

the Break Out Report

Volume # 4, Issue # 8

February 19, 2006

The Break Out Report Reader's Guide

One of the things that lends clarity to a newsletter and makes it more useful for readers is a User's Manual or Reader's Guide. This would include a short outline of the newsletter's philosophy and approach to stock picking and selling, an explanation of its various portfolios, and how readers might best use the information in the newsletter to advantage. To that end, here is my Reader's Guide. Please note that this relates primarily to the Canadian edition of the Break Out Report. Ken's philosophy and approach to US stocks and options differs a bit from mine.

How can a reader of this newsletter best use the information I present here every month? Should they go out and buy every stock I recommend every month? How much should they buy? If they hit a stop loss, what should they do with the proceeds? These are all questions a reader might have and which I hope to answer in this guide.

To begin, let me say that I don't believe readers should follow the advice in this newsletter or any newsletter blindly. Legally, Ken and I are not registered investment advisors, so anything and everything we say should be considered as opinion and not advice. That aside, I believe our readers are best served by using our newsletter as a resource in their investment decisions. It should not be the only or exclusive resource.

Readers should try to understand my picks and analyses, why I picked a particular stock and how I arrived at a specific selection. To that end, it is important to understand my investment philosophy.

My Investment Philosophy

My investment style has been influenced by a number of people and approaches and I continue to read on the subject regularly so my investment philosophy continues to evolve. It is not carved in stone. But the basic principles I operate from can best be described as a modified version of the CANSLIM approach developed by William O'Neil in his best-selling book, *How to Make Money in Stocks*.

More specifically, I look for stocks trading on the Toronto Stock Exchange that have recently hit new highs and that are growing earnings at better than 25% a year for the last three years and which have grown earnings at better than 25% in the most recent quarter compared to the same quarter the year before. I also look for Relative Strength above 70.

The second strong influence on my investment philosophy is technical analysis as taught by
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In This Issue: A Stock You Could Desire! (See Page 6)

Reader's Guide (from page 1)

Investools Investor Education. I really did not pay much attention to technical analysis until I took their course and the insights I gained there have been invaluable. By special arrangement we use their stock charts in our newsletter.

More specifically, I look for stocks that are in a current up trend and are likely to continue in that up trend. The most important indicator for me is the 30 day Moving Average. This moving average forms the basis for support and resistance. A stock in an up trend should be above the moving average. On corrections, the stock price should come down to the moving average and bounce off it to the upside. If it breaks through to the downside it could mean a change in trend.

I have developed a specific set of rules for stock picking and selling which are posted online in the Members Area. My selling rule is to use trailing stops based on the gains already achieved by the stock. If the stock is up less than 50% from its pivot point (or last buy signal), the trailing stop is 15%. If the gain is greater than 50%, the trailing stop is 20%.

Other influences on my investment style are Peter Lynch and Warren Buffett. I recently reread Peter Lynch's books *One Up On Wall Street* and *Beating the Street* and particularly like his insights into the price to earnings ratio. While O'Neil says the P/E ratio is next to useless as an indicator, Lynch argues convincingly that it is risky to invest in stocks that have too high a P/E ratio. How high is too high? Lynch argues that the P/E should be no greater than its earnings growth. So if a stock is growing earnings at 50% a year, a P/E of 50 is not unreasonable.

I have also developed my own insights into stock analysis which I introduce periodically. Some are incorporated into the portfolios I have developed.

My Portfolios

I currently have four portfolios that I track for my readers. Not all of them are practical for the typical reader to follow. My primary portfolio and the one I have been tracking the longest is my Model Portfolio.

Model Portfolio - This is an actively managed portfolio of ten stocks that is almost always completely invested. I launched the portfolio on January 11, 2002 when we were a free online publication and before we became a subscription newsletter. We started with \$50,000 and the portfolio has tripled since, now worth \$161,597.36, up 215.32% compared to the S&P/TSX Composite Index which is up around 56%.

The trading rules for this portfolio have evolved over time. We used to sell a stock when it hit a stop and held the position in cash to buy back the same stock again unless the stock didn't generate a new buy signal within three months. This often left us with sizeable cash positions. We still did well with this formula, generating solid gains while the TSX lost ground for two years running.

That rule was changed so that we were always fully invested. That also worked well. And beginning this year we changed the rule again so that each issue we would sell off the poorest performing stocks and replace them with our new picks. We did that so readers who actually want to

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Reader's Guide *(from page 2)*

follow our Model Portfolio exactly would still be able to use our new stock picks to their advantage.

I update this portfolio every week online in the Member's Area. The stop losses are indicated in the Watched List Ratings and updated weekly as well. It is an easy enough portfolio to follow exactly if that is your desire. If you are a new reader, buy in the same proportions as they are in the portfolio. We haven't had a losing year yet in the four years I have been doing this.

Rich Get Richer Portfolio – Just launched on January 1, 2006, the Rich Get Richer Portfolio is designed to take a more buy and hold approach to investing in stocks. Instead of regularly buying and selling stocks, we invest in the 20 best performing stocks from our Watched List each quarter. We allot a generous 25% trailing stop expecting that very few if any stocks will hit their stops and be sold each quarter. At the end of each quarter we will compare the current holdings to the 20 best performing stocks in our Watched List for the previous quarter and keep the ones that are still on the list and replace the ones that aren't with new ones. A back-test has shown that this portfolio should match or exceed the performance of the Model Portfolio but only needs to be looked at four times a year. I also call this my low maintenance portfolio. At the end of each quarter I will send out a special issue of the newsletter announcing the changes to the Rich Get Richer Portfolio.

