

## Conservative Portfolio

### Investment Objective

This portfolio is designed to preserve investors' capital while providing a level of return which will help to maintain the purchasing power of the portfolio.

### Strategy

To meet the objective, the portfolio is heavily weighted in fixed income investments. This will help to minimize portfolio volatility over the long term, and will provide a modest level of return. There is a small weighting in the portfolio that is invested in large cap equities. This portion of the portfolio is expected to provide growth of capital over the long term.

### Analysis

- This is a portfolio well suited to very conservative investors who are looking to mainly preserve capital, but are looking for a rate of return that is higher than with a GIC investment.
- There is a risk of loss with this portfolio. Over the long term, an investor can expect a loss in 1 of every 3 months, and 1 out of every 5 years.
- With the capping of the PH&N High Yield Bond, we replaced the fund with the Manulife Strategic Income Fund
- U.S. equities had their best quarter in more than a decade as concerns over the European debt crisis were put on the backburner and investors focused on encouraging economic news.
- Canadian equities were sold off as commodities lower on worries over a slowdown in China.
- Portfolio outperformed the benchmark by 23 basis points as weakness in U.S. equity exposure offset by bonds and global equity holdings.

### Performance Details

Return data provided by Funddata and Paterson & Associates Fund database

Returns									
	Portfolio Weight	Risk Rank	Incept Date	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept
PH&N Bond	50.0%	Low	Dec 70	0.0%	8.6%	7.8%	5.9%	6.4%	9.1%
Manulife Strategic Income	15.0%	Low/Med	Nov 12	3.1%	3.2%	7.1%	7.6%	N/A	7.1%
TD Real Return Bond	5.0%	Low/Med	Nov 94	-1.4%	13.6%	10.3%	6.7%	7.7%	7.6%
CI Harbour	5.0%	Medium	Jun 97	7.6%	-5.3%	11.3%	1.5%	6.4%	7.3%
CI American Value	5.0%	Medium	Feb 77	9.5%	6.0%	9.9%	-1.8%	0.4%	8.2%
Cundill Value	15.0%	Medium	Oct 98	19.2%	-3.7%	12.3%	-2.0%	3.4%	7.1%
Ren. Global Healthcare	5.0%	Med/High	Dec 96	6.4%	10.6%	7.9%	-0.7%	1.1%	10.9%
Portfolio Average*				4.4%	5.6%	9.6%	4.2%	5.9%	N/A
Benchmark**				2.5%	7.9%	8.7%	3.9%	5.2%	N/A

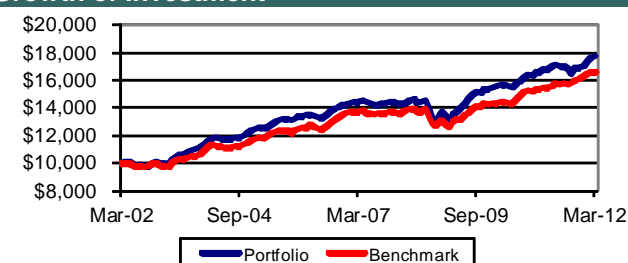
\*Portfolio Returns are for the A Class versions of the funds. Assumes monthly rebalancing

\*\*In May 11, we replaced the PH&N High Yield Bond with Manulife Strategic Income Fund

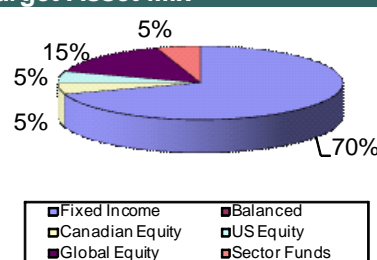
\*\*\*70% DEX Universe, 5% TSX, 5% S&P 500 C\$, 20% MSCI World C\$

Portfolio Characteristics (60 months ending Mar-12)		
	Monthly	Annualized
Average Return	0.34%	4.16%
Standard Deviation	1.56%	5.40%
Sharpe Ratio	0.13	0.47
Probability of Loss	41%	22%
Worst Drawdown	-10.50% (Jun 08 - Jul 09)	
Worst Return	-4.83%	-8.57%
Best Return	3.50%	18.88%
MER	1.74%	0.95%

