



**The McElvaine Investment Trust**  
and  
**The McElvaine Limited Partnership**

**Annual Report**  
**2006**

*The McElvaine Investment Trust (“the Trust”)*

*The McElvaine Investment Trust is a RRSP eligible fund. The Trust was formed on September 27, 1996 with the following philosophy:*

- 1. Highly satisfactory longer-term performance can be achieved by focusing on companies selling below net asset value.*
- 2. Given the size of the Canadian market, a small investment fund has a significant competitive advantage.*
- 3. The purpose of an investment vehicle is to make money not to own stocks. This is an important distinction because it means the Trust will only invest when presented with an attractive situation.*
- 4. As there are few good ideas, there are times when concentration may be helpful.*
- 5. An incentive fee structure rewards performance not asset growth.*

*The McElvaine Limited Partnership (“the LP”)*

*Originally I thought The LP’s focus would be global. Instead I have concluded it ought to be opportunistic; whether that means a Canadian security, a Japanese security or a private investment depends on the price and the situation. It is a far more flexible fund than the Trust both in terms of where and what it might invest in.*

*The LP was originally established in 1991 as Cundill Capital Limited Partnership. In the summer of 2000, the Partners of the LP approved a resolution transferring the investment counsel agreement to McElvaine Investment Management Ltd. Peter Cundill remains a substantial partner in the LP.*

## Performance Summaries as of 31Dec06

### The McElvaine Investment Trust<sup>8</sup>

Year to	S&P/TSX Composite Index <sup>1</sup>	Trust Pre-fee Return <sup>3</sup>	Trust Net Return <sup>4</sup>	Avg Canadian Fund Return <sup>5</sup>	T-bill Rate <sup>6</sup>	Avg Cash Balance <sup>7</sup>
Dec06	17.3%	15.1%	11.9%	14.6%	4.0%	11%
Dec05	24.1%	22.9%	17.2%	16.6%	2.7%	13%
Dec04	14.5%	11.3%	8.6%	12.1%	2.2%	23%
Dec03	26.7%	36.5%	28.2%	20.6%	2.9%	14%
Dec02	-12.4%	5.4%	5.0%	-12.0%	2.6%	5%
Dec01	-12.6%	37.2%	28.0%	-4.2%	3.8%	2%
Dec00	7.4%	24.6%	19.2%	12.0%	5.5%	9%
Dec99	31.6%	38.8%	29.5%	20.7%	4.7%	26%
Dec98	-1.6%	21.3%	16.6%	-2.1%	4.7%	27%
Dec97	15.0%	16.8%	12.8%	14.0%	3.2%	59%
10 Year compound	10.0%	22.5%	17.4%	8.8%		
\$100 invested Jan97 is now	\$259		\$498	\$230		

### The McElvaine Limited Partnership<sup>9</sup>

Year to	Morgan Stanley World Index <sup>2</sup>	LP Pre-fee Return <sup>3</sup>	LP Net Return <sup>4</sup>	Median Global Fund Return <sup>5</sup>	Deposit Rate <sup>6</sup>	Avg Cash Balance <sup>7</sup>
Dec06	20.6%	7.9%	6.3%	16.5%	2.1%	17%
Dec05	6.6%	17.0%	13.3%	7.2%	1.1%	24%
Dec04	7.3%	16.8%	13.2%	6.0%	1.1%	26%
Dec03	9.4%	33.3%	27.0%	12.8%	1.1%	11%
Dec02	-20.2%	-1.2%	-1.6%	-20.1%	0.9%	2%
Dec01	-11.5%	17.4%	13.9%	-12.4%	2.6%	-4%
July to Dec00	-10.9%	15.1%	13.6%	-8.8%	3.2%	8%
\$100 invested Jul00 is now	\$95		\$221	\$95		

