

Long-Term Perspective

August 10, 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 have only six stocks in our Top-Ten Portfolio. We sold Enercare Inc. after the stock rose dramatically to reflect the proposed buy-out by Brookfield Infrastructure Partners. With all of the negative headlines recently, we are not anxious to add to the portfolio but, of course, if a compelling situation should arise, we will certainly avail ourselves of the opportunity. In the meantime, on the back of the huge gain by Enercare, the portfolio is up 14.8% absolutely, which is equivalent to 24.2% if annualized. Not too shabby.*

The current portfolio is presented below.

TOP TEN	Share Price Information						As at: 10-Aug-18			Inception: 02-Jan-18		
	Company	Symbol	Purchase Price	Current Price	First Target	Second Target	Third Target	% Inc. to 1st Target	% Inc. to 2nd Target	% Inc. to 3rd Target		
1	HudBay Minerals Inc.	HBM	\$6.79	\$6.68	\$7.03	\$7.80	\$8.60	5.2%	16.8%	28.7%		
2	Keyera Corp.	KEY	\$35.37	\$37.82	\$37.50	\$39.00	\$40.50	-0.8%	3.1%	7.1%		
3	Manulife Financial Corporation	MFC	\$26.19	\$23.91	\$27.35	\$28.13	\$28.90	14.4%	17.6%	20.9%		
4	Shawcor Ltd.	SCL	\$27.43	\$28.07	\$28.90	\$29.70	\$30.50	3.0%	5.8%	8.7%		
5	Thomson Reuters Inc.	TRI	\$52.12	\$55.21	\$56.25	\$59.38	\$62.50	1.9%	7.6%	13.2%		
6	Vermilion Energy Inc.	VET	\$42.74	\$42.21	\$46.88	\$48.45	\$50.00	11.1%	14.8%	18.5%		

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: 10-Aug-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 HudBay Minerals Inc.	HBM	16-Jul-18	7,364	\$6.79	\$6.68	\$50,002	\$49,192	-\$810	-1.6%
2 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$37.82	\$50,013	\$53,477	\$3,464	6.9%
3 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$23.91	\$49,997	\$45,644	-\$4,353	-8.7%
4 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$28.07	\$50,005	\$51,172	\$1,167	2.3%
5 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$55.21	\$49,983	\$52,946	\$2,963	5.9%
6 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$42.21	<u>\$50,006</u>	<u>\$49,386</u>	<u>-\$620</u>	<u>-1.2%</u>
Stock Totals						\$300,005	\$301,817	\$1,812	0.6%
						Stock Annualized Return:			1.0%
Cash						\$199,995	\$199,995	40.0%	
Cumulative Dividend Payments								\$7,780	
Net Trading Profits								<u>\$64,585</u>	
Portfolio Totals						<u>\$500,000</u>	<u>\$574,176</u>	14.8%	
						Portfolio Annualized Return:			24.2%
S&P/TSX COMPOSITE INDEX						16,209.13	16,326.51	117.38	0.7%
						S&P/TSX Comp. Annualized Return:			1.2%
S&P/TSX 60 INDEX						959.70	971.63	11.93	1.2%
						S&P/TSX 60 Annualized Return:			2.0%

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
Algonquin Power & Utilities Corp.	02-Jan-18	20-Jul-18	\$14.03	\$13.01	\$50,003	\$46,368	-\$3,635	-7.3%	3,564	\$30,742
Enercare Inc.	12-Apr-18	03-Aug-18	\$17.21	\$28.86	\$49,995	\$83,838	\$33,843	67.7%	2,905	\$64,585

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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 August 10, 2018:

TOP TEN

Annual Income/Yield

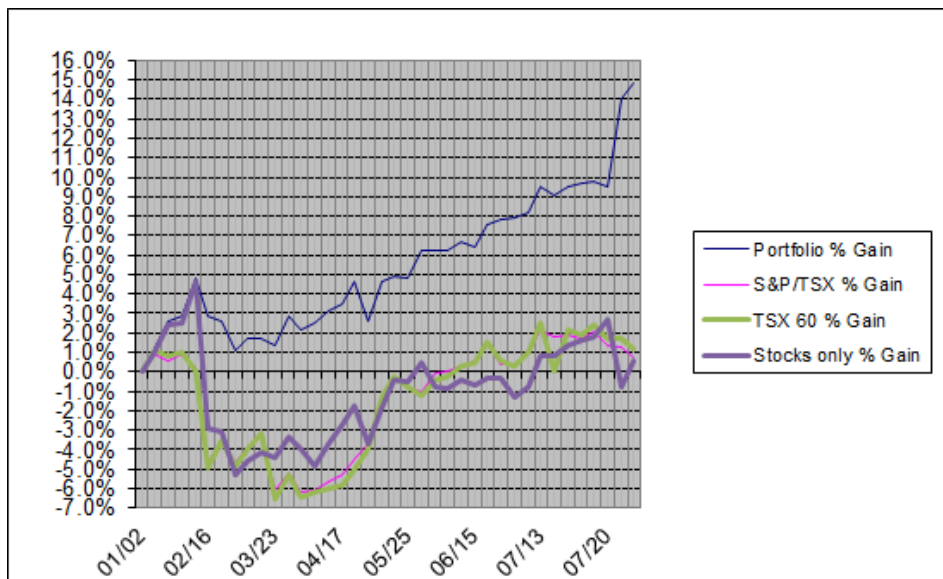
As at: 10-Aug-18

Company	Purchase	Current	Annual	Annual	Purchase	Current	Payment	Period	Pay-Out
	Price	Price	Dividend	Income	Yield	Yield	Fr	Months	To Date
1 HudBay Minerals Inc.	\$6.79	\$6.68	\$0.12	\$884	1.8%	1.8%	SA	Mar/Sep	\$74 \$0
2 Keyera Corp.	\$35.37	\$37.82	\$1.80	\$2,545	5.1%	4.8%	M	22nd	\$212 \$1,188
3 Manulife Financial Corporation	\$26.19	\$23.91	\$0.88	\$1,680	3.4%	3.7%	Q	F/M/A/N	\$420 \$840
4 Shawcor Ltd.	\$27.43	\$28.07	\$0.60	\$1,094	2.2%	2.1%	Q	M/M/A/N	\$273 \$547
5 Thomson Reuters Inc.	\$52.12	\$55.21	\$1.81	\$1,739	3.5%	3.3%	Q	F/M/A/N	\$435 \$0
6 Vermilion Energy Inc.	\$42.74	\$42.21	\$2.76	\$3,229	6.5%	6.5%	M	28th	\$269 \$807
7 Portfolio Totals				\$6,203	2.1%	2.1%			\$2,575
Dividends, Companies Sold									\$5,205
Total Dividends Received									\$7,780

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 = +14.8% (includes dividends and trading profits)
 Stock portion only = +0.6% (current stocks in the portfolio)
 S&P/TSX Composite = +0.7%
 S&P/TSX 60 = +1.2%





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