

Sionna Quick Facts

AUM: C\$2.3 billion
AUA: C\$0.6 billion
Established: June 2002
Ownership: Employee-owned

Sionna Canadian
SMALL CAP Composite

Portfolio Manager's Quarterly Commentary

Investors had a turbulent ride in Q3 2011 and the BMO Small Cap Index ultimately closed down 14.9% on a total return basis. Investors were inundated with constant negative newsfeeds from Washington and the major European centres. Volatility spiked and reached levels last experienced in the 2008/2009 crisis. Macro-related events

drove the market: political theatre over the debt ceiling (that resulted in a downgrade of the United States' credit rating), and unresolved European sovereign debt issues and their impact on the viability of Europe's largest banks.

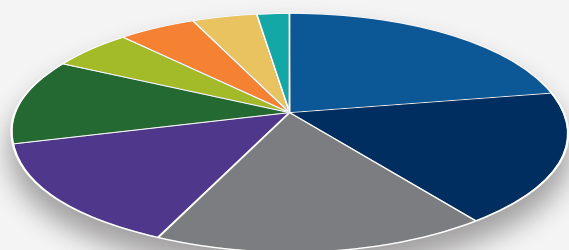
Composite Strategy

Sionna practises a relative value style of investing in small capitalization Canadian stocks. Through fundamental analysis and evaluation, we carefully select stocks that are selling for less than they are worth and then incrementally sell those stocks once they approach their true value.

Top 10 Holdings

1	Pulse Seismic Inc.	4.2%
2	ATS Automation Tooling Systems Inc.	3.9%
3	Winpak Ltd.	3.3%
4	Corby Distilleries Limited	2.8%
5	Vermilion Energy Inc.	2.8%
6	The Westaim Corporation	2.8%
7	Russel Metals Inc.	2.7%
8	Equitable Group Inc.	2.6%
9	Dorel Industries Inc.	2.6%
10	Northland Power Inc.	2.6%

Industry Allocation



Energy	22.5%
Materials	17.7%
Industrials	16.6%
Financial Services	14.3%
Consumer Discretionary	11.7%
Information Technology	5.6%
Utilities	5.3%
Consumer Staples	4.4%
Health Care	2.0%

Weights may not total 100% due to rounding.

The portfolio attribution shown relates to a single account, deemed by Sionna to be a representative account of the Composite.

Composite Performance As at September 30, 2011

Inception Date: March 2007	Q3, 2011 (%)	One Year (%)	Two Years (%)	Three Years (%)	Four Years (%)	Five Years (%)	Six Years (%)	Since Inception (%)
Sionna Canadian Small Cap Composite	(12.9)	(0.2)	10.3	8.9	1.8	–	–	2.2
BMO Small Cap Blended Index	(14.9)	(2.4)	13.2	12.6	0.3	–	–	0.4

Note: Returns are shown in Canadian dollars, gross of fees. Past results are not indicative of future performance. Differences in the asset mix of the Composite and the benchmark can lead to differences in performance returns between the Composite and the reported benchmark returns. Sionna Investment Managers Inc. is an independent investment counsel and portfolio management firm, which was established on September 1, 2002 and licensed to trade on December 12, 2002. Sionna Investment Managers Inc. manages assets in a relative value style, using a disciplined value process. Our objective is to generate consistent, above-average, low-risk returns. The Sionna Small Cap strategy focuses on stocks of smaller Canadian companies. Sionna practices a relative value approach where the objective is to buy stocks that are selling for less than they are worth and then sell them when they approach their true value. The benchmark is BMO Small Cap Index. Sionna Investment Managers Inc. claims compliance with the Global Investment Performance Standards (GIPS). To receive a complete list of composite descriptions of Sionna Investment Managers Inc. and/or a GIPS compliant presentation, contact us at: client_support@sionna.ca.

Top Five Performers/Bottom Five Detractors

Added to Performance – Last Quarter

- 1 Central Fund of Canada Limited
- 2 Pulse Seismic Inc.
- 3 The Jean Coutu Group (PJC) Inc.
- 4 Caribbean Utilities Company, Ltd.
- 5 AltaGas Ltd.

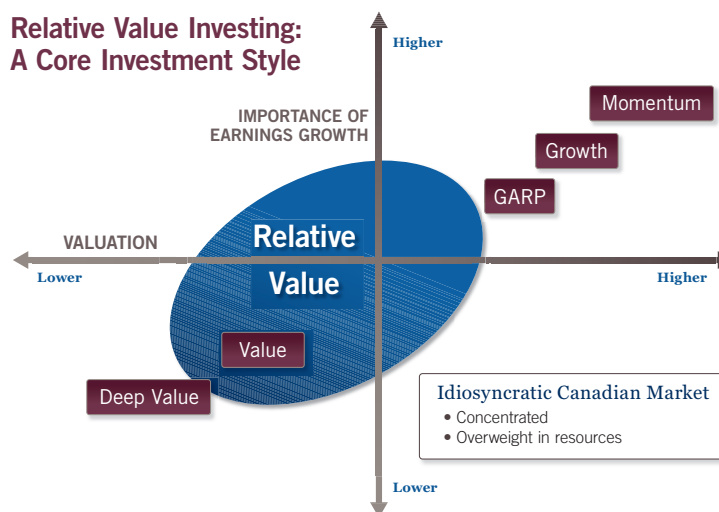
Detracted from Performance – Last Quarter

- 1 Le Chateau Inc.
- 2 Methanex
- 3 NuVista Energy Ltd.
- 4 GMP Capital Inc.
- 5 Westport Innovations Inc.*

*The portfolio's performance benefited or was harmed from **not owning** these securities.

Investment Style

Sionna Investment Managers Inc. uses a relative value investing style which is specifically designed for the Canadian market. Relative value is flexible and considers a broader pool of prospective stocks which other value styles may not.



Investment Team

Sionna is an independently owned firm, which allows us to make clients our first priority.

The philosophy behind our decision-making process has always been a unique feature of our firm and it begins with constant development of each member of our investment team. The team, led by **Kim Shannon**, includes **Teresa Lee**, **Marian Hoffmann**, **Mel Mariampillai**, **Dave Britton**, **Andrew Wallman** and **Andrew Pastor**. On average, the portfolio managers have more than 14 years of industry experience. With the guidance of our CIO, our investment team's unique

blend of education, experience, commitment to finding value and deep understanding of the Canadian market form a critical advantage in the creation of wealth for our clients over the long term.

Sionna practises a relative value investing style that fits well in Canada's idiosyncratic market, which is overweight in resources. Capitalizing on this overweighting requires a more pragmatic and relative approach to value investing; an approach that considers solid, undervalued companies that may not meet the criteria of other more rigid investment styles.



The products and services described in this document are intended exclusively for Canadian accounts.