

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

## Canadian Equity Funds

# Omega Canadian Equity Fund

For the period ended June 30, 2011

This interim management report of fund performance contains financial highlights, but does not contain interim or annual financial statements of the mutual fund. A copy of the interim or annual financial statements can be obtained on request, and at no cost, by calling 1-888-270-3941 or 514-871-2082, by writing to us at National Bank Securities Advisory Service, 500, Place d'Armes, 12th floor, Montreal, Quebec, H2Y 2W3, by visiting our website at [www.nbc.ca/financial\\_reports](http://www.nbc.ca/financial_reports), by visiting SEDAR's website at [www.sedar.com](http://www.sedar.com), or by contacting your investment advisor.

You 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.

## Management Discussion of Fund Performance

### Results of Operations

For the six-month period ended June 30, 2011, the Omega Canadian Equity Fund Investor Series units returned 3.69% compared to 0.16% for the Fund's benchmark, the S&P/TSX Composite Index (CA\$). Unlike the index, the Fund's performance is calculated after fees and expenses. Please see the *Past Performance* section for returns of the Advisor Series, the F Series and the R Series. Returns of the Advisor Series, the F Series and the R Series may vary mainly because of fees and expenses.

On June 30, 2011, the net assets of the Omega Canadian Equity Fund totalled approximately \$345.5 million compared to \$331.6 million on December 31, 2010. Its increase (4.21%) is mainly attributable to positive market trends.

Canadian equities traded higher during the first three months of 2011, boosted by optimism that the world economy has transitioned out of the recovery stage and into expansion. However, fortunes turned during the following three months, in reaction to political uprisings in parts of the Arab world and renewed fears of European debt defaults, which caused the S&P/TSX Composite Index to surrender its advance and close the period with a marginal gain of 0.16%.

Nevertheless, sector performances were mixed, as five of them ended with gains and five finished the period with losses. On the upside, the Health Care sector distanced itself from all others, as it gained 55.98%, benefiting from a 77.3% surge in the price of Valeant Pharmaceutical, while a 52% decline in Research in Motion (RIM) share price propelled the Technology sector to a 30.8% decline, its steepest six months loss since the second half of 2008. Outside of these two sectors, Telecommunications and Industrial shares posted the second and third best percentage gains, while Materials, Consumer Discretionary and Energy stocks figured amongst the worst decliners.

Materials and Energy shares lagged behind the overall market, despite firm commodity prices, as investors feared the effects of increasing costs on profit margins. Elsewhere, the Financial Services sector gained 4.24% overall but, performances were mixed as the majority of Banks and REITs ended with gains, while Insurers and Wealth Managers ended with losses.

During the six-month period, the Fund outperformed its benchmark, the S&P/TSX Composite Index (\$CA) due to in large part to overweightings in Industrials and Health care sectors. An overweight allocation to the poorly performing information technology sector detracted from performance, however, stock selection within the sector contributed positively. Energy and Financials remained the portfolio's two most important sectors.

During the period, the portfolio managers added to the Tourmaline Oil position and initiated a position in Celtic Exploration, as these stocks offer good downside protection. They also reduced positions in Suncor and Encana, adding to the Tourmaline position as they did so. Among non-producers, Keyera remained a key holding in the sector.

## **Recent Developments**

The economy is in mid-cycle, not approaching recession. Equity market liquidity is ample, and corporate balance sheets are in good shape. This translates into solid market fundamentals. While economic growth has slowed, there are fewer risks than what was seen in 2008-2009. While the coming months are expected to be volatile for equity markets, the fundamentals for good growth remain.

Lower oil price could have a negative impact on Canadian markets if the price goes down due to economic problems in the United States. But if the price drop is due mostly to the traditional resistance to prices above US \$100 a barrel, then the impact should be less.

The valuation-fundamental disconnect remains to an extent, driven by trading activity by exchange traded funds and some hedge funds. While this has driven down stock prices of good companies along with those of problem-plagued ones, this can result in excellent buying opportunities.

In the second quarter of the year, Brandon Snow, joined the CI Global Holdings inc. investment team. Brandon Snow is now co-manager of the Fund with Alan R. Radlo.

