

the Break Out Report

Volume # 2, Issue # 6

Jan. 18, 2004

Brief Notes

Ch..ch..ch..changes!

Okay, I can't sing like David Bowie (some say I can't sing at all) but I can announce some changes in this issue.

Usually we run a review of four stocks from our Watched List on page 3. This issue we decided to do a review of the stocks selected by my fellow competitors in The *Globe and Mail's* annual One and Only Contest. Details about the contest are in the article at right and the article ends with my selection of the four stocks I think are the best bets in this competition, aside from my own, with mini-charts and a brief description of each. I'm also adding them to my Watched List, the first time I've added more than two since we started.

Of course, I didn't pick them. But I am not averse to using someone else's ideas when I think they're good ones.

We also feature a Toolbox Tip in each issue for users of Investools excellent Online Investor Toolbox website. But this issue I've replaced it with a general research tip for readers who are not Toolbox users.

The tip stems from a recent inquiry about an income trust. I thought it would be useful for readers to know how they can research income and royalty trusts for themselves using the excellent (and free) resources of Globeinvestor, a website I consider indispensable for the Canadian investor. See page 11.

Also in this issue, our quarterly review of our Watched List. Check it out on page 4.

In the News

The One and Only Contest

Yours truly was honoured to be asked by the *Globe and Mail* to participate in their annual One and Only Contest this year. In its 8th year, this competition pits a selected group of eight stock analysts against each other as they pick just one stock for the year ahead. It must be TSX traded and over a dollar. A house representative from Globemedia also selects a stock and one wild card is thrown in.

This year the wild card was picked by four year old Rachel Willis, daughter of Globe Streetwise columnist Andrew Willis. She dropped her teddy bear Mwaw on an open stock page and its thumb pointed to Husky Injection Moldings (HKY). One year they used a baby orangutan and in 2000 the contest was won by the wild card entry, picked by a wind-up toy.

The top four each year are asked to return and four new entrants are invited to fill the vacancies. Hopefully I'll survive the year and play again next year! My pick for 2004 is Peyto Energy Trust, a mainstay of our Model Portfolio and a steady and reliable performer.

The four returning from last year are the winner for two consecutive years, Moshe Milevsky, professor of Finance at York University who selected Forbes Medi-Tech (FMI). Runner up David Skarica, editor of the Addicted to Profits newsletter, picked Tan Range Exploration (TNX). Third place last year was Leslie Scorgie, a third year business
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In This Issue: Our Year End Report (See Page 4)

The One and Only Contest (from page 1)

student at the University of Alberta who achieved some fame as a hot shot investor when she was invited to appear on Oprah as young achiever while still in her teens. Leslie decided to continue with her pick from last year, Westjet Airlines (WJA). Fourth place returnee was Veronika Hirsch, chief investment officer for Blumont Capital and winner in 2001, who selected GMP Capital Corporation (GMP). New this year, besides myself, are Yola Edwards, an independent technical analyst, who selected QLT Inc. (QLT), Michael Smedley, chief portfolio manager for Canadian General Investments, who picked TSX Group – yes the Toronto Stock Exchange itself (X) and Vincent Delisle, strategist for Desjardins Securities. His pick was Killam Properties (KMP). And finally, the house player is Amanda Lang, a reporter for Report on Business television, who selected Biovail (BVF).

Just for fun, I've evaluated these selections by my own criteria. Tables comparing revenue and earnings growth are below. Charts of the four best picks (besides mine) follow on page 3. Revenue figures are in thousands of dollars. Top table has selections from the returning players.

Stock	FMI	TNX	WJA	GMP
2000 Rev	\$7,861	\$54	\$334,700	\$97,687
2001 Rev	\$3,885	\$89	\$481,726	\$127,338
2002 Rev	\$7,980	\$84	\$683,420	\$98,111
Trailing or 2003 Rev	\$9,820	\$103	\$812,906	\$96,332
2000 EPS	-\$0.93	-\$0.09	\$0.48	\$2.37
2001 EPS	-\$0.30	-\$0.02	\$0.53	\$2.87
2002 EPS	-\$0.19	-\$0.02	\$0.70	\$1.94
Trailing or 2003 EPS	-\$0.13	-\$0.04	\$0.76	\$2.20
Latest QEPS Growth	Loss Reduced 33.3%	Loss Reduced 31.0%	+40.0%	+326.3%

Selections from the New Entrants for 2004						
Stock	QLT	X	KMP	PEY.UN	BVF	HKY
2000 Rev	\$74,261	\$229,370	n/a	\$15,492	\$335,100	n/a
2001 Rev	\$94,225	\$192,386	16	\$42,186	\$586,633	\$640,972
2002 Rev	\$115,315	\$229,180	\$1,460	\$72,729	\$791,633	\$580,992
Trailing or 2003 Rev	\$219,822	\$229,213	\$3,700	\$147,892	\$869,326	\$816,740
2000 EPS	\$0.14	\$2.28	n/a	\$0.18	\$0.63	n/a
2001 EPS	\$1.15	\$0.89	-\$0.01	\$0.42	\$0.62	-\$0.07
2002 EPS	\$0.18	\$1.59	\$0.01	\$0.66	\$1.37	-\$0.12
Trailing or 2003 EPS	\$0.60	\$1.85	\$0.00	\$1.18	\$1.05	\$0.41
Latest QEPS Growth	+111.1%	+43.6%	-14.7%	+330.8%	-83.7%	Loss

