

## BREAK-AWAYS

January 26, 2017

# Trend-Breaks Portfolio

We have created a Portfolio of stocks by utilizing the daily charts from the “Early Warnings” segment of the Daily Trend Report, which is part of the [TheUpTrend.com](http://TheUpTrend.com) technical charting system (link below).

**NOTE:** *The Trend-Breaks Portfolio has a short-term perspective. Since this stock portfolio is based on daily stock charts, we update this report when appropriate. Any decisions made with respect to making changes to the portfolio will be reflected in a Buy, Sell, or Short transaction effected at the following day's Opening Price.*

**TODAY'S COMMENT:** *We will thoroughly review the holdings in this portfolio on the weekend. It is not doing well enough just to maintain the status quo.*

### CUMULATIVE PORTFOLIO PICKS

As At: January 26

<u>Date</u>	<u>Symbol</u>	<u>Company</u>	<u>Buy / Short</u>	<u>Contract Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>	<u>&lt;Range Since Purchase&gt;</u>	
								<u>High</u>	<u>Low</u>
Oct 25	GIB.A	CGI Group	Buy	\$63.64	\$64.01	\$65.63	\$67.19	\$67.14	\$60.93
Nov 15	BCE	BCE Inc.	Buy	\$57.12	\$58.61	\$58.59	\$59.38	\$59.08	\$57.12
Dec 12	NWH.un	NorthWest HealthCare Properties	Buy	\$9.83	\$10.11	\$10.55	\$10.75	\$10.45	\$9.75
Dec 22	SWY	Stornoway Diamond Corporation	Buy	\$1.03	\$0.88	\$1.07	\$1.12	\$1.05	\$0.87
Jan 5	DOL	Dollarama Inc.	Buy	\$99.50	\$99.74	\$100.13	\$106.25	\$100.92	\$96.77
Jan 5	SLF	Sun Life Financial Inc.	Buy	\$52.30	\$52.10	\$56.25	\$59.38	\$52.66	\$51.05
Jan 16	MRU	Metro Inc.	Buy	\$40.85	\$39.96	\$42.19	\$43.75	\$40.94	\$39.75
Jan 16	ARE	Aecon Group Inc.	Buy	\$15.10	\$16.56	\$15.63	\$16.40	\$16.80	\$15.06
Jan 16	HBC	Hudson's Bay Company	Buy	\$9.67	\$10.38	\$10.94	\$12.50	\$10.80	\$9.63
Jan 19	GSPTSE	S&P/TSX Composite	Short	\$15.41	\$15.62	\$15.31	\$15.00	\$15.67	\$15.40

**NOTE:** The Author, **directly** or **indirectly**, may own stocks included in the TrendBreaks Portfolio.

As of **Jan. 26** these stocks include the following: **BCE; HBC; Northwest Healthcare; Stornoway; and Dollarama**

The performance of these portfolio stocks is provided in the table on the next page.

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**PORTFOLIO VALUATION**, with Closing Prices as of: **Thursday** **START DATE:** September 1, 2016  
**Jan. 26**

<u>Company</u>	<u>Symbol</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Number of Shares</u>	<u>Purchase Value</u>	<u>Current Value</u>	<u>\$ Gain</u>	<u>% Gain</u>	<u>% of Portfolio</u>
CGI Group	GIB.A	Oct 25	\$63.64	\$64.01	150	\$9,546	\$9,602	\$56	0.6%	9.8%
BCE Inc.	BCE	Nov 15	\$57.12	\$58.61	175	\$9,996	\$10,257	\$261	2.6%	10.4%
NorthWest HealthCare Properties	NWH.un	Dec 12	\$9.83	\$10.11	1,020	\$10,027	\$10,312	\$286	2.8%	10.5%
Stornoway Diamond Corporation	SWY	Dec 22	\$1.03	\$0.88	9,700	\$9,991	\$8,536	(\$1,455)	-14.6%	8.7%
Dollarama Inc.	DOL	Jan 5	\$99.50	\$99.74	100	\$9,950	\$9,974	\$24	0.2%	10.1%
Sun Life Financial Inc.	SLF	Jan 5	\$52.30	\$52.10	190	\$9,937	\$9,899	(\$38)	-0.4%	10.1%
Metro Inc.	MRU	Jan 16	\$40.85	\$39.96	245	\$10,008	\$9,790	(\$218)	-2.2%	10.0%
Aecon Group Inc.	ARE	Jan 16	\$15.10	\$16.56	660	\$9,966	\$10,930	\$964	9.7%	11.1%
Hudson's Bay Company	HBC	Jan 16	\$9.67	\$10.38	1,035	\$10,008	\$10,743	\$735	7.3%	10.9%
S&P/TSX Composite	GSPTSE	Jan 19	\$15.41	\$15.62	650	<u>\$10,018</u>	<u>\$10,153</u>	<u>(\$135)</u>	<u>1.4%</u>	<u>10.3%</u>
STOCK PORTFOLIO						\$99,447	\$100,196	\$613	0.8%	101.9%
30% Margin on Short Sales						(\$3,005)	(\$3,046)	(\$41)		-3.1%
<b>STOCK PORTFOLIO VALUE</b> .....						\$96,442	\$97,150	\$708	0.7%	98.8%
Cash-On-Hand						\$3,558	\$3,558	\$0		3.6%
Cumulative Dividend Income							\$1,056	\$1,056		1.1%
Realized Gains / (Losses)							(\$3,451)	(\$3,451)		-3.5%
<b>TOTAL PORTFOLIO VALUE</b> .....						\$100,000	<b>\$98,313</b>	<b>-\$1,687</b>	<b>-1.7%</b>	100.0%
							Portfolio Annualized Return:		<b>-4.3%</b>	
<b>S&amp;P/TSX COMPOSITE INDEX</b> .....						14,597.95	15,615.52	1,017.57	7.0%	
							S&P/TSX Annualized Return:		17.6%	

