BLACKROCK®

BlackRock Asset Management Canada Limited

Annual Audited Financial Statements

As at December 31, 2011

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*Applicable to BlackRock Canada Alpha Advantage Fund, BlackRock Canada CorePlus Long Bond Fund, and BlackRock Canada CorePlus Universe Bond Fund only.

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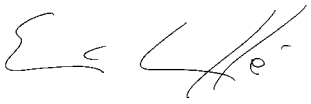
Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 3,194,066,633	$ 2,829,404,237
Cash	20,082,763	13,039,355
Margin due from brokers	4,827,610	2,795,224
Securities lending income receivable	17,538	13,741
Dividends and distributions from underlying trust units receivable	9,018,851	6,524,093
Accounts receivable from issue of units	6,171,372	1,562
Accounts receivable for investment sales	4,840,920	1,585,882
	3,239,025,687	2,853,364,094
Liabilities		
Operating expenses payable	96,247	54,180
Payables for redemption of units	4,007,665	2,551,337
Payables for investment purchases	15,687,455	-
	19,791,367	2,605,517
Net Assets	$ 3,219,234,320	$ 2,850,758,577
Net Assets per Class		
Class A	$ 1,063,323,780	$ 844,710,443
Class D	2,155,910,540	2,006,048,134
	$ 3,219,234,320	$ 2,850,758,577
Number of Units Issued and Outstanding (Note 8)		
Class A	19,991,357	14,493,919
Class D	97,045,007	82,411,385
Net Assets per Unit		
Class A	$ 53.19	$ 58.28
Class D	$ 22.22	$ 24.34
Investments at Cost	$ 3,047,137,735	$ 2,293,188,040

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income and distributions from underlying trust units	$ 80,180,612	$ 66,271,507
Interest income	135,700	41,689
Securities lending income	254,114	188,535
Net gain (loss) from futures contracts	(1,775,427)	2,380,686
Withholding taxes	-	(1,335)
	78,794,999	68,881,082
Expenses		
Custodian fees	193,047	120,038
Fund accounting expenses	106,913	91,155
Unitholder communication costs	601	602
Audit fees	25,171	24,096
Securities filing fees	49,139	22,412
Independent review committee fees	3,624	9,017
Other operating expenses	28,186	17,035
	406,681	284,355
Net Investment Income for the Year	78,388,318	68,596,727
Gain (Loss) on Investments		
Net realized gain on sale of investments	41,433,378	45,992,713
Transaction costs (Note 2,13)	(410,973)	(241,534)
Net change in unrealized appreciation (depreciation) in value of investments	(389,287,299)	300,957,620
Net Gain (Loss) on Investments	(348,264,894)	346,708,799
Increase (Decrease) in Net Assets from Operations	$ (269,876,576)	$ 415,305,526
Increase (Decrease) in Net Assets from Operations per Class		
Class A	$ (86,605,717)	$ 129,153,710
Class D	(183,270,859)	286,151,816
	$ (269,876,576)	$ 415,305,526
Increase (Decrease) in Net Assets from Operations per Unit		
Class A	$ (4.71)	$ 8.28
Class D	$ (2.09)	$ 3.72

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 2,850,758,577	$ 2,334,330,366	$ 844,710,443	$ 810,036,642	$ 2,006,048,134	$ 1,524,293,724
Increase (Decrease) in Net Assets from Operations	(269,876,576)	415,305,526	(86,605,717)	129,153,710	(183,270,859)	286,151,816
Capital Transactions						
Proceeds from issue of units	1,215,967,534	542,872,559	598,222,120	194,110,345	617,745,414	348,762,214
Reinvestment of distributions	109,787,217	98,535,003	35,142,860	51,719,509	74,644,357	46,815,494
Redemption of units	(577,615,215)	(441,749,874)	(293,003,066)	(288,590,254)	(284,612,149)	(153,159,620)
Net capital transactions	748,139,536	199,657,688	340,361,914	(42,760,400)	407,777,622	242,418,088
Distributions						
From net investment income	(74,947,371)	(67,425,084)	(25,290,516)	(20,609,590)	(49,656,855)	(46,815,494)
From capital gains redemption in kind (Note 9)	(34,839,846)	(31,109,919)	(9,852,344)	(31,109,919)	(24,987,502)	-
Total distributions	(109,787,217)	(98,535,003)	(35,142,860)	(51,719,509)	(74,644,357)	(46,815,494)
Increase in Net Assets for the Year	368,475,743	516,428,211	218,613,337	34,673,801	149,862,406	481,754,410
Net Assets - End of Year	$ 3,219,234,320	$ 2,850,758,577	$ 1,063,323,780	$ 844,710,443	$ 2,155,910,540	$ 2,006,048,134

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks and Income Trusts				
Consumer Discretionary				
Astral Media, Inc.-Class A	119,733	3,957	4,249	
Canadian Tire Corp.-Class A	177,629	9,836	11,661	
Cineplex, Inc.	131,451	2,494	3,371	
Cogeco Cable, Inc.	50,577	1,870	2,591	
Corus Entertainment, Inc.-Class B	154,459	2,764	3,163	
Dollarama, Inc.	165,733	5,318	7,365	
Dorel Industries, Inc.-Class B	64,315	2,058	1,633	
Gildan Activewear, Inc.	273,002	6,443	5,225	
Linamar Corp.	100,703	1,824	1,402	
Magna International, Inc.-Class A	532,479	20,329	18,041	
Quebecor, Inc.-Class B	104,319	3,003	3,601	
Reitman's (Canada), Ltd.-Class A	130,262	2,114	1,927	
RONA, Inc.	293,513	4,032	2,856	
Shaw Communications, Inc.-Class B	813,500	15,285	16,457	
Thomson Reuters Corp.	837,289	30,117	22,766	
Tim Hortons, Inc.	356,078	12,699	17,565	
Transcontinental, Inc.-Class A	153,193	2,379	1,930	
Westport Innovations, Inc.	108,754	2,237	3,670	
		128,759	129,473	4.0
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	283,701	5,478	8,979	
Cott Corp.	214,686	1,823	1,370	
Empire Co., Ltd.-Class A	66,663	3,100	3,924	
George Weston, Ltd.	107,384	7,804	7,288	
Jean Coutu Group, Inc.-Class A	241,066	2,810	3,071	
Loblaw Cos., Ltd.	228,063	9,572	8,753	
Maple Leaf Foods, Inc.	179,641	2,066	1,944	
Metro, Inc.-Class A	225,987	8,085	12,192	
North West Co., Inc.	108,798	1,989	2,188	
Saputo, Inc.	297,708	8,795	11,602	
Shoppers Drug Mart Corp.	483,803	20,079	19,865	
Viterra, Inc.	835,736	8,593	8,967	
		80,194	90,143	2.8
Energy				
Advantage Oil & Gas, Ltd.	374,797	3,569	1,582	
AltaGas, Ltd.	199,562	4,688	6,350	
ARC Resources, Ltd.	646,877	14,970	16,165	
Athabasca Oil Sands Corp.	664,505	9,805	8,280	
Bankers Petroleum, Ltd.	556,632	4,332	2,455	
Baytex Energy Corp.	263,840	8,310	15,015	
Birchcliff Energy, Ltd.	285,011	3,309	3,870	
Black Pearl Resources, Inc.	640,543	2,464	2,633	
Bonavista Energy Corp.	323,561	8,756	8,429	
Bonterra Energy Corp.	32,690	1,957	1,678	
Calfrac Well Services, Ltd.	70,116	1,762	1,992	
Cameco Corp.	887,501	22,879	16,303	
Canadian Natural Resources, Ltd.	2,461,610	74,803	93,541	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Oil Sands, Ltd.	1,089,329	32,144	25,283	
Celtic Exploration, Ltd.	190,883	2,856	4,335	
Cenovus Energy, Inc.	1,695,960	46,704	57,307	
Crescent Point Energy Corp.	645,838	23,475	28,953	
Crew Energy, Inc.	269,167	3,618	3,025	
Denison Mines Corp.	692,239	2,010	879	
Enbridge, Inc.	1,751,947	39,692	66,732	
Encana Corp.	1,655,502	45,220	31,272	
Enerflex, Ltd.	139,051	1,478	1,840	
Enerplus Corp.	406,501	14,600	10,484	
Ensign Resource Service Group, Inc.	285,273	4,289	4,601	
Flint Energy Services, Ltd.	108,301	1,844	1,370	
Freehold Royalties, Ltd.	101,082	1,768	1,961	
Husky Energy, Inc.	667,420	18,052	16,332	
Imperial Oil, Ltd.	571,726	22,694	25,928	
Inter Pipeline Fund	588,876	6,898	10,924	
Keyera Corp.	160,612	4,304	7,992	
Legacy Oil + Gas, Inc.	283,493	3,902	2,965	
MEG Energy Corp.	273,268	13,125	11,250	
Mullen Group, Ltd.	181,761	3,667	3,564	
NAL Energy Corp.	338,285	4,200	2,652	
Nexen, Inc.	1,185,836	25,675	19,211	
Niko Resources, Ltd.	104,428	7,200	5,016	
NuVista Energy, Ltd.	223,408	2,464	1,166	
Pacific Rubiales Energy Corp.	610,755	10,265	11,421	
Paramount Resources, Ltd.-Class A	69,056	2,041	2,931	
Parkland Fuel Corp.	143,274	1,767	1,815	
Pason Systems, Inc.	143,861	1,852	1,719	
Pembina Pipeline Corp.	377,206	7,052	11,184	
Pengrowth Energy Corp.	805,849	11,333	8,631	
Penn West Petroleum, Ltd.	1,059,727	27,530	21,364	
Petrobakken Energy, Ltd.	172,694	4,614	2,202	
Petrobank Energy & Resources, Ltd.	239,245	4,504	2,531	
Petrominerales, Ltd.	227,752	6,567	3,747	
Peyto Exploration & Development Corp.	299,192	5,317	7,261	
Precision Drilling Corp.	620,734	7,701	6,493	
Progress Energy Resources Corp.	407,863	5,745	5,400	
Provident Energy, Ltd.	612,915	5,145	6,037	
Savanna Energy Services Corp.	190,269	2,093	1,418	
ShawCor, Ltd.-Class A	130,241	3,148	3,742	
SouthGobi Resources, Ltd.	118,636	1,629	702	
Suncor Energy, Inc.	3,539,615	116,447	103,994	
Talisman Energy, Inc.	2,318,605	36,506	30,049	
Tourmaline Oil Corp.	275,181	8,224	7,314	
TransCanada Corp.	1,580,891	56,200	70,350	
Transglobe Energy Corp.	164,785	2,328	1,327	
Trican Well Service, Ltd.	329,945	4,947	5,777	
Trilogy Energy Corp.	112,792	2,465	4,231	
Trinidad Drilling, Ltd.	271,893	2,272	2,102	
Uranium One, Inc.	1,054,789	6,829	2,257	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Veresen, Inc.	373,287	4,359	5,708	
Vermilion Energy, Inc.	215,956	8,107	9,759	
		850,470	864,801	26.9
Financials				
AGF Management, Ltd.-Class B	175,448	3,261	2,776	
Allied Properties Real Estate Investment Trust-REIT	115,243	2,534	2,910	
Artis Real Estate Investment Trust-REIT	188,065	2,372	2,631	
Bank of Montreal	1,436,716	76,776	80,212	
Bank of Nova Scotia	2,449,560	112,690	124,315	
Boardwalk REIT	88,062	2,918	4,437	
Brookfield Asset Management, Inc.-Class A	1,216,468	31,278	34,012	
Brookfield Properties Co.	486,459	7,825	7,744	
Calloway REIT	204,050	4,228	5,462	
Canadian Apartment Properties REIT	191,001	2,943	4,261	
Canadian Imperial Bank of Commerce	901,038	62,490	66,443	
Canadian REIT	151,537	4,152	5,360	
Canadian Western Bank	169,676	3,706	4,376	
Chartwell Seniors Housing REIT	325,105	2,447	2,763	
CI Financial Corp.	408,305	8,848	8,595	
Cominar REIT	135,608	2,583	2,985	
Davis & Henderson Income Corp.	133,210	2,376	2,245	
Dundee Corp.-Class A	93,070	1,529	2,187	
Dundee REIT	138,806	3,777	4,535	
Extendicare REIT	181,894	1,533	1,542	
Fairfax Financial Holdings, Ltd.	44,667	14,638	19,520	
First Capital Realty, Inc.	154,176	2,313	2,666	
FirstService Corp.	57,405	1,256	1,546	
Genworth MI Canada, Inc.	93,271	2,325	1,909	
Great-West Lifeco, Inc.	597,831	14,896	12,148	
H&R REIT	374,098	6,881	8,694	
Home Capital Group, Inc.	77,915	2,880	3,826	
IGM Financial, Inc.	231,541	9,456	10,216	
Industrial Alliance Insurance and Financial Services, Inc.	202,902	6,057	5,318	
Intact Financial Corp.	291,294	12,421	17,038	
Itemus, Inc.	9,194	1	-	
Laurentian Bank of Canada	53,803	2,090	2,572	
Manulife Financial Corp.	4,032,537	90,297	43,672	
National Bank of Canada	360,661	20,369	26,014	
Onex Corp.	200,027	5,220	6,621	
Power Corp. of Canada	776,331	21,323	18,422	
Power Financial Corp.	525,459	15,297	13,404	
Primaris Retail REIT	180,696	2,909	3,724	
RioCan REIT	614,601	12,228	16,225	
Royal Bank of Canada	3,237,273	148,231	168,079	
Sun Life Financial, Inc.	1,314,018	43,548	24,835	
TMX Group, Inc.	167,786	5,977	6,987	
Toronto-Dominion Bank	2,029,046	127,162	154,715	
		908,041	937,942	29.1

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Health Care				
CML HealthCare, Inc.	202,169	2,596	1,951	
Nordion, Inc.	140,931	1,810	1,200	
Valeant Pharmaceuticals International, Inc.	692,315	20,257	32,864	
		24,663	36,015	1.1
Industrials				
Bombardier, Inc.-Class B	3,350,402	18,138	13,536	
CAE, Inc.	579,159	5,426	5,705	
Canadian National Railway Co.	1,000,132	52,704	80,081	
Canadian Pacific Railway, Ltd.	381,484	19,849	26,277	
Chorus Aviation, Inc.	279,236	1,480	885	
Finning International, Inc.	385,781	7,937	8,541	
Group 4 Securicor PLC	390,904	5,246	4,663	
Progressive Waste Solutions, Ltd.	268,946	5,243	5,352	
Russel Metals, Inc.	135,068	2,726	3,025	
SNC-Lavalin Group, Inc.	339,177	13,601	17,281	
Stantec, Inc.	102,125	2,669	2,812	
Superior Plus, Inc.	247,899	3,332	1,418	
Toromont Industries, Ltd.	144,602	2,088	3,083	
TransForce, Inc.	167,585	1,520	2,167	
Westjet Airlines, Ltd.	309,284	4,178	3,609	
Westshore Terminals Investment Corp.-UNIT	143,593	2,338	3,277	
		148,475	181,712	5.6
Information Technology				
Celestica, Inc.	444,126	5,444	3,322	
CGI Group, Inc.-Class A	511,057	6,745	9,797	
MacDonald Dettwiler & Associates, Ltd.	71,460	2,690	3,365	
Open Text Corp.	130,067	5,461	6,769	
Otsuka Corp.	866,662	9,063	8,476	
Research In Motion, Ltd.	1,060,610	59,353	15,654	
SXC Health Solutions Corp.	140,182	4,271	7,990	
Wi-Lan, Inc.	278,646	1,913	1,636	
		94,940	57,009	1.8
Materials				
Aecon Group, Inc.	125,944	1,718	1,317	
Agnico-Eagle Mines, Ltd.	383,769	20,137	14,165	
Agrium, Inc.	354,834	20,927	24,235	
Alacer Gold Corp.	478,021	4,114	5,000	
Alamos Gold, Inc.	265,972	3,105	4,636	
Aurizon Mines, Ltd.	367,057	2,070	1,835	
Avion Gold Corp.	992,348	2,413	1,588	
B2Gold Corp.	675,070	2,223	2,066	
Banro Corp.	444,021	2,088	1,665	
Barrick Gold Corp.	2,247,918	91,732	103,562	
Canexus Corp.	266,068	1,764	1,713	
Canfor Corp.	173,492	1,718	1,841	
Capstone Mining Corp.	660,531	2,554	1,830	
CCL Industries-Class B	57,317	1,541	1,787	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Centerra Gold, Inc.	356,007	4,802	6,365	
China Gold International Resources Corp., Ltd.	356,404	1,897	912	
Colossus Minerals, Inc.	235,466	1,905	1,418	
Detour Gold Corp.	222,633	5,036	5,581	
Dundee Precious Metals, Inc.	217,110	2,030	1,785	
Eldorado Gold Corp.	1,240,041	15,022	17,286	
Endeavour Silver Corp.	196,557	1,608	1,936	
European Goldfields, Ltd.	306,071	2,313	3,612	
Extorre Gold Mines, Ltd.	208,654	2,218	1,571	
First Majestic Silver Corp.	235,962	3,369	4,035	
First Quantum Minerals, Ltd.	1,070,928	15,565	21,419	
Fortuna Silver Mines, Inc.	278,688	1,602	1,550	
Franco-Nevada Corp.	307,905	10,115	11,916	
Gabriel Resources, Ltd.	605,990	3,324	3,800	
Gammon Gold, Inc.	633,059	5,812	5,166	
Goldcorp, Inc.	1,820,574	69,258	82,035	
Golden Star Resources, Ltd.	579,418	2,013	968	
Grande Cache Coal Corp.	221,103	2,143	2,189	
Great Basin Gold, Ltd.	1,065,836	2,098	991	
Guyana Goldfields, Inc.	188,822	1,903	1,403	
Harry Winston Diamond Corp.	190,786	2,489	2,060	
Hudbay Minerals, Inc.	386,636	4,973	3,909	
Iamgold Corp.	845,081	10,937	13,614	
Inmet Mining Corp.	113,804	5,874	7,445	
Ivanhoe Mines, Ltd.	647,945	10,492	11,689	
Jaguar Mining, Inc.	190,648	1,868	1,234	
Kinross Gold Corp.	2,557,340	36,694	29,691	
Kirkland Lake Gold, Inc.	139,935	2,142	2,148	
Labrador Iron Ore Royalty Corp.-UNIT	143,910	3,212	5,376	
Lake Shore Gold Corp.	896,067	2,692	1,138	
Lundin Mining Corp.	1,152,603	6,787	4,449	
Major Drilling Group International	177,454	2,253	2,742	
Mercator Minerals, Ltd.	580,545	1,749	877	
Methanex Corp.	209,644	4,536	4,872	
Minefinders Corp.	183,243	1,981	1,970	
Neo Material Technologies, Inc.	261,678	2,008	1,915	
Nevsun Resources, Ltd.	449,408	2,392	2,530	
New Gold, Inc.	1,012,931	6,937	10,352	
North American Palladium, Ltd.	321,773	1,686	837	
Northern Dynasty Minerals, Ltd.	157,533	2,007	969	
Novagold Resources, Inc.	420,443	3,633	3,628	
OceanaGold Corp.	592,842	2,038	1,316	
PAN American Silver Corp.	237,903	6,135	5,277	
Potash Corp. of Saskatchewan	1,925,488	69,100	81,044	
Premier Gold Mines, Ltd.	287,590	1,800	1,300	
Quadra FNX Mining, Ltd.	430,571	5,647	6,484	
Romarco Minerals, Inc.	1,317,605	2,224	1,383	
Rubicon Minerals Corp.	535,029	2,468	2,049	
San Gold Corp.	701,082	2,187	1,290	
SEMAFO, Inc.	613,533	3,851	4,043	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Sherritt International Corp.	664,329	5,992	3,614	
Silver Standard Resources, Inc.	181,294	4,013	2,547	
Silver Wheaton Corp.	794,806	15,625	23,447	
Silvercorp Metals, Inc.	383,682	2,723	2,494	
Sino-Forest Corp.-Class A	500,898	7,373	5	
Tahoe Resources, Inc.	180,199	3,177	3,155	
Taseko Mines, Ltd.	439,807	2,000	1,227	
Teck Resources, Ltd.	1,089,326	33,878	39,052	
Thompson Creek Metals Co., Inc.	377,555	4,476	2,669	
West Fraser Timber Co., Ltd.	66,669	2,634	2,760	
Yamana Gold, Inc.	1,676,546	18,489	25,098	
		625,309	666,877	20.7
Telecommunication Services				
BCE, Inc.	1,749,243	57,720	74,238	
Bell Aliant, Inc.	286,844	8,244	8,175	
Manitoba Telecom Services, Inc.	148,269	5,540	4,393	
Rogers Communications, Inc.-Class B	973,785	30,323	38,211	
Tee-Com Electronics, Inc.	46,648	-	-	
TELUS Corp.-Non-vote	729,490	29,577	41,975	
		131,404	166,992	5.2
Utilities				
Algonquin Power & Utilities Corp.	306,220	1,947	1,960	
Atco, Ltd.-Class I	88,292	3,980	5,300	
Atlantic Power Corp.	255,168	3,542	3,705	
Canadian Utilities, Ltd.-Class A	137,725	6,125	8,473	
Capital Power Corp.	132,511	3,469	3,326	
Emera, Inc.	274,924	6,757	9,075	
Fortis, Inc.	420,310	11,472	14,009	
Just Energy Group, Inc.	311,624	4,415	3,571	
Northland Power, Inc.	174,949	2,412	3,121	
TransAlta Corp.	502,761	11,552	10,563	
		55,671	63,103	2.0
Total Canadian Common Stocks and Income Trusts		3,047,926	3,194,067	99.2
Transaction Costs (Note 2)		(788)		
Total Investments		3,047,138	3,194,067	99.2
Other Assets and Liabilities			25,167	0.8
Net Assets			3,219,234	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	4.0	4.3
Consumer Staples	2.8	2.5
Energy	26.9	26.6
Financials	29.1	27.7
Health Care	1.1	0.7
Industrials	5.6	5.5
Information Technology	1.8	2.9
Materials	20.7	23.6
Telecommunication Services	5.2	4.0
Utilities	2.0	1.5
Other Assets and Liabilities	0.8	0.7

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 84,375,703	$ 146,417,389
Cash	378,323	370,802
Margin due from brokers	102,589	149,685
Securities lending income receivable	168	513
Dividends receivable	234,136	332,802
Accounts receivable from issue of units	129,341	-
Accounts receivable for investment sales	128,490	290,657
	85,348,750	147,561,848
Liabilities		
Operating expenses payable	25,735	24,598
Payables for redemption of units	-	254,021
Payables for investment purchases	180,303	-
	206,038	278,619
Net Assets	$ 85,142,712	$ 147,283,229
Number of Units Issued and Outstanding (Note 8)	1,608,394	2,514,767
Net Assets per Unit	$ 52.94	$ 58.57
Investments at Cost	$ 81,157,339	$ 121,007,221

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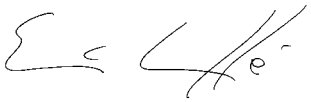
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 2,574,318	$ 3,786,601
Interest income	3,262	2,208
Securities lending income	4,862	8,402
Net gain (loss) from futures contracts	(14,887)	130,371
	2,567,555	3,927,582
Expenses		
Custodian fees	34,997	19,663
Fund accounting expenses	30,891	28,355
Unitholder communication costs	601	602
Audit fees	17,931	18,358
Securities filing fees	1,459	264
Independent review committee fees	116	615
Other operating expenses	4,430	1,356
	90,425	69,213
Net Investment Income for the Year	2,477,130	3,858,369
Gain (Loss) on Investments		
Net realized gain on sale of investments	14,865,281	6,765,746
Transaction costs (Note 2,13)	(37,886)	(28,157)
Net change in unrealized appreciation (depreciation) in value of investments	(22,191,804)	14,632,757
Net Gain (Loss) on Investments	(7,364,409)	21,370,346
Increase (Decrease) in Net Assets from Operations	$ (4,887,279)	$ 25,228,715
Increase (Decrease) in Net Assets from Operations per Unit	$ (2.76)	$ 8.15

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 147,283,229	$ 167,591,996
Increase (Decrease) in Net Assets from Operations	(4,887,279)	25,228,715
Capital Transactions		
Proceeds from issue of units	8,511,709	3,858,172
Reinvestment of distributions	2,587,988	3,890,677
Redemption of units	(65,764,947)	(49,395,654)
Net capital transactions	(54,665,250)	(41,646,805)
Distributions		
From net investment income	(2,587,988)	(3,890,677)
Total distributions	(2,587,988)	(3,890,677)
Decrease in Net Assets for the Year	(62,140,517)	(20,308,767)
Net Assets - End of Year	$ 85,142,712	$ 147,283,229

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks				
Consumer Discretionary				
Astral Media, Inc.-Class A	3,243	109	115	
Canadian Tire Corp.-Class A	4,824	309	317	
Cineplex, Inc.	3,561	78	91	
Cogeco Cable, Inc.	1,373	45	70	
Corus Entertainment, Inc.-Class B	4,188	72	86	
Dollarama, Inc.	4,506	143	200	
Dorel Industries, Inc.-Class B	1,750	50	44	
Gildan Activewear, Inc.	7,395	182	142	
Linamar Corp.	2,750	49	38	
Magna International, Inc.-Class A	14,452	523	490	
Quebecor, Inc.-Class B	2,826	75	98	
Reitman's (Canada), Ltd.-Class A	3,539	56	52	
RONA, Inc.	7,954	140	77	
Shaw Communications, Inc.-Class B	22,079	359	447	
Thomson Reuters Corp.	22,725	841	618	
Tim Hortons, Inc.	9,664	317	477	
Transcontinental, Inc.-Class A	4,171	69	53	
Westport Innovations, Inc.	2,946	59	99	
		3,476	3,514	4.1
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	7,709	167	244	
Cott Corp.	5,843	51	37	
Empire Co., Ltd.-Class A	1,806	79	106	
George Weston, Ltd.	2,909	220	197	
Jean Coutu Group, Inc.-Class A	6,531	79	83	
Loblaw Cos., Ltd.	6,197	306	238	
Maple Leaf Foods, Inc.	4,890	59	53	
Metro, Inc.-Class A	6,135	209	331	
North West Co., Inc.	2,959	63	60	
Saputo, Inc.	8,084	208	315	
Shoppers Drug Mart Corp.	13,131	572	539	
Viterra, Inc.	22,710	225	244	
		2,238	2,447	2.9
Energy				
Advantage Oil & Gas, Ltd.	10,185	56	43	
AltaGas, Ltd.	5,406	111	172	
ARC Resources, Ltd.	17,557	428	439	
Athabasca Oil Sands Corp.	18,061	270	225	
Bankers Petroleum, Ltd.	15,115	123	67	
Baytex Energy Corp.	7,161	344	408	
Birchcliff Energy, Ltd.	7,721	99	105	
Black Pearl Resources, Inc.	17,371	57	71	
Bonavista Energy Corp.	8,793	246	229	
Bonterra Energy Corp.	891	54	46	
Calfrac Well Services, Ltd.	1,908	45	54	
Cameco Corp.	24,088	756	442	
Canadian Natural Resources, Ltd.	66,809	2,078	2,539	
Canadian Oil Sands, Ltd.	29,565	784	686	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Celtic Exploration, Ltd.	5,171	69	117	
Cenovus Energy, Inc.	46,029	1,301	1,555	
Crescent Point Energy Corp.	17,528	642	786	
Crew Energy, Inc.	7,293	108	82	
Denison Mines Corp.	18,831	56	24	
Enbridge, Inc.	47,549	988	1,811	
Encana Corp.	44,931	1,329	849	
Enerflex, Ltd.	3,787	43	50	
Enerplus Corp.	11,040	345	285	
Ensign Resource Service Group, Inc.	7,728	152	125	
Flint Energy Services, Ltd.	2,930	51	37	
Freehold Royalties, Ltd.	2,738	57	53	
Husky Energy, Inc.	18,114	548	443	
Imperial Oil, Ltd.	15,517	645	704	
Keyera Corp.	4,366	160	217	
Legacy Oil + Gas, Inc.	7,681	108	80	
MEG Energy Corp.	7,421	360	306	
Mullen Group, Ltd.	4,924	70	97	
NAL Energy Corp.	9,166	115	72	
Nexen, Inc.	32,185	849	521	
Niko Resources, Ltd.	2,829	186	136	
NuVista Energy, Ltd.	6,007	80	31	
Pacific Rubiales Energy Corp.	16,583	211	310	
Paramount Resources, Ltd.-Class A	1,871	54	79	
Parkland Fuel Corp.	3,879	48	49	
Pason Systems, Inc.	3,921	54	47	
Pembina Pipeline Corp.	10,242	223	304	
Pengrowth Energy Corp.	21,897	275	235	
Penn West Petroleum, Ltd.	28,762	725	580	
Petrobakken Energy, Ltd.	4,699	134	60	
Petrobank Energy & Resources, Ltd.	6,503	107	69	
Petrominerales, Ltd.	6,170	162	101	
Peyto Exploration & Development Corp.	8,135	155	197	
Precision Drilling Corp.	16,814	134	176	
Progress Energy Resources Corp.	11,048	145	146	
Provident Energy, Ltd.	16,603	135	164	
Savanna Energy Services Corp.	5,213	82	39	
ShawCor, Ltd.-Class A	3,528	74	101	
SouthGobi Resources, Ltd.	3,251	46	19	
Suncor Energy, Inc.	96,066	3,508	2,822	
Talisman Energy, Inc.	62,928	1,153	816	
Tourmaline Oil Corp.	7,482	223	199	
TransCanada Corp.	42,906	1,564	1,909	
Transglobe Energy Corp.	4,500	66	36	
Trican Well Service, Ltd.	8,938	184	157	
Trilogy Energy Corp.	3,056	64	115	
Trinidad Drilling, Ltd.	7,403	69	57	
Uranium One, Inc.	28,681	274	61	
Veresen, Inc.	10,112	132	155	
Vermilion Energy, Inc.	5,866	224	265	
		23,938	23,175	27.2

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Financials				
AGF Management, Ltd.-Class B	4,780	97	76	
Bank of Montreal	38,993	2,250	2,177	
Bank of Nova Scotia	66,482	3,108	3,374	
Brookfield Asset Management, Inc.-Class A	33,016	904	923	
Brookfield Properties Co.	13,224	248	210	
Canadian Imperial Bank of Commerce	24,455	1,801	1,803	
Canadian Western Bank	4,596	93	119	
CI Financial Corp.	11,096	194	234	
Davis & Henderson Income Corp.	3,624	74	61	
Dundee Corp.-Class A	2,525	45	59	
Fairfax Financial Holdings, Ltd.	1,212	321	530	
First Capital Realty, Inc.	4,177	61	72	
FirstService Corp.	1,545	38	42	
Genworth MI Canada, Inc.	2,539	63	52	
Great-West Lifeco, Inc.	16,231	440	330	
Home Capital Group, Inc.	2,111	78	104	
IGM Financial, Inc.	6,289	279	277	
Industrial Alliance Insurance and Financial Services, Inc.	5,496	165	144	
Intact Financial Corp.	7,906	319	462	
Itemus, Inc.	5,706	-	-	
Laurentian Bank of Canada	1,461	50	70	
Manulife Financial Corp.	109,445	3,117	1,185	
National Bank of Canada	9,789	591	706	
Onex Corp.	5,418	128	179	
Power Corp. of Canada	21,070	633	500	
Power Financial Corp.	14,263	453	364	
Royal Bank of Canada	87,860	4,115	4,562	
Sun Life Financial, Inc.	35,663	1,478	674	
TMX Group, Inc.	4,545	187	189	
Toronto-Dominion Bank	55,069	3,462	4,199	
		24,792	23,677	27.8
Health Care				
CML HealthCare, Inc.	5,501	64	53	
Nordion, Inc.	3,846	55	33	
Valeant Pharmaceuticals International, Inc.	18,790	495	892	
		614	978	1.2
Industrials				
Bombardier, Inc.-Class B	90,940	330	367	
CAE, Inc.	15,688	143	155	
Canadian National Railway Co.	27,144	1,406	2,173	
Canadian Pacific Railway, Ltd.	10,354	551	713	
Chorus Aviation, Inc.	7,487	39	24	
Finning International, Inc.	10,484	215	232	
Group 4 Securicor PLC	10,589	157	126	
Progressive Waste Solutions, Ltd.	7,285	136	145	
Russel Metals, Inc.	3,661	80	82	
SNC-Lavalin Group, Inc.	9,206	317	469	
Stantec, Inc.	2,759	69	76	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Superior Plus, Inc.	6,735	84	39	
Toromont Industries, Ltd.	3,941	59	84	
TransForce, Inc.	4,555	34	59	
Westjet Airlines, Ltd.	8,415	106	98	
		3,726	4,842	5.7
Information Technology				
Celestica, Inc.	12,038	121	90	
CGI Group, Inc.-Class A	13,882	151	266	
MacDonald Dettwiler & Associates, Ltd.	1,936	71	91	
Open Text Corp.	3,523	110	183	
Otsuka Corp.	23,553	219	231	
Research In Motion, Ltd.	28,786	1,376	425	
SXC Health Solutions Corp.	3,810	88	217	
Wi-Lan, Inc.	7,586	52	45	
		2,188	1,548	1.8
Materials				
Aecon Group, Inc.	3,404	47	36	
Agnico-Eagle Mines, Ltd.	10,416	445	384	
Agrium, Inc.	9,630	445	658	
Alacer Gold Corp.	12,949	109	135	
Alamos Gold, Inc.	7,205	75	126	
Aurizon Mines, Ltd.	9,971	54	50	
Avion Gold Corp.	26,906	67	43	
B2Gold Corp.	18,281	60	56	
Banro Corp.	12,031	57	45	
Barrick Gold Corp.	61,009	2,260	2,811	
Canexus Corp.	7,202	49	46	
Canfor Corp.	4,726	48	50	
Capstone Mining Corp.	17,887	71	50	
CCL Industries-Class B	1,556	45	49	
Centerra Gold, Inc.	9,643	114	172	
China Gold International Resources Corp., Ltd.	9,566	53	25	
Colossus Minerals, Inc.	6,465	53	39	
Detour Gold Corp.	6,031	123	151	
Dundee Precious Metals, Inc.	5,908	56	49	
Eldorado Gold Corp.	33,656	330	469	
Endeavour Silver Corp.	5,321	42	52	
European Goldfields, Ltd.	8,292	54	98	
Extorre Gold Mines, Ltd.	5,641	61	42	
First Majestic Silver Corp.	6,392	89	109	
First Quantum Minerals, Ltd.	29,066	372	581	
Fortuna Silver Mines, Inc.	7,536	43	42	
Franco-Nevada Corp.	8,360	266	324	
Gabriel Resources, Ltd.	16,417	83	103	
Gammon Gold, Inc.	17,149	169	140	
Goldcorp, Inc.	49,411	1,701	2,226	
Golden Star Resources, Ltd.	15,612	56	26	
Grande Cache Coal Corp.	6,011	58	60	
Great Basin Gold, Ltd.	28,676	56	27	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Guyana Goldfields, Inc.	5,145	53	38	
Harry Winston Diamond Corp.	5,188	70	56	
Hudbay Minerals, Inc.	10,474	141	106	
Iamgold Corp.	22,938	237	370	
Inmet Mining Corp.	3,083	137	202	
Ivanhoe Mines, Ltd.	17,593	247	317	
Jaguar Mining, Inc.	5,213	58	34	
Kinross Gold Corp.	69,408	889	806	
Kirkland Lake Gold, Inc.	3,799	58	58	
Lake Shore Gold Corp.	24,745	79	31	
Lundin Mining Corp.	31,224	220	121	
Major Drilling Group International	4,808	65	74	
Mercator Minerals, Ltd.	15,965	49	24	
Methanex Corp.	5,679	119	132	
Minefinders Corp.	4,974	53	53	
Neo Material Technologies, Inc.	7,106	54	52	
Nevsun Resources, Ltd.	12,177	63	69	
New Gold, Inc.	27,513	170	281	
North American Palladium, Ltd.	8,638	48	22	
Northern Dynasty Minerals, Ltd.	4,243	56	26	
Novagold Resources, Inc.	11,390	87	98	
OceanaGold Corp.	16,211	60	36	
PAN American Silver Corp.	6,444	159	143	
Potash Corp. of Saskatchewan	52,258	1,352	2,200	
Premier Gold Mines, Ltd.	7,778	50	35	
Quadra FNX Mining, Ltd.	11,663	159	176	
Romarco Minerals, Inc.	35,626	62	37	
Rubicon Minerals Corp.	14,487	68	55	
San Gold Corp.	18,930	60	35	
SEMAFO, Inc.	16,621	85	110	
Sherritt International Corp.	17,997	203	98	
Silver Standard Resources, Inc.	4,920	106	69	
Silver Wheaton Corp.	21,572	331	636	
Silvercorp Metals, Inc.	10,396	66	68	
Sino-Forest Corp.-Class A	14,123	165	-	
Tahoe Resources, Inc.	4,882	86	85	
Taseko Mines, Ltd.	12,085	54	34	
Teck Resources, Ltd.	29,565	872	1,060	
Thompson Creek Metals Co., Inc.	10,244	122	72	
West Fraser Timber Co., Ltd.	1,810	69	75	
Yamana Gold, Inc.	45,503	472	681	
		15,165	17,949	21.1
Telecommunication Services				
BCE, Inc.	47,475	1,439	2,015	
Bell Aliant, Inc.	7,797	212	222	
Manitoba Telecom Services, Inc.	4,017	156	119	
Rogers Communications, Inc.-Class B	26,429	770	1,037	
Tee-Com Electronics, Inc.	28,952	-	-	
TELUS Corp.-Non-vote	19,802	904	1,140	
		3,481	4,533	5.3

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Utilities				
Algonquin Power & Utilities Corp.	8,294	53	53	
Atco, Ltd.-Class I	2,392	107	144	
Atlantic Power Corp.	6,927	96	101	
Canadian Utilities, Ltd.-Class A	3,743	169	230	
Capital Power Corp.	3,590	94	90	
Emera, Inc.	7,470	167	247	
Fortis, Inc.	11,408	312	380	
Just Energy Group, Inc.	8,442	128	97	
Northland Power, Inc.	4,740	77	84	
TransAlta Corp.	13,655	344	287	
		1,547	1,713	2.0
Total Canadian Common Stocks		81,165	84,376	99.1
Transaction Costs (Note 2)		(8)		
Total Investments		81,157	84,376	99.1
Other Assets and Liabilities			767	0.9
Net Assets			85,143	100.0

Portfolio Concentration
(as a percentage of Net Assets)

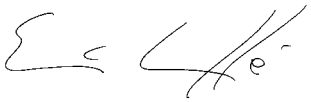
Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Consumer Discretionary	4.1	4.6
Consumer Staples	2.9	2.6
Energy	27.2	23.9
Financials	27.8	28.1
Health Care	1.2	0.6
Industrials	5.7	5.8
Information Technology	1.8	3.1
Materials	21.1	25.2
Telecommunication Services	5.3	4.1
Utilities	2.0	1.4
Other Assets and Liabilities	0.9	0.6

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 955,247,430	$ 1,354,114,751
Cash	2,383,994	2,263,334
Margin due from brokers	868,223	541,697
Securities lending income receivable	4,804	-
Dividends and distributions from underlying trust units receivable	2,517,979	2,745,489
Accounts receivable from issue of units	8,002,050	-
Accounts receivable for investment sales	17,861,974	-
	986,886,454	1,359,665,271
Liabilities		
Operating expenses payable	28,416	25,473
Payables for redemption of units	23,991,000	20,473,403
Payables for investment purchases	145,994	569,016
	24,165,410	21,067,892
Net Assets	$ 962,721,044	$ 1,338,597,379
Number of Units Issued and Outstanding (Note 8)	91,420,665	113,979,442
Net Assets per Unit	$ 10.53	$ 11.74
Investments at Cost	$ 962,105,221	$ 1,176,014,654

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income and distributions from underlying trust units	$ 28,438,219	$ 27,456,044
Interest income	26,087	8,791
Securities lending income	73,588	-
Net gain (loss) from futures contracts	(74,342)	699,228
Foreign exchange gain	17,342	12,288
	28,480,894	28,176,351
Expenses		
Custodian fees	76,164	72,479
Fund accounting expenses	57,808	58,336
Unitholder communication costs	601	602
Audit fees	15,291	14,257
Securities filing fees	21,541	32,990
Independent review committee fees	1,200	2,818
Other operating expenses	6,707	3,528
	179,312	185,010
Net Investment Income for the Year	28,301,582	27,991,341
Gain (Loss) on Investments		
Net realized gain on sale of investments	43,299,051	8,922,946
Transaction costs (Note 2,13)	(115,906)	(112,193)
Net change in unrealized appreciation (depreciation) in value of investments	(184,957,888)	167,158,328
Net Gain (Loss) on Investments	(141,774,743)	175,969,081
Increase (Decrease) in Net Assets from Operations	$ (113,473,161)	$ 203,960,422
Increase (Decrease) in Net Assets from Operations per Unit	$ (1.11)	$ 1.90

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 1,338,597,379	$ 995,023,347
Increase (Decrease) in Net Assets from Operations	(113,473,161)	203,960,422
Capital Transactions		
Proceeds from issue of units	178,385,476	275,438,983
Reinvestment of distributions	73,415,163	38,090,082
Redemption of units	(440,788,650)	(135,825,373)
Net capital transactions	(188,988,011)	177,703,692
Distributions		
From net investment income	(28,298,605)	(26,679,271)
From capital gains	(45,116,558)	(11,410,811)
Total distributions	(73,415,163)	(38,090,082)
Increase (Decrease) in Net Assets for the Year	(375,876,335)	343,574,032
Net Assets - End of Year	$ 962,721,044	$ 1,338,597,379

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks and Income Trusts				
Consumer Discretionary				
Astral Media, Inc.-Class A	35,944	1,212	1,276	
Canadian Tire Corp.-Class A	53,323	2,995	3,501	
Cineplex, Inc.	40,335	874	1,034	
Cogeco Cable, Inc.	11,059	408	567	
Corus Entertainment, Inc.-Class B	53,421	1,030	1,094	
Dollarama, Inc.	40,290	1,093	1,790	
Dorel Industries, Inc.-Class B	18,830	602	478	
EnerCare, Inc.	38,770	226	359	
Gildan Activewear, Inc.	78,941	1,965	1,511	
Great Canadian Gaming Corp.	43,588	334	363	
Linamar Corp.	33,902	506	472	
Magna International, Inc.-Class A	148,910	4,489	5,045	
Martinrea International, Inc.	52,683	418	391	
Quebecor, Inc.-Class B	30,818	884	1,064	
Reitman's (Canada), Ltd.-Class A	33,315	570	493	
RONA, Inc.	88,400	1,266	860	
Shaw Communications, Inc.-Class B	254,487	5,469	5,148	
Thomson Reuters Corp.	257,389	8,775	6,998	
Tim Hortons, Inc.	109,578	3,692	5,405	
Torstar Corp.-Class B	43,809	322	363	
Transcontinental, Inc.-Class A	43,933	546	554	
Westport Innovations, Inc.	27,823	425	939	
		38,101	39,705	4.1
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	84,402	1,894	2,671	
Alliance Grain Traders, Inc.	11,061	338	229	
Atrium Innovations, Inc.	19,463	283	224	
Cott Corp.	66,282	558	423	
Empire Co., Ltd.-Class A	19,375	933	1,140	
George Weston, Ltd.	35,286	2,361	2,395	
Jean Coutu Group, Inc.-Class A	71,686	684	913	
Liquor Stores N.A., Ltd.	15,841	240	238	
Loblaw Cos., Ltd.	77,156	2,719	2,961	
Maple Leaf Foods, Inc.	66,078	728	715	
Metro, Inc.-Class A	69,210	2,783	3,734	
North West Co., Inc.	32,522	668	654	
Saputo, Inc.	97,420	3,086	3,797	
Shoppers Drug Mart Corp.	148,648	6,280	6,104	
Viterra, Inc.	254,003	2,442	2,725	
		25,997	28,923	3.0
Energy				
Advantage Oil & Gas, Ltd.	115,639	731	488	
AltaGas, Ltd.	60,287	1,252	1,918	
Angle Energy, Inc.	45,710	359	290	
ARC Resources, Ltd.	196,098	4,782	4,901	
Athabasca Oil Sands Corp.	205,579	3,053	2,562	
Bankers Petroleum, Ltd.	166,976	983	736	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Baytex Energy Corp.	79,512	2,561	4,525	
Bellatrix Exploration, Ltd.	75,083	400	369	
Birchcliff Energy, Ltd.	60,030	526	815	
Black Pearl Resources, Inc.	192,654	546	792	
BNK Petroleum, Inc.	91,230	489	141	
Bonavista Energy Corp.	97,658	2,639	2,544	
Bonterra Energy Corp.	10,803	382	555	
C&C Energia, Ltd.	26,880	309	200	
Calfrac Well Services, Ltd.	22,047	462	626	
Cameco Corp.	269,781	8,326	4,956	
Canadian Energy Services & Technology Corp.	32,582	389	363	
Canadian Natural Resources, Ltd.	750,045	26,798	28,502	
Canadian Oil Sands, Ltd.	331,172	9,438	7,687	
Canyon Services Group, Inc.	31,966	491	382	
Celtic Exploration, Ltd.	60,032	843	1,363	
Cenovus Energy, Inc.	515,519	14,302	17,419	
Cequence Energy, Ltd.	72,700	245	213	
Chinook Energy, Inc.	135,126	314	215	
Connacher Oil and Gas, Ltd.	315,470	349	240	
Corridor Resources, Inc.	59,103	268	59	
Crescent Point Energy Corp.	168,765	6,660	7,566	
Crew Energy, Inc.	68,679	940	772	
Denison Mines Corp.	228,756	347	291	
Enbridge Income Fund Holdings, Inc.	14,067	223	283	
Enbridge, Inc.	502,967	12,939	19,158	
Encana Corp.	503,300	15,216	9,507	
Enerflex, Ltd.	52,016	612	688	
Enerplus Corp.	123,007	2,997	3,172	
Ensign Resource Service Group, Inc.	88,607	1,299	1,429	
Fairborne Energy, Ltd.	57,602	257	169	
Flint Energy Services, Ltd.	32,061	359	406	
Freehold Royalties, Ltd.	30,190	617	586	
Gasfrac Energy Services, Inc.	43,300	335	302	
Gibson Energy, Inc.	46,000	887	875	
Guide Exploration, Ltd.-Class A	63,756	287	200	
Husky Energy, Inc.	226,991	6,232	5,554	
Imperial Oil, Ltd.	202,782	8,140	9,196	
Ivanhoe Energy, Inc.	205,024	472	230	
Keyera Corp.	48,593	1,600	2,418	
Legacy Oil + Gas, Inc.	87,312	1,183	913	
Longview Oil Corp.	13,200	140	133	
MEG Energy Corp.	85,700	3,897	3,528	
Mullen Group, Ltd.	51,722	827	1,014	
NAL Energy Corp.	100,489	1,301	788	
Nexen, Inc.	360,219	8,188	5,836	
Niko Resources, Ltd.	31,648	2,894	1,520	
NuVista Energy, Ltd.	62,677	668	327	
Open Range Energy Corp.	48,400	97	90	
Pace Oil and Gas, Ltd.	33,465	268	143	
Pacific Rubiales Energy Corp.	176,234	3,266	3,296	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Paramount Resources, Ltd.-Class A	31,859	690	1,352	
Parkland Fuel Corp.	41,698	503	528	
Pason Systems, Inc.	45,748	499	547	
Pembina Pipeline Corp.	114,575	2,325	3,397	
Pengrowth Energy Corp.	245,336	3,135	2,628	
Penn West Petroleum, Ltd.	320,885	6,046	6,469	
Perpetual Energy, Inc.	75,089	371	87	
Petrobakken Energy, Ltd.	56,892	1,514	725	
Petrobank Energy & Resources, Ltd.	68,167	1,725	721	
Petrominerales, Ltd.	70,038	2,038	1,152	
Peyto Exploration & Development Corp.	86,377	1,474	2,096	
Precision Drilling Corp.	160,277	1,252	1,677	
Progress Energy Resources Corp.	126,324	1,641	1,673	
Provident Energy, Ltd.	184,983	1,192	1,822	
Questerre Energy Corp.	155,768	359	95	
Savanna Energy Services Corp.	59,207	384	441	
Secure Energy Services, Inc.	53,000	399	364	
ShawCor, Ltd.-Class A	39,252	1,084	1,128	
Southern Pacific Resource Corp.	237,301	396	327	
SouthGobi Resources, Ltd.	57,600	457	341	
Suncor Energy, Inc.	1,075,980	38,582	31,612	
Talisman Energy, Inc.	704,841	12,758	9,135	
Total Energy Services, Inc.	20,948	360	363	
Tourmaline Oil Corp.	83,000	2,525	2,206	
TransCanada Corp.	480,321	17,621	21,374	
Transglobe Energy Corp.	48,413	698	390	
Trican Well Service, Ltd.	99,854	1,386	1,748	
Trilogy Energy Corp.	37,652	424	1,412	
Trinidad Drilling, Ltd.	81,029	544	626	
Uranium One, Inc.	322,201	982	690	
Veresen, Inc.	111,772	1,622	1,709	
Vermilion Energy, Inc.	62,272	2,241	2,814	
Whitecap Resources, Inc.	42,900	367	355	
Zargon Oil & Gas, Ltd.	19,374	400	264	
		272,379	265,519	27.6
Financials				
AGF Management, Ltd.-Class B	55,105	966	872	
Allied Properties Real Estate Investment Trust-REIT	17,494	338	442	
Artis Real Estate Investment Trust-REIT	28,505	296	399	
Bank of Montreal	434,890	24,401	24,280	
Bank of Nova Scotia	742,235	36,841	37,668	
Boardwalk REIT	15,836	593	798	
Brookfield Asset Management, Inc.-Class A	382,349	9,525	10,691	
Brookfield Properties Co.	172,114	2,409	2,740	
Calloway REIT	34,981	688	936	
Canaccord Capital, Inc.	52,254	552	406	
Canadian Apartment Properties REIT	25,276	334	564	
Canadian Imperial Bank of Commerce	272,654	19,156	20,106	
Canadian REIT	22,743	638	804	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Western Bank	51,086	1,207	1,318	
CI Financial Corp.	108,408	2,211	2,282	
Cominar REIT	21,867	387	481	
Davis & Henderson Income Corp.	39,845	752	671	
Dundee Corp.-Class A	33,218	458	781	
Dundee REIT	20,247	487	661	
Extendicare REIT	25,346	291	215	
Fairfax Financial Holdings, Ltd.	13,579	5,187	5,934	
First Capital Realty, Inc.	46,198	646	799	
FirstService Corp.	19,077	402	514	
Genworth MI Canada, Inc.	26,305	680	538	
Gluskin Sheff + Associates, Inc.	10,543	195	156	
GMP Capital, Inc.	38,777	441	274	
Great-West Lifeco, Inc.	194,695	4,888	3,956	
H&R REIT	52,294	1,216	1,215	
Home Capital Group, Inc.	22,270	963	1,093	
IGM Financial, Inc.	79,329	3,425	3,500	
Industrial Alliance Insurance and Financial Services, Inc.	57,355	1,772	1,503	
InnVest Real Estate Investment Trust-REIT	32,231	212	133	
Intact Financial Corp.	88,551	3,708	5,179	
Killam Properties, Inc.	32,375	342	374	
Laurentian Bank of Canada	16,177	706	773	
Manulife Financial Corp.	1,222,101	20,633	13,235	
Morguard Real Estate Investment Trust-REIT	19,533	244	313	
National Bank of Canada	110,874	6,808	7,997	
Northern Property Real Estate Investment Trust-REIT	10,090	235	300	
Onex Corp.	64,453	1,674	2,133	
Pinetree Capital, Ltd.	95,905	193	140	
Power Corp. of Canada	238,761	6,464	5,666	
Power Financial Corp.	169,353	4,917	4,320	
Primaris Retail REIT	26,238	434	541	
RioCan REIT	87,709	1,623	2,316	
Royal Bank of Canada	982,177	53,520	50,995	
Sprott Resource Lending Corp.	92,829	122	130	
Sprott, Inc.	35,711	174	205	
Sun Life Financial, Inc.	396,722	10,997	7,498	
TMX Group, Inc.	50,983	1,642	2,123	
Toronto-Dominion Bank	607,589	41,669	46,329	
Uranium Participation Corp.	75,155	477	420	
		279,139	277,717	28.9
Health Care				
Cardiome Pharma Corp.	43,447	198	108	
CML HealthCare, Inc.	60,100	731	580	
Paladin Labs, Inc.	8,478	194	349	
Theratechnologies, Inc.	42,938	166	119	
Valeant Pharmaceuticals International, Inc.	194,966	4,875	9,255	
		6,164	10,411	1.1

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Industrials				
ACE Aviation Holdings, Inc.	17,250	112	180	
AG Growth International, Inc.	8,783	307	329	
Alexco Resource Corp.	39,896	325	268	
ATS Automation Tooling Systems, Inc.	61,014	425	392	
Bird Construction, Inc.	28,007	318	322	
Bombardier, Inc.-Class B	983,125	4,514	3,972	
CAE, Inc.	175,836	1,575	1,732	
Canadian National Railway Co.	308,015	18,775	24,663	
Canadian Pacific Railway, Ltd.	115,816	6,786	7,977	
Churchill Corp. (The)-Class A	14,502	255	165	
Finning International, Inc.	117,248	2,073	2,596	
Genivar, Inc.	18,205	583	479	
Group 4 Securicor PLC	122,100	1,296	1,457	
Morneau Shepell, Inc.	31,731	322	330	
Newalta, Inc.	28,887	255	356	
Progressive Waste Solutions, Ltd.	74,074	1,407	1,474	
Ritchie Bros. Auctioneers, Inc.	65,131	1,526	1,454	
Russel Metals, Inc.	40,763	744	913	
SNC-Lavalin Group, Inc.	103,144	5,101	5,255	
Stantec, Inc.	30,955	889	852	
Student Transportation, Inc.	38,800	256	255	
Superior Plus, Inc.	76,443	978	437	
Toromont Industries, Ltd.	52,186	818	1,113	
TransForce, Inc.	51,419	444	665	
Wajax Corp.	11,621	376	447	
		50,460	58,083	6.0
Information Technology				
5N Plus, Inc.	32,319	210	163	
Aastra Technologies, Ltd.	8,917	265	123	
Celestica, Inc.	134,447	1,174	1,006	
CGI Group, Inc.-Class A	156,856	2,237	3,007	
EXFO, Inc.	18,157	84	104	
MacDonald Dettwiler & Associates, Ltd.	21,935	944	1,033	
Open Text Corp.	39,177	1,711	2,039	
Otsuka Corp.	236,340	2,407	2,311	
Research In Motion, Ltd.	322,405	19,119	4,759	
Sandvine Corp.	96,767	142	109	
Sierra Wireless, Inc.	19,810	188	142	
SXC Health Solutions Corp.	42,548	1,437	2,425	
Wi-Lan, Inc.	86,140	413	506	
		30,331	17,727	1.8
Materials				
Aecon Group, Inc.	39,385	529	412	
Agnico-Eagle Mines, Ltd.	115,603	7,304	4,267	
Agrium, Inc.	107,801	7,296	7,363	
Alacer Gold Corp.	151,564	1,069	1,585	
Alamos Gold, Inc.	79,863	1,110	1,392	
Anvil Mining, Ltd.	64,745	221	475	
Argonaut Gold, Inc.	59,800	412	413	
Augusta Resource Corp.	65,161	265	207	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Aura Minerals, Inc.	104,339	390	130	
Aurizon Mines, Ltd.	113,558	634	568	
Avalon Rare Metals, Inc.	71,483	488	172	
Avion Gold Corp.	306,556	510	491	
B2Gold Corp.	239,263	511	732	
Banro Corp.	126,985	465	476	
Barrick Gold Corp.	683,216	30,809	31,476	
Canfor Corp.	67,312	555	714	
Canfor Pulp Products, Inc.	24,855	456	307	
Capstone Mining Corp.	195,377	562	541	
Cascades, Inc.	47,156	369	208	
CCL Industries-Class B	17,567	504	548	
Centerra Gold, Inc.	112,931	1,445	2,019	
China Gold International Resources Corp., Ltd.	110,847	509	284	
Cline Mining Corp.	131,189	349	210	
Colossus Minerals, Inc.	73,293	549	441	
Continental Gold, Ltd.	52,567	516	395	
Copper Mountain Mining Corp.	68,564	533	386	
Detour Gold Corp.	67,308	1,542	1,687	
Dundee Precious Metals, Inc.	66,795	628	549	
Eastern Platinum, Ltd.	634,967	704	337	
Eco Oro Minerals Corp.	53,493	190	80	
Eldorado Gold Corp.	375,452	5,955	5,234	
Endeavour Mining Corp.	160,700	428	387	
Endeavour Silver Corp.	58,931	596	580	
European Goldfields, Ltd.	82,598	589	975	
Exeter Resource Corp.	58,067	428	155	
Extorre Gold Mines, Ltd.	54,349	387	409	
First Majestic Silver Corp.	70,728	899	1,209	
First Quantum Minerals, Ltd.	325,560	5,411	6,511	
Fortress Paper, Ltd.	8,474	302	224	
Fortuna Silver Mines, Inc.	86,123	463	479	
Franco-Nevada Corp.	89,030	2,743	3,445	
Gabriel Resources, Ltd.	154,439	747	968	
Gammon Gold, Inc.	192,321	1,996	1,569	
Goldcorp, Inc.	552,260	24,865	24,885	
Golden Star Resources, Ltd.	180,838	679	302	
Grande Cache Coal Corp.	66,092	384	654	
Great Basin Gold, Ltd.	331,735	623	309	
Guyana Goldfields, Inc.	55,543	428	413	
Hanfeng Evergreen, Inc.	24,700	150	67	
Harry Winston Diamond Corp.	44,279	491	478	
High River Gold Mines, Ltd.	176,607	229	212	
Hudbay Minerals, Inc.	116,297	1,609	1,176	
Iamgold Corp.	256,489	4,787	4,132	
Imperial Metals Corp.	30,972	284	387	
Inmet Mining Corp.	35,534	2,197	2,325	
International Tower Hill Mines, Ltd.	45,557	331	201	
Ivanhoe Mines, Ltd.	194,260	3,233	3,504	
Jaguar Mining, Inc.	58,962	600	381	
Keegan Resources, Inc.	52,771	436	205	
Kinross Gold Corp.	776,839	12,546	9,019	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Kirkland Lake Gold, Inc.	42,119	428	647	
Labrador Iron Mines Holdings, Ltd.	22,806	284	114	
Lake Shore Gold Corp.	265,286	896	337	
Lundin Mining Corp.	356,471	1,629	1,376	
MAG Silver Corp.	31,047	227	205	
Major Drilling Group International	48,637	462	751	
Mercator Minerals, Ltd.	147,015	317	222	
Methanex Corp.	63,468	1,390	1,475	
Migao Corp.	24,291	149	97	
Minefinders Corp.	54,180	602	582	
Minera Andes, Inc.	138,535	402	211	
Neo Material Technologies, Inc.	67,037	319	491	
Nevsun Resources, Ltd.	133,545	536	752	
New Gold, Inc.	292,084	1,613	2,985	
Ngex Resources, Inc.	88,441	273	239	
Norbord, Inc.	15,343	216	124	
North American Palladium, Ltd.	91,036	323	237	
Northern Dynasty Minerals, Ltd.	43,194	367	266	
Novagold Resources, Inc.	129,078	1,028	1,114	
OceanaGold Corp.	183,462	548	407	
PAN American Silver Corp.	69,901	1,881	1,550	
Potash Corp. of Saskatchewan	585,054	25,263	24,625	
Premier Gold Mines, Ltd.	76,443	550	346	
Pretium Resources, Inc.	40,500	495	505	
Quadra FNX Mining, Ltd.	130,756	1,660	1,969	
Queenston Mining, Inc.	38,823	208	188	
Romarco Minerals, Inc.	400,793	752	421	
Rubicon Minerals Corp.	157,671	685	604	
Sabina Gold & Silver Corp.	100,822	564	387	
San Gold Corp.	217,417	647	400	
Seabridge Gold, Inc.	22,211	647	363	
SEMAFO, Inc.	184,778	1,044	1,218	
Sherritt International Corp.	199,283	1,227	1,084	
Silver Standard Resources, Inc.	54,147	1,219	761	
Silver Wheaton Corp.	241,488	4,838	7,124	
Silvercorp Metals, Inc.	118,050	884	767	
Sino-Forest Corp.-Class A	184,987	3,360	2	
Sprott Resource Corp.	63,362	270	250	
Tahoe Resources, Inc.	62,851	999	1,101	
Tanzanian Royalty Exploration Corp.	69,969	281	169	
Taseko Mines, Ltd.	136,521	584	381	
Teck Resources, Ltd.	397,477	15,898	14,250	
Thompson Creek Metals Co., Inc.	107,722	1,206	762	
Torex Gold Resources, Inc.	244,730	414	411	
West Fraser Timber Co., Ltd.	23,153	852	959	
Yamana Gold, Inc.	509,618	6,639	7,629	
Yukon-Nevada Gold Corp.	425,481	360	119	
		221,676	210,637	21.9
Telecommunication Services				
BCE, Inc.	175,377	5,138	7,443	
Bell Aliant, Inc.	51,171	1,480	1,458	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Manitoba Telecom Services, Inc.	15,152	474	449	
Rogers Communications, Inc.-Class B	281,903	9,105	11,062	
TELUS Corp.	102,237	3,623	5,578	
TELUS Corp.-Non-vote	39,445	1,430	2,270	
		21,250	28,260	2.9
Utilities				
Algonquin Power & Utilities Corp.	85,203	359	545	
Alterra Power Corp.	229,631	268	93	
Atco, Ltd.-Class I	26,016	1,252	1,562	
Atlantic Power Corp.	73,478	965	1,067	
Boralex, Inc.	14,665	119	104	
Canadian Utilities, Ltd.-Class A	59,534	2,760	3,662	
Capital Power Corp.	33,641	778	844	
Capstone Infrastructure Corp.	49,502	337	188	
Fortis, Inc.	127,331	3,699	4,244	
Innergex Renewable Energy, Inc.	51,519	434	530	
Just Energy Group, Inc.	93,939	1,335	1,077	
Northland Power, Inc.	50,072	714	893	
TransAlta Corp.	144,695	3,237	3,040	
Valener, Inc.	26,105	419	416	
		16,676	18,265	1.9
Total Canadian Common Stocks and Income Trusts		962,173	955,247	99.2
Transaction Costs (Note 2)		(68)		
Total Investments		962,105	955,247	99.2
Other Assets and Liabilities			7,474	0.8
Net Assets			962,721	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	4.1	4.6
Consumer Staples	3.0	2.7
Energy	27.6	26.6
Financials	28.9	28.1
Health Care	1.1	0.7
Industrials	6.0	5.7
Information Technology	1.8	3.3
Materials	21.9	25.8
Telecommunication Services	2.9	2.2
Utilities	1.9	1.5
Other Assets and Liabilities	0.8	(1.2)

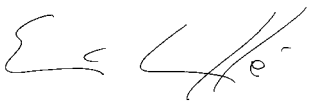
Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 3,592,084,972	$ 3,608,868,276
Cash	76,784,504	20,505,629
Margin due from brokers	-	74,400
Securities lending income receivable	897	6,038
Dividends receivable	5,428,233	4,234,535
Tax reclaim on dividends receivable	72,836	5,688
Accounts receivable from issue of units	23,796,644	84,933,290
Accounts receivable for investment sales	575,901	54,713,693
	3,698,743,987	3,773,341,549
Liabilities		
Margin due to brokers	313,471	-
Operating expenses payable	64,224	54,981
Payables for redemption of units	12,353,838	128,848,792
	12,731,533	128,903,773
Net Assets	$ 3,686,012,454	$ 3,644,437,776
Net Assets per Class		
Class A	$ 3,193,175,920	$ 3,264,925,448
Class D	492,836,534	379,512,328
	$ 3,686,012,454	$ 3,644,437,776
Number of Units Issued and Outstanding (Note 8)		
Class A	360,962,356	386,249,186
Class D	31,974,733	25,768,346
Net Assets per Unit		
Class A	$ 8.85	$ 8.45
Class D	$ 15.41	$ 14.73
Investments at Cost*	$ 3,542,311,735	$ 3,648,425,401

* Includes short-term investments

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 83,032,459	$ 75,945,356
Interest income*	17,268	(392,128)
Securities lending income	127,964	7,933
Net gain from futures contracts	1,088,797	6,638,656
Foreign exchange gain (loss)	3,099,768	(96,346)
	87,366,256	82,103,471
Expenses		
Custodian fees	201,915	189,863
Fund accounting expenses	116,300	125,362
Unitholder communication costs	601	602
Audit fees	25,363	24,096
Securities filing fees	86,788	69,368
Independent review committee fees	4,107	13,696
Other operating expenses	3,985	10,734
	439,059	433,721
Net Investment Income for the Year	86,927,197	81,669,750
Gain on Investments		
Net realized gain (loss) on sale of investments	2,892,351	(66,580,879)
Transaction costs (Note 2,13)	(85,433)	(206,688)
Net change in unrealized appreciation in value of investments	89,208,217	312,718,163
Net Gain on Investments	92,015,135	245,930,596
Increase in Net Assets from Operations	$ 178,942,332	$ 327,600,346
Increase in Net Assets from Operations per Class		
Class A	$ 156,934,996	$ 295,623,851
Class D	22,007,336	31,976,495
	$ 178,942,332	$ 327,600,346
Increase in Net Assets from Operations per Unit		
Class A	$ 0.43	$ 0.71
Class D	$ 0.77	$ 1.24

* Interest Income, net of foreign exchange loss

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 3,644,437,776	$ 3,597,038,131	$ 3,264,925,448	$ 3,257,548,883	$ 379,512,328	$ 339,489,248
Increase in Net Assets from Operations	178,942,332	327,600,346	156,934,996	295,623,851	22,007,336	31,976,495
Capital Transactions						
Proceeds from issue of units	858,246,369	1,406,794,982	685,014,911	1,305,616,969	173,231,458	101,178,013
Reinvestment of distributions	104,916,858	82,244,022	94,068,156	74,151,005	10,848,702	8,093,017
Redemption of units	(995,614,023)	(1,686,995,683)	(913,699,435)	(1,593,864,255)	(81,914,588)	(93,131,428)
Net capital transactions	(32,450,796)	(197,956,679)	(134,616,368)	(214,096,281)	102,165,572	16,139,602
Distributions						
From net investment income	(86,324,542)	(82,244,022)	(75,475,840)	(74,151,005)	(10,848,702)	(8,093,017)
From capital gains redemption in kind (Note 9)	(18,592,316)	-	(18,592,316)	-	-	-
Total distributions	(104,916,858)	(82,244,022)	(94,068,156)	(74,151,005)	(10,848,702)	(8,093,017)
Increase (Decrease) in Net Assets for the Year	41,574,678	47,399,645	(71,749,528)	7,376,565	113,324,206	40,023,080
Net Assets - End of Year	$ 3,686,012,454	$ 3,644,437,776	$ 3,193,175,920	$ 3,264,925,448	$ 492,836,534	$ 379,512,328

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Short Term Investments				
Government Guaranteed				
U.S. Treasury Bill				
1.00% March 22, 2012	6,665	6,811	6,787	
		6,811	6,787	0.2
Total Short Term Investments		6,811	6,787	0.2
Common Stocks				
Consumer Discretionary				
Abercrombie & Fitch Co.-Class A	26,667	1,535	1,326	
Amazon.Com, Inc.	112,543	12,034	19,842	
Apollo Group, Inc.-Class A	35,989	2,320	1,973	
AutoNation, Inc.	14,622	315	549	
AutoZone, Inc.	8,643	1,565	2,858	
Beam, Inc.	48,031	2,912	2,505	
Bed Bath & Beyond, Inc.	74,303	3,050	4,386	
Best Buy Co., Inc.	90,862	3,728	2,161	
Big Lots, Inc.	20,374	513	784	
BorgWarner, Inc.	33,893	2,189	2,200	
Cablevision Systems-NY Group A	68,063	2,336	985	
CarMax, Inc.	70,171	1,713	2,177	
Carnival Corp.	140,056	5,515	4,653	
CBS Corp.-Class B	202,537	3,994	5,597	
Chipotle Mexican Grill, Inc.	9,693	2,460	3,336	
Coach, Inc.	90,235	3,433	5,609	
Comcast Corp.-Class A	843,136	17,917	20,356	
D.R. Horton, Inc.	86,342	1,658	1,109	
Darden Restaurants, Inc.	40,708	1,565	1,888	
Devry, Inc.	18,631	969	730	
DIRECTV-Class A	218,342	7,379	9,507	
Discovery Communications-Class A	81,804	2,868	3,413	
Dollar Tree, Inc.	36,785	3,156	3,113	
Electrolux AB-Class B	102,536	3,433	2,149	
Expedia, Inc.	29,357	1,431	867	
Family Dollar Stores, Inc.	36,347	1,292	2,134	
Ford Motor Co.	1,175,422	12,288	12,866	
GameStop Corp.-Class A	42,965	1,624	1,056	
Gannett Co., Inc.	73,546	2,469	1,002	
Gap (The), Inc.	107,529	2,268	2,032	
Genuine Parts Co.	48,218	2,233	3,003	
Goodyear Tire & Rubber Co. (The)	75,860	1,328	1,094	
H&R Block, Inc.	90,724	1,963	1,509	
Harley-Davidson, Inc.	71,803	2,811	2,842	
Harman International Industries, Inc.	21,787	1,198	845	
Hasbro, Inc.	35,963	1,236	1,168	
Home Depot, Inc.	477,002	17,141	20,409	
International Game Technology	92,293	2,184	1,616	
Interpublic Group of Cos., Inc.	142,860	1,612	1,415	
JC Penney Co., Inc.	44,325	1,747	1,586	

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Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Johnson Controls, Inc.	210,394	6,101	6,690	
Kohl's Corp.	78,443	4,375	3,942	
Leggett & Platt, Inc.	42,889	966	1,006	
Lennar Corp.-Class A	49,946	1,452	999	
Lowe's Cos., Inc.	387,452	10,354	10,013	
Ltd. Brands	76,175	1,768	3,130	
Macy's, Inc.	129,944	3,236	4,257	
Marriott International, Inc.-Class A	83,005	2,671	2,465	
Mattel, Inc.	104,655	2,293	2,958	
McDonald's Corp.	316,601	19,507	32,322	
McGraw-Hill Cos. (The), Inc.	90,815	3,740	4,158	
NetFlix, Inc.	17,081	3,005	1,205	
Newell Rubbermaid, Inc.	89,389	1,836	1,468	
News Corp.-Class A	678,593	10,625	12,327	
Nike, Inc.-Class B	114,784	7,271	11,264	
Nordstrom, Inc.	49,982	1,696	2,529	
O'Reilly Automotive, Inc.	39,724	1,858	3,233	
Omnicom Group	85,276	3,727	3,868	
Orchard Supply Hardware Stores Corp.-Series A	533	2	2	
Orchard Supply Hardware Stores Corp.-Class A	533	2	2	
Priceline.Com, Inc.	15,396	3,971	7,332	
Pulte Homes, Inc.	104,827	2,194	672	
Ralph Lauren Corp.	19,978	1,786	2,810	
Ross Stores, Inc.	71,138	1,804	3,443	
Scripps Networks Interactive-Class A	30,011	1,266	1,296	
Sears Holdings Corp.	11,971	1,208	387	
Sherwin-Williams Co. (The)	26,665	1,693	2,423	
Staples, Inc.	216,164	4,895	3,055	
Starbucks Corp.	230,550	5,749	10,801	
Starwood Hotels & Resorts Worldwide, Inc.	59,531	2,812	2,909	
Target Corp.	207,857	10,928	10,841	
Tiffany & Co.	39,334	1,778	2,652	
Time Warner Cable	98,758	5,635	6,392	
Time Warner, Inc.	309,720	12,681	11,394	
TJX Cos., Inc.	116,634	4,126	7,667	
Tripadvisor, Inc.	29,358	906	754	
Urban Outfitters, Inc.	34,411	1,122	966	
VF Corp.	26,950	2,054	3,483	
Viacom, Inc.-Class B	170,891	8,210	7,902	
Walt Disney Co. (The)	555,887	18,283	21,215	
Washington Post Co. (The)-Class B	1,495	865	575	
Whirlpool Corp.	23,722	1,836	1,146	
Wyndham Worldwide Corp.	47,265	1,180	1,821	
Wynn Resorts, Ltd.	24,469	1,847	2,753	
Yum! Brands, Inc.	142,419	5,289	8,558	
		333,985	389,735	10.6
Consumer Staples				
Altria Group, Inc.	636,142	13,320	19,212	
Archer-Daniels-Midland Co.	206,551	6,633	6,015	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Avon Products, Inc.	133,482	4,275	2,376	
Brown-Forman Corp.-Class B	31,251	1,821	2,562	
Campbell Soup Co.	55,593	2,015	1,880	
Clorox Co.	40,760	2,669	2,763	
Coca-Cola Co. (The)	702,745	41,301	50,068	
Coca-Cola Ent, Inc.	96,599	2,258	2,536	
Colgate-Palmolive Co.	149,787	11,449	14,085	
ConAgra Foods, Inc.	128,380	3,113	3,450	
Constellation Brands, Inc.-Class A	53,945	1,196	1,134	
Costco Wholesale Corp.	134,103	8,385	11,376	
CVS Caremark Corp.	402,768	14,036	16,725	
Dean Foods Co.	56,570	1,268	645	
Dr Pepper Snapple Group, Inc.	66,239	1,927	2,663	
Estee Lauder Cos. (The), Inc.-Class A	34,527	1,807	3,946	
General Mills, Inc.	199,171	6,721	8,195	
Hershey Co. (The)	47,306	2,339	2,975	
HJ Heinz Co.	99,138	4,644	5,453	
Hormel Foods Corp.	42,623	906	1,271	
JM Smucker Co. (The)	35,245	1,967	2,803	
Kellogg Co.	76,604	4,007	3,945	
Kimberly-Clark Corp.	121,886	8,182	9,126	
Kraft Foods, Inc.-Class A	546,541	16,995	20,786	
Kroger Co. (The)	184,823	4,790	4,558	
Lorillard, Inc.	41,786	3,374	4,848	
McCormick & Co., Inc.	41,086	1,633	2,109	
Mead Johnson Nutrition Co.-Class A	63,030	3,075	4,410	
Molson Coors Brewing Co.-Class B	48,777	2,364	2,161	
PepsiCo, Inc.	483,745	31,967	32,677	
Philip Morris International, Inc.	537,445	27,424	42,938	
Procter & Gamble Co. (The)	851,210	55,107	57,777	
Reynolds American, Inc.	104,574	2,924	4,411	
Safeway, Inc.	105,240	3,061	2,255	
Sara Lee Corp.	182,592	3,081	3,512	
Supervalu, Inc.	66,144	1,469	546	
Sysco Corp.	182,634	5,657	5,453	
Tyson Foods, Inc.-Class A	90,216	1,453	1,895	
Wal-Mart Stores, Inc.	540,397	31,275	32,867	
Walgreen Co.	275,194	11,056	9,264	
Whole Foods Market, Inc.	49,378	2,373	3,498	
		355,317	411,169	11.2
Energy				
Alpha Natural Resources, Inc.	68,085	3,476	1,416	
Anadarko Petroleum Corp.	154,028	8,913	11,973	
Apache Corp.	118,790	11,233	10,956	
Baker Hughes, Inc.	134,970	7,595	6,685	
Cabot Oil & Gas Corp.	32,376	1,597	2,502	
Cameron International Corp.	75,897	3,176	3,802	
Chesapeake Energy Corp.	204,128	6,141	4,633	
Chevron Corp.	616,135	50,967	66,716	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
ConocoPhillips	410,827	26,670	30,487	
Consol Energy, Inc.	70,224	3,313	2,624	
Denbury Resources, Inc.	122,677	2,207	1,886	
Devon Energy Corp.	124,992	9,198	7,892	
Diamond Offshore Drilling, Inc.	21,568	1,734	1,214	
El Paso Corp.	238,473	3,881	6,452	
EOG Resources, Inc.	83,147	7,386	8,340	
Exxon Mobil Corp.	1,483,045	113,454	127,876	
FMC Technologies, Inc.	73,653	2,117	3,917	
Halliburton Co.	284,591	9,397	9,998	
Helmerich & Payne, Inc.	33,213	1,524	1,972	
Hess Corp.	92,233	6,022	5,334	
Marathon Oil Corp.	217,789	8,345	6,491	
Marathon Petroleum Corp.	110,380	4,344	3,743	
Murphy Oil Corp.	59,941	3,837	3,402	
Nabors Industries, Ltd.	89,176	2,381	1,573	
National Oilwell Varco, Inc.	131,087	6,520	9,073	
Newfield Exploration Company	41,085	2,904	1,578	
Noble Corp.	78,214	2,968	2,405	
Noble Energy, Inc.	54,355	4,045	5,224	
NRG Energy, Inc.	71,237	1,700	1,314	
Occidental Petroleum Corp.	251,131	17,943	23,963	
Peabody Energy Corp.	83,909	4,011	2,829	
Pioneer Natural Resources Co.	37,824	2,177	3,447	
QEP Resources, Inc.	54,869	1,835	1,638	
Range Resources Corp.	48,424	2,422	3,055	
Rowan Cos., Inc.	38,557	1,234	1,191	
Schlumberger, Ltd.	415,210	27,673	28,876	
Southwestern Energy Co.	107,581	4,576	3,499	
Spectra Energy Corp.	201,101	4,918	6,293	
Sunoco, Inc.	32,942	1,569	1,376	
Tesoro Corp.	44,138	1,235	1,049	
Valero Energy Corp.	173,256	5,811	3,710	
Williams Cos., Inc.	182,254	4,604	6,120	
		397,053	438,524	11.9
Financials				
Aflac, Inc.	144,344	7,170	6,358	
Allstate Corp. (The)	156,415	6,530	4,366	
American Express Co.	312,679	13,852	15,015	
American International Group, Inc.	135,302	25,877	3,193	
Ameriprise Financial, Inc.	70,038	2,959	3,541	
AON Corp.	99,951	4,443	4,764	
Apartment Investment & Management Co. REIT-Class A	37,571	950	876	
Assurant, Inc.	28,411	1,274	1,188	
Australia & New Zealand Banking Group, Ltd.	70,187	2,316	2,168	
AvalonBay Communities, Inc. REIT	29,392	3,222	3,909	
Bank of America Corp.	3,135,404	70,475	17,719	
Bank of New York Mellon Corp.	375,273	13,285	7,604	
BB&T Corp.	215,544	6,949	5,524	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Berkshire Hathaway, Inc.-Class B	543,901	43,741	42,263	
BlackRock, Inc.	30,985	5,962	5,624	
Boston Properties, Inc. REIT	45,641	3,817	4,629	
Capital One Financial Corp.	142,149	7,177	6,121	
Cbre Group, Inc.	100,575	1,885	1,557	
Charles Schwab Corp. (The)	333,686	6,224	3,822	
Chubb Corp.	86,059	4,731	6,066	
Cincinnati Financial Corp.	50,262	1,863	1,558	
Citigroup, Inc.	904,470	65,067	24,212	
CME Group, Inc.	20,549	7,831	5,098	
Comerica, Inc.	61,337	2,476	1,610	
Discover Financial Services	169,916	3,071	4,151	
E*Trade Financial Corp.	78,972	1,930	639	
Equity Residential REIT	91,716	3,919	5,326	
Federated Investors, Inc.-Class B	28,803	875	445	
Fifth Third Bancorp	284,868	5,243	3,687	
First Horizon National Corp.	82,020	1,243	667	
Franklin Resources, Inc.	45,010	4,453	4,403	
Genworth Financial, Inc.-Class A	152,440	2,890	1,015	
Goldman Sachs Group, Inc.	152,339	23,021	14,030	
Hartford Financial Services Group, Inc.	138,121	5,500	2,284	
HCP, Inc.	126,083	4,148	5,319	
Health Care, Inc. REIT	58,651	2,634	3,257	
Host Hotels & Resorts, Inc. REIT	218,411	3,681	3,283	
Hudson City Bancorp, Inc.	163,789	2,350	1,042	
Huntington Bancshares, Inc.	268,020	2,334	1,498	
IntercontinentalExchange, Inc.	22,450	2,779	2,754	
Invesco, Ltd.	139,603	3,139	2,851	
JPMorgan Chase & Co.	1,175,702	50,374	39,794	
Keycorp	295,302	3,639	2,312	
Kimco Realty Corp. REIT	126,127	2,697	2,084	
Legg Mason, Inc.	38,553	2,156	943	
Leucadia National Corp.	61,450	2,062	1,422	
Lincoln National Corp.	93,152	3,341	1,842	
Loews Corp.	94,519	3,513	3,624	
M&T Bank Corp.	38,876	3,366	3,022	
Marsh & McLennan Cos., Inc.	166,461	5,184	5,360	
Merck & Co., Inc.	943,074	36,547	36,193	
Metlife, Inc.	327,123	14,385	10,386	
Moody's Corp.	60,491	2,207	2,074	
Morgan Stanley	458,958	16,225	7,071	
NASDAQ OMX Group, Inc.	39,610	1,213	989	
Northern Trust Corp.	74,554	4,577	3,011	
NYSE Euronext	81,190	4,100	2,158	
People's United Financial, Inc.	111,707	2,026	1,460	
Plum Creek Timber Co., Inc. REIT	49,997	1,975	1,861	
PNC Financial Services Group, Inc.	162,721	12,148	9,557	
Principal Financial Group	94,481	3,267	2,367	
Progressive Corp. (The)	190,890	4,063	3,792	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
ProLogis, Inc. REIT	141,909	5,636	4,131	
Prudential Financial, Inc.	146,070	8,531	7,455	
Public Storage, Inc. REIT	43,902	4,013	6,011	
Regions Financial Corp.	390,351	4,727	1,709	
Simon Property Group, Inc. REIT	90,873	7,390	11,931	
SLM Corp.	157,142	3,461	2,144	
State Street Corp.	152,249	8,180	6,248	
SunTrust Banks, Inc.	166,354	6,394	2,996	
T Rowe Price Group, Inc.	78,195	3,819	4,532	
Torchmark Corp.	31,577	1,169	1,395	
Travelers Cos. (The), Inc.	127,740	6,761	7,696	
Unum Group	90,538	2,104	1,942	
US Bancorp	590,502	16,534	16,265	
Ventas, Inc. REIT	89,018	3,903	4,997	
Visa, Inc.-Class A	157,390	13,852	16,273	
Vornado Realty Trust REIT	57,041	4,659	4,464	
Wells Fargo & Co.	1,631,506	60,647	45,785	
XL Group PLC	99,247	2,795	1,998	
Zions Bancorporation	57,247	1,948	948	
		728,874	525,678	14.3
Health Care				
Abbott Laboratories	481,922	26,377	27,564	
Accenture PLC-Class A	198,359	11,750	10,751	
Aetna, Inc.	112,135	4,002	4,817	
Allergan, Inc.	94,336	5,710	8,427	
AmerisourceBergen Corp.	79,975	2,098	3,026	
Amgen, Inc.	245,372	16,030	16,043	
Baxter International, Inc.	174,391	9,650	8,781	
Becton Dickinson & Co.	66,441	5,005	5,056	
Biogen Idec, Inc.	75,128	4,566	8,419	
Boston Scientific Corp.	458,679	5,825	2,489	
Bristol-Myers Squibb Co.	524,338	15,299	18,804	
Cardinal Health, Inc.	106,817	4,361	4,417	
CareFusion Corp.	69,632	2,051	1,801	
Celgene Corp.	137,377	8,045	9,455	
Cerner Corp.	45,033	2,060	2,809	
Cigna Corp.	88,244	3,267	3,773	
Coventry Health Care, Inc.	44,689	1,625	1,382	
Covidien PLC	149,300	7,507	6,843	
CR Bard, Inc.	26,577	2,261	2,314	
DaVita, Inc.	28,975	1,822	2,238	
DENTSPLY International, Inc.	43,895	1,545	1,563	
Edwards Lifesciences Corp.	35,259	2,955	2,539	
Eli Lilly & Co.	315,143	15,597	13,333	
Express Scripts, Inc.	150,603	5,516	6,853	
Forest Laboratories, Inc.	82,711	3,113	2,548	
Gilead Sciences, Inc.	232,443	9,880	9,687	
Hospira, Inc.	51,080	2,381	1,579	
Humana, Inc.	50,607	2,521	4,515	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Intuitive Surgical, Inc.	12,071	3,287	5,691	
Johnson & Johnson	844,875	56,983	56,392	
Laboratory Corp. of America Holdings	30,681	2,292	2,686	
Life Technologies Corp.	55,048	2,183	2,181	
McKesson Corp.	76,021	4,558	6,028	
Medco Health Solutions, Inc.	119,724	5,632	6,809	
Medtronic, Inc.	326,428	15,302	12,710	
Mylan, Inc.	131,999	2,580	2,883	
Patterson Cos., Inc.	29,073	950	874	
PerkinElmer, Inc.	35,176	845	715	
Perrigo Co.	28,799	2,929	2,853	
Pfizer, Inc.	2,378,432	54,226	52,409	
Quest Diagnostics, Inc.	48,871	2,724	2,889	
St. Jude Medical, Inc.	98,741	4,236	3,449	
Stryker Corp.	100,672	5,314	5,096	
Tenet Healthcare Corp.	134,737	1,091	704	
Thermo Fisher Scientific, Inc.	116,963	5,513	5,356	
UnitedHealth Group, Inc.	329,862	13,295	17,022	
Varian Medical Systems, Inc.	34,850	1,851	2,382	
Waters Corp.	27,677	1,697	2,085	
Watson Pharmaceuticals, Inc.	39,287	1,709	2,413	
WellPoint, Inc.	107,653	6,831	7,263	
Zimmer Holdings, Inc.	55,470	3,431	3,016	
		382,278	395,732	10.7
Industrials				
3M Co.	216,862	17,695	18,037	
ACE Aviation Holdings, Inc.	104,248	6,081	7,444	
Avery Dennison Corp.	32,505	1,510	950	
Boeing Co.	229,910	15,608	17,172	
C.H. Robinson Worldwide, Inc.	50,848	3,211	3,613	
Caterpillar, Inc.	200,027	13,592	18,453	
Cintas Corp.	34,212	1,225	1,213	
Cooper Industries PLC-Class A	48,946	2,724	2,699	
CSX Corp.	324,933	5,056	6,968	
Cummins, Inc.	59,630	3,180	5,344	
Danaher Corp.	176,183	6,799	8,439	
Deere & Co.	128,023	7,355	10,083	
Dover Corp.	57,417	2,795	3,394	
Dun & Bradstreet Corp.	14,991	1,330	1,142	
Eaton Corp.	103,439	3,921	4,585	
Emerson Electric Co.	227,673	10,655	10,801	
Equifax, Inc.	37,372	1,331	1,474	
Expeditors International of Washington, Inc.	65,676	2,966	2,739	
Fastenal Co.	91,382	2,384	4,058	
FedEx Corp.	98,104	8,583	8,338	
Flowserve Corp.	17,224	1,622	1,742	
Fluor Corp.	52,526	2,880	2,686	
General Dynamics Corp.	110,206	7,643	7,452	
General Electric Co.	3,266,255	84,875	59,566	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Goodrich Corp.	38,717	2,370	4,876	
Honeywell International, Inc.	239,351	11,109	13,239	
Illinois Tool Works, Inc.	149,534	7,196	7,108	
Ingersoll-Rand PLC	96,638	4,125	2,996	
Iron Mountain, Inc.	57,483	1,643	1,803	
Jacobs Engineering Group, Inc.	39,712	2,397	1,640	
Joy Global, Inc.	32,562	2,984	2,486	
L-3 Communications Holdings, Inc.	30,921	2,643	2,099	
Lockheed Martin Corp.	82,113	6,874	6,761	
Masco Corp.	111,096	2,182	1,186	
Norfolk Southern Corp.	104,014	5,589	7,717	
Northrop Grumman Corp.	80,869	5,052	4,816	
Paccar, Inc.	110,875	4,550	4,230	
Pall Corp.	35,631	1,364	2,073	
Parker Hannifin Corp.	46,765	2,918	3,631	
Pitney Bowes, Inc.	61,582	2,158	1,163	
Precision Castparts Corp.	44,591	5,180	7,482	
Quanta Services, Inc.	64,845	1,583	1,422	
Raytheon Co.	107,118	5,569	5,278	
Republic Services, Inc.	97,276	2,782	2,726	
Robert Half International, Inc.	44,104	1,367	1,279	
Rockwell Automation, Inc.	43,862	2,535	3,276	
Rockwell Collins, Inc.	46,758	2,536	2,636	
Roper Industries, Inc.	29,809	1,847	2,636	
RR Donnelley & Sons Co.	58,349	1,478	857	
Ryder System, Inc.	15,885	720	859	
Snap-On, Inc.	18,068	840	931	
Southwest Airlines Co.	241,064	3,164	2,101	
Stanley Black & Decker, Inc.	52,205	2,880	3,591	
Stericycle, Inc.	26,290	1,876	2,085	
Textron, Inc.	86,265	2,469	1,621	
Union Pacific Corp.	149,480	9,739	16,125	
United Parcel Service, Inc.-Class B	298,591	21,591	22,247	
United Technologies Corp.	280,299	18,809	20,858	
W.W. Grainger, Inc.	18,793	1,918	3,582	
Waste Management, Inc.	142,475	5,130	4,744	
Xylem, Inc.	57,251	1,517	1,495	
		375,705	384,047	10.4
Information Technology				
Adobe Systems, Inc.	151,829	5,134	4,369	
Advanced Micro Devices, Inc.	181,797	2,150	998	
Agilent Technologies, Inc.	107,522	3,768	3,822	
Akamai Technologies, Inc.	55,389	2,103	1,821	
Altera Corp.	99,175	2,735	3,746	
Amphenol Corp.-Class A	51,317	2,134	2,372	
Analog Devices, Inc.	92,117	3,250	3,354	
Apple, Inc.	287,552	52,640	118,581	
Applied Materials, Inc.	403,637	6,796	4,398	
Automatic Data Processing, Inc.	151,138	7,193	8,307	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
BMC Software, Inc.	52,706	1,913	1,759	
Broadcom Corp.-Class A	149,972	5,252	4,482	
CA, Inc.	114,568	2,969	2,356	
Cisco Systems, Inc.	1,663,385	39,068	30,623	
Citrix Systems, Inc.	57,650	2,541	3,564	
Cognizant Technology Solutions Corp.-Class A	93,527	4,351	6,124	
Computer Sciences Corp.	48,112	2,494	1,161	
Corning, Inc.	485,991	9,716	6,418	
Dell, Inc.	472,568	10,400	7,035	
eBay, Inc.	355,369	10,232	10,968	
EMC Corp., Massachusetts	631,235	12,551	13,832	
F5 Networks, Inc.	24,560	3,205	2,654	
Fidelity National Information Services, Inc.	74,919	1,983	2,026	
First Solar, Inc.	18,284	2,591	628	
Fiserv, Inc.	43,524	2,265	2,603	
Flir Systems, Inc.	48,129	1,576	1,229	
Google, Inc.-Class A	78,160	39,137	51,403	
Harris Corp.	35,875	1,656	1,317	
Hewlett-Packard Co.	614,828	25,926	16,127	
Intel Corp.	1,575,538	37,062	38,904	
International Business Machines Corp.	364,674	45,511	68,280	
Intuit, Inc.	91,999	3,385	4,926	
Jabil Circuit, Inc.	56,861	1,086	1,138	
JDS Uniphase Corp.	71,246	2,263	757	
Juniper Networks, Inc.	162,568	4,314	3,379	
KLA-Tencor Corp.	51,639	2,194	2,536	
Lexmark International, Inc.	22,262	931	750	
Linear Technology Corp.	70,589	2,479	2,157	
LSI Corp.	173,716	1,344	1,052	
MasterCard, Inc.-Class A	32,977	8,493	12,522	
Microchip Technology, Inc.	59,184	1,975	2,207	
Micron Technology, Inc.	304,934	3,183	1,950	
Microsoft Corp.	2,316,307	66,575	61,229	
Molex, Inc.	42,573	1,132	1,034	
Motorola Mobility Holdings, Inc.	81,467	3,416	3,217	
Motorola Solutions, Inc.	88,668	4,605	4,179	
NetApp, Inc.	110,994	3,837	4,099	
Novellus Systems, Inc.	20,505	587	862	
NVIDIA Corp.	188,687	3,039	2,659	
Oracle Corp.	1,217,316	28,739	31,769	
Paychex, Inc.	99,705	3,518	3,055	
QUALCOMM, Inc.	520,017	24,371	28,948	
Red Hat, Inc.	59,738	1,801	2,512	
SAIC, Inc.	85,737	1,618	1,073	
Salesforce.com, Inc.	42,048	3,530	4,346	
SanDisk Corp.	74,278	2,958	3,721	
Symantec Corp.	228,179	4,711	3,636	
Te Connectivity, Ltd.	131,376	4,529	4,120	
Teradata Corp.	51,863	1,578	2,562	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Teradyne, Inc.	56,872	895	788	
Texas Instruments, Inc.	353,592	10,874	10,477	
Total System Services, Inc.	50,239	1,049	1,000	
VeriSign, Inc.	49,262	1,409	1,792	
Western Digital Corp.	72,446	2,363	2,283	
Western Union Co.	191,366	3,776	3,558	
Xerox Corp.	428,720	4,795	3,475	
Xilinx, Inc.	81,097	2,413	2,646	
Yahoo!, Inc.	383,852	8,352	6,301	
		578,419	653,976	17.7
Materials				
Air Products & Chemicals, Inc.	65,137	5,071	5,648	
Airgas, Inc.	21,184	1,159	1,684	
Alcoa, Inc.	329,676	6,508	2,900	
Allegheny Technologies, Inc.	32,985	1,704	1,605	
Ball Corp.	50,421	1,317	1,833	
Bemis Co.	31,979	973	980	
CF Industries Holdings, Inc.	20,257	2,291	2,991	
Cliffs Natural Resources, Inc.	44,273	2,553	2,811	
Dow Chemical Co. (The)	365,521	11,845	10,701	
Eastman Chemical Co.	42,473	1,340	1,689	
Ecolab, Inc.	92,894	4,557	5,468	
EI Du Pont de Nemours & Co.	285,897	12,710	13,318	
FMC Corp.	21,747	1,330	1,904	
Freeport-McMoran Copper & Gold, Inc.	293,195	10,714	10,984	
International Flavors & Fragrances, Inc.	25,095	1,143	1,339	
International Paper Co.	135,338	3,841	4,079	
MeadWestvaco Corp.	52,949	1,411	1,615	
Monsanto Co.	165,607	11,510	11,816	
Mosaic Co.	92,193	5,416	4,734	
Newmont Mining Corp.	153,042	7,894	9,349	
Nucor Corp.	97,977	4,619	3,948	
Owens-Illinois, Inc.	51,004	1,621	1,005	
PPG Industries, Inc.	47,798	3,274	4,063	
Praxair, Inc.	92,713	7,255	10,087	
Sealed Air Corp.	50,104	1,222	878	
Sigma-Aldrich Corp.	37,209	1,905	2,366	
Titanium Metals Corp.	25,553	513	390	
Tyco International, Ltd.	143,012	5,732	6,799	
United States Steel Corp.	44,686	2,478	1,203	
Vulcan Materials Co.	40,074	2,496	1,607	
Weyerhaeuser Co.	166,174	4,880	3,159	
		131,282	132,953	3.6
Telecommunication Services				
American Tower Corp.-Class A	121,636	5,233	7,437	
AT&T, Inc.	1,833,395	60,377	56,398	
CenturyTel, Inc.	190,993	7,966	7,233	
Frontier Communications Corp.	308,590	3,168	1,615	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
MetroPCS Communications, Inc.	90,395	1,274	797	
Sprint Nextel Corp.	928,405	10,302	2,203	
Verizon Communications, Inc.	875,855	32,515	35,754	
Windstream Corp.	180,619	2,189	2,155	
		123,024	113,592	3.1
Utilities				
AES Corp. (The)	199,189	3,190	2,399	
AGL Resources, Inc.	36,621	1,496	1,576	
Ameren Corp.	74,915	2,919	2,528	
American Electric Power Co., Inc.	149,326	5,737	6,281	
Centerpoint Energy, Inc.	131,951	2,229	2,699	
CMS Energy Corp.	78,132	1,318	1,758	
Consolidated Edison, Inc.	90,568	4,432	5,719	
Constellation Energy Group, Inc.	62,392	2,823	2,517	
Dominion Resources, Inc.	176,171	7,522	9,520	
DTE Energy Co.	52,426	2,439	2,907	
Duke Energy Corp.	412,187	7,605	9,225	
Edison International	100,822	4,084	4,250	
Entergy Corp.	54,538	4,615	4,057	
EQT Corp.	46,299	1,887	2,582	
Exelon Corp.	205,059	11,517	9,056	
FirstEnergy Corp.	129,320	6,758	5,830	
FPL Group, Inc.	130,674	7,303	8,097	
Integrys Energy Group, Inc.	24,174	1,223	1,333	
NiSource, Inc.	87,131	1,686	2,112	
Northeast Utilities	54,872	1,505	2,015	
Oneok, Inc.	31,906	1,604	2,814	
Pepco Holdings, Inc.	70,396	1,432	1,454	
PG&E Corp.	125,493	5,489	5,263	
Pinnacle West Capital Corp.	33,855	1,417	1,661	
PPL Corp.	178,808	5,647	5,357	
Progress Energy, Inc.	91,213	4,291	5,203	
Public Service Enterprise Group, Inc.	156,419	5,545	5,258	
Scana Corp.	35,781	1,465	1,641	
Sempra Energy	74,143	3,936	4,149	
Southern Co. (The)	266,605	10,213	12,564	
TECO Energy, Inc.	66,947	1,216	1,305	
Wisconsin Energy Corp.	71,450	1,901	2,544	
Xcel Energy, Inc.	149,972	3,466	4,218	
		129,910	139,892	3.8
Total Common Stocks		3,535,846	3,585,298	97.3
Transaction Costs (Note 2)		(346)		
Total Investments		3,542,312	3,592,085	97.5
Other Assets and Liabilities			93,927	2.5
Net Assets			3,686,012	100.0

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Statement of Investment Portfolio — As at December 31, 2010

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Government Guaranteed	0.2	0.2
Consumer Discretionary	10.6	10.5
Consumer Staples	11.2	10.5
Energy	11.9	11.8
Financials	14.3	16.9
Health Care	10.7	9.7
Industrials	10.4	10.9
Information Technology	17.7	18.1
Materials	3.6	3.9
Pharmaceuticals	-	0.1
Telecommunication Services	3.1	3.1
Utilities	3.8	3.3
Other Assets and Liabilities	2.5	1.0

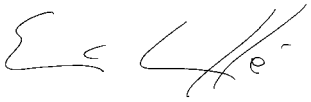
Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 182,882,718	$ 280,584,276
Cash	2,793,417	4,017,516
Margin due from brokers	-	9,564
Dividends receivable	275,415	327,519
Tax reclaim on dividends receivable	3,921	501
Accounts receivable for investment sales	28,798	595,637
	185,984,269	285,535,013
Liabilities		
Margin due to brokers	12,301	-
Operating expenses payable	16,599	16,355
Payables for investment purchases	28,471	499,756
	57,371	516,111
Net Assets	$ 185,926,898	$ 285,018,902
Number of Units Issued and Outstanding (Note 8)	16,082,557	25,849,337
Net Assets per Unit	$ 11.56	$ 11.03
Investments at Cost*	$ 167,600,596	$ 258,441,387

* Includes short-term investments

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

BlackRock CDN US Equity Index Plus Non-Taxable Fund (Note 1)

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 4,392,833	$ 3,213,820
Interest income*	(5,450)	(7,979)
Net gain from futures contracts	284,779	497,102
Foreign exchange gain (loss)	114,384	(85,145)
	4,786,546	3,617,798
Expenses		
Custodian fees	36,161	35,689
Fund accounting expenses	33,018	20,396
Unitholder communication costs	601	706
Audit fees	9,656	10,673
Securities filing fees	2,727	-
Independent review committee fees	217	256
Other operating expenses	5,509	1,152
	87,889	68,872
Net Investment Income for the Period	4,698,657	3,548,926
Gain on Investments		
Net realized gain on sale of investments	14,376,295	1,154,640
Transaction costs (Note 2,13)	(47,249)	(60,629)
Net change in unrealized appreciation (depreciation) in value of investments	(6,869,404)	22,152,635
Net Gain on Investments	7,459,642	23,246,646
Increase in Net Assets from Operations	$ 12,158,299	$ 26,795,572
Increase in Net Assets from Operations per Unit	$ 0.71	$ 1.09

* Interest Income, net of foreign exchange loss

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010
Net Assets - Beginning of Period	$ 285,018,902	$ -
Increase in Net Assets from Operations	12,158,299	26,795,572
Capital Transactions		
Proceeds from issue of units	16,000,000	258,223,330
Reinvestment of distributions	20,385,981	5,255,847
Redemption of units	(127,250,303)	-
Net capital transactions	(90,864,322)	263,479,177
Distributions		
From net investment income	(4,773,049)	(3,227,656)
From capital gains	(15,612,932)	(2,028,191)
Total distributions	(20,385,981)	(5,255,847)
Increase (Decrease) in Net Assets for the Period	(99,092,004)	285,018,902
Net Assets - End of Period	$ 185,926,898	$ 285,018,902

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Short Term Investments				
Government Guaranteed				
U.S. Treasury Bill				
1.00% March 22, 2012	300	307	306	
		307	306	0.2
Total Short Term Investments		307	306	0.2
Common Stocks				
Consumer Discretionary				
Abercrombie & Fitch Co.-Class A	1,328	52	66	
Amazon.Com, Inc.	5,692	858	1,004	
Apollo Group, Inc.-Class A	1,784	93	98	
AutoNation, Inc.	792	19	30	
AutoZone, Inc.	432	112	143	
Beam, Inc.	2,414	127	126	
Bed Bath & Beyond, Inc.	3,732	170	220	
Best Buy Co., Inc.	4,550	184	108	
Big Lots, Inc.	1,046	38	40	
BorgWarner, Inc.	1,710	110	111	
Cablevision Systems-NY Group A	3,541	121	51	
CarMax, Inc.	3,601	92	112	
Carnival Corp.	7,031	256	234	
CBS Corp.-Class B	10,175	158	281	
Chipotle Mexican Grill, Inc.	488	124	168	
Coach, Inc.	4,588	199	285	
Comcast Corp.-Class A	42,687	833	1,031	
D.R. Horton, Inc.	4,279	51	55	
Darden Restaurants, Inc.	2,102	94	97	
Devry, Inc.	938	55	37	
DIRECTV-Class A	11,082	493	483	
Discovery Communications-Class A	4,094	163	171	
Dollar Tree, Inc.	1,858	159	157	
Electrolux AB-Class B	5,272	90	110	
Expedia, Inc.	1,452	64	43	
Family Dollar Stores, Inc.	1,867	78	110	
Ford Motor Co.	59,443	819	651	
GameStop Corp.-Class A	2,093	48	51	
Gannett Co., Inc.	3,649	56	50	
Gap (The), Inc.	5,337	98	101	
Genuine Parts Co.	2,466	107	154	
Goodyear Tire & Rubber Co. (The)	3,699	46	53	
H&R Block, Inc.	4,647	75	77	
Harley-Davidson, Inc.	3,590	108	142	
Harman International Industries, Inc.	1,061	36	41	
Hasbro, Inc.	1,782	75	58	
Home Depot, Inc.	24,174	828	1,034	
International Game Technology	4,767	92	83	
Interpublic Group of Cos., Inc.	7,026	61	70	
JC Penney Co., Inc.	2,184	61	78	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Johnson Controls, Inc.	10,645	331	339	
Kohl's Corp.	4,001	212	201	
Leggett & Platt, Inc.	2,229	53	52	
Lennar Corp.-Class A	2,447	40	49	
Lowe's Cos., Inc.	19,536	445	505	
Ltd. Brands	3,875	130	159	
Macy's, Inc.	6,580	148	216	
Marriott International, Inc.-Class A	4,136	150	123	
Mattel, Inc.	5,308	122	150	
McDonald's Corp.	16,011	1,155	1,635	
McGraw-Hill Cos. (The), Inc.	4,552	137	208	
Michael Kors Holdings, Ltd.	1,456	30	40	
NetFlix, Inc.	885	173	62	
Newell Rubbermaid, Inc.	4,424	77	73	
News Corp.-Class A	34,426	474	625	
Nike, Inc.-Class B	5,789	442	568	
Nordstrom, Inc.	2,556	100	129	
O'Reilly Automotive, Inc.	2,030	113	165	
Omnicom Group	4,324	174	196	
Orchard Supply Hardware Stores Corp.-Series A	24	-	-	
Orchard Supply Hardware Stores Corp.-Class A	24	-	-	
Priceline.Com, Inc.	783	250	373	
Pulte Homes, Inc.	5,119	52	33	
Ralph Lauren Corp.	1,021	100	144	
Ross Stores, Inc.	3,648	108	177	
Scripps Networks Interactive-Class A	1,528	71	66	
Sears Holdings Corp.	602	47	19	
Sherwin-Williams Co. (The)	1,355	107	123	
Staples, Inc.	10,953	246	155	
Starbucks Corp.	11,707	333	548	
Starwood Hotels & Resorts Worldwide, Inc.	3,012	148	147	
Target Corp.	10,519	578	549	
Tiffany & Co.	1,974	92	133	
Time Warner Cable	4,968	301	322	
Time Warner, Inc.	15,717	511	578	
TJX Cos., Inc.	5,876	274	386	
Tripadvisor, Inc.	1,453	45	37	
Urban Outfitters, Inc.	1,675	66	47	
VF Corp.	1,353	110	175	
Viacom, Inc.-Class B	8,684	309	402	
Walt Disney Co. (The)	28,169	1,011	1,075	
Washington Post Co. (The)-Class B	71	34	27	
Whirlpool Corp.	1,233	122	60	
Wyndham Worldwide Corp.	2,439	59	94	
Wynn Resorts, Ltd.	1,239	136	139	
Yum! Brands, Inc.	7,205	315	433	
		17,234	19,751	10.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Consumer Staples				
Altria Group, Inc.	32,175	705	972	
Archer-Daniels-Midland Co.	10,462	307	305	
Avon Products, Inc.	6,724	188	120	
Brown-Forman Corp.-Class B	1,569	96	129	
Campbell Soup Co.	2,779	105	94	
Clorox Co.	2,084	139	141	
Coca-Cola Co. (The)	35,550	2,055	2,533	
Coca-Cola Ent, Inc.	4,951	114	130	
Colgate-Palmolive Co.	7,595	624	714	
ConAgra Foods, Inc.	6,514	163	175	
Constellation Brands, Inc.-Class A	2,637	46	56	
Costco Wholesale Corp.	6,804	417	577	
CVS Caremark Corp.	20,420	704	848	
Dean Foods Co.	3,040	35	35	
Dr Pepper Snapple Group, Inc.	3,310	129	133	
Estee Lauder Cos. (The), Inc.-Class A	1,743	130	199	
General Mills, Inc.	10,115	389	416	
Hershey Co. (The)	2,425	126	153	
HJ Heinz Co.	4,993	235	275	
Hormel Foods Corp.	2,108	46	63	
JM Smucker Co. (The)	1,783	110	142	
Kellogg Co.	3,914	219	202	
Kimberly-Clark Corp.	6,173	399	462	
Kraft Foods, Inc.-Class A	27,643	877	1,051	
Kroger Co. (The)	9,336	200	230	
Lorillard, Inc.	2,098	162	243	
McCormick & Co., Inc.	2,111	88	108	
Mead Johnson Nutrition Co.-Class A	3,187	175	223	
Molson Coors Brewing Co.-Class B	2,424	108	107	
PepsiCo, Inc.	24,445	1,612	1,651	
Philip Morris International, Inc.	27,167	1,493	2,170	
Procter & Gamble Co. (The)	43,060	2,764	2,923	
Reynolds American, Inc.	5,281	150	223	
Safeway, Inc.	5,238	118	112	
Sara Lee Corp.	9,300	150	179	
Supervalu, Inc.	3,138	41	26	
Sysco Corp.	9,215	287	275	
Tyson Foods, Inc.-Class A	4,540	85	95	
Wal-Mart Stores, Inc.	27,366	1,448	1,664	
Walgreen Co.	13,927	503	469	
Whole Foods Market, Inc.	2,518	121	178	
		17,863	20,801	11.2
Energy				
Alpha Natural Resources, Inc.	3,450	145	72	
Anadarko Petroleum Corp.	7,789	394	605	
Apache Corp.	6,029	577	556	
Baker Hughes, Inc.	6,838	305	339	
Cabot Oil & Gas Corp.	1,657	78	128	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Cameron International Corp.	3,826	143	192	
Chesapeake Energy Corp.	10,395	263	236	
Chevron Corp.	31,168	2,485	3,375	
ConocoPhillips	20,808	1,286	1,544	
Consol Energy, Inc.	3,548	142	133	
Denbury Resources, Inc.	6,105	107	94	
Devon Energy Corp.	6,295	437	397	
Diamond Offshore Drilling, Inc.	1,058	69	60	
El Paso Corp.	12,055	182	326	
EOG Resources, Inc.	4,218	448	423	
Exxon Mobil Corp.	75,050	5,013	6,471	
FMC Technologies, Inc.	3,694	108	196	
Halliburton Co.	14,411	391	506	
Helmerich & Payne, Inc.	1,708	75	101	
Hess Corp.	4,633	264	268	
Marathon Oil Corp.	11,053	373	329	
Marathon Petroleum Corp.	5,606	220	190	
Murphy Oil Corp.	3,012	166	171	
Nabors Industries, Ltd.	4,605	95	81	
National Oilwell Varco, Inc.	6,628	266	459	
Newfield Exploration Company	2,045	147	79	
Noble Corp.	4,004	150	123	
Noble Energy, Inc.	2,730	186	262	
NRG Energy, Inc.	3,505	83	65	
Occidental Petroleum Corp.	12,702	1,103	1,212	
Peabody Energy Corp.	4,202	179	142	
Pioneer Natural Resources Co.	1,910	144	174	
QEP Resources, Inc.	2,830	92	84	
Range Resources Corp.	2,420	123	153	
Rowan Cos., Inc.	1,923	51	59	
Schlumberger, Ltd.	21,002	1,279	1,461	
Southwestern Energy Co.	5,408	233	176	
Spectra Energy Corp.	10,228	221	320	
Sunoco, Inc.	1,627	54	68	
Tesoro Corp.	2,180	27	52	
Valero Energy Corp.	8,677	167	186	
Williams Cos., Inc.	9,251	197	311	
		18,468	22,179	11.9
Financials				
Aflac, Inc.	7,266	345	320	
Allstate Corp. (The)	7,845	244	219	
American Express Co.	15,853	683	761	
American International Group, Inc.	6,801	196	161	
Ameriprise Financial, Inc.	3,579	153	181	
AON Corp.	5,071	208	242	
Apartment Investment & Management Co. REIT-Class A	1,973	43	46	
Assurant, Inc.	1,398	53	58	
Australia & New Zealand Banking Group, Ltd.	3,495	108	108	
AvalonBay Communities, Inc. REIT	1,497	158	199	

BLACKROCK®

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Bank of America Corp.	158,580	2,499	896	
Bank of New York Mellon Corp.	18,890	542	383	
BB&T Corp.	10,976	336	281	
Berkshire Hathaway, Inc.-Class B	27,513	2,183	2,138	
BlackRock, Inc.	1,568	304	285	
Boston Properties, Inc. REIT	2,329	189	236	
Capital One Financial Corp.	7,161	312	308	
Cbre Group, Inc.	5,034	96	78	
Charles Schwab Corp. (The)	17,053	280	195	
Chubb Corp.	4,371	240	308	
Cincinnati Financial Corp.	2,482	71	77	
Citigroup, Inc.	45,749	1,847	1,225	
CME Group, Inc.	1,038	328	258	
Comerica, Inc.	3,112	117	82	
Discover Financial Services	8,675	132	212	
E*Trade Financial Corp.	3,950	59	32	
Equity Residential REIT	4,649	226	270	
Federated Investors, Inc.-Class B	1,410	32	22	
Fifth Third Bancorp	14,359	201	186	
First Horizon National Corp.	4,010	45	33	
Franklin Resources, Inc.	2,296	231	225	
Genworth Financial, Inc.-Class A	7,458	118	50	
Goldman Sachs Group, Inc.	7,724	1,082	711	
Hartford Financial Services Group, Inc.	6,959	179	115	
HCP, Inc.	6,375	222	269	
Health Care, Inc. REIT	2,962	136	164	
Host Hotels & Resorts, Inc. REIT	11,024	168	166	
Hudson City Bancorp, Inc.	8,020	104	51	
Huntington Bancshares, Inc.	13,866	92	78	
IntercontinentalExchange, Inc.	1,123	135	138	
Invesco, Ltd.	7,051	140	144	
JPMorgan Chase & Co.	59,532	2,394	2,015	
Keycorp	15,157	130	119	
Kimco Realty Corp. REIT	6,480	96	107	
Legg Mason, Inc.	1,906	62	47	
Leucadia National Corp.	3,179	72	74	
Lincoln National Corp.	4,808	132	95	
Loews Corp.	4,786	168	183	
M&T Bank Corp.	1,990	168	155	
Marsh & McLennan Cos., Inc.	8,422	197	271	
Merck & Co., Inc.	47,757	1,727	1,833	
Metlife, Inc.	16,541	697	525	
Moody's Corp.	3,006	67	103	
Morgan Stanley	23,270	526	358	
NASDAQ OMX Group, Inc.	2,042	51	51	
Northern Trust Corp.	3,814	200	154	
NYSE Euronext	4,164	123	111	
People's United Financial, Inc.	5,505	80	72	
Plum Creek Timber Co., Inc. REIT	2,573	94	96	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
PNC Financial Services Group, Inc.	8,235	526	484	
Principal Financial Group	4,703	133	118	
Progressive Corp. (The)	9,745	199	194	
ProLogis, Inc. REIT	7,203	217	210	
Prudential Financial, Inc.	7,424	451	379	
Public Storage, Inc. REIT	2,213	216	303	
Regions Financial Corp.	20,136	152	88	
Simon Property Group, Inc. REIT	4,595	422	603	
SLM Corp.	8,022	111	109	
State Street Corp.	7,736	313	317	
SunTrust Banks, Inc.	8,350	235	150	
T Rowe Price Group, Inc.	3,923	205	227	
Torchmark Corp.	1,636	60	72	
Travelers Cos. (The), Inc.	6,431	342	387	
Unum Group	4,492	108	96	
US Bancorp	29,926	743	824	
Ventas, Inc. REIT	4,480	234	251	
Visa, Inc.-Class A	7,972	631	824	
Vornado Realty Trust REIT	2,911	240	228	
Wells Fargo & Co.	82,531	2,418	2,316	
XL Group PLC	5,084	94	102	
Zions Bancorporation	2,786	67	46	
		29,938	26,608	14.3
Health Care				
Abbott Laboratories	24,376	1,220	1,394	
Accenture PLC-Class A	10,020	601	543	
Aetna, Inc.	5,714	186	245	
Allergan, Inc.	4,775	312	427	
AmerisourceBergen Corp.	3,996	134	151	
Amgen, Inc.	12,435	706	813	
Baxter International, Inc.	8,803	396	443	
Becton Dickinson & Co.	3,376	257	257	
Biogen Idec, Inc.	3,805	236	426	
Boston Scientific Corp.	22,856	147	124	
Bristol-Myers Squibb Co.	26,512	655	951	
Cardinal Health, Inc.	5,398	203	223	
CareFusion Corp.	3,587	93	93	
Celgene Corp.	6,922	387	476	
Cerner Corp.	2,264	100	141	
Cigna Corp.	4,458	162	191	
Coventry Health Care, Inc.	2,280	52	70	
Covidien PLC	7,511	377	344	
CR Bard, Inc.	1,340	122	117	
DaVita, Inc.	1,461	98	113	
DENTSPLY International, Inc.	2,265	77	81	
Edwards Lifesciences Corp.	1,760	148	127	
Eli Lilly & Co.	15,937	562	674	
Express Scripts, Inc.	7,650	384	348	
Forest Laboratories, Inc.	4,149	116	128	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Gilead Sciences, Inc.	11,714	440	488	
Hospira, Inc.	2,630	147	81	
Humana, Inc.	2,540	130	227	
Intuitive Surgical, Inc.	614	214	289	
Johnson & Johnson	42,739	2,675	2,853	
Laboratory Corp. of America Holdings	1,530	123	134	
Life Technologies Corp.	2,834	148	112	
McKesson Corp.	3,838	281	304	
Medco Health Solutions, Inc.	6,035	341	343	
Medtronic, Inc.	16,507	658	643	
Mylan, Inc.	6,684	135	146	
Patterson Cos., Inc.	1,458	46	44	
PerkinElmer, Inc.	1,726	40	35	
Perrigo Co.	1,454	148	144	
Pfizer, Inc.	120,407	1,990	2,653	
Quest Diagnostics, Inc.	2,500	133	148	
St. Jude Medical, Inc.	4,942	200	173	
Stryker Corp.	5,122	273	259	
Tenet Healthcare Corp.	6,409	32	33	
Thermo Fisher Scientific, Inc.	5,915	320	271	
UnitedHealth Group, Inc.	16,719	557	863	
Varian Medical Systems, Inc.	1,735	97	119	
Waters Corp.	1,390	100	105	
Watson Pharmaceuticals, Inc.	1,988	117	122	
WellPoint, Inc.	5,419	337	366	
Zimmer Holdings, Inc.	2,769	160	151	
		17,573	20,006	10.8
Industrials				
3M Co.	10,965	911	912	
ACE Aviation Holdings, Inc.	5,260	302	376	
Avery Dennison Corp.	1,627	58	47	
Boeing Co.	11,628	777	868	
C.H. Robinson Worldwide, Inc.	2,595	170	184	
Caterpillar, Inc.	10,116	758	933	
Cintas Corp.	1,783	49	63	
Cooper Industries PLC-Class A	2,442	135	135	
CSX Corp.	16,520	311	354	
Cummins, Inc.	3,012	228	270	
Danaher Corp.	8,919	397	427	
Deere & Co.	6,473	415	510	
Dover Corp.	2,913	140	172	
Dun & Bradstreet Corp.	757	57	58	
Eaton Corp.	5,190	198	230	
Emerson Electric Co.	11,482	569	545	
Equifax, Inc.	1,869	59	74	
Expeditors International of Washington, Inc.	3,326	137	139	
Fastenal Co.	4,631	129	206	
FedEx Corp.	4,960	427	422	
Flowserve Corp.	887	91	90	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Fluor Corp.	2,688	131	137	
General Dynamics Corp.	5,548	384	375	
General Electric Co.	165,230	2,788	3,013	
Goodrich Corp.	1,956	146	246	
Honeywell International, Inc.	12,074	561	668	
Illinois Tool Works, Inc.	7,534	380	358	
Ingersoll-Rand PLC	4,943	211	153	
Iron Mountain, Inc.	2,964	75	93	
Jacobs Engineering Group, Inc.	2,048	90	85	
Joy Global, Inc.	1,647	151	126	
L-3 Communications Holdings, Inc.	1,537	129	104	
Lockheed Martin Corp.	4,131	330	340	
Masco Corp.	5,452	71	58	
Norfolk Southern Corp.	5,237	310	388	
Northrop Grumman Corp.	4,120	252	245	
Paccar, Inc.	5,560	251	212	
Pall Corp.	1,832	71	107	
Parker Hannifin Corp.	2,353	153	183	
Pitney Bowes, Inc.	3,103	74	59	
Precision Castparts Corp.	2,268	278	380	
Quanta Services, Inc.	3,281	73	72	
Raytheon Co.	5,380	290	265	
Republic Services, Inc.	4,956	151	139	
Robert Half International, Inc.	2,227	58	65	
Rockwell Automation, Inc.	2,225	128	166	
Rockwell Collins, Inc.	2,361	142	133	
Roper Industries, Inc.	1,511	100	134	
RR Donnelley & Sons Co.	3,023	58	44	
Ryder System, Inc.	780	36	42	
Snap-On, Inc.	887	41	46	
Southwest Airlines Co.	12,222	156	106	
Stanley Black & Decker, Inc.	2,671	161	184	
Stericycle, Inc.	1,310	91	104	
Textron, Inc.	4,455	93	84	
Union Pacific Corp.	7,570	592	817	
United Parcel Service, Inc.-Class B	15,129	991	1,127	
United Technologies Corp.	14,177	1,011	1,055	
W.W. Grainger, Inc.	942	106	180	
Waste Management, Inc.	7,152	246	238	
Xylem, Inc.	2,882	76	75	
		17,754	19,421	10.4
Information Technology				
Adobe Systems, Inc.	7,706	254	222	
Advanced Micro Devices, Inc.	9,502	80	52	
Agilent Technologies, Inc.	5,487	184	195	
Akamai Technologies, Inc.	2,849	128	94	
Altera Corp.	5,073	143	192	
Amphenol Corp.-Class A	2,554	113	118	
Analog Devices, Inc.	4,688	150	171	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Apple, Inc.	14,547	4,287	5,999	
Applied Materials, Inc.	20,468	276	223	
Automatic Data Processing, Inc.	7,649	337	420	
BMC Software, Inc.	2,613	104	87	
Broadcom Corp.-Class A	7,579	279	226	
CA, Inc.	5,824	123	120	
Cisco Systems, Inc.	84,244	1,953	1,551	
Citrix Systems, Inc.	2,918	143	180	
Cognizant Technology Solutions Corp.-Class A	4,755	269	311	
Computer Sciences Corp.	2,361	122	57	
Corning, Inc.	24,722	438	326	
Dell, Inc.	23,789	349	354	
eBay, Inc.	17,970	420	555	
EMC Corp., Massachusetts	31,979	656	701	
F5 Networks, Inc.	1,228	168	133	
Fidelity National Information Services, Inc.	3,730	107	101	
First Solar, Inc.	909	116	31	
Fiserv, Inc.	2,175	110	130	
Flir Systems, Inc.	2,428	74	62	
Google, Inc.-Class A	3,953	2,118	2,600	
Harris Corp.	1,778	87	65	
Hewlett-Packard Co.	31,167	1,256	817	
Intel Corp.	79,779	1,736	1,970	
Intermolecular, Inc.	4,334	44	38	
International Business Machines Corp.	18,458	2,652	3,456	
Intuit, Inc.	4,620	213	247	
Invensense, Inc.	1,534	12	16	
Jabil Circuit, Inc.	2,778	42	56	
JDS Uniphase Corp.	3,414	39	36	
Juniper Networks, Inc.	8,301	253	173	
KLA-Tencor Corp.	2,645	89	130	
Lexmark International, Inc.	1,071	42	36	
Linear Technology Corp.	3,625	112	111	
LSI Corp.	9,138	51	55	
MasterCard, Inc.-Class A	1,667	443	633	
Microchip Technology, Inc.	3,001	92	112	
Micron Technology, Inc.	15,545	127	99	
Microsoft Corp.	117,176	3,145	3,097	
Molex, Inc.	2,103	46	51	
Motorola Mobility Holdings, Inc.	4,138	126	163	
Motorola Solutions, Inc.	4,521	166	213	
NetApp, Inc.	5,567	264	206	
Novellus Systems, Inc.	993	28	42	
NVIDIA Corp.	9,620	130	136	
Oracle Corp.	61,578	1,548	1,607	
Paychex, Inc.	5,071	151	155	
QUALCOMM, Inc.	26,303	1,214	1,464	
Red Hat, Inc.	3,047	110	128	
SAIC, Inc.	4,461	72	56	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Salesforce.com, Inc.	2,144	268	222	
SanDisk Corp.	3,796	182	190	
Symantec Corp.	11,619	178	185	
Te Connectivity, Ltd.	6,587	225	207	
Teradata Corp.	2,643	93	131	
Teradyne, Inc.	2,822	32	39	
Texas Instruments, Inc.	17,920	490	531	
Total System Services, Inc.	2,474	38	49	
VeriSign, Inc.	2,439	74	89	
Western Digital Corp.	3,696	135	116	
Western Union Co.	9,592	162	178	
Xerox Corp.	21,778	207	177	
Xilinx, Inc.	4,107	112	134	
Yahoo!, Inc.	19,301	300	317	
Zynga, Inc.-Class A	6,219	64	60	
		30,351	33,204	17.9
Materials				
Air Products & Chemicals, Inc.	3,315	243	287	
Airgas, Inc.	1,069	71	85	
Alcoa, Inc.	16,483	225	145	
Allegheny Technologies, Inc.	1,644	88	80	
Ball Corp.	2,576	72	94	
Bemis Co.	1,630	49	50	
CF Industries Holdings, Inc.	1,013	87	150	
Cliffs Natural Resources, Inc.	2,211	136	140	
Dow Chemical Co. (The)	18,526	528	542	
Eastman Chemical Co.	2,154	68	86	
Ecolab, Inc.	4,729	244	278	
El Du Pont de Nemours & Co.	14,442	602	673	
FMC Corp.	1,088	70	95	
Freeport-McMoran Copper & Gold, Inc.	14,826	605	555	
International Flavors & Fragrances, Inc.	1,299	62	69	
International Paper Co.	6,878	170	207	
MeadWestvaco Corp.	2,734	69	83	
Monsanto Co.	8,374	461	598	
Mosaic Co.	4,651	272	239	
Newmont Mining Corp.	7,738	453	473	
Nucor Corp.	4,931	214	199	
Owens-Illinois, Inc.	2,493	78	49	
PPG Industries, Inc.	2,396	163	204	
Praxair, Inc.	4,707	386	512	
Sealed Air Corp.	2,425	54	42	
Sigma-Aldrich Corp.	1,913	107	122	
Titanium Metals Corp.	1,297	25	20	
Tyco International, Ltd.	7,238	289	344	
United States Steel Corp.	2,189	102	59	
Vulcan Materials Co.	2,068	104	83	
Weyerhaeuser Co.	8,404	222	160	
		6,319	6,723	3.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Telecommunication Services				
American Tower Corp.-Class A	6,147	279	376	
AT&T, Inc.	92,746	2,452	2,853	
CenturyTel, Inc.	9,687	351	367	
Frontier Communications Corp.	15,929	124	83	
MetroPCS Communications, Inc.	4,540	43	40	
Sprint Nextel Corp.	46,450	234	110	
Verizon Communications, Inc.	44,304	1,289	1,809	
Windstream Corp.	9,086	112	108	
		4,884	5,746	3.1
Utilities				
AES Corp. (The)	10,080	106	121	
AGL Resources, Inc.	1,806	74	78	
Ameren Corp.	3,820	100	129	
American Electric Power Co., Inc.	7,579	261	319	
Centerpoint Energy, Inc.	6,720	98	137	
CMS Energy Corp.	4,028	67	91	
Consolidated Edison, Inc.	4,614	217	291	
Constellation Energy Group, Inc.	3,176	116	128	
Dominion Resources, Inc.	8,908	377	481	
DTE Energy Co.	2,678	130	149	
Duke Energy Corp.	20,842	356	466	
Edison International	5,090	175	215	
Entergy Corp.	2,781	216	207	
EQT Corp.	2,355	99	131	
Exelon Corp.	10,368	424	458	
FirstEnergy Corp.	6,585	241	297	
FPL Group, Inc.	6,644	352	412	
Integrys Energy Group, Inc.	1,188	56	65	
NiSource, Inc.	4,478	73	109	
Northeast Utilities	2,821	80	104	
Oneok, Inc.	1,629	89	144	
Pepco Holdings, Inc.	3,641	62	75	
PG&E Corp.	6,371	288	267	
Pinnacle West Capital Corp.	1,746	68	86	
PPL Corp.	9,041	243	271	
Progress Energy, Inc.	4,649	194	265	
Public Service Enterprise Group, Inc.	7,974	264	268	
Scana Corp.	1,846	73	85	
Sempra Energy	3,759	184	210	
Southern Co. (The)	13,482	506	635	
TECO Energy, Inc.	3,472	58	68	
Wisconsin Energy Corp.	3,672	99	131	
Xcel Energy, Inc.	7,552	169	212	
		5,915	7,105	3.8
Total Common Stocks		166,299	181,544	97.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Foreign Index Equivalents				
SPDR S&P 500 ETF Trust	8,072	1,021	1,033	
Total Foreign Index Equivalents		1,021	1,033	0.6
Transaction Costs (Note 2)		(26)		
Total Investments		167,601	182,883	98.4
Other Assets and Liabilities			3,044	1.6
Net Assets			185,927	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Government Guaranteed	0.2	0.1
Consumer Discretionary	10.6	10.4
Consumer Staples	11.2	10.4
Energy	11.9	11.8
Financials	14.3	16.9
Health Care	10.8	9.6
Industrials	10.4	10.8
Information Technology	17.9	17.9
Materials	3.6	3.9
Pharmaceuticals	-	0.1
Telecommunication Services	3.1	3.0
Utilities	3.8	3.3
Foreign Index Equivalents	0.6	0.2
Other Assets and Liabilities	1.6	1.6

