# Market Commentary

PORTLAND INVESTMENT COUNSEL™

May 10, 2010

## News Highlights on Current Holdings

### European Stabilisation Mechanism.

- European policy makers unveiled an unprecedented loan package on Sunday worth almost $1 trillion and a program of bond purchases to stop a sovereign-debt crisis that threatened to damage confidence in the euro.
- In its press release, the Council of the European Union highlighted the creation of a European stabilization mechanism based on Article 122 of its governing treaty. That Article provides for the provision of financial support for Member States in difficulties caused by exceptional circumstances beyond their control.
- The 16 euro nations agreed to offer as much as 750bn, including IMF backing to countries facing instability and the ECB said it will buy government and private debt.
- In our view there are several pieces of encouraging news:
    1. The ECB moved quickly to say that they would be buying secondary debt in both the public / private sector. These amounts are being sterilized but are akin to the EU being ready to provide subsidized finance to those countries most in need.
    2. E 750 billion .. of which E 500 bn from the EU (E60 bn is from the EU emergency fund and E 440 bn is to be loans from euro-zone governments) and E 250 billion from the IMF. We understand this is enough for over three years of financing Spain and Portugal's budget deficit. It is equivalent to 62% of Spanish and Portuguese GDP and 91% of their outstanding debt.
    3. The ECB / Federal Reserve have reactivated their Swap programmes in order to alleviate the shortage of short-term dollar funding that had arisen in recent weeks…. This re-opening was in co-operation with the Bank of England, Swiss National Bank, Bank of Japan and Bank of Canada – we understand the lines will now be kept open until January 2011.
    4. Spain and Portugal have announced further significant moves to tighten their fiscal policy.
- These actions show the ECB, EU and IMF can act quickly – in spite of last week's doubts. Credit Default Swaps markets have today seen unprecedented moves including a 444bp fall in Greece to 561bps although we see the package as more important for the other countries and still see default of Greece as a possibility given at the end of the 3yr period the country will still have an unsustainable debt to GDP level of 150%+.
- We believe the amount is enough but hope the countries will never have to use it…the fund would be enough to completely cover the debt refinancing of the southern EU countries but would amount to a massive transfer of wealth from France, Germany and the Benelux if any of the countries default. Any form of bailout remains very unpopular in Germany as represented by the CDU's loss this last week-end of the key state of North Rhine-Westphalia after support falls by 10%. This results in Chancellor Merkel's CDU losing majority in the upper house.

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### Financial Services Companies

- **Axa** reported 1Q10 activity indicators in line with consensus and there is evidence of an improvement in the profitability of new life business. Life net inflows increased 20% yoy, with growth strongly driven by Italy and CEE. Although the numbers therefore broadly show positive trends, the results are lacking strong headline evidence to allay concerns over sustainable sales growth in the US and exposure to sovereign debt. P&C sales were flat yoy, driven by price increases in personal lines (+3% sales growth yoy) but offset by portfolio pruning in commercial lines (-3% yoy). Asset management showed an increase in revenues by 6% yoy, driven by an increase in average funds under management.
- **MasterCard** reported strong 1Q results with EPS of $3.46 up 24% y/y and $0.31 ahead of consensus at $3.14. The strong results were driven by stronger spending, higher pricing, and lower expenses than expected. Spending growth mostly accelerated in the U.S. and international, as purchase volume grew 8.7% y/y in constant currency vs. 6.1% in the 4Q. MA is benefiting from the cyclical upturn in spending, including cross border. Pricing power continued to be an important driver of growth and margin expansion. Debit growth was 6.9% in US and 31.1% ROW (small base). Credit makes up 75% of purchase volume. Visa is still growing faster than MasterCard as its US credit showed growth of 3.4% this quarter and 12.3% ROW - debit growth was 21% US and 27% ROW. Nonetheless, we believe MasterCard's results are positive.
- **Prudential Financial** reported strong 1Q operating EPS of $1.49 which was significantly above consensus of $1.30. Excluding unusual items, Prudential would have earned $1.42, still above forecasts, as upside in the retirement & investment and international divisions offset a shortfall in U.S. insurance. Flows in the Variable Annuity, retirement, and asset management businesses were significantly above forecasts. Foreign life sales rose 18%, helped by growth in Japan. Individual life and group insurance sales were weak,

down 19% and flat, respectively. Investment impairments were $292 million, up from $225 million in 4Q09. Total BV increased 6% from 12/31/09.