#### Notes:

- As the Trust invests primarily in Canadian securities, we have compared its performance to that of the S&P/TSX Composite Total Return Index (formerly the TSX 300 Total Return Index). This index tracks changes in the share price of 300 of the largest companies (by market capitalization) listed on the Toronto Stock Exchange (and includes the return from reinvested dividends). These companies represent a broad range of industries.
- The investment objective of the Partnership does not restrict the countries in which it may invest. Accordingly, we have compared its performance to the Morgan Stanley Capital International World Index. This index is designed to measure the performance of equity markets in countries that are considered to have "developed" equity markets. **You should understand that the Partnership's portfolio may differ substantially from the investments reflected in this index.**
- "Pre-fee Return" is the increase in the asset value during the period after the deduction of all expenses, other than the management fee and performance incentive fee, and applicable GST, and for the Trust includes distributions reinvested in additional units. The Pre-fee Return gives you the best indication of how the funds' investments have performed. However, the "Net Return" is a better indicator of the returns actually earned by investors.
- "Net Return" is the increase in the net asset value of the Trust or the LP during the period and for the Trust includes distributions reinvested in additional units.
- We have compared the Trust's performance to the average return of Canadian equity funds, and have compared the LP's performance to the average return of Global equity funds, as published on the globefund.com website operated by The Globe and Mail and CTVglobemedia. Copyright 2007 CTVglobemedia Publishing Inc., its affiliates and/or licensors.
- "T-bill Rate" is the average of the monthly 90-day treasury bill rates during the year. "Deposit Rate" refers to the average 30-day deposit rate paid by a Canadian Bank. We have included these rates because they are used to determine whether the Portfolio Adviser receives a performance incentive fee.
- "Average Cash Balance" is the average of the month-end cash and short-term bond balances. For example, the 1997 pre-fee return for the Trust of 16.8% was earned while the portfolio was on average only 41% invested.
- The performance table for the Trust excludes the 3 months from 27Sept96 to 31Dec96 (startup period). During this period, the Trust returned 3.1%.
- The predecessor to the LP, Peter Cundill LP, was formed in 1979 and had a 21-year compound rate of return of 13.5%.
- It is important that you understand that performance is yesterday's news and you should be careful about using it as a guide to tomorrow. The figures above are unaudited and in many circumstances, simply our estimates.**

### *My Commitment to Reporting*

*In the pages that follow I have tried to present the material I believe is important for you to assess the job I did. In other words, I have tried to put myself in your shoes and thought about what I would need to see to understand the performance of my investment. I hope I have done this in a fashion that neither trumpets my successes nor hides my warts.*

*You will find this report includes:*

- 1. A general discussion of the issues affecting the funds.*
- 2. A specific discussion of each fund including:*
  - i. a review of pre-fee returns to show you how the portfolio performed.*
  - ii. a reconciliation of pre-fee returns to your return to allow you to understand the expenses you paid and thus how the fund return became your return.*
- 3. The Statement of Net Assets and Schedule of Investments for both the Trust and the LP.*

*This report will not include a detailed discussion of our holdings. I have no intention of trying to sell you on each holding of ours. While the enclosed Schedules of Investments list the majority of our holdings, I believe a discussion of each not only has the potential to make me look quite foolish but also would not be in our best interests as partners. I do assume on these matters you trust my judgment and will hold me accountable each year for the collective performance of these individual decisions.*

*Finally, I work for you. If you believe there are items or issues I have not discussed but you would like to see covered, please let me know.*

This first appeared in our Sept05 “We are here” report. Given events of the last couple of months, I decided to dust it off, update it and “run it again”:

*The twelfth chime of the clock echoed through the Kingdom of Flaherty. With each chime, the kingdom had grown bleaker. Carriages became pumpkins, doorpersons became mice, and fund managers became toads.*

*A scream pierced the night air. Sally Q. Public threw open the doors to the ballroom and raced down the stairs, her shoes falling off her feet as she ran.*

*Oh my gosh, that was close, thought Sally. She had relied on her friend to get her a date for the ball, act as a broker if you will. Sellu Junk had suggested her date was a diamond in the rough. Sure he had an inconsistent past but he came from a good family, the Trust family, and Sellu promised that he had changed his ways.*

*Sally remembered thinking her date, Rich Trust, had looked a little age-challenged, a little weight-challenged and a little hair-challenged but with the music and the wine, well it just did not matter when the atmosphere was so nice.*

*But when the clock struck twelve and the music stopped, to her horror, Sally realized Rich Trust was not a diamond in the rough, not an attribute-challenged individual but really just a fat, ugly, bald, old man (Editor’s comment: no letters of protest please, I am balding and ugly, and will probably be fat and old soon too!). All Sally could do was run from Rich Trust, run from Sellu Junk, and try and get back to the safety of her own place.*

