

BREAK-AWAYS

May 1, 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 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.*

COMMENT: *Trinidad Drilling made a huge come-back today. That is the danger of selling too soon. MacDonald, Dettwiler had its first up-day in quite a while.*

CUMULATIVE PORTFOLIO PICKS As At: May 2

| <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>% Inc. to 1st Target</u> | <u>% Inc. to 2nd Target</u> |
|-------------|---------------|-----------------------------------|--------------------|-----------------------|----------------------|---------------------|----------------------|-----------------------------|-----------------------------|
| Dec 12 | NWH.un | NorthWest HealthCare Properties | Buy | \$9.83 | \$10.78 | \$11.13 | \$11.33 | 3.2% | 5.1% |
| Jan 16 | ARE | Aecon Group Inc. | Buy | \$15.10 | \$15.98 | \$17.20 | \$18.00 | 7.6% | 12.6% |
| Mar 23 | CVE | Cenovus Energy Inc. | Buy | \$16.98 | \$13.37 | \$18.00 | \$18.75 | 34.6% | 40.2% |
| Mar 27 | MDA | MacDonald, Dettwiler & Associates | Buy | \$67.70 | \$66.80 | \$71.88 | \$75.00 | 7.6% | 12.3% |
| Mar 31 | HBC | Hudson's Bay Company | Buy | \$10.75 | \$12.47 | \$12.50 | \$14.05 | 0.2% | 12.7% |
| Apr 03 | TDG | Trinidad Drilling Ltd. | Buy | \$2.30 | \$2.26 | \$2.75 | \$3.13 | 21.7% | 38.5% |

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

As of **May 2** these stocks include the following: *Northwest Healthcare; Cenovus Energy; HBC*

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

PORTFOLIO VALUATION, with Closing Prices as of:

Tuesday
May 2

START DATE: September 1, 2016

| <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> |
|--|---------------|----------------------|-----------------------|----------------------|-------------------------|-----------------------|----------------------|----------------|---------------|------------------------------------|
| NorthWest HealthCare Properties | NWH.un | Dec 12 | \$9.83 | \$10.78 | 1,020 | \$10,027 | \$10,996 | \$969 | 9.7% | 11.3% |
| Aecon Group Inc. | ARE | Jan 16 | \$15.10 | \$15.98 | 660 | \$9,966 | \$10,547 | \$581 | 5.8% | 10.8% |
| Cenovus Energy Inc. | CVE | Mar 23 | \$16.98 | \$13.37 | 590 | \$10,018 | \$7,888 | (\$2,130) | -21.3% | 8.1% |
| MacDonald, Dettwiler & Associates | MDA | Mar 27 | \$67.70 | \$66.80 | 150 | \$10,155 | \$10,020 | (\$135) | -1.3% | 10.3% |
| Hudson's Bay Company | HBC | Mar 31 | \$10.75 | \$12.47 | 930 | \$9,998 | \$11,597 | \$1,600 | 16.0% | 11.9% |
| Trinidad Drilling Ltd. | TDG | Apr 03 | \$2.30 | \$2.26 | 4,350 | \$10,005 | \$9,831 | (\$174) | -1.7% | 10.1% |
| STOCK PORTFOLIO | | | | | | \$60,168 | \$60,879 | \$710 | 1.2% | 62.4% |
| 30% Margin on Short Sales | | | | | | \$0 | \$0 | | | 0.0% |
| STOCK PORTFOLIO VALUE | | | | | | \$60,168 | \$60,879 | \$710 | 1.2% | 62.4% |
| Cash-On-Hand | | | | | | \$39,832 | \$39,832 | \$0 | | 40.8% |
| Cumulative Dividend Income | | | | | | | \$1,386 | \$1,386 | | 1.4% |
| Realized Gains / (Losses) | | | | | | | (\$4,584) | (\$4,584) | | -4.7% |
| TOTAL PORTFOLIO VALUE | | | | | | \$100,000 | \$97,513 | -\$2,487 | -2.5% | 100.0% |
| | | | | | | | | | | Portfolio Annualized Return: -3.8% |
| S&P/TSX COMPOSITE INDEX | | | | | | 14,597.95 | 15,619.65 | 1,021.70 | 7.0% | |
| | | | | | | | | | | S&P/TSX Annualized Return: 10.6% |

