

## 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:** With this Thursday report, there will not be a Friday report this week. This morning we sold two stocks: Parkland Fuel Corporation and Surge Energy Inc. Both provided a modest profit. The Portfolio now has more than \$235,500 of cash, representing almost 41% of the Portfolio. I have become short-term bearish these last few days as so many stock indexes have just retreated from their respective 200-day Moving Averages. If there is an imminent pull-back, this should afford an opportunity to consider some better-valued stocks. So, at the moment, there are only six stocks in the Top Ten Portfolio. Baytex Energy is back in the **Red**. The Portfolio is well-outdistancing the S&P/TSX Composite Index.

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 07-Mar-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	\$17.69	\$15.63	\$18.75	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.25	\$2.75	\$3.13	\$2.29	\$2.17
3 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$635.55	\$625.00	\$687.50	\$582.95	\$558.91
4 Parex Resources Inc.	PXT	\$17.66	\$20.88	\$20.30	\$21.90	\$16.95	\$16.25
5 Vermilion Energy Inc.	VET	\$28.76	\$34.88	\$31.25	\$34.38	\$27.61	\$26.46
6 Whitecap Resources Inc.	WCP	\$4.35	\$4.39	\$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:** 07-Mar-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	\$17.69	\$49,998	\$63,631	\$13,633	27.3%
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.25	\$50,000	\$46,681	-\$3,320	-6.6%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$635.55	\$49,944	\$52,817	\$2,873	5.8%
4 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$20.88	\$36,424	\$43,065	\$6,641	18.2%
5 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$34.88	\$49,985	\$60,621	\$10,637	21.3%
6 Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.39	\$49,999	\$50,459	\$460	0.9%

**Stock Totals**

**\$286,351    \$317,274    \$30,924    10.8%**

Stock Annualized Return: 59.9%

Cash

\$235,508    \$235,508

Cumulative Dividend Payments

\$2,278

Net Trading Profits

\$21,859

Net Trading Losses

\$0

**Portfolio Totals**

**\$500,000    \$576,920    \$76,920    15.4%**

Portfolio Annualized Return: 85.3%

**Portfolio Totals (ex Trading Profits)**

**\$500,000    \$555,060    \$55,061    11.0%**

61.0%

**S&P/TSX COMPOSITE INDEX .....**

**14,322.86    16,056.51    1,733.65    12.1%**

S&P/TSX Comp. Annualized Return: 67.1%

**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
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
Shopify Inc.	02-Jan-19	05-Mar-19	\$188.79	\$252.20	\$18,879	\$25,220	\$6,341	33.6%	100	\$16,385
Parkland Fuel Corporation	02-Jan-19	07-Mar-19	\$35.34	\$37.89	\$50,006	\$53,614	\$3,608	7.2%	1,415	\$19,994
Surge Energy Inc.	25-Jan-19	07-Mar-19	\$1.34	\$1.39	\$50,001	\$51,866	\$1,866	3.7%	37,314	\$21,859

<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 March 7, 2019:

TOP TEN		Annual Income/Yield					As at: 07-Mar-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	\$17.69	\$0.96	\$3,453	6.9%	5.4%	M	15th	\$0.08	\$288
2	Baytex Energy Corp.	\$2.41	\$2.25	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
3	Fairfax Financial Holdings Ltd.	\$600.98	\$635.55	\$10.00	\$831	1.7%	1.6%	A	Jan	\$10.00	\$831
4	Parex Resources Inc.	\$17.66	\$20.88	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
5	Vermilion Energy Inc.	\$28.76	\$34.88	\$2.76	\$4,797	9.6%	7.9%	M	15th	\$0.23	\$400
6	Whitecap Resources Inc.	\$4.35	\$4.39	\$0.32	\$3,724	7.4%	7.4%	M	15th	\$0.03	\$310
<b>Portfolio Totals</b>					\$12,805	2.6%	2.2%				\$1,829
<b>Dividends, Companies Sold</b>											\$449
<b>Total Dividends Received</b>											\$2,278
<b>Dividend Yield (annualized)</b>											4.7%
#####											

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