

This Management's Discussion and Analysis ("MD&A") presents an analysis of the consolidated results and financial condition of C.A. Bancorp Inc. ("C.A. Bancorp" or the "Company") which includes the business of C.A. Bancorp Inc., its wholly-owned subsidiaries, and the consolidated revenues and expenses of Charter Real Estate Investment Trust (formerly Charter Realty Holdings Ltd. ("Charter") and referred to herein as "Charter REIT") for the period of February 23, 2007 to August 9, 2007 (when the Company held greater than 50% of Charter's equity), of which the Company continues to hold 33.2% as at September 30, 2007. The following information should be read in conjunction with the unaudited consolidated financial statements of the Company for the three and nine months ended September 30, 2007.

This MD&A is dated November 9, 2007 and presents material information up to this date.

On April 30, 2007, the Company's common shares were consolidated on a 10-for-1 basis (the "Consolidation") and the consolidated common shares were contemporaneously listed on the Toronto Stock Exchange (the "TSX"), trading under the symbol "BKP". Prior to the Consolidation, the common shares were listed on the TSX Venture exchange (the "TSXV").

All information contained herein with respect to the Company's common shares, warrants and options to purchase common shares is presented on a post-Consolidation basis.

This MD&A is divided into the following sections:

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I. OVERVIEW OF THE COMPANY

Description of the Business

C.A. Bancorp is a publicly traded Canadian alternative asset manager and merchant bank established to provide investors with access to a range of private equity and other alternative asset class investment opportunities. The Company is focused on investments, either directly or through entities managed and/or sponsored by it, in public and private companies, with an emphasis on opportunities in industrials, real estate, infrastructure and financial services sectors. The Company has approximately \$300 million in gross assets under management.

The Company, through its wholly-owned subsidiary C.A. Realty Management Inc. ("Realty Management"), provides strategic, advisory, management and administrative services to Charter REIT and receives a 0.30% per annum ongoing administration fee on Charter's assets and a one-time acquisition fee of 0.50% of the value of any real estate assets acquired by Charter REIT.

The Company, through its wholly-owned subsidiary C.A. Bancorp Realty Finance Inc. ("Realty Finance"), provides commercial mortgage brokerage services to a variety of real estate borrowers across Canada. Realty Finance earns commissions in return for providing these services. The Company also operates a real estate capital (commercial lending) business and expanded its presence in this business during the quarter by increasing the number of loans to five for a value outstanding of \$2.9 million. The weighted average interest rate for the five loans outstanding is 11.14% and the loans have an expected weighted average maturity of six months as at September 30, 2007. As of November 9, 2007, an additional two loans were made for \$1.95 million increasing the total number of loans outstanding to seven for a value of \$4.85 million.

The Company, through its wholly-owned subsidiary C.A. Bancorp Ltd. ("CAB Ltd."), has a Limited Market Dealer registration as well as an Investment Counsel/Portfolio Management registration with the Ontario Securities Commission.

Sentry Select Capital Corp. ("Sentry Select"), provides management and administrative services to C.A. Bancorp under a management agreement and an administration agreement (see "Transactions with Related Parties"). Sentry Select is a portfolio manager and mutual fund dealer engaged in the business of promoting and managing investment funds in Canada. The agreements between the Company and Sentry Select also provide C.A. Bancorp with access to the expertise and experience of Sentry Select's portfolio managers, portfolio advisers and research analysts. Sentry Select may also develop structured products to be managed by C.A. Bancorp. Sentry Select was formed by John F. Driscoll, who is President, Chief Executive Officer and Chairman thereof. Mr. Driscoll is also the controlling equity owner of Sentry Select. As at September 30, 2007, Sentry Select had approximately \$8.0 billion in gross assets under management.

Financings

The Company completed a prospectus offering in November 2006 (the "November 2006 Offering") which, together with the exercise of the agents' over-allotment option in December 2006, raised gross proceeds of \$38.75 million from the issuance of 12.92 million common shares at \$3.00 per common share.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

The Company completed another prospectus offering in June 2007 (the "June 2007 Offering") which raised gross proceeds of \$47.85 million from the issuance of 14.5 million common shares at \$3.30 per common share.

Immediately subsequent to the June 2007 Offering and as at June 30, 2007 the Company had 28.67 million shares outstanding. On July 25, 2007 an additional 410,000 shares were issued for gross proceeds of \$1.35 million pursuant to the exercise by the agents of their over-allotment option in connection with the June 2007 Offering.

Direct Investing

The Company focuses its investment efforts on both public and private companies which: 1) present unique growth opportunities, 2) are believed by management to be under-valued and/or under-performing due to poor management execution or inappropriate capital structure, or 3) are undergoing a significant transition, such as change in senior management or succession in ownership.

The Company has made "toehold" and "event/catalyst" driven investments in a number of public companies under different investment theses. The Company has made toehold investments under the thesis of pursuing an investment strategy, such as, a going-private transaction on its own or with a partner. In addition to the Company's toehold investments, C.A. Bancorp has also made a series of event or catalyst driven investments in Canadian income trusts where management believes a change in the ownership structure, such as a take-over, will occur prior to the implementation of the proposed income trust taxation changes. Coinciding with the public market opportunities, management has also been busy evaluating and structuring a number of private company investments.

The Company is experiencing significant small to mid-cap sized private company investment deal flow (buy-out, refinancing and growth situations), with many opportunities being proprietary, arising out of management's relationships. Management has a rigorous process to qualify new investment opportunities before it enters into the deal pipeline. Once qualified, a team is assigned to execute the Company's investment process with the goal of structuring, closing and managing private investments that have the potential create significant value for shareholders.

In addition to traditional buy-out opportunities, the Company is seeing growth capital investments in mature, family-owned (and run) companies as a growing trend. Industry research estimates that over the next ten years, Canadian family business leaders with businesses valued at an aggregate of approximately \$500 billion will retire. As part of their succession planning, family business leaders are seeking financial partners to provide growth capital to support their companies growth plans either through organic expansion or by acquisition. C.A. Bancorp has the potential to generate attractive investment returns by structuring growth capital investments in family owned businesses with well defined growth plans and subsequent exit strategies over a three to five year period.

See "Investment Activities" for a discussion of direct investments to date.

Fund Management

The Company continues to believe that raising and managing funds (public or institutional) is an integral component of its business model. The Company has been actively managing its first fund, Sentry Select Total Strategy Fund (the "Total Strategy Fund") which trades under the symbol TSF.UN on the Toronto

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Stock Exchange, developing new funds that are being marketed or are planned to be marketed to investors in the future, and exploring new fund opportunities that will generate management fees for the Company. The managed funds will maintain the Company's typical investment objectives and provide investors with access to alternative asset classes.

