

MDPIM Dividend Pool

Management Report of Fund Performance (December 31, 2011)

Series A and Series T units of this Pool are offered for sale to discretionary, managed account clients only.

Investment Objectives and Strategies

The MDPIM Dividend Pool (the "Pool") seeks to produce a high level of consistent income while providing long-term capital appreciation. The Pool invests in primarily high-quality, dividend-producing common shares, preferred shares, income trusts and other income-producing domestic securities. The Investment Advisor may move up to 25% of the Pool's net assets into cash if adverse market conditions exist. The Pool may not invest in companies that manufacture tobacco or tobacco-related products.

The Pool's Investment Advisor, Bissett Investment Management (Bissett), a division of Franklin Templeton Investments Corp., attempts to buy a stock before its price accelerates beyond the company's earning capabilities. They apply a "bottom-up" research approach to identify companies with a history of sustainable, replicable growth.

MD Private Trust Company advises the Pool as it relates to cash reserves and utilizes the sub-advisory services of Mackenzie Financial Corporation - Mackenzie Sentinel investment team.

Risk

At times, a portfolio can be subject to any number of investment risks. The risk levels associated with the Pool have not changed since its inception. Descriptions of the investment risks associated with this Pool are detailed in the Simplified Prospectus.

Results of Operations

As part of our investment management discipline, we carefully select, combine and monitor the Investment Advisors to ensure the investment performance remains consistent with the long-term objectives of the Pool.

As of December 31, 2011, the Pool's asset allocation was 89% in dividend producing common equities, 3% preferred equities and 2% real estate income trusts, and the remainder in cash and cash equivalents.

For the year ended December 31, 2011, the Pool's Series A units returned 3.5%. On a relative basis Canadian equities declined significantly in the third quarter of 2011 amid renewed uncertainties surrounding the sustainability of the world economic recovery and concern over the European sovereign debt crisis. Canadian equities remained volatile through to the end of 2011.

The Pool's high dividend yield mandate was the primary source of positive returns for the year. During 2011, as compared to fixed income, dividend paying stocks were providing higher yields. Investors seeking higher yields were willing to pay a premium, as a result providing support to prices. In addition, equities paying higher yields were able to mitigate a portion of the volatility through dividend payments.

Consistent with its yield seeking investment mandate, the Pool maintained an average exposure of 40% to the Financials sector, while having no exposure to the Information Technology sector. Out of the nine industrial sectors represented in the portfolio, the Financials and Energy sectors received on average the highest portfolio weighting, while the Health Care and Consumer Staples sectors received the lowest allocation. As a result of Energy having the second largest weight in the Pool and Telecoms outperforming all other sectors in the Pool, both Energy and Telecoms contributed the majority of positive returns. The Consumer Discretionary, Health Care, Industrials, and Materials contributed negatively to the Pool.

At December 31, 2011 the total net asset value of the Pool was \$580 million, an increase of 44% from the previous year. The growth in net assets was largely attributable to the increase in contributions to the Pool and from positive contributions from the results of operations of the Pool. Revenues were higher as a result of increased dividend income over the previous year.

Recent Developments

Strategic Changes

There were no strategic changes to the Pool throughout the year. Overall, the Investment Advisor has adhered to their investment disciplines and we are confident that their portfolio management strategies will achieve the long-term objectives of the Pool.

Related Party Transactions

MD Physician Services Inc. is the Manager, Registrar and Trustee of the Pools. As Manager, MD Physician Services Inc. manages the overall business of the MDPIM Pools and is responsible for; setting investment objectives, providing and/or retaining the services of third party service providers for fund accounting services, administration services, and promoting the sales of the Pool's units.

As Registrar, MD Physician Services Inc. keeps track of the owners of units of the MDPIM Pools and processes purchase, transfer and redemption orders, issues investor account statements, and issues annual tax reporting information.

As the Pool is organized as a Trust, investing in the Pool means purchasing units of the Trust. As Trustee to the Pool, MD Physician Services Inc. holds actual title to the property in the Pool—the cash and securities the Pool invests in—on behalf of the unitholders.

