

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. We update it once a week, using Wednesday's closing prices. It will be essentially a Buy-and-Hold portfolio, with minimal trading. The portfolio will always be fully invested, if appropriate. The initial investment will be a total of \$500,000. It is intended that each of the stocks will have an equal weighting.*

TODAY'S COMMENT: *The Portfolio fared much better this past week, rising 3.7% compared to a gain of 2.8% for the S&P/TSX Composite Index. On Friday morning, we sold Norbord Inc. The stock made a strong showing over the last four days, rising from under \$30 to over \$33. We exited at \$33.20 for a gain of 14.6%. Not only is there nervousness about the market as a whole, but also there is some concern about U.S. new home-building and existing home sales. Ergo, we took our profit. At this point, there are five stocks "under water" and four show a profit. Since inception, we have recorded over \$41,400 in trading profits and received \$10,920 in dividend income. The Portfolio is up 16.9% on the year, exactly the same as the S&P/TSX Composite Index. We want to do better than the Index!*

The portfolio is presented below.

TOP TEN

Share Price Information

As at: 30-Aug-19

Inception 01-Jan-19

(Dec 31/18 closing prices)

<u>Company</u>	<u>Symbol</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>
1 AltaGas Ltd.	ALA	\$13.90	\$18.08	\$19.50	\$20.30
2 Baytex Energy Corp.	BTE	\$2.22	\$1.72	\$2.75	\$3.13
3 Canada Goose Holdings Inc.	GOOS	\$45.54	\$49.65	\$50.00	\$56.25
4 Canadian Gold Miners 2X Bull ETF	HGU	\$17.91	\$21.07	\$23.45	\$26.55
5 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$593.25	\$625.00	\$687.50
6 NFI Group Inc.	NFI	\$32.11	\$29.06	\$37.50	\$39.05
7 Parex Resources Inc.	PXT	\$17.66	\$20.39	\$23.45	\$25.00
8 Vermilion Energy Inc.	VET	\$28.76	\$18.95	\$31.25	\$34.38
9 Whitecap Resources Inc.	WCP	\$4.55	\$3.67	\$5.50	\$6.25

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

NB: The Analyst, either **directly** or **indirectly**, currently owns shares in **ALA, BTE, NFI, and VET**

The performance of these stocks is provided in the table on the following page.

TOP TEN

Portfolio Performance

As at: 30-Aug-19

Initiation: 01-Jan-19

<u>Company</u>	<u>Purchase Date</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 AltaGas Ltd.	02-Jan-19	3,597	\$49,998	\$65,034	\$15,035	30.1%
2 Baytex Energy Corp.	02-Jan-19	22,000	\$48,820	\$37,840	-\$10,980	-22.5%
3 Canada Goose Holdings Inc.	30-May-19	1,098	\$50,003	\$54,516	\$4,513	9.0%
4 Canadian Gold Miners 2X Bull ETF	06-Aug-19	2,792	\$50,005	\$58,827	\$8,823	17.6%
5 Fairfax Financial Holdings Ltd.	02-Jan-19	83	\$49,944	\$49,302	-\$642	-1.3%
6 NFI Group Inc.	26-Mar-19	1,557	\$49,995	\$45,246	-\$4,749	-9.5%
7 Parex Resources Inc.	09-Jan-19	2,063	\$36,424	\$42,054	\$5,631	15.5%
8 Vermilion Energy Inc.	02-Jan-19	1,738	\$49,985	\$32,935	-\$17,050	-34.1%
9 Whitecap Resources Inc.	02-Jan-19	11,241	\$51,100	\$41,254	-\$9,845	-19.3%
Stock Totals			\$436,274	\$427,009	-\$9,265	-2.1%
				Stock Annualized Return:		-3.2%

Portfolio Percentages

		<u>%</u>
Stock Totals	\$427,009	73%
Cash	\$105,169	18%
Cum. Dividend Payments	\$10,920	2%
Net Trading Profits/(Losses)	\$41,442	7%
Portfolios Totals		100%

