

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: Profit-taking. I reduced, yet again, the Shopify holding, taking advantage of the continued buoyancy in the stock. Going forward, the Target Prices were raised. I also sold the entire holding of 922 shares of Toromont Industries after the stock jumped significantly in back-to-back trading sessions. A gain of 27.5% in a month and a half is noteworthy. Baytex Energy continues to be the only stock in the **Red**. With good gains across the board, the Portfolio performance has finally caught up to that of the S&P/TSX Composite, both tied with a gain of 11.8% since inception on January 2. I am now sitting on more than \$100,000 of cash and only nine stocks in the Top Ten Portfolio.

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 22-Feb-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	\$15.67	\$15.63	\$18.75	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.30	\$2.75	\$3.13	\$2.29	\$2.17
3 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$658.28	\$625.00	\$687.50	\$582.95	\$558.91
4 Parex Resources Inc.	PXT	\$17.66	\$20.79	\$20.30	\$21.90	\$16.95	\$16.25
5 Parkland Fuel Corporation	PKI	\$35.34	\$37.55	\$37.50	\$40.63	\$33.93	\$32.51
6 Shopify Inc.	SHOP	\$188.79	\$241.47	\$237.50	\$250.00	\$183.13	\$175.57
7 Surge Energy Inc.	SGY	\$1.34	\$1.37	\$1.55	\$1.95	\$1.27	\$1.21
8 Vermilion Energy Inc.	VET	\$28.76	\$33.01	\$31.25	\$34.38	\$27.61	\$26.46
9 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 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: 22-Feb-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	\$15.67	\$49,998	\$56,365	\$6,367	12.7%
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.30	\$50,000	\$47,718	-\$2,282	-4.6%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$658.28	\$49,944	\$54,706	\$4,762	9.5%
4 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$20.79	\$36,424	\$42,879	\$6,456	17.7%
5 Parkland Fuel Corporation	PKI	02-Jan-19	1,415	\$35.34	\$37.55	\$50,006	\$53,133	\$3,127	6.3%
6 Shopify Inc.	SHOP	02-Jan-19	100	\$188.79	\$241.47	\$18,879	\$24,147	\$5,268	27.9%
7 Surge Energy Inc.	SGY	25-Jan-19	37,314	\$1.34	\$1.37	\$50,001	\$51,120	\$1,119	2.2%
8 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$33.01	\$49,985	\$57,371	\$7,386	14.8%
9 Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.74	\$49,999	\$54,482	\$4,483	9.0%
Stock Totals						\$405,236	\$441,922	\$36,686	9.1%
						Stock Annualized Return:			62.4%
Cash						\$104,808	\$104,808		
Cumulative Dividend Payments							\$2,278		
Net Trading Profits							\$10,044		
Net Trading Losses							\$0		
Portfolio Totals						\$500,000	\$559,052	\$59,053	11.8%
						Portfolio Annualized Return:			81.4%
Portfolio Totals (ex Trading Profits)						\$500,000	\$549,008	\$49,008	9.8%
									67.6%
S&P/TSX COMPOSITE INDEX						14,322.86	16,013.01	1,690.15	11.8%
						S&P/TSX Comp. Annualized Return:			81.3%

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
Goldecorp Inc.	02-Jan-19	14-Jan-19	\$13.37	\$13.87	\$50,004	\$51,874	\$1,870	3.7%	3,740	-\$11,712
Shopify Inc.	02-Jan-19	05-Feb-19	\$188.79	\$229.42	\$12,271	\$14,912	\$2,641	21.5%	65	-\$9,071
Shopify Inc.	02-Jan-19	19-Feb-19	\$188.79	\$242.20	\$18,879	\$24,220	\$5,341	28.3%	100	-\$3,730
Toromont Industries Ltd.	02-Jan-19	19-Feb-19	\$54.26	\$69.20	\$50,028	\$63,802	\$13,775	27.5%	922	\$10,044

<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 every two weeks, unless there is a change in the portfolio. These totals are as at February 22, 2019:

TOP TEN		Annual Income/Yield					As at: 22-Feb-19				
		Purchase	Current	Annual	Annual	Purchase	Current	Payment	Dividend	Period	Pay-Out
		Price	Price	Dividend	Income	Yield	Yield	Fr	Months	Payout	To Date
1	AltaGas Ltd.	\$13.90	\$15.67	\$0.96	\$3,453	6.9%	6.1%	M	15th	\$0.08	\$288
2	Baytex Energy Corp.	\$2.41	\$2.30	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
3	Fairfax Financial Holdings Ltd.	\$600.98	\$658.28	\$10.00	\$831	1.7%	1.5%	A	Jan	\$10.00	\$831
4	Parex Resources Inc.	\$17.66	\$20.79	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
5	Parkland Fuel Corporation	\$35.34	\$37.55	\$1.17	\$1,661	3.3%	3.1%	M	15th	\$0.0978	\$138
6	Shopify Inc.	\$188.79	\$241.47	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
7	Surge Energy Inc.	\$1.34	\$1.37	\$0.10	\$3,731	7.5%	7.3%	M	15th	\$0.0083	\$311
8	Vermilion Energy Inc.	\$28.76	\$33.01	\$2.76	\$4,797	9.6%	8.4%	M	15th	\$0.23	\$400
9	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	<u>\$310</u>
Portfolio Totals					\$18,197	3.6%	3.3%				\$2,278
Dividends, Companies Sold											\$0
Total Dividends Received											<u>\$2,278</u>
Dividend Yield (annualized)											4.9%

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Contributing Analyst/Portfolio Manager: Bob Weir, CFA

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