FRONTIERS®

Annual Financial Statements

August 31, 2011

Annual Financial Statements

for the financial year ended August 31, 2011

Statement of Investment Portfolio As at August 31, 2011

Security	Number of Shares	Average Cost ($000s)	Current Value ($000s)	% of Net Assets
CANADIAN EQUITIES				
Energy				
Canadian Natural Resources Ltd.	60,445	2,429	2,231	
Suncor Energy Inc.	40,158	1,712	1,226	
		4,141	3,457	1.2%
Materials				
Barrick Gold Corp.	53,120	2,196	2,580	
Goldcorp Inc.	18,235	753	927	
Kinross Gold Corp.	43,850	667	742	
NovaGold Resources Inc.	296,801	2,990	2,987	
Silver Wheaton Corp.	27,310	814	1,060	
		7,420	8,296	3.0%
TOTAL CANADIAN EQUITIES		**11,561**	**11,753**	**4.2%**
UNITED STATES EQUITIES				
Consumer Discretionary				
Abercrombie & Fitch Co., Class 'A'	1,400	94	87	
Amazon.com Inc.	4,300	722	906	
Apollo Group Inc., Class 'A'	1,400	55	64	
AutoNation Inc.	3,500	92	138	
AutoZone Inc.	1,700	389	511	
Barnes & Noble Inc.	25,640	568	335	
Big Lots Inc.	2,200	85	73	
Cablevision Systems Corp., Class 'A'	11,100	370	196	
CarMax Inc.	1,900	63	52	
CBS Corp., Class 'B'	8,600	194	211	
Chipotle Mexican Grill Inc., Class 'A'	100	25	31	
Coach Inc.	2,500	132	137	
Comcast Corp., Class 'A'	56,675	1,337	1,193	
Darden Restaurants Inc.	2,300	100	108	
DeVry Inc.	3,200	160	138	
DIRECTV, Class 'A'	61,135	2,554	2,631	
Discovery Communications Inc., Series 'A'	600	21	25	
Family Dollar Stores Inc.	18,425	655	962	
Ford Motor Co.	23,000	232	250	
Fortune Brands Inc.	3,700	211	207	
GameStop Corp., Class 'A'	3,400	72	80	
Gap Inc. (The)	43,340	941	701	
Goodyear Tire & Rubber Co. (The)	5,200	70	63	
H&R Block Inc.	9,300	149	137	
Harley-Davidson Inc.	1,200	44	45	
Harte-Hanks Inc.	50,000	556	388	
Hasbro Inc.	2,600	116	99	
Home Depot Inc.	69,100	1,905	2,255	
HSN Inc.	14,700	414	462	
J.C. Penney Co. Inc.	14,590	373	380	
Las Vegas Sands Corp.	35,370	972	1,612	
Lennar Corp., Class 'A'	65,980	1,205	949	
Limited Brands Inc.	9,900	210	366	
Lowe's Cos. Inc.	1,200	31	23	
Macy's Inc.	700	19	18	
McDonald's Corp.	36,880	2,377	3,263	
McGraw-Hill Companies, Inc.	9,900	359	408	
Meredith Corp.	21,700	653	548	
MGM Resorts International	87,000	1,436	943	
News Corp., Class 'A'	4,900	61	83	
Nike Inc., Class 'B'	600	42	51	
Nordstrom Inc.	45,000	1,846	2,001	
Omnicom Group Inc.	1,900	88	75	
O'Reilly Automotive Inc.	300	17	19	
PetSmart Inc.	21,225	489	876	
Priceline.com Inc.	1,300	421	683	
Pulte Homes Inc.	13,100	68	61	
Ralph Lauren Corp.	16,700	1,085	2,238	
Ross Stores Inc.	1,500	100	112	
Starbucks Corp.	24,100	736	911	
Tiffany & Co.	3,200	212	225	
Time Warner Cable Inc.	8,343	467	535	
Time Warner Inc.	81,166	2,371	2,515	
TJX Cos. Inc.	21,000	918	1,122	
V.F. Corp.	200	21	23	
Viacom Inc., Class 'B'	5,400	166	255	
Walt Disney Co. (The)	3,500	100	117	
Washington Post Co., Class 'B'	400	165	139	
Wyndham Worldwide Corp.	600	20	19	
Wynn Resorts Ltd.	6,005	497	909	
Yum! Brands Inc.	10,700	527	569	
		30,378	34,533	12.4%
Consumer Staples				
Altria Group Inc.	23,700	575	630	
Archer-Daniels-Midland Co.	34,630	1,200	965	
Brown-Forman Corp., Class 'B'	2,300	144	161	
Clorox Co.	300	20	20	
Coca-Cola Co. (The)	53,530	3,008	3,690	
Coca-Cola Enterprises Inc.	15,800	391	427	
Colgate-Palmolive Co.	1,900	148	167	
ConAgra Foods Inc.	1,600	38	38	
Costco Wholesale Corp.	1,900	139	146	
CVS Caremark Corp.	2,100	75	74	
Dean Foods Co.	9,600	111	81	
Dole Food Co. Inc.	105,520	1,128	1,163	
Dr. Pepper Snapple Group Inc.	9,400	320	354	
Estée Lauder Cos. Inc., Class 'A'	7,400	481	707	
Flowers Foods Inc.	23,287	412	434	
General Mills Inc.	21,200	776	786	
H.J. Heinz Co.	46,200	2,160	2,379	
Hershey Co. (The)	43,400	1,836	2,490	
Hormel Foods Corp.	7,100	174	192	
J.M. Smucker Co. (The)	7,300	475	515	
Kellogg Co.	9,400	493	499	
Kimberly-Clark Corp.	5,800	372	392	
Kraft Foods Inc., Class 'A'	11,000	343	377	
Krispy Kreme Doughnuts Inc., Warrants, 2012/03/02	1,166	—	1	
Kroger Co. (The)	6,100	141	141	
Lancaster Colony Corp.	8,275	446	491	
Lorillard Inc.	1,600	157	174	
McCormick & Co. Inc.	3,500	143	164	
Mead Johnson Nutrition Co., Class 'A'	3,700	188	258	
Pepsico Inc.	400	27	25	
Philip Morris International Inc.	10,400	519	706	
Procter & Gamble Co.	13,672	882	852	
Reynolds American Inc.	20,600	605	757	
Ruddick Corp.	14,125	384	565	
Safeway Inc.	67,000	1,620	1,202	
Sanderson Farms Inc.	11,625	463	446	
Sara Lee Corp.	37,200	549	656	
Sysco Corp.	800	23	22	
Tyson Foods Inc., Class 'A'	6,900	113	118	
Walgreen Co.	16,300	616	561	
Wal-Mart Stores Inc.	35,790	2,084	1,862	
Whole Foods Market Inc.	1,100	48	71	
		23,827	25,759	9.3%
Energy				
Alpha Natural Resources Inc.	2,665	139	86	
Anadarko Petroleum Corp.	2,100	131	151	
Apache Corp.	700	82	71	
ATP Oil & Gas Corp.	94,925	1,575	1,250	
Baker Hughes Inc.	3,222	211	193	
Bristow Group Inc.	17,500	622	753	
Cabot Oil & Gas Corp.	2,400	121	178	
Chesapeake Energy Corp.	47,410	1,538	1,504	
Chevron Corp.	6,172	564	597	
ConocoPhillips	3,007	192	200	

