

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: *The Portfolio rose 0.7% this week. On Friday, with Baytex Energy hovering just north of \$2.00, I stepped in and bought back, at \$2.06, the shares that I sold at \$2.90 on April 15. I am still nervous about the Energy sector and, since we initiated a Model Oil Portfolio as at June 1, I intend to dispose of the Energy stocks in this portfolio unless there is a compelling reason to keep them. Four stocks in the Portfolio are "under water", but two of them are only marginally so. I still have a 24% cash weighting so the Portfolio has plenty of purchase room. However, I am becoming increasingly concerned about the global economy weakening and the USA seems to be joining the group. Interest rates are at 40-year lows and how much lower can they realistically go? Any small up-tick in rates could put equities into a tail-spin. The market just needs an excuse. I am looking at Gold as a hedge.*

The portfolio is presented below.

TOP TEN	Share Price Information		As at: 07-Jun-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	\$19.60	\$19.50	\$20.30	\$13.34	\$12.79
2	Baytex Energy Corp.	BTE	\$2.22	\$2.05	\$2.75	\$3.13	\$2.11	\$2.00
3	Canada Goose Holdings Inc.	GOOS	\$45.54	\$45.30	\$50.00	\$56.25	\$43.72	\$41.90
4	Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$633.37	\$625.00	\$687.50	\$582.95	\$558.91
5	NFI Group Inc.	NFI	\$32.11	\$36.04	\$34.38	\$37.50	\$30.83	\$29.54
6	Parex Resources Inc.	PXT	\$17.66	\$20.99	\$23.45	\$25.00	\$16.95	\$16.25
7	Vermilion Energy Inc.	VET	\$28.76	\$28.45	\$31.25	\$34.38	\$27.61	\$26.46
8	Whitecap Resources Inc.	WCP	\$4.55	\$4.32	\$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 on the following page.

TOP TEN

Portfolio Performance

As at: 07-Jun-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	\$19.60	\$49,998	\$70,501	\$20,503	41.0%
2 Baytex Energy Corp.	BTE	02-Jan-19	22,000	\$2.22	\$2.05	\$48,820	\$45,100	-\$3,720	-7.6%
3 Canada Goose Holdings Inc.	GOOS	30-May-19	1,098	\$45.54	\$45.30	\$50,003	\$49,739	-\$264	-0.5%
4 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$633.37	\$49,944	\$52,636	\$2,692	5.4%
5 NFI Group Inc.	NFI	26-Mar-19	1,557	\$32.11	\$36.04	\$49,995	\$56,114	\$6,119	12.2%
6 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$20.99	\$36,424	\$43,292	\$6,868	18.9%
7 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$28.45	\$49,985	\$49,446	-\$539	-1.1%
8 Whitecap Resources Inc.	WCP	02-Jan-19	11,241	\$4.55	\$4.32	\$51,100	\$48,561	-\$2,538	-5.0%
Stock Totals						\$386,269	\$415,390	\$29,121	7.5%
						Stock Annualized Return:			17.5%
								<u>%</u>	
Stock Totals							\$415,390		71%
Cash						\$137,614	\$137,614		24%
Cumulative Dividend Payments							\$6,374		1%
Net Trading Profits/(Losses)						\$23,883	\$23,883		4%
Portfolios Totals									100%
Portfolio Totals						\$500,000	\$583,261	\$83,261	16.7%
						Portfolio Annualized Return:			38.6%
Portfolio Totals (ex Trading Profits)						\$500,000	\$559,378	\$59,378	11.9%
									27.5%
S&P/TSX Composite Index						14,322.86	16,230.96	1,908.10	13.3%
						S&P/TSX Comp. Return + Divs			13.6%
						Annualized Return, incl. Divs			31.5%

Portfolio Percentages

Stocks	71.2%
Cash	23.6%
Cumulative Dividends	1.1%
Net Trading Profits	4.1%
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

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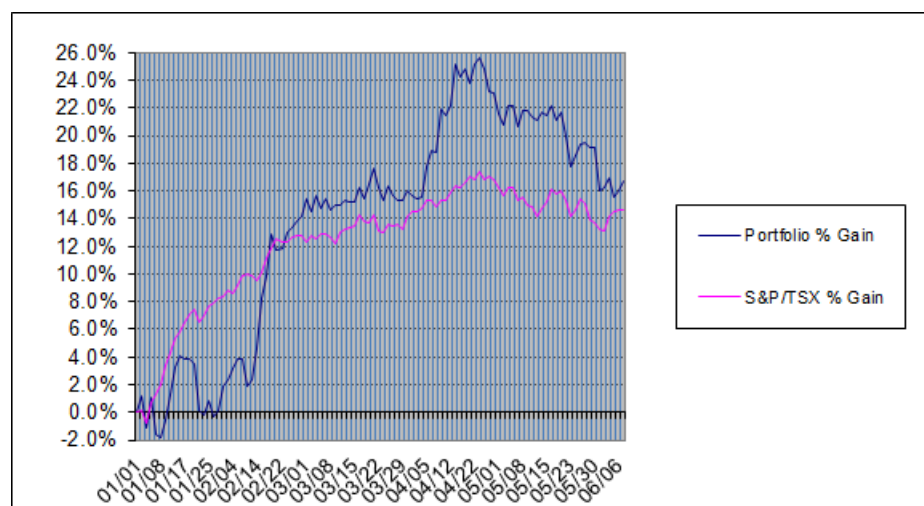
Below, we provide a table that indicates the annual dividend, the corresponding annual income and equity yields, and the dividend pay-outs to date since inception. This table is updated every two weeks, unless there is a change in the portfolio. These totals are as at May 31, 2019:

TOP TEN	Annual Income/Yield				As at: 31-May-19		Fr	Payment Months	Dividend Payout	Period Payout	Pay-Out To Date
	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield					
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	<u>\$3,642</u>	<u>7.1%</u>	<u>7.2%</u>	M	15th	\$0.027	\$304	<u>\$304</u>
Portfolio Totals				\$15,370	4.3%	4.0%					\$4,546
Dividends, Companies Sold											<u>\$1,828</u>
Total Dividends Received											<u>\$6,374</u>
				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 still performing better than that of the broad market index:
 Portfolio performance = +16.7% (includes dividends and trading profits)
 S&P/TSX Composite = +14.6% (includes dividends)



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