## **Future Accounting Standards**

In February 2008, the Canadian Accounting Standards Board (“AcSB”) confirmed that all publicly accountable enterprises would be required to report under International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) for fiscal years beginning on or after January 1, 2011. However, in January 2011, the AcSB approved a deferral of the effective date of entry in force of IFRS from January 1, 2011 to January 1, 2013 for investment companies that are currently applying Accounting Guideline AcG-18, “Investment Companies”.

The deferral of the transition date to IFRS has been put in place to ensure that investment companies will not have to modify their actual accounting treatment for entities in which they have control while the IASB is completing the standard about investment companies.

Consequently, the Funds will publish their first audited financial statements in accordance with IFRS for the year ended

December 31, 2013 and will present comparative figures in accordance with IFRS for the year ended December 31, 2012, including an opening balance sheet as at January 1, 2012.

Given the deferral of the effective transition date to IFRS, management is closely monitoring the evolution of the standards and is adjusting its project consequently. In the periods preceding the first fiscal year in which IFRS will be adopted, the impact of transitioning to IFRS on the financial statements of the Funds will be disclosed as they become known.

## Related Party Transactions

National Bank of Canada (“the Bank”) and its affiliated companies’ roles and responsibilities related to the Fund are as follows:

### Trustee

Natcan Trust Company (“NTC”), a wholly owned subsidiary of the Bank, is the Fund’s trustee. In this capacity, it is the legal owner of the Fund’s investments.

### Fund Manager

The Fund is managed by National Bank Securities Inc. (“NBS”), which is a wholly-owned subsidiary of the Bank. Therefore, NBS provides or ensures the provision of all general management and administrative services required by the Fund’s current operations, including investment consulting, the arrangement of brokerage contracts for the purchase and sale of the investment portfolio, bookkeeping and other administrative services required by the Fund.

The Fund reimbursed the Fund Manager for operating expenses, at cost, incurred in administering the Fund, including trustee, record-keeping, custodial, legal, audit, investor servicing, and securityholder reporting fees.

As described under the heading Management Fees, the Fund pays annual management fees to NBS as consideration for its services.

### Distribution of Fund Units

NBS acts as Distributor for the Fund. In this capacity, NBS buys, sells and swaps securities through Bank branches and the National Bank Securities Advisory Service in Canadian provinces and territories, and through external registered representatives. Fund units are also offered by National Bank Direct Brokerage Inc., CABN Investments Inc. National Bank Financial Inc. and other affiliated entities. Each month, brokers receive a commission representing a percentage of the average daily value of the securities held by their clients.

### Transfer Agent and Custodian

NTC acts as registrar for the Fund’s securities and the names of unitholders. NTC also acts as the Fund’s custodian. The fees for NTC’s custodial services are based on the standard rates in effect at NTC.

### Brokerage Fees

The Fund may pay broker’s commissions at market rates to a corporation affiliated with NBS. The brokerage fees paid by the Fund for the period are as follows:

	Period ended June 30, 2011
Total brokerage fees	\$724,948.11
Brokerage paid to National Bank Financial	\$171,731.76

### Holdings

As at June 30, 2011, National Bank Securities held 1 010.91 Fund units for a value of \$12 070.29, which represented 0.01% of the net asset value of the Fund at that date. Transactions between National Bank Securities and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

### Registered Plan Trust Services

NTC receives a fixed amount per registered account for services provided as trustee for registered plans.

### Administrative and Operating Services

The Bank provides the Fund with certain services, including accounting, reporting and portfolio valuation services. The costs incurred for these services are paid by the manager to the Bank.

# Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2011 and the past five years.

## Investor Series/Advisor Series\*

\*The Advisor Series was created on June 12, 2009.