*Sally slammed the door to her house shut behind her. What a night, she thought to herself. Where does Sellu Junk get these losers, she wondered. A couple of years ago it had been that guy on steroids who dressed in an outfit fitted tightly enough to make any Florida-vacationing-bikini-wearing male blush, what was his name, Tech something or other. Sally shivered at the thought. Now it’s that Trust guy. Good grief!*

*Well, thought Sally as she slipped into her cozy old slippers and favourite wool sweater, it’s probably time to give her old standby a call. Sure he was not that sexy, and she really could not brag to her friends about him, but what the heck! I hope I am not getting him too late she thought to her self as she dialed his number. She heard him pick up and a smile crossed her face as he announced, “Hi, it’s Value guy here...”*

## **To my Partners:**

Once again our return in 2006 was acceptable on an absolute basis but wanting on a relative basis. I am beginning to sound like a broken record but the bottom line is I am sorry our performance was not better.

Our key focus at the moment is completing the takeover of the LP by the Trust. You will soon be receiving an exciting legal package from us. I would appreciate if you would work through this information. We hope to conclude the transaction at June 30th but this is subject to a number of legal and tax issues. I will discuss this in more detail later in this report.

As of this moment, we continue to have two funds so I believe it is important you see the “whole field”. This report discusses both the Trust and the LP. While I appreciate this does make the Annual Report at times a little cumbersome, I do think it allows you to understand everything I am doing.

My report to you is structured as follows:

1. I will chat about the investment returns of each fund.
2. I will detail how the investment return translated into your return.
3. I will outline how each fund is positioned.
4. I will spend a page ranting from my toadstool.
5. I will chat briefly about some recent developments.

After my report, you will find:

1. The McElvaine Investment Trust Statement of Net Assets and Schedule of Investments.
2. The McElvaine Limited Partnership Statement of Net Assets and Schedule of Investments.
3. The 2000 Annual Report’s “From the Toad Stool”.
4. A copy of my letter to potential partners from our “marketing” package.

By the time you have finished reading this I suspect you will be pleased this is an annual report.

## **Warning label**

First and foremost, I caution you that all figures are my estimates. Secondly, I want to stress that all figures in the body of my report are unaudited. Audited Financial Statements have been sent separately to all partners. Finally, some of my comments could be considered predictions. While my statements are made with the best of intentions, history has shown I am often quite wrong.

## Trust and LP Performance

For the Trust, our return for the 12 months ending 31Dec2006 after all fees and expenses was +11.9%. By comparison, the S&P/TSX Composite Total Return Index (including dividends) for this same period was +17.3% while the median Canadian equity fund rose by 14.6%.

For the LP, our return for the 12 months ending 31Dec2006 after all fees and expenses was +6.3%. By comparison, the Morgan Stanley Capital International World Index total return (in Canadian dollars and including dividends) for this same period was +20.6% and TSX total return (including dividends) for this same period was +17.3%. The median Global equity fund rose by 16.5%.

I would expect the two funds to have similar performance over time. Given their portfolios are a little different, in any given period I am not surprised that performance differs. Hopefully my discussion below will shed a little more light on this for you.

## Investment return versus your return

To illustrate our performance, I have expressed the details as a percentage of our opening net asset value. I should caution you that these figures are my estimates and are unaudited.

	<i>Trust</i>	<i>LP</i>
Returns from investments	15.2%	8.0%
Operating expenses	-0.1%	-0.1%
Taxes paid	0%	0%
	-----	-----
Return pre-management and pre-incentive fee	15.1%	7.9%
Management fee	-0.4%	-0.4%
Incentive fee	-2.6%	-1.1%
GST (tax) on fees	-0.2%	-0.1%
	-----	-----
Net return to you	11.9%	6.3%

A couple of comments:

1. Operating expenses for both funds primarily consist of audit, legal and custodial fees. For the Trust, trustee fees are also included.
2. The management fee is a fixed fee of 4/10 of 1% of the net assets of each fund.
3. The incentive fees are based on the portfolio returns over a hurdle rate. In the case of the Trust, the incentive fee is 25% of the fund return over the average 90 day T-bill rate. For 2006, the T-bill rate monthly average was 4.0%.
4. The incentive fee on the LP is 20% of the fund return over the average monthly Royal Bank of Canada deposit rate. For 2006, this rate was 2.1%.
5. The incentive fees were reduced by my estimate of the after-tax benefit to me of the fees I received from being a director of Humpty Dumpty.

