

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 Portfolio was doing so well ... until Friday. The market tanked and so did our Portfolio. Still, since inception, including dividends and net trading profits, the Portfolio is up 16.2% compared to the S&P/TSX Composite Index (including reinvested dividends) of 14.6%. Friday saw two stocks move back into the **Red**. Fairfax Financial Holdings joined Baytex Energy under water. I mentioned last week that FFH's chart patterns were not looking good. The stock seemed to have bottomed around the \$600 level. I may let it go and look for better prospects. Trouble is, after the big recovery since Boxing Day, many stocks look fully priced. I did put a bid in (below market) on a stock I have been watching for a while, but I didn't get it at the price I was willing to pay, so I wait.

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 22-Mar-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	\$17.87	\$15.63	\$18.75	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.36	\$2.75	\$3.13	\$2.29	\$2.17
3 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$596.25	\$625.00	\$687.50	\$582.95	\$558.91
4 Parex Resources Inc.	PXT	\$17.66	\$21.03	\$20.30	\$21.90	\$16.95	\$16.25
5 Sprott Physical Gold & Silver Trust	CEF	\$16.99	\$17.26	\$17.20	\$17.60	\$16.31	\$15.63
6 Vermilion Energy Inc.	VET	\$28.76	\$33.60	\$31.25	\$34.38	\$27.61	\$26.46
7 Whitecap Resources Inc.	WCP	\$4.35	\$4.73	\$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: **Red** numbers denote the stock price is below the Sell Price; **Green** numbers denote the stock price exceeds 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-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	\$17.87	\$49,998	\$64,278	\$14,280	28.6%
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.36	\$50,000	\$48,963	-\$1,037	-2.1%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$596.25	\$49,944	\$49,551	-\$393	-0.8%
4 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$21.03	\$36,424	\$43,374	\$6,951	19.1%
5 Sprott Physical Gold & Silver Trust	CEF	11-Mar-19	2,943	\$16.99	\$17.26	\$50,002	\$50,796	\$795	1.6%
6 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$33.60	\$49,985	\$58,397	\$8,412	16.8%
7 Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$4.73	\$49,999	\$54,367	\$4,368	8.7%
Stock Totals						\$336,352	\$369,727	\$33,375	9.9%
						Stock Annualized Return:		44.4%	
Cash						\$185,507	\$185,507		
Cumulative Dividend Payments							\$3,725		
Net Trading Profits							\$21,859		
Net Trading Losses							\$0		
Portfolio Totals						\$500,000	\$580,818	\$80,818	16.2%
						Portfolio Annualized Return:		72.3%	
Portfolio Totals (ex Trading Profits)						\$500,000	\$558,959	\$58,958	11.8%
								52.8%	
S&P/TSX COMPOSITE INDEX						14,322.86	16,089.33	1,766.47	12.3%
						S&P/TSX Comp. Return + Divs		15.0%	
						Annualized Return, incl. Divs		67.2%	

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-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 Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Dividend Months	Period Payout	Pay-Out 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	\$0
3	Fairfax Financial Holdings Ltd.	\$600.98	\$609.04	\$10.00	\$831	1.7%	1.6%	A	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%	A	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	7.4%	7.2%	M	15th	\$0.03	\$310	\$621
Portfolio Totals					\$12,962	2.6%	2.3%					\$2,827
Dividends, Companies Sold												\$898
Total Dividends Received												\$3,725
Dividend Yield (annualized)											3.9%	

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