

Financial Statements

**NWQ U.S. Large Cap Value Fund**

June 30, 2011

## NWQ U.S. Large Cap Value Fund

### Statement of Net Assets (unaudited)

	June 30, 2011	December 31, 2010
<b>ASSETS</b>		
Investments at fair value	\$23,126,235	\$25,575,872
Cash	183,074	507,288
Accrued dividend receivable	24,669	23,127
Receivable for securities sold	89,415	—
Subscriptions receivable	97	—
<b>Total assets</b>	<b>23,423,490</b>	26,106,287
<b>LIABILITIES</b>		
Accrued expenses	36,138	21,224
Redemptions payable	2,361	2,362
<b>Total liabilities</b>	<b>38,499</b>	23,586
<b>NET ASSETS REPRESENTING UNITHOLDERS' EQUITY</b>	<b>\$23,384,991</b>	\$26,082,701
<b>UNITS OUTSTANDING</b> (note 3)	<b>4,875,151</b>	5,420,503
<b>NET ASSETS PER UNIT</b> (note 11)	<b>\$4.80</b>	\$4.81
<b>NET ASSET VALUE PER UNIT - INDUSTRY STANDARD FOR TRANSACTIONS</b> (note 11)	<b>\$4.81</b>	\$4.82

*(See accompanying notes)*

## NWQ U.S. Large Cap Value Fund

### Statement of Operations (unaudited)

Six months ended June 30

	2011	2010
<b>INCOME</b>		
Interest	\$26	—
Dividend	180,921	189,686
Revenue from securities lending	2,145	2,163
	<b>183,092</b>	<b>191,849</b>
<b>EXPENSES</b>		
Custodial fees	18,102	20,942
Operating expenses	—	4,710
Audit fees	11,807	11,807
Filing fees	3,777	4,722
Securityholder reporting costs	945	1,180
Independent review committee expense	4,722	—
Investment performance monitoring fees	2,362	2,362
Goods and Services Tax	—	2,286
Harmonized Sales Tax	4,932	—
	<b>46,647</b>	<b>48,009</b>
<b>NET INVESTMENT INCOME</b>	<b>136,445</b>	<b>143,840</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain on sale of investments	456,336	116,082
Net realized gain (loss) on foreign exchange	(9,499)	26,008
Net unrealized gain on foreign exchange	6,727	678
Transaction costs (note 6)	(6,706)	(7,534)
Change in unrealized depreciation of investments	(611,919)	(1,317,595)
<b>NET LOSS ON INVESTMENTS AND TRANSACTION COSTS</b>	<b>(165,061)</b>	<b>\$ (1,182,361)</b>
<b>DECREASE IN NET ASSETS FROM OPERATIONS</b>	<b>(\$28,616)</b>	<b>\$ (1,038,521)</b>
<b>Decrease in net assets from operations per unit</b> (Based on the average number of units outstanding during the period)	<b>(0.01)</b>	<b>(0.19)</b>

(See accompanying notes)

### Statement of Changes in Net Assets (unaudited)

Six months ended June 30

	2011	2010
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<b>\$26,082,701</b>	<b>\$25,768,968</b>
Decrease in net assets from operations	(28,616)	\$ (1,038,521)
<b>CAPITAL UNIT TRANSACTIONS (note 3)</b>		
Proceeds from issuance of units	693,975	259,740
Payments on redemptions	(3,363,069)	(452,685)
	<b>(2,669,094)</b>	<b>(192,945)</b>
Decrease in net assets for the period	<b>(2,697,710)</b>	<b>(1,231,466)</b>
<b>NET ASSETS, END OF PERIOD</b>	<b>\$23,384,991</b>	<b>\$24,537,502</b>

(See accompanying notes)

