



Process

We screen a database of over 3,000 securities. Those with adequate liquidity are tested and ranked according to their earnings characteristics. Specifically, we look for the rate of change in reported earnings and reported earnings in relation to expected earnings. The securities are further screened for strong fundamentals and attractive technical indicators. The securities that best pass these tests are selected as long positions for the Fund. Those companies that screen the worst are selected as short positions for the Fund. Each position in the portfolio, long or short, is monitored on a continuous basis. Should any security no longer meet our investment criteria, the position is sold or covered accordingly.

Commentary

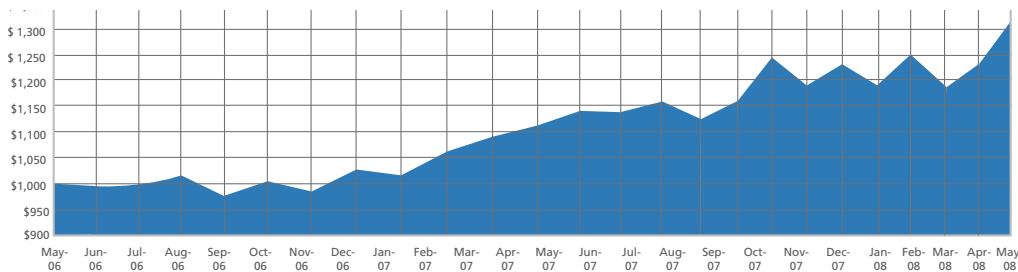
After another strong month, our portfolio now looks to be right out of Mel Gibson's film, Mad Max. In Mad Max, the civilized world had run out of fossil fuels and food. Society had collapsed and tribes of nomads were battling for these scarce resources. Sound familiar?

In keeping with Mad Max, our model has pointed the long side of the Fund mostly toward energy and agricultural stocks. These investment themes are showing the strongest and most consistent positive earnings momentum. In a Mad Max market, few industries or companies have accelerating earnings, while industries like financials and consumers, where we remain short, continue to show deceleration in earnings.

So does this mean it's the end of time? Are we living in a Mad Max world? Rest easy. The Mad Max portfolio will likely lead the way for the near term, but change is the only constant in the capital markets. For the time being, the energy and agriculture themes are working well, but at some point earnings in these sectors will decelerate while accelerating in others. Our best course of action is to continue to do more of what is working, while avoid making a "guess" on a turning point.

By following a disciplined model, if the Mad Max market prevails, we will continue to make great returns in energy and agriculture, while short of consumers and financials. Only when the Mad Max market ends and earnings acceleration shifts to other investment themes will our model direct us to a post-apocalyptic portfolio.

Growth of \$1000



Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	-4.75	6.31	-5.70	4.18	6.49								5.92
2007	-0.53	4.71	2.91	1.36	3.33	-0.72	2.36	-2.71	2.69	7.71	-4.43	3.80	21.77
2006						-0.77	0.13	1.02	-3.44	2.68	-1.67	3.75	1.52

Performance Statistics

Total Returns (%)

1 month	6.49
3 months	4.60
6 months	9.94
YTD	5.92
12 months	14.90
2 Years Annualized	14.44

Top 5 Fund Positions (May 31, 2008)

Long

- 1 BCE Inc
- 2 Chesapeake
- 3 Horizon BetaPro Energy Bear
- 4 First Solar
- 5 Research in Motion

Short

- 1 Ishares TSX
- 2 Gildan Activewear
- 3 Sino Forest
- 4 Rona
- 5 West Fraser

Sectors	Long (%)	Short (%)	Net (%)
Energy	26.7	5.7	21.0
Materials	28.8	5.7	23.1
Industrials	10.7	2.2	8.5
Consumer	5.7	11.5	-5.8
Health Care	3.6	2.5	1.1
Financials	0.0	1.0	-1.0
Technology	25.4	0.4	25.0
Telecom	18.3	1.0	17.3
Utilities	1.9	0.0	1.9
Index ETF	0.0	71.4	-71.4
Total	121.1	101.4	19.7

Disclaimer: Commissions, trailing commissions, management fees and expenses all may be associated with the Fund. The investment may not be suitable for all investors. Some conditions apply. Investors should carefully review the Fund's Offering Memorandum, including the risk factors detailed therein under the heading "Risk Factors", prior to investing in the Fund. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. There can be no assurance that the Fund objectives will be met. The Fund is not guaranteed, its value changes frequently and past performance may not be repeated. The opinions expressed in the commentary are those of the author and do not necessarily reflect the views and opinions of the Manager or any distributor of the Manager Funds. The views expressed are of a general nature should not be interpreted as investment advice to you in any way. Please consult a qualified financial advisor before making an investment decision. The portfolio manager/advisor/sub-advisor has a direct interest in the management and performance fees of the Fund, and may, at any given time, have a direct interest in the Fund itself.