

the Break Out Report

Volume # 5, Issue # 14

May 20, 2007

Not Really Goodbye

The End of the Line

It's been a good run but we're folding the Break Out Report as a bi-monthly subscription newsletter with this issue. Partial refunds will be given to subscribers whose payments were processed between Ken's last newsletter (May 6) and this one. All future payments will be cancelled.

Why are we folding? The reasons are varied. Putting together a newsletter like this is very time consuming. Except for Ken writing his issue each month, the Break Out Report is essentially a one man operation – me! I write, edit, put together the actual newsletter which includes layout, capturing and editing screen shots of stock charts, designing and managing the website and the subscriber updates, managing Google ads, and putting together my weekly New Highs Report.

On top of that, I have created and manage several other websites - the most important of which is Newsletterama (<http://newsletterama.com>) And for the last three years I have been a partner with Lesley Scorgie in her website and newsletter, Rich by Thirty (<http://richbythirty.com>) managing both.

The Break Out Report does not bring in very much money. We have a limited and loyal subscriber base (for which I thank you all) but our efforts at expanding the subscriber base have proven fruitless. Our hopes of generating enough to make this a full time job have gone awry.

Influenced by a lot of material I have read from web marketers, I have come to the conclusion that the best way to make money on the Internet is to create a destination website that generates lots of traffic and Google ad revenue. This takes more time than I have, given my Break Out Report commitments.

Another major factor for folding this newsletter is that Ken recently took on a new career challenge. His new role is very demanding of his time and fitting writing the Break Out Report into his schedule has been difficult. Ken also thinks the time is right to move on to other adventures.

So this is the last issue of the Break Out Report as a subscription newsletter. But the website will remain and will be converted into a destination website. We want you to continue visiting the website as there will be weekly updates. Here is what the plans are:

- Get rid of the sales pitch as the front page of the site and replace it with the home page at <http://breakoutreport.com/home.htm>
- Populate the site with many if not most of the previous articles from the Break Out Report (the ones that are not dated by specific references)
- Continue with weekly updates of New Highs on the TSX, my Model Portfolio, and my Watched List Update.

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In This Issue: Treasure on Your Bookshelf (see page 3)

End of the Line *(from page 1)*

- One or two new stock profiles every month made available as web pages. I may try and syndicate stock profiles to community newspapers.
- I may add a blog commenting on interesting business news of the day. I had one before but did not feel inspired to write much. Nice thing about a blog is, you write when and if you feel like it. No obligations. Blogs are also great traffic generators.

While that seems like a lot of work, it is actually a lot less than I am doing now. The extra time will let me pursue other ventures, one of which will be to complete Newsletterama which is only about a quarter done right now. I want to make it into the number one reference site for investment newsletters with short descriptions of and links to every newsletter covered by the Hulbert Financial Digest and the Stock Focus website. That would mean expanding it from the current 50 newsletters covered to about 200 or so.

I will also be spending more time on Lesley's Rich by Thirty project. Her book has just been redone for the US market with scheduled release in December. Rich by Thirty is already a destination website and will become even more so as her book sells in the United States.

I've also been working on a couple of books, one of them fiction, a Harry Potter type of book aimed at the youth market. Time constraints have prevented me from moving ahead on this project but with the commitment of publishing two newsletters to deadline every month behind me, I can start to move ahead here. Who knows...maybe you'll find me on the best-seller list one day!

And finally, and probably most importantly, I want to spend more time with my wife and family and especially more vacation time. With a bi-monthly commitment, it was hard to take two weeks of vacation at a time let alone longer vacations. Now maybe we can take a three week cruise without having to worry about newsletters being due. With no one paying for a newsletter, I can feel comfortable telling my readers – sorry – no updates for the next three weeks – I'm on vacation. Couldn't do that before.

I'd like to conclude with some thank yous. First I'd like to thank all you loyal readers who have stuck with us over the years. Your emails and support have been inspiring. I particularly enjoyed emails from readers who have told how they have made money following our writings. Many of you have been with us from the beginning. Thank you!

Next I'd like to thank Ken Ballard. He has been a good friend and partner. His knowledge and insights have been invaluable. Ken has now embarked on a new career and I wish him well.

And I'd like to thank my family, especially my wife Janis, who has been very supportive of my pastimes, even when she thought I was spending way too much time on it. We did manage to fit in a few vacations in our lives and now will be able to fit in even more!

All of our current subscribers will remain as subscribers to the New Highs Report unless you request to be removed. We encourage you to visit frequently and tell your friends. And if some of the ads seem interesting, click on them and check them out. They are now our only source of income.

Invest well and prosper!

The Break Out Report

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Articles this issue by Marco den Ouden unless otherwise indicated.

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Collectibles

Treasure on Your Bookshelf

Over the years I have written a number of interesting articles on a variety of subjects. Not all have been on investing in the stock market. The one below, originally published at About.com in 1999, looks at collecting antiquarian books. I have updated some of the prices and resources.

