



FUND FACT SHEET from BARCLAYS GLOBAL INVESTORS

# BGICL Universe Bond Index Class D

As at June 30, 2008

## INVESTOR PROFILE

This Fund is intended for investors:

- seeking income and moderate capital growth over the longer term
- seeking diversified exposure to the broad Canadian bond market
- who are comfortable with moderate investment risk

## INVESTMENT OBJECTIVE

The goal of this fund is to:

- track the returns of the DEX Universe Bond Index
- outperform the average Canadian bond fund over the longer term after fees

## INVESTMENT STYLE

BGI uses an “index” approach to manage this fund. The advantage of an index approach is that costs are generally lower, it provides diversification by investing in a mix of government and corporate bonds of varying maturities, coupons and yields, and over time an index fund is expected to outperform the average active fund, net of fees and costs. To closely track the DEX Universe Bond Index, BGI invests in about 375 bonds to replicate the risk and return profile of the index.

## PRIMARY INVESTMENTS

Canadian Bonds

## FUND MANAGER COMMENTARY

The DEX Universe Bond Index finished the quarter down 0.72%. In Canada, sub-par growth and inflation worries are pulling our central bank in opposite directions. The strength of the loonie versus the US dollar over the past seven years has provided a cushion against rising consumer prices and Canada currently has one of the lowest inflation rates among the G8 countries. Many sectors, such as the automobile have come under intense pressure from consumers to match lower US prices and import prices have taken time to adjust to our currency's strength. Having core inflation contained under their 2% target has allowed the Bank of Canada to lower rates by 150 basis points since last summer. The Bank has also provided additional liquidity facilities where it felt necessary to keep the financial system and the economy on solid footing.

The Bank kept rates steady at 3% through the second quarter while keeping a nervous eye on the sliding US economy. Long Canadian bond yields remained anchored around 4% throughout the second quarter, but two year yields were much more volatile, rising by 62 basis points in the quarter to flatten out the curve as inflation worries and sub-par growth continued to fight for the market's attention.

## FUND INCEPTION

October 1999

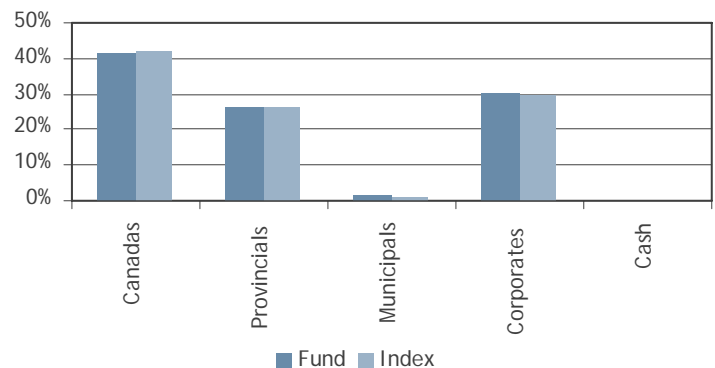
## PERFORMANCE IN CANADIAN DOLLARS\*

Returns	Quarter	YTD	1 Year	3 Years	5 Years
Fund	-0.69%	2.18%	6.70%	3.57%	5.13%
Benchmark	-0.72%	2.21%	6.80%	3.59%	5.15%
Difference	0.03%	-0.03%	-0.10%	-0.02%	-0.02%

## TOP TEN HOLDINGS

Issue Name	Fund
Canada Housing Trust, 4.05% DD 12/22/05 Due 3/15/11	3.55%
Canada Housing Trust, 4.6% DD 6/28/06 Due 9/15/11	3.43%
Canada Housing Trust, 4.55% DTD 9/27/07 Due 12/15/12	3.35%
Canada Housing Trust, 4.65% DTD 6/23/04 Due 09/15/09	3.33%
Canada Housing Trust, 4.8% DTD 6/27/07 Due 6/15/12	3.22%
Canada Housing Trust, 3.55% DTD 6/23/05 Due 09/15/10	2.55%
Canadian Government, 5% DTD 10/20/03 Due 6/1/14	2.43%
Canadian Government, 5.75% DTD 10/15/01 Due 6/1/33	1.88%
Canada Housing Trust, 3.75% DTD 12/22/04 Due 03/15/10	1.88%
Canadian Government-WL43, 5.75% DTD 2/2/98 Due 6/1/29	1.75%

## SECTOR DIVERSIFICATION



\*Performance figures are annualized as of period end.

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