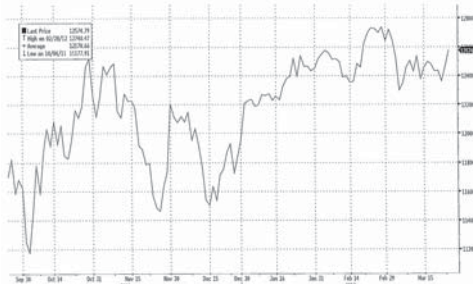




MONTHLY PERSPECTIVES April 2012

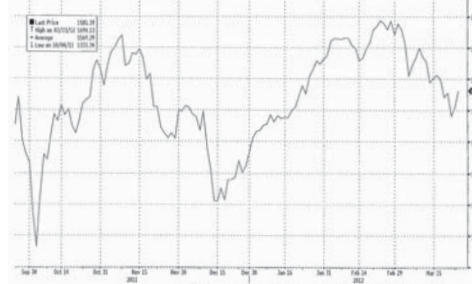
Data for charts as of trading close Mar 26, 2012

S&P / TSX



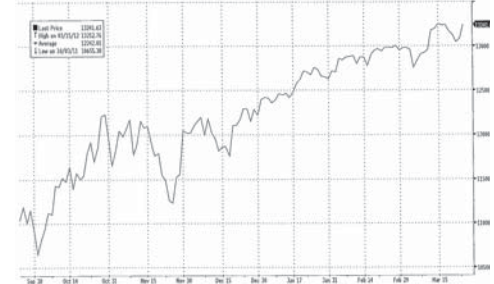
12,574.79 -1.23% month change

TSXV



1,581.39 -6.65% month change

DJIA



13,241.63 1.98% month change

Market Indices

Financials	Mar 26	30-day net change	Commodities	Mar 26	30-day net change	Markets	Mar 26	30-day % change
3 Month T-Bill	0.91	-0.02	Canadian \$ (US¢)	100.95	0.70¢	S&P 500	1,416.51	3.89
Long Bond CDN	2.72	0.08	Gold (US)	\$1,685.60	-\$99.30	FT-SE (U.K.)	5,902.70	-0.59
3 Month US T-Bill	0.08	0.00	Crude Oil (US)	\$107.03	-\$0.80	Nikkei (Tokyo)	10,018.24	4.40
Long Bond US	3.34	0.20	Silver (US)	\$32.73	-\$2.83	Hang Seng (H.Kong)	20,668.90	-3.33
Bank Rate	1.25	0.00	Copper (US)	\$3.89	\$0.08	Bolsa (Mexico)	38,863.10	2.20
Prime Rate	3.00	0.00	CRB Index	315.01	-8.39	DAX Index (Germany)	7,079.23	3.96
PI Cash Account	0.25	0.05	Lumber (US)	\$261.50	-\$5.10	CAC-40 (France)	3,501.98	1.59

Market Commentary

Risks are nevertheless substantial

Though the global economic and political news has been good of late, this is no time to set the cruise control. The risks are not small. First and foremost, we continue to expect the economy of the euro zone to weaken in the first half of 2012. The turn to fiscal austerity offers little hope of a strong rebound over the next couple of years. As a result the euro-zone earnings outlook remains lackluster.

Elections could become an important headwind for financial markets in the coming months if populist rhetoric brings new waves of volatility. Elections in France and Germany will provide a sounding board for challenges to the programs put in place to protect the euro zone. U.S. elections in November also hold their share of uncertainties for equity investors. Valuations could take a hit from an increase in taxation of dividends as proposed in some Washington circles. Also, energy price inflation is becoming less and less manageable as geopolitical risk drives up the price of crude.

There is a case to be made for reducing exposure to equities, especially U.S. equities. Most of the gains we expected from equity markets in 2012 are already in hand. The S&P 500 is now trading above our year-end fair-value target of 1350. Investors might be willing to pay larger multiples for equities, but the most we can see as reasonable is another 5% by year end. Extended readings of momentum also suggest that U.S. equity markets may be set for a pause.

The S&P/TSX composite has underperformed the major U.S. indexes since the beginning of the rally. As a result it is less extended and, unlike the S&P 500, has yet to reach our year-end target. If world growth matches our expectations and industrial commodity prices advance further, Canadian markets are likely to benefit.

Recent PI Research

- Geodrill Ltd.** (T-GEO) \$3.35
West Africa's Prime Drilling Company – Good as Gold (Mar 2)
Rating: Buy; Target: \$5.00; Risk: SPECULATIVE
- Trinidad Drilling Ltd.** (T-TDG) \$6.85
Q4 Slightly Light: Positive Thesis Remains Unchanged (Mar 9)
Rating: Buy; Target: \$10.75; Risk: ABOVE AVERAGE
- Strategic Oil & Gas Ltd.** (V-SOG) \$0.87
Steen River Continues to Impress! (Mar 13)
Rating: Buy; Target: \$1.80; Risk: SPECULATIVE
- Premium Brands Holdings Corp.** (T-PBH) \$17.96
Solid Finish to 2011 - Positive 2012 Growth & Margin Outlook (Mar 16)
Rating: Buy; Target: \$21.00; Risk: AVERAGE
- Alexco Resource Corp.** (T-AXR) \$7.39
Excellent Operational Progress but Target Tempered on Metal Pricing (Mar 16)
Rating: Buy; Target: \$9.25; Risk: SPECULATIVE
- Rocky Mountain Dealerships** (T-RME) \$12.05
Q4 Results Better than Expectations (Mar 21)
Rating: Buy; Target: \$14.00 ▲; Risk: ABOVE AVERAGE

