. If prices of securities traded on these markets decrease by 10%, with all other factors remaining constant, Net Assets could fall by approximately \$141,832 (December 31, 2010—\$97,811). Conversely, if prices increase by 10%, Net Assets could rise by approximately \$141,832 (December 31, 2010—\$97,811). These sensitivities are estimates, actual results may vary, and the variance may be significant.

Fair Value Hierarchy

The following is a summary of MDPIM International Equity Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Equities	\$ 2,088	\$ —	\$ 2,088
Foreign Equities	1,416,234	—	1,416,234
	1,418,322	—	1,418,322
Cash and Short-Term Investments	36,727	13,393	50,120
Derivative Instruments	247	1,101	1,348
Total	\$ 1,455,296	\$ 14,494	\$ 1,469,790
December 31, 2010			
Foreign Equities	\$ 978,107	\$ —	\$ 978,107
Cash and Short-Term Investments	19,847	19,074	38,921
Derivative Instruments	220	2,638	2,858
Total	\$ 998,174	\$ 21,712	\$ 1,019,886

*MDPIM International Equity Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2011 to December 31, 2011 and from January 1, 2010 to December 31, 2010.

Effective April 30, 2010, the Pool subscribes to the services of a third-party valuation service provider to provide fair value adjustments, where applicable, to the prices of foreign securities due to changes in the value of securities in North American markets following the closure of the foreign markets. The parameters used to apply the fair value adjustments are based on observable market data, and as such, the foreign securities are considered Level 2 priced securities.

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Long Term Bond Pool

Statement of Investment Portfolio as at December 31, 2011

(in \$000's except for number of shares)

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Domestic Bonds					
Asset Backed Securities (3.16%)					
Golden Credit Card Trust	1/15/16	3.51%	3,830	3,830	4,000
NHA Mortgage Backed Securities	2/1/21	3.12%	4,923	5,027	4,962
NHA Mortgage Backed Securities	2/1/20	3.25%	3,128	3,023	3,252
NHA Mortgage Backed Securities	2/1/20	3.35%	5,578	5,481	5,840
Total for Asset Backed Securities			17,459	17,361	18,054
Corporate Bonds (31.25%)					
American Express Canada Credit Corp.	1/6/14	2.25%	3,000	3,000	2,992
Arrow Lakes Power	4/5/41	5.52%	5,000	5,000	5,790
Bank of Montreal	2/28/23	6.17%	1,000	1,121	1,166
BC Gas, Inc.	1/30/16	10.30%	2,100	2,860	2,824
Caisse Centrale Desjardins de Quebec	1/5/17	3.50%	1,560	1,560	1,613
Canadian Imperial Bank of Commerce	1/14/16	3.40%	660	660	687
Canadian Imperial Bank of Commerce	3/1/20	4.11%	5,000	5,267	5,235
Canadian Western Bank	1/26/13	1.98%	3,100	3,100	3,090
Capital Desjardins Inc.	2/23/20	3.80%	4,000	4,000	4,077
Chip Mortgage Trust	1/1/16	3.97%	1,700	1,700	1,777
CU Inc.	3/20/36	5.03%	5,000	5,371	5,746
Enbridge Gas Distribution Inc.	5/22/50	4.95%	15,000	15,287	17,568
Enbridge Pipelines Inc.	1/19/18	6.62%	250	289	312
Fairfax Financial Holdings Limited	2/25/21	6.40%	2,750	2,739	2,782
First Capital Realty Inc.	3/1/20	5.60%	3,900	3,975	4,092
Greater Toronto Airports Authority	1/17/18	5.26%	4,100	4,478	4,710
Greater Toronto Airports Authority	4/25/41	5.30%	10,000	9,997	11,762
Greater Toronto Airports Authority	3/12/30	7.05%	2,000	2,532	2,713
Health Montreal Collective LP	4/30/49	6.72%	10,000	10,000	11,519
HSBC Bank Canada	1/4/17	3.56%	4,100	4,086	4,251
Hydro One Inc.	3/20/36	5.36%	3,000	3,172	3,618
Hydro One Inc.	4/16/40	5.49%	5,000	5,792	6,235
Integrated Team Solutions					
SJHC Partnership	4/30/42	5.95%	5,000	5,000	5,785
Manulife Financial Corporation	1/8/19	7.77%	3,000	3,614	3,567
Master Credit Card Trust	1/21/16	3.50%	4,000	4,000	4,176
National Bank of Canada	1/26/16	3.58%	3,100	3,100	3,237
NAV Canada	2/1/27	7.56%	4,230	5,295	5,498
Plenary Properties LTAP LP	5/1/44	6.29%	10,000	10,583	12,257
RioCan Real Estate Investment Trust	1/21/16	4.50%	200	206	206
Rogers Communications, Inc.	4/22/41	6.56%	7,000	7,000	8,004
Royal Bank of Canada	1/15/14	1.63%	4,200	4,200	4,174
Shaw Communications Inc.	3/9/39	6.75%	6,000	5,843	6,252
Teranet Holdings LP	4/17/40	5.75%	10,000	10,000	10,503
Teranet Holdings LP	4/17/41	6.10%	5,600	5,598	6,153
The Toronto-Dominion Bank	2/9/23	5.83%	4,000	4,478	4,608
Total for Corporate Bonds			158,550	164,903	178,979
Government of Canada Bonds (10.51%)					
Government of Canada	1/1/16	2.00%	890	913	919
Government of Canada	4/1/41	4.00%	32,990	40,170	43,305
Government of Canada	2/1/23	8.00%	10,000	15,542	15,988
Total for Government of Canada Bonds			43,880	56,625	60,212

