

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: *The overall portfolio declined last week, from \$519,396 to \$503,819, or 3.0%. Just two stocks are in the **Red**. We added Surge Energy Inc. on Friday to take the place of Goldcorp Inc., previously sold. We realize the portfolio is somewhat weighted towards the energy sector. This is deliberate as we expect the sector to respond positively in 2019. We are watching Baytex Energy Corp. closely as it is close to being a Sell under our criteria. It is just that this stock is so volatile and it can move up and down so quickly. We do not want to be whip-sawed.*

The portfolio is presented below.

TOP TEN	Share Price Information		As at: 25-Jan-19		Inception: 01-Jan-19 (Dec 31/18 closing prices)			
	Company	Symbol	Purchase Price	Current Price	First Target	Second Target	First Sell (First 50%)	Second Sell (Second 50%)
1	AltaGas Ltd.	ALA	\$13.90	\$13.65	\$15.63	\$18.75	\$13.34	\$12.79
2	Baytex Energy Corp.	BTE	\$2.41	\$2.23	\$2.75	\$3.13	\$2.29	\$2.17
3	Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$621.97	\$625.00	\$687.50	\$582.95	\$558.91
4	Parex Resources Inc.	PXT	\$17.66	\$18.98	\$20.30	\$21.90	\$16.95	\$16.25
5	Parkland Fuel Corporation	PKI	\$35.34	\$36.35	\$37.50	\$40.63	\$33.93	\$32.51
6	Shopify Inc.	SHOP	\$188.79	\$215.46	\$200.00	\$212.50	\$183.13	\$175.57
7	Surge Energy Inc.	SGY	\$1.34	\$1.34	\$1.55	\$1.95	\$1.27	\$1.21
8	Toromont Industries Ltd.	TIH	\$54.26	\$58.00	\$56.25	\$59.40	\$52.63	\$50.46
9	Vermilion Energy Inc.	VET	\$28.76	\$30.92	\$31.25	\$34.38	\$27.61	\$26.46
10	Whitecap Resources Inc.	WCP	\$4.35	\$4.35	\$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 if it recovers to the original Purchase Price.

NB: **Green** 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: 25-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	\$13.65	\$49,998	\$49,099	-\$899	-1.8%
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.23	\$50,000	\$46,266	-\$3,734	-7.5%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$621.97	\$49,944	\$51,689	\$1,744	3.5%
4 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$18.98	\$36,424	\$39,146	\$2,723	7.5%
5 Parkland Fuel Corporation	PKI	02-Jan-19	1,415	\$35.34	\$36.35	\$50,006	\$51,435	\$1,429	2.9%
6 Shopify Inc.	SHOP	02-Jan-19	265	\$188.79	\$215.46	\$50,029	\$57,097	\$7,068	14.1%
7 Surge Energy Inc.	SGY	25-Jan-19	37,314	\$1.34	\$1.34	\$50,001	\$50,001	\$0	0.0%
8 Toromont Industries Ltd.	TIH	02-Jan-19	922	\$54.26	\$58.00	\$50,028	\$53,476	\$3,448	6.9%
9 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$30.92	\$49,985	\$53,739	\$3,754	7.5%
10 Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.35	\$49,999	\$49,999	\$0	0.0%
Stock Totals						\$486,414	\$501,947	\$15,532	3.2%
						Stock Annualized Return:		45.2%	
Cash						\$1,873	\$1,873		
Cumulative Dividend Payments						\$0			
Net Trading Profits						\$0			
Net Trading Losses						-\$11,712			
Portfolio Totals						\$500,000	\$503,819	\$3,820	0.8%
						Portfolio Annualized Return:		10.8%	
Portfolio Totals (ex Trading Profits)						\$500,000	\$503,819	\$3,820	0.8%
								10.8%	
S&P/TSX COMPOSITE INDEX						14,322.86	15,366.05	1,043.19	7.3%
						S&P/TSX Comp. Annualized Return:		103.2%	
						Annualized Return, incl. dividends		#REF!	

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-19	08-Jan-19	\$16.31	\$9.65	\$25,003	\$14,793	-\$10,210	-40.8%	1,533	-\$13,582
Goldcorp Inc.	02-Jan-19	14-Jan-19	\$13.37	\$13.87	\$50,004	\$51,874	\$1,870	3.7%	3,740	-\$11,712

<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 Jan. 25, 2019:

TOP TEN		Annual Income/Yield					As at: 25-Jan-19					
<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>Payment Months</u>	<u>Dividend Payout</u>	<u>Period Payout</u>	<u>Pay-Out To Date</u>	
1 AltaGas Ltd.	\$13.90	\$13.65	\$0.96	\$3,453	6.9%	7.0%	M	15th	\$0.08	\$288	\$0	
2 Baytex Energy Corp.	\$2.41	\$2.23	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
3 Fairfax Financial Holdings Ltd.	\$600.98	\$621.97	\$10.00	\$831	1.7%	1.6%	A	Jan	\$10.00	\$831	\$0	
4 Parex Resources Inc.	\$17.66	\$18.98	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
5 Parkland Fuel Corporation	\$35.34	\$36.35	\$1.17	\$1,661	3.3%	3.2%	M	15th	\$0.0978	\$138	\$0	
6 Shopify Inc.	\$188.79	\$215.46	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
7 Surge Energy Inc.	\$1.34	\$1.34	\$0.10	\$3,731	7.5%	7.5%	M	30th	\$0.0083	\$311	\$0	
8 Toromont Industries Ltd.	\$54.26	\$58.00	\$0.92	\$848	1.7%	1.6%	Q	MJSD	\$0.23	\$212	\$0	
9 Vermilion Energy Inc.	\$28.76	\$30.92	\$2.76	\$4,797	9.6%	8.9%	M	15th	\$0.23	\$400	\$0	
10 Whitecap Resources Inc.	\$4.35	\$4.35	\$0.32	\$3,724	7.4%	7.4%	M	15th	\$0.03	\$310	\$0	
Portfolio Totals				\$19,045	3.9%	3.8%						
Dividends, Companies Sold											\$0	
Total Dividends Received											\$0	

#####

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.

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), 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.