



FAIRWAY DIVERSIFIED INCOME AND GROWTH TRUST



Investment Objective

The Trust's investment objectives are to provide holders of the units with stable monthly distributions and enhance the total return with capital appreciation.

MFC Global Investment Management

Monthly Commentary for the Period Ending November 30, 2004

Income Trusts were the best-performing asset class in November as all of the asset classes posted positive total returns. Income Trusts, as measured by the Scotia Capital Income Trust Index Overall (SCITI) posted a total return of 5.00%. The S&P TSX, a broad measure of Canadian equity performance, was the second best performing asset class, posting a total return of 1.96%. High Yield Bonds, as measured by the Merrill Lynch Master II Index (in US dollars) was the laggard, posting a total return of 1.04%. The High Yield Bond market did however outperform the U.S. 10-year Treasury bond by more than 300 basis points (bps) during November. This was attributable to the shorter maturity and callable nature of high yield bonds as well as some additional spread tightening.

Fund Activity

There were no significant changes made to Income Trust and Equity components of the portfolio during the month. On the High Yield side, activity was focused on the primary market, including some short-term trading and participation in new issues from Rogers Wireless and Thornburg Mortgage.

Outlook & Strategy

The income and bonds markets will continue to focus on foreign exchange rates, the direction of commodity prices, and the strength of labour markets. While it is anticipated that the U.S. Federal Reserve will continue to raise interest rates at a measured pace, the Bank of Canada may be forced to sit on the sidelines in December due to the continued strength of the Canadian dollar and the dampening effect that it may have on the export sector of the economy. If this is the case, we see a continuing flattening of the yield curve, and income-producing asset classes will continue to provide investors with moderate returns.

FAIRWAY DIVERSIFIED INCOME AND GROWTH TRUST (FDT.UN)

Top 10 Holdings

as of November 30, 2004

	% Of Mkt Value
BCE Inc	3.40%
BFI Canada Income Fund	3.05%
Toronto Dominion Bank	2.81%
ARC Energy Trust Unit	2.81%
Petro Canada	2.34%
Davis & Henderson Income Trust Units	2.25%
Shiningbank Energy Income Fund	2.15%
Fording Canadian Coal Trust	2.14%
Bank Of Nova Scotia	2.13%
Superior Plus Income Fund	2.09%



Portfolio Details

as of November 30, 2004

