

Dividend-Income Portfolio

We have created a portfolio of quality stocks with the focus being on providing an attractive income return.

NOTE: *The Dividend-Income Portfolio has a long-term perspective. It comprises essentially a Buy-and-Hold strategy, with minimal trading. 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. From a comprehensive (but not exhaustive) list of 28 high dividend-paying stocks, we have chosen 10 stocks with yields exceeding 4.0%. To serve as benchmarks for our Portfolio's performance, we also have included a list of 5 ETF comparables (which also are actively traded and, so, could have been included in the Portfolio) and the S&P/TSX Composite Index.*

TODAY'S COMMENT: *Our Portfolio was launched on December 1 and has done well. Currently, it is up 6.1%, and that is almost all capital gains as only one dividend payment has been received to date. So far, our best-performing stock is Polaris Infrastructure, up 20.1%. Only one stock is "under water" and just barely, and that is **ChemTrade Logistics** (down -0.2%).*

DIVIDEND INCOME PORTFOLIO

Share Price Information

As at: 10-Jan-20
Inception 01-Dec-19
(Nov 29/19 closing prices)

<u>Company</u>	<u>Symbol</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Change</u>	<u>Current Yield</u>	<u>First Target</u>	<u>Second Target</u>
1 ChemTrade Logistics Income Fund	CHE.UN	\$11.11	\$11.09	-0.2%	10.8%	\$11.72	\$12.10
2 Emera Inc.	EMA	\$54.62	\$56.62	3.7%	4.3%	\$56.25	\$57.80
3 Fortis Inc.	FTS	\$52.04	\$54.80	5.3%	3.5%	\$54.00	\$54.90
4 Inter Pipeline Ltd.	IPL	\$22.00	\$22.32	1.5%	7.7%	\$23.45	\$24.25
5 Keyera Corp.	KEY	\$32.41	\$34.41	6.2%	5.6%	\$33.60	\$34.40
6 Pason Systems Inc.	PSI	\$12.90	\$13.21	2.4%	5.8%	\$14.00	\$14.85
7 Pembina Pipeline Corporation	PPL	\$46.38	\$50.11	8.0%	4.8%	\$48.45	\$49.25
8 Polaris Infrastructure Inc.	PIF	\$11.72	\$14.08	20.1%	5.6%	\$12.50	\$13.30
9 Superior Plus Inc.	SPB	\$12.57	\$12.65	0.6%	5.7%	\$13.30	\$13.70
10 Vermilion Energy Inc.	VET	\$19.10	\$21.35	11.8%	12.9%	\$20.30	\$21.87

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

COMPARABLE ETFs and COMPOSITE INDEX

	<u>Symbol</u>	<u>Inception Price</u>	<u>Current Price</u>	<u>Change</u>	<u>Current Yield</u>
Dividend Aristocrats ETF	CDZ	\$28.31	\$28.84	1.9%	3.7%
Dividend Growth Split Corp.	DGS	\$5.26	\$5.37	2.1%	22.3%
iShares Cdn. Dividend ETF	XDV	\$25.89	\$25.88	0.0%	4.4%
BMO Cdn. Dividend ETF	ZDV	\$17.72	\$17.95	1.3%	4.3%
Horizons Active Cdn. Dividend ETF	HAL	\$18.25	\$18.30	0.3%	3.1%
S&P/TSX Composite Index		17,040.20	17,234.49	1.1%	3.0%

DIVIDEND INCOME PORTFLIO

Portfolio Performance

As at: 10-Jan-20

Initiation: 01-Dec-19

<u>Company</u>	<u>Purchase Date</u>	<u>Number of Shares</u>	<u>Purchase Cost</u>	<u>Current Value</u>	<u>Inherent Value*</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 ChemTrade Logistics Income Fund	01-Dec-19	4,500	\$49,995	\$49,905	\$49,905	-\$90	-0.2%
2 Emera Inc.	01-Dec-19	915	\$49,977	\$51,807	\$51,807	\$1,830	3.7%
3 Fortis Inc.	01-Dec-19	961	\$50,010	\$52,663	\$52,663	\$2,652	5.3%
4 Inter Pipeline Ltd.	01-Dec-19	2,273	\$50,006	\$50,733	\$50,733	\$727	1.5%
5 Keyera Corp.	01-Dec-19	1,543	\$50,009	\$53,095	\$53,095	\$3,086	6.2%
6 Pason Systems Inc.	01-Dec-19	3,876	\$50,000	\$51,202	\$51,938	\$1,938	3.9%
7 Pembina Pipeline Corporation	01-Dec-19	1,078	\$49,998	\$54,019	\$54,019	\$4,021	8.0%
8 Polaris Infrastructure Inc.	01-Dec-19	4,266	\$49,998	\$60,065	\$60,065	\$10,068	20.1%
9 Superior Plus Inc.	01-Dec-19	3,978	\$50,003	\$50,322	\$50,322	\$318	0.6%
10 Vermilion Energy Inc.	01-Dec-19	2,618	\$50,004	\$55,894	\$55,894	\$5,891	11.8%
Stock Totals			\$500,000	\$529,705	\$530,441	\$30,441	6.1%
* Note: Inherent Value includes dividends received			Stock Annualized Return:				57.5%

Portfolio Percentages

		<u>%</u>
Stock Totals	\$529,705	100%
Cash	\$0	0%
Cum. Dividend Payments	\$736	0%
Net Trading Profits/(Losses)	\$0	0%
Portfolios Totals		100%

Portfolio Totals

\$500,000	\$530,441	\$30,441	6.1%
Portfolio Annualized Return:			57.5%

Portfolio Totals

(ex Trading Profits)

\$500,000	\$530,441	\$30,441	6.1%
Portfolio Annualized Return:			57.5%

COMPARABLES

We compare the performance of the Portfolio against selected higher-yield ETFs as well as the S&P/TSX Composite Index.

