

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 increased +1.1% versus a decline of -0.9% for the TSX Composite Total Return. As during the previous month, our outperformance was due to our low weightings in the financial, energy, and materials sectors which all declined during the month, as well as strength in several of our small cap holdings. Canadian stocks pulled back as NAFTA renegotiations continued to drag on. World stock markets were mixed amid escalating trade wars between the US and China, uncertainty surrounding BREXIT, weakness in the EURO and renewed worries about Italy's finances. Several new companies in our portfolio announced positive developments and their stocks rose sharply. Top gainers included Centric Health (+46%), GoodFood (+26%), Pollard Banknote (+21%), Baylin Technologies (+17%), Savaria (+7%), Logistec (+7%), Guardian Capital (6%), Blackberry (+5%) and Gibson Energy (+5%). Losers included Grand West (-13%), TVA (-13%), Nanotech (-8%), Boralex (-6%), Dollarama (-6%) and Keyera (-5%). We continue to exercise caution, selectively adding new holdings on weakness while trimming others on strength.

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%				-1.3%	1.4%	10.6%	9.9%

*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

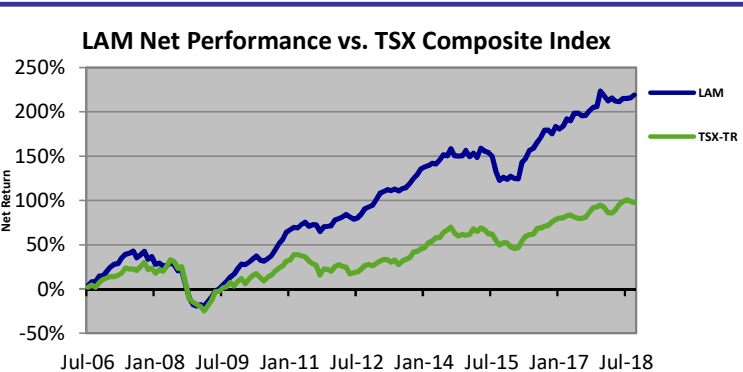
Industrial	diversified	24.0%
Consumer S & D	food & bevs/retail/deathcare	19.7%
Technology	IT/software/wireless	12.0%
Utilities	renewable power	8.2%
Financial/R.E.	mortgages/asset mgt/malls	7.9%
Energy	pipelines/infrastructure	7.4%
Healthcare	mobility/pharma/homes	5.8%
Telecom	wireless/TV/internet	5.1%
Materials	packaging	1.9%
Cash	cash & equivalents	8.0%

TOP LARGE CAP HOLDINGS

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

TOP SMALL / MID CAP HOLDINGS

Baylin Technologies (wireless antennae)
Logistec (marine & environmental services)
Andrew Peller (wine production & sales)
Badger Daylighting (hydrovac excavation)
K-Bro Linen (industrial laundry services)
Sienna Senior Living (retirement residences)
AG Growth (agricultural storage & handling)
Park Lawn (cemetaries & funeral services)
GoodFood Market (home food delivery)
Altus Group (real estate software & services)



NET RETURN

	3 Month	1 Year	3 Year	5 Year	10 Year	01-Jul-06
LAM Cumulative	1.3%	6.1%	43.3%	45.8%	202.0%	219.1%
TSX Composite TR	-0.6%	5.9%	32.0%	45.6%	84.2%	97.4%
LAM Value Added	1.9%	0.2%	11.3%	0.2%	117.8%	121.8%
LAM Annualized		6.1%	12.7%	7.8%	11.7%	9.9%
TSX Composite TR		5.9%	9.7%	7.8%	6.3%	5.7%
LAM Value Added		0.2%	3.0%	0.0%	5.4%	4.2%

INVESTMENT TERMS

Minimum	\$25,000 (accredited)/\$150,000 (non-accredited)	
Net Asset Value	\$18.62 Series F	FundSERV: LAF100
Management Fee	1.5% (plus approx. 0.10% for trading/custodial)	
Fund/Firm AUM	\$63.3 million/\$325 million	