When I was a kid growing up in Montreal, we lived two doors down from an elderly couple in the antique business. Besides antiques, they also had a lot of old books. When I say old, I mean old! We're talking books from the mid to late 1800s.

As they were retiring they ended up giving us a small collection of them. I still have some that I have hung onto over the years.

These books are fascinating, not only for their contents, but for the craftsmanship with which they were fashioned, and the history that they are part of. For example, one fat 600 page book is called simply *Great Shipwrecks*. It is subtitled *A Record of Perils and Disasters at Sea - 1544 to 1877*. The book has no author - well of course somebody wrote it - but no author is credited. The book is richly illustrated with black and white woodcut drawings. Inside the book is inscribed "Napier Cochrane Xmas Day 1878 from Papa".

A popular writer for boys at the time was R. M. Ballantyne. I have two copies of Ballantyne's *The World of Ice*, one from a book club called The Boy's Own Library and the other published for the general audience. That book is listed on title page as having been published in London by T. Nelson and Sons in 1877.

Another interesting tome is Routledge's *Every Boy's Annual*. It is a collection of short fiction and nonfiction as well as a variety of puzzles. The 1881 book is richly illustrated, some of the drawings in color. The colored drawings appear to be hand colored. Whether they came like that with the book, or whether little Ned, to whom the book is inscribed, did the coloring is not certain.

My favorite of these old books is a collection of fairy tales by the Countess d'Aulnoy. Various inscriptions show that it went through a succession of owners. The



Frontispiece from *Great Shipwrecks* - Burning of the "Kent"

(continued on page 4)

Treasure on Your Bookshelf (from page 3)

title page shows the book was published in 1855. The first inscription reads "to Dunlop Stewart Johnstone from her affectionate Papa - Aug. 26, 1856." The next inscription reads "Libeis A. Johnstone - 1909" and a final inscription reads "To Flying Officer P. R. Balenko - 1944 - Montreal, Canada."

Flying officer Balenko went on to better things, it seems. On the Table of Contents page is a stamp that says Peter Robert Balenko, Justice of the Peace, District of Montreal.

What's truly marvelous about this collection of fairy tales are the many illustrations in color. Again, they have the appearance of being hand painted with watercolors.

Another favorite is a fascinating collection of 24 of Shakespeare's plays in leather-bound miniature editions. I have the complete set of 24 and the original box they came in (though patched together with tape). These were published by the Knickerbocker Leather & Novelty Company around the turn of the century. The company published leather-bound editions of a number of other authors as well.

After I moved to Vancouver, I bought a variety of other books from secondhand book shops. The city is a book lovers paradise with many used and antiquarian book shops. Most I bought to read, but some of them have value as collectors items as well. They include several books by Victor Hugo and some early editions of Ayn Rand's works.

And additionally, I have a number of autographed books. I got my first autographed book as a young Ayn Rand fan in university. In 1970 and in 1971 I made the pilgrimage from Montreal to Boston to hear her speak at her annual lecture at the Ford Hall Forum. On both occasions I brought a hard cover book to have autographed. Since her death they have soared in value.

←Illustration for Princess Belle-Etoile and Prince Cheri from *The Fairy Tales of the Countess d'Aulnoy*

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**Inscription dated 1856 from
The Fairy Tales of the Countess d'Aulnoy**



Environmental Pick**Marsulex Inc. (MLX-TSX)****(website: www.marsulex.com)**

As the green revolution takes hold in Canada and around the world, companies focused on providing environmental solutions for industry will continue to grow in importance. One such company is Marsulex, a company that helps businesses, primarily in the oil refining and power generation field, to meet environmental standards.

The company operates in three divisions. The Industrial Services Group, according to their website, provides “regeneration of spent sulphuric acid produced during the octane enhancement of gasoline, the extraction of and recovery of sulphur from hydrogen sulphide gas created during the refining process, the recovery of sulphur dioxide to ensure air quality compliance, cutting and handling of petroleum coke, and the safe handling, treatment, and disposal of industrial hazardous waste streams”.

Marsulex is not a Johnny-come-lately to the environmental protection business. It has been supplying these services to the industry for over forty years and been in business for over 70. Customers include over twenty of the continent’s leading oil companies and other industrial customers. It has served the Shell and Petro-Canada refineries in Montreal for 45 years.

Marsulex owns and operates five facilities including one in Toledo, Ohio that has served BP, Sunoco and Marathon-Ashland for over thirty years and facilities in Long Beach, California and Anacortes, Washington serving BP, Conoco-Phillips, Shell, Valero, Tesoro and ChevronTexaco.

The company handles and treats hazardous waste through its Stablex operation in Quebec. This includes treatment of inorganic hazardous wastes and contaminated soils.

The Western Markets Group provides sulphur-enhanced chemicals for industry and alum for water and wastewater treatment. Customers for the latter include both industrial companies and municipalities.

