

National Post March 8, 2004 Erroneous  
Data & Misleading Statements

# Table from National Post March 8, 2004

used. Adjustments have been made to account for special distributions.

## CIBC WORLD MARKETS OIL & GAS INCOME TRUST REPORT

COMPANY	TICKER	LAST CLOSE 3/4/04	MONTHLY CHANGE	YTD CHANGE <sup>1</sup>	YTD TOTAL RETURN <sup>1</sup>	UNITS OUTSTANDING (mm) <sup>2</sup>	MARKET CAP (\$mm)	ANNUAL DIST'N <sup>3</sup>	CURRENT YIELD	EASTABLISHED RESERVE LIFE <sup>4</sup>
Acclaim Energy Trust	AEun	\$11.89	5.2%	-0.9%	1.8%	75.2	894	\$1.9		
Advantage Energy Income Fund	AVNun	\$17.77	8.7%	-0.9%	1.6%	37.9	673	\$2.7		
APF Energy Trust	AYun	\$12.10	9.2%	-3.5%	-0.7%	38.6	467	\$2.1		
ARC Energy Trust	AETun	\$15.30	10.1%	3.8%	5.8%	182.8	2,797	\$1.8		
Baytex Energy	BTEun	\$10.41	4.8%	-4.1%	-1.3%	65.0	676	\$1.8		
Bonavista Energy Trust	BNPun	\$21.08	11.1%	0.4%	2.8%	79.0	1,666	\$3.0		
Bonterra Energy Income Trust	BNEun	\$16.10	6.3%	3.9%	4.7%	13.4	215	\$1.5		
Calpine Natural Gas Trust	CXTun	\$12.33	8.5%	1.1%	3.5%	27.1	334	\$1.8		
Canadian Oil Sands Trust	COSun	\$53.23	13.9%	16.5%	17.6%	87.5	4,658	\$2.0		
Crescent Point Energy	CPGun	\$14.40	10.8%	8.7%	11.2%	26.5	382	\$2.0		
Enerplus Resources Fund	ERFun	\$40.60	14.4%	3.2%	4.1%	93.8	3,808	\$4.20	10.3%	13.7
Enterra Energy	ENTun	\$18.80	16.8%	29.6%	31.4%	19.0	356	\$1.61	8.5%	na
Focus Energy Trust	FETun	\$15.03	14.7%	0.2%	2.1%	31.8	478	\$1.68	11.2%	9.4
Freehold Royalty Trust	FRUun	\$15.00	4.5%	-8.3%	-6.7%	31.5	472	\$1.48	9.9%	12.6
Harvest Energy Trust	HTEun	\$13.80	9.5%	-1.9%	0.9%	17.2	237	\$2.40	17.4%	4.0
NAL Oil & Gas Trust	NAEun	\$10.91	9.5%	-0.3%	2.5%	50.5	551	\$1.80	16.5%	8.7
NAV Energy Trust	NVGun	\$9.90	3.3%	3.3%	6.4%	18.0	178	\$1.80	18.2%	na
Paramount Energy Trust	PMTun	\$11.83	12.1%	na	na	44.6	528	\$1.92	16.2%	5.9
Pengrowth Energy Trust	PGFun	\$18.65	11.0%	-12.2%	-10.3%	123.9	2,310	\$2.52	13.5%	11.8
Petrofund Energy Trust	PTFun	\$17.70	17.9%	-5.8%	-4.1%	73.6	1,303	\$1.92	10.8%	11.8
Peyto Energy Trust	PEYun	\$29.65	20.5%	8.8%	9.9%	45.4	1,346	\$1.80	6.1%	10.5
<del>PrimeWest Energy Trust</del>	<del>PWTun</del>	<del>\$23.83</del>	<del>6.1%</del>	<del>13.5%</del>	<del>11.5%</del>	<del>30.1</del>	<del>1,194</del>	<del>\$3.00</del>	<del>12.6%</del>	<del>9.3</del>
Provident Energy Trust	PYEun	\$10.75	6.0%	-5.9%	-3.8%	89.5	962	\$1.44	13.4%	6.3
Shiningbank Energy Income Fund	SHNun	\$17.27	2.1%	-7.3%	-4.9%	45.1	779	\$2.76	16.0%	9.7
Ultima Energy Trust	UETun	\$7.16	14.6%	14.7%	17.5%	57.6	412	\$1.02	14.2%	11.8
Vermillion Energy Trust	VETun	\$17.91	13.0%	16.8%	19.0%	64.7	1,159	\$2.04	11.4%	10.3
Viking Energy Income Trust	VKRun	\$5.40	4.9%	-4.4%	-1.6%	97.2	525	\$0.96	17.8%	9.8

