Cash Flow

Wrap Your Troubles in Dreams

Robert Kiyosaki turned the world on its head with his revolutionary take on assets and liabilities in *Rich Dad, Poor Dad*. (See my review of the book on the website) Traditionally, an asset is a thing of value and a liability is a debt. But Kiyosaki argued that many so-called assets are, in fact, liabilities. If your asset costs you money to keep instead of adding revenue, it is really a liability says Kiyosaki. The best example is your car. Not only does the car lose value over time as it ages, but it costs money to operate. Gas, maintenance, insurance and so on all make car ownership an expensive venture. Similarly, he considers a revenue property to be a liability if it has negative cash flow. It's a drain on resources instead of a contributor.

Well, now there's a way to turn your car into positive cash flow. It's called ad wraps. Advertisers are willing to pay big bucks for people to carry advertising on their car. And the company I work for, Canwest Global, is one of the companies that does this. They offered to pay employees to have their cars wrapped in ads for Global Television. And last fall, I was accepted into the program and had our new Chevy mini-van wrapped.

Global Show Las Vegas Promoted on my Van

There are some restrictions of course. Global only wraps employee vehicles and doesn't contract outside parties. You have to sign a contract that commits you to drive a minimum of 15,000 kilometers a year, wash your car weekly and drive in a safe and courteous manner. Giving the finger to the guy that cut you off is a no no!

And, of course, you have to be able to put up with the occasional stare and comment.

But the money paid is more than enough to cover gas, insurance and maintenance and still leave money left over. Positive cash flow!

The wraps made by 3M Corporation and are really just great big stickers. *(continued on page 2)*

In This Issue: Crichton's State of Fear Reviewed (See Page 5)

Wrap Your Troubles in Dreams *(from page 1)*

They do not harm your car and can be easily removed. I watched the wraps being put on my car and it was quite interesting. Because of their size, they come in sheets that overlap. The installers stick on one section, then overlap the next in the appropriate place. Edges are carefully wrapped around and the excess trimmed. Lettering is usually applied afterwards as appliqués.

Interestingly, the installers use small propane torches to heat the stickers in strategic areas around corners before trimming the excess.

3M has a computer program that generates the sticker sheets to the size of your specific vehicle. Most advertisers prefer large vehicles such as vans or specialty vehicles that attract attention such as the PT Cruiser or the Volkswagen Beetle. I'm sure the new Mercedes Smart car would be a hot contender in spite of its small size just because people can't help but stare when one goes by!

Technician Trims Excess Around Gas Cap

But you don't work for Global. How can you take advantage of the cash flow available from car ad wraps?

Actually, there are a number of brokers who match up prospective advertisers with people who want to sell ad space on their cars. Many are on the Internet.

Langley, B.C. based Scholastic Fleet Media is actively selling ad wraps to school districts strapped by budget cuts. He charges advertisers $900 a month for a side on a cargo van and pays the school district 40% of that. Supergraphics of Surrey, B.C. has a similar program. They're one of the larger wrap companies in the province and have done huge ads up to ten stories high covering the sides of office buildings. They even did the Canucks logo at centre ice at GM Place in Vancouver. Neither company brokers private vehicles.

On the Internet you'll find lots of sites peddling information on car wraps. One of the installers for my van recommended getpaidtodrive.com. This Concord, Ontario based company charges you $19.95 to register in their database. They will then try and match you up with an advertiser.

In my web search I also came across www.ad-wraps.com. This is the best bet for our American readers as they do not charge you anything to add you to their database. Unfortunately, they do not serve the Canadian market.

Car expenses are among the most troublesome expenses faced by most people. So as the song says, wrap your troubles in dreams and dream your troubles away!

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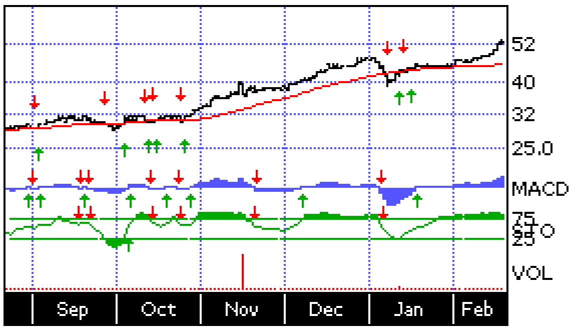
Watched List Update

Back in the Saddle Again!

They're back in the saddle again. No longer in a down or sideways trend. Where these lowly companies feed on the lowly profit seed. They're back in the saddle again. They're riding the range once more, totin' their up trends like before. You can sleep well every night 'cuz you know they're doing all right. They're back in the saddle again! (Apologies to Gene Autry)

The stocks below are all in up trends again after drifting sideways for a while.