The principal distributor is MD Management Limited. As principal distributor, units of the MDPIM Pools are only available through MD Management Limited to clients of MD Private Trust Company or discretionary account clients of MD Physician Services Inc.

MD Management Limited and MD Private Trust Company are owned by the Pool's Manager, MD Physician Services Inc., which is owned by CMA Holdings (2009) Inc.

Disclosure

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 1 800 267-2332, by writing to us at MD Physician Services Inc., 1870 Alta Vista Drive, Ottawa, Ontario, K1G 6R7, or by visiting our website at md.cma.ca or SEDAR 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.



MDPIM Dividend Pool

Management Report of Fund Performance (December 31, 2011)

Management Fees

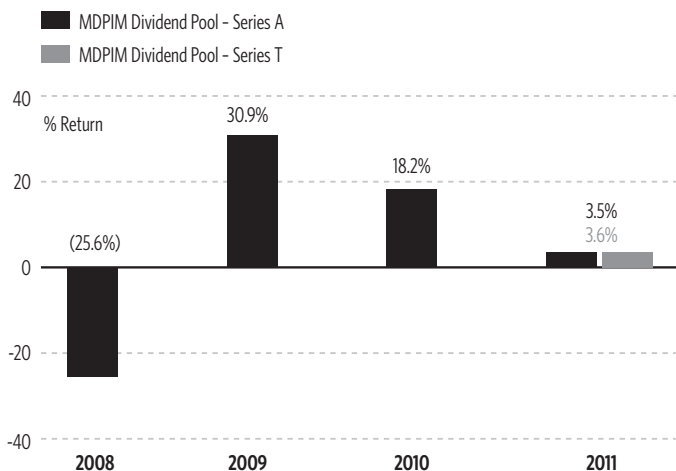
No management fee is charged in respect of units of MDPIM Dividend Pool. Investors in these units have agreed to pay a managed account fee directly to MD Physician Services Inc. See the information specific to the Pool included in Part B of the Simplified Prospectus.

Past Performance

The following bar chart shows the Pool's annual performance for the years shown, and illustrates how the Pool's performance changed over time. The chart shows, in percentage terms, how much an investment, made on the first day of each calendar year, would have grown or decreased by the last day of each calendar year.

The performance information assumes that all distributions made by the Pool were reinvested in additional units of the Pool and does not take into account sales, redemption, distribution or other optional charges that would reduce returns. How the Pool has performed in the past does not necessarily indicate how the Pool will perform in the future.

Year-By-Year Returns



Annual Compound Returns

The following table shows MDPIM Dividend Pool's historical annual compound return for the one year and three year periods ended on December 31, and since inception of the pool and series, as compared to the return of the S&P/TSX Capped Composite Index.

	1 year	3 years	Since Inception*
MDPIM Dividend Pool - Series A	3.5%	17.0%	3.6%
MDPIM Dividend Pool - Series T	3.6%	—	3.9%
S&P/TSX Capped Composite Index	-8.7%	13.2%	0.8%

*The Pool was established on January 4, 2007 and issued series A unit on April 2, 2007. The Pool established series T units on November 22, 2010.

Management uses the S&P/TSX Capped Composite Index as the benchmark for this Pool because it represents the aggregate common share returns of Canada's largest companies. Although index returns are hypothetical—as they do not reflect the true cost of owning or managing the underlying stocks—they are one of several useful indicators. By comparing the Pool's performance to the movements of the benchmark, we are able to assess how the Pool is doing. For example, some short-term deviations can signal the need for change while others confirm the expectations of a longer-term strategy. If Management were to ascertain that the Pool's over or under performance was the result of excessive risk-taking or deviation from the investment mandate, we would, on behalf of all our unitholders, address these issues with the Investment Advisor, and make changes if necessary.

The Pool outperformed the S&P/TSX Capped Composite Index for the year ended December 31, 2011. This is primarily the result of the Pool's performance in the Energy and Telecom sectors when compared to the index.

Regarding Forward-Looking Statements

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as "plan", "anticipate", "intend", "expect", "estimate", or other similar wording.

These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices; fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Pool may not be those anticipated. Actual results may differ materially from the results anticipated in these forward-looking statements.