The Venture Portfolio – I had been asked a few times which stocks on the TSX Venture Exchange I would recommend. Since I didn't follow it, viewing the stocks as largely speculative, I didn't have an answer. But an article I read about another newsletter intrigued me. This newsletter looked specifically for stocks on junior exchanges (primarily the OTCBB) which they predicted would move up to a larger exchange soon. Such stocks often outperformed the general market handsomely and often included multi-baggers. So I decided to do the same with stocks on the Venture Exchange.

Instead of starting with a specific sum of money, I just added a thousand dollars worth of each new stock to the portfolio as I featured new stocks. So the base amount invested for comparison is always fluctuating and the growth shown in our monthly and weekly reports is often diluted by new additions to the portfolio. In spite of this, our Venture Portfolio has grown 20.0% since we launched it on August 22, 2005.

Because these stocks are more speculative and more volatile, I do not use a stop loss but intend to hold each for a minimum of a year, reviewing each stock at that time. I emphasize that these stocks are speculative and volatile and so you should avoid them if you are risk averse. But if you can tolerate some risk, these are an interesting speculation.

My rules for picking have more leeway than with the Model Portfolio. I allow losses and will even pick some stocks that are not yet showing a profit though I lean to stocks that have just turned the corner on profitability. The most important factor in these picks is revenue growth. I search for stocks with strong revenue growth, selecting ones that have growing profits, have turned the corner on profitability or are showing declining losses year over year. I also like a strong current quarterly report.

Really Big Portfolio – This is more of an exercise than a portfolio. Some might say an exercise in futility. It basically follows what the results would be if an investor bought all my featured stocks (not including the Venture picks) and traded them according to my Watched List Ratings, selling when they hit stops and buying when they were rated buy again. So far it has been more of an exercise in futility as the portfolio has underperformed. It is also much too large and unwieldy and I would not recommend anyone actually follow it. I will continue to follow it until I have done so for a year, at which point I will assess whether it is worth continuing. Now that I have launched the Rich Get Richer Portfolio and have started to make room for each new featured stock in the Model Portfolio, my reasons for creating the Really Big Portfolio have become moot.

In conclusion, I don't recommend using our newsletter other than for information, but if you want to follow specific portfolios, the best bet is the Model Portfolio, followed by the Rich Get Richer Portfolio if you prefer less active trading and the Venture Portfolio if you are okay with some riskier plays.

TSX Venture Pick**Taseko Mines Ltd. (TKO-V, TGB-AMEX) - \$2.20****website: www.tasekomines.com**

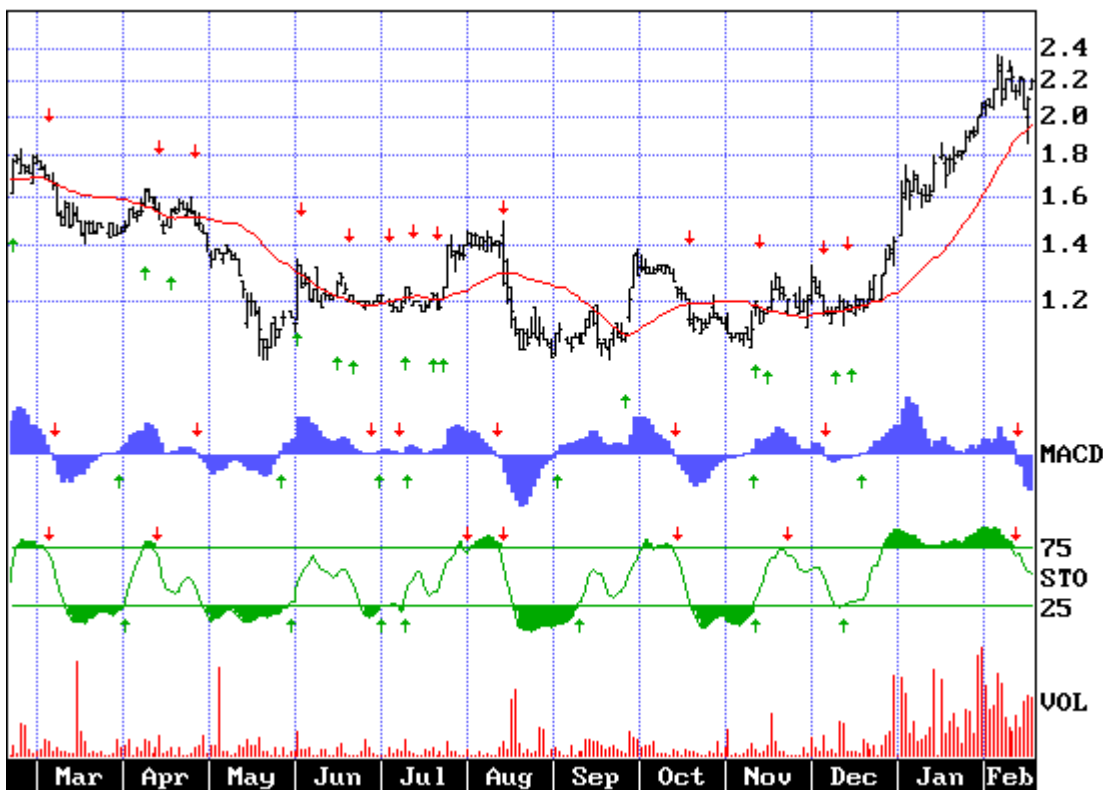
In the last three years Taseko Mines has grown from start-up exploration company to a significant producer of copper and molybdenum. Its major assets are the Gibraltar copper-molybdenum mine, and the Prosperity gold-copper and Harmony gold projects, all in British Columbia.

