

as at March 28, 2002

## Tim's "I am here" sheet

### **To my Partners:**

My letter to you in the 2001 Annual Report was dated April 16, 2002. As such, I am talked out. Enjoy the silence!

The first quarter was pleasant for us. As mentioned in the past, this is not my doing. I have no control over the market price of our investments! I would caution you:

1. Do not annualize the first quarter.
2. Our portfolio is not as cheap as it was.

Nevertheless, in both the Trust and the LP, I continue to be comfortable and confident in our holdings.

### **The McElvaine Investment Trust:**

The 28Mar02 price for the Trust was \$18.36. This represents a gain for the first quarter of 2002, net of all fees and expenses, of +16.5%. By comparison, the TSE Total Return index rose by 2.5% for the quarter.

### **The McElvaine Investment Limited Partnership:**

The 28Mar02 price for the LP was \$30,805. This represents a gain for the first quarter of 2002, net of all fees and expenses, of +11.2%. By comparison, the Morgan Stanley World Index (in Canadian dollars) rose by 0.7% for the quarter.

### **Conclusion:**

Various resolutions are either with you or on their way to you. I apologize for the amount of paper but your response is much appreciated.

As always, many thanks for your trust and support.

Take care,

Tim McElvaine  
22April02

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## Performance Summaries

### The McElvaine Investment Trust

Year to	TSE Total Return	Trust Pre-fee Return	Trust Net Return	Median Cdn Fund Return	T-bill Rate	Average Cash Balance
<b>Dec01</b>	<b>-12.6%</b>	<b>37.2%</b>	<b>28.0%</b>	<b>-4.2%</b>	<b>3.8%</b>	<b>2%</b>
<b>Dec00</b>	<b>7.4%</b>	<b>24.6%</b>	<b>19.2%</b>	<b>12.0%</b>	<b>5.5%</b>	<b>9%</b>
<b>Dec99</b>	<b>31.6%</b>	<b>38.8%</b>	<b>29.5%</b>	<b>20.7%</b>	<b>4.7%</b>	<b>26%</b>
<b>Dec98</b>	<b>-1.6%</b>	<b>21.3%</b>	<b>16.6%</b>	<b>-2.1%</b>	<b>4.7%</b>	<b>27%</b>
<b>Dec97</b>	<b>15.0%</b>	<b>16.8%</b>	<b>12.8%</b>	<b>14.0%</b>	<b>3.2%</b>	<b>59%</b>
<b>5 Year compounded</b>	<b>6.9%</b>	<b>27.4%</b>	<b>21.1%</b>	<b>7.6%</b>		

### The McElvaine Investment Limited Partnership

Year to	Morgan Stanley World Index	LP Pre-fee Return	LP Net Return	Median Global Fund	BMO Rate	Average Cash Balance
<b>Dec01</b>	<b>-11.5%</b>	<b>17.4%</b>	<b>13.9%</b>	<b>-12.4%</b>	<b>2.6%</b>	<b>-4%</b>
<b>July to Dec00</b>	<b>-10.9%</b>	<b>15.1%</b>	<b>13.6%</b>	<b>-8.8%</b>	<b>3.2%</b>	<b>8%</b>

Notes:

1. As the Trust must invest 70% of its assets in Canada, Toronto Stock Exchange's (TSE 300) returns have been used. The TSE return includes reinvested dividends.
2. The LP has a global mandate and as such the Morgan Stanley World Index (Canadian Dollars) was used. I would caution that the LP's portfolio differs substantially from the makeup of this index.
3. Pre-fee Returns are the best indicator of the Funds' investment performance. These figures are net of all expenses except the Management fee, the Incentive fee and related GST. (historical data has been restated)
4. Net Returns are the returns to the unitholders/partners.
5. For the Trust, Median Canadian Equity Fund Return is included to provide a comparison to other managed funds. The return figures were provided by GlobeFund and are for the Canadian Equity Category. For the LP, Global Fund Returns were used. GlobeFund's Global Equity Category was the source of the data.
6. T-bill Rate refers to the average of the monthly 90-day T-bill rate during the year. For the LP, the average Bank of Montreal 30-day deposit rate is shown as it is the hurdle rate for the LP.
7. Average Cash balance represents the average of the month-end cash/ST bond balances held. This allows you to judge how invested we were in order to generate the return. For example, the 1997 pre-fee return for the Trust of 16.8% was earned while the portfolio was on average only 41% invested.
8. The performance table for the Trust excludes the 3 months from 27Sept96 to 31Dec96 (startup period). During this period, the Trust returned 3.1%.
9. The predecessor to the LP, Peter Cundill LP, was formed in 1979 and had a 21 year compound rate of return of 13.5%.
10. The figures above are unaudited and in many circumstances simply my estimates. As a disclaimer, I should also add that performance is yesterday's news and you should be careful about using it as a guide to tomorrow.