6. I estimate the unrealized gain per unit of each fund for tax purposes as follows:

	<i>Trust</i>	<i>LP</i>
At 31Dec06	\$8.42	\$11.74
<i>As % of unit price</i>	<i>31%</i>	<i>25%</i>
At 31Dec05	\$8.44	\$12.73
<i>As % of unit price</i>	<i>35%</i>	<i>29%</i>

Please keep in mind these are only estimates and change each day as the market prices of our securities change. Furthermore, this does not mean we expect to realize these gains in 2007; events will determine our actions.

## Returns from investments

To give you a better idea of where we earned our returns, I have estimated the largest components of our investment returns as follows:

### *The McElvaine Investment Trust*

Indigo Books	6.6%
Sun-Rype Products	2.4%
Saskatchewan Wheat Pool	2.0%
Fairfax Financial	2.0%
Hollinger Cdn Newspapers LP	1.2%
Shermag	-0.9%
Specialty Food Group debenture	-0.8%
Net return from everything else	2.7%
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Returns from investments	15.2%

### *The McElvaine Limited Partnership*

Sun-Rype Products	3.2%
Fairfax Financial	2.0%
Saskatchewan Wheat Pool	1.6%
Newfoundland Capital	1.1%
Montpelier Re	0.9%
Japanese investments incl FX hedges	-1.0%
Specialty Food Group debenture	-0.8%
Net return from everything else	1.0%
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Returns from investments	8.0%

A couple of observations:

1. Once again, a large part of the difference in performance between the two funds is due to Indigo Books. This accounted for nearly all of the difference in the return between the two funds.
2. You will note that Humpty Dumpty does not appear in our list of top movers. As you may recall, Old Dutch acquired Humpty Dumpty from us in mid-May 2006. I have termed this a "save" as we made only a modest return. As mentioned last year, I very much appreciated the work of the directors of Humpty especially Bonita Then.

3. Fairfax Financial reappeared in our portfolio in 2006 and it was kind to us. Prem Watsa certainly has had a difficult couple of years and I of course wish him the best.
4. Glacier Ventures, while not a top mover, did help us in 2006 by acquiring Hollinger Canadian Newspapers LP. We continue to be large owners of Glacier shares.
5. Specialty Foods Group was a distressed income fund. We, along with other investors, helped recapitalize the company in June 2006 via a convertible debenture. This investment subsequently distressed me and the bottom line is I felt it was prudent to reduce the carrying value of the investment. We had an independent appraisal done at 31Dec06 and this is the value we carry the bonds at. This investment will not go down as one of my brightest moves.
6. Since about May 2006, I have not hedged our foreign currency exposure. My general approach has been to hedge out foreign exchange exposures and I expect we will resume hedging. As of mid-March, we have disposed of a number of foreign investments in both funds. In other words, our foreign exposure has fallen and now is less of a factor.

### **Investments- Both funds**

I decided the easiest way to discuss the portfolios was to do it collectively. At mid-March 2007, our holdings were as follows:

#### *The McElvaine Investment Trust*

Indigo Books	13.6%	of net assets
Glacier Ventures	11.4%	
Newfoundland Capital Corporation	11.0%	
Sun-Rype Products	9.8%	
Maple Leaf Foods	7.0%	
All other holdings	40.7%	
Cash, T-bills, and net working capital	6.5%	

#### *The McElvaine Limited Partnership*

Sun-Rype Products	15.0%	of net assets
Glacier Ventures	12.3%	
Newfoundland Capital Corporation	11.5%	
Maple Leaf Foods	7.8%	
2 Japanese Broadcasting stocks	7.6%	
All other holdings	33.2%	
Cash, T-bills, and net working capital	12.6%	

First, my usual caveats: I caution you that several of our largest holdings are trading at prices different from our cost so the weighting is partially a consequence of the market rather than a conscious investment decision. In addition, while I am not a trader, I do periodically sell positions so over time the top list may change. Finally, even in the case of similar security positions, the portfolios may differ slightly due to cash inflows and outflows.

You will also note that our portfolio at mid-March 2007 is fairly concentrated with our top 5 positions making up 53% of the Trust (vs. 55% last year) and 54% of the LP (55% last year). As I say each year, while I am reasonably pleased with our portfolio, this concentration will be a bit of a bummer if my judgment is off.