C.A. Bancorp's first structured product, the Total Strategy Fund, raised net proceeds of \$51.3 million, up to 25% of which may be invested in private equity investments. As of September 30, 2007, the Total Strategy Fund was valued at approximately \$56.8 million based on net asset value. The Company is manager of the Total Strategy Fund and earns asset management fees and performance fees.

In February 2007, C.A. Bancorp commenced marketing its first private equity fund. The private equity fund is being formed to provide institutional and high net worth investors the opportunity to capitalize on a variety of small to mid-cap opportunities in both private and publicly-traded companies. The fund has received an institutional commitment and is increasing its marketing to high net worth investors. The fund's first closing is expected in early 2008.

The Company also plans to market a fund specializing in providing high yielding short to medium term real estate mortgages and loans similar to those that the Company is currently carrying on its balance sheet.

II. INVESTMENT ACTIVITIES

The Company has been actively executing its direct investment strategy which includes investing in both public and private enterprises. These investments, along with the investments in capital pool companies ("CPCs"), are largely centered in the four industry sectors in which the Company seeks to operate: (i) financial services; (ii) real estate; (iii) infrastructure; and (iv) industrials.

The Company has:

- Generated exposure to significant proprietary and non-proprietary deal flow pertaining to buy-out, re-financing and growth situations in both public and private markets;
- Reviewed over 49 direct investment opportunities in both public and private companies for the quarter-ended September 30;
- Closed two private equity investments; one in the industrials sector and one in the financial services sector (explained in detail below).

a) Real Estate Loans

The Company has five real estate loans outstanding totaling \$2.9 million. These loans have a weighted average interest rate of 11.14% and an expected weighted average maturity of approximately six months. The loans are secured by commercial real estate: four loans are first mortgages and one loan is a second mortgage.

b) Investment in High Fidelity HDTV Inc.

C.A. Bancorp made its first private equity investment in High Fidelity HDTV Inc. ("High Fidelity") in July 2007. C.A. Bancorp's investment is intended to finance the growth of High Fidelity as it strengthens its position as the leading Canadian all high-definition broadcaster. The Company made its \$2.75 million investment alongside the \$1.25 million investment made by the Total Strategy Fund (which the Company co-manages with Sentry Select).

High Fidelity is a privately held, Toronto-based company that is responsible for creating channels in high-definition format and delivering them to each of its clients - major cable and satellite companies (e.g., Bell ExpressVu) who then send the signal out to their customers. High-definition or "HD" refers to a high-quality digital television format, with a considerably higher resolution than traditional formats.

High Fidelity broadcasts a suite of four distinctive all-HD channels: Rush HD, Equator HD, Oasis HD and Treasure HD, each serving a specific genre of programming. The four HD channels are available throughout Canada via Bell ExpressVu, the country's largest digital and HD service provider. High Fidelity's channels are also available on Sasktel, Access Communications and The Source. To continue to broaden its customer base, High Fidelity is actively pursuing other carriers to launch its channels.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

c) Investment in AgriFinancial Canada Corp. (subsequent to quarter-end)

On October 12th, 2007, C.A Bancorp, through a newly created subsidiary, AgriFinancial Canada Corp. ("AgriFinancial") acquired the agricultural financial services businesses of Agrifinance and AgriCard which total \$89 million in assets. The acquisition will serve as a platform investment in the financial services sector for C.A. Bancorp.

Headquartered in Winnipeg, Agrifinance and AgriCard (the "businesses") have been leading independent providers of financing solutions to the Canadian agricultural sector for over 20 years. Agrifinance provides specialized equipment leasing and lending products created specifically for farmers. AgriCard is a credit card designed specifically for farm-related purchases. Cardholders utilize the card to purchase parts, supplies (e.g. seed and fertilizer) and services at agricultural equipment dealers and crop input suppliers.

Since the acquisition closed, management has substantially completed all transition activities and is focused on executing the business plan that was developed concurrently with the closing of the deal. AgriFinancial is looking to complete 2007 with strong results capitalizing on what has been an above average year for the Canadian agricultural sector, and maintain that momentum into 2008.

AgriFinancial's goals are clear: develop new and innovative sales programs for the end customer, equipment dealers, and industry partners that will increase volumes and the overall size of the asset portfolios while maintaining the integrity of the businesses' longstanding history of underwriting high-quality credit.

C.A. Bancorp believes its investment in AgriFinancial has the potential to create substantial value for C.A. Bancorp shareholders, as Agrifinance and AgriCard are established brands in the agricultural sector, and the management team has the skills, experience, vision and backing of C.A. Bancorp to grow the business significantly.

d) Direct Investments – Public Portfolio

The Company held publicly traded securities (excluding Charter REIT and the CPCs) valued at approximately \$37.5 million on a fair value basis (December 31, 2006 – \$4.2 million) as of September 30 2007. All of the investments trade on either the TSX or TSXV.

The Company has made an accounting determination that its financial assets are "held for trading" and those assets are acquired for the purpose of trading or as part of a trading portfolio. These assets are measured at fair value on the balance sheet with unrealized gains or losses recognized in operations in the current period. "Long" or asset positions in publicly traded securities are valued at the last "bid" price at period end for the purposes of calculating fair value under GAAP.

Under this basis of accounting, the Company will recognize gains and losses from quarter to quarter regardless of whether such gains or losses are realized.

Under the transitional rules for applying the new financial instruments accounting standards, an adjustment to the carrying value of direct (trading) investments was required on January 1, 2007. The impact of this adjustment was to increase the carrying value of the Company's investments at year end by \$94. This transitional adjustment was not recognized into income for 2007 but instead taken into opening retained earnings.

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Performance of the Public Portfolio

The Company recorded realized gains on the sale of public investments (the "Public Portfolio") of \$318 for the third quarter along with unrealized losses of \$2,531 for a net loss on direct public investments of \$2,213. The approximate size of the Company's Public Portfolio ranged from \$31 to \$38 million during the quarter. The performance of the Public Portfolio, excluding distributions, was approximately -6.4%. The Public Portfolio has a distribution yield of over 8% which the Company recognizes into investment income over time which has an offsetting effect on the overall return from the Public Portfolio when there are mark-to-market losses.

The Company believes there is no clear representative external benchmark to the Public Portfolio but, given the number of income trusts and smaller capitalization securities that are held in it, that the S&P/TSX Income Trust Index and S&P/TSX Small Cap Index are the closest proxies. For the quarter ended September 30, 2007 the two indices had returns of -3.9% and -6.1% respectively.