Security	Number of Shares	Average Cost ($000s)	Current Value ($000s)	% of Net Assets
CONSOL Energy Inc.	5,300	258	237	
Continental Resources Inc.	30,600	1,248	1,671	
Denbury Resources Inc.	2,200	36	34	
Devon Energy Corp.	13,260	1,114	880	
Dresser-Rand Group Inc.	11,550	352	480	
El Paso Corp.	12,100	187	227	
EOG Resources Inc.	200	21	18	
EQT Corp.	2,300	99	135	
Exxon Mobil Corp.	58,275	4,011	4,219	
FMC Technologies Inc.	3,200	127	139	
Halliburton Co.	2,400	95	104	
Helmerich & Payne Inc.	2,900	175	162	
Hess Corp.	69,278	4,197	4,023	
Marathon Oil Corp.	8,800	379	232	
Marathon Petroleum Corp.	8,900	335	323	
McMoRan Exploration Co.	64,685	749	814	
Murphy Oil Corp.	1,900	136	100	
National-Oilwell Varco Inc.	11,500	794	743	
Noble Energy Inc.	16,615	1,329	1,435	
NRG Energy Inc.	2,900	63	66	
Occidental Petroleum Corp.	400	39	34	
Pioneer Natural Resources Co.	4,700	275	359	
QEP Resources Inc.	39,500	1,407	1,360	
Range Resources Corp.	300	14	19	
Rowan Cos. Inc.	1,000	35	35	
Schlumberger Ltd.	4,658	297	356	
Southwestern Energy Co.	1,500	55	56	
Spectra Energy Corp.	1,100	27	28	
Sunoco Inc.	3,500	127	131	
Tesoro Corp.	4,700	108	111	
Valero Energy Corp.	4,700	127	104	
Williams Cos. Inc.	22,000	611	581	
		24,002	24,199	8.7%
Financials				
Allstate Corp. (The)	3,200	96	82	
American Express Co.	4,500	173	219	
Ameriprise Financial Inc.	12,200	573	545	
Aon Corp.	7,000	354	320	
Apartment Investment & Management Co., Class 'A'	5,600	123	145	
Arthur J. Gallagher & Co.	38,750	969	1,069	
Assurant Inc.	2,900	110	100	
Avalonbay Communities Inc.	2,000	207	267	
Bank of America Corp.	354,300	4,300	2,837	
Bank of New York Mellon Corp. (The)	4,020	120	81	
BB&T Corp.	4,200	99	92	
BlackRock Inc., Class 'A'	600	114	97	
Boston Properties Inc.	800	67	82	
Capital One Financial Corp.	6,500	282	293	
CB Richard Ellis Group Inc., Class 'A'	7,600	146	113	
Charles Schwab Corp. (The)	151,300	2,590	1,828	
Chubb Corp. (The)	2,100	121	127	
Cincinnati Financial Corp.	3,100	99	85	
CIT Group Inc.	16,070	749	543	
Citigroup Inc.	24,303	1,017	738	
Comerica Inc.	6,600	233	165	
Cullen/Frost Bankers Inc.	8,400	485	419	
Discover Financial Services	5,800	108	143	
East West Bancorp Inc.	50,700	700	827	
Equity Residential	5,300	245	317	
Federated Investors Inc., Class 'B'	13,475	343	234	
Fifth Third Bancorp	14,300	164	148	
First Horizon National Corp.	13,800	112	95	
Franklin Resources Inc.	6,500	739	762	
Goldman Sachs Group Inc. (The)	2,100	357	239	
HCP Inc.	600	22	22	
Health Care REIT Inc.	1,100	55	55	
Huntington Bancshares Inc.	18,600	97	91	
iShares Silver Trust	59,870	1,975	2,370	
JPMorgan Chase & Co.	61,531	2,648	2,261	
KeyCorp	19,100	156	124	
Leucadia National Corp.	17,700	524	513	
Lincoln National Corp.	1,500	39	30	
Loews Corp.	2,600	101	96	
M&T Bank Corp.	29,200	1,907	2,172	
Marsh & McLennan Cos. Inc.	4,200	123	122	
MetLife Inc.	2,100	84	69	
Moody's Corp.	9,200	305	277	
Morgan Stanley	4,200	112	72	
NASDAQ OMX Group Inc. (The)	1,100	28	26	
Northern Trust Corp.	51,000	2,650	1,918	
NYSE Euronext	6,000	208	160	
People's United Financial Inc.	2,100	23	24	
PICO Holdings Inc.	13,100	455	301	
Plum Creek Timber Co. Inc.	600	25	22	
PNC Financial Services Group Inc.	3,600	196	177	
Principal Financial Group Inc.	4,000	130	99	
Progressive Corp. (The)	8,100	168	152	
Prologis Inc.	758	25	20	
Protective Life Corp.	24,700	357	459	
Prudential Financial Inc.	800	49	39	
Public Storage Inc.	2,600	256	315	
Regions Financial Corp.	19,400	136	86	
Simon Property Group Inc.	661	56	76	
SLM Corp.	2,100	26	28	
SunTrust Banks Inc.	4,200	118	82	
T. Rowe Price Group Inc.	3,300	208	173	
Tejon Ranch Co.	40,565	1,344	1,077	
Torchmark Corp.	3,900	138	146	
Travelers Cos. Inc. (The)	3,100	162	153	
U.S. Bancorp	8,400	209	191	
Unum Group	3,900	97	90	
Ventas Inc.	6,000	291	314	
Vornado Realty Trust	400	35	34	
W.R. Berkley Corp.	34,150	908	1,032	
Wells Fargo & Co.	15,431	377	394	
Weyerhaeuser Co.	13,451	306	237	
Zions Bancorp	109,600	2,071	1,869	
		34,995	30,980	11.1%
Health Care				
Abbott Laboratories	43,600	2,178	2,239	
Aetna Inc.	2,000	86	78	
Agilent Technologies Inc.	9,500	358	343	
Allergan Inc.	1,300	92	104	
AmerisourceBergen Corp.	18,100	532	701	
Amgen Inc.	400	22	22	
Baxter International Inc.	39,300	2,383	2,152	
Becton, Dickinson & Co.	900	67	72	
Biogen Idec Inc.	1,400	78	129	
Bio-Rad Laboratories Inc., Class 'A'	5,800	544	570	
Boston Scientific Corp.	8,600	58	57	
Bristol-Myers Squibb Co.	9,800	253	285	
C.R. Bard Inc.	2,300	195	214	
Cardinal Health Inc.	19,000	694	791	
CareFusion Corp.	4,900	124	123	
Celgene Corp.	300	17	17	
Cephalon Inc.	1,000	77	79	
Cerner Corp.	2,600	147	168	
CIGNA Corp.	39,400	1,652	1,802	
Covance Inc.	13,800	785	670	
Coventry Health Care Inc.	9,700	296	312	
DaVita Inc.	700	54	50	
Dentsply International Inc.	1,400	50	48	
Edwards Lifesciences Corp.	1,800	143	133	
Eli Lilly and Co.	49,700	2,017	1,823	
Express Scripts Inc., Class 'A'	1,800	76	83	
Forest Laboratories Inc., Class 'A'	700	23	23	
Gilead Sciences Inc.	1,100	44	43	
Hospira Inc.	41,000	1,831	1,854	
Human Genome Sciences Inc.	35,270	934	444	
Humana Inc.	7,300	370	554	
Intuitive Surgical Inc.	600	174	224	
Johnson & Johnson	10,610	722	683	
Laboratory Corp. of America Holdings	1,400	116	114	
Life Technologies Corp.	2,900	163	119	
McKesson Corp.	6,600	446	516	
Medco Health Solutions Inc.	300	14	16	
Medtronic Inc.	28,855	1,071	989	
Merck & Co. Inc.	49,876	1,734	1,616	
Mylan Inc.	9,000	158	183	
Opko Health Inc.	180,102	670	733	
Patterson Cos. Inc.	40,575	1,019	1,161	
Pfizer Inc.	9,157	188	170	
Quest Diagnostics Inc.	1,900	104	93	
St. Jude Medical Inc.	3,500	166	156	
Stryker Corp.	12,400	680	592	
Thermo Fisher Scientific Inc.	600	30	32	
UnitedHealth Group Inc.	5,900	221	274	
Varian Medical Systems Inc.	7,600	448	423	
VCA Antech Inc.	16,650	369	302	
Waters Corp.	600	56	47	
Watson Pharmaceuticals Inc.	2,700	146	177	

