

# the Break Out Report

Volume # 5, Issue # 4

December 17, 2006

## Portfolio Review

### Post Mortem on the Model Portfolio

This year, for the first time since I launched it almost five years ago, the Model Portfolio has underperformed the TSX Index. Meanwhile, the Rich Get Richer Portfolio which we launched on January 1<sup>st</sup> this year is beating the index. So it behooves us to look back at the past year and see where the Model Portfolio went astray and why the RGR Portfolio succeeded. The primary difference between the two portfolios is that the Model Portfolio is actively traded and the RGR is a partial buy and hold portfolio. Maybe over-trading is the cause of the Model Portfolio's woes.

This year I also introduced changes to the way the Model Portfolio is managed. I introduced several actually, and while the intent was to improve the performance of the portfolio, the net effect was to scuttle it. Of course, we weren't helped at all when the government introduced changes to income trust taxation which sent three of our stocks plummeting and some of them gapping down to be sold below their stop levels.

Nevertheless, here is a month by month or blow by blow account of the year's trades.

**January:** The year started strongly with our portfolio up 5.57% for the year to date in our January 15<sup>th</sup> issue. The stocks in the portfolio at the time were:

| Stock                  | Date bought      | # of Shares | Price Now | Value               | % of Portfolio |
|------------------------|------------------|-------------|-----------|---------------------|----------------|
| Aber Diamonds          | Jan. 16, 2006    | 325         | \$46.51   | \$15,135.75         | 9.1%           |
| Aur Resources          | Oct. 17, 2005    | 1450        | \$13.24   | \$19,198.00         | 11.6%          |
| Ensign Energy Services | Nov. 28, 2005    | 165         | \$45.98   | \$7,586.70          | 4.6%           |
| Fortis Inc.            | Oct. 24, 2005    | 535         | \$23.62   | \$12,636.70         | 7.6%           |
| Goldcorp               | Aug. 15/22, 2005 | 390/110     | \$29.35   | \$14,675.00         | 8.9%           |
| GSW Inc.               | May 17, 2004     | 275         | \$125.00  | \$34,375.00         | 20.8%          |
| Kingsway Financial     | May 24, 2004     | 625         | \$23.98   | \$14,987.50         | 9.1%           |
| March Networks         | Nov. 21, 2005    | 435         | \$32.16   | \$13,989.60         | 8.5%           |
| SNC Lavalin            | Oct. 17, 2005    | 170         | \$79.36   | \$13,491.20         | 8.2%           |
| Trican Well Service    | Oct. 10, 2005    | 335         | \$57.76   | \$19,349.60         | 11.7%          |
| Cash                   |                  |             |           | \$179.90            |                |
| <b>Total</b>           |                  |             |           | <b>\$165,584.95</b> |                |

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In This Issue: Marco's Power Performers (see page 9)

**Post Mortem on Our Model Portfolio** *(from page 1)*

That issue I introduced a change. Instead of replacing a stock immediately when it hit a stop, I would hold the position vacant until the next newsletter to be filled by a newly featured stock if the stop was hit after the first of the following month. If no stocks hit stops or only one did, I would sell off the weakest performing stock of the past month to make room for the newly profiled ones of that issue.

**February:** Ensign Resources had been sold off when it hit its stop by the time the February issue rolled around. And we had to sell off one more to make room for the two new picks. We sold off Trican Well Service and bought our new picks, FirstService Corporation and Stella Jones. That proved to be a good move as Trican is down 20.3% for the year to date today.

**March:** Aur Resources hit its stop before the March issue rolled around. Sold off as the weakest link was March Networks. That also proved a good move as we locked in gains already made and March Networks subsequently fell and is now down 27.8% for the year to date. New stock picks bought were Intrust and Ritchie Brothers.

**April:** No stocks hit their stops but instead of selling off the weakest stock, we sold off GSW Inc. which had a takeover offer on it and was not likely to rise much further. Since it was a sizeable holding, I only used half to buy new stock pick MacDonald Dettwiler and used the rest to rebalance the other stocks. At this point, our portfolio was up 7.60% compared to 8.66% for the TSX – lagging a bit but not too far behind.

**May:** By May 5<sup>th</sup>, our portfolio had moved ahead of the TSX, up 10.53% for the year to date compared to 8.85% for the TSX. The next week Aber Diamonds hit its stop and the week after that Goldcorp and SNC Lavalin hit their stops. We replaced the three vacant spots with new picks WFI Industries and Wajax Income Fund and with Commercial Solutions which we featured as a Venture Exchange pick and which had graduated to the TSX. The TSX and our Model Portfolio both suffered in the general market selloff, but the portfolio remained ahead, up 4.47% for the year to date compared to the TSX's 2.43%.

**June:** In the week of May 26th, Stella Jones hit its stop loss at \$19.98. We sold it and replaced it immediately with Stantec. Stella Jones went sideways for four months after that before talking off at a

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**Post Mortem on Our Model Portfolio** (from page 2)

torrid pace. Before the June issue came out, six stocks hit their stop losses. They were Intrawest, Ritchie Brothers, Kingsway Financial, Commercial Solutions, Wajax and MacDonald Dettwiler. To fill the vacancies we profiled three new stocks in the June newsletter, all income trusts. They were Foremost Income Fund, Vicwest Income Fund and GMP Capital Trust. We also added La Senza, BMTC Group and Canada Bread. At this point, almost halfway into the year, the portfolio and the TSX were both in negative territory for the year – the portfolio down 1.30% and the TSX down 0.57%. But the last two weeks of June were solid and at June 30<sup>th</sup>, half way through the year, the Model Portfolio was up 0.82% while the TSX was up 3.02%.

**July:** No stops were hit during the month so when the July issue came out we sold the weakest link, Stantec, and replaced it with newly profiled Silver Wheaton. Stantec went a bit lower still and then rebounded strongly in the last five months of the year.

**August:** Again there were no stops between issues so I sold the two weakest performers since the previous issue. Those were GMP Capital Trust and La Senza. In the case of GMP, it fell after we sold it, made a recovery and then nosedived when the trust tax laws were changed. It has since climbed back to about the price at which we sold it. But La Senza is another story. If only I hadn't sold it! Shortly after we sold it (at \$23.10), it started to climb. And in mid-November it received a handsome takeover offer from the Victoria's Secret folks. The stock soared to almost \$48. That was, without a doubt, the biggest potential gain that I sold down the drain. Coulda, woulda, shoulda. Famous last words! We replaced them with new picks Pacific & Western Credit and Carfinco Income Fund, neither of which did well.

**September:** WFI Industries hit its stop in early September only to bounce back strongly within a week. It was sold at \$21.04 and today sits at \$26.01. The chart shows some violent fluctuations that a buy and hold strategy would have ridden out. Two more hit stops before the September issue came out. And I decided to sell three others that had been drifting sideways – Canada Bread, FirstService Corporation and BMTC Group. That proved to be a good move as Canada Bread subsequently fell while the other two continued to drift.

