

Making Your Estate Secure
June 30, 2006 Results

John Ambrose, CFA

July 2006

Telephone: 416-203-8139

Today, we are reporting on performance results for the eighteen-month period ending June 30, 2006. Our clients' balanced portfolios performed better than 8 out of 10 competing managers as determined by Globefund.

Clients have enjoyed healthy returns relative to markets and to competing managers. Balanced portfolios have returned 13.6% before our fees. This exceeds the median of competing managers by 4.5%, although falls slightly short of the blended, balanced benchmark by 0.4%.

Making your estate secure relies partly on a solid investment methodology like ours. Consistently superior returns can boost the value of your estate or retirement income. If you retire with \$2 million and live reasonably, your estate will be higher by \$2 million in twenty years with an extra 4% p.a. every year. So the stakes are high!

We are pleased with these results and hope that our clients are pleased as well. Of course, past results do not guarantee future performance.

Principal team-member

AMBROSE
INVESTMENT COUNSEL



- President, CIO
- Started MD Private Trust in 2001
 - Built investment team
 - Managed \$2 billion
- Former U of T Governor
- Chair Banting Research Foundation
- Credentials: M.Sc. (Eng.), MBA

John Ambrose, CFA, P.Eng.

July 2006 2

For those considering an investment counsel, Ambrose Investment Counsel could be the answer. First, let me tell you about our experience.

I have master's degrees in engineering and business, and am registered as a Professional Engineer and Chartered Financial Analyst. I am able to research and build good portfolios.

Formerly, I built and headed the first investment department of MD Private Trust at the Canadian Medical Association. We managed \$2 billion successfully for our doctor-clients across Canada. We use the same methodology today for our clients as I installed and used at MD Private Trust then.

As well, I serve as Honorary Chair of the Banting Research Foundation. I know doctors and doctors know me.

We are always looking for the best staff that can improve client service in our team-setting.

Value-added services that build client relationships

AMBROSE
INVESTMENT COUNSEL

- Integrated investment, tax, and legal advice
- Objective financial planning
- Customized investment counselling
- Portfolio management by design
- Superior and trusted investment methodology

July 2006 3

We have built our company to be as valuable to our clients as possible. For example, we have customized our investment counselling process that might include a detailed financial plan to suit differing client needs.

As well, we have selected excellent independent specialists in Canadian and foreign tax, and in estate law to be available to our clients. With them or your advisors, we can build portfolios that match our clients' tax and estate needs.

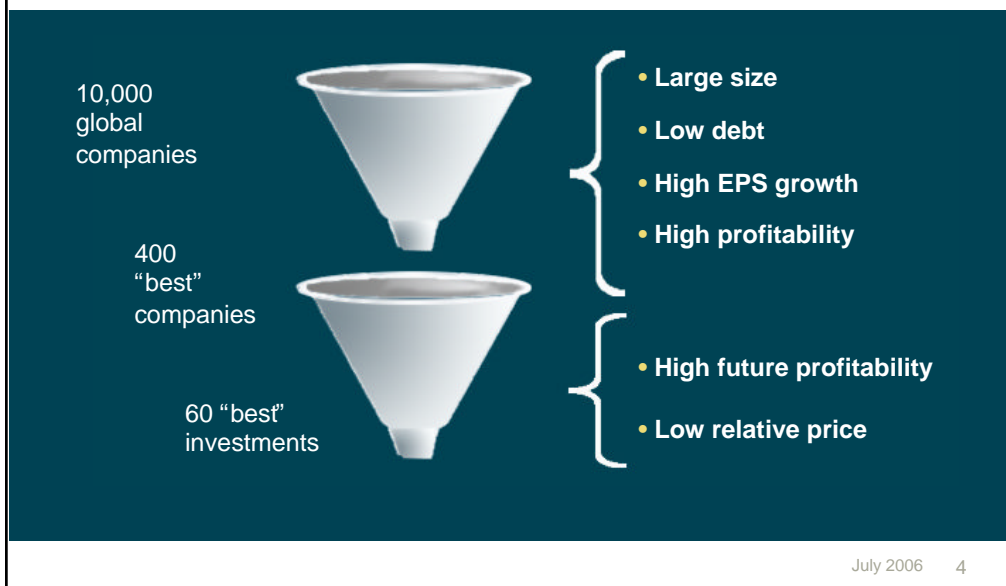
Our investment methodology is tried and true through many different market conditions. Our objectives are capital preservation and growth.

The combined services offer convenience and peace-of-mind at a competitive price for clients who are thinking of their retirements and estates.

Optimizing Our Clients' Equities

AMBROSE

INVESTMENT COUNSEL



Equities offer the most opportunity for returns, but also volatility. We have used the same methodology for ten years and tested it over twenty years. Doctor-clients at MD Private Trust trusted this methodology when I headed the investment team there and managed \$2 billion of doctors' assets.

The first step in the methodology selects the best 4% of global companies based on their own track records. Track record means large size, strong balance sheet, high steady earnings growth, and steady high profitability.

Then we blend these companies to produce the best portfolios based on the highest expected growth for the lowest price. The portfolios exhibit double the expected growth at cheaper prices but with lower market volatility and similar diversification.

This makes each portfolio customized and tax-efficient.