The overall weakness in the equity markets in August 2007 affected the Public Portfolio with many of the smaller cap names not experiencing the recovery seen in larger cap names by the end of September.

A number of the smaller cap income trust names the Company holds are also situations that the Company anticipated would be take-out candidates. The Company believes that the tightening of the credit markets has deflated some of the take-out premiums that had gradually been built into some of these names. Notwithstanding this, the Company believes that many of the smaller cap income trusts (including some of those in which it maintains a position) are being actively marketed as takeover opportunities by investment banks in Canada.

e) Investment in Charter REIT

On September 14, 2006, the Company acquired 2,500,000 common shares at \$0.20 per common share of Charter, a capital pool company at the time. Charter was established as a real estate investment vehicle focused on acquiring a portfolio of retail and mixed-use retail real estate throughout Canada. After giving effect to the acquisition, C.A. Bancorp held 41.7% of Charter's outstanding common shares.

As at December 31, 2006, the Company accounted for its investment in Charter using the equity method.

On February 23, 2007, Charter completed its qualifying transaction consisting of (i) a private placement of 15,000,000 common shares at a price of \$0.20 per common share and (ii) the purchase of three free-standing commercial retail properties leased to Rona Ontario Inc. in Exeter, Seaforth, and Zurich, Ontario (collectively, the "Rona Properties") for \$2.1 million. C.A. Bancorp participated in this private placement acquiring an additional 9,500,000 common shares for an additional purchase price of \$1.9 million. At the conclusion of the private placement, C.A. Bancorp held 12,000,000 common shares of Charter representing 57.1% of Charter's outstanding common shares. At this point C.A. Bancorp began to consolidate Charter's financial statement accounts.

Charter purchased a shopping centre located in St. Laurent, Quebec ("Méga Centre") on March 30, 2007 for \$36.7 million (before closing costs).

On May 10, 2007, Charter converted into a real estate investment trust ("REIT"), called Charter REIT. As of May 14, 2007, the units of Charter REIT began trading on the TSXV under the symbol CRH.UN

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and the shares of the Charter Realty Holdings Ltd. were delisted. Under the plan of arrangement, every 10 common shares of Charter were exchanged for one unit of Charter REIT.

On August 9, 2007, Charter REIT completed a public offering of 13,375,000 units at \$3.45 each of which the Company subscribed for 4,347,826 units for a total cost of \$15 million. On September 5, 2007 Charter REIT closed its over-allotment option for an additional 1,370,912 units at \$3.45. Subsequent to the public offering and as at September 30, 2007 the Company owned 33.2% of the outstanding units of Charter REIT.

On August 9, 2007, Charter REIT also announced the acquisition of Cornwall Square Shopping Centre, a 252,000 square foot two level enclosed mall, located in Cornwall, Ontario for \$41.7 million (excluding closing costs).

As at September 30, 2007, Charter REIT's last traded unit price was \$3.15 (the Company uses the closing bid price of \$2.95 to estimate fair value).

On November 9, 2007, Charter REIT announced that it has agreed to acquire a shopping centre located at 160-180 Anjou Boulevard in Chateauguay (Montreal), Quebec for an aggregate purchase price before closing costs of \$14.2 million. The acquisition is expected to close on or about November 30, 2007.

f) Investments in Capital Pool Companies ("CPCs")

In the fourth quarter of 2006 the Company made investments in two capital pool companies ("CPCs"); Global Alternative Investments Inc. ("Global") and Universal Infrastructure Corp. ("Universal"), which are considered to be related entities to the Company by virtue of similar ownership. The Company currently accounts for these investments using the "equity method" which is a result of management's assertion that the Company has significant influence over each of these investments. The equity method results in the Company accounting for its pro-rata share (based on its percentage ownership and period of ownership) of the CPCs net income or loss, adjusted for any cash returns on investment.

The Company invested \$95,000 in each of Universal and Global as founders' capital (950,000 common shares were purchased at \$0.10 per common share). Universal and Global each raised \$300,000 in an initial public offering by issuing 1.5 million common shares at \$0.20 per share. As a result of these transactions, C.A. Bancorp held a 27.1% interest in the outstanding common shares of each of Universal and Global as at September 30, 2007. As of the date hereof, the only business carried on by Universal and Global, respectively, is the identification of a suitable qualifying transaction. It is anticipated that C.A. Bancorp will enter into management agreements with Universal and Global upon completion of their qualifying transactions.

The Company is actively looking at opportunities to utilize these CPCs.

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III. RESULTS OF OPERATIONS

The following is an analysis of the results of operations based on a Generally Accepted Accounting Principles "GAAP" basis of presentation.

(a) Basis of Presentation: Generally Accepted Accounting Principles ("GAAP")

The consolidated financial statements include the accounts of C.A. Bancorp and its wholly owned subsidiaries: CAB Ltd., Realty Finance, and Realty Management, as well as its 90.5% majority-ownership in C.A. Bancorp Financial Corp. ("Financial Corp.") and its investment in Charter REIT (from February 23rd, 2007 to August 9th, 2007).

On October 12, 2007 the Company closed an \$89 million acquisition (the "Acquisition") of the businesses of Agrifinance and AgriCard through a newly created subsidiary, AgriFinancial Canada Corp. The equity investment was made by C.A. Bancorp and the Total Strategy Fund through Financial Corp. C.A. Bancorp and the Total Strategy Fund are the sole shareholders of Financial Corp., with C.A. Bancorp currently holding approximately 90.5% (\$9.5 Million) and the Total Strategy Fund holding approximately 9.5% (\$1.0 Million) of the issued and outstanding shares of Financial Corp. Financial Corp. owns and controls all of the issued and outstanding shares of AgriFinancial. Although the closing of the Acquisition occurred subsequent to September 30, 2007 the newly formed Financial Corp. was funded with equity in anticipation of the closing and \$1.0 million of cash and the non-controlling interest related to the Total Strategy Fund equity contribution has been recorded in the Company's consolidated balance sheet at quarter end.

The comparative balance sheet as at December 31, 2006 and the comparative statements of operations, deficit and cash flows for the three and nine months ended September 30, 2006 are those of the Company only, as the Company only began consolidating Charter in 2007. Prior to this time the Company's investment in Charter was carried on-balance sheet as a one line item. All intercompany transactions and balances have been eliminated in these consolidated financial statements in accordance with GAAP.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

(b) Results from Operations for the periods ended September 30, 2007 and 2006

For the quarter ended September 30, 2007 the Company reported a net loss of \$1,085 (2006 – net loss of \$428). This represented a net loss of \$0.04 (2006 – loss of \$0.04) per common share on a basic and fully diluted basis. Cash from operating activities (see Consolidate Statements of Cash Flows) was (\$65) for the quarter.

