



Securitization Bulletin

Corpfinance International Limited

May 2006

Burns' Briefs

THE ANNUAL RETREAT

After a one year hiatus, CFI re-established its annual retreat for Originators and Funders in Ontario's Niagara-on-the-Lake. The annual retreat provides a wonderful opportunity for CFI'ers, Originators and Funders to mix in a collegial environment with the additional benefit of educational and business components.

The day started with a continental breakfast followed by several presentations. Kevin Andrews, the President of CFI acted as MC for the day. Thank you to Bill Davis, Executive Director of TADA/OADA, Scott Bridges, Vice President of Dominion Bond Rating Service, Mike Lewicki, partner, RSM Richter and CFI's very own Rozmin Patel and Peter Karageorgos, for presentations on current topics in their respective industries and areas of expertise.

There was a breakout session for our Originators on car insurance and mortgages moderated by CFI's Rob Sampson who was a Minister in Mike Harris' cabinet and Ontario's first Commissioner of Automobile Insurance. I will provide you with details on the insurance and mortgage origination opportunities available to you in future editions. Funders heard from George Steeves (P. Eng.) on wind power and Jacques Huot of CFI on government process.

Following the presentations, the group attended a cocktail reception with Ron Ellis of Toronto Maple Leaf and Team Canada fame. Ron gave a very well received and interesting pre-dinner speech on his career in general and his memories of the 1972 Team Canada victory.

The dinner speaker was John Yakabuski, the member of the Ontario Legislature for Renfrew, Nipissing, Pemberton whose topic was the Power of Politics. I will give you a hint as to what John let us in on: Coal albeit 'clean' coal, is here to stay.

After a great night at The Prince of Wales Hotel, those so inclined were treated to a round of golf and lunch at The Whirlpool Golf Club near Niagara Falls. Some of us had no trouble keeping our heads down and although some struggled with early season form, it was an excellent way to enjoy and strengthen personal relationships.

If you attended, we hope you enjoyed the event. If you have any comments or suggestions for future events, please send them along. If you could not attend this year, please plan to attend in the future as the retreat is one way we try to thank you for your business.



Rozmin's Corner

Reports on an improved used car market, shrinking residual value losses and an expanding lease market in Canada marginally helped offset the news of the woes facing GM and Ford with Delphi, UAW and disappointing earnings/losses. The leasing market in Canada reached a high of 45% market share in 2005 compared to 28% in 2002. The leasing market recovered from being abused by the manufacturers in the late 1990s when used car prices tanked as they were flooded with inventory with ridiculous residual values. The hiatus thereafter, gave the used car market the opportunity to gain discipline which, augmented by increased demand and better off lease management, helped revive used car market sales in Canada.

Bank of Canada raised overnight interest rates by 25 bps on Tuesday, April 25th taking the prime rate to 5.75% with an indication of another rate hike to keep inflation in check. The Canadian economy has experienced robust growth fueled by escalating commodity prices and vigorous global growth. Economists of various Canadian banks have called for another 25 bps rate hike and a retreat for 2006 thereafter.

The current rates to fix and float with CFI are 5.65% to fix and 5.33% to float.

Contact List

Questions, comments, or concerns may be directed to the appropriate person:

General Ph: 416-364-6191

Fax: (416) 364-6642

Email: info@corpfinance.ca

John Burns: (416) 673-2366

Peter Karageorgos: (416) 673-2355

Wendy Henderson: (416) 673-2367

Rozmin Patel: (416) 673-2361

Bruce Wonnacott: (416) 673-2353

