



BCV Asset Management Inc.

# The Dividend Growth Story

## March 2019



BCV Asset Management Inc.

## The Dividend Growth Story- Canadian Equity Model Portfolio March 2019

### Dividend Changes in Most Recent Twelve Months:

Increases: 22  
Unchanged: 0  
Decreases: 0

### Portfolio Characteristics (As of March 31<sup>st</sup> 2019):

Dividend Yield: 3.88%

Dividend Growth Rate:  
One Year: +9.3%  
Five Years: +10.1%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-two companies at the end of March 2019. In the twelve months ending March 31<sup>st</sup> 2019, all twenty-two companies increased their dividend.

The Canadian Equity Model Portfolio was changed during the first quarter of 2019 with increases to the positions in Brookfield Property Partners LP and Manulife Financial Corporation and the deletion of positions in BCE Inc. and Saputo Inc.

Ten companies paid an increased dividend in the first quarter of 2019, continuing their trend of year-over-year increases. These companies were Bank of Montreal, Brookfield Asset Management Inc., Brookfield Property Partners LP, Canadian National Railway Company, Canadian Western Bank, Enbridge Inc., Intact Financial Corporation, National Bank of Canada, Suncor Energy Inc., and TELUS Corporation. Six other companies have announced dividend increases that will be paid starting in the second quarter of 2019. These companies are Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Canadian Natural Resources Ltd., Power Financial Corporation, Stantec Inc., and TransCanada 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 March 31 <sup>st</sup> |        |        |        |        |        | Growth Rate |        |
|--|---|--------|--------|--------|--------|--------|-------------|--------|
|  | 2019  | 2018   | 2017   | 2016   | 2015   | 2014   | 1 Year      | 5 Year |
| Algonquin Power & Utilities Corporation (AQN) <sup>4</sup> | 0.5128  | 0.4660 | 0.4342 | 0.3852 | 0.3475 | 0.3400 | 10.0%       | 8.6%   |
| Bank of Montreal (BMO)                                     | 3.8500  | 3.6100 | 3.4400 | 3.2800 | 3.1200 | 2.9800 | 6.6%        | 5.3%   |
| Bank of Nova Scotia (BNS)                                  | 3.3400  | 3.1000 | 2.9200 | 2.7600 | 2.6000 | 2.4400 | 7.7%        | 6.5%   |
| Brookfield Asset Management Inc. (BAM.A) <sup>1,2,4</sup>  | 0.6100  | 0.5700 | 0.5300 | 0.4100 | 0.4333 | 0.4333 | 7.0%        | 7.1%   |
| Brookfield Property Partners LP (BPY.UN) <sup>4</sup>      | 1.2750  | 1.2000 | 1.1350 | 1.0750 | 1.0150 | 0.8777 | 6.3%        | 7.8%   |
| Canadian Imperial Bank of Commerce (CM)                    | 5.3800  | 5.1400 | 4.8400 | 4.4200 | 4.0100 | 3.8200 | 4.7%        | 7.1%   |
| Canadian National Railway Company (CNR)                    | 1.9025  | 1.6925 | 1.5375 | 1.3125 | 1.0625 | 0.8950 | 12.4%       | 16.3%  |
| Canadian Natural Resources Ltd. (CNQ) <sup>3</sup>         | 1.3400  | 1.1000 | 0.9400 | 0.9200 | 0.9000 | 0.5750 | 21.8%       | 18.4%  |
| Canadian Western Bank (CWB)                                | 1.0400  | 0.9600 | 0.9200 | 0.9000 | 0.8200 | 0.7400 | 8.3%        | 7.0%   |
| Enbridge Inc. (ENB)  | 2.7510  | 2.5010 | 2.1730 | 1.9250 | 1.5150 | 1.2950 | 10.0%       | 16.3%  |
| Intact Financial Corporation (IFC)                         | 2.8600  | 2.6200 | 2.3800 | 2.1700 | 1.9700 | 1.8000 | 9.2%        | 9.7%   |
| Manulife Financial Corporation (MFC)                       | 0.9400  | 0.8350 | 0.7600 | 0.6950 | 0.5950 | 0.5200 | 12.6%       | 12.6%  |
| National Bank of Canada (NA)                               | 2.4900  | 2.3200 | 2.2000 | 2.0800 | 1.9200 | 1.7450 | 7.3%        | 7.4%   |
| OpenText Corporation (OTEX) <sup>4</sup>                   | 0.6072  | 0.5280 | 0.4600 | 0.4000 | 0.3450 | 0.3000 | 15.0%       | 15.1%  |
| Power Financial Corporation (PWF)                          | 1.7320  | 1.6500 | 1.5700 | 1.4900 | 1.4000 | 1.4000 | 5.0%        | 4.3%   |
| Royal Bank of Canada (RY)                                  | 3.8400  | 3.5600 | 3.2800 | 3.1200 | 2.9200 | 2.6000 | 7.9%        | 8.1%   |
| Stantec Inc. (STN)   | 0.5500  | 0.5000 | 0.4500 | 0.4200 | 0.3700 | 0.3300 | 10.0%       | 10.8%  |
| Sun Life Financial Inc. (SLF)                              | 1.9500  | 1.7800 | 1.6500 | 1.5400 | 1.4400 | 1.4400 | 9.6%        | 6.3%   |
| Suncor Energy Inc. (SU)                                    | 1.5000  | 1.3200 | 1.1900 | 1.1500 | 1.0700 | 0.8300 | 13.6%       | 12.6%  |
| TELUS Corporation (T)                                      | 2.1000  | 1.9700 | 1.8400 | 1.6800 | 1.5200 | 1.3600 | 6.6%        | 9.1%   |
| Toronto-Dominion Bank (TD)                                 | 2.6800  | 2.4000 | 2.2000 | 2.0400 | 1.8800 | 1.6650 | 11.7%       | 10.0%  |
| TransCanada Corporation (TRP)                              | 2.7600  | 2.5000 | 2.2600 | 2.0800 | 1.9200 | 1.8400 | 10.4%       | 8.4%   |

