



BCV Asset Management Inc.

## **The Dividend Growth Story**

**March 2021**



BCV Asset Management Inc.

## The Dividend Growth Story - Canadian Equity Model Portfolio

March 2021

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### **Dividend Changes in Most Recent Twelve Months:**

Increases: 24

Unchanged: 0

Decreases: 0

### **Portfolio Characteristics (As of March 31<sup>st</sup> 2021):**

Dividend Yield: 3.80%

Dividend Growth Rate:

One Year: +6.2%

Five Year: +8.2%

The BCV Asset Management Canadian Equity Model Portfolio consisted of twenty-four companies at the end of March 2021. In the twelve months ending March 31<sup>st</sup> 2021, all twenty-four companies increased their dividend over the amount paid in the preceding twelve months.

The Canadian Equity Model Portfolio changed during the first quarter of 2021 with the addition of a new position in Allied Properties Real Estate Investment and the removal of an existing position in RioCan Real Estate Investment Trust.

Six companies paid an increased dividend in the first quarter of 2021. These companies are Allied Properties Real Estate Investment Trust, Brookfield Asset Management Inc., Canadian National Railway Company, Enbridge Inc., Granite Real Estate Investment Trust, and Waste Connections Inc. Three companies have announced a dividend increase that will be paid starting in the second quarter of 2021. These companies are Canadian Natural Resources Ltd., Stantec Inc., and TC Energy 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

BCV Asset Management Inc.

	Twelve Month Period Ending March 31 <sup>st</sup>						Growth Rate	
	2021	2020	2019	2018	2017	2016	1 Year	5 Years
Allied Properties Real Estate Investment Trust (AP.UN)	1.6584	1.6050	1.5690	1.5375	1.5075	1.4694	3.3%	2.4%
Algonquin Power & Utilities Corporation (AQN) <sup>1</sup>	0.6204	0.5640	0.5128	0.4660	0.4342	0.3852	10.0%	10.0%
Bank of Montreal (BMO)	4.2400	4.1200	3.8500	3.6100	3.4400	3.2800	2.9%	5.3%
Bank of Nova Scotia (BNS)	3.6000	3.5400	3.3400	3.1000	2.9200	2.7600	1.7%	5.5%
Brookfield Asset Management Inc. (BAM.A) <sup>1, 2</sup>	0.4900	0.4400	0.4067	0.3800	0.3533	0.3267	11.4%	8.4%
Brookfield Property Partners LP (BPY.UN) <sup>1</sup>	1.3300	1.3225	1.2750	1.2000	1.1350	1.0750	0.6%	4.3%
Canadian Imperial Bank of Commerce (CM)	5.8400	5.6800	5.3800	5.1400	4.8400	4.4200	2.8%	5.7%
Canadian National Railway Company (CNR)	2.3400	2.1875	1.9025	1.6925	1.5375	1.3125	7.0%	12.3%
Canadian Natural Resources Ltd. (CNQ) <sup>3</sup>	1.7000	1.5000	1.3400	1.1000	0.9400	0.9200	13.3%	13.1%
Canadian Western Bank (CWB)	1.1600	1.1200	1.0400	0.9600	0.9200	0.9000	3.6%	5.2%
Enbridge Inc. (ENB)	3.2650	3.0240	2.7510	2.5010	2.1730	1.9250	8.0%	11.1%
Fortis Inc. (FTS)	1.9650	1.8550	1.7500	1.6500	1.5500	1.4300	5.9%	6.6%
Granite Real Estate Investment Trust (GRN.UN)	2.9280	2.8230	2.7420	2.6340	2.4780	2.3040	3.7%	4.9%
Intact Financial Corporation (IFC)	3.3200	3.1100	2.8600	2.6200	2.3800	2.1700	6.8%	8.9%
Manulife Financial Corporation (MFC)	1.1200	1.0300	0.9400	0.8350	0.7600	0.6950	8.7%	10.0%
National Bank of Canada (NA)	2.8400	2.7200	2.4900	2.3200	2.2000	2.0800	4.4%	6.4%
OpenText Corporation (OTEX) <sup>1</sup>	0.7508	0.6984	0.6072	0.5280	0.4600	0.4000	7.5%	13.4%
Power Corporation of Canada (POW)	1.7900	1.6200	1.5280	1.4340	1.3400	1.2450	10.5%	7.5%
Royal Bank of Canada (RY)	4.3200	4.1400	3.8400	3.5600	3.2800	3.1200	4.3%	6.7%
Stantec Inc. (STN)	0.6200	0.5800	0.5500	0.5000	0.4500	0.4200	6.9%	8.1%
Sun Life Financial Inc. (SLF)	2.2000	2.1500	1.9500	1.7800	1.6500	1.5400	2.3%	7.4%
TC Energy Corporation (TRP)	3.2400	3.0000	2.7600	2.5000	2.2600	2.0800	8.0%	9.3%
Toronto-Dominion Bank (TD)	3.1600	2.9600	2.6800	2.4000	2.2000	2.0400	6.8%	9.1%
Waste Connections Inc. (WCN) <sup>1</sup>	0.7600	0.6900	0.6000	0.5200	0.4340	0.3680	10.1%	15.6%

1 Dividend paid in USD.

2 Cash dividends only. Company has also distributed shares of Trisura Group Ltd. in 2017.

3 Cash dividends only. Company has also distributed shares of PrairieSky Royalty Ltd. in 2016.



BCV Asset Management Inc.