The Gibraltar mine had been shut down in 1998 due to low copper prices and acquired by Taseko in 1999. With copper prices exceptionally strong in the last few years, Taseko re-opened the mine in 2004. Full scale production really got underway in 2005. The company has a twelve year plan for the mine but the company believes the mine life could be extended to 30 years. The company is considering building a copper refinery as well.

The Harmony and Prosperity projects are not yet in production but with strong gold prices, development may not be too far away.

Despite its status as a producing mining operation with excellent exploration potential, Taseko trades at a very low P/E ratio of just 9.60.

Year	2003	2004	Change	2005	Change	Quarter	2004	2005	Change
Rev.	\$721	\$5,154	+614.8%	\$98,186	+1805.0%	Q Rev.	\$3,173	\$41,300	+1201.6%
EPS	-\$0.09	-\$1.09	n/a	\$0.23	turn	Q EPS	-\$1.09	\$0.06	turn
Relative Strength	64.23		P/E Ratio		9.60		P/S Ratio		2.42



From mid-2003 to early 2004 Taseko's stock soared from 25 cents to almost \$3 before the hype gave way to reality and the stock settled back to around a dollar. But strong results have seen the stock double again to \$2 in the last four months. Watch for continuing growth as metal prices continue strong this year. We're buying 450 shares for our Venture Portfolio.

TSX Venture Pick

Choice Resources (CZE-V) \$0.93

website: www.choiceresources.ca

Choice Resources is a junior oil exploration and production company with 80 operating wells in three Alberta locations currently producing 1360 barrels of oil equivalent per day. 98% of production is natural gas. The company also has proven and probable reserves of 40 billion cubic feet of natural gas and 966 million barrels of natural gas liquids with a reserve life of 15 years..

The company's current portfolio of high working interest (average 85%), low-decline producing natural gas wells offer opportunities for expansion through development and infill drilling. The company also has 50,000 acres of unexplored territory.

The company is profitable and for the year ended Feb. 28, 2005 it had a very respectable 18.26% return on equity. Its P/E of 15.50 is low for a junior natural gas producer.

The company was named to the TSX Venture 50 in December. The Venture 50 consists of the top ten companies on the TSX Venture Exchange in each of five major industry groups.

Choice Resources recently announced its exploration budget for the next fiscal year. It will spend \$33 million to drill 40 wells.

Year	2003	2004	Change	2005	Change	Quarter	2004	2005	Change
Rev.	\$2,068	\$16,618	+703.58%	\$19,981	+20.24%	Q Rev.	\$4,478	\$7,892	+76.24%
EPS	\$0.03	-\$0.10	loss	\$0.07	turn	Q EPS	\$0.01	\$0.04	+300.0%
Relative Strength			82.01	P/E Ratio			15.50	P/S Ratio	2.10 (est.)



Choice Resources has been in a solid uptrend since mid-2004, rising from 40 cents to \$1.20 in November 2005. It has traded sideways since and has been dropping recently along with the oil patch in general. But new exploration and production should propel the company forward again as it continues to expand by the bit. We will buy 1000 shares for our Venture Portfolio.

Industrial Sector Pick

Stella-Jones Inc. (SJ – TSX)
(website: www.stella-jones.com)

Warren Buffett and Peter Lynch, two of the greatest investors who ever lived, both eschewed high tech stocks, or at least stocks of companies whose business they did not understand. Lynch, in fact, went so far as to say he liked simple businesses that did something dull serving a niche market. Well, they would have loved Stella-Jones. What could be simpler or easier to understand than a company that makes poles? Yes! Poles! Telephone poles. Hydro poles. And oh yeah, they also make railway ties, piles for docks and wharves, highway guard rail posts and treated wood for bridges.

Stella-Jones specializes in pressure treated wood products for industrial structures. Their focus is single minded. Their mission is “to achieve superior long-term performance and growth in the wood preserving industry by producing quality products to service customer needs at competitive prices while protecting the environment and creating long-term benefits for our employees and shareholders.”

Two international companies, James Jones & Sons, a British forest products company, and Stella S.p.A., an Italian manufacturer of utility poles, established Stella-Jones in October 1992 to acquire the Wood Preserving Division of Domtar Inc. The acquisition was completed in 1993 and in 1994 the company went public. The parent companies through their joint venture company Stella Jones International SA own 67% of the company.

Although there are competitors in Canada, Stella-Jones is the only company in this industry operating on a national scale. The company has locations across Canada with good infrastructure support and long-term relationships and contracts with utilities, railways, crown corporations and governments.

In August 2005, the company acquired Wisconsin-based Webster Wood Preserving Company, a manufacturer of railway ties, giving it its first manufacturing facility in the United States and greater access to the U.S. treated crosstie market. In February 2006 the company announced it was in discussions to acquire Bell Lumber and Pole, a private pole manufacturing company with operations in both Canada and the U.S.