The table below, on the next page, is the list of stocks that have been sold (or bought back if shorted).

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**Stocks Sold/Bought Back:**

<u>Company</u>	<u>Symbol</u>	<u>Date</u>	<u>Buy / Short</u>	<u>Buy Price</u>	<u>Sell Price</u>	<u>Gain / (Loss)</u>	<u>Purchase Value</u>	<u>Closing Value</u>	<u>\$ Gain (Loss)</u>	<u>% Gain (Loss)</u>	<u>Cum Gain (Loss)</u>
Toromont Industries Ltd.	TIH	Aug 31	Buy	\$39.68			\$9,920				
Toromont Industries Ltd.	TIH	Sep 07	Sell		\$39.18	-\$0.50		\$9,795	-\$125	-1.3%	-\$125
Stantec Inc.	STN	Aug 31	Buy	\$31.27			\$10,006				
Stantec Inc.	STN	Sep 08	Sell		\$30.60	-\$0.67		\$9,792	-\$214	-2.1%	-\$339
Equal Weight Cdn Banks Index	ZEB	Aug 31	Buy	\$24.12			\$9,648				
Equal Weight Cdn Banks Index	ZEB	Sep 08	Sell		\$24.10	-\$0.02		\$9,640	-\$8	-0.1%	-\$347
Wajax Corporation	WJX	Aug 31	Buy	\$16.13			\$9,678				
Wajax Corporation	WJX	Sep 20	Sell		\$14.70	-\$1.43		\$8,820	-\$858	-8.9%	-\$1,205
EnCana Corporation	ECA	Sep 07	Buy	\$13.38			\$10,169				
EnCana Corporation	ECA	Sep 20	Sell		\$12.20	-\$1.18		\$9,272	-\$897	-8.8%	-\$2,102
Manulife Corporation	MFC	Aug 31	Buy	\$17.89			\$4,920				
Manulife Corporation	MFC	Oct 07	Sell		\$19.17	\$1.28		\$5,272	\$352	7.2%	-\$1,750
Tourmaline Oil Corp.	TOU	Sep 02	Buy	\$36.86			\$10,137				
Tourmaline Oil Corp.	TOU	Oct 19	Sell		\$37.48	\$0.62		\$10,307	\$171	1.7%	-\$1,580
Suncor Energy Inc.	SU	Oct 03	Buy	\$36.64			\$10,076				
Suncor Energy Inc.	SU	Oct 20	Sell		\$38.05	\$1.41		\$10,464	\$388	3.8%	-\$1,192
West Fraser Timber Co.	WFT	Oct 25	Buy	\$41.50			\$10,375				
West Fraser Timber Co.	WFT	Oct 26	Sell		\$44.05	\$2.55		\$11,013	\$638	6.1%	-\$554
Norbord Inc.	OSB	Oct 31	Sell	\$33.85			\$10,155				
Norbord Inc.	OSB	Oct 25	Buy		\$31.47	\$2.38		\$9,441	\$714	7.0%	\$160
Norbord Inc. Margin Profit	OSB	Oct 31	---				-\$3,048	-\$2,832	\$216	7.1%	\$376
Enbridge Income Fund Holdings	ENF	Sep 02	Buy	\$32.44			\$9,732				
Enbridge Income Fund Holdings	ENF	Nov 1	Sell		\$34.01	\$1.57		\$10,203	\$471	4.8%	\$847
Knight Therapeutics Inc.	GUD	Oct 27	Buy	\$9.27			\$9,270				
Knight Therapeutics Inc.	GUD	Nov 1	Sell		\$8.98	-\$0.29		\$8,980	-\$290	-3.1%	\$557
Manulife Corporation	MFC	Aug 31	Buy	\$17.89			\$4,920				
Manulife Corporation	MFC	Nov 02	Sell		\$19.15	\$1.26		\$5,266	\$347	7.0%	\$903
Detour Gold Corporation	DGC	Nov 02	Buy	\$24.45			\$9,780				
Detour Gold Corporation	DGC	Nov 09	Sell		\$20.99	-\$3.46		\$8,396	-\$1,384	-14.2%	-\$481
