

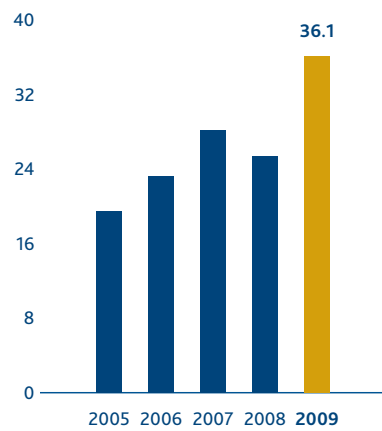
To the Shareholders of DundeeWealth Inc.,

Ten years ago Ned Goodman introduced a new, independent asset manager to Canadian investors. His vision was thoughtfully constructed; designed to cover the wealth management spectrum by providing financial planning advice, stock brokerage, corporate finance, mutual funds and investment counsel to high net worth clients across the country. Later ambitions would include the build out of a national network of independent financial advisors and the establishment of dedicated banking services shaped specifically to meet their needs.

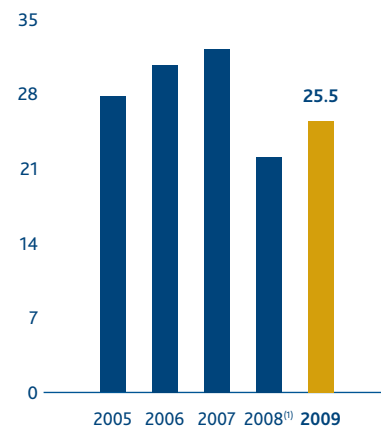
Today, DundeeWealth is one of Canada's pre-eminent investment managers. Setting new standards of excellence, we are a firm that looks to the stock market for opportunity, not for direction.

Financial Highlights

Assets Under Management (\$billions)

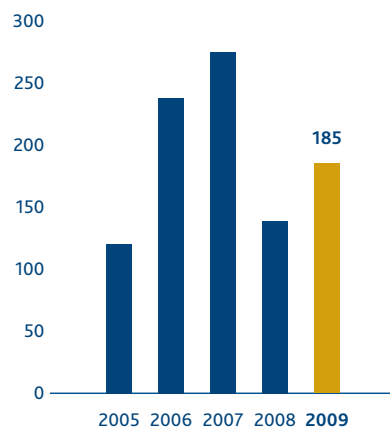


Assets Under Administration (\$billions)

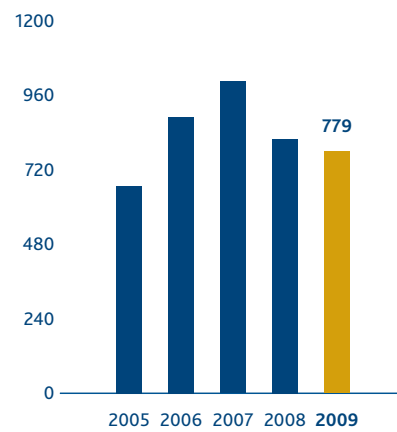


(1) Excludes \$2.3 billion sold to Industrial Alliance

Earnings Before Interest, Taxes, Depreciation and Amortization (\$millions)



Revenue (\$millions)

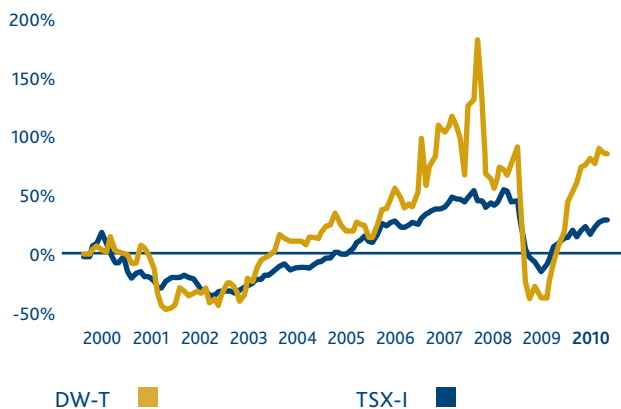


Bear markets have punctuated trading over the last century but of the four worst bears, two occurred in the last decade alone; our first decade in business. In spite of these challenges – and more recent difficulties that appeared when new kinds of debt instruments failed and as a consequence the markets collapsed worldwide – DundeeWealth has managed to outperform the TSX Composite Index over most of the last decade, particularly the last seven years.



