

Long-Term Perspective

January 31, 2018

## Top-Ten Portfolio

We have created a high-quality portfolio of stocks with a focus on growth and attractive yields.

**NOTE:** *The Top-Ten Portfolio has a long-term perspective. As such, we will update it once a week, using Friday's closing prices. Also, it will be essentially a Buy-and-Hold portfolio, with minimal trading involved. The portfolio will always be fully invested.*

*The initial investment will be a total of \$500,000. To begin with, each of the ten stocks has an equal weighting, meaning the dollar amount of each holding will be approximately \$50,000. If a stock is sold, the replacement stock will begin with the amount of the closing proceeds of the stock sold.*

*We will conduct a portfolio assessment on a regular basis to determine whether changes should be made.*

**THIS WEEK'S COMMENT:** *In the last two days, we twice took advantage of an opportunity to sell a stock at a propitious time. First, since Shopify had recently been on a roll and was up more than 25% in the month, we originally considered selling only half the position, but changed our mind at the opening on Monday and disposed of the entire holding. The gain was 25.8%. Not too shabby! Then, on Tuesday, with the announcement that Thomson Reuters agreed to sell its Financial and Risk division, the stock catapulted over \$5 a share, so we sold the position. The gain was a more modest 7.8%. Still, not bad for just a month. Of the eight stocks remaining in the portfolio four, or half, are below purchase price. The stock portion of the portfolio is up 3.4% and the total portfolio, which includes dividends and trading profits, is up 6.9%. The S&P/TSX Composite and the S&P/TSX 60 Index are both down an equal 1.6%.*

The current portfolio is presented below.

TOP TEN	Share Price Information			As at: 31-Jan-18			Inception: 02-Jan-18			
	Company	Symbol	Purchase Price	Current Price	First Target	Second Target	Third Target	% Inc. to 1st Target	% Inc. to 2nd Target	% Inc. to 3rd Target
1	Algonquin Power & Utilities Corp.	AQN	\$14.03	\$13.36	\$14.07	\$14.27	\$14.47	5.3%	6.8%	8.3%
2	ARC Resources Ltd.	ARX	\$14.96	\$13.53	\$15.60	\$16.40	\$17.20	15.3%	21.2%	27.1%
3	Bank of Montreal	BMO	\$100.59	\$101.33	\$103.13	\$104.70	\$106.25	1.8%	3.3%	4.9%
4	Goldcorp Inc.	G	\$16.24	\$17.61	\$18.75	\$19.15	\$19.50	6.5%	8.7%	10.7%
5	Keyera Corp.	KEY	\$35.37	\$34.61	\$37.50	\$39.00	\$40.50	8.4%	12.7%	17.0%
6	Manulife Financial Corporation	MFC	\$26.19	\$26.10	\$27.35	\$28.13	\$28.90	4.8%	7.8%	10.7%
7	Parkland Fuel Corporation	PKI	\$26.89	\$28.85	\$28.13	\$29.70	\$31.24	-2.5%	2.9%	8.3%
8	Shawcor Ltd.	SCL	\$27.43	\$27.76	\$28.90	\$29.70	\$30.50	4.1%	7.0%	9.9%

NB: Green negative percentage numbers denote a stock price that has exceeded the Price Target.

NB: The Analyst, either directly or indirectly, currently owns shares in ARC Resources Ltd. and Shawcor Ltd.

The performance of these stocks is provided in the table on the next page.

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**TOP TEN**
**Portfolio Performance**
**As at: 31-Jan-18**
**Initiation: 02-Jan-18**