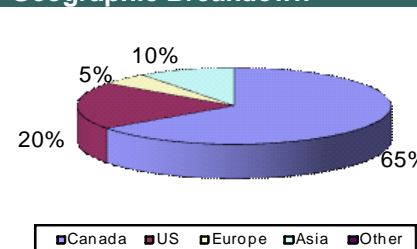
### Growth of Investment



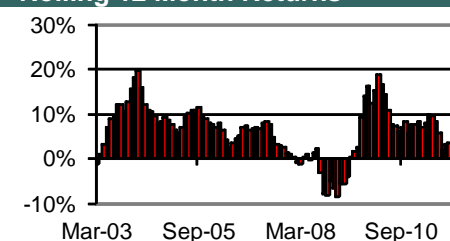
### Target Asset Mix



### Geographic Breakdown



### Rolling 12 Month Returns



This portfolio statement has been prepared with care and diligence, neither the advisor nor D.A. Paterson & Associates Inc. accepts any liability for the content, calculation and final results of the information provided. The information contained in this communication is for general information purposes only and is based on the perspectives and opinions of the owners and writers. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please contact your advisor to discuss your particular circumstances. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is are the historical annual compounded total return[s] including changes in share or unit value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

## Moderate Balanced Portfolio

### Investment Objective

This portfolio is designed to preserve investors' capital while providing the potential for capital gains for the investor.

### Strategy

To meet the objective, the portfolio is equally balanced between fixed income investments and equity investments. This helps balance portfolio volatility with growth potential over the long term. The portfolio incorporates an actively managed balanced fund into the mix to provide for a bit of a tactical tilt between fixed income and equities.

### Analysis

- This is a portfolio well suited to conservative investors who are looking to balance capital preservation with growth.
- Over the long term, this portfolio is expected to provide a rate of return that is higher than a GIC investment.
- There is a risk of loss with this portfolio. Over the long term, an investor can expect a loss in 1 of every 3 months, and 2 out of every 5 years.
- U.S. equities had their best quarter in more than a decade as concerns over the European debt crisis were put on the backburner and investors focused on encouraging economic news.
- Canadian equities were sold off as commodities lower on worries over a slowdown in China.
- Portfolio outperformed the benchmark by 28 basis points as weakness in U.S. equity exposure offset by canadian and global equity holdings.

### Performance Details

Return data provided by Funddata and Paterson & Associates Fund database

Returns									
	Portfolio Weight	Risk Rank	Incept Date	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept
PH&N Bond	30.0%	Low	Dec 70	0.0%	8.6%	7.8%	5.9%	6.4%	9.1%
Manulife Strategic Income	15.0%	Low/Med	Nov 12	3.1%	3.2%	7.1%	7.6%	N/A	7.1%
TD Real Return Bond	5.0%	Low/Med	Nov 94	-1.4%	13.6%	10.3%	6.7%	7.7%	7.6%
CI Sig. Cdn Balanced	10.0%	Medium	Jun 97	4.2%	-2.3%	10.7%	2.5%	6.2%	7.6%
CI Harbour	5.0%	Medium	Jun 97	7.6%	-5.3%	11.3%	1.5%	6.4%	7.3%
CI American Value	10.0%	Medium	Feb 77	9.5%	6.0%	9.9%	-1.8%	0.4%	8.2%
Cundill Value	20.0%	Medium	Oct 98	19.2%	-3.7%	12.3%	-2.0%	3.4%	7.1%
Ren. Global Healthcare	5.0%	Med/High	Dec 96	6.4%	10.6%	7.9%	-0.7%	1.1%	10.9%
<b>Portfolio Average*</b>				<b>6.2%</b>	<b>3.7%</b>	<b>10.3%</b>	<b>3.1%</b>	<b>5.4%</b>	<b>N/A</b>
<b>Benchmark**</b>				<b>3.7%</b>	<b>6.7%</b>	<b>9.8%</b>	<b>2.9%</b>	<b>4.6%</b>	<b>N/A</b>