David Goodman, CFA
President & Chief Executive Officer

DundeeWealth vs. TSX Composite Index 10-year Comparison



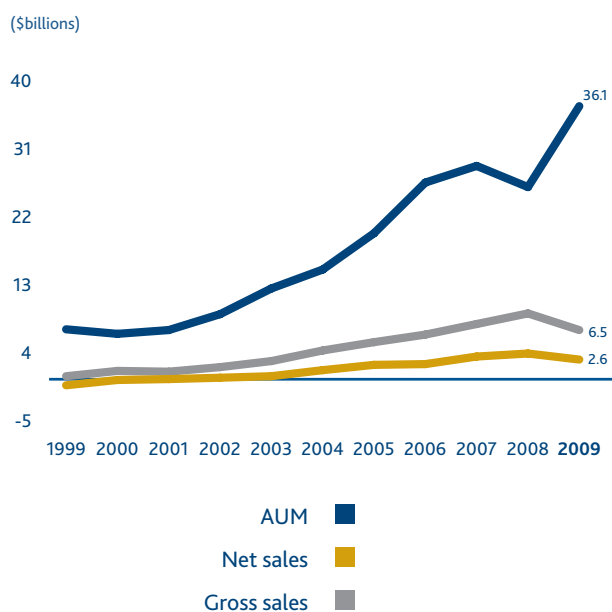
Source: Globe Investor as at March 31, 2010.

Year over year the value of our stock has improved by almost 135%. We have more than tripled our dividend from two cents to seven cents a share per quarter. For the first year in many every division of our Company has recorded growth, including our retail operation where a loss of \$1 million in the fourth quarter of 2009 compares to a loss of nearly \$30 million in the fourth quarter of 2008. Through Dynamic Funds we stand among industry leaders with \$2.7 billion in net long-term mutual fund sales in Canada, a significant contribution to fee earning assets of almost \$70 billion at year end.

Year over year the value of our stock has improved by almost 135%. We have more than tripled our dividend.

Putting that sales number in context, we had net redemptions of \$846 million and \$13.2 billion in assets under management (“AUM”) and assets under administration (“AUA”) ten years ago. Over the ensuing decade our revenue has increased by almost 330% and shareholders’ equity has risen by more than 530%. Our per share earnings before interest, taxes, depreciation and amortization (“EBITDA”) has risen 25% during that time.

Growth Trends in Our Business



Over the last three years we have eliminated the balance on our borrowing facility and in a combination of moves that included a \$200 million debt offering and the opportunistic sale of a substantial portion of our asset-backed paper portfolio, raised our reserves of cash and marketable securities to over \$400 million. This too is a measure of progress.

Still, as a fee-based company highly dependent on our client relationships for success, other internal indicators might be more valuable in gauging progress year over year. This is particularly the case in what is a rapidly changing industry where we are working every day with clients, building a business dialogue that will firmly establish our products and services for the long-term.

There are many competitive and regulatory issues that will ultimately foster change but industry consolidation, largely driven by the banks and their wholly owned wealth management divisions, remains top of mind. Competition for share of wallet is high. The investor’s heightened desire for simplicity and security invariably leads to a search for safety and the banks can offer that long before there is any need to talk about performance or return on money. In the face of market failure or another scandal many cautious investors worry more about simply getting their money back than about beating the index with impressive returns.

Our Customer Relations Centre was identified by Environics as the best call centre in 2009.

Our response to these and other issues is confident and promises a determined effort to differentiate ourselves as the leading independent investment alternative for Canadians as well as investors outside of the country who recognize Canada as a growth opportunity. Clear, client-based communication is essential to this effort and a test of excellence. That’s why having our Customer Relations Centre identified by Environics as the best call centre providing service to financial advisors in the area of mutual funds in 2009 is significant for us, particularly as we grappled with an aggressive expense management initiative that would reshape a more efficient DundeeWealth.

Since 2008, that effort has brought our full-time staff complement down by more than 25%. We took a balanced approach to change hoping to minimize service risks for the reasons described above. So while call centre recognition may seem small in the grand scheme of things, it’s a clear signal that we got it right; that our relationship with our client base remains well attended even in the face of some substantial cost cutting.

There is no question that metrics like these, often obscured by the numbers themselves, are internal yardsticks. But as much as our business is predicated on product and performance it relies enormously on

partnership, and new growth depends on managing every relationship effectively every day. Fund performance is at the centre of these considerations. In a very public way it measures the quality of our products and the services we offer.

Dynamic Funds received the Advisors' Choice Investment Fund Company of the Year award.

