

Pain Before The Gain

A good scare is worth more than good advice
- Proverb

The period since March 2000 to today has been quite painful for investors. While March 2000 was the peak in the stock market for high technology shares, the sliding market has taken no prisoners. The good stocks have plummeted along with the bad ones. But this is not necessarily a negative since astute and cash-rich investors continue to have the opportunity to purchase undervalued, high-quality stocks at bargain-basement prices.

Presently I believe the stock market is going through a cathartic period. We are correcting the extraordinary excesses of the high technology/dotcom mania of late 1998 to early 2000. This cleansing process has become a spiritual renaissance to previously starry-eyed, hallucinating, greedy investors. It is leaving no stone unturned. No stock market has been left unscathed. For instance, the German Dax index has fallen over 60% from its 2000 highs whereas the TSE has declined by 45%, the S&P 44% and the NASDAQ has imploded by 75%. If we roll back the clock to the cocktail party chatter of three years ago one would have been privy to the incessant braggadocio of stock market gains by greedy dilettantes. Today, that chatter has given way to silence and the odd admission of an individual that he lost a "bundle". From a contrarian's point of view, this is a good sign.

In fact, I have read in several publications that since January 1, 2000 an estimated \$6-7 trillion has been vaporized from the North American stock

markets. Nortel alone would account for over \$350 billion. These weighty dollar amounts boggle the mind. I imagine that the vast majority of stock market investors must be suffering in silence because we hear very little bellyaching.

But I take a positive view on all this. I sense that the market angst of today, as difficult as it may be, will eventually lead to significant gains over the next 12-18 months. As this cleansing process continues to eradicate the last vestige of investment greed and fearless investor punting, I firmly believe common stocks will eventually fall to dirt-cheap levels. At that point they will provide for spectacular gains to the patient, long-term investor. In fact, some stocks have already bottomed.

In summation I believe this short-term pain will eventually lead to long-term gains in the stock market. Today, investor psychology is at depressed levels, money is fleeing mutual funds and many stocks are plunging below net asset values with accompanying low price/earnings and cash flow multiples. Eventually an unknown catalyst will appear. This catalyst will spark a huge market recovery. The key will be investor patience/staying power. I truly believe it is worth the wait.

ECONOMIC PERSPECTIVES**The Economy: Trying to Turn the Corner**

With Federal Reserve assistance and the lowest interest rates in 40 years the U.S. economy is “attempting to turn the corner.”

However with the highly publicized corporate scandals, a potential war with Iraq, share price implosions and substantial stock market declines, investors are shying away from common share purchases. Furthermore with growing negative consumer and investor psychology the real risk is that North Americans recoil and literally psych-themselves into a double dip recession. At this point we still believe that the economy will

dodge a recessionary bullet, albeit, we foresee subdued economic growth.

In the meantime we expect the U.S. Federal Reserve to remain very accommodative in its attempt to counter any recessionary threats. Accordingly under this positive growth economic scenario we believe corporate profits should start to rebound shortly and that stock prices should bottom and trend significantly higher over the next 6 – 18 months.

INVESTMENT PERSPECTIVES**Increasing Investor Fears**

What a difference several years can make! It was only three years ago that investors were dreaming about early retirement, fancy new automobiles and exotic vacations. With the collapse of the high technology market, investor greed has melted away and we are now presently witnessing increasing investor fears.

Today no one wants to touch common stocks, and so, they drift in price. This drifting action has precipitated even more common share

liquidation, and in turn, further stock price declines. As a direct result a number of selective stocks are now looking fundamentally cheap. Moreover with little investor competition it is quite easy to purchase common shares at opportunistic prices and to slowly but surely meld a portfolio with solid Canadian corporations. While the market, admittedly, could drift lower, we believe that a growing list of equities are within buying range and should be accumulated.

PORTFOLIO PERSPECTIVES**Patiently Hunting for Bargains**

The inordinate stock market volatility has continued from summer into early autumn. Investment scandals, profit warnings and stock price implosions have all taken their toll as investors switch from extreme confidence to abject fear. As contrarians we view these circumstances quite favourably and believe that this portends potential profitable opportunities.

In addition to upgrading our three ABC portfolios we have also kept our cash reserves at a

relatively high 15%. Over the past three months we have sold our holdings in Baytex Energy, Ketch Energy, North West Company, and Syms Corp. and have added Inco Ltd., Canadian Natural Resources, Prime Hospitality and Lone Star Steakhouse & Saloon. As always, with our above average cash reserves, we remain alert for new opportunities.

