

# The Aristocratic

May 14, 2018

Dividend Growth Newsletter Volume 2, Issue 13

The Aristocratic Dividend Growth Newsletter is designed specifically to showcase the model portfolios designed and maintained by Seth S. Chang, Portfolio Manager, Leede Jones Gable.

The principal underlying tenet of investing in shares of companies that consistently raise dividends is that over time, all things being equal, higher dividends lead to higher share prices. Increasing dividends also mitigates the capital debilitating effects of rising interest rates. To illustrate further, if a bond were to have increasing coupon payments, all things being equal, as prevailing interest rates rose the market price of that bond would not fall as the market price of a like bond with fixed amount coupons would fall.

A new addition to the American Dividend Aristocrat Portfolio is **Northwest Natural Gas (NWN-NYSE)**, which provides gas distribution and storage in Oregon and southwest Washington states. The company was founded in 1859 and its head office is located in Portland Oregon. NWN is considered a Dividend King with 62 years of consecutive dividend increases.

| Canadian Dividend Aristocrat Portfolio | American Dividend Aristocrat Portfolio | Commodities Price Driven Dividend Growth Portfolio* |
|--|--|---|
| Altagas                                | Proctor & Gamble                       | 3M Company  |
| ATCO                                   | AT&T                                   | Air Products & Chemicals                            |
| Algonquin Power and Utilities          | Carnival Corp.                         | Archer Daniels Midland                              |
| Canadian Utilities Limited             | Coca-Cola                              | Enbridge  |
| Canadian National Railway              | McCormick & Co.                        | Exxon Mobil   |
| Cineplex                               | Walgreen Boots Alliance (NEW)          | Imperial Oil  |
| Emera                                  | Emerson Electric                       | Vale SA   |
| CCL Industries Inc.                    | HCP Inc.                               | Alliance Partners LP                                |
| Fortis                                 | Hormel Foods                           | Enbridge Income Fund                                |
| Intact Financial Corp.                 | Clorox                                 | Monsanto Company                                    |
| Keyera                                 | Lancaster Colony Corp.                 | American States Water                               |
| Exco Technologies                      | Leggett & Platt                        | Keyera Corp   |
| Metro Inc.                             | Cardinal Health                        | Universal Forest Products                           |
| Telus                                  | Axis Capital Holdings (NEW)            |   |
| Thomson Reuters                        | Kraft Heinz                            |   |
| CIBC                                   | Northwest Natural Gas                  |   |

\* Investment in the Commodities Price Driven Dividend Growth Portfolio is limited to only a portion of a client's overall portfolio.

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## Featured Canadian Dividend Aristocrats

### Keyera (TSX:KEY)

Keyera is a midstream energy company located in western Canada. It is engaged in gathering,

|               |               |
|---------------|---------------|
| Price (\$)    | 35.01         |
| 52-Week (\$)  | 31.20 – 42.57 |
| Dividend (\$) | 1.68          |
| Yield (%)     | 4.80          |



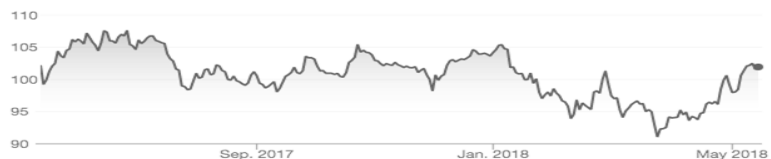
processing, fractionation, marketing and logistics of natural gas and natural gas products; as well as the storage and transport of crude oil and natural gas byproducts. In recent news, Keyera has begun [operations in the United States](#) with plans for a new terminal for

crude oil storage and blending located in Cushing, OK.

### Canadian National Railway (TSX:CNR)

The Canadian National Railway Company (abbr. CNR, but a.k.a. CN) is Canada's largest railway and Canada's only

|               |                |
|---------------|----------------|
| Price (\$)    | 103.83         |
| 52-Week (\$)  | 90.84 – 109.85 |
| Dividend (\$) | 1.82           |
| Yield (%)     | 1.75           |



transcontinental railway company. CNR is classified as a Class I freight railway and is headquartered in Montreal, QC, serving Canada and the Midwestern and southern United States. CNR is tackling its recent capacity challenges [by focusing on expanding rail infrastructure](#) in Manitoba, Saskatchewan, Alberta and British

Columbia.

### CIBC (Canadian Imperial Bank of Commerce) (TSX:CM)

|               |                 |
|---------------|-----------------|
| Price (\$)    | 116.54          |
| 52-Week (\$)  | 103.84 – 124.37 |
| Dividend (\$) | 2.04            |
| Yield (%)     | 4.43            |



The Canadian Imperial Bank of Commerce (CIBC) is one of the Big Five banks in Canada. CIBC was created through a merger in 1961 of the Canadian Bank of Commerce (1867) and the Imperial Bank of Canada (1873); this was the largest merger between chartered banks in Canadian history. CIBC recently conducted a poll finding that 46% of Canadians aged 18-37 who rent or live at home intend to buy in the next five years, but 76% have not started to save or have less than a quarter of their down payment.

