

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.

TODAY'S COMMENT: *The Portfolio continues to perform just below that of the S&P/TSX Composite Index, 22.2% against 23.0%, as measured since the start of 2019. This past week, Vermilion and Whitecap were poor performers and AltaGas did well. We continue to hold a healthy cash position and may, in fact, increase it. However, after a couple of down-days last week, the market responded enthusiastically on Friday. With the market at or near all-time highs, and so many stocks in a similar situation, it is difficult to be overly enthusiastic about buying stocks. In the meantime, a temporary and not-too-deep pull-back could strengthen the market's resolve to continue its up-trend. But the question is, just how much longer can this bull go? As indicated in our weekly Recession Barometer report, there is no inkling of a recession on the horizon, which is good for stocks. Still, many of the U.S. economic indicators are at multi-year positive highs or positive lows, so further economic gains may become limited. With that, any signs of a U.S. economic slow-down could play havoc with stock prices.*

The portfolio is presented below.

TOP TEN		Share Price Information		As at: 03-May-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	\$18.68	\$15.63	\$18.75	\$13.34	\$12.79
2 Baytex Energy Corp.	BTE	\$2.41	\$2.80	\$2.75	\$3.13	\$2.29	\$2.17
3 Fairfax Financial Holdings Ltd.	FFH	\$600.98	\$637.00	\$625.00	\$687.50	\$582.95	\$558.91
4 NFI Group Inc.	NFI	\$32.11	\$33.60	\$34.38	\$37.50	\$30.83	\$29.54
5 Parex Resources Inc.	PXT	\$17.66	\$21.35	\$20.30	\$21.90	\$16.95	\$16.25
6 Vermilion Energy Inc.	VET	\$28.76	\$32.28	\$31.25	\$34.38	\$27.61	\$26.46
7 Whitecap Resources Inc.	WCP	\$4.35	\$5.12	\$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 Vermilion Energy.

The performance of these stocks is provided in the table below

TOP TEN		Portfolio Performance				As at: 03-May-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	\$18.68	\$49,998	\$67,192	\$17,194	34.4%
2 Baytex Energy Corp.	BTE	02-Jan-19	10,000	\$2.41	\$2.80	\$24,100	\$28,000	\$3,900	16.2%
3 Fairfax Financial Holdings Ltd.	FFH	02-Jan-19	83	\$600.98	\$637.00	\$49,944	\$52,938	\$2,993	6.0%
4 NFI Group Inc.	NFI	26-Mar-19	1,557	\$32.11	\$33.60	\$49,995	\$52,315	\$2,320	4.6%
5 Parex Resources Inc.	PXT	09-Jan-19	2,063	\$17.66	\$21.35	\$36,424	\$44,034	\$7,611	20.9%
6 Vermilion Energy Inc.	VET	02-Jan-19	1,738	\$28.76	\$32.28	\$49,985	\$56,103	\$6,118	12.2%
7 Whitecap Resources Inc.	WCP	02-Jan-19	6,000	\$4.35	\$5.12	\$26,100	\$30,720	\$4,620	17.7%
Stock Totals						\$286,547	\$331,302	\$44,755	15.6%
						Stock Annualized Return:		46.3%	
Cash						\$243,874	\$243,874		
Cumulative Dividend Payments								\$5,383	
Net Trading Profits								\$30,421	
Net Trading Losses								\$0	
Portfolio Totals						\$500,000	\$610,981	\$110,982	22.2%
						Portfolio Annualized Return:		65.8%	
Portfolio Totals (ex Trading Profits)						\$500,000	\$580,560	\$80,560	16.1%
								47.8%	
S&P/TSX COMPOSITE INDEX						14,322.86	16,494.43	2,171.57	15.2%
						S&P/TSX Comp. Return + Divs		23.0%	
						Annualized Return, incl. Divs		68.1%	

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
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
Whitecap Resources Inc.	02-Jan-19	15-Apr-19	\$4.35	\$5.76	\$23,899	\$31,645	\$7,747	32.4%	5,494	\$28,929
Baytex Energy Corp.	02-Jan-19	15-Apr-19	\$2.41	\$2.90	\$25,900	\$31,166	\$5,266	20.3%	10,747	\$34,195
Cascades Inc.	08-Apr-19	26-Apr-19	\$8.48	\$7.84	\$49,998	\$46,225	-\$3,773	-7.5%	5,896	\$30,421

<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 May 3, 2019:

TOP TEN

Annual Income/Yield

As at: 03-May-19

Company	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	\$18.68	\$0.96	\$3,453	6.9%	5.1%	M	15th	\$0.08	\$288
2 Baytex Energy Corp.	\$2.41	\$2.80	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
3 Fairfax Financial Holdings Ltd.	\$600.98	\$637.00	\$10.00	\$831	1.7%	1.6%	A	Jan	\$10.00	\$831
4 NFI Group Inc.	\$32.11	\$33.60	\$1.70	\$2,647	5.3%	5.1%	Q	MJSD	\$0.425	\$662
5 Parex Resources Inc.	\$17.66	\$21.35	\$0.00	\$0	0.0%	0.0%	--	---	\$0.00	\$0
6 Vermilion Energy Inc.	\$28.76	\$32.28	\$2.76	\$4,797	9.6%	8.6%	M	15th	\$0.23	\$400
7 Whitecap Resources Inc.	\$4.35	\$5.12	\$0.32	<u>\$1,944</u>	<u>7.4%</u>	<u>6.3%</u>	M	15th	\$0.03	\$162
Portfolio Totals				\$13,672	4.8%	4.1%				\$3,555
Dividends, Companies Sold										<u>\$1,828</u>
Total Dividends Received										<u>\$5,383</u>
				Dividend Yield (annualized)	3.5%					

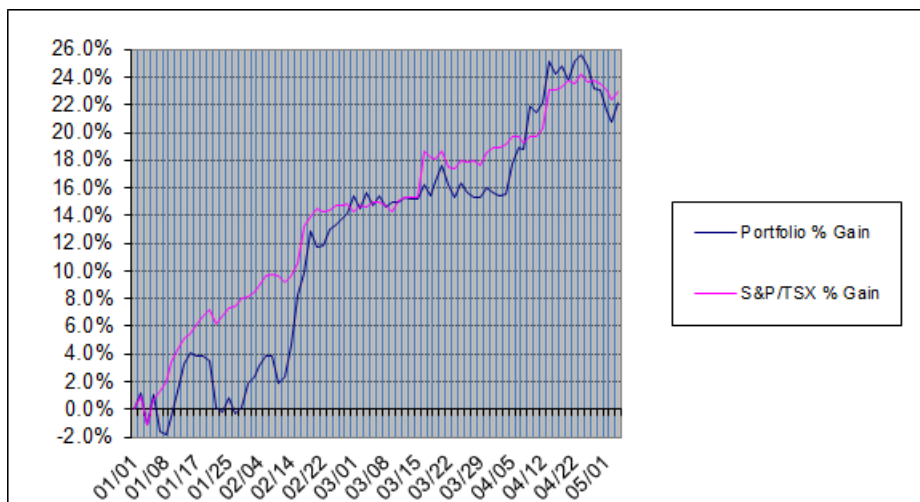
Comparison

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 under than that of the broad market index:

Portfolio performance = +22.2% (includes dividends and trading profits)

S&P/TSX Composite = +23.0% (includes dividends)



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