

PRESENT PERSPECTIVES

Dedicated To Our Plan

*Your own resolution to succeed
is more important than any other thing.*

- Abraham Lincoln

I would be less than honest if I did not admit that the past 12 months have been the most difficult in my entire business career. During this period we have witnessed major corporate bankruptcies, a worldwide recession and an extraordinary stock market decline, massive international government monetary and fiscal stimulus and an immense investor flight to liquidity. For a time, common stocks went virtually 'no bid' and in some cases they even traded below cash value.

The September-December 2008 period was arduous for portfolio managers as fear and lack of confidence gripped international equity markets. While the jury may still be out, worldwide central banks, governments and, in particular, the U.S. Federal Reserve embarked on a massive reflation track and, in our opinion, have done a masterful job in attempting to right global banking, liquidity and investing. In our view the worldwide economies, largely due to this meaningful concerted global monetary and fiscal stimulation, are in the process of dodging a significant protracted economic and investment downturn. We are cautiously optimistic and believe that the North American economies will exhibit a turnaround by the second half of 2009. Accordingly, we have been dedicated to a two-pronged investment plan of action since late 2008.

Initially we set about to liquidate a number of holdings which, due to the sudden change of economic and investment circumstances, were no longer attractive. We then used cash and liquidation proceeds to purchase excessively undervalued large capitalization Canadian companies, including bank and insurance company shares which were offered via new financings in the December/January period. These purchases presented

both trading liquidity and some dividend income amid tumultuous market conditions. Although the financials declined precipitously in late January to early March, they have subsequently recovered to post gains as worldwide stock markets improved. This appreciation is due to a growing confidence that international reflation efforts are finally showing some positive results. Nonetheless, we have recently liquidated some of these large capitalization positions and have reinvested the proceeds in new or existing dirt-cheap, mid and smaller capitalization equities. These additions include: Laurentian Bank, Cogeco Cable, Lundin Mining, Aecon Group, Taseko Mines, George Weston, Universal Energy, Equitable Group and Fortress Paper. It is our belief that these unusually undervalued lower capitalization equities offer excellent risk-rewards over the next 12 months. We believe that these holdings, along with a growing list of new, similar additions, are consistent with our long-standing deep-value stock picking style.

Overall, given our significant personal and professional investment in the ABC Funds we remain focused, disciplined and opportunistic. We remain dedicated to our investment plan of action. As worldwide economies start to exhibit definite signs of turnaround and investor psychology gradually improves, we expect our traditionally small and mid-capitalization share selections to offer excellent long term investment returns.



ECONOMIC PERSPECTIVES**Stimulating The Economy**

With the worst economic downturn since WWII, worldwide governments and central banks are pulling out all the stops to jumpstart economic growth. This stimulation is occurring through both government monetary and fiscal policies. U.S. interest rates, for instance, have plunged to almost zero and the U.S. Federal Reserve/Government is attempting to provide whatever liquidity is needed to forestall any potential financial institution problems such as AIG, Lehman Brothers, et al. On the government fiscal side, the U.S. is trying to spawn economic activity via massive deficit spending to help alleviate the problematic U.S. housing industry, auto production, etc.

While it unfortunately takes 6-10 months for proactive government policies to manifest themselves in the marketplace, we believe that the first signs of economic stabilization should appear by early summer. Nonetheless, while a real economic turnaround is not yet visible, the psychological importance of Government stimulation cannot be over-emphasized. We believe that this economic stimulation is an invaluable element toward boosting consumer and business confidence which will ultimately lead to an eventual business and stock market upturn.

INVESTMENT PERSPECTIVES**Zero Interest Rates: A Stock Market Catalyst**

Interest rate declines continued throughout the first quarter of 2009 as worldwide monetary authorities attempted to stimulate economic growth. With both U.S. and Canadian interest rates virtually at 0%, higher yielding common stocks are likely to appear more and more attractive to investors. Moreover, as investors become more confident that

corporate dividends will not be cut and that 5%+ dividend yields are not illusionary, yield-hungry investors could provide additional significant demand for high-yielding stocks. Furthermore, this demand could be compounded by any unexpected price earnings multiple expansion or improved earnings results.

PORTFOLIO PERSPECTIVES**Migrating To Deeply Undervalued Small/Mid Caps**

Although the first three months of 2009 brought inordinate stock price volatility, we have taken advantage of these conditions to alter our ABC portfolios. We have lightened up on our large capitalization bank stocks on price strength. With the proceeds we are migrating to deeply undervalued small capitalization equities which we believe will provide excellent returns over the next 6-12 months.

For instance, we have taken profits in the Bank of Montreal, TD Bank and Royal Bank and have used the capital to purchase fresh additions such as Aecon Group, Laurentian Bank and Cogeco. It is our belief that these new, out-of-favour securities are consistent with our deep-value philosophy and should provide for excellent capital appreciation potential.

I wrote this commentary in April 2003 during an extremely challenging investment period. Equity markets were extraordinarily weak and investors were gun-shy; stocks drifted downward and despair was rampant. Despite this expanding negativity, we tried to remain calm, disciplined, focused and yet, opportunistic. We tenaciously stuck to our particular fundamental style and subsequently turned performance around. The following piece was written during that extremely difficult time as we struggled to provide incremental investment returns. Although we acknowledge the serious present economic and financial realities, we believe that there are many similarities between 2003 and today. Just as we retained our sense of opportunity and optimism six years ago we are holding fast to the same principles as we patiently await the onset of the eventual economic and investment recovery.

The following is an excerpt from the April 2003 ABC Perspective

Being Opportunistic

*I cannot change the direction of the wind.
But I can adjust my sails
- Anonymous*

We are presently in one of the most difficult stock market environments in years. The crosscurrents of political, economic and psychological factors are innumerable. They include: the Iraq War, the state of the North American and world-wide economies, interest rates, currencies, corporate profits, trade wars, etc. As investors we must pay attention.

The key to successful investing, I believe is flexibility. But the ability to alter a course of action to take advantage of a temporary profitable market anomaly is never easy. It is, in fact one of the most difficult investment decisions a manager must make since it involves sticking out one's neck. Not surprising, few are willing and able to undertake this task.

An interesting characteristic of the current securities scene is the inordinate price volatility. While stocks normally trade within an acceptable value price band, during recent months we have witnessed stocks over and undershooting their intrinsic values. Therein lies the opportunity. While stock trading is not necessarily germane to good long-term investment performance (rather it is successful and patient stock picking), there are increasing opportunities to tack on an extra 2 - 3% or more of incremental returns due to the present excessive volatility. This can be accomplished by

paying particular attention and acting on short-term financial abnormalities. No doubt there are risks to this investment activity. They include:

1. spending too much time on short term trading and less focus on invaluable fundamental analysis.
- and
2. trading out of a temporarily overvalued security when in fact the stock might be poised for a significant price advance (i.e. a breakout on a technical chart) which could result in a lost opportunity of 50 - 75 % appreciation.

Regardless of the risks there are numerous potential trading opportunities, which may present themselves due to the present market volatility. Granted not all opportunities may be practical nor simple to execute. Nonetheless, as portfolio managers, we must pay attention for even if we undertake one out of every four or five viable opportunities, a significant incremental return may be earned for our portfolios.

Irwin A. Michael, CFA

Canam Group Inc.

