

QUICK UPDATE: February 6, 2009-02-06 3 pm

As of today, we are significantly ahead of the market for February. We are up an estimated 5.9% in global equities and 5.1% in Canadian equities. In Canadian equities we are up for the year-to-date. Although the ex-Canada markets have been more volatile as of late, we point out that in the latest Brockhouse & Cooper survey just released of all Canadian managers, we ranked number One in Global equity Upmarket performance, and were better than the average manager in down markets as well (5 years ending December 31,2008).

Indicators of risk that we look at (Vix, TEDspread, Riskgrades) have declined by one-half of what they were in the great panic of Fall. Markets historically advance 6 months before economic activity.

Canada's performance will be influenced by the S&P 500 and we are also uniquely affected by the price of oil. Energy is a third of our market now. Once oil inventories drop, within a few months, this will be very bullish for energy driving the TSX and our portfolio.

A favourite measure of legendary investor Warren Buffet is shown below and demonstrates stocks are now historically very inexpensive. Markets will rise strongly before long and most market timers will miss this bottom.

