CPMS

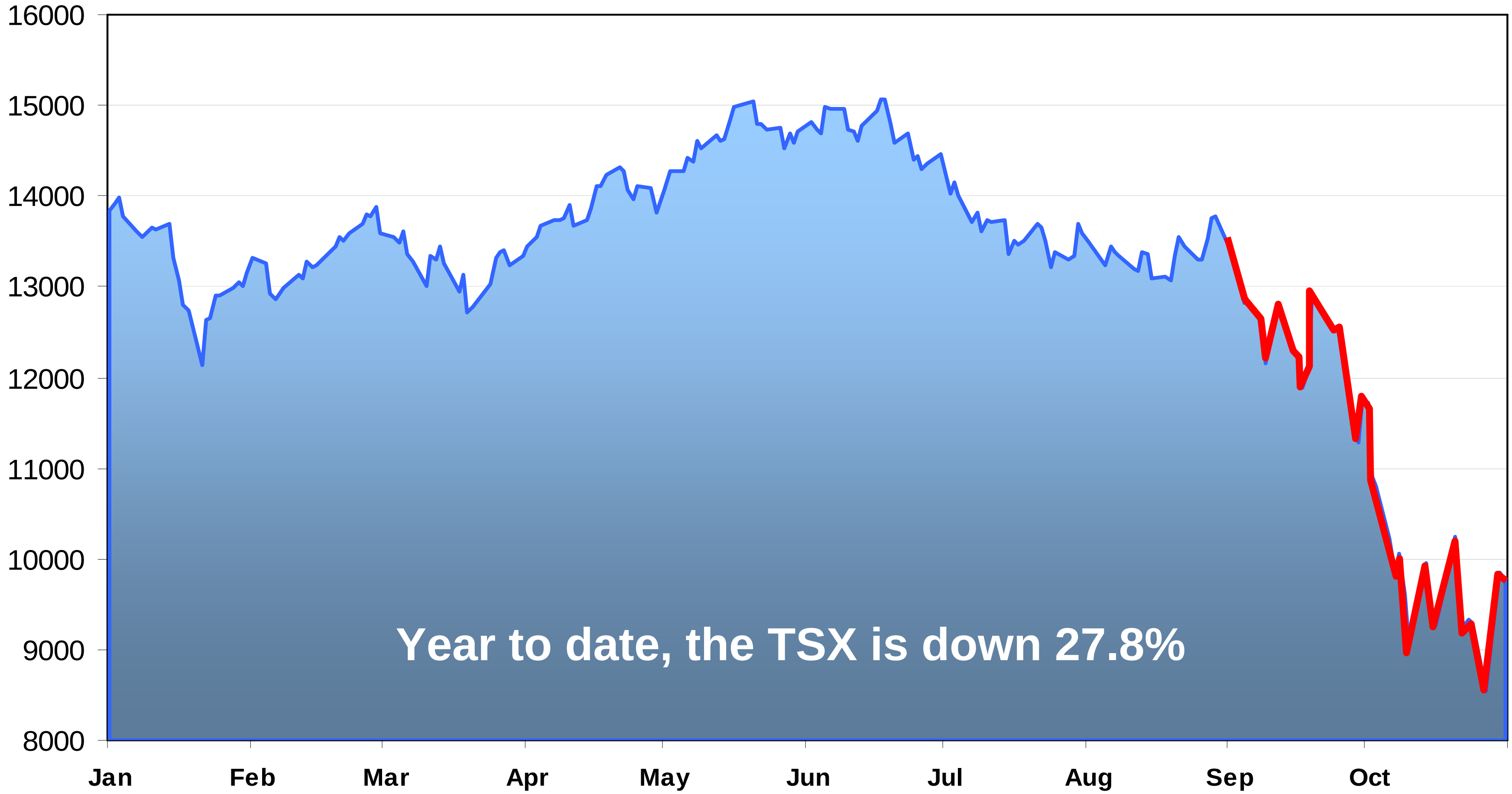
A Great Opportunity For The Long Term Investor:

5 Reasons To Buy

A CPMS Special Report
November 2008

S&P/TSX Composite Performance:

2008 Year to Date*



In the last two months alone we are down a *staggering* 28.7%.

*All data in this presentation is as of October 31st, 2008.

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We have all heard the excuses to sell equities:

"I have lost too much money..."

"The market is too volatile..."

"It's worse than 1929!"

"I will get back in after the bottom…"

Instead of excuses to sell, let's look at
5 REASONS TO BUY!

REASON #1

HISTORICALLY LOW VALUATIONS

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Median Price to Book of the CPMS Universe

Nearly half of the CPMS universe is trading below book value!

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Median Price to Book of the CPMS Universe

Think it's just beat up stocks from energy and materials?
Ex-resources, 43% of the universe is trading below book value.

See Appendix for performance of TSX and CPMS Model Portfolios following previous P/B low (Nov. 1990)

REASON #2

LACK OF ALTERNATIVES: EQUITIES VS. BONDS

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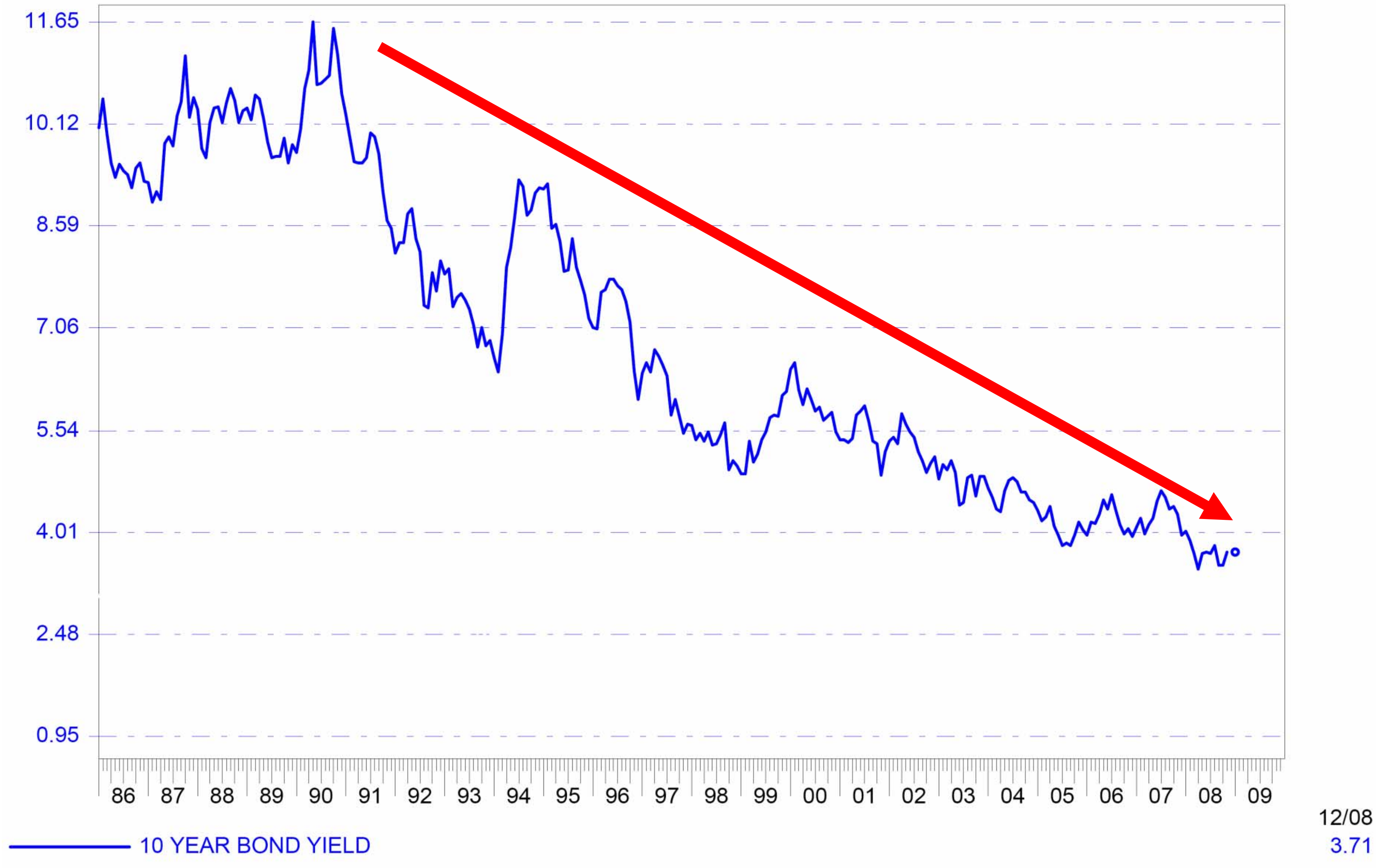
Yield Comparison: Equities vs. Bonds



