

MD American Growth Fund

Management Report of Fund Performance (December 31, 2011)

Series A, Series T and Series I

Investment Objectives and Strategies

The MD American Growth Fund (the "Fund") aims to achieve long-term capital growth, with income production as a secondary consideration. The Fund invests in a diversified portfolio of primarily U.S. equities of large, mid, and small-cap companies situated in the United States.

The Fund uses a multi-advisor structure utilizing the investment strategies of four separate Advisors.

New Amsterdam Partners, LLC advises the Fund primarily in respect of large capitalization growth securities. This Investment Advisor utilizes a disciplined blend of quantitative and fundamental research in order to identify investment opportunities arising from undervalued securities.

Calamos Advisors, LLC advises the Fund primarily in respect of growth securities with a broad range of market capitalizations. This Investment Advisor seeks to identify companies with accelerating growth of revenue, earnings or return on capital.

Westfield Capital Management Company, LLC advises the Fund primarily in respect of small capitalization growth securities. This Investment Advisor uses in-depth, bottom-up, fundamental research to identify reasonably priced stocks of companies with high earnings potential.

CIBC Global Asset Management Inc. (CGAM) is the Investment Advisor in respect of the Fund's foreign cash reserves and its foreign currency exposure. In managing the foreign cash reserves, CGAM seeks to maintain the equity market exposure and minimize the impact of cash on the Fund's performance. CGAM seeks to manage the currency risk and add value by managing the Fund's exposure to foreign currency. CGAM employs proprietary quantitative models focusing on key valuation, cyclical and momentum factors as well as qualitative analysis based on extensive internal research and insights from external sources.

The Fund may not invest in companies that manufacture tobacco or tobacco-related products.

Risk

At times, a portfolio can be subject to any number of investment risks. The risk level of the Fund did not change significantly during the year. Descriptions of the investment risks associated with this Fund are detailed in the Simplified Prospectus.

Results of Operations

As part of MD Physician Services Inc. investment management discipline, we carefully select and monitor each Investment Advisor to ensure that the investment performance remains consistent with the long-term objectives of the Fund.

We manage the Fund by allocating assets among four Investment Advisors. The approximate allocation of assets at the end of 2011 was as follows:

% of Assets	Investment Advisor
51%	New Amsterdam Partners
32%	Calamos Advisors
10%	Westfield Capital Management Company
7%	CIBC Global Asset Management

For the year ended December 31, 2011, the Fund's Series A units had total return of -2.2%. The year was volatile for U.S. equity markets as investor sentiment switched between investors seeking risk to shedding risk. While improved prospects for global growth led U.S. equity markets up during the first four months of the year, gridlock in Washington over the country's debt ceiling and the S&P's downgrade of the country's credit rating sent U.S. equity markets spiraling down from May through September. The fourth quarter saw U.S. equity markets rebound on improved economic data. In 2011 the S&P 500 was flat in local currency and up 4.6% in Canadian dollars.

While equity markets were volatile, the U.S. dollar exposure contributed positively to performance as the Canadian dollar depreciated 2.5% relative to the U.S. dollar throughout the year. The fund also benefited from currency management as the partial hedge implemented in January and removed in April added approximately another 64 basis points for the year.

Out of the ten industrial sectors represented in the portfolio, the Information Technology and Consumer Discretionary sectors received on average the highest portfolio weightings, while the Telecommunication Services and Utilities sectors received the lowest allocation. Six of the ten sectors contributed negatively to the Fund. The Financials and Materials sectors were the two weakest contributors to the Fund's return as both sectors were impacted by the prospect of slowing global growth.

True to its investment style mandate, the Fund's assets were characterized by the inclusion of large-cap and mid-cap U.S. equities with a bias to securities exhibiting growth characteristics. The investment style of the Fund includes companies that can exhibit volatile or cyclical earnings patterns, such as Information Technology or Industrials companies. This volatility was illustrated over the past two years as the Information Technology sector went from being one of the strongest contributors to the Fund's performance in 2010 to one of the weakest contributors in 2011.

