



PHILLIPS, HAGER & NORTH

Investment Management Ltd.

Investment Management Presentation to

Tradex Equity Fund Annual General Meeting

April 30, 2008

Presented by: Paul Balfour, Vice President



Est.1964



PH&N and RBC Asset Management

Taking it to the next level



- PH&N will be a subsidiary of RBC Asset Management
 - John Montalbano to be CEO of both
 - 4 of 6 members of PH&N executive committee from PH&N
 - Key addition will be Dan Chornous as CIO

- Expanded investment management capabilities
 - Global equity, including small- and mid-cap
 - Global fixed income, including high yield and emerging market debt

- Motivation to build business is intact
 - Majority of PH&N shareholders have signed 3-year contracts and 5-year non-compete agreements
 - PH&N incentive pool to mimic share ownership



PH&N and RBC Asset Management

People – Dan Chornous, CIO

- Former Managing Director of Research & Chief Strategist at RBC Capital Markets
- CIO at RBC Asset Management since 2002
- Five years ago, RBC AM had only 12% of its investment fund assets in the top 2 quartiles over 10 years; today it is 82%
- Will be CIO at PH&N and Chair the PH&N Asset Mix Committee



Tradex Equity Fund Limited

Average Annual Compound Rates of Return March 31, 2008

	3 Mos %	1 Yr %	3 Yrs %	5 Yrs %	10 Yrs %
Tradex Equity Fund Ltd.	-4.8	-10.7	4.6	10.8	5.2
Average Canadian Equity Fund*	-4.8	-5.1	7.5	12.8	6.4
S&P/TSX Total Return Index	-2.8	4.0	14.2	18.5	7.8
S&P 500 Index (C\$)	-6.4	-15.6	0.2	3.6	0.2

* Source: Globefund



Canadian Equity Performance

What's gone wrong over past three years?

- Partly style, partly self inflicted, and the Canadian dollar hurt badly
- Misjudged the strength of the commodity cycle
 - Energy in 2005, mines & golds in 2006-07
- Poor stock picks
 - Biovail & Celestica
- Cautious too early
 - Wanted to be defensive
- We have realigned responsibilities internally effective December 2007
- We have improved our selling disciplines



Tradex Equity Fund Limited

Performance Update to April 28, 2008

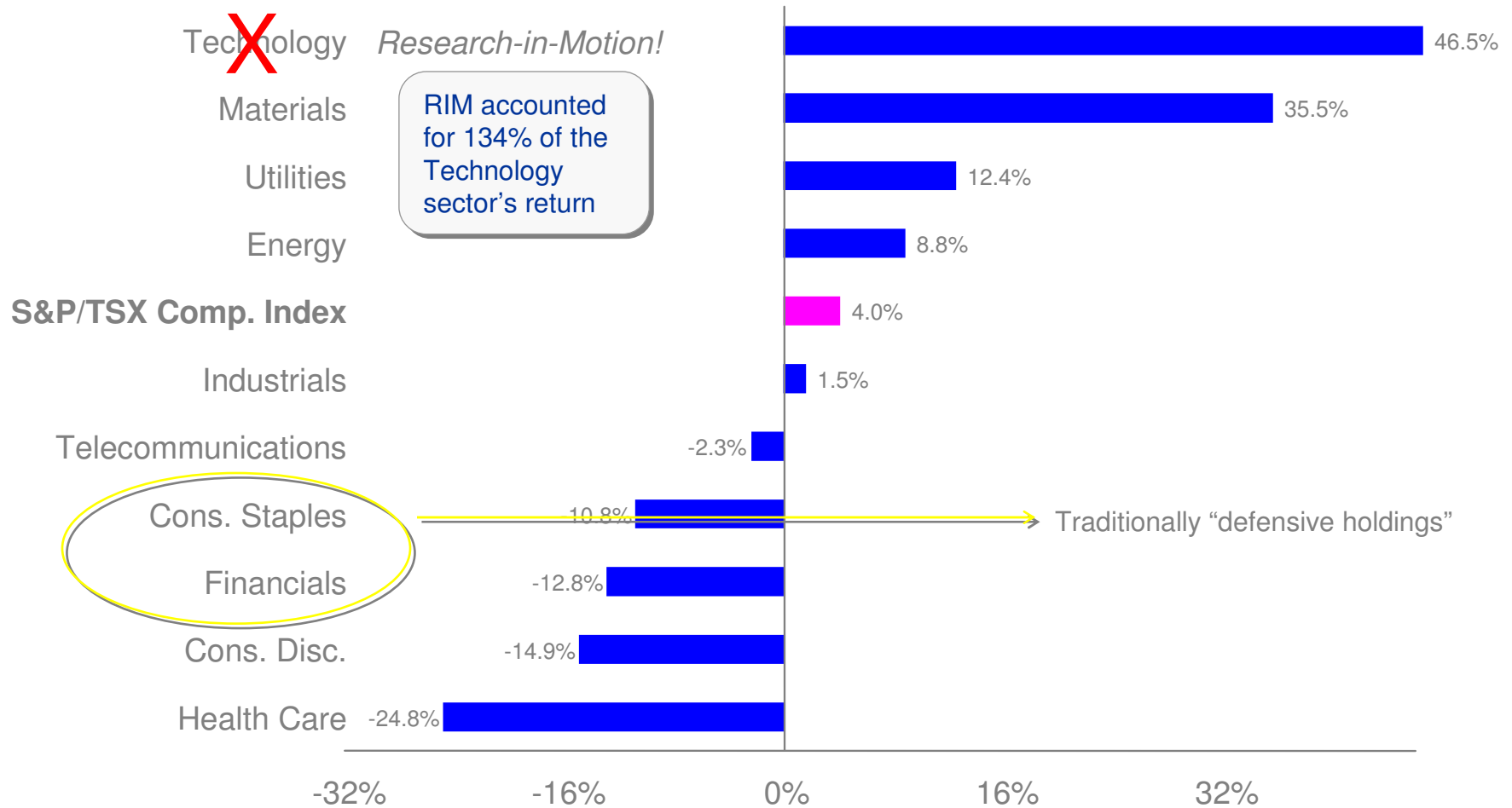
	Month to Date %	Year to Date %
Tradex Equity Fund Ltd.	4.7	-0.3
Median Canadian Equity Fund	4.6	-0.4
S&P/TSX Total Return Index	5.7	2.7
S&P 500 Index (C\$)	4.2	-2.5