MDPIM Dividend Pool

Management Report of Fund Performance (December 31, 2011)

Financial Highlights

The following tables show selected key financial information about the Fund and its financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

The Fund's Net Assets per Unit¹

Series A	2011	2010	2009	2008	2007
Net assets - beginning of the year	\$ 9.70	\$ 8.57	\$ 6.88	\$ 9.71	\$ 10.00
Increase (decrease) from operations:					
Total revenue	\$ 0.44	\$ 0.42	\$ 0.41	\$ 0.42	\$ 0.32
Total expenses	\$ —	\$ —	\$ (0.01)	\$ (0.01)	\$ (0.01)
Net realized gains (losses) for the year	\$ 0.26	\$ 0.06	\$ (0.02)	\$ (0.26)	\$ (0.02)
Net unrealized gains (losses) for the year	\$ (0.36)	\$ 1.14	\$ 1.96	\$ (2.56)	\$ (0.77)
Total increase (decrease) from operations ²	\$ 0.34	\$ 1.62	\$ 2.34	\$ (2.41)	\$ (0.48)
Distributions:					
From income (excluding dividends)	\$ (0.01)	\$ (0.09)	\$ (0.09)	\$ (0.11)	\$ (0.08)
From dividends	\$ (0.39)	\$ (0.30)	\$ (0.26)	\$ (0.27)	\$ (0.12)
From capital gains	\$ (0.10)	\$ —	\$ —	\$ —	\$ —
Return of capital	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.01)
Total annual distributions ³	\$ (0.51)	\$ (0.40)	\$ (0.37)	\$ (0.40)	\$ (0.21)
Net assets - end of the year	\$ 9.53	\$ 9.70	\$ 8.57	\$ 6.88	\$ 9.71

Series T	2011	2010 ⁵
Net assets - beginning of the year	\$ 10.03	\$ 10.00
Increase (decrease) from operations:		
Total revenue	\$ 0.45	\$ —
Total expenses	\$ —	\$ —
Net realized gains (losses) for the year	\$ 0.05	\$ —
Net unrealized gains (losses) for the year	\$ (0.56)	\$ —
Total increase (decrease) from operations ²	\$ (0.06)	\$ —
Distributions:		
From income (excluding dividends)	\$ (0.01)	\$ —
From dividends	\$ (0.29)	\$ —
From capital gains	\$ —	\$ —
Return of capital	\$ (0.50)	\$ —
Total annual distributions ³	\$ (0.80)	\$ —
Net assets - end of the year	\$ 9.57	\$ 10.03

¹ This information is derived from the Pool's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value per unit calculated for fund pricing purposes. An explanation of these differences can be found in Note 2 of the Notes to Financial Statements. Net assets per unit are presented for 2007 through 2011.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial year.

³ Distributions were paid in cash or reinvested in additional units of the Pool, or both.

⁴ The results shown are for the period January 4 - December 31, 2007.

⁵ The results shown are for the period November 22 - December 31, 2010.

MDPIM Dividend Pool

Management Report of Fund Performance (December 31, 2011)

Financial Highlights (continued)

Ratios and Supplemental Data

Series A	2011	2010	2009	2008	2007 ⁵
Total net asset value, end of the year ¹	\$ 580,657,087	\$ 402,847,769	\$ 211,027,552	\$ 70,128,238	\$ 51,429,584
Number of units outstanding	60,825,170	41,461,099	24,563,179	10,167,569	5,287,840
Management expense ratio ²	—	—	—	—	—
Management expense ratio before waivers or absorptions	—	0.06%	0.12%	0.18%	0.58%
Trading expense ratio ³	0.06%	0.06%	0.09%	0.10%	0.11%
Portfolio turnover rate ⁴	29.95%	6.69%	10.56%	9.36%	7.52%
Net asset value per unit	\$ 9.55	\$ 9.72	\$ 8.59	\$ 6.90	\$ 9.73

Series T	2011	2010 ⁶
Total net asset value, end of the year ¹	\$ 207,434	\$ 25
Number of units outstanding	21,635	3
Management expense ratio ²	—	—
Management expense ratio before waivers or absorptions	—	—
Trading expense ratio ³	0.06%	0.06%
Portfolio turnover rate ⁴	29.95%	6.69%
Net asset value per unit	\$ 9.59	\$ 10.04

¹ This information is provided as at December 31 of the year shown.

² Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Effective July 1, 2010, goods and services tax ("GST") was replaced by the harmonized sales tax ("HST") in certain provinces and is applicable at higher rates than the GST. HST is being paid by the Pool and results in a higher MER than in previous years.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁴ The Pool's portfolio turnover rate indicates how actively the Pool's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher a Pool's portfolio turnover rate in a year, the greater the trading costs payable by the Pool in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Pool.

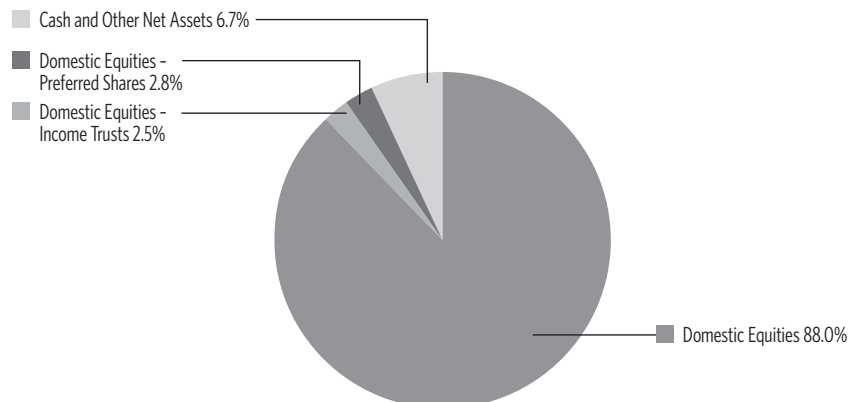
⁵ The results shown are for the period January 4 - December 31, 2007.

⁶ The results shown are for the period November 22 - December 31, 2010.

MDPIM Dividend Pool

Summary of Investment Portfolio (December 31, 2011)

Net Asset Value: \$580.9 million



Top 25 Holdings (Percentage of Net Asset Value)

Cash and Cash Equivalents	6.0%
The Bank of Nova Scotia	5.0%
Power Financial Corporation	4.8%
Royal Bank of Canada	4.4%
Thomson Reuters Corporation	4.3%
The Toronto-Dominion Bank	4.1%
TransCanada Corporation	4.0%
Rogers Communications, Inc. Cl. B	3.4%
IGM Financial, Inc.	3.3%
Bank of Montreal	3.2%
Husky Energy Inc.	3.2%
BCE Inc.	3.2%
TMX Group Inc.	3.1%
Enbridge Inc.	3.0%
Groupe Aeroplan, Inc.	2.9%
Canadian Imperial Bank of Commerce	2.8%
Fortis, Inc.	2.8%
TELUS Corporation Non-Voting	2.7%
Methanex Corporation	2.7%
Mullen Group Limited	2.6%
Crescent Point Energy Corp.	2.2%
Russel Metals Inc.	2.2%
Canadian Utilities Limited Cl. A	2.2%
Bird Construction, Inc.	1.7%
Reitmans (Canada) Limited Cl. A	1.6%

Cash & Portfolio Allocation

Domestic Equities

Consumer Discretionary	9.5%
Consumer Staples	0.4%
Energy	21.0%
Financials	32.3%
Health Care	0.6%
Industrials	5.8%
Materials	4.0%
Telecommunication Services	9.2%
Utilities	5.2%
Total	88.0%

Domestic Equities - Income Trusts

Energy	0.3%
Real Estate	2.2%
Total	2.5%

Domestic Equities - Preferred Shares

Preferred Shares	2.3%
Straight	0.5%
Total	2.8%

Cash & Cash Equivalents

6.0%

Other Net Assets

0.7%

Total Net Assets

100.0%

Note: Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment pool. A quarterly update is available.

The Net Asset Value, Portfolio Allocation and Top 25 Holdings in the tables are based on the trading net asset value as at December 31, 2011.



This page intentionally left blank.