Investment

Review & Update

APR 2008

You Can Run, but You Cannot Hide!

The global markets continue to provide investors with challenges in 2008. What is clearly evident even to those who are not tempted to listen the daily market information, markets are down across the board with no part of the globe free from the impact of sub-prime and resulting global credit crisis. The generally defensive positions that we have held for our clients show ***declines on a year to date basis of between 0.5% on conservative portfolios and 4.25% on the most aggressive***. This compares with other globally diversified investment wrap programs that are down over 3% to 7% in the same period. While we are not excited by negative returns we are confident that none of the declines experienced so far will impact the planning goals and quality of life decisions of our clients and are satisfied that we are appropriately managing the downside risk exposure.

Country Performance Market	YTD	1 Yr	3 Yr	5 Yr	10 Yr
UNITED KINGDOM	**-11.390%**	-10.060%	4.580%	8.810%	-0.370%
EUROPE	**-14.160%**	-13.310%	6.430%	11.630%	1.060%
EMU	**-15.980%**	-13.780%	7.240%	12.960%	1.520%
AUSTRALIA	**-15.530%**	-9.950%	9.420%	13.080%	6.850%
HONG KONG	**-20.010%**	9.840%	14.930%	19.320%	5.500%
JAPAN	**-17.640%**	-28.950%	2.700%	8.960%	-0.390%
NEW ZEALAND	**-18.880%**	-22.140%	-5.290%	4.100%	-1.750%
CANADA	**-2.650%**	2.810%	13.420%	16.540%	7.160%
USA	**-9.600%**	-6.930%	4.540%	9.040%	1.840%
FAR EAST	**-17.560%**	-25.380%	4.210%	10.150%	0.160%
THE WORLD INDEX	**-12.050%**	-11.210%	5.380%	10.210%	1.570%

Source: MSCIBARRA Standard Indexes expressed in local currency as at 27 March, 2008.
(see www.mscibarra.com for definitions: under Index Announcements >> Index FAQ)

So begs the question, "what do we do now?" We remain convinced that the financial crisis is not yet over. Declining interest rates by the US Federal Reserve and potential bailout of Bears Sterns put pressure in short term investment rates to the point that the yield curve now points to the acquisition of longer term fixed income bond funds, and reducing the cash holdings as the yields thereon are now pitiful. If long term rates drop, then there will be opportunities for capital appreciation. We will be communicating with clients individually in this regard within the next few weeks.

The flood of money supply into the market will continue to have

STERLING MUTUALS INC. Independent Financial Network
Investaflex Financial Group

308-938 Howe Street Vancouver, BC V6Z 1N9 | T: 604.331.2520 | F: 604.331.2540 | www.investaflex.com | info@investaflex.com

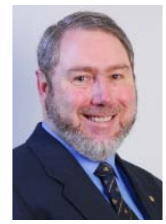
an inflationary impact and Gold and Precious Metals will continue to provide protection, although we will expect volatility in this regard. We therefore recommend that clients hold these positions for the time being. Resources have been the backbone of the Canadian market and will continue to play a role even though perhaps more modest in the continued growth in Asia. We will therefore continue to hold Canadian Funds which focus on resources and energy.

We also expect the emerging markets to bounce back earlier than the major markets once the financial markets start to settle and there may well be buying opportunities opening up in this area in the second quarter of 2008. We will keep you posted as our research develops.

In the interim if you have any questions please speak to Victor Malcolm or Violet.

Best Regards,

Victor Whang
604.331.2524



Malcolm Ross
604.331.2521

Violet Smith
604.331.4465

308-938 Howe Street Vancouver, BC V6Z 1N9 | T: 604.331.2520 | F: 604.331.2540 | www.investaflex.com | info@investaflex.com