And I introduced another change to the way I manage the portfolio. I reviewed Jesse Livermore's book *How to Trade in Stocks* that issue and decided to incorporate some of Livermore's ideas into the management of the portfolio. Specifically, I decided to adopt his approach of "probing" the market by buying partial positions and then adding to them as the stock advances. I also opted to use Livermore's approach of a 10% stop on first purchases.

Five new stocks bought to fill the gaps were newly profiled Parkland Income Fund and COM DEV International as well as Research in Motion, TSX Group, and ZCL Composites. One position I opted to keep in cash. Because I adopted a "probing" approach, only small initial purchases were made of the new stocks. That left us with \$73,063.14 in cash. After this flurry of activity, the portfolio was up 3.95% for the year to date compared to 3.40% for the TSX. At about the ¾ point, the Model Portfolio was ahead of the TSX, though just barely.

**October:** ZCL Composites quickly hit that stop and was sold at \$5.54. It would not have been sold if I had continued to use the usual 15% stop but that stop was later hit. ZCL proved to be a big winner after it was sold and today sits at \$10.75, almost double the price it was sold at. Foremost hit its stop in early October. When the October issue rolled around we had three positions to fill. We filled them with new pick Inmet Mining and bought back positions in Stella Jones and WFI Industries. Again we bought probing positions. COM DEV International and Research in Motion were now fully invested. The portfolio was up 4.15% to the TSX's 5.64%.

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**Post Mortem on Our Model Portfolio** (from page 3)

**November:** By October 27<sup>th</sup> the portfolio was up 4.35% while the TSX was up 8.84%. Having such a large cash position hindered the portfolio's ability to rise with the TSX. Then disaster hit as the Tories changed the tax laws on income trusts. There were three income trusts in the portfolio and because the selloff was so powerful, there was a huge gap down on most income trusts. This resulted in the three income trusts selling below their stops. I recorded them in the portfolio as sold at the gap down opening price. This resulted in an instant loss of \$8542.45. This was the single most devastating blow to the Model Portfolio this year.

By the time the dust settled on Nov. 3<sup>rd</sup>, the Model Portfolio was up just 1.54% for the year compared to 8.58% for the TSX. The Model Portfolio had a heavier weighting in income trusts that sold below their stop loss prices. The TSX income trusts recovered somewhat and had a smaller weighting.

When the November issue rolled around, Inmet Mining had hit its stop intraday and I sold off TSX Group as an underperformer. The five vacant positions were filled with new picks Logibec Groupe and Paladin Labs as well as Potash Corporation, Gildan Activewear and Stantec.

We also started using Darvas boxes to determine stops on new purchases, in some cases making the stops much tighter.

**December:** Leading up to this issue we hit stops on WFI Industries and replaced it with March Networks. March Networks did not last long hitting its stop a week later. Stantec also hit its stop. Gildan Activewear hit its Darvas stop a week later and on Friday COM DEV International hit its stop of \$5.90 intraday as the stock took an erratic swing, rebounding to close at \$6.46. If the stop had not been triggered, the portfolio would have been up another \$1382.

And so this week we are adding four new positions – our newly featured stocks RDM Corporation (see page 5) and Dynatec (see page 7). We are using Darvas boxes in our chart analysis and placing the stops accordingly. And we are adding Commercial Solutions and Finning International. The Model Portfolio is down a titch for the week and up 3.05% for the year to date while the TSX is up 14.14%.

**Conclusion:** Overall, the major factor contributing to the poor showing was the unexpected change in tax law by the weasels in Ottawa. (Hey, if you're a Tory and offended...sorry...all politicians are weasels to some extent in my opinion.)

If we add back in the \$8542.45 wiped out by the government, our portfolio stands at \$170,165.72. That would put it at an 8.49% gain for the year to date, still considerably behind the TSX's 14.14%.

Did the changes in the way I manage the portfolio contribute to this year's poor showing? There were a few instances where stocks hit stops intraday only to rise higher later. One was COM DEV International, noted above. Others were Inmet Mining and WFI Industries. And having hard stops forced us out of our income trusts at far below the stop points even though the trusts all recovered some ground by the end of the day.

This leads me to go back to the way I managed stops before. Instead of a hard stop, I am going back to the way I used to do it – stops based on closing prices. This won't force stocks out on a volatile and unusual intraday swing. This should protect the portfolio somewhat from premature sales.

It is possible that having such a large cash position while the TSX was advancing also contributed. The jury is still out on the idea of probing positions with small purchases and adding to them.

But clearly, the Rich Get Richer Portfolio benefited from the stability of not over-trading the account. I will be reviewing that portfolio and depending on my findings, may amalgamate the two portfolios and my Power Performers analysis to come up with a blended portfolio, part mutual funds, part buy and hold per the Rich Get Richer method and part devoted to buying my new stock picks.

**Technology Pick****RDM Corporation (RC-TSX)****(website: [www.rdmcorp.com](http://www.rdmcorp.com))**

RDM Corporation develops and manufactures specialized software and hardware for electronic payment processing providing solutions for both the banking and retail sectors. The company's business has three operating segments – Digital Imaging, Electronic Payments Solutions and Quality Assurance.

Solutions provided by RDM include quality control systems for Magnetic Ink Character Recognition and Optical Character Recognition (MICR/OCR) and Image Quality. The company's products not only check print ready documents for errors before printing but are also used for processing checks.

The company also makes scanners that capture MICR information used in processing checks. Images can be uploaded to the company's Image and Transaction Management System (ITMS) in real time throughout the day or in a batch at the end of the day.

RDM's expertise in check management solutions led to the development of a Payment Automation solution for merchants. A merchant can run a check proffered by a customer through the company's scanner which can be connected to a credit card terminal.

Image Management is a strong part of this package. Images and information are captured from checks and stored in ITMS for subsequent retrieval.

The company's solutions fit in nicely with the Check Clearing for the 21<sup>st</sup> Century Act (Check 21) introduced by the American government in the wake of 9/11. The physical movement of paper checks ground to a halt when 9/11 happened and the way checks are processed had to be rethought. Check 21 authorized the electronic transmission of images of checks and the creation of "substitute checks" instead of physically moving checks.

In fact, image processing has become so big a part of RDM's business that revenues from this stream grew 70% in 2006 and now contributes 70% of RDM's total revenue.

In November the company announced that a milestone was reached with one million transactions are now processed through ITMS weekly, doubling in the last year.

Check 21 is an authorization act and does not mandate that electronic substitute checks must be used. But its advantages are becoming increasingly popular with banks and the market for RDM's ITMS services will continue to grow.

