



## **FIELD OF DREAMS**

Another movie theme, like our last letter. This one because, as in the titled movie, the field, i.e. the backdrop, is in place for a market recovery and an economic recovery. And there is some evidence that both are occurring. No big surprise. After all, it is axiomatic that the economy and the markets will ultimately and inevitably recover. Booms beget busts and busts beget booms. Normal cycles. The current busts, admittedly, are abnormally severe, but nonetheless the usual, and some unusual, remedial forces underway will lead to their ultimate recoveries. The current downturn is now about 16 months old, the same as the recession of '81-'82. It ended, as all recessions end, with natural cyclical and appropriate policy responses, and the end is in sight now too.

### **If You Build It, They Will Come—The Economy**

In the movie, Kevin Costner is told by “the Voice” that if he builds a baseball field, the “ghosts” of the former deceased baseball greats will return to play on it.

The analogy, not intending to be flippant, is that powerful remedial forces are at work, some administered, others natural, to repair and restore devastated economies, worldwide. A very attractive baseball field. The players are starting to return.

Interest rates are the lowest they’ve been, almost ever. And the supply of money, everywhere, is increasing. Sure, credit availability has been limited, but with the government and Fed stabilizing banks, purchasing assets, including mortgages, stemming foreclosures, offering a first-time homebuyer’s tax credit, considering a “cash for clunker” trade-in program, and importantly, creating a positive yield curve to encourage banks to lend, credit should become increasingly available. Important indicators, Libor and the TED spread, have normalized. In fact, according to Hill-Townsend Capital, recently released Q1 '09 lending data reveal no capital or other constraints on U.S. commercial banks’ lending abilities. They will come.

The U.S. savings rate continues to climb as consumers spend less than they earn. As confidence returns they will be encouraged to spend. Household liquidity is high. The recent rise in share prices from the March 9<sup>th</sup> lows should give consumers some much needed confidence. Not to mention some much needed wealth.

Housing, the U.S. consumer's most important asset, has rarely been more affordable—with 30-year fixed rates below 5% and prices down significantly. As a result, principal and interest payments for new home buyers are down to 17.1% of income, the lowest housing costs since the early '70s. And, “a buyer's market” to boot. Housing inventories continue to decline and price declines should abate later this year as inventory normalcy levels are approached, quickening the pace of turnaround in both the housing market and the overall economy. New house sales recently increased as did building permits, a positive sign. With more than 90% of workers in the U.S. employed, the cost of housing and autos more affordable, the lower cost of gasoline and tax cuts providing savings, average hourly earnings staying respectable, and household liquidity improving, pent up demand could be unleashed as confidence returns. The addition of 1.3 million new U.S. families each year should contribute too.

Though the record is spotty, there are signs that a recovery is underway—though March U.S. retail sales were down 1.1% (Easter fell later this year), the previous two months showed gains, car sales jumped 8% in March, U.S. housing starts and building permits rose, sales of existing homes improved, mortgage applications rose for five consecutive weeks, February durable goods numbers were better, and an ISM Manufacturing Survey showed New Orders picking up. Sensitive industrial commodities such as copper, zinc, nickel, aluminum and even, housing-sensitive lumber, have been moving up, a hopeful sign that demand is returning.

As contrarians, we wouldn't be surprised if auto sales had a surprising spring jump. Even if GM needs to be short-term bankrupt and the U.S. has to guarantee its warranties. German automakers are already seeing improvement. And, U.S. used car prices have been up every month since October.

Inventories have been run down to unjustifiably low levels, a negative impact on current GDP, but will have to be rebuilt, a positive impact on GDP going forward. Analysts at Barclays argue that the gap between demand and output has hit an unsustainable extreme, last seen in the '74 recession, which will lead to higher levels of production, income and employment and “a positive shock” to confidence in business and households. They will come.

While its Q4 GDP slowed modestly to 6.1%, China's stimulus packages are working and it is considering more, targeting 8% GDP growth. It is proposing tax cuts to corporations and consumers. Bank lending in China hit new highs and its March industrial production was up 8.3%. The Chinese, too, have been accumulating commodities, such as copper and oil, and increasing activity at factories, especially those that produce export-bound goods. All of this activity has helped Asian equity markets.

