

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 well, and is up 5.0% since inception on December 1. Our best-performing stock, by far, continues to be Polaris Infrastructure, up 29.2%. Since our last update, an additional three stocks are now "under water", with **ChemTrade Logistics** (down -19.7%) being the worst offender. We updated, that is, raised the Target Prices of five of the ten stocks to reflect their more elevated current stock prices.*

DIVIDEND INCOME PORTFOLIO

Share Price Information

As at: 07-Feb-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 | \$8.92 | -19.7% | 13.5% | \$11.72 | \$12.10 |
| 2 Emera Inc. | EMA | \$54.62 | \$58.36 | 6.8% | 4.2% | \$57.80 | \$59.35 |
| 3 Fortis Inc. | FTS | \$52.04 | \$57.48 | 10.5% | 3.3% | \$57.80 | \$59.35 |
| 4 Inter Pipeline Ltd. | IPL | \$22.00 | \$21.60 | -1.8% | 7.9% | \$23.45 | \$24.25 |
| 5 Keyera Corp. | KEY | \$32.41 | \$35.70 | 10.2% | 5.4% | \$36.00 | \$36.80 |
| 6 Pason Systems Inc. | PSI | \$12.90 | \$13.65 | 5.8% | 5.6% | \$14.00 | \$14.85 |
| 7 Pembina Pipeline Corporation | PPL | \$46.38 | \$52.31 | 12.8% | 4.6% | \$52.45 | \$53.25 |
| 8 Polaris Infrastructure Inc. | PIF | \$11.72 | \$15.14 | 29.2% | 5.3% | \$14.80 | \$15.70 |
| 9 Superior Plus Inc. | SPB | \$12.57 | \$11.43 | -9.1% | 6.3% | \$13.30 | \$13.70 |
| 10 Vermilion Energy Inc. | VET | \$19.10 | \$18.92 | -0.9% | 14.6% | \$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 | \$29.89 | 5.6% | 3.6% |
| Dividend Growth Split Corp. | DGS | \$5.26 | \$5.75 | 9.3% | 20.9% |
| iShares Cdn. Dividend ETF | XDV | \$25.89 | \$26.58 | 2.7% | 4.2% |
| BMO Cdn. Dividend ETF | ZDV | \$17.72 | \$18.38 | 3.7% | 4.2% |
| Horizons Active Cdn. Dividend ETF | HAL | \$18.25 | \$19.30 | 5.8% | 2.9% |
| S&P/TSX Composite Index | | 17,040.20 | 17,655.49 | 3.6% | 2.9% |

DIVIDEND INCOME PORTFLIO

Portfolio Performance

As at: 07-Feb-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 | \$40,140 | \$40,590 | -\$9,405 | -18.8% |
| 2 Emera Inc. | 01-Dec-19 | 915 | \$49,977 | \$53,399 | \$53,399 | \$3,422 | 6.8% |
| 3 Fortis Inc. | 01-Dec-19 | 961 | \$50,010 | \$55,238 | \$55,238 | \$5,228 | 10.5% |
| 4 Inter Pipeline Ltd. | 01-Dec-19 | 2,273 | \$50,006 | \$49,097 | \$49,421 | -\$585 | -1.2% |
| 5 Keyera Corp. | 01-Dec-19 | 1,543 | \$50,009 | \$55,085 | \$55,332 | \$5,323 | 10.6% |
| 6 Pason Systems Inc. | 01-Dec-19 | 3,876 | \$50,000 | \$52,907 | \$53,644 | \$3,643 | 7.3% |
| 7 Pembina Pipeline Corporation | 01-Dec-19 | 1,078 | \$49,998 | \$56,390 | \$56,606 | \$6,608 | 13.2% |
| 8 Polaris Infrastructure Inc. | 01-Dec-19 | 4,266 | \$49,998 | \$64,587 | \$64,929 | \$14,931 | 29.9% |
| 9 Superior Plus Inc. | 01-Dec-19 | 3,978 | \$50,003 | \$45,469 | \$45,707 | -\$4,296 | -8.6% |
| 10 Vermilion Energy Inc. | 01-Dec-19 | 2,618 | \$50,004 | \$49,533 | \$50,135 | \$131 | 0.3% |
| Stock Totals | | | \$500,000 | \$521,846 | \$525,000 | \$25,000 | 5.0% |