	Maturity Date	Yield %	Maturity Value or Principal Amount (\$)	Average Cost (\$)	Fair Value (\$)
Municipal Bonds (1.60%)					
Regional Municipality of York	1/29/19	5.00%	8,000	8,817	9,190
Total for Municipal Bonds			8,000	8,817	9,190
Provincial Bonds (51.45%)					
New Brunswick FM Project Inc.	3/2/27	6.47%	7,685	9,410	9,626
Province of Ontario	2/2/20	4.20%	54,080	58,974	60,361
Province of Ontario	4/2/41	4.65%	66,930	77,912	82,372
Province of Ontario	2/8/29	6.50%	5,650	7,002	8,023
Province of Quebec	2/1/20	4.50%	50,890	56,453	57,683
Province of Quebec	4/1/41	5.00%	60,240	70,855	76,616
Total for Provincials Bonds			245,475	280,606	294,681
Total for Domestic Bonds (97.97%)			473,364	528,312	561,116
Foreign Bonds					
Australia (1.14%)					
Commonwealth Bank of Australia	2/9/20	5.15%	5,000	5,220	5,304
National Australia Bank Limited	1/20/15	4.19%	1,200	1,211	1,251
Total for Australia			6,200	6,431	6,555
Norway (0.57%)					
Kommunalbanken AS	2/27/21	3.74%	3,100	3,099	3,260
Total for Norway			3,100	3,099	3,260
South Korea (0.32%)					
Korea Gas Corporation	1/12/16	4.58%	1,770	1,770	1,837
Total for South Korea			1,770	1,770	1,837
Total for Foreign Bonds (2.03%)			11,070	11,300	11,652
Total for MD Bond Fund (100.00%)			\$484,434	\$539,612	\$572,768

Percentages shown in brackets relate investments at fair value to total fair value of investments of the Fund. The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Long Term Bond Pool

Financial Statements

Statement of Net Assets

as at December 31

(in \$000's except for units outstanding and per unit amounts)

	2011	2010
Assets		
Investments, at fair value	\$ 572,768	\$ 492,374
Cash and short-term investments	96,366	97,214
Interest receivable	3,313	2,429
Other receivable	—	1
Subscriptions receivable	342	913
	672,789	592,931
Liabilities		
Redemptions payable	7	68
Net assets and unitholders' equity	\$ 672,782	\$ 592,863
Number of units outstanding (see Schedule of Fund Unit Transactions)		
	59,938,305	57,744,711
Net assets per unit (see Schedule of Net Assets per Unit and Net Asset Value per Unit)		
	\$ 11.22	\$ 10.27

