

listening to lead

MORNEAU
SOBECO

MORNEAU SOBECO INCOME FUND

advice

Good advice starts with good listening. We listen carefully to our clients and to their unique business challenges. They look to us for insight and support for strategic human resources issues. They value our expertise and innovation in pension and benefits consulting and outsourcing, in employee assistance programs and absence and disability management.

How can we reduce absenteeism?

How can we control our benefits costs?

How do we manage pension risk?

How can we improve employee health and productivity?



over
1,000
professionals

answers

Good help starts with good listening. In addition to providing advice to our clients, we directly support their employees to help them manage their financial security, health and well-being. Through our answers, employees can better manage their pension and benefits programs. Through our counseling and educational services, employees can address issues that can affect their health and workplace productivity.

What are my employee benefits plan options?

I'm under a lot of pressure and can't focus on my job.

With all of the economic turmoil, can I still retire?

I want to get back to work. Can someone help me?



1 Million+
calls per year

essential

impact

We provide essential services, especially to larger organizations. Just like an accounting firm is looked to for financial reporting know-how, leading organizations rely on us for human resources expertise and guidance. We offer clients cost-effective ways to address their ever-changing human resources challenges. Increasingly, clients of all sizes across many industries are recognizing the business value of looking outside of their organization for innovative solutions to better manage pensions and benefits, employee health and productivity.

We deliver. Some people might be surprised that a leading human resources company talks about productivity and cost savings, but that is what we do every day. We're essential not only because of our expertise, but because of the tangible, economic benefits we bring to our clients. We provide real solutions to real issues based on experience, sound research and innovative services and ideas. These solutions have a meaningful impact on our clients' bottom lines.

Employer health benefits costs are on the rise.

Our core business is helping clients manage costly HR issues.

Organizations want to focus on their core business.

We help clients reduce absenteeism and improve productivity.

Organizations are facing big pension shortfalls.

We help clients manage the volatility of pension expenses.

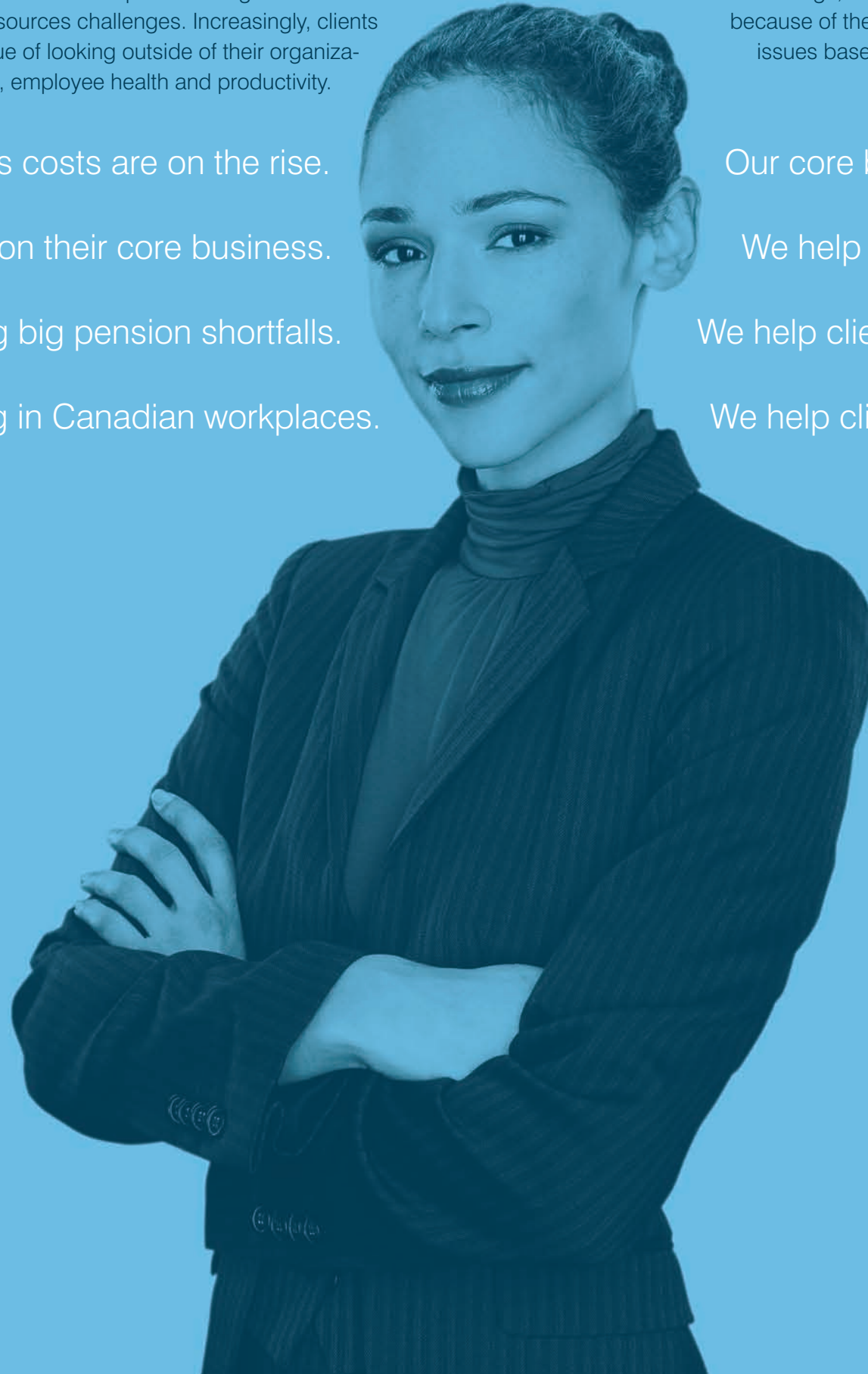
Absenteeism rates are increasing in Canadian workplaces.

