



BCV Asset Management Inc.

The Dividend Growth Story

June 2020



BCV Asset Management Inc.

The Dividend Growth Story- Canadian Equity Model Portfolio June 2020

Dividend Changes in Most Recent Twelve Months:

Increases: 21
Unchanged: 0
Decreases: 0

Portfolio Characteristics (As of June 30th 2020):

Dividend Yield: 4.92%

Dividend Growth Rate:
One Year: +8.5%
Five Years: +9.3%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-one companies at the end of June 2020. In the twelve months ending June 30th 2020, all twenty-one companies increased their dividend.

The Canadian Equity Model Portfolio changed during the second quarter of 2020 with the addition of a new position in Waste Connections Inc. and the deletion of the existing position in Suncor Energy Inc. The portfolio also changed with increases to existing positions in Brookfield Property Partners LP, Canadian Natural Resources Ltd., OpenText Corporation, Power Corporation of Canada, and Stantec Inc. and with decreases to existing positions in Algonquin Power & Utilities Corporation and Canadian National Railway Company.

Seven companies paid an increased dividend in the second quarter of 2020, continuing their trend of year-over-year increases. These companies were Canadian Imperial Bank of Commerce, Canadian Natural Resources Ltd., Power Corporation of Canada, Royal Bank of Canada, Stantec Inc., TC Energy Corporation, and Toronto-Dominion Bank. One other company has announced a dividend increase that will be paid starting in the third quarter of 2020. This company is Algonquin Power & Utilities 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 June 30 th						Growth Rate	
	2020	2019	2018	2017	2016	2015	1 Year	5 Years
Algonquin Power & Utilities Corporation (AQN) ⁴	0.5781	0.5256	0.4777	0.4448	0.3948	0.3588	10.0%	10.0%
Bank of Montreal (BMO)	4.1800	3.9200	3.6600	3.4800	3.3200	3.1600	6.6%	5.8%
Bank of Nova Scotia (BNS)	3.5700	3.3900	3.1600	2.9600	2.8000	2.6400	5.3%	6.2%
Brookfield Asset Management Inc. (BAM.A) ^{1,2,4}	0.4533	0.4133	0.3867	0.3600	0.3333	0.2978	9.7%	8.8%
Brookfield Property Partners LP (BPY.UN) ⁴	1.3250	1.2900	1.2200	1.1500	1.0900	1.0300	2.7%	5.2%
Canadian Imperial Bank of Commerce (CM)	5.7400	5.4500	5.2000	4.9300	4.5400	4.0900	5.3%	7.0%
Canadian National Railway Company (CNR)	2.2250	1.9850	1.7350	1.5750	1.3750	1.1250	12.1%	14.6%
Canadian Natural Resources Ltd. (CNQ) ³	1.5500	1.3800	1.1600	0.9850	0.9200	0.9050	12.3%	11.4%
Canadian Western Bank (CWB)	1.1400	1.0600	0.9800	0.9200	0.9100	0.8400	7.5%	6.3%
Enbridge Inc. (ENB)	3.0960	2.8180	2.5620	2.2530	1.9900	1.6300	9.9%	13.7%
Intact Financial Corporation (IFC)	3.1800	2.9200	2.6800	2.4400	2.2200	2.0200	8.9%	9.5%
Manulife Financial Corporation (MFC)	1.0600	0.9700	0.8500	0.7800	0.7100	0.6350	9.3%	10.8%
National Bank of Canada (NA)	2.7800	2.5400	2.3600	2.2200	2.1200	1.9600	9.4%	7.2%
OpenText Corporation (OTEX) ⁴	0.6984	0.6300	0.5478	0.4770	0.4150	0.3588	10.9%	14.3%
Power Corporation of Canada (POW)	1.6625	1.5510	1.4575	1.3635	1.2688	1.1813	7.2%	7.1%
Royal Bank of Canada (RY)	4.2000	3.9200	3.6300	3.3400	3.1600	2.9800	7.1%	7.1%
Stantec Inc. (STN)	0.5900	0.5575	0.5125	0.4625	0.4275	0.3825	5.8%	9.1%
Sun Life Financial Inc. (SLF)	2.1750	2.0000	1.8200	1.6800	1.5650	1.4600	8.8%	8.3%
TC Energy Corporation (TRP)	3.0600	2.8200	2.5650	2.3200	2.1250	1.9600	8.5%	9.3%
Toronto-Dominion Bank (TD)	3.0100	2.7500	2.4700	2.2500	2.0800	1.9200	9.5%	9.4%
Waste Connections Inc. (WCN) ⁴	0.7150	0.6200	0.5400	0.4570	0.3780	0.3380	15.3%	16.2%

