

Top-Ten Portfolio

We have created a portfolio of stocks with a focus on growth and attractive yields.

NOTE: The Top-Ten Portfolio has a long-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 portfolio will always be fully invested, if appropriate.

The initial investment will be a total of \$500,000. To begin with, each of the ten stocks has an equal weighting, meaning the dollar amount of each holding will be approximately \$50,000. If a stock is sold, the replacement stock will begin with an amount close to \$50,000.

We will conduct a portfolio assessment on a regular basis to determine whether changes should be made. We also utilize "trigger" sell prices as a systematic discipline.

TODAY'S COMMENT: Yikes! The Portfolio tanked this week. First, the decision to include Methanex Corporation turned out badly and the stock was sold on Friday with a \$6,539 loss. The sale will undoubtedly turn out to be a bad decision, but the stock was well below both Sell Targets. So, out it goes. Second, after the catastrophic drop in the price of Canada Goose on Wednesday, I stepped in and bought on Thursday morning after it opened further down. For a day, I looked like a hero, as it closed up 5.2% on Thursday, only to see it give it all back on Friday. I am not in for the long haul on this one. I just thought that the market punished the stock unduly. I mean, to be penalized because your annual growth expectation is only 25% and not the 30%-40% you were used to. Who wouldn't want 25%? Third, the oil stocks had a bad week. We replaced our position in Whitecap Resources, but all three energy stocks nose-dived. Still, the Portfolio remains ahead of the S&P/TSX Composite Index since inception.

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 31-May-19		Inception: 01-Jan-19 (Dec 31/18 closing prices)	
Company	Symbol	Purchase Price	Current Price	First Target	Second Target	First Sell (First 50%)	Second Sell (Second 50%)
1 AltaGas Ltd.	ALA	\$13.90	\$19.51	\$19.50	\$20.30	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.09	\$2.75	\$3.13	\$2.29	\$2.17
3 Canada Goose Holdings Inc.	GOOS	\$45.54	\$45.53	\$50.00	\$56.25	\$43.72	\$41.90
4 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$620.00	\$625.00	\$687.50	\$582.95	\$558.91
5 NFI Group Inc.	NFI	\$32.11	\$33.65	\$34.38	\$37.50	\$30.83	\$29.54
6 Parex Resources Inc.	PXT	\$17.66	\$20.45	\$23.45	\$25.00	\$16.95	\$16.25
7 Vermilion Energy Inc.	VET	\$28.76	\$28.34	\$31.25	\$34.38	\$27.61	\$26.46
8 Whitecap Resources Inc.	WCP	\$4.55	\$4.52	\$5.50	\$6.25	\$4.32	\$4.09

NB: Sell Price for stocks under \$10 is -5% and -10%; between \$10 and \$50, it is -4% and -8%; over \$50, it is -3% and -7%.

NB: If a stock reaches its First Sell but not its Second Sell, the holding is repurchased if it recovers to the original Purchase Price.

NB: Red numbers denote the stock price is below the Sell Price; Green numbers denote the stock price exceeds the Price Target.

NB: The Analyst, either directly or indirectly, currently owns shares in AltaGas, NFI, and Vermilion Energy.



The performance of these stocks is provided in the table below.