Approved by the Board of Directors of MD Physician Services Inc., Trustee



Director (signed by Guy Bélanger)



Director (signed by Brian Peters)

Statement of Operations

for the years ended December 31

(in \$000's except for per unit amounts)

	2011	2010
Income		
Interest	\$ 26,802	\$ 5,922
	26,802	5,922
Expenses		
Regulatory filing fees	34	16
Audit fees	8	17
Custodial fees	66	17
Securityholder reporting costs	18	24
Administration charges	451	74
Independent Review Committee (IRC) fees	2	2
Operating expenses absorbed by the Fund Manager (Note 3)	(579)	(150)
	—	—
Net investment income (loss)	\$ 26,802	\$ 5,922
Realized and unrealized gain (loss) on investments and transaction costs		
Net realized gain (loss) on sale of investments	\$ 37,337	\$ 1,029
Change in unrealized appreciation (depreciation) of investments and derivatives	31,837	1,319
Net gain (loss) on investments	\$ 69,174	\$ 2,348
Increase (decrease) in net assets from operations	\$ 95,976	\$ 8,270
Increase (decrease) in net assets from operations per unit, for the period	\$ 1.50	\$ 0.28

Statement of Changes in Net Assets

for the years ended December 31 (in \$000's)

	2011	2010
SERIES A		
Net assets - beginning of year	\$ 592,863	\$ —
Add (deduct) changes during the year:		
Operations		
Increase (decrease) in net assets from operations	95,976	8,270
Unitholders		
Proceeds from issue of units	420,331	622,535
Consideration paid for redemption of units	(434,413)	(37,611)
Securities issued on reinvestment of distributions	34,095	6,423
	20,013	591,347
Distributions to unitholders		
From net investment income	(26,658)	(5,004)
From net realized gains on investments	(9,412)	(1,750)
	(36,070)	(6,754)
Net assets - end of the year	\$ 672,782	\$ 592,863

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Long Term Bond Pool

Financial Statements - Supplementary Schedules

Schedule of Fund Unit Transactions

For the years ended December 31

	2011	2010
SERIES A		
Outstanding, beginning of year	57,744,711	—
Issued	43,061,063	61,386,385
Redeemed	(40,867,469)	(3,641,674)
Outstanding, end of year	59,938,305	57,744,711

Schedule of Net Assets per Unit and Net Asset Value per Unit

As at December 31

	2011	2010
SERIES A		
Net asset value per unit	\$ 11.24	\$ 10.28
Bid price adjustment	(0.02)	(0.01)
Net assets per unit	\$ 11.22	\$ 10.27

The accompanying notes are an integral part of these financial statements.

MDPIM Canadian Long Term Bond Pool

Financial Instruments Risks

(in \$000's)

Financial Instruments

MDPIM Canadian Long Term Bond Pool (the "Pool") invests in Government of Canada, provincial, municipal, corporate, asset-backed and foreign bonds with short- to mid-terms to maturity as shown in the Statement of Investment Portfolio. The Pool invests excess cash in high grade short-term notes with maturities of less than 1 year. These investments expose the Pool to risks associated with financial instruments. A description of the risks and how the Pool manages these risks is discussed in Note 5 of the Notes to the Financial Statements. The Pool's significant exposure and sensitivity to each risk is presented below.

Credit Risk

The Pool's credit risk is concentrated in investments in debt instruments and forward currency contracts. The Pool's maximum exposure to credit risk is the carrying value of domestic and foreign bonds presented on the Statement of Investment Portfolio as well as the cash and short-term investments presented on the Statement of Net Assets which are invested in overnight deposits at schedule one chartered banks.

As at December 31, 2011 and December 31, 2010 the Pool invested in debt instruments with the following credit ratings:

Credit Rating	% of Net Assets December 31, 2011	% of Net Assets December 31, 2010
AAA / R-1 (High)	28.1%	59.7%
AA / R-1 (Mid)	29.0%	15.1%
A / R-1 (Low)	34.9%	16.1%
BBB	7.4%	7.1%
Unrated	—	1.4%
Total	99.4%	99.4%

All credit ratings are from external credit rating agencies such as Dominion Bond Rating Service, Standard & Poor's and Moody's.