Research, Research, Research

The secret of business is to know something that nobody else knows

Aristotle Socrates Onassis

In real estate the three most important words leading to success are location, location, location. In stock market investing the three most important words, I believe, are “research, research, research”.

Through a process of tedious research, the diligent analyst can often come up with important tidbits of information which, when combined with other known business facts, can provide a significant competitive advantage. But this process of deep research and the accompanying analysis must often be carried out under imperfect conditions. Moreover, certain corporate information may not be readily available or management may not always be amenable to questioning. Even so, with the spate of information gathered the diligent analyst must literally connect the dots to attain a sense of a company’s operations and to read between the lines of an ever-optimistic management.

After a security is purchased the equity analyst must continue to closely follow the now-owned security. Strangely enough, I have found from my experience that you never quite know a stock until after you own it. Simply put, when we research a company we tend to have a bit of a purchase bias and, as a result, we sometimes inadvertently overlook certain company facts and issues. Nonetheless, once purchased, analysts tend to follow a company’s prospects like bloodhounds.

We follow a company from two levels: macro and micro. From the macro point of view we must research the general effects caused by economic, business, legal, taxation, and other issues. For instance if a company manufactures widgets and suddenly the federal government reduces taxation on imported widgets, what will be the effect on our company? Moreover if the Canadian dollar rises, what effect will there now be on the pricing of imported widgets paid for in U.S. dollars?

On the micro side we look at everything directly relating to a company’s operations such as its tax rate, rents, leases, labour contracts, banking arrangements, management style, etc. This micro research can be particularly tedious as often there is a constant flow of information, which must be analyzed. To further complicate the micro research an analyst will also follow a particular company’s technical price chart and patterns. As a result while the stock might be fundamentally cheap, the share’s technical chart pattern could be quite weak. Ultimately, the analyst must decide whether fundamental analysis will override technical chart patterns.

In summary, the responsibilities of the research analyst are extensive. In his ongoing search the analyst attempts to uncover fresh information to produce valuable deductions. With this added insight the analyst can normally make important decisions with increased likelihood of success.

Irwin A. Michael, CFA

Déjà Vu . . . Again

As I sit down to write a general commentary on the stock market I believe that the market is once again attempting to scrape bottom. Strangely enough I sense that over the past 12 months we've been here several times before. In fact, I feel as if it is déjà vu . . . again.

For instance, after the September 11, 2001 tragedy the Dow Jones Industrial average sunk to a 2001 low of 8235.81 on September 21, 2001 before rallying into year-end. The Dow Jones then weakened in January and early February 2002, firmed up into early March, softened in April, improved in early May and then sagged for the balance of May, June, into late July where it bottomed. Next we experienced a late July to mid August price surge, however, since that time the market has plummeted to new 12 month lows.

During the past year we have experienced numerous negative market developments such as scandals (Worldcom, Enron, etc), bankruptcies (Adelphia, 360 Networks, etc), stock price implosions (Nortel, Celestica, JDS Uniphase, etc.) plus the fallout of the high technology collapse of 2000-2001. These events have not escaped investors who may have lost \$6-7 trillion since the beginning of Y2K. While investors have tried to muster their courage to purchase stocks, they now appear to be throwing in the towel. This is best exemplified by the past several months of significant mutual fund redemptions in both the U.S. and Canada. Investor psychology remains poor and there appears to be a growing "Chicken Little" mentality. In fact the previous investor complacency now appears to be giving way to a growing fear.

Presently, there appears to be a lack of investment follow-through. Institutions haven't been enthusiastically participating as evidenced

by the poor quality of market rallies. Also there appears to be little upward sustainability and no significant upside volume resulting in short-lived rallies. In essence there appears to be a tug of war between the bulls and the bears.

No doubt we are in a bear market. The key to when it will end is a function of at what point the market has discounted all the negatives. In spite of this factor, deep value investors, such as ourselves, are starting to identify an increasing number of very attractive opportunities. Stock selectivity and investor patience, however, will remain all-important. Historically, though, markets tend to over and undershoot. In consequence we expect extreme and continued market volatility. Anxious investors in their haste to raise cash are in some cases, liquidating perfectly good stocks and are, in effect, throwing the baby out with the bathwater. As opportunists we see the positive side of this share liquidation. In fact we sense a number of stocks have already bottomed for the cycle.