## NWQ U.S. Large Cap Value Fund

**Statement of Investments** (unaudited)  
As at June 30, 2011

	Number of Shares	Average Cost \$	Fair Value \$
<b>COMMON AND PREFERRED SHARES — 98.89%</b>			
<b>United States Equities — 80.98%</b>			
<b>Consumer Discretionary — 8.73%</b>			
General Motors Corp.	14,900	514,128	436,720
Time Warner Inc.	15,500	500,044	542,565
Viacom Inc., Class 'B'	21,700	976,664	1,062,003
		<b>1,990,836</b>	<b>2,041,288</b>
<b>Consumer Staples — 3.38%</b>			
CVS Caremark Corp.	12,800	436,656	463,124
Philip Morris International Inc.	5,100	266,555	328,544
		<b>703,211</b>	<b>791,668</b>
<b>Energy — 11.39%</b>			
Apache Corp.	8,900	709,662	1,057,010
Halliburton Co.	5,700	122,593	280,004
Hess Corp.	5,700	354,702	410,160
Noble Energy Inc.	5,300	222,005	456,619
Occidental Petroleum Corp.	4,600	391,522	460,638
		<b>1,800,484</b>	<b>2,664,431</b>
<b>Financials — 27.29%</b>			
Aon Corp.	14,400	540,737	709,186
Citigroup Inc.	20,440	758,065	820,628
Genworth Financial Inc., Class 'A'	52,700	599,618	520,306
Goldman Sachs Group Inc. (The)	3,300	497,445	423,582
Hartford Financial Services Group Inc. (The)	21,400	1,482,002	543,384
JPMorgan Chase & Co.	11,700	506,762	461,603
Lincoln National Corp.	12,000	339,663	329,833
Loews Corp.	14,752	416,913	598,245
MetLife Inc.	18,900	604,906	795,646
Unum Group	23,600	549,225	575,331
Wells Fargo & Co.	22,300	722,711	603,685
		<b>7,018,047</b>	<b>6,381,429</b>
<b>Health Care — 10.31%</b>			
Amgen Inc.	16,300	969,069	917,754
Merck & Co. Inc.	9,900	327,344	336,223
Pfizer Inc.	58,400	1,014,997	1,157,672
		<b>2,311,410</b>	<b>2,411,649</b>
<b>Industrials — 6.03%</b>			
Lockheed Martin Corp.	4,400	313,626	342,900
Pitney Bowes Inc.	13,700	617,786	302,384
Raytheon Co.	6,100	291,846	292,060
Union Pacific Corp.	4,700	188,992	472,285
		<b>1,412,250</b>	<b>1,409,629</b>
<b>Information Technology — 12.88%</b>			
CA Inc.	52,227	1,465,327	1,151,234
Cisco Systems Inc.	23,500	384,871	353,579
Microsoft Corp.	14,800	447,618	370,371
Motorola Mobility Holding Inc.	23,137	726,381	491,249
Motorola Solutions Inc.	14,557	1,356,074	644,566
		<b>4,380,271</b>	<b>3,010,999</b>
<b>Utilities — 0.97%</b>			
NRG Energy Inc.	9,800	412,747	226,708
		<b>412,747</b>	<b>226,708</b>

## NWQ U.S. Large Cap Value Fund

### Statement of Investments (unaudited)

As at June 30, 2011

	Number of Shares	Average Cost \$	Fair Value \$
<b>Total United States Equities — 80.98%</b>		<b>20,029,256</b>	<b>18,937,801</b>
<b>Non - U.S. Equities — 17.91%</b>			
<b>Canada — 6.60%</b>			
Barrick Gold Corp.	14,000	607,410	612,066
Canadian Natural Resources Ltd.	14,900	526,502	589,004
Talisman Energy Inc.	17,700	347,885	341,475
		<b>1,481,797</b>	<b>1,542,545</b>
<b>France — 4.0%</b>			
Sanofi-Aventis SA, ADR	24,300	929,681	941,360
		<b>929,681</b>	<b>941,360</b>
<b>Ireland — 1.91%</b>			
Ingersoll-Rand PLC	10,200	381,067	445,540
		<b>381,067</b>	<b>445,540</b>
<b>Israel — 1.62%</b>			
Teva Pharmaceutical Industries Ltd., ADR	8,100	389,141	376,794
		<b>389,141</b>	<b>376,794</b>
<b>South Africa — 3.78%</b>			
AngloGold Ashanti Ltd., ADR	21,728	778,223	882,195
		<b>778,223</b>	<b>882,195</b>
<b>Total International Equities — 17.91%</b>		<b>3,959,909</b>	<b>4,188,434</b>
<b>TOTAL EQUITIES — 98.89%</b>		<b>23,989,165</b>	<b>23,126,235</b>
<b>TRANSACTION COSTS</b>		<b>(30,151)</b>	
<b>TOTAL INVESTMENT PORTFOLIO — 98.89%</b>		<b>23,959,014</b>	<b>23,126,235</b>
<b>OTHER ASSETS, NET OF LIABILITIES — 1.11%</b>			<b>258,756</b>
<b>NET ASSETS — 100.00%</b>			<b>23,384,991</b>

