



MARKET AND PORTFOLIO UPDATE

For the week of
October 30th, 2011

www.macic.ca

MAC INVESTMENT CLUB

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MACIC MarketWatch Portfolio Winners/ Losers¹

| | Closing Price | Change |
|-------|---------------|--------|
| PG | \$5.47 | 4.82% |
| BBD.B | \$4.41 | 10.53% |

| Holdings | Previous | Today |
|----------|----------|-------|
| Equity | 10.8% | 33.2% |
| Cash | 89.2% | 66.8% |

Economic Indicators

| | Est. | Actual |
|----------------------|------|--------|
| US Cons. Confidence | 58 | 60.9 |
| BOC growth '11(est%) | 2.8 | 2.1 |

Current News and Events

| | Impact |
|--------------------------|--------|
| Consumer Confidence (US) | + |
| Greek Debt | + |

World Indices²

| | Closing Price ³ | Change |
|-------------|----------------------------|--------|
| TSX | 12520 | 4.77% |
| TSX Venture | 1630 | 5.82% |
| DJIA | 12231 | 3.58% |
| S&P 500 | 1285 | 3.78% |

Upcoming Events

| | |
|---------------------|--------------------------|
| Trader in Residence | November 1 st |
| Pitch | November 2 nd |

Welcome

The MACIC is proud to introduce the Toronto CFA Society as our newest corporate sponsor.

Key News Stories

Greek Debt

European Union leaders met both on Sunday and again on Wednesday to discuss how to resolve the sovereign debt crisis. European governments have announced that private banks and insurers would accept a 50 percent loss on their Greek debt holdings. This attempt to cut back the debt load to sustainable levels will only push the crisis back to 2009, signalling that the crisis is still far from being over. Details are still being finalized, and leaders are still looking to China for support, which holds the world's largest reserves of foreign exchange.

Sony buys out Ericsson Venture

Sony Corp. plans to pay 1.05 billion Euros (\$1.47 billion) to buy out partner L.M. Ericsson Telephone Co.'s stake in their 50-50 mobile-handset venture; Sony Ericsson Mobile Communications AB. Ericsson is the Stockholm telecom-equipment provider. Sony is the Tokyo consumer-electronics producer.

Boeing and Ford Report

Boeing beat the street by 36 cents for EPS of \$1.46 but missed on the top line by \$100 million. Ford EPS came in line with estimates and revenue rose 16.5% to \$31.1 billion

European Banks Report

Deutsche Bank reported a net profit of \$777 million vs a loss of \$1.2 in the prior year. They saw revenues rise 47%. Exposure to the PIIGS is nearly \$5 billion euros. UBS also reported but saw net profit decline 39%. The firm was hurt by the \$2 billion trading loss.

Our Portfolio

| MAC Investment Club 2011.2012 : Open Positions | | | | | | | | | | | |
|--|--------|--------------------------------|----------|----------------------------|-------------|---------------------------|-----------------|----------------------------|-----------------|-------------------------|----------|
| Security Statistics | | | | BUY | | | | Unrealized Gains or Losses | | | |
| Security Name | Ticker | Exchange | Currency | Shares | Buy Price | Fees | Total Cost | Current Price | Current Value | Gain/Loss | % Change |
| Cash | | | CAD | | | | \$CAD 56,575.00 | | \$CAD 37,833.70 | | |
| Bombardier, Inc. | BBD.B | TSX | CAD | 500 | \$CAD 4.05 | \$CAD 9.95 | \$CAD 2,034.45 | \$CAD 4.41 | \$CAD 2,195.05 | \$CAD 160.60 | 7.89% |
| Premier Gold Mines Ltd. | PG.TO | TSX | CAD | 800 | \$CAD 5.21 | \$CAD 9.95 | \$CAD 4,177.95 | \$CAD 5.47 | \$CAD 4,366.05 | \$CAD 188.10 | 4.50% |
| Toronto-Dominion Bank | TD.TO | TSX | CAD | 100 | \$CAD 76.19 | \$CAD 9.95 | \$CAD 7,628.95 | \$CAD 75.99 | \$CAD 7,589.05 | -\$CAD 39.90 | -0.52% |
| Silvercorp Metals Inc. | SVM.TO | TSX | CAD | 500 | \$CAD 9.78 | \$CAD 9.95 | \$CAD 4,899.95 | \$CAD 9.80 | \$CAD 4,890.05 | -\$CAD 9.90 | -0.20% |
| -- | | | -- | | | | \$CAD 0.00 | -- | -- | -- | -- |
| -- | | | -- | | | | \$CAD 0.00 | -- | -- | -- | -- |
| Initial Portfolio Value | | Current Portfolio Value | | \$ Portfolio Change | | % Portfolio Change | | Full Share Value | | Half Share Value | |
| CA\$ 56,575.00 | | CA\$ 56,873.90 | | \$CAD 298.90 | | 0.53% | | \$CAD 251.32 | | \$CAD 125.66 | |