**Quarterly Earnings per Share**

| To Sept. 30th                      | 2005    | 2006    | % Change |
|------------------------------------|---------|---------|----------|
| <b>EPS (continuing operations)</b> | \$0.03  | \$0.08  | +166.67% |
| <b>Revenues (000,000s)</b>         | \$6,300 | \$7,200 | +14.29%% |

**Annual Earnings per Share**

| To Sept. 30th          | 2003     | 2004     | % Change | 2005     | % Change |
|------------------------|----------|----------|----------|----------|----------|
| <b>EPS</b>             | \$0.01   | \$0.04   | +300.00% | \$0.10   | +150.00% |
| <b>Revenues (000s)</b> | \$17,446 | \$19,555 | +12.09%  | \$24,535 | +25.47%  |

*(continued on page 6)*

### RDM Corporation (from page 5)



**Chart Analysis:** One of the things I noted from Nicolas Darvas stock picks was that stock's often moved sideways for some time before making the big move. That seems to be the case here. A five year chart shows RDM trading in a wide range from \$0.75 to \$1.50 from the fall of 2003 until early October this year when it decisively broke through this range. It hesitated and regrouped after topping \$2.30 and then forged ahead to almost \$4.75 on terrific volume. It is now regrouping again, preparing for another big move. We're putting a stop at the top of the last break out - \$3.50.

| Stats as of 12/17/06 | Phase 2 Analysis   |
|----------------------|--------------------|
| ▪ Hi/Lo Ratio: 5.86  | ▪ Price Pattern: A |
| ▪ RS: 99.54          | ▪ Volatility: B+   |
| ▪ Shares: 20,370,326 | ▪ Estimates: n/a   |
| ▪ P/E: 42.00         | ▪ Snapshot: A      |
| ▪ Price: \$4.20      | ▪ News: A+         |

**Phase 2:** We give RC an A for price pattern and an B+ for volatility as the up trend is solid but the correction after its October surge was severe and could happen again. Estimates are up with a consensus rating of 2.0 or buy. We give it an A. The snapshot is solid with growing revenues and growing earnings year over year. Return on equity is poor at 10.02 but growing fast. Earnings growth continued strong last quarter. We give it an A. News is solid with record revenues and earnings, a milestone in transactions handled and significantly, the adoption of a shareholder rights plan. This is usually to forestall an unwanted takeover bid though the company denies a takeover is in the works. We rate 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.

**Mining Sector Pick****Dynatec Corporation (DY-TSX)****(website: [www.dynatec.ca](http://www.dynatec.ca))**

Dynatec is a contract mining services company that does such things as assessing mining reserves and feasibility, mine design, equipment and manpower procurement and actually developing and operating the mine. Outsourcing is popular, even in the mining industry. Dynatec, in fact, is currently providing services to FNX Mining (in which it holds a 24.5% interest as well), Goldcorp, and Newmont Mining. It has done work for various gold producers, a copper mine in British Columbia, salt mines in Louisiana and Ontario, potash mines in Saskatchewan and base metals operations in New Brunswick, Ontario and B.C.

The company also has a Metallurgical Technologies Division. The company uses proprietary technology developed in-house in the field of pressure hydrometallurgy which it customizes and licenses. A key component of hydrometallurgy is the autoclave which conducts chemical reactions at high temperature and pressure to extract and recover a variety of metals.

Besides its 24.5% interest in FNX, the company also has a 40% interest in the Ambotovy Nickel Project for which it is the project operator. Located in Madagascar, Ambotovy is one of the largest nickel projects under development in the world.

Dynatec also has leased coal-bed methane rights over 42,053 acres in West Virginia. The area holds an estimated 65 billion cubic feet of gas. Some production is already underway.

And the company has interests in the Sudbury Basin Joint Venture and Aurora Platinum Corporation. Dynatec and FNX are jointly developing the Sudbury Basin JV which consists of five mineral properties formerly owned by Inco. Phase 1 commercial production was reached in November 2003 and Phase 2 in May 2005. Copper, nickel and precious metals are the primary metals being produced. And in 2005, a new high-grade copper-nickel-platinum-palladium-gold mineralization was discovered.

Dynatec's interest in FNX has proved to be a large contributor to the company's earnings.

Strong demand in the base metals and precious metals should continue and Dynatec's strategic interests as well as its contract service revenues should spell continued growth.

**Quarterly Earnings per Share**

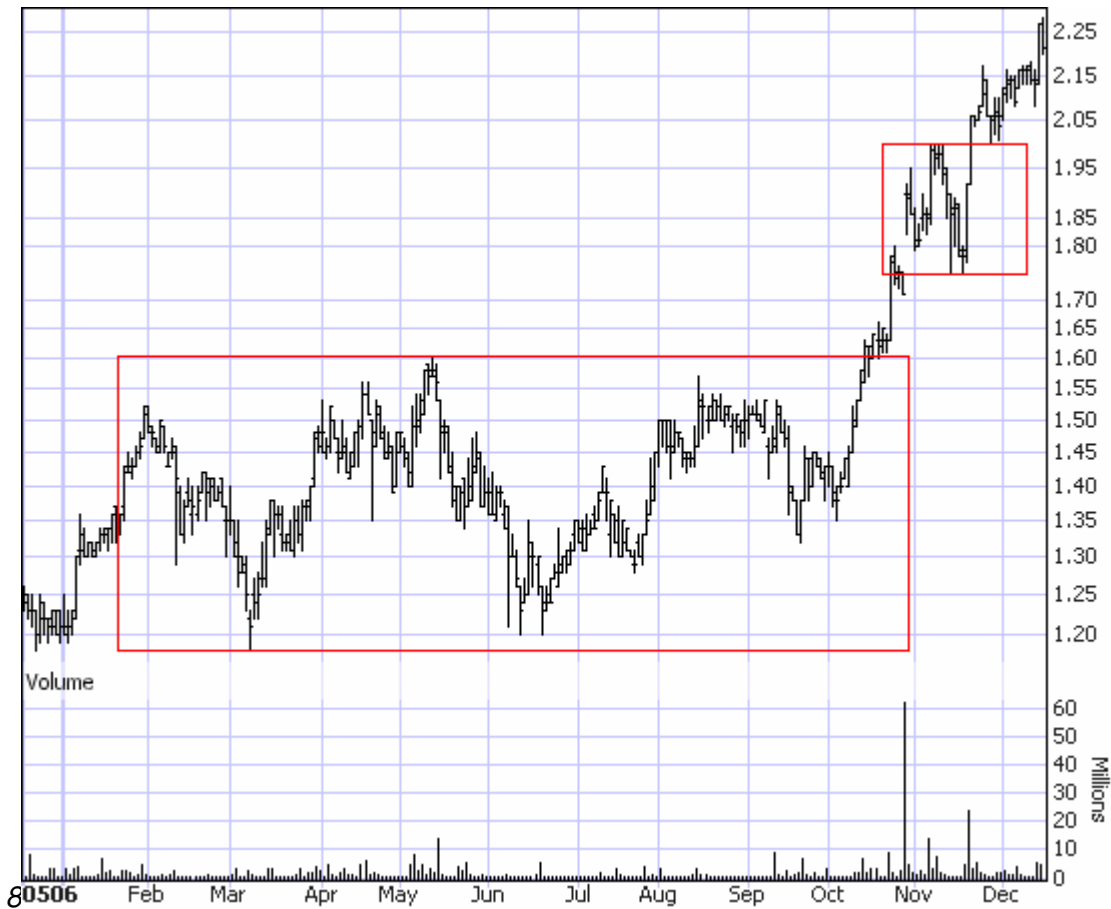
| To June 30th                       | 2005     | 2006     | % Change |
|------------------------------------|----------|----------|----------|
| <b>EPS (continuing operations)</b> | \$0.01   | \$0.02   | +26.67%  |
| <b>Revenues (000s)</b>             | \$44,900 | \$54,000 | +58.90%% |