(See accompanying notes)

## NWQ U.S. Large Cap Value Fund

### Risk Disclosures

#### Financial Instruments Risk

Investment activities of the NWQ U.S. Large Cap Value Fund (the "Fund") expose it to some financial risks. The Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's investment objectives and long-term investment time horizon.

#### Risk Management

The Fund's objective is to achieve long-term investment returns through a portfolio of U.S. equities which are sufficiently diversified to reduce investment risk. The Fund invests in shares of medium to large-capitalized companies based in the United States. The Fund may hold an aggregate of up to 5% in cash or cash equivalents.

The investment philosophy of NWQ Investment Management Company, the Fund's sub-advisor (the "Sub-Advisor"), is an analyst and research driven process that emphasizes three critical factors:

- attractive valuation
- downside protection and
- identifying catalysts and inflection points

The Sub-Advisor takes a corporate finance approach and focuses on cash flows when assessing valuation. It quantifies risks versus return opportunities of every investment. The team searches for factors that will drive business improvement.

The Fund may enter into securities lending transactions. Securities lending transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate by Integra Capital Limited ("the Manager") to achieve the Fund's investment objectives and to enhance the Fund's returns.

To assist with managing risk, the Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and securities regulations.

#### Credit Risk

Credit risk on financial instruments is the risk of a loss occurring as a result of the default of an issuer on its obligation to a Fund. Credit risk is managed by dealing with issuers that are believed to be creditworthy and by regular monitoring of credit exposures. Additionally, credit risk is reduced by diversification of issuer, industry and geography.

As at June 30, 2011 and June 30, 2010, the Fund had no significant investments in debt instruments and/or derivatives.

#### Counterparty Credit Risk

Counterparty credit risk primarily emanates from the use of over-the-counter derivatives. This risk is minimized by selecting counterparties who have a minimum A credit rating. Ongoing monitoring of credit events/rating developments occurs to ensure the sustainable credit quality of the counterparty. Various factors are considered in the assessment process including fundamental components of the counterparty's profile (such as capital adequacy, asset quality, profitability and liquidity) and credit ratings assigned to the counterparty.

#### Currency Risk

Changes in the value of the Canadian dollar compared to foreign currencies will affect the value, in Canadian dollars, of any foreign securities held in the Fund. From time to time, the Fund may manage currency risk through foreign currency hedging strategies.

## NWQ U.S. Large Cap Value Fund

### Risk Disclosures

The tables below indicate the currencies to which the Fund had exposure, on its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange contracts.

Currency (As at June 30, 2011)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$23,309,306	—	\$23,309,306	99.68%

\*Amounts include monetary items.

Currency (As at June 30, 2010)	Currency Risk Exposed Holdings*	Foreign Exchange Contracts	Net Exposure	As a % of Net Assets
U.S. Dollar	\$24,538,552	—	\$24,538,552	100.00%

\*Amounts include monetary items.

As at June 30, 2011, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$1,165,465 (June 30, 2010 - \$1,226,928). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

### Interest Rate Risk

Changes in market interest rates expose fixed income securities, such as bonds, to interest rate risk. Funds that hold income investments are exposed to this risk since changes in prevailing market interest rates will affect the value of fixed income securities.

The majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

### Liquidity Risk

Unitholders may redeem their units on each valuation date. Therefore, the Fund is invested in securities that are traded in active markets and can be readily disposed. The Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

### Other Market Risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Sub-Advisor moderates this risk through a careful selection of investment strategies and selection of securities and other financial instruments within the parameters of the investment strategy developed by the Manager of the Fund.

As at June 30, 2011, a 5% change in stock prices would have changed the Fund's net assets by \$ 1,156,312 (June 30, 2010 - \$1,211,497) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The impact on net assets of the Fund as at June 30, 2011, due to a 5% increase or decrease in the Fund's benchmark (Russell 1000 Index), with all other variables held constant, would have been \$1,163,286 (June 30, 2010 - \$1,279,263). This calculation is based on the beta of the Fund over the past 36 months. In practice, the actual results may differ from the sensitivity analysis indicated above and the difference could be material.

## NWQ U.S. Large Cap Value Fund

### Risk Disclosures

#### Fair value measurements

The Fund adopted the amendments to CICA Section 3862, "Financial Instruments – Disclosures", on January 1, 2009. CICA Section 3862 establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The tables below summarize the inputs used in valuing the Fund's financial assets carried at fair values:

Classification (As at June 30, 2011)	Level 1	Level 2	Level 3	Total
Equities	\$23,126,235	—	—	\$23,126,235
<b>Total Financial Assets</b>	<b>\$23,126,235</b>	<b>—</b>	<b>—</b>	<b>\$23,126,235</b>

Classification (As at June 30, 2010)	Level 1	Level 2	Level 3	Total
Equities	\$24,229,939	—	—	\$24,229,939
<b>Total Financial Assets</b>	<b>\$24,229,939</b>	<b>—</b>	<b>—</b>	<b>\$24,229,939</b>

#### Summary of Investment Portfolio

The Fund's summary of investment portfolio appear in the following table:

	Percentage of Net Assets (%)	
	June 30, 2011	December 31, 2010
<b>COMMON AND PREFERRED SHARES</b>		
<b>United States Equities</b>		
Consumer Discretionary	8.73	7.70
Consumer Staples	3.38	5.49
Energy	11.39	11.83
Financials	27.29	26.32
Health Care	10.31	9.49
Industrials	6.03	6.69
Information Technology	12.88	11.19
Utilities	0.97	1.08
<b>Total United States Equities</b>	<b>80.98</b>	<b>79.79</b>
<b>Non U.S. Equities</b>		
Canada	6.60	9.21
France	4.00	3.25
Ireland	1.91	2.13
Israel	1.62	—
South Africa	3.78	3.68
	17.91	18.27
<b>TOTAL EQUITIES</b>	<b>98.89</b>	<b>98.06</b>
<b>TOTAL INVESTMENT PORTFOLIO</b>	<b>98.89</b>	<b>98.06</b>
<b>OTHER ASSETS, NET OF LIABILITIES</b>	<b>1.11</b>	<b>1.94</b>
<b>NET ASSETS</b>	<b>100.00</b>	<b>100.00</b>

## NWQ U.S. Large Cap Value Fund

### Notes to Financial Statements

#### 1. Establishment of the Fund

The NWQ U.S. Large Cap Value Fund (the "Fund") was created under the laws of the Province of Ontario by a Declaration of Trust. The Fund was established on September 17, 2001 and commenced operations on October 26, 2001.

#### 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.

On January 1, 2008, the Fund adopted CICA Section 3862, "Financial Instruments -Disclosures" of the CICA Handbook ("Section 3862") and Section 3863, "Financial Instruments - Presentation" ("Section 3863"). These sections establish standards for comprehensive disclosure and presentation requirements for financial instruments. The standards include new requirements to quantify certain risk exposures and to provide sensitivity analysis for certain risks. The disclosure requirements to Sections 3862 and 3863 are contained after the Fund's Statement of Investments.