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The Break Out Report

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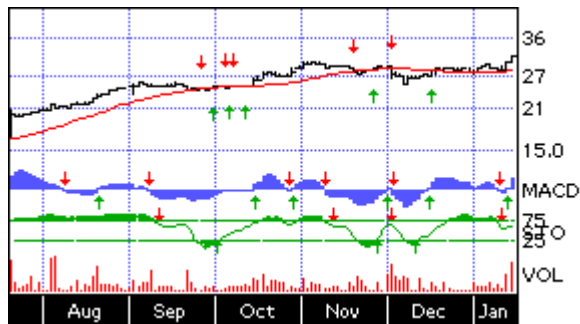
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The One and Only Contest (from page 2)

Interestingly, the two picks from last year's top two pickers are not profitable. Turnaround stocks are often very volatile and fast gainers when they achieve profitability. Of the two, Forbes Medi-Tech is the better selection as it has rising revenues for three consecutive years and declining losses for four. Tan Range is more of a speculation on a continuing climb in the price of gold. If gold falters, this stock is doomed. GMP Group has a spotty track record and would not pass my criteria though it is profitable. Biovail is a great company but is extremely volatile. It may emerge a big winner. Husky Injection Moldings, the wild card, has possibilities. The four best in my opinion (besides my own) are shown in mini-profiles below. We're adding all to our Watched List.

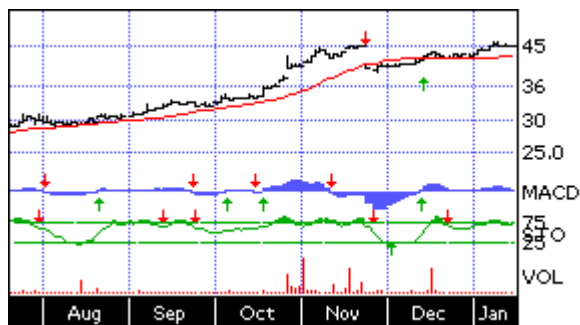


Westjet (WJA)	Picker: Leslie Scorgie
Price Jan. 1: \$28.45	Price Now: \$31.45

↔ Westjet was formerly on our Watched List and one I regret dropping as noted in our Annual Review (page 4). Westjet is taking the airline industry by storm and could supplant Air Canada as the country's dominant flyer. It recently added flights to Toronto's Pearson Airport. Stock is up 10.5% since New Year's Day.

QLT Inc. (QLT)	Picker: Yola Edwards
Price Jan. 1: \$24.50	Price Now: \$22.56

Vancouver based QLT Phototherapeutics is ↔ an innovative drug company developing light activated medicines. It has two products on the market so far including Visudyne®, a treatment for age-related blindness and the most successful ophthalmology product ever launched. Stock is down 7.9% this year.

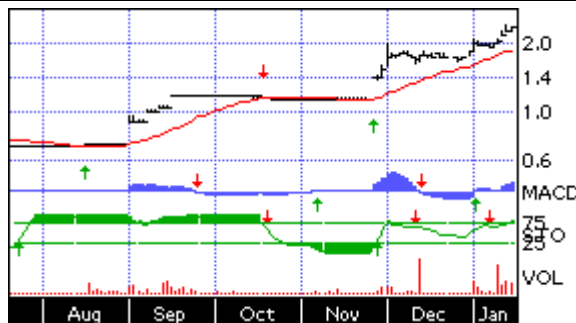


TSX Group (X)	Picker: Mike Smedley
Price Jan. 1: \$42.90	Price Now: \$45.00

↔ The Toronto Stock Exchange is booming as the economy picks up and people are buying stocks again. Number of shares traded in 2003 was 55.5 billion, up 20% from 2002. The company is a virtual monopoly in Canada as the Canadian Venture Exchange is actually a subsidiary. Stock is up 4.9% so far this year.

Killam Prop. (KMP)	Picker: Vince Delisle
Price Jan. 1: \$1.74	Price Now: \$2.36

Halifax based Killam Properties owns and ↔ and operates residential rental properties in the Maritimes. It has grown like gangbusters though results have not yet shown up on the bottom line. Strictly speaking, this company does not meet our criteria but hey, it's up 35.6% so far this year!



Quarterly Review**Our Year End Report**

We review the stocks on our Watched List quarterly in order to pare away losers and non-performers or stocks that are showing signs of having run their course. But even though we won't drop stocks unless they fall down on several criteria, we occasionally drop a stock only to see it shoot up in the six months to a year after we dropped it.