The Portfolio is up 0.1%, while the comparables are all slightly negative. The S&P/TSX Composite Index is also down slightly since the Portfolio's inception.

<u>COMPARISON</u>	<u>Inception</u>	<u>Inherent</u>	<u>Change</u>	<u>% Chge</u>
Portfolio	\$500,000	\$530,441	\$30,441	6.1%
Dividend Aristocrats ETF	\$28.31	\$28.93	\$0.62	2.2%
Dividend Growth Split Corp.	\$5.26	\$5.37	\$0.11	2.1%
iShares Cdn. Dividend ETF	\$25.89	\$25.97	\$0.08	0.3%
BMO Cdn. Dividend ETF	\$17.72	\$18.02	\$0.30	1.7%
Horizons Cdn. Dividend ETF	\$18.25	\$18.30	\$0.05	0.3%
S&P/TSX Composite Index	17,040.20	17,277.09	236.89	1.4%

Note: Inherent (Value) includes dividends received

<continued>

DIVIDENDS and YIELDS

The following table shows the current yield for the stocks in the Portfolio as well as other pertinent information regarding payout, ex-dividend and payment dates etc.

DIVIDEND INCOME PORTFOLIO

Annual Income/Yield

As at: 10-Jan-20 Inception: 01-Dec-19

<u>Company</u>	<u>Annual</u>	<u>Annual</u>	<u>Current</u>	<u>Fr</u>	<u>Months</u>	<u>Dividend</u>	<u>Period</u>	<u>Pay-Out</u>		
	<u>Dividend</u>	<u>Income</u>	<u>Yield</u>			<u>Payout</u>	<u>Payout</u>	<u>To Date</u>	<u>Ex-Div</u>	<u>Pay-Day</u>
1 ChemTrade Logistics Income Fund	\$1.20	\$5,400	10.8%	M	M	\$0.10	\$450	\$0	30th	30th
2 Emera Inc.	\$2.45	\$2,242	4.3%	Q	JAJO	\$0.61	\$0	\$0	30th	15th
3 Fortis Inc.	\$1.91	\$1,836	3.5%	Q	FMAN	\$0.48	\$459	\$0	15th	1st
4 Inter Pipeline Ltd.	\$1.71	\$3,887	7.7%	M	M	\$0.14	\$324	\$0	21st	15th
5 Keyera Corp.	\$1.92	\$2,963	5.6%	M	M	\$0.16	\$0	\$0	21st	15th
6 Pason Systems Inc.	\$0.76	\$2,946	5.8%	Q	MJSD	\$0.19	\$736	\$736	14th	28th
7 Pembina Pipeline Corporation	\$2.40	\$2,587	4.8%	M	M	\$0.20	\$0	\$0	24th	15th
8 Polaris Infrastructure Inc.	\$0.960	\$4,095	6.8%	M	M	\$0.08	\$341	\$0	24th	15th
9 Superior Plus Inc.	\$0.72	\$2,864	5.7%	M	M	\$0.06	\$239	\$0	30th	15th
10 Vermilion Energy Inc.	\$2.76	\$7,226	12.9%	M	M	\$0.23	\$602	\$0	27th	15th
Portfolio Totals		\$28,819	5.4%					\$736		
Dividends, Companies Sold								\$0		
Total Dividends Received								\$736		

Here is the associated table for the comparables. The yield on the Dividend Growth Split Corp. is not an error.

COMPARABLES

<u>Comparable</u>	<u>Annual</u>	<u>Current</u>	<u>Payment</u>	<u>Dividend</u>	<u>Pay-Out</u>			
	<u>Dividend</u>	<u>Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Payout</u>	<u>To Date</u>	<u>Ex-Div</u>	<u>Pay-Day</u>
Dividend Aristocrats ETF	\$1.08	3.8%	M	M	\$0.09	\$159	24th	30th
Dividend Growth Split Corp.	\$1.20	22.8%	M	M	\$0.10	\$0	30th	15th
iShares Cdn. Dividend ETF	\$1.13	4.4%	M	M	\$0.094	\$182	26th	30th
BMO Cdn. Dividend ETF	\$0.78	4.4%	M	M	\$0.065	\$183	29th	3rd
Horizons Cdn. Dividend ETF	\$0.57	3.1%	Q	MJSD	\$0.14142	\$0	28th	12th

Note: Pay-Out To Date is based on theoretical \$50,000 investment

#####

Contributing Analyst/Portfolio Manager: Bob Weir, CFA

(See the Disclaimer on the following page.)

DISCLAIMER

eResearch Corporation

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: www.eresearch.com.

eResearch Disclosure Statement

eResearch is engaged solely in the provision of equity research to the investment community. eResearch provides published research and analysis to its Subscribers on its website (www.eresearch.com), and to the general investing public through its extensive electronic distribution network and through newswire agencies.

With regards to distribution of its research material, eResearch makes all reasonable efforts to provide its publications, via e-mail, simultaneously to all of its Subscribers.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.