Equity Market

One Year Ended March 31, 2008

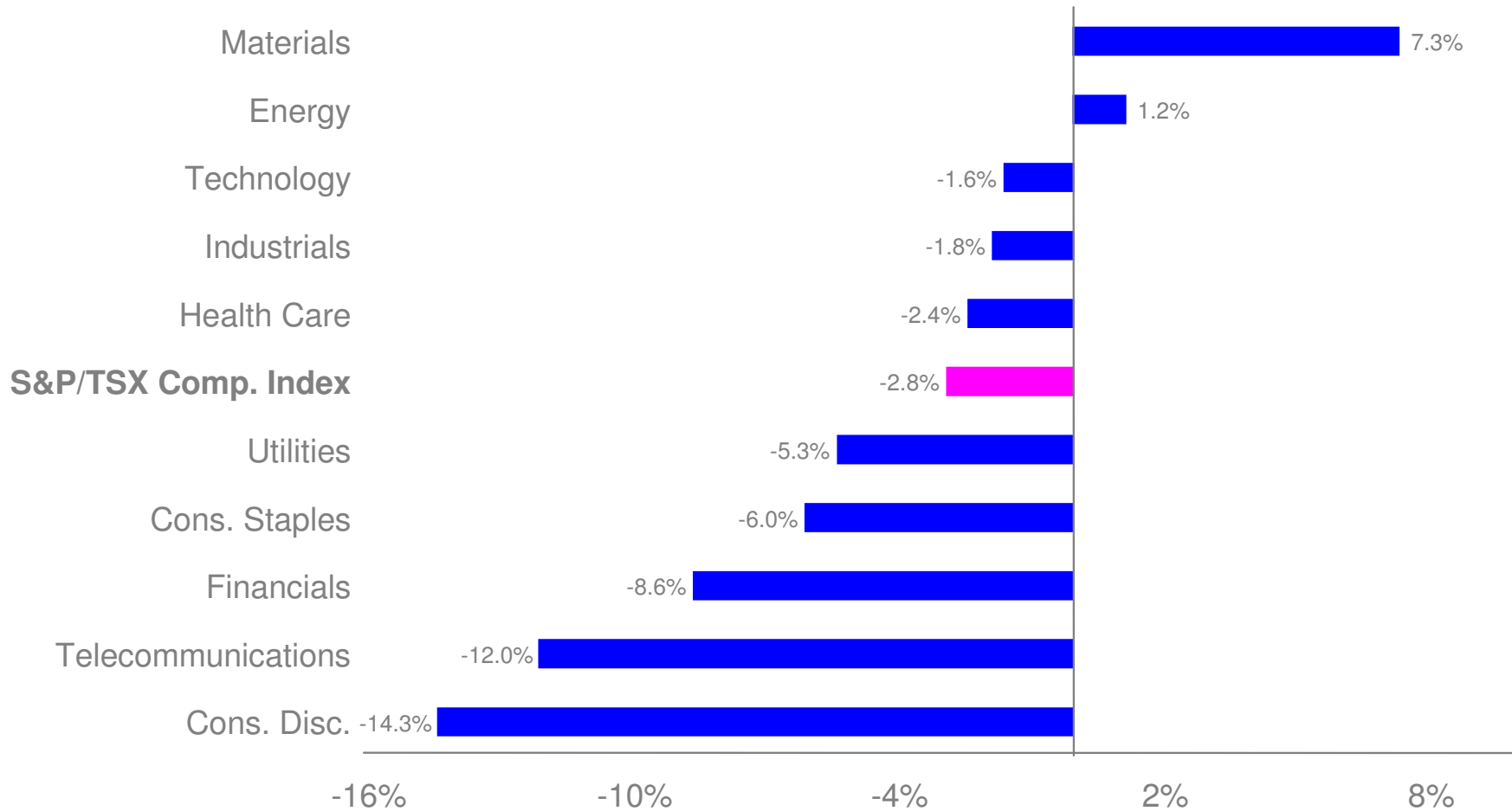
Performance of S&P/TSX Industry Sectors



Equity Market