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

Stocks Sold/Bought Back:

| <u>Company</u> | <u>Symbol</u> | <u>Long</u> <u>Short</u> | <u>Buy</u> <u>Price</u> | <u>Sell</u> <u>Price</u> | <u>Gain /</u> <u>(Loss)</u> | <u>Purchase</u> <u>Value</u> | <u>Closing</u> <u>Value</u> | <u>\$ Gain</u> <u>(Loss)</u> | <u>% Gain</u> <u>(Loss)</u> | <u>Cum Gain</u> <u>(Loss)</u> |
|------------------------------------|---------------|-----------------------------|----------------------------|-----------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|----------------------------------|
| Toromont Industries Ltd. | TIH | Long | \$39.68 | \$39.18 | -\$0.50 | \$9,920 | \$9,795 | -\$125 | -1.3% | -\$125 |
| Stantec Inc. | STN | Long | \$31.27 | \$30.60 | -\$0.67 | \$10,006 | \$9,792 | -\$214 | -2.1% | -\$339 |
| Equal Weight Cdn Banks Index | ZEB | Long | \$24.12 | \$24.10 | -\$0.02 | \$9,648 | \$9,640 | -\$8 | -0.1% | -\$347 |
| Wajax Corporation | WJX | Long | \$16.13 | \$14.70 | -\$1.43 | \$9,678 | \$8,820 | -\$858 | -8.9% | -\$1,205 |
| EnCana Corporation | ECA | Long | \$13.38 | \$12.20 | -\$1.18 | \$10,169 | \$9,272 | -\$897 | -8.8% | -\$2,102 |
| Manulife Corporation | MFC | Long | \$17.89 | \$19.17 | \$1.28 | \$4,920 | \$5,272 | \$352 | 7.2% | -\$1,750 |
| Tourmaline Oil Corp. | TOU | Long | \$36.86 | \$37.48 | \$0.62 | \$10,137 | \$10,307 | \$171 | 1.7% | -\$1,580 |
| Suncor Energy Inc. | SU | Long | \$36.64 | \$38.05 | \$1.41 | \$10,076 | \$10,464 | \$388 | 3.8% | -\$1,192 |
| West Fraser Timber Co. | WFT | Long | \$41.50 | \$44.05 | \$2.55 | \$10,375 | \$11,013 | \$638 | 6.1% | -\$554 |
| Norbord Inc. | OSB | Short | \$33.85 | \$31.47 | \$2.38 | \$10,155 | \$9,441 | \$714 | 7.0% | \$160 |
| Norbord Inc. Margin Profit | OSB | | | | | -\$3,048 | -\$2,832 | \$216 | 7.1% | \$376 |
| Enbridge Income Fund Holdings | ENF | Long | \$32.44 | \$34.01 | \$1.57 | \$9,732 | \$10,203 | \$471 | 4.8% | \$847 |
| Knight Therapeutics Inc. | GUD | Long | \$9.27 | \$8.98 | -\$0.29 | \$9,270 | \$8,980 | -\$290 | -3.1% | \$557 |
| Manulife Corporation | MFC | Long | \$17.89 | \$19.15 | \$1.26 | \$4,920 | \$5,266 | \$347 | 7.0% | \$903 |
| Detour Gold Corporation | DGC | Long | \$24.45 | \$20.99 | -\$3.46 | \$9,780 | \$8,396 | -\$1,384 | -14.2% | -\$481 |
| Loblaw Companies Limited | L | Long | \$66.68 | \$63.56 | -\$3.12 | \$10,002 | \$9,534 | -\$468 | -4.7% | -\$949 |
| Alimentation Couche-Tard Inc. | ATD.B | Short | \$66.98 | \$63.50 | \$3.48 | \$10,047 | \$9,525 | \$522 | 5.2% | -\$427 |
| Alimentation Margin Profit | ATD.B | | | | | -\$3,014 | -\$2,852 | \$162 | 5.4% | -\$265 |
| EnerCare Inc. | ECI | Short | \$18.55 | \$18.25 | \$0.30 | \$10,017 | \$9,855 | \$162 | 1.6% | -\$103 |
| EnerCare Margin Profit | ECI | | | | | -\$3,005 | -\$2,957 | \$48 | 1.6% | -\$55 |
