

Long-Term Perspective

February 23, 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:** *There was not much change in the portfolio's valuation this past week. Just a small decline. However, the market indexes displayed here recorded substantial gains. There were no sales or additions made this week. The market is likely to mark time in the near-term.*

The current portfolio is presented below.

TOP TEN		Share Price Information		As at: 23-Feb-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	\$12.77	\$14.07	\$14.27	\$14.47	10.2%	11.7%	13.3%
2 ARC Resources Ltd.	ARX	\$14.96	\$13.17	\$15.60	\$16.40	\$17.20	18.5%	24.5%	30.6%
3 Bank of Montreal	BMO	\$100.59	\$99.46	\$103.13	\$104.70	\$106.25	3.7%	5.3%	6.8%
4 Enbridge Inc.	ENB	\$43.50	\$42.74	\$45.30	\$46.88	\$48.45	6.0%	9.7%	13.4%
5 Goldcorp Inc.	G	\$16.24	\$16.27	\$18.75	\$19.15	\$19.50	15.2%	17.7%	19.9%
6 Keyera Corp.	KEY	\$35.37	\$33.56	\$37.50	\$39.00	\$40.50	11.7%	16.2%	20.7%
7 Manulife Financial Corporation	MFC	\$26.19	\$24.38	\$27.35	\$28.13	\$28.90	12.2%	15.4%	18.5%
8 Parkland Fuel Corporation	PKI	\$26.89	\$29.22	\$28.13	\$29.70	\$31.24	-3.7%	1.6%	6.9%
9 Shawcor Ltd.	SCL	\$27.43	\$27.09	\$28.90	\$29.70	\$30.50	6.7%	9.6%	12.6%

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.**, **Keyera Corporation**, and **Shawcor Ltd.**

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

<continued>

## TOP TEN

## Portfolio Performance

As at: 23-Feb-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	\$12.77	\$50,000	\$45,510	-\$4,490	-9.0%
2 ARC Resources Ltd.	ARX	02-Jan-18	3342	\$14.96	\$13.17	\$49,996	\$44,014	-\$5,982	-12.0%
3 Bank of Montreal	BMO	02-Jan-18	497	\$100.59	\$99.46	\$49,993	\$49,432	-\$562	-1.1%
4 Enbridge Inc.	ENB	09-Feb-18	1149	\$43.50	\$42.74	\$49,982	\$49,108	-\$873	-1.7%
5 Golcorp Inc.	G	02-Jan-18	3079	\$16.24	\$16.27	\$50,003	\$50,095	\$92	0.2%
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$33.56	\$50,013	\$47,454	-\$2,559	-5.1%
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.38	\$49,997	\$46,541	-\$3,455	-6.9%
8 Parkland Fuel Corporation	PKI	02-Jan-18	1,860	\$26.89	\$29.22	\$50,015	\$54,349	\$4,334	8.7%
9 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$27.09	\$50,005	\$49,385	-\$620	-1.2%
<b>Stock Totals</b>						<b>\$450,004</b>	<b>\$435,888</b>	<b>-\$14,116</b>	<b>-3.1%</b>
						Stock Annualized Return:		<b>-20.5%</b>	
Cash						\$49,996	\$50,033		
Cumulative Dividend Payments							\$827		
Net Trading Profits							\$26,428		
<b>Portfolio Totals</b>						<b>\$500,000</b>	<b>\$513,177</b>	<b>2.6%</b>	
						Portfolio Annualized Return:		<b>17.2%</b>	
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	15,638.45	<b>-570.68</b>	<b>-3.5%</b>
						S&P/TSX Comp. Annualized Return:		<b>-23.0%</b>	
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	926.42	<b>-33.28</b>	<b>-3.5%</b>
						S&P/TSX 60 Annualized Return:		<b>-22.7%</b>	

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>
Thomson Reuters Corporation	02-Jan-18	30-Jan-18	\$54.80	\$59.05	\$49,978	\$53,851	\$3,874	7.8%	912	\$3,874
Shopify Inc.	02-Jan-18	30-Jan-18	\$127.32	\$159.99	\$50,037	\$62,876	\$12,839	25.7%	393	\$16,713
Shopify Inc.	02-Feb-18	15-Feb-18	\$143.79	\$168.51	\$56,509	\$66,224	\$9,715	17.2%	393	\$26,428

<continued>

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:

## TOP TEN

## Annual Income/Yield

As at: 31-Jan-18

<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	\$12.92	\$0.59	\$2,093	4.2%	4.5%	\$0
2 ARC Resources Ltd.	02-Jan-18	3,342	\$14.96	\$12.84	\$0.60	\$2,005	4.0%	4.7%	\$167
3 Bank of Montreal	02-Jan-18	497	\$100.59	\$97.61	\$3.72	\$1,849	3.7%	3.8%	\$462
4 Enbridge Inc.	09-Feb-18	1,149	\$43.50	\$42.95	\$2.68	\$3,084	6.2%	6.2%	\$0
5 Goldcorp Inc.	02-Jan-18	3,079	\$16.24	\$16.94	\$0.10	\$309	0.6%	0.6%	\$0
6 Keyera Corp.	02-Jan-18	1,414	\$35.37	\$33.88	\$1.68	\$2,376	4.7%	5.0%	\$198
7 Manulife Financial Corporation	02-Jan-18	1,909	\$26.19	\$24.94	\$0.82	\$1,565	3.1%	3.3%	\$0
8 Parkland Fuel Corporation	02-Jan-18	1,860	\$26.89	\$28.95	\$2.18	\$4,062	8.1%	7.5%	\$0
9 Shawcor Ltd.	02-Jan-18	1,823	\$27.43	\$26.75	\$1.48	<u>\$2,700</u>	<u>5.4%</u>	<u>5.5%</u>	<u>\$0</u>
<b>Portfolio Totals</b>						<b>\$20,043</b>	<b>4.0%</b>	<b>3.9%</b>	<b>\$827</b>
<b>Dividends, Companies Sold</b>									<b><u>\$0</u></b>
<b>Total Dividends Received</b>									<b><u>\$827</u></b>

## 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.ca](http://www.eResearch.ca).

### 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.ca](http://www.eresearch.ca)), 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.