Currency Risk

The Pool does not have assets or liabilities denominated in foreign currencies and therefore does not have material exposure to currency risk.

Interest Rate Risk

The Pool's exposure to interest rate risk was concentrated in investments in domestic and foreign bonds presented in the Statement of Investment Portfolio. The amounts of these investments by term to maturity are presented in the table below. In general, longer terms to maturity result in increased interest rate risk.

The sensitivity represents the expected impact to Net Assets if interest rates for all maturities fluctuate by 25 basis points. If interest rates rise, Net Assets will decrease by the amount shown, conversely, if interest rates fall, Net Assets will increase by the amount shown. These sensitivities are estimates, actual results may vary and the variance may be significant.

As at December 31, 2011 and December 31, 2010 the Pool's exposures to debt instruments by maturity are presented in the table below:

Debt instruments by Maturity Date	December 31, 2011		December 31, 2010	
	Fair Value (\$000s)	Percentage (%)	Fair Value (\$000s)	Percentage (%)
1 to 4 years	11,507	1.7%	21,153	3.6%
4 to 7 years	28,771	4.3%	33,258	5.6%
7 to 9 years	158,601	23.6%	149,530	25.2%
9 to 12 years	11,004	1.6%	5,580	0.9%
12 to 20 years	47,623	7.1%	29,438	5.0%
More than 20 years	315,262	46.9%	253,413	42.7%
Total	572,768	85.2%	492,372	83.1%
Sensitivity (+/-)	14,706	2.2%	12,568	2.1%

* Excludes cash and short-term investments, as applicable.

Other Price Risk

The Pool does not hold equity securities and therefore does not have significant exposure to other price risk.

Fair Value Hierarchy

The following is a summary of MD Canadian Long Term Bond Pool's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Pool's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total*
December 31, 2011			
Domestic Bonds	\$ —	\$ 561,116	\$ 561,116
Foreign Bonds	—	11,652	11,652
	—	572,768	572,768
Cash and Short-Term Investments	708	95,658	96,366
Total	\$ 708	\$ 668,426	\$ 669,134
December 31, 2010			
Domestic Bonds	\$ —	\$ 485,840	\$ 485,840
Foreign Bonds	—	6,534	6,534
	—	492,374	492,374
Cash and Short-Term Investments	24	97,190	97,214
Total	\$ 24	\$ 589,564	\$ 589,588

*MDPIM Canadian Long Term Bond Pool does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the period January 1, 2011 to December 31, 2011 and from March 24, 2010 to December 31, 2010.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

1. Name and formation of the Funds

Establishment of the Funds

The MDPIIM Pooled Funds (individually a “Fund” and collectively the “Funds”) are unincorporated mutual fund trusts formed under the laws of the Province of Ontario pursuant to the Declarations of Trust dated as follows:

	Series A Units	Series T Units	Private Trust Series
MDPIIM Canadian Bond Pool	December 6, 2002		
MDPIIM Dividend Pool	January 4, 2007	October 25, 2010	
MDPIIM Canadian Equity Pool	June 16, 1999	October 25, 2010	August 9, 2000
MDPIIM US Equity Pool	August 6, 1999	October 25, 2010	August 9, 2000
MDPIIM International Equity Pool	December 6, 2002	October 25, 2010	
MDPIIM Canadian Long Term Bond Pool	March 24, 2010		

On March 24, 2010, MD Private Trust launched a new fund, the Canadian Long Term Bond Pool.

Effective June 2, 2010, MD Private Trust Company resigned as Manager and Trustee of the Funds. MD Physician Services Inc. was appointed as the Manager and Trustee of the Funds (the “Manager”) as of the same date.