As the stock market continues to swing between fits of positive and negative sentiments, we are experiencing more and more incredible daily market volatility on the Dow Jones Industrial Average. It is our view that these events are characteristic of the extreme market indecision which we believe can turn on a dime. In short, while we might be somewhat early, we believe the North American stock markets are oversold. The general and building consensus is why even bother to buy stocks today. Why not wait for a definite bottom? But successful market timing is extremely difficult. Moreover, while some pessimistic market commentators believe it is different this time and that we must experience the full catharsis of the market abuses of the 1998 to March 2000 period, we tend to be more

optimistic. After all we survived a number of drastically negative events of the 1970s, 1980s and 1990s which included oil embargos, financial collapses of Argentina and Brazil, the break up of the Soviet Union, the S&L Crisis, the 1990-91 Gulf War, etc.

In our view, while there is currently much investment negativity permeating the equity markets, we sense that there is a surprisingly huge cash pool awaiting to be deployed in common stocks. When investors collectively view the stock markets to have

effectively bottomed, we believe there will develop a tremendous surge to get invested. This could lead to a virtual buying panic. As a result, we have identified a number of common shares that we wish to purchase at opportune prices. We are patiently nibbling away and are gradually reconstructing our three ABC Funds portfolios to where we would like to be over the next 3-6 months. We deeply believe that this strategy will be worth the effort.

Irwin A. Michael, CFA

Being Proactive

*If the creator had a purpose in equipping us with
a neck, he surely meant us to stick it out*

- Arthur Koestler, Hungarian – born writer

Successful investing, in my opinion, involves a number of all-important investor attributes. One of the most crucial, I believe, is that an investor must be proactive.

When investment anomalies or opportunities periodically appear investors must do two things. Firstly, they must become aware that a profitable opportunity is confronting them but secondly, and more importantly, the investor must be proactive. The investor must do something. He must take advantage of the timely, attractive occurrence. To my mind, “sticking one’s neck out” is probably the most important common thread amongst many past and present successful mega-investors such as Warren Buffett, Peter Lynch, George Soros and Bernard Baruch. These personalities made their reputations (and substantial amounts of money) by acting and while they did take on some element of investment risk, they ended up profiting from unusual financial situations.

It is interesting to note that an investment anomaly will usually remain an opportunity until some

enterprising investor takes advantage by being proactive. Once the anomaly is discovered and subsequently corrected by one or a group of investors, arbitrageurs or traders, it ceases to be an extraordinary opportunity.

But being proactive is not easy. It literally means ruffling one’s feathers, analyzing all the investment factors, arriving at an investment conclusion and following through with the appropriate investment action. And the execution is never easy since time is of the essence, as anomalies do not last long. Being proactive also means going against the crowd and conventional wisdom, acting out of a strong conviction or gut instinct and then ultimately “going for it.” While being proactive does not necessarily bring instant monetary success and often demands substantial investor patience, the end result is that it often delivers extraordinary monetary rewards and immense investor emotional satisfaction.

Irwin A. Michael, CFA

ABC Fully-Managed Fund (ABC FMF)