The last reported quarter saw revenues rise by 20.09% with earnings per share up 77.78%. The tables below do not show the trailing twelve months position to Sept. 30th which has revenues up 17.25% and earnings per share up 53.03%.

Stella-Jones is currently in a growth phase and aggressively pursuing opportunities to expand through acquisition as well as internal growth. We expect to see continued growth ahead.

Quarterly Earnings per Share (in US\$)

To Sept. 30th	2004	2005	% Change
EPS	\$0.18	\$0.32	+77.78%
Revenues (000s)	\$35,677	\$42,845	+20.09%

Annual Earnings per Share (in US\$)

To Dec. 31st	2002	2003	% Change	2004	% Change
EPS	\$0.41	\$0.40	-2.43%	\$0.72	+80.00%
Revenues (000s)	\$96,652	\$96,544	-0.11%	\$128,972	+33.59%

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Stella-Jones Inc. (from page 6)

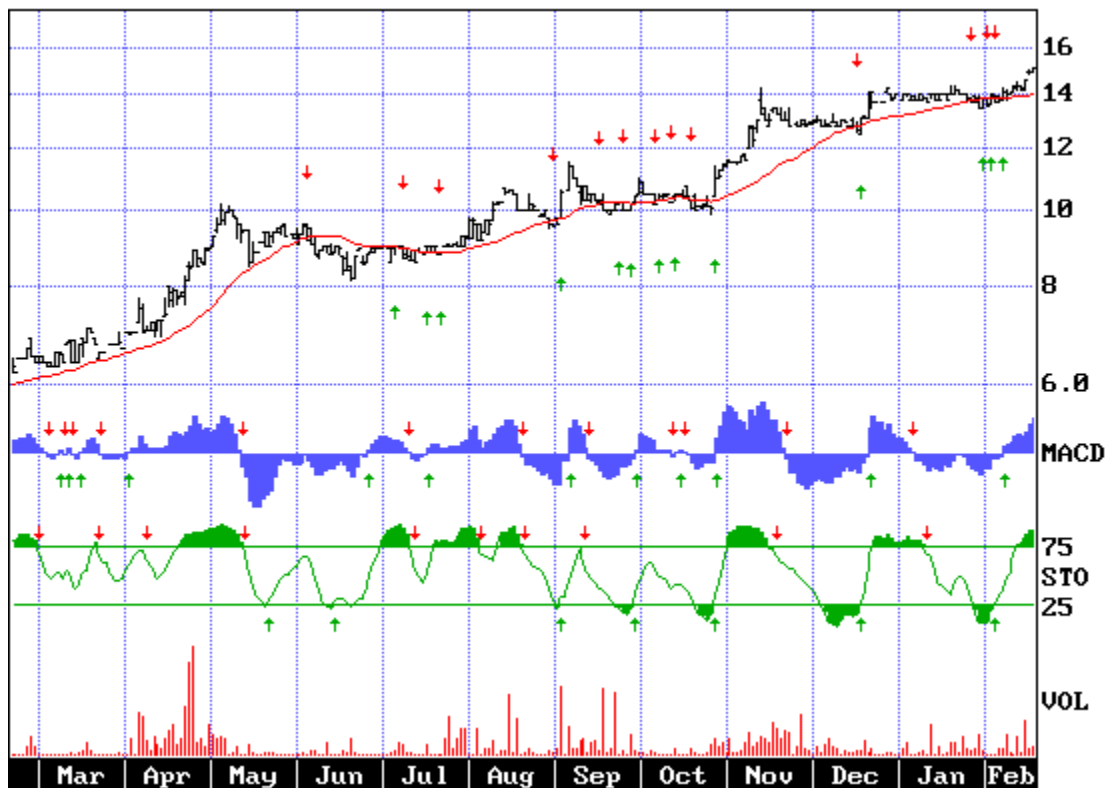


Chart Analysis: A public company since 1994, the company traded a broad range between \$1 and \$3 until the Spring of 2002 when it started to climb steadily from \$2 to \$14. The last year has seen it more than double from around \$6 to its current level of around \$14.50. The stock has traded sideways since late December and is now starting to climb again as it continues its stair step pattern of growth. It hit new highs on Feb. 13th even though the TSX had been on five consecutive days of losses. Strength in the face of general market weakness is a good sign.

Stats as of 02/19/06	Phase 2 Analysis
<ul style="list-style-type: none"> ▪ Hi/Lo Ratio: 2.53 ▪ RS: 97.49 ▪ Shares: 10,879,499 ▪ P/E: 15.00 ▪ Price: \$15.15 	<ul style="list-style-type: none"> ▪ Price Pattern: A ▪ Volatility: A ▪ Estimates: n/a ▪ Snapshot: A- ▪ News: A+

Phase 2: We give Stella-Jones an A for price pattern and an A for volatility as growth seems solid while corrections are minor. No one seems to follow this stock and there are no estimates. Snapshot is excellent although EPS dropped slightly from 2002 to 2003. Return on equity is solid at 15.92. We give it an A-. News is superb with new and planned acquisitions, superb earnings growth, and declaration of a semi-annual dividend. An A+ in our book!

