

the Break Out Report

Volume # 2, Issue # 16

June 20, 2004

Brief Notes

An Amazing Teenager

In February 2001, 17 year old Lesley Scorgie and her Mom were flown to Chicago to do a taping of the Oprah Winfrey Show. The topic: Ordinary People, Extraordinary Wealth. Young Scorgie wouldn't reveal how much money she had accumulated, but she had to disclose financial statements to the show's producers to prove she could be a millionaire by the time she turns 25. Lesley was the youngest financial whiz on the show and the only Canadian.

Those plans have been set back a bit by the stock market crash. Now it will take until she's 27. (Do I hear an "Awwww!") How did this amazing turn of events come about?

Her self-confessed "financially-challenged" older sister Alison explained in an article in Avenue Magazine in April that it all started with a Canada Savings Bond Lesley bought at age 10. At age 14 she started her first job at the Calgary Public Library. She's been saving and investing ever since.

She started with mutual funds and when she turned 18, started investing in stocks. She was invited to be a contestant in the *Globe and Mail's* One and Only Stock Picking Contest for 2003 and as one of the top four finishers, is competing again this year.

No one was more surprised than her father, a clergyman who mused that it was odd for a left-leaning socially conscious person to raise such an avid capitalist daughter according to an article making the college newspaper circuit in February 2003. The capitalist bent came from her mother who worked as a legal secretary while her Dad went to divinity school for his Master's degree after moving to Alberta from Toronto in the 1990s.

According to the Canadian University Press article, Lesley was motivated by one over-riding desire – she didn't want to work when she grew up! She wanted to have a family some day and investing "would provide me with the capital and the finances to just sit back and enjoy that part of life. I'm trying to build a better future for myself, and the future people in my life."

But she's hardly lazy. She continues to work hard as a third year honours student in business at the University of Alberta, works 21 hours a week as a personal banker at the Royal Bank (full time in the summer) and is in the process of writing a book on investing for young people.

Lesley says she was inspired by the books of Jeffrey Archer. "He wrote rags to riches stories, how ordinary people literally pick up and move and re-adjust their lives. And they do become financially independent and financially wealthy."

Elsewhere in this issue I review a book that spells out the methods Scorgie uses, an investment classic that should be taught to every high school student. And elsewhere in this issue, I am very honoured to present an article Lesley has written for the Break Out Report – a preview of the back-to-school season. Enjoy!

In This Issue: Big \$\$\$\$ Commitments Starting in September (See Page 2)

Guest Article**Big \$\$\$\$ Commitments Starting in September**

by Lesley Scorgie

Lesley sent this article in anticipation of the back-to-school rush in September. A bit early perhaps, but the ideas in it are timeless. Superb advice for both students and their parents.

School is fast approaching and summer is coming to an end. The list of things to do is getting longer and the shopping, more expensive; books, pencils, pens, papers, scribblers, and laptops. It is difficult to manage these necessities for both parents and students. How can we afford all of the things?

I'd like to share with you a little bit about the way that I was able to save for post secondary, a computer, books, transportation and other school supplies. When I was 14 years old, my parents stopped giving me allowance and it was up to me to come up with my money for social events. It was also brought to my attention that I would need to begin saving for post secondary education sooner rather than later. So off I went babysitting, mowing lawns (until I realized I was allergic to fresh cut grass), and doing errands around the house. However, business was quite slow at times and so I rerouted my efforts to searching for real employment. I landed a job shelving books at my local library and stayed there until I was 18 years old. That job, paying slightly over minimum wage, enabled me to have a great time with my friends and save over \$125/ month for school and other adventures.

Convincing a 14 year old to save for school can be a challenge but let's not forget that we don't expect a teen to be a hermit and stay indoors while their friends are out having a good time and exploring different forms of entertainment. It has proved to be essential that a young person not isolate themselves. So a balanced lifestyle is in order for a young person to succeed.

Here are some helpful hints for students under 16. It is imperative that a Registered Education Savings Plan (RESP) be established for future schooling. By the way, the expected price range for post secondary schooling is increasing by more than double the inflation rate. That means that a child of about 4 years old currently is looking at paying nearly \$100,000 for their undergraduate degree only 14 years down the road. Parents, grandparents, guardians, and the child should be conscious of this large amount and make regular attempts at saving for these outrageous costs. A Social Insurance Number, your local financial institution, and a commitment to be a regular saver are all you need to for an RESP.

The returns generated by an RESP are phenomenal when compared to today's market standard. The government will be contributing 20% per year up to a maximum of \$400. Children whose RESPs have been set up over the age of 12 have their contribution amount increased because of the lack of time left before their post secondary begins. The best part about the RESP, like with any investment, is that the earlier the savings begin, the more money you will have when post secondary schooling commences. Keep in mind that if you were thinking about investing on your own for your child's

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The Break Out Report

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Book Review

The Richest Man in Babylon

A review of the book by George S. Clason

If you're wondering how Lesley Scorgie managed to be so successful in acquiring wealth that she will likely be a millionaire when she's 27, the answer is found in a timeless little classic first published in 1926. The book is *The Richest Man in Babylon*.

