

Long-Term Perspective

June 8, 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: *For the second day in a row, we did a trade this morning. We sold Saputo Inc. for a modest profit of \$218, representing a gain of 0.4%. We were up considerably more, but then the wheels came off when the stock was slammed by an analyst. Since it might be under a cloud for a while, we preferred to switch to a more promising prospect. So, we went back into Thomson Reuters and were rewarded with a good gain on the day of 1.2%, being \$595.*

The current portfolio is presented below.

TOP TEN	Share Price Information			As at: 08-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	\$12.40	\$13.70	\$14.00	\$14.30	10.5%	12.9%	15.3%
2	Canadian Tire Corporation	CTC.A	\$163.15	\$166.28	\$168.75	\$172.00	\$175.00	1.5%	3.4%	5.2%
3	Enbridge Inc.	ENB	\$43.50	\$40.55	\$45.30	\$46.88	\$48.45	11.7%	15.6%	19.5%
4	Enercare Inc.	ECI	\$17.21	\$18.09	\$18.00	\$18.75	\$19.50	-0.5%	3.6%	7.8%
5	Extencare Inc.	EXE	\$7.61	\$7.56	\$8.20	\$8.60	\$9.00	8.5%	13.8%	19.0%
6	Keyera Corp.	KEY	\$35.37	\$36.46	\$37.50	\$39.00	\$40.50	2.9%	7.0%	11.1%
7	Manulife Financial Corporation	MFC	\$26.19	\$24.74	\$27.35	\$28.13	\$28.90	10.5%	13.7%	16.8%
8	Shawcor Ltd.	SCL	\$27.43	\$26.73	\$28.90	\$29.70	\$30.50	8.1%	11.1%	14.1%
9	Thomson Reuters Inc.	TRI	\$52.12	\$52.74	\$56.25	\$59.38	\$62.50	6.7%	12.6%	18.5%
10	Vermilion Energy Inc.	VET	\$42.74	\$45.70	\$46.88	\$48.45	\$50.00	2.6%	6.0%	9.4%

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.

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TOP TEN
Portfolio Performance
As at: 08-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	\$12.40	\$50,000	\$44,191	-\$5,809	-11.6%
2 Canadian Tire Corporation	CTC.A	14-May-18	306	\$163.15	\$166.28	\$49,924	\$50,882	\$958	1.9%
3 Enbridge Inc.	ENB	09-Feb-18	1,150	\$43.50	\$40.55	\$50,025	\$46,633	-\$3,393	-6.8%
4 Enecare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$18.09	\$49,995	\$52,551	\$2,556	5.1%
5 Extencare Inc.	EXE	07-Jun-18	6,576	\$7.61	\$7.56	\$50,043	\$49,715	-\$329	-0.7%
6 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$36.46	\$50,013	\$51,554	\$1,541	3.1%
7 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.74	\$49,997	\$47,229	-\$2,768	-5.5%
8 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$26.73	\$50,005	\$48,729	-\$1,276	-2.6%
9 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$52.74	\$49,983	\$50,578	\$595	1.2%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$45.70	<u>\$50,006</u>	<u>\$53,469</u>	<u>\$3,463</u>	<u>6.9%</u>
Stock Totals						\$499,991	\$495,530	-\$4,461	-0.9%
						Stock Annualized Return:		-2.0%	
Cash						\$9	\$9		
Cumulative Dividend Payments							\$6,379		
Net Trading Profits							<u>\$28,870</u>		
Portfolio Totals						<u>\$500,000</u>	<u>\$530,787</u>	6.2%	
						Portfolio Annualized Return:		13.9%	
S&P/TSX COMPOSITE INDEX						16,209.13	16,202.69	-6.44	0.0%
						S&P/TSX Comp. Annualized Return:		-0.1%	
S&P/TSX 60 INDEX						959.70	957.39	-2.31	-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
Goldcorp Inc.	02-Jan-18	07-Jun-18	\$16.24	\$18.40	\$50,003	\$56,654	\$6,651	13.3%	3,079	\$28,652
Saputo Inc.	02-Jan-18	08-Jun-18	\$41.35	\$41.53	\$49,992	\$50,210	\$218	0.4%	1,209	\$28,870