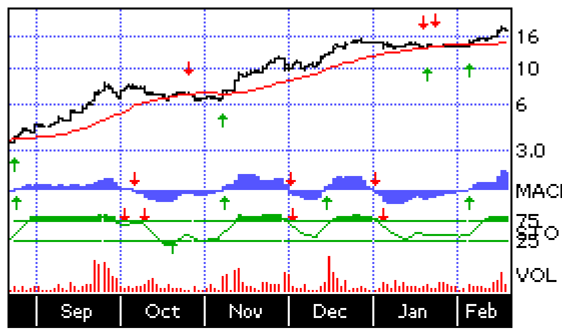


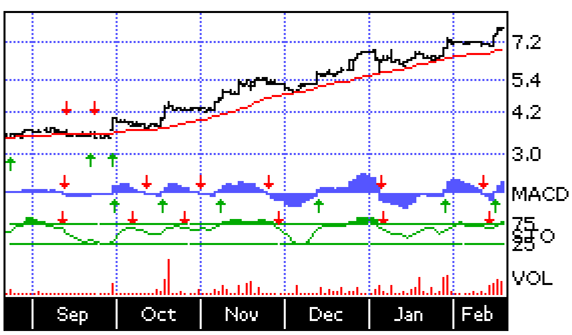
Canada Bread (CBY)	Profiled: 05/18/01
Price then: $13.00	Price Now: $52.49

⇦ Canada's leading bread maker was first profiled in May 2001 when the Break Out Report was still a feature of my Investing: Canada site at About.com. Since then it's up 303.77%. It hit our stop and was sold from our Model Portfolio in January but has quickly bounced back again. It's a buy, baby!

Centurion En. (CUX)	Profiled: 01/16/05
Price then: $14.45	Price Now: $17.87

This sixth best performing security on the TSX ⇨ in 2004 was added to our Watched List last month as one of the Globe & Mail One and Only picks we decided to follow. It stayed flat throughout January but look at it now! Up 23.67% since we added it. Stock picker Mike Smedley, I thank you!



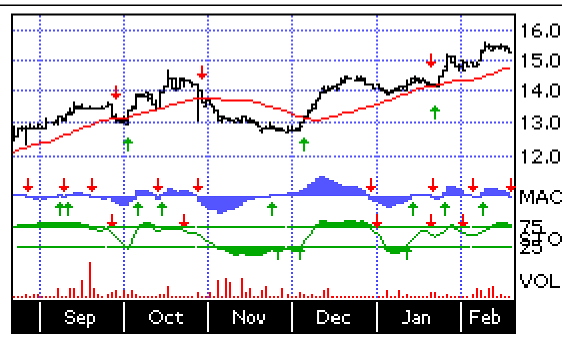


Chartwell Tech. (CWH)	Profiled: 12/17/04
Price then: $5.60	Price Now: $8.00

⇦ Featured in our December issue, gaming software company Chartwell Technology decided to play dipsy doodle in January climbing a bit towards the end of the month. It then stayed flat for a bit and now has jumped again. I call its chart the old stairstep pattern. It's up 42.86% since featured. Yowser!

Contrans (CSS.UN)	Profiled: 10/12/01
Price then: $3.63	Price Now: $15.28

It's a trucking company so naturally we ⇨ expect it to "keep on truckin'"! And it has, in spades. It's up 320.94% since featured on our website in October 2001. It corrected in November, soared in December, and been doing the stairstep shuffle since then. Still a buy!



Strategy

Acute versus Chronic Problems

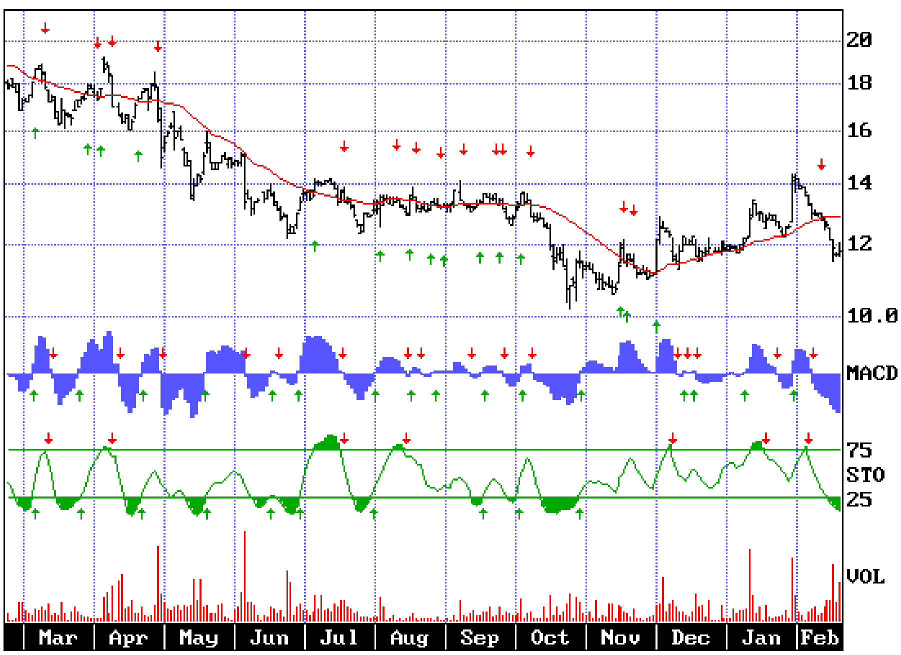
One of the real estate investment strategies used by Raymond Aaron, real estate guru and founder of the Raymond Aaron Monthly Mentor program, is to look for property in disaster areas. For example, when a devastating tornado struck Edmonton a number of years ago, he flew out and bought property in the area most affected at depressed prices. He explained the strategy as one of distinguishing between acute and chronic problems.

