

Long-Term Perspective

August 20, 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. We now update it once a week, using Tuesday's closing prices.*

Our Portfolio of oil stocks, initiated on June 3, 2019 with a total invested value of \$300,000, is focused on recovery and growth. The Energy sector has been depressed for some time, and most Energy stocks have not fared well since the Portfolio's inception.

COMMENT: *The Portfolio dropped slightly over this past week. We added to some of the holdings to take advantage of depressed prices. But prices could get even more depressed. Only two stocks in the Portfolio are in positive territory.*

CURRENT PORTFOLIO

The current portfolio is presented below.

MODEL OIL PORTFOLIO Share Price Information

As at: 20-Aug-19
Portfolio Initiated: 3-Jun-19

<u>Company</u>	<u>Symbol</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>
1 Baytex Energy Corp.	BTE	\$1.93	\$1.81	\$2.35	\$2.55
2 Canadian Natural Resources	CNQ	\$35.20	\$30.86	\$37.50	\$39.00
3 Cenovus Energy	CVE	\$11.19	\$10.95	\$12.50	\$13.30
4 Crescent Point Energy	CPG	\$3.98	\$4.18	\$4.30	\$4.70
5 Encana Corp.	ECA	\$6.80	\$5.85	\$7.80	\$8.60
6 Seven Generations Energy	VII	\$6.92	\$7.13	\$7.80	\$8.60
7 Suncor Inc.	SU	\$37.65	\$37.46	\$40.60	\$42.20
8 Tourmaline Oil Corp.	TOU	\$15.66	\$13.40	\$17.20	\$18.00
9 Vermilion Energy	VET	\$26.19	\$19.99	\$29.70	\$31.25
10 Whitecap Resources	WCP	\$4.31	\$3.81	\$5.10	\$5.50

NB: **Green** numbers denote the stock price exceeds the Price Target.

NB: The Analyst, either **directly** or **indirectly**, currently owns shares in BTE, CPG, CVE, and VET.

The Portfolio's performance is shown on the next page.

PORTFOLIO PERFORMANCE

The following table shows how the Portfolio has performed since inception on June 3, 2019.

MODEL OIL PORTFOLIO Portfolio Performance

		As at: 20-Aug-19			
		Initiation: 3-Jun-19			
<u>Company</u>	<u>Number of Shares</u>	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Baytex Energy Corp.	12,944	\$24,999	\$23,429	-\$1,571	-6.3%
2 Canadian Natural Resources	710	\$24,992	\$21,911	-\$3,081	-12.3%
3 Cenovus Energy	894	\$10,004	\$9,789	-\$215	-2.1%
4 Crescent Point Energy	2,513	\$10,002	\$10,504	\$503	5.0%
5 Encana Corp.	2,943	\$20,009	\$17,217	-\$2,792	-14.0%
6 Seven Generations Energy	2,889	\$19,999	\$20,599	\$600	3.0%
7 Suncor Inc.	664	\$25,002	\$24,873	-\$128	-0.5%
8 Tourmaline Oil Corp.	1,600	\$25,052	\$21,440	-\$3,612	-14.4%
9 Vermilion Energy	955	\$25,014	\$19,090	-\$5,924	-23.7%
10 Whitecap Resources	5,796	\$24,998	\$22,083	-\$2,915	-11.7%
Stock Totals		\$210,070	\$190,935	-\$19,135	-9.1%
			Stock Annualized Return:		-44.1%

Portfolio Percentages

Stock Totals		\$190,935	68.0%
Cash	\$89,930	\$89,930	32.0%
Cum. Div. Payments		\$0	0.0%
Net Trading Profits/(Losses)		\$0	0.0%
			100.0%

	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
Portfolio Totals	\$300,000	\$280,864	-\$19,135	-6.4%
			Portfolio Annualized Return:	-30.8%

INDUSTRY COMPARISON

Next, 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	\$280,864	-\$19,135	-6.4%
	Portfolio Annualized Return:			-30.8%
S&P/TSX ENERGY INDEX	143.37	\$123.69	-19.68	-13.7%
(SPTTEN-ut)	S&P/TSX Energy Annualized Return:			-66.4%

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
Crude Oil (SWTIC-sc)	\$53.73	\$56.34	\$2.61	4.9%
Canadian Crude Oil Index (CCX-bc)	\$8.16	\$10.20	\$2.04	25.0%
Crude Oil Bull 2X ETF (HOU-bc)	\$5.80	\$5.81	\$0.01	0.2%
Energy Index ETF (XEG-bc)	\$9.20	\$7.91	-\$1.29	-14.0%
Energy Bull 2X ETF (HEU-bc)	\$5.05	\$3.76	-\$1.29	-25.5%
U.S. Oil Fund ETF (USO-bc)	\$11.30	\$11.63	\$0.33	2.9%
S&P/TSX Composite Index	16,053.47	16,213.31	159.84	1.0%

DIVIDENDS and YIELDS

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

MODEL OIL PORTFOLIO Annual Income/Yield As at: 20-Aug-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	12,944	\$1.93	\$1.81	\$0.00	\$0	0.0%	0.0%	\$0
2 Canadian Natural Resources	CNQ	710	\$35.20	\$30.86	\$1.50	\$1,065	4.3%	4.9%	\$102
3 Cenovus Energy	CVE	894	\$11.19	\$10.95	\$0.20	\$179	1.8%	1.8%	\$45
4 Crescent Point Energy	CPG	2,513	\$3.98	\$4.18	\$0.04	\$101	1.0%	1.0%	\$0
5 Encana Corp.	ECA	2,943	\$6.80	\$5.85	\$0.10	\$298	1.5%	1.7%	\$35
6 Seven Generations Energy	VII	2,889	\$6.92	\$7.13	\$0.00	\$0	0.0%	0.0%	\$0
7 Tourmaline Oil Corp.	TOU	1,600	\$15.66	\$13.40	\$0.40	\$640	2.6%	3.0%	\$160
8 Vermilion Energy	VET	955	\$26.19	\$19.99	\$2.76	\$2,636	10.5%	13.8%	\$241
9 Whitecap Resources	WCP	5,796	\$4.31	\$3.81	\$0.35	\$2,017	8.1%	9.1%	\$193
Portfolio Totals						\$6,935	2.3%	2.5%	\$776
Dividends, Companies Sold									\$0
Total Dividends Received									\$776



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