



BCV Asset Management Inc.

The Dividend Growth Story

September 2020



BCV Asset Management Inc.

The Dividend Growth Story- Canadian Equity Model Portfolio September 2020

Dividend Changes in Most Recent Twelve Months:

Increases: 22
Unchanged: 0
Decreases: 0

Portfolio Characteristics (As of September 30th 2020):

Dividend Yield: 4.78%

Dividend Growth Rate:
One Year: +7.9%
Five Years: +9.1%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-two companies at the end of September 2020. In the twelve months ending September 30th 2020, all twenty-two companies increased their dividend over the amount paid in the preceding twelve months.

The Canadian Equity Model Portfolio changed during the third quarter of 2020 with the addition of a new position in Granite Real Estate Investment Trust.

One company paid an increased dividend in the third quarter of 2020, continuing its trend of year-over-year increases. This company was Algonquin Power & Utilities Corporation. No companies have announced a dividend increase that will be paid starting in the fourth quarter of 2020.

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 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)	4.2100	3.9900	3.7200	3.5200	3.3600	3.2000	5.5%	5.6%
Bank of Nova Scotia (BNS)	3.6000	3.4400	3.2200	3.0000	2.8400	2.6800	4.7%	6.1%
Brookfield Asset Management Inc. (BAM.A) ^{1,2,4}	0.4667	0.4200	0.3933	0.3667	0.3400	0.3067	11.1%	8.8%
Brookfield Property Partners LP (BPY.UN) ⁴	1.3275	1.3050	1.2400	1.1650	1.1050	1.0450	1.7%	4.9%
Canadian Imperial Bank of Commerce (CM)	5.8000	5.5200	5.2600	4.9900	4.6600	4.1800	5.1%	6.8%
Canadian National Railway Company (CNR)	2.2625	2.0675	1.7775	1.6125	1.4375	1.1875	9.4%	13.8%
Canadian Natural Resources Ltd. (CNQ) ³	1.6000	1.4200	1.2200	1.0300	0.9200	0.9100	12.7%	11.9%
Canadian Western Bank (CWB)	1.1500	1.0800	1.0000	0.9300	0.9200	0.8600	6.5%	6.0%
Enbridge Inc. (ENB)	3.1680	2.8850	2.6230	2.3330	2.0550	1.7450	9.8%	12.7%
Granite Real Estate Investment Trust (GRN.UN)	2.8860	2.7780	2.6940	2.5620	2.3700	2.2770	3.9%	4.9%
Intact Financial Corporation (IFC)	3.2500	2.9800	2.7400	2.5000	2.2700	2.0700	9.1%	9.4%
Manulife Financial Corporation (MFC)	1.0900	1.0000	0.8650	0.8000	0.7250	0.6500	9.0%	10.9%
National Bank of Canada (NA)	2.8100	2.6000	2.4000	2.2500	2.1500	2.0000	8.1%	7.0%
OpenText Corporation (OTEX) ⁴	0.6984	0.6528	0.5676	0.4940	0.4300	0.3725	7.0%	13.4%
Power Corporation of Canada (POW)	1.7050	1.5740	1.4810	1.3870	1.2925	1.2025	8.3%	7.2%
Royal Bank of Canada (RY)	4.2600	4.0000	3.7000	3.4000	3.2000	3.0400	6.5%	7.0%
Stantec Inc. (STN)	0.6000	0.5650	0.5250	0.4750	0.4350	0.3950	6.2%	8.7%
Sun Life Financial Inc. (SLF)	2.2000	2.0500	1.8600	1.7100	1.5900	1.4800	7.3%	8.3%
TC Energy Corporation (TRP)	3.1200	2.8800	2.6300	2.3800	2.1700	2.0000	8.3%	9.3%
Toronto-Dominion Bank (TD)	3.0600	2.8200	2.5400	2.3000	2.1200	1.9600	8.5%	9.3%
Waste Connections Inc. (WCN) ⁴	0.7400	0.6400	0.5600	0.4800	0.3880	0.3480	15.6%	16.3%

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

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:

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

Fourth Quarter 2019 (Pending):

None

* Dividend paid in USD.



BCV Asset Management Inc.

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

Dividend Changes in Most Recent Twelve Months:

Increases: 12

Unchanged: 3

Decreases: 1

Implementation: 1

Portfolio Characteristics (As of September 30th 2020):

Dividend Yield: 2.65%

Dividend Growth Rate:

One Year: +1.7%

Five Years: +8.0%

The BCV Asset Management United States Equity Model Portfolio consisted of seventeen companies at the end of September 2020. In the twelve months ending September 30th 2020, twelve companies increased their dividend over the amount paid in the preceding twelve months, three companies maintained their dividend at the same level, one company reduced its dividend, and one company has implemented a new dividend policy.

The United States Equity Model Portfolio changed during the third quarter of 2020 with the addition of a new position in Stanley Black and Decker Inc. and deletion of the existing position in Apple Inc. and Home Depot Inc.