Clason was a businessman, the founder of the Clason Map Company which published the very first road atlas of the United States and Canada. And while this was an innovative triumph and helped usher in the era of the automobile, it is the series of short pamphlets on wealth creation that he started publishing in 1926 that brought him ever-lasting fame.

In Canada, the book had an interesting history. Ken Marlin, the founder of Marlin Travel (and one of my mentors), now in his 80s, read the book in his youth while working on the railroad. He was thoroughly inspired by it and when he went on to become a Vice-President of Principal Group, he made its principles his hallmark. He got the Canadian rights to the pamphlets and the Alberta-based finance company distributed them widely to customers. Since 1988 the book has been commercially published in Canada by Signet Books (a trademark of Penguin Putnam). The Signet edition is in its tenth printing. Over two million copies have been sold. And in 2026 when it is 100 years old, it will still be selling strongly.

How has it managed to last so long? Quite simply, it is the very best book on personal finance ever written. The language is elegant, almost biblical. And the advice is timeless. So timeless, in fact, that the book has had its imitators, the most notable being David Chilton. His book *The Wealthy Barber* draws heavily on its ideas putting them into modern prose in a modern setting with additional references to modern tax deferral plans such as RRSPs in Canada and IRAs in the United States.

The book is slim, just 144 pages and consists of eleven short chapters. But unlike a straight exposition, the essays are in the form of a narrative with characters who put life into the ideas. They're characters we can identify with, even though the stories take place thousands of years ago. Characters like Bansir, the chariot builder of Babylon who wonders why his purse is empty while an old school chum, Arkad, is now the richest man in Babylon. They had a similar upbringing. Arkad wasn't any smarter than he was. But their fortunes were vastly different.

Commiserating with his friend Kobbi the musician, he remarks that they are little better off than slaves. "We do not want to go on year after year living slavish lives," he says. "Working, working, working! Getting nowhere!" The rat race was alive and well even in ancient Babylon!

So Bansir, Kobbi and a few of their friends decide to visit their old school mate and find out his secrets. And the answer is simply this – save!

Arkad tells them that they pay everyone else except themselves. They pay the butcher, the baker and the candlestick maker. At the end of the month, all their money is gone and nothing remains. He tells them that they should put themselves at the top of the list and pay themselves first.

A part of all you earn is yours to keep!

A part of all you earn, he explains, is yours to keep. Pay yourself first. "For every ten coins thou placest within thy purse take out for use but nine. Thy purse will start to fatten at once and its increasing weight will feel good in thy hand and bring satisfaction to thy soul."

This one lesson is so important that it is repeated several times. It gets a chapter of its own. It's the first of the *Seven Cures for a Lean Purse*. It's repeated again as the first of the *Five Laws of Gold*. But it is not the only advice in the book.

(continued on page 4)

Richest Man in Babylon (from page 3)

The book includes a chapter on how to attract good luck. Another looks at the importance of being a cautious and conservative investor. And another looks at the importance of determination. But perhaps the most important chapter for many will be the one on getting out of debt.

The chapter takes a slightly different form than the others. It consists of the correspondence between an archaeologist at a dig in Mesopotamia (where Babylon was located) and a professor of archaeology at Nottingham University in England. The prof is asked to decipher some clay tablets that were unearthed. The five tablets are by a Babylonian named Dabasir "recently returned from slavery in Syria" who tells of his plan and determination to pay off his accumulated debts and become a man of means. I'm not telling you how he did it. You'll have to read the book. But the professor writes a letter to the archaeologist two years later relating how he used Dabasir's advice to get himself out of a deep hole he had dug himself into. Anyone who is swamped with bills and debt should read it.

Below I've reproduced the Seven Cures for a Lean Purse. In the book they are elaborated on but this list will give you the basic idea.

THE SEVEN CURES FOR A LEAN PURSE

- 1. START THY PURSE TO FATTENING.**
- 2. CONTROL THY EXPENDITURES.**
- 3. MAKE THY GOLD MULTIPLY.**
- 4. GUARD THY TREASURES FROM LOSS.**
- 5. MAKE OF THY DWELLING A PROFITABLE INVESTMENT.**
- 6. INSURE A FUTURE INCOME.**
- 7. INCREASE THY ABILITY TO EARN.**

The first and foremost is number one – which more specifically is to save at least ten percent of all you earn. If it is not already something you do, do it. Start with your next paycheck.

To that end, I'm posting on the website a document you can download, a pledge you can print off, enter your name and date and frame to hang on your wall above your desk or your bed. It is a personal pledge to save a minimum of ten percent of all you earn.