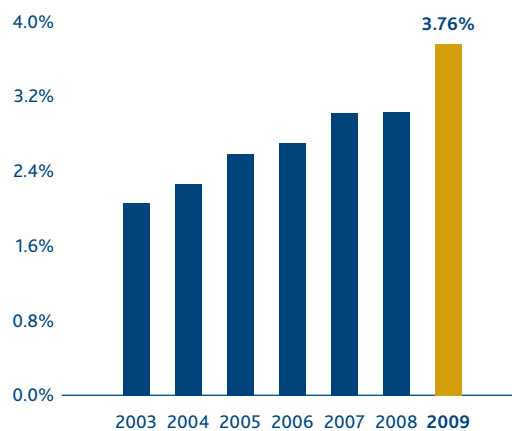
Being recognized once again at the Canadian Lipper Awards for the quality of our investment products was an important achievement. Dynamic Funds took home 11 Fund of the Year trophies at the 2009 ceremonies, and 14 in 2010 – the most of any of the many firms considered. Similarly, at the 2009 Canadian Investment Awards, Dynamic Funds received the Advisors' Choice Investment Fund Company of the Year award. It was the fourth time in the last five years we have been honoured with either the Analysts' or the Advisors' Choice Investment Fund Company of the Year award.

At the same ceremony, Dynamic collected both the Advisor Education and Investor Education awards for its Snapshots™ program. Snapshots™ is a web-based tool launched in 2009 that allows advisors to deliver customized, specialized and value-added service to clients around different life events such as parenthood, divorce and caring for an ailing or aging parent. The program has been praised by advisors for its ability to deepen relationships, facilitate dialogue and build trust and confidence with their clients.

We have realized measurable growth in return for offering more to advisors and investors alike and supporting our product more effectively in the field. We reported an increase in our mutual fund market share of 0.73 basis points in 2009, arguably one of the most difficult and

volatile years of the ten in which we have done business. Over the course of the year AUM increased by 42%, reaching a then all-time high for the Company of \$36.1 billion by year end. While the most significant contributor to this increase in AUM was market appreciation of \$7.5 billion, \$2.6 billion in net assets gathered was an industry-leading result that speaks to the success we are experiencing across the Company.

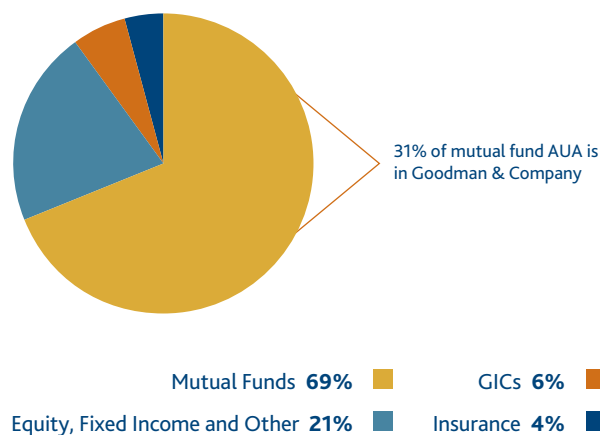
Mutual Fund Market Share



Source: IFIC

Strong net sales can be attributed to effective sales and marketing efforts that are supported by brand awareness, timely product development, quality portfolio management and an advisor network focused on excellence in everything that it does. This latter point is important to recognize because our efforts to support the quality of our advisors have coincided with an increase in the percentage of our mutual fund AUA held in Goldman & Company. At year end, Goldman & Company's share of mutual fund AUA across our financial advisory segment was 31%, compared with 25% at the end of 2008.

Assets Under Administration (AUA) Composition



The confidence that encourages these achievements is contagious across the Company but in a culture like ours, not unfamiliar despite the recent turmoil. It is a culture that inspires faith and respect in our colleagues, and pride of collective effort. It is informed by deep experience that is recognized as much for its independence of thought as it is for its innovation and leadership. Above all it is a culture that combines the historic values embodied in a family with the instincts of the entrepreneur.

The strategic decision to refocus the business on asset management is rooted in this culture and the partnership it fosters.

The strategic decision to refocus the business on asset management is rooted in this culture and the partnership it fosters. So is the confidence that encouraged us to exit some areas of business and outsource non-essential support services in favour of a greater emphasis on our skills as managers of money. These changes are significant as they come at a time when the depth of our industry knowledge and the quality of both our products and the people who manage them differentiate our

Company in an investment market hungry for innovation that's captured within accessible opportunities.

Although we no longer own the Dundee Bank of Canada, a white label agreement with The Bank of Nova Scotia enables us in a revenue sharing formula to enjoy some of the commercial benefits we had originally anticipated. At the end of 2009 we held \$7.2 billion in bank deposits on our books as fee earning assets.

