



FUND PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
1999	-	-	-	-	13.92	-1.82	3.35	-3.68	4.79	-1.08	-10.52	0.74	4.04
2000	-1.32	-5.23	0.53	24.00	10.99	-1.42	2.67	2.97	-0.36	2.97	1.20	-2.93	35.91
2001	15.58	7.39	6.14	-0.60	8.60	-2.53	11.30	10.80	3.01	4.76	-10.16	-1.59	63.12
2002	8.03	4.04	-3.26	5.52	1.77	2.21	1.38	-2.22	1.10	-2.90	1.04	2.09	19.80
2003	0.53	-3.90	-0.28	-3.32	-0.73	0.37	3.93	0.43	-1.12	1.80	1.80	4.50	3.72
2004	-0.87	1.33	0.51	-0.48	1.78	-0.85	0.89	-2.14	-0.40	-1.10	-2.97	-8.83	-12.77
2005	0.55	1.01	0.09	0.03	-5.31	0.05	-1.47	0.80	0.11	-3.62	-0.26	2.90	-5.25
2006	0.24	1.29	3.07	0.60	0.37	-2.43	2.61	-0.13	-1.47	2.67	3.30	0.04	10.45
2007	1.93	5.96	3.71	0.51	-1.58	4.83	5.28	3.11	0.01	1.61	6.02	0.65	36.73
2008	1.14	-0.14	3.81	-4.97	-1.61	3.70	4.72	1.15	7.33	3.32	1.06	0.78	21.62
2009	-0.03	-3.69	1.55	1.20	2.37	-0.62	-0.89	-0.01	1.13	1.08	0.30	-0.03	2.25
2010	0.40	-0.14	-1.22	-0.54	0.50	2.87	-4.28	1.58	-4.34	-0.86	-1.94	0.72	-7.25
2011	-0.02	-0.03	-2.24	-1.55	-1.56	-0.10	-0.81	-4.39	-1.80	0.37	-1.96	-0.76	-13.97
2012	-0.95	-	-	-	-	-	-	-	-	-	-	-	-0.95

Returns prior to March 2011 are for Preservation Trust B Class, a pre-existing class (these returns reflect a 10% hurdle rate).

FUND COMMENTARY

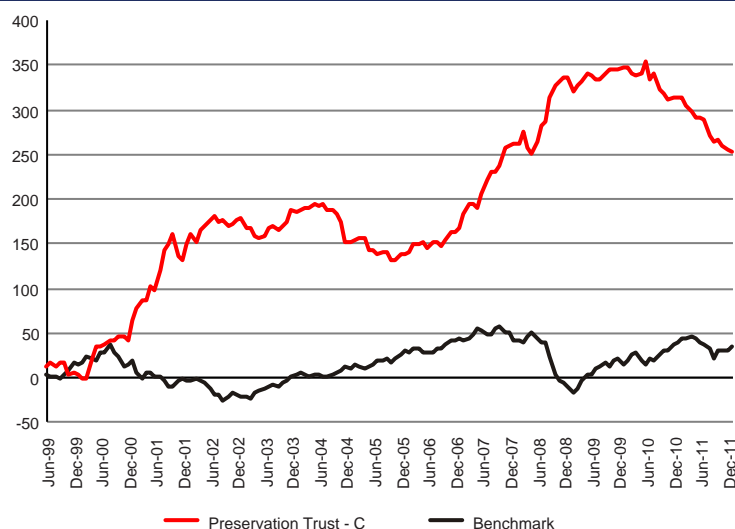
North American equity markets generated strong results in January to kick off the calendar year. In Canada, the S&P/TSX Composite Index increased by 4.16%; meanwhile in the US, the S&P 500 was up 4.36%, the NASDAQ increased 8.01%, and the DJIA finished 3.40% higher for the month. The Preservation Trust reduced its exposure during January resulting in a net market exposure of +46% (beta adjusted net exposure = +35%) at month end and experienced a loss of 0.95% on the month. The Canadian and US long books were up during the month, however, the Canadian and US short books generated losses. At the end of January, the fund was net long in Canada (+41%) and net long in the US (+5%). Overall, approximately 54% of the fund was invested in Canada and 46% in the US. Gross exposure stood at approximately 128%.