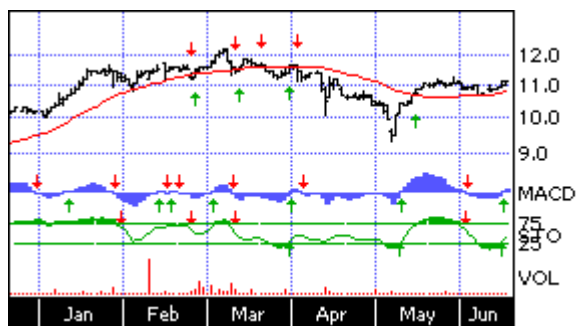
**I, _____ DO HEREBY PLEDGE
THAT I WILL PUT ASIDE INTO SAVINGS
NO LESS THAN TEN PERCENT OF ALL I EARN.**

The Richest Man in Babylon is a fascinating and inspiring read. Babylon was the richest kingdom on earth in its heyday, the cradle of civilization that invented money, writing and banking. Today it is a wasteland in a place called Iraq – about fifty kilometers from present day Baghdad. The place still has the same fertile, albeit arid landscape that predated Babylon. The ancient Babylonians turned this desert into a lush area rich in agriculture and wealthy beyond measure. Which means that the Iraqi people, under wise leadership, could reclaim the heritage that is Babylon. Now wouldn't that be something?

Watched List Update

New Uptrends

Our Watched List had deteriorated with the Spring slump to where we had more stocks in a downtrend than in an uptrend. But gains over the last few weeks have seen that situation change and we are now even again at 15 uptrends and 15 downtrends with the rest going sideways. Below are four stocks that have recently resumed or established new uptrends.

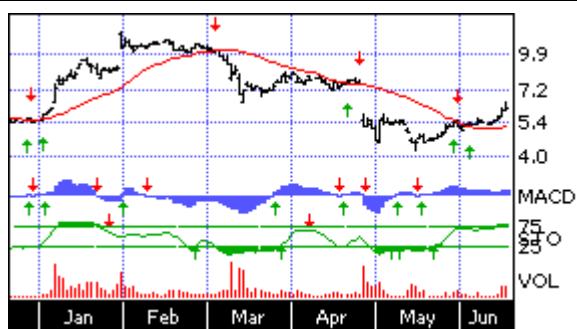
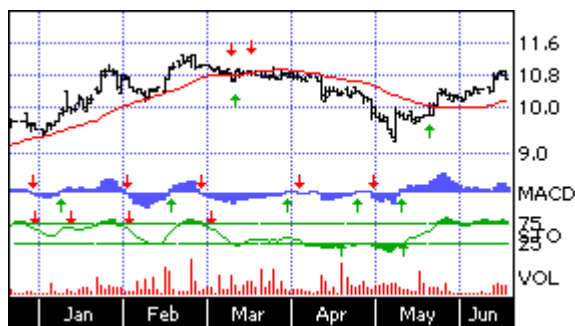


Contrans (CSS.UN)	Profiled: 10/12/01
Price then: \$3.63	Price Now: \$11.12

⇨ We featured Contrans when it was a stock and it has done very well, now up 206.34%. That does not include distributions since the trucking firm became an income fund. The fund began to falter in March slumping from \$12 to \$9.50 but has now recovered and looks poised for further gains.

Transforce (TIF.UN)	Profiled: 01/18/02
Price then: \$3.11	Price Now: \$10.68

Also featured when it was a stock and also a ⇨ trucking company, Transforce is up 243.41% since profiled, again not counting distributions after it converted to an income fund. Maybe it's trucking companies or maybe the markets in general, but Transforce followed the same pattern as Contrans. It's also now a buy again.

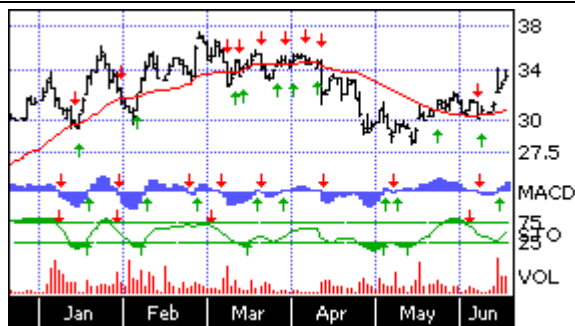


Nortel Networks (NT)	Profiled: 09/21/03
Price then: \$6.24	Price Now: \$6.11

⇨ Nortel is your perennial conundrum. They keep revising their accounting and estimates so it's hard to get a good handle on it. It's down modestly since featured but had soared to almost \$12 in the first quarter of this year. Financial monkey business sent it down below \$5 but it has started to perk up again. Use stops.

Falconbridge (FL)	Profiled: 03/14/04
Price then: \$34.75	Price Now: \$33.50

We featured Falconbridge in March just as ⇨ it was approaching an interim top. Oops! But the outlook for metals is strong and after slumping to \$28, the stock is now on its way again. We're long term bullish on strategic resources and nickel is one of them. Falconbridge is a buy.



