

Long-Term Perspective

April 30, 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: The Portfolio slipped a bit since our last update while the two Indexes showed positive returns. Overall, the market continues to struggle. A decisive move, one way or the other, is still pending. We may have reached a mid-term top since the market failed to move higher despite the continuing good corporate earnings results announced for Q1. Thus, it could be that positive earnings expectations were already "baked in". With Q1 earnings season almost completed, the market may continue to drift until a significant catalyst, positive or negative, impacts investor psychology and, therefore, market direction.

The current portfolio is presented below.

TOP TEN		Share Price Information			As at: 30-Apr-18		Inception: 02-Jan-18			
		Purchase	Current	First	Second	Third	% Inc. to	% Inc. to	% Inc. to	
	<u>Company</u>	<u>Symbol</u>	<u>Price</u>	<u>Price</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>1st Target</u>	<u>2nd Target</u>	<u>3rd Target</u>
1	Algonquin Power & Utilities Corp.	AQN	\$14.03	\$12.50	\$14.07	\$14.27	\$14.47	12.6%	14.2%	15.8%
2	ARC Resources Ltd.	ARX	\$14.96	\$14.32	\$15.60	\$16.40	\$17.20	8.9%	14.5%	20.1%
3	Enbridge Inc.	ENB	\$43.50	\$38.89	\$45.30	\$46.88	\$48.45	16.5%	20.5%	24.6%
4	Enercare Inc.	ECI	\$17.21	\$17.36	\$18.00	\$18.75	\$19.50	3.7%	8.0%	12.3%
5	Goldcorp Inc.	G	\$16.24	\$17.04	\$18.75	\$19.15	\$19.50	10.0%	12.4%	14.4%
6	Keyera Corp.	KEY	\$35.37	\$34.57	\$37.50	\$39.00	\$40.50	8.5%	12.8%	17.2%
7	Manulife Financial Corporation	MFC	\$26.19	\$24.23	\$27.35	\$28.13	\$28.90	12.9%	16.1%	19.3%
8	Saputo Inc.	SAP	\$41.35	\$41.63	\$42.20	\$43.00	\$43.75	1.4%	3.3%	5.1%
9	Shawcor Ltd.	SCL	\$27.43	\$24.84	\$28.90	\$29.70	\$30.50	16.3%	19.6%	22.8%
10	Vermilion Energy Inc.	VET	\$42.74	\$43.40	\$45.30	\$46.88	\$48.45	4.4%	8.0%	11.6%

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: 30-Apr-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	\$12.50	\$50,000	\$44,547	-\$5,453	-10.9%
2 ARC Resources Ltd.	ARX	02-Jan-18	3342	\$14.96	\$14.32	\$49,996	\$47,857	-\$2,139	-4.3%
3 Enbridge Inc.	ENB	09-Feb-18	1149	\$43.50	\$38.89	\$49,982	\$44,685	-\$5,297	-10.6%
4 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$17.36	\$49,995	\$50,431	\$436	0.9%
5 Goldcorp Inc.	G	02-Jan-18	3079	\$16.24	\$17.04	\$50,003	\$52,466	\$2,463	4.9%
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$34.57	\$50,013	\$48,882	-\$1,131	-2.3%
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.23	\$49,997	\$46,255	-\$3,742	-7.5%
8 Saputo Inc.	SAP	15-Mar-18	1,209	\$41.35	\$41.63	\$49,992	\$50,331	\$339	0.7%
9 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$24.84	\$50,005	\$45,283	-\$4,722	-9.4%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$43.40	<u>\$50,006</u>	<u>\$50,778</u>	<u>\$772</u>	<u>1.5%</u>
Stock Totals						\$499,989	\$481,515	-\$18,473	-3.7%
						Stock Annualized Return:		-11.2%	
Cash						\$11	\$11		
Cumulative Dividend Payments							\$4,566		
Net Trading Profits							<u>\$27,081</u>		
Portfolio Totals						<u>\$500,000</u>	<u>\$513,173</u>	2.6%	
						Portfolio Annualized Return:		8.0%	
S&P/TSX COMPOSITE INDEX						16,209.13	15,607.88	-601.25	-3.7%
						S&P/TSX Comp. Annualized Return:		-11.3%	
S&P/TSX 60 INDEX						959.70	921.43	-38.27	-4.0%
						S&P/TSX 60 Annualized Return:		-12.1%	

