

# Lakeview Disciplined Leadership Canadian Equity Fund

Management Report of Fund Performance for the year ended March 31, 2010

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, Toronto, ON M5C 3G7 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## INVESTMENT OBJECTIVES AND STRATEGIES

Lakeview Disciplined Leadership Canadian Equity Fund (the "Fund") seeks to achieve long-term capital appreciation by investing primarily in Canadian equity securities. The portfolio advisor, Barometer Capital Management Inc., focuses on identifying leading companies in leading sectors to construct a portfolio of securities that represent strong performing companies within top growing industries. The Fund is managed actively, with a focus on providing absolute return and managing risk through the employment of top-down market sector risk assessment models.

Security selection is based on company fundamentals, as well as, through the use of our quantitative market risk and security selection models: there are no limitations on market capitalization or market sector. The Fund may hold substantial cash positions to manage risk and minimize volatility.

## RISK

The risks of investing in the Fund remain as disclosed in the Fund's prospectus. As the Manager places a significant emphasis on the preservation of capital, stop-loss targets are identified for each holding in the portfolio to minimize downside risk. The Fund is suitable for investors with a medium risk tolerance who are seeking capital appreciation and exposure to the Canadian market through a variety of domestic equities.

## RESULTS OF OPERATIONS

The net asset value of the Fund increased by \$23.2 million to \$145.2 million from March 31, 2009 to March 31, 2010. The Fund had net redemptions of \$11.4 million during the period, while the portfolio's performance increased assets by \$34.6 million. The one-year return for Class A, F and I units was 28.4%, 29.7% and 31.1%, respectively, as compared to the benchmark's return of 42.1% for the same period. The benchmark is the S&P/TSX Composite Index.

Canadian equities, along with those of most of the world's major stock markets, enjoyed unusually strong returns during the 12-month period ended March 31, 2010.

Equity markets had troughed during March 2009 – though investors didn't know it at the time – and sentiment was therefore near its low point. Credit markets had tightened and interest rate spreads (the difference in yield between risk-free government bonds and riskier corporate bonds) had expanded to historically wide levels, resulting in general financial weakness around the globe and leading some pundits to predict a depression. In retrospect, the high levels of fear created ripe conditions for equity markets to snap back, which they

indeed did as investors started to foresee an economic recovery. As it became increasingly evident that the crisis was ending, many investors were caught holding too much cash and were forced to buy stocks at ever-higher levels during the year as markets continued to climb, which further propelled the stock market recovery.

While we recognize that many investors continue to be cautious, despite a brief interruption in February, Barometer's risk models showed ongoing improvement in market behaviour, supported by solid liquidity, a stream of positive economic data points and improving corporate reports. The portfolio performed largely in line with the broader market during the period. We continue to focus on names with strong balance sheets and will continue to shy away from chasing performance by entering more speculative positions. We exited the first quarter of 2010 almost fully invested, with a North American focus due to strong dollar currencies and leadership themes that include yield, energy (oil), basic materials (iron ore, copper and coal), global technology providers and companies benefiting from resurgent consumers.

## RECENT DEVELOPMENTS

The portfolio continues to be heavily weighted in sectors where Canada holds a distinct competitive advantage on the world stage. Energy, which continues to be our largest weighting, has benefited from rising oil prices and increased consumption from China, Asia, and now the United States. Our top holding in energy is Crescent Point Energy, which is a pure oil play with a capital expenditure-adjusted pay-out ratio of less than 100%. It has the ability to grow production by more than 5% and remains an excellent way to gain exposure to high oil prices.

Basic materials is our second-largest sector weighting and has been one of the best ways to leverage the global economic recovery. As industrial production continues to recover in China and America, we are seeing increased steel production feed the need for metallurgical coal, iron ore and copper. One of the best ways to exploit this recovery in demand has been to invest in Teck Resources, which has 80% of its assets in copper and metallurgical coal.

### *International Financial Reporting Standards*

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for all publicly accountable profit-oriented enterprises for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. IFRS will replace Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

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Based on the Manager's current evaluation of the differences between IFRS and Canadian GAAP, the Manager currently does not expect any impact to net asset value or net asset value per unit as a result of the transition to IFRS, and expects that the main impact will be on the financial statements, where additional disclosures or changes in presentation will be required. Further updates on the progress in the implementation of the IFRS transition plan and any changes to reporting will be provided during the implementation period leading up to the transition date.

## RELATED PARTY TRANSACTIONS

### *Manager, Trustee and Registrar*

CI Investments Inc. is the Manager, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager in consideration for management fees provided management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than taxes, borrowing costs and new governmental fees) in return for a fixed administration fee.

