

Long-Term Perspective

May 11, 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: *Currently, the Portfolio shows one big winner and four big losers. The present mix of stocks is giving a negative return. If it were not for trading profits and dividends, the performance since inception has not been exactly awe-inspiring. It is time to become more proactive. The major U.S. stock index, the S&P 500 Index, just broke out of a holding pattern in a positive way. The major Canadian index, the S&P/TSX Composite, has been trending ever higher, led by the energy sector, since the beginning of April. Our Portfolio has not benefited enough from these positive market influences. Less circumspection; more hands-on. It is time to make some hard decisions.*

The current portfolio is presented below.

TOP TEN	Share Price Information			As at: 11-May-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	\$12.70	\$14.07	\$14.27	\$14.47	10.8%	12.4%	13.9%
2	ARC Resources Ltd.	ARX	\$14.96	\$13.33	\$15.60	\$16.40	\$17.20	17.0%	23.0%	29.0%
3	Enbridge Inc.	ENB	\$43.50	\$43.14	\$45.30	\$46.88	\$48.45	5.0%	8.7%	12.3%
4	Enercare Inc.	ECI	\$17.21	\$17.07	\$18.00	\$18.75	\$19.50	5.4%	9.8%	14.2%
5	Goldcorp Inc.	G	\$16.24	\$17.65	\$18.75	\$19.15	\$19.50	6.2%	8.5%	10.5%
6	Keyera Corp.	KEY	\$35.37	\$35.97	\$37.50	\$39.00	\$40.50	4.3%	8.4%	12.6%
7	Manulife Financial Corporation	MFC	\$26.19	\$24.82	\$27.35	\$28.13	\$28.90	10.2%	13.3%	16.4%
8	Saputo Inc.	SAP	\$41.35	\$42.77	\$42.20	\$43.00	\$43.75	-1.3%	0.5%	2.3%
9	Shawcor Ltd.	SCL	\$27.43	\$25.38	\$28.90	\$29.70	\$30.50	13.9%	17.0%	20.2%
10	Vermilion Energy Inc.	VET	\$42.74	\$44.10	\$45.30	\$46.88	\$48.45	2.7%	6.3%	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.**, **Keyera Corporation**, 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: 11-May-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	\$12.70	\$50,000	\$45,260	-\$4,740	-9.5%	
2 ARC Resources Ltd.	ARX	02-Jan-18	3342	\$14.96	\$13.33	\$49,996	\$44,549	-\$5,447	-10.9%	
3 Enbridge Inc.	ENB	09-Feb-18	1149	\$43.50	\$43.14	\$49,982	\$49,568	-\$414	-0.8%	
4 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$17.07	\$49,995	\$49,588	-\$407	-0.8%	
5 Goldcorp Inc.	G	02-Jan-18	3079	\$16.24	\$17.65	\$50,003	\$54,344	\$4,341	8.7%	
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$35.97	\$50,013	\$50,862	\$848	1.7%	
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.82	\$49,997	\$47,381	-\$2,615	-5.2%	
8 Saputo Inc.	SAP	15-Mar-18	1,209	\$41.35	\$42.77	\$49,992	\$51,709	\$1,717	3.4%	
9 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$25.38	\$50,005	\$46,268	-\$3,737	-7.5%	
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$44.10	<u>\$50,006</u>	<u>\$51,597</u>	<u>\$1,591</u>	<u>3.2%</u>	
Stock Totals						\$499,989	\$491,126	-\$8,862	-1.8%	
						Stock Annualized Return:			-4.9%	
Cash						\$11	\$11			
Cumulative Dividend Payments							\$4,562			
Net Trading Profits							<u>\$27,081</u>			
Portfolio Totals						<u>\$500,000</u>	<u>\$522,780</u>		4.6%	
						Portfolio Annualized Return:			12.5%	
S&P/TSX COMPOSITE INDEX						16,209.13	15,983.32	-225.81	-1.4%	
						S&P/TSX Comp. Annualized Return:			-3.8%	
S&P/TSX 60 INDEX						959.70	947.69	-12.01	-1.3%	
						S&P/TSX 60 Annualized Return:			-3.4%	

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
Parkland Fuel Corporation	02-Jan-18	09-Apr-18	\$26.89	\$28.62	\$50,015	\$53,233	\$3,218	6.4%	1860	\$29,646
Bank of Montreal	02-Jan-18	17-Apr-18	\$100.59	\$95.43	\$49,993	\$47,429	-\$2,565	-5.1%	497	\$27,081

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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 April 30, 2018:

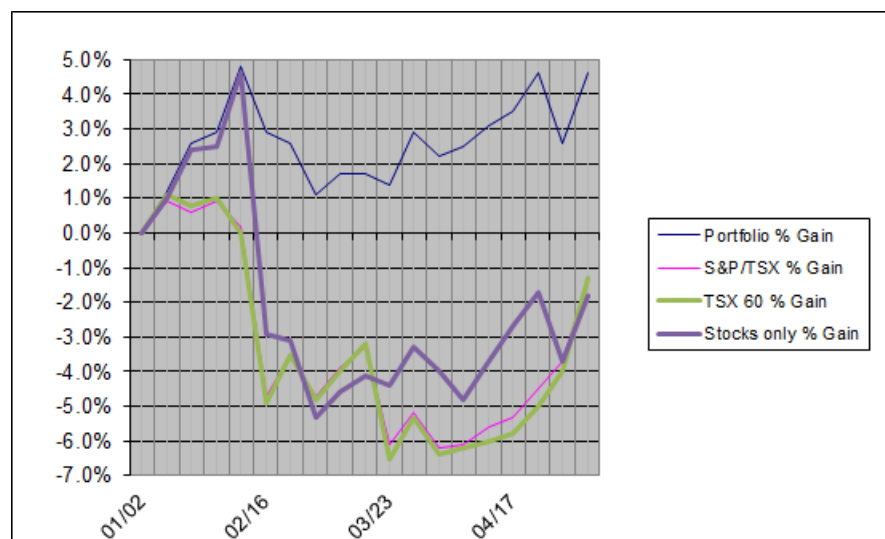
TOP TEN		Annual Income/Yield						As at: 30-Apr-18			
<u>Company</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Payment Fr</u>	<u>Months</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 Algonquin Power & Utilities 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	<u>\$3,229</u>	<u>6.5%</u>	<u>6.4%</u>	M	28th	\$269	<u>\$269</u>	
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 = +4.6%
 Stock portion only = -1.8%
 S&P/TSX Composite = -1.4%
 S&P/TSX 60 = -1.3%





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