

## 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 did well last week, rising 3.8% and leap-frogging the performance, since inception, of the S&P/TSX Composite Index. Oil stocks led the way again, with Baytex Energy the big winner and fully justifying our staunch holding of the position even though our "Sell" discipline was violated a few weeks ago. On Monday, we bought Cascades Inc., which produces and markets packaging and tissue products composed mainly of recycled fibres. Fairfax Financial Holdings continues to languish. Vermillion Energy had a strong week and its share price now exceeds both of its Target Prices. Whitecap Resources put on a spurt and is now our overall best performer. Despite some healthy gains across the Portfolio, there does not seem to be a compelling reason to lighten the load at this point. But ... conditions can change very quickly, and we can react quickly.*

The portfolio is presented below.

TOP TEN	Share Price Information		As at: 12-Apr-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	\$18.30	\$15.63	\$18.75	\$13.34	\$12.79
2	Baytex Energy Corp.	BTE	\$2.41	\$2.90	\$2.75	\$3.13	\$2.29	\$2.17
3	Cascades Inc.	CAS	\$8.48	\$8.57	\$9.38	\$9.80	\$8.06	\$7.63
4	Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$612.01	\$625.00	\$687.50	\$582.95	\$558.91
5	NFI Group Inc.	NFI	\$32.11	\$33.22	\$34.38	\$37.50	\$30.83	\$29.54
6	Parex Resources Inc.	PXT	\$17.66	\$21.68	\$20.30	\$21.90	\$16.95	\$16.25
7	Vermillion Energy Inc.	VET	\$28.76	\$35.13	\$31.25	\$34.38	\$27.61	\$26.46
8	Whitecap Resources Inc.	WCP	\$4.35	\$5.76	\$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, NFI, and Vermillion Energy.

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

## TOP TEN

### Portfolio Performance

As at: 12-Apr-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	\$18.30	\$49,998	\$65,825	\$15,827	31.7%	
2 Baytex Energy Corp.	BTE	02-Jan-19	20,747	\$2.41	\$2.90	\$50,000	\$60,166	\$10,166	20.3%	
3 Cascades Inc.	CAS	08-Apr-19	5,896	\$8.48	\$8.57	\$49,998	\$50,529	\$531	1.1%	
4 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$612.01	\$49,944	\$50,861	\$917	1.8%	
5 NFI Group Inc.	NFI	26-Mar-19	1,557	\$32.11	\$33.22	\$49,995	\$51,724	\$1,728	3.5%	
6 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$21.68	\$36,424	\$44,715	\$8,291	22.8%	
7 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$35.13	\$49,985	\$61,056	\$11,071	22.1%	
8 Whitecap Resources Inc.	WCP	02-Jan-19	11,494	\$4.35	\$5.76	\$49,999	\$66,205	\$16,207	32.4%	
<b>Stock Totals</b>						<b>\$386,344</b>	<b>\$451,081</b>	<b>\$64,737</b>	<b>16.8%</b>	
						Stock Annualized Return:		59.3%		
Cash						\$134,838	\$134,838			
Cumulative Dividend Payments								\$3,725		
Net Trading Profits								\$21,182		
Net Trading Losses								\$0		
<b>Portfolio Totals</b>						<b>\$500,000</b>	<b>\$610,826</b>	<b>\$110,827</b>	<b>22.2%</b>	
						Portfolio Annualized Return:		78.5%		
<b>Portfolio Totals (ex Trading Profits)</b>						<b>\$500,000</b>	<b>\$589,644</b>	<b>\$89,644</b>	<b>17.9%</b>	
								63.5%		
<b>S&amp;P/TSX COMPOSITE INDEX .....</b>						<b>14,322.86</b>	<b>16,480.53</b>	<b>2,157.67</b>	<b>15.1%</b>	
						S&P/TSX Comp. Return + Divs		20.3%		
						Annualized Return, incl. Divs		71.8%		

## 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
Sprott Physical Gold & Silver Trust	11-Mar-19	01-Apr-19	\$16.99	\$16.76	\$50,002	\$49,325	-\$677	-1.4%	2,943	\$21,182