Security	Number of Shares	Average Cost ($000s)	Current Value ($000s)	% of Net Assets
Wellpoint Inc.	3,900	261	242	
West Pharmaceutical Services Inc.	11,525	477	452	
Zimmer Holdings Inc.	5,100	289	284	
		25,902	25,581	9.2%
Industrials				
3M Co.	4,000	316	325	
Alliant Techsystems Inc.	10,200	876	634	
Avery Dennison Corp.	12,250	406	349	
Boeing Co. (The)	67,460	4,065	4,411	
C.H. Robinson Worldwide Inc.	5,000	374	345	
Carlisle Cos. Inc.	18,900	544	724	
Caterpillar Inc.	26,615	2,009	2,369	
Cintas Corp.	20,900	560	654	
CSX Corp.	8,200	197	176	
Cummins Inc.	400	35	36	
Danaher Corp.	1,200	63	54	
Deere & Co.	56,620	3,143	4,478	
Dun & Bradstreet Corp. (The)	11,075	849	724	
Eaton Corp.	14,600	638	614	
Emerson Electric Co.	26,240	1,398	1,196	
Equifax Inc.	2,800	88	89	
Expeditors International of Washington Inc.	1,000	50	45	
Fastenal Co.	9,400	248	308	
FedEx Corp.	2,800	263	216	
Fluor Corp.	14,940	841	888	
General Dynamics Corp.	2,300	164	144	
General Electric Co.	16,100	484	257	
Goodrich Corp.	4,100	250	358	
Honeywell International Inc.	3,500	197	164	
Huntington Ingalls Industries Inc., Callable	25,000	918	732	
Illinois Tool Works Inc.	1,100	59	50	
Iron Mountain Inc.	4,700	148	150	
ITT Industries Inc.	300	17	14	
J.B. Hunt Transport Services Inc.	15,475	554	608	
Kennametal Inc.	16,400	625	592	
Kirby Corp.	8,700	325	468	
L-3 Communications Holdings Inc.	1,300	101	86	
Lockheed Martin Corp.	1,400	109	102	
Mine Safety Appliances Co.	9,100	252	275	
Molex Inc., Class 'A'	40,100	686	725	
Norfolk Southern Corp.	1,000	68	66	
Northrop Grumman Corp.	44,600	2,465	2,384	
Pall Corp.	3,700	197	185	
Parker Hannifin Corp.	3,100	248	223	
Pitney Bowes Inc.	400	10	8	
Precision Castparts Corp.	2,800	372	449	
R.R. Donnelley & Sons Co.	3,000	57	45	
Raytheon Co.	1,900	92	80	
Rockwell Automation Inc.	7,000	327	439	
Rockwell Collins Inc.	7,600	415	375	
Roper Industries Inc.	1,500	109	113	
Snap-On Inc.	1,900	111	98	
SPX Corp.	36,950	2,147	2,060	
Stanley Black & Decker Inc.	9,865	640	598	
Stericycle Inc.	3,100	236	266	
Union Pacific Corp.	900	54	81	
United Continental Holdings Inc.	38,205	921	695	
United Parcel Service Inc., Class 'B'	1,300	90	86	
United Stationers Inc.	16,000	339	494	
United Technologies Corp.	3,500	242	255	
W.W. Grainger Inc.	800	71	121	
Waste Management Inc.	3,600	133	116	
Woodward Governor Co.	10,425	302	331	
		31,498	32,928	11.9%
Information Technology				
Adobe Systems Inc.	1,400	46	35	
Akamai Technologies Inc.	30,955	1,005	665	
Altera Corp.	3,400	84	121	
Analog Devices Inc.	600	22	19	
AOL Inc.	68,333	1,655	1,043	
Apple Inc.	12,900	2,395	4,859	
Applied Materials Inc.	4,500	67	50	
Arrow Electronics Inc.	33,850	890	1,033	
Autodesk Inc.	1,500	56	41	
Automatic Data Processing Inc.	3,500	169	171	
BMC Software Inc.	800	37	32	
Broadridge Financial Solutions Inc.	32,300	717	659	
CA Inc.	800	20	16	
Citrix Systems Inc.	300	23	18	
Cognizant Technology Solutions Corp., Class 'A'	16,500	982	1,025	
Compuware Corp.	7,200	79	60	
Dell Inc.	1,500	21	22	
eBay Inc.	178,190	4,858	5,383	
Electronic Arts Inc.	3,000	71	66	
EMC Corp.	114,300	1,835	2,529	
Fidelity National Information Services Inc.	9,700	270	267	
Fiserv Inc.	1,000	59	55	
Flir Systems Inc.	900	30	23	
Google Inc., Class 'A'	3,000	1,677	1,588	
Harris Corp.	2,400	114	95	
IBM Corp.	52,920	6,737	8,908	
Intel Corp.	79,640	1,739	1,569	
Intuit Inc.	56,000	1,932	2,704	
Jack Henry & Associates Inc.	24,075	591	688	
JDS Uniphase Corp.	400	7	5	
Juniper Networks Inc.	1,700	63	35	
KLA Tencor Corp.	800	33	29	
LSI Logic Corp.	4,800	33	32	
MasterCard Inc., Class 'A'	200	46	64	
Microchip Technology Inc.	900	31	29	
Microsoft Corp.	22,700	686	591	
Molex Inc.	2,000	48	43	
Motorola Mobility Holding Inc.	987	27	36	
Motorola Solutions Inc.	4,557	287	188	
National Semiconductor Corp.	3,900	94	95	
NetApp Inc.	3,600	144	133	
Novellus Systems Inc.	27,976	958	766	
NVIDIA Corp.	12,800	225	167	
Oracle Corp.	91,349	2,282	2,510	
Paychex Inc.	5,300	165	140	
Qualcomm Inc.	41,600	2,120	2,093	
SAIC Inc.	59,265	1,050	870	
Salesforce.com Inc.	1,000	84	126	
ScanSource Inc.	19,500	555	591	
SunPower Corp., Class 'A'	99,530	1,696	1,371	
TeleTech Holdings Inc.	17,800	310	309	
Teradata Corp.	2,400	105	123	
Teradyne Inc.	3,100	55	37	
Texas Instruments Inc.	96,100	2,554	2,466	
Total System Service Inc.	2,300	42	41	
VeriSign Inc.	1,100	37	34	
Visa Inc.	700	56	60	
Western Union Co.	2,800	56	45	
Xilinx Inc.	1,500	44	46	
Yahoo! Inc.	2,600	39	35	
		42,113	46,854	16.9%
Materials				
Air Products and Chemicals Inc.	1,100	100	88	
Alcoa Inc.	20,200	279	253	
AptarGroup Inc.	16,200	615	800	
Ball Corp.	8,200	277	288	
Bemis Co. Inc.	18,800	550	571	
CF Industries Holdings Inc.	200	25	36	
Coeur d'Alene Mines Corp.	51,160	1,160	1,426	
Dow Chemical Co. (The)	67,000	1,997	1,864	
E.I. du Pont de Nemours & Co.	9,100	373	430	
Eagle Materials Inc.	22,850	661	440	
Eastman Chemical Co.	5,200	472	421	
Freeport-McMoRan Copper & Gold Inc., Class 'B'	53,520	2,719	2,467	
International Flavors and Fragrances Inc.	3,500	165	199	
MeadWestvaco Corp.	3,900	123	105	
Monsanto Co.	200	13	13	
Mosaic Co. (The)	23,425	1,551	1,630	
Newmont Mining Corp. Holding Co.	54,895	2,547	3,361	
PPG Industries Inc.	5,400	404	405	
Praxair Inc.	9,800	938	944	
Sherwin-Williams Co.	2,400	186	178	
Sigma-Aldrich Corp.	8,375	483	528	
SPDR Gold Trust	9,475	934	1,647	
Valspar Corp. (The)	20,325	579	641	
		17,151	18,735	6.7%
Telecommunication Services				
American Tower Corp., Class 'A'	14,600	754	769	
AT&T Inc.	6,700	218	187	
CenturyTel Inc.	18,436	739	652	
Frontier Communications Corp.	2,080	19	15	
Iridium Communications Inc.	98,489	1,018	712	
Metropcs Communications Inc.	6,900	85	75	
Sprint Nextel Corp.	55,500	250	203	
Verizon Communications Inc.	5,200	188	184	

Security	Number of Shares	Average Cost ($000s)	Current Value ($000s)	% of Net Assets
Windstream Corp.	20,100	271	249	
		3,542	3,046	1.1%
Utilities				
AES Corp. (The)	3,500	43	37	
Ameren Corp.	1,100	29	33	
American Electric Power Co. Inc.	4,600	162	174	
CenterPoint Energy Inc.	19,200	283	376	
CMS Energy Corp.	16,000	293	308	
Consolidated Edison Inc.	2,600	123	143	
Constellation Energy Group Inc.	4,200	148	158	
Dominion Resources Inc.	3,200	139	153	
DTE Energy Co.	2,600	123	129	
Duke Energy Corp.	10,000	177	185	
Edison International	800	27	29	
Exelon Corp.	600	25	25	
FirstEnergy Corp.	4,067	145	176	
NextEra Energy Inc.	36,500	2,428	2,025	
Nicor Inc.	1,800	88	98	
NiSource Inc.	18,600	314	389	
Northeast Utilities	6,000	175	204	
Oneok Inc.	9,200	501	639	
Pepco Holdings Inc.	13,200	233	252	
PG&E Corp.	900	44	37	
Pinnacle West Capital Corp.	4,800	185	208	
PPL Corp.	1,300	33	37	
Progress Energy Inc.	7,000	311	334	
Questar Corp.	70,000	1,930	1,284	
Southern Co. (The)	6,600	249	267	
Teco Energy Inc.	8,600	149	154	
Wisconsin Energy Corp.	4,500	129	139	
Xcel Energy Inc.	14,500	346	350	
		8,832	8,343	3.0%
TOTAL UNITED STATES		**242,240**	**250,958**	**90.3%**
INTERNATIONAL EQUITIES				
Bermuda				
Golar LNG Ltd.	20,235	609	653	
Marvell Technology Group Ltd.	85,605	1,300	1,101	
Nabors Industries Ltd.	7,800	172	141	
		2,081	1,895	0.7%
Ireland				
Accenture PLC, Class ‘A’	4,200	250	220	
Covidien PLC	4,000	205	204	
Ingersoll-Rand PLC	4,100	176	134	
XL Group PLC	1,100	24	22	
		655	580	0.2%
Netherlands				
Unilever NV	58,000	1,660	1,930	
		1,660	1,930	0.7%
Spain				
Banco Santander Central Hispano SA, ADR	215,261	2,870	1,953	
		2,870	1,953	0.7%
Switzerland				
ACE Ltd.	3,400	203	215	
Noble Corp.	1,000	37	33	
Tyco International Ltd.	3,200	129	130	
Weatherford International Ltd.	74,000	1,673	1,239	
		2,042	1,617	0.6%
United Kingdom				
Diageo PLC, ADR	26,800	1,808	2,103	
Vodafone Group PLC, ADR	74,000	1,668	1,908	
		3,476	4,011	1.4%
TOTAL INTERNATIONAL EQUITIES		**12,784**	**11,986**	**94.6%**
TOTAL EQUITIES		**266,585**	**274,697**	**98.8%**
Less: Transaction costs included in average cost		(179)		
TOTAL INVESTMENTS		**266,406**	**274,697**	**98.8%**
Other Assets, less Liabilities			3,196	1.2%
TOTAL NET ASSETS			**277,893**	**100.0%**

