



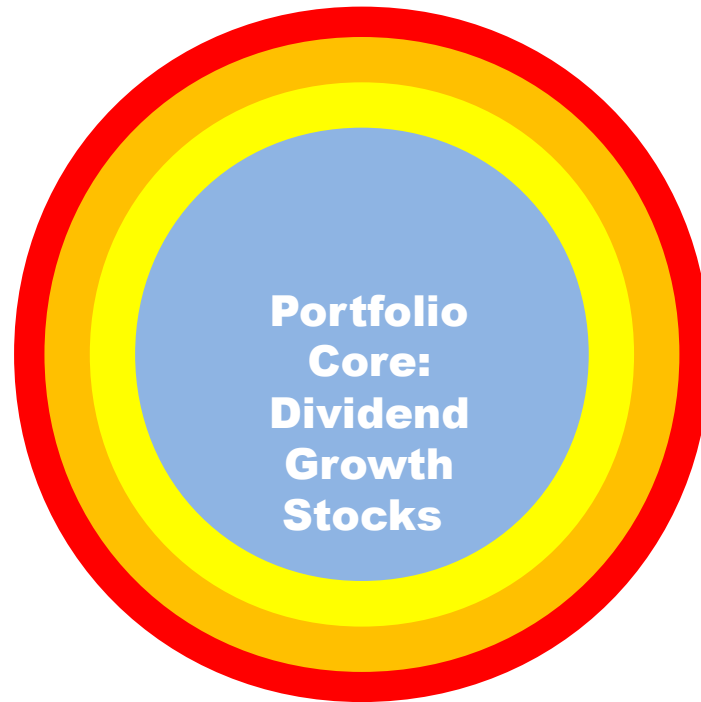
**KeyStone Financial**  
INDEPENDANT EQUITY ADVISORS

MoneyTalks Insider Conference  
2011

# BEST IDEA

Build your portfolio around a core of quality dividend growth stocks.