NAVPS	7.7343
Inc. Dist.	0.0000

September 30, 2002

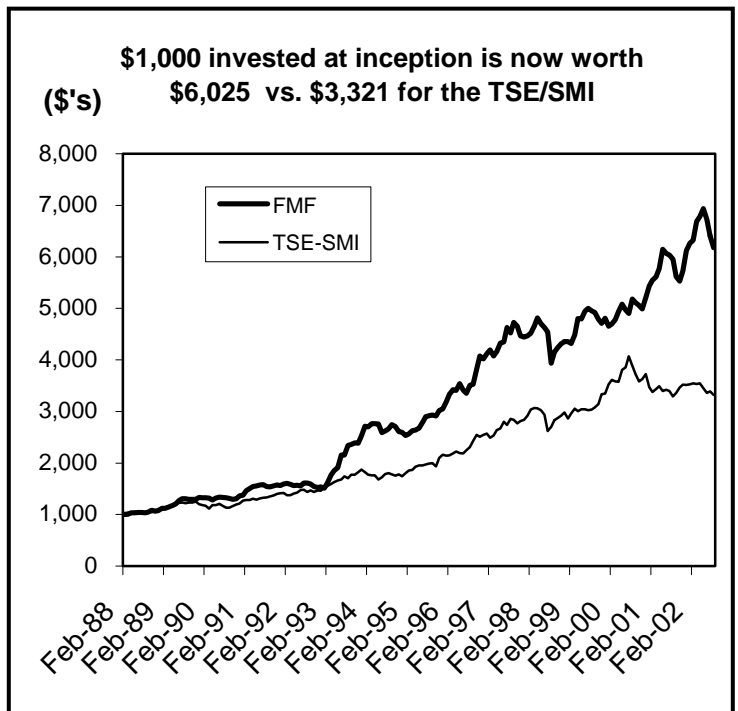
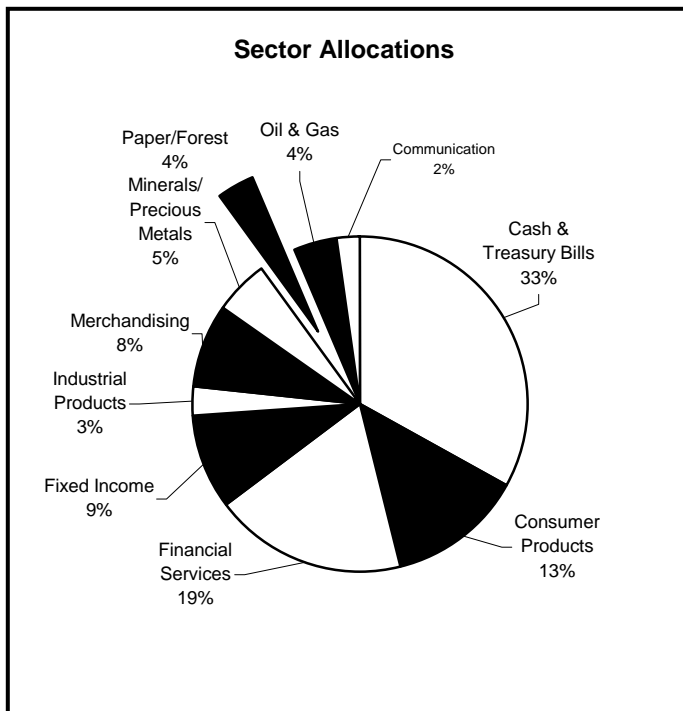
Objective

ABC Fully-Managed Fund is a diversified Canadian balanced fund. While our long-term asset mix target is 50% fixed income and 50% Canadian equities, in practice, our portfolio mix of stocks versus bonds is quite flexible to take advantage of periodic investment opportunities.

Performance of the Fund vs. the Benchmark

Annualized Compounded Rates of Return			Annual Returns		
	ABC FMF (%)	Benchmark**		ABC FMF (%)	Benchmark**
1 Month	-2.42	-2.02	1989	23.68	17.20
Q3 2002	-10.39	-3.76	1990	2.17	-4.32
1 Year	7.29	0.94	1991	14.69	17.35
2 Year	8.56	-7.57	1992	-1.48	4.75
3 Year	6.98	3.05	1993	64.35	24.36
5 Year	4.98	3.07	1994	2.82	-2.64
10 Year	14.23	8.72	1995	17.25	17.97
Since Inception*	13.11	8.58	1996	31.99	19.5
			1997	10.56	12.22
			1998	-2.02	3.84
			1999	10.37	14.29
			2000	8.31	8.71
			2001	17.62	-2.96

*Inception date for the Fund was February 22nd, 1988
 **Benchmark consists of 50% of the TSE300 Total Return Index and 50% of the Scotia Capital Markets Universal Bond Index



ABC Fully-Managed Fund, Statement of Investment Portfolio

September 30th, 2002

all dollar amounts in thousands (cdn\$)

exchange rate used is 1.58619

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 32.92%			
347,887	C\$ Cash	348	348
435	U\$ Cash	1	1
193,878	RT CAP Cash In Action Fund	19,388	19,388
0	RT CAP Cash In Action Fund US \$	0	0
TOTAL CASH		19,736	19,736

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
MINERALS/PRECIOUS METALS-- 5.30%			
25,000	Inco Limited	624	643
250,000	Teck Corporation	2,024	2,538
TOTAL		2,648	3,181

FIXED INCOME -- 9.04%

2,000,000	Nexen - 6.85% 11/15/06	1,960	2,118
2,000,000	Co-Steel Conv. Deb. - 6.50% 4/30/07	1,780	1,510
2,000,000	Nova Chemical ., 7.85%, 08/30/10	1,984	1,790
TOTAL		5,725	5,418

COMMUNICATION -- 2.17%

231,900	Persona Inc.	2,258	1,299
TOTAL		2,258	1,299

COMMON STOCKS -- 58.04%

FINANCIAL SERVICES -- 18.73%

10,000	E-L Financial Corp.,	2,625	2,710
100,000	Laurentian Bank	2,554	2,675
250,000	MFP Financial	2,321	1,428
150,000	National Bank	2,322	4,418
TOTAL		9,822	11,230