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 754,924,811	$ 771,910,697
Cash	10,988	8,581
Net unrealized gain on forward currency contracts (Note 5)	16,862,137	45,737,629
Accounts receivable from issue of units	7,999,990	80,391,126
	779,797,926	898,048,033
Liabilities		
Operating expenses payable	19,887	15,321
Payables for redemption of units	10,889,693	-
Payables for investment purchases	6,083,836	-
Net unrealized loss on forward currency contracts (Note 5)	4,001,678	27,780,588
	20,995,094	27,795,909
Net Assets	$ 758,802,832	$ 870,252,124
Number of Units Issued and Outstanding (Note 8)	70,580,491	82,329,636
Net Assets per Unit	$ 10.75	$ 10.57
Investments at Cost	$ 724,255,856	$ 749,241,936

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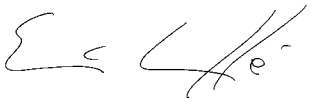
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 18,938,336	$ 21,933,942
Interest income	164	-
	18,938,500	21,933,942
Expenses		
Custodian fees	900	221
Fund accounting expenses	13,303	13,733
Unitholder communication costs	601	602
Audit fees	14,915	15,219
Securities filing fees	12,448	13,934
Independent review committee fees	903	4,716
Other operating expenses	2,298	2,206
	45,368	50,631
Net Investment Income for the Year	18,893,132	21,883,311
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	5,056,620	(6,268,094)
Net realized gain (loss) from forward currency contracts	(11,234,033)	45,892,650
Net change in unrealized appreciation in value of investments	8,000,194	71,022,729
Net change in unrealized depreciation in value of forward currency contracts	(5,096,582)	(5,823,670)
Net Gain (Loss) on Investments	(3,273,801)	104,823,615
Increase in Net Assets from Operations	$ 15,619,331	$ 126,706,926
Increase in Net Assets from Operations per Unit	$ 0.21	$ 1.00

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 870,252,124	$ 1,272,914,590
Increase in Net Assets from Operations	15,619,331	126,706,926
Capital Transactions		
Proceeds from issue of units	50,950,684	224,639,398
Reinvestment of distributions	18,893,047	28,155,787
Redemption of units	(178,019,307)	(754,008,790)
Net capital transactions	(108,175,576)	(501,213,605)
Distributions		
From net investment income	(18,893,047)	(21,883,394)
From capital gains redemption in kind (Note 9)	-	(6,272,393)
Total distributions	(18,893,047)	(28,155,787)
Decrease in Net Assets for the Year	(111,449,292)	(402,662,466)
Net Assets - End of Year	$ 758,802,832	$ 870,252,124

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Foreign Index Equivalents				
BlackRock CDN US Equity Index Non-Taxable Class A	85,316,911	724,256	754,925	
Total Foreign Index Equivalents		724,256	754,925	99.5
Total Investments		724,256	754,925	99.5
Other Assets and Liabilities			3,878	0.5
Net Assets			758,803	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Foreign Index Equivalents	99.5	88.7
Other Assets and Liabilities	0.5	11.3

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 1,732,096,304	$ 1,518,017,039
Cash	35,964,091	17,034,635
Margin due from brokers	-	43,348
Dividends receivable	2,219,588	1,527,089
Tax reclaim on dividends receivable	34,224	2,405
Accounts receivable from issue of units	5,111,655	-
Accounts receivable for investment sales	274,298	-
	1,775,700,160	1,536,624,516
Liabilities		
Margin due to brokers	147,204	-
Operating expenses payable	45,551	40,864
	192,755	40,864
Net Assets	$ 1,775,507,405	$ 1,536,583,652
Net Assets per Class		
Class A	$ 680,359,540	$ 652,883,701
Class D	1,095,147,865	883,699,951
	$ 1,775,507,405	$ 1,536,583,652
Number of Units Issued and Outstanding (Note 8)		
Class A	89,288,642	89,349,299
Class D	143,736,013	120,946,909
Net Assets per Unit		
Class A	$ 7.62	$ 7.31
Class D	$ 7.62	$ 7.31
Investments at Cost*	$ 1,773,540,975	$ 1,604,770,793

* Includes short-term investments

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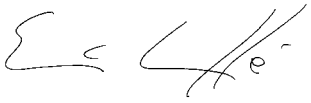
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 38,625,404	$ 31,122,451
Interest income*	(25,337)	(32,722)
Net gain (loss) from futures contracts	(784,936)	2,378,501
Foreign exchange gain (loss)	1,091,410	(691,567)
Withholding taxes	(5,190,250)	(4,556,836)
	33,716,291	28,219,827
Expenses		
Custodian fees	94,150	102,781
Fund accounting expenses	69,431	68,472
Unitholder communication costs	601	602
Audit fees	23,902	24,096
Securities filing fees	26,269	14,461
Independent review committee fees	1,925	5,614
Other operating expenses	5,221	4,606
	221,499	220,632
Net Investment Income for the Year	33,494,792	27,999,195
Gain on Investments		
Net realized loss on sale of investments	(6,705,483)	(29,396,515)
Transaction costs (Note 2,13)	(31,486)	(105,743)
Net change in unrealized appreciation in value of investments	45,268,404	132,100,279
Net Gain on Investments	38,531,435	102,598,021
Increase in Net Assets from Operations	$ 72,026,227	$ 130,597,216
Increase in Net Assets from Operations per Class		
Class A	$ 27,909,341	$ 57,473,019
Class D	44,116,886	73,124,197
	$ 72,026,227	$ 130,597,216
Increase in Net Assets from Operations per Unit		
Class A	$ 0.31	$ 0.53
Class D	$ 0.33	$ 0.66

* Interest Income, net of foreign exchange loss

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 1,536,583,652	$ 1,494,228,380	$ 652,883,701	$ 692,559,694	$ 883,699,951	$ 801,668,686
Increase in Net Assets from Operations	72,026,227	130,597,216	27,909,341	57,473,019	44,116,886	73,124,197
Capital Transactions						
Proceeds from issue of units	239,050,665	422,275,404	160,166	51,800,430	238,890,499	370,474,974
Reinvestment of distributions	33,213,899	28,121,127	13,018,190	13,252,326	20,195,709	14,868,801
Redemption of units	(72,153,139)	(510,517,348)	(593,668)	(148,949,442)	(71,559,471)	(361,567,906)
Net capital transactions	200,111,425	(60,120,817)	12,584,688	(83,896,686)	187,526,737	23,775,869
Distributions						
From net investment income	(33,213,899)	(28,121,127)	(13,018,190)	(13,252,326)	(20,195,709)	(14,868,801)
Total distributions	(33,213,899)	(28,121,127)	(13,018,190)	(13,252,326)	(20,195,709)	(14,868,801)
Increase (Decrease) in Net Assets for the Year	238,923,753	42,355,272	27,475,839	(39,675,993)	211,447,914	82,031,265
Net Assets - End of Year	$ 1,775,507,405	$ 1,536,583,652	$ 680,359,540	$ 652,883,701	$ 1,095,147,865	$ 883,699,951

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Short Term Investments				
Government Guaranteed				
U.S. Treasury Bill				
1.00% March 22, 2012	2,660	2,718	2,708	
		2,718	2,708	0.2
Total Short Term Investments		2,718	2,708	0.2
Common Stocks				
Consumer Discretionary				
Abercrombie & Fitch Co.-Class A	12,864	846	640	
Amazon.Com, Inc.	54,287	5,260	9,571	
Apollo Group, Inc.-Class A	17,356	1,267	952	
AutoNation, Inc.	7,053	144	265	
AutoZone, Inc.	4,168	673	1,378	
Beam, Inc.	23,169	1,640	1,208	
Bed Bath & Beyond, Inc.	35,802	1,500	2,113	
Best Buy Co., Inc.	43,820	1,870	1,042	
Big Lots, Inc.	9,739	230	375	
BorgWarner, Inc.	16,349	1,056	1,061	
Cablevision Systems-NY Group A	32,831	1,098	475	
CarMax, Inc.	33,848	794	1,050	
Carnival Corp.	67,552	3,027	2,244	
CBS Corp.-Class B	97,689	2,315	2,700	
Chipotle Mexican Grill, Inc.	4,675	1,195	1,609	
Coach, Inc.	43,526	1,573	2,706	
Comcast Corp.-Class A	406,598	9,216	9,816	
D.R. Horton, Inc.	41,648	972	535	
Darden Restaurants, Inc.	19,636	728	911	
Devry, Inc.	8,987	475	352	
DIRECTV-Class A	105,316	3,337	4,586	
Discovery Communications-Class A	39,454	1,344	1,646	
Dollar Tree, Inc.	17,744	1,522	1,502	
Electrolux AB-Class B	49,530	2,113	1,038	
Expedia, Inc.	14,118	779	417	
Family Dollar Stores, Inc.	17,491	632	1,027	
Ford Motor Co.	566,984	5,698	6,206	
GameStop Corp.-Class A	20,725	933	509	
Gannett Co., Inc.	35,690	1,916	486	
Gap (The), Inc.	51,868	1,140	980	
Genuine Parts Co.	23,210	1,084	1,446	
Goodyear Tire & Rubber Co. (The)	36,592	666	528	
H&R Block, Inc.	43,749	1,074	727	
Harley-Davidson, Inc.	34,635	1,705	1,371	
Harman International Industries, Inc.	10,509	726	407	
Hasbro, Inc.	17,341	566	563	
Home Depot, Inc.	230,084	8,503	9,845	
International Game Technology	44,519	1,449	780	
Interpublic Group of Cos., Inc.	68,887	785	683	
JC Penney Co., Inc.	21,320	950	763	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Johnson Controls, Inc.	101,552	2,914	3,229	
Kohl's Corp.	37,834	2,172	1,901	
Leggett & Platt, Inc.	20,841	547	489	
Lennar Corp.-Class A	24,092	893	482	
Lowe's Cos., Inc.	186,877	5,441	4,830	
Ltd. Brands	36,710	902	1,508	
Macy's, Inc.	62,674	1,833	2,053	
Marriott International, Inc.-Class A	40,031	1,339	1,189	
Mattel, Inc.	50,482	1,136	1,427	
McDonald's Corp.	152,715	8,366	15,591	
McGraw-Hill Cos. (The), Inc.	43,801	1,990	2,005	
NetFlix, Inc.	8,240	1,437	581	
Newell Rubbermaid, Inc.	43,316	985	711	
News Corp.-Class A	327,318	5,812	5,946	
Nike, Inc.-Class B	55,366	3,360	5,433	
Nordstrom, Inc.	24,110	846	1,220	
O'Reilly Automotive, Inc.	19,159	866	1,560	
Omnicom Group	41,134	1,897	1,866	
Orchard Supply Hardware Stores Corp.-Series A	262	1	1	
Orchard Supply Hardware Stores Corp.-Class A	262	1	1	
Priceline.Com, Inc.	7,427	1,741	3,537	
Pulte Homes, Inc.	50,565	1,433	324	
Ralph Lauren Corp.	9,625	858	1,354	
Ross Stores, Inc.	34,074	820	1,649	
Scripps Networks Interactive-Class A	14,476	634	625	
Sears Holdings Corp.	5,710	729	185	
Sherwin-Williams Co. (The)	12,834	780	1,166	
Staples, Inc.	104,270	2,380	1,474	
Starbucks Corp.	111,209	2,919	5,210	
Starwood Hotels & Resorts Worldwide, Inc.	28,716	1,493	1,403	
Target Corp.	100,263	5,459	5,229	
Tiffany & Co.	18,973	891	1,279	
Time Warner Cable	47,634	2,519	3,083	
Time Warner, Inc.	149,392	5,955	5,496	
TJX Cos., Inc.	56,260	1,909	3,698	
Tripadvisor, Inc.	14,118	436	362	
Urban Outfitters, Inc.	16,591	546	466	
VF Corp.	13,003	985	1,681	
Viacom, Inc.-Class B	82,427	4,666	3,811	
Walt Disney Co. (The)	268,135	8,894	10,233	
Washington Post Co. (The)-Class B	721	481	277	
Whirlpool Corp.	11,443	959	553	
Wyndham Worldwide Corp.	22,793	633	878	
Wynn Resorts, Ltd.	11,803	828	1,328	
Yum! Brands, Inc.	68,698	2,354	4,128	
		166,841	187,965	10.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Consumer Staples				
Altria Group, Inc.	306,853	6,407	9,267	
Archer-Daniels-Midland Co.	99,633	3,059	2,902	
Avon Products, Inc.	64,387	2,415	1,146	
Brown-Forman Corp.-Class B	15,074	865	1,236	
Campbell Soup Co.	26,816	1,021	907	
Clorox Co.	19,711	1,324	1,336	
Coca-Cola Co. (The)	338,977	19,630	24,151	
Coca-Cola Ent, Inc.	46,588	1,071	1,223	
Colgate-Palmolive Co.	72,252	5,397	6,794	
ConAgra Foods, Inc.	61,827	1,688	1,661	
Constellation Brands, Inc.-Class A	26,011	649	547	
Costco Wholesale Corp.	64,658	3,906	5,485	
CVS Caremark Corp.	194,276	6,444	8,067	
Dean Foods Co.	27,573	761	314	
Dr Pepper Snapple Group, Inc.	31,952	914	1,285	
Estee Lauder Cos. (The), Inc.-Class A	16,654	836	1,903	
General Mills, Inc.	96,073	3,215	3,953	
Hershey Co. (The)	22,819	1,197	1,435	
HJ Heinz Co.	47,824	2,286	2,631	
Hormel Foods Corp.	20,526	432	612	
JM Smucker Co. (The)	17,011	906	1,353	
Kellogg Co.	36,951	2,005	1,903	
Kimberly-Clark Corp.	58,794	4,251	4,402	
Kraft Foods, Inc.-Class A	263,633	8,256	10,026	
Kroger Co. (The)	89,051	2,248	2,196	
Lorillard, Inc.	20,155	1,609	2,339	
McCormick & Co., Inc.	19,833	816	1,018	
Mead Johnson Nutrition Co.-Class A	30,403	1,445	2,128	
Molson Coors Brewing Co.-Class B	23,523	1,113	1,042	
PepsiCo, Inc.	233,339	15,704	15,762	
Philip Morris International, Inc.	259,242	12,594	20,711	
Procter & Gamble Co. (The)	410,595	27,259	27,870	
Reynolds American, Inc.	50,498	1,433	2,130	
Safeway, Inc.	50,649	1,393	1,085	
Sara Lee Corp.	88,254	1,734	1,698	
Supervalu, Inc.	31,905	841	264	
Sysco Corp.	88,096	3,190	2,630	
Tyson Foods, Inc.-Class A	43,517	754	914	
Wal-Mart Stores, Inc.	260,698	15,793	15,856	
Walgreen Co.	132,738	5,588	4,468	
Whole Foods Market, Inc.	23,818	1,281	1,687	
		173,730	198,337	11.2
Energy				
Alpha Natural Resources, Inc.	32,722	1,680	681	
Anadarko Petroleum Corp.	74,298	3,927	5,775	
Apache Corp.	57,301	5,114	5,285	
Baker Hughes, Inc.	65,105	3,675	3,224	
Cabot Oil & Gas Corp.	15,617	851	1,207	

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Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Cameron International Corp.	36,630	1,554	1,835	
Chesapeake Energy Corp.	98,464	3,136	2,235	
Chevron Corp.	297,203	23,166	32,181	
ConocoPhillips	198,166	12,756	14,706	
Consol Energy, Inc.	33,896	1,581	1,267	
Denbury Resources, Inc.	59,175	1,050	910	
Devon Energy Corp.	60,289	4,154	3,807	
Diamond Offshore Drilling, Inc.	10,403	836	585	
El Paso Corp.	115,032	1,593	3,112	
EOG Resources, Inc.	40,108	3,165	4,023	
Exxon Mobil Corp.	715,367	52,176	61,683	
FMC Technologies, Inc.	35,596	967	1,893	
Halliburton Co.	137,277	4,300	4,822	
Helmerich & Payne, Inc.	16,021	711	951	
Hess Corp.	44,486	2,639	2,573	
Marathon Oil Corp.	105,046	3,867	3,131	
Marathon Petroleum Corp.	53,258	2,093	1,806	
Murphy Oil Corp.	28,913	1,816	1,641	
Nabors Industries, Ltd.	43,015	1,193	759	
National Oilwell Varco, Inc.	63,232	2,949	4,376	
Newfield Exploration Company	19,818	1,397	761	
Noble Corp.	37,728	1,413	1,160	
Noble Energy, Inc.	26,219	1,873	2,520	
NRG Energy, Inc.	34,230	840	632	
Occidental Petroleum Corp.	121,137	7,553	11,559	
Peabody Energy Corp.	40,474	1,926	1,365	
Pioneer Natural Resources Co.	18,245	1,070	1,663	
QEP Resources, Inc.	26,467	875	790	
Range Resources Corp.	23,355	1,164	1,473	
Rowan Cos., Inc.	18,700	617	578	
Schlumberger, Ltd.	200,329	13,009	13,932	
Southwestern Energy Co.	51,893	2,269	1,688	
Spectra Energy Corp.	97,117	2,404	3,039	
Sunoco, Inc.	15,947	793	666	
Tesoro Corp.	21,301	702	506	
Valero Energy Corp.	83,456	3,073	1,787	
Williams Cos., Inc.	87,913	2,055	2,952	
		183,982	211,539	11.9
Financials				
Aflac, Inc.	69,704	3,477	3,070	
Allstate Corp. (The)	75,441	3,624	2,106	
American Express Co.	150,821	7,785	7,243	
American International Group, Inc.	65,249	18,294	1,540	
Ameriprise Financial, Inc.	33,779	1,436	1,708	
AON Corp.	48,213	1,969	2,298	
Apartment Investment & Management Co. REIT-Class A	18,072	511	421	
Assurant, Inc.	13,705	706	573	
Australia & New Zealand Banking Group, Ltd.	33,796	1,115	1,044	
AvalonBay Communities, Inc. REIT	14,178	1,712	1,885	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Bank of America Corp.	1,512,412	42,862	8,547	
Bank of New York Mellon Corp.	181,007	6,643	3,668	
BB&T Corp.	103,971	3,729	2,665	
Berkshire Hathaway, Inc.-Class B	262,360	21,083	20,386	
BlackRock, Inc.	14,946	2,873	2,713	
Boston Properties, Inc. REIT	22,016	1,989	2,233	
Capital One Financial Corp.	68,641	4,172	2,956	
Cbre Group, Inc.	48,289	931	747	
Charles Schwab Corp. (The)	161,257	2,793	1,847	
Chubb Corp.	41,509	2,213	2,926	
Cincinnati Financial Corp.	24,244	974	752	
Citigroup, Inc.	436,286	40,207	11,679	
CME Group, Inc.	9,913	4,492	2,459	
Comerica, Inc.	29,717	1,397	780	
Discover Financial Services	81,962	1,608	2,002	
E*Trade Financial Corp.	38,093	1,161	308	
Equity Residential REIT	44,300	1,911	2,573	
Federated Investors, Inc.-Class B	13,672	448	211	
Fifth Third Bancorp	137,278	3,320	1,777	
First Horizon National Corp.	39,124	759	318	
Franklin Resources, Inc.	21,740	2,126	2,127	
Genworth Financial, Inc.-Class A	73,532	1,697	490	
Goldman Sachs Group, Inc.	73,481	11,287	6,768	
Hartford Financial Services Group, Inc.	66,625	3,276	1,102	
HCP, Inc.	60,902	2,041	2,569	
Health Care, Inc. REIT	28,292	1,271	1,571	
Host Hotels & Resorts, Inc. REIT	105,521	2,031	1,586	
Hudson City Bancorp, Inc.	78,928	1,170	502	
Huntington Bancshares, Inc.	129,284	1,321	723	
IntercontinentalExchange, Inc.	10,848	1,391	1,331	
Invesco, Ltd.	67,394	1,559	1,377	
JPMorgan Chase & Co.	567,112	25,901	19,195	
Keycorp	142,443	2,139	1,115	
Kimco Realty Corp. REIT	60,839	1,491	1,005	
Legg Mason, Inc.	18,588	1,367	455	
Leucadia National Corp.	29,641	1,089	686	
Lincoln National Corp.	45,051	1,901	891	
Loews Corp.	45,587	1,700	1,748	
M&T Bank Corp.	18,766	1,747	1,459	
Marsh & McLennan Cos., Inc.	80,299	2,844	2,585	
Merck & Co., Inc.	454,901	18,448	17,458	
Metlife, Inc.	157,793	7,048	5,010	
Moody’s Corp.	29,107	1,176	998	
Morgan Stanley	221,602	8,922	3,414	
NASDAQ OMX Group, Inc.	19,090	622	476	
Northern Trust Corp.	36,009	2,187	1,454	
NYSE Euronext	39,163	2,384	1,041	
People’s United Financial, Inc.	53,867	1,054	704	
Plum Creek Timber Co., Inc. REIT	24,048	967	895	
PNC Financial Services Group, Inc.	78,503	7,048	4,611	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Principal Financial Group	45,473	1,758	1,139	
Progressive Corp. (The)	92,068	2,133	1,829	
ProLogis, Inc. REIT	68,452	3,020	1,993	
Prudential Financial, Inc.	70,455	4,417	3,596	
Public Storage, Inc. REIT	21,177	1,932	2,899	
Regions Financial Corp.	188,292	2,967	824	
Simon Property Group, Inc. REIT	43,834	3,577	5,755	
SLM Corp.	75,800	2,265	1,034	
State Street Corp.	73,435	4,120	3,013	
SunTrust Banks, Inc.	80,243	3,761	1,445	
T Rowe Price Group, Inc.	37,675	1,737	2,184	
Torchmark Corp.	15,176	603	671	
Travelers Cos. (The), Inc.	61,614	3,196	3,712	
Unum Group	43,556	939	934	
US Bancorp	284,793	8,867	7,844	
Ventas, Inc. REIT	42,939	1,821	2,410	
Visa, Inc.-Class A	75,919	6,850	7,849	
Vornado Realty Trust REIT	27,557	2,398	2,157	
Wells Fargo & Co.	786,983	34,281	22,085	
XL Group PLC	47,863	1,656	964	
Zions Bancorporation	27,614	1,141	457	
		398,838	253,575	14.3
Health Care				
Abbott Laboratories	232,463	12,925	13,296	
Accenture PLC-Class A	95,681	5,661	5,186	
Aetna, Inc.	54,085	2,060	2,323	
Allergan, Inc.	45,505	2,698	4,065	
AmerisourceBergen Corp.	38,571	917	1,459	
Amgen, Inc.	118,359	8,038	7,739	
Baxter International, Inc.	84,120	4,443	4,236	
Becton Dickinson & Co.	32,049	2,438	2,439	
Biogen Idec, Inc.	36,240	2,233	4,061	
Boston Scientific Corp.	221,211	3,876	1,201	
Bristol-Myers Squibb Co.	252,881	7,191	9,069	
Cardinal Health, Inc.	51,525	2,367	2,131	
CareFusion Corp.	33,590	1,090	869	
Celgene Corp.	66,263	4,014	4,560	
Cerner Corp.	21,772	993	1,358	
Cigna Corp.	42,566	1,564	1,820	
Coventry Health Care, Inc.	21,480	942	664	
Covidien PLC	72,012	3,610	3,300	
CR Bard, Inc.	12,783	1,084	1,113	
DaVita, Inc.	13,976	848	1,079	
DENTSPLY International, Inc.	21,173	769	754	
Edwards Lifesciences Corp.	17,049	1,431	1,228	
Eli Lilly & Co.	152,015	8,516	6,432	
Express Scripts, Inc.	72,646	2,218	3,306	
Forest Laboratories, Inc.	39,890	1,983	1,229	
Gilead Sciences, Inc.	112,117	4,282	4,673	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Hospira, Inc.	24,639	1,072	761	
Humana, Inc.	24,408	1,215	2,178	
Intuitive Surgical, Inc.	5,823	1,659	2,745	
Johnson & Johnson	407,539	28,516	27,202	
Laboratory Corp. of America Holdings	14,770	1,038	1,293	
Life Technologies Corp.	26,592	940	1,054	
McKesson Corp.	36,670	2,029	2,908	
Medco Health Solutions, Inc.	57,751	2,373	3,284	
Medtronic, Inc.	157,458	8,167	6,131	
Mylan, Inc.	63,736	1,266	1,392	
Patterson Cos., Inc.	13,909	501	418	
PerkinElmer, Inc.	16,968	420	345	
Perrigo Co.	13,892	1,413	1,376	
Pfizer, Inc.	1,147,264	30,526	25,280	
Quest Diagnostics, Inc.	23,515	1,326	1,390	
St. Jude Medical, Inc.	47,623	2,101	1,663	
Stryker Corp.	48,510	2,708	2,455	
Tenet Healthcare Corp.	64,452	521	337	
Thermo Fisher Scientific, Inc.	56,419	2,599	2,583	
UnitedHealth Group, Inc.	159,065	7,065	8,209	
Varian Medical Systems, Inc.	16,807	905	1,149	
Waters Corp.	13,351	780	1,006	
Watson Pharmaceuticals, Inc.	19,004	841	1,167	
WellPoint, Inc.	51,925	3,470	3,503	
Zimmer Holdings, Inc.	26,752	2,030	1,454	
		193,672	190,873	10.7
Industrials				
3M Co.	104,604	9,320	8,700	
ACE Aviation Holdings, Inc.	50,293	2,909	3,591	
Avery Dennison Corp.	15,639	844	457	
Boeing Co.	110,901	7,737	8,283	
C.H. Robinson Worldwide, Inc.	24,478	1,473	1,739	
Caterpillar, Inc.	96,486	6,255	8,901	
Cintas Corp.	16,401	647	581	
Cooper Industries PLC-Class A	23,580	1,312	1,300	
CSX Corp.	156,726	2,140	3,361	
Cummins, Inc.	28,763	1,283	2,578	
Danaher Corp.	84,985	3,228	4,071	
Deere & Co.	61,754	3,308	4,864	
Dover Corp.	27,696	1,337	1,637	
Dun & Bradstreet Corp.	7,231	664	551	
Eaton Corp.	49,890	1,945	2,211	
Emerson Electric Co.	109,818	4,952	5,210	
Equifax, Inc.	18,027	647	711	
Expeditors International of Washington, Inc.	31,685	1,450	1,322	
Fastenal Co.	44,098	1,182	1,958	
FedEx Corp.	47,322	4,443	4,022	
Flowserve Corp.	8,308	769	840	
Fluor Corp.	25,288	1,183	1,293	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
General Dynamics Corp.	53,156	3,751	3,595	
General Electric Co.	1,575,530	48,058	28,733	
Goodrich Corp.	18,702	1,064	2,355	
Honeywell International, Inc.	115,451	5,319	6,386	
Illinois Tool Works, Inc.	72,126	3,584	3,428	
Ingersoll-Rand PLC	46,608	1,974	1,445	
Iron Mountain, Inc.	27,721	782	870	
Jacobs Engineering Group, Inc.	19,082	1,218	788	
Joy Global, Inc.	15,706	1,431	1,199	
L-3 Communications Holdings, Inc.	14,912	1,346	1,013	
Lockheed Martin Corp.	39,606	3,237	3,261	
Masco Corp.	53,210	1,324	568	
Norfolk Southern Corp.	50,170	2,545	3,722	
Northrop Grumman Corp.	39,005	2,556	2,323	
Paccar, Inc.	53,477	2,146	2,040	
Pall Corp.	17,156	626	998	
Parker Hannifin Corp.	22,555	1,334	1,751	
Pitney Bowes, Inc.	29,705	1,182	561	
Precision Castparts Corp.	21,509	2,584	3,609	
Quanta Services, Inc.	31,279	772	686	
Raytheon Co.	51,665	2,649	2,546	
Republic Services, Inc.	46,923	1,340	1,315	
Robert Half International, Inc.	21,397	654	620	
Rockwell Automation, Inc.	21,158	1,166	1,580	
Rockwell Collins, Inc.	22,554	1,229	1,271	
Roper Industries, Inc.	14,418	867	1,275	
RR Donnelley & Sons Co.	27,968	857	411	
Ryder System, Inc.	7,662	373	415	
Snap-On, Inc.	8,715	403	449	
Southwest Airlines Co.	116,255	1,693	1,013	
Stanley Black & Decker, Inc.	25,233	1,446	1,736	
Stericycle, Inc.	12,703	921	1,007	
Textron, Inc.	41,520	1,345	781	
Union Pacific Corp.	72,102	4,285	7,778	
United Parcel Service, Inc.-Class B	144,027	10,909	10,731	
United Technologies Corp.	135,207	9,066	10,061	
W.W. Grainger, Inc.	9,065	836	1,728	
Waste Management, Inc.	68,719	2,505	2,288	
Xylem, Inc.	27,476	728	717	
		189,133	185,234	10.4
Information Technology				
Adobe Systems, Inc.	73,325	2,516	2,110	
Advanced Micro Devices, Inc.	87,693	1,208	481	
Agilent Technologies, Inc.	51,869	1,823	1,844	
Akamai Technologies, Inc.	26,718	1,061	878	
Altera Corp.	47,877	1,271	1,808	
Amphenol Corp.-Class A	24,696	1,033	1,141	
Analog Devices, Inc.	44,517	1,773	1,621	
Apple, Inc.	138,706	20,616	57,200	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Applied Materials, Inc.	194,701	3,608	2,121	
Automatic Data Processing, Inc.	72,967	3,447	4,011	
BMC Software, Inc.	25,352	784	846	
Broadcom Corp.-Class A	72,342	2,323	2,162	
CA, Inc.	55,254	1,477	1,137	
Cisco Systems, Inc.	802,349	19,722	14,771	
Citrix Systems, Inc.	27,808	1,084	1,719	
Cognizant Technology Solutions Corp.-Class A	45,114	2,027	2,954	
Computer Sciences Corp.	23,207	1,175	560	
Corning, Inc.	234,659	4,410	3,099	
Dell, Inc.	227,937	6,266	3,393	
eBay, Inc.	171,418	5,725	5,291	
EMC Corp., Massachusetts	304,477	5,252	6,672	
F5 Networks, Inc.	11,847	1,577	1,280	
Fidelity National Information Services, Inc.	36,138	935	977	
First Solar, Inc.	8,819	1,249	303	
Fiserv, Inc.	20,994	1,047	1,256	
Flir Systems, Inc.	23,216	793	593	
Google, Inc.-Class A	37,702	19,044	24,795	
Harris Corp.	17,236	824	633	
Hewlett-Packard Co.	296,564	11,554	7,779	
Intel Corp.	759,977	19,364	18,766	
International Business Machines Corp.	175,905	21,055	32,936	
Intuit, Inc.	44,373	1,503	2,376	
Jabil Circuit, Inc.	27,263	623	546	
JDS Uniphase Corp.	34,367	639	365	
Juniper Networks, Inc.	78,418	1,916	1,630	
KLA-Tencor Corp.	24,838	1,169	1,220	
Lexmark International, Inc.	10,732	633	361	
Linear Technology Corp.	34,050	1,248	1,040	
LSI Corp.	83,795	677	508	
MasterCard, Inc.-Class A	15,907	4,238	6,040	
Microchip Technology, Inc.	28,573	1,011	1,066	
Micron Technology, Inc.	147,090	1,570	941	
Microsoft Corp.	1,117,308	33,346	29,535	
Molex, Inc.	20,536	591	499	
Motorola Mobility Holdings, Inc.	39,297	1,931	1,552	
Motorola Solutions, Inc.	42,766	2,546	2,016	
NetApp, Inc.	53,534	1,755	1,977	
Novellus Systems, Inc.	9,891	294	416	
NVIDIA Corp.	91,257	1,413	1,286	
Oracle Corp.	587,192	12,396	15,324	
Paychex, Inc.	48,185	1,783	1,476	
QUALCOMM, Inc.	250,839	11,429	13,964	
Red Hat, Inc.	28,815	817	1,211	
SAIC, Inc.	41,357	803	518	
Salesforce.com, Inc.	20,283	1,619	2,096	
SanDisk Corp.	35,896	1,639	1,798	
Symantec Corp.	109,911	2,434	1,752	
Te Connectivity, Ltd.	63,293	2,182	1,985	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Teradata Corp.	25,016	741	1,236	
Teradyne, Inc.	27,596	420	382	
Texas Instruments, Inc.	170,477	5,361	5,051	
Total System Services, Inc.	24,273	561	483	
VeriSign, Inc.	23,756	662	864	
Western Digital Corp.	34,945	1,125	1,101	
Western Union Co.	92,308	1,887	1,716	
Xerox Corp.	206,800	2,518	1,676	
Xilinx, Inc.	39,199	1,275	1,279	
Yahoo!, Inc.	185,143	4,363	3,039	
		277,161	315,462	17.8
Materials				
Air Products & Chemicals, Inc.	31,390	2,401	2,722	
Airgas, Inc.	10,196	534	811	
Alcoa, Inc.	159,024	3,825	1,399	
Allegheny Technologies, Inc.	15,836	803	770	
Ball Corp.	24,226	587	881	
Bemis Co.	15,425	494	473	
CF Industries Holdings, Inc.	9,771	1,166	1,443	
Cliffs Natural Resources, Inc.	21,318	1,165	1,353	
Dow Chemical Co. (The)	176,315	6,608	5,162	
Eastman Chemical Co.	20,487	630	815	
Ecolab, Inc.	44,825	2,185	2,639	
EI Du Pont de Nemours & Co.	137,852	6,598	6,422	
FMC Corp.	10,490	608	918	
Freeport-McMoran Copper & Gold, Inc.	141,427	5,007	5,298	
International Flavors & Fragrances, Inc.	12,105	578	646	
International Paper Co.	65,290	2,260	1,968	
MeadWestvaco Corp.	25,423	765	775	
Monsanto Co.	79,883	5,027	5,699	
Mosaic Co.	44,471	2,610	2,284	
Newmont Mining Corp.	73,822	3,747	4,509	
Nucor Corp.	47,308	2,047	1,906	
Owens-Illinois, Inc.	24,593	796	485	
PPG Industries, Inc.	23,026	1,633	1,957	
Praxair, Inc.	44,722	3,213	4,866	
Sealed Air Corp.	24,168	643	423	
Sigma-Aldrich Corp.	17,994	852	1,144	
Titanium Metals Corp.	12,399	282	189	
Tyco International, Ltd.	68,984	2,713	3,280	
United States Steel Corp.	21,555	1,206	580	
Vulcan Materials Co.	19,330	1,225	775	
Weyerhaeuser Co.	80,156	2,693	1,524	
		64,901	64,116	3.6
Telecommunication Services				
American Tower Corp.-Class A	58,672	2,522	3,588	
AT&T, Inc.	884,368	27,694	27,204	
CenturyTel, Inc.	92,129	3,388	3,489	
Frontier Communications Corp.	148,853	1,638	779	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
MetroPCS Communications, Inc.	43,992	593	388	
Sprint Nextel Corp.	447,831	6,470	1,062	
Verizon Communications, Inc.	422,483	15,726	17,246	
Windstream Corp.	87,124	1,080	1,040	
		59,111	54,796	3.1
Utilities				
AES Corp. (The)	96,270	1,456	1,160	
AGL Resources, Inc.	17,381	711	748	
Ameren Corp.	36,204	1,594	1,222	
American Electric Power Co., Inc.	72,114	2,863	3,033	
Centerpoint Energy, Inc.	63,655	981	1,302	
CMS Energy Corp.	37,688	597	848	
Consolidated Edison, Inc.	43,742	2,231	2,762	
Constellation Energy Group, Inc.	30,124	1,541	1,215	
Dominion Resources, Inc.	84,979	3,715	4,592	
DTE Energy Co.	25,291	1,226	1,402	
Duke Energy Corp.	198,825	3,690	4,450	
Edison International	48,667	2,007	2,052	
Entergy Corp.	26,307	2,297	1,957	
EQT Corp.	22,333	903	1,246	
Exelon Corp.	98,914	5,582	4,368	
FirstEnergy Corp.	62,453	3,320	2,815	
FPL Group, Inc.	63,033	3,389	3,906	
Integrys Energy Group, Inc.	11,626	644	641	
NiSource, Inc.	42,029	910	1,019	
Northeast Utilities	26,468	716	972	
Oneok, Inc.	15,350	761	1,354	
Pepco Holdings, Inc.	33,956	743	702	
PG&E Corp.	60,534	2,632	2,539	
Pinnacle West Capital Corp.	16,330	723	801	
PPL Corp.	86,365	2,759	2,587	
Progress Energy, Inc.	44,042	2,170	2,512	
Public Service Enterprise Group, Inc.	75,556	2,680	2,540	
Scana Corp.	17,259	727	792	
Sempra Energy	35,799	1,861	2,003	
Southern Co. (The)	128,602	5,007	6,060	
TECO Energy, Inc.	32,171	576	627	
Wisconsin Energy Corp.	34,465	926	1,227	
Xcel Energy, Inc.	72,440	1,629	2,037	
		63,567	67,491	3.8
Total Common Stocks		1,770,936	1,729,388	97.4
Transaction Costs (Note 2)		(113)		
Total Investments		1,773,541	1,732,096	97.6
Other Assets and Liabilities			43,411	2.4
Net Assets			1,775,507	100.0

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Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Government Guaranteed	0.2	0.2
Consumer Discretionary	10.6	10.5
Consumer Staples	11.2	10.5
Energy	11.9	11.8
Financials	14.3	16.9
Health Care	10.7	9.7
Industrials	10.4	10.8
Information Technology	17.8	18.0
Materials	3.6	3.9
Pharmaceuticals	-	0.1
Telecommunication Services	3.1	3.1
Utilities	3.8	3.3
Other Assets and Liabilities	2.4	1.2

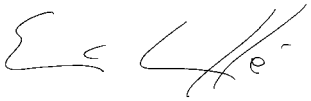
Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 451,676,934	$ 656,826,673
Cash	2,470,168	2,553,615
Margin due from brokers	-	6,831
Dividends receivable	367,576	522,840
Tax reclaim on dividends receivable	70,926	60,942
Accounts receivable from issue of units	39,289	-
Accounts receivable for investment sales	17,746,437	2,817,347
	472,371,330	662,788,248
Liabilities		
Margin due to brokers	11,417	-
Operating expenses payable	29,843	25,214
Payables for redemption of units	17,901,301	284,000
Payables for investment purchases	-	2,549,098
	17,942,561	2,858,312
Net Assets	$ 454,428,769	$ 659,929,936
Number of Units Issued and Outstanding (Note 8)	54,123,344	84,243,170
Net Assets per Unit	$ 8.40	$ 7.83
Investments at Cost*	$ 427,047,174	$ 632,633,795

* Includes short-term investments

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 10,621,116	$ 19,113,590
Interest income*	2,253	3,737
Net gain from futures contracts	141,382	1,068,696
Foreign exchange loss	(27,561)	(277,267)
Withholding taxes	(26,186)	(25,112)
	10,711,004	19,883,644
Expenses		
Custodian fees	125,284	224,443
Fund accounting expenses	40,716	59,002
Unitholder communication costs	601	602
Audit fees	15,910	16,515
Securities filing fees	7,663	9,595
Independent review committee fees	612	4,938
Other operating expenses	601	11,391
	191,387	326,486
Net Investment Income for the Year	10,519,617	19,557,158
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	26,043,448	(40,053,018)
Transaction costs (Note 2,13)	(555,681)	(1,411,578)
Net change in unrealized appreciation in value of investments	430,615	25,128,776
Net Gain (Loss) on Investments	25,918,382	(16,335,820)
Increase in Net Assets from Operations	$ 36,437,999	$ 3,221,338
Increase in Net Assets from Operations per Unit	$ 0.56	$ 0.02

* Interest Income, net of foreign exchange loss

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 659,929,936	$ 1,478,196,322
Increase in Net Assets from Operations	36,437,999	3,221,338
Capital Transactions		
Proceeds from issue of units	11,602,166	94,746,812
Reinvestment of distributions	10,960,012	20,298,081
Redemption of units	(253,541,332)	(916,234,536)
Net capital transactions	(230,979,154)	(801,189,643)
Distributions		
From net investment income	(10,960,012)	(20,298,081)
Total distributions	(10,960,012)	(20,298,081)
Decrease in Net Assets for the Year	(205,501,167)	(818,266,386)
Net Assets - End of Year	$ 454,428,769	$ 659,929,936

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Short Term Investments				
Government Guaranteed				
U.S. Treasury Bill				
1.00% March 22, 2012	245	250	250	
		250	250	0.1
Total Short Term Investments		250	250	0.1
Common Stocks				
Consumer Discretionary				
Apollo Group, Inc.-Class A	745	34	41	
AutoZone, Inc.	11,815	3,437	3,907	
Bed Bath & Beyond, Inc.	20,698	1,102	1,222	
Best Buy Co., Inc.	22,362	547	532	
Cablevision Systems-NY Group A	81,426	1,231	1,178	
Career Education Corp.	14,339	106	116	
Chipotle Mexican Grill, Inc.	1,097	368	378	
Coach, Inc.	69,640	4,196	4,329	
Comcast Corp.-Class A	3,226	72	78	
DIRECTV-Class A	68,756	3,219	2,994	
Dollar Tree, Inc.	47,298	3,850	4,003	
Family Dollar Stores, Inc.	4,631	198	272	
Hasbro, Inc.	2,236	78	73	
ITT Educational Services, Inc.	1,184	66	69	
McDonald's Corp.	75,447	5,696	7,702	
McGraw-Hill Cos. (The), Inc.	50,980	2,263	2,334	
Michael Kors Holdings, Ltd.	4,126	86	114	
NetFlix, Inc.	2,205	416	156	
Nike, Inc.-Class B	31,005	2,417	3,042	
NVR, Inc.	3,270	2,199	2,277	
Penn National Gaming, Inc.	22,166	837	859	
Polaris Industries, Inc.	35,899	2,014	2,046	
Priceline.Com, Inc.	6,586	3,237	3,137	
Ralph Lauren Corp.	526	80	74	
Ross Stores, Inc.	83,133	3,187	4,023	
Scripps Networks Interactive-Class A	86,015	3,677	3,714	
Signet Jewelers, Ltd.	4,291	160	192	
Tempur-Pedic International, Inc.	66,191	3,741	3,541	
Time Warner Cable	30,953	1,926	2,003	
Viacom, Inc.-Class B	81,277	3,717	3,758	
Washington Post Co. (The)-Class B	3,406	1,171	1,309	
Wynn Resorts, Ltd.	28,799	3,548	3,240	
		58,876	62,713	13.8
Consumer Staples				
Brown-Forman Corp.-Class B	11,069	749	908	
Clorox Co.	5,053	325	343	
Coca-Cola Co. (The)	68,499	4,514	4,880	
Colgate-Palmolive Co.	37,847	3,462	3,559	
Costco Wholesale Corp.	18,617	1,608	1,579	
CVS Caremark Corp.	4,943	181	205	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Dr Pepper Snapple Group, Inc.	29,013	1,086	1,166	
Hansen Natural Corp.	37,148	2,367	3,485	
Herbalife, Ltd.	62,166	2,732	3,272	
Hershey Co. (The)	63,911	3,785	4,019	
JM Smucker Co. (The)	3,852	273	306	
Lorillard, Inc.	36,442	3,790	4,228	
Mead Johnson Nutrition Co.-Class A	30,821	1,687	2,157	
PepsiCo, Inc.	7,454	483	504	
Philip Morris International, Inc.	113,459	6,879	9,064	
Procter & Gamble Co. (The)	73,217	4,591	4,970	
Wal-Mart Stores, Inc.	27,371	1,464	1,665	
Walgreen Co.	96,186	3,268	3,238	
		43,244	49,548	10.9
Energy				
Apache Corp.	20,825	1,947	1,921	
Atmos Energy Corp.	3,765	126	128	
Baker Hughes, Inc.	2,474	136	122	
Chevron Corp.	65,031	6,226	7,042	
ConocoPhillips	100,909	6,148	7,488	
Devon Energy Corp.	69,585	4,467	4,394	
El Paso Corp.	29,496	738	798	
Energen Corp.	27,965	1,513	1,423	
Exterran Holdings, Inc.	59,462	638	549	
Exxon Mobil Corp.	208,242	16,408	17,956	
Halliburton Co.	102,060	3,749	3,585	
HollyFrontier Corp.	38,158	1,072	908	
Marathon Petroleum Corp.	79,503	2,898	2,696	
McDermott International, Inc.	61,767	859	724	
National Fuel Gas Co.	1,856	106	105	
NRG Energy, Inc.	80,882	1,569	1,492	
Oil States International, Inc.	17,830	1,087	1,386	
QEP Resources, Inc.	3,245	118	97	
Schlumberger, Ltd.	21,409	1,527	1,489	
Seacor Holdings, Inc.	9,744	1,003	883	
Valero Energy Corp.	78,536	1,810	1,682	
		54,145	56,868	12.5
Financials				
Allied World Assurance Co. Holdings, Ltd.	24,112	1,420	1,544	
Ameriprise Financial, Inc.	59,976	2,852	3,032	
Aspen Insurance Holdings, Ltd.	38,246	1,058	1,032	
Axis Capital Holdings, Ltd.	24,391	816	794	
Bank of America Corp.	344,955	4,321	1,949	
Berkshire Hathaway, Inc.-Class B	22,242	1,664	1,728	
BlackRock, Inc.	3,492	655	634	
BOK Financial Corp.	1,693	85	95	
Brandywine Realty Trust REIT	4,282	35	41	
Brown & Brown, Inc.	1,963	41	45	
Camden Property Trust REIT	7,268	432	460	
Capital One Financial Corp.	70,110	2,972	3,019	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Citigroup, Inc.	43,474	1,262	1,164	
City National Corp.	17,979	1,003	809	
CME Group, Inc.	11,008	3,148	2,731	
Discover Financial Services	1,558	38	38	
Endurance Specialty Holdings, Ltd.	31,943	1,235	1,243	
First American Financial Corp.	17,165	202	221	
First Citizens BancShares, Inc.-Class A	413	68	74	
First Republic Bank	34,353	921	1,072	
Franklin Resources, Inc.	19,380	1,937	1,896	
Goldman Sachs Group, Inc.	14,212	1,979	1,309	
Hanover Insurance Group, Inc.	26,216	988	934	
Home Properties, Inc. REIT	9,868	556	579	
Host Hotels & Resorts, Inc. REIT	12,339	179	186	
Howard Hughes Corp.	1,652	88	74	
JPMorgan Chase & Co.	254,107	10,142	8,601	
Liberty Property Trust REIT	6,300	193	198	
M&T Bank Corp.	26,285	2,151	2,043	
Merck & Co., Inc.	24,516	836	941	
NYSE Euronext	58,609	1,536	1,558	
PartnerRe, Ltd.	48,282	2,711	3,154	
Public Storage, Inc. REIT	1,558	175	213	
Rayonier, Inc. REIT	59,583	2,173	2,708	
Regions Financial Corp.	241,104	943	1,056	
SunTrust Banks, Inc.	136,233	2,908	2,454	
Taubman Centers, Inc. REIT	1,435	79	91	
Travelers Cos. (The), Inc.	76,152	4,283	4,588	
Ventas, Inc. REIT	12,314	657	691	
Visa, Inc.-Class A	12,616	1,192	1,304	
Vornado Realty Trust REIT	10,030	832	785	
Wells Fargo & Co.	77,077	2,089	2,163	
		62,855	59,251	13.0
Health Care				
Abbott Laboratories	52,484	2,830	3,002	
Accenture PLC-Class A	30,844	1,768	1,672	
Biogen Idec, Inc.	41,659	4,124	4,668	
Bristol-Myers Squibb Co.	70,082	2,422	2,513	
Cardinal Health, Inc.	3,032	127	125	
Celgene Corp.	15,867	983	1,092	
Cooper Cos., Inc.	9,211	588	661	
CR Bard, Inc.	1,549	136	135	
Eli Lilly & Co.	14,289	544	605	
Express Scripts, Inc.	18,831	765	857	
Forest Laboratories, Inc.	78,735	2,400	2,426	
Gilead Sciences, Inc.	44,385	1,788	1,850	
HCA Holdings, Inc.	78,027	1,762	1,750	
Hospira, Inc.	16	1	—	
Humana, Inc.	6,328	463	565	
Intuitive Surgical, Inc.	9,316	3,954	4,392	
Johnson & Johnson	105,431	6,748	7,037	
McKesson Corp.	13,085	1,051	1,037	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Medco Health Solutions, Inc.	72,474	4,082	4,121	
Medicis Pharmaceutical-Class A	10,509	351	356	
Myriad Genetics, Inc.	6,350	133	135	
Pfizer, Inc.	202,162	3,875	4,455	
Sirona Dental Systems, Inc.	10,923	482	490	
Stryker Corp.	39,014	1,977	1,975	
SXC Health Solutions Corp.	2,900	152	167	
Thermo Fisher Scientific, Inc.	27,082	1,465	1,240	
Thoratec Corp.	16,270	495	556	
United Therapeutics Corp.	47,873	2,476	2,303	
Warner Chilcott PLC	157,723	3,404	2,428	
WellPoint, Inc.	52,152	3,332	3,519	
		54,678	56,132	12.4
Industrials				
3M Co.	52,897	4,141	4,399	
ACE Aviation Holdings, Inc.	49,573	2,726	3,540	
Air Lease Corp.	11,535	245	278	
Alliant Techsystems, Inc.	15,316	1,251	891	
Boeing Co.	4,713	327	352	
C.H. Robinson Worldwide, Inc.	49,203	3,394	3,496	
Cabot Corp.	7,146	213	234	
Caterpillar, Inc.	4,004	371	369	
CNH Global	25,207	778	924	
Copa Holdings SA-Class A	5,280	297	315	
Copart, Inc.	6,003	243	293	
Crown Holdings, Inc.	29,831	973	1,020	
CSX Corp.	1,763	35	38	
Cummins, Inc.	25,606	2,409	2,295	
Esterline Technologies Corp.	1,910	102	109	
Exelis, Inc.	16,584	187	153	
General Dynamics Corp.	14,914	964	1,009	
General Electric Co.	215,375	4,237	3,928	
Goodrich Corp.	4,873	609	614	
Harsco Corp.	12,491	361	262	
L-3 Communications Holdings, Inc.	30,357	2,009	2,061	
Lear Corp.	2,900	111	118	
Manpower, Inc.	28,871	1,456	1,051	
Nielsen Holdings	2,527	68	76	
Northrop Grumman Corp.	48,276	3,048	2,875	
Union Pacific Corp.	19,963	1,962	2,153	
Verisk Analytics, Inc.-Class A	700	29	29	
WABCO Holdings, Inc.	43,311	1,951	1,914	
WESCO International, Inc.	14,993	658	809	
Xylem, Inc.	42,820	1,065	1,118	
		36,220	36,723	8.1
Information Technology				
Acme Packet, Inc.	10,322	360	325	
Altera Corp.	60,719	2,166	2,293	
Amdocs, Ltd.	66,199	1,841	1,923	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Apple, Inc.	45,104	12,828	18,600	
Avago Technologies, Ltd.	60,519	1,895	1,777	
BMC Software, Inc.	76,818	2,963	2,563	
Broadcom Corp.-Class A	50,294	1,586	1,503	
Cisco Systems, Inc.	136,351	2,446	2,510	
Citrix Systems, Inc.	51,880	2,918	3,207	
Corning, Inc.	64,662	948	854	
Dolby Laboratories, Inc.-Class A	58,636	1,777	1,822	
F5 Networks, Inc.	6,799	628	735	
First Solar, Inc.	2,957	142	102	
Google, Inc.-Class A	15,468	8,321	10,173	
Hewlett-Packard Co.	44,038	1,072	1,155	
IAC/InterActiveCorp.	56,443	1,747	2,448	
Intel Corp.	274,380	6,056	6,775	
International Business Machines Corp.	31,391	4,917	5,878	
IPG Photonics Corp.	3,569	147	123	
Jive Software, Inc.	3,490	43	57	
MasterCard, Inc.-Class A	13,646	4,570	5,181	
MICROS Systems, Inc.	12,293	553	583	
Microsoft Corp.	428,451	11,358	11,326	
Motorola Mobility Holdings, Inc.	9,810	385	387	
Nii Holdings, Inc.-Class B	51,259	1,376	1,112	
Oracle Corp.	50,936	1,510	1,329	
Polycom, Inc.	37,400	636	620	
QUALCOMM, Inc.	47,847	2,576	2,664	
Rovi Corp.	2,769	82	69	
Skyworks Solutions, Inc.	1,994	31	33	
Teradata Corp.	18,544	1,015	916	
VeriSign, Inc.	8,816	304	321	
VMware, Inc.-Class A	6,502	577	550	
Yahoo!, Inc.	48,577	785	797	
Zynga, Inc.-Class A	24,537	254	235	
		80,813	90,946	20.0
Materials				
Airgas, Inc.	364	22	29	
Albemarle Corp.	29,606	1,524	1,552	
Alcoa, Inc.	101,337	1,233	891	
CF Industries Holdings, Inc.	18,008	2,748	2,659	
Domtar Corp.	8,915	619	726	
Huntsman Corp.	100,316	1,256	1,021	
Kronos Worldwide, Inc.	48,322	948	888	
LyondellBasell Industries-Class A	26,957	935	892	
Mosaic Co.	13,728	783	705	
Newmont Mining Corp.	2,868	198	175	
Rock-Tenn Co.-Class A	7,893	399	463	
Southern Copper Corp.	35,304	1,193	1,085	
Tyco International, Ltd.	40,271	1,824	1,915	
		13,682	13,001	2.9

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Telecommunication Services				
AT&T, Inc.	175,059	5,088	5,385	
MetroPCS Communications, Inc.	15,879	143	140	
Verizon Communications, Inc.	180,400	6,048	7,364	
		11,279	12,889	2.8
Utilities				
Ameren Corp.	2,242	68	76	
American Electric Power Co., Inc.	26,836	1,057	1,129	
American Water Works Co., Inc./NE	6,839	217	222	
Constellation Energy Group, Inc.	7,588	236	306	
DTE Energy Co.	6,325	323	351	
Entergy Corp.	37,634	2,399	2,799	
FirstEnergy Corp.	50,479	2,301	2,275	
OGE Energy Corp.	4,286	211	247	
Oneok, Inc.	45,241	2,479	3,991	
Public Service Enterprise Group, Inc.	5,470	179	184	
Sempra Energy	9,625	515	539	
UGI Corp.	41,345	1,159	1,237	
		11,144	13,356	2.9
Total Common Stocks		426,936	451,427	99.3
Transaction Costs (Note 2)		(139)		
Total Investments		427,047	451,677	99.4
Other Assets and Liabilities			2,752	0.6
Net Assets			454,429	100.0

Portfolio Concentration
(as a percentage of Net Assets)

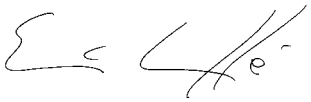
Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Government Guaranteed	0.1	0.1
Consumer Discretionary	13.8	12.5
Consumer Staples	10.9	11.4
Energy	12.5	10.8
Financials	13.0	14.6
Health Care	12.4	11.6
Industrials	8.1	11.2
Information Technology	20.0	18.1
Materials	2.9	3.0
Telecommunication Services	2.8	4.1
Utilities	2.9	2.1
Other Assets and Liabilities	0.6	0.5

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 23,856,883	$ 35,906,251
Cash	14,828	14,734
Net unrealized gain on forward currency contracts (Note 5)	1,069,984	1,654,795
Accounts receivable for investment sales	8,404,769	-
	33,346,464	37,575,780
Liabilities		
Operating expenses payable	16,055	15,319
Payables for redemption of units	9,139,074	-
Payables for investment purchases	39,289	-
Net unrealized loss on forward currency contracts (Note 5)	142,266	784,757
	9,336,684	800,076
Net Assets	$ 24,009,780	$ 36,775,704
Number of Units Issued and Outstanding (Note 8)	2,349,029	3,741,878
Net Assets per Unit	$ 10.22	$ 9.83
Investments at Cost	$ 25,811,031	$ 41,289,450

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 788,639	$ 1,570,318
	788,639	1,570,318
Expenses		
Custodian fees	230	210
Fund accounting expenses	13,303	14,083
Unitholder communication costs	601	602
Audit fees	14,295	15,219
Securities filing fees	506	3,307
Independent review committee fees	41	427
Other operating expenses	1,677	446
	30,653	34,294
Net Investment Income for the Year	757,986	1,536,024
Gain (Loss) on Investments		
Net realized loss on sale of investments	(2,070,716)	(26,393,474)
Net realized gain (loss) from forward currency contracts	(849,587)	3,946,821
Net change in unrealized appreciation in value of investments	3,429,051	24,086,641
Net change in unrealized appreciation (depreciation) in value of forward currency contracts	57,680	(1,695,081)
Net Gain (Loss) on Investments	566,428	(55,093)
Increase in Net Assets from Operations	$ 1,324,414	$ 1,480,931
Increase in Net Assets from Operations per Unit	$ 0.39	$ 0.16

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 36,775,704	$ 115,526,535
Increase in Net Assets from Operations	1,324,414	1,480,931
Capital Transactions		
Proceeds from issue of units	1,099,019	14,726,351
Reinvestment of distributions	757,904	1,535,497
Redemption of units	(15,189,357)	(94,958,113)
Net capital transactions	(13,332,434)	(78,696,265)
Distributions		
From net investment income	(757,904)	(1,535,497)
Total distributions	(757,904)	(1,535,497)
Decrease in Net Assets for the Year	(12,765,924)	(78,750,831)
Net Assets - End of Year	$ 24,009,780	$ 36,775,704

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Foreign Index Equivalents				
BlackRock CDN US Alpha Tilts Non-Taxable Fund	2,840,737	25,811	23,857	
Total Foreign Index Equivalents		25,811	23,857	99.4
Total Investments		25,811	23,857	99.4
Other Assets and Liabilities			153	0.6
Net Assets			24,010	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Foreign Index Equivalents	99.4	97.6
Other Assets and Liabilities	0.6	2.4

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

BlackRock CDN Russell 3000 Index Non-Taxable Fund (Note 1)

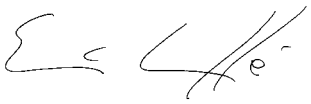
Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 374,943,193	$ 538,441,742
Cash	7,304,091	359,556
Margin due from brokers	-	1,426
Dividends receivable	596,002	556,801
Tax reclaim on dividends receivable	13,383	170
Accounts receivable from issue of units	7,047,355	63,990,930
Accounts receivable for investment sales	46,503	22,160
	389,950,527	603,372,785
Liabilities		
Margin due to brokers	36,038	-
Operating expenses payable	21,185	13,537
Payables for investment purchases	12,343,152	-
	12,400,375	13,537
Net Assets	$ 377,550,152	$ 603,359,248
Number of Units Issued and Outstanding (Note 8)	35,822,734	59,244,777
Net Assets per Unit	$ 10.54	$ 10.18
Investments at Cost*	$ 366,306,929	$ 529,610,007

* Includes short-term investments

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 11,822,589	$ 874,849
Interest income*	(28,139)	(1,530)
Net gain (loss) from futures contracts	(693,018)	16,406
Foreign exchange gain (loss)	491,515	(1,123)
Withholding taxes	(9,458)	-
	11,583,489	888,602
Expenses		
Custodian fees	106,603	1,471
Fund accounting expenses	42,381	2,978
Unitholder communication costs	601	48
Audit fees	14,148	9,039
Securities filing fees	8,281	-
Independent review committee fees	609	-
Other operating expenses	15,191	-
	187,814	13,536
Net Investment Income for the Period	11,395,675	875,066
Gain on Investments		
Net realized gain (loss) on sale of investments	5,513,790	(5,388)
Transaction costs (Note 2,13)	(53,961)	(241)
Net change in unrealized appreciation (depreciation) in value of investments	(193,586)	8,833,266
Net Gain on Investments	5,266,243	8,827,637
Increase in Net Assets from Operations	$ 16,661,918	$ 9,702,703
Increase in Net Assets from Operations per Unit	$ 0.31	$ 0.19

* Interest Income, net of foreign exchange loss

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010
Net Assets - Beginning of Period	$ 603,359,248	$ -
Increase in Net Assets from Operations	16,661,918	9,702,703
Capital Transactions		
Proceeds from issue of units	186,355,199	593,656,545
Reinvestment of distributions	17,675,842	381,650
Redemption of units	(428,826,213)	-
Net capital transactions	(224,795,172)	594,038,195
Distributions		
From net investment income	(11,429,010)	(381,650)
From capital gains	(6,246,832)	-
Total distributions	(17,675,842)	(381,650)
Increase (Decrease) in Net Assets for the Period	(225,809,096)	603,359,248
Net Assets - End of Period	$ 377,550,152	$ 603,359,248

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Short Term Investments				
Government Guaranteed				
U.S. Treasury Bill				
1.00% March 22, 2012	985	1,006	1,003	
		1,006	1,003	0.3
Total Short Term Investments		1,006	1,003	0.3
Common Stocks				
Consumer Discretionary				
99 Cents Only Stores	1,125	18	25	
Aaron's, Inc.	2,210	48	60	
Abercrombie & Fitch Co.-Class A	2,250	120	112	
Advance Auto Parts, Inc.	1,920	128	136	
Aeropostale, Inc.	2,157	56	34	
AFC Ent., Inc.	646	9	10	
AH Belo Corp.	819	6	4	
Amazon.Com, Inc.	9,541	1,729	1,682	
AMC Networks, Inc.	1,372	55	53	
America's Car-Mart, Inc.	206	6	8	
American Axle & Manufacturing Holdings, Inc.	1,892	21	19	
American Eagle Outfitters, Inc.	5,045	84	78	
American Greetings Corp.-Class A	1,051	22	13	
American Public Education, Inc.	483	17	21	
Amerigon, Inc.	469	7	7	
Ameristar Casinos, Inc.	878	17	15	
ANN, Inc.	1,379	38	35	
Apollo Group, Inc.-Class A	2,945	108	161	
Arbitron, Inc.	639	19	22	
Archipelago Learning, Inc.	407	4	4	
Arctic Cat, Inc.	302	4	7	
Asbury Automotive Group, Inc.	802	13	18	
Ascena Retail Group, Inc.	1,848	49	56	
Ascent Media Corp.	365	12	19	
Autoliv, Inc.	2,353	176	128	
AutoNation, Inc.	968	26	36	
AutoZone, Inc.	670	182	222	
Bally Technologies, Inc.	1,118	46	45	
Barnes & Noble, Inc.	780	11	12	
Beam, Inc.	4,079	245	213	
Beazer Homes USA, Inc.	2,272	8	6	
Bebe Stores, Inc.	997	6	8	
Bed Bath & Beyond, Inc.	6,515	307	385	
Belo Corp.	2,452	15	16	
Benihana, Inc.	310	3	3	
Best Buy Co., Inc.	7,739	315	184	
Big 5 Sporting Goods Corp.	507	6	5	
Big Lots, Inc.	1,765	57	68	
Biglari Holdings, Inc.	35	14	13	
BJ's Restaurants, Inc.	584	22	27	
Blue Nile, Inc.	325	17	14	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Blyth, Inc.	114	5	7	
Bob Evans Farms, Inc.	723	24	25	
Body Central Corp.	272	6	7	
Bon-Ton Stores, Inc.	661	6	2	
BorgWarner, Inc.	2,851	188	185	
Boyd Gaming Corp.	1,513	13	12	
Bravo Brio Restaurant Group, Inc.	642	15	11	
Bridgepoint Education, Inc.	470	7	11	
Brink's Co. (The)	1,168	31	32	
Brinker International, Inc.	2,317	52	63	
Brookdale Senior Living, Inc.	2,379	47	42	
Brown Shoe Co., Inc.	1,208	16	11	
Brunswick Corp.	2,569	45	47	
Buckle, Inc.	659	26	27	
Buffalo Wild Wings, Inc.	637	34	44	
Build-a-bear Workshop, Inc.	356	3	3	
Cabela's, Inc.	1,067	25	28	
Cablevision Systems-Ny Group A	5,812	180	84	
Callaway Golf Co.	1,923	15	11	
Capella Education Co.	349	21	13	
Career Education Corp.	1,492	28	12	
Caribou Coffee Co., Inc.	272	3	4	
CarMax, Inc.	5,939	200	184	
Carnival Corp.	11,197	478	372	
Carrols Restaurant Group, Inc.	297	3	4	
Carter's, Inc.	1,418	47	57	
Casual Male Retail Group, Inc.	1,475	6	5	
Cato Corp.-Class A	653	19	16	
Cavco Industries, Inc.	208	9	8	
CBS Corp.-Class B	17,543	326	485	
CEC Entertainment, Inc.	531	21	19	
Central European Media Ent., Ltd.	808	16	5	
Charming Shoppes, Inc.	3,001	11	15	
Charter Communications, Inc.	1,477	79	86	
Cheesecake Factory, Inc.	1,425	46	43	
Cherokee, Inc.	356	6	4	
Chico's FAS, Inc.	5,020	63	57	
Childrens Place Retail Stores, Inc.	685	36	37	
Chipotle Mexican Grill, Inc.	814	214	280	
Choice Hotels International, Inc.	738	29	29	
Christopher & Banks Corp.	1,122	6	3	
Churchill Downs, Inc.	322	14	17	
Cinemark Holdings, Inc.	2,376	45	45	
Citi Trends, Inc.	245	6	2	
Clear Channel Outdoor Holdings, Inc.-Class A	1,162	16	15	
Coach, Inc.	7,723	446	480	
Coinstar, Inc.	768	48	36	
Collective Brands, Inc.	1,480	27	22	
Columbia Sportswear Co.	287	17	14	
Comcast Corp.-Class A	72,323	1,560	1,746	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Conn's, Inc.	252	2	3	
Cooper Tire & Rubber Co.	1,480	32	21	
Core-Mark Holding Co., Inc.	271	10	11	
Corinthian Colleges, Inc.	2,293	7	5	
Cost Plus, Inc.	633	6	6	
Cracker Barrel Old Country Store, Inc.	615	33	32	
CROCS, Inc.	2,311	41	35	
CSS Industries, Inc.	310	6	6	
Cumulus Media, Inc.-Class A	1,162	4	4	
D.R. Horton, Inc.	7,425	82	95	
Dana Holding Corp.	3,585	58	44	
Darden Restaurants, Inc.	3,556	176	165	
Deckers Outdoor Corp.	1,028	85	79	
Delta Apparel, Inc.	141	2	3	
Denny's Corp.	2,701	10	10	
Destination Maternity Corp.	338	6	6	
Devry, Inc.	1,886	82	74	
Dick's Sporting Goods, Inc.	2,484	90	93	
Digital Generation, Inc.	805	18	10	
Dillard's, Inc.-Class A	778	26	36	
DineEquity, Inc.	414	21	18	
DIRECTV-Class A	18,428	774	802	
Discovery Communications-Class A	6,927	291	289	
Dish Network Corp.-Class A	5,314	105	154	
Dollar General Corp.	2,596	87	109	
Dollar Tree, Inc.	3,206	189	271	
Domino's Pizza, Inc.	1,598	31	55	
Dorman Products, Inc.	302	12	11	
DreamWorks Animation SKG, Inc.	1,777	55	30	
Drew Industries, Inc.	551	12	14	
DSW, Inc.-Class A	628	26	28	
Dunkin' Brands Group, Inc.	593	17	15	
Eastman Kodak Co.	10,951	48	7	
Education Management Corp.	977	14	28	
Electrolux AB-Class B	8,787	141	184	
Entercom Communications Corp.-Class A	797	6	5	
Ethan Allen Interiors, Inc.	676	12	16	
EW Scripps Co.-Class A	693	7	6	
Exide Technologies	1,629	14	4	
Expedia, Inc.	2,487	135	73	
Express, Inc.	1,361	29	28	
Family Dollar Stores, Inc.	3,169	163	186	
Federal-Mogul Corp.	586	11	9	
Finish Line, Inc.-Class A	1,250	23	25	
Fisher Communications, Inc.	273	8	8	
Foot Locker, Inc.	4,175	84	101	
Ford Motor Co.	97,619	1,576	1,069	
Fortune Brands Home & Security, Inc.	4,283	57	74	
Fossil, Inc.	1,400	103	113	
Francesca's Holdings Corp.	317	7	6	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fred's, Inc.-Class A	825	11	12	
Fuel Systems Solutions, Inc.	349	12	6	
Furniture Brands International, Inc.	1,497	6	2	
G-III Apparel Group, Ltd.	430	12	11	
GameStop Corp.-Class A	3,746	80	92	
Gannett Co., Inc.	6,585	91	90	
Gap (The), Inc.	9,342	201	177	
Garmin, Ltd.	2,967	94	120	
Gaylord Entertainment Co.	870	31	21	
General Cable Corp.	1,277	43	33	
General Motors Co.	19,919	575	411	
Genesco, Inc.	577	23	36	
Gentex Corp.	3,894	96	117	
Genuine Parts Co.	4,033	202	251	
GNC Holdings, Inc.-Class A	554	11	16	
Goodyear Tire & Rubber Co. (The)	6,282	68	91	
Grand Canyon Education, Inc.	822	15	13	
Gray Television, Inc.	2,543	6	4	
Group 1 Automotive, Inc.	585	23	31	
Groupon, Inc.	974	23	20	
H&R Block, Inc.	8,025	105	133	
Hanesbrands, Inc.	2,687	74	60	
Harley-Davidson, Inc.	6,211	210	246	
Harman International Industries, Inc.	1,803	83	70	
Harte-Hanks, Inc.	1,345	17	12	
Hasbro, Inc.	3,122	145	101	
Haverty Furniture Cos., Inc.	561	6	6	
Helen of Troy, Ltd.	809	20	25	
Hertz Global Holdings, Inc.	6,637	88	79	
hhgregg, Inc.	400	6	6	
Hibbett Sports, Inc.	656	23	30	
Hillenbrand, Inc.	1,527	31	35	
Home Depot, Inc.	41,857	1,386	1,791	
HOT Topic, Inc.	1,322	9	9	
Hovnanian Ent, Inc.	2,899	6	4	
HSN, Inc.	983	29	36	
Hyatt Hotels Corp.-Class A	1,129	49	43	
Iconix Brand Group, Inc.	1,795	35	30	
International Game Technology	8,017	130	140	
International Speedway Corp.-Class A	790	20	20	
Interpublic Group of Cos., Inc.	12,282	133	122	
Interval Leisure Group, Inc.	896	16	12	
iRobot Corp.	553	12	17	
Isle of Capri Casinos, Inc.	698	6	3	
ITT Educational Services, Inc.	670	39	39	
J. Crew Group	2,469	-	-	
Jack in the Box, Inc.	1,132	24	24	
Jakks Pacific, Inc.	701	14	10	
Jamba, Inc.	2,899	6	4	
Jarden Corp.	2,537	80	77	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
JC Penney Co., Inc.	4,372	149	157	
John Wiley & Sons, Inc.-Class A	1,178	51	53	
Johnson Controls, Inc.	17,859	677	568	
Jones Group, Inc.	2,110	31	23	
JOS A Bank Clothiers, Inc.	672	30	33	
Journal Communications, Inc.	1,176	6	5	
K-Swiss, Inc.-Class A	946	12	3	
K12, Inc.	732	20	13	
KB Home	2,105	26	14	
Kirkland's, Inc.	500	6	7	
Knology, Inc.	696	11	10	
Kohl's Corp.	6,612	372	332	
Krispy Kreme Doughnuts, Inc.	1,514	10	10	
La-Z-Boy, Inc.	1,229	10	15	
Lamar Advertising Co.-Class A	1,421	56	40	
Las Vegas Sands Corp.	10,320	512	449	
Leapfrog Ent, Inc.	732	3	4	
Leggett & Platt, Inc.	3,839	84	90	
Lennar Corp.-Class A	4,293	71	86	
Libbey, Inc.	687	10	9	
Liberty Global, Inc.	7,282	272	304	
Liberty Media Corp.-Liberty Capital	3,077	214	244	
Life Time Fitness, Inc.	1,094	45	52	
Lifetime Brands, Inc.	247	3	3	
LIN TV Corp.-Class A	618	3	3	
Lincoln Educational Services Corp.	719	11	6	
Lions Gate Entertainment Corp.	1,274	10	11	
Lithia Motors, Inc.-Class A	577	9	13	
Live Nation Entertainment, Inc.	3,460	39	29	
Liz Claiborne, Inc.	2,602	19	23	
LKQ Corp.	3,739	86	115	
Lowe's Cos., Inc.	34,105	826	881	
Ltd. Brands	6,538	231	269	
Lumber Liquidators Holdings, Inc.	546	14	10	
M/I Homes, Inc.	545	6	5	
Mac-Gray Corp.	401	6	6	
Macy's, Inc.	11,153	295	365	
Madison Square Garden, Inc.	1,505	36	44	
Maidenform Brands, Inc.	618	16	12	
Marcus Corp.	617	6	8	
MarineMax, Inc.	752	6	5	
Marriott International, Inc.-Class A	6,884	274	204	
Marriott Vacations Worldwide Corp.	658	12	12	
Martha Stewart Living Omnimedia-Class A	394	2	2	
Mattel, Inc.	9,176	240	259	
Matthews International Corp.-Class A	721	24	23	
Mattress Firm Holding Corp.	145	3	3	
McClatchy Co.-Class A	1,373	7	3	
McCormick & Schmick's Seafood Restaurants, Inc.	185	2	2	
McDonald's Corp.	27,163	2,216	2,773	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
McGraw-Hill Cos. (The), Inc.	8,056	295	369	
MDC Holdings, Inc.	854	23	15	
MDC Partners, Inc.-Class A	568	10	8	
Men's Wearhouse, Inc.	1,530	45	51	
Meredith Corp.	882	31	29	
Meritage Homes Corp.	808	17	19	
MGM Resorts International	9,374	118	99	
Modine Manufacturing Co.	1,211	18	12	
Mohawk Industries, Inc.	1,511	84	92	
Monro Muffler Brake, Inc.	752	26	30	
Morgans Hotel Group Co.	836	6	5	
Morningstar, Inc.	609	31	37	
Motorcar Parts of America, Inc.	407	6	3	
Movado Group, Inc.	515	8	10	
Multimedia Games Holding Co., Inc.	498	3	4	
National CineMedia, Inc.	1,531	28	19	
NetFlix, Inc.	1,476	284	104	
New York Times Co.-Class A	3,334	31	26	
Newell Rubbermaid, Inc.	7,756	136	127	
News Corp.-Class A	60,194	884	1,093	
Nike, Inc.-Class B	9,392	838	922	
Nordstrom, Inc.	4,297	192	217	
Nutrisystem, Inc.	732	15	10	
NVR, Inc.	135	90	94	
O'Charleys, Inc.	215	1	1	
O'Reilly Automotive, Inc.	3,355	209	273	
Office Depot, Inc.	7,875	38	17	
OfficeMax, Inc.	1,916	35	9	
Omnicom Group	7,336	344	333	
Orchard Supply Hardware Stores Corp.-Class A	44	-	-	
Orchard Supply Hardware Stores Corp.-Series A	44	-	-	
Orient-Express Hotels, Ltd.	2,335	28	18	
Overstock.com, Inc.	195	3	2	
Oxford Industries, Inc.	321	9	15	
Pandora Media, Inc.	490	7	5	
Panera Bread Company	776	85	112	
Papa John's International, Inc.	461	12	18	
Peet's Coffee & Tea, Inc.	344	16	22	
Penn National Gaming, Inc.	1,729	63	67	
Penske Automotive Group, Inc.	1,199	20	24	
PEP Boys-Manny Moe & Jack	1,221	16	14	
Perry Ellis International, Inc.	385	8	6	
PetMed Express, Inc.	436	5	5	
PetSmart, Inc.	2,993	120	156	
PF Chang's China Bistro, Inc.	574	29	18	
Pier 1 Imports, Inc.	2,389	24	34	
Pinnacle Entertainment, Inc.	1,475	20	15	
Polaris Industries, Inc.	1,674	69	95	
Pool Corp.	1,256	28	39	
Priceline.Com, Inc.	1,302	548	620	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Pulte Homes, Inc.	8,875	60	57	
PVH Corp.	1,532	107	110	
Quiksilver, Inc.	2,916	13	11	
RadioShack Corp.	2,456	46	24	
Ralph Lauren Corp.	1,650	193	232	
ReachLocal, Inc.	334	6	2	
Red Robin Gourmet Burgers, Inc.	366	8	10	
Regal Entertainment Group	2,079	28	25	
Regis Corp.	1,417	25	24	
Rent-A-Center, Inc.	1,509	44	57	
Rentrak Corp.	360	6	5	
Ross Stores, Inc.	6,190	213	300	
Royal Caribbean Cruises, Ltd.	3,605	143	91	
Ruby Tuesday, Inc.	1,451	19	10	
Rue21, Inc.	332	10	7	
Ruth's Hospitality Group, Inc.	1,104	6	6	
Ryland Group, Inc.	1,135	18	18	
Saga Communications, Inc.-Class A	80	3	3	
Saks, Inc.	2,825	32	28	
Sally Beauty Holdings, Inc.	2,390	35	51	
Scholastic Corp.	631	18	19	
Scientific Games Corp.	1,410	11	14	
Scripps Networks Interactive-Class A	2,396	123	103	
Sealy Corp.	2,522	6	4	
Sears Holdings Corp.	967	67	31	
Select Comfort Corp.	1,350	15	30	
Service Corp. International/US	5,968	50	65	
Sherwin-Williams Co. (The)	2,300	181	209	
Shoe Carnival, Inc.	223	6	6	
Shuffle Master, Inc.	1,349	15	16	
Shutterfly, Inc.	768	27	18	
Signet Jewelers, Ltd.	2,320	96	104	
Sinclair Broadcast Group, Inc.	1,406	12	16	
Sirius XM Radio, Inc.	104,350	156	192	
Six Flags Entertainment Corp.	1,045	38	44	
Skechers U.S.A., Inc.-Class A	836	19	10	
Skullcandy, Inc.	423	6	5	
Smith & Wesson Holding Corp.	1,390	4	6	
Sonic Automotive, Inc.-Class A	958	12	14	
Sonic Corp.	1,749	16	12	
Sotheby's	1,866	75	54	
Spartan Motors, Inc.	1,130	6	6	
Speedway Motorsports, Inc.	191	2	3	
Stage Stores, Inc.	845	13	12	
Standard Motor Products, Inc.	439	6	9	
Standard Pacific Corp.	2,690	12	9	
Staples, Inc.	18,762	410	265	
Starbucks Corp.	19,696	658	923	
Starwood Hotels & Resorts Worldwide, Inc.	5,157	302	252	
Stein Mart, Inc.	819	7	6	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Steiner Leisure, Ltd.	348	15	16	
Steinway Musical Instruments, Inc.	245	6	6	
Steven Madden, Ltd.	923	28	32	
Stewart Ent., Inc.-Class A	1,697	10	10	
Stoneridge, Inc.	865	11	7	
Strayer Education, Inc.	301	42	30	
Sturm Ruger & Co., Inc.	513	8	17	
Superior Industries International, Inc.	589	11	10	
Systemax, Inc.	227	3	4	
Talbots, Inc.	2,329	24	6	
Target Corp.	18,049	1,054	941	
Teavana Holdings, Inc.	283	6	5	
Tempur-Pedic International, Inc.	1,797	70	96	
Tenneco, Inc.	1,592	60	48	
Tesla Motors, Inc.	1,405	42	41	
Texas Roadhouse, Inc.	1,524	27	23	
Thomson Reuters Corp.	10,005	362	272	
Thor Industries, Inc.	1,074	33	30	
Tiffany & Co.	3,340	215	225	
Time Warner Cable	8,310	544	538	
Time Warner, Inc.	26,217	818	965	
TJX Cos., Inc.	10,143	485	667	
Toll Brothers, Inc.	3,930	75	82	
Town Sports International Holdings, Inc.	444	3	3	
Tractor Supply Co.	1,908	92	136	
Tripadvisor, Inc.	2,487	77	64	
True Religion Apparel, Inc.	696	17	25	
Tuesday Morning Corp.	1,406	6	5	
Tupperware Brands Corp.	1,494	73	85	
Ulta Salon Cosmetics & Fragrance, Inc.	1,218	59	80	
Under Armour, Inc.-Class A	942	58	69	
Unifi, Inc.	493	6	4	
Universal Electronics, Inc.	407	11	7	
Universal Technical Institute, Inc.	594	11	8	
Urban Outfitters, Inc.	2,774	103	78	
Vail Resorts, Inc.	937	45	40	
Valassis Communications, Inc.	1,196	40	23	
Valuevision Media, Inc.	1,507	12	3	
Vera Bradley, Inc.	538	20	18	
VF Corp.	2,284	205	295	
Viacom, Inc.-Class B	14,462	585	669	
Virgin Media, Inc.	7,887	209	172	
Visteon Corp.	1,414	89	72	
Vitamin Shoppe, Inc.	588	19	24	
Voxx International Corp.	407	3	4	
Walt Disney Co. (The)	49,559	1,869	1,891	
Warnaco Group, Inc.	1,029	57	52	
Washington Post Co. (The)-Class B	127	49	49	
Weight Watchers International, Inc.	725	28	41	
Wendy's Co.	7,468	37	41	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
West Marine, Inc.	593	6	7	
Wet Seal, Inc.-Class A	2,681	11	9	
Weyco Group, Inc.	320	7	8	
Whirlpool Corp.	2,016	149	97	
Williams-Sonoma, Inc.	2,785	99	109	
Winmark Corp.	55	3	3	
Winnebago Industries, Inc.	690	6	5	
WMS Industries, Inc.	1,501	63	31	
Wolverine World Wide, Inc.	1,232	41	45	
World Wrestling Entertainment, Inc.	557	7	5	
Wyndham Worldwide Corp.	4,110	127	158	
Wynn Resorts, Ltd.	2,093	229	235	
Yum! Brands, Inc.	12,170	627	731	
Zale Corp.	1,119	6	4	
Zumiez, Inc.	504	15	14	
		42,437	43,906	11.6
Consumer Staples				
Alliance One International, Inc.	1,301	4	4	
Altria Group, Inc.	54,901	1,371	1,658	
Andersons, Inc.	517	18	23	
Archer-Daniels-Midland Co.	17,772	533	518	
Avon Products, Inc.	11,383	325	203	
B&G Foods, Inc.-Class A	1,150	15	28	
Boston Beer Co., Inc.-Class A	199	17	22	
Brown-Forman Corp.-Class B	2,714	188	223	
Bunge, Ltd.	3,898	247	227	
Cal-Maine Foods, Inc.	308	10	11	
Calavo Growers, Inc.	261	6	7	
Campbell Soup Co.	4,624	160	156	
Casey's General Stores, Inc.	960	39	50	
Central Euro Distribution Corp.	2,160	42	10	
Central Garden and Pet Co.	1,071	10	9	
Chefs Warehouse, Inc.	208	3	4	
Chiquita Brands International, Inc.	1,329	15	11	
Church & Dwight Co., Inc.	3,748	132	175	
Clorox Co.	3,478	222	236	
Coca-Cola Bottling Co. Consolidated	134	8	8	
Coca-Cola Co. (The)	51,809	3,426	3,691	
Coca-Cola Ent., Inc.	8,546	217	224	
Colgate-Palmolive Co.	12,804	1,024	1,204	
ConAgra Foods, Inc.	10,685	242	287	
Constellation Brands, Inc.-Class A	4,690	100	99	
Corn Products International, Inc.	2,069	96	111	
Costco Wholesale Corp.	11,474	817	973	
CVS Caremark Corp.	35,522	1,181	1,475	
Darling International, Inc.	2,887	37	39	
Dean Foods Co.	5,115	42	58	
Diamond Foods, Inc.	537	27	18	
Dole Food Co., Inc.	737	7	7	

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Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Dr Pepper Snapple Group, Inc.	5,810	219	234	
Elizabeth Arden, Inc.	657	17	25	
Energizer Holdings, Inc.	1,828	133	144	
Estee Lauder Cos. (The), Inc.-Class A	2,963	243	339	
Flowers Foods, Inc.	2,802	50	54	
Fresh Del Monte Produce, Inc.	918	22	23	
Fresh Market, Inc.	699	27	28	
General Mills, Inc.	16,700	610	687	
Green Mountain Coffee Roasters, Inc.	3,240	135	148	
Hain Celestial Group, Inc.	866	24	32	
Hansen Natural Corp.	1,848	109	173	
Heckmann Corp.	2,405	15	16	
Herbalife, Ltd.	3,154	118	166	
Hershey Co. (The)	3,974	195	250	
HJ Heinz Co.	8,412	420	463	
Hormel Foods Corp.	3,703	96	110	
Imperial Sugar Co.	434	8	2	
Ingles Markets, Inc.-Class A	361	6	6	
Inter Parfums, Inc.	519	11	8	
J&J Snack Foods Corp.	385	19	21	
JM Smucker Co. (The)	3,052	204	243	
Kellogg Co.	6,415	325	330	
Kimberly-Clark Corp.	10,236	657	766	
Kraft Foods, Inc.-Class A	43,371	1,377	1,649	
Kroger Co. (The)	14,888	357	367	
Lancaster Colony Corp.	467	27	33	
Limoneira Co.	314	7	5	
Lorillard, Inc.	3,507	298	407	
McCormick & Co., Inc.	3,535	162	181	
Mead Johnson Nutrition Co.-Class A	5,347	333	374	
Medifast, Inc.	379	8	5	
Molson Coors Brewing Co.-Class B	3,561	172	158	
Nash Finch Co.	370	14	11	
National Beverage Corp.	340	6	6	
Nature’s Sunshine Products, Inc.	355	6	6	
Nu Skin Ent., Inc.	1,491	51	74	
Nutraceutical International Corp.	405	6	5	
Omega Protein Corp.	707	9	5	
Owens Corning	3,324	97	97	
Pantry, Inc.	717	12	9	
PepsiCo, Inc.	41,447	2,757	2,800	
Philip Morris International, Inc.	46,652	2,813	3,727	
Prestige Brands Holdings, Inc.	1,192	15	14	
Pricesmart, Inc.	444	16	31	
Primo Water Corp.	462	6	1	
Procter & Gamble Co. (The)	73,168	4,651	4,966	
Ralcorp Holdings, Inc.	1,468	99	128	
Revlon, Inc.-Class A	381	6	6	
Reynolds American, Inc.	8,866	295	374	
Rite Aid Corp.	15,889	20	20	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Ruddick Corp.	1,247	49	54	
Safeway, Inc.	9,317	217	200	
Sanderson Farms, Inc.	531	22	27	
Sara Lee Corp.	15,414	249	297	
Schiff Nutrition International, Inc.	283	3	3	
Seneca Foods Corp.-Class A	250	6	7	
Smart Balance, Inc.	1,815	9	10	
Smithfield Foods, Inc.	4,266	82	106	
Snyders-Lance, Inc.	1,230	28	28	
Spartan Stores, Inc.	538	9	10	
Spectrum Brands Holdings, Inc.	478	14	13	
Star Scientific, Inc.	2,587	13	6	
Supervalu, Inc.	5,235	48	43	
Susser Holdings Corp.	241	5	6	
Synutra International, Inc.	633	6	3	
Sysco Corp.	15,322	456	457	
Tootsie Roll Industries, Inc.	560	15	13	
TreeHouse Foods, Inc.	992	53	66	
Tyson Foods, Inc.-Class A	7,923	136	166	
United Natural Foods, Inc.	1,535	60	62	
Universal Corp.	610	26	29	
USANA Health Sciences, Inc.	222	6	7	
Vector Group, Ltd.	1,358	24	25	
Village Super Market, Inc.-Class A	223	6	6	
Wal-Mart Stores, Inc.	46,520	2,591	2,829	
Walgreen Co.	23,984	876	807	
WD-40 Co.	397	16	16	
Weis Markets, Inc.	258	10	11	
Whole Foods Market, Inc.	4,077	211	289	
Winn-Dixie Stores, Inc.	1,553	10	15	
		33,120	37,107	9.8
Energy				
Abraxas Petroleum Corp.	2,361	8	8	
Alon USA Energy, Inc.	191	2	2	
Alpha Natural Resources, Inc.	6,051	287	126	
Amyris, Inc.	654	19	8	
Anadarko Petroleum Corp.	13,062	917	1,015	
Apache Corp.	10,061	1,134	928	
Apco Oil and Gas International, Inc.	224	9	18	
Approach Resources, Inc.	636	17	19	
Atmos Energy Corp.	2,667	86	90	
ATP Oil & Gas Corp.	1,360	17	10	
Atwood Oceanics, Inc.	1,554	58	63	
Baker Hughes, Inc.	11,373	631	563	
Basic Energy Services, Inc.	552	8	11	
Berry Petroleum Co.-Class A	1,290	52	55	
Bill Barrett Corp.	1,181	47	41	
BPZ Resources, Inc.	2,154	10	6	
Bristow Group, Inc.	911	42	44	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
C&J Energy Services, Inc.	265	5	6	
Cabot Oil & Gas Corp.	2,738	113	212	
Cal Dive International, Inc.	3,077	12	7	
Callon Petroleum Co.	1,328	8	7	
Cameron International Corp.	6,389	324	320	
CARBO Ceramics, Inc.	518	58	65	
Carrizo Oil & Gas, Inc.	952	30	25	
Cheniere Energy, Inc.	1,995	12	18	
Chesapeake Energy Corp.	17,228	394	391	
Chevron Corp.	52,682	4,595	5,704	
Cimarex Energy Co.	2,260	190	142	
Clayton Williams Energy, Inc.	165	13	13	
Clean Energy Fuels Corp.	1,380	19	17	
Cloud Peak Energy, Inc.	1,486	30	29	
Cobalt International Energy, Inc.	2,957	36	47	
Complete Production Services, Inc.	2,130	65	73	
Concho Resources, Inc.	2,715	235	259	
ConocoPhillips	34,786	2,258	2,581	
Consol Energy, Inc.	5,957	266	223	
Contango Oil & Gas Co.	306	18	18	
Core Laboratories	1,199	111	139	
Crosstex Energy, Inc.	1,092	11	14	
CVR Energy, Inc.	2,173	41	41	
Dawson Geophysical Co.	169	5	7	
Delek US Holdings, Inc.	446	6	5	
Denbury Resources, Inc.	10,686	202	164	
Devon Energy Corp.	11,102	816	701	
DHT Holdings, Inc.	1,962	7	1	
Diamond Offshore Drilling, Inc.	1,825	121	103	
Dril-Quip, Inc.	969	75	65	
El Paso Corp.	20,147	311	545	
Endeavour International Corp.	1,185	11	10	
Energen Corp.	1,845	88	94	
Energy Partners, Ltd.	628	8	9	
Energy XXI Bermuda, Ltd.	2,162	60	70	
EOG Resources, Inc.	7,057	662	708	
Evolution Petroleum Corp.	377	3	3	
EXCO Resources, Inc.	3,751	71	40	
Exterran Holdings, Inc.	1,845	43	17	
Exxon Mobil Corp.	129,150	9,529	11,136	
FMC Technologies, Inc.	6,275	281	334	
Forest Oil Corp.	2,818	102	39	
Frontline, Ltd.	1,483	19	6	
FX Energy, Inc.	1,162	9	6	
Gastar Exploration, Ltd.	1,872	6	6	
Genie Energy, Ltd.-Class B	565	5	5	
Georesources, Inc.	478	10	14	
Global Geophysical Services, Inc.	598	10	4	
GMX Resources, Inc.	2,118	9	3	
Golar LNG, Ltd.	1,006	18	45	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Goodrich Petroleum Corp.	790	11	11	
Green Plains Renewable Energy, Inc.	390	4	4	
Gulf Island Fabrication, Inc.	399	11	12	
Gulfmark Offshore, Inc.-Class A	563	17	24	
Gulfport Energy Corp.	1,177	29	35	
Halliburton Co.	23,960	957	842	
Harvest Natural Resources, Inc.	1,070	12	8	
Helix Energy Solutions Group, Inc.	2,632	38	42	
Helmerich & Payne, Inc.	2,532	126	150	
Hercules Offshore, Inc.	3,292	12	15	
Hess Corp.	7,952	585	460	
HollyFrontier Corp.	5,112	95	122	
Hornbeck Offshore Services, Inc.	779	22	25	
Houston American Energy Corp.	541	8	7	
Hyperdynamics Corp.	4,359	19	11	
ION Geophysical Corp.	3,196	25	20	
James River Coal Co.	727	16	5	
Key Energy Services, Inc.	3,089	35	49	
Kinder Morgan, Inc.	4,510	128	148	
Kior, Inc.-Class A	377	8	4	
Kirby Corp.	1,472	72	99	
Knightsbridge Tankers, Ltd.	615	13	8	
Kodiak Oil & Gas Corp.	6,525	42	63	
Kosmos Energy, Ltd.	956	15	12	
Lufkin Industries, Inc.	877	52	60	
Magnum Hunter Resources Corp.	3,212	20	18	
Magnum Hunter Resources Corp. WTS	408	-	-	
Marathon Oil Corp.	18,664	652	556	
Marathon Petroleum Corp.	9,311	364	316	
Matrix Service Co.	871	10	8	
McDermott International, Inc.	6,338	121	74	
McMoRan Exploration Co.	2,623	41	39	
Miller Energy Resources, Inc.	1,069	7	3	
Mitcham Industries, Inc.	400	6	9	
Murphy Oil Corp.	5,100	353	289	
Nabors Industries, Ltd.	7,642	175	135	
National Fuel Gas Co.	2,240	147	127	
National Oilwell Varco, Inc.	11,092	714	768	
Natural Gas Services Group, Inc.	395	6	6	
Newfield Exploration Company	3,555	239	136	
Newpark Resources, Inc.	2,160	13	21	
Noble Energy, Inc.	4,622	398	444	
Nordic American Tanker Shipping	1,310	31	16	
Northern Oil and Gas, Inc.	1,559	38	38	
NRG Energy, Inc.	6,179	122	114	
Oasis Petroleum, Inc.	1,492	41	44	
Occidental Petroleum Corp.	21,332	1,982	2,035	
Oceaneering International, Inc.	2,864	109	134	
Oil States International, Inc.	1,363	87	106	
Overseas Shipholding Group, Inc.	756	19	8	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
OYO Geospace Corp.	110	9	9	
Panhandle Oil and Gas, Inc.	210	6	7	
Parker Drilling Co.	3,002	14	22	
Patriot Coal Corp.	2,186	37	19	
Patterson-UTI Energy, Inc.	4,163	87	85	
Peabody Energy Corp.	7,120	428	240	
Penn Virginia Corp.	1,428	16	8	
Petroleum Development Corp.	625	24	22	
Petroquest Energy, Inc.	1,202	9	8	
PHI, Inc.	389	8	10	
Pioneer Drilling Co.	1,414	10	14	
Pioneer Natural Resources Co.	3,070	265	280	
Plains Exploration & Product	3,627	110	136	
QEP Resources, Inc.	4,717	173	141	
Quicksilver Resources, Inc.	2,936	43	20	
Range Resources Corp.	4,206	193	265	
Rentech, Inc.	7,354	7	10	
Resolute Energy Corp.	1,055	14	12	
Rex American Resources Corp.	143	3	3	
Rex Energy Corp.	971	13	15	
Rosetta Resources, Inc.	1,494	57	66	
Rowan Cos., Inc.	3,368	109	104	
RPC, Inc.	1,178	24	22	
SandRidge Energy, Inc.	10,638	65	88	
Schlumberger, Ltd.	35,580	2,905	2,474	
Scorpio Tankers, Inc.	730	7	4	
Seacor Holdings, Inc.	550	60	50	
SemGroup Corp.-Class A	1,089	28	29	
Ship Finance International, Ltd.	1,224	28	12	
SM Energy Co.	1,680	96	125	
Solazyme, Inc.	353	7	4	
Southern Union Co.	3,259	86	140	
Southwestern Energy Co.	9,091	342	296	
Spectra Energy Corp.	17,030	432	533	
Stone Energy Corp.	1,201	26	32	
Sunoco, Inc.	2,883	119	120	
Superior Energy Services, Inc.	2,200	76	64	
Swift Energy Co.	1,046	40	32	
Syntroleum Corp.	3,261	6	3	
Targa Resources Corp.	398	12	16	
Teekay Corp.	1,037	34	28	
Teekay Tankers, Ltd.-Class A	1,315	9	5	
Tesco Corp.	709	10	9	
Tesoro Corp.	3,812	70	91	
Tetra Technologies, Inc.	2,055	24	19	
Tidewater, Inc.	1,309	67	66	
Triangle Petroleum Corp.	1,335	8	8	
Ultra Petroleum Corp.	4,117	192	124	
Union Drilling, Inc.	659	6	4	
Unit Corp.	1,058	48	50	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
UR Energy, Inc.	3,922	6	3	
Uranerz Energy Corp.	2,298	7	4	
Uranium Energy Corp.	2,153	16	7	
USEC, Inc.	4,781	26	6	
Vaalco Energy, Inc.	1,086	8	7	
Valero Energy Corp.	14,932	316	320	
Vantage Drilling Co.	6,004	11	7	
Venoco, Inc.	587	11	4	
Voyager Oil & Gas, Inc.	842	2	2	
W&T Offshore, Inc.	822	15	18	
Warren Resources, Inc.	2,116	8	7	
Western Refining, Inc.	1,431	15	19	
Westmoreland Coal Co.	331	6	4	
Willbros Group, Inc.	1,273	6	5	
Williams Cos., Inc.	15,446	383	519	
World Fuel Services Corp.	1,945	65	83	
Zion Oil & Gas, Inc.	1,040	6	2	
		40,091	42,139	11.2
Financials				
1st Source Corp.	335	7	9	
1st United Bancorp Inc/Boca Raton	989	6	6	
Acadia Realty Trust-REIT	1,067	20	22	
Advance America Cash Advance Centers, Inc.	1,490	11	14	
Affiliated Managers Group	1,394	130	136	
Aflac, Inc.	12,278	652	541	
Ag Mortgage Investment Trust, Inc.	110	2	2	
Agree Realty Corp. REIT	358	10	9	
Alexander's, Inc. REIT	57	22	21	
Alexandria Real Estate Equities, Inc. REIT	1,648	115	116	
Alleghany Corp.	171	52	50	
Alliance Financial Corp.	203	6	6	
Allied World Assurance Co. Holdings, Ltd.	995	60	64	
Allstate Corp. (The)	13,738	416	383	
American Assets Trust, Inc.-REIT	899	19	19	
American Campus Communities, Inc. REIT	1,834	58	78	
American Capital Agency Corp. REIT	6,024	172	172	
American Capital Mortgage Investment Corp.	131	2	3	
American Capital, Ltd.	9,009	69	62	
American Equity Investment Life Holding Co.	1,533	18	16	
American Express Co.	27,549	1,246	1,323	
American Financial Group, Inc.	2,087	67	78	
American International Group, Inc.	11,636	370	275	
American National Insurance Co.	180	15	13	
American Safety Insurance Holdings, Ltd.	329	6	7	
Ameriprise Financial, Inc.	5,938	321	300	
Ameris Bancorp	687	6	7	
AMERISAFE, Inc.	422	9	10	
Ames National Corp.	163	3	3	
Amtrust Financial Services, Inc.	606	10	15	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Anworth Mortgage Asset Corp. REIT	3,188	22	20	
AON Corp.	8,630	371	411	
Apartment Investment & Management Co. REIT-Class A	3,215	79	75	
Apollo Commercial Real Estate Finance, Inc. REIT	341	5	5	
Apollo Investment Corp.	5,176	57	34	
Apollo Residential Mortgage, Inc.	191	3	3	
Arch Capital Group, Ltd.	3,567	113	135	
Ares Capital Corp.	5,805	97	91	
Argo Group International Holdings, Ltd.	774	29	23	
Arlington Asset Investment Corp.	212	7	5	
Armour Residential REIT, Inc.	2,247	16	16	
Arrow Financial Corp.	144	3	3	
Arthur J Gallagher & Co.	2,999	88	102	
Artio Global Investors, Inc.	1,065	10	5	
Ashford Hospitality Trust, Inc.-REIT	1,254	13	10	
Aspen Insurance Holdings, Ltd.	1,824	52	49	
Associated Banc-Corp.	4,380	58	50	
Associated Estates Realty Corp. REIT	1,104	16	18	
Assurant, Inc.	2,584	96	108	
Assured Guaranty, Ltd.	5,139	88	69	
Astoria Financial Corp.	2,112	27	18	
Australia & New Zealand Banking Group, Ltd.	6,078	225	188	
AvalonBay Communities, Inc. REIT	2,444	283	325	
Axis Capital Holdings, Ltd.	3,507	126	114	
Baldwin & Lyons, Inc.-Class B	263	6	6	
Bancfirst Corp.	158	6	6	
Banco Latinoamericano de Comercio Exterior SA	594	10	10	
Bancorp Rhode Island, Inc.	139	6	6	
Bancorp, Inc.	804	8	6	
BancorpSouth, Inc.	1,978	27	22	
Bank Mutual Corp.	1,658	6	5	
Bank of America Corp.	266,158	2,974	1,504	
Bank of Hawaii Corp.	1,220	55	55	
Bank of Kentucky Financial Corp.	238	6	5	
Bank of Marin Bancorp	84	3	3	
Bank of New York Mellon Corp.	32,683	895	662	
Bank of the Ozarks, Inc.	640	13	19	
BankFinancial Corp.	713	6	4	
BankUnited, Inc.	857	21	19	
Banner Corp.	518	9	9	
BB&T Corp.	18,294	447	469	
BBCN Bancorp, Inc.	1,767	14	17	
Beneficial Mutual Bancorp, Inc.	736	6	6	
Berkshire Hathaway, Inc.-Class B	45,881	3,737	3,565	
Berkshire Hills Bancorp, Inc.	537	11	12	
BGC Partners, Inc.-Class A	2,028	16	12	
BioMed Realty Trust, Inc.-REIT	4,406	79	81	
BlackRock Kelso Capital Corp.	2,000	23	17	
BlackRock, Inc.	2,245	415	407	
Bofl Holding, Inc.	223	3	4	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
BOK Financial Corp.	648	33	36	
Boston Private Financial Holdings, Inc.	2,077	12	17	
Boston Properties, Inc. REIT	3,767	329	382	
Brandywine Realty Trust-REIT	3,285	38	32	
BRE Properties, Inc. REIT	1,986	88	102	
Bridge Bancorp, Inc.	268	6	5	
Broadridge Financial Solutions, Inc.	3,424	75	79	
Brookline Bancorp, Inc.	1,523	12	13	
Brown & Brown, Inc.	3,214	77	74	
Bryn Mawr Bank Corp.	169	3	3	
Calamos Asset Management, Inc.	415	5	5	
Camden National Corp.	169	5	6	
Camden Property Trust-REIT	1,856	99	118	
Campus Crest Communities, Inc. REIT	676	9	7	
Capital One Financial Corp.	12,015	481	517	
Capital Southwest Corp.	69	7	6	
Capitalsource, Inc. REIT	7,031	47	48	
Capitol Federal Financial, Inc.	4,432	50	52	
CapLease, Inc. REIT	1,627	8	7	
Capstead Mortgage Corp. REIT	3,346	41	42	
Cardinal Financial Corp.	722	8	8	
Cash America International, Inc.	721	27	34	
Cathay General Bancorp	1,932	28	29	
CBL & Associates Properties, Inc. REIT	4,099	70	66	
CBOE Holdings, Inc.	1,300	31	34	
CBRE Group, Inc.	7,820	152	121	
Cedar Shopping Centers, Inc. REIT	1,542	7	7	
Centerstate Banks, Inc.	953	6	6	
Central Pacific Financial Corp.	445	6	6	
Charles Schwab Corp. (The)	27,587	434	316	
Chatham Lodging Trust-REIT	381	6	4	
Chemical Financial Corp.	741	16	16	
Chesapeake Lodging Trust-REIT	746	14	12	
Chimera Investment Corp. REIT	26,250	107	67	
Chubb Corp.	7,591	453	535	
Cincinnati Financial Corp.	4,018	124	125	
CIT Group, Inc.	5,291	215	188	
Citigroup, Inc.	76,257	3,168	2,041	
Citizens & Northern Corp.	413	6	8	
Citizens, Inc.	1,221	8	12	
City Holding Co.	357	12	12	
City National Corp.	1,177	65	53	
CME Group, Inc.	1,766	532	438	
CNA Financial Corp.	732	20	20	
CNB Financial Corp.	463	7	7	
CNO Financial Group, Inc.	5,492	34	35	
CoBiz Financial, Inc.	954	6	6	
Cogdell Spencer, Inc. REIT	1,287	7	6	
Cohen & Steers, Inc.	436	12	13	
Colonial Properties Trust-REIT	2,068	38	44	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Colony Financial, Inc. REIT	2,504	42	40	
Columbia Banking System, Inc.	1,076	20	21	
Comerica, Inc.	5,372	194	141	
Commerce Bancshares, Inc.	2,893	105	112	
CommonWealth REIT	2,151	54	36	
Community Bank System, Inc.	1,020	26	29	
Community Trust Bancorp, Inc.	342	10	10	
Coresite Realty Corp. REIT	398	7	7	
Corporate Office Properties REIT	1,772	61	38	
Cousins Properties, Inc. REIT	2,413	18	16	
Cowen Group, Inc.-Class A	2,302	9	6	
Crawford & Co.-Class B	896	6	6	
Credit Acceptance Corp.	172	13	14	
CreXus Investment Corp. REIT	1,440	15	15	
Cubesmart REIT	3,012	28	33	
Cullen/Frost Bankers, Inc.	1,586	87	85	
CVB Financial Corp.	2,059	17	21	
CYS Investments, Inc. REIT	2,000	24	27	
DCT Industrial Trust, Inc.-REIT	5,903	29	31	
DDR Corp. REIT	5,937	78	74	
Delphi Financial Group, Inc.-Class A	1,496	46	68	
DFC Global Corp.	1,038	20	19	
Diamond Hill Investment Group, Inc.	66	5	5	
DiamondRock Hospitality Co. REIT	4,125	47	40	
Digital Realty Trust, Inc.-REIT	2,652	146	180	
Dime Community Bancshares, Inc.	828	11	11	
Discover Financial Services	14,241	280	348	
Doral Financial Corp.	4,052	7	4	
Douglas Emmett, Inc. REIT	3,113	51	58	
Duff & Phelps Corp.-Class A	832	12	12	
Duke Realty Corp. REIT	6,959	81	85	
DuPont Fabros Technology, Inc. REIT	1,552	35	38	
E*Trade Financial Corp.	6,270	96	51	
Eagle Bancorp, Inc.	476	6	7	
East West Bancorp, Inc.	4,197	78	84	
EastGroup Properties, Inc. REIT	655	27	29	
Eaton Vance Corp.	3,297	98	79	
Edelman Financial Group, Inc.	844	6	6	
Education Realty Trust, Inc.-REIT	2,114	17	22	
eHealth, Inc.	451	7	7	
Encore Capital Group, Inc.	376	7	8	
Endurance Specialty Holdings, Ltd.	1,050	46	41	
Enstar Group, Ltd.	175	15	17	
Enterprise Financial Services Corp.	473	6	7	
Entertainment Properties Trust-REIT	1,191	54	53	
Epoch Holding Corp.	482	8	11	
Equity Lifestyle Properties, Inc. REIT	784	45	53	
Equity One, Inc. REIT	1,371	24	24	
Equity Residential REIT	7,633	397	443	
Erie Indemnity Co.-Class A	792	54	63	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
ESB Financial Corp.	463	6	7	
ESSA Bancorp, Inc.	497	6	5	
Essex Property Trust, Inc.-REIT	858	102	123	
Evercore Partners, Inc.-Class A	591	18	16	
Everest Re Group, Ltd.	1,260	108	108	
Excel Trust, Inc.-REIT	688	8	8	
Extra Space Storage, Inc. REIT	2,750	49	68	
Ezcorp, Inc.-Class A	1,148	31	31	
Factset Research Systems, Inc.	1,217	113	108	
FBL Financial Group, Inc.-Class A	324	9	11	
FBR Capital Markets Corp.	1,715	6	4	
Federal Agricultural Mortgage Corp.-Class C	359	7	7	
Federal Realty Investment Trust-REIT	1,645	132	152	
Federated Investors, Inc.-Class B	2,311	57	36	
FelCor Lodging Trust, Inc.-REIT	3,584	18	11	
Fidelity National Financial, Inc.	5,996	85	97	
Fifth Street Finance Corp.	1,940	23	19	
Fifth Third Bancorp	24,289	313	314	
Financial Engines, Inc.	1,064	26	24	
Financial Institutions, Inc.	373	6	6	
First American Financial Corp.	2,614	40	34	
First Bancorp	550	6	6	
First Busey Corp.	1,973	10	10	
First Cash Financial Services, Inc.	756	23	27	
First Citizens BancShares, Inc.-Class A	135	23	24	
First Commonwealth Financial Corp.	2,911	18	16	
First Community Bancshares, Inc.	419	6	5	
First Connecticut Bancorp, Inc.	352	5	5	
First Defiance Financial Corp.	417	6	6	
First Financial Bancorp	1,425	25	24	
First Financial Bankshares, Inc.	753	25	26	
First Financial Corp.	337	11	11	
First Financial Holdings, Inc.	624	6	6	
First Horizon National Corp.	6,547	67	53	
First Industrial Realty Trust, Inc.-REIT	2,236	18	23	
First Interstate Bancsystem, Inc.	414	6	5	
First Merchants Corp.	690	6	6	
First Midwest Bancorp, Inc.	1,724	17	18	
First Niagara Financial Group	8,864	112	78	
First of Long Island Corp.	220	6	6	
First Pactrust Bancorp, Inc.	369	5	4	
First Potomac Realty Trust-REIT	1,388	22	18	
First Republic Bank	1,879	61	59	
FirstMerit Corp.	2,745	45	42	
Flagstar Bancorp, Inc.	5,258	7	3	
Flagstone Reinsurance Holdings SA	1,680	18	14	
Flushing Financial Corp.	949	13	12	
FNB Corp.	3,178	30	36	
Forest City Enterprises-Class A	3,405	55	41	
Forestar Group, Inc.	975	18	15	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fox Chase Bancorp, Inc.	437	6	6	
Franklin Financial Corp.	502	6	6	
Franklin Resources, Inc.	3,808	448	373	
Franklin Street Properties Corp. REIT	1,737	23	18	
Fulton Financial Corp.	5,070	47	51	
FXCM, Inc.	647	6	6	
GAMCO Investors, Inc.	190	9	8	
General Growth Properties, Inc. REIT	14,977	237	229	
Genworth Financial, Inc.-Class A	12,715	149	85	
German American Bancorp, Inc.	182	3	3	
Getty Realty Corp. REIT	755	19	11	
GFI Group, Inc.	2,218	10	9	
Glacier Bancorp, Inc.	1,725	24	21	
Gladstone Capital Corp.	390	3	3	
Gladstone Commercial Corp. REIT	173	3	3	
Gladstone Investment Corp.	832	6	6	
Gleacher & Co., Inc.	2,591	5	4	
Glimcher Realty Trust-REIT	2,577	21	24	
Global Indemnity PLC	327	6	7	
Goldman Sachs Group, Inc.	13,570	2,121	1,250	
Golub Capital BDC, Inc.	415	6	7	
Government Properties Income Trust-REIT	845	22	19	
Great Southern Bancorp, Inc.	323	6	8	
Green Dot Corp.-Class A	605	27	19	
Greenhill & Co., Inc.	803	52	30	
Greenlight Capital Re, Ltd.	782	22	19	
Hampton Roads Bankshares, Inc.	366	5	1	
Hancock Holding Co.	2,045	58	67	
Hanmi Financial Corp.	850	6	6	
Hanover Insurance Group, Inc.	1,152	53	41	
Harleysville Group, Inc.	301	11	17	
Harris & Harris Group, Inc.	1,191	6	4	
Hartford Financial Services Group, Inc.	11,757	276	194	
Hatteras Financial Corp. REIT	2,098	61	56	
HCC Insurance Holdings, Inc.	2,786	81	78	
HCP, Inc.	10,553	361	445	
Health Care, Inc. REIT	4,936	229	274	
Healthcare Realty Trust, Inc.-REIT	1,916	39	36	
Heartland Financial USA, Inc.	428	6	7	
Hercules Technology Growth Capital, Inc.	1,190	12	11	
Heritage Financial Corp.	526	7	7	
Hersha Hospitality Trust-REIT	3,334	20	17	
HFF, Inc.-Class A	725	10	8	
Highwoods Properties, Inc. REIT	2,321	75	70	
Hilltop Holdings, Inc.	634	6	5	
Home Bancshares, Inc.	500	11	13	
Home Federal Bancorp, Inc.	561	6	6	
Home Properties, Inc. REIT	1,305	73	77	
Horace Mann Educators Corp.	1,102	18	15	
Hospitality Properties Trust-REIT	3,181	73	74	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Host Hotels & Resorts, Inc. REIT	18,022	301	271	
Howard Hughes Corp.	525	24	24	
Hudson City Bancorp, Inc.	12,033	136	77	
Hudson Pacific Properties, Inc. REIT	524	7	8	
Hudson Valley Holding Corp.	442	9	10	
Huntington Bancshares, Inc.	23,238	147	130	
Iberiabank Corp.	740	41	37	
Imperial Holdings, Inc.	641	6	1	
Independent Bank Corp.	485	13	13	
Infinity Property & Casualty Corp.	345	21	20	
Inland Real Estate Corp. REIT	2,043	17	16	
Interactive Brokers Group, Inc.-Class A	880	16	13	
IntercontinentalExchange, Inc.	1,923	227	236	
International Bancshares Corp.	1,332	25	25	
Internet Capital Group, Inc.	1,101	13	9	
INTL FCStone, Inc.	329	8	8	
Invesco Mortgage Capital, Inc. REIT	3,069	62	44	
Invesco, Ltd.	12,194	276	249	
Investment Technology Group, Inc.	1,150	17	13	
Investors Bancorp, Inc.	1,163	15	16	
Investors Real Estate Trust-REIT	2,226	19	17	
iStar Financial, Inc. REIT	2,356	13	13	
Janus Capital Group, Inc.	4,617	52	30	
Jefferies Group, Inc.	3,401	82	47	
Jmp Group, Inc.	272	2	2	
Joyo Bank, Ltd. (The)	1,161	94	72	
JPMorgan Chase & Co.	104,188	4,058	3,526	
Kansas City Life Insurance Co.	97	3	3	
KBW, Inc.	855	21	13	
Kemper Corp.	1,270	32	38	
Kennedy-Wilson Holdings, Inc.	702	8	8	
Keycorp	25,125	199	197	
Kilroy Realty Corp. REIT	1,753	61	68	
Kimco Realty Corp. REIT	10,724	182	177	
Kite Realty Group Trust-REIT	1,241	6	6	
Knight Capital Group, Inc.	2,505	35	30	
Kohlberg Capital Corp.	747	6	5	
Ladenburg Thalmann Financial Services, Inc.	3,346	6	8	
Lakeland Bancorp, Inc.	607	6	5	
Lakeland Financial Corp.	382	9	10	
LaSalle Hotel Properties REIT	2,111	53	52	
Legg Mason, Inc.	3,783	128	93	
Lender Processing Services, Inc.	2,145	66	33	
Leucadia National Corp.	5,246	145	121	
Lexington Realty Trust-REIT	3,260	26	25	
Liberty Property Trust-REIT	3,113	99	98	
Lincoln National Corp.	8,338	206	165	
Loews Corp.	8,296	321	318	
LPL Investment Holdings, Inc.	895	29	28	
LTC Properties, Inc. REIT	800	22	25	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
M&T Bank Corp.	3,295	269	256	
Macerich Co., REIT	3,455	161	178	
Mack-Cali Realty Corp. REIT	2,220	70	60	
Maiden Holdings, Ltd.	1,181	9	11	
Main Street Capital Corp.	591	11	13	
MainSource Financial Group, Inc.	419	4	4	
Manning & Napier, Inc.	317	4	4	
Markel Corp.	265	97	112	
MarketAxess Holdings, Inc.	796	16	24	
Marsh & McLennan Cos., Inc.	14,355	385	462	
MB Financial, Inc.	1,307	19	23	
MBIA, Inc.	3,875	39	46	
MCG Capital Corp.	2,256	14	9	
Meadowbrook Insurance Group, Inc.	1,171	12	13	
Medallion Financial Corp.	307	3	4	
Medical Properties Trust, Inc.-REIT	2,733	28	27	
Medley Capital Corp.	537	6	6	
Merck & Co., Inc.	80,961	2,890	3,107	
Mercury General Corp.	963	43	45	
Metlife, Inc.	21,566	863	685	
Metro Bancorp, Inc.	543	6	5	
MFA Financial, Inc. REIT	9,123	74	62	
MGIC Investment Corp.	4,223	38	16	
Mid-America Apartment Communities, Inc. REIT	1,040	65	66	
Mission West Properties, Inc. REIT	124	1	1	
Monmouth Real Estate Investment Corp. REIT-Class A	3,811	35	35	
Montpelier Re Holdings, Ltd.	1,578	32	29	
Moody's Corp.	5,220	145	179	
Morgan Stanley	40,605	1,003	626	
MPG Office Trust, Inc.-REIT	2,215	6	4	
MSCI, Inc.	3,079	110	103	
MVC Capital, Inc.	623	8	7	
NASDAQ OMX Group, Inc.	3,336	78	83	
National Bankshares, Inc.	240	6	7	
National Financial Partners Corp.	958	12	13	
National Health Investors, Inc. REIT	626	28	28	
National Interstate Corp.	222	5	6	
National Penn Bancshares, Inc.	3,047	22	26	
National Retail Properties, Inc. REIT	2,694	71	72	
National Western Life Insurance Co.-Class A	72	12	10	
Navigators Group, Inc.	311	16	15	
NBT Bancorp, Inc.	855	20	19	
Nelnet, Inc.-Class A	724	16	18	
Netspend Holdings, Inc.	611	6	5	
New Mountain Finance Corp.	97	1	1	
New York Community Bancorp, Inc.	11,660	198	147	
NewStar Financial, Inc.	822	8	9	
NGP Capital Resources Co.	701	6	5	
Nicholas Financial, Inc.	159	2	2	
Northern Trust Corp.	5,859	299	237	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Northfield Bancorp, Inc.	434	6	6	
NorthStar Realty Finance Corp. REIT	2,670	12	13	
Northwest Bancshares, Inc.	2,607	28	33	
NYSE Euronext	6,919	200	184	
OceanFirst Financial Corp.	462	6	6	
Ocwen Financial Corp.	2,558	28	38	
Old National Bancorp	2,322	26	28	
Old Republic International Corp.	6,473	85	61	
Omega Healthcare Investors, Inc. REIT	2,574	54	51	
OmniAmerican Bancorp, Inc.	414	6	7	
One Liberty Properties, Inc. REIT	380	6	6	
OneBeacon Insurance Group, Ltd.	712	11	11	
Oppenheimer Holdings, Inc.-Class A	340	9	6	
Oriental Financial Group, Inc.	1,134	14	14	
Oritani Financial Corp.	1,136	13	15	
Orrstown Financial Services, Inc.	231	6	2	
Pacific Continental Corp.	344	3	3	
PacWest Bancorp	750	13	14	
Park National Corp.	312	22	21	
Park Sterling Corp.	1,175	6	5	
Parkway Properties, Inc. REIT	198	3	2	
PartnerRe, Ltd.	1,835	140	120	
Pebblebrook Hotel Trust-REIT	1,352	26	26	
PennantPark Investment Corp.	1,354	16	14	
Penns Woods Bancorp, Inc.	170	6	7	
Pennsylvania Real Estate Investment Trust-REIT	1,511	21	16	
People’s United Financial, Inc.	10,273	131	134	
Peoples Bancorp, Inc.	204	3	3	
PHH Corp.	1,436	30	16	
Phoenix Cos., Inc.	3,750	9	6	
Pico Holdings, Inc.	580	16	12	
Piedmont Office Realty Trust, Inc.-REIT	4,473	87	78	
Pinnacle Financial Partners, Inc.	949	11	16	
Piper Jaffray Cos.	386	11	8	
Platinum Underwriters Holdings, Ltd.	1,015	43	35	
Plum Creek Timber Co., Inc. REIT	4,280	159	159	
PNC Financial Services Group, Inc.	13,800	784	811	
Popular, Inc.	26,202	78	37	
Portfolio Recovery Associates, Inc.	413	28	28	
Post Properties, Inc. REIT	1,473	53	66	
Potlatch Corp. REIT	1,091	35	35	
Presidential Life Corp.	595	6	6	
Primerica, Inc.	1,270	29	30	
Principal Financial Group	8,091	233	203	
PrivateBancorp, Inc.	1,487	19	17	
ProAssurance Corp.	885	57	72	
Progressive Corp. (The)	16,212	336	322	
ProLogis, Inc. REIT	12,029	366	350	
Prospect Capital Corp.	4,110	41	39	
Prosperity Bancshares, Inc.	1,190	43	49	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Protective Life Corp.	2,149	53	49	
Provident Financial Services, Inc.	1,428	20	19	
Provident New York Bancorp	918	8	6	
Prudential Financial, Inc.	12,751	685	651	
PS Business Parks, Inc. REIT	470	26	27	
Public Storage, Inc. REIT	3,640	374	498	
Radian Group, Inc.	4,183	24	10	
RAIT Financial Trust-REIT	1,257	8	6	
Ramco-Gershenson Properties Trust-REIT	984	11	10	
Raymond James Financial, Inc.	2,787	86	88	
Rayonier, Inc. REIT	3,183	113	145	
Realty Income Corp. REIT	3,579	122	127	
Redwood Trust, Inc.-REIT	1,917	27	20	
Regency Centers Corp. REIT	2,431	99	93	
Regions Financial Corp.	33,808	196	148	
Reinsurance Group of America, Inc.	1,996	106	106	
RenaissanceRe Holdings, Ltd.	1,416	90	107	
Renasant Corp.	816	15	12	
Republic Bancorp, Inc.-Class A	315	6	7	
Resource Capital Corp. REIT	2,131	14	12	
Retail Opportunity Investments Corp. REIT	1,064	11	13	
RLI Corp.	686	44	51	
RLJ Lodging Trust-REIT	823	14	14	
Rockville Financial, Inc.	922	9	10	
S&T Bancorp, Inc.	711	15	14	
Sabra Healthcare, Inc. REIT	1,145	21	14	
Safeguard Scientifics, Inc.	641	10	10	
Safety Insurance Group, Inc.	359	17	15	
Sandy Spring Bancorp, Inc.	585	11	10	
Saul Centers, Inc. REIT	224	9	8	
SCBT Financial Corp.	416	14	12	
SeaBright Holdings, Inc.	637	6	5	
Seacoast Banking Corp. of Florida	1,260	2	2	
SEI Investments Co.	4,126	92	73	
Selective Insurance Group, Inc.	1,462	26	26	
Senior Housing Properties Trust-REIT	4,183	93	96	
Signature Bank	1,358	69	83	
Simmons First National Corp.-Class A	447	13	12	
Simon Property Group, Inc. REIT	7,644	787	1,004	
SL Green Realty Corp. REIT	2,347	159	159	
SLM Corp.	13,861	173	189	
Solar Capital, Ltd.	1,034	24	23	
Solar Senior Capital, Ltd.	345	6	6	
Southside Bancshares, Inc.	367	8	8	
Southwest Bancorp, Inc.	547	6	3	
Sovran Self Storage, Inc. REIT	733	27	32	
St. Joe Co.	1,576	29	23	
STAG Industrial, Inc. REIT	478	6	6	
StanCorp Financial Group, Inc.	1,448	60	54	
Starwood Property Trust, Inc.-REIT	2,461	51	46	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
State Auto Financial Corp.	370	6	5	
State Bancorp, Inc.	477	6	6	
State Bank Financial Corp.	834	13	13	
State Street Corp.	13,239	597	543	
StellarOne Corp.	606	8	7	
Sterling Bancorp	661	6	6	
Sterling Financial Corp.	665	11	11	
Stewart Information Services Corp.	619	6	7	
Stifel Financial Corp.	1,566	57	51	
Strategic Hotels & Resorts, Inc. REIT	4,525	23	25	
Summit Hotel Properties, Inc. REIT	390	4	4	
Sun Bancorp, Inc.	602	2	1	
Sun Communities, Inc. REIT	573	18	21	
Sunstone Hotel Investors, Inc. REIT	2,815	28	23	
SunTrust Banks, Inc.	14,175	346	255	
Susquehanna Bancshares, Inc.	3,878	31	33	
SVB Financial Group	1,066	52	52	
SWS Group, Inc.	1,039	6	7	
SY Bancorp, Inc.	194	4	4	
Symetra Financial Corp.	1,680	21	16	
Synovus Financial Corp.	28,644	63	41	
T Rowe Price Group, Inc.	6,858	414	397	
Tanger Factory Outlet Centers REIT	2,401	61	72	
Taubman Centers, Inc. REIT	1,406	69	89	
TCF Financial Corp.	4,017	56	42	
TD Ameritrade Holding Corp.	5,905	105	94	
Tejon Ranch Co.	406	10	10	
Terreno Realty Corp. REIT	356	6	5	
Territorial Bancorp, Inc.	152	3	3	
Texas Capital Bancshares, Inc.	895	18	28	
TFS Financial Corp.	2,079	18	19	
THL Credit, Inc.	469	6	6	
TICC Capital Corp.	836	9	7	
Tompkins Financial Corp.	254	10	10	
Torchmark Corp.	2,776	112	123	
Tower Bancorp, Inc.	321	8	9	
Tower Group, Inc.	897	24	18	
Towers Watson & Co.-Class A	1,520	85	93	
TowneBank	610	9	8	
Transatlantic Holdings, Inc.	1,494	77	83	
Travelers Cos. (The), Inc.	10,934	613	659	
Triangle Capital Corp.	608	12	12	
Trico Bancshares	423	6	6	
Trustco Bank Corp.	2,574	15	15	
Trustmark Corp.	1,608	37	40	
Two Harbors Investment Corp. REIT	3,602	36	34	
UDR, Inc. REIT	5,764	135	147	
UMB Financial Corp.	810	32	31	
Umpqua Holdings Corp.	2,830	32	36	
Union First Market Bankshares Corp.	654	8	9	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
United Bankshares, Inc.	1,673	46	48	
United Community Banks, Inc.	980	9	7	
United Financial Bancorp, Inc.	259	4	4	
United Fire & Casualty Co.	578	12	12	
Universal American Corp.	958	8	12	
Universal Health Realty Income Trust-REIT	292	12	12	
Universal Insurance Holdings, Inc.	1,283	6	5	
Univest Corp. of Pennsylvania	476	9	7	
Unum Group	7,849	179	168	
Urstadt Biddle Properties, Inc.-Class A, REIT	561	10	10	
US Bancorp	50,557	1,265	1,393	
Validus Holdings, Ltd.	2,021	60	65	
Valley National Bancorp	4,383	56	55	
Ventas, Inc. REIT	6,559	327	368	
ViewPoint Financial Group	897	12	12	
Virginia Commerce Bancorp, Inc.	432	3	3	
Virtus Investment Partners, Inc.	156	9	12	
Visa, Inc.-Class A	13,711	1,062	1,418	
Vornado Realty Trust-REIT	4,761	400	373	
Waddell & Reed Financial-Class A	2,454	80	62	
Walker & Dunlop, Inc.	457	6	6	
Walter Investment Management Corp. REIT	622	11	13	
Washington Banking Co.	464	6	6	
Washington Federal, Inc.	2,824	44	40	
Washington Real Estate Investment Trust-REIT	1,673	52	47	
Washington Trust Bancorp, Inc.	452	10	11	
Webster Financial Corp.	1,787	32	37	
Weingarten Realty Investors REIT	3,054	74	68	
Wells Fargo & Co.	129,030	3,643	3,621	
WesBanco, Inc.	502	9	10	
West Bancorporation, Inc.	442	4	4	
Westamerica Bancorporation	721	37	32	
Western Alliance Bancorp	1,980	13	13	
Westfield Financial, Inc.	726	6	5	
Westwood Holdings Group, Inc.	145	5	5	
White Mountains Insurance Group, Ltd.	197	67	90	
Wilshire Bancorp, Inc.	1,994	6	7	
Winthrop Realty Trust-REIT	947	11	10	
Wintrust Financial Corp.	850	26	24	
World Acceptance Corp.	525	30	39	
WR Berkley Corp.	3,064	87	107	
WSFS Financial Corp.	157	7	6	
XL Group PLC	8,169	169	164	
Zions Bancorporation	5,154	105	85	
		64,102	59,078	15.7
Health Care				
Abaxis, Inc.	615	18	17	
Abbott Laboratories	40,707	1,975	2,328	
ABIOMED, Inc.	764	9	14	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Accelrys, Inc.	1,093	9	7	
Accenture PLC-Class A	16,902	791	916	
Accretive Health, Inc.	971	23	23	
Accuray, Inc.	1,857	10	8	
Achillion Pharmaceuticals, Inc.	1,053	7	8	
Acorda Therapeutics, Inc.	1,043	28	25	
Aegerion Pharmaceuticals, Inc.	348	5	6	
Aetna, Inc.	9,893	311	425	
Affymax, Inc.	1,085	7	7	
Affymetrix, Inc.	2,137	9	9	
Air Methods Corp.	268	14	23	
Akorn, Inc.	1,553	12	18	
Alere, Inc.	2,229	72	52	
Alexion Pharmaceuticals	4,822	201	351	
Align Technology, Inc.	1,496	29	36	
Alkermes PLC	2,753	45	49	
Allergan, Inc.	7,979	555	713	
Allos Therapeutics, Inc.	583	2	1	
Allscripts Healthcare Solutions, Inc.	5,111	95	99	
Almost Family, Inc.	144	5	2	
Alnylam Pharmaceuticals, Inc.	923	9	8	
Alphatec Holdings, Inc.	1,659	6	3	
AMAG Pharmaceuticals, Inc.	584	10	11	
Amedisys, Inc.	626	19	7	
American Dental Partners, Inc.	464	6	9	
AMERIGROUP Corp.	1,175	56	71	
AmerisourceBergen Corp.	6,747	222	255	
Amgen, Inc.	23,029	1,266	1,506	
AMN Healthcare Services, Inc.	1,289	10	6	
Ampio Pharmaceuticals, Inc.	729	6	3	
Amsurg Corp.	728	14	19	
Amylin Pharmaceuticals, Inc.	3,431	45	40	
Analogic Corp.	334	17	19	
Angiodynamics, Inc.	614	9	9	
Antares Pharma, Inc.	3,046	7	7	
Anthera Pharmaceuticals, Inc.	748	6	5	
Ardea Biosciences, Inc.	371	8	6	
Arena Pharmaceuticals, Inc.	4,798	6	9	
Ariad Pharmaceuticals, Inc.	3,454	17	43	
Arqule, Inc.	1,591	10	9	
Array Biopharma, Inc.	645	1	1	
Arthrocare Corp.	714	23	23	
Assisted Living Concepts, Inc.	327	5	5	
Astex Pharmaceuticals	2,113	6	4	
athenahealth, Inc.	974	43	49	
AtriCure, Inc.	487	6	6	
Atrion Corp.	45	8	11	
Auxilium Pharmaceuticals, Inc.	1,245	25	25	
AVANIR Pharmaceuticals, Inc.	3,709	12	8	
AVEO Pharmaceuticals, Inc.	872	16	15	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
AVI BioPharma, Inc.	4,579	6	3	
Baxter International, Inc.	14,911	753	751	
Becton Dickinson & Co.	5,684	462	433	
Bio-Rad Laboratories, Inc.-Class A	494	49	48	
Bio-Reference Labs, Inc.	634	13	10	
Biogen Idec, Inc.	6,337	452	710	
Biolase Technology, Inc.	1,059	6	3	
BioMarin Pharmaceutical, Inc.	2,839	79	99	
Biosante Pharmaceuticals, Inc.	3,462	10	2	
BioScrip, Inc.	1,378	9	8	
Biospecifics Technologies Corp.	262	6	4	
Biotime, Inc.	342	2	2	
Boston Scientific Corp.	40,238	268	218	
Bristol-Myers Squibb Co.	44,725	1,196	1,604	
Bruker Corp.	2,083	34	26	
Cadence Pharmaceuticals, Inc.	1,340	12	5	
Cambrex Corp.	693	5	5	
Cantel Medical Corp.	370	8	11	
Capital Senior Living Corp.	807	7	7	
Cardinal Health, Inc.	9,164	348	379	
CardioNet, Inc.	1,175	6	3	
Cardiovascular Systems, Inc.	446	6	4	
CareFusion Corp.	5,916	146	153	
Catalyst Health Solutions, Inc.	1,159	55	61	
Celgene Corp.	12,143	744	836	
Cell Therapeutics, Inc.	6,063	12	7	
Celldex Therapeutics, Inc.	1,852	7	5	
Centene Corp.	1,432	38	58	
Cepheid, Inc.	1,720	40	60	
Cerner Corp.	3,724	181	232	
Cerus Corp.	549	2	2	
Charles River Laboratories International, Inc.	1,350	45	38	
Chelsea Therapeutics International, Ltd.	1,454	7	8	
Chemed Corp.	489	31	26	
Chindex International, Inc.	488	6	4	
Cigna Corp.	7,437	292	318	
Clovis Oncology, Inc.	271	3	4	
Codexis, Inc.	726	7	4	
Columbia Laboratories, Inc.	2,617	8	7	
Community Health Systems, Inc.	2,362	78	42	
Complete Genomics, Inc.	400	6	1	
Computer Programs & Systems, Inc.	249	12	13	
Conceptus, Inc.	962	13	12	
CONMED Corp.	763	18	20	
Cooper Cos., Inc.	1,225	73	88	
Corcept Therapeutics, Inc.	1,353	6	5	
Corvel Corp.	161	8	8	
Covance, Inc.	1,565	74	73	
Coventry Health Care, Inc.	3,903	106	121	
Covidien PLC	12,963	575	594	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
CR Bard, Inc.	2,235	198	195	
Cross Country Healthcare, Inc.	860	6	5	
CryoLife, Inc.	1,146	6	6	
Cubist Pharmaceuticals, Inc.	1,646	39	66	
Curis, Inc.	2,439	9	12	
Cyberonics, Inc.	717	20	24	
Cytori Therapeutics, Inc.	1,786	9	4	
DaVita, Inc.	2,499	188	193	
Delcath Systems, Inc.	2,011	18	6	
Dendreon Corp.	3,909	127	30	
DENTSPLY International, Inc.	3,754	124	134	
Depomed, Inc.	1,191	10	6	
DexCom, Inc.	1,830	21	17	
Durect Corp.	2,455	5	3	
Dusa Pharmaceuticals, Inc.	1,040	6	5	
Dyax Corp.	3,299	7	5	
Dynavax Technologies Corp.	3,470	10	12	
Edwards Lifesciences Corp.	2,991	211	215	
Eli Lilly & Co.	26,781	946	1,133	
Emergent Biosolutions, Inc.	520	10	9	
Emeritus Corp.	860	16	15	
Endo Pharmaceuticals Holdings, Inc.	3,003	111	106	
Endocyte, Inc.	511	6	2	
Endologix, Inc.	1,341	13	16	
Ensign Group, Inc.	459	11	11	
Enzo Biochem, Inc.	1,535	6	3	
Enzon Pharmaceuticals, Inc.	611	7	4	
ePocrates, Inc.	316	6	3	
eResearchTechnology, Inc.	1,419	8	7	
Exact Sciences Corp.	1,428	12	12	
Exactech, Inc.	335	6	6	
ExamWorks Group, Inc.	593	15	6	
Exelixis, Inc.	3,589	22	17	
Express Scripts, Inc.	12,806	696	583	
Five Star Quality Care, Inc.	1,100	7	3	
Fluidigm Corp.	31	-	-	
Forest Laboratories, Inc.	7,006	229	216	
Furiex Pharmaceuticals, Inc.	356	6	6	
Gen-Probe, Inc.	1,324	75	80	
Genomic Health, Inc.	403	8	10	
Gentiva Health Services, Inc.	1,078	26	7	
Geron Corp.	3,771	13	6	
Gilead Sciences, Inc.	20,613	783	859	
Greatbatch, Inc.	544	12	12	
Haemonetics Corp.	666	41	41	
Halozyme Therapeutics, Inc.	2,216	17	21	
Hanger Orthopedic Group, Inc.	919	18	17	
Hansen Medical, Inc.	740	2	2	
HCA Holdings, Inc.	3,071	95	69	
Health Management Associates, Inc.	6,274	58	47	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Health Net, Inc.	2,126	59	66	
Healthsouth Corp.	2,385	45	43	
Healthspring, Inc.	1,746	56	97	
HealthStream, Inc.	536	6	10	
Healthways, Inc.	995	8	7	
HeartWare International, Inc.	307	25	22	
Henry Schein, Inc.	2,428	149	159	
Hi-Tech Pharmacal Co., Inc.	279	8	11	
Hill-Rom Holdings, Inc.	1,811	73	62	
HMS Holdings Corp.	2,183	49	71	
Hologic, Inc.	7,069	125	126	
Hospira, Inc.	4,452	242	138	
Human Genome Sciences, Inc.	4,629	116	35	
Humana, Inc.	4,387	264	391	
ICU Medical, Inc.	287	11	13	
Idenix Pharmaceuticals, Inc.	1,432	8	11	
IDEXX Laboratories, Inc.	1,545	106	121	
Illumina, Inc.	3,162	192	98	
Immunogen, Inc.	2,022	20	24	
Immunomedics, Inc.	2,074	8	7	
Impax Laboratories, Inc.	1,587	30	33	
Incyte Corp., Ltd.	2,338	36	36	
Infinity Pharmaceuticals, Inc.	295	2	3	
Inhibitex, Inc.	1,662	8	18	
Insmed, Inc.	861	10	3	
Insulet Corp.	1,188	18	23	
Integra LifeSciences Holdings Corp.	473	22	15	
InterMune, Inc.	1,297	19	17	
Intuitive Surgical, Inc.	1,031	297	486	
Invacare Corp.	607	17	9	
IPC The Hospitalist Co., Inc.	435	16	20	
IRIS International, Inc.	637	6	6	
Ironwood Pharmaceuticals, Inc.	1,391	21	17	
Isis Pharmaceuticals, Inc.	2,636	25	19	
ISTA Pharmaceuticals, Inc.	1,023	7	7	
Jazz Pharmaceuticals, Inc.	536	11	21	
Johnson & Johnson	71,842	4,563	4,795	
Kensey Nash Corp.	249	6	5	
Keryx Biopharmaceuticals, Inc.	2,376	11	6	
Kindred Healthcare, Inc.	1,207	23	14	
Laboratory Corp. of America Holdings	2,621	228	229	
Landauer, Inc.	248	15	13	
Lexicon Pharmaceuticals, Inc.	5,140	9	7	
LHC Group, Inc.	354	10	5	
Life Technologies Corp.	4,718	244	187	
LifePoint Hospitals, Inc.	1,221	43	46	
Ligand Pharmaceuticals, Inc.-Class B	563	6	7	
Lincare Holdings, Inc.	2,507	66	66	
Luminex Corp.	1,046	19	23	
Magellan Health Services, Inc.	719	36	36	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
MAKO Surgical Corp.	757	14	19	
MannKind Corp.	2,246	10	6	
MAP Pharmaceuticals, Inc.	523	8	7	
Masimo Corp.	1,407	44	27	
Maxygen, Inc.	498	3	3	
McKesson Corp.	6,609	455	524	
MedAssets, Inc.	1,348	23	13	
Medco Health Solutions, Inc.	10,452	655	594	
Medical Action Industries, Inc.	723	6	4	
Medicines Co.	1,301	18	25	
Medicis Pharmaceutical-Class A	1,719	49	58	
Medidata Solutions, Inc.	635	13	14	
Medivation, Inc.	812	12	38	
Mednax, Inc.	1,305	86	96	
MedQuist Holdings, Inc.	765	9	7	
Medtox Scientific, Inc.	354	6	5	
Medtronic, Inc.	28,040	983	1,092	
Merge Healthcare, Inc.	1,773	9	9	
Meridian Bioscience, Inc.	1,071	24	21	
Merit Medical Systems, Inc.	1,105	14	15	
Metabolix, Inc.	435	4	2	
Metropolitan Health Networks, Inc.	949	5	7	
Mettler-Toledo International, Inc.	860	129	129	
Micromet, Inc.	2,580	18	19	
Molina Healthcare, Inc.	778	13	18	
Momenta Pharmaceuticals, Inc.	1,248	20	22	
MWI Veterinary Supply, Inc.	335	22	23	
Mylan, Inc.	11,547	239	252	
Myriad Genetics, Inc.	2,537	55	54	
Nabi Biopharmaceuticals	1,199	6	2	
National Healthcare Corp.	287	13	12	
Natus Medical, Inc.	858	12	8	
Nektar Therapeutics	2,975	39	17	
Neogen Corp.	644	25	20	
Neoprobe Corp.	2,008	7	5	
Neurocrine Biosciences, Inc.	1,074	8	9	
Novavax, Inc.	3,066	6	4	
NPS Pharmaceuticals, Inc.	2,016	13	14	
NuVasive, Inc.	1,078	26	14	
NxStage Medical, Inc.	1,060	24	19	
Nymox Pharmaceutical Corp.	379	3	3	
Obagi Medical Products, Inc.	634	6	7	
Omnicare, Inc.	3,090	74	108	
Omnicell, Inc.	901	13	15	
OncoGenex Pharmaceutical, Inc.	340	6	4	
Oncothyreon, Inc.	1,166	10	9	
Onyx Pharmaceuticals, Inc.	1,635	53	73	
Opko Health, Inc.	2,481	8	12	
Optimer Pharmaceuticals, Inc.	1,295	14	16	
OraSure Technologies, Inc.	1,133	9	11	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Orthofix International	491	14	18	
Owens & Minor, Inc.	1,569	47	44	
Pacific Biosciences of California, Inc.	1,069	12	3	
Pain Therapeutics, Inc.	857	6	3	
Palomar Medical Technologies, Inc.	597	8	6	
Par Pharmaceutical Cos., Inc.	943	35	31	
Parexel International Corp.	1,425	26	30	
Patterson Cos., Inc.	2,404	74	72	
PDL BioPharma, Inc.	5,298	32	33	
PerkinElmer, Inc.	2,798	69	57	
Perrigo Co.	2,185	146	216	
Pfizer, Inc.	207,218	3,619	4,566	
Pharmacyclics, Inc.	1,050	10	16	
Pharmasset, Inc.	1,963	67	256	
PharmAthene, Inc.	2,034	6	3	
PharMerica Corp.	705	8	11	
Pozen, Inc.	159	1	1	
Progenics Pharmaceuticals, Inc.	869	6	8	
Providence Service Corp.	497	6	7	
PSS World Medical, Inc.	1,447	32	36	
QIAGEN	6,051	108	85	
Quality Systems, Inc.	965	33	36	
Quest Diagnostics, Inc.	4,101	218	242	
Questcor Pharmaceuticals, Inc.	1,441	28	61	
Quidel Corp.	790	11	12	
Raptor Pharmaceutical Corp.	1,159	7	7	
Regeneron Pharmaceuticals, Inc.	1,950	66	110	
Rigel Pharmaceuticals, Inc.	1,593	13	13	
Rockwell Medical Technologies, Inc.	599	8	5	
RTI Biologics, Inc.	1,103	3	5	
Sagent Pharmaceuticals, Inc.	225	6	5	
Salix Pharmaceuticals, Ltd.	1,507	68	73	
Sangamo Biosciences, Inc.	694	5	2	
Santarus, Inc.	1,870	6	6	
Savient Pharmaceuticals, Inc.	844	10	2	
Sciclone Pharmaceuticals, Inc.	1,145	7	5	
Seattle Genetics, Inc.	2,527	39	43	
Select Medical Holdings Corp.	1,366	12	12	
Sequenom, Inc.	3,033	22	14	
Sirona Dental Systems, Inc.	1,599	72	72	
Skilled Healthcare Group, Inc.-Class A	643	6	4	
Solta Medical, Inc.	1,271	3	4	
SonoSite, Inc.	313	11	17	
Spectranetics Corp.	1,072	6	8	
Spectrum Pharmaceuticals, Inc.	1,488	12	22	
St. Jude Medical, Inc.	8,590	349	300	
Staar Surgical Co.	834	4	9	
Stereotaxis, Inc.	1,760	6	1	
STERIS Corp.	1,455	52	44	
Stryker Corp.	8,210	426	416	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Sun Healthcare Group, Inc.	752	6	3	
Sunrise Senior Living, Inc.	1,271	10	8	
SurModics, Inc.	534	6	8	
SXC Health Solutions Corp.	1,596	67	92	
Symmetry Medical, Inc.	937	8	8	
Synergetics USA, Inc.	439	2	3	
Synovis Life Technologies, Inc.	354	6	10	
Targacept, Inc.	746	11	4	
Team Health Holdings, Inc.	628	14	14	
Techne Corp.	1,086	72	75	
Teleflex, Inc.	1,161	63	72	
Tenet Healthcare Corp.	11,842	54	62	
Theravance, Inc.	1,806	46	41	
Thermo Fisher Scientific, Inc.	10,049	527	460	
Thoratec Corp.	1,621	47	55	
Tornier BV	348	9	6	
Transcend Services, Inc.	189	5	5	
Triple-S Management Corp.	592	12	12	
Unilife Corp.	1,689	7	5	
United Therapeutics Corp.	1,346	83	65	
UnitedHealth Group, Inc.	28,386	1,111	1,465	
Universal Health Services-Class B	2,388	101	95	
Uroplasty, Inc.	796	6	3	
US Physical Therapy, Inc.	328	8	7	
Vanda Pharmaceuticals, Inc.	907	6	4	
Vanguard Health Systems, Inc.	985	10	10	
Varian Medical Systems, Inc.	3,069	210	210	
Vascular Solutions, Inc.	506	6	6	
VCA Antech, Inc.	2,125	48	43	
Vertex Pharmaceuticals, Inc.	5,444	189	184	
Vical, Inc.	1,427	6	6	
Viropharma, Inc.	1,824	31	51	
Vivus, Inc.	2,287	17	23	
Volcano Corp.	1,387	38	34	
Warner Chilcott PLC	4,604	96	71	
Waters Corp.	2,397	192	181	
Watson Pharmaceuticals, Inc.	3,302	179	203	
WellCare Health Plans, Inc.	1,164	37	62	
WellPoint, Inc.	9,088	531	613	
West Pharmaceutical Services, Inc.	801	32	31	
Wright Medical Group, Inc.	1,079	16	18	
XenoPort, Inc.	1,300	9	5	
Young Innovations, Inc.	213	6	6	
Zimmer Holdings, Inc.	4,660	241	253	
ZIOPHARM Oncology, Inc.	1,599	9	7	
Zoll Medical Corp.	571	21	37	
		37,518	41,588	11.0