**Annual Earnings per Share**

| To Dec. 31st           | 2003      | 2004      | % Change | 2005      | % Change |
|------------------------|-----------|-----------|----------|-----------|----------|
| <b>EPS</b>             | -\$0.01   | \$0.02    | +36.36%  | \$0.13    | +35.56%  |
| <b>Revenues (000s)</b> | \$107,610 | \$149,804 | +27.76%  | \$190,596 | +13.75%  |

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### Dynatec Corporation (from page 7)



**Chart Analysis:** Our Darvas boxes show a long trading pattern fluctuating between \$1.20 and \$1.60 which was broken to the upside in mid-October. This was followed by a gap up in late October on huge volume. At \$2.00, the stock went into consolidation and broke the new box in two days of trading in mid-November. The stock is still in a strong up trend and we will place our stop at the top of the last box - \$2.00.

| Stats as of 12/17/06  | Phase 2 Analysis   |
|-----------------------|--------------------|
| ▪ Hi/Lo Ratio: 1.92   | ▪ Price Pattern: A |
| ▪ RS: 91.65           | ▪ Volatility: B    |
| ▪ Shares: 306,101,776 | ▪ Estimates: A-    |
| ▪ P/E: 17.00          | ▪ Snapshot: A      |
| ▪ Price: \$2.21       | ▪ News: A          |

**Phase 2:** We give DY an A for price pattern and a B for volatility since it has a history of wide fluctuations. Although estimates for 2006 are down, they're up for 2007. Rating is 2.4 or Buy. We give it an A-. The snapshot is solid with growing revenues and a turnaround to growing profitability. Return on equity is lower than we like at 12.84 but growing. We give it an A. New is good with growing revenues and earnings, and environmental approval for the Ambotovy Project. We give it an A as well.

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 October 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.

The TSX continued its winning ways in November, climbing 407.79 points or 3.30% to close the month at 12,752.38. But, surprisingly, the number of mutual funds making our Power Performer lists dropped.

The number of Super Power Performers climbed to 38 from 34. The number of Power Performers stayed even at 34, down a notch from the 35 in October. But the number of Performers dropped to 103 from 131. Total: 175 compared to 200 in October.

The powerhouses in the Super Power Performers were resource funds which made up 22 of the 38 funds. Seven were small caps. Another seven were emerging markets of which three were Latin America funds. The rest were specialty funds and miscellaneous.

The Power Performers are also dominated by resource, emerging markets and small cap funds.

The same holds true for the Performers with a number of real estate funds thrown in as well.

December is traditionally a strong month for the markets and has been so far as the TSX topped 13,000 Thursday. Expect further strength.

| <b>Super Power Performers (38)</b>          | <b>1 yr</b> | <b>3 yr</b> | <b>5 yr</b> |
|---|-------------|-------------|-------------|
| TDK Resource Fund Inc.                      | 57.21       | 43.16       | 40.54       |
| Front Street Special Opportunities Cdn.     | 27.80       | 28.49       | 40.52       |
| Mackenzie Universal Cdn. Resource (US\$)    | 29.88       | 34.39       | 39.06       |
| Front Street Small Cap Canadian             | 29.80       | 31.57       | 37.72       |
| Northern Rivers Innovation Fund LP          | 77.32       | 32.31       | 36.72       |
| CI Signature Cdn Resource Corp Class (US\$) | 41.88       | 40.53       | 35.84       |
| AGF Global Resources Class (US\$)           | 46.79       | 39.94       | 35.59       |
| Dynamic FocusPlus Resource                  | 60.12       | 40.35       | 35.54       |
| Sceptre Equity Growth - O                   | 45.57       | 31.18       | 33.90       |
| Sprott Canadian Equity                      | 51.81       | 30.79       | 32.63       |
| Sceptre Equity Growth - A                   | 43.77       | 29.64       | 32.45       |
| DMP Resource Class                          | 53.19       | 30.44       | 32.22       |
| TD Latin American Growth (US\$)             | 38.81       | 47.75       | 31.88       |
| Altamira Resource                           | 38.04       | 30.63       | 31.77       |
| Excel India                                 | 36.13       | 35.07       | 31.73       |
| AGF Canadian Resources                      | 40.33       | 33.07       | 31.72       |
| Sentry Select Precious Metals Growth        | 105.45      | 26.79       | 31.64       |
| Fidelity Latin America-B (US\$)             | 38.25       | 47.07       | 31.56       |
| Fidelity Latin America-A (US\$)             | 37.84       | 46.84       | 31.44       |
| GWL Canadian Resources (A) DSC              | 38.85       | 31.56       | 30.74       |
| GWL Canadian Resources (A) NL               | 38.55       | 31.28       | 30.46       |
| Mackenzie Universal Canadian Resource       | 27.03       | 28.79       | 30.45       |
| Scotia Resource                             | 37.80       | 30.45       | 30.27       |
| London Life Canadian Resource (MF)          | 25.83       | 27.63       | 29.78       |
| Norrep Fund                                 | 26.96       | 27.82       | 29.51       |
| CI Signature Canadian Resource              | 39.77       | 35.82       | 29.05       |
| Clarica SF CI Signature Cdn Resource - DSC  | 38.52       | 34.22       | 28.94       |
| Clarica SF CI Signature Canadian Resource   | 38.51       | 34.22       | 28.91       |
| BMO Resource                                | 42.03       | 32.57       | 28.68       |
| CI Signature Canadian Resource Corp Class   | 38.93       | 34.64       | 27.42       |
| AGF Global Resources Class                  | 43.49       | 34.12       | 27.18       |
| Mavrix Strategic Small Cap                  | 70.67       | 41.14       | 27.09       |
| TD Resource                                 | 29.25       | 25.10       | 26.16       |
| AGF Emerging Markets Value (US\$)           | 40.69       | 36.38       | 26.13       |
| RBC Global Resources                        | 53.29       | 34.92       | 26.07       |
| Third Canadian General Investment Trust     | 26.63       | 32.12       | 25.84       |
| Fidelity Emerging Markets-B (US\$)          | 36.05       | 33.48       | 25.80       |
| Fidelity Emerging Markets-A (US\$)          | 35.69       | 33.29       | 25.70       |

(continued on page 11)

