

Long-Term Perspective

June 7, 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 Portfolio has been in the **red** all week. The good thing is that, to date, only 23% of the \$300,000 inception monies have been invested. At the end of the first week, the invested monies are down 3.9%, but with the sizable cash holding, the overall Portfolio is down only 0.9%.

The current portfolio is presented below.

MODEL OIL PORTFOLIO		Portfolio Performance			As at: 7-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	\$2.05	\$10,000	\$9,625	-\$376	-3.8%
2	Canadian Natural Resources	CNQ	271	\$36.85	\$35.50	\$9,986	\$9,621	-\$366	-3.7%
3	Cenovus Energy	CVE	894	\$11.19	\$10.94	\$10,004	\$9,780	-\$224	-2.2%
4	Encana Corp.	ECA	1,400	\$7.15	\$6.70	\$10,010	\$9,380	-\$630	-6.3%
5	Seven Generations Energy	VII	1,372	\$7.29	\$6.94	\$10,002	\$9,522	-\$480	-4.8%
6	Vermilion Energy	VET	349	\$28.68	\$28.45	\$10,009	\$9,929	-\$80	-0.8%
7	Whitecap Resources	WCP	2,183	\$4.58	\$4.32	\$9,998	\$9,431	-\$568	-5.7%
Stock Totals						\$70,010	\$67,287	-\$2,723	-3.9%
					Stock Annualized Return:				-206.9%
Cash						\$229,990	\$229,990		76.7%
Cumulative Dividend payments							\$0		
Net Trading Profits/(Losses)							\$0		
Portfolio Totals						\$300,000	\$297,277	-\$2,723	-0.9%
					Portfolio Annualized Return:				-48.3%

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>
Portfolio Totals	\$300,000	<u>\$297,277</u>	-\$2,723	-0.9%
	Portfolio Annualized Return:			-48.3%
S&P/TSX ENERGY INDEX	143.37	\$139.07	-4.30	-3.0%
(SPTTEN-ut)	S&P/TSX Energy Annualized Return:			-159.6%

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
Crude Oil (SWTIC-sc)	\$53.42	\$53.94	\$0.52	1.0%
Canadian Crude Oil Index (CCX-bc)	\$8.16	\$8.00	-\$0.16	-2.0%
Crude Oil Bull 2X ETF (HOU-bc)	\$5.80	\$5.69	-\$0.11	-1.9%
Energy Index ETF (XEG-bc)	\$9.20	\$8.93	-\$0.27	-2.9%
Energy Bull 2X ETF (HEU-bc)	\$5.05	\$4.80	-\$0.25	-5.0%
U.S. Oil Fund ETF (USO-bc)	\$11.30	\$11.23	-\$0.07	-0.6%
S&P/TSX Composite Index	16,053.47	16,230.96	177.49	1.1%

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.

MODEL OIL PORTFOLIO		Annual Income/Yield		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>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	<u>\$760</u>	<u>7.6%</u>	<u>7.8%</u>	<u>\$0</u>
Portfolio Totals						\$2,451	0.8%	0.8%	\$0	
Dividends, Companies Sold									<u>\$0</u>	
Total Dividends Received									\$0	
						Dividend Yield (annualized)			0.0%	

NOTE: See eResearch Disclaimer on the following page.



DISCLAIMER

eResearch Corporation

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: www.eResearch.ca.

eResearch Disclosure Statement

eResearch is engaged solely in the provision of equity research to the investment community. eResearch provides published research and analysis to its Subscribers on its website (www.eresearch.ca), and to the general investing public through its extensive electronic distribution network and through newswire agencies.

With regards to distribution of its research material, eResearch makes all reasonable efforts to provide its publications, via e-mail, simultaneously to all of its Subscribers.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.