Portfolio Strength

AMBROSE
INVESTMENT COUNSEL

	<u>Portfolio</u>	<u>S&P/TSX Index</u>
Historical:		
Debt / total assets	12%	20%
Growth in earnings per share	49%	19%
Return on equity	21%	11%
Market capitalization	\$10B	\$2B
Forecast:		
Return on equity	33%	14%
Price / cash flow	7.8x	7.9x
Beta	0.9	0.9

Source: CPMS, July 2006

July 2006 5

This is an example of our equity methodology in action, in this case of the Canadian equity portfolio. For each of the Canadian, U.S. or international portfolios, we select the best companies based on their historical record.

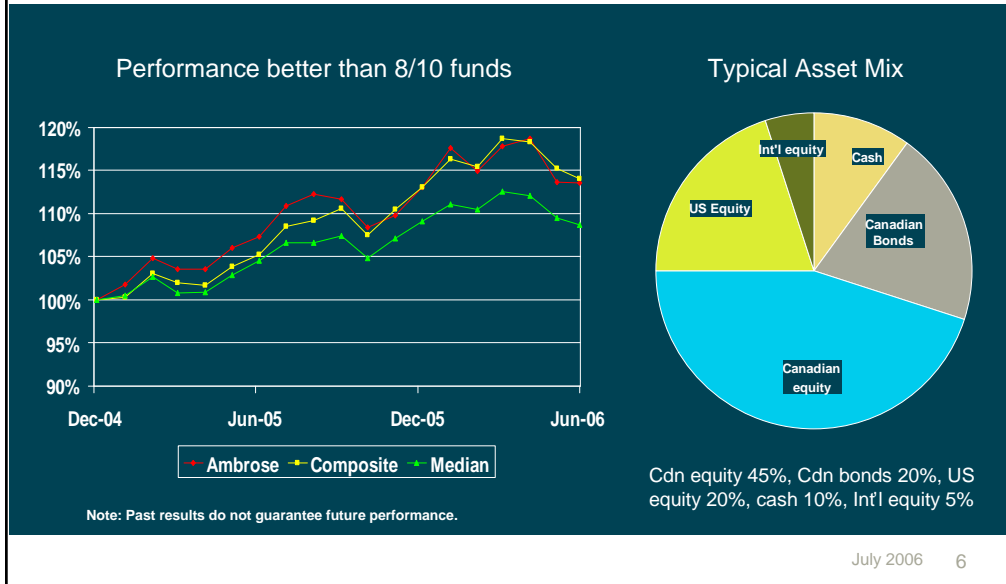
The table illustrates that the average company in the Canadian equity portfolio is larger and financially stronger, and has higher profitability and earnings growth than the market index. Our US and international portfolios have similar characteristics.

Then we select the best investments from these best companies based on forecast information, and blend them into quality portfolios..

As a result, we believe that our portfolios can outperform the market because they are cheaper with better growth than the market.

Balanced portfolio performance

AMBROSE
INVESTMENT COUNSEL



Here is how our clients' balanced portfolio (of cash, bonds and equities) has grown from December 31, 2004 to June 30, 2006.

Performance has matched or exceeded the composite market index. In the last six months, the portfolio has underperformed the market because of a slight over-weight in Canadian bonds and equities that were weak during this period.

However, our clients' portfolios are outperforming the median mutual fund by a widening margin, and continue to outperform 8 out of 10 of all fund managers.

**Performance for Canadian Clients
18 months to June 30, 2006**



<u>\$Canadian</u>	<u>Clients</u>	<u>Index</u>	<u>Median</u>
Canadian bonds	4.7%	4.9%	2.4%
Canadian equity	26.5%	29.3%	23.5%
U.S. equity	2.2%	-0.7%	-0.2%
<u>International equity</u>	<u>17.1%</u>	<u>17.0%</u>	<u>11.4%</u>
Balanced	13.6%	14.0%	9.1%

Notes: Past results do not guarantee future performance. Sources: Globefund, ICFA GIPS methodology. Investing in U.S. Equity from January 2005; returns for 17 months.

July 2006 7

Here are the June 30 results in Canadian dollars by asset class. Clients' balanced portfolio outperformed 8 out of 10 mutual funds and the median fund by 4.5% while slightly underperforming the blended, balanced index.

Canadian bonds underperformed the Scotia Universe Index by 0.2% and outranked 8 of 10 funds.

Canadian equities returned 26.5% in Canadian dollars and outperformed the median fund by 3% but underperformed the S&P/TSX Index. This ranked better than 7 out of 10 managers.

U.S. Equity returns were better than both the S&P 500 Index and the median fund. The 17-month total return in \$U.S. of 13% was offset by a 11% rise in the value of the Canadian dollar to result in a 2.2% return in Canadian dollars. Out of 20 equities, 4 companies in 4 different sectors were acquired, proving the success of our methodology.

International equity returns outperformed the median fund by 5.7% and the EAFE Index slightly. This ranked better than 7 out of 10 funds.

Our Investment Philosophy

AMBROSE
INVESTMENT COUNSEL

- Know your client's objectives
- Invest in what you know
- Invest in a relatively few good companies
- Invest for the long-term
- Communicate clearly

July 2006 8

Our investment philosophy calls on us to know your objectives well. As a result, we can respond to your needs, and design a portfolio that suits you.

After that, we invest in what we know. Researching a smaller but diversified portfolio of companies allows us to be objective and focus our efforts on a few securities.

We invest for the long-term (like Warren Buffett does) in big companies that we believe are mispriced relative to the market. Therefore, our portfolios are concentrated (20 stocks in Canada out of 220), but adequately diversified (in 8 or 9 of the 10 industry sectors).

We are grateful for the confidence and trust of our growing clientele. Do you know other individuals that can benefit from our expertise?