Our cash is relatively low. Certainly this is not because I think the world is flush with bargains but rather cash is just what is left over when I run out of ideas. I suspect it will build up a little over the next couple of months.

## **From the Toad Stool**

Last September was our 10<sup>th</sup> anniversary of the Trust. I am amazed at how quickly time has flown and certainly in Sept96 my main objective was to still be in business a year later. Many many thanks to all of you for your support through both the good times and the not so good times.

I was delighted by the number of people who made it out to our fêtes in Victoria and Toronto. I chatted a little during my speech about my lessons of the last 10 years. I thought I might take a moment and mention them again here:

- Lesson 1: Good people = good things.
- Lesson 2: Always took longer and cost more than I thought.
- Lesson 3: Best ideas had a double whammy:
  - Valuation was cheap
  - Operations improved

Expanding on these, I have found a good board leads to good outcomes. Each business will have its challenges but a rational and shareowner oriented board will make best of any situation. Further, I think ownership by board members is much more important than any legal policy.

Lesson 2 perhaps is a result of me not being very bright. Someone once asked me why I hold our securities for so long and the simple answer is it takes them a long time to go up.

In Lesson 3, I have found bad news often gives us the potential for a double whammy. However this usually takes some time as operational changes are never quick. A couple examples of reasonably successful double whammies currently in the portfolio include Sun-Rype and Indigo Books.

I am sorry that it took me 10 years to figure these things out. As I mentioned at the fêtes, as I approach the next 10 years, I don't think I am any dumber than I was 10 years ago and am looking forward to hopefully making us all a lot of money and having fun too!

## Recent Developments

I ought to mention a number of things to you:

1. In December 2006, I purchased all of Peter Cundill's shares in McElvaine Investment Management (MIML). I now (via Hakuna Matata Holdings) own 100% of MIML. Earlier in the year, Peter sold his business to Mackenzie Financial and approached me with a proposal to buy him out of MIML. Peter continues to be the largest investor in the LP and most importantly a good friend.
2. As mentioned in the 31Dec06 "We are here", I have recently joined the board of Rainmaker Entertainment. As with Sun-Rype and Humpty Dumpty, I will reduce any incentive fee payable by the funds by the net after-tax proceeds of any fees I receive as a Board member. I would prefer not to comment further on Rainmaker except to say that in the case of Sun-Rype and Humpty Dumpty, I became involved partially due to issues with the management. This is certainly not the case with Rainmaker and I am quite impressed with Warren Franklin and his team.
3. Pat Hodgson approached me in December 2006 to work with him as investment advisor to Ravensource Fund. I was delighted by the association but I want to stress neither Pat nor I have figured out what this relationship may look like in the longer term. If something happens, I will let you know. Ravensource is a closed-end fund that trades on the TSX. Pat, for those of you who may not know him, is an accomplished businessman and investor and I learn something from him with each chat.

I should mention that we do own units of Ravensource so I am in a conflict position. To solve this, I have done two things:

- a. I have subsequently sold a significant portion of our Ravensource position; and
  - b. I have credited the Trust with a rebate of its fees based on the value of the position in Ravensource. In other words, no double dipping!
4. Well, we finally have figured out how to have the Trust takeover the LP. I apologize for the long delay. Gently put, with each week that passed, my costs increased so I am the person most displeased that it has taken so long to get done!

You will be receiving a package from us in the next couple of weeks. I discuss the takeover transaction in my covering letter to this package. I would appreciate if you would work through the documentation.

I am somewhat restricted in what I can say to you in this forum but I would hope that the decision to merge the Trust and the LP will meet with your approval. On the matter of the potential fee change, I am delighted to have your trust and am happy with either the status quo or my proposed fee structure. As we are putting the two funds together, I felt it was an important time to review the issue so the decision is yours. I will abstain from voting on the fee structure.

We hope to conclude the transaction at 30Jun but this is subject to a number of legal and tax issues. Rest assured, if you approve the transaction, I am committed to getting it done as soon as possible.

## **Personal investments**

My personal life, as usual, is full of twists and turns, albeit, fun ones. At one of our fêtes, you may have spoken with Kate who I met after my marriage ended several years ago. Regardless of the fact that I find Kate wonderful, she is important to you for two reasons:

1. Last year she put a substantial part of her RRSP in the Trust. Nothing focuses the mind like having one's partner as an investor!
2. In August of this year, Kate and I had a baby (well, Kate had the baby; I just did the huffing and puffing). So for those of you who may have lost count, our blended family totals 6 kids so I suspect I am working towards a Freedom 95 plan! In other words, by the time they all leave home, I will be the one in diapers! No retirement plans for me.