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

**Below are our Power Performers.**

| <b>Power Performers (34)</b>                  | <b>1 yr</b> | <b>3 yr</b> | <b>5 yr</b> |   | <b>1 yr</b> | <b>3 yr</b> | <b>5 yr</b> |
|---|-------------|-------------|-------------|---|-------------|-------------|-------------|
| AGF Precious Metal                            | 88.68       | 21.59       | 45.35       | AGF China Focus Class (US\$)                        | 51.51       | 22.14       | 23.34       |
| Mackenzie Cundill Recovery 'C' (US\$)         | 28.46       | 23.96       | 29.63       | Fidelity Latin America-A                            | 34.95       | 40.68       | 23.27       |
| Epic Limited Partnership                      | 28.05       | 21.74       | 28.60       | AGF Global Real Estate Equity (US\$)                | 43.82       | 27.29       | 22.87       |
| Sentry Canadian Resource Class                | 20.31       | 30.08       | 26.86       | Canadian General Investments Ltd.                   | 34.50       | 27.90       | 22.81       |
| Bissett Microcap-F                            | 23.97       | 23.85       | 26.05       | Scotia Latin American Growth                        | 32.14       | 36.83       | 22.23       |
| Trimark Canadian Resources                    | 33.68       | 24.96       | 25.10       | CIBC Latin American                                 | 33.40       | 33.08       | 22.17       |
| First Asset Energy & Resource Income & Growth | 32.36       | 26.30       | 24.78       | Trimark Europlus (US\$)                             | 38.07       | 25.61       | 21.58       |
| Bissett Microcap-A                            | 22.27       | 22.19       | 24.49       | Dynamic Power Small Cap                             | 26.53       | 21.28       | 21.53       |
| Templeton Emerging Markets CC (US\$)          | 25.44       | 27.09       | 24.23       | AGF European Equity Class (US\$)                    | 42.16       | 26.14       | 21.29       |
| Templeton Emerging Markets (US\$)             | 25.41       | 27.02       | 24.11       | CI Signature Select Canadian Corporate Class (US\$) | 25.42       | 25.31       | 21.17       |
| Sprott Hedge L.P.                             | 36.37       | 21.84       | 23.96       | National Bank Natural Resources                     | 32.01       | 26.23       | 21.09       |
| Mackenzie Universal World Resource Class      | 27.72       | 28.47       | 23.93       | SEI Emerging Market Equity-O                        | 28.51       | 25.85       | 20.77       |
| Acuity All Cap 30 Canadian Equity             | 29.92       | 20.20       | 23.89       | Montrusco Bolton TSX 100 Momentum                   | 25.07       | 32.62       | 20.67       |
| TD Latin American Growth                      | 35.59       | 41.48       | 23.72       | Concordia Special Growth                            | 26.44       | 21.44       | 20.61       |
| First Asset Energy & Resource                 | 37.42       | 26.92       | 23.69       | CI Emerging Markets Corporate Class (US\$)          | 36.37       | 27.85       | 20.42       |
| CIBC Canadian Resource                        | 23.24       | 28.52       | 23.53       | Trans IMS Canadian Small Cap                        | 26.37       | 29.50       | 20.38       |
| Fidelity Latin America-B                      | 35.35       | 40.90       | 23.39       | CI Emerging Markets (US\$)                          | 35.88       | 27.81       | 20.03       |

**Below and on the next page are our Performers.**

| <b>Performers (103)</b>                        | <b>1 yr</b> | <b>3 yr</b> | <b>5 yr</b> |                                      | <b>1 yr</b> | <b>3 yr</b> | <b>5 yr</b> |
|--|-------------|-------------|-------------|--------------------------------------|-------------|-------------|-------------|
| RBC Global Precious Metals                     | 74.54       | 15.57       | 48.77       | Montrusco Bolton Cdn Small Cap B     | 17.69       | 23.00       | 22.72       |
| Mackenzie Universal Precious Metals (US\$)     | 73.94       | 18.43       | 41.71       | Montrusco Bolton Enterprise          | 18.00       | 22.77       | 21.77       |
| CIBC Precious Metals                           | 75.81       | 18.07       | 36.11       | Mackenzie Cundill Recovery 'C'       | 25.65       | 18.80       | 21.60       |
| CI Global Energy Corp Class (US\$)             | 15.86       | 46.94       | 32.81       | Acuity Pooled Canadian Equity        | 22.68       | 19.10       | 20.22       |
| TD Precious Metals                             | 71.99       | 16.65       | 32.26       | R Canadian Smaller Companies         | 16.11       | 17.68       | 20.05       |
| Mackenzie Universal World Precious Metal Class | 73.97       | 16.04       | 30.96       | AGF Global Financial Services (US\$) | 28.17       | 23.59       | 19.99       |
| Norrep II Class-A                              | 19.65       | 25.26       | 29.26       | Empire Small Cap Equity - Class A    | 24.92       | 20.00       | 19.98       |
| Northwest Specialty Equity                     | 18.02       | 20.51       | 27.24       | CI Harbour Corporate Class (US\$)    | 19.31       | 23.64       | 19.97       |
| QVGD Cdn Enterprise Small Cap                  | 15.19       | n/a         | 25.11       | Elliott & Page Growth Opportunities  | 16.30       | 17.44       | 19.70       |
| Mawer New Canada                               | 17.18       | 21.05       | 23.09       | Dynamic Canadian Value Class         | 37.79       | 29.03       | 19.59       |

(continued on page 12)

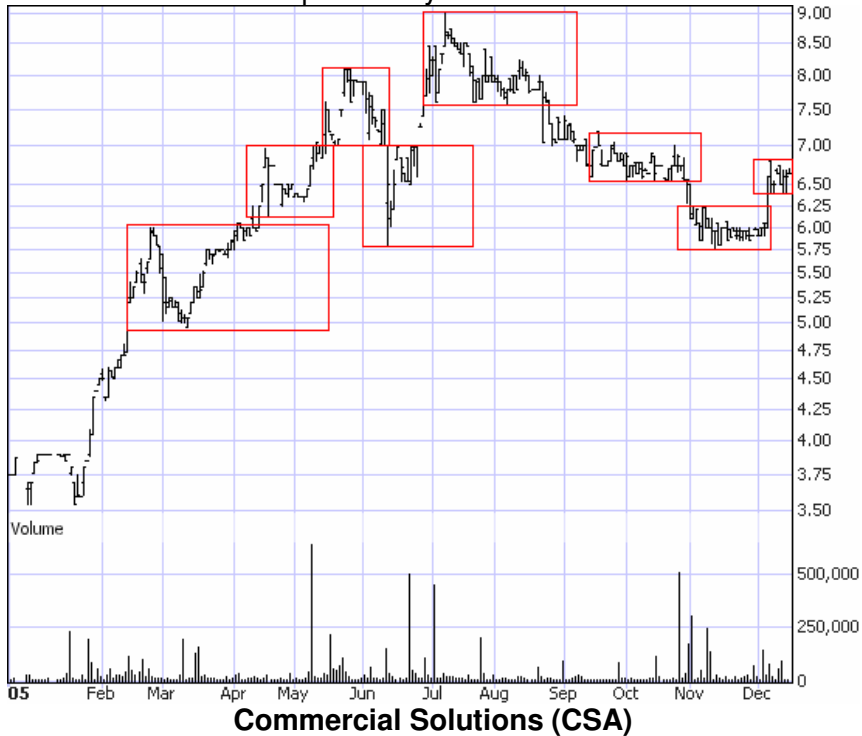
**Marco's Power Performers (from page 11)**

