

MDPIM US Equity Pool

Management Report of Fund Performance (December 31, 2011)

Series A units of this Pool are offered for sale to existing unitholders only.

Private Trust Series units (PT Series) and Series T of this Pool are offered for sale to discretionary, managed-account clients only.

Investment Objectives and Strategies

The MDPIM US Equity Pool (the "Pool") objective is long-term capital growth with due regard to capital preservation. The Pool invests in equity securities of mid to large-cap U.S. companies and may also invest up to 25% of its net assets in Canadian or U.S. short-term money market instruments. The Pool may not invest in companies that manufacture tobacco or tobacco-related products.

The Pool uses a multi-advisor structure utilizing the investment strategies of five separate Advisors.

Jensen Investment Management Inc. are a bottom-up, core-style manager, that believes a persistently high level of business performance is the backbone to good long-term market performance. Jensen identifies companies that have a record of strong business performance, maintain strong debt-to-capital ratings and possess sustainable advantages. Stocks are purchased when considered to be trading at a significant discount to intrinsic value and sold when the company fails to meet business performance or price standards.

Lord Abnett & Co. LLC. utilizes a disciplined investment process based on in-depth fundamental and proprietary quantitative research that aims to identify undervalued securities while reducing downside risk. They believe macro-economic factors and company specific events influence the behaviour of stock prices and that the market consistently misprices stocks and groups of stocks. Lord Abnett continuously monitors and evaluates securities for sale as price appreciation changes relative valuation attraction or when fundamental changes in the business outlook develops.

NWQ Investment Management employs a "bottom-up" investment approach. The investment management style is described as "value". NWQ looks to invest in undervalued companies that possess catalysts to improve profitability and/or unlock value. NWQ analysts conduct disciplined research to drive stock selection. NWQ looks to capitalize on market opportunities created by investor over-reaction, misperception, and short-term focus.

Fiduciary Management Inc. buys durable businesses at value prices in order to achieve outstanding investment results over a three- to five-year time horizon. The essential tenets to their investment philosophy are:

- ▶ Utilize a business owner's approach to investing and thoroughly investigate the economics of the business and the qualities of management of each company.
- ▶ Their approach is contrarian in nature as they invest in companies that have stumbled or are temporarily out of favour with the market, and hence improperly priced.
- ▶ Their goal is to invest in durable business franchises that are selling at low valuations and a significant discount to their intrinsic value.

CIBC Global Asset Management Inc. (CGAM) is the Investment Advisor in respect of the Fund's foreign cash reserves and its foreign currency exposure. In managing the foreign cash reserves, CGAM seeks to maintain the equity market exposure and minimize the impact of cash on the Fund's performance. CGAM seeks to manage the currency risk and add value by managing the Fund's exposure to foreign currency. 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 our 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 manage the Fund by allocating assets among five Investment Advisors. The approximate allocation of assets at the end of 2011 was as follows:

% of Assets	Investment Advisor
27%	Fiduciary Management Inc.
26%	Jensen Investment Management
20%	Lord, Abnett & Co. LLC.
20%	NWQ Investment Management
7%	CIBC Global Asset Management

For the year ended December 31, 2011, the Fund's PT Series units and Series A units had a return of -1.0% and -2.4% respectively. The year was volatile for U.S. equity markets as investor sentiment switched between investors seeking risk to shedding risk. While improved prospects for global growth led U.S. equity markets up during the first four months of the year, gridlock in Washington over the country's debt ceiling and the S&P's downgrade of the country's credit rating sent U.S. equity markets spiraling down from May through September. The fourth quarter saw U.S. equity markets rebound on improved economic data. In 2011 the S&P 500 was flat in local currency and up 4.6% in Canadian dollars.

While equity markets were volatile, the U.S. dollar exposure contributed positively to performance as the Canadian dollar depreciated 2.5% relative to the U.S. dollar throughout the year. The fund also benefited from currency management as the partial hedge implemented in January and removed in April added approximately another 65 basis points for the year.

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.



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Out of the ten industrial sectors represented in the portfolio, the Financials and Information Technology sectors received on average the highest portfolio weightings, while the Telecommunication Services and Utilities sectors received the lowest allocation. Seven of the ten sectors contributed positively to the Fund's return in 2011; however the three sectors that contributed negatively (Financials, Energy and Consumer Discretionary) were more material than the sectors that contributed positively, leading the overall fund to have a negative return in 2011.