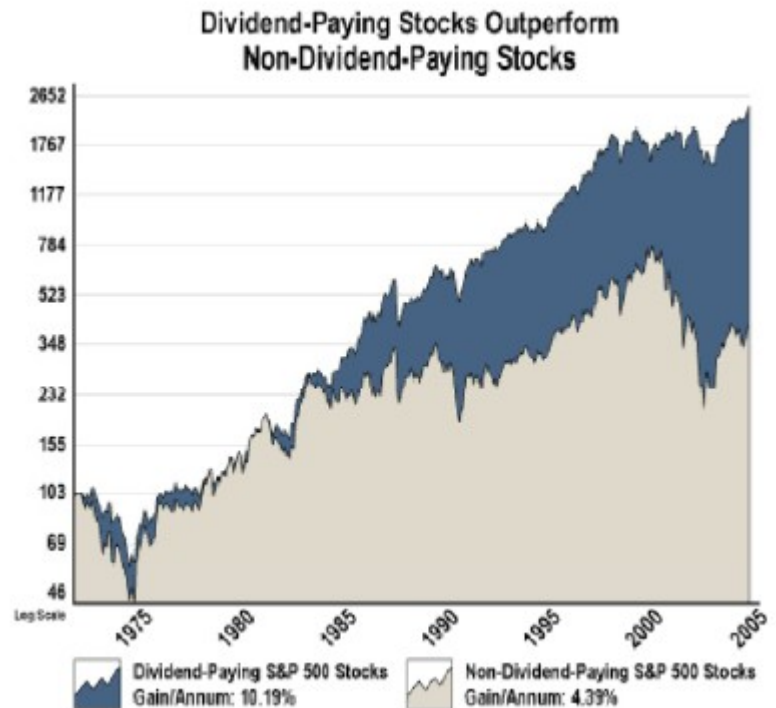
# Best Idea



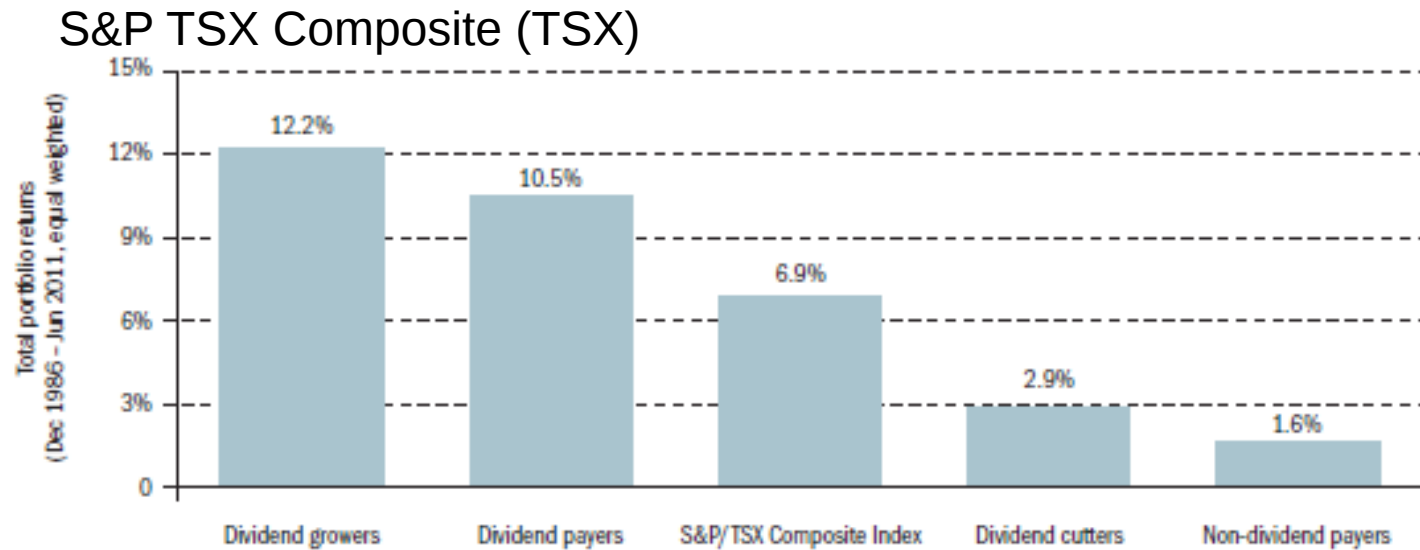
# Dividend Growth Stocks

## Why Dividends:

- Outperform non-dividend stocks through most market environments.
- Accounted for 70% of investment returns from 2000 to 2010.
- Accounted for 40% of investment returns over last 50 years.



