



KILGOUR ADVISORY GROUP

MAV Investors' Bulletin August 2010

Eighteen months after the completion of the restructuring of the Canadian Third Party ABCP market, Kilgour Advisory Group (KAG) remains the leading firm dedicated to supporting note holders and investors. While the newspaper headlines have faded, the legal battles subsided, and credit markets stabilized, there remain billions of dollars at stake and significant risks associated with these complex and illiquid notes. By working with KAG's support, note holders are able to better manage their MAV notes, understand and address the risks, and ultimately exit or reduce their positions at a time and value consistent with their own strategy and business needs.

KAG Back Story

Founded by Colin Kilgour in 2007 to support ABCP holders during the Montreal Accord restructuring.

Advised and supported dozens of corporate clients as well as approximately 1,700 retail investors through the restructuring.

Developed a national reputation for ABCP market intelligence, knowledge of the underlying products, integrity, and unswerving commitment to investor clients.

Continues to advise MAV note holders whose principal business focus and expertise are outside structured finance.

Daniel Williams joined the firm as a partner in 2009. Dan was previously Chief Investment Officer at Dundee Bank and Credit Portfolio Manager at National Bank Financial.

Why MAV Investors Choose KAG

Experience and Insight

We know this business, we know these products, and we know credit risk.

KAG has been the leading firm dedicated to this space since the ABCP meltdown of August 2007.

Colin Kilgour has been an entrepreneur in the Canadian structured finance / ABCP field continuously since 2001.

Together, the partners have extensive senior management experience in structuring, analysing, managing, and valuing credit portfolios and financial products.

Good governance

Most MAV note holders lack structured credit expertise; however portfolio size dictates dedicated oversight by skilled and experienced professionals. KAG fills this gap and allows corporate executives to focus on core corporate priorities.

Independent and Objective Counsel

We are not a dealer or a principal investor in the notes. Our only concern is helping our note holder clients with their MAV notes.

How We Help MAV Investors

- Periodic valuation and management reporting
- Ongoing portfolio support
- Decision support and best execution upon liquidation

Valuation and Management Reporting

KAG has been valuing these securities for GAAP purposes since Q4/2007. Our methodology and model have been vetted by all major audit firms.

Our monthly report allows management to efficiently monitor the credit markets and the performance of the MAV notes including: key risk factors; secondary market activity; key metrics; and, additional relevant analysis (eg: asset maturities, specific credits at risk, impact of Dodd-Frank, etc.).

Ongoing Portfolio Support

Good governance dictates dedicated and skilled portfolio oversight.

We dedicate resources to the MAV portfolio so that our clients' can spend their time focusing on the core activities of the company.

Risks are identified and managed, secondary markets are monitored, and management is immediately apprised of any material development in the market.

KAG is available to respond to clients' needs 'on demand' – market developments, board briefings, general inquiries, or custom analysis on any aspects of the portfolio.

Decision Support and Best Execution on Liquidation

KAG provides a structured and analytic framework to assess the question of when to sell and at what price. Since KAG does not invest in or deal in MAV notes, our sole motivation is to maximize clients' proceeds.

When the decision to sell is made, KAG works with clients to develop and execute a rigorous and disciplined exit strategy that achieves best execution in the market. Our constant contact with market participants provides us excellent insight into market pricing, depth, and dynamics.

With bid/ask spreads often 2% of par and bid prices varying by a similar amount amongst various bidders our rigor, discipline and market insight can pay off handsomely when liquidating a MAV note portfolio as we drive bidders to sharpen their bids.

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The Last Word

Since 2007, Kilgour Advisory Group has provided independent, expert, and professional support to ABCP / MAV holders.

We continue to dedicate senior and skilled resources to this unique market segment.

Please contact us at your convenience to discuss your MAV note situation.

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August 2010

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