For the nine months ended September 30, 2007 the Company reported net income of \$381 (2006 – net loss of \$818). This represented net income of \$0.02 (2006 – net loss of \$0.08) per common share on a basic and fully diluted basis. Cash from operating activities was \$528 for the nine months ended September 30, 2007.

(c) Revenues

Interest and investment income of Q3: \$1,406 (2006 - \$19); 9 mos YTD: \$2,801 (2006 – \$69)

The Company earns interest income on its cash and cash equivalents (e.g. overnight term deposits). The Company receives investment distributions on its equity holdings in corporations, income trusts, partnerships and investment trusts as well as interest income on its real estate loans. The Company's yield increases as it continues to become fully invested.

Revenue from Charter REIT's rental properties of Q3: \$497 (2006 – nil); 9 mos YTD: \$1,691 (2006 – nil)

The Company recognized revenues from rental properties while it consolidated Charter REIT's results: the Rona properties acquired on February 23, 2007 and the Méga Centre property acquired on March 30, 2007. The majority of Charter REIT's rental revenue was earned subsequent to the acquisition of the Mega Centre on March 30, 2007. As of August 9th, 2007, the Company no longer consolidated Charter REIT's revenue and expenses which are now accounted for in accordance with the equity method of accounting.

Asset management fees of Q3: \$192 (2006 –\$ 52); 9 mos YTD: \$548 (2006 – \$52)

The Company collects and recognizes asset management fees of approximately 1.1% (110 basis points) of the net asset value ("NAV") of the Total Strategy Fund throughout the year. As at end of the quarter the Total Strategy Fund had a NAV of approximately \$56.8 million. The Company, for the first time since launching the Total Strategy Fund, also recognized \$49 in performance fees in the second quarter of 2007.

Other fees and commissions of Q3: \$389 (2006 – nil); 9 mos YTD: \$454 (2006 – nil)

The Company may earn deal fees or "work" fees as part of its direct investing strategy where the Company is buying an entire company or an asset or assets. A fee may be paid by a target company during an acquisition if the pending deal is terminated, (i.e. a break fee), or a fee may be paid by one party of a contract to another party in order to terminate or cancel legal obligations. The Company supported an unsuccessful shotgun buy-sell arrangement in the first quarter which generated a fee for the Company. The Company recognized work fees on the High Fidelity transaction in the third quarter as well as recognizing fees in its mortgage brokerage business which began in the third quarter.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

(d) Net Results of Public Investments

Realized gains on the sale of investments of Q3: \$318 (2006 – \$3); 9 mos YTD: \$1,441 (2006 – \$4)

Unrealized loss on direct public investments of Q3: (\$2,531) (2006 – (\$161)); 9 mos YTD: (\$2,490) (2006 – (\$197))

In accordance with the Company's accounting policies an unrealized loss of \$2,531 (2006 – (\$161)) was recognized in the quarter ended September 30, 2007 as the change in the unrealized gain (loss) (defined as the total fair value of its outstanding direct public investments less their total cost basis) from June 30, 2007.

The Company adopted new accounting standards consistent with Canadian Institute of Chartered Accountants ("CICA") Handbook as of January 1, 2007 (see section "Critical Accounting Policies and Accounting Estimates") which requires recognition in the calculation of net income for fair value adjustments if these relate to financial assets (or financial liabilities) that are designated as trading by the Company in accordance with the accounting standards.

Gain on dilution of Charter REIT of Q3: \$921 (2006 – Nil); 9 mos YTD: \$1,373 (2006- Nil)

The Company recognized gains on dilution of its investment in Charter REIT as a result of Charter REIT issuing new units at a price that was higher than the net asset value of the underlying units. The Charter REIT issuances had the effect of being accretive to the Company's investment in Charter REIT units from a net asset value.

Equity participation in Charter REIT of Q3: (\$329) (2006 – Nil); 9 mos YTD: (\$329) (2006 – Nil)

The Company stopped consolidating the results of its investment in Charter REIT as of August 9th, 2007 and began using the equity method of accounting which results in "one-line pick-up" of Charter REIT's results on the statement of operations. In simple terms the Company recognizes its proportionate share of Charter REIT's net income or net loss. As Charter REIT is a start-up REIT it is not uncommon for it to have accounting losses and thus, the Company recognizes its pro-rata portion.

(e) Expenses

General and administration expenses of Q3: \$557 (2006 - \$290); 9 mos YTD: \$1,632 (2006 - \$652)

General and administration expenses of \$1,632 consist of \$1,096 in expenses related to the Company and \$536 in expenses related to Charter REIT as follows:

The Company's general and administration expenses (excluding the impact of consolidating Charter REIT) total \$1,096 for the nine months ended September 30, 2007. Included in general and administrative expenses for the nine months ended September 30, 2007 are \$360 in administration fees paid to Sentry Select pursuant to an administration agreement between Sentry Select and C.A. Bancorp. In addition to the above, general and administrative expenses for the 9 months ended September 30, 2007 include \$177 in capital taxes, \$102 in directors fees, \$85 in advertising and exposure, \$70 in consulting fees, \$68 in reports to shareholders, \$51 in travel expenses, \$36 in office supplies and maintenance, \$34 in insurance, and \$113 in other corporate and marketing expenses.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

Also included in general and administration expenses were those related to the consolidation of Charter REIT totalling \$536 for the period from February 23, 2007 to August 9, 2007 and were composed of \$110 in consulting fees, \$88 in directors fees, \$87 in amortization of financing fees, \$44 in capital taxes, \$44 in bad debts, \$39 in reports to shareholders, \$34 in insurance and \$90 in other corporate and marketing expenses.

Corporate and transaction costs of Q3: \$238 (2006 - nil); 9 mos YTD: \$1,217 (2006 - \$156)

The Company incurred significant audit, legal, filing and due diligence charges during the year as it executed its business plan. The Company incurred legal fees in conjunction with its TSX listing application and information circular and in preparation for the Company's annual special meeting. In addition, the Company incurred legal and due diligence costs on a number of potential deals including one potential acquisition in the financial services sector, as well as a potential acquisition in the telecom industry. The costs are charged to the statement of operations when the Company no longer pursues these opportunities. Costs on deals which are executed may be reimbursed by the vendor or investee company. Management believes that such costs are typical of the business that the Company operates in. For the 9 months ended September 30, 2007, the Company (excluding Charter REIT) incurred corporate transaction costs of \$287. These costs included \$152 in legal fees, \$108 in audit fees and \$27 in filing fees.