The Power Generation Group provides air quality compliance services to electric utilities as well as petrochemical and industrial customers. Marsulex’s Power Generation Group is, in fact, the world’s largest supplier of flue gas desulphurization services with customers worldwide.

2006 saw Marsulex grow partly through acquisition as it bought Stablex and later took over Petcoke Services increasing the company’s offerings to industry and expanding its client base. The company also established a new plant in Fort MacMurray and expanded their Montreal plant. The number of employees has grown from 200 in 2004 to almost 600 in 2006.

Continued growth for Marsulex seems likely given the increased emphasis on air quality control in industry. 2007 should see continuing gains from the company’s expansion.

Quarterly Earnings per Share

To Mar. 31st	2006	2007	% Change
EPS (continuing operations)	\$0.02	\$0.04	+100.00%
Revenues (000s)	\$46,900	\$68,500	+46.06%%

Annual Earnings per Share

To Dec. 31st	2004	2005	% Change	2006	% Change
EPS	\$0.15	\$0.04	-73.33%	\$0.22	+450.00%
Revenues (000s)	\$137,839	\$167,947	+21.84%	\$250,649	+49.24%

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Marsulex Inc. (from page 5)

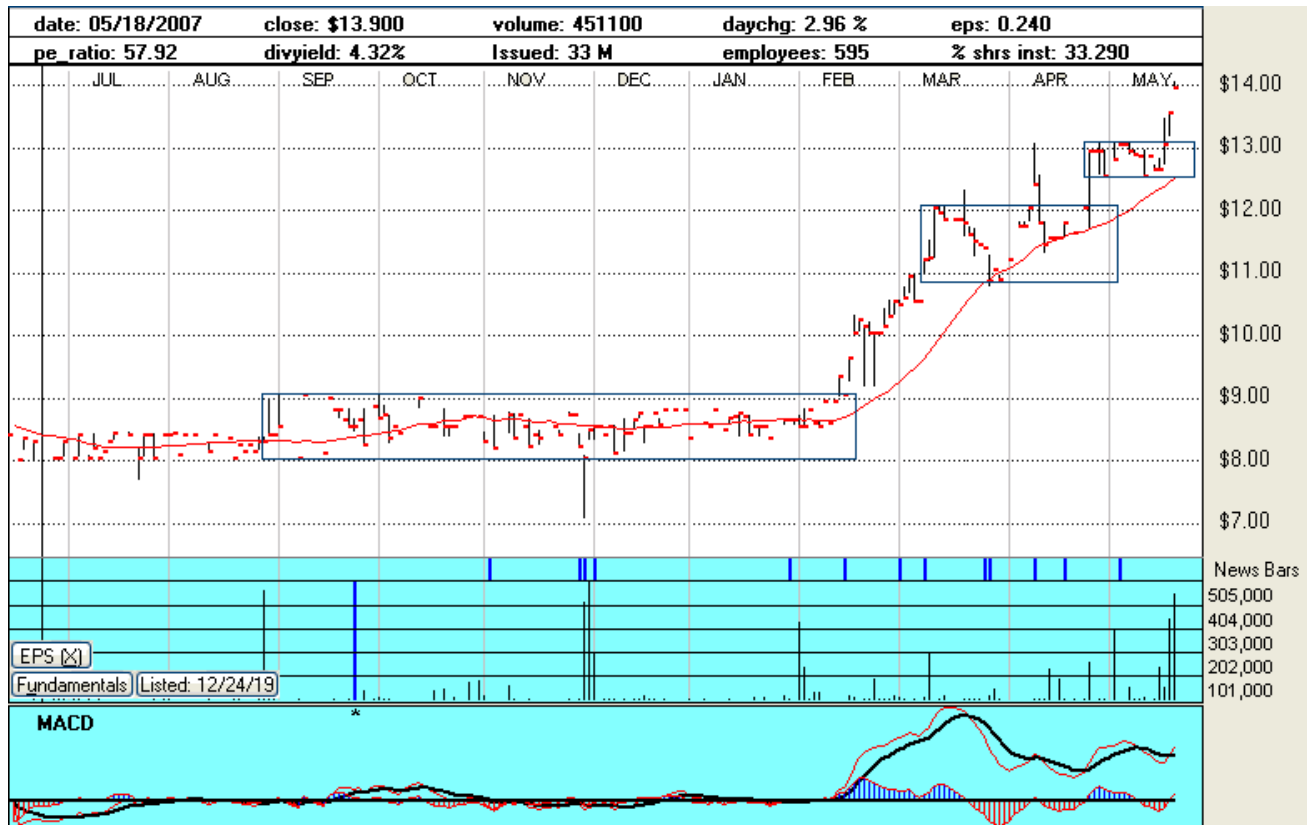


Chart Analysis: The long term chart shows Marsulex peaking at \$9.00 in 1998 before bottoming below \$2 in mid-2000. From there it's been steadily onwards and upwards. It doubled to \$4 by the end of 2000, then traded a fairly wide range between \$3 and \$5 to the end of 2003. 2004 saw it climb from \$5 to around \$7.50 before settling into another trading range for six months. Mid-2005 saw it grow from \$7.50 to \$9 in March 2006. It settled back to \$8 and continued to fluctuate between \$8 and \$9 through to February this year as shown in the chart above. Darvas's experience showed that a stock breaking out of a long, long box (the one above actually should go back to March 2006), often takes off with a vengeance. And that seems to be the case with Marsulex. It has just broken out of a tight box just above \$13 and could well go higher as the company's acquisitions and plant expansions start to pay off.

