Cardinal Quarterly

VOLUME 28 · ISSUE 1 · JANUARY 2023

Market Outlook

BULLS ARE BACK IN 2023

BY EVAN MANCER, CFA

We believe the challenges of 2022 will lead to opportunities in 2023.

There's no question that a rash of negative economic news and political unrest dragged global stock markets down for much of last year. A year ago, the virtual consensus among economists and central bankers was that inflation would be transitory but instead rising prices picked up speed. Russia's invasion of Ukraine was certainly one of the contributing factors but it also created more geopolitical instability.

The performance of the global economy throughout 2022 was a mixed bag. China, the biggest engine for the past 15 years, sputtered in 2022 with persistent COVID lockdowns. The job market in much of the developed world, meanwhile, remained robust as most companies are more focused on hiring workers than laying them off.

Our 2023 forecast calls for 20 per cent growth in both U.S. and foreign stock markets and 15 per cent to 20 per cent growth on the S&P TSX. Our slightly higher forecast outside our borders is because foreign markets took a steeper fall in 2022 and have more room to rebound.

The biggest sector contributor to stock market declines was technology, with the Nasdaq falling -32.6% over the year. The S&P 500, also with a decent technology weighting, fell -18.6%. Foreign markets were somewhat mixed. In local currencies, the U.K. FTSE-100, the Australian ASX, and the Japanese Nikkei-100 performed relatively well up 4.4%, down -2.2% and down -7.8% respectively. Returns in U.S. greenbacks would have been about 10 per cent lower due to weak currencies. The French CAC, German DAX and Canada's own TSX fell -6.9%, -12.4% and

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-5.9% on top of currency losses of about five per cent versus the U.S. greenback.

Our bullish forecast is based on our belief that we are through the worst of last year's problems. First, inflation has clearly decelerated after revving up during the summer. The prices of core goods have stabilized and may even start to fall once most input costs, such as commodities and freight transport, decline sharply. Services inflation remains high but just as this component lagged goods on the way up, it should follow on the way down.

Housing, the largest component of inflation, is always a lagging indicator since data is collected via survey, and is about six months in the rear view mirror. Lower inflation will not only allow central banks to stop raising interest rates but likely move in the opposite direction later in 2023.

Growth stalled in China last year as the country continued with its zero COVID-19 policy, adopted tougher policies for its large technology sector and attempted to deal with a major real estate bubble. While we do not expect all of these problems to be solved in 2023, we do believe that China's GDP will start to pick up in the second half of 2023.

The war in Ukraine continues with no end in sight with Ukraine suffering major damage to infrastructure and Russia absorbing heavy casualties and a major depletion of its weapons stockpile. A major obstacle to any resolution is the fear that Russian president Vladimir Putin will use peace to rebuild for further war.

We are starting to believe that Ukraine, with a highly-motivated population and military and financial aid from the west, may be capable of rebuilding its military strength and economy more quickly than Russia when the war finally does end. We hope that this dynamic will serve as a strong incentive for a permanent cease fire.

An increasing number of economists and business leaders are calling for a recession in the U.S. and Canada in 2023. In our view, all economic predictions depend on consumer spending, which accounts for nearly 70 per cent of the total economy. Given the exceptionally strong employment market, we believe consumer spending will remain healthy. While consumers have burned through most of their pandemic savings, consumer balance sheets are still better than they were in 2019.

A key risk to our outlook is if Central Banks continue to boost interest rates. Higher rates will eventually pressure consumer spending as interest payments on loans cut into consumer budgets. In fact, most central banks are still calling for significantly higher interest rates. However, history has taught us to put more faith in the data that central bankers follow than the public comments that they make.

If interest rates move higher than we expect and trigger a recession, we believe it will be a mild one. Unlike the most recent significant recession in 2017, we do not see any alarming pockets of excess in the economy. Both housing and auto sales have been below average for most of the past decade, the financial system has record-high capital levels and debt levels are reasonable for consumers and businesses, although they're high for federal governments.

Valuations in Cardinal's portfolio of companies are trading at very attractive levels. While stock prices have declined for our companies from a year ago, both earnings and dividends have increased. This has created a classic opportunity for greater value at cheaper cost. Almost all of Cardinal's equity mandates outperformed the broader indexes in 2021 and 2022, a trend that we expect to continue for the next few years as equity markets have shifted focus from growth stocks to value stocks.