- **Manulife** reported Q1 EPS of $0.64 per share vs. Street estimate of $0.45. This was due largely to higher than expected equity related tailwinds, the absence of interest rate charges, Oil and Gas, and private equity gains that offset losses in real estate, timber, and agriculture investments.
- Total premiums and deposits came in at $17.1bn in Q1/10, down 11% versus Q1/09 but up 4% sequentially. On a constant currency basis, premiums and deposits were up 1% y/y. Variable annuity sales were down 40% y/y as product changes and repricing initiatives continue to weigh on sales levels. However, reflecting these initiatives, new business embedded value related to variable annuities rose 37%. On a constant currency basis, sales levels excluding variable annuities rose approximately 20% relative to Q1/09.
- **Manulife** has disclosed that it holds $70mn in sovereign debt of Italy and Spain, an insignificant level relative to $188bn of invested assets. MFC's exposure to financials in Portugal, Italy, Ireland, Greece and Spain is also immaterial. Manulife's MCCSR ( Minimum Continuing Capital and Surplus Requirements) ended the quarter at 250%, up from 240% at Q4/09 due to earnings retention and reduced required capital resulting from strong equity market performance.
- **Aberdeen Asset Management -** Clean profit before taxation of £92.6m beat the top end of estimates (£84m) by 10%. This gave earnings per share of 6.05p. The dividend was increased 14% to 3.2p. Operating margin was 33.5% ahead of full year estimates of about 32%. The average yield on assets under management increased from 37.1bp in 2009 and 37.5bp in 2H09 to 38bp for 1H10 with net new business flows turning positive (+£2.7 million) and assets under management increasing to £170.9 billion, compared to end 2009 of £146.2 billion albeit part of this gain reflects relative weak £ over this period.
- **BNP Paribas:** BNP reported a solid set of results characterised by a strong beat across all the divisions. EUR2.3bn 1Q10 net profits were above the company collected consensus of EUR1.5bn with a Cost/Income ratio of 57% and a Return on Equity of 13%: the performance in French and Italian retail banking was strong compared to peers; the performance of Personal Finance, BancWest and Emerging Retail banking was above market expectations. Positively, the financing business division recorded a low cost of risk. As expected, the Advisory and capital markets division recorded good Fixed Income, Currency & Commodities and equity revenues. The capital position is strong with a core Tier 1 ratio of 8.3% in 1Q10. We estimate the stock is trading at 1.1x 2009 book value which is we believe a cheap valuation for a bank delivering a return on tangible book above 15%.
- **RBS:** The company reported 1Q 2010 operating profit which was better than consensus (a loss). The beat was driven by Global Banking & Markets (GBM) and Non-Core divisions. Net interest margin improved by 9bp, but this was entirely driven by the GBM division. The rest of the business saw an overall decline in net interest margin although this is expected to gradually improve over the course of the year, in line with previous guidance.
- **GBM** drove the beat with strong performance in FICC. Revenue came in at £2,792m vs 4Q09 £2,069m. Comments around the improvement cite strong customer demand. Outlook for the division is for a weaker second quarter but this is due to seasonality.
- Impairment trends were similarly encouraging to other UK banks. Writedowns taken through the trading line in Non-Core also reduced as assets continued to rally. And Non Core trading loss was £131m vs 4Q09 £781m. Core tier 1 capital moved to 10.6% from 11% at year end, driven by Risk Weighted Asset increases – similar to Barclays.
- **Schroders:** 1Q Management Statement to 31 March 2010 reported a profit before taxation of £93.2m, but this included (1) the net profit effect from £27.2m of performance fees, largely arising from realised gains made in a European property fund (2) the provision for another significant bad debt in the private banking division of £3.6m. Nonetheless, the results is a strong beat, driven by much higher inflows-the quarterly net inflow of £9.7bn (£6bn asset management institutional, £3.3bn asset management retail, £0.4bn private banking) is a record quarter. This has lead to a 13% increase in funds under management to £167.9bn during the quarter. The revenue beat is therefore driven not only by a one-off item not previously planned but also this elevated level assets under management driven by new business flows.
- **UBS Net** profit of CHF 2.2bn vs consensus of 2bn but benefiting from credit writebacks (116m) and gains on Swiss stability fund equity (231m). Consequently in our view the underlying quality of earnings was rather disappointing given various preannouncements. The two main positives were the capital position with Core Tier 1 Capital up to 12.5% and an expansion of margins in Wealth management (up 5bps to 93bps).
- **Standard Chartered** 1Q 2010 Interim Management Statement released last week, was in our view upbeat in tone, and they refer to the group as having had a strong

start to the year with income and profit both ahead of prior year. This in our view confirms the momentum apparent since the second half 2009. There appears to be a modest rebalancing towards the Consumer Bank, where strong revenue momentum has continued. The loan/ deposit ratio remains a strength of its balance sheet at around 80%.