Stats as of 05/20/07	Phase 2 Analysis
▪ Hi/Lo Ratio: 2.00	▪ Price Pattern: A
▪ RS: 92.25	▪ Volatility: A
▪ Shares: 32,946,398	▪ Estimates: A+
▪ P/E: 57.92	▪ Snapshot: B-
▪ Price: \$13.90	▪ News: A+

Phase 2: We give MLX an A for price pattern and an A for volatility as the up trend is solid and corrections are reasonable. The estimate snapshot is superb with estimates doubled for 2007 and up almost 50% for 2008 and a 1.0 or strong buy rating. We rate it A+ . The snapshot shows solid growth in revenues but earnings declined in 2005. Return on equity is weak at 6.44 but growing. We rate it an B-. News is solid with strong quarterly and annual reports, major acquisitions and plant expansions, and the initiation of a quarterly dividend. We rate it an A+

All charts courtesy of ChartSmart™. Visit their website at <http://www.chartsmart.com/> for more information as well as online videos about the software.

Conglomerate Pick**Onex Corporation (OCX-TSX)****(website: www.onex.com)**

Maybe you haven't heard of Onex Corporation. What do they do? The easiest way to explain Onex might be to say its Chairman and founder, Gerald Schwartz, is Canada's answer to Warren Buffett. As they put it on their website, Onex Corporation "acquire(s) attractive companies at fair prices and, in partnership with operating managers, we grow them and ultimately realize on the value we've created through a variety of strategies".

Currently their stable of companies includes thirteen companies, two of them developed by Onex and the rest acquired. The acquired companies include electronics giant Celestica, movie exhibitor Cineplex Entertainment (Cineplex Odeon and Famous Players theatres), an aircraft parts manufacturer, several healthcare companies including an ambulance service and a diagnostic testing company, an insurance company (Buffett would like that!) and a cosmetics outsourcing manufacturer. The in-house companies developed by Onex include Onex Real Estate Partners and ONCAP, an investment arm that invests in small and mid-cap companies.

To gain insight into the way Onex operates, take a look at their Principles and Value Statement. Like Buffett, Onex recognizes that they "own operating businesses, not just share certificates. Our responsibility is to assist and encourage our companies in the entrepreneurial building of their businesses". Further they base their operating decisions "on the assumption that if a company is good enough to buy, it is good enough to be vigorously developed for the long term". To promote this, "managers of each Onex company must have a meaningful personal financial interest in their company. In this way they can earn the rewards of entrepreneurship and share the risks of ownership".

Onex believes in strong leadership and a lean management team. The company believes in risk management through industry and geographical diversification.

Those are the business principles it operates by. Its code of values includes integrity, excellence, rewarding individual performance, speed and efficiency and encouraging individuals in the corporation to "dream the big dream" and set "stretch" goals.

Right now Onex is a \$5 billion company, a Mini-Me compared to Buffett's Berkshire-Hathaway. But with their dedication to excellence and the building of shareholder value for the long term, Onex may one day join the ranks of the world's largest corporations.

Quarterly Earnings per Share

To Mar. 31st	2006	2007	% Change
EPS	\$0.24	\$0.26	+8.33%
Revenues (000,000s)	\$4,194	\$5,531	+31.88%

Annual Earnings per Share

To Dec. 31st	2004	2005	% Change	2006	% Change
EPS	\$0.25	\$6.95	+2680.00%	\$7.55	+8.63%
Revenues (000,000s)	\$13,840	\$16,521	+19.37%	\$20,097	+21.65%

(continued on page 8)

Onex Corporation (from page 7)