Supplemental Schedule to Statement of Investment Portfolio

Risk Management

Investment Objective: Frontiers U.S. Equity Pool (the *Pool*) seeks to achieve long-term capital growth by investing in a diversified portfolio consisting primarily of equity securities of companies domiciled primarily in the United States.

Investment Strategies: The Pool invests primarily in common shares, but may also buy securities that are convertible into common shares. When making investment decisions, a combination of investment styles may be employed, such as growth- and value-oriented strategies.

The Statement of Investment Portfolio presents the securities held by the Pool as at August 31, 2011 and groups the securities by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Pool are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, liquidity, and other price/market risk can be found in note 2 of the financial statements.

Summary of Investment Portfolio as at August 31, 2010

The following chart presents the investment sectors held by the Pool as at August 31, 2010 and groups the securities by asset type, industry sector, geographic region, or currency exposure:

Portfolio Breakdown	*% of Net Assets*
Canadian Equities	
Energy	1.5
Materials	2.8
United States Equities	
Consumer Discretionary	10.4
Consumer Staples	10.4
Energy	9.9
Financials	9.6
Health Care	9.6
Industrials	11.2
Information Technology	16.8
Materials	6.3
Telecommunication Services	1.4
Utilities	3.6
International Equities	
Brazil	0.2
France	0.3
Ireland	0.0
Japan	0.5
Netherlands	0.7
Panama	0.0
Spain	0.8
Switzerland	0.5
United Kingdom	1.6
Other Assets, Less Liabilities	1.9
Total	**100.0**

Credit Risk

Credit ratings represent a consolidation of the ratings provided by various outside service providers and are subject to change, which could be material.

See the Statement of Investment Portfolio for counterparty from over-the-counter derivative contracts, where applicable.

As at August 31, 2011 and 2010, the Pool had no significant investments in debt securities.

Currency Risk

The tables below indicate the currencies to which the Pool had significant exposure as at August 31, 2011 and 2010, based on the market value of the Pool's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable.

As at August 31, 2011

Currency (note 2j)	*Total Currency Exposure* ($000s)*	*% of Net Assets*
USD	277,025	99.7

*Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

As at August 31, 2010

Currency (note 2j)	*Total Currency Exposure* ($000s)*	*% of Net Assets*
USD	283,158	100.0

*Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

The table below indicates how, if the Canadian dollar had strengthened or weakened by 1% in relation to all foreign currencies, net assets as at August 31, 2011 and 2010 would have decreased or increased. This analysis assumes that all other variables remain unchanged. In practice, the actual results may differ from this analysis and the difference could be material.

	August 31, 2011	*August 31, 2010*
Impact on Net Assets ($000s)	**2,779**	2,832

Interest Rate Risk

As at August 31, 2011 and 2010, the majority of the Pool's financial assets and liabilities are non-interest bearing and short-term in nature; accordingly, the Pool is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The Pool is exposed to daily cash redemptions of redeemable units. As at August 31, 2011 and 2010, the Pool retained sufficient cash and cash equivalent positions to maintain adequate liquidity.

Other Price/Market Risk

The table below indicates the change in net assets had the value of the Pool's benchmark(s) increased or decreased by 1%, as at August 31, 2011 and 2010. This change is estimated based on the historical correlation between the return of Class A units of the Pool as compared to the return of the Pool's benchmark(s), using 36 monthly data points, as available, based on the monthly net returns of the Pool. This analysis assumes that all other variables remain unchanged. The historical correlation may not be representative of the future correlation and, accordingly, the impact on net assets could be materially different.

	Impact on Net Assets ($000s)	
Benchmark	*August 31, 2011*	*August 31, 2010*
S&P 500 Index	**2,769**	2,817

Fair Value of Financial Instruments

The following is a summary of the inputs used as at August 31, 2011 and 2010 in valuing the Pool's financial assets and financial liabilities, carried at fair value:

As at August 31, 2011

Classification	*Level 1 (i) ($000s)*	*Level 2 (ii) ($000s)*	*Level 3 (iii) ($000s)*	*Total ($000s)*
Financial Assets				
Equities	274,697	—	—	274,697
Total Financial Assets	**274,697**	**—**	**—**	**274,697**

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

As at August 31, 2010

Classification	*Level 1 (i) ($000s)*	*Level 2 (ii) ($000s)*	*Level 3 (iii) ($000s)*	*Total ($000s)*
Financial Assets				
Equities	277,829	—	—	277,829
Total Financial Assets	**277,829**	**—**	**—**	**277,829**

(i) Quoted prices in active markets for identical assets
(ii) Significant other observable inputs
(iii) Significant unobservable inputs

Transfer of assets between Level 1 and Level 2

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market.

For the periods ended August 31, 2011 and 2010, there were no tranfers of financial assets and liabilities from Level 1 to Level 2.

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market.

For the periods ended August 31, 2011 and 2010, there were no tranfers of financial assets and liabilities from Level 2 to Level 1.

Reconciliation of financial asset and liability movement — Level 3

The Pool did not hold any significant positions of Level 3 investments at the beginning of, during, or at the end of any reporting period.

Statements of Net Assets (in 000s, except per unit amounts)

As at August 31, 2011 and 2010 (note 1)

	2011	2010
Assets		
Investments at current value† (notes 2 and 3)	**$ 274,697**	$ 277,829
Cash including foreign currency holdings, at current value	**2,135**	5,722
Accrued interest and dividends receivable	**441**	569
Receivable for portfolio securities sold	**1,151**	2,318
Receivable for units issued	**57**	122
Unrealized currency gain on receivables and payables	**—**	11
Total Assets	**278,481**	286,571
Liabilities		
Payable for portfolio securities purchased	**83**	2,422
Payable for units redeemed	**504**	625
Management fees payable	**—**	269
Other accrued expenses	**—**	35
Unrealized currency loss on receivables and payables	**1**	—
Total Liabilities	**588**	3,351
Total Net Assets	**$ 277,893**	$ 283,220
Net Assets per Class (note 10)		
Class A	**$ 108,991**	$ 123,566
Class C	**$ 1,786**	$ 1,687
Class I	**$ 2,638**	$ 1,929
Class O	**$ 164,478**	$ 156,038
Net Assets per Unit†† (notes 4 and 10)		
Class A	**$ 5.96**	$ 5.63
Class C	**$ 7.63**	$ 7.15
Class I	**$ 8.11**	$ 7.51
Class O	**$ 8.91**	$ 8.18

† Securities Lending

The Pool had assets involved in securities lending transactions outstanding as at August 31, 2011:

Aggregate Value of Securities on Loan ($000s)	Aggregate Value of Collateral for Loan ($000s)
24,882	26,188

Collateral Type* ($000s)

i	ii	iii	iv	v
—	26,188	—	—	—

*See note 2g for Collateral Type definitions.

