
ANNUAL MEETING FORMULA GROWTH FUND – MAY 16, 2006

Chairman's Welcome

John Dobson - Chairman

Philosophy

Randy Kelly - President

People

Kim Holden - Portfolio Manager

Performance

John Liddy - Portfolio Manager

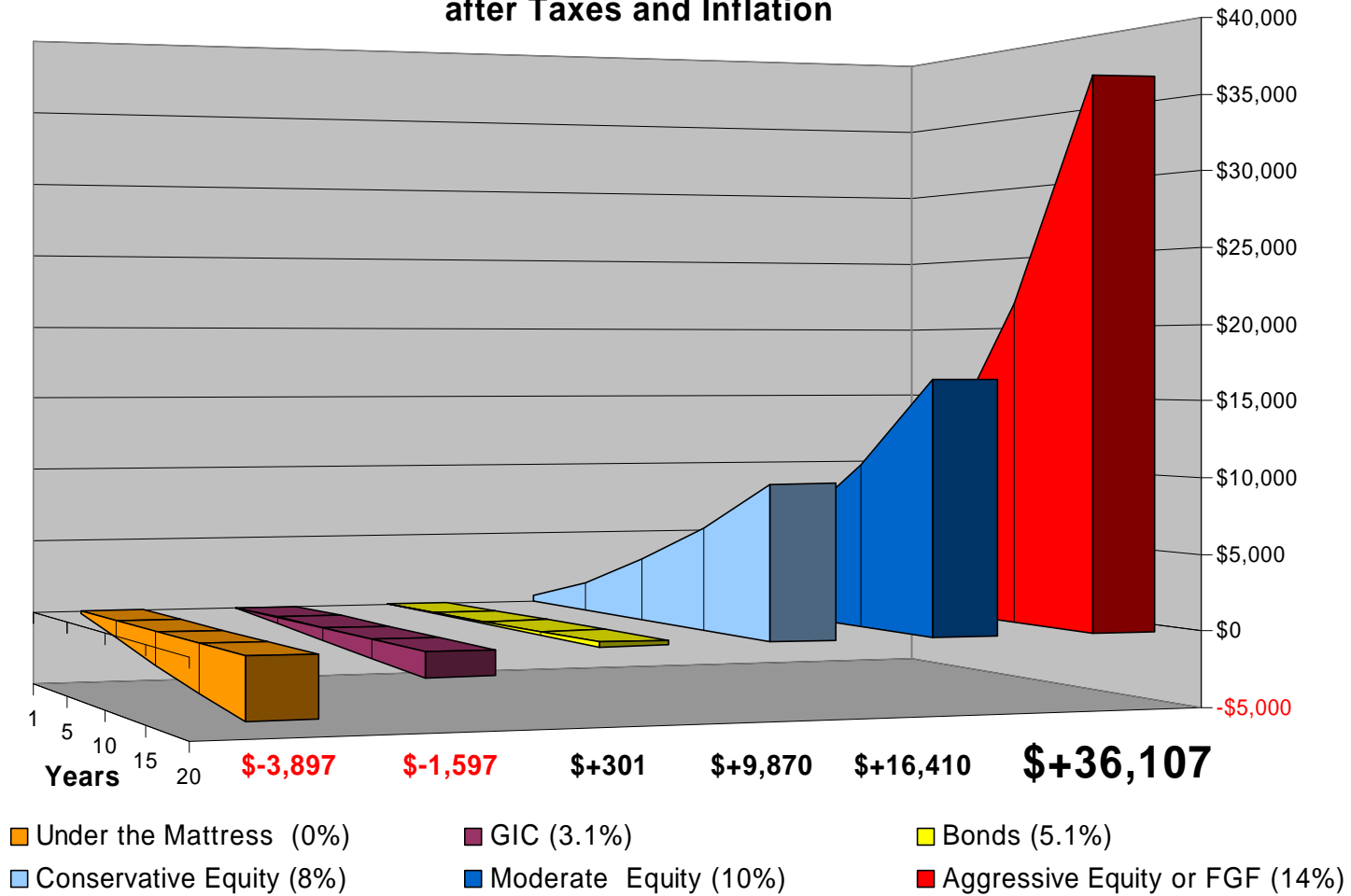
Portfolio

Tony Staples - Portfolio Manager

Process

Philosophy – Asset Class Decision – Don't forget about Taxes and Inflation...