As at December 31, 2011, the total net asset value of the Fund was \$276 million, a slight increase of 1% from the previous year. Positive net unitholder contributions to the Fund were offset by the unrealized depreciation of assets within the Fund. Revenues were down while expenses were marginally higher in comparison to the previous year.

Disclosure

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a copy of the annual 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.



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Recent Developments

Strategic Changes

There were no strategic changes to the Fund throughout the year. The Fund continues to be managed in a manner consistent with its investment mandate. The Investment Advisors have adhered to their investment disciplines and portfolio strategies, and they are aligned 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 Fund 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 Fund's units.

As Registrar, MD Physician Services Inc. keeps track of the owners of units of the MD Fund, 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 Fund 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)

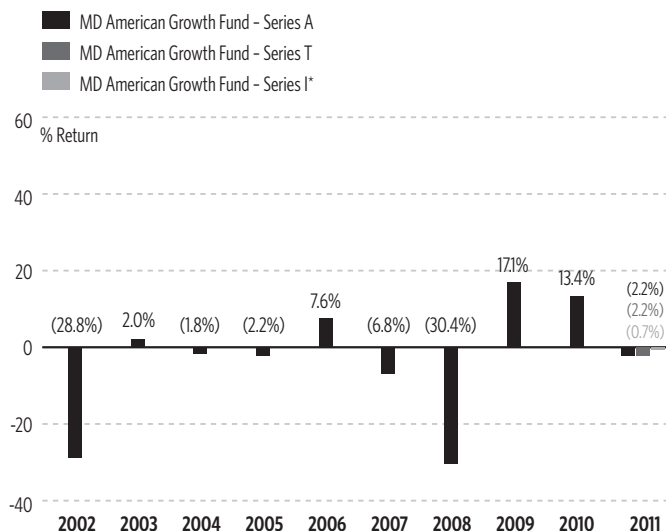
Financial Planning Services	45.5%
Investment management, administration and other	54.5%

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.

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, redemption, distribution 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



* 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.

Annual Compound Returns

The following table shows MD American Growth Fund's historical annual compound return for the past one, three, and five and ten year periods ended on December 31 and since inception of the series, as compared to the return of the S&P 500 Index and the Russell 3000 Growth Index.

	1 year	3 years	5 years	10 years	Since Inception*
MD American Growth Fund - Series A	-2.2%	9.1%	-3.4%	-4.5%	
MD American Growth Fund - Series T	-2.2%	—	—	—	1.0%
MD American Growth Fund - Series I	-0.7%	—	—	—	6.9%
S&P 500 Index	4.6%	7.0%	-2.9%	-1.6%	
Russell 3000 Growth Index	4.7%	10.8%	-0.2%	-1.8%	

*The Fund established series T units on November 22, 2010. The Fund established series I units on January 5, 2010. The series I units are available to institutional investors and pay a separate negotiated management fee and administration fee directly to MD Physician Services Inc.

Management uses the S&P 500 Index as the benchmark for this Fund because it represents the aggregate common share returns of the U.S.'s largest companies. Management also uses a style-based benchmark, the Russell 3000 Growth index, as this most accurately reflects the management style of the Fund. Although index returns are hypothetical—as they do not reflect the true cost of owning or managing the underlying stocks—they are one of several useful indicators. By comparing the Fund's performance to the movements of the benchmark, we are able to assess how the Fund is doing: Some short-term deviations can signal the need for change while others confirm the expectations of a longer-term strategy. If Management were to ascertain that a Fund's over or under performance was the result of excessive

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risk-taking or deviation from the investment mandate, we would, on behalf of all our unitholders, address these issues with the Investment Advisor and make changes if necessary.

As the above table indicates, the Fund underperformed the noted indices for all compound periods, to the exception of the 3-year period relative to the S&P 500. The one year underperformance can be mainly attributed to Energy and Information Technology stocks. Sector allocation was slightly detrimental to performance over the past year; however stock selection was a material detractor to performance. We believe the Fund remains well positioned to provide long-term capital growth.

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 financial statements.