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

Services Sector Pick

FirstService Corporation (FSV.SV – TSX, FSRV - NASDAQ)

(website: www.firstservice.com)

It's not every day that someone turns a summer job as a high school student into a business empire generating a billion dollars a year in revenue. In 1973, 16 year old Jay Hennick started a small business, Superior Pool, Spa and Leisure, a company that cleaned and maintained swimming pools for apartments, hotels and condominiums in Toronto. Young Hennick continued to develop the business while he completed his Bachelor of Arts degree at York University and his Bachelor of Laws at the University of Ottawa Law School. He even went on to become a corporate and securities lawyer at a prominent Toronto law firm while continuing to run the business.

In the 1980s Hennick decided to do an in-depth study of the service sector which was the fastest growing segment of the economy. He concluded that there was a growing trend to outsourcing by corporations and that this offered an unparalleled growth opportunity. And so he formed FirstService Corporation in 1989.

The company grew quickly, expanding into property management, landscaping, and other services. In 1998 Jay Hennick was named Ontario's Entrepreneur of the Year for Consumer Services and Canada's Entrepreneur of the Year for creative service integration. He was named Canada's CEO of the Year by Canadian Business Magazine in 2001.

Today FirstService Corporation is global in scope with offices throughout North America as well as in Europe, Asia, Australia and New Zealand. Its services include residential property management, commercial real estate, integrated security services, property improvement services and business services. Its operations are decentralized through management ownership. It has grown strongly through strategic acquisitions and its brand names include Continental, Wentworth and Prime Management in residential property management; Intercon Security and SST in integrated security services; California Closets, Paul Davis Restoration, Pillar to Post Home Inspection, CertaPro and College Pro Painters in property improvement; and Resolve Corporation in business services.

In 2005 the company acquired Colliers Macauley Nicholls International, one of the top three commercial real estate service organizations in the world with offices in 20 countries. Colliers services include leasing and sales brokerage, property management and valuation and advisory services. The company also fits in with FirstService's decentralized business model of management partnerships.

The acquisition of Colliers pushed FirstService to a new milestone, revenues of over a billion dollars US a year. The company is on a growth trend which we see continuing. The trailing 12 months to Dec. 31st show revenues over a billion with EPS up to \$1.08.

Quarterly Earnings per Share (in US\$)

To Dec. 31st	2004	2005	% Change
EPS	\$0.16	\$0.25	+56.25%
Revenues (000s)	\$218,184	\$342,002	+56.75%

Annual Earnings per Share (in US\$)

To Mar. 31st	2003	2004	% Change	2005	% Change
EPS	\$0.66	\$0.67	+1.52%	\$0.78	+16.42%
Revenues (000s)	\$523,127	\$594,898	+13.72%	\$812,665	+36.61%

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FirstService Corporation (from page 8)

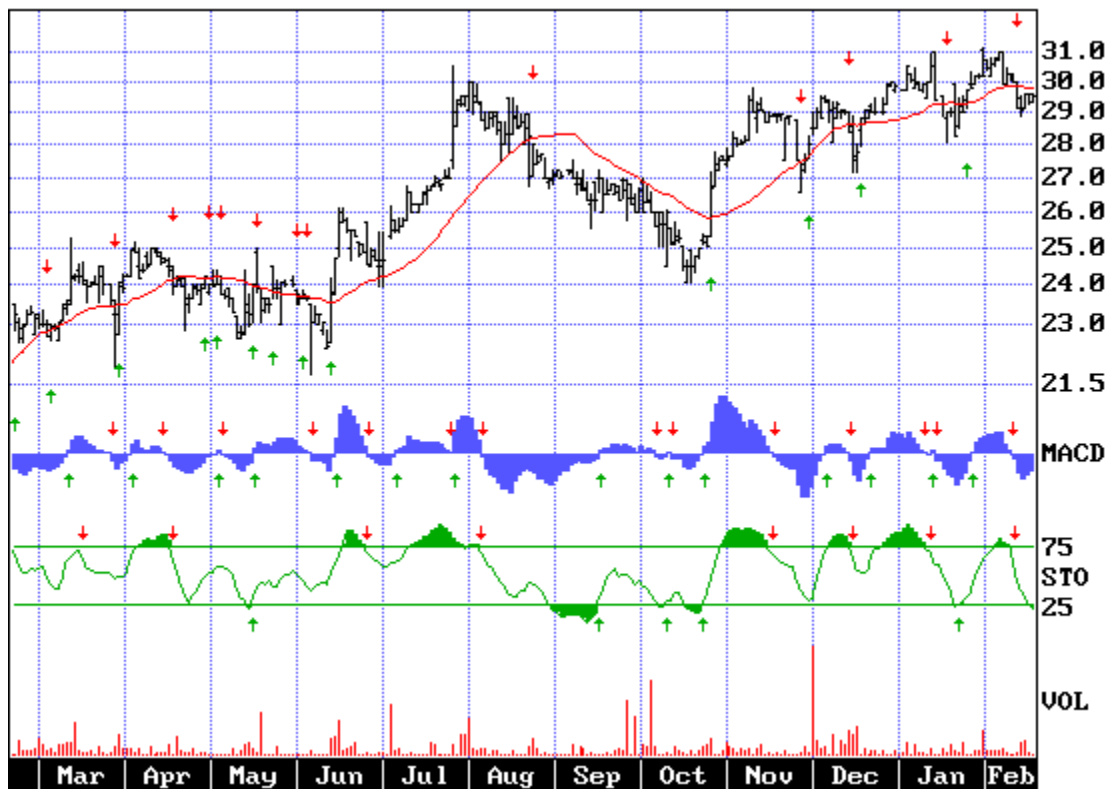


Chart Analysis: While the sharp drop from \$30 to \$24 from August to October might give one pause, in the long term five year chart it is barely a blip. And as you'll recall, the markets in general did poorly at that time. The trend for FirstService since the Spring of 2003 is solidly upwards and the stock has more than tripled since then. The chart is a bit choppy and now seems like a good entry point as it is at the bottom of a trend channel that started in October.