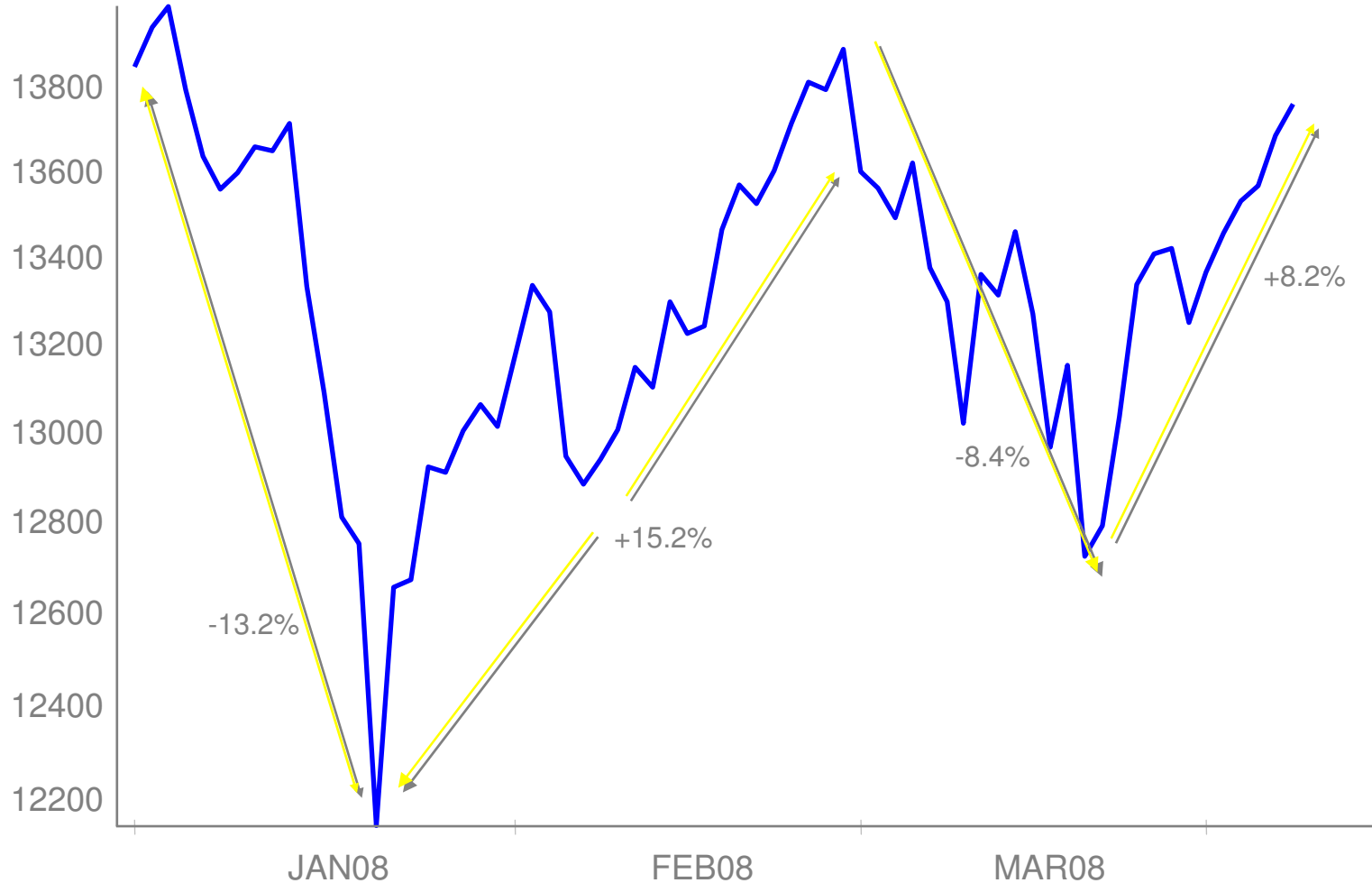
Quarter to March 31, 2008

Performance of S&P/TSX Industry Sectors



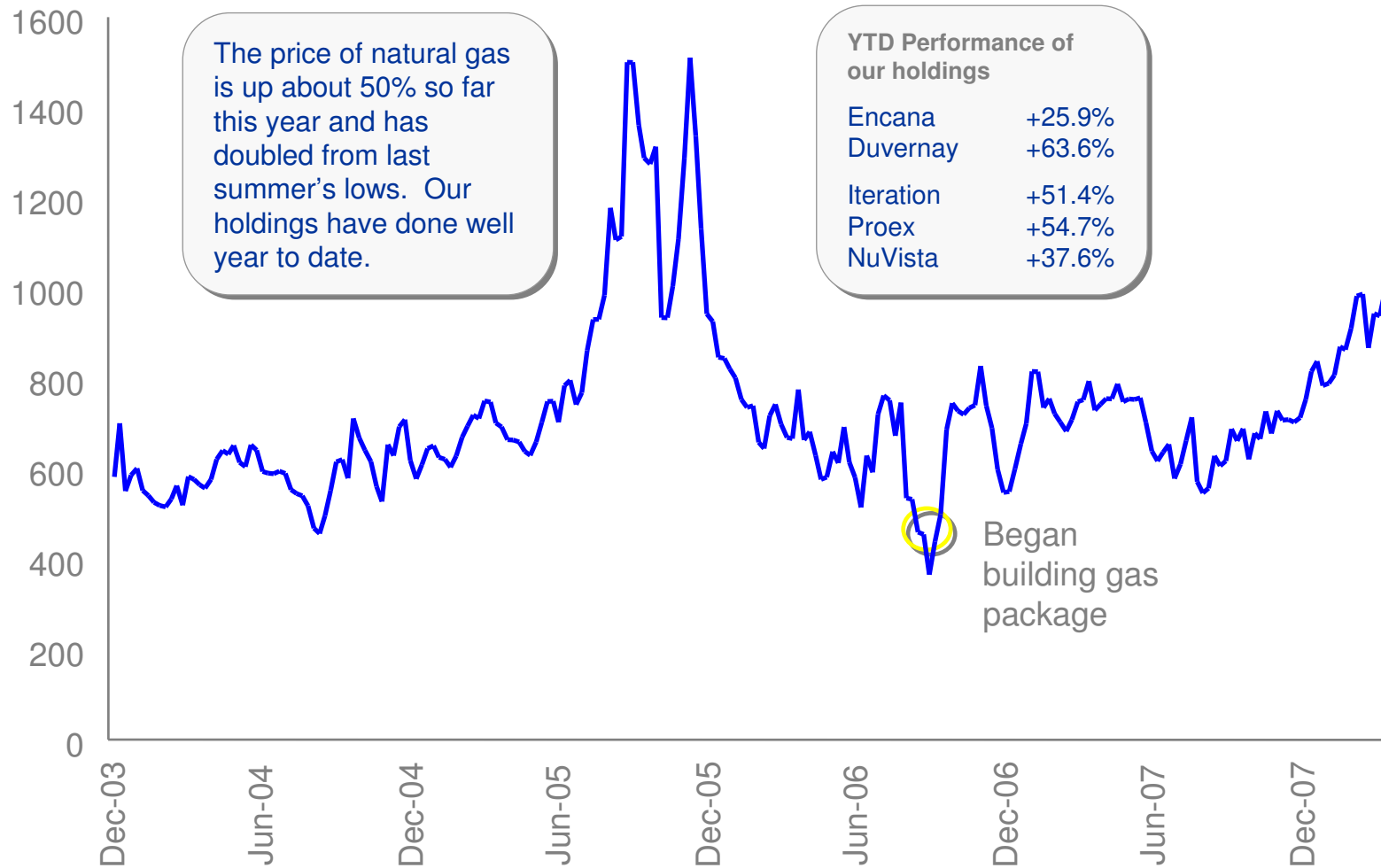
How Do You Spell Volatility?

