

MDPIM International Equity 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 International Equity Pool (the "Pool") seeks to achieve long-term growth of capital by investing in a diversified portfolio of international equity securities. The Pool may not invest in companies that manufacture tobacco or tobacco-related products.

This is a multi-advisor structured fund and utilizes the investment advisory services of: Walter Scott & Partners Limited (Walter Scott), Mondrian Investment Partners (Mondrian), Comgest Asset Management International Limited (Comgest), Earnest Partners (Earnest), LSV Asset Management (LSV) and CIBC Global Asset Management (CGAM).

Walter Scott invests in growth-oriented companies—those that seem capable of sustaining a high internal rate of return, as well as superior earnings growth. They use a "buy & hold" investment approach, allowing the selected stocks' internal growth to translate into share price performance. The Investment Advisor relies heavily on their internal research, analyzing companies via proprietary methods, enabling them to compare stocks from around the world in a consistent manner.

Mondrian employs a value-oriented investment approach, seeking to find value in the long-term flow of dividends. Dividend yield and future real growth play a central role in their decision-making process, and over time the dividend component is expected to produce a meaningful portion of the total return. Mondrian advises on both International and Emerging Markets securities.

Comgest believes that over the long term, superior returns are generated by the stock price appreciation of companies that can sustain above-average earnings growth for an extended period of time. To find such companies, Comgest applies a strict quality criteria, which include earnings visibility, exceptional business franchises, low cyclical, high returns on equity, sustainable profit margins and self-financing capabilities. Comgest's disciplined process seeks to identify those companies which can achieve above-average returns at below-average levels of risk over the long term.

Earnest uses a proprietary investment approach called Return Pattern Recognition®, to identify the financial and market characteristics that have been in place when an individual company has produced outstanding performance. Earnest screens thousands of companies and selects for an in-depth fundamental review those exhibiting the set of characteristics that are believed to indicate future outperformance. Portfolios of stocks expected to have the best performance are combined using a statistical approach called downside deviation to measure and then constrain the likelihood of significantly underperforming the benchmark.

LSV believes that superior long-term results can be achieved by systematically exploiting the judgmental biases and behavioural weaknesses that influence the decisions of many investors. These include: the tendency to extrapolate the past too far into the future, to wrongly equate a good company with a good investment irrespective of price, to ignore statistical evidence and to develop a "mind set" about a company. LSV uses a quantitative investment model to choose out-of-favour

(undervalued) stocks in the marketplace at the time of purchase and have potential for near-term appreciation. LSV believes that these out-of-favour securities will produce superior future returns if their future growth exceeds the market's low expectations.

CGAM is the Investment Advisor in respect of the Pool's cash reserves and its foreign currency exposure. In managing the cash reserves, CGAM seeks to maintain the equity market exposure and minimize the impact of cash on the Pool's performance. CGAM seeks to manage the currency risk and add value to the Pool by managing the fluctuations of depreciating and appreciating foreign currencies. CGAM employs proprietary quantitative models focusing on key valuation, cyclical and momentum factors as well as qualitative analysis based on extensive internal research and insights from external sources.

Risk

At times, a portfolio can be subject to any number of investment risks. The risk level of the Pool did not change significantly during the year. Descriptions of the investment risks associated with this Pool are detailed in the Simplified Prospectus.

Results of Operations

As part of MD Physician Services Inc.'s investment management discipline, we carefully select and monitor each Investment Advisor to ensure the investment performance remains consistent with the long-term objectives of the Pool.

We currently manage the Pool by allocating assets between seven Investment Advisors. The Pool's Investment Advisor allocation as at December 31, 2011 was:

Current Allocation	Investment Advisor
37%	Walter Scott & Partners Limited
16%	Mondrian Investment Partners (developed markets)
12%	LSV Asset Management
12%	Earnest Partners
8%	Mondrian Investment Partners (emerging markets)
8%	Comgest Asset Management International Limited
7%	CIBC Global Asset Management

For the year ended December 31, 2011, the Pool's Series A units returned -7.7% in Canadian dollar terms. The negative return was attributable to sharp global equity declines over the second and third quarters. The European sovereign debt crisis, a divisive U.S. debt ceiling debate, U.S. Government credit rating downgrade, and signs of a weakening global economy all weighed on investor confidence. Investments sold off in the market with little differentiation making it difficult for actively managed funds to perform. Positive developments in the European crisis and signs of improvement in the U.S. economy led to a strong rally in the fourth quarter which helped reverse some of the earlier losses. The MSCI EAFE Index which represents the aggregate common share returns of the non-North American developed world's largest companies returned -11.6% in local currencies or -9.6% in Canadian dollar terms. Other factors that affected the Pool's performance are summarized below.