Management fee and fixed administration fee rates as at March 31, 2010, for each of the classes are shown below:

	Class A	Class F	Class I
Annual management fee rate (%)	1.95	0.95	Paid directly by investor
Annual fixed administration fee (%)	0.20	0.20	-

The Manager received a \$2.6 million in management fees and \$0.3 million in fixed administration fees for the period.

### *Management Fees*

Approximately 32% of total management fees were used to pay for sales and trailing commissions and other services required. The remaining 68% of management fees were used to pay for investment management and other general administration.

### *Broker commissions*

During the period, the Fund paid \$16,585 of brokerage commissions to Blackmont Capital Inc., a subsidiary of CI Financial Corp. Bank of Nova Scotia has a significant interest in CI Financial Corp., the parent company of CI Investments Inc. The Fund paid \$50,641 brokerage commissions to Bank of Nova Scotia and its subsidiaries. Bank of Nova Scotia has a significant interest in DundeeWealth Inc. The Fund paid \$36,710 brokerage commissions to DundeeWealth Inc. and its subsidiaries.

### *Independent Review Committee*

The Fund received standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee ("IRC") with respect to the following Related Party Transactions:

- a) trades in securities of CI Financial Corp., Bank of Nova Scotia, Dundee Corporation and DundeeWealth Inc.;
- b) investments in the securities of issuers for which affiliates or related parties to the Manager, acted as an underwriter during the distribution of such securities and the 60-day period following the completion of such distribution (referred to as "Underwriting of Securities");
- c) paying brokerage commissions to affiliates or related parties of the Manager on behalf of the Fund (referred to as "Broker Commissions"); and
- d) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager (referred to as "Inter-Fund Trades").

The applicable standing instructions require that Related Party Transactions be conducted in accordance with the Manager's policies and procedures. The Manager is required to advise the BoG of any material breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to Related Party Transactions (a) are made by the Manager free from any influence by any entities related to the Manager and without taking into account any consideration to any affiliate of the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (c) are made in compliance with the Manager's policies and procedures. Transactions made by the Manager under the standing instructions are subsequently reviewed by the BoG on a quarterly basis to monitor compliance.

The Fund relied on the BoG's standing instructions regarding Related Party Transactions during this reporting period.

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## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years indicated.

The Ratios & Supplemental Data shown below are based on net asset values.

### The Fund's Net Assets per Unit (\$) <sup>(1) (2) \*</sup>

Class A Commencement of operations July 5, 2004	Year ended	Period from	Year ended	Year ended	Year ended
	March 31, 2010	January 1, 2008 to March 31, 2009	December 31, 2007	December 31, 2006	December 31, 2005
	\$	\$	\$	\$	\$
<b>Net assets, beginning of year <sup>(1, 7)</sup></b>	9.26	12.90	12.54	12.01	10.96
<b>Increase (decrease) in operations:</b>					
Total revenue	0.16	0.34	0.14	0.14	0.30
Total expenses	(0.25)	(0.33)	(0.31)	(0.27)	(0.42)
Realized gains (losses) for the year	1.57	(3.18)	2.47	(0.18)	2.45
Unrealized gains (losses) for the year	1.17	(0.64)	(0.54)	0.84	(0.09)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	2.65	(3.81)	1.76	0.53	2.24
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	(1.37)	-	(1.30)
Return of capital	-	-	-	-	-
<b>Total distributions <sup>(2, 3)</sup></b>	-	-	(1.37)	-	(1.30)
<b>Net assets at end of year shown <sup>(2, 7)</sup></b>	11.90	9.26	12.90	12.56	12.01
<b>Ratios &amp; Supplemental Data</b>					
Total net asset value (\$000's) <sup>(7)</sup>	123,349	107,028	121,706	124,860	101,499
Number of units outstanding (000's)	10,347	11,530	9,429	9,944	8,453
Management expense ratio (%) <sup>(4)</sup>	2.26	2.27	2.34	2.35	3.80
Portfolio turnover rate (%) <sup>(5)</sup>	446.35	967.08	497.51	533.41	358.13
Trading expense ratio (%) <sup>(6)</sup>	1.69	1.54	1.46	1.25	1.03
Net asset value per unit (\$) <sup>(7)</sup>	11.92	9.28	12.91	12.56	12.01

\*Footnotes for the tables are found at the end of the Financial Highlights section.