†† Reconciliation of Net Assets per Unit (note 10)

	Net Assets per Unit	Adjustment for CICA 3855 Valuation Difference per Unit	Net Asset Value per Unit
Class A	$5.96	$0.01	$5.97
Class C	$7.63	$0.01	$7.64
Class I	$8.11	$ —	$8.11
Class O	$8.91	$0.01	$8.92

Organization of the Pool (note 1)

The Pool was established on November 19, 1999 (*Date Established*).

	Inception Date
Class A	November 24, 1999
Class C	February 21, 2006
Class I	February 21, 2006
Class O	March 15, 2005

Statements of Operations (in 000s, except per unit amounts)

For the periods ended August 31, 2011 and 2010 (note 1)

	2011	2010
Income		
Interest revenue	**$ 10**	$ —
Dividend revenue	**5,136**	6,295
Securities lending revenue	**84**	175
	5,230	6,470
Expenses (notes 5 and 8)		
Management fees±	**3,125**	3,423
Audit fees	**7**	19
Custodial fees	**66**	132
Independent review committee fees	**2**	2
Legal fees	**4**	4
Regulatory fees	**19**	22
Unitholder reporting costs	**357**	380
Other expenses	**30**	97
	3,610	4,079
Expenses waived/absorbed by the Manager	**(71)**	(218)
	3,539	3,861
Net Investment Income (Loss)	**1,691**	2,609
Realized and Unrealized Gain (Loss) on Investments		
Net realized gain (loss) on sale of investments	**9,789**	2,224
Net realized gain (loss) on foreign currency (notes 2d and e)	**(692)**	(544)
Transaction costs±±	**(220)**	(263)
Increase (decrease) in unrealized appreciation (depreciation) of investments	**12,147**	3,079
Net Gain (Loss) on Investments	**21,024**	4,496
Increase (Decrease) in Net Assets from Operations	**$ 22,715**	$ 7,105
Increase (Decrease) in Net Assets from Operations per Class		
Class A	**$ 8,405**	$ 1,909
Class C	**$ 110**	$ 33
Class I	**$ 110**	$ 44
Class O	**$ 14,090**	$ 5,119
Increase (Decrease) in Net Assets from Operations per Unit		
Class A	**$ 0.43**	$ 0.08
Class C	**$ 0.51**	$ 0.13
Class I	**$ 0.47**	$ 0.18
Class O	**$ 0.76**	$ 0.29

± Maximum Chargeable Management Fee Rates (note 5)

Class A	2.25%
Class C	1.75%
Class I	0.75%
Class O	0.00%

±± Brokerage Commissions and Fees (notes 7 and 8)

	2011	2010
Brokerage commissions and other fees ($000s)		
Total Paid	**216**	260
Paid to CIBC World Markets Inc.	**—**	—
Paid to CIBC World Markets Corp.	**—**	—
Soft dollars ($000s)		
Total Paid	**47**	3
Paid to CIBC World Markets Inc. and CIBC World Markets Corp.	**—**	—

Administrative and Other Fund Operating Expenses (note 8)

	2011	2010
($000s)	**260**	248

Service Provider (note 8)

The amounts paid by the Pool (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees, and to CIBC Mellon Global Securities Services Company (*CIBC GSS*) for securities lending, fund accounting and reporting, and portfolio valuation (all net of absorptions) for the periods ended August 31, 2011 and 2010 are as follows:

	2011	2010
($000s)	**83**	154

Statements of Changes in Net Assets (in 000s)

For the periods ended August 31, 2011 and 2010 (note 1)

	Class A Units		Class C Units		Class I Units		Class O Units	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Increase (Decrease) in Net Assets from Operations	**$ 8,405**	$ 1,909	**$ 110**	$ 33	**$ 110**	$ 44	**$ 14,090**	$ 5,119
Distributions Paid or Payable to Unitholders[‡]								
Return of capital	**—**	—	**—**	—	**(4)**	(3)	**—**	—
	—	—	**—**	—	**(4)**	(3)	**—**	—
Changes Due to Unitholder Transactions								
Amount received from the issuance of units	**8,006**	10,994	**582**	88	**1,585**	573	**16,494**	26,580
Amount received from reinvestment of distributions	**—**	—	**—**	—	**4**	3	**—**	—
Amount paid on redemptions of units	**(30,986)**	(46,155)	**(593)**	(340)	**(986)**	(291)	**(22,144)**	(12,830)
	(22,980)	(35,161)	**(11)**	(252)	**603**	285	**(5,650)**	13,750
Increase (Decrease) in Net Assets for the Period	**(14,575)**	(33,252)	**99**	(219)	**709**	326	**8,440**	18,869
Net Assets at Beginning of Period	**123,566**	156,818	**1,687**	1,906	**1,929**	1,603	**156,038**	137,169
Net Assets at End of Period	**$ 108,991**	$ 123,566	**$ 1,786**	$ 1,687	**$ 2,638**	$ 1,929	**$ 164,478**	$ 156,038
Units Issued and Outstanding (note 4)								
As at August 31, 2011 and 2010								
Balance — beginning of period	**21,933**	28,054	**236**	270	**257**	219	**19,069**	17,355
Units issued for cash	**1,288**	1,912	**72**	13	**182**	76	**1,774**	3,243
	23,221	29,966	**308**	283	**439**	295	**20,843**	20,598
Units redeemed	**(4,946)**	(8,033)	**(74)**	(47)	**(114)**	(38)	**(2,384)**	(1,529)
Balance — end of period	**18,275**	21,933	**234**	236	**325**	257	**18,459**	19,069

[‡] **Capital and Non-Capital Losses** (note 6)

As at December 2010, the Pool has available non-capital and capital losses (in $000s) for income tax purposes available to be carried forward as follows:

Total Capital Losses	Total Non-Capital Losses	Non-Capital Losses that Expire in: 2011	2012 to 2014	2015 to 2019	2020 to 2030
135,257	2,324	—	—	1,267	1,057

Notes to Financial Statements

August 31, 2011 and 2010

1. Frontiers Pools — Organization of the Pools and Financial Reporting Periods

The Frontiers Pools consist of Frontiers Canadian Short Term Income Pool, Frontiers Canadian Fixed Income Pool, Frontiers Canadian Monthly Income Pool, Frontiers Canadian Equity Pool, Frontiers U.S. Equity Pool, Frontiers U.S. Equity Currency Neutral Pool, Frontiers International Equity Pool, Frontiers Emerging Markets Equity Pool, and Frontiers Global Bond Pool.

Each of the Frontiers Pools (individually, a *Pool,* and collectively, the *Pools*) is a mutual fund trust organized under the laws of Ontario and governed by a declaration of trust (*Declaration of Trust*).

The Pools are managed by CIBC Asset Management Inc. (the *Manager*). The Manager is also the trustee, registrar, and transfer agent of the Pools.

Each Pool may issue an unlimited number of classes of units and an unlimited number of units of each class. Class A, C, I, and O units of each of the Pools are available for sale, except Frontiers Canadian Short Term Income Pool which only offers Class A units, and Frontiers U.S. Equity Currency Neutral Pool, which only offers Class O units. In the future, the offering of any classes of a Pool may be terminated or additional classes may be offered.

Each class may charge a different management fee. Operating expenses can either be common or class-specific. Class-specific expenses are allocated on a class-by-class basis. As a result, a separate net asset value per unit is calculated for each class of units.

Class A units are available only to investors participating in the Frontiers Program. This program will invest in a number of Pools, which will form a Frontiers Portfolio. Class A units are available on a no-load basis. Investors do not pay a sales commission when purchasing Class A units, nor are they charged a redemption fee if they redeem their Class A units. They may have to pay a short-term trading fee, if applicable.

Class C units are available to all investors on a no-load basis. Investors do not pay a sales commission when purchasing Class C units, nor are they charged a redemption fee if they redeem their Class C units. They may have to pay a short-term trading fee, if applicable.

Class I units are available to investors participating in programs that do not require the payment of sales charges by investors and do not require the payment of service or trailing commissions to dealers. For these investors, the Manager "unbundles" the typical distribution costs and charges a lower management fee. Potential investors include clients of "fee-for-service" investment advisors, dealer-sponsored "wrap accounts", and others who pay an annual fee to their dealer instead of transactional sales charges and where the dealer does not receive service fees or trailing commissions from the Manager.

Class O units are only available to selected investors who have been approved by and have entered into a Class O account agreement with the Manager or whose dealer or discretionary manager offers separately managed accounts or similar programs and has entered into a Class O units account agreement with the Manager. These investors are typically financial services companies, including the Manager, that will use Class O units of the Pools to facilitate offering other products to investors. No management fees or operating expenses are charged to the Pools in respect of Class O units held; instead, a negotiated management fee is charged by the Manager directly to, or as directed by, Class O unitholders or dealers or discretionary managers on behalf of unitholders.