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Industrials				
3D Systems Corp.	975	14	14	
3M Co.	18,599	1,620	1,547	
A123 Systems, Inc.	3,176	27	5	
AAON, Inc.	409	7	9	
AAR Corp.	924	24	18	
ABM Industries, Inc.	1,309	31	27	
Acacia Research	1,052	32	39	
ACCO Brands Corp.	1,271	10	13	
Accuride Corp.	1,293	15	9	
ACE Aviation Holdings, Inc.	8,792	540	628	
Aceto Corp.	951	6	7	
Active Power, Inc.	2,789	7	2	
Actuant Corp.-Class A	1,687	42	39	
Acuity Brands, Inc.	1,201	67	65	
Advisory Board Co.	421	21	32	
Aegion Corp.	1,136	27	18	
Aerovironment, Inc.	473	13	15	
AGCO Corp.	2,524	115	110	
Air Lease Corp.	888	21	21	
Air Transport Services Group, Inc.	1,299	10	6	
Aircastle, Ltd.	1,485	15	19	
Alamo Group, Inc.	163	3	4	
Alaska Air Group, Inc.	967	57	74	
Albany International Corp.-Class A	681	15	16	
Alexander & Baldwin, Inc.	1,038	40	43	
Allegiant Travel Co.	341	17	19	
Alliant Techsystems, Inc.	845	66	49	
Altra Holdings, Inc.	749	14	14	
Amerco, Inc.	225	22	20	
Ameresco, Inc.-Class A	565	8	8	
American Railcar Industries, Inc.	303	6	7	
American Reprographics Co.	1,033	7	5	
American Science & Engineering, Inc.	243	20	17	
American Superconductor Corp.	1,618	53	6	
American Woodmark Corp.	347	6	5	
AMETEK, Inc.	4,259	177	183	
Ampco-Pittsburgh Corp.	211	5	4	
AMR Corp.	7,225	63	3	
AO Smith Corp.	934	38	38	
Apogee Ent., Inc.	744	9	9	
Applied Industrial Technologies, Inc.	1,040	33	37	
Argan, Inc.	187	3	3	
Arkansas Best Corp.	693	17	14	
Astec Industries, Inc.	489	16	16	
Astronics Corp.	238	7	9	
At Cross Co.-Class A	215	3	2	
Atlas Air Worldwide Holdings, Inc.	645	34	25	
Avery Dennison Corp.	2,898	110	85	
Avis Budget Group, Inc.	2,599	37	28	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
AZZ, Inc.	332	13	15	
Babcock & Wilcox Co.	3,224	81	79	
Badger Meter, Inc.	386	15	12	
Barnes Group, Inc.	1,317	26	32	
Barrett Business Services, Inc.	158	3	3	
BE Aerospace, Inc.	2,495	93	98	
Beacon Roofing Supply, Inc.	1,085	19	22	
Belden, Inc.	1,163	42	39	
Blount International, Inc.	1,238	20	18	
Boeing Co.	19,369	1,303	1,447	
Brady Corp.-Class A	1,173	38	38	
Briggs & Stratton Corp.	1,360	25	21	
Broadwind Energy, Inc.	4,168	6	3	
C.H. Robinson Worldwide, Inc.	4,343	331	309	
Cabot Corp.	1,630	62	53	
CAI International, Inc.	431	9	7	
Capstone Turbine Corp.	5,185	7	6	
Carlisle Cos., Inc.	1,731	69	78	
Cascade Corp.	225	9	11	
Casella Waste Systems, Inc.	478	3	3	
Caterpillar, Inc.	16,862	1,523	1,556	
CBIZ, Inc.	842	6	5	
CDI Corp.	445	6	6	
Celadon Group, Inc.	637	8	8	
Cenveo, Inc.	1,804	11	6	
Ceradyne, Inc.	584	16	16	
Chart Industries, Inc.	722	24	40	
Chicago Bridge & Iron Co.	2,667	85	103	
Cintas Corp.	2,897	82	103	
CIRCOR International, Inc.	474	19	17	
CLARCOR, Inc.	1,422	62	72	
Clean Harbors, Inc.	1,248	51	81	
CNH Global	696	30	26	
Colfax Corp.	665	13	19	
Columbus McKinnon Corp.	541	8	7	
Comfort Systems USA, Inc.	1,051	12	11	
Commercial Vehicle Group, Inc.	703	11	6	
Con-Way, Inc.	1,361	48	40	
Consolidated Graphics, Inc.	227	11	11	
Continental Airlines-Class B	1,140	67	77	
Cooper Industries PLC-Class A	4,297	245	237	
Copa Holdings SA-Class A	816	48	49	
Copart, Inc.	1,426	50	70	
Corporate Executive Board Co.	911	33	35	
Corrections Corp. of America	2,551	64	53	
CoStar Group, Inc.	658	37	45	
Covanta Holding Corp.	2,831	46	39	
CRA International, Inc.	178	4	4	
Crane Co.	1,227	49	58	
Crown Holdings, Inc.	4,070	133	139	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
CSX Corp.	28,788	620	617	
Cubic Corp.	422	21	19	
Cummins, Inc.	5,095	523	457	
Curtiss-Wright Corp.	1,137	37	41	
Danaher Corp.	14,425	658	691	
Deere & Co.	10,976	862	864	
Delta Air Lines, Inc.	22,155	297	183	
Deluxe Corp.	1,274	29	30	
DigitalGlobe, Inc.	892	27	16	
Dolan Co.	909	11	8	
Dollar Thrifty Automotive Group, Inc.	801	41	57	
Donaldson Co., Inc.	1,999	115	139	
Douglas Dynamics, Inc.	490	7	7	
Dover Corp.	4,882	284	289	
Dresser-Rand Group, Inc.	1,933	80	98	
Ducommun, Inc.	310	6	4	
Dun & Bradstreet Corp.	1,305	102	99	
DXP Ent., Inc.	266	6	9	
Dycom Industries, Inc.	907	15	19	
Dynamic Materials Corp.	310	6	6	
Eagle Bulk Shipping, Inc.	2,609	6	3	
Eaton Corp.	8,927	445	396	
EMCOR Group, Inc.	1,657	47	45	
Emerson Electric Co.	19,635	1,107	932	
Encore Wire Corp.	509	13	13	
Energy Recovery, Inc.	722	2	2	
EnergySolutions, Inc.	2,502	11	8	
EnerNOC, Inc.	412	11	5	
EnerSys	1,228	39	32	
Ennis, Inc.	727	12	10	
EnPro Industries, Inc.	498	20	17	
Equifax, Inc.	3,269	118	129	
ESCO Technologies, Inc.	693	26	20	
Esterline Technologies Corp.	751	47	43	
Exelis, Inc.	4,638	53	43	
Expeditors International of Washington, Inc.	5,632	306	235	
Exponent, Inc.	302	11	14	
Fastenal Co.	7,742	230	344	
Federal Signal Corp.	1,731	10	7	
FedEx Corp.	8,276	780	703	
Flow International Corp.	1,482	5	5	
Flowserve Corp.	1,481	162	150	
Fluor Corp.	4,563	278	233	
Forward Air Corp.	728	21	24	
Franklin Covey Co.	318	3	3	
Franklin Electric Co., Inc.	551	23	24	
FreightCar America, Inc.	421	11	9	
FTI Consulting, Inc.	1,231	47	53	
Fuel Tech, Inc.	407	2	3	
FuelCell Energy, Inc.	4,585	7	4	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Furmanite Corp.	1,185	9	8	
G&K Services, Inc.-Class A	407	12	12	
Gardner Denver, Inc.	1,375	97	108	
GATX Corp.	1,153	40	51	
Genco Shipping & Trading, Ltd.	568	8	4	
GenCorp., Inc.	1,479	8	8	
Generac Holdings, Inc.	705	14	20	
General Dynamics Corp.	8,737	601	591	
General Electric Co.	277,937	4,703	5,069	
Genesee & Wyoming, Inc.-Class A	1,127	60	69	
Geo Group, Inc.	1,606	41	27	
GeoEye, Inc.	627	24	14	
Gibraltar Industries, Inc.	721	8	10	
Global Power Equipment Group, Inc.	387	10	9	
Goodrich Corp.	3,249	292	409	
Gorman-Rupp Co.	439	11	12	
GP Strategies Corp.	468	6	6	
Graco, Inc.	1,691	66	70	
GrafTech International, Ltd.	3,174	62	44	
Graham Corp.	327	6	7	
Granite Construction, Inc.	907	25	22	
Great Lakes Dredge & Dock Corp.	1,691	12	10	
Greenbrier Cos., Inc.	500	10	12	
Griffon Corp.	1,387	18	13	
GS Yuasa Corp.	1,613	78	49	
H&E Equipment Services, Inc.	814	9	11	
Harsco Corp.	1,999	51	42	
Hawaiian Holdings, Inc.	1,232	10	7	
Healthcare Services Group, Inc.	1,645	27	30	
Heartland Express, Inc.	1,195	19	17	
HEICO Corp.	1,061	47	63	
Heidrick & Struggles International, Inc.	488	11	11	
Herman Miller, Inc.	1,387	32	26	
Hexcel Corp.	2,757	52	68	
Higher One Holdings, Inc.	713	13	13	
Hill International, Inc.	536	3	3	
HNI Corp.	1,078	32	29	
Honeywell International, Inc.	20,678	1,081	1,144	
Houston Wire & Cable Co.	528	8	7	
HUB Group, Inc.-Class A	961	33	32	
Hudson Highland Group, Inc.	1,182	6	6	
Huntington Ingalls Industries, Inc.	1,201	46	38	
Hurco Cos., Inc.	212	6	5	
Huron Consulting Group, Inc.	598	15	24	
ICF International, Inc.	463	11	12	
IDEX Corp.	2,285	90	86	
IHS, Inc.-Class A	1,310	101	115	
II-VI, Inc.	1,262	28	24	
Illinois Tool Works, Inc.	11,638	578	553	
Ingersoll-Rand PLC	8,166	347	253	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Innerworkings, Inc.	753	6	7	
Insperity, Inc.	611	17	16	
Insteel Industries, Inc.	504	6	6	
Interface, Inc.-Class A	1,275	19	15	
Interline Brands, Inc.	932	19	15	
Intersections, Inc.	364	6	4	
Iron Mountain, Inc.	4,418	107	139	
ITT Corp.	2,352	229	46	
Jacobs Engineering Group, Inc.	3,303	135	136	
JB Hunt Transport Services, Inc.	2,448	97	112	
Jetblue Airways	6,017	40	32	
John Bean Technologies Corp.	728	13	11	
Joy Global, Inc.	2,757	226	210	
Kadant, Inc.	415	12	10	
Kaman Corp.	601	17	17	
Kansas City Southern	2,870	145	199	
KAR Auction Services, Inc.	781	13	11	
Kaydon Corp.	840	31	26	
KBR, Inc.	3,993	115	113	
Kelly Services, Inc.-Class A	569	11	8	
Kennametal, Inc.	2,196	80	82	
Keyw Holding Corp.	568	7	4	
Kforce, Inc.	692	11	9	
Kimball International, Inc.	942	6	5	
Knight Transportation, Inc.	1,435	28	23	
Knoll, Inc.	1,092	18	16	
Korn/Ferry International	1,129	21	20	
Kratos Defense & Security Solutions, Inc.	1,097	12	7	
L-3 Communications Holdings, Inc.	2,628	192	178	
Landstar System, Inc.	1,451	58	71	
Layne Christensen Co.	599	20	15	
LB Foster Co.	212	8	6	
Lear Corp.	2,707	124	110	
Lennox International, Inc.	1,314	59	45	
Lincoln Electric Holdings, Inc.	2,293	76	91	
Lindsay Corp.	343	21	19	
LMI Aerospace, Inc.	292	6	5	
Lockheed Martin Corp.	6,895	491	568	
LSI Industries, Inc.	760	6	5	
Lydall, Inc.	535	6	5	
Manitowoc Co. (The), Inc.	3,247	38	30	
Manpower, Inc.	2,271	129	83	
Marten Transport, Ltd.	352	7	6	
Masco Corp.	9,210	109	98	
MasTec, Inc.	1,575	24	28	
McGrath Rentcorp	590	17	17	
Meritor, Inc.	2,630	50	14	
Metalico, Inc.	1,414	8	5	
Michael Baker Corp.	274	6	5	
Middleby Corp.	574	50	55	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Miller Industries, Inc.	343	6	6	
Mine Safety Appliances Co.	648	20	22	
Mistras Group, Inc.	355	5	9	
Mobile Mini, Inc.	836	17	15	
Monster Worldwide, Inc.	3,148	64	25	
Moog, Inc.-Class A	1,129	44	51	
MSC Industrial Direct Co.	1,194	77	87	
Mueller Industries, Inc.	932	31	36	
Mueller Water Products, Inc.	4,661	15	12	
Multi-Color Corp.	344	8	9	
MYR Group, Inc.	603	10	12	
NACCO Industries, Inc.-Class A	166	16	15	
National Presto Industries, Inc.	146	17	14	
Navigant Consulting, Inc.	1,295	11	15	
Navistar International Corp.	1,953	105	75	
NCI Building Systems, Inc.	681	7	8	
Nielsen Holdings	2,199	65	66	
NN, Inc.	573	7	4	
Nordson Corp.	1,669	72	70	
Norfolk Southern Corp.	9,186	584	682	
Northrop Grumman Corp.	6,835	437	407	
Northwest Pipe Co.	216	5	5	
Odyssey Marine Exploration, Inc.	2,512	7	7	
Old Dominion Freight Line, Inc.	1,186	37	49	
On Assignment, Inc.	924	8	11	
Orbital Sciences Corp.	1,615	28	24	
Orion Marine Group, Inc.	621	5	4	
Paccar, Inc.	9,623	529	367	
Pacer International, Inc.	1,291	6	7	
Pall Corp.	3,077	149	179	
Park-Ohio Holdings Corp.	304	6	6	
Parker Hannifin Corp.	3,934	333	305	
Patriot Transportation Holding, Inc.	255	6	6	
Pentair, Inc.	2,651	92	90	
Pike Electric Corp.	700	6	5	
Pilgrim's Pride Corp.	1,585	8	9	
Pitney Bowes, Inc.	4,728	108	89	
PMFG, Inc.	522	10	10	
Polypore International, Inc.	967	49	43	
Powell Industries, Inc.	223	8	7	
PowerSecure International, Inc.	863	6	4	
Precision Castparts Corp.	3,755	544	630	
Preformed Line Products Co.	86	6	5	
Primoris Services Corp.	752	10	11	
Quad/Graphics, Inc.	773	24	11	
Quality Distribution, Inc.	501	6	6	
Quanex Building Products Corp.	849	15	13	
Quanta Services, Inc.	5,661	105	124	
RailAmerica, Inc.	666	9	10	
Raven Industries, Inc.	433	20	27	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Raytheon Co.	9,299	445	458	
RBC Bearings, Inc.	514	19	22	
Regal-Beloit Corp.	962	61	50	
Republic Airways Holdings, Inc.	1,367	6	5	
Republic Services, Inc.	8,342	243	234	
Resources Connection, Inc.	1,287	21	14	
Roadrunner Transportation Systems, Inc.	199	3	3	
Robbins & Myers, Inc.	1,104	42	55	
Robert Half International, Inc.	3,989	117	116	
Rockwell Automation, Inc.	3,762	263	281	
Rockwell Collins, Inc.	4,040	234	228	
Rollins, Inc.	1,639	31	37	
Roper Industries, Inc.	2,523	193	223	
RPM International, Inc.	3,627	79	91	
RPX Corp.	307	8	4	
RR Donnelley & Sons Co.	4,725	80	69	
RSC Holdings, Inc.	1,651	15	31	
Rush Ent., Inc.-Class A	898	17	19	
Ryder System, Inc.	1,419	67	77	
Saia, Inc.	474	7	6	
Satcon Technology Corp.	2,675	10	2	
Sauer-Danfoss, Inc.	277	9	10	
Schawk, Inc.	368	6	4	
Seaboard Corp.	7	15	14	
SeaCube Container Leasing, Ltd.	364	6	5	
Shaw Group, Inc.	1,995	64	55	
Simpson Manufacturing Co., Inc.	1,017	28	35	
Skywest, Inc.	1,404	23	18	
Snap-On, Inc.	1,576	88	81	
Southwest Airlines Co.	21,000	272	183	
Spirit Aerosystems Holdings, Inc.-Class A	3,323	68	70	
Spirit Airlines, Inc.	501	6	8	
SPX Corp.	1,396	94	86	
Standard Parking Corp.	467	7	8	
Standex International Corp.	350	11	12	
Stanley Black & Decker, Inc.	4,379	276	301	
Steelcase, Inc.-Class A	2,197	22	17	
Stericycle, Inc.	2,285	178	181	
Sterling Construction Co., Inc.	490	6	5	
Sun Hydraulics Corp.	455	10	11	
Swift Transportation Co.	2,244	28	19	
Swisher Hygiene, Inc.	2,615	13	10	
SYKES Ent., Inc.	958	19	15	
TAL International Group, Inc.	563	17	16	
Taser International, Inc.	1,180	5	6	
Team, Inc.	540	12	16	
Tecumseh Products Co.-Class A	774	9	4	
Teledyne Technologies, Inc.	1,104	50	62	
Tennant Co.	467	17	18	
Terex Corp.	2,727	70	38	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Tetra Tech, Inc.	1,535	37	34	
Textainer Group Holdings, Ltd.	351	10	10	
Textron, Inc.	7,337	169	138	
Thermon Group Holdings, Inc.	227	3	4	
Thomas & Betts Corp.	1,420	69	79	
Timken Co. (The)	2,329	109	92	
Titan International, Inc.	1,128	20	22	
Titan Machinery, Inc.	346	7	8	
TMS International Corp.	446	6	4	
Toro Co.	918	57	57	
TransDigm Group, Inc.	1,337	101	130	
TRC Cos., Inc.	383	2	2	
Tredegar Corp.	556	11	13	
Trex Co., Inc.	408	8	10	
Trimas Corp.	569	12	10	
Trinity Industries, Inc.	2,208	56	68	
Triumph Group, Inc.	1,040	48	62	
TrueBlue, Inc.	1,025	19	14	
TRW Automotive Holdings Corp.	2,699	135	90	
Tutor Perini Corp.	907	18	11	
Twin Disc, Inc.	199	7	7	
Unifirst Corp.	353	19	20	
Union Pacific Corp.	12,821	1,205	1,383	
United Continental Holdings, Inc.	8,777	239	169	
United Parcel Service, Inc.-Class B	19,235	1,397	1,433	
United Rentals, Inc.	1,548	32	47	
United Stationers, Inc.	1,046	34	35	
United Technologies Corp.	23,972	1,903	1,784	
Universal Forest Products, Inc.	480	17	15	
URS Corp.	1,982	83	71	
US Airways Group, Inc.	3,940	44	20	
US Ecology, Inc.	542	9	10	
USG Corp.	1,663	24	17	
UTI Worldwide, Inc.	2,567	50	35	
Valmont Industries, Inc.	652	56	60	
Verisk Analytics, Inc.-Class A	3,105	101	127	
Viad Corp.	521	12	9	
Vicor Corp.	584	9	5	
VSE Corp.	83	2	2	
W.W. Grainger, Inc.	1,499	201	286	
Wabash National Corp.	1,900	22	15	
WABCO Holdings, Inc.	1,745	93	77	
Wabtec Corp.	1,317	68	94	
Waste Connections, Inc.	3,022	83	102	
Waste Management, Inc.	12,242	432	408	
Watsco, Inc.	697	43	47	
Watts Water Technologies, Inc.	723	25	25	
Werner Enterprises, Inc.	1,097	24	27	
WESCO Aircraft Holdings, Inc.	666	8	9	
WESCO International, Inc.	1,171	59	63	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Woodward Governor Co.	1,742	64	73	
Xerium Technologies, Inc.	401	7	3	
Xylem, Inc.	4,808	127	126	
Zipcar, Inc.	281	6	4	
		42,510	42,315	11.2
Information Technology				
ACI Worldwide, Inc.	796	22	23	
Acme Packet, Inc.	1,321	74	42	
Active Network, Inc.	341	5	5	
Activision Blizzard, Inc.	11,241	138	141	
Actuate Corp.	1,102	6	7	
Acxiom Corp.	1,953	35	24	
Adobe Systems, Inc.	13,241	385	381	
ADTRAN, Inc.	1,614	54	50	
Advanced Analogic Technologies, Inc.	912	5	5	
Advanced Energy Industries, Inc.	979	12	11	
Advanced Micro Devices, Inc.	16,402	123	90	
Advent Software, Inc.	864	23	21	
Aecom Technology Corp.	2,998	81	63	
Aeroflex Holding Corp.	689	11	7	
Agilent Technologies, Inc.	9,143	342	325	
Agilysys, Inc.	334	3	3	
Akamai Technologies, Inc.	4,997	247	164	
Alliance Data Systems Corp.	1,356	97	143	
Alpha and Omega Semiconductor, Ltd.	457	6	3	
Altera Corp.	8,466	319	320	
Amdocs, Ltd.	4,676	128	136	
American Software, Inc.-Class A	773	6	7	
Amkor Technology, Inc.	2,251	16	10	
Amphenol Corp.-Class A	4,404	230	204	
Amtech Systems, Inc.	357	7	3	
Anadigics, Inc.	1,870	6	4	
Analog Devices, Inc.	7,801	291	284	
Anaren, Inc.	391	7	7	
Ancestry.com, Inc.	843	27	20	
Angie's List, Inc.	258	4	4	
Anixter International, Inc.	731	42	44	
Annaly Capital Management, Inc.	24,336	435	396	
ANSYS, Inc.	2,452	128	143	
AOL, Inc.	2,351	57	36	
Apple, Inc.	24,248	7,997	9,999	
Applied Materials, Inc.	34,760	452	379	
Applied Micro Circuits Corp.	1,752	16	12	
ARIBA, Inc.	2,669	62	76	
Arris Group, Inc.	3,061	32	34	
Arrow Electronics, Inc.	3,107	105	118	
Aruba Networks, Inc.	2,110	49	40	
Aspen Technology, Inc.	2,078	28	37	
Atmel Corp.	12,302	136	101	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
ATMI, Inc.	741	14	15	
Automatic Data Processing, Inc.	13,082	622	719	
Avago Technologies, Ltd.	5,064	158	149	
Aviat Networks, Inc.	1,930	7	4	
Avid Technology, Inc.	905	12	8	
Avnet, Inc.	4,084	132	129	
AVX Corp.	1,393	19	18	
Axcelis Technologies, Inc.	3,659	6	5	
AXT, Inc.	633	6	3	
Bankrate, Inc.	593	10	13	
Bel Fuse, Inc.-Class B	299	6	6	
Benchmark Electronics, Inc.	1,445	24	20	
Black Box Corp.	412	16	12	
Blackbaud, Inc.	1,075	29	30	
Blue Coat Systems, Inc.	1,117	31	29	
BMC Software, Inc.	4,671	212	156	
Booz Allen Hamilton Holding Corp.	596	11	10	
Bottomline Technologies, Inc.	965	20	23	
Brightpoint, Inc.	1,818	16	20	
Broadcom Corp.-Class A	14,079	627	421	
BroadSoft, Inc.	538	19	17	
Brocade Communications Sys	13,083	68	69	
Brooks Automation, Inc.	1,783	15	19	
CA, Inc.	10,079	240	207	
Cabot Microelectronics Corp.	567	24	27	
CACI International, Inc.-Class A	638	34	36	
Cadence Design Sys, Inc.	7,533	63	80	
Calix, Inc.	1,097	16	7	
Callidus Software, Inc.	1,059	6	7	
Cardtronics, Inc.	1,034	19	28	
Cass Information Systems, Inc.	391	13	14	
Cavum, Inc.	1,292	50	37	
Ceva, Inc.	624	14	19	
Checkpoint Systems, Inc.	1,042	18	12	
Ciber, Inc.	2,065	11	8	
Ciena Corp.	2,296	37	28	
Cirrus Logic, Inc.	1,619	26	26	
Cisco Systems, Inc.	144,451	2,823	2,659	
Citrix Systems, Inc.	4,942	345	306	
Cognex Corp.	1,022	30	37	
Cognizant Technology Solutions Corp.-Class A	7,984	550	523	
Coherent, Inc.	615	27	33	
Cohu, Inc.	403	5	5	
Communications Systems, Inc.	342	5	5	
CommVault Systems, Inc.	1,275	41	55	
Computer Sciences Corp.	4,134	188	100	
Computer Task Group, Inc.	502	7	7	
Compuware Corp.	5,447	59	46	
comScore, Inc.	878	20	19	
Comtech Telecommunications Corp.	507	15	15	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Concur Technologies, Inc.	1,163	61	60	
Constant Contact, Inc.	808	22	19	
Convergys Corp.	2,552	34	33	
Convio, Inc.	571	6	6	
CoreLogic, Inc.	2,367	44	31	
Cornerstone OnDemand, Inc.	318	5	6	
Corning, Inc.	41,271	748	545	
Cray, Inc.	1,185	7	8	
Cree, Inc.	3,006	185	67	
CSG Systems International, Inc.	851	16	13	
CTS Corp.	923	9	9	
Cymer, Inc.	756	31	38	
Cypress Semiconductor Corp.	4,179	71	72	
Daktronics, Inc.	952	12	9	
DDI Corp.	339	3	3	
DealerTrack Holdings, Inc.	1,092	22	30	
Dell, Inc.	43,156	596	642	
Deltek, Inc.	508	3	5	
Demand Media, Inc.	429	6	3	
DemandTec, Inc.	693	6	9	
Dice Holdings, Inc.	1,050	14	9	
Diebold, Inc.	1,655	54	51	
Digi International, Inc.	791	10	9	
Digimarc Corp.	204	7	5	
Digital River, Inc.	885	34	14	
Diodes, Inc.	934	23	20	
Dolby Laboratories, Inc.-Class A	1,309	85	41	
Dot Hill Systems Corp.	2,182	6	3	
DSP Group, Inc.	709	6	4	
DST Systems, Inc.	879	39	41	
DTS, Inc.	485	22	13	
Earthlink, Inc.	2,734	24	18	
eBay, Inc.	30,307	904	935	
Ebix, Inc.	736	16	17	
Echelon Corp.	1,121	11	6	
Echo Global Logistics, Inc.	359	6	6	
Electro Rent Corp.	469	7	8	
Electro Scientific Industries, Inc.	517	8	8	
Electronics for Imaging, Inc.	1,077	14	16	
EMC Corp., Massachusetts	53,995	1,218	1,183	
Emcore Corp.	3,080	7	3	
Emulex Corp.	2,296	27	16	
Entegris, Inc.	3,292	23	29	
Entropic Communications, Inc.	2,325	22	12	
Envestnet, Inc.	615	8	7	
EPIQ Systems, Inc.	875	11	11	
Equinix, Inc.	1,244	104	128	
Euronet Worldwide, Inc.	1,328	23	25	
Exar Corp.	1,000	6	7	
ExlService Holdings, Inc.	484	10	11	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Extreme Networks	3,057	9	9	
F5 Networks, Inc.	2,149	288	232	
Fabrinet	492	11	7	
Fair Isaac Corp.	874	21	32	
Fairchild Semiconductor International, Inc.	3,177	47	39	
FalconStor Software, Inc.	1,475	6	4	
FARO Technologies, Inc.	394	11	18	
FEI Co.	957	26	40	
Fidelity National Information Services, Inc.	6,876	194	186	
Finisar Corp.	2,209	49	38	
First Solar, Inc.	1,483	185	51	
Fiserv, Inc.	3,750	218	224	
FleetCor Technologies, Inc.	422	13	13	
Flir Systems, Inc.	4,360	122	111	
Formfactor, Inc.	1,289	10	7	
Forrester Research, Inc.	320	11	11	
Fortinet, Inc.	3,111	58	69	
Freescale Semiconductor Holdings I, Ltd.	1,065	18	14	
FSI International, Inc.	1,200	4	4	
Fusion-io, Inc.	453	9	11	
Gartner, Inc.	2,620	92	93	
Genpact, Ltd.	3,181	49	48	
Gerber Scientific, Inc.	856	-	-	
Globecomm Systems, Inc.	741	11	10	
Glu Mobile, Inc.	1,571	7	5	
Google, Inc.-Class A	6,602	3,818	4,342	
GSI Group, Inc.	867	10	9	
GSI Technology, Inc.	910	6	4	
GT Advanced Technologies, Inc.	3,126	38	23	
Hackett Group, Inc.	1,238	6	5	
Harmonic, Inc.	3,024	22	15	
Harris Corp.	3,174	144	116	
Heartland Payment Systems, Inc.	1,026	18	25	
Hewlett-Packard Co.	52,195	2,175	1,369	
Hittite Microwave Corp.	784	47	39	
Homeaway, Inc.	296	10	7	
IAC/InterActiveCorp.	1,929	60	84	
iGate Corp.	864	16	14	
Imation Corp.	723	5	4	
Immersion Corp.	1,014	8	5	
Imperva, Inc.	139	4	5	
Infinera Corp.	2,464	20	16	
Informatica Corp.	2,827	126	106	
Infospace, Inc.	945	8	11	
Ingram Micro, Inc.-Class A	4,076	75	76	
Inphi Corp.	678	11	8	
Insight Ent., Inc.	1,140	15	18	
Integrated Device Tech, Inc.	3,526	24	20	
Integrated Silicon Solution, Inc.	726	6	7	
Intel Corp.	138,994	3,055	3,432	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Interactive Intelligence Group	346	10	8	
InterDigital, Inc.	1,251	49	55	
Intermec, Inc.	1,698	18	12	
Internap Network Services Corp.	1,061	7	6	
International Business Machines Corp.	31,732	4,786	5,941	
International Rectifier Corp.	1,742	51	34	
Intersil Corp.-Class A	3,135	42	33	
Intevac, Inc.	538	5	4	
IntraLinks Holdings, Inc.	617	11	4	
Intuit, Inc.	7,930	380	425	
IPG Photonics Corp.	682	26	24	
Itron, Inc.	1,000	57	36	
Ixia	1,016	16	11	
IXYS Corp.	663	9	7	
J2 Global, Inc.	1,162	33	33	
Jabil Circuit, Inc.	5,122	86	102	
Jack Henry & Associates, Inc.	2,404	72	82	
JDA Software Group, Inc.	1,036	28	34	
JDS Uniphase Corp.	6,245	80	66	
Juniper Networks, Inc.	14,091	481	293	
Kemet Corp.	1,318	15	9	
Kenexa Corp.	700	15	19	
Keynote Systems, Inc.	442	9	9	
KIT Digital, Inc.	1,105	14	10	
KLA-Tencor Corp.	4,400	175	216	
Knot, Inc.	924	9	8	
Kopin Corp.	2,216	10	9	
Kulicke & Soffa Industries, Inc.	1,932	14	18	
KVH Industries, Inc.	565	6	4	
Lam Research Corp.	3,296	157	124	
Lattice Semiconductor Corp.	3,177	17	19	
LeCroy Corp.	553	6	5	
Lexmark International, Inc.	1,903	72	64	
Liberty Media-Interactive A	15,871	254	262	
Limelight Networks, Inc.	2,203	10	7	
Linear Technology Corp.	5,992	202	183	
LinkedIn Corp.	240	16	15	
Lionbridge Technologies, Inc.	2,223	6	5	
Liquidity Services, Inc.	440	10	17	
Littelfuse, Inc.	552	27	24	
LivePerson, Inc.	1,261	12	16	
LogMeIn, Inc.	552	24	22	
LoopNet, Inc.	397	7	7	
Loral Space & Communications, Inc.	288	21	19	
LSI Corp.	15,653	94	95	
LTX-Credence Corp.	1,499	11	8	
Magma Design Automation, Inc.	1,850	14	14	
Manhattan Associates, Inc.	474	15	20	
Mantech International Corp.	630	25	20	
Marchex, Inc.-Class B	707	6	4	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Marvell Technology Group, Ltd.	13,453	263	190	
MasterCard, Inc.-Class A	2,811	734	1,067	
Maxim Integrated Products, Inc.	7,838	191	208	
MAXIMUS, Inc.	1,148	40	48	
Maxwell Technologies, Inc.	805	13	13	
Measurement Specialties, Inc.	404	11	11	
MEMC Electronic Materials, Inc.	5,701	69	23	
Mentor Graphics Corp.	2,356	28	33	
Mercury Computer Systems, Inc.	872	17	12	
Meru Networks, Inc.	416	6	2	
Methode Electronics, Inc.	1,011	10	9	
Micrel, Inc.	1,176	15	12	
Microchip Technology, Inc.	5,049	178	188	
Micron Technology, Inc.	23,072	174	148	
MICROS Systems, Inc.	2,238	102	106	
Microsemi Corp.	2,160	50	37	
Microsoft Corp.	194,561	5,181	5,143	
MicroStrategy, Inc.-Class A	193	17	21	
Microvision, Inc.	5,129	6	2	
Mindspeed Technologies, Inc.	968	7	4	
MIPS Technologies, Inc.	1,409	21	6	
MKS Instruments, Inc.	1,298	29	37	
ModusLink Global Solutions, Inc.	1,373	9	8	
Molex, Inc.	3,620	82	88	
Moneygram International, Inc.	361	9	7	
Monolithic Power Systems, Inc.	823	14	13	
Monotype Imaging Holdings, Inc.	957	14	15	
MoSys, Inc.	1,159	6	5	
Motorola Mobility Holdings, Inc.	6,865	198	271	
Motorola Solutions, Inc.	7,916	277	373	
Motricity, Inc.	1,351	11	1	
Move, Inc.	1,321	10	8	
MTS Systems Corp.	433	17	18	
Multi-Fineline Electronix, Inc.	290	6	6	
Nanometrics, Inc.	573	10	11	
National Instruments Corp.	2,292	55	61	
NCI, Inc.	271	6	3	
NCR Corp.	3,993	61	67	
NetApp, Inc.	9,738	504	360	
Netgear, Inc.	901	30	31	
Netlogic Microsystems, Inc.	1,759	61	89	
Netscout Systems, Inc.	982	22	18	
NetSuite, Inc.	666	19	27	
NeuStar, Inc.-Class A	1,928	48	67	
Newport Corp.	1,067	17	15	
NIC, Inc.	1,557	14	21	
NII Holdings, Inc.-Class B	4,588	179	100	
Novatel Wireless, Inc.	109	1	-	
Novellus Systems, Inc.	1,914	63	80	
Nuance Communications, Inc.	6,293	119	161	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
NVE Corp.	107	6	6	
NVIDIA Corp.	15,804	233	223	
Oclaro, Inc.	889	9	3	
OCZ Technology Group, Inc.	1,441	12	10	
Omnivision Technologies, Inc.	1,473	41	18	
ON Semiconductor Corp.	11,987	106	94	
OpenTable, Inc.	570	44	23	
Openwave Systems, Inc.	2,683	6	4	
Oplink Communications, Inc.	510	9	9	
Opnet Technologies, Inc.	325	8	12	
Opnext, Inc.	2,691	6	2	
Oracle Corp.	100,744	2,892	2,629	
OSI Systems, Inc.	446	16	22	
Parametric Technology Corp.	3,433	76	64	
Park Electrochemical Corp.	577	17	15	
Paychex, Inc.	8,444	253	259	
PDF Solutions, Inc.	482	3	3	
Pegasystems, Inc.	381	13	11	
Perficient, Inc.	659	6	7	
Pericom Semiconductor Corp.	680	6	5	
Photronics, Inc.	1,682	11	10	
Plantronics, Inc.	1,098	40	40	
Plexus Corp.	899	26	25	
PLX Technology, Inc.	1,824	6	5	
PMC-Sierra, Inc.	5,792	45	33	
Polycom, Inc.	4,821	94	80	
Power Integrations, Inc.	692	29	23	
Power-One, Inc.	1,969	15	8	
PRGX Global, Inc.	858	6	5	
Procera Networks, Inc.	380	5	6	
Progress Software Corp.	1,650	45	33	
PROS Holdings, Inc.	531	9	8	
Pulse Electronics Corp.	1,359	6	4	
QLIK Technologies, Inc.	1,846	56	45	
QLogic Corp.	2,614	48	40	
QUALCOMM, Inc.	43,832	2,168	2,440	
Quantum Corp.	6,381	24	16	
Quest Software, Inc.	1,506	40	29	
QuinStreet, Inc.	942	12	9	
Rackspace Hosting, Inc.	2,640	85	116	
Radisys Corp.	156	1	1	
Rambus, Inc.	2,526	46	19	
RealD, Inc.	1,191	26	10	
Realnetworks, Inc.	587	8	4	
RealPage, Inc.	787	21	20	
Red Hat, Inc.	5,058	235	213	
Responsys, Inc.	394	6	4	
RF Micro Devices, Inc.	6,852	50	38	
Richardson Electronics, Ltd.	465	6	6	
RightNow Technologies, Inc.	594	15	26	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Rimage Corp.	52	1	1	
Riverbed Technology, Inc.	3,943	135	94	
Rofin-Sinar Technologies, Inc.	784	24	18	
Rogers Corp.	370	13	14	
Rovi Corp.	3,040	162	76	
Rubicon Technology, Inc.	529	12	5	
Rudolph Technologies, Inc.	985	10	9	
S1 Corp.	2,097	14	20	
Saba Software, Inc.	917	8	7	
SAIC, Inc.	7,669	121	96	
Salesforce.com, Inc.	3,504	497	362	
SanDisk Corp.	6,257	298	313	
Sanmina-SCI Corp.	2,055	22	19	
Sapient Corp.	2,716	35	35	
Scansource, Inc.	653	20	24	
SciQuest, Inc.	370	6	5	
Seachange International, Inc.	729	8	5	
Semtech Corp.	1,634	40	41	
ServiceSource International, Inc.	351	7	6	
ShoreTel, Inc.	1,017	8	7	
Sigma Designs, Inc.	957	9	6	
Silicon Graphics International Corp.	670	10	8	
Silicon Image, Inc.	1,702	13	8	
Skyworks Solutions, Inc.	5,095	134	84	
Smith Micro Software, Inc.	1,734	27	2	
SolarWinds, Inc.	1,402	29	40	
Solera Holdings, Inc.	1,900	95	86	
Sonus Networks, Inc.	4,882	14	12	
Sourcefire, Inc.	760	22	25	
Spansion, Inc.-Class A	1,426	22	12	
SPS Commerce, Inc.	147	4	4	
SS&C Technologies Holdings, Inc.	638	11	12	
Stamps.com, Inc.	328	8	9	
Standard Microsystems Corp.	619	17	16	
STEC, Inc.	798	14	7	
Stratasys, Inc.	494	17	15	
SuccessFactors, Inc.	2,128	66	86	
Sunpower Corp.	2,468	31	16	
Super Micro Computer, Inc.	704	11	11	
Supertex, Inc.	225	5	4	
support.com, Inc.	5	-	-	
Sycamore Networks, Inc.	553	13	10	
Symantec Corp.	19,834	344	316	
Symmetricom, Inc.	1,127	6	6	
Synaptics, Inc.	780	23	24	
Synchronoss Technologies, Inc.	716	21	22	
SYNNEX Corp.	618	19	19	
Synopsys, Inc.	3,987	106	110	
Syntel, Inc.	355	18	17	
Take-Two Interactive Software, Inc.	1,765	21	24	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Taleo Corp.-Class A	1,075	34	42	
Tangoe, Inc.	213	2	3	
Tech Data Corp.	1,098	51	55	
Tekelec	1,577	19	18	
TeleCommunication Systems, Inc.	1,404	7	3	
TeleNav, Inc.	547	9	4	
TeleTech Holdings, Inc.	727	15	12	
Tellabs, Inc.	8,974	60	37	
Teradata Corp.	4,414	193	218	
Teradyne, Inc.	5,099	65	71	
Tessera Technologies, Inc.	1,340	27	23	
Texas Instruments, Inc.	30,427	999	902	
THQ, Inc.	2,167	7	2	
TIBCO Software, Inc.	4,436	95	108	
TiVo, Inc.	2,881	26	26	
TNS, Inc.	718	14	13	
Total System Services, Inc.	4,363	71	87	
Travelzoo, Inc.	102	6	3	
Trimble Navigation, Ltd.	3,318	131	147	
TriQuint Semiconductor, Inc.	4,174	47	21	
TTM Technologies, Inc.	1,359	19	15	
Tyler Technologies, Inc.	743	15	23	
Ubiquiti Networks, Inc.	182	4	3	
Ultimate Software Group, Inc.	674	33	45	
Ultra Clean Holdings	716	6	4	
Ultratech, Inc.	651	13	16	
Unisys Corp.	1,043	25	21	
United Online, Inc.	2,414	16	13	
Universal Display Corp.	949	28	35	
ValueClick, Inc.	1,959	31	32	
VASCO Data Security International, Inc.	898	10	6	
Veeco Instruments, Inc.	1,000	45	21	
VeriFone Systems, Inc.	2,743	102	99	
Verint Systems, Inc.	501	17	14	
VeriSign, Inc.	4,260	150	155	
Viasat, Inc.	898	38	42	
VirnetX Holding Corp.	978	13	25	
Virtusa Corp.	447	8	7	
Vishay Intertechnology, Inc.	3,597	55	33	
Vishay Precision Group, Inc.	407	7	7	
VistaPrint	985	43	31	
VMware, Inc.-Class A	2,217	193	188	
Vocus, Inc.	403	10	9	
Volterra Semiconductor Corp.	681	16	18	
Wave Systems Corp.-Class A	2,742	7	6	
Web.com Group, Inc.	818	9	10	
WebMD Health Corp.	1,684	85	64	
Websense, Inc.	1,085	23	21	
Westell Technologies, Inc.	1,798	6	4	
Western Digital Corp.	6,181	212	195	
Western Union Co.	16,549	304	308	
Wright Express Corp.	1,122	53	62	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
X-rite, Inc.	644	3	3	
Xerox Corp.	37,171	426	301	
Xilinx, Inc.	6,946	203	227	
Xyratex, Ltd.	838	12	11	
Yahoo!, Inc.	34,295	562	563	
Zebra Technologies Corp.-Class A	1,373	52	50	
Zillow, Inc.	67	2	2	
Zix Corp.	2,335	9	7	
Zygo Corp.	505	6	9	
		65,657	66,572	17.6
Materials				
A Schulman, Inc.	713	16	15	
AEP Industries, Inc.	54	2	2	
Air Products & Chemicals, Inc.	5,540	488	480	
Airgas, Inc.	2,038	130	162	
AK Steel Holding Corp.	2,991	40	25	
Albemarle Corp.	2,418	136	127	
Alcoa, Inc.	27,992	384	246	
Allegheny Technologies, Inc.	2,829	156	138	
Allied Nevada Gold Corp.	2,476	75	76	
AM Castle & Co.	364	6	4	
AMCOL International Corp.	589	18	16	
American Vanguard Corp.	680	9	9	
Aptargroup, Inc.	1,860	90	99	
Arch Coal, Inc.	5,479	158	81	
Armstrong World Industries	523	25	23	
Ashland, Inc.	2,101	112	122	
Balchem Corp.	683	22	28	
Ball Corp.	4,365	152	159	
Bemis Co.	2,836	92	87	
Boise, Inc.	2,499	20	18	
Buckeye Technologies, Inc.	976	20	33	
Calgon Carbon Corp.	1,313	19	21	
Carpenter Technology Corp.	1,219	52	64	
Celanese Corp.-Series A	4,112	164	185	
Century Aluminum Co.	1,460	22	13	
CF Industries Holdings, Inc.	1,710	222	252	
Chemtura Corp.	2,283	38	26	
Clearwater Paper Corp.	550	23	20	
Cliffs Natural Resources, Inc.	3,825	280	243	
Coeur d'Alene Mines Corp.	2,246	57	55	
Commercial Metals Co.	2,842	46	40	
Compass Minerals International, Inc.	916	77	64	
Comstock Resources, Inc.	1,292	33	20	
Cytec Industries, Inc.	1,394	70	63	
Deltic Timber Corp.	247	14	15	
Domtar Corp.	959	77	78	
Dow Chemical Co. (The)	30,863	1,014	903	
Eagle Materials, Inc.	1,175	31	31	
Eastman Chemical Co.	3,703	154	147	
Ecolab, Inc.	8,325	433	490	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
El Du Pont de Nemours & Co.	24,332	1,198	1,133	
Ferro Corp.	2,433	36	12	
Flotek Industries, Inc.	1,420	11	14	
FMC Corp.	1,901	156	166	
Freeport-McMoran Copper & Gold, Inc.	24,861	1,317	931	
FutureFuel Corp.	529	6	7	
General Moly, Inc.	1,959	9	6	
Georgia Gulf Corp.	903	19	18	
Globe Specialty Metals, Inc.	1,516	26	21	
Gold Resource Corp.	761	19	16	
Golden Minerals Co.	858	7	5	
Golden Star Resources, Ltd.	6,036	27	10	
Graphic Packaging Holding Co.	3,962	19	17	
Greif, Inc.-Class A	963	59	45	
Hawkins, Inc.	258	11	10	
Haynes International, Inc.	324	16	18	
HB Fuller Co.	1,186	26	28	
Headwaters, Inc.	2,077	6	5	
Hecla Mining Co.	6,928	67	37	
Horsehead Holding Corp.	1,263	14	12	
Hubbell, Inc.-Class B	1,600	97	109	
Huntsman Corp.	4,815	73	49	
Innophos Holdings, Inc.	521	19	26	
Innospec, Inc.	664	20	19	
International Flavors & Fragrances, Inc.	2,117	117	113	
International Paper Co.	11,384	300	343	
Intrepid Potash, Inc.	1,278	42	29	
Jaguar Mining, Inc.	2,443	15	16	
Kaiser Aluminum Corp.	389	19	18	
KapStone Paper and Packaging Corp.	900	14	14	
KMG Chemicals, Inc.	135	2	2	
Koppers Holdings, Inc.	552	17	19	
Kraton Performance Polymers, Inc.	765	26	16	
Kronos Worldwide, Inc.	460	13	8	
Landec Corp.	987	6	6	
Louisiana-Pacific Corp.	3,498	29	29	
LSB Industries, Inc.	425	10	12	
LyondellBasell Industries-Class A	8,229	301	272	
Martin Marietta Materials, Inc.	1,211	107	93	
Materion Corp.	576	21	14	
MeadWestvaco Corp.	4,495	120	137	
Metals USA Holdings Corp.	423	6	5	
Midway Gold Corp.	1,820	4	4	
Minerals Technologies, Inc	473	30	27	
Molycorp, Inc.	1,380	62	34	
Monsanto Co.	14,054	906	1,003	
Mosaic Co.	7,231	479	371	
Myers Industries, Inc.	718	7	9	
Neenah Paper, Inc.	363	7	8	
NewMarket Corp.	225	32	45	
Newmont Mining Corp.	12,678	770	774	
Noranda Aluminum Holding Corp.	686	9	6	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Nucor Corp.	8,278	334	334	
Olin Corp.	1,978	40	40	
Olympic Steel, Inc.	288	7	7	
OM Group, Inc.	737	29	17	
Omnova Solutions, Inc.	1,505	10	7	
Osisko Mining Corp.	2,386	71	52	
Owens-Illinois, Inc.	4,415	122	87	
Packaging Corp. of America	2,807	74	72	
Paramount Gold and Silver Corp.	3,347	10	7	
PH Glatfelter Co.	1,046	13	15	
PolyOne Corp.	2,279	30	27	
PPG Industries, Inc.	4,119	338	350	
Praxair, Inc.	7,932	763	863	
Quaker Chemical Corp.	295	12	12	
Reliance Steel & Aluminum Co.	2,034	98	101	
Revett Minerals, Inc.	664	3	3	
Rock-Tenn Co.-Class A	1,822	110	107	
Rockwood Holdings, Inc.	1,837	78	74	
Royal Gold, Inc.	1,491	83	102	
RTI International Metals, Inc.	700	20	17	
Schnitzer Steel Industries, Inc.-Class A	533	31	23	
Schweitzer-Mauduit International, Inc.	386	25	26	
Scotts Miracle-Gro Co.-Class A	1,067	55	51	
Sealed Air Corp.	5,157	117	90	
Senomyx, Inc.	1,296	6	5	
Sensient Technologies Corp.	1,244	45	48	
Sigma-Aldrich Corp.	3,210	212	204	
Silgan Holdings, Inc.	1,251	45	49	
Solutia, Inc.	3,394	73	60	
Sonoco Products Co.	2,733	91	92	
Southern Copper Corp.	4,539	195	139	
Spartech Corp.	842	4	4	
Steel Dynamics, Inc.	6,035	98	81	
Stepan Co.	206	15	17	
Stillwater Mining Co.	2,935	57	31	
STR Holdings, Inc.	924	13	8	
SunCoke Energy, Inc.	503	6	6	
Temple-Inland, Inc.	2,867	65	93	
Texas Industries, Inc.	543	21	17	
Thompson Creek Metals Co., Inc.	3,748	51	27	
Titanium Metals Corp.	2,108	39	32	
TPC Group, Inc.	360	12	9	
Tyco International, Ltd.	12,308	487	585	
United States Lime & Minerals, Inc.	59	4	4	
United States Steel Corp.	3,685	184	99	
Universal Stainless & Alloy	157	7	6	
US Gold Corp.	2,277	16	8	
Valspar Corp.	2,585	90	103	
Vista Gold Corp.	2,516	7	8	
Vulcan Materials Co.	3,424	141	137	
Walter Energy, Inc.	1,598	178	99	
Wausau Paper Corp.	1,233	10	10	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Westlake Chemical Corp.	488	19	20	
Weyerhaeuser Co.	14,003	248	266	
Whiting Petroleum Corp.	3,128	177	149	
Worthington Industries, Inc.	1,398	24	23	
WR Grace & Co.	1,975	72	92	
Zagg, Inc.	445	6	3	
Zep, Inc.	557	10	8	
Zoltek Cos., Inc.	751	6	6	
		16,913	15,853	4.2
Pharmaceuticals				
Resmed, Inc.	4,082	133	106	
		133	106	-
Telecommunication Services				
8x8, Inc.	1,372	5	4	
AboveNet, Inc.	689	43	46	
Alaska Communications Systems Group, Inc.	989	7	3	
American Tower Corp.-Class A	10,370	543	634	
AT&T, Inc.	155,008	4,486	4,768	
Atlantic Tele-Network, Inc.	263	10	10	
Cbeyond, Inc.	409	4	3	
CenturyTel, Inc.	15,731	676	596	
Cincinnati Bell, Inc.	8,112	23	25	
Clearwire Corp.-Class A	5,415	35	11	
Cogent Communications Group, Inc.	1,108	14	19	
Consolidated Communications Holdings, Inc.	1,942	38	38	
Crown Castle International Corp.	7,626	327	348	
Echostar Corp.-Class A	988	21	21	
Frontier Communications Corp.	25,651	236	134	
General Communication, Inc.-Class A	1,128	13	11	
Global Payments, Inc.	2,061	91	99	
inContact, Inc.	2,601	12	12	
Iridium Communications, Inc.	1,282	11	10	
Leap Wireless International, Inc.	1,734	20	16	
Level 3 Communications, Inc.	3,548	53	61	
Lumos Networks Corp.	196	3	3	
MetroPCS Communications, Inc.	6,966	90	61	
Neutral Tandem, Inc.	876	13	10	
Ntelos Holdings Corp.	377	11	8	
Pendrell Corp.	4,379	13	11	
Powerwave Technologies, Inc.	1,304	23	3	
Premiere Global Services, Inc.	1,511	11	13	
SBA Communications Corp.-Class A	2,910	118	127	
Shenandoah Telecommunications Co.	617	10	7	
Silicon Laboratories, Inc.	1,039	46	46	
Sprint Nextel Corp.	79,473	299	189	
SureWest Communications	397	6	5	
Telephone & Data Systems, Inc.	2,272	76	60	
Towerstream Corp.	1,198	6	3	
TW Telecom, Inc.	4,107	72	81	
US Cellular Corp.	349	16	15	
USA Mobility, Inc.	604	11	9	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Verizon Communications, Inc.	73,990	2,501	3,020	
Vonage Holdings Corp.	2,787	12	7	
Windstream Corp.	15,311	197	183	
		10,202	10,730	2.8
Utilities				
AES Corp. (The)	17,374	196	209	
AGL Resources, Inc.	3,057	119	132	
Allete, Inc.	821	30	35	
Alliant Energy Corp.	2,973	113	134	
Ameren Corp.	6,327	188	214	
American Electric Power Co., Inc.	12,510	464	526	
American States Water Co.	423	16	15	
American Water Works Co., Inc./NE	4,651	121	151	
Aqua America, Inc.	3,603	80	81	
Atlantic Power Corp.	3,708	53	54	
Avista Corp.	1,482	33	39	
Black Hills Corp.	1,021	32	35	
Cadiz, Inc.	587	6	6	
California Water Service Group	1,112	21	21	
Calpine Corp.	10,215	136	170	
Centerpoint Energy, Inc.	10,980	180	225	
Central Vermont Public Service Corp.	300	8	11	
CH Energy Group, Inc.	411	21	24	
Chesapeake Utilities Corp.	163	7	7	
Cleco Corp.	1,930	65	75	
CMS Energy Corp.	6,592	124	148	
Connecticut Water Service, Inc.	108	3	3	
Consolidated Edison, Inc.	7,575	382	478	
Constellation Energy Group, Inc.	4,869	149	196	
Dominion Resources, Inc.	15,035	656	812	
DTE Energy Co.	4,367	204	242	
Duke Energy Corp.	34,746	636	778	
Dynegy, Inc.	3,537	19	10	
Edison International	8,429	323	355	
El Paso Electric Co.	1,115	32	39	
Empire District Electric Co.	1,033	23	22	
Entergy Corp.	4,581	332	341	
EQT Corp.	3,530	157	197	
Exelon Corp.	17,284	702	763	
FirstEnergy Corp.	10,850	397	489	
FPL Group, Inc.	11,008	578	682	
GenOn Energy, Inc.	20,091	70	54	
Great Plains Energy, Inc.	3,950	79	88	
Hawaiian Electric Industries, Inc.	2,415	55	65	
IDACORP, Inc.	1,691	66	73	
Integrys Energy Group, Inc.	2,148	108	118	
ITC Holdings Corp.	1,333	84	103	
Laclede Group, Inc.	646	25	27	
MDU Resources Group, Inc.	5,239	111	115	
MGE Energy, Inc.	564	24	27	
Middlesex Water Co.	163	3	3	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
New Jersey Resources Corp.	1,071	47	54	
NiSource, Inc.	7,343	131	178	
Northeast Utilities	4,587	149	168	
Northwest Natural Gas Co.	644	32	31	
NorthWestern Corp.	958	29	35	
NSTAR	2,792	121	133	
NV Energy, Inc.	6,404	92	107	
OGE Energy Corp.	2,603	122	150	
Oneok, Inc.	2,812	158	248	
Ormat Technologies, Inc.	516	13	9	
Otter Tail Corp.	905	20	20	
Pennichuck Corp.	209	6	6	
Pepco Holdings, Inc.	6,143	117	127	
PG&E Corp.	10,315	492	433	
Piedmont Natural Gas Co., Inc.	1,868	57	65	
Pinnacle West Capital Corp.	2,873	121	141	
PNM Resources, Inc.	2,085	26	39	
Portland General Electric Co.	1,960	44	51	
PPL Corp.	14,965	393	448	
Progress Energy, Inc.	7,651	347	436	
Public Service Enterprise Group, Inc.	13,137	421	442	
Questar Corp.	4,553	78	92	
Scana Corp.	3,062	127	140	
Sempra Energy	6,209	321	347	
SJW Corp.	295	7	7	
South Jersey Industries, Inc.	756	40	44	
Southern Co. (The)	22,170	871	1,045	
Southwest Gas Corp.	1,178	43	51	
TECO Energy, Inc.	5,823	102	114	
UGI Corp.	2,930	91	88	
UIL Holdings Corp.	1,297	41	47	
Unisource Energy Corp.	967	35	36	
Unitil Corp.	1,192	34	34	
Vectren Corp.	2,111	56	65	
Westar Energy, Inc.	3,153	82	92	
WGL Holdings, Inc.	1,330	49	60	
Wisconsin Energy Corp.	6,020	185	214	
Xcel Energy, Inc.	12,579	305	354	
York Water Co.	174	3	3	
		12,639	14,546	3.9
Total Common Stocks		365,322	373,940	99.0
Transaction Costs (Note 2)		(21)		
Total Investments		366,307	374,943	99.3
Other Assets and Liabilities			2,607	0.7
Net Assets			377,550	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Government Guaranteed	0.3	-
Consumer Discretionary	11.6	10.2
Consumer Staples	9.8	8.1
Energy	11.2	10.0
Financials	15.7	15.5
Health Care	11.0	9.4
Industrials	11.2	10.4
Information Technology	17.6	16.0
Materials	4.2	4.1
Pharmaceuticals	-	0.1
Telecommunication Services	2.8	2.5
Utilities	3.9	2.9
Other Assets and Liabilities	0.7	10.8

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund (Note 1)

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 366,874,504	$ 539,464,006
Cash	10,452	-
Net unrealized gain on forward currency contracts (Note 5)	10,870,387	23,253,288
Accounts receivable from issue of units	-	60,000,000
	377,755,343	622,717,294
Liabilities		
Operating expenses payable	17,597	10,049
Payables for investment purchases	7,047,355	-
Net unrealized loss on forward currency contracts (Note 5)	1,950,184	9,630,238
	9,015,136	9,640,287
Net Assets	$ 368,740,207	$ 613,077,007
Number of Units Issued and Outstanding (Note 8)	35,138,292	58,708,930
Net Assets per Unit	$ 10.49	$ 10.44
Investments at Cost	$ 365,546,194	$ 530,047,266

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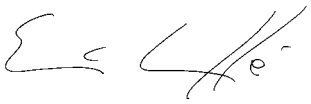

Bill Chinery, Director

Eric Léveillé, Director

BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund (Note 1)

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 11,246,806	$ 381,650
Interest income	59	-
	11,246,865	381,650
Expenses		
Custodian fees	698	-
Fund accounting expenses	13,333	961
Unitholder communication costs	601	48
Audit fees	14,145	9,039
Securities filing fees	8,290	-
Independent review committee fees	603	-
Other operating expenses	1,785	-
	39,455	10,048
Net Investment Income for the Period	11,207,409	371,602
Gain (Loss) on Investments		
Net realized gain on sale of investments	6,665,601	-
Net realized loss from forward currency contracts	(4,590,424)	-
Capital gains distributions received from other funds	6,064,843	-
Net change in unrealized appreciation (depreciation) in value of investments	(8,088,430)	9,416,740
Net change in unrealized appreciation (depreciation) in value of forward currency contracts	(4,702,847)	13,623,050
Net Gain (Loss) on Investments	(4,651,257)	23,039,790
Increase in Net Assets from Operations	$ 6,556,153	$ 23,411,392
Increase in Net Assets from Operations per Unit	$ 0.13	$ 0.44

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010
Net Assets - Beginning of Period	$ 613,077,007	$ -
Increase in Net Assets from Operations	6,556,153	23,411,392
Capital Transactions		
Proceeds from issue of units	107,438	589,665,615
Reinvestment of distributions	19,347,362	371,671
Redemption of units	(251,000,391)	-
Net capital transactions	(231,545,591)	590,037,286
Distributions		
From net investment income	(11,207,342)	(371,671)
From capital gains	(8,140,020)	-
Total distributions	(19,347,362)	(371,671)
Increase (Decrease) in Net Assets for the Period	(244,336,800)	613,077,007
Net Assets - End of Period	$ 368,740,207	$ 613,077,007

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Foreign Index Equivalents				
BlackRock CDN Russell 3000 Index Non-Taxable Fund	34,798,577	365,546	366,875	
Total Foreign Index Equivalents		365,546	366,875	99.5
Total Investments		365,546	366,875	99.5
Other Assets and Liabilities			1,865	0.5
Net Assets			368,740	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Foreign Index Equivalents	99.5	88.0
Other Assets and Liabilities	0.5	12.0

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

Statement of Net Assets — As at December 31

		2011		2010
Assets				
Investments - at fair value (Note 2)	$	1,630,728,434	$	1,902,858,136
Cash		10,322,886		12,259,423
Margin due from brokers		1,452,361		728,160
Securities lending income receivable		2,796		2,542
Dividends and distributions from underlying trust units receivable		4,650,091		3,754,222
Accounts receivable from issue of units		2,158,750		-
Accounts receivable for investment sales		18,646,707		-
		1,667,962,025		1,919,602,483
Liabilities				
Operating expenses payable		38,661		34,056
Payables for redemption of units		19,324,001		-
		19,362,662		34,056
Net Assets	$	1,648,599,363	$	1,919,568,427
Number of Units Issued and Outstanding (Note 8)		53,426,840		58,213,258
Net Assets per Unit	$	30.86	$	32.97
Investments at Cost	$	1,585,595,755	$	1,592,272,834

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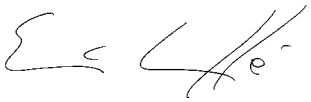

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income and distributions from underlying trust units	$ 42,869,714	$ 44,486,947
Interest income	81,258	28,098
Securities lending income	82,638	58,200
Net gain (loss) from futures contracts	(1,435,030)	1,246,452
Withholding taxes	-	(579)
	41,598,580	45,819,118
Expenses		
Custodian fees	153,648	159,355
Fund accounting expenses	73,145	75,997
Unitholder communication costs	601	602
Audit fees	15,757	15,302
Securities filing fees	57,139	6,163
Independent review committee fees	2,003	6,959
Other operating expenses	5,597	6,095
	307,890	270,473
Net Investment Income for the Year	41,290,690	45,548,645
Gain (Loss) on Investments		
Net realized gain on sale of investments	114,183,261	147,204,442
Transaction costs (Note 2,13)	(2,445,406)	(2,353,173)
Net change in unrealized appreciation (depreciation) in value of investments	(265,452,623)	100,787,582
Net Gain (Loss) on Investments	(153,714,768)	245,638,851
Increase (Decrease) in Net Assets from Operations	$ (112,424,078)	$ 291,187,496
Increase (Decrease) in Net Assets from Operations per Unit	$ (2.04)	$ 4.71

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 1,919,568,427	$ 1,878,121,851
Increase (Decrease) in Net Assets from Operations	(112,424,078)	291,187,496
Capital Transactions		
Proceeds from issue of units	142,296,668	212,421,726
Reinvestment of distributions	114,017,907	83,330,957
Redemption of units	(300,841,654)	(462,162,646)
Net capital transactions	(44,527,079)	(166,409,963)
Distributions		
From net investment income	(39,583,340)	(45,514,584)
From capital gains	(68,950,619)	-
From capital gains redemption in kind (Note 9)	(5,483,948)	(37,816,373)
Total distributions	(114,017,907)	(83,330,957)
Increase (Decrease) in Net Assets for the Year	(270,969,064)	41,446,576
Net Assets - End of Year	$ 1,648,599,363	$ 1,919,568,427

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks and Income Trusts				
Consumer Discretionary				
Astral Media, Inc.-Class A	29,716	1,006	1,055	
Canadian Tire Corp.-Class A	327,638	19,194	21,509	
Cogeco Cable, Inc.	40,849	1,884	2,093	
Corus Entertainment, Inc.-Class B	40,575	860	831	
Dollarama, Inc.	465,033	16,031	20,666	
Dorel Industries, Inc.-Class B	15,572	384	395	
Magna International, Inc.-Class A	3,489	126	118	
Quebecor, Inc.-Class B	232,550	7,481	8,028	
Reitman's (Canada), Ltd.-Class A	89,749	1,592	1,327	
Tim Hortons, Inc.	2,201	109	109	
Transcontinental, Inc.-Class A	350,264	5,078	4,413	
		53,745	60,544	3.7
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	625,818	15,683	19,807	
Cott Corp.	244,120	1,824	1,557	
Empire Co., Ltd.-Class A	193,880	10,376	11,412	
		27,883	32,776	2.0
Energy				
AltaGas, Ltd.	626,773	16,335	19,944	
ARC Resources, Ltd.	8,963	227	224	
Athabasca Oil Sands Corp.	143,849	2,000	1,792	
Bankers Petroleum, Ltd.	27,952	136	123	
Baytex Energy Corp.	338,502	17,332	19,264	
Bellatrix Exploration, Ltd.	214,462	1,046	1,053	
Bonavista Energy Corp.	140,747	3,409	3,666	
Calfrac Well Services, Ltd.	250,792	8,078	7,125	
Canadian Natural Resources, Ltd.	1,714,405	55,617	65,147	
Canadian Oil Sands, Ltd.	521,913	15,287	12,114	
Cenovus Energy, Inc.	385,729	11,128	13,034	
Cequence Energy, Ltd.	273,511	930	801	
Crescent Point Energy Corp.	119,417	5,117	5,353	
Enbridge, Inc.	1,195,634	29,593	45,542	
Encana Corp.	118,866	2,872	2,245	
Enerflex, Ltd.	5,033	63	67	
Enerplus Corp.	92,581	2,605	2,388	
Freehold Royalties, Ltd.	62,567	1,202	1,214	
Inter Pipeline Fund	970,315	15,877	17,999	
Keyera Corp.	131,067	3,837	6,522	
Legacy Oil + Gas, Inc.	112,479	1,112	1,177	
MEG Energy Corp.	78,824	3,823	3,245	
Midway Energy, Ltd.	235,120	1,042	759	
Mullen Group, Ltd.	376,592	6,351	7,385	
Nexen, Inc.	24,583	415	398	
Parkland Fuel Corp.	26,897	332	341	
Pason Systems, Inc.	158,502	2,254	1,894	
Pengrowth Energy Corp.	1,896,833	21,095	20,315	
Penn West Petroleum, Ltd.	931,185	19,205	18,773	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Petrobakken Energy, Ltd.	376,611	3,905	4,802	
Petrominerales, Ltd.	17,481	286	288	
Precision Drilling Corp.	579,110	4,715	6,058	
Progress Energy Resources Corp.	1,450,663	19,397	19,207	
Provident Energy, Ltd.	1,597,816	13,634	15,738	
Suncor Energy, Inc.	2,384,465	80,559	70,056	
Surge Energy, Inc.	49,500	409	441	
Talisman Energy, Inc.	1,658,304	29,006	21,492	
Tourmaline Oil Corp.	469,230	15,606	12,472	
TransCanada Corp.	1,179,148	47,172	52,472	
Transglobe Energy Corp.	251,540	2,208	2,025	
Trilogy Energy Corp.	348,124	8,341	13,058	
Whitecap Resources, Inc.	148,941	1,044	1,233	
		474,602	499,246	30.3
Financials				
Bank of Montreal	442,694	24,454	24,716	
Bank of Nova Scotia	1,055,900	53,380	53,587	
Boardwalk REIT	151,086	7,354	7,612	
Brookfield Asset Management, Inc.-Class A	31,625	941	884	
Brookfield Properties Co.	1,271,825	20,848	20,247	
Canaccord Capital, Inc.	20,649	263	160	
Canadian Imperial Bank of Commerce	242,015	18,228	17,846	
Canadian REIT	311,395	9,445	11,014	
Canadian Western Bank	458,969	11,976	11,837	
Davis & Henderson Income Corp.	153,849	2,694	2,592	
Dundee Corp.-Class A	128,578	2,981	3,022	
Extendicare REIT	121,698	1,329	1,032	
Fairfax Financial Holdings, Ltd.	13,038	5,420	5,698	
First Capital Realty, Inc.	57,103	958	987	
Genworth MI Canada, Inc.	351,728	8,784	7,200	
Home Capital Group, Inc.	226,228	9,739	11,108	
Industrial Alliance Insurance and Financial Services, Inc.	546,977	17,808	14,336	
Intact Financial Corp.	423,417	19,091	24,766	
Laurentian Bank of Canada	216,325	9,941	10,340	
Manulife Financial Corp.	1,284,814	21,856	13,914	
National Bank of Canada	179,156	12,729	12,922	
Onex Corp.	471,593	14,710	15,610	
Royal Bank of Canada	1,489,074	74,857	77,313	
Sun Life Financial, Inc.	760,730	14,806	14,378	
TMX Group, Inc.	87,508	3,749	3,644	
Toronto-Dominion Bank	1,257,441	78,887	95,880	
		447,228	462,645	28.0
Health Care				
Nordion, Inc.	40,273	352	343	
Valeant Pharmaceuticals International, Inc.	417,797	14,981	19,833	
		15,333	20,176	1.2
Industrials				
Bombardier, Inc.-Class B	807,041	3,044	3,261	
Canadian National Railway Co.	336,804	22,332	26,968	
Chorus Aviation, Inc.	903,973	4,505	2,866	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Group 4 Securicor PLC	403,676	4,983	4,816	
Progressive Waste Solutions, Ltd.	177,349	3,463	3,529	
Russel Metals, Inc.	404,481	10,113	9,060	
Toromont Industries, Ltd.	314,294	6,207	6,701	
TransForce, Inc.	199,224	1,987	2,576	
Vicwest, Inc.	69,427	984	626	
Westjet Airlines, Ltd.	1,163,005	14,910	13,572	
Westshore Terminals Investment Corp.-UNIT	8,466	201	193	
		72,729	74,168	4.5
Information Technology				
Celestica, Inc.	1,159,692	9,737	8,674	
CGI Group, Inc.-Class A	187,566	3,574	3,596	
MacDonald Dettwiler & Associates, Ltd.	358,282	18,021	16,871	
Otsuka Corp.	164,555	1,821	1,609	
Research In Motion, Ltd.	473,461	11,774	6,988	
Sandvine Corp.	419,155	997	474	
SXC Health Solutions Corp.	59,484	3,276	3,391	
		49,200	41,603	2.5
Materials				
Aecon Group, Inc.	611,748	6,101	6,399	
Agnico-Eagle Mines, Ltd.	138,021	7,463	5,094	
Agrium, Inc.	295,134	22,468	20,158	
Alacer Gold Corp.	4,053	48	42	
Allied Nevada Gold Corp.	28,970	1,047	893	
Aurizon Mines, Ltd.	536,278	2,918	2,681	
B2Gold Corp.	1,609,435	5,460	4,925	
Barrick Gold Corp.	1,092,274	48,577	50,321	
Capstone Mining Corp.	1,508,603	6,871	4,179	
CCL Industries-Class B	76,421	2,063	2,382	
Centerra Gold, Inc.	621,191	9,080	11,107	
Detour Gold Corp.	16,207	531	406	
Dundee Precious Metals, Inc.	535,412	4,763	4,401	
Eldorado Gold Corp.	671,473	11,739	9,360	
Endeavour Silver Corp.	151,132	1,791	1,489	
European Goldfields, Ltd.	158,375	1,864	1,869	
Franco-Nevada Corp.	12,896	531	499	
Gammon Gold, Inc.	815,693	7,548	6,656	
Goldcorp, Inc.	1,060,113	43,132	47,769	
Golden Star Resources, Ltd.	357,422	749	597	
Grande Cache Coal Corp.	112,025	1,100	1,109	
Iamgold Corp.	552,171	9,774	8,895	
International Tower Hill Mines, Ltd.	130,094	984	574	
Ivanhoe Mines, Ltd.	188,871	3,696	3,407	
Kinross Gold Corp.	1,978,963	36,758	22,976	
Labrador Iron Ore Royalty Corp.-UNIT	10,405	349	389	
Lundin Mining Corp.	57,715	215	223	
Major Drilling Group International	620,040	7,216	9,580	
Minefinders Corp.	37,147	545	399	
Neo Material Technologies, Inc.	539,143	4,351	3,947	
Nevsun Resources, Ltd.	569,433	3,191	3,206	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
New Gold, Inc.	400,828	4,172	4,096	
OceanaGold Corp.	61,178	157	136	
PAN American Silver Corp.	158,982	5,047	3,526	
Potash Corp. of Saskatchewan	589,783	26,878	24,824	
Quadra FNX Mining, Ltd.	208,753	2,328	3,144	
SEMAFO, Inc.	207,813	1,150	1,369	
Sherritt International Corp.	1,913,806	10,663	10,411	
Silver Wheaton Corp.	289,428	10,638	8,538	
Sino-Forest Corp.-Class A	282,111	2,105	3	
Tahoe Resources, Inc.	13,778	259	241	
Teck Resources, Ltd.	935,632	36,481	33,542	
West Fraser Timber Co., Ltd.	78,978	3,353	3,270	
Yamana Gold, Inc.	1,279,817	16,674	19,159	
		372,828	348,191	21.1
Telecommunication Services				
BCE, Inc.	499,766	17,053	21,210	
Bell Aliant, Inc.	97,203	2,662	2,770	
Rogers Communications, Inc.-Class B	209,368	7,749	8,216	
TELUS Corp.-Non-vote	661,850	28,123	38,083	
		55,587	70,279	4.3
Utilities				
Atco, Ltd.-Class I	223,467	11,863	13,415	
Canadian Utilities, Ltd.-Class A	124,916	5,714	7,685	
		17,577	21,100	1.3
Total Canadian Common Stocks and Income Trusts		1,586,712	1,630,728	98.9
Transaction Costs (Note 2)		(1,116)		
Total Investments		1,585,596	1,630,728	98.9
Other Assets and Liabilities			17,871	1.1
Net Assets			1,648,599	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	3.7	3.6
Consumer Staples	2.0	2.0
Energy	30.3	25.5
Financials	28.0	28.5
Health Care	1.2	0.3
Industrials	4.5	6.2
Information Technology	2.5	3.0
Materials	21.1	24.8
Telecommunication Services	4.3	2.8
Utilities	1.3	2.4
Other Assets and Liabilities	1.1	0.9

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 1,213,361,539	$ 1,729,296,004
Cash	7,076,959	10,867,388
Securities lending income receivable	1,581	2,427
Dividends receivable	3,344,411	3,008,816
Accounts receivable from issue of units	11,200,000	-
Accounts receivable for investment sales	2,000,164	-
	1,236,984,654	1,743,174,635
Liabilities		
Operating expenses payable	33,943	30,619
Payables for investment purchases	11,255,903	-
	11,289,846	30,619
Net Assets	$ 1,225,694,808	$ 1,743,144,016
Number of Units Issued and Outstanding (Note 8)	39,930,659	52,702,368
Net Assets per Unit	$ 30.70	$ 33.08
Investments at Cost	$ 1,186,958,460	$ 1,437,722,645

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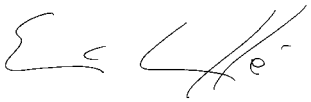
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 33,200,472	$ 37,167,062
Interest income	60,632	24,493
Securities lending income	60,308	33,487
	33,321,412	37,225,042
Expenses		
Custodian fees	137,228	133,700
Fund accounting expenses	64,455	73,945
Unitholder communication costs	601	602
Audit fees	15,476	15,302
Securities filing fees	21,245	-
Independent review committee fees	1,568	6,490
Other operating expenses	4,980	5,374
	245,553	235,413
Net Investment Income for the Year	33,075,859	36,989,629
Gain (Loss) on Investments		
Net realized gain on sale of investments	141,309,134	106,486,200
Transaction costs (Note 2,13)	(2,219,072)	(1,892,039)
Net change in unrealized appreciation (depreciation) in value of investments	(265,170,280)	124,120,792
Net Gain (Loss) on Investments	(126,080,218)	228,714,953
Increase (Decrease) in Net Assets from Operations	$ (93,004,359)	$ 265,704,582
Increase (Decrease) in Net Assets from Operations per Unit	$ (2.09)	$ 4.58

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 1,743,144,016	$ 1,756,449,069
Increase (Decrease) in Net Assets from Operations	(93,004,359)	265,704,582
Capital Transactions		
Proceeds from issue of units	242,140,766	-
Reinvestment of distributions	153,375,889	142,264,040
Redemption of units	(666,585,615)	(279,009,635)
Net capital transactions	(271,068,960)	(136,745,595)
Distributions		
From net investment income	(32,811,677)	(37,446,095)
From capital gains	(112,135,576)	(104,817,945)
From capital gains redemption in kind (Note 9)	(8,428,636)	-
Total distributions	(153,375,889)	(142,264,040)
Decrease in Net Assets for the Year	(517,449,208)	(13,305,053)
Net Assets - End of Year	$ 1,225,694,808	$ 1,743,144,016

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks				
Consumer Discretionary				
Astral Media, Inc.-Class A	19,319	652	686	
Canadian Tire Corp.-Class A	249,126	14,788	16,355	
Cogeco Cable, Inc.	22,528	1,033	1,154	
Corus Entertainment, Inc.-Class B	14,385	303	294	
Dollarama, Inc.	344,356	11,925	15,303	
Dorel Industries, Inc.-Class B	13,265	324	337	
Magna International, Inc.-Class A	1,496	54	51	
Quebecor, Inc.-Class B	216,560	7,090	7,476	
Reitman's (Canada), Ltd.-Class A	52,739	931	780	
Transcontinental, Inc.-Class A	344,947	4,936	4,346	
		42,036	46,782	3.8
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	438,389	11,276	13,875	
Cott Corp.	169,023	1,267	1,078	
Empire Co., Ltd.-Class A	168,627	9,052	9,926	
		21,595	24,879	2.0
Energy				
AltaGas, Ltd.	457,813	11,126	14,568	
ARC Resources, Ltd.	1,992	48	50	
Athabasca Oil Sands Corp.	112,432	1,564	1,401	
Baytex Energy Corp.	263,213	13,677	14,979	
Bellatrix Exploration, Ltd.	207,944	1,013	1,021	
Bonavista Energy Corp.	155,997	3,780	4,064	
Calfrac Well Services, Ltd.	130,550	4,111	3,709	
Canadian Natural Resources, Ltd.	1,300,847	41,882	49,432	
Canadian Oil Sands, Ltd.	530,860	15,586	12,321	
Cenovus Energy, Inc.	305,335	9,020	10,317	
Cequence Energy, Ltd.	278,403	946	816	
Crescent Point Energy Corp.	107,418	4,598	4,816	
Enbridge, Inc.	922,819	22,942	35,150	
Encana Corp.	102,148	2,618	1,930	
Enerflex, Ltd.	3,081	39	41	
Enerplus Corp.	82,814	2,308	2,136	
Freehold Royalties, Ltd.	79,247	1,516	1,537	
Legacy Oil + Gas, Inc.	71,880	717	752	
MEG Energy Corp.	63,000	3,033	2,594	
Midway Energy, Ltd.	241,884	1,072	781	
Mullen Group, Ltd.	345,578	5,839	6,777	
Nexen, Inc.	22,426	377	363	
Pason Systems, Inc.	139,790	1,985	1,670	
Pengrowth Energy Corp.	1,434,359	15,738	15,362	
Penn West Petroleum, Ltd.	735,123	16,278	14,820	
Petrobakken Energy, Ltd.	252,804	2,631	3,223	
Petrominerales, Ltd.	6,886	111	113	
Precision Drilling Corp.	212,921	1,978	2,227	
Progress Energy Resources Corp.	1,079,932	14,298	14,298	
Provident Energy, Ltd.	1,096,059	9,500	10,796	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Suncor Energy, Inc.	1,814,540	61,229	53,311	
Surge Energy, Inc.	48,600	407	433	
Talisman Energy, Inc.	1,459,233	25,994	18,912	
Tourmaline Oil Corp.	336,958	11,393	8,956	
TransCanada Corp.	899,789	36,347	40,041	
Transglobe Energy Corp.	180,069	1,620	1,450	
Trilogy Energy Corp.	297,026	7,244	11,141	
Whitecap Resources, Inc.	143,433	1,002	1,188	
		355,567	367,496	30.0
Financials				
Bank of Montreal	344,356	18,655	19,225	
Bank of Nova Scotia	829,634	41,590	42,104	
Brookfield Asset Management, Inc.-Class A	34,956	1,041	977	
Brookfield Properties Co.	961,357	15,791	15,305	
Canaccord Capital, Inc.	18,423	235	143	
Canadian Imperial Bank of Commerce	188,406	14,201	13,893	
Canadian Western Bank	320,297	8,250	8,261	
Davis & Henderson Income Corp.	75,287	1,324	1,269	
Dundee Corp.-Class A	78,043	1,839	1,834	
Fairfax Financial Holdings, Ltd.	8,390	3,501	3,666	
First Capital Realty, Inc.	34,367	573	594	
Genworth MI Canada, Inc.	340,397	8,423	6,968	
Home Capital Group, Inc.	198,507	8,259	9,747	
Industrial Alliance Insurance and Financial Services, Inc.	393,037	12,591	10,302	
Intact Financial Corp.	317,954	14,007	18,597	
Laurentian Bank of Canada	215,274	9,971	10,290	
Manulife Financial Corp.	1,020,223	17,722	11,049	
National Bank of Canada	96,471	6,744	6,958	
Onex Corp.	339,102	10,427	11,224	
Royal Bank of Canada	1,145,592	57,950	59,479	
Sun Life Financial, Inc.	653,799	12,568	12,357	
TMX Group, Inc.	76,500	3,291	3,186	
Toronto-Dominion Bank	957,355	61,097	72,998	
		330,050	340,426	27.8
Health Care				
Nordion, Inc.	19,719	173	168	
Valeant Pharmaceuticals International, Inc.	291,874	10,007	13,855	
		10,180	14,023	1.1
Industrials				
Bombardier, Inc.-Class B	649,240	2,438	2,623	
Canadian National Railway Co.	251,131	16,667	20,108	
Chorus Aviation, Inc.	439,787	2,233	1,394	
Group 4 Securicor PLC	312,581	3,783	3,729	
Progressive Waste Solutions, Ltd.	1,295	25	26	
Russel Metals, Inc.	301,978	7,523	6,764	
Toromont Industries, Ltd.	298,831	5,921	6,371	
TransForce, Inc.	60,830	586	787	
Vicwest, Inc.	70,621	1,001	637	
Westjet Airlines, Ltd.	1,179,177	14,779	13,761	
		54,956	56,200	4.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Information Technology				
Celestica, Inc.	674,520	5,521	5,046	
CGI Group, Inc.-Class A	133,147	2,528	2,553	
MacDonald Dettwiler & Associates, Ltd.	281,341	14,068	13,248	
Otsuka Corp.	139,300	1,538	1,362	
Research In Motion, Ltd.	287,405	9,329	4,242	
Sandvine Corp.	426,832	1,015	482	
SXC Health Solutions Corp.	50,103	2,789	2,856	
		36,788	29,789	2.4
Materials				
Aecon Group, Inc.	650,713	6,488	6,806	
Agnico-Eagle Mines, Ltd.	112,978	6,535	4,170	
Agrium, Inc.	226,189	17,102	15,449	
Alacer Gold Corp.	3,893	46	41	
Alamos Gold, Inc.	9,057	144	158	
Allied Nevada Gold Corp.	27,952	1,009	861	
Aurizon Mines, Ltd.	313,816	1,801	1,569	
B2Gold Corp.	1,019,670	3,472	3,120	
Barrick Gold Corp.	849,187	37,286	39,122	
Capstone Mining Corp.	1,350,340	6,077	3,740	
CCL Industries-Class B	50,031	1,359	1,559	
Centerra Gold, Inc.	447,652	6,210	8,004	
Detour Gold Corp.	12,647	418	317	
Dundee Precious Metals, Inc.	453,054	4,092	3,724	
Eldorado Gold Corp.	517,754	9,479	7,218	
Endeavour Silver Corp.	71,139	843	701	
European Goldfields, Ltd.	118,759	1,397	1,401	
Franco-Nevada Corp.	12,088	503	468	
Gammon Gold, Inc.	496,102	4,536	4,048	
Goldcorp, Inc.	821,681	33,558	37,025	
Golden Star Resources, Ltd.	188,983	395	316	
Grande Cache Coal Corp.	83,799	822	830	
Iamgold Corp.	432,287	7,715	6,964	
International Tower Hill Mines, Ltd.	128,777	974	568	
Ivanhoe Mines, Ltd.	146,956	2,868	2,651	
Kinross Gold Corp.	1,449,832	26,346	16,833	
Lundin Mining Corp.	35,341	132	136	
Major Drilling Group International	487,604	5,967	7,534	
Minefinders Corp.	39,629	594	426	
Neo Material Technologies, Inc.	293,970	2,277	2,152	
Nevsun Resources, Ltd.	513,413	2,920	2,891	
New Gold, Inc.	318,990	3,240	3,260	
OceanaGold Corp.	57,004	153	127	
PAN American Silver Corp.	109,791	3,439	2,435	
Potash Corp. of Saskatchewan	458,591	20,245	19,302	
Quadra FNX Mining, Ltd.	165,285	1,956	2,489	
SEMAFO, Inc.	205,375	1,058	1,353	
Sherritt International Corp.	1,469,194	8,407	7,992	
Silver Wheaton Corp.	230,816	7,879	6,809	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Sino-Forest Corp.-Class A	223,596	1,668	2	
Tahoe Resources, Inc.	9,155	174	160	
Teck Resources, Ltd.	682,252	25,575	24,459	
West Fraser Timber Co., Ltd.	31,247	1,444	1,294	
Yamana Gold, Inc.	936,672	12,104	14,022	
		280,707	264,506	21.6
Telecommunication Services				
BCE, Inc.	390,553	13,209	16,575	
Bell Aliant, Inc.	68,215	1,873	1,944	
Rogers Communications, Inc.-Class B	162,771	6,021	6,387	
TELUS Corp.-Non-vote	500,125	20,982	28,778	
		42,085	53,684	4.4
Utilities				
Atco, Ltd.-Class I	211,221	11,471	12,680	
Canadian Utilities, Ltd.-Class A	47,093	2,229	2,897	
		13,700	15,577	1.3
Total Canadian Common Stocks		1,187,664	1,213,362	99.0
Transaction Costs (Note 2)		(706)		
Total Investments		1,186,958	1,213,362	99.0
Other Assets and Liabilities			12,333	1.0
Net Assets			1,225,695	100.0

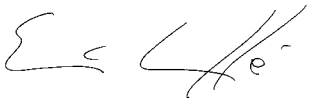
Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	3.8	3.8
Consumer Staples	2.0	2.2
Energy	30.0	23.4
Financials	27.8	27.9
Health Care	1.1	0.4
Industrials	4.6	6.4
Information Technology	2.4	3.1
Materials	21.6	26.3
Telecommunication Services	4.4	3.2
Utilities	1.3	2.5
Other Assets and Liabilities	1.0	0.8

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 520,538,281	$ 566,061,697
Cash	3,632,398	3,108,774
Margin due from brokers	402,794	258,920
Securities lending income receivable	947	2
Dividends receivable	1,441,771	986,031
Accounts receivable from issue of units	114,247	-
Accounts receivable for investment sales	796,300	-
	526,926,738	570,415,424
Liabilities		
Operating expenses payable	27,760	25,375
Payables for redemption of units	148,645	-
	176,405	25,375
Net Assets	$ 526,750,333	$ 570,390,049
Number of Units Issued and Outstanding (Note 8)	23,434,669	23,516,459
Net Assets per Unit	$ 22.48	$ 24.25
Investments at Cost	$ 509,207,633	$ 468,902,254

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 12,800,006	$ 11,023,125
Interest income	27,792	8,334
Securities lending income	20,341	9,979
Net gain (loss) from futures contracts	(742,314)	479,322
Foreign exchange gain	-	2,777
	12,105,825	11,523,537
Expenses		
Custodian fees	105,413	83,768
Fund accounting expenses	42,127	44,483
Unitholder communication costs	601	602
Audit fees	14,728	15,302
Securities filing fees	8,752	2,802
Independent review committee fees	622	1,887
Other operating expenses	4,199	12,169
	176,442	161,013
Net Investment Income for the Year	11,929,383	11,362,524
Gain (Loss) on Investments		
Net realized gain on sale of investments	33,898,142	32,064,704
Transaction costs (Note 2,13)	(808,844)	(572,290)
Net change in unrealized appreciation (depreciation) in value of investments	(85,828,795)	44,218,516
Net Gain (Loss) on Investments	(52,739,497)	75,710,930
Increase (Decrease) in Net Assets from Operations	$ (40,810,114)	$ 87,073,454
Increase (Decrease) in Net Assets from Operations per Unit	$ (1.76)	$ 3.69

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 570,390,049	$ 494,955,774
Increase (Decrease) in Net Assets from Operations	(40,810,114)	87,073,454
Capital Transactions		
Proceeds from issue of units	60,492,365	48,467,013
Reinvestment of distributions	41,793,759	44,702,986
Redemption of units	(63,321,967)	(60,106,192)
Net capital transactions	38,964,157	33,063,807
Distributions		
From net investment income	(11,413,158)	(11,280,923)
From capital gains	(30,380,601)	(33,422,063)
Total distributions	(41,793,759)	(44,702,986)
Increase (Decrease) in Net Assets for the Year	(43,639,716)	75,434,275
Net Assets - End of Year	$ 526,750,333	$ 570,390,049

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks				
Consumer Discretionary				
Astral Media, Inc.-Class A	8,478	286	301	
Canadian Tire Corp.-Class A	106,909	6,337	7,019	
Cogeco Cable, Inc.	9,856	452	505	
Corus Entertainment, Inc.-Class B	6,343	134	130	
Dollarama, Inc.	147,680	5,096	6,563	
Dorel Industries, Inc.-Class B	5,854	143	149	
Magna International, Inc.-Class A	731	26	25	
Quebecor, Inc.-Class B	92,830	3,037	3,204	
Reitman's (Canada), Ltd.-Class A	22,886	405	338	
Transcontinental, Inc.-Class A	147,951	2,126	1,864	
		18,042	20,098	3.8
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	187,654	4,813	5,939	
Cott Corp.	73,594	552	470	
Empire Co., Ltd.-Class A	72,313	3,883	4,256	
		9,248	10,665	2.0
Energy				
AltaGas, Ltd.	196,702	4,771	6,259	
ARC Resources, Ltd.	1,076	26	27	
Athabasca Oil Sands Corp.	48,963	681	610	
Baytex Energy Corp.	112,965	5,873	6,429	
Bellatrix Exploration, Ltd.	89,882	438	441	
Bonavista Energy Corp.	66,729	1,616	1,738	
Calfrac Well Services, Ltd.	56,025	1,773	1,592	
Canadian Natural Resources, Ltd.	557,859	17,730	21,199	
Canadian Oil Sands, Ltd.	227,651	6,706	5,284	
Cenovus Energy, Inc.	130,987	3,839	4,426	
Cequence Energy, Ltd.	120,977	411	354	
Crescent Point Energy Corp.	46,218	1,978	2,072	
Enbridge, Inc.	396,033	10,009	15,085	
Encana Corp.	44,764	1,144	845	
Enerflex, Ltd.	1,461	18	19	
Enerplus Corp.	35,608	993	918	
Freehold Royalties, Ltd.	34,516	658	670	
Legacy Oil + Gas, Inc.	31,454	314	329	
MEG Energy Corp.	27,200	1,316	1,120	
Midway Energy, Ltd.	105,396	467	340	
Mullen Group, Ltd.	148,211	2,513	2,906	
Nexen, Inc.	9,773	164	158	
Pason Systems, Inc.	61,160	851	731	
Pengrowth Energy Corp.	615,428	6,756	6,591	
Penn West Petroleum, Ltd.	315,426	6,981	6,359	
Petrobakken Energy, Ltd.	108,518	1,129	1,384	
Petrominerales, Ltd.	3,203	52	53	
Precision Drilling Corp.	91,414	859	956	
Progress Energy Resources Corp.	463,115	6,129	6,132	
Provident Energy, Ltd.	469,834	4,066	4,628	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Suncor Energy, Inc.	777,673	26,023	22,848	
Surge Energy, Inc.	21,200	177	189	
Talisman Energy, Inc.	625,769	11,098	8,110	
Tourmaline Oil Corp.	144,708	4,901	3,846	
TransCanada Corp.	385,929	15,529	17,174	
Transglobe Energy Corp.	78,484	706	632	
Trilogy Energy Corp.	127,437	3,098	4,780	
Whitecap Resources, Inc.	62,281	435	516	
		152,228	157,750	29.9
Financials				
Bank of Montreal	147,513	7,980	8,236	
Bank of Nova Scotia	355,995	17,650	18,067	
Brookfield Asset Management, Inc.-Class A	15,265	455	427	
Brookfield Properties Co.	411,766	6,764	6,555	
Canaccord Capital, Inc.	7,522	96	58	
Canadian Imperial Bank of Commerce	80,886	6,081	5,965	
Canadian Western Bank	137,414	3,568	3,544	
Davis & Henderson Income Corp.	32,843	577	553	
Dundee Corp.-Class A	33,947	800	798	
Fairfax Financial Holdings, Ltd.	3,597	1,502	1,572	
First Capital Realty, Inc.	15,010	250	260	
Genworth MI Canada, Inc.	145,831	3,633	2,985	
Home Capital Group, Inc.	85,035	3,603	4,175	
Industrial Alliance Insurance and Financial Services, Inc.	168,287	5,382	4,411	
Intact Financial Corp.	136,094	6,061	7,960	
Laurentian Bank of Canada	92,329	4,273	4,413	
Manulife Financial Corp.	437,601	7,389	4,739	
National Bank of Canada	41,425	2,894	2,988	
Onex Corp.	145,501	4,424	4,816	
Royal Bank of Canada	491,312	24,820	25,509	
Sun Life Financial, Inc.	280,621	5,393	5,304	
TMX Group, Inc.	26,933	1,174	1,121	
Toronto-Dominion Bank	410,452	25,819	31,297	
		140,588	145,753	27.7
Health Care				
Nordion, Inc.	7,739	68	66	
Valeant Pharmaceuticals International, Inc.	125,444	4,379	5,955	
		4,447	6,021	1.1
Industrials				
Bombardier, Inc.-Class B	278,029	1,044	1,123	
Canadian National Railway Co.	107,849	7,146	8,636	
Chorus Aviation, Inc.	190,050	968	602	
Group 4 Securicor PLC	135,025	1,634	1,611	
Progressive Waste Solutions, Ltd.	665	13	13	
Russel Metals, Inc.	129,788	3,241	2,907	
Toromont Industries, Ltd.	128,203	2,538	2,733	
TransForce, Inc.	26,339	253	341	
Vicwest, Inc.	33,554	474	303	
Westjet Airlines, Ltd.	505,110	6,339	5,895	
		23,650	24,164	4.6

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Information Technology				
Celestica, Inc.	289,301	2,410	2,164	
CGI Group, Inc.-Class A	57,407	1,090	1,100	
MacDonald Dettwiler & Associates, Ltd.	120,636	6,034	5,681	
Otsuka Corp.	60,378	666	591	
Research In Motion, Ltd.	123,308	4,019	1,820	
Sandvine Corp.	185,095	440	209	
SXC Health Solutions Corp.	21,458	1,195	1,223	
		15,854	12,788	2.4
Materials				
Aecon Group, Inc.	279,142	2,782	2,920	
Agnico-Eagle Mines, Ltd.	48,631	2,816	1,795	
Agrium, Inc.	96,959	7,334	6,622	
Alacer Gold Corp.	1,768	21	18	
Alamos Gold, Inc.	3,443	55	60	
Allied Nevada Gold Corp.	12,162	439	375	
Aurizon Mines, Ltd.	135,519	756	678	
B2Gold Corp.	435,368	1,484	1,332	
Barrick Gold Corp.	364,185	16,162	16,778	
Capstone Mining Corp.	581,033	2,636	1,609	
CCL Industries-Class B	21,777	597	679	
Centerra Gold, Inc.	191,975	2,657	3,432	
Detour Gold Corp.	5,550	182	139	
Dundee Precious Metals, Inc.	194,309	1,756	1,597	
Eldorado Gold Corp.	222,052	4,067	3,095	
Endeavour Silver Corp.	31,265	371	308	
European Goldfields, Ltd.	51,536	606	608	
Franco-Nevada Corp.	5,250	218	203	
Gammon Gold, Inc.	212,588	1,940	1,735	
Goldcorp, Inc.	352,515	14,707	15,884	
Golden Star Resources, Ltd.	81,919	171	137	
Grande Cache Coal Corp.	36,223	356	359	
Iamgold Corp.	185,803	3,324	2,993	
International Tower Hill Mines, Ltd.	55,837	422	246	
Ivanhoe Mines, Ltd.	63,281	1,240	1,142	
Kinross Gold Corp.	621,683	11,324	7,218	
Lundin Mining Corp.	16,323	61	63	
Major Drilling Group International	208,729	2,564	3,225	
Minefinders Corp.	17,248	258	185	
Neo Material Technologies, Inc.	128,030	991	937	
Nevsun Resources, Ltd.	220,667	1,256	1,242	
New Gold, Inc.	136,864	1,392	1,399	
OceanaGold Corp.	27,870	75	62	
PAN American Silver Corp.	46,895	1,469	1,040	
Potash Corp. of Saskatchewan	196,430	9,148	8,268	
Quadra FNX Mining, Ltd.	72,843	859	1,097	
SEMAFO, Inc.	88,781	473	585	
Sherritt International Corp.	629,767	3,607	3,426	
Silver Wheaton Corp.	99,209	3,386	2,927	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Sino-Forest Corp.-Class A	89,898	671	1	
Tahoe Resources, Inc.	4,097	78	72	
Teck Resources, Ltd.	293,571	11,086	10,525	
West Fraser Timber Co., Ltd.	13,470	623	558	
Yamana Gold, Inc.	402,122	5,195	6,020	
		121,615	113,594	21.6
Telecommunication Services				
BCE, Inc.	167,355	5,694	7,102	
Bell Aliant, Inc.	29,562	811	842	
Rogers Communications, Inc.-Class B	70,021	2,589	2,748	
TELUS Corp.-Non-vote	214,492	8,958	12,342	
		18,052	23,034	4.4
Utilities				
Atco, Ltd.-Class I	90,579	4,902	5,437	
Canadian Utilities, Ltd.-Class A	20,051	938	1,234	
		5,840	6,671	1.3
Total Canadian Common Stocks		509,564	520,538	98.8
Transaction Costs (Note 2)		(356)		
Total Investments		509,208	520,538	98.8
Other Assets and Liabilities			6,212	1.2
Net Assets			526,750	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Consumer Discretionary	3.8	3.8
Consumer Staples	2.0	2.2
Energy	29.9	23.4
Financials	27.7	27.9
Health Care	1.1	0.4
Industrials	4.6	6.4
Information Technology	2.4	3.1
Materials	21.6	26.3
Telecommunication Services	4.4	3.2
Utilities	1.3	2.5
Other Assets and Liabilities	1.2	0.8

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 132,593,968	$ 175,643,233
Cash	878,881	1,101,004
Margin due from brokers	94,425	171,480
Securities lending income receivable	1,312	2,761
Dividends receivable	254,926	206,506
Accounts receivable for investment sales	933,710	-
	134,757,222	177,124,984
Liabilities		
Operating expenses payable	21,001	22,124
	21,001	22,124
Net Assets	$ 134,736,221	$ 177,102,860
Number of Units Issued and Outstanding (Note 8)	3,030,381	3,730,894
Net Assets per Unit	$ 44.46	$ 47.47
Investments at Cost	$ 132,422,594	$ 146,009,656

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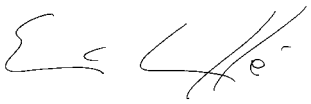

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 3,387,876	$ 3,041,502
Interest income	8,737	2,671
Securities lending income	26,155	8,693
Net gain (loss) from futures contracts	(226,633)	140,613
	3,196,135	3,193,479
Expenses		
Custodian fees	56,381	58,533
Fund accounting expenses	32,556	36,143
Unitholder communication costs	601	602
Audit fees	13,224	14,006
Securities filing fees	2,477	-
Independent review committee fees	177	633
Other operating expenses	3,713	1,917
	109,129	111,834
Net Investment Income for the Year	3,087,006	3,081,645
Gain (Loss) on Investments		
Net realized gain on sale of investments	15,224,861	34,921,479
Transaction costs (Note 2,13)	(504,690)	(688,547)
Net change in unrealized appreciation (depreciation) in value of investments	(29,462,203)	12,169,036
Net Gain (Loss) on Investments	(14,742,032)	46,401,968
Increase (Decrease) in Net Assets from Operations	$ (11,655,026)	$ 49,483,613
Increase (Decrease) in Net Assets from Operations per Unit	$ (3.22)	$ 11.36

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 177,102,860	$ 163,109,557
Increase (Decrease) in Net Assets from Operations	(11,655,026)	49,483,613
Capital Transactions		
Reinvestment of distributions	17,648,856	29,018,888
Redemption of units	(30,711,613)	(35,490,310)
Net capital transactions	(13,062,757)	(6,471,422)
Distributions		
From net investment income	(3,048,545)	(3,260,052)
From capital gains	(14,600,311)	(25,758,836)
Total distributions	(17,648,856)	(29,018,888)
Increase (Decrease) in Net Assets for the Year	(42,366,639)	13,993,303
Net Assets - End of Year	$ 134,736,221	$ 177,102,860

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks				
Consumer Discretionary				
Corus Entertainment, Inc.-Class B	26,825	566	549	
Dollarama, Inc.	59,183	1,947	2,630	
Quebecor, Inc.-Class B	44,772	1,472	1,546	
Reitman's (Canada), Ltd.-Class A	35,121	594	519	
Torstar Corp.-Class B	1,300	11	11	
Transcontinental, Inc.-Class A	114,504	1,583	1,443	
		6,173	6,698	5.0
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	93,710	2,197	2,966	
Atrium Innovations, Inc.	5,300	79	61	
Cott Corp.	66,650	522	425	
Empire Co., Ltd.-Class A	34,179	1,965	2,012	
Viterra, Inc.	19,976	213	214	
		4,976	5,678	4.2
Energy				
AltaGas, Ltd.	77,129	2,098	2,454	
Athabasca Oil Sands Corp.	86,936	1,240	1,083	
Bankers Petroleum, Ltd.	33,000	173	146	
Baytex Energy Corp.	69,560	3,508	3,959	
Birchcliff Energy, Ltd.	669	9	9	
Bonavista Energy Corp.	106,000	2,892	2,761	
Calfrac Well Services, Ltd.	56,363	1,601	1,601	
Celtic Exploration, Ltd.	14,099	362	320	
Crescent Point Energy Corp.	138,574	5,614	6,212	
Emerge Oil & Gas, Inc.	11,500	15	14	
Enbridge Income Fund Holdings, Inc.	31,450	599	632	
Enerflex, Ltd.	23,000	286	304	
Fairborne Energy, Ltd.	12,707	49	37	
Flint Energy Services, Ltd.	25,600	277	324	
Legacy Oil + Gas, Inc.	180,950	1,992	1,893	
MEG Energy Corp.	80,296	3,689	3,306	
Open Range Energy Corp.	160,300	292	298	
Pace Oil and Gas, Ltd.	65,400	373	279	
Pacific Rubiales Energy Corp.	36,559	873	684	
Parkland Fuel Corp.	73,750	912	934	
Pason Systems, Inc.	34,531	479	413	
Pembina Pipeline Corp.	21,300	554	632	
Pengrowth Energy Corp.	152,650	1,747	1,635	
Petrobakken Energy, Ltd.	24,850	256	317	
Peyto Exploration & Development Corp.	3,100	77	75	
Poseidon Concepts Corp.	51,172	424	637	
Precision Drilling Corp.	177,034	1,852	1,852	
Progress Energy Resources Corp.	172,482	2,329	2,284	
Provident Energy, Ltd.	246,165	2,070	2,425	
Pure Energy Services, Ltd.	8,400	69	74	
Rmp Energy, Inc.	5,400	12	12	
Sonde Resources Corp.	14,200	34	36	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Total Energy Services, Inc.	39,130	599	677	
Tourmaline Oil Corp.	73,700	2,479	1,959	
Transglobe Energy Corp.	94,100	967	758	
Trilogy Energy Corp.	55,827	1,153	2,094	
Twin Butte Energy, Ltd.	121,122	211	257	
Vermilion Energy, Inc.	15,010	699	678	
		42,865	44,065	32.7
Financials				
Brookfield Properties Co.	38,006	612	605	
Canaccord Capital, Inc.	139,762	1,506	1,086	
Canadian Western Bank	35,852	829	925	
CI Financial Corp.	7,850	160	165	
Davis & Henderson Income Corp.	16,382	293	276	
Fairfax Financial Holdings, Ltd.	10,876	4,323	4,753	
First Capital Realty, Inc.	3,250	57	56	
Genworth MI Canada, Inc.	26,333	655	539	
Great-West Lifeco, Inc.	48,331	1,178	982	
Home Capital Group, Inc.	32,498	1,682	1,596	
IGM Financial, Inc.	10,319	461	455	
Industrial Alliance Insurance and Financial Services, Inc.	86,285	2,447	2,261	
Intact Financial Corp.	73,202	3,201	4,282	
Killam Properties, Inc.	5,250	58	61	
Onex Corp.	6,802	182	225	
Power Financial Corp.	39,178	1,094	999	
TMX Group, Inc.	27,811	1,132	1,158	
		19,870	20,424	15.1
Health Care				
Futuremed Healthcare Products Corp.	4,000	33	32	
Nordion, Inc.	69,550	685	592	
		718	624	0.5
Industrials				
ATS Automation Tooling Systems, Inc.	94,550	683	608	
Black Diamond Group, Ltd.	1,100	15	20	
CanWel Building Materials Group, Ltd.	54,000	116	108	
Finning International, Inc.	7,422	173	164	
Group 4 Securicor PLC	48,621	574	580	
Morneau Shepell, Inc.	5,750	58	60	
Newalta, Inc.	67,400	802	830	
Toromont Industries, Ltd.	19,637	397	419	
TransForce, Inc.	40,559	457	525	
Wajax Corp.	1,050	40	40	
Westjet Airlines, Ltd.	162,033	1,927	1,891	
		5,242	5,245	3.9
Information Technology				
Aastra Technologies, Ltd.	850	13	12	
Celestica, Inc.	249,580	2,202	1,867	
CGI Group, Inc.-Class A	36,228	696	694	
Descartes Systems Group, Inc.	44,650	289	322	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
MacDonald Dettwiler & Associates, Ltd.	40,532	1,923	1,908	
Miranda Technologies, Inc.	4,400	41	40	
Open Text Corp.	6,703	393	349	
Otsuka Corp.	158,150	1,857	1,547	
SXC Health Solutions Corp.	45,029	1,990	2,567	
		9,404	9,306	6.9
Materials				
Aecon Group, Inc.	148,922	1,542	1,558	
Alacer Gold Corp.	47,550	538	497	
Alamos Gold, Inc.	43,750	709	763	
Aurizon Mines, Ltd.	74,058	480	370	
B2Gold Corp.	396,046	1,324	1,212	
Banro Corp.	47,800	199	179	
Canfor Pulp Products, Inc.	43,050	717	532	
Capstone Mining Corp.	110,006	342	305	
Cascades, Inc.	28,900	127	128	
CCL Industries-Class B	33,550	1,019	1,046	
Centerra Gold, Inc.	105,749	1,443	1,891	
China Gold International Resources Corp., Ltd.	6,981	37	18	
Detour Gold Corp.	22,800	553	572	
Dundee Precious Metals, Inc.	193,680	1,594	1,592	
Endeavour Silver Corp.	12,700	141	125	
European Goldfields, Ltd.	53,053	650	626	
Fortuna Silver Mines, Inc.	3,150	17	18	
Franco-Nevada Corp.	46,650	1,589	1,805	
Gabriel Resources, Ltd.	52,400	381	329	
Gammon Gold, Inc.	211,040	1,998	1,722	
Golden Star Resources, Ltd.	346,050	738	578	
Grande Cache Coal Corp.	37,795	371	374	
Great Basin Gold, Ltd.	534,950	614	497	
Harry Winston Diamond Corp.	42,515	628	459	
High River Gold Mines, Ltd.	62,750	79	75	
Ivanhoe Mines, Ltd.	88,652	1,810	1,599	
Lundin Mining Corp.	93,736	518	362	
Major Drilling Group International	116,798	1,265	1,805	
Minefinders Corp.	15,750	267	169	
Neo Material Technologies, Inc.	223,567	1,684	1,637	
Nevsun Resources, Ltd.	123,100	725	693	
New Gold, Inc.	200,431	2,004	2,048	
OceanaGold Corp.	147,350	363	327	
PAN American Silver Corp.	47,348	1,304	1,050	
Primero Mining Corp.	114,900	405	371	
Quadra FNX Mining, Ltd.	75,247	1,076	1,133	
Revett Minerals, Inc.	19,500	98	91	
Scorpio Mining Corp.	358,400	674	702	
SEMAFO, Inc.	157,654	1,230	1,039	
Sherritt International Corp.	332,198	2,183	1,807	
Silver Standard Resources, Inc.	14,600	302	205	
Silvercorp Metals, Inc.	60,600	786	394	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Sino-Forest Corp.-Class A	113,922	1,420	1	
Tahoe Resources, Inc.	21,000	380	368	
Tembec, Inc.	91,600	258	256	
West Fraser Timber Co., Ltd.	24,913	1,030	1,031	
		37,612	34,359	25.5
Telecommunication Services				
Bell Aliant, Inc.	20,852	579	594	
Manitoba Telecom Services, Inc.	8,515	268	253	
		847	847	0.6
Utilities				
Atco, Ltd.-Class I	38,155	1,957	2,290	
Canadian Utilities, Ltd.-Class A	34,210	1,946	2,105	
Capital Power Corp.	26,850	672	674	
Emera, Inc.	8,456	274	279	
		4,849	5,348	4.0
Total Canadian Common Stocks		132,556	132,594	98.4
Transaction Costs (Note 2)		(133)		
Total Investments		132,423	132,594	98.4
Other Assets and Liabilities			2,142	1.6
Net Assets			134,736	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	5.0	3.8
Consumer Staples	4.2	4.2
Energy	32.7	23.4
Financials	15.1	17.4
Health Care	0.5	0.2
Industrials	3.9	8.2
Information Technology	6.9	6.0
Materials	25.5	32.9
Telecommunication Services	0.6	-
Utilities	4.0	3.1
Other Assets and Liabilities	1.6	0.8