We no longer are in the business of structured products distribution or manufacturing. This decision connects with the sale of much of our non-bank sponsored Asset-Backed Commercial Paper holdings for proceeds of \$139.5 million. Our view is that we can do more with the cash raised in an opportunistic sale of non-strategic assets than we can either searching for a better offer somewhere down the line or hanging on to the assets in the hope of something that might never materialize at maturity.

Elsewhere in the mix of what stays and what goes, we elected to continue to build our Capital Markets business because we believe we can leverage our expertise as investment managers and valuably connect it to the wider range of innovative ideas we have historically been able to develop both as investment bankers and broker dealers. The decision couples with our plans to build out our trading activity and encouraged a strategic investment in CNSX Markets, a privately held Canadian company that operates the Canadian National Stock Exchange and Pure Trading, two market alternatives to the TMX Group.

We remain confident that a profitable, specialized dealer focused primarily on small and mid-cap companies in specific sectors, but centred on mining and energy, has a role to play in the Canadian market, particularly among the undervalued or poorly followed investment opportunities that have very real growth potential. The first task has been to retool the management team and refocus the business on sectors where our interests and our expertise are aligned. This has involved significant commitments in senior professionals made within a restructuring of the division. More on Capital Markets to follow as we turn to the specifics.

Investment Management

The cultural centre of our Company and of our investment management activities is the wholly owned and regulated subsidiary Goodman & Company, Investment Counsel Ltd. ("GCICL" or "the Manager"). Goodman & Company was part of the amalgamation of business assets that became DundeeWealth in 1998. Within GCICL we research, develop and manage our mutual fund products for distribution under the Dynamic Funds umbrella. Today the Dynamic fund family offers over 60 mutual funds available to more than 30,000 financial advisors across Canada, including 1,100 DundeeWealth advisors.

Elsewhere in GCICL we offer direct investment counsel through Goodman Private Wealth Management, a division that was built initially to serve high net worth clients using a single, balanced investment strategy called Focus+ led by Ned Goodman. More recently we have broadened the division's platform to offer structured portfolios to clients that employ a diverse group of investment strategies tailored for individuals but also for foundations and institutions. Across the high net worth market Goodman Private continues to offer the original Focus+ strategy through sub-advisory agreements with Ned Goodman Investment Counsel Ltd. Recent changes in our investment model also capture a variety of other domestic and global investment strategies managed by our team of senior Portfolio Managers.

Also in GCICL we oversee our 60% interest in Aurion Capital Management, a highly regarded institutional investment counselling firm operating in Canada. We acquired control of Aurion in 2008 as a very early part of our strategy to ensure product diversity is built across a range of investment philosophies. Aurion is a niche player but established in its market.

Dynamic is identified with strong performance and unparalleled depth found in a variety of mutual fund strategies.

Dynamic Funds

The managed investment solutions made available within the family of Dynamic Funds offer a range of opportunities that across a broad market spectrum balances risk with security. Increasingly in Canada, Dynamic is identified with strong performance and unparalleled depth found in a variety of mutual fund strategies. The goal is to ensure that there is an investment solution available within the fund family that will meet the informed expectations and concerns of any investor.

Our overall approach is shaped around three core philosophies or styles, largely unchanged since the Company's inception and described as Value Investing, Growth Investing and Focus+ Investing. Any one or a combination of these alternatives gives clients an opportunity to diversify their investment choices across strategies that taken alone or in a mix offer some balance in the mitigation of risk.

Meeting these expectations relies on our performance as asset managers long before it is a consideration for investors. In this respect we are incredibly well served by a portfolio management team that at the most senior levels includes experienced investment executives who have been with the Company for many years. As a result of their efforts the Dynamic fund family was able to battle through the market's collapse and again lead its peer group in asset gathering activities throughout 2009. We closed the year with record assets under management.

Our deep corporate culture supports patient, long-term investors. It is a philosophy that helped shape an effective response to the turmoil of the past year without the imposition of unusual constraints on the market instincts of our investment managers. They have remained unwavering in their strategic investment convictions and in spite of the obvious pressure created by concerned investors and industry observers alike, their success speaks for itself. More importantly, the discipline reflected in our collective decision to stay the course and not deviate to more urgent, short-term strategies proved to be well accepted by advisors and resulted in improved sales numbers by year end.

We look for strong management to deliver product quality, profitability and subsequent market expansion.