Gain on a \$10,000 Investment after 20 years
after Taxes and Inflation



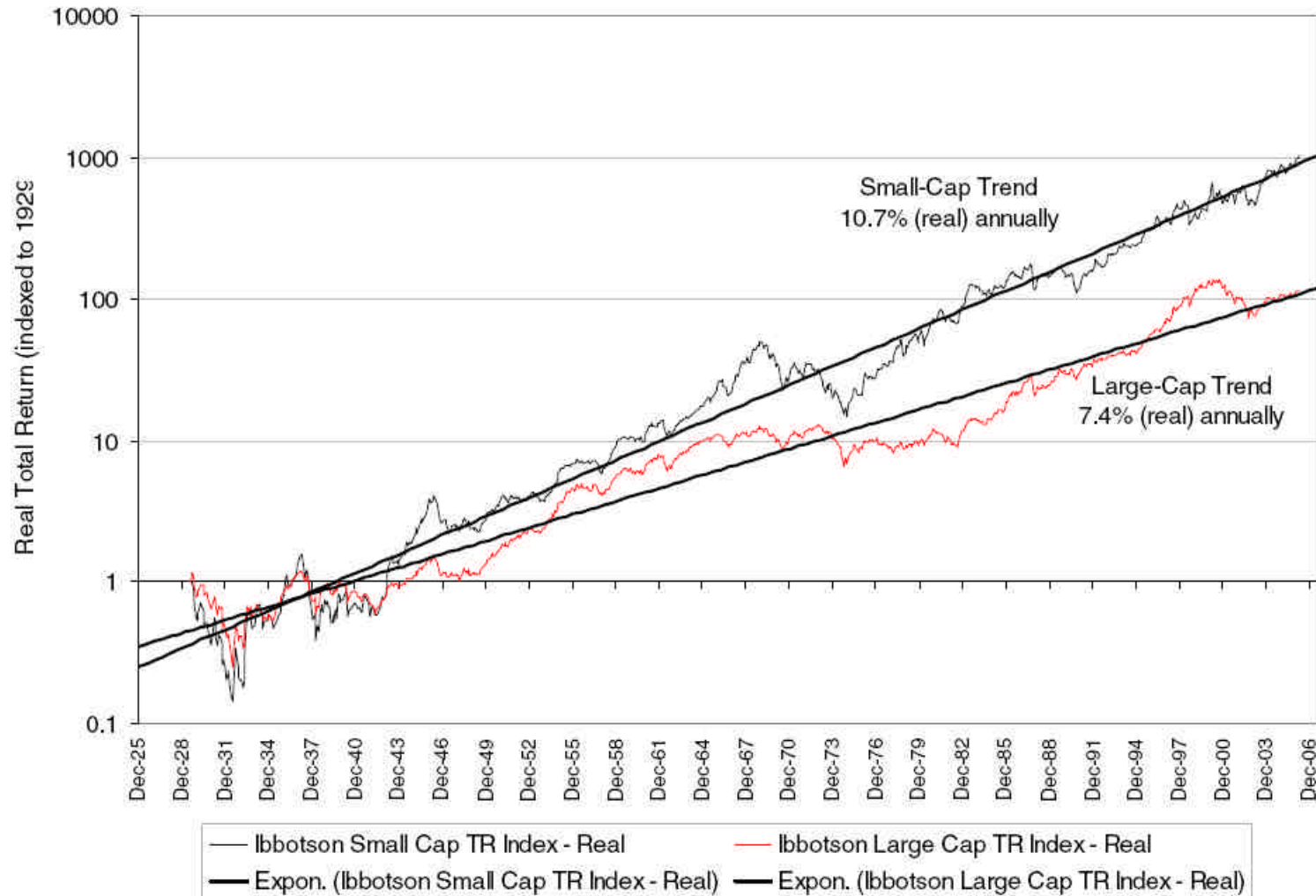
The above chart demonstrates how Equities **Compound** and **Protect** against the ravages of Inflation and Taxes

Philosophy – Behind the success of Formula Growth Fund...

- Small Companies:
 - *Many opportunities to find the “Diamond in the Rough”*
- Earnings and Sales Growth
 - *20% per year is the target*
- Solid Management Teams
 - *Experienced and have firm grasp of their business*
 - *Significant owners of their own stock*
- Reasonable valuations
- Aggressive and Early
 - *P/E Multiple expansion is the “rocket fuel” for stock price appreciation*

Philosophy – Why we own small cap stocks...

Real small-cap returns have outpaced real large-cap returns by 3.1% annually



Source: Ibbotson Associates, Frank Russell Co., and Citigroup Investment Research

People – Your Management Team

- Over 140 Years combined investment experience among the 11 Professionals.
- No turnover in key personnel.
- The youngest member of the Portfolio Management team has been with the firm for almost a decade.
- Specialists in US emerging growth stocks, individual specialists in Technology, Healthcare, Telecommunications and Finance.
- Judgment that has been honed over many years and market experiences.
- Insiders are significant investors in the Fund.
- Passion for stocks and integrity are key characteristics.

Performance Review

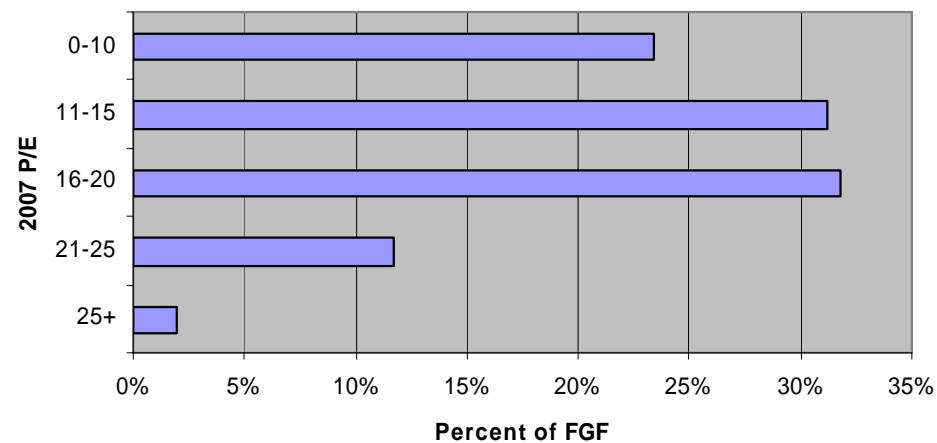
(Periods Ending April 30th, 2006)