| Colliers International Group Inc. | CIGI | Long | \$48.10 | \$47.39 | -\$0.71 | \$9,620 | \$9,478 | -\$142 | -1.5% | -\$197 |
| MacDonald, Dettwiler & Associates | MDA | Long | \$71.60 | \$66.67 | -\$4.93 | \$10,024 | \$9,334 | -\$690 | -6.9% | -\$887 |
| Baytex Energy Corp. | BTE | Long | \$5.49 | \$5.95 | \$0.46 | \$9,992 | \$10,829 | \$837 | 8.4% | -\$50 |
| Franco-Nevada Corporation | FNV | Long | \$88.93 | \$76.32 | -\$12.61 | \$10,227 | \$8,777 | -\$1,450 | -14.2% | -\$1,500 |
| Tahoe Resources Inc. | THO | Long | \$16.81 | \$13.08 | -\$3.73 | \$10,086 | \$7,848 | -\$2,238 | -22.2% | -\$3,738 |
| AGT Food & Ingredients | AGT | Long | \$37.43 | \$35.39 | -\$2.04 | \$10,106 | \$9,555 | -\$551 | -5.5% | -\$4,289 |
| Industrial Alliance Insurance | IAG | Long | \$57.33 | \$55.25 | -\$2.08 | \$10,033 | \$9,669 | -\$364 | -3.6% | -\$4,653 |
| EnerCare Inc. | ECI | Long | \$18.34 | \$17.84 | -\$0.50 | \$10,087 | \$9,812 | -\$275 | -2.7% | -\$4,928 |
| Fairfax Financial Holdings | FFH | Long | \$636.88 | \$669.93 | \$33.05 | \$10,190 | \$10,719 | \$529 | 5.2% | -\$4,399 |
| Torstar Corporation | TS.B | Long | \$1.64 | \$1.93 | \$0.29 | \$9,840 | \$11,580 | \$1,740 | 17.7% | -\$2,659 |
| Hudson's Bay Company | HBC | Long | \$14.72 | \$12.60 | -\$2.12 | \$10,010 | \$8,568 | -\$1,442 | -14.4% | -\$4,101 |
| TransCanada Corporation | TRP | Long | \$58.16 | \$61.98 | \$3.82 | \$9,887 | \$10,537 | \$649 | 6.6% | -\$3,451 |
| S&P/TSX Composite | GSPTSE | Short | \$15.65 | \$15.41 | -\$0.24 | \$10,173 | \$10,017 | -\$156 | -1.5% | -\$3,607 |
| S&P/TSX Comp. Margin Loss | GSPTSE | | | | | -\$3,005 | -\$3,023 | -\$18 | -0.6% | -\$3,625 |
| CGI Group Inc. | GIB.A | Long | \$63.64 | \$62.81 | -\$0.83 | \$9,546 | \$9,422 | -\$125 | -1.3% | -\$3,750 |
| BCE Inc. | BCE | Long | \$57.12 | \$58.80 | \$1.68 | \$9,996 | \$10,290 | \$294 | 2.9% | -\$3,456 |
| Dollarama Inc. | DOL | Long | \$99.50 | \$103.70 | \$4.20 | \$9,950 | \$10,370 | \$420 | 4.2% | -\$3,036 |
| Hudson's Bay Company | HBC | Long | \$9.67 | \$12.43 | \$2.76 | \$10,008 | \$12,865 | \$2,857 | 28.5% | -\$179 |
| Metro Inc. | MRU | Long | \$40.85 | \$40.19 | -\$0.66 | \$10,008 | \$9,847 | -\$162 | -1.6% | -\$341 |
| Stornoway Diamond Corporation | SWY | Long | \$1.03 | \$0.83 | -\$0.20 | \$9,991 | \$8,051 | -\$1,940 | -19.4% | -\$2,281 |
| Sun Life Financial Inc. | SLF | Long | \$52.30 | \$48.50 | -\$3.80 | \$9,937 | \$9,215 | -\$722 | -7.3% | -\$3,003 |
| Nevsun Resources Ltd. | NSU | Long | \$3.40 | \$3.33 | -\$0.07 | \$10,030 | \$9,824 | -\$207 | -2.1% | -\$3,209 |
| Transcontinental Inc. | TCL.A | Short | \$24.74 | \$24.30 | -\$0.44 | \$10,143 | \$9,963 | -\$180 | -1.8% | -\$3,390 |
| Transcontinental Inc. Margin Loss | | | | | | -\$2,989 | -\$3,043 | -\$54 | 1.8% | -\$3,444 |
| Sherritt International Corporation | S | Long | \$1.05 | \$0.93 | -\$0.12 | \$9,975 | \$8,835 | -\$1,140 | -11.4% | -\$4,584 |