We help clients provide cost-effective benefits plans.

Air Canada

"Many organizations claim they are partners rather than vendors to their clients. Shepell•fgi is one of the very few that truly is a partner to Air Canada. They take the time to invest in understanding our company, industry, and business challenges. They are able to provide the necessary expertise and solutions to support us in executing our business goals and objectives in an efficient and effective manner. They are truly part of the Air Canada team!"

A leading international information technology firm
"Your team of experts demonstrated the highest level of professionalism and perseverance, and helped us transition our Canadian Defined Benefit administration to Morneau Sobeco. This was a large and complex outsourcing project, and Morneau Sobeco pulled out all of the stops to deliver a customized, cost-effective pension plan solution—on time and on budget."



Every day, we improve the financial security, health and productivity of our client organizations and their people. Our client list reads like a who's who of corporate Canada. Clients trust us. We have the proven expertise and experience to deliver solutions for today's and tomorrow's human resources challenges. And we never stop trying to maintain our clients' trust and confidence through superior service, innovative solutions and... by listening.

We believe that if you do great work for great clients, you will grow your business. We work hard to reward our clients' trust to save them money and improve their business. This success benefits unitholders. Our strong, stable margins and recurring revenue business model reflect our long-term client relationships and expanding mandates that drive consistent revenue growth over time. We have an enviable track record of growth in our key financial metrics.

{ clients }

8,000+
in total

5 out of 6
major Canadian banks

2/3
of the TSX 60

{ track record }

40
years of growth and success

2,400
employees across North America

99%
of our 2008 revenue recurred in 2009

{ results }

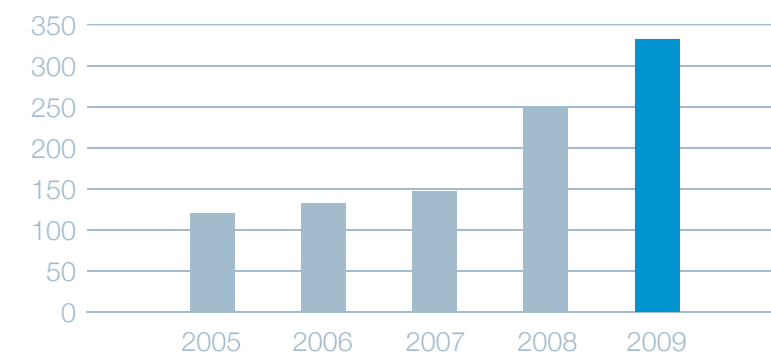
\$331.7M
revenue

\$64.4
adjusted ebitda

\$10.8M
net income

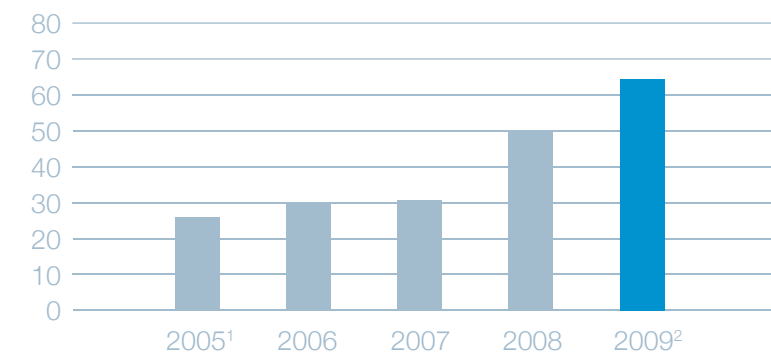
{ revenue }

C\$ millions



{ ebitda }

C\$ millions



¹ Adjusted for executive compensation, employee-shareholder, and partner distribution for period prior to going public

² Adjusted for sublease loss provision and severance related to integration

Who we are, what we do

We are Canada's largest human resource consulting and outsourcing firm focused on pensions, benefits, employee assistance programs and workplace health management and productivity solutions. Through our operating entities Morneau Sobeco and Shepell•fgi, we offer business solutions that help our clients reduce costs, increase employee productivity and improve their competitive positions by supporting their employees' financial security, health and well-being.

We manage the costly and time-consuming administration of clients' pension and benefits plans. We offer client-branded websites and call centres, transaction support, individualized information and decision-support tools for employees.	Pension & Benefits Outsourcing	Employee Assistance Programs	We offer counseling and educational services for employees' work, financial, personal and family needs. These services support the financial security, health and well-being of employees—and help to reduce workplace absenteeism and enhance productivity.
We assist clients with the design, funding requirements, management and financial control, implementation and communication of employee pension and benefits plans.	Pension & Benefits Consulting	Workplace Health Management Solutions	We help clients reduce the incidence, duration and cost of absenteeism and disability claims through preventative measures. We develop programs that facilitate a faster return to work following absence or disability.

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Shepell•fgi

Forward-Looking Statements: This progress report contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as "may", "will", "expect", "believe", or other words of similar effect may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described in the Fund's publicly filed documents (available on SEDAR at www.sedar.com) and in the firm's MD&A under the heading "Risks and Uncertainties". Those risks and uncertainties include current economic conditions, income tax matters, ability to maintain profitability and manage growth, reliance on information systems and technology, reputational risk, dependence on key clients, and reliance on key professionals. Many of these risks and uncertainties can affect the firm's actual results and could cause the Fund's actual results to differ materially from those expressed or implied in any forward-looking statement made by the Fund or on the firm's behalf. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this progress report are qualified by these cautionary statements. These statements are made as of the date of this progress report and, except as required by applicable law, the Fund undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Fund undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Fund, its financial or operating results or its securities.