Gold closed the week at \$1,742.15/troy ounce, representing a 6.08 percent increase from the week prior when it closed at \$1,642.38. Many investors fled back to the safe-haven status of the precious metal on news of the 50 percent loss on Greek debt.

Bombardier:

-BBD.B climbed on higher than average volume on Friday to close at \$4.41. The stock is up over 10% over the past 5 days and will hopefully continue to climb to secure a gain.

-Signs a conditional agreement for 6 CRJ900 NextGen jets worth CA\$ 263 million with a Chinese Airline. The transaction, which is the first CRJ900 purchase in China, includes options on an additional five planes.

-Received the Tell Award for the most significant technology project in Switzerland in recognition of its product development for its intercity trains and control system. This coveted Tell Award for innovation recognises Bombardier's investment in rail technologies of the future.

-Basel transport operator BVB (Switzerland) named Bombardier transportation as preferred bidder to supply 60 trams on October 25th. The contract is expected to be signed following regulatory approval in early November. The contract is worth 220 million.

Premier Gold:

- Premier expands Key lake deposit with high-grade gold intercepts including 21.77 g/t Au across 5.35m. The current drill program has successfully extended mineralization approximately 600 metres along strike to the west of the core area, with the best results coming from the westernmost 200 metres, where it remains wide open for expansion. For a detailed report following the link-
<http://www.newswire.ca/en/story/865427/premier-expands-key-lake-deposit-with-high-grade-gold-intercepts-including-21-77-g-t-au-across-5-35m>

- Mr. Brian Morris has accepted a position with the Company in the role of Vice-President of Exploration. Brian will guide Premier's US-based operations until year end, but will then replace Tim Twomey as corporate Vice-President of Exploration, as Tim will be retiring from the Corporation.

Silvercorp: BMO Capital Markets reiterated its "Outperform" rating

Suncor: Earnings are released on Thursday, estimates are 82 ¢/share. If Suncor fails to meet expectations it may give the bearish momentum needed for the club to establish a position in the company.

Pitches this week:

Orbite Aluminae Inc. (ORT:TSE): A Canadian company whose unique technologies could have a significant impact on the aluminum industry. These technologies enable the extraction of metallurgical-grade alumina, high-purity alumina and high-value elements, including rare earths, from locally sourced aluminous clay, in an environmentally sustainable manner. Orbite plans to deploy these technologies locally and to license them to customers who want to reduce their costs and environmental footprint. Orbite owns the mining rights on the Grande-Vallée property, the site of a large aluminous clay deposit in Québec's Gaspé region, which would supply the company's processing plants.

**For complete research reports on all pitches see our website

Looking Forward

Further details concerning the European rescue package are likely to emerge next week. Unemployment data for both Canada and the US are expected on Friday, November 4th, with estimates at 7.1 percent and 9.1 percent, respectively. A G20 meeting is scheduled for November 3rd-4th in Cannes, France next week. Officials have said that neither the European bailout package nor discussions concerning buying European bonds will be discussed. Instead topics will include promoting global growth and maintaining stability in the global market. A US Federal Reserve meeting is also scheduled for the week ahead and will take place November 1st-2nd.

Companies releasing earnings next week include News Corp. and Level 3 Communications Inc. on Wednesday and American International Group, Inc. on Thursday.

Live Conference

LIVE Conference 2011 is a two-night national business conference hosted by the University of Toronto Scarborough. Held in downtown Toronto, LIVE brings together the brightest and most ambitious undergraduate business students from across Canada. At the heart of the conference is an intense competition spanning all major areas of business, which challenges delegates to apply their knowledge in a real world simulated business environment. LIVE provides a platform for delegates to explore their potential as future business leaders. **Deadlines for applications is November 2nd.**

Who? 160 Delegates from across Canada When? November 10th – 12th Where? Toronto Marriott Bloor Yorkville How? Visit <http://www.live-conference.ca> for more information