1 Cash dividends only. Company has also distributed shares of 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

Third Quarter 2019:

Algonquin Power & Utilities Corporation: 14.10 cents (12.82 cents)*
Bank of Montreal: 103 cents (100 cents)
Canadian Western Bank: 28 cents (27 cents)
National Bank of Canada: 68 cents (65 cents)

Fourth Quarter 2019:

Canadian Imperial Bank of Commerce: 144 cents (140 cents)
Royal Bank of Canada: 105 cents (102 cents)
Sun Life Financial Inc.: 55 cents (52.5 cents)
Waste Connections Inc. 18.5 cents (16 cents)

First Quarter 2020:

Bank of Montreal: 106 cents (103 cents)
Brookfield Asset Management Inc.: 18 cents (16 cents)*
Brookfield Property Partners LP: 33.25 cents (33 cents)*
Canadian National Railway Company: 57.5 cents (53.75 cents)
Canadian Western Bank: 29 cents (28 cents)
Enbridge Inc.: 81 cents (73.8 cents)
Intact Financial Corporation: 83 cents (76 cents)
Manulife Financial Corporation: 28 cents (25 cents)
National Bank of Canada: 71 cents (68 cents)

Second Quarter 2020:

Canadian Imperial Bank of Commerce: 146 cents (144 cents)
Canadian Natural Resources Ltd.: 42.5 cents (37.5 cents)
Power Corporation of Canada: 44.75 cents (40.5 cents)
Royal Bank of Canada: 108 cents (105 cents)
Stantec Inc.: 15.5 cents (14.5 cents)
TC Energy Corporation: 81 cents (75 cents)
Toronto-Dominion Bank: 79 cents (74 cents)

Third Quarter 2020 (Pending):

Algonquin Power & Utilities Corporation: 15.51 cents
(14.10 cents)*

* Dividend paid in USD.



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The Dividend Growth Story- United States Equity Model Portfolio June 2020

Dividend Changes in Most Recent Twelve Months:

Increases: 14

Unchanged: 3

Decreases: 0

Implementation: 1

Portfolio Characteristics (As of June 30th 2020):

Dividend Yield: 2.43%

Dividend Growth Rate:

One Year: +9.3%

Five Years: +10.6%

The BCV Asset Management United States Equity Model Portfolio consisted of eighteen companies at the end of June 2020. In the twelve months ending June 30th 2020, fourteen companies increased their dividend, three companies maintained their dividend at the same level, and one company has implemented a new dividend policy.

The United States Equity Model Portfolio changed during the second quarter of 2020 with the deletion of the existing position in International Business Machines Corporation and an increase to existing positions in General Dynamics Corporation and Honeywell International Inc.

The portfolio also changed through a merger involving United Technologies Corporation. The company distributed shares in Carrier Global Corporation and Otis Technologies Corporation prior to the merger and merged with Raytheon Company to form Raytheon Technologies Corporation. Subsequent to the merger, the new position in Raytheon Technologies was increased and the distributed positions in Carrier Global and Otis Worldwide were deleted.

Four companies paid an increased dividend in the second quarter of 2020, continuing their trend of year-over-year increases. These companies were Apple Inc., General Dynamics Corporation, Johnson & Johnson, and UnitedHealth Group Inc. One other company has announced a dividend increase that will be paid starting in the third quarter of 2020. This company is Medtronic plc.



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The Dividend Growth Story- United States Equity Model Portfolio June 2020

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. FedEx Corporation has also not had a recent dividend increase. The most recent dividend increase was a substantial 30 percent, but the company's earnings and ability to increase dividends has come under pressure from the difficulty of integrating the acquisition of TNT Express NV and the more recent impact of the COVID virus. Johnson Controls Inc. has also not had a recent dividend increase. The company has instead focused on growing its business efficiency and facilities management business lines and on divesting non-core operations.

Raytheon Technologies Corporation is considered to have implemented a new dividend policy following the merger, as the current dividend is not readily comparable to the previous dividend policies of Raytheon Company and United Technologies Corporation and does not take into account the distribution of Carrier Global Corporation and Otis Technologies Corporation shares.

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 June 30 th						Growth Rate	
	2020	2019	2018	2017	2016	2015	1 Year	5 Years
Analog Devices Inc. (ADI)	2.3200	2.0400	1.8600	1.7400	1.6400	1.5400	13.7%	8.5%
Apple Inc. (AAPL)	3.1300	2.9600	2.6200	2.3400	2.1300	1.9300	5.7%	10.2%
AT&T Inc. (T)	2.0600	2.0200	1.9800	1.9400	1.9000	1.8600	2.0%	2.1%
Bank of America Corporation (BAC)	0.7200	0.6000	0.4800	0.3000	0.2000	0.2000	20.0%	29.2%
Becton Dickinson & Company (BDX)	3.1400	3.0600	2.9800	2.8500	2.5800	2.3450	2.6%	6.0%
CVS Health Corporation (CVS)	2.0000	2.0000	2.0000	1.8500	1.5500	1.2500	0.0%	9.9%
FedEx Corporation (FDX)	2.6000	2.6000	2.0000	1.6000	1.0000	0.8000	0.0%	26.6%
General Dynamics Corporation (GD)	4.1600	3.8100	3.4500	3.1200	2.8300	2.5500	9.2%	10.3%
Home Depot Inc. (HD)	5.7200	4.7800	3.8400	3.1600	2.5600	2.1200	19.7%	22.0%
Honeywell International Inc. (HON) ¹	3.5200	3.2050	2.9000	2.5900	2.3025	2.0025	9.8%	11.9%
Johnson & Johnson (JNJ)	3.8600	3.6500	3.4200	3.2400	3.0500	2.8500	5.8%	6.3%
Johnson Controls International plc (JCI) ²	1.0400	1.0400	1.0200	0.9555	0.8586	0.7801	0.0%	5.9%
JPMorgan Chase & Company (JPM)	3.5000	2.9600	2.1800	1.9400	1.7600	1.6000	18.2%	16.9%
Medtronic plc (MDT)	2.1600	2.0000	1.8400	1.7200	1.5200	1.2200	8.0%	12.1%
Microsoft Corporation (MSFT)	1.9900	1.8000	1.6500	1.5300	1.3900	1.2100	10.6%	10.5%
Raytheon Technologies Corporation (RTX) ³	0.5100	0.0000	0.0000	0.0000	0.0000	0.0000	N/A	N/A
UnitedHealth Group Inc. (UNH)	4.4900	3.7800	3.1500	2.6250	2.1250	1.6250	18.8%	22.5%
Wells Fargo & Company (WFC)	2.0400	1.7600	1.5600	1.5200	1.5050	1.4250	15.9%	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.

3. Cash dividends only. Pre-merger company also distributed shares of Carrier Global Corporation and Otis Worldwide Corporation in 2020.

The Dividend Growth Story- United States Equity Model Portfolio

Summary of Dividend Increases

Third Quarter 2019:

Bank of America Corporation: 15 cents (12 cents)

Medtronic plc: 54 cents (50 cents)

Wells Fargo & Company: 43 cents (39 cents)

Fourth Quarter 2019:

Becton Dickinson & Company: 79 cents (77 cents)

Honeywell International Inc.: 90 cents (82 cents)

JPMorgan Chase & Company: 90 cents (80 cents)

Microsoft Corporation: 51 cents (46 cents)

First Quarter 2020:

Analog Devices Inc.: 62 cents (54 cents)

AT&T Inc.: 52 cents (51 cents)

Home Depot Inc.: 150 cents (136 cents)

Second Quarter 2020:

Apple Inc.: 82 cents (77 cents)

General Dynamics Corporation: 110 cents (102 cents)

Johnson & Johnson: 101 cents (95 cents)

UnitedHealth Group Inc.: 125 cents (108 cents)

Third Quarter 2020 (Pending):

Medtronic plc: 58 cents (54 cents)



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