ABC Funds' unitholders should be familiar with the Canam Group story. Headquartered in Saint-Georges, Quebec, Canam Group designs, fabricates and markets construction products, such as steel decking and joists, composite flooring, bridges and steel building systems. The Company operates 12 plants with an annual production capacity of nearly 600,000 tonnes and employs more than 3,000 people in Canada, the U.S., India and Romania.

We originally purchased our shares of Canam Group through a secondary stock issue at \$5.75 in March 2005. By late 2007, as infrastructure stocks became front page news, Canam was trading around \$14.00 per share. Given the weakening economic outlook and full valuation of the stock price, we decided that it was time to take our money off the table. However, selling 3,000,000 shares took considerably longer to sell than to buy. In all it took almost six weeks to liquidate the ABC Funds' holdings at \$14.00 per share or better. Although Canam shares eventually hit a high of \$15.98 four weeks later, the relative thinness of the stock and its full valuation necessitated an early exit. Nonetheless, we were extremely pleased with our investment and total return of about 120% over a 25 month holding period.

As the real estate crunch intensified and economic data deteriorated, shares of Canam Group began to sell off. As we entered 2008 the shares plummeted. They broke toward \$10.00 in the January to March period, bottoming at a 52-week low of \$9.40. Our interest was piqued. The Company and management were sound and Canam's lower share price provided an excellent re-entry point. Yes, the shares were higher on an absolute basis than when we bought our original position. However, the multiples were almost identical to what we paid back in March 2005. Essentially we rebuilt a position in Canam Group at 1.3 times book value, 10 times trailing earnings and approximately 8.5 times forward earnings.

We were comfortable paying almost \$6 per share lower than the stock's 52-week high and roughly \$4 per share lower than where we had sold our original stake. At the time, we thought that we were buying a dirt-cheap stock but, unfortunately, the bear market intensified. On October 7, the shares opened just below \$6.50 and suddenly plunged to a low of \$3.73 per share, a decline of approximately 40%. We were dumbfounded but quickly put a bid in and actually managed to purchase a few thousand shares at \$3.75. The stock then bounced and closed the day at \$5 per share. Over the next two days we saw several large blocks of stock change hands. It took us a few days to piece together the story but we finally discovered that a hedge fund was behind the volatile trading. This fund, perhaps facing redemptions, was forced to raise cash by dumping several million shares into the market, irrespective of price. It was frustrating to

watch but at least we understood that the Company's fundamentals were sound.

Today, we believe that Canam is an even more compelling investment than four years ago. The real corporate changes began in 2006 when Marcel Dutil, Canam's founder, converted his Class "C" multiple voting shares into Class "A" subordinate voting shares. This nicely aligned the interests of all shareholders and leveled the playing field for investors. Marc Dutil, Marcel's son, then began to take an active role in managing the day to day activities of the business. Since then, the financial results have demonstrated a shift in focus from revenue growth towards profit growth. All of these changes are positive from a fundamental valuation perspective.

We have also seen a tremendous improvement in the financial health of the Company. At the trough of the last infrastructure cycle in 2002/2003 Canam was unduly leveraged for a cyclical business. In 2002, net debt totaled \$333 million on \$256 million of equity for a net debt to equity ratio of 1.3 times. In 2003, although the total debt level fell on an absolute basis to \$276 million, the net debt to equity ratio deteriorated to 1.4 times. Despite the present difficult economic environment, we believe that Canam did all it could to prepare for the current downturn. Net debt is presently \$69.5 million, which implies a net debt-to-equity ratio of 0.17 times. Further, some of the current debt load was actually used to repurchase shares on the open market. As of January 21, 2009 the Company had bought back \$26.3 million worth of shares over the past twelve months at an average price of \$6.46 per share. This is accretive to earnings and book value, which currently stands at \$9.06 per share.

In the near-term, upside to the story could come from two potential catalysts. Firstly, the Company should benefit from US and Canadian economic stimulus that focuses on infrastructure spending, especially bridge building. Remember that the Company recently acquired an American bridge manufacturer based in New Hampshire. This acquisition will enable Canam to take advantage of the significant repair and rebuilding of aging bridges in both Canada and the United States. Secondly, Canam could make one or more accretive acquisitions. The Company has the financial firepower to go out and buy businesses at trough valuations, which could be cents on the dollar for assets that have come under financial duress. If management can find quality assets that are simply overleveraged, we believe that Canam could pull the trigger on up to \$150 million in acquisitions. This would support revenue and earnings through the downturn to the inevitable recovery. Eventually, investors will focus on fundamentals instead of liquidity and the shares should return to a more realistic valuation range.

Fortress Paper Inc.

Fortress Paper (TSX: FTP) is an international producer of security and specialty papers and wallpaper base. The Company listed on the TSX on June 28, 2007, after purchasing the Landqart Mill and the Dresden Mill from Mercer International Incorporated. Mercer, a European softwood and kraft pulp producer that trades on the NASDAQ (MERC) and the TSX (MRI.u), divested the mills to focus on its pulp business. A Canadian entrepreneur, Chad Wasilenkoff, reviewed the assets, conducted due diligence and negotiated the transaction. Mr. Wasilenkoff then installed experienced European management, led by Dr. Alfonso Ciotola as Chief Operating Officer and Erich Sulser as Chief Financial Officer.

We believe that Fortress Paper is a net asset value story, where the replacement value of the two mills and the related equipment is well above the Company's current market capitalization. The Landqart Mill, which produces security papers including paper currency, passports, visas, cheques, share certificates and lottery tickets, is situated in the town of Lanquart, 100 kilometres east of Zurich in the scenic Swiss Alps. The mill has been the sole provider of banknote paper for the Swiss currency since 1979 and is one of only nine authorized suppliers of various denominations of the Euro currency. After poring through the initial public offering prospectus we discovered that the fire insurance value of the property was CHF (Swiss Francs) 66.5 million for the building and CHF 163 million for the inventory and equipment. At the current exchange rate this totals approximately CAD \$200 million. The Company's Dresden Mill in Germany produces primarily non-woven wallpaper base that is sold to Eastern Europe and the former Soviet Union. Although global demand for wall paper is declining, these markets are experiencing growth, especially in the non-woven segment. The Dresden Mill is located in the town of Heidenau, 12 kilometres south of Dresden on the Elbe River. The mill has total capacity of 36,000 tonnes and a 12,000 tonne machine costs approximately EUR 30 million. Therefore the total replacement value of three 12,000 tonne machines is EUR 90 million or CAD \$125 million. Additionally, the Dresden complex includes land, a hydroelectric plant and a water treatment facility, which were appraised at CAD \$50 to CAD \$100 million combined.

Putting all of the pieces together, we believe that the Company's assets are worth between CAD \$375 and CAD \$425 million compared to the current market capitalization of only CAD \$50 million. We are not suggesting that the stock should trade at replacement value, but we believe that a 75% discount to net asset value is excessive for assets that are both cash flow positive and profitable. Recently released 2008 financial statements indicated that annual sales grew from \$145.3 million to \$189.0 million, an increase of 30%. EBITDA almost doubled, advancing from \$13.6 million to

\$25.0 million. Similarly, net income jumped from \$5.3 million or \$0.76 per share to \$12.7 million or \$1.24 per year in fiscal 2008. To be frank, these results are excellent given the current economic environment. Essentially, the stock now trades at approximately four times earnings and has an enterprise value to EBITDA multiple of less than two. At the current price of approximately \$5.20 per share and a total market capitalization of approximately \$50 million, the shares are very cheap. The discount to replacement value of the Landqart and Dresden mills, we believe, is excessive for a Company that is both cash flow positive and earning money.