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## Featured American Dividend Aristocrats

### Northwest Natural Gas Co (NYSE:NWN)

|               |               |
|---------------|---------------|
| Price (\$)    | 59.80         |
| 52-Week (\$)  | 51.50 – 69.50 |
| Dividend (\$) | 1.80          |
| Yield (%)     | 2.57          |



Northwest Natural Gas Co (NW Natural) is Oregon's largest natural gas utility. NW Natural provides natural gas service to the residential, commercial and industrial customers in western Oregon and southwestern Washington in the Pacific Northwest. NW Natural has committed a [\\$75,000 donation to the new Oregon Harbor of Hope](#) navigation center, with the donation being put toward the development of a new transitional facility for the homeless.

### Axis Capital Holdings (NYSE:AXS)

|               |               |
|---------------|---------------|
| Price (\$)    | 58.17         |
| 52-Week (\$)  | 47.43 – 66.52 |
| Dividend (\$) | 1.56          |
| Yield (%)     | 2.68          |



Axis Capital Holdings is the holding company for AXIS group of companies, offering insurance services including: property, professional lines, terrorism, marine, energy, environmental, and other insurance solutions. Axis Capital Holdings recently acquired [Novae Group in late 2017](#), resulting in its first quarter net income and premium volume jump.

### Walgreen Boots Alliance (NYSE:WBA)

Walgreens Boots Alliance is an American holding company that owns Walgreens, Boots, and a number of pharmaceutical

|               |               |
|---------------|---------------|
| Price (\$)    | 64.61         |
| 52-Week (\$)  | 61.56 – 83.89 |
| Dividend (\$) | 1.60          |
| Yield (%)     | 2.48          |



manufacturing, wholesale and distribution companies. The combined businesses operate in over 25 countries, with Walgreens formerly operating solely in the United States and Alliance Boots operating in more international business.

Walgreens Boots Alliance will hold a [Sell-Side Analyst event](#) on May 22 2018 in New York City.

## Featured Commodities Price Driven Dividends

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## Vale SA (NYSE:VALE)

|               |              |
|---------------|--------------|
| Price (\$)    | 14.91        |
| 52-Week (\$)  | 7.65 – 15.24 |
| Dividend (\$) | 0.56         |
| Yield (%)     | 3.78         |



Vale SA is a Brazilian multinational corporation operating in 30 countries, engaging in metals and mining. Vale SA is the largest producer of iron ore and nickel in the world. Vale SA currently operates nine hydroelectricity plants, as well as a large network of railroads, ships and ports used to transport its products. By 2019, Vale SA will start operating 2<sup>nd</sup> generation [Valemax transport ships](#), which emit 41% fewer greenhouse gases than their previous ships.

## Imperial Oil Ltd. (TSX:IMO)

|               |               |
|---------------|---------------|
| Price (\$)    | 42.07         |
| 52-Week (\$)  | 33.43 – 42.52 |
| Dividend (\$) | 0.76          |
| Yield (%)     | 1.81          |



Imperial Oil is Canada's second-largest integrated oil company. Exxon Mobil Corp has a 69.6% stake in the company. Imperial Oil's retail operations include Esso-brand service stations, On the Run and Tiger Express brand convenience stores. The majority of Imperial Oil's production is from its natural resource holdings in the Alberta Oil sands and the Normal Wells oil field in the Northwest Territories. Imperial Oil has put a [natural gas property in British Columbia](#) on sale. The property includes 239,000 acres, plus ownership in pipelines, roads and facilities.

## Enbridge Income Fund (TSX:ENF)

|               |               |
|---------------|---------------|
| Price (\$)    | 28.32         |
| 52-Week (\$)  | 26.36 – 33.69 |
| Dividend (\$) | 2.26          |
| Yield (%)     | 7.98          |



Enbridge Income Fund is owned and sponsored by Enbridge Inc, a Canadian multinational energy transportation company operating primarily in North America. ENF was designed and managed for investors seeking reliable and predictable cash returns from low risk energy infrastructure assets. Recently ENF has entered into agreements with the Canadian Pension Plan Investment Board (CPPIB) whereby ENF will [monetize a 49 per cent interest](#) in renewable and power generation assets for approximately \$1.05 billion in cash.

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All information and charts used for this newsletter, including Featured Canadian Dividends, Featured American Dividends and Featured Commodities Driven Dividends, are courtesy of QuoteStream, Bloomberg, Google Finance, Yahoo! Finance and Morningstar, Inc. Prices and other numbers associated in this newsletter are accurate as of the date of publication.

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