

CIDEL HEDGE FUND INDEX REPLICATOR FUND INSTITUTIONAL (USD)

Fund Objective

The objective of the Hedge Fund Index Replicator Fund is to deliver hedge fund-like risk/return characteristics through a liquid investment fund. The fund seeks to replicate the return of the HFRI Fund Weighted Index, one of the most commonly used indexes measuring returns of a broad hedge fund universe.

The fund is suitable for investors seeking to grow their capital with low volatility.

Hedge funds have provided investors with attractive risk/return characteristics, on a stand alone basis and as a complement to their traditional investments. The Liquid Alternative Tracker Fund is designed to provide investors with the benefits of investing in a diversified hedge fund exposure, without having to sacrifice liquidity.

Fund Methodology

The fund invests in only the most liquid and widely traded futures and exchange traded funds. Factor based analysis is used to determine weightings in these instruments and a liquid portfolio of investments designed to capture the return of the broad hedge fund universe is created. At present, the factors utilized are the S&P 500, Russell 2000 Index, MSCI EAFE Index, MSCI Emerging Markets Index, Dollar Index and LIBOR.

Advantages

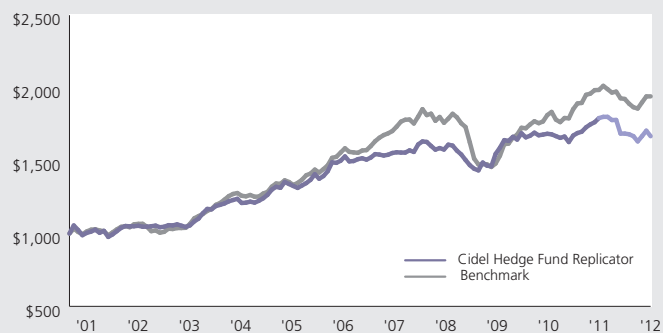
- Diversified exposure
- Low correlation to traditional asset classes
- Large investment capacity
- Highly liquid
- Low fees

STATISTICAL ANALYSIS	CIDEL	BENCHMARK
1 Year Return	-6.95%	-2.21%
3 Year Return (Annualized)	2.54%	9.45%
5 Year Return (Annualized)	1.44%	2.65%
Since Inception – January 2001 (Annualized)	4.66%	6.08%
Maximum Monthly Loss	-5.26%	-6.84%
Maximum Monthly Gain	5.83%	5.15%
Maximum Drawdown	-12.19%	-21.42%
Standard Deviation	6.15%	6.51%

BENCHMARK

HFRI Fund Weighted Composite Index

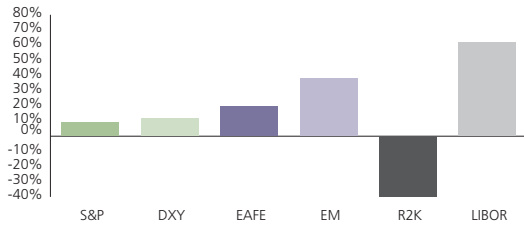
GROWTH OF \$1,000 VS. BENCHMARK



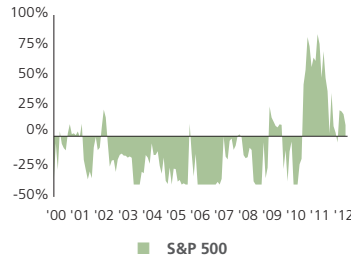
MONTHLY PERFORMANCE (%) Net Returns*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2012	2.21	2.26	-2.23	--	--	--	--	--	--	--	--	--	2.18
2011	1.16	0.86	1.60	0.47	0.00	-1.23	0.05	-5.26	-1.71	1.46	-0.77	-2.17	-5.60
2010	-1.06	0.29	0.33	-0.23	-0.72	-0.73	0.56	-2.27	2.73	1.04	0.54	1.77	2.17
2009	-1.47	-0.24	5.83	2.72	3.27	-0.32	1.72	-1.16	2.63	-1.65	0.66	1.27	13.78
2008	-1.59	0.70	-0.65	2.14	-0.40	-2.16	-1.66	-2.47	-2.38	-1.67	-0.79	3.77	-7.10
2007	-0.43	0.35	0.79	0.32	-0.13	0.00	0.98	-0.70	3.31	1.28	-0.21	-1.70	3.84
2006	4.25	-0.24	0.99	1.98	-2.25	0.16	0.87	0.41	-0.63	0.96	1.55	-0.21	7.98
2005	-0.55	3.06	-1.02	-1.03	-1.00	1.28	1.24	1.66	2.81	-2.21	1.36	2.39	8.12
2004	1.21	0.77	0.65	-2.30	0.18	0.58	-0.57	1.06	1.38	1.92	2.82	1.51	9.50
2003	0.69	-0.87	-0.81	1.00	2.63	1.75	3.38	2.57	-0.23	1.93	0.68	0.79	14.26
2002	1.26	-0.22	0.07	0.31	-0.64	0.06	0.26	0.42	-1.07	0.33	1.04	-0.16	1.65