The Statement of Investment Portfolio, Schedule of Tax Loss Carry Forwards and Schedule of Fees for each of the Funds are as at December 31, 2011. The Statement of Net Assets, Schedule of Net Assets per Unit and Net Asset Value per Unit and Schedule of Securities on Loan are as at December 31, 2011 and December 31, 2010. The Statement of Operations, Statement of Changes in Net Assets, Schedule of Fund Unit Transactions and Schedule of Soft Dollar Commissions are for the years ended December 31, 2011 and December 31, 2010, except for the Funds established during either year, in which case the information provided relates to the period from inception to December 31, 2011 or to December 31, 2010. The Financial instrument risks for each of the Funds are as at December 31, 2011 and December 31, 2010.

Series of units

All MDPIIM Pooled Funds offer either “Private Trust Series” or “Series A” units which may be purchased by either MD Private Investment Counsel (an operating division of MD Physician Services Inc.) or MD Private Trust Company clients who have appointed MD Private Investment Counsel to provide discretionary portfolio management services and advice to them or MD Private Trust Company to provide trust services.

The MDPIIM Canadian Equity Pool and MDPIIM US Equity Pool “Series A” units are available to all qualified investors. These units are closed to new subscribers. Investors holding “Series A” units of these Funds are allowed to hold their units, as well as subscribe for additional “Series A” units of the Funds.

On November 22, 2010, “Series T” units were established in order to support a new tax-efficient investment solution for clients. The series T units will generate steady tax-efficient cash flow that does not increase taxable income or impact certain benefits such as Old Age Security.

2. Significant accounting policies

The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). Significant accounting policies followed by the Funds are as follows:

Accounting estimates

The preparation of financial statements in accordance with GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expense during the reporting periods. Actual results could differ from those estimates.

Investments - valuation

CICA Handbook – Accounting Section 3855, “Financial Instruments – Recognition and Measurement” (“Section 3855”), requires the fair value of financial instruments traded in active markets to be measured based on a security’s bid price. The net asset value calculated in accordance with Section 3855 is referred to as “Net Assets” going forward.

In accordance with Section 3855, investments are categorized as held for trading and are recorded at fair value. In the case of securities traded in an active market, fair value is the latest bid price provided by independent pricing services. In the case of investments not traded in an active market, or for those securities for which the Manager feels the latest market prices are not reliable, fair value is estimated based on valuation techniques established by the Manager. Valuation techniques established by the Manager are based on observable market data except in situations where there is no relevant or reliable market data. The value of securities estimated using valuation techniques not based on observable market data, if any, is disclosed in the Financial Instruments Risks section of the financial statements.

Cash and short-term investments

Cash is comprised of cash on deposit and short-term investments are comprised of short-term debt instruments with terms to maturity of less than one year at acquisition. These are measured at fair value upon initial recognition, and are held at amortized cost, which approximates fair value. Cash and short-term investments include foreign cash and foreign short-term investments.

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

Investment transactions, income recognition and transaction costs

Investment transactions are recorded on the trade date. Income from investments is recognized on an accrual basis. Interest income and estimated expenses are accrued daily. Dividend income and distributions to unitholders are recorded on the ex-dividend date. Realized gains or losses from investment transactions and the unrealized appreciation or depreciation of investments are computed on an average cost basis, which excludes brokerage commissions and other trading expenses. Brokerage commissions and other trading expenses are charged to income as incurred.

All income, realized and unrealized gains (losses) and transaction costs are attributable to investments and derivatives, which are categorized as held for trading.

Other assets and liabilities

Other assets such as accrued interest and dividends receivable, accounts receivable for investment transactions, subscriptions receivable, and amounts receivable for securities lending transactions are categorized as loans and receivables and are recorded at cost. Other liabilities such as accrued expenses, income taxes payable, distributions payable, accounts payable for investment transactions and redemptions payable are categorized as financial liabilities and are measured at cost, which closely approximates their fair value.

Foreign exchange

Investments and other assets and liabilities denominated in foreign currencies are translated into Canadian Dollars at the rate of exchange prevailing on each valuation date. Transactions during the year in currencies other than Canadian Dollars are translated into Canadian Dollars at the rate of exchange prevailing on the trade date of the transaction. The difference in the foreign exchange rate between trade date and settlement date of a transaction is recognized in income on the Statement of Operations. The Funds do not separately report the effects of changes in foreign exchange rates from changes in the valuation of securities held. Such changes are included in net gain (loss) on investments.