The yield on a 10 year government bond is now only 3.71%.

Factor in inflation and taxes and your *real return* is negative.

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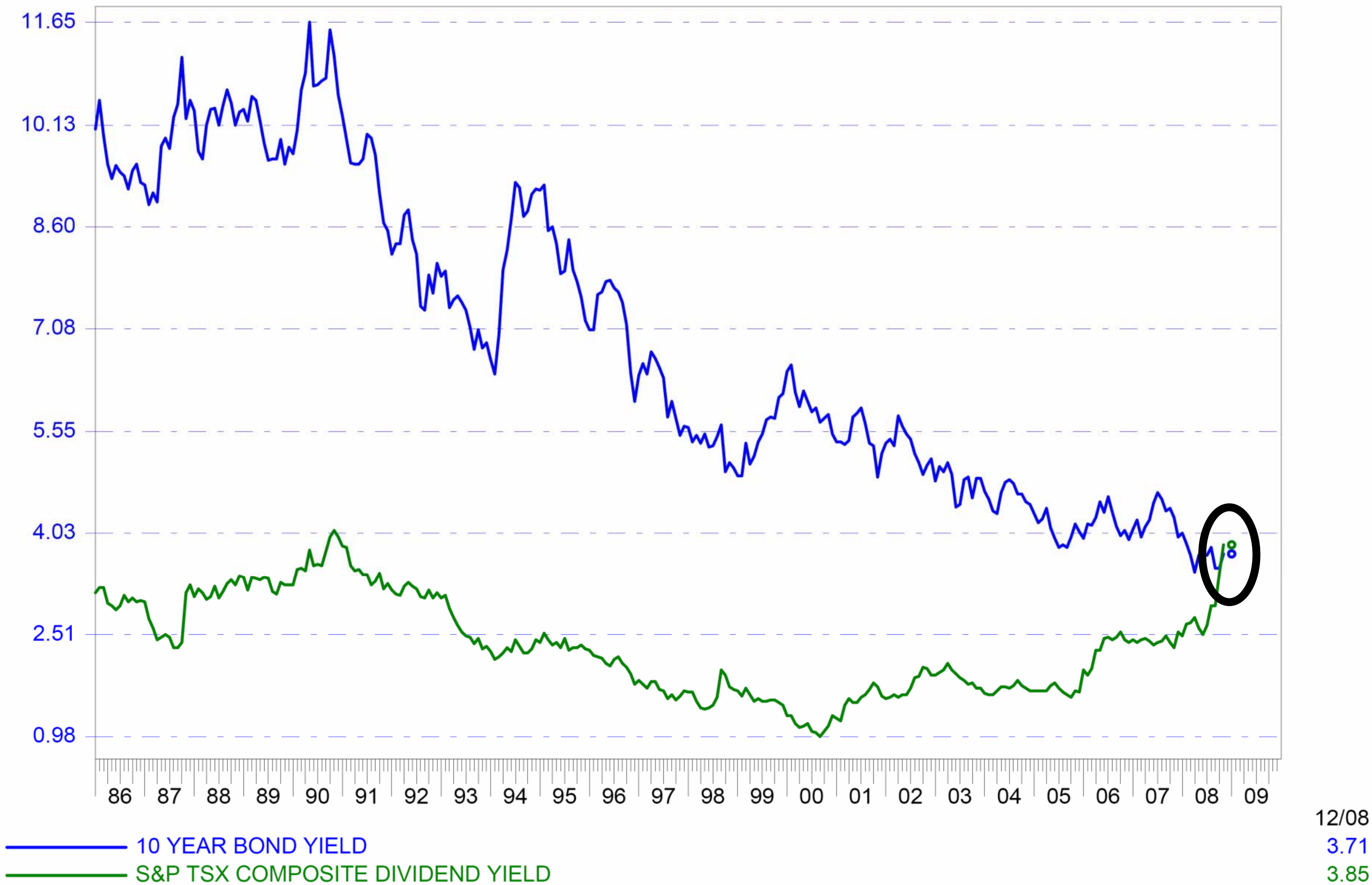
Yield Comparison: Equities vs. Bonds



Incredibly, the TSX now yields *<u>more</u>* than a 10 year bond.

Okay, but what if we remove the trusts?

