

A MOMENT IN TIME

This past quarter has provided the media with a proliferation of information for distribution to its viewers and readers. As technology has advanced, it has made “up to the second news” literally “up to the second”. While it is all fine to report on the latest troubles in the Middle East or the most recent terror threats around the world, the same does not hold true for reporting on the progress or regress of capital markets. News in the capital markets often takes months or even years to bare its’ true value if any. While we all like to think that we could use this “vital” information to capitalize on the next Microsoft or Google, professional money managers do **not** buy or sell investments based on the latest piece of news to cross the wire. Unfortunately, the same is not true of investors at large. With the majority of the capital markets in control of the general investor, this “up to the second news” has created much more volatility in the market place then ever before.

To say the quarter ending June 30th 2006 was volatile for the equity markets would be an understatement. In the case of the Dow Jones exchange, we saw it bounce from being up 3.66% at the end of March to a gain of 8.63% by May 11th 2006 and then drop to a gain on the year of only 4.04% to finish the quarter. A similar pattern was seen on the TSX composite. The TSX sat with a gain of 7.44% as of March 31st 2006, by May 11th 2006 that gain had swelled to 9.27% but finished the quarter up only 3.02%, giving back 6.25% of the years’ prior gains.

While downturns in the market and more importantly in your portfolio do not bring anyone joy, it does provide for longer term opportunities as managers deploy idle cash into overlooked and often oversold investments. Progress often requires taking a step back in order to achieve the two steps forward. Our short-term objective is to remain focused on the longer-term goals. Over the long term our goal in managing your assets is to enhance your returns and minimize your risk. We will achieve our goals through the prudent selection of professional money mangers and appropriate asset allocation across all asset classes.

If we all remain focused on our long-term objectives historical data has shown that we will be rewarded for our patience and vigilance.

Enjoy the balance of your summer.

Regards,

Don

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