

Long-Term Perspective

October 5, 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:** *In line with the overall equity market, the Portfolio has been in a downwards trend over the past few weeks. Typically, the months of September and October are not good for stocks and this year has been no exception. A comprehensive review of the current holdings is certainly justified.*

The current portfolio is presented below.

TOP TEN	Share Price Information			As at: 05-Oct-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	\$36.46	\$40.63	\$41.40	\$42.17	11.4%	13.5%	15.7%
2	Boralex Inc.	BLX	\$19.22	\$16.68	\$20.35	\$21.10	\$21.88	22.0%	26.5%	31.2%
3	HudBay Minerals Inc.	HBM	\$6.79	\$5.96	\$7.03	\$7.80	\$8.60	18.0%	30.9%	44.3%
4	Keyera Corp.	KEY	\$35.37	\$34.59	\$37.50	\$39.00	\$40.50	8.4%	12.7%	17.1%
5	Manulife Financial Corporation	MFC	\$26.19	\$21.86	\$27.35	\$28.13	\$28.90	25.1%	28.7%	32.2%
6	Maxar Technologies	MAXR	\$48.67	\$42.17	\$50.00	\$53.13	\$56.25	18.6%	26.0%	33.4%
7	Nemaska Lithium	NMX	\$0.75	\$0.77	\$0.88	\$0.98	\$1.08	14.3%	27.3%	40.3%
8	Shawcor Ltd.	SCL	\$27.43	\$24.92	\$28.90	\$29.70	\$30.50	16.0%	19.2%	22.4%
9	Thomson Reuters Inc.	TRI	\$52.12	\$60.69	\$56.25	\$59.38	\$62.50	-7.3%	-2.2%	3.0%
10	Vermilion Energy Inc.	VET	\$42.74	\$42.50	\$46.88	\$48.45	\$50.00	10.3%	14.0%	17.6%

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: 05-Oct-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	\$36.46	\$49,995	\$45,684	-\$4,310	-8.6%
2 Boralex Inc.	BLX	13-Aug-18	2,601	\$19.22	\$16.68	\$49,991	\$43,385	-\$6,607	-13.2%
3 HudBay Minerals Inc.	HBM	16-Jul-18	7,364	\$6.79	\$5.96	\$50,002	\$43,889	-\$6,112	-12.2%
4 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$34.59	\$50,013	\$48,910	-\$1,103	-2.2%
5 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$21.86	\$49,997	\$41,731	-\$8,266	-16.5%
6 Maxar Technologies	MAXR	13-Aug-18	1,027	\$48.67	\$42.17	\$49,984	\$43,309	-\$6,676	-13.4%
7 Nemaska Lithium	NMX	13-Aug-18	66,667	\$0.75	\$0.77	\$50,000	\$51,334	\$1,333	2.7%
8 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$24.92	\$50,005	\$45,429	-\$4,576	-9.2%
9 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$60.69	\$49,983	\$58,202	\$8,219	16.4%
10 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$42.50	<u>\$50,006</u>	<u>\$49,725</u>	<u>-\$281</u>	<u>-0.6%</u>
<b>Stock Totals</b>						<b>\$499,975</b>	<b>\$471,598</b>	<b>-\$28,378</b>	<b>-5.7%</b>
						Stock Annualized Return:			<b>-7.4%</b>
Cash						\$25	\$25		0.0%
Cumulative Dividend Payments							\$9,351		
Net Trading Profits							<u>\$64,585</u>		
<b>Portfolio Totals</b>						<b>\$500,000</b>	<b>\$545,558</b>	<b>\$45,558</b>	<b>9.1%</b>
						Portfolio Annualized Return:			<b>11.9%</b>
<b>Portfolio Totals (ex Trading Profits)</b>						<b>\$500,000</b>	<b>\$480,973</b>	<b>-\$19,027</b>	<b>-3.8%</b>
									<b>-5.0%</b>
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						16,209.13	15,946.17	<b>-262.96</b>	<b>-1.6%</b>
						S&P/TSX Comp. Annualized Return:			<b>-2.1%</b>
						Annualized Return, incl. dividends			<b>1.3%</b>
<b>S&amp;P/TSX 60 INDEX .....</b>						959.70	947.21	<b>-12.49</b>	<b>-1.3%</b>
						S&P/TSX 60 Annualized Return:			<b>-1.7%</b>
						Annualized Return, incl. dividends			<b>1.6%</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:

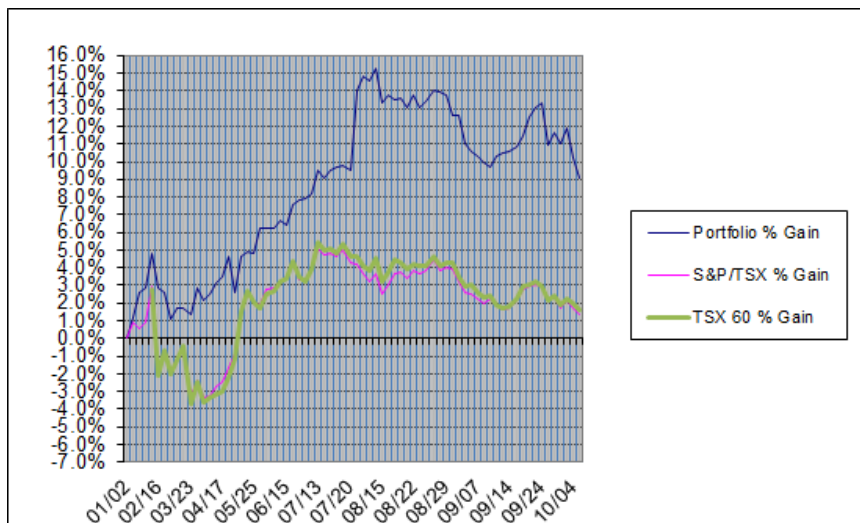
<b>TOP TEN</b>		<b>Annual Income/Yield</b>				<b>As at: 05-Oct-18</b>				
<u>Company</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Annual Dividend</u>	<u>Annual Income</u>	<u>Purchase Yield</u>	<u>Current Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Payout</u>	<u>Pay-Out To Date</u>
1 ATCO Ltd.	\$39.90	\$36.46	\$1.51	\$1,888	3.8%	4.1%	Q	S/D/M/J	\$472	\$472
2 Boralex Inc.	\$19.22	\$16.68	\$0.63	\$1,639	3.3%	3.8%	Q	A/N/F/M	\$410	\$410
3 HudBay Minerals Inc.	\$6.79	\$5.96	\$0.12	\$884	1.8%	2.0%	SA	Mar/Sep	\$74	\$74
4 Keyera Corp.	\$35.37	\$34.59	\$1.80	\$2,545	5.1%	5.2%	M	22nd	\$212	\$1,612
5 Manulife Financial Corporation	\$26.19	\$21.86	\$0.88	\$1,680	3.4%	4.0%	Q	F/M/A/N	\$420	\$1,260
6 Maxar Technologies	\$48.67	\$42.17	\$1.48	\$1,520	3.0%	3.5%	Q	S/D/M/J	\$380	\$380
7 Nemaska Lithium	\$0.75	\$0.77	\$0.00	\$0	0.0%	0.0%	--	-----	\$0	\$0
8 Shawcor Ltd.	\$27.43	\$24.92	\$0.60	\$1,094	2.2%	2.4%	Q	M/M/A/N	\$273	\$820
9 Thomson Reuters Inc.	\$52.12	\$60.69	\$1.79	\$1,713	3.4%	2.9%	Q	F/M/A/N	\$428	\$428
10 Vermilion Energy Inc.	\$42.74	\$42.50	\$2.76	<u>\$3,229</u>	<u>6.5%</u>	<u>6.5%</u>	M	28th	\$269	<u>\$1,615</u>
<b>Portfolio Totals</b>				<b>\$7,723</b>	<b>1.5%</b>	<b>1.6%</b>				<b>\$4,146</b>
<b>Dividends, Companies Sold</b>										<b>\$5,205</b>
<b>Total Dividends Received</b>										<b>\$9,351</b>
								<b>Dividend Yield (annualized)</b>		<b>2.8%</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 = +9.1% (includes dividends and trading profits)  
 S&P/TSX Composite = +1.3% (includes dividends)  
 S&P/TSX 60 = +1.6% (includes dividends)





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