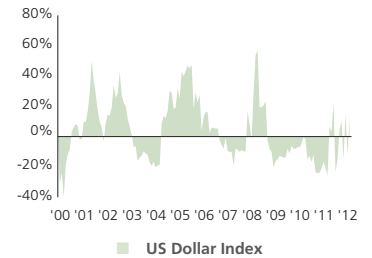
FACTOR EXPOSURES



EXPOSURES OVER TIME: S&P



EXPOSURES OVER TIME: DXY

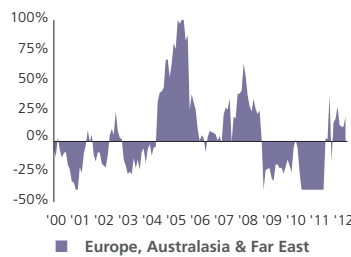


MONTHLY COMMENTARY

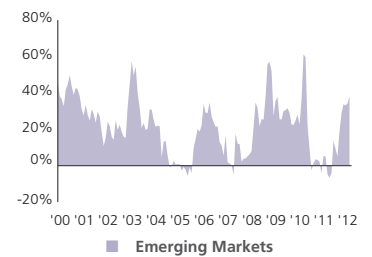
For the month of March the net equity exposure increased by 2% and gross decreased by 23.7%. The U.S. large cap exposure taken through S&P decreased by 9.3% and the Russell short exposure remained unchanged at -40%. EAFE exposure increased by 7.3% to become 19.7% and Emerging markets exposure increased by 3.7% to 37.9%. Allocation to the dollar index increased by 23.5%, taking it to a long position of 11.6%.

March was another positive albeit choppy month for equity markets. Losses in the beginning of the month were reversed by the end of the quarter. Global developed markets ended up positive as emerging markets sold off. Long exposure to the S&P and Russell lead to a loss of 0.37% and 0.51% respectively. Emerging markets detracted about a percent from returns and the dollar index exposure lead to a loss of 0.44%. Long EAFE exposure contributed positively.

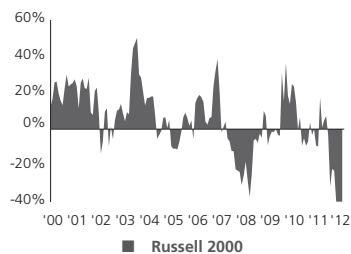
EXPOSURES OVER TIME: EAFE



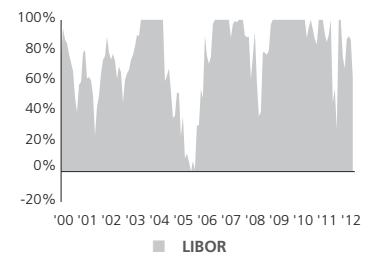
EXPOSURES OVER TIME: EM



EXPOSURES OVER TIME: R2K



EXPOSURES OVER TIME: LIBOR



CIDEL FINANCIAL GROUP

Cidel is an international financial services group that designs and implements customized financial solutions to help clients build, preserve and transfer wealth. With a strategic network of operations in Canada and internationally, Cidel's broad range of investment, trust and structuring capabilities provide clients with solutions that are global, innovative, transparent and compliant.

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Risks and Other Considerations

* Returns for the period prior to May 2009 are back tested pro-forma numbers. Returns for the period from May 2009 to January 8, 2010 represent unfunded strategy returns.

Past performance is not an indication of future results.

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