	Fund (\$CAD)	Fund (\$US)	S&P 500 (\$US)	Nasdaq (\$US)	Russell Growth (\$US)	Russell 2000 (\$US)
Performance	4,085.33	3,646.64	1,310.61	2,322.57	2,424.90	764.54
Year-to-date	7.9%	12.3%	5.0%	5.3%	13.9%	13.6%
1 Year	18.0%	32.4%	13.3%	20.9%	35.5%	32.0%
3 Year	15.8%	25.7%	12.7%	16.6%	23.6%	24.2%
5 Year	-0.1%	6.4%	1.0%	1.2%	5.5%	9.5%
10 Year	5.6%	7.7%	7.2%	7.4%	4.2%	8.2%
20 Year	9.9%	11.1%	9.0%	9.4%	6.4%	8.5%
Since Inception (June 1960)	14.3%	13.9%	7.1%	N/A	N/A	N/A

Indices exclude reinvested dividends.
Fund value is net of the 1% management fee.

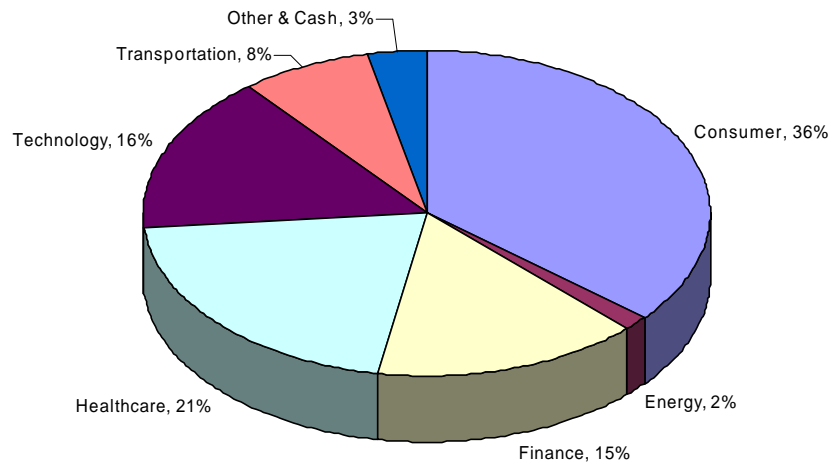
Portfolio – Valuation as of April 30th, 2006

	Growth Projected	Median P/E ('07e)	Weighted Average P/E ('07e)
Formula Growth Fund	24%	15.5	15.5
S&P 500	6%		15.0

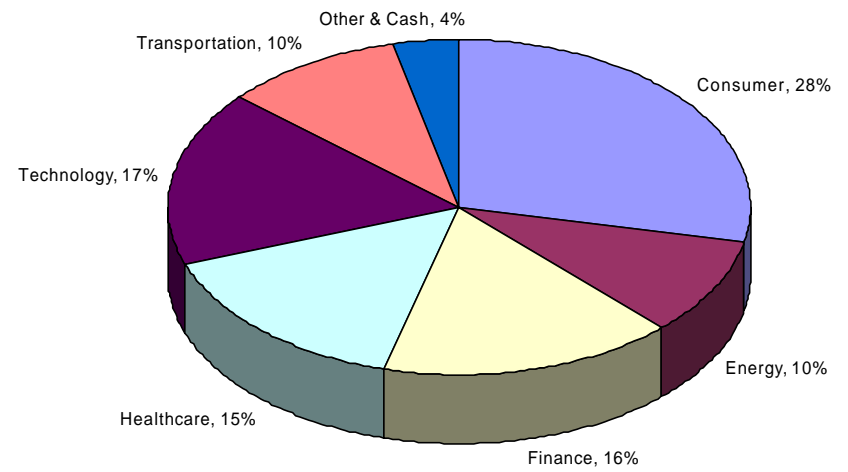


Portfolio – Sectoral Analysis Year over Year

April 30th, 2005



April 30th, 2006



Portfolio – Attribution Year Ended April 30th, 2006

Top 10 Gains

GLW	CORNING INC	3,813,378
ACF	AMERICREDIT CORP	2,717,550
SGMS	SCIENTIFIC GAMES CORP-A	2,271,961
TSA	THE SPORTS AUTHORITY INC	2,080,215
GOL	GOL LINHAS AEREAS INTEL-ADR	1,846,920
RHAT	RED HAT INC	1,786,038
CELG	CELGENE CORP	1,653,563
OCR	OMNICARE INC	1,636,049
CSH	CASH AMERICA INTL INC	1,569,040
CONN	CONN'S INC	1,534,771

