



## Renasant Financial Partners Ltd. (REN:TSX) formerly CLEARLINK Capital Corporation (CNK:TSX)

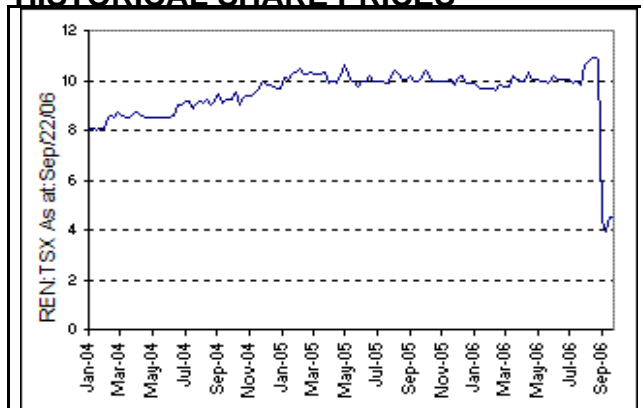
### THE COMPANY

MFP Financial Services Limited is an independent financial services company that provides financing to fund major technology, capital equipment and infrastructure purchases. To add value to its clients and enhance profitability MFP is involved in the project management process, product sourcing and distribution as well as the wholesale trading of technology assets. Headquartered in Mississauga, the Company has 15 offices throughout North America to better develop and maintain long-term relationships with its customers.

### FINANCIAL DATA

	2003	2004	2005
Earnings per Share (\$)	0.81	0.81	(0.80)
Price to Earnings (times)	12.3	12.3	N/M
Dividend (\$)	0.00	0.40	0.40
Dividend Yield (%)	0.00	4.00	4.00
Book Value (\$)	13.16	13.97	12.52
Price to Book Value (times)	0.76	0.72	0.80

### HISTORICAL SHARE PRICES



### WHY ABC FUNDS BOUGHT RENASANT

Surprisingly, investors have overlooked MFP Financial while other interest rate and economically sensitive stocks have outperformed the market in recent months. Like most of our Value Favourites, the Company trades below its estimated book value of \$13.50, under 6 times price to earnings and is currently paying a dividend that yields approximately 6.5 percent. Despite having almost \$950 million in assets under management and \$440 million in revenue in fiscal 2000, the Company has a market capitalization of only \$100 million. We believe that MFP's status as an independent, publicly traded company could change given the potential for cross-marketing opportunities with other financial services or insurance companies. Admittedly, one negative is that MFP is a relatively illiquid financial services company barely covered by investment analysts.

The most recently completed fiscal year was particularly disruptive for a company that provides capital spending-related financing and services. Y2K uncertainty led to a decline in new lease volumes in the second and third quarters of fiscal 2000 (year ended March 31, 2000). However, MFP was still able to report record fully diluted net earnings of \$1.75 per share and a return on equity of 15.3%, only slightly below the ROE of 16.4% achieved in 1999. At 5.3 times last year's earnings, MFP Financial is currently trading just above its 52-week low of \$8.95, reached on April 11th of this year.

In the first nine months of fiscal 2001, several key trends materialized that point to an improving outlook for the Company. The series of interest rate cuts, in an effort to stimulate the economy, has reduced the cost of borrowing and expanded MFP's leasing margins. New lease volumes are up as organizations, including governments and the public sector, look to upgrade existing or acquire new technology and infrastructure. Finally, residual realization (the repurchase, sale to third party or refinancing of leased equipment) has improved from 111% of book value at the end of 2000 to 125% in the third quarter of fiscal 2001. In short, MFP Financial is returning to pre-Y2K operating performance and profitability levels.

We believe that MFP Financial is undervalued by several metrics, such as price-to-book, price-to-earnings and dividend yield. Management, led by Peter Wolfram, apparently agrees, as they have been actively buying back stock. In fact, MFP has repurchased over 500,000 shares in fiscal 2001. This buyback is anti-dilutive, builds book value per share and is accretive to earnings on a per share basis. Given the lower interest rate environment and the likelihood of capital spending re-acceleration, MFP will not remain below the radar screen of investors or potential acquirers for long. In the meantime, we believe the Company will continue to reward its shareholders by paying a \$0.60 dividend (or higher) per share and buying back stock below book value.