In our First Quarterly review we dropped Pason Systems. The reasons? It was off the Top 500 list, it had declining earnings for two consecutive quarters, it had been on our Watched List for over a year and had gained less than 25% and it was in a three month sideways trend. So we dropped it and it proceeded to climb over 100% in the last nine months of the year.

Our other regret was dropping Westjet Airlines in our Second Quarterly Report. At the time it was off the Top 500 list, had declining earnings for two consecutive quarters, had been on our Watched List for over a year and failed to make headway and was also in a sideways trend. So we dropped it and it then proceeded to soar to close the year up 76%.

But when we look at the complete list of stocks dropped, the situation takes on a different complexion. We dropped a total of 24 stocks during the year. If we had kept them, they would have had an average return for the year of 6.21% - rather mediocre.

If we take away Pason and Westjet as well as Stackpole which had an impressive gain but was dropped because it was taken over, the remaining 21 dropped stocks would have had an average loss for the year of 4.74%. This seems to validate our criteria for dropping stocks, even if the occasional baby gets thrown out with the bathwater.

The tables below show the Top Ten and Bottom Ten performing stocks for the quarter.

Top Ten for Quarter

Name	Symbol	Date Featured	Change Q4	Change Since Profiled
AlarmForce	AF	Sept. 21/03	65.85%	77.08%
Alimentation Couche-Tard	ATD.B	Dec. 4/00	40.59%	315.65%
Calian Technology	CTY	Oct. 1/02	36.26%	214.29%
Hip Interactive Corp.	HP	June 15/03	35.29%	111.66%
Home Capital Group	HCG.B	Nov. 20/00	30.91%	454.17%
Peyto Exploration & Devel	PEY	Feb. 22/02	29.76%	429.13%
CML Healthcare	CLC	Apr. 12/02	28.67%	71.71%
Reitmans (Canada)	RET.A	July 6/01	27.50%	151.73%
RONA Inc.	RON	Nov. 16/03	22.07%	22.07%
CCS Income Fund	CCR.UN	May 18/03	21.51%	50.32%

Bottom Ten for Quarter

Name	Symbol	Date Featured	Change Q4	Change Since Profiled
ACD Systems International	ASA	Feb. 16/03	-22.14%	-31.88%
Winpak Ltd.	WPK	May 4/01	-18.70%	35.14%
Brooklyn Energy	BN	Oct. 19/03	-17.91%	-17.91%
Extreme CCTV	EXC	Nov. 16/03	-9.09%	-9.09%
Finning International	FTT	May 11/01	-5.96%	82.93%
Niko Resources	NKO	Nov. 17/02	-5.08%	22.07%
Nortel Networks	NT	Sept. 21/03	-1.08%	-12.02%
Cangene Corp.	CNJ	Jan. 11/02	-0.80%	37.02%
Thunder Energy	THY	Dec. 21/03	-0.71%	-0.71%
TUSK Energy	TKE	Mar. 16/03	-0.53%	26.42%

(continued on page 5)

Quarterly Review (from page 4)

Looking at the stocks we kept, the fourth quarter of 2004 produced an average gain of 11.51%. Quarter over quarter we had a loss for the first quarter of 4.17% followed by gains of 10.05%, 6.74% and 11.51%. If we had money equally invested in our Watched List stocks and redistributed quarterly, we would have had a compounded gain of 25.5% for the year. Our actively managed portfolio did much better than that with a gain of over 35% for the year. (See last page.)

The following pages have our complete quarterly review. Our criteria for dropping stocks remain as they were last quarter, namely, we dropped stocks that met all three of the conditions below:

- It did not make the Top 500 in September or dropped 5 or more RS points
- It is in a three month downtrend
- It has a loss in the most recently reported quarter, its earnings per share have dropped 50% or more, or it has had two consecutive quarters of declining earnings.

We're also axing any that have been on our list for over a year and grown less than 25% or over two years and grown less than 50% unless they are in an up trend or growing earnings.

The end result was just two stocks dropped, which are, not surprisingly, the two worst performers for the quarter. Dropped (with YTD and Total Gain in brackets) are Winpak (-17.36%, +35.14%), ACD Systems International (-31.88%, -31.88%) The list is sequential by change since profiled.