Foreign currency exposure had a net positive impact on the Pool's performance as the Canadian dollar depreciated relative to several major international currencies throughout the year. Most notably, the Japanese yen and British pound sterling

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 International Equity Pool

Management Report of Fund Performance (December 31, 2011)

strengthened vis-à-vis the Canadian dollar in 2011 which positively impacted returns. However, a falling euro and exposure to other emerging market currencies such as the South African rand and Brazilian real offset some of the strength in the other currencies.

The majority of the Pool's regional allocations were to Europe, Asia and Emerging Markets. Japan had the largest country weight followed by the United Kingdom. Investments in the United Kingdom contributed the most positively to return, however positions in Switzerland and Taiwan were also positive contributors. In contrast, Japan had the largest negative contribution for a single country, while Emerging Markets as a whole were the largest detractor from portfolio return.

Out of the ten industrial sectors represented in the portfolio, the Consumer Staples and Financials sectors received on average the highest portfolio weightings, while the Materials and Utilities sectors received the lowest allocation. The defensive sectors, Health Care, Telecommunication Services and Consumer Staples, were the only three sectors to contribute positively to return in the year. Financials were the largest detractors to return given the financial crisis in Europe.

Throughout the year, the Pool's Investment Advisors maintained focus on their respective investment styles. Sector and regional weights were consistent throughout the year, however, in the fourth quarter, two new Investment Advisors were added to the Pool to help diversify the Pool away from its large-cap only bias as described in Recent Developments, Strategic Changes below.

As at December 31, 2011 the net asset value of the Pool was \$1.5 billion, an increase of 44% from the previous year. The Pools operations detracted from the net asset value largely as a result of net losses from investments. However, positive contributions more than offset the losses and were the main contributor to the increase in the net asset value.

Recent Developments

Strategic Changes

On September 16, 2011, the Board of Directors of MD Physician Services Inc. announced Investment Advisor changes for the ongoing management of the Pool. Walter Scott, Mondrian, Comgest and CGAM remained with the Pool while Earnest Partners and LSV Asset Management were added.

It is management's expectation that this strategic change to the portfolio will provide greater potential for the Pool to achieve higher returns and to reach the long-term investment 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.

Independent Review Committee (IRC) Reliance

During the period, the Manager relied on the approval and standing instruction provided by the Pool's IRC to enable the Pool to allow for the fees associated with the Advisor search to be incorporated with the brokerage fees associated with the Transition of assets. In addition, the Manager relied on the approval and standing instruction provided by the IRC to enable the Pool to cross trade like securities between MDPSI Funds to facilitate the transition of portfolios and reduce brokerage trading costs to the benefit of the unitholder.

In accordance with the IRC's approval and standing instruction, in making a decision to cause the Pool to make a Related Party Transaction, the Manager and Pools' Investment Advisor are required to comply with the Manager's written policy and procedure governing the Related-Party Transaction and report periodically to the IRC, describing each instance that the Manager and/or Investment Advisor relied on the approval and standing instruction, and their compliance or non-compliance with the governing policy and procedure. The governing policy and procedure is designed to ensure the Related Party Transaction (i) is made free from any influences to their affiliation, (ii) represents the business judgment of the Investment Advisor, uninfluenced by considerations other than the best interests of the Pool, and (iii) achieves a fair and reasonable result for the Pool.

Management Fees

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

Past Performance

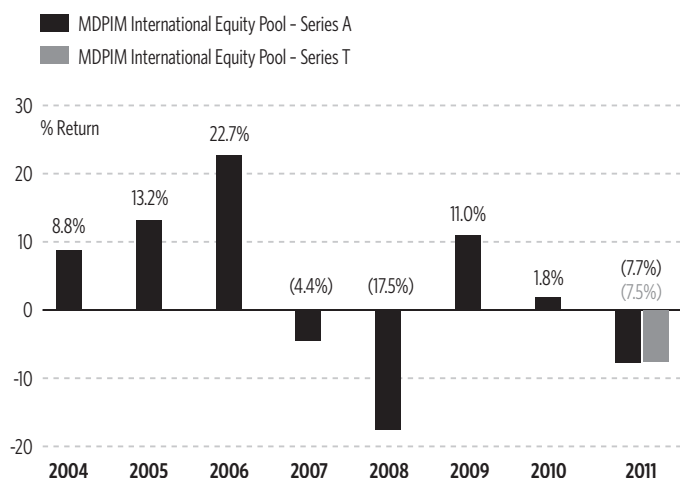
The following bar chart shows the Pool's annual performance for each of the years shown, and illustrates how the Pool's performance changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each calendar year would have grown or decreased by the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

MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2011)

Year-By-Year Returns



Annual Compound Returns

The following table shows MDPIM International Equity Pool's historical annual compound return for the one, three and five year periods ended on December 31 and since inception of the series, as compared to the return of the MSCI EAFE Index.