The Japanese, after the worst decline in their GDP since '74, have just introduced another U.S. \$154 billion stimulus package. They need to stimulate consumption and end more than a decade of deflation. They are clearly determined to build it and, loving baseball as they do, the players surely will come.

U.S. productivity is improving as labour costs are contained. With that, and the U.S. currency restrained, the U.S. trade deficit for February dropped to \$26 billion, the lowest since '99, as exports rose (good) and imports shrank (to be expected). Another positive impact on GDP.

Remember, not so long ago, when the profligate U.S. consumer had 0% savings rates, was overextended with credit and the trade deficit was north of \$60 billion. Unsustainable, said the critics, and they were right.

A lower trade deficit will mean the U.S. will be less dependent on foreign capital otherwise needed to return back for investment. Canada actually returned to a trade surplus in February after two months of deficits.

U.S. competitiveness is improving and, while it is controversial, we think a lower U.S. dollar is in the cards. Fed Chairman, Bernanke, wants to carefully devalue the U.S. currency, to avoid deflation and to allow U.S. exporters and multinationals to compete and prosper. Some inflation will encourage consumers to spend, if they think, for example, that the house they covet will cost more a year from now. All foreign economies are trying to stimulate consumption too, which should continue to help U.S. exports. All of this reflationary stimulation should revive the world economy but be somewhat inflationary. And let's not forget that developing countries, China, India and Brazil, are still growing.

As consumption revives so too should corporate profitability, especially as competition diminishes from business failures, allowing for bigger market shares and profit margins for the survivors. Creative destruction. As one pundit noted, Intel enters the recession with an 80% market share and leaves it with 85%. Leaner and meaner companies with stronger balance sheets and historically low cost of money are poised to prosper in the recovery. Mergers to create efficiencies and enhance corporate competitiveness are in the cards—homebuilder Pulte buying Centex, Chrysler progressing with a Fiat deal, Microsoft and Yahoo apparently at it again. We mooted it in the last letter, but wouldn't the ultimate surprise be a corporate profits boom even in a modest GDP recovery.

Sure, some headline statistics will continue to be ugly. U.S. unemployment at 8.5% is high and should continue to rise, though at a slower pace. Canadian unemployment was not as ugly, rising to 8%. But unemployment is a lagging statistic. Business failures should continue high too, along with poor numbers for commercial real estate, including office rentals, where vacancies are rising and rents declining. Bad for landlords, good for renters.

One scary item is that this year's U.S. budget deficit is likely headed to more than \$2 trillion and if foreign central banks balk at holding more U.S. treasuries, as they are already hinting, much of the debt issued by the Treasury will have to be bought by the Fed. The ultimate inflationary act—monetization. Then, likely, ultimately look for higher interest rates to attract lenders and stifle inflation, and to support the currency. But, in the meantime, a devalued dollar will stimulate the economy, avoid deflation and allow the repayment of foreign debt in cheaper dollars. A sacrifice bunt.

This isn't guesswork on our part. The recent FOMC minutes characterized "expansion of the Federal Reserve's balance sheet" as "appropriate" and stated that "the economic outlook merited a very substantial increase in purchases of longer term assets". Sounds, to us, like a baseball diamond in the works.

At risk is the currency reserve status of the dollar, as China, the biggest holder of dollars with the biggest foreign exchange reserves, is suggesting a single global currency, “SDRs” (Special Drawing Rights) to be the new reserve currency. Not a good thing for the U.S., the world’s biggest borrower in its own currency.

With all the “infrastructure spending” intended, especially in China and the U.S., look for a competition for the best roads, bridges and baseball fields to eventually appear.

### **If You Build It, They Will Come—The Market**

The economy is one thing, and that field is in the process of being built. On the other hand, the stock market field and the corporate bond field have been in place for some time. And they are starting to come. Rogers Hornsby and Ty Cobb would be hitting these easy pitches out of the park.