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## FINANCIAL HIGHLIGHTS (cont'd)

### The Fund's Net Assets per Unit (\$) <sup>(1) (2) \*</sup>

Class F Commencement of operations August 4, 2004	Year ended	Period from	Year ended	Year ended	Year ended
	March 31, 2010	January 1, 2008 to March 31, 2009	December 31, 2007	December 31, 2006	December 31, 2005
	\$	\$	\$	\$	\$
<b>Net assets, beginning of year <sup>(1, 7)</sup></b>	9.26	12.72	12.42	11.77	10.90
<b>Increase (decrease) in operations:</b>					
Total revenue	0.16	0.34	0.13	0.14	0.36
Total expenses	(0.14)	(0.17)	(0.17)	(0.15)	(0.51)
Realized gains (losses) for the year	1.56	(3.37)	2.44	(0.27)	2.96
Unrealized gains (losses) for the year	1.01	(0.79)	(0.54)	0.77	(0.10)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>2.59</b>	<b>(3.99)</b>	<b>1.86</b>	<b>0.49</b>	<b>2.71</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	(1.51)	-	(1.52)
Return of capital	-	-	-	-	-
<b>Total distributions <sup>(2, 3)</sup></b>	<b>-</b>	<b>-</b>	<b>(1.51)</b>	<b>-</b>	<b>(1.52)</b>
<b>Net assets at end of year shown <sup>(2, 7)</sup></b>	<b>12.02</b>	<b>9.26</b>	<b>12.72</b>	<b>12.44</b>	<b>11.77</b>
<b>Ratios &amp; Supplemental Data</b>					
Total net asset value (\$000's) <sup>(7)</sup>	16,977	9,360	6,867	6,729	4,299
Number of units outstanding (000's)	1,410	1,009	539	541	365
Management expense ratio (%) <sup>(4)</sup>	1.21	1.22	1.28	1.29	2.69
Portfolio turnover rate (%) <sup>(5)</sup>	446.35	967.08	497.51	533.41	358.13
Trading expense ratio (%) <sup>(6)</sup>	1.69	1.54	1.46	1.25	1.03
Net asset value per unit (\$) <sup>(7)</sup>	12.04	9.28	12.73	12.44	11.77

\*Footnotes for the tables are found at the end of the Financial Highlights section.

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## FINANCIAL HIGHLIGHTS (cont'd)

### The Fund's Net Assets per Unit (\$) <sup>(1)(2)</sup>

Class I	Year ended	Period from	Year ended	Year ended	Year ended
	March 31, 2010	January 1, 2008 to March 31, 2009	December 31, 2007	December 31, 2006	December 31, 2005
Commencement of operations September 10, 2004	\$	\$	\$	\$	\$
<b>Net assets, beginning of year <sup>(1,7)</sup></b>	9.79	13.28	13.00	12.21	11.00
<b>Increase (decrease) in operations:</b>					
Total revenue	0.17	0.36	0.14	0.15	0.35
Total expenses	(0.03)	(0.03)	(0.04)	(0.04)	(0.49)
Realized gains (losses) for the year	1.67	(3.44)	2.51	(0.17)	2.82
Unrealized gains (losses) for the year	1.47	(0.58)	(0.55)	0.78	(0.10)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>3.28</b>	<b>(3.69)</b>	<b>2.06</b>	<b>0.72</b>	<b>2.58</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	(1.74)	-	(1.55)
Return of capital	-	-	-	-	-
<b>Total distributions <sup>(2,3)</sup></b>	<b>-</b>	<b>-</b>	<b>(1.74)</b>	<b>-</b>	<b>(1.55)</b>
<b>Net assets at end of year shown <sup>(2,7)</sup></b>	<b>12.83</b>	<b>9.79</b>	<b>13.28</b>	<b>13.03</b>	<b>12.21</b>
<b>Ratios &amp; Supplemental Data</b>					
Total net asset value (\$000's) <sup>(7)</sup>	4,883	5,613	6,669	11,922	9,363
Number of units outstanding (000's)	380	572	502	915	766
Management expense ratio (%) <sup>(4)</sup>	0.21	0.22	0.26	0.28	0.44
Portfolio turnover rate (%) <sup>(5)</sup>	446.35	967.08	497.51	533.41	358.13
Trading expense ratio (%) <sup>(6)</sup>	1.69	1.54	1.46	1.25	1.03
Net asset value per unit (\$) <sup>(7)</sup>	12.85	9.80	13.29	13.03	12.21

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for Fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements or in footnote (7) below.

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

(3) Distributions were paid in cash or automatically reinvested in additional units of the Fund.

(4) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net asset value for the year. Prior year's information has been reclassified to conform with the current year's presentation.

(5) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the year, and excluding cash and short term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the market value of investments during the year.

(6) The trading expense ratio represents total commissions and other portfolio transaction costs disclosed in the Statements of Operations expressed as an annualized percentage of daily average net asset value of the Fund during the year.