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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 June 8, 2018:

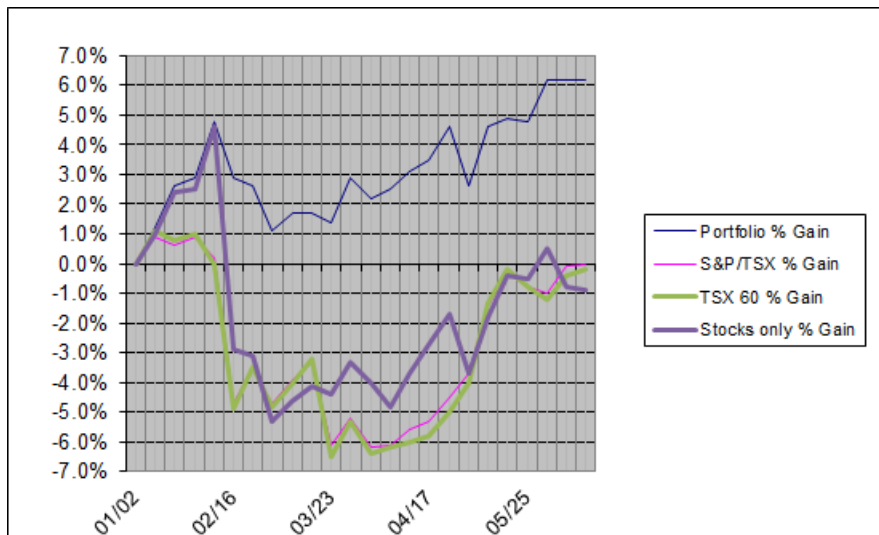
TOP TEN		Annual Income/Yield						As at: 08-Jun-18			
<u>Company</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.40	\$0.51	\$1,828	3.7%	4.1%	Q	M/J/S/D	\$457	\$415	
2 Canadian Tire Corporation	\$163.15	\$166.28	\$3.60	\$1,102	2.2%	2.2%	Q	J/O/J/A	\$275	\$0	
3 Enbridge Inc.	\$43.50	\$40.55	\$2.68	\$3,087	6.2%	6.6%	Q	F/M/A/N	\$772	\$1,543	
4 Enercare Inc.	\$17.21	\$18.09	\$1.00	\$2,900	5.8%	5.5%	M	15th	\$242	\$483	
5 Extencicare Inc.	\$7.61	\$7.56	\$0.48	\$3,156	6.3%	6.3%	M	27th	\$263	\$0	
6 Keyera Corp.	\$35.37	\$36.46	\$1.68	\$2,376	4.7%	4.6%	M	22nd	\$198	\$990	
7 Manulife Financial Corporation	\$26.19	\$24.74	\$0.88	\$1,680	3.4%	3.6%	Q	F/M/A/N	\$420	\$840	
8 Shawcor Ltd.	\$27.43	\$26.73	\$0.60	\$1,094	2.2%	2.2%	Q	M/M/A/N	\$273	\$547	
9 Thomson Reuters Inc.	\$52.12	\$52.74	\$1.78	\$1,710	3.4%	3.4%	Q	F/M/A/N	\$428	\$0	
10 Vermilion Energy Inc.	\$42.74	\$45.70	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>6.0%</u>	M	28th	\$269	<u>\$538</u>	
Portfolio Totals				\$17,222	3.4%	3.5%					\$4,819
Dividends, Companies Sold										\$1,560	
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% (includes dividends and trading profits)
 Stock portion only = -0.9% (current stocks in the portfolio)
 S&P/TSX Composite = +0.0%
 S&P/TSX 60 = -0.2%





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