The market made its initial low on October 10<sup>th</sup>, another on November 21<sup>st</sup> and then, we believe, its final low on March 9<sup>th</sup>, a low that was back to where the markets were in '96. Imagine, almost 13 years of zero returns. The S&P 500 lost 37% in '08, and to March 9<sup>th</sup>, another 25% in '09, a total decline of 53% in that 9 month period to the March low. Over the 12 months to the March lows the S&P/TSX fell 48%, and small-caps fared worse, the S&P/TSX Venture Composite Index down 68%. This period was the second worst 12 months on record for U.S. equities since 1850, and the second worst 40-year period since 1900 (only the 40 years ended December '41 did worse). Since stocks are invariably the best asset class over time, but have been the worst since '96, regression theory suggests it will likely be, *by far*, the best asset class for some years to come. According to Hays Advisory, there have only been four other times where stock returns over trailing 10-year periods were this low, and in each case the market returned about 14.5% per year over the next 10 years. Based on the Value Line Appreciation Potential, as in '74 and '82, now may be one of the best times to be invested in equities. And, their projections for market appreciation over the ensuing 3-5 year periods have been remarkably accurate for nearly 40 years. In our own case, after a 9-year period of market-beating returns, we’ve had a calamitous eighteen months. We believe that our value investing philosophy works, despite this anomalous year and a half, and that “regression to our mean” should give our clients a meaningful upward reward. With our long-term batting average, our current slump should end. We need and deserve a home run.

At the lows in early March every calamity and then some, had been discounted, the market trading as though “it would never be built”, and even if it were, no one would come anyway. With that backdrop, the news didn’t have to be good, just not as bad as expected. So March came in like a lion but went out like a lamb. Spring training, we think, for the significant upside ahead. And significant it can be. According to the Leuthold Group, since 1900, the median first year gains in the Dow Jones Industrial Average of a new bull market, was over 40%, representing almost half of the median gain of the average ensuing bull market. Clearly, you’ve got to be invested in this market. According to analyst Leon Tuey, “Despite recent gains, investors are being presented with a Once-In-A-Lifetime Opportunity. In terms of magnitude and duration this bull market will surprise everyone.” A grand slam?

The March lows reflected panic and capitulation. To frightened investors, the rookies, a Field of Nightmares. To us, a veritable Field of Dreams. Stocks were and are incredibly cheap, maybe the cheapest ever relative to any value investor's metrics—earnings yields and dividends compared to 10-year treasury yields, prices to book values (the S&P 500 just 1.3x its book value), and stocks as a percentage of U.S. GDP, less than 60%, the lowest since the early '90s. P/E ratios have rarely been lower, and then, only when interest rates such as in '74, '82 or '87 were much higher—in '82, for example, they were in double digits compared to today's meager 2.8% 10-year U.S. treasury yield. Clearly the playing field in '82 was better for bonds than for stocks. Today, however, no asset class can compete with equities. High yielding corporate debt would likely be second. Cash is an easy out.

According to Lombard Street Research, the market is now cheaper than 98.4% of all the previous months over the past 140 years. And the S&P/TSX Composite Total Return Index has only been this far below its trend rate once in the past 35 years.

Generally speaking, U.S. companies are strong too. While consumers may be stretched and financial corporations are really stretched, cash holdings on balance sheets of nonfinancial companies is, for most sectors, at a two decade high.

This severe recession has crushed corporate profits and the value of corporations has most certainly fallen. However, the value of stocks—the present value of all future cash flows—ought not to be reduced commensurately simply because of a temporary recessionary period. Stock prices have behaved as if corporate profits will never regress back to the mean. Moreover, all stocks declined heavily even though some businesses were much less affected than others. The baby with the bath water.

Meanwhile, a slowing in the rate of downward revisions for '09 earnings estimates has continued for the last 3 months, and, with analysts' expectations so conservative, positive earnings surprises are in the cards—recently like Research in Motion, Charles Schwab, Citigroup, Goldman Sachs, J.P. Morgan (the latter two ready to pay back TARP capital to the government) and Wells Fargo (imagine, a “bank” expects to report a record quarterly profit). And Family Dollar, Best Buy, Bed, Bath & Beyond and JoS. A. Bank, all reporting stronger numbers and getting positive market responses. Restaurateur Brinker guided favourably too. But our own restaurateur, *Ruby Tuesday*, just hit a home run, a whopping 8 fold 6-week rise in share price from its low, on insider buying, analyst upgrades, improved sector outlook and better than expected results. Vindication for value investing. Field of dreams.