OIL & GAS -- 4.20%

50,000	Canadian Natural Resources	2,441	2,518
TOTAL		2,441	2,518

CONSUMER PRODUCTS -- 13.20%

250,000	Canada Bread Company	2,510	5,350
155,000	Lassonde Industries	2,689	2,558
TOTAL		5,199	7,908

MERCHANDISING -- 7.92%

200,000	Hudson's Bay Company	2,608	1,432
250,000	La Senza Corp.	2,381	3,313
TOTAL		4,989	4,745

PAPER/FOREST PRODUCTS -- 3.71%

275,000	Canfor Corp.	2,765	2,225
TOTAL		2,765	2,225

INDUSTRIAL PRODUCTS -- 2.81%

275,000	Agricore - United	2,305	1,683
TOTAL		2,305	1,683

TOTAL COMMON STOCK 32,429 34,787

TOTAL PORTFOLIO 57,890 59,941

ANY RATES OF RETURN PRINTED IN THIS PUBLICATION ARE FOR HISTORICAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS FUTURE PERFORMANCE.

ABC Fundamental-Value Fund (ABC FVF)

NAVPS	13.7156
Inc. Dist.	

September 30, 2002

Objective

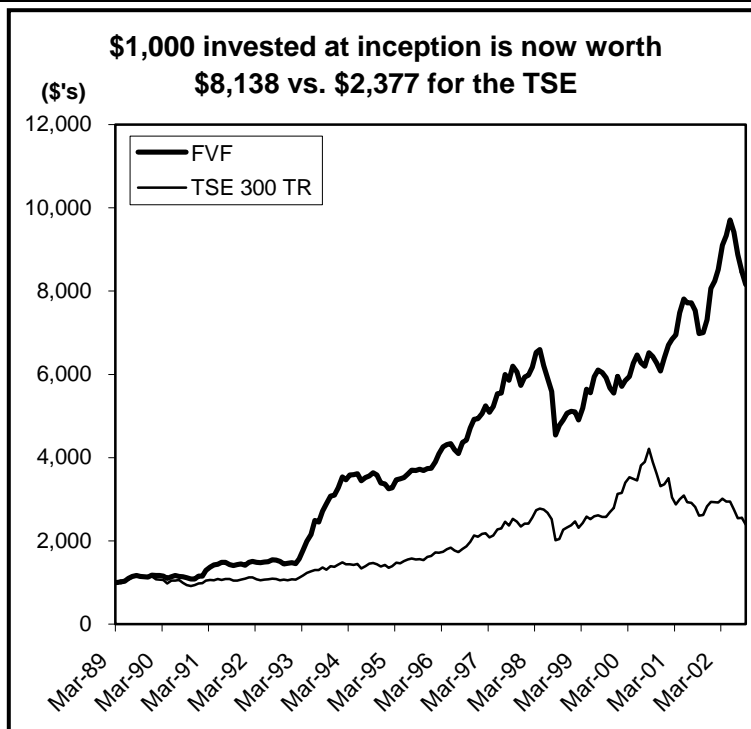
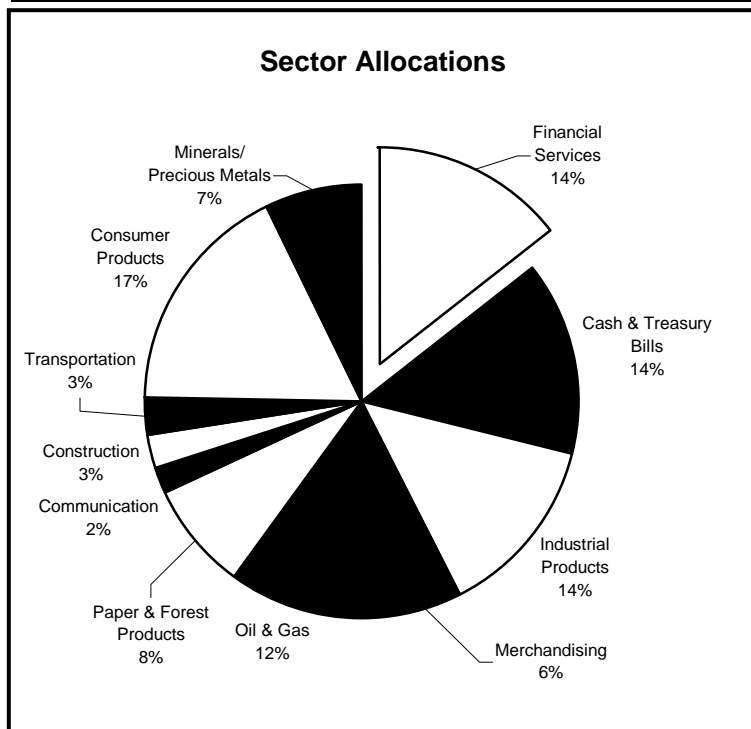
ABC Fundamental-Value Fund seeks out fundamentally undervalued Canadian equities. Our extensive "value research" style attempts to ferret out overlooked and out of favour Canadian equities. With these discerning selections we cobble a diversified portfolio of small, medium and large capitalization Canadian value stocks. When fully invested and having discovered new, fundamentally attractive securities, our sell discipline forces us to cull our portfolios to liquidate the most expensive holdings.