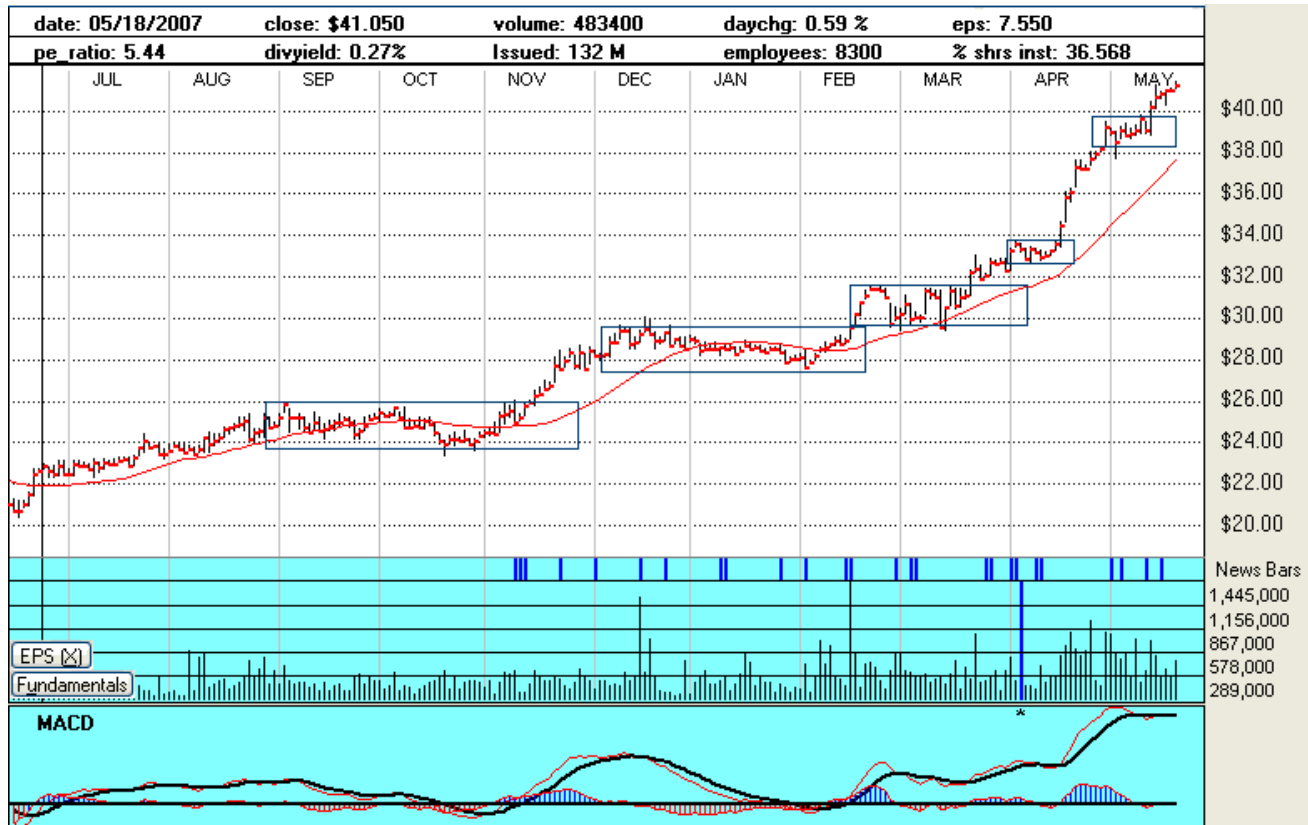


Chart Analysis: Onex has been a publicly traded company for a long time. During the late 90s, the stock soared during the tech boom from around \$4 in 1996 to around \$28 in 2000. 1996 was when it acquired tech giant Celestica from IBM. As the tech boom fizzled, so did Celestica and carried Onex down with it as the stock dropped to around \$13. But from February 2003, the stock has moved steadily up again, topping \$20 in early 2005, trading in a narrow range throughout that year, and exploding upwards in 2006 hitting all-time new highs in November. 2007 has seen the stock's price accelerate and the chart above shows steadily advancing Darvas boxes. It broke out of the last one, a short-lived one, a week ago. With a very low P/E ratio of just 5.44, there is still lots of upside room on this stock.

Stats as of 5/20/07	Phase 2 Analysis
▪ Hi/Lo Ratio: 2.05	▪ Price Pattern: A+
▪ RS: 94.00	▪ Volatility: A+
▪ Shares: 128,928,039	▪ Estimates: A+
▪ P/E: 5.44	▪ Snapshot: A
▪ Price: \$41.05	▪ News: A+

Phase 2: We give OCX an A+ for price pattern and an A+ for volatility since it has been climbing steadily in a well defined Darvas box pattern with minor fluctuations at each progressive level. Estimates are higher with a 2.0 or buy rating. We give it an A. The snapshot looks good with consistently rising revenues and very strong growth in earnings in 2005. We give it an A. And news is solid with excellent quarterly and annual reports, new acquisitions, and a normal course issuer bid. Despite its failed bid to acquire Qantas Airlines, we give it an A+

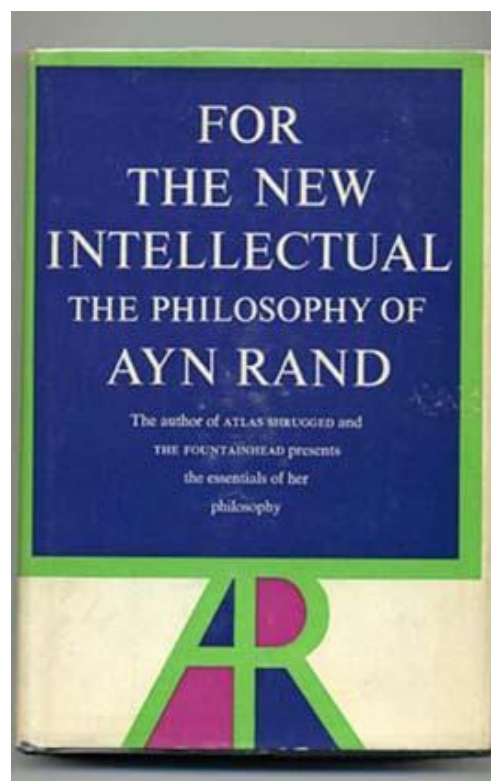
All charts courtesy of ChartSmart™. Visit their website at <http://www.chartsmart.com/> for more information as well as online videos about the software.