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

		2011
Assets		
Investments - at fair value (Note 2)	$	126,698,419
Cash		980,140
Margin due from brokers		224,061
Dividends receivable		338,206
		128,240,826
Liabilities		
Investments sold short (2011 proceeds - $28,951,476)(Note 2)		28,469,031
Dividends payable on securities sold short		83,216
Operating expenses payable		12,323
		28,564,570
Net Assets	$	99,676,256
Number of Units Issued and Outstanding (Note 8)		9,999,962
Net Assets per Unit	$	9.97
Investments at Cost	$	98,822,572

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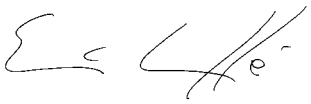


Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Period Ended December 31

		2011
Revenue		
Dividend income	$	634,568
Interest income		(13,376)
Net gain from futures contracts		15,019
Foreign exchange loss		(159)
		636,052
Expenses		
Custodian fees		12
Fund accounting expenses		4,816
Audit fees		9,040
Securities filing fees		431
Independent review committee fees		65
Dividends from short sales		145,517
		159,881
Net Investment Income for the Period		476,171
Loss on Investments		
Net realized loss on sale of investments		(131,139)
Transaction costs (Note 2,13)		(75,214)
Net change in unrealized depreciation in value of investments		(593,184)
Net Loss on Investments		(799,537)
Decrease in Net Assets from Operations	$	(323,366)
Decrease in Net Assets from Operations per Unit	$	(0.03)

Statement of Changes in Net Assets — For the Period Ended December 31

		2011
Net Assets - Beginning of Period	$	-
Decrease in Net Assets from Operations		(323,366)
Capital Transactions		
Proceeds from issue of units		99,999,622
Reinvestment of distributions		179,266
Net capital transactions		100,178,888
Distributions		
From net investment income		(179,266)
Total distributions		(179,266)
Increase in Net Assets for the Period		99,676,256
Net Assets - End of Period	$	99,676,256

Statement of Cash Flow — For the Period Ended December 31

		2011
Cash Used in Operating Activities		
Net investment income for the period	$	476,171
Changes in Working Capital Balances Relating to Operations		
Purchase of investment securities*		(54,526,092)
Proceeds from disposition of investment securities		25,783,337
Proceeds of investment sold short		34,038,386
Purchase from investment sold short		(5,324,315)
Increase in margin due from brokers		(224,061)
Increase in dividends receivable		(338,206)
Increase in dividends payable on securities sold short		83,216
Increase in operating expenses payable		12,323
		(495,412)
Net Cash Used in Operating Activities		(19,241)
Financing Activities		
Proceeds from issuance of units*		999,381
Net Cash Provided by Financing Activities		999,381
Net Increase in Cash and Cash Equivalent	$	980,140
Cash - Beginning of Period	$	-
Cash - End of Period	$	980,140

* Excluding in-kind activity as follows:
- Purchase of investment securities (2011, $99,000,241)
- Proceeds from issuance of units (2011, $99,000,241)

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received (in $000s)	Fair value (in $000s)	% of net assets
Canadian Common Stocks-Long				
Consumer Discretionary				
Astral Media, Inc.-Class A	30,176	1,030	1,071	
Canadian Tire Corp.-Class A	20,437	1,218	1,342	
Cogeco Cable, Inc.	202	10	10	
Corus Entertainment, Inc.-Class B	12,591	242	258	
Dollarama, Inc.	27,296	1,025	1,213	
Dorel Industries, Inc.-Class B	4,355	106	111	
Quebecor, Inc.-Class B	32,219	1,103	1,112	
Reitman's (Canada), Ltd.-Class A	3,680	57	54	
Transcontinental, Inc.-Class A	87,259	1,090	1,100	
		5,881	6,271	6.3
Consumer Staples				
Alimentation Couche Tard, Inc.-Class B	41,503	1,245	1,314	
Cott Corp.	28,438	196	182	
Empire Co., Ltd.-Class A	17,920	1,093	1,055	
George Weston, Ltd.	9,111	625	618	
Jean Coutu Group, Inc.-Class A	2,294	30	29	
Metro, Inc.-Class A	489	26	26	
Shoppers Drug Mart Corp.	607	26	25	
		3,241	3,249	3.3
Energy				
AltaGas, Ltd.	37,224	1,097	1,184	
ARC Resources, Ltd.	6,147	154	154	
Bankers Petroleum, Ltd.	227,993	1,115	1,005	
Baytex Energy Corp.	25,984	1,372	1,479	
Bellatrix Exploration, Ltd.	17,400	81	85	
Bonavista Energy Corp.	45,053	1,155	1,174	
Canadian Natural Resources, Ltd.	105,635	3,722	4,014	
Canadian Oil Sands, Ltd.	30,566	701	709	
Celtic Exploration, Ltd.	6,077	158	138	
Cenovus Energy, Inc.	23,703	808	801	
Cequence Energy, Ltd.	23,100	105	68	
Crescent Point Energy Corp.	25,583	1,082	1,147	
Enbridge, Inc.	82,451	2,848	3,141	
Encana Corp.	1,916	41	36	
Enerflex, Ltd.	4,827	61	64	
Enerplus Corp.	36,564	1,025	943	
Freehold Royalties, Ltd.	52,469	952	1,018	
Legacy Oil + Gas, Inc.	1,224	12	13	
MEG Energy Corp.	30,500	1,354	1,256	
Midway Energy, Ltd.	20,400	77	66	
Mullen Group, Ltd.	52,030	1,032	1,020	
Parkland Fuel Corp.	13,284	166	168	
Pason Systems, Inc.	429	5	5	
Pengrowth Energy Corp.	115,941	1,207	1,242	
Penn West Petroleum, Ltd.	83,472	1,480	1,683	
Petrobakken Energy, Ltd.	89,088	1,026	1,136	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received (in $000s)	Fair value (in $000s)	% of net assets
Petrominerales, Ltd.	438	7	7	
Precision Drilling Corp.	71,327	808	746	
Progress Energy Resources Corp.	88,006	1,237	1,165	
Provident Energy, Ltd.	117,565	1,065	1,158	
Suncor Energy, Inc.	147,450	4,662	4,332	
Surge Energy, Inc.	4,300	38	38	
Talisman Energy, Inc.	69,823	982	905	
Tourmaline Oil Corp.	40,200	1,313	1,069	
TransCanada Corp.	72,573	3,073	3,229	
Transglobe Energy Corp.	73,444	675	591	
Trilogy Energy Corp.	29,907	1,011	1,122	
Vermilion Energy, Inc.	20,694	973	935	
Whitecap Resources, Inc.	12,200	85	101	
		38,765	39,147	39.3
Financials				
Bank of Montreal	27,838	1,638	1,554	
Bank of Nova Scotia	57,752	3,028	2,931	
Brookfield Asset Management, Inc.-Class A	3,416	97	95	
Brookfield Properties Co.	76,623	1,247	1,220	
Canadian Imperial Bank of Commerce	15,411	1,152	1,136	
Canadian Western Bank	38,451	1,093	992	
Davis & Henderson Income Corp.	17,107	282	288	
Dundee Corp.-Class A	45,185	1,076	1,062	
Fairfax Financial Holdings, Ltd.	3,416	1,446	1,493	
First Capital Realty, Inc.	35,273	573	610	
Genworth MI Canada, Inc.	51,285	1,119	1,050	
Home Capital Group, Inc.	22,341	1,002	1,097	
Industrial Alliance Insurance and Financial Services, Inc.	35,403	1,140	928	
Intact Financial Corp.	25,838	1,438	1,511	
Laurentian Bank of Canada	22,219	1,011	1,062	
Manulife Financial Corp.	68,239	898	739	
National Bank of Canada	7,781	542	561	
Onex Corp.	35,489	1,172	1,175	
Royal Bank of Canada	91,833	4,418	4,768	
Toronto-Dominion Bank	77,756	5,782	5,929	
		30,154	30,201	30.3
Health Care				
Nordion, Inc.	9,653	84	82	
Valeant Pharmaceuticals International, Inc.	40,718	1,601	1,933	
		1,685	2,015	2.0
Industrials				
Bombardier, Inc.-Class B	247,042	919	998	
Canadian National Railway Co.	19,180	1,498	1,536	
Group 4 Securicor PLC	68,830	791	821	
Russel Metals, Inc.	31,714	726	710	
Toromont Industries, Ltd.	52,523	998	1,120	
TransForce, Inc.	1,476	19	19	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received (in $000s)	Fair value (in $000s)	% of net assets
Vicwest, Inc.	6,100	49	55	
Westjet Airlines, Ltd.	95,620	1,224	1,116	
		6,224	6,375	6.4
Information Technology				
Celestica, Inc.	121,863	996	911	
CGI Group, Inc.-Class A	29,320	571	562	
MacDonald Dettwiler & Associates, Ltd.	23,226	1,056	1,094	
Sandvine Corp.	36,000	57	41	
SXC Health Solutions Corp.	10,562	557	602	
		3,237	3,210	3.2
Materials				
Aecon Group, Inc.	96,677	879	1,011	
Agrium, Inc.	21,131	1,653	1,443	
Alacer Gold Corp.	1,666	20	17	
Alamos Gold, Inc.	976	18	17	
Allied Nevada Gold Corp.	2,400	91	74	
Aurizon Mines, Ltd.	42,297	234	212	
B2Gold Corp.	290,531	1,080	889	
Banro Corp.	19,275	75	72	
Barrick Gold Corp.	56,247	2,768	2,591	
Capstone Mining Corp.	246,517	747	683	
CCL Industries-Class B	5,186	152	162	
Centerra Gold, Inc.	48,311	961	864	
Dundee Precious Metals, Inc.	122,899	995	1,010	
Eldorado Gold Corp.	36,384	679	507	
Endeavour Silver Corp.	71,041	842	700	
European Goldfields, Ltd.	9,768	115	115	
First Majestic Silver Corp.	16,332	288	279	
Gammon Gold, Inc.	126,658	1,208	1,034	
Goldcorp, Inc.	70,219	3,412	3,164	
Golden Star Resources, Ltd.	28,066	59	47	
Grande Cache Coal Corp.	6,865	67	68	
Great Basin Gold, Ltd.	34,130	33	32	
Iamgold Corp.	69,568	1,502	1,121	
International Tower Hill Mines, Ltd.	10,800	54	48	
Ivanhoe Mines, Ltd.	3,350	70	60	
Kinross Gold Corp.	120,418	1,713	1,398	
Lundin Mining Corp.	6,980	25	27	
Major Drilling Group International	68,910	924	1,065	
Minefinders Corp.	3,964	55	43	
Neo Material Technologies, Inc.	138,811	1,050	1,016	
Nevsun Resources, Ltd.	177,963	970	1,002	
New Gold, Inc.	63,902	791	653	
OceanaGold Corp.	9,736	25	22	
PAN American Silver Corp.	9,697	270	215	
Potash Corp. of Saskatchewan	37,493	1,769	1,578	
Quadra FNX Mining, Ltd.	13,589	149	205	
Romarco Minerals, Inc.	41,897	43	44	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received	Fair value	% of net assets
		(in $000s)	(in $000s)	
SEMAFO, Inc.	16,103	123	106	
Sherritt International Corp.	204,314	1,157	1,111	
Silver Wheaton Corp.	11,944	403	352	
Tahoe Resources, Inc.	37,920	702	664	
Teck Resources, Ltd.	56,100	2,242	2,011	
West Fraser Timber Co., Ltd.	2,932	126	121	
Yamana Gold, Inc.	78,435	1,171	1,174	
		31,710	29,027	29.1
Telecommunication Services				
BCE, Inc.	31,840	1,262	1,351	
Bell Aliant, Inc.	18,651	522	532	
Rogers Communications, Inc.-Class B	9,990	368	392	
TELUS Corp.-Non-vote	40,471	2,172	2,329	
		4,324	4,604	4.6
Utilities				
Atco, Ltd.-Class I	19,463	1,185	1,168	
Canadian Utilities, Ltd.-Class A	20,758	1,266	1,277	
Capital Power Corp.	6,140	154	154	
		2,605	2,599	2.6
Total Canadian Common Stocks-Long		127,826	126,698	127.1
Canadian Common Stocks-Short				
Consumer Discretionary				
Cineplex, Inc.	(31,940)	(835)	(824)	
Gildan Activewear, Inc.	(31,623)	(799)	(606)	
Linamar Corp.	(12,215)	(189)	(171)	
Magna International, Inc.-Class A	(930)	(33)	(32)	
Thomson Reuters Corp.	(7,519)	(222)	(205)	
		(2,077)	(1,838)	(1.8)
Consumer Staples				
Loblaw Cos., Ltd.	(19,357)	(734)	(745)	
Maple Leaf Foods, Inc.	(1,363)	(15)	(15)	
North West Co., Inc.	(428)	(8)	(9)	
Saputo, Inc.	(15,146)	(609)	(592)	
		(1,366)	(1,361)	(1.4)
Energy				
Advantage Oil & Gas, Ltd.	(178,027)	(895)	(755)	
Birchcliff Energy, Ltd.	(26,765)	(388)	(365)	
Calfrac Well Services, Ltd.	(2,000)	(62)	(57)	
Cameco Corp.	(20,663)	(445)	(381)	
Crew Energy, Inc.	(75,201)	(791)	(846)	
Ensign Resource Service Group, Inc.	(32,959)	(515)	(536)	
Flint Energy Services, Ltd.	(16,977)	(203)	(217)	
Husky Energy, Inc.	(2,266)	(57)	(56)	
Imperial Oil, Ltd.	(4,482)	(189)	(204)	
Keyera Corp.	(3,414)	(158)	(171)	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received	Fair value	% of net assets
		(in $000s)	(in $000s)	
Niko Resources, Ltd.	(15,834)	(852)	(766)	
Paramount Resources, Ltd.-Class A	(22,018)	(801)	(936)	
Pembina Pipeline Corp.	(704)	(20)	(21)	
Petrobank Energy & Resources, Ltd.	(94,832)	(819)	(1,005)	
Savanna Energy Services Corp.	(36,001)	(296)	(271)	
ShawCor, Ltd.-Class A	(29,844)	(703)	(862)	
SouthGobi Resources, Ltd.	(39,700)	(311)	(241)	
Trican Well Service, Ltd.	(45,890)	(791)	(805)	
Uranium One, Inc.	(373,305)	(1,014)	(806)	
		(9,310)	(9,301)	(9.3)
Financials				
AGF Management, Ltd.-Class B	(54,978)	(858)	(871)	
CI Financial Corp.	(21,083)	(428)	(445)	
FirstService Corp.	(36,088)	(991)	(974)	
GMP Capital, Inc.	(35,492)	(244)	(251)	
Great-West Lifeco, Inc.	(943)	(20)	(19)	
IGM Financial, Inc.	(14,681)	(627)	(649)	
Power Financial Corp.	(1,100)	(28)	(28)	
TMX Group, Inc.	(1,370)	(61)	(57)	
		(3,257)	(3,294)	(3.3)
Health Care				
CML HealthCare, Inc.	(89,167)	(850)	(865)	
		(850)	(865)	(0.9)
Industrials				
CAE, Inc.	(82,289)	(850)	(814)	
Canadian Pacific Railway, Ltd.	(2,454)	(152)	(169)	
Finning International, Inc.	(27,612)	(633)	(614)	
SNC-Lavalin Group, Inc.	(5,548)	(276)	(284)	
Stantec, Inc.	(1,958)	(47)	(54)	
Superior Plus, Inc.	(1,247)	(8)	(7)	
		(1,966)	(1,942)	(1.9)
Information Technology				
Open Text Corp.	(223)	(13)	(12)	
Wi-Lan, Inc.	(73,968)	(481)	(436)	
		(494)	(448)	(0.4)
Materials				
Avion Gold Corp.	(105,277)	(222)	(171)	
Canexus Corp.	(147,913)	(886)	(961)	
Detour Gold Corp.	(192)	(5)	(5)	
Extorre Gold Mines, Ltd.	(26,857)	(196)	(204)	
First Quantum Minerals, Ltd.	(1,080)	(22)	(22)	
Guyana Goldfields, Inc.	(12,018)	(108)	(90)	
Harry Winston Diamond Corp.	(2,598)	(31)	(28)	
Hudbay Minerals, Inc.	(77,255)	(827)	(784)	
Jaguar Mining, Inc.	(868)	(7)	(6)	
Kirkland Lake Gold, Inc.	(28,551)	(519)	(440)	
Methanex Corp.	(5,183)	(126)	(121)	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost/Proceeds received	Fair value	% of net assets
		(in $000s)	(in $000s)	
North American Palladium, Ltd.	(46,188)	(155)	(122)	
Northern Dynasty Minerals, Ltd.	(118,193)	(967)	(739)	
Premier Gold Mines, Ltd.	(2,223)	(12)	(10)	
Rubicon Minerals Corp.	(48,313)	(184)	(187)	
San Gold Corp.	(442,870)	(894)	(841)	
Silver Standard Resources, Inc.	(14,070)	(202)	(199)	
Taseko Mines, Ltd.	(24,072)	(81)	(67)	
Thompson Creek Metals Co., Inc.	(121,392)	(847)	(867)	
		(6,291)	(5,864)	(5.9)
Telecommunication Services				
Manitoba Telecom Services, Inc.	(10,516)	(330)	(313)	
		(330)	(313)	(0.3)
Utilities				
Atlantic Power Corp.	(61,309)	(817)	(894)	
Emera, Inc.	(168)	(5)	(6)	
Fortis, Inc.	(17,015)	(565)	(568)	
Just Energy Group, Inc.	(78,866)	(833)	(907)	
Northland Power, Inc.	(48,336)	(790)	(868)	
		(3,010)	(3,243)	(3.4)
Total Canadian Common Stocks-Short		(28,951)	(28,469)	(28.6)
Transaction Costs (Note 2)		(52)		
Total Investments		98,823	98,229	98.5
Other Assets and Liabilities			1,447	1.5
Net Assets			99,676	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

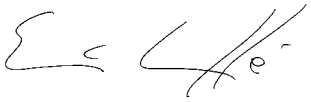
Portfolio by Category	As at December 31, 2011 (%)
Long Positions	
Consumer Discretionary	6.3
Consumer Staples	3.3
Energy	39.3
Financials	30.3
Health Care	2.0
Industrials	6.4
Information Technology	3.2
Materials	29.1
Telecommunication Services	4.6
Utilities	2.6
Short Positions	
Consumer Discretionary	(1.8)
Consumer Staples	(1.4)
Energy	(9.3)
Financials	(3.3)
Health Care	(0.9)
Industrials	(1.9)
Information Technology	(0.4)
Materials	(5.9)
Telecommunication Services	(0.3)
Utilities	(3.4)
Other Assets and Liabilities	1.5

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 7,221,057,839	$ 7,217,113,493
Cash	35,610,650	28,165,771
Interest receivable	47,815,230	49,048,011
Securities lending income receivable	27,974	10,265
Accounts receivable from issue of units	6,551,277	244,584
Accounts receivable for investment sales	108,588,327	-
	7,419,651,297	7,294,582,124
Liabilities		
Operating expenses payable	114,970	74,046
Payables for redemption of units	148,356,168	765,698
Payables for investment purchases	4,333,248	-
	152,804,386	839,744
Net Assets	$ 7,266,846,911	$ 7,293,742,380
Net Assets per Class		
Class A	$ 4,103,845,024	$ 4,598,904,894
Class D	3,163,001,887	2,694,837,486
	$ 7,266,846,911	$ 7,293,742,380
Number of Units Issued and Outstanding (Note 8)		
Class A	154,631,238	190,098,247
Class D	139,366,427	130,263,182
Net Assets per Unit		
Class A	$ 26.54	$ 24.19
Class D	$ 22.70	$ 20.69
Investments at Cost	$ 6,712,786,602	$ 7,037,548,476

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 306,699,081	$ 303,177,454
Securities lending income	280,493	199,774
	306,979,574	303,377,228
Expenses		
System application fees	-	11,740
Custodian fees	183,987	155,223
Fund accounting expenses	243,632	230,861
Unitholder communication costs	601	602
Audit fees	25,814	20,968
Securities filing fees	122,323	114,223
Independent review committee fees	8,520	25,073
Other operating expenses	157	15,634
	585,034	574,324
Net Investment Income for the Year	306,394,540	302,802,904
Gain on Investments		
Net realized gain on sale of investments	76,271,805	45,085,863
Net change in unrealized appreciation in value of investments	328,706,220	108,337,244
Net Gain on Investments	404,978,025	153,423,107
Increase in Net Assets from Operations	$ 711,372,565	$ 456,226,011
Increase in Net Assets from Operations per Class		
Class A	$ 432,696,435	$ 300,977,017
Class D	278,676,130	155,248,994
	$ 711,372,565	$ 456,226,011
Increase in Net Assets from Operations per Unit		
Class A	$ 2.33	$ 1.57
Class D	$ 2.03	$ 1.29

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 7,293,742,380	$ 6,417,735,103	$ 4,598,904,894	$ 4,271,095,363	$ 2,694,837,486	$ 2,146,639,740
Increase in Net Assets from Operations	711,372,565	456,226,011	432,696,435	300,977,017	278,676,130	155,248,994
Capital Transactions						
Proceeds from issue of units	1,502,180,005	1,405,530,784	796,788,117	742,473,057	705,391,888	663,057,727
Reinvestment of distributions	379,008,632	348,446,350	230,861,139	224,440,089	148,147,493	124,006,261
Redemption of units	(2,240,448,039)	(985,749,518)	(1,724,544,422)	(715,640,543)	(515,903,617)	(270,108,975)
Net capital transactions	(359,259,402)	768,227,616	(696,895,166)	251,272,603	337,635,764	516,955,013
Distributions						
From net investment income	(306,379,648)	(302,821,857)	(184,606,840)	(195,672,593)	(121,772,808)	(107,149,264)
From capital gains	(57,835,200)	(45,624,493)	(33,180,524)	(28,767,496)	(24,654,676)	(16,856,997)
From capital gains redemption in kind (Note 9)	(14,793,784)	-	(13,073,775)	-	(1,720,009)	-
Total distributions	(379,008,632)	(348,446,350)	(230,861,139)	(224,440,089)	(148,147,493)	(124,006,261)
Increase (Decrease) in Net Assets for the Year	(26,895,469)	876,007,277	(495,059,870)	327,809,531	468,164,401	548,197,746
Net Assets - End of Year	$ 7,266,846,911	$ 7,293,742,380	$ 4,103,845,024	$ 4,598,904,894	$ 3,163,001,887	$ 2,694,837,486

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
1.75% March 01, 2013	98,726	98,617	99,609	
5.25% June 01, 2013	35,966	39,220	38,120	
3.50% June 01, 2013	89,104	92,973	92,263	
2.00% August 01, 2013	56,609	56,946	57,533	
2.50% September 01, 2013	55,246	56,289	56,649	
1.50% November 01, 2013	61,962	62,639	62,581	
1.00% February 01, 2014	54,242	54,317	54,291	
2.00% March 01, 2014	55,403	55,142	56,625	
5.00% June 01, 2014	48,724	53,472	53,373	
3.00% June 01, 2014	85,057	87,253	89,131	
2.25% August 01, 2014	42,438	42,942	43,786	
2.00% December 01, 2014	89,512	88,631	91,973	
1.00% February 01, 2015	30,600	30,573	30,532	
4.50% June 01, 2015	53,155	56,419	59,166	
2.50% June 01, 2015	58,670	58,733	61,390	
3.00% December 01, 2015	67,825	69,390	72,527	
4.00% June 01, 2016	56,235	58,731	62,863	
2.00% June 01, 2016	53,699	52,568	55,427	
2.75% September 01, 2016	56,207	59,336	59,932	
1.50% March 01, 2017	36,142	36,063	36,386	
4.00% June 01, 2017	60,255	63,649	68,436	
4.25% June 01, 2018	57,978	63,021	67,633	
3.75% June 01, 2019	103,321	106,896	118,195	
3.50% June 01, 2020	78,140	80,486	88,179	
10.50% March 15, 2021	1,424	2,302	2,455	
9.75% June 01, 2021	4,896	7,538	8,203	
3.25% June 01, 2021	60,940	64,547	67,741	
2.75% June 01, 2022	27,056	28,329	28,825	
8.00% June 01, 2023	16,870	24,023	26,972	
9.00% June 01, 2025	13,992	21,316	25,017	
8.00% June 01, 2027	21,636	31,798	37,681	
5.75% June 01, 2029	63,869	77,766	94,283	
5.75% June 01, 2033	67,854	86,362	104,329	
5.00% June 01, 2037	72,436	89,477	105,857	
4.00% June 01, 2041	86,276	98,080	113,251	
3.50% December 01, 2045	15,348	16,616	18,813	
		2,072,460	2,210,027	30.4
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	3,861	3,695	4,466	
Canada Housing Trust				
3.95% June 15, 2013	79,699	82,905	82,991	
3.55% September 15, 2013	21,196	22,191	22,079	
2.70% December 15, 2013	62,909	63,760	64,866	
2.20% March 15, 2014	55,886	54,858	57,221	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
3.15% June 15, 2014	24,448	25,729	25,643	
2.75% September 15, 2014	28,706	29,367	29,922	
2.75% December 15, 2014	50,116	50,504	52,362	
2.95% March 15, 2015	47,658	47,236	50,178	
3.15% June 15, 2015	42,834	44,125	45,481	
4.10% December 15, 2018	49,677	51,672	56,401	
3.75% March 15, 2020	31,968	31,648	35,572	
3.35% December 15, 2020	22,841	22,646	24,688	
Canada Housing Trust No 1				
3.60% June 15, 2013	23,831	24,782	24,696	
2.75% December 15, 2015	32,510	32,466	34,172	
2.45% December 15, 2015	43,101	42,984	44,811	
2.75% June 15, 2016	89,302	89,648	94,009	
1.85% December 15, 2016	66,711	67,401	67,440	
3.80% June 15, 2021	53,269	54,818	59,550	
2.65% March 15, 2022	19,797	19,753	20,068	
Canada Post Corp.				
4.08% July 16, 2025	3,451	3,477	3,995	
4.36% July 16, 2040	1,979	1,978	2,470	
Farm Credit Canada				
4.55% April 12, 2021	574	620	680	
Inter-American Development Bank, Note				
4.40% January 26, 2026	8,877	8,369	10,035	
South Coast British Columbia Transportation Authority				
3.80% November 02, 2020	791	790	843	
		877,422	914,639	12.6
Government Guaranteed				
Milit-Air, Inc., Secured Note				
5.75% June 30, 2019	10,206	10,720	11,579	
		10,720	11,579	0.2
Municipal				
City of Edmonton				
9.00% March 25, 2013	2,887	3,709	3,156	
City of Montreal				
5.00% December 01, 2018	500	567	568	
4.50% December 01, 2021	2,868	2,848	3,119	
6.00% June 01, 2043	4,440	4,620	6,039	
City of Toronto				
4.85% July 28, 2016	13,652	13,866	15,392	
4.50% December 02, 2019	1,137	1,140	1,268	
6.80% July 26, 2021	1,433	1,816	1,865	
5.20% June 01, 2040	3,847	3,832	4,730	
4.70% June 10, 2041	2,900	2,887	3,330	
City of Winnipeg				
9.13% May 12, 2015	4,583	6,160	5,683	
Financement-Quebec				
4.25% December 01, 2015	4,824	5,207	5,306	
Municipal Finance Authority of British Columbia				
4.65% April 19, 2016	12,016	12,175	13,429	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
3.00% June 01, 2016	12,448	12,431	13,066	
4.80% December 01, 2017	400	434	456	
4.88% June 03, 2019	9,452	9,733	10,882	
4.45% June 01, 2020	1,138	1,136	1,273	
4.15% June 01, 2021	5,071	5,082	5,539	
4.95% December 01, 2027	2,051	2,044	2,426	
Peel Regional Municipality				
5.10% June 29, 2040	3,172	3,201	3,877	
PSP Capital, Inc.				
2.94% December 03, 2015	8,133	8,130	8,452	
Regional Municipality of York				
7.25% June 19, 2017	3,495	4,192	4,379	
4.50% June 30, 2020	1,979	1,973	2,204	
4.00% June 30, 2021	7,848	8,242	8,395	
Ville Montreal				
5.00% December 01, 2017	400	433	454	
		115,858	125,288	1.7
Provincial				
Alberta Capital Finance Authority, Note				
3.05% June 15, 2015	4,870	4,859	5,141	
4.35% June 15, 2016	9,327	9,370	10,418	
Cadillac Fairview Finance Trust				
3.24% January 25, 2016	11,914	11,913	12,439	
3.64% May 09, 2018	11,248	11,270	11,871	
4.31% January 25, 2021	9,705	9,746	10,647	
CDP Financial, Inc.				
4.60% July 15, 2020	20,960	21,285	23,350	
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	1,500	1,500	1,597	
City of Toronto Canada				
4.95% June 27, 2018	989	1,059	1,135	
Financement-Quebec				
4.25% March 01, 2014	4,771	5,018	5,075	
3.25% June 01, 2014	4,771	4,869	4,992	
3.50% December 01, 2016	9,576	10,122	10,312	
3.50% December 01, 2017	14,904	14,819	16,029	
5.25% June 01, 2034	9,541	10,347	11,861	
Hydro Quebec				
9.63% July 15, 2022	4,652	6,736	7,394	
5.00% February 15, 2050	13,466	15,633	17,724	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	7,717	9,192	11,071	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	13,209	16,268	19,316	
Hydro Quebec, Series HL, Note				
11.00% August 15, 2020	17,545	28,021	28,570	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	10,210	10,489	13,190	
Province of Alberta				
2.75% December 01, 2014	5,000	5,216	5,218	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
1.85% September 01, 2016	6,724	6,715	6,812	
4.00% December 01, 2019	6,798	6,990	7,581	
4.50% December 01, 2040	5,639	5,616	6,931	
Province of British Columbia				
8.50% August 23, 2013	8,254	10,205	9,233	
7.50% June 09, 2014	4,207	5,087	4,837	
4.25% June 18, 2014	8,117	8,641	8,716	
4.70% December 01, 2017	5,986	6,038	6,884	
5.30% June 17, 2019	198	219	237	
4.10% December 18, 2019	9,563	9,688	10,667	
3.70% December 18, 2020	11,338	11,300	12,256	
9.95% May 15, 2021	3,724	5,636	5,920	
3.25% December 18, 2021	10,234	10,323	10,615	
8.00% September 08, 2023	3,224	4,309	4,823	
9.00% August 23, 2024	3,095	4,547	5,028	
5.70% June 18, 2029	7,163	8,663	9,488	
6.35% June 18, 2031	16,744	19,557	23,942	
4.70% June 18, 2037	10,035	9,932	12,226	
4.30% June 18, 2042	18,430	19,131	21,694	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	13,268	13,613	17,022	
Province of British Columbia, Series BCCD				
4.65% December 18, 2018	11,824	12,197	13,628	
Province of Manitoba				
8.50% July 22, 2013	2,403	2,946	2,672	
5.05% December 03, 2013	4,558	4,729	4,889	
4.80% December 03, 2014	4,375	4,579	4,810	
4.30% March 01, 2016	6,649	7,004	7,373	
4.15% June 03, 2020	2,868	2,863	3,195	
3.85% December 01, 2021	2,900	2,898	3,151	
4.40% September 05, 2025	10,430	10,469	11,920	
7.75% December 22, 2025	4,291	5,428	6,533	
5.70% March 05, 2037	7,370	8,398	10,177	
4.60% March 05, 2038	5,621	5,489	6,754	
4.65% March 05, 2040	4,771	4,652	5,834	
4.10% March 05, 2041	6,320	6,025	7,150	
Province of Manitoba, (MTN)				
6.50% September 22, 2017	8,658	10,046	10,758	
Province of New Brunswick				
3.35% June 01, 2013	3,583	3,632	3,692	
8.50% June 28, 2013	3,989	4,960	4,415	
4.50% February 04, 2015	2,847	3,071	3,116	
4.30% December 03, 2015	4,771	5,120	5,262	
4.70% July 21, 2016	2,769	3,024	3,128	
6.00% December 27, 2017	7,282	7,935	8,870	
4.45% March 26, 2018	5,986	5,972	6,770	
4.40% June 03, 2019	5,073	5,185	5,725	
4.50% June 02, 2020	9,408	9,618	10,649	
3.35% December 03, 2021	3,916	3,909	4,046	
5.65% December 27, 2028	3,000	3,883	3,877	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
4.65% September 26, 2035	5,389	5,092	6,317	
4.55% March 26, 2037	8,489	8,037	9,859	
4.80% September 26, 2039	10,816	10,652	13,165	
Province of Newfoundland				
5.25% June 04, 2014	3,583	3,804	3,923	
10.95% April 15, 2021	3,092	4,844	5,137	
6.15% April 17, 2028	2,000	2,746	2,726	
6.55% October 17, 2030	1,500	2,172	2,167	
5.60% October 17, 2033	7,341	7,468	9,784	
4.65% October 17, 2040	6,944	6,680	8,480	
Province of Nova Scotia				
4.60% August 18, 2016	791	827	891	
4.15% November 25, 2019	2,373	2,354	2,638	
4.10% June 01, 2021	8,232	8,213	9,067	
4.50% June 01, 2037	12,346	11,724	14,316	
4.70% June 01, 2041	6,451	6,322	7,869	
4.40% June 01, 2042	3,824	3,864	4,468	
Province of Ontario				
4.75% June 02, 2013	28,706	30,496	30,143	
5.00% March 08, 2014	44,203	47,732	47,776	
3.25% September 08, 2014	20,095	20,552	21,121	
4.50% March 08, 2015	19,276	20,473	21,131	
3.15% September 08, 2015	15,367	15,687	16,271	
4.40% March 08, 2016	18,613	18,724	20,702	
3.20% September 08, 2016	6,793	6,776	7,245	
4.30% March 08, 2017	34,164	34,408	38,242	
4.20% March 08, 2018	12,409	12,756	13,895	
4.40% June 02, 2019	45,078	47,399	51,098	
4.20% June 02, 2020	42,393	42,968	47,317	
4.00% June 02, 2021	34,572	36,621	37,989	
3.15% June 02, 2022	27,797	27,719	28,363	
8.10% September 08, 2023	6,495	8,549	9,750	
8.50% December 02, 2025	6,812	9,384	10,930	
8.00% June 02, 2026	505	663	786	
7.60% June 02, 2027	21,321	28,146	32,689	
6.50% March 08, 2029	28,937	35,589	41,093	
6.20% June 02, 2031	10,815	12,453	15,150	
5.85% March 08, 2033	19,547	22,355	26,718	
4.70% June 02, 2037	31,037	31,151	37,600	
4.60% June 02, 2039	41,106	40,588	49,599	
4.65% June 02, 2041	67,113	70,315	82,597	
Province of Ontario, (MTN)				
5.50% June 02, 2018	4,852	5,212	5,801	
5.60% June 02, 2035	28,843	32,206	38,820	
Province of Ontario, Series HC				
9.50% July 13, 2022	12,696	18,453	20,202	
Province of Prince Edward Island				
4.25% September 24, 2019	198	196	221	
6.10% July 29, 2027	3,257	3,430	4,350	
5.70% June 15, 2035	2,154	2,353	2,879	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
4.65% November 19, 2037	989	966	1,165	
4.60% May 19, 2041	1,858	1,845	2,211	
Province of Quebec				
5.25% October 01, 2013	19,566	20,721	20,934	
5.50% December 01, 2014	16,171	18,120	18,085	
5.00% December 01, 2015	22,020	23,281	24,878	
4.50% December 01, 2016	15,529	16,409	17,483	
4.50% December 01, 2017	27,036	27,227	30,654	
4.50% December 01, 2019	19,771	20,247	22,457	
4.50% December 01, 2020	33,807	35,410	38,320	
4.25% December 01, 2021	20,287	20,946	22,557	
3.50% December 01, 2022	23,391	23,569	24,355	
9.38% January 16, 2023	5,275	7,597	8,359	
8.50% April 01, 2026	9,549	13,030	15,222	
6.00% October 01, 2029	11,987	13,388	16,088	
6.25% June 01, 2032	21,192	24,412	29,620	
5.75% December 01, 2036	21,248	24,966	28,851	
5.00% December 01, 2038	25,567	26,834	31,914	
5.00% December 01, 2041	44,450	47,455	56,534	
4.25% December 01, 2043	16,672	17,473	19,007	
Province of Quebec, (MTN)				
4.50% December 01, 2018	17,564	17,558	19,960	
Province of Saskatchewan				
4.90% December 03, 2013	7,935	8,184	8,490	
4.65% September 05, 2017	2,779	2,796	3,189	
3.90% July 28, 2020	2,670	2,662	2,955	
9.60% February 04, 2022	1,759	2,558	2,801	
6.40% September 05, 2031	13,389	15,457	19,439	
5.60% September 05, 2035	1,500	1,815	2,054	
4.75% June 01, 2040	4,889	5,101	6,174	
		1,726,154	1,925,696	26.5
Total Government		4,802,614	5,187,230	71.4
Corporate				
407 International, Inc.				
3.87% November 24, 2017	1,580	1,580	1,663	
4.30% May 26, 2021	7,572	7,638	8,243	
4.45% November 15, 2041	1,094	1,093	1,137	
407 International, Inc., (MTN)				
5.10% January 20, 2014	4,771	5,135	5,084	
3.88% June 16, 2015	3,386	3,388	3,596	
4.99% June 16, 2020	3,069	3,112	3,509	
407 International, Inc., Series 06D1, Note				
5.75% February 14, 2036	3,343	3,277	3,812	
407 International, Inc., Series 99A2, Senior Note				
6.47% July 27, 2029	3,142	3,389	4,102	
Aeroports De Montreal				
5.17% September 17, 2035	4,856	4,620	5,597	
5.67% October 16, 2037	3,704	3,746	4,593	
5.47% April 16, 2040	1,000	1,000	1,220	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	480	483	538	
6.77% December 31, 2025	2,656	2,877	3,247	
AltaGas Income Trust				
5.49% March 27, 2017	1,286	1,286	1,399	
AltaGas, Ltd.				
4.10% March 24, 2016	2,173	2,172	2,245	
4.60% January 15, 2018	890	889	924	
4.55% January 17, 2019	2,600	2,600	2,669	
AltaLink, LP				
5.38% March 26, 2040	989	989	1,208	
4.87% November 15, 2040	989	953	1,123	
AltaLink, LP, (MTN)				
5.24% May 29, 2018	3,386	3,398	3,917	
AltaLink, LP, Series 032, Note				
5.43% June 05, 2013	2,678	2,744	2,820	
American Express Canada (MTN)				
4.85% October 03, 2014	6,496	6,498	6,857	
American Express Canada, Guaranteed Note, (MTN)				
5.90% April 02, 2013	5,986	6,008	6,255	
3.60% June 03, 2016	3,424	3,423	3,483	
Aon Finance NS 1 ULC				
4.76% March 08, 2018	1,696	1,714	1,781	
Arrow Lakes Power				
5.52% April 05, 2041	2,175	2,175	2,519	
Bank N S Halifax				
2.74% December 01, 2016	11,200	11,199	11,308	
Bank of Montreal				
3.93% April 27, 2015	16,190	16,190	17,131	
3.10% March 10, 2016	7,815	7,815	8,040	
3.49% June 10, 2016	8,993	8,993	9,381	
2.96% August 02, 2016	9,648	9,647	9,836	
5.45% July 17, 2017	1,090	1,194	1,244	
3.98% July 08, 2021	9,541	9,541	9,889	
6.17% March 28, 2023	2,532	2,425	2,951	
4.61% September 10, 2025	3,092	3,146	3,408	
Bank of Montreal, DPNT				
4.65% March 14, 2013	1,000	1,048	1,037	
5.05% September 03, 2013	11,226	11,590	11,870	
5.18% June 10, 2015	6,906	7,028	7,593	
6.02% May 02, 2018	11,942	12,388	14,122	
Bank of Montreal, Series C, Subordinated Note				
4.87% April 22, 2020	1,256	1,164	1,349	
Bank of Nova Scotia				
5.04% April 08, 2013	1,000	1,058	1,044	
8.30% September 27, 2013	1,287	1,436	1,423	
3.43% July 16, 2014	6,190	6,296	6,436	
3.35% November 18, 2014	13,002	13,083	13,527	
3.34% March 25, 2015	6,445	6,445	6,706	
3.61% February 22, 2016	9,782	9,781	10,264	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
4.10% June 08, 2017	9,541	9,540	10,235	
4.94% April 15, 2019	5,475	5,648	5,797	
6.65% January 22, 2021	5,334	5,474	6,128	
Bank of Nova Scotia, DPNT				
4.56% October 30, 2013	15,322	15,263	16,134	
Bank of Nova Scotia, Note				
4.99% March 27, 2018	15,337	15,591	15,886	
8.90% June 20, 2025	1,380	1,818	2,082	
BC Tel, Note				
9.65% April 08, 2022	6,449	9,408	9,452	
BC Tel, Series 3, Note				
10.65% June 19, 2021	2,840	4,088	4,335	
BCIMC Realty Corp., (MTN)				
5.65% January 05, 2018	2,850	3,069	3,309	
Bell Aliant Regional Communications, (MTN)				
6.29% February 17, 2015	4,266	4,358	4,685	
5.52% February 26, 2019	3,066	3,084	3,312	
Bell Aliant Regional Communications, LP				
4.37% September 13, 2017	2,836	2,835	2,942	
4.88% April 26, 2018	4,271	4,271	4,506	
Bell Aliant Regional Communications, Note				
5.41% September 26, 2016	2,404	2,402	2,612	
Bell Canada				
4.85% June 30, 2014	9,664	9,901	10,267	
3.60% December 02, 2015	8,542	8,528	8,867	
4.40% March 16, 2018	15,893	15,909	16,921	
Bell Canada, Note, (MTN)				
7.85% April 02, 2031	7,150	8,082	9,343	
7.30% February 23, 2032	4,525	4,979	5,619	
Bell Canada, Series M-17				
6.10% March 16, 2035	1,100	1,143	1,246	
BMO Capital Trust				
5.47% December 31, 2014	500	543	539	
BMO Capital Trust II, Series A, Note				
10.22% December 31, 2107	6,302	6,961	8,420	
BMW Canada, Inc.				
3.22% March 28, 2013	4,424	4,422	4,484	
2.76% April 01, 2014	3,880	3,879	3,921	
3.15% April 01, 2015	1,484	1,484	1,521	
Borealis Infrastructure Trust, Series N, Secured Note				
6.35% December 01, 2020	6,732	7,534	7,637	
British Columbia Ferry Services, Inc., Series 08-1, Senior Secured Note				
5.58% January 11, 2038	2,967	2,941	3,537	
British Columbia Ferry Services, Inc., Series B, Senior Secured Note				
6.25% October 13, 2034	2,783	3,047	3,533	
Broadcast Centre Trust, Secured Note				
7.53% May 01, 2027	2,688	3,450	3,609	
Broadway Credit Card Trust, Series A, Note				
4.80% March 17, 2014	5,282	5,134	5,585	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Brookfield Asset Management, Inc.				
8.95% June 02, 2014	2,399	2,779	2,723	
5.29% April 25, 2017	2,537	2,637	2,695	
5.30% March 01, 2021	3,891	3,906	4,125	
Brookfield Asset Management, Inc., Note				
5.95% June 14, 2035	3,655	3,377	3,497	
Brookfield Power Corp.				
5.25% November 05, 2018	1,450	1,534	1,544	
5.84% November 05, 2036	1,228	1,146	1,178	
Brookfield Renewable Power, Inc.				
6.13% November 30, 2016	2,160	2,405	2,394	
5.14% October 13, 2020	3,188	3,245	3,297	
Caisse Centrale Desjardins du Quebec				
3.79% June 08, 2015	1,979	1,979	2,081	
3.50% October 05, 2017	2,868	2,868	2,966	
Cameco Corp.				
4.70% September 16, 2015	4,721	4,737	5,029	
5.67% September 02, 2019	5,863	6,141	6,511	
Canadian Credit Card TST				
3.44% July 24, 2015	5,858	5,858	6,099	
Canadian Imperial Bank of Commerce				
3.30% November 19, 2014	5,260	5,299	5,462	
4.75% December 22, 2014	100	107	108	
3.10% March 02, 2015	5,202	5,305	5,370	
3.40% January 14, 2016	15,489	15,469	16,114	
2.65% November 08, 2016	8,098	8,090	8,148	
3.95% July 14, 2017	7,244	7,266	7,714	
4.11% April 30, 2020	10,529	10,529	11,024	
3.15% November 02, 2020	8,875	8,856	8,920	
6.00% June 06, 2023	297	329	344	
Canadian Imperial Bank of Commerce, (MTN)				
5.15% June 06, 2018	5,749	5,807	5,999	
Canadian Imperial Bank of Commerce, DPNT, Note				
4.95% January 23, 2014	4,724	5,048	5,028	
Canadian Imperial Bank, DPNT				
3.05% June 03, 2013	2,868	2,866	2,930	
Canadian Natural Resources, Ltd.				
4.95% June 01, 2015	495	523	537	
Canadian Pacific RR Co.				
6.45% November 17, 2039	3,271	3,412	3,597	
Canadian Pacific RR Co., Senior Unsecured Note, (MTN)				
6.25% June 01, 2018	6,610	6,564	7,513	
Canadian Tire Corp., Ltd.				
5.65% June 01, 2016	1,682	1,697	1,876	
Canadian Tire Corp., Ltd. (MTN)				
6.32% February 24, 2034	6,430	6,376	7,052	
Canadian Utilities, Ltd., Series 1992				
9.40% May 01, 2023	2,492	3,486	3,847	
Canadian Western Bank				
4.39% November 30, 2020	2,850	2,850	2,926	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Capital Desjardins, Inc.				
5.76% April 01, 2019	3,831	3,880	4,093	
5.19% May 05, 2020	11,420	11,420	12,308	
3.80% November 23, 2020	4,384	4,384	4,468	
5.54% June 01, 2021	3,471	3,794	3,808	
Capital Power Income LP (MTN)				
5.95% June 23, 2036	2,008	1,791	1,249	
Capital Power, LP				
4.60% December 01, 2015	2,076	2,075	2,129	
5.28% November 16, 2020	3,287	3,287	3,265	
Cards II Trust				
3.05% May 15, 2013	5,545	5,552	5,650	
3.10% September 15, 2015	5,166	5,166	5,335	
3.33% May 15, 2016	7,224	7,224	7,484	
Caterpillar Financial Services, Ltd.				
2.64% December 03, 2013	989	989	1,003	
Central 1 Credit Union				
3.38% April 19, 2013	8,529	8,529	8,697	
CI Investments, Inc.				
3.94% December 14, 2016	3,850	3,859	3,971	
CIBC Capital Trust				
10.25% June 30, 2108	3,068	3,814	3,904	
9.98% June 30, 2108	9,507	10,938	11,833	
Citigroup Finance Canada, Inc., (MTN)				
4.35% March 08, 2013	1,880	1,882	1,900	
5.50% May 21, 2013	4,986	4,872	5,116	
City of Montreal				
4.95% December 10, 2014	6,949	7,451	7,600	
Co-Operators Financial Services				
5.78% March 10, 2020	4,523	4,523	4,524	
Cogeco Cable, Inc.				
5.15% November 16, 2020	1,385	1,382	1,437	
Consumers Waterheater, Inc.				
6.75% April 30, 2014	2,609	2,604	2,779	
CU, Inc.				
5.10% November 18, 2014	1,029	1,136	1,123	
6.50% March 07, 2039	1,779	2,206	2,489	
4.54% October 24, 2041	3,124	3,124	3,381	
4.95% November 18, 2050	1,187	1,187	1,374	
4.59% October 24, 2061	1,300	1,300	1,438	
CU, Inc., (MTN)				
6.80% August 13, 2019	3,907	4,351	4,946	
5.18% November 21, 2035	3,105	3,057	3,628	
5.58% May 26, 2038	1,070	1,098	1,328	
CU, Inc., Note				
6.15% November 22, 2017	3,518	3,838	4,216	
Daimler Canada Finance, Inc.				
3.16% April 14, 2014	3,287	3,287	3,326	
3.02% January 07, 2015	3,500	3,500	3,518	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Eagle Credit Card Trust				
2.78% December 17, 2013	1,484	1,484	1,512	
3.47% December 17, 2015	3,066	3,066	3,193	
Emera, Inc.				
4.10% October 20, 2014	1,979	1,978	2,075	
4.83% December 02, 2019	4,474	4,471	4,853	
Empire Life Insurance				
6.73% May 20, 2019	1,978	2,169	2,152	
Enbridge Gas Distribution, Inc.				
4.04% November 23, 2020	1,332	1,331	1,437	
4.95% November 22, 2050	2,274	2,269	2,663	
Enbridge Gas Distribution, Inc., (MTN)				
5.16% September 24, 2014	2,648	2,686	2,880	
Enbridge Gas Distribution, Inc., Note, (MTN)				
4.77% December 17, 2021	2,500	2,849	2,836	
Enbridge Pipelines, Inc.				
6.62% November 19, 2018	99	117	123	
5.35% November 10, 2039	1,979	1,977	2,398	
5.33% April 06, 2040	2,000	2,148	2,418	
Enbridge Pipelines, Inc., (MTN)				
6.55% November 17, 2027	5,037	5,758	6,706	
Enbridge Pipelines, Inc., Note, (MTN)				
5.08% December 19, 2036	1,500	1,650	1,734	
Enbridge, Inc.				
5.17% May 19, 2016	8,963	9,286	9,951	
4.77% September 02, 2019	4,078	4,080	4,507	
4.53% March 09, 2020	5,216	5,218	5,648	
Enbridge, Inc., (MTN)				
5.00% August 09, 2016	1,088	1,147	1,203	
7.20% June 18, 2032	6,546	7,525	8,982	
Encana Corp., (MTN)				
5.80% January 18, 2018	9,597	9,606	11,025	
Enersource Corp.				
4.52% April 29, 2021	1,484	1,484	1,637	
5.30% April 29, 2041	1,100	1,100	1,301	
EPCOR Utilities, Inc.				
6.65% April 15, 2038	2,571	2,996	3,409	
5.75% November 24, 2039	1,978	2,167	2,361	
EPCOR Utilities, Inc., (MTN)				
5.65% November 16, 2035	3,036	2,970	3,545	
Fairfax Financial Holdings, Ltd.				
7.25% June 22, 2020	1,979	1,979	2,140	
6.40% May 25, 2021	2,200	2,192	2,226	
Fifth Avenue, LP				
4.71% August 05, 2021	3,574	3,574	3,828	
First Capital Realty, Inc.				
5.48% July 30, 2019	1,978	1,980	2,074	
5.60% April 30, 2020	890	893	934	
First Capital Realty, Inc., Series E, Note				
5.36% January 31, 2014	4,830	4,756	5,044	

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Security	Par value	Average cost	Fair value	% of net assets
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FortisAlberta, Inc., (MTN)				
5.37% October 30, 2039	2,296	2,281	2,810	
4.54% October 18, 2041	1,000	1,000	1,080	
4.99% January 03, 2047	2,373	2,371	2,782	
4.80% October 27, 2050	989	988	1,129	
FortisAlberta, Inc., Senior Note				
6.22% October 31, 2034	2,844	3,079	3,750	
FortisBC, Inc.				
6.10% June 02, 2039	500	627	654	
5.00% November 24, 2050	1,979	1,976	2,294	
FortisBC, Inc., Note				
5.60% November 09, 2035	2,106	2,093	2,550	
GAZ Metro, LP, Series D, Note				
10.45% October 31, 2016	4,839	6,941	6,606	
Gaz Metropolitan, Inc., Guaranteed Note				
5.45% July 12, 2021	8,047	9,338	9,508	
GE Capital Canada Funding Co.				
2.95% February 10, 2014	1,978	1,976	2,005	
3.35% November 23, 2016	5,000	4,993	5,055	
5.68% September 10, 2019	989	1,053	1,101	
GE Capital Canada Funding Co., (MTN)				
5.15% June 06, 2013	7,816	8,060	8,148	
4.40% June 01, 2014	10,329	10,158	10,816	
4.24% June 08, 2015	4,771	4,771	5,001	
5.53% August 17, 2017	14,108	14,368	15,620	
5.73% October 22, 2037	6,491	6,259	7,033	
GE Capital Canada Funding Co., Note, (MTN)				
4.55% January 17, 2017	693	697	735	
Genworth MI Canada, Inc.				
4.59% December 15, 2015	1,385	1,385	1,435	
George Weston, Ltd.				
5.05% March 10, 2014	2,373	2,501	2,496	
3.78% October 25, 2016	1,800	1,800	1,843	
7.10% February 05, 2032	1,689	1,878	1,947	
6.69% March 01, 2033	150	164	166	
Glacier Credit Card Trust				
5.03% February 20, 2013	4,998	4,986	5,180	
3.16% November 20, 2015	890	890	914	
Golden Credit Card Trust				
3.51% May 15, 2016	14,213	14,213	14,843	
Golden Credit Card Trust, Senior Note				
5.42% April 15, 2019	4,282	4,358	4,485	
Great-West Lifeco Delaware Finance, LP, Subordinated Note				
5.69% June 21, 2067	9,526	9,265	9,876	
Great-West Lifeco Finance Delaware, LP II				
7.13% June 26, 2068	3,781	4,284	4,197	
Great-West Lifeco, Inc.				
4.65% August 13, 2020	3,781	3,781	3,936	
Great-West Lifeco, Inc., Note				
6.67% March 21, 2033	3,839	4,378	4,519	
6.00% November 16, 2039	1,979	1,990	2,190	

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Security	Par value	Average cost	Fair value	% of net assets
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Great-West Lifeco, Inc., Senior Unsecured Note				
6.14% March 21, 2018	2,373	2,608	2,712	
Greater Toronto Airport Authority, (MTN)				
4.70% February 15, 2016	8,891	8,897	9,766	
7.05% June 12, 2030	7,243	7,673	9,825	
Greater Toronto Airport Authority, Note				
6.45% December 03, 2027	3,737	3,643	4,775	
Greater Toronto Airports Authority				
5.30% February 25, 2041	3,781	3,780	4,447	
Greater Toronto Airports, (MTN)				
4.85% June 01, 2017	7,639	7,913	8,559	
5.26% April 17, 2018	297	315	341	
7.10% June 04, 2031	6,649	7,301	9,146	
5.63% June 07, 2040	2,868	3,019	3,533	
H&R Real Estate Investment Trust				
4.78% July 27, 2016	1,829	1,833	1,872	
Halifax International Airport Authority				
4.89% November 15, 2050	3,066	3,066	3,443	
Health Montreal Collective, LP				
6.72% September 30, 2049	16,372	16,372	18,859	
Honda Canada Finance, Inc.				
5.08% May 09, 2013	1,000	1,050	1,040	
5.61% September 12, 2013	4,584	4,606	4,853	
Hospital Infrastructure Partners NOH Partnership				
5.44% January 31, 2045	2,900	2,900	3,220	
HSBC Bank of Canada				
3.86% May 21, 2015	4,640	4,639	4,887	
3.56% October 04, 2017	4,177	4,177	4,331	
4.94% March 16, 2021	1,968	2,081	2,101	
4.80% April 10, 2022	6,516	6,462	6,936	
Husky Energy, Inc.				
3.75% March 12, 2015	989	989	1,032	
5.00% March 12, 2020	8,435	8,460	9,263	
Hydro One, Inc.				
2.95% September 11, 2015	5,463	5,452	5,652	
4.40% June 01, 2020	5,166	5,164	5,709	
6.03% March 03, 2039	2,271	2,514	3,012	
4.39% September 26, 2041	1,900	1,898	2,016	
5.00% October 19, 2046	1,827	1,841	2,151	
Hydro One, Inc., (MTN)				
5.00% November 12, 2013	12,869	13,877	13,657	
5.18% October 18, 2017	6,253	6,674	7,170	
6.35% January 31, 2034	3,102	3,044	4,138	
5.36% May 20, 2036	6,408	6,640	7,729	
5.49% July 16, 2040	3,583	3,596	4,468	
Hydro Ottawa Holdings, Inc., Senior Unsecured Note				
4.93% February 09, 2015	2,046	2,051	2,226	
IGM Financial, Inc.				
6.00% December 10, 2040	1,484	1,480	1,626	

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Security	Par value	Average cost	Fair value	% of net assets
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IGM Financial, Inc., Note				
7.00% December 31, 2032	2,742	3,174	3,321	
7.11% March 07, 2033	1,700	2,004	2,087	
Industrial Alliance Capital Trust, Note				
5.13% June 30, 2019	4,650	4,689	4,809	
Intact Financial Corp.				
5.41% September 03, 2019	4,510	4,629	4,919	
4.70% August 18, 2021	1,600	1,601	1,628	
6.40% November 23, 2039	791	846	887	
Integrated Team Solutions SJHC Partnership				
5.95% November 30, 2042	1,693	1,775	1,959	
John Deere Credit, Inc.				
2.30% January 14, 2013	2,076	2,074	2,092	
3.90% July 29, 2013	866	865	896	
3.50% June 23, 2014	1,484	1,482	1,541	
2.25% October 14, 2014	1,000	1,000	1,006	
Laurentian Bank of Canada				
3.70% November 02, 2020	2,076	2,070	2,099	
Loblaw Cos., Ltd.				
6.85% March 01, 2032	2,868	3,070	3,321	
5.90% January 18, 2036	600	613	629	
Loblaw Cos., Ltd., (MTN)				
4.85% May 08, 2014	4,163	4,315	4,406	
5.22% June 18, 2020	2,868	2,866	3,122	
6.45% February 09, 2028	2,391	2,447	2,647	
6.54% February 17, 2033	6,687	6,872	7,515	
Manitoba Telecom Services, Inc., (MTN)				
6.15% June 10, 2014	2,660	2,652	2,869	
Manufacturers Life Insurance Co.				
4.21% November 18, 2021	3,500	3,500	3,506	
Manulife Finance Cap Trust				
7.41% December 31, 2108	7,012	7,675	7,623	
Manulife Finance Delaware				
5.06% December 15, 2041	3,974	3,360	3,157	
Manulife Finance Delaware, LP				
4.45% December 15, 2026	1,515	1,540	1,507	
Manulife Financial Corp.				
4.90% June 02, 2014	7,768	7,958	8,071	
5.16% June 26, 2015	1,499	1,585	1,580	
4.08% August 20, 2015	6,656	6,657	6,783	
7.77% April 08, 2019	4,076	4,299	4,846	
Manulife Financial Corp., (MTN)				
4.67% March 28, 2013	2,598	2,613	2,653	
5.51% June 26, 2018	2,522	2,524	2,684	
Master Credit Card Trust				
3.50% May 21, 2016	3,781	3,781	3,947	
Merrill Lynch Canada Finance Co., (MTN)				
5.00% February 18, 2014	5,986	5,826	6,196	
Metro, Inc., (MTN)				
5.97% October 15, 2035	4,207	4,109	4,506	

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Security	Par value	Average cost	Fair value	% of net assets
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Molson Coors Capital Finance, ULC				
5.00% September 22, 2015	7,619	7,608	8,185	
National Bank of Canada				
4.03% May 26, 2015	4,128	4,128	4,374	
3.58% April 26, 2016	6,144	6,144	6,415	
2.70% December 15, 2016	5,000	5,032	5,009	
National Bank of Canada, (MTN)				
4.93% December 22, 2019	11,033	11,296	11,806	
4.70% November 02, 2020	198	206	212	
NAV Canada				
4.40% February 18, 2021	1,484	1,484	1,645	
NAV Canada, (MTN)				
4.71% February 24, 2016	2,586	2,745	2,854	
NAV Canada, Note				
7.56% March 01, 2027	5,606	6,693	7,285	
NBC Asset Trust				
7.45% June 30, 2020	3,613	3,650	4,261	
Northwestconnect Group				
5.95% April 30, 2041	1,961	1,959	2,331	
Nova Gas Transmission, Ltd., Series 21, Note				
12.20% February 28, 2016	7,465	11,515	10,247	
Nova Scotia Power, Inc.				
5.95% July 27, 2039	841	838	1,073	
5.61% June 15, 2040	2,767	2,775	3,412	
Ontario Electricity Financial Corp.				
10.13% October 15, 2021	640	1,012	1,033	
Ontario Electricity Financial Corp., Note				
10.00% February 06, 2020	10,816	16,460	16,591	
8.25% June 22, 2026	10,730	15,005	16,948	
Ontario Electricity Financial Corp., Series DJ5, Note				
10.00% October 17, 2014	6,301	8,352	7,778	
Ontario Electricity Financial Corp., Series FV6, Note				
8.90% August 18, 2022	8,390	11,672	12,892	
Ontario School Boards Financing Corp.				
5.38% June 25, 2032	5,738	5,749	6,619	
Ontario School Boards Financing Corp., Note				
5.48% November 26, 2029	9,715	9,935	11,241	
5.07% April 18, 2031	5,778	5,711	6,475	
Ontario School Boards Financing Corp., Series 01A2				
6.25% October 19, 2016	10,440	11,369	12,469	
Ottawa MacDonald-Cartier International Airport Authority, Note				
4.73% May 02, 2017	2,868	2,868	3,200	
Pembina Pipeline Corp.				
4.89% March 29, 2021	2,373	2,373	2,593	
Plenary Health Bridgepoint, LP				
7.25% August 31, 2042	1,850	2,460	2,450	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	5,824	5,824	6,189	
Plenary Health Hamilton, LP				
5.80% May 31, 2043	2,000	2,304	2,299	

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Security	Par value	Average cost	Fair value	% of net assets
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Plenary Properties LTAP, LP				
3.80% August 18, 2014	1,625	1,687	1,684	
6.29% January 31, 2044	5,265	5,572	6,453	
Power Corp. Canada				
7.57% April 22, 2019	3,583	3,646	4,324	
8.57% April 22, 2039	1,000	1,400	1,405	
Power Financial Corp., Note				
6.90% March 11, 2033	3,335	3,624	4,014	
PSP Capital, Inc., Note				
4.57% December 09, 2013	5,582	5,641	5,908	
Reliance LP				
7.30% April 03, 2013	1,979	1,979	2,041	
RioCan Real Estate Investment Trust				
4.50% January 21, 2016	1,385	1,386	1,429	
Rogers Communications, Inc.				
5.80% May 26, 2016	7,985	8,041	8,956	
5.38% November 04, 2019	1,779	1,778	1,962	
4.70% September 29, 2020	4,474	4,472	4,682	
5.34% March 22, 2021	12,640	12,675	13,721	
6.11% August 25, 2040	6,546	6,554	7,064	
6.56% March 22, 2041	3,650	3,650	4,173	
RONA, Inc., Note				
5.40% October 20, 2016	4,771	4,761	4,838	
Royal Bank of Canada				
3.18% March 16, 2015	9,648	9,934	10,008	
3.36% January 11, 2016	25,681	25,632	26,687	
3.03% July 26, 2016	11,648	11,643	11,932	
2.68% December 08, 2016	18,994	18,990	19,095	
3.66% January 25, 2017	19,058	19,051	20,039	
4.35% June 15, 2020	5,760	5,758	6,035	
3.18% November 02, 2020	8,628	8,626	8,696	
4.93% July 16, 2025	6,649	6,769	7,559	
Royal Bank of Canada, (MTN)				
5.45% November 04, 2018	4,771	5,126	5,060	
Royal Bank of Canada, Senior Note				
4.97% June 05, 2014	7,176	7,730	7,718	
Royal Bank of Canada, Series 2014, Subordinated Note				
5.95% June 18, 2103	12,709	13,050	13,723	
Royal Bank of Canada, Subordinated Note, (MTN)				
5.00% June 06, 2018	3,781	3,974	3,936	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	11,630	11,539	13,834	
Score Trust, Series 2004-1, Note				
4.95% February 20, 2017	7,750	7,626	8,196	
Scotiabank Capital Trust				
6.28% June 30, 2013	495	533	524	
Scotiabank Capital Trust, Series 06-1				
5.65% December 31, 2056	4,771	4,799	5,223	
Scotiabank Tier I Capital Trust				
7.80% June 30, 2108	6,866	7,275	8,292	

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Security	Par value	Average cost	Fair value	% of net assets
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Shaw Communications, Inc.				
6.50% June 02, 2014	4,771	5,227	5,210	
5.65% October 01, 2019	6,855	6,935	7,495	
5.50% December 07, 2020	1,781	1,775	1,907	
6.75% November 09, 2039	14,335	14,189	14,936	
Shaw Communications, Inc., Series N, Senior Note				
6.15% May 09, 2016	6,195	5,980	6,954	
Shaw Communications, Inc., Unsecured Note				
7.50% November 20, 2013	2,403	2,480	2,630	
Shoppers Drug Mart Corp., (MTN)				
4.99% June 03, 2013	2,859	2,897	2,979	
SNC-Lavalin Group, Inc.				
6.19% July 03, 2019	3,381	3,678	3,950	
SNC-Lavalin Innisfree McGill Finance, Inc.				
6.63% June 30, 2044	1,088	1,088	1,371	
Sobeys, Inc.				
6.64% June 07, 2040	1,385	1,384	1,545	
Sun Life Capital Trust II				
5.86% December 31, 2108	2,670	2,670	2,726	
Sun Life Financial, Inc.				
7.90% March 31, 2019	702	743	771	
5.70% July 02, 2019	2,670	2,849	2,901	
4.57% August 23, 2021	4,824	4,822	4,806	
5.59% January 30, 2023	2,269	2,297	2,403	
4.95% June 01, 2036	9,120	9,338	9,346	
Sun Life Financial, Inc., (MTN)				
5.40% May 29, 2042	1,166	1,118	1,056	
Sun Life Financial, Inc., Senior Note, (MTN)				
4.80% November 23, 2035	4,852	4,955	4,935	
Suncor Energy, Inc.				
5.80% May 22, 2018	200	229	231	
Suncor Energy, Inc., (MTN)				
5.39% March 26, 2037	6,123	6,071	6,811	
TD Capital Trust II				
6.79% December 31, 2012	1,622	1,688	1,694	
TD Capital Trust IV				
9.52% June 30, 2108	3,781	4,959	4,964	
6.63% June 30, 2108	7,001	8,038	7,932	
TELUS Corp.				
4.95% May 15, 2014	3,475	3,554	3,687	
3.65% May 25, 2016	2,600	2,590	2,694	
4.95% March 15, 2017	3,281	3,462	3,589	
5.05% December 04, 2019	6,265	6,343	6,894	
5.05% July 23, 2020	4,428	4,447	4,844	
TELUS Corp., Senior Unsecured Note				
5.95% April 15, 2015	4,330	4,391	4,794	
Teranet Holdings, LP				
3.53% December 16, 2015	2,908	2,908	3,009	
4.81% December 16, 2020	2,761	2,730	2,950	
5.75% December 17, 2040	2,888	2,888	3,033	
6.10% June 17, 2041	3,583	3,581	3,937	

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Security	Par value	Average cost	Fair value	% of net assets
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Terasen Gas Vancouver Island, Inc.				
5.20% December 06, 2040	1,237	1,233	1,443	
Terasen Gas Vancouver Issue, Senior Unsecured Note				
6.05% February 15, 2038	1,059	1,173	1,369	
Terasen Gas, Inc.				
6.55% February 24, 2039	2,900	3,865	4,094	
Terasen Gas, Inc., Note, (MTN)				
5.90% February 26, 2035	1,979	2,248	2,521	
Terasen Gas, Inc., Senior Note, (MTN)				
5.80% May 13, 2038	1,760	1,621	2,253	
Terasen Gas, Inc., Series B, Note				
10.30% September 30, 2016	1,679	2,297	2,258	
Thomson Reuters Corp.				
5.20% December 01, 2014	4,606	4,588	5,015	
5.70% July 15, 2015	3,152	3,194	3,511	
6.00% March 31, 2016	7,941	8,901	9,024	
4.35% September 30, 2020	1,571	1,594	1,659	
Tim Hortons, Inc.				
4.20% June 01, 2017	1,286	1,312	1,384	
Toronto Hydro Corp.				
4.49% November 12, 2019	2,373	2,388	2,625	
3.54% November 18, 2021	2,500	2,499	2,545	
Toronto Hydro Corp., Note				
5.15% November 14, 2017	3,959	3,976	4,517	
Toronto-Dominion Bank				
2.95% August 02, 2016	14,680	14,694	15,013	
3.37% November 02, 2020	3,682	3,682	3,735	
5.83% July 09, 2023	3,781	4,103	4,356	
Toronto-Dominion Bank, (MTN)				
5.48% April 02, 2020	5,440	5,588	5,936	
4.97% October 30, 2104	6,324	6,390	6,764	
4.78% December 14, 2105	23,412	21,762	24,982	
Toronto-Dominion Bank, DPNT				
4.85% February 13, 2013	13,174	13,504	13,676	
Toronto-Dominion Bank, Note				
10.05% August 04, 2014	7,460	10,042	8,902	
9.15% May 26, 2025	1,336	1,898	2,031	
TransAlta Corp.				
7.30% October 22, 2029	3,682	4,412	4,157	
TransAlta Corp., Note, (MTN)				
6.90% November 15, 2030	2,079	2,185	2,162	
TransCanada PipeLines, Ltd.				
5.65% January 15, 2014	2,868	3,129	3,088	
3.65% November 15, 2021	3,198	3,194	3,268	
4.55% November 15, 2041	1,698	1,688	1,768	
TransCanada PipeLines, Ltd., (MTN)				
4.65% October 03, 2016	7,989	8,012	8,788	
TransCanada PipeLines, Ltd., Note, (MTN)				
5.05% August 20, 2013	345	366	364	
8.29% February 05, 2026	2,788	3,363	4,054	

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7.90% April 15, 2027	3,362	4,076	4,841	
6.50% December 09, 2030	2,403	2,437	3,092	
Transportation-Canada Pipelines				
8.05% February 17, 2039	2,400	3,471	3,826	
Union Gas, Ltd.				
4.64% June 30, 2016	600	665	660	
8.65% November 10, 2025	2,868	4,040	4,345	
6.05% September 02, 2038	400	494	524	
5.20% July 23, 2040	322	320	380	
4.88% June 21, 2041	2,600	2,597	2,946	
Union Gas, Ltd., Series 1992, Note				
9.70% November 06, 2017	4,597	6,247	6,289	
Union Gas, Ltd., Series 1993, Note				
8.75% August 03, 2018	3,247	4,119	4,350	
Veresen, Inc.				
5.60% July 28, 2014	2,967	3,142	3,157	
VW Credit Canada, Inc.				
2.55% November 18, 2013	5,528	5,514	5,561	
3.60% February 01, 2016	495	495	509	
Wells Fargo Financial Canada Corp.				
3.97% November 03, 2014	7,391	7,393	7,721	
3.70% March 30, 2016	3,880	3,878	4,024	
Wells Fargo Financial Canada Corp., (MTN)				
4.33% December 06, 2013	594	611	618	
4.38% June 30, 2015	5,771	5,967	6,138	
Westcoast Energy, Inc.				
3.28% January 15, 2016	3,486	3,478	3,605	
5.60% January 16, 2019	2,175	2,390	2,529	
4.57% July 02, 2020	989	989	1,081	
3.88% October 28, 2021	1,000	1,000	1,032	
4.79% October 28, 2041	1,300	1,338	1,402	
Westcoast Energy, Inc., (MTN)				
7.15% March 20, 2031	3,287	3,494	4,517	
Total Corporate		1,910,173	2,033,828	28.0
Total Fixed Income Investments		6,712,787	7,221,058	99.4
Total Investments		6,712,787	7,221,058	99.4
Other Assets and Liabilities			45,789	0.6
Net Assets			7,266,847	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

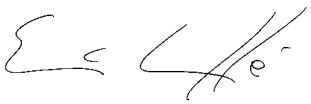
Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	30.4	29.3
Federal Agency	12.6	13.8
Government Guaranteed	0.2	0.2
Municipal	1.7	1.3
Provincial	26.5	22.9
Corporate	28.0	31.4
Other Assets and Liabilities	0.6	1.1

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 584,948,094	$ 595,232,949
Cash	800,801	5,434,039
Interest receivable	3,392,683	3,745,311
Securities lending income receivable	2,245	1,023
Accounts receivable from issue of units	-	179,367
	589,143,823	604,592,689
Liabilities		
Operating expenses payable	28,132	24,327
Payables for investment purchases	561,926	-
	590,058	24,327
Net Assets	$ 588,553,765	$ 604,568,362
Number of Units Issued and Outstanding (Note 8)	32,285,835	36,424,254
Net Assets per Unit	$ 18.23	$ 16.60
Investments at Cost	$ 544,391,979	$ 582,619,025

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 23,632,556	$ 26,088,007
Securities lending income	21,551	15,990
	23,654,107	26,103,997
Expenses		
System application fees	-	738
Custodian fees	18,242	16,648
Fund accounting expenses	59,103	61,293
Unitholder communication costs	601	602
Audit fees	18,326	19,005
Securities filing fees	8,923	70,372
Independent review committee fees	681	1,811
Other operating expenses	2,138	3,448
	108,014	173,917
Net Investment Income for the Year	23,546,093	25,930,080
Gain on Investments		
Net realized gain on sale of investments	5,514,143	3,888,589
Net change in unrealized appreciation in value of investments	27,942,191	7,744,607
Net Gain on Investments	33,456,334	11,633,196
Increase in Net Assets from Operations	$ 57,002,427	$ 37,563,276
Increase in Net Assets from Operations per Unit	$ 1.63	$ 1.00

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 604,568,362	$ 407,357,612
Increase in Net Assets from Operations	57,002,427	37,563,276
Capital Transactions		
Proceeds from issue of units	7,516,605	288,806,051
Reinvestment of distributions	29,462,482	29,754,339
Redemption of units	(80,533,629)	(129,158,577)
Net capital transactions	(43,554,542)	189,401,813
Distributions		
From net investment income	(23,544,526)	(25,928,063)
From capital gains	(5,917,956)	(3,826,276)
Total distributions	(29,462,482)	(29,754,339)
Increase (Decrease) in Net Assets for the Year	(16,014,597)	197,210,750
Net Assets - End of Year	$ 588,553,765	$ 604,568,362

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
1.75% March 01, 2013	7,700	7,607	7,769	
5.25% June 01, 2013	6,502	7,036	6,891	
3.50% June 01, 2013	5,114	5,323	5,295	
2.00% August 01, 2013	3,900	3,932	3,964	
2.50% September 01, 2013	7,972	8,156	8,174	
1.50% November 01, 2013	2,400	2,425	2,424	
1.00% February 01, 2014	4,700	4,708	4,704	
2.00% March 01, 2014	4,600	4,618	4,702	
5.00% June 01, 2014	5,850	6,436	6,408	
3.00% June 01, 2014	5,540	5,691	5,805	
2.25% August 01, 2014	4,294	4,395	4,430	
2.00% December 01, 2014	6,362	6,495	6,537	
1.00% February 01, 2015	2,000	2,001	1,996	
4.50% June 01, 2015	5,260	5,694	5,855	
2.50% June 01, 2015	6,388	6,430	6,684	
3.00% December 01, 2015	6,086	6,280	6,508	
4.00% June 01, 2016	4,714	4,886	5,270	
2.00% June 01, 2016	4,884	4,792	5,041	
2.75% September 01, 2016	4,902	5,188	5,227	
1.50% March 01, 2017	3,150	3,140	3,171	
4.00% June 01, 2017	5,076	5,389	5,765	
4.25% June 01, 2018	5,105	5,589	5,955	
3.75% June 01, 2019	8,954	9,165	10,243	
3.50% June 01, 2020	6,832	7,072	7,710	
10.50% March 15, 2021	50	81	86	
3.25% June 01, 2021	5,701	6,084	6,337	
2.75% June 01, 2022	2,313	2,420	2,464	
8.00% June 01, 2023	1,509	2,188	2,413	
9.00% June 01, 2025	1,220	1,991	2,181	
8.00% June 01, 2027	1,880	2,785	3,274	
5.75% June 01, 2029	5,575	6,832	8,230	
5.75% June 01, 2033	5,825	7,312	8,956	
5.00% June 01, 2037	6,292	7,884	9,195	
4.00% June 01, 2041	7,547	8,629	9,907	
3.50% December 01, 2045	1,420	1,544	1,741	
		180,198	191,312	32.5
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	400	424	463	
Canada Housing Trust				
3.95% June 15, 2013	4,494	4,711	4,680	
3.55% September 15, 2013	4,000	4,170	4,167	
2.70% December 15, 2013	4,400	4,435	4,537	
2.20% March 15, 2014	4,110	4,052	4,208	
3.15% June 15, 2014	7,500	7,627	7,866	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
2.75% December 15, 2014	6,800	6,770	7,105	
2.95% March 15, 2015	1,500	1,526	1,579	
3.15% June 15, 2015	1,500	1,503	1,593	
4.10% December 15, 2018	3,000	3,123	3,406	
3.75% March 15, 2020	2,500	2,561	2,782	
3.35% December 15, 2020	3,000	2,948	3,243	
Canada Housing Trust No 1				
3.60% June 15, 2013	5,500	5,728	5,700	
2.75% December 15, 2015	2,800	2,798	2,943	
2.45% December 15, 2015	3,800	3,743	3,951	
2.75% June 15, 2016	7,500	7,512	7,895	
1.85% December 15, 2016	5,500	5,545	5,560	
3.80% June 15, 2021	4,350	4,475	4,863	
2.65% March 15, 2022	1,500	1,497	1,520	
Canada Post Corp.				
4.08% July 16, 2025	300	304	347	
Inter-American Development Bank, Note				
4.40% January 26, 2026	500	484	565	
South Coast British Columbia Transportation Authority				
3.80% November 02, 2020	200	200	213	
		76,136	79,186	13.5
Government Guaranteed				
Milit-Air, Inc., Secured Note				
5.75% June 30, 2019	3,555	3,845	4,033	
		3,845	4,033	0.7
Municipal				
City of Edmonton				
9.00% March 25, 2013	300	371	328	
City of Montreal				
5.00% December 01, 2018	500	522	568	
4.50% December 01, 2021	500	497	544	
6.00% June 01, 2043	300	303	408	
City of Toronto				
4.55% May 20, 2015	400	404	438	
4.85% July 28, 2016	550	548	620	
4.50% December 02, 2019	500	500	558	
6.80% July 26, 2021	200	254	260	
5.20% June 01, 2040	400	407	492	
4.70% June 10, 2041	200	199	230	
City of Winnipeg				
9.13% May 12, 2015	500	672	620	
Municipal Finance Authority of British Columbia				
4.65% April 19, 2016	800	803	894	
3.00% June 01, 2016	300	300	315	
4.80% December 01, 2017	800	845	913	
4.88% June 03, 2019	500	499	576	
4.45% June 01, 2020	500	499	559	
4.15% June 01, 2021	300	299	328	
4.95% December 01, 2027	200	199	236	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Peel Regional Municipality				
5.10% June 29, 2040	350	357	428	
PSP Capital, Inc.				
2.94% December 03, 2015	1,200	1,200	1,247	
Regional Municipality of York				
4.50% June 30, 2020	550	548	612	
4.00% June 30, 2021	800	839	856	
Ville Montreal				
5.00% December 01, 2017	100	101	113	
		11,166	12,143	2.1
Provincial				
Alberta Capital Finance Authority, Note				
3.05% June 15, 2015	700	698	739	
4.35% June 15, 2016	700	696	782	
Cadillac Fairview Finance Trust				
3.24% January 25, 2016	1,200	1,200	1,253	
3.64% May 09, 2018	1,100	1,100	1,161	
4.31% January 25, 2021	800	800	878	
CDP Financial, Inc.				
4.60% July 15, 2020	600	625	668	
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	200	200	213	
Financement-Quebec				
4.25% March 01, 2014	500	528	532	
3.50% December 01, 2016	800	822	861	
3.50% December 01, 2017	1,050	1,044	1,129	
Hydro Quebec				
5.00% February 15, 2050	1,200	1,390	1,579	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	1,350	1,603	1,937	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	1,980	2,389	2,895	
Hydro Quebec, Series HL, Note				
11.00% August 15, 2020	1,250	1,978	2,035	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	950	983	1,227	
Province of Alberta				
2.75% December 01, 2014	800	796	835	
1.85% September 01, 2016	300	300	304	
4.00% December 01, 2019	900	925	1,004	
4.50% December 01, 2040	300	297	369	
Province of British Columbia				
8.50% August 23, 2013	850	1,057	951	
4.25% June 18, 2014	1,000	1,058	1,074	
4.70% December 01, 2017	400	399	460	
4.10% December 18, 2019	1,000	1,000	1,115	
3.70% December 18, 2020	924	921	999	
9.95% May 15, 2021	300	454	477	
3.25% December 18, 2021	1,000	1,011	1,037	
8.00% September 08, 2023	300	449	449	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
5.70% June 18, 2029	1,320	1,466	1,748	
6.35% June 18, 2031	590	699	844	
5.40% June 18, 2035	500	562	661	
4.70% June 18, 2037	500	581	609	
4.30% June 18, 2042	1,600	1,644	1,883	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	1,200	1,233	1,539	
Province of British Columbia, Series BCCD				
4.65% December 18, 2018	950	993	1,095	
Province of Manitoba				
5.05% December 03, 2013	1,000	1,086	1,073	
4.80% December 03, 2014	800	796	880	
4.15% June 03, 2020	500	499	557	
7.75% December 22, 2025	625	736	952	
5.70% March 05, 2037	400	476	552	
4.60% March 05, 2038	500	552	601	
4.65% March 05, 2040	300	293	367	
4.10% March 05, 2041	1,100	1,048	1,244	
Province of Manitoba, (MTN)				
6.50% September 22, 2017	787	903	978	
Province of New Brunswick				
8.50% June 28, 2013	500	602	553	
4.50% February 04, 2015	600	641	657	
6.00% December 27, 2017	650	650	792	
4.40% June 03, 2019	1,000	1,015	1,128	
4.50% June 02, 2020	1,100	1,139	1,245	
3.35% December 03, 2021	501	500	518	
5.50% January 27, 2034	300	390	390	
4.55% March 26, 2037	800	756	929	
4.80% September 26, 2039	1,050	1,051	1,278	
Province of Newfoundland				
5.25% June 04, 2014	500	538	547	
10.95% April 15, 2021	300	475	498	
6.15% April 17, 2028	925	988	1,261	
4.65% October 17, 2040	800	776	977	
Province of Nova Scotia				
4.60% August 18, 2016	450	447	507	
4.15% November 25, 2019	600	600	667	
4.10% June 01, 2021	300	310	330	
4.90% June 01, 2035	700	708	852	
4.50% June 01, 2037	350	361	406	
4.70% June 01, 2041	400	428	488	
4.40% June 01, 2042	300	303	351	
Province of Nova Scotia, (MTN)				
5.80% June 01, 2033	250	314	336	
Province of Ontario				
4.75% June 02, 2013	2,000	2,106	2,100	
5.00% March 08, 2014	2,030	2,134	2,194	
3.25% September 08, 2014	1,900	1,929	1,997	
4.50% March 08, 2015	1,800	1,915	1,973	
3.15% September 08, 2015	1,301	1,327	1,378	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
4.40% March 08, 2016	1,000	991	1,112	
3.20% September 08, 2016	500	499	533	
4.30% March 08, 2017	3,000	3,185	3,358	
4.20% March 08, 2018	2,000	1,998	2,240	
4.40% June 02, 2019	3,500	3,585	3,967	
4.20% June 02, 2020	5,000	5,105	5,581	
4.00% June 02, 2021	5,000	5,181	5,494	
3.15% June 02, 2022	1,800	1,795	1,837	
8.10% September 08, 2023	870	1,192	1,306	
8.50% December 02, 2025	900	1,267	1,444	
7.60% June 02, 2027	2,128	2,909	3,263	
6.50% March 08, 2029	2,700	3,350	3,834	
6.20% June 02, 2031	860	950	1,205	
5.85% March 08, 2033	2,000	2,316	2,734	
4.70% June 02, 2037	3,050	3,049	3,695	
4.60% June 02, 2039	2,999	2,973	3,619	
4.65% June 02, 2041	6,099	6,410	7,506	
Province of Ontario, (MTN)				
5.60% June 02, 2035	2,400	2,734	3,230	
Province of Prince Edward Island				
4.25% September 24, 2019	400	400	447	
5.70% June 15, 2035	230	250	307	
4.65% November 19, 2037	200	195	236	
4.60% May 19, 2041	100	99	119	
Province of Quebec				
5.25% October 01, 2013	1,000	1,080	1,070	
5.50% December 01, 2014	500	559	559	
5.00% December 01, 2015	2,050	2,167	2,316	
4.50% December 01, 2016	2,230	2,280	2,511	
4.50% December 01, 2017	1,500	1,675	1,701	
4.50% December 01, 2019	3,300	3,424	3,748	
4.50% December 01, 2020	3,400	3,510	3,854	
4.25% December 01, 2021	2,400	2,447	2,669	
3.50% December 01, 2022	2,100	2,116	2,187	
8.50% April 01, 2026	600	835	956	
6.00% October 01, 2029	1,000	1,209	1,342	
6.25% June 01, 2032	2,235	2,455	3,124	
5.75% December 01, 2036	1,800	2,119	2,444	
5.00% December 01, 2038	1,600	1,828	1,997	
5.00% December 01, 2041	3,543	3,787	4,506	
4.25% December 01, 2043	1,300	1,348	1,482	
Province of Quebec, (MTN)				
4.50% December 01, 2018	2,700	2,782	3,068	
Province of Saskatchewan				
4.65% September 05, 2017	800	796	918	
3.90% July 28, 2020	400	399	443	
9.60% February 04, 2022	500	690	796	
5.80% September 05, 2033	600	605	831	
4.75% June 01, 2040	730	766	922	
		150,003	167,409	28.4
Total Government		421,348	454,083	77.2

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Corporate				
407 International, Inc.				
4.30% May 26, 2021	500	500	544	
4.45% November 15, 2041	200	200	208	
407 International, Inc., (MTN)				
3.88% June 16, 2015	500	500	531	
407 International, Inc., Series 99A2, Senior Note				
6.47% July 27, 2029	580	675	757	
Aeroports De Montreal				
5.17% September 17, 2035	400	400	461	
5.47% April 16, 2040	520	520	635	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	1,267	1,267	1,420	
AltaLink, LP				
4.87% November 15, 2040	200	200	227	
4.46% November 08, 2041	200	200	214	
AltaLink, LP, (MTN)				
5.24% May 29, 2018	500	500	578	
American Express Canada (MTN)				
4.85% October 03, 2014	500	533	528	
American Express Canada, Guaranteed Note, (MTN)				
5.90% April 02, 2013	500	499	522	
3.60% June 03, 2016	400	400	407	
Bank N S Halifax				
2.74% December 01, 2016	2,000	2,000	2,019	
Bank of Montreal				
3.93% April 27, 2015	1,000	1,000	1,058	
3.10% March 10, 2016	1,000	1,000	1,029	
3.49% June 10, 2016	1,000	1,000	1,043	
2.96% August 02, 2016	900	900	917	
3.98% July 08, 2021	800	800	829	
4.61% September 10, 2025	400	406	441	
Bank of Montreal, DPNT				
5.05% September 03, 2013	500	540	529	
5.18% June 10, 2015	500	552	550	
6.02% May 02, 2018	800	800	946	
Bank of Montreal, Series C, Subordinated Note				
4.87% April 22, 2020	400	404	429	
Bank of Nova Scotia				
3.43% July 16, 2014	600	626	624	
3.35% November 18, 2014	1,000	1,000	1,040	
3.34% March 25, 2015	1,000	1,000	1,040	
3.61% February 22, 2016	1,000	1,000	1,049	
4.10% June 08, 2017	1,000	1,000	1,073	
6.65% January 22, 2021	400	400	460	
Bank of Nova Scotia, DPNT				
4.56% October 30, 2013	2,065	2,039	2,175	
Bank of Nova Scotia, Note				
4.99% March 27, 2018	1,850	1,850	1,916	
8.90% June 20, 2025	500	618	754	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
BCIMC Realty Corp., (MTN)				
4.65% February 10, 2015	400	425	430	
BMW Canada, Inc.				
3.22% March 28, 2013	400	400	405	
2.76% April 01, 2014	500	500	505	
3.15% April 01, 2015	500	500	512	
British Columbia Ferry Services, Inc., Note				
5.02% March 20, 2037	300	300	328	
British Columbia Ferry Services, Inc., Series 08-1, Senior Secured Note				
5.58% January 11, 2038	150	150	179	
British Columbia Ferry Services, Inc., Series B, Senior Secured Note				
6.25% October 13, 2034	250	250	317	
Broadway Credit Card Trust, Series A, Note				
4.80% March 17, 2014	513	506	542	
Brookfield Asset Management, Inc.				
8.95% June 02, 2014	500	579	568	
5.29% April 25, 2017	300	312	319	
5.30% March 01, 2021	200	200	212	
Brookfield Asset Management, Inc., Note				
5.95% June 14, 2035	250	254	239	
Caisse Centrale Desjardins du Quebec				
3.50% October 05, 2017	200	200	207	
Canada Life Capital Trust, Secured Note, Series B				
7.53% June 30, 2032	200	229	236	
Canadian Credit Card TST				
3.44% July 24, 2015	1,000	1,000	1,041	
Canadian Imperial Bank of Commerce				
3.30% November 19, 2014	800	808	831	
3.40% January 14, 2016	1,500	1,498	1,560	
2.65% November 08, 2016	700	699	704	
3.95% July 14, 2017	600	599	639	
4.11% April 30, 2020	700	700	733	
3.15% November 02, 2020	600	599	603	
Canadian Imperial Bank of Commerce, (MTN)				
5.15% June 06, 2018	400	399	417	
Canadian Imperial Bank, DPNT				
3.05% June 03, 2013	650	650	664	
Capital Desjardins, Inc.				
5.76% April 01, 2019	300	300	320	
5.19% May 05, 2020	750	750	808	
3.80% November 23, 2020	350	350	357	
Cards II Trust				
3.05% May 15, 2013	400	400	408	
3.10% September 15, 2015	500	500	516	
3.33% May 15, 2016	500	500	518	
Central 1 Credit Union				
3.38% April 19, 2013	1,000	1,000	1,020	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Consumers Gas Corp., Ltd., Note, (MTN)				
6.10% May 19, 2028	500	444	632	
Consumers Waterheater, Inc.				
6.75% April 30, 2014	150	150	160	
CU, Inc.				
4.54% October 24, 2041	300	300	325	
4.95% November 18, 2050	200	200	232	
4.59% October 24, 2061	100	100	111	
CU, Inc., (MTN)				
5.18% November 21, 2035	300	300	351	
CU, Inc., Note				
6.15% November 22, 2017	700	748	839	
Daimler Canada Finance, Inc.				
3.02% January 07, 2015	200	200	201	
Eagle Credit Card Trust				
2.78% December 17, 2013	200	200	204	
3.47% December 17, 2015	300	300	312	
Empire Life Insurance				
6.73% May 20, 2019	300	329	326	
Enbridge Gas Distribution, Inc.				
4.04% November 23, 2020	200	200	216	
4.95% November 22, 2050	500	499	586	
Enbridge Gas Distribution, Inc., Note, (MTN)				
4.77% December 17, 2021	100	114	113	
6.90% November 15, 2032	275	306	383	
5.21% February 25, 2036	1,000	1,012	1,175	
Enbridge Pipelines, Inc., Note, (MTN)				
5.08% December 19, 2036	500	550	578	
Enbridge, Inc.				
4.53% March 09, 2020	1,000	1,003	1,083	
Enbridge, Inc., (MTN)				
7.20% June 18, 2032	700	860	960	
Enersource Corp.				
4.52% April 29, 2021	300	300	331	
5.30% April 29, 2041	200	200	237	
Fifth Avenue, LP				
4.71% August 05, 2021	500	500	536	
FortisAlberta, Inc.				
5.40% April 21, 2036	400	428	482	
Gaz Metropolitan, Inc., Guaranteed Note				
5.45% July 12, 2021	500	498	591	
GE Capital Canada Funding Co.				
2.95% February 10, 2014	500	499	507	
3.35% November 23, 2016	500	499	506	
GE Capital Canada Funding Co., (MTN)				
4.40% June 01, 2014	300	300	314	
4.24% June 08, 2015	500	500	524	
5.53% August 17, 2017	900	935	996	
5.73% October 22, 2037	900	856	975	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
GE Capital Canada Funding Co., Note, (MTN)				
4.65% February 11, 2015	1,100	1,076	1,164	
4.55% January 17, 2017	500	497	530	
Genworth MI Canada, Inc.				
4.59% December 15, 2015	100	100	104	
Glacier Credit Card Trust				
3.16% November 20, 2015	200	200	205	
Golden Credit Card Trust				
3.51% May 15, 2016	1,200	1,200	1,253	
Golden Credit Card Trust, Senior Note				
5.42% April 15, 2019	900	900	943	
Great-West Lifeco Delaware Finance, LP, Subordinated Note				
5.69% June 21, 2067	600	632	622	
Great-West Lifeco Finance Delaware, LP II				
7.13% June 26, 2068	300	340	333	
Great-West Lifeco, Inc.				
4.65% August 13, 2020	400	400	416	
Great-West Lifeco, Inc., Note				
6.67% March 21, 2033	300	328	353	
Great-West Lifeco, Inc., Senior Unsecured Note				
6.14% March 21, 2018	500	502	571	
Greater Toronto Airport Authority, (MTN)				
6.47% February 02, 2034	500	582	659	
Greater Toronto Airports Authority				
5.30% February 25, 2041	350	350	412	
Greater Toronto Airports, (MTN)				
4.85% June 01, 2017	450	449	504	
5.26% April 17, 2018	1,000	1,067	1,149	
7.10% June 04, 2031	500	605	688	
5.63% June 07, 2040	250	250	308	
Halifax International Airport Authority				
4.89% November 15, 2050	300	300	337	
Honda Canada Finance, Inc.				
5.61% September 12, 2013	500	500	529	
Hospital Infrastructure Partners NOH Partnership				
5.44% January 31, 2045	300	300	333	
HSBC Bank of Canada				
3.86% May 21, 2015	500	500	527	
3.56% October 04, 2017	400	400	415	
4.80% April 10, 2022	500	499	532	
Hydro One, Inc.				
2.95% September 11, 2015	600	599	621	
6.03% March 03, 2039	200	221	265	
4.39% September 26, 2041	200	200	212	
5.00% October 19, 2046	200	202	236	
Hydro One, Inc., (MTN)				
5.18% October 18, 2017	1,000	1,090	1,147	
5.36% May 20, 2036	1,250	1,211	1,508	
5.49% July 16, 2040	200	200	249	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
IGM Financial, Inc.				
7.35% April 08, 2019	250	250	303	
6.00% December 10, 2040	200	199	219	
Integrated Team Solutions SJHC Partnership				
5.95% November 30, 2042	200	216	231	
John Deere Credit, Inc.				
2.30% January 14, 2013	300	300	302	
3.90% July 29, 2013	100	100	103	
2.25% October 14, 2014	200	200	201	
Manufacturers Life Insurance Co.				
4.21% November 18, 2021	500	500	501	
Manulife Finance Cap Trust				
7.41% December 31, 2108	900	1,028	978	
Manulife Financial Corp.				
4.90% June 02, 2014	500	500	520	
4.08% August 20, 2015	700	700	713	
Manulife Financial Corp., (MTN)				
4.67% March 28, 2013	600	600	613	
5.51% June 26, 2018	600	600	638	
Master Credit Card Trust				
3.50% May 21, 2016	500	500	522	
Merrill Lynch Canada Finance Co., (MTN)				
5.00% February 18, 2014	550	550	569	
National Bank of Canada				
4.03% May 26, 2015	650	650	689	
3.58% April 26, 2016	600	600	627	
National Bank of Canada, (MTN)				
4.93% December 22, 2019	475	475	508	
4.70% November 02, 2020	400	399	428	
NAV Canada				
5.30% April 17, 2019	300	330	351	
4.40% February 18, 2021	200	200	222	
NAV Canada, (MTN)				
4.71% February 24, 2016	500	533	552	
NAV Canada, Note				
7.56% March 01, 2027	320	373	416	
Nova Gas Transmission, Ltd., Series 21, Note				
12.20% February 28, 2016	760	1,163	1,043	
Ontario Electricity Financial Corp., Series DJ5, Note				
10.00% October 17, 2014	700	929	864	
Ontario Electricity Financial Corp., Series FV6, Note				
8.90% August 18, 2022	870	1,182	1,337	
Ontario School Boards Financing Corp.				
5.38% June 25, 2032	542	542	625	
Ontario School Boards Financing Corp., Note				
5.30% November 07, 2013	1,440	1,489	1,542	
5.48% November 26, 2029	588	588	680	
5.07% April 18, 2031	437	436	489	
Ontario School Boards Financing Corp., Series 01A3				
6.55% October 19, 2026	271	296	338	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Ottawa MacDonald-Cartier International Airport Authority, Note				
4.73% May 02, 2017	500	500	558	
Plenary Health Bridgepoint, LP				
7.25% August 31, 2042	200	266	265	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	700	700	744	
Plenary Health Hamilton, LP				
5.80% May 31, 2043	150	167	172	
Plenary Properties LTAP, LP				
6.29% January 31, 2044	500	529	613	
Power Financial Corp., Note				
6.90% March 11, 2033	600	654	722	
PSP Capital, Inc., Note				
4.57% December 09, 2013	400	400	423	
Royal Bank of Canada				
3.18% March 16, 2015	500	515	519	
3.36% January 11, 2016	3,500	3,492	3,637	
3.03% July 26, 2016	1,500	1,499	1,537	
2.68% December 08, 2016	2,000	2,000	2,011	
3.66% January 25, 2017	1,500	1,499	1,577	
3.18% November 02, 2020	1,000	1,000	1,008	
4.93% July 16, 2025	550	557	625	
Royal Bank of Canada, Senior Note				
4.97% June 05, 2014	480	516	516	
Royal Bank of Canada, Series 2014, Subordinated Note				
5.95% June 18, 2103	500	511	540	
Royal Bank of Canada, Subordinated Note, (MTN)				
5.00% June 06, 2018	1,600	1,615	1,666	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	986	986	1,172	
Sun Life Financial, Inc.				
4.57% August 23, 2021	300	300	299	
4.95% June 01, 2036	850	785	871	
Sun Life Financial, Inc., (MTN)				
5.40% May 29, 2042	500	450	453	
Sun Life Financial, Inc., Senior Note, (MTN)				
4.80% November 23, 2035	600	598	610	
TD Capital Trust II				
6.79% December 31, 2012	500	532	522	
TD Capital Trust IV				
10.00% June 30, 2108	300	454	408	
6.63% June 30, 2108	330	380	374	
Thomson Reuters Corp.				
5.20% December 01, 2014	500	538	544	
5.70% July 15, 2015	700	699	780	
6.00% March 31, 2016	500	560	568	
4.35% September 30, 2020	500	507	528	
Tim Hortons, Inc.				
4.20% June 01, 2017	300	306	323	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Toronto Hydro Corp.				
4.49% November 12, 2019	500	500	553	
3.54% November 18, 2021	300	300	305	
Toronto Hydro Corp., Note				
5.15% November 14, 2017	700	699	799	
Toronto-Dominion Bank				
2.95% August 02, 2016	1,000	1,000	1,023	
3.37% November 02, 2020	200	200	203	
Toronto-Dominion Bank, (MTN)				
5.48% April 02, 2020	1,350	1,368	1,473	
4.78% December 14, 2105	2,651	2,696	2,829	
Toronto-Dominion Bank, DPNT				
4.85% February 13, 2013	1,310	1,311	1,360	
TransCanada PipeLines, Ltd.				
3.65% November 15, 2021	400	399	409	
4.55% November 15, 2041	200	199	208	
TransCanada PipeLines, Ltd., (MTN)				
4.65% October 03, 2016	700	700	770	
TransCanada PipeLines, Ltd., Note, (MTN)				
7.90% April 15, 2027	500	702	720	
Transportation-Canada Pipelines				
8.05% February 17, 2039	500	543	797	
VW Credit Canada, Inc.				
2.55% November 18, 2013	600	599	604	
Wells Fargo Financial Canada Corp.				
3.97% November 03, 2014	700	700	731	
3.70% March 30, 2016	500	500	519	
Wells Fargo Financial Canada Corp., (MTN)				
4.38% June 30, 2015	800	769	851	
Total Corporate		123,044	130,865	22.2
Total Fixed Income Investments		544,392	584,948	99.4
Total Investments		544,392	584,948	99.4
Other Assets and Liabilities			3,606	0.6
Net Assets			588,554	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	32.5	32.2
Federal Agency	13.5	14.1
Government Guaranteed	0.7	0.7
Municipal	2.1	1.8
Provincial	28.4	25.1
Corporate	22.2	24.6
Other Assets and Liabilities	0.6	1.5

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 792,497,547	$ 602,083,145
Cash	294,607	977,170
Interest receivable	1,401,522	1,259,007
Accounts receivable from issue of units	225,000	-
	794,418,676	604,319,322
Liabilities		
Operating expenses payable	23,459	18,068
	23,459	18,068
Net Assets	$ 794,395,217	$ 604,301,254
Net Assets per Class		
Class A	$ 424,202,197	$ 330,717,935
Class D	370,193,020	273,583,319
	$ 794,395,217	$ 604,301,254
Number of Units Issued and Outstanding (Note 8)		
Class A	12,940,287	11,934,564
Class D	24,355,188	21,291,953
Net Assets per Unit		
Class A	$ 32.78	$ 27.71
Class D	$ 15.20	$ 12.85
Investments at Cost	$ 644,789,052	$ 536,081,625

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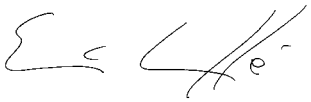
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 30,612,287	$ 22,929,730
Securities lending income	90	-
	30,612,377	22,929,730
Expenses		
System application fees	-	872
Custodian fees	18,357	12,152
Fund accounting expenses	61,581	59,078
Unitholder communication costs	601	602
Audit fees	11,837	12,061
Securities filing fees	10,717	7,941
Independent review committee fees	819	1,897
Other operating expenses	2,055	3,365
	105,967	97,968
Net Investment Income for the Year	30,506,410	22,831,762
Gain on Investments		
Net realized gain on sale of investments	11,075,233	1,908,213
Net change in unrealized appreciation in value of investments	81,706,975	32,288,066
Net Gain on Investments	92,782,208	34,196,279
Increase in Net Assets from Operations	$ 123,288,618	$ 57,028,041
Increase in Net Assets from Operations per Class		
Class A	$ 66,561,538	$ 31,221,651
Class D	56,727,080	25,806,390
	$ 123,288,618	$ 57,028,041
Increase in Net Assets from Operations per Unit		
Class A	$ 5.18	$ 2.81
Class D	$ 2.42	$ 1.29

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 604,301,254	$ 483,401,609	$ 330,717,935	$ 259,028,186	$ 273,583,319	$ 224,373,423
Increase in Net Assets from Operations	123,288,618	57,028,041	66,561,538	31,221,651	56,727,080	25,806,390
Capital Transactions						
Proceeds from issue of units	192,368,376	88,018,731	120,686,447	54,443,932	71,681,929	33,574,799
Reinvestment of distributions	41,581,639	24,739,706	22,534,498	13,625,477	19,047,141	11,114,229
Redemption of units	(125,563,031)	(24,147,127)	(93,763,723)	(13,975,834)	(31,799,308)	(10,171,293)
Net capital transactions	108,386,984	88,611,310	49,457,222	54,093,575	58,929,762	34,517,735
Distributions						
From net investment income	(30,506,406)	(22,831,493)	(16,618,716)	(12,581,163)	(13,887,690)	(10,250,330)
From capital gains	(11,075,233)	(1,908,213)	(5,915,782)	(1,044,314)	(5,159,451)	(863,899)
Total distributions	(41,581,639)	(24,739,706)	(22,534,498)	(13,625,477)	(19,047,141)	(11,114,229)
Increase in Net Assets for the Year	190,093,963	120,899,645	93,484,262	71,689,749	96,609,701	49,209,896
Net Assets - End of Year	$ 794,395,217	$ 604,301,254	$ 424,202,197	$ 330,717,935	$ 370,193,020	$ 273,583,319

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
4.25% December 01, 2021	79,281	100,997	113,382	
4.25% December 01, 2026	78,123	105,214	126,368	
4.00% December 01, 2031	82,638	114,743	143,179	
3.00% December 01, 2036	74,224	95,032	120,914	
2.00% December 01, 2041	76,918	83,559	110,150	
1.50% December 01, 2044	45,264	50,791	58,911	
		550,336	672,904	84.7
Provincial				
Province of Manitoba				
1.74% December 01, 2018	1,300	1,253	1,439	
2.00% December 01, 2036	1,211	1,213	1,595	
Province of Ontario				
2.00% December 01, 2036	34,717	33,316	45,824	
Province of Quebec				
3.30% December 01, 2013	4,696	5,024	5,068	
4.50% December 01, 2021	7,965	10,019	11,339	
4.50% December 01, 2026	12,248	15,657	19,627	
4.25% December 01, 2031	12,758	17,413	21,733	
3.25% December 01, 2036	8,147	10,558	12,969	
		94,453	119,594	15.1
Total Government		644,789	792,498	99.8
Total Fixed Income Investments		644,789	792,498	99.8
Total Investments		644,789	792,498	99.8
Other Assets and Liabilities			1,897	0.2
Net Assets			794,395	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	84.7	84.0
Provincial	15.1	15.6
Other Assets and Liabilities	0.2	0.4

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 7,356,149,212	$ 6,557,009,412
Cash	4,230,694	33,105,588
Interest receivable	50,155,023	50,897,111
Securities lending income receivable	7,824	-
Accounts receivable from issue of units	117,951,739	1,062,841
Accounts receivable for investment sales	816,605,963	-
	8,345,100,455	6,642,074,952
Liabilities		
Operating expenses payable	111,105	62,738
Payables for redemption of units	823,500,057	6,875,384
Payables for investment purchases	94,347,685	-
	917,958,847	6,938,122
Net Assets	$ 7,427,141,608	$ 6,635,136,830
Net Assets per Class		
Class A	$ 6,793,788,830	$ 6,212,513,402
Class D	633,352,778	422,623,428
	$ 7,427,141,608	$ 6,635,136,830
Number of Units Issued and Outstanding (Note 8)		
Class A	245,320,775	265,331,456
Class D	43,010,772	33,952,331
Net Assets per Unit		
Class A	$ 27.69	$ 23.41
Class D	$ 14.73	$ 12.45
Investments at Cost	$ 6,318,043,301	$ 6,197,629,228

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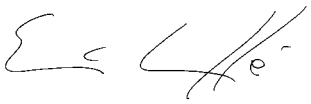
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 322,895,563	$ 302,942,893
Securities lending income	25,844	784
	322,921,407	302,943,677
Expenses		
System application fees	-	10,659
Custodian fees	169,028	134,831
Fund accounting expenses	231,194	212,640
Unitholder communication costs	601	602
Audit fees	18,569	14,006
Securities filing fees	112,916	67,618
Independent review committee fees	8,403	22,336
Other operating expenses	4,268	14,108
	544,979	476,800
Net Investment Income for the Year	322,376,428	302,466,877
Gain on Investments		
Net realized gain on sale of investments	238,857,721	57,198,922
Net change in unrealized appreciation in value of investments	678,725,727	345,161,188
Net Gain on Investments	917,583,448	402,360,110
Increase in Net Assets from Operations	$ 1,239,959,876	$ 704,826,987
Increase in Net Assets from Operations per Class		
Class A	$ 1,146,579,937	$ 668,151,905
Class D	93,379,939	36,675,082
	$ 1,239,959,876	$ 704,826,987
Increase in Net Assets from Operations per Unit		
Class A	$ 4.32	$ 2.56
Class D	$ 2.38	$ 1.34

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 6,635,136,830	$ 5,864,186,395	$ 6,212,513,402	$ 5,596,511,284	$ 422,623,428	$ 267,675,111
Increase in Net Assets from Operations	1,239,959,876	704,826,987	1,146,579,937	668,151,905	93,379,939	36,675,082
Capital Transactions						
Proceeds from issue of units	1,899,322,442	874,430,669	1,704,340,134	701,111,593	194,982,308	173,319,076
Reinvestment of distributions	446,266,727	349,468,235	414,117,592	329,782,970	32,149,135	19,685,265
Redemption of units	(2,347,277,540)	(808,307,221)	(2,269,644,643)	(753,261,380)	(77,632,897)	(55,045,841)
Net capital transactions	(1,688,371)	415,591,683	(151,186,917)	277,633,183	149,498,546	137,958,500
Distributions						
From net investment income	(322,369,775)	(302,464,396)	(298,441,508)	(285,539,859)	(23,928,267)	(16,924,537)
From capital gains	(106,886,179)	(43,084,374)	(98,665,311)	(40,323,646)	(8,220,868)	(2,760,728)
From capital gains redemption in kind (Note 9)	(17,010,773)	(3,919,465)	(17,010,773)	(3,919,465)	-	-
Total distributions	(446,266,727)	(349,468,235)	(414,117,592)	(329,782,970)	(32,149,135)	(19,685,265)
Increase in Net Assets for the Year	792,004,778	770,950,435	581,275,428	616,002,118	210,729,350	154,948,317
Net Assets - End of Year	$ 7,427,141,608	$ 6,635,136,830	$ 6,793,788,830	$ 6,212,513,402	$ 633,352,778	$ 422,623,428

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
9.25% June 01, 2022	4,174	6,459	7,023	
2.75% June 01, 2022	102,903	106,348	109,629	
8.00% June 01, 2023	63,241	90,827	101,112	
9.00% June 01, 2025	52,611	80,644	94,067	
8.00% June 01, 2027	81,734	119,590	142,349	
5.75% June 01, 2029	246,502	310,318	363,884	
5.75% June 01, 2033	258,044	328,752	396,755	
5.00% June 01, 2037	278,725	338,772	407,324	
4.00% June 01, 2041	332,398	357,726	436,326	
3.50% December 01, 2045	60,496	66,231	74,152	
		1,805,667	2,132,621	28.7
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	21,359	22,414	24,705	
Canada Housing Trust No 1				
2.65% March 15, 2022	50,759	50,668	51,453	
Canada Post Corp.				
4.08% July 16, 2025	10,941	11,065	12,665	
4.36% July 16, 2040	11,826	12,229	14,762	
Inter-American Development Bank, Note				
4.40% January 26, 2026	26,714	26,209	30,199	
		122,585	133,784	1.8
Government Guaranteed				
Milit-Air, Inc., Secured Note				
5.75% June 30, 2019	364	366	413	
		366	413	-
Municipal				
City of Montreal				
6.00% June 01, 2043	13,523	14,428	18,393	
City of Toronto				
5.20% June 01, 2040	17,988	18,714	22,116	
4.70% June 10, 2041	16,511	16,861	18,958	
Municipal Finance Authority of British Columbia				
4.98% April 06, 2025	1,393	1,392	1,593	
4.95% December 01, 2027	15,424	15,966	18,242	
Peel Regional Municipality				
5.10% June 29, 2040	12,139	12,412	14,838	
		79,773	94,140	1.3
Provincial				
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	1,350	1,350	1,437	
Financement-Quebec				
5.25% June 01, 2034	37,121	40,073	46,148	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Hydro Quebec				
9.63% July 15, 2022	19,525	28,240	31,033	
6.00% August 15, 2031	10,606	12,860	14,367	
5.00% February 15, 2050	51,435	58,575	67,698	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	29,692	34,866	42,595	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	48,992	60,665	71,644	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	40,107	41,625	51,814	
Province of Alberta				
4.50% December 01, 2040	15,284	15,207	18,785	
Province of British Columbia				
8.75% August 19, 2022	2,088	2,849	3,199	
8.00% September 08, 2023	12,106	15,979	18,109	
9.00% August 23, 2024	4,359	6,456	7,081	
6.15% November 19, 2027	4,500	5,644	6,168	
5.62% August 17, 2028	450	556	583	
5.70% June 18, 2029	58,184	65,020	77,070	
6.35% June 18, 2031	28,193	33,433	40,314	
5.40% June 18, 2035	12,524	14,153	16,545	
4.70% June 18, 2037	33,895	33,881	41,296	
4.30% June 18, 2042	74,046	76,463	87,159	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	44,955	46,422	57,674	
Province of Manitoba				
4.40% September 05, 2025	14,347	14,598	16,397	
7.75% December 22, 2025	5,427	6,663	8,262	
10.50% March 05, 2031	3,360	5,392	6,738	
6.30% March 05, 2031	4,500	6,352	6,365	
5.70% March 05, 2037	18,864	21,450	26,050	
4.60% March 05, 2038	21,452	21,024	25,777	
4.65% March 05, 2040	19,071	18,700	23,320	
4.10% March 05, 2041	21,951	20,875	24,832	
4.40% March 05, 2042	13,176	13,141	15,672	
Province of New Brunswick				
5.65% December 27, 2028	15,603	16,532	20,166	
5.50% January 27, 2034	16,943	19,552	22,017	
4.65% September 26, 2035	15,934	15,650	18,679	
4.55% March 26, 2037	21,196	20,380	24,617	
4.80% September 26, 2039	24,365	23,960	29,655	
4.80% June 03, 2041	19,642	20,281	24,152	
Province of Newfoundland				
8.45% February 05, 2026	90	130	144	
6.15% April 17, 2028	15,194	16,741	20,709	
5.60% October 17, 2033	7,095	7,015	9,457	
5.70% October 17, 2035	2,881	3,265	3,928	
4.50% April 17, 2037	22,575	21,977	26,523	
4.65% October 17, 2040	21,759	22,065	26,572	
Province of Nova Scotia				
4.90% June 01, 2035	9,663	9,735	11,760	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
4.50% June 01, 2037	18,869	18,267	21,881	
4.70% June 01, 2041	16,960	17,444	20,687	
4.40% June 01, 2042	12,780	12,896	14,932	
Province of Nova Scotia, (MTN)				
5.80% June 01, 2033	14,397	16,653	19,362	
Province of Nova Scotia, Series 9Z				
6.60% June 01, 2027	13,532	16,494	18,938	
Province of Ontario				
3.15% June 02, 2022	58,318	58,647	59,506	
8.10% September 08, 2023	40,992	55,671	61,538	
7.50% February 07, 2024	12,043	16,154	17,437	
8.50% December 02, 2025	26,747	39,454	42,915	
8.00% June 02, 2026	13,338	19,076	20,748	
7.60% June 02, 2027	77,488	103,825	118,802	
6.50% March 08, 2029	109,105	136,535	154,937	
6.20% June 02, 2031	39,281	45,975	55,025	
5.85% March 08, 2033	96,008	110,822	131,228	
4.70% June 02, 2037	121,657	123,749	147,382	
4.60% June 02, 2039	135,711	136,128	163,751	
4.65% June 02, 2041	262,145	280,140	322,626	
Province of Ontario, (MTN)				
5.60% June 02, 2035	112,640	129,108	151,603	
Province of Ontario, Series HC				
9.50% July 13, 2022	31,829	46,531	50,647	
Province of Prince Edward Island				
6.25% January 29, 2032	4,174	4,511	5,808	
5.70% June 15, 2035	9,486	10,760	12,679	
4.65% November 19, 2037	1,365	1,341	1,608	
4.60% May 19, 2041	8,344	8,526	9,932	
Province of Quebec				
3.50% December 01, 2022	28,754	28,974	29,939	
9.38% January 16, 2023	19,731	29,241	31,266	
5.35% June 01, 2025	16,174	17,952	19,883	
8.50% April 01, 2026	25,614	36,323	40,831	
6.00% October 01, 2029	41,114	46,144	55,180	
6.25% June 01, 2032	74,754	86,312	104,483	
5.75% December 01, 2036	81,694	95,403	110,924	
5.00% December 01, 2038	99,230	102,462	123,862	
5.00% December 01, 2041	176,787	189,667	224,846	
4.25% December 01, 2043	60,068	64,174	68,481	
Province of Saskatchewan				
9.60% February 04, 2022	4,305	6,302	6,856	
5.75% March 05, 2029	13,059	14,182	17,486	
6.40% September 05, 2031	21,670	26,445	31,463	
5.80% September 05, 2033	3,757	4,375	5,201	
5.60% September 05, 2035	9,587	11,503	13,127	
5.00% March 05, 2037	9,009	9,980	11,546	
4.75% June 01, 2040	20,782	21,510	26,243	
		3,119,452	3,638,100	49.0
Total Government		5,127,843	5,999,058	80.8

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Corporate				
407 International, Inc.				
4.45% November 15, 2041	1,530	1,528	1,590	
407 International, Inc., Series 04A3				
5.96% December 03, 2035	12,942	14,225	16,386	
407 International, Inc., Series 99A2, Senior Note				
6.47% July 27, 2029	17,211	18,977	22,471	
Aeroports De Montreal				
5.17% September 17, 2035	7,218	7,070	8,319	
5.67% October 16, 2037	12,428	12,989	15,410	
Aeroports De Montreal, Note				
6.55% October 11, 2033	17,247	19,215	23,071	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	4,192	4,190	4,697	
7.22% December 31, 2025	7,492	8,409	9,324	
6.77% December 31, 2025	4,570	4,911	5,586	
Alliance Pipeline, LP, Series A, Senior Note				
7.18% June 30, 2023	3,097	3,440	3,842	
AltaLink, LP				
5.38% March 26, 2040	6,442	6,637	7,867	
4.87% November 15, 2040	9,435	9,413	10,715	
AltaLink, LP, Secured Note, (MTN)				
5.25% September 22, 2036	2,922	2,922	3,452	
Arrow Lakes Power				
5.52% April 05, 2041	2,209	2,209	2,558	
Bank of Montreal				
4.61% September 10, 2025	16,649	17,099	18,351	
Bank of Nova Scotia, Note				
8.90% June 20, 2025	3,756	4,458	5,665	
British Columbia Ferry Services, Inc., Note				
5.02% March 20, 2037	3,798	4,181	4,155	
British Columbia Ferry Services, Inc., Series 08-1, Senior Secured Note				
5.58% January 11, 2038	8,144	8,409	9,710	
British Columbia Ferry Services, Inc., Series B, Senior Secured Note				
6.25% October 13, 2034	4,847	5,043	6,153	
Brookfield Asset Management, Inc., Note				
5.95% June 14, 2035	13,851	13,662	13,251	
Canada Life Assurance Co., Series B, Note				
6.40% December 11, 2028	2,088	2,075	2,392	
Canada Life Capital Trust, Secured Note, Series B				
7.53% June 30, 2032	2,212	2,385	2,609	
Canadian Utilities, Ltd.				
9.92% April 01, 2022	442	638	687	
Canadian Utilities, Ltd., Series 1992				
9.40% May 01, 2023	4,215	5,641	6,506	
CIBC Capital Trust				
10.25% June 30, 2108	5,142	5,211	6,544	
Clarica Life Insurance Co., Series 2, Note				
6.30% May 15, 2028	6,382	6,317	6,936	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Consumers Gas Corp., Ltd., Note, (MTN)				
6.10% May 19, 2028	6,660	7,113	8,419	
CU, Inc.				
4.54% October 24, 2041	3,240	3,240	3,507	
4.95% November 18, 2050	1,753	1,753	2,030	
4.59% October 24, 2061	1,350	1,350	1,494	
CU, Inc., (MTN)				
5.18% November 21, 2035	9,878	9,483	11,543	
5.58% May 26, 2038	5,473	5,835	6,792	
CU, Inc., Note, (MTN)				
5.90% November 20, 2034	19,463	21,026	24,731	
5.56% October 30, 2037	7,719	7,805	9,533	
Enbridge Gas Distribution, Inc.				
4.95% November 22, 2050	7,305	7,410	8,556	
Enbridge Gas Distribution, Inc., Note, (MTN)				
6.05% July 05, 2023	3,336	3,736	4,141	
7.60% October 29, 2026	1,084	1,354	1,537	
6.65% November 03, 2027	3,465	3,944	4,593	
6.16% December 16, 2033	5,563	6,082	7,249	
5.21% February 25, 2036	5,998	5,611	7,045	
Enbridge Pipelines, Inc.				
8.20% February 15, 2024	4,174	5,665	6,101	
5.35% November 10, 2039	5,177	5,331	6,274	
5.33% April 06, 2040	7,710	8,249	9,322	
Enbridge Pipelines, Inc., Note, (MTN)				
6.35% November 17, 2023	4,948	4,600	6,319	
6.05% February 12, 2029	4,086	4,063	5,160	
5.08% December 19, 2036	3,980	3,876	4,601	
Enbridge, Inc.				
7.22% July 24, 2030	1,768	2,154	2,389	
Enbridge, Inc., (MTN)				
7.20% June 18, 2032	12,555	15,439	17,226	
5.57% November 14, 2035	6,362	5,774	7,396	
5.75% September 02, 2039	5,285	5,375	6,357	
Enersource Corp.				
5.30% April 29, 2041	1,414	1,414	1,672	
FortisAlberta, Inc.				
5.40% April 21, 2036	3,173	3,393	3,825	
7.06% February 14, 2039	4,500	6,085	6,710	
5.37% October 30, 2039	12,106	12,400	14,815	
4.80% October 27, 2050	4,921	4,868	5,617	
FortisAlberta, Inc., Senior Note				
6.22% October 31, 2034	6,874	8,407	9,063	
Gaz Metro, Inc.				
5.70% July 10, 2036	1,117	1,251	1,392	
GAZ Metro, LP, Note				
6.30% October 31, 2033	1,134	1,139	1,493	
GAZ Metro, LP, Secured Note, Series MTNE				
9.00% May 16, 2025	6,652	8,918	10,271	
GAZ Metro, LP, Secured Note, Series MTNI				
7.05% October 30, 2030	2,281	2,618	3,153	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
GE Capital Canada Funding Co., (MTN)				
5.73% October 22, 2037	33,560	32,344	36,361	
Great-West Lifeco, Inc., Note				
6.67% March 21, 2033	19,791	22,271	23,298	
6.00% November 16, 2039	7,515	7,965	8,316	
Greater Toronto Airport Authority, (MTN)				
7.05% June 12, 2030	10,999	12,420	14,920	
6.47% February 02, 2034	11,272	13,038	14,850	
Greater Toronto Airport Authority, Note				
6.45% December 03, 2027	10,436	11,044	13,333	
Greater Toronto Airport Authority, Note, (MTN)				
6.45% July 30, 2029	22,637	24,539	27,862	
6.98% October 15, 2032	15,054	17,498	20,660	
Greater Toronto Airports Authority				
5.30% February 25, 2041	12,759	12,964	15,007	
Greater Toronto Airports, (MTN)				
7.10% June 04, 2031	15,090	16,946	20,758	
5.63% June 07, 2040	15,535	16,441	19,136	
Halifax International Airport Authority				
5.50% July 19, 2041	4,801	4,742	5,811	
4.89% November 15, 2050	3,340	3,340	3,751	
Hospital Infrastructure Partners NOH Partnership				
5.44% January 31, 2045	17,099	18,086	18,988	
Hydro One, Inc.				
6.03% March 03, 2039	4,680	5,773	6,208	
4.39% September 26, 2041	1,710	1,708	1,814	
5.00% October 19, 2046	3,173	3,197	3,736	
Hydro One, Inc., (MTN)				
6.35% January 31, 2034	17,393	20,254	23,202	
5.36% May 20, 2036	30,388	30,675	36,653	
5.49% July 16, 2040	11,971	12,278	14,929	
Hydro One, Inc., Note				
7.35% June 03, 2030	18,225	21,830	26,075	
Hydro One, Inc., Note, (MTN)				
6.93% June 01, 2032	4,174	5,044	5,831	
IGM Financial, Inc.				
6.00% December 10, 2040	5,122	5,219	5,612	
IGM Financial, Inc., Note				
7.45% May 09, 2031	4,174	4,597	5,243	
7.00% December 31, 2032	4,950	6,082	5,995	
7.11% March 07, 2033	10,854	13,199	13,327	
Integrated Team Solutions SJHC Partnership				
5.95% November 30, 2042	5,921	6,260	6,850	
Lower Mattagami Energy				
5.14% May 18, 2041	4,419	4,480	5,096	
NAV Canada, Note				
7.56% March 01, 2027	13,516	16,258	17,566	
7.40% June 01, 2027	7,421	8,807	10,645	
Newfoundland & Labrador Hydro, Note				
5.70% July 14, 2033	1,669	1,956	2,237	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Northwestconnect Group				
5.95% April 30, 2041	10,083	10,620	11,987	
Nova Gas Transmission				
8.88% May 27, 2026	2,003	2,144	3,037	
NOVA Gas Transmission, Ltd., Note				
9.90% December 16, 2024	5,618	7,304	9,094	
8.46% June 05, 2026	1,120	1,548	1,642	
6.30% May 27, 2030	5,210	5,691	6,514	
Ontario Electricity Financial Corp., Note				
9.00% May 26, 2025	4,500	6,884	7,345	
8.50% May 26, 2025	8,991	11,941	14,227	
8.25% June 22, 2026	26,326	38,696	41,583	
Ontario Electricity Financial Corp., Series FV6, Note				
8.90% August 18, 2022	9,722	13,816	14,939	
Ontario Infrastructure Projects Corp., Note				
4.70% June 01, 2037	6,011	6,019	6,802	
Ontario School Boards Financing Corp.				
5.80% November 07, 2028	4,683	5,001	5,575	
4.79% August 08, 2030	391	418	427	
5.38% June 25, 2032	5,209	5,267	6,008	
Ontario School Boards Financing Corp., Note				
5.48% November 26, 2029	9,699	9,849	11,223	
5.07% April 18, 2031	3,918	3,918	4,391	
Ontario School Boards Financing Corp., Series 01A3				
6.55% October 19, 2026	4,890	5,479	6,086	
Plenary Health Bridgepoint, LP				
7.25% August 31, 2042	7,500	9,938	9,934	
Plenary Health Care Partnerships Humber, LP				
4.90% May 31, 2039	7,470	7,680	7,815	
4.82% November 30, 2044	5,400	5,400	5,738	
Plenary Health Hamilton, LP				
5.80% May 31, 2043	6,381	7,136	7,336	
Plenary Properties LTAP, LP				
6.29% January 31, 2044	7,180	7,598	8,800	
Power Corp. Canada				
8.57% April 22, 2039	4,845	6,247	6,807	
Power Financial Corp., Note				
6.90% March 11, 2033	8,584	10,338	10,332	
Royal Bank of Canada				
4.93% July 16, 2025	18,790	19,165	21,362	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	27,147	27,277	32,293	
Scotiabank Capital Trust, Series 06-1				
5.65% December 31, 2056	14,374	14,058	15,736	
SNC-Lavalin Innisfree McGill Finance, Inc.				
6.63% June 30, 2044	10,471	11,430	13,194	
Sun Life Capital Trust, Series B, Secured Note				
7.09% June 30, 2052	5,761	6,641	5,804	
Sun Life Financial, Inc., (MTN)				
5.40% May 29, 2042	14,982	14,400	13,563	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Sun Life Financial, Inc., Senior Note, (MTN)				
4.80% November 23, 2035	2,598	2,742	2,642	
TD Capital Trust IV				
10.00% June 30, 2108	14,089	14,886	19,158	
Terasen Gas, Inc.				
6.00% October 02, 2037	3,994	4,632	5,227	
6.55% February 24, 2039	5,974	7,524	8,434	
Terasen Gas, Inc., Note, (MTN)				
6.95% September 21, 2029	465	479	640	
6.50% May 01, 2034	2,044	2,084	2,765	
5.90% February 26, 2035	4,529	4,693	5,769	
5.55% September 25, 2036	3,751	3,470	4,617	
Terasen Gas, Inc., Senior Note, (MTN)				
5.80% May 13, 2038	11,485	11,784	14,700	
Toronto Hospital, Series Dom1, Note				
5.64% December 08, 2022	3,518	3,603	4,036	
Toronto Hydro Corp.				
5.54% May 21, 2040	4,174	4,297	5,194	
Toronto-Dominion Bank, Note				
9.15% May 26, 2025	2,588	3,543	3,935	
TransCanada PipeLines, Ltd.				
4.55% November 15, 2041	1,980	1,968	2,061	
TransCanada PipeLines, Ltd., Note, (MTN)				
8.29% February 05, 2026	5,810	7,394	8,448	
7.90% April 15, 2027	15,282	19,455	22,004	
6.28% May 26, 2028	4,440	4,051	5,544	
6.89% August 07, 2028	12,524	14,169	16,534	
6.50% December 09, 2030	3,173	3,424	4,083	
Transportation-Canada Pipelines				
8.05% February 17, 2039	10,491	14,640	16,723	
University of British Columbia, Series B, Note				
4.82% July 26, 2035	1,461	1,461	1,643	
University of Toronto Governing Council, Senior Note				
6.78% July 18, 2031	3,340	3,762	4,679	
University of Windsor, Series A, Note				
5.37% June 29, 2046	4,966	4,966	6,018	
Total Corporate		1,190,200	1,357,091	18.2
Total Fixed Income Investments		6,318,043	7,356,149	99.0
Total Investments		6,318,043	7,356,149	99.0
Other Assets and Liabilities			70,993	1.0
Net Assets			7,427,142	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

