



BCV Asset Management Inc.

# The Dividend Growth Story

## September 2017



BCV Asset Management Inc.

## The Dividend Growth Story- Canadian Equity Model Portfolio September 2017

### Dividend Changes in Most Recent Twelve Months:

Increases: 23  
Unchanged: 2  
Decreases: 0

### Portfolio Characteristics (As of September 30<sup>th</sup> 2017):

Dividend Yield: 3.23%

Dividend Growth Rate:  
One Year: +7.6%  
Five Years: +10.2%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-five companies at the end of September 2017. In the twelve months ending September 30<sup>th</sup> 2017, twenty-three companies increased their dividend and two companies maintained their dividend at the same level.

The Canadian Equity Model Portfolio changed during the third quarter of 2017 by the addition of a position in Enbridge Inc., removal of an existing position in Artis Real Estate Investment Trust, and reduction of an existing position in Callidus Capital Inc.

Five companies paid an increased dividend in the third quarter of 2017, continuing their trend of year-over-year increases. These companies were Bank of Montreal, Canadian Western Bank, National Bank of Canada, Saputo Inc., and TELUS Corporation. One other company announced a dividend increase that will be paid starting in the fourth quarter of 2017. This company was Canadian Imperial Bank of Commerce.

Rogers Communications Inc. and ShawCor Ltd. have not had a recent dividend increase. Rogers Communications Inc. has not increased its dividend because it is working to reduce its balance sheet leverage and has significant capital expenditures related to upgrading its wireless network. ShawCor has not increased its dividend because it has retired some of its outstanding debt and because it has used cash to acquire additional assets at depressed prices.

A full outline of the five year dividend history of the companies in the BCV Asset Management Canadian Equity Model Portfolio is provided on the following pages.

# The Dividend Growth Story- Canadian Equity Model Portfolio

## Summary of Dividends Paid

	Twelve Month Period Ending September 30 <sup>th</sup>						Growth Rate	
	2017	2016	2015	2014	2013	2012	1 Year	5 Year
Bank of Montreal (BMO)	3.5200	3.3600	3.2000	3.0400	2.9200	2.8000	4.8%	4.7%
Bank of Nova Scotia (BNS)	3.0000	2.8400	2.6800	2.5200	2.3400	2.1400	5.6%	7.0%
BCE Inc. (BCE)	2.8000	2.6650	2.5350	2.4000	2.3000	2.1200	5.1%	5.7%
Brookfield Asset Management Inc. (BAM.A) <sup>1,2,4</sup>	0.5500	0.5100	0.4600	0.4467	0.3867	0.3600	7.8%	8.8%
Brookfield Property Partners LP (BPY.UN) <sup>4</sup>	1.1650	1.1050	1.0450	1.0000	0.3777	0.0000	5.4%	N/A
Callidus Capital Corporation (CBL)	1.1833	0.8915	0.0000	0.0000	0.0000	0.0000	32.7%	N/A
Canadian Imperial Bank of Commerce (CM)	4.9900	4.6600	4.1800	3.9000	3.7800	3.6000	7.1%	6.7%
Canadian National Railway Company (CNR)	1.6125	1.4375	1.1875	0.9650	0.8325	0.7250	12.2%	17.3%
Canadian Natural Resources Ltd. (CNQ) <sup>3</sup>	1.0300	0.9200	0.9100	0.7750	0.4600	0.3900	12.0%	21.4%
Canadian Western Bank (CWB)	0.9300	0.9200	0.8600	0.7800	0.7000	0.6200	1.1%	8.4%
Enbridge Inc. (ENB)	2.3330	2.0550	1.7450	1.3650	1.2275	1.0925	13.5%	16.4%
Intact Financial Corporation (IFC)	2.5000	2.2700	2.0700	1.8800	1.7200	1.5700	10.1%	9.8%
Magna International Inc. (MG) <sup>4</sup>	1.0750	0.9700	0.8500	0.7300	0.6175	0.5375	10.8%	14.9%
Manulife Financial Corporation (MFC)	0.8000	0.7250	0.6500	0.5450	0.5200	0.5200	10.3%	9.0%
National Bank of Canada (NA)	2.2500	2.1500	2.0000	1.8350	1.6600	1.5000	4.7%	8.4%
Power Financial Corporation (PWF)	1.6100	1.5300	1.4450	1.4000	1.4000	1.4000	5.2%	2.8%
Rogers Communications Inc. (RCI.B)	1.9200	1.9200	1.8750	1.7850	1.6600	1.5000	0.0%	5.1%
Royal Bank of Canada (RY)	3.4000	3.2000	3.0400	2.7600	2.4600	2.2200	6.3%	8.9%
Saputo Inc. (SAP)	0.6100	0.5550	0.5250	0.4750	0.4300	0.3900	9.9%	9.4%
ShawCor Ltd. (SCL)	0.6000	0.6000	0.6000	0.5500	1.4500	0.3600	0.0%	10.8%
Sun Life Financial Inc. (SLF)	1.7100	1.5900	1.4800	1.4400	1.4400	1.4400	7.5%	3.5%
Suncor Energy Inc. (SU)	1.2500	1.1600	1.1300	0.9400	0.6600	0.4800	7.8%	21.1%
TELUS Corporation (T)	1.9125	1.7600	1.6000	1.4400	1.2850	1.1600	8.7%	10.5%
Toronto-Dominion Bank (TD)	2.3000	2.1200	1.9600	1.7950	1.5800	1.4000	8.5%	10.4%
TransCanada Corporation (T)	2.3800	2.1700	2.0000	1.8800	1.8000	1.7200	9.7%	6.7%

1 Cash dividends only. Company has also distributed shares of Brookfield Property Partners LP in 2013, Brookfield Business Partners LP in 2016, and Trisura Group Ltd. in 2017.

2 Company changed dividend payment dates in 2014, creating one dividend that covered a four month period. This represents an additional payment of 0.0333 USD in the 2014 period.

3 Cash dividends only. Company has also distributed shares of PrairieSky Royalty Ltd. in 2016.

4 Dividend paid in USD

# The Dividend Growth Story- Canadian Equity Model Portfolio

## Summary of Dividend Increases

### Fourth Quarter 2016:

Bank of Nova Scotia: 74 cents (72 cents)  
Callidus Capital Corporation: 30 cents (25 cents)  
Royal Bank of Canada: 83 cents (81 cents)  
Sun Life Financial Inc.: 42 cents (40.5 cents)

### First Quarter 2017:

Bank of Montreal: 88 cents (86 cents)  
Brookfield Asset Management Inc.: 14 cents (13 cents)\*  
Brookfield Property Partners LP: 29.5 cents (28 cents)\*  
Canadian Imperial Bank of Commerce: 124 cents (121 cents)  
Canadian Natural Resources Ltd.: 25 cents (23 cents)  
Canadian National Railway Company: 41.25 cents (37.5 cents)  
Intact Financial Corporation: 64 cents (58 cents)  
Manulife Financial Corporation: 20.5 cents (18.5 cents)  
Magna International Inc.: 27.5 cents (25 cents)\*  
National Bank of Canada: 56 cents (55 cents)  
Suncor Energy Inc.: 32 cents (29 cents)  
TELUS Corporation: 48 cents (46 cents)

### Second Quarter 2017:

BCE Inc.: 71.75 cents (68.25 cents)  
Bank of Nova Scotia: 76 cents (74 cents)  
Brookfield Property Partners LP: 30 cents (29.5 cents)\*  
Canadian Imperial Bank of Commerce: 127 cents (124 cents)  
Canadian Natural Resources Ltd.: 27.5 cents (25 cents)  
Power Financial Corporation: 41.25 cents (39.25 cents)  
Royal Bank of Canada: 87 cents (83 cents)  
Sun Life Financial Inc.: 43.5 cents (42 cents)  
Toronto-Dominion Bank: 60 cents (55 cents)  
TransCanada Corporation: 62.5 cents (56.5 cents)

### Third Quarter 2017:

Bank of Montreal: 90 cents (88 cents)  
Canadian Western Bank: 24 cents (23 cents)  
National Bank of Canada: 58 cents (56 cents)  
Saputo Inc.: 16 cents (15 cents)  
TELUS Corporation: 49.25 cents (48 cents)

### Fourth Quarter 2017 (Pending):

Canadian Imperial Bank of Commerce: 130 cents (127 cents)

\* Dividend paid in USD.



BCV Asset Management Inc.

## The Dividend Growth Story- United States Equity Model Portfolio September 2017

### Dividend Changes in Most Recent Twelve Months:

Increases: 24  
Unchanged: 0  
Decreases: 0

### Portfolio Characteristics (As of September 30<sup>th</sup> 2017):

Dividend Yield: 2.20%

Dividend Growth Rate:  
One Year: +10.0%  
Five Years: +12.7%

The BCV Asset Management United States Equity Model Portfolio consisted of twenty-four companies at the end of September 2017. In the twelve months ending September 30<sup>th</sup> 2017, all twenty-four companies increased their dividend.

The United States Equity Model Portfolio changed during the second quarter of 2017 by increases to existing positions in Analog Devices Inc. and AT&T Inc. and removal of an existing position in Verizon Communications Inc.

Six companies paid an increased dividend in the third quarter of 2017, continuing their trend of year-over-year increases. These companies were Bank of America Corporation, Bank of New York Mellon Corporation, FedEx Corporation, Medtronic Inc., United Technologies Corporation, and Wells Fargo & Company. No companies have yet announced a dividend increase that will be paid starting in the fourth quarter of 2017.

Distribution of shares by Johnson Controls International and Honeywell International Inc. will cause the rate of dividend growth in the distributing company to be understated because income that was once distributed by one company is now distributed by two different companies. This has caused the rate of dividend growth of Johnson Controls International plc to appear to be negative and the rate of dividend growth for Honeywell International Inc. to appear to be lower than it is.

A full outline of the five year dividend history of the companies in the BCV Asset Management United States Equity Model Portfolio is provided on the following pages.

# The Dividend Growth Story- United States Equity Model Portfolio

## Summary of Dividends Paid

	Twelve Month Period Ending September 30 <sup>th</sup>						Growth Rate	
	2017	2016	2015	2014	2013	2012	1 Year	5 Year
Analog Devices Inc. (ADI)	1.7700	1.6600	1.5700	1.4500	1.3200	1.1500	6.6%	9.0%
Apple Inc. (AAPL)	2.4000	2.1800	1.9800	1.8114	1.6286	0.3786	10.1%	N/A
AT&T Inc. (T)	1.9500	1.9100	1.8700	1.8300	1.7900	1.7500	2.1%	2.2%
Bank of America Corporation (BAC)	0.3450	0.2250	0.2000	0.0800	0.0400	0.0400	53.3%	53.9%
Bank of New York Mellon Corporation (BK)	0.8100	0.7000	0.6800	0.6400	0.5600	0.5200	15.7%	9.3%
Becton Dickinson & Company (BDX)	2.9200	2.6400	2.4000	2.1800	1.9800	1.8000	10.6%	10.2%
CVS Health Corporation (CVS)	1.9250	1.6250	1.3250	1.0500	0.8375	0.6125	18.5%	25.7%
FedEx Corporation (FDX)	1.7000	1.1500	0.8500	0.6500	0.5700	0.5300	47.8%	26.3%
Home Depot Inc. (HD)	3.3600	2.6600	2.2400	1.8000	1.4600	1.1600	26.3%	23.7%
Honeywell International Inc. (HON) <sup>1</sup>	2.6600	2.3800	2.0700	1.8000	1.6400	1.4900	11.8%	12.3%
International Business Machines Corporation (IBM)	5.8000	5.4000	4.8000	4.1000	3.6000	3.2000	7.4%	12.6%
Johnson & Johnson (JNJ)	3.2800	3.1000	2.9000	2.7200	2.5400	2.3600	5.8%	6.8%
Johnson Controls International plc (JCI) <sup>2</sup>	0.9908	0.8586	0.8063	0.7120	0.6492	1.0471	15.4%	-1.1%
JPMorgan Chase & Company (JPM)	1.9600	1.8000	1.6400	1.5400	1.2800	1.1000	8.9%	12.2%
Medtronic Inc. (MDT)	1.7500	1.5700	1.2950	1.1450	1.0600	0.9875	11.5%	12.1%
Microsoft Corporation (MSFT)	1.5600	1.4400	1.2400	1.1200	0.9200	0.8000	8.3%	14.3%
PepsiCo Inc. (PEP)	3.1150	2.9100	2.7150	2.4450	2.2100	2.1050	7.0%	8.2%
Qualcomm Inc. (QCOM)	2.2000	2.0200	1.8000	1.5400	1.2000	0.9300	8.9%	18.8%
Starbucks Corporation (SBUX)	1.0000	0.8000	0.6400	0.5200	0.4200	0.3400	25.0%	N/A
U.S. Bancorp (USB)	1.1200	1.0200	0.9900	0.9350	0.8150	0.6400	9.8%	11.8%
United Technologies Corporation (UTX)	2.6800	2.6000	2.5100	2.3600	2.1400	1.9750	3.1%	6.3%
UnitedHealth Group Inc. (UNH)	2.7500	2.2500	1.7500	1.3100	0.9850	0.7500	22.2%	29.7%
VISA Inc. (V)	0.6600	0.5600	0.4800	0.4000	0.3300	0.2200	17.9%	24.6%
Wells Fargo & Company (WFC)	1.5300	1.5100	1.4500	1.3000	1.0700	0.7800	1.3%	14.4%

1 Cash dividends only. Company has also distributed shares of AdvanSix Inc. in 2016.

2. Cash dividends only. Company has also distributed shares of Adient plc in 2016.

# The Dividend Growth Story- United States Equity Model Portfolio

## Summary of Dividend Increases

### Fourth Quarter 2016:

Becton Dickinson & Company: 73 cents (66 cents)  
Honeywell International Inc.: 66.5 cents (59.5 cents)  
Microsoft Corporation: 39 cents (36 cents)  
Starbucks Corporation: 25 cents (20 cents)  
U.S. Bancorp: 28 cents (25.5 cents)  
VISA Inc.: 16.5 cents (14 cents)  
Verizon Communications Inc.: 57.75 cents (56.5 cents)

### First Quarter 2017:

Analog Devices Inc.: 45 cents (42 cents)  
AT&T Inc.: 49 cents (48 cents)  
CVS Health Corporation: 50 cents (42.5 cents)  
Home Depot Inc.: 89 cents (69 cents)

### Second Quarter 2017:

Apple Inc.: 63 cents (57 cents)  
International Business Machines Corporation: 150 cents (140 cents)  
Johnson & Johnson: 84 cents (80 cents)  
JPMorgan Chase & Company: 50 cents (48 cents)  
PepsiCo Inc.: 80.5 cents (75.25 cents)  
Qualcomm Inc.: 57 cents (53 cents)  
UnitedHealth Group Inc.: 75 cents (62.5 cents)

### Third Quarter 2017:

Bank of America Corporation: 12 cents (7.5 cents)  
Bank of New York Mellon Corporation: 24 cents (19 cents)  
FedEx Corporation: 50 cents (40 cents)  
Medtronic Inc.: 46 cents (43 cents)  
United Technologies Corporation: 70 cents (66 cents)  
Wells Fargo & Company: 39 cents (38 cents)

### Fourth Quarter 2017 (Pending):

None



## BCV Asset Management Inc.

Tuxedo Business Park  
1325 Kenaston Boulevard  
Winnipeg, MB R3P 2P2

phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583

[www.bcvassetmanagement.com](http://www.bcvassetmanagement.com)

### **Tony Demarin, MBA, CFA, CIM, FCSI** President & Chief Investment Officer

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phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583  
cell (204) 471-6300  
email [tdemarin@bcvfinancial.com](mailto:tdemarin@bcvfinancial.com)

### **James McInnis, B.Comm (Honours), CFA** Portfolio Manager

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phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583  
cell (204) 296-3426  
email [jmcinnis@bcvfinancial.com](mailto:jmcinnis@bcvfinancial.com)

### **Michelle Smith, B.Comm (Honours), CFA** Portfolio Manager

---

phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583  
email [msmith@bcvfinancial.com](mailto:msmith@bcvfinancial.com)

### **Todd Johnson, B.Comm (Honours), CFA, CIM** Portfolio Manager

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phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583  
cell (204) 471-0232  
email [tjohnson@bcvfinancial.com](mailto:tjohnson@bcvfinancial.com)

### **Chris Richard, BA, CFA** Portfolio Manager

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phone (204) 284-2583  
fax (204) 284-2584  
toll free (888) 645-2583  
cell (204) 791-1758  
email [crichard@bcvfinancial.com](mailto:crichard@bcvfinancial.com)

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