

Long-Term Perspective

July 6, 2018

Model Oil Portfolio

We have created a high-quality portfolio of oil stocks with a focus on recovery and growth.

NOTE: *The Model Oil Portfolio has a longer-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 initial investment will be a total of \$300,000. To begin with, we have chosen and purchased twelve stocks, but with varying initial positions. If a stock is sold and replaced, the maximum position in the new holding will be governed by the amount of cash in the portfolio, to a limit of \$25,000. Any residual will be put into "Cash".

COMMENT: *At the end of the second day, the revised Model Oil Portfolio that was launched on July 1, 2018 with \$300,000 cash has a positive return, for the stock portion, of 1.3% and a dollar gain of \$1,590. Factoring in the cash position, the portfolio return is 0.5%. We will likely be adding to positions this coming week.*

The current portfolio is presented below.

MODEL OIL PORTFOLIO Portfolio Performance

As at: 6-Jul-18

Initiation: July 1, 2017

<u>Company</u>	<u>Symbol</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 Baytex Energy Corp.	BTE	1,500	\$4.33	\$4.45	\$6,495	\$6,675	\$180	2.8%
2 Birchcliff Energy	BIR	1,000	\$4.71	\$4.70	\$4,710	\$4,700	-\$10	-0.2%
3 Bonterra Energy	BNE	300	\$17.44	\$17.87	\$5,232	\$5,361	\$129	2.5%
4 Canadian Natural Resources	CNQ	200	\$46.95	\$47.79	\$9,390	\$9,558	\$168	1.8%
5 Cenovus Energy	CVE	1,000	\$13.75	\$14.17	\$13,750	\$14,170	\$420	3.1%
6 Encana Corp.	ECA	300	\$16.82	\$16.79	\$5,046	\$5,037	-\$9	-0.2%
7 Husky Energy	HSE	400	\$19.99	\$20.32	\$7,996	\$8,128	\$132	1.7%
8 Peyto Exploration	PEY	1,500	\$10.34	\$10.29	\$15,510	\$15,435	-\$75	-0.5%
9 PrairieSky Royalties	PSK	400	\$25.47	\$25.38	\$10,188	\$10,152	-\$36	-0.4%
10 Seven Generations Energy	VII	1,000	\$13.83	\$14.02	\$13,830	\$14,020	\$190	1.4%
11 Vermilion Energy	VET	300	\$47.28	\$47.69	\$14,184	\$14,307	\$123	0.9%
12 Whitecap Resources	WCP	1,800	\$8.98	\$9.19	\$16,164	\$16,542	\$378	2.3%
Stock Totals					\$122,495	\$124,085	\$1,590	1.3%
					Stock Annualized Return:			172.6%
Cash					\$177,505	\$177,505		
Dividends						\$0		
Net Trading Profits						\$0		
Portfolio Totals					\$300,000	\$301,590	\$1,590	0.5%
					Portfolio Annualized Return:			70.5%

COMPARISON

The return on the portfolio is compared to various energy bench-marks:

Portfolio Totals	\$300,000	<u>\$301,590</u>	\$1,590	0.5%
	Portfolio Annualized Return:			70.5%

S&P/TSX ENERGY INDEX	206.20	207.34	1.14	0.6%
(SPTTEN-ut)	S&P/TSX Energy Annualized Return:			73.5%

	<u>Initial</u>	<u>Current</u>	<u>Change</u>	<u>% Change</u>
	<u>Value</u>	<u>Value</u>		
Crude Oil (SWTIC-sc)	\$74.13	\$73.79	-\$0.34	-0.5%
Canadian Crude Oil Index (CCX-bc)	\$12.00	\$11.81	-\$0.19	-1.6%
Crude Oil Bull 2X ETF (HOU-bc)	\$12.31	\$12.15	-\$0.16	-1.3%
Energy Index ETF (XEG-bc)	\$13.14	\$13.18	\$0.04	0.3%
Energy Bull 2X ETF (HEU-bc)	\$11.00	\$11.10	\$0.10	0.9%
U.S. Oil Fund ETF (USO-bc)	\$14.92	\$14.96	\$0.04	0.3%
S&P/TSX Composite Index	16,277.73	16,371.78	94.05	0.6%

STOCK RANKING

The table below shows the change in the portfolio in terms of \$ and %.

MODEL OIL PORTFOLIO

\$ Change As at: 6-Jul-18
Since: 1-Jul-18

<u>Company</u>	<u>\$ Gain</u> <u>or (Loss)</u>
1 Cenovus Energy	\$420
2 Whitecap Resources	\$378
3 Seven Generations Energy	\$190
4 Baytex Energy Corp.	\$180
5 Canadian Natural Resources	\$168
6 Husky Energy	\$132
7 Bonterra Energy	\$129
8 Vermilion Energy	\$123
9 Encana Corp.	-\$9
10 Birchcliff Energy	-\$10
11 PrairieSky Royalties	-\$36
12 Peyto Exploration	-\$75

The table below indicates the annual dividend and corresponding annual income and yields.

MODEL OIL PORTFOLIO		Annual Income/Yield			As at: 5-Jul-18		Initiation: July 1, 2018			
<u>Company</u>	<u>Symbol</u>	<u>Number of Shares</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>Pay-Out To Date</u>	
1	Baytex Energy Corp.	BTE	1,500	\$4.33	\$4.37	\$0.00	\$0	0.0%	0.0%	\$0
2	Birchcliff Energy	BIR	1,000	\$4.71	\$4.70	\$0.10	\$100	2.1%	2.1%	\$0
3	Bonterra Energy	BNE	300	\$17.44	\$17.60	\$1.20	\$360	6.9%	6.8%	\$0
4	Canadian Natural Resources	CNQ	200	\$46.95	\$46.57	\$1.10	\$220	2.3%	2.4%	\$0
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.61	\$0.20	\$200	1.5%	1.5%	\$0
6	Encana Corp.	ECA	300	\$16.82	\$16.70	\$0.08	\$24	0.5%	0.5%	\$0
7	Husky Energy	HSE	400	\$19.99	\$20.02	\$0.00	\$0	0.0%	0.0%	\$0
8	Peyto Exploration	PEY	1,500	\$10.34	\$10.28	\$1.32	\$1,980	12.8%	12.8%	\$0
9	PrairieSky Royalties	PSK	400	\$25.47	\$25.21	\$0.76	\$302	3.0%	3.0%	\$0
10	Seven Generations Energy	VII	1,000	\$13.83	\$13.77	\$0.00	\$0	0.0%	0.0%	\$0
11	Vermilion Energy	VET	300	\$47.28	\$46.91	\$2.58	\$774	5.5%	5.5%	\$0
12	Whitecap Resources	WCP	1,800	\$8.98	\$9.03	\$0.28	\$497	3.1%	3.1%	\$0
Portfolio Totals						\$4,457	1.5%	1.5%	\$0	
Dividends, Companies Sold									\$0	
Total Dividends Received									\$0	

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