

Long-Term Perspective

August 24, 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:** *Our Portfolio, as well as the two Indexes that we track, have essentially been flat-lining over the past week. To date, and thanks to our Trading Profits, the Portfolio is ahead by 13.4%, or 20.6% on annualized basis. At the moment, we are fully invested, this after we added ATCO Ltd. and Nemaska Lithium earlier this past week.*

The current portfolio is presented below.

TOP TEN	Share Price Information						As at: 24-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	ATCO Ltd.	ACO.X	\$39.90	\$39.80	\$40.63	\$41.40	\$42.17	2.1%	4.0%	6.0%		
2	Boralex Inc.	BLX	\$19.22	\$18.80	\$20.35	\$21.10	\$21.88	8.2%	12.2%	16.4%		
3	HudBay Minerals Inc.	HBM	\$6.79	\$6.41	\$7.03	\$7.80	\$8.60	9.7%	21.7%	34.2%		
4	Keyera Corp.	KEY	\$35.37	\$37.28	\$37.50	\$39.00	\$40.50	0.6%	4.6%	8.6%		
5	Manulife Financial Corporation	MFC	\$26.19	\$24.02	\$27.35	\$28.13	\$28.90	13.9%	17.1%	20.3%		
6	Maxar Technologies	MAXR	\$48.67	\$44.12	\$50.00	\$53.13	\$56.25	13.3%	20.4%	27.5%		
7	Nemaska Lithium	NMX	\$0.75	\$0.75	\$0.88	\$0.98	\$1.08	17.3%	30.7%	44.0%		
8	Shawcor Ltd.	SCL	\$27.43	\$28.63	\$28.90	\$29.70	\$30.50	0.9%	3.7%	6.5%		
9	Thomson Reuters Inc.	TRI	\$52.12	\$55.87	\$56.25	\$59.38	\$62.50	0.7%	6.3%	11.9%		
10	Vermilion Energy Inc.	VET	\$42.74	\$41.82	\$46.88	\$48.45	\$50.00	12.1%	15.9%	19.6%		

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 **HudBay Minerals, Keyera Corporation, and Shawcor Ltd.**

The performance of these stocks is provided in the table on the net page.

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**TOP TEN**
**Portfolio Performance**
**As at: 24-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 ATCO Ltd.	ACO.X	20-Aug-18	1,253	\$39.90	\$39.80	\$49,995	\$49,869	-\$125	-0.3%
2 Boralex Inc.	BLX	13-Aug-18	2,601	\$19.22	\$18.80	\$49,991	\$48,899	-\$1,092	-2.2%
3 HudBay Minerals Inc.	HBM	16-Jul-18	7,364	\$6.79	\$6.41	\$50,002	\$47,203	-\$2,798	-5.6%
4 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$37.28	\$50,013	\$52,714	\$2,701	5.4%
5 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$24.02	\$49,997	\$45,854	-\$4,143	-8.3%
6 Maxar Technologies	MAXR	13-Aug-18	1,027	\$48.67	\$44.12	\$49,984	\$45,311	-\$4,673	-9.3%
7 Nemaska Lithium	NMX	13-Aug-18	66,667	\$0.75	\$0.75	\$50,000	\$50,000	\$0	0.0%
8 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$28.63	\$50,005	\$52,192	\$2,188	4.4%
9 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$55.87	\$49,983	\$53,579	\$3,596	7.2%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$41.82	<u>\$50,006</u>	<u>\$48,929</u>	<u>-\$1,076</u>	<u>-2.2%</u>
<b>Stock Totals</b>						<b>\$499,975</b>	<b>\$494,552</b>	<b>-\$5,423</b>	<b>-1.1%</b>
						Stock Annualized Return:			<b>-1.7%</b>
Cash						\$25	\$25		0.0%
Cumulative Dividend Payments							\$7,780		
Net Trading Profits							<u>\$64,585</u>		
<b>Portfolio Totals</b>						<b><u>\$500,000</u></b>	<b><u>\$566,942</u></b>	<b><u>\$66,942</u></b>	<b><u>13.4%</u></b>
						Portfolio Annualized Return:			<b>20.6%</b>
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	16,356.05	146.92	<b>0.9%</b>
						S&P/TSX Comp. Annualized Return:			<b>1.4%</b>
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	971.53	11.83	<b>1.2%</b>
						S&P/TSX 60 Annualized Return:			<b>1.9%</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
Extencare 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
Energear Inc.	12-Apr-18	03-Aug-18	\$17.21	\$28.86	\$49,995	\$83,838	\$33,843	67.7%	2,905	\$64,585

