

Long-Term Perspective

July 20, 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: We sold our first stock: Husky Energy. The gain was small, just \$96. However, theUpTrend.com short-term chart gave a Sell Signal on Thursday, and we took it. Oil prices and stocks continue to be volatile. Last week, there was only one stock in the Portfolio that was in the **red**. This week, there are six. Still, the Portfolio is ahead by 0.3%. Our next Model Oil report will be in two weeks and will use the August 3 closing prices.

The current portfolio is presented below.

MODEL OIL PORTFOLIO		Portfolio Performance			As at:	20-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	\$4.29	\$6,495	\$6,435	-\$60	-0.9%
2	Birchcliff Energy	BIR	1,000	\$4.71	\$4.93	\$4,710	\$4,930	\$220	4.7%
3	Bonterra Energy	BNE	300	\$17.44	\$17.77	\$5,232	\$5,331	\$99	1.9%
4	Canadian Natural Resources	CNQ	200	\$46.95	\$46.27	\$9,390	\$9,254	-\$136	-1.4%
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.30	\$13,750	\$13,300	-\$450	-3.3%
6	Encana Corp.	ECA	300	\$16.82	\$17.01	\$5,046	\$5,103	\$57	1.1%
7	Peyto Exploration	PEY	1,500	\$10.34	\$10.56	\$15,510	\$15,840	\$330	2.1%
8	PrairieSky Royalties	PSK	400	\$25.47	\$25.15	\$10,188	\$10,060	-\$128	-1.3%
9	Seven Generations Energy	VII	1,000	\$13.83	\$14.77	\$13,830	\$14,770	\$940	6.8%
10	Vermilion Energy	VET	300	\$47.28	\$46.94	\$14,184	\$14,082	-\$102	-0.7%
11	Whitecap Resources	WCP	1,800	\$8.98	\$8.92	\$16,164	\$16,056	-\$108	-0.7%
Stock Totals						\$114,499	\$115,161	\$662	0.6%
						Stock Annualized Return:		12.8%	
Cash						\$185,501	\$185,501		
Dividends							\$0		
Net Trading Profits							\$96		
Portfolio Totals						\$300,000	\$300,758	\$758	0.3%
						Portfolio Annualized Return:		5.6%	

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>
Portfolio Totals	\$300,000	\$300,758	\$758	0.3%
			Portfolio Annualized Return:	5.6%

S&P/TSX ENERGY INDEX	206.20	205.14	-1.06	-0.5%
(SPTTEN-ut)			S&P/TSX Energy Annualized Return:	-11.4%

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
Crude Oil (SWTIC-sc)	\$74.13	\$68.23	-\$5.90	-8.0%
Canadian Crude Oil Index (CCX-bc)	\$12.00	\$11.11	-\$0.89	-7.4%
Crude Oil Bull 2X ETF (HOU-bc)	\$12.31	\$10.71	-\$1.60	-13.0%
Energy Index ETF (XEG-bc)	\$13.14	\$13.03	-\$0.11	-0.8%
Energy Bull 2X ETF (HEU-bc)	\$11.00	\$10.81	-\$0.19	-1.7%
U.S. Oil Fund ETF (USO-bc)	\$14.92	\$14.15	-\$0.77	-5.2%
S&P/TSX Composite Index	16,277.73	16,435.46	157.73	1.0%

STOCK RANKINGS

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

→ MODEL OIL PORTFOLIO

MODEL OIL PORTFOLIO

\$ Change As at: 20-Jul-18
Since: 1-Jul-18

% Change As at: 20-Jul-18
Since: 1-Jul-18

<u>Company</u>	<u>\$ Gain or (Loss)</u>	<u>Company</u>	<u>% Gain or (Loss)</u>
1 Seven Generations Energy	\$940	1 Seven Generations Energy	6.8%
2 Peyto Exploration	\$330	2 Birchcliff Energy	4.7%
3 Birchcliff Energy	\$220	3 Peyto Exploration	2.1%
4 Bonterra Energy	\$99	4 Bonterra Energy	1.9%
5 Encana Corp.	\$57	5 Encana Corp.	1.1%
6 Baytex Energy Corp.	-\$60	6 Vermilion Energy	-0.7%
7 Vermilion Energy	-\$102	7 Whitecap Resources	-0.7%
8 Whitecap Resources	-\$108	8 Baytex Energy Corp.	-0.9%
9 PrairieSky Royalties	-\$128	9 PrairieSky Royalties	-1.3%
10 Canadian Natural Resources	-\$136	10 Canadian Natural Resources	-1.4%
11 Cenovus Energy	-\$450	11 Cenovus Energy	-3.3%

STOCK SOLD

Here is a list of the stocks sold to date, since inception on July 1, 2018:

<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>Cum. Gain or (Loss)</u>
Husky Energy	5-Jul-18	20-Jul-18	\$19.99	\$20.23	\$7,996	\$8,092	\$96	1.2%	\$96

DIVIDENDS and YIELDS

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 20.

MODEL OIL PORTFOLIO		Annual Income/Yield			As at: 5-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>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	\$4.29	\$0.00	\$0	0.0%	0.0%	\$0
2	Birchcliff Energy	BIR	1,000	\$4.71	\$4.93	\$0.10	\$100	2.1%	2.0%	\$0
3	Bonterra Energy	BNE	300	\$17.44	\$17.77	\$1.20	\$360	6.9%	6.8%	\$0
4	Canadian Natural Resources	CNQ	200	\$46.95	\$46.27	\$1.10	\$220	2.3%	2.4%	\$0
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.30	\$0.20	\$200	1.5%	1.5%	\$0
6	Encana Corp.	ECA	300	\$16.82	\$17.01	\$0.08	\$24	0.5%	0.5%	\$0
7	Peyto Exploration	PEY	1,500	\$10.34	\$10.56	\$1.32	\$1,980	12.8%	12.5%	\$0
8	PrairieSky Royalties	PSK	400	\$25.47	\$25.15	\$0.76	\$302	3.0%	3.0%	\$0
9	Seven Generations Energy	VII	1,000	\$13.83	\$14.77	\$0.00	\$0	0.0%	0.0%	\$0
10	Vermilion Energy	VET	300	\$47.28	\$46.94	\$2.58	\$774	5.5%	5.5%	\$0
11	Whitecap Resources	WCP	1,800	\$8.98	\$8.92	\$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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