- **Prudential** according to the UK Daily Telegraph, Prudential does plan to dispose of its UK and US assets, in an attempt to placate shareholders who are unhappy at the insurer's plans to take-over the Asian business of AIG called AIA. The disposal could raise as much as £10bln. Clive Cowdrey, founder of Resolution has reportedly secured the funds to bid for Pru's UK assets from Royal Bank of Scotland and Royal Bank of Canada.
- **Credit Agricole** has agreed to sell it's retail banking unit in Uruguay to BBVA.
- **Prudential** saved its takeover of AIG's main Asian unit (AIA) after reaching an agreement with the U.K. regulator. The U.K. insurer agreed to provide a £1bn backstop fund to satisfy the FSA's concerns about the enlarged group's capital reserves and will rejig its plans for funding the purchase. (Sunday Times)
- **Barclays Capita**l is planning to split and partially sell University Partnerships Programme (UPP), the UK's largest private university campus developer, in a process expected to raise about £800m. The move follows a strategic review aimed at bringing in capital.
- **Credit Suisse:** has entered into an agreement to buy from Fortis its Prime Fund Solutions.
- **HSBC's** insurance unit plans to raise it outlets in Shanghai to 40 from 30 to target China residents, the Standard reported, citing the company's head of insurance, David Fried. The lender plans to expand its insurance unit to Beijing and Guangzhou but has yet to apply with regulators.
- **Ping An** ( 19% owned by HSBC) has overtaken China Life for the top spot in gross written premiums in Beijing with a share of 21.85%. It maintained its first place in Shanghai in 2009 as well, with a 23.52% share.

## Dividend Paying Companies

- **Thomson Reuters:** Q1 2010 results beat consensus with total revenues of $3,140 million and underlying profit of $555 million. This profit was a decline of about 6% from 1Q 2009 attributable to increased integration costs and fair value currency related adjustments. Thomson Reuters is experiencing a tough H1 2010 as the impact of lower net new sales in H1 2009 comes through in the form of reduced revenues (group organic revenue growth was -3% in Q1 2010) and as the company absorbs the cost of the rollout of new platforms, WestlawNext in Legal, Utah in Markets and OneSource in Tax & Accounting. The Markets division declined year-on-year but in our view that was expected, reflecting how this subscription-based business lags the economic cycles and indeed, management indicated that they were optimistic about the recovery as employment levels in the financial services sector picks up. The Professional division reported good results driven by the Tax and Accounting and Healthcare and Science divisions. The Legal division slowed its decline with US legal librarians print products declining 17% year on year. However the introduction of WestlawNext in February has seen a positive response; its interface is much easier to use and 2,300 clients having already integrated the platform with management claiming they are able to gain new customers as opposed to just 'upselling' existing ones.
- Looking ahead and we expect the Professional division to drive most of the growth into 2012 ( with the legal business accounting for probably more than two thirds of that growth – for instance new associates graduating from law schools in years to come will demand access to WestlawNext… helping to drive up demand – and pricing). We therefore expect the weight of the Markets division will decline in profitability over that period into 2012 because of the lagged impact of the financial crisis ( i.e. subscriptions being reviewed in light of resized financial organizations)… and thereafter will be expected to recover as it lags the economic recovery. In our view, the key at Thomson Reuters is to look through revenue trends to the new sales trends. These were positive for the group for the second quarter in succession with Professional firmly positive and Markets on the cusp of turning positive for the first time since 2008. In turn this should drive positive revenue growth in H2 and beyond. TR management appears confident that underlying business trends are improving.
- **Rheinmetall AG**: Results 10% ahead of consensus expectations, Group EBIT came in at Eu39m and sales increased 13% yoy to Eu800m. Strong Automotive sales up 34% with EBIT of Eu17m compared to last year's Q1 loss of Eu-44m. Defence continues to grow, boosting order backlog to Eu4,743m end of March. Order intake includes two large foreign orders of >Eu100m each as Rheinmetall keeps winning share in global markets. Defence EBIT was and Eu25m Q1 is seasonally the weakest quarter as government business is usually invoiced at the end of the