Oil prices ended the year just over USD$80 per barrel, up four per cent on the year. We believe prices will bounce around this level. Recession fears have put some downward pressure on oil prices but this is offset by a tight market in terms of supply, with most oil companies reluctant to make major investments in new production. Oil prices may spike higher if there is not a recession. Here's why: First, China has ended its lockdowns and this will likely unleash significant new demand. In addition, the U.S. government released close to half of its strategic oil reserves in 2022 in an effort to keep gasoline prices low. The strategic reserve will not be able to release more this year and the U.S. may actually shift to being a buyer to get reserves back to a healthy level. The only real spare capacity is in Saudi Arabia, which will probably refuse to increase production unless oil moves above USD$100.

The loonie ended the year at $0.74, down from just under $0.80 at the end of the third quarter. We continue to believe that it should be above $0.80. In fact, even though we are slightly more optimistic for foreign stock markets than for the TSX, we believe investors may do just fine in Canada with the added boost of a strengthening currency. The greenback benefitted from its perceived status as a safe-haven in uncertain times. As markets move past some of the problems of 2022 and begin to focus on the fundamentals of oil prices and interest rates, we expect the loonie to move higher.

Cardinal Rule #4:
USE COMMON SENSE
AND AVOID ELON MUSK

BY GEOFF KIRBYSON, MBA

Would you hitch your investment cart to somebody who lost USD$182 billion in 2022?

Of course not. And neither would we at Cardinal.

The CEO of Tesla, the Texas-based designer and manufacturer of electric cars, now holds the Guinness World Record for losing the most wealth ever.

Not only did he surpass previous record holder, Masayoshi Son, the founder and CEO of Softbank, a Japanese multi-national company, Musk blew him out of the water. Son lost "just" USD$58.6 billion in 2000.

Shares in Tesla, which represents the vast majority of Musk's wealth, plummeted from USD$382 each to less than USD$125 each — a drop of more than 65 per cent — in just nine months.

Musk exacerbated matters in October by buying Twitter for USD$44 billion and taking it private. Since then, the social media giant has laid off half of its workforce, relaxed its hate speech policies and removed its policy prohibiting COVID-19 misinformation.

Perhaps not surprisingly, Tesla shares have fallen by more than USD$100 since Musk bought Twitter.

The company's, um, fortunes demonstrate the perils of being tied to one person — somebody who seems to believe that there is no such thing as bad publicity. They also help illustrate Cardinal Rule No. 4 — Use Common Sense.

Sheila Wilson-Kowal, portfolio manager, says the CEOs of the vast majority of companies keep a low profile and are merely part of the management team. (Hands up if you can name the CEO of the Royal Bank, Canada's largest public company.) Media outlets cover companies like Tesla because they're entertaining and spin a good yarn.

"They make for great stories but not necessarily for good investments," she says.

It brings to mind comments once made by Michael Lee-Chin, the former CEO of mutual fund company AIC Ltd. He acknowledged the risks of being the face of an investment firm and said he lived each day as if his every move would be reported on the front page of tomorrow's *Globe & Mail*. So, he never so much as jay-walked.

Wilson-Kowal says in a perfect world, the companies in Cardinal's portfolios would appear in the newspaper every three months when they report their quarterly results and announce a dividend increase.

"Usually, boring is better. We don't want to see our companies on the front page every day," she says.

Musk is far from the first CEO whose personal actions have impacted investors. Frank Stronach, founder of Magna International, the Aurora, Ont.-based automotive parts manufacturer, tried to take the company in a number of directions that shareholders openly opposed. For example, Stronach was a thoroughbred enthusiast and started Magna Entertainment, a racetrack operator. He launched an ultimately failed bid to buy Chrysler in 2007 and in some years also received tens of millions of dollars in consulting fees.

Wilson-Kowal is quick to note that Tesla makes a good product.

"It has really challenged the auto industry to up its game but Tesla does not meet our criteria for a solid investment. Musk certainly seems to be distracted," she says.

Focus on Energy

ASSET SALES AT ENEL AND TC ENERGY POSITION FIRMS FOR THE FUTURE

BY JEFF RANCE, CFA

Enel, a large multi-national utility based in Rome, and TC Energy, a Canadian pipeline company, have more in common than you might think. Despite being 8,500 km apart, both companies recently held investor days outlining the impact that the war in Ukraine is having on their operations as well as the pursuit of asset sales to improve their balance sheets.