At current trading multiples, the market has placed a forestry sector-type valuation on this Company. But we believe that the name "Fortress Paper" is a misnomer, which conjures up negative connotations of cyclical commodities, small profit margins and a weak return on capital. However, Fortress is a high-technology company that uses proprietary techniques to incorporate features such as embedded watermarks, chemical taggants, security threads and even clear polymer windows in their products. Fortress also produces passports, visas, share certificates and identification cards that incorporate features such as holographic foil, radio frequency chips, antennas and machine-readable digital nanotechnology. These components allow for instantaneous verification of important documents. Fortress, moreover, operates in a highly specialized industry, with impressive research and development capabilities related to the development of the latest and most advanced anti-counterfeiting features. Therefore, we would suggest that it is more appropriate to use a high tech security multiple instead. Should a multiple re-rating occur and/or the Company is discovered by the market, we believe that the shares could trade at a significant premium to today's valuation.

We believe that the market is only valuing the Company at approximately four times earnings and two times EBITDA for one key reason. Since the IPO, management has talked about making an acquisition to add bank note production capacity but have been unsuccessful thus far. Currently, bank note production is sold out and management has actually been politely turning down orders. Of particular importance, Fortress Paper has a clean balance sheet with \$26.2 million of cash against \$30.6 million of debt. With a net debt figure of \$4.4 million, this provides Fortress with excellent opportunities. It is our view that an accretive acquisition could be an important catalyst to precipitate market recognition and a meaningful price appreciation.

ABC Fully-Managed Fund (ABC FMF)

March 31, 2009

NAVPS	\$ 5.1357
C.G. Dist.	\$ 0.000000
Inc. Dist.	\$ 0.045598

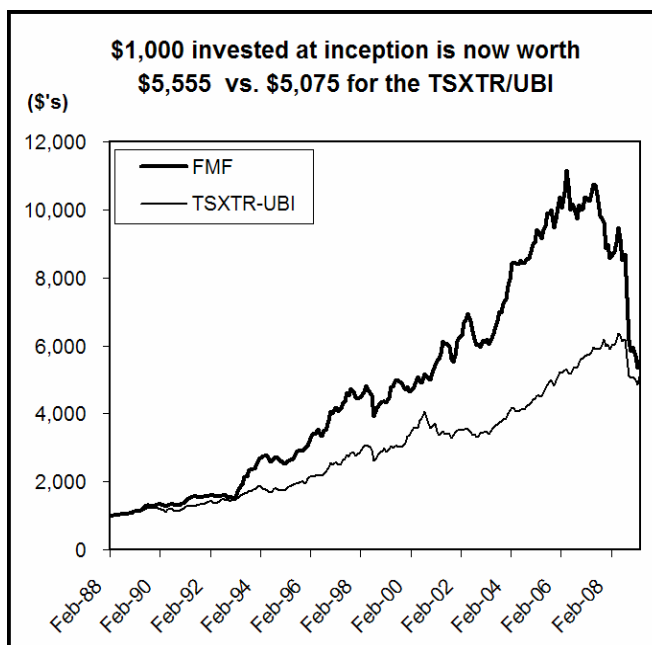
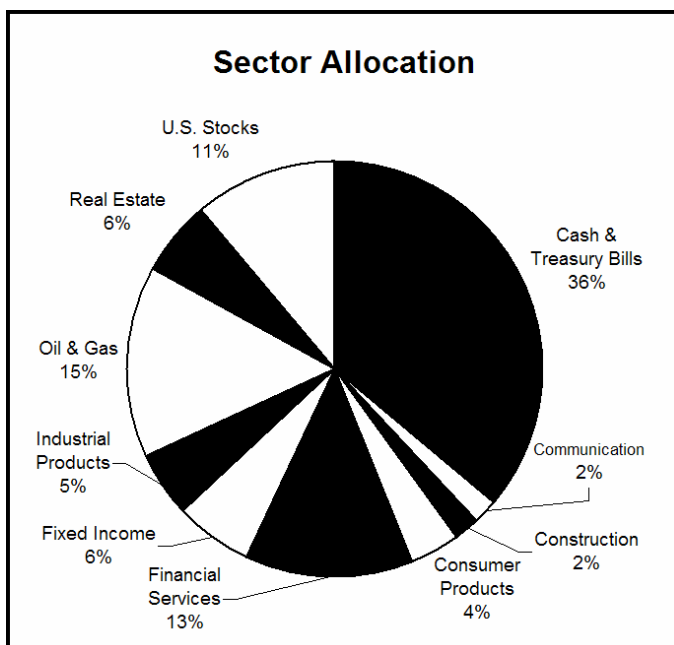
Objective

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 (%)	TSXTR/UBI (%) **		
1 Month	3.97	4.38	1989	23.68 17.20
Q1 2009	-6.96	-0.08	1990	2.17 -4.32
YTD	-6.96	-0.08	1991	14.69 17.35
1 Year	-36.62	-15.81	1992	-1.48 4.75
2 Year	-26.39	-6.08	1993	64.35 24.36
3 Year	-19.13	-1.38	1994	2.82 -2.64
5 Year	-8.04	4.07	1995	17.25 17.97
10 Year	2.17	5.54	1996	31.99 19.5
15 Year	4.77	7.26	1997	10.56 12.22
20 Year	8.22	7.91	1998	-2.02 3.84
Since Inception*	8.47	8.01	1999	10.37 14.29
			2000	8.31 8.71
			2001	17.62 -2.96
			2002	0.77 -1.47
			2003	25.52 15.27
			2004	15.89 10.42
			2005	12.47 15.25
			2006	-0.64 11.00
			2007	-10.55 6.82
			2008	-33.46 -16.04

*Inception date for the Fund was February 22nd, 1988
 **Benchmark consists of 50% of the S&P/TSX Composite Total Return Index and 50% of the PC-Bond Universe Bond Index (UBI)



ABC FUNDS

ABC Fully-Managed Fund, Statement of Investment Portfolio

March 31st, 2009

all dollar amounts in thousands (cdn\$)

