

GREYSTONE BASIS POINT®

CANADIAN INCOME & GROWTH FUND – FOR THE QUARTER ENDED JUNE 30, 2010

DIVIDEND YIELD ATTRACTIVE IN UNSETTLED MARKET

Companies with strong competitive advantages and strong financial positions have rewarded investors over the longer term. The dividend yields of these companies compare very favourably to bond yields and provide an attractive option for equity investors.

The portfolio finished ahead of its benchmark in Q2-2010 on strength from Financials (e.g. RioCan, Intact Financial, Boardwalk) and Utilities (e.g. Emera). Avoiding the Info Tech sector also contributed to performance. Industrials (e.g. SNC-Lavalin) detracted, as did an underweight of gold producers in Materials.

Although equities traded lower in the quarter, stock-specific fundamentals continue to strengthen. As earnings growth in Canada continues to trend higher, we continue to believe that this will support higher equity markets.

GREYSTONE CANADIAN INCOME & GROWTH FUND PERFORMANCE

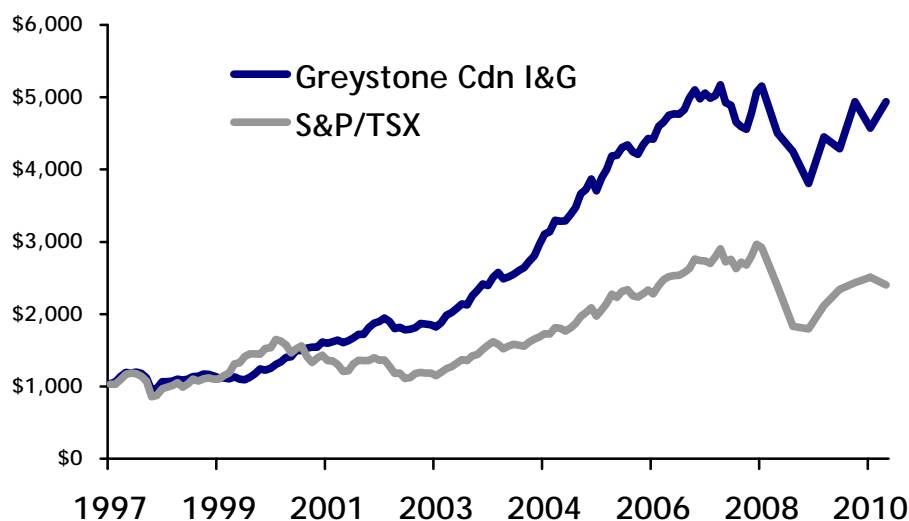
To June 30, 2010

Annualized (%)	1 yr	2 yrs	3 yrs	4 yrs	5 yrs	6 yrs	7 yrs	8 yrs	9 yrs	10 yrs
Canadian I&G	15.9	-3.8	-1.4	3.2	6.5	11.0	13.0	12.2	12.9	14.5
<i>S&P TSX Index</i>	<i>12.0</i>	<i>-8.8</i>	<i>-3.9</i>	<i>2.2</i>	<i>5.5</i>	<i>7.5</i>	<i>9.7</i>	<i>8.4</i>	<i>6.7</i>	<i>3.3</i>
Difference	3.9	5.0	2.5	1.0	1.0	3.5	3.3	3.8	6.2	11.2

Annual (%)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Canadian I&G	15.9	-20.2	3.6	18.3	21.2	36.1	26.2	6.6	18.8	30.2
<i>S&P TSX Index</i>	<i>12.0</i>	<i>-25.7</i>	<i>6.7</i>	<i>22.7</i>	<i>19.6</i>	<i>18.0</i>	<i>24.5</i>	<i>-0.3</i>	<i>-6.1</i>	<i>-23.1</i>
Difference	3.9	6.5	-3.1	-4.4	1.6	18.1	1.7	6.9	24.9	53.3

This table shows performance of the Greystone Canadian Income & Growth Pooled Fund in \$Cdn, including cash, net of custodial fees, audit fees, transfer agent fees and administrative expenses; gross of investment management fees. Unitholders may find their individual performance differs from the overall fund. This is often due to when deposits are received or payments made. Unitholders may find their individual performance differs from the overall fund. This is often due to when deposits are received or payments made.

GROWTH OF \$1,000 OVER THE FUND'S HISTORY



Source: Greystone Canadian Income & Growth Fund, inception Dec 31, 1997

INVESTMENT STYLE

Greystone's Canadian Equity Income & Growth fund seeks to provide investors with a current income stream higher than that generally available in the Canadian equity market, plus the potential for long-term capital appreciation.