<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 August 20, 2018:

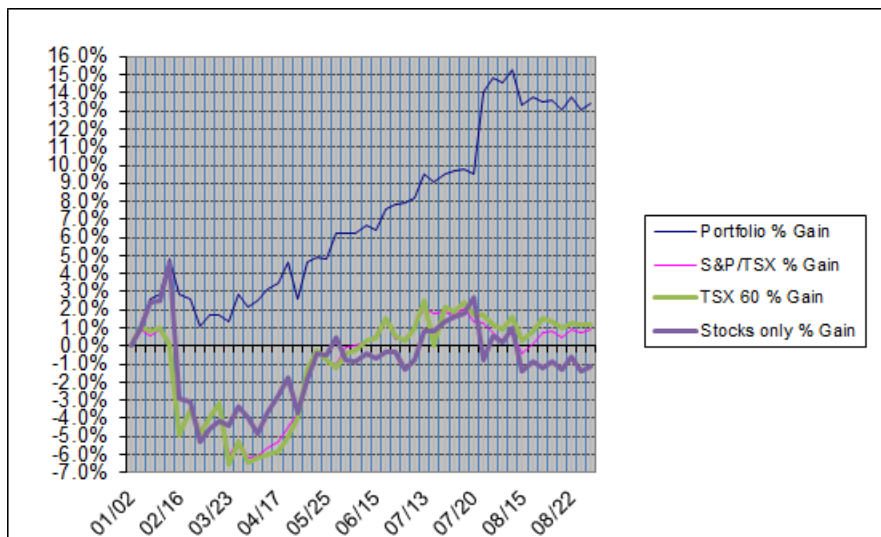
<b>TOP TEN</b>		<b>Annual Income/Yield</b>						<b>As at: 20-Aug-18</b>			
<u>Company</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 ATCO Ltd.	\$39.90	\$40.06	\$1.51	\$1,888	3.8%	3.8%	Q	S/D/M/J	\$472	\$0	
2 Boralex Inc.	\$19.22	\$18.91	\$0.63	\$1,639	3.3%	3.3%	Q	A/N/F/M	\$410	\$0	
3 HudBay Minerals Inc.	\$6.79	\$6.20	\$0.12	\$884	1.8%	1.9%	SA	Mar/Sep	\$74	\$0	
4 Keyera Corp.	\$35.37	\$37.22	\$1.80	\$2,545	5.1%	4.8%	M	22nd	\$212	\$1,188	
5 Manulife Financial Corporation	\$26.19	\$24.19	\$0.88	\$1,680	3.4%	3.6%	Q	F/M/A/N	\$420	\$840	
6 Maxar Technologies	\$48.67	\$47.20	\$1.48	\$1,520	3.0%	3.1%	Q	S/D/M/J	\$380	\$0	
7 Nemaska Lithium	\$0.75	\$0.77	\$0.00	\$0	0.0%	0.0%	--	-----	\$0	\$0	
8 Shawcor Ltd.	\$27.43	\$28.19	\$0.60	\$1,094	2.2%	2.1%	Q	M/M/A/N	\$273	\$547	
9 Thomson Reuters Inc.	\$52.12	\$56.40	\$1.80	\$1,726	3.5%	3.2%	Q	F/M/A/N	\$431	\$0	
10 Vermilion Energy Inc.	\$42.74	\$39.79	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>6.9%</u>	M	28th	\$269	<u>\$807</u>	
<b>Portfolio Totals</b>				<b>\$7,723</b>	<b>1.5%</b>	<b>1.6%</b>				<b>\$2,575</b>	
<b>Dividends, Companies Sold</b>										<b><u>\$5,205</u></b>	
<b>Total Dividends Received</b>										<b><u>\$7,780</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 = +13.4% (includes dividends and trading profits)  
 Stock portion only = -1.1% (current stocks in the portfolio)  
 S&P/TSX Composite = +0.9%  
 S&P/TSX 60 = +1.2%



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