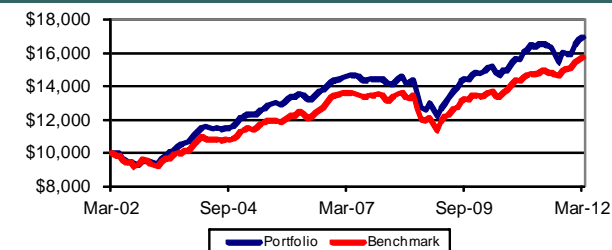
\*Portfolio Returns are for the A Class versions of the funds. Assumes monthly rebalancing

\*\*In May 11, we replaced the PH&N High Yield Bond with Manulife Strategic Income Fund

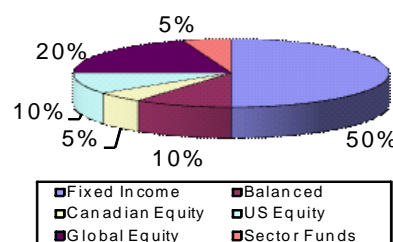
\*\*\*55% DEX Universe, 10% TSX, 10% S&P 500 C\$, 25% MSCI World C\$

Portfolio Characteristics (60 months ending Mar-12)		
	Monthly	Annualized
Average Return	0.25%	3.06%
Standard Deviation	2.07%	7.17%
Sharpe Ratio	0.06	0.20
Probability of Loss	45%	33%
Worst Drawdown	-16.80% (Jun 07 - Nov 09)	
Worst Return	-6.09%	-13.57%
Best Return	3.64%	21.79%
MER	2.00%	1.10%

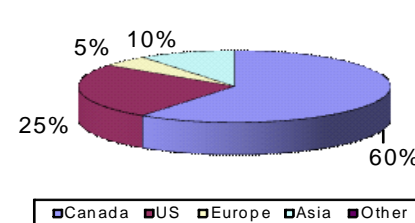
### Growth of Investment



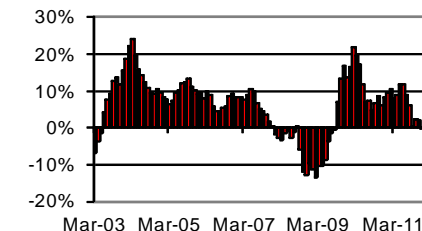
### Target Asset Mix



### Geographic Breakdown



### Rolling 12 Month Returns



This portfolio statement has been prepared with care and diligence, neither the advisor nor D.A. Paterson & Associates Inc accepts any liability for the content, calculation and final results of the information provided. The information contained in this communication is for general information purposes only and is based on the perspectives and opinions of the owners and writers. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please contact your advisor to discuss your particular circumstances. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is are the historical annual compounded total return[s] including changes in share or unit value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

## Balanced Portfolio

### Investment Objective

This portfolio is designed to provide capital growth with a moderate level of volatility.

### Strategy

To meet the objective, the portfolio is slightly tilted towards equity investments. In addition to the traditional core investments, the portfolio has a higher exposure to sector funds which provide for the potential of higher returns over the long term. The portfolio incorporates an actively managed balanced fund which will provide a small tactical play between fixed income and equities.

### Analysis

- This is a portfolio well suited to balanced investors who are looking for capital growth with a moderate level of volatility.
- There is a risk of loss with this portfolio. Over the long term, an investor can expect a loss in 1 of every 3 months, and 1 out of every 5 years.
- U.S. equities had their best quarter in more than a decade as concerns over the European debt crisis were put on the backburner and investors focused on encouraging economic news.
- Canadian equities were sold off as commodities lower on worries over a slowdown in China.
- Portfolio outperformed the benchmark by 26 basis points as weakness in U.S. equity exposure offset by Canadian and global equity holdings.

