

Long-Term Perspective

August 10, 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:** *It has been a while since we last updated the Model Oil Portfolio. As it turns out, the value of the portfolio barely changed. The Portfolio is off by 0.2%, which includes dividends received plus trading profits. At this point, the portfolio is only about 38% invested. Oil and oil stocks have not done well since we started this portfolio. However, we will keep an eye out for promising opportunities.*

The current portfolio is presented below.

MODEL OIL PORTFOLIO		Portfolio Performance			As at: 10-Aug-18		Initiation: 1-Jul-18		
Company	Symbol	Number of Shares	Purchase Price	Current Price	Purchase Cost	Current Value	\$ Gain or (Loss)	% Gain or (Loss)	
1	Baytex Energy Corp.	BTE	1,500	\$4.33	\$4.07	\$6,495	\$6,105	-\$390	-6.0%
2	Birchcliff Energy	BIR	1,000	\$4.71	\$5.02	\$4,710	\$5,020	\$310	6.6%
3	Bonterra Energy	BNE	300	\$17.44	\$19.54	\$5,232	\$5,862	\$630	12.0%
4	Canadian Natural Resources	CNQ	200	\$46.95	\$45.73	\$9,390	\$9,146	-\$244	-2.6%
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.03	\$13,750	\$13,030	-\$720	-5.2%
6	Encana Corp.	ECA	300	\$16.82	\$17.74	\$5,046	\$5,322	\$276	5.5%
7	Peyto Exploration	PEY	1,500	\$10.34	\$10.48	\$15,510	\$15,720	\$210	1.4%
8	PrairieSky Royalties	PSK	400	\$25.47	\$23.55	\$10,188	\$9,420	-\$768	-7.5%
9	Seven Generations Energy	VII	1,000	\$13.83	\$15.65	\$13,830	\$15,650	\$1,820	13.2%
10	Vermilion Energy	VET	300	\$47.28	\$42.21	\$14,184	\$12,663	-\$1,521	-10.7%
11	Whitecap Resources	WCP	1,800	\$8.98	\$8.57	\$16,164	\$15,426	-\$738	-4.6%
<b>Stock Totals</b>						<b>\$114,499</b>	<b>\$113,364</b>	<b>-\$1,135</b>	<b>-1.0%</b>
						Stock Annualized Return:		<b>-8.0%</b>	
Cash						\$185,501	\$185,501	61.8%	
Dividends							\$326		
Net Trading Profits							\$96		
<b>Portfolio Totals</b>						<b>Purchase Cost</b>	<b>Current Value</b>	<b>\$ Gain or (Loss)</b>	<b>% Gain or (Loss)</b>
						<b>\$300,000</b>	<b>\$299,287</b>	<b>-\$713</b>	<b>-0.2%</b>
						Portfolio Annualized Return:		<b>-1.9%</b>	

## 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>\$299,287</b>	<b>-\$713</b>	<b>-0.2%</b>
			Portfolio Annualized Return:	<b>-1.9%</b>

<b>S&amp;P/TSX ENERGY INDEX .....</b>	206.20	201.83	<b>-4.37</b>	<b>-2.1%</b>
(SPTTEN-ut)			S&P/TSX Energy Annualized Return:	<b>-17.1%</b>

	<u>Initial Value</u>	<u>Current Value</u>	<u>Change</u>	<u>% Change</u>
<b>Crude Oil (SWTIC-sc)</b>	\$74.13	\$66.84	<b>-\$7.29</b>	<b>-9.8%</b>
<b>Canadian Crude Oil Index (CCX-bc)</b>	\$12.00	\$10.71	<b>-\$1.29</b>	<b>-10.8%</b>
<b>Crude Oil Bull 2X ETF (HOU-bc)</b>	\$12.31	\$10.54	<b>-\$1.77</b>	<b>-14.4%</b>
<b>Energy Index ETF (XEG-bc)</b>	\$13.14	\$12.83	<b>-\$0.31</b>	<b>-2.4%</b>
<b>Energy Bull 2X ETF (HEU-bc)</b>	\$11.00	\$10.47	<b>-\$0.53</b>	<b>-4.8%</b>
<b>U.S. Oil Fund ETF (USO-bc)</b>	\$14.92	\$14.08	<b>-\$0.84</b>	<b>-5.6%</b>
<b>S&amp;P/TSX Composite Index .....</b>	16,277.73	16,326.51	<b>48.78</b>	<b>0.3%</b>

## STOCK RANKINGS

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

### MODEL OIL PORTFOLIO

	<b>\$ Change As at: 10-Aug-18 Since: 1-Jul-18</b>	<b>% Change As at: 10-Aug-18 Since: 1-Jul-18</b>
<u>Company</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Seven Generations Energy	<b>\$1,820</b>	<b>13.2%</b>
2 Bonterra Energy	<b>\$630</b>	<b>12.0%</b>
3 Birchcliff Energy	<b>\$310</b>	<b>6.6%</b>
4 Encana Corp.	<b>\$276</b>	<b>5.5%</b>
5 Peyto Exploration	<b>\$210</b>	<b>1.4%</b>
6 Canadian Natural Resources	<b>-\$244</b>	<b>-2.6%</b>
7 Baytex Energy Corp.	<b>-\$390</b>	<b>-4.6%</b>
8 Cenovus Energy	<b>-\$720</b>	<b>-5.2%</b>
9 Whitecap Resources	<b>-\$738</b>	<b>-6.0%</b>
10 PrairieSky Royalties	<b>-\$768</b>	<b>-7.5%</b>
11 Vermilion Energy	<b>-\$1,521</b>	<b>-10.7%</b>

## 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 31.

<b>MODEL OIL PORTFOLIO</b>		<b>Annual Income/Yield</b>			<b>As at: 31-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	\$4.07	\$0.00	\$0	0.0%	0.0%	\$0
2	Birchcliff Energy	BIR	1,000	\$4.71	\$5.02	\$0.10	\$100	2.1%	2.0%	\$0
3	Bonterra Energy	BNE	300	\$17.44	\$19.54	\$1.20	\$360	6.9%	6.1%	\$30
4	Canadian Natural Resources	CNQ	200	\$46.95	\$45.73	\$1.10	\$220	2.3%	2.4%	\$0
5	Cenovus Energy	CVE	1,000	\$13.75	\$13.03	\$0.20	\$200	1.5%	1.5%	\$0
6	Encana Corp.	ECA	300	\$16.82	\$17.74	\$0.08	\$24	0.5%	0.4%	\$0
7	Peyto Exploration	PEY	1,500	\$10.34	\$10.48	\$1.32	\$1,980	12.8%	12.6%	\$165
8	PrairieSky Royalties	PSK	400	\$25.47	\$23.55	\$0.76	\$302	3.0%	3.2%	\$25
9	Seven Generations Energy	VII	1,000	\$13.83	\$15.65	\$0.00	\$0	0.0%	0.0%	\$0
10	Vermilion Energy	VET	300	\$47.28	\$42.21	\$2.58	\$774	5.5%	6.1%	\$65
11	Whitecap Resources	WCP	1,800	\$8.98	\$8.57	\$0.28	\$497	3.1%	3.2%	\$41
<b>Portfolio Totals</b>						<b>\$4,457</b>	<b>1.5%</b>	<b>1.5%</b>	<b>\$326</b>	
<b>Dividends, Companies Sold</b>									<b>\$0</b>	
<b>Total Dividends Received</b>									<b>\$326</b>	

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