exchange rate used is 1.2581464

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)	No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 36.09%				OIL & GAS -- 14.84%			
1,015,433	Cash - CAD	1,015	1,015	350,000	Avenir Diversified Income Trust	2,126	1,120
1,736,182	Cash - USD	2,184	2,184	100,000	Baytex Energy Trust	1,450	1,510
233,975	RT CAP Cash In Action Fund - CAD	23,397	23,397	750,000	Essential Energy Services Trust	4,697	645
0	RT CAP Cash In Actrion Fund - USD	-	-	100,000	Nexen Inc.	794	2,138
<u>TOTAL CASH</u>		26,597	26,597	300,000	Talisman Energy Inc.	1,794	4,005
				300,000	Universal Energy Inc., common	1,508	1,515
				<u>TOTAL</u>		12,369	10,933
FIXED INCOME -- 6.31%				INDUSTRIAL PRODUCTS -- 5.05%			
3,000,000	Blue Note Mining Inc., 11%, 03/31/2012	3,000	660	375,000	Canam Group Inc.	4,051	1,860
4,000,000	Frontera Copper, 10%, 06/15/2010	3,324	2,195	750,000	Terravest Income Fund	5,894	1,864
2,000,000	Nova Chemical Corp., 7.85%, 08/30/2010	1,984	1,795	<u>TOTAL</u>		9,946	3,724
<u>TOTAL</u>		8,308	4,650	CONSUMER PRODUCTS -- 3.97%			
				50,000	George Weston Ltd.	2,762	2,925
				<u>TOTAL</u>		2,762	2,925
COMMON STOCKS -- 57.60%				COMMUNICATIONS -- 2.45%			
FINANCIAL SERVICES -- 12.66%				75,000	Cogeco Inc., common	1,765	1,804
10,000	E-L Financial Corp.	2,772	3,600	<u>TOTAL</u>		1,765	1,804
150,000	Equitable Group Inc.	3,224	1,649	CONSTRUCTION -- 1.84%			
100,000	Laurentian Bank	2,586	2,660	135,000	Aecon Group Inc., common	1,256	1,353
100,000	Manulife Financial Corp.	1,940	1,420	<u>TOTAL</u>		1,256	1,353
<u>TOTAL</u>		10,521	9,329	U.S. STOCKS -- 11.09%			
REAL ESTATE -- 5.71%				30,000	American National Insurance Co.	3,244	1,978
2,000,000	Huntingdon Real Estate Inv. Trust	5,230	370	137,500	Babcock & Brown Air Ltd. ADS	3,163	744
750,000	Lanesborough Real Estate Inv. Trust	4,568	713	75,000	Kansas City Life Insurance Co.	4,439	3,383
900,000	Lakeview Hotel Real Estate Inv. Trust	3,556	324	200,000	Seaspan Corp.	4,486	2,068
175,000	Morguard Corp.	3,595	2,802	<u>TOTAL</u>		15,331	8,173
<u>TOTAL</u>		16,948	4,208	<u>TOTAL COMMON STOCK</u>		70,897	42,448
<u>TOTAL PORTFOLIO</u>						105,803	73,696

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

ABC FUNDS

ABC Fundamental-Value Fund (ABC FVF)

March 31, 2009

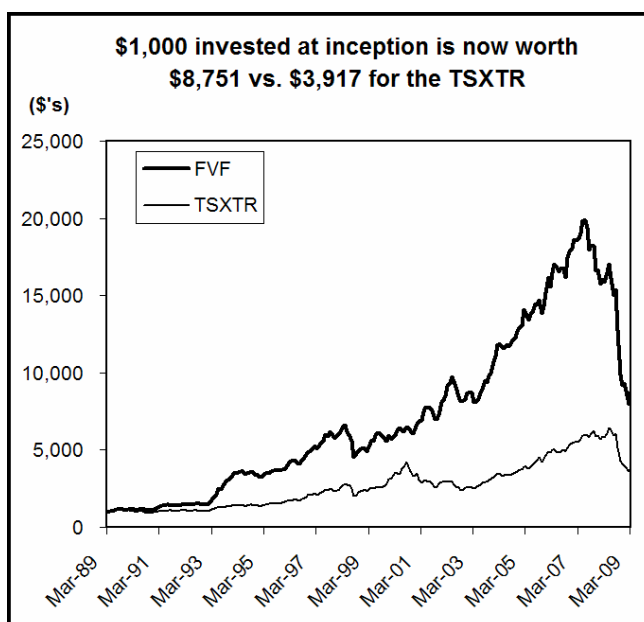
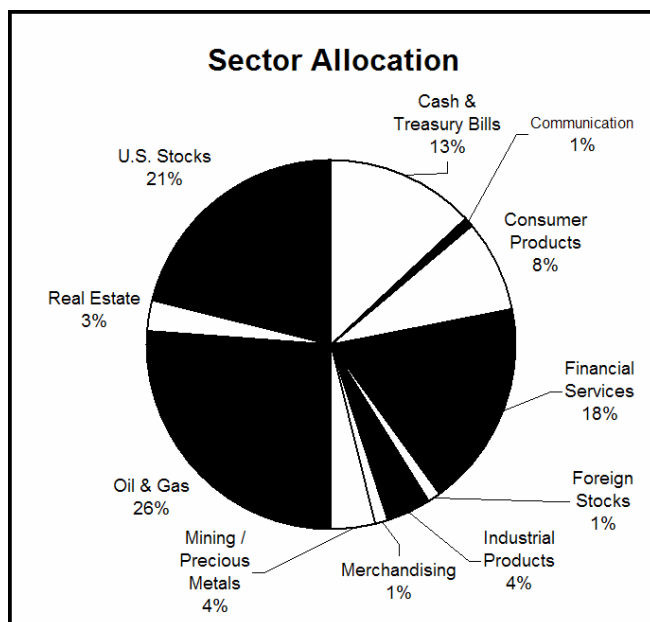
NAVPS	\$ 9.2422
C.G. Dist.	\$ 0.000000
Inc. Dist.	\$ 0.000000

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 (%)	TSXTR (%)**	ABC FVF (%)	TSXTR (%)**
1 Month	9.88	7.79	1990	-1.98 -14.80
Q1 2009	-6.28	-2.00	1991	22.92 12.02
YTD	-6.28	-2.00	1992	4.26 -1.43
1 Year	-44.91	-32.42	1993	121.75 32.80
2 Year	-31.61	-16.17	1994	3.03 -0.63
3 Year	-19.06	-7.83	1995	11.08 14.83
5 Year	-5.84	2.76	1996	31.75 28.35
10 Year	5.36	4.91	1997	20.35 14.98
15 Year	6.13	6.92	1998	-13.81 -1.58
20 Year	11.44	7.03	1999	16.25 31.71
Since Inception*	11.46	7.04	2000	7.51 7.41
			2001	26.06 -12.57
			2002	7.62 -12.44
			2003	23.55 26.72
			2004	21.42 14.48
			2005	16.62 24.13
			2006	19.13 17.26
			2007	-7.86 9.83
			2008	-43.94 -33.00

*Inception date for the Fund was March 20, 1989
 **S&P/TSX Composite Total Return Index (TSXTR)



ABC Fundamental-Value Fund, Statement of Investment Portfolio
March 31st, 2009

all dollar amounts in thousands (cdn\$)

exchange rate used is 1.2581464

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 13.15%			
7,220,528	Cash - CAD	7,221	7,221
2,596,805	Cash - USD	3,267	3,267
370,103	RT CAP Cash In Action Fund - CAD	37,010	37,010
0	RT CAP Cash In Actrion Fund - USD	-	-
<u>TOTAL CASH</u>		47,498	47,498

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
INDUSTRIAL PRODUCTS -- 3.78%			
2,750,000	Canam Group Inc.	28,981	13,640
<u>TOTAL</u>		28,981	13,640

COMMON STOCKS -- 86.85%

MINING/PRECIOUS METALS -- 4.30%			
3,250,000	Polaris Minerals Corp.	15,805	4,680
375,000	Polaris Minerals Corp., warrants	0	56
3,699,700	Western Goldfields Inc.	8,002	8,805
1,350,000	Whitemud Resources	10,658	1,998
<u>TOTAL</u>		34,465	15,540

REAL ESTATE -- 3.29%

CONSUMER PRODUCTS -- 7.87%			
1,095,000	Andrew Peller Ltd.	4,497	7,435
400,000	Arbor Memorial Services, Class B	5,339	6,356
250,000	George Weston Ltd.	13,167	14,625
<u>TOTAL</u>		23,003	28,416

2,950,000	Huntingdon Real Estate Inv. Trust	7,858	546
708,600	Morguard Corp.	15,599	11,345
<u>TOTAL</u>		23,456	11,890