### Performance Details

Return data provided by Funddata and Paterson & Associates Fund database

Returns									
	Portfolio Weight	Risk Rank	Incept Date	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept
PH&N Bond	20.0%	Low	Dec 70	0.0%	8.6%	7.8%	5.9%	6.4%	9.1%
Manulife Strategic Income	15.0%	Low	Nov 12	3.1%	3.2%	7.1%	7.6%	N/A	7.1%
TD Real Return Bond	5.0%	Low/Med	Nov 94	-1.4%	13.6%	10.3%	6.7%	7.7%	7.6%
CI Sig. Cdn Balanced	10.0%	Low/Med	Jun 97	4.2%	-2.3%	10.7%	2.5%	6.2%	7.6%
CI Harbour	10.0%	Medium	Jun 97	7.6%	-5.3%	11.3%	1.5%	6.4%	7.3%
CI American Value	10.0%	Medium	Feb 77	9.5%	6.0%	9.9%	-1.8%	0.4%	8.2%
Cundill Value	20.0%	Medium	Oct 98	19.2%	-3.7%	12.3%	-2.0%	3.4%	7.1%
Ren. Global Healthcare	7.5%	Medium	Dec 96	6.4%	10.6%	7.9%	-0.7%	1.1%	10.9%
CI Sig Cdn Resource	2.5%	Med/High	Apr 97	-0.9%	-18.1%	10.0%	2.6%	13.0%	10.0%
<b>Portfolio Average*</b>				<b>6.7%</b>	<b>2.4%</b>	<b>10.6%</b>	<b>2.6%</b>	<b>5.5%</b>	<b>N/A</b>
<b>Benchmark**</b>				<b>4.3%</b>	<b>5.0%</b>	<b>10.7%</b>	<b>2.4%</b>	<b>4.5%</b>	<b>N/A</b>

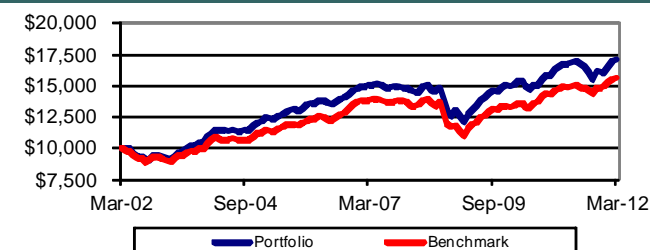
\*Portfolio Returns are for the A Class versions of the funds. Assumes monthly rebalancing

\*\*In May 11, we replaced the PH&N High Yield Bond with Manulife Strategic Income Fund

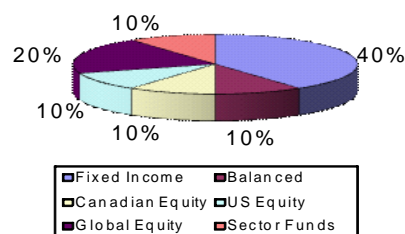
\*\*\*45% DEX Universe, 17.5% TSX, 10% S&P 500 C\$, 27.5% MSCI World C\$

Portfolio Characteristics (60 months ending Mar-12)		
	Monthly	Annualized
Average Return	0.22%	2.64%
Standard Deviation	2.40%	8.30%
Sharpe Ratio	0.03	0.12
Probability of Loss	46%	38%
Worst Drawdown	-20.13% (Jun 07 - Mar 10)	
Worst Return	-7.25%	-16.33%
Best Return	4.36%	23.89%
MER	2.15%	1.19%