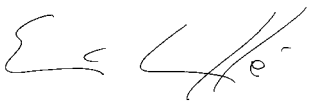
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	28.7	33.0
Federal Agency	1.8	0.1
Municipal	1.3	1.0
Provincial	49.0	46.2
Corporate	18.2	18.5
Other Assets and Liabilities	1.0	1.2

Statement of Net Assets — As at December 31

		2011
Assets		
Investments - at fair value (Note 2)	$	574,171,451
Interest receivable		3,620,950
Accounts receivable from issue of units		579,087,664
		1,156,880,065
Liabilities		
Payables for investment purchases		578,191,080
		578,191,080
Net Assets	$	578,688,985
Number of Units Issued and Outstanding (Note 8)		57,908,766
Net Assets per Unit	$	9.99
Investments at Cost	$	574,570,130

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

BlackRock Canada Long Government Bond Index Fund (Note 1)

Statement of Operations — For the Period Ended December 31

	2011
Revenue	$ -
Expenses	-
Net Investment Income for the Period	-
Loss on Investments	
Net change in unrealized depreciation in value of investments	(398,679)
Net Loss on Investments	(398,679)
Decrease in Net Assets from Operations	$ (398,679)
Decrease in Net Assets from Operations per Unit	$ (0.01)

Statement of Changes in Net Assets — For the Period Ended December 31

	2011
Net Assets - Beginning of Period	$ -
Decrease in Net Assets from Operations	(398,679)
Capital Transactions	
Proceeds from issue of units	579,087,664
Net capital transactions	579,087,664
Increase in Net Assets for the Period	578,688,985
Net Assets - End of Period	$ 578,688,985

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
9.25% June 01, 2022	395	665	665	
2.75% June 01, 2022	9,595	10,225	10,222	
8.00% June 01, 2023	5,845	9,348	9,345	
9.00% June 01, 2025	4,973	8,894	8,891	
8.00% June 01, 2027	7,556	13,163	13,160	
5.75% June 01, 2029	22,960	33,905	33,893	
5.75% June 01, 2033	24,042	36,977	36,966	
5.00% June 01, 2037	25,893	37,852	37,840	
4.00% June 01, 2041	30,759	40,392	40,376	
3.50% December 01, 2045	5,719	7,013	7,010	
		198,434	198,368	34.3
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	2,019	2,345	2,335	
Canada Housing Trust No 1				
2.65% March 15, 2022	4,797	4,865	4,863	
Canada Post Corp.				
4.08% July 16, 2025	1,034	1,199	1,197	
4.36% July 16, 2040	1,118	1,398	1,396	
Inter-American Development Bank, Note				
4.40% January 26, 2026	2,525	2,866	2,854	
		12,673	12,645	2.2
Municipal				
City of Montreal				
6.00% June 01, 2043	1,278	1,741	1,738	
City of Toronto				
5.20% June 01, 2040	1,700	2,095	2,090	
4.70% June 10, 2041	1,561	1,794	1,792	
Municipal Finance Authority of British Columbia				
4.98% April 06, 2025	99	114	114	
4.95% December 01, 2027	1,458	1,728	1,725	
Peel Regional Municipality				
5.10% June 29, 2040	1,147	1,405	1,402	
		8,877	8,861	1.5
Provincial				
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	128	137	136	
Financement-Quebec				
5.25% June 01, 2034	3,509	4,367	4,362	
Hydro Quebec				
9.63% July 15, 2022	1,846	2,936	2,934	
6.00% August 15, 2031	1,003	1,360	1,359	
5.00% February 15, 2050	4,862	6,404	6,399	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	2,807	4,030	4,027	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	4,536	6,637	6,633	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	3,791	4,901	4,898	
Province of Alberta				
4.50% December 01, 2040	1,445	1,778	1,776	
Province of British Columbia				
8.75% August 19, 2022	197	302	302	
8.00% September 08, 2023	1,144	1,712	1,711	
9.00% August 23, 2024	412	670	669	
6.15% November 19, 2027	425	583	583	
5.62% August 17, 2028	43	56	56	
5.70% June 18, 2029	5,500	7,291	7,285	
6.35% June 18, 2031	2,665	3,813	3,811	
5.40% June 18, 2035	1,184	1,565	1,564	
4.70% June 18, 2037	3,204	3,907	3,904	
4.30% June 18, 2042	6,621	7,801	7,794	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	4,250	5,457	5,453	
Province of Manitoba				
4.40% September 05, 2025	1,356	1,551	1,550	
7.75% December 22, 2025	513	781	781	
10.50% March 05, 2031	318	638	638	
6.30% March 05, 2031	425	602	601	
5.70% March 05, 2037	1,783	2,464	2,462	
4.60% March 05, 2038	2,028	2,439	2,437	
4.65% March 05, 2040	1,803	2,207	2,205	
4.10% March 05, 2041	2,075	2,350	2,347	
4.40% March 05, 2042	1,246	1,484	1,482	
Province of New Brunswick				
5.65% December 27, 2028	1,475	1,908	1,906	
5.50% January 27, 2034	1,601	2,082	2,080	
4.65% September 26, 2035	1,506	1,767	1,766	
4.55% March 26, 2037	2,004	2,329	2,327	
4.80% September 26, 2039	2,303	2,806	2,803	
4.80% June 03, 2041	1,857	2,285	2,283	
Province of Newfoundland				
8.45% February 05, 2026	9	14	14	
6.15% April 17, 2028	1,436	1,959	1,957	
5.60% October 17, 2033	671	895	894	
5.70% October 17, 2035	272	371	371	
4.50% April 17, 2037	2,134	2,510	2,507	
4.65% October 17, 2040	2,056	2,513	2,511	
Province of Nova Scotia				
4.90% June 01, 2035	913	1,112	1,111	
4.50% June 01, 2037	1,783	2,069	2,068	
4.70% June 01, 2041	1,603	1,957	1,955	
4.40% June 01, 2042	1,208	1,413	1,412	
Province of Nova Scotia, (MTN)				
5.80% June 01, 2033	1,172	1,578	1,576	
Province of Nova Scotia, Series 9Z				
6.60% June 01, 2027	1,279	1,791	1,790	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Province of Ontario				
3.15% June 02, 2022	5,513	5,629	5,625	
8.10% September 08, 2023	3,875	5,821	5,817	
7.50% February 07, 2024	1,139	1,651	1,649	
8.50% December 02, 2025	2,528	4,058	4,056	
8.00% June 02, 2026	1,261	1,963	1,962	
7.60% June 02, 2027	7,135	10,946	10,939	
6.50% March 08, 2029	10,030	14,253	14,243	
6.20% June 02, 2031	3,713	5,205	5,201	
5.85% March 08, 2033	8,697	11,897	11,887	
4.70% June 02, 2037	11,500	13,943	13,932	
4.60% June 02, 2039	12,828	15,491	15,479	
4.65% June 02, 2041	24,118	29,707	29,682	
Province of Ontario, (MTN)				
5.60% June 02, 2035	10,648	14,342	14,331	
Province of Ontario, Series HC				
9.50% July 13, 2022	3,009	4,790	4,788	
Province of Prince Edward Island				
6.25% January 29, 2032	395	550	550	
5.70% June 15, 2035	896	1,199	1,198	
4.65% November 19, 2037	129	152	152	
4.60% May 19, 2041	788	939	938	
Province of Quebec				
3.50% December 01, 2022	2,718	2,832	2,830	
9.38% January 16, 2023	1,865	2,957	2,955	
5.35% June 01, 2025	1,529	1,881	1,880	
8.50% April 01, 2026	2,298	3,665	3,663	
6.00% October 01, 2029	3,887	5,221	5,217	
6.25% June 01, 2032	6,915	9,672	9,665	
5.75% December 01, 2036	7,580	10,300	10,292	
5.00% December 01, 2038	9,001	11,243	11,235	
5.00% December 01, 2041	16,522	21,029	21,014	
4.25% December 01, 2043	5,300	6,047	6,042	
Province of Saskatchewan				
9.60% February 04, 2022	407	648	648	
5.75% March 05, 2029	1,234	1,654	1,652	
6.40% September 05, 2031	2,048	2,976	2,974	
5.80% September 05, 2033	355	492	491	
5.60% September 05, 2035	907	1,243	1,242	
5.00% March 05, 2037	851	1,092	1,091	
4.75% June 01, 2040	1,965	2,484	2,481	
		339,554	339,292	58.6
Total Government		559,538	559,165	96.6
Corporate				
Newfoundland & Labrador Hydro, Note				
5.70% July 14, 2033	158	212	212	
Ontario Electricity Financial Corp., Note				
9.00% May 26, 2025	425	694	694	
8.50% May 26, 2025	850	1,346	1,345	
8.25% June 22, 2026	2,300	3,635	3,633	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Ontario Electricity Financial Corp., Series FV6, Note				
8.90% August 18, 2022	919	1,413	1,412	
Ontario Infrastructure Projects Corp., Note				
4.70% June 01, 2037	568	646	643	
Ontario School Boards Financing Corp.				
5.80% November 07, 2028	355	423	422	
4.79% August 08, 2030	32	35	34	
5.38% June 25, 2032	440	508	507	
Ontario School Boards Financing Corp., Note				
5.48% November 26, 2029	756	877	875	
5.07% April 18, 2031	319	358	357	
Ontario School Boards Financing Corp., Series 01A3				
6.55% October 19, 2026	349	435	435	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	2,525	3,015	3,004	
Toronto Hospital, Series Dom1, Note				
5.64% December 08, 2022	233	268	267	
University of British Columbia, Series B, Note				
4.82% July 26, 2035	138	155	155	
University of Toronto Governing Council, Senior Note				
6.78% July 18, 2031	316	443	443	
University of Windsor, Series A, Note				
5.37% June 29, 2046	469	569	568	
Total Corporate		15,032	15,006	2.6
Total Fixed Income Investments		574,570	574,171	99.2
Total Investments		574,570	574,171	99.2
Other Assets and Liabilities			4,518	0.8
Net Assets			578,689	100.0

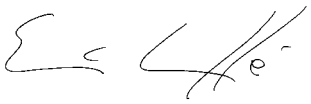
Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)
Federal Non-Agency	34.3
Federal Agency	2.2
Municipal	1.5
Provincial	58.6
Corporate	2.6
Other Assets and Liabilities	0.8

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 164,472,619	$ 158,764,172
Cash	119,935	71,417
Interest receivable	800,572	863,711
Securities lending income receivable	783	45
Accounts receivable for investment sales	2,532,856	-
	167,926,765	159,699,345
Liabilities		
Operating expenses payable	25,673	23,775
Payables for redemption of units	2,300,000	-
Payables for investment purchases	299,891	-
	2,625,564	23,775
Net Assets	$ 165,301,201	$ 159,675,570
Number of Units Issued and Outstanding (Note 8)	13,863,874	14,755,952
Net Assets per Unit	$ 11.92	$ 10.82
Investments at Cost	$ 152,757,442	$ 156,108,637

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 5,847,238	$ 6,125,202
Securities lending income	7,234	45
	5,854,472	6,125,247
Expenses		
System application fees	-	265
Custodian fees	6,992	5,638
Fund accounting expenses	44,837	44,753
Unitholder communication costs	601	643
Audit fees	19,749	19,624
Securities filing fees	2,622	700
Independent review committee fees	187	565
Other operating expenses	1,792	2,479
	76,780	74,667
Net Investment Income for the Year	5,777,692	6,050,580
Gain on Investments		
Net realized gain on sale of investments	888,751	90,151
Net change in unrealized appreciation in value of investments	9,059,642	3,656,889
Net Gain on Investments	9,948,393	3,747,040
Increase in Net Assets from Operations	$ 15,726,085	$ 9,797,620
Increase in Net Assets from Operations per Unit	$ 1.09	$ 0.66

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 159,675,570	$ 146,620,950
Increase in Net Assets from Operations	15,726,085	9,797,620
Capital Transactions		
Proceeds from issue of units	5,999,945	11,657,000
Reinvestment of distributions	6,672,826	6,212,179
Redemption of units	(16,100,399)	(8,400,000)
Net capital transactions	(3,427,628)	9,469,179
Distributions		
From net investment income	(5,776,753)	(6,050,172)
From capital gains	(896,073)	(162,007)
Total distributions	(6,672,826)	(6,212,179)
Increase in Net Assets for the Year	5,625,631	13,054,620
Net Assets - End of Year	$ 165,301,201	$ 159,675,570

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
1.75% March 01, 2013	3,150	3,147	3,178	
5.25% June 01, 2013	1,050	1,126	1,113	
3.50% June 01, 2013	2,650	2,765	2,744	
2.00% August 01, 2013	1,800	1,824	1,829	
2.50% September 01, 2013	2,800	2,863	2,871	
1.50% November 01, 2013	1,000	1,010	1,010	
1.00% February 01, 2014	1,700	1,700	1,702	
2.00% March 01, 2014	1,600	1,599	1,635	
5.00% June 01, 2014	1,300	1,412	1,424	
3.00% June 01, 2014	2,700	2,761	2,829	
2.25% August 01, 2014	1,525	1,547	1,574	
2.00% December 01, 2014	2,800	2,720	2,877	
1.00% February 01, 2015	800	798	798	
4.50% June 01, 2015	1,600	1,751	1,781	
2.50% June 01, 2015	1,892	1,920	1,980	
3.00% December 01, 2015	2,200	2,283	2,353	
4.00% June 01, 2016	1,700	1,814	1,900	
2.00% June 01, 2016	1,800	1,758	1,858	
2.75% September 01, 2016	1,768	1,821	1,885	
1.50% March 01, 2017	1,100	1,098	1,108	
4.00% June 01, 2017	1,798	1,915	2,042	
4.25% June 01, 2018	1,750	1,874	2,041	
3.75% June 01, 2019	3,201	3,322	3,662	
3.50% June 01, 2020	2,438	2,513	2,751	
10.50% March 15, 2021	50	81	86	
3.25% June 01, 2021	2,010	2,154	2,234	
2.75% June 01, 2022	846	886	901	
8.00% June 01, 2023	475	688	760	
9.00% June 01, 2025	500	808	894	
8.00% June 01, 2027	550	859	958	
5.75% June 01, 2029	2,050	2,566	3,026	
5.75% June 01, 2033	2,050	2,624	3,152	
5.00% June 01, 2037	2,275	2,772	3,325	
4.00% June 01, 2041	2,700	3,049	3,544	
3.50% December 01, 2045	450	497	552	
		64,325	68,377	41.4
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	100	103	116	
Canada Housing Trust				
3.95% June 15, 2013	1,604	1,683	1,670	
3.55% September 15, 2013	1,600	1,662	1,667	
2.70% December 15, 2013	1,600	1,597	1,650	
2.20% March 15, 2014	1,411	1,381	1,445	
3.15% June 15, 2014	1,600	1,599	1,678	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
2.75% September 15, 2014	1,400	1,387	1,459	
2.75% December 15, 2014	1,300	1,299	1,358	
2.95% March 15, 2015	1,100	1,088	1,158	
3.15% June 15, 2015	1,100	1,132	1,168	
4.10% December 15, 2018	1,650	1,691	1,873	
3.75% March 15, 2020	1,000	1,005	1,113	
3.35% December 15, 2020	900	885	973	
Canada Housing Trust No 1				
3.60% June 15, 2013	1,850	1,921	1,917	
2.75% December 15, 2015	1,200	1,202	1,261	
2.45% December 15, 2015	1,200	1,185	1,248	
2.75% June 15, 2016	2,400	2,407	2,526	
1.85% December 15, 2016	2,250	2,274	2,275	
3.80% June 15, 2021	1,500	1,557	1,677	
2.65% March 15, 2022	800	798	811	
Canada Post Corp.				
4.08% July 16, 2025	100	101	116	
Inter-American Development Bank, Note				
4.40% January 26, 2026	200	202	226	
South Coast British Columbia Transportation Authority				
3.80% November 02, 2020	100	100	106	
		28,259	29,491	17.8
Municipal				
City of Edmonton				
9.00% March 25, 2013	100	121	109	
City of Montreal				
5.00% December 01, 2018	100	102	114	
4.50% December 01, 2021	300	298	326	
6.00% June 01, 2043	150	159	204	
City of Toronto				
4.55% May 20, 2015	200	207	219	
4.85% July 28, 2016	200	207	226	
4.50% December 02, 2019	150	149	167	
5.20% June 01, 2040	150	149	184	
4.70% June 10, 2041	100	99	115	
City of Winnipeg				
9.13% May 12, 2015	100	127	124	
Financement-Quebec				
4.25% December 01, 2015	250	266	275	
Municipal Finance Authority of British Columbia				
4.65% April 19, 2016	250	260	279	
3.00% June 01, 2016	100	100	105	
4.60% April 23, 2018	250	251	283	
4.88% June 03, 2019	150	159	173	
4.45% June 01, 2020	100	100	112	
4.15% June 01, 2021	200	200	219	
4.95% December 01, 2027	100	94	118	
Peel Regional Municipality				
5.10% June 29, 2040	100	102	122	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
PSP Capital, Inc.				
2.94% December 03, 2015	500	500	520	
Regional Municipality of York				
7.25% June 19, 2017	100	118	125	
4.50% June 30, 2020	100	100	111	
4.00% June 30, 2021	300	315	321	
		4,183	4,551	2.8
Provincial				
Alberta Capital Finance Authority, Note				
3.05% June 15, 2015	300	299	317	
Cadillac Fairview Finance Trust				
3.24% January 25, 2016	500	500	522	
3.64% May 09, 2018	300	300	317	
4.31% January 25, 2021	300	300	329	
CDP Financial, Inc.				
4.60% July 15, 2020	325	342	362	
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	100	100	106	
Financement-Quebec				
4.25% March 01, 2014	300	316	319	
3.25% June 01, 2014	300	308	314	
3.50% December 01, 2016	200	206	215	
3.50% December 01, 2017	300	298	323	
5.25% June 01, 2034	350	378	435	
Hydro Quebec				
9.63% July 15, 2022	200	291	318	
5.00% February 15, 2050	400	468	526	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	250	290	359	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	350	422	512	
Hydro Quebec, Series HL, Note				
11.00% August 15, 2020	550	854	896	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	350	359	452	
Province of Alberta				
2.75% December 01, 2014	350	347	365	
1.85% September 01, 2016	200	200	203	
4.00% December 01, 2019	250	256	279	
4.50% December 01, 2040	200	196	246	
Province of British Columbia				
8.50% August 23, 2013	300	366	336	
4.25% June 18, 2014	300	318	322	
5.30% June 17, 2019	100	109	120	
4.10% December 18, 2019	300	294	335	
3.70% December 18, 2020	415	414	449	
9.95% May 15, 2021	100	151	159	
3.25% December 18, 2021	200	200	207	
9.00% August 23, 2024	100	150	162	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
5.70% June 18, 2029	600	667	795	
6.35% June 18, 2031	150	178	214	
5.40% June 18, 2035	100	113	132	
4.70% June 18, 2037	300	312	365	
4.30% June 18, 2042	550	562	647	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	425	438	545	
Province of British Columbia, Series BCCD				
4.65% December 18, 2018	300	314	346	
Province of Manitoba				
5.05% December 03, 2013	100	109	107	
4.80% December 03, 2014	150	161	165	
5.20% December 03, 2015	100	114	114	
4.30% March 01, 2016	100	111	111	
2.05% December 01, 2016	120	121	122	
4.15% June 03, 2020	150	165	167	
3.85% December 01, 2021	100	107	109	
4.40% September 05, 2025	200	201	229	
6.30% March 05, 2031	100	138	141	
5.70% March 05, 2037	150	201	207	
4.60% March 05, 2038	200	194	240	
4.65% March 05, 2040	100	98	122	
4.10% March 05, 2041	200	191	226	
4.40% March 05, 2042	100	115	119	
Province of Manitoba, (MTN)				
6.50% September 22, 2017	350	409	435	
Province of New Brunswick				
3.35% June 01, 2013	150	154	155	
4.30% December 03, 2015	200	211	221	
4.70% July 21, 2016	200	218	226	
4.45% March 26, 2018	300	310	339	
4.50% June 02, 2020	625	641	707	
3.35% December 03, 2021	201	201	208	
4.65% September 26, 2035	150	151	176	
4.55% March 26, 2037	200	195	232	
4.80% September 26, 2039	375	366	456	
Province of Newfoundland				
10.95% April 15, 2021	100	158	166	
8.45% February 05, 2026	100	145	160	
6.15% April 17, 2028	100	121	136	
6.55% October 17, 2030	100	144	144	
4.50% April 17, 2037	115	115	135	
4.65% October 17, 2040	200	195	244	
Province of Nova Scotia				
4.15% November 25, 2019	300	298	334	
4.10% June 01, 2021	300	299	330	
4.50% June 01, 2037	200	186	232	
4.70% June 01, 2041	150	151	183	
4.40% June 01, 2042	100	101	117	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Province of Nova Scotia, (MTN)				
5.80% June 01, 2033	100	135	134	
Province of Nova Scotia, Series 9Z				
6.60% June 01, 2027	100	140	140	
Province of Ontario				
4.75% June 02, 2013	1,200	1,272	1,260	
5.00% March 08, 2014	1,350	1,468	1,459	
3.25% September 08, 2014	740	756	778	
4.50% March 08, 2015	600	636	658	
3.15% September 08, 2015	201	205	213	
4.40% March 08, 2016	700	736	779	
3.20% September 08, 2016	400	399	427	
4.30% March 08, 2017	1,200	1,246	1,343	
4.20% March 08, 2018	700	706	784	
4.40% June 02, 2019	1,400	1,429	1,587	
4.20% June 02, 2020	1,850	1,871	2,065	
4.00% June 02, 2021	1,500	1,541	1,648	
3.15% June 02, 2022	500	499	510	
8.10% September 08, 2023	400	536	600	
8.50% December 02, 2025	400	573	642	
7.60% June 02, 2027	800	1,070	1,227	
6.50% March 08, 2029	1,000	1,222	1,420	
6.20% June 02, 2031	300	347	420	
5.85% March 08, 2033	800	942	1,093	
4.70% June 02, 2037	1,050	1,056	1,272	
4.60% June 02, 2039	1,050	1,034	1,267	
4.65% June 02, 2041	2,200	2,353	2,708	
Province of Ontario, (MTN)				
5.60% June 02, 2035	900	1,027	1,211	
Province of Ontario, Series HC				
9.50% July 13, 2022	350	510	557	
Province of Prince Edward Island				
4.25% September 24, 2019	100	100	112	
4.65% November 19, 2037	100	98	118	
4.60% May 19, 2041	100	99	119	
Province of Quebec				
5.25% October 01, 2013	400	437	428	
5.50% December 01, 2014	496	546	555	
5.00% December 01, 2015	500	543	565	
4.50% December 01, 2016	600	628	675	
4.50% December 01, 2017	750	770	850	
4.50% December 01, 2019	950	979	1,079	
4.50% December 01, 2020	1,050	1,099	1,190	
4.25% December 01, 2021	800	827	889	
3.50% December 01, 2022	700	706	729	
8.50% April 01, 2026	300	413	478	
6.00% October 01, 2029	350	388	470	
6.25% June 01, 2032	575	675	804	
5.75% December 01, 2036	650	762	883	
5.00% December 01, 2038	800	850	999	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
5.00% December 01, 2041	1,433	1,530	1,823	
4.25% December 01, 2043	400	415	456	
Province of Quebec, (MTN)				
4.50% December 01, 2018	800	819	909	
Province of Saskatchewan				
4.90% December 03, 2013	300	324	321	
3.90% July 28, 2020	200	199	221	
6.40% September 05, 2031	300	358	436	
4.75% June 01, 2040	300	305	379	
		55,990	62,054	37.5
Total Government		152,757	164,473	99.5
Total Fixed Income Investments		152,757	164,473	99.5
Total Investments		152,757	164,473	99.5
Other Assets and Liabilities			828	0.5
Net Assets			165,301	100.0

Portfolio Concentration
(as a percentage of Net Assets)

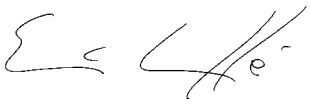
Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	41.4	41.9
Federal Agency	17.8	20.6
Municipal	2.8	2.2
Provincial	37.5	34.7
Other Assets and Liabilities	0.5	0.6

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 159,333,440	$ 155,295,377
Cash	90,824	2,110,909
Interest receivable	2,119,829	1,554,751
Securities lending income receivable	138	-
	161,544,231	158,961,037
Liabilities		
Operating expenses payable	24,613	23,311
Payables for investment purchases	440,719	-
	465,332	23,311
Net Assets	$ 161,078,899	$ 158,937,726
Number of Units Issued and Outstanding (Note 8)	13,441,927	14,423,872
Net Assets per Unit	$ 11.98	$ 11.02
Investments at Cost	$ 152,675,997	$ 153,112,771

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 8,008,348	$ 7,908,906
Securities lending income	544	-
	8,008,892	7,908,906
Expenses		
System application fees	-	258
Custodian fees	4,917	4,369
Fund accounting expenses	44,734	45,161
Unitholder communication costs	601	611
Audit fees	19,744	19,819
Securities filing fees	2,546	1,600
Independent review committee fees	181	548
Other operating expenses	1,778	2,451
	74,501	74,817
Net Investment Income for the Year	7,934,391	7,834,089
Gain on Investments		
Net realized gain on sale of investments	732,860	625,849
Net change in unrealized appreciation in value of investments	4,474,837	1,758,949
Net Gain on Investments	5,207,697	2,384,798
Increase in Net Assets from Operations	$ 13,142,088	$ 10,218,887
Increase in Net Assets from Operations per Unit	$ 0.96	$ 0.73

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 158,937,726	$ 141,276,839
Increase in Net Assets from Operations	13,142,088	10,218,887
Capital Transactions		
Proceeds from issue of units	2,999,781	11,242,000
Reinvestment of distributions	8,670,779	8,455,943
Redemption of units	(14,000,696)	(3,800,000)
Net capital transactions	(2,330,136)	15,897,943
Distributions		
From net investment income	(7,934,045)	(7,830,719)
From capital gains	(736,734)	(625,224)
Total distributions	(8,670,779)	(8,455,943)
Increase in Net Assets for the Year	2,141,173	17,660,887
Net Assets - End of Year	$ 161,078,899	$ 158,937,726

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Fixed Income Investments				
Corporate				
407 International, Inc.				
3.87% November 24, 2017	100	100	105	
4.30% May 26, 2021	200	200	218	
4.45% November 15, 2041	100	100	104	
407 International, Inc., (MTN)				
3.88% June 16, 2015	500	500	531	
4.99% June 16, 2020	250	250	286	
407 International, Inc., Series 06D1, Note				
5.75% February 14, 2036	2,300	2,198	2,623	
Aeroports De Montreal				
5.17% September 17, 2035	1,440	1,246	1,660	
Alliance Pipeline, LP, Senior Note				
6.77% December 31, 2025	366	390	447	
AltaGas Income Trust				
5.49% March 27, 2017	800	828	870	
AltaGas, Ltd.				
4.55% January 17, 2019	100	100	103	
AltaLink, LP				
4.87% November 15, 2040	100	100	114	
4.46% November 08, 2041	200	200	214	
American Express Canada, Guaranteed Note, (MTN)				
3.60% June 03, 2016	200	200	203	
Bank N S Halifax				
2.74% December 01, 2016	500	500	505	
Bank of Montreal				
3.10% March 10, 2016	300	300	309	
3.49% June 10, 2016	200	200	209	
2.96% August 02, 2016	2,700	2,729	2,753	
4.61% September 10, 2025	400	407	441	
Bank of Montreal, DPNT				
5.18% June 10, 2015	2,000	2,212	2,199	
Bank of Nova Scotia				
3.35% November 18, 2014	1,000	1,040	1,040	
3.34% March 25, 2015	600	625	624	
3.61% February 22, 2016	500	500	525	
4.10% June 08, 2017	1,500	1,500	1,609	
6.65% January 22, 2021	2,000	2,271	2,298	
BC Tel, Note				
9.65% April 08, 2022	100	135	147	
BCIMC Realty Corp., (MTN)				
5.65% January 05, 2018	2,150	2,312	2,496	
Bell Aliant Regional Communications, LP				
4.88% April 26, 2018	700	726	739	
Bell Aliant Regional Communications, Note				
5.41% September 26, 2016	600	642	652	
Bell Canada				
3.60% December 02, 2015	300	299	311	
4.40% March 16, 2018	500	500	532	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
BMO Capital Trust II, Series A, Note				
10.22% December 31, 2107	4,480	5,836	5,986	
BMW Canada, Inc.				
3.22% March 28, 2013	1,000	1,000	1,014	
2.76% April 01, 2014	100	100	101	
British Columbia Ferry Services, Inc., Series 08-1, Senior Secured Note				
5.58% January 11, 2038	500	550	596	
Brookfield Asset Management, Inc.				
5.30% March 01, 2021	350	353	371	
Brookfield Renewable Power, Inc.				
6.13% November 30, 2016	100	111	111	
5.14% October 13, 2020	1,250	1,272	1,293	
Caisse Centrale Desjardins du Quebec				
3.11% December 04, 2014	300	302	309	
3.79% June 08, 2015	1,500	1,500	1,577	
3.50% October 05, 2017	200	200	207	
Calloway Real Estate Investment Trust				
5.37% October 12, 2016	1,500	1,591	1,591	
Canadian Credit Card TST				
3.44% July 24, 2015	200	200	208	
Canadian Imperial Bank of Commerce				
3.30% November 19, 2014	500	518	519	
3.10% March 02, 2015	200	207	206	
3.40% January 14, 2016	1,000	1,029	1,040	
2.65% November 08, 2016	200	200	201	
3.95% July 14, 2017	500	532	532	
4.11% April 30, 2020	1,000	1,000	1,047	
3.15% November 02, 2020	150	150	151	
Canadian Pacific RR Co., Senior Unsecured Note, (MTN)				
6.25% June 01, 2018	1,450	1,581	1,648	
Canadian Western Bank				
4.39% November 30, 2020	100	100	103	
Capital Desjardins, Inc.				
5.19% May 05, 2020	250	250	269	
3.80% November 23, 2020	200	200	204	
Capital Power, LP				
4.60% December 01, 2015	100	100	103	
5.28% November 16, 2020	200	200	199	
Cards II Trust				
3.05% May 15, 2013	1,000	1,000	1,019	
3.10% September 15, 2015	200	200	207	
3.33% May 15, 2016	200	200	207	
Caterpillar Financial Services, Ltd.				
5.20% June 03, 2013	300	311	314	
Central 1 Credit Union				
3.38% April 19, 2013	1,000	1,000	1,020	
CI Investments, Inc.				
3.94% December 14, 2016	100	100	103	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
CIBC Capital Trust				
10.25% June 30, 2108	220	316	280	
Citigroup Finance Canada, Inc., (MTN)				
4.35% March 08, 2013	1,000	999	1,010	
Co-Operators Financial Services				
5.78% March 10, 2020	1,000	1,000	1,000	
Cogeco Cable, Inc.				
5.15% November 16, 2020	100	100	104	
CU, Inc.				
5.10% November 18, 2014	1,000	1,104	1,091	
6.50% March 07, 2039	200	268	280	
4.95% November 18, 2050	200	200	232	
CU, Inc., (MTN)				
6.80% August 13, 2019	800	999	1,013	
5.18% November 21, 2035	600	659	701	
5.58% May 26, 2038	500	600	621	
CU, Inc., Note				
6.15% November 22, 2017	500	609	599	
CU, Inc., Note, (MTN)				
5.56% October 30, 2037	700	809	865	
Daimler Canada Finance, Inc.				
3.16% April 14, 2014	100	100	101	
3.02% January 07, 2015	200	200	201	
Enbridge Gas Distribution, Inc.				
4.04% November 23, 2020	200	200	216	
4.95% November 22, 2050	200	200	234	
Enbridge Pipelines, Inc.				
6.62% November 19, 2018	600	693	748	
EPCOR Utilities, Inc.				
5.80% January 31, 2018	300	338	346	
Fairfax Financial Holdings, Ltd.				
7.25% June 22, 2020	250	250	270	
6.40% May 25, 2021	200	199	202	
Fifth Avenue, LP				
4.71% August 05, 2021	100	100	107	
First Capital Realty, Inc.				
5.48% July 30, 2019	100	100	105	
GE Capital Canada Funding Co.				
2.95% February 10, 2014	500	499	507	
3.35% November 23, 2016	200	200	202	
GE Capital Canada Funding Co., (MTN)				
5.15% June 06, 2013	2,050	2,111	2,137	
4.24% June 08, 2015	1,000	1,000	1,048	
5.53% August 17, 2017	2,500	2,496	2,768	
5.73% October 22, 2037	400	436	433	
George Weston, Ltd.				
5.05% March 10, 2014	650	682	684	
3.78% October 25, 2016	100	100	102	
7.10% February 05, 2032	3,850	4,172	4,439	
6.69% March 01, 2033	2,745	2,875	3,037	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Golden Credit Card Trust				
3.51% May 15, 2016	400	400	418	
Great-West Lifeco, Inc.				
4.65% August 13, 2020	200	200	208	
Greater Toronto Airport Authority, (MTN)				
5.00% June 01, 2015	2,250	2,370	2,468	
6.47% February 02, 2034	2,600	2,822	3,425	
Greater Toronto Airports Authority				
5.30% February 25, 2041	200	200	235	
H&R Real Estate Investment Trust				
4.78% July 27, 2016	100	100	102	
Health Montreal Collective, LP				
6.72% September 30, 2049	600	600	691	
HSBC Bank of Canada				
3.86% May 21, 2015	300	300	316	
3.56% October 04, 2017	300	300	311	
4.94% March 16, 2021	2,331	2,383	2,489	
4.80% April 10, 2022	2,600	2,612	2,768	
HSBC Canada Asset Trust, Note				
5.15% June 30, 2015	200	206	214	
Husky Energy, Inc.				
3.75% March 12, 2015	1,000	999	1,043	
Hydro One, Inc.				
3.13% November 19, 2014	1,000	1,027	1,037	
2.95% September 11, 2015	100	100	103	
4.64% March 03, 2016	300	323	330	
Hydro One, Inc., (MTN)				
5.00% November 12, 2013	1,000	1,079	1,061	
5.18% October 18, 2017	2,500	2,686	2,867	
6.35% January 31, 2034	300	360	400	
5.36% May 20, 2036	1,900	2,055	2,292	
5.49% July 16, 2040	400	414	499	
IGM Financial, Inc., Note				
7.00% December 31, 2032	480	544	581	
Intact Financial Corp.				
5.41% September 03, 2019	1,000	999	1,091	
4.70% August 18, 2021	100	100	102	
Inter Pipeline Fund				
3.84% July 30, 2018	200	200	209	
John Deere Credit, Inc.				
2.30% January 14, 2013	100	100	101	
3.90% July 29, 2013	25	25	26	
Loblaw Cos., Ltd., (MTN)				
4.85% May 08, 2014	1,100	1,176	1,164	
5.22% June 18, 2020	250	250	272	
6.54% February 17, 2033	500	527	562	
Manufacturers Life Insurance Co.				
4.21% November 18, 2021	200	200	200	
Manulife Financial Corp.				
4.90% June 02, 2014	700	742	727	
4.08% August 20, 2015	500	500	510	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Master Credit Card Trust				
3.50% May 21, 2016	200	200	209	
National Bank of Canada				
4.03% May 26, 2015	500	500	530	
3.58% April 26, 2016	100	100	104	
National Bank of Canada, (MTN)				
4.93% December 22, 2019	2,160	2,244	2,311	
4.70% November 02, 2020	1,300	1,320	1,390	
Nova Gas Transmission, Ltd., Series 21, Note				
12.20% February 28, 2016	4,000	5,736	5,491	
Pembina Pipeline Corp.				
4.89% March 29, 2021	300	300	328	
Plenary Health Bridgepoint, LP				
7.25% August 31, 2042	150	199	199	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	200	200	213	
Power Corp. Canada				
7.57% April 22, 2019	1,890	2,098	2,281	
8.57% April 22, 2039	400	560	562	
Rogers Communications, Inc.				
5.80% May 26, 2016	600	637	673	
4.70% September 29, 2020	100	100	105	
5.34% March 22, 2021	600	600	651	
6.11% August 25, 2040	300	300	324	
Royal Bank of Canada				
5.06% July 17, 2013	3	3	3	
3.18% March 16, 2015	600	618	622	
3.36% January 11, 2016	1,400	1,396	1,455	
3.03% July 26, 2016	500	500	512	
2.68% December 08, 2016	500	500	503	
3.66% January 25, 2017	2,000	1,979	2,103	
4.84% March 11, 2018	3	3	3	
3.18% November 02, 2020	1,000	1,000	1,008	
Royal Bank of Canada, Senior Note				
4.97% June 05, 2014	500	538	538	
Royal Bank of Canada, Subordinated Note, (MTN)				
5.00% June 06, 2018	1,300	1,374	1,353	
Scotiabank Capital Trust				
6.28% June 30, 2013	1,440	1,573	1,523	
Scotiabank Capital Trust, Series 06-1				
5.65% December 31, 2056	1,430	1,359	1,566	
Shaw Communications, Inc.				
6.50% June 02, 2014	2,300	2,521	2,511	
5.65% October 01, 2019	500	498	547	
5.50% December 07, 2020	200	199	214	
6.75% November 09, 2039	1,500	1,480	1,563	
Sun Life Financial, Inc.				
4.57% August 23, 2021	200	200	199	
Sun Life Financial, Inc., Senior Note, (MTN)				
4.80% November 23, 2035	300	312	305	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
TD Capital Trust II				
6.79% December 31, 2012	1,070	1,171	1,118	
TD Capital Trust IV				
6.63% June 30, 2108	1,000	1,127	1,133	
TELUS Corp.				
4.95% May 15, 2014	1,500	1,605	1,591	
3.65% May 25, 2016	200	199	207	
4.95% March 15, 2017	1,000	1,094	1,094	
5.05% December 04, 2019	2,200	2,217	2,421	
5.05% July 23, 2020	2,900	3,035	3,172	
TELUS Corp., Senior Unsecured Note				
5.95% April 15, 2015	1,200	1,319	1,329	
Teranet Holdings, LP				
3.53% December 16, 2015	250	250	259	
5.75% December 17, 2040	619	614	650	
Terasen Gas, Inc., Senior Note, (MTN)				
5.80% May 13, 2038	300	339	384	
Thomson Reuters Corp.				
6.00% March 31, 2016	1,000	1,095	1,136	
Toronto Hydro Corp.				
6.11% May 06, 2013	930	1,023	985	
4.49% November 12, 2019	2,700	2,720	2,987	
3.54% November 18, 2021	200	200	204	
Toronto-Dominion Bank				
2.95% August 02, 2016	500	500	511	
3.37% November 02, 2020	500	508	507	
Toronto-Dominion Bank, (MTN)				
5.48% April 02, 2020	1,000	1,099	1,091	
4.78% December 14, 2105	1,000	1,045	1,067	
Toronto-Dominion Bank, DPNT				
4.85% February 13, 2013	1,000	1,049	1,038	
TransCanada PipeLines, Ltd.				
3.65% November 15, 2021	200	200	204	
4.55% November 15, 2041	200	199	208	
Union Gas, Ltd.				
4.88% June 21, 2041	200	200	227	
Union Gas, Ltd., Series 1993, Note				
8.75% August 03, 2018	300	391	402	
Veresen, Inc.				
5.60% July 28, 2014	100	106	106	
Viterra, Inc.				
6.41% February 16, 2021	250	250	262	
VW Credit Canada, Inc.				
2.55% November 18, 2013	200	199	201	
Wells Fargo Financial Canada Corp.				
3.97% November 03, 2014	250	250	261	
3.70% March 30, 2016	100	100	104	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in 000s)	(in $000s)	(in $000s)	
Westcoast Energy, Inc.				
3.28% January 15, 2016	200	200	207	
4.57% July 02, 2020	100	100	109	
4.79% October 28, 2041	400	409	431	
Total Corporate		152,676	159,333	98.9
Total Fixed Income Investments		152,676	159,333	98.9
Total Investments		152,676	159,333	98.9
Other Assets and Liabilities			1,746	1.1
Net Assets			161,079	100.0

Portfolio Concentration
(as a percentage of Net Assets)

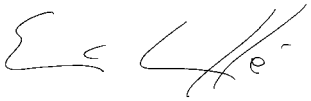
Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Corporate	98.9	97.7
Other Assets and Liabilities	1.1	2.3

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 90,790,978	$ 93,392,374
Cash	1,385,548	817,474
Margin due from brokers	61,181	557,420
Interest receivable	708,929	800,204
Securities lending income receivable	128	47
Accounts receivable from issue of units	180,000	-
	93,126,764	95,567,519
Liabilities		
Operating expenses payable	30,149	29,333
Payables for redemption of units	-	2,792,235
Payables for investment purchases	1,095,648	-
	1,125,797	2,821,568
Net Assets	$ 92,000,967	$ 92,745,951
Net Assets per Class		
Class A	$ 92,000,967	$ 92,745,951
	$ 92,000,967	$ 92,745,951
Number of Units Issued and Outstanding (Note 8)		
Class A	4,569,831	5,082,454
Net Assets per Unit		
Class A	$ 20.13	$ 18.25
Investments at Cost	$ 84,908,363	$ 91,399,462

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 3,984,782	$ 5,414,417
Securities lending income	747	1,407
Net gain (loss) from futures contracts	383,252	(1,337,676)
Foreign exchange gain	85	173
	4,368,866	4,078,321
Expenses		
System application fees	-	211
Custodian fees	4,086	2,721
Fund accounting expenses	56,753	83,306
Unitholder communication costs	601	602
Audit fees	25,044	26,678
Securities filing fees	1,373	1,613
Independent review committee fees	106	472
Other operating expenses	1,736	2,738
	89,699	118,341
Net Investment Income for the Year	4,279,167	3,959,980
Gain on Investments		
Net realized gain on sale of investments	900,220	2,012,429
Transaction costs (Note 2,13)	(14,061)	(36,490)
Net change in unrealized appreciation in value of investments	3,889,703	976,303
Net Gain on Investments	4,775,862	2,952,242
Increase in Net Assets from Operations	$ 9,055,029	$ 6,912,222
Increase in Net Assets from Operations per Class		
Class A	$ 9,055,029	$ 6,912,222
	$ 9,055,029	$ 6,912,222
Increase in Net Assets from Operations per Unit		
Class A	$ 1.86	$ 1.02

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010
	Fund		Class A	
Net Assets - Beginning of Year	$ 92,745,951	$ 114,382,015	$ 92,745,951	$ 114,382,015
Increase in Net Assets from Operations	9,055,029	6,912,222	9,055,029	6,912,222
Capital Transactions				
Proceeds from issue of units	6,088,623	10,775,882	6,088,623	10,775,882
Reinvestment of distributions	4,158,367	4,028,463	4,158,367	4,028,463
Redemption of units	(15,888,636)	(39,324,168)	(15,888,636)	(39,324,168)
Net capital transactions	(5,641,646)	(24,519,823)	(5,641,646)	(24,519,823)
Distributions				
From net investment income	(4,158,367)	(4,028,463)	(4,158,367)	(4,028,463)
Total distributions	(4,158,367)	(4,028,463)	(4,158,367)	(4,028,463)
Decrease in Net Assets for the Year	(744,984)	(21,636,064)	(744,984)	(21,636,064)
Net Assets - End of Year	$ 92,000,967	$ 92,745,951	$ 92,000,967	$ 92,745,951

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
2.00% March 01, 2014	200	200	205	
3.00% June 01, 2014	1,580	1,616	1,656	
2.25% August 01, 2014	600	621	619	
2.00% December 01, 2014	1,080	1,059	1,110	
4.50% June 01, 2015	90	101	100	
2.50% June 01, 2015	326	334	341	
2.00% June 01, 2016	2,340	2,407	2,415	
2.75% September 01, 2016	619	660	660	
4.00% June 01, 2017	340	359	386	
4.25% June 01, 2018	55	62	64	
3.75% June 01, 2019	1,308	1,443	1,496	
3.50% June 01, 2020	326	362	368	
10.50% March 15, 2021	500	823	862	
3.25% June 01, 2021	611	672	679	
2.75% June 01, 2022	303	317	323	
5.75% June 01, 2033	950	1,351	1,461	
5.00% June 01, 2037	1,000	1,399	1,462	
4.00% June 01, 2041	1,127	1,445	1,479	
		15,231	15,686	17.1
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	1,520	1,525	1,758	
Canada Housing Trust				
2.20% March 15, 2014	3,220	3,131	3,297	
4.10% December 15, 2018	210	218	239	
Canada Housing Trust No 1				
2.75% June 15, 2016	1,000	999	1,053	
1.85% December 15, 2016	1,500	1,517	1,516	
3.80% June 15, 2021	1,300	1,321	1,453	
2.65% March 15, 2022	500	499	507	
Inter-American Development Bank, Note				
4.40% January 26, 2026	1,030	985	1,164	
		10,195	10,987	11.9
Municipal				
City of Montreal				
6.00% June 01, 2043	300	303	408	
City of Toronto				
4.90% October 29, 2014	440	441	481	
City of Winnipeg				
9.13% May 12, 2015	300	395	372	
Municipal Finance Authority of British Columbia				
3.00% June 01, 2016	100	100	105	
4.88% June 03, 2019	260	259	299	
5.35% December 02, 2024	300	298	364	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Regional Municipality of York				
4.50% June 30, 2020	100	100	111	
4.00% June 30, 2021	500	525	535	
		2,421	2,675	2.9
Provincial				
Alberta Capital Finance Authority, Note				
5.00% December 02, 2013	300	300	321	
Cadillac Fairview Finance Trust				
3.24% January 25, 2016	200	200	209	
3.64% May 09, 2018	300	300	317	
4.31% January 25, 2021	200	200	219	
CDP Financial, Inc.				
4.60% July 15, 2020	500	511	557	
Financement-Quebec				
3.50% December 01, 2016	200	206	215	
3.50% December 01, 2017	500	497	538	
Hydro Quebec				
5.00% February 15, 2050	400	468	527	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	580	683	832	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	360	451	526	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	200	215	258	
Province of Alberta				
2.75% December 01, 2014	500	501	522	
1.85% September 01, 2016	200	200	203	
4.00% December 01, 2019	300	301	335	
Province of British Columbia				
8.50% August 23, 2013	120	149	134	
4.10% December 18, 2019	300	318	335	
3.70% December 18, 2020	444	442	480	
3.25% December 18, 2021	200	199	207	
5.70% June 18, 2029	200	242	265	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	200	200	257	
Province of British Columbia, Series BCCD				
4.65% December 18, 2018	300	312	346	
Province of Manitoba				
5.20% December 03, 2015	200	204	228	
4.40% September 05, 2025	100	99	114	
4.60% March 05, 2038	510	488	613	
4.10% March 05, 2041	300	285	339	
Province of New Brunswick				
4.50% February 04, 2015	500	533	547	
4.40% June 03, 2019	500	507	564	
3.35% December 03, 2021	201	201	208	
5.65% December 27, 2028	340	363	439	
4.80% September 26, 2039	100	95	122	
Province of Newfoundland				
5.25% June 04, 2014	300	320	329	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Province of Nova Scotia				
4.60% August 18, 2016	350	348	394	
4.50% June 01, 2037	300	280	348	
Province of Ontario				
4.75% June 02, 2013	600	634	630	
5.00% March 08, 2014	670	717	724	
3.25% September 08, 2014	500	508	526	
3.15% September 08, 2015	330	337	349	
4.00% June 02, 2021	400	398	440	
3.15% June 02, 2022	500	499	510	
8.10% September 08, 2023	810	1,145	1,216	
7.60% June 02, 2027	540	743	828	
5.85% March 08, 2033	530	621	724	
4.65% June 02, 2041	200	235	246	
Province of Prince Edward Island				
4.25% September 24, 2019	200	200	224	
4.60% May 19, 2041	300	298	357	
Province of Quebec				
5.25% October 01, 2013	420	451	449	
5.50% December 01, 2014	400	440	447	
5.00% December 01, 2015	280	303	316	
4.50% December 01, 2017	500	530	567	
4.50% December 01, 2019	600	621	682	
3.50% December 01, 2022	300	302	312	
5.00% December 01, 2041	593	642	754	
4.25% December 01, 2043	600	622	684	
Province of Quebec, (MTN)				
4.50% December 01, 2018	260	265	296	
Province of Saskatchewan				
4.90% December 03, 2013	410	404	439	
6.40% September 05, 2031	560	632	813	
		22,165	24,381	26.5
Total Government		50,012	53,729	58.4
Corporate				
407 International, Inc.				
4.45% November 15, 2041	100	100	104	
407 International, Inc., (MTN)				
3.88% June 16, 2015	200	200	212	
4.99% June 16, 2020	250	250	286	
407 International, Inc., Series 06D1, Note				
5.75% February 14, 2036	190	190	217	
Aeroports De Montreal				
5.17% September 17, 2035	280	280	323	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	242	240	271	
AltaGas, Ltd.				
4.55% January 17, 2019	200	200	205	
AltaLink, LP				
4.46% November 08, 2041	200	200	214	
American Express Canada, Guaranteed Note, (MTN)				
3.60% June 03, 2016	100	100	102	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Bank of Montreal				
3.10% March 10, 2016	300	300	309	
3.49% June 10, 2016	200	200	209	
2.96% August 02, 2016	200	200	204	
4.61% September 10, 2025	300	303	331	
Bank of Nova Scotia				
3.61% February 22, 2016	500	500	525	
6.65% January 22, 2021	200	224	230	
Bell Aliant Regional Communications, (MTN)				
6.29% February 17, 2015	150	150	165	
Bell Aliant Regional Communications, LP				
4.37% September 13, 2017	300	300	311	
4.88% April 26, 2018	200	200	211	
Bell Aliant Regional Communications, Note				
5.41% September 26, 2016	150	150	163	
Bell Canada				
3.60% December 02, 2015	300	299	311	
4.40% March 16, 2018	500	499	532	
Brookfield Asset Management, Inc.				
5.30% March 01, 2021	50	50	53	
Brookfield Renewable Power, Inc.				
6.13% November 30, 2016	200	223	222	
5.14% October 13, 2020	400	407	414	
Caisse Centrale Desjardins du Quebec				
3.50% October 05, 2017	200	200	207	
Canadian Credit Card TST				
3.44% July 24, 2015	200	200	208	
Canadian Imperial Bank of Commerce				
3.40% January 14, 2016	100	100	104	
2.65% November 08, 2016	200	200	201	
3.15% November 02, 2020	100	100	100	
Canadian Western Bank				
4.39% November 30, 2020	100	100	103	
Capital Desjardins, Inc.				
5.19% May 05, 2020	250	250	269	
3.80% November 23, 2020	50	50	51	
Capital Power, LP				
4.60% December 01, 2015	100	100	103	
Cards II Trust				
3.05% May 15, 2013	1,000	1,000	1,019	
3.10% September 15, 2015	200	200	206	
Central 1 Credit Union				
3.38% April 19, 2013	300	300	306	
CI Investments, Inc.				
3.94% December 14, 2016	100	100	103	
CIBC Capital Trust				
10.25% June 30, 2108	50	50	64	
Co-Operators Financial Services				
5.78% March 10, 2020	900	900	900	
CU, Inc.				
4.95% November 18, 2050	200	200	232	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
CU, Inc., Note, (MTN)				
5.90% November 20, 2034	310	283	394	
Fairfax Financial Holdings, Ltd.				
7.25% June 22, 2020	250	250	270	
6.40% May 25, 2021	200	199	202	
Fifth Avenue, LP				
4.71% August 05, 2021	100	100	107	
GE Capital Canada Funding Co.				
2.95% February 10, 2014	500	499	507	
GE Capital Canada Funding Co., (MTN)				
5.15% June 06, 2013	310	315	323	
4.24% June 08, 2015	250	250	262	
5.53% August 17, 2017	290	262	321	
George Weston, Ltd.				
3.78% October 25, 2016	100	100	102	
Golden Credit Card Trust				
3.51% May 15, 2016	300	300	313	
Great-West Lifeco, Inc.				
4.65% August 13, 2020	100	100	104	
Greater Toronto Airport Authority, (MTN)				
5.00% June 01, 2015	250	248	274	
Greater Toronto Airports Authority				
5.30% February 25, 2041	100	100	118	
Health Montreal Collective, LP				
6.72% September 30, 2049	600	600	691	
HSBC Bank of Canada				
3.86% May 21, 2015	300	300	316	
3.56% October 04, 2017	200	200	207	
4.94% March 16, 2021	250	259	267	
Husky Energy, Inc.				
3.75% March 12, 2015	500	500	522	
Hydro One, Inc.				
2.95% September 11, 2015	100	100	103	
Hydro One, Inc., (MTN)				
5.49% July 16, 2040	100	100	125	
Hydro One, Inc., Note				
7.35% June 03, 2030	450	559	644	
Intact Financial Corp.				
5.41% September 03, 2019	500	500	545	
4.70% August 18, 2021	100	100	102	
Inter Pipeline Fund				
3.84% July 30, 2018	200	200	209	
Inter-American Development Bank, Note				
4.75% November 17, 2014	2,640	2,675	2,883	
John Deere Credit, Inc.				
2.30% January 14, 2013	100	100	101	
Manitoba Telecom Services, Inc., (MTN)				
6.15% June 10, 2014	250	250	270	
Manulife Financial Corp.				
4.08% August 20, 2015	500	500	509	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Metro, Inc., (MTN)				
5.97% October 15, 2035	660	601	707	
National Bank of Canada				
3.58% April 26, 2016	100	100	104	
National Bank of Canada, (MTN)				
4.93% December 22, 2019	410	411	439	
NAV Canada, (MTN)				
4.71% February 24, 2016	260	268	287	
Newfoundland & Labrador Hydro, Series X, Note				
10.25% July 14, 2017	340	489	485	
Nova Gas Transmission, Ltd., Series 21, Note				
12.20% February 28, 2016	1,037	1,645	1,423	
Nova Scotia PowerCorp., Note, (MTNF)				
8.85% May 19, 2025	301	404	448	
OMERS Realty CTT				
4.05% May 05, 2014	710	710	749	
Ontario School Boards Financing Corp.				
5.80% November 07, 2028	989	1,032	1,177	
Ontario School Boards Financing Corp., Note				
7.20% June 09, 2025	941	1,150	1,184	
5.48% November 26, 2029	856	856	991	
Pembina Pipeline Corp.				
4.89% March 29, 2021	500	500	546	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	200	200	212	
Power Corp. Canada				
7.57% April 22, 2019	300	300	362	
Rogers Communications, Inc.				
5.80% May 26, 2016	160	160	179	
4.70% September 29, 2020	100	100	105	
5.34% March 22, 2021	200	200	217	
6.11% August 25, 2040	250	250	270	
Royal Bank of Canada				
3.03% July 26, 2016	500	500	512	
2.68% December 08, 2016	500	500	503	
Scotiabank Tier I Capital Trust				
7.80% June 30, 2108	100	100	121	
Shaw Communications, Inc.				
6.50% June 02, 2014	150	149	164	
5.65% October 01, 2019	400	399	437	
5.50% December 07, 2020	100	100	107	
6.75% November 09, 2039	300	295	313	
Sun Life Financial, Inc.				
4.57% August 23, 2021	100	100	100	
TELUS Corp.				
4.95% May 15, 2014	130	130	138	
3.65% May 25, 2016	200	199	207	
5.05% July 23, 2020	100	100	109	
Teranet Holdings, LP				
3.53% December 16, 2015	250	250	259	
5.75% December 17, 2040	213	213	224	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (in 000s)	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Thomson Reuters Corp.				
6.00% March 31, 2016	180	179	205	
Toronto Hydro Corp.				
4.49% November 12, 2019	500	500	553	
Toronto-Dominion Bank				
2.95% August 02, 2016	500	500	511	
3.37% November 02, 2020	50	50	51	
Toronto-Dominion Bank, (MTN)				
4.78% December 14, 2105	195	207	208	
TransCanada PipeLines, Ltd.				
3.65% November 15, 2021	200	200	204	
4.55% November 15, 2041	100	99	104	
Union Gas, Ltd.				
4.88% June 21, 2041	200	200	227	
University of British Columbia, Series B, Note				
4.82% July 26, 2035	130	130	146	
Veresen, Inc.				
5.60% July 28, 2014	100	106	106	
Wells Fargo Financial Canada Corp.				
3.97% November 03, 2014	250	250	261	
Westcoast Energy, Inc.				
3.28% January 15, 2016	200	200	207	
4.57% July 02, 2020	100	100	109	
Total Corporate		34,896	37,062	40.3
Total Fixed Income Investments		84,908	90,791	98.7
Total Investments		84,908	90,791	98.7
Other Assets and Liabilities			1,210	1.3
Net Assets			92,001	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Federal Non-Agency	17.1	17.5
Federal Agency	11.9	10.1
Municipal	2.9	2.1
Provincial	26.5	23.2
Corporate	40.3	47.8
Other Assets and Liabilities	1.3	(0.7)

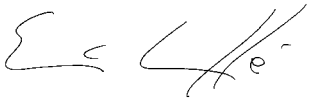
Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 1,144,650,287	$ 877,321,910
Cash	4,781,372	8,129,363
Margin due from brokers	-	2,332,114
Net unrealized gain on forward currency contracts (Note 5)	10,507,886	13,436,728
Interest receivable	9,472,015	4,893,182
	1,169,411,560	906,113,297
Liabilities		
Operating expenses payable	26,865	22,136
Financing charges payable	205,391	855,641
Payables for investment purchases	2,558,619	-
Payable for repurchase agreements (Note 7)	392,091,386	308,840,184
Net unrealized loss on forward currency contracts (Note 5)	4,137,922	5,656,540
	399,020,183	315,374,501
Net Assets	$ 770,391,377	$ 590,738,796
Number of Units Issued and Outstanding (Note 8)	49,651,522	46,334,330
Net Assets per Unit	$ 15.52	$ 12.75
Investments at Cost	$ 1,005,728,237	$ 842,050,257

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 28,975,694	$ 25,561,329
Net loss from futures contracts	(670,721)	(3,362,776)
Foreign exchange gain (loss)	86,500	(3,497,091)
	28,391,473	18,701,462
Expenses		
System application fees	-	684
Custodian fees	23,162	17,097
Fund accounting expenses	81,346	78,230
Unitholder communication costs	601	602
Audit fees	15,358	15,867
Securities filing fees	9,613	36,865
Financing charges	3,477,812	2,069,358
Independent review committee fees	747	1,630
Other operating expenses	2,105	3,271
	3,610,744	2,223,604
Net Investment Income for the Year	24,780,729	16,477,858
Gain on Investments		
Net realized gain on sale of investments	7,617,176	3,593,679
Net realized gain (loss) from forward currency contracts	(6,053,354)	10,582,770
Transaction costs (Note 2,13)	(36,085)	(117,036)
Net change in unrealized appreciation in value of investments	103,650,397	29,629,610
Net change in unrealized appreciation (depreciation) in value of forward currency contracts	(1,410,224)	5,109,730
Net Gain on Investments	103,767,910	48,798,753
Increase in Net Assets from Operations	$ 128,548,639	$ 65,276,611
Increase in Net Assets from Operations per Unit	$ 2.77	$ 1.56

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 590,738,796	$ 378,001,435
Increase in Net Assets from Operations	128,548,639	65,276,611
Capital Transactions		
Proceeds from issue of units	51,103,942	147,460,750
Reinvestment of distributions	25,416,352	30,989,869
Net capital transactions	76,520,294	178,450,619
Distributions		
From net investment income	(17,733,965)	(27,930,690)
From capital gains	(7,682,387)	(3,059,179)
Total distributions	(25,416,352)	(30,989,869)
Increase in Net Assets for the Year	179,652,581	212,737,361
Net Assets - End of Year	$ 770,391,377	$ 590,738,796

Statement of Cash Flow — For the Years Ended December 31

	2011	2010
Cash Used in Operating Activities		
Net investment income for the years	$ 24,780,729	$ 16,477,858
Changes in Working Capital Balances Relating to Operations		
Purchase of investment securities*	(396,931,817)	(408,637,754)
Proceeds from disposition of investment securities	291,974,955	169,654,763
Transaction costs	(36,085)	(117,036)
Increase (decrease) in margin due from brokers	2,332,114	(1,339,893)
Decrease in interest receivable	(4,578,833)	(1,109,830)
Increase in operating expenses payable	4,729	8,552
Decrease (increase) in financing charges payable	(650,250)	799,527
Increase in payable for investment purchases	2,558,619	-
Net realized gain (loss) from forward currency contracts	(6,053,354)	10,582,770
	(111,379,922)	(230,158,901)
Net Cash Used in Operating Activities	(89,599,193)	(213,681,043)
Financing Activities		
Proceeds from issuance of units*	-	110,260,837
Proceeds from repurchase agreements	83,251,202	109,215,761
Net Cash Provided by Financing Activities	83,251,202	219,476,598
Net Increase in Cash and Cash Equivalent	$ (3,347,991)	$ 5,795,555
Cash - Beginning of Year	$ 8,129,363	$ 2,333,808
Cash - End of Year	$ 4,781,372	$ 8,129,363

* Excluding in-kind activity as follows:
- Purchase of investment securities (2011, $51,103,942) (2010, $37,199,913)
- Proceeds from issuance of units (2011, $51,103,942) (2010, $37,199,913)

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
2.75% June 01, 2022	8,151	8,590	8,684	
8.00% June 01, 2023	2,002	2,862	3,201	
9.00% June 01, 2025	8,200	12,836	14,661	
8.00% June 01, 2027	6,950	10,301	12,104	
5.75% June 01, 2029	22,945	27,677	33,871	
5.75% June 01, 2033	26,822	34,273	41,240	
5.00% June 01, 2037	16,424	19,796	24,002	
4.00% June 01, 2041	19,406	23,682	25,474	
3.50% December 01, 2045	15,500	18,904	18,999	
		158,921	182,236	23.7
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	5,000	4,909	5,783	
Canada Housing Trust No 1				
2.65% March 15, 2022	2,500	2,495	2,534	
Canada Post Corp.				
4.08% July 16, 2025	267	268	309	
4.36% July 16, 2040	200	200	250	
Inter-American Development Bank, Note				
4.40% January 26, 2026	6,400	6,087	7,235	
		13,959	16,111	2.1
Municipal				
City of Montreal				
6.00% June 01, 2043	1,200	1,410	1,632	
City of Toronto				
5.20% June 01, 2040	1,400	1,409	1,721	
Municipal Finance Authority of British Columbia				
4.98% April 06, 2025	387	391	443	
4.95% December 01, 2027	1,700	1,684	2,011	
Peel Regional Municipality				
5.10% June 29, 2040	500	510	611	
		5,404	6,418	0.8
Provincial				
Centre Hospitalier De L'universite De Montreal				
4.45% October 01, 2049	100	100	106	
Hydro Quebec				
5.00% February 15, 2050	11,900	13,020	15,663	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	8,400	9,933	12,050	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	3,500	4,955	5,118	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	9,950	10,253	12,854	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Province of Alberta				
4.50% December 01, 2040	2,000	1,934	2,458	
Province of British Columbia				
8.00% September 08, 2023	1,300	1,782	1,945	
5.70% June 18, 2029	8,500	9,541	11,259	
6.35% June 18, 2031	1,700	2,065	2,431	
4.70% June 18, 2037	3,000	2,982	3,655	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	4,900	5,001	6,286	
Province of Manitoba				
4.40% September 05, 2025	1,100	1,106	1,257	
7.75% December 22, 2025	1,000	1,367	1,522	
5.70% March 05, 2037	1,000	1,149	1,381	
4.60% March 05, 2038	2,300	2,199	2,764	
4.65% March 05, 2040	5,050	4,985	6,175	
4.10% March 05, 2041	1,600	1,525	1,810	
Province of New Brunswick				
3.35% December 03, 2021	600	599	620	
5.65% December 27, 2028	3,500	3,849	4,524	
5.50% January 27, 2034	500	538	650	
4.65% September 26, 2035	1,770	1,707	2,075	
4.55% March 26, 2037	2,000	1,872	2,323	
4.80% September 26, 2039	2,600	2,584	3,165	
4.80% June 03, 2041	700	690	861	
Province of Newfoundland				
8.45% February 05, 2026	800	1,154	1,279	
6.15% April 17, 2028	3,350	3,918	4,566	
5.60% October 17, 2033	1,000	1,118	1,333	
4.65% October 17, 2040	2,000	1,936	2,442	
Province of Nova Scotia				
4.50% June 01, 2037	4,690	4,459	5,438	
Province of Nova Scotia, Series 9Z				
6.60% June 01, 2027	970	1,199	1,357	
Province of Ontario				
3.15% June 02, 2022	3,200	3,190	3,265	
8.10% September 08, 2023	8,100	11,108	12,160	
8.50% December 02, 2025	1,500	2,116	2,407	
7.60% June 02, 2027	11,150	15,477	17,095	
6.50% March 08, 2029	8,000	9,668	11,361	
5.85% March 08, 2033	9,570	10,884	13,081	
4.70% June 02, 2037	7,500	7,432	9,086	
4.60% June 02, 2039	25,151	25,676	30,348	
4.65% June 02, 2041	18,300	19,263	22,522	
Province of Ontario, (MTN)				
5.60% June 02, 2035	12,270	14,354	16,514	
Province of Ontario, Series HC				
9.50% July 13, 2022	6,200	9,480	9,865	
Province of Prince Edward Island				
6.25% January 29, 2032	600	724	835	
5.70% June 15, 2035	600	682	802	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
4.65% November 19, 2037	400	388	471	
4.60% May 19, 2041	900	894	1,071	
Province of Quebec				
3.50% December 01, 2022	5,500	5,633	5,727	
9.38% January 16, 2023	3,000	4,479	4,754	
6.00% October 01, 2029	7,750	8,821	10,401	
6.25% June 01, 2032	10,160	12,087	14,201	
5.75% December 01, 2036	3,500	3,882	4,752	
5.00% December 01, 2038	13,150	13,849	16,414	
5.00% December 01, 2041	27,368	30,808	34,808	
4.25% December 01, 2043	2,800	2,905	3,192	
Province of Saskatchewan				
5.75% March 05, 2029	1,250	1,413	1,674	
6.40% September 05, 2031	1,400	1,729	2,033	
4.75% June 01, 2040	5,050	5,085	6,377	
		321,547	374,583	48.6
Total Government		499,831	579,348	75.2
Corporate				
407 International, Inc.				
4.45% November 15, 2041	100	100	104	
407 International, Inc., Series 04A3				
5.96% December 03, 2035	1,500	1,608	1,899	
407 International, Inc., Series 99A2, Senior Note				
6.47% July 27, 2029	2,725	3,153	3,558	
Aeroports De Montreal				
5.17% September 17, 2035	2,200	2,172	2,536	
5.67% October 16, 2037	200	209	248	
5.47% April 16, 2040	1,480	1,491	1,806	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	595	616	667	
Alliance Pipeline, LP, Series A, Senior Note				
7.18% June 30, 2023	1,791	2,102	2,221	
AltaLink, LP				
5.38% March 26, 2040	500	500	611	
4.87% November 15, 2040	100	100	114	
4.46% November 08, 2041	400	400	429	
AltaLink, LP, Secured Note, (MTN)				
5.25% September 22, 2036	1,000	963	1,181	
Arrow Lakes Power				
5.52% April 05, 2041	300	300	347	
Bank of Montreal				
4.61% September 10, 2025	3,900	4,232	4,299	
Bell Aliant Regional Communications, (MTN)				
6.17% February 26, 2037	475	414	487	
Bell Canada				
6.55% May 01, 2029	3,000	3,107	3,480	
Bell Canada, Note, (MTN)				
7.30% February 23, 2032	2,800	2,832	3,477	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Bell Canada, Series M-17				
6.10% March 16, 2035	1,400	1,190	1,585	
British Columbia Ferry Services, Inc., Series 08-1, Senior Secured Note				
5.58% January 11, 2038	400	400	477	
British Columbia Ferry Services, Inc., Series B, Senior Secured Note				
6.25% October 13, 2034	1,100	1,226	1,396	
Brookfield Asset Management, Inc., Note				
5.95% June 14, 2035	1,000	979	957	
Canadian Pacific RR Co.				
6.45% November 17, 2039	1,000	1,024	1,100	
CIBC Capital Trust				
10.25% June 30, 2108	3,000	3,802	3,818	
CU, Inc.				
6.22% March 06, 2024	500	500	631	
5.56% May 26, 2028	3,500	3,619	4,190	
4.54% October 24, 2041	300	300	325	
4.95% November 18, 2050	200	200	232	
4.59% October 24, 2061	200	200	221	
CU, Inc., Note, (MTN)				
5.56% October 30, 2037	500	516	617	
Enbridge Gas Distribution, Inc.				
4.95% November 22, 2050	300	299	351	
Enbridge Gas Distribution, Inc., Note, (MTN)				
5.21% February 25, 2036	1,600	1,565	1,879	
Enbridge Pipelines, Inc.				
5.35% November 10, 2039	1,700	1,709	2,060	
Enbridge Pipelines, Inc., Note, (MTN)				
6.05% February 12, 2029	300	329	379	
Enbridge, Inc., (MTN)				
5.57% November 14, 2035	2,000	1,864	2,325	
5.75% September 02, 2039	1,000	999	1,203	
Enersource Corp.				
5.30% April 29, 2041	100	100	118	
EPCOR Utilities, Inc.				
5.75% November 24, 2039	1,000	1,095	1,193	
FortisAlberta, Inc., (MTN)				
5.37% October 30, 2039	500	496	612	
FortisAlberta, Inc., Senior Note				
6.22% October 31, 2034	1,000	1,121	1,318	
FortisBC, Inc.				
6.10% June 02, 2039	1,500	1,561	1,961	
5.00% November 24, 2050	100	100	116	
GE Capital Canada Funding Co., (MTN)				
5.73% October 22, 2037	5,200	5,103	5,634	
George Weston, Ltd.				
7.10% February 05, 2032	612	666	706	
Great-West Lifeco, Inc., Note				
6.67% March 21, 2033	2,719	3,060	3,201	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Greater Toronto Airport Authority, (MTN)				
7.05% June 12, 2030	1,000	1,359	1,356	
6.47% February 02, 2034	4,500	5,150	5,928	
Greater Toronto Airport Authority, Note, (MTN)				
6.45% July 30, 2029	2,523	2,791	3,105	
Greater Toronto Airports Authority				
5.30% February 25, 2041	1,600	1,776	1,882	
Greater Toronto Airports, (MTN)				
7.10% June 04, 2031	570	689	784	
Halifax International Airport Authority				
4.89% November 15, 2050	300	300	337	
Health Montreal Collective, LP				
6.72% September 30, 2049	4,100	4,325	4,723	
Hospital Infrastructure Partners NOH Partnership				
5.44% January 31, 2045	300	300	333	
Hydro One, Inc.				
6.03% March 03, 2039	500	554	663	
4.39% September 26, 2041	200	200	212	
5.00% October 19, 2046	200	202	235	
Hydro One, Inc., (MTN)				
5.36% May 20, 2036	4,000	3,986	4,825	
5.49% July 16, 2040	3,200	3,271	3,991	
Hydro One, Inc., Note				
7.35% June 03, 2030	1,750	2,497	2,504	
Hydro One, Inc., Note, (MTN)				
6.93% June 01, 2032	2,000	2,038	2,794	
IGM Financial, Inc.				
6.00% December 10, 2040	200	199	219	
IGM Financial, Inc., Note				
7.00% December 31, 2032	1,700	2,017	2,059	
Loblaw Cos., Ltd.				
5.90% January 18, 2036	1,000	947	1,048	
Loblaw Cos., Ltd., (MTN)				
6.45% February 09, 2028	1,500	1,535	1,661	
6.54% February 17, 2033	1,900	1,968	2,135	
Manulife Finance Delaware				
5.06% December 15, 2041	1,400	1,184	1,112	
Metro, Inc., (MTN)				
5.97% October 15, 2035	2,100	1,938	2,249	
NAV Canada, Note				
7.56% March 01, 2027	1,200	1,433	1,560	
7.40% June 01, 2027	350	440	502	
Nova Scotia Power, Inc., Series S, Note, (MTN)				
6.95% August 25, 2033	1,000	1,165	1,380	
Nova Scotia PowerCorp., Note, (MTNF)				
8.85% May 19, 2025	700	937	1,041	
Ontario Electricity Financial Corp., Note				
8.25% June 22, 2026	7,000	9,836	11,057	
Ontario Infrastructure Projects Corp., Note				
4.70% June 01, 2037	700	685	792	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Plenary Health Bridgepoint, LP				
7.25% August 31, 2042	600	798	795	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	1,000	1,000	1,063	
Plenary Health Hamilton, LP				
5.80% May 31, 2043	700	806	805	
Plenary Properties LTAP, LP				
6.29% January 31, 2044	500	529	613	
Power Financial Corp., Note				
6.90% March 11, 2033	1,000	1,203	1,204	
Rogers Communications, Inc.				
6.11% August 25, 2040	1,500	1,499	1,619	
6.56% March 22, 2041	500	500	572	
Royal Bank of Canada				
4.93% July 16, 2025	4,800	5,240	5,457	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	2,760	2,760	3,283	
Scotiabank Capital Trust, Series 06-1				
5.65% December 31, 2056	2,500	2,527	2,737	
Shaw Communications, Inc.				
6.75% November 09, 2039	2,800	2,792	2,917	
SNC-Lavalin Innisfree McGill Finance, Inc.				
6.63% June 30, 2044	300	300	378	
Sobeys, Inc.				
6.64% June 07, 2040	1,000	1,030	1,115	
Sun Life Capital Trust, Series B, Secured Note				
7.09% June 30, 2052	1,300	1,569	1,310	
Suncor Energy, Inc., (MTN)				
5.39% March 26, 2037	1,200	1,056	1,335	
TD Capital Trust IV				
10.00% June 30, 2108	1,500	1,654	2,040	
Teranet Holdings, LP				
5.75% December 17, 2040	531	531	558	
6.10% June 17, 2041	300	300	330	
Terasen Gas Vancouver Issue, Senior Unsecured Note				
6.05% February 15, 2038	1,500	1,537	1,939	
Terasen Gas, Inc., Note, (MTN)				
6.50% May 01, 2034	2,000	2,328	2,705	
5.55% September 25, 2036	1,000	973	1,231	
TransAlta Corp., Note, (MTN)				
6.90% November 15, 2030	1,000	1,071	1,040	
TransCanada PipeLines, Ltd.				
4.55% November 15, 2041	100	99	104	
TransCanada PipeLines, Ltd., Note, (MTN)				
7.31% January 15, 2027	1,226	1,472	1,684	
6.28% May 26, 2028	1,700	1,838	2,122	
6.89% August 07, 2028	800	820	1,056	
Transportation-Canada Pipelines				
8.05% February 17, 2039	2,300	2,952	3,666	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Union Gas, Ltd.				
8.65% November 10, 2025	500	694	757	
5.20% July 23, 2040	1,200	1,236	1,417	
4.88% June 21, 2041	200	200	227	
Westcoast Energy, Inc.				
4.79% October 28, 2041	200	200	216	
Westcoast Energy, Inc., Note				
8.85% July 21, 2025	1,000	1,378	1,512	
Total Corporate		154,936	174,363	22.6
Total Fixed Income Investments		654,767	753,711	97.8
Foreign Index Equivalents				
U.S. LIBOR GlobalAlpha Bond Fund Ltd.*	315,019	350,961	390,939	
Total Foreign Index Equivalents		350,961	390,939	50.8
Total Investments		1,005,728	1,144,650	148.6
Other Assets and Liabilities			(374,259)	(48.6)
Net Assets			770,391	100.0

*The U.S. LIBOR GlobalAlpha Bond Fund Ltd is a Cayman Islands exempted company that achieves its investment objective by investing in the BlackRock Fixed Income GlobalAlpha Fund Ltd. ("FIGA") and Strategic Short Duration Bond Fund Ltd. ("SSD"), each an exempted company incorporated under the laws of the Cayman Islands. FIGA seeks to invest in a diversified portfolio of long and short fixed income securities across global markets and SSD seeks to invest in a diversified portfolio of debt securities and other credit-related instruments in various global markets.

Portfolio Concentration

(as a percentage of Net Assets)

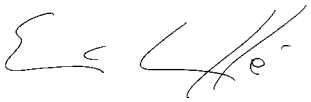
Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Federal Non-Agency	23.7	27.4
Federal Agency	2.1	0.1
Municipal	0.8	0.9
Provincial	48.6	43.7
Corporate	22.6	25.0
Foreign Index Equivalents	50.8	51.4
Repurchase Agreements	(50.9)	(52.3)
Other Assets and Liabilities	2.3	3.8

Open forward currency contracts and repurchase agreements held by the fund as at December 31, 2011 are shown in Notes 5 and 7 respectively.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 142,663,200	$ -
Cash	295,312	-
Net unrealized gain on forward currency contracts (Note 5)	297,908	-
Interest receivable	660,590	-
Accounts receivable from issue of units	76,713,449	-
	220,630,459	-
Liabilities		
Operating expenses payable	12,510	-
Financing charges payable	14,975	-
Payables for investment purchases	114,342,024	-
Payable for repurchase agreements (Note 7)	10,820,178	-
Net unrealized loss on forward currency contracts (Note 5)	116,348	-
	125,306,035	-
Net Assets	$ 95,324,424	$ -
Number of Units Issued and Outstanding (Note 8)	9,127,817	-
Net Assets per Unit	$ 10.44	$ -
Investments at Cost	$ 141,813,336	$ -

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 123,476	$ 2,207,739
Net loss from futures contracts	-	(215,942)
Foreign exchange gain	-	839,522
	123,476	2,831,319
Expenses		
System application fees	-	704
Custodian fees	776	1,805
Fund accounting expenses	8,543	18,966
Unitholder communication costs	3	(275)
Audit fees	9,040	2,234
Securities filing fees	21	-
Financing charges	20,716	99,442
Independent review committee fees	16	910
Other operating expenses	-	3,741
	39,115	127,527
Net Investment Income for the Year	84,361	2,703,792
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	(16,088)	4,684,597
Net realized gain (loss) from forward currency contracts	(412,766)	3,427,451
Net change in unrealized appreciation (depreciation) in value of investments	849,864	(5,767,116)
Net change in unrealized appreciation (depreciation) in value of forward currency contracts	181,560	(1,006,907)
Net Gain (Loss) on Investments	602,570	1,338,025
Increase in Net Assets from Operations	$ 686,931	$ 4,041,817
Increase in Net Assets from Operations per Unit	$ 0.39	$ 0.96

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ -	$ 143,418,933
Increase in Net Assets from Operations	686,931	4,041,817
Capital Transactions		
Proceeds from issue of units	94,637,493	-
Redemption of units	-	(147,460,750)
Net capital transactions	94,637,493	(147,460,750)
Increase (Decrease) in Net Assets for the Year	95,324,424	(143,418,933)
Net Assets - End of Year	$ 95,324,424	$ -

Statement of Cash Flow — For the Years Ended December 31

	2011	2010
Cash Used in Operating Activities		
Net investment income for the period	$ 84,361	$ 2,703,792
Changes in Working Capital Balances Relating to Operations		
Purchase of investment securities*	(51,215,669)	(36,940,000)
Proceeds from disposition of investment securities*	2,779,392	212,316,142
Increase in margin due from brokers	-	330,069
Decrease (increase) in interest receivable	(660,590)	1,097,697
Increase in accounts receivable for issue of units*	(890,805)	-
Increase (decrease) in operating expenses payable	12,510	(10,573)
Increase (decrease) in financing charges payable	14,975	(9,812)
Increase in payable for investment purchases*	38,519,379	-
Net realized gain (loss) from forward currency contracts	(412,766)	3,427,451
	(11,853,574)	180,210,974
Net Cash Used in Operating Activities	(11,769,213)	182,914,766
Financing Activities		
Proceeds from issuance of units*	1,244,347	-
Proceeds from repurchase agreements	10,820,178	(74,436,951)
Payment on redemption in units*	-	(110,260,835)
Net Cash Provided by Financing Activities	12,064,525	(184,697,786)
Net Increase (Decrease) in Cash and Cash Equivalent	$ 295,312	$ (1,783,020)
Cash - Beginning of Year	$ -	$ 1,783,020
Cash - End of Year	$ 295,312	$ -

* Excluding in-kind activity as follows:
- Purchase of investment securities (2011, $93,393,145)
- Proceeds from disposition of investment securities (2010, $37,199,913)
- Increase in accounts receivable for issue of units (2011, $75,822,645)
- Increase in payable for investment purchases (2011, $75,822,645)
- Proceeds from issuance of units (2011, $93,393,145)
- Payment on redemption in units (2010, $37,199,913)

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Fixed Income Investments				
Government				
Federal Non-Agency				
Government of Canada				
1.75% March 01, 2013	1,367	1,379	1,379	
5.25% June 01, 2013	456	484	483	
3.50% June 01, 2013	1,139	1,180	1,179	
2.00% August 01, 2013	684	695	695	
2.50% September 01, 2013	684	701	701	
1.50% November 01, 2013	1,038	1,048	1,048	
1.00% February 01, 2014	658	659	659	
2.00% March 01, 2014	684	699	699	
5.00% June 01, 2014	608	666	666	
3.00% June 01, 2014	1,063	1,113	1,114	
2.25% August 01, 2014	532	548	549	
2.00% December 01, 2014	1,215	1,247	1,248	
4.50% June 01, 2015	684	760	761	
2.50% June 01, 2015	759	793	794	
3.00% December 01, 2015	911	972	974	
4.00% June 01, 2016	684	763	765	
2.00% June 01, 2016	684	704	706	
2.75% September 01, 2016	709	755	756	
1.50% March 01, 2017	658	662	663	
4.00% June 01, 2017	835	945	948	
4.25% June 01, 2018	759	881	885	
3.75% June 01, 2019	1,367	1,554	1,564	
3.50% June 01, 2020	987	1,106	1,114	
9.75% June 01, 2021	76	127	127	
3.25% June 01, 2021	952	1,055	1,058	
2.75% June 01, 2022	238	253	254	
8.00% June 01, 2023	228	362	365	
9.00% June 01, 2025	152	269	272	
8.00% June 01, 2027	304	524	530	
5.75% June 01, 2029	835	1,216	1,233	
5.75% June 01, 2033	835	1,263	1,284	
5.00% June 01, 2037	987	1,416	1,442	
4.00% June 01, 2041	1,195	1,555	1,569	
3.50% December 01, 2045	152	182	186	
		28,536	28,670	30.1
Federal Agency				
Asian Development Bank, Series MPLE, Senior Unsecured Note				
4.65% February 16, 2027	76	87	88	
Canada Housing Trust				
3.95% June 15, 2013	1,139	1,187	1,186	
3.55% September 15, 2013	304	317	317	
2.70% December 15, 2013	835	861	861	
2.20% March 15, 2014	684	700	700	
3.15% June 15, 2014	152	159	159	
2.75% September 15, 2014	380	396	396	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
2.75% December 15, 2014	684	714	715	
2.95% March 15, 2015	608	639	640	
3.15% June 15, 2015	532	564	565	
4.10% December 15, 2018	608	687	690	
3.75% March 15, 2020	532	588	592	
3.35% December 15, 2020	304	326	329	
Canada Housing Trust No 1				
3.60% June 15, 2013	304	315	315	
2.75% December 15, 2015	380	398	399	
2.45% December 15, 2015	532	552	553	
2.75% June 15, 2016	1,139	1,195	1,199	
1.85% December 15, 2016	1,089	1,100	1,101	
3.80% June 15, 2021	759	842	849	
2.65% March 15, 2022	253	256	256	
Canada Post Corp.				
4.08% July 16, 2025	76	87	88	
Inter-American Development Bank, Note				
4.40% January 26, 2026	76	85	86	
		12,055	12,084	12.7
Government Guaranteed				
Milit-Air, Inc., Secured Note				
5.75% June 30, 2019	76	86	87	
		86	87	0.1
Municipal				
City of Montreal				
6.00% June 01, 2043	76	102	103	
City of Toronto				
4.85% July 28, 2016	152	171	171	
5.20% June 01, 2040	76	92	93	
City of Winnipeg				
9.13% May 12, 2015	76	94	94	
Financement-Quebec				
4.25% December 01, 2015	76	83	84	
Municipal Finance Authority of British Columbia				
4.65% April 19, 2016	152	170	170	
3.00% June 01, 2016	152	159	160	
4.88% June 03, 2019	152	174	175	
4.15% June 01, 2021	76	83	83	
4.95% December 01, 2027	76	89	90	
Peel Regional Municipality				
5.10% June 29, 2040	76	92	93	
PSP Capital, Inc.				
2.94% December 03, 2015	76	79	79	
Regional Municipality of York				
7.25% June 19, 2017	76	95	95	
4.00% June 30, 2021	152	162	163	
		1,645	1,653	1.7

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Provincial				
Alberta Capital Finance Authority, Note				
3.05% June 15, 2015	76	80	80	
4.35% June 15, 2016	152	169	170	
Cadillac Fairview Finance Trust				
3.24% January 25, 2016	152	159	159	
3.64% May 09, 2018	152	160	160	
4.31% January 25, 2021	152	166	167	
Financement-Quebec				
4.25% March 01, 2014	76	81	81	
3.25% June 01, 2014	76	80	80	
3.50% December 01, 2016	76	82	82	
3.50% December 01, 2017	228	244	245	
5.25% June 01, 2034	152	186	189	
Hydro Quebec				
9.63% July 15, 2022	76	120	121	
5.00% February 15, 2050	152	197	200	
Hydro Quebec, (MTN)				
6.00% February 15, 2040	152	214	218	
Hydro Quebec, Series 19, Note				
6.50% February 15, 2035	152	219	222	
Hydro Quebec, Series HL, Note				
11.00% August 15, 2020	228	369	371	
Hydro Quebec, Series JM, Note				
5.00% February 15, 2045	152	193	196	
Province of Alberta				
1.85% September 01, 2016	76	77	77	
4.00% December 01, 2019	76	84	85	
4.50% December 01, 2040	76	92	93	
Province of British Columbia				
8.50% August 23, 2013	76	85	85	
7.50% June 09, 2014	76	87	87	
4.25% June 18, 2014	76	82	82	
4.70% December 01, 2017	76	87	87	
4.10% December 18, 2019	152	168	170	
3.70% December 18, 2020	152	163	164	
9.95% May 15, 2021	76	120	121	
3.25% December 18, 2021	76	78	79	
8.00% September 08, 2023	76	113	114	
5.70% June 18, 2029	76	100	101	
6.35% June 18, 2031	228	322	326	
4.70% June 18, 2037	152	182	185	
4.30% June 18, 2042	152	175	179	
Province of British Columbia, (MTN)				
4.95% June 18, 2040	152	192	195	
Province of British Columbia, Series BCCD				
4.65% December 18, 2018	152	174	175	
Province of Manitoba				
5.05% December 03, 2013	76	82	82	
4.80% December 03, 2014	76	84	84	
4.30% March 01, 2016	76	84	84	
4.40% September 05, 2025	152	172	174	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
7.75% December 22, 2025	76	115	116	
5.70% March 05, 2037	76	103	105	
4.60% March 05, 2038	76	90	91	
4.65% March 05, 2040	76	91	93	
4.10% March 05, 2041	76	84	86	
Province of Manitoba, (MTN)				
6.50% September 22, 2017	76	94	94	
Province of New Brunswick				
3.35% June 01, 2013	76	78	78	
8.50% June 28, 2013	76	84	84	
4.30% December 03, 2015	76	84	84	
6.00% December 27, 2017	76	92	93	
4.45% March 26, 2018	76	86	86	
4.40% June 03, 2019	76	85	86	
4.50% June 02, 2020	152	171	172	
3.35% December 03, 2021	76	78	79	
4.65% September 26, 2035	76	88	89	
4.55% March 26, 2037	76	87	88	
4.80% September 26, 2039	152	182	185	
Province of Newfoundland				
5.25% June 04, 2014	76	83	83	
5.60% October 17, 2033	76	100	101	
4.65% October 17, 2040	152	182	186	
Province of Nova Scotia				
4.10% June 01, 2021	76	83	84	
4.50% June 01, 2037	152	173	176	
4.70% June 01, 2041	76	91	93	
4.40% June 01, 2042	76	87	89	
Province of Ontario				
4.75% June 02, 2013	380	399	399	
5.00% March 08, 2014	608	657	657	
3.25% September 08, 2014	228	239	240	
4.50% March 08, 2015	228	250	250	
3.15% September 08, 2015	228	241	241	
4.40% March 08, 2016	228	253	254	
3.20% September 08, 2016	152	162	162	
4.30% March 08, 2017	456	509	510	
4.20% March 08, 2018	152	169	170	
4.40% June 02, 2019	456	514	517	
4.20% June 02, 2020	532	590	594	
4.00% June 02, 2021	810	886	890	
3.15% June 02, 2022	253	257	258	
8.10% September 08, 2023	76	113	114	
8.50% December 02, 2025	76	121	122	
7.60% June 02, 2027	304	461	466	
6.50% March 08, 2029	380	533	540	
6.20% June 02, 2031	152	210	213	
5.85% March 08, 2033	228	307	312	
4.70% June 02, 2037	380	453	460	
4.60% June 02, 2039	278	330	335	
4.65% June 02, 2041	1,266	1,535	1,558	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Province of Ontario, (MTN)				
5.50% June 02, 2018	76	90	91	
5.60% June 02, 2035	380	504	511	
Province of Ontario, Series HC				
9.50% July 13, 2022	152	240	242	
Province of Prince Edward Island				
6.10% July 29, 2027	76	100	101	
Province of Quebec				
5.25% October 01, 2013	304	326	325	
5.50% December 01, 2014	228	255	255	
5.00% December 01, 2015	380	429	429	
4.50% December 01, 2016	152	171	171	
4.50% December 01, 2017	380	429	431	
4.50% December 01, 2019	228	257	259	
4.50% December 01, 2020	456	513	517	
4.25% December 01, 2021	228	252	254	
3.50% December 01, 2022	759	786	790	
9.38% January 16, 2023	76	120	120	
8.50% April 01, 2026	152	240	242	
6.00% October 01, 2029	152	202	204	
6.25% June 01, 2032	304	419	425	
5.75% December 01, 2036	228	305	310	
5.00% December 01, 2038	380	466	474	
5.00% December 01, 2041	532	664	677	
4.25% December 01, 2043	228	255	260	
Province of Quebec, (MTN)				
4.50% December 01, 2018	228	258	259	
Province of Saskatchewan				
4.90% December 03, 2013	76	81	81	
6.40% September 05, 2031	152	218	221	
4.75% June 01, 2040	76	94	96	
		24,876	25,098	26.3
Total Government		67,198	67,592	70.9
Corporate				
407 International, Inc.				
4.30% May 26, 2021	76	82	83	
4.45% November 15, 2041	506	523	526	
407 International, Inc., (MTN)				
5.10% January 20, 2014	76	81	81	
3.88% June 16, 2015	76	81	81	
407 International, Inc., Series 06D1, Note				
5.75% February 14, 2036	76	86	87	
Aeroports De Montreal				
5.17% September 17, 2035	76	86	88	
5.67% October 16, 2037	76	93	94	
Alliance Pipeline, LP, Senior Note				
5.55% December 31, 2023	89	99	100	
6.77% December 31, 2025	44	53	53	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
AltaLink, LP, (MTN)				
5.24% May 29, 2018	76	88	88	
American Express Canada (MTN)				
4.85% October 03, 2014	152	161	160	
American Express Canada, Guaranteed Note, (MTN)				
5.90% April 02, 2013	76	80	79	
3.60% June 03, 2016	76	77	77	
Bank of Montreal				
3.93% April 27, 2015	228	241	241	
3.10% March 10, 2016	76	78	78	
3.49% June 10, 2016	152	158	159	
2.96% August 02, 2016	152	155	155	
3.98% July 08, 2021	152	158	158	
4.61% September 10, 2025	76	83	84	
Bank of Montreal, DPNT				
5.05% September 03, 2013	228	241	241	
5.18% June 10, 2015	76	84	84	
6.02% May 02, 2018	152	179	180	
Bank of Nova Scotia				
3.43% July 16, 2014	228	237	237	
3.35% November 18, 2014	152	158	158	
3.34% March 25, 2015	76	79	79	
3.61% February 22, 2016	152	159	159	
4.10% June 08, 2017	152	163	163	
4.94% April 15, 2019	76	81	80	
6.65% January 22, 2021	76	87	87	
Bank of Nova Scotia, DPNT				
4.56% October 30, 2013	228	240	240	
Bank of Nova Scotia, Note				
4.99% March 27, 2018	228	237	236	
BC Tel, Note				
9.65% April 08, 2022	76	111	111	
Bell Aliant Regional Communications, (MTN)				
6.29% February 17, 2015	76	84	83	
Bell Aliant Regional Communications, LP				
4.88% April 26, 2018	76	80	80	
Bell Canada				
4.85% June 30, 2014	152	162	161	
3.60% December 02, 2015	76	79	79	
4.40% March 16, 2018	228	243	243	
Bell Canada, Note, (MTN)				
7.85% April 02, 2031	76	98	99	
7.30% February 23, 2032	76	93	94	
BMO Capital Trust II, Series A, Note				
10.22% December 31, 2107	76	102	102	
BMW Canada, Inc.				
3.22% March 28, 2013	76	77	77	
2.76% April 01, 2014	76	77	77	
Borealis Infrastructure Trust, Series N, Secured Note				
6.35% December 01, 2020	62	71	70	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
British Columbia Ferry Services, Inc., Series B, Senior Secured Note				
6.25% October 13, 2034	76	96	96	
Broadcast Centre Trust, Secured Note				
7.53% May 01, 2027	46	61	61	
Broadway Credit Card Trust, Series A, Note				
4.80% March 17, 2014	76	80	80	
Brookfield Asset Management, Inc.				
5.30% March 01, 2021	76	80	81	
Brookfield Asset Management, Inc., Note				
5.95% June 14, 2035	76	72	73	
Brookfield Renewable Power, Inc.				
5.14% October 13, 2020	76	78	79	
Cameco Corp.				
4.70% September 16, 2015	76	81	81	
5.67% September 02, 2019	76	84	84	
Canadian Credit Card TST				
3.44% July 24, 2015	76	79	79	
Canadian Imperial Bank of Commerce				
3.30% November 19, 2014	76	79	79	
3.40% January 14, 2016	228	237	237	
2.65% November 08, 2016	127	128	128	
3.95% July 14, 2017	76	81	81	
4.11% April 30, 2020	152	159	159	
3.15% November 02, 2020	76	76	76	
Canadian Imperial Bank of Commerce, (MTN)				
5.15% June 06, 2018	76	79	79	
Canadian Imperial Bank of Commerce, DPNT, Note				
4.95% January 23, 2014	76	81	81	
Canadian Pacific RR Co.				
6.45% November 17, 2039	76	84	84	
Canadian Pacific RR Co., Senior Unsecured Note, (MTN)				
6.25% June 01, 2018	76	87	86	
Canadian Tire Corp., Ltd. (MTN)				
6.32% February 24, 2034	76	82	83	
Capital Desjardins, Inc.				
5.76% April 01, 2019	76	81	81	
5.19% May 05, 2020	152	164	164	
3.80% November 23, 2020	76	78	77	
5.54% June 01, 2021	76	83	83	
Capital Power, LP				
5.28% November 16, 2020	76	76	76	
Cards II Trust				
3.05% May 15, 2013	76	77	77	
3.10% September 15, 2015	76	78	78	
3.33% May 15, 2016	76	79	79	
Central 1 Credit Union				
3.38% April 19, 2013	76	78	78	
CI Investments, Inc.				
3.94% December 14, 2016	76	79	78	
CIBC Capital Trust				
9.98% June 30, 2108	152	190	189	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Citigroup Finance Canada, Inc., (MTN)				
5.50% May 21, 2013	76	78	78	
City of Montreal				
4.95% December 10, 2014	76	83	83	
Co-Operators Financial Services				
5.78% March 10, 2020	76	76	76	
CU, Inc.				
4.54% October 24, 2041	76	81	82	
CU, Inc., (MTN)				
6.80% August 13, 2019	76	96	96	
5.58% May 26, 2038	76	93	94	
CU, Inc., Note				
6.15% November 22, 2017	76	91	91	
Daimler Canada Finance, Inc.				
3.16% April 14, 2014	76	77	77	
Emera, Inc.				
4.83% December 02, 2019	76	82	82	
Enbridge Gas Distribution, Inc.				
4.04% November 23, 2020	152	164	164	
Enbridge Pipelines, Inc., (MTN)				
6.55% November 17, 2027	76	100	101	
Enbridge, Inc.				
5.17% May 19, 2016	152	169	169	
4.77% September 02, 2019	76	84	84	
4.53% March 09, 2020	76	82	82	
Enbridge, Inc., (MTN)				
7.20% June 18, 2032	76	103	104	
Encana Corp., (MTN)				
5.80% January 18, 2018	152	175	175	
EPCOR Utilities, Inc.				
5.80% January 31, 2018	15	17	17	
Fifth Avenue, LP				
4.71% August 05, 2021	76	81	81	
First Capital Realty, Inc., Series E, Note				
5.36% January 31, 2014	76	80	79	
FortisAlberta, Inc., (MTN)				
5.37% October 30, 2039	76	92	93	
FortisAlberta, Inc., Senior Note				
6.22% October 31, 2034	76	99	100	
GAZ Metro, LP, Series D, Note				
10.45% October 31, 2016	76	104	104	
Gaz Metropolitan, Inc., Guaranteed Note				
5.45% July 12, 2021	76	89	90	
GE Capital Canada Funding Co., (MTN)				
5.15% June 06, 2013	152	159	158	
4.40% June 01, 2014	152	159	159	
4.24% June 08, 2015	76	80	80	
5.53% August 17, 2017	304	336	337	
5.73% October 22, 2037	76	81	82	
Glacier Credit Card Trust				
5.03% February 20, 2013	76	79	79	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Golden Credit Card Trust				
3.51% May 15, 2016	152	159	159	
Golden Credit Card Trust, Senior Note				
5.42% April 15, 2019	76	80	80	
Great-West Lifeco Delaware Finance, LP, Subordinated Note				
5.69% June 21, 2067	152	158	158	
Great-West Lifeco Finance Delaware, LP II				
7.13% June 26, 2068	76	85	84	
Great-West Lifeco, Inc.				
4.65% August 13, 2020	76	79	79	
Great-West Lifeco, Inc., Note				
6.67% March 21, 2033	76	89	89	
Greater Toronto Airport Authority, (MTN)				
4.70% February 15, 2016	76	83	83	
7.05% June 12, 2030	76	102	103	
Greater Toronto Airport Authority, Note				
6.45% December 03, 2027	76	96	97	
Greater Toronto Airports Authority				
5.30% February 25, 2041	76	88	89	
Greater Toronto Airports, (MTN)				
4.85% June 01, 2017	76	85	85	
7.10% June 04, 2031	76	104	105	
Health Montreal Collective, LP				
6.72% September 30, 2049	228	259	263	
Honda Canada Finance, Inc.				
5.61% September 12, 2013	76	81	80	
HSBC Bank of Canada				
3.86% May 21, 2015	152	160	160	
3.56% October 04, 2017	76	79	79	
4.80% April 10, 2022	76	81	81	
Husky Energy, Inc.				
5.00% March 12, 2020	76	83	83	
Hydro One, Inc.				
2.95% September 11, 2015	76	79	79	
4.40% June 01, 2020	76	84	84	
6.03% March 03, 2039	76	99	101	
5.00% October 19, 2046	152	177	179	
Hydro One, Inc., (MTN)				
5.00% November 12, 2013	152	162	161	
5.18% October 18, 2017	76	87	87	
5.36% May 20, 2036	76	90	92	
5.49% July 16, 2040	76	93	95	
Industrial Alliance Capital Trust, Note				
5.13% June 30, 2019	76	79	79	
Intact Financial Corp.				
5.41% September 03, 2019	76	83	83	
Loblaw Cos., Ltd., (MTN)				
4.85% May 08, 2014	76	81	80	
6.54% February 17, 2033	152	169	171	
Manulife Finance Cap Trust				
7.41% December 31, 2108	76	83	83	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Manulife Finance Delaware				
5.06% December 15, 2041	76	61	60	
Manulife Financial Corp.				
4.90% June 02, 2014	76	79	79	
4.08% August 20, 2015	76	78	77	
7.77% April 08, 2019	76	91	90	
Manulife Financial Corp., (MTN)				
5.51% June 26, 2018	76	81	81	
Master Credit Card Trust				
3.50% May 21, 2016	76	79	79	
Merrill Lynch Canada Finance Co., (MTN)				
5.00% February 18, 2014	76	78	79	
Metro, Inc., (MTN)				
5.97% October 15, 2035	76	81	81	
Molson Coors Capital Finance, ULC				
5.00% September 22, 2015	76	82	82	
National Bank of Canada				
4.03% May 26, 2015	76	81	81	
3.58% April 26, 2016	76	79	79	
National Bank of Canada, (MTN)				
4.93% December 22, 2019	152	163	163	
NAV Canada, Note				
7.56% March 01, 2027	51	66	67	
NBC Asset Trust				
7.45% June 30, 2020	76	90	90	
Nova Gas Transmission, Ltd., Series 21, Note				
12.20% February 28, 2016	76	104	104	
Ontario Electricity Financial Corp., Note				
10.00% February 06, 2020	152	232	233	
8.25% June 22, 2026	152	238	240	
Ontario Electricity Financial Corp., Series DJ5, Note				
10.00% October 17, 2014	304	376	375	
Ontario Electricity Financial Corp., Series FV6, Note				
8.90% August 18, 2022	76	116	117	
Ontario School Boards Financing Corp.				
5.38% June 25, 2032	63	72	73	
Ontario School Boards Financing Corp., Note				
5.48% November 26, 2029	111	127	128	
5.07% April 18, 2031	59	66	67	
Ontario School Boards Financing Corp., Series 01A2				
6.25% October 19, 2016	152	181	182	
Plenary Health Care Partnerships Humber, LP				
4.82% November 30, 2044	76	79	81	
Plenary Properties LTAP, LP				
6.29% January 31, 2044	76	92	93	
Power Corp. Canada				
7.57% April 22, 2019	76	92	92	
Power Financial Corp., Note				
6.90% March 11, 2033	76	91	91	
PSP Capital, Inc., Note				
4.57% December 09, 2013	76	80	80	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Rogers Communications, Inc.				
5.80% May 26, 2016	76	85	85	
4.70% September 29, 2020	76	79	80	
5.34% March 22, 2021	152	164	165	
6.11% August 25, 2040	152	162	164	
6.56% March 22, 2041	76	86	87	
RONA, Inc., Note				
5.40% October 20, 2016	76	77	77	
Royal Bank of Canada				
3.18% March 16, 2015	152	158	158	
3.36% January 11, 2016	304	316	316	
3.03% July 26, 2016	152	156	156	
2.68% December 08, 2016	506	509	509	
3.66% January 25, 2017	228	240	240	
4.35% June 15, 2020	76	80	80	
3.18% November 02, 2020	76	77	77	
4.93% July 16, 2025	76	86	86	
Royal Bank of Canada, (MTN)				
5.45% November 04, 2018	76	81	81	
Royal Bank of Canada, Senior Note				
4.97% June 05, 2014	76	82	82	
Royal Bank of Canada, Series 2014, Subordinated Note				
5.95% June 18, 2103	152	165	164	
Royal Bank of Canada, Subordinated Note, (MTN)				
5.00% June 06, 2018	76	79	79	
Royal Office Finance LP, Series A, Note				
5.21% November 12, 2037	148	174	176	
Score Trust, Series 2004-1, Note				
4.95% February 20, 2017	76	80	80	
Scotiabank Capital Trust, Series 06-1				
5.65% December 31, 2056	76	83	83	
Scotiabank Tier I Capital Trust				
7.80% June 30, 2108	76	91	92	
Shaw Communications, Inc.				
6.50% June 02, 2014	76	83	83	
5.65% October 01, 2019	76	83	83	
6.75% November 09, 2039	152	157	158	
Shaw Communications, Inc., Series N, Senior Note				
6.15% May 09, 2016	76	85	85	
SNC-Lavalin Group, Inc.				
6.19% July 03, 2019	76	89	89	
Sun Life Financial, Inc.				
4.57% August 23, 2021	76	76	76	
4.95% June 01, 2036	152	156	156	
Sun Life Financial, Inc., (MTN)				
5.40% May 29, 2042	76	69	69	
Sun Life Financial, Inc., Senior Note, (MTN)				
4.80% November 23, 2035	76	78	77	
Suncor Energy, Inc., (MTN)				
5.39% March 26, 2037	76	84	85	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
TD Capital Trust IV				
9.52% June 30, 2108	76	100	100	
6.63% June 30, 2108	76	86	86	
TELUS Corp.				
4.95% May 15, 2014	76	81	81	
4.95% March 15, 2017	76	83	83	
5.05% December 04, 2019	76	83	84	
5.05% July 23, 2020	76	83	83	
TELUS Corp., Senior Unsecured Note				
5.95% April 15, 2015	76	84	84	
Teranet Holdings, LP				
3.53% December 16, 2015	76	79	79	
4.81% December 16, 2020	76	81	81	
5.75% December 17, 2040	76	79	80	
6.10% June 17, 2041	76	82	84	
Terasen Gas, Inc., Senior Note, (MTN)				
5.80% May 13, 2038	152	193	195	
Thomson Reuters Corp.				
5.20% December 01, 2014	76	83	83	
5.70% July 15, 2015	76	85	85	
6.00% March 31, 2016	76	86	86	
Toronto Hydro Corp., Note				
5.15% November 14, 2017	76	87	87	
Toronto-Dominion Bank				
2.95% August 02, 2016	228	233	233	
3.37% November 02, 2020	76	77	77	
5.83% July 09, 2023	76	87	88	
Toronto-Dominion Bank, (MTN)				
5.48% April 02, 2020	152	166	166	
4.97% October 30, 2104	152	163	163	
4.78% December 14, 2105	127	136	136	
Toronto-Dominion Bank, DPNT				
4.85% February 13, 2013	304	316	316	
Toronto-Dominion Bank, Note				
10.05% August 04, 2014	76	91	91	
TransAlta Corp.				
7.30% October 22, 2029	76	85	86	
TransCanada PipeLines, Ltd.				
3.65% November 15, 2021	127	129	130	
4.55% November 15, 2041	127	131	132	
TransCanada PipeLines, Ltd., (MTN)				
4.65% October 03, 2016	76	84	84	
TransCanada PipeLines, Ltd., Note, (MTN)				
7.90% April 15, 2027	76	108	109	
Union Gas, Ltd., Series 1992, Note				
9.70% November 06, 2017	76	104	104	
Union Gas, Ltd., Series 1993, Note				
8.75% August 03, 2018	76	102	102	
VW Credit Canada, Inc.				
2.55% November 18, 2013	76	76	76	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Wells Fargo Financial Canada Corp.				
3.97% November 03, 2014	76	79	79	
3.70% March 30, 2016	76	79	79	
Wells Fargo Financial Canada Corp., (MTN)				
4.38% June 30, 2015	76	81	81	
Westcoast Energy, Inc.				
3.28% January 15, 2016	76	79	79	
Westcoast Energy, Inc., (MTN)				
7.15% March 20, 2031	76	103	104	
Total Corporate		26,208	26,265	27.6
Total Fixed Income Investments		93,406	93,857	98.5
Foreign Index Equivalents				
U.S. LIBOR GlobalAlpha Bond Fund Ltd.*	39,328	48,407	48,806	
Total Foreign Index Equivalents		48,407	48,806	51.2
Total Investments		141,813	142,663	149.7
Other Assets and Liabilities			(47,339)	(49.7)
Net Assets			95,324	100.0

*The U.S. LIBOR GlobalAlpha Bond Fund Ltd is a Cayman Islands exempted company that achieves its investment objective by investing in the BlackRock Fixed Income GlobalAlpha Fund Ltd. (“FIGA”) and Strategic Short Duration Bond Fund Ltd. (“SSD”), each an exempted company incorporated under the laws of the Cayman Islands. FIGA seeks to invest in a diversified portfolio of long and short fixed income securities across global markets and SSD seeks to invest in a diversified portfolio of debt securities and other credit-related instruments in various global markets.

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011
	(%)
Federal Non-Agency	30.1
Federal Agency	12.7
Government Guaranteed	0.1
Municipal	1.7
Provincial	26.3
Corporate	27.6
Foreign Index Equivalents	51.2
Repurchase Agreements	(11.4)
Other Assets and Liabilities	(38.3)

Open forward currency contracts and repurchase agreements held by the fund as at December 31, 2011 are shown in Notes 5 and 7 respectively.

Statement of Net Assets — As at December 31

		2011
Assets		
Investments - at fair value (Note 2)	$	32,093,859
Cash		90,891
Cash collateral		7,683,429
Unrealized gain on swaps (Note 6)		2,257,978
		42,126,157
Liabilities		
Operating expenses payable		11,596
		11,596
Net Assets	$	42,114,561
Number of Units Issued and Outstanding (Note 8)		3,848,139
Net Assets per Unit	$	10.94
Investments at Cost	$	31,701,071

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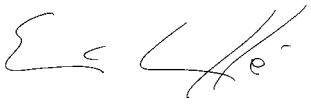

Bill Chinery, Director

Eric Léveillé, Director

BlackRock Canada Levered Long Bond Index Fund (Note 1)

Statement of Operations — For the Period Ended December 31

		2011
Revenue		
Interest income	$	653,140
		653,140
Expenses		
Fund accounting expenses		3,390
Unitholder communication costs		144
Audit fees		10,170
Securities filing fees		169
Independent review committee fees		25
Other operating expenses		47
		13,945
Net Investment Income for the Period		639,195
Gain on Investments		
Net realized gain on sale of investments		26,717
Net realized loss on swaps		(143,498)
Capital gains distributions received from other funds		421,730
Net change in unrealized appreciation in value of swap contracts		2,257,978
Net change in unrealized appreciation in value of investments		392,788
Net Gain on Investments		2,955,715
Increase in Net Assets from Operations	$	3,594,910
Increase in Net Assets from Operations per Unit	$	1.33

Statement of Changes in Net Assets — For the Period Ended December 31

		2011
Net Assets - Beginning of Period	$	-
Increase in Net Assets from Operations		3,594,910
Capital Transactions		
Proceeds from issue of units		38,519,651
Reinvestment of distributions		896,663
Net capital transactions		39,416,314
Distributions		
From net investment income		(474,933)
From capital gains		(421,730)
Total distributions		(896,663)
Increase in Net Assets for the Period		42,114,561
Net Assets - End of Period	$	42,114,561

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class A	1,157,765	31,701	32,094	
Total Canadian Fixed Income Index Equivalents		31,701	32,094	76.2
Total Investments		31,701	32,094	76.2
Other Assets and Liabilities			10,021	23.8
Net Assets			42,115	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011
	(%)
Canadian Fixed Income Index Equivalents	76.2
Swap referenced to Canadian Fixed Income Index Equivalents	5.4
Other Assets and Liabilities	18.4

Open swap contracts held by the Fund as at December 31, 2011 are shown in Note 6.