In seeking to define a future for DundeeWealth we relied on the principles that govern our investing strategies to guide a new emphasis on asset management and the restructuring that was ultimately necessary to ensure the Company's long-term success. In essence we look for strong management to deliver product quality, profitability and subsequent market expansion. It's the same thinking that relies on outstanding portfolio management, which is the central driver of the public's perception of the Company's distinction. For no other reason then, we have remained committed throughout the year to the strength of the investment platform, constantly looking for ways to further develop capacity, depth of management and unique market knowledge, without compromising or confusing the excellence we have already achieved.

This attention to the funds, their appropriate diversification and our management "bench strength" responds to any question about our plans for future growth. But we are sensitive to the things that differentiate us in the market and consider growth carefully to ensure that we protect what is special about Dynamic. As we introduce new funds or as others benefit from outstanding

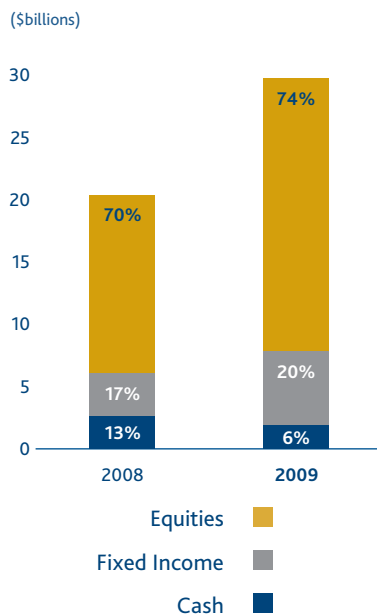
performance and inflows increase, our strategy actively weighs an effective balance between culture and scale and expertise. In 2009 alone we introduced seven new Dynamic funds, resource partnerships with both CMP and Canada Dominion Resources and six new pooled funds which have been tailored exclusively for the high net worth clients of Goodman Private.

Obviously more funds and greater visibility have market implications that impact distribution. And extending the reach of our distribution capacity to increase sales must balance the realities of a congested Canadian market and the potential of new markets on foreign shores. This is what recommended our taking small positions in Europe and in the United States, both of which proved to be relatively low cost acquisitions in typically robust markets. Although stalled in the face of the market downturn these platforms remain useful footholds for future expansion and they continue to hold promise for our Dynamic sales, particularly as the Canadian economy in which many of our most successful funds are rooted builds out of recession into full recovery.

So, as a corollary to any expectation for growth, our model must include the strategic expansion of the investment platform and this means inviting top quality managers and strategic advisors to the team who possess unique expertise in a combination of sector knowledge and market intelligence. The new Dynamic Real Estate & Infrastructure Income Fund introduced this past year is an example where new personnel with industry-specific expertise supported the launch of a new fund and will contribute to its ongoing management.

On balance throughout 2009 we have remained heavily positioned in equities, which contributed to our relatively stronger market performance. At the same time, in an effort to mitigate further volatility, investors have been transferring their money out of equities. This move into asset classes that have been traditionally considered lower risk has led to a change in our asset class weightings that includes more fixed income alternatives year over year.

Assets Under Management (AUM) Composition



Goodman & Company, Investment Counsel Ltd. AUM only.

With the improvement in the markets generally this latter trend has shown signs of slowing in a corresponding return to higher trade volumes. While we have had increased flows into our fixed income solutions, it was increased institutional AUM (which earns on average a lower management fee rate) that caused the average management fee rate earned last year, excluding acquisitions, to decline to 1.63% from 1.70% in 2008. This corresponds with a decline in management fee revenues of \$15.1 million.

Dynamic Strategic Yield Fund and Class was the most successful fund offering in the Company's 50-year history.

The continuous improvement we force upon our product platform helped to ensure clients that we were able to capitalize on market opportunities while limiting

downside risk. In response to advisors who were looking for a yield vehicle to include in a more conservative approach to risk, we launched the Dynamic Strategic Yield Fund and Class. Both seek to produce high income and long-term capital growth through investment in a diversified portfolio of fixed-income and income-oriented equity securities. It was the most successful fund offering in the Company's 50-year history, with AUM reaching \$930 million at year end and surpassing \$1 billion shortly thereafter. We also partnered with Manulife to launch new segregated and guaranteed investment fund products, achieving total net sales of \$319 million in 2009.