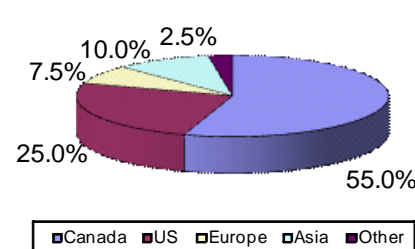
### Growth of Investment



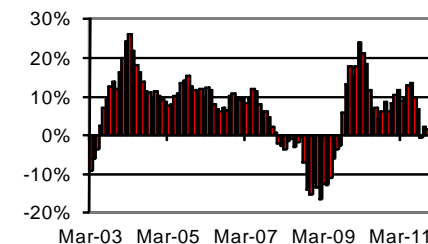
### Target Asset Mix



### Geographic Breakdown



### Rolling 12 Month Returns



This portfolio statement has been prepared with care and diligence, neither the advisor nor D.A. Paterson & Associates Inc accepts any liability for the content, calculation and final results of the information provided. The information contained in this communication is for general information purposes only and is based on the perspectives and opinions of the owners and writers. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please contact your advisor to discuss your particular circumstances. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is are the historical annual compounded total return[s] including changes in share or unit value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

# Balanced Growth Portfolio

## Investment Objective

This portfolio is designed to provide capital growth.

## Strategy

To meet the objective, the portfolio is heavily weighted in equity investments. In addition to the traditional core investments, the portfolio has a higher exposure to sector funds which provide for the potential of higher returns over the long term. The portfolio incorporates an actively managed balanced fund which will provide a small tactical play between fixed income and equities.

## Analysis

- This is a portfolio well suited to growth oriented investors who are looking for capital growth.
- There is a risk of loss with this portfolio. Over the long term, an investor can expect a loss in 1 of every 2 months, and 1 out of every 4 years.
- U.S. equities had their best quarter in more than a decade as concerns over the European debt crisis were put on the backburner and investors focused on encouraging economic news.
- Canadian equities were sold off as commodities lower on worries over a slowdown in China.
- Portfolio outperformed the benchmark by 31 basis points as weakness in U.S. equity exposure offset by canadian and global equity holdings.

Performance Details									
Return data provided by Fundata and Paterson & Associates Fund database									
Returns									
	Portfolio Weight	Risk Rank	Incept Date	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept
PH&N Bond	10.0%	Low	Dec 70	0.0%	8.6%	7.8%	5.9%	6.4%	9.1%
Manulife Strategic Income	10.0%	Low/Med	Nov 12	3.1%	3.2%	7.1%	7.6%	N/A	7.1%
CI Sig. Cdn Balanced	10.0%	Medium	Jun 97	4.2%	-2.3%	10.7%	2.5%	6.2%	7.6%
CI Harbour	20.0%	Medium	Jun 97	7.6%	-5.3%	11.3%	1.5%	6.4%	7.3%
CI American Value	20.0%	Medium	Feb 77	9.5%	6.0%	9.9%	-1.8%	0.4%	8.2%
Cundill Value	20.0%	Medium	Oct 98	19.2%	-3.7%	12.3%	-2.0%	3.4%	7.1%
Ren. Global Healthcare	7.5%	Med/High	Dec 96	6.4%	10.6%	7.9%	-0.7%	1.1%	10.9%
CI Sig Cdn Resource	2.5%	High	Apr 97	-0.9%	-18.1%	10.0%	2.6%	13.0%	10.0%
<b>Portfolio Average*</b>				<b>8.4%</b>	<b>0.8%</b>	<b>10.8%</b>	<b>1.3%</b>	<b>4.7%</b>	<b>N/A</b>
<b>Benchmark**</b>				<b>5.8%</b>	<b>3.2%</b>	<b>12.3%</b>	<b>1.3%</b>	<b>3.9%</b>	<b>N/A</b>

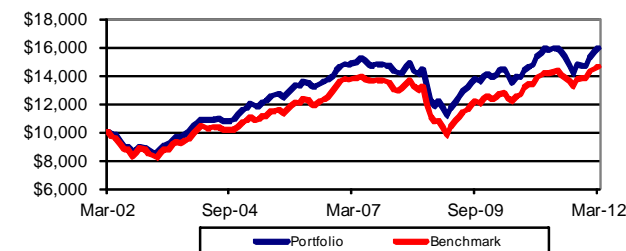
\*Portfolio Returns are for the A Class versions of the funds. Assumes monthly rebalancing

