

HIGHLIGHTS & UPDATES

- The **Aurion Income Opportunities Fund** continues to outperform versus the DEX Universe Bond Index, gaining 2.3% compared to 2.9% for the DEX Universe Index (Class A, net of fees). The Fund accordingly widened its lead to 1.0% over the DEX Universe Bond Index on a year to date basis. In relative terms, the fixed income market has outperformed equities thus far in 2010.
- Our **Aurion Capital Canadian Bond Fund** for institutional investors. In the 2nd Quarter, the Aurion Capital Canadian Bond Fund gained 3.0% compared to 2.9% for the DEX Universe Index. On a year to date basis the Fund gained 4.8% compared to 4.2% for the DEX Universe Index.
- The investment landscape for first half of 2010 has proven to be unstable as both the equity and bond markets weigh conflicting data on the strength of the economic recovery. Against this backdrop the **Aurion II Equity Fund** is down (0.5%) year-to-date against the S&P/TSX which has fallen (2.5%). The Fund has continued to outperform the benchmark S&P/TSX Composite Index by 2.0% as nimble trading strategies and prudent portfolio positioning have produced relative outperformance.
- The **Aurion Capital Global Opportunities Fund** gained 1.8% compared to 1.5% for the Benchmark*. On a year to date basis the Fund gained 3.1% compared to 3.0% for the Benchmark.

*Benchmark: 50bps per month

ABOUT US

Aurion Capital Management Inc. is a medium-sized investment management firm offering a range of specialized investment products.

Founded in 1996, our business has grown steadily:

Clients / Mandates: 1 client / 5 mandates to 19 clients / 28 mandates

AUM: \$1.4 billion to \$4.1 billion

OUR PEOPLE

We have a team of 26 individuals in investment management, operations and business development. Our team is stable and exceptionally well qualified.

Investment Management team:

11 professionals with average investment management experience of 22 years.

PRODUCTS OFFERED

The following principal products are available for institutional and other investors:

SEGREGATED PORTFOLIO MANDATES:

Equities (Canadian, Canada Plus)	47.1%
Real Estate	26.4%
Real Return Bonds	9.4%
Foreign Equities	5.1%
Fixed Income	9.4%
Dynamic Funds	0.6%

AURION POOLED FUNDS:

Aurion II Equity Fund	1.1%
Aurion Income Opportunities Fund	0.4%
Aurion Capital Canadian Bond Fund	0.4%
Aurion Global Opportunities Fund	0.1%
	100%

In addition, we design and deliver specialized portfolio management solutions and a comprehensive pension fund

OUTLOOK FOR 2010

- We remain cautiously optimistic regarding Canadian equity market prospects reflecting the relative strength of the Canadian banking system, a lower unemployment rate and a less indebted consumer than the U.S. as well as solid export market prospects for key commodities. [Robert Decker](#)
- We believe through 2010 we will see a modest increase in government bond yields with above average volatility that will offer tactical trading opportunities. An improving economy, ongoing deleveraging, and strong demand for yield products will help contain any weakness in corporate spreads. [Christine Horowski](#)
- As pension funds seek stable sources of return for the future, we have seen increased interest in the [Aurion Real Estate Fund LP](#)

Our primary focus is our clients, the team and future growth of the firm.

We remain committed to providing excellence in portfolio performance and client service while continuing to design and deliver products that meet the needs of current and future clients.

For additional information, please contact:

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