(7) Section 14.2 of National Instrument 81-106 requires the net assets of an investment fund to be calculated using the fair value of the fund's assets and liabilities. Canadian GAAP requires a different valuation method for calculating net assets. For the purpose of processing unitholder transactions, net assets are calculated based on the closing market price (referred to as "Net Asset Value"), while for financial statement purposes net assets are calculated based on bid/ask price (referred to as "Net Assets").

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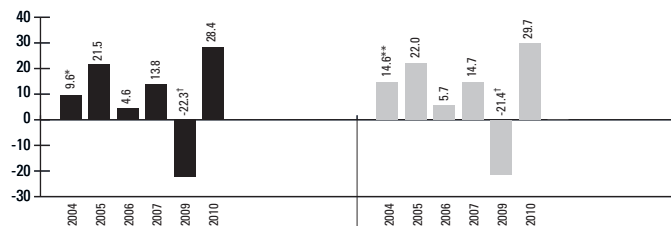
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## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the years shown were reinvested in additional units of the relevant classes of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

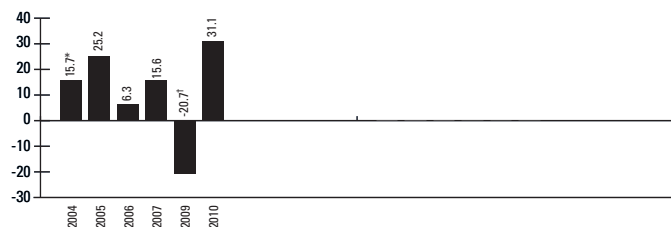
The following charts show the Fund's annual performance for each of the years shown and illustrate how the Fund's performance has changed from year to year. In percentage terms, the charts show how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year, except where noted.



\*This figure is for the period from July 5, 2004 to December 31, 2004.

\*\*This figure is for the period from August 4, 2004 to December 31, 2004.

†These figures are for the period from December 31, 2007 to March 31, 2009.



\*This figure is for the period from September 10, 2004 to December 31, 2004.

†This figure is for the period from December 31, 2007 to March 31, 2009.

### Annual Compound Returns

The following table shows the Fund's annual compound returns for each period indicated, compared to the S&P/TSX Composite Index.

The S&P/TSX Composite Index is a float adjusted market capitalization weighted index which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	One Year	Three Years	Five Years	Ten Years	Since Inception
<b>Class A (%)</b>	28.4	1.0	4.5	N/A	6.9
S&P/TSX Composite Index (%)	42.1	-0.1	7.4	N/A	9.1
<b>Class F (%)</b>	29.7	2.0	5.5	N/A	7.7
S&P/TSX Composite Index (%)	42.1	-0.1	7.4	N/A	9.4
<b>Class I (%)</b>	31.1	2.9	6.7	N/A	9.4
S&P/TSX Composite Index (%)	42.1	-0.1	7.4	N/A	8.9

# Lakeview Disciplined Leadership Canadian Equity Fund

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## Summary of Investment Portfolio as at March 31, 2010

Portfolio Breakdown		Portfolio Breakdown (cont'd)		Top 25 Holdings	
Category	Percentage of Net Asset Value (%)	Category	Percentage of Net Asset Value (%)	Security Name	Percentage of Net Asset Value (%)
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada	77.1	Energy	35.0	Consolidated Thompson Iron Mines Ltd.	4.0
U.S.A.	18.0	Materials	18.5	Teck Resources Ltd., Class B	3.9
India	3.1	Industrials	17.2	CGI Group Inc.	3.4
Cash & Equivalents	2.0	Information Technology	12.2	Petrominerales Ltd.	3.3
Israel	1.1	Financials	7.6	Cree Inc.	3.3
Other Assets	-1.3	Consumer Discretionary	4.1	Brookfield Properties Corp.	3.3
		Health Care	3.5	Ashland Inc.	3.2
		Cash & Equivalents	2.0	Tata Motors Ltd., ADR	3.1
		Telecommunication Services	0.9	Crew Energy Inc.	3.1
		Warrants	0.4	Royal Bank of Canada	3.1
		Other Assets	-1.4	Pacific Rubiales Energy Corp.	3.0
				Bombardier Inc., Class B, Sub-Voting Shares	3.0
				Air Canada, Class B	3.0
				Ford Motor Co.	2.9
				Celestica Inc.	2.9
				Grande Cache Coal Corp.	2.6
				Intel Corp.	2.5
				Biovail Corp.	2.5
				Canfor Pulp Income Fund	2.4
				TransCanada Corp.	2.3
				Crescent Point Energy Corp.	2.3
				Red Back Mining Inc.	2.2
				Bellatrix Exploration Ltd.	2.1
				Bankers Petroleum Ltd.	2.1
				Cash	2.0
				<b>Total Net Asset Value (in \$000's)</b>	<b>\$145,209</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

## A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any

forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.