## UPDATES

MFP Financial recently announced solid financial results for fiscal 2001, ended March 31, 2001. For the full year, MFP earned \$1.66, slightly below the record performance in fiscal 2000, and showed a progressive improvement throughout the period. Encouragingly, MFP realized residuals of 122% of book value in fiscal 2001 compared to 111% in the previous year, as leased equipment was resold more profitably. New business volume increased 11% from fiscal 2000 and assets under management surpassed the \$1 billion mark for the first time in the Company's history. Despite these results, MFP continues to trade well below its book value of \$13.40 and at less than 6 times prior year's earnings. In an effort to reward investors, management returned approximately \$12.5 million to shareholders in the form of dividends and the repurchase of 700,000 common shares under an issuer bid program.

Unfortunately, the shares have been held back due to an unforeseen development. MFP Financial has confirmed that it has been served with a Statement of Claim on behalf of the City of Waterloo regarding the financing of the "Millennium Recreation Park" project. Mr. Peter Wolfraim, President of MFP, has stated, "We had been in discussions with the City of Waterloo over their alleged misunderstanding of the terms of the financing of the project. It is unfortunate that the City has chosen to litigate this matter rather than continue those discussions. MFP intends to vigorously defend the action." The transaction contributed \$0.40 per share to MFP's net income in fiscal 2001 but at this time it is extremely difficult to predict the outcome or potential fallout from the claim.

ABC Funds  
August 3, 2001

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MFP Financial was the subject of an unfavourable article in the Globe and Mail last week. The article implied that the City of Toronto taxpayers were losing millions in "irregular" leasing deals. After discussions with Peter Wolfraim, President and CEO, we are of the opinion that the piece was misleading. In our view, it is the competency of staff members of the City of Toronto that was being questioned, not MFP's business practices. Undoubtedly, the lawsuit brought by the City of Waterloo has led many of MFP's customers, including the City of Toronto, to re-examine the details of their own lease agreements. Although the story "makes good copy", it is our sense that these transactions were completed between financially sophisticated parties with significant legal opinions and appear to be legally binding.

Obviously, investors would like to see MFP put this issue behind them, resolve the lawsuit and return to the business of providing financing solutions at competitive rates as soon as possible. Though we expect that future business will be more highly scrutinized, we don't believe that substantial long-term harm will result from the situation. Our comfort level is bolstered by MFP's recent quarterly performance, its dividend, which is currently yielding over 8%, its positive cash flow generation and its recently announced share buyback. Overall, we believe investors will have to be very, very patient until this situation plays itself out.

ABC Funds  
November 9, 2001

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The dispute between MFP Financial and the City of Toronto has received more than its fair share of news coverage in recent months. After coming under significant downside pressure, the stock has stabilized, as the likelihood of a settlement improved. Essentially, MFP's case was strengthened by the opinion of the City's own lawyer that the deal was "legal, valid and binding". MFP has maintained a low profile throughout this period in an effort to minimize any additional fallout from the situation.

On December 20, 2001, the City of Toronto convened a special council meeting to consider the proposed settlement offer. Unfortunately, council was adjourned for the holiday season before a final decision could be reached but will be reconvened in January. In light of the ongoing nature of the negotiations, we believe that it would be ill advised to comment further until the matter is resolved. We will continue to monitor the situation closely and will provide an update once MFP and the City of Toronto reach an agreement.

ABC Funds  
January 4, 2002

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While the high profiled financial dispute between MFP Financial and the City of Toronto has quieted down over the past several months, unfortunately, no final resolution has been reached.

We recently spoke with management and have learned that business has been quiet with new contract originations down year over year due to a soft technology market. However, favourable lease residual realizations of 141% compared to an equivalent 117% performance the previous year is cushioning the weak environment.

Book value on December 31, 2001, after the inclusion of a \$25 million pretax provision to cover litigation matters such as the City of Waterloo settlement, was \$12.58. Overall we believe that MFP is fundamentally cheap. The company is presently debt free with regard to its banking lines, remains profitable and is currently reviewing all its strategic options. This could involve, we believe, a sale of assets or even a merger/takeover.

## UPDATES (cont'd)

MFP, having experienced a very difficult year, is in transition and we expect a number of directional changes to occur over the next 6 to 12 months.

