



## Process

We screen a database of over 3,000 stocks and trust units. Those securities with adequate liquidity are tested and ranked according to their earnings characteristics. Specifically, we look for the rate of change in reported earnings and reported earnings in relation to expected earnings. The securities are further screened for strong fundamentals and attractive technical indicators. The securities that best pass these tests are selected as long positions for the Fund. Those companies that screen the worst are selected as short positions for the Fund. Each position in the portfolio, long or short, is monitored on a continuous basis. Should any security no longer meet our investment criteria, the position is sold or covered accordingly.

## Commentary

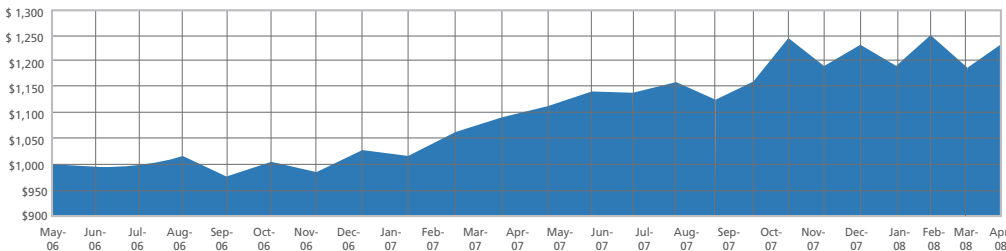
Once again, the month proved very volatile as the Fund rocketed up in the first half of the month only to correct in the latter half. Much of this volatility stems from the scarcity of stocks with positive earnings momentum. With a weak domestic economy, commodity companies that are benefiting from strong global demand are delivering the best results.

The Fund remains long agriculture, energy, steel, coal, iron ore, solar, and selective technology names. After a spectacular rise in these names, many corrected 10% to 30% as fears of an end to the commodity boom materialized. These fears are a normal and regular occurrence despite overwhelming statistical and fundamental evidence to the contrary.

Although the US looks to be in a recession, oil prices continue to rise. Over the next 5 years, demand for crude oil by non-OECD countries is expected to increase from 34 million bbl/d to 40 million bbl/d, while demand by OECD countries is expected to decline from 43.8 million bbl/d to 39 million bbl/d. The point is clear. A slow down in the US economy has a small effect on total demand for oil and little effect on oil prices. Americans might trade-in their Range Rovers for hybrids, but any resulting decline in oil demand will be replaced by even more new TATA drivers in India.

The fund is short forest products, grocery stores, retailers, airlines, and auto parts names.

## Growth of \$1000



## Monthly Performance (%)

|      | Jan   | Feb  | Mar   | Apr  | May  | Jun   | Jul  | Aug   | Sep   | Oct  | Nov   | Dec  | YTD   |
|------|-------|------|-------|------|------|-------|------|-------|-------|------|-------|------|-------|
| 2008 | -4.75 | 6.31 | -5.70 | 4.18 |      |       |      |       |       |      |       |      | -0.53 |
| 2007 | -0.53 | 4.71 | 2.91  | 1.36 | 3.33 | -0.72 | 2.36 | -2.71 | 2.69  | 7.71 | -4.43 | 3.80 | 21.77 |
| 2006 |       |      |       |      |      | -0.77 | 0.13 | 1.02  | -3.44 | 2.68 | -1.67 | 3.75 | 1.52  |

## Performance Statistics

### Total Returns (%)

|                    |       |
|--------------------|-------|
| 1 month            | 4.18  |
| 3 months           | 4.42  |
| 6 months           | -1.33 |
| YTD                | -0.53 |
| 12 months          | 11.49 |
| Inception ('06/06) | 22.98 |

## Fund Positions (as of April 30, 2008)

### Top 5 Long Positions

- 1 BCE
- 2 Lindsay
- 3 Potash
- 4 Mosaic
- 5 Fording Canadian Coal

### Top 5 Short Positions

- 1 RONA
- 2 Quebecor
- 3 Sino Forest
- 4 ATS Automation
- 5 Magna International

| Sectors      | Long (%)     | Short (%)   | Net (%)     |
|--------------|--------------|-------------|-------------|
| Energy       | 33.1         | 7.6         | 25.5        |
| Materials    | 61.2         | 8.7         | 52.5        |
| Industrials  | 9.1          | 5.9         | 3.2         |
| Consumer     | 3.2          | 13.3        | -10.1       |
| Health Care  | 2.2          | 2.4         | -0.2        |
| Financials   | 0.0          | 10.8        | -10.8       |
| Technology   | 7.7          | 1.1         | 6.6         |
| Telecom      | 21.6         | 2.4         | 19.2        |
| Utilities    | 0.0          | 0.0         | 0.0         |
| <b>Total</b> | <b>138.1</b> | <b>52.2</b> | <b>85.9</b> |

**Disclaimer:** Commissions, trailing commissions, management fees and expenses all may be associated with the Fund. The investment may not be suitable for all investors. Some conditions apply. Investors should carefully review the Fund's Offering Memorandum, including the risk factors detailed therein under the heading "Risk Factors", prior to investing in the Fund. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. There can be no assurance that the Fund objectives will be met. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The opinions expressed in the commentary are those of the author and do not necessarily reflect the views and opinions of the Manager or any distributor of the Manager Funds. The views expressed are of a general nature should not be interpreted as investment advice to you in any way. Please consult a qualified financial advisor before making an investment decision. The portfolio manager/advisor/sub-advisor has a direct interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.