



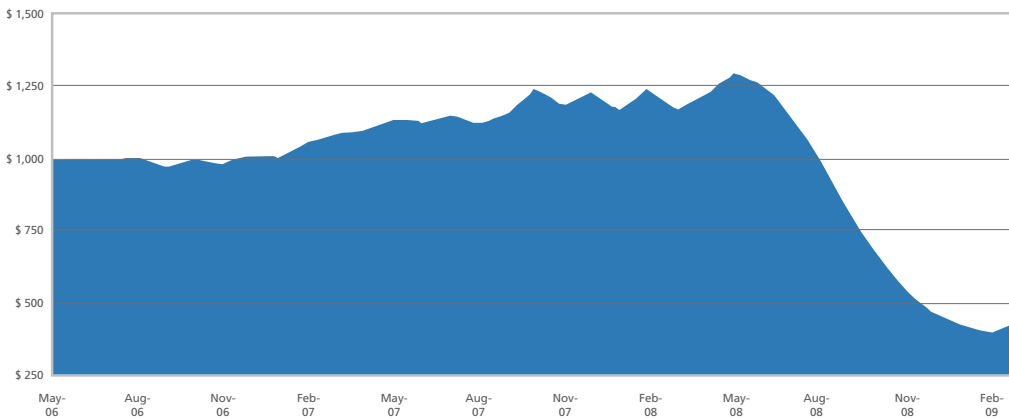
Process

We screen a database of over 3,000 securities. Those 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

After a continuous free-fall in world markets since September of 2008, we finally had a meaningful rally in March. The speed and magnitude of the decline, without any measurable relief rally, made this bear market unique. We were long overdue for a rally of significant scale. Even if markets are headed to zero there are usually bear market rallies of 30% or more. Prices never fall in a straight line. CONTINUED

Growth of \$1000 – A Class



Monthly Performance (%) – A Class

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009	-8.90	-5.40	8.26										-6.65
2008	-4.83	6.25	-5.80	4.13	6.41	-2.84	-8.70	-12.62	-18.09	-18.12	-18.23	-15.23	-61.97
2007	-0.62	4.88	2.88	1.28	3.36	-0.75	2.27	-2.61	2.59	7.63	-4.52	3.70	21.31
2006						-0.40	-0.05	0.95	-3.52	2.59	-1.75	3.41	1.06

Performance Statistics

Total Returns (%)	A Class	F Class
1 Month	8.26%	8.16%
3 Months	-6.65%	-5.66%
6 Months	-47.02%	-45.81%
YTD	-6.65%	-5.66%
12 Months	-62.73%	-61.60%
2 Years Annualized	-36.62%	-35.46%
Inception Annualized	-25.44%	-24.37%

Top 5 Fund Positions (March, 2009)

Long

- 1 Manulife Financial
- 2 HBP Financials Bull + ETF
- 3 Hartford Financial
- 4 Barrick Gold
- 5 State Street

Short

- 1 Barrick Gold April \$25 US put options
- 2 N/A
- 3 N/A
- 4 N/A
- 5 N/A

Sectors	Long (%)	Short (%)	Net (%)
Energy	15.9%	0.0%	15.9%
Material	30.7%	0.1%	30.6%
Industrial	3.7%	0.0%	3.7%
Consumer	1.8%	0.0%	1.8%
Health	2.8%	0.0%	2.8%
Financial	80.4%	0.0%	80.4%
Tech	3.3%	0.0%	3.3%
Telecom	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Total	138.5%	0.1%	138.4%

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 annualized compounded total returns (periods less than 1 year are un-annualized simple 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. Interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.



Financial stocks enjoyed a good portion of the rally after having seen many blue-chip financials trade well below even distressed book values to very over-sold levels. Investors have been pricing many of these stocks as dead. Book values were so decimated because of asset write-downs required under FASB mark-to-market rules. This accounting rule required companies to value their assets at current, distressed market prices, which required massive write-offs. The mark to market rule destroyed book values of financial companies while cash flows were largely unaffected.

Before the mark to market rule, if a company was going to hold a security to maturity they could hold it at book value. The mark to market rule required securities to be held at market value in all cases. Banks and insurance companies were forced to write down (and in many cases write off) billions in assets despite their plans to hold those securities to maturity. On April 1, FASB officially eased mark to market rules in the US, making it easier for financials to limit their losses. Similar changes have yet to be approved in Canada.

In anticipation of this change and based on improved fundamentals, we purchased financial stocks at the beginning of March. We continue to hold these stocks as they remain cheap despite dire credit conditions. As this rally runs out of steam we will reduce these positions. Some of the positions we hold include:

Hartford Insurance: A property and casualty insurer in the US that generally trades over 1x book value. Hartford wrote down all of its assets using very conservative economic assumptions which reduced its book value by 50% to \$32. The stock traded as low as \$5 or 16% of book value making Hartford a very attractive buy.

Canadian Banks: The Canadian banks have side-stepped the destructive credit bombs that are CDO's and CDS's. Loan losses are rising, but capital ratios are adequate at over 10%. Last quarter the banks had excellent results relative to all other global money-center banks. Canadian banks usually trade at over 2x book value and at dividend yields that are below the Canadian 10-year bond. We purchased them at 1x book value and yields of 300 to 600 bps above the 10-year bond.

Goldman Sachs: Reputed to be the best-managed investment bank, Goldman has traded at an average of 2 to 3x book value since going public. The CEO has repeatedly stated that their assets have all been marked to market, are liquid and mostly hedged. Before the recent rally the stock was trading at 60% of book value. As an executive at Goldman has said; "We worked our whole career to make partner and be allowed to buy the stock at book value. You can now buy it in the open market at 60% of book value."

Though the economy and earnings can be expected to remain weak, another significant positive catalyst for the market might be the reinstatement of the up-tick rule for shorting. It's not likely a coincidence that the up-tick rule was overturned in July of 2008 and markets have had excessive volatility and declines since then.