

Top-Ten Portfolio

We have created a portfolio of stocks with a primary focus being on recovery and 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 has moved sideways since our last report on November 22. During these three weeks, the Portfolio's value has ranged between \$594,828 and \$603,297, a difference of just 1.4%. In this time-frame, the Portfolio and the benchmark S&P/TSX Composite Index have pretty much moved in lock-step. Of the 9 stocks in the Portfolio, there continues to be 3, the same 3, that are currently "under water". Recently, the shares of AltaGas, our best-performing stock, have come under selling pressure, but are still up 35.1%. Kinaxis is our second best performer with a gain of 30.9%. Our two big losers are Vermilion Energy, down 31.7% but with a current yield of 14.1%, and NFI Group, down 19.0% but also with a good yield, being 6.5%. We are still intending on exiting Canada Goose and Fairfax Financial Holdings, but we will wait for a suitable selling opportunity.*

The portfolio is presented below.

TOP TEN

Share Price Information

As at: 13-Dec-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	\$18.78	\$19.50	\$20.30
2 Canada Goose Holdings Inc.	GOOS	\$45.54	\$51.35	\$50.00	\$56.25
3 Domtar Corporation	UFS	\$47.07	\$50.86	\$50.00	\$56.25
4 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$593.65	\$625.00	\$687.50
5 Kinaxis Inc.	KXS	\$79.61	\$104.24	\$109.38	\$115.63
6 NFI Group Inc.	NFI	\$32.11	\$26.02	\$37.50	\$39.05
7 Parex Resources Inc.	PXT	\$17.66	\$20.66	\$23.45	\$25.00
8 Parkland Fuel Corporation	PKI	\$42.64	\$46.85	\$47.65	\$48.45
9 Vermilion Energy Inc.	VET	\$28.76	\$19.63	\$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.

TOP TEN

Portfolio Performance

As at: 13-Dec-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	\$67,552	\$17,553	35.1%
2 Canada Goose Holdings Inc.	30-May-19	1,098	\$50,003	\$56,382	\$6,379	12.8%
3 Domtar Corporation	30-Sep-19	1,062	\$49,988	\$54,013	\$4,025	8.1%
4 Fairfax Financial Holdings Ltd.	02-Jan-19	83	\$49,944	\$49,335	-\$609	-1.2%
5 Kinaxis Inc.	05-Sep-19	628	\$49,995	\$65,463	\$15,468	30.9%
6 NFI Group Inc.	26-Mar-19	1,557	\$49,995	\$40,513	-\$9,482	-19.0%
7 Parex Resources Inc.	09-Jan-19	2,063	\$36,424	\$42,611	\$6,188	17.0%
8 Parkland Fuel Corporation	05-Sep-19	1,173	\$50,017	\$54,955	\$4,938	9.9%
9 Vermilion Energy Inc.	02-Jan-19	1,738	\$49,985	\$34,117	-\$15,868	-31.7%
Stock Totals			\$436,350	\$464,942	\$28,592	6.6%
				Stock Annualized Return:		6.9%

Portfolio Percentages

			<u>%%</u>
Stock Totals		\$464,942	78%
Cash	\$89,725	\$89,725	15%
Cum. Dividend Payments		\$15,508	3%
Net Trading Profits/(Losses)	\$26,075	\$26,075	4%
Portfolios Totals			100%

Portfolio Totals

\$500,000	\$596,249	\$96,249	19.2%
	Portfolio Annualized Return:		20.4%

Portfolio Totals

(ex Trading Profits)

\$500,000	\$570,174	\$70,174	14.0%
	Portfolio Annualized Return:		14.9%

S&P/TSX Composite Index

14,322.86	17,003.13	2,680.27	18.7%
	S&P/TSX Comp. Return + Divs		21.5%
	Annualized Return, incl. Divs		22.8%

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. These totals are as at December 13, 2019:

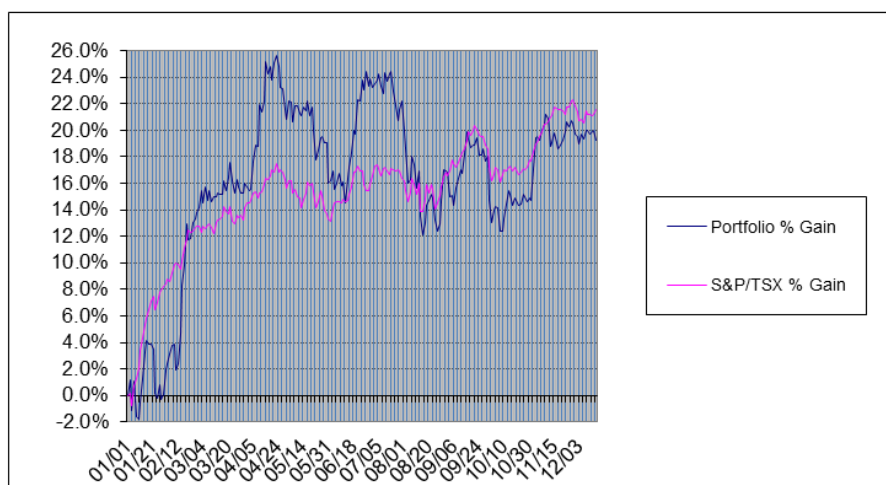
TOP TEN <u>Company</u>	Annual Income/Yield			As at: 13-Dec-19					
	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Current Yield</u>	<u>Fr</u>	<u>Payment Months</u>	<u>Dividend Payout</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 AltaGas Ltd.	\$0.96	\$3,453	5.1%	M	15th	\$0.08	\$288	\$2,878	
2 Canada Goose Holdings Inc.	\$0.00	\$0	0.0%	--	---	\$0.00	\$0	\$0	
3 Domtar Corporation	\$2.40	\$2,548	4.7%	Q	JAJO	\$0.60	\$637	\$637	
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	6.5%	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	0.8%	M	13th	\$0.0995	\$117	\$233	
9 Vermilion Energy Inc.	\$2.76	\$4,797	14.1%	M	15th	\$0.23	\$400	\$3,997	
Portfolio Totals		\$14,743	3.2%					\$10,562	
Dividends, Companies Sold								\$4,946	
Total Dividends Received								\$15,508	

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 lagging the broad market index by 2.3% to date in 2019:
 Portfolio performance = +19.2% (includes dividends and trading profits)
 S&P/TSX Composite = +21.5% (includes dividends)

As at: 13-Dec-19 Since: 01-Jan-19
 Includes Reinvested Dividends



#####

Contributing Analyst/Portfolio Manager: Bob Weir, CFA