Even though the markets have enjoyed a big recovery since the March 9<sup>th</sup> lows—markets are up some 25%—there is still a lot of disbelief that the bull is finally underway, many, such as skeptics George Soros, Marc Faber and Jim Rogers recently characterizing it as merely “a bear market rally”—for others “a dead cat bounce”. Our work suggests that from valuation, technical and sentiment standpoints, this is the real thing, even though normal short-term corrections from temporarily overbought conditions will occur. Though the markets appear to be overbought, the Put/Call Ratio is indicating excessive pessimism, suggesting the market can continue higher before correcting. It's healthy that there's skepticism and that the market continues to climb a wall of worry. That it is tending to shrug off bad news. And that stubborn

and frightened money on the sidelines is trapped. Those spectators in the bleachers recently held \$9.4 trillion in cash, at banks and in money market funds, more than the value of all the stocks in the S&P 500. With this much parked in “safe havens”, earning next to nothing, and central banks all over the world lowering interest rates and providing unprecedented liquidity, cash is, indeed, a poor place to be, and equities are, by a country mile, the asset class of choice. It has been built, and they are coming. Enjoy the game.

Even if a correction lies ahead—the market being short-term overbought—or even if this were only a bear market rally—and no one knows with certainty—taking a modicum of short-term pain for the considerable long-term gain likely ahead should be well worthwhile, and what can be earned while waiting is miniscule and not worth gambling on missing the potential “up” ahead.

The rules of the game are changing in favour of buyers too. The SEC is in process of reinstating the uptick rule on short-selling. And changes in the mark-to-market accounting are being recommended. All to help the markets. But, steroids still not allowed.

Insider sentiment was bullish in March and best for smaller caps. In our companies too recently, with insider buying in *Orca Exploration*, *Ruby Tuesday*, *Corridor Resources*, *Petrolifera Petroleum* and *Etruscan Resources*.

Warren Buffett, the Babe Ruth of markets, has recently made only his third ever, and therefore a rare, call on markets, claiming it is a time to buy. He has been selling defensive stocks and increasing holdings in more cyclical names. Didn't he also once say that investors need to patiently wait for the right pitch, and clearly he thinks this one is right over the plate.

## **Striking Out**

Though all stocks were punished in the bear market, small did worse. And, because we were mostly in small stocks our performance suffered inordinately. In the last major market correction, coming out of the bubble, small value stocks actually rose while large stocks were collapsing. In this downturn, not only did small value stocks not hold up, they actually fell by a larger degree. Our value selections, which were undervalued to begin with, have become extremely undervalued.

The perfect storm of free-falling stock prices, economic decline and limited access to capital conspired to permanently impair some of our holdings. A few could not access capital except through massive share dilution. We sold our Allen-Vanguard as it became clear that the company would need to complete a massively dilutive share offering in order to pay down debt it accumulated from its major '07 acquisition. High River Gold suffered a similar fate. Pacific Energy and Storm Cat both filed for bankruptcy protection as they were unable to refinance their debt obligations and their ability to sell assets was stymied by the dreadful economic environment. We eliminated our Canadian Superior position, even though it discovered large reserves of natural gas at all 3 exploration targets offshore Trinidad, because it too had racked up debts which suddenly imperiled the company's value.

The loss of value in these positions was painful. We held on to each of these positions too long, even though Allen-Vanguard appeared to have a solution to its debt problems last year and High River Gold did announce a significant refinancing only to have it fall through just before closing, while Canadian Superior's sudden problems arose when its partner British Gas took steps to take over as operator in Trinidad. However, we reallocated the proceeds from these sales to shares of other companies where we are more confident in the upside. Clearly, there's been no shortage of undervalued stocks.

## **Warming Up**

The stocks we continue to hold are merely “temporarily impaired”, in that the share price is far below Fair Market Value and that material discrepancy should not be long-lasting. These businesses are well financed and virtually all have no immediate material need to access additional capital.

Our holdings are trading at prices *far below* our appraisals. Price has pulled so far away from Fair Market Value that, like an elastic, it should snap back. At the same time, risk has been greatly diminished with the massive detachment from valuation reality while the potential upside, as we wrote in our last letter, is now greater than we've ever seen.

Our income accounts yield about 10% current annual income and have substantial capital gain potential.

Unfortunately, we lost ground in our income securities over the last few months as we had to mark-to-market or write down several positions to their fair value. We believe that the mark-down period is over and hope to be able to mark positions back up in the future as asset values rise or positions mature.

