

HARVEST Banks & Buildings Income Fund

March 31, 2010

TSX symbol: HBB.UN
HBB.WT

Investment Objectives

The investment objectives are to provide Unitholders with monthly distributions and maximize total return by investing in an actively managed portfolio comprised primarily of Banking Issuers, Other Financial Issuers and Real Estate Issuers.

Fund Facts

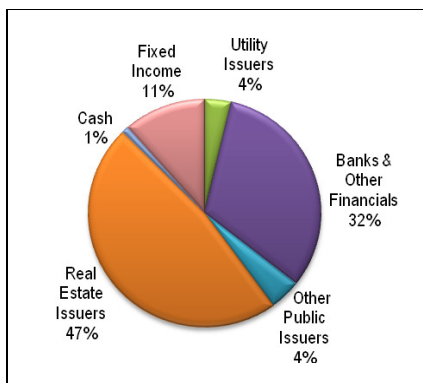
Sub Advisor	Avenue Investment Management
Assets	\$27 million
Market Price	\$11.75
Net Asset Value	\$12.52
Current Yield	7.15%

Top 25 Holdings

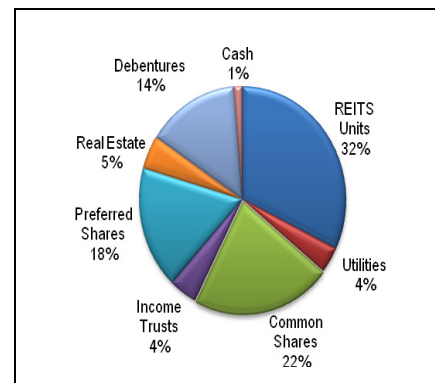
Manulife Financial	4.45%	Dec. 14/26	6.22%
First Capital Realty Inc.			5.95%
Artis Real Estate Investment Trust			5.68%
Great West Lifeco.	7.13%	June 16/18	5.17%
Crombie Real Estate Investment Trust			5.00%
Killam Properties Inc.			4.77%
Northern Property Real Estate			3.19%
Manulife Financial Corporation			3.16%
Dundee Corporation Series 1 Preferred			3.13%
Dundee Wealth Management			3.09%
Plaza Corp 7.50% 2015			3.09%
Chartwell Seniors Housing Real Estate			3.04%
Whiterock Real Estate Investment			3.03%
Extencicare Real Estate Investment			2.91%
Innvest Real Estate Investment			2.84%
E L Financial Series 2 Preferred			2.77%
E L Financial Series 1 Preferred			2.65%
Canadian Imperial Bank of Commerce			2.52%
Fort Chicago Energy Class A			2.48%
Bank of Montreal			2.47%
Borex Power Income Fund			2.18%
Keyera Facilities Income Fund			1.90%
Great West Lifeco. Inc.			1.80%
Calloway Real Estate Investment			1.64%
Total			83.64%

www.harvestportfolios.com

Sector Allocation Mix (%)



Investment Allocation Mix (%)



Distributions (per trust unit)

Since Inception¹

\$0.35

Mutual Fund Conversion

Date

October 18, 2011

Warrant Exercise Option

Date

April 15, 2011

Commentary:

¹October 23, 2009

During the first quarter of 2010, we continued to see further stabilization in the global economy. After a “shaky” January, the stock market and credit markets recovered and rallied into the end of the quarter.

Investors are still trying to “grab yield” due to low GIC rates and government yields. REITS and Financials had excellent returns in the quarter giving a 7% and 3% return respectively.

The Canadian economy has been the strongest and most resilient of the developed nations. Canada’s relatively benign debt profile and newly designated “safe Haven” status has propelled foreigners to purchase large amounts of Canadian bonds and stocks, reaching levels not seen since the mid ‘90’s. The strong Canadian dollar is a notable side effect of this global positioning keeping mid to long term interest rate stable. The overall result is an increase in both locally and globally generated demand for Canadian bank and real estate stocks.

We continue to believe that the financial and real estate sectors have balance sheets that are notably healthy. Strong capital ratios with the ability to raise capital continued in Q1. In our view, the possibility for dividend increases in the banking sector could occur as early as the fall of this year.

The fund will continue to stay invested and look for opportunities in the banking, insurance and real estate sectors.

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Disclaimer – Certain statements included above constitute forward-looking statements (“FLS”), including, but not limited to, those identified by the expressions “believe”, “will” and similar expressions. The FLS are not historical facts but reflect the manager’s current expectations regarding future results or events including, but not limited to, the development of the Canadian economy. These FLS are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Although the manager believes that the assumptions inherent in the FLS are reasonable, FLS are not guarantees of future performance. Readers are cautioned not to place undue reliance on such statements. For a complete disclosure record of the Fund, please visit the Fund’s profile at www.sedar.com. The manager undertakes no obligation to update publicly or otherwise revise any FLS or information except as required by law.

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PORTFOLIOS GROUP