Industrial Pick

ZCL Composites (ZCL –TSX)

(website: www.zcl.com)

Founded in 1987, ZCL Composites is Canada's largest manufacturer of environmentally safe fiberglass storage tanks for the petroleum industry. This includes both underground storage tanks for gas stations as well as above ground storage tanks for the upstream oil industry.

In 1989 the company broke new ground by becoming the first Canadian manufacturer of double-walled storage tanks. Its environmentally sound and technologically advanced methods have led to ZCL capturing 90% of the market for new fiberglass storage tanks.

In fact, the company offers a fully integrated line of liquid fuel storage and handling equipment. Its tanks are made of non-corrosive Fiberglass Reinforced Plastic (FRP) composite and premium grade resin and marketed under the PREZERVER, GREENTANK and PROTEKTOR brands. Accessory products include FRP turbine enclosures and piping containment collars, FRP hold down straps, manways and concrete anchoring systems. The company is also a distributor of underground piping, pumps and gauges.

In 1993 the company made a strategic acquisition of CAE Fiberglass Limited. This synergistic merger saw combined revenues grow from \$9.6 million in 1993 to \$27.1 million in 1995. The company also went public with an IPO in 1995.

This enabled further expansion with the acquisition of liquid handling equipment distributors McIntosh Supply Ltd. and Industrial Sales Ltd. in 1996.

1998 saw the company go international with the development of a manufacturing facility in the Philippines and the launch of ZCL-USA Inc. to market its Phoenix tank lining system which helped US tank owners upgrade to meet new EPA requirements. 1998 also saw the acquisition of Nova Scotia – LeGay Fiberglass Ltd., furthering the company's ability to serve the maritime market.

The company streamlined in 1999 with the sale of its wholly owned distribution arm and the signing of a long-term distribution agreement with RNG Group of Mississauga. In 2001 it sold off its interest in ZCL Enviro Systems to its Philippine partner tied in with a licensing agreement that sees royalties continuing to the company. The company continues to be a supplier of specialized raw materials to Enviro Systems.

With plants in Quebec, Alberta and Nova Scotia, the company covers the entire Canadian market and with its licensee in the Philippines, it has a significant presence in Asia.

ZCL composites was recognized as one of the 50 Best Managed Companies in Canada in January this year. This award is sponsored by Deloitte & Touche, CIBC Commercial Banking, Queen's School of Business and the National Post.

Continued growth in the oil industry should spell continued growth for suppliers such as ZCL in the years ahead.

Quarterly Earnings per Share

To Mar. 31st	2003	2004	% Change
EPS	\$0.00	\$0.03	+12,025.00%
Revenues (000s)	\$6,074	\$7,901	+30.08%

Annual Earnings per Share

To Mar. 31st	2002	2003	% Change	2004	% Change
EPS	\$0.11	\$0.02	-81.82%	\$0.11	+450.00%
Revenues (000s)	\$25,127	\$26,319	+4.74%	\$33,932	+28.93%

(continued on page 7)

ZCL Composites (from page 6)



Chart Analysis: From its IPO in 1995 through the end of 2000, ZCL dropped steadily from \$5 to 50 cents. But its strategic acquisitions in the 90s and its streamlining operations from 1999 through 2001 laid the groundwork for a steady uphill climb since the spring of 2003. In fact, the stock has gained 176.8% for the year ending May 31, 2004. The stock took a major spike upward on strong volume with a superb third quarter report in mid-February. It consolidated this gain and started another advance at the beginning of June with the release of its annual report. It seems to have developed a stairstep pattern of gain followed by consolidation followed by further gains. It is mid-stride in an upswing right now.

Stats as of 6/18/04	Phase 2 Analysis
<ul style="list-style-type: none"> ▪ Hi/Lo Ratio: 3.32 ▪ RS: 97.50 ▪ Shares: 17,511,320 ▪ P/E: 18.60 ▪ Price: \$2.05 	<ul style="list-style-type: none"> ▪ Price Pattern: A ▪ Volatility: A ▪ Estimates: n/a ▪ Snapshot: B+ ▪ News: A

Phase 2: We give ZCL an A for price pattern and an A for volatility as the volatility in price seems to be more to the upside rather than the downside. There are no estimates available. The snapshot is excellent with revenues growing year by year. Earnings dropped in 2003 but have recovered fully for fiscal 2004. Return on equity is lower than we like but growing so we give it a B+. News is excellent with a new acquisition in May, major new contracts with Petro-Canada and Imperial Oil, superb quarters, and being named one of the best managed companies in Canada. We give it an A.

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

Pharmaceutical Pick**Axcan Pharma (AXP –TSX, AXCA - NASDAQ)****(website: www.axcan.com)**

*The following is excerpted from my book, *The 50 Best Science & Technology Stocks for Canadians*.*

Quebec-based Axcan Pharma is the leading North American pharmaceutical company in the field of gastroenterology. Founded in 1982 as Interfalk by Leon Gosselin and Dr. Herbert Falk, the company launched its first product, Salofalk[®], a treatment for ulcerative colitis, in 1986.

