

## 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 Dividend-Income Portfolio continues to perform admirably, currently up 7.7% since inception on December 1. Our best-performing stock by far is Polaris Infrastructure, up 24.2%. Only one stock is "under water", and that is **ChemTrade Logistics** (down -1.7%). Five of the ten stocks now exceed both of their Price Targets. We will revisit these and also keep a sharp eye out for any "run-away" stocks that might be getting far ahead of themselves.*

### DIVIDEND INCOME PORTFOLIO

#### Share Price Information

As at: 24-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	\$10.92	-1.7%	11.0%	\$11.72	\$12.10
2 Emera Inc.	EMA	\$54.62	\$60.44	10.7%	4.1%	\$56.25	\$57.80
3 Fortis Inc.	FTS	\$52.04	\$58.19	11.8%	3.3%	\$54.00	\$54.90
4 Inter Pipeline Ltd.	IPL	\$22.00	\$22.30	1.4%	7.7%	\$23.45	\$24.25
5 Keyera Corp.	KEY	\$32.41	\$35.00	8.0%	5.5%	\$33.60	\$34.40
6 Pason Systems Inc.	PSI	\$12.90	\$13.13	1.8%	5.8%	\$14.00	\$14.85
7 Pembina Pipeline Corporation	PPL	\$46.38	\$50.84	9.6%	4.7%	\$48.45	\$49.25
8 Polaris Infrastructure Inc.	PIF	\$11.72	\$14.56	24.2%	5.4%	\$12.50	\$13.30
9 Superior Plus Inc.	SPB	\$12.57	\$12.74	1.4%	5.7%	\$13.30	\$13.70
10 Vermilion Energy Inc.	VET	\$19.10	\$20.79	8.8%	13.3%	\$20.30	\$21.87

NB: Orange 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	\$29.43	4.0%	3.7%
Dividend Growth Split Corp.	DGS	\$5.26	\$5.78	9.9%	20.8%
iShares Cdn. Dividend ETF	XDV	\$25.89	\$26.46	2.2%	4.3%
BMO Cdn. Dividend ETF	ZDV	\$17.72	\$18.29	3.2%	4.3%
Horizons Active Cdn. Dividend ETF	HAL	\$18.25	\$18.87	3.4%	3.0%
S&P/TSX Composite Index		17,040.20	17,565.34	3.1%	2.9%

## DIVIDEND INCOME PORTFLIO

### Portfolio Performance

As at: 24-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	\$49,140	\$49,140	-\$855	-1.7%
2 Emera Inc.	01-Dec-19	915	\$49,977	\$55,303	\$55,303	\$5,325	10.7%
3 Fortis Inc.	01-Dec-19	961	\$50,010	\$55,921	\$55,921	\$5,910	11.8%
4 Inter Pipeline Ltd.	01-Dec-19	2,273	\$50,006	\$50,688	\$50,688	\$682	1.4%
5 Keyera Corp.	01-Dec-19	1,543	\$50,009	\$54,005	\$54,005	\$3,996	8.0%
6 Pason Systems Inc.	01-Dec-19	3,876	\$50,000	\$50,892	\$51,628	\$1,628	3.3%
7 Pembina Pipeline Corporation	01-Dec-19	1,078	\$49,998	\$54,806	\$54,806	\$4,808	9.6%
8 Polaris Infrastructure Inc.	01-Dec-19	4,266	\$49,998	\$62,113	\$62,113	\$12,115	24.2%
9 Superior Plus Inc.	01-Dec-19	3,978	\$50,003	\$50,680	\$50,680	\$676	1.4%
10 Vermilion Energy Inc.	01-Dec-19	2,618	\$50,004	\$54,428	\$54,428	\$4,424	8.8%
<b>Stock Totals</b>			<b>\$500,000</b>	<b>\$537,974</b>	<b>\$538,711</b>	<b>\$38,711</b>	<b>7.7%</b>

\* Note: **Inherent Value** includes dividends received

Stock Annualized Return: 53.4%

### Portfolio Percentages

		<u>%</u>
Stock Totals	\$537,974	100%
Cash	\$0	0%
Cum. Dividend Payments	\$736	0%
Net Trading Profits/(Losses)	\$0	0%
Portfolios Totals		100%

### Portfolio Totals

<b>\$500,000</b>	<b>\$538,711</b>	<b>\$38,711</b>	<b>7.7%</b>
Portfolio Annualized Return:			<b>53.4%</b>

### Portfolio Totals

(ex Trading Profits)