Also included in the consolidated figures are Charter REIT's corporate transaction costs for the nine months ended September 30, 2007 of \$930 which reflect costs incurred in connection with Charter's conversion to a REIT.

Stock based compensation of Q3: \$655 (2006 - \$13); 9 mos YTD: \$958 (2006 - \$49)

Included in the Company's total expenses was a charge for stock-based compensation in the amount of \$650 for the quarter ended September 30, 2007 (2006 - \$13) relating to the fiscal 2006 and 2007 grants of employee and non-employee stock options. One third of the options granted vest immediately on grant with the remaining two-thirds vesting equally on the one-year and two-year anniversaries of the grant. The options are expensed in a manner consistent with their vesting schedules. Stock based compensation is a non-cash expense which is added back in determining cash flow from operations.

Also included in the consolidated results was Charter REIT's stock based compensation which amounted to \$5 for the quarter ended September 30, 2007 and \$48 for the nine-months ended September 30, 2007.

Investment management fees of Q3: \$86 (2006 -29); 9 mos YTD: \$252 (2006 - \$29)

Of the asset management fees that are earned by the Company on the Total Strategy Fund, 54.5% of the management fee (or 60 basis points of the 110 basis points) are paid to Sentry Select for Sentry Select's services as investment manager of the Total Strategy Fund. The Company retains the full amount of any performance fees earned.

Rental property operating costs (Charter REIT) of Q3: \$139 (2006 - nil); 9 mos YTD: \$487 (2006 - nil)

The rental property operating costs relate to properties owned by Charter REIT. The majority of Charter REIT's rental operating costs were incurred subsequent to the acquisition of the Mega Centre on March 30, 2007.

Depreciation and amortization (Charter REIT) of Q3: \$227 (2006 - nil); 9 mos YTD: \$760 (2006 - nil)

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

The depreciation and amortization expense relates to properties owned by Charter REIT that the Company consolidated.

Interest expense (Charter REIT) of Q3: \$314 (2006 – nil); 9 mos YTD: \$929 (2006 -\$7)

The interest expense relates to mortgages and loans associated with the properties owned by Charter REIT.

(f) Income Taxes

For the three-months ended September 30, 2007, the Company recognized a net tax recovery of \$348 (2006 – nil) comprised of \$153 of current taxes payable and an offsetting \$501 future tax recovery.

For the nine months ended September 30, 2007, the Company recognized a net tax recovery of \$749 which consists of a current tax provision of \$350 and an offsetting future tax recovery of \$1,099.

Management believes that future taxable income is likely to be generated given the Company's cost structure and revenue stream. The Company has recognized a future income tax recovery in the statement of operations and has established a corresponding future tax asset on its balance sheet that is consistent with management's view on the likely realization of tax loss carry forwards.

(g) Non-Controlling Interest

Non-controlling interest is the portion of a majority-owned subsidiary's results (in this case Charter REIT) which does not belong to the parent (C.A. Bancorp). It is recognized to reduce the effects of reflecting all the revenues and expenses of a subsidiary which C.A. Bancorp did from February 23, 2007 to August 9, 2007. For the three months ended September 30, 2007 the Company recognized a non-controlling interest credit of \$237 (2006 – nil). For the nine-months ended September 30, 2007, the Company recognized a non-controlling interest credit of \$979 (2006 – nil).

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

IV. SUMMARY OF QUARTERLY RESULTS (GAAP BASIS)

The following is a summary of the Consolidated Entity's results for the last quarterly period and the Company's results for the eleven previous quarterly periods (in thousands except per share amounts):

	Q1-2007	Q2-2007	Q3-2007	
Revenues	921	2,088	2,484	
Net results of investments	441	1,175	(1,623)	
Expenses	(1,342)	(2,959)	(2,531)	
Non-controlling interest	243	499	237	
Net tax recovery (provision)	540	(139)	348	
Net income (loss)	803	664	(1,085)	
Net income (loss) per share - basic	0.06	0.05	(0.04)	
Net income (loss) per share - diluted	0.06	0.05	(0.04)	

	Q1-2006	Q2-2006	Q3-2006	Q4-2006
Revenues	25	25	72	307
Net results of investments	-	(34)	(159)	(243)
Expenses	(123)	(282)	(341)	(983)
Non-controlling interest	-	-	-	-
Net tax recovery	-	-	-	-
Net income (loss)	(98)	(291)	(428)	(919)
Net loss per share - basic	(0.01)	(0.03)	(0.04)	(0.04)
Net loss per share - diluted	(0.01)	(0.03)	(0.04)	(0.04)

	Q1-2005	Q2-2005	Q3-2005	Q4-2005
Revenues	-	1	2	3
Net results of investments	-	-	-	-
Expenses	-	-	(15)	(40)
Non-controlling interest	-	-	-	-
Net tax recovery	-	-	-	-
Net income (loss)	-	1	(13)	(37)
Net loss per share - basic	-	0.00	0.01	(0.01)
Net loss per share - diluted	-	0.00	0.01	(0.01)

Q1 is defined as the three-months ended March 31st
Q2 is defined as the three-months ended June 30th
Q3 is defined as the three-months ended September 30th
Q4 is defined as the three-months ended December 31st

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

V. FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

The Company reported cash and cash equivalents of \$21.7 million as at September 30, 2007. After considering the businesses purchased by AgriFinancial subsequent to quarter-end the Company has approximately \$11.2 million in cash and cash equivalents. The Company's cash equivalents include overnight term deposits with Royal Bank of Canada and Scotiabank and do not include commercial paper holdings of any kind.

The Company believes it has sufficient capital to support its current pipeline of potential new investments. The Company has no long-term debt, capital lease obligations and no other long-term obligations at the parent level. The AgriFinancial transaction was funded with approximately \$78.0 million of debt maturing in 18 months from the date of closing which is held at the AgriFinancial Canada Corp. level and is non-recourse to C.A. Bancorp Inc.

The Company's investing activities may require significant amounts of capital beyond what it currently has. The Company anticipates that additional funds may be secured through additional public offerings (either equity or debt), as well as through private equity placements, and/or the exercise of stock options. Some of the Company's initiatives may involve the use of credit facilities, short-term borrowings or debt structures at the level of the target investment (similar to AgriFinancial).

Beyond its cash and cash equivalents, the Company has the ability to raise further funds by either selling some of its Public Portfolio or by using the margin facilities available to it by borrowing against the Public Portfolio.

The Company has no off-balance sheet arrangements.

