

Long-Term Perspective

May 18, 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: We did a trade during the week, selling ARC Resources and buying Canadian Tire Corporation. Of course, ARC then rallied, up 6.0%. Canadian Tire rose a more modest 3.0%. We changed some of the Target Prices, lowering Algonquin Power and raising Saputo and Vermilion Energy. The two Canadian stock indexes, the S&P/TSX Composite and the S&P/TSX 60, which we use for comparison purposes, have both risen in each of the last seven sessions. Our Portfolio benefited from this and gained 1.4% on the week.

The current portfolio is presented below.

TOP TEN		Share Price Information			As at: 18-May-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	\$12.48	\$13.70	\$14.00	\$14.30	9.8%	12.2%	14.6%
2	Canadian Tire Corporation	CTC.A	\$163.15	\$168.09	\$168.75	\$172.00	\$175.00	0.4%	2.3%	4.1%
3	Enbridge Inc.	ENB	\$43.50	\$41.45	\$45.30	\$46.88	\$48.45	9.3%	13.1%	16.9%
4	Enercare Inc.	ECI	\$17.21	\$17.22	\$18.00	\$18.75	\$19.50	4.5%	8.9%	13.2%
5	Goldcorp Inc.	G	\$16.24	\$17.46	\$18.75	\$19.15	\$19.50	7.4%	9.7%	11.7%
6	Keyera Corp.	KEY	\$35.37	\$34.32	\$37.50	\$39.00	\$40.50	9.3%	13.6%	18.0%
7	Manulife Financial Corporation	MFC	\$26.19	\$24.83	\$27.35	\$28.13	\$28.90	10.1%	13.3%	16.4%
8	Saputo Inc.	SAP	\$41.35	\$42.89	\$43.00	\$43.75	\$44.50	0.3%	2.0%	3.8%
9	Shawcor Ltd.	SCL	\$27.43	\$26.10	\$28.90	\$29.70	\$30.50	10.7%	13.8%	16.9%
10	Vermilion Energy Inc.	VET	\$42.74	\$47.11	\$46.88	\$48.45	\$50.00	-0.5%	2.8%	6.1%

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 **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: 18-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	3,564	\$14.03	\$12.48	\$50,000	\$44,476	-\$5,524	-11.0%
2 Canadian Tire Corporation	CTC.A	14-May-18	306	\$163.15	\$168.09	\$49,924	\$51,436	\$1,512	3.0%
3 Enbridge Inc.	ENB	09-Feb-18	1,150	\$43.50	\$41.45	\$50,025	\$47,668	-\$2,358	-4.7%
4 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$17.22	\$49,995	\$50,024	\$29	0.1%
5 Goldcorp Inc.	G	02-Jan-18	3,079	\$16.24	\$17.46	\$50,003	\$53,759	\$3,756	7.5%
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$34.32	\$50,013	\$48,528	-\$1,485	-3.0%
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.83	\$49,997	\$47,400	-\$2,596	-5.2%
8 Saputo Inc.	SAP	15-Mar-18	1,209	\$41.35	\$42.89	\$49,992	\$51,854	\$1,862	3.7%
9 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$26.10	\$50,005	\$47,580	-\$2,425	-4.8%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$47.11	<u>\$50,006</u>	<u>\$55,119</u>	<u>\$5,113</u>	<u>10.2%</u>
Stock Totals						\$499,960	\$497,845	-\$2,115	-0.4%
						Stock Annualized Return:		-1.1%	
Cash						\$40	\$40		
Cumulative Dividend Payments							\$4,474		
Net Trading Profits							<u>\$22,001</u>		
Portfolio Totals						<u>\$500,000</u>	<u>\$524,360</u>	4.9%	
						Portfolio Annualized Return:		12.7%	
S&P/TSX COMPOSITE INDEX						16,209.13	16,162.31	-46.82	-0.3%
						S&P/TSX Comp. Annualized Return:		-0.8%	
S&P/TSX 60 INDEX						959.70	957.85	-1.85	-0.2%
						S&P/TSX 60 Annualized Return:		-0.5%	

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>
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%	1,860	\$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
ARC Resources Ltd.	02-Jan-18	14-May-18	\$14.96	\$13.44	\$49,996	\$44,916	-\$5,080	-10.2%	3,342	\$22,001

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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

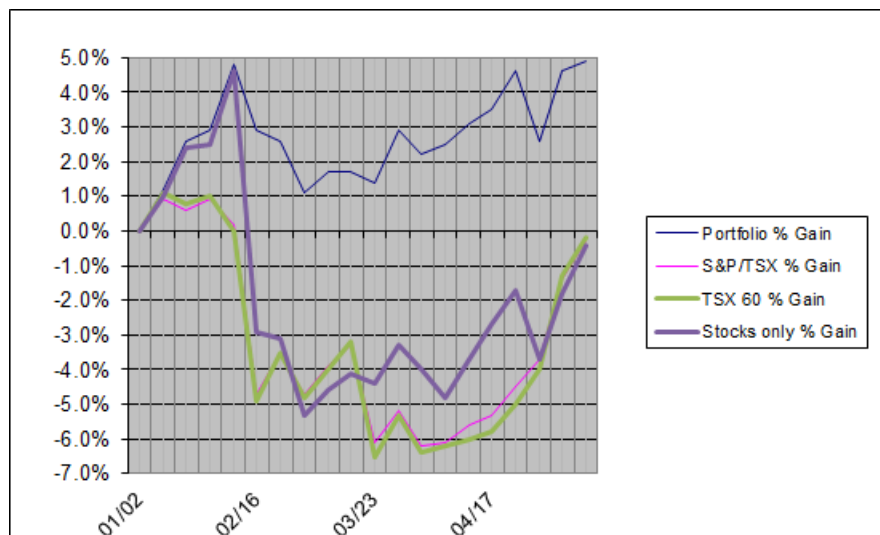
Company	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Months	Period Payout	Pay-Out To Date
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.50	\$0.60	\$2,147	4.3%	4.8%	Q	M/J/S/D	\$537	\$537
2 ARC Resources Ltd.	\$14.96	\$14.32	\$0.60	\$2,005	4.0%	4.2%	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 (BLUE line) and the stock portion only (heavy PURPLE 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 = +4.9%
 Stock portion only = -0.4%
 S&P/TSX Composite = -0.3%
 S&P/TSX 60 = -0.2%



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