

Long-Term Perspective

September 7, 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:** *Small decline in the Portfolio this past week. Thanks to our Trading Profits, the Portfolio is well ahead of the two index bench-marks. We remain fully invested.*

The current portfolio is presented below.

TOP TEN	Share Price Information						As at: 07-Sep-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	\$37.87	\$40.63	\$41.40	\$42.17	7.3%	9.3%	11.4%		
2	Boralex Inc.	BLX	\$19.22	\$19.52	\$20.35	\$21.10	\$21.88	4.3%	8.1%	12.1%		
3	HudBay Minerals Inc.	HBM	\$6.79	\$5.65	\$7.03	\$7.80	\$8.60	24.4%	38.1%	52.2%		
4	Keyera Corp.	KEY	\$35.37	\$34.97	\$37.50	\$39.00	\$40.50	7.2%	11.5%	15.8%		
5	Manulife Financial Corporation	MFC	\$26.19	\$23.26	\$27.35	\$28.13	\$28.90	17.6%	20.9%	24.2%		
6	Maxar Technologies	MAXR	\$48.67	\$43.69	\$50.00	\$53.13	\$56.25	14.4%	21.6%	28.7%		
7	Nemaska Lithium	NMX	\$0.75	\$0.72	\$0.88	\$0.98	\$1.08	22.2%	36.1%	50.0%		
8	Shawcor Ltd.	SCL	\$27.43	\$25.49	\$28.90	\$29.70	\$30.50	13.4%	16.5%	19.7%		
9	Thomson Reuters Inc.	TRI	\$52.12	\$58.95	\$56.25	\$59.38	\$62.50	-4.6%	0.7%	6.0%		
10	Vermilion Energy Inc.	VET	\$42.74	\$41.25	\$46.88	\$48.45	\$50.00	13.6%	17.5%	21.2%		

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.

<continued>

**TOP TEN**
**Portfolio Performance**
**As at: 07-Sep-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	\$37.87	\$49,995	\$47,451	-\$2,544	-5.1%
2 Boralex Inc.	BLX	13-Aug-18	2,601	\$19.22	\$19.52	\$49,991	\$50,772	\$780	1.6%
3 HudBay Minerals Inc.	HBM	16-Jul-18	7,364	\$6.79	\$5.65	\$50,002	\$41,607	-\$8,395	-16.8%
4 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$34.97	\$50,013	\$49,448	-\$566	-1.1%
5 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$23.26	\$49,997	\$44,403	-\$5,593	-11.2%
6 Maxar Technologies	MAXR	13-Aug-18	1,027	\$48.67	\$43.69	\$49,984	\$44,870	-\$5,114	-10.2%
7 Nemaska Lithium	NMX	13-Aug-18	66,667	\$0.75	\$0.72	\$50,000	\$48,000	-\$2,000	-4.0%
8 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$25.49	\$50,005	\$46,468	-\$3,537	-7.1%
9 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$58.95	\$49,983	\$56,533	\$6,550	13.1%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$41.25	<u>\$50,006</u>	<u>\$48,263</u>	<u>-\$1,743</u>	<u>-3.5%</u>
<b>Stock Totals</b>						<b>\$499,975</b>	<b>\$477,814</b>	<b>-\$22,162</b>	<b>-4.4%</b>
						Stock Annualized Return:			<b>-6.5%</b>
Cash						\$25	\$25		0.0%
Cumulative Dividend Payments							\$9,065		
Net Trading Profits							<u>\$64,585</u>		
<b>Portfolio Totals</b>						<b><u>\$500,000</u></b>	<b><u>\$551,489</u></b>	<b><u>\$51,489</u></b>	<b><u>10.3%</u></b>
						Portfolio Annualized Return:			<b>15.0%</b>
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	16,090.27	<b>-118.86</b>	<b>-0.7%</b>
						S&P/TSX Comp. Annualized Return:			<b>-1.1%</b>
						Annualized Return, incl. dividends			<b>2.2%</b>
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	956.49	<b>-3.21</b>	<b>-0.3%</b>
						S&P/TSX 60 Annualized Return:			<b>-0.5%</b>
						Annualized Return, incl. dividends			<b>2.6%</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
Extendicare 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

<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 31, 2018:

<b>TOP TEN</b>		<b>Annual Income/Yield</b>						<b>As at: 31-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>Payout</u>	<u>Pay-Out To Date</u>	
1 ATCO Ltd.	\$39.90	\$39.01	\$1.51	\$1,888	3.8%	3.9%	Q	S/D/M/J	\$472	\$0	
2 Boralex Inc.	\$19.22	\$19.21	\$0.63	\$1,639	3.3%	3.3%	Q	A/N/F/M	\$410	\$410	
3 HudBay Minerals Inc.	\$6.79	\$6.10	\$0.12	\$884	1.8%	2.0%	SA	Mar/Sep	\$74	\$0	
4 Keyera Corp.	\$35.37	\$35.96	\$1.80	\$2,545	5.1%	5.0%	M	22nd	\$212	\$1,400	
5 Manulife Financial Corporation	\$26.19	\$23.88	\$0.88	\$1,680	3.4%	3.7%	Q	F/M/A/N	\$420	\$1,260	
6 Maxar Technologies	\$48.67	\$40.45	\$1.48	\$1,520	3.0%	3.7%	Q	S/D/M/J	\$380	\$380	
7 Nemaska Lithium	\$0.75	\$0.80	\$0.00	\$0	0.0%	0.0%	--	-----	\$0	\$0	
8 Shawcor Ltd.	\$27.43	\$27.44	\$0.60	\$1,094	2.2%	2.2%	Q	M/M/A/N	\$273	\$820	
9 Thomson Reuters Inc.	\$52.12	\$58.04	\$1.80	\$1,725	3.5%	3.1%	Q	F/M/A/N	\$431	\$431	
10 Vermilion Energy Inc.	\$42.74	\$41.44	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>6.7%</u>	M	28th	\$269	<u>\$1,346</u>	
<b>Portfolio Totals</b>				<b>\$7,723</b>	<b>1.5%</b>	<b>1.6%</b>				<b>\$3,860</b>	
<b>Dividends, Companies Sold</b>										<b>\$5,205</b>	
<b>Total Dividends Received</b>										<b>\$9,065</b>	
									<b>Dividend Yield</b>	<b>1.8%</b>	

## Comparison

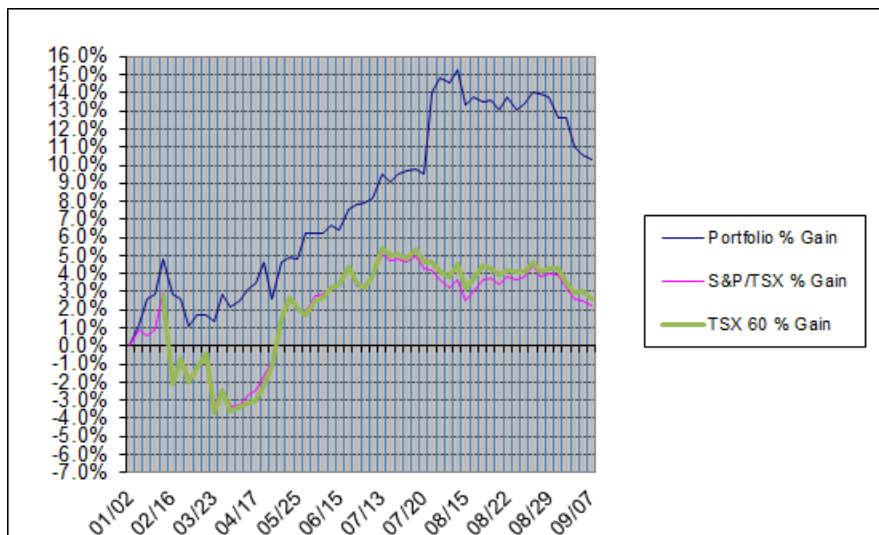
For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (**BLUE** line) against the S&P/TSX Composite Index (**PINK** line) and the S&P/TSX 60 (**GREEN** line).

The portfolio is performing much better than either of the market indexes, (trading profits!):

Portfolio performance = +10.3% (includes dividends and trading profits)

S&P/TSX Composite = +2.2% (includes dividends)

S&P/TSX 60 = +2.6% (includes dividends)



---

## DISCLAIMER

### **eResearch Corporation**

**eResearch** was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: [www.eResearch.ca](http://www.eResearch.ca).

### **eResearch Disclosure Statement**

eResearch is engaged solely in the provision of equity research to the investment community. eResearch provides published research and analysis to its Subscribers on its website ([www.eresearch.ca](http://www.eresearch.ca)), and to the general investing public through its extensive electronic distribution network and through newswire agencies.

With regards to distribution of its research material, eResearch makes all reasonable efforts to provide its publications, via e-mail, simultaneously to all of its Subscribers.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.