FINANCIAL SERVICES -- 18.53%

MERCHANDISING -- 0.43%			
503,500	Danier Leather Inc.	5,044	1,553
<u>TOTAL</u>		5,044	1,553

1,306,800	Dundee Corp., Class A	15,972	6,717
36,033	E-L Financial Corp.	9,832	12,972
850,000	Equitable Group Inc.	18,274	9,342
385,900	ING Canada Inc., common	11,304	13,892
156,300	Laurentian Bank	4,526	4,158
525,000	Manulife Financial Corp.	10,185	7,455
800,000	Onex Corp.	20,424	12,384
<u>TOTAL</u>		90,517	66,920

COMMUNICATIONS -- 1.21%			
138,800	Cogeco Cable Inc., common	4,374	4,372
<u>TOTAL</u>		4,374	4,372

OIL & GAS -- 26.37%

U.S. STOCKS -- 20.71%			
125,000	American National Insurance Co.	14,057	8,242
980,000	Babcock & Brown Air Ltd. ADS	22,529	5,302
725,000	Blackstone Group	17,538	6,613
728,878	Jo-Ann Stores Inc.	18,134	14,984
385,000	Kansas City Life Insurance Co.	21,852	17,365
150,000	Pioneer Natural Resources Co.	8,811	3,108
900,000	Presidential Life Corp.	21,231	8,821
1,000,000	Seaspan Corp.	22,283	10,342
<u>TOTAL</u>		146,435	74,778

775,000	Addax Petroleum Corp.	20,385	21,158
3,000,000	Anderson Energy Ltd.	19,268	2,520
1,750,000	Avenir Diversified Income Trust	11,855	5,600
1,250,000	Crew Energy Inc.	19,971	4,888
3,100,000	Essential Energy Services Trust	18,627	2,666
7,250,000	Ithaca Energy Inc.	16,299	4,495
4,500,000	Midnight Oil Exploration	16,398	3,600
920,500	Nexen Inc.	7,390	19,680
3,280,000	Pearl Exploration	15,835	2,985
1,250,000	Precision Drilling Trust	27,322	4,225
22,500,000	Stratic Energy Corp.	27,989	5,400
1,350,000	Talisman Energy	8,136	18,023
<u>TOTAL</u>		209,474	95,239

FOREIGN STOCKS -- 0.35%			
4,500,000	Australian Vintage Ltd.	8,942	1,278
<u>TOTAL</u>		8,942	1,278

TOTAL COMMON STOCK **574,693** **313,626**

TOTAL PORTFOLIO **622,191** **361,124**

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

ABC American-Value Fund (ABC AVF)

March 31, 2009

NAVPS	\$ 4.0731
C.G. Dist.	\$ 0.000000
Inc. Dist.	\$ 0.000000

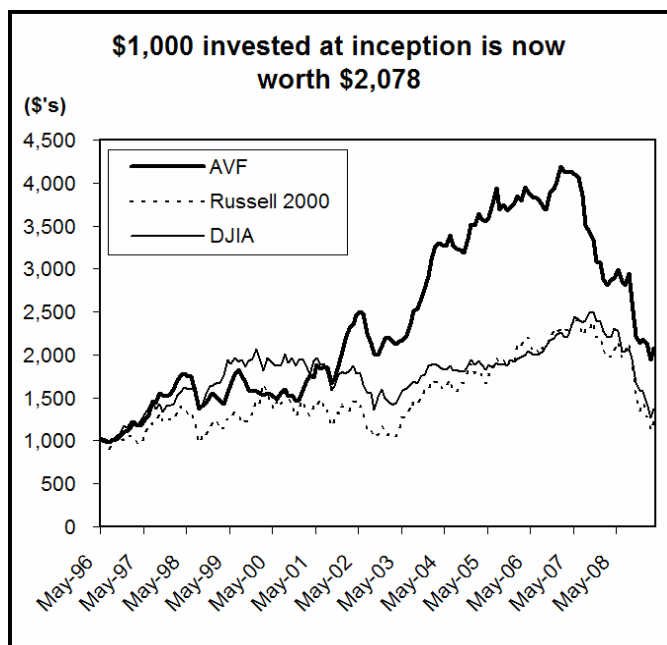
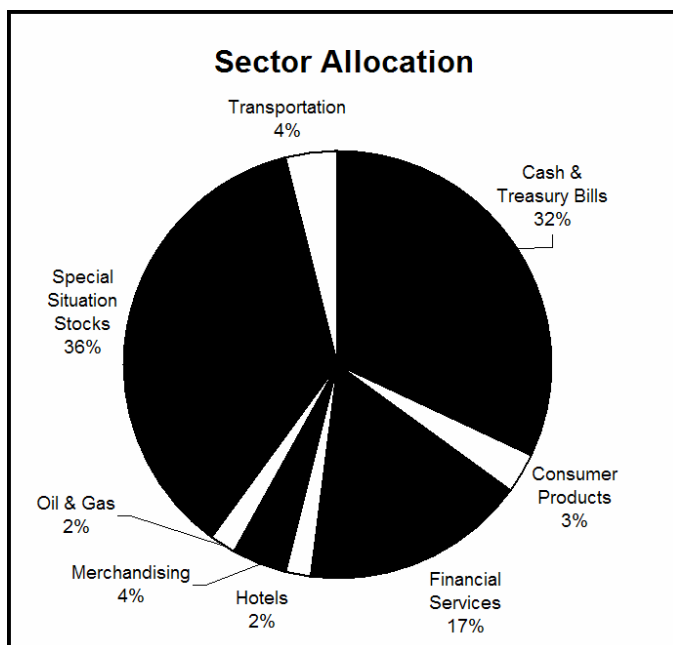
Objective

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 (%)	Dow Jones Industrials (%)	ABC AVF (%)	Russell 2000 (%)	Dow Jones Industrials (%)	
1 Month	6.99	8.67	7.73	1997	38.76	20.52	22.64
Q1 2009	-4.79	-15.36	-13.30	1998	0.75	-3.45	16.10
YTD	-4.79	-15.36	-13.30	1999	1.47	19.62	25.22
1 Year	-27.79	-38.55	-37.95	2000	-6.66	-4.20	-6.18
2 Year	-29.05	-27.34	-21.52	2001	39.52	1.03	-7.10
3 Year	-19.32	-17.94	-11.85	2002	6.91	-21.58	-16.76
5 Year	-8.82	-6.46	-5.98	2003	32.74	45.37	25.32
10 Year	3.86	0.61	-2.49	2004	20.85	17.00	3.15
Since Inception*	5.86	1.51	2.45	2005	7.16	3.32	-0.61
				2006	6.65	17.00	16.29
				2007	-23.46	-2.75	6.43
				2008	-29.00	-34.80	-33.84

*Inception date for the Fund was May 2, 1996



ABC FUNDS

ABC American-Value Fund, Statement of Investment Portfolio

March 31st, 2009

all dollar amounts in thousands (cdn\$)

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 31.72%			
673,494	Cash - CAD	673	673
5,324,071	Cash - USD	6,698	6,698
80,000	RT CAP Cash In Action Fund - CAD	8,000	8,000
0	RT CAP Cash In Actrion Fund - USD	-	-
<u>TOTAL CASH</u>		15,372	15,372

COMMON STOCKS -- 68.28%

FINANCIAL SERVICES -- 17.39%			
22,500	Amer. Natl. Ins. Co.	2,460	1,484
125,000	Blackstone Group	3,076	1,140
52,904	Kansas City Life Insurance Co.	2,443	2,386
325,000	PMA Capital Corp.	3,474	1,705
175,000	Presidential Life	3,728	1,715
<u>TOTAL</u>		15,181	8,430