At the same time, the Dynamic Power Hedge Fund and Dynamic Power Emerging Markets Fund generated negative calendar year returns in 2008 for the first time since inception, bringing them below their previous highest year end value upon which a performance fee was paid. We responded by adding high water marks to these funds in June. A high water mark ensures that the Manager only receives a performance fee in any future year if the Fund's value at the year end is greater than its previous greatest year end value. While the Dynamic Power Hedge Fund has almost recovered to pre-crisis levels – it was up over 158% in 2009 and according to Barron's is the third-best performing mid-sized hedge fund in the world – adding a high water mark ultimately protects investors from paying twice for the same performance.

It was a decision made within unusual market circumstances but, no matter how immediately costly, particularly for the Manager, it was the right one for our investors and consistent with the culture of fairness we promote internally and externally. For 2009, this resulted in the Manager forgoing approximately \$60 million in performance fees that would have otherwise been accrued in these funds. Currently, all Dynamic hedge funds have a high water mark – the established minimum, or benchmark, that a fund needs to achieve before an incentive fee calculation is applied. But, as the investment performance of eligible AUM once again exceeded the benchmarks, performance fee revenue returned in the fourth quarter. By December 31, 2009, the Company had \$7.4 billion in performance fee-eligible assets.

We are retooling our approach, diversifying our platform by leveraging the success we have realized in other areas.

Goodman Private Wealth Management

As year over year results suggest and as industry consolidation continues, a wider variety of Canadians in the higher income brackets are seeking fully engaged, independent wealth management advice. The redemption rate within Goodman Private is the lowest it's been over the last six years and new mandates were identified. In light of this market growth we are retooling our approach, diversifying our platform by leveraging the success we have realized in other areas, particularly in many of our higher performing funds.

Traditionally structured around the Focus+ equity model, clients of Goodman Private today can expect a carefully tailored portfolio that is unique to their priorities and offers a wider range of choice, including six non-prospectus pooled funds managed by the Company's senior Portfolio Managers.

Our strategy balances investment risk with the benefit of experience, a strict code of ethics and leading-edge technology that ensures overall quality and compliance. As suggested above, we are taking a wider view of the market today to include more than individuals and select not-for-profit organizations on our client roster. As well as the wealth resources of individuals, the investment accounts of private and public foundations, and institutions, are now clients of Goodman Private. This will involve some organizational change to be completed through 2010.

A transitional brand alignment served to better connect our high net worth business with both Dynamic Funds and DundeeWealth, more effectively leveraging our marketing spend across the organization. The addition of sales professionals in those regions where we were

under-represented along with new management and a strengthened service team have combined to increase traction in our sales efforts, as evidenced by a \$118 million increase in our AUM from December to March 31 of this year.

An important part of our development as a wealth management company, the high net worth client reflects a critical growth opportunity that is traditionally risk adverse but patient as a result. As we search for new streams of revenue to ensure continuing stable earnings for the Company as a whole, our high net worth division will play a large role in that discovery. In the years ahead our hope is to continue to grow in this sector, managing those ambitions and the success of our funds together with other assets in a mix that will contribute to our differentiation in the market and the role we play in the investment industry as innovators of new wealth management solutions.

Aurion immediately strengthens our institutional investment capability and offers investors a clear alternative strategy.

Aurion

A relative newcomer to the DundeeWealth family, we acquired a 60% interest in Aurion Capital Management in 2008. The acquisition is an initial element in a build out strategy that's designed to improve diversification across a wider investment management platform. Aurion immediately strengthens our institutional investment capability and offers investors a clear alternative strategy. The team has developed a niche for the pension fund market but it is also focused on the endowment industry and provides sub-advisory services as part of its investment counselling activities. Aurion covers approximately 25 investment mandates and AUM of \$4.2 billion at year end.

Distribution

With an increased focus on quality and book size, our network of financial advisors continues to be an important part of DundeeWealth's business mix, particularly as a function of market reach and product distribution. In terms of increasing sales our retail business is integral to our distribution strategy and we are overhauling the network, combining new training and organizational changes to meet those objectives.

Ten years ago we concluded that the success of Dynamic Funds could be further developed through a strong relationship with financial professionals who could present our product to individual investors as an independent alternative to the bank-owned model of wealth management. In the early part of the decade the focus was on building, beginning with the acquisition of mutual fund distributors like Ross Dixon Financial Services Ltd. and Cartier Partners. The network was large and proved cumbersome, particularly in areas where a growing demand for stronger skills to support a full range of investment products did not connect with increased attention to revenue.

The partnership that we enjoy with the financial advisors of DundeeWealth today is founded on strong regulatory and corporate compliance standards. In the fundamental equation that frames our business proposition, our advisor network is at the centre of growing, managing and protecting a client's wealth in an open relationship with our Company that encourages loyalty, protects independence and rewards performance.