S&P/TSX Composite Index – First Quarter 2008



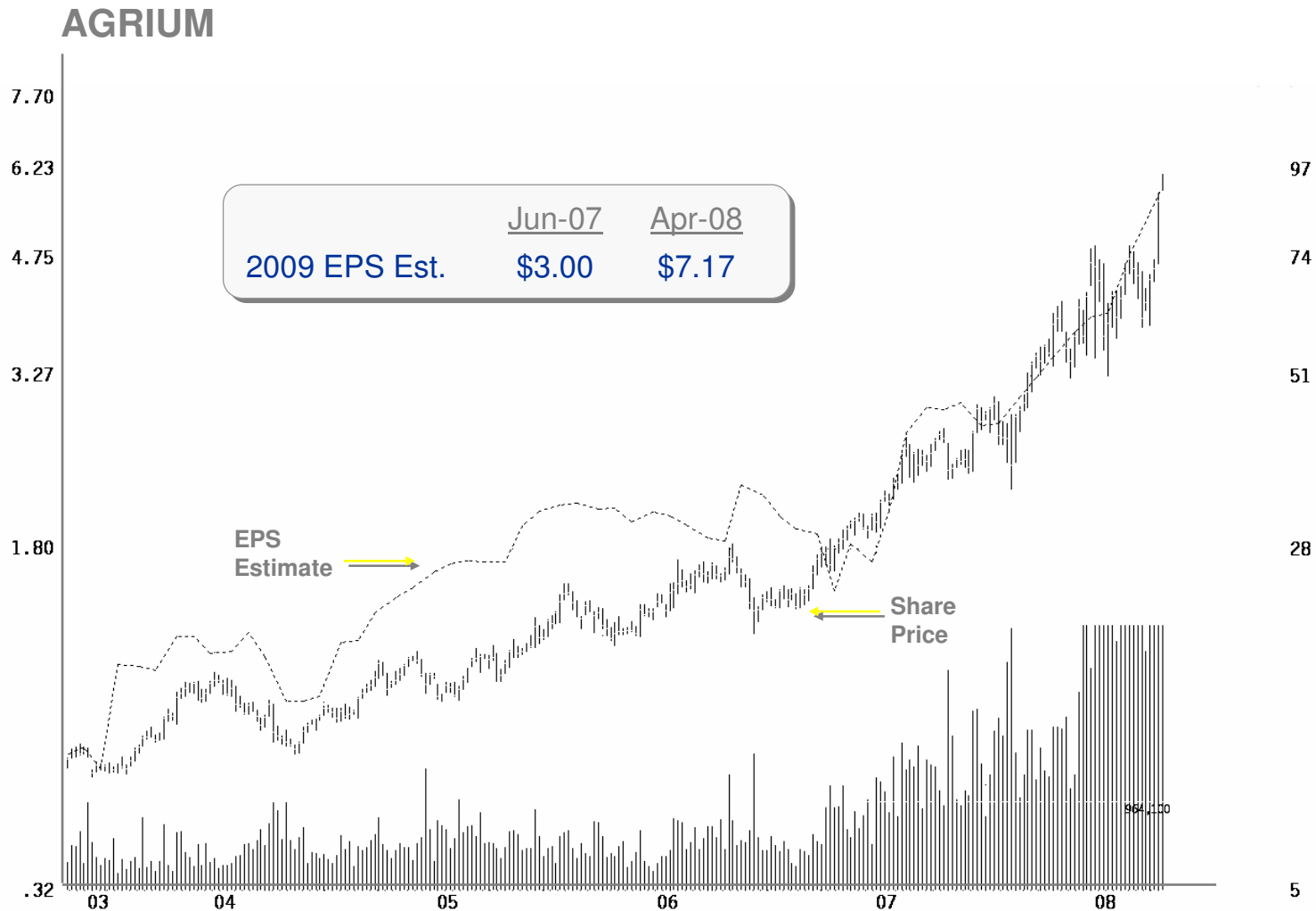
Gas Prices Rebound Strongly

Built Gas Holdings in a Weak Market



Fertilizer Stocks

Driven by Earnings Growth



Canadian Banks

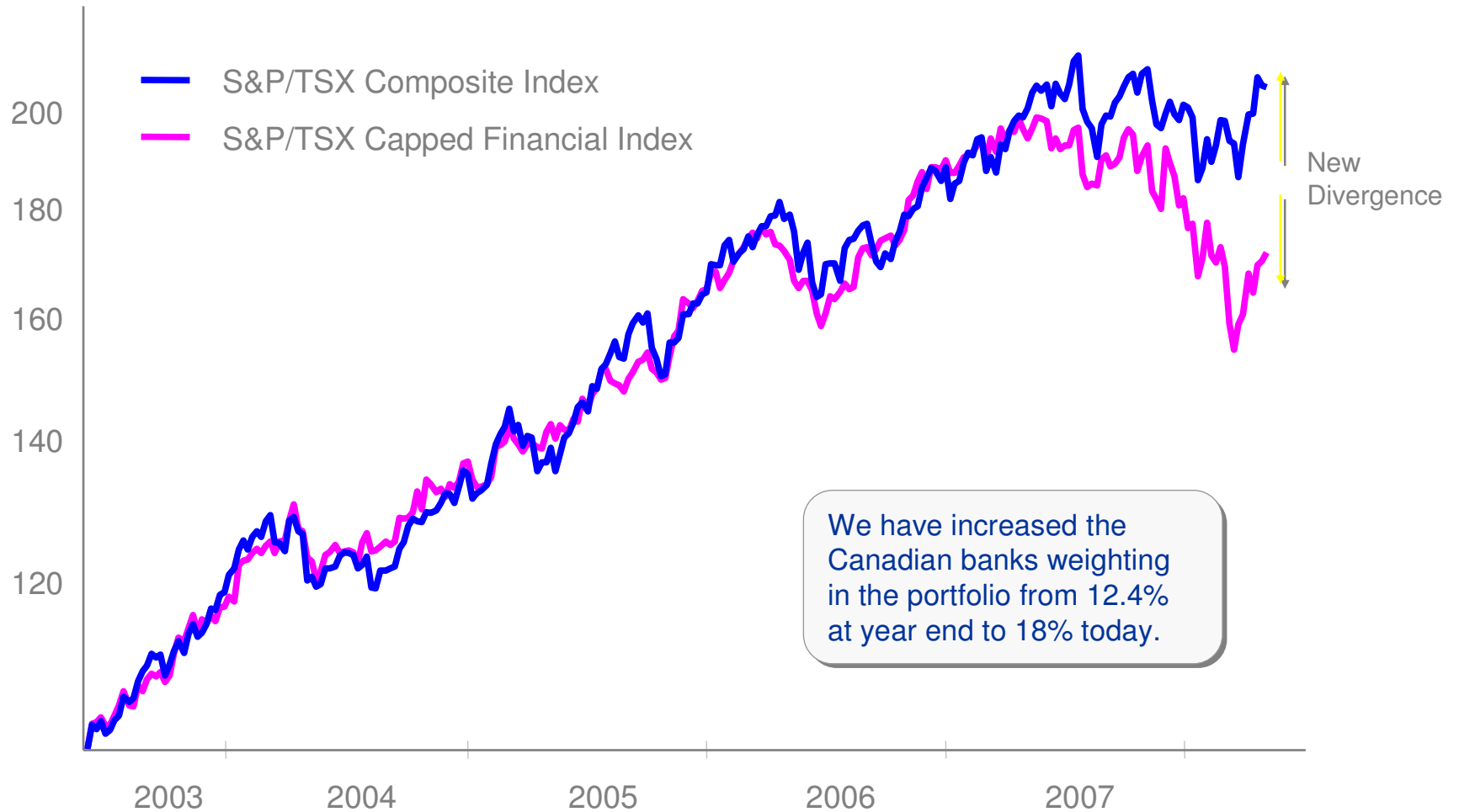
Superior businesses vs. Canadian market

	TSE Banks <u>ROE</u>	TSX Composite <u>ROE</u>
1970-79	15.0%	11.9%
1980-89	10.7%	10.0%
1990-99	13.5%	7.1%
2000-07	18.0%	13.0%

