

Investment Strategy

The following is a commentary by Proteus Performance Management Inc.

Capital Market returns are very unpredictable over short time periods, therefore, aggressive shifting among asset classes is not recommended. When you assess your investment strategy, you should first think of the time horizon for these investments. If this is retirement money and you are quite a few years from retirement, you can afford to take a long term view with your assets and accept more risk. If you are a conservative investor and have difficulty accepting capital losses, a well diversified portfolio and a long time horizon offers the best protection from fluctuating markets.

A long term investor should not be concerned with poor performance in any given year. If you are a long way from retirement, a mix of stocks and bonds which is more heavily weighted towards stocks, either Canadian, U.S. or Non-North American is prudent. If you are close to retirement however, a much more conservative investment approach is appropriate since there is less time to recover any investment losses. The closer you are to retirement, the tendency is to be more involved in guaranteed funds and income investments with less exposure to equity funds. It is important that your investment strategy fits with your tolerance for risk and the timing of your retirement. If you are unsure of the best strategy for you, it is recommended that you seek independent professional advice before making your investment decisions.



Market Performance Summary

Return (%) - Periods Greater than 1 Year are Annualized
Period Ending September 30, 2008

Market	Index	1 Mo	3 Mos	YTD	1 Yr	3 Yrs	4 Yrs	10 Yrs
Cash	DEX 91-Day T-Bill	0.3	0.7	2.5	3.6	3.9	3.5	3.7
Bonds	DEX Universe Bond	-2.0	-0.4	1.8	4.6	3.4	4.8	5.7
International Equity	MSCI EAFE (C\$)	-14.6	-17.3	-23.8	-25.7	-1.5	2.7	1.6
Global Equity	MSCI World (C\$)	-12.1	-11.7	-18.3	-20.9	-1.8	1.0	0.5
Canadian Equity	S&P/TSX Composite	-14.5	-18.2	-13.3	-14.4	4.7	10.4	9.7
U.S. Equity	S&P 500 (C\$)	-9.1	-4.7	-13.4	-17.0	-2.8	-1.3	-0.6
Balanced	60/40 Composite*	-8.7	-9.2	-8.8	-9.0	2.5	5.5	5.6

*Composite comprised of 40% DEX Universe Bond Index, 30% S&P/TSX Composite Index, 30% MSCI World Index

Remember, indexes represent the average performance of a very large number of securities and do not take into account transaction costs or taxes. They do not reflect the performance of any specific investment fund or security.

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Market Update

October 2008

It's an emotional market – be a rational investor.

Many are asking the question “should I change my investment mix now or is it too late?” The long-term investment principles that applied in the past still apply – where funds are for retirement planning purposes the focus is building assets over a longer period of time.

While most of us normally have little interest in investments and capital markets it is pretty hard not to be caught up in the current media mania focused on “Bay Street and Wall Street”. Most of us want to know how this will affect us and if we should be making investment changes.

We all know that the current problems stem from excess credit which was extended to buyers of real estate in areas like the US, UK and Europe. The unrealistic expectations by many investors (and lenders) that real estate values would always increase has resulted in some homeowners losing properties that were purchased using too much debt. Many properties, not just those purchased with a high level of debt, have declined in value. Many of us have a big portion of our wealth invested in our homes so this problem is close to our world, while Bay Street and Wall Street are not. Real estate markets have always and will always continue to experience periods of price increases and decreases.

Many people have lost a portion of their wealth because of declining real estate values – this has also impacted financial institutions in the US and abroad (much less in Canada). Understandably, when banks are impacted in this manner, they tighten up lending standards and people reduce spending (homes to clothing). Less consumption results in fewer goods that have to be produced which has an impact on jobs. In short, a general slowdown in the economy reduces the profits of companies – these profits and potential profits are what support the share values in your retirement account investment funds.

The decline in investor confidence regarding future corporate profits has resulted in stock market values falling by almost a third since the beginning of the year – almost all of the decline has occurred since August and about half took place in the first half of October. Performance of various markets is summarized at the end of this Market Update.

As always, when reviewing your investment approach, speak with a financial advisor to help make informed and long term decisions instead of reacting emotionally to current market sentiment. We have attached important Access To Information links and numbers to help you manage your retirement account – we encourage you to consult with a financial advisor to discuss your retirement income account.

More Market Information Available On-line!

Please visit the Proteus website (www.proteusperformance.com) and click on the Credit Crisis Summary link for a more detailed explanation of the current credit situation.

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Access To Information Links

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Access to Information

Below is the phone number to contact your plan provider regarding questions about your member account and links to resources to learn more about your retirement savings program.



Great West/ London Life/ Canada Life:

Log on with your Login ID and Password at: <http://www.grsaccess.com>
(If you have forgotten or lost your Login ID or Password you can call 1-800-724-3402)

Here, you can:

- Update personal information
- View deposit history
- Change investment direction of future deposits
- View recent interest rates and units values.
- Submit interfund transfers
- Review gross annualized rates of return
- Review detailed fund information
- Print personal plan statements

For general inquires, contact 1-800-724-3402



Investment & Retirement Info:

- The Financial Planners Standards Council is a not-for-profit organization established in 1995 to benefit the public by leading the evolution of the financial planning profession in Canada. Here, you can learn how to select a financial advisor with "10 Questions to Ask Your Planner" at http://www.cfp-ca.org/public/public_10questions.asp
- Service Canada provides and oversees social policies, services and programs for Canadians. To understand more about the Canada Pension Plan (CPP) visit <http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/isp/cpp/cpptoc.shtml&hs=cpr>
- You can also view a statement of your CPP contributions and benefits at <http://www1.servicecanada.gc.ca/en/isp/common/proceed/socinfo.shtml> You will need a Personal Access Code, which you can acquire at this site
- Service Canada also oversees Old Age Security, which is the cornerstone of Canada's public retirement system. To learn more about this program visit <http://www.hrsdc.gc.ca/en/isp/oas/oastoc.shtml>
- The Canada Revenue Agency oversees the rules and regulations of RRSPs. For all pertinent RRSP information including limits, deductions, withdrawals and more, visit <http://www.cra-arc.gc.ca/tax/individuals/topics/rrsp/menu-e.html>

HR Department:

You can visit your company's HR Department for:

- Enrolment packages for the retirement plan
- Copies of the Plan Document

Performance Reporting:

You can also access Proteus' Website at <http://www.proteusperformance.com> for retirement-related articles, and direct links to various financial institutions, companies, and industry publications. As well, use your User Name and Password to log onto your customized area of the website. Here you can access all newsletters and performance reports on the funds in your retirement plan.

User Name:

Password:

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