\*\*In May 11, we replaced the PH&N High Yield Bond with Manulife Strategic Income Fund

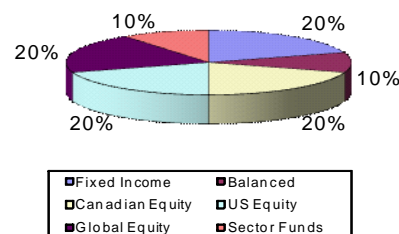
\*\*\*25% DEX Universe, 27.5% TSX, 20% S&P 500 C\$, 27.5% MSCI World C\$

Portfolio Characteristics (60 months ending Mar-12)		
	Monthly	Annualized
Average Return	0.11%	1.34%
Standard Deviation	2.97%	10.29%
Sharpe Ratio	-0.01	-0.03
Probability of Loss	49%	45%
Worst Drawdown	-26.93% (Jun 07 - Dec 10)	
Worst Return	-8.76%	-21.49%
Best Return	5.51%	26.22%
MER	2.34%	1.31%

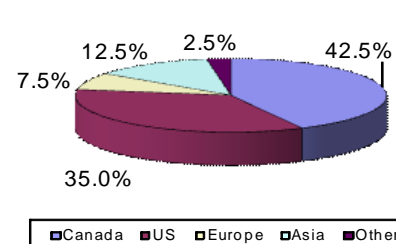
## Growth of Investment



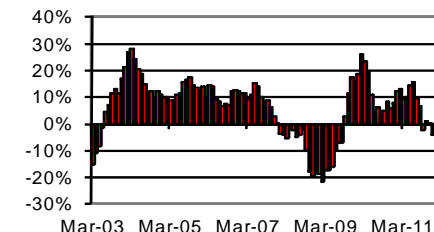
## Target Asset Mix



## Geographic Breakdown



## Rolling 12 Month Returns



This portfolio statement has been prepared with care and diligence, neither the advisor nor D.A. Paterson & Associates Inc accepts any liability for the content, calculation and final results of the information provided. The information contained in this communication is for general information purposes only and is based on the perspectives and opinions of the owners and writers. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please contact your advisor to discuss your particular circumstances. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is are the historical annual compounded total return[s] including changes in share or unit value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

## Growth Portfolio

### Investment Objective

This is an aggressive all equity portfolio that is designed to provide capital growth.

### Strategy

To meet the objective, the portfolio is fully invested in equity investments. In addition to the traditional core investments, the portfolio has a higher exposure to sector funds which provide for the potential of higher returns over has a small weighting in an actively managed balanced fund which will provide a small tactical play between fixed income and equities, while helping to dampen overall portfolio volatility.

### Analysis

- This is a portfolio well suited to aggressive investors with a high risk tolerance and are looking for capital growth over the long term.
- There is a risk of loss with this portfolio. Over the long term, an investor can expect a loss in 1 of every 2 months, and 1 out of every 3 years.
- Effective August 1, 2010 we switched in the Trimark US Small Companies in for the RBC US Mid Cap Equity Fund
- U.S. equities had their best quarter in more than a decade as concerns over the European debt crisis were put on the backburner and investors focused on encouraging economic news.
- Canadian equities were sold off as commodities lower on worries over a slowdown in China.
- Portfolio matched the performance of the benchmark as strong outperformance from Canadian and global equity holdings were offset by the weak performance of the portfolio's U.S. equity fund.