Bonds / Money Market

Pricing as of Mar 26, 2012	CDN	US
30 day Bankers' Acceptance	1.07%	0.12%
60 day Bankers' Acceptance	1.08%	0.15%
90 day Bankers' Acceptance	1.09%	0.27%
2 year Fed. Gov't Bond	1.25%	0.35%
3 year Fed. Gov't Bond	1.39%	0.53%
5 year Fed. Gov't Bond	1.65%	1.08%
10 year Fed. Gov't Bond	2.19%	2.25%
30 year Fed. Gov't Bond	2.72%	3.34%

BoC will stay on hold for the next 12 months?

Economists have been arguing for quite some time that the most likely path for monetary policy was an unchanged BoC overnight rate in 2012. This view was not shared by market participants. Late last year and even as late as last month, the market was pricing in significant odds of Canadian rate cuts. Beginning in early February, however, 2-year bonds have been trading consistently above the overnight rate, suggesting that the market has finally come around to the idea that the Bank of Canada will stay on hold for the next 12 months.

New Issues

The following are the current new issues still available for purchase, please contact your Investment Advisor if you wish to purchase these new issues or for more information.

FNR Energy III LP

Price: \$10.00

Closing: TBD

Coxe Global Agribusiness Income Fund

Price: TBD

Closing: Apr 11

Morguard North American Residential REIT

Price: \$10.00

Closing: Apr 16

Bloom Select Income Fund

Price: \$10.00

Closing: Mid-April

Economic Commentary

Canada: Trade makes comeback

Trade linkages with the world's largest economy played in Canada's favour in the final quarter of last year as exporters reaped the benefits of a U.S. economy on the ascendency. That, however, didn't prevent a moderation in Q4 GDP – a cooling was always in the cards after a very strong third quarter. Data for early 2012 are sending mixed messages at this point, with consumer spending seeming to defy prolonged sluggishness in the labour market, very much as in the last quarter of 2011. Despite tepid employment reports, consumers have ramped up spending. Retail volumes in Q4 in fact grew at the highest quarterly pace of the year. Also supporting domestic demand somewhat in Q4 was business investment spending which seemed to stabilize after slumping in the third quarter. The fundamentals there are solid. Corporate cash positions and profits are healthy, and the strong currency cheapens equipment imports. Raising productivity is a necessity in an environment of parity exchange rates with the US dollar, and buying machinery and equipment is a good way of achieving that crucial objective.

Excerpt from NBF Fixed Income Monitor – Mar 2012

Excerpt from NBF, Monetary Policy Monitor – Mar 2012

NBF Action List

Security/Symbol	Mar 23	Target
Cogeco Cable Inc. (CCA)	\$52.70	\$57.50
MBAC Fertilizer Corp (MBC)	\$3.05	\$6.00
Miranda Technologies Inc. (MT)	\$12.75	\$16.00
Telus Corp. (T)	\$57.48	\$60.00
Tuscany International Drilling (TID)	\$0.82	\$1.75
Valeura Energy Inc. (VLE)	\$2.10	\$6.00

Latest NBF Research

Chinook Energy Inc. (T-CKE) \$1.43

2011 year end results (Mar 26)

Recommendation: Outperform; Target: \$2.75;

Risk: ABOVE AVERAGE

Corus Entertainment Inc. (T-CJR.B) \$24.05

Company Update (Mar 26)

Recommendation: Outperform; Target: \$26.00;

Risk: ABOVE AVERAGE

Lake Shore Gold Corp. (T-LSG) \$1.29

Q4 2011 Results Mixed (Mar 26)

Recommendation: Outperform;

Target: \$3.60; Risk: ABOVE AVERAGE

Twin Butte Energy Ltd. (T-TBE) \$2.52

2011 year-end results (Mar 26)

Recommendation: Outperform;

Target: \$3.25; Risk: ABOVE AVERAGE

Lydian International Ltd. (T-LYD) \$2.53

Company Update (Mar 26)

Recommendation: Outperform;

Target: \$4.20; Risk: SPECULATIVE

Medical Facilities Corporation (T-DR) \$12.68

Q4/2011 Earnings Review (Mar 23)

Recommendation: Sector Perform;

Target: \$12.00; Risk: ABOVE AVERAGE

Innergex Renewable Energy Inc. (T-INE) \$10.11

Outlook – downgrade on appreciation (Mar 23)

Recommendation: Sector Perform; Target:

\$10.50; Risk: AVERAGE

Miranda Technologies Inc. (T-MT) \$13.00

Initiating Coverage, Addition to Action List (Mar 23)

Recommendation: Outperform; Target: \$16.00;

Risk: SPECULATIVE

Colabor Group Inc. (T-GCL) \$8.26

Maintain Underperform (Mar 23)

Recommendation: Underperform; Target: \$7.50;

Risk: AVERAGE

Intrepid Mines Ltd. (T-IAU) \$0.87

Tujuh Bukit - Drilling Update (Mar 23)

Recommendation: Outperform; Target: \$1.45;

Risk: SPECULATIVE

Pricing as of Mar 23, 2012

Pricing as of Mar 26, 2012

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