Total 20,909,485

Net Gains (Losses) 14,986,390

Balance of Portfolio 56,822,902

Total Gains (Losses) 71,809,292

Top 10 Losses

ABRX	ABLE LABORATORIES INC	-1,175,806
ASGR	AMERICA SVC GROUP	-839,420
TRI	TRIAD HOSPITALS INC	-783,923
PGI	PREMIERE GLOBAL SERVICES INC	-632,701
VPHM	VIROPHARMA INC	-475,655
APOL	APOLLO GROUP INC-CL A	-441,093
AGP	AMERIGROUP CORP	-437,089
TARO	TARO PHARMACEUTICAL INDUS	-436,842
ALLI	ALLION HEALTHCARE	-350,436
PRGX	PRG-SCHULTZ INTERNATIONAL	-350,129

Total -5,923,094

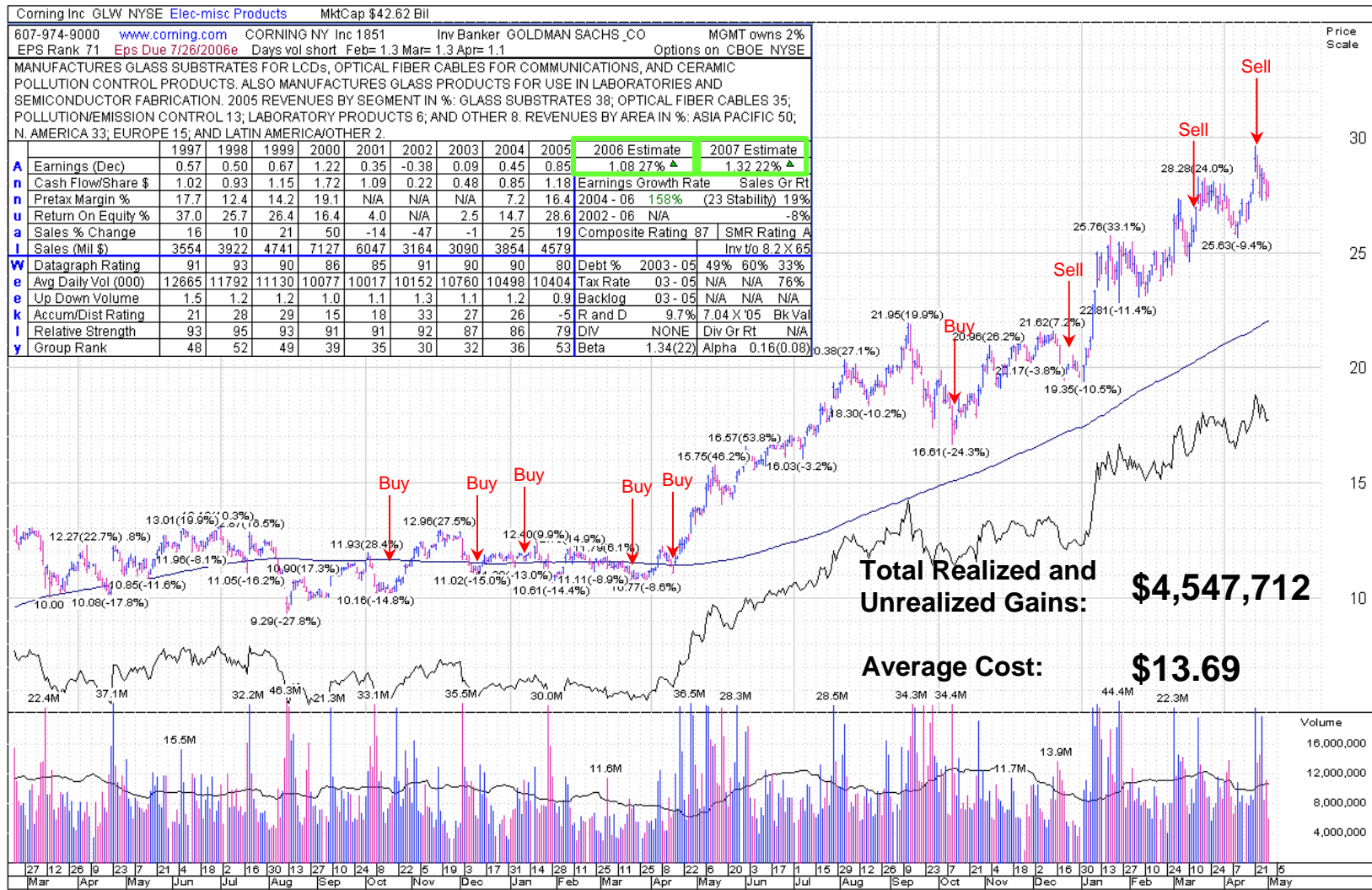
Performance is very broadly spread across the portfolio.

Process – Building and Managing the Portfolio

- Continuous research and idea flow.
- New idea generation from:
 - vast network
 - extensive travel
 - intense use of technology
- Constant monitoring and reappraisal.
- Sell Discipline (Reasons we sell)
 - Deals / Takeouts
 - Target price achieved
 - Management's failure to execute business plan

Process – Corning Inc.