Forward currency contracts

The Funds may enter into forward currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities. Investments in forward currency contracts are entered into with approved counterparties and are recorded at fair value.

On a daily basis, the value of these contracts is the gain or loss that would be realized if the positions were to be closed out and is recorded in "Change in unrealized appreciation (depreciation) of investments and derivatives". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on sale of derivative instruments." Unrealized gains (losses) on forward currency contracts are categorized as financial assets (liabilities) held for trading.

The contractual amounts of open contracts are disclosed in the Statement of Investment Portfolio as the Schedule of Derivative Instruments.

Futures contracts

Futures contracts are valued on each valuation day using the bid/ask price posted on the related public exchange. All gains or losses arising from futures contracts are recorded as part of "Change in unrealized appreciation (depreciation) of investments and derivatives" in the Statements of Operations until the contracts are closed out or expire, at which time the gains (losses) are realized and reported as "Realized gain (loss) on investments" in the Statements of Operations.

Unit valuation

The Funds' units are offered for sale on any business day and may be redeemed or issued at the Net Asset Value (NAV) per unit for the respective series on that business day. A business day refers to any day the Toronto Stock Exchange is open for business. The Net Asset Value for each series is computed daily by calculating the value of that series' proportionate share of net assets and liabilities of the Fund common to all series less liabilities attributable to that series. Expenses directly attributable to a series are charged to that series. Assets, common liabilities, revenues and other expenses are allocated proportionately to each series based upon the relative Net Asset Values of each series. The Net Asset Value per unit is determined by dividing the NAV of each series of a fund by the total number of that units of that series outstanding.

Section 14.2 of National Instrument 81-106, "Investment Fund Continuous Disclosure" ("NI81-106") issued by the Canadian Securities Administration ("CSA") requires an investment fund to calculate the daily net asset value for the purchase and redemption of units based on the fair value of the investment fund's assets and liabilities ("Net Asset Value"). For these purposes, the Funds use the closing market prices to value securities held.

The Net Asset Value differs from Net Assets calculated in accordance with Section 3855 presented on the financial statements. A comparison between the Net Asset Value per unit and the Net Assets per unit is disclosed in the Schedule of Net Assets per Unit and Net Asset Value per unit.

Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit in the Statement of Operations represents the increase or decrease in net assets from operations attributable to the series of units for the period, divided by the average units outstanding in that series during the period.

Securities lending transactions

A Fund may lend portfolio securities to earn additional income through a securities lending agreement with its custodian. The aggregate fair value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund receives

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

collateral in the form of cash and/or securities deemed acceptable under National Instrument 81-102 ("NI81-102") of at least 102% of the value of securities on loan.

Income from securities lending is recorded as "Securities lending" on a monthly basis when it is receivable. Securities lending details are listed in the Schedule of Securities on Loan included in the supplementary schedules to the financial statements.

Future Accounting Changes

On December 12, 2011, the Canadian Accounting Standards Board (AcSB) announced an IFRS deferral option for most investment funds until fiscal years beginning on or after January 1, 2014. Accordingly, the MD PIM Pooled Funds will adopt IFRS for the fiscal period beginning January 1, 2013, and will issue their initial financial statements in accordance with IFRS, including comparative information, for the interim period ending June 30, 2014.

MD Physician Services Inc. continues to monitor and assess the impact of the transition to IFRS on Net Assets and Net Asset Value. MD Physician Services Inc. expects that the IFRS implementation on the MD PIM Pooled funds' financial statements will result in additional disclosure and potentially different presentation of unitholder interests and certain other items.

3. Management fees and other fees and expenses

The management fees are unique to each MD PIM Fund and, in the case of MD PIM Canadian Equity Pool and MD PIM US Equity Pool, are unique to each series of units of each such Fund.

