

MD American Value 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 American Value Fund ("the Fund") generated a total return of 1.7%. During the first six months of 2011, US equity markets were strong as the positive effects of the Fed's QE2 (Quantitative Easing, second installment) program increased investor's risk appetite. However, the pace of economic growth slowed materially during the months of May and June, which led to U.S. equity markets giving back some of the gains achieved during the first quarter of the year.

While equity markets were strong, the U.S. dollar exposure detracted from performance as the Canadian dollar appreciated relative to the U.S. dollar during the noted period. However, the dynamic currency management program, introduced at the beginning of the year, implemented a number of tactical currency hedge decisions which offset some of these losses.

Out of the ten industrial sectors represented in the portfolio, the Financial and Energy sectors received on average the highest portfolio weightings, while the Telecommunication Services and Utilities sectors received the lowest allocation. Seven of the ten sectors contributed positively to the Fund's return with Financials, Consumer Discretionary and Materials contributing negatively. Information Technology, Health Care and Energy sectors rallied in the first six months of 2011, resulting in these sectors being the largest contributors to the Fund's performance.

This is a multi-cap fund that uses a disciplined investment process based on in-depth fundamental and proprietary quantitative research that identifies undervalued U.S. securities. The investment style of the Fund includes companies that can exhibit volatile or cyclical earnings patterns, such as Financials or Energy companies. This volatility was perfectly illustrated over the past two and a half years as the financial sector went from being one of the weakest contributors to the Fund's performance in 2009 to a solid contributor in 2010 and back to the weakest contributor in the first half of 2011.

The Fund maintained exposure to predominantly U.S. large-cap securities with a value bias throughout the year. However, the fund uses a multi-cap strategy and the inclusion of mid and small cap securities helped performance as mid and small cap value securities slightly outperformed large cap value securities in the first half of 2011.

As at June 30, 2011, the total net asset value of the Fund was \$170 million, an increase of 8% since the beginning of the year. The increase in the net asset value was largely attributable to net gains in investments, as well as, positive net contributions to the Fund. Revenues and expenses were similar to the same period last year, but net investment income was at a loss for the period.

Recent Developments

Strategic Changes

There were no strategic changes to the Fund during the first half of the year and the Fund continues to be managed in manner consistent with its investment mandate. Overall, the Investment Advisors have adhered to their investment disciplines and the portfolio strategies are inline to achieve the long-term objectives of the Fund.

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	39.6%
Investment management, administration and other	60.4%

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 American Value Fund

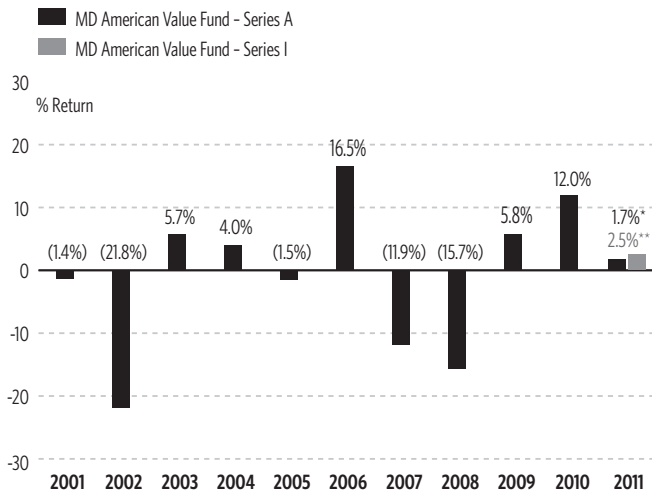
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Past Performance

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.

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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	\$8.24	\$7.35	\$6.91	\$8.23	\$9.35	\$8.11
Increase (decrease) from operations:						
Total revenue	\$0.04	\$0.12	\$0.05	\$0.17	\$0.10	\$0.17
Total expenses	\$(0.07)	\$(0.13)	\$(0.13)	\$(0.14)	\$(0.16)	\$(0.15)
Net realized gains (losses) for the period	\$0.35	\$0.25	\$(0.35)	\$(0.74)	\$0.06	\$0.13
Net unrealized gains (losses) for the period	\$(0.19)	\$0.63	\$0.88	\$0.53	\$(1.15)	\$1.21
Total increase (decrease) from operations ²	\$0.13	\$0.87	\$0.45	\$(0.18)	\$(1.15)	\$1.36
Distributions:						
From income (excluding dividends)	\$—	\$—	\$—	\$(0.01)	\$(0.02)	\$—
From dividends	\$—	\$—	\$—	\$—	\$—	\$(0.04)
From capital gains	\$—	\$—	\$—	\$—	\$—	\$—
Return of capital	\$—	\$—	\$—	\$—	\$—	\$—
Total annual distributions ³	\$—	\$—	\$—	\$(0.01)	\$(0.02)	\$(0.04)
Net assets—end of the period	\$8.37	\$8.24	\$7.35	\$6.91	\$8.23	\$9.40

Series I	Six months ended June 30 2011	2010 ⁴
Net assets—beginning of the period	\$8.38	\$7.59
Increase (decrease) from operations:		
Total revenue	\$0.03	\$0.13
Total expenses	\$—	\$—
Net realized gains (losses) for the period	\$0.35	\$0.28
Net unrealized gains (losses) for the period	\$(0.23)	\$0.88
Total increase (decrease) from operations ²	\$0.15	\$1.29
Distributions:		
From income (excluding dividends)	\$—	\$—
From dividends	\$—	\$—
From capital gains	\$—	\$—
Return of capital	\$—	\$—
Total annual distributions ³	\$—	\$—
Net assets—end of the period	\$8.59	\$8.38

Series T	Six months ended June 30 2011	2010 ⁵
Net assets—beginning of the period	\$10.37	\$10.00
Increase (decrease) from operations:		
Total revenue	\$—	\$0.01
Total expenses	\$(0.09)	\$(0.02)
Net realized gains (losses) for the period	\$0.39	\$0.10
Net unrealized gains (losses) for the period	\$(0.60)	\$(0.98)
Total increase (decrease) from operations ²	\$(0.30)	\$(0.89)
Distributions:		
From income (excluding dividends)	\$—	\$—
From dividends	\$—	\$—
From capital gains	\$—	\$—
Return of capital	\$(0.26)	\$—
Total annual distributions ³	\$(0.26)	\$—
Net assets—end of the period	\$10.29	\$10.37

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.