The United States Equity Model Portfolio was also rebalanced during the third quarter of 2020 to bring the allocations closer to an equal weighting in each company that comprises the portfolio. An increased weighting was assigned to AT&T Inc., Bank of America Corporation, CVS Health Corporation, FedEx Corporation, General Dynamics Corporation, Honeywell International Inc., Johnson & Johnson, Johnson Controls International plc, Medtronic plc, Raytheon Technologies Corporation, UnitedHealth Group Inc., and Wells Fargo & Company. A reduced weighting was assigned to Analog Devices Inc., Becton Dickinson & Company, JPMorgan Chase & Company and Microsoft Corporation.

Two companies paid an increased dividend in the second quarter of 2020, continuing their trend of year-over-year increases. These companies were Medtronic plc and Stanley Black and Decker Inc. No companies have announced a dividend increase that will be paid starting in the fourth quarter of 2020.



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CVS Health Corporation, FedEx Corporation and Johnson Controls International plc each have not had a recent dividend increase. CVS has elected to hold dividends at current levels until balance sheet leverage, which has increased because of the 2018 acquisition of Aetna Inc., is reduced. FedEx is instead working to successfully integrate TNT Express, a European-based courier company acquired in 2016 and is making considerable capital investments to ensure that it has capacity to meet demand. It should also be noted that FedEx increased its dividend by 30 percent the last time that it was increased. Johnson Controls has instead focused on growing its business efficiency and facilities management business lines and on divesting non-core operations.

Wells Fargo & Company has reduced its dividend by approximately 80 percent in the most recent quarter. This was an expected action as the bank approached the asset cap imposed on it in 2018 by the Federal Reserve in response to a fake account scandal. This asset cap has had the effect of reducing profitability by limiting the amount of lending that the bank can do, which further compounds the effect of increased provisions and losses resulting from the COVID-driven economic slowdown on their existing book of loans.

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 September 30 th						Growth Rate	
	2020	2019	2018	2017	2016	2015	1 Year	5 Years
Analog Devices Inc. (ADI)	2.4000	2.1000	1.8900	1.7700	1.6600	1.5700	14.3%	8.9%
AT&T Inc. (T)	2.0700	2.0300	1.9900	1.9500	1.9100	1.8700	2.0%	2.1%
Bank of America Corporation (BAC)	0.7200	0.6300	0.5100	0.3450	0.2250	0.2000	14.3%	29.2%
Becton Dickinson & Company (BDX)	3.1600	3.0800	3.0000	2.9200	2.6400	2.4000	2.6%	5.7%
CVS Health Corporation (CVS)	2.0000	2.0000	2.0000	1.9250	1.6250	1.3250	0.0%	8.6%
FedEx Corporation (FDX)	2.6000	2.6000	2.1500	1.7000	1.1500	0.8500	0.0%	25.1%
General Dynamics Corporation (GD)	4.2400	3.9000	3.5400	3.2000	2.9000	2.6200	8.7%	10.1%
Honeywell International Inc. (HON) ¹	3.6000	3.2800	2.9800	2.6600	2.3800	2.0700	9.8%	11.7%
Johnson & Johnson (JNJ)	3.9200	3.7000	3.4800	3.2800	3.1000	2.9000	5.9%	6.2%
Johnson Controls International plc (JCI) ²	1.0400	1.0400	1.0300	0.9908	0.8586	0.8063	0.0%	5.2%
JPMorgan Chase & Company (JPM)	3.6000	3.2000	2.2400	1.9600	1.8000	1.6400	12.5%	17.0%
Medtronic plc (MDT)	2.2000	2.0400	1.8800	1.7500	1.5700	1.2950	7.8%	11.2%
Microsoft Corporation (MSFT)	2.0400	1.8400	1.6800	1.5600	1.4400	1.2400	10.9%	10.5%
Raytheon Technologies Corporation (RTX) ³	2.4200	2.9400	2.8000	2.6800	2.6000	2.5100	N/A	N/A
Stanley Black and Decker Inc. (SWK)	2.7700	2.6700	2.5500	2.3700	2.2300	2.1100	3.7%	5.6%
UnitedHealth Group Inc. (UNH)	4.6600	3.9600	3.3000	2.7500	2.2500	1.7500	17.7%	21.6%
Wells Fargo & Company (WFC)	1.6300	1.8400	1.6000	1.5300	1.5100	1.4500	-11.4%	2.4%

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

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)

Second Quarter 2020:

General Dynamics Corporation: 110 cents (102 cents)
Johnson & Johnson: 101 cents (95 cents)
UnitedHealth Group Inc.: 125 cents (108 cents)

Third Quarter 2020:

Medtronic plc: 58 cents (54 cents)
Stanley Black and Decker Inc.: 70 cents (69 cents)

Fourth Quarter 2020 (Pending):

None



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