Name	Symbol	Date Featured	Change YTD	Change Since Profiled	Dec. RS Change	Recent Trend	QEPS Change	Status
Bennett Environmental	BEV	May 25/01	152.64%	665.14%	+0.70	↑	+200.0%	Keep
Home Capital Group	HCG.B	Nov. 20/00	129.31%	454.17%	+2.10	↑	+48.4%	Keep
Iamgold Corporation	IMG	Mar. 16/01	17.30%	453.37%	off list	↑	+50.0%	Keep
Peyto Energy Fund	PEY.UN	Feb. 22/02	144.39%	429.13%	-0.73	↑	+300.0%	Keep
Alimentation Couche-Tard	ATD.B	Dec. 4/00	78.36%	315.65%	+2.63	↑	+25.0%	Keep
Calian Technology	CTY	Oct. 1/02	150.52%	214.29%	+3.53	↑	+14.3%	Keep
SNC-Lavalin Group	SNC	Mar. 23/01	49.78%	213.85%	+2.72	↑	+25.6%	Keep
TransForce Income Fund	TIF.UN	Jan. 18/02	25.66%	207.07%	off list	↑	+100.0%	Keep
BW Technologies	BWT	Feb. 23/01	6.60%	191.61%	off list	→	+17.6%	Keep
Zargon Oil & Gas	ZAR	Jan. 29/01	50.00%	187.23%	+4.61	↑	+84.6%	Keep

(continued on page 6)

Quarterly Review (from page 5)

Name	Symbol	Date Featured	Change YTD	Change Since Profiled	Dec. RS Change	Recent Trend	QEPS Change	Status
Contrans Income Fund	CSS.UN	Oct. 12/01	17.24%	180.99%	off list	↑	-3.8%	Keep
Richelieu Hardware	RCH	Dec. 4/00	30.34%	171.86%	off list	↑	+18.2%	Keep
Stantec Inc.	STN	Apr. 20/01	32.34%	167.88%	off list	↑	+18.2%	Keep
Goldcorp Inc.	G	May 25/01	2.79%	163.35%	off list	↑	+44.4%	Keep
Reitmans	RET.A	July 6/01	22.01%	151.73%	off list	↑	+55.3%	Keep
Melcor Developments	MRD	Mar. 2/01	24.00%	129.06%	off list	↑	+23.6%	Keep
Metro Inc.	MRU.A	Jan. 8/01	23.38%	113.66%	off list	↑	+16.7%	Keep
Hip Interactive	HP	June 15/03	111.66%	111.66%	+1.01	↑	+33.3%	Keep
Canada Bread	CBY	May 18/01	14.44%	98.08%	off list	↑	-20.0%	Keep
BMTC Group	GBT.A	Aug. 20/02	82.58%	87.81%	-0.98	↑	0.0%	Keep
Glendale International	GIN	Mar. 16/03	84.21%	84.21%	+0.02	↑	-30.0%	Keep
Finning International	FTT	May 11/01	17.42%	82.93%	off list	↓	+4.4%	Keep
Cott Corp.	BCB	July 27/01	28.94%	77.37%	off list	↑	+28.6%	Keep
AlarmForce	AF	Sept. 21/03	77.08%	77.08%	+2.43	↑	+72.7%	Keep
CML Healthcare	CLC	Apr. 12/02	58.72%	71.71%	new	↑	+39.3%	Keep
CoolBrands International	COB.A	June 15/03	65.37%	65.37%	+1.03	→	+28.1%	Keep
Fortis Inc.	FTS	Mar. 16/01	12.19%	55.00%	off list	↑	0.0%	Keep
CCS Income Fund	CCR.UN	May 18/03	50.32%	50.32%	+3.85	↑	0.0%	Keep
Cangene Corp.	CNJ	Jan. 11/02	20.98%	37.02%	off list	→	+87.5%	Keep

(continued on page 7)

Quarterly Review (from page 6)

Name	Symbol	Date Featured	Change YTD	Change Since Profiled	Dec. RS Change	Recent Trend	QEPS Change	Status
Winpak Ltd.	WPK	May 4/01	-17.36%	35.14%	off list	↓	-47.8%	Drop
TUSK Energy	TKE	Mar. 16/03	26.42%	26.42%	-0.74	↓	-42.9%	Keep
RONA Inc.	RON	Nov. 16/03	22.07%	22.07%	+4.10	↑	+35.5%	Keep
Niko Resources	NKO	Nov. 17/02	5.04%	22.07%	off list	↓	-17.4%	Keep
Parkland Income Fund	PKI.UN	May 18/03	21.45%	21.45%	-0.23	↑	+12.9%	Keep
Tempest Energy	TMY.A	Jan. 19/03	13.59%	13.59%	off list	↑	+16.7%	Keep
Cinram	CRW	Aug. 17/03	9.76%	9.76%	+0.86	→	+22.2%	Keep
Open Text	OTC	Apr. 20/03	8.48%	8.48%	new	↑	-38.5%	Keep
Strategic Vista	SVI	Dec. 21/03	3.33%	3.33%	-5.31	→	+150.0%	Keep
Thunder Energy	THY	Dec. 21/03	-0.71%	-0.71%	-0.29	↑	+183.3%	Keep
Stratos Global	SGB	Aug. 17/03	-7.57%	-7.57%	new	→	+114.3%	Keep
Extreme CCTV	EXC	Nov. 16/03	-9.09%	-9.09%	off list	↑	-75.0%	Keep
Nortel Networks	NT	Sept. 21/03	-12.02%	-12.02%	+3.05	→	T	Keep
Aastra Technologies	AAH	Nov. 17/02	-9.57%	-17.07%	off list	↑	-33.3%	Keep
Brooklyn Energy	BN	Oct. 19/03	-17.91%	-17.91%	-3.61	↓	-60.0%	Keep
Kingsway Financial Services	KFS	July 20/03	-21.51%	-21.51%	off list	↑	-36.4%	Keep
ACD Systems International	ASA	Feb. 16/03	-31.88%	-31.88%	off list	↓	L	Drop
Aggregate Gain			1563.09%	5353.14%				
Average Gain			33.98%	116.37%				

