

MD Select Fund

Management Report of Fund Performance (June 30, 2011)

Series A, Series T and Series I

Results of Operations

For the period ending June 30, 2011, the MD Select Fund ("the Fund") had a total return of -4.8%.

Canadian equities made substantial gains in the first quarter of the year amid renewed optimism on the sustainability of the world economic recovery. However, almost all of those gains were erased in the second quarter due to global economic uncertainties. Concerns over the sovereign debt situation in Europe and fears of a slowdown in the Chinese economy created additional downward pressures on commodities. For the same period the Fund's benchmark, the S&P TSX Capped Composite Index returned 0.16%.

Out of the ten industrial sectors represented in the Fund, the Materials and Energy sectors received on average the highest weightings throughout the first half of the year, while Utilities and Telecommunication Services received the lowest allocation. Health Care was the top contributing sector to the portfolio's return over the period, followed by Information Technology. The Materials sector was the largest detractor from the Fund's return due to the sector's poor performance and significant allocation within the portfolio.

The Fund predominantly maintained its intended all-cap GARP bias investment strategy throughout the period. Securities with large capitalization profiles largely drove the Fund's return during the first half of the year.

As at June 30, 2011, the total net asset value of the Fund was \$482 million, a decrease of 4% from the beginning of the year. The Fund's decrease in net asset value was a result of unrealized depreciation of investments in the Fund. Revenues and expenses were similar to the same period last year and net contributions from units sales were positive.

Recent Developments

Strategic Changes

As at June 30, 2011 the assets of the Fund were allocated 90% and 10% respectively between Highstreet and Acuity. There were no strategic changes to the Fund during the first half of the year. The Fund continues to be managed in a manner consistent with its investment mandate. The Investment Advisor has adhered to their investment discipline and portfolio strategies and the Fund is inline to achieve its long-term objectives.

Related Party Transactions

MD Physician Services Inc. is the Manager, Registrar and Trustee of the Fund. As Manager, MD Physician Services Inc. manages the overall business of the MD Funds and is responsible for: setting investment objectives, providing and/or retaining the services of third party service providers for fund accounting services, administration services, and promoting the sales of the MD Fund's units.

As Registrar, MD Physician Services Inc. tracks the owners of units of the MD Funds, processes purchase, transfer and redemption orders, issues investor account statements, and issues annual tax reporting information.

As the Fund is organized as a Trust, investing in the Fund means purchasing units of the Trust. As Trustee to the Fund, MD Physician Services Inc. holds actual title to the property in the Fund—the cash and securities the Fund invests in—on behalf of the unitholders.

The principal distributor is MD Management Limited. As principal distributor, MD Management Limited markets the units of the MD Funds through its offices across Canada. MD Management Limited is owned by the Fund Manager, MD Physician Services Inc., which is owned by CMA Holdings (2009) Inc.

Management Fees

MD Physician Services Inc. provides the Fund with investment management and administrative services, including fund accounting and unitholder record-keeping. In return, MD Physician Services Inc. receives a management fee and an administration fee based on the net asset value of the Fund calculated on a daily basis and paid weekly.

MD Physician Services Inc. pays MD Management Limited, a related party, a fee for providing financial planning services.

(as a percentage of management fees)

Financial Planning Services	46.9%
Investment management, administration and other	53.1%

Disclosure

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can obtain a copy of the interim financial statements at your request, and at no cost, by calling 1 800 267-2332, by writing to us at MD Physician Services Inc., 1870 Alta Vista Drive, Ottawa, Ontario, K1G 6R7, or by visiting our website at md.cma.ca or SEDAR at sedar.com.

Securityholders 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.



MD Select Fund

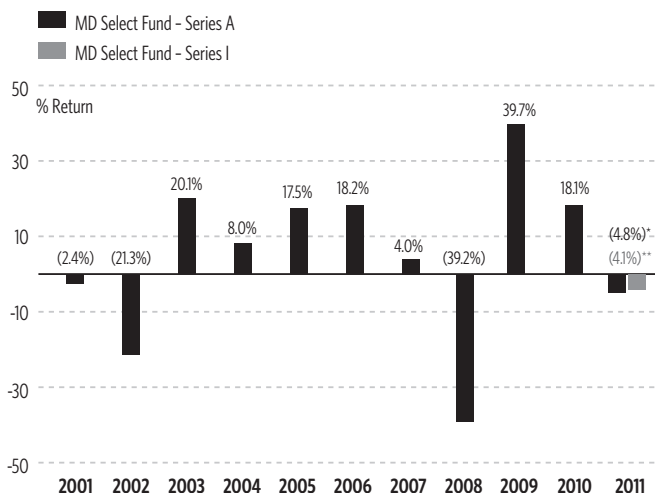
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Past Performance

The following bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the Fund's performance changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each calendar year would have grown or decreased by the last day of each calendar year. Although the Fund's Series I units were created in 2009, they were not sold until 2010 and consequently for 2010 did not report a full financial year. As such the 2010 performance data is not available for the chart.