Since June 2, 2010, MD Physician Services Inc. (MDPSI) provides the Series A unitholders of MD PIM Canadian Equity Pool and MD PIM US Equity Pool with investment management and administrative services. In return, MDPSI receives a management fee based on the Net Asset Value of the Series A units of the Funds calculated on a daily basis and paid weekly. Management fees are listed in the Schedule of Fees included in the supplementary schedules to the financial statements. Prior to June 2, 2010, these services were received from and the management fee paid to MD Private Trust Company.

No management fees are charged in respect of units of MD PIM International Equity Pool, MD PIM Canadian Long Term Bond Pool, MD PIM Canadian Bond Pool, and MD PIM Dividend Pool, and the Private Trust Series units or Series T of MD PIM Canadian Equity Pool and MD PIM US equity Pool. Investors in these units and series of units have agreed to pay fees directly to MD Private Investment Counsel (an operating division of MD Physician Services Inc.) or MD Private Trust Company based on assets under management. These fees are charged directly to each unitholder to a maximum rate of 1.00% per annum plus custodial fees.

Operating expenses are charged directly to each series based on assets under management and are absorbed at the discretion of the Fund manager.

MD PIM International Equity Pool is responsible for the payment of an advisory fee charged by the Fund's advisor. The Manager absorbs a portion of this advisory fee, and as a result the Fund is responsible for the payment of a portion of the fee charged, which varies in the range of 0.20% to 0.30% of the Net Asset Value. The fee charged may vary and may decrease as the Fund increases in size.

Each Pool fund pays for all operating expenses which relate to those particular series of Funds. Operating expenses include, but are not limited to, brokerage fees on the buying and selling of securities, securities commission fees, transaction costs, audit fees, sales taxes, custodial fees, IRC fees and expenses, taxes, issue costs, all expenses related to the prospectus and to meetings of unitholders as well as Fund servicing costs. Operating expenses which relate to this series of units as a whole are proportionately allocated among those Funds to which they relate. The Manager of the Funds can, at any time, waive or absorb any operating expense for which the Fund is responsible.

Short-term trading/early redemption fee

Clients who redeem or switch units of an MD PIM Pool Fund are charged an early redemption fee equal to 2.00% of the amount redeemed or switched if the redemption or switch occurs within sixty (60) days of the date that the units were purchased or switched.

The early redemption fee does not apply to redemptions or switches:

- ▶ made in connection with any systematic and scheduled withdrawal program;
- ▶ where the amount of the redemption or switch is less than \$10,000;
- ▶ made as a result of the recommendation of your MD advisor related to a financial plan

4. Capital units

The Funds' capital is represented by an unlimited number of authorized units without nominal or par value. All series of units are redeemable on demand by unitholders at the respective Net Asset Value of that series. Each unit entitles the unitholder to one vote at unitholder meetings and participates equally, with respect to other units of the same series, in any dividends or distributions, liquidation or other rights of that series.

The relevant movements in capital for the period have been presented in the Statements of Changes in Net Assets. The Funds invest capital from subscriptions in financial instruments in accordance with the policies and risk management practices of the Funds, while maintaining sufficient liquidity to meet unitholder redemptions. The Funds' investment policies are set out in the prospectus and the risk management and liquidity management practices are disclosed in Note 5.

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

5. Financial Instrument Risk

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in their respective Statement of Investment Portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Fund advisors' performance and compliance with the investment policies.

The significant financial instrument risks to which the Funds are exposed, along with the specific risk management practices related to those risks, are presented below. Fund specific disclosures are presented in the Financial Risk Supplement attached to the Statement of Investment Portfolio.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will not honour their obligation under the terms of the instrument, resulting in a loss of capital. The Funds are exposed to credit risk through domestic and foreign bonds, derivative contracts, short-term debt investments, amounts due from brokers, dividends and interest receivable and other receivables. A Fund may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in the Canadian Securities Legislation. Collateral held is in the form of highly rated fixed-income instruments. All securities under lending agreements are fully collateralized. In addition, the Fund custodian has indemnified the funds from borrower default.

Credit risks arising from fixed income securities, including bonds and preferred shares, are generally limited to the fair value of the investments as shown in the Statement of Investment Portfolio. The Funds limit exposure to individual issuers/sectors and credit quality levels. The creditworthiness of issuers in which the Funds invest are reviewed regularly, and the portfolios are adjusted as required to match the minimum requirement as set forth in each Fund's prospectus. Each individual Fund's exposure to credit risk, if any, is presented in the Financial Instruments Risks section attached to the Financial Statements.