Loblaw Companies Limited	L	Nov 04	Buy	\$66.68			\$10,002				
Loblaw Companies Limited	L	Nov 14	Sell		\$63.56	-\$3.12		\$9,534	-\$468	-4.7%	-\$949
Alimentation Couche-Tard Inc.	ATD.B	Nov 22	Sell	\$66.98			\$10,047				
Alimentation Couche-Tard Inc.	ATD.B	Nov 04	Buy		\$63.50	\$3.48		\$9,525	\$522	5.2%	-\$427
Alimentation Margin Profit	ATD.B	Nov 22	---				-\$3,014	-\$2,852	\$162	5.4%	-\$265
EnerCare Inc.	ECI	Nov 22	Sell	\$18.55			\$10,017				
EnerCare Inc.	ECI	Nov 04	Buy		\$18.25	\$0.30		\$9,855	\$162	1.6%	-\$103
EnerCare Margin Profit	ECI	Nov 22	---				-\$3,005	-\$2,957	\$48	1.6%	-\$55
Colliers International Group Inc.	CIGI	Nov 28	Buy	\$48.10			\$9,620				
Colliers International Group Inc.	CIGI	Nov 29	Sell		\$47.39	-\$0.71		\$9,478	-\$142	-1.5%	-\$197
MacDonald, Dettwiler & Associates	MDA	Nov 28	Buy	\$71.60			\$10,024				
MacDonald, Dettwiler & Associates	MDA	Dec 2	Sell		\$66.67	-\$4.93		\$9,334	-\$690	-6.9%	-\$887
Baytex Energy Corp.	BTE	Nov 21	Buy	\$5.49			\$9,992				
Baytex Energy Corp.	BTE	Dec 2	Sell		\$5.95	\$0.46		\$10,829	\$837	8.4%	-\$50
Franco-Nevada Corporation	FNV	Nov 1	Buy	\$88.93			\$10,227				
Franco-Nevada Corporation	FNV	Dec 5	Sell		\$76.32	-\$12.61		\$8,777	-\$1,450	-14.2%	-\$1,500
Tahoe Resources Inc.	THO	Nov 2	Buy	\$16.81			\$10,086				
Tahoe Resources Inc.	THO	Dec 5	Sell		\$13.08	-\$3.73		\$7,848	-\$2,238	-22.2%	-\$3,738
AGT Food & Ingredients	AGT	Sep 20	Buy	\$37.43			\$10,106				
AGT Food & Ingredients	AGT	Dec 6	Sell		\$35.39	-\$2.04		\$9,555	-\$551	-5.5%	-\$4,289
Industrial Alliance Insurance	IAG	Dec 2	Buy	\$57.33			\$10,033				
Industrial Alliance Insurance	IAG	Dec 9	Sell		\$55.25	-\$2.08		\$9,669	-\$364	-3.6%	-\$4,653
EnerCare Inc.	ECI	Dec 12	Buy	\$18.34			\$10,087				
EnerCare Inc.	ECI	Dec 21	Sell		\$17.84	-\$0.50		\$9,812	-\$275	-2.7%	-\$4,928
Fairfax Financial Holdings	FFH	Dec 21	Buy	\$636.88			\$10,190				
Fairfax Financial Holdings	FFH	Dec 23	Sell		\$669.93	\$33.05		\$10,719	\$529	5.2%	-\$4,399
Torstar Corporation	TS.B	Oct 27	Buy	\$1.64			\$9,840				
Torstar Corporation	TS.B	Dec 29	Sell		\$1.93	\$0.29		\$11,580	\$1,740	17.7%	-\$2,659
Hudson's Bay Company	HBC	Nov 29	Buy	\$14.72			\$10,010				
Hudson's Bay Company	HBC	Jan 6	Sell		\$12.60	-\$2.12		\$8,568	-\$1,442	-14.4%	-\$4,101
TransCanada Corporation	TRP	Nov 3	Buy	\$58.16			\$9,887				
TransCanada Corporation	TRP	Jan 19	Sell		\$61.98	\$3.82		\$10,537	\$649	6.6%	-\$3,451

