

Long-Term Perspective

July 16, 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:** *We did what we said we would, and sold Extendicare, at a loss. We replaced it with HudBay Minerals. The portfolio dropped a bit today, but so too did the comparative indexes.*

The current portfolio is presented below.

TOP TEN		Share Price Information			As at: 16-Jul-18			Inception: 02-Jan-18		
<u>Company</u>	<u>Symbol</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>	<u>Third Target</u>	<u>% Inc. to 1st Target</u>	<u>% Inc. to 2nd Target</u>	<u>% Inc. to 3rd Target</u>	
1 Algonquin Power & Utilities Corp.	AQN	\$14.03	\$12.59	\$13.70	\$14.00	\$14.30	8.8%	11.2%	13.6%	
2 Enercare Inc.	ECI	\$17.21	\$18.46	\$18.00	\$18.75	\$19.50	-2.5%	1.6%	5.6%	
3 HudBay Minerals Inc.	HBM	\$6.79	\$6.79	\$7.03	\$7.80	\$8.60	3.5%	14.9%	26.7%	
4 Keyera Corp.	KEY	\$35.37	\$36.92	\$37.50	\$39.00	\$40.50	1.6%	5.6%	9.7%	
5 Manulife Financial Corporation	MFC	\$26.19	\$23.74	\$27.35	\$28.13	\$28.90	15.2%	18.5%	21.7%	
6 Shawcor Ltd.	SCL	\$27.43	\$26.61	\$28.90	\$29.70	\$30.50	8.6%	11.6%	14.6%	
7 Thomson Reuters Inc.	TRI	\$52.12	\$55.70	\$56.25	\$59.38	\$62.50	1.0%	6.6%	12.2%	
8 Vermilion Energy Inc.	VET	\$42.74	\$47.26	\$46.88	\$48.45	\$50.00	-0.8%	2.5%	5.8%	

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 on the net page.

<continued>

→ TOP TEN		Portfolio Performance				As at: 16-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	\$12.59	\$50,000	\$44,868	-\$5,132	-10.3%
2 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$18.46	\$49,995	\$53,626	\$3,631	7.3%
3 HudBay Minerals Inc.	HBM	16-Jul-18	7,364	\$6.79	\$6.79	\$50,002	\$50,002	\$0	0.0%
4 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$36.92	\$50,013	\$52,205	\$2,192	4.4%
5 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$23.74	\$49,997	\$45,320	-\$4,677	-9.4%
6 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$26.61	\$50,005	\$48,510	-\$1,495	-3.0%
7 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$55.70	\$49,983	\$53,416	\$3,433	6.9%
8 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$47.26	<u>\$50,006</u>	<u>\$55,294</u>	<u>\$5,288</u>	<u>10.6%</u>
<b>Stock Totals</b>						<b>\$400,000</b>	<b>\$403,241</b>	<b>\$3,241</b>	<b>0.8%</b>
						Stock Annualized Return:		1.5%	
Cash						\$100,000	\$100,000		
Cumulative Dividend Payments							\$7,832		
Net Trading Profits							\$34,377		
<b>Portfolio Totals</b>						<b>\$500,000</b>	<b>\$545,450</b>	<b>9.1%</b>	
						Portfolio Annualized Return:		16.9%	
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	16,494.73	285.60	<b>1.8%</b>
						S&P/TSX Comp. Annualized Return:		3.3%	
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	979.68	19.98	<b>2.1%</b>
						S&P/TSX 60 Annualized Return:		3.9%	

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
Extencicare Inc.	07-Jun-18	16-Jul-18	\$7.61	\$7.22	\$50,043	\$47,479	-\$2,565	-5.1%	6,576	\$34,377

<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 16, 2018:

### TOP TEN

### Annual Income/Yield

As at: 16-Jul-18

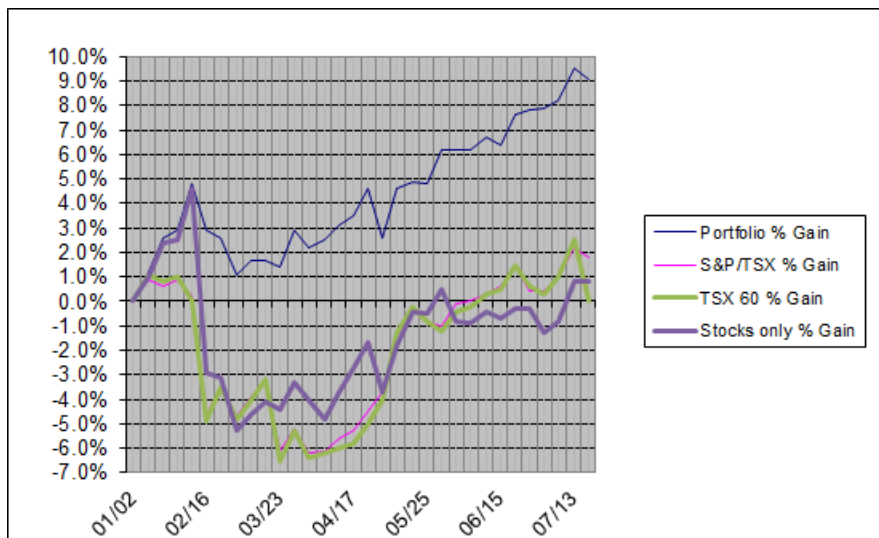
Company	Purchase	Current	Annual	Annual	Purchase	Current	Payment	Period	Pay-Out
	Price	Price	Dividend	Income	Yield	Yield	Fr Months	Payout	To Date
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.59	\$0.51	\$1,828	3.7%	4.1%	Q M/J/S/D	\$457	\$872
2 Enercare Inc.	\$17.21	\$18.46	\$1.00	\$2,900	5.8%	5.4%	M 15th	\$242	\$725
3 HudBay Minerals Inc.	\$6.79	\$6.79	\$0.12	\$884	1.8%	1.8%	SA Mar/Sep	\$74	\$0
4 Keyera Corp.	\$35.37	\$36.92	\$1.68	\$2,376	4.7%	4.6%	M 22nd	\$198	\$1,188
5 Manulife Financial Corporation	\$26.19	\$23.74	\$0.88	\$1,680	3.4%	3.7%	Q F/M/A/N	\$420	\$840
6 Shawcor Ltd.	\$27.43	\$26.61	\$0.60	\$1,094	2.2%	2.3%	Q M/M/A/N	\$273	\$547
7 Thomson Reuters Inc.	\$52.12	\$55.70	\$1.81	\$1,738	3.5%	3.3%	Q F/M/A/N	\$434	\$0
8 Vermilion Energy Inc.	\$42.74	\$47.26	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>5.8%</u>	M 28th	\$269	<u>\$807</u>
<b>Portfolio Totals</b>				<b>\$10,761</b>	<b>2.7%</b>	<b>2.7%</b>			<b>\$4,172</b>
<b>Dividends, Companies Sold</b>									<b><u>\$3,366</u></b>
<b>Total Dividends Received</b>									<b><u>\$7,538</u></b>

### 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 = +9.1% (includes dividends and trading profits)  
 Stock portion only = +0.8% (current stocks in the portfolio)  
 S&P/TSX Composite = +1.8%  
 S&P/TSX 60 = +2.15%





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