Throughout the year the Pool's Investment Advisors maintained focus on their respective investment styles in large-cap securities (although small/mid cap securities were added to the pool in October 2011). This fundamental profile of the pool (67% value vs. 26% growth) detracted from performance as growth securities once again outperformed value securities.

As at December 31, 2011 the net asset value of the Pool was approximately \$1.7 billion, an increase of 28% from the previous year. The increase in the net asset value was largely due to unitholder contributions to the Pool as a result of a tactical call strategy to over weight U.S. equities in client portfolios held with MD Private Investment Counsel.

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. Investment Advisors Jensen and NWQ remained with the Pool and Lord, Abbett and Fiduciary 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 purchases, 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 MDPIM 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

MD Physician Services Inc. provides the Series A units of MDPIM US Equity Pool with investment management and administrative services. In return, MD Physician Services Inc. receives a management fee and an administration fee based on the net asset value of Series A units of the Pool calculated on a daily basis and paid weekly.

(as a percentage of management fees)	
Investment management, administration and other	100.0%
Financial Planning Services	—

No management fee is charged in respect of the PT Series and series T units of the MDPIM US Equity Pool. Investors in the PT Series of 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 MD Private Trust Simplified Prospectus.

Past Performance

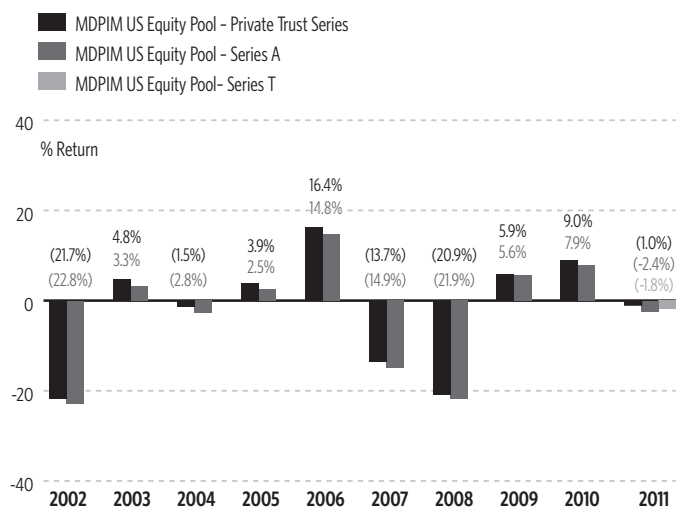
The following bar chart shows the Pool's annual performance for each of the years shown, and illustrates how the Pool's performance changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the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

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Year-By-Year Returns



Annual Compound Returns

The following table shows MDPIM US Equity Pool's historical annual compound return for the past one, three, five and ten year periods ended on December 31 and since inception of the T series, as compared to the return of the S&P 500 Index. The Pool's net asset value and return are calculated in Canadian dollars.

	1 year	3 years	5 years	10 years	Since Inception*
MDPIM US Equity Pool - PT Series	-1.0%	4.6%	-4.8%	-2.7%	
MDPIM US Equity Pool - Series A	-2.4%	3.6%	-5.9%	-3.9%	
MDPIM US Equity Pool - Series T	-1.8%	—	—	—	-4.0%
S&P 500 Index	4.6%	7.0%	-2.9%	-1.6%	

*The Pool established series T units on November 22, 2010.

Management uses the S&P 500 Index as the benchmark for this Pool because it represents the aggregate common share returns of the U.S.'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.

As the above table indicates, the Pool experienced under-performance versus the benchmark for all the noted compound periods. Any deviations in short-term relative performance to the benchmark are understandable as the underlying philosophy of the Pool is to strive for long-term capital growth while maintaining a well-diversified portfolio. In the Pool's pursuit of long-term capital growth, the Pool maintains a bias toward U.S. value investments which have underperformed growth investments over the past five years. Also due to the funds value bias, the Pool has held a large allocation in U.S. Financial companies. While Management believes this to be a prudent long-term strategy, the impact of an material overweighting of financials was particularly negative over 2007, 2008 and 2011, which has impaired the longer-term results of the Pool. The difference in the return numbers between Series A units and PT Series units is due to the different fee structures of the Series.

