

### **Long-Term Perspective**

March 15, 2019

# **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**: Very little change in the Portfolio's value this past week. As mentioned in a Subscriber Alert, we added a gold security: Sprott Physical Gold & Silver Trust. It is up slightly since inclusion. Baytex Energy continues to struggle and remains the only stock in the **Red**. Although it is below the first Sell Price, the stock is so volatile that I do not want to get whip-lashed, but I must say that I am losing some patience, particularly as the price of crude oil has been trending upwards. The other disappointing stock is Fairfax Financial Holdings. Its chart patterns are not looking good. I am still short-term cautious at the moment, so there are only seven stocks in the Portfolio. Nothing has caught my eye for consideration, but I keep looking.

The portfolio is presented below.

TOP TEN

							(Dec 31/18 closing prices)		
			Purchase	Current	First	Second	First Sell	Second Sell	
	Company	Symbol	<b>Price</b>	<b>Price</b>	<b>Target</b>	<b>Target</b>	(First 50%)	(Second 50%)	
1	AltaGas Ltd.	ALA	\$13.90	\$17.78	\$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	\$609.04	\$625.00	\$687.50	\$582.95	\$558.91	
4	Parex Resources Inc.	PXT	\$17.66	\$21.16	\$20.30	\$21.90	\$16.95	\$16.25	
5	Sprott Physical Gold & Silver Trust	CEF	\$16.99	\$17.03	\$17.20	\$17.60	\$16.31	\$15.63	
6	Vermilion Energy Inc.	VET	\$28.76	\$33.22	\$31.25	\$34.38	\$27.61	\$26.46	
7	Whitecap Resources Inc.	WCP	\$4.35	\$4.53	\$5.50	\$6.25	\$4.13	\$3.92	

As at: 15-Mar-19 Inception:

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%.

**Share Price Information** 

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

01-Jan-19

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.



7	TOP TEN	Portfolio Performance				As at:	15-Mar-19	01-Jan-19		
						Current	Purchase	Current	\$ Gain	% Gain
	<u>Company</u>	Symbol	<u>Date</u>	of Shares	<u>Price</u>	<b>Price</b>	Cost	<u>Value</u>	or (Loss)	or (Loss)
	AltaGas Ltd.	ALA	02-Jan-19	3,597	\$13.90	\$17.78	\$49,998	\$63,955	\$13,956	27.9%
	Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.25	\$50,000	\$46,681	-\$3,320	-6.6%
	Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$609.04	\$49,944	\$50,614	\$670	1.3%
4 P	Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$21.16	\$36,424	\$43,643	\$7,219	19.8%
5 S	Sprott Physical Gold & Silver Trust	CEF	11-Mar-19	2,943	\$16.99	\$17.03	\$50,002	\$50,119	\$118	0.2%
6 V	Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$33.22	\$49,985	\$57,736	\$7,751	15.5%
7 W	Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.53	\$49,999	\$52,068	\$2,069	4.1%
			Stock Totals				\$336,352	\$364,816	\$28,464	8.5%
							Stock Annual	41.5%		
			Cach				\$185 507	\$185 507		
			Cumulative Dividend Payments				4105,507			
			-							
			2							
			Net Trading	LUSSES				<b>3</b> 0		
			Portfolio Totals				\$500,000	<u>\$575,907</u>	\$75,907	15.2%
							Portfolio Ann	74.4%		
			D46-14-	Tatala (					0.5.1.0.1.5	40.00/
			Portfolio Totals (ex Trading Profits)				\$500,000	\$554,048	\$54,047	
										53.0%
			S&P/TSX COMPOSITE INDEX				14,322.86	16,140.35	1,817.49	12.7%
							S&P/TSX Co	15.0%		
								ed Return, inc		73.7%
6 V	Vermilion Energy Inc.	VET	02-Jan-19 02-Jan-19 Stock Total  Cash Cumulative Net Trading Net Trading Portfolio	1,738 11,494 als  Dividend P Profits Losses  Totals  Totals (e	\$28.76 \$4.35 ayments	\$33.22 \$4.53	\$49,985 \$49,999 \$336,352 Stock Annual \$185,507 \$500,000 Portfolio Annual \$500,000 14,322.86 \$&P/TSX Co	\$57,736 \$52,068 \$364,816 \$364,816 ized Return: \$185,507 \$3,725 \$21,859 \$0 \$575,907 aualized Return \$554,048 16,140.35 pmp. Return	\$7,751 \$2,069 \$28,464 \$75,907 m: \$54,047 1,817.49 + Divs	15.5% 4.1% 8.5% 41.5% 15.2% 74.4% 10.8% 53.0% 12.7% 15.0%

### Stocks Sold

	Purchase	Selling	Purchase	Selling	Purchase	Selling	\$ Gain	% Gain	Number	Cum. Gain
<u>Company</u>	<b>Date</b>	<b>Date</b>	<b>Price</b>	<b>Price</b>	Cost	Value	or (Loss)	or (Loss)	of Shares	or (Loss)
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 15, 2019:

	TOP TEN	Annual Income/Yield				As at: 15-Mar-19						
		Purchase	Current	Annual	Annual	Purchase	Current		Payment	Dividend	Period	Pay-Out
	Company	<b>Price</b>	Price	<b>Dividend</b>	Income	Yield	Yield	Fr	Months	<b>Payout</b>	<b>Payout</b>	To Date
1	AltaGas Ltd.	\$13.90	\$17.78	\$0.96	\$3,453	6.9%	5.4%	M	15th	\$0.08	\$288	\$576
2	Baytex Energy Corp.	\$2.41	\$2.25	\$0.00	\$0	0.0%	0.0%			\$0.00	\$0	<b>\$</b> 0
3	Fairfax Financial Holdings Ltd.	\$600.98	\$609.04	\$10.00	\$831	1.7%	1.6%	Α	Jan	\$10.00	\$831	\$831
4	Parex Resources Inc.	\$17.66	\$21.16	\$0.00	\$0	0.0%	0.0%			\$0.00	\$0	\$0
5	Sprott Physical Gold & Silver Trust	\$16.99	\$17.03	\$0.05	\$157	0.3%	0.3%	Α	Oct	\$0.01	\$39	\$0
6	Vermilion Energy Inc.	\$28.76	\$33.22	\$2.76	\$4,797	9.6%	8.3%	M	15th	\$0.23	\$400	\$799
7	Whitecap Resources Inc.	\$4.35	\$4.53	\$0.32	\$3,724	<u>7.4%</u>	7.2%	M	15th	\$0.03	\$310	<u>\$621</u>
	Portfolio Totals				\$12,962	2.6%	2.3%					\$2,827
	Dividends, Companies Sol	d										\$898
	Total Dividends Received											\$3,725
	Total Dividents Received											<u> </u>
							Dividend <b>Y</b>	Yiel	d (annuali	zed)		3.9%

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