ABC Funds  
April 26, 2002

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Given the recent legal issues surrounding MFP Financial, it is no surprise that the stock has remained under pressure. However, we have been in close contact with Peter Wolfraim, President and CEO, who has repeatedly assured us that the Company intends to vigorously defend itself. In the meantime, the business of providing financial solutions for technology, equipment and construction spending must go on. MFP has recently reported its fiscal 2002 results, which not unexpectedly reflected the difficulties experienced of late. For the year, the Company reported a net loss of \$0.30 per share, including a special charge relating to litigation matters, compared to earnings of \$1.66 in fiscal 2001. Excluding the special charge, earnings would have totaled \$1.25 per share. The shortfall could be explained by the elimination of asset based financing activities in the current year and generally difficult market conditions. We believe that MFP Financial is working extremely hard at clearing its name without damaging existing client relationships or scaring off new business. Investors will have to be patient until the legal matters are settled but we believe that the Company will be able to successfully weather this storm eventually.

ABC Funds  
August 9, 2002

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The City of Toronto's MFP Financial Services public inquiry was postponed on Monday September 30, 2002 due to an Ontario Provincial Police investigation.

The Toronto Star reported on its front page yesterday that a lobbyist had requested \$150,000 to expedite a computer deal. This disclosure appears to have nothing to do with MFP. In fact, what I have been reading in three Toronto newspapers seems to reflect more on a financial mess in the City of Toronto as opposed to any MFP irregularity.

In chatting with Peter Wolfraim, MFP's President and CEO, twice in the last several days, Peter continues to stand by his previous statement that his company has done nothing wrong. Moreover, it is interesting to bear in mind a Globe and Mail article published Friday June 14, 2002 when it was stated:

"While the Committee (Toronto Council's Audit Committee) accepted the plan for the inquiry, it decided not to deal with a report that recommends the City settle its dispute with MFP over how much money it owes the Company. ... City Lawyer Alan Lenczner said it would cost \$1 million to fight MFP's legal claim and would be 'almost impossible' to win. He also said if the City loses, it will have to pay both MFP's legal costs and back interest on \$9 million at the rate of 24% a year, and will likely forfeit \$4.5 million MFP has offered to settle the City's counterclaims."

In the meantime, MFP presently remains bank-debt free, is still profitable and has good cash flow. In fact MFP has just renewed its Normal Course Issuer Bid. This bid will commence on October 7, 2002 for a 12-month period. The maximum number of shares that can be purchased under the issuer bid through the Toronto Stock Exchange will be equivalent to 5% of the common share outstanding or approximately 460,000 shares.

As of September 20, 2002 426,300 common shares had been purchased during the previous year's issuer bid at an average purchase price of \$6.79. Given that MFP's net book value per share as of June 30, 2002 was approximately \$13.00, the repurchase of these shares was anti-dilutive, opportunistic and further increases MFP's book value.

ABC Funds  
October 4, 2002

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The ongoing judicial inquiry into computer leasing deals between the City of Toronto and MFP Financial continues to receive more than its fair share of press. The inquiry has revealed some startling practices and instances of questionable judgment. However, the focus has shifted away from MFP to concentrate on the attitudes and ethics of those at City Hall. The scrutiny is showing poorly on the individuals involved. In the meantime, MFP's stock has recovered from its lows as the inquiry sets its sights on the City as opposed to the Company.

On January 22, 2003 MFP Financial reported financial results for the third quarter of fiscal 2003. In the quarter, the Company earned \$2 million or \$0.22 per share compared to \$2.6 million or \$0.27 per share after adjusting the prior year's results for the special charge related to litigation matters. The decline in net income was attributed to lower levels of technology trading and leasing. Business investment and capital spending on technology and related infrastructure remain depressed and caution prevails in the marketplace. On the bright side, because businesses are keeping older equipment, MFP's residual realizations remained strong, coming in at 131% for the fourth quarter and 138% for the year to date.

## UPDATES (cont'd)

Amid an extremely difficult operating environment and embroiled in a judicial inquiry, MFP Financial is doing all it can to protect shareholder value. With the stock trading below book value of \$13.66, MFP has bought back almost 40,000 shares under its normal course issuer bid in the third quarter. Year to date, MFP has repurchased 320,000 shares at an average cost of \$6.19. In light of the difficulties facing the Company in the near term, we believe that this is an excellent use of MFP's capital. All the per-share valuation metrics will increase and, as the float shrinks, privatization or the outright sale of the Company becomes more and more likely.