Share Capital and Options Outstanding

As at September 30, 2007 a total of 28.99 million (December 31, 2006 – 14.14 million) common shares were outstanding with the Company reporting a net book value of \$83.4 million (December 31, 2006 – \$37.0 million).

The Company had incentive stock options to purchase common shares outstanding as at September 30, 2007. The table that follows summarizes those options. Only nineteen thousand five hundred were "in-the-money" as at September 30, 2007.

As at November 7, 2007 245,100 shares were repurchased and cancelled from treasury through the normal course issuer bid at an average price of \$2.48 per share including commission. Shareholders may obtain a copy of the Company's notice of intention to make a normal course issuer bid, without charge, by contacting the Company.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

Stock Options Outstanding

Optionee Type	# of Optioned Shares Outstanding	Vested	Expiry Date	Exercise Price
Sept. 15, 2005 Grant				
Employees	17,500	17,500	Sept. 15, 2010	\$ 2.00
Non-Employees	2,000	2,000	Sept. 15, 2010	\$ 2.00
	19,500	19,500		
June 22, 2006 Grant				
Employees	37,000	24,667	June 22, 2011	\$ 3.30
Non-Employees	38,000	25,333	June 22, 2011	\$ 3.30
	75,000	50,000		
Dec. 22, 2006 Grant				
Employees	455,500	151,833	Dec. 22, 2011	\$ 3.10
Non-Employees	310,000	103,333	Dec. 22, 2011	\$ 3.10
	765,500	255,166		
August 21, 2007 Grant				
Employees	920,000	306,667	Aug. 21, 2012	\$ 3.30
Non-Employees	355,000	118,333	Aug. 21, 2012	\$ 3.30
	1,275,000	425,000		
Total All Grants	2,135,000	749,666		