year. Historically, the Defence division was loss-making in Q1 and Q2, generating almost the entire annual results in Q4. Thanks to growing international business and more even revenue generation in areas like weapon/ammunition or simulation/training seasonality was already much reduced. The outlook statement reads unchanged. Guidance is for Eu3.7bn revenues and Eu220-250m EBIT. Management has changed wording slightly and now expects EBIT at the upper end of the range.

- **BMW** released its detailed Q1 of 2010 earnings last week at the higher end of the market expectations, supported largely by a strong performance in its Financial Services division as the residual values started to increase in US and UK and seem to be forming a bottom in Germany. BMW commands a strong position in the certified pre-owned vehicles market, selling well over 100 thousand units per year. Operating margin at the group level improved to 3.6% versus the market consensus of 3.2%. The company maintained its 2010 guidance of significantly higher group earnings and is expecting support from a higher premium car market, good sales of its 5 Series and its cost cutting programs. The group targets a low single digit operating profit margin for the year and maintains its 8% to 10% margin target by 2012.
- **BP and Transocean** face at least 36 lawsuits, including group cases with potentially thousands of plaintiffs, over environmental damage and personal injuries caused by the oil spill in the Gulf of Mexico, with at least 24 cases were filed April 30.
- **Pearson** – has agreed the sale of Interactive Data Corporation (IDC) to US private equity investors Silver Lake and Warburg Pincus. Pearson owns 61% of IDC shares and so under the terms of the deal will receive £2 billion ( US$ 1.3bn) before tax for its stake. The deal was at a premium of about 33% to previous price. IDC, listed in New York, is a significant participant in the business information sector, particularly in the pricing of illiquid assets. Pearson's CEO, Dame Marjorie Scardino has stated Pearson would look to use the proceeds for organic investment as well as making small acquisitions in education, especially in emerging markets. Tom Glocer, CEO of Thomson Reuters, the rival business information group, said it was " a good price achieved by Pearson".
- **ABB:** is acquiring Ventyx a software provider to asset intensive businesses for energy companies, utilities and other industrial customers. This is an acquisition that we believe is in line with ABB's strategy of broadening offering within existing business areas and strengthening it competitiveness. Management have highlighted that ABB needed to strengthening its software offer. The company will be integrated in ABB's Power Systems division and its anticipated this acquisition will tripling the energy management software market for Power Systems. One advantage with Ventyx software is that it allows the utilities and grid operators to better match electricity generation with consumption even at households levels. ABB is paying more than USD 1bn for Ventyx using its cash on the balance sheet. In 2009 Ventyx had annual sales of USD 250m and 900 employees, which initially makes the acquisition looks expensive, although we do not yet know profitability and synergies both on the revenues and cost side with Power Systems.
- **Veolia Environnement:** announced last week the merger of Transdev and Veolia Transport. Cost synergies between the two groups are expected to be E70 million per annum. The new Veolia Transport –Transdev entity will be owned 50:50 between Veolia Environnement and Caisse des Depots and the aim will be to spin off the new group via IPO within 12 months.
- **GEA Group,** the German engineering company leading the heat exchange technology, mechanical separation technology and farm technologies, announced light earnings in the first quarter of the year. While revenues and earnings before interest and taxes (EBIT) were lower than expected, the orders intake improved across its divisions with the book to bill ratio at 1.08 for the quarter. More importantly, base orders (smaller) intake was particularly robust, which bodes well for the overall profitability as smaller orders are generally more lucrative. EBIT margin improved as a result to 5.6%, up 30 basis points in the quarter, yet still significantly below its long term stated goal of 12%.
- The company has completed a divisional reorganization, the benefits of which are likely to be seen in 2011 at the earliest. At the same time the company is reducing the number of legal entities that operate under the GEA Group umbrella, which is likely to deliver about 60 million EUR of savings when completed. The management confirmed its previously stated guidance of flat sales growth and EBIT margin improvement for the year, in an environment still challenging for the industrial capital expenditure projects.