January saw strong performance across equity markets as investors became more optimistic with respect to a resolution of European fiscal issues. We remain concerned that a combination of fiscal austerity and limited monetary flexibility will lead to deteriorating economic conditions in the Euro zone over the coming months. In contrast, recent economic data and earnings results have provided additional support to the view that the U.S. economic recovery is underway. We continue to focus on domestic U.S. businesses, while we remain more cautious with respect to those companies with significant exposure to Europe or emerging markets. We are increasingly finding interesting opportunities in large North American corporations. Many businesses are trading at extremely low valuation multiples despite strong fundamental performance, solid balance sheets, and attractive dividend yields. We have added long positions in the U.S. automotive and U.S. housing sectors in recent months and continue to find attractive opportunities in the technology space. Nevertheless, due to ongoing global uncertainty we remain relatively defensively positioned with significant hedges in the form of cash, short positions and a modest weighting in gold and gold equities. Since its inception, Preservation Trust has shown a negative correlation (-0.27) to its benchmark, equal weightings of the S&P 500 and S&P/TSX Composite Index. The Preservation Trust has demonstrated an ability to outperform in tougher market environments since its inception in May 1999 and has generated annualized returns of 10.4% while its benchmark has gained 2.4% annualized over the same period.

FUND STRATEGY

The Preservation Trust seeks absolute return on capital through a classic long-short hedged style. The Fund invests approximately half of its assets in Canadian equities and stresses hands-on fundamental research. The managers seek to execute a focused investment strategy (different themes or sectors on a rotating basis) while maintaining diversification in the number of positions held (40-60 at once). All investments are made in publicly-traded securities (mainly equities). Security selection is the primary focus as the managers attempt to buy high quality companies trading at significant discounts to their intrinsic values and short businesses with: weak fundamentals, poor or overly promotional management, and aggressive accounting. The managers perform significant internal due diligence on all investment ideas.

RELATIVE PERFORMANCE (SINCE INCEPTION)

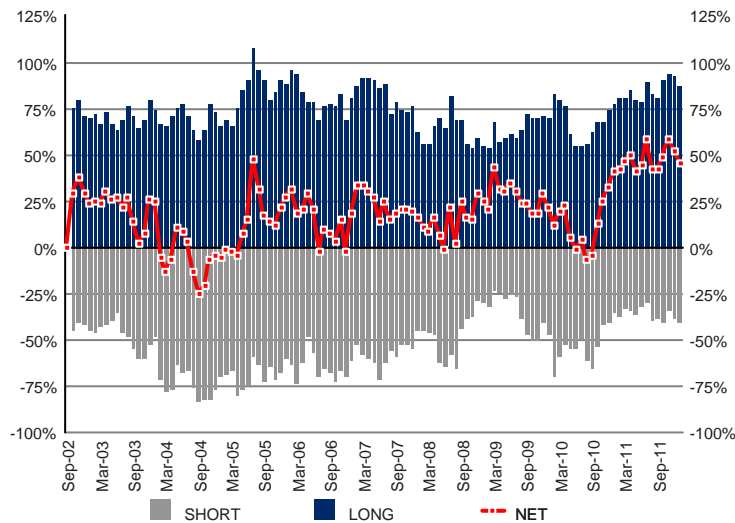


RETURN ANALYSIS

	Preservation Trust - C	Benchmark
Avg. Monthly Return (since incep.)	0.91%	0.29%
Months with Positive 1-year Return	69.72%	61.97%
Months with Negative 1-year Return	30.28%	38.03%
Annualized Returns		
Since Inception	10.36%	2.35%
1 Year	-14.77%	-3.06%
3 Year	-6.85%	14.83%
5 Year	5.68%	-1.21%
10 Year	3.50%	3.36%
Best Month	24.00%	8.81%
Worst Month	-10.52%	-16.88%
Best 12 Month Return	90.46%	46.79%
Worst 12 Month Return	-19.06%	-42.35%
Advancing Months	57.52%	54.90%
Declining Months	42.48%	45.10%

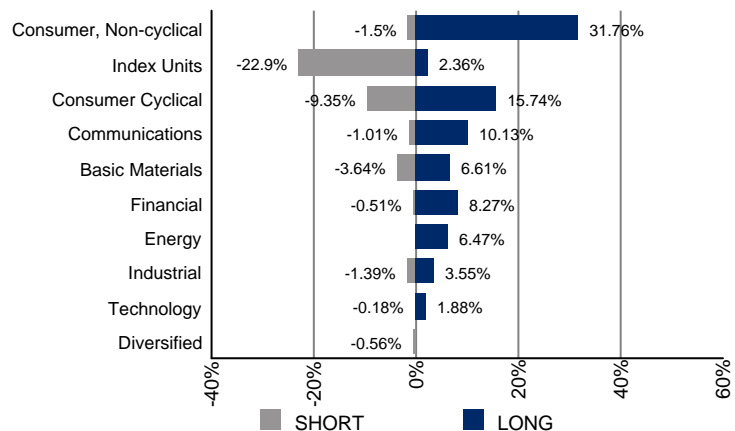
MARKET EXPOSURE

The Preservation Trust maintains a variable bias and its beta-adjusted net exposure is generally lower than its dollar-weighted net exposure.