Current Position Size: 2.6%

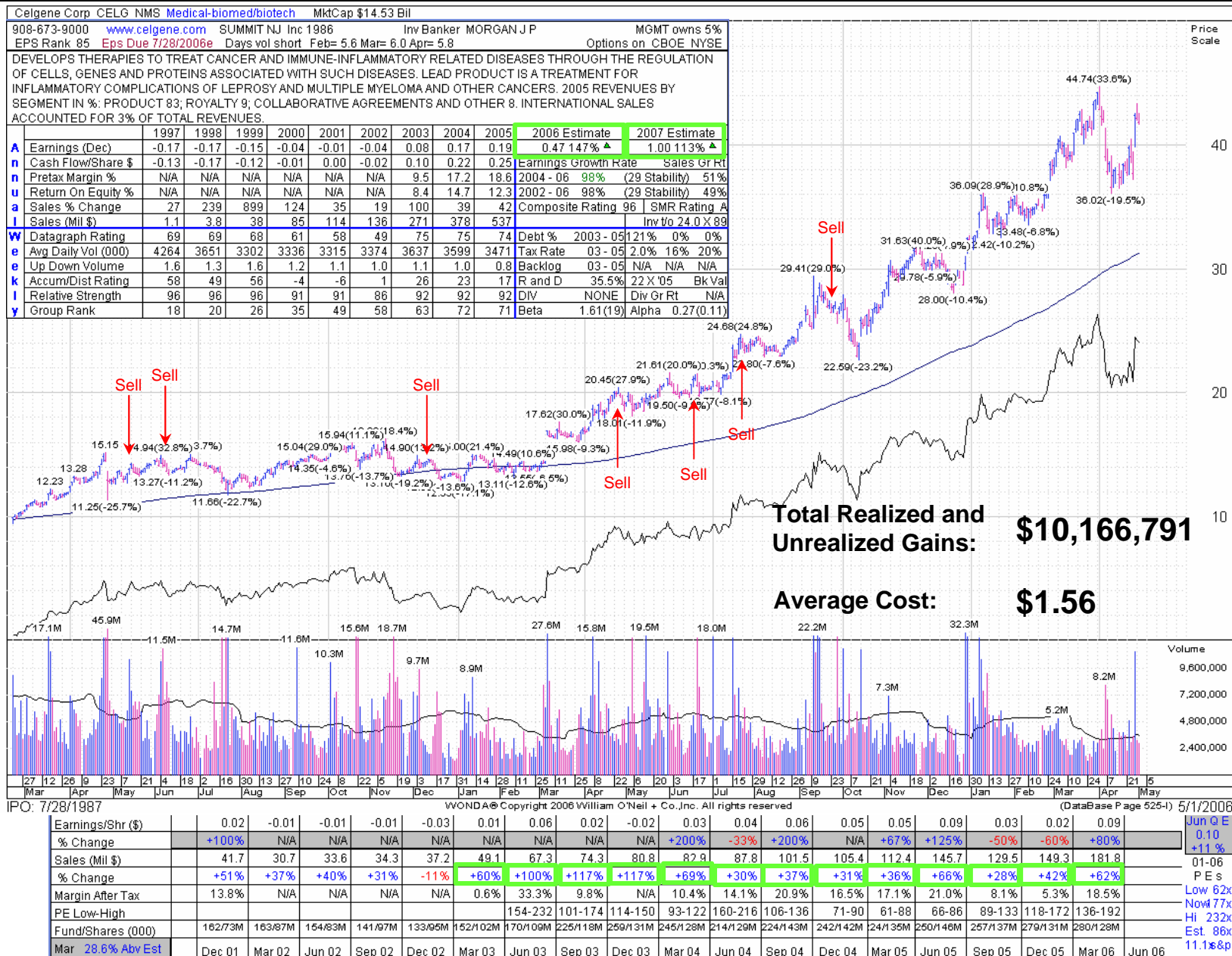


Corning Inc. GLW NYSE Elec-misc Products MktCap \$42.62 Bil												
607-974-9000 www.corning.com CORNING NY Inc 1851 Inv Banker GOLDMAN SACHS_CO MGMT owns 2%												
EPS Rank 71 Eps Due 7/26/2006e Days vol short Feb= 1.3 Mar= 1.3 Apr= 1.1 Options on CBOE NYSE												
MANUFACTURES GLASS SUBSTRATES FOR LCDs, OPTICAL FIBER CABLES FOR COMMUNICATIONS, AND CERAMIC POLLUTION CONTROL PRODUCTS. ALSO MANUFACTURES GLASS PRODUCTS FOR USE IN LABORATORIES AND SEMICONDUCTOR FABRICATION. 2005 REVENUES BY SEGMENT IN %: GLASS SUBSTRATES 38; OPTICAL FIBER CABLES 35; POLLUTION/EMISSION CONTROL 13; LABORATORY PRODUCTS 6; AND OTHER 8. REVENUES BY AREA IN %: ASIA PACIFIC 50; N. AMERICA 33; EUROPE 15; AND LATIN AMERICA/OTHER 2.												
		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 Estimate	2007 Estimate
A	Earnings (Dec)	0.57	0.50	0.67	1.22	0.35	-0.39	0.09	0.45	0.85	1.09 27% ▲	1.32 22% ▲
n	Cash Flow/Share \$	1.02	0.93	1.15	1.72	1.09	0.22	0.48	0.85	1.18	Earnings Growth Rate	Sales Gr Rt
n	Pretax Margin %	17.7	12.4	14.2	19.1	N/A	N/A	N/A	7.2	16.4	2004 - 06 158%	(23 Stability) 19%
u	Return On Equity %	37.0	25.7	26.4	16.4	4.0	N/A	2.5	14.7	28.6	2002 - 06 N/A	-8%
a	Sales % Change	16	10	21	50	-14	-47	-1	25	19	Composite Rating 87	SMR Rating A
I	Sales (Mil \$)	3554	3922	4741	7127	6047	3164	3090	3854	4579	Inv'to 8.2 X 65	
W	Datagraph Rating	91	93	90	86	85	91	90	80	80	Debt % 2003 - 05	49% 60% 33%
