

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 (see next page), 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 used the closing prices from November 29. Today's report uses 2019's year-end prices. After one month, our Portfolio is up 3.5% and, including one dividend received in December, up 3.5%. This compares to 0.4% for the S&P/TSX Composite Index, and a range between +1.2% and -1.3% for the ETF comparables. See the graph at the end of this report. Top performing stock for the month was **Vermilion Energy** (+11.2%) while the two stocks "under water" were **ChemTrade Logistics** (-0.7%) and **Superior Plus** (-0.1%).*

DIVIDEND INCOME PORTFOLIO

Share Price Information

As at: 31-Dec-19
Inception 01-Dec-19
(Nov 30/19 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	\$11.03	-0.7%	10.9%	\$11.72	\$12.10
2 Emera Inc.	EMA	\$54.62	\$55.79	2.1%	4.4%	\$56.25	\$57.80
3 Fortis Inc.	FTS	\$52.04	\$53.88	3.5%	3.5%	\$54.00	\$54.90
4 Inter Pipeline Ltd.	IPL	\$22.00	\$22.54	2.5%	7.6%	\$23.45	\$24.25
5 Keyera Corp.	KEY	\$32.41	\$34.02	5.0%	5.6%	\$33.60	\$34.40
6 Pason Systems Inc.	PSI	\$12.90	\$13.11	1.6%	5.8%	\$14.00	\$14.85
7 Pembina Pipeline Corporation	PPL	\$46.38	\$48.13	3.8%	5.0%	\$48.45	\$49.25
8 Polaris Infrastructure Inc.	PIF	\$11.72	\$12.25	4.5%	6.4%	\$12.50	\$13.30
9 Superior Plus Inc.	SPB	\$12.57	\$12.56	-0.1%	5.7%	\$13.30	\$13.70
10 Vermilion Energy Inc.	VET	\$19.10	\$21.23	11.2%	13.0%	\$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	\$28.57	0.9%	3.8%
Dividend Growth Split Corp.	DGS	\$5.26	\$5.27	0.2%	22.8%
iShares Cdn. Dividend ETF	XDV	\$25.89	\$25.65	-0.9%	4.4%
BMO Cdn. Dividend ETF	ZDV	\$17.72	\$17.76	0.2%	4.4%
Horizons Active Cdn. Dividend ETF	HAL	\$18.25	\$18.02	-1.3%	3.1%
S&P/TSX Composite Index		17,040.20	17,063.43	0.1%	3.0%

Selected List of Dividend-Paying Stocks for Portfolio Consideration

The stocks in the Portfolio were chosen from a broad list of quality income-bearing stocks, as set out in the following table.

<u>Candidates</u>	<u>Symbol</u>	<u>Price</u>	<u>Change</u>	<u>Dividend</u>	<u>FQ</u>	<u>Yield</u>	<u>Div Pay</u>	<u>Ex-Div</u>	<u>Pav-Day</u>	<u>Payment</u>
The North West Company	NWC	\$28.33	-\$0.42	\$1.32	Q	4.7%	MJSD	28th	15th	\$0.33
Pason Systems	PSI	\$12.90	\$0.00	\$0.76	Q	5.9%	MJSD	14th	28th	\$0.19
Vermilion Energy	VET	\$19.10	-\$0.44	\$2.76	M	14.5%	M	27th	15th	\$0.23
AG Growth International	AFN	\$46.19	\$0.24	\$2.40	M	5.2%	M	30th	15th	\$0.20
NFI Group	NFI	\$26.91	\$0.23	\$1.70	Q	6.3%	MJSD	27th	15th	\$0.425
Transcontinental Inc.	TCL.A	\$14.70	\$0.19	\$0.88	Q	6.0%	MJSD	27th	15th	\$0.22
ChemTrade Logistics	CHE.UN	\$11.11	\$0.19	\$1.20	M	10.8%	M	30th	30th	\$0.10
Brookfield Property Partners	BPY.UN	\$25.18	-\$0.42	\$1.32	Q	5.2%	FMAN	30th	30th	\$0.33
Dream Industrial	DIR.UN	\$14.01	-\$0.01	\$0.70	M	5.0%	M	30th	15th	\$0.05833
Northview Apartments	NVU.UN	\$30.35	\$0.03	\$1.63	M	5.4%	M	30th	15th	\$0.1358
Northwest Healthcare Properties	NWH.UN	\$12.42	\$0.02	\$0.80	M	6.4%	M	30th	15th	\$0.06667
BCE Inc.	BCE	\$63.94	\$0.09	\$3.17	Q	5.0%	MJSD	15th	15th	\$0.7925
Algonquin Power & Utilities	AQN	\$18.63	\$0.02	\$0.56	Q	3.0%	MJSD	27th	15th	\$0.141
AltaGas Ltd.	ALA	\$19.70	-\$0.27	\$0.96	M	4.9%	M	24th	15th	\$0.08
Brookfield Infrastructure	BIP.UN	\$69.20	-\$0.35	\$2.01	Q	2.9%	FMAN	30th	30th	\$0.5025
Brookfield Renewable Energy	BEP.UN	\$61.96	\$0.58	\$2.06	Q	3.3%	FMAN	30th	30th	\$0.515
Capital Power	CPX	\$33.30	\$0.05	\$1.92	Q	5.8%	MJSD	30th	30th	\$0.48
Emera Incorporated	EMA	\$54.62	-\$0.38	\$2.45	Q	4.5%	JAJO	30th	15th	\$0.6125
Fortis Inc.	FTS	\$52.04	-\$0.10	\$1.91	Q	3.7%	FMAN	15th	1st	\$0.4775
Northland Power	NPI	\$27.52	\$0.02	\$1.20	M	4.4%	M	30th	15th	\$0.10
Superior Plus	SPB	\$12.57	-\$0.05	\$0.72	M	5.7%	M	30th	15th	\$0.06
Enbridge Inc.	ENB	\$50.30	-\$0.25	\$2.95	Q	5.9%	FMAN	15th	1st	\$0.7380
Gibson Energy	GEI	\$24.96	-\$0.05	\$1.32	Q	5.3%	MJSD	28th	17th	\$0.33
Inter Pipeline	IPL	\$22.00	-\$0.13	\$1.71	M	7.8%	M	21st	15th	\$0.1425
Keyera Corp.	KEY	\$32.41	-\$0.24	\$1.92	M	5.9%	M	21st	15th	\$0.16
Pembina Pipeline	PPL	\$46.38	-\$0.25	\$2.40	M	5.2%	M	24th	15th	\$0.20
TC Energy Corp.	TRP	\$67.20	-\$0.55	\$3.00	Q	4.5%	MJSD	28th	30th	\$0.75
Polaris Infrastructure	PIF	\$11.72	-\$0.10	\$0.80	Q	6.8%	FMAN	15th	30th	\$0.20