Dropped (with YTD and Total Gain in brackets) are Winpak (-17.36%, +35.14%), ACD Systems International (-31.88%, -31.88%)

Industrial Pick

Steeplejack Industrial Group (SID –TSX)

(website: www.steeplejack.ca)

Have you ever wandered around a city or town noticing the many construction projects and wondered, “Hey, I wonder where all that scaffolding comes from?” Well, if you’re in Western Canada, chances are it came from Steeplejack Industrial Group, one of the West’s leading scaffolding contractors. They’re based in Alberta and you know how that province has been booming!

Part of the company’s success is its focus on safety. The company was the first scaffolding contractor to get ISO standards certification. And it continues to upgrade its certifications.

The company not only provides the scaffolding, but also the manpower and has grown to become a multi-service labour management company.

Scaffolding services include stack work such as stack rigging, cleaning, painting and inspection services, guy wire tensioning, lubrication and stack plumbing. The company also provides winterization services; specialized access services for ship yard repair, boilers and similar projects; equipment supply including hydraulic lifts; and quality assurance.

But scaffolding and new construction is just part of the picture. Steeplejack provides a complete range of maintenance services to the pulp and paper, oil and gas, power generation, chemical and mining industries. These include planning and management for plant turnarounds or shutdowns, asbestos abatement, insulation and civil and mechanical work.

It has its own in-house manufacturing facility in Edmonton to prefabricate work such as insulation for its customers. This provides significant cost savings for the client. Its specialties include insulation and cladding for boilers, digesters, turbines, piping systems and tanks.

The company’s Civil Maintenance Contracting division provides such services as applying protective coatings, floorings, overlays, grouting and general maintenance and construction. It also supplies a full line of carpentry and cabinetry services as well as brick laying.

Steeplejack has been around for 35 years and has been a publicly traded on the TSX since January 1996. The last year has seen significant growth with revenues for fiscal 2003 doubling and earnings per share tripling. Watch for continued growth as the economy continues to pick up.

Quarterly Earnings per Share

To Sept. 30th	2002	2003	% Change
EPS	\$0.04	\$0.16	+300.00%
Revenues (000s)	\$8,700	\$15,300	+75.86%

Annual Earnings per Share

To June 30th	2001	2002	% Change	2003	% Change
EPS	\$0.21	\$0.17	-19.05%	\$0.56	+229.41%
Revenues (000s)	\$30,288	\$35,069	+15.79%	\$70,511	+101.06%

(Continued on page 8)

Steeplejack Industrial Group (from page 8)



Chart Analysis: Steeplejack Industrial Group has been in a steady up trend for the last year with a slight retrenchment and sideways movement from May through August. It's doubled since then. The stock took a sharp leap up on strong volume at the end of November when it announced its strong first quarter results for fiscal 2004. It climbed again on strong volume early this year. Both surges were followed by retracement back to a position just above the moving average where it stands now, a good entry point. Although the company has a very small float, its shares are actively traded with volume usually over 20,000 shares a day.

Stats as of 01/16/04	Phase 2 Analysis
<ul style="list-style-type: none"> ▪ Hi/Lo Ratio: 3.06 ▪ RS: 94.2 ▪ Shares: 7,692,400 ▪ P/E: 4.30 ▪ Price: \$2.95 	<ul style="list-style-type: none"> ▪ Price Pattern: A ▪ Volatility: A- ▪ Estimates: n/a ▪ Snapshot: A ▪ News: A

Phase 2: We give SID an A for price pattern and an A- for volatility as it has had a couple of spikes followed by retracements in the last three months. Nobody seems to be following the stock and there are no estimates and no mutual funds have discovered it yet, so we mark it as n/a for Estimates. With a P/E of just 4.30, we believe it has a lot of upside potential. The snapshot is superb with both growing revenues and earnings and a return on equity of 29.32. An A in our books. And news is also excellent with strong annual and quarterly reports and a normal course issuer bid pending. Also an A.

All charts courtesy of Investools. Visit their website at <http://me.investortoolbox.com> for more information on their courses and online tools.

Mutual Funds

Marco's Power Performers (for December 2003)

Definitions

Power Performers – Mutual Funds returning better than 20% in each of the one year, three year and five year time periods.