| Performers (continued)                      | 1 yr  | 3 yr  | 5 yr  |   | 1 yr  | 3 yr  | 5 yr  |
|---|-------|-------|-------|---|-------|-------|-------|
| ABC Fundamental Value                       | 24.44 | 21.22 | 19.51 | BMO Special Equity                                  | 27.90 | 22.05 | 16.59 |
| Renaissance Canadian Small-Cap              | 25.99 | 23.62 | 19.44 | Templeton Emerging Markets CC                       | 22.81 | 21.75 | 16.59 |
| SEI Cdn. Small Company Equity-O             | 23.46 | 19.78 | 19.41 | Beutel Goodman Small Cap                            | 25.37 | 15.48 | 16.50 |
| TD Emerging Markets-A                       | 33.03 | 26.97 | 19.36 | AGF International Stock Class (US\$)                | 35.87 | 24.21 | 16.47 |
| TD Emerging Markets                         | 33.12 | 26.83 | 19.31 | Templeton Emerging Markets                          | 22.78 | 21.67 | 16.46 |
| Dynamic Power Canadian Growth               | 28.22 | 23.75 | 19.22 | Mackenzie Universal European Opportunities (US\$)   | 28.74 | 23.75 | 16.38 |
| Altamira Global Discovery                   | 31.06 | 25.27 | 19.16 | Dynamic Global Value Fund (US\$)                    | 26.68 | 24.43 | 16.36 |
| GGOF Emerging Markets Mutual                | 27.25 | 26.54 | 19.05 | Sentry Select REIT                                  | 22.09 | 20.03 | 16.34 |
| APEX Canadian Value (Dynamic)               | 39.62 | 29.40 | 18.98 | Thornmark Enhanced Equity                           | 25.36 | 25.82 | 16.29 |
| IA Ecoflex Canadian Equity (Dynamic)        | 39.62 | 29.40 | 18.98 | Sun Life Sunfund (Fund A)                           | 24.20 | 21.73 | 16.28 |
| IAP Canadian Equity (Dynamic)               | 39.62 | 29.40 | 18.98 | Fidelity Focus Natural Res-B (US\$)                 | 16.27 | 25.58 | 16.26 |
| Assumption/MB TSX 100 Momentum              | 23.22 | 30.64 | 18.93 | IA Ecoflex Dividends                                | 18.72 | 20.49 | 16.18 |
| Trimark Global Endeavour (US\$)             | 29.18 | 21.40 | 18.89 | IAP Dividends                                       | 18.72 | 20.49 | 16.18 |
| IA Group Dividends                          | 21.30 | 23.11 | 18.71 | Fidelity Focus Natural Res-A (US\$)                 | 16.00 | 25.39 | 16.16 |
| Saxon Small Cap                             | 21.44 | 16.12 | 18.70 | CI Synergy Focus Global Eq (US\$)                   | 16.08 | 19.15 | 16.06 |
| CIBC Emerging Markets Index                 | 29.95 | 25.84 | 18.66 | iShares CDN Financial Sector Index                  | 16.43 | 19.55 | 16.04 |
| AGF Canada Class (US\$)                     | 24.22 | 23.63 | 18.62 | CDA Emerging Markets (Brandes)                      | 24.35 | 17.62 | 16.00 |
| Montrusco Bolton Cdn Equity Plus            | 20.38 | 20.11 | 18.39 | Bona Vista Canadian Equity                          | 22.51 | 22.79 | 15.97 |
| AGF Emerging Markets                        | 37.44 | 30.69 | 18.36 | Fidelity Focus Financial Series B(US\$)             | 29.21 | 24.36 | 15.89 |
| United-Canadian Equity Small Cap PI         | 18.44 | 17.07 | 18.32 | Renaissance Developing Cap Markets                  | 25.47 | 23.41 | 15.88 |
| Mackenzie Universal World Real Estate Class | 41.65 | 22.85 | 18.24 | Trans IMS Can-Emerge                                | 25.15 | 23.17 | 15.84 |
| Dynamic FocusPlus Real Estate               | 30.67 | 21.56 | 18.23 | Guardian Vector Canadian Equity                     | 24.24 | 21.04 | 15.83 |
| Dynamic FocusPlus Small Business            | 22.55 | 23.12 | 18.06 | Fidelity Focus Financial Series A (US\$)            | 28.91 | 24.19 | 15.80 |
| Fidelity Emerging Markets-B                 | 33.20 | 27.84 | 18.01 | Assumption Canadian Equity Plus                     | 17.84 | 17.57 | 15.79 |
| Trans IMS Canadian Resources                | 15.87 | 19.94 | 17.98 | BMO Emerging Markets                                | 24.97 | 22.05 | 15.74 |
| Dynamic Power Cdn. Growth Class             | 24.95 | 22.13 | 17.94 | Acuity Social Values Canadian Equity                | 19.07 | 16.41 | 15.71 |
| Fidelity Emerging Markets-A                 | 32.97 | 27.66 | 17.91 | AGF China Focus Class                               | 48.26 | 17.03 | 15.69 |
| Highstreet Canadian Equity                  | 20.30 | 22.23 | 17.83 | SEI Canadian Equity-O                               | 20.68 | 20.13 | 15.68 |
| CIBC Canadian Real Estate                   | 29.43 | 22.56 | 17.66 | Thornmark Dividend & Income                         | 18.80 | 21.55 | 15.65 |
| AIM International Growth Class(US\$)        | 33.47 | 23.95 | 17.62 | Dynamic Canadian Dividend Fund                      | 16.57 | 20.00 | 15.55 |
| Genus Biosphere Plus Canadian Equity        | 22.11 | 23.42 | 17.24 | Genus Dividend Equity                               | 17.83 | 19.78 | 15.54 |
| Dynamic Value Fund of Canada                | 34.04 | 27.20 | 17.19 | Talvest Millennium Next Generation                  | 17.81 | 18.57 | 15.35 |
| Sceptre Canadian Equity Pooled              | 26.43 | 23.63 | 17.06 | AGF Global Real Estate Equity                       | 40.67 | 21.98 | 15.24 |
| Acuity Canadian Equity                      | 19.23 | 15.97 | 17.02 | Altafund Investment Corp.                           | 20.05 | 24.16 | 15.18 |
| Fidelity Far East-B (US\$)                  | 40.25 | 26.79 | 16.96 | Genus Canadian Equity                               | 19.28 | 21.71 | 15.15 |
| Investors Euro Mid-Cap Equity-C             | 43.40 | 23.26 | 16.90 | IA Ecoflex Emerging Markets (Temple)                | 21.70 | 19.86 | 15.14 |
| United-Real Estate Investment Pool          | 34.05 | 24.63 | 16.84 | IA Group Fidelity True North                        | 23.31 | 23.03 | 15.14 |
| Leith Wheeler Canadian Equity B             | 20.02 | 21.05 | 16.82 | IAP Ecflx Emerging Markets (Temple)                 | 21.70 | 19.86 | 15.14 |
| Fidelity Far East-A (US\$)                  | 39.81 | 26.51 | 16.81 | Sceptre Canadian Equity - O                         | 34.25 | 25.22 | 15.14 |
| Arrow WF Asia                               | 21.05 | 17.95 | 16.80 | CI European Corporate Class (US\$)                  | 33.75 | 22.06 | 15.13 |
| KEYSTONE Saxon Smaller Companies            | 16.27 | 16.11 | 16.79 | AGF Canadian Small Cap                              | 41.79 | 21.62 | 15.03 |
| National Bank Emerging Markets              | 31.85 | 24.81 | 16.77 | <b>Power Performers © 1997-2006 Marco den Ouden</b> |       |       |       |