ABC Funds  
February 7, 2003

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As the press coverage dissipates and the inquiry drags on, MFP Financial continues to recover from its lows. Operations remain profitable and in the first quarter of fiscal 2004, MFP reported net income of \$0.22 per share compared to \$0.15 per share a year ago. However, the Company's owned and securitized lease portfolio contracted approximately 22% to \$395 million indicating ongoing weakness in the technology leasing industry. Business volume declines were offset by expense reductions of \$1.6 million or 35% on a year over year basis. Residual realizations of 152% on \$4.8 million of expiring leases also helped the bottom line. Cash from operations was used to purchase 72,600 shares in the quarter at an average price of \$7.28, which is well below the Company's book value of \$13.40 per share and therefore anti-dilutive.

On a final note, Peter Wolfrain, President and Chief Financial Officer, announced his intention to retire at the next Annual General Meeting to be held September 24, 2003. The Board of Directors has formed a special committee to fill the position and "review strategic options for the future".

ABC Funds  
August 1, 2003

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MFP Financial recently reported results for the third quarter of fiscal 2004, ended December 31, 2003. Despite all of the distractions, MFP continues about its business. For the quarter, the Company earned \$0.19 per share and \$0.61 per share year to date. Although MFP's lease portfolio is in runoff, declining to \$360 million, the Company did generate approximately \$25 million in new business in the quarter. Residual realizations were 157%, high by historical standards, reflecting the repurchase or refinancing of leased equipment by existing customers. The combination of positive earnings and an ongoing share buyback program has boosted book value to \$13.71 per share on a fully diluted basis.

We have very little to report on the litigation front. During the most recent quarter, the Company settled with the City of Hamilton and continues to negotiate with the City of Windsor / County of Essex. The outcome of the City of Toronto inquiry is uncertain to say the least. MFP currently holds over \$50 million in cash and marketable securities as a contingency against these matters, although the Company has repeated its intention to vigorously defend itself.

ABC Funds  
May 7, 2004

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After all the trials and tribulations of the past few years, MFP Financial reported results for fiscal 2004 that reflected "a gradual return to normal operations". For the fourth quarter of 2004, MFP earned \$0.20 per share compared to a loss of \$0.52 per share in the fourth quarter of 2003. For the full fiscal year, MFP earned \$0.81 per share compared to \$0.05 per share a year ago. The Company benefited from the absence of income tax adjustments and litigation provisions that had adversely affected the fiscal 2003 results. Fully diluted book value now totals \$13.97 per share.

Operationally, the owned and securitized lease portfolio declined 27% to \$328 million as runoff exceeded new business volumes of \$98 million. Residual realizations remained high at 161% compared to 136% in fiscal 2003. Importantly, MFP's cash and marketable securities position increased \$16.1 million to \$55.1 million on March 31, 2004. This cash has served as a buffer against the Company's well-known legal matters. However, as the probability of a damaging settlement against MFP diminishes, the need to hold this reserve lessens. As a show of confidence, the Company re-instituted a dividend policy and will pay \$0.10 per share to shareholders of record as of June 30, 2004 for the first time since November 2001.

ABC Funds  
June 18, 2004

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With the closing submissions posted and dates set in 2005 for oral responses, the City of Toronto MFP inquiry is finally winding down. As the focus shifts away from the Company, MFP has distanced itself from the troubling episode. On October 1, 2004 MFP Financial Services Limited became CLEARLINK Capital Corporation. The press release summed it up quite nicely, "the majority of the issues discussed under the 'MFP Inquiry' banner are either not true or have nothing to do with the Company. Changing the name gives us the best opportunity for putting this behind us and moving forward with our business plan". The stock continues to trade on the TSX under

## UPDATES (cont'd)

the new symbol CNK.

CLEARLINK has reported results for the first half of fiscal 2005 that demonstrated the profitable and stable nature of the underlying business. In the second quarter of fiscal 2005, CLEARLINK earned \$0.17 per share. For the first six months of the current fiscal year, CLEARLINK generated profits of \$0.34 per share. The Company's solid balance sheet, including over \$45 million of cash and marketable securities, has allowed the Company to buy back a significant amount of stock and reinstitute a quarterly dividend of \$0.10 per share. At current price levels CNK trades at approximately 0.7 times its book value of \$14.07 and yields just over 4%.

Patient investors will have noticed that shares of CNK have slowly but steadily appreciated over the past two years. The stock actually reached a 52-week high of \$9.93 on November 24, 2004. However, with the stock still well below tangible book value, we believe that either a buyout or privatization would eventually make sound financial sense.