The nearly year-old war in Ukraine has upended European energy markets, with ripple effects worldwide. Before the war, the European Union imported 15 billion cubic feet per day (bcf/d) of Russian natural gas, accounting for nearly 40 per cent of its gas consumption. As a result, European natural gas prices skyrocketed. Electricity prices followed suit. Imagine your energy bills quintupling in such a short period and you understand the precarious position of the European economy.

Enel is in a somewhat advantageous position as it does not import any Russian natural gas in Italy or Spain, relying instead on liquified natural gas (LNG) and pipelines from Norway, Qatar and Algeria. While this ensured steady supplies to power plants and customers, the increased price of natural gas and related increases in power prices still had an impact on Enel.

Exacerbated by drought conditions on hydrology, third party power purchases became more expensive and the company could not adequately pass these costs on to customers with government-regulated price caps. This dynamic weighed on the company's balance sheet and, alongside higher interest rates, caused Enel's share price to underperform during the first three quarters of 2022.

The shares gained 32 per cent in the fourth quarter, however, as warm weather improved Europe's prospects, ensuring ample natural gas through the winter. Their investor day also confirmed that the business model is highly resilient, as forward earnings guidance remains strong, supporting continued growth in the already-ample dividend. Enel's long-term growth prospects remain very strong as the continent's only way to gain energy self-sufficiency is to increase renewable power generation and improve its electricity grid.

We support Enel's plans to sell (EUR) €21 billion in assets from 2022 to2024, one-quarter of which has already been completed. The rationale is to reduce short-term balance sheet risk from the government actions on power prices, refocus the asset base on just six core countries and crystallize the value of undervalued assets. The company has exited Russia and plans to leave Romania, Peru and Argentina and will instead focus on Italy, Spain, the U.S., Brazil, Colombia and Chile. We believe the company will get good value for its assets as pensions and other institutions value the long-term nature of renewables as well as electricity transmission and distribution assets.

On this side of the pond, the war has had a positive impact on the energy industry as the spotlight has shone on domestic energy security and the growth in LNG exports. The shale gas boom has allowed the U.S. to go from a net importer of natural gas to the largest exporter of LNG in less than a decade. Exports, which used to be zero, are now creating billions of dollars in economic value, helping to keep North American natural gas prices well below those of Europe and Asia.

They are also playing a critical role in helping Europe build adequate natural gas storage levels for the winter.

The need for Europe to diversify away from Russian gas and the growth in Asian demand should result in a doubling of North American LNG exports by 2030. At its recent investor day, TC Energy outlined its impeccable position supplying LNG export terminals in North America with its pipelines serving 30 per cent of all exports, including the Coastal GasLink pipeline to Canada's first LNG export terminal in Kitimat, BC.

Despite the improved growth prospects, TC Energy's share price has underperformed recently. While we view the $34 billion – and growing – project backlog as a positive, the ability to fund this growth has become an issue due to major cost overruns at the Coastal GasLink pipeline. TC Energy injected $1.9 billion of additional equity into the project in the second quarter and then announced further cost overruns. As a result, the company is turning to more than $5 billion in asset sales to help fund its capital expenditures and reduce leverage. As with Enel, we are supportive of these asset sales and believe there is no shortage of suitors interested in long-term contracted energy infrastructure. Our confidence is supported by TC Energy completing $11 billion in asset sales from 2017 to 2020. Once these asset sales have been completed, we believe the market will focus on the unparalleled backlog and the role its assets play in increasing North American natural gas exports.

Fixed Income Update

FOCUSING ON YIELD TO MATURITY GIVES BETTER MEASURE FOR ESTIMATING BOND RETURNS

BY BRETT PURDY, CFA

Last year was one of the worst 12-month periods the bond market has seen in a generation. For many investors, 2022 represented the first time they experienced rising inflation along with rising interest rates. Forty-year highs in inflation finally forced the Bank of Canada to begin an aggressive rate hike campaign early last year. So far, seven consecutive increases totalling 400 basis points have pushed the overnight rate up to 4.25%.