<continued>

DIVIDEND INCOME PORTFLIO

Portfolio Performance

As at: 31-Dec-19

Initation: 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	\$49,635	\$49,635	-\$360	-0.7%
2 Emera Inc.	01-Dec-19	915	\$49,977	\$51,048	\$51,048	\$1,071	2.1%
3 Fortis Inc.	01-Dec-19	961	\$50,010	\$51,779	\$51,779	\$1,768	3.5%
4 Inter Pipeline Ltd.	01-Dec-19	2,273	\$50,006	\$51,233	\$51,233	\$1,227	2.5%
5 Keyera Corp.	01-Dec-19	1,543	\$50,009	\$52,493	\$52,493	\$2,484	5.0%
6 Pason Systems Inc.	01-Dec-19	3,876	\$50,000	\$50,814	\$51,551	\$1,550	3.1%
7 Pembina Pipeline Corporation	01-Dec-19	1,078	\$49,998	\$51,884	\$51,884	\$1,887	3.8%
8 Polaris Infrastructure Inc.	01-Dec-19	4,266	\$49,998	\$52,259	\$52,259	\$2,261	4.5%
9 Superior Plus Inc.	01-Dec-19	3,978	\$50,003	\$49,964	\$49,964	-\$40	-0.1%
10 Vermilion Energy Inc.	01-Dec-19	2,618	<u>\$50,004</u>	<u>\$55,580</u>	<u>\$55,580</u>	<u>\$5,576</u>	<u>11.2%</u>
Stock Totals			\$500,000	\$516,689	\$517,425	\$17,425	3.5%
* Note: Inherent Value includes dividends received			Stock Annualized Return:				44.4%

Portfolio Percentages

			<u>%</u>
Stock Totals		\$516,689	100%
Cash	\$0	\$0	0%
Cum. Dividend Payments		\$736	0%
Net Trading Profits/(Losses)	\$0	\$0	0%
Portfolios Totals			100%

Portfolio Totals

\$500,000	\$517,425	\$17,425	3.5%
Portfolio Annualized Return:			44.4%

Portfolio Totals

(ex Trading Profits)

\$500,000	\$517,425	\$17,425	3.5%
Portfolio Annualized Return:			44.4%

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>
Portfolio	\$500,000	\$517,425	\$17,425	3.5%
Dividend Aristocrats ETF	\$28.31	\$28.66	\$0.35	1.2%
Dividend Growth Split Corp.	\$5.26	\$5.27	\$0.01	0.2%
iShares Cdn. Dividend ETF	\$25.89	\$25.74	-\$0.15	-0.6%
BMO Cdn. Dividend ETF	\$17.72	\$17.76	\$0.04	0.2%
Horizons Cdn. Dividend ETF	\$18.25	\$18.02	-\$0.23	-1.3%
S&P/TSX Composite Index	17,040.20	17,106.03	65.83	0.4%

Note: Inherent (Value) includes dividends received

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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: 31-Dec-19 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	10.9%	M	M	\$0.10	\$450	\$0	30th	30th
2 Emera Inc.	\$2.45	\$2,242	4.4%	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	7.6%	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	5.0%	M	M	\$0.20	\$0	\$0	24th	15th
8 Polaris Infrastructure Inc.	\$0.960	\$4,095	7.8%	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	13.0%	M	M	\$0.23	\$602	\$0	27th	15th
Portfolio Totals		\$28,819	5.6%					\$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	\$0	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

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(See the Disclaimer on the following page.)

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