The date upon which each Pool was established by Declaration of Trust (*Date Established*) and the date upon which each class of units of each Pool was first sold to the public (*Inception Date*) are reported in footnote *Organization of the Pool* on the Statements of Net Assets.

The Statement of Investment Portfolio of each Pool is as at August 31, 2011. The Statements of Net Assets are as at August 31, 2011 and 2010 and the Statements of Operations and Statements of Changes in Net Assets are for the years ended August 31, 2011 and 2010, except for Pools or classes established during either period, in which case the information presented is from the Date Established or the Inception Date to August 31, 2011 or August 31, 2010.

2. Summary of Significant Accounting Policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles (*GAAP*), include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. Actual results may differ from such estimates.

a) Risk Management

The Pools' overall risk management approach includes formal guidelines that govern the extent of exposure to various types of risk, including diversification within asset classes and limits on the exposure to individual investments and counterparties. In addition, derivative financial instruments may be used to manage certain risk exposures. The Manager also has various internal controls to oversee the Pools' investment activities, including monitoring compliance with the investment objectives and strategies, internal guidelines, and securities regulations. Please refer to each Pool's Supplemental Schedule to Statement of Investment Portfolio for specific risk disclosures.

Fair value of financial instruments by using valuation techniques

The process of valuing investments for which no quoted market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed for these investments. The valuation of such securities can be based on various valuation techniques that could include mathematical models, comparable valuation models, fundamental valuation models, or other techniques that would reflect the specific business situation or market the security operates within. The models would use observable market data as inputs where possible. However, in some instances, certain investments are fair valued based on assumptions that may not be supported by observable inputs. Securities without observable market value inputs in their valuation require judgment in establishing their fair value. Changes in any of these assumptions could affect the reported fair value of financial assets or financial liabilities. For Pools that hold Level 3 investments, a reconciliation from the beginning balances to ending balances is included in the Supplemental Schedule to Statement of Investment Portfolio. In addition, the impact of using reasonable alternative assumptions for valuing Level 3 investments is disclosed.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument, such as a fixed income security or a derivative contract, will fail to discharge an obligation or commitment that the counterparty has entered into with the Pools. The value of fixed income securities and derivatives as presented on the Statement of Investment Portfolio includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Pools.

Currency risk

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. This is because the Pools may invest in securities denominated or traded in currencies other than a Pool's reporting currency.

Interest rate risk

Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. This risk is known as interest rate risk. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates.

Liquidity risk

The Pools are exposed to daily cash redemptions of redeemable units. Generally, the Pools retain sufficient cash and cash equivalent positions to maintain adequate liquidity. However, liquidity risk also involves the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Pool to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for a Pool.

Other price/market risk

Other price/market risk is the risk that the value of investments will fluctuate as a result of changes in market conditions. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are exposed to other price/market risk.

b) Investment Transactions, Income Recognition, and Recognition of Realized and Unrealized Gains and Losses

i) Each transaction of purchase or sale of a portfolio asset by a Pool is reflected in the net assets no later than the first computation of net assets made after the date on which the transaction becomes binding upon the Pool.

ii) Interest income is recorded on the accrual basis.

iii) Dividend income is recorded on the ex-dividend date.

iv) Securities that are exchange-traded are recorded at current value, established by the closing bid price.

v) Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost, excluding transaction costs, of the related investments.

vi) Other income is the sum of income other than that which is separately classified on the Statements of Operations.

c) Portfolio Securities

The cost of securities of the Pools is determined in the following manner. Securities are purchased and sold at a market-traded price to arrive at a value for the position traded. The total purchased value represents the total cost of the security to the Pool. When additional units of the same security are purchased, the cost of those additional units is added to the total security cost. When units of the same security are sold, the proportionate cost of the units of the security sold is deducted from the total security cost. If there is a return of capital paid by a security, the amount of this return of capital is deducted from the total security cost. This method of tracking security cost is known as "average cost" and the current total for any one security is referred to as the adjusted cost base or "ACB" of the security. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in net income and are presented as a separate expense item in the financial statements.

The difference between the current value of securities and their average cost, excluding transaction costs, represents the unrealized appreciation (depreciation) in value of the portfolio investments. The applicable period change in unrealized appreciation (depreciation) of investments is included on the Statements of Operations.

Short-term investments on the Statement of Investment Portfolio are presented at their fair value. Accrued interest for bonds is disclosed separately on the Statements of Net Assets.

d) Foreign Exchange

The value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars at the current rates prevailing on each Valuation Date.

Purchases and sales of investments, income, and expenses are translated into Canadian dollars at the foreign exchange rates prevailing on the dates of such transactions. Foreign currency translation gains (losses) on investments and on income transactions are included in Net realized gain or loss on foreign currency and in Income, respectively, on the Statements of Operations.

e) Forward Foreign Currency Contracts

The Pools may enter into forward foreign currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities.

Changes in the value of forward foreign currency contracts are recorded as Unrealized gain or loss on forward foreign currency contracts on the Statements of Net Assets and are recorded as an Increase (decrease) in unrealized appreciation (depreciation) of investments during the applicable period on the Statements of Operations.

The gain or loss arising from the difference between the value of the original forward foreign currency contract and the contract at close or delivery is realized and recorded on the Statements of Operations as Net realized gain or loss on foreign currency for Pools that use the forward foreign currency contracts for hedging, or as Income (loss) from forward foreign currency contracts for Pools that do not use the forward foreign currency contracts for hedging.

f) Futures Contracts

The margin deposits with brokers relating to futures contracts are included in Margin on the Statements of Net Assets. Any change in the margin requirement is settled daily and included in Receivable for portfolio securities sold or Payable for portfolio securities purchased on the Statements of Net Assets.

Any difference between the settlement value at the close of business on each Valuation Date and the settlement value at the close of business on the previous Valuation Date is recorded as Income (loss) from futures contracts on the Statements of Operations.

g) Securities Lending

The Pools may lend portfolio securities in order to earn additional revenue, which is disclosed on the Statements of Operations. The loaned assets of any one Pool are not permitted to exceed 50% of the current value of the assets of that Pool (excluding collateral debt for the loaned securities). The minimum allowable collateral is 102% of the current value of the loaned securities as per the requirements of National Instrument 81-102 *Mutual Funds*. Collateral can consist of the following:

i) Cash.

ii) An evidence of indebtedness that is issued or fully and unconditionally guaranteed as to the principal and interest by: a) the Government of Canada or the government of a province or territory of Canada; b) the government of the United States of America or the government of one of the states of the United States of America; c) the government of another sovereign state, or a permitted supranational agency, if, in each case, the evidence of indebtedness has an approved credit rating; or d) a Canadian financial institution or a financial institution that is not incorporated or organized under the laws of Canada or of a province or territory of Canada, if, in either case, evidences of indebtedness of that issuer or guarantor that are rated as short-term debt by an approved credit rating organization have an approved credit rating.

iii) Irrevocable letters of credit issued by a Canadian financial institution if evidences of indebtedness of the Canadian financial institution that are rated as short-term debt by an approved credit rating organization have an approved credit rating.

iv) Securities that are immediately convertible into securities of the same issuer, class, or type and the same term as the securities loaned.

v) Commercial paper with a term to maturity of 365 days or less with an approved credit rating and that was issued by a company other than a government or permitted supranational agency.

The market value of the loaned securities is determined on the close of any Valuation Date and any additional required collateral is delivered to the Pools on the next business day. The securities on loan continue to be included on the Statement of Investment Portfolio and are included in the total value on the Statements of Net Assets in Investments at current value. Where applicable, a Pool's securities lending transactions are reported in footnote *Securities Lending* on the Statements of Net Assets.

h) Multi-Class Structured Pools

Each Pool may issue an unlimited number of classes of units. The realized and unrealized capital gains or capital losses, income, and common expenses (other than class-specific operating expenses and management fees) of the Pool are allocated on each Valuation Date to the unitholders in proportion to the respective prior day's net asset value, which includes unitholder trade(s) dated for that day, of each class at the date on which the allocation is made. All class-specific operating expenses and management fees do not require allocation. All class-specific operating expenses are paid by the Manager and are collected from the Pools on a recoverable basis.

i) Other Assets and Liabilities

Other assets and liabilities are recorded at cost, which approximates their current value.

j) Legend for Abbreviations

The following is a list of abbreviations (foreign currency translation and others) that may be used in the Statements of Investment Portfolio:

Currency Abbreviations

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

Other Abbreviations

ADR – American Depositary Receipt
ADC – Austrian Depositary Certificates
CVO – Contingent Value Obligations International
ETF – Exchange Traded Fund
GDR – Global Depositary Receipt Securities
IPN – International Participation Note
iShares – Index Shares
iUnits – Index Units Securities
LEPOs – Low Exercise Price Options
MSCI – Morgan Stanley Capital
OPALS – Optimized Portfolios as Listed
PERLES – Performance Linked to Equity
REIT – Real Estate Investment Trust
SDR – Swedish Depositary Receipt

k) International Financial Reporting Standards

In January 2011, the Accounting Standards Board (*AcSB*) amended the Introduction to Part I of the CICA Handbook — Accounting to allow investment companies, which include investment funds, to adopt International Financial Reporting Standards (*IFRS*) for the first time no later than interim and annual financial statements relating to annual periods beginning on or after January 1, 2013. Investment companies electing to defer the first time adoption may continue to apply existing Canadian GAAP until the changeover to IFRS.