BlackRock Canada Levered Real Return Bond Index Fund (Note 1)

Statement of Net Assets — As at December 31

		2011
Assets		
Investments - at fair value (Note 2)	$	33,624,417
Cash		508,491
Cash collateral		6,562,948
Unrealized gain on swaps (Note 6)		3,517,931
		44,213,787
Liabilities		
Operating expenses payable		11,591
		11,591
Net Assets	$	44,202,196
Number of Units Issued and Outstanding (Note 8)		3,847,558
Net Assets per Unit	$	11.49
Investments at Cost	$	32,325,898

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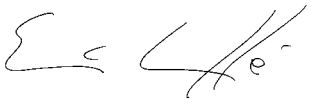

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Period Ended December 31

		2011
Revenue		
Interest income	$	558,008
		558,008
Expenses		
Fund accounting expenses		3,391
Unitholder communication costs		144
Audit fees		10,170
Securities filing fees		163
Independent review committee fees		27
Other operating expenses		46
		13,941
Net Investment Income for the Period		544,067
Gain on Investments		
Net realized loss on swaps		(143,489)
Capital gains distributions received from other funds		468,404
Net change in unrealized appreciation in value of swap contracts		3,517,931
Net change in unrealized appreciation in value of investments		1,298,519
Net Gain on Investments		5,141,365
Increase in Net Assets from Operations	$	5,685,432
Increase in Net Assets from Operations per Unit	$	2.10

Statement of Changes in Net Assets — For the Period Ended December 31

		2011
Net Assets - Beginning of Period	$	-
Increase in Net Assets from Operations		5,685,432
Capital Transactions		
Proceeds from issue of units		38,516,764
Reinvestment of distributions		848,222
Net capital transactions		39,364,986
Distributions		
From net investment income		(379,819)
From capital gains		(468,403)
Total distributions		(848,222)
Increase in Net Assets for the Period		44,202,196
Net Assets - End of Period	$	44,202,196

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value (000s)/ Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class A	1,024,594	32,326	33,624	
Total Canadian Fixed Income Index Equivalents		32,326	33,624	76.1
Total Investments		32,326	33,624	76.1
Other Assets and Liabilities			10,578	23.9
Net Assets			44,202	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011
	(%)
Canadian Fixed Income Index Equivalents	76.1
Swap referenced to Canadian Fixed Income Index Equivalents	8.0
Other Assets and Liabilities	15.9

Open swap contracts held by the Fund as at December 31, 2011 are shown in Note 6.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 916,746,654	$ 835,485,823
Cash	2,172,282	1,926,288
Securities lending income receivable	1,946	-
Dividends receivable	97,152	18,871
Accounts receivable from issue of units	826,285	-
	919,844,319	837,430,982
Liabilities		
Operating expenses payable	15,599	10,156
Payables for redemption of units	290,377	-
Payables for investment purchases	966,335	246,809
	1,272,311	256,965
Net Assets	$ 918,572,008	$ 837,174,017
Number of Units Issued and Outstanding (Note 8)	49,665,021	46,128,481
Net Assets per Unit	$ 18.50	$ 18.15
Investments at Cost	$ 874,390,270	$ 772,599,269

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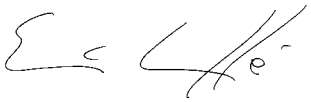
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 13,794,921	$ 11,510,069
Interest income	14,532,726	12,982,346
Securities lending income	11,795	-
Foreign exchange gain (loss)	2,996	(2,125)
Withholding taxes	(249,346)	(165,923)
	28,093,092	24,324,367
Expenses		
Custodian fees	899	110
Fund accounting expenses	6,208	5,296
Unitholder communication costs	601	602
Audit fees	10,210	10,213
Securities filing fees	13,386	479
Independent review committee fees	1,019	2,796
Other operating expenses	2,306	1,426
	34,629	20,922
Net Investment Income for the Year	28,058,463	24,303,445
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	7,464,171	(47,414,448)
Capital gains distributions received from other funds	3,455,761	1,792,081
Transaction costs (Note 2,13)	(7,379)	(2,062)
Net change in unrealized appreciation (depreciation) in value of investments	(20,530,170)	97,097,986
Net Gain (Loss) on Investments	(9,617,617)	51,473,557
Increase in Net Assets from Operations	$ 18,440,846	$ 75,777,002
Increase in Net Assets from Operations per Unit	$ 0.38	$ 1.68

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 837,174,017	$ 724,045,333
Increase in Net Assets from Operations	18,440,846	75,777,002
Capital Transactions		
Proceeds from issue of units	163,047,247	79,760,814
Reinvestment of distributions	27,088,056	24,204,858
Redemption of units	(100,090,102)	(42,409,132)
Net capital transactions	90,045,201	61,556,540
Distributions		
From net investment income	(27,088,056)	(24,204,858)
Total distributions	(27,088,056)	(24,204,858)
Increase in Net Assets for the Year	81,397,991	113,128,684
Net Assets - End of Year	$ 918,572,008	$ 837,174,017

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	8,206,777	178,284	182,650	
iShares S&P/TSX Capped REIT Index Fund	1,548,739	18,422	23,975	
Total Canadian Equity Index Equivalents		196,706	206,625	22.5
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	6,203,353	78,264	94,393	
BlackRock Canada Universe Bond Index Class D	12,083,239	260,979	274,480	
Total Canadian Fixed Income Index Equivalents		339,243	368,873	40.2
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	13,881,145	129,738	122,272	
BlackRock CDN US Equity Index Class D	20,228,941	140,420	154,165	
iShares Dow Jones U.S. Real Estate Index Fund	399,395	22,291	23,035	
iShares MSCI Emerging Markets Index Fund	1,081,982	46,004	41,777	
Total Foreign Index Equivalents		338,453	341,249	37.1
Transaction Costs (Note 2)		(12)		
Total Investments		874,390	916,747	99.8
Other Assets and Liabilities			1,825	0.2
Net Assets			918,572	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	22.5	23.0
Canadian Fixed Income Index Equivalents	40.2	39.1
Foreign Index Equivalents	37.1	37.7
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 489,253,101	$ 398,357,319
Cash	930,118	670,218
Securities lending income receivable	2	-
Dividends receivable	49,521	6,534
Accounts receivable from issue of units	61,899	-
	490,294,641	399,034,071
Liabilities		
Operating expenses payable	13,282	10,141
Payables for redemption of units	70,774	-
	84,056	10,141
Net Assets	$ 490,210,585	$ 399,023,930
Number of Units Issued and Outstanding (Note 8)	27,336,843	23,508,917
Net Assets per Unit	$ 17.93	$ 16.97
Investments at Cost	$ 461,043,449	$ 373,761,216

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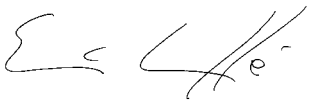
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 4,830,308	$ 3,759,286
Interest income	10,979,970	9,630,186
Securities lending income	4,748	-
Foreign exchange gain (loss)	4,125	(2,697)
Withholding taxes	(105,059)	(72,987)
	15,714,092	13,313,788
Expenses		
Custodian fees	537	153
Fund accounting expenses	6,208	8,802
Unitholder communication costs	601	602
Audit fees	9,850	10,213
Securities filing fees	6,635	-
Independent review committee fees	518	1,350
Other operating expenses	1,966	830
	26,315	21,950
Net Investment Income for the Year	15,687,777	13,291,838
Gain on Investments		
Net realized gain (loss) on sale of investments	3,043,650	(10,023,667)
Capital gains distributions received from other funds	2,748,216	1,299,786
Transaction costs (Note 2,13)	(4,005)	(2,230)
Net change in unrealized appreciation in value of investments	3,613,549	29,171,580
Net Gain on Investments	9,401,410	20,445,469
Increase in Net Assets from Operations	$ 25,089,187	$ 33,737,307
Increase in Net Assets from Operations per Unit	$ 1.01	$ 1.44

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 399,023,930	$ 346,275,351
Increase in Net Assets from Operations	25,089,187	33,737,307
Capital Transactions		
Proceeds from issue of units	100,742,208	48,401,994
Reinvestment of distributions	15,215,353	13,241,272
Redemption of units	(34,644,740)	(29,390,722)
Net capital transactions	81,312,821	32,252,544
Distributions		
From net investment income	(15,215,353)	(13,241,272)
Total distributions	(15,215,353)	(13,241,272)
Increase in Net Assets for the Year	91,186,655	52,748,579
Net Assets - End of Year	$ 490,210,585	$ 399,023,930

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	2,223,483	48,559	49,486	
iShares S&P/TSX Capped REIT Index Fund	789,426	8,686	12,220	
Total Canadian Equity Index Equivalents		57,245	61,706	12.6
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	4,895,060	61,954	74,485	
BlackRock Canada Universe Bond Index Class D	9,654,968	210,004	219,320	
Total Canadian Fixed Income Index Equivalents		271,958	293,805	59.9
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	5,346,082	49,732	47,091	
BlackRock CDN US Equity Index Class D	7,722,327	54,146	58,852	
iShares Dow Jones U.S. Real Estate Index Fund	206,531	10,518	11,911	
iShares MSCI Emerging Markets Index Fund	411,463	17,448	15,888	
Total Foreign Index Equivalents		131,844	133,742	27.3
Transaction Costs (Note 2)		(4)		
Total Investments		461,043	489,253	99.8
Other Assets and Liabilities			958	0.2
Net Assets			490,211	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	12.6	12.7
Canadian Fixed Income Index Equivalents	59.9	59.6
Foreign Index Equivalents	27.3	27.5
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 223,745,144	$ 206,054,094
Cash	424,313	492,504
Securities lending income receivable	487	-
Dividends receivable	21,825	5,840
Accounts receivable from issue of units	46,187	-
	224,237,956	206,552,438
Liabilities		
Operating expenses payable	11,901	10,141
Payables for redemption of units	60,838	-
Payables for investment purchases	-	125,908
	72,739	136,049
Net Assets	$ 224,165,217	$ 206,416,389
Number of Units Issued and Outstanding (Note 8)	12,456,344	11,269,516
Net Assets per Unit	$ 18.00	$ 18.32
Investments at Cost	$ 218,085,097	$ 189,287,236

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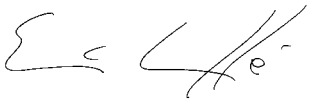
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 4,443,530	$ 3,713,109
Interest income	1,776,196	1,578,736
Securities lending income	1,784	-
Foreign exchange loss	(380)	(1,055)
Withholding taxes	(68,819)	(42,939)
	6,152,311	5,247,851
Expenses		
Custodian fees	392	139
Fund accounting expenses	6,208	8,643
Unitholder communication costs	601	602
Audit fees	9,683	10,213
Securities filing fees	3,234	-
Independent review committee fees	245	683
Other operating expenses	1,811	535
	22,174	20,815
Net Investment Income for the Year	6,130,137	5,227,036
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	930,743	(11,877,717)
Capital gains distributions received from other funds	424,952	222,274
Transaction costs (Note 2,13)	(1,757)	(1,120)
Net change in unrealized appreciation (depreciation) in value of investments	(11,106,811)	26,150,177
Net Gain (Loss) on Investments	(9,752,873)	14,493,614
Increase (Decrease) in Net Assets from Operations	$ (3,622,736)	$ 19,720,650
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.31)	$ 1.79

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 206,416,389	$ 177,321,499
Increase (Decrease) in Net Assets from Operations	(3,622,736)	19,720,650
Capital Transactions		
Proceeds from issue of units	38,616,497	25,865,361
Reinvestment of distributions	5,899,103	5,214,248
Redemption of units	(17,244,933)	(16,491,121)
Net capital transactions	27,270,667	14,588,488
Distributions		
From net investment income	(5,899,103)	(5,214,248)
Total distributions	(5,899,103)	(5,214,248)
Increase in Net Assets for the Year	17,748,828	29,094,890
Net Assets - End of Year	$ 224,165,217	$ 206,416,389

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	3,042,231	67,269	67,708	
iShares S&P/TSX Capped REIT Index Fund	347,912	4,085	5,386	
Total Canadian Equity Index Equivalents		71,354	73,094	32.6
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	766,629	9,904	11,665	
BlackRock Canada Universe Bond Index Class D	1,481,309	32,296	33,649	
Total Canadian Fixed Income Index Equivalents		42,200	45,314	20.2
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	4,369,787	40,861	38,491	
BlackRock CDN US Equity Index Class D	6,320,620	43,954	48,170	
iShares Dow Jones U.S. Real Estate Index Fund	95,660	5,180	5,517	
iShares MSCI Emerging Markets Index Fund	340,806	14,541	13,159	
Total Foreign Index Equivalents		104,536	105,337	47.0
Transaction Costs (Note 2)		(5)		
Total Investments		218,085	223,745	99.8
Other Assets and Liabilities			420	0.2
Net Assets			224,165	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	32.6	32.9
Canadian Fixed Income Index Equivalents	20.2	19.7
Foreign Index Equivalents	47.0	47.2
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 129,510,853	$ 60,011,559
Cash	751,967	333,871
Dividends receivable	177,889	805
Accounts receivable from issue of units	252,073	-
	130,692,782	60,346,235
Liabilities		
Operating expenses payable	11,411	10,211
Payables for investment purchases	793,539	152,331
	804,950	162,542
Net Assets	$ 129,887,832	$ 60,183,693
Number of Units Issued and Outstanding (Note 8)	11,164,918	5,456,821
Net Assets per Unit	$ 11.63	$ 11.03
Investments at Cost	$ 125,264,249	$ 56,329,979

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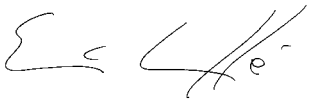

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 721,540	$ 410,994
Interest income	2,607,582	1,300,284
Securities lending income	210	-
Foreign exchange loss	(1,803)	(1,542)
Withholding taxes	(30,548)	(11,636)
	3,296,981	1,698,100
Expenses		
Custodian fees	1,321	710
Fund accounting expenses	6,208	8,975
Unitholder communication costs	601	602
Audit fees	9,585	10,260
Securities filing fees	1,548	1,038
Independent review committee fees	119	165
Other operating expenses	1,706	325
	21,088	22,075
Net Investment Income for the Year	3,275,893	1,676,025
Gain on Investments		
Net realized gain (loss) on sale of investments	334,012	(117,154)
Capital gains distributions received from other funds	938,723	198,186
Transaction costs (Note 2,13)	(12,217)	(8,387)
Net change in unrealized appreciation in value of investments	565,024	2,612,140
Net Gain on Investments	1,825,542	2,684,785
Increase in Net Assets from Operations	$ 5,101,435	$ 4,360,810
Increase in Net Assets from Operations per Unit	$ 0.61	$ 0.97

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 60,183,693	$ 40,996,475
Increase in Net Assets from Operations	5,101,435	4,360,810
Capital Transactions		
Proceeds from issue of units	79,025,842	23,317,735
Reinvestment of distributions	4,307,104	1,664,015
Redemption of units	(14,423,138)	(8,491,327)
Net capital transactions	68,909,808	16,490,423
Distributions		
From net investment income	(3,275,054)	(1,664,015)
From capital gains	(1,032,050)	-
Total distributions	(4,307,104)	(1,664,015)
Increase in Net Assets for the Year	69,704,139	19,187,218
Net Assets - End of Year	$ 129,887,832	$ 60,183,693

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	486,414	11,140	10,825	
iShares S&P/TSX Capped REIT Index Fund	192,570	2,425	2,981	
Total Canadian Equity Index Equivalents		13,565	13,806	10.6
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	1,252,294	16,797	19,055	
BlackRock Canada Universe Bond Index Class D	2,582,272	56,678	58,659	
Total Canadian Fixed Income Index Equivalents		73,475	77,714	59.9
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	578,191	5,686	5,093	
BlackRock CDN US Equity Index Class D	48,388	357	369	
iShares Dow Jones U.S. Real Estate Index Fund	51,434	2,677	2,966	
iShares GSCI Commodity Trust	189,429	6,100	6,344	
iShares MSCI EAFE Index Fund (CAD-Hedged)	377,966	6,426	5,904	
iShares MSCI Emerging Markets Index Fund	99,265	4,108	3,833	
iShares Russell 2000 Index Fund	14,268	1,010	1,072	
iShares S&P 500 Index Fund (CAD-Hedged)	770,798	10,400	11,015	
iShares S&P Global Infrastructure Index Fund	42,811	1,479	1,395	
Total Foreign Index Equivalents		38,243	37,991	29.2
Transaction Costs (Note 2)		(19)		
Total Investments		125,264	129,511	99.7
Other Assets and Liabilities			377	0.3
Net Assets			129,888	100.0

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	10.6	11.2
Canadian Fixed Income Index Equivalents	59.9	59.9
Foreign Index Equivalents	29.2	28.6
Other Assets and Liabilities	0.3	0.3

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 116,532,968	$ 124,038,383
Cash	148,339	439,668
Dividends receivable	163,621	1,656
Accounts receivable from issue of units	136,328	-
	116,981,256	124,479,707
Liabilities		
Operating expenses payable	11,347	10,196
Payables for investment purchases	215,000	189,732
	226,347	199,928
Net Assets	$ 116,754,909	$ 124,279,779
Number of Units Issued and Outstanding (Note 8)	10,249,180	11,506,736
Net Assets per Unit	$ 11.39	$ 10.80
Investments at Cost	$ 109,045,645	$ 116,200,602

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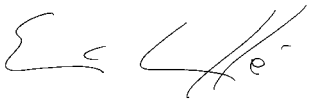

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 724,577	$ 946,835
Interest income	2,843,537	2,990,939
Securities lending income	263	-
Foreign exchange loss	(923)	(2,530)
Withholding taxes	(33,019)	(27,309)
	3,534,435	3,907,935
Expenses		
Custodian fees	618	404
Fund accounting expenses	6,208	8,975
Unitholder communication costs	601	602
Audit fees	9,609	10,260
Securities filing fees	1,787	-
Independent review committee fees	135	448
Other operating expenses	1,744	432
	20,702	21,121
Net Investment Income for the Year	3,513,733	3,886,814
Gain on Investments		
Net realized gain (loss) on sale of investments	2,309,939	(503,963)
Capital gains distributions received from other funds	955,154	409,165
Transaction costs (Note 2,13)	(4,582)	(12,808)
Net change in unrealized appreciation (depreciation) in value of investments	(350,458)	6,379,585
Net Gain on Investments	2,910,053	6,271,979
Increase in Net Assets from Operations	$ 6,423,786	$ 10,158,793
Increase in Net Assets from Operations per Unit	$ 0.59	$ 0.88

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 124,279,779	$ 120,247,691
Increase in Net Assets from Operations	6,423,786	10,158,793
Capital Transactions		
Proceeds from issue of units	17,569,374	18,108,509
Reinvestment of distributions	3,607,032	3,845,353
Redemption of units	(31,518,030)	(24,235,214)
Net capital transactions	(10,341,624)	(2,281,352)
Distributions		
From net investment income	(3,512,640)	(3,845,353)
From capital gains	(94,392)	-
Total distributions	(3,607,032)	(3,845,353)
Increase (Decrease) in Net Assets for the Year	(7,524,870)	4,032,088
Net Assets - End of Year	$ 116,754,909	$ 124,279,779

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	444,636	9,737	9,896	
iShares S&P/TSX Capped REIT Index Fund	173,727	1,738	2,689	
Total Canadian Equity Index Equivalents		11,475	12,585	10.8
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	1,122,394	13,957	17,079	
BlackRock Canada Universe Bond Index Class D	2,320,938	49,866	52,722	
Total Canadian Fixed Income Index Equivalents		63,823	69,801	59.8
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	543,061	6,080	4,783	
BlackRock CDN US Equity Index Class D	24,247	174	185	
iShares Dow Jones U.S. Real Estate Index Fund	45,515	2,061	2,625	
iShares GSCI Commodity Trust	169,001	5,096	5,660	
iShares MSCI EAFE Index Fund (CAD-Hedged)	335,807	5,826	5,245	
iShares MSCI Emerging Markets Index Fund	86,362	3,435	3,335	
iShares Russell 2000 Index Fund	12,985	925	976	
iShares S&P 500 Index Fund (CAD-Hedged)	711,048	8,956	10,161	
iShares S&P Global Infrastructure Index Fund	36,136	1,223	1,177	
Total Foreign Index Equivalents		33,776	34,147	29.2
Transaction Costs (Note 2)		(28)		
Total Investments		109,046	116,533	99.8
Other Assets and Liabilities			222	0.2
Net Assets			116,755	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	10.8	11.1
Canadian Fixed Income Index Equivalents	59.8	59.9
Foreign Index Equivalents	29.2	28.8
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 360,073,692	$ 205,766,864
Cash	2,177,953	585,215
Dividends receivable	520,430	3,430
Accounts receivable from issue of units	232,697	-
Accounts receivable for investment sales	1,250,000	-
	364,254,772	206,355,509
Liabilities		
Operating expenses payable	12,611	10,271
Payables for investment purchases	3,459,619	171,437
	3,472,230	181,708
Net Assets	$ 360,782,542	$ 206,173,801
Number of Units Issued and Outstanding (Note 8)	32,731,212	19,392,071
Net Assets per Unit	$ 11.02	$ 10.63
Investments at Cost	$ 343,106,376	$ 186,566,886

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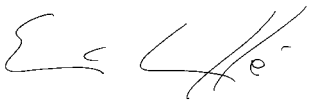

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 3,036,206	$ 2,054,296
Interest income	6,212,251	3,590,937
Securities lending income	746	-
Foreign exchange loss	(1,785)	(4,846)
Withholding taxes	(127,540)	(62,959)
	9,119,878	5,577,428
Expenses		
Custodian fees	1,634	943
Fund accounting expenses	6,208	8,713
Unitholder communication costs	601	602
Audit fees	9,737	10,260
Securities filing fees	4,539	1,502
Independent review committee fees	350	584
Other operating expenses	1,832	508
	24,901	23,112
Net Investment Income for the Year	9,094,977	5,554,316
Gain on Investments		
Net realized gain (loss) on sale of investments	773,095	(270,915)
Capital gains distributions received from other funds	2,393,168	526,238
Transaction costs (Note 2,13)	(28,015)	(26,696)
Net change in unrealized appreciation (depreciation) in value of investments	(2,232,662)	10,089,884
Net Gain on Investments	905,586	10,318,511
Increase in Net Assets from Operations	$ 10,000,563	$ 15,872,827
Increase in Net Assets from Operations per Unit	$ 0.38	$ 0.96

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 206,173,801	$ 147,299,247
Increase in Net Assets from Operations	10,000,563	15,872,827
Capital Transactions		
Proceeds from issue of units	163,922,444	62,636,869
Reinvestment of distributions	12,378,896	5,810,064
Redemption of units	(19,314,266)	(19,635,142)
Net capital transactions	156,987,074	48,811,791
Distributions		
From net investment income	(9,093,752)	(5,505,771)
From capital gains	(3,285,144)	(304,293)
Total distributions	(12,378,896)	(5,810,064)
Increase in Net Assets for the Year	154,608,741	58,874,554
Net Assets - End of Year	$ 360,782,542	$ 206,173,801

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	2,092,306	45,769	46,566	
iShares S&P/TSX Capped REIT Index Fund	649,944	7,555	10,061	
Total Canadian Equity Index Equivalents		53,324	56,627	15.7
Canadian Fixed Income Index Equivalents				
BlackRock Canada Real Return Bond Index Class D	3,143,598	41,242	47,834	
BlackRock Canada Universe Bond Index Class D	5,751,178	125,766	130,643	
Total Canadian Fixed Income Index Equivalents		167,008	178,477	49.5
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	2,092,267	20,197	18,430	
BlackRock CDN US Equity Index Class D	919,634	6,394	7,009	
iShares Dow Jones U.S. Real Estate Index Fund	173,355	8,585	9,998	
iShares GSCI Commodity Trust	492,083	15,587	16,480	
iShares MSCI EAFE Index Fund (CAD-Hedged)	1,165,688	19,455	18,208	
iShares MSCI Emerging Markets Index Fund	331,274	13,323	12,791	
iShares Russell 2000 Index Fund	47,502	3,235	3,571	
iShares S&P 500 Index Fund (CAD-Hedged)	2,177,325	28,306	31,114	
iShares S&P Global Infrastructure Index Fund	226,238	7,753	7,369	
Total Foreign Index Equivalents		122,835	124,970	34.6
Transaction Costs (Note 2)		(61)		
Total Investments		343,106	360,074	99.8
Other Assets and Liabilities			709	0.2
Net Assets			360,783	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	15.7	17.3
Canadian Fixed Income Index Equivalents	49.5	47.1
Foreign Index Equivalents	34.6	35.4
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 719,090,762	$ 493,626,088
Cash	2,790,655	1,634,145
Securities lending income receivable	143	46
Dividends receivable	1,018,323	9,571
Accounts receivable from issue of units	457,366	-
	723,357,249	495,269,850
Liabilities		
Operating expenses payable	14,488	10,230
Payables for redemption of units	220,759	-
Payables for investment purchases	2,598,099	641,245
	2,833,346	651,475
Net Assets	$ 720,523,903	$ 494,618,375
Number of Units Issued and Outstanding (Note 8)	68,539,337	48,708,491
Net Assets per Unit	$ 10.51	$ 10.15
Investments at Cost	$ 692,538,844	$ 463,899,610

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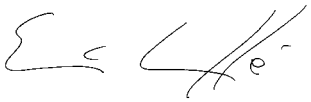

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 8,254,170	$ 5,908,694
Interest income	10,241,294	7,059,175
Securities lending income	2,482	838
Foreign exchange loss	(2,524)	(10,282)
Withholding taxes	(330,063)	(182,933)
	18,165,359	12,775,492
Expenses		
Custodian fees	1,742	888
Fund accounting expenses	6,208	8,975
Unitholder communication costs	601	602
Audit fees	9,995	10,260
Securities filing fees	9,546	1,561
Independent review committee fees	731	1,416
Other operating expenses	2,069	866
	30,892	24,568
Net Investment Income for the Year	18,134,467	12,750,924
Gain on Investments		
Net realized gain (loss) on sale of investments	755,870	(3,041,498)
Capital gains distributions received from other funds	4,968,564	990,847
Transaction costs (Note 2,13)	(37,290)	(58,346)
Net change in unrealized appreciation (depreciation) in value of investments	(3,174,560)	33,997,433
Net Gain on Investments	2,512,584	31,888,436
Increase in Net Assets from Operations	$ 20,647,051	$ 44,639,360
Increase in Net Assets from Operations per Unit	$ 0.35	$ 1.05

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 494,618,375	$ 355,183,270
Increase in Net Assets from Operations	20,647,051	44,639,360
Capital Transactions		
Proceeds from issue of units	238,440,425	116,144,484
Reinvestment of distributions	18,132,690	12,613,555
Redemption of units	(33,181,948)	(21,348,739)
Net capital transactions	223,391,167	107,409,300
Distributions		
From net investment income	(18,132,690)	(12,613,555)
Total distributions	(18,132,690)	(12,613,555)
Increase in Net Assets for the Year	225,905,528	139,435,105
Net Assets - End of Year	$ 720,523,903	$ 494,618,375

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	5,772,504	130,736	128,473	
iShares S&P/TSX Capped REIT Index Fund	1,553,682	18,905	24,051	
Total Canadian Equity Index Equivalents		149,641	152,524	21.2
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class D	9,808,305	126,789	144,551	
BlackRock Canada Real Return Bond Index Class D	5,395,994	68,918	82,107	
BlackRock Canada Universe Bond Index Class D	1,962,314	42,531	44,576	
Total Canadian Fixed Income Index Equivalents		238,238	271,234	37.6
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	6,220,158	66,226	54,790	
BlackRock CDN US Equity Index Class D	4,248,291	31,985	32,376	
iShares Dow Jones U.S. Real Estate Index Fund	411,330	21,589	23,723	
iShares GSCI Commodity Trust	971,959	30,115	32,551	
iShares MSCI EAFE Index Fund (CAD-Hedged)	2,301,804	39,816	35,954	
iShares MSCI Emerging Markets Index Fund	796,061	33,232	30,738	
iShares Russell 2000 Index Fund	106,867	7,796	8,033	
iShares S&P 500 Index Fund (CAD-Hedged)	4,089,153	53,673	58,434	
iShares S&P Global Infrastructure Index Fund	365,533	12,965	11,907	
iShares S&P Global Utilities Sector Index Fund	165,917	7,348	6,827	
Total Foreign Index Equivalents		304,745	295,333	41.0
Transaction Costs (Note 2)		(85)		
Total Investments		692,539	719,091	99.8
Other Assets and Liabilities			1,433	0.2
Net Assets			720,524	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	21.2	21.8
Canadian Fixed Income Index Equivalents	37.6	36.8
Foreign Index Equivalents	41.0	41.2
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 471,902,344	$ 256,346,797
Cash	4,500,660	852,344
Securities lending income receivable	43	-
Dividends receivable	611,131	5,596
Accounts receivable from issue of units	1,265,720	-
	478,279,898	257,204,737
Liabilities		
Operating expenses payable	13,178	10,258
Payables for investment purchases	5,549,004	336,270
	5,562,182	346,528
Net Assets	$ 472,717,716	$ 256,858,209
Number of Units Issued and Outstanding (Note 8)	45,967,392	25,505,813
Net Assets per Unit	$ 10.28	$ 10.07
Investments at Cost	$ 451,798,769	$ 228,940,342

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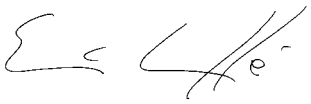
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 6,130,629	$ 3,485,427
Interest income	4,941,839	2,830,903
Securities lending income	1,290	-
Foreign exchange loss	(3,870)	(7,418)
Withholding taxes	(234,063)	(103,643)
	10,835,825	6,205,269
Expenses		
Custodian fees	2,080	1,325
Fund accounting expenses	6,208	8,724
Unitholder communication costs	601	602
Audit fees	9,793	10,260
Securities filing fees	5,808	1,874
Independent review committee fees	450	664
Other operating expenses	1,880	557
	26,820	24,006
Net Investment Income for the Year	10,809,005	6,181,263
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	462,357	(873,766)
Capital gains distributions received from other funds	2,736,935	433,423
Transaction costs (Note 2,13)	(36,532)	(36,724)
Net change in unrealized appreciation (depreciation) in value of investments	(7,302,880)	17,151,889
Net Gain (Loss) on Investments	(4,140,120)	16,674,822
Increase in Net Assets from Operations	$ 6,668,885	$ 22,856,085
Increase in Net Assets from Operations per Unit	$ 0.19	$ 1.10

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 256,858,209	$ 160,519,186
Increase in Net Assets from Operations	6,668,885	22,856,085
Capital Transactions		
Proceeds from issue of units	218,422,190	83,594,972
Reinvestment of distributions	13,760,658	6,132,459
Redemption of units	(9,231,568)	(10,112,034)
Net capital transactions	222,951,280	79,615,397
Distributions		
From net investment income	(10,806,093)	(6,132,459)
From capital gains	(2,954,565)	-
Total distributions	(13,760,658)	(6,132,459)
Increase in Net Assets for the Year	215,859,507	96,339,023
Net Assets - End of Year	$ 472,717,716	$ 256,858,209

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	4,395,075	97,230	97,817	
iShares S&P/TSX Capped REIT Index Fund	1,135,880	13,843	17,584	
Total Canadian Equity Index Equivalents		111,073	115,401	24.4
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class D	7,885,030	103,240	116,206	
BlackRock Canada Real Return Bond Index Class D	1,369,715	18,083	20,842	
Total Canadian Fixed Income Index Equivalents		121,323	137,048	29.0
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	5,053,818	48,807	44,516	
BlackRock CDN US Equity Index Class D	4,354,593	31,012	33,186	
iShares Dow Jones U.S. Real Estate Index Fund	303,357	15,539	17,496	
iShares GSCI Commodity Trust	696,239	22,191	23,317	
iShares MSCI EAFE Index Fund (CAD-Hedged)	1,384,964	23,393	21,633	
iShares MSCI Emerging Markets Index Fund	594,790	24,589	22,966	
iShares Russell 2000 Index Fund	83,736	5,769	6,294	
iShares S&P 500 Index Fund (CAD-Hedged)	2,421,593	31,754	34,605	
iShares S&P Global Infrastructure Index Fund	400,285	13,916	13,039	
iShares S&P Global Utilities Sector Index Fund	58,348	2,522	2,401	
Total Foreign Index Equivalents		219,492	219,453	46.4
Transaction Costs (Note 2)		(89)		
Total Investments		451,799	471,902	99.8
Other Assets and Liabilities			816	0.2
Net Assets			472,718	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	24.4	25.4
Canadian Fixed Income Index Equivalents	29.0	28.3
Foreign Index Equivalents	46.4	46.1
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 514,229,972	$ 337,633,725
Cash	2,876,728	1,126,362
Securities lending income receivable	706	-
Dividends receivable	580,178	7,915
Accounts receivable from issue of units	1,070,845	-
Accounts receivable for investment sales	2,250,000	-
	521,008,429	338,768,002
Liabilities		
Operating expenses payable	13,395	10,299
Payables for investment purchases	5,730,440	445,843
	5,743,835	456,142
Net Assets	$ 515,264,594	$ 338,311,860
Number of Units Issued and Outstanding (Note 8)	53,010,297	34,768,403
Net Assets per Unit	$ 9.72	$ 9.73
Investments at Cost	$ 510,456,160	$ 317,250,291

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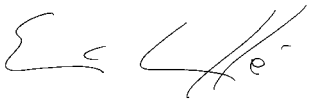
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 8,236,095	$ 5,546,008
Interest income	3,773,098	2,628,868
Securities lending income	2,469	575
Foreign exchange loss	(4,211)	(5,338)
Withholding taxes	(305,427)	(170,705)
	11,702,024	7,999,408
Expenses		
Custodian fees	1,720	1,087
Fund accounting expenses	6,208	8,804
Unitholder communication costs	601	602
Audit fees	9,846	10,260
Securities filing fees	6,702	981
Independent review committee fees	514	960
Other operating expenses	1,939	670
	27,530	23,364
Net Investment Income for the Year	11,674,494	7,976,044
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	417,452	(2,038,600)
Capital gains distributions received from other funds	2,370,056	414,530
Transaction costs (Note 2,13)	(27,955)	(43,668)
Net change in unrealized appreciation (depreciation) in value of investments	(16,609,622)	25,890,432
Net Gain (Loss) on Investments	(13,850,069)	24,222,694
Increase (Decrease) in Net Assets from Operations	$ (2,175,575)	$ 32,198,738
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.05)	$ 1.08

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 338,311,860	$ 237,621,298
Increase (Decrease) in Net Assets from Operations	(2,175,575)	32,198,738
Capital Transactions		
Proceeds from issue of units	195,819,482	82,791,031
Reinvestment of distributions	11,672,161	7,891,151
Redemption of units	(16,691,173)	(14,299,207)
Net capital transactions	190,800,470	76,382,975
Distributions		
From net investment income	(11,672,161)	(7,891,151)
Total distributions	(11,672,161)	(7,891,151)
Increase in Net Assets for the Year	176,952,734	100,690,562
Net Assets - End of Year	$ 515,264,594	$ 338,311,860

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	6,042,394	137,498	134,480	
iShares S&P/TSX Capped REIT Index Fund	1,315,893	15,911	20,370	
Total Canadian Equity Index Equivalents		153,409	154,850	30.1
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class D	6,858,172	89,276	101,073	
Total Canadian Fixed Income Index Equivalents		89,276	101,073	19.6
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	6,680,915	69,158	58,849	
BlackRock CDN US Equity Index Class D	6,708,882	50,524	51,128	
iShares Dow Jones U.S. Real Estate Index Fund	354,781	18,603	20,461	
iShares GSCI Commodity Trust	651,593	20,163	21,822	
iShares MSCI EAFE Index Fund (CAD-Hedged)	1,327,021	22,890	20,728	
iShares MSCI Emerging Markets Index Fund	711,913	29,961	27,488	
iShares Russell 2000 Index Fund	98,268	7,016	7,387	
iShares S&P 500 Index Fund (CAD-Hedged)	2,180,112	28,847	31,154	
iShares S&P Global Infrastructure Index Fund	388,809	13,512	12,665	
iShares S&P Global Utilities Sector Index Fund	160,996	7,180	6,625	
Total Foreign Index Equivalents		267,854	258,307	50.1
Transaction Costs (Note 2)		(83)		
Total Investments		510,456	514,230	99.8
Other Assets and Liabilities			1,035	0.2
Net Assets			515,265	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	30.1	31.1
Canadian Fixed Income Index Equivalents	19.6	18.9
Foreign Index Equivalents	50.1	49.8
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 277,006,931	$ 147,684,593
Cash	1,740,375	515,869
Dividends receivable	257,706	3,679
Accounts receivable from issue of units	681,060	-
Accounts receivable for investment sales	1,736,000	-
	281,422,072	148,204,141
Liabilities		
Operating expenses payable	12,189	10,237
Payables for redemption of units	126,489	-
Payables for investment purchases	3,732,203	220,795
	3,870,881	231,032
Net Assets	$ 277,551,191	$ 147,973,109
Number of Units Issued and Outstanding (Note 8)	29,501,547	15,416,872
Net Assets per Unit	$ 9.41	$ 9.60
Investments at Cost	$ 272,959,609	$ 130,941,549

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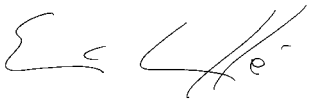

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 5,362,109	$ 2,606,615
Interest income	1,140,220	633,775
Securities lending income	856	-
Foreign exchange loss	(3,483)	(2,942)
Withholding taxes	(174,530)	(81,219)
	6,325,172	3,156,229
Expenses		
Custodian fees	1,528	1,208
Fund accounting expenses	6,208	9,250
Unitholder communication costs	601	624
Audit fees	9,672	10,260
Securities filing fees	3,377	837
Independent review committee fees	262	359
Other operating expenses	1,784	422
	23,432	22,960
Net Investment Income for the Year	6,301,740	3,133,269
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	164,806	(319,355)
Capital gains distributions received from other funds	415,211	104,557
Transaction costs (Note 2,13)	(18,656)	(20,918)
Net change in unrealized appreciation (depreciation) in value of investments	(12,695,722)	10,385,033
Net Gain (Loss) on Investments	(12,134,361)	10,149,317
Increase (Decrease) in Net Assets from Operations	$ (5,832,621)	$ 13,282,586
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.27)	$ 1.08

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 147,973,109	$ 84,191,168
Increase (Decrease) in Net Assets from Operations	(5,832,621)	13,282,586
Capital Transactions		
Proceeds from issue of units	140,852,908	54,705,408
Reinvestment of distributions	6,786,217	3,107,096
Redemption of units	(5,442,205)	(4,206,053)
Net capital transactions	142,196,920	53,606,451
Distributions		
From net investment income	(5,822,029)	(3,107,096)
From capital gains	(964,188)	-
Total distributions	(6,786,217)	(3,107,096)
Increase in Net Assets for the Year	129,578,082	63,781,941
Net Assets - End of Year	$ 277,551,191	$ 147,973,109

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	3,837,151	85,703	85,400	
iShares S&P/TSX Capped REIT Index Fund	723,360	8,895	11,197	
Total Canadian Equity Index Equivalents		94,598	96,597	34.8
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class D	2,252,592	29,794	33,198	
Total Canadian Fixed Income Index Equivalents		29,794	33,198	12.0
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	4,110,116	39,724	36,204	
BlackRock CDN US Equity Index Class D	4,585,772	32,952	34,948	
iShares Dow Jones U.S. Real Estate Index Fund	193,421	9,994	11,155	
iShares GSCI Commodity Trust	283,700	8,956	9,501	
iShares MSCI EAFE Index Fund (CAD-Hedged)	586,980	9,996	9,169	
iShares MSCI Emerging Markets Index Fund	413,176	17,187	15,953	
iShares Russell 2000 Index Fund	57,267	3,998	4,305	
iShares S&P 500 Index Fund (CAD-Hedged)	895,082	11,850	12,791	
iShares S&P Global Infrastructure Index Fund	350,494	12,094	11,417	
iShares S&P Global Utilities Sector Index Fund	42,983	1,865	1,769	
Total Foreign Index Equivalents		148,616	147,212	53.0
Transaction Costs (Note 2)		(48)		
Total Investments		272,960	277,007	99.8
Other Assets and Liabilities			544	0.2
Net Assets			277,551	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	34.8	36.0
Canadian Fixed Income Index Equivalents	12.0	10.9
Foreign Index Equivalents	53.0	52.9
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 265,429,372	$ 175,180,418
Cash	1,118,839	636,424
Dividends receivable	190,476	4,568
Accounts receivable from issue of units	658,780	-
Accounts receivable for investment sales	2,361,896	-
	269,759,363	175,821,410
Liabilities		
Operating expenses payable	12,151	10,279
Payables for redemption of units	11,411	-
Payables for investment purchases	3,791,396	275,967
	3,814,958	286,246
Net Assets	$ 265,944,405	$ 175,535,164
Number of Units Issued and Outstanding (Note 8)	29,072,170	18,515,001
Net Assets per Unit	$ 9.15	$ 9.48
Investments at Cost	$ 265,893,113	$ 160,518,050

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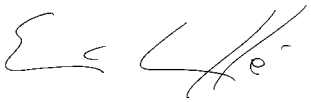


Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 5,862,494	$ 3,516,508
Interest income	459,044	300,833
Securities lending income	943	-
Foreign exchange loss	(1,952)	(8,818)
Withholding taxes	(190,953)	(111,593)
	6,129,576	3,696,930
Expenses		
Custodian fees	1,140	1,039
Fund accounting expenses	6,208	8,975
Unitholder communication costs	601	602
Audit fees	9,682	10,260
Securities filing fees	3,439	542
Independent review committee fees	265	468
Other operating expenses	1,799	467
	23,134	22,353
Net Investment Income for the Year	6,106,442	3,674,577
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	37,848	(804,815)
Capital gains distributions received from other funds	168,378	48,626
Transaction costs (Note 2,13)	(13,453)	(21,643)
Net change in unrealized appreciation (depreciation) in value of investments	(15,126,109)	13,413,851
Net Gain (Loss) on Investments	(14,933,336)	12,636,019
Increase (Decrease) in Net Assets from Operations	$ (8,826,894)	$ 16,310,596
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.38)	$ 1.04

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 175,535,164	$ 113,887,947
Increase (Decrease) in Net Assets from Operations	(8,826,894)	16,310,596
Capital Transactions		
Proceeds from issue of units	111,085,035	56,190,925
Reinvestment of distributions	5,918,460	3,646,842
Redemption of units	(11,848,900)	(10,854,304)
Net capital transactions	105,154,595	48,983,463
Distributions		
From net investment income	(5,638,446)	(3,646,842)
From capital gains	(280,014)	-
Total distributions	(5,918,460)	(3,646,842)
Increase in Net Assets for the Year	90,409,241	61,647,217
Net Assets - End of Year	$ 265,944,405	$ 175,535,164

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	4,248,342	95,420	94,551	
iShares S&P/TSX Capped REIT Index Fund	702,186	8,094	10,870	
Total Canadian Equity Index Equivalents		103,514	105,421	39.6
Canadian Fixed Income Index Equivalents				
BlackRock Canada Long Bond Index Class D	1,005,162	13,450	14,814	
Total Canadian Fixed Income Index Equivalents		13,450	14,814	5.6
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	4,477,364	45,143	39,439	
BlackRock CDN US Equity Index Class D	5,262,206	38,600	40,103	
iShares Dow Jones U.S. Real Estate Index Fund	196,827	9,981	11,352	
iShares GSCI Commodity Trust	185,684	5,603	6,218	
iShares MSCI EAFE Index Fund (CAD-Hedged)	396,387	6,736	6,191	
iShares MSCI Emerging Markets Index Fund	393,217	16,377	15,183	
iShares Russell 2000 Index Fund	57,975	4,057	4,358	
iShares S&P 500 Index Fund (CAD-Hedged)	602,811	7,900	8,614	
iShares S&P Global Infrastructure Index Fund	392,113	13,572	12,773	
iShares S&P Global Utilities Sector Index Fund	23,403	1,004	963	
Total Foreign Index Equivalents		148,973	145,194	54.6
Transaction Costs (Note 2)		(44)		
Total Investments		265,893	265,429	99.8
Other Assets and Liabilities			515	0.2
Net Assets			265,944	100.0

Portfolio Concentration
(as a percentage of Net Assets)

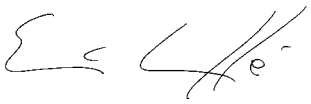
Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	39.6	40.5
Canadian Fixed Income Index Equivalents	5.6	4.3
Foreign Index Equivalents	54.6	55.0
Other Assets and Liabilities	0.2	0.2

Statement of Net Assets — As at December 31

		2011		2010
Assets				
Investments - at fair value (Note 2)	$	123,043,668	$	60,241,753
Cash		907,275		283,704
Dividends receivable		57,832		1,610
Accounts receivable from issue of units		608,251		-
Accounts receivable for investment sales		1,440,000		-
		126,057,026		60,527,067
Liabilities				
Operating expenses payable		11,404		10,216
Payables for investment purchases		2,638,421		95,327
		2,649,825		105,543
Net Assets	$	123,407,201	$	60,421,524
Number of Units Issued and Outstanding (Note 8)		13,108,318		6,103,394
Net Assets per Unit	$	9.41	$	9.90
Investments at Cost	$	123,422,077	$	52,518,554

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 2,714,838	$ 1,231,497
Interest income	2,790	517
Securities lending income	129	-
Foreign exchange loss	(1,868)	(2,354)
Withholding taxes	(81,925)	(36,042)
	2,633,964	1,193,618
Expenses		
Custodian fees	1,468	1,180
Fund accounting expenses	6,208	9,313
Unitholder communication costs	601	624
Audit fees	9,580	10,260
Securities filing fees	1,460	214
Independent review committee fees	113	130
Other operating expenses	1,706	321
	21,136	22,042
Net Investment Income for the Year	2,612,828	1,171,576
Gain (Loss) on Investments		
Net realized gain on sale of investments	145,201	54,949
Transaction costs (Note 2,13)	(8,160)	(7,287)
Net change in unrealized appreciation (depreciation) in value of investments	(8,101,608)	4,276,093
Net Gain (Loss) on Investments	(7,964,567)	4,323,755
Increase (Decrease) in Net Assets from Operations	$ (5,351,739)	$ 5,495,331
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.58)	$ 1.18

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 60,421,524	$ 28,722,456
Increase (Decrease) in Net Assets from Operations	(5,351,739)	5,495,331
Capital Transactions		
Proceeds from issue of units	72,260,406	28,449,942
Reinvestment of distributions	2,790,134	1,230,294
Redemption of units	(3,922,990)	(2,246,205)
Net capital transactions	71,127,550	27,434,031
Distributions		
From net investment income	(2,468,194)	(1,167,088)
From capital gains	(321,940)	(63,206)
Total distributions	(2,790,134)	(1,230,294)
Increase in Net Assets for the Year	62,985,677	31,699,068
Net Assets - End of Year	$ 123,407,201	$ 60,421,524

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Canadian Equity Index Class D	2,175,290	48,626	48,413	
iShares S&P/TSX Capped REIT Index Fund	321,284	4,148	4,974	
Total Canadian Equity Index Equivalents		52,774	53,387	43.3
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	2,322,269	22,237	20,456	
BlackRock CDN US Equity Index Class D	2,819,371	20,283	21,486	
iShares Dow Jones U.S. Real Estate Index Fund	81,350	4,250	4,692	
iShares GSCI Commodity Trust	39,997	1,297	1,340	
iShares MSCI EAFE Index Fund (CAD-Hedged)	114,103	1,946	1,782	
iShares MSCI Emerging Markets Index Fund	205,734	8,565	7,944	
iShares Russell 2000 Index Fund	30,586	2,158	2,299	
iShares S&P 500 Index Fund (CAD-Hedged)	179,809	2,437	2,569	
iShares S&P Global Infrastructure Index Fund	217,622	7,493	7,089	
Total Foreign Index Equivalents		70,666	69,657	56.4
Transaction Costs (Note 2)		(18)		
Total Investments		123,422	123,044	99.7
Other Assets and Liabilities			363	0.3
Net Assets			123,407	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	43.3	45.5
Foreign Index Equivalents	56.4	54.2
Other Assets and Liabilities	0.3	0.3

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 32,015,118	$ 52,575,704
Cash	26,492	85,104
Dividends receivable	3,428	1,114
Accounts receivable for investment sales	188,163	-
	32,233,201	52,661,922
Liabilities		
Operating expenses payable	10,891	10,162
Payables for redemption of units	-	8,763,966
Payables for investment purchases	180,000	-
	190,891	8,774,128
Net Assets	$ 32,042,310	$ 43,887,794
Number of Units Issued and Outstanding (Note 8)	1,300,090	1,794,377
Net Assets per Unit	$ 24.65	$ 24.46
Investments at Cost	$ 33,004,339	$ 53,081,029

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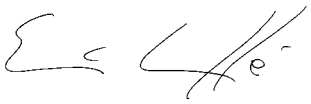

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 271,680	$ 856,586
Interest income	445,044	1,016,604
Foreign exchange gain (loss)	(1,594)	5,726
Withholding taxes	(8,962)	(25,679)
	706,168	1,853,237
Expenses		
Custodian fees	103	180
Fund accounting expenses	6,208	8,616
Unitholder communication costs	601	602
Audit fees	9,543	10,213
Securities filing fees	518	-
Independent review committee fees	23	517
Other operating expenses	1,681	465
	18,677	20,593
Net Investment Income for the Year	687,491	1,832,644
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	39,141	(2,831,603)
Capital gains distributions received from other funds	316,566	-
Transaction costs (Note 2,13)	(784)	(4,888)
Net change in unrealized appreciation (depreciation) in value of investments	(483,896)	12,245,306
Net Gain (Loss) on Investments	(128,973)	9,408,815
Increase in Net Assets from Operations	$ 558,518	$ 11,241,459
Increase in Net Assets from Operations per Unit	$ 0.39	$ 1.91

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 43,887,794	$ 136,839,590
Increase in Net Assets from Operations	558,518	11,241,459
Capital Transactions		
Proceeds from issue of units	-	3,614,391
Reinvestment of distributions	637,749	1,809,953
Redemption of units	(12,404,002)	(107,807,646)
Net capital transactions	(11,766,253)	(102,383,302)
Distributions		
From net investment income	(637,749)	(1,809,953)
Total distributions	(637,749)	(1,809,953)
Decrease in Net Assets for the Year	(11,845,484)	(92,951,796)
Net Assets - End of Year	$ 32,042,310	$ 43,887,794

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Canadian Equity Index Equivalents				
BlackRock Active Canadian Equity Fund	247,844	7,851	7,662	
iShares S&P/TSX Capped REIT Index Fund	54,649	590	846	
Total Canadian Equity Index Equivalents		8,441	8,508	26.5
Canadian Fixed Income Index Equivalents				
BlackRock Canada CoreActive Universe Bond Class A	530,225	11,337	10,688	
Total Canadian Fixed Income Index Equivalents		11,337	10,688	33.4
Foreign Index Equivalents				
Alpha Tilts Fund B	119,865	4,268	4,528	
BlackRock CDN Global Market Selection Class A	31,565	1,779	1,561	
International Alpha Tilts Fund B	242,734	4,925	4,538	
iShares Dow Jones U.S. Real Estate Index Fund	13,670	743	788	
iShares MSCI Emerging Markets Index Fund	36,350	1,512	1,404	
Total Foreign Index Equivalents		13,227	12,819	40.0
Transaction Costs (Note 2)		(1)		
Total Investments		33,004	32,015	99.9
Other Assets and Liabilities			27	0.1
Net Assets			32,042	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Canadian Equity Index Equivalents	26.5	32.4
Canadian Fixed Income Index Equivalents	33.4	38.3
Foreign Index Equivalents	40.0	49.1
Other Assets and Liabilities	0.1	(19.8)

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 869,519,944	$ 821,806,670
Cash	1,221,677	537,330
Net unrealized gain on forward currency contracts (Note 5)	30,206,282	24,431,812
	900,947,903	846,775,812
Liabilities		
Operating expenses payable	25,538	20,405
Payables for investment purchases	22,715,229	-
Net unrealized loss on forward currency contracts (Note 5)	3,222,149	5,204,369
	25,962,916	5,224,774
Net Assets	$ 874,984,987	$ 841,551,038
Net Assets per Class		
Class A	$ 874,984,987	$ 841,551,038
	$ 874,984,987	$ 841,551,038
Number of Units Issued and Outstanding (Note 8)		
Class A	17,691,971	16,245,602
Net Assets per Unit		
Class A	$ 49.46	$ 51.80
Investments at Cost	$ 790,751,749	$ 707,402,773

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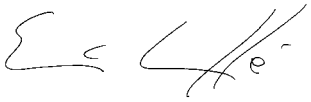
Manager of the Funds

Bill Chinery, Director



Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 11,217	$ 2,603
Foreign exchange gain (loss)	353,630	(14,388,328)
	364,847	(14,385,725)
Expenses		
Custodian fees	1,181	240
Fund accounting expenses	13,303	14,083
Unitholder communication costs	601	602
Audit fees	20,319	20,948
Securities filing fees	13,188	7,179
Independent review committee fees	981	2,715
Other operating expenses	2,317	1,472
	51,890	47,239
Net Investment Income for the Year	312,957	(14,432,964)
Gain (Loss) on Investments		
Net realized gain on sale of investments	8,376,601	9,031,923
Net realized gain (loss) from forward currency contracts	(21,623,690)	41,280,918
Net change in unrealized appreciation (depreciation) in value of investments	(35,635,702)	50,329,554
Net change in unrealized appreciation in value of forward currency contracts	7,756,690	13,818,733
Net Gain (Loss) on Investments	(41,126,101)	114,461,128
Increase (Decrease) in Net Assets from Operations	$ (40,813,144)	$ 100,028,164
Increase (Decrease) in Net Assets from Operations per Class		
Class A	$ (40,813,144)	$ 100,028,164
	$ (40,813,144)	$ 100,028,164
Increase (Decrease) in Net Assets from Operations per Unit		
Class A	$ (2.38)	$ 6.26

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010
	Fund		Class A	
Net Assets - Beginning of Year	$ 841,551,038	$ 720,077,705	$ 841,551,038	$ 720,077,705
Increase (Decrease) in Net Assets from Operations	(40,813,144)	100,028,164	(40,813,144)	100,028,164
Capital Transactions				
Proceeds from issue of units	76,695,726	27,137,000	76,695,726	27,137,000
Redemption of units	(2,448,633)	(5,691,831)	(2,448,633)	(5,691,831)
Net capital transactions	74,247,093	21,445,169	74,247,093	21,445,169
Increase in Net Assets for the Year	33,433,949	121,473,333	33,433,949	121,473,333
Net Assets - End of Year	$ 874,984,987	$ 841,551,038	$ 874,984,987	$ 841,551,038

The accompanying notes are an integral part of the financial statements.

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Foreign Index Equivalents				
Global Ascent Ltd.*	581,857	790,752	869,520	
Total Foreign Index Equivalents		790,752	869,520	99.4
Total Investments		790,752	869,520	99.4
Other Assets and Liabilities			5,465	0.6
Net Assets			874,985	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Foreign Index Equivalents	99.4	97.7
Other Assets and Liabilities	0.6	2.3

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

*The Global Ascent Ltd. is a Cayman Islands exempted company with the following portfolio concentration.

Portfolio by Category	As at December 31, 2011 (%)
Asset-Backed Securities	0.98
Commercial Mortgage-Backed Securities	1.55
Corporate Debt Securities	5.19
U.S. Government Agency Securities	2.08
Global Equities-Long	71.61
Global Equities-Short	(74.94)
Repurchase Agreements	23.84
Other Derivatives Assets[1]	3.71
Other Derivatives Liabilities[1]	(3.48)
Other Assets and Liabilities	69.46

[1] Other derivatives consist of contracts for differences, futures contracts, forward currency contracts, interest rate swap contracts, total return swap contracts, credit default swap contracts, variance swap contracts and options.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value* (Note 2)	$ 51,897,513	$ 38,214,069
Cash	13,075	1,440,086
Interest receivable	30,590	35,787
Accounts receivable from issue of units	92,330	-
	52,033,508	39,689,942
Liabilities		
Management fees payable	-	8,600
Operating expenses payable	15,158	14,274
Payables for redemption of units	180,049	185,748
	195,207	208,622
Net Assets	$ 51,838,301	$ 39,481,320
Net Assets per Class		
Class A	$ 19,079,177	$ 7,110,196
Class D	32,759,124	32,371,124
	$ 51,838,301	$ 39,481,320
Number of Units Issued and Outstanding (Note 8)		
Class A	1,219,628	459,250
Class D	2,495,982	2,492,112
Net Assets per Unit		
Class A	$ 15.64	$ 15.48
Class D	$ 13.12	$ 12.99
Investments at Cost*	$ 51,888,454	$ 38,199,064

* Includes short-term investments

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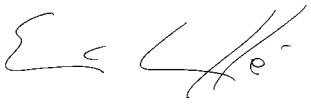

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Interest income	$ 495,628	$ 278,045
	495,628	278,045
Expenses		
Management fees	-	17,318
Custodian fees	1,591	1,015
Fund accounting expenses	41,585	43,710
Unitholder communication costs	601	602
Audit fees	11,332	12,061
Securities filing fees	757	3,220
Independent review committee fees	55	197
Other operating expenses	1,979	2,928
	57,900	81,051
Net Investment Income for the Year	437,728	196,994
Gain (Loss) on Investments		
Net change in unrealized appreciation (depreciation) in value of investments	659	(10,511)
Net Gain (Loss) on Investments	659	(10,511)
Increase in Net Assets from Operations	$ 438,387	$ 186,483
Increase in Net Assets from Operations per Class		
Class A	$ 103,422	$ 48,798
Class D	334,965	137,685
	$ 438,387	$ 186,483
Class A	$ 0.15	$ 0.05
Class D	$ 0.13	$ 0.05

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 39,481,320	$ 56,482,973	$ 7,110,196	$ 22,074,806	$ 32,371,124	$ 34,408,167
Increase in Net Assets from Operations	438,387	186,483	103,422	48,798	334,965	137,685
Capital Transactions						
Proceeds from issue of units	38,644,888	24,653,216	17,999,832	10,316,406	20,645,056	14,336,810
Reinvestment of distributions	437,553	176,529	127,974	39,163	309,579	137,366
Redemption of units	(26,726,294)	(41,841,352)	(6,134,273)	(25,329,814)	(20,592,021)	(16,511,538)
Net capital transactions	12,356,147	(17,011,607)	11,993,533	(14,974,245)	362,614	(2,037,362)
Distributions						
From net investment income	(437,553)	(176,529)	(127,974)	(39,163)	(309,579)	(137,366)
Total distributions	(437,553)	(176,529)	(127,974)	(39,163)	(309,579)	(137,366)
Increase (Decrease) in Net Assets for the Year	12,356,981	(17,001,653)	11,968,981	(14,964,610)	388,000	(2,037,043)
Net Assets - End of Year	$ 51,838,301	$ 39,481,320	$ 19,079,177	$ 7,110,196	$ 32,759,124	$ 32,371,124

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in $000s)	(in $000s)	(in $000s)	
Short Term Investments				
Federal Non-Agency				
Government Guaranteed				
Caisse Central Desjardins				
1.03% February 01, 2012	2,400	2,396	2,398	
Canadian Treasury Bill				
0.84% January 05, 2012	3,000	2,997	3,000	
0.83% January 05, 2012	94	94	94	
0.88% January 06, 2012	585	584	585	
0.86% January 19, 2012	1,694	1,691	1,693	
0.86% February 02, 2012	3,000	2,995	2,997	
0.01% March 29, 2012	1,800	1,796	1,796	
CPPIB Capital, Inc.				
0.99% January 04, 2012	2,400	2,398	2,400	
Financiere Cdp, Inc.				
1.04% March 12, 2012	2,150	2,145	2,145	
GE Capital Canada Funding Co.				
1.06% February 14, 2012	2,500	2,495	2,497	
National Bank Du Canada				
1.08% March 27, 2012	1,850	1,845	1,845	
Ontario T-Bill				
0.92% January 04, 2012	3,000	2,998	3,000	
Province of Brit				
0.92% February 06, 2012	2,500	2,496	2,498	
		26,930	26,948	52.0
Commercial Paper				
Toyota Credit Canada Inc.				
1.11% February 01, 2012	1,250	1,246	1,249	
		1,246	1,249	2.4
Total Federal Non-Agency		28,176	28,197	54.4
Total Short Term Investments		28,176	28,197	54.4
Fixed Income Investments				
Government				
Provincial				
Financement-Quebec				
1.23% April 25, 2012	1,000	999	1,001	
Province of Manitoba				
1.28% September 15, 2012	7,000	7,000	6,999	
		7,999	8,000	15.4
Total Government		7,999	8,000	15.4
Corporate				
Bank of Montreal				
1.35% February 01, 2012	2,000	2,001	2,000	
Bank of Nova Scotia				
1.73% April 20, 2012	2,500	2,506	2,502	
Canadian Imperial Bank of Commerce				
1.50% February 23, 2012	2,300	2,302	2,300	

Statement of Investment Portfolio — As at December 31, 2011

Security	Par value	Average cost	Fair value	% of net assets
	(in $000s)	(in $000s)	(in $000s)	
Land Nordrhein Westfalen SR Unsecured				
4.20% April 18, 2012	200	204	201	
Royal Bank of Canada				
1.25% April 10, 2012	1,000	1,000	996	
1.21% April 30, 2012	1,750	1,750	1,750	
1.37% November 14, 2012	2,200	2,200	2,200	
Toronto-Dominion Bank				
1.32% September 19, 2012	3,750	3,750	3,752	
Total Corporate		15,713	15,701	30.3
Total Fixed Income Investments		23,712	23,701	45.7
Total Investments		51,888	51,898	100.1
Other Assets and Liabilities			(60)	(0.1)
Net Assets			51,838	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Government Guaranteed	52.0	30.5
Commercial Paper	2.4	40.9
Provincial	15.4	25.4
Corporate	30.3	-
Other Assets and Liabilities	(0.1)	3.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 2,096,122,949	$ 1,931,994,539
Cash	18,007,052	22,612,744
Margin due from brokers	3,262,562	9,787,457
Securities lending income receivable	24,214	25,489
Dividends receivable	4,102,011	3,516,644
Tax reclaim on dividends receivable	2,220,226	1,652,224
Accounts receivable from issue of units	25,474,784	70,014,580
Accounts receivable for investment sales	40,512	39,312
	2,149,254,310	2,039,642,989
Liabilities		
Operating expenses payable	88,237	154,762
Payables for redemption of units	4,862,130	-
Payables for investment purchases	32,453,699	48,416,023
	37,404,066	48,570,785
Net Assets	$ 2,111,850,244	$ 1,991,072,204
Net Assets per Class		
Class A	$ 1,015,050,654	$ 1,000,080,116
Class D	1,096,799,590	990,992,088
	$ 2,111,850,244	$ 1,991,072,204
Number of Units Issued and Outstanding (Note 8)		
Class A	115,409,382	102,421,894
Class D	124,738,873	101,525,707
Net Assets per Unit		
Class A	$ 8.80	$ 9.76
Class D	$ 8.79	$ 9.76
Investments at Cost	$ 2,456,253,039	$ 2,047,320,369

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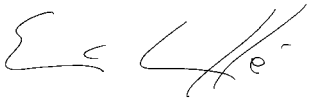

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 75,415,858	$ 65,453,236
Interest income	80,504	56,325
Securities lending income	1,555,018	1,341,823
Net loss from futures contracts	(2,462,438)	(490,523)
Foreign exchange gain (loss)	410,424	(1,478,338)
Withholding taxes	(3,236,615)	(2,313,696)
	71,762,751	62,568,827
Expenses		
Custodian fees	595,069	691,796
Fund accounting expenses	107,529	109,744
Unitholder communication costs	601	602
Audit fees	25,400	25,339
Securities filing fees*	(5,714)	72,354
Independent review committee fees	2,277	7,558
Other operating expenses	23,815	38,249
	748,977	945,642
Net Investment Income for the Year	71,013,774	61,623,185
Loss on Investments		
Net realized loss on sale of investments	(33,960,240)	(92,695,134)
Transaction costs (Note 2,13)	(415,239)	(458,904)
Net change in unrealized appreciation (depreciation) in value of investments	(244,804,260)	91,806,465
Net Loss on Investments	(279,179,739)	(1,347,573)
Increase (Decrease) in Net Assets from Operations	$ (208,165,965)	$ 60,275,612
Increase (Decrease) in Net Assets from Operations per Class		
Class A	$ (96,949,470)	$ 25,459,504
Class D	(111,216,495)	34,816,108
	$ (208,165,965)	$ 60,275,612
Increase (Decrease) in Net Assets from Operations per Unit		
Class A	$ (0.97)	$ 0.19
Class D	$ (0.96)	$ 0.37

* Net of 2010 filing fee reimbursement.

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010	2011	2010	2011	2010
	Fund		Class A		Class D	
Net Assets - Beginning of Year	$ 1,991,072,204	$ 1,911,557,353	$ 1,000,080,116	$ 1,104,935,429	$ 990,992,088	$ 806,621,924
Increase (Decrease) in Net Assets from Operations	(208,165,965)	60,275,612	(96,949,470)	25,459,504	(111,216,495)	34,816,108
Capital Transactions						
Proceeds from issue of units	936,648,818	1,522,856,351	501,052,678	1,066,044,220	435,596,140	456,812,131
Reinvestment of distributions	68,308,660	61,345,237	31,102,476	35,872,297	37,206,184	25,472,940
Redemption of units	(607,704,813)	(1,503,617,112)	(389,132,670)	(1,196,359,037)	(218,572,143)	(307,258,075)
Net capital transactions	397,252,665	80,584,476	143,022,484	(94,442,520)	254,230,181	175,026,996
Distributions						
From net investment income	(68,308,660)	(61,345,237)	(31,102,476)	(35,872,297)	(37,206,184)	(25,472,940)
Total distributions	(68,308,660)	(61,345,237)	(31,102,476)	(35,872,297)	(37,206,184)	(25,472,940)
Increase (Decrease) in Net Assets for the Year	120,778,040	79,514,851	14,970,538	(104,855,313)	105,807,502	184,370,164
Net Assets - End of Year	$ 2,111,850,244	$ 1,991,072,204	$ 1,015,050,654	$ 1,000,080,116	$ 1,096,799,590	$ 990,992,088

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Common Stocks				
Consumer Discretionary				
ABC-Mart, Inc.	6,100	217	235	
Accor SA	32,371	1,691	838	
Adidas AG	45,343	2,671	3,014	
Aisin Seiki Co., Ltd.	42,000	1,298	1,216	
Anheuser-Busch InBev	174,299	8,330	10,899	
Asics Corp.	32,300	394	370	
Autogrill SpA	25,270	307	247	
Axel Springer AG	8,420	393	370	
Bayerische Motoren Werke AG	71,850	4,224	4,898	
Bayerische Motoren Werke AG Preferred	11,590	508	555	
Benesse Corp.	14,600	647	713	
Bridgestone Corp.	141,100	2,793	3,251	
British Sky Broadcasting PLC	247,105	2,602	2,864	
Burberry Group PLC	95,085	1,183	1,783	
Bureau Veritas SA	11,855	750	878	
Casio Computer Co., Ltd.	52,200	501	323	
Christian Dior	11,946	1,360	1,447	
Cie Financiere Richemont SA	113,333	5,119	5,863	
Compass Group PLC	411,741	3,038	3,965	
Continental AG	17,560	1,262	1,113	
Crown, Ltd.	101,220	888	852	
Daihatsu Motor Co., Ltd.	42,000	528	764	
DaimlerChrysler AG	196,667	11,183	8,814	
Daito Trust Construction Co., Ltd.	15,900	964	1,387	
Daiwa House Industry Co., Ltd.	105,000	1,272	1,273	
DeNa Co., Ltd.	21,400	555	653	
Denso Corp.	105,400	3,314	2,959	
Dentsu, Inc.	39,700	1,047	1,233	
Echo Entertainment Group Ltd.	146,568	632	548	
Fairfax Media, Ltd.	487,516	756	364	
Fast Retailing Co., Ltd.	11,600	1,613	2,146	
Fiat SpA	168,507	2,156	773	
Fuji Heavy Industries, Ltd.	127,000	712	778	
FUJIFILM Holdings Corp.	100,400	3,282	2,416	
G4S PLC	307,688	1,238	1,318	
Galaxy Entertainment Group, Ltd.	268,000	565	500	
GKN PLC	334,983	1,068	970	
Groupe Aeroplan, Inc.	17,630	1,677	1,200	
Hakuhodo DY Holdings, Inc.	5,090	296	297	
Harvey Norman Holdings, Ltd.	117,806	335	224	
Hennes & Mauritz AB-Class B	221,904	6,512	7,251	
Honda Motor Co., Ltd.	354,000	12,064	10,972	
Husqvarna AB	96,344	710	453	
Inditex SA	47,303	2,957	3,955	
Intercontinental Hotels Group PLC	63,499	1,059	1,163	
Isetan Mitsukoshi Holdings, Ltd.-Class L	82,220	902	875	
Isuzu Motors, Ltd.	262,000	979	1,231	
ITV PLC	802,809	736	864	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Jardine Cycle & Carriage, Ltd.	23,419	545	883	
Jc Decaux SA	14,384	384	338	
Jupiter Telecommunications Co.	372	370	382	
Kabel Deutschland Holding AG	19,895	1,065	1,032	
Kingfisher PLC	512,617	1,869	2,033	
Koito Manufacturing Co., Ltd.	20,000	315	285	
Lagardere S.C.A.	26,288	1,225	709	
Li & Fung, Ltd.	1,238,000	2,597	2,328	
Luxottica Group SpA	24,921	688	709	
LVMH Moet Hennessy Louis Vuitton SA	55,176	6,853	7,942	
Makita Corp.	24,400	833	803	
Marks & Spencer Group PLC	344,616	2,234	1,690	
Marui Co., Ltd.	47,600	450	377	
Mazda Motor Corp.	323,000	945	577	
McDonald's Holdings Co.	14,500	336	398	
Mediaset SpA	153,926	1,189	430	
Mitsubishi Motors Corp.	851,000	1,322	1,014	
Modern Times Group AB	10,903	598	532	
Namco Bandai Holdings, Inc.	43,750	542	633	
Next PLC	37,221	1,175	1,612	
NGK Spark Plug Co., Ltd.	35,000	494	441	
NHK Spring Co., Ltd.	32,400	304	292	
Nikon Corp.	74,400	1,630	1,686	
Nissan Motor Co., Ltd.	539,900	4,807	4,930	
Nitori Co., Ltd.	8,250	669	786	
NOK Corp.	22,700	400	396	
Nokian Renkaat OYJ	24,488	723	805	
OPAP SA	48,297	1,288	436	
Oriental Land Co., Ltd.	11,000	869	1,181	
Panasonic Corp.	479,300	7,404	4,136	
Pearson PLC	176,982	2,671	3,386	
Peugeot SA	32,470	1,355	520	
Pirelli & C SpA	50,520	389	426	
Porsche AG Preferred	33,418	2,454	1,810	
PPR SA	16,567	2,208	2,423	
ProSiebenSat.1 Media AG	16,716	425	309	
Publicis Groupe	31,353	1,346	1,472	
Rakuten, Inc.	1,587	1,253	1,733	
Reed Elsevier NV	149,801	2,077	1,774	
Reed Elsevier PLC	263,398	2,503	2,157	
Renault SA	41,428	2,679	1,468	
Rinnai Corp.	7,200	375	523	
Sands China, Ltd.	524,000	946	1,491	
Sankyo Co., Ltd./Gunma	11,800	679	607	
Sanoma-WSOY OYJ-Class B	17,832	383	209	
Sanrio Co., Ltd.	9,900	515	518	
Sega Sammy Holdings, Inc.	45,800	848	1,008	
Sekisui Chemical Co., Ltd.	95,000	702	796	
Sekisui House, Ltd.	124,000	1,274	1,118	
SES-FDR	65,617	1,596	1,607	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Shangri-La Asia, Ltd.	303,333	654	531	
Sharp Corp.	216,000	2,784	1,921	
Shimamura Co., Ltd.	4,900	465	510	
Shimano, Inc.	16,500	757	811	
Singapore Press Holdings, Ltd.	312,707	921	906	
SJM Holdings, Ltd.	369,000	639	610	
Sky City Entertainment Group, Ltd.	126,188	326	342	
Societe Television Francaise 1	26,311	483	262	
Sodexho Alliance SA	20,755	1,298	1,514	
Sony Corp.	218,200	7,233	3,982	
Stanley Electric Co., Ltd.	30,600	584	456	
Sumitomo Rubber Industries, Inc.	36,400	386	444	
Suzuki Motor Corp.	72,900	1,756	1,534	
Swatch Group AG	6,710	1,984	2,566	
Swatch Group AG-Class B	9,591	548	653	
Tabcorp Holdings, Ltd.	145,298	1,096	414	
Takashimaya Co., Ltd.	58,000	529	426	
Tatts Group, Ltd.	292,933	722	743	
Toho Co., Ltd./Tokyo	25,800	462	467	
Toyoda Gosei Co., Ltd.	14,500	356	234	
Toyota Boshoku Corp.	15,800	291	167	
Toyota Industries Corp.	38,500	1,215	1,063	
Toyota Motor Corp.	599,200	25,983	20,285	
TUI Travel PLC	110,834	399	290	
USS Co., Ltd.	5,010	372	460	
Vivendi SA	270,684	8,198	6,052	
Volkswagen AG	6,335	1,152	865	
Volkswagen AG Preferred	31,384	3,679	4,783	
Whitbread PLC	38,060	923	938	
Wolters Kluwer NV	65,744	1,429	1,160	
WPP PLC	274,030	2,883	2,929	
Wynn Macau, Ltd.	338,800	648	863	
Yamada Denki Co., Ltd.	17,840	1,346	1,232	
Yamaha Corp.	33,500	506	313	
Yamaha Motor Co., Ltd.	60,700	980	781	
Yamato Kogyo Co., Ltd.	9,300	315	271	
Yue Yuen Industrial Holdings	161,500	510	519	
		244,901	228,523	10.8
Consumer Staples				
Aeon Co., Ltd.	131,100	1,788	1,830	
Ajinomoto Co., Inc.	146,000	1,594	1,781	
Aryzta AG	18,470	853	911	
Asahi Breweries, Ltd.	83,800	1,573	1,872	
Associated British Foods PLC	77,220	1,221	1,353	
Barry Callebaut Ag	398	372	401	
Beiersdorf AG	21,959	1,331	1,270	
British American Tobacco PLC	429,447	15,519	20,765	
Carlsberg AS-Class B	23,314	1,917	1,679	
Carrefour SA	125,047	5,953	2,907	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Casino Guichard Perrachon SA	12,187	1,090	1,048	
Coca Cola Hellenic Bottling Co. SA	40,928	1,000	707	
Coca-Cola Amatil, Ltd.	122,664	1,217	1,474	
Coca-Cola West Japan Co., Ltd.	13,700	262	241	
Colruyt SA	16,113	773	621	
Danone	126,778	8,031	8,126	
Delhaize Group	21,958	1,630	1,260	
Diageo PLC	543,906	10,016	12,106	
Distribuidora Internacional de Alimentacion SA	128,123	597	591	
Familymart Co., Ltd.	13,500	490	556	
Golden Agri-Resources, Ltd.	1,468,432	710	824	
Groupe Danone	77,000	596	421	
Heineken Holding NV	24,970	1,092	1,043	
Heineken NV	56,208	2,730	2,658	
Henkel KGaA	28,256	1,230	1,399	
Henkel KGaA Preferred	38,829	1,921	2,295	
Imperial Tobacco Group PLC	220,021	7,501	8,478	
J Front Retailing Co., Ltd.	103,600	600	509	
J Sainsbury PLC	262,924	1,533	1,257	
Japan Tobacco, Inc.	977	3,850	4,674	
Jeronimo Martins SGPS SA	48,623	527	821	
Kao Corp.	114,100	3,063	3,167	
Kerry Group PLC-Class A	28,901	926	1,077	
Kerry Group PLC	1,673	66	62	
Kesko OYJ-Class B	14,852	554	506	
Kikkoman Corp.	34,000	403	398	
Kirin Holdings Co., Ltd.	179,000	2,615	2,208	
Koninklijke Ahold NV	252,054	3,339	3,455	
L'Oreal SA	52,196	5,557	5,553	
Lawson, Inc.	13,300	657	844	
Lifestyle International Holdings, Ltd.	126,000	265	281	
Lindt & Spruengli AG	190	530	578	
Lindt & Spruengli AG-PC	24	705	820	
Meiji Holdings Co., Ltd.	15,260	672	644	
Metcash, Ltd.	168,369	677	710	
Metro AG	28,290	1,643	1,054	
Nestle SA	716,897	34,814	42,116	
Nippon Meat Packers, Inc.	37,000	485	467	
Nisshin Seifun Group, Inc.	40,000	508	494	
Nissin Food Products Co., Ltd.	12,600	458	501	
Olam International, Ltd.	324,432	601	540	
Pernod-Ricard	43,110	3,715	4,074	
Reckitt Benckiser Group PLC	134,376	6,886	6,762	
SABMiller PLC	207,052	5,850	7,426	
Seven & I Holdings Co., Ltd.	163,520	4,589	4,633	
Shiseido Co., Ltd.	78,000	1,556	1,458	
Suedzucker AG	14,131	379	461	
Swedish Match AB	46,592	1,111	1,689	
Tate & Lyle PLC	100,540	1,087	1,121	
Tesco PLC	1,741,473	11,840	11,118	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
TNT Express NV	78,794	881	601	
Toyo Suisan Kaisha, Ltd.	20,000	496	492	
Uni-Charm Corp.	24,900	831	1,247	
Unilever NV	353,816	10,762	12,417	
Unilever PLC	278,713	8,404	9,536	
William Morrison Supermarkets	474,694	2,384	2,450	
Wilmar International, Ltd.	418,000	1,870	1,641	
Woolworths, Ltd.	264,188	6,479	6,922	
Yakult Honsha Co., Ltd.	21,300	602	682	
Yamazaki Baking Co., Ltd.	27,000	337	361	
		208,114	226,444	10.7
Energy				
Aker Solutions ASA	35,729	543	383	
BG Group PLC	736,398	14,150	16,041	
BP PLC	4,115,517	38,384	29,945	
Cairn Energy PLC	302,898	1,683	1,272	
Caltex Australia, Ltd.	29,333	370	360	
Cosmo Oil Company, Ltd.	128,000	385	362	
EDP Renovaveis SA	47,962	359	294	
ENI SpA	521,978	13,800	10,936	
Essar Energy PLC	69,871	519	189	
Fugro NV	14,812	914	873	
Galp Energia SGPS SA-Class B	49,534	798	745	
Idemitsu Kosan Co., Ltd.	4,900	463	514	
Inpex Holdings, Inc.	476	3,137	3,049	
Japan Petroleum Exploration Co.	6,400	360	254	
JX Holdings, Inc.	486,930	3,063	2,997	
Lundin Petroleum AB	48,058	1,250	1,200	
Neste Oil OYJ	27,487	589	284	
OMV AG	34,937	1,635	1,071	
Origin Energy, Ltd.	231,133	3,089	3,214	
Repsol YPF SA	172,334	5,111	5,399	
Royal Dutch Shell PLC-Class A	786,232	26,591	29,425	
Royal Dutch Shell PLC-Class B	583,190	19,644	22,643	
Saipem	57,326	2,273	2,463	
Santos, Ltd.	205,182	2,729	2,620	
SBM Offshore NV	36,819	836	775	
SeaDrill, Ltd.	71,311	1,861	2,428	
Showa Shell Sekiyu KK	39,400	418	270	
Statoil ASA	242,356	6,296	6,339	
Subsea 7 SA	61,998	1,511	1,174	
Technip SA	21,546	1,717	2,068	
Tenaris SA	102,656	1,776	1,923	
TonenGeneral Sekiyu KK	63,000	672	699	
Total SA	461,147	29,041	24,035	
Transocean, Ltd.	75,050	4,880	2,962	
Tullow Oil PLC	196,248	3,630	4,335	
Woodside Petroleum, Ltd.	137,773	5,674	4,402	
WorleyParsons, Ltd.	42,435	1,052	1,137	
		201,203	189,080	9.0

BLACKROCK®

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Financials				
3i Group PLC	207,059	1,286	591	
Admiral Group PLC	45,355	874	612	
Aegon NV	371,869	3,176	1,524	
Aeon Credit Service Co., Ltd.	17,500	246	281	
Aeon Mall Co., Ltd.	16,300	402	352	
Ageas	481,336	4,470	761	
AIA Group, Ltd.	1,829,800	5,782	5,806	
Allianz AG	98,695	13,371	9,615	
AMP, Ltd.	611,294	3,339	2,597	
Anglo Irish Bank Co. PLC	287,375	12,630	10,816	
Aozora Bank, Ltd.	122,000	243	342	
Ascendas REIT	391,042	570	559	
Assicurazioni Generali SpA	253,244	6,663	3,833	
ASX, Ltd.	37,982	1,199	1,213	
Aviva PLC	621,066	4,915	2,950	
AXA SA	377,816	9,051	5,004	
Baloise Holding AG	10,437	949	732	
Banca Cariage SpA	148,867	416	289	
Banca Monte dei Paschi di Siena SpA	1,104,370	1,323	365	
Banco Bilbao Vizcaya Argentaria SA	995,576	13,910	8,758	
Banco de Sabadell SA	241,312	1,459	936	
Banco Espirito Santo SA	153,614	870	273	
Banco Popolare Scarl	381,262	2,158	486	
Banco Popular Espanol SA	214,335	1,879	997	
Banco Santander Central Hispano SA	1,833,165	24,101	14,207	
Bank Hapoalim BM	227,406	923	770	
Bank Leumi Le-Israel BM	253,730	1,092	753	
Bank of East Asia, Ltd.	338,720	1,335	1,301	
Bank of Kyoto, Ltd. (The)	69,000	681	605	
Bank of Yokohama, Ltd.	267,000	1,548	1,283	
Bankia SA	187,303	984	890	
Bankinter SA	47,315	499	297	
Barclays PLC	2,515,243	13,870	7,003	
Bendigo Bank, Ltd.	80,585	728	676	
BGP Holdings PLC	1,121,589	-	-	
BNP Paribas	209,820	15,756	8,418	
BOC Hong Kong Holdings, Ltd.	801,000	1,972	1,932	
British Land Co. PLC	185,577	1,760	1,355	
Capitaland, Ltd.	548,305	1,536	947	
CapitaMall REIT	474,700	643	634	
Capitamalls Asia, Ltd.	291,000	511	258	
CFS Retail Property Trust	403,848	723	710	
Cheung Kong Holdings, Ltd.	302,000	4,028	3,651	
Chiba Bank, Ltd. (The)	164,000	1,145	1,072	
Chugoku Bank, Ltd.	37,000	503	524	
Chuo Mitsui Trust Holdings, Inc.	672,460	2,620	2,002	
City Developments, Ltd.	109,000	865	762	
CNP Assurances	31,587	713	400	
Commerzbank AG	778,343	4,987	1,341	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Commonwealth Bank of Australia	338,555	15,109	17,395	
Corio NV	13,261	874	589	
Credit Agricole SA	214,881	3,923	1,236	
Credit Saison Co., Ltd.	32,600	642	664	
Credit Suisse Group	247,831	11,168	5,953	
Criteria Caixacorp SA	162,387	893	814	
Dai-ichi Life Insurance Co., Ltd.	1,947	3,053	1,945	
Daiwa Securities Group, Inc.	358,000	2,212	1,132	
Danske Bank A/S	141,493	3,416	1,828	
DB RREEF Trust	381,000	3,896	3,447	
Delta Lloyd	22,010	432	378	
Deutsche Bank AG	201,891	13,233	7,818	
Deutsche Boerse AG	42,551	3,013	2,270	
Dexus Property Group	1,032,856	916	890	
DnB Nor ASA	211,172	2,504	2,104	
Eiffage SA	8,635	550	213	
Erste Bank der Oesterreichischen Sparkassen AG	41,227	1,835	725	
Exor	13,828	230	269	
Federated Investors, Inc.-Class B	39,806	1,569	1,339	
First Pacific Co., Ltd.	472,000	520	501	
Fonciere Des Regions REIT	6,141	567	402	
Fukuoka Financial Group, Inc.	168,000	788	718	
GAM Holding, Ltd.	43,718	1,681	486	
Gecina SA	4,769	534	409	
Gjensidige Forsikring ASA	42,931	528	505	
Global Logistic Properties, Ltd.	391,000	663	539	
Goodman Group	1,502,007	902	886	
GPT Group	382,744	1,381	1,227	
Groupe Bruxelles Lambert SA	116,626	1,156	809	
Gunma Bank, Ltd.	83,000	513	462	
Hachijuni Bank (The), Ltd.	88,000	545	510	
Hammerson PLC	154,165	1,584	878	
Hang Lung Group, Ltd.	190,000	1,031	1,054	
Hang Lung Properties, Ltd.	539,000	1,955	1,555	
Hang Seng Bank, Ltd.	166,900	2,609	2,013	
Hannover Rueckversicherung AG	13,422	673	681	
Henderson Land Development Co., Ltd.	207,778	1,323	1,046	
Hiroshima Bank (The), Ltd.	107,000	510	504	
Hokuhoku Financial Group, Inc.	266,000	679	525	
Hong Kong Exchanges and Clearing, Ltd.	222,400	3,623	3,636	
HSBC Holdings PLC	3,877,203	43,259	30,129	
Hysan Development Co., Ltd.	136,000	455	454	
Icade	5,040	549	402	
ICAP PLC	123,828	930	679	
Immoeast AG	87,039	-	-	
Immofinanz AG	196,769	794	599	
Industrivarden AB	25,362	375	309	
Infineon Technologies AG	236,448	1,583	1,823	
ING Groep NV	831,481	11,388	6,109	
Insurance Australia Group, Ltd.	450,732	1,631	1,402	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Intesa Sanpaolo SpA	2,186,427	8,205	3,717	
Intesa Sanpaolo SpA RNC	205,168	712	259	
Investec PLC	120,441	903	644	
Investor AB-Class B	99,184	2,033	1,890	
Israel Discount Bank, Ltd.	169,289	318	234	
Iyo Bank, Ltd.	53,000	543	531	
Japan Prime Realty Investment Corp. REIT	149	402	356	
Japan Real Estate Investment Corp. REIT	99	933	782	
Japan Retail Fund Investment Corp. REIT	404	620	609	
Joyo Bank, Ltd. (The)	145,000	690	651	
Julius Baer Group, Ltd.	44,877	1,754	1,795	
KBC Groep NV	34,938	1,965	446	
Keppel Land, Ltd.	159,000	408	276	
Kerry Properties, Ltd.	160,000	763	536	
Kinnevik Investment AB	44,556	825	886	
Klepierre	22,252	845	646	
Land Securities Group PLC	169,019	2,310	1,700	
Legal & General Group PLC	1,270,039	2,188	2,066	
Lend Lease Corp, Ltd.	117,870	979	881	
Liberty International PLC	123,474	1,000	610	
Link REIT	488,500	1,315	1,822	
Lloyds TSB Group PLC	8,947,905	40,842	3,658	
London Stock Exchange Group PLC	31,741	472	398	
Macquarie Group, Ltd.	75,530	3,013	1,875	
Man Group PLC	13,923	1,287	1,266	
Mapfre SA	171,246	668	556	
Mediobanca SpA	112,135	1,450	650	
Merck & Co., Inc.	13,937	1,435	1,414	
Mirvac Group	750,904	1,068	921	
Mitsubishi Estate Co., Ltd.	271,000	5,062	4,114	
Mitsubishi UFJ Financial Group, Inc.	2,766,660	18,001	11,900	
Mitsubishi UFJ Lease & Finance Co., Ltd.	12,520	486	504	
Mitsui Fudosan Co., Ltd.	181,000	3,439	2,685	
Mitsui Sumitomo Insurance Group Holdings, Inc.	123,074	3,408	2,315	
Mizrahi Tefahot Bank, Ltd.	27,042	237	220	
Mizuho Financial Group, Inc.	4,951,720	11,898	6,750	
Muenchener Rueckversicherungs AG	38,913	6,048	4,863	
National Australia Bank, Ltd.	478,084	11,977	11,653	
National Bank of Greece SA	204,176	3,898	440	
Natixis	205,496	1,118	528	
New World Development, Ltd.	786,500	1,169	644	
Nippon Building Fund, Inc. REIT	121	1,224	1,004	
Nishi-Nippon City Bank, Ltd. (The)	148,000	487	431	
NKSJ Holdings, Inc.	81,700	2,578	1,628	
Nomura Holdings, Inc.	786,700	6,261	2,415	
Nomura Real Estate Holdings, Inc.	20,900	407	316	
Nomura Real Estate Office Fund, Inc. REIT	61	420	319	
Nordea Bank AB	571,039	5,797	4,508	
NTT Urban Development Corp.	265	277	183	
Old Mutual PLC	1,197,974	2,497	2,569	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
ORIX Corp.	22,700	2,561	1,911	
Oversea-Chinese Banking Corp.	552,000	3,397	3,394	
Pargesa Holding SA	5,855	540	392	
Partners Group Holding Ag	2,926	548	522	
Petrofac, Ltd.	56,514	1,037	1,287	
Pohjola Bank PLC	30,796	367	306	
Prudential PLC	552,975	5,686	5,579	
QBE Insurance Group, Ltd.	236,872	4,455	3,202	
Raiffeisen International Bank Holding AG	10,937	738	285	
Ratos AB	40,555	648	486	
Resolution, Ltd.	311,751	969	1,240	
Resona Holdings, Inc.	409,100	3,111	1,830	
Royal Bank of Scotland Group PLC	3,838,146	8,986	1,224	
Sampo OYJ	90,728	2,318	2,291	
SBI Holdings, Inc.	5,054	951	377	
Schroders PLC	24,283	525	503	
SCOR	37,351	947	891	
Segro PLC REIT	164,920	1,082	543	
Seven Bank, Ltd.	133,700	325	265	
Shinsei Bank, Ltd.	303,000	509	321	
Shizuoka Bank, Ltd. (The)	128,000	1,297	1,370	
Singapore Exchange, Ltd.	186,000	993	894	
Sino Land Co.	635,200	1,081	916	
Skandinaviska Enskilda Banken AB-Class A	308,476	2,290	1,837	
Societe Generale-Class A	143,051	9,846	3,250	
Sony Financial Holdings, Inc.	38,900	671	583	
Standard Chartered PLC	516,783	13,370	11,523	
Standard Life PLC	511,084	1,980	1,662	
Stockland	521,685	1,956	1,732	
Sumitomo Mitsui Financial Group, Inc.	291,700	12,633	8,269	
Sumitomo Realty & Development Co., Ltd.	77,000	1,615	1,371	
Sun Hung Kai Properties, Ltd.	307,000	4,354	3,904	
Suncorp-Metway, Ltd.	278,675	2,574	2,435	
Suruga Bank, Ltd.	38,000	414	347	
Svenska Handelsbanken-Class A	106,433	2,918	2,861	
Swedbank AB	175,505	2,376	2,320	
Swire Pacific, Ltd.-Class A	157,000	1,882	1,929	
Swiss Life Holding	6,749	1,089	635	
Swiss Re, Ltd.	74,899	4,211	3,904	
T&D Holdings, Inc.	126,800	2,083	1,198	
Tokio Marine Holdings, Inc.	157,000	4,903	3,532	
Tokyu Land Corp.	95,000	510	365	
TrygVesta AS	5,581	342	317	
UBS AG	790,572	16,502	9,607	
Unibail	19,934	4,198	3,632	
Unicredit SPA	292,961	9,664	2,455	
Unione Di Banche Italiane SCPA	175,816	2,018	713	
United Overseas Bank, Ltd.	273,679	3,631	3,282	
UOL Group, Ltd.	100,000	287	314	
Vienna Insurance Group	8,475	445	340	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Westfield Group	475,859	5,605	3,880	
Westfield Retail Trust-REIT	632,461	1,658	1,637	
Westpac Banking Corp.	658,191	14,090	13,742	
Wharf Holdings, Ltd.	326,500	1,661	1,500	
Wheelock & Co., Ltd.	201,000	627	504	
Wing Hang Bank, Ltd.	39,000	381	323	
Yamaguchi Financial Group, Inc.	47,000	545	455	
Zurich Financial Services AG	31,625	7,656	7,318	
		679,592	449,513	21.3
Health Care				
Actelion, Ltd.	24,608	1,239	861	
Alfresa Holdings Corp.	8,600	409	368	
Astellas Pharma, Inc.	96,500	3,945	3,985	
AstraZeneca PLC	291,950	14,310	13,714	
Bayer AG	179,595	12,370	11,674	
Cangene Corp.	246,150	11,041	11,076	
Celesio AG	19,364	607	313	
Chugai Pharmaceutical Co., Ltd.	49,400	947	828	
Cie Generale d'Optique Essilor International SA	43,579	2,715	3,140	
Cochlear, Ltd.	12,202	712	790	
Coloplast A/S-Class B	5,008	555	735	
CSL, Ltd., Australia	113,922	3,381	3,804	
Daiichi Sankyo Co., Ltd.	146,081	3,353	2,942	
Dainippon Sumitomo Pharma Co., Ltd.	34,800	341	404	
Eisai Co., Ltd.	54,500	2,173	2,297	
Elan Corp. PLC	108,254	1,204	1532	
Fresenius Medical Care AG & Co. KGaA	45,273	2,597	3,145	
Fresenius SE	24,651	1,990	2,331	
Getinge AB	43,994	940	1,135	
GlaxoSmithKline PLC	1,102,394	24,810	25,662	
Grifols SA	29,721	580	511	
Hisamitsu Pharmaceutical Co.	13,500	548	582	
Kyowa Hakko Kogyo Co., Ltd.	58,000	641	721	
Lonza Group AG	11,177	993	675	
Miraca Holdings, Inc.	11,900	449	481	
Mitsubishi Tanabe Pharma Corp.	49,000	726	790	
Novartis AG Registered	506,986	28,501	29,646	
Novo-Nordisk A/S-Class B	92,358	7,247	10,833	
Olympus Corp.	47,400	1,377	633	
ONO Pharmaceutical Co., Ltd.	17,800	915	1,009	
Orion OYJ-Class B	21,455	446	427	
Otsuka Holdings Co., Ltd.	54,300	1,378	1,551	
Qiagen NV	51,461	1,040	723	
Ramsay Health Care, Ltd.	28,501	460	572	
Roche Holding AG Genusschein	152,625	25,567	26,442	
RSA Insurance Group PLC	760,974	1,752	1,267	
Sanofi-Aventis	248,968	18,996	18,673	
Santen Pharmaceutical Co., Ltd.	15,900	541	666	
Shionogi & Co., Ltd.	64,500	1,286	843	
Shire, Ltd.	122,060	2,684	4,327	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Smith & Nephew PLC	194,134	1,983	1,920	
Sonic Healthcare, Ltd.	81,807	1,013	963	
Sonova Holding AG	10,832	1,063	1,158	
Straumann Holding AG	1,718	411	303	
Suzuken Co., Ltd.	15,100	470	426	
Synthes, Inc.	14,138	1,997	2,425	
Sysmex Corp.	15,700	484	521	
Takeda Pharmaceutical Co., Ltd.	171,500	8,525	7,649	
Terumo Corp.	36,700	1,888	1,758	
Teva Pharmaceutical Industries, Ltd.	200,871	11,062	8,318	
Tsumura & Co.	12,800	455	384	
UCB SA	22,237	998	955	
William Demant Holding	4,941	374	420	
		216,489	219,308	10.4
Industrials				
ABB, Ltd.	475,966	9,704	9,158	
Abertis Infraestructuras SA	84,708	1,651	1,382	
Acciona SA	5,696	798	502	
ACS Actividades Cons y Serv	30,572	1,415	925	
Adecco SA	28,858	1,545	1,236	
Aeroports de Paris	7,815	699	547	
Aggreko PLC	57,774	1,305	1,844	
Airlines	50,975	890	617	
Alfa Laval AB	73,281	1,041	1,418	
All Nippon Airways Co., Ltd.	179,000	609	507	
Alstom	45,266	2,934	1,400	
Amada Co., Ltd.	76,000	575	489	
Amadeus IT Holding SA	69,424	1,326	1,146	
Amec PLC	73,115	1,021	1,047	
Antofagasta PLC	85,945	1,350	1,652	
AP Moller-Maersk A/S-Class A	117	1,010	746	
AP Moller-Maersk A/S-Class B	288	2,471	1,939	
Asahi Glass Co., Ltd.	218,000	2,336	1,858	
Asciano Group	214,855	963	1,009	
Assa Abloy AB-Class B	68,429	1,375	1,754	
Atlantia SpA	67,595	1,472	1,094	
Atlas Copco AB-Class A	145,535	2,419	3,195	
Atlas Copco AB-Class B	85,215	1,310	1,648	
Auckland International Airport, Ltd.	200,326	315	396	
Babcock International Group PLC	77,807	788	903	
BAE Systems PLC	728,830	4,604	3,281	
Balfour Beatty PLC	148,349	791	622	
Bekaert SA	8,842	796	290	
Bouygues	40,726	2,074	1,307	
Brambles Industries PLC	322,734	2,285	2,409	
Brenntag AG	7,365	708	698	
Bunzl PLC	71,897	856	1,003	
Campbell Brothers, Ltd.	14,625	742	748	
Cathay Pacific Airways, Ltd.	252,000	518	439	
Central Japan Railway Co.	327	2,824	2,804	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Chiyoda Corp.	33,000	300	341	
Cie de Saint-Gobain	87,154	4,534	3,406	
Cie Generale de Geophysique-Veritas	31,050	1,040	741	
Cie Generale des Etablissements Michelin	39,018	3,000	2,348	
Cobham PLC	245,255	892	712	
ComfortDelgro Corp., Ltd.	407,119	465	452	
Cosco Corp. Singapore, Ltd.	240,000	270	165	
Dai Nippon Printing Co., Ltd.	122,000	1,687	1,192	
Daikin Industries, Ltd.	50,900	1,834	1,419	
Delek Group, Ltd.	1,012	210	195	
Deutsche Post AG	183,361	3,730	2,888	
DSV A/S	43,703	791	801	
East Japan Railway Co.	73,800	5,162	4,781	
Edenred	34,247	682	857	
Elbit Systems, Ltd.	5,125	256	215	
European Aeronautic Defense and Space Co.	89,051	2,240	2,837	
Experian, Ltd.	217,704	2,445	3,013	
Fanuc, Ltd.	41,600	4,778	6,474	
Ferrovial SA	80,114	961	988	
Fiat Industrial SpA	165,866	1,916	1,425	
Finmeccanica SpA	88,208	1,417	333	
Fomento de Construcciones Y Contratas SA	11,260	433	298	
Fraport AG	7,890	484	397	
Fraser and Neave, Ltd.	198,745	732	968	
Fuji Electric Holdings Co., Ltd.	120,000	378	334	
Furukawa Electric Co., Ltd. (The)	140,000	634	324	
GEA Group AG	38,340	1,022	1,104	
Geberit AG	8,478	1,417	1,670	
Genting International PLC	1,338,600	1,210	1,587	
Hexagon AB	55,145	1,012	843	
Hino Motors, Ltd.	56,000	292	345	
Hitachi Construction Machinery Co., Ltd.	23,500	532	402	
Hitachi High-Technologies Corp.	13,100	285	289	
Hochtief AG	9,147	702	535	
Hopewell Holdings, Ltd.	121,000	410	315	
Hutchison Port Holdings Trust-UNIT	1,163,000	1,010	734	
Hutchison Whampoa, Ltd.	462,000	4,203	3,946	
IHI Corp.	290,000	627	710	
Independent Tankers Corp., Ltd.	1	-	-	
International Consolidated Airlines Group SA	198,301	827	456	
Intertek Group PLC	35,389	1,014	1,137	
Invensys PLC	180,606	828	602	
Itochu Corp.	326,700	2,945	3,381	
Japan Steel Works, Ltd. (The)	68,000	725	480	
JGC Corp.	45,000	963	1,101	
JS Group Corp.	58,300	1,163	1,135	
JTEKT Corp.	49,900	690	499	
Kajima Corp.	180,000	591	560	
Kamigumi Co., Ltd.	53,000	455	464	
Kawasaki Heavy Industries, Ltd.	304,000	932	768	

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Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Kawasaki Kisen Kaisha, Ltd.	151,000	781	276	
Keihin Electric Express Railway Co., Ltd.	102,000	827	930	
Keio Corp.	125,000	794	898	
Keisei Electric Railway Co., Ltd.	59,000	391	442	
Keppel Corp., Ltd.	309,900	1,943	2,263	
Kinden Corp.	30,000	270	256	
Kintetsu Corp.	355,000	1,342	1,409	
Komatsu, Ltd.	205,900	4,703	4,894	
Kone OYJ	33,749	1,403	1,779	
Koninklijke Boskalis Westminster NV	15,362	698	576	
Koninklijke Vopak	15,244	668	823	
Kubota Corp.	251,000	2,173	2,136	
Kuehne & Nagel International AG	11,739	1,191	1,349	
Kurita Water Industries, Ltd.	24,800	737	655	
Legrand SA	48,690	1,627	1,599	
Leighton Holdings, Ltd.	32,345	942	643	
Man AG	403,849	2,341	803	
Marubeni Corp.	358,000	2,228	2,217	
Medipal Holdings Corp.	31,600	437	336	
Meggitt PLC	167,939	1,020	935	
Metso OYJ	27,402	1,034	1,032	
Mitsubishi Corp.	305,100	7,418	6,275	
Mitsubishi Electric Corp.	419,000	3,771	4,081	
Mitsubishi Heavy Industries, Ltd.	658,000	2,852	2,848	
Mitsubishi Logistics Corp.	25,000	313	283	
Mitsui & Co., Ltd.	377,400	6,112	5,969	
Mitsui OSK Lines, Ltd.	253,000	1,897	994	
MTR Corp.	311,000	1,039	1,021	
Nabtesco Corp.	20,700	414	383	
Neptune Orient Lines, Ltd.	204,555	289	181	
NGK Insulators, Ltd.	56,000	1,034	676	
Nippon Express Co., Ltd.	187,000	863	740	
Nippon Sheet Glass Co., Ltd.	189,000	625	358	
Nippon Yusen KK	332,000	1,529	861	
Noble Group, Ltd.	831,326	1,090	738	
NSK, Ltd.	95,000	711	627	
NTN Corp.	102,000	552	417	
NWS Holdings, Ltd.	286,500	446	429	
Obayashi Corp.	143,000	704	645	
Odakyu Electric Railway Co., Ltd.	135,000	1,140	1,327	
Orient Overseas International, Ltd.	50,000	294	295	
Orkla ASA	168,480	1,639	1,283	
Otsuka Corp.	3,600	288	252	
Qantas Airways, Ltd.	235,739	553	359	
QR National, Ltd.	371,575	1,081	1,327	
Randstad Holdings NV	26,054	1,100	787	
Rolls Royce Holdings PLC	406,247	3,581	4,796	
Ryanair Holdings PLC	4,042	20	20	
Ryanair Holdings PLC, Sponsored ADR	5,948	201	169	
Safran SA	36,054	901	1,106	

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Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Sandvik AB	219,316	2,908	2,748	
Scania AB-Class B	68,805	1,091	1,041	
Schindler Holding AG	10,596	890	1,261	
Schindler Holding AG-REG	4,580	390	544	
Schneider Electric SA	106,187	6,129	5,708	
Secom Co., Ltd.	45,400	2,219	2,127	
Securitas AB-Class B	67,691	813	597	
SembCorp Industries, Ltd.	219,736	664	699	
SembCorp Marine, Ltd.	180,581	502	542	
Serco Group PLC	107,199	880	804	
SGS SA	1,184	1,694	2,005	
Shimadzu Corp.	51,000	448	439	
Shimizu Corp.	128,000	603	544	
Siemens AG Registered	178,743	18,474	17,434	
Singapore Airlines, Ltd.	117,671	1,219	938	
Singapore Technologies Engineering, Ltd.	336,297	759	708	
Skanska AB-Class B	87,248	1,427	1,468	
SKF AB	85,172	1,612	1,841	
SMC Corp./Japan	11,700	1,635	1,915	
Smiths Group PLC	84,668	1,601	1,224	
Societe BIC SA	6,172	462	558	
Sojitz Corp.	269,200	670	420	
Sulzer AG	5,327	870	582	
Sumitomo Corp.	244,300	3,109	3,359	
Sumitomo Electric Industries, Ltd.	163,400	2,180	1,806	
Sumitomo Heavy Industries, Ltd.	118,000	753	700	
Sydney Airport	78,632	230	218	
Taisei Corp.	220,000	580	562	
Thales SA	21,961	1,003	704	
THK Co., Ltd.	25,700	551	516	
Tobu Railway Co., Ltd.	225,000	1,168	1,167	
Tokyu Corp.	250,000	1,291	1,254	
Toll Holdings, Ltd.	149,782	1,017	660	
Toppan Printing Co., Ltd.	122,000	1,131	911	
Toto, Ltd.	66,000	494	518	
Toyota Tsusho Corp.	45,500	848	818	
Transurban Group	285,347	1,431	1,674	
Ushio, Inc.	22,200	418	326	
Vallourec	24,645	2,541	1,634	
Vestas Wind Systems A/S	43,240	2,471	476	
Vinci SA	98,007	5,421	4,373	
Volvo AB-Class B	301,088	3,721	3,363	
Wartsila OYJ-Class B	36,752	992	1,084	
Weir Group PLC	45,618	1,300	1,467	
Wendel SA	7,072	755	478	
Wesfarmers, Ltd.	218,309	5,871	6,721	
West Japan Railway Co.	36,900	1,522	1,629	
Wolseley PLC	61,726	2,147	2,081	
Yamato Holdings Co., Ltd.	86,200	1,334	1,476	
Yangzijiang Shipbuilding	411,000	426	294	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Zardoya Otis SA	31,847	643	445	
		285,961	265,339	12.6
Information Technology				
Advantest Corp.	32,800	835	318	
Alcatel-Lucent	515,017	2,681	822	
Annaly Capital Management, Inc.	107,015	1,361	-	
ARM Holdings PLC	293,286	1,583	2,738	
ASM Pacific Technology	42,500	363	485	
ASML Holding NV	93,587	2,944	4,017	
Atos Origin	10,569	578	473	
Brother Industries, Ltd.	52,500	673	655	
Canon, Inc.	32,544	1,606	1,039	
CapGemini SA	132,604	1,566	1,319	
Citizen Watch Co., Ltd.	57,000	372	336	
Computershare, Ltd.	96,091	865	801	
Dassault Systemes SA	13,306	853	1,088	
Elpida Memory, Inc.	59,500	861	280	
Foxconn International Holdings, Ltd.	471,000	523	309	
Fujitsu, Ltd.	404,000	2,700	2,139	
Gree, Inc.	20,200	315	709	
Hamamatsu Photonics KK	14,400	496	512	
Hirose Electric Co., Ltd.	6,800	746	606	
Hitachi, Ltd.	981,000	4,825	5,232	
Hoya Corp.	94,200	2,462	2,061	
Ibiden Co., Ltd.	26,800	973	539	
Indra Sistemas SA	20,290	449	264	
Itochu Techno-Science Corp.	6,300	241	287	
Keyence Corp.	9,032	2,156	2,219	
Konami Corp.	20,500	500	625	
Konica Minolta Holdings, Inc.	103,000	1,120	781	
Koninklijke (Royal) Philips Electronics NV	219,061	6,294	4,694	
Kyocera Corp.	33,200	3,070	2,715	
Mabuchi Motor Co., Ltd.	5,400	292	228	
Millicom International Cellular SA, SDR	16,532	1,523	1,693	
Murata Manufacturing Co., Ltd.	43,800	2,512	2,290	
NEC Corp.	562,000	1,940	1,153	
Neopost SA	7,180	671	494	
NICE Systems, Ltd.	12,874	407	450	
Nidec Corp.	23,700	1,968	2,089	
Nintendo Co., Ltd.	21,500	6,348	3,010	
Nippon Electric Glass Co., Ltd.	87,000	1,125	876	
Nokia OYJ	812,535	12,400	4,049	
Nomura Research Institute, Ltd.	21,900	528	503	
NTT Data Corp.	277	1,020	900	
Omron Corp.	44,000	988	896	
Oracle Corp. Japan	8,400	362	282	
Ricoh Co., Ltd.	147,000	2,182	1,302	
Rohm Co., Ltd.	20,700	1,475	979	
Sage Group PLC	285,797	1,188	1,324	
SAP AG	199,820	10,659	10,808	

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Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Seiko Epson Corp.	28,300	538	382	
Square Enix Co., Ltd.	13,800	338	275	
STMicroelectronics NV	137,524	1,473	834	
Sumco Corp.	26,900	523	202	
TDK Corp.	27,000	1,680	1,217	
Telefonaktiebolaget LM Ericsson-Class B	653,944	8,117	6,804	
Tokyo Electron, Ltd.	37,300	2,248	1,930	
Toshiba Corp.	874,000	4,706	3,620	
Trend Micro, Inc.	23,400	821	713	
Yahoo! Japan Corp.	3,203	1,286	1,050	
Yaskawa Electric Corp.	48,000	442	416	
Yokogawa Electric Corp.	45,800	418	420	
		114,189	89,252	4.2
Materials				
Acerinox SA	21,520	412	282	
Air Liquide	61,603	6,962	7,783	
Akzo Nobel NV	50,205	3,009	2,475	
Alumina, Ltd.	537,846	1,008	626	
Amcor, Ltd.	265,944	1,594	1,993	
ArcelorMittal	186,115	7,877	3,475	
Arkema SA	11,979	1,209	866	
Asahi Kasei Corp.	277,000	1,608	1,694	
Aurizon Mines, Ltd.	570,988	11,623	12,237	
BASF SE	199,463	12,467	14,158	
BHP Billiton PLC	458,717	13,783	13,585	
BHP Billiton, Ltd.	697,599	24,537	25,066	
Boliden AB	59,265	793	884	
Boral, Ltd.	161,517	778	607	
Cimpor Cimentos de Portugal SA	43,028	305	300	
CRH PLC	155,462	3,944	3,134	
Daicel Chemical Industries, Ltd.	62,000	406	381	
Daido Steel Co., Ltd.	61,000	347	389	
Denki Kagaku Kogyo KK	105,000	458	393	
Eurasian Natural Resources	55,513	888	554	
Fletcher Building, Ltd.	146,842	878	716	
Fortescue Metals Group, Ltd.	268,988	1,290	1,196	
Fresnillo PLC	39,605	640	953	
GDF Suez	268,809	12,062	7,487	
Givaudan	1,804	1,600	1,758	
Glencore International PLC	182,065	1,463	1,128	
Heidelbergcement AG	30,565	1,937	1,329	
Hitachi Chemical Co., Ltd.	22,300	463	400	
Hitachi Metals, Ltd.	35,000	425	387	
Holcim, Ltd.	53,178	3,741	2,910	
Holmen AB-Class B	11,407	344	335	
Iluka Resources, Ltd.	90,705	1,481	1,467	
Imerys SA	7,440	477	350	
Incitec Pivot, Ltd.	356,775	1,417	1,158	
Israel Chemicals, Ltd.	94,686	1,172	991	
Israel Corp., Ltd.	493	393	311	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
James Hardie Industries NV	94,089	586	670	
JFE Holdings, Inc.	99,800	3,609	1,840	
Johnson Matthey PLC	46,299	1,270	1,344	
JSR Corp.	39,400	807	737	
K+S Ag	37,526	2,371	1,731	
Kaneka Corp.	62,000	467	336	
Kansai Paint Co., Ltd.	47,000	401	426	
Kazakhmys PLC	47,264	992	689	
Kobe Steel, Ltd.	543,000	1,279	848	
Koninklijke DSM	33,721	1,619	1,598	
Kuraray Co., Ltd.	73,900	940	1,071	
Lafarge SA	44,236	3,277	1,588	
Lanxess AG	18,392	1,292	965	
Linde AG	37,055	4,645	5,621	
Lonmin PLC	35,826	1,080	552	
Lynas Corp, Ltd.	386,595	882	420	
Maruichi Steel Tube, Ltd.	10,600	257	240	
Mitsubishi Chemical Holdings Corp.	293,000	1,725	1,636	
Mitsubishi Gas Chemical Co., Inc.	82,000	552	461	
Mitsubishi Materials Corp.	241,000	849	663	
Mitsui Chemicals, Inc.	175,000	679	542	
Newcrest Mining, Ltd.	166,078	5,428	5,132	
Nippon Paper Group, Inc.	21,300	613	473	
Nippon Steel Corp.	1,106,000	4,406	2,796	
Nisshin Steel Co., Ltd.	160,000	371	248	
Nitto Denko Corp.	35,700	1,570	1,301	
Norsk Hydro ASA	201,130	1,845	947	
Novozymes AS	50,358	1,144	1,583	
Oji Paper Co., Ltd.	187,000	951	975	
OneSteel, Ltd.	307,490	817	225	
Orica, Ltd.	78,753	1,770	1,993	
OZ Minerals, Ltd.	71,716	1,083	749	
Prysmian SpA	45,336	838	568	
Randgold Resources, Ltd.	19,864	1,645	2,070	
Rexam PLC	194,114	1,134	1,080	
Rio Tinto PLC	303,849	17,108	15,026	
Rio Tinto, Ltd.	94,594	6,386	5,954	
Salzgitter AG	8,258	784	422	
Shin-Etsu Chemical Co., Ltd.	89,000	5,043	4,458	
Showa Denko KK	331,000	774	675	
Sika AG	449	775	859	
Sims Group, Ltd.	36,704	777	482	
Solvay SA	13,028	1,499	1,095	
Ssab Svenskt Stal AB-Class A	33,603	561	301	
Stora Enso OYJ-Class R	126,311	1,199	773	
Sumitomo Chemical Co., Ltd.	343,000	1,813	1,271	
Sumitomo Metal Industries, Ltd.	727,000	2,203	1,337	
Sumitomo Metal Mining Co., Ltd.	113,000	1,734	1,476	
Svenska Cellulosa AB-Class B	125,591	1,787	1,903	
Syngenta AG	20,532	5,352	6,146	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Taiyo Nippon Sanso Corp.	58,000	520	411	
Teijin, Ltd.	208,000	821	650	
ThyssenKrupp AG	83,570	3,000	1,966	
Toray Industries, Inc.	319,000	2,018	2,322	
Tosoh Corp.	112,000	401	305	
Toyo Seikan Kaisha, Ltd.	32,500	584	450	
Ube Industries, Ltd.	215,000	649	597	
Umicore	24,785	930	1,040	
UPM-Kymmene OYJ	113,055	1,785	1,267	
Vedanta Resources PLC	25,993	925	416	
Voestalpine AG	23,995	1,005	678	
Wacker Chemie AG	3,440	573	283	
Xstrata PLC	450,805	7,851	6,963	
Yara International ASA	41,179	1,761	1,685	
		247,603	219,087	10.4
Pharmaceuticals				
Taisho Pharmaceutical Holdings Co., Ltd.	7,900	545	619	
		545	619	-
Telecommunication Services				
Belgacom SA	33,520	1,296	1,072	
Bezeq Israeli Telecommunication Corp., Ltd.	381,946	925	720	
BT Group PLC	1,688,006	5,235	5,099	
Cellcom Israel, Ltd.	11,703	346	199	
Deutsche Telekom AG	609,864	9,343	7,127	
Elisa OYJ-Class A	31,249	698	664	
Eurazeo	6,590	460	239	
Eutelsat Communications	21,484	730	856	
France Telecom SA	402,495	10,161	6,454	
Hellenic Telecommunications Organization SA	50,794	918	187	
Iliad SA	4,089	451	514	
Inmarsat PLC	100,811	1,059	645	
KDDI Corp.	633	3,958	4,143	
Koninklijke KPN	320,720	4,911	3,919	
Mobistar SA	6,641	475	355	
Nippon Telegraph & Telephone Corp.	103,700	5,032	5,387	
NTT DoCoMo, Inc.	3,317	5,697	6,203	
Partner Communications Co., Ltd.	19,685	340	181	
PCCW, Ltd.	872,000	300	303	
Portugal Telecom SGPS SA	145,535	1,570	856	
Singapore Telecommunications, Ltd.	1,729,572	4,084	4,197	
Softbank Corp.	192,400	5,303	5,760	
Starhub, Ltd.	132,000	240	301	
Swisscom AG	5,050	1,952	1,953	
TDC AS	81,734	712	670	
Tele2 AB-Class B	68,929	1,163	1,370	
Telecom Corp. of New Zealand, Ltd.	413,112	922	666	
Telecom Italia SpA	2,049,966	3,718	2,222	
Telecom Italia-RNC	1,309,737	1,919	1,184	
Telefonica SA	892,098	21,277	15,778	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Telekom Austria AG	70,038	1,231	852	
Telenor ASA	157,582	2,303	2,635	
TeliaSonera AB	469,659	3,375	3,258	
Telstra Corp., Ltd.	944,152	3,101	3,282	
United Internet AG	22,839	376	417	
Vodafone Group PLC	11,042,786	29,488	31,262	
		135,069	120,930	5.7
Utilities				
A2A SpA	244,746	544	235	
AGL Energy, Ltd.	101,051	1,386	1,510	
Air Water, Inc.	32,000	408	414	
Centrica PLC	1,122,826	5,447	5,139	
Cheung Kong Infrastructure Holdings, Ltd.	103,000	475	611	
Chubu Electric Power Co., Inc.	148,100	3,603	2,805	
Chugoku Electric Power Co.	65,100	1,353	1,159	
CLP Holdings, Ltd.	417,500	3,323	3,610	
Contact Energy, Ltd.	75,867	350	313	
E.ON AG	391,013	15,435	8,570	
EDF SA	52,108	3,164	1,293	
EDP-Energias de Portugal SA	416,131	1,722	1,315	
Electric Power Development Co.	25,320	838	684	
Electricite De France	52,238	1,082	849	
Enagas	38,195	909	720	
Enel Green Power SPA	383,514	869	816	
Enel SpA	1,428,308	9,140	5,853	
Fortum OYJ	96,732	2,798	2,107	
Gas Natural SDG SA	76,194	1,502	1,336	
Hokkaido Electric Power Co., Inc.	39,900	851	577	
Hokuriku Electric Power Co.	35,900	855	680	
Hong Kong & China Gas	1,027,016	2,109	2,413	
HongKong Electric Holdings	301,000	1,923	2,261	
Iberdrola SA	829,469	7,638	5,300	
International Power PLC	332,808	1,900	1,776	
Kansai Electric Power Co. (The), Inc.	162,600	3,804	2,535	
Kyushu Electric Power Co., Inc.	88,300	1,916	1,285	
National Grid PLC	772,727	7,827	7,630	
Osaka Gas Co., Ltd.	411,000	1,588	1,648	
Red Electrica de Espana	23,608	1,249	1,031	
RWE AG	106,133	8,253	3,787	
RWE AG Preferred	8,423	562	281	
Scottish & Southern Energy PLC	203,307	4,384	4,150	
Severn Trent PLC	51,434	1,155	1,214	
Shikoku Electric Power Co.	39,800	1,129	1,159	
Snam Rete Gas SpA	350,726	1,846	1,563	
SP Ausnet	308,768	269	303	
Suez Environnement SA	61,024	1,366	718	
Terna SpA	260,257	1,031	887	
Toho Gas Co., Ltd.	89,000	491	576	
Tohoku Electric Power Co., Inc.	99,000	2,008	963	
Tokyo Electric Power Co. (The), Inc.	317,300	6,969	764	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Tokyo Gas Co., Ltd.	533,000	2,418	2,490	
United Utilities Group PLC	147,482	1,693	1,413	
Veolia Environnement SA	79,014	2,928	884	
Verbund-Oesterreichische Elektrizitaetswirtschafts AG-Class A	14,800	691	401	
		123,201	88,028	4.2
Total Common Stocks		2,456,867	2,096,123	99.3
Transaction Costs (Note 2)		(614)		
Total Investments		2,456,253	2,096,123	99.3
Other Assets and Liabilities			15,727	0.7
Net Assets			2,111,850	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	10.8	10.7
Consumer Staples	10.7	9.0
Energy	9.0	7.4
Financials	21.3	23.2
Health Care	10.4	8.5
Industrials	12.6	12.6
Information Technology	4.2	4.5
Materials	10.4	11.3
Telecommunication Services	5.7	5.2
Utilities	4.2	4.6
Other Assets and Liabilities	0.7	3.0

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 395,006,493	$ 319,564,252
Cash	10,111	9,130
Net unrealized gain on forward currency contracts (Note 5)	28,858,651	30,477,049
Accounts receivable from issue of units	1,589,876	60,013,643
	425,465,131	410,064,074
Liabilities		
Operating expenses payable	18,084	15,319
Payables for redemption of units	546,524	-
Payables for investment purchases	11,497,239	-
Net unrealized loss on forward currency contracts (Note 5)	17,469,591	25,067,045
	29,531,438	25,082,364
Net Assets	$ 395,933,693	$ 384,981,710
Number of Units Issued and Outstanding (Note 8)	42,310,162	36,192,892
Net Assets per Unit	$ 9.36	$ 10.64
Investments at Cost	$ 458,429,410	$ 337,881,032

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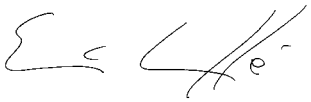

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 12,285,642	$ 11,265,591
Interest income	579	-
	12,286,221	11,265,591
Expenses		
Custodian fees	2,789	2,303
Fund accounting expenses	13,303	15,656
Unitholder communication costs	601	602
Audit fees	14,539	15,219
Securities filing fees	5,530	184
Independent review committee fees	396	1,230
Other operating expenses	1,924	585
	39,082	35,779
Net Investment Income for the Year	12,247,139	11,229,812
Gain (Loss) on Investments		
Net realized loss on sale of investments	(4,031,077)	(12,818,442)
Net realized gain (loss) from forward currency contracts	(15,701,806)	19,667,088
Net change in unrealized appreciation (depreciation) in value of investments	(45,106,137)	2,887,082
Net change in unrealized appreciation (depreciation) in value of forward currency contracts	5,979,056	(8,988,963)
Net Gain (Loss) on Investments	(58,859,964)	746,765
Increase (Decrease) in Net Assets from Operations	$ (46,612,825)	$ 11,976,577
Increase (Decrease) in Net Assets from Operations per Unit	$ (1.27)	$ 0.39

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 384,981,710	$ 338,028,583
Increase (Decrease) in Net Assets from Operations	(46,612,825)	11,976,577
Capital Transactions		
Proceeds from issue of units	157,361,273	101,541,369
Reinvestment of distributions	12,247,055	11,229,293
Redemption of units	(99,796,465)	(66,564,819)
Net capital transactions	69,811,863	46,205,843
Distributions		
From net investment income	(12,247,055)	(11,229,293)
Total distributions	(12,247,055)	(11,229,293)
Increase in Net Assets for the Year	10,951,983	46,953,127
Net Assets - End of Year	$ 395,933,693	$ 384,981,710

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class A	44,835,765	458,429	395,006	
Total Foreign Index Equivalents		458,429	395,006	99.8
Total Investments		458,429	395,006	99.8
Other Assets and Liabilities			928	0.2
Net Assets			395,934	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Foreign Index Equivalents	99.8	83.0
Other Assets and Liabilities	0.2	17.0

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 130,114,562	$ 115,119,064
Cash	260,270	239,857
Dividends receivable	-	7,467
Accounts receivable from issue of units	4,488	-
	130,379,320	115,366,388
Liabilities		
Operating expenses payable	11,421	10,161
Payables for redemption of units	70,098	-
	81,519	10,161
Net Assets	$ 130,297,801	$ 115,356,227
Number of Units Issued and Outstanding (Note 8)	15,930,393	13,449,528
Net Assets per Unit	$ 8.18	$ 8.58
Investments at Cost	$ 139,507,448	$ 117,155,949

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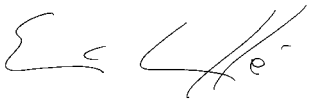

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Years Ended December 31

	2011	2010
Revenue		
Dividend income	$ 3,068,668	$ 6,261,386
Interest income	1,812	765
Securities lending income	1,553	-
Foreign exchange gain (loss)	(864)	4,605
Withholding taxes	(51,649)	(84,232)
	3,019,520	6,182,524
Expenses		
Custodian fees	390	230
Fund accounting expenses	6,208	8,662
Unitholder communication costs	601	602
Audit fees	9,607	10,260
Securities filing fees	1,862	-
Independent review committee fees	153	1,479
Other operating expenses	1,739	735
	20,560	21,968
Net Investment Income for the Year	2,998,960	6,160,556
Loss on Investments		
Net realized loss on sale of investments	(343,898)	(65,405,974)
Transaction costs (Note 2,13)	(3,969)	(6,069)
Net change in unrealized appreciation (depreciation) in value of investments	(7,356,001)	50,340,078
Net Loss on Investments	(7,703,868)	(15,071,965)
Decrease in Net Assets from Operations	$ (4,704,908)	$ (8,911,409)
Decrease in Net Assets from Operations per Unit	$ (0.33)	$ (0.23)

Statement of Changes in Net Assets — For the Years Ended December 31

	2011	2010
Net Assets - Beginning of Year	$ 115,356,227	$ 482,801,960
Decrease in Net Assets from Operations	(4,704,908)	(8,911,409)
Capital Transactions		
Proceeds from issue of units	51,673,994	106,761,940
Reinvestment of distributions	2,998,938	6,157,009
Redemption of units	(32,027,512)	(465,296,264)
Net capital transactions	22,645,420	(352,377,315)
Distributions		
From net investment income	(2,998,938)	(6,157,009)
Total distributions	(2,998,938)	(6,157,009)
Increase (Decrease) in Net Assets for the Year	14,941,574	(367,445,733)
Net Assets - End of Year	$ 130,297,801	$ 115,356,227

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Foreign Index Equivalents				
BlackRock CDN MSCI EAFE Equity Index Class D	5,682,143	59,477	50,051	
BlackRock CDN US Equity Index Class D	8,227,628	60,942	62,703	
iShares MSCI Emerging Markets Index Fund	449,616	19,094	17,361	
Total Foreign Index Equivalents		139,513	130,115	99.9
Transaction Costs (Note 2)		(6)		
Total Investments		139,507	130,115	99.9
Other Assets and Liabilities			183	0.1
Net Assets			130,298	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Foreign Index Equivalents	99.9	99.8
Other Assets and Liabilities	0.1	0.2

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 265,712,543	$ 251,940,384
Cash	397,061	966,598
Margin due from brokers	91,715	125,441
Dividends receivable	228,966	109,191
Tax reclaim on dividends receivable	7,221	679
Accounts receivable from issue of units	1,468,109	-
	267,905,615	253,142,293
Liabilities		
Operating expenses payable	38,748	73,917
Payables for investment purchases	1,488,905	-
	1,527,653	73,917
Net Assets	$ 266,377,962	$ 253,068,376
Net Assets per Class		
Class A	$ 266,377,962	$ 253,068,376
	$ 266,377,962	$ 253,068,376
Number of Units Issued and Outstanding (Note 8)		
Class A	29,701,499	23,623,886
Net Assets per Unit		
Class A	$ 8.97	$ 10.71
Investments at Cost	$ 300,661,346	$ 242,268,768

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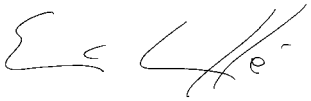

Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 6,478,627	$ 1,240,049
Interest income	(23,728)	407
Net gain (loss) from futures contracts	(214,532)	69,852
Foreign exchange gain (loss)	126,486	(396,084)
Withholding taxes	(501,506)	(138,062)
	5,865,347	776,162
Expenses		
Custodian fees	441,005	230,703
Fund accounting expenses	63,311	17,822
Unitholder communication costs	6,485	239
Audit fees	9,170	8,511
Securities filing fees	3,921	-
Independent review committee fees	293	114
Other operating expenses	16,529	2,677
	540,714	260,066
Net Investment Income for the Period	5,324,633	516,096
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	(5,360,677)	177,768
Foreign tax	(189,244)	(812,656)
Transaction costs (Note 2,13)	(135,892)	(175,448)
Net change in unrealized appreciation (depreciation) in value of investments	(44,620,419)	9,671,616
Net Gain (Loss) on Investments	(50,306,232)	8,861,280
Increase (Decrease) in Net Assets from Operations	$ (44,981,599)	$ 9,377,376
Increase (Decrease) in Net Assets from Operations per Class		
Class A	$ (44,981,599)	$ 9,377,376
	$ (44,981,599)	$ 9,377,376
Increase (Decrease) in Net Assets from Operations per Unit		
Class A	$ (1.75)	$ 0.59

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010	2011	2010
	Fund		Class A	
Net Assets - Beginning of Period	$ 253,068,376	$ -	$ 253,068,376	$ -
Increase (Decrease) in Net Assets from Operations	(44,981,599)	9,377,376	(44,981,599)	9,377,376
Capital Transactions				
Proceeds from issue of units	61,227,077	243,691,000	61,227,077	243,691,000
Reinvestment of distributions	5,249,345	402,757	5,249,345	402,757
Redemption of units	(2,935,892)	-	(2,935,892)	-
Net capital transactions	63,540,530	244,093,757	63,540,530	244,093,757
Distributions				
From net investment income	(5,249,345)	(402,757)	(5,249,345)	(402,757)
Total distributions	(5,249,345)	(402,757)	(5,249,345)	(402,757)
Increase in Net Assets for the Period	13,309,586	253,068,376	13,309,586	253,068,376
Net Assets - End of Period	$ 266,377,962	$ 253,068,376	$ 266,377,962	$ 253,068,376

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Common Stocks				
Consumer Discretionary				
Anhanguera Educacional Participacoes SA	10,200	222	112	
Anta Sports Products, Ltd.	69,000	134	83	
Arcelik	15,941	78	53	
Astra International Tbk PT	163,500	1,089	1,358	
AviChina Industry & Technology Co., Ltd.	144,000	89	61	
Bajaj Auto, Ltd.	6,574	203	200	
BEC World PCL	70,800	87	102	
Belle International Holdings, Ltd.	374,000	730	662	
Berjaya Sports Toto BHD	58,400	81	82	
Bosideng International Holdings, Ltd.	184,000	90	53	
Brilliance China Automotive Holdings, Ltd.	182,000	182	200	
Brookfield Incorporacoes SA	19,930	99	54	
Byd Co., Ltd.	43,500	235	95	
Cheng Shin Rubber Industry Co., Ltd.	128,000	293	281	
China Dongxiang Group Co.	223,000	104	38	
China Motor Corp.	43,000	40	40	
China Zhengtong Auto Services Holdings, Ltd.	73,000	75	73	
Cia Hering	10,100	186	179	
Cyfrowy Polsat SA	17,107	86	68	
Cyrela Brazil Realty SA Empreendimentos e Participacoes	23,900	306	193	
Dah Chong Hong Holdings, Ltd.	68,000	92	81	
Daphne International Holdings, Ltd.	74,000	89	83	
Dongfeng Motor Group Co., Ltd.	220,000	410	384	
E Mart Co., Ltd.	1,684	386	413	
El Puerto De Liverpool Sab de Cv	15,500	113	114	
Far Eastern Department Stores Co., Ltd.	73,000	104	88	
Ford Otomotiv Sanayi	5,252	42	43	
Formosa International Hotels Corp.	3,000	43	40	
Formosa Taffeta Co., Ltd.	58,000	56	55	
Foschini Group, Ltd.	16,455	196	217	
Geely Automobile Holdings, Ltd.	295,000	134	66	
Genting BHD	167,800	553	590	
Genting Malaysia BHD	242,900	267	298	
Giant Manufacturing Co., Ltd.	24,000	89	94	
Golden Eagle Retail Group, Ltd.	57,000	154	123	
GOME Electrical Appliances Holdings, Ltd.	834,000	302	196	
Great Wall Motor Co., Ltd.	81,250	120	120	
Grupo Elektra SA de CV	5,820	270	590	
Grupo Televisa SA	194,100	821	830	
Guangzhou Automobile Group Co., Ltd.	182,000	253	154	
Haier Electronics Group Co., Ltd.	63,000	59	57	
Hankook Tire Co., Ltd.	7,370	227	294	
Hengdeli Holdings, Ltd.	172,000	107	57	
Hero Honda Motors, Ltd.	3,149	122	115	
Hotai Motor Co., Ltd.	20,000	108	98	
Hyundai Department Store Co., Ltd.	1,219	150	175	
Hyundai Mobis	5,500	1,354	1,417	
Hyundai Motor Co.	12,446	1,890	2,343	
Hyundai Motor Co. 2nd Preferred	3,036	165	180	

