

First Quarter 2008 Commentary – Good Opportunities Fund

The Fund just completed its first full quarter since inception and, depending on your perspective, this could be looked at as an ideal — or horrible — quarter in which to have launched a new fund. We are modestly pleased with the Fund's performance to date, having avoided the mess afflicting global credit markets. The Fund returned -0.50% net of fees for the quarter ended March 31, 2008, significantly outperforming its benchmark — 50% S&P/TSX Composite Index/50% Russell 2000 — which returned -6.8%.

Attached you will find our quarterly Good Opportunities Fund Fact Sheet. You will notice the Fund held 49% cash at quarter end. After deducting cash from short sales, however, this figure drops to 34% of assets. While we do not intend to hold 34% cash in perpetuity, we were comfortable using cash as a hedge for what we believed to be a capital market with further downside. Our cash position will continue to decline as we uncover further attractive opportunities trading at reasonable prices.

One of the Fund's largest holdings is Ituran Location and Control Ltd., a company dually listed on the Tel Aviv 100 and NASDAQ Composite Indexes. Ituran's systems help locate and recover stolen cars, and locate vehicles for fleet operators. We see Ituran as an attractive investment for several reasons including:

1. The company has a pristine balance sheet, with zero debt and \$50 million in cash (after a one-time dividend payout).
2. Ituran recognized its excess cash position and paid a one-time dividend of \$30 million to shareholders, rather than squander the money on expensive acquisitions.
3. Ituran's business has recurring revenue. The company's hardware is installed in personal and fleet vehicles. Ituran then receives monthly income from monitoring fees, similar to the recurring revenues enjoyed by home alarm companies.
4. Ituran is growing its business in Israel, the U.S., Brazil, and Argentina. The economies of the latter two countries are growing rapidly.
5. Insurance companies offer reduced premiums to policyholders who install Ituran's technology. In fact, Brazil is making vehicle recovery technology mandatory in new auto sales.
6. Ituran has significant operating leverage. Each additional vehicle monitored does not require any additional resources, and can be monitored by the same control centre as all other vehicles.

We continue to seek companies like Ituran that trade at reasonable levels and have attractive investment characteristics (i.e., strong balance sheets, recurring revenue, operating leverage, and sufficient capital for expansion). In the meantime, the Fund is well positioned with selective short positions we feel are overvalued. To date, one short position has been break-even. The second has been the Fund's biggest gainer, earning over 25%.

Given our long bias, our portfolio should benefit from a resurging equity market. Although we manage the portfolio with both short and long positions, we prefer a buoyant equity market where we can excel by selecting securities that outperform the broader markets.

Thank you for the opportunity to manage your investment funds. Please call if you have any questions.

Sincerely,



Daniel Goodman, CFA
President and Chief Investment Officer