



EMERGING GROWTH STOCKS

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"Finding Extreme Value in Small Caps"

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www.EmergingGrowthStocks.ca

About EGS

EGS Brochure & Subscription Form Celebrating our 11th Year of Publication

About EGS

From head-hunting to stock picking
After graduating from the University of Guelph in 1977 with a degree in social psychology, Louis Paquette worked as a Human Resources specialist in the fields of manufacturing, banking and retail - among other things, interviewing, selecting, compensating and developing corporate managers. Today, he interviews senior management for their investment potential.

After retiring early from this field in the late 1980's, Mr. Paquette became a full time investor. In 1996 he combined this skill set with the tactical advantage of his proximity to the Vancouver stock exchange and large mining community in Vancouver, to launch EGS.

The results speak for themselves; EGS has a growing readership and the average annual increase of his stock picks over the past five years has been +84%.

Year	Average % Price Change*
2006	+69%
2005	+180%
2004	+64%
2003	+72%
2002	+36%
5-Year Average:	+84%

Market Commentary

Getting the big picture right

The author is acutely aware of the importance of crowd behavior on markets and being on the right side of long term secular trends. For instance, he ushered his readership away from resources around the time Bre-X collapsed in 1996 and into the internet when it was still in its infancy.

By late-1999, he started warning about the tech bubble and then moved back into the gold sector in late-2000 - just ahead of an explosive 6-year rally in gold and gold stocks. Some subscribers tell us that they subscribe for our commentary alone:

"We're only looking at pure gold plays now" - July 2001

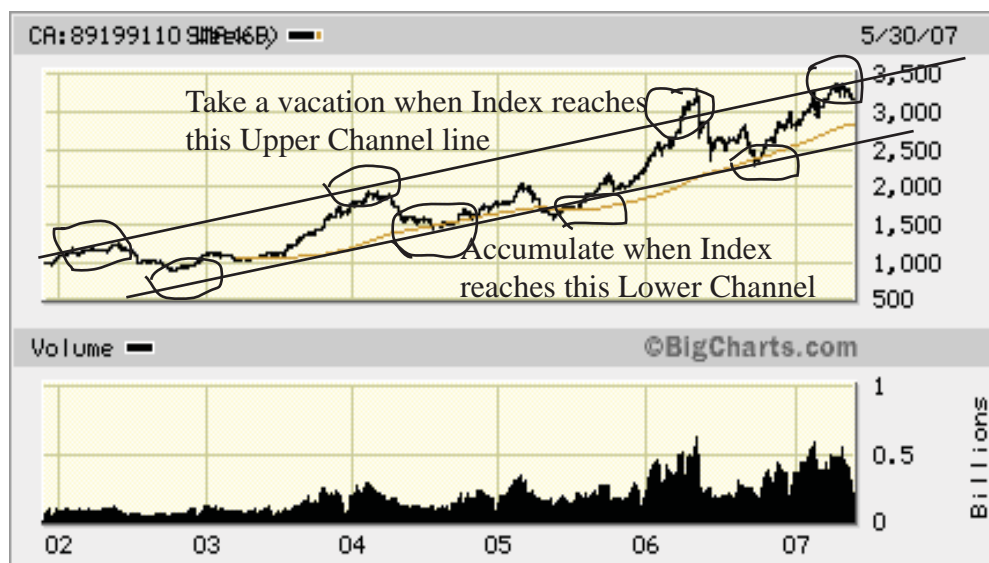
*"Use the Force!"
(It's Seasonality, stupid).*

Another theme in our commentary is Seasonality. If you aren't making use of this strong market tendency, especially with these thinly traded commodity price-related small caps trading on the TSX-Venture, you're really missing out. Riding these predictable patterns has been a major contributor to our consistent annual double-digits returns.

Just look at the chart of the TSX-Venture Index below. The channel lines tell us when to buy and when to sell. We watch for these ideal entry and exit spots so you don't necessarily have to.

More recently, Louis has discovered another "Secret" to profiting in uncertain markets - ETFs (Exchange Traded Funds). Attend the EGS workshop and learn how you can profit whether gold or oil prices are moving up or down.

TSX Venture Chart shows predictable and *profitable* ebbs and flows



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Stock Picks

Small caps with Big potential

A third aspect of the newsletter and strategy we employ is picking stocks within up-and-coming "emerging" sectors. For instance, since entering the gold sector early in the decade just as the entire commodity sector began to arise from a 20 year bear market, we have also diversified into up and coming sectors and groups such as:

Diamonds **Renewable Energy:**
Biotech - Wind
Oil & Gas - Solar
Uranium ETFs

Annual Performance measured

Once a year, in the first or second calendar quarters, we tally up what all the picks from the previous year would have done. The hold time varies, but the average is about a year or so. These gains have consistently beaten market averages. See our May-07 Issue for the 2006 report.

We also find it can take more than one year for these stocks to reach their full potential, as seen with the table below after 2 & 3 years. See two prime examples of what we look for in the charts to the right.

Picks	Average change After 1-Yr	After 2 or 3 Yrs (As of May 11, 2007)
2004	64%	231%
2005	180%	298%
2006	69%	n/a

What you get:

- 8 to 10 Issues per year
- EGSNEWS for in between items
- Market commentary & stock picks
- Hardcopy or E-mail (PDF) versions
- Please note: Subscribers must contact us about missing e-mail
- **Money back guarantee:** Anytime you wish to end your subscription or want a refund, contact us and we will be pleased to oblige



Examples of "emerging growth stocks" you will find in EGS

Louis Paquette's
EGS EMERGING GROWTH STOCKS

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