## Portfolio Additions

### New Stocks Added to Our Portfolio

Besides the two stocks profiled, we are adding two others from our Watched List to the Model Portfolio to fill vacant spots. They are Commercial Solutions and Finning International.



Commercial Solutions was rising through the end of June when it reversed direction and a box dropped below before it started rising again. Then two consecutive boxes brought it down again. Now that trend has reversed but just barely. So we are trying to get in at the beginning of a new up trend and will use a tight stop of \$6.25 which is the top of the last box. If it falls below that level, we know the new up trend was a false indicator.

The numbers on CSA are excellent with the recent quarter showing net earnings up 60% though EPS were flat because of new stock issue. There's also a recent acquisition.

Finning International has started to climb after trading sideways in a wide range between \$36 and \$42 for about a year. Strong volume accompanied the recent rise.

News is positive for Finning with continuing strong sales to the mining sector and record revenues and earnings. The company reaffirmed positive guidance for 2007.

The company also plans to put additional focus on the service end of the business, helping cement customer loyalty and driving further revenues.

Since Finning has just broken strongly out of a box, we are placing our stop at the top of that box or \$46.



## Our Model Portfolio

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

**Current Position: \$161,623.27 (Up 223.25%) Up 3.05% YTD**

We had four stocks hit stops recently and are filling those four vacancies with our two new stocks and old favorites Finning International and Commercial Solutions. Our cash position is a hefty \$59,457.40 or 36.79%. This position will drop as we add to our initial positions in the weeks ahead.

As discussed elsewhere in this issue, we are reviewing our approach to managing the portfolio and will review it again in six months. We hope to see the changes we made bear fruit but we'll just have to wait and see.