A year later, the company began a research collaboration with the Mayo Clinic on treatment of Primary Biliary Cirrhosis (PBC) with ursodiol. Axcan's drug Urso[®] was approved by the FDA in December 1997 giving Axcan the distinction of being one of only four Canadian companies ever to have received approval for an innovative drug from the FDA.

Over the years, Axcan acquired a number of non-prescription gastro-intestinal medications to complement the company's lines. These include several drugs from Wyeth-Ayerst and Jouveinal Inc.

Axcan also adopted a strategy of acquiring gastro-intestinal related products in the late stages of development from other companies. It would then complete the clinical trials and bring them to market. One product so acquired is Photofrin[®], a light activated treatment for esophageal cancers and Barrett's esophagus purchased from QLT Phototherapeutics. It is now sold in Canada, the U.S., and Britain with approval for 18 other countries.

Today Axcan markets 25 different product formulations under 12 different brand names, including antacids, laxatives, ulcer medications, and treatments for pancreatitis, cystic fibrosis, and inflammatory bowel diseases including Crohn's disease. Additional products are in development.

The company was listed as one of the fastest growing in Canada in the 2001 Deloitte & Touche Fast Fifty. Axcan was added to the TSE300 in 2000 and is dual traded in U.S. dollars on the NASDAQ exchange. (End of excerpt.)

Since that was written the company has continued to acquire as well as license related products from other companies and to develop in-house products.

It is worth noting that 80% of Axcan's sales are in the United States. In spite of a stronger Canadian dollar, the company managed to increase both sales and earnings in the last two years. Net earnings for the last quarter were up 39.3%. EPS were up only 20% as new financing diluted shares.

The company boasts a compound annual growth rate over the last five years of 29% in revenues and 57% in earnings per share (estimated to the end of 2004). Operating margin has also grown every year over the last five.

Gastroenterology is a growing field with huge upside potential.

Quarterly Earnings per Share

To Mar. 31st	2003	2004	% Change
EPS	\$0.20	\$0.24	+20.00%
Revenues (000s)	\$45,621	\$63,192	+38.52%

Annual Earnings per Share

To Sept. 30th	2001	2002	% Change	2003	% Change
EPS	\$0.31	\$0.50	+61.29%	\$0.64	+28.00%
Revenues (000s)	\$105,530	\$134,087	+27.06%	\$181,184	+35.12%

(Continued on page 9)

Axcan Pharma (from page 6)

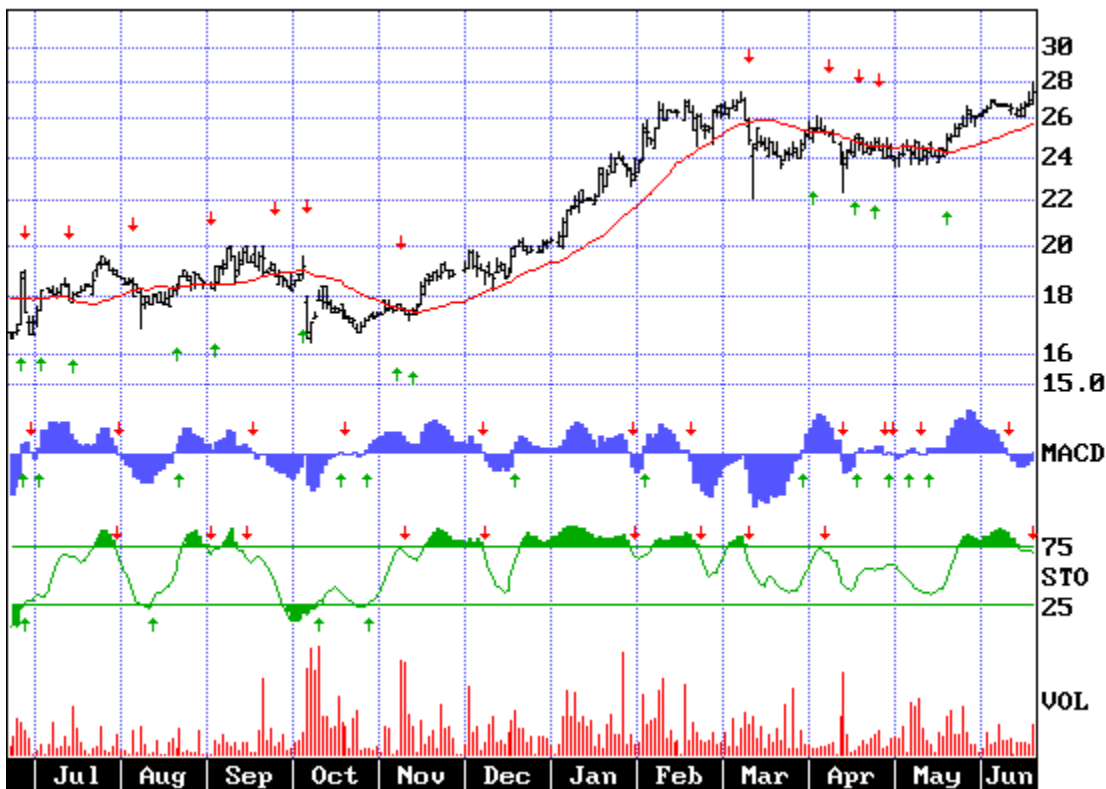


Chart Analysis: Axcan Pharma is just breaking out of a long cup and handle formation formed from mid-2002 to March this year. There was also a smaller cup and handle from September to December last year as shown above. This led to a 30% jump in the stock price in the first quarter of 2004. Since January of 2000 the stock has gained over 450%. Continuing steady growth should see more of the same in the years ahead.