The Fund's Net Assets per Unit¹

Series A	2011	2010	2009	2008	2007
Net assets - beginning of the year	\$ 4.05	\$ 3.57	\$ 3.03	\$ 4.37	\$ 4.67
Increase (decrease) from operations:					
Total revenue	\$ 0.04	\$ 0.05	\$ 0.02	\$ 0.04	\$ 0.11
Total expenses	\$ (0.06)	\$ (0.05)	\$ (0.05)	\$ (0.06)	\$ (0.07)
Net realized gains (losses) for the year	\$ 0.30	\$ 0.01	\$ (0.34)	\$ (0.57)	\$ (0.02)
Net unrealized gains (losses) for the year	\$ (0.37)	\$ 0.46	\$ 0.90	\$ (0.75)	\$ (0.32)
Total increase (decrease) from operations ²	\$ (0.09)	\$ 0.47	\$ 0.53	\$ (1.34)	\$ (0.30)
Distributions:					
From income (excluding dividends)	\$ —	\$ —	\$ —	\$ —	\$ —
From dividends	\$ —	\$ —	\$ —	\$ —	\$ —
From capital gains	\$ —	\$ —	\$ —	\$ —	\$ —
Return of capital	\$ —	\$ —	\$ —	\$ —	\$ —
Total annual distributions ³	\$ —	\$ —	\$ —	\$ —	\$ —
Net assets - end of the year	\$ 3.96	\$ 4.05	\$ 3.57	\$ 3.03	\$ 4.37

Series I	2011	2010 ⁴
Net assets - beginning of the year	\$ 4.11	\$ 3.61
Increase (decrease) from operations:		
Total revenue	\$ 0.02	\$ 0.05
Total expenses	\$ —	\$ —
Net realized gains (losses) for the year	\$ 0.30	\$ 0.07
Net unrealized gains (losses) for the year	\$ (0.38)	\$ 0.68
Total increase (decrease) from operations ²	\$ (0.06)	\$ 0.80
Distributions:		
From income (excluding dividends)	\$ —	\$ —
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ —
Return of capital	\$ —	\$ —
Total annual distributions ³	\$ —	\$ —
Net assets - end of the year	\$ 4.08	\$ 4.11

Series T	2011	2010 ⁵
Net assets - beginning of the year	\$ 10.31	\$ 10.00
Increase (decrease) from operations:		
Total revenue	\$ (0.01)	\$ 0.01
Total expenses	\$ (0.15)	\$ (0.02)
Net realized gains (losses) for the year	\$ 0.71	\$ 0.03
Net unrealized gains (losses) for the year	\$ (0.56)	\$ 0.32
Total increase (decrease) from operations ²	\$ (0.01)	\$ 0.34
Distributions:		
From income (excluding dividends)	\$ —	\$ —
From dividends	\$ —	\$ —
From capital gains	\$ —	\$ —
Return of capital	\$ (0.52)	\$ —
Total annual distributions ³	\$ (0.52)	\$ —
Net assets - end of the year	\$ 9.59	\$ 10.31

¹ This information is derived from the Fund's audited annual 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.

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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Financial Highlights (continued)

Ratios and Supplemental Data

Series A	2011	2010	2009	2008	2007
Total net asset value, end of the year ¹	\$ 218,984,363	\$ 244,023,656	\$ 235,049,204	\$ 206,876,504	\$ 317,264,611
Number of units outstanding	55,250,928	60,196,887	65,770,324	67,862,369	72,411,192
Management expense ratio ²	1.54%	1.50%	1.49%	1.46%	1.44%
Management expense ratio before tax	1.40%	1.40%	1.42%	1.39%	1.35%
Management expense ratio before waivers or absorptions	1.54%	1.50%	1.50%	1.47%	1.44%
Trading expense ratio ³	0.09%	0.10%	0.13%	0.10%	0.10%
Portfolio turnover rate ⁴	82.65%	86.71%	94.36%	71.48%	104.14%
Net asset value per unit	\$ 3.96	\$ 4.05	\$ 3.57	\$ 3.05	\$ 4.38