An acute problem is one that strikes unexpectedly, is quite severe, but is a one shot deal. The problem happens. It's over and done with. A tornado striking Edmonton is an unusual event and unlikely to happen again.

A chronic problem is an on-going situation. Property in a flood plain is an example. Regular recurring floods will keep property values depressed. There's no point buying property there.

The same thing applies to stock investing. Sometimes companies face a one-time problem that may cost them and affect profitability. But once the problem is resolved, the company continues on as before. If the stock price takes a hit in the face of this problem, it will likely recover once things return to normal.

A prime example of such an acute problem is the quarterly loss announced by Westjet on Tuesday. It was the first quarterly loss in eight years and it was substantial – a loss of $46 million or 37 cents a share compared to a profit in the same quarter a year earlier of $12.8 million.



Westjet stock had been slipping for about a year because of a chronic problem – an ongoing legal dispute with Air Canada over corporate espionage. In November it finally started recovering as investors realized all the potential bad news from the legal problems have now been factored into the stock price.

Then Tuesday's announcement and the stock dropped 49 cents, falling further the rest of the week.

But let's look at the reasons for the loss. Westjet incurred a $47.6 million write-down when it moved to replace its aging fleet of Boeing 737-200s. That accounts for all of the loss. There were also problems with a computerized booking system that created a drag on profits. Both are acute problems.

In fact, Westjet's new fleet of next-generation aircraft give the company the most modern, fuel-efficient planes in Canada and will save the company $30 million a year in operating costs. That spells increased long term profitability. In fact, there is some speculation that rival Jetsgo with its fleet of older planes may go under.

So if a profitable and growing company declares a loss, look to see if it is because of an acute situation. Or is it because of problems that may continue to plague the company for some time to come? An acute problem just may mean a good buying opportunity has arrived.

Book Review

State of Fear

A review of the book by Michael Crichton

Michael Crichton's new novel takes a departure from your standard sci-fi fare and is truly one of the few sci-fi novels of ideas that I can recall. By ideas, I don't mean projections of future civilizations, hypothetical what ifs or your usual sci-fi plot-theme. By ideas I mean a philosophical theme of import about our way of thinking about the world. Crichton challenges the very fabric of contemporary environmentalism and, like the late Ayn Rand, does it through the medium of a gripping novel.

The Kyoto Accord came into effect on Wednesday, Feb. 16^{th} and many predict the commitments made by signatories will be hugely expensive and unenforceable. Crichton challenges the very basis of the global warming controversy, arguing that it is unprovable and based on pseudo-science and the suppression of contrary information by what he calls the politico-legal-media complex. This cabal of powerful forces has replaced the dominance of what Eisenhower called the military-industrial complex. He argues that since the end of the Cold war, governments and their sycophants in law offices and the media have maneuvered to replace the old fear of communism and militarism by fear of, well, you name it – they'll try and make you afraid of it. And the consequences, he argues, have been horrendous. It has made us so afraid of "possible" dangers that we promote so-called safe solutions at terrible expense.

Take, for instance, the case of DDT. In a conversation between his chief protagonist John Kenner and naive environmentalist Ted Bradley (an actor who stars as the president in a TV series), Crichton points out that the banning of DDT has killed more people than Hitler. DDT had all but eradicated malaria by its use as an agent to kill mosquitoes. Since the ban, "two million people a year have died unnecessarily from malaria, mostly children. All together, the ban has caused more than fifty million needless deaths."

The plot of the book pits Kenner and his associates against a secretive radical enviro terrorist group planning to create extreme weather conditions including a tsunami that they can then blame on global warming. Sort of tree spikers writ large. The book is not too far off the mark. Indeed, some environmentalists actually tried to blame the tsunami that hit Indonesia, Sri Lanka and Thailand on global warming. This link between tsunamis and climate change were made by Sir David King, chief scientific advisor to the British government, Friends of the Earth spokesman Farah Sofa and even an article posted at the Discovery Channel. (See http://www.cnsnews.com//ViewCulture.asp?Page=\Culture\archive\200501\CUL20050106a.html)

Critics of the Kyoto Accord point out it will have devastating effects on the Canadian economy if implemented. What proponents of Kyoto have conveniently neglected to point out is what the expected net effect of implementation is designed to achieve. Crichton spells it out for us. The goal is to "reduce warming by 0.04 degrees Celsius in the year 2100." If it seems ludicrous to spend billions of dollars to make the world four one hundredths of a degree warmer 95 years from now, you're right. It is. But try telling that to an enviro freak.

