

Long-Term Perspective

June 3, 2019

## Model Oil Portfolio

We have created a portfolio of oil stocks with a focus on recovery and growth.

**NOTE:** *The Model Oil Portfolio has a longer-term perspective. As such, we will update it once a week, using Friday's closing prices. Also, it will be essentially a Buy-and-Hold portfolio, with minimal trading involved.*

*The initial investment will be a total of \$300,000. To begin with, we chose and purchased just seven stocks, with each having an initial position of approximately \$10,000. As this Portfolio is created, the Energy sector looks particularly weak. The respective stock charts are not pretty. Cash comprises 77% at the outset.*

**COMMENT:** *The initial Portfolio comprises but seven stocks and only 23% of the Total Portfolio. After just one day, the stock portion of the Portfolio is down 2.0%, and the overall Portfolio is down 0.5%. Not a propitious start. The sector benchmarks generally fared worse.*

The current portfolio is presented below.

MODEL OIL PORTFOLIO		Portfolio Performance			As at: 3-Jun-19		Initiation: 3-Jun-19	
<u>Company</u>	<u>Symbol</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Baytex Energy Corp.	BTE	4,695	\$2.13	\$2.08	\$10,000	\$9,766	-\$235	-2.3%
2 Canadian Natural Resources	CNQ	271	\$36.85	\$35.77	\$9,986	\$9,694	-\$293	-2.9%
3 Cenovus Energy	CVE	894	\$11.19	\$10.85	\$10,004	\$9,700	-\$304	-3.0%
4 Encana Corp.	ECA	1,400	\$7.15	\$7.17	\$10,010	\$10,038	\$28	0.3%
5 Seven Generations Energy	VII	1,372	\$7.29	\$7.16	\$10,002	\$9,824	-\$178	-1.8%
6 Vermilion Energy	VET	349	\$28.68	\$28.44	\$10,009	\$9,926	-\$84	-0.8%
7 Whitecap Resources	WCP	2,183	\$4.58	\$4.44	\$9,998	\$9,693	-\$306	-3.1%
<b>Stock Totals</b>					<b>\$70,010</b>	<b>\$68,639</b>	<b>-\$1,371</b>	<b>-2.0%</b>
					Stock Annualized Return:			<b>-521.0%</b>
Cash					\$229,990	\$229,990		76.7%
Cumulative Dividend payments						\$0		
Net Trading Profits/(Losses)						\$0		
<b>Portfolio Totals</b>					<b>\$300,000</b>	<b>\$298,629</b>	<b>-\$1,371</b>	<b>-0.5%</b>
					Portfolio Annualized Return:			<b>-121.6%</b>

## INDUSTRY COMPARISON

The return on the portfolio is compared to various energy bench-marks:

	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
<b>Portfolio Totals</b>	<b>\$300,000</b>	<b>\$298,629</b>	<b>-\$1,371</b>	<b>-0.5%</b>
	Portfolio Annualized Return:			<b>-121.6%</b>
<b>S&amp;P/TSX ENERGY INDEX .....</b>	143.37	140.53	-2.84	<b>-2.0%</b>
(.SPTTEN-ut)	S&P/TSX Energy Annualized Return:			<b>-526.9%</b>

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
<b>Crude Oil (SWTIC-sc)</b>	\$53.42	\$53.51	\$0.09	0.2%
<b>Canadian Crude Oil Index (CCX-bc)</b>	\$8.16	\$7.83	-\$0.33	-4.0%
<b>Crude Oil Bull 2X ETF (HOU-bc)</b>	\$5.80	\$5.47	-\$0.33	-5.7%
<b>Energy Index ETF (XEG-bc)</b>	\$9.20	\$9.03	-\$0.17	-1.8%
<b>Energy Bull 2X ETF (HEU-bc)</b>	\$5.05	\$4.89	-\$0.16	-3.2%
<b>U.S. Oil Fund ETF (USO-bc)</b>	\$11.30	\$10.99	-\$0.31	-2.7%
<b>S&amp;P/TSX Composite Index .....</b>	16,053.47	16,015.89	-37.58	-0.2%

## DIVIDENDS and YIELDS

The table below indicates the annual dividend and corresponding annual income and yields. This table is updated monthly or when a stock is bought or sold.

<b>MODEL OIL PORTFOLIO</b>		<b>Annual Income/Yield</b>		<b>As at: 3-Jun-19</b>		<b>Initiation: 3-Jun-19</b>				
<u>Company</u>	<u>Symbol</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Pay-Out To Date</u>	
1	Baytex Energy Corp.	BTE	4,695	\$2.13	\$2.08	\$0.00	\$0	0.0%	0.0%	\$0
2	Canadian Natural Resources	CNQ	271	\$36.85	\$35.77	\$1.50	\$407	4.1%	4.2%	\$0
3	Cenovus Energy	CVE	894	\$11.19	\$10.85	\$0.20	\$179	1.8%	1.8%	\$0
4	Encana Corp.	ECA	1,400	\$7.15	\$7.17	\$0.10	\$143	1.4%	1.4%	\$0
5	Seven Generations Energy	VII	1,372	\$7.29	\$7.16	\$0.00	\$0	0.0%	0.0%	\$0
6	Vermilion Energy	VET	349	\$28.68	\$28.44	\$2.76	\$963	9.6%	9.7%	\$0
7	Whitecap Resources	WCP	2,183	\$4.58	\$4.44	\$0.35	\$760	7.6%	7.8%	\$0
<b>Portfolio Totals</b>						<b>\$2,451</b>	<b>0.8%</b>	<b>0.8%</b>	<b>\$0</b>	
<b>Dividends, Companies Sold</b>									<b>\$0</b>	
<b>Total Dividends Received</b>									<b>\$0</b>	
						<b>Dividend Yield (annualized)</b>			<b>0.0%</b>	

NOTE: See eResearch Disclaimer on the following page.



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