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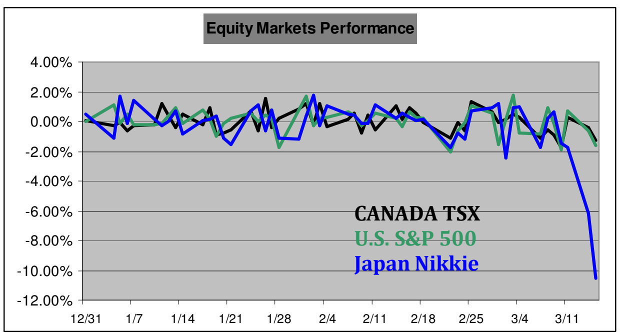
SAFE HAVEN ANYWHERE?

Before we start discussing what is going in our portfolios we first would like to offer our most heartfelt condolences to all the individuals, and the families of these individuals. Who lost their lives, their homes and properties, and to all those who are now living in unbearable circumstances.



With the Chinese slowdown, European debt problems, civil war in the Ivory Coast, regime changes in the Middle East and now a tragedy of epic proportions in Japan, it's hard to know where your money is safe.

PORTFOLIO ADJUSTMENTS
EQUITY PORTFOLIOS ONLY

The following comments relate only to our growth and balanced portfolios due to their sizable allocations to North American Equities.

We note that our portfolios do not include any exposure to the Yen, Japanese or Uranium stocks. However, they are affected by what is going on globally and while our investments are in fundamentally sound companies the market impact is certainly felt and has weighted down our strong performance.

Year to date, our performance is at par with our benchmark. We have lost our 2% lead against the TSX and the S&P 500 benchmarks. This is mainly due to our active hedging activities and the higher Beta on the top three detractors to performance: **Suncor**, **Schlumberger** and **Canadian Natural Resources**.

We do not anticipate adjusting any of the previously mentioned names as market consensus remains extremely supportive and all are fundamentally sound companies. We also feel that Suncor's focus on oil sands (with most of its operations in North America) should give its stock a bigger boost as oil prices remain at elevated levels. Suncor is currently trading at $41.49 however; Goldman Sachs issued a "Buy Rating" this morning with a one year Target Price of $61.

Likewise, Schlumberger's (currently trading at $84.72) weak performance in the past two weeks has been driven by its higher than market Beta. Goldman Sachs target price was updated this morning to $111. As for Canadian Natural Resources (CNQ), market sentiment has been very strong since the beginning of the year. CNQ (currently trading at $44.80) has one of the lowest exposures to the Middle East and North Africa and has the highest oil price leverage of any large cap company we track - which will allow it to do well in 2011. Goldman Sachs' target price was updated this morning to $111.

The Japanese economy, the second largest in the world, has struggled for too long and this natural disaster will cause a massive increase in Japanese and international liquidity infusion. The effect of reconstruction activity could give a massive boost to the Japanese economy at the expense of a deteriorating Yen. This could also impact global

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rates whereby we could continue to see further coordinated easing on a global basis.

In the short term we will be adding Toyota to our portfolio. This complements our earlier addition of an Oil Exchange Traded Note (iPath Crude ETBN) to the portfolio. We will be keeping a close eye on Uranium stocks as they could present a significant buying opportunity if a major crisis could be avoided over the coming weeks. We will be also extending our hedging program (hedging our market risk) well into April to make sure the portfolio is adequately hedged. The increase in the hedge ratio is in part due to our fear that we currently have the right mix - political instability, natural disaster, rising consumer debt, banking crisis that is far from over, high unemployment and slowing Chinese economy (albeit modestly) - for a mid cycle pull back.

We are also adding two Principle Protected Notes (PPNs) to our portfolios. The first note provides exposure to Canadian equities and the other is Global Hedge Funds. We feel that the Canadian market has outperformed all global equity markets, but global conditions could expose our fragile economy to some near term volatility. For this reason we are introducing these PPNs to select (risk averse) portfolios. PPNs are fixed income securities with variable coupons that are paid based on the performance of an underlying investment such as the basket of Canadian equities or global Hedge Funds.

The **Canadian Equity 4 year term PPN** is issued for our clients by National Bank and provides exposure to the following:

Barrick Gold	BCE Inc.
Bank of Nova Scotia	Enbridge
Fortis Inc.	GoldCorp
Great-West Lifeco	Husky Energy
Metro Inc.	Potash
Power Corp	Rogers Comm.
Research in Motion	Royal Bank
Shaw Communications	Suncor Energy
Telus Corporation	TD Bank
Thomson Reuters Corp	TransCanada

The performance of this PPN should be similar to any Canadian equity portfolio or mutual funds, but at lower fees and 100% principle protection.

The exposure to the **Hedge Fund Index PPN** is issued for our clients by Bank of America. We are including exposure to Hedge Funds for two reasons. First and foremost, we are creating a strategic asset allocation to this Non-Traditional Asset Class due to its low correlation with traditional equities and bonds. Secondly, it has been proven that during times of crisis Hedge Fund managers were more responsive to adjusting their portfolios and generating better returns than the traditional long only managers. To maintain volatilities however, we are using the principle protection structure to limit our downside potential.

More details on these notes to follow shortly.

In closing, we feel that the effect of international developments – in Japan, the Middle East, Ivory Costs, European Debt, Banking Crisis, weakening housing markets and rising consumer debt – will have a profound effect on equity portfolios. We do recommend increasing allocations to Bonds and North American Equities as they should do better than other global markets on a relative basis. Within North American equity markets, we continue to hedge our exposure (covered calls) to reduce the effect of any further market pull back on our equity positions.