Crichton's novel is chock full of fascinating little facts that run completely contrary to the established thesis of global warming. And in typical Crichton fashion, he documents them all with references, including a 21 page bibliography.

Ironically, Saturday's *Vancouver Sun* featured an op-ed piece by Dr. Patrick Moore, one of the founders of Greenpeace. He left the movement in the 80s because it had "made a sharp turn to the political left and began adopting extreme measures that abandoned science and logic in favour of emotion and sensationalism." Exactly the point made by Crichton. Today Moore heads up Greenspirit Strategies Ltd., a company that aims to promote win-win strategies for the environment and the economy based on sound science. (See www.greenspiritstrategies.com)

Crichton's book is an action-packed thriller and an insightful look at the environmental movement in one compelling package. Visit www.michaelcrichton.com for more.

Energy Sector Pick

Savanna Energy Services (SVY –TSX)

(website: www.savannaenergy.com)

With record oil prices, the Alberta oil patch has thrived for several years now. And prospering right along with the oil exploration and production companies are the service companies. Savanna Energy Services is one such company and has experienced terrific growth over the last three years.

Starting from scratch in 2000, the company now has a fleet of 28 wireline trucks, 16 well servicing rigs and 21 coiled tubing drilling units. Annualized growth in assets from 2001 through 2004 has been 94%. Annualized revenue growth has been 106%. Annualized earnings growth since 2002 has been 162%.

The company operates in three divisions. Ultraline Services Corporation provides cased hole wirleline services. This includes cased hole and production logging, electricline and slickline services.

Great Plains Well Servicing Corporation operates 16 of the newest, safest and most technologically advanced rigs in Canada.

Trailblazer Drilling Corporation operates 21 shallow coiled tubing drilling units that can operate as conventional rigs as well. Rigs have dual capabilities for either coiled tubing or pipe. Their rigs have operated continuously since their introduction and four new ones are scheduled for delivery in early 2005. It expects to exit 2005 with 32 hybrid rigs. The company is now the largest coiled tubing driller in the world.

The revenue mix for the company has been changing over time and drilling now contributes 53%, up from around 35% in 2003. Of the 16,336 wells drilled in the first nine months of 2004, six companies handled 81.2% of the drilling. Savanna is the fourth largest of these six players accounting for 11.5% of all drilling. The company actually has the capability of drilling 75% of the wells drilled in Canada, providing ample room for further growth and expansion.

Currently the company operates only in Western Canada, primarily in Alberta. International expansion opportunities remain a possibility in the future.

Analysts covering the company expect earnings to increase 41% in 2005 to $0.96 per diluted share.

Quarterly Earnings per Share

To Sept. 30th	2003	2004	% Change
EPS	$0.11	$0.17	+54.55%
Revenues (000s)	$20,037	$32,574	+62.57%

Annual Earnings per Share

To Dec. 31st	2002	2003	% Change	2004 (TTM 09/30/04)	% Change
EPS	$0.04	$0.38	+850.00%	$0.58	+52.63%
Revenues (000s)	$31,618	$70,990	+124.52%	$108,715	+53.14%

(continued on page 7)

