

Top-Ten Portfolio

We have created a portfolio of stocks with a primary focus being on growth and, secondarily, on attractive dividend yields.

NOTE: *The Top-Ten Portfolio has a long-term perspective. It comprises essentially a Buy-and-Hold strategy, with minimal trading. The portfolio will be appropriately invested but, if circumstances warrant, there could be a sizable cash component. The initial investment will be a total of \$500,000. It is intended that each of the stocks in the Portfolio will have an equal weighting.*

TODAY'S COMMENT: *The Portfolio continues to struggle and is still under-performing the S&P/TSX Composite Index. Four of the current nine stocks in the Portfolio are "under water", with Vermilion Energy decidedly so. Still, overall, after adding in dividends received and accounting for trading profits, the Portfolio is up 14.4% since inception at the beginning of the year. AltaGas is the best performer although the stock has been "stuck" in the \$19s for some time. Canada Goose, Kinaxis, and Parex Resources have been up and down. In the present market, it might be prudent to be slightly more nimble and take short-term profits when available. I am still expecting an Economic Recession to arrive in Canada sometime between November 2020 and April 2021 (see our weekly Recession Barometer report). But, the question is, just how far in front of a possible recession will the stock market turn nasty to reflect this negative economic occurrence? So, I remain cautious for now.*

The portfolio is presented below.

TOP TEN

Share Price Information

As at: 24-Oct-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	\$19.14	\$19.50	\$20.30
2 Canada Goose Holdings Inc.	GOOS	\$45.54	\$50.68	\$50.00	\$56.25
3 Domtar Corporation	UFS	\$47.07	\$46.90	\$50.00	\$56.25
4 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$559.33	\$625.00	\$687.50
5 Kinaxis Inc.	KXS	\$79.61	\$80.28	\$84.38	\$87.50
6 NFI Group Inc.	NFI	\$32.11	\$28.70	\$37.50	\$39.05
7 Parex Resources Inc.	PXT	\$17.66	\$18.65	\$23.45	\$25.00
8 Parkland Fuel Corporation	PKI	\$42.64	\$44.75	\$43.75	\$44.50
9 Vermilion Energy Inc.	VET	\$28.76	\$19.97	\$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: 24-Oct-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	\$68,847	\$18,848	37.7%
2 Canada Goose Holdings Inc.	30-May-19	1,098	\$50,003	\$55,647	\$5,644	11.3%
3 Domtar Corporation	30-Sep-19	1,062	\$49,988	\$49,808	-\$181	-0.4%
4 Fairfax Financial Holdings Ltd.	02-Jan-19	83	\$49,944	\$46,483	-\$3,461	-6.9%
5 Kinaxis Inc.	05-Sep-19	628	\$49,995	\$50,416	\$421	0.8%
6 NFI Group Inc.	26-Mar-19	1,557	\$49,995	\$44,686	-\$5,309	-10.6%
7 Parex Resources Inc.	09-Jan-19	2,063	\$36,424	\$38,466	\$2,042	5.6%
8 Parkland Fuel Corporation	05-Sep-19	1,173	\$50,017	\$52,492	\$2,475	4.9%
9 Vermilion Energy Inc.	02-Jan-19	1,738	\$49,985	\$34,708	-\$15,277	-30.6%
Stock Totals			\$436,350	\$441,551	\$5,201	1.2%
				Stock Annualized Return:		1.5%

Portfolio Percentages

			<u>%%</u>
Stock Totals		\$441,551	77%
Cash	\$89,725	\$89,725	16%
Cum. Dividend Payments		\$14,698	3%
Net Trading Profits/(Losses)	\$26,075	\$26,075	5%
Portfolios Totals			100%

Portfolio Totals

\$500,000	\$572,049	\$72,049	14.4%
	Portfolio Annualized Return:		17.9%

Portfolio Totals

(ex Trading Profits)

\$500,000	\$545,974	\$45,974	9.2%
	Portfolio Annualized Return:		11.4%

S&P/TSX Composite Index

14,322.86	16,369.32	2,046.46	14.3%
	S&P/TSX Comp. Return + Divs		16.9%
	Annualized Return, incl. Divs		21.0%

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
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
Canadian Gold Miners Bull ETF	06-Aug-19	09-Sep-19	\$17.91	\$18.82	\$50,005	\$52,545	\$2,541	5.1%	2,792	\$26,075

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 October 24, 2019:

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Annual Income/Yield

As at: 24-Oct-19

Company	Annual Dividend	Annual Income	Current Yield	Payment Fr	Dividend Months	Dividend Payout	Period Payout	Pay-Out To Date
	1 AltaGas Ltd.	\$0.96	\$3,453	5.0%	M	15th	\$0.08	\$288
2 Canada Goose Holdings Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0
3 Domtar Corporation	\$2.38	\$2,527	5.1%	Q	JAJO	\$0.59	\$632	\$632
4 Fairfax Financial Holdings Ltd.	\$10.00	\$831	1.8%	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	2.1%	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	2.1%	M	13th	\$0.0995	\$117	\$117
9 Vermilion Energy Inc.	\$2.76	\$4,797	14.8%	M	15th	\$0.23	\$400	\$3,598
Portfolio Totals		\$14,721	3.3%					\$9,752
Dividends, Companies Sold								\$4,946
Total Dividends Received								\$14,698

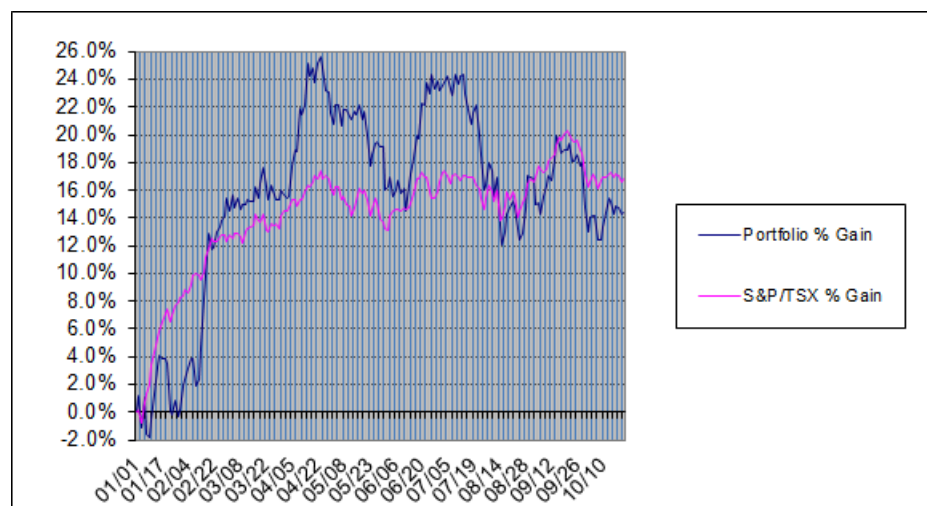
Comparison

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 under-performing the broad market index:

Portfolio performance = +14.4% (includes dividends and trading profits)

S&P/TSX Composite = +16.9% (includes dividends)



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