Super Power Performers – funds returning better than 25% in the three relevant time periods.

Performers – funds returning better than 15% in each of the time periods.

The total number of Performers, Power Performers and Super Power Performers soared to 61 in December from 53 the month before. And again precious metals and resource funds lead the pack.

But the shine is starting to wear off. In November, six of the twelve Super Power Performers had returns of over 100% in one year. This month it is just one and it is a small cap, not a precious metals fund. Typical of the precious metals funds is RBC Precious Metals which went from a one year return of 136.80% to 65.15%.

What does this mean? One of two things. Either the fund had a huge gain in the first month of the year that went into the November calculation, or it is starting to go down. To find out more we look at the short term returns.

We discovered that RBC Precious Metals has declined over six percent for the year-to-date and more almost three percent for the thirty days. The other big gainers in the November Report fared the same. Mackenzie Universal Precious Metals, AGF Precious Metals and Dynamic Precious Metals all had shaved a third off their annual return and were down for the last thirty days.

Yours truly, in fact, who holds mainly stocks, sold off his one precious metals fund on Wednesday and moved the money into two small cap funds - Elliott & Page Growth Opportunities

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Super Power Performers

Fund name	1 yr	3 yr	5 yr
Sprott Canadian Equity	30.04	37.56	41.89
Resolute Growth	26.89	30.31	38.33
Mackenzie Universal Precious Metals(US\$)	59.85	60.80	37.08
Front Street Special Opportunities Canadian	121.21	37.82	35.46
RBC Precious Metals	65.15	77.76	35.09
Dominion Equity Resource	25.64	26.65	32.98
Mackenzie Universal Precious Metals	30.78	53.01	32.53
Norrep Fund	43.86	28.97	32.52
AGF Precious Metal	64.45	60.98	29.48
Dynamic Global Precious Metals	71.70	59.06	28.29
Mackenzie Universal Canadian Resources (US\$)	75.71	37.55	28.25
Front Street Small Cap Canadian	62.45	30.16	27.56
Dynamic Canadian Precious Metals	52.33	57.81	25.95

Power Performers

BluMont Hirsch Performance	36.56	22.04	26.01
Mackenzie Universal Canadian Resource	43.76	30.88	23.98
Elliott & Page Growth Opportunities	34.39	20.01	22.91
R Small Cap Canadian Equity	35.07	20.13	22.71
TD Precious Metals	30.72	42.76	22.67
Trimark Canadian Resources	38.56	27.89	22.18
Mackenzie Cundill Recovery 'C' (US\$)	89.55	24.96	22.04
Altamira Precious & Strategic Metal	67.09	53.92	21.72
London Life Precious Metals (MF)	29.61	42.42	21.47
Northwest Specialty Equity	51.34	33.92	21.20
London Life Canadian Resource (MF)	42.44	25.74	20.96
AGF China Focus Class (US\$)	99.56	26.84	20.46
TD Resource	34.92	20.55	20.30
Maritime Life Canadian Growth-R	69.83	26.18	20.06

Marco's Power Performers (from page 10)

whose top ten holdings includes three from our Watched List and the Saxon Small Cap Fund which has nice numbers and was recommended by my broker because of its low MER.

To check out these funds further, we recommend using globefund.com. Our 34 Performers are listed below.

Performers							
Fund name	1 yr	3 yr	5 yr	Fund name	1 yr	3 yr	5 yr
Vertex Fund	48.91	15.99	29.88	Clarington Canadian Small-Cap	34.06	28.76	17.75
Bissett Microcap-F	17.25	24.95	27.78	Bissett Income-F	27.10	20.16	17.65
Sentry Canadian Energy Growth	31.72	18.89	24.30	GGOF Monthly High Income Mutual	30.22	19.89	17.51
CI Signature Canadian Resource	34.82	18.96	22.62	CIBC Canadian Emerging Company	39.80	16.06	17.50
Hillsdale Canadian Performance Equity	45.06	16.86	21.83	AGF Canadian Resources	43.26	20.16	17.49
McElvaine Investment Trust	28.18	19.89	21.60	Renaissance Canadian Income Trust	25.03	18.83	17.30
North Growth U.S. Equity (US\$)	52.71	17.09	20.36	GWL Canadian Resource (A) DSC	40.77	19.99	17.00
CIBC Precious Metals	57.96	49.80	19.63	GWL Canadian Resource (A) NL	40.47	19.73	16.74
Dynamic FocusPlus Resource	42.56	26.05	19.34	AGF China Focus Class	63.37	20.64	16.36
Mawer New Canada	26.06	26.22	18.92	Mavrix Dividend & Income	28.88	17.22	16.35
BMO Resource	26.65	21.82	18.51	Elliott & Page Monthly High Income	19.24	16.50	16.34
Beutel Goodman Small Cap	36.35	18.70	18.22	Optima Strategy Canadian Equity Value Pool	25.00	15.77	16.24
Ethical Special Equity	36.44	29.24	18.20	Talvest Millennium High Income	18.12	16.02	16.22
GGOF Monthly High Income Classic	31.06	20.65	18.12	IG Beutel Goodman Canadian Small-Cap-C	31.47	16.01	16.15
Mackenzie Cundill Recovery 'C'	55.09	18.91	17.98	ABC Fundamental Value	23.55	18.79	15.94
Trimark Canadian Small Companies	17.49	20.15	17.84	Saxon Small Cap Fund	38.45	21.60	15.69

Research Tip

Looking for Income?