The performance information assumes that all distributions made by the Fund were reinvested in additional units of the Fund and does not take into account sales, redemptions, distributions or other optional charges that would reduce returns. How the Fund has performed in the past does not necessarily indicate how the Fund will perform in the future.

Year-By-Year Returns



*For the six-month period ended June 30, 2011.

**Returns are for the 6 month period to June 30, 2011. Series I units do not charge a management fee at the fund level, and therefore may report higher returns. Series I units are available to qualified Institutional Investors who pay a separate negotiated management fee directly to MD Physician Services Inc.

Series T units are not reported here as they have been in existence for less than a full calendar year.

Regarding Forward-Looking Statements

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as "plan", "anticipate", "intend", "expect", "estimate", or other similar wording.

These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices; fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated. Actual results may differ materially from the results anticipated in these forward-looking statements.

MD Select Fund

Management Report of Fund Performance (June 30, 2011)

Financial Highlights

The following tables show selected key financial information about the Fund and its financial performance for the past five years. This information is derived from the Fund's audited annual and unaudited interim financial statements.

The Fund's Net Assets per Unit¹

Series A	Six months ended June 30 2011	Year ended December 31				
		2010	2009	2008	2007	2006
Net assets—beginning of the period	\$20.32	\$17.17	\$12.37	\$20.57	\$22.01	\$18.78
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.37	\$0.38	\$0.46	\$0.45	\$0.31
Total expenses	\$(0.15)	\$(0.27)	\$(0.30)	\$(0.31)	\$(0.38)	\$(0.29)
Net realized gains (losses) for the period	\$1.22	\$1.73	\$(2.17)	\$(1.30)	\$3.06	\$1.74
Net unrealized gains (losses) for the period	\$(2.26)	\$1.29	\$6.98	\$(6.84)	\$(2.21)	\$1.65
Total increase (decrease) from operations ²	\$(1.00)	\$3.12	\$4.89	\$(7.99)	\$0.92	\$3.41
Distributions:						
From income (excluding dividends)	\$—	\$—	\$—	\$—	\$—	\$—
From dividends	\$—	\$(0.04)	\$(0.13)	\$(0.11)	\$—	\$—
From capital gains	\$—	\$—	\$—	\$—	\$(2.24)	\$(0.16)
Return of capital	\$—	\$—	\$—	\$—	\$—	\$—
Total annual distributions ³	\$—	\$(0.04)	\$(0.13)	\$(0.11)	\$(2.24)	\$(0.16)
Net assets—end of the period	\$19.31	\$20.32	\$17.17	\$12.37	\$20.57	\$22.04

Series I	Six months ended June 30 2011	2010 ⁴
Net assets—beginning of the period	\$20.54	\$17.59
Increase (decrease) from operations:		
Total revenue	\$0.19	\$0.38
Total expenses	\$—	\$—
Net realized gains (losses) for the period	\$1.12	\$1.47
Net unrealized gains (losses) for the period	\$(2.23)	\$2.89
Total increase (decrease) from operations ²	\$(0.92)	\$4.74
Distributions:		
From income (excluding dividends)	\$—	\$—
From dividends	\$—	\$(0.02)
From capital gains	\$—	\$—
Return of capital	\$—	\$—
Total annual distributions ³	\$—	\$(0.02)
Net assets—end of the period	\$19.67	\$20.54

Series T	Six months ended June 30 2011	2010 ⁵
Net assets—beginning of the period	\$10.08	\$10.00
Increase (decrease) from operations:		
Total revenue	\$0.09	\$0.02
Total expenses	\$(0.07)	\$—
Net realized gains (losses) for the period	\$0.35	\$0.01
Net unrealized gains (losses) for the period	\$(0.68)	\$0.05
Total increase (decrease) from operations ²	\$(0.31)	\$0.08
Distributions:		
From income (excluding dividends)	\$—	\$—
From dividends	\$—	\$—
From capital gains	\$—	\$—
Return of capital	\$(0.24)	\$—
Total annual distributions ³	\$(0.24)	\$—
Net assets—end of the period	\$9.35	\$10.08

¹ This information is derived from the Fund's audited annual financial statements and unaudited interim financial statements. The net assets per unit presented in the financial statements differs from the net asset value per unit calculated for fund pricing purposes. An explanation of these differences can be found in Note 2 of the Notes to Financial Statements. Net assets per unit are presented for 2007 through 2011, net asset values per unit are presented for 2006.

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

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

⁴ The results shown are for the period January 5 - December 31, 2010.

⁵ The results shown are for the period November 22 - December 31, 2010.