Treasure on Your Bookshelf (from page 4)**Autographed copies of the late Ayn Rand's books in hard cover range from \$1500 and up!**

There are an abundance of resources on the Net to find out the value of your rare books. One of the best is [AddAll](#). Just type in the title, author, whether signed or not, or first edition or any combination of these, and it will spit back a list of books, their prices, and the retailers selling them.

A similar service is provided by [Bookfinder.com](#) A service specializing in books published before 1900 is [AntiQbook](#) aka the Antiquarian Books Database. This is a Dutch site with English pages as well. Of course, Amazon.com also has ties to antiquarian and rare book sellers and you can search there as well. A popular Canadian rare book dealer online is [Abebooks](#).

To give you an idea of what sort of gold you might find on your dusty bookshelf, below is a table of some of the books in my collection and their prices (in \$US) as listed on AddAll or other search sites. Some books have multiple sellers and the price listed is a range or the lowest price with a plus sign.



Title	Author	Publisher	Date	Value
Fairy Tales	Countess d'Aulnoy	Routledge	1855	~\$300
Collected Works	Victor Hugo	Black	1928	\$4-\$25
Collected Works	Shakespeare	Knickerbocker	c1900	\$95-\$470
Toilers of the Sea	Victor Hugo	Nelson	undated	\$7-\$25
World of Ice	R.M. Ballantyne	Nelson	1877	\$52
A Voyage Round the World: South America	Jules Verne	Routledge	1876	\$1118
Second Jungle Book	Rudyard Kipling	Century	1898	\$20-32
1984 (1st Canadian Edition)	George Orwell	Saunders	1949	\$225
Atlas Shrugged (signed)	Ayn Rand	Random House	1957	\$1500 +
For the New Intellectual (signed)	Ayn Rand	Random House	1961	\$1500 +



Check back to our website regularly for updates and new articles!

Mutual Funds

Marco's Power Performers (for April 2007)

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 (10)	1 yr	3 yr	5 yr
Northern Rivers Innovation Fund LP	60.87	39.71	38.50
TDK Resource Fund Inc.	30.71	43.48	36.15
Dynamic FocusPlus Resource	37.10	39.00	33.88
Mavrix Strategic Small Cap	33.34	43.70	32.32
Sceptre Equity Growth - O	26.99	34.65	31.99
TD Latin American Growth (US\$)	28.06	52.23	31.48
Sceptre Equity Growth - A	25.27	33.06	30.48
Tera Capital Global Innovation(US\$)	40.51	61.17	26.86
AGF China Focus Class (US\$)	37.73	27.88	26.52
RBC Global Resources	36.28	42.41	26.45

April saw the TSX close at 13,416.68, a gain of 1.91% for the month over the March close of 13,165.50. After declining in numbers for a while, the number of funds meeting our criteria increased modestly in April to 101 from 99. But the quality of the mix deteriorated.

The number of Super Power Performers dropped slightly to 10 from 11. Two funds fell into the Power Performers list (the two Fidelity Latin America Funds) and one, the Tera Capital Global Innovation (US\$) Fund, moved up a notch.

Meanwhile the number of Power Performers dropped to 13 from 15 while the number of Performers climbed to 78 from 73.

The mix for the Super Power Performers is 3 resource funds, 3 small caps, 2 emerging markets and 2 “innovation” funds. Northern Rivers Innovation Fund LP is classified as an alternative strategies fund with a \$100,000 minimum investment. Its manager, Alex Ruus, reorted to BNN on May 8th that the top five holdings for the funds he manages are ZCL Composites, Neptune Technologies, Westjet, Pacific Energy and Horizon North Logistics. The Tera Capital Global Innovation Fund US\$ is classified as a science and technology fund and requires a \$50,000 minimum investment.

The Power Performers are dominated by emerging markets funds – 8 of the 13 funds with 7 of those being Latin American funds. Two European funds, a small cap, a communications fund and a real estate fund round out the rest.

The Performers are a mix of resource and emerging markets funds with a strong contingent of financial services funds and a smattering of small caps, European funds, telecom funds and real estate funds.