## Economic Activity, Consumer and Business Conditions

- **Canada:** created 109,000 new jobs last month. The unemployment rate slipped to 8.1% from 8.2% and the labour force increased by 92k. Although the unemployment rate did not drop by much, those seeking to get back into the labour force appear not to be having problems finding jobs. Overall this is a very strong report and in our view increases the chances of a rate hike from the Bank of Canada at the June meeting.

- **US:** Friday's jobs report was unexpectedly strong-including after discounting Census jobs. And a rise in the unemployment rate actually points to optimism on the part of workers. Payroll jobs in April grew a healthy 290,000, following a revised 230,000 advance in March, and 39,000 rise in February. April's boost topped the market estimate for a 200,000 gain. Net combined revisions for March and February were up a 121,000-including turning February from negative to positive. But the key number is private payrolls as Census hiring added 66,000 to April's jobs, compared to adding 48,000 the prior month. Private nonfarm employment increased 231,000, following a 174,000 rise in March. Payroll gains were widespread, including increases in goods-producing and service-providing sectors. From the household survey, the unemployment rate rose to 9.9 percent from 9.7 percent in February, coming in above the consensus estimate for 9.6 percent. But the jump was due to an 805,000 surge in the labor force. April household employment actually jumped 550,000. Basically, discouraged workers see hope of employment and have jumped back into the labor force. The bottom line is that the U.S. labor market is showing notable improvement. In our view this could help the consumer sector regain optimism and strengthen the overall recovery.
- **US:** The US manufacturing expansion is accelerating quickly. The Institute of Supply Management's Manufacturing composite index, at 60.4, posted its strongest reading last week in six years. The pace of new orders is very strong, at 65.7 to extend a run of 10 straight months of strength. Production is following new orders, at 66.9 for a nearly 7 point gain from March for its strongest reading in six years.
- **Manufacturers** are adding workers to meet the ramped up production schedule as the employment index rose nearly 3-1/2 points to 58.5 for its strongest reading, again, in six years.
- **Inventories**, which jumped in March, showed no significant change in April, that is they held steady with an April index of 49.4. At 78.0, input prices continue to rise at a significant rate. Deliveries continue to slow and backlogs continue to build. Both exports and imports are strong.
- **US Factory orders:** The US factory orders report this month was very strong, boosted by rising energy prices, specifically for petroleum and coal, that made for a big 2.9 percent gain in the non-durables component for March. April increases in energy prices, together with indications of solid consumer and industrial demand for fuel, point to gains for this component in the next report as well. Excluding transportation ( airplanes) , orders rose 3.1 percent for the best reading in nearly five years. Total factory orders, that is with non-durables and durables combined, rose 1.3 percent and offer the latest confirmation of accelerating strength in the nation's manufacturing sector.
- **Australia:** The Australian Govt. is reviewing recommendations to make Australia's tax system fairer. A key recommendation is to introduce a Resource Super Profits Tax at 40% on net income ( less allowable expenses) which will impact all non-renewable resource companies ( oil, gas & materials) effective from 1st July 2012. Offsetting the increase will be a phased reduction in Corporate tax which will be reduced from 30% to 28% by 2014. Within the oil and gas sector, offshore oil and gas producers which are currently subject to the Petroleum Resources Rent Tax will be least affected by the proposed changes. . whereas those predominantly onshore could be significantly impacted with marginal rates of tax increasing from 40% to 57%.
- If implemented "as is", we believe that the tax could have a material, negative impact on the earnings of companies with assets in Australia, particularly on those with higher margin assets e.g. iron ore such as Rio Tinto then BHP then Xstrata and last Anglo. Understandably, the mining industry has expressed its disappointment regarding the law. In the context of global mining companies who can and do choose to allocate capital wherever they get the highest returns, these changes and the resultant uncertainty could have quite negative implications longer term for Australia's reputation as a mining friendly regime. For now, these are only recommendations, although it does seem as though the government is quite committed to pass them into law, albeit in consultation with the industry. The global implications for the industry could be that other traditionally "mining friendly" territories (e.g. Chile, Canada, Brazil) also feel budget pressures and so "fix" the problem on the revenue side of their income statement with fresh taxes or on the cost side.
- **Australia:** The Reserve Bank of Australia raised the cash rate by 25bp to 4.50%, noting that the process of business sector deleveraging was moderating, with business credit stabilising and indications that lenders were starting to become more willing to lend to some borrowers, though credit conditions for some sectors remain difficult.
- **Greece:** Last week the Greek parliament approved a tough austerity package agreed with its Eurozone partners and the International Monetary Fund… on the same day that tens of thousands of people kept vigil for the 3 bank staff tragically