**Peyto Energy Trust**  
**CURRENT YIELD**      **EASTABLISHED RESERVE LIFE<sup>4</sup>**  
**6.1%**      **10.5**

<sup>1</sup> Based on the later of January 1, 2004, and the date the entity began trading. <sup>2</sup> Excludes pending equity issues for Shiningbank and Petrofund  
<sup>3</sup> Last month's distributions annualized except for income funds which have completed IPOs or conversions in the last month, in which case their indicated distribution levels have been used. Adjustments have been made to account for special distributions.  
<sup>4</sup> Based on most recent report by the income trust, if disclosed, or CIBC World Markets estimate.

Peyto's RLI 17.2 years at the time, not 10.5 years

# Article, which accompanied the preceding table, from National Post March 8, 2004

## Energy trust sector leads strong month

PENGROWTH REBOUNDS

Reserve Life index helps you factor in depleting resources

BY ERIC KIRZNER

It was another strong four weeks for income trusts, which extended their 2004 gains.

The leader was the energy trust sector, where the average income trust fund in the CIBC World Markets tracking universe recorded a 9.5% gain over the past month. Energy, with a 6.9% loss, was the weakest sector in the previous month when concerns about a writedown of reserves by Pengrowth Energy Trust, one of Canada's largest energy trust based on market capitalization, had a dampening ef-

fect on the entire sector. Pengrowth rebounded with an 11% gain over the past month although the units have lost 10.3% in the year to date, including dividends received. Thus far in 2004, the average energy trust has recorded a 3.8% total return, although the average is skewed upward by the 31.4% return of the relatively small (market capitalization is only \$356 million) Enterra Energy.

The average cash-on-cash yield in the energy trust sector is 13.3%, down from last month. Cash-on-cash yields run relatively high in this sector since the underlying properties in general are based on non-renewable resources. To analyze an energy trust properly you should measure the cash-on-cash yield against the expected life of the property, or the Reserve Life index. The RLI is calculated by dividing the reserves by the annual rate of production. The shorter the RLI, the faster the reserves and portfolio assets will be depleted and the sooner the investment will cease to pay off. Income trusts based on renewable resources, such as power generating stations or that are based on continuing businesses, which should spin cash in perpetuity, are not subject to this potential reserve depletion problem. Accordingly, the cash-

on-cash yields, at 7.7% for the power trusts and 8.7% for the business trusts, are commensurately lower.

### THE POWER GROUP

The 16 funds in the CIBC Power and Pipeline group recorded an average return of 3.9% over the month, leaving the sector ahead by 6.1% on the year on a total return basis. The leader of the group is Boralex Power Income Fund, which owns and operates 10 power-generating stations in Quebec and the United States. Boralex has recorded a 14.7% total return thus far in 2004. Taylor NGL, Inter Pipeline, and Northland Power all have double-digit gains in the year to date as well.

In general, power and pipeline are the most sensitive to interest rate changes and have the more pronounced fixed income style characteristics.

See TRUSTS on Page FP9

This statement from the U of T professor is seriously flawed for the following reasons:

1. Every trust has a different payout ratio. The cash on cash yield does not necessarily reflect how much is being paid out.
2. Every business, whether its an energy business or an automotive business has to invest capital in order to be sustainable. There is no such thing as a business that can spin cash in perpetuity without additional capital investments.
3. In order to differentiate between investments you must look at the assets and you must also evaluate how profitably the business invests capital.