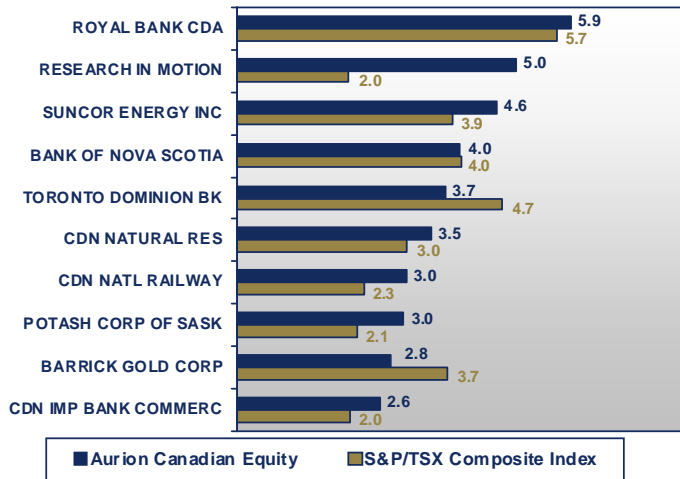




TOP TEN HOLDINGS



Economic/Market Commentary:

Although Canada's economic rebound continued during the quarter, equity markets were punished due to the exogenous shocks emanating from the Euro-land debt crisis. A sharp de-risking of economically sensitive exposure, combined with a flight to safety bid in the U.S. Treasury market, drained investor sentiment to a point of capitulation not seen since the March 2009 lows. Gold, the preferred macro-risk diversifier of many, gained 12% during the quarter, as a risk-off trade beneficiary. Quick action by the European monetary and political leadership to shore up liquidity has forestalled a full-blown banking crisis and markets have now begun to stabilize. With the rebound in earnings now extending into its second year, valuations in equities have become compelling, as risk free asset prices have become dear. The investor uncertainty has "priced in" an economic contraction of some consequence, thereby reducing risk levels and offering investors an attractive entry point.

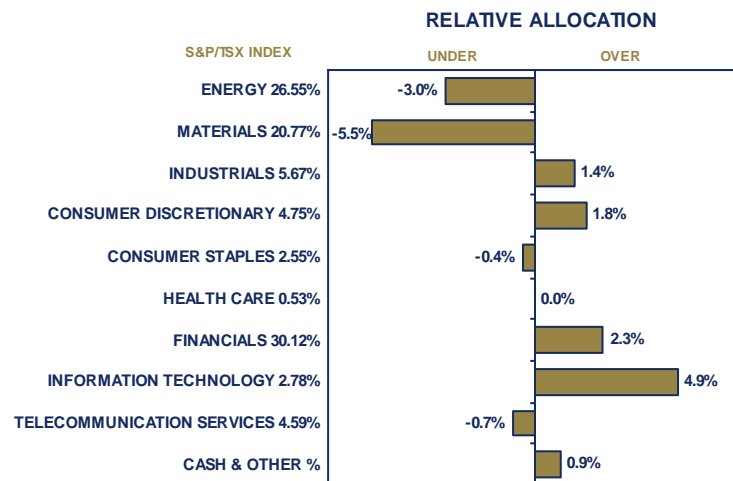
PERFORMANCE

	Q2 2010	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
Aurion Canadian Equity	(9.3%)	9.9%	(10.4%)	(6.3%)	1.0%	5.3%	3.4%
S&P/TSX Composite Index	(5.5%)	12.0%	(8.8%)	(3.9%)	2.2%	5.5%	3.3%
Added Value	(3.8%)	(2.1%)	(1.6%)	(2.4%)	(1.2%)	(0.2%)	0.1%

Portfolio Commentary:

The Aurion managed portfolio returned (9.3%) for the quarter versus the S&P/TSX Composite return of (5.5%). On a year to date basis, the portfolio returned (4.9%) compared to (2.6%) for the benchmark. The Canadian market benefitted from the strong performance of the Gold sector which represents nearly 14% of the Composite. Energy, Financials and Base Metal shares all fell reflecting the implied slowing of the world economy that investors are anticipating due to the tightening efforts in China and the fiscal austerity in Europe. The Portfolio's negative tracking was primarily due to an under-weight position in the Gold sector, combined with a full weight in growth energy equities.

SECTOR WEIGHTS



Portfolio Outlook:

Our strategy of holding a full weight in economically sensitive exposure remains despite the setback we have experienced during Q2. Rather than join the capitulatory crowd and purge all exposure to these companies, we are staying the course due to the compelling valuation advantage they represent. Our view has not changed materially from those expressed previously, although the transition to a slower growth trajectory we had expected was more abrupt than anticipated. China is the economy that we expect to lead world growth, especially in 2011 after the effects of previously implemented tightening measures run their course. Investor uncertainty, however, will remain as the dominant driver of short term equity returns as the headline risks, especially political and regulatory, remain daunting. The deferral of monetary tightening that has resulted from the Euro-crisis is allowing for the extension of the economic rebound while offering an important valuation cushion to risk assets.

About Aurion Capital Management

Aurion Capital Management Inc. is an investment counseling firm with an institutional client base specializing in Canadian Equity, Fixed Income, Real Estate and Global Opportunities Fund. Incorporated in 1996, Aurion is an employee-owned firm with over \$4 billion in AUM as at June 30, 2010.

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