\$500,000	\$538,711	\$38,711	7.7%
Portfolio Annualized Return:			53.4%

## 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>
<b>Portfolio</b>	\$500,000	\$538,711	\$38,711	7.7%
<b>Dividend Aristocrats ETF</b>	\$28.31	\$29.52	\$1.21	4.3%
<b>Dividend Growth Split Corp.</b>	\$5.26	\$5.88	\$0.62	11.8%
<b>iShares Cdn. Dividend ETF</b>	\$25.89	\$26.55	\$0.66	2.6%
<b>BMO Cdn. Dividend ETF</b>	\$17.72	\$18.36	\$0.64	3.6%
<b>Horizons Cdn. Dividend ETF</b>	\$18.25	\$19.01	\$0.76	4.2%
<b>S&amp;P/TSX Composite Index</b>	17,040.20	17,650.48	610.28	3.6%

\* 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: 24-Jan-20 Inception: 01-Dec-19

<u>Company</u>	<u>Annual</u>	<u>Annual</u>	<u>Current</u>	<u>Fr</u>	<u>Payment</u>	<u>Dividend</u>	<u>Period</u>	<u>Pay-Out</u>		
	<u>Dividend</u>	<u>Income</u>	<u>Yield</u>		<u>Months</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	11.0%	M	M	\$0.10	\$450	\$0	30th	30th
2 Emera Inc.	\$2.45	\$2,242	4.1%	Q	JAJO	\$0.61	\$0	\$0	30th	15th
3 Fortis Inc.	\$1.91	\$1,836	3.3%	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	5.5%	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	4.7%	M	M	\$0.20	\$0	\$0	24th	15th
8 Polaris Infrastructure Inc.	\$0.960	\$4,095	6.6%	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	13.3%	M	M	\$0.23	\$602	\$0	27th	15th
<b>Portfolio Totals</b>		<b>\$28,819</b>	<b>5.3%</b>					<b>\$736</b>		
<b>Dividends, Companies Sold</b>								<b>\$0</b>		
<b>Total Dividends Received</b>								<b>\$736</b>		

Here is the associated table for the comparables.

### COMPARABLES

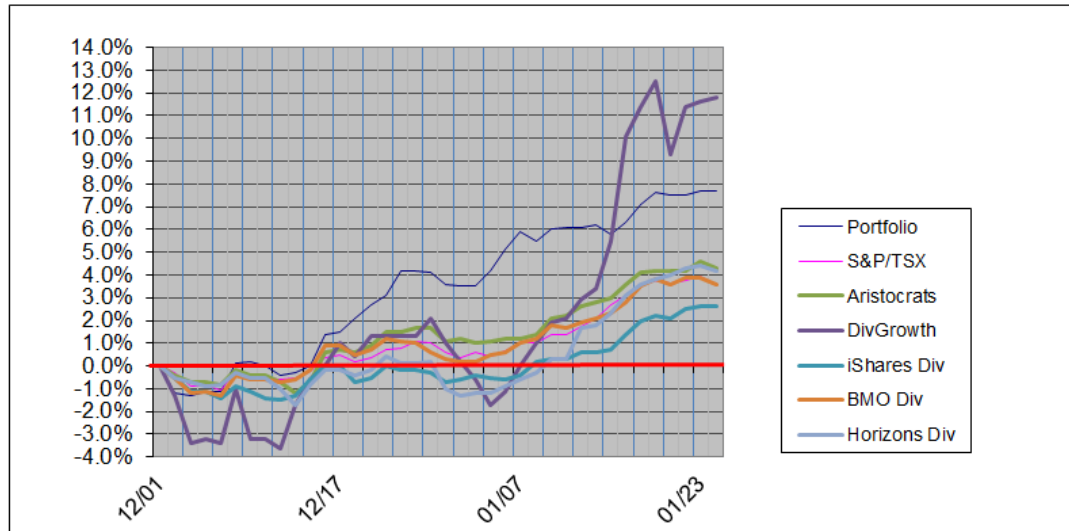
<u>Comparable</u>	<u>Annual</u>	<u>Current</u>	<u>Payment</u>	<u>Dividend</u>	<u>Pay-Out</u>			
	<u>Dividend</u>	<u>Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Payout</u>	<u>To Date</u>	<u>Ex-Div</u>	<u>Pay-Day</u>
Dividend Aristocrats ETF	\$1.08	3.7%	M	M	\$0.09	\$159	24th	30th
Dividend Growth Split Corp.	\$1.20	20.8%	M	M	\$0.10	\$951	30th	15th
iShares Cdn. Dividend ETF	\$1.13	4.3%	M	M	\$0.094	\$182	26th	30th
BMO Cdn. Dividend ETF	\$0.78	4.3%	M	M	\$0.065	\$183	29th	3rd
Horizons Cdn. Dividend ETF	\$0.57	3.0%	Q	MJSD	\$0.14142	\$387	28th	12th

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

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## GRAPHICAL COMPARISON

As at: 24-Jan-20 Since: 01-Dec-19  
Includes Reinvested Dividends



**Observation:** The Dividend Growth Split Corp. has performed exceptionally since Inception and is up 11.8%, far out-stripping all-comers. The Portfolio is a solid second place with a gain of 7.7%. The gains for all the other comparables are below 5.0%.

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