## The Dividend Growth Story - Canadian Equity Model Portfolio Summary of Dividend Increases

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### **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:**

Fortis Inc.: 50.5 cents (47.75 cents)  
OpenText Corporation: 20.08 cents (17.46 cents)\*

### **First Quarter 2021:**

Allied Properties Real Estate Investment Trust: 14.17 cents (13.75 cents)  
Brookfield Asset Management Inc.: 13 cents (12 cents)\*  
Canadian National Railway Company: 61.5 cents (57.5 cents)  
Enbridge Inc.: 83.5 cents (81 cents)  
Granite Real Estate Investment Trust: 25 cents (24.2 cents)  
Waste Connections Inc.: 25.90 cents (24.7 cents)\*

### **Second Quarter 2021 (Pending):**

Canadian Natural Resources Ltd.: 47 cents (42.5 cents)  
Stantec Inc.: 16.5 cents (15.5 cents)  
TC Energy Corporation: 87 cents (81 cents)

\* Dividend paid in USD.



BCV Asset Management Inc.

## The Dividend Growth Story - United States Equity Model Portfolio March 2021

### Dividend Changes in Most Recent Twelve Months:

Increases: 11  
Unchanged: 3  
Decreases: 2  
Implementation: 1

### Portfolio Characteristics (As of March 31<sup>st</sup> 2021):

Dividend Yield: 1.93%

Dividend Growth Rate:

One Year: -8.6%

Five Year: +6.2%

The BCV Asset Management United States Equity Model Portfolio consisted of seventeen companies at the end of March 2021. In the twelve months ending March 31<sup>st</sup> 2021, eleven companies increased their dividend over the amount paid in the preceding twelve months, three companies maintained their dividend at the same level, two companies reduced their dividend, and one company has implemented a new dividend policy.

The United States Equity Model Portfolio changed during the first quarter of 2021 with the addition of a new position in Dominion Energy Inc. and the removal of an existing position in AT&T Inc.

One company paid an increased dividend in the first quarter of 2021, continuing its trend of year-over-year increases. This company was Analog Devices Inc. One company has announced a dividend increase that will be paid starting in the second quarter of 2021. This company is Johnson Controls International plc.

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 will begin to pay an increased dividend in the second quarter of 2021.

Dominion Energy Inc. has reduced its dividend by approximately 33 percent, starting in the first quarter of 2021. This dividend reduction was first discussed by the company in mid-2020 and occurred prior to the position in the company being taken. The company has made this decision as part of a strategy of debt reduction, which includes an increased focus on its core electricity generation and distribution business and a divestiture of non-core assets.



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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.



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## The Dividend Growth Story - United States Equity Model Portfolio Summary of Dividends Paid

	Twelve Month Period Ending March 31 <sup>st</sup>						Growth Rate	
	2021	2020	2019	2018	2017	2016	1 Year	5 Years
Analog Devices Inc. (ADI)	2.5500	2.2400	1.9800	1.8300	1.7100	1.6200	13.8%	9.5%
Bank of America Corporation (BAC)	0.7200	0.6900	0.5700	0.4350	0.2750	0.2000	4.3%	29.2%
Becton Dickinson & Company (BDX)	3.2400	3.1200	3.0400	2.9600	2.7800	2.5200	3.8%	5.2%
CVS Health Corporation (CVS)	2.0000	2.0000	2.0000	2.0000	1.7750	1.4750	0.0%	6.3%
Dominion Energy Inc. (D)	3.1400	3.6925	3.4225	3.1150	2.8550	2.6425	-15.0%	3.5%
FedEx Corporation (FDX)	2.6000	2.6000	2.4500	1.9000	1.4500	0.9500	0.0%	22.3%
General Dynamics Corporation (GD)	4.4000	4.0800	3.7200	3.3600	3.0400	2.7600	7.8%	9.8%
Honeywell International Inc. (HON) <sup>1</sup>	3.6600	3.4400	3.1300	2.8200	2.5200	2.2250	6.4%	10.5%
Johnson & Johnson (JNJ)	1.0400	1.0400	1.0400	1.0100	0.9202	0.8586	0.0%	3.9%
Johnson Controls International plc (JCI) <sup>2</sup>	4.0400	3.8000	3.6000	3.3600	3.2000	3.0000	6.3%	6.1%
JPMorgan Chase & Company (JPM)	3.6000	3.4000	2.7200	2.1200	1.8800	1.7200	5.9%	15.9%
Medtronic plc (MDT)	2.2800	2.1200	1.9600	1.8100	1.6700	1.4450	7.5%	9.6%
Microsoft Corporation (MSFT)	2.1400	1.9400	1.7600	1.6200	1.5000	1.3400	10.3%	9.8%
Raytheon Technologies Corporation (RTX) <sup>3</sup>	1.9000	2.9400	2.8700	2.7600	2.6400	2.5600	-35.4%	-5.8%
Stanley Black and Decker Inc. (SWK)	2.7900	2.7300	2.6100	2.4700	2.2900	2.1700	2.2%	5.2%
UnitedHealth Group Inc. (UNH)	5.0000	4.3200	3.6000	3.0000	2.5000	2.0000	15.7%	20.1%
Wells Fargo & Company (WFC)	0.8100	1.9800	1.7000	1.5500	1.5200	1.5000	-59.1%	-11.6%

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.



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## The Dividend Growth Story - United States Equity Model Portfolio Summary of Dividend Increases

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### **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:**

Analog Devices Inc.: 69 cents (62 cents)

### **Second Quarter 2021 (Pending):**

Johnson Controls International plc: 27 cents (26 cents)





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