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

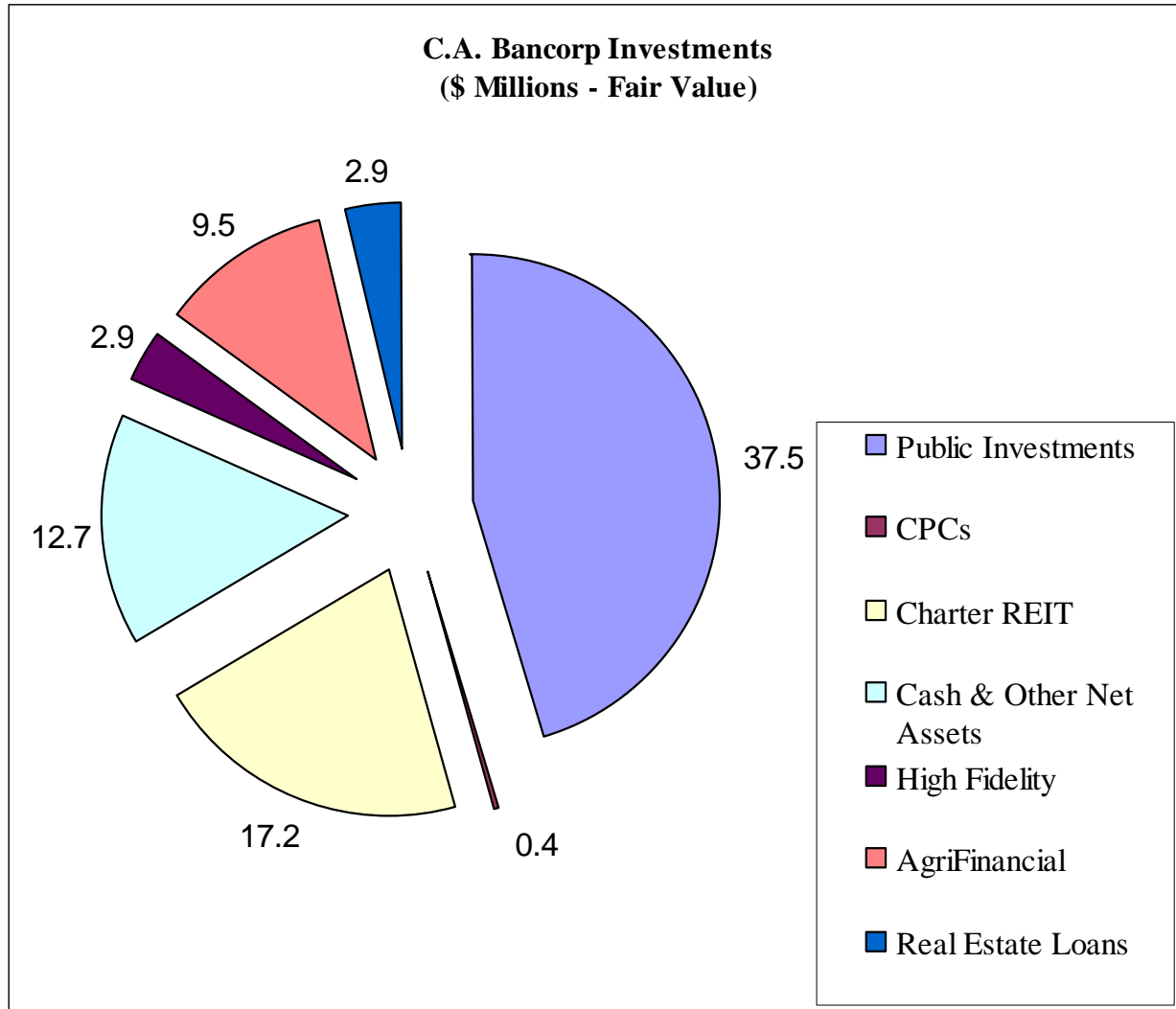
VI. SUMMARY ANALYSIS OF THE COMPANY'S NET BOOK VALUE & FAIR VALUE

	30-Sep-07			30-Jun-07		
	Book Value	Fair Value	Diff.	Book Value	Fair Value	Diff.
ASSETS						
Real estate loans	2,900	2,900	-	913	913	-
Direct public investments	37,509	37,509	-	30,932	30,932	-
Investment in Charter REIT	17,963	17,239	(724)	2,935	5,909	2,974
Corporate investments in CPCs	156	404	248	158	565	407
Investments in High Fidelity HDTV	2,835	2,864	29	-	-	-
All other assets	24,308	24,308	-	49,463	49,463	-
	85,671	85,224	(447)	84,401	87,782	3,381
LIABILITIES AND NCI						
A/P and accrued liabilities	1,238	1,238	-	1,411	1,411	-
Est. tax effects of FV adjust. (Note 1)	-	(81)	(81)	-	611	611
Non-controlling interests ("NCI")	1,000	1,000	-	-	-	-
	2,238	2,157	(81)	1,411	2,022	611
NET BOOK VALUE ("NBV")	83,433	83,067	(366)	82,990	85,760	2,770
SHARES OUTSTANDING (000's)	28,988	28,988		28,674	28,674	
NBV PER SHARE	2.88	2.87		2.89	2.99	
31-Mar-07						
	Book Value	Fair Value	Diff.	Book Value	Fair Value	Diff.
ASSETS						
Direct public investments	23,799	23,799	-	4,137	4,231	94
Investment in Charter REIT	1,930	6,120	4,190	489	513	24
Corporate investments in CPCs	160	475	315	164	380	216
All other assets	12,853	12,853	-	33,225	33,225	-
	38,742	43,247	4,505	38,015	38,349	334
LIABILITIES						
A/P and accrued liabilities	559	559	-	981	981	-
Est. tax effects of FV adjust. (Note 1)	-	814	814	-	60	60
	559	1,373	814	981	1,041	60
NET BOOK VALUE ("NBV")	38,183	41,874	3,691	37,034	37,308	274
SHARES OUTSTANDING	14,174	14,174		14,136	14,136	
NBV PER SHARE	2.69	2.95		2.62	2.64	
31-Dec-06						

Note 1: Estimated as the taxes payable that would accrue if the assets were disposed of at fair value.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

VII. ALLOCATION OF CAPITAL BY INVESTMENT TYPE



Note: The pie-chart above is based on the estimated fair values of the Company's net assets at September 30, 2007 with the exception of the pro-forma inclusion of the Company's investment in AgriFinancial which closed subsequent to quarter-end.

VIII. TRANSACTIONS WITH RELATED PARTIES

Administration and Management Agreements

Pursuant to an amended and restated management agreement (the "Management Agreement"), Sentry Select manages the Company's alternative asset and merchant banking businesses, including searching for, evaluating and screening investment opportunities and conducting due diligence with respect to potential investments. For the provision of its services pursuant to the Management Agreement, the Company pays Sentry Select a quarterly fee (the "Management Fee") of 1/4 of 1.50% of the net asset value (i.e. the total net asset value less the Company's liabilities) calculated as at the close of business on the last business day of each calendar quarter. In addition to the Management Fee, Sentry Select is entitled to be paid a performance bonus (the "Performance Bonus") equal to 20% of the amount by which the annual net pre-tax profit of the Company (i.e. the non-consolidated net income of the Company before income taxes and such Performance Bonus) calculated as at December 31 in each year exceeds a threshold of an 8% per year return earned on the Company's net asset value (determined in accordance with the Management Agreement). The initial term of the Management Agreement commenced on July 1, 2006 and expires on December 31, 2011. The Management Agreement will renew automatically for successive five-year terms following the initial term, provided that there has been no breach or material default of the terms of the agreement by Sentry Select, subject to termination on any expiry date upon not less than 180 days prior written notice from the Company or Sentry Select to the other. In the event that the Company terminates the Management Agreement, Sentry Select is entitled to receive from the Company an amount equal to five times 1.5% of the net asset value calculated as at the close of business on the last business day of the term of the Management Agreement and five times the Performance Bonus paid in respect of the calendar year immediately preceding the date of termination of the Management Agreement. Either party upon the occurrence of certain events may also terminate the Management Agreement.

Effective as of July 1, 2006 and pursuant to an amended and restated administration agreement (the "Administration Agreement"), Sentry Select has provided certain management and administrative services to the Company, including the provision of office space, equipment and all management and investment staff, and all accounting, clerical, secretarial, corporate and administrative services as has been necessary to perform its obligations. The monthly fee paid to Sentry Select for the provision of such services is \$40,000. The Administration Agreement will immediately terminate upon the termination for any reason of the Management Agreement.

Copies of the Administration Agreement and Management Agreement are available under the Company's SEDAR profile on www.sedar.com.

IX. CRITICAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Beginning on January 1, 2007 the Company adopted the CICA Handbook Sections 3855 *Financial Instruments* and 1530 *Comprehensive Income*. These Sections are mandatory for publicly accountable entities whose annual periods begin on or after October 1, 2006.

These accounting standards establish guidance for reporting comprehensive income. Presentation of comprehensive income and its components in a separate financial statement is required. The statement of comprehensive income includes net income plus other comprehensive income ("OCI"). Amounts

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

recognized in OCI eventually must be reclassified to the income statement (in accordance with other CICA Handbook Sections). These reclassification adjustments, including the income tax expense or benefit, would normally be disclosed separately.

An example of an item that may be included in OCI for the Company would be changes in the fair value of available-for-sale financial assets (discussed below).

OCI will either be presented immediately below net income on the income statement; in a separate statement that begins with net income; or in a statement of changes in equity.

The new financial instruments framework, which includes the aforementioned standards, requires all financial assets and financial liabilities to be classified by characteristic and/or management intent. The classification of financial assets and liabilities determines how they are accounted for on an ongoing basis. All financial assets are classified in one of four categories: (i) held for trading; (ii) held to maturity; (iii) loans and receivables; or (iv) available for sale.

“Held-for-trading” financial assets are those acquired for the purpose of trading or as part of a trading portfolio. These assets will be measured at fair value on the balance sheet with gains or losses recognized in net income in the current period.

“Held-to-maturity” financial assets are those with fixed payments and maturity that the Company has the intent and ability to hold to maturity.

“Loans and receivables” are financial assets, which are not debt securities, resulting from a delivery of assets in exchange for a promise to pay. Both “held to maturity” and “loans and receivables” will be carried at amortized cost on the balance sheet.

“Available-for-sale” financial assets are those that are not classified as “held for trading”, “held to maturity” or “loans and receivables”. Such financial assets are recognized on the balance sheet at fair value with unrealized gains or losses recognized in other comprehensive income until the assets are disposed or until impairment occurs in which case recognition into net income occurs.

These new financial reporting standards will directly impact the Company’s carrying of portfolio investments as many of the Company’s current holdings will be valued at fair value on the balance sheet with the offset to either net income or other comprehensive income. This is a departure from the Company’s policy up until December 31, 2006 where unrealized losses were recognized in the current period whereas gains were only recognized when realized.

Marketable securities that are deemed to be “trading” would be carried at fair value with gains or losses (both realized and unrealized) to be recognized in the calculation of net income for the period in question. The Company’s recognition of securities as “held for trading” is expected to make net income more volatile going forward.