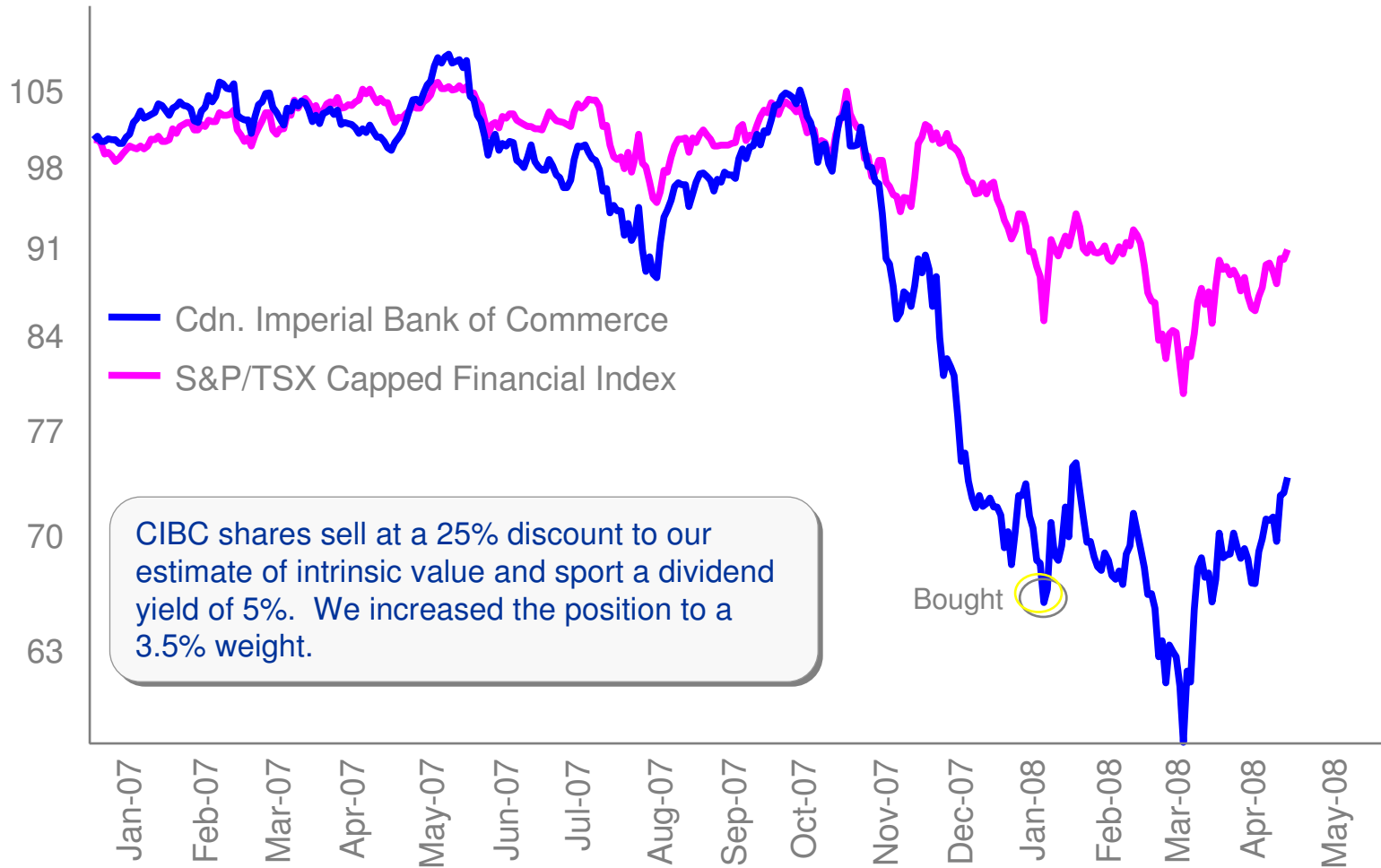


Canadian Banks – A New Divergence

S&P/TSX Composite vs. S&P/TSX Capped Financial Index

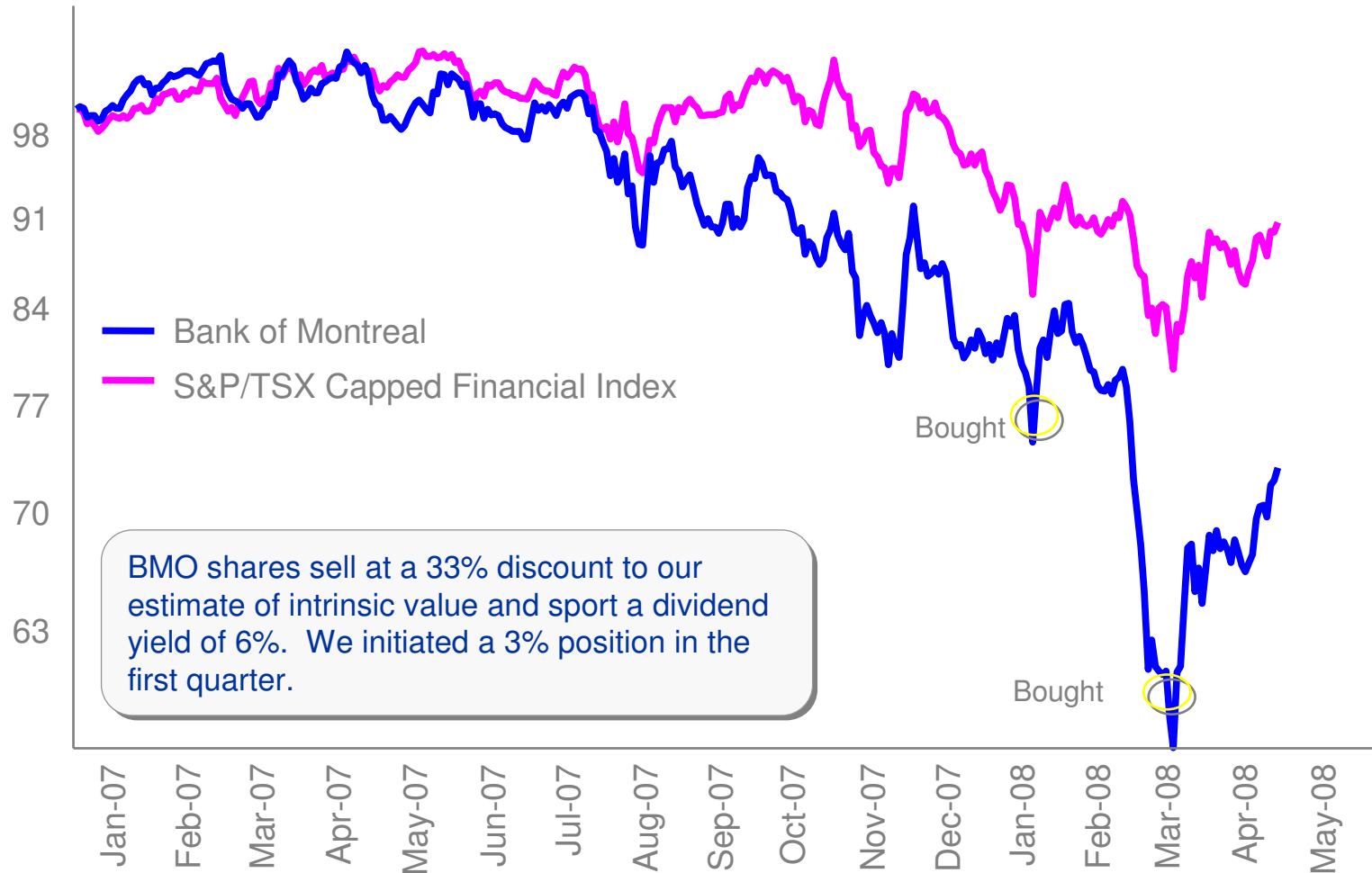


Being Opportunistic Buying CIBC



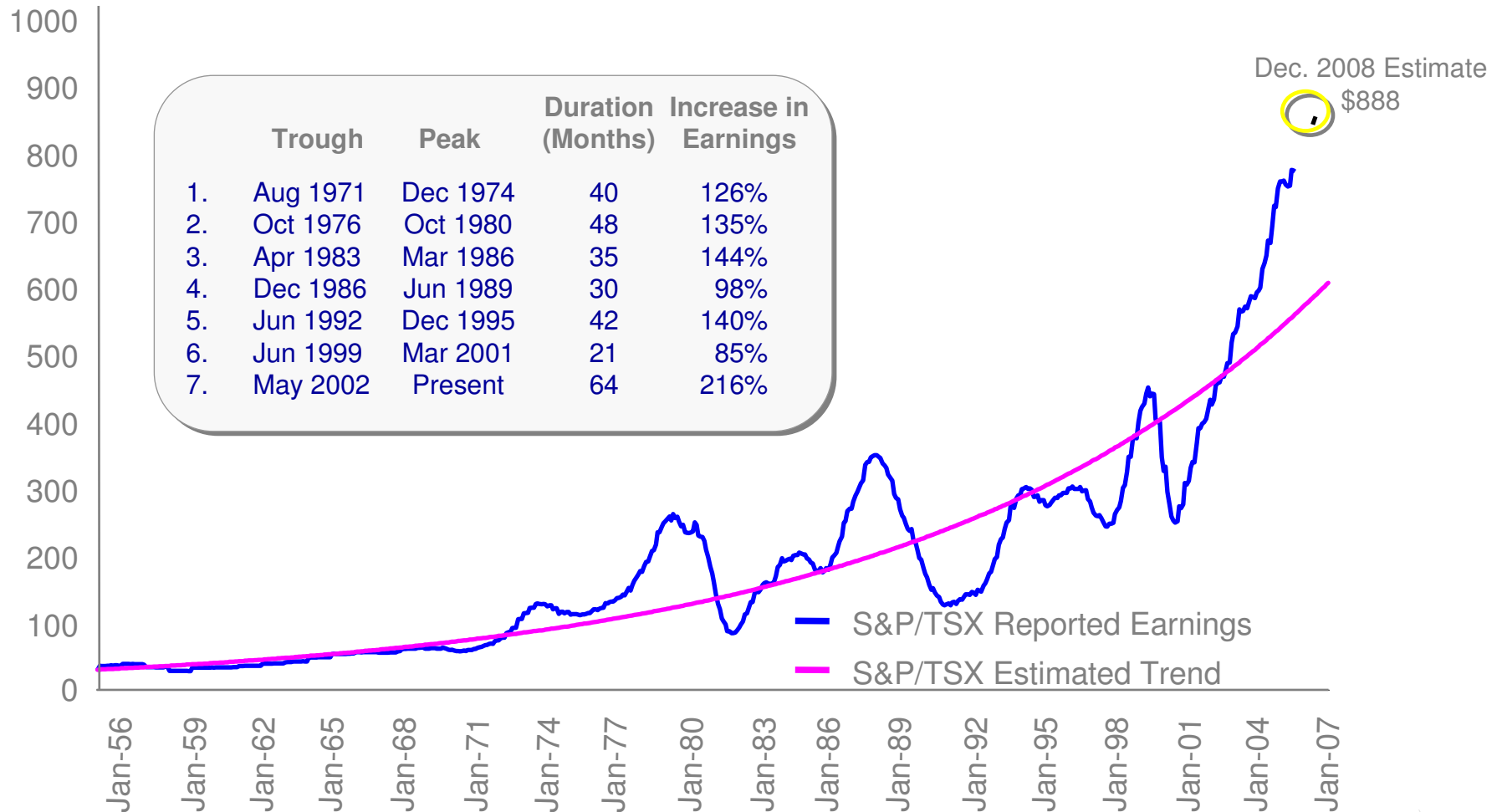
Being Opportunistic

Buying Bank of Montreal