e	Avg Daily Vol (000)	12665	11792	11130	10077	10017	10152	10760	10498	10404	Tax Rate 03 - 05	N/A N/A 76%
e	Up Down Volume	1.5	1.2	1.2	1.0	1.1	1.3	1.1	1.2	0.9	Backlog 03 - 05	N/A N/A N/A
k	Accum/Dist Rating	21	28	29	15	18	33	27	26	-5	R and D 9.7%	7.04 X '05 Bk Val
I	Relative Strength	93	95	93	91	91	92	87	86	79	DIV NONE	Div Gr Rt N/A
y	Group Rank	48	52	49	39	35	30	32	36	53	Beta 1.34(22)	Alpha 0.16(0.08)

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Earnings/Shr (\$)		-0.29	-0.10	-0.10	-0.08	-0.10	-0.01	0.02	0.04	0.04	0.08	0.11	0.14	0.12	0.17	0.20	0.26	0.22	0.28	
% Change		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	+450%	+250%	+200%	+113%	+82%	+86%	+83%	+65%	
Sales (Mil \$)		917.0	839.0	827.0	762.0	736.0	746.0	752.0	772.0	820.0	844.0	971.0	1006.0	1033.0	1050.0	1141.0	1188.0	1200.0	1262.0	
% Change		-56%	-55%	-54%	-48%	-20%	-11%	-9%	+1%	+11%	+13%	+29%	+30%	+26%	+24%	+18%	+18%	+16%	+20%	
Margin After Tax		N/A	N/A	N/A	N/A	N/A	N/A	3.3%	7.1%	6.3%	13.6%	17.4%	21.2%	17.1%	24.5%	26.8%	34.1%	28.7%	35.3%	
PE Low-High		19-31									102-137	55-77	37-48	25-35	22-28	19-22	21-29	19-25	20-29	
Fund/Shares (000)		539/152M	474/157M	408/130M	346/116M	284/168M	281/179M	314/197M	373/237M	422/241M	466/246M	500/251M	539/285M	521/319M	98/341M	473/337M	550/363M	519/363M	520/342M	
Mar 21.7% Abv Est		Dec 01	Mar 02	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03	Sep 03	Dec 03	Mar 04	Jun 04	Sep 04	Dec 04	Mar 05	Jun 05	Sep 05	Dec 05	Mar 06	Jun 06

Process – Celgene Inc.

