

Putting My 5-Stock Portfolio Under the Microscope

Description

On November 5, 2017, I wrote an [article](#) about the top five stocks to hold in the weeks leading to the end of the fiscal year. As we've reached that point, it is now time to review the selections and see how these companies have performed.

The first name on the list was none other than **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)), which was then at a price of \$113.50 and has since risen to \$122.50, as the major Canadian bank continues to be viewed more positively. Due to its most recent acquisition south of the border, the increase in equity markets will strongly positively correlate to higher revenues (from the management of the underlying assets). Shares have returned close to 8% since November 5.

The second name on the list was [the risky](#) **Home Capital Group Inc.** ([TSX:HCG](#)), which previously traded close to \$14 per share. As the company continues to prove (on a daily basis) that it will not collapse, investors are finally giving the alternative lender a chance and have bid shares higher to close the year at \$17.31 per share. The return has been close to 23% since November 5.

The third name was **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)), which had the benefit of higher oil prices to push shares from \$45 to close the year at \$46.15. Clearly, not every pitch can be hit out of the park, but investors had as much to gain from the dividend yield as they did from capital appreciation with this behemoth. The return since November 5 has been 2.5%.

The last Canadian name on the list was **MedReleaf Corp.** ([TSX:LEAF](#)), which moved from approximately \$13.50 to close the year at a price of \$21.24. In spite of an astonishing return of 57%, investors still need to refrain from putting their eggs in one basket and remember that this name was brought into the picture as part of a portfolio and not an "all-in" investment.

The only U.S. name on the list was **Apple Inc.** ([NASDAQ:AAPL](#)), which moved from a price of US\$173 to close the year at US\$169.23. In spite of being a fantastic company, the decline in this name brings our betting average to 80%. The return (excluding dividends) was negative 2.2%.

Had we purchased all five securities in equal weightings (20% each), the total price return would be no less than 17% driven in large part by MedReleaf Corp. Excluding this company, the average return of the remaining four companies would come in at a very healthy 7.8%.

What we can learn from this focused portfolio is that investors have the potential to outperform the market by making focused picks. Although it is not always advisable to put such a large amount of money into a new sector (marijuana), investors still need to remember that they always have the ability to sell and take money off the table. In the case of the marijuana sector, now may be the best time to take this approach.

CATEGORY

1. Dividend Stocks

2. Investing

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CM (Canadian Imperial Bank of Commerce)
5. TSX:HCG (Home Capital Group)
6. TSX:SU (Suncor Energy Inc.)

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