

Top-Ten Portfolio

We have created a 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. We also utilize "trigger" sell prices as a systematic discipline.

THIS WEEK'S COMMENT: During the first full week for the Portfolio, we sold the Maxar Technologies holding in two transactions and suffered a loss of \$13,582. Ouch! We replaced it with a purchase of Parex Resources on Wednesday and it is already up over 6%. Two stocks, Toromont Industries and Vermilion Energy, have exceeded their First Target Price. The overall Portfolio is up 1.3%, and well below the 4.3% gain attributable to the S&P/TSX Composite. That Maxar loss will take some time to overcome.

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 11-Jan-19		Inception: 01-Jan-19 (Dec 31/18 closing prices)	
<u>Company</u>	<u>Symbol</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>First Target</u>	<u>Second Target</u>	<u>First Sell (First 50%)</u>	<u>Second Sell (Second 50%)</u>
1 AltaGas Ltd.	ALA	\$13.90	\$14.01	\$15.63	\$18.75	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.65	\$2.75	\$3.13	\$2.29	\$2.17
3 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$605.78	\$625.00	\$687.50	\$582.95	\$558.91
4 Goldcorp Inc.	G	\$13.37	\$12.86	\$14.00	\$14.85	\$12.84	\$12.30
5 Parex Resources Inc.	PXT	\$17.66	\$18.75	\$20.30	\$21.90	\$16.95	\$16.25
6 Parkland Fuel Corporation	PKI	\$35.34	\$35.10	\$37.50	\$40.63	\$33.93	\$32.51
7 Shopify Inc.	SHOP	\$188.79	\$198.13	\$200.00	\$212.50	\$183.13	\$175.57
8 Toromont Industries Ltd.	TIH	\$54.26	\$56.44	\$56.25	\$59.40	\$52.63	\$50.46
9 Vermilion Energy Inc.	VET	\$28.76	\$31.93	\$31.25	\$34.38	\$27.61	\$26.46
10 Whitecap Resources Inc.	WCP	\$4.35	\$4.74	\$5.50	\$6.25	\$4.13	\$3.92

NB: Sell Price for stocks under \$10 is -5% and -10%; between \$10 and \$50, it is -4% and -8%; over \$50, it is -3% and -7%.

NB: If a stock reaches its First Sell but not its Second Sell, the holding is repurchased when it reaches the original Purchase Price.

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 **AltaGas** and **Vermilion Energy**.

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

TOP TEN

Portfolio Performance

As at: 11-Jan-19 Initiation: 01-Jan-19

<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 AltaGas Ltd.	ALA	02-Jan-19	3,597	\$13.90	\$14.01	\$49,998	\$50,394	\$396	0.8%
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.65	\$50,000	\$54,980	\$4,979	10.0%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$605.78	\$49,944	\$50,343	\$399	0.8%
4 Goldcorp Inc.	G	02-Jan-19	3,740	\$13.37	\$12.86	\$50,004	\$48,096	-\$1,907	-3.8%
5 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$18.75	\$36,424	\$38,672	\$2,248	6.2%
6 Parkland Fuel Corporation	PKI	02-Jan-19	1,415	\$35.34	\$35.10	\$50,006	\$49,667	-\$340	-0.7%
7 Shopify Inc.	SHOP	02-Jan-19	265	\$188.79	\$198.13	\$50,029	\$52,504	\$2,475	4.9%
8 Toromont Industries Ltd.	TIH	02-Jan-19	922	\$54.26	\$56.44	\$50,028	\$52,038	\$2,010	4.0%
9 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$31.93	\$49,985	\$55,494	\$5,509	11.0%
Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.74	\$49,999	\$54,482	\$4,483	9.0%
Stock Totals						\$486,418	\$506,670	\$20,252	4.2%
Stock Annualized Return:									1061.7%

Cash	\$0	\$0
Cumulative Dividend Payments		\$0
Net Trading Profits		\$0
Net Trading Losses	-\$13,582	

Portfolio Totals

<u>\$500,000</u>	<u>\$506,670</u>	\$6,670	1.3%
Portfolio Annualized Return:			340.2%

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>
Maxar Technologies Ltd.	02-Jan-19	07-Jan-19	\$16.31	\$14.11	\$25,003	\$21,631	-\$3,373	-13.5%	1,533	-\$3,373
Maxar Technologies Ltd.	02-Jan-18	08-Jan-19	\$16.31	\$9.65	\$25,003	\$14,793	-\$10,210	-40.8%	1,533	-\$13,582

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 Jan. 2, 2019:

TOP TEN

Annual Income/Yield

As at: 11-Jan-19

	Purchase	Current	Annual	Annual	Purchase	Current		Payment	Dividend	Period	Pay-Out	
<u>Company</u>	<u>Price</u>	<u>Price</u>	<u>Dividend</u>	<u>Income</u>	<u>Yield</u>	<u>Yield</u>	<u>Fr</u>	<u>Months</u>	<u>Payout</u>	<u>Payout</u>	<u>To Date</u>	
1 AltaGas Ltd.	\$13.90	\$14.01	\$0.96	\$3,453	6.9%	6.9%	M	15th	\$0.08	\$288	\$0	
2 Baytex Energy Corp.	\$2.41	\$2.65	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
3 Fairfax Financial Holdings Ltd.	\$600.98	\$605.78	\$10.00	\$831	1.7%	1.7%	A	Jan	\$10.00	\$831	\$0	
4 Goldcorp Inc.	\$13.37	\$12.86	\$0.08	\$299	0.6%	0.6%	Q	MJSD	\$0.02	\$75	\$0	
5 Parex Resources Inc.	\$17.66	\$18.75	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
6 Parkland Fuel Corporation	\$35.34	\$35.10	\$1.17	\$1,661	3.3%	3.3%	M	15th	\$0.0978	\$138	\$0	
7 Shopify Inc.	\$188.79	\$198.13	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
8 Toromont Industries Ltd.	\$54.26	\$56.44	\$0.92	\$848	1.7%	1.6%	Q	MJSD	\$0.23	\$212	\$0	
9 Vermilion Energy Inc.	\$28.76	\$31.93	\$2.76	\$4,797	9.6%	8.6%	M	15th	\$0.23	\$400	\$0	
10 Whitecap Resources Inc.	\$4.35	\$4.74	\$0.32	<u>\$3,724</u>	<u>7.4%</u>	<u>6.8%</u>	M	15th	\$0.03	\$310	<u>\$0</u>	
Portfolio Totals				\$15,613	3.2%	3.1%						\$0
Dividends, Companies Sold											<u>\$0</u>	
Total Dividends Received											\$0	

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