	1 year	3 years	5 years	Since Inception*
MDPIM International Equity Pool - Series A	-7.7%	1.4%	-3.8%	4.2%
MDPIM International Equity Pool - Series T	-7.5%	—	—	-7.9%
MSCI EAFE Index	-9.6%	1.4%	-6.8%	
DEX Universe Bond Index	9.7%	7.3%	6.4%	

*The Pool began issuance of PT series units February 12, 2003, and series T units on November 22, 2010.

Management uses the MSCI EAFE Index as the benchmark for this Pool because it represents the aggregate returns of securities listed on exchanges in European, Australasian and Far Eastern markets. 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.

As indicated in the above table, the Pool matched or exceeded the benchmark return for all noted periods. The Pool's conservative investment approach has been successful protecting value during the weak environment for international equities in recent years. For the year ended December 31, 2011, this conservative investment approach was rewarded again as the Pool provided significant protection during the market declines in the second and third quarters. In particular, the overweight to defensive sectors combined with the underweight to Financials was a strong benefit to the Pool's relative performance to the benchmark.

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 International Equity 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	\$ 12.31	\$ 12.40	\$ 11.44	\$ 14.22	\$ 15.49
Increase (decrease) from operations:					
Total revenue	\$ 0.29	\$ 0.35	\$ 0.35	\$ 0.38	\$ 0.28
Total expenses	\$ (0.04)	\$ (0.03)	\$ (0.04)	\$ (0.05)	\$ (0.07)
Net realized gains (losses) for the year	\$ (0.54)	\$ 0.15	\$ (0.35)	\$ (0.23)	\$ 0.70
Net unrealized gains (losses) for the year	\$ (0.75)	\$ (0.07)	\$ 1.55	\$ (2.56)	\$ (1.70)
Total increase (decrease) from operations ²	\$ (1.04)	\$ 0.40	\$ 1.51	\$ (2.46)	\$ (0.79)
Distributions:					
From income (excluding dividends)	\$ (0.26)	\$ (0.30)	\$ (0.29)	\$ (0.32)	\$ (0.26)
From dividends	\$ —	\$ —	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ —	\$ —	\$ (0.32)
Return of capital	\$ —	\$ —	\$ —	\$ —	\$ —
Total annual distributions ³	\$ (0.26)	\$ (0.30)	\$ (0.29)	\$ (0.32)	\$ (0.58)
Net assets - end of the year	\$ 11.09	\$ 12.31	\$ 12.40	\$ 11.44	\$ 14.22

Series T	2011	2010 ⁴
Net assets - beginning of the year	\$ 9.92	\$ 10.00
Increase (decrease) from operations:		
Total revenue	\$ 0.22	\$ (0.01)
Total expenses	\$ (0.03)	\$ —
Net realized gains (losses) for the year	\$ (0.43)	\$ —
Net unrealized gains (losses) for the year	\$ (0.65)	\$ (0.08)
Total increase (decrease) from operations ²	\$ (0.89)	\$ (0.09)
Distributions:		
From income (excluding dividends)	\$ (0.17)	\$ —
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ —
Return of capital	\$ (0.49)	\$ —
Total annual distributions ³	\$ (0.66)	\$ —
Net assets - end of the year	\$ 8.55	\$ 9.92

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 November 22 - December 31, 2010.

MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2011)

Financial Highlights (continued)

Ratios and Supplemental Data

Series A	2011	2010	2009	2008	2007
Total net asset value, end of the year ¹	\$ 1,475,595,652	\$ 1,024,598,514	\$ 892,403,486	\$ 552,551,551	\$ 553,639,743
Number of units outstanding	132,737,611	83,162,008	71,852,808	48,174,208	38,864,949
Management expense ratio ²	0.33%	0.28%	0.26%	0.26%	0.26%
Management expense ratio before tax	0.30%	0.26%	0.25%	0.25%	0.24%
Management expense ratio before waivers or absorptions	0.33%	0.34%	0.39%	0.41%	0.36%
Trading expense ratio ³	0.16%	0.10%	0.11%	0.12%	1.17%
Portfolio turnover rate ⁴	68.42%	65.18%	20.50%	33.18%	34.77%
Net asset value per unit	\$ 11.12	\$ 12.32	\$ 12.42	\$ 11.47	\$ 14.25

Series T	2011	2010 ⁵
Total net asset value, end of the year ¹	\$ 610,591	\$ 311,438
Number of units outstanding	71,314	31,365
Management expense ratio ²	0.33%	0.07%
Management expense ratio before tax	0.30%	0.06%
Management expense ratio before waivers or absorptions	0.33%	0.59%
Trading expense ratio ³	0.16%	0.10%
Portfolio turnover rate ⁴	68.42%	65.18%
Net asset value per unit	\$ 8.56	\$ 9.93

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

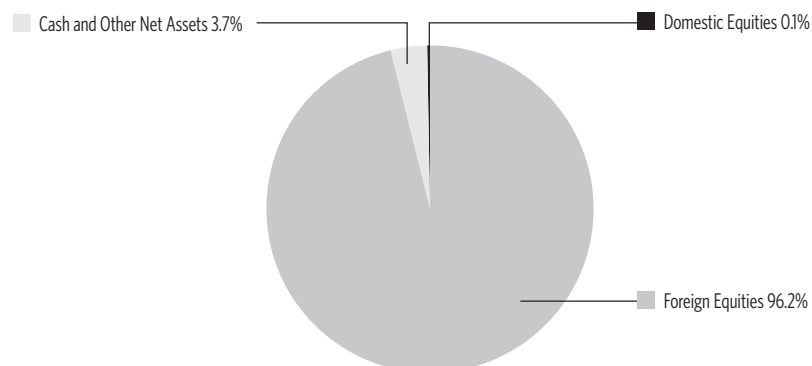
⁴ The Pool's portfolio turnover rate indicates how actively the Pool's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher a Pool's portfolio 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's.

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

MDPIM International Equity Pool

Summary of Investment Portfolio (December 31, 2011)

Net Asset Value: \$1,476.2 million



Portfolio Allocation

Domestic Equities

Telecommunication Services	0.1%
	0.1%

Foreign Equities

Australia	4.7%
Austria	0.9%
Belgium	0.8%
Bermuda	1.4%
Brazil	4.3%
Cayman Islands	0.7%
Chile	0.2%
China	2.8%
Colombia	0.2%
Denmark	0.9%
Finland	0.5%
France	5.7%
Germany	3.2%
Hong Kong	2.9%
India	0.9%
Indonesia	0.4%
Ireland	0.2%
Israel	0.5%
Italy	0.9%
Japan	17.6%
Jersey	0.7%
Kazakhstan	0.1%
Luxembourg	0.5%
Malaysia	0.4%
Mexico	0.8%
Netherlands	1.9%
New Zealand	0.1%
Norway	0.8%
Philippines	0.2%
Russia	0.8%
Singapore	1.4%
South Africa	1.2%
South Korea	0.9%
Spain	2.4%
Sweden	1.4%
Switzerland	5.4%
Taiwan	2.8%
Thailand	0.4%
Turkey	0.4%
United Kingdom	15.8%
United States	8.1%
	96.2%

Top 25 Holdings (Percentage of Net Asset Value)

iShares MSCI EAFE Index Fund	5.0%
Cash and Cash Equivalents	3.5%
Taiwan Semiconductor Manufacturing Company Limited ADR	2.2%
Novartis AG	1.8%
Tesco PLC	1.4%
Canon Inc.	1.3%
Petroleo Brasileiro SA ADR	1.3%
Royal Dutch Shell PLC Cl. A	1.2%
Tokio Marine Holdings, Inc.	1.2%
Vanguard MSCI Emerging Markets ETF	1.2%
iShares MSCI Emerging Markets Index Fund	1.1%
SABMiller PLC	1.1%
Denso Corp.	1.0%
HSBC Holdings PLC	0.9%
Centrica PLC	0.9%
Shin-Etsu Chemical Co., Ltd.	0.9%
Nestlé SA	0.9%
Smith & Nephew PLC	0.9%
Roche Holding AG	0.9%
CSL Limited	0.8%
BG Group PLC	0.8%
Adidas-Salomon AG	0.8%
Industria de Diseno Textil SA	0.8%
Honda Motor Co., Ltd.	0.8%
Reckitt Benckiser Group PLC	0.8%

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.

Cash & Cash Equivalents 3.5%

Other Net Assets 0.2%

Total Net Assets 100.0%