### The Fund's Net Assets per Unit<sup>(1)</sup>

	Period ended June 30, 2011	2010 December 31	2009 December 31 (15 months)	2008 September 30	2007 September 30	2006 September 30
Net Assets, beginning of year	\$ 19.47	\$ 17.54	\$ 18.67	\$ 21.98	\$ 17.72	\$ 16.23
<b>Increase (decrease) from operations</b>						
Total revenue	\$ 0.19	\$ 0.39	\$ 0.33	\$ 0.40	\$ 0.34	\$ 0.29
Total expenses	\$ (0.25)	\$ (0.45)	\$ (0.33)	\$ (0.35)	\$ (0.33)	\$ (0.28)
Realized gains (losses)	\$ 1.30	\$ 0.31	\$ 0.65	\$ 1.19	\$ 1.25	\$ 0.21
Unrealized gains (losses)	\$ (0.52)	\$ 2.06	\$ 0.38	\$ (4.54)	\$ 2.95	\$ 1.21
Transaction costs on purchase and sale investments	\$ (0.04)	\$ (0.05)	\$ (0.06)	\$ —	\$ —	\$ —
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.68</b>	<b>\$ 2.26</b>	<b>\$ 0.97</b>	<b>\$ (3.30)</b>	<b>\$ 4.21</b>	<b>\$ 1.43</b>
<b>Distributions:</b>						
From income (excluding dividends)	\$ —	\$ —	\$ 0.01	\$ —	\$ 0.06	\$ —
From dividends	\$ —	\$ —	\$ 0.01	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ 0.19	\$ —	\$ —	\$ —
Return of capital	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.21</b>	<b>\$ —</b>	<b>\$ 0.06</b>	<b>\$ —</b>
<b>Net Assets as at June 30, 2011 and last day of years shown</b>	<b>\$ 20.15</b>	<b>\$ 19.47</b>	<b>\$ 17.54</b>	<b>\$ 18.67</b>	<b>\$ 21.98</b>	<b>\$ 17.72</b>

<sup>(1)</sup> This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. The net assets value per security presented in the financial statements differs from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

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

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

### Ratios and Supplemental Data

	Period ended June 30, 2011	2010 December 31	2009 December 31 (15 months)	2008 September 30	2007 September 30	2006 September 30
Total net asset value (000's) <sup>(1)</sup>	\$ 345,379	\$ 331,457	\$ 231,002	\$ 138,825	\$ 166,383	\$ 113,312
Number of units outstanding <sup>(1)</sup>	17,080,355	17,001,527	13,140,214	7,435,993	7,569,535	6,394,588
Management expense ratio <sup>(2)</sup>	2.34 %	2.32 %	2.23 %	2.18 %	2.21 %	2.30 %
Management expense ratio before waivers or absorptions	2.48 %	2.49 %	2.30 %	2.18 %	2.21 %	2.30 %
Trading expense ratio <sup>(3)</sup>	0.43 %	0.29 %	0.29 %	— %	— %	— %
Portfolio turnover rate <sup>(4)</sup>	121.64 %	73.63 %	236.56 %	s.o. %	s.o. %	s.o. %
Net asset value per unit	\$ 20.22	\$ 19.50	\$ 17.58	\$ 18.67	\$ 21.98	\$ 17.72

<sup>(1)</sup> This information is provided as at June 30, 2011 and last day of years shown.

<sup>(2)</sup> Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

# Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2011 and the past two years.

## F Series

### The Fund's Net Assets per Unit<sup>(1)</sup>

	Period ended June 30, 2011	2010 December 31	2009 December 31 (203 days)
Net Assets, beginning of year	\$ 11.44	\$ 10.20	\$ 10.00
<b>Increase (decrease) from operations</b>			
Total revenue	\$ 0.12	\$ 0.24	\$ 0.14
Total expenses	\$ (0.09)	\$ (0.15)	\$ (0.14)
Realized gains (losses)	\$ 0.82	\$ 0.12	\$ 0.27
Unrealized gains (losses)	\$ (0.66)	\$ 1.02	\$ 0.16
Transaction costs on purchase and sale investments	\$ (0.03)	\$ (0.03)	\$ (0.02)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.16</b>	<b>\$ 1.23</b>	<b>\$ 0.41</b>
<b>Distributions:</b>			
From income (excluding dividends)	\$ —	\$ —	\$ —
From dividends	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ 0.11
Return of capital	\$ —	\$ —	\$ —
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.11</b>
<b>Net Assets as at June 30, 2011 and December 31 of year shown</b>	<b>\$ 11.90</b>	<b>\$ 11.44</b>	<b>\$ 10.20</b>

<sup>(1)</sup> This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. The net assets value per security presented in the financial statements differs from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

