



BCV Asset Management Inc.

The Dividend Growth Story

December 2020

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BCV Asset Management Inc.

The Dividend Growth Story- Canadian Equity Model Portfolio December 2020

Dividend Changes in Most Recent Twelve Months:

Increases: 23
Unchanged: 1
Decreases: 0

Portfolio Characteristics (As of December 31st 2020):

Dividend Yield: 4.63%

Dividend Growth Rate:
One Year: +6.8%
Five Years: +7.5%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-four companies at the end of December 2020. In the twelve months ending December 31st 2020, twenty-three companies increased their dividend over the amount paid in the preceding twelve months and one company maintained its dividend at the same level.

The Canadian Equity Model Portfolio changed during the fourth quarter of 2020 with the addition of new positions in Fortis Inc. and RioCan Real Estate Investment Trust and reduction of an existing position in Canadian National Railway Company.

No companies paid an increased dividend in the fourth quarter of 2020. Three companies have announced a dividend increase that will be paid starting in the first quarter of 2021. These companies are Fortis Inc., Granite Real Estate Investment Trust, and OpenText Corporation.

RioCan Real Estate Investment Trust has not had a recent distribution increase because of limited growth in funds from operations over several years. RioCan, which increases its distribution very modestly at the best of times, has announced a one-third reduction starting with its January 2021 distribution because of uncertainties in the retail sector caused by the COVID-19 pandemic.

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	
	2020	2019	2018	2017	2016	2015	1 Year	5 Years
Algonquin Power & Utilities Corporation (AQN) ⁴	0.5922	0.5384	0.4894	0.4554	0.4044	0.3676	10.0%	10.0%
Bank of Montreal (BMO)	4.2400	4.0600	3.7800	3.5600	3.4000	3.2400	4.4%	5.5%
Bank of Nova Scotia (BNS)	3.6000	3.4900	3.2800	3.0500	2.8800	2.7200	3.2%	5.8%
Brookfield Asset Management Inc. (BAM.A) ^{1,2,4}	0.4800	0.4267	0.4000	0.3733	0.3467	0.3156	12.5%	8.8%
Brookfield Property Partners LP (BPY.UN) ⁴	1.3300	1.3200	1.2600	1.1800	1.1200	1.0600	0.8%	4.6%
Canadian Imperial Bank of Commerce (CM)	5.8200	5.6000	5.3200	5.0800	4.7500	4.3000	3.9%	6.2%
Canadian National Railway Company (CNR)	2.3000	2.1500	1.8200	1.6500	1.5000	1.2500	7.0%	13.0%
Canadian Natural Resources Ltd. (CNQ) ³	1.6500	1.4600	1.2800	1.0750	0.9200	0.9150	13.0%	12.5%
Canadian Western Bank (CWB)	1.1600	1.1000	1.0200	0.9400	0.9200	0.8800	5.5%	5.7%
Enbridge Inc. (ENB)	3.2400	2.9520	2.6840	2.4130	2.1200	1.8600	9.8%	11.7%
Fortis Inc. (FTS)	1.9375	1.8275	1.7250	1.6250	1.5250	1.3950	6.0%	6.8%
Granite Real Estate Investment Trust (GRN.UN)	2.9040	2.7960	2.7240	2.6040	2.4030	2.3040	3.9%	4.7%
Intact Financial Corporation (IFC)	3.3200	3.0400	2.8000	2.5600	2.3200	2.1200	9.2%	9.4%
Manulife Financial Corporation (MFC)	1.1200	1.0000	0.9100	0.8200	0.7400	0.6650	12.0%	11.0%
National Bank of Canada (NA)	2.8400	2.6600	2.4400	2.2800	2.1800	2.0400	6.8%	6.8%
OpenText Corporation (OTEX) ⁴	0.7246	0.6756	0.5874	0.5110	0.4450	0.3863	7.3%	13.4%
Power Corporation of Canada (POW)	1.7475	1.5970	1.5045	1.4105	1.3163	1.2238	9.4%	7.4%
RioCan Real Estate Investment Trust (REI.UN)	1.4400	1.4400	1.4375	1.4100	1.4100	1.4100	0.0%	0.4%
Royal Bank of Canada (RY)	4.2900	4.0700	3.7700	3.4800	3.2400	3.0800	5.4%	6.9%
Stantec Inc. (STN)	0.6100	0.5725	0.5375	0.4875	0.4425	0.4075	6.6%	8.4%
Sun Life Financial Inc. (SLF)	2.2000	2.1000	1.9050	1.7450	1.6200	1.5100	4.8%	7.8%
TC Energy Corporation (TRP)	3.1800	2.9400	2.6950	2.4400	2.2150	2.0400	8.2%	9.3%
Toronto-Dominion Bank (TD)	3.1100	2.8900	2.6100	2.3500	2.1600	2.0000	7.6%	9.2%
Waste Connections Inc. (WCN) ⁴	0.7400	0.6650	0.5800	0.5000	0.4110	0.3580	11.3%	15.6%