MD Select Fund

Management Report of Fund Performance (June 30, 2011)

Ratios and Supplemental Data

Series A	Six months ended June 30 2011	Year ended December 31				
		2010	2009	2008	2007	2006
Total net asset value, end of the period ¹	\$397,793,530	\$444,344,785	\$372,737,207	\$255,879,000	\$462,966,057	\$498,551,256
Number of units outstanding	20,544,334	21,832,148	21,639,516	20,565,861	22,432,060	22,620,945
Management expense ratio ²	1.55%	1.51%	1.47%	1.42%	1.41%	1.44%
Management expense ratio before waivers or absorptions	1.55%	1.51%	1.48%	1.43%	1.42%	1.44%
Trading expense ratio ³	0.22%	0.53%	0.64%	0.31%	0.23%	0.29%
Portfolio turnover rate ⁴	82.47%	189.92%	174.47%	58.35%	46.00%	51.72%
Net asset value per unit	\$19.36	\$20.35	\$17.22	\$12.44	\$20.64	\$22.04

Series I	Six months ended June 30		Series T	Six months ended June 30	
	2011	2010 ⁵		2011	2010 ⁶
Total net asset value, end of the period ¹	\$84,286,234	\$57,113,600	Total net asset value, end of the period ¹	\$150,174	\$25
Number of units outstanding	4,272,537	2,775,879	Number of units outstanding	16,009	3
Management expense ratio ²	—	—	Management expense ratio ²	1.55%	—
Management expense ratio before waivers or absorptions	—	—	Management expense ratio before waivers or absorptions	1.55%	—
Trading expense ratio ³	0.22%	0.53%	Trading expense ratio ³	0.22%	0.53%
Portfolio turnover rate ⁴	82.47%	189.92%	Portfolio turnover rate ⁴	82.47%	189.92%
Net asset value per unit	\$19.73	\$20.57	Net asset value per unit	\$9.38	\$10.10

¹ This information is provided as at June 30 or December 31 of the period shown.

² Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Effective July 1, 2010, goods and services tax ("GST") was replaced by the harmonized sales tax ("HST") in certain provinces and is applicable at higher rates than the GST. HST is being paid by the Fund and results in a higher MER than in previous years.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁴ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁵ The results shown are for the period January 5 - December 31, 2010.

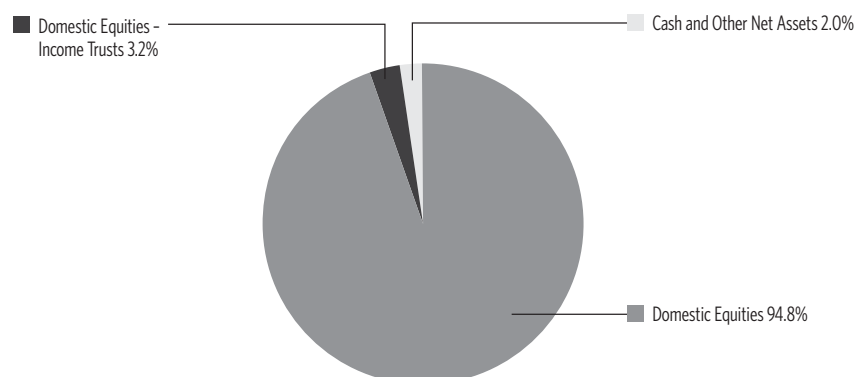
⁶ The results shown are for the period November 22 - December 31, 2010.

MD Select Fund

Summary of Investment Portfolio (June 30, 2011)

Net Asset Value: \$482.2 million

Portfolio Allocation



Domestic Equities

Consumer Discretionary	1.1%
Consumer Staples	1.9%
Energy	32.1%
Financials	14.8%
Health Care	4.1%
Industrials	6.0%
Information Technology	5.4%
Materials	27.2%
Telecommunication Services	1.3%
Utilities	0.9%
Total	94.8%

Domestic Equities - Income Trusts

Energy	1.5%
Real Estate	1.7%
Total	3.2%

Cash & Cash Equivalents

Total	1.1%
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Other Net Assets

Total	0.9%
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Total **100.0%**

Top 25 Holdings (Percentage of Net Asset Value)

Suncor Energy, Inc.	5.3%
Royal Bank of Canada	5.1%
Potash Corporation of Saskatchewan Inc.	4.5%
Goldcorp Inc.	3.4%
Canadian Oil Sands Ltd.	3.0%
Imperial Oil Limited	2.9%
CGI Group Inc. Cl. A Sub. Voting	2.9%
Manulife Financial Corporation	2.9%
National Bank of Canada	2.6%
Agrium Inc.	2.5%
First Quantum Minerals Ltd.	2.2%
Open Text Corporation	2.1%
IAMGOLD Corporation	2.1%
Teck Resources Ltd. Cl. B Sub-Voting	2.1%
Keyera Corp.	2.0%
Sun Life Financial Inc.	2.0%
SXC Health Solutions Corporation	1.9%
Trican Well Service Ltd.	1.9%
Precision Drilling Corporation	1.9%
Penn West Petroleum Ltd.	1.9%
Valeant Pharmaceuticals International, Inc.	1.9%
Saputo Inc.	1.7%
Finning International Inc.	1.5%
AuRico Gold Inc.	1.5%
Inter Pipeline Fund L.P., Cl. A	1.5%

Note: Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available.

The Net Asset Value, Portfolio Allocation and Top 25 Holdings in the tables are based on the trading net asset value as at June 30, 2011.



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