

MDPIM Canadian Bond Pool

Management Report of Fund Performance (June 30, 2011)

Units of this Pool are offered for sale to discretionary, managed account clients only.

Results of Operations

For the six-month period ending June 30, 2011, the MDPIM Canadian Bond Pool ("the Pool") generated a total return of 2.1%. The acceleration of the Consumer Price Index and core inflation in Canada was largely viewed as transitory by the Bank of Canada and the financial markets. The Bank of Canada's overnight lending rate remained at 1.00% throughout the first half of 2011 and Government of Canada bond yields ended the six-month period below the levels at the start of the year. Foreign investors in search of safety and additional yield maintained a high demand for Canadian debt and helped prices for Canadian fixed income securities to appreciate during the first half of the year.

The Pool began the year with a shorter duration than its combined benchmarks, the DEX Short-Term and Mid-Term Bond Indices, and was positioned for an increase in bond yields. Toward the end of the first half of 2011, the relative duration of the Pool was reduced further to mitigate the continuing risk of a resurgent economy and a corresponding rise of interest rates.

The Pool maintained more than half of its holdings in corporate bonds throughout the first six months of the year. Despite credit spreads widening in June 2011, the six-month return for corporate bonds had outperformed government bonds in both the DEX Short-Term Bond and DEX Mid-Term Bond Indices by 0.61% and 0.86%, respectively. The additional return was primarily due to the additional yield offered by corporate issues. This active allocation decision was a positive contributor to the total return of the Pool.

As at June 30, 2011, the total net asset value of the Pool was \$3.2 billion, an increase in the net asset value of 16% since the beginning of the year. The increase in the net asset value was a result of both positive contributions from the operations of the Pool as well as net contributions from unitholder transactions.

Recent Developments

Strategic Changes

There were no strategic changes to the Pool during the first half of the year. The Pool continues to be managed in predominantly a top-down manner with the average term of the Pool being lengthened or shortened based on the Investment Advisor's analysis of future interest rate direction. Overall, the Investment Advisor has adhered to their investment discipline and portfolio strategies and the Pool is inline to achieve its long-term objectives.

Related Party Transactions

MD Physician Services Inc. is the Manager, Registrar and Trustee of the MDPIM Pools. As Manager, MD Physician Services Inc. manages the overall business of the MDPIM Pools 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 Pool's units.

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

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

The principal distributor is MD Management Limited. As principal distributor, units of the MDPIM Pools are only available through MD Management Limited to clients of MD Private Trust Company or discretionary account clients of MD Physician Services Inc.

MD Management Limited and MD Private Trust Company are owned by the Pool's Manager, MD Physician Services Inc., which is owned by CMA Holdings (2009) Inc.

Management Fees

MD Physician Services Inc. provides the Pool with management and administrative services. No management fee is charged in respect of units of the Pool. Investors in this Pool have agreed to pay a managed account fee directly to MD Private Investment Counsel, a division of MD Physician Services Inc. See the information specific to the Pool included in Part B of the MDPIM Pools' Simplified Prospectus.

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.



MDPIM Canadian Bond Pool

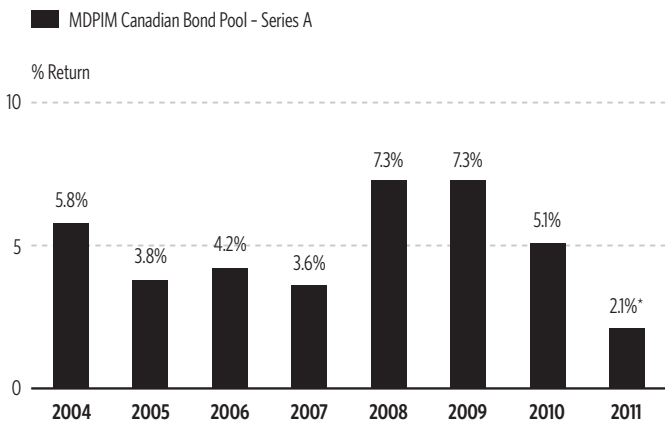
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Past Performance

The following bar chart shows the Pool's annual performance for each of the years shown, and illustrates how the Pool'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.

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

Year-By-Year Returns



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

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 Pool 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 Pool and its financial performance for the past five years. This information is derived from the Pool's audited annual and unaudited interim financial statements.

The Pool'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	\$10.59	\$10.48	\$10.25	\$9.93	\$10.07	\$10.11
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.40	\$0.43	\$0.55	\$0.44	\$0.45
Total expenses	\$—	\$—	\$—	\$—	\$—	\$—
Net realized gains (losses) for the period	\$0.05	\$0.08	\$0.23	\$(0.09)	\$(0.08)	\$(0.04)
Net unrealized gains (losses) for the period	\$(0.01)	\$0.04	\$0.06	\$0.21	\$—	\$0.03
Total increase (decrease) from operations ²	\$0.23	\$0.52	\$0.72	\$0.67	\$0.36	\$0.44
Distributions:						
From income (excluding dividends)	\$(0.19)	\$(0.40)	\$(0.40)	\$(0.36)	\$(0.50)	\$(0.44)
From dividends	\$—	\$—	\$—	\$—	\$—	\$—
From capital gains	\$—	\$(0.02)	\$(0.11)	\$(0.02)	\$—	\$—
Return of capital	\$—	\$—	\$—	\$—	\$—	\$—
Total annual distributions ³	\$(0.19)	\$(0.42)	\$(0.51)	\$(0.38)	\$(0.50)	\$(0.44)
Net assets—end of the period	\$10.63	\$10.59	\$10.48	\$10.25	\$9.93	\$10.08

¹ This information is derived from the Pool'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 Pool 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 Pool, or both.

