

Fund Wrap

After a poor showing in the first three months of 2008, investment funds that focus on foreign equities suffered more losses in the second quarter, according to preliminary performance data released today by Morningstar Canada.

Rising commodity prices, inflation fears

and persisting concerns over the health of the economy in the U.S. drove many of the world's markets down, particularly in June.

Mutual fund sales, however, were "decent" in June, according to preliminary data compiled by the Investment Funds Institute of Canada, totalling between \$1.46 billion and \$1.96 billion. Net industry assets under management for the month of June will be

between \$698.5 billion and \$703.5 billion, down approximately 2.5% from last month's total of \$719.3 billion.

The funds that were hit hardest were those that target the financial sector, as the protracted credit crunch crimped the profits of companies well beyond Wall Street banks. The plight of this sector worsened in June, particularly in the U.S.

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MORNINGSTAR FUND INDEX

As of June 30, 2008	1M	YTD	As of June 30, 2008	1M	YTD
Precious Metals Equity	4.5	3.1	2015 Target Date Portfolio	-2.8	-1.8
Canadian Inflation-Protected Fixed Income	2.7	8.8	Canadian Equity Balanced	-2.9	-0.7
Natural Resources Equity	1.7	16.1	2020+ Target Date Portfolio	-2.9	-1.5
Canadian Income Trust Equity	1.3	8.4	Global Neutral Balanced	-3.1	-3.2
Global Fixed Income	1.1	3.6	Global Equity Balanced	-3.8	-3.6
Canadian Long Term Fixed Income	0.2	0.1	Canadian Focused Equity	-3.8	-1.6
Canadian Money Market	0.2	1.6	Canadian Dividend & Income Equity	-4.0	-1.7
US Money Market	0.2	1.4	US Small/Mid Cap Equity	-5.0	-7.9
Canadian Fixed Income	-0.1	1.6	North American Equity	-5.3	-6.0
Canadian Short Term Fixed Income	-0.3	2.2	Japanese Equity	-5.5	-6.4
Canadian Small/Mid Cap Equity	-0.5	0.3	Global Small/Mid Cap Equity	-6.3	-10.5
High Yield Fixed Income	-1.2	-0.6	Asia Pacific Equity	-6.5	-12.6
2010 Target Date Portfolio	-1.3	0.2	US Equity	-6.8	-11.5
Canadian Fixed Income Balanced	-1.7	-0.3	Global Equity	-6.8	-10.5
Global Fixed Income Balanced	-1.7	-0.3	European Equity	-6.9	-9.9
Tactical Balanced	-1.8	-1.6	Asia Pacific ex-Japan Equity	-7.0	-14.3
Canadian Equity	-1.9	4.9	Science & Technology Equity	-7.3	-11.1
Canadian Neutral Balanced	-2.1	0.4	International Equity	-7.5	-11.8
Health Care Equity	-2.2	-7.0	Real Estate Equity	-7.9	-7.8
Canadian Focused Small/Mid Cap Equity	-2.5	-4.9	Emerging Markets Equity	-8.0	-10.8
2020 Target Date Portfolio	-2.8	-1.2	Financial Services Equity	-9.6	-16.2