CONSUMER PRODUCTS -- 3.01%

225,000	Flexsteel Industries	3,842	1,461
<u>TOTAL</u>		3,842	1,461

MERCHANDISING -- 4.20%

325,000	Cost Plus Inc.	3,307	388
200,000	John B. Sanfilippo & Sons	3,203	1,344
149,400	Tandy Brands Accessories Inc.	2,658	303
<u>TOTAL</u>		9,168	2,035

exchange rate used is 1.2581464

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
TRANSPORTATION -- 4.10%			
137,500	Babcock & Brown Air Ltd. ADS	3,162	744
120,000	Seaspan Corp.	3,318	1,241
<u>TOTAL</u>		6,480	1,985

OIL & GAS -- 2.14%

50,000	Pioneer Natural Resources Co.	2,937	1,036
<u>TOTAL</u>		2,937	1,036

HOTELS -- 1.81%

300,000	Great Wolf Resorts Inc.	3,545	879
<u>TOTAL</u>		3,545	879

SPECIAL SITUATION STOCKS -- 35.63%

125,000	Aecon Group Inc., common	1,163	1,253
300,000	Canam Group Inc.	2,227	1,488
1,000,000	Centenario Copper Corp.	2,870	1,670
75,000	Cogeco Inc., common	1,765	1,804
30,000	George Weston Ltd.	1,770	1,755
250,000	Jaguar Mining Inc., common	1,526	1,868
112,500	Manulife Financial Corp.	2,179	1,598
100,000	Morguard Corp.	2,074	1,601
100,000	Onex Corp.	2,425	1,548
750,000	Pearl Exploration	3,371	683
3,172,049	Phoenix Coal Corp.	3,970	634
550,000	Terravest Income Fund	3,775	1,367
<u>TOTAL</u>		29,115	17,267

<u>TOTAL COMMON STOCK</u>	70,269	33,093
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<u>TOTAL PORTFOLIO</u>	85,641	48,465
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ABC North American Deep-Value Fund (ABC NADV)

NAVPS	\$ 3.4058
C.G. Dist.	\$ 0.000000
Inc. Dist.	\$ 0.000000

March 31, 2009

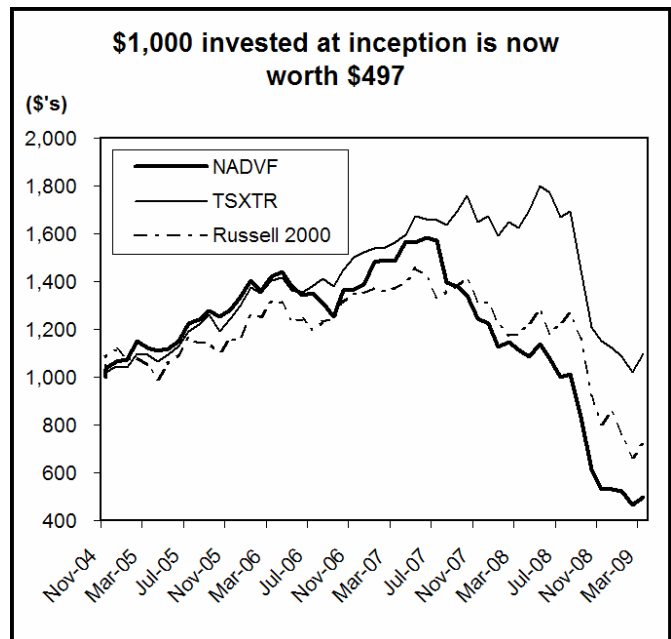
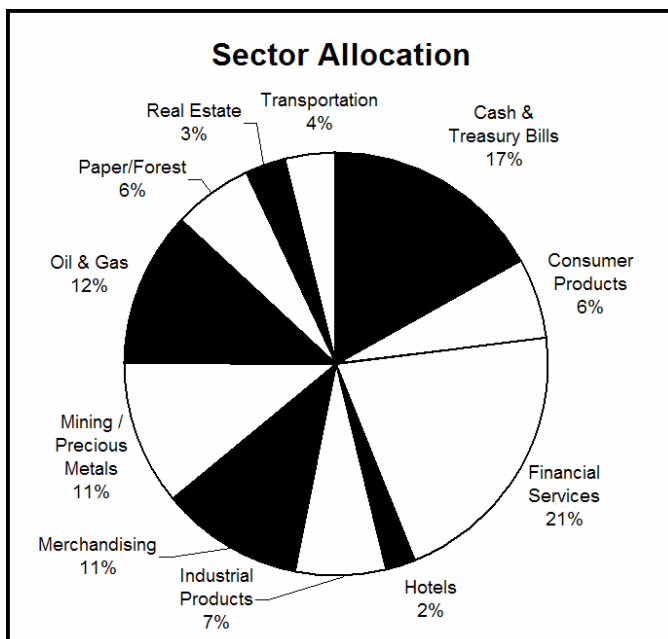
Objective

ABC North American Deep-Value Fund searches out fundamentally undervalued Canadian and American stock exchange-listed common shares. This closed-end fund has maximum flexibility to invest in a diversified mix of deep value securities. There is, however, a particular emphasis on micro-caps. The country and asset mix, as well as currency exposure, can vary and has no set limits. The portfolio, ordinarily, will have a mix of 40 to 50 holdings. This fund closed to new money on November 1, 2005.

Performance of the Fund vs. U.S. and Canadian Benchmarks

	Annualized Compounded Rates of Return				Annual Returns				
	ABC NADV	Russell 2000	Dow Jones Industrials	TSXTR**	ABC NADV	Russell 2000	Dow Jones Industrials	TSXTR**	
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
1 Month	6.67	8.67	7.73	7.79	2005	25.49	3.32	-0.61	24.13
Q1 2009	-6.52	-15.36	-13.30	-2.00	2006	3.92	17.00	16.29	17.26
YTD	-6.52	-15.36	-13.30	-2.00	2007	-11.81	-2.75	6.43	9.83
1 Year	-55.40	-38.55	-37.95	-32.42	2008	-56.62	-34.80	-33.84	-33.00
2 Year	-42.16	-27.34	-21.52	-16.17					
3 Year	-29.56	-17.94	-11.85	-7.83					
Since Inception*	-14.91	-7.05	-6.06	2.14					

*Inception date for the Fund was November 1, 2004
 **S&P/TSX Composite Total Return Index



ABC FUNDS

ABC North American Deep-Value Fund, Statement of Investment Portfolio

March 31st, 2009

all dollar amounts in thousands (cdn\$)

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 16.61%			
571,342	Cash - CAD	571	571
1,515,467	Cash - USD	1,907	1,907
60,028	RT CAP Cash In Action Fund - CAD	6,003	6,003
0	RT CAP Cash In Actrion Fund - USD	-	-
<u>TOTAL CASH</u>		8,481	8,481

COMMON STOCKS -- 83.39%

CANADIAN STOCKS -- 59.64%

OIL & GAS / ENERGY -- 9.42%

550,000	Anderson Energy Ltd.	4,155	462
1,896,000	Buffalo Resources Corp.	3,987	815
250,000	Crew Energy Inc.	1,478	978
1,000,000	Pearl Exploration & Prod.	4,500	910
112,500	Precision Drilling Trust Units	2,035	380
250,000	Universal Energy	2,110	1,263
<u>TOTAL</u>		18,265	4,808