Savanna Energy Services *(from page 6)*

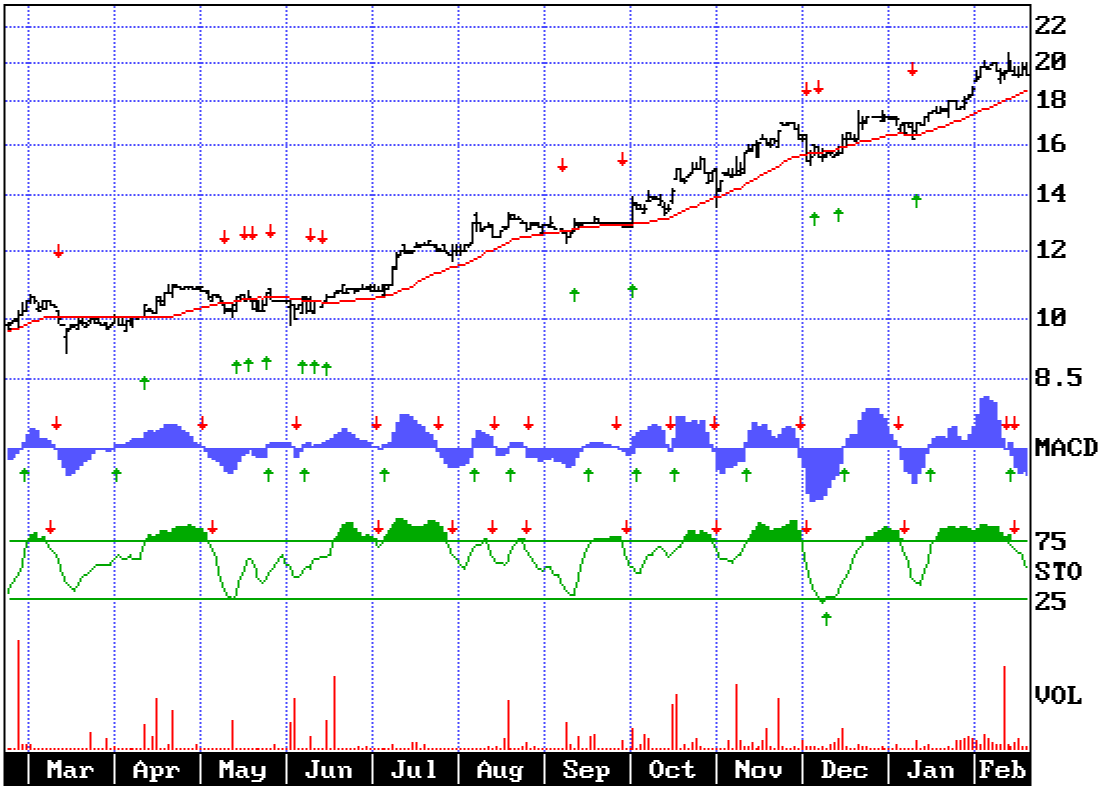


Chart Analysis: Now isn't that a pretty picture! Since June 2004, Savanna's stock has doubled. The graph is one of our favorite patterns, the inclined plane, albeit a slightly bumpy one. Every time the stock hits the moving average, it quickly rebounds again. If the company continues to show steady growth in revenues and earnings, this trend should continue. The stock has been moving sideways since early February and could take off again as the moving average catches up to it.

Stats as of 02/18/05	Phase 2 Analysis
▪ Hi/Lo Ratio: 2.25	▪ Price Pattern: A+
▪ RS: 95.61	▪ Volatility: A
▪ Shares: 28,421,519	▪ Estimates: A-
▪ P/E: 33.36	▪ Snapshot: A
▪ Price: $19.35	▪ News: A+

Phase 2: We give Savanna an A+ for price pattern and an A for volatility as it is growing but not showing wild swings. Although estimates are up sharply for 2005, the average rating by the seven analysts following the stock is 2.7 or hold. Nevertheless, we give it an A-. Snapshot shows steadily growing revenues and significantly growing earnings but losses in 2001 and 2002. While revenue and earnings growth have been solid, return on equity was still just 10.60 at the end of 2003. With growing earnings that should improve when 2004 numbers are released. We give it an A. News is solid with strong quarterly reports, growing revenues and earnings and an expanding fleet. 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.

Technology Pick

Mad Catz Interactive (MCZ –TSX, MCZ - Amex)

(website: www.madcatz.com)

You may have noticed newspaper and television reports in the last six months on the impact of video games on the entertainment market. Industry pundits boast that video games now generate US$11.5 billion annually in sales compared to North American movie ticket sales of US$9.5 billion. New game releases often generate over-night lineups at retail outlets like Blockbuster or Best Buy. By any measure, the video game industry is huge and growing.

Supporting that trend is the peripheral market. The big players are Sony, Microsoft and Nintendo which make the Playstations, X-boxes and Gamecubes. But one of the stars in this market is a Canadian company, Mad Catz Interactive. Mad Catz is the leading producer of third party video game accessories such as game controllers and memory cards.

Founded in 1989, Mad Catz has corporate headquarters in Toronto with operations headquarters in San Diego, California. Manufacturing is done in Southern China. Products are sold under the Mad Catz brand in over 12,000 retail outlets worldwide including such leading retailers as Blockbuster, Best Buy, Future Shop, CompUSA, Target and Wal-Mart. You can find Mad Catz accessories in South America, Australia, New Zealand, the Middle East and Japan as well as North America and Europe.

Mad Catz has over 100 products in four categories supporting all gaming platforms. Core products include game controllers, memory cards and RF switches, but the company also offers simulation products such as steering wheels, light guns and the Beat Pad, convergence products such as DVD remote controls and audio cables, and innovative products like wireless and rechargeable controllers. The company also makes such products as carry bags for the Game Boy.

Accessories represented about 12% of the total gaming market in 2001. Mad Catz had 7.6% of the accessory market and was the largest third party manufacturer. The market is growing.

The tables below show steady revenue growth but flat earnings year over year through 2004. But the earnings picture is changing and the more significant numbers are the trailing twelve month earnings to December 31st of $0.08 a share compared to the previous year's $0.01 a share. The most recent quarter, as shown, saw revenues soar 25.87% and earnings explode 133.33%.

I started writing this profile early in the week and wouldn't you know it, on Friday the company announced the purchase of over 2 million shares by the Tailwind Fund Limited Partnership. The stock soared 22.86% on the day. Too bad this report wasn't out a week earlier. Nevertheless, this purchase by a noted venture capital company bodes well for continued growth at Mad Catz.