Stats as of 6/18/04	Phase 2 Analysis
<ul style="list-style-type: none"> ▪ Hi/Lo Ratio: 1.68 ▪ RS: 84.70 ▪ Shares: 45,411,273 ▪ P/E: 35.60 ▪ Price: \$27.43 	<ul style="list-style-type: none"> ▪ Price Pattern: A ▪ Volatility: B ▪ Estimates: B ▪ Snapshot: A- ▪ News: A

Phase 2: We give AXP an A for price pattern and a B for volatility as there are considerable fluctuations along the way. The long term trend is clearly up. Estimates are limited as reported at Globeinvestor with a rating of 2.4 or buy. So we give it a B. Snapshot shows growing revenues and earnings. Return on equity, however, is a bit weak at 8.64 but it is growing. We give it an A-. And news has been positive with growing revenues and earnings, new product approvals and positive results on clinical trials for products under development. We give it 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 May 2004)

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 number of funds meeting our criteria stayed more or less the same for May with 4 making the Super Power performers list, down one from 5 in April, 7 making the Power

Performers list, up one from 6 and 33 making the Performers list, down two for the month. Grand total was 44, down slightly from 46 in April.

In February there were 14 Super Power Performers and it's been drifting steadily downwards since. This reflected a general malaise in the markets and more specifically, a plunge in the price of gold as many of those 14 funds were precious metals funds or had substantial holdings in the sector. May saw precious metals make some gains as the metal started moving up again. The AGF Precious Metal fund is still off 13.94% for the year-to-date despite climbing back into our Super list.

It's worth looking at which of the funds on our list have done the best for the year-to-date. These are the up and comers that you want to take a closer look at. The table below tells the story.

As you can see, there are eleven funds from our Performer lists that have gained five percent or more for the year-to-date. There are three other funds that have gained more than the top one on our list, but they have not met our Performer criteria. Note that the Sprott Canadian Equity Fund which tops our Super Power Performer list also is up 9.81% for the year-to-date. No matter how you may pooh-pooh mutual funds, you can't argue with numbers like that and it would take a mighty skilled stock picker to match those returns on his own.

I prefer stock picking because it's fun. But I also have some money in mutual funds, one of which just happens to be the Saxon Small Cap Fund. And for that I have to thank my broker who recommended it.

So if you're looking to put some money into funds, find ones from our Performer lists that also have a good return for the year-to-date. Chances are they are winners!

On the next page you'll find a table of the Performers.

Super Power Performers

Fund name	1 yr %	3 yr %	5 yr %
Sprott Canadian Equity	50.32	31.79	38.26
Front Street Special Opportunities Canadian	77.92	26.58	32.53
RBC Precious Metals	49.86	56.69	32.51
AGF Precious Metal	64.91	47.63	27.67

Power Performers

Mackenzie Universal Precious Metals(US\$)	23.09	38.18	30.43
Mackenzie Universal Precious Metals	22.43	32.52	28.36
Dynamic Global Precious Metals	51.00	38.21	23.52
Mackenzie Universal Cdn. Resources (US\$)	55.13	25.98	23.41
Dynamic Canadian Precious Metals	37.50	36.16	21.57
Mackenzie Universal Canadian Resource	54.29	20.82	21.45
London Life Canadian Resource	52.88	21.57	20.52

Fund name	YTD %
Saxon Small Cap Fund	10.74
Mawer New Canada	10.60
Dominion Equity Resource	10.45
Sprott Canadian Equity	9.81
Hillsdale Cdn. Performance Equity	9.04
Trimark Canadian Small Companies	8.93
Beutel Goodman Small Cap	8.45
Ethical Special Equity	5.51
Clarington Canadian Small-Cap	5.47
Mavrix Dividend & Income	5.40
Sceptre Equity Growth	5.34

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Power Performers Update (from page 11)