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

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

### Ratios and Supplemental Data

	Period ended June 30, 2011	2010 December 31	2009 December 31 (203 days)
Total net asset value (000's) <sup>(1)</sup>	\$ 184	\$ 80	\$ 15
Number of units outstanding <sup>(1)</sup>	15,397	6,964	1,513
Management expense ratio <sup>(2)</sup>	1.33 %	1.30 %	1.26 %
Management expense ratio before waivers or absorptions	6.57 %	14.75 %	67.14 %
Trading expense ratio <sup>(3)</sup>	0.17 %	0.27 %	0.44 %
Portfolio turnover rate <sup>(4)</sup>	121.64 %	73.63 %	236.56 %
Net asset value per unit	\$ 11.94	\$ 11.45	\$ 10.22

<sup>(1)</sup> This information is provided as at June 30, 2011 and December 31 of years shown.

<sup>(2)</sup> Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

# Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2011.

## R Series

### The Fund's Net Assets per Unit<sup>(1)</sup>

	Period ended June 30, 2011
Net Assets, beginning of year	\$ —
<b>Increase (decrease) from operations</b>	
Total revenue	\$ 0.02
Total expenses	\$ (0.03)
Realized gains (losses)	\$ 0.10
Unrealized gains (losses)	\$ (0.17)
Transaction costs on purchase and sale investments	\$ (0.02)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.10)</b>
<b>Distributions:</b>	
From income (excluding dividends)	\$ —
From dividends	\$ —
From capital gains	\$ —
Return of capital	\$ 0.06
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ 0.06</b>
<b>Net Assets as at June 30, 2011 and December 31 of year shown</b>	<b>\$ 9.85</b>

<sup>(1)</sup> This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. The net assets value per security presented in the financial statements differs from the net asset value calculated for security pricing purposes. The differences are explained in the notes to the financial statements.

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

<sup>(3)</sup> Distributions were paid in cash or reinvested in additional units of the Fund, or both.

### Ratios and Supplemental Data

	Period ended June 30, 2011
Total net asset value (000's) <sup>(1)</sup>	\$ 4
Number of units outstanding <sup>(1)</sup>	443
Management expense ratio <sup>(2)</sup>	2.28 %
Management expense ratio before waivers or absorptions	621.30 %
Trading expense ratio <sup>(3)</sup>	(0.72)%
Portfolio turnover rate <sup>(4)</sup>	121.64 %
Net asset value per unit	\$ 9.88

<sup>(1)</sup> This information is provided as at June 30, 2011 and December 31 of years shown.

<sup>(2)</sup> Management expense ratio is based on total expenses for the period indicated (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of the daily average net asset value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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

## Management Fees

The Fund pays annual management fees to the Manager for its management services. The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. A portion of the management fees paid by the Fund covers trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily cover investment management and general administration services. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

Series		Management Fee	Distribution	Others <sup>†</sup>
Investor Series		2.00%	50.00%	50.00%
Advisor Series and R Series*	Front end	2.00%	25.00%	75.00%
	Back end		50.00%	50.00%
	Low-Load 1 to 3 years 4 years plus		25.00%	75.00%
F Series		1.00%	0.00%	100.00%

<sup>(\*)</sup> Excluding sales commissions paid on the Advisor Series with low load and back end fees, which are not paid for out of the management fees.