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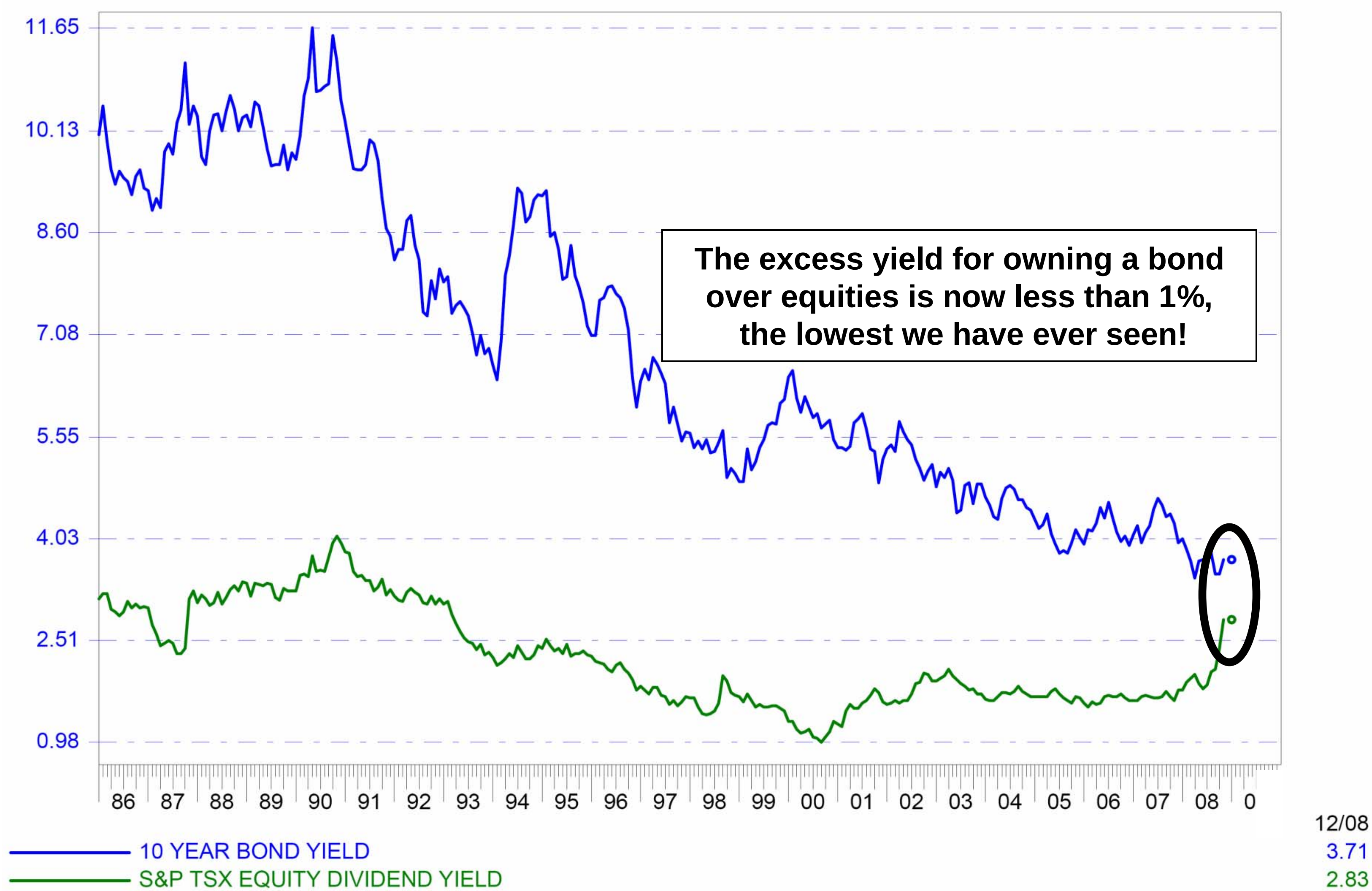
Yield Comparison: Equities vs. Bonds



Excluding trusts, the TSX Equity Index is *still* yielding almost 3%.

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REASON #3

TIMING THE MARKET IS A FOOL'S GAME

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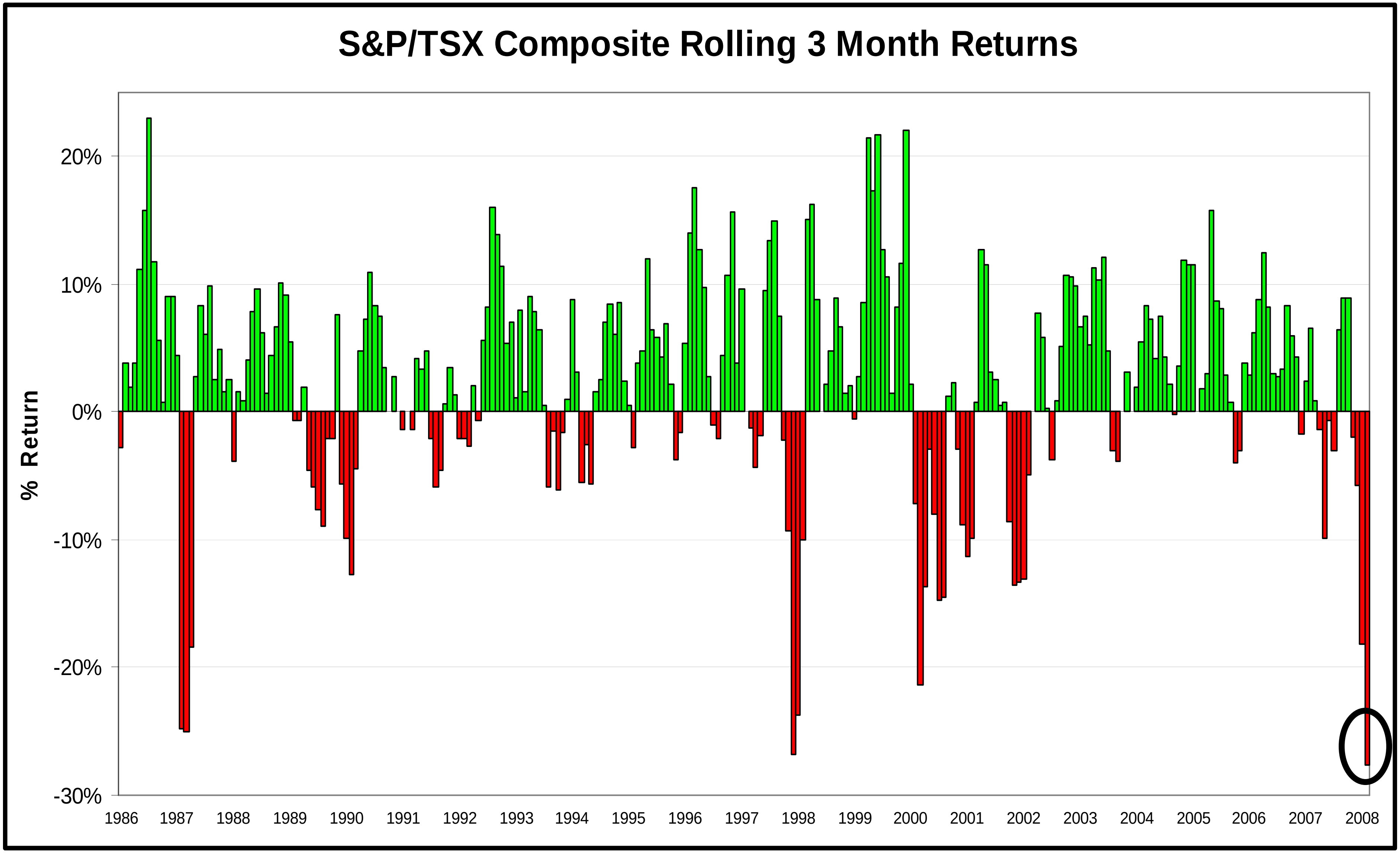

The 3 month return on the S&P/TSX Composite is -28%.
Is now the time to sit on the sidelines and wait for markets to improve?

To answer this question, let's see how sitting on the sidelines can hurt your returns.

Using the bear market rule of thumb, there have been five periods of 20% declines or more on a rolling 3 month basis since December 1985.

Let's see how the market responds …

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Timing the Market is a Fool's Game

3 Month Period Ended	3 Month Decline
October 1987	-24.6%
November 1987	-24.9%
August 1998	-26.8%
September 1998	-23.5%
November 2000	-21.4%
Average Returns	-24.2%

The average three month decline over these periods was -24.2%.

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Timing the Market is a Fool's Game

3 Month Period Ended	3 Month Decline	Return After 3 Month Decline		
		1 Year Return	5 Year Return	5 Year Return Ex. Year 1
October 1987	-24.6%	16.4%	32.2%	13.6%*
November 1987	-24.9%	14.5%	31.9%	15.2%
August 1998	-26.8%	28.1%	47.1%	14.8%
September 1998	-23.5%	25.9%	43.1%	13.7%
November 2000	-21.4%	-14.5%	33.9%	56.7%
Average Returns	-24.2%	14.1%	37.6%	22.8%

One year later, the average total return was 14.1%.