The other day I had an enquiry from a reader about an income trust. Was Shiningbank Energy Income Fund (SHN.UN) a good buy? I answered that it depended on what his objectives were – income or growth, though Shiningbank certainly is exhibiting both. But more importantly, I suggested he should research several and pick the one that best suited his needs. I suggested several to look at including the ones in our Watched List. Yield varies, but as the yield goes down, the upside potential rises. There is a tradeoff between steady income generation and growth. So here's how you can research these and more.

- Go to Globeinvestor.com and click on Filter in the top menu
- Click on Units in the Security drop down menu and click Go
- Now you can click on Dividend Yield to order the 250 odd funds by yield
- Research further the funds that strike the right balance for you between growth and yield by clicking on the company name for three year financial data, the chart icon for the graph and news for recent news.
- Select the fund that best meets your needs and add it to your portfolio.

Our Model Portfolio

Initial Position: \$50,000 (Jan. 11, 2002)

Current Position: \$84,161.15 (+68.32%) Down 0.57% YTD

We had a stable and growing portfolio throughout the last month and encountered our first sell signal of the year with Friday's close for Alarmforce (AF) which we are selling and replacing with this issue's pick of Steeplejack Industrial Group (SID). Trades are recorded at Friday's closing prices and will be adjusted if they can't be filled at those prices. Follow our portfolio online at http://breakoutreport.com/member/nav_modelportfolio.html to keep up with changes. We update every weekend. We collected \$166.25 in distributions this week. After trades we have a cash position of \$26.40.