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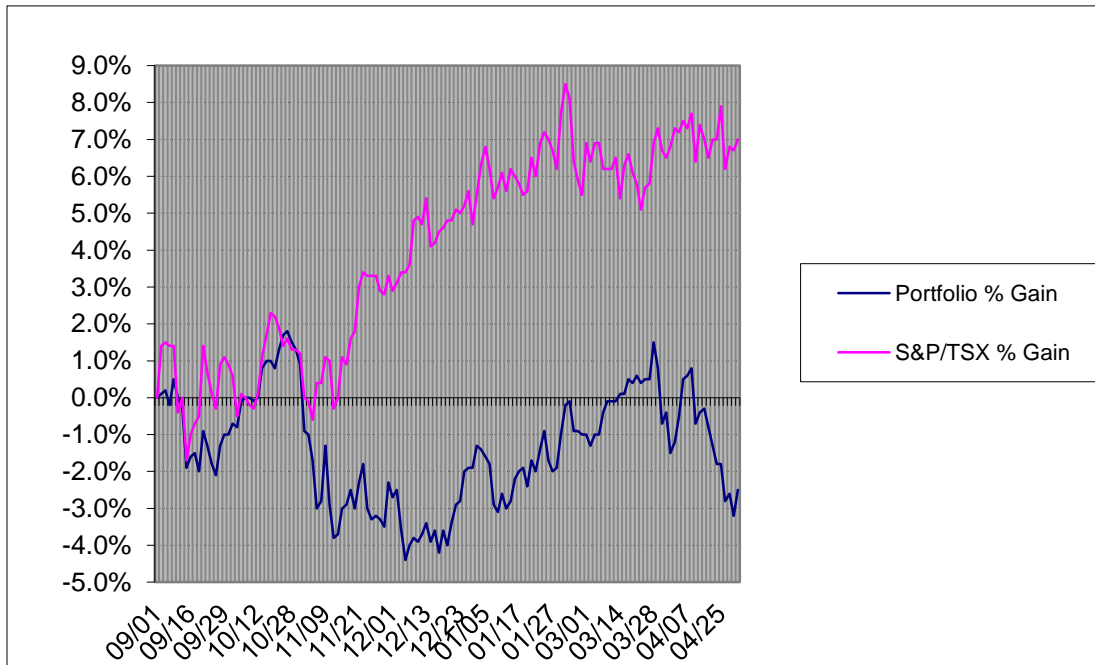
For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (**BLUE** line) against the S&P/TSX Composite Index (**PINK** line).

The portfolio is in a down-draft. Very discouraging. The S&P/TSX Composite is holding its own.

Portfolio performance = -2.5%

S&P/TSX Composite = +7.0%

As at: May 2:



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 1/2 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.

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.

Information on TheUpTrend.com is presented on the following page.

TheUpTrend.com

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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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