ABC Funds

December 31, 2004

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CLEARLINK Capital Corporation has reported results for the 2005 fiscal year, ended March 31, 2005. Although the legal troubles that have surrounded the organization are no longer being reported on a daily basis in the newspapers, they continue to impact the underlying business. Since the Company has been unable to negotiate a settlement, management prudently increased the litigation reserve by \$20 million or \$13.4 million after tax. Although non-cash in nature, the reserve increase flows through the income statement and reduces shareholders' equity. Given the circumstances we believe that the provision is both justified and conservative from an accounting standpoint.

Getting down to brass tacks, net loss for the fourth quarter, including the litigation provision, was \$11.8 million or \$1.32 per share. For the full year, CLEARLINK reported a net loss of \$7.1 million or \$0.80 per share. Income from operations was \$9.4 million in fiscal 2005, down from \$11.2 million the previous year. Essentially, lower lease activity levels offset increases in equipment trading and investment income. As expected portfolio runoff exceeded new business volumes and it is more than likely that the business will continue to wind down over time.

Because CLEARLINK Capital's largest assets are financial in nature, including cash, marketable securities and leases, we believe that the business is worth at least book value. Even after the loss related to the litigation provision, fully diluted net book value per share is \$12.52, which is 25% above the current trading price of the shares. Because the shares trade below book value, the Company repurchased and cancelled 131,600 shares at an average price of \$9.90 in fiscal 2005. We continue to believe that CLEARLINK will either be sold to a financial buyer or will be taken private by management and insiders.

ABC Funds

July 22, 2005

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Recent developments require an update on CLEARLINK Capital Corporation. On January 17, 2006 CLEARLINK announced a definitive agreement to sell its leasing business, lease portfolio and related liabilities to ICON Capital. ICON is a US-based, independent equipment leasing and financing company that runs several income generating, limited liability companies for investors. The deal was completed on March 8th for net proceeds of approximately \$56.8 million. CLEARLINK will "continue to administer the remaining leases but will not be writing any new leases. It will further assess opportunities to sell portions of the remaining portfolio and in that regard has, subject to certain events, committed to a further asset sale to ICON of approximately one-half of the remaining lease value".

As we have suggested in the past, the Company is essentially in windup mode. With the release of the Company's fiscal 2007 Q1 financial results, management announced a \$7.00 per share special dividend. This will be financed using cash and marketable securities, which currently total approximately \$100 million.

We now need to look at the balance sheet and examine the intrinsic value of the remaining assets. As of June 30, 2006 net book value on a fully diluted basis was \$12.46 per share, or \$5.46 excluding the special dividend. This should approximate the fair value of the assets since they consist mostly of cash. However, we still need to consider the possibility that the cost to settle the remaining litigation matters is greater than current provisions. Once a "fair and reasonable" settlement is reached, we expect the Company to either be completely wound up or sold to a financial buyer.

In response to the dramatic changes, CLEARLINK Capital has once again changed its name. The Company is now known as Renasant Financial Partners Limited and trades on the TSX under the symbol REN.

ABC Funds

July 28, 2006

## **UPDATES (cont'd)**

After almost five and a half years, several well-publicized lawsuits and two name changes we have sold our entire position in Renasant Financial Partners (formerly MFP Financial) at a profit. Without retelling the entire story, it was a long and trying process. The more salacious details made the front pages of major newspapers and the stock occasionally went "no-bid". Despite all the grief, we hung on to our position until we were able to receive a fair price for our shares.

As we discussed in previous comments, the Company has essentially been in windup mode for the past two years. The sale of the leasing business and lease portfolio to ICON Capital paved the way for a \$7 per share special dividend to shareholders. Although the book value of the remaining assets is \$5.46 we were willing to sell our shares at a small discount to this price for several reasons. First, not all of the lawsuits have been settled, so the potential for additional adverse developments exists. Second, there will be costs involved in closing the remaining business and physically closing the doors. Finally, given the illiquid nature of the situation, we were willing to make a concession to unload our entire stake.

All in all, we believe that management did the best they could in an extremely difficult situation. Our patience was tested but we were able preserve our capital and eventually generate a positive return. We are presently redeploying these funds into other, deep value opportunities, which are starting to crop up during the current market weakness.

ABC Funds

September 22, 2006