

INVESTMENT STRATEGY

The Lester Canadian Equity Fund, launched in January 2012, is managed by Lester Asset Management (LAM), and employs the same strategy used in managing LAM's segregated accounts since July 2006. The Fund is invested in 40 to 50 small, mid and large cap Canadian listed companies selected using a disciplined and long-term investment approach. Research is based on a sound understanding of each company and the industry in which each operates, complemented by our macro-economic outlook. The Fund's investment philosophy is value-oriented seeking to purchase shares at a discount relative to a company's true worth, as well as event-driven with the goal of eventually realizing maximum shareholder value either through dividend increases, share buybacks, spin-offs or an outright sale. The Fund's objective is to achieve higher than market returns with lower risk.

MONTHLY COMMENTS

The Canadian Equity Fund was down -5.5% versus a decline of -5.4% for the TSX Composite Total Return. While our performance was similar, the TSX would have dropped a further -0.9% had it not been for the Gold sector which rose +14%. The Energy and Financial sectors were both down approximately -7.4%. World stock markets resumed their descent with brutal speed and depth as the S&P 500 plunged -9%, the NASDAQ -9.4%, Europe -5.4% and Asia -8.4%. The pull-back in equities which began a few months earlier was amplified by computer-driven algorithmic program selling, high frequency trading, momentum strategies, quantitative models, the liquidation of several large hedge funds, and the indiscriminate selling of baskets of stocks in ETFs triggered by panicked and leveraged retail investors. In fact, it is estimated that 85% of trading volume had nothing to do with actual company fundamentals. As a result, we have been using the sharp price declines to invest in companies we believe have strong fundamentals and attractive upside going forward.

MONTHLY NET RETURNS *

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	LAM**	TSX**	S&P500**	S&P500 \$C
2006							4.1%	3.9%	0.3%	5.6%	0.3%	4.4%	20.0%	12.5%	12.7%	17.8%
2007	4.3%	2.4%	0.5%	5.0%	3.0%	0.9%	1.6%	-5.3%	2.4%	2.9%	-6.3%	2.4%	13.9%	9.8%	5.5%	-9.8%
2008	-6.4%	1.0%	-2.5%	0.4%	2.3%	-1.8%	-5.2%	1.3%	-13.4%	-14.8%	-8.5%	-1.8%	-40.8%	-33.0%	-37.0%	-23.1%
2009	1.8%	-2.2%	6.3%	5.9%	8.1%	2.2%	4.2%	3.8%	4.7%	2.9%	5.2%	4.3%	58.3%	35.1%	26.5%	9.3%
2010	-0.5%	2.3%	2.7%	2.6%	-3.5%	-0.8%	2.0%	2.3%	5.0%	4.9%	3.2%	5.2%	28.1%	17.6%	15.1%	9.0%
2011	1.7%	1.7%	-0.3%	2.1%	1.6%	-2.7%	1.1%	-0.3%	-4.3%	3.1%	0.5%	0.3%	4.5%	-8.7%	2.1%	7.6%
2012	3.8%	0.7%	1.3%	1.5%	-1.8%	-1.2%	0.7%	2.3%	3.5%	0.9%	1.0%	2.9%	16.8%	7.2%	16.0%	13.5%
2013	3.8%	1.2%	1.0%	-0.6%	0.8%	-1.0%	1.4%	0.5%	2.1%	2.7%	2.1%	2.7%	17.8%	13.0%	32.4%	41.1%
2014	0.8%	0.7%	1.1%	-0.4%	1.9%	2.4%	-0.6%	3.3%	-3.1%	-0.1%	0.1%	2.4%	8.8%	10.5%	13.7%	24.0%
2015	-2.7%	1.6%	-1.9%	4.2%	-1.2%	-0.6%	-1.7%	-6.6%	-4.6%	1.5%	-0.8%	1.5%	-11.3%	-8.3%	1.4%	20.1%
2016	-1.1%	-0.3%	8.6%	1.6%	3.8%	0.9%	2.6%	2.1%	3.1%	0.1%	-1.6%	3.1%	24.7%	21.1%	12.0%	8.7%
2017	-1.0%	1.1%	2.9%	-0.7%	2.9%	0.1%	-1.0%	0.1%	1.7%	1.4%	0.3%	5.7%	14.1%	9.1%	21.8%	14.2%
2018	-1.7%	-1.7%	1.0%	-1.1%	-0.2%	1.1%	0.0%	0.2%	1.1%	-6.4%	-1.0%	-5.5%	-13.6%	-8.9%	-4.4%	4.2%

*Dollar-weighted average returns net of fees for LAM's equity composite up to December 2011. Lester Canadian Equity Fund Series F as of January 2012.

** Including dividends.

INDUSTRY WEIGHTINGS

Industrials	diversified	23.3%
Consumer S & D	food/bev/retail/deathcare	17.7%
Technology	IT/software/wireless	13.4%
Financial/R.E.	loans/asset mgt/malls	8.1%
Utilities	renewable energy	8.0%
Energy	pipelines/infrastructure	7.7%
Telecom	wireless/TV/internet	5.8%
Healthcare	mobility/pharma/homes	5.5%
Materials	packaging/rail ties/poles	4.8%
Cash	cash & equivalents	5.7%

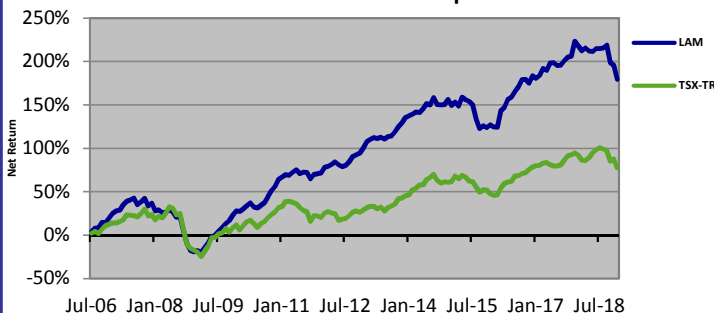
TOP LARGE CAP HOLDINGS

CN (railway transportation)
Pembina Pipeline (energy infrastructure)
BCE (telecom & media)
Telus (telecommunications)
Algonquin (renewable power & utilities)
CGI Group (IT consulting)
Dollarama (retail stores)
Keyera (energy infrastructure)
Blackberry (security software)
CCL Industries (packaging)

TOP SMALL / MID CAP HOLDINGS

Baylin Technologies (wireless antennae)
Logistec (marine & environmental services)
Solium Capital (software)
Andrew Peller (wine production & sales)
Badger Daylighting (hydrovac excavation)
Boralex (renewable energy)
GoodFood Market (home food delivery)
Sienna Senior Living (retirement residences)
K-Bro Linen (industrial laundry services)
Stella Jones (railway ties & utility poles)

LAM Net Performance vs. TSX Composite Index



NET RETURN	3 Month	1 Year	3 Year	5 Year	10 Year	1-Jul-06
LAM Cumulative	-12.4%	-13.6%	22.9%	18.6%	245.4%	179.4%
TSX Composite TR	-10.1%	-8.9%	20.4%	22.0%	114.2%	77.4%
LAM Value Added	-2.3%	-4.7%	2.5%	-3.4%	131.2%	102.0%
LAM Annualized		-13.6%	7.1%	3.5%	13.2%	8.6%
TSX Composite TR		-8.9%	6.4%	4.1%	7.9%	4.7%
LAM Value Added		-4.7%	0.7%	-0.6%	5.3%	3.9%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)
Net Asset Value	\$16.30 Series F FundSERV: LAF100
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)
Fund/Firm AUM	\$55.3 million/\$295 million