Performance of the Fund vs. the Benchmark

	Annualized Compounded Rates of Return		Annual Returns	
	ABC FVF (%)	Benchmark**		ABC FVF (%) Benchmark**
1 Month	-3.55	-6.29	1990	-1.98 -14.80
Q3 2002	-13.36	-13.10	1991	22.92 12.02
1 Year	16.85	-8.07	1992	4.26 -1.43
2 Year	12.65	-21.59	1993	121.75 32.80
3 Year	11.30	-2.45	1994	3.03 -0.63
5 Year	5.65	-1.08	1995	11.08 14.83
10 Year	18.39	8.55	1996	31.75 28.35
Since Inception*	16.82	6.63	1997	20.35 14.98
			1998	-13.81 -1.58
			1999	16.25 31.71
			2000	7.51 7.41
			2001	26.06 -12.57

*Inception date for the Fund was March 20, 1989

**Benchmark consists of the TSE300 Total Return Index



ABC Fundamental-Value Fund, Statement of Investment Portfolio
September 30th, 2002

all dollar amounts in thousands (cdn\$)

exchange rate used is 1.58619

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 14.36%			
3,788,907	C\$ Cash	3,789	3,789
4,780	U\$ Cash	8	8
249,809	RT CAP Cash In Action Fund	24,981	24,981
0	RT CAP U\$ Cash Mgmt Fund	-	-
<u>TOTAL CASH</u>		28,777	28,777

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
MERCHANDISING -- 5.79%			
650,000	Hudson's Bay Company	8,686	4,654
525,000	La Senza Corp.	4,970	6,956
<u>TOTAL</u>		13,656	11,610

COMMON STOCKS -- 85.64%

PAPER & FOREST PRODUCTS -- 8.13%

815,300	Canfor Corp., common	8,114	6,596
500,000	Riverside Forest Products	4,547	5,625
637,200	Taiga Forest Corp.	2,974	4,078
<u>TOTAL</u>		15,636	16,299

FINANCIAL SERVICES -- 14.46%

30,000	E-L Financial Corp.	8,091	8,130
200,000	Laurentian Bank	5,199	5,350
650,000	MFP Financial	5,940	3,712
400,000	National Bank	5,795	11,780
<u>TOTAL</u>		25,025	28,972

INDUSTRIAL PRODUCTS -- 13.72%

600,000	Agricore - United	5,020	3,672
500,000	Groupe Laperriere & Verreault	3,793	6,200
1,000,000	Magellan Aerospace	4,007	4,510
550,000	Masonite International Inc.	7,955	13,134
<u>TOTAL</u>		20,775	27,516

TRANSPORTATION -- 2.79%

1,000,000	AT Transat AT Inc., common	7,181	5,600
<u>TOTAL</u>		7,181	5,600

OIL & GAS -- 11.67%

2,500,000	Bow Valley Energy	3,725	3,750
175,000	Canadian Natural Resources	8,538	8,811
800,000	Devlan Exploration	2,493	1,280
1,350,000	Energy North	1,013	338
800,000	Gauntlet Energy	3,878	4,640
1,200,000	Real Resources	4,818	4,548
<u>TOTAL</u>		24,464	23,367

CONSUMER PRODUCTS -- 17.44%

365,000	Andres Wines Ltd. "A"	4,497	5,866
327,500	Arbor Memorial Services "B"	4,367	4,258
500,000	Canada Bread Company	5,005	10,700
850,000	FPI Limited	5,055	6,800
625,000	Shermag Inc.	4,124	7,344
<u>TOTAL</u>		23,047	34,967

COMMUNICATION -- 1.96%

700,000	Persona Inc	7,666	3,920
<u>TOTAL</u>		7,666	3,920

MINERALS/PRECIOUS METALS -- 7.14%

300,000	Inco Limited	7,924	7,719
650,000	Teck Corporation	5,465	6,598
<u>TOTAL</u>		13,389	14,317

CONSTRUCTION -- 2.52%

1,150,000	Aecon Group Inc.	6,174	5,060
<u>TOTAL</u>		6,174	5,060

TOTAL COMMON STOCK 157,014 171,627

TOTAL PORTFOLIO 185,791 200,404

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ABC American-Value Fund (ABC AVF)

NAVPS	5.9618
Inc. Dist.	