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 US 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

Private Trust Series	2011	2010	2009	2008	2007
Net assets - beginning of the year	\$ 6.95	\$ 6.46	\$ 6.16	\$ 7.98	\$ 9.45
Increase (decrease) from operations:					
Total revenue	\$ 0.08	\$ 0.10	\$ 0.06	\$ 0.18	\$ 0.17
Total expenses	\$ —	\$ —	\$ —	\$ —	\$ —
Net realized gains (losses) for the year	\$ (0.21)	\$ 0.07	\$ (0.11)	\$ (1.32)	\$ (0.17)
Net unrealized gains (losses) for the year	\$ (0.08)	\$ 0.47	\$ 0.61	\$ (0.56)	\$ (1.35)
Total increase (decrease) from operations ²	\$ (0.21)	\$ 0.64	\$ 0.56	\$ (1.70)	\$ (1.35)
Distributions:					
From income (excluding dividends)	\$ (0.10)	\$ (0.09)	\$ (0.10)	\$ (0.14)	\$ (0.21)
From dividends	\$ —	\$ —	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ —	\$ —	\$ —
Return of capital	\$ —	\$ —	\$ —	\$ —	\$ —
Total annual distributions ³	\$ (0.10)	\$ (0.09)	\$ (0.10)	\$ (0.14)	\$ (0.21)
Net assets - end of the year	\$ 6.78	\$ 6.95	\$ 6.46	\$ 6.16	\$ 7.98

Series A	2011	2010	2009	2008	2007
Net assets - beginning of the year	\$ 6.00	\$ 5.57	\$ 5.26	\$ 6.82	\$ 8.08
Increase (decrease) from operations:					
Total revenue	\$ 0.10	\$ (0.01)	\$ 0.06	\$ 0.16	\$ 0.15
Total expenses	\$ (0.08)	\$ (0.08)	\$ (0.07)	\$ (0.08)	\$ (0.11)
Net realized gains (losses) for the year	\$ (0.20)	\$ 0.05	\$ (0.11)	\$ (1.11)	\$ (0.13)
Net unrealized gains (losses) for the year	\$ 0.05	\$ 0.43	\$ 0.30	\$ (0.53)	\$ (1.05)
Total increase (decrease) from operations ²	\$ (0.13)	\$ 0.39	\$ 0.18	\$ (1.56)	\$ (1.14)
Distributions:					
From income (excluding dividends)	\$ (0.04)	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.09)
From dividends	\$ —	\$ —	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ —	\$ —	\$ —
Return of capital	\$ —	\$ —	\$ —	\$ —	\$ —
Total annual distributions ³	\$ (0.04)	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.09)
Net assets - end of the year	\$ 5.82	\$ 6.00	\$ 5.57	\$ 5.26	\$ 6.82

Series T	2011	2010 ⁴
Net assets - beginning of the year	\$ 9.77	\$ 10.00
Increase (decrease) from operations:		
Total revenue	\$ 0.08	\$ —
Total expenses	\$ (0.13)	\$ —
Net realized gains (losses) for the year	\$ (0.29)	\$ —
Net unrealized gains (losses) for the year	\$ (0.17)	\$ (0.23)
Total increase (decrease) from operations ²	\$ (0.51)	\$ (0.23)
Distributions:		
From income (excluding dividends)	\$ —	\$ —
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ —
Return of capital	\$ (0.48)	\$ —
Total annual distributions ³	\$ (0.48)	\$ —
Net assets - end of the year	\$ 9.12	\$ 9.77

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 US Equity Pool

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Financial Highlights (continued)

Ratios and Supplemental Data

Private Trust Series	2011	2010	2009	2008	2007
Total net asset value, end of the year ¹	\$ 1,650,601,622	\$ 1,283,973,359	\$ 926,805,024	\$ 618,256,162	\$ 867,842,350
Number of units outstanding	243,585,051	184,762,827	143,445,863	99,711,198	108,433,707
Management expense ratio ²	—	—	—	—	—
Management expense ratio before waivers or absorptions	—	0.04%	0.09%	0.11%	0.08%
Trading expense ratio ³	0.13%	0.06%	0.06%	0.09%	0.03%
Portfolio turnover rate ⁴	143.27%	26.53%	16.50%	50.45%	8.65%
Net asset value per unit	\$ 6.78	\$ 6.95	\$ 6.46	\$ 6.20	\$ 8.00

