



Tim's "We are here" sheet

31Mar09

To my Partners:

You will find the Annual Report with this note. I will therefore keep this short. The key things I want to leave you with are:

1. The Annual Report discusses in some detail our returns and our results.
2. I think the shares we own are cheap.
3. Your fees are relatively low for the Series B and F units as I have some work to do before incentive fees are earned again.
4. Our results have been poor which makes me poorer. This is not an outcome I like.

Contrary to popular belief, I am not any dumber than I was 10 years ago. If you believe in having your investment advisor investing with you, then the Trust makes sense. The road may be bumpy but we are traveling together and I want the same outcome as you.

The McElvaine Investment Trust:

The 31Mar09 price for the Series B units of the Trust was \$12.1915. This represents a loss for the first 3 months of 2009, net of all fees and expenses, of 11.3%. During this period, the S&P/TSX Total Return index fell by 2%.

Conclusion:

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

All the best,

Tim McElvaine
04April09

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Performance Summary as of 31Dec08

The McElvaine Investment Trust⁷ Series B

Year (Period)	Pre-fee Return ⁽¹⁾⁽²⁾ - Series B Units	Net Return ⁽¹⁾⁽³⁾ - Series B Units	Index ⁽⁴⁾	Average Cash Balance ⁽⁵⁾
2008	-47.8%	-48.8%	-33.0%	6%
2007	1.0%	0.6%	9.8%	9%
2006	15.1%	11.9%	17.3%	11%
2005	22.9%	17.2%	24.1%	13%
2004	11.3%	8.6%	14.5%	23%
2003	36.5%	28.2%	26.7%	14%
2002	5.4%	5.0%	-12.4%	5%
2001	37.2%	28.0%	-12.6%	2%
2000	24.6%	19.2%	7.4%	9%
1999	38.8%	29.5%	31.6%	26%
1998	21.3%	16.6%	-1.6%	27%
1997	16.8%	12.8%	15.0%	59%
12 Year Compound	12.3%	9.0%	5.2%	
\$100 invested Jan97 is now		\$259	\$183	

Notes:

- (1) The “Pre-fee Return” and “Net Return” information includes distributions reinvested in additional units.
- (2) “Pre-fee Return” is our estimate of the increase in the asset value of the Trust during the period after the deduction of all expenses, other than the management fee and performance incentive fee, and applicable GST. 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.
- (3) “Net Return” is our estimate of the increase in the net asset value of the Series B units during the period, which is based upon the fees in effect prior to January 1, 2008. No Series A units or Series F units were issued during the periods shown. The Net Return for each series of units will differ since the fee and expense structure for each series units differs.
- (4) As the Trust invests primarily in Canadian securities, we have compared its performance to that of the S&P/TSX Composite 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 Trust may often invest in small-cap and mid-cap companies that are not included in the S&P/TSX Composite Total Return Index, and therefore, other indices may also be appropriate comparisons for the Trust.
- (5) “Average Cash Balance” is our estimate of the average of the month-end cash and short-term bond balances held by the Trust. We have included this to allow you to assess how the Trust was invested in order to generate the returns shown. For example, the 1997 Pre-fee Return of 16.8% was earned while the portfolio was on average only 41% invested.
- (6) This Performance Table excludes the three months from 27Sep96 to 31Dec96 (start-up period). During this period, the Trust returned 3.1%
- (7) **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.**