- [a] Investments are recorded at their fair value in Canadian currency with the difference between this amount and the average cost being shown as unrealized appreciation (depreciation) of investments, net of unrealized gains (losses) resulting from foreign currency translations.
- [b] The fair values of foreign investments and other foreign denominated assets and liabilities are translated into Canadian dollars at exchange rates prevailing on the reporting date.
- [c] Purchases and sales of foreign securities and income and expenses are translated into Canadian dollars at the exchange rates prevailing on the dates of the transactions.
- [d] The gain or loss on sale of investments, net of realized gains (losses) resulting from foreign currency translations, is calculated with reference to the average cost of the related investments, excluding transaction costs.
- [e] Income and expenses are recorded on an accrual basis. Foreign income and expenses are translated into Canadian dollars at the rates of exchange applicable on the valuation date. Security transactions are recorded on the trade date and related transaction costs are charged to income. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security.
- [f] Short-term notes are recorded at fair value. The fair value of short-term notes approximates the accrued interest added to the average cost.
- [g] For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which amount is included in unitholders' equity. Fund units are redeemable at the option of unitholders at their net asset value on the redemption date. For each Fund unit redeemed, unitholders' equity is reduced by the net asset value of the Fund unit at the date of redemption.
- [h] The fair value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on foreign exchange forward contracts. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on foreign exchange forward contracts.

## NWQ U.S. Large Cap Value Fund

### Notes to Financial Statements

- [i] Commissions and other transaction costs are incremental costs that are directly attributable to the acquisition, issue, or disposal of an investment, which include fees and commissions paid to agents, advisors, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Commissions and transaction costs are included as expenses in the Statement of Operations.
- [j] The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

### 3. Unitholders' Equity

Unit transactions during the period were as follows:

	June 30, 2011		December 31, 2010	
	Number of Fund units	Amount \$	Number of Fund units	Amount \$
Subscriptions	141,623	693,975	352,426	1,595,504
Reinvestments	—	—	65,101	290,696
Redemptions	686,976	3,363,069	817,361	3,633,199

The number of issued and outstanding units for the period ended June 30, 2011 is 4,875,150 (December 31, 2010 - 5,420,503).

### 4. Foreign Exchange Forward Contracts

The Fund utilizes foreign exchange forward contract hedging in the management of currency risk associated with its investment in foreign securities. The objective is to protect the Fund from the possibility of capital losses on foreign currency denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

In order to minimize the possibility of losses arising from credit risk, the Fund deals only with large financial institutions with a minimum A credit rating.

Currency risks relate to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward contracts are marked-to-market daily and the resulting unrealized gains or losses are recognized in the Statement of Net Assets.

The result of employing foreign exchange forward contracts is that the foreign exchange gains and losses in the securities portfolio move substantially in opposite directions from the gains and losses in the hedging portfolio.

As at June 30, 2011 and June 30, 2010 the Fund held no foreign exchange forward contracts.

### 5. Income Taxes

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada). The Fund is subject to tax on its income, including net net realized capital gains, for the calendar year which is not paid or payable to the unitholders as at the end of the calendar year. Sufficient distributions of income and of net realized capital gains are made to unitholders of record for the Fund, so that no provision for income taxes is required in the financial statements.

Capital losses incurred by the Fund cannot be allocated to unitholders but may be carried forward indefinitely to apply against realized capital gains. As at December 31, 2010, the Fund had \$15,380,630 (December 31, 2009 - \$14,821,405) in net capital loss carryforwards.

### 6. Brokerage Commissions

Brokerage commissions on portfolio transactions may also include research services provided to the investment manager ("soft dollar commissions"). The value of the research services paid to certain brokers for the period ended June 30, 2011 is nil.

## NWQ U.S. Large Cap Value Fund

### Notes to Financial Statements

#### 7. Securities Lending

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund has entered into a securities lending program with its custodian, CIBC Mellon Global Securities Services. The aggregate market value of all securities cannot exceed 50% of the net assets of the Fund. The Fund receives collateral in the form of debt obligations of the Government of Canada and any other Sovereign States and Canadian provincial government, against the loaned securities. The Fund maintains a minimum collateral requirement of 102% for North-American equities and 105% for Non-North American equities of the market value of the loaned securities during the period of the loan. At June 30, 2011, certain securities shown in the Statement of Net Assets with a market value of \$1,993,429 (June 30, 2010 - \$509,376) had been loaned as part of the securities lending program. The trustee held securities with a market value of \$2,108,251 (June 30, 2010 - \$538,144) as collateral for such loans. Under the terms of the program, the Fund may instruct that securities be returned within three days.