MINING/PRECIOUS METALS -- 11.01%

800,000	Centenario Copper Corp.	3,813	1,336
2,747,808	Phoenix Coal Corp.	3,386	550
1,000,000	Polaris Minerals	4,560	1,440
37,500	Polaris Minerals, warrants	0	6
1,500,000	Scorpio Mining Corp.	1,725	413
800,000	Taseko Mines Ltd.	1,160	1,248
425,000	Whitemud Resources	3,325	629
<u>TOTAL</u>		17,969	5,621

INDUSTRIAL PRODUCTS -- 7.17%

375,000	Canam Group Inc.	4,051	1,860
725,000	Terravest Income Fund	5,098	1,802
<u>TOTAL</u>		9,149	3,662

CONSUMER PRODUCTS -- 6.00%

30,000	George Weston Ltd.	1,746	1,755
1,402,500	Jig-A-Loo World	1,148	1,262
3,176,000	Orbus Pharma Inc.	1,579	48
1,500,000	Orbus Pharma Inc., warrants	0	0
<u>TOTAL</u>		4,472	3,065

REAL ESTATE -- 2.50%

1,750,000	Huntingdon Real Estate Trust	4,576	324
975,000	Lakeview Hotel Real Estate Trust	3,893	351
831,050	Northampton Group	888	603
<u>TOTAL</u>		9,356	1,277

exchange rate used is 1.2581464

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
PAPER & FOREST PRODUCTS -- 5.88%			
625,000	Fortress Paper Ltd.	4,873	3,000
<u>TOTAL</u>		4,873	3,000

FINANCIAL SERVICES -- 17.65%

300,000	Dundee Corp., Class A	3,785	1,542
150,000	Equitable Group Inc.	3,225	1,649
1,750,000	GC Global Capital	1,898	858
75,000	Laurentian Bank	1,939	1,995
100,000	Manulife Financial Corp.	1,940	1,420
100,000	Onex Corp.	2,553	1,548
<u>TOTAL</u>		15,340	9,011

U.S. STOCKS -- 23.75%

HOTELS -- 2.01%

350,000	Great Wolf Resorts Inc.	4,137	1,026
<u>TOTAL</u>		4,137	1,026

MERCHANDISING -- 10.61%

400,000	Cost Plus Inc.	4,075	478
85,825	Frisch Restaurants Inc.	3,510	2,187
325,000	J. Alexander's Corp.	3,040	1,151
195,000	John B. Sanfilippo & Sons	3,123	1,310
143,819	Tandy Brands Accessories Inc.	2,403	291
<u>TOTAL</u>		16,151	5,417

CONSUMER PRODUCTS -- 0.46%

200,979	Cobra Electronics Corp.	1,682	234
<u>TOTAL</u>		1,682	234

TRANSPORTATION -- 4.29%

137,500	Babcock & Brown Air Ltd. ADS	3,163	744
140,000	Seaspan Corp.	3,183	1,448
<u>TOTAL</u>		6,345	2,192

FINANCIAL SERVICES -- 3.84%

200,000	Presidential Life Corp.	4,882	1,960
<u>TOTAL</u>		4,882	1,960

OIL & GAS -- 2.54%

62,500	Pioneer Natural Resources	3,620	1,295
<u>TOTAL</u>		3,620	1,295

TOTAL COMMON STOCK

		116,243	42,567
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TOTAL PORTFOLIO

		124,724	51,048
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ABC FUNDS

ABC Dirt-Cheap Stock Fund (ABC DCSF)

NAVPS	\$ 4.1652
C.G. Dist.	\$ 0.000000
Inc. Dist.	\$ 0.000000

March 31, 2009

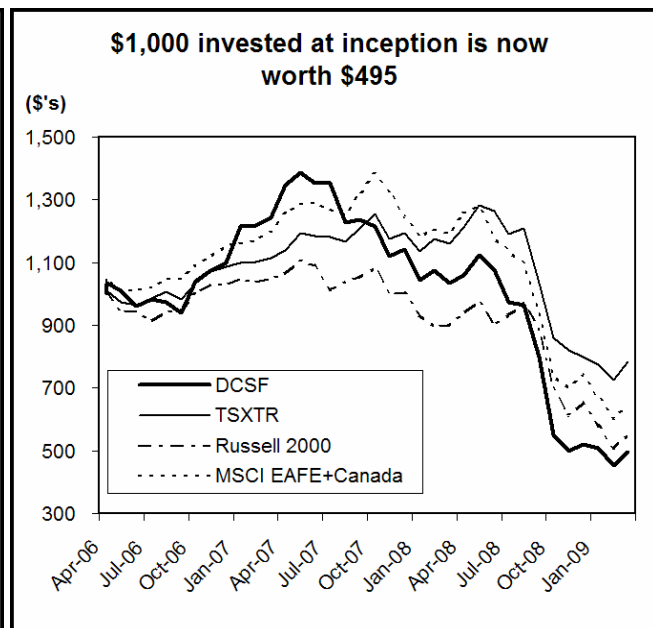
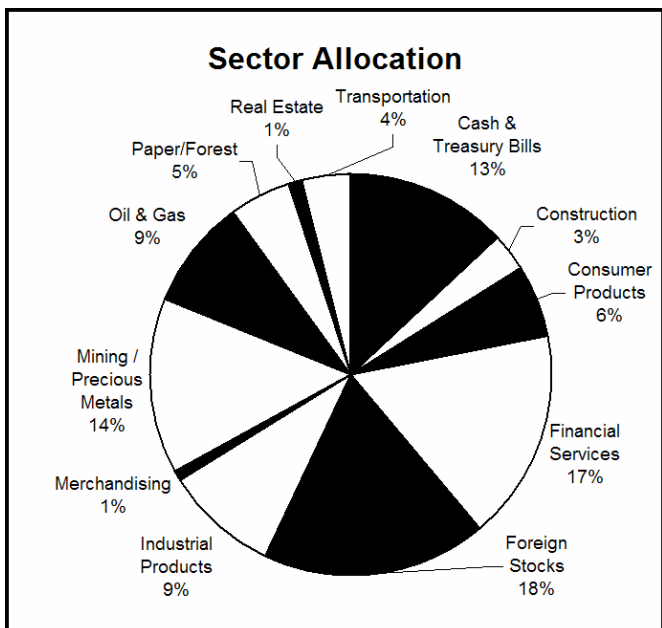
Objective

ABC Dirt-Cheap Stock Fund is a "go-anywhere in the world" equity fund with unlimited investment flexibility. This deep-value fund has no company-size investment restrictions, and, as a result, can opportunistically purchase overlooked, undervalued and less liquid micro-capitalization stocks. We expect this fund to have a mix of 40-60 holdings comprised of Canadian, U.S. as well as Far East, Australian and European equities. The fund closed to new money on September 1, 2006.