Canadian Equities - Risk Has Increased

S&P/TSX Earnings & Expectations Well Above Trend

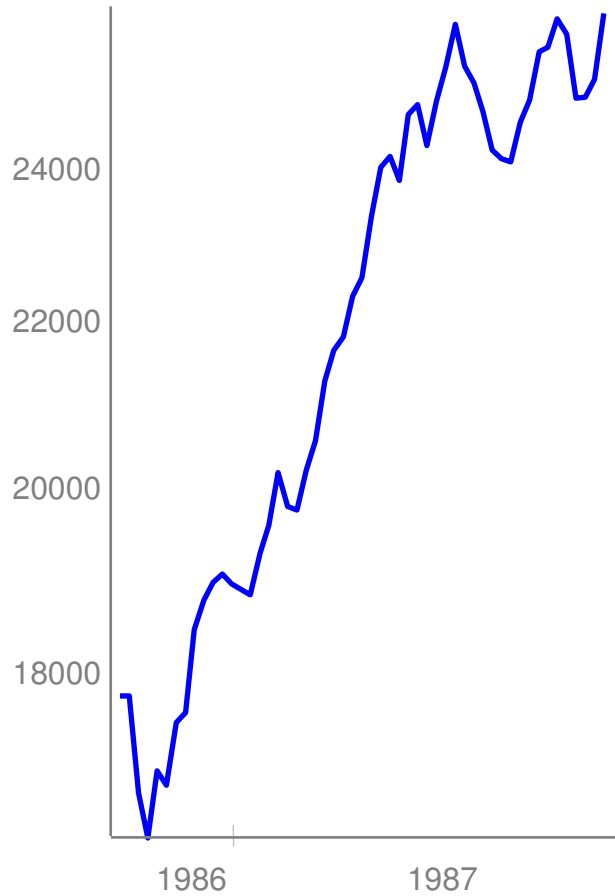


Source: RBC Capital Markets

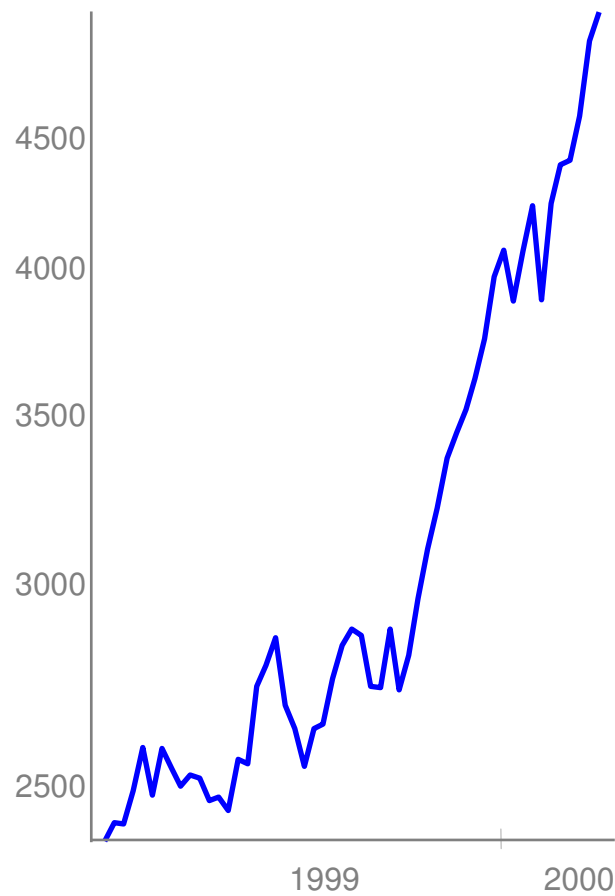


This Time it's Different

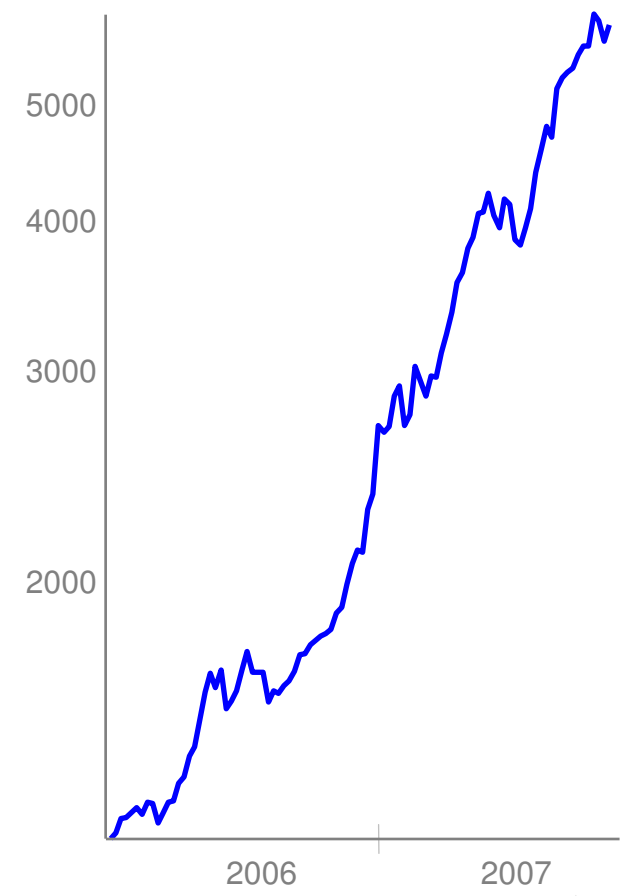