#### 8. Capital Management

CICA Section 1535, "Capital Disclosures", establishes standards for disclosing information about an entity's capital and how it is managed. The adoption of this standard results in additional disclosures relating to the redeemable units of the Fund but does not affect the Fund's results or financial position. The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net asset value per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the Statement of Changes in Net Assets. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

#### 9. Management Fees

The trustee has appointed Integra Capital Limited (the "Manager") as manager to administer and regulate the day-to-day operations of the Fund. In return for the services provided, the Manager's parent company, Integra Capital Management Corporation, receives management fees from the Fund's unitholders, based on the net asset value of the Fund. These management fees are paid either by a redemption of units or the unitholder, if an institution, may be invoiced and payment will be delivered to the Manager.

#### 10. Trustee and Other Fees

The Fund is responsible for its operating expenses relating to the carrying on of its business, including custodial services, legal, Independent Review Committee fees (if applicable), audit fees, transfer agency services relating to the issue and redemption of units, and the cost of financial and other reports in compliance with all applicable laws, regulations and policies. Such expenses are calculated and accrued daily based on the average net asset value. The Manager pays for such expenses on behalf of the Fund, except for certain expenses such as interest and taxes, and is then reimbursed by the Fund.

#### 11. Comparison of Net Asset Value Per Unit - Industry Standard for Transactions to Net Assets Per Unit

NI 81-106, issued by the Canadian Securities Administrators ["CSA"] requires investment funds to value their investments using fair value measures as defined in NI 81-106. NI 81-106 requires that fair value prices be based on bid prices, whereas subscriptions and redemptions from the Fund are based on closing prices. Consequently, the method by which the net asset value is calculated for subscription and redemption purposes will be different from the net assets calculated for financial reporting purposes. In accordance with NI 81-106, a comparison of net assets, calculated in accordance with CICA Section 3855 of an investment fund, and net asset value, calculated in accordance with the Manager's fair value policies and procedures for unit pricing, for the period ended June 30, 2011 were as follows:

June 30, 2011		December 31, 2010	
Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit	Net Asset Value per Unit - Industry Standard for Transactions	Net Assets per Unit
\$4.81	\$4.80	\$4.82	\$4.81

## NWQ U.S. Large Cap Value Fund

### Notes to Financial Statements

#### 12. Transition to International Financial Reporting Standards

International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises, which include investment funds and other reporting issuers. Under the general transition rules for publicly accountable enterprises the Fund would adopt IFRS for their fiscal period beginning January 1, 2011.

On January 12, 2011, the Canadian Accounting Standards Board amended the requirement to prepare financial statements in accordance with IFRS as issued by the International Accounting Standards Board, permitting investment companies, which include investment funds, to defer adoption of IFRS to fiscal years beginning on or after January 1, 2013. The Fund has elected to defer adoption of IFRS to January 1, 2013.

In preparing to meet the requirements, the Manager has taken the following steps in managing the transition to IFRS:

- Established a working group to identify key differences between Canadian GAAP and IFRS and to coordinate the implementation of the transition plan,
- Identified areas where changes in disclosure will be required under IFRS standards,
- Evaluated current information technology and reporting systems for readiness in IFRS implementation,
- Assessed the likely impacts on business activity and operational areas such as internal controls, staffing and training requirements.

The major changes identified for IFRS financial statements include the addition of a Statement of cash flows and the classification of unitholders' equity (puttable instruments) as a liability within the statement of net assets, unless certain conditions are met.

Based on the current evaluation of the differences between Canadian GAAP and IFRS, the adoption of IFRS is expected to have no impact on the calculation of net assets or net asset value. IFRS is expected to affect the overall presentation of financial statements and result in additional disclosure in the accompanying notes. However, the Manager's assessment may change if new standards are issued or if the interpretations of current standards are revised.

#### 13. Comparative Figures

Certain comparative figures have been reclassified to conform to the presentation for the period ended June 30, 2011.