Nevertheless, the bottom line is my direct and indirect investment portfolio at 28Feb07, ignoring cash, looks roughly as follows:

Investment in the Trust, the LP and Trust/LP held securities	91%
Other securities owned	9%

I believe our structure results in me making money when you make money and in me losing money when you lose money. I think our interests are aligned.

## **Acknowledgements**

Once again Kim and Diann did a great job. I am glad a number of you were able to meet them at our 10<sup>th</sup> anniversary parties. Kim and Di are the personality of the organization and we are all thankful for that!

As I have mentioned in the past, I am blessed to be doing something I enjoy for people I like and respect. Given the number of investment alternatives available in the market place, I consider myself very fortunate to have your trust. Thank you.

Tim McElvaine  
March 15, 2007

**Appendix A**  
**2000 Annual Report**  
**From the Toad Stool**

I want to talk for a second on certainty (or confidence level) and investing. I think this is especially important given our large holdings in several companies. As I get older in this business, I value certainty more and more. Let me clarify what I mean. I am not referring to a prediction of what is going to happen to the stock price. I am referring to certainty over the items I focus on. As discussed in the past, these are:

1. What I think the company is worth  
This is always a guess at a broad range. It does not depend solely on assets on hand.
2. How volatile I think this rough estimate of worth is  
This is a stress test of item 1. I think about the story of the three little pigs. The grass house and the stick house, from the perspective of a pig hoping for longevity, are much more “volatile” structures than the brick house.
3. Do I think mgmt and the board are working for or against us.

Let's take an example: Loewen Group. We purchased the senior bonds of this bankrupt funeral home business around 50 cents per \$1 face of bond. I am confident Loewen is a reasonable business that is worth more than we effectively paid via the bonds. I am comfortable with the proposed new structure of the balance sheet and of the business. I am positive Paul Houston and John Lacey will operate in a conservative and honest fashion both with us and with their customers. In other words, I am certain we have a margin of safety.

You will note I said nothing about return. I have no idea what the price will do. Certainty with me is not about price fluctuations, it is about the business and the Board. I do recognize there will be unexpected events. Further, there will be many occasions where I misjudge the risks. I do think, on average, we will do better focusing on those situations where we can be certain about the controllable factors.

## **Appendix B**

### **Tim's letter in the marketing package**

#### **Dear Potential Partner:**

In this package, Kim, Diann and I have tried to provide all the information you require to make an informed decision. It is not an exciting package to read and we apologize in advance for that.

This package deals with our “stuff”. The best place to start is how we view our relationship:

1. I view you as a partner regardless of the technical relationship. You contribute capital and I contribute investment advice. There is a modest flat fee and the profits are divided.
2. The Trust and the Partnership are not products and you are not our customers. We are not trying to “sell” you anything. We do not have a marketing department and a PR agency does not review our correspondence. We will be honest with you and will try to provide the information necessary for you to assess whether we are keeping up our side of the bargain.
3. As a partner, we ask you to be cognizant of your other partners. A partner who comes in for a “flip” does no one any favours (especially as it may be a flop). If you are not comfortable with what you read, please do not join us. I would hate for you to spend your time worrying about what I am up to.
4. We suggest the Trust or the Partnership be only a part of your investment portfolio. We do not expect them to be funds for all seasons. Quite often, in the past, I have been doing the rumba while the market is doing the waltz. It is not a pretty sight. During those periods, we do not ask that you enjoy the show but that you be patient.
5. In the words of Sonny & Cher, “you got me babe”. What that means is the Trust and the Partnership are not managed by a committee; they are managed by me. Our money is invested in the Trust and in the Partnership and my name is on the door. The good news and the bad news is you got me!
6. If you have any questions, please call or email. I am always delighted to talk with my partners. As stated in our 1998 Annual Report, I have been asked if it wouldn't be easier on the nerves to manage the money of people I didn't know. My response was and is simply that I prefer to be working for people I like and trust. This is an important aspect to me of having my own funds.
7. Please carefully read the Offering Memorandum. Pay particular attention to the *Risk Factors* section. It is important you understand what the fund is about before you invest.

I appreciate your interest.

Tim

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