|  |  |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
|--|--|--|-----------------------------|----------------------------|---------------------|-----------------------|---|-------------------------|---|----------------------------|---------------------------|---------------------|----------------------|
| <p style="text-align: center;"><b>COM DEV International (CDV)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 2469</td> <td><b>Bought:</b> 18/09/06,<br/>02/10/06, 16/10/06</td> </tr> <tr> <td><b>Price Then:</b> \$6.07</td> <td><b>Price Now:</b> \$6.19</td> </tr> <tr> <td><b>Gain:</b> 1.98%</td> <td><b>Stop:</b> \$5.90</td> </tr> </table> <p><b>Notes:</b> COM DEV is a leading manufacturer of</p>  | <b># of Shares:</b> 2469                       | <b>Bought:</b> 18/09/06,<br>02/10/06, 16/10/06 | <b>Price Then:</b> \$6.07   | <b>Price Now:</b> \$6.19   | <b>Gain:</b> 1.98%  | <b>Stop:</b> \$5.90   | <p style="text-align: center;"><b>Fortis Inc. (FTS)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 795</td> <td><b>Bought:</b> Oct. 24/05</td> </tr> <tr> <td><b>Price Then:</b> \$22.88</td> <td><b>Price Now:</b> \$28.17</td> </tr> <tr> <td><b>Gain:</b> 23.13%</td> <td><b>Stop:</b> \$22.71</td> </tr> </table> <p><b>Notes:</b> Newfoundland based electric company Fortis Inc. has expanded into other regions of</p>  | <b># of Shares:</b> 795 | <b>Bought:</b> Oct. 24/05               | <b>Price Then:</b> \$22.88 | <b>Price Now:</b> \$28.17 | <b>Gain:</b> 23.13% | <b>Stop:</b> \$22.71 |
| <b># of Shares:</b> 2469   | <b>Bought:</b> 18/09/06,<br>02/10/06, 16/10/06 |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$6.07  | <b>Price Now:</b> \$6.19                       |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 1.98%   | <b>Stop:</b> \$5.90                            |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b># of Shares:</b> 795  | <b>Bought:</b> Oct. 24/05                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$22.88   | <b>Price Now:</b> \$28.17                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 23.13%  | <b>Stop:</b> \$22.71                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <p style="text-align: center;"><b>Finning International (FTT)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 84</td> <td><b>Bought:</b> Dec. 18/06</td> </tr> <tr> <td><b>Price Then:</b> \$47.49</td> <td><b>Price Now:</b> \$47.49</td> </tr> <tr> <td><b>Gain:</b> 0.00%</td> <td><b>Stop:</b> \$60.00</td> </tr> </table> <p><b>Notes:</b> Finning is a leading dealer of heavy equipment for industry worldwide including such things as bulldozers and steam shovels.</p>           | <b># of Shares:</b> 84                         | <b>Bought:</b> Dec. 18/06                      | <b>Price Then:</b> \$47.49  | <b>Price Now:</b> \$47.49  | <b>Gain:</b> 0.00%  | <b>Stop:</b> \$60.00  | <p style="text-align: center;"><b>Fortis Inc. (FTS)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 795</td> <td><b>Bought:</b> Oct. 24/05</td> </tr> <tr> <td><b>Price Then:</b> \$22.88</td> <td><b>Price Now:</b> \$28.79</td> </tr> <tr> <td><b>Gain:</b> 25.84%</td> <td><b>Stop:</b> \$23.04</td> </tr> </table> <p><b>Notes:</b> Newfoundland based electric company Fortis Inc. has expanded into other regions of Canada including British Columbia.</p>                 | <b># of Shares:</b> 795 | <b>Bought:</b> Oct. 24/05               | <b>Price Then:</b> \$22.88 | <b>Price Now:</b> \$28.79 | <b>Gain:</b> 25.84% | <b>Stop:</b> \$23.04 |
| <b># of Shares:</b> 84   | <b>Bought:</b> Dec. 18/06                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$47.49   | <b>Price Now:</b> \$47.49                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 0.00%   | <b>Stop:</b> \$60.00                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b># of Shares:</b> 795  | <b>Bought:</b> Oct. 24/05                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$22.88   | <b>Price Now:</b> \$28.79                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 25.84%  | <b>Stop:</b> \$23.04                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <p style="text-align: center;"><b>Logibec Groupe (LGI)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 551</td> <td><b>Bought:</b> Nov. 20 &amp;<br/>Dec. 11/06</td> </tr> <tr> <td><b>Price Then:</b> \$16.38</td> <td><b>Price Now:</b> \$16.15</td> </tr> <tr> <td><b>Gain:</b> -1.40%</td> <td><b>Stop:</b> \$15.50</td> </tr> </table> <p><b>Notes:</b> Quebec based Logibec Groupe Informatique manufactures specialized software for hospitals and other healthcare facilities.</p> | <b># of Shares:</b> 551                        | <b>Bought:</b> Nov. 20 &<br>Dec. 11/06         | <b>Price Then:</b> \$16.38  | <b>Price Now:</b> \$16.15  | <b>Gain:</b> -1.40% | <b>Stop:</b> \$15.50  | <p style="text-align: center;"><b>Paladin Labs (PLB)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 347</td> <td><b>Bought:</b> Nov. 20/06</td> </tr> <tr> <td><b>Price Then:</b> \$11.52</td> <td><b>Price Now:</b> \$11.18</td> </tr> <tr> <td><b>Gain:</b> -2.95%</td> <td><b>Stop:</b> \$10.25</td> </tr> </table> <p><b>Notes:</b> Paladin Labs in-licenses specialized drugs from other manufacturers for sale in Canada.</p>  | <b># of Shares:</b> 347 | <b>Bought:</b> Nov. 20/06               | <b>Price Then:</b> \$11.52 | <b>Price Now:</b> \$11.18 | <b>Gain:</b> -2.95% | <b>Stop:</b> \$10.25 |
| <b># of Shares:</b> 551  | <b>Bought:</b> Nov. 20 &<br>Dec. 11/06         |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$16.38   | <b>Price Now:</b> \$16.15                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> -1.40%  | <b>Stop:</b> \$15.50                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b># of Shares:</b> 347  | <b>Bought:</b> Nov. 20/06                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$11.52   | <b>Price Now:</b> \$11.18                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> -2.95%  | <b>Stop:</b> \$10.25                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <p style="text-align: center;"><b>Potash Corporation (POT)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 55</td> <td><b>Bought:</b> Nov. 20/27/06</td> </tr> <tr> <td><b>Price Then:</b> \$161.01</td> <td><b>Price Now:</b> \$159.18</td> </tr> <tr> <td><b>Gain:</b> -1.14%</td> <td><b>Stop:</b> \$145.00</td> </tr> </table> <p><b>Notes:</b> Potash Corporation of Saskatchewan is one of the world's leading suppliers of fertilizers for agriculture.</p>                         | <b># of Shares:</b> 55                         | <b>Bought:</b> Nov. 20/27/06                   | <b>Price Then:</b> \$161.01 | <b>Price Now:</b> \$159.18 | <b>Gain:</b> -1.14% | <b>Stop:</b> \$145.00 | <p style="text-align: center;"><b>RDM Corp. (RC)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 952</td> <td><b>Bought:</b> Dec. 18/06</td> </tr> <tr> <td><b>Price Then:</b> \$4.20</td> <td><b>Price Now:</b> \$4.20</td> </tr> <tr> <td><b>Gain:</b> 0.00%</td> <td><b>Stop:</b> \$3.50</td> </tr> </table> <p><b>Notes:</b> RDM Corp. is a leader in the development and deployment of software and hardware for processing checks.</p>                                      | <b># of Shares:</b> 952 | <b>Bought:</b> Dec. 18/06               | <b>Price Then:</b> \$4.20  | <b>Price Now:</b> \$4.20  | <b>Gain:</b> 0.00%  | <b>Stop:</b> \$3.50  |
| <b># of Shares:</b> 55   | <b>Bought:</b> Nov. 20/27/06                   |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$161.01  | <b>Price Now:</b> \$159.18                     |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> -1.14%  | <b>Stop:</b> \$145.00                          |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b># of Shares:</b> 952  | <b>Bought:</b> Dec. 18/06                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$4.20  | <b>Price Now:</b> \$4.20                       |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 0.00%   | <b>Stop:</b> \$3.50                            |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <p style="text-align: center;"><b>Research in Motion (RIM)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 145</td> <td><b>Bought:</b> 18/09/06,<br/>25/09/06, 02/10/06</td> </tr> <tr> <td><b>Price Then:</b> \$102.65</td> <td><b>Price Now:</b> \$155.00</td> </tr> <tr> <td><b>Gain:</b> 51.01%</td> <td><b>Stop:</b> \$128.82</td> </tr> </table> <p><b>Notes:</b> Research in Motion is famous for its Blackberry Pager.</p>   | <b># of Shares:</b> 145                        | <b>Bought:</b> 18/09/06,<br>25/09/06, 02/10/06 | <b>Price Then:</b> \$102.65 | <b>Price Now:</b> \$155.00 | <b>Gain:</b> 51.01% | <b>Stop:</b> \$128.82 | <p style="text-align: center;"><b>Stella Jones (SJ)</b></p> <table border="1"> <tr> <td><b># of Shares:</b> 575</td> <td><b>Bought:</b> Oct. 16/30/<br/>Nov. 5/06</td> </tr> <tr> <td><b>Price Then:</b> \$26.05</td> <td><b>Price Now:</b> \$33.54</td> </tr> <tr> <td><b>Gain:</b> 28.75%</td> <td><b>Stop:</b> \$27.83</td> </tr> </table> <p><b>Notes:</b> Stella Jones is one of those low tech companies a Warren Buffett or Peter Lynch would like. They make telephone poles.</p> | <b># of Shares:</b> 575 | <b>Bought:</b> Oct. 16/30/<br>Nov. 5/06 | <b>Price Then:</b> \$26.05 | <b>Price Now:</b> \$33.54 | <b>Gain:</b> 28.75% | <b>Stop:</b> \$27.83 |
| <b># of Shares:</b> 145  | <b>Bought:</b> 18/09/06,<br>25/09/06, 02/10/06 |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$102.65  | <b>Price Now:</b> \$155.00                     |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 51.01%  | <b>Stop:</b> \$128.82                          |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b># of Shares:</b> 575  | <b>Bought:</b> Oct. 16/30/<br>Nov. 5/06        |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Price Then:</b> \$26.05   | <b>Price Now:</b> \$33.54                      |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |
| <b>Gain:</b> 28.75%  | <b>Stop:</b> \$27.83                           |  |                             |                            |                     |                       |   |                         |   |                            |                           |                     |                      |