



Top-tier performance

WINNIPEG (GlobeinvestorGOLD) - Dan Bain ought to be pleased with his near peak-of-sector performance in a field glutted with competing funds.

His \$60.3-million Thornmark Enhanced Equity Fund produced a 31.3-per-cent return for the 12-months ended June 30, 2006. That put the fund high up in the first quartile of 734 Canadian equity funds and ahead of the 13.1-per-cent average return of peers in the period. Mr. Bain, president and chief investment officer of Thornmark Asset Management Inc. in Toronto, has run the fund since inception in June, 1998.

"We shift between value and growth stock selection models," Mr. Bain said. "But if we don't have a compelling reason to shift to growth stock picking, we stick with the value model. In the last couple of months, value has been the largest contributor to the fund's performance. We do well by not maintaining a dogmatic attitude on style."

Royal Bank of Canada is Canada's largest chartered bank. Shares purchased at an average cost of \$44.99 have recently traded at \$47.20. The fund's position in Royal Bank has been part of the current shift to large cap value stocks, Mr. Bain said. Earnings per share for the year ended Oct. 31, 2007 should rise to \$3.74 from \$3.44 a year earlier and \$2.61 for 2005, he added. Within 12 months, shares should hit \$53, he suggested.

Loblaw Companies Ltd., based in Toronto, is Canada's largest grocery chain. Shares purchased at an average cost of \$54.30 have recently traded at \$52.24. Loblaw has had reliable and strong earnings growth, though for the last year, the company has suffered earnings challenges as a result of supply chain restructuring, Mr. Bain said. Nevertheless, once the restructuring is finished, the chain will be able to be more aggressive in its selling strategies and will be able to return to its customary 10 per cent annual earnings growth, he added. Earnings for the year ended Dec. 31, 2007 should rise to \$3.87 per share from \$3.53 a year earlier and \$3.31 in 2005, he suggested. Within 12 months, shares should rise to \$60, he predicted.

Rogers Communications Inc. is a wireless, cable, publishing and sports empire based in Toronto and run by entrepreneur Ted Rogers. Shares purchased at an average cost of \$30 have recently traded at \$47.65. With a wide network of wireless and digital phone and data services, Rogers is in position to pursue opportunities in generating and delivering content to subscribers and network users, Mr. Bain said. Earnings for the year ended Dec. 31, 2007 should soar to \$2.20 per share from \$1.07 a year earlier and a 15 cent per share loss for 2005, he said. Within 12 months, shares should hit \$55, he suggested.