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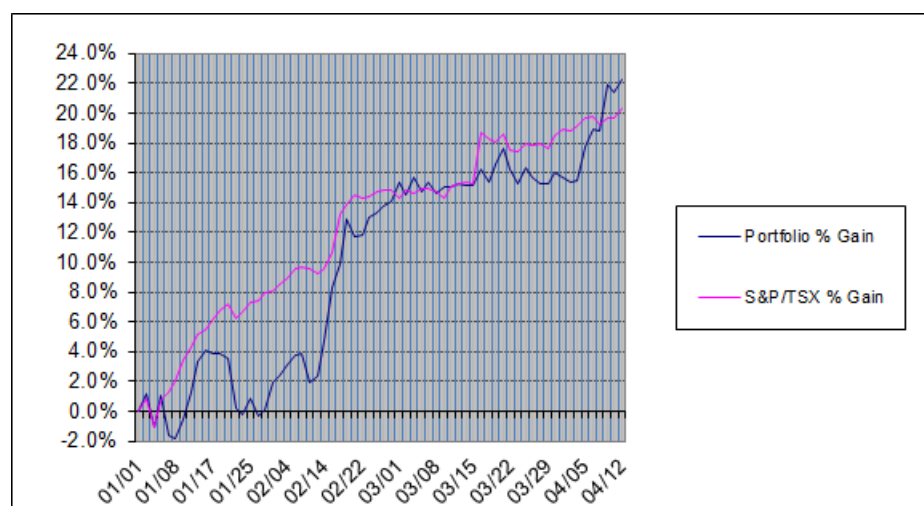
Below, we provide a table that indicates the annual dividend, the corresponding annual income and equity yields, and the dividend pay-outs to date since inception. This table is updated every two weeks, unless there is a change in the portfolio. These totals are as at April 12, 2019:

<b>TOP TEN</b>		<b>Annual Income/Yield</b>				<b>As at: 12-Apr-19</b>						
<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	\$18.30	\$0.96	\$3,453	6.9%	5.2%	M	15th	\$0.08	\$288	\$576	
2 Baytex Energy Corp.	\$2.41	\$2.90	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
3 Cascades Inc.	\$8.48	\$8.57	\$0.16	\$943	1.9%	1.9%	Q	MMAN	\$0.04	\$236	\$0	
4 Fairfax Financial Holdings Ltd.	\$600.98	\$612.01	\$10.00	\$831	1.7%	1.6%	A	Jan	\$10.00	\$831	\$831	
5 NFI Group Inc.	\$32.11	\$33.22	\$1.70	\$2,647	5.3%	5.1%	Q	MJSD	\$0.425	\$662	\$0	
6 Parex Resources Inc.	\$17.66	\$21.68	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0	\$0	
7 Vermilion Energy Inc.	\$28.76	\$35.13	\$2.76	\$4,797	9.6%	7.9%	M	15th	\$0.23	\$400	\$799	
8 Whitecap Resources Inc.	\$4.35	\$5.76	\$0.32	<u>\$3,724</u>	<u>7.4%</u>	<u>5.6%</u>	M	15th	\$0.03	\$310	<u>\$621</u>	
<b>Portfolio Totals</b>				<b>\$16,395</b>	<b>4.2%</b>	<b>3.6%</b>						<b>\$2,827</b>
<b>Dividends, Companies Sold</b>												<b>\$898</b>
<b>Total Dividends Received</b>												<b><u>\$3,725</u></b>
					<b>Dividend Yield (annualized)</b>	<b>3.7%</b>						

## Comparison

For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (BLUE line) against the S&P/TSX Composite Index (PINK line). Both indexes include reinvested dividends, and the portfolio includes trading profits/losses.

The portfolio is performing slightly better than that of the broad market index:  
 Portfolio performance = +22.2% (includes dividends and trading profits)  
 S&P/TSX Composite = +20.3% (includes dividends)



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**Contributing Analyst/Portfolio Manager: Bob Weir, CFA**



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