Performers							
Fund name	1 yr	3 yr	5 yr	Fund name	1 yr	3 yr	5 yr
Dominion Equity Resource	38.67	15.60	29.16	BMO Precious Metals	15.53	22.47	17.89
BluMont Hirsch Performance	34.27	16.62	24.78	Clarington Canadian Small-Cap	38.22	24.04	17.86
Norrep Fund	34.37	17.62	24.78	Northwest Specialty Equity	45.58	25.36	17.77
Vertex Fund	37.76	15.23	23.95	Dynamic FocusPlus Resource	42.63	20.05	17.74
Front Street Small Cap Canadian	52.25	19.82	22.11	Beutel Goodman Small Cap	38.20	15.73	17.62
Elliott & Page Growth Opportunities	37.69	16.64	21.94	London Life Precious Metals (MF)	21.23	29.68	17.57
Hillsdale Canadian Performance Equity	45.41	17.07	21.79	BMO Resource	42.92	18.96	17.38
R Small Cap Canadian Equity	37.24	16.45	21.71	Mavrix Dividend & Income	23.49	15.68	17.38
Bissett Microcap-F	22.76	19.81	20.93	Maritime Life Canadian Growth-R	52.14	20.01	17.32
Trimark Canadian Resources	46.79	20.81	19.76	Sceptre Equity Growth	56.68	23.61	16.85
TD Precious Metals	26.97	27.71	19.59	Bissett Income-F	19.35	15.10	16.41
Altamira Precious & Strategic Metal	46.47	38.20	19.08	GGOF Monthly High Income Classic	21.29	15.30	16.21
McElvaine Investment Trust	23.12	15.47	19.08	Saxon Small Cap Fund	50.30	16.36	16.06
Trimark Canadian Small Companies	32.05	15.52	18.55	Optima Strategy Canadian Equity Value Pool	26.98	13.53	15.73
Ethical Special Equity	40.10	24.70	18.35	Acuity Pooled High Income	27.99	18.45	15.72
Mawer New Canada	32.73	21.55	18.20	Mackenzie Cundill Recovery 'C'(US\$)	42.42	21.90	15.33
CIBC Precious Metals	46.24	33.33	18.10	Power Performers © 2004			

Big \$\$\$\$ Commitments (from page 2)

education, it is extremely difficult to obtain a guaranteed 20% return especially in our struggling market.

School, along with any type of expenditure, requires a budget. This can be a good exercise for your child and you to complete. Try writing out what you are going to need, the price you expect to pay, and why you need it (that is my favorite column because it makes you think twice about wasting money). This exercise puts expenses into perspective for a child. It will hopefully demonstrate the value of a dollar to them so that they understand that money doesn't grow on trees. Getting your children involved in budgeting and savings can enhance their awareness of money management. Hopefully it will also transfer the idea of "hard work" and savings intrinsically.

Here are some quick back to school shopping hints. Try buying your books over the Internet. I bought one of my texts this year for almost half the price online. Also, try and catch some of the back to school sales for things like computers or any type of software. If you are fortunate enough to know what you'll need for the next year of school, you could even plan to purchase these big ticket items on Boxing Day or January sales. As far as basic school supplies go, I would recommend searching the house for any duplicates, and then proceeding to your local discount store for the remainder.

Good luck to all the students out there in this coming year! Hopefully you're now able to try your hand at one of the most basic tools of financially successful individuals, budgeting and planning!

Our Model Portfolio

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

Current Position: \$91,803.85 (+83.61%) Up 8.46% YTD

Our portfolio has been rising in the last few weeks and we are now up 83.61% since inception. For the year to date we're up 8.46% compared to 3.01% for the TSX. We garnered distributions from our two income funds, Peyto Energy Trust and CCS Income Fund this week bringing our cash position to \$107.70. All of our trades are tracked weekly at our website. Log on to the subscriber area and check out the Portfolio Update weekly. We sell during the week if stops are hit, but we buy only on Mondays after advising you via the website.

