

## 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. 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:** *Domtar Corporation was added to the Portfolio today, September 30 and just in time to take advantage of the stock going ex-dividend on October 1. Also, the stock was up 0.8% today so, all-round, a strategic addition to the Portfolio. Canada Goose has done quite well since our last Portfolio update, up almost \$10 a share. AltaGas has also recovered in the interim. Kinaxis has proven to be a profitable addition, rising \$6.61 or 8.3% since purchase a few weeks back. NFI continues to struggle, while Parex Resources has flat-lined. Fairfax Financial Holdings is being held back by the poor performance at Blackberry. Vermilion Energy has recovered a bit but still remains far below cost.*

The portfolio is presented below.

### TOP TEN

### Share Price Information

As at: 30-Sep-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	\$19.45	\$19.50	\$20.30
2 Canada Goose Holdings Inc.	GOOS	\$45.54	\$58.25	\$50.00	\$56.25
3 Domtar Corporation	UFS	\$47.07	\$47.45	\$50.00	\$56.25
4 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$584.00	\$625.00	\$687.50
5 Kinaxis Inc.	KXS	\$79.61	\$86.22	\$84.38	\$87.50
6 NFI Group Inc.	NFI	\$32.11	\$28.12	\$37.50	\$39.05
7 Parex Resources Inc.	PXT	\$17.66	\$20.30	\$23.45	\$25.00
8 Parkland Fuel Corporation	PKI	\$42.64	\$42.49	\$43.75	\$44.50
9 Vermilion Energy Inc.	VET	\$28.76	\$22.07	\$31.25	\$34.38

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

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

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

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## Portfolio Performance

As at: 30-Sep-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	\$69,962	\$19,963	39.9%
2 Canada Goose Holdings Inc.	30-May-19	1,098	\$50,003	\$63,959	\$13,956	27.9%
3 Domtar Corporation	30-Sep-19	1,062	\$49,988	\$50,392	\$404	0.8%
4 Fairfax Financial Holdings Ltd.	02-Jan-19	83	\$49,944	\$48,533	-\$1,411	-2.8%
5 Kinaxis Inc.	05-Sep-19	628	\$49,995	\$54,146	\$4,151	8.3%
6 NFI Group Inc.	26-Mar-19	1,557	\$49,995	\$43,783	-\$6,212	-12.4%
7 Parex Resources Inc.	09-Jan-19	2,063	\$36,424	\$41,869	\$5,445	14.9%
8 Parkland Fuel Corporation	05-Sep-19	1,173	\$50,017	\$49,841	-\$176	-0.4%
9 Vermilion Energy Inc.	02-Jan-19	1,738	\$49,985	\$38,358	-\$11,627	-23.3%
<b>Stock Totals</b>			<b>\$436,350</b>	<b>\$460,842</b>	<b>\$24,492</b>	<b>5.6%</b>
				Stock Annualized Return:		7.6%

## Portfolio Percentages

		<u>%</u>
Stock Totals	\$460,842	78%
Cash	\$89,725	15%
Cum. Dividend Payments	\$13,262	2%
Net Trading Profits/(Losses)	\$26,075	4%
Portfolios Totals		100%

## Portfolio Totals

<b>\$500,000</b>	<b>\$589,903</b>	<b>\$89,904</b>	<b>18.0%</b>
	Portfolio Annualized Return:		24.4%

## Portfolio Totals

(ex Trading Profits)

\$500,000	\$563,829	\$63,829	12.8%
	Portfolio Annualized Return:		17.3%

## S&P/TSX Composite Index

14,322.86	16,658.63	2,335.77	16.3%
	S&P/TSX Comp. Return + Divs		18.6%
	Annualized Return, incl. Divs		25.3%

## 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
Baytex Energy Corp.	02-Jan-19	05-Sep-19	\$2.22	\$1.73	\$48,821	\$38,060	-\$10,761	-22.0%	22,000	\$30,681
Whitecap Resources Inc.	02-Jan-19	05-Sep-19	\$4.55	\$3.91	\$51,100	\$43,952	-\$7,147	-14.0%	11,241	\$23,534

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 September 30, 2019:

**TOP TEN**

**Annual Income/Yield**

As at: 30-Sep-19

<u>Company</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Payment</u>		<u>Dividend Payout</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>
				<u>Fr</u>	<u>Months</u>			
1 AltaGas Ltd.	\$0.96	\$3,453	4.9%	M	15th	\$0.08	\$288	\$2,302
2 Canada Goose Holdings Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0
3 Domtar Corporation	\$2.41	\$2,558	5.1%	Q	15th	\$0.60	\$640	\$0
4 Fairfax Financial Holdings Ltd.	\$10.00	\$831	1.7%	A	Jan	\$10.00	\$831	\$831
5 Kinaxis Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0
6 NFI Group Inc.	\$1.70	\$2,647	2.0%	Q	MJSD	\$0.425	\$662	\$1,985
7 Parex Resources Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0
8 Parkland Fuel Corporation	\$0.398	\$467	2.0%	M	13th	\$0.0995	\$117	\$0
9 Vermilion Energy Inc.	\$2.76	\$4,797	13.6%	M	15th	\$0.23	\$400	\$3,198
<b>Portfolio Totals</b>		<b>\$14,753</b>	<b>3.2%</b>					<b>\$8,316</b>
<b>Dividends, Companies Sold</b>								<b>\$4,946</b>
<b>Total Dividends Received</b>								<b>\$13,262</b>

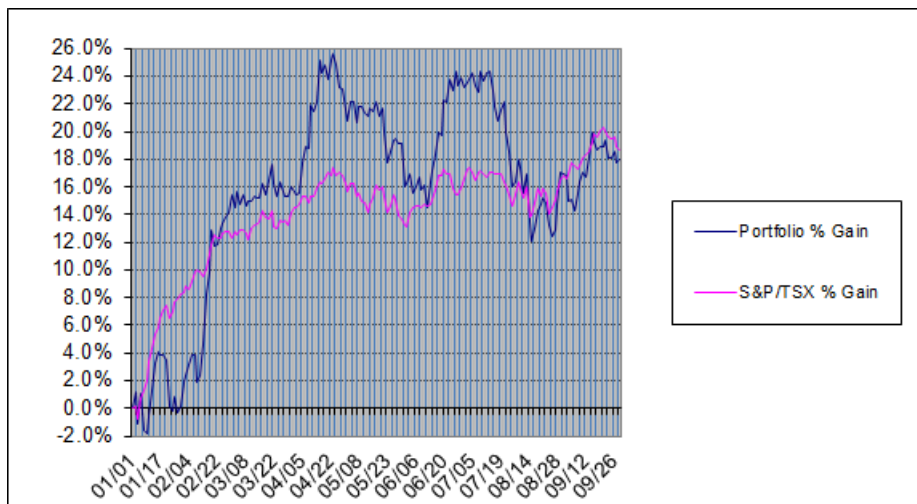
**Comparison**

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 doing worse than the broad market index:

Portfolio performance = +18.0% (includes dividends and trading profits)

S&P/TSX Composite = +18.6% (includes dividends)



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



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