



GUARDIAN CAPITAL LP

July 18, 2011

Mr. Dan Foster
Investment Manager
United Church of Canada Pension Fund
3250 Bloor Street West, Suite 300
Toronto (Etobicoke), Ontario
M8X 2Y4

Dear Dan:

Enclosed, please find your Quarterly Report for the second quarter of 2011. Also attached, is our ***'Tour of the Portfolio'***.

During the quarter the markets were in a general downward trend with the S&P/TSX Composite finishing the period with a 5.2% decline. It is noteworthy to add that the general market volatility continues with the Index rallying 4.0% from its mid-June low. In the Canadian markets the big three sectors all lost ground: Energy -8.5%, Materials -8.4%, and Financials -2.7%.

In the portfolio, the results were in line with the benchmark but still somewhat disappointing based on the performance of a number of holdings – overall, a majority of our holdings outperformed the Index. However, as we have outlined in the attribution section of the report, the main detractor was our holding in Sino Forest.

As always, please feel free to call with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Holland'.

Brian Holland
Senior Vice President