Power Performers (13)	1 yr	3 yr	5 yr		1 yr	3 yr	5 yr
Fidelity Latin America-B (US\$)	23.34	51.30	31.30	Fidelity Latin America-A	22.17	40.71	22.40
Fidelity Latin America-A (US\$)	22.97	51.03	31.16	Trans IMS Canadian Small Cap	27.84	32.24	22.26
AGF Emerging Mkts Value (US\$)	22.09	40.17	27.09	Scotia Latin American Growth	21.62	38.25	21.06
AGF European Equity Class (US\$)	32.23	29.95	22.60	TD Entertainment & Comm. (US\$)	21.72	23.31	20.83
TD Latin American Growth	26.31	41.58	22.56	CIBC Latin American	26.90	34.54	20.68
Fidelity Latin America-B	22.45	40.96	22.54	Trimark Europlus (US\$)	28.03	27.87	20.46
AGF Global Real Est Equity (US\$)	28.95	29.14	22.45	Power Performers Copyright © Marco den Ouden			

(continued on page 11)

Marco's Power Performers (from page 10)

Below are our Performers for April.

Performers (78)	1 yr	3 yr	5 yr		1 yr	3 yr	5 yr
Arrow Epic Capital	17.88	26.83	32.54	Altamira Global Discovery	16.34	23.92	17.70
AGF Precious Metal	17.71	31.39	32.28	Fidelity Far East B (US\$)	23.11	28.32	17.67
Excel India	16.34	21.92	30.19	CIBC Canadian Real Estate	27.36	24.16	17.64
Altamira Resource	15.56	32.20	28.21	Concordia Special Growth	17.97	22.33	17.56
Mackenzie Cundill Recov. 'C' US\$	16.86	27.70	27.85	Fidelity Far East-A (US\$)	22.68	27.97	17.48
Norrep II Class-A	18.79	29.84	27.17	CI European Corp. Class (US\$)	26.57	25.15	17.41
Norrep Fund	18.87	32.49	27.12	Dynamic FocusPlus Real Estate	19.82	21.50	17.40
Sentry Select Prec. Metals Growth	19.45	41.67	26.31	CI European (US\$)	28.00	25.64	17.33
Sprott Canadian Equity	17.74	31.08	25.35	Fidelity Focus Telecom. B (US\$)	28.47	21.60	17.33
BMO Resource	19.36	34.05	25.14	Fidelity Focus Fin. Svcs B (US\$)	17.50	26.43	17.20
Fidelity Emerging Markets-B (US\$)	15.91	35.35	24.14	Fidelity Focus Telecom. A (US\$)	28.14	21.38	17.20
Fidelity Emerging Markets-A (US\$)	15.67	35.12	24.01	Mackenzie Univ Europ. Opp US\$	19.68	22.63	17.17
Dynamic Canadian Value Class	17.83	31.17	22.22	Fidelity Focus Fin. Svcs. A (US\$)	17.25	26.22	17.08
Acuity All Cap 30 Canadian Equity	15.41	17.99	22.21	Empire Small Cap Equity - Class A	17.09	20.65	16.96
Trimark Canadian Resources	16.58	25.81	21.83	Sentry Select REIT	22.21	24.19	16.94
CI Signature Sel Cdn Corp CI US\$	15.52	28.98	21.23	TD Emerging Markets-A	18.02	24.86	16.93
CI Emerging Markets Corp CI US\$	16.00	30.32	21.21	Fairlane Growth	30.29	24.17	16.90
CI Emerging Markets (US\$)	16.27	30.15	20.84	TD Emerging Markets	18.14	24.69	16.81
Mawer New Canada	16.89	21.40	20.27	AGF Canadian Small Cap	15.09	25.94	16.80
APEX Canadian Value (Dynamic)	18.20	30.84	20.20	GGOF Emerging Markets Mutual	18.67	25.30	16.76
IA Ecoflex Cdn Equity (Dynamic)	18.20	30.84	20.20	BMO Special Equity	15.01	23.33	16.71
IAP Canadian Equity (Dynamic)	18.20	30.84	20.20	iShares Cdn. Fin. Sector Index	19.38	20.21	16.55
Bissett Microcap-F	19.45	23.97	20.08	Mackenzie Univ. Cdn. Growth US\$	15.82	20.79	16.24
AIM Intl. Growth Class (US\$)	23.85	26.02	19.85	Fidelity Emerging Markets B	15.07	26.12	15.84
Dynamic Power Canadian Growth	15.60	28.47	19.83	iShares CDN MidCap Index	15.95	20.60	15.75
AGF Global Financial Svcs (US\$)	19.92	25.71	19.32	Sceptre Canadian Equity O	20.98	25.81	15.71
Mackenzie Cundill Recovery 'C'	16.05	19.04	19.32	OTG Diversified	16.76	23.72	15.64
Dynamic FocusPlus Sm. Business	17.92	23.80	19.06	Guardian Vector Canadian Equity	15.51	21.57	15.62
Bissett Microcap-A	17.87	22.32	18.55	CDA Emerging Markets (Brandes)	20.40	17.19	15.46
AGF Emerging Markets	20.50	30.46	18.47	IA Group Fidelity True North	18.38	23.07	15.46
Trimark Global Endeavour (US\$)	28.41	25.26	18.40	CI Global Small Companies (US\$)	16.57	19.43	15.38
Tera Capital Global Innovation	39.36	50.78	18.39	Trans Agent Plan	16.78	24.09	15.38
AGF Intl. Stock Class (US\$)	28.07	27.23	18.34	National Bank Emerging Markets	17.06	23.28	15.36
Templeton Global Smaller Co. US\$	17.67	17.41	18.10	Mackenzie Universal World Real Estate Class	26.07	19.23	15.29
AGF China Focus Class	36.07	19.09	18.00	United-Real Estate Invest. PI CI W	28.46	23.71	15.23
SEI Emerging Market Equity-O	15.81	22.75	17.96	Leith Wheeler Canadian Equity B	17.53	19.79	15.19
Investors Euro Mid-Cap Equity-C	33.95	23.94	17.95	Sun Life Sunfund (Fund A)	16.30	21.96	15.17
Templeton Global Sm. Co. CC US\$	17.77	17.40	17.93	AIM European Growth Class (US\$)	26.38	26.13	15.16
Dynamic Value Fund of Canada	16.26	29.17	17.84	AIM European Growth (US\$)	26.86	26.48	15.04

