

Long-Term Perspective

July 13, 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 chose 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" and is available to purchase a new stock holding.*

**COMMENT:** *At the end of the second week, the Model Oil Portfolio that was launched on July 1, 2018 with \$300,000 cash has a positive return, for the stock portion, of 3.9% and a dollar gain of \$4,824. Factoring in the large cash position, the total portfolio return is 1.6%. We did not add to positions last week.*

The current portfolio is presented below.

### MODEL OIL PORTFOLIO      Portfolio Performance      As at: 13-Jul-18      Initiation: 1-Jul-18

<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	\$4.53	\$6,495	\$6,795	\$300	4.6%
2 Birchcliff Energy	BIR	1,000	\$4.71	\$5.13	\$4,710	\$5,130	\$420	8.9%
3 Bonterra Energy	BNE	300	\$17.44	\$18.21	\$5,232	\$5,463	\$231	4.4%
4 Canadian Natural Resources	CNQ	200	\$46.95	\$48.59	\$9,390	\$9,718	\$328	3.5%
5 Cenovus Energy	CVE	1,000	\$13.75	\$13.91	\$13,750	\$13,910	\$160	1.2%
6 Encana Corp.	ECA	300	\$16.82	\$17.43	\$5,046	\$5,229	\$183	3.6%
7 Husky Energy	HSE	400	\$19.99	\$20.99	\$7,996	\$8,396	\$400	5.0%
8 Peyto Exploration	PEY	1,500	\$10.34	\$10.63	\$15,510	\$15,945	\$435	2.8%
9 PrairieSky Royalties	PSK	400	\$25.47	\$25.22	\$10,188	\$10,088	-\$100	-1.0%
10 Seven Generations Energy	VII	1,000	\$13.83	\$15.19	\$13,830	\$15,190	\$1,360	9.8%
11 Vermilion Energy	VET	300	\$47.28	\$48.69	\$14,184	\$14,607	\$423	3.0%
12 Whitecap Resources	WCP	1,800	\$8.98	\$9.36	\$16,164	\$16,848	\$684	4.2%
<b>Stock Totals</b>					<b>\$122,495</b>	<b>\$127,319</b>	<b>\$4,824</b>	<b>3.9%</b>
					Stock Annualized Return:			149.6%
Cash					\$177,505	\$177,505		
Dividends						\$0		
Net Trading Profits						\$0		
<b>Portfolio Totals</b>					<b>\$300,000</b>	<b>\$304,824</b>	<b>\$4,824</b>	<b>1.6%</b>
					Portfolio Annualized Return:			61.1%

## COMPARISON

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

	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
<b>Portfolio Totals</b>	<b>\$300,000</b>	<b>\$304,824</b>	<b>\$4,824</b>	<b>1.6%</b>
			Portfolio Annualized Return:	61.1%

<b>S&amp;P/TSX ENERGY INDEX .....</b>	206.20	211.94	5.74	<b>2.8%</b>
(SPTTEN-ut)			S&P/TSX Energy Annualized Return:	105.8%

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
<b>Crude Oil (SWTIC-sc)</b>	\$74.13	\$71.02	-\$3.11	-4.2%
<b>Canadian Crude Oil Index (CCX-bc)</b>	\$12.00	\$11.50	-\$0.50	-4.2%
<b>Crude Oil Bull 2X ETF (HOU-bc)</b>	\$12.31	\$11.22	-\$1.09	-8.9%
<b>Energy Index ETF (XEG-bc)</b>	\$13.14	\$13.45	\$0.31	2.4%
<b>Energy Bull 2X ETF (HEU-bc)</b>	\$11.00	\$11.57	\$0.57	5.2%
<b>U.S. Oil Fund ETF (USO-bc)</b>	\$14.92	\$14.47	-\$0.45	-3.0%
<b>S&amp;P/TSX Composite Index .....</b>	16,277.73	16,561.12	283.39	1.7%