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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	\$145,631,120	\$141,401,303	\$134,037,343	\$120,288,315	\$110,351,364	\$98,916,597
Number of units outstanding	17,387,254	17,170,174	18,208,974	17,283,186	13,365,824	10,521,499
Management expense ratio ²	1.76%	1.72%	1.73%	1.74%	1.71%	1.73%
Management expense ratio before waivers or absorptions	1.76%	1.72%	1.74%	1.76%	1.72%	1.73%
Trading expense ratio ³	0.03%	0.08%	0.12%	0.11%	0.15%	0.06%
Portfolio turnover rate ⁴	33.27%	88.22%	86.68%	94.46%	139.44%	52.26%
Net asset value per unit	\$8.38	\$8.24	\$7.36	\$6.96	\$8.26	\$9.40

Series I	Six months ended June 30 2011	2010 ⁵
Total net asset value, end of the period ¹	\$24,133,109	\$16,407,172
Number of units outstanding	2,808,198	1,959,026
Management expense ratio ²	—	—
Management expense ratio before waivers or absorptions	—	—
Trading expense ratio ³	0.03%	0.08%
Portfolio turnover rate ⁴	33.27%	88.22%
Net asset value per unit	\$8.59	\$8.38

Series T	Six months ended June 30 2011	2010 ⁶
Total net asset value, end of the period ¹	\$36,335	\$4,944
Number of units outstanding	3,530	477
Management expense ratio ²	1.67%	1.86%
Management expense ratio before waivers or absorptions	1.67%	1.86%
Trading expense ratio ³	0.03%	0.08%
Portfolio turnover rate ⁴	33.27%	88.22%
Net asset value per unit	\$10.29	\$10.37

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.

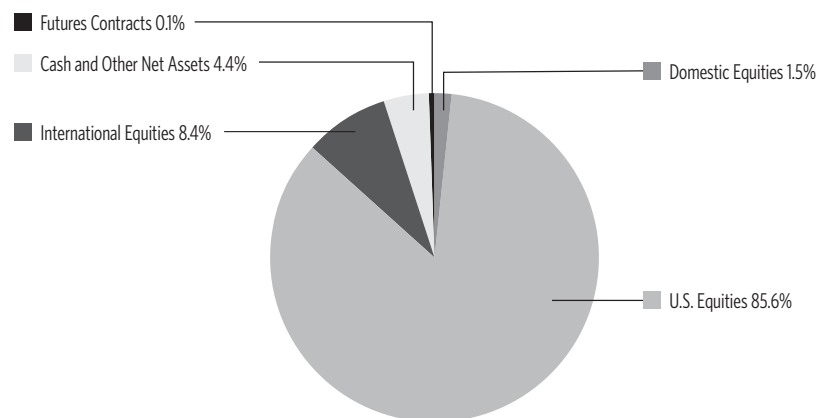
⁵ The results shown are for the period January 5 - December 31, 2010.

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

MD American Value Fund

Summary of Investment Portfolio (June 30, 2011)

Net Asset Value: \$169.8 million



Portfolio Allocation

Domestic Equities

Energy	0.2%
Materials	1.3%
	1.5%

U.S. Equities

Consumer Discretionary	10.3%
Consumer Staples	4.8%
Energy	15.2%
Exchange Traded Fund	6.0%
Financials	14.0%
Health Care	14.8%
Industrials	8.2%
Information Technology	6.5%
Materials	2.9%
Telecommunication Services	0.5%
Utilities	2.4%
	85.6%

International Equities

Bermuda	3.3%
Ireland	1.6%
Israel	1.6%
Netherlands	1.1%
United Kingdom	0.8%
	8.4%

Cash and Cash Equivalents

	4.0%
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Futures Contracts

	0.1%
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Other Net Assets

	0.4%
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Total **100.0%**

Top 25 Holdings (Percentage of Net Asset Value)

SPDR Trust Series 1	6.0%
Cash and Cash Equivalents	4.0%
Exxon Mobil Corporation	3.7%
UnitedHealth Group Incorporated	2.0%
State Street Corporation	2.0%
Amgen Inc.	1.8%
Anadarko Petroleum Corporation	1.8%
Bunge Limited	1.7%
Thermo Electron Corp.	1.7%
Archer-Daniels-Midland Company	1.7%
Chevron Corporation	1.6%
Teva Pharmaceutical Industries Ltd. ADR	1.6%
Time Warner Inc.	1.6%
Celgene Corporation	1.5%
Berkshire Hathaway Inc. Cl. B	1.5%
Omnicom Group Inc.	1.5%
United Technologies Corporation	1.5%
The Interpublic Group of Companies, Inc.	1.4%
Halliburton Company	1.3%
PNC Financial Services Group	1.3%
Ford Motor Company	1.3%
CVS Caremark Corporation	1.2%
Marsh & McLennan Companies, Inc.	1.2%
NextEra Energy, Inc.	1.2%
Zimmer Holdings, Inc.	1.2%

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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