The high yield market, in general, trades at about 15% annualized yield to maturity. This enormous differential in yields above treasury yields nearly matches the gap seen in the depression. So, we're seeing some opportunities to acquire unusually attractive, quality income securities now.

## **Big Hitters**

Big-cap companies have now finally become attractive too, after years of being overvalued or fairly valued, though, few have the reward potential of our favourite smaller-cap holdings. Nonetheless, as we sell small-cap names, whether it's because our outlook for a company has diminished or, more likely, because the stock has run back up to reflect its fair value, we intend to focus more on undervalued larger-cap companies. Their liquidity should also allow us to more effectively use our SVA™ work—buying at floors and selling at ceilings and, periodically, taking stop losses when stocks fall down through floors.

We've begun this process, adding *CVS Caremark*, the second largest drugstore chain in the U.S., to complement our *Walgreen Company* position. CVS trades at 10x earnings, a 25% discount to the market (normally it's at a substantial premium—baby with the bathwater effect) and well below the 17x multiple where it ought to trade. In the meantime, earnings continue to grow even in the face of a brutal economy. We also began purchasing *McKesson Corporation*, the U.S.'s largest drug and medical equipment distribution company. It sells for 9x earnings, about 50% below where it should trade. The company's last earnings release materially surprised to the upside and we expect continued earnings growth for the foreseeable future. These are very high quality companies. McKesson has a network that is virtually irreplaceable, operates in an oligopoly, has favourable tailwinds given an aging population and increased Medicare spending and consistently earns high returns on capital.

### **Bases Loaded**

Our major positions continue to have good prospects for '09 yet some still trade at less than 25¢ on-the-value-dollar, with nothing attributed for growth. And, while we see value in bigger cap names, we don't want to sacrifice any of our 25-30¢ dollars—potential 4 baggers—to put into big-cap 50-60¢ dollars—potential doubles—especially when the risk in each may be similarly low. In fact, Ned Davis Research now recommends small-caps over large-caps because the small-caps have tended to outperform after bottoms and start outperforming before recessions end.

Our key portfolio holdings are even cheaper than the overall market and the larger-cap companies in their sectors. We think we are in the right ballpark. In the oil and gas sector, where we have a disproportionate weighting, we believe the stocks have seen their lows and should continue to improve, especially as the commodity prices rise, likely meaningfully, and as they enjoy some drilling success. Capex is being slashed. The operating count of gas rigs in the U.S. has fallen by more than half since the 1610 of last September and with the normal large decline in gas-well production, the effects of some gas production being shut-in, and some increase in industrial demand as the economy recovers, higher prices should prevail over the next several months.

*Corridor Resources* remains priced at half of the value of its proven and probable reserves and much below our appraisal of the risk-adjusted asset value of the company. Its potential shale assets and other prospects, conservatively risked, are over 4 times higher than the share price. Natural gas prices have fallen to unsustainably low price levels and the company, which has no debt and an unused bank line of credit, has conservatively reduced its planned growth capital expenditures to match its cash flows. The company is a low cost producer that is still quite profitable (especially with help from the lower Canadian dollar), even at these very low natural gas prices which are well below the marginal cost of most producers. We do not expect that the share price can remain this disconnected from our higher appraised value for very long.

*Orca Exploration*, which is also debt free, trades at less than 4x expected earnings for '10, and about one-third of its nearly \$10 reserve value. An increase in its allowable pipeline throughput was just approved which should allow it to ramp up cash flow and earnings over the next few quarters as demand for the company's natural gas-to-power to government and industry users in Tanzania is growing. We believe Orca will ultimately be acquired at a significant premium that recognizes its true value potential.

*Petrolifera Petroleum* has been generating substantial cash flow from its Argentinian assets to cover its growth capital spending plans. It recently put those assets up for sale in order to concentrate on other high growth areas. The Argentinian assets alone are worth more than the current share price. We expect the company to find a partner in the next few months for Peru to pay for a good deal of near term capital spending. Its Colombian acreage, where it is drilling its first well, and its Peruvian properties, over 5 million choice acres, are highly prospective. The land in Peru abuts highly productive oil and gas fields held by the majors. This company has several catalysts which should help drive the share price back up to where it deserves to be.

## **Value Counts**

As Warren Buffett points out, "Sooner or later...value counts". These severe undervaluations were created by the extreme bear market selling pressure. But, how do we know the undervaluations are merely temporary? First, investors were selling for reasons having nothing to do with a specific company's prospects—a fearful flight to cash. Second, companies always return to their fair values.