Stats as of 02/17/06	Phase 2 Analysis
▪ Hi/Lo Ratio: 1.43	▪ Price Pattern: A-
▪ RS: 78.05	▪ Volatility: B
▪ Shares: 28,951,244	▪ Estimates: A+
▪ P/E: 23.60	▪ Snapshot: A-
▪ Price: \$29.50	▪ News: A

Phase 2: We give FirstService an A- for price pattern largely because of the longer term five year chart and a B for volatility as there have been some bumps along the way. Estimates are up across the board with a 1.3 or strong buy rating. We give it an A+. The snapshot shows strong revenue growth and earnings growth over the last two years with return on equity at 13.61 in 2004. We give it an A-. News is excellent with strong revenue and earnings growth and its acquisition of Colliers. 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 2006)

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.

January was a spectacular month for stock markets though possibly a prelude to a correction. Nevertheless, it boosted the number of mutual funds qualifying for our tables by a huge amount.

The number of Super Power Performers more than doubled to 39 from 15 in December. The number of Power Performers dropped marginally to 29 from 31. And the number of Performers climbed to 62 from 50. Total number of funds making our tables in January is up to 130 from 96 in December.

Super Power Performers are below and Power Performers and Performers are on the next two pages. Some of the numbers are truly staggering!

Super Power Performers (39)

Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
Resolute Growth	130.52	63.16	47.87	Dynamic FocusPlus Resource	49.62	36.10	29.87
RBC Precious Metals	57.52	26.01	47.01	RBC Energy	65.33	44.31	29.48
Mackenzie Universal Precious Metals (US\$)	64.86	27.40	40.48	BMO Resource	68.03	34.51	29.47
AGF Precious Metal	53.43	29.99	39.93	AGF Canadian Resources	64.97	41.86	28.89
Mackenzie Universal Canadian Resources (US\$)	59.35	52.01	39.71	AGF Global Resources Class (US\$)	69.65	52.19	28.84
Front Street Special Opportunities Canadian	63.86	59.98	38.01	Sentry Canadian Resource	65.66	42.44	28.81
TDK Resource Fund Inc.	56.31	41.75	34.62	TD Energy	70.71	42.76	28.35
Altamira Precious & Strategic Metal	41.10	25.24	34.54	Ethical Special Equity	30.19	29.01	28.27
Front Street Small Cap Canadian	62.21	47.08	34.15	CI Signature Canadian Resource	65.96	40.17	28.19
Epic Limited Partnership	33.01	38.98	33.74	GWL Cdn. Resources (A) DSC	59.67	39.64	28.06
Sprott Canadian Equity	31.85	33.21	33.03	Clarington Canadian Small Cap	30.40	27.98	27.89
EnerVest Nat. Resources Fund Ltd.	51.01	40.29	32.41	GWL Cdn. Resources (A) NL	59.33	39.34	27.79
Friedberg Diversified (US\$)	373.93	40.64	32.24	Sentry Canadian Energy Growth	56.86	36.47	27.54
Mackenzie Univ. Cdn. Resource	46.60	37.80	32.22	Trimark Canadian Resources	38.72	30.77	27.13
CI Global Energy Corp Class (US\$)	82.83	61.50	31.96	Altamira Resource	48.43	40.52	26.89
Dominion Equity Resource	32.47	34.68	30.71	Clarica SF CI Signature Canadian Resource A	64.47	37.12	26.03
Northwest Specialty Equity	28.08	31.89	30.41	Clarica SF CI Signature Canadian Resource	64.43	37.13	25.98
CIBC Energy	55.13	45.33	30.28	TD Resource	59.02	32.93	25.75
London Life Cdn. Resource (MF)	45.30	36.56	30.15	Sceptre Equity Growth – A	32.77	40.28	25.27
Norrep Fund	45.84	38.15	30.12	Power Performers © 2006 by Marco den Ouden			

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Marco's Power Performers (from page 10)

