

## 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, with discretion.*

**TODAY'S COMMENT:** *Last week, the Portfolio gained 1.7% while the S&P/TSX Composite Index faltered by 1.0%. I am still waiting for an opportunity to jettison some of our Energy stocks, which changed very little in price over the last five trading days. The three Energy stocks are the only ones in the Portfolio that are in the **red**. I sold the Gold Miners ETF at the open on Monday, which proved to be one day early but still recorded a 20.6% gain in a short time. I kept NFI Group because it was going ex-dividend on Thursday. However, the drop in the stock price of \$1.67 easily exceeded the dividend to be received of \$0.425. I will hang on to the stock for now. It is currently up 15%.*

The portfolio is presented below.

| TOP TEN | Share Price Information         |        | As at: 28-Jun-19 |               | Inception: 01-Jan-19<br>(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          | \$19.81       | \$19.50  | \$20.30       | \$19.02                | \$18.23                  |
| 2       | Baytex Energy Corp.             | BTE    | \$2.22           | \$2.03        | \$2.75   | \$3.13        | \$2.11                 | \$2.00                   |
| 3       | Canada Goose Holdings Inc.      | GOOS   | \$45.54          | \$50.69       | \$50.00  | \$56.25       | \$48.66                | \$46.63                  |
| 4       | Fairfax Financial Holdings Ltd. | FFH    | \$600.98         | \$642.76      | \$625.00   | \$687.50      | \$623.48               | \$597.77                 |
| 5       | NFI Group Inc.                  | NFI    | \$32.11          | \$36.90       | \$37.50  | \$39.05       | \$35.42                | \$33.95                  |
| 6       | Norbord Inc.                    | OSB    | \$28.98          | \$32.46       | \$29.70  | \$31.25       | \$27.82                | \$26.66                  |
| 7       | Parex Resources Inc.            | PXT    | \$17.66          | \$21.01       | \$23.45  | \$25.00       | \$20.17                | \$19.33                  |
| 8       | Vermilion Energy Inc.           | VET    | \$28.76          | \$28.45       | \$31.25  | \$34.38       | \$27.61                | \$26.46                  |
| 9       | Whitecap Resources Inc.         | WCP    | \$4.55           | \$4.25        | \$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: **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: 28-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               | \$19.81              | \$49,998             | \$71,257             | \$21,258                 | 42.5%                   |
| 2 Baytex Energy Corp.             | BTE           | 02-Jan-19            | 22,000                  | \$2.22                | \$2.03               | \$48,820             | \$44,660             | -\$4,160                 | -8.5%                   |
| 3 Canada Goose Holdings Inc.      | GOOS          | 30-May-19            | 1,098                   | \$45.54               | \$50.69              | \$50,003             | \$55,658             | \$5,655                  | 11.3%                   |
| 4 Fairfax Financial Holdings Ltd. | FFH           | 02-Jan-19            | 83                      | \$600.98              | \$642.76             | \$49,944             | \$53,417             | \$3,472                  | 7.0%                    |
| 5 NFI Group Inc.                  | NFI           | 26-Mar-19            | 1,557                   | \$32.11               | \$36.90              | \$49,995             | \$57,453             | \$7,458                  | 14.9%                   |
| 6 Norbord Inc.                    | OSB           | 13-Jun-19            | 1,725                   | \$28.98               | \$32.46              | \$49,991             | \$55,994             | \$6,003                  | 12.0%                   |
| 7 Parex Resources Inc.            | PXT           | 09-Jan-19            | 2,063                   | \$17.66               | \$21.01              | \$36,424             | \$43,333             | \$6,909                  | 19.0%                   |
| 8 Vermilion Energy Inc.           | VET           | 02-Jan-19            | 1,738                   | \$28.76               | \$28.45              | \$49,985             | \$49,446             | -\$539                   | -1.1%                   |
| 9 Whitecap Resources Inc.         | WCP           | 02-Jan-19            | 11,241                  | \$4.55                | \$4.25               | \$51,100             | \$47,774             | -\$3,325                 | -6.5%                   |

|                              |                  |                  |                 |             |
|------------------------------|------------------|------------------|-----------------|-------------|
| <b>Stock Totals</b>          | <b>\$436,260</b> | <b>\$478,991</b> | <b>\$42,731</b> | <b>9.8%</b> |
| Stock Annualized Return:     |                  |                  |                 | 20.0%       |
|                              |                  |                  | <u>%</u>        |             |
| Stock Totals                 |                  | \$478,991        |                 | 77%         |
| Cash                         | \$97,903         | \$97,903         |                 | 16%         |
| Cumulative Dividend Payments |                  | \$8,276          |                 | 1%          |
| Net Trading Profits/(Losses) | \$34,163         | \$34,163         |                 | 6%          |
| Portfolios Totals            |                  |                  |                 | 100%        |

|                              |                  |                  |                  |              |
|------------------------------|------------------|------------------|------------------|--------------|
| <b>Portfolio Totals</b>      | <b>\$500,000</b> | <b>\$619,332</b> | <b>\$119,333</b> | <b>23.9%</b> |
| Portfolio Annualized Return: |                  |                  |                  | 48.7%        |

|  |                  |                  |                 |              |
|--|------------------|------------------|-----------------|--------------|
| <b>Portfolio Totals (ex Trading Profits)</b> | <b>\$500,000</b> | <b>\$585,169</b> | <b>\$85,170</b> | <b>17.0%</b> |
|  |                  |                  |                 | 34.7%        |

|  |                  |                  |                 |              |
|--|------------------|------------------|-----------------|--------------|
| <b>S&amp;P/TSX Composite Index .....</b> | <b>14,322.86</b> | <b>16,382.20</b> | <b>2,059.34</b> | <b>14.4%</b> |
| S&P/TSX Comp. Return + Divs              |                  |                  |                 | 15.9%        |
| Annualized Return, incl. Divs            |                  |                  |                 | 32.5%        |