We invest in a focused portfolio of about 25 equally weighted stocks that's actively managed to enhance returns and control risks.

Greystone uses a disciplined, team-based investment process, employing both quantitative and qualitative analysis to selecting a base of mature companies with predictable and growing profits. These Canadian companies will show financial strength, balanced by above-average growth rates.

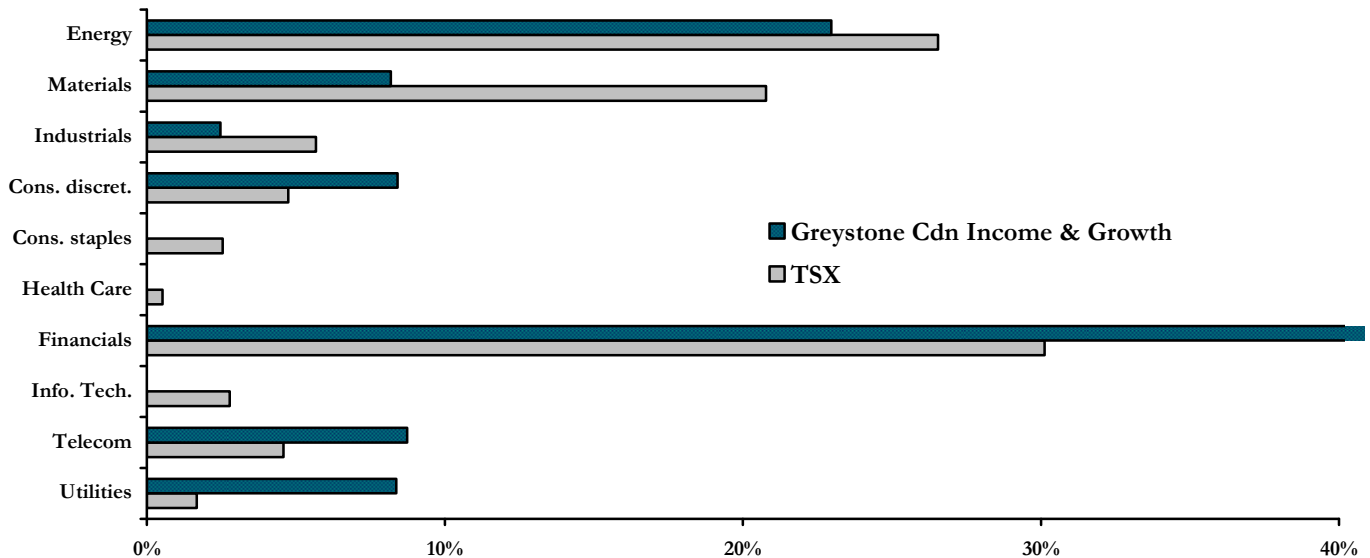
A stock is more likely to be included if its profitability is growing faster than the market rate and if realized results meet or exceed market expectations. The portfolio is built from the bottom-up as new companies replace holdings whose growth has plateaued.

In our team-based approach, the entire team considers a member's recommendation to add or remove a security from the portfolio.

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SECTOR WEIGHTINGS AT QUARTER-END (JUNE 30, 2010)



TOP 10 HOLDINGS

JUNE 30, 2010	% of portfolio
Intact Financial Corp.	4.7
Boardwalk REIT	4.6
RioCan REIT	4.5
Emera Inc.	4.5
Rogers Commun.	4.5
Bank of Nova Scotia	4.5
Thomson Reuters Corp*	4.3
BCE Inc.	4.2
Pembina Pipeline Fund	4.2
Goldcorp Inc. *	4.2

KEY PORTFOLIO CHARACTERISTICS

	S&P/TSX	Greystone
Earnings growth	42.78	29.92
Estimate revisions	-0.23	-0.07
Earnings surprise	3.35	3.58
P/E (12-mo trailing)	16.72	17.49
Debt/equity	0.47	0.71
Dividend yield	2.87	4.80
Return on equity (trailing)	12.26	14.29
EPS growth (5-yr trailing)	8.97	8.27
Turnover, last 12 months		30%
No. of securities		~25
Market capitalization		
Large (>\$1.5B)		99.3%
Mid (\$0.25B to 1.5B)		0.7%
Small (<\$0.25B)		0%
Wtd. Average Market Capitalization (\$B)		\$18.7

FOR MORE INFORMATION

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