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

### Second Quarter 2018:

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)

### 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)  
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:

Bank of Montreal: 100 cents (96 cents)  
Brookfield Asset Management Inc.: 16 cents (15 cents)\*  
Brookfield Property Partners LP: 33 cents (31.5 cents)\*  
Canadian National Railway Company: 53.75 cents (45.5 cents)  
Canadian Western Bank: 27 cents (26 cents)  
Enbridge Inc.: 73.8 cents (67.1 cents)  
Intact Financial Corporation: 76 cents (70 cents)  
National Bank of Canada: 65 cents (62 cents)  
Suncor Energy Inc.: 42 cents (36 cents)  
TELUS Corporation: 54.5 cents (52.5 cents)

### Second Quarter 2019 (Pending):

Bank of Nova Scotia: 87 cents (85 cents)  
Canadian Imperial Bank of Commerce: 140 cents (136 cents)  
Canadian Natural Resources Ltd.: 37.5 cents (33.5 cents)  
Power Financial Corporation: 45.55 cents (43.3 cents)  
Stantec Inc.: 14.5 cents (13.75 cents)  
TransCanada Corporation: 75 cents (69 cents)

\* Dividend paid in USD.



BCV Asset Management Inc.

## The Dividend Growth Story- United States Equity Model Portfolio March 2019

### Dividend Changes in Most Recent Twelve Months:

Increases: 20  
Unchanged: 1  
Decreases: 0

### Portfolio Characteristics (As of March 31<sup>st</sup> 2019):

Dividend Yield: 2.34%

Dividend Growth Rate:  
One Year: +11.9%  
Five Years: +11.4%

The BCV Asset Management United States Equity Model Portfolio consisted of twenty-one companies at the end of March 2019. In the twelve months ending March 31<sup>st</sup> 2019, twenty companies increased their dividend and one company maintained its dividend at the same level.

The United States Equity Model Portfolio was changed during the first quarter of 2019 with an increase to the position in JPMorgan Chase and Company and the deletion of the position in Starbucks Corporation.

Four companies paid an increased dividend in the first quarter of 2019, continuing their trend of year-over-year increases. These companies were Analog Devices Inc., AT&T Inc., Home Depot Inc., and Wells Fargo & Company. No companies have yet announced a dividend increase that will be paid starting in the second 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 March 31 <sup>st</sup> |        |        |        |        |        | Growth Rate |        |
|---|---|--------|--------|--------|--------|--------|-------------|--------|
|   | 2019  | 2018   | 2017   | 2016   | 2015   | 2014   | 1 Year      | 5 Year |
| Analog Devices Inc. (ADI)                             | 1.9800  | 1.8300 | 1.7100 | 1.6200 | 1.5100 | 1.3900 | 8.2%        | 7.3%   |
| Apple Inc. (AAPL)                                     | 2.9200  | 2.5200 | 2.2800 | 2.0800 | 1.8800 | 1.7429 | 15.9%       | 10.9%  |
| AT&T Inc. (T)   | 2.0100  | 1.9700 | 1.9300 | 1.8900 | 1.8500 | 1.8100 | 2.0%        | 2.1%   |
| Bank of America Corporation (BAC)                     | 0.5700  | 0.4350 | 0.2750 | 0.2000 | 0.1600 | 0.0400 | 31.0%       | 70.1%  |
| Bank of New York Mellon Corporation (BK)              | 1.0800  | 0.9100 | 0.7400 | 0.6800 | 0.6800 | 0.6000 | 18.7%       | 12.5%  |
| Becton Dickinson & Company (BDX)                      | 3.0400  | 2.9600 | 2.7800 | 2.5200 | 2.2900 | 2.0800 | 2.7%        | 7.9%   |
| CVS Health Corporation (CVS)                          | 2.0000  | 2.0000 | 1.7750 | 1.4750 | 1.1750 | 0.9500 | 0.0%        | 16.1%  |
| FedEx Corporation (FDX)                               | 2.4500  | 1.9000 | 1.4500 | 0.9500 | 0.7500 | 0.5900 | 28.9%       | 32.9%  |
| Home Depot Inc. (HD)                                  | 4.4500  | 3.7000 | 2.9600 | 2.4600 | 2.0000 | 1.6400 | 20.3%       | 22.1%  |
| Honeywell International Inc. (HON) <sup>1</sup>       | 3.1300  | 2.8200 | 2.5200 | 2.2250 | 1.9350 | 1.7200 | 11.0%       | 12.7%  |
| International Business Machines Corporation (IBM)     | 6.2800  | 6.0000 | 5.6000 | 5.2000 | 4.4000 | 3.8000 | 4.7%        | 10.6%  |
| Johnson & Johnson (JNJ)                               | 3.6000  | 3.3600 | 3.2000 | 3.0000 | 2.8000 | 2.6400 | 7.1%        | 6.4%   |
| Johnson Controls International plc (JCI) <sup>2</sup> | 1.0400  | 1.0100 | 0.9202 | 0.8586 | 0.7539 | 0.6702 | 3.0%        | 9.2%   |
| JPMorgan Chase & Company (JPM)                        | 2.7200  | 2.1200 | 1.8800 | 1.7200 | 1.5800 | 1.4400 | 28.3%       | 13.6%  |
| Medtronic Inc. (MDT)                                  | 1.9600  | 1.8100 | 1.6700 | 1.4450 | 1.1950 | 1.1000 | 8.3%        | 12.2%  |
| Microsoft Corporation (MSFT)                          | 1.7600  | 1.6200 | 1.5000 | 1.3400 | 1.1800 | 1.0200 | 8.6%        | 11.5%  |
| Qualcomm Inc. (QCOM)                                  | 2.4800  | 2.2800 | 2.1200 | 1.9200 | 1.6800 | 1.4000 | 8.8%        | 12.1%  |
| U.S. Bancorp (USB)                                    | 1.3400  | 1.1600 | 1.0700 | 1.0100 | 0.9650 | 0.8850 | 15.5%       | 8.7%   |
| United Technologies Corporation (UTX)                 | 2.8700  | 2.7600 | 2.6400 | 2.5600 | 2.4100 | 2.2500 | 4.0%        | 5.0%   |
| UnitedHealth Group Inc. (UNH)                         | 3.6000  | 3.0000 | 2.5000 | 2.0000 | 1.5000 | 1.1200 | 20.0%       | 26.3%  |
| Wells Fargo & Company (WFC)                           | 1.7000  | 1.5500 | 1.5200 | 1.5000 | 1.4000 | 1.2000 | 9.7%        | 7.2%   |

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

### 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:

Analog Devices Inc.: 54 cents (48 cents)  
AT&T Inc.: 51 cents (50 cents)  
Home Depot Inc.: 136 cents (103 cents)  
Wells Fargo & Company: 45 cents (43 cents)

### Second 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](http://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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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](mailto: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.