Quarterly Earnings per Share (in US dollars)

To Dec. 31st	2003	2004	% Change
EPS	$0.03	$0.07	+133.33%
Revenues (000s)	$41,982	$52,844	+25.87%

Annual Earnings per Share (in US dollars)

To Mar. 31st	2002	2003	% Change	2004	% Change
EPS	$0.03	$0.02	-50.00%	$0.02	+0.00%
Revenues (000s)	$83,398	$91,705	+9.96%	$102,332	+11.59%

(Continued on page 9)

Mad Catz Interactive *(from page 6)*

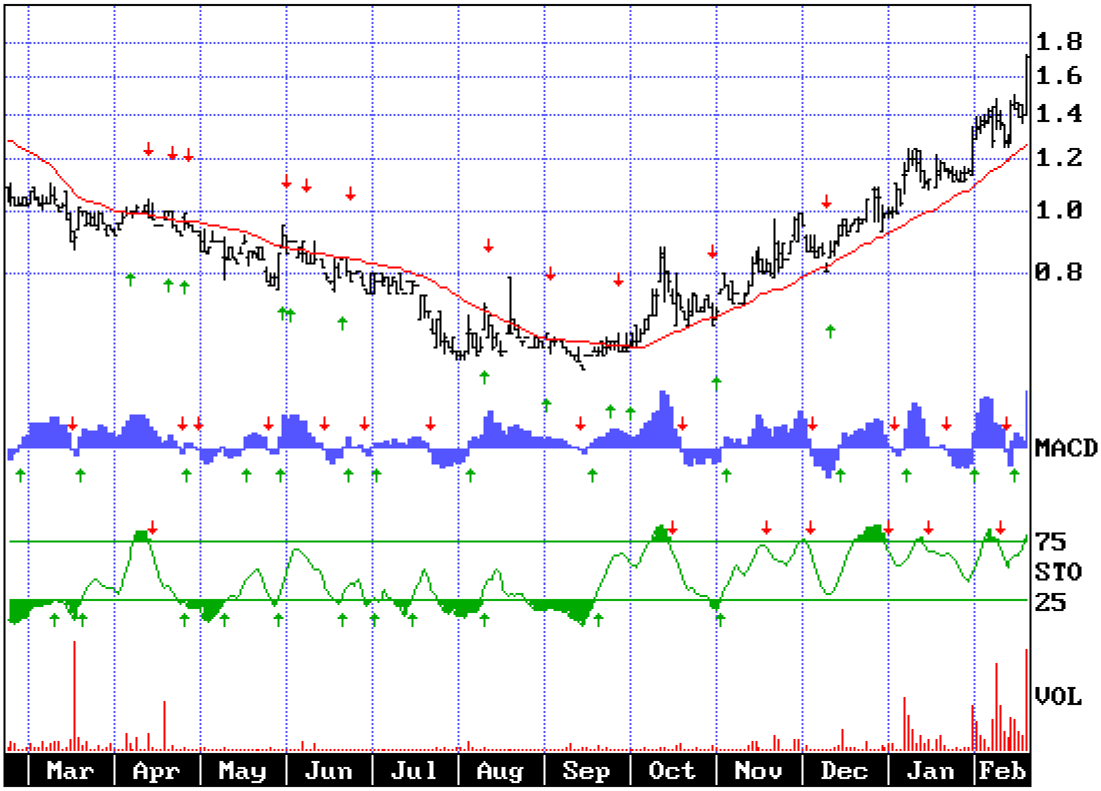


Chart Analysis: Since September 2004, Mad Catz has been in a strong sustained up trend. The stock price has consistently bounced off the 30 day moving average to the upside. The long term chart shows the stock declining from $2.10 in October 2001 to $0.70 in January 2002. It then climbed steadily to $1.53 in November 2003 and declined again to a new low of $0.60 in September 2004. Since then it has almost tripled. There have been several volume spikes in February, the latest on Friday when Tailwind Fund Limited Partnership bought over 2 million shares and sent the stock soaring 22.86%. You might want to see if the stock settles down a bit before buying. But continued growth is likely.

Stats as of 02/18/05	Phase 2 Analysis
▪ Hi/Lo Ratio: 3.02	▪ Price Pattern: A+
▪ RS: 86.88	▪ Volatility: A+
▪ Shares: 53,462,716	▪ Estimates: B
▪ P/E: 16.52	▪ Snapshot: B
▪ Price: $1.72	▪ News: A+

Phase 2: We give MCZ an A+ for both price pattern and volatility as it has been climbing steadily with only minor corrections since September. There are no estimates but consensus ranking among three analysts is 2.3 or buy. We give it a B. The snapshot shows steady revenue growth with flat earnings growth until very recently when earnings exploded. Return on equity is very low at 2.96 but likely to grow. We give it a B. News is superb with new product lines, record sales and earnings and most importantly, backing by a high powered venture capital company. 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 January 2005)

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.