Five years later, the average total return was 37.6%.

However, by trying to time the market and missing the returns in year 1, the 5 year return falls to 22.8%.

*5 Year Return Ex. Year 1 calculated as (1 + 32.2%) / (1 +16.4%) = 13.6%

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Timing the Market is a Fool's Game

3 Month Period Ended	3 Month Decline	Return After 3 Month Decline			Loss from Missing Year 1
		1 Year Return	5 Year Return	5 Year Return Ex. Year 1	
October 1987	-24.6%	16.4%	32.2%	13.6%	-57.8%
November 1987	-24.9%	14.5%	31.9%	15.2%	-52.4%
August 1998	-26.8%	28.1%	47.1%	14.8%	-68.6%
September 1998	-23.5%	25.9%	43.1%	13.7%	-68.3%
November 2000	-21.4%	-14.5%	33.9%	56.7%	67.0%
Average Returns	-24.2%	14.1%	37.6%	22.8%	-39.5%*

How important was that first year of returns?
Without it, you missed out on 40%
of the total 5 year gain!

*Loss calculated as (37.6% - 22.8%) / 37.6% = 39.5%

REASON #4

BUY WHEN EVERYONE IS SELLING

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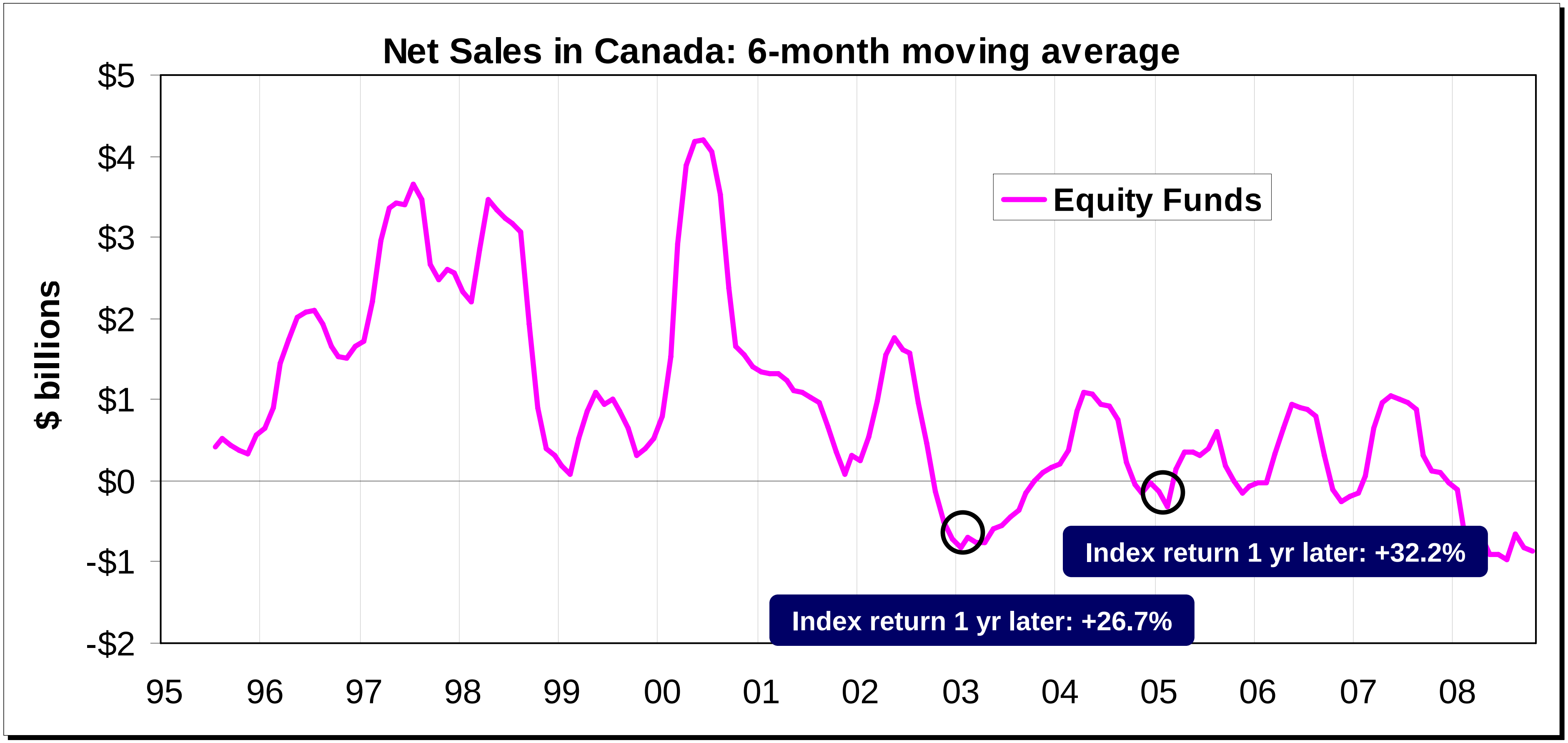
Canadian Mutual Fund Trends



Source: Investment Funds Institute of Canada

When the flow out of equities is heaviest, stock returns 12-months forward have been very strong.

*Net Redemptions of long-term funds estimated to be $5.8 billion in October 2008 (IFIC)

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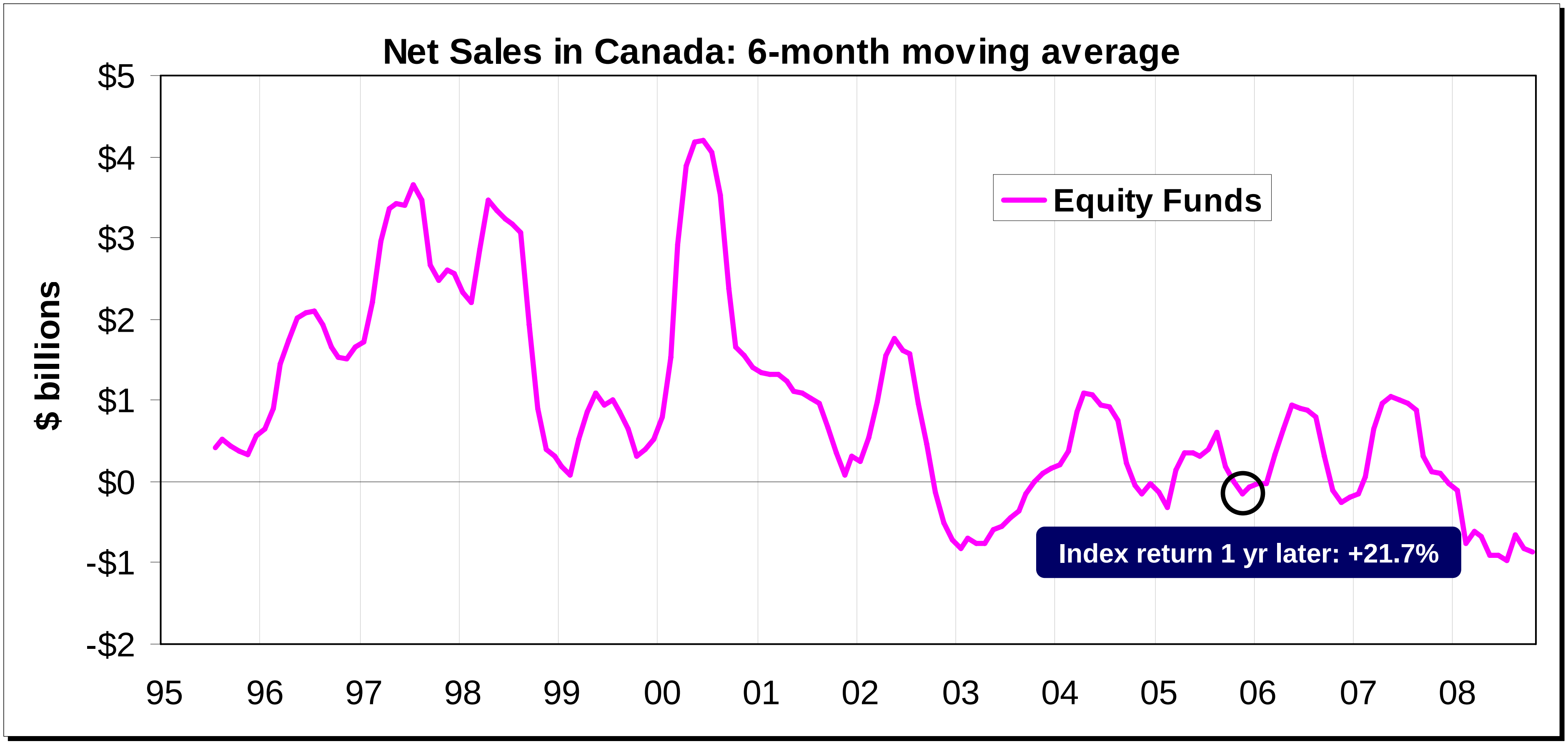
Canadian Mutual Fund Trends