TOP TEN		Portfolio Performance			As at: 31-May-19		Initiation: 01-Jan-19			
	<u>Company</u>	<u>Symbol</u>	<u>Purchase Date</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	AltaGas Ltd.	ALA	02-Jan-19	3,597	\$13.90	\$19.51	\$49,998	\$70,177	\$20,179	40.4%
2	Baytex Energy Corp.	BTE	02-Jan-19	10,000	\$2.41	\$2.09	\$24,100	\$20,900	-\$3,200	-13.3%
3	Canada Goose Holdings Inc.	GOOS	30-May-19	1,098	\$45.54	\$45.53	\$50,003	\$49,992	-\$11	0.0%
4	Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$620.00	\$49,944	\$51,525	\$1,581	3.2%
5	NFI Group Inc.	NFI	26-Mar-19	1,557	\$32.11	\$33.65	\$49,995	\$52,393	\$2,398	4.8%
6	Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$20.45	\$36,424	\$42,178	\$5,754	15.8%
7	Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$28.34	\$49,985	\$49,255	-\$730	-1.5%
8	Whitecap Resources Inc.	WCP	02-Jan-19	11,241	\$4.55	\$4.52	<u>\$51,100</u>	<u>\$50,809</u>	<u>-\$290</u>	<u>-0.6%</u>
Stock Totals							\$361,549	\$387,230	\$25,681	7.1%
							Stock Annualized Return:			17.3%
									<u>%%</u>	
Stock Totals								\$387,230	67%	
Cash							\$162,334	\$162,334	28%	
Cumulative Dividend Payments								\$6,374	1%	
Net Trading Profits/(Losses)							\$23,883	\$23,883	4%	
Portfolios Totals									100%	
Portfolio Totals							<u>\$500,000</u>	<u>\$579,820</u>	\$79,820	16.0%
							Portfolio Annualized Return:			38.8%
Portfolio Totals (ex Trading Profits)							\$500,000	\$555,938	\$55,938	11.2%
										27.2%
S&P/TSX Composite Index							14,322.86	16,037.49	1,714.63	12.0%
							S&P/TSX Comp. Return + Divs			12.2%
							Annualized Return, incl. Divs			29.7%
Portfolio Percentages										
Stocks								66.8%		
Cash								28.0%		
Cumulative Dividends								1.1%		
Net Trading Profits								<u>4.1%</u>		
TOTAL								100.0%		

Stocks Sold

<u>Company</u>	<u>Purchase Date</u>	<u>Selling Date</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Purchase Cost</u>	<u>Selling Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>	<u>Number of Shares</u>	<u>Cum. Gain or (Loss)</u>
Maxar Technologies Ltd.	02-Jan-19	07-Jan-19	\$16.31	\$14.11	\$25,003	\$21,631	-\$3,373	-13.5%	1,533	-\$3,373
Maxar Technologies Ltd.	02-Jan-19	08-Jan-19	\$16.31	\$9.65	\$25,003	\$14,793	-\$10,210	-40.8%	1,533	-\$13,582
Goldcorp Inc.	02-Jan-19	14-Jan-19	\$13.37	\$13.87	\$50,004	\$51,874	\$1,870	3.7%	3,740	-\$11,712
Shopify Inc.	02-Jan-19	05-Feb-19	\$188.79	\$229.42	\$12,271	\$14,912	\$2,641	21.5%	65	-\$9,071
Shopify Inc.	02-Jan-19	19-Feb-19	\$188.79	\$242.20	\$18,879	\$24,220	\$5,341	28.3%	100	-\$3,730
Toromont Industries Ltd.	02-Jan-19	19-Feb-19	\$54.26	\$69.20	\$50,028	\$63,802	\$13,775	27.5%	922	\$10,044
Shopify Inc.	02-Jan-19	05-Mar-19	\$188.79	\$252.20	\$18,879	\$25,220	\$6,341	33.6%	100	\$16,385
Parkland Fuel Corporation	02-Jan-19	07-Mar-19	\$35.34	\$37.89	\$50,006	\$53,614	\$3,608	7.2%	1,415	\$19,994
Surge Energy Inc.	25-Jan-19	07-Mar-19	\$1.34	\$1.39	\$50,001	\$51,866	\$1,866	3.7%	37,314	\$21,859
Sprott Physical Gold & Silver Trust	11-Mar-19	01-Apr-19	\$16.99	\$16.76	\$50,002	\$49,325	-\$677	-1.4%	2,943	\$21,182
Whitecap Resources Inc.	02-Jan-19	15-Apr-19	\$4.35	\$5.76	\$23,899	\$31,645	\$7,747	32.4%	5,494	\$28,929
Baytex Energy Corp.	02-Jan-19	15-Apr-19	\$2.41	\$2.90	\$25,900	\$31,166	\$5,266	20.3%	10,747	\$34,195
Cascades Inc.	08-Apr-19	26-Apr-19	\$8.48	\$7.84	\$49,998	\$46,225	-\$3,773	-7.5%	5,896	\$30,421
Methanex Corporation	16-May-19	31-May-19	\$64.73	\$56.26	\$49,972	\$43,433	-\$6,539	-13.1%	772	\$23,883