<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: May 19/03</td> </tr> <tr> <td>Price Then: \$20.29</td> <td>Price Now: \$30.00</td> </tr> <tr> <td>Gain: 47.86%</td> <td>Stop: \$27.20</td> </tr> </table> <p>Notes: Formerly Canadian Crude Separators, CCS works on environmental solutions for the oil industry.</p>	# of Shares: 240	Bought: May 19/03	Price Then: \$20.29	Price Now: \$30.00	Gain: 47.86%	Stop: \$27.20	<p style="text-align: center;">Coolbrands (COB.A – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 370</td> <td>Bought: June 14/04</td> </tr> <tr> <td>Price Then: \$23.85</td> <td>Price Now: \$23.07</td> </tr> <tr> <td>Gain: -3.27%</td> <td>Stop: \$21.47</td> </tr> </table> <p>Notes: I scream, you scream, we all scream for ice cream and Coolbrands sells lots of it! A cool stock and a hot one at the same time!</p>	# of Shares: 370	Bought: June 14/04	Price Then: \$23.85	Price Now: \$23.07	Gain: -3.27%	Stop: \$21.47
# of Shares: 240	Bought: May 19/03												
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<p style="text-align: center;">Cott Corporation (BCB – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 170</td> <td>Bought: May 10th</td> </tr> <tr> <td>Price Then: \$43.35</td> <td>Price Now: \$45.30</td> </tr> <tr> <td>Gain: +4.50%</td> <td>Stop: \$40.97</td> </tr> </table> <p>Notes: Cott Corporation is one of the largest manufacturers of private branded soft drinks in the world.</p>	# of Shares: 170	Bought: May 10th	Price Then: \$43.35	Price Now: \$45.30	Gain: +4.50%	Stop: \$40.97	<p style="text-align: center;">GSW Inc. (GSW.B – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 275</td> <td>Bought: May 17/04</td> </tr> <tr> <td>Price Then: \$34.73</td> <td>Price Now: \$33.00</td> </tr> <tr> <td>Gain: -4.98%</td> <td>Stop: \$31.50</td> </tr> </table> <p>Notes: GSW Inc. is a leading manufacturer of water heaters for the commercial and residential markets.</p>	# of Shares: 275	Bought: May 17/04	Price Then: \$34.73	Price Now: \$33.00	Gain: -4.98%	Stop: \$31.50
# of Shares: 170	Bought: May 10th												
Price Then: \$43.35	Price Now: \$45.30												
Gain: +4.50%	Stop: \$40.97												
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Price Then: \$34.73	Price Now: \$33.00												
Gain: -4.98%	Stop: \$31.50												
<p style="text-align: center;">Kingsway Financial (KFS – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 625</td> <td>Bought: May 24/04</td> </tr> <tr> <td>Price Then: \$15.00</td> <td>Price Now: \$15.90</td> </tr> <tr> <td>Gain: +6.00%</td> <td>Stop: \$14.31</td> </tr> </table> <p>Notes: Kingsway Financial is a leading supplier of alternative insurance services. After a slump, the stock is on the move again.</p>	# of Shares: 625	Bought: May 24/04	Price Then: \$15.00	Price Now: \$15.90	Gain: +6.00%	Stop: \$14.31	<p style="text-align: center;">Peyto Energy Trust (PEY.UN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 300</td> <td>Bought: Mar. 29/04</td> </tr> <tr> <td>Price Then: \$30.30</td> <td>Price Now: \$30.63</td> </tr> <tr> <td>Gain: +1.09%</td> <td>Stop: \$28.58</td> </tr> </table> <p>Notes: Peyto Energy Trust has gained over 1000% in the last three years. It's my featured stock in the Globe's One and Only Contest.</p>	# of Shares: 300	Bought: Mar. 29/04	Price Then: \$30.30	Price Now: \$30.63	Gain: +1.09%	Stop: \$28.58
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<p style="text-align: center;">Pason Systems(PSI – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 320</td> <td>Bought: May 17/04</td> </tr> <tr> <td>Price Then: \$30.00</td> <td>Price Now: \$33.00</td> </tr> <tr> <td>Gain: +10.00%</td> <td>Stop: \$29.37</td> </tr> </table> <p>Notes: Pason Systems makes and leases high tech monitoring equipment for the oil patch. It had a stellar year in 2003.</p>	# of Shares: 320	Bought: May 17/04	Price Then: \$30.00	Price Now: \$33.00	Gain: +10.00%	Stop: \$29.37	<p style="text-align: center;">Trican Well Service (TCW – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 250</td> <td>Bought on: May 3/04</td> </tr> <tr> <td>Price Then: \$37.50</td> <td>Price Now: \$42.31</td> </tr> <tr> <td>Gain: +12.83%</td> <td>Stop: \$37.66</td> </tr> </table> <p>Notes: Trican Well Service supplies specialized services to the oil industry including such things as cementing and fracturing.</p>	# of Shares: 250	Bought on: May 3/04	Price Then: \$37.50	Price Now: \$42.31	Gain: +12.83%	Stop: \$37.66
# of Shares: 320	Bought: May 17/04												
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<p style="text-align: center;">Zargon Oil & Gas (ZAR – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 515</td> <td>Bought on: Apr 19/04</td> </tr> <tr> <td>Price Then: \$17.70</td> <td>Price Now: \$17.10</td> </tr> <tr> <td>Gain: -3.39%</td> <td>Stop: \$16.34</td> </tr> </table> <p>Notes: Zargon Oil and Gas is an aggressive junior exploration company based in Alberta.</p>	# of Shares: 515	Bought on: Apr 19/04	Price Then: \$17.70	Price Now: \$17.10	Gain: -3.39%	Stop: \$16.34	<p style="text-align: center;">Zenon Environmental (ZEN – TSX)</p> <table border="1" style="width: 100%;"> <tr> <td># of Shares: 435</td> <td>Bought on: Mar. 15th</td> </tr> <tr> <td>Price Then: \$21.35</td> <td>Price Now: \$23.25</td> </tr> <tr> <td>Gain: +8.90%</td> <td>Stop: \$21.94</td> </tr> </table> <p>Notes: Zenon Environmental is a leader in systems for treating waste water as well as drinking water.</p>	# of Shares: 435	Bought on: Mar. 15th	Price Then: \$21.35	Price Now: \$23.25	Gain: +8.90%	Stop: \$21.94
# of Shares: 515	Bought on: Apr 19/04												
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