Power Performers (29)							
Fund Name	1 yr	3 yr	5 yr	Fund Name	1 yr	3 yr	5 yr
Dynamic Precious Metals	51.90	19.23	34.97	GGOF Monthly High Income Classic	24.04	27.12	21.43
CIBC Precious Metals	55.95	24.86	33.62	Montrusco Bolton Canadian Small Cap 'B'	28.95	30.89	21.23
Sentry Precious Metals Growth	83.39	24.02	27.66	R Canadian Smaller Companies	28.25	27.85	21.12
Adaly Opportunity-A	24.94	30.85	26.10	Bissett Small Cap-F	34.15	29.57	20.77
CI Global Energy Corporate Class	67.78	46.64	24.92	GGOF Monthly High Income Mutual	23.24	26.50	20.76
Bissett Microcap-F	20.49	22.66	24.62	Elliott & Page Growth Opportun.	27.33	27.05	20.73
Mackenzie Cundill Recovery 'C'(US\$)	30.60	41.98	24.43	Renaissance Canadian Small-Cap	37.47	28.13	20.61
DMP Resource Class	52.82	37.13	24.11	Hillsdale Cdn. Perf. Equity A	24.03	30.48	20.57
Mackenzie Universal World Resource Cap Class	40.06	33.22	23.68	Renaissance Canadian Income Trust	22.94	24.77	20.55
Maritime Life Canadian Growth-R	30.85	34.33	23.41	Vertex Fund - A	33.03	33.50	20.44
CIBC Canadian Resource	61.49	35.81	22.98	Fidelity Latin America-B (US\$)	82.84	61.16	20.43
Desjardins Financial Pool Bissett SmallCap	35.68	31.18	22.39	United-Canadian Equity Value Pool	36.82	25.98	20.41
AGF Global Resources Class	56.67	38.15	22.05	Fidelity Latin America-A (US\$)	82.41	61.04	20.37
National Bank Natural Resources	51.31	31.24	21.82	Investors Canadian Natural Resource-C	62.23	30.79	20.04
TD Latin American Growth (US\$)	79.93	60.66	21.77	Power Performers © 2006 by Marco den Ouden			

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The Venture Portfolio as of Feb. 17, 2006

Stock	Symbol	Date Bought	# of Shares	Price Then	Price Now	Amount Invested	Current Value	Change
Asian Television Network	SAT	Aug. 22, 2005	3000	\$0.33	\$1.00	\$1017.00	\$3000.00	+195.0%
Twoco Petroleums Ltd.	TWO	Aug. 22, 2005	185	\$5.35	\$6.82	\$1016.75	\$1261.70	+27.4%
Andean American Mining	AAG	Sept. 19, 2005	725	\$1.32	\$1.00	\$1020.25	\$725.00	-28.9%
Anterra Corporation	ATR	Sept. 19, 2005	1800	\$0.58	\$0.57	\$1071.00	\$1026.00	-4.2%
Commercial Solutions	CSA	Oct. 14, 2005	270	\$3.75	\$5.50	\$1080.00	\$1485.00	+37.5%
CV Technologies	CVQ	Nov. 21, 2005	215	\$4.59	\$3.64	\$1013.85	\$782.60	-22.8%
Zapata Energy	ZCO	Nov. 21, 2005	76	\$13.05	\$14.00	\$1018.80	\$1064.00	+4.4%
Solium Capital	SUM	Dec. 18, 2005	900	\$1.10	\$1.15	\$1017.00	\$1035.00	+1.8%
Grand Petroleum	GPP	Dec. 18, 2005	200	\$5.01	\$4.78	\$1029.00	\$956.00	-7.1%
Wrangler West Energy	WX	Jan. 16, 2006	125	\$7.96	\$8.50	\$1015.00	\$1064.00	+4.7%
Totals						\$10,298.65	\$12,361.80	+20.0%

Marco's Power Performers (from page 12)

Performers (62)							
Mackenzie Universal Prec. Metals	51.68	15.49	32.96	Middlefield Growth	43.91	28.76	17.71
Mackenzie Universal World Precious Metal Cap	52.68	17.53	30.80	Middlefield Enhanced Yield	20.91	22.44	17.57
TD Precious Metals	57.23	17.99	30.19	Fidelity Emerging Mkts-B (US\$)	59.88	43.00	17.50
Mawer New Canada	17.93	24.90	25.63	Fidelity Emerging Mkts-A (US\$)	59.49	42.88	17.44
Bissett Microcap-A	18.90	21.06	23.18	AGF Emerging Mkts Value (US\$)	58.66	46.82	17.41
Mackenzie Growth	20.33	20.82	19.97	McElvaine Investment Trust	20.67	18.04	17.28
Centaur Smaller Companies	45.47	36.67	19.92	Acuity High Income	19.56	23.97	17.02
Bissett Income-F	16.03	22.90	19.73	Empire Small Cap Equity	23.92	25.87	16.92
Acuity Pooled High Income	22.18	26.45	19.71	Trans IMS Canadian Resources	36.07	29.70	16.72
AGF China Focus Class (US\$)	25.71	32.50	19.63	Montrusco Bolton TSX 100 Momentum	47.68	42.43	16.60
Bissett Small Cap-A	32.73	28.27	19.57	Excel India	32.54	49.53	16.42
KEYSTONE Saxon Smaller Co.	22.91	24.28	19.39	Dynamic FocusPlus Real Estate	16.91	23.14	16.41
ABC Fundamental Value	24.21	23.08	19.31	Standard Life Cdn. Small Cap-A	38.63	27.66	16.14
Lutheran Life Canadian Small Cap	31.76	27.37	19.08	Synergy Extreme Glob Eq (US\$)	27.32	33.47	16.14
Saxon Small Cap Fund	19.62	25.04	19.03	Montrusco Bolton Canadian Equity Plus	21.71	25.89	16.11
All-Canadian Resources Corp.	40.54	15.62	18.99	AGF Global Real Est. Eqty (US\$)	24.20	26.90	16.04
Acuity All Cap 30 Canadian Equity	24.85	34.13	18.97	CI Signature High Income	16.55	20.18	15.99
RBC Global Resources Sector	52.90	34.48	18.97	StandardLife Ideal Canadian Small Cap	38.49	27.51	15.98
Millennia III B Small Cap 3	31.99	27.51	18.82	Templeton Emerging Mkts (US\$)	40.89	38.46	15.98
Canada Life Gens Small Cap Equity (Biss)	31.67	27.28	18.79	Legg Mason Canadian Growth Equity	32.84	34.57	15.91
BluMont Hirsch Performance	20.00	21.49	18.76	StandardLife Ideal-NL Canadian Small Cap	38.26	27.30	15.86
Millennia III B Small Cap 4	31.85	27.38	18.69	Beutel Goodman Small Cap	14.66	20.96	15.78
Hillsdale Cdn. Aggressive Hedged A	26.11	24.80	18.66	Middlefield Income Plus	17.31	19.78	15.78
Montrusco Bolton Enterprise	28.53	30.64	18.50	CIBC Canadian Real Estate	19.22	20.77	15.62
Assumption/MB Canadian Small Cap	25.89	27.69	18.33	Saxon Stock	23.58	20.05	15.49
Acuity Pooled Conservative Asset Allocation	23.74	26.95	18.13	IA Ecflx Dividends	32.12	23.21	15.38
CI Harbour Corporate Class (US\$)	40.04	31.71	18.06	IAP Dividends	32.12	23.21	15.38
Concordia Special Growth	26.30	26.85	17.99	TD Latin American Growth	65.81	45.67	15.38
Talvest Millennium High Income	25.99	20.93	17.96	Dynamic Canadian Value Class	35.18	33.41	15.19
IA Group Dividends	35.01	25.88	17.89	North Growth U.S. Equity (US\$)	15.02	25.32	15.09
Mackenzie Cundill Recovery 'C'	20.15	28.71	17.77	United-Cdn. Equity Small Cap PI	25.40	28.03	15.08