<continued>

Below, we provide a table that indicates the annual dividend, the corresponding annual income and equity yields, and the dividend pay-outs to date since inception. This table is updated every two weeks, unless there is a change in the portfolio. These totals are as at May 31, 2019:

TOP TEN

Annual Income/Yield

As at: 31-May-19

Company	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Months	Dividend Payout	Period Payout	Pay-Out To Date
1 AltaGas Ltd.	\$13.90	\$19.51	\$0.96	\$3,453	6.9%	4.9%	M	15th	\$0.08	\$288	\$1,151
2 Baytex Energy Corp.	\$2.41	\$2.09	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0
3 Canada Goose Holdings Inc.	\$45.54	\$45.53	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0
4 Fairfax Financial Holdings Ltd.	\$600.98	\$620.00	\$10.00	\$831	1.7%	1.6%	A	Jan	\$10.00	\$831	\$831
5 NFI Group Inc.	\$32.11	\$33.65	\$1.70	\$2,647	5.3%	5.1%	Q	MJSD	\$0.425	\$662	\$662
6 Parex Resources Inc.	\$17.66	\$20.45	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0
7 Vermilion Energy Inc.	\$28.76	\$28.34	\$2.76	\$4,797	9.6%	9.7%	M	15th	\$0.23	\$400	\$1,599
8 Whitecap Resources Inc.	\$4.55	\$4.52	\$0.32	\$3,642	7.1%	7.2%	M	15th	\$0.027	\$304	\$304

Portfolio Totals

\$15,370 4.3% 4.0%

\$4,546

Dividends, Companies Sold

\$1,828

Total Dividends Received

\$6,374

Dividend Yield (annualized) 4.4%

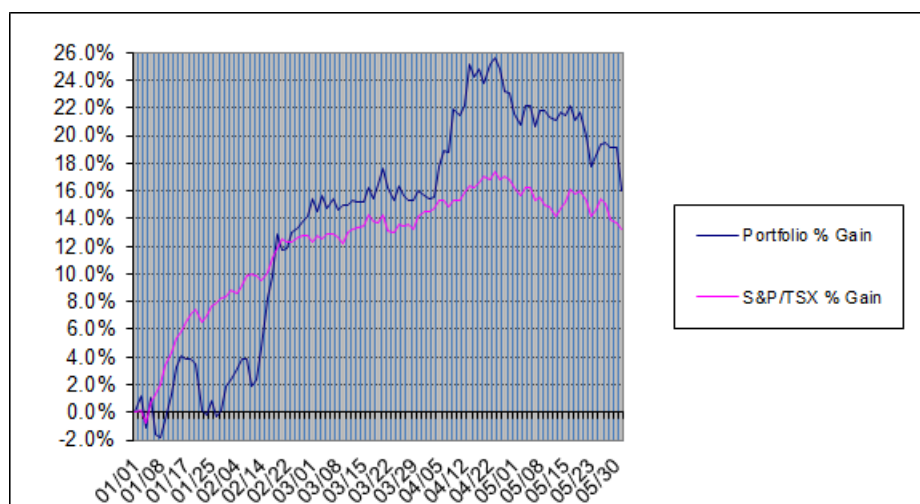
Comparison

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). Both indexes include reinvested dividends, and the portfolio includes trading profits/losses.

The portfolio is performing better than that of the broad market index, but the gap is narrowing:

Portfolio performance = +16.0% (includes dividends and trading profits)

S&P/TSX Composite = +13.3% (includes dividends)



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