# Dividend Growth Stocks



Source: RBC Capital Markets Quantitative Research

# Dividend Growth Stocks

## Company A

Share Price: \$10.00

Dividend: \$0.50

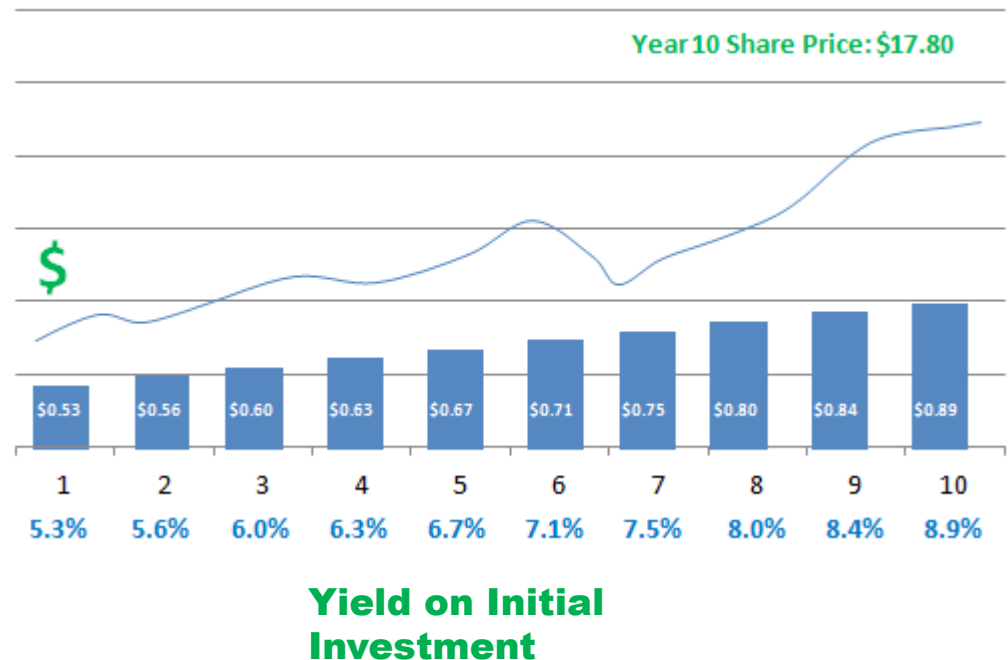
Free Cash Flow: \$1.00

Current Yield: 5%

Payout Ratio: 50%

Reinvestment Rate: 50%

Expected Growth Rate: 6%



# KeyStone's Income Stock Research



# Inter Pipeline Income Fund (IPL.UN)

## Oil Sands Transportation



Gather 35% of  
Canadian oil  
sands  
production

## Conventional Oil Pipelines



Transport 15%  
of Western  
Canadian  
conventional  
crude oil  
volumes

## NGL Extraction



Process 40% of  
natural gas  
exported from  
Alberta

## Bulk Liquid Storage



Positioned to  
become 4<sup>th</sup>  
largest  
independent  
storage  
business in  
Europe



# Investment Thesis (IPL.UN)

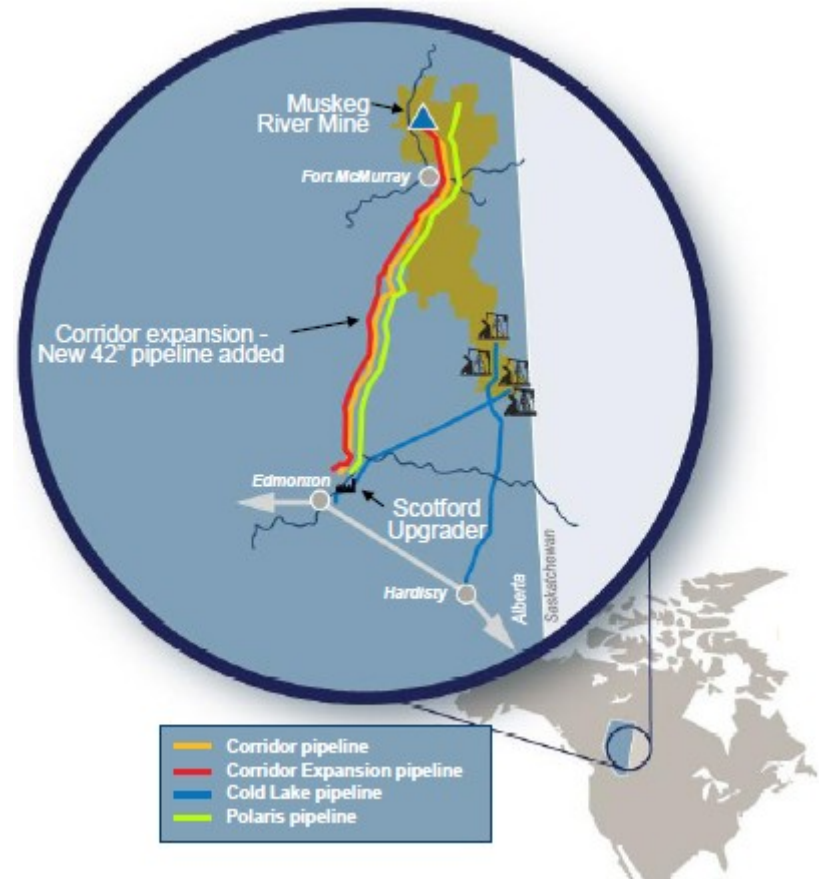
## Quick Facts:

- Symbol: IPL.UN
- Price: \$17.91
- Current Yield: 5.8%
- Market Cap: \$4.7 Billion
- Risk Category: Conservative

# Investment Thesis (IPL.UN)

## Corridor Expansion Project

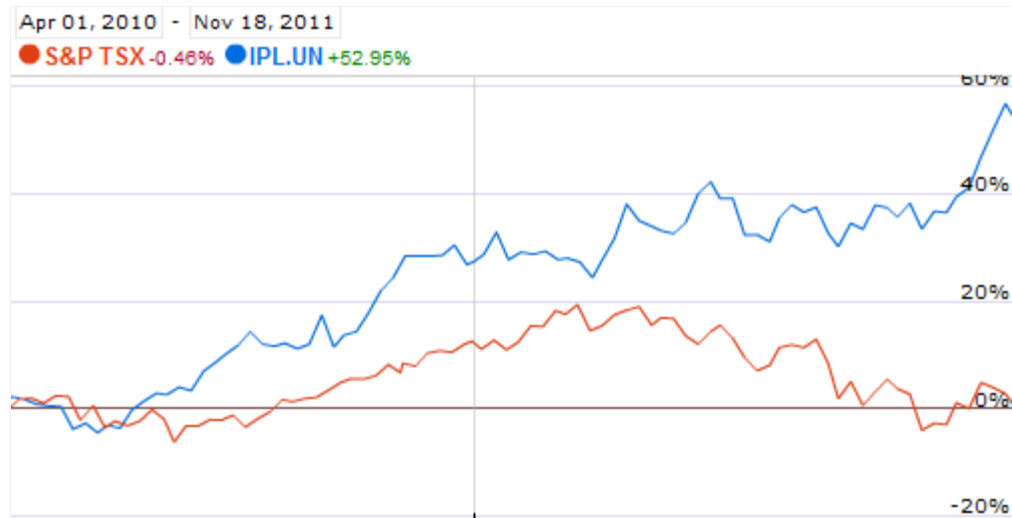
- \$1.8 billion project completed on January 1st, 2011
- Current Throughput: 294,600 b/day
- Capacity: 700,000 b/day
- Contract Term: 25+ years