**Portfolio Percentages**

|                      |               |
|----------------------|---------------|
| Stocks               | 77.3%         |
| Cash                 | 15.8%         |
| Cumulative Dividends | 1.3%          |
| Net Trading Profits  | <u>5.5%</u>   |
| <b>TOTAL</b>         | <b>100.0%</b> |

**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                   |
| Canadian Gold Miners Bull ETF       | 13-Jun-19            | 24-Jun-19           | \$11.77               | \$14.19              | \$49,999             | \$60,279             | \$10,280                 | 20.6%                   | 4,248                   | \$34,163                   |

<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 June 28, 2019:

### TOP TEN

### Annual Income/Yield

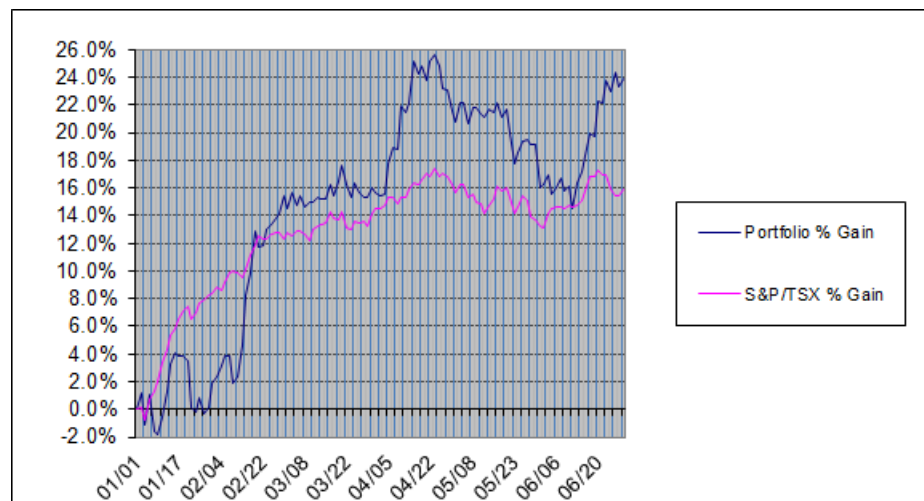
As at: 28-Jun-19

| Company                           | Purchase | Current  | Annual   | Annual          | Purchase    | Current     | Payment | Dividend | Period  | Pay-Out |                |
|-----------------------------------|----------|----------|----------|-----------------|-------------|-------------|---------|----------|---------|---------|----------------|
|                                   | Price    | Price    | Dividend | Income          | Yield       | Yield       | Fr      | Months   | Payout  | To Date |                |
| 1 AltaGas Ltd.                    | \$13.90  | \$19.81  | \$0.96   | \$3,453         | 6.9%        | 4.8%        | M       | 15th     | \$0.08  | \$288   | \$1,439        |
| 2 Baytex Energy Corp.             | \$2.22   | \$2.03   | \$0.00   | \$0             | 0.0%        | 0.0%        | --      | ---      | \$0.00  | \$0     | \$0            |
| 3 Canada Goose Holdings Inc.      | \$45.54  | \$50.69  | \$0.00   | \$0             | 0.0%        | 0.0%        | --      | ---      | \$0.00  | \$0     | \$0            |
| 4 Fairfax Financial Holdings Ltd. | \$600.98 | \$642.76 | \$10.00  | \$831           | 1.7%        | 1.6%        | A       | Jan      | \$10.00 | \$831   | \$831          |
| 5 NFI Group Inc.                  | \$32.11  | \$36.90  | \$1.70   | \$2,647         | 5.3%        | 4.6%        | Q       | MJSD     | \$0.425 | \$662   | \$662          |
| 6 Norbord Inc.                    | \$28.98  | \$32.46  | \$1.60   | \$2,760         | 5.5%        | 4.9%        | Q       | FMAN     | \$0.40  | \$690   | \$0            |
| 7 Parex Resources Inc.            | \$17.66  | \$21.01  | \$0.00   | \$0             | 0.0%        | 0.0%        | --      | ---      | \$0.00  | \$0     | \$0            |
| 8 Vermilion Energy Inc.           | \$28.76  | \$28.45  | \$2.76   | \$4,797         | 9.6%        | 9.7%        | M       | 15th     | \$0.23  | \$400   | \$1,999        |
| 9 Whitecap Resources Inc.         | \$4.55   | \$4.25   | \$0.32   | \$3,642         | 7.1%        | 7.6%        | M       | 15th     | \$0.027 | \$304   | \$1,518        |
| <b>Portfolio Totals</b>           |          |          |          | <b>\$18,130</b> | <b>4.2%</b> | <b>3.8%</b> |         |          |         |         | <b>\$6,448</b> |
| <b>Dividends, Companies Sold</b>  |          |          |          |                 |             |             |         |          |         |         | <b>\$1,828</b> |
| <b>Total Dividends Received</b>   |          |          |          |                 |             |             |         |          |         |         | <b>\$8,276</b> |

## 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 much better than that of the broad market index:  
 Portfolio performance = +23.9% (includes dividends and trading profits)  
 S&P/TSX Composite = +15.9% (includes dividends)



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**Contributing Analyst/Portfolio Manager: Bob Weir, CFA**



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