The Pool will defer the first time adoption and adopt IFRS beginning September 1, 2013. As at August 31, 2011, the Manager has developed a changeover plan to meet this timetable.

The potential qualitative impact of the changeover to IFRS is currently expected to include the presentation of Statements of Cash Flows, starting with the 2014 financial statements with comparatives for 2013. There will also be additional changes to the Statements of Net Assets around the presentation of unitholders' equity, and also the potential to consolidate investments where one fund holds a controlling position of another fund. Additional note disclosures as required will be added to support the new changes and comply with the increased disclosure requirements.

Disclosures of the quantitative impact, if any, will be in the 2013 financial statements. Based on the Manager's current understanding of the differences between Canadian GAAP and IFRS, the Manager does not expect an impact to net assets or net assets per unit from the changeover to IFRS.

3. Valuation of Investments

The valuation date for a Pool is any day when the Manager's head office is open for business (*Valuation Date*). The Trustee may, at its discretion, establish other Valuation Dates. The value of the investments or assets of a Pool is determined as follows:

a) Cash and Other Assets

Cash, accounts receivable, dividends receivable, distributions receivable, and accrued interest are valued at current value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Pool and the current Valuation Date, which approximates current value.

Short-term investments (money market instruments) are valued at fair value.

b) Bonds, Debentures, and Other Debt Obligations

Bonds, debentures, and other debt obligations are valued at current value using the bid price provided by a recognized vendor upon the close of trading on a Valuation Date.

c) Listed Securities, Unlisted Securities, and Fair Value Pricing of Foreign Securities

Any security that is listed or traded on a securities exchange is valued at current value using the closing bid price or, if there is no closing bid price on that exchange and in the case of securities traded on an "over-the-counter" market, at the current value as determined by the Manager as an appropriate basis for valuation. In such situations, a fair value will be determined by the Manager to establish current value. If any securities are inter-listed, or traded on more than one exchange or market, the Manager will use the principal exchange or market for the current value of such securities.

Units of each mutual fund in which a Pool invests will be valued at current value using the most recent net asset value quoted by the trustee or Manager of the mutual fund on the Valuation Date.

Unlisted securities are valued at current value using the bid price quoted by a recognized dealer, however, if the Manager feels the bid price does not reflect current value, the Manager may determine a price that more accurately reflects the fair value of these securities.

Fair value pricing is designed to avoid stale prices, to provide a more accurate current value, and may assist in the deterrence of harmful short-term or excessive trading in the Pools. When securities listed or traded on markets or exchanges that close prior to North American or South American markets or exchanges are valued by the Manager at their fair market value, instead of using quoted or published prices, the prices of such securities used to calculate the Pool's net assets or net asset value may differ from quoted or published prices of such securities.

d) Derivatives

Long positions in options, debt-like securities, and listed warrants are valued at current value using the closing bid price as established on either their principal trading exchange or by a recognized dealer in such securities. The credit rating of each counterparty (as rated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc.) meets or exceeds the minimum approved credit rating.

Futures contracts, forward contracts, or swaps will be valued at current value of the gain or loss, if any, that would be realized on the Valuation Date if the position in the futures contracts, forward contracts, or swaps were to be closed out.

Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as collateral.

Other derivatives and margin are valued at current value in a manner that the Manager determines to represent their current value.

e) Restricted Securities

Restricted securities purchased by any Pool will be valued at current value in a manner that the Manager determines to represent their current value.

f) Other Securities

All other investments of the Pools will be valued at current value in accordance with the laws of the Canadian securities regulatory authorities where applicable.

The value of any security or other property of a Pool for which a market quotation is not readily available or where the market quotations do not properly reflect the current value of such securities will be determined by the Manager by valuing the securities at their current value. In such situations, current value will be determined using fair valuation techniques that most accurately reflect their fair value as established by the Manager.

4. Units Issued and Outstanding

Each Pool has an unlimited number of classes of units and may issue an unlimited number of units of each class. The outstanding units represent the capital of the Pools. Each unit has no par value and the value of each unit is the net asset value next determined. Settlement of the cost for units issued is completed as per security regulations in place at the time of issue. Distributions paid by the Pools and reinvested by unitholders in additional units, also constitute issued capital of the Pools.

Units are redeemed at the net asset value per unit of the Pool. A right to redeem units of a Pool may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange within Canada or outside of Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of the Pool, not including any liabilities of the Pool, are traded and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Pool. The Pools are not subject to any externally imposed capital requirements.

The capital received by a Pool is utilized within the respective investment mandate of a Pool. For all Pools, this includes the ability to make liquidity available to satisfy unitholder unit redemption requirements upon the unitholder's request.

Changes in issued and outstanding units for the periods ended August 31, 2011 and 2010 can be found on the Statements of Changes in Net Assets.

5. Management Fees and Operating Expenses

Management fees are based on the net asset value of the Pools and are calculated daily. Management fees are paid to the Manager in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. The maximum annual management fee expressed as a percentage of the average net asset value for each class of units of the Pool is reported in footnote *Maximum Chargeable Management Fee Rates* on the Statements of Operations. For Class O units, management fees are negotiated with and paid by, or as directed by, unitholders, or dealers and discretionary managers on behalf of unitholders.

In addition to the management fees, the Pools are responsible for all expenses relating to the operation and conduct of the business of the Pools, including interest, operating, and administrative costs (other than advertising and promotional expenses, which are the responsibility of the Manager), brokerage fees, commissions, spreads, regulatory fees, Independent Review Committee fees, taxes, audit and legal fees and expenses, safekeeping and custodial fees, investor servicing costs, and costs of unitholder reports, prospectuses, and other reports. All class-specific operating expenses are paid by the Manager and recovered from the Pools. The Pools do not pay a fee to the trustee.

The Manager may recover from a Pool less than the actual class-specific operating expenses paid by the Manager, resulting in the Manager absorbing class-specific expenses. The Manager may also charge to a Pool less than the maximum management fee noted in footnote *Maximum Chargeable Management Fee Rates* on the Statements of Operations resulting in the Manager waiving management fees.

At its sole discretion, the Manager may stop absorbing class-specific operating expenses and/or waiving management fees at any time. Class-specific operating expenses absorbed and/or management fees waived by the Manager are disclosed on the Statements of Operations.

In some cases, the Manager may charge management fees to a Pool that are less than the management fees the Manager is entitled to charge in respect of certain investors in a Pool. The difference in the amount of the management fees will be paid out by the Pool to the applicable investors as a distribution of additional units of the Pool (*Management Fee Distributions*).

Management Fee Distributions are negotiable between the Manager and the investor and are dependent primarily on the size of the investor's investment in the Pool. Management Fee Distributions paid to qualified investors do not adversely impact the Pool or any of the Pool's other investors. The Manager may increase or decrease the amount of Management Fee Distributions to certain investors from time to time.

6. Income Taxes

The Pools (except Frontiers U.S. Equity Currency Neutral Pool) qualify as mutual fund trusts under the *Income Tax Act* (Canada). No income tax is payable by the Pools on net income and/or net realized capital gains that are distributed to unitholders. In addition, for all Pools (except Frontiers U.S. Equity Currency Neutral Pool) income taxes payable on undistributed net realized capital gains are refundable on a formula basis when units of the Pools are redeemed. Sufficient net income and realized capital gains of the Pools have been, or will be, distributed to the unitholders such that no tax is payable by the Pools and accordingly, no provision for income taxes has been made in the financial statements. Occasionally, a Pool may pay distributions in excess of net income and net realized capital gains of the Pool. This excess distribution is called a return of capital and is non-taxable to the unitholder. However, a return of capital reduces the average cost of the unitholder's units for tax purposes.