It is a dedicated network of approximately 1,100 advisors who provide investment, insurance and mortgage services to clients across Canada. Products are tailored to a wide variety of individual needs, and include both DundeeWealth proprietary products and third-party managed investments and wealth management products and services.

Emerging from the turmoil of the last year we have moved to better support the brand with a stronger definition of the DundeeWealth advisor. Our goal is to differentiate the Company in the market across Canada, highlighting our independence and our brand with high quality advisors who share the values of our Company in the management of strong books of business that typically reflect some interest in our funds and other products. With a focus on an effective business mix the retail interface remains an important part of our long-term domestic strategy. We are committed to its success recognizing its contribution to a better understanding of DundeeWealth at the retail level.

Improving the quality and distinction of the advisor network helped us to emerge from the chaos of the market downturn a stronger company.

Improving the quality and distinction of the advisor network helped us to emerge from the chaos of the market downturn a stronger company. It is no secret that last year, advisors and clients alike were angry at the investment management industry as a whole. Many people were confused and in a great many cases panicked about the almost unprecedented fall in market values. The amount of money that continued to stay out on the sidelines through 2009 was a clear indication of concern. That will take some time to change.

During this uncertain time, DundeeWealth responded with one of the most aggressive communications initiatives in our history, offering all interested advisors robust information and education resources as well as unparalleled access to the Company's Portfolio Managers, economists and experts.

Experience alone made clear the importance of supporting advisors during a time when the credibility of the financial services industry – and by extension their advice – was under attack. Maintaining an active presence in every territory was critical and the response from advisors was very positive. Among the significant lessons we learned as an organization in 2009, it became clear that supporting independent advisors to grow is not always about having great sales concepts or marketing ideas. These things are important but no less so than a culture of support and concern that will enable the best advisors to focus on success as they manage their businesses through tough markets.

Certainly it seems clear that the DundeeWealth advisors with transparent, client-centric business practices have had great success throughout the past 12 turbulent months. Indeed our analysis has shown that some of our advisors have actually grown their businesses this year at a time when others across the country have found maintaining the status quo challenging.

We believe that the series of programs we rolled out in response to evolving market circumstances contributed to this success. Our “Wealth of Support” program lent stability to advisors by equipping them with knowledge and information from our in-house market experts with the explicit goal of addressing investor fears and restoring confidence in capital markets. Similarly, our “What Does Your Recovery Look Like?” campaign employed web tools, webcasts, and online education to help advisors formulate and execute a market position and, eventually, take advantage of a market recovery.

As the recovery took hold, we continued our support of the business building efforts of DundeeWealth advisors by launching an online platform called myPractice™ which gives our advisors quick and easy access to client administration and relationship management tools so they can spend more time working with prospective and existing clients. It also includes strategy planning,

feedback and process improvement features designed to help advisors be successful entrepreneurs while minimizing quality lapses and maximizing quality control. The ultimate goal of these efforts is to assist advisors in building a business that is positioned to survive, and thrive, under almost any conditions.

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Dundee Insurance Agency Limited (“DIAL”)

The focus on growth that has seen a revamping of our retail network with new resources to improve service depth and practice management has also included a major restructuring of our insurance offering. This restructuring is designed to assist DundeeWealth advisors in providing their clients with industry-leading insurance and estate planning solutions.

Already one of Canada’s top Managing General Agencies (“MGA”), with top three status among our tier one carriers, we believe DIAL is uniquely positioned in the Canadian marketplace. As an independent MGA that is completely aligned and integrated within a full-service financial services provider, DIAL is particularly attractive to independent advisors who wish to sell both insurance and securities or mutual funds, backed by a world-class IIROC and MFDA dealer.

With new management in place at DIAL and strong relationships with the country’s most significant insurance product manufacturers we are committed to finishing the implementation of our build-out strategy and accelerating growth through increased sales and the further establishment of strategic partnerships with associated industry experts.

International Expansion

As we continue to strengthen our product manufacturing and improve our capacity for new alternatives, the other side of that equation is the expansion of our distribution channels wherever possible. We remain committed to a strategy of identifying low-cost opportunities outside of Canada through which we can offer our funds. Small acquisitions in the United States and Europe completed in 2008 and 2007 respectively are part of that effort.

The decision to refocus the Company on its strength as an asset manager continues to guide all our plans and our expansion internationally will be predicated on historic strength as it relates to immediate opportunities. We continue to believe that slow organic growth will characterize extremely modest expansion over the next couple of years as we wait for the European economy to more fully emerge from recession.