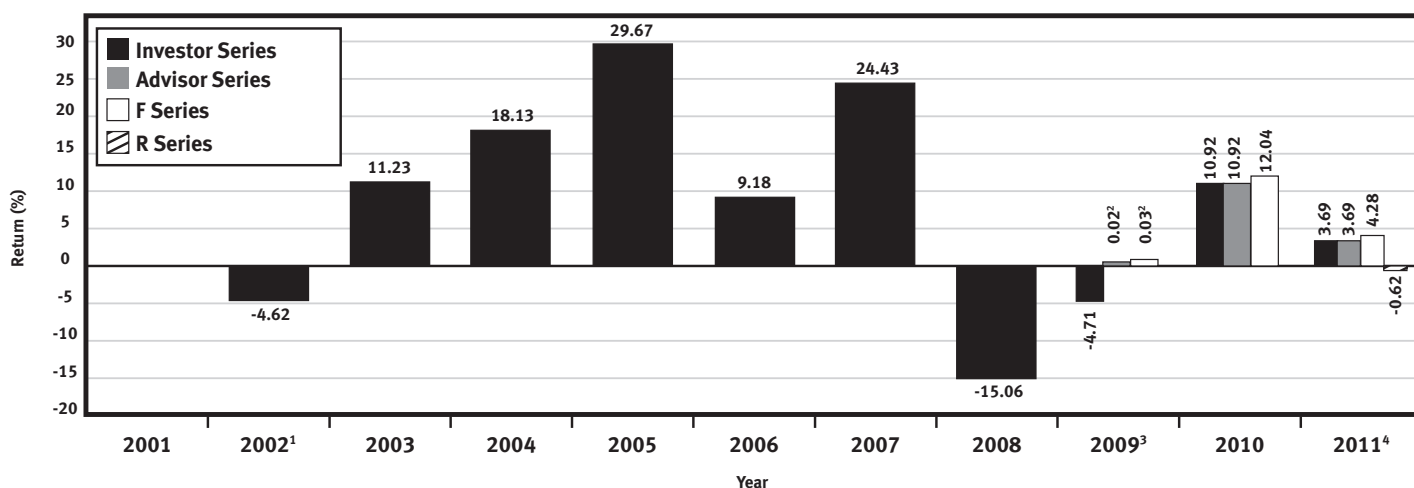
<sup>(†)</sup> Includes all costs related to management, investment advisory services, general administration and profit.

## Past Performance

Information on the Fund's past performance is presented in the graphs below. The graphs assume that fund distributions during the periods presented were reinvested in full in additional fund securities and do not take into account sales, redemption charges, distributions, or optional charges that would have reduced returns. Past performance of a Fund or series of a Fund does not necessarily indicate how it will perform in the future.

### Annual Returns

The following bar chart shows the Fund's annual performance in each of the last years shown and illustrates how the Fund's performance has changed from year to year. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year.



<sup>1</sup> Returns for the period from October 15, 2001 (inception date) to September 30, 2002.

<sup>2</sup> Returns for the period from June 12, 2009 (inception date) to December 31, 2009.

<sup>3</sup> Returns for the 15-month period from October 1, 2008 to December 31, 2009.

<sup>4</sup> Returns for the Investor Series, the Advisor Series and the F Series for the period from January 1, 2011 to June 30, 2011; returns for the R Series for the period from May 27, 2011 (inception date) to June 30, 2011.

# Summary of Investment Portfolio

## Portfolio Top Holdings

	% of Net Asset Value
Cash & Other Assets	9.7
Tourmaline Oil Corp.	3.7
Toronto-Dominion Bank	3.5
Canadian Natural Resources Ltd.	3.5
Royal Bank of Canada	3.2
Keyera Corp.	3.2
Cenovus Energy Inc.	3.2
Barrick Gold Corp.	2.5
National Bank of Canada	2.3
Canadian National Railway Co.	2.2
Onex Corp.	2.2
Teck Resources Ltd., Class B	2.1
Brookfield Infrastructure Partners LP	2.1
CGI Group Inc., Class A	2.1
George Weston Ltd.	2.0
Magna International Inc., Class A	1.9
Celtic Exploration Ltd.	1.9
Agrium Inc.	1.8
Canadian Western Bank	1.8
Alimentation Couche-Tard Inc., Class B	1.6
Research In Motion Ltd.	1.6
Penn West Petroleum Ltd.	1.6
Cominar Real Estate Investment Trust	1.6
Canadian Energy Services & Technology Corp.	1.6
ATS Automation Tooling Systems Inc.	1.5
	64.4

Fund Net Asset Value ..... \$345,566,905

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available. Consult our Web site [www.nbc.ca/financial\\_reports](http://www.nbc.ca/financial_reports).

## Notes on forward-looking statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements.

By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events.

The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

## Weighting by Sector

	% of Net Asset Value
Energy	24.8
Financials	17.4
Industrials	13.9
Information Technology	11.4
Foreign Equities	9.5
Materials	8.7
Consumer Discretionary	6.6
Consumer Staples	4.6
Health Care	3.1

## Asset Mix

	% of Net Asset Value
Canadian Equity	79.1
Foreign Equity	11.2
Cash & Other Assets	9.7