### Performance Details

Return data provided by Funddata and Paterson & Associates Fund database

Returns									
	Portfolio Weight	Risk Rank	Incept Date	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Since Incept
CI Sig. Cdn Balanced	10.0%	Medium	Jun 97	4.2%	-2.3%	10.7%	2.5%	6.2%	7.6%
CI Harbour	15.0%	Medium	Jun 97	7.6%	-5.3%	11.3%	1.5%	6.4%	7.3%
IA Clar Cdn Small Cap	7.5%	Medium	Mar 97	11.4%	2.7%	20.7%	2.5%	10.1%	9.5%
CI American Value	20.0%	Medium	Feb 77	9.5%	6.0%	9.9%	-1.8%	0.4%	8.2%
Trimark US Small Cos.	10.0%	Medium	Aug 12	8.9%	9.9%	28.7%	1.0%	N/A	7.0%
Cundill Value	20.0%	Medium	Oct 98	19.2%	-3.7%	12.3%	-2.0%	3.4%	7.1%
Ren. Global Healthcare	7.5%	Med/High	Dec 96	6.4%	10.6%	7.9%	-0.7%	1.1%	10.9%
Dynamic Gbl Real Estate	5.0%	Medium	Nov 96	6.9%	8.8%	19.9%	-0.5%	8.0%	7.0%
CI Sig Cdn Resource	5.0%	High	Apr 97	-0.9%	-18.1%	10.0%	2.6%	13.0%	10.0%
Portfolio Average*				9.8%	1.0%	12.7%	0.3%	4.5%	N/A
Benchmark**				7.5%	1.7%	13.9%	0.0%	3.0%	N/A

\*Portfolio Returns are for the A Class versions of the funds. Assumes monthly rebalancing

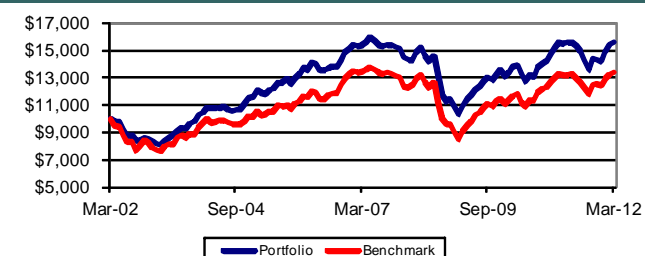
\*\*\*Effective August 1/10, Trimark US Small Companies replaced RBC US Mid Cap. Performance data reflects RBC Mid Cap prior to August 1.

\*\*\*5% DEX Universe, 35% TSX, 30% S&P 500 C\$, 30% MSCI World C\$

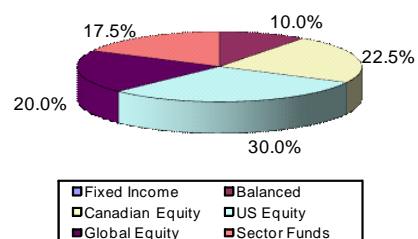
### Portfolio Characteristics (60 months ending Mar-12)

	Monthly	Annualized
Average Return	0.02%	0.26%
Standard Deviation	3.58%	12.40%
Sharpe Ratio	-0.03	-0.11
Probability of Loss	50%	49%
Worst Drawdown	-35.01% (Jun 07 - Present)	
Worst Return	-10.57%	-27.56%
Best Return	6.21%	29.48%
MER	2.56%	1.39%

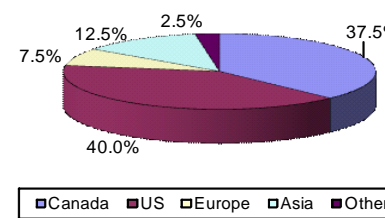
### Growth of Investment



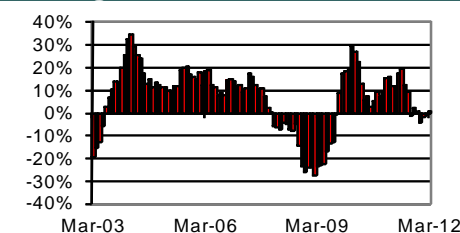
### Target Asset Mix



### Geographic Breakdown



### Rolling 12 Month Returns



This portfolio statement has been prepared with care and diligence, neither the advisor nor D.A. Paterson & Associates Inc accepts any liability for the content, calculation and final results of the information provided. The information contained in this communication is for general information purposes only and is based on the perspectives and opinions of the owners and writers. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please contact your advisor to discuss your particular circumstances. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is are the historical annual compounded total return[s] including changes in share or unit value and reinvestment of all dividends or distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.