## STOCK RANKINGS

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

### MODEL OIL PORTFOLIO

**\$ Change As at: 13-Jul-18  
Since: 1-Jul-18**

<u>Company</u>	<u>\$ Gain or (Loss)</u>
1 Seven Generations Energy	<b>\$1,360</b>
2 Whitecap Resources	<b>\$684</b>
3 Peyto Exploration	<b>\$435</b>
4 Vermilion Energy	<b>\$423</b>
5 Birchcliff Energy	<b>\$420</b>
6 Husky Energy	<b>\$400</b>
7 Canadian Natural Resources	<b>\$328</b>
8 Baytex Energy Corp.	<b>\$300</b>
9 Bonterra Energy	<b>\$231</b>
10 Encana Corp.	<b>\$183</b>
11 Cenovus Energy	<b>\$160</b>
12 PrairieSky Royalties	<b>-\$100</b>

### MODEL OIL PORTFOLIO

**% Change As at: 13-Jul-18  
Since: 1-Jul-18**

<u>Company</u>	<u>% Gain or (Loss)</u>
1 Seven Generations Energy	<b>9.8%</b>
2 Birchcliff Energy	<b>8.9%</b>
3 Husky Energy	<b>5.0%</b>
4 Baytex Energy Corp.	<b>4.6%</b>
5 Bonterra Energy	<b>4.4%</b>
6 Whitecap Resources	<b>4.2%</b>
7 Encana Corp.	<b>3.6%</b>
8 Canadian Natural Resources	<b>3.5%</b>
9 Vermilion Energy	<b>3.0%</b>
10 Peyto Exploration	<b>2.8%</b>
11 Cenovus Energy	<b>1.2%</b>
12 PrairieSky Royalties	<b>-1.0%</b>

The table below indicates the annual dividend and corresponding annual income and yields. This table is updated monthly or when a stock is bought or sold. The table below is current as of July 5.

<b>MODEL OIL PORTFOLIO</b>		<b>Annual Income/Yield</b>			<b>As at: 5-Jul-18</b>		<b>Initiation: 1-Jul-18</b>			
<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	\$4.53	\$0.00	\$0	0.0%	0.0%	\$0
2	Birchcliff Energy	BIR	1,000	\$4.71	\$5.13	\$0.10	\$100	2.1%	1.9%	\$0
3	Bonterra Energy	BNE	300	\$17.44	\$18.21	\$1.20	\$360	6.9%	6.6%	\$0
4	Canadian Natural Resources	CNQ	200	\$46.95	\$48.59	\$1.10	\$220	2.3%	2.3%	\$0
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.91	\$0.20	\$200	1.5%	1.4%	\$0
6	Encana Corp.	ECA	300	\$16.82	\$17.43	\$0.08	\$24	0.5%	0.5%	\$0
7	Husky Energy	HSE	400	\$19.99	\$20.99	\$0.00	\$0	0.0%	0.0%	\$0
8	Peyto Exploration	PEY	1,500	\$10.34	\$10.63	\$1.32	\$1,980	12.8%	12.4%	\$0
9	PrairieSky Royalties	PSK	400	\$25.47	\$25.22	\$0.76	\$302	3.0%	3.0%	\$0
10	Seven Generations Energy	VII	1,000	\$13.83	\$15.19	\$0.00	\$0	0.0%	0.0%	\$0
11	Vermilion Energy	VET	300	\$47.28	\$48.69	\$2.58	\$774	5.5%	5.3%	\$0
12	Whitecap Resources	WCP	1,800	\$8.98	\$9.36	\$0.28	\$497	3.1%	2.9%	\$0
<b>Portfolio Totals</b>						<b>\$4,457</b>	<b>1.5%</b>	<b>1.5%</b>	<b>\$0</b>	
<b>Dividends, Companies Sold</b>									<b>\$0</b>	
<b>Total Dividends Received</b>									<b>\$0</b>	

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