Tokyo Nikkei 1986-1987



NASDAQ 1999-2000

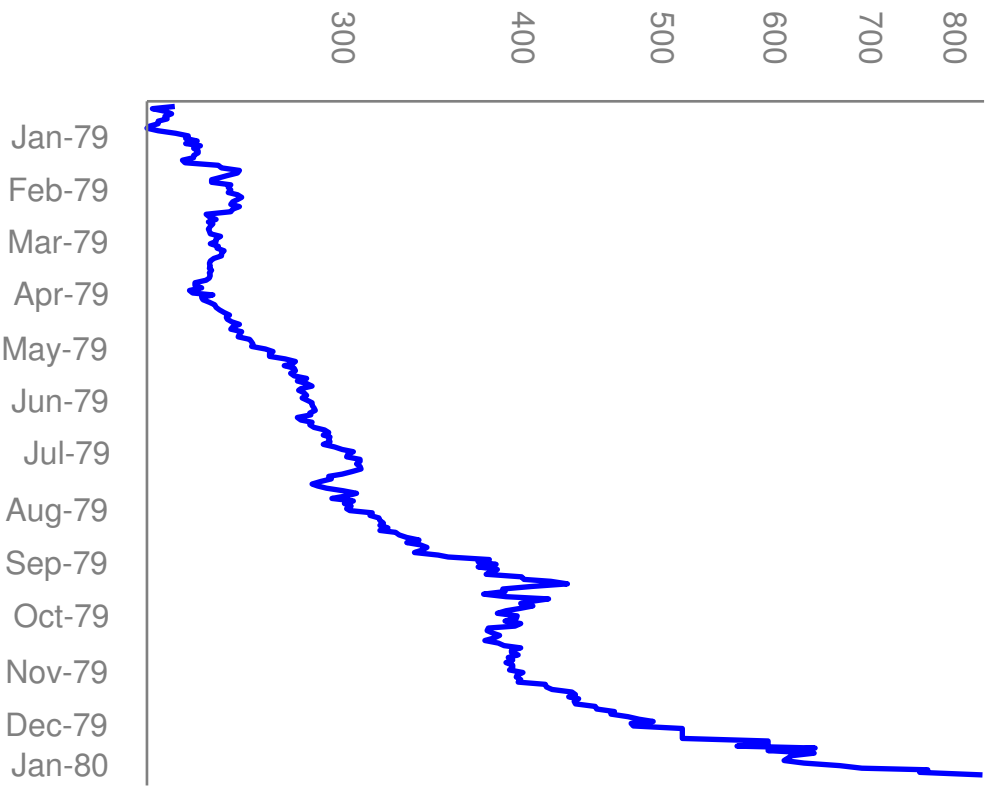


Shanghai S.E. 2005-2007

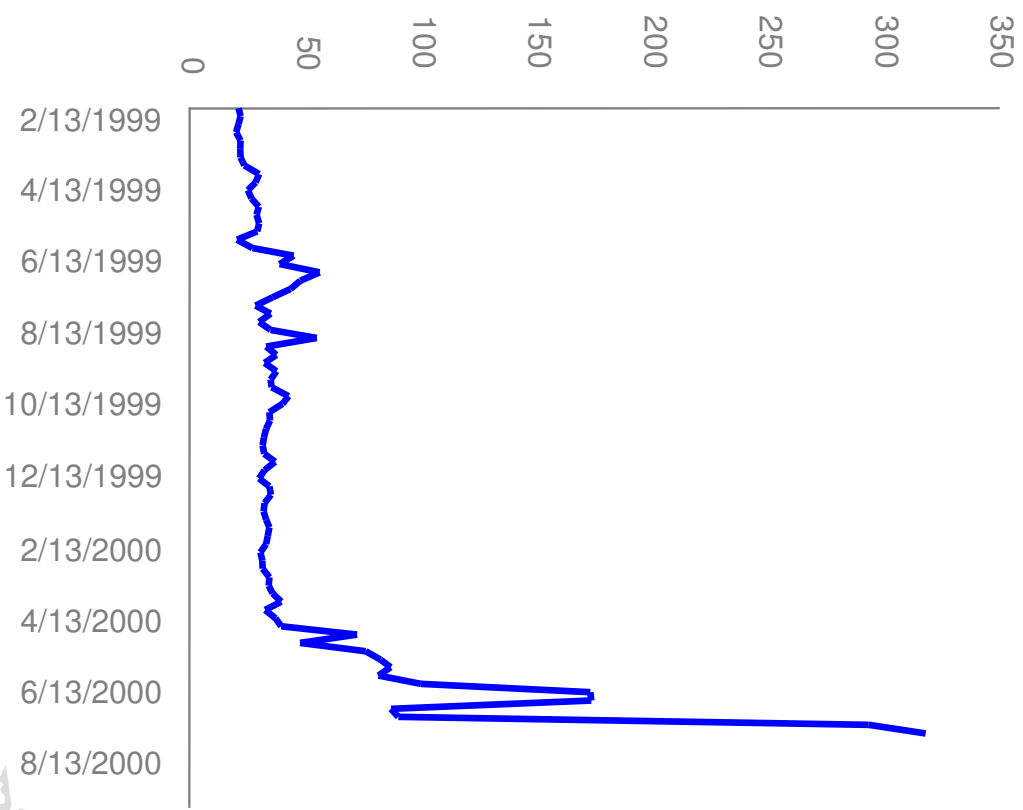


This Time it's Different

Gold (1979-1980)

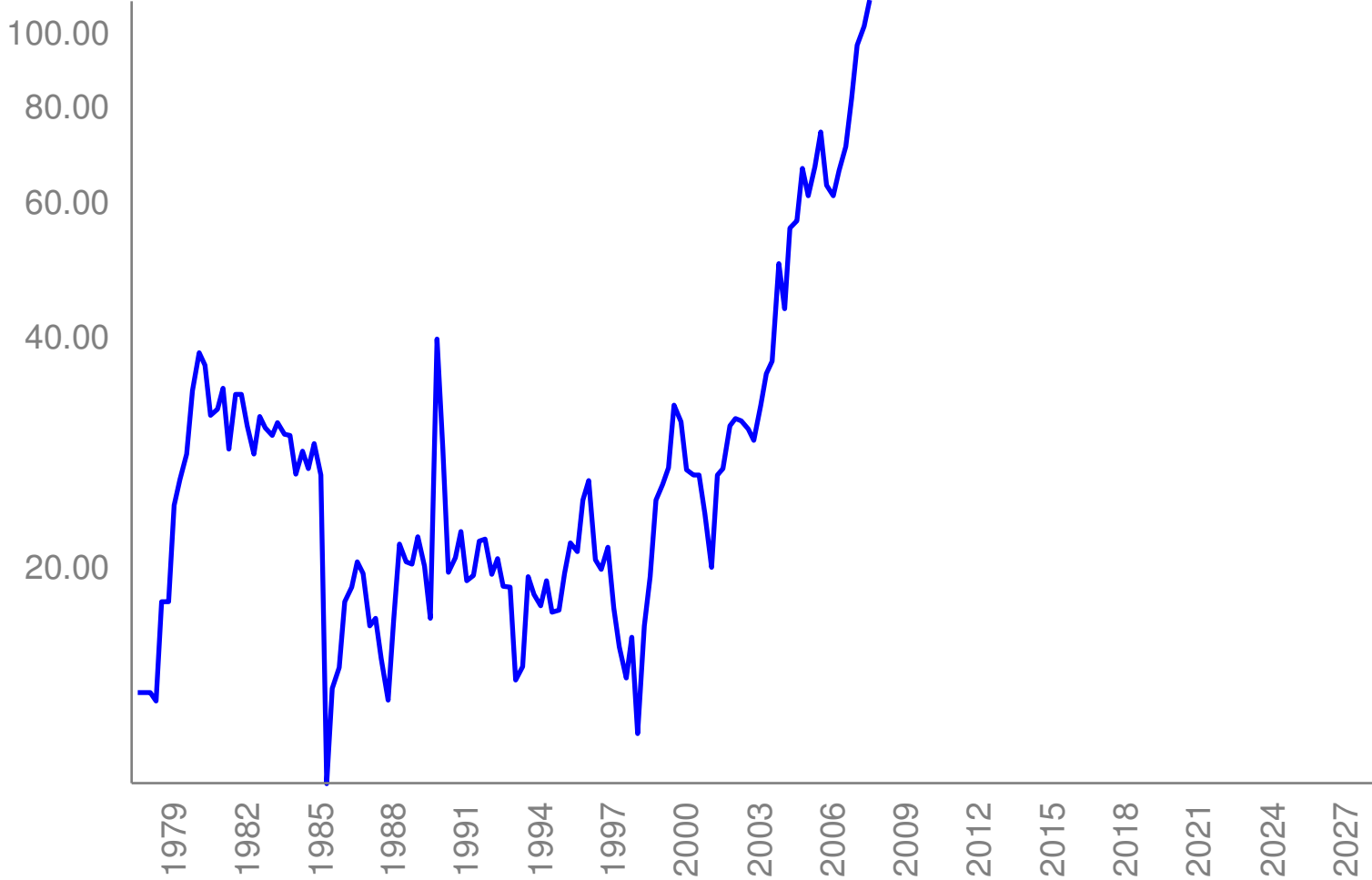


So. California Electricity Prices (1999 – 2000)