* Note: Inherent Value includes dividends received

Stock Annualized Return:

27.1%

Portfolio Percentages

| | | | <u>%</u> |
|------------------------------|-----|-----------|----------|
| Stock Totals | | \$522,448 | 100% |
| Cash | \$0 | \$0 | 0% |
| Cum. Dividend Payments | | \$2,553 | 0% |
| Net Trading Profits/(Losses) | \$0 | \$0 | 0% |
| Portfolios Totals | | | 100% |

| | | | | |
|-------------------------|------------------|------------------|------------------------------|-------------|
| Portfolio Totals | \$500,000 | \$525,000 | \$25,000 | 5.0% |
| | | | Portfolio Annualized Return: | 27.1% |

| | | | | |
|-------------------------|-----------|-----------|------------------------------|-------|
| Portfolio Totals | \$500,000 | \$525,000 | \$25,000 | 5.0% |
| (ex Trading Profits) | | | Portfolio Annualized Return: | 27.1% |

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 5.0%, while the comparables range between 3.4% and 11.2%.e. The S&P/TSX Composite Index is ahead by 4.1% since the Portfolio's inception.

| <u>COMPARISON</u> | <u>Inception</u> | <u>Inherent*</u> | <u>Change</u> | <u>% Chge</u> |
|------------------------------------|------------------|------------------|---------------|---------------|
| Portfolio | \$500,000 | \$525,000 | \$25,000 | 5.0% |
| Dividend Aristocrats ETF | \$28.31 | \$30.07 | \$1.76 | 6.2% |
| Dividend Growth Split Corp. | \$5.26 | \$5.85 | \$0.59 | 11.2% |
| iShares Cdn. Dividend ETF | \$25.89 | \$26.77 | \$0.88 | 3.4% |
| BMO Cdn. Dividend ETF | \$17.72 | \$18.51 | \$0.79 | 4.5% |
| Horizons Cdn. Dividend ETF | \$18.25 | \$19.44 | \$1.19 | 6.5% |
| S&P/TSX Composite Index | 17,040.20 | 17,740.63 | 700.43 | 4.1% |

* 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: 07-Feb-20 Inception: 01-Dec-19

| <u>Company</u> | <u>Annual Income/Yield</u> | | | <u>Fr</u> | <u>Months</u> | <u>Dividend Payout</u> | <u>Period Payout</u> | <u>Pay-Out</u> | | |
|-----------------------------------|----------------------------|-----------------|--------------|-----------|---------------|------------------------|----------------------|----------------|---------------|----------------|
| | <u>Dividend</u> | <u>Income</u> | <u>Yield</u> | | | | | <u>To Date</u> | <u>Ex-Div</u> | <u>Pay-Day</u> |
| 1 ChemTrade Logistics Income Fund | \$1.20 | \$5,400 | 13.5% | M | M | \$0.10 | \$450 | \$450 | 30th | 30th |
| 2 Emera Inc. | \$2.45 | \$2,242 | 4.2% | Q | JAJO | \$0.61 | \$560 | \$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 | 7.9% | M | M | \$0.14 | \$324 | \$324 | 21st | 15th |
| 5 Keyera Corp. | \$1.92 | \$2,963 | 5.4% | M | M | \$0.16 | \$247 | \$247 | 21st | 15th |
| 6 Pason Systems Inc. | \$0.76 | \$2,946 | 5.6% | Q | MJSD | \$0.19 | \$736 | \$736 | 14th | 28th |
| 7 Pembina Pipeline Corporation | \$2.40 | \$2,587 | 4.6% | M | M | \$0.20 | \$216 | \$216 | 24th | 15th |
| 8 Polaris Infrastructure Inc. | \$0.960 | \$4,095 | 6.3% | M | M | \$0.08 | \$341 | \$341 | 24th | 15th |
| 9 Superior Plus Inc. | \$0.72 | \$2,864 | 6.3% | M | M | \$0.06 | \$239 | \$239 | 30th | 15th |
| 10 Vermilion Energy Inc. | \$2.76 | \$7,226 | 14.6% | M | M | \$0.23 | \$602 | \$602 | 27th | 15th |
| Portfolio Totals | | \$28,819 | 5.5% | | | | | \$2,553 | | |
| Dividends, Companies Sold | | | | | | | | \$0 | | |
| Total Dividends Received | | | | | | | | \$2,553 | | |

Here is the associated table for the comparables.