# Investment Thesis (IPL.UN)

<b>Financial Performance</b>			
	9 Months 2011	9 Months 2010	Growth (%)
Revenue	<b>\$878,400, 000</b>	<b>\$744,600, 000</b>	<b>18.1%</b>
Free Cash Flow per Share	<b>\$1.12</b>	<b>\$0.94</b>	<b>19.2%</b>
Distribution	<b>\$0.72</b>	<b>\$0.67</b>	<b>6.7%</b>
Payout Ratio	<b>64%</b>	<b>72%</b>	-

# Investment Performance (IPL.UN)



# Investment Thesis (IPL.UN)

## Stable and Growing Free Cash Flow:

- Approximately 67% of cash flow based on long-term contracts with no commodity price exposure.
- Consistently profitable and cash flow positive.
- Strong Pipeline of Internal Growth Projects and Acquisitions

# TransGlobe Apartment REIT (TGA.UN)



**Owns and operates 177 residential apartment properties containing 21,577 suites located in Alberta, Ontario, Québec, New Brunswick and Nova Scotia.**

# Investment Thesis (TGA.UN)

## Quick Facts:

- Symbol: TGA.UN
- Price: \$11.45
- Current Yield: 6.5%
- Market Cap: \$663 Million
- Risk Category: Moderate
- Commenced operations in May 2010

# Investment Thesis (TGA.UN)

**TGA.UN**  
**May 14, 2010**

62 properties  
consisting  
of 8,200 suites

**TGA.UN**  
**Today**

177 properties  
consisting  
of 21,577  
suites

TransGlobe Apartment REIT is now one of the  
largest apartment landlords in Canada.



# Investment Thesis (TGA.UN)

<b>Financial Performance</b>				
	Q3 2011	Q2 2011	Q1 2011	Growth (%)
Revenue	<b>\$42,254,000</b>	<b>\$32,900,000</b>	<b>\$28,900,000</b>	<b>28.2%</b>
AFFO per unit	<b>\$0.22</b>	<b>\$0.20</b>	<b>\$0.16</b>	<b>37.5%</b>
Distribution	<b>\$0.19</b>	<b>\$0.19</b>	<b>\$0.19</b>	-
Payout Ratio	<b>85.2%</b>	<b>93.7%</b>	<b>118%</b>	-

# Investment Thesis (TGA.UN)

<b>Peer Group Valuation</b>			
	TGA.UN	Sector Average	CAR.UN
Price-to-FFO	<b>10.5 times</b>	<b>12.5 times</b>	<b>14.0 times</b>
Valuation Differential		<b>19%</b>	<b>33%</b>

# Carfinco Income Fund (CFN.UN)



**Subprime Used Auto Financing**



# Investment Thesis (CFN.UN)

## Quick Facts:

- Symbol: CFN.UN
- Price: \$6.90
- Current Yield: 5.2%
- Market Cap: \$170 Million
- Risk Category: Aggressive

# Carfinco Income Fund (CFN.UN)

## Typical Car Loan

Loan size: \$12,000

Average term: 51.9 months

Average payment: \$406

Vehicle age: 4.6 years

Interest rate: 29.5%

Administration fee: \$499

Effective rate: 32.9%

# Investment Performance (CFN.UN)



# Investment Thesis (CFN.UN)

## Growth and Value

- Q3 net income: \$0.18 per unit
- 10 consecutive quarters of record pre-tax earnings
- Valuation: 8.5 times estimated 2012 earnings
- Payout Ratio: 50%
- 20% growth rate in finance receivables



**KeyStone Financial**

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Thank you Ladies and Gentlemen!