

Long-Term Perspective

June 1, 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: *Finally, our stock portion of the overall portfolio broke into the black. Saputo has done well and we raised the Target Prices for it as we mentioned we would in our last commentary. Top performer is Goldcorp. Who'd a thunk it? Saputo and Vermilion Energy are doing well, but things can change in a hurry, especially for Vermilion, being an energy company, a volatile sector. Algonquin Power is being affected by the negative sentiment towards interest-sensitive companies. Enbridge is considered undervalued but it looks like it will be a longer haul than we initially thought, so we will exit on any near-term strength. Manulife should perk up on any interest rate increases.*

The current portfolio is presented below.

TOP TEN		Share Price Information			As at: 01-Jun-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	\$12.67	\$13.70	\$14.00	\$14.30	8.1%	10.5%	12.9%	
2 Canadian Tire Corporation	CTC.A	\$163.15	\$164.42	\$168.75	\$172.00	\$175.00	2.6%	4.6%	6.4%	
3 Enbridge Inc.	ENB	\$43.50	\$39.86	\$45.30	\$46.88	\$48.45	13.6%	17.6%	21.6%	
4 Enercare Inc.	ECI	\$17.21	\$17.41	\$18.00	\$18.75	\$19.50	3.4%	7.7%	12.0%	
5 Goldcorp Inc.	G	\$16.24	\$18.24	\$18.75	\$19.15	\$19.50	2.8%	5.0%	6.9%	
6 Keyera Corp.	KEY	\$35.37	\$36.45	\$37.50	\$39.00	\$40.50	2.9%	7.0%	11.1%	
7 Manulife Financial Corporation	MFC	\$26.19	\$24.69	\$27.35	\$28.13	\$28.90	10.8%	13.9%	17.1%	
8 Saputo Inc.	SAP	\$41.35	\$44.75	\$44.50	\$45.25	\$46.00	-0.6%	1.1%	2.8%	
9 Shawcor Ltd.	SCL	\$27.43	\$26.20	\$28.90	\$29.70	\$30.50	10.3%	13.4%	16.4%	
10 Vermilion Energy Inc.	VET	\$42.74	\$46.07	\$46.88	\$48.45	\$50.00	1.8%	5.2%	8.5%	

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: 01-Jun-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	\$12.67	\$50,000	\$45,153	-\$4,847	-9.7%
2 Canadian Tire Corporation	CTC.A	14-May-18	306	\$163.15	\$164.42	\$49,924	\$50,313	\$389	0.8%
3 Enbridge Inc.	ENB	09-Feb-18	1,150	\$43.50	\$39.86	\$50,025	\$45,839	-\$4,186	-8.4%
4 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$17.41	\$49,995	\$50,576	\$581	1.2%
5 Golcorp Inc.	G	02-Jan-18	3,079	\$16.24	\$18.24	\$50,003	\$56,161	\$6,158	12.3%
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$36.45	\$50,013	\$51,540	\$1,527	3.1%
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.69	\$49,997	\$47,133	-\$2,864	-5.7%
8 Saputo Inc.	SAP	15-Mar-18	1,209	\$41.35	\$44.75	\$49,992	\$54,103	\$4,111	8.2%
9 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$26.20	\$50,005	\$47,763	-\$2,242	-4.5%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$46.07	\$50,006	\$53,902	\$3,896	7.8%
Stock Totals						\$499,960	\$502,483	\$2,523	0.5%
						Stock Annualized Return:		1.2%	
Cash						\$40	\$40		
Cumulative Dividend Payments							\$6,379		
Net Trading Profits							\$22,001		
Portfolio Totals						\$500,000	\$530,903	6.2%	
						Portfolio Annualized Return:		14.6%	
S&P/TSX COMPOSITE INDEX						16,209.13	16,043.54	-165.59	-1.0%
						S&P/TSX Comp. Annualized Return:		-2.4%	
S&P/TSX 60 INDEX						959.70	948.60	-11.10	-1.2%
						S&P/TSX 60 Annualized Return:		-2.7%	

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 May 31, 2018:

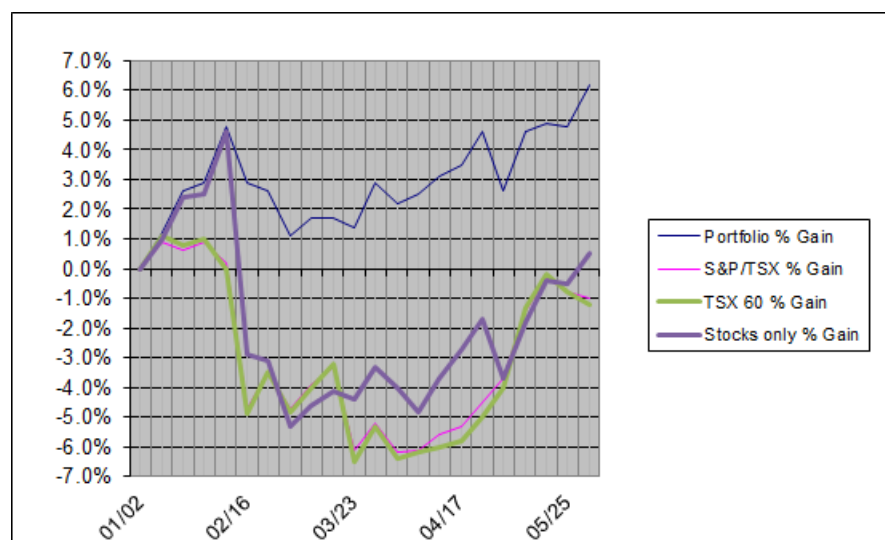
TOP TEN		Annual Income/Yield				As at: 01-Jun-18				
<u>Company</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Payment Fr</u>	<u>Months</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.67	\$0.51	\$1,828	3.7%	4.0%	Q	M/J/S/D	\$457	\$415
2 Canadian Tire Corporation	\$163.15	\$164.42	\$3.60	\$1,102	2.2%	2.2%	Q	J/O/J/A	\$275	\$0
3 Enbridge Inc.	\$43.50	\$39.86	\$2.68	\$3,087	6.2%	6.7%	Q	F/M/A/N	\$772	\$1,543
4 Enercare Inc.	\$17.21	\$17.41	\$1.00	\$2,900	5.8%	5.7%	M	15th	\$242	\$483
5 Goldcorp Inc.	\$16.24	\$18.24	\$0.10	\$319	0.6%	0.6%	Q	M/J/S/D	\$80	\$80
6 Keyera Corp.	\$35.37	\$36.45	\$1.68	\$2,376	4.7%	4.6%	M	22nd	\$198	\$990
7 Manulife Financial Corporation	\$26.19	\$24.69	\$0.88	\$1,680	3.4%	3.6%	Q	F/M/A/N	\$420	\$840
8 Saputo Inc.	\$41.35	\$44.75	\$0.64	\$774	1.5%	1.4%	Q	M/J/S/D	\$193	\$193
9 Shawcor Ltd.	\$27.43	\$26.20	\$0.60	\$1,094	2.2%	2.3%	Q	M/M/A/N	\$273	\$547
10 Vermilion Energy Inc.	\$42.74	\$46.07	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>6.0%</u>	M	28th	\$269	<u>\$538</u>
Portfolio Totals				\$15,158	3.0%	3.0%				\$5,092
Dividends, Companies Sold										\$1,287
Total Dividends Received										\$6,379

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 = +6.2%
 Stock portion only = +0.5%
 S&P/TSX Composite = -1.0%
 S&P/TSX 60 = -1.2%





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