



Tim's "We are here" sheet

31Mar08

To my Partners:

I am embarrassed to report to you that we had a negative first quarter. This makes our performance over the last 3 years mediocre at best and very short of the TSX total return index. We certainly do not have a portfolio anything like the index but regardless our results are disappointing.

We have done some cleaning up including selling a significant portion of our holdings in Sun-Rype Products for \$11.50 per share. It was a successful investment for us, having purchased our original shares below \$3 (although we did pay more for additional shares). We also received dividends including a special dividend of \$1.50 in 2006. You may also recall I was on the Board for a number of years but I am positive that it was a more beneficial experience for me than for Sun-Rype! We continue to own a much-reduced position and I watch it with interest.

The key thing I want to get across is that I like what we own. It has been a little bumpier than I would have liked but stock prices will do what they will do. I have virtually all my investments in our ideas as well as an incentive fee tied to our performance. I feel the pain!

I also appreciate that a number of you made a \$1,000 or so investment in McElvaine Fund Ltd. I continue to be frustrated that the merger process is taking so long but to some extent that is out of our control.

In sum, I have no insights on the future of the world. I do believe we live in a wonderful country and I am blessed with many great relationships including yours. There will be good economic times and bad economic times. I realize you do not need me to be your therapist, you just want me to make you richer. Our goals are the same.

The McElvaine Investment Trust:

The 31Mar08 price for the Series B units of the Trust was \$24.49. This represents a loss for the first 3 months of 2008, net of all fees and expenses, of 8.6%. During this period, the TSX Total Return index fell by 2.8%.

McElvaine Fund Ltd. (formerly The McElvaine Limited Partnership):

The 31Mar08 price for the LP was \$44.45. This represents a loss for the first 3 months of 2008, net of all fees and expenses, of 8.1%.

Conclusion:

As always, many thanks for all your support and confidence. I appreciate your trust.
All the best,

Tim McElvaine
22Apr08

McElvaine Investment Management Ltd.
Suite 463, Three Bentall Centre
595 Burrard Street, P.O. Box 49308
Vancouver, B.C. V7X 1L3
www.mcelvaine.com

Phone: (604) 601-8345
Fax: (604) 601-8346
E-mail: tim@mcelvaine.com
kim@mcelvaine.com
diann@mcelvaine.com
geoff@mcelvaine.com

Performance Summary as of 31Dec07

The McElvaine Investment Trust⁷ Series B

Year to	S&P/TSX Composite Index ¹	Trust Pre-fee Return ²	Trust Net Return ³	Avg Canadian Fund Return ⁴	T-bill Rate ⁵	Avg Cash Balance ⁶
Dec07	9.8%	1.0%	0.6%	5.1%	4.2%	9%
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%
11 Year compound	9.6%	20.4%	15.8%	8.3%		
\$100 invested Jan97 is now	\$274		\$501	\$241		

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. **You should understand that the Trust'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 includes distributions reinvested in additional units. The Pre-fee Return gives you the best indication of how the Trust's 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 during the period and includes distributions reinvested in additional units.
- We have compared the Trust's performance to the average return of Canadian 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. We have included these rates because they were 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%.
- 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.**