September 30, 2002

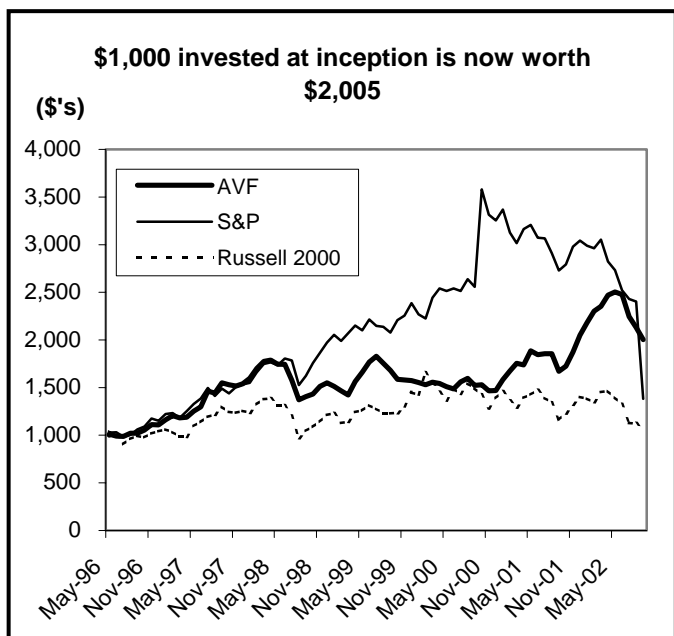
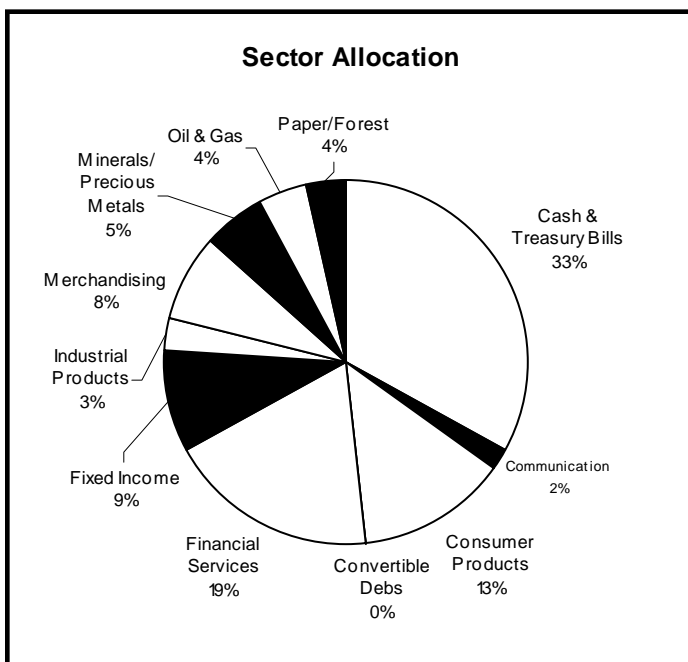
Objective

ABC American-Value Fund searches out fundamentally undervalued American, special situation and foreign U.S. stock exchange listed common shares. While using the same investment techniques as our two Canadian ABC Funds, the American market due to its sheer size provides us with extensive value opportunities.

Performance of the Fund vs. U.S. Benchmarks

	Annualized Compounded Rates of Return			Annual Returns			
	ABC AVF (%)	Russell 2000 (%)	S&P 500 (C\$) (%)	ABC AVF (%)	Russell 2000 (%)	S&P 500 (%)	
1 Month	-5.94	-7.34	-9.33	1997	38.76	20.52	39.16
Q3 2002	-19.09	-21.69	-13.62	1998	0.75	-3.45	37.69
1 Year	20.05	-10.52	-20.15	1999	1.47	19.62	14.14
2 Year	14.76	-16.64	-21.64	2000	-6.66	-4.20	-5.52
3 Year	6.03	-5.35	-10.66	2001	39.52	1.03	-6.45
5 Year	5.27	-4.41	1.12				
Since Inception*	11.61	0.62	7.51				

