



We are here

30Jun12

To my Partners:

With this “We are here”, you will find a transcript from our Partner’s meeting in May. I will therefore keep my comments short as you have more than enough reading!

This year has certainly been volatile. We had a strong 1st quarter and a weak 2nd quarter. July and early August have been kind. Our volatility has been driven primarily by four of our holdings: Glacier Media, RHJ, Monex and Rainmaker. I am quite comfortable with our margin of safety in Glacier, RHJ and Monex and I comment somewhat on these positions in the attached transcript so won’t repeat them here. Just prior to quarter-end, Rainmaker, where I am Chairman and our fund holds a significant interest, announced an agreement to sell its animation assets to a Chinese company. The transaction is expected to close before the end of the 3rd quarter.

Administration:

As mentioned in April, we have closed the Vancouver office and moved our operations to Victoria. If you have not already, please note the new address and phone number.

Performance:

The McElvaine Investment Trust’s 30Jun2012 net asset value for the Series B units was \$14.5925. This represents a gain for the first six months of 2012, net of all fees and expenses, of 2.1%. During this period, the S&P/TSX Composite Total Return Index fell by 1.5%.

Conclusion:

As always, many thanks for all your support and confidence. I appreciate your trust.

All the best,

Tim McElvaine
06Aug2012