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	\$3,230,552,641	\$2,781,500,777	\$2,397,685,530	\$2,028,387,040	\$1,464,886,995	\$1,198,531,554
Number of units outstanding	303,544,308	262,237,469	228,425,942	197,751,692	147,459,202	118,959,949
Management expense ratio ²	—	—	—	—	—	—
Management expense ratio before waivers or absorptions	—	0.03%	0.06%	0.08%	0.05%	0.05%
Trading expense ratio ³	—	—	—	—	—	—
Portfolio turnover rate ⁴	35.55%	38.85%	91.22%	148.95%	178.86%	79.07%
Net asset value per unit	\$10.64	\$10.61	\$10.50	\$10.26	\$9.93	\$10.08

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 Pool and results in a higher MER than in previous years.

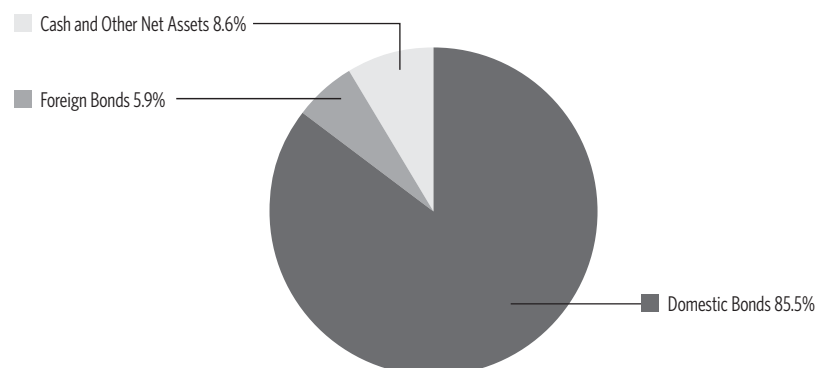
³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

⁴ The Pool's portfolio turnover rate indicates how actively the Pool's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the year. The higher a Pool's portfolio turnover rate in a year, the greater the trading costs payable by the Pool 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 Pool.

MDPIM Canadian Bond Pool

Summary of Investment Portfolio, June 30, 2011

Net Asset Value: \$3,230.6 million



Portfolio Allocation

Domestic Bonds	
Asset Backed Securities	6.6%
Collateralized Mortgage Obligations	0.7%
Corporate Bonds	37.8%
Government of Canada Bonds	28.7%
Municipal Bonds	2.7%
Provincial Bonds	9.0%
Total	85.5%

Foreign Bonds	
Australia	2.9%
Netherlands	0.6%
Norway	0.4%
South Korea	0.3%
United Kingdom	0.3%
United States	1.4%
Total	5.9%

Top 25 Holdings (Percentage of Net Asset Value)

Canada Housing Trust No 1 1.34% Sep 15/16	8.2%
Cash and Cash Equivalents	7.9%
Government of Canada 3.50% Jun 01/20	3.7%
Canada Housing Trust No 1 2.75% Jun 15/16	3.5%
Government of Canada 1.00% Sep 01/11	3.4%
Canada Housing Trust No 1 2.75% Jun 15/16	3.1%
Province of Ontario 4.20% Mar 08/18	2.7%
Province of Quebec 4.50% Dec 01/20	2.4%
Bank of Montreal 3.98% Jul 08/16	1.9%
Canada Housing Trust 1.42% Sep 15/15	1.9%
Government of Canada 4.00% Jun 01/17	1.5%
National Bank of Canada 4.03% May 26/15	1.1%
Teranet Holdings LP 3.53% Dec 16/15	1.0%
HSBC Bank Canada 3.56% Oct 04/17	0.9%
Canadian Credit Card Trust 3.44% Jul 24/15	0.9%
Manulife Financial Corporation 4.90% Jun 02/14	0.8%
Financement Quebec 1.27% Sep 16/13	0.8%
Manulife Financial Corporation 5.16% Jun 26/15	0.8%
Financement Quebec 1.57% Jun 02/16	0.8%
CDP Financial Inc. 4.40% Nov 25/19	0.8%
Province of Quebec 4.50% Dec 01/18	0.8%
Hydro One Inc. 3.13% Nov 19/14	0.8%
Canadian Imperial Bank of Commerce 3.40% Jan 14/16	0.8%
Financement Quebec 3.25% Jun 01/14	0.8%
Capital Desjardins Inc. 3.80% Nov 23/20	0.7%

Cash & Cash Equivalents 7.9%

Other Net Assets 0.7%

Total **100.0%**

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

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

