FP TRADING DESK

BY **DAVID PETT**

Thursday, December 20th, 2007

Manager Picks: Tony Batek

Manager:
Tony Batek
Portfolio Manager at:
Hillsdale Investment Management Inc.

Style: Agnostic
Fund: 21st Century Canadian Equity
Strategy: A broad-based quantitative approach focused on stock selection with risk control. This fund is designed for the investor looking for active management.

Buy recommendations:

West Jet	(WJA)
Sino Forest Corporation	(TRE)
Vail Resorts	(MTN)

Sell recommendation:

Metro Inc.	(MRU.A)

Commentary:

"WestJet earnings have grown 89% year-over-year and even though the stock price has done quite well recently, it is still trading at reasonable levels with price earnings at 15 times and price to cash flow at seven times. They have reported at or above expectations for the last seven consecutive quarters and they continue to post strong traffic growth. The strong Canadian dollar actually helps to drive down some of their costs and has boosted demand for southern destinations. WestJet is seeing stronger-than-expected bookings for the U.S. and have added new Caribbean destinations this winter as well.

Sino Forest earnings (sic)have grown 58% in the past year and is forecasted to grow another 41% in 2008. And even though its stock price has more than doubled in the past year it also trades at reasonable levels of 14 times price earnings and 7 times cash flow. It looks like a good short term buy and it has also signed some deals in China recently that should provide good long term positive impact on earnings growth. It has the potential to be listed on an Asian market, perhaps Hong Kong or Singapore and that could provide positive impact too.

Vail Resorts own five resorts in Colorado and California and owns luxury hotels as well. Their earnings are forecasted to grow 82% next year. So far this fiscal year, the company has bought back $26-million company shares which is a good sign. This winter season, season pass sales and resort bookings are up and they've had significant snow fall so far this month. With the weak U.S. dollar that should help international bookings.

We sold Metro Inc., the third largest food retailer in Canada, back in August. They just barely met expectations at that time and after that analysts revised their '08 and '09 estimates downward. In our **Hillsdale Canadian long/short fund**, we shorted the stock in November just before it reported below expectations. Their short term technicals remain negative and they are also seeing increasing market share pressure from Wal-Mart, in particular related to their Food Basics and Super C discount value stores."

Selected holdings:

West Jet*	(WJA)
Sino Forest Corporation*	(TRE)
Vail Resorts*	(MTN)
Priceline.com*	(PCLN)
ATCO Group*	(ACO.X)

One-year return: 14.9%
Three-year return: 14.1%
(Through Nov. 30, 2007)

Mr. Batek co-manages the fund with **Chris Guthrie** and **Arun Kaul**.

Morningstar rating: Three star

All data provided by Morningstar unless otherwise noted

*Data provided by **Hillsdale Investment Management Inc.**