Series I	2011	2010 ⁵
Total net asset value, end of the year ¹	\$ 56,458,348	\$ 29,719,792
Number of units outstanding	13,833,326	7,231,913
Management expense ratio ²	—	—
Management expense ratio before waivers or absorptions	—	—
Trading expense ratio ³	0.09%	0.10%
Portfolio turnover rate ⁴	82.65%	86.71%
Net asset value per unit	\$ 4.08	\$ 4.11

Series T	2011	2010 ⁶
Total net asset value, end of the year ¹	\$ 44,932	\$ 20,569
Number of units outstanding	4,685	1,995
Management expense ratio ²	1.48%	1.42%
Management expense ratio before tax	1.40%	1.30%
Management expense ratio before waivers or absorptions	1.48%	1.42%
Trading expense ratio ³	0.09%	0.10%
Portfolio turnover rate ⁴	82.65%	86.71%
Net asset value per unit	\$ 9.59	\$ 10.31

¹ This information is provided as at December 31 of the year 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.

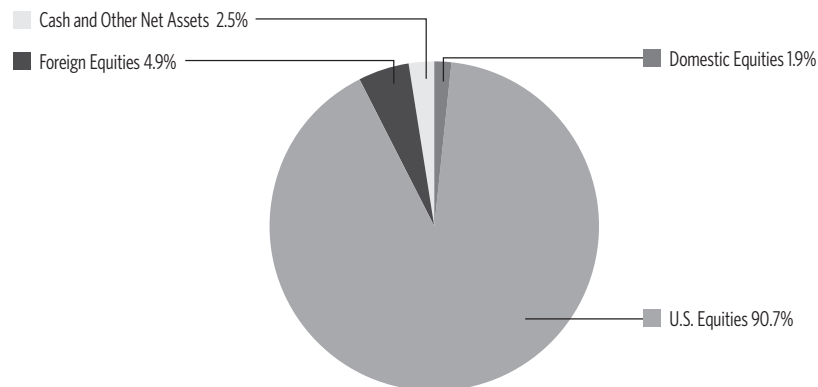
⁵ The results shown are for the period January 5 - December 31, 2010.

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

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Summary of Investment Portfolio (December 31, 2011)

Net Asset Value: \$275.5 million



Top 25 Holdings (Percentage of Net Asset Value)

SPDR Trust Series 1	8.2%
Google Inc. Cl. A	3.0%
Apple Computer, Inc.	2.8%
Cash and Cash Equivalents	2.4%
Intuitive Surgical, Inc.	2.2%
Oracle Corporation	2.0%
Celgene Corporation	2.0%
Amazon.com, Inc.	1.7%
MasterCard, Inc.	1.7%
EMC Corporation	1.7%
The TJX Companies Inc.	1.6%
IntercontinentalExchange Inc.	1.6%
FMC Technologies, Inc.	1.6%
Coach, Inc.	1.6%
Microsoft Corporation	1.4%
The Kroger Co.	1.4%
Helmerich & Payne, Inc.	1.3%
Chevron Corporation	1.3%
Teradata Corporation	1.3%
Cliffs Natural Resources Inc.	1.3%
Halliburton Company	1.3%
Nordstrom, Inc.	1.2%
Exelon Corp.	1.2%
Caterpillar Inc.	1.2%
Bed Bath & Beyond 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 December 31, 2011.

Portfolio Allocation

Domestic Equities

Information Technology	0.2%
Materials	1.7%
	1.9%

U.S. Equities

Consumer Discretionary	11.2%
Consumer Staples	6.5%
Energy	10.1%
Exchange Traded Fund	8.3%
Financials	9.7%
Health Care	9.2%
Industrials	8.2%
Information Technology	21.4%
Materials	4.2%
Telecommunication Services	0.7%
Utilities	1.2%
	90.7%

Foreign Equities

Bermuda	0.3%
Brazil	0.5%
British Virgin	0.0%
Cayman Islands	0.4%
Denmark	0.5%
Ireland	0.6%
Israel	0.7%
Japan	0.7%
Netherlands	0.3%
Switzerland	0.3%
United Kingdom	0.6%
	4.9%

Cash and Cash Equivalents

2.4%

Other Net Assets

0.1%

Total Net Assets

100.0%

