

**MARCH
2019**

DIVIDEND INCREASES

Bank of Nova Scotia	2.4%
CIBC	2.9%
Cisco Systems	6.1%
Gildan Activewear	19.6%
Intact Financial	8.6%
Magna International	10.6%
Royal Bank of Canada	4.1%
SAP SE	7.1%
Simon Property Group	2.5%
Suncor Energy	16.7%
TransCanada	8.7%
Toronto-Dominion Bank	10.4%

(During the period February 1 to February 28, 2019)

cardinal UPDATE

CARDINAL PHILANTHROPY: YOUR PARTNER IN CHARITABLE GIVING

BY DEWAYNE OSBORN, CPA, CGA, CFP

As a client of Cardinal Capital Management Inc. or as one of our advisor partners, there are extensive resources available to you when considering charitable gifting. Perhaps your thoughts involve making a substantial gift to a charity in Canada, or perhaps setting up your own family foundation, or something in between, Cardinal Philanthropy has the knowledge, skills and experience to help you make such decisions.

Throughout my 20+ year career in providing advisory services to charitable organizations across Canada, I have had the opportunity to work with individual and corporate donors and their advisors on a wide variety of gifts of cash and non-cash (e.g. stock, privately held shares, mutual funds, prescribed debt instruments, life insurance policies) property that was gifted during life and/or through the estate via bequest provisions. I provide technical assistance to charities for tax receipting and gift acceptance issues that may arise from time to time, as well as set up private foundations or donor advised accounts for individuals wanting to have a degree of control over the use of their charitable dollars and want to be strategic when considering their charitable gifting.

For the advisor, you likely know that a significant percentage of your clients will make charitable gifts in their lifetime or in their will. If you have not already done so, you will want to be engaging your clients in philanthropic discussions and incorporating charitable gifting into your clients' overall financial plan. In order to do that, you must be prepared to offer advice on the best solution for your clients' philanthropic dreams. Experience has shown me that advice on this topic will dramatically strengthen your value proposition to your clients. I can help you to provide such advice to your clients.

As a Cardinal client, I stand ready to help you and your advisor in realizing your philanthropic dreams by ensuring that any gifts you make will have the maximum social impact for the minimum after-tax cost. If you are on a charity's Board of Directors that needs charitable giving advice and is having a hard time finding it, feel free to give me a call or email. If you need a liaison between yourself and the charity to help structure and or negotiate an agreement for the use of the funds, I can help as well.

For more information on the types of services Cardinal Philanthropy provides, please go to <https://www.cardinal.ca/cardinal-philanthropy>. If you have a specific philanthropic question you would like addressed, feel free to give me a call at 800-310-4664, extension 211 or email at dosborn@cardinal.ca. I look forward to hearing from you!

COMPANY FOCUS: INTACT

Intact Financial ("IFC") is Canada's largest home, auto, and business insurance company with a 17% market share in a largely fragmented industry. For context, IFC is ~70% larger than its second largest competitor. This size affords IFC sustainable competitive advantages with respect to underwriting acumen, scale, and distribution breadth.

Over the past two years, catastrophes and cost inflation (mostly in personal auto) have hindered operating results. These issues have been addressed through pricing increases, leading to better margins and ceding of unprofitable business, and better segmentation of risk. The impact of these two measures showed up in results through the latter part of 2018, and shares have advanced 18% from a July 2018 low.

We remain optimistic on IFC given favourable conditions we see in the pricing environment across all operating lines in home, auto, and business insurance. Further, the rise in investment yields has resulted in better returns on IFC's investment portfolio. Lastly, acquisitions remain a possibility and are a positive given excess capacity on the balance sheet and IFC's proven ability to extract significant value from past acquisitions.

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