killed during the anti-reform riots last Wednesday. The vote opens the way for Greece to start drawing down E 110 billion in bilateral loans from the other Eurozone states and the IMF. Meantime, the European Central Bank has indicated that to date it has not discussed the option of buying Government bonds preferring other measures. In fact, in our view there is now no pressing need for the ECB to buy public debt . The IMF is now already co-ordinating financing for Greece – and it attaches conditions to its lending. The Financial Times phrased it as " Whether by brutality or restructuring, it will make sure Greece can service its debts." ….. whereas " if the ECB were to become a creditor on its own account it might not be so tough".

## Financial Conditions

- The Federal Reserve released its quarterly Senior Loan Officer Opinion Survey on Bank Lending Practices (April survey, 56 domestic respondents). The survey indicated that the stabilization in underwriting standards that first became evident at year-end 2009 continued into 1Q10, citing a more favorable economic outlook and increased competition. Loan demand remained persistently weak, however, across all categories although the trajectory of the decline improved relative to January. These results support our view that the net interest margin expansion realized over the last 3 -6 months across the US banking industry is unlikely to widen much more absent an increase in rates.
- Our concerns are mostly focused around the later cycle issues facing financial services companies – particularly commercial real estate and unsecured consumer loans/ credit card loans. However, commercial real estate exposure is more acutely held by US regional banks – rather than larger more diversified global financial services companies. The number of small U.S. banks failing continues to grow (68 to-date in 2010 and 140 in 2009) but their franchises are being acquired/absorbed as convergence of the financial services industry accelerates – favouring we believe the stronger, better managed banks. Typically banks acquiring collapsed bank franchises from the Federal Deposit Insurance Corporation (FDIC) are paying little or no premium for deposits, assets are purchased at a discount and are covered by loss sharing agreements – so that such deals can be expected to be immediately accretive to earnings per share. We understand however that the FDIC is changing the loss share arrangement on assisted deals from absorbing 95% of losses down to absorbing 80% although this is still attractive to acquiring banks it does probably lower the Internal Rate of Return.
- A concern which remains is the extent to which loan modifications are an exercise in loss deferral but for the larger franchises the quantum of proactive provisioning continues to act as a differentiator of quality which we believe has still to be fully appreciated.
- The VIX (volatility index) is 28.26 substantially below the levels experienced last week (41) prior to the ECB bail out and last August/September. While, by its characteristics, the VIX will remain volatile, it is we believe further evidence of markets reacclimatizing to risk – typically we believe a VIX level below 25 augurs well for quality equities.
- We believe the next few years will highlight the growing polarization between strong and weak institutions. Financial services companies that have capital strength will buy assets from those required to divest. Companies that have a strong presence in emerging markets will likely grow quicker than those that do not. Banks that have strong retail deposit franchises will take market share from those that rely on wholesale markets to fund loan growth at attractive margins. Financial services companies that have breached client trust will keep losing business to those reputations that have been enhanced by the crisis. We believe all the Funds are extremely well positioned to benefit from the strength of their portfolios of strong, dominant, attractively priced financial services companies.

## Closed-End Funds

Spreads on the closed-end funds are narrowing but remain, in our view, very attractively priced to purchase.

The Portland Investment Counsel Inc. 2009 Closed End Annual Reports are now available on the web site. Below you can find the link to access the closed end annual report.
http://www.portlandic.com/Info.aspx?disp=Financial_Reports

At the close of business on Fridays and at the end of each month we publish the Net Asset Values (NAV) of our funds onto our Portland website at http://www.portlandic.com/Funds/WeeklyPricing.aspx. The NAV for the AIC Global Financial Split Corp. can be found on the AIC/Manulife website at http://www.aic.com/EN/PricePerformance/AICClosedEndFunds/Pages/Price.aspx and the Copernican World Financial Infrastructure Trust, Copernican World Banks Split Inc. and the Copernican International Financial Split Corp. can be found on the Copernican website at http://www.copernicancapital.com/Funds/WeeklyPricing.aspx.

Chris Wain-Lowe
Executive Vice President
Portland Investment Counsel Inc.
Phone: 905-331-4250 Ext. 4232
Fax: 905-331-4368
www.portlandic.com



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