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Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Hyundai Motor Co. Preferred	1,777	91	99	
Hyundai Wia Corp.	910	121	114	
Imperial Holdings, Ltd.	14,375	234	223	
Intime Department Store Group Co., Ltd.	75,000	126	78	
Jollibee Foods Corp.	32,550	65	68	
Kangwon Land, Inc.	7,990	184	192	
Kia Motors Corp.	19,303	810	1,138	
LG Electronics, Inc.	8,307	656	546	
Lojas Americanas SA	26,280	241	205	
Lojas Renner SA	9,800	341	259	
Lotte Shopping Co., Ltd.	821	342	246	
Mahindra & Mahindra, Ltd.	23,199	361	302	
Mando Corp.	1,036	145	188	
Maruti Suzuki India, Ltd.	5,314	142	94	
Massmart Holdings, Ltd.	8,519	172	182	
MRV Engenharia e Participacoes SA	23,600	221	138	
Nan Kang Rubber Tire Co., Ltd.	39,000	64	59	
Naspers, Ltd.	31,177	1,517	1,384	
Parkson Holdings BHD	42,987	80	77	
Parkson Retail Group, Ltd.	110,500	184	137	
PDG Realty SA Empreendimentos e Participacoes	90,500	524	291	
Pou Chen Corp.	173,000	129	144	
Rossi Residencial SA	13,600	123	59	
Ruentex Industries, Ltd.	37,385	68	62	
SACI Falabella	29,515	287	234	
Skyworth Digital Holdings, Ltd.	142,000	87	50	
Steinhoff International Holdings, Ltd.	89,076	266	258	
Tata Motors, Ltd.	113,680	548	389	
Tatung Co., Ltd.	153,000	61	39	
Titan Industries, Ltd.	15,499	73	50	
Truworths International, Ltd.	35,653	353	332	
Turkiye Sise ve Cam Fabrikalari	30,668	69	47	
TVN SA	12,115	67	37	
UMW Holdings BHD	41,100	94	92	
Urbi Desarrollos Urbanos SAB de CV	42,200	90	49	
Woolworths Holdings, Ltd.	62,588	244	307	
Woongjin Coway Co., Ltd.	4,480	170	145	
Yulon Motor Co., Ltd.	69,000	138	121	
Zee Entertainment Ent., Ltd.	32,016	87	72	
Zhongsheng Group Holdings, Ltd.	45,000	79	76	
		22,739	21,885	8.2
Consumer Staples				
Alliance Global Group, Inc.	323,000	87	77	
Almacenes Exito SA	16,227	205	216	
Amorepacific Corp.	261	262	243	
Anadolu Efes Biracilik Ve Malt Sanayii	16,607	236	204	
Astra Agro Lestari Tbk PT	31,000	79	75	
BIM Birlesik Magazalar	6,831	215	191	
BRF-Brasil Foods SA	52,700	835	1,048	
British American Tobacco Malaysia BHD	9,300	141	147	
Centros Comerciales Sudamericanos SA	74,248	520	438	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Charoen Pokphand Foods PCL	210,500	186	222	
Charoen Pokphand Foods PCL NVDR	32,200	30	34	
Charoen Pokphand Indonesia Tbk PT	580,960	137	139	
China Agri-Industries Holdings, Ltd.	127,000	156	98	
China Mengniu Dairy Co., Ltd.	99,000	312	235	
China Resources Ent., Ltd.	98,000	423	340	
China Yurun Food Group, Ltd.	111,000	383	148	
Cia Brasileira de Distribuicao Grupo Pao de Acucar	8,334	321	298	
Cia Cervecerias Unidas SA	8,766	101	117	
Cia de Bebidas das Americas	60,600	1,654	2,224	
CJ CheilJedang Corp.	633	138	162	
Coca-Cola Femsa SAB de CV	22,400	191	216	
Coca-Cola Icecek	5,001	64	60	
Cosan SA Industria e Comercio	9,600	146	141	
CP ALL PCL	140,300	197	233	
CP ALL PCL NVDR	35,600	58	59	
Dabur India, Ltd.	34,259	82	65	
Embotelladoras Arca SAB de CV	26,858	115	117	
Fomento Economico Mexicano SAB de CV-UNIT	156,600	902	1,103	
Genting Plantations BHD	17,900	47	49	
Grupo Bimbo SAB de CV	133,500	269	277	
Grupo Modelo SAB de CV	51,100	296	328	
Gudang Garam Tbk PT	46,500	252	325	
Hengan International Group Co., Ltd.	59,500	561	564	
Hindustan Unilever, Ltd.	66,633	418	519	
Hypermarcas SA	22,100	305	102	
Indofood Sukses Makmur Tbk PT	359,500	217	186	
IOI Corp. BHD	263,200	475	454	
ITC, Ltd.	170,032	707	654	
JBS SA	61,500	214	201	
Kernel Holding SA	4,017	96	83	
Kimberly-Clark de Mexico SAB de CV-Class A	42,500	266	234	
KT&G Corp.	8,837	517	635	
Kuala Lumpur Kepong BHD	39,000	245	284	
LG Household & Health Care, Ltd.	757	286	326	
Lotte Confectionery Co., Ltd.	56	72	84	
Magnit OJSC-GDR	17,873	453	380	
Natura Cosmeticos SA	14,000	373	277	
Orion Corp./Republic of South Korea	289	162	173	
Pick n Pay Stores, Ltd.	17,000	109	100	
PPB Group BHD	39,200	227	215	
President Chain Store Corp.	46,000	257	255	
Raia Drogasil SA	14,500	105	103	
San Miguel Corp.	37,978	110	103	
Shinsegae Co., Ltd.	581	507	126	
Shoprite Holdings, Ltd.	32,898	469	562	
Souza Cruz SA	31,100	327	389	
Spar Group, Ltd.	13,873	199	190	
Standard Foods Corp.	16,000	56	49	
Sun Art Retail Group, Ltd.	154,500	222	196	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Tiger Brands, Ltd.	13,063	355	413	
Tingyi Cayman Islands Holding Corp.	158,000	442	489	
Tsingtao Brewery Co., Ltd.	24,000	137	135	
Uni-President Enterprises Corp.	314,000	427	465	
Unilever Indonesia Tbk PT	124,500	233	259	
United Spirits, Ltd.	6,636	143	62	
Universal Robina Corp.	66,100	78	74	
Vina Concha y Toro SA	41,119	99	80	
Wal-Mart de Mexico SAB de CV	501,500	1,307	1,396	
Want Want China Holdings, Ltd.	479,000	422	485	
Wumart Stores, Inc.	46,000	113	97	
		20,751	21,028	7.9
Energy				
Adaro Energy Tbk PT	1,172,000	305	232	
AK Transneft OAO	126	168	198	
Banpu PCL	11,950	278	206	
Banpu PCL NVDR	400	8	7	
Bharat Heavy Electricals, Ltd.	44,595	408	204	
Bharat Petroleum Corp., Ltd.	6,930	91	64	
Bumi Armada Bhd	66,600	87	88	
Bumi Resources Tbk PT	1,268,000	339	306	
China Coal Energy Co., Ltd.	329,000	498	361	
China Oilfield Services, Ltd.	126,000	202	201	
China Petroleum & Chemical Corp.	1,354,000	1,218	1,450	
China Shenhua Energy Co., Ltd.	274,500	1,167	1,209	
CNOOC, Ltd.	1,442,000	2,930	2,567	
Coal India, Ltd.	37,840	298	218	
Ecopetrol SA	329,092	678	729	
Formosa Petrochemical Corp.	93,000	261	293	
Gazprom OAO	859,476	4,824	4,665	
Glow Energy PCL	40,300	63	74	
Grupa Lotos SA	5,106	56	35	
GS Holdings	4,145	228	186	
HRT Participacoes em Petroleo SA	400	327	123	
Indo Tambangraya Megah PT	33,000	168	143	
Inner Mongolia Yitai Coal Co.	48,600	300	246	
IRPC PCL	780,800	118	103	
Kunlun Energy Co., Ltd.	182,000	256	263	
Lukoil OAO	41,177	2,357	2,221	
MOL Hungarian Oil and Gas PLC	3,337	324	243	
NovaTek OAO	7,339	726	932	
OGX Petroleo e Gas Participacoes SA	104,300	1,168	774	
Oil & Natural Gas Corp., Ltd.	57,382	354	282	
PetroChina Co., Ltd.	1,702,000	2,063	2,158	
Petroleo Brasileiro SA	240,300	4,019	2,982	
Petroleo Brasileiro SA Preferred	339,200	5,073	3,977	
Petronas Dagangan BHD	19,500	79	109	
Polski Koncern Naftowy Orlen	25,727	357	259	
Polskie Gornictwo Naftowe i Gazownictwo SA	143,177	175	173	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
PTT Exploration & Production PCL	86,900	459	471	
PTT Exploration & Production PCL NVDR	6,200	29	34	
PTT PCL	66,600	676	643	
PTT PCL NVDR	1,900	20	19	
Reliance Industries, Ltd.	98,928	2,053	1,315	
Rosneft Oil Co.	127,883	880	867	
S-Oil Corp.	3,614	268	319	
Sasol, Ltd.	44,114	1,987	2,145	
SK Energy Co., Ltd.	4,819	666	603	
Surgutneftegas OJSC	576,400	545	461	
Surgutneftegas OJSC Preferred	557,600	265	290	
Tambang Batubara Bukit Asam Tbk PT	63,500	139	123	
Tatneft	113,503	566	568	
Thai Oil PCL	64,200	129	114	
TMK OAO	5,815	95	53	
Tupras Turkiye Petrol Rafinerileri	10,225	249	219	
Ultrapar Participacoes SA	26,200	441	458	
Yanzhou Coal Mining Co., Ltd.	158,000	421	343	
		41,859	37,326	14.0
Financials				
ABSA Group, Ltd.	23,191	436	409	
African Bank Investments, Ltd.	59,913	299	258	
Agile Property Holdings, Ltd.	110,000	149	100	
Agricultural Bank of China, Ltd.	1,486,000	756	649	
Akbank TAS	97,823	526	318	
Alliance Financial Group BHD	73,000	78	92	
AMMB Holdings BHD	135,000	272	258	
Asya Katilim Bankasi	38,925	79	33	
Attijariwafa Bank	2,447	104	102	
Axis Bank, Ltd.	16,915	496	261	
Ayala Corp.	14,978	113	108	
Ayala Land, Inc.	423,600	164	149	
Banco Bradesco SA	154,241	2,963	2,585	
Banco de Chile	1,376,130	188	190	
Banco de Credito e Inversiones	2,461	153	139	
Banco do Brasil SA	45,900	834	593	
Banco do Estado do Rio Grande do Sul	14,700	156	161	
Banco Santander Brasil SA-UNIT	52,000	652	425	
Banco Santander Chile	5,288,687	447	388	
BanColombia SA	18,562	294	278	
BanColombia SA Preferred	22,520	367	327	
Bangkok Bank PCL	67,600	347	351	
Bangkok Bank PCL NVDR	39,100	194	192	
Bank Central Asia Tbk PT	981,500	757	882	
Bank Danamon Indonesia Tbk PT	270,500	179	125	
Bank Handlowy w Warszawie SA	2,569	72	52	
Bank Mandiri Tbk PT	746,000	566	561	
Bank Millennium SA	33,388	55	38	
Bank Negara Indonesia Persero Tbk PT	599,626	283	256	
Bank of Ayudhya PCL	142,000	109	101	
Bank of Ayudhya PCL NVDR	9,700	8	7	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Bank of China, Ltd.	5,393,700	2,691	2,022	
Bank of Communications Co., Ltd.	591,600	559	421	
Bank of India	7,951	73	40	
Bank of the Philippine Islands	57,080	74	73	
Bank Pekao SA	9,602	538	402	
Bank Rakyat Indonesia Persero Tbk PT	883,500	567	670	
Bdo Unibank, Inc.	77,630	104	106	
BM&FBovespa SA	156,300	1,200	835	
BR Malls Participacoes SA	32,600	322	322	
BRE Bank SA	1,158	107	84	
BS Financial Group, Inc.	15,170	201	147	
Bursa Malaysia BHD	25,100	64	54	
Canara Bank	6,445	85	45	
Capital Securities Corp.	135,000	50	47	
Cathay Financial Holding Co., Ltd.	545,000	645	598	
CETIP SA-Balcao Organizado de Ativos e Derivativos	15,314	225	223	
Chang Hwa Commercial Bank	323,000	197	179	
China Citic Bank Corp., Ltd.	602,000	387	345	
China Construction Bank Corp.	4,849,000	4,020	3,433	
China Development Financial Holding Corp.	716,000	219	206	
China Everbright, Ltd.	68,000	155	108	
China Life Insurance Co., Ltd.	132,000	131	109	
China Life Insurance Co., Ltd.-Class H	601,000	2,359	1,511	
China Merchants Bank Co., Ltd.	316,500	803	651	
China Minsheng Banking Corp., Ltd.	306,000	274	269	
China Overseas Land & Investment, Ltd.	330,000	710	560	
China Pacific Insurance Group Co., Ltd.	140,600	545	407	
China Resources Land, Ltd.	166,000	322	271	
China Taiping Insurance Holdings Co., Ltd.	60,200	196	113	
China Vanke Co., Ltd.	103,400	134	102	
Chinatrust Financial Holding Co., Ltd.	786,000	478	500	
Chongqing Rural Commercial Bank	178,000	118	94	
CIMB Group Holdings BHD	390,700	1,059	906	
Commercial International Bank Egypt SAE	45,625	298	143	
Compartamos SAB de CV	82,600	167	103	
Corp. Financiera Colombiana SA	5,925	111	105	
Corp. Financiera Colombiana SA-ND	111	2	2	
Corpbanca	7,824,593	124	103	
Country Garden Holdings Co.	328,000	121	125	
Credicorp, Ltd.	5,620	642	626	
Daewoo Securities Co., Ltd.	14,276	213	131	
DGB Financial Group Inc.	10,990	143	125	
Discovery Holdings, Ltd.	23,275	128	127	
DLF, Ltd.	30,994	155	109	
Dongbu Insurance Co., Ltd.	3,430	121	162	
Douja Promotion Groupe Addoha SA	11,111	135	91	
E.sun Financial Holding Co., Ltd.	313,000	154	137	
Egyptian Financial Group-Hermes Holding	28,213	109	46	
Egyptian Kuwaiti Holding Co.	52,799	80	52	
Emlak Konut Gayrimenkul Yatirim Ortakligi REIT	49,100	82	52	
Evergrande Real Estate Group, Ltd.	431,000	225	182	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Far East Horizon, Ltd.	92,000	77	83	
Farglory Land Development Co., Ltd.	24,000	44	38	
First Financial Holding Co., Ltd.	458,000	292	273	
FirstRand, Ltd.	227,208	657	594	
Franshion Properties China, Ltd.	288,000	86	56	
Fubon Financial Holding Co., Ltd.	398,000	466	429	
Getin Holding SA	25,895	90	54	
Globe Trade Centre SA	12,938	91	36	
Growthpoint Properties, Ltd.-UNIT	129,656	325	303	
Grupo Aval Acciones Y Valores	126,687	85	83	
Grupo de Inversiones Suramericana SA	18,893	390	308	
Grupo Financiero Banorte SAB de CV	130,900	537	404	
Grupo Financiero Inbursa SA	161,500	347	299	
Guangzhou R&F Properties Co., Ltd.	76,000	106	61	
Haci Omer Sabanci Holding	40,113	192	117	
Hana Financial Group, Inc.	17,580	553	552	
HDFC Bank, Ltd.	114,887	1,162	938	
Highwealth Construction Corp.	33,000	59	48	
Hong Leong Bank BHD	44,760	143	156	
Hong Leong Financial Group BHD	16,600	53	62	
Housing Development Finance Corp.	82,190	1,235	1,022	
Hua Nan Financial Holdings Co., Ltd.	404,983	241	223	
Hyundai Marine & Fire Insurance Co., Ltd.	5,050	153	154	
Hyundai Securities Co.	9,360	114	71	
ICICI Bank, Ltd.	32,636	749	427	
IndusInd Bank, Ltd.	7,735	46	33	
Industrial & Commercial Bank of China	4,901,000	3,708	2,962	
Industrial Bank of Korea	13,440	187	148	
Infrastructure Development Finance Co., Ltd.	72,300	226	126	
Investec, Ltd.	19,562	156	108	
Itau Unibanco Holding SA	184,100	4,118	3,399	
Itausa-Investimentos Itau SA	186,661	1,362	1,136	
Kasikornbank PCL	94,200	379	372	
Kasikornbank PCL NVDR	49,000	194	192	
KB Financial Group, Inc.	29,524	1,283	947	
KGI Securities Co., Ltd.	240,000	96	87	
Komercni Banka	1,247	266	213	
Korea Exchange Bank	21,410	222	139	
Korea Investment Holdings Co., Ltd.	3,070	96	99	
Korea Life Insurance Co., Ltd.	15,080	98	99	
Kotak Mahindra Bank, Ltd.	20,832	203	171	
Krung Thai Bank PCL	219,800	122	106	
Krung Thai Bank PCL NVDR	13,100	8	6	
Liberty Holdings, Ltd.	9,763	100	98	
LIC Housing Finance, Ltd.	21,879	104	93	
Longfor Properties Co., Ltd.	101,500	132	116	
LSR Group-GDR	14,178	109	48	
Malayan Banking BHD	272,700	776	726	
Mega Financial Holding Co., Ltd.	641,000	464	435	
Metropolitan Bank & Trust	33,889	55	53	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Mirae Asset Securities Co., Ltd.	1,809	87	50	
MMI Holdings, Ltd.	86,391	211	186	
Multiplan Empreendimentos Imobiliarios SA	5,300	114	111	
National Societe Generale Bank SAE	7,926	58	25	
Nedbank Group, Ltd.	16,376	321	295	
OTP Bank PLC	20,051	432	271	
PICC Property & Casualty Co., Ltd.	215,600	308	296	
Ping An Insurance Group Co. of China, Ltd.	138,500	1,423	928	
Poly Hong Kong Investments, Ltd.	156,000	155	69	
Porto Seguro SA	9,400	126	109	
Power Finance Corp., Ltd.	20,300	63	53	
Powszechna Kasa Oszczednosci Bank Polski SA	50,445	709	480	
Powszechny Zaklad Ubezpieczen SA	4,509	565	413	
Public Bank BHD	85,400	359	359	
Redefine Properties, Ltd.-UNIT	214,456	245	200	
Reliance Capital, Ltd.	7,147	88	32	
Remgro, Ltd.	35,266	535	527	
Renhe Commercial Holdings Co., Ltd.	866,000	160	101	
RHB Capital BHD	44,500	117	104	
RMB Holdings, Ltd.	58,599	278	202	
RMI Holdings	58,415	113	98	
Ruentex Development Co., Ltd.	43,112	46	47	
Rural Electrification Corp, Ltd.	21,550	109	64	
Samsung Card Co.	3,554	185	122	
Samsung Fire & Marine Insurance Co., Ltd.	2,848	511	530	
Samsung Life Insurance Co., Ltd.	4,054	361	290	
Samsung Securities Co., Ltd.	4,572	256	200	
Sanlam, Ltd.	145,395	538	529	
Sberbank of Russia	695,962	2,076	1,743	
Sberbank of Russia Preferred	78,607	175	147	
Shimao Property Holdings, Ltd.	125,500	198	108	
Shin Kong Financial Holding Co., Ltd.	470,000	142	135	
Shinhan Financial Group Co., Ltd.	34,450	1,432	1,210	
Shriram Transport Finance Co., Ltd.	9,644	139	77	
Shui On Land, Ltd.	205,000	100	63	
Siam Commercial Bank PCL	122,700	419	453	
Siam Commercial Bank PCL NVDR	3,000	12	11	
Sino-Ocean Land Holdings, Ltd.	277,000	171	130	
Sinopac Financial Holdings Co., Ltd.	466,000	157	144	
SM Prime Holdings, Inc.	437,200	117	135	
Soho China, Ltd.	163,000	125	110	
SP Setia BHD	101,050	118	125	
Standard Bank Group, Ltd.	95,976	1,416	1,195	
State Bank of India	9,555	438	297	
Sul America SA-UNIT	8,700	97	72	
Taishin Financial Holding Co., Ltd.	403,000	162	142	
Taiwan Business Bank	194,000	59	61	
Taiwan Cooperative Financial Holding	305,000	199	186	
Talaat Moustafa Group	73,022	84	36	
Turkiye Garanti Bankasi	169,189	890	538	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Turkiye Halk Bankasi	25,798	222	138	
Turkiye Is Bankasi	128,850	483	229	
Turkiye Vakiflar Bankasi Tao	58,977	162	78	
UEM Land Holdings BHD	104,200	88	81	
Unitech, Ltd.	95,080	84	35	
VTB Bank OJSC	208,966,000	636	389	
Woori Finance Holdings Co., Ltd.	29,430	354	245	
Woori Investment & Securities Co., Ltd.	9,987	143	93	
Yapi ve Kredi Bankasi	68,367	216	98	
Yuanta Financial Holding Co., Ltd.	648,000	336	336	
Yuexiu Property Co., Ltd.	402,000	98	59	
		77,496	62,955	23.6
Health Care				
Amil Participacoes SA	10,500	107	94	
Aspen Pharmacare Holdings, Ltd.	23,021	297	280	
Celltrion, Inc.	5,669	162	182	
Cipla, Ltd.	25,260	171	155	
Diagnosticos da America SA	19,000	237	161	
Dr Reddy's Laboratories, Ltd.	7,639	266	232	
Kalbe Farma Tbk PT	372,497	152	140	
Life Healthcare Group Holdings, Ltd.	60,637	146	157	
Lupin, Ltd.	11,510	105	99	
Netcare, Ltd.	73,635	148	125	
Odontoprev SA	7,000	108	102	
Piramal Healthcare, Ltd.	4,866	45	35	
Ranbaxy Laboratories, Ltd.	9,193	95	71	
Richter Gedeon Nyrt.	1,091	234	157	
Shandong Weigao Group Medical Polymer Co., Ltd.	128,000	171	117	
Shanghai Pharmaceuticals Holding Co., Ltd.	38,000	74	62	
Sihuan Pharmaceutical Holdings Group, Ltd.	143,000	81	51	
Sinopharm Group Co.	65,200	230	159	
Sun Pharmaceutical Industries, Ltd.	23,289	228	221	
Yuhan Corp.	658	93	74	
		3,150	2,674	1.0
Industrials				
Aboitiz Equity Ventures, Inc.	152,000	150	140	
Adani Enterprises, Ltd.	16,810	229	94	
Aditya Birla Nuvo, Ltd.	2,972	57	42	
Air China, Ltd.	162,000	202	122	
AirAsia BHD	98,200	83	118	
Alfa SAB de CV	23,300	217	258	
All America Latina Logistica SA	36,200	325	183	
Aveng, Ltd.	29,454	167	121	
Barloworld, Ltd.	16,842	168	159	
Beijing Capital International Airport Co., Ltd.	148,000	77	75	
Beijing Ent. Holdings, Ltd.	42,500	272	259	
Berjaya Corp. BHD	198,700	72	61	
Bidvest Group, Ltd.	24,896	529	482	
Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd.	105,360	180	115	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
China Airlines, Ltd.	189,000	86	84	
China Communications Construction Co., Ltd.	364,000	319	289	
China COSCO Holdings Co., Ltd.	228,500	224	114	
China International Marine Containers Group Co., Ltd.	50,600	89	59	
China Merchants Holdings International Co., Ltd.	90,000	334	266	
China Railway Construction Corp., Ltd.	155,000	180	87	
China Railway Group, Ltd.	314,000	213	100	
China Rongsheng Heavy Industry Group Co., Ltd.	164,500	133	46	
China Shipping Container Lines Co., Ltd.	280,000	101	65	
China Shipping Development Co., Ltd.	102,000	132	65	
China Southern Airlines Co., Ltd.	142,000	104	73	
China State Construction International Holdings, Ltd.	112,000	115	81	
Cia de Concessoes Rodoviarias	70,800	480	472	
Citic Pacific, Ltd.	107,000	251	195	
CJ Corp.	1,170	85	80	
COSCO Pacific, Ltd.	132,000	200	157	
CSR Corp., Ltd.	151,000	147	88	
Daelim Industrial Co., Ltd.	2,207	190	175	
Daewoo Engineering & Construction Co., Ltd.	8,170	80	76	
Daewoo International Corp.	2,820	94	72	
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	7,750	196	166	
Dongfang Electric Corp., Ltd.	26,800	121	81	
Doosan Corp.	789	97	99	
Doosan Heavy Industries and Construction Co., Ltd.	3,495	237	201	
Doosan Infracore Co., Ltd.	8,360	177	132	
EcoRodovias Infraestrutura e Logistica SA	13,900	113	104	
Embraer SA	45,000	311	288	
Empresas COPEC SA	37,443	684	509	
Enka Insaat ve Sanayi	25,557	84	56	
Eva Airways Corp.	133,000	75	86	
Evergreen Marine Corp. Taiwan, Ltd.	107,000	54	55	
Far Eastern New Century Corp.	234,000	265	277	
Gamuda BHD	134,300	162	145	
Glovis Co., Ltd.	1,059	162	180	
Gol Linhas Aereas Inteligentes SA	8,500	109	57	
Gol Linhas Aereas Inteligentes SA RTS	423	-	-	
Grupo Aeroportuario del Pacifico SAB de CV	38,900	142	133	
Grupo Carso SAB de CV	45,300	226	110	
GS Engineering & Construction Corp.	2,893	250	235	
Hiwin Technologies Corp.	13,000	110	108	
Hyundai Development Co.	4,450	127	66	
Hyundai Engineering & Construction Co., Ltd.	5,382	329	334	
Hyundai Heavy Industries Co., Ltd.	3,374	1,064	765	
Hyundai Merchant Marine Co., Ltd.	3,380	120	75	
Hyundai Mipo Dockyard	865	133	85	
IJM Corp. BHD	93,100	170	169	
International Container Terminal Services, Inc.	62,200	80	76	
Jaiprakash Associates, Ltd.	69,605	134	70	
Jiangsu Expressway Co., Ltd.	96,000	100	90	
KCC Corp.	331	99	83	
KOC Holding	50,201	221	153	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Korea Aerospace Industries, Ltd.	3,540	130	124	
Korean Air Lines Co., Ltd.	3,017	187	116	
Lan Airlines SA	11,134	326	266	
Larsen & Toubro, Ltd.	15,574	568	297	
LG Corp.	7,633	538	414	
Localiza Rent a Car SA	9,000	146	126	
Lonking Holdings, Ltd.	151,000	95	51	
LS Corp.	1,491	142	100	
LS Industrial Systems Co., Ltd.	1,180	90	69	
Malaysia Airports Holdings BHD	34,600	74	64	
Malaysia Marine and Heavy Engineering Holdings BHD	37,700	93	68	
Metallurgical Corp. of China, Ltd.	226,000	98	52	
MISC BHD	87,800	246	153	
MMC Corp. BHD	59,900	55	52	
Mundra Port and Special Economic Zone, Ltd.	29,146	98	67	
Orascom Construction Industries	7,672	346	260	
Reunert, Ltd.	14,058	122	112	
S1 Corp.	1,345	68	68	
Samsung C&T Corp.	10,088	608	607	
Samsung Engineering Co., Ltd.	2,399	380	426	
Samsung Heavy Industries Co., Ltd.	12,990	369	320	
Samsung Techwin Co., Ltd.	2,925	263	138	
Sany Heavy Equipment International Holdings Co., Ltd.	73,000	82	60	
Shanghai Electric Group Co., Ltd.	232,000	131	108	
Shanghai Industrial Holdings, Ltd.	44,000	198	123	
Siemens India, Ltd.	4,951	93	61	
Sime Darby BHD	220,500	625	641	
SK Holdings Co., Ltd.	2,088	230	222	
SK Networks Co., Ltd.	8,780	85	78	
SM Investments Corp.	15,263	188	206	
STX Pan Ocean Co., Ltd.	9,080	91	49	
Suzlon Energy, Ltd.	51,714	57	18	
Taiwan Glass Industrial Corp.	72,000	93	76	
TAM SA	5,900	133	115	
TAV Havalimanlari Holding	12,855	63	56	
Teco Electric And Machinery Co., Ltd.	135,000	81	81	
Turk Hava Yollari	37,746	106	43	
U-ming Marine Transport Corp.	33,000	51	50	
United Tractors Tbk PT	134,378	332	397	
Walsin Lihwa Corp.	259,000	92	76	
Wan Hai Lines, Ltd.	85,000	42	41	
Weichai Power Co., Ltd.	32,000	183	160	
Yang Ming Marine Transport Corp.	108,900	58	44	
Zhejiang Expressway Co., Ltd.	120,000	106	79	
Zhuzhou CSR Times Electric Co., Ltd.	36,000	131	80	
		20,730	16,675	6.3
Information Technology				
Acer, Inc.	204,000	229	240	
Advanced Semiconductor Engineering, Inc.	380,000	358	330	
Advantech Co., Ltd.	24,000	66	67	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Alibaba.com, Ltd.	99,500	176	104	
Asseco Poland SA	5,185	89	75	
Asustek Computer, Inc.	55,000	458	399	
AU Optronics Corp.	597,000	256	261	
Catcher Technology Co., Ltd.	45,000	275	213	
Cheng Uei Precision Industry Co., Ltd.	32,000	78	64	
Chicony Electronics Co., Ltd.	37,000	63	62	
Chimei Innolux Corp.	407,000	174	167	
Cielo SA	19,800	448	520	
Clevo Co.	34,000	56	55	
Compal Electronics, Inc.	347,000	347	352	
Delta Electronics, Inc.	148,000	388	358	
E Ink Holdings, Inc.	64,000	152	85	
Epistar Corp.	61,000	120	132	
Everlight Electronics Co., Ltd.	30,000	56	53	
Foxconn Technology Co., Ltd.	56,000	191	182	
GCL Poly Energy Holdings, Ltd.	575,000	203	162	
HCL Technologies, Ltd.	7,146	73	53	
Hon Hai Precision Industry Co., Ltd.	733,000	1,767	2,041	
HTC Corp.	59,000	1,491	986	
Hynix Semiconductor, Inc.	40,490	785	786	
Infosys Technologies, Ltd.	32,521	2,101	1,718	
Inotera Memories, Inc.	143,000	36	24	
Inventec Corp.	206,000	77	76	
Kingboard Chemical Holdings, Ltd.	48,500	235	145	
Kinsus Interconnect Technology Corp.	21,000	72	57	
Largan Precision Co., Ltd.	8,000	207	152	
Lenovo Group, Ltd.	498,000	319	338	
LG Display Co., Ltd.	18,820	586	407	
LG Innotek Co., Ltd.	712	77	43	
Lite-on Technology Corp.	164,000	166	187	
Macronix International	269,000	107	109	
Mediatek, Inc.	84,000	921	782	
Motech Industries, Inc.	24,000	42	43	
Mstar Semiconductor, Inc.	31,000	174	164	
Nan Ya Printed Circuit Board Corp.	15,000	48	31	
NCSoft Corp.	1,227	283	333	
NHN Corp.	3,282	564	612	
Novatek Microelectronics Corp.	41,000	101	105	
Pegatron Corp.	135,000	134	149	
Phison Electronics Corp.	10,000	49	61	
Powertech Technology, Inc.	57,000	133	123	
Quanta Computer, Inc.	204,000	387	437	
Radiant Opto-electronics Corp.	33,000	99	96	
Realtek Semiconductor Corp.	32,000	56	48	
Redecard SA	27,300	398	435	
Richtek Technology Corp.	11,000	58	46	
Samsung Electro-Mechanics Co., Ltd.	4,833	475	332	
Samsung Electronics Co., Ltd.	8,920	6,231	8,342	
Samsung Electronics Co., Ltd. Preferred	1,659	819	978	
Samsung SDI Co., Ltd.	2,750	391	324	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Satyam Computer Services, Ltd.	42,792	71	54	
Semiconductor Manufacturing International Corp.	1,506,000	103	72	
Siliconware Precision Industries Co.	236,000	224	215	
Simplo Technology Co., Ltd.	18,000	121	107	
Sino-american Silicon Products, Inc.	29,000	57	45	
SK C&C Co., Ltd.	1,180	105	121	
Synnex Technology International Corp.	109,000	266	267	
Taiwan Semiconductor Manufacturing Co., Ltd.	1,987,000	4,660	5,052	
Tata Consultancy Services, Ltd.	35,437	880	786	
Tencent Holdings, Ltd.	81,500	1,798	1,667	
Totvs SA	9,000	176	163	
TPK Holding Co., Ltd.	8,000	163	106	
Transcend Information, Inc.	15,000	33	40	
Tripod Technology Corp.	33,000	92	81	
Unimicron Technology Corp.	104,000	151	124	
United Microelectronics Corp.	1,019,000	383	435	
Wintek Corp.	118,000	101	85	
Wipro, Ltd.	37,069	347	283	
Wistron Corp.	158,000	189	203	
WPG Holdings, Ltd.	107,000	146	126	
ZTE Corp.	48,600	151	154	
		33,862	34,630	13.0
Materials				
ACC, Ltd.	3,824	90	83	
African Rainbow Minerals, Ltd.	8,379	211	181	
Aluminum Corp. of China, Ltd.	318,000	274	140	
Ambuja Cements, Ltd.	46,106	147	138	
Aneka Tambang Tbk PT	262,500	68	48	
Angang Steel Co., Ltd.	98,000	117	71	
Anglo Platinum, Ltd.	5,279	493	353	
AngloGold Ashanti, Ltd.	30,770	1,437	1,329	
Anhui Conch Cement Co., Ltd.	99,500	324	300	
ArcelorMittal South Africa, Ltd.	14,021	153	121	
Asia Cement Corp.	150,000	168	171	
Asian Paints, Ltd.	2,213	151	109	
BBMG Corp.	87,500	123	59	
Bradespar SA	18,300	426	315	
Braskem SA	12,400	128	87	
CAP SA	5,876	281	219	
Cementos Argos SA	22,641	149	129	
Cemex SAB de CV-UNIT	857,752	614	463	
Cheil Industries, Inc.	3,796	348	339	
China BlueChemical, Ltd.	146,000	113	112	
China Molybdenum Co., Ltd.	98,000	79	43	
China National Building Material Co., Ltd.	234,000	302	270	
China Petrochemical Development Corp.	141,000	187	128	
China Resources Cement Holdings, Ltd.	154,000	129	117	
China Shanshui Cement Group, Ltd.	133,000	120	89	
China Steel Corp.	915,000	913	886	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
China Zhongwang Holdings, Ltd.	127,600	72	44	
Cia de Minas Buenaventura SA-ADR	15,424	711	602	
Cia Siderurgica Nacional SA	58,700	883	479	
CSG Holding Co., Ltd.	60,000	77	41	
Dongkuk Steel Mill Co., Ltd.	3,310	80	60	
Dongyue Group	77,000	60	52	
Duratex SA	20,500	176	100	
Empresas CMPC SA	88,990	455	333	
Eregli Demir ve Celik Fabrikalari TAS	42,267	122	75	
Eternal Chemical Co., Ltd.	53,000	42	42	
Exxaro Resources, Ltd.	10,077	196	213	
Feng Hsin Iron & Steel Co.	34,000	63	55	
Fibria Celulose SA	16,600	256	126	
Formosa Chemicals & Fibre Corp.	230,000	634	618	
Formosa Plastics Corp.	322,000	888	875	
Fosun International, Ltd.	126,000	98	66	
Fushan International Energy Group, Ltd.	258,000	153	88	
Gerdau SA	69,100	823	545	
Gold Fields, Ltd.	58,427	947	907	
Grupo Mexico SAB de CV	311,298	972	827	
Hanwha Chem Corp.	6,940	185	151	
Hanwha Corp.	3,540	137	104	
Harmony Gold Mining Co., Ltd.	31,124	372	369	
Hindalco Industries, Ltd.	86,674	352	191	
Honam Petrochemical Corp.	1,153	258	304	
Huabao International Holdings, Ltd.	149,000	211	77	
Hyosung Corp.	1,795	170	85	
Hyundai Hysco	2,520	115	78	
Hyundai Steel Co.	4,466	448	377	
Impala Platinum Holdings, Ltd.	40,727	1,091	859	
Indocement Tunggal Prakarsa Tbk PT	118,500	234	226	
Indorama Ventures PCL	113,567	186	106	
Industrias Penoles SAB de CV	11,195	368	500	
International Nickel Indonesia Tbk PT	187,000	93	67	
Inversiones Argos SA	23,939	270	212	
Jastrzebska Spolka Weglowa SA	3,599	149	90	
Jiangxi Copper Co., Ltd.	117,000	308	257	
Jindal Steel & Power, Ltd.	28,781	399	250	
JSW Steel, Ltd.	6,492	126	63	
KGHM Polska Miedz SA	11,118	493	365	
Klabin SA	36,600	115	160	
Korea Kumho Petrochemical	1,022	200	151	
Korea Zinc Co., Ltd.	702	193	188	
Koza Altin Isletmeleri	3,448	52	47	
KP Chemical Corp.	3,870	96	48	
Kumba Iron Ore, Ltd.	6,456	363	407	
Lafarge Malayan Cement BHD	33,400	82	75	
LCY Chemical Corp.	34,066	59	50	
Lee & Man Paper Manufacturing, Ltd.	129,000	97	42	
LG Chem, Ltd.	3,745	1,192	1,051	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
LG Chem, Ltd. Preferred	600	89	57	
Mechel-ADR	13,756	255	119	
Metalurgica Gerdau SA	22,700	335	222	
Mexichem SAB de CV	58,100	187	185	
Minera Frisco SAB de CV	49,500	145	182	
Minmetals Resources, Ltd.	124,000	87	53	
MMC Norilsk Nickel	4,099	780	641	
MMX Mineracao e Metalicos SA	20,900	116	76	
Nan Ya Plastics Corp.	380,000	861	768	
Nine Dragons Paper Holdings, Ltd.	136,000	185	87	
Northam Platinum, Ltd.	19,690	111	74	
Novolipetsk Steel OJSC-GDR	5,563	186	110	
OCI Co., Ltd.	1,313	363	254	
Petronas Chemicals Group BHD	193,800	365	383	
POSCO	5,278	2,217	1,773	
Pretoria Portland Cement Co., Ltd.	41,485	180	143	
PTT Global Chemical PCL	100,093	182	197	
PTT Global Chemical PCL NVDR	34,600	64	68	
Sappi, Ltd.	42,237	204	126	
Semen Gresik Persero Tbk PT	242,000	256	310	
Sesa Goa, Ltd.	25,015	162	79	
Severstal OAO	16,065	232	185	
Siam Cement PCL	22,800	270	267	
Siam Cement PCL NVDR	1,000	11	10	
Sinofert Holdings, Ltd.	166,000	86	47	
Sinopec Shanghai Petrochemical Co., Ltd.	184,000	81	62	
Sociedad Quimica y Minera de Chile SA	7,742	410	424	
Southern Copper Corp.	13,673	496	420	
Sterlite Industries India, Ltd.	105,207	363	181	
Suzano Papel e Celulose SA	14,400	119	53	
Synthos SA	46,825	88	61	
Taiwan Cement Corp.	267,000	303	314	
Taiwan Fertilizer Co., Ltd.	59,000	169	140	
Tata Steel, Ltd.	24,086	304	154	
TSRC Corp.	41,000	98	102	
Tung Ho Steel Enterprise Corp.	56,000	56	50	
Ultratech Cement, Ltd.	5,202	120	115	
United Phosphorus, Ltd.	16,437	54	40	
Uralkali	112,029	814	824	
Usinas Siderurgicas de Minas Gerais SA	13,900	195	130	
Usinas Siderurgicas de Minas Gerais SA Preferred	37,300	419	207	
Vale SA	105,200	3,133	2,266	
Vale SA Preferred	161,600	4,301	3,336	
Volcan Cia Minera Saa	120,228	145	134	
Yingde Gases	72,000	75	74	
Zhaojin Mining Industry Co., Ltd.	71,500	144	115	
Zijin Mining Group Co., Ltd.	490,000	276	187	
		43,759	35,203	13.2

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Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Telecommunication Services				
Advanced Info Service PCL	70,100	231	307	
Advanced Info Service PCL NVDR	2,200	8	10	
America Movil SAB de CV	3,237,300	4,307	3,723	
Axiata Group BHD	204,500	313	334	
Bharti Airtel, Ltd.	42,859	319	283	
Brasil Telecom SA	20,400	143	121	
China Communications Services Corp., Ltd.	156,000	90	71	
China Mobile, Ltd.	486,000	4,938	4,833	
China Telecom Corp., Ltd.	1,124,000	619	648	
China Unicom Hong Kong, Ltd.	476,000	747	1,021	
Chunghwa Telecom Co., Ltd.	309,000	1,026	1,039	
DiGi.Com BHD	254,000	216	314	
Egyptian Co. for Mobile Services	2,359	69	31	
ENTEL Chile SA	8,370	145	159	
Far Eastone Telecommunications Co., Ltd.	134,000	207	255	
Globe Telecom, Inc.	2,600	52	68	
Idea Cellular, Ltd.	49,438	93	79	
Indosat Tbk PT	107,000	68	67	
KT Corp.	1,800	65	57	
KT Corp.-ADR	2,248	44	36	
LG Uplus Corp.	18,220	113	119	
Magyar Telekom Telecommunications PLC	39,921	117	87	
Maroc Telecom	14,274	257	230	
Maxis BHD	181,600	320	319	
Mobile Telesystems OJSC-ADR	41,514	852	620	
MTN Group, Ltd.	136,772	2,468	2,475	
Orascom Telecom Holding SAE	206,252	169	104	
Philippine Long Distance Telephone Co.	3,440	197	202	
Reliance Communications, Ltd.	37,535	82	50	
Rostelecom OJSC	106,000	665	511	
Sistema JSFC-GDR	9,679	228	165	
SK Telecom Co., Ltd.	528	72	66	
SK Telecom Co., Ltd.-ADR	9,969	175	138	
Taiwan Mobile Co., Ltd.	138,200	400	439	
Tele Norte Leste Participacoes SA	4,400	79	51	
Tele Norte Leste Participacoes SA Preferred	19,300	269	184	
Telecom Egypt	26,848	80	58	
Telefonica Brasil SA	23,955	693	678	
Telefonica O2 Czech Republic	9,321	200	185	
Telekom Malaysia BHD	84,400	99	134	
Telekomunikacja Polska SA	59,602	340	305	
Telekomunikasi Indonesia Tbk PT	813,500	790	639	
Telemar Norte Leste SA	3,000	89	73	
Telkom SA, Ltd.	20,476	103	75	
Tim Participacoes SA	67,979	324	343	
Turk Telekomunikasyon	43,525	189	162	
Turkcell Iletisim Hizmet	62,519	399	299	
Vodacom Group, Ltd.	29,910	300	334	
XL Axiata Tbk PT	134,000	93	68	
		23,862	22,569	8.5

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Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Utilities				
Aboitiz Power Corp.	144,700	110	100	
AES Gener SA	190,372	108	103	
AES Tiete SA	8,200	113	120	
Centrais Eletricas Brasileiras SA	22,300	280	216	
Centrais Eletricas Brasileiras SA Preferred	18,500	279	270	
CEZ	13,170	579	534	
China Gas Holdings, Ltd.	242,000	115	113	
China Longyuan Power Group Corp.	160,000	154	127	
China Resources Gas Group, Ltd.	46,000	70	67	
China Resources Power Holdings Co., Ltd.	136,000	271	266	
Cia de Saneamento Basico do Estado de Sao Paulo	9,200	214	260	
Cia de Transmissao de Energia Electrica Paulista	2,459	76	77	
Cia Energetica de Minas Gerais	30,800	524	556	
Cia Energetica de Sao Paulo	13,000	214	234	
Cia Paranaense de Energia	8,100	193	172	
Colbun SA	551,594	156	144	
CPFL Energia SA	15,700	190	223	
Datang International Power Generation Co., Ltd.	234,000	90	79	
E.CL SA	41,702	117	113	
EDP-Energias do Brasil SA	6,600	149	148	
Eletropaulo Metropolitana Eletricidade de Sao Paulo SA	7,800	146	154	
Empresa Nacional de Electricidad SA	269,830	498	405	
Enea SA	8,678	66	46	
Energy Development Corp.	644,900	86	94	
Enersis SA	1,076,181	502	385	
ENN Energy Holdings, Ltd.	60,000	187	195	
Federal Grid Co. Unified Energy System JSC	25,215,800	293	225	
Federal Hydrogenerating Co. JSC	9,297,300	470	287	
GAIL India, Ltd.	28,573	286	210	
GMR Infrastructure, Ltd.	70,785	59	29	
Guangdong Investment, Ltd.	202,000	108	125	
Huaneng Power International, Inc.	258,000	144	139	
IDGC Holding JSC	1,377,400	139	100	
Inter Rao Ues OAO	99,335,400	137	109	
Interconexion Electrica SA	32,118	236	188	
Korea Electric Power Corp.	20,760	510	469	
Korea Gas Corp.	2,050	79	75	
Light SA	5,700	88	90	
Manila Electric Co.	22,160	115	126	
NTPC, Ltd.	44,244	175	136	
Perusahaan Gas Negara PT	890,000	402	315	
Petronas Gas BHD	56,500	217	271	
PGE Polska Grupa Energetyczna SA	53,057	400	326	
Power Grid Corp. of India, Ltd.	84,722	191	162	
Reliance Infrastructure, Ltd.	7,781	108	51	
Reliance Power, Ltd.	40,808	108	55	
Tata Power Co., Ltd.	74,871	203	125	
Tauron Polska Energia SA	82,689	171	131	
Tenaga Nasional BHD	221,500	497	414	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Tractebel Energia SA	10,300	158	168	
YTL Corp. BHD	272,100	137	128	
YTL Power International BHD	171,500	131	97	
		11,049	9,752	3.7
Total Common Stocks		299,257	264,697	99.4
Foreign Index Equivalents				
iPath MSCI India Index ETN	22,114	1,644	1,016	
Total Foreign Index Equivalents		1,644	1,016	0.4
Transaction Costs (Note 2)		(240)		
Total Investments		300,661	265,713	99.8
Other Assets and Liabilities			665	0.2
Net Assets			266,378	100.0

Portfolio Concentration
(as a percentage of Net Assets)

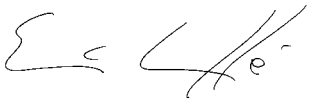
Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	8.2	6.1
Consumer Staples	7.9	6.1
Energy	14.0	13.2
Financials	23.6	21.1
Health Care	1.0	0.6
Industrials	6.3	6.2
Information Technology	13.0	5.1
Materials	13.2	12.6
Telecommunication Services	8.5	6.9
Utilities	3.7	3.0
Foreign Index Equivalents	0.4	18.7
Other Assets and Liabilities	0.2	0.4

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 549,597,041	$ 498,727,267
Cash	6,895,530	4,301,786
Margin due from brokers	934,576	594,164
Securities lending income receivable	5,442	-
Dividends receivable	1,091,506	505,087
Tax reclaim on dividends receivable	651,313	225,123
Accounts receivable for investment sales	75,548	366,797
	559,250,956	504,720,224
Liabilities		
Operating expenses payable	24,753	24,002
Payables for investment purchases	3,984,066	1,036,826
	4,008,819	1,060,828
Net Assets	$ 555,242,137	$ 503,659,396
Number of Units Issued and Outstanding (Note 8)	59,827,037	48,883,500
Net Assets per Unit	$ 9.28	$ 10.30
Investments at Cost	$ 593,484,150	$ 460,075,236

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 22,160,548	$ 7,936,517
Interest income	19,433	(3,078)
Securities lending income	287,809	-
Net gain (loss) from futures contracts	(1,527,295)	186,054
Foreign exchange gain	252,446	126,329
Withholding taxes	(1,038,511)	(560,119)
	20,154,430	7,685,703
Expenses		
Custodian fees	161,294	237,079
Fund accounting expenses	71,791	48,584
Unitholder communication costs	601	705
Audit fees	9,996	10,743
Securities filing fees	8,958	-
Independent review committee fees	634	467
Other operating expenses	18,022	14,891
	271,296	312,469
Net Investment Income for the Period	19,883,134	7,373,234
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	(1,631,252)	1,000,663
Transaction costs (Note 2,13)	(129,698)	(201,532)
Net change in unrealized appreciation (depreciation) in value of investments	(82,539,140)	38,652,031
Net Gain (Loss) on Investments	(84,300,090)	39,451,162
Increase (Decrease) in Net Assets from Operations	$ (64,416,956)	$ 46,824,396
Increase (Decrease) in Net Assets from Operations per Unit	$ (1.09)	$ 1.12

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010
Net Assets - Beginning of Period	$ 503,659,396	$ -
Increase (Decrease) in Net Assets from Operations	(64,416,956)	46,824,396
Capital Transactions		
Proceeds from issue of units	115,999,697	456,835,000
Reinvestment of distributions	19,128,543	8,759,844
Net capital transactions	135,128,240	465,594,844
Distributions		
From net investment income	(19,121,539)	(6,689,460)
From capital gains	(7,004)	(2,070,384)
Total distributions	(19,128,543)	(8,759,844)
Increase in Net Assets for the Period	51,582,741	503,659,396
Net Assets - End of Period	$ 555,242,137	$ 503,659,396

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Common Stocks				
Consumer Discretionary				
ABC-Mart, Inc.	1,600	61	62	
Accor SA	8,138	397	211	
Adidas AG	11,946	673	794	
Aisin Seiki Co., Ltd.	10,700	334	310	
Anheuser-Busch InBev	45,698	2,440	2,857	
Asics Corp.	8,000	84	92	
Autogrill SpA	7,289	92	71	
Axel Springer AG	2,208	107	97	
Bayerische Motoren Werke AG	18,845	1,061	1,285	
Bayerische Motoren Werke AG Preferred	2,850	111	136	
Benesse Corp.	3,700	172	181	
Bridgestone Corp.	37,000	660	853	
British Sky Broadcasting PLC	64,299	658	745	
Burberry Group PLC	25,142	320	471	
Bureau Veritas SA	3,035	188	225	
Casio Computer Co., Ltd.	13,400	102	83	
Christian Dior	3,119	355	378	
Cie Financiere Richemont SA	29,657	1,245	1,534	
Compass Group PLC	107,770	919	1,038	
Continental AG	4,461	382	283	
Crown, Ltd.	27,705	212	233	
Daihatsu Motor Co., Ltd.	11,000	123	200	
DaimlerChrysler AG	51,570	2,944	2,311	
Daito Trust Construction Co., Ltd.	4,100	229	358	
Daiwa House Industry Co., Ltd.	27,000	290	327	
DeNa Co., Ltd.	5,500	161	168	
Denso Corp.	27,700	849	778	
Dentsu, Inc.	10,100	286	314	
Echo Entertainment Group, Ltd.	37,517	170	140	
Fairfax Media, Ltd.	119,965	170	90	
Fast Retailing Co., Ltd.	3,000	460	555	
Fiat SpA	42,542	507	195	
Fuji Heavy Industries, Ltd.	34,000	211	208	
FUJIFILM Holdings Corp.	26,100	877	628	
G4S PLC	80,773	335	346	
Galaxy Entertainment Group, Ltd.	69,000	143	129	
GKN PLC	87,506	287	253	
Groupe Aeroplan, Inc.	4,680	389	319	
Hakuhodo DY Holdings, Inc.	1,230	70	72	
Harvey Norman Holdings, Ltd.	32,550	104	62	
Hennes & Mauritz AB-Class B	58,300	1,875	1,905	
Honda Motor Co., Ltd.	92,800	3,233	2,876	
Husqvarna AB	24,606	180	116	
Inditex SA	12,394	870	1,036	
Intercontinental Hotels Group PLC	16,093	283	295	
Isetan Mitsukoshi Holdings, Ltd.-Class L	21,100	230	224	
Isuzu Motors, Ltd.	71,000	248	334	
ITV PLC	203,627	248	219	
Jardine Cycle & Carriage, Ltd.	6,000	139	226	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Jc Decaux SA	3,762	104	88	
Jupiter Telecommunications Co.	97	98	100	
Kabel Deutschland Holding AG	5,071	267	263	
Kingfisher PLC	134,680	493	534	
Koito Manufacturing Co., Ltd.	5,000	80	71	
Lagardere S.C.A.	6,410	259	173	
Li & Fung, Ltd.	324,000	966	609	
Luxottica Group SpA	6,418	175	183	
LVMH Moet Hennessy Louis Vuitton SA	14,459	1,840	2,081	
Makita Corp.	6,300	206	207	
Marks & Spencer Group PLC	90,695	502	445	
Marui Co., Ltd.	13,100	105	104	
Mazda Motor Corp.	83,000	226	148	
McDonald's Holdings Co.	3,900	90	107	
Mediaset SpA	37,845	271	106	
Mitsubishi Motors Corp.	215,000	295	256	
Modern Times Group AB	2,749	161	134	
Namco Bandai Holdings, Inc.	10,700	107	155	
Next PLC	9,979	335	432	
NGK Spark Plug Co., Ltd.	9,000	125	113	
NHK Spring Co., Ltd.	8,000	76	72	
Nikon Corp.	19,500	418	442	
Nissan Motor Co., Ltd.	142,100	1,204	1,298	
Nitori Co., Ltd.	2,050	171	195	
NOK Corp.	5,800	101	101	
Nokian Renkaat OYJ	6,094	173	200	
OPAP SA	11,930	217	108	
Oriental Land Co., Ltd.	2,800	230	301	
Panasonic Corp.	126,000	1,734	1,087	
Pearson PLC	46,152	715	883	
Peugeot SA	8,939	281	143	
Pirelli & C SpA	12,877	90	109	
Porsche AG Preferred	8,748	497	474	
PPR SA	4,301	604	629	
ProSiebenSat.1 Media AG	4,146	124	77	
Publicis Groupe	8,236	394	387	
Rakuten, Inc.	415	327	453	
Reed Elsevier NV	39,322	480	466	
Reed Elsevier PLC	69,349	564	568	
Renault SA	10,997	520	390	
Rinnai Corp.	1,800	97	131	
Sands China, Ltd.	141,600	250	403	
Sankyo Co., Ltd./Gunma	2,900	140	149	
Sanoma-WSOY OYJ-Class B	4,716	97	55	
Sanrio Co., Ltd.	2,850	153	149	
Sega Sammy Holdings, Inc.	11,900	178	262	
Sekisui Chemical Co., Ltd.	24,000	166	201	
Sekisui House, Ltd.	34,000	322	306	
SES-FDR	16,762	397	410	
Shangri-La Asia, Ltd.	77,166	156	135	
Sharp Corp.	57,000	674	507	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Shimamura Co., Ltd.	1,300	128	135	
Shimano, Inc.	4,200	195	206	
Singapore Press Holdings, Ltd.	83,000	244	240	
SJM Holdings, Ltd.	91,000	148	150	
Sky City Entertainment Group, Ltd.	30,697	70	83	
Societe Television Francaise 1	7,171	125	71	
Sodexho Alliance SA	5,387	341	393	
Sony Corp.	57,400	1,885	1,048	
Stanley Electric Co., Ltd.	7,800	151	116	
Sumitomo Rubber Industries, Inc.	9,200	89	112	
Suzuki Motor Corp.	18,800	415	396	
Swatch Group AG	1,738	567	665	
Swatch Group AG-Class B	2,378	139	162	
Tabcorp Holdings, Ltd.	36,932	231	105	
Takashimaya Co., Ltd.	14,000	124	103	
Tatts Group, Ltd.	80,851	185	205	
Toho Co., Ltd./Tokyo	6,100	103	111	
Toyoda Gosei Co., Ltd.	3,600	96	58	
Toyota Boshoku Corp.	3,800	65	40	
Toyota Industries Corp.	10,300	299	284	
Toyota Motor Corp.	157,100	6,171	5,318	
TUI Travel PLC	30,237	104	79	
USS Co., Ltd.	1,290	98	118	
Vivendi SA	70,914	1,790	1,586	
Volkswagen AG	1,631	168	223	
Volkswagen AG Preferred	8,250	1,281	1,257	
Whitbread PLC	9,813	232	242	
Wolters Kluwer NV	16,733	354	295	
WPP PLC	71,673	772	766	
Wynn Macau, Ltd.	93,200	180	238	
Yamada Denki Co., Ltd.	4,830	356	334	
Yamaha Corp.	8,800	105	82	
Yamaha Motor Co., Ltd.	15,600	238	201	
Yamato Kogyo Co., Ltd.	2,400	72	70	
Yue Yuen Industrial Holdings	41,000	137	132	
		62,397	59,647	10.7
Consumer Staples				
Aeon Co., Ltd.	34,300	396	479	
Ajinomoto Co., Inc.	38,000	371	464	
Aryzta AG	4,663	188	230	
Asahi Breweries, Ltd.	22,100	407	494	
Associated British Foods PLC	20,114	317	352	
Barry Callebaut Ag	180	168	181	
Beiersdorf AG	5,969	344	345	
British American Tobacco PLC	112,595	3,816	5,444	
Carlsberg AS-Class B	6,058	531	436	
Carrefour SA	32,868	1,520	764	
Casino Guichard Perrachon SA	3,275	288	282	
Coca Cola Hellenic Bottling Co. SA	10,044	252	174	
Coca-Cola Amatil, Ltd.	31,725	341	381	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Coca-Cola West Japan Co., Ltd.	3,300	58	58	
Colruyt SA	4,606	228	178	
Danone	33,228	1,952	2,130	
Delhaize Group	5,844	483	335	
Diageo PLC	142,552	2,524	3,173	
Distribuidora Internacional de Alimentacion SA	32,129	152	148	
Familymart Co., Ltd.	3,600	127	148	
Golden Agri-Resources, Ltd.	375,000	172	211	
Groupe Danone	21,000	146	115	
Heineken Holding NV	6,382	264	266	
Heineken NV	14,781	704	699	
Henkel KGaA	7,572	349	375	
Henkel KGaA Preferred	10,150	546	600	
Imperial Tobacco Group PLC	57,661	1,692	2,222	
J Front Retailing Co., Ltd.	27,000	150	133	
J Sainsbury PLC	72,007	383	344	
Japan Tobacco, Inc.	256	895	1,225	
Jeronimo Martins SGPS SA	12,152	132	205	
Kao Corp.	30,300	755	841	
Kerry Group PLC-Class A	7,791	244	290	
Kesko OYJ-Class B	3,665	139	125	
Kikkoman Corp.	10,000	112	117	
Kirin Holdings Co., Ltd.	47,000	664	580	
Koninklijke Ahold NV	66,674	896	914	
L'Oreal SA	13,631	1,447	1,450	
Lawson, Inc.	3,300	154	209	
Lifestyle International Holdings, Ltd.	31,500	65	70	
Lindt & Spruengli AG	50	120	152	
Lindt & Spruengli AG-PC	6	161	205	
Meiji Holdings Co., Ltd.	3,800	154	160	
Metcash, Ltd.	42,243	163	178	
Metro AG	7,449	450	277	
Nestle SA	188,007	9,646	11,045	
Nippon Meat Packers, Inc.	10,000	132	126	
Nisshin Seifun Group, Inc.	10,500	131	130	
Nissin Food Products Co., Ltd.	3,700	132	147	
Olam International, Ltd.	80,000	159	133	
Pernod-Ricard	11,280	981	1,066	
Reckitt Benckiser Group PLC	35,222	1,837	1,772	
SABMiller PLC	54,229	1,691	1,945	
Seven & I Holdings Co., Ltd.	42,800	1,091	1,213	
Shiseido Co., Ltd.	20,100	426	376	
Suedzucker AG	4,131	89	135	
Swedish Match AB	12,460	301	452	
Tate & Lyle PLC	27,858	308	311	
Tesco PLC	456,296	2,936	2,913	
TNT Express NV	21,603	266	165	
Toyo Suisan Kaisha, Ltd.	5,000	117	123	
Uni-Charm Corp.	6,700	244	336	
Unilever NV	92,740	2,789	3,255	
Unilever PLC	73,046	2,152	2,499	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
William Morrison Supermarkets	125,700	547	649	
Wilmar International, Ltd.	110,000	514	432	
Woolworths, Ltd.	69,206	1,730	1,813	
Yakult Honsha Co., Ltd.	5,300	146	170	
Yamazaki Baking Co., Ltd.	7,000	90	93	
		53,875	59,458	10.7
Energy				
Aker Solutions ASA	8,869	125	95	
BG Group PLC	193,032	3,412	4,205	
BP PLC	1,079,087	8,649	7,852	
Cairn Energy PLC	80,267	525	337	
Caltex Australia, Ltd.	8,116	93	100	
Cosmo Oil Company, Ltd.	32,000	90	91	
EDP Renovaveis SA	11,695	76	72	
ENI SpA	136,798	3,011	2,866	
Essar Energy PLC	17,570	153	48	
Fugro NV	3,812	239	225	
Galp Energia SGPS SA-Class B	12,761	213	192	
Idemitsu Kosan Co., Ltd.	1,200	100	126	
Inpex Holdings, Inc.	125	667	801	
Japan Petroleum Exploration Co.	1,600	75	63	
JX Holdings, Inc.	127,700	754	786	
Lundin Petroleum AB	12,520	324	312	
Neste Oil OYJ	7,588	127	78	
OMV AG	9,224	348	283	
Origin Energy, Ltd.	60,538	883	842	
Repsol YPF SA	45,248	1,145	1,417	
Royal Dutch Shell PLC-Class A	206,154	6,250	7,715	
Royal Dutch Shell PLC-Class B	152,893	4,480	5,936	
Saipem	14,909	581	640	
Santos, Ltd.	53,658	688	685	
SBM Offshore NV	10,156	202	214	
SeaDrill, Ltd.	18,568	482	632	
Showa Shell Sekiyu KK	11,700	92	80	
Statoil ASA	63,490	1,469	1,661	
Subsea 7 SA	15,774	366	299	
Technip SA	5,604	422	538	
Tenaris SA	26,792	557	502	
TonenGeneral Sekiyu KK	16,000	152	178	
Total SA	120,905	6,510	6,301	
Transocean, Ltd.	19,629	1,329	775	
Tullow Oil PLC	51,361	974	1,135	
Woodside Petroleum, Ltd.	36,125	1,477	1,154	
WorleyParsons, Ltd.	10,731	257	287	
		47,297	49,523	8.9
Financials				
3i Group PLC	53,484	175	153	
Admiral Group PLC	11,128	239	150	
Aegon NV	95,978	650	393	
Aeon Credit Service Co., Ltd.	4,800	56	77	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost	Fair value	% of net assets
		(in $000s)	(in $000s)	
Aeon Mall Co., Ltd.	4,400	100	95	
Ageas	121,281	359	192	
AIA Group, Ltd.	479,400	1,529	1,521	
Allianz AG	25,838	3,009	2,517	
AMP, Ltd.	160,616	843	682	
Anglo Irish Bank Co. PLC	75,317	3,217	2,835	
Aozora Bank, Ltd.	31,000	80	87	
Ascendas REIT	98,000	146	140	
Assicurazioni Generali SpA	66,322	1,387	1,004	
ASX, Ltd.	10,218	319	326	
Aviva PLC	163,205	926	775	
AXA SA	98,974	1,919	1,311	
Baloise Holding AG	2,702	225	189	
Banca Cariage SpA	33,964	75	66	
Banca Monte dei Paschi di Siena SpA	260,822	261	86	
Banco Bilbao Vizcaya Argentaria SA	260,822	3,113	2,294	
Banco de Sabadell SA	63,239	308	245	
Banco Espirito Santo SA	39,766	154	71	
Banco Popolare Scarl	98,122	408	125	
Banco Popular Espanol SA	58,197	361	271	
Banco Santander Central Hispano SA	480,563	5,941	3,724	
Bank Hapoalim BM	59,008	247	200	
Bank Leumi Le-Israel BM	64,886	283	193	
Bank of East Asia, Ltd.	91,200	355	350	
Bank of Kyoto, Ltd. (The)	18,000	159	158	
Bank of Yokohama, Ltd.	72,000	367	346	
Bankia SA	48,852	253	232	
Bankinter SA	11,854	84	74	
Barclays PLC	654,048	3,218	1,821	
Bendigo Bank, Ltd.	22,539	196	189	
BNP Paribas	54,978	3,744	2,206	
BOC Hong Kong Holdings, Ltd.	211,000	545	509	
British Land Co. PLC	47,845	350	349	
Capitaland, Ltd.	152,000	419	263	
CapitaMall REIT	119,000	170	159	
Capitamalls Asia, Ltd.	74,000	98	66	
CFS Retail Property Trust	102,699	181	181	
Cheung Kong Holdings, Ltd.	79,000	1,057	955	
Chiba Bank, Ltd. (The)	45,000	286	294	
Chugoku Bank, Ltd.	10,000	127	142	
Chuo Mitsui Trust Holdings, Inc.	177,220	633	528	
City Developments, Ltd.	29,000	241	203	
CNP Assurances	8,017	168	101	
Commerzbank AG	199,896	1,067	344	
Commonwealth Bank of Australia	88,765	4,448	4,561	
Corio NV	3,678	213	163	
Credit Agricole SA	55,562	381	320	
Credit Saison Co., Ltd.	8,100	112	165	
Credit Suisse Group	65,066	2,950	1,563	
Criteria Caixacorp SA	45,780	230	229	
Dai-ichi Life Insurance Co., Ltd.	514	796	514	

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Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Daiwa Securities Group, Inc.	93,000	456	294	
Danske Bank A/S	37,276	849	482	
DB RREEF Trust	100,000	1,098	905	
Delta Lloyd	5,594	119	96	
Deutsche Bank AG	52,885	3,341	2,048	
Deutsche Boerse AG	11,144	810	595	
Dexus Property Group	267,395	201	230	
DnB Nor ASA	55,121	648	549	
Eiffage SA	2,448	125	60	
Erste Bank der Oesterreichischen Sparkassen AG	10,888	471	192	
EXOR SpA	3,892	84	76	
Federated Investors, Inc.-Class B	10,563	430	355	
First Pacific Co., Ltd.	134,100	149	142	
Fonciere Des Regions REIT	1,700	171	111	
Fukuoka Financial Group, Inc.	43,000	187	184	
GAM Holding, Ltd.	11,076	139	123	
Gecina SA	1,219	132	105	
Gjensidige Forsikring ASA	11,151	134	131	
Global Logistic Properties, Ltd.	102,000	158	141	
Goodman Group	388,454	243	229	
GPT Group	103,795	281	333	
Groupe Bruxelles Lambert SA	29,758	260	206	
Gunma Bank, Ltd.	23,000	129	128	
Hachijuni Bank (The), Ltd.	24,000	137	139	
Hammerson PLC	39,390	263	224	
Hang Lung Group, Ltd.	49,000	276	272	
Hang Lung Properties, Ltd.	140,000	577	404	
Hang Seng Bank, Ltd.	43,500	680	525	
Hannover Rueckversicherung AG	3,305	161	168	
Henderson Land Development Co., Ltd.	53,000	346	267	
Hiroshima Bank (The), Ltd.	30,000	127	141	
Hokuhoku Financial Group, Inc.	70,000	139	138	
Hong Kong Exchanges and Clearing, Ltd.	58,200	1,039	951	
HSBC Holdings PLC	1,016,624	10,477	7,900	
Hysan Development Co., Ltd.	34,000	110	113	
ICADE	1,241	121	99	
ICAP PLC	30,705	203	168	
Immoeast AG	5,028	-	-	
Immofinanz AG	52,678	192	160	
Immofinanz Immobilien Anlagen AG	66,523	-	-	
Industrivarden AB	6,540	105	80	
Infineon Technologies AG	61,756	458	476	
ING Groep NV	217,171	2,088	1,595	
Insurance Australia Group, Ltd.	116,233	398	362	
Intesa Sanpaolo SpA	572,254	1,743	973	
Intesa Sanpaolo SpA RNC	50,870	133	64	
Investec PLC	29,960	225	160	
Investor AB-Class B	25,865	497	493	
Israel Discount Bank, Ltd.	42,379	85	58	
Iyo Bank, Ltd.	14,000	131	140	
Japan Prime Realty Investment Corp. REIT	42	105	100	

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Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Japan Real Estate Investment Corp. REIT	26	230	205	
Japan Retail Fund Investment Corp. REIT	103	141	155	
Joyo Bank, Ltd. (The)	36,000	153	162	
Julius Baer Group, Ltd.	11,881	421	475	
KBC Groep NV	8,851	392	113	
Keppel Land, Ltd.	39,000	115	68	
Kerry Properties, Ltd.	39,000	190	131	
Kinnevik Investment AB	11,650	214	232	
Klepierre	5,804	202	169	
Land Securities Group PLC	44,360	447	446	
Legal & General Group PLC	335,237	468	545	
Lend Lease Corp, Ltd.	32,398	247	242	
Liberty International PLC	33,043	199	163	
Link REIT	128,000	345	477	
Lloyds TSB Group PLC	2,338,454	2,201	956	
London Stock Exchange Group PLC	8,044	85	101	
Macquarie Group, Ltd.	19,523	809	485	
Man Group PLC	3,551	388	323	
Mapfre SA	42,290	138	137	
Mediobanca SpA	28,748	269	167	
Merck & Co., Inc.	3,776	314	383	
Mirvac Group	189,099	237	232	
Mitsubishi Estate Co., Ltd.	71,000	1,216	1,078	
Mitsubishi UFJ Financial Group, Inc.	725,200	3,748	3,119	
Mitsubishi UFJ Lease & Finance Co., Ltd.	3,450	132	139	
Mitsui Fudosan Co., Ltd.	48,000	833	712	
Mitsui Sumitomo Insurance Group Holdings, Inc.	32,500	826	611	
Mizrahi Tefahot Bank, Ltd.	7,073	61	58	
Mizuho Financial Group, Inc.	1,297,441	2,168	1,769	
Muenchener Rueckversicherungs AG	10,194	1,391	1,274	
National Australia Bank, Ltd.	125,306	2,990	3,054	
National Bank of Greece SA	51,938	649	112	
Natixis	50,156	288	129	
New China Life Insurance Co., Ltd.-144A	63,700	240	213	
New World Development, Ltd.	203,000	309	166	
Nippon Building Fund, Inc. REIT	31	315	257	
Nishi-Nippon City Bank, Ltd. (The)	41,000	121	119	
NKSJ Holdings, Inc.	21,350	589	426	
Nomura Holdings, Inc.	206,800	1,317	635	
Nomura Real Estate Holdings, Inc.	5,800	98	88	
Nomura Real Estate Office Fund, Inc. REIT	15	91	79	
Nordea Bank AB	149,803	1,468	1,183	
NTT Urban Development Corp.	65	61	45	
Old Mutual PLC	314,700	588	675	
ORIX Corp.	5,950	515	501	
Oversea-Chinese Banking Corp.	145,000	988	892	
Pargesa Holding SA	1,450	112	97	
Partners Group Holding Ag	839	157	150	
Petrofac, Ltd.	14,415	280	328	
Pohjola Bank PLC	7,915	94	79	
Prudential PLC	145,139	1,294	1,464	
QBE Insurance Group, Ltd.	61,691	1,123	834	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Raiffeisen International Bank Holding AG	2,729	130	71	
Ratos AB	11,068	168	133	
Resolution, Ltd.	84,685	345	337	
Resona Holdings, Inc.	105,900	557	474	
Royal Bank of Scotland Group PLC	987,291	698	315	
Sampo OYJ	23,610	584	596	
SBI Holdings, Inc.	1,411	208	105	
Schroders PLC	6,083	134	126	
SCOR	9,541	222	228	
Segro PLC REIT	40,427	175	133	
Seven Bank, Ltd.	34,000	69	67	
Shinsei Bank, Ltd.	78,000	95	83	
Shizuoka Bank, Ltd. (The)	34,000	302	364	
Singapore Exchange, Ltd.	48,000	286	231	
Sino Land Co.	160,200	286	231	
Skandinaviska Enskilda Banken AB-Class A	80,619	544	480	
Societe Generale-Class A	37,503	1,995	852	
Sony Financial Holdings, Inc.	9,500	146	142	
Standard Chartered PLC	135,436	3,629	3,020	
Standard Life PLC	136,555	426	444	
Stockland	136,798	490	454	
Sumitomo Mitsui Financial Group, Inc.	76,400	2,486	2,166	
Sumitomo Realty & Development Co., Ltd.	20,000	404	356	
Sun Hung Kai Properties, Ltd.	80,000	1,203	1,017	
Suncorp-Metway, Ltd.	73,124	613	639	
Suruga Bank, Ltd.	10,000	97	91	
Svenska Handelsbanken-Class A	27,933	806	751	
Swedbank AB	46,092	561	609	
Swire Pacific, Ltd.-Class A	41,500	552	510	
Swiss Life Holding	1,810	227	170	
Swiss Re, Ltd.	19,649	1,123	1,024	
T&D Holdings, Inc.	32,200	397	304	
Tokio Marine Holdings, Inc.	41,200	1,208	927	
Tokyu Land Corp.	26,000	114	100	
TrygVesta AS	1,341	81	76	
UBS AG	207,130	3,317	2,517	
Unibail	5,222	967	952	
Unicredit SPA	76,875	1,989	644	
Unione Di Banche Italiane SCPA	44,914	432	182	
United Overseas Bank, Ltd.	72,000	1,058	863	
UOL Group, Ltd.	25,000	77	79	
Vienna Insurance Group	2,145	103	86	
Westfield Group	124,597	1,370	1,016	
Westfield Retail Trust-REIT	162,235	427	420	
Westpac Banking Corp.	172,530	3,893	3,602	
Wharf Holdings, Ltd.	88,018	506	404	
Wheelock & Co., Ltd.	50,000	155	125	
Wing Hang Bank, Ltd.	10,000	109	83	
Yamaguchi Financial Group, Inc.	12,000	121	116	
Zurich Financial Services AG	8,306	1,975	1,922	
		150,736	117,882	21.2

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Health Care				
Actelion, Ltd.	6,121	271	214	
Alfresa Holdings Corp.	2,200	103	94	
Astellas Pharma, Inc.	25,300	916	1,045	
AstraZeneca PLC	76,517	3,548	3,594	
Bayer AG	47,075	3,072	3,060	
Cangene Corp.	64,500	2,917	2,902	
Celesio AG	4,473	119	72	
Chugai Pharmaceutical Co., Ltd.	12,300	230	206	
Cie Generale d'Optique Essilor International SA	11,373	724	819	
Cochlear, Ltd.	3,168	224	205	
Coloplast A/S-Class B	1,253	149	184	
CSL, Ltd., Australia	30,132	961	1,006	
Daiichi Sankyo Co., Ltd.	38,000	727	765	
Dainippon Sumitomo Pharma Co., Ltd.	8,500	74	99	
Eisai Co., Ltd.	14,400	507	607	
Elan Corp. PLC	28,538	195	404	
Fresenius Medical Care AG & Co. KGaA	11,917	708	828	
Fresenius SE	6,531	491	617	
Getinge AB	11,950	274	308	
GlaxoSmithKline PLC	289,037	5,379	6,728	
Grifols SA-ADR	23,430	132	132	
Hisamitsu Pharmaceutical Co.	3,700	143	160	
Kyowa Hakko Kogyo Co., Ltd.	15,000	160	187	
Lonza Group AG	2,797	210	169	
Miraca Holdings, Inc.	3,000	109	121	
Mitsubishi Tanabe Pharma Corp.	12,400	180	200	
Novartis AG Registered	132,943	7,107	7,774	
Novo-Nordisk A/S-Class B	24,207	2,182	2,839	
Olympus Corp.	12,100	342	162	
ONO Pharmaceutical Co., Ltd.	5,000	223	284	
Orion OYJ-Class B	5,077	100	101	
Otsuka Holdings Co., Ltd.	14,200	355	406	
Qiagen NV	12,819	277	180	
Ramsay Health Care, Ltd.	7,101	111	142	
Roche Holding AG Genusschein	40,020	6,150	6,933	
RSA Insurance Group PLC	201,727	393	336	
Sanofi-Aventis	65,270	4,468	4,895	
Santen Pharmaceutical Co., Ltd.	4,100	140	172	
Shionogi & Co., Ltd.	16,400	314	214	
Shire, Ltd.	31,960	747	1,133	
Smith & Nephew PLC	51,023	524	505	
Sonic Healthcare, Ltd.	22,147	257	261	
Sonova Holding AG	2,734	331	292	
Straumann Holding AG	479	113	85	
Suzuken Co., Ltd.	3,800	133	107	
Synthes, Inc.	3,718	470	638	
Sysmex Corp.	4,000	121	133	
Takeda Pharmaceutical Co., Ltd.	44,900	2,036	2,002	
Terumo Corp.	9,700	508	465	
Teva Pharmaceutical Industries, Ltd.	52,981	3,004	2,194	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Tsumura & Co.	3,300	100	99	
UCB SA	6,069	227	261	
William Demant Holding	1,256	91	107	
		53,347	57,446	10.4
Industrials				
ABB, Ltd.	124,752	2,556	2,400	
Abertis Infraestructuras SA	22,960	398	375	
Acciona SA	1,490	139	131	
ACS Actividades Cons y Serv	8,292	367	251	
Adecco SA	7,372	425	316	
Aeroports de Paris	1,927	155	135	
Aggreko PLC	15,192	358	485	
Airlines	12,465	209	151	
Alfa Laval AB	19,870	318	385	
All Nippon Airways Co., Ltd.	47,000	154	133	
Alstom	11,631	431	360	
Amada Co., Ltd.	21,000	143	135	
Amadeus IT Holding SA	17,392	330	287	
Amec PLC	18,402	259	264	
Antofagasta PLC	22,889	370	440	
AP Moller-Maersk A/S-Class A	31	261	198	
AP Moller-Maersk A/S-Class B	74	644	498	
Asahi Glass Co., Ltd.	57,000	647	486	
Asciano Group	58,581	274	275	
Assa Abloy AB-Class B	17,911	416	459	
Atlantia SpA	17,449	349	282	
Atlas Copco AB-Class A	38,146	673	837	
Atlas Copco AB-Class B	22,414	364	434	
Auckland International Airport, Ltd.	58,239	88	115	
Babcock International Group PLC	19,833	192	230	
BAE Systems PLC	191,057	1,014	860	
Balfour Beatty PLC	37,663	162	158	
Bekaert SA	2,076	220	68	
Bouygues	10,643	500	341	
Brambles Industries PLC	85,391	548	637	
Brenntag AG	1,838	180	174	
Bunzl PLC	18,591	232	260	
Campbell Brothers, Ltd.	4,134	208	211	
Cathay Pacific Airways, Ltd.	64,000	136	112	
Central Japan Railway Co.	85	713	729	
Chiyoda Corp.	9,000	82	93	
Cie de Saint-Gobain	22,827	1,087	892	
Cie Generale de Geophysique-Veritas	8,571	233	205	
Cie Generale des Etablissements Michelin	10,254	759	617	
Cobham PLC	62,384	199	181	
ComfortDelgro Corp., Ltd.	110,000	126	122	
Cosco Corp. Singapore, Ltd.	53,000	70	36	
Dai Nippon Printing Co., Ltd.	32,000	424	313	
Daikin Industries, Ltd.	13,100	473	365	
Delek Group, Ltd.	245	55	47	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Deutsche Post AG	48,205	820	759	
DSV A/S	11,444	211	210	
East Japan Railway Co.	19,300	1,322	1,250	
Edenred	9,474	189	237	
Elbit Systems, Ltd.	1,289	69	54	
European Aeronautic Defense and Space Co.	23,119	523	737	
Experian, Ltd.	56,949	576	788	
Fanuc, Ltd.	10,900	1,342	1,696	
Ferrovial SA	20,407	187	252	
Fiat Industrial SpA	43,453	531	373	
Finmeccanica SpA	21,812	274	82	
Fomento de Construcciones Y Contratas SA	3,114	84	83	
Fraport AG	1,970	105	99	
Fraser and Neave, Ltd.	53,000	209	258	
Fuji Electric Holdings Co., Ltd.	30,000	89	83	
Furukawa Electric Co., Ltd. (The)	34,000	160	79	
GEA Group AG	9,716	236	280	
Geberit AG	2,238	405	441	
Genting International PLC	349,000	333	414	
Hexagon AB	13,942	234	213	
Hino Motors, Ltd.	14,000	72	86	
Hitachi Construction Machinery Co., Ltd.	5,800	126	99	
Hitachi High-Technologies Corp.	3,600	79	79	
Hochtief AG	2,294	174	134	
Hopewell Holdings, Ltd.	35,500	110	92	
Hutchison Port Holdings Trust-UNIT	290,522	289	183	
Hutchison Whampoa, Ltd.	121,000	950	1,034	
IHI Corp.	73,000	139	179	
International Consolidated Airlines Group SA	50,691	226	117	
Intertek Group PLC	9,023	256	290	
Invensys PLC	44,380	209	148	
Itochu Corp.	85,600	788	886	
Japan Steel Works, Ltd. (The)	17,000	178	120	
JGC Corp.	12,000	223	294	
JS Group Corp.	14,800	311	288	
JTEKT Corp.	12,000	137	120	
Kajima Corp.	50,000	126	156	
Kamigumi Co., Ltd.	14,000	115	123	
Kawasaki Heavy Industries, Ltd.	79,000	236	200	
Kawasaki Kisen Kaisha, Ltd.	38,000	155	69	
Keihin Electric Express Railway Co., Ltd.	26,000	230	237	
Keio Corp.	32,000	215	230	
Keisei Electric Railway Co., Ltd.	15,000	95	112	
Keppel Corp., Ltd.	80,200	530	586	
Kinden Corp.	7,000	63	60	
Kintetsu Corp.	92,000	300	365	
Komatsu, Ltd.	54,100	1,187	1,286	
Kone OYJ	8,924	409	470	
Koninklijke Boskalis Westminster NV	3,838	156	144	
Koninklijke Vopak	3,877	171	209	
Kubota Corp.	65,000	580	553	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Kuehne & Nagel International AG	3,005	336	345	
Kurita Water Industries, Ltd.	6,200	180	164	
Legrand SA	12,803	426	421	
Leighton Holdings, Ltd.	8,305	249	165	
Man AG	104,564	400	208	
Marubeni Corp.	93,000	584	576	
Medipal Holdings Corp.	8,400	100	89	
Meggitt PLC	46,551	286	259	
Metso OYJ	7,111	279	268	
Mitsubishi Corp.	79,900	1,969	1,643	
Mitsubishi Electric Corp.	110,000	1,013	1,071	
Mitsubishi Heavy Industries, Ltd.	173,000	675	749	
Mitsubishi Logistics Corp.	6,000	77	68	
Mitsui & Co., Ltd.	98,800	1,538	1,563	
Mitsui OSK Lines, Ltd.	66,000	457	259	
MTR Corp.	80,000	292	263	
Nabtesco Corp.	5,200	102	96	
Neptune Orient Lines, Ltd.	59,000	95	52	
NGK Insulators, Ltd.	14,000	263	169	
Nippon Express Co., Ltd.	47,000	215	186	
Nippon Sheet Glass Co., Ltd.	54,000	124	102	
Nippon Yusen KK	84,000	335	218	
Noble Group, Ltd.	212,727	320	189	
NSK, Ltd.	24,000	192	159	
NTN Corp.	28,000	129	115	
NWS Holdings, Ltd.	73,000	95	109	
Obayashi Corp.	36,000	159	162	
Odakyu Electric Railway Co., Ltd.	35,000	311	344	
Orient Overseas International, Ltd.	12,500	102	74	
Orkla ASA	45,121	377	344	
Otsuka Corp.	800	53	56	
Qantas Airways, Ltd.	59,720	143	91	
QR National, Ltd.	96,405	268	344	
Randstad Holdings NV	6,623	319	200	
Rolls Royce Holdings PLC Common Stock	106,411	1,000	1,256	
Ryanair Holdings PLC, Sponsored ADR	1,952	53	55	
Safran SA	9,396	315	288	
Sandvik AB	57,351	818	719	
Scania AB-Class B	17,805	321	270	
Schindler Holding AG	2,702	249	322	
Schindler Holding AG-REG	1,177	107	140	
Schneider Electric SA	27,834	1,679	1,496	
Secom Co., Ltd.	12,000	556	562	
Securitas AB-Class B	17,116	174	151	
SembCorp Industries, Ltd.	55,000	178	175	
SembCorp Marine, Ltd.	45,000	144	135	
Serco Group PLC	27,224	258	204	
SGS SA	314	458	532	
Shimadzu Corp.	13,000	104	112	
Shimizu Corp.	34,000	134	144	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Siemens AG Registered	46,855	4,877	4,570	
Singapore Airlines, Ltd.	32,000	358	255	
Singapore Technologies Engineering, Ltd.	90,000	218	189	
Skanska AB-Class B	23,408	400	394	
SKF AB	22,287	477	482	
SMC Corp./Japan	3,100	452	508	
Smiths Group PLC	22,879	410	331	
Societe BIC SA	1,604	128	145	
Sojitz Corp.	72,200	133	113	
Sulzer AG	1,337	231	146	
Sumitomo Corp.	64,000	783	880	
Sumitomo Electric Industries, Ltd.	43,100	556	476	
Sumitomo Heavy Industries, Ltd.	31,000	192	184	
Sydney Airport	24,410	72	68	
Taisei Corp.	58,000	128	148	
Thales SA	5,539	207	178	
THK Co., Ltd.	6,500	146	130	
Tobu Railway Co., Ltd.	57,000	239	296	
Tokyu Corp.	65,000	285	326	
Toll Holdings, Ltd.	36,994	221	163	
Toppan Printing Co., Ltd.	31,000	282	231	
Toto, Ltd.	17,000	118	133	
Toyota Tsusho Corp.	11,700	186	210	
Transurban Group	75,655	342	444	
Ushio, Inc.	5,600	95	82	
Vallourec	6,465	658	429	
Vestas Wind Systems A/S	11,741	587	129	
Vinci SA	25,646	1,354	1,144	
Volvo AB-Class B	78,892	1,048	881	
Wartsila OYJ-Class B	9,329	255	275	
Weir Group PLC	12,093	349	389	
Wendel SA	1,830	209	124	
Wesfarmers, Ltd.	57,299	1,691	1,764	
West Japan Railway Co.	9,900	373	437	
Wolseley PLC	16,226	434	547	
Yamato Holdings Co., Ltd.	23,300	338	399	
Yangzijiang Shipbuilding	104,000	125	74	
Zardoya Otis SA	7,972	117	111	
		72,760	69,287	12.5
Information Technology				
Advantest Corp.	8,500	208	83	
Alcatel-Lucent	129,987	405	207	
ARM Holdings PLC	76,721	433	716	
ASM Pacific Technology	10,700	98	122	
ASML Holding NV	24,501	832	1,052	
Atos Origin	2,670	133	119	
Brother Industries, Ltd.	12,900	155	161	
Canon, Inc.	8,441	431	269	
CapGemini SA	36,071	432	359	
Citizen Watch Co., Ltd.	15,500	103	92	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Computershare, Ltd.	24,507	255	204	
Dassault Systemes SA	3,524	235	288	
Elpida Memory, Inc.	14,400	133	68	
Foxconn International Holdings, Ltd.	125,000	105	82	
Fujitsu, Ltd.	106,000	722	561	
Gree, Inc.	5,500	71	193	
Hamamatsu Photonics KK	3,700	123	131	
Hirose Electric Co., Ltd.	1,800	189	160	
Hitachi, Ltd.	258,000	1,138	1,376	
Hoya Corp.	25,200	636	551	
Ibiden Co., Ltd.	6,900	231	139	
Indra Sistemas SA	5,480	102	71	
Itochu Techno-Science Corp.	1,800	66	82	
Keyence Corp.	2,300	569	565	
Konami Corp.	5,100	98	156	
Konica Minolta Holdings, Inc.	26,500	297	201	
Koninklijke (Royal) Philips Electronics NV	57,436	1,843	1,231	
Kyocera Corp.	8,700	841	712	
Mabuchi Motor Co., Ltd.	1,400	73	59	
Millicom International Cellular SA, SDR	4,364	399	447	
Murata Manufacturing Co., Ltd.	11,500	667	601	
NEC Corp.	145,000	429	297	
Neopost SA	1,789	142	123	
Nexon Co., Ltd.	60,174	1,018	882	
NICE Systems, Ltd.	3,280	100	115	
Nidec Corp.	6,200	605	547	
Nintendo Co., Ltd.	5,700	1,697	798	
Nippon Electric Glass Co., Ltd.	22,000	307	222	
Nokia OYJ	213,722	2,416	1,065	
Nomura Research Institute, Ltd.	5,800	140	133	
NTT Data Corp.	71	263	231	
Omron Corp.	11,200	266	228	
Oracle Corp. Japan	2,100	105	71	
Ricoh Co., Ltd.	38,000	570	336	
Rohm Co., Ltd.	5,500	374	260	
Sage Group PLC	73,612	288	341	
SAP AG	52,375	2,701	2,833	
Seiko Epson Corp.	7,200	113	97	
Square Enix Co., Ltd.	3,500	67	70	
STMicroelectronics NV	36,837	359	223	
Sumco Corp.	7,100	138	53	
TDK Corp.	6,900	454	311	
Telefonaktiebolaget LM Ericsson-Class B	171,590	1,957	1,785	
Tokyo Electron, Ltd.	9,800	624	507	
Toshiba Corp.	229,000	1,261	949	
Trend Micro, Inc.	5,900	190	180	
Yahoo! Japan Corp.	819	306	269	
Yaskawa Electric Corp.	12,000	135	104	
Yokogawa Electric Corp.	11,600	92	106	
		29,140	24,194	4.4

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Materials				
Acerinox SA	5,366	98	70	
Air Liquide	16,142	1,805	2,039	
Akzo Nobel NV	13,188	768	650	
Alumina, Ltd.	133,974	217	156	
Amcor, Ltd.	70,429	434	528	
ArcelorMittal	48,747	1,763	910	
Arkema SA	3,086	258	223	
Asahi Kasei Corp.	72,000	423	440	
Aurizon Mines, Ltd.	149,664	3,242	3,208	
BASF SE	52,296	3,321	3,712	
BHP Billiton PLC	120,252	3,872	3,561	
BHP Billiton, Ltd.	182,927	6,922	6,573	
Boliden AB	15,058	205	225	
Boral, Ltd.	39,829	187	150	
Cimpor Cimentos de Portugal SA	10,985	72	77	
CRH PLC	40,702	967	821	
Daicel Chemical Industries, Ltd.	17,000	123	105	
Daido Steel Co., Ltd.	15,000	73	96	
Denki Kagaku Kogyo KK	27,000	131	101	
Eurasian Natural Resources	14,092	225	141	
Fletcher Building, Ltd.	37,757	230	184	
Fortescue Metals Group, Ltd.	69,598	322	310	
Fresnillo PLC	10,679	179	257	
GDF Suez	70,441	2,508	1,962	
Givaudan	465	429	453	
Glencore International PLC	46,223	391	286	
Heidelbergcement AG	8,046	470	350	
Hitachi Chemical Co., Ltd.	6,200	132	111	
Hitachi Metals, Ltd.	9,000	100	99	
Holcim, Ltd.	13,951	996	763	
Holmen AB-Class B	2,825	82	83	
Iluka Resources, Ltd.	23,346	378	378	
Imerys SA	1,890	113	89	
Incitec Pivot, Ltd.	91,058	283	296	
Israel Chemicals, Ltd.	25,646	329	268	
Israel Corp., Ltd.	124	103	78	
James Hardie Industries NV	24,009	157	171	
JFE Holdings, Inc.	25,900	888	478	
Johnson Matthey PLC	11,950	319	347	
JSR Corp.	9,900	197	185	
K+S AG	9,645	626	445	
Kaneka Corp.	16,000	103	87	
Kansai Paint Co., Ltd.	13,000	113	118	
Kazakhmys PLC	11,646	236	170	
Kobe Steel, Ltd.	137,000	308	214	
Koninklijke DSM	8,824	417	418	
Kuraray Co., Ltd.	19,100	252	277	
Lafarge SA	11,322	726	406	
Lanxess AG	4,864	370	255	
Linde AG	9,751	1,256	1,479	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Lonmin PLC	8,817	135	136	
Lynas Corp, Ltd.	94,248	222	102	
Maruichi Steel Tube, Ltd.	2,400	49	54	
Mitsubishi Chemical Holdings Corp.	79,000	438	441	
Mitsubishi Gas Chemical Co., Inc.	21,000	125	118	
Mitsubishi Materials Corp.	61,000	179	168	
Mitsui Chemicals, Inc.	49,000	156	152	
Newcrest Mining, Ltd.	43,373	1,463	1,340	
Nippon Paper Group, Inc.	5,600	161	124	
Nippon Steel Corp.	290,000	1,046	733	
Nisshin Steel Co., Ltd.	38,000	74	59	
Nitto Denko Corp.	9,500	385	346	
Norsk Hydro ASA	51,805	344	244	
Novozymes AS	13,156	324	413	
Oji Paper Co., Ltd.	51,000	251	266	
OneSteel, Ltd.	71,215	217	52	
Orica, Ltd.	20,730	506	525	
OZ Minerals, Ltd.	18,722	223	196	
Prysmian SpA	11,050	195	138	
Randgold Resources, Ltd.	5,241	464	546	
Rexam PLC	48,612	239	271	
Rio Tinto PLC	79,655	4,389	3,939	
Rio Tinto, Ltd.	24,858	1,686	1,565	
Salzgitter AG	2,178	156	111	
Shin-Etsu Chemical Co., Ltd.	23,300	1,296	1,167	
Showa Denko KK	83,000	177	169	
Sika AG	114	220	218	
Sims Group, Ltd.	8,889	164	117	
Solvay SA	3,299	327	277	
Ssab Svenskt Stal AB-Class A	9,645	161	86	
Stora Enso OYJ-Class R	31,958	276	196	
Sumitomo Chemical Co., Ltd.	88,000	413	326	
Sumitomo Metal Industries, Ltd.	188,000	496	346	
Sumitomo Metal Mining Co., Ltd.	30,000	455	392	
Svenska Cellulosa AB-Class B	32,968	455	500	
Syngenta AG	5,373	1,425	1,608	
Taiyo Nippon Sanso Corp.	14,000	124	99	
Teijin, Ltd.	51,000	176	159	
ThyssenKrupp AG	21,741	685	511	
Toray Industries, Inc.	83,000	482	604	
Tosoh Corp.	27,000	78	74	
Toyo Seikan Kaisha, Ltd.	8,400	145	116	
Ube Industries, Ltd.	55,000	147	153	
Umicore	6,714	254	282	
UPM-Kymmene OYJ	29,558	461	331	
Vedanta Resources PLC	6,494	243	104	
Voestalpine AG	6,021	212	170	
Wacker Chemie AG	863	131	71	
Xstrata PLC	118,214	2,074	1,826	
Yara International ASA	10,545	414	431	
		63,037	57,175	10.3

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Pharmaceuticals				
Taisho Pharmaceutical Holdings Co., Ltd.	2,100	142	165	
		142	165	-
Telecommunication Services				
Belgacom SA	8,564	297	274	
Bezeq Israeli Telecommunication Corp., Ltd.	106,610	260	201	
BT Group PLC	444,204	977	1,342	
Cellcom Israel, Ltd.	3,131	95	53	
Deutsche Telekom AG	159,788	2,153	1,867	
Elisa OYJ-Class A	7,866	155	167	
Eurazeo	1,703	113	62	
Eutelsat Communications	5,953	219	237	
France Telecom SA	105,594	2,244	1,693	
Hellenic Telecommunications Organization SA	14,490	140	53	
Iliad SA	1,063	110	134	
Inmarsat PLC	25,629	164	164	
KDDI Corp.	166	866	1,086	
Koninklijke KPN	84,753	1,235	1,036	
Mobistar SA	1,902	119	102	
Nippon Telegraph & Telephone Corp.	27,200	1,221	1,413	
NTT DoCoMo, Inc.	869	1,413	1,625	
Partner Communications Co., Ltd.	4,699	91	43	
PCCW, Ltd.	244,000	84	85	
Portugal Telecom SGPS SA	37,412	404	220	
Singapore Telecommunications, Ltd.	453,000	1,033	1,099	
Softbank Corp.	50,400	1,429	1,509	
Starhub, Ltd.	35,000	63	80	
Swisscom AG	1,330	502	514	
TDC AS	20,700	181	170	
Tele2 AB-Class B	18,387	329	365	
Telecom Corp. of New Zealand, Ltd.	114,952	183	185	
Telecom Italia SpA	536,600	740	582	
Telecom Italia-RNC	348,291	394	315	
Telefonica SA	233,896	5,220	4,137	
Telekom Austria AG	18,334	242	223	
Telenor ASA	41,511	601	694	
TeliaSonera AB	123,016	871	853	
Telstra Corp., Ltd.	246,257	758	856	
United Internet AG	5,809	114	106	
Vodafone Group PLC	2,895,608	6,779	8,198	
		31,799	31,743	5.7
Utilities				
A2A SpA	61,350	98	59	
AGL Energy, Ltd.	26,369	367	394	
Air Water, Inc.	9,000	106	116	
Centrica PLC	293,605	1,372	1,344	
Cheung Kong Infrastructure Holdings, Ltd.	26,000	107	154	
Chubu Electric Power Co., Inc.	38,900	932	737	
Chugoku Electric Power Co.	17,700	353	315	
CLP Holdings, Ltd.	109,500	851	947	

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Contact Energy, Ltd.	21,210	95	88	
E.ON AG	102,478	3,449	2,246	
EDF SA	13,467	633	334	
EDP-Energias de Portugal SA	110,665	398	350	
Electric Power Development Co.	6,400	200	173	
Electricite De France	13,274	332	216	
Enagas	9,843	187	186	
Enel Green Power SPA	96,602	214	205	
Enel SpA	373,068	1,928	1,529	
Fortum OYJ	25,385	657	553	
Gas Natural SDG SA	19,307	316	338	
Hokkaido Electric Power Co., Inc.	10,000	204	145	
Hokuriku Electric Power Co.	9,400	209	178	
Hong Kong & China Gas	270,050	591	634	
HongKong Electric Holdings	79,000	501	593	
Iberdrola SA	218,400	1,675	1,395	
International Power PLC	88,962	466	475	
Kansai Electric Power Co. (The), Inc.	42,800	1,012	667	
Kyushu Electric Power Co., Inc.	23,700	504	345	
National Grid PLC	202,498	1,771	2,000	
Osaka Gas Co., Ltd.	109,000	397	437	
Red Electrica de Espana	6,335	302	277	
RWE AG	27,796	1,990	992	
RWE AG Preferred	2,110	155	70	
Scottish & Southern Energy PLC	53,462	952	1,091	
Severn Trent PLC	13,214	259	312	
Shikoku Electric Power Co.	10,400	286	303	
Snam Rete Gas SpA	91,707	449	409	
SP Ausnet	75,743	63	74	
Suez Environnement SA	15,406	306	181	
Terna SpA	70,169	290	239	
Toho Gas Co., Ltd.	25,000	130	162	
Tohoku Electric Power Co., Inc.	25,200	516	245	
Tokyo Electric Power Co. (The), Inc.	81,900	1,843	197	
Tokyo Gas Co., Ltd.	143,000	638	668	
United Utilities Group PLC	38,506	334	369	
Veolia Environnement SA	20,119	595	225	
Verbund-Oesterreichische Elektrizitaetswirtschafts AG-Class A	4,053	148	110	
		29,181	23,077	4.2
Total Common Stocks		593,711	549,597	99.0
Transaction Costs (Note 2)		(227)		
Total Investments		593,484	549,597	99.0
Other Assets and Liabilities			5,645	1.0
Net Assets			555,242	100.0

Statement of Investment Portfolio — As at December 31, 2011

Portfolio Concentration

(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011	As at December 31, 2010
	(%)	(%)
Consumer Discretionary	10.7	10.9
Consumer Staples	10.7	9.3
Energy	8.9	7.6
Financials	21.2	23.7
Health Care	10.4	8.6
Industrials	12.5	12.7
Information Technology	4.4	4.6
Materials	10.3	11.6
Telecommunication Services	5.7	5.4
Utilities	4.2	4.6
Other Assets and Liabilities	1.0	1.0

Open futures contracts held by the Fund as at December 31, 2011 are shown in Note 4.

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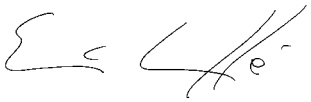
Statement of Net Assets — As at December 31

	2011	2010
Assets		
Investments - at fair value (Note 2)	$ 50,079,510	$ 10,759,641
Cash	1,206,466	74,974
Net unrealized gain on forward currency contracts (Note 5)	95,343	14,662
Dividends receivable	36,963	5,316
Tax reclaim on dividends receivable	9,045	-
	51,427,327	10,854,593
Liabilities		
Operating expenses payable	19,609	14,643
Payables for investment purchases	-	22,166
Net unrealized loss on forward currency contracts (Note 5)	74,273	1,738
	93,882	38,547
Net Assets	$ 51,333,445	$ 10,816,046
Number of Units Issued and Outstanding (Note 8)	5,401,510	1,037,602
Net Assets per Unit	$ 9.50	$ 10.42
Investments at Cost	$ 50,226,981	$ 10,435,119

Approved by BlackRock Asset Management Canada Limited,
Manager of the Funds



Bill Chinery, Director

Eric Léveillé, Director

Statement of Operations — For the Periods Ended December 31

	2011	2010
Revenue		
Dividend income	$ 353,155	$ 9,086
Interest income	36	-
Net realized gain from forward currency contracts	158,948	-
Foreign exchange gain	138,878	94,081
Withholding taxes	(37,043)	(1,385)
	613,974	101,782
Expenses		
Custodian fees	21,250	1,352
Fund accounting expenses	57,784	4,203
Unitholder communication costs	855	48
Audit fees	13,704	9,040
Securities filing fees	420	-
Independent review committee fees	42	-
Other operating expenses	3,300	-
	97,355	14,643
Net Investment Income for the Period	516,619	87,139
Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	(1,012,526)	20,252
Foreign tax	(22,539)	-
Transaction costs (Note 2,13)	(66,066)	(4,811)
Net change in unrealized appreciation (depreciation) in value of investments	(471,993)	324,522
Net change in unrealized appreciation in value of forward currency contracts	8,146	12,924
Net Gain (Loss) on Investments	(1,564,978)	352,887
Increase (Decrease) in Net Assets from Operations	$ (1,048,359)	$ 440,026
Increase (Decrease) in Net Assets from Operations per Unit	$ (0.46)	$ 0.44

Statement of Changes in Net Assets — For the Periods Ended December 31

	2011	2010
Net Assets - Beginning of Period	$ 10,816,046	$ -
Increase (Decrease) in Net Assets from Operations	(1,048,359)	440,026
Capital Transactions		
Proceeds from issue of units	41,565,758	10,376,020
Reinvestment of distributions	479,234	103,005
Net capital transactions	42,044,992	10,479,025
Distributions		
From net investment income	(479,234)	(83,650)
From capital gains	-	(19,355)
Total distributions	(479,234)	(103,005)
Increase in Net Assets for the Period	40,517,399	10,816,046
Net Assets - End of Period	$ 51,333,445	$ 10,816,046

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Common Stocks				
Consumer Discretionary				
Anheuser-Busch InBev	22,230	1,325	1,390	
AutoZone, Inc.	2,061	668	682	
Comcast Corp.-Class A	80,810	1,840	1,951	
DaimlerChrysler AG	21,739	1,095	974	
DIRECTV-Class A	17,620	761	767	
Nissan Motor Co., Ltd.	151,400	1,379	1,383	
Sands China, Ltd.	175,200	480	498	
Swatch Group AG	3,068	1,284	1,173	
		8,832	8,818	17.2
Consumer Staples				
Coca-Cola Co. (The)	18,127	1,248	1,292	
Imperial Tobacco Group PLC	46,565	1,478	1,794	
Philip Morris International, Inc.	9,028	681	721	
Reckitt Benckiser Group PLC	37,398	1,936	1,882	
		5,343	5,689	11.1
Energy				
Halliburton Co.	29,076	1,138	1,022	
OGX Petroleo e Gas Participacoes SA	106,400	802	790	
Tullow Oil PLC	28,309	605	625	
		2,545	2,437	4.7
Financials				
Goldman Sachs Group, Inc.	5,609	648	516	
ICICI Bank, Ltd.-ADR	28,300	1,032	762	
Infineon Technologies AG	106,494	940	821	
ING Groep NV	59,029	477	434	
UBS AG	84,265	1,069	1,024	
Wells Fargo & Co.	31,901	842	895	
		5,008	4,452	8.7
Health Care				
Johnson & Johnson	36,270	2,312	2,421	
Novartis AG Registered	49,876	2,768	2,917	
Pfizer, Inc.	97,227	1,776	2,142	
Sanofi-Aventis	37,592	2,492	2,820	
Vertex Pharmaceuticals, Inc.	26,008	1,193	879	
		10,541	11,179	21.8
Industrials				
Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd.	550,480	737	602	
Foster Wheeler AG	39,400	891	768	
Schneider Electric SA	18,954	1,150	1,019	
SPX Corp.	18,568	1,026	1,139	
United Technologies Corp.	22,698	1,678	1,689	
		5,482	5,217	10.2

Statement of Investment Portfolio — As at December 31, 2011

Security	Holdings	Average cost (in $000s)	Fair value (in $000s)	% of net assets
Information Technology				
Activision Blizzard, Inc.	119,983	1,430	1,503	
Apple, Inc.	2,810	1,075	1,159	
EMC Corp., Massachusetts	51,900	1,171	1,137	
Lam Research Corp.	22,680	958	855	
Nidec Corp.	11,800	986	1,040	
Veeco Instruments, Inc.	15,877	514	336	
Xilinx, Inc.	28,568	886	932	
		7,020	6,962	13.5
Materials				
Linde AG	6,134	951	931	
Nitto Denko Corp.	23,400	986	853	
Rio Tinto PLC	16,628	928	822	
		2,865	2,606	5.1
Telecommunication Services				
MTN Group, Ltd.	33,325	617	603	
Rogers Communications, Inc.-Class B	53,941	1,996	2,117	
		2,613	2,720	5.3
Total Common Stocks		50,249	50,080	97.6
Transaction Costs (Note 2)		(22)		
Total Investments		50,227	50,080	97.6
Other Assets and Liabilities			1,253	2.4
Net Assets			51,333	100.0

Portfolio Concentration
(as a percentage of Net Assets)

Portfolio by Category	As at December 31, 2011 (%)	As at December 31, 2010 (%)
Consumer Discretionary	17.2	12.0
Consumer Staples	11.1	14.4
Energy	4.7	7.6
Financials	8.7	14.0
Health Care	21.8	13.6
Industrials	10.2	9.9
Information Technology	13.5	13.7
Materials	5.1	9.3
Telecommunication Services	5.3	5.0
Other Assets and Liabilities	2.4	0.5

Open forward currency contracts held by the Fund as at December 31, 2011 are shown in Note 5.

1. Trust agreements

The following BlackRock Asset Management Canada Limited ("BlackRock Canada") funds (each, a "Fund", collectively, the "Funds") are open-ended unit trusts, each formed under the laws of the Province of Ontario and governed by a master declaration of trust amended and restated as of June 1, 2011 (the "Master Declaration of Trust") and a supplemental declaration of trust agreement, each of which was established on the dates noted below, as may be amended:

BlackRock Canadian Equity Index Fund	October 26, 1999
BlackRock Canadian Equity Ex-Trusts Index Fund	November 11, 2005
BlackRock CDN MSCI Canada IMI Index Fund	October 30, 2009
BlackRock CDN US Equity Index Non-Taxable Fund	December 15, 1998
BlackRock CDN US Equity Index Plus Non-Taxable Fund	May 14, 2010
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	July 22, 2005
BlackRock CDN US Equity Index Fund	January 17, 2000
BlackRock CDN US Alpha Tilts Non-Taxable Fund	February 22, 2001
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	July 22, 2005
BlackRock CDN Russell 3000 Index Non-Taxable Fund	November 1, 2010
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	November 1, 2010
BlackRock Active Canadian Equity Fund	September 1, 1997
BlackRock Active Canadian Equity Ex-Income Trusts Fund	November 11, 2005
BlackRock Active Canadian Equity DC Fund	December 31, 2001
BlackRock Active Canadian Equity Small Cap Fund	November 3, 1998
BlackRock Canada Alpha Advantage Fund	September 30, 2011
BlackRock Canada Universe Bond Index Fund	October 26, 1999
BlackRock Canada ex-BBB Universe Bond Index Fund	April 1, 2002
BlackRock Canada Real Return Bond Index Fund	July 6, 1998
BlackRock Canada Long Bond Index Fund	July 6, 1998
BlackRock Canada Long Government Bond Index Fund	November 30, 2011
BlackRock Canada All Government Bond Index Fund	May 10, 2009
BlackRock Canada Credit-Screened Bond Index Fund	May 10, 2009
BlackRock Canada CoreActive Universe Bond Fund	January 31, 2001
BlackRock Canada CorePlus Long Bond Fund	December 21, 2006
BlackRock Canada CorePlus Universe Bond Fund	December 21, 2006
BlackRock Canada Levered Long Bond Index Fund	August 31, 2011
BlackRock Canada Levered Real Return Bond Index Fund	August 31, 2011
BlackRock Balanced Moderate Index DC Fund	June 30, 1999
BlackRock Balanced Conservative Index DC Fund	August 1, 1999
BlackRock Balanced Aggressive Index DC Fund	August 1, 1999
BlackRock CDN LifePath Retirement Index Fund I	March 9, 2007
BlackRock CDN LifePath Index 2010 Retirement Fund	March 9, 2007
BlackRock CDN LifePath 2015 Index Fund	August 17, 2007
BlackRock CDN LifePath 2020 Index Fund	March 9, 2007
BlackRock CDN LifePath 2025 Index Fund	August 17, 2007
BlackRock CDN LifePath 2030 Index Fund	March 9, 2007
BlackRock CDN LifePath 2035 Index Fund	August 17, 2007
BlackRock CDN LifePath 2040 Index Fund	March 9, 2007
BlackRock CDN LifePath 2045 Index Fund	April 30, 2008
BlackRock Balanced Active Fund	January 31, 1997
BlackRock CDN Global Market Selection Fund	October 1, 2001
BlackRock CDN Short Term Index Fund	September 30, 1997
BlackRock CDN MSCI EAFE Equity Index Fund	April 15, 1999
BlackRock CDN MSCI EAFE Index Hedged Fund	July 22, 2005
BlackRock CDN MSCI ACWI ex-Canada Index Fund	August 17, 2007
BlackRock CDN MSCI Emerging Markets Index Fund	April 5, 2010
BlackRock CDN MSCI EAFE Index Plus Fund	March 23, 2010
BlackRock CDN Global Equity Focus Fund	September 10, 2010

The Statements of Investment Portfolio are as at December 31, 2011. The Statements of Net Assets are as at December 31, 2011 and December 31, 2010, except for Funds that commenced operations during the reporting period, in which case the Statements of Net Assets are as at December 31, 2011. The Statements of Operations and the Statements of Changes in Net Assets and, where applicable, the Statements of Cash Flows are for the years then ended, except for the Funds established during either year, in which case the information provided for the year of inception relates to the period from commencement of operations to December 31 of the applicable year.

a. Manager and Trustee:

BlackRock Canada is the manager and trustee of the Funds. BlackRock Canada is responsible for the day-to-day administration of the Funds. State Street Trust Company Canada is the custodian and record-keeper of the Funds.

b. Funds that issued units for the first time during the year 2010 and 2011:

Fund	Commencement Date
BlackRock CDN MSCI EAFE Index Plus Fund	April 15, 2010
BlackRock CDN US Equity Index Plus Non-Taxable Fund	June 3, 2010
BlackRock CDN MSCI Emerging Markets Index Fund	September 16, 2010
BlackRock CDN Global Equity Focus Fund	November 30, 2010
BlackRock CDN Russell 3000 Index Non-Taxable Fund	December 1, 2010
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	December 1, 2010
BlackRock Canada Levered Long Bond Index Fund	September 30, 2011
BlackRock Canada Levered Real Return Bond Index Fund	September 30, 2011
BlackRock Canada Alpha Advantage Fund	October 31, 2011
BlackRock Canada Long Government Bond Index Fund	December 30, 2011

c. Fund that redeemed all units as at April 30, 2010 and re-issued units during the year 2011:

Fund	Recommencement Date
BlackRock Canada CorePlus Universe Bond Fund	October 27, 2011

d. Currency codes that are used throughout this report are as follows:

AUD	Australian Dollar	EGP	Egyptian Pound	KRW	South Korean Won	RUB	New Russian Ruble
BRL	Brazilian Real	EUR	Euro	MAD	Moroccan Dirham	SEK	Swedish Krona
CAD	Canadian Dollar	GBP	British Pound Sterling	MXN	Mexican Peso	SGD	Singapore Dollar
CHF	Swiss Franc	HKD	Hong Kong Dollar	MYR	Malaysian Ringgit	THB	Thailand Baht
CLP	Chilean Peso	HUF	Hungarian Forint	NOK	Norwegian Krona	TRY	Turkish Lira
CNY	Yuan Renminbi	IDR	Indonesian Rupiah	NZD	New Zealand Dollar	TWD	Taiwan Dollar
COP	Colombian Peso	ILS	Israeli Shekel	PEN	Peruvian Sol	USD	United States Dollar
CZK	Czech Koruna	INR	Indian Rupee	PHP	Philippine Peso	ZAR	South African Rand
DKK	Danish Krone	JPY	Japanese Yen	PLN	Polish Zloty		

2. Summary of significant accounting policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), include estimates and assumptions by BlackRock Canada that may affect the reported amounts of assets, liabilities, income, expenses and changes in net assets during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Funds:

a. Valuation of investments

Investments held by the Funds have been categorized as held for trading and are stated at fair value.

Investments at fair value on the valuation date are determined as follows:

- Securities listed upon a recognized public stock exchange are valued at their bid prices for long positions and at their ask prices for the short positions on the valuation date.

- Fixed income securities are valued at their bid quotations for long positions and at their ask quotations for short positions by sources independent of BlackRock Canada.
- Money market securities are valued using cost plus accrued interest, which approximates fair value.
- Funds invested in other funds that are not listed on a public exchange are valued using the net asset value of the underlying fund.

Investments in securities having no quoted market prices or where, in the opinion of BlackRock Canada, a market quotation for a security is inaccurate, unreliable or not readily available, will be priced at fair value using valuation techniques, which may include, valuation of similar instruments using arm's length market transactions, discounted cash flow analysis, and/or models as may be determined by BlackRock Canada.

The Funds are required to calculate the net asset value per unit for the purposes of the financial statements in accordance with Canadian GAAP, which may be different from the method by which net asset value per unit is calculated for the purpose of purchase and redemption of units of the Funds. Under Canadian GAAP, financial instruments that are quoted in active markets shall be valued based on the bid price for long positions and the ask price for short position, as compared to using the net asset value per unit in which such securities would be valued using the closing price. As a result, the net assets per unit presented in the financial statements (the "Net Assets per unit") may differ from the Net Asset Value per unit (the "Net Asset Value per unit"). The comparison between the Net Assets per unit and the Net Asset Value per unit as at December 31, 2011 and December 31, 2010 is detailed in Note 11.

b. Cash and bank overdraft

Cash represents cash and cash equivalents held by the Funds, and bank overdraft is short-term borrowings. All are carried at fair value.

c. Other assets and liabilities

Interest receivable, securities lending income receivable, dividends receivable, tax reclaim receivable, receivables from issue of units, receivable for investment sales, operating expenses payable, payables for redemption of units, payables for investment purchases and payables for repurchase agreements are recorded at cost in the financial statements. Due to their short-term duration, cost approximate fair value for these assets and liabilities.

d. Investment transactions and income recognition

Investment transactions are accounted for on a trade date basis. Realized gains and losses and unrealized appreciation and depreciation from investment transactions are calculated on an average cost basis. Interest income is recorded as revenue on an accrual basis. Dividend income is recorded on the ex-dividend date. Distributions from underlying funds and income trusts are recorded on the ex-dividend date.

e. Futures contracts

Certain Funds may invest in futures contracts for the purpose of acting as a substitute for other investments such as equities or bonds. A futures contract is an agreement between two parties to buy or sell a security or financial interest, at a specified date, quantity and price. The futures contracts held by the Funds are standardized contracts and are traded on a recognized exchange. On entering into such a contract, the Fund is required to maintain with the broker an amount of cash and/or cash equivalents equal to the minimum initial margin requirements of the exchange on which the contract is traded. Pursuant to the contract, the Fund agrees to receive from, or pay to, the broker an amount of cash equal to the daily fluctuation in the value of the contracts held. Such receipts or payments are known as "variation margin" and recorded by the Fund as investment income (or loss) and in the Statements of Net Assets included in margin due to or from broker. Long futures contracts are valued at their bid prices and short futures contracts are valued at their ask prices as reported by the exchange on which they are traded.

f. Forward currency contracts

Certain Funds may enter into forward currency contracts to hedge or gain foreign currency exposure. A forward currency contract is an obligation to purchase or sell one currency against another currency, at a future date and price, which has been agreed on by two parties (the Fund and the counterparty). The contracts are traded over-the-counter and not on a recognized exchange. The forward currency contracts are marked-to-market daily using the relevant exchange rates of the underlying currencies and any gains or losses are recorded for financial statement purposes as unrealized appreciation or depreciation until the contract settlement date.

When the contracts are closed or delivered, the gains and losses are recognized as capital gains if the Fund enters into forward currency contracts for hedging, or investment income if the Fund enters into forward currency contracts to gain foreign currency exposure.

g. Repurchase agreements

Certain Funds have financed the acquisition of some investments through the use of repurchase agreements. In a repurchase agreement, the Fund delivers a financial instrument to a counterparty with an agreement to purchase the same financial instrument back from the purchaser at an agreed upon price and date. Repurchase agreements are valued daily at par and the cost of financing is accrued daily and posted as interest expense.

h. Translation of foreign currency

Foreign currency amounts are expressed in Canadian dollars as follows:

(i) Fair market values of investments and other assets at the rate of exchange on each valuation date; and

(ii) Purchase and sale of investments, investment income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

(iii) Realized and unrealized foreign currency gains or losses on investments are included in the Statements of Operations in Net Realized gain (loss) on sale of investments and Net change in unrealized appreciation/(depreciation) in value of investments, respectively. Realized and unrealized foreign currency gains or losses on monetary assets and liabilities other than investments denominated in foreign currencies are included in the Statement of Operations in Net realized and unrealized gain (loss) on foreign exchange transactions.

i. Net securities lending income

The Funds may lend securities to investment dealers and banks on a collateralized basis. Income is recognized on an accrual basis.

j. Real return bonds

The par and the cost base of the real return bonds are adjusted daily by an inflation adjustment. Interest income is accrued on each valuation date based on the inflation adjusted par at that time. The daily change in the inflation adjusted par is recognized as income. At maturity, the bonds will pay their final coupon interest payment plus the cumulative inflation compensation accrued from the original issue date.

k. Total return swaps

Certain Funds may enter into total return swap contracts for the purpose of gaining exposure to, or managing exposure to index markets. Total return swaps are contracts between parties where, for a fixed period of time, one party pays the total return of a reference asset in exchange for a specific fixed or floating rate payment by the counterparty based on the notional principal value equal to the cost of the reference asset. The periodic payments received or made by the Fund are reported on the Statements of Operations as net realized gain (loss) on total return swaps. Swaps are marked-to-market daily and changes in value are recorded as unrealized gains (losses) in value of investments. Gains or losses realized upon early termination or expiration of the swap contracts are recorded as net realized gain (loss) on total return swaps.

l. Short sales

Certain Funds engage in selling securities short. When a Fund sells a security short, an amount equal to the proceeds received is recorded as a liability and is subsequently adjusted to the current market value of the securities sold short resulting in an unrealized appreciation or depreciation on securities sold short. Upon closing the position, the differences between the proceeds originally received and the cost of the securities purchased to close the securities sold short position are recognized as a net realized gain (loss) on sale of investments. Dividends for securities sold short are paid to the broker and reflected as an expense on the Statements of Operations.

m. Increase (decrease) in net assets from operations per unit

The increase (decrease) in net assets from operations per unit is based on the increase (decrease) in net assets from operations, divided by the average number of units outstanding during the year.

n. Allocation of income and expenses amongst classes

Certain Funds are structured with more than one class. Expenses directly attributable to a class are charged to that class. Other income, expenses, gains and losses are allocated to each class proportionately based upon the relative net asset value of each class.

o. National Instrument 81-106 – Investment Fund Continuous Disclosure ("NI 81-106")

As non-reporting issuers pursuant to NI 81-106, the Funds rely on Part 2.11 of NI 81-106, Filing Exemption for Mutual Funds that are Non-Reporting Issuers, for the exemption not to file the Financial Statements with the securities regulators.

p. Transaction costs

Transaction costs, such as commissions incurred in the purchase and sale of securities by the Fund are expensed and are included in the Statements of Operations.

3. Taxation

The Funds qualify as unit trusts as defined in the Income Tax Act (Canada) (the "Act") and accordingly, are not taxed on that portion of taxable income that is paid to or allocated to unitholders.

In accordance with the Master Declaration of Trust, the Funds pay sufficient income and net capital gains in order to minimize income taxes. Accordingly, no provisions for income taxes have been made in the financial statements. Net income is paid to unitholders as specified in the Funds' Master Declaration of Trust. Net capital gains, when distributed, are paid to unitholders at least annually and, typically, on the last valuation date of the year.

a. Suspended losses

All Funds are subject to suspended loss rules contained in subsections 40(3.3) and 40(3.4) of the Act. A loss on a disposition of capital property is considered a suspended loss when a Fund acquires a property that is the same or identical to the property sold ("substituted property"), within 30 days before and 30 days after the disposition and the Fund still owns the substituted property 30 days after the original disposition. If a loss is suspended, the loss cannot be deducted against other capital gains. Instead it is deferred until the substituted property is sold and is not acquired within 30 days before and after the sale.

The suspended losses for the Funds as at December 31, 2011 are listed below:

Fund	December 31, 2011
BlackRock Canadian Equity Index Fund	$63,943,731
BlackRock Canadian Equity Ex-Trusts Index Fund	11,937,935
BlackRock CDN MSCI Canada IMI Index Fund	3,134,884
BlackRock CDN US Equity Index Non-Taxable Fund	445,567,240
BlackRock CDN US Equity Index Plus Non-Taxable Fund	2,184,141
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	47,811,485
BlackRock CDN US Equity Index Fund	73,735,255
BlackRock CDN US Alpha Tilts Non-Taxable Fund	172,672,991
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	15,469,983
BlackRock CDN Russell 3000 Index Non-Taxable Fund	810,974
BlackRock Active Canadian Equity Fund	91,375,693
BlackRock Active Canadian Equity Ex-Income Trusts Fund	102,589,849
BlackRock Active Canadian Equity DC Fund	25,018,004
BlackRock Active Canadian Equity Small Cap Fund	10,532,600
BlackRock Canada Universe Bond Index Fund	9,593,896
BlackRock Canada ex-BBB Universe Bond Index Fund	780,868
BlackRock Canada Real Return Bond Index Fund	1,559,427
BlackRock Canada Long Bond Index Fund	8,194,770
BlackRock Canada All Government Bond Index Fund	196,203
BlackRock Canada Credit-Screened Bond Index Fund	121,049
BlackRock Canada CoreActive Universe Bond Fund	1,732,774
BlackRock Canada CorePlus Long Bond Fund	252,216
BlackRock Balanced Moderate Index DC Fund	7,364,361
BlackRock Balanced Conservative Index DC Fund	3,278,200
BlackRock Balanced Aggressive Index DC Fund	1,112,919
BlackRock CDN LifePath Retirement Index Fund I	881,068
BlackRock CDN LifePath Index 2010 Retirement Fund	4,365,707
BlackRock CDN LifePath 2015 Index Fund	1,759,047
BlackRock CDN LifePath 2020 Index Fund	12,849,042
BlackRock CDN LifePath 2025 Index Fund	1,384,096
BlackRock CDN LifePath 2030 Index Fund	8,863,770
BlackRock CDN LifePath 2035 Index Fund	696,062
BlackRock CDN LifePath 2040 Index Fund	4,557,421
BlackRock CDN LifePath 2045 Index Fund	57,940
BlackRock Balanced Active Fund	2,374,477
BlackRock CDN Global Market Selection Fund	94,077
BlackRock CDN MSCI EAFE Equity Index Fund	260,900,912
BlackRock CDN MSCI EAFE Index Hedged Fund	4,140,191
BlackRock CDN MSCI ACWI ex-Canada Index Fund	28,265,939
BlackRock CDN MSCI Emerging Markets Index Fund	155,034
BlackRock CDN MSCI EAFE Index Plus Fund	2,811,847
BlackRock CDN Global Equity Focus Fund	150,370

b. Capital loss carry–forwards

The capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains. The following Funds had capital loss carry-forwards as at December 31, 2011:

Fund	December 31, 2011
BlackRock Canadian Equity Index Fund	$29,737,510
BlackRock Canadian Equity Ex-Trusts Index Fund	1,691,190
BlackRock CDN US Equity Index Non-Taxable Fund	1,026,553,628
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	78,045,209
BlackRock CDN US Equity Index Fund	67,351,432
BlackRock CDN US Alpha Tilts Non-Taxable Fund	412,012,388
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	97,100,315
BlackRock Canada Alpha Advantage Fund	133,157
BlackRock Canada CoreActive Universe Bond Fund	20,714,408
BlackRock Canada CorePlus Universe Bond Fund	15,941
BlackRock Balanced Moderate Index DC Fund	50,903,557
BlackRock Balanced Conservative Index DC Fund	7,539,778
BlackRock Balanced Aggressive Index DC Fund	11,760,609
BlackRock CDN LifePath 2020 Index Fund	2,576,831
BlackRock CDN LifePath 2030 Index Fund	1,288,350
BlackRock Balanced Active Fund	3,521,606
BlackRock CDN Global Market Selection Fund	61,698,495
BlackRock CDN Short Term Index Fund	3,664
BlackRock CDN MSCI EAFE Equity Index Fund	45,596,841
BlackRock CDN MSCI EAFE Index Hedged Fund	26,644,897
BlackRock CDN MSCI ACWI ex-Canada Index Fund	65,468,891
BlackRock CDN MSCI Emerging Markets Index Fund	6,101,559
BlackRock CDN Global Equity Focus Fund	931,839

c. Non–capital loss carry–forwards

BlackRock Canada CorePlus Universe Bond Fund and BlackRock CDN Global Market Selection Fund reported non-capital loss carry-forward as at December 31, 2011 which may be applied against future taxable income. These losses will expire on December 31 of the year indicated below unless they are applied against taxable income.