Our Model Portfolio

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

Current Position: \$196,314.46 (Up 292.63%) Up 20.25% YTD

Name	Symbol	Date Bought	# of Shares	Price Then	Price Now	Amount Invested	Current Value	Change	% of Portfolio
Computer Modelling Grp	CMG	Feb. 19/Apr. 16, 2007	(370/190)560	\$13.47	\$16.60	\$7,543.31	\$9,296.00	23.23%	4.74%
Dynatec	DY	Jan. 2, 2007	3087	\$2.13	\$4.85	\$6,575.31	\$14,971.95	127.70%	7.63%
General Donlee Income Fund	GDI.UN	Mar. 19/Apr. 16, 2007	(479/366)845	\$9.83	\$11.30	\$8,305.00	\$9,548.50	14.97%	4.86%
Gildan Activewear	GIL	Apr. 16, 2007	230	\$35.45	\$38.15	\$8,153.50	\$8,774.50	7.62%	4.47%
Hammond Power Solutions	HPS.A	Jan. 22/Apr. 16, 2007	(610/137)747	\$8.16	\$13.45	\$6,095.52	\$10,047.15	64.83%	5.12%
Potash Corp	POT	Oct. 2, 2006	189	\$38.67	\$74.85	\$7,308.63	\$14,146.65	93.56%	7.21%
Sino-Forest Corporation	TRE	Jan. 2, 2007	840	\$7.83	\$13.41	\$6,577.20	\$11,264.40	71.26%	5.74%
Stantec Inc.	STN	Apr. 16, 2007	260	\$31.45	\$32.84	\$8,177.00	\$8,538.40	4.42%	4.35%
Trican Well Service	TCW	Apr. 16, 2007	329	\$24.87	\$26.30	\$8,182.23	\$8,652.70	5.75%	4.41%
ZCL Composites	ZCL	Jul. 3, 2006	1482	\$5.00	\$11.80	\$7,410.00	\$17,487.60	136.00%	8.91%
Total RGR Portion						\$74,327.70	\$112,727.85	51.66%	57.42%
HudBay Minerals	HBM	Feb. 19, 2007	198	\$23.90	\$23.00	\$4,732.20	\$4,554.00	-3.77%	2.32%
Golf Town Income Fund	GLF.UN	Mar. 19, 2007	336	\$14.02	\$15.35	\$4,710.72	\$5,157.60	9.49%	2.63%
Amerigo Resources	ARG	Apr. 16, 2007	1708	\$3.05	\$2.59	\$5,209.40	\$4,423.72	-15.08%	2.25%
Marsulex Inc.	MLX	May 22, 2007	372	\$13.90	\$13.90	\$5,170.80	\$5,170.80	0.00%	2.63%
Onex Corporation	OCX	May 22, 2007	126	\$41.05	\$41.05	\$5,172.30	\$5,172.30	0.00%	2.63%
Total New Stocks							\$24,478.42		12.47%
Total Stocks							\$137,206.27		69.89%
Sceptre Equity Growth A		Jan. 22, 2007	270.404254	\$110.95	\$131.59	\$30,000.00	\$35,582.50	18.61%	18.13%
Excel India		Jan. 22, 2007	433.971271	\$23.04	\$22.96	\$10,000.00	\$9,963.98	-0.36%	5.08%
TDK Resource Fund		Jan. 22, 2007	476.775976	\$20.97	\$25.41	\$10,000.00	\$12,114.88	21.15%	6.17%
Total Mutual Funds						\$50,000.00	\$57,661.35	15.32%	29.37%
Cash							\$1,446.84		0.74%
Portfolio Value							\$196,314.46		100.00%