Series A	2011	2010	2009	2008	2007
Total net asset value, end of the year ¹	\$ 1,934,913	\$ 2,380,351	\$ 2,836,769	\$ 3,660,920	\$ 5,499,402
Number of units outstanding	332,224	396,817	509,204	690,822	804,741
Management expense ratio ²	1.38%	1.34%	1.40%	1.33%	1.35%
Management expense ratio before tax	1.25%	1.25%	1.33%	1.26%	1.27%
Management expense ratio before waivers or absorptions	1.38%	1.39%	1.47%	1.44%	1.44%
Trading expense ratio ³	0.13%	0.06%	0.06%	0.09%	0.03%
Portfolio turnover rate ⁴	143.27%	26.53%	16.50%	50.45%	8.65%
Net asset value per unit	\$ 5.82	\$ 6.00	\$ 5.57	\$ 5.30	\$ 6.83

Series T	2011	2010 ⁵
Total net asset value, end of the year ¹	\$ 627,520	\$ 383,692
Number of units outstanding	68,816	39,266
Management expense ratio ²	1.38%	0.28%
Management expense ratio before tax	1.25%	0.25%
Management expense ratio before waivers or absorptions	1.38%	0.67%
Trading expense ratio ³	0.13%	0.06%
Portfolio turnover rate ⁴	143.27%	26.53%
Net asset value per unit	9.12	\$ 9.77

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.

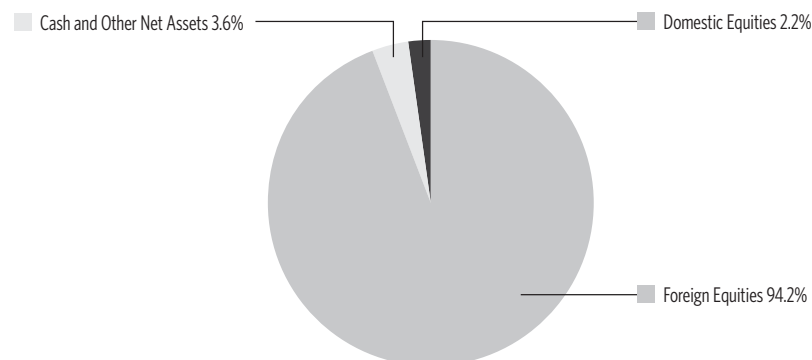
⁴ The Pool's portfolio turnover rate indicates how actively the Pool's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher a Pool's portfolio 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 November 22 - December 31, 2010.

MDPIM US Equity Pool

Summary of Investment Portfolio (December 31, 2011)

Net Asset Value: \$1,653.2 million



Portfolio Allocation

Domestic Equities

Energy	1.4%
Materials	0.8%
	2.2%

Foreign Equities

Consumer Discretionary	10.3%
Consumer Staples	10.5%
Energy	7.1%
Exchange Traded Fund	6.4%
Financials	14.3%
Health Care	13.2%
Industrials	16.3%
Information Technology	11.9%
Materials	3.7%
Utilities	0.5%
	94.2%

Top 25 Holdings (Percentage of Net Asset Value)

SPDR Trust Series 1	6.4%
Cash and Cash Equivalents	4.8%
Omnicom Group Inc.	2.6%
3M Co.	2.6%
Microsoft Corporation	2.3%
Time Warner Inc.	1.8%
Automatic Data Processing, Inc.	1.7%
Berkshire Hathaway Inc. Cl. B	1.5%
United Technologies Corporation	1.5%
The Procter & Gamble Company	1.4%
PepsiCo, Inc.	1.4%
T. Rowe Price Group Inc.	1.3%
Sysco Corp.	1.3%
Wal-Mart Stores, Inc.	1.3%
Emerson Electric Co.	1.2%
Devon Energy Corporation	1.2%
United Parcel Service, Inc. Cl. B	1.1%
Praxair, Inc.	1.1%
Abbott Laboratories	1.1%
Diageo PLC ADR	1.0%
Apache Corporation	1.0%
Nestlé SA ADR	1.0%
Staples, Inc.	1.0%
Amphenol Corp. Cl. A	1.0%
Colgate-Palmolive Company	1.0%

Cash & Cash Equivalents 4.8%

Other Net Assets -1.2%

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.