Fund	2031
BlackRock Canada CorePlus Universe Bond Fund	$313,404
BlackRock CDN Global Market Selection Fund	40,756

Fund	2030
BlackRock CDN Global Market Selection Fund	$73,806,585

Fund	2029
BlackRock CDN Global Market Selection Fund	$35,258

4. Futures contracts

The schedule below is a summary of the open futures contracts held by the Funds as at December 31, 2011:

	Currency	No. of Contracts	Current Price (CAD)	Delivery Date	Initial Contract Value Local Currency	Current Contract Fair Market Value (CAD)	Total Gain (Loss) on Open Contracts (CAD)
BlackRock Canadian Equity Index Fund							
S&P/TSX 60 INDEX	CAD	178	679	Mar-12	23,556,617	24,165,280	608,663
Total BlackRock Canadian Equity Index Fund						**24,165,280**	**608,663**
BlackRock Canadian Equity Ex-Trusts Index Fund							
S&P/TSX 60 INDEX	CAD	5	679	Mar-12	675,736	678,800	3,064
Total BlackRock Canadian Equity Ex-Trusts Index Fund						**678,800**	**3,064**
BlackRock CDN MSCI Canada IMI Index Fund							
S&P/TSX 60 INDEX	CAD	50	679	Mar-12	6,693,792	6,788,000	94,208
Total BlackRock CDN MSCI Canada IMI Index Fund						**6,788,000**	**94,208**
BlackRock CDN US Equity Index Non-Taxable Fund							
US S&P 500 EMINI	USD	1,560	1,276	Mar-12	97,246,831	99,497,790	476,204
Total BlackRock CDN US Equity Index Non-Taxable Fund						**99,497,790**	**476,204**
BlackRock CDN US Equity Index Plus Non-Taxable Fund							
US S&P 500 EMINI	USD	52	1,276	Mar-12	3,272,002	3,316,593	(15,123)
Total BlackRock CDN US Equity Index Plus Non-Taxable Fund						**3,316,593**	**(15,123)**
BlackRock CDN US Equity Index Fund							
US S&P 500 EMINI	USD	715	1,276	Mar-12	44,598,761	45,603,154	190,465
Total BlackRock CDN US Equity Index Fund						**45,603,154**	**190,465**
BlackRock CDN US Alpha Tilts Non-Taxable Fund							
US S&P 500 EMINI	USD	47	1,276	Mar-12	2,922,803	2,997,690	21,546
Total BlackRock CDN US Alpha Tilts Non-Taxable Fund						**2,997,690**	**21,546**
BlackRock CDN Russell 3000 Index Non-Taxable Fund							
RUSSELL 2000 MINI INDEX	USD	7	752	Mar-12	512,414	526,598	4,833
US S&P 500 EMINI	USD	48	1,276	Mar-12	2,992,718	3,061,470	14,135
Total BlackRock CDN Russell 3000 Index Non-Taxable Fund						**3,588,068**	**18,968**
BlackRock Active Canadian Equity Fund							
S&P/TSX 60 INDEX	CAD	113	679	Mar-12	15,186,303	15,340,880	154,577
Total BlackRock Active Canadian Equity Fund						**15,340,880**	**154,577**
BlackRock Active Canadian Equity DC Fund							
S&P/TSX 60 INDEX	CAD	40	679	Mar-12	5,290,046	5,430,400	140,354
Total BlackRock Active Canadian Equity DC Fund						**5,430,400**	**140,354**

	Currency	No. of Contracts	Current Price (CAD)	Delivery Date	Initial Contract Value Local Currency	Current Contract Fair Market Value (CAD)	Total Gain (Loss) on Open Contracts (CAD)
BlackRock Active Canadian Equity Small Cap Fund							
S&P/TSX 60 INDEX	CAD	8	679	Mar-12	1,061,076	1,086,080	25,004
Total BlackRock Active Canadian Equity Small Cap Fund						**1,086,080**	**25,004**
BlackRock Canada Alpha Advantage Fund							
S&P/TSX 60 INDEX	CAD	11	679	Mar-12	1,459,516	1,493,360	33,844
Total BlackRock Canada Alpha Advantage Fund						**1,493,360**	**33,844**
BlackRock Canada CoreActive Universe Bond Fund							
Australia 10Y Bond	AUD	4	101	Mar-12	471,010	496,271	4,578
Canada 10Y Bond	CAD	(2)	134	Mar-12	(264,756)	(267,840)	(3,084)
EURO-BUND	EUR	3	184	Mar-12	414,398	551,287	3,519
US 10YR Note	USD	(5)	134	Mar-12	(652,292)	(667,511)	(3,315)
Total BlackRock Canada CoreActive Universe Bond Fund						**112,207**	**1,698**
BlackRock CDN MSCI EAFE Index Equity Fund							
Australia SPI 200 Futures	AUD	22	4,194	Mar-12	2,234,849	2,306,938	(26,044)
Germany DJ EURO STOXX 50	EUR	184	3,052	Mar-12	4,141,215	5,615,922	141,893
United Kingdom FTSE 100	GBP	60	8,760	Mar-12	3,269,508	5,255,834	81,959
Nikkei 225 Index	JPY	70	112	Mar-12	296,904,540	3,914,056	(15,280)
Total BlackRock CDN MSCI EAFE Index Equity Fund						**17,092,750**	**182,528**
BlackRock CDN MSCI Emerging Markets Index Fund							
US EMINI MSCI EMERGING MKT	USD	11	922	Mar-12	500,570	506,834	(2,871)
Total BlackRock CDN MSCI Emerging Markets Index Fund						**506,834**	**(2,871)**
BlackRock CDN MSCI EAFE Index Plus Fund							
Australia SPI 200 Futures	AUD	6	4,194	Mar-12	625,813	629,165	(24,128)
Germany DJ EURO STOXX 50	EUR	52	3,052	Mar-12	1,182,809	1,587,108	23,623
United Kingdom FTSE 100	GBP	16	8,760	Mar-12	865,785	1,401,556	31,484
Hang Seng Index	HKD	(4)	1,308	Jan-12	(2,008,710)	(261,531)	1,824
Nikkei 225 Index	JPY	(20)	112	Mar-12	(86,391,560)	(1,119,625)	23,710
Japan Topix Index	JPY	12	10	Mar-12	89,035,184	1,152,976	(25,346)
US EMINI MSCI EAFE	USD	24	1,410	Mar-12	1,667,854	1,692,332	(5,961)
Total BlackRock CDN MSCI EAFE Index Plus Fund						**5,081,981**	**25,206**

The schedule below is a summary of gain (loss) on open future contracts held by the funds as at December 31, 2010:

Fund	Contract Fair Market Value (CAD)	Total Gain (Loss) on Open Contracts (CAD)
BlackRock Canadian Equity Index Fund	20,404,860	361,143
BlackRock Canadian Equity Ex-Trusts Index Fund	767,100	15,232
BlackRock CDN MSCI Canada IMI Index Fund	3,375,240	76,344
BlackRock CDN US Equity Index Non-Taxable Fund	37,408,090	922,225
BlackRock CDN US Equity Index Plus Non-Taxable Fund	4,808,719	74,136
BlackRock CDN US Equity Index Fund	21,795,365	487,479
BlackRock CDN US Alpha Tilts Non-Taxable Fund	3,434,800	23,340
BlackRock CDN Russell 3000 Index Non-Taxable Fund	843,500	8,306
BlackRock Active Canadian Equity Fund	15,802,260	222,122
BlackRock Active Canadian Equity DC Fund	3,988,920	53,671
BlackRock Active Canadian Equity Small Cap Fund	1,380,780	21,147
BlackRock Canada CoreActive Universe Bond Fund	2,669,274	(104,108)
BlackRock Canada CorePlus Long Bond Fund	16,433,560	(294,752)
BlackRock CDN MSCI EAFE Equity Index Fund	23,232,357	(147,074)
BlackRock CDN MSCI Emerging Markets Index Fund	746,628	20,398
BlackRock CDN MSCI EAFE Index Plus Fund	4,350,982	(18,652)

5. Forward currency contracts

The schedule below is a summary of forward currency contracts held by the Funds as at December 31, 2011:

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund							
SELL	(690,638,000)	USD	P-1	5-Jan-12	(715,045,147)	(703,272,869)	11,772,278
SELL	(509,185,636)	USD	P-1	3-Feb-12	(521,859,266)	(518,829,612)	3,029,654
SELL	(68,305,597)	USD	P-1	5-Jan-12	(70,717,605)	(69,555,213)	1,162,392
SELL	(218,221,000)	USD	P-1	3-Feb-12	(223,207,350)	(222,354,106)	853,244
BUY	65,539,489	USD	P-1	5-Jan-12	66,694,000	66,738,501	44,501
SELL	(8,624,581)	USD	P-1	3-Feb-12	(8,788,000)	(8,787,932)	68
Total Unrealized Gain							16,862,137
SELL	(34,002,528)	USD	P-1	5-Jan-12	(34,516,000)	(34,624,586)	(108,586)
BUY	218,221,000	USD	P-1	5-Jan-12	223,068,780	222,213,241	(855,539)
BUY	509,185,636	USD	P-1	5-Jan-12	521,538,480	518,500,927	(3,037,553)
Total Unrealized Loss							(4,001,678)
Total: BlackRock CDN US Equity Index Hedged Non-Taxable Fund					**(762,832,108)**	**(749,971,649)**	**12,860,459**
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund							
SELL	(16,240,000)	USD	P-1	5-Jan-12	(17,026,909)	(16,537,102)	489,807
SELL	(16,240,816)	USD	P-1	5-Jan-12	(16,978,798)	(16,537,933)	440,865
SELL	(14,092,657)	USD	P-1	3-Feb-12	(14,437,082)	(14,359,572)	77,510
SELL	(17,224,000)	USD	P-1	3-Feb-12	(17,610,334)	(17,550,223)	60,111
BUY	2,490,135	USD	P-1	5-Jan-12	2,534,000	2,535,691	1,691
Total Unrealized Gain							1,069,984

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BUY	8,160,377.00	USD	P-1	3-Feb-12	8,315,000	8,314,935	(65)
SELL	(1,325,976.00)	USD	P-1	5-Jan-12	(1,346,000)	(1,350,235)	(4,235)
BUY	17,224,000.00	USD	P-1	5-Jan-12	17,599,483	17,539,104	(60,379)
BUY	14,092,657	USD	P-1	5-Jan-12	14,428,062	14,350,475	(77,587)
Total Unrealized Loss							(142,266)
Total: BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund					**(24,522,578)**	**(23,594,860)**	**927,718**
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund							
SELL	(473,556,000)	USD	P-1	5-Jan-12	(490,291,469)	(482,219,465)	8,072,004
SELL	(245,186,141)	USD	P-1	3-Feb-12	(251,288,824)	(249,829,966)	1,458,858
SELL	(46,835,781)	USD	P-1	5-Jan-12	(48,489,646)	(47,692,617)	797,029
SELL	(105,079,000)	USD	P-1	3-Feb-12	(107,480,055)	(107,069,197)	410,858
BUY	193,787,339	USD	P-1	5-Jan-12	197,201,000	197,332,579	131,579
SELL	(7,333,053)	USD	P-1	3-Feb-12	(7,472,000)	(7,471,941)	59
Total Unrealized Gain							10,870,387
SELL	(23,660,700)	USD	P-1	5-Jan-12	(24,018,000)	(24,093,560)	(75,560)
BUY	105,079,000	USD	P-1	5-Jan-12	107,413,330	107,001,367	(411,963)
BUY	245,186,141	USD	P-1	5-Jan-12	251,134,357	249,671,696	(1,462,661)
Total Unrealized Loss							(1,950,184)
Total: BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund					**(373,291,307)**	**(364,371,104)**	**8,920,203**
BlackRock Canada CorePlus Long Bond Fund							
SELL	(350,998,656)	USD	P-1	5-Jan-12	(363,792,557)	(357,419,997)	6,372,560
SELL	(357,727,146)	USD	P-1	3-Feb-12	(368,637,824)	(364,502,498)	4,135,326
Total Unrealized Gain							10,507,886
SELL	(6,728,490)	USD	P-1	5-Jan-12	(6,847,382)	(6,851,584)	(4,202)
BUY	357,727,146	USD	P-1	5-Jan-12	368,405,301	364,271,581	(4,133,720)
Total Unrealized Loss							(4,137,922)
Total: BlackRock Canada CorePlus Long Bond Fund					**(370,872,462)**	**(364,502,498)**	**6,369,964**
BlackRock Canada CorePlus Universe Bond Fund							
SELL	(10,000,000)	USD	P-1	5-Jan-12	(10,364,500)	(10,182,945)	181,555
SELL	(10,065,124)	USD	P-1	3-Feb-12	(10,372,110)	(10,255,757)	116,353
Total Unrealized Gain							297,908
SELL	(65,124)	USD	P-1	5-Jan-12	(66,275)	(66,315)	(40)
BUY	10,065,124	USD	P-1	5-Jan-12	10,365,568	10,249,260	(116,308)
Total Unrealized Loss							(116,348)
Total: BlackRock Canada CorePlus Universe Bond Fund					**(10,437,317)**	**(10,255,757)**	**181,560**

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BlackRock CDN Global Market Selection Fund							
SELL	(889,667,865)	USD	P-1	6-Jan-12	(932,790,066)	(905,963,675)	26,826,391
SELL	(821,292,401)	USD	P-1	7-Feb-12	(840,132,849)	(836,923,933)	3,208,916
SELL	(16,431,916)	USD	P-1	6-Jan-12	(16,846,000)	(16,732,895)	113,105
BUY	84,807,379	USD	P-1	6-Jan-12	86,303,000	86,360,774	57,774
SELL	(30,349,271)	USD	P-1	7-Feb-12	(30,927,000)	(30,926,904)	96
Total Unrealized Gain							30,206,282
BUY	821,292,401	USD	P-1	6-Jan-12	839,557,944	836,335,795	(3,222,149)
Total Unrealized Loss							(3,222,149)
Total: BlackRock CDN Global Market Selection Fund					**(894,834,971)**	**(867,850,838)**	**26,984,133**
BlackRock CDN MSCI EAFE Index Hedged Fund							
SELL	(73,823,000)	EUR**	P-1	5-Jan-12	(103,337,199)	(97,584,881)	5,752,318
SELL	(171,435,000)	USD	P-1	5-Jan-12	(179,741,883)	(174,571,316)	5,170,567
SELL	(171,436,000)	USD	P-1	5-Jan-12	(179,226,052)	(174,572,334)	4,653,718
SELL	(50,042,000)	GBP**	P-1	5-Jan-12	(81,379,842)	(79,190,539)	2,189,303
SELL	(5,770,023,000)	JPY**	P-1	5-Jan-12	(78,185,757)	(76,362,437)	1,823,320
SELL	(26,208,000)	CHF**	P-1	5-Jan-12	(29,841,038)	(28,539,452)	1,301,586
SELL	(53,939,000)	GBP**	P-1	3-Feb-12	(86,342,953)	(85,386,564)	956,389
BUY	6,259,176,000	JPY**	P-1	5-Jan-12	81,912,728	82,836,054	923,326
SELL	(162,774,000)	USD	P-1	3-Feb-12	(166,752,197)	(165,856,940)	895,257
SELL	(76,754,000)	EUR**	P-1	3-Feb-12	(102,338,253)	(101,537,582)	800,671
SELL	(198,945,000)	USD	P-1	3-Feb-12	(203,407,336)	(202,713,018)	694,318
SELL	(100,120,220)	USD	P-1	5-Jan-12	(102,480,194)	(101,951,868)	528,326
SELL	(84,511,086)	USD	P-1	5-Jan-12	(86,460,337)	(86,057,173)	403,164
SELL	(80,107,199)	USD	P-1	5-Jan-12	(81,912,728)	(81,572,719)	340,009
SELL	(76,152,000)	HKD**	P-1	5-Jan-12	(10,228,709)	(9,984,237)	244,472
SELL	(70,623,000)	SEK**	P-1	5-Jan-12	(10,708,417)	(10,489,647)	218,770
SELL	(18,909,000)	DKK**	P-1	5-Jan-12	(3,554,434)	(3,363,036)	191,398
SELL	(13,031,461)	USD	P-1	5-Jan-12	(13,430,678)	(13,269,865)	160,813
SELL	(30,188,780)	USD	P-1	5-Jan-12	(30,899,209)	(30,741,068)	158,141
SELL	(18,565,000)	NOK**	P-1	5-Jan-12	(3,317,549)	(3,167,520)	150,029
SELL	(2,597,000)	EUR**	P-1	5-Jan-12	(3,555,895)	(3,432,913)	122,982
SELL	(7,701,000)	SGD**	P-1	5-Jan-12	(6,161,933)	(6,047,646)	114,287
BUY	11,664,000	AUD**	P-1	5-Jan-12	12,077,369	12,175,038	97,669
BUY	12,960,000	AUD**	P-1	5-Jan-12	13,430,678	13,527,820	97,142
SELL	(10,905,863)	USD	P-1	5-Jan-12	(11,202,390)	(11,105,380)	97,010
SELL	(8,461,000)	ILS**	P-1	5-Jan-12	(2,342,800)	(2,253,121)	89,679
BUY	7,777,000	AUD**	P-1	5-Jan-12	8,052,615	8,117,736	65,121
SELL	(2,089,000)	CHF**	P-1	5-Jan-12	(2,336,094)	(2,274,836)	61,258
SELL	(3,710,000)	GBP**	P-1	5-Jan-12	(5,931,106)	(5,871,006)	60,100
SELL	(7,863,325)	USD	P-1	5-Jan-12	(8,052,615)	(8,007,180)	45,435
SELL	(11,816,623)	USD	P-1	5-Jan-12	(12,077,369)	(12,032,803)	44,566
SELL	(10,433,881)	USD	P-1	5-Jan-12	(10,663,506)	(10,624,764)	38,742

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
SELL	(21,532,000)	DKK**	P-1	3-Feb-12	(3,870,558)	(3,832,268)	38,290
SELL	(6,317,356)	USD	P-1	5-Jan-12	(6,465,406)	(6,432,928)	32,478
SELL	(8,875,000)	ILS**	P-1	3-Feb-12	(2,395,219)	(2,363,037)	32,182
SELL	(1,001,093)	USD	P-1	5-Jan-12	(1,050,063)	(1,019,408)	30,655
SELL	(8,178,000)	SGD**	P-1	3-Feb-12	(6,455,353)	(6,425,495)	29,858
SELL	(19,907,000)	NOK**	P-1	3-Feb-12	(3,418,274)	(3,395,382)	22,892
SELL	(2,515,000)	DKK**	P-1	5-Jan-12	(463,027)	(447,302)	15,725
SELL	(334,000)	EUR**	P-1	5-Jan-12	(456,678)	(441,507)	15,171
SELL	(3,348,416)	USD	P-1	5-Jan-12	(3,422,431)	(3,409,673)	12,758
SELL	(28,305,000)	CHF**	P-1	3-Feb-12	(30,867,226)	(30,854,692)	12,534
SELL	(3,785,879)	USD	P-1	5-Jan-12	(3,867,280)	(3,855,140)	12,140
SELL	(3,479,965)	USD	P-1	3-Feb-12	(3,556,291)	(3,545,876)	10,415
SELL	(81,200,000)	HKD**	P-1	3-Feb-12	(10,662,962)	(10,653,248)	9,714
BUY	5,833,396	USD	P-1	5-Jan-12	5,931,106	5,940,115	9,009
SELL	(2,345,309)	USD	P-1	5-Jan-12	(2,397,042)	(2,388,215)	8,827
SELL	(4,240,000)	SEK**	P-1	5-Jan-12	(638,281)	(629,768)	8,513
BUY	4,845,762	USD	P-1	5-Jan-12	4,926,928	4,934,412	7,484
SELL	(1,379,000)	NOK**	P-1	5-Jan-12	(242,725)	(235,282)	7,443
BUY	3,497,315	USD	P-1	5-Jan-12	3,555,895	3,561,297	5,402
SELL	(2,641,029)	USD	P-1	5-Jan-12	(2,694,000)	(2,689,345)	4,655
SELL	(517,000)	SGD**	P-1	5-Jan-12	(410,336)	(406,004)	4,332
BUY	5,484,635	USD	P-1	3-Feb-12	5,584,730	5,588,514	3,784
BUY	2,297,609	USD	P-1	5-Jan-12	2,336,094	2,339,643	3,549
BUY	4,859,747	USD	P-1	3-Feb-12	4,948,437	4,951,790	3,353
BUY	2,025,916	USD	P-1	5-Jan-12	2,059,850	2,062,979	3,129
SELL	(187,000)	GBP**	P-1	5-Jan-12	(298,527)	(295,924)	2,603
BUY	1,462,516	USD	P-1	5-Jan-12	1,487,014	1,489,272	2,258
BUY	2,946,160	USD	P-1	3-Feb-12	2,999,928	3,001,961	2,033
SELL	(466,000)	ILS**	P-1	5-Jan-12	(125,846)	(124,093)	1,753
SELL	(421,083)	USD	P-1	5-Jan-12	(430,493)	(428,787)	1,706
BUY	544,000	NZD**	P-1	5-Jan-12	430,493	432,119	1,626
BUY	1,578,158	USD	P-1	3-Feb-12	1,606,959	1,608,048	1,089
BUY	1,433,550	USD	P-1	3-Feb-12	1,459,712	1,460,701	989
BUY	627,766	USD	P-1	5-Jan-12	638,281	639,250	969
BUY	563,412	USD	P-1	5-Jan-12	572,849	573,719	870
BUY	455,399	USD	P-1	5-Jan-12	463,027	463,730	703
BUY	449,154	USD	P-1	5-Jan-12	456,678	457,371	693
BUY	943,538	USD	P-1	3-Feb-12	960,757	961,408	651
SELL	(108,000)	DKK**	P-1	5-Jan-12	(19,855)	(19,208)	647
BUY	403,576	USD	P-1	5-Jan-12	410,336	410,960	624
SELL	(394,000)	SEK**	P-1	5-Jan-12	(59,064)	(58,521)	543
BUY	784,124	USD	P-1	3-Feb-12	798,434	798,975	541
SELL	(136,761)	USD	P-1	3-Feb-12	(139,884)	(139,352)	532
BUY	328,450	USD	P-1	5-Jan-12	333,952	334,459	507
BUY	293,609	USD	P-1	5-Jan-12	298,527	298,981	454
BUY	562,989	USD	P-1	3-Feb-12	573,264	573,652	388
BUY	238,727	USD	P-1	5-Jan-12	242,725	243,094	369

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BUY	404,962	USD	P-1	3-Feb-12	412,352	412,631	279
SELL	(8,000)	CHF**	P-1	5-Jan-12	(8,921)	(8,712)	209
BUY	123,772	USD	P-1	5-Jan-12	125,846	126,037	191
BUY	264,283	USD	P-1	3-Feb-12	269,106	269,289	183
BUY	261,217	USD	P-1	3-Feb-12	265,985	266,165	180
BUY	218,931	USD	P-1	3-Feb-12	222,927	223,078	151
SELL	(17,440,537)	USD	P-1	3-Feb-12	(17,771,000)	(17,770,860)	140
BUY	85,990	USD	P-1	5-Jan-12	87,430	87,563	133
BUY	178,138	USD	P-1	3-Feb-12	181,389	181,512	123
BUY	58,091	USD	P-1	5-Jan-12	59,064	59,154	90
BUY	101,579	USD	P-1	3-Feb-12	103,433	103,503	70
BUY	19,528	USD	P-1	5-Jan-12	19,855	19,885	30
BUY	299,000	HKD**	P-1	3-Feb-12	39,201	39,228	27
BUY	37,526	USD	P-1	3-Feb-12	38,210	38,236	26
BUY	33,284	USD	P-1	3-Feb-12	33,892	33,915	23
BUY	23,356	USD	P-1	3-Feb-12	23,782	23,799	17
BUY	8,774	USD	P-1	5-Jan-12	8,921	8,935	14
BUY	17,731	USD	P-1	3-Feb-12	18,055	18,067	12
SELL	(6,398)	USD	P-1	5-Jan-12	(6,521)	(6,515)	6
BUY	8,535	USD	P-1	3-Feb-12	8,691	8,696	5
BUY	6,454	USD	P-1	3-Feb-12	6,572	6,577	5
BUY	2,327	USD	P-1	5-Jan-12	2,366	2,370	4
BUY	2,336	USD	P-1	5-Jan-12	2,375	2,379	4
BUY	3,887	USD	P-1	3-Feb-12	3,958	3,961	3
Total Unrealized Gain							28,858,651
SELL	(5,000)	NZD**	P-1	3-Feb-12	(3,958)	(3,966)	(8)
SELL	(3,000)	NZD**	P-1	5-Jan-12	(2,375)	(2,383)	(8)
BUY	290,000	ILS**	P-1	3-Feb-12	77,226	77,215	(11)
SELL	(37,000)	DKK**	P-1	3-Feb-12	(6,572)	(6,585)	(13)
SELL	(30,000)	NZD**	P-1	3-Feb-12	(23,782)	(23,797)	(15)
SELL	(23,000)	SGD**	P-1	3-Feb-12	(18,055)	(18,071)	(16)
SELL	(3,000)	NZD**	P-1	5-Jan-12	(2,366)	(2,383)	(17)
SELL	(8,000)	CHF**	P-1	3-Feb-12	(8,691)	(8,721)	(30)
SELL	(38,505)	USD	P-1	3-Feb-12	(39,201)	(39,234)	(33)
SELL	(13,845)	USD	P-1	5-Jan-12	(14,058)	(14,098)	(40)
SELL	(31,220)	USD	P-1	5-Jan-12	(31,742)	(31,791)	(49)
SELL	(199,000)	NOK**	P-1	3-Feb-12	(33,892)	(33,942)	(50)
SELL	(2,888,000)	JPY**	P-1	3-Feb-12	(38,210)	(38,261)	(51)
SELL	(231,000)	SGD**	P-1	3-Feb-12	(181,389)	(181,498)	(109)
SELL	(668,000)	HKD**	P-1	5-Jan-12	(87,430)	(87,581)	(151)
SELL	(1,308,000)	NOK**	P-1	3-Feb-12	(222,927)	(223,095)	(168)
SELL	(1,513,000)	DKK**	P-1	3-Feb-12	(269,106)	(269,284)	(178)
BUY	37,000	NOK**	P-1	5-Jan-12	6,521	6,313	(208)
BUY	52,000	ILS**	P-1	5-Jan-12	14,058	13,847	(211)
SELL	(3,145,000)	HKD**	P-1	3-Feb-12	(412,352)	(412,617)	(265)
SELL	(1,000,000)	ILS**	P-1	3-Feb-12	(265,985)	(266,258)	(273)
SELL	(699,000)	SEK**	P-1	3-Feb-12	(103,433)	(103,731)	(298)

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BUY	40,000	SGD**	P-1	5-Jan-12	31,742	31,412	(330)
SELL	(551,000)	AUD**	P-1	3-Feb-12	(573,264)	(573,594)	(330)
BUY	134,000	AUD**	P-1	3-Feb-12	139,884	139,495	(389)
SELL	(76,255)	USD	P-1	3-Feb-12	(77,226)	(77,699)	(473)
SELL	(5,384,000)	SEK**	P-1	3-Feb-12	(798,434)	(798,980)	(546)
SELL	(121,369,000)	JPY**	P-1	3-Feb-12	(1,606,959)	(1,607,916)	(957)
SELL	(321,000)	AUD**	P-1	5-Jan-12	(333,952)	(335,064)	(1,112)
BUY	420,229	USD	P-1	3-Feb-12	429,453	428,188	(1,265)
SELL	(4,380,000)	HKD**	P-1	5-Jan-12	(572,849)	(574,259)	(1,410)
SELL	(608,000)	GBP**	P-1	3-Feb-12	(960,757)	(962,477)	(1,720)
SELL	(544,000)	NZD**	P-1	3-Feb-12	(429,453)	(431,519)	(2,066)
SELL	(2,754,000)	CHF**	P-1	3-Feb-12	(2,999,928)	(3,002,078)	(2,150)
SELL	(3,743,000)	EUR**	P-1	3-Feb-12	(4,948,437)	(4,951,601)	(3,164)
SELL	(3,530,000)	GBP**	P-1	3-Feb-12	(5,584,730)	(5,588,064)	(3,334)
SELL	(1,106,000)	EUR**	P-1	3-Feb-12	(1,459,712)	(1,463,123)	(3,411)
SELL	(2,376,751)	USD	P-1	3-Feb-12	(2,418,000)	(2,421,767)	(3,767)
SELL	(1,980,000)	AUD**	P-1	5-Jan-12	(2,059,850)	(2,066,750)	(6,900)
BUY	2,343,773	USD	P-1	3-Feb-12	2,395,219	2,388,164	(7,055)
BUY	3,344,854	USD	P-1	3-Feb-12	3,418,274	3,408,206	(10,068)
BUY	3,479,965	USD	P-1	5-Jan-12	3,554,089	3,543,630	(10,459)
BUY	397,259	USD	P-1	5-Jan-12	415,831	404,527	(11,304)
BUY	3,787,424	USD	P-1	3-Feb-12	3,870,558	3,859,158	(11,400)
SELL	(538,000)	NZD**	P-1	5-Jan-12	(415,831)	(427,353)	(11,522)
SELL	(113,307,000)	JPY**	P-1	5-Jan-12	(1,487,014)	(1,499,543)	(12,529)
SELL	(20,867,275)	USD	P-1	5-Jan-12	(21,236,000)	(21,249,031)	(13,031)
BUY	81,200,000	HKD**	P-1	5-Jan-12	10,663,506	10,646,077	(17,429)
BUY	6,316,702	USD	P-1	3-Feb-12	6,455,353	6,436,340	(19,013)
BUY	7,836,961	USD	P-1	3-Feb-12	8,008,982	7,985,393	(23,589)
BUY	75,257,000	SEK**	P-1	5-Jan-12	11,202,390	11,177,936	(24,454)
BUY	19,907,000	NOK**	P-1	5-Jan-12	3,422,431	3,396,489	(25,942)
BUY	10,433,937	USD	P-1	3-Feb-12	10,662,962	10,631,556	(31,406)
BUY	10,892,289	USD	P-1	3-Feb-12	11,131,374	11,098,588	(32,786)
BUY	8,875,000	ILS**	P-1	5-Jan-12	2,397,042	2,363,367	(33,675)
BUY	11,777,491	USD	P-1	3-Feb-12	12,036,007	12,000,556	(35,451)
SELL	(75,257,000)	SEK**	P-1	3-Feb-12	(11,131,374)	(11,168,058)	(36,684)
BUY	21,532,000	DKK**	P-1	5-Jan-12	3,867,280	3,829,547	(37,733)
BUY	8,178,000	SGD**	P-1	5-Jan-12	6,465,406	6,422,237	(43,169)
SELL	(375,846,000)	JPY**	P-1	5-Jan-12	(4,926,928)	(4,974,073)	(47,145)
BUY	2,238,166	USD	P-1	5-Jan-12	2,342,800	2,279,112	(63,688)
BUY	28,305,000	CHF**	P-1	5-Jan-12	30,899,209	30,823,000	(76,209)
SELL	(7,777,000)	AUD**	P-1	3-Feb-12	(8,008,982)	(8,095,895)	(86,913)
BUY	3,169,380	USD	P-1	5-Jan-12	3,317,549	3,227,362	(90,187)
BUY	30,204,243	USD	P-1	3-Feb-12	30,867,226	30,776,311	(90,915)
BUY	3,395,686	USD	P-1	5-Jan-12	3,554,434	3,457,808	(96,626)
SELL	(11,664,000)	AUD**	P-1	3-Feb-12	(12,036,007)	(12,142,281)	(106,274)
BUY	12,989,989	USD	P-1	3-Feb-12	13,359,555	13,236,020	(123,535)
SELL	(12,960,000)	AUD**	P-1	3-Feb-12	(13,359,555)	(13,491,423)	(131,868)

Contract	Face Value Local	Currency	Counter-party Rating*	Settlement Date	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BUY	5,886,728	USD	P-1	5-Jan-12	6,161,933	5,994,423	(167,510)
BUY	80,140,533	USD	P-1	3-Feb-12	81,899,618	81,658,395	(241,223)
BUY	84,488,431	USD	P-1	3-Feb-12	86,342,953	86,088,642	(254,311)
BUY	9,771,874	USD	P-1	5-Jan-12	10,228,709	9,950,646	(278,063)
BUY	10,230,157	USD	P-1	5-Jan-12	10,708,417	10,417,313	(291,104)
BUY	100,140,176	USD	P-1	3-Feb-12	102,338,253	102,036,831	(301,422)
BUY	198,945,000	USD	P-1	5-Jan-12	203,282,001	202,584,597	(697,404)
BUY	28,508,276	USD	P-1	5-Jan-12	29,841,038	29,029,820	(811,218)
BUY	29,047,403	USD	P-1	5-Jan-12	30,405,369	29,578,810	(826,559)
BUY	162,774,000	USD	P-1	5-Jan-12	166,648,021	165,751,867	(896,154)
SELL	(30,100,000)	AUD**	P-1	5-Jan-12	(30,405,369)	(31,418,779)	(1,013,410)
BUY	76,754,000	EUR**	P-1	5-Jan-12	102,480,194	101,459,300	(1,020,894)
SELL	(6,259,176,000)	JPY**	P-1	3-Feb-12	(81,899,618)	(82,922,568)	(1,022,950)
BUY	53,939,000	GBP**	P-1	5-Jan-12	86,460,337	85,357,470	(1,102,867)
BUY	74,693,821	USD	P-1	5-Jan-12	78,185,757	76,060,307	(2,125,450)
BUY	77,745,251	USD	P-1	5-Jan-12	81,379,842	79,167,561	(2,212,281)
BUY	98,721,948	USD	P-1	5-Jan-12	103,337,199	100,528,013	(2,809,186)
Total Unrealized Loss							(17,469,591)
Total: BlackRock CDN MSCI EAFE Index Hedged Fund					**(404,368,711)**	**(392,979,651)**	**11,389,060**
BlackRock CDN Global Equity Focus Fund							
SELL	(1,626,000)	CHF**	P-1	23-Feb-12	(1,857,493)	(1,774,120)	83,373
SELL	(485,256)	EUR**	P-1	22-Mar-12	(653,363)	(642,994)	10,369
BUY	1,252,988	USD	P-1	20-Jan-12	1,274,727	1,276,328	1,601
Total Unrealized Gain							95,343
BUY	49,137,000.00	JPY**	P-1	22-Mar-12	653,363	652,344	(1,019)
BUY	97,193,000.00	JPY**	P-1	20-Jan-12	1,289,609	1,286,980	(2,629)
SELL	(1,272,643)	USD	P-1	20-Jan-12	(1,289,609)	(1,296,350)	(6,741)
SELL	(97,193,000)	JPY**	P-1	20-Jan-12	(1,274,727)	(1,286,980)	(12,253)
BUY	1,771,487	USD	P-1	23-Feb-12	1,857,493	1,805,862	(51,631)
Total Unrealized Loss							(74,273)
Total: BlackRock CDN Global Equity Focus Fund					**-**	**21,070**	**21,070**

* Source: Moody's Investors Service, Inc.
** Forward currency contracts against USD

The schedule below is a summary of gain (loss) on forward currency contracts held by the funds as at December 31, 2010:

Fund	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund			
Total Unrealized Gain	(1,992,890,874)	(1,947,153,245)	45,737,629
Total Unrealized Loss	1,255,518,513	1,227,737,925	(27,780,588)
Total: BlackRock CDN US Equity Index Hedged Non-Taxable Fund	**(737,372,361)**	**(719,415,320)**	**17,957,041**

Fund	Cost (CAD)	Fair Market Value (CAD)	Net Unrealized Gain (Loss) (CAD)
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund			
Total Unrealized Gain	(69,277,802)	(67,623,007)	1,654,795
Total Unrealized Loss	34,586,236	33,801,479	(784,757)
Total: BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	**(34,691,566)**	**(33,821,527)**	**870,039**
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund			
Total Unrealized Gain	(1,055,583,214)	(1,032,329,927)	23,253,288
Total Unrealized Loss	525,642,175	516,011,938	(9,630,238)
Total: BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	**(529,941,039)**	**(516,317,989)**	**13,623,050**
BlackRock Canada CorePlus Long Bond Fund			
Total Unrealized Gain	(619,501,289)	(606,064,561)	13,436,728
Total Unrealized Loss	308,654,589	302,998,050	(5,656,540)
Total: BlackRock Canada CorePlus Long Bond Fund	**(310,846,700)**	**(303,066,511)**	**7,780,188**
BlackRock CDN Global Market Selection Fund			
Total Unrealized Gain	(1,633,774,584)	(1,609,342,773)	24,431,812
Total Unrealized Loss	809,619,418	804,415,049	(5,204,369)
Total: BlackRock CDN Global Market Selection Fund	**(824,155,167)**	**(804,927,724)**	**19,227,443**
BlackRock CDN MSCI EAFE Index Hedged Fund			
Total Unrealized Gain	(1,017,261,184)	(986,784,135)	30,477,049
Total Unrealized Loss	705,461,625	680,394,580	(25,067,045)
Total: BlackRock CDN MSCI EAFE Index Hedged Fund	**(311,799,559)**	**(306,389,555)**	**5,410,004**
BlackRock CDN Global Equity Focus Fund			
Total Unrealized Gain	222,476	237,138	14,662
Total Unrealized Loss	(487,476)	(489,214)	(1,738)
Total: BlackRock CDN Global Equity Focus Fund	**(265,000)**	**(252,076)**	**12,924**

6. Swap agreements

The schedule below is a summary of the swap contracts held by the Funds as at December 31, 2011:

	Notional Amount (CAD)	Currency	Expiration Date	Counter-party	Receive/Pay	Index Level/Variable Rate	Unrealized Gain/(Loss) (CAD)
BlackRock Canada Levered Long Bond Index Fund	46,219,651	CAD	12/20/12	BMO	Receive/Pay	BlackRock Canada Long Bond Index Fund/CDOR03 +0.425%	2,257,978
BlackRock Canada Levered Real Return Bond Index Fund	46,216,764	CAD	12/20/12	BMO	Receive/Pay	BlackRock Canada Real Return Bond Index Fund/CDOR03 +0.425%	3,517,931

The swap agreements are subject to termination if the leverage ratio exceeds a certain limit.

7. Repurchase agreements

The table below is a summary of the repurchase agreements held by the Funds as at December 31, 2011:

BlackRock Canada CorePlus Long Bond Fund

Security Sold	Trade Date	Currency	Expiration Date	Counter-party	Amount of Cash Received (CAD)	Repurchase Price (CAD)	Fair Value of Securities Sold At 12/31/2011 (CAD)
Province of British Columbia 5.7%, June 2029	16-Nov-11	CAD	Open	TD	11,164,750	131.35	11,259,008
Government of Canada 8%, June 2027	16-Nov-11	CAD	Open	TD	12,159,025	174.95	12,104,174
Hydro Quebec 6%, February 2040	16-Nov-11	CAD	Open	TD	11,627,280	138.42	12,050,314
Province of Ontario 8.1%, September 2023	16-Nov-11	CAD	Open	TD	12,100,590	149.39	12,159,826
Province of Ontario 5.85%, March 2033	16-Nov-11	CAD	Open	TD	12,706,089	132.77	13,080,686
Province of Quebec 6%, October 2029	16-Nov-11	CAD	Open	TD	10,167,225	131.19	10,401,348
Province of Quebec 6.25%, June 2032	16-Nov-11	CAD	Open	TD	14,051,280	138.30	14,200,570
Government of Canada 8%, June 2023	16-Nov-11	CAD	Open	TD	3,242,239	161.95	3,200,871
Hydro Quebec 5%, February 2045	16-Nov-11	CAD	Open	TD	12,298,200	123.60	12,854,223
Government of Canada 9%, June 2025	21-Dec-11	CAD	Open	RBC	14,698,500	179.25	14,661,325
Government of Canada 5.75%, June 2029	21-Dec-11	CAD	Open	RBC	33,970,073	148.05	33,871,187
Government of Canada 5.75%, June 2033	21-Dec-11	CAD	Open	RBC	35,118,453	154.15	35,028,461
Government of Canada 5%, June 2037	21-Dec-11	CAD	Open	RBC	24,061,160	146.50	24,001,771
Government of Canada 4%, June 2041	21-Dec-11	CAD	12-Jan-12	RBC	25,518,890	131.50	25,473,528
Government of Canada 5.75%, June 2033	22-Dec-11	CAD	Open	RBC	5,419,750	154.85	5,381,424
Province of Ontario 5.6%, June 2035	22-Dec-11	CAD	Open	TD	16,549,776	134.88	16,514,252
Province of Quebec 5%, December 2038	22-Dec-11	CAD	Open	TD	16,444,075	125.05	16,414,296
Province of Quebec 5%, December 2041	22-Dec-11	CAD	Open	RBC	35,003,672	127.90	34,807,951
Province of Ontario 4.6%, June 2039	22-Dec-11	CAD	Open	RBC	30,533,314	121.40	30,347,628
Government of Canada 2.75%, June 2022	22-Dec-11	CAD	13-Jan-12	RBC	8,725,645	107.05	8,683,782
Province of Ontario 4.65%, June 2041	28-Dec-11	CAD	Open	RBC	22,472,400	122.80	22,522,127
Government of Canada 3.5%, December 2045	28-Dec-11	CAD	Open	RBC	18,879,000	121.80	18,998,994
Hydro Quebec 6.5%, February 2035	28-Dec-11	CAD	5-Jan-12	RBC	5,180,000	148.00	5,118,266
Total: BlackRock Canada CorePlus Long Bond Fund					**392,091,386**		**393,136,012**
BlackRock Canada CorePlus Universe Bond Fund							
Government of Canada 1.75%, March 2013	28-Oct-11	CAD	3-Jan-12	RBC	273,240	101.20	272,414
Government of Canada 3.5%, June 2013	28-Oct-11	CAD	3-Jan-12	RBC	236,812	105.25	232,977
Government of Canada 3%, June 2014	28-Oct-11	CAD	3-Jan-12	RBC	222,075	105.75	220,058
Government of Canada 3.5%, June 2020	28-Oct-11	CAD	3-Jan-12	RBC	215,865	110.70	220,051
Government of Canada 3%, December 2015	28-Oct-11	CAD	3-Jan-12	RBC	192,780	107.10	192,478
Government of Canada 5.75%, June 2033	28-Oct-11	CAD	3-Jan-12	RBC	239,085	144.90	253,696
Government of Canada 2.5%, June 2015	28-Oct-11	CAD	3-Jan-12	RBC	157,125	104.75	156,953
Government of Canada 4%, June 2016	28-Oct-11	CAD	3-Jan-12	RBC	151,537	112.25	150,913
Government of Canada 2%, June 2016	28-Oct-11	CAD	3-Jan-12	RBC	138,442	102.55	139,344
Government of Canada 2%, August 2013	28-Oct-11	CAD	3-Jan-12	RBC	137,835	102.10	137,204
Government of Canada 5%, June 2014	28-Oct-11	CAD	3-Jan-12	RBC	133,980	111.65	131,451
Canada Housing Trust No. 1 3.6%, June 2013	28-Oct-11	CAD	3-Jan-12	RBC	63,180	105.30	62,178
Canada Housing Trust No. 1 3.95%, June 2013	28-Oct-11	CAD	3-Jan-12	RBC	238,500	106.00	234,294
Canada Housing Trust 3.55%, September 2013	28-Oct-11	CAD	3-Jan-12	RBC	62,880	104.80	62,499
Canada Housing Trust No. 1 4.1%, December 2018	28-Oct-11	CAD	3-Jan-12	RBC	134,880	112.40	136,243
Canada Housing Trust 2.7%, December 2013	28-Oct-11	CAD	3-Jan-12	RBC	171,600	104.00	170,134

Security Sold	Trade Date	Currency	Expiration Date	Counter-party	Amount of Cash Received (CAD)	Repurchase Price (CAD)	Fair Value of Securities Sold At 12/31/2011 (CAD)
Canada Housing Trust 2.2%, March 2014	28-Oct-11	CAD	3-Jan-12	RBC	138,105	102.30	138,224
Canada Housing Trust 3.15%, June 2014	28-Oct-11	CAD	3-Jan-12	RBC	31,710	105.70	31,466
Canada Housing Trust No. 1 2.75%, September 2014	28-Oct-11	CAD	3-Jan-12	RBC	77,962	103.95	78,178
Canada Housing Trust No. 1 3.75%, March 2020	28-Oct-11	CAD	3-Jan-12	RBC	113,610	108.20	116,838
Canada Housing Trust 2.75%, December 2014	28-Oct-11	CAD	3-Jan-12	RBC	141,345	104.70	141,051
Canada Housing Trust 2.95%, March 2015	28-Oct-11	CAD	3-Jan-12	RBC	125,640	104.70	126,344
Canada Housing Trust No. 1 3.15%, June 2015	28-Oct-11	CAD	3-Jan-12	RBC	111,667	106.35	111,489
Canada Housing Trust No. 1 3.35%, December 2020	28-Oct-11	CAD	3-Jan-12	RBC	63,270	105.45	64,852
Canada Housing Trust No. 1 2.45%, December 2015	28-Oct-11	CAD	3-Jan-12	RBC	108,780	103.60	109,165
Canada Housing Trust 2.75%, December 2015	28-Oct-11	CAD	3-Jan-12	RBC	78,675	104.90	78,835
Canada Housing Trust No. 1 3.8%, June 2021	28-Oct-11	CAD	3-Jan-12	RBC	163,500	109.00	167,687
Canada Housing Trust No. 1 2.75%, June 2016	28-Oct-11	CAD	3-Jan-12	RBC	235,912	104.85	236,860
Province of Ontario 5%, March 2014	28-Oct-11	CAD	3-Jan-12	RBC	130,800	109.00	129,699
Province of Ontario 4.4%, June 2019	28-Oct-11	CAD	3-Jan-12	RBC	100,800	112.00	102,020
Province of Quebec 4.5%, December 2020	28-Oct-11	CAD	3-Jan-12	RBC	100,260	111.40	102,014
Government of Canada 9.75%, June 2021	28-Oct-11	CAD	3-Jan-12	RBC	25,050	167.00	25,132
Government of Canada 8%, June 2023	28-Oct-11	CAD	3-Jan-12	RBC	70,852	157.45	71,948
Government of Canada 9%, June 2025	28-Oct-11	CAD	3-Jan-12	RBC	52,560	175.20	53,639
Government of Canada 8%, June 2027	28-Oct-11	CAD	3-Jan-12	RBC	101,310	168.85	104,496
Government of Canada 5.25%, June 2013	28-Oct-11	CAD	3-Jan-12	RBC	97,875	108.75	95,389
Government of Canada 3.5%, December 2045	28-Oct-11	CAD	3-Jan-12	RBC	33,000	110.00	36,772
Hydro Quebec 11%, August 2020	28-Oct-11	CAD	3-Jan-12	RBC	72,562	161.25	73,276
Province of Ontario 3.25%, September 2014	28-Oct-11	CAD	3-Jan-12	RBC	47,317	105.15	47,298
Province of Ontario 3.15%, September 2015	28-Oct-11	CAD	3-Jan-12	RBC	47,362	105.25	47,647
Province of Ontario 5.85%, March 2033	28-Oct-11	CAD	3-Jan-12	RBC	57,758	128.35	61,508
Province of Ontario 4.5%, March 2015	28-Oct-11	CAD	3-Jan-12	RBC	49,365	109.70	49,331
Province of Ontario 4.4%, March 2016	28-Oct-11	CAD	3-Jan-12	RBC	49,815	110.70	50,050
Province of Quebec 5.75%, December 2036	28-Oct-11	CAD	3-Jan-12	RBC	57,488	127.75	61,101
Province of Quebec 5.5%, December 2014	28-Oct-11	CAD	3-Jan-12	RBC	51,210	113.80	50,327
Province of Quebec 4.5%, December 2018	28-Oct-11	CAD	3-Jan-12	RBC	50,603	112.45	51,138
Province of Quebec 4.5%, December 2019	28-Oct-11	CAD	3-Jan-12	RBC	50,355	111.90	51,114
Province of Quebec 4.25%, December 2021	28-Oct-11	CAD	3-Jan-12	RBC	48,893	108.65	50,036
Province of Quebec 4.25%, December 2043	28-Oct-11	CAD	3-Jan-12	RBC	47,138	104.75	51,303
Alberta Capital Finance Authorty 4.35%, June 2016	28-Oct-11	CAD	3-Jan-12	RBC	33,600	112.00	33,510
Province of British Columbia 3.7%, December 2020	28-Oct-11	CAD	3-Jan-12	RBC	31,695	105.65	32,428
Province of British Columbia 4.3%, June 2042	28-Oct-11	CAD	3-Jan-12	RBC	32,445	108.15	35,313
Province of British Columbia 4.7%, June 2037	28-Oct-11	CAD	3-Jan-12	RBC	34,110	113.70	36,551
Province of British Columbia 4.65%, December 2018	28-Oct-11	CAD	3-Jan-12	RBC	34,185	113.95	34,576
Province of British Columbia 4.95%, June 2040	28-Oct-11	CAD	3-Jan-12	RBC	35,700	119.00	38,488
Province of British Columbia 4.1%, December 2019	28-Oct-11	CAD	3-Jan-12	RBC	32,835	109.45	33,463
Financement Quebec 5.25%, June 2034	28-Oct-11	CAD	3-Jan-12	RBC	35,310	117.70	37,295
Hydro Quebec 5%, February 2045	28-Oct-11	CAD	3-Jan-12	RBC	35,355	117.85	38,756
Hydro Quebec 5%, February 2050	28-Oct-11	CAD	3-Jan-12	RBC	35,775	119.25	39,486
Hydro Quebec 6.5%, February 2035	28-Oct-11	CAD	3-Jan-12	RBC	41,145	137.15	43,871
Government of Canada 1.5%, November 2013	9-Nov-11	CAD	3-Jan-12	RBC	207,358	101.15	207,048

Security Sold	Trade Date	Currency	Expiration Date	Counter-party	Amount of Cash Received (CAD)	Repurchase Price (CAD)	Fair Value of Securities Sold At 12/31/2011 (CAD)
Government of Canada 2.75%, June 2022	2-Dec-11	CAD	3-Jan-12	RBC	49,632	105.60	50,072
Government of Canada 5.75%, June 2029	6-Dec-11	CAD	3-Jan-12	RBC	238,673	144.65	243,571
Government of Canada 5%, June 2037	6-Dec-11	CAD	3-Jan-12	RBC	277,095	142.10	284,970
Government of Canada 4.5%, June 2015	6-Dec-11	CAD	3-Jan-12	RBC	150,728	111.65	150,266
Government of Canada 4%, June 2017	6-Dec-11	CAD	3-Jan-12	RBC	187,193	113.45	187,401
Government of Canada 4.25%, June 2018	6-Dec-11	CAD	3-Jan-12	RBC	174,450	116.30	174,979
Government of Canada 3.75%, June 2019	6-Dec-11	CAD	3-Jan-12	RBC	306,720	113.60	308,870
Government of Canada 2%, December 2014	6-Dec-11	CAD	3-Jan-12	RBC	246,960	102.90	246,599
Government of Canada 2.5%, September 2013	6-Dec-11	CAD	3-Jan-12	RBC	136,890	101.40	138,427
Government of Canada 3.25%, June 2021	6-Dec-11	CAD	3-Jan-12	RBC	206,706	109.95	208,981
Government of Canada 2%, March 2014	6-Dec-11	CAD	3-Jan-12	RBC	138,848	102.85	137,977
Government of Canada 2.25%, August 2014	6-Dec-11	CAD	3-Jan-12	RBC	109,200	104.00	108,335
Ontario Electricity 10%, October 2014	6-Dec-11	CAD	3-Jan-12	RBC	75,360	125.60	74,069
Province of Ontario 7.6%, June 2027	6-Dec-11	CAD	3-Jan-12	RBC	90,090	150.15	91,990
Province of Quebec 6.25%, June 2032	6-Dec-11	CAD	3-Jan-12	RBC	81,360	135.60	83,862
Province of Quebec 5.25%, October 2013	6-Dec-11	CAD	3-Jan-12	RBC	65,010	108.35	64,195
Province of Ontario 6.5%, March 2029	6-Dec-11	CAD	3-Jan-12	RBC	105,113	140.15	106,506
Province of Ontario 4.75%, June 2013	6-Dec-11	CAD	3-Jan-12	RBC	79,087	105.45	78,755
Province of Ontario 5.6%, June 2035	6-Dec-11	CAD	3-Jan-12	RBC	98,025	130.70	100,943
Province of Ontario 4.7%, June 2037	6-Dec-11	CAD	3-Jan-12	RBC	87,975	117.30	90,859
Province of Quebec 5%, December 2015	6-Dec-11	CAD	3-Jan-12	RBC	84,750	113.00	84,733
Province of Quebec 5%, December 2038	6-Dec-11	CAD	3-Jan-12	RBC	90,450	120.60	93,618
Province of Quebec 4.5%, December 2017	6-Dec-11	CAD	3-Jan-12	RBC	84,450	112.60	85,038
Province of Ontario 4.3%, March 2017	6-Dec-11	CAD	3-Jan-12	RBC	101,250	112.50	100,742
Province of Ontario 4.2%, June 2020	6-Dec-11	CAD	3-Jan-12	RBC	115,605	110.10	117,195
Province of Quebec 5%, December 2041	6-Dec-11	CAD	3-Jan-12	RBC	128,730	122.60	133,544
Province of Ontario 4.65%, June 2041	6-Dec-11	CAD	3-Jan-12	RBC	178,125	118.75	184,608
Province of Quebec 3.5%, December 2022	6-Dec-11	CAD	3-Jan-12	RBC	152,625	101.75	156,180
Province of Ontario 4%, June 2021	6-Dec-11	CAD	3-Jan-12	RBC	173,040	108.15	175,815
Government of Canada 4%, June 2041	13-Dec-11	CAD	3-Jan-12	RBC	302,080	128.00	309,788
Government of Canada 2.75%, September 2016	13-Dec-11	CAD	3-Jan-12	RBC	149,870	107.05	149,279
Government of Canada 1.5%, March 2017	21-Dec-11	CAD	3-Jan-12	RBC	131,625	101.25	130,878
Government of Canada 1%, February 2014	21-Dec-11	CAD	3-Jan-12	RBC	130,585	100.45	130,118
BlackRock Canada CorePlus Universe Bond Fund					**10,820,178**		**10,933,062**

8. Unitholders' equity

The authorized capital of the Funds consists of an unlimited number of units without nominal or par value. Unitholders have the right, under the Funds' Master Declaration of Trust, to request the redemption of their units at the current net asset value per unit. For certain funds the authorized capital consists of multiple classes of units. The Class D units are created primarily for defined contribution pension plan investors and Class A units primarily for defined benefit investors.

In accordance with the Funds' Master Declaration of Trust, the number of units issued as a result of distributions will be consolidated so that the number of units then outstanding will be equal to the number of units outstanding immediately prior to the issuance of such additional units.

Changes in issued units, for the periods ended December 31, 2011 and December 31, 2010 respectively, are summarized below:

	2011		2010	
Fund/Class	Units Issued	Units Redeemed	Units Issued	Units Redeemed
BlackRock Canadian Equity Index Class A	10,751,778	(5,254,340)	3,799,394	(5,660,301)
BlackRock Canadian Equity Index Class D	26,298,400	(11,664,778)	15,759,695	(7,034,079)
BlackRock Canadian Equity Ex-Trusts Index Fund	160,947	(1,067,320)	74,837	(905,524)
BlackRock CDN MSCI Canada IMI Index Fund	16,132,696	(38,691,473)	26,646,347	(12,538,242)
BlackRock CDN US Equity Index Non-Taxable Class A	79,953,758	(105,240,588)	163,268,746	(197,566,909)
BlackRock CDN US Equity Index Non-Taxable Class D	11,684,242	(5,477,855)	7,425,506	(6,809,981)
BlackRock CDN US Equity Index Plus Non-Taxable Fund	1,415,384	(11,182,164)	25,849,337	-
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	4,572,733	(16,321,878)	23,108,145	(78,229,805)
BlackRock CDN US Equity Index Class A	21,341	(81,998)	7,534,930	(21,285,752)
BlackRock CDN US Equity Index Class D	32,488,487	(9,699,383)	55,302,733	(53,709,330)
BlackRock CDN US Alpha Tilts Non-Taxable Fund	1,473,790	(31,593,616)	13,003,845	(127,690,677)
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	102,950	(1,495,799)	1,727,845	(10,939,121)
BlackRock CDN Russell 3000 Index Non-Taxable Fund	17,834,669	(41,256,712)	59,244,777	-
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	10,053	(23,580,691)	58,708,930	-
BlackRock Active Canadian Equity Fund	4,515,073	(9,301,491)	6,983,630	(16,267,982)
BlackRock Active Canadian Equity Ex-Income Trusts Fund	7,284,753	(20,056,462)	-	(9,816,749)
BlackRock Active Canadian Equity DC Fund	2,579,872	(2,661,662)	2,284,173	(2,810,884)
BlackRock Active Canadian Equity Small Cap Fund	-	(700,513)	-	(812,857)
BlackRock Canada Alpha Advantage Fund	9,999,962	-	-	-
BlackRock Canada Universe Bond Index Class A	32,137,783	(67,604,792)	31,850,628	(30,287,542)
BlackRock Canada Universe Bond Index Class D	33,009,520	(23,906,275)	32,898,341	(13,443,216)
BlackRock Canada ex-BBB Universe Bond Index Fund	438,036	(4,576,455)	18,261,390	(7,970,952)
BlackRock Canada Real Return Bond Index Class A	4,060,932	(3,055,209)	2,080,441	(530,195)
BlackRock Canada Real Return Bond Index Class D	5,352,303	(2,289,068)	2,745,102	(851,465)
BlackRock Canada Long Bond Index Class A	68,362,973	(88,373,654)	31,148,778	(34,251,277)
BlackRock Canada Long Bond Index Class D	14,972,710	(5,914,269)	14,434,508	(4,635,584)
BlackRock Canada Long Government Bond Index Fund	57,908,766	-	-	-
BlackRock Canada All Government Bond Index Fund	556,167	(1,448,245)	1,128,535	(790,421)
BlackRock Canada Credit-Screened Bond Index Fund	266,482	(1,248,427)	1,037,167	(350,223)
BlackRock Canada CoreActive Universe Bond Class A	327,916	(840,539)	604,276	(2,153,974)
BlackRock Canada CorePlus Long Bond Fund	3,317,192	-	12,557,647	-
BlackRock Canada CorePlus Universe Bond Fund	9,127,817	-	-	(9,445,074)
BlackRock Canada Levered Long Bond Index Fund	3,848,139	-	-	-
BlackRock Canada Levered Real Return Bond Index Fund	3,847,558	-	-	-
BlackRock Balanced Moderate Index DC Fund	8,985,386	(5,448,846)	4,736,755	(2,509,716)
BlackRock Balanced Conservative Index DC Fund	5,828,503	(2,000,577)	3,069,541	(1,832,887)
BlackRock Balanced Aggressive Index DC Fund	2,134,677	(947,849)	1,531,552	(985,559)
BlackRock CDN LifePath Retirement Index Fund I	6,982,639	(1,274,542)	2,213,868	(818,751)
BlackRock CDN LifePath Index 2010 Retirement Fund	1,598,389	(2,855,945)	1,741,638	(2,398,386)
BlackRock CDN LifePath 2015 Index Fund	15,129,050	(1,789,909)	6,159,950	(1,975,905)
BlackRock CDN LifePath 2020 Index Fund	23,060,218	(3,229,372)	12,088,456	(2,278,486)
BlackRock CDN LifePath 2025 Index Fund	21,373,991	(912,412)	8,822,668	(1,094,158)
BlackRock CDN LifePath 2030 Index Fund	19,963,058	(1,721,164)	9,151,308	(1,597,700)
BlackRock CDN LifePath 2035 Index Fund	14,653,598	(568,923)	6,134,164	(480,558)
BlackRock CDN LifePath 2040 Index Fund	11,815,809	(1,258,640)	6,412,827	(1,247,529)
BlackRock CDN LifePath 2045 Index Fund	7,408,419	(403,495)	3,128,021	(251,311)
BlackRock Balanced Active Fund	-	(494,287)	159,303	(4,514,058)
BlackRock CDN Global Market Selection Class A	1,493,754	(47,385)	552,102	(113,134)
BlackRock CDN Short Term Index Class A	1,154,945	(394,567)	669,114	(1,642,392)
BlackRock CDN Short Term Index Class D	1,581,042	(1,577,172)	1,107,099	(1,275,038)
BlackRock CDN MSCI EAFE Equity Index Class A	53,145,277	(40,157,789)	116,101,255	(129,554,842)

	2011		2010	
Fund/Class	Units Issued	Units Redeemed	Units Issued	Units Redeemed
BlackRock CDN MSCI EAFE Equity Index Class D	46,527,828	(23,314,662)	50,953,082	(34,037,831)
BlackRock CDN MSCI EAFE Index Hedged Fund	15,666,976	(9,549,706)	9,819,255	(7,030,188)
BlackRock CDN MSCI ACWI ex-Canada Index Fund	6,246,815	(3,765,950)	13,396,065	(59,751,328)
BlackRock CDN MSCI Emerging Markets Index Class A	6,351,972	(274,359)	23,623,886	-
BlackRock CDN MSCI EAFE Index Plus Fund	10,943,537	-	48,883,500	-
BlackRock CDN Global Equity Focus Fund	4,363,908	-	1,037,602	-

9. Redemptions

In determining the amount of distributions payable to unitholders at the end of the year, net realized capital gains may be allocated to redeeming unitholders. Any such redeeming unitholders will receive a T3 supplementary slip for the allocated gain. Any net capital gains that remain after allocations to redeeming unitholders will be distributed to remaining unitholders.

10. Related parties

BlackRock Canada has appointed 1) BlackRock Institutional Trust Company, N.A. (“BTC”), a national banking association organized under the laws of the United States of America that operates as a limited purpose trust company, and 2) BlackRock Investment Management (UK) Limited, (“BIM UK”), a corporation incorporated under the laws of England and Wales and is authorized and regulated by the Financial Services Authority of the United Kingdom (“FSA”), as sub-advisers of the Funds. As sub-advisers, BTC and BIM UK are responsible for the investment management activities of the Funds, subject to the policies, control and supervision of BlackRock Canada. BTC and BIM UK, affiliates of BlackRock Canada, are wholly-owned, indirect subsidiaries of BlackRock, Inc., an asset management company. BlackRock Canada remains responsible for the management of the Funds, including the management of investment portfolios and the investment advice provided by BTC and BIM UK.

The Funds are responsible for all operating expenses incurred by or on behalf of the Funds. If BlackRock Canada provides any of these services, it will be entitled to fees for such services. The Funds are responsible for all commissions payable to brokers or dealers on behalf of the Funds.

a. Investments in other funds

The Funds may invest in other investment funds managed by BlackRock, Inc. or its subsidiaries, in accordance with their investment objectives. Disclosure of such investments held as at December 31, 2011 is provided in the Statements of Investment Portfolio in the financial statements.

b. Securities lending

The Funds may lend investments, either directly, or through an agent, to brokers, dealers and other financial institutions. Securities lending enables the Funds to earn additional income. By using such income to offset the Funds’ expenses, the Funds will be able to reduce the effect such expenses have on the Funds’ ability to provide investment results that more closely correspond to the investment objectives of the Funds.

The Funds have entered into a securities lending authorization agreement with BTC and BlackRock Advisors (UK) Limited (“BRAL”), as lending agents, subject to the overriding authority of BlackRock Canada. BRAL is a corporation incorporated under the laws of England and Wales and is authorized and regulated by the FSA. BRAL is also an affiliate of BlackRock Canada and a wholly-owned, indirect subsidiary of BlackRock, Inc. Both BTC and BRAL have considerable experience and expertise in securities lending.

The net income earned in connection with securities lending is allocated 50% to the applicable lending agent and 50% to the relevant Fund. The lending agents bear all operational costs with respect to the lending of securities.

The Funds require collateral in the form of cash or obligations of, or guaranteed by, the Government of Canada or a province thereof or of the United States Government or its agencies or instrumentalities or other acceptable collateral that has an aggregate value of not less than 102% of the fair value of the loaned securities. BlackRock Canada assesses the credit-worthiness of each borrower, and acts promptly to demand payment from any borrower in realizing any collateral.

During the period, the Funds received sovereign, Canadian agencies and US Government-backed instruments bonds as collateral which is held by the lending agent on behalf of the Funds. The market value of securities on loan and the market value of the associated collateral as at December 31, 2011 are provided below:

Fund	Market Value of Securities on Loan as at 12/31/2011*	Market Value of Collateral as at 12/31/2011*
BlackRock Canadian Equity Index Fund	$60,600,384	$66,312,203
BlackRock Canadian Equity Ex-Trusts Index Fund	858,373	946,624
BlackRock CDN MSCI Canada IMI Index Fund	11,420,255	12,395,720
BlackRock Active Canadian Equity Fund	15,069,615	16,297,146
BlackRock Active Canadian Equity Ex-Income Trusts Fund	6,472,404	7,020,424
BlackRock Active Canadian Equity DC Fund	3,424,705	3,725,080

Fund	Market Value of Securities on Loan as at 12/31/2011*	Market Value of Collateral as at 12/31/2011*
BlackRock Active Canadian Equity Small Cap Fund	4,756,297	5,191,228
BlackRock Canada Universe Bond Index Fund	843,554,123	877,395,560
BlackRock Canada ex-BBB Universe Bond Index Fund	73,427,112	76,371,388
BlackRock Canada Long Bond Index Fund	290,765,137	302,458,824
BlackRock Canada All Government Bond Index Fund	23,063,837	23,988,814
BlackRock Canada Credit-Screened Bond Index Fund	3,141,602	3,268,146
BlackRock Canada CoreActive Universe Bond Fund	4,130,344	4,295,770
BlackRock Balanced Moderate Index DC Fund	5,404,000	5,839,782
BlackRock Balanced Conservative Index DC Fund	1,544	1,790
BlackRock CDN LifePath 2020 Index Fund	386,000	417,127
BlackRock CDN MSCI EAFE Equity Index Fund	20,002,089	22,100,466
BlackRock CDN MSCI EAFE Index Plus Fund	2,821,925	3,126,823

* at market close prices

c. Inter-fund trading

Certain funds executed inter-fund trades for the periods ended December 31, 2011 and December 31, 2010, respectively. Inter-fund trading is the buying and selling of portfolio securities between funds to which BlackRock Canada serves as trustee and manager, or between funds to which BlackRock Canada serves as manager and trustee and managed accounts to which BlackRock Canada serves as manager. At certain regularly scheduled meetings, the Independent Review Committee reviews such transactions for compliance with certain requirements and restrictions, including the price at which the inter-fund trades are executed.

d. Indirect expenses

Funds investing in exchange traded funds may incur indirect expenses for administration, audit, custodial and related services, other third-party charges, as well as investment management fees. The indirect expenses based on the average holdings of exchange traded funds for the year ended December 31, 2011 are summarized below:

Fund	Indirect Expenses as a Percentage of Net Assets
BlackRock Balanced Moderate Index DC Fund	0.06%
BlackRock Balanced Conservative Index DC Fund	0.05%
BlackRock Balanced Aggressive Index DC Fund	0.07%
BlackRock CDN LifePath Retirement Index Fund I	0.13%
BlackRock CDN LifePath Index 2010 Retirement Fund	0.13%
BlackRock CDN LifePath 2015 Index Fund	0.15%
BlackRock CDN LifePath 2020 Index Fund	0.16%
BlackRock CDN LifePath 2025 Index Fund	0.17%
BlackRock CDN LifePath 2030 Index Fund	0.17%
BlackRock CDN LifePath 2035 Index Fund	0.17%
BlackRock CDN LifePath 2040 Index Fund	0.16%
BlackRock CDN LifePath 2045 Index Fund	0.13%
BlackRock Balanced Active Fund	0.06%
BlackRock CDN MSCI ACWI ex-Canada Index Fund	0.09%

11. Comparison of Net Asset Value Per Unit and Net Assets Per Unit

The primary reason for the difference between the Net Asset Value per unit and Net Assets per unit is described in Note 2.

	As at December 31, 2011		As at December 31, 2010	
Fund/Class	Net Asset Value Per Unit	Net Assets Per Unit	Net Asset Value Per Unit	Net Assets Per Unit
BlackRock Canadian Equity Index Class A	$53.29	$53.19	$58.38	$58.28
BlackRock Canadian Equity Index Class D	22.26	22.22	24.38	24.34
BlackRock Canadian Equity Ex-Trusts Index Fund	53.03	52.94	58.67	58.57
BlackRock CDN MSCI Canada IMI Index Fund	10.55	10.53	11.77	11.74
BlackRock CDN US Equity Index Non-Taxable Class A	8.85	8.85	8.45	8.45

	As at December 31, 2011		As at December 31, 2010	
Fund/Class	Net Asset Value Per Unit	Net Assets Per Unit	Net Asset Value Per Unit	Net Assets Per Unit
BlackRock CDN US Equity Index Non-Taxable Class D	$15.42	$15.41	$14.73	$14.73
BlackRock CDN US Equity Index Plus Non-Taxable Fund	11.56	11.56	11.03	11.03
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	10.75	10.75	10.57	10.57
BlackRock CDN US Equity Index Class A	7.62	7.62	7.31	7.31
BlackRock CDN US Equity Index Class D	7.62	7.62	7.31	7.31
BlackRock CDN US Alpha Tilts Non-Taxable Fund	8.40	8.40	7.83	7.83
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	10.22	10.22	9.83	9.83
BlackRock CDN Russell 3000 Index Non-Taxable Fund	10.54	10.54	10.18	10.18
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	10.49	10.49	10.44	10.44
BlackRock Active Canadian Equity Fund	30.91	30.86	33.03	32.97
BlackRock Active Canadian Equity Ex-Income Trusts Fund	30.75	30.70	33.13	33.08
BlackRock Active Canadian Equity DC Fund	22.52	22.48	24.30	24.25
BlackRock Active Canadian Equity Small Cap Fund	44.59	44.46	47.54	47.47
BlackRock Canada Alpha Advantage Fund	10.00	9.97	-	-
BlackRock Canada Universe Bond Index Class A	26.56	26.54	24.22	24.19
BlackRock Canada Universe Bond Index Class D	22.72	22.70	20.71	20.69
BlackRock Canada ex-BBB Universe Bond Index Fund	18.24	18.23	16.61	16.60
BlackRock Canada Real Return Bond Index Class A	32.82	32.78	27.73	27.71
BlackRock Canada Real Return Bond Index Class D	15.22	15.20	12.86	12.85
BlackRock Canada Long Bond Index Class A	27.72	27.69	23.44	23.41
BlackRock Canada Long Bond Index Class D	14.74	14.73	12.46	12.45
BlackRock Canada Long Government Bond Index Fund	10.00	9.99	-	-
BlackRock Canada All Government Bond Index Fund	11.93	11.92	10.83	10.82
BlackRock Canada Credit-Screened Bond Index Fund	12.01	11.98	11.05	11.02
BlackRock Canada CoreActive Universe Bond Class A	20.16	20.13	18.27	18.25
BlackRock Canada CorePlus Long Bond Fund	15.53	15.52	12.76	12.75
BlackRock Canada CorePlus Universe Bond Fund	10.43	10.44	-	-
BlackRock Canada Levered Long Bond Index Fund	10.94	10.94	-	-
BlackRock Canada Levered Real Return Bond Index Fund	11.49	11.49	-	-
BlackRock Balanced Moderate Index DC Fund	18.50	18.50	18.15	18.15
BlackRock Balanced Conservative Index DC Fund	17.93	17.93	16.97	16.97
BlackRock Balanced Aggressive Index DC Fund	18.00	18.00	18.32	18.32
BlackRock CDN LifePath Retirement Index Fund I	11.64	11.63	11.04	11.03
BlackRock CDN LifePath Index 2010 Retirement Fund	11.40	11.39	10.81	10.80
BlackRock CDN LifePath 2015 Index Fund	11.04	11.02	10.65	10.63
BlackRock CDN LifePath 2020 Index Fund	10.53	10.51	10.17	10.15
BlackRock CDN LifePath 2025 Index Fund	10.30	10.28	10.09	10.07
BlackRock CDN LifePath 2030 Index Fund	9.74	9.72	9.75	9.73
BlackRock CDN LifePath 2035 Index Fund	9.43	9.41	9.62	9.60
BlackRock CDN LifePath 2040 Index Fund	9.17	9.15	9.50	9.48
BlackRock CDN LifePath 2045 Index Fund	9.44	9.41	9.91	9.90
BlackRock Balanced Active Fund	24.65	24.65	24.46	24.46
BlackRock CDN Global Market Selection Class A	49.46	49.46	51.80	51.80
BlackRock CDN Short Term Index Class A	15.65	15.64	15.48	15.48
BlackRock CDN Short Term Index Class D	13.13	13.12	12.99	12.99
BlackRock CDN MSCI EAFE Equity Index Class A	8.81	8.80	9.77	9.76
BlackRock CDN MSCI EAFE Equity Index Class D	8.81	8.79	9.76	9.76
BlackRock CDN MSCI EAFE Index Hedged Fund	9.36	9.36	10.63	10.64
BlackRock CDN MSCI ACWI ex-Canada Index Fund	8.18	8.18	8.57	8.58
BlackRock CDN MSCI Emerging Markets Index Class A	8.99	8.97	10.81	10.71
BlackRock CDN MSCI EAFE Index Plus Fund	9.30	9.28	10.31	10.30
BlackRock CDN Global Equity Focus Fund	9.51	9.50	10.42	10.42

12. Financial instrument risk

a. Valuation of financial instruments

The Funds are required to classify fair value measurement using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted market price in an active market for an identical instrument. Example of securities that are priced at Level 1 include listed equities, exchange traded derivatives and exchange-traded funds. The Fund does not adjust the quoted price for these instruments. A financial instrument is regarded as quoted in an active market if quoted prices are readily or regularly available from an exchange or prices that represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valuation techniques used to price securities are based on observable inputs. This category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Examples of securities that are priced at Level 2 include money market, bonds and forward contracts.

Valuation techniques used for non-standardized financial instruments such as options, currency swaps or other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, options pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs can have a significant impact on the instrument's valuation. This also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments, and instruments for which there is no active market.

The determination of what constitutes 'observable' requires significant judgment by BlackRock Canada. BlackRock Canada considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Tables below present the hierarchical classification of the financial instruments measured at fair value as at December 31, 2011 and December 31, 2010. The Funds held no financial instruments that are categorized as (Level 3). There were no significant transfers between the levels during the period.

i) Equity funds

As at December 31, 2011

	Investments			Derivatives		
	Level 1	Level 2		Level 1	Level 2	
Fund	Equities (000's CAD)	Money Market Investments (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments (000's CAD)
BlackRock Canadian Equity Index Fund	3,194,067	-	3,194,067	609	-	-
BlackRock Canadian Equity Ex-Trusts Index Fund	84,376	-	84,376	3	-	-
BlackRock CDN MSCI Canada IMI Index Fund	955,247	-	955,247	94	-	-
BlackRock CDN US Equity Index Non-Taxable Fund	3,585,298	6,787	3,592,085	476	-	-
BlackRock CDN US Equity Index Plus Non-Taxable Fund	182,577	306	182,883	(15)	-	-
BlackRock CDN US Equity Index Fund	1,729,388	2,708	1,732,096	190	-	-
BlackRock CDN US Alpha Tilts Non-Taxable Fund	451,427	250	451,677	22	-	-
BlackRock CDN Russell 3000 Index Non-Taxable Fund	373,940	1,003	374,943	19	-	-
BlackRock Active Canadian Equity Fund	1,630,728	-	1,630,728	155	-	-
BlackRock Active Canadian Equity Ex-Income Trusts Fund	1,213,362	-	1,213,362	-	-	-
BlackRock Active Canadian Equity DC Fund	520,538	-	520,538	140	-	-
BlackRock Active Canadian Equity Small Cap Fund	132,594	-	132,594	25	-	-
BlackRock Canada Alpha Advantage Fund	98,229	-	98,229	34	-	-
BlackRock CDN MSCI EAFE Equity Index Fund	2,096,123	-	2,096,123	183	-	-
BlackRock CDN MSCI Emerging Markets Index Fund	265,713	-	265,713	(3)	-	-
BlackRock CDN MSCI EAFE Index Plus Fund	549,597	-	549,597	25	-	-
BlackRock CDN Global Equity Focus Fund	50,080	-	50,080	-	21	-

As at December 31, 2010

	Investments			Derivatives		
	Level 1	Level 2		Level 1	Level 2	
Fund	Equities (000's CAD)	Money Market Investments (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments (000's CAD)
BlackRock Canadian Equity Index Fund	2,829,404	-	2,829,404	361	-	-
BlackRock Canadian Equity Ex-Trusts Index Fund	146,417	-	146,417	15	-	-
BlackRock CDN MSCI Canada IMI Index Fund	1,354,115	-	1,354,115	76	-	-
BlackRock CDN US Equity Index Non-Taxable Fund	3,600,221	8,647	3,608,868	922	-	-
BlackRock CDN US Equity Index Plus Non-Taxable Fund	280,137	447	280,584	74	-	-
BlackRock CDN US Equity Index Fund	1,515,077	2,940	1,518,017	487	-	-
BlackRock CDN US Alpha Tilts Non-Taxable Fund	656,429	398	656,827	23	-	-
BlackRock CDN Russell 3000 Index Non-Taxable Fund	538,362	80	538,442	8	-	-
BlackRock Active Canadian Equity Fund	1,902,858	-	1,902,858	222	-	-
BlackRock Active Canadian Equity Ex-Income Trusts Fund	1,729,296	-	1,729,296	-	-	-
BlackRock Active Canadian Equity DC Fund	566,062	-	566,062	54	-	-
BlackRock Active Canadian Equity Small Cap Fund	175,643	-	175,643	21	-	-
BlackRock CDN MSCI EAFE Equity Index Fund	1,931,995	-	1,931,995	(147)	-	-
BlackRock CDN MSCI Emerging Markets Index Fund	251,940	-	251,940	20	-	-
BlackRock CDN MSCI EAFE Index Plus Fund	498,727	-	498,727	(19)	-	-
BlackRock CDN Global Equity Focus Fund	10,760	-	10,760	-	13	-

ii) Fixed income funds

As at December 31, 2011

	Investments			Derivatives		
	Level 2			Level 1	Level 2	
Fund	Debt Securities (000's CAD)	Money Market Investments*/ Fund of Funds (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments** (000's CAD)
BlackRock Canada Universe Bond Index Fund	7,221,058	-	7,221,058	-	-	-
BlackRock Canada ex-BBB Universe Bond Index Fund	584,948	-	584,948	-	-	-
BlackRock Canada Real Return Bond Index Fund	792,498	-	792,498	-	-	-
BlackRock Canada Long Bond Index Fund	7,356,149	-	7,356,149	-	-	-
BlackRock Canada Long Government Bond Index Fund	574,171	-	574,171	-	-	-
BlackRock Canada All Government Bond Index Fund	164,473	-	164,473	-	-	-
BlackRock Canada Credit-Screened Bond Index Fund	159,333	-	159,333	-	-	-
BlackRock Canada CoreActive Universe Bond Fund	90,791	-	90,791	2	-	-
BlackRock Canada CorePlus Long Bond Fund	753,711	390,939	1,144,650	-	6,370	(392,091)
BlackRock Canada CorePlus Universe Bond Fund	93,857	48,806	142,663	-	182	(10,820)
BlackRock CDN Short Term Index Fund	23,701	28,197*	51,898	-	-	-

As at December 31, 2010

	Investments			Derivatives		
	Level 2			Level 1	Level 2	
Fund	Debt Securities (000's CAD)	Money Market Investments*/ Fund of Funds (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments** (000's CAD)
BlackRock Canada Universe Bond Index Fund	7,217,113	-	7,217,113	-	-	-
BlackRock Canada ex-BBB Universe Bond Index Fund	595,233	-	595,233	-	-	-
BlackRock Canada Real Return Bond Index Fund	602,083	-	602,083	-	-	-
BlackRock Canada Long Bond Index Fund	6,557,009	-	6,557,009	-	-	-
BlackRock Canada All Government Bond Index Fund	158,764	-	158,764	-	-	-
BlackRock Canada Credit-Screened Bond Index Fund	155,295	-	155,295	-	-	-
BlackRock Canada CoreActive Universe Bond Fund	93,392	-	93,392	(104)	-	-
BlackRock Canada CorePlus Long Bond Fund	573,451	303,871	877,322	(295)	7,780	(308,840)
BlackRock CDN Short Term Index Fund	10,016	28,198*	38,214	-	-	-

iii) Funds holding investment funds (Fund of Funds)

As at December 31, 2011

	Investments			Derivatives		
	Level 1	Level 2		Level 1	Level 2	
Fund	Exchange Traded Funds (000's CAD)	Fund of Funds (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments*** (000's CAD)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	-	754,925	754,925	-	12,860	-
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	-	23,857	23,857	-	928	-
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	-	366,875	366,875	-	8,920	-
BlackRock Canada Levered Long Bond Index Fund	-	32,094	32,094	-	-	2,258
BlackRock Canada Levered Real Return Bond Index Fund	-	33,624	33,624	-	-	3,518
BlackRock Balanced Moderate Index DC Fund	88,787	827,960	916,747	-	-	-
BlackRock Balanced Conservative Index DC Fund	40,019	449,234	489,253	-	-	-
BlackRock Balanced Aggressive Index DC Fund	24,062	199,683	223,745	-	-	-
BlackRock CDN LifePath Retirement Index Fund I	35,510	94,001	129,511	-	-	-
BlackRock CDN LifePath Index 2010 Retirement Fund	31,868	84,665	116,533	-	-	-
BlackRock CDN LifePath 2015 Index Fund	109,592	250,482	360,074	-	-	-
BlackRock CDN LifePath 2020 Index Fund	232,218	486,873	719,091	-	-	-
BlackRock CDN LifePath 2025 Index Fund	159,335	312,567	471,902	-	-	-
BlackRock CDN LifePath 2030 Index Fund	168,700	345,530	514,230	-	-	-
BlackRock CDN LifePath 2035 Index Fund	87,257	189,750	277,007	-	-	-
BlackRock CDN LifePath 2040 Index Fund	76,522	188,907	265,429	-	-	-
BlackRock CDN LifePath 2045 Index Fund	32,689	90,355	123,044	-	-	-
BlackRock Balanced Active Fund	3,038	28,977	32,015	-	-	-
BlackRock CDN Global Market Selection Fund	-	869,520	869,520	-	26,984	-
BlackRock CDN MSCI EAFE Index Hedged Fund	-	395,006	395,006	-	11,389	-
BlackRock CDN MSCI ACWI ex-Canada Index Fund	17,361	112,754	130,115	-	-	-

As at December 31, 2010

	Investments			Derivatives		
	Level 1	Level 2		Level 1	Level 2	
Fund	Exchange Traded Funds (000's CAD)	Fund of Funds (000's CAD)	Securities Subtotal (000's CAD)	Futures (000's CAD)	Forward Currency (000's CAD)	Other Financial Instruments*** (000's CAD)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	-	771,911	771,911	-	17,957	-
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	-	35,906	35,906	-	870	-
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	-	539,464	539,464	-	13,623	-
BlackRock Balanced Moderate Index DC Fund	83,215	752,271	835,486	-	-	-
BlackRock Balanced Conservative Index DC Fund	34,225	364,132	398,357	-	-	-
BlackRock Balanced Aggressive Index DC Fund	22,903	183,151	206,054	-	-	-
BlackRock CDN LifePath Retirement Index Fund I	15,679	44,333	60,012	-	-	-
BlackRock CDN LifePath Index 2010 Retirement Fund	32,819	91,219	124,038	-	-	-
BlackRock CDN LifePath 2015 Index Fund	61,925	143,842	205,767	-	-	-
BlackRock CDN LifePath 2020 Index Fund	158,283	335,343	493,626	-	-	-
BlackRock CDN LifePath 2025 Index Fund	84,177	172,170	256,347	-	-	-
BlackRock CDN LifePath 2030 Index Fund	110,904	226,730	337,634	-	-	-
BlackRock CDN LifePath 2035 Index Fund	47,278	100,407	147,685	-	-	-
BlackRock CDN LifePath 2040 Index Fund	53,474	121,706	175,180	-	-	-
BlackRock CDN LifePath 2045 Index Fund	15,723	44,519	60,242	-	-	-
BlackRock Balanced Active Fund	4,888	47,688	52,576	-	-	-
BlackRock CDN Global Market Selection Fund	-	821,807	821,807	-	19,227	-
BlackRock CDN MSCI EAFE Index Hedged Fund	-	319,564	319,564	-	5,410	-
BlackRock CDN MSCI ACWI ex-Canada Index Fund	16,681	98,438	115,119	-	-	-

** Repurchase Agreement
*** Total Return Swaps

b. Strategy in using financial instruments

The Funds' activities expose them to a variety of financial risks: market risk (including currency risk, interest rate risk, and other market risk), credit risk and liquidity risk.

The Funds' overall risk management program focuses on the processes, strategies, and the objectives of each Fund.

a) Index funds – the overall risk management program focuses on processes and strategies to minimize tracking between each Fund's performance and the performance of the relevant index.

b) Active funds – the overall risk management program seeks to minimize the potentially adverse effect of risk on each Fund's performance in a manner consistent with their investment objective.

c) Funds invested in other funds – the level of risk depends on the investment objective of the Fund, and the type of securities in which the Fund invests. The portfolio managers focus on the overall asset allocation strategy of the Funds rather than the exposure of the underlying funds.

c. Currency risk

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which is the Funds' reporting currency. To the extent that they have not mitigated this risk through the use of currency forward contracts, these Funds are exposed to the risk that the value of the financial instruments denominated in other currencies will fluctuate due to changes in foreign exchange rates.

The tables below indicate the currencies, other than the Canadian dollar, to which the Funds had net direct exposure of at least 2% of net assets on its trading of financial instruments and cash, as applicable, as well as the underlying principal amount of forward currency contracts used to hedge this exposure, as applicable. The tables also indicate the effect on net assets, had the Canadian dollar

strengthened or weakened by 5% in relation to each currency as at December 31, 2011 and 1% as at December 31, 2010. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2011

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)
BlackRock CDN US Equity Index Non-Taxable Fund	USD	3,685,899,868	-	3,685,899,868	100.00	+/- 5	-/+ 175,519
BlackRock CDN US Equity Index Plus Non-Taxable Fund	USD	185,635,793	-	185,635,793	99.84	+/- 5	-/+ 8,840
BlackRock CDN US Equity Index Fund	USD	1,775,509,135	-	1,775,509,135	100.00	+/- 5	-/+ 84,548
BlackRock CDN US Alpha Tilts Non-Taxable Fund	USD	454,355,997	-	454,355,997	99.98	+/- 5	-/+ 21,636
BlackRock CDN Russell 3000 Index Non-Taxable Fund	USD	376,426,852	-	376,426,852	99.70	+/- 5	-/+ 17,925
BlackRock Canada CorePlus Long Bond Fund	USD	391,054,033	(364,502,498)	26,551,535	3.45	+/- 5	-/+ 1,264
BlackRock Balanced Moderate Index DC Fund	USD	64,842,717	-	64,842,717	7.06	+/- 5	-/+ 3,088
BlackRock Balanced Conservative Index DC Fund	USD	27,837,715	-	27,837,715	5.68	+/- 5	-/+ 1,326
BlackRock Balanced Aggressive Index DC Fund	USD	18,702,872	-	18,702,872	8.34	+/- 5	-/+ 891
BlackRock CDN LifePath Retirement Index Fund I	USD	15,619,031	-	15,619,031	12.03	+/- 5	-/+ 744
BlackRock CDN LifePath Index 2010 Retirement Fund	USD	13,781,918	-	13,781,918	11.80	+/- 5	-/+ 656
BlackRock CDN LifePath 2015 Index Fund	USD	50,218,871	-	50,218,871	13.92	+/- 5	-/+ 2,391
BlackRock CDN LifePath 2020 Index Fund	USD	113,800,351	-	113,800,351	15.79	+/- 5	-/+ 5,419
BlackRock CDN LifePath 2025 Index Fund	USD	85,549,289	-	85,549,289	18.10	+/- 5	-/+ 4,074
BlackRock CDN LifePath 2030 Index Fund	USD	96,474,863	-	96,474,863	18.72	+/- 5	-/+ 4,594
BlackRock CDN LifePath 2035 Index Fund	USD	54,156,697	-	54,156,697	19.51	+/- 5	-/+ 2,579
BlackRock CDN LifePath 2040 Index Fund	USD	50,895,442	-	50,895,442	19.14	+/- 5	-/+ 2,424
BlackRock CDN LifePath 2045 Index Fund	USD	23,386,672	-	23,386,672	18.95	+/- 5	-/+ 1,114
BlackRock Balanced Active Fund	USD	11,280,119	-	11,280,119	35.20	+/- 5	-/+ 537
BlackRock CDN MSCI EAFE Index Equity Fund	AUD	181,291,508	-	181,291,508	8.58	+/- 5	-/+ 8,633
	CHF	183,666,055	-	183,666,055	8.70	+/- 5	-/+ 8,746
	DKK	22,106,792	-	22,106,792	1.05	+/- 5	-/+ 1,053
	EUR	581,812,579	-	581,812,579	27.55	+/- 5	-/+ 27,705
	GBP	492,462,692	-	492,462,692	23.32	+/- 5	-/+ 23,451
	ILS	13,696,950	-	13,696,950	0.65	+/- 5	-/+ 652
	HKD	58,979,179	-	58,979,179	2.79	+/- 5	-/+ 2,809
	JPY	455,421,076	-	455,421,076	21.57	+/- 5	-/+ 21,687
	NOK	19,556,803	-	19,556,803	0.93	+/- 5	-/+ 931
	NZD	2,452,036	-	2,452,036	0.12	+/- 5	-/+ 117
	SEK	64,935,394	-	64,935,394	3.07	+/- 5	-/+ 3,092
	SGD	34,359,109	-	34,359,109	1.63	+/- 5	-/+ 1,636
	USD	550,066	-	550,066	0.03	+/- 5	-/+ 26
Total: BlackRock CDN MSCI EAFE Index Equity Fund		**2,111,290,239**	**-**	**2,111,290,239**	**99.97**		**-/+ 100,538**
BlackRock CDN MSCI ACWI ex-Canada Index Fund	USD	17,390,124.03	-	17,390,124.03	13.35	+/- 5	-/+ 828

As at December 31, 2011

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)	
BlackRock CDN MSCI Emerging Markets Index Fund	CNY	28,975	-	28,975	0.01	+/- 5	-/+	1
	BRL	39,801,015	-	39,801,015	14.94	+/- 5	-/+	1,895
	CLP	4,726,264	-	4,726,264	1.77	+/- 5	-/+	225
	COP	2,552,837	-	2,552,837	0.96	+/- 5	-/+	122
	CZK	931,658	-	931,658	0.35	+/- 5	-/+	44
	EGP	697,994	-	697,994	0.26	+/- 5	-/+	33
	HUF	759,590	-	759,590	0.29	+/- 5	-/+	36
	IDR	7,884,024	-	7,884,024	2.96	+/- 5	-/+	375
	INR	15,282,908	-	15,282,908	5.74	+/- 5	-/+	728
	KRW	39,766,625	-	39,766,625	14.93	+/- 5	-/+	1,894
	MAD	424,543	-	424,543	0.16	+/- 5	-/+	20
	MXN	12,445,208	-	12,445,208	4.67	+/- 5	-/+	593
	MYR	9,424,277	-	9,424,277	3.54	+/- 5	-/+	449
	PEN	113,341	-	113,341	0.04	+/- 5	-/+	5
	PHP	1,958,690	-	1,958,690	0.74	+/- 5	-/+	93
	PLN	3,620,929	-	3,620,929	1.36	+/- 5	-/+	172
	RUB	14,445,084	-	14,445,084	5.42	+/- 5	-/+	688
	THB	5,079,874	-	5,079,874	1.91	+/- 5	-/+	242
	TRY	3,310,762	-	3,310,762	1.24	+/- 5	-/+	158
	ZAR	20,862,466	-	20,862,466	7.83	+/- 5	-/+	993
	HKD	47,130,560	-	47,130,560	17.69	+/- 5	-/+	2,244
	TWD	9,645	-	9,645	0.00	+/- 5	-/+	0
	USD	6,049,691	-	6,049,691	2.27	+/- 5	-/+	288
Total: BlackRock CDN MSCI Emerging Markets Index Fund		**237,306,960**	**-**	**237,306,960**	**89.09**		**-/+**	**11,298**
BlackRock CDN MSCI EAFE Index Plus Fund	AUD	47,592,720	-	47,592,720	8.57	+/- 5	-/+	2,266
	CHF	47,542,925	-	47,542,925	8.56	+/- 5	-/+	2,264
	DKK	5,743,342	-	5,743,342	1.03	+/- 5	-/+	273
	EUR	152,448,068	-	152,448,068	27.46	+/- 5	-/+	7,259
	GBP	129,730,302	-	129,730,302	23.36	+/- 5	-/+	6,178
	ILS	3,609,073	-	3,609,073	0.65	+/- 5	-/+	172
	HKD	15,293,189	-	15,293,189	2.75	+/- 5	-/+	728
	JPY	118,569,065	-	118,569,065	21.35	+/- 5	-/+	5,646
	NOK	5,178,702	-	5,178,702	0.93	+/- 5	-/+	247
	NZD	735,606	-	735,606	0.13	+/- 5	-/+	35
	SEK	17,002,455	-	17,002,455	3.06	+/- 5	-/+	810
	SGD	8,948,531	-	8,948,531	1.61	+/- 5	-/+	426
	USD	2,835,585	-	2,835,585	0.51	+/- 5	-/+	135
Total: BlackRock CDN MSCI EAFE Index Plus Fund		**555,229,563**	**-**	**555,229,563**	**100.00**		**-/+**	**26,439**

As at December 31, 2011

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)
BlackRock CDN Global Equity Focus Fund	CHF	5,123,033	(1,774,120)	3,348,913	6.52	+/- 5	-/+ 159
	BRL	789,947	-	789,947	1.54	+/- 5	-/+ 38
	ZAR	603,143	-	603,143	1.17	+/- 5	-/+ 29
	EUR	8,409,084	(642,994)	7,766,090	15.13	+/- 5	-/+ 370
	GBP	5,126,103	-	5,126,103	9.99	+/- 5	-/+ 244
	HKD	1,104,656	-	1,104,656	2.15	+/- 5	-/+ 53
	JPY	3,275,467	652,345	3,927,812	7.65	+/- 5	-/+ 187
	USD	24,765,602	1,785,840	26,551,442	51.72	+/- 5	-/+ 1,264
Total: BlackRock CDN Global Equity Focus Fund		**49,197,035**	**21,071**	**49,218,106**	**95.88**		**-/+ 2,344**

As at December 31, 2010

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)
BlackRock CDN US Equity Index Non-Taxable Fund	USD	3,636,689,268	-	3,636,689,268	100.00	+/- 1	-/+ 36,007
BlackRock CDN US Equity Index Plus Non-Taxable Fund	USD	284,576,204	-	284,576,204	99.84	+/- 1	-/+ 2,818
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	USD	771,910,906	(719,415,320)	52,495,586	6.65	+/- 1	-/+ 520
BlackRock CDN US Equity Index Fund	USD	1,536,463,411	-	1,536,463,411	99.99	+/- 1	-/+ 15,213
BlackRock CDN US Alpha Tilts Non-Taxable Fund	USD	659,722,707	-	659,722,707	99.97	+/- 1	-/+ 6,532
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	USD	35,906,251	(33,821,527)	2,084,723	5.67	+/- 1	-/+ 21
BlackRock CDN Russell 3000 Index Non-Taxable Fund	USD	539,296,961	-	539,296,961	99.99	+/- 1	-/+ 5,340
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	USD	539,464,006	(516,317,989)	23,146,016	4.18	+/- 1	-/+ 229
BlackRock Balanced Moderate Index DC Fund	USD	63,059,160	-	63,059,160	7.53	+/- 1	-/+ 624
BlackRock Balanced Conservative Index DC Fund	USD	24,437,149	-	24,437,149	6.12	+/- 1	-/+ 242
BlackRock Balanced Aggressive Index DC Fund	USD	18,038,036	-	18,038,036	8.74	+/- 1	-/+ 179
BlackRock CDN LifePath Retirement Index Fund I	USD	6,635,307	-	6,635,307	11.03	+/- 1	-/+ 66

As at December 31, 2010

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)	
BlackRock CDN LifePath Index 2010 Retirement Fund	USD	14,200,035	-	14,200,035	11.43	+/- 1	-/+	141
BlackRock CDN LifePath 2015 Index Fund	USD	28,798,868	-	28,798,868	13.97	+/- 1	-/+	285
BlackRock CDN LifePath 2020 Index Fund	USD	80,370,816	-	80,370,816	16.25	+/- 1	-/+	796
BlackRock CDN LifePath 2025 Index Fund	USD	46,199,890	-	46,199,890	17.99	+/- 1	-/+	457
BlackRock CDN LifePath 2030 Index Fund	USD	66,397,075	-	66,397,075	19.63	+/- 1	-/+	657
BlackRock CDN LifePath 2035 Index Fund	USD	30,528,510	-	30,528,510	20.63	+/- 1	-/+	302
BlackRock CDN LifePath 2040 Index Fund	USD	37,359,751	-	37,359,751	21.28	+/- 1	-/+	370
BlackRock CDN LifePath 2045 Index Fund	USD	11,911,113	-	11,911,113	19.71	+/- 1	-/+	118
BlackRock Balanced Active Fund	USD	18,946,577	-	18,946,577	35.98	+/- 1	-/+	188
BlackRock CDN Global Market Selection Fund	USD	822,249,911	(804,927,724)	17,322,188	2.06	+/- 1	-/+	172
BlackRock CDN MSCI EAFE Index Equity Fund	AUD	168,926,937	-	168,926,937	8.79	+/- 1	-/+	1,673
	CHF	153,590,178	-	153,590,178	8.00	+/- 1	-/+	1,521
	DKK	18,914,453	-	18,914,453	0.98	+/- 1	-/+	187
	EUR	560,461,585	-	560,461,585	29.17	+/- 1	-/+	5,549
	GBP	410,864,807	-	410,864,807	21.39	+/- 1	-/+	4,068
	ILS	15,168,434	-	15,168,434	0.79	+/- 1	-/+	150
	HKD	54,426,579	-	54,426,579	2.83	+/- 1	-/+	539
	JPY	422,605,066	-	422,605,066	22.00	+/- 1	-/+	4,184
	NOK	15,915,520	-	15,915,520	0.83	+/- 1	-/+	158
	NZD	1,964,095	-	1,964,095	0.10	+/- 1	-/+	19
	SEK	61,450,189	-	61,450,189	3.20	+/- 1	-/+	608
	SGD	32,715,978	-	32,715,978	1.70	+/- 1	-/+	324
	USD	2,347,709	-	2,347,709	0.12	+/- 1	-/+	23
Total: BlackRock CDN MSCI EAFE Index Equity Fund		**1,919,351,530**	**-**	**1,919,351,530**	**99.91**		**-/+**	**19,003**
BlackRock CDN MSCI EAFE Index Hedged Fund	AUD	25,884,704	(27,220,081)	(1,335,376)	-0.41	+/- 1	+/-	-13
	CHF	25,692,966	(25,269,967)	422,999	0.13	+/- 1	-/+	4
	DKK	3,227,599	(2,960,665)	266,934	0.08	+/- 1	-/+	3
	EUR	94,846,670	(89,395,113)	5,451,557	1.68	+/- 1	-/+	54
	GBP	67,172,406	(63,849,483)	3,322,923	1.02	+/- 1	-/+	33
	HKD	2,748,253	(2,471,108)	277,145	0.09	+/- 1	-/+	3
	ILS	8,180,845	(9,037,164)	(856,320)	-0.26	+/- 1	+/-	-8
	JPY	74,362,601	(68,131,313)	6,231,288	1.92	+/- 1	-/+	62
	NOK	2,332,819	(2,431,509)	(98,690)	-0.03	+/- 1	+/-	-1
	NZD	319,564	(329,270)	(9,706)	0.00	+/- 1	+/-	0
	SEK	9,363,233	(9,782,482)	(419,249)	-0.13	+/- 1	+/-	-4
	SGD	5,432,592	(5,398,212)	34,380	0.01	+/- 1	-/+	0
	USD	-	(113,187)	(113,187)	-0.03	+/- 1	+/-	-1
Total: BlackRock CDN MSCI EAFE Index Hedged Fund		**319,564,252**	**(306,389,555)**	**13,174,697**	**4.05**		**-/+**	**132**

As at December 31, 2010

Fund	Currency	Financial Instruments (CAD)	Forward Currency Contracts (CAD)	Net Exposure (CAD)	Net Exposure as a Percentage of Net Assets (%)	Change in CAD Currency (%)	Effect on Net Assets (000's CAD)	
BlackRock CDN MSCI ACWI ex-Canada Index Fund	USD	16,694,456	-	16,694,456	14.47	+/- 1	-/+	165
BlackRock CDN MSCI Emerging Markets Index Fund	BRL	40,432,174	-	40,432,174	15.98	+/- 1	-/+	400
	CLP	4,279,364	-	4,279,364	1.69	+/- 1	-/+	42
	COP	2,037,693	-	2,037,693	0.81	+/- 1	-/+	20
	CZK	837,647	-	837,647	0.33	+/- 1	-/+	8
	EGP	1,086,530	-	1,086,530	0.43	+/- 1	-/+	11
	HUF	921,444	-	921,444	0.36	+/- 1	-/+	9
	IDR	5,810,006	-	5,810,006	2.30	+/- 1	-/+	58
	KRW	34,359,676	-	34,359,676	13.58	+/- 1	-/+	340
	MAD	385,449	-	385,449	0.15	+/- 1	-/+	4
	MXN	11,512,472	-	11,512,472	4.55	+/- 1	-/+	114
	MYR	7,272,756	-	7,272,756	2.87	+/- 1	-/+	72
	PHP	1,326,503	-	1,326,503	0.52	+/- 1	-/+	13
	PLN	4,111,713	-	4,111,713	1.62	+/- 1	-/+	41
	RUB	13,529,114	-	13,529,114	5.35	+/- 1	-/+	134
	THB	4,169,757	-	4,169,757	1.65	+/- 1	-/+	41
	TRY	3,832,235	-	3,832,235	1.51	+/- 1	-/+	38
	ZAR	19,765,116	-	19,765,116	7.81	+/- 1	-/+	196
	HKD	43,567,082	-	43,567,082	17.22	+/- 1	-/+	431
	USD	53,830,727	-	53,830,727	21.27	+/- 1	-/+	533
Total: BlackRock CDN MSCI Emerging Markets Index Fund		**253,067,458**	**-**	**253,067,458**	**100.00**		**-/+**	**2,505**
BlackRock CDN MSCI EAFE Index Plus Fund	AUD	43,931,649	-	43,931,649	8.72	+/- 1	-/+	435
	CHF	40,238,204	-	40,238,204	7.99	+/- 1	-/+	398
	DKK	4,983,251	-	4,983,251	0.99	+/- 1	-/+	49
	EUR	147,358,343	-	147,358,343	29.26	+/- 1	-/+	1,459
	GBP	107,708,601	-	107,708,601	21.39	+/- 1	-/+	1,066
	ILS	4,004,093	-	4,004,093	0.80	+/- 1	-/+	40
	HKD	14,271,296	-	14,271,296	2.83	+/- 1	-/+	141
	JPY	111,274,761	-	111,274,761	22.09	+/- 1	-/+	1,102
	NOK	4,210,460	-	4,210,460	0.84	+/- 1	-/+	42
	NZD	523,284	-	523,284	0.10	+/- 1	-/+	5
	SEK	16,210,043	-	16,210,043	3.22	+/- 1	-/+	160
	SGD	8,657,661	-	8,657,661	1.72	+/- 1	-/+	86
	USD	258,492	-	258,492	0.05	+/- 1	-/+	3
Total: BlackRock CDN MSCI EAFE Index Plus Fund		**503,630,138**	**-**	**503,630,138**	**99.99**		**-/+**	**4,986**
BlackRock CDN Global Equity Focus Fund	CHF	1,043,909	-	1,043,909	9.65	+/- 1	-/+	10
	RUB	185,345	-	185,345	1.71	+/- 1	-/+	2
	EUR	1,524,957	(181,619)	1,343,338	12.42	+/- 1	-/+	13
	GBP	1,471,805	-	1,471,805	13.61	+/- 1	-/+	15
	HKD	255,360	-	255,360	2.36	+/- 1	-/+	3
	JPY	335,380	499,219	834,598	7.72	+/- 1	-/+	8
	SGD	130,201	-	130,201	1.20	+/- 1	-/+	1
	USD	5,580,915	(569,676)	5,011,240	46.87	+/- 1	-/+	50
Total: BlackRock CDN Global Equity Focus Fund		**10,527,872**	**(252,076)**	**10,275,796**	**95.54**		**-/+**	**102**

The direct exposure to currency risk for the Funds that are invested in other funds valued in Canadian dollars is minimal. If the underlying funds are valued in currencies other than Canadian dollars, the direct exposure to currency risk can be material. The Funds invested in other funds that are valued in Canadian dollars may have indirect exposure to currency risk if underlying funds are invested in financial instruments that are denominated in currencies other than Canadian dollars.

d. Interest rate risk

Interest rate risk arises on interest bearing financial instruments, such as bonds and fixed income derivatives held in an investment portfolio. The Funds are exposed to the risk that the value of interest bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

Tables below summarize the fixed income Funds' fair market value exposure, categorized by maturity date or repricing date, whichever is earlier, and not including notional exposure, to interest rate risk as well as management's estimate of the interest rate sensitivity of the net assets due to a 1% change in interest rates, assuming a parallel shift in the yield curve, with all other factors remaining constant, as at December 31, 2011 and December 31, 2010. Interest rate sensitivity for each Fund is determined based on the weighted average of modified duration of the portfolio. In practice, actual results may differ from this sensitivity analysis and the differences can be material.

As at December 31, 2011

Fund	<1 year (CAD)	1-3 years (CAD)	3-5 years (CAD)	>5 years (CAD)	Total (CAD)*	Change in Interest Rate (%)	Effect on Net Assets (000's CAD)
BlackRock Canada Universe Bond Index Fund	-	1,698,768,234	1,457,732,786	4,064,556,818	7,221,057,838	+/- 1	-/+ 498,506
BlackRock Canada ex-BBB Universe Bond Index Fund	-	141,227,637	117,769,373	325,951,084	584,948,094	+/- 1	-/+ 40,257
BlackRock Canada Real Return Bond Index Fund	-	5,068,153	-	787,429,394	792,497,547	+/- 1	-/+ 129,566
BlackRock Canada Long Bond Index Fund	-	-	-	7,356,149,212	7,356,149,212	+/- 1	-/+ 1,027,916
BlackRock Canada Long Government Bond Index Fund	-	-	-	574,171,451	574,171,451	+/- 1	-/+ 81,884
BlackRock Canada All Government Bond Index Fund	-	44,623,003	29,304,037	90,545,579	164,472,619	+/- 1	-/+ 11,803
BlackRock Canada Credit-Screened Bond Index Fund	-	22,418,646	36,972,483	99,942,311	159,333,440	+/- 1	-/+ 9,536
BlackRock Canada CoreActive Universe Bond Fund	-	18,713,581	19,171,301	52,906,096	90,790,978	+/- 1	-/+ 6,550
BlackRock Canada CorePlus Long Bond Fund	(392,091,386)	-	-	753,710,808	361,619,422	+/- 1	-/+ 107,701
BlackRock Canada CorePlus Universe Bond Fund	(10,820,178)	22,300,586	18,282,127	53,274,534	83,037,069	+/- 1	-/+ 6,835
BlackRock CDN Short Term Index Fund	23,700,699	-	-	-	23,700,699	+/- 1	-/+ 41

As at December 31, 2010

Fund	<1 year (CAD)	1-3 years (CAD)	3-5 years (CAD)	>5 years (CAD)	Total (CAD)*	Change in Interest Rate (%)	Effect on Net Assets (000's CAD)
BlackRock Canada Universe Bond Index Fund	5,622,791	1,764,940,995	1,576,846,806	3,869,702,901	7,217,113,493	+/- 1	-/+ 452,212
BlackRock Canada ex-BBB Universe Bond Index Fund	-	156,561,637	125,319,653	313,351,659	595,232,949	+/- 1	-/+ 37,665
BlackRock Canada Real Return Bond Index Fund	-	4,188,521	-	597,894,624	602,083,145	+/- 1	-/+ 96,205

As at December 31, 2010

Fund	<1 year (CAD)	1-3 years (CAD)	3-5 years (CAD)	>5 years (CAD)	Total (CAD)*	Change in Interest Rate (%)	Effect on Net Assets (000's CAD)
BlackRock Canada Long Bond Index Fund	-	-	-	6,557,009,411	6,557,009,411	+/- 1	-/+ 852,300
BlackRock Canada All Government Bond Index Fund	-	41,182,177	39,188,764	78,393,231	158,764,172	+/- 1	-/+ 10,331
BlackRock Canada Credit-Screened Bond Index Fund	-	24,946,903	23,070,959	107,277,515	155,295,377	+/- 1	-/+ 8,614
BlackRock Canada CoreActive Universe Bond Fund	-	16,622,473	23,665,849	53,104,051	93,392,373	+/- 1	-/+ 5,723
BlackRock Canada CorePlus Long Bond Fund	(308,840,184)	-	-	573,450,816	264,610,631	+/- 1	-/+ 73,606
BlackRock CDN Short Term Index Fund	5,526,639	6,996,780	-	-	12,523,419	+/- 1	-/+ 50

*Excludes cash, cash equivalents and investments in other funds

The tables below summarize notional derivatives futures exposure of fixed income Funds to interest rate risk as at December 31, 2011 and December 31, 2010, respectively. The tables also include the Funds' holdings of fixed income derivative instruments at fair market value, categorized by maturity date.

As at December 31, 2011

Fund	<1 year (CAD)	1-3 years (CAD)	3-5 years (CAD)	>5 years (CAD)	Total (CAD)
BlackRock Canada CoreActive Universe Bond Fund	-	-	-	112,207	112,207

As at December 31, 2010

Fund	<1 year (CAD)	1-3 years (CAD)	3-5 years (CAD)	>5 years (CAD)	Total (CAD)
BlackRock Canada CoreActive Universe Bond Fund	-	5,811,331	-	(3,142,057)	2,669,274
BlackRock Canada CorePlus Long Bond Fund	-	36,234,869	-	(19,801,310)	16,433,560

Funds invested in other funds may be exposed to indirect interest rate risk in the event the underlying funds are invested in interest bearing financial instruments. Certain funds are exposed to underlying funds through swap contracts – see Note 6.

e. Other market risk

Other market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk). All securities present the risk of loss of capital due to market risk. The Funds moderate this risk through the use of various investment strategies within the parameters of the Funds' investment guidelines.

Management's estimate of the effect on net assets due to a reasonable possible change in indices, with all other variables held constant, is shown in the tables below presenting the data as at December 31, 2011 and as at December 31, 2010. The change in this management estimate of sensitivity was due to fluctuations in market volatility. The estimate is calculated based on the percentage of a Fund's total net assets that are invested in financial instruments constituting the primary index. In practice the actual results may differ from the sensitivity analysis below and the differences can be material.

Certain Funds engage in short selling activities, wherein it borrows securities and sells them to third parties. Until the Fund covers its short sales, it is exposed to market risk to the extent that subsequent market fluctuations may require purchasing securities sold, not yet purchased, at prices which may be significantly higher than the fair value reflected in the financial statements. The Fund's collateral pledged to brokers is partially restricted until the Fund satisfies the obligation to deliver the securities sold, not yet purchased.

As at December 31, 2011

Fund	Market Indices	Change in Market Prices (%)	Effect on Net Assets (000's CAD)
BlackRock Canadian Equity Index Fund	S&P/TSX Capped Composite Index	+/- 10	+/- 319,348
BlackRock Canadian Equity Ex-Trusts Index Fund	S&P/TSX Equity Index	+/- 10	+/- 8,438
BlackRock CDN MSCI Canada IMI Index Fund	MSCI Canada IMI Index	+/- 10	+/- 95,502
BlackRock CDN US Equity Index Non-Taxable Fund	S&P 500 Index	+/- 10	+/-359,386
BlackRock CDN US Equity Index Plus Non-Taxable Fund	S&P 500 Index	+/- 10	+/- 18,295
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	S&P 500 Index	+/- 10	+/- 75,501
BlackRock CDN US Equity Index Fund	S&P 500 Index	+/- 10	+/-173,290
BlackRock CDN US Alpha Tilts Non-Taxable Fund	S&P 500 Index	+/- 10	+/- 45,170
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	S&P 500 Index	+/- 10	+/- 2,387
BlackRock CDN Russell 3000 Index Non-Taxable Fund	Russell 3000 Index	+/- 10	+/- 37,491
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	Russell 3000 Index	+/- 10	+/- 36,690
BlackRock Active Canadian Equity Fund	S&P/TSX Index	+/- 10	+/-163,046
BlackRock Active Canadian Equity Ex-Income Trusts Fund	S&P/TSX Equity Index	+/- 10	+/- 121,344
BlackRock Active Canadian Equity DC Fund	S&P/TSX Equity Index	+/- 10	+/- 52,043
BlackRock Active Canadian Equity Small Cap Fund	S&P/TSX Equity Completion Index	+/- 10	+/- 13,258
BlackRock Canada Alpha Advantage Fund	S&P/TSX Capped Composite Index	+/- 10	+/- 12,669
BlackRock Canada Universe Bond Index Fund	DEX Universe Bond Index	+/- 10	+/- 722,325
BlackRock Canada ex-BBB Universe Bond Index Fund	DEX Universe Bond Index	+/- 10	+/- 58,502
BlackRock Canada Real Return Bond Index Fund	DEX Real Return Bond Index	+/- 10	+/- 79,281
BlackRock Canada Long Bond Index Fund	DEX Long Term Bond Index	+/- 10	+/- 735,287
BlackRock Canada Long Government Bond Index Fund	DEX Long Term Government Bond Index	+/- 10	+/- 57,406
BlackRock Canada All Government Bond Index Fund	DEX Universe All Government Bond	+/- 10	+/- 16,447
BlackRock Canada Credit-Screened Bond Index Fund	DEX Universe All Corporate Bond Index	+/- 10	+/- 15,931
BlackRock Canada CoreActive Universe Bond Fund	DEX Universe Bond Index	+/- 10	+/- 9,080
BlackRock Canada CorePlus Long Bond Fund	DEX Long Term Bond Index	+/- 10	+/- 114,480
BlackRock Canada CorePlus Universe Bond Fund	DEX Universe Bond Index	+/- 10	+/- 14,270
BlackRock Canada Levered Long Bond Index Fund	DEX Long Term Bond Index	+/- 10	+/- 7,831
BlackRock Canada Levered Real Return Bond Index Fund	DEX Real Return Bond Index	+/- 10	+/- 7,986
BlackRock CDN Short Term Index Fund	DEX 91 Day T-Bill Index	+/- 10	+/- 5,189
BlackRock CDN MSCI EAFE Equity Index Fund	MSCI EAFE Index	+/- 10	+/- 209,707
BlackRock CDN MSCI EAFE Index Hedged Fund	MSCI EAFE Index	+/- 10	+/- 39,514
BlackRock CDN MSCI Emerging Markets Index Fund	MSCI Emerging Markets Free Index	+/- 10	+/- 26,585
BlackRock CDN MSCI EAFE Index Plus Fund	MSCI EAFE Index	+/- 10	+/- 54,969
BlackRock CDN Global Equity Focus Fund	MSCI World Index U.S.	+/- 10	+/- 5,010

As at December 31, 2010

Fund	Market Indices	Change in Market Prices (%)	Effect on Net Assets (000's CAD)
BlackRock Canadian Equity Index Fund	S&P/TSX Capped Composite Index	+/- 1	+/- 28,308
BlackRock Canadian Equity Ex-Trusts Index Fund	S&P/TSX Equity Index	+/- 1	+/- 1,464
BlackRock CDN MSCI Canada IMI Index Fund	MSCI Canada IMI Index	+/- 1	+/- 13,754
BlackRock CDN US Equity Index Non-Taxable Fund	S&P 500 Index	+/- 1	+/- 36,005
BlackRock CDN US Equity Index Plus Non-Taxable Fund	S&P 500 Index	+/- 1	+/- 2,805
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	S&P 500 Index	+/- 1	+/- 7,006
BlackRock CDN US Equity Index Fund	S&P 500 Index	+/- 1	+/- 15,181
BlackRock CDN US Alpha Tilts Non-Taxable Fund	S&P 500 Index	+/- 1	+/- 6,566
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	S&P 500 Index	+/- 1	+/- 359
BlackRock CDN Russell 3000 Index Non-Taxable Fund	Russell 3000 Index	+/- 1	+/- 4,811
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	Russell 3000 Index	+/- 1	+/- 4,867
BlackRock Active Canadian Equity Fund	S&P/TSX Index	+/- 1	+/- 19,023

As at December 31, 2010

Fund	Market Indices	Change in Market Prices (%)	Effect on Net Assets (000's CAD)
BlackRock Active Canadian Equity Ex-Income Trusts Fund	S&P/TSX Equity Index	+/- 1	+/- 17,292
BlackRock Active Canadian Equity DC Fund	S&P/TSX Equity Index	+/- 1	+/- 5,658
BlackRock Active Canadian Equity Small Cap Fund	S&P/TSX Equity Completion Index	+/- 1	+/- 1,757
BlackRock Canada Universe Bond Index Fund	DEX Universe Bond Index	+/- 1	+/- 72,135
BlackRock Canada ex-BBB Universe Bond Index Fund	DEX Universe Bond Index	+/- 1	+/- 5,955
BlackRock Canada Real Return Bond Index Fund	DEX Real Return Bond Index	+/- 1	+/- 6,019
BlackRock Canada Long Bond Index Fund	DEX Long Term Bond Index	+/- 1	+/- 65,582
BlackRock Canada All Government Bond Index Fund	DEX Universe All Government Bond	+/- 1	+/- 1,587
BlackRock Canada Credit-Screened Bond Index Fund	DEX Universe All Corporate Bond Index	+/- 1	+/- 1,553
BlackRock Canada CoreActive Universe Bond Fund	DEX Universe Bond Index	+/- 1	+/- 962
BlackRock Canada CorePlus Long Bond Fund	DEX Long Term Bond Index	+/- 1	+/- 8,772
BlackRock CDN Short Term Index Fund	DEX 91 Day T-Bill Index	+/- 1	+/- 384
BlackRock CDN MSCI EAFE Equity Index Fund	MSCI EAFE Index	+/- 1	+/- 18,634
BlackRock CDN MSCI EAFE Index Hedged Fund	MSCI EAFE Index	+/- 1	+/- 2,697
BlackRock CDN MSCI Emerging Markets Index Fund	MSCI Emerging Markets Free Index	+/- 1	+/- 2,521
BlackRock CDN MSCI EAFE Index Plus Fund	MSCI EAFE Index	+/- 1	+/- 4,986
BlackRock CDN Global Equity Focus Fund	MSCI World Index U.S.	+/- 1	+/- 108

Funds invested in other funds are also exposed to other market risk. Had the indices of the underlying funds in which the Funds invested increased or decreased by 10%, the net assets of the Funds invested in other funds would have increased or decreased by approximately 10% in proportion to the amount of the Funds invested in underlying funds.

f. Credit risk

The Funds are exposed to credit risk, which is the risk that the counterparty will be unable to pay amounts to the Funds or deliver securities in full to the Fund when due. All transactions in listed securities are settled (paid for) using approved brokers on delivery. The risk of default is considered minimal, as delivery of securities sold by a Fund is only made when the broker has received payment. Payment from the Fund is made on a purchase when the securities have been received by the broker. A trade will fail if either party fails to meet its obligations.

A short seller can be exposed to credit risk for the amount of collateral pledged to the broker if the terms of the agreement with the broker are unable to be met. The Funds seek to control this risk through counterparty credit evaluations, approvals and exposure monitoring procedures undertaken by BlackRock.

Credit risk arising on debt instruments is mitigated by investing primarily in instruments that have been rated as "investment grade" or above by independent third party rating agencies. Similarly, credit risk arising on forward currency contracts is mitigated by investing primarily in instruments issued by counterparties who have been rated as having a superior ability to repay short-term debt by third party rating agencies.

Risks may arise as a result of the failure of the counterparty to a swap contract to comply with the terms of the swap contract. The loss incurred by the failure of counterparty is generally limited to the aggregate of the unrealized appreciation on the swap contracts in an unrealized appreciation position as well as any collateral posted with the counterparty. Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk.

In a repurchase agreement, the Fund delivers a financial instrument to a counterparty with an agreement to purchase the same financial instrument back from the purchaser at an agreed upon price and date. In connection with the agreement, the Fund pledges collateral to the counterparty made up of cash, securities issued by the U.S. government or its agencies or sponsored entities, commercial paper, corporate debt obligations, or other financial instruments. Collateral is marked-to-market daily and additional collateral is pledged as required by the counterparty. In connection with such agreements, if the counterparty defaults or enters an insolvency proceeding, return of the collateral may be delayed or limited.

The tables below summarize information on credit ratings of the Funds' holdings for those Funds that had direct investments in debt securities and derivatives as at December 31, 2011 and December 31, 2010, respectively:

As at December 31, 2011

Fund	A/A[3] (%)[1]	AA/Aa[3] (%)[1]	AAA/Aaa[3] (%)[1]	BBB/Bbb[3] (%)[1]	P-1 (Forwards)[4] (%)[2]	Total (%)
BlackRock Canada Universe Bond Index Fund	19.1	23.0	50.6	7.3	-	100.0
BlackRock Canada ex-BBB Universe Bond Index Fund	20.5	25.2	54.3	-	-	100.0
BlackRock Canada Real Return Bond Index Fund	8.9	7.8	83.3	-	-	100.0
BlackRock Canada Long Bond Index Fund	34.5	30.3	35.1	0.1	-	100.0
BlackRock Canada Long Government Bond Index Fund	23.1	34.4	42.5	-	-	100.0
BlackRock Canada All Government Bond Index Fund	12.6	19.8	67.6	-	-	100.0
BlackRock Canada Credit-Screened Bond Index Fund	39.0	26.4	1.9	32.7	-	100.0
BlackRock Canada CoreActive Universe Bond Fund	20.1	23.4	42.6	13.9	-	100.0
BlackRock Canada CorePlus Long Bond Fund	34.5	29.1	29.1	7.3	-	100.0
BlackRock Canada CorePlus Universe Bond Fund	19.7	23.7	50.2	6.4	-	100.0

Fund	A/A[3] (%)[1]	AA/Aa[3] (%)[1]	AAA/Aaa[3] (%)[1]	BBB/Bbb[3] (%)[1]	P-1 (Forwards)[4] (%)[2]	Total (%)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock Canada CorePlus Long Bond Fund	-	-	-	-	100.0	100.0
BlackRock Canada CorePlus Universe Bond Fund	-	-	-	-	100.0	100.0
BlackRock CDN Global Market Selection Fund	-	-	-	-	100.0	100.0
BlackRock CDN MSCI EAFE Index Hedged Fund	-	-	-	-	100.0	100.0

Fund	Aa1[4] (%)	Aa2[4] (%)	Aa3[4] (%)	Aaa[4] (%)	P-1[4] (%)	Total (%)
BlackRock Canada Levered Long Bond Index Fund	-	100.0*	-	-	-	100.0
BlackRock Canada Levered Real Return Bond Index Fund	-	100.0*	-	-	-	100.0
BlackRock CDN Short Term Index Fund	26.3	11.1	2.4	26.6	33.6	100.0

As at December 31, 2010

Fund	A/A[3] (%)[1]	AA/Aa[3] (%)[1]	AAA/Aaa[3] (%)[1]	BBB/Bbb[3] (%)[1]	P-1 (Forwards)[4] (%)[2]	Total (%)
BlackRock Canada Universe Bond Index Fund	19.2	23.2	51.3	6.2	-	100.0
BlackRock Canada ex-BBB Universe Bond Index Fund	19.8	25.5	54.5	0.1	-	100.0
BlackRock Canada Real Return Bond Index Fund	9.4	8.3	82.3	-	-	100.0
BlackRock Canada Long Bond Index Fund	32.9	28.3	38.6	0.3	-	100.0
BlackRock Canada All Government Bond Index Fund	11.4	19.3	69.3	-	-	100.0
BlackRock Canada Credit-Screened Bond Index Fund	47.0	28.2	1.0	23.8	-	100.0
BlackRock Canada CoreActive Universe Bond Fund	21.9	23.8	43.1	11.2	-	100.0
BlackRock Canada CorePlus Long Bond Fund	32.0	27.1	34.6	6.4	-	100.0
BlackRock CDN Short Term Index Fund	-	51.0	49.0	-	-	100.0

Fund	A/A[3] (%)[1]	AA/Aa[3] (%)[1]	AAA/Aaa[3] (%)[1]	BBB/Bbb[3] (%)[1]	P-1 (Forwards)[4] (%)[2]	Total (%)
BlackRock CDN US Equity Index Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund	-	-	-	-	100.0	100.0
BlackRock Canada CorePlus Long Bond Fund	-	-	-	-	100.0	100.0
BlackRock CDN Global Market Selection Fund	-	-	-	-	100.0	100.0
BlackRock CDN MSCI EAFE Index Hedged Fund	-	-	-	-	100.0	100.0

[1]Percentage of Fixed Income Holdings
[2]Percentage of Forward Currency Contracts
[3]Source: PC-Bond, a business unit of TSX Inc.
[4]Source: Moody's Investors Service - Short Term

The Funds invested in other funds may be indirectly exposed to credit risk in the event that the underlying funds invest in debt instruments and derivatives. Each Fund may enter into securities lending transactions with a counterparty whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities on a future date. Credit risk associated with these transactions is considered minimal as the credit risk arising on debt instruments is mitigated by investing primarily in instruments that have been rated as "investment grade or above" by independent third party rating agencies. Additionally, the value of cash or securities held as collateral must be at least 102% of the fair market value of securities loaned. Similarly, credit risk arising on forward currency contracts and swap contracts are mitigated by investing primarily in instruments issued by counterparties who have been rated as having a superior ability to repay short-term debt by third party rating agencies.

g. Liquidity risk

The Funds' exposure to liquidity risk is concentrated mainly in the cash redemptions of units. Therefore, a Fund generally invests the majority of its assets in investments that are traded in active markets and can be readily sold. In addition, the Funds generally retain sufficient cash and cash equivalents to maintain anticipated ongoing liquidity. The Funds may, from time to time, enter into over-the-counter derivative contracts that are not traded in an organized market and may be illiquid. The Funds also have the ability to borrow for the purpose of redeeming units. No such borrowing occurred during the year. Maturity dates of derivative contracts and repurchase agreements are disclosed in each relevant note. Shorts are due on demand and trade payables are due within three months.

13. Brokers' commissions

Commissions paid to brokers for portfolio transactions for periods ended December 31, 2011 and December 31, 2010 are summarized below:

Fund	2011	2010
BlackRock Canadian Equity Index Fund	$410,973	$241,534
BlackRock Canadian Equity Ex-Trusts Index Fund	37,886	28,157
BlackRock CDN MSCI Canada IMI Index Fund	115,906	112,193
BlackRock CDN US Equity Index Non-Taxable Fund	85,433	206,688
BlackRock CDN US Equity Index Plus Non-Taxable Fund	47,249	60,629
BlackRock CDN US Equity Index Fund	31,486	105,743
BlackRock CDN US Alpha Tilts Non-Taxable Fund	555,681	1,411,578
BlackRock CDN Russell 3000 Index Non-Taxable Fund	53,961	241
BlackRock Active Canadian Equity Fund	2,445,406	2,353,173
BlackRock Active Canadian Equity Ex-Income Trusts Fund	2,219,072	1,892,039
BlackRock Active Canadian Equity DC Fund	808,844	572,290
BlackRock Active Canadian Equity Small Cap Fund	504,690	688,547
BlackRock Canada Alpha Advantage Fund	75,214	-
BlackRock Canada CoreActive Universe Bond Fund	14,061	36,490
BlackRock Canada CorePlus Long Bond Fund	36,085	117,036
BlackRock Balanced Moderate Index DC Fund	7,379	2,062
BlackRock Balanced Conservative Index DC Fund	4,005	2,230
BlackRock Balanced Aggressive Index DC Fund	1,757	1,120
BlackRock CDN LifePath Retirement Index Fund I	12,217	8,387
BlackRock CDN LifePath Index 2010 Retirement Fund	4,582	12,808
BlackRock CDN LifePath 2015 Index Fund	28,015	26,696
BlackRock CDN LifePath 2020 Index Fund	37,290	58,346
BlackRock CDN LifePath 2025 Index Fund	36,532	36,724
BlackRock CDN LifePath 2030 Index Fund	27,955	43,668
BlackRock CDN LifePath 2035 Index Fund	18,656	20,918
BlackRock CDN LifePath 2040 Index Fund	13,453	21,643
BlackRock CDN LifePath 2045 Index Fund	8,160	7,287
BlackRock Balanced Active Fund	784	4,888
BlackRock CDN MSCI EAFE Equity Index Fund	415,239	458,904
BlackRock CDN MSCI ACWI ex-Canada Index Fund	3,969	6,069
BlackRock CDN MSCI Emerging Markets Index Fund	135,892	175,448
BlackRock CDN MSCI EAFE Index Plus Fund	129,698	201,532
BlackRock CDN Global Equity Focus Fund	66,066	4,811

14. Independent review committee

On behalf of the Funds, BlackRock Canada has established an independent review committee ("IRC") pursuant to the requirements of the regulatory relief obtained by BlackRock Canada. Under the terms of the regulatory relief, BlackRock Canada is required to present conflicts of interest relating to trades in securities of related issuers and inter-fund trading to the IRC for its approval. The IRC is governed by certain provisions of National Instrument 81-107 – Independent Review Committee for Investment Funds ("NI 81-107") in determining whether to provide its approval. In accordance with the applicable requirements of NI 81-107, the IRC has considered and provided its approval and has provided standing instructions which BlackRock Canada can rely upon in respect of these two conflicts of interest matters. Fees and expenses incurred with respect to the IRC are permitted to be charged to the Funds.

15. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

16. Future accounting change – transition to International Financial Reporting Standards ("IFRS")

As previously confirmed by the Canadian Accounting Standards Board ("AcSB"), most Canadian publicly accountable entities adopted all IFRS, as published by the International Accounting Standards Board ("IASB"), on January 1, 2011. However, the AcSB had initially allowed most investment funds to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. At its December 12, 2011 meeting, the AcSB decided to extend the deferral of mandatory adoption of IFRS for Investment Companies and Segregated Accounts of Life Insurance Enterprises to 2014. The AcSB expects to issue the amendment in March 2012. Accordingly, the Fund will adopt IFRS for the fiscal period beginning January 1, 2014 and will issue its initial financial statements in accordance with IFRS, including comparative financial information, for the interim period ending June 30, 2014.

Management has been monitoring developments in the IFRS conversion program and has been assessing the likely impacts on implementation decisions, internal controls, information systems and training. In May 2011, the IASB issued IFRS 13 Fair Value Measurement, which defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. It only applies when other IFRSs require or permit fair value measurement. If an asset or liability measured at fair value has a bid price and an ask price, it requires valuation to be based on a price within the bid-ask spread that is most representative of fair value. It allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. This may result in elimination of the differences between the net assets per series unit and NAV per series unit at the financial statement reporting dates.

Based on management's current assessment of the differences between Canadian GAAP and IFRS, other than the impact due to IFRS 13 noted above, it is not expected that there would be any other impact on the Portfolio's NAV per series unit or net assets per series unit. Management has presently determined that the impact of IFRS to the financial statements would be limited to additional note disclosures and potential modifications to presentation including unitholders' equity. However, this present determination is subject to change resulting from the issuance of new standards or new interpretations of existing standards.

March 23, 2012

Independent Auditor's Report

To the Unitholders and Trustee of

BlackRock Canadian Equity Index Fund
BlackRock Canadian Equity Ex-Trusts Index Fund
BlackRock CDN MSCI Canada IMI Index Fund
BlackRock CDN US Equity Index Non-Taxable Fund
BlackRock CDN US Equity Index Plus Non-Taxable Fund
BlackRock CDN US Equity Index Hedged Non-Taxable Fund
BlackRock CDN US Equity Index Fund
BlackRock CDN US Alpha Tilts Non-Taxable Fund
BlackRock CDN US Alpha Tilts Hedged Non-Taxable Fund
BlackRock CDN Russell 3000 Index Non-Taxable Fund
BlackRock CDN Russell 3000 Index Hedged Non-Taxable Fund
BlackRock Active Canadian Equity Fund
BlackRock Active Canadian Equity Ex-Income Trusts Fund
BlackRock Active Canadian Equity DC Fund
BlackRock Active Canadian Equity Small Cap Fund
BlackRock Canada Alpha Advantage Fund
BlackRock Canada Universe Bond Index Fund
BlackRock Canada ex-BBB Universe Bond Index Fund
BlackRock Canada Real Return Bond Index Fund
BlackRock Canada Long Bond Index Fund
BlackRock Canada Long Government Bond Index Fund
BlackRock Canada All Government Bond Index Fund
BlackRock Canada Credit-Screened Bond Index Fund
BlackRock Canada CoreActive Universe Bond Fund
BlackRock Canada CorePlus Long Bond Fund
BlackRock Canada CorePlus Universe Bond Fund
BlackRock Canada Levered Long Bond Index Fund
BlackRock Canada Levered Real Return Bond Index Fund
BlackRock Balanced Moderate Index DC Fund
BlackRock Balanced Conservative Index DC Fund
BlackRock Balanced Aggressive Index DC Fund
BlackRock CDN LifePath Retirement Index Fund I
BlackRock CDN LifePath Index 2010 Retirement Fund
BlackRock CDN LifePath 2015 Index Fund
BlackRock CDN LifePath 2020 Index Fund
BlackRock CDN LifePath 2025 Index Fund
BlackRock CDN LifePath 2030 Index Fund
BlackRock CDN LifePath 2035 Index Fund

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

BlackRock CDN LifePath 2040 Index Fund
BlackRock CDN LifePath 2045 Index Fund
BlackRock Balanced Active Fund
BlackRock CDN Global Market Selection Fund
BlackRock CDN Short Term Index Fund
BlackRock CDN MSCI EAFE Equity Index Fund
BlackRock CDN MSCI EAFE Index Hedged Fund
BlackRock CDN MSCI ACWI ex-Canada Index Fund
BlackRock CDN MSCI Emerging Markets Index Fund
BlackRock CDN MSCI EAFE Equity Index Plus Fund
BlackRock CDN Global Equity Focus Fund
(collectively the Funds)

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at December 31, 2011, the statements of net assets and the statements of operations, cash flows, where applicable, and changes in net assets as at and for the periods as indicated in note 1, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the financial statements of each of the Funds in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements of each of the Funds based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements of each of the Funds present fairly, in all material respects, the financial position of each of the Funds and the results of each of their operations, each of their cash flows, where applicable, and the changes in each of their net assets as at and for the periods indicated in note 1 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants