



BCV Asset Management Inc.

The Dividend Growth Story

December 2018



BCV Asset Management Inc.

The Dividend Growth Story- Canadian Equity Model Portfolio December 2018

Dividend Changes in Most Recent Twelve Months:

Increases: 24
Unchanged: 0
Decreases: 0

Portfolio Characteristics (As of December 31st 2018):

Dividend Yield: 4.19%

Dividend Growth Rate:
One Year: +8.7%
Five Years: +10.2%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-four companies at the end of December 2018. In the twelve months ending December 31st 2018, all twenty-four companies increased their dividend.

The Canadian Equity Model Portfolio was changed during the fourth quarter of 2018 with the addition of a new position in OpenText Corporation, an increase to the position in Canadian Natural Resources Ltd., and the deletion of positions in Rogers Communications Inc. and ShawCor Ltd.

Five companies paid an increased dividend in the fourth quarter of 2018, continuing their trend of year-over-year increases. These companies were Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Manulife Financial Corporation, Royal Bank of Canada, and Sun Life Financial Inc. Two other companies have announced dividend increases that will be paid starting in the first quarter of 2019. These companies are National Bank of Canada and TELUS Corporation.

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 December 31 st						Growth Rate	
	2018	2017	2016	2015	2014	2013	1 Year	5 Year
Algonquin Power & Utilities Corporation (AQN) ⁴	0.5011	0.4660	0.4140	0.3764	0.3450	0.3325	7.5%	8.5%
Bank of Montreal (BMO)	3.7800	3.5600	3.4000	3.2400	3.0800	2.9400	6.2%	5.2%
Bank of Nova Scotia (BNS)	3.2800	3.0500	2.8800	2.7200	2.5600	2.3900	7.5%	6.5%
BCE Inc. (BCE)	2.9825	2.8350	2.6975	2.5675	2.4350	2.3150	5.2%	5.2%
Brookfield Asset Management Inc. (BAM.A) ^{1,2,4}	0.6000	0.5600	0.5200	0.4333	0.4533	0.3933	7.1%	8.8%
Brookfield Property Partners LP (BPY.UN) ⁴	1.2600	1.1800	1.1200	1.0600	1.0000	0.5000	6.8%	N/A
Canadian Imperial Bank of Commerce (CM)	5.3200	5.0800	4.7500	4.3000	3.9400	3.8000	4.7%	7.0%
Canadian National Railway Company (CNR)	1.8200	1.6500	1.5000	1.2500	1.0000	0.8600	10.3%	16.2%
Canadian Natural Resources Ltd. (CNQ) ³	1.2800	1.0750	0.9200	0.9150	0.8750	0.4800	19.1%	21.7%
Canadian Western Bank (CWB)	1.0200	0.9400	0.9200	0.8800	0.8000	0.7200	8.5%	7.2%
Enbridge Inc. (ENB)	2.6840	2.4130	2.1200	1.8600	1.4000	1.2600	11.2%	16.3%
Intact Financial Corporation (IFC)	2.8000	2.5600	2.3200	2.1200	1.9200	1.7600	9.4%	9.7%
Manulife Financial Corporation (MFC)	0.9100	0.8200	0.7400	0.6650	0.5700	0.5200	11.0%	11.8%
National Bank of Canada (NA)	2.4400	2.2800	2.1800	2.0400	1.8800	1.7000	7.0%	7.5%
OpenText Corporation (OTEX) ⁴	0.5874	0.5110	0.4450	0.3863	0.3338	0.2250	15.0%	N/A
Power Financial Corporation (PWF)	1.7115	1.6300	1.5500	1.4675	1.4000	1.4000	5.0%	4.1%
Royal Bank of Canada (RY)	3.7700	3.4800	3.2400	3.0800	2.8400	2.5300	8.3%	8.3%
Saputo Inc. (SAP)	0.6500	0.6200	0.5700	0.5300	0.4900	0.4400	4.8%	8.1%
Stantec Inc. (STN)	0.5375	0.4875	0.4425	0.4075	0.3600	0.3225	10.3%	10.8%
Sun Life Financial Inc. (SLF)	1.9050	1.7450	1.6200	1.5100	1.4400	1.4400	9.2%	5.8%
Suncor Energy Inc. (SU)	1.4400	1.2800	1.1600	1.1400	1.0200	0.7300	12.5%	14.6%
TELUS Corporation (T)	2.0600	1.9450	1.8000	1.6400	1.4800	1.3200	5.9%	9.3%
Toronto-Dominion Bank (TD)	2.6100	2.3500	2.1600	2.0000	1.8400	1.6200	11.1%	10.0%
TransCanada Corporation (TRP)	2.6950	2.4400	2.2150	2.0400	1.9000	1.8200	10.5%	8.2%

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

First Quarter 2018:

Brookfield Asset Management Inc.: 15 cents (14 cents) *
Bank of Montreal: 93 cents (90 cents)
Brookfield Property Partners LP: 31.5 cents (29.5 cents) *
Canadian National Railway Company: 45.5 cents (41.25 cents)
Canadian Western Bank: 25 cents (24 cents)
Enbridge Inc.: 67.1 cents (61 cents)
Intact Financial Corporation: 70 cents (64 cents)
Magna International Inc.: 33 cents (27.5 cents) *
Manulife Financial Corporation: 22 cents (20.5 cents)
National Bank of Canada: 60 cents (58 cents)
Suncor Energy Inc.: 36 cents (32 cents)
TELUS Corporation: 50.5 cents (49.25 cents)

Second Quarter 2018:

BCE Inc.: 75.5 cents (71.75 cents)
Bank of Nova Scotia: 82 cents (79 cents)
Canadian Imperial Bank of Commerce: 133 cents (130 cents)
Canadian Natural Resources Ltd.: 33.5 cents (27.5 cents)
OpenText Corporation: 15.18 cents (13.2 cents) *
Power Financial Corporation: 43.3 cents (41.25 cents)
Royal Bank of Canada: 94 cents (91 cents)
Stantec Inc.: 13.75 cents (12.5 cents)
Sun Life Financial Inc.: 47.5 cents (45.5 cents)
Toronto-Dominion Bank: 67 cents (60 cents)
TransCanada Corporation: 69 cents (62.5 cents)

* Dividend paid in USD.

Third Quarter 2018:

Algonquin Power & Utilities Corporation: 12.82 cents (11.65 cents)*
Bank of Montreal: 96 cents (93 cents)
Canadian Western Bank: 26 cents (25 cents)
National Bank of Canada: 62 cents (60 cents)
Saputo Inc.: 16.5 cents (16 cents)
TELUS Corporation: 52.5 cents (50.5 cents)

Fourth Quarter 2018:

Bank of Nova Scotia: 85 cents (82 cents)
Canadian Imperial Bank of Commerce: 136 cents (133 cents)
Manulife Financial Corporation: 25 cents (22 cents)
Royal Bank of Canada: 98 cents (94 cents)
Sun Life Financial Inc.: 50 cents (47.5 cents)

First Quarter 2019 (Pending):

National Bank of Canada: 65 cents (62 cents)
TELUS Corporation: 54.5 cents (52.5 cents)



BCV Asset Management Inc.

The Dividend Growth Story- United States Equity Model Portfolio December 2018

Dividend Changes in Most Recent Twelve Months:

Increases: 21
Unchanged: 1
Decreases: 0

Portfolio Characteristics (As of December 31st 2018):

Dividend Yield: 2.49%

Dividend Growth Rate:
One Year: +10.7%
Five Years: +11.5%

The BCV Asset Management United States Equity Model Portfolio consisted of twenty-two companies at the end of December 2018. In the twelve months ending December 31st 2018, twenty-one companies increased their dividend and one company maintained its dividend at the same level.

The United States Equity Model Portfolio was substantially unchanged during the fourth quarter of 2018. During the quarter, Honeywell International Inc. distributed shares of Garrett Motion Inc. and Resideo Technologies Inc. These positions represent less than 0.2 percent of the portfolio.

Six companies paid an increased dividend in the fourth quarter of 2018, continuing their trend of year-over-year increases. These companies were Becton Dickinson & Company, Honeywell International Inc., JPMorgan Chase & Company, Microsoft Corporation, U.S. Bancorp, and United Technologies Corporation. No companies have yet announced a dividend increase that will be paid starting in the first quarter of 2019.

CVS Health Corporation has not had a recent dividend increase. The company has elected to hold dividends at current levels until balance sheet leverage, which has increased because of the recent acquisition of Aetna Inc., is reduced.

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 December 31 st						Growth Rate	
	2018	2017	2016	2015	2014	2013	1 Year	5 Year
Analog Devices Inc. (ADI)	1.9200	1.8000	1.6800	1.6000	1.4800	1.3600	6.7%	7.1%
Apple Inc. (AAPL)	2.8200	2.4600	2.2300	2.0300	1.8457	1.6857	14.6%	10.8%
AT&T Inc. (T)	2.0000	1.9600	1.9200	1.8800	1.8400	1.8000	2.0%	2.1%
Bank of America Corporation (BAC)	0.5400	0.3900	0.2500	0.2000	0.1200	0.0400	38.5%	68.3%
Bank of New York Mellon Corporation (BK)	1.0400	0.8600	0.7200	0.6800	0.6600	0.5800	20.9%	12.4%
Becton Dickinson & Company (BDX)	3.0200	2.9400	2.7100	2.4600	2.2350	2.0300	2.7%	8.3%
CVS Health Corporation (CVS)	2.0000	2.0000	1.7000	1.4000	1.1000	0.9000	0.0%	17.3%
FedEx Corporation (FDX)	2.3000	1.8000	1.3000	0.9000	0.7000	0.5800	27.8%	31.7%
Home Depot Inc. (HD)	4.1200	3.5600	2.7600	2.3600	1.8800	1.5600	15.7%	21.4%
Honeywell International Inc. (HON) ¹	3.0550	2.7400	2.4500	2.1475	1.8675	1.6800	11.5%	12.7%
International Business Machines Corporation (IBM)	6.2100	5.9000	5.5000	5.0000	4.2500	3.7000	5.3%	10.9%
Johnson & Johnson (JNJ)	3.5400	3.3200	3.1500	2.9500	2.7600	2.5900	6.6%	6.4%
Johnson Controls International plc (JCI) ²	1.0400	1.0000	0.8848	0.8325	0.7330	0.6597	4.0%	9.5%
JPMorgan Chase & Company (JPM)	2.4800	2.0400	1.8400	1.6800	1.5600	1.3600	21.6%	12.8%
Medtronic Inc. (MDT)	1.9200	1.7800	1.6200	1.3700	1.1700	1.0800	7.9%	12.2%
Microsoft Corporation (MSFT)	1.7200	1.5900	1.4700	1.2900	1.1500	0.9700	8.2%	12.1%
Qualcomm Inc. (QCOM)	2.4300	2.2400	2.0700	1.8600	1.6100	1.3000	8.5%	13.3%
Starbucks Corporation (SBUX)	1.3200	1.0500	0.8500	0.6800	0.5500	0.4450	25.7%	24.3%
U.S. Bancorp (USB)	1.2700	1.1400	1.0450	1.0000	0.9500	0.8500	11.4%	8.4%
United Technologies Corporation (UTX)	2.8350	2.7200	2.6200	2.5600	2.3600	2.1950	4.2%	5.3%
UnitedHealth Group Inc. (UNH)	3.4500	2.8750	2.3750	1.8750	1.4050	1.0525	20.0%	26.8%
Wells Fargo & Company (WFC)	1.6400	1.5400	1.5150	1.4750	1.3500	1.1500	6.5%	7.4%

¹ Cash dividends only. Company has also distributed shares of AdvanSix Inc. in 2016 and shares of Garrett Motion Inc. and Resideo Technologies Inc. in 2018.

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

First Quarter 2018:

AT&T Inc.: 50 cents (49 cents)
Analog Devices Inc.: 48 cents (45 cents)
Home Depot Inc.: 103 cents (89 cents)
Johnson Controls International plc: 26 cents (25 cents)
VISA Inc.: 21 cents (19.5 cents)

Second Quarter 2018:

Apple Inc.: 73 cents (63 cents)
International Business Machines Corporation: 157 cents (150 cents)
Johnson & Johnson: 90 cents (84 cents)
Qualcomm Inc.: 62 cents (57 cents)
UnitedHealth Group Inc.: 90 cents (75 cents)

Third Quarter 2018:

Bank of America Corporation: 15 cents (12 cents)
Bank of New York Mellon Corporation: 28 cents (24 cents)
Starbucks Corporation: 36 cents (30 cents)
U.S. Bancorp: 37 cents (30 cents)
Wells Fargo & Company: 43 cents (39 cents)

Fourth Quarter 2018:

Becton Dickinson & Company: 77 cents (75 cents)
Honeywell International Inc.: 82 cents (74.5 cents)
JPMorgan Chase & Company: 80 cents (56 cents)
Microsoft Corporation: 46 cents (42 cents)
U.S. Bancorp: 37 cents (30 cents)
United Technologies Corporation: 73.5 cents (70 cents)

First Quarter 2019 (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

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

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

James McInnis, CFA Portfolio Manager

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

Michelle Smith, CFA Portfolio Manager

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

Todd Johnson, CFA, CIM Portfolio Manager

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

Chris Richard, CFA Portfolio Manager

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

Cory Lang, CFA, CPA, CA Associate Portfolio Manager

phone (204) 284-2583
fax (204) 284-2584
toll free (888) 645-2583
cell (204) 996-3729
email clang@bcvfinancial.com

Notice to Readers: The Dividend Growth Story is prepared for general informational purposes only, without reference to the investment objectives, financial profile, or risk tolerance of any specific person or entity who may receive it. Investors should seek professional financial advice regarding the appropriateness of investing in any investment strategy or security and no financial decisions should be made on the basis of the information provided in this newsletter. Statements regarding future performance may not be realized and past performance is not a guarantee of future performance. This newsletter and its contents do not constitute a recommendation or solicitation to buy or sell securities of any kind. Investors should note that income, if any, from any investment strategy or security may fluctuate and that portfolio values may rise or fall. BCV Asset Management Inc. does not guarantee the accuracy or completeness of the information contained herein, nor does BCV Asset Management Inc. assume any liability for any loss that may result from the reliance by any person upon any such information or opinions. The information and opinions contained herein are subject to change without notice.