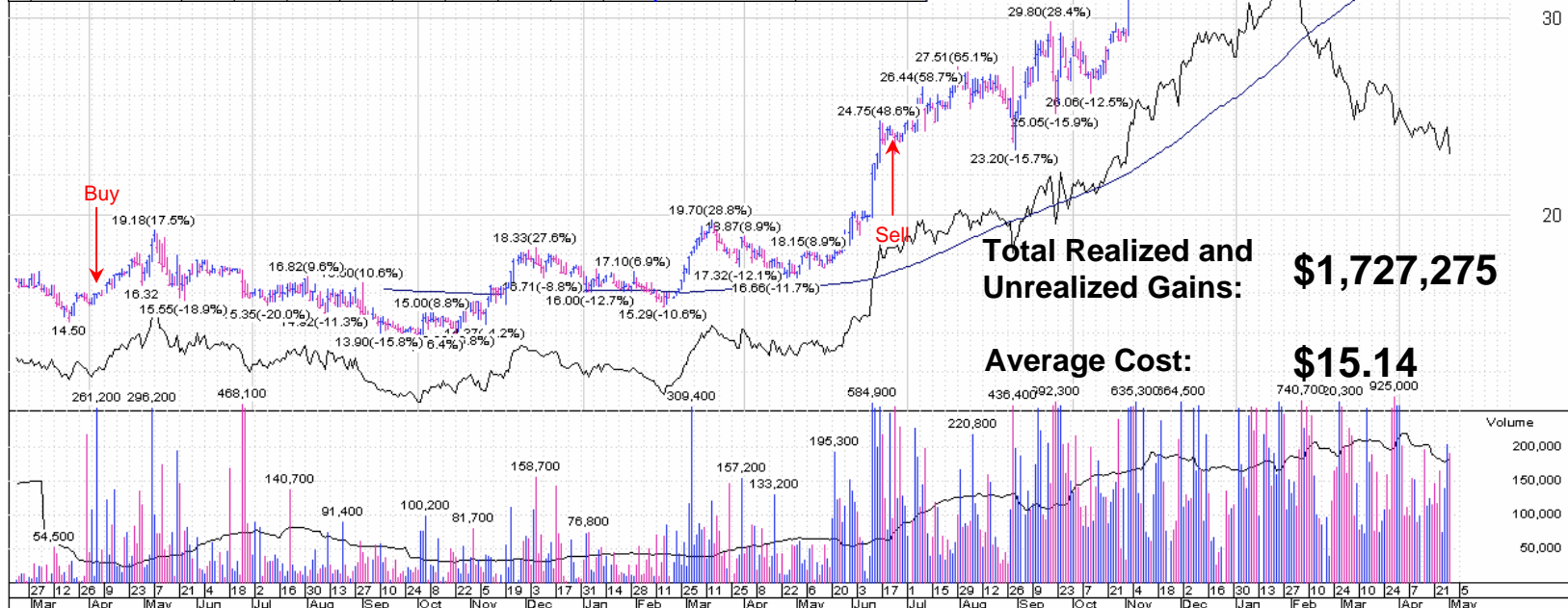
Current Position Size: 1.0%



Process – Conn’s Inc.

Current Position Size: 0.6%

Conns Inc CONN NMS Retail-consumer Elec MktCap \$761 Mil											
409-832-1696 www.conns.com BEAUMONT TX Inc 1890 Inv Banker STEPHENS INC MGMT owns 24%											
EPS Rank 89 Eps Due 5/31/2006e Days vol short Feb= 14.2 Mar= 13.7 Apr= 18.6											
OPERATES 45 STORES IN TX AND 5 STORES IN LA OFFERING HOME APPLIANCES AND CONSUMER ELECTRONICS. 2004-05 REVENUES BY SEGMENT IN %: PRODUCTS 91 (MAJOR HOME APPLIANCES 34, CONSUMER ELECTRONICS 31, TRACK/COMPUTER AND ACCESSORIES 17, LAWN/ GARDEN 3, MATTRESSES 2, DELIVERY/INSTALLATION 2 AND OTHER 2); SERVICE AGREEMENT COMMISSIONS 5; AND SERVICE REVENUES 4. 62% OF TOTAL PURCHASES WERE FROM SIX VENDORS.											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 Estimate	2008 Estimate
A Earnings (Jan)					1.01	1.10	1.22	1.27	1.70	1.90 12% ▲	2.16 14% ▲
n Cash Flow/Share \$					N/A	N/A	0.85	1.03	1.49	Earnings Growth Rate	Sales Gr Rt
n Pretax Margin %					8.2	7.2	7.4	8.2	9.0	2004 - 06 14% (4 Stability)	16%
u Return On Equity %					N/A	28.3	19.5	16.4	18.5	2002 - 06 13% (4 Stability)	15%
a Sales % Change					N/A	18	12	14	24	Composite Rating 71	SMR Rating A
l Sales (Mil \$)					378	446	499	567	702	Inv To 10.3 X 71	
w Datagraph Rating	65	69	62	61	63	60	60	61	54	Debt % 2004 - 06	9% 2% 2%
e Avg Daily Vol (000)	211	199	216	204	201	186	180	197	209	Tax Rate 04 - 06	34% 35% 34%
e Up Down Volume	0.8	0.9	0.7	0.5	0.5	0.6	0.8	0.6	0.6	Backlog 04 - 06	N/A N/A N/A
k Accum/Dist Rating	-7	-14	-22	-8	-9	-15	-4	23	-22	R and D	N/A 2.85 X '06 Bk Val
l Relative Strength	86	85	76	74	75	73	72	69	49	DIV	NONE Div Gr Rt N/A
y Group Rank	45	33	37	38	37	71	54	67	84	Beta	1.40(2) Alpha 0.17(0.07)