Our approach in the United States through 2009 has paralleled in important ways the course taken in Europe but we have attempted to increase our profile by making senior Portfolio Managers available for commentary in predictable places across the country. A troubled economy has offered few high-value opportunities for growth but we are more confident that expansion in America may be more immediately achievable and more easily managed without major changes to our existing framework. Time will tell if our presence in the United States can begin to parallel the success we have started to realize in Canada.

Dundee Capital Markets

Dundee Capital Markets (“DCM”), a division of the wholly owned Dundee Securities Corporation, is a full-service platform that specializes in investment banking, research, institutional sales and trading as well as high net worth retail advisory. The key to both our business model and to the recent new hiring program that has reshaped our senior management team is found in the successful discovery of undervalued and underfollowed investment stories. Our ambition is to connect these opportunities

with a growing list of clients in the timely delivery of investment solutions tailored for their needs.

The past year has been a pivotal one for DCM. In early 2009, new senior executive management undertook an immediate strategic review of our operations to determine in what part of the market a firm such as ours could succeed. The capital markets business is a highly competitive business in Canada and is dominated by the five major banks which mostly focus on large cap clients. Our decision to focus on the small and mid-cap sectors spoke to the underserved market.

Today, we cover 150 companies at any one time with a team of analysts that search for new ideas to bring to market. Supported by a dedicated strategist, the team is triangulated between mining and energy and a third area that captures new growth opportunities in a basket that includes technology, biotech and alternative energy, as well as real estate, forestry and fertilizers, special situations and industrials. Although comparatively small we continue to be recognized as an industry leader in our fields of choice. In fact, last year our research analysts were presented with the most awards within the Canadian independent brokerage group at the StarMine Analyst Awards.

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The sector divisions defined in our analysts’ coverage are mirrored across the investment banking platform by bankers with related expertise. During 2009, our banking group was involved in 192 financings which collectively raised over \$20 billion. Our constant goal in building relationships with our clients is to win the lead position for their financings in any syndicate of underwriters and we have had increasing success in this area. During 2009, we led or co-led 41 offerings.

As suggested, much of our effort during 2009 was spent rebuilding our team of professionals. There were significant changes made throughout every one of our departments as new management and professionals were brought in with a common vision, centred on operational alignment, superior client service and focused on building both our market share and our profitability.

In the latter part of 2009, we made the decision to segregate our financial advisory business and combine the advisors whose business was focused on equities – as opposed to mutual funds – with the Capital Markets business. This decision ensures that product and investment ideas out of the Capital Markets group are shared also with those retail advisors and their clients.

The Dundee name continues to have considerable resonance in Canada and our strategy for growth builds on that position. Our approach to managing change returns us to some of the fundamental values that have historically been our guide. In this respect, trust, service excellence, superior returns and committed management possessing proven expertise describe the Capital Markets business we manage today. Our relationship with our clients, both corporate issuers and institutional and retail clients is paramount to the success of our business and this puts an enormous emphasis on day to day management as we work with our clients through all aspects of their corporate investment activities.

We believe our platform is unique and valuable because: (a) we have a strong parent company in DundeeWealth with a significant amount of capital for trading and underwriting opportunities; (b) we have a financially large sister company with approximately \$30 billion of assets under management, a large proportion of which is invested in equities; (c) we are independent and therefore can create an employee partnership culture for our key employees; and (d) we have invested heavily in our research expertise to provide superior analysis and ideas to our clients.

For the year ended December 31, 2009, our Capital Markets business generated \$91.3 million in revenues and \$25.5 million in pre-tax profits, a substantial increase over 2008. We are proud of the accomplishments we have been able to achieve during 2009 and are looking forward to continued growth throughout 2010 in all aspects of our Capital Markets business.

DundeeWealth has come of age during one of the most significant periods of change in the financial management industry.

Conclusion

DundeeWealth has come of age during one of the most significant periods of change in the financial management industry. The challenges have been enormous but so have the opportunities for growth and the development of a new and independent approach to asset management. What was once viewed as a modest upstart has become in a single decade an investment management alternative that today has a strong and stable platform that faces the future with confidence and enthusiasm.

My thanks go to my colleagues across the DundeeWealth family one and all, and to a Board of Directors that has stayed fully involved and always interested in our activities throughout the past year. A special word of welcome to our new Directors, Andrew Molson and Russell Morgan and a final word of thanks to Robert McLeish, our hardworking lead director, whose careful guidance I appreciate very much.

Sincerely,



David Goodman, CFA
President & Chief Executive Officer
April 29, 2010



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