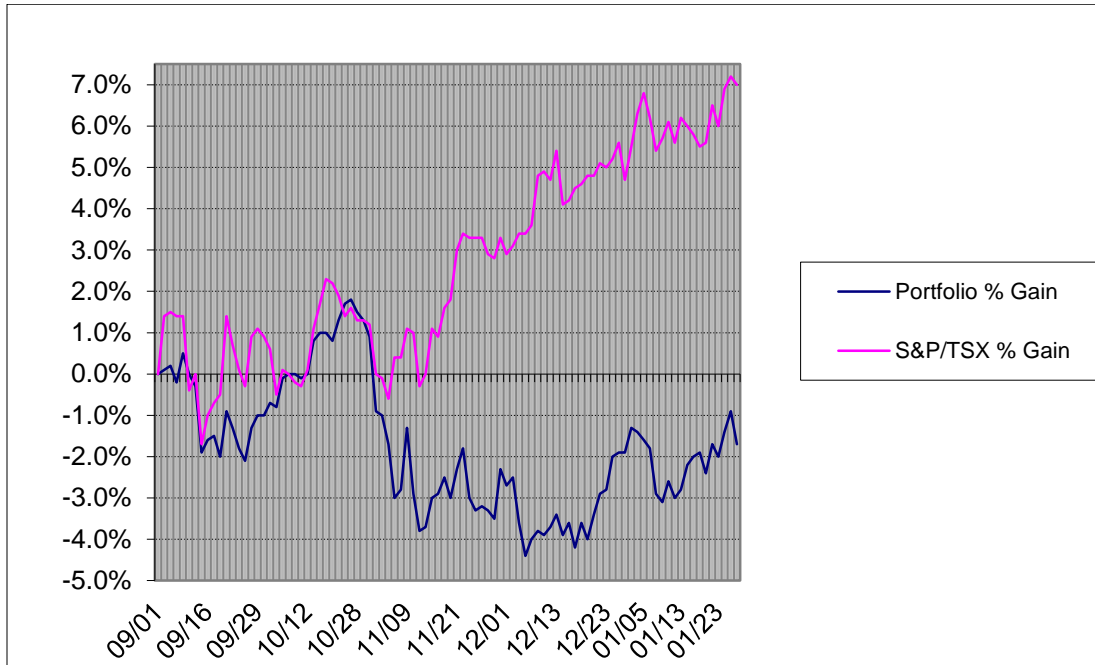
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For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (**BLUE** line) against the S&P/TSX Composite Index (**PINK** line).

The portfolio is certainly struggling compared to the broad market index:

Portfolio performance = -1.7%

S&P/TSX Composite = +7.0%



Following are our guidelines (Modus Operandi) for administering the Portfolio.

## MODUS OPERANDI

Using the daily charts from the “Early Warnings” segment of the Daily Trend Report in theUpTrend.com technical system, we evaluate those stocks that have moved above or below their respective channel trend-lines.

We started with \$100,000 cash and, when appropriate, we choose either one or two stocks and put an arbitrary approximate \$10,000 in each stock pick. The buy price or the short-sell price will be at the next day’s opening price. All short sells will require the mandatory 30% margin.

We will continue buying or shorting until the Portfolio is fully “invested”, although this could include a sizable cash position. The portfolio is monitored and reported on daily.

If a stock closes at or higher than its Second Target price, then ½ of the position will be sold at the next day’s opening price. Using TheUpTrend.com system, the stock will be further evaluated and, if there is possible further upside, then it will be retained. If not, the entire position will be sold.

Also, if a stock receives a change of opinion in TheUpTrend.com by breaking its channel trend-line support, then it will be sold at the next day’s opening price.

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If a stock has a decline below its purchase price that is 7% or more for three consecutive days, then the entire position in that stock will be sold at the next day's opening price.

Similarly, for a stock sold short, if the stock move goes against us for three consecutive days with a loss of 5%, then that stock will be bought back at the next day's opening price, and the 30% margin requirement will be deleted.

Stocks sold either will be replaced, or the sales proceeds will augment the cash portion.

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TheUpTrend.com is a proprietary technical analysis system, devised by Stephen Whiteside, that uses charts and various technical tools to maximize trading and investing experiences.

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