X. CORPORATE OUTLOOK

Direct Investments – Private Portfolio

The Company has a strong pipeline of potential investments which management believes could yield between one and three significant transactions before the close of the fiscal and calendar year. Readers of this MD&A and investors are cautioned that private equity transactions are typically highly negotiated in nature with execution and closing risk. Deals which management believes are “on track” for closing can be interrupted, either temporarily or permanently, and therefore management’s best estimate of deals that will close may often prove inaccurate.

Real Estate Loans

The Company expects to continue to invest in secured commercial real estate loans throughout the remainder of fiscal 2007. The Company believes that investing in these loans serves three purposes: firstly, it allows the Company to earn above average risk-adjusted returns; secondly, it is complimentary to the mortgage brokerage business as it directs real estate deal flow to C.A. Bancorp and its related entities; and thirdly, it allows the Company to build a portfolio of assets that can be used to launch a specialized fund to investors seeking secure high-yield returns.

Investment in High Fidelity

High Fidelity generates monthly recurring revenue based on the number of subscribers to its channels. Subscriber growth through the quarter has been stronger than forecasted, exceeding C.A. Bancorp’s initial growth assumptions. High Fidelity has the ability to continue to serve new customers at a low incremental cost, thus generating recurring returns from each new customer.

The Company is pleased with the progress at High Fidelity and continues to maintain a positive outlook moving forward. The overall HDTV “universe” is rapidly growing through a combination of households buying new HDTV-capable sets and significant marketing efforts by the satellite and cable providers. High Fidelity is focused on the Baby-Boomer demographic, a rapidly growing, but yet, underserved segment in the television market and as such, it is positioned to capture further growth and gain new subscribers as the HDTV universe expands.

Investment in AgriFinancial

AgriFinancial represents an opportunity for the Company to build a platform financial services business supported by a strong sector (agriculture) of the Canadian and world economy. The Company believes that the acquired businesses are well managed but that, historically, they did not have the necessary strategic and financial support from the previous owners to realize their full potential.

A key point of the transaction was the Company’s ability to obtain financing for AgriFinancial. The financing provides AgriFinancial with an average variable rate of interest that approximates the Bank of Canada rate plus 0.80%. The financing was secured for a period of eighteen months and as a result the Company and AgriFinancial have already begun to seek longer-term financing.

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

Investment in Charter REIT

The Company believes that, on top of the real estate acquisitions already completed by Charter REIT, that an additional \$70 to \$80 million worth of real estate assets are within the buying power of Charter REIT based on the remaining equity at its disposal and current market conditions for obtaining debt financing on properties. Aside from capital appreciation in the Charter REIT units and the cash distributions the Company receives from Charter REIT, the Company has a significant interest for Charter REIT to continue to grow in size, as it generates one-time acquisition fees as well as recurring management fees.

Direct Investments – Public Portfolio

The Company does not anticipate allocating new capital to its Public Portfolio in the near-term as it believes its private investment “pipeline” of opportunities to be strong.

XI. FACTORS THAT MAY AFFECT FUTURE RESULTS

Company Factors

Future financial performance will be influenced by the Company's ability to raise additional funds and the successful evaluation and acquisition of potential businesses as well as the Company's ability to build and successfully manage its assets under management.

Non-Company factors

The Canadian mid market private equity space has been relatively undercapitalized in recent years and this is due to the significant change in the market participants. During the previous five years the main bank sponsored private equity groups that have been active in the space have either exited the business or significantly scaled back their investment activities. In addition Canada has its own unique regulatory, tax and capital market environment. These unique characteristics favor local firms.

XII. RISK MANAGEMENT

The Company is looking for opportunities as outlined in "Corporate Outlook" above. The merchant banking business is affected by a number of economic factors, including changing economic environments, capital markets and interest rates.

The Company attempts to manage the risks associated with its merchant banking business and investment portfolio through planning and significant due diligence of investment opportunities and active involvement in its investments.

Private equity securities are less liquid than public securities as there is no readily available market for an investment to sell. There is a possibility that when the investment is to be sold, the price received may not be equal to its intrinsic value or its fair value for financial reporting purposes.

Currently, the Company has assets invested in cash and cash equivalents as well as in marketable securities. Therefore interest rates will affect income derived from the cash and cash equivalent investments and general risk such as commodity prices, the business environment and company specific risks will affect the value of the marketable securities.

For general risk factors affecting the Company see the section entitled "Risk Factors" included on pages 19 to 24 of the Annual Information Form dated as at May 24, 2007 filed under the Company's SEDAR profile at www.sedar.com.

XIII. INTERNAL CONTROL OVER FINANCIAL REPORTING

As of September 30, 2007, the Chief Executive Officer and the Chief Financial Officer, together with other members of management, have evaluated the design of the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109. They have concluded that the disclosure controls and procedures were appropriately designed to provide reasonable assurance that material information relating to the Company and its consolidated subsidiary entities for the three months and nine months ended September 30, 2007. In addition, the Chief Executive Officer and the Chief Financial Officer, together with other members of management, have evaluated the design of the Company's

(figures in thousands of Canadian dollars except per share amounts unless otherwise stated)

internal controls over financial reporting. The internal controls were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. They have concluded that the design of the internal controls over financial reporting were adequate and effective to provide reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner. There have been no changes in the Company's internal controls during the first nine months of 2007 that have materially affected or would be reasonably likely to materially affect the Company's internal control over financial reporting.

XIV. CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A and other public announcements by the Company contains information that is forward-looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company's future financial performance, business strategy, plans, goals, and objectives. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue", similar words or the negative thereof, or variations of words and phrases that certain actions, events or anticipated outcomes "may", "would" or "might" be taken, occur or be achieved. These statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Factors which could cause actual results to differ materially from those set forth in the forward-looking statements include (but are not limited to): the nature of the Company's investments; the Company's dependence on management of portfolio companies; the Company's limited operating history; the available opportunities and competition for investments; the concentration of the Company's investments; the Company's access to capital for fund management; the Company's dependence on key personnel and Sentry Select; leverage of the businesses in which the Company invests; the market for the Company's securities and volatility of trading price; the trading price of the Company's common shares relative to the net book value (net asset value); risks affecting the Company's investments; risks affecting the Company's investments in capital pool companies; the need for the Company to make follow-on investments in portfolio companies; investments by the Company in private issuers and illiquid securities; joint investments with third parties; conflicts of interest; no guaranteed returns; the potential loss of investment in common shares; the Company's additional financing requirements; the management of the growth of the Company; and other risks detailed from time to time in the Company's continuous disclosure documents. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Unless otherwise stated, all forward-looking statements speak only as of the date of this MD&A. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Additional information relating to the Company, including the Company's annual information form, is on SEDAR at www.sedar.com.