Non-capital losses that arose in taxation years before 2004 are available to be carried forward for seven years and applied against future taxable income. Non-capital losses that arose in 2004 and 2005 are available to be carried forward for 10 years. Non-capital losses that arose in 2006 and after are available to be carried forward for 20 years.

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Where applicable, a Pool's capital and non-capital losses are reported in footnote *Capital and Non-Capital Losses* on the Statements of Changes in Net Assets.

Frontiers U.S. Equity Currency Neutral Pool has a taxation year-end of December 31. All other Pools have a taxation year-end of December 15.

7. Brokerage Commissions and Fees

The total commissions paid by the Pools to brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Operations of each Pool. In allocating brokerage business to a dealer, consideration may be given by the portfolio sub-advisors of the Pools to the provision of goods and services by the dealer or a third party, other than order execution (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the portfolio sub-advisors with their investment decision-making services to the Pools or relate directly to executing portfolio transactions on behalf of the Pools. The services are supplied by the dealer executing the trade or by a third party and paid for by that dealer. The total soft dollar payments paid by the Pools to brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Operations of each Pool. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Pool. Any commission recaptured will be paid to the applicable Pool.

Fixed income, other securities, and certain derivative products (including forwards) are transacted in an over-the-counter market, where participants are dealing as principals. Such securities are generally traded on a net basis and do not normally involve brokerage commissions, but will typically include a "spread" (being the difference between the bid and the offer prices on the security of the applicable marketplace).

Spreads associated with fixed income securities trading and certain derivative products (including forwards) are not ascertainable and, for that reason, are not included in the dollar amounts. In addition, the soft dollar amounts only include the value of research and other services supplied by a third party to the portfolio sub-advisors, as the value of the services supplied to the portfolio sub-advisors by the dealer is not ascertainable. When these services benefit more than one Pool, the costs are allocated among the Pools based on transaction activity or some other fair basis as determined by the portfolio sub-advisors.

8. Related Party Transactions

Canadian Imperial Bank of Commerce (*CIBC*) and its affiliates have the following roles and responsibilities with respect to the Pools and receive the fees described below in connection with their roles and responsibilities. The Pools may hold securities of CIBC. CIBC and its affiliates may also be involved in underwriting or lending to issuers that may be held by the Pools, have purchased or sold securities from or to the Pools while acting as principal, have purchased or sold securities from or to the Pools on behalf of another investment fund managed by CIBC or an affiliate, or have been involved as a counterparty to derivative transactions. Management fees payable and other accrued expenses on the Statements of Net Assets are amounts generally payable to a related party of the Pool.

Manager, Trustee, Portfolio Advisor and Portfolio Sub-Advisor of the Pools

CIBC Asset Management Inc., a wholly owned subsidiary of CIBC, is the Manager, trustee, and portfolio advisor of each of the Pools.

The Manager also arranges for fund administrative services (other than advertising and promotional, which are the responsibility of the Manager), legal, investor servicing, and costs of unitholder reports, prospectus, and other reports. The Manager is the registrar and transfer agent for the Pools and provides, or arranges for the provision of, all other administrative services required by the Pools. The dollar amount (including all applicable taxes) of all fund administrative expenses (net of absorptions) that the Manager recovers from the Pool is reported in footnote *Administrative and Other Fund Operating Expenses* on the Statements of Operations.

CIBC Global Asset Management (*CGAM*), a wholly owned subsidiary of CIBC, is a portfolio sub-advisor to certain of the Pools.

Brokerage Arrangements and Soft Dollars

The portfolio sub-advisors make decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products (including futures), and the execution of portfolio transactions. Brokerage business may be allocated by portfolio sub-advisors, including CIBC Global Asset Management Inc. (*CGAM*), to CIBC World Markets Inc. and CIBC World Markets Corp., each a subsidiary of CIBC. The total commissions paid to related brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Operations of each Pool.

CIBC World Markets Inc. and CIBC World Markets Corp. may also earn spreads on the sale of fixed income, other securities, and certain derivative products (including forwards) to the Pools. Dealers, including CIBC World Markets Inc. and CIBC World Markets Corp., may furnish goods and services, other than order execution, to portfolio sub-advisors, including CGAM, that process trades through them (referred to in the industry as "soft-dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the portfolio sub-advisors with their investment decision-making services to the Pools or relate directly to executing portfolio transactions on behalf the Pool. They are supplied by the dealer executing the trade or by a third party and paid for by that dealer. As per the terms of the portfolio sub-advisory agreements, such soft dollar arrangements are in compliance with applicable laws. The Manager has entered into an expense reimbursement agreement with CGAM which provides that custodial fees directly related to portfolio transactions incurred by a Pool, or a portion of a Pool, for which CGAM acts as sub-advisor shall be paid by CGAM and/or dealer(s) directed by CGAM up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool, or portion of the Pool, during the month. The total soft dollar payments paid by the Pool to related brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Operations of each Pool. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Pools. Any commission recaptured will be paid to the relevant Pool.

Spreads associated with fixed income securities trading and certain derivative products (including forwards) are not ascertainable and, for that reason, are not included in the dollar values. In addition, the soft dollar amounts only include the value of research and other services supplied by a third party to the portfolio sub-advisors, as the value of the services supplied to the portfolio sub-advisors by the dealer is not ascertainable. When these services benefit more than one Pool, the costs are allocated among the Pools based on transaction activity or some other fair basis as determined by the portfolio sub-advisors.

Custodian

The custodian holds all cash and securities for the Pools and ensures that those assets are kept separate from any other cash or securities that the custodian might be holding. CIBC Mellon Trust Company (the *Custodian*) is the custodian of the Pools. The fees for services of the Custodian directly related to the execution of portfolio transactions by a Pool, or a portion of a Pool, for which CGAM acts as sub-advisor are paid by CGAM and/or dealer(s) directed by CGAM up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool, or portion of the Pool, during that month. All other fees for the services of the Custodian are borne as an operating expense by the Pools.

Service Provider

CIBC Mellon Global Securities Services Company (*CIBC GSS*) provides certain services to the Pools, including securities lending, fund accounting and reporting, and portfolio valuation. CIBC indirectly owns a 50 percent interest in CIBC GSS. The dollar amount paid by the Pools (including all applicable taxes) to CIBC Mellon Trust Company for custodian fees (net of absorptions) and to CIBC GSS for fund accounting, reporting, and fund valuation (net of absorptions) for the periods ended August 31, 2011 and 2010 is reported in footnote *Service Provider* on the Statements of Operations.

9. Hedging

Certain foreign currency denominated positions have been hedged, or partially hedged, by forward foreign currency contracts as part of the investment strategies of the Pool. These hedges are indicated by a hedging reference number on the Statements of Investment Portfolio and a corresponding hedging reference number on the Forward Foreign Currency Contracts Schedule for the Pools.

10. Reconciliation of Net Assets Per Unit and Net Asset Value Per Unit

The application of CICA Handbook Section 3855 — *Financial Instruments — Recognition and Measurement* may result in a different value of securities held by a Pool for financial reporting purposes (defined as Net Assets when referring to a Pool or Net Assets per Unit when on a per unit basis) than the value used for pricing unitholder transactions (defined as Net Asset Value when referring to a Pool or Net Asset Value per Unit when on a per unit basis). See footnote *Reconciliation of Net Assets per Unit* reported on the Statements of Net Assets.

Independent Auditors’ Report

To the Unitholders of

Frontiers Canadian Short Term Income Pool
Frontiers Canadian Fixed Income Pool
Frontiers Canadian Monthly Income Pool
Frontiers Canadian Equity Pool
Frontiers U.S. Equity Pool
Frontiers U.S. Equity Currency Neutral Pool
Frontiers International Equity Pool
Frontiers Emerging Markets Equity Pool
Frontiers Global Bond Pool

(collectively, the “Pools”)

We have audited the accompanying financial statements of each of the Pools, which comprise the statement of investment portfolio as at August 31, 2011, the statements of net assets as at August 31, 2011 and 2010, and the statements of operations and changes in net assets for the periods then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements 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 the 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 auditors’ 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 auditors consider 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 present fairly, in all material respects, the financial position of each of the Pools as at August 31, 2011 and 2010, and the results of each of their operations and the changes in each of their net assets for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
November 8, 2011

Ernst & Young LLP
Chartered Accountant
Licensed Public Accountants

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CIBC Asset Management Inc., the manager and trustee of the Frontiers Pools, is a wholly-owned subsidiary of Canadian Imperial Bank of Commerce (*CIBC*). Please read the Frontiers Pools simplified prospectus before investing. To obtain a copy of the simplified prospectus, call 1-888-888-3863, email us at info@renaissanceinvestments.ca, or ask your advisor.

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