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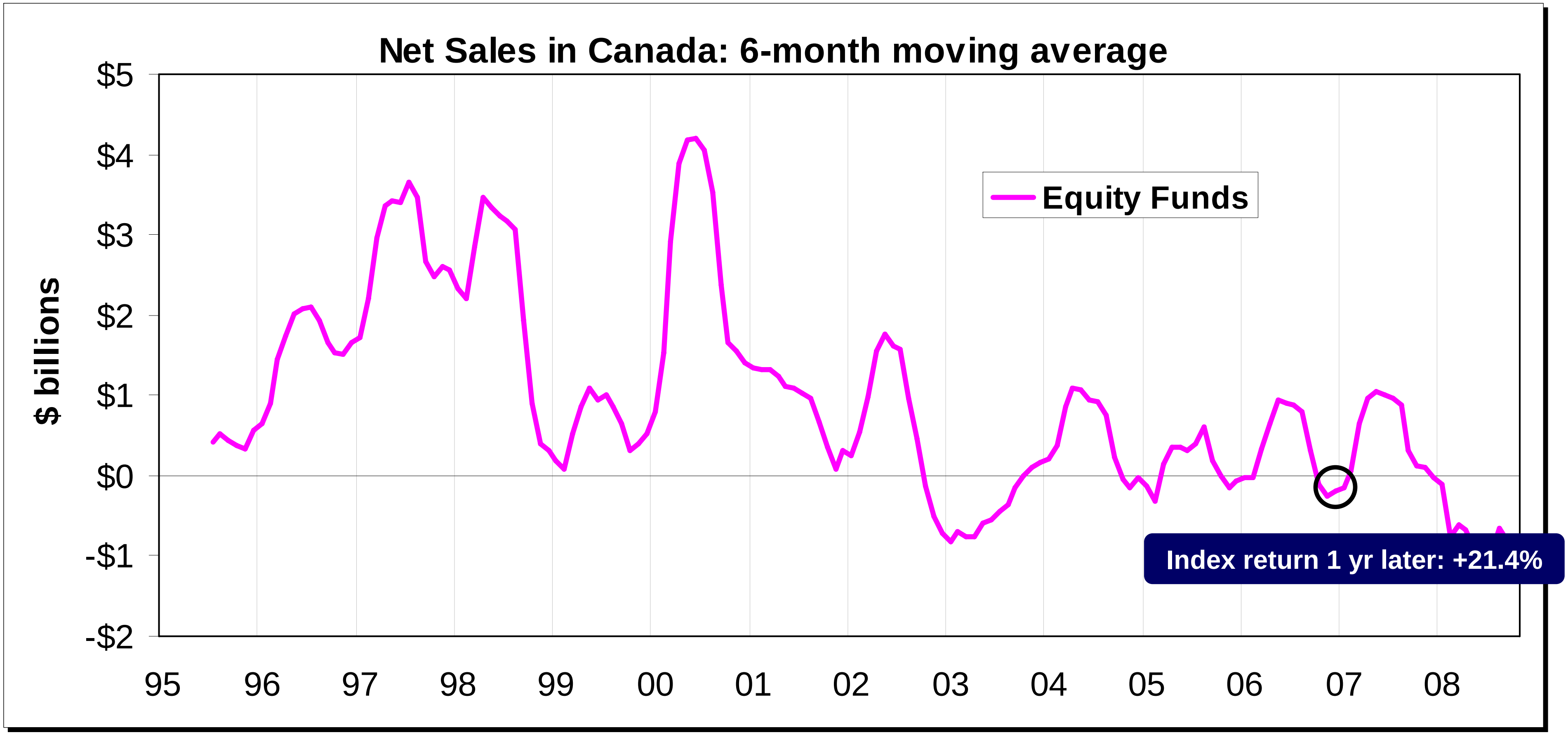
Canadian Mutual Fund Trends



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When the flow out of equities is heaviest, stock returns 12-months forward have been very strong.

*Net Redemptions of long-term funds estimated to be $5.8 billion in October 2008 (IFIC)