Performance of the Fund vs. U.S. and Canadian Benchmarks

	Rates of Return				Annual Returns				
	ABC DCSF	Russell 2000	TSXTR**	MSCI EAFE***	ABC DCSF	Russell 2000	TSXTR**	MSCI EAFE***	
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
1 Month	9.22	8.67	7.79	6.64	2007	3.79	-2.75	9.83	8.08
Q1 2009	-5.01	-15.36	-2.00	-13.04	2008	-54.34	-34.80	-33.00	-40.69
6 Month	-38.06	-37.79	-24.26	-31.38					
YTD	-5.01	-15.36	-2.00	-13.04					
1 Year	-52.23	-38.55	-32.42	-45.99					
2 Year	-36.88	-27.34	-16.17	-26.82					
Since Inception*	-21.44	-18.41	-8.04	-14.05					

*Inception date for the Fund was April 1, 2006
 **S&P/TSX Composite Total Return
 ***MSCI EAFE + Canada US\$



ABC FUNDS

ABC Dirt-Cheap Stock Fund, Statement of Investment Portfolio

March 31, 2009

all dollar amounts in thousands (cdn\$)

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
CASH -- 13.35%			
5,765,413	Cash - CAD	5,765	5,765
715,902	Cash - USD	901	901
64,800	Cash - AUD	57	57
51,174	Cash - SGD	42	42
TOTAL CASH		6,765	6,765

COMMON STOCKS -- 86.65%

CANADIAN STOCKS -- 58.83%

OIL & GAS / ENERGY -- 8.80%

500,000	Anderson Energy Ltd.	3,317	420
948,000	Buffalo Resources Corp.	1,866	408
250,000	Crew Energy Inc.	1,478	978
1,750,000	Ithaca Energy Inc.	3,989	1,085
800,000	Pearl Exploration & Prod.	3,600	728
3,500,000	Stratic Energy Corp.	4,352	840
TOTAL		18,602	4,458

REAL ESTATE -- 0.94%

500,000	Lanesborough Real Estate Trust	3,015	475
TOTAL		3,015	475

MINING / PRECIOUS METALS -- 13.67%

800,000	Centenario Copper Corp.	3,846	1,336
250,000	Jaguar Mining Inc., common	1,600	1,868
2,747,808	Phoenix Coal Corp.	3,386	550
1,000,000	Polaris Minerals Corp.	1,600	1,440
500,000	Polaris Minerals Corp., warrants	0	75
1,500,000	Scorpio Mining Corp.	1,725	413
800,000	Taseko Mines Ltd., common	1,160	1,248
TOTAL		13,317	6,929

CONSTRUCTION -- 3.43%

350,000	Canam Group Inc.	3,620	1,736
TOTAL		3,620	1,736

INDUSTRIAL PRODUCTS -- 9.53%

500,000	Migao Corp.	1,618	3,340
600,000	Terravest Income Fund	4,337	1,491
TOTAL		5,955	4,831

MERCHANDISING -- 0.00%

2,157,900	CY Oriental Holdings	2,411	0
799,998	CY Oriental Holdings, warrants	0	0
TOTAL		2,411	-

CONSUMER PRODUCTS -- 5.78%

2,500,000	Asia Bio-Chem Group Co.	3,000	1,125
30,000	George Weston Ltd.	1,591	1,755
3,176,000	Orbus Pharma Inc.	1,579	48
1,500,000	Orbus Pharma Inc., warrants	0	0
TOTAL		6,170	2,928

exchange rate used is 1.2581464

No. Of Shares	Description	Total Cost (\$)	Market Value (\$)
PAPER/FOREST PRODUCTS -- 4.74%			
500,000	Fortress Paper	3,867	2,400
TOTAL		3,867	2,400

FINANCIAL SERVICES -- 11.96%

100,000	Equitable Group Inc.	1,956	1,099
75,000	Laurentian Bank	1,939	1,995
100,000	Manulife Financial Corp.	1,940	1,420
100,000	Onex Corp.	2,553	1,548
TOTAL		8,389	6,062

U.S. STOCKS -- 10.24%

MERCHANDISING -- 0.77%

325,000	Cost Plus Inc.	3,329	388
TOTAL		3,329	388

TRANSPORTATION -- 3.92%

137,500	Babcock & Brown Air Ltd. ADS	3,163	744
120,000	Seaspan Corp.	2,695	1,241
TOTAL		5,857	1,985

FINANCIAL SERVICES -- 5.56%

62,500	Kansas City Life Insurance Co.	3,570	2,819
TOTAL		3,570	2,819

FOREIGN STOCKS -- 17.58%

1,750,000	Australian Vintage Ltd.	3,453	497
2,070,305	Challenger Wine Trust	1,250	525
1,412,000	Fortune Real Estate Inv. Trust	1,254	612
4,042,500	Harmony Asset Ltd.	2,830	2,628
300,000	Natuzzi SpA	2,374	434
2,750,000	Playmates Toy Holdings Ltd.	3,848	366
2,750,000	Playmate Toys Ltd.	0	38
550,000	Playmates Holdings Ltd.	0	0
4,978,273	Thakral Holdings Group	3,065	1,110
1,000,000	Western Areas NL	3,000	2,700
250,000	Western Areas NL, warrants	0	0
TOTAL		21,074	8,909

TOTAL COMMON STOCK 99,176 43,920

TOTAL PORTFOLIO 105,941 50,685

Adversity

*Adversity has the effect of eliciting talents
which in prosperous circumstances
would have lain dormant.*

Horace

It would be a serious understatement to proclaim that we have been through difficult economic and financial times. Clearly, we have experienced the worst economic downturn since the 1930s depression. Over the past year we have been confronted with major bankruptcies, costly Ponzi schemes, spreading layoffs and rising unemployment, skyrocketing U.S. home foreclosures, massive international government monetary and fiscal stimulation as well as ballooning governmental spending deficits. Furthermore, an all-pervasive media attention has focused on this expanding negativity such that a powerful crescendo of economic despair is permeating worldwide consumer and business confidence. To many the glass is not half empty, but rather, it is bone dry. In fact, there are increasing expectations of worsening economic news which is further compounded by the rising shrill of the well-publicized economic doomsayers who are getting increasing exposure.

In all candour, I have a different take on all these negative economic events. True, there is no denying that worldwide economic conditions have deteriorated significantly compared to the past five or so years and that we are less well off. I do, however, believe in human nature and the ingenuity of mankind to confront and triumph over adversity. I believe in man's innate skills and cleverness in planning to overcome mental or physical economic roadblocks. In effect, I believe in the old saying that "necessity is the mother of invention."

Presently, as I review the three major factors of production: interest rates, labour costs and rents/real estate, all three are at cycle or, in the case of interest rates, are at record lows. It is my view that in spite of all the massive negativity, what a great time to invest during this chaotic period. As many nervous investors pile up their cash in

anticipation of lower and lower asset prices, attractive valuations are becoming more and more apparent. Few are courageous enough to face this economic adversity and through the clever purchasing of assets set themselves up for the next major economic upturn. Admittedly, not everyone has the financial or psychological wherewithal to confront the present economic recession with astute asset purchases. However, for those who are capable, there are many interesting and potentially lucrative opportunities without much competition. In the context of a 12-24 month time horizon these purchases will look golden in retrospect.

In an April 2009, Report On Business Magazine interview with Gene Simmons, member of the rock group KISS and star of the TV Program, Family Jewels, I was particularly struck by the singer's entrepreneurial zeal, down-to-earth wisdom and positive outlook. When asked by the reporter: "What's your take on the American economy?" Simmons replied...

"It's in a whirl. This is a great opportunity for you to stop spending stupid money, stop smoking, stop drinking, stop ruining your health and paying for the privilege...take all that money, all the stupid money, and buy. But don't buy stupid stuff. Buy real estate. Buy important things. It's the best time - the price is low."

These well-spoken words, I believe, are worthy of remembering during this period of heightened adversity, financial turmoil and remarkable opportunity.

Irwin A. Michael, CFA

This newsletter is published by

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