Portfolio Totals

\$500,000	\$584,540	\$84,540	16.9%
	Portfolio Annualized Return:		25.7%

Portfolio Totals

(ex Trading Profits)

\$500,000	\$543,097	\$43,097	8.6%
	Portfolio Annualized Return:		13.1%

S&P/TSX Composite Index

14,322.86	16,442.07	2,119.21	14.8%
	S&P/TSX Comp. Return + Divs		16.9%
	Annualized Return, incl. Divs		25.6%

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
Norbord Inc.	13-Jun-19	29-Aug-19	\$28.98	\$33.20	\$49,991	\$57,270	\$7,280	14.6%	1,725	\$41,442

There was one addition to Stocks Sold this past week with the sale of Norbord Inc.

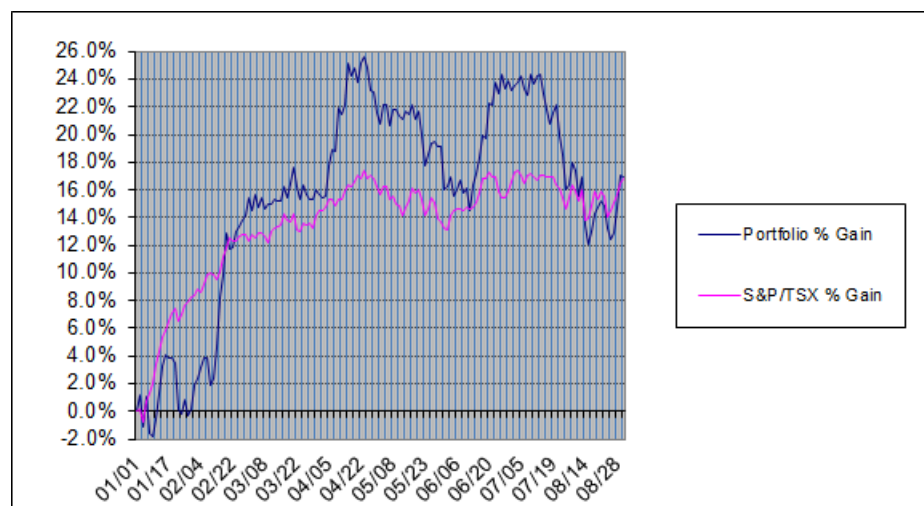
Below, we provide a table that indicates the annual dividend, the corresponding annual income and equity yields, and the dividend pay-outs to date since inception. This table is updated every two weeks, unless there is a change in the portfolio. These totals are as at August 21, 2019:

TOP TEN		Annual Income/Yield			As at: 30-Aug-19				
<u>Company</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Payment Fr</u>	<u>Dividend Months</u>	<u>Dividend Payout</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 AltaGas Ltd.	\$0.96	\$3,453	5.3%	M	15th	\$0.08	\$288	\$2,014	
2 Baytex Energy Corp.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0	
3 Canada Goose Holdings Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0	
4 Canadian Gold Miners 2X Bull ETI	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0	
5 Fairfax Financial Holdings Ltd.	\$10.00	\$831	1.7%	A	Jan	\$10.00	\$831	\$831	
6 NFI Group Inc.	\$1.70	\$2,647	5.8%	Q	MJSD	\$0.425	\$662	\$1,323	
7 Parex Resources Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0	
8 Vermilion Energy Inc.	\$2.76	\$4,797	14.6%	M	15th	\$0.23	\$400	\$2,798	
9 Whitecap Resources Inc.	\$0.32	<u>\$3,642</u>	<u>8.8%</u>	M	15th	\$0.027	\$304	<u>\$2,125</u>	
Portfolio Totals		\$15,370	3.6%					\$9,092	
Dividends, Companies Sold								<u>\$1,828</u>	
Total Dividends Received								<u>\$10,920</u>	

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 and the broad market index are exactly tied at a gain of 16.9%:
 Portfolio performance = +16.9% (includes dividends and trading profits)
 S&P/TSX Composite = +16.9% (includes dividends)



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Contributing Analyst/Portfolio Manager: Bob Weir, CFA



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