REASON #5

LONG TERM INVESTING WORKS

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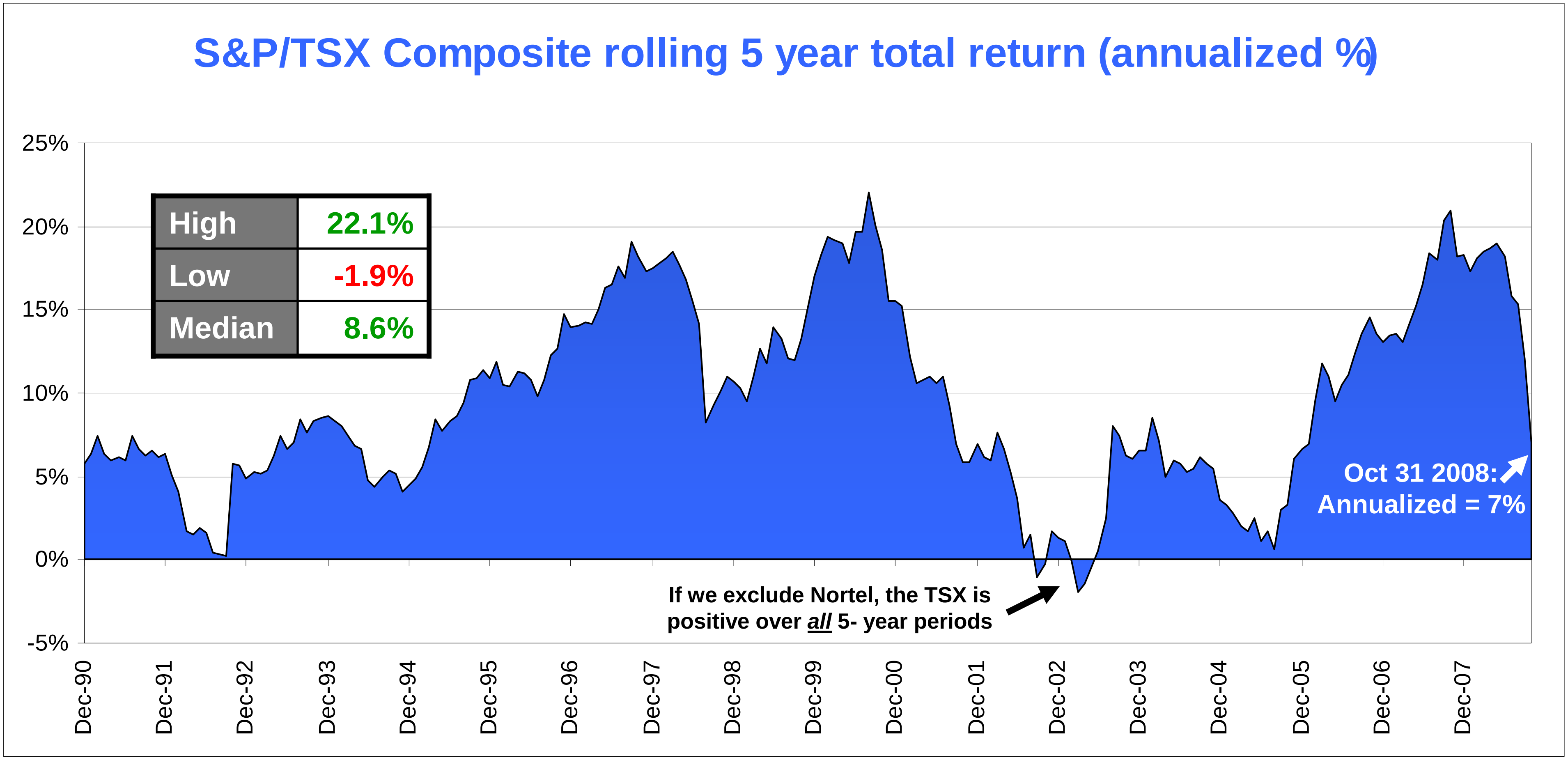
To demonstrate, we charted the monthly 5 year total return of the TSX from December 31, 1990 to October 31, 2008:



Over a five year period, simply holding the index results in a positive return 97% of the time (209 of 215 month-end periods).

Not impressed? See the Appendix for the 5 year rolling returns of the CPMS Model Portfolios.

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5 REASONS TO BUY

1. **HISTORICALLY LOW VALUATIONS**
2. **LACK OF ALTERNATIVES: EQUITIES VS. BONDS**
3. **TIMING THE MARKET IS A FOOL'S GAME**
4. **BUY WHEN EVERYONE IS SELLING**
5. **LONG TERM INVESTING WORKS**

"Great investment opportunities come around when excellent companies are surrounded by unusual circumstances that cause the stock to be misappraised" **Warren Buffett**

See Appendix for reasons to buy *using CPMS*!

APPENDIX: AN EVEN GREATER OPPORTUNITY FOR CPMS CLIENTS

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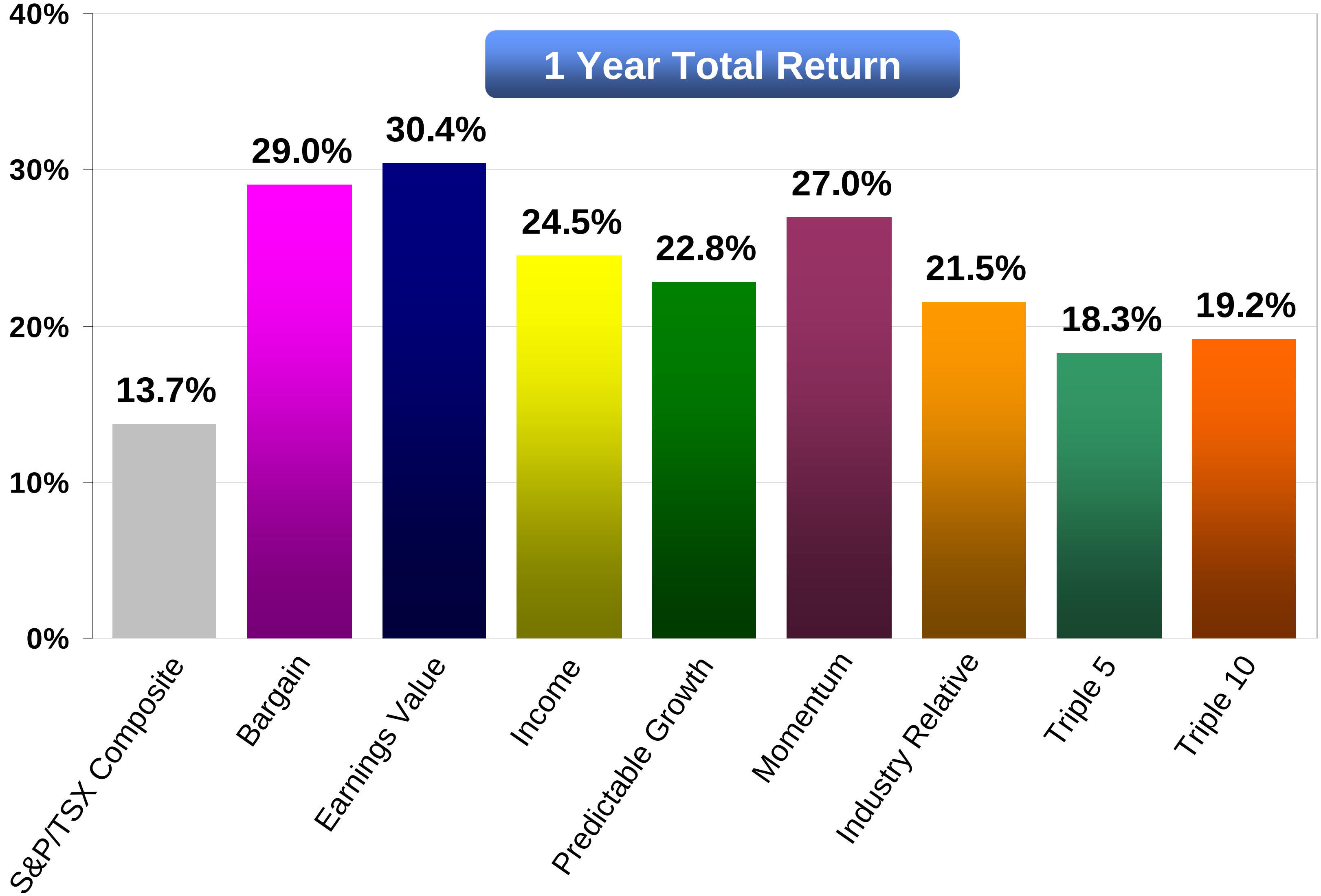
Bouncing off a Low?