Super Power Performers			
Fund name	**1 yr**	**3 yr**	**5 yr**
Resolute Growth	53.95	37.21	39.51
Sprott Canadian Equity	33.79	30.40	36.73
Dominion Equity Resource	37.37	35.34	34.50
Mackenzie Universal Cdn. Resource (US$)	31.67	40.62	29.35
Power Performers			
Norrep Fund	24.39	27.06	32.65
Front Street Small Cap Canadian	24.38	33.96	26.01
Mackenzie Universal Canadian Resource	22.89	29.30	25.31
Adaly Opportunity-A	22.42	28.17	24.91
London Life Canadian Resource (MF)	21.79	28.12	24.75
RBC Energy	43.57	25.34	24.54
Bissett Income-F	24.87	22.01	24.35
CIBC Energy	48.53	35.85	24.24
CI Global Energy (US$)	57.31	32.27	24.18
Sentry Canadian Energy Growth	25.73	24.03	24.14
GGOF Monthly High Income Classic	26.19	22.94	24.09
Renaissance Canadian Income Trust	26.31	20.77	23.88
GGOF Monthly High Income Mutual	25.93	22.35	23.49
Mawer New Canada	31.08	25.57	23.43
Northwest Specialty Equity	23.80	31.75	23.01
CI Signature Canadian Resource	24.77	21.12	22.50
TD Energy	35.97	23.76	22.35
Dynamic FocusPlus Resource	25.79	27.61	22.13
Vertex Fund - A	20.31	20.31	20.72
AGF Canadian Resources	23.62	25.90	20.46
GWL Canadian Resources (A) DSC	24.18	25.67	20.46
CI Global Energy Sector	47.46	21.82	20.45
Bissett Microcap-F	27.03	24.73	20.29
GWL Canadian Resources (A) NL	23.92	25.40	20.19
Acuity Pooled High Income	21.19	21.15	20.14

The number of Super Power Performers dropped from six in December to four in January as the much-ballyhooed January Effect decided to take a vacation this year. But the number of Power Performers climbed from 15 to 25, a strong gain. And the number of Performers dropped from 44 to 38. That's a total of 67 funds making up our tables for January, a slight gain from the 65 in December.

The makeup of the funds changed too as gold and precious metals funds, riding high in December, fell back in January. But energy funds and resource funds with strong interests in the energy field did well. And, of course, small caps continued to do well. Resolute Growth and Sprott Canadian Equity continued to lead the pack.

Last week we gave you a brief profile of Sprott Canadian Equity Fund. This month we take a brief look at Resolute Growth.

Profile: Resolute Growth Fund

The Resolute Growth Fund has been sort of a maverick among mutual funds for quite a while. Managed since inception on Dec. 3, 1993 by Tom Stanley, the fund used to be owned by Thomson Kernaghan, a brokerage firm that went bankrupt in 2002. Resolute Growth was the best thing it had going for it. Management of the company then got bounced around to Yorkton and then to First

(continued on page 11)

Marco's Power Performers *(from page 10)*

Associates, always with Mr. Stanley at the helm. In December it went independent and is now managed by Mr. Stanley's own company, Resolute Funds Limited.

Performance has been nothing short of spectacular. Its only losing year was its first, 1998, when it declined 12.16%. Since then its poorest performance has been in 2001 – the year the market crashed. It gained 24.40%. Its ten year annual compounded growth rate is an amazing 26.38%.

Stanley's approach? "Simply, I look for inexpensive stocks relative to their growth potential with honest, competent management," he says.

Stanley also doesn't deal in dribs and drabs. Most mutual fund companies spread their cash over many companies with their largest holdings rarely making up more than 2% to 4% of the fund. "When I find a stock I really like," says Stanley, "I prefer to take a significant position so as to have a material impact on your fund."

The fund's top holdings as of Dec. 31, 2004 are Blue Mountain Energy, Cameco Corp., Canadian Natural Resources, Canadian Oil Sands Trust, Deer Creek Energy, Genesis Land Development, International Uranium, Morguard Corp., UEX Corp., and UTS Energy Corp..

Unfortunately, the fund closed to new investors on October 22 last year.

Below are this month's Performers.

Performers

Fund name	1 yr	3 yr	5 yr	Fund name	1 yr	3 yr	5 yr
Ethical Special Equity	19.09	25.29	22.39	Dynamic FocusPlus Real Estate	21.95	16.50	18.00
Trimark Canadian Resources	16.90	20.91	22.00	Altamira Resource	29.04	31.48	17.99
Clarington Canadian Small-Cap	18.72	24.09	21.98	ABC Fundamental Value	17.65	16.56	17.96
Mavrix Dividend & Income	18.30	18.79	21.58	TD Resource	15.89	20.44	17.96
Elliott & Page Monthly High Income	18.83	17.13	20.05	Clarica SF CI Signature Canadian Resource A	22.73	20.95	17.86
Hillsdale Canadian Performance Equity	18.91	21.35	19.97	Clarica SF CI Signature Canadian Resource	22.75	20.92	17.80
Sceptre Equity Growth	24.25	31.11	19.95	Acuity High Income	18.87	18.38	17.46
Talvest Millennium High Income	17.01	16.10	19.94	Hillsdale Cdn. Aggressive Hedged A	19.60	14.00	17.23
Saxon High Income	15.67	16.67	19.84	Bissett Small Cap-F	28.51	19.47	17.07
Thornmark Dividend & Income	26.65	18.28	19.62	Middlefield Enhanced Yield	24.70	19.71	16.98
Assante Cdn. Equity Value Pool	16.94	15.14	19.59	CI Signature High Inc. Segregated	18.79	15.51	16.64
Goodwood Fund-A	18.21	7.38	18.90	CI Signature High Income GIF-A	18.93	15.68	16.60
Desjardins Financial Pool Bissett SmallCap	30.04	21.24	18.77	CI Signature High Income Segregated II	18.76	15.53	16.55
Dynamic Global Resource	15.48	32.50	18.36	Sentry Select REIT	17.56	14.14	16.14
Montrusco Bolton Canadian Small Cap 'B'	25.93	23.85	18.28	Middlefield Growth	15.15	16.94	16.01
Elliott & Page Growth Opportunities	17.37	19.68	18.14	Assumption/MB Canadian Small Cap	22.92	20.89	15.47
Acuity Pooled Conservative Asset Allocation	17.44	19.44	18.11	Montrusco Bolton Canadian Equity Plus	21.57	19.20	15.35
CI Signature High Income	20.74	17.46	18.11	Canada Life Gens Small Cap Equity (Bisset)	26.20	17.46	15.26
R Small Cap Canadian Equity	17.74	20.15	18.11	Mackenzie Cundill Value 'C' (US$)	19.20	19.89	15.26