Businesses have a fair ("true") value, and as long as a business doesn't need to sell, it can wait for a fair price. The fair price ultimately does arrive, even if it takes some years. In the bubble, stocks detached from, and traded well above, fair value for 5 years until reality returned. Stocks have been below fair value, now *well* below, for the past 18 months. We don't expect much more than, say 3 years, if even that, before share prices return to economic reality.

By way of example, Walgreen, like most other big cap stocks, traded at or above fair value for many years until the end of '08. The business grew its Fair Market Value by about 14% per year over the last ten years, nearly a 4 fold increase. From the early '90s until '98, the company traded virtually at its Fair Market Value. Then, in the bubble, until '02 the share price moved well ahead of reality. But, from '02 to '07, once again the stock traded at its Fair Market Value. This bear market then took the stock well below economic reality. Walgreen's share price got as low as 50¢ on-the-value-dollar and now sells for 65¢ on its growing value-dollar, its share price having rebounded over 30% from the March 9<sup>th</sup> lows. The share price is on its way back to fair value, maybe after some correction, and maybe after a couple of years more. But get there it will—its current price, so far below "normal" Fair Market Value, is unsustainable.

This is the key to understanding why the stock market must rise. While negative psychology can reassert itself and cause intermittent corrections, a strong "magnet" exists, attracting stock prices to their normal fair values, currently well above most prevailing share prices.

Another example, Microsoft, at the March 9<sup>th</sup> low was trading at less than 7x earnings (net of its \$20 billion cash hoard). At a key floor, as was the whole market then, we looked for a material bounce. Indeed, had the stock fallen further, it would have traded to the next floor giving this blue chip stock a ludicrous undervaluation of almost 4x earnings, a 25% equivalent-earnings yield. As it was, at 7x earnings, assuming no growth for the company, it could have retired all of its current shares outstanding in just 7 years. Not logical given the company's 89% market share and the expected growth in personal computers throughout the developing world.

Some analysts believe that stocks are still too expensive and have been throwing out wildly depressed top-down earnings estimates. Yet, when we look at the median multiple for the Dow (12x) or the Value-Line (13x for 1600 companies) or Walgreen, CVS, McKesson, Microsoft, Corridor, Orca, etc., it becomes clear that earnings multiples are very attractive indeed.

### **In The Bullpen**

Three of our holdings need some funding to fulfill their growth plans. Each has either accessed funds or is in the process of doing so.

*Sterling Resources* farmed-out of some of its Romanian assets. The company maintains a significant stake while the farm-in partner bears most of the capital spending. Sterling may do the same with its North Sea assets. It also recently announced a bridge-loan facility, to provide the funding until these deals close. Natural gas prices in Europe, where gas supply is severely constrained, have held up remarkably well. And, Sterling's North Sea discovery is the largest gas discovery in the region in many years. It just reported a significant increase in proved and probable reserves in '08, which, with possible reserves, gives an asset value of more than 3x the current share price.

*St Andrew Goldfields* has been busy raising U.S. \$20 million to enable it to start production. We expect the financing to be completed shortly enabling the company to commence production later this year. That should finally allow the company to realize its net asset value which is more than twice the share price. Being the largest landholder in the Timmins mine camp should also allow the company to undertake significant exploration activities, including some grass roots exploration.

*Etruscan Resources* raised \$5 million in a debenture offering and a further \$10.5 million of equity recently though it is still seeking \$10-15 million to fulfill its future plans. Meanwhile, the company trades at less than half of its net asset value with material upside from exploration prospects on its 24,000 square km of land, the company being the largest landholder in West Africa.

## **Our Rally Caps Are On**

While the stock market has bounced about 28% from March 9<sup>th</sup>, and our equity accounts have participated even more, we still have much recovery ahead. With the return potential of the markets from these depressed levels so high, and our own holdings offering even higher potential, we remain very optimistic that a material recovery lies just ahead. 2008 was abysmal and Q1 '09 to early March was dreadful too. This is a slump we want to get behind us. We do believe the worst is over, and we hope that our thesis that conditions are ripe for recovery are compelling to you too. Hopefully, in the near future, it will become more apparent to all and our performance will be back on track. Or back on base, so to speak.

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