<p style="text-align: center;">Alimentation Couche-Tard (ATD.B – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 270</td> <td>Bought on: Oct. 27th</td> </tr> <tr> <td>Price Then: \$21.60</td> <td>Price Now: \$24.00</td> </tr> <tr> <td>Gain: 10.09%</td> <td>Stop: \$21.72</td> </tr> </table> <p>Notes: Couche-Tard is now North America's second largest convenience store operator after 7-11. It's shooting for number one!</p>	# of Shares: 270	Bought on: Oct. 27th	Price Then: \$21.60	Price Now: \$24.00	Gain: 10.09%	Stop: \$21.72	<p style="text-align: center;">BMTC Group (GBT.A – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 620</td> <td>Bought on: Nov. 24th</td> </tr> <tr> <td>Price Then: \$12.88</td> <td>Price Now: \$12.85</td> </tr> <tr> <td>Gain: -0.19%</td> <td>Stop: \$11.93</td> </tr> </table> <p>Notes: BMTC Group is a leader in the furniture retailing business in Quebec. The stock recently split 2 for 1.</p>	# of Shares: 620	Bought on: Nov. 24th	Price Then: \$12.88	Price Now: \$12.85	Gain: -0.19%	Stop: \$11.93
# of Shares: 270	Bought on: Oct. 27th												
Price Then: \$21.60	Price Now: \$24.00												
Gain: 10.09%	Stop: \$21.72												
# of Shares: 620	Bought on: Nov. 24th												
Price Then: \$12.88	Price Now: \$12.85												
Gain: -0.19%	Stop: \$11.93												
<p style="text-align: center;">Calian Technology (CTY – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 600</td> <td>Bought on: Dec. 15th</td> </tr> <tr> <td>Price Then: \$11.68</td> <td>Price Now: \$11.85</td> </tr> <tr> <td>Gain: 1.46%</td> <td>Stop: \$10.89</td> </tr> </table> <p>Notes: Calian Technology is active in the telecommunications infrastructure business with clients in both government and business.</p>	# of Shares: 600	Bought on: Dec. 15th	Price Then: \$11.68	Price Now: \$11.85	Gain: 1.46%	Stop: \$10.89	<p style="text-align: center;">CCS Income Fund (CCR.UN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 240</td> <td>Bought on: May 19th</td> </tr> <tr> <td>Price Then: \$20.29</td> <td>Price Now: \$28.70</td> </tr> <tr> <td>Gain: 41.45%</td> <td>Stop: \$26.73</td> </tr> </table> <p>Notes: Formerly Canadian Crude Separators, CCS works on environmental solutions for the oil industry.</p>	# of Shares: 240	Bought on: May 19th	Price Then: \$20.29	Price Now: \$28.70	Gain: 41.45%	Stop: \$26.73
# of Shares: 600	Bought on: Dec. 15th												
Price Then: \$11.68	Price Now: \$11.85												
Gain: 1.46%	Stop: \$10.89												
# of Shares: 240	Bought on: May 19th												
Price Then: \$20.29	Price Now: \$28.70												
Gain: 41.45%	Stop: \$26.73												
<p style="text-align: center;">Glendale International (GIN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 725</td> <td>Bought on: Aug. 4th</td> </tr> <tr> <td>Price Then: \$5.90</td> <td>Price Now: \$7.00</td> </tr> <tr> <td>Gain: 18.44%</td> <td>Stop: \$6.23</td> </tr> </table> <p>Notes: A leading manufacturer of mobile homes and trailers, Glendale recently paid out a \$1.00 distribution to shareowners.</p>	# of Shares: 725	Bought on: Aug. 4th	Price Then: \$5.90	Price Now: \$7.00	Gain: 18.44%	Stop: \$6.23	<p style="text-align: center;">Home Capital Group (HCG.B – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 370</td> <td>Bought on: Oct. 16/02</td> </tr> <tr> <td>Price Then: \$13.25</td> <td>Price Now: \$36.00</td> </tr> <tr> <td>Gain: 171.70%</td> <td>Stop: \$31.15</td> </tr> </table> <p>Notes: Niche markets in finance seem to be very successful as evidenced by Home Capital's success.</p>	# of Shares: 370	Bought on: Oct. 16/02	Price Then: \$13.25	Price Now: \$36.00	Gain: 171.70%	Stop: \$31.15
# of Shares: 725	Bought on: Aug. 4th												
Price Then: \$5.90	Price Now: \$7.00												
Gain: 18.44%	Stop: \$6.23												
# of Shares: 370	Bought on: Oct. 16/02												
Price Then: \$13.25	Price Now: \$36.00												
Gain: 171.70%	Stop: \$31.15												
<p style="text-align: center;">Parkland Income Fund (PKI.UN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 310</td> <td>Bought on: May 19th</td> </tr> <tr> <td>Price Then: \$15.62</td> <td>Price Now: \$18.80</td> </tr> <tr> <td>Gain: 20.36%</td> <td>Stop: \$16.83</td> </tr> </table> <p>Notes: Parkland operates a chain of gas stations and convenience stores across Alberta and BC.</p>	# of Shares: 310	Bought on: May 19th	Price Then: \$15.62	Price Now: \$18.80	Gain: 20.36%	Stop: \$16.83	<p style="text-align: center;">Peyto Energy Trust (PEY.UN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 555</td> <td>Bought on: July 14th</td> </tr> <tr> <td>Price Then: \$17.05</td> <td>Price Now: \$27.25</td> </tr> <tr> <td>Gain: 59.82%</td> <td>Stop: \$24.18</td> </tr> </table> <p>Notes: Peyto converted to an income trust. The stock did well before and has continued to do well since.</p>	# of Shares: 555	Bought on: July 14th	Price Then: \$17.05	Price Now: \$27.25	Gain: 59.82%	Stop: \$24.18
# of Shares: 310	Bought on: May 19th												
Price Then: \$15.62	Price Now: \$18.80												
Gain: 20.36%	Stop: \$16.83												
# of Shares: 555	Bought on: July 14th												
Price Then: \$17.05	Price Now: \$27.25												
Gain: 59.82%	Stop: \$24.18												
<p style="text-align: center;">RONA Inc. (RON – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 325</td> <td>Bought on: Nov. 17</td> </tr> <tr> <td>Price Then: \$25.55</td> <td>Price Now: \$29.50</td> </tr> <tr> <td>Gain: 15.46%</td> <td>Stop: \$27.50</td> </tr> </table> <p>Notes: RONA is Canada's largest retailer of hardware and home improvement supplies. It goes toe to toe with Home Depot and wins.</p>	# of Shares: 325	Bought on: Nov. 17	Price Then: \$25.55	Price Now: \$29.50	Gain: 15.46%	Stop: \$27.50	<p style="text-align: center;">Steeplejack Industrial Group (SID – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 2290</td> <td>Bought on: Jan. 19/04</td> </tr> <tr> <td>Price Then: \$2.95</td> <td>Price Now: \$2.95</td> </tr> <tr> <td>Gain: 0.00%</td> <td>Stop: \$2.65</td> </tr> </table> <p>Notes: Steeplejack is a leading supplier of scaffolding to industry as well as providing other maintenance and construction services.</p>	# of Shares: 2290	Bought on: Jan. 19/04	Price Then: \$2.95	Price Now: \$2.95	Gain: 0.00%	Stop: \$2.65
# of Shares: 325	Bought on: Nov. 17												
Price Then: \$25.55	Price Now: \$29.50												
Gain: 15.46%	Stop: \$27.50												
# of Shares: 2290	Bought on: Jan. 19/04												
Price Then: \$2.95	Price Now: \$2.95												
Gain: 0.00%	Stop: \$2.65												