Performance of the TSX Composite and CPMS Models following the previous P/B low in November 1990



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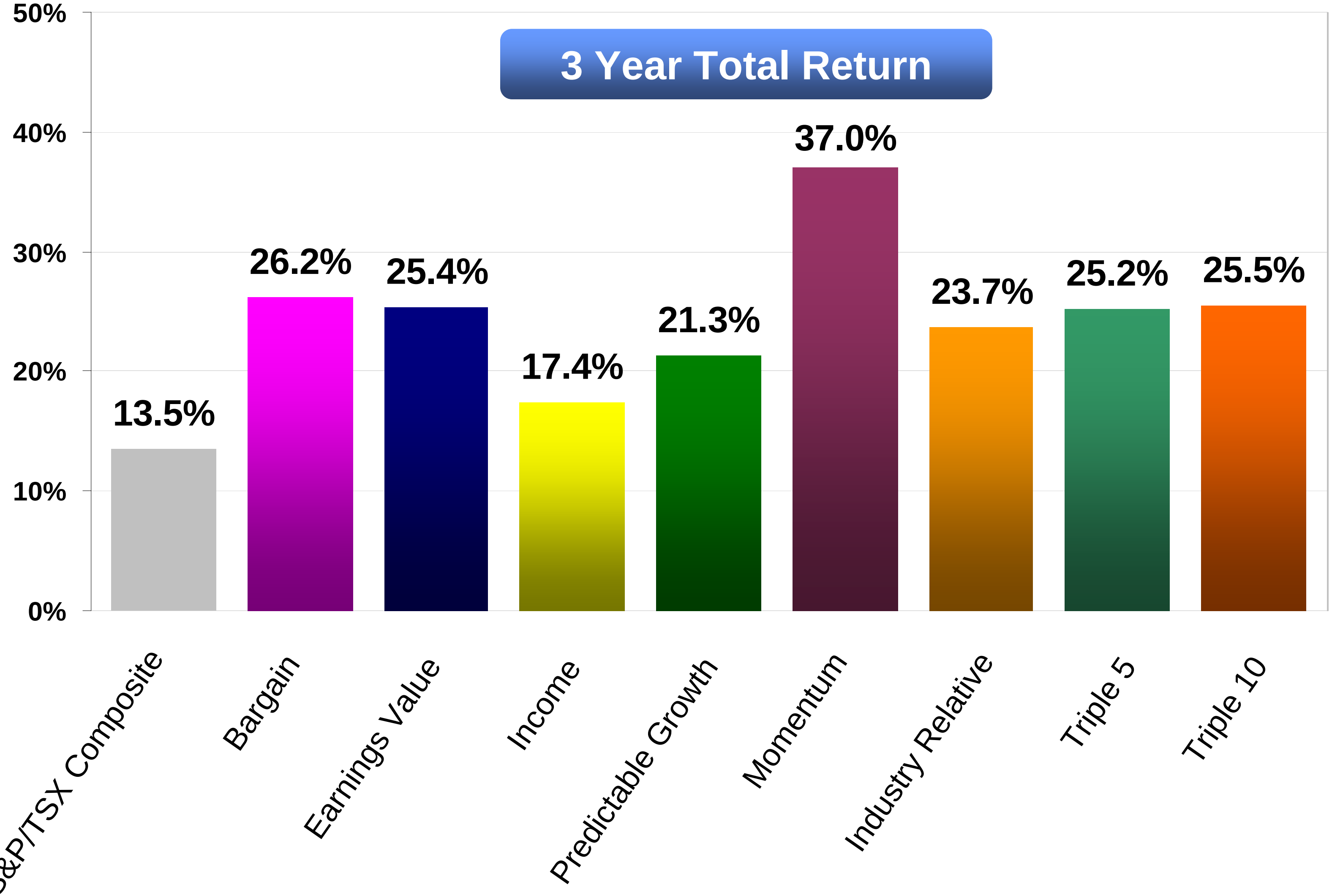

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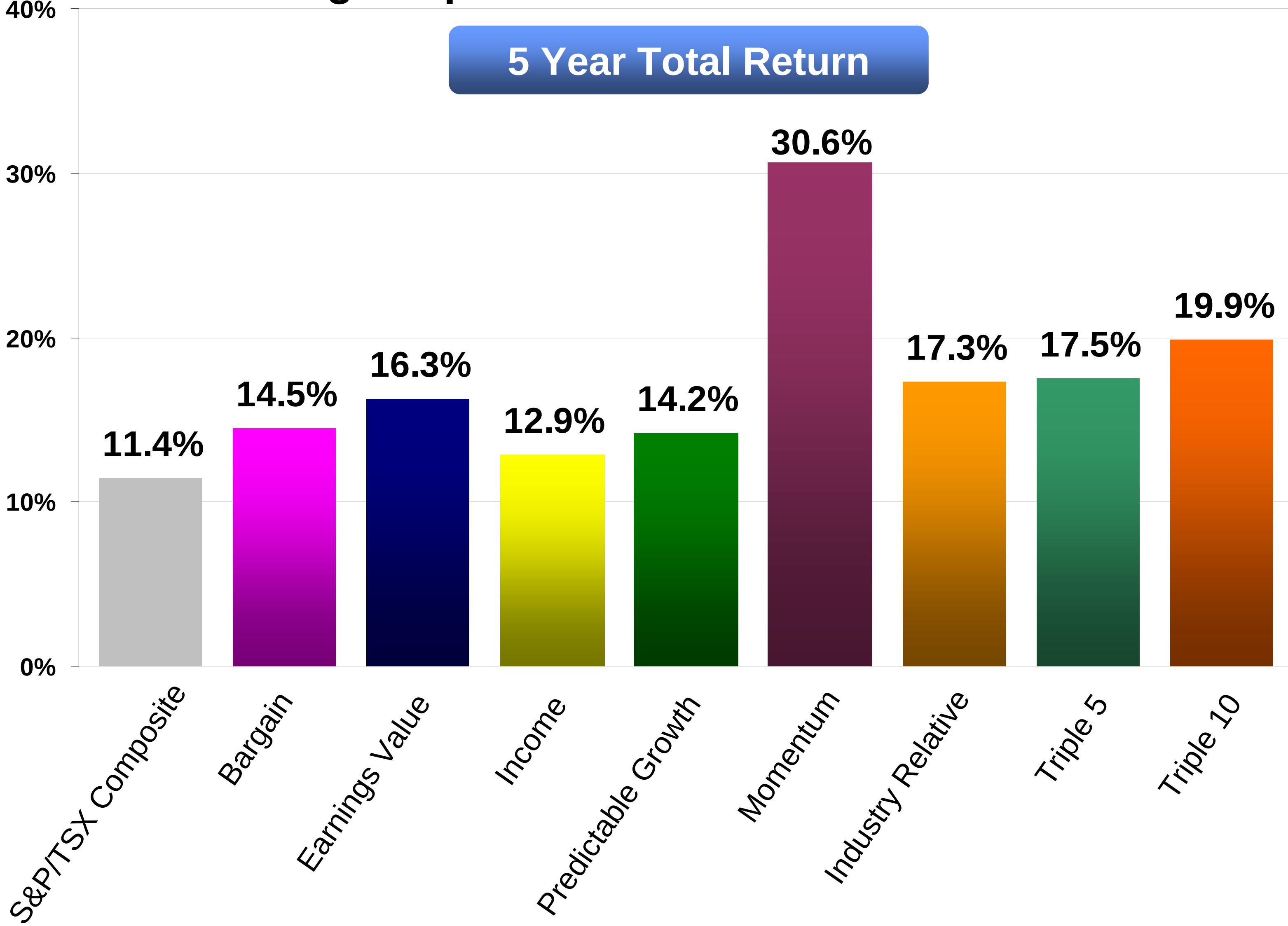