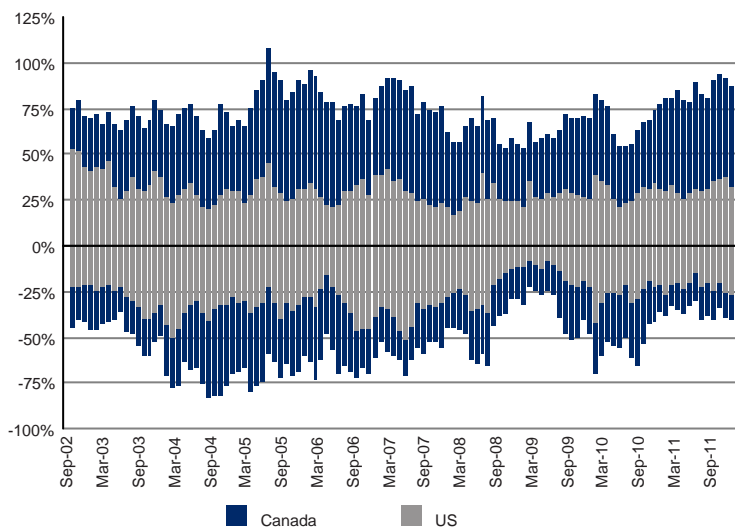
SECTOR EXPOSURE

The Preservation Trust does not make highly concentrated, large or directional bets – and opts instead for diversification across a wide variety of sectors.



GEOGRAPHIC EXPOSURE

The Fund focuses on opportunities in both Canada and the United States.



RISK MANAGEMENT

	Preservation Trust - C	Benchmark
Annualized Standard Deviation		
Since Inception	14.43%	15.12%
Last 12 Months	4.40%	14.42%
Kurtosis		
	7.34	1.09
Skewness		
	1.59	-0.72
Up Months		
Average Monthly Return	3.13%	3.39%
Standard Deviation	3.86%	2.16%
Down Months		
Average Monthly Return	-2.10%	-3.48%
Standard Deviation	2.23%	3.26%
Sharpe Ratio (4%)		
Since Inception	0.44	-0.11
Last 12 Months	-4.27	-0.49
Largest Peak to Valley Drawdown	-22.39%	-48.48%

MARKET EXPOSURE

Correlation to Benchmark	-0.26
Net Exposure (dollar-weighted)	
Last Month	45.73%
Last 12 Months Average	47.76%
Alpha (excess over: benchmark x L12M beta)	
Last Month	-1.57%
Last 12 Months	-14.96%
Beta (vs Benchmark)	
Since Inception	-0.25
Last 12 Months	0.15

MANAGER

Founded April 1999, The Preservation Trust is managed by JCClark Ltd., a Toronto based 12-person hedge fund management firm. JCClark Ltd. was founded by John Clark, former chairman of the Toronto Stock Exchange, co-founder of Connor Clark & Co., a leading wealth management firm and co-founder of Connor, Clark & Lunn a large pension fund manager.

Portfolio Manager Colin Stewart worked directly with John Clark as a key member of the investment team since the inception of the Fund in 1999 and now acts as the CEO of the firm. Colin has 11 years of experience managing long/short strategies and is directly responsible for the day to day management of the Preservation Trust. Colin is supported by an investment team, trader, in-house compliance officer, operations staff and business development personnel.

TERMS

Fund AUM:	C\$80m
Subscriptions/Redemptions:	Monthly, 7 days from month end.
Subscription Amounts:	Initial: \$25,000 Subsequent: \$5,000
Management Fee:	Class C: 2.25% Class F: 1.00%
Performance Fee:	20%
Trailer Fee	Class C: 1.25% Class F: 0%
FundSERV Codes	Class C: JCC100C Class F: JCC100F
High Water Mark:	Yes (perpetual)
Auditor:	Deloitte & Touche
Prime Broker:	National Bank Financial
Legal Advisor:	Norton Rose LLP
Administrator:	Commonwealth Fund Services