Credit risks arising from short-term debt investments are limited to the carrying value of cash equivalents as shown on the Statement of Net Assets. The Funds manage credit risk on short-term debt by investing in high grade short-term notes with credit ratings of R-1 (low) or higher as well as limiting exposure to any single issuer.

Derivative contracts are subject to netting arrangements whereby, if one party to a derivative contract defaults, all amounts with the counterparty are terminated and settled on

a net basis. As such, the maximum credit loss on derivative contracts is the unrealized gain shown in the Schedule of Derivative Instruments, or nil if the contract is in a loss position. Each of the Funds manages credit risk on derivatives by only entering into agreements with counterparties that have an approved credit rating as defined in NI81-102. The total unrealized gain (loss) of the derivative contract cannot exceed 10% of the Fund's Net Asset Value. Credit risk on amounts due from brokers is minimal since transactions are settled through clearinghouses where securities are only delivered for payment when cash is received.

Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In addition, the Funds' units are redeemable on demand. In accordance with NI81-102, the Funds must provide payment for redeemed units within three business days of receipt of a redemption order. To manage this liquidity requirement, the Funds invest primarily in liquid securities that can readily be sold in active markets and each Fund may borrow up to 5% of its Net Asset Value. During the period, no Fund borrowed against its respective line of credit.

Currency Risk

Currency risk is the risk that the values of financial assets and liabilities denominated in foreign currencies fluctuate due to changes in foreign exchange rates. The Funds are exposed to currency risk to the extent that the Funds hold assets and liabilities denominated in foreign currencies. The Fund may also use forward contracts at the discretion of the Manager. Each individual Fund's exposure to currency risk, if any, is presented in the Financial Instruments Risk section of the financial statements.

Interest Rate Risk

Interest rate risk is the risk that the fair value (measured as the present value) of cash flows associated with interest-bearing financial instruments will fluctuate due to changes in the prevailing market rates of interest. In general as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

The Funds' interest bearing financial instruments that subject the Funds to interest rate risk include domestic and foreign bonds; asset backed securities and collateralized mortgage obligations. Short-term money market instruments are also interest bearing and therefore subject to interest rate risk. However, due to the short-term nature of the securities, the interest rate risk is generally not significant.

Interest rate risk management practices employed by the Funds include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses.

Notes to Financial Statements

For the years ended December 31, 2011 and 2010

Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains. Each individual Fund's exposure to interest rate risk, if any, is presented in the Financial Instruments Risk section of the financial statements.

Other Price Risk

Other price risk is the risk that the fair value of financial instruments may decline because of changes in market prices of the financial instruments, other than declines due to interest rate risk and currency risk. Other price risk stems from financial instruments' sensitivity to changes in the overall market (market risk) as well as factors specific to the individual financial instrument. Other price risk attributable to individual investments is managed through diversification of the portfolio, security selection and adjustments to fair value when there is significant volatility in international markets after markets are closed. Other price risk attributable to the general market is systematic and cannot be diversified away.

The maximum loss due to other price risk is limited to the fair value of the equity investments presented on the Statement of Investment Portfolio. Each individual Fund's exposure to other price risk, if any, is presented in the Financial Instrument Risks attached to the Financial Statements.

Details of each Fund's exposure to financial instruments risks including fair value hierarchy classification are available in the "Financial Instruments Risk" section of the financial statements of each Fund.

6. Fair value measurement

The Funds classify fair value measurements within a hierarchy that prioritizes the inputs to Funds' valuation techniques used in measuring fair value. Under these provisions, an entity is required to classify each financial instrument into one of three fair value levels as follows:

Level 1 - for unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - for inputs that are based on unobservable market data.

The classification of a financial instrument is based on the lowest level of input that is significant to the determination of fair value.

The extent of Funds' use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of securities is summarized in each Fund's "Financial Instrument Risks" section of the financial statements.



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