<u>Company</u>	<u>Symbol</u>	<u>Purchase Date</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Algonquin Power & Utilities Corp.	AQN	02-Jan-18	3564	\$14.03	\$13.36	\$50,000	\$47,612	<b>-\$2,388</b>	<b>-4.8%</b>
2 ARC Resources Ltd.	ARX	02-Jan-18	3342	\$14.96	\$13.53	\$49,996	\$45,217	<b>-\$4,779</b>	<b>-9.6%</b>
3 Bank of Montreal	BMO	02-Jan-18	497	\$100.59	\$101.33	\$49,993	\$50,361	<b>\$368</b>	<b>0.7%</b>
4 Goldcorp Inc.	G	02-Jan-18	3079	\$16.24	\$17.61	\$50,003	\$54,221	<b>\$4,218</b>	<b>8.4%</b>
5 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$34.61	\$50,013	\$48,939	<b>-\$1,075</b>	<b>-2.1%</b>
6 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$26.10	\$49,997	\$49,825	<b>-\$172</b>	<b>-0.3%</b>
7 Parkland Fuel Corporation	PKI	02-Jan-18	1,860	\$26.89	\$28.85	\$50,015	\$53,661	<b>\$3,646</b>	<b>7.3%</b>
8 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$27.76	<u>\$50,005</u>	<u>\$50,606</u>	<u>\$602</u>	<u>1.2%</u>
<b>Stocks Only Totals</b>						<b>\$400,022</b>	<b>\$400,443</b>	<b>\$420</b>	<b>0.1%</b>
						Stock Annualized Return:			1.2%
Cash						<u>\$99,978</u>	<u>\$116,730</u>	<u>\$16,752</u>	16.8%
<b>Stock + Cash Totals</b>						<b>\$500,000</b>	<b>\$517,172</b>	<b>\$17,173</b>	<b>3.4%</b>
						Stock/Cash Annualized Return:			39.8%
Cumulative Dividend Payments							\$812		
Net Trading Profits							<u>\$16,752</u>		
<b>Portfolio Totals</b>						<b><u>\$500,000</u></b>	<b><u>\$534,736</u></b>		<b>6.9%</b>
						Portfolio Annualized Return:			80.5%
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	15,951.67	<b>-257.46</b>	<b>-1.6%</b>
						S&P/TSX Comp. Annualized Return:			-18.4%
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	944.41	<b>-15.29</b>	<b>-1.6%</b>
						S&P/TSX 60 Annualized Return:			-18.5%

Here is a list of the stocks sold to date, since inception on January 2, 2018:

**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>
Shopify Inc.	02-Jan-18	29-Jan-18	\$127.32	\$159.99	\$50,000	\$62,876	<b>\$12,876</b>	25.8%	393	\$12,876
Thomson Reuters Corporation	02-Jan-18	30-Jan-18	\$54.80	\$59.05	\$49,978	\$53,854	<b>\$3,876</b>	7.8%	912	\$16,752

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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. This table is updated at the end of each month. These totals are as at January 31, 2018:

<b>TOP TEN</b>		<b>Annual Income/Yield</b>					<b>As at: 31-Jan-18</b>		
<u>Company</u>	<u>Purchase Date</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Pay-Out To Date</u>
1 Algonquin Power & Utilities Corp.	02-Jan-18	3,564	\$14.03	\$13.36	\$0.47	\$1,661	3.3%	3.5%	\$0
2 ARC Resources Ltd.	02-Jan-18	3,342	\$14.96	\$13.53	\$0.60	\$2,005	4.0%	4.4%	\$167
3 Bank of Montreal	02-Jan-18	497	\$100.59	\$101.33	\$3.60	\$1,789	3.6%	3.6%	\$447
4 Goldcorp Inc.	02-Jan-18	3,079	\$16.24	\$17.61	\$0.08	\$246	0.5%	0.5%	\$0
5 Keyera Corp.	02-Jan-18	1,414	\$35.37	\$34.61	\$0.56	\$792	1.6%	1.6%	\$198
6 Manulife Financial Corporation	02-Jan-18	1,909	\$26.19	\$26.10	\$0.82	\$1,565	3.1%	3.1%	\$0
7 Parkland Fuel Corporation	02-Jan-18	1,860	\$26.89	\$28.85	\$0.82	\$1,525	3.0%	2.8%	\$0
8 Shawcor Ltd.	02-Jan-18	1,823	\$27.43	\$27.76	\$0.60	<u>\$1,094</u>	<u>2.2%</u>	<u>2.2%</u>	<u>\$0</u>
<b>Portfolio Totals</b>						<b>\$10,678</b>	<b>2.1%</b>	<b>2.0%</b>	<b>\$812</b>
<b>Dividends, Companies Sold</b>									<b>\$0</b>
<b>Total Dividends Received</b>									<b><u>\$812</u></b>

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