Data source: Globefund.com

Our Model Portfolio

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

Current Position: \$161,597.36 (Up 223.15%) Up 3.01% YTD

While January was a superb month for our portfolio, things got a bit shaky in February and our portfolio has declined since our last report. As we mentioned in our last issue, we are selling off our worst performers each month to make way for the one or two new stocks featured in each issue. We had already sold off Ensign Energy Services which hit its stop recently and we are selling off Trican Well Service as the poorest performer for the month. We like Trican and think it is still a good stock to hang on to. It has not triggered a stop. So if you have it, it is your choice whether to hang on to it or make way for one of our new stocks.

Aber Diamonds (ABZ – TSX)		Aur Resources (AUR – TSX)	
# of Shares: 325	Bought: Jan. 16/06	# of Shares: 1450	Bought: Oct. 17/05
Price Then: \$46.77	Price Now: \$44.12	Price Then: \$8.57	Price Now: \$13.78
Gain: -5.67%	Stop: \$41.34	Gain: +60.79%	Stop: \$12.70
Notes: Aber Diamonds has a 40% interest in the Diavik Diamond Mine in the Northwest Territories and controls Harry Winston Inc.		Notes: Aur Resources is a major copper producer with mines in Canada and Chile and promising properties in Peru and Mexico.	
FirstService Corporation (FSV.SV – TSX)		Fortis Inc. (FTS – TSX)	
# of Shares: 410	Bought: Feb. 20/06	# of Shares: 535	Bought: Oct. 24/05
Price Then: \$29.50	Price Now: \$29.50	Price Then: \$23.80	Price Now: \$22.69
Gain: +0.00%	Stop: \$25.08	Gain: -4.66%	Stop: \$20.32
Notes: FirstService is a major property management firm with offices in twenty countries around the world.		Notes: Newfoundland based electric company Fortis Inc. has expanded into other regions of Canada including British Columbia.	
Goldcorp (G – TSX)		GSW Inc. (GSW.B – TSX)	
# of Shares: 500	Bought: Aug. 15 & 22	# of Shares: 275	Bought: May 17/04
Price Then: \$21.67	Price Now: \$28.80	Price Then: \$34.73	Price Now: \$113.75
Gain: +32.90%	Stop: \$24.92	Gain: +227.53%	Stop: \$104.00
Notes: Goldcorp is Canada's leading low cost gold mining company. It recently merged with Wheaton River.		Notes: GSW Inc., a leading manufacturer of water heaters, is currently the subject of a takeover bid.	
Kingsway Financial (KFS – TSX)		March Networks (MN – TSX)	
# of Shares: 625	Bought: May 24/04	# of Shares: 440	Bought: Nov. 21/05
Price Then: \$15.00	Price Now: \$23.74	Price Then: \$22.50	Price Now: \$37.50
Gain: +58.27%	Stop: \$19.77	Gain: 66.00%	Stop: \$31.61
Notes: Kingsway Financial is a leading supplier of alternative insurance services. After a slump in early 2004, the stock is on the move again.		Notes: March Networks provides networked video security services for ATMs, banks, transportation systems and more.	
SNC Lavalin (SNC – TSX)		Stella-Jones Corporation (SJ – TSX)	
# of Shares: 170	Bought: Oct. 17/05	# of Shares: 795	Bought: Feb. 20/06
Price Then: \$73.48	Price Now: \$83.20	Price Then: \$15.15	Price Now: \$15.15
Gain: +13.23%	Stop: \$68.24	Gain: +0.00%	Stop: \$12.88
Notes: SNC Lavalin is one of Canada's largest engineering contractors and also does a lot of business outside of the country.		Notes: Stella-Jones is a leading manufacturer of poles – yes poles. Hydro poles, railway ties, piles for wharves and so on.	