***Inception date for the Fund was May 2, 1996**



ABC American-Value Fund, Statement of Investment Portfolio

September 30th, 2002

all dollar amounts in thousands (cdn\$)

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 12.75%			
13,399	Cash	13	13
26,912	RT CAP Cash In Action Fund	2,691	2,691
504,646	US \$ Cash	800	800
0	RT CAP US\$ Cash Fund	-	-
<u>TOTAL CASH</u>		3,505	3,505

COMMON STOCKS -- 87.25%

INDUSTRIAL PRODUCTS -- 13.89%

65,000	Ampco-Pittsburgh Corp.	1,147	1,011
50,000	Building Material Holding Corp	894	928
25,000	Dura Automotive Systems Inc.	1,051	486
82,500	Griffon Corp.	821	1,394
<u>TOTAL</u>		3,912	3,819

OIL & GAS-- 1.21%

75,000	Tesoro Petroleum	1,283	333
<u>TOTAL</u>		1,283	333

CONSUMER PRODUCTS -- 16.32%

60,000	Haggar Corp.	1,145	1,014
62,500	Handleman Company , common	1,070	907
40,000	Lone Star Steakhouse & Saloon	1,171	1,332
75,000	TBC Corp.	793	1,234
<u>TOTAL</u>		4,179	4,486

exchange rate used is 1.58619

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
MERCHANDISING -- 10.48%			
200,000	Bombay Company Inc.	826	857
150,000	Bon - Ton Stores Inc.	1,094	987
32,500	Dillard's Inc.	1,164	1,040
<u>TOTAL</u>		3,084	2,884

REAL ESTATE -- 8.56%

100,000	Amrep Corp.	1,334	1,313
80,000	Prime Hospitality	1,109	1,041
<u>TOTAL</u>		2,443	2,354

SPECIAL SITUATION STOCKS -- 36.79%

250,000	Aecon Group Inc.	1,313	1,100
25,000	Canadian Natural Resources	1,214	1,259
130,000	Canfor Corp. Inc.	1,288	1,052
50,000	Inco Limited	1,283	1,287
77,000	Lassonde Industries Inc. "A"	1,377	1,271
75,000	MFP Financial	698	428
100,000	Persona Inc.	1,043	560
100,000	Riverside Forest Products	929	1,125
100,000	Shermag Inc.	685	1,175
85,000	Teck Corporation	962	863
<u>TOTAL</u>		10,790	10,118

TOTAL COMMON STOCK 25,692 23,995

TOTAL PORTFOLIO 29,197 27,500

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Laborious Legwork

*Genius is one percent inspiration and
ninety-nine percent perspiration.*

- Thomas Alva Edison

Profitable investing involves a lot of hard work. It includes numerous tasks including an extensive gathering of wide-ranging corporate and economic information, a serious analysis of accumulated data and finally a number of investment judgments. Eventually this leads to a definitive conclusion whether a particular stock should be bought or sold.

In fact, once a stock is purchased, the laborious legwork has only begun. As analysts we must track the company literally through a microscope. We continue to monitor and analyze corporate data in the form of earnings, sales and cash flow. In addition, we keep in telephone contact with corporate executives and arrange company discussion meetings, track information through the company web site and participate during quarterly conference calls. This process is never-ending. In the event of a sale of the security, we continue to follow the company. We maintain the research with the view that we might repurchase the stock at some later date if its share price subsequently declines to our targeted buy price.

In the face of our extensive analytical legwork, we are also bombarded by divergent investment opinions by brokerage firm analysts. Certain common stocks may be followed by as many as 5-10 different sell-side analysts, with

many variations of opinions. Some reports may be of high quality, whereas, others may be poorly done. This fact may further complicate our analytical conclusions as some of these broker reports may be laced with poor judgment and eventually serve as red herrings to complicate our investigations.

Ultimately, this laborious legwork is our sole responsibility. We cannot blame others for incomplete analysis or faulty research. We must stand by our substantive analysis and conclusions. But more importantly, we must have the courage of our convictions and not vacillate. This ongoing laborious legwork of maintenance research can also be a tedious process. It involves a steady stream of corporate information and misinformation, which we must thoroughly investigate.

As a final note, one should consider that our investment portfolios might hold over 30 to 40 securities as well as 30 to 40 other companies, which may be in the process of a full-analysis prior to being purchased. With this extensive research, there is little wonder that investment analysis remains a 24 hour a day / 7 day a week investigation.

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