

Long-Term Perspective

July 6, 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, if appropriate.*

*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 an amount close to \$50,000.*

*We will conduct a portfolio assessment on a regular basis to determine whether changes should be made.*

**THIS WEEK'S COMMENT:** *As mentioned in the last report, we sold the Enbridge holding. At this point, there are only 8 stocks in the Top Ten portfolio. We have a few candidates but are waiting for a better entry point. The portfolio is currently ahead by 8.2%, with trading profits being the largest contributor to that performance.*

The current portfolio is presented below.

TOP TEN		Share Price Information			As at: 06-Jul-18		Inception: 02-Jan-18			
		Purchase	Current	First	Second	Third	% Inc. to	% Inc. to	% Inc. to	
	Company	Symbol	Price	Price	Target	Target	Target	1st Target	2nd Target	3rd Target
1	Algonquin Power & Utilities Corp.	AQN	\$14.03	\$12.63	\$13.70	\$14.00	\$14.30	8.5%	10.8%	13.2%
2	Enercare Inc.	ECI	\$17.21	\$18.13	\$18.00	\$18.75	\$19.50	-0.7%	3.4%	7.6%
3	Extencare Inc.	EXE	\$7.61	\$7.26	\$8.20	\$8.60	\$9.00	12.9%	18.5%	24.0%
4	Keyera Corp.	KEY	\$35.37	\$36.94	\$37.50	\$39.00	\$40.50	1.5%	5.6%	9.6%
5	Manulife Financial Corporation	MFC	\$26.19	\$23.47	\$27.35	\$28.13	\$28.90	16.5%	19.9%	23.1%
6	Shawcor Ltd.	SCL	\$27.43	\$25.71	\$28.90	\$29.70	\$30.50	12.4%	15.5%	18.6%
7	Thomson Reuters Inc.	TRI	\$52.12	\$53.87	\$56.25	\$59.38	\$62.50	4.4%	10.2%	16.0%
8	Vermilion Energy Inc.	VET	\$42.74	\$47.69	\$46.88	\$48.45	\$50.00	-1.7%	1.6%	4.8%

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 below.

<continued>

## TOP TEN

## Portfolio Performance

As at: 06-Jul-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	\$12.63	\$50,000	\$45,011	-\$4,989	-10.0%
2 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$18.13	\$49,995	\$52,668	\$2,673	5.3%
3 Extencicare Inc.	EXE	07-Jun-18	6,576	\$7.61	\$7.26	\$50,043	\$47,742	-\$2,302	-4.6%
4 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$36.94	\$50,013	\$52,233	\$2,220	4.4%
5 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$23.47	\$49,997	\$44,804	-\$5,192	-10.4%
6 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$25.71	\$50,005	\$46,869	-\$3,136	-6.3%
7 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$53.87	\$49,983	\$51,661	\$1,678	3.4%
8 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$47.69	\$50,006	\$55,797	\$5,791	11.6%
<b>Stock Totals</b>						<b>\$400,042</b>	<b>\$396,785</b>	<b>-\$3,257</b>	<b>-0.8%</b>
						Stock Annualized Return:			<b>-1.6%</b>
Cash						\$99,958	\$99,958		
Cumulative Dividend Payments							\$7,538		
Net Trading Profits							\$36,942		
<b>Portfolio Totals</b>						<b>\$500,000</b>	<b>\$541,223</b>		<b>8.2%</b>
						Portfolio Annualized Return:			<b>16.0%</b>
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	16,371.78	162.65	<b>1.0%</b>
						S&P/TSX Comp. Annualized Return:			<b>2.0%</b>
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	969.63	9.93	<b>1.0%</b>
						S&P/TSX 60 Annualized Return:			<b>2.0%</b>

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
Canadian Tire Corporation	14-May-18	18-Jun-18	\$163.15	\$176.00	\$49,924	\$53,856	\$3,932	7.9%	306	\$32,802
Enbridge Inc.	09-Feb-18	05-Jul-18	\$43.50	\$47.10	\$50,025	\$54,165	\$4,140	8.3%	1,150	\$36,942

<continued>

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, unless there is a change in the portfolio. These totals are as at July 6, 2018:

## TOP TEN

## Annual Income/Yield

As at: 06-Jul-18

Company	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Months	Period Payout	Pay-Out To Date
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.63	\$0.51	\$1,828	3.7%	4.1%	Q	M/J/S/D	\$457	\$872
2 Enercare Inc.	\$17.21	\$18.13	\$1.00	\$2,900	5.8%	5.5%	M	15th	\$242	\$725
3 Extencare Inc.	\$7.61	\$7.26	\$0.48	\$3,156	6.3%	6.6%	M	27th	\$263	\$263
4 Keyera Corp.	\$35.37	\$36.94	\$1.68	\$2,376	4.7%	4.5%	M	22nd	\$198	\$1,188
5 Manulife Financial Corporation	\$26.19	\$23.47	\$0.88	\$1,680	3.4%	3.7%	Q	F/M/A/N	\$420	\$840
6 Shawcor Ltd.	\$27.43	\$25.71	\$0.60	\$1,094	2.2%	2.3%	Q	M/M/A/N	\$273	\$547
7 Thomson Reuters Inc.	\$52.12	\$53.87	\$1.81	\$1,732	3.5%	3.4%	Q	F/M/A/N	\$433	\$0
8 Vermilion Energy Inc.	\$42.74	\$47.69	\$2.76	\$3,229	6.5%	5.8%	M	28th	\$269	\$807
9 <b>Portfolio Totals</b>				<b>\$13,034</b>	<b>3.3%</b>	<b>3.3%</b>				<b>\$4,435</b>
<b>Dividends, Companies Sold</b>										<b>\$3,103</b>

Total Dividends Received

\$7,538

## 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 = +8.2% (includes dividends and trading profits)

Stock portion only = -0.8% (current stocks in the portfolio)

S&P/TSX Composite = +1.0%

S&P/TSX 60 = +1.0%



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