Our Model Portfolio

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

Current Position: $128,744.25 (+157.49%) Up 5.21% YTD

A very strong showing by our portfolio since last issue saw us move from a 2.72% year-to-date loss to a 5.21% year-to-date gain. Our gain since inception is 157.49%. Three of the stocks in our portfolio are income trusts which paid distributions totaling $173.50 last week pushing our cash balance to $406.10. We're slightly ahead of the TSX which is up 4.46% for the year-to-date and solidly ahead of the NASDAQ which is down 5.37% for the year-to-date. The Dow is virtually unchanged so far this year, up a slight 0.02%.

Alimentation Couche-Tard (ATD.B – TSX)

# of Shares: 260	**Bought:** Aug. 16/04
Price Then: $27.20	**Price Now:** $38.26
Gain: +40.66%	**Stop:** $34.18

Notes: Couche-Tard is Canada's largest convenience store chain with brand names such as Mac's and Winks.

BlackRock Ventures ((BVI – TSX)

# of Shares: 1180	**Bought:** Jan. 17/05
Price Then: $8.92	**Price Now:** $9.63
Gain: +7.96%	**Stop:** $8.90

Notes: BlackRock Ventures is a junior exploration and production company focusing on heavy oil and oil sands development.

CCS Income Fund (CCR.UN – TSX)

# of Shares: 240	**Bought:** May 19/03
Price Then: $20.29	**Price Now:** $47.00
Gain: +131.64%	**Stop:** $40.40

Notes: Formerly Canadian Crude Separators, CCS works on environmental solutions for the oil industry.

GSW Inc. (GSW.B – TSX)

# of Shares: 275	**Bought:** May 17/04
Price Then: $34.73	**Price Now:** $45.50
Gain: +31.01%	**Stop:** $40.59

Notes: GSW Inc. is a leading manufacturer of water heaters for the commercial and residential markets.

Home Capital Group (HCG – TSX)

# of Shares: 450	**Bought:** Aug. 9/04
Price Then: $21.49	**Price Now:** $35.90
Gain: +67.05%	**Stop:** $30.16

Notes: Home Capital Group is a fast growing alternative mortgage provider. One of our best picks ever.

Kingsway Financial (KFS – TSX)

# of Shares: 625	**Bought:** May 24/04
Price Then: $15.00	**Price Now:** $19.69
Gain: +31.27%	**Stop:** $17.67

Notes: Kingsway Financial is a leading supplier of alternative insurance services. After a slump in early 2004, the stock is on the move again.

Peyto Energy Trust (PEY.UN – TSX)

# of Shares: 300	**Bought:** Mar. 29/04
Price Then: $30.30	**Price Now:** $53.46
Gain: +76.44%	**Stop:** $44.75

Notes: Peyto Energy Trust has gained over 1000% in the last three years. It was my pick in the Globe's One and Only Contest for 2004.

Sherritt International (S – TSX)

# of Shares: 1125	**Bought:** Jan. 17/05
Price Then: $10.17	**Price Now:** $10.37
Gain: +1.97%	**Stop:** $9.33

Notes: Sherritt International has interests in energy, oil and strategic minerals. It's my One and Only Contest pick for 2005.

RONA Inc. (RON – TSX)

# of Shares: 280	**Bought:** Sept. 27/04
Price Then: $32.10	**Price Now:** $46.50
Gain: +44.86%	**Stop:** $42.50

Notes: RONA is Canada's largest home improvement company – yes – even larger than Home Depot.

Zargon Energy Trust (ZAR.UN – TSX)

# of Shares: 515	**Bought on:** Apr 19/04
Price Then: $17.70	**Price Now:** $25.41
Gain: +43.56%	**Stop:** $22.52

Notes: Zargon Energy Trust is an aggressive junior exploration company based in Alberta and converted to an energy trust in Aug. 2004.