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	<u>\$3,874</u>	7.8%	912	<u>\$3,874</u>
Shopify Inc.	02-Jan-18	30-Jan-18	\$127.32	\$159.99	\$50,037	\$62,876	<u>\$12,839</u>	25.7%	393	<u>\$16,713</u>
Shopify Inc.	02-Feb-18	15-Feb-18	\$143.79	\$168.51	\$56,509	\$66,224	<u>\$9,715</u>	17.2%	393	<u>\$26,428</u>
Parkland Fuel Corporation	02-Jan-18	09-Apr-18	\$26.89	\$28.62	\$50,015	\$53,233	<u>\$3,218</u>	6.4%	1860	<u>\$29,646</u>
Bank of Montreal	02-Jan-18	17-Apr-18	\$100.59	\$95.43	\$49,993	\$47,429	-\$2,565	-5.1%	497	<u>\$27,081</u>

<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 April 30, 2018:

TOP TEN

Annual Income/Yield

As at: 30-Apr-18

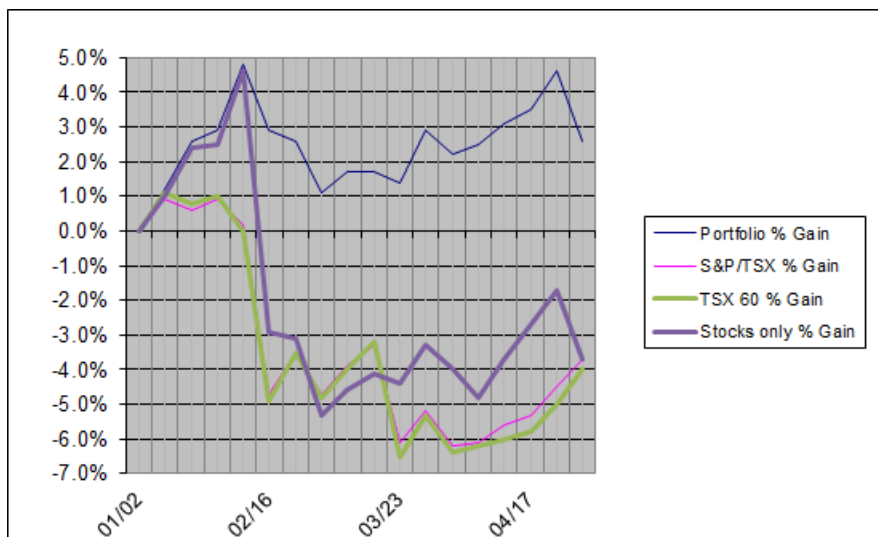
Company	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Months	Period Payout	Pay-Out To Date
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.50	\$0.60	\$2,147	4.3%	4.8%	Q	M/J/S/D	\$537	\$537
2 ARC Resources Ltd.	\$14.96	\$14.32	\$0.60	\$2,005	4.0%	4.2%	M	28th	\$167	\$668
3 Enbridge Inc.	\$43.50	\$38.89	\$2.68	\$3,084	6.2%	6.9%	Q	F/M/A/N	\$771	\$771
4 Enercare Inc.	\$17.21	\$17.36	\$1.00	\$2,893	5.8%	5.7%	M	15th	\$241	\$241
5 Goldcorp Inc.	\$16.24	\$17.04	\$0.10	\$317	0.6%	0.6%	Q	M/J/S/D	\$79	\$79
6 Keyera Corp.	\$35.37	\$34.57	\$1.68	\$2,376	4.7%	4.9%	M	22nd	\$198	\$792
7 Manulife Financial Corporation	\$26.19	\$24.23	\$0.82	\$1,565	3.1%	3.4%	Q	F/M/A/N	\$391	\$391
8 Saputo Inc.	\$41.35	\$41.63	\$0.64	\$774	1.5%	1.5%	Q	M/J/S/D	\$193	\$193
9 Shawcor Ltd.	\$27.43	\$24.84	\$0.60	\$1,094	2.2%	2.4%	Q	M/M/A/N	\$273	\$273
10 Vermilion Energy Inc.	\$42.74	\$43.40	\$2.76	\$3,229	6.5%	6.4%	M	28th	\$269	\$269
Portfolio Totals				\$16,255	3.3%	3.4%				\$3,947
Dividends, Companies Sold										\$619
Total Dividends Received										\$4,566

Comparison

For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (**LIGHT BLUE** line) and the stock portion only (heavy **DARK BLUE** line) against the S&P/TSX Composite Index (**PINK** line) and the S&P/TSX 60 (**GREEN** line).

The portfolio is performing much better than either of the market indexes, (trading profits):

Portfolio performance = +2.6%
 Stock portion only = -3.7%
 S&P/TSX Composite = -3.7%
 S&P/TSX 60 = -4.0%



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.

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), 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.