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

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 2020:

None

First Quarter 2021 (Pending):

Fortis Inc.: 25 cents (24.2 cents)
Granite Real Estate Investment Trust: 25 cents (24.2 cents)
OpenText Corporation: 17.46 cents (20.08 cents)*

* Dividend paid in USD.



BCV Asset Management Inc.

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

Dividend Changes in Most Recent Twelve Months:

Increases: 12
Unchanged: 3
Decreases: 1
Implementation: 1

Portfolio Characteristics (As of December 31st 2020):

Dividend Yield: 2.29%

Dividend Growth Rate:
One Year: -2.7%
Five Years: +6.9%

The BCV Asset Management United States Equity Model Portfolio consisted of seventeen companies at the end of December 2020. In the twelve months ending December 31st 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 fourth quarter of 2020 with an increase in the existing position in CVS Health Corporation and a reduction in the existing position in Microsoft Corporation.

Three companies paid an increased dividend in the fourth quarter of 2020, continuing their trend of year-over-year increases. These companies were Becton Dickinson & Company, Honeywell International Inc., and Microsoft Corporation. No companies have announced a dividend increase that will be paid starting in the first quarter of 2021.

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.



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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 December 31 st						Growth Rate	
	2020	2019	2018	2017	2016	2015	1 Year	5 Years
Analog Devices Inc. (ADI)	2.4800	2.1600	1.9200	1.8000	1.6800	1.6000	14.8%	9.2%
AT&T Inc. (T)	2.0800	2.0400	2.0000	1.9600	1.9200	1.8800	2.0%	2.0%
Bank of America Corporation (BAC)	0.7200	0.6600	0.5400	0.3900	0.2500	0.2000	9.1%	29.2%
Becton Dickinson & Company (BDX)	3.2000	3.1000	3.0200	2.9400	2.7100	2.4600	3.2%	5.4%
CVS Health Corporation (CVS)	2.0000	2.0000	2.0000	2.0000	1.7000	1.4000	0.0%	7.4%
FedEx Corporation (FDX)	2.6000	2.6000	2.3000	1.8000	1.3000	0.9000	0.0%	23.6%
General Dynamics Corporation (GD)	4.3200	3.9900	3.6300	3.2800	2.9700	2.6900	8.3%	9.9%
Honeywell International Inc. (HON) ¹	3.6300	3.3600	3.0550	2.7400	2.4500	2.1475	8.0%	11.1%
Johnson & Johnson (JNJ)	3.9800	3.7500	3.5400	3.3200	3.1500	2.9500	6.1%	6.2%
Johnson Controls International plc (JCI) ²	1.0400	1.0400	1.0400	1.0000	0.8848	0.8325	0.0%	4.6%
JPMorgan Chase & Company (JPM)	3.6000	3.3000	2.4800	2.0400	1.8400	1.6800	9.1%	16.5%
Medtronic plc (MDT)	2.2400	2.0800	1.9200	1.7800	1.6200	1.3700	7.7%	10.3%
Microsoft Corporation (MSFT)	2.0900	1.8900	1.7200	1.5900	1.4700	1.2900	10.6%	10.1%
Raytheon Technologies Corporation (RTX) ³	2.1600	2.9400	2.8350	2.7200	2.6200	2.5600	N/A	N/A
Stanley Black and Decker Inc. (SWK)	2.7800	2.7000	2.5800	2.4200	2.2600	2.1400	3.0%	5.4%
UnitedHealth Group Inc. (UNH)	4.8300	4.1400	3.4500	2.8750	2.3750	1.8750	16.7%	20.8%
Wells Fargo & Company (WFC)	1.2200	1.9200	1.6400	1.5400	1.5150	1.4750	-36.5%	-3.7%

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

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:

Becton Dickinson & Company: 83 cents (79 cents)

Honeywell International Inc.: 93 cents (90 cents)

Microsoft Corporation: 56 cents (51 cents)

First Quarter 2021 (Pending):

None



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