COMPARABLES

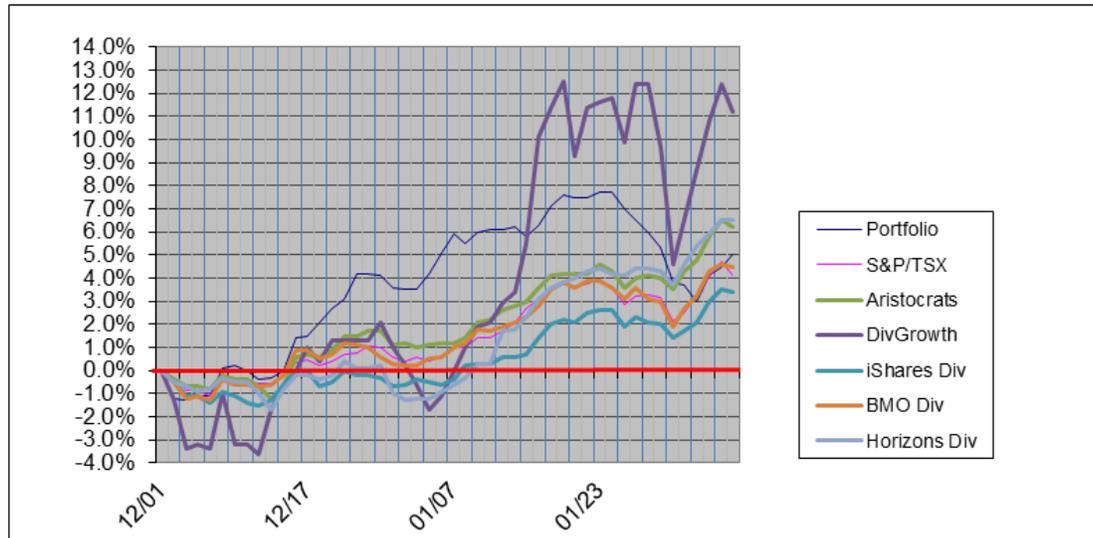
| <u>Comparable</u> | <u>Annual Dividend</u> | <u>Current Yield</u> | <u>Fr</u> | <u>Payment Months</u> | <u>Dividend Payout</u> | <u>Pay-Out</u> | | |
|-----------------------------|------------------------|----------------------|-----------|-----------------------|------------------------|----------------|---------------|----------------|
| | | | | | | <u>To Date</u> | <u>Ex-Div</u> | <u>Pay-Day</u> |
| Dividend Aristocrats ETF | \$1.08 | 3.6% | M | M | \$0.09 | \$318 | 24th | 30th |
| Dividend Growth Split Corp. | \$1.20 | 20.9% | M | M | \$0.10 | \$951 | 30th | 15th |
| iShares Cdn. Dividend ETF | \$1.13 | 4.2% | M | M | \$0.094 | \$363 | 26th | 30th |
| BMO Cdn. Dividend ETF | \$0.78 | 4.2% | M | M | \$0.065 | \$367 | 29th | 3rd |
| Horizons Cdn. Dividend ETF | \$0.57 | 2.9% | Q | MJSD | \$0.14142 | \$387 | 28th | 12th |

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

<continued>

GRAPHICAL COMPARISON

As at: 07-Feb-20 Since: 01-Dec-19
Includes Reinvested Dividends



Observation: The Dividend Growth Split Corp. has performed exceptionally since Inception and is up 11.2%, far out-stripping all-comers. The Portfolio is up 5.0% while the S&P/TSX Composite Index is up 4.1%.

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