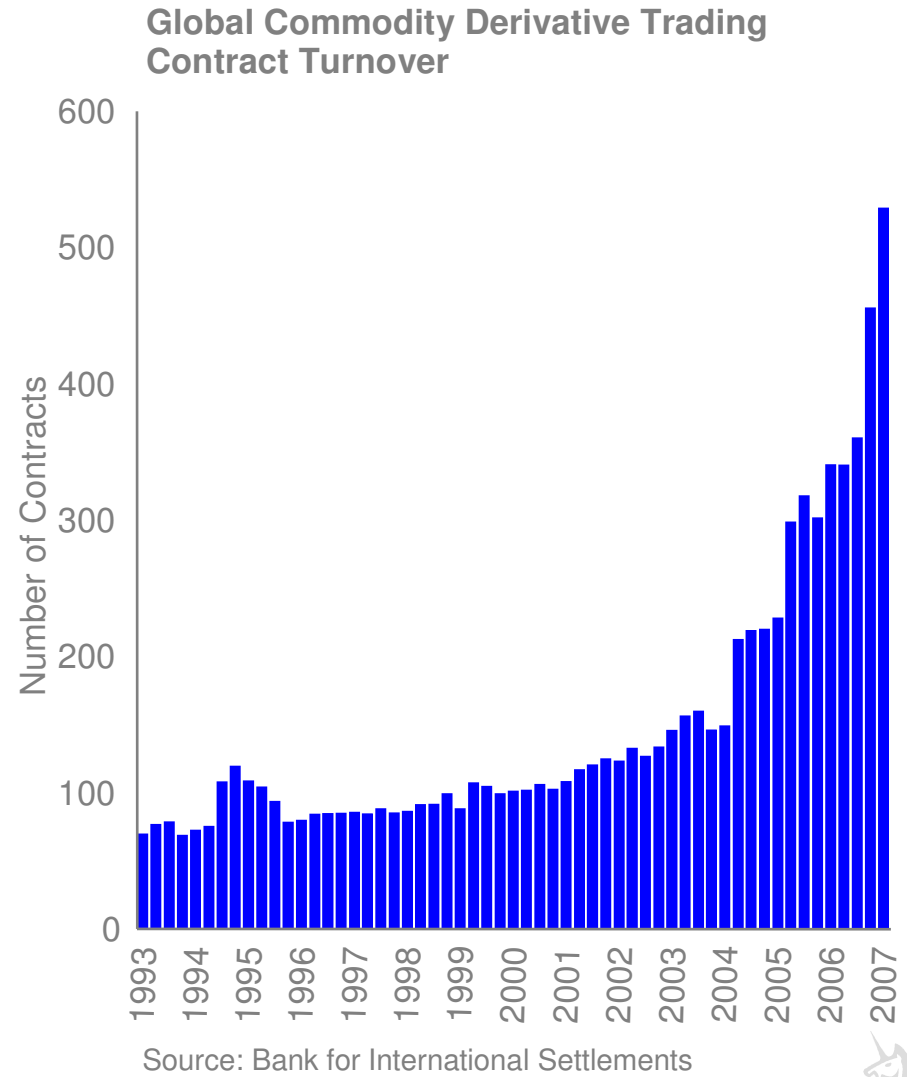
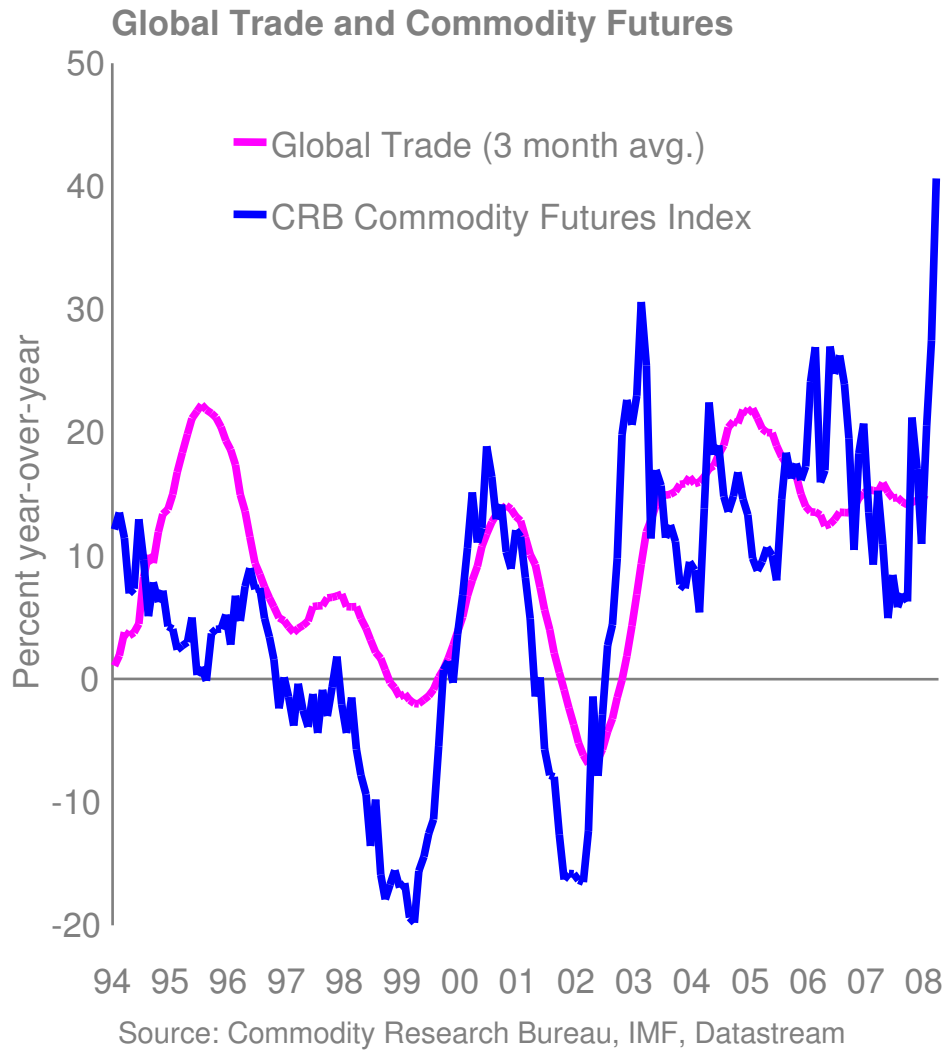


Very Different!

Crude Oil Price



Commodities Detach From Near-Term Reality



Summary

- Historically, turbulent times offer the next great opportunities e.g.:
 - Canadian banks
 - Consumer stocks
- Expectations should be that if Energy/Commodity prices soar, Canadian portfolio will lag
- Equity portfolios defensively positioned in stable, quality companies at reasonable valuations.
- Excited about new resources from RBCAM