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Timing the Market is a Fool's Game

(Returns after 3 month decline of at least 20%)

CPMS Model	# of Occurences	Average 3 Month Return	Average Return after Period End			Loss from Missing Year 1
			1 Year Return	5 Year Return	5 Year Return Ex. Year 1	
TSX	5	-24.2%	14.1%	37.6%	22.8%	-39.5%
Bargain	7	-24.5%	17.6%	142.3%	111.6%	-21.6%
Earnings Value	4	-24.5%	22.7%	92.7%	59.4%	-35.9%
Predictable Growth	4	-25.4%	19.6%	104.1%	74.3%	-28.6%
Momentum	4	-24.7%	60.0%	243.4%	111.0%	-54.4%*
Industry Relative	3	-26.7%	25.5%	98.3%	56.9%	-42.1%
Triple 5	3	-21.7%	30.2%	149.2%	93.1%	-37.6%
Triple 10	3	-21.4%	34.2%	127.9%	69.1%	-46.0%

Note: Income Model has never had a decline of more than 20% over a three month period.

Over the long term, the CPMS Models more than double the 5 year return of the TSX Composite!

Trying to time the market and missing year 1 can be very costly to long term returns.

*Loss calculated as (243.4% - 111.0%) / 243.4% = 54.4%

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Timing the Market is a Fool's Game

(Returns after 3 month decline of at least 20%)

CPMS Model	# of Occurences	Average 3 Month Return	Average Return after Period End			Loss from Missing Year 1
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Earnings Value	4	-24.5%	22.7%	92.7%	59.4%	-35.9%
Predictable Growth	4	-25.4%	19.6%	104.1%	74.3%	-28.6%
Momentum	4	-24.7%	60.0%	243.4%	111.0%	-54.4%*
Industry Relative	3	-26.7%	25.5%	98.3%	56.9%	-42.1%
Triple 5	3	-21.7%	30.2%	149.2%	93.1%	-37.6%
Triple 10	3	-21.4%	34.2%	127.9%	69.1%	-46.0%

Note: Income Model has never had a decline of more than 20% over a three month period.

As the Momentum Model highlights, investors can miss out on 54% of the total 5 year return.

By the way, this happens to be more than a 130% return!

*Loss calculated as (243.4% - 111.0%) / 243.4% = 54.4%

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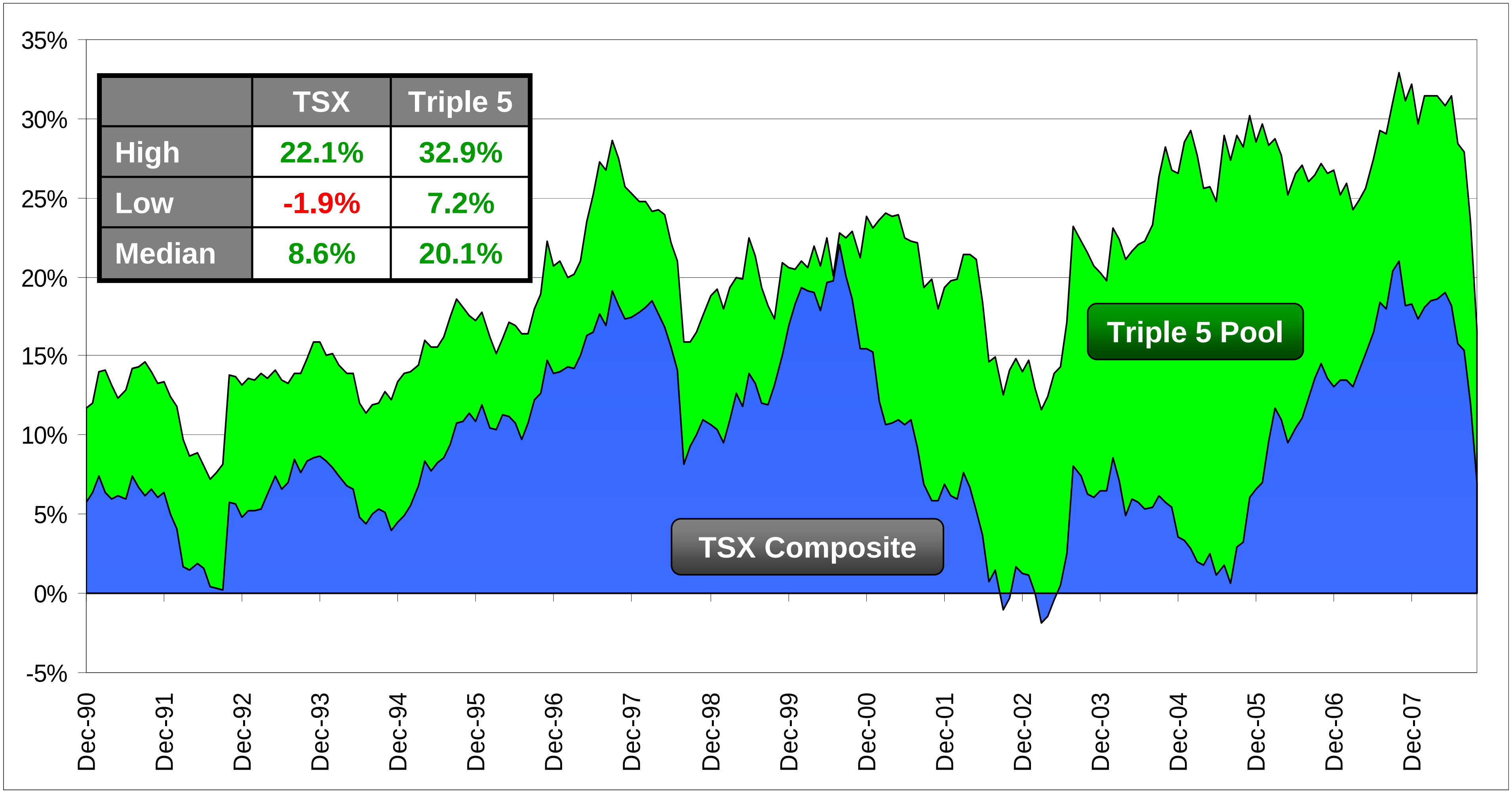
Rolling 5 Year Total Returns (annualized %)
S&P/TSX Composite vs. CPMS Triple 5 Model



	TSX	Triple 5
High	22.1%	32.9%
Low	-1.9%	7.2%
Median	8.6%	20.1%

Since it's inception, the Triple 5 has produced a positive return and outperformed the TSX over all 5 year periods.

Let's see how all CPMS Models stack up…

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Rolling 5 Year Total Returns (annualized %)
S&P/TSX Composite vs. CPMS Models

	High	Low	Median
TSX	22.1%	-1.9%	8.6%
Bargain	29.6%	-7.7%	10.9%
Earnings Value	36.1%	3.3%	16.1%
Income	27.9%	7.1%	17.8%
Predictable Growth	29.0%	4.4%	16.5%
Momentum	42.8%	6.4%	26.3%
Industry Relative	33.0%	3.5%	16.2%
Triple 5	32.9%	7.2%	20.1%
Triple 10	32.3%	8.4%	21.5%