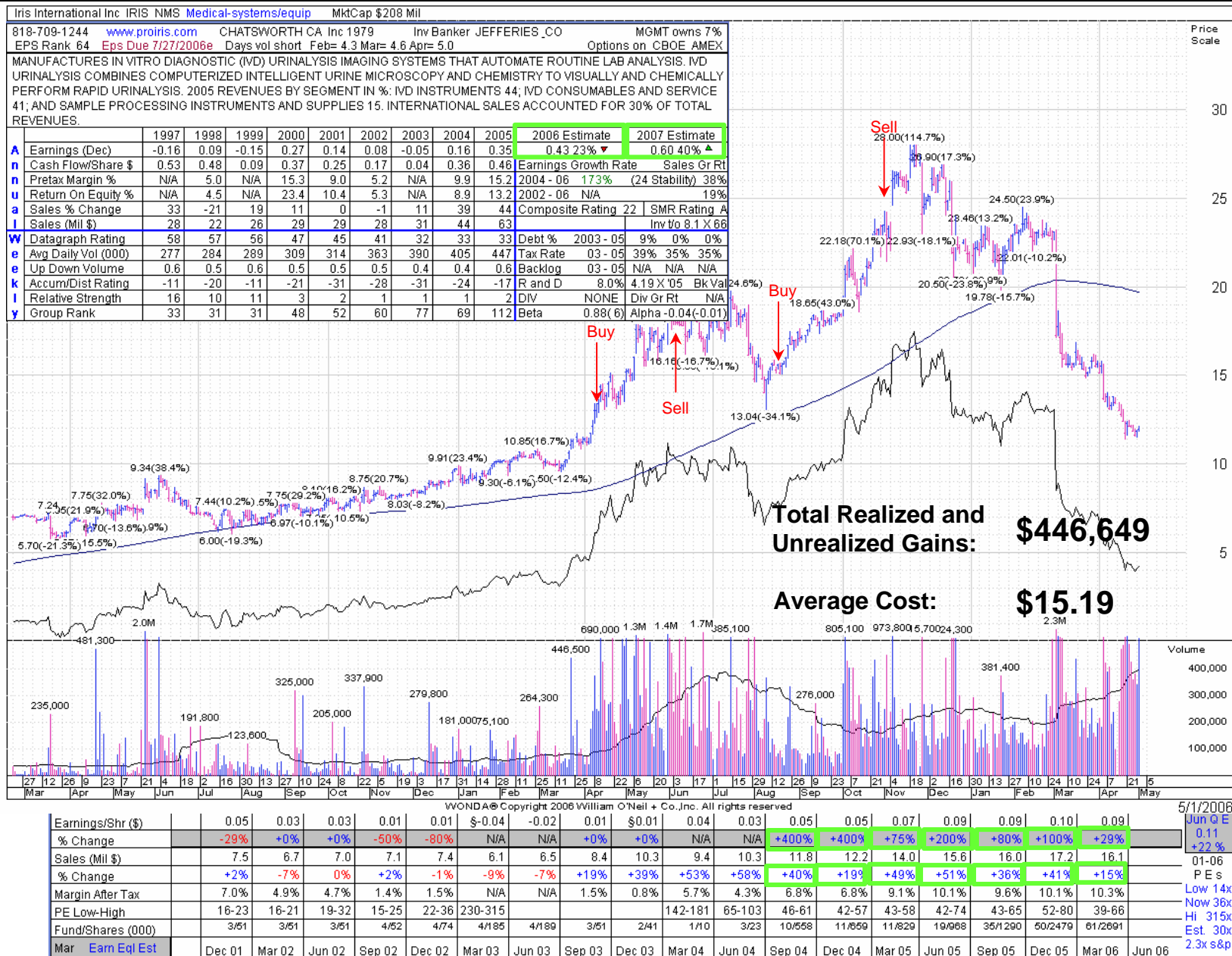
Total Realized and Unrealized Gains: \$1,727,275
Average Cost: \$15.14

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Earnings/Shr (\$)	0.25	0.26	0.25	0.25	0.23	0.34	0.27	0.30	0.28	0.38	0.33	0.29	0.27	0.39	0.41	0.39	\$0.38	0.53	
% Change	N/A	N/A	+0%	+0%	-8%	+31%	+8%	+20%	+22%	+12%	+22%	-3%	-4%	+3%	+24%	+34%	+41%	+36%	
Sales (Mil \$)	94.5	112.4	105.8	112.3	107.3	120.6	120.8	117.1	117.4	144.0	134.9	136.6	132.9	162.7	158.2	164.4	173.3	206.6	
% Change	N/A	N/A	+32%	+23%	+14%	+7%	+14%	+4%	+9%	+19%	+12%	+17%	+13%	+13%	+17%	+20%	+30%	+27%	
Margin After Tax	5.3%	4.4%	4.8%	4.5%	4.1%	5.1%	4.2%	4.7%	4.5%	5.8%	5.8%	5.0%	4.8%	5.7%	6.2%	5.7%	5.3%	6.3%	
PE Low-High										11-13	11-14	11-14	10-13	11-14	11-14	11-18	14-18	16-26	
Fund/Shares (000)										9/1155	13/1603	20/2004	23/2523	23/2365	27/2519	35/2469	46/3221	56/3443	
Jan 1.9% Abv Est	Dec 01	Mar 02	Jun 02	Sep 02	Dec 02	Mar 03	Jun 03	Sep 03	Dec 03	Mar 04	Jun 04	Sep 04	Dec 04	Mar 05	Jun 05	Sep 05	Dec 05	Mar 06	Jun 06

Process: Sell Example – Iris International Inc.

Current Position Size: 0%



Conclusion: Formula Growth's Unique Characteristics

46th Year – \$9 to \$4,085 or 14.3% compounded since 1960. Keep a long term perspective.

Low Fee: We charge a 1% annual MER (Management Expense Ratio) while the industry average is at 2.35% for active small cap U.S. equity managers.

Largely focus on U.S. growth stocks: A unique, focused approach to the most efficient and most broad market in the world.

Discipline: We continue to find and invest in small companies growing their sales and earnings 20% per year with solid business models and experienced management teams. Earnings models are maintained for all holdings.

Limited assets in a niche sector: Smaller asset size allows for a greater investment flexibility and agility.

Experience and knowledge: Over 100 years accumulated professional investment experience among the Portfolio Managers.

Breadth of coverage: Detailed understanding of multiple industries as well as specialization in key areas.

Aligned Interests: Portfolio managers personally invested along side clients.