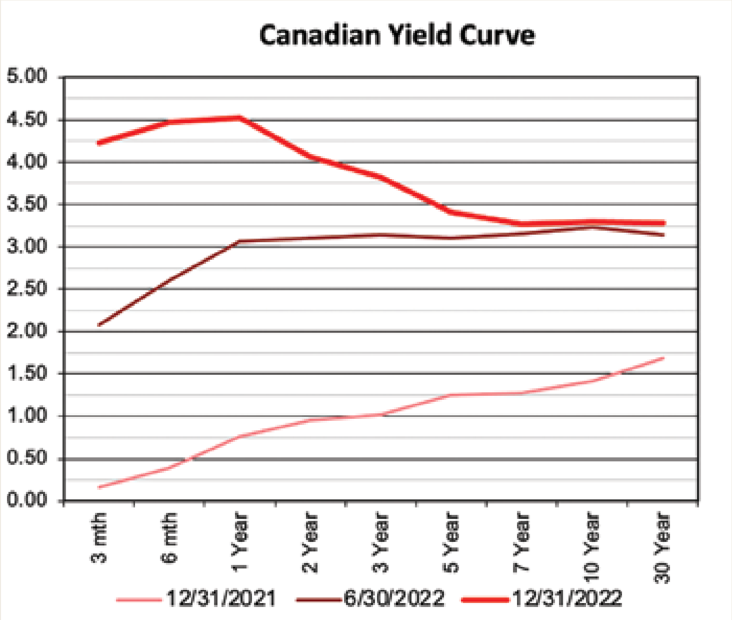
As a result, the yield curve shifted upwards significantly and went from a positive slope to inverted. The three-month Treasury Bill yield increased 407 basis points to 4.23% during the year, while the 10-year Government of Canada bond yield rose from 1.42% to 3.30%.

The FTSE Canada Universe Bond Index returned a dismal -11.7% in 2022, with most of the pain coming in the first half of the year. Cardinal bond portfolios outperformed by a significant margin last year due to our extremely low duration, which helped to minimize the impact of rising bond yields. The Cardinal Income Pool similarly outperformed the benchmark.

Bond yields and prices always move in the opposite direction. Unfortunately, this means that existing bondholders saw the prices on their investments fall last year. It's important to remember that those bonds will mature at par, so those hefty losses on a statement are not as negative as one might think. The unrealized loss shown on a statement only captures the price movement on the principal portion of your bond investment before it matures. What it doesn't show is all of the coupon payments you receive over the bond's term. A better measure for estimating a bond's return is the yield to maturity, as it captures the total return from both principal and interest.

Generally, Cardinal employs a buy-and-hold fixed income strategy but in the fourth quarter we took active steps to lengthen the duration of our portfolios. We sold short-term bonds and replaced them with long-term bonds in the 15 to 20-year range. The overall duration remains conservative and is still lower than the benchmark's. This will lessen the negative impact if bond yields rise further.

Most of the run-up in bond yields is likely behind us and with increased risk of a recession, it's entirely possible that bond yields will even decline. Should that happen, the portfolios will benefit from our recent actions. Further good news is that new bond purchases are now much more attractive with yields well above four per cent and, in many cases, above five per cent. It wasn't that long ago when it was difficult to find a 1.5 per cent yield.



Don't Mortgage Your Future

EVALUATE ALL OPTIONS WHEN RENEGOTIATING YOUR MORTGAGE

BY IAN WOOD, CFP, CIM, MFA-P

The Bank of Canada raised the overnight rate seven times last year from 0.50% to the current 4.25%. We are frequently asked by our clients how this increase will affect their financial plans. One of the biggest areas is the increased borrowing costs and for most clients that means their mortgage.

With a variable rate mortgage, your lender will likely adjust the interest rate applied to your outstanding balance each time the Bank of Canada raises the overnight rate. If you have an adjustable-rate mortgage (ARM), your payment will change to reflect the higher interest costs, which will impact your cash flow.

Most borrowers with variable interest rates do not have ARMs, so their monthly cash flow will not change immediately. However, the portion of the payments applied to the mortgage principal will decrease with each increase in underlying interest rates. These mortgages may also have a "trigger rate" clause that allows the lender to increase payments if the rate reaches a certain level.

Borrowers can review their mortgage contracts to find the trigger rate that applies to them. At the end of the mortgage term, payments may need to increase to maintain an amortization on the outstanding balance that's acceptable to the lender.

If you're like the majority of Canadians and have a fixed-rate mortgage, you will not see any changes to your payments until the mortgage renews at the end of the term. At that point, you may need to increase your payments to reflect higher interest rates if you wish to maintain your current amortization. And those payments may increase significantly as it's likely that your borrowing rates will have increased from one to two per cent up to five or six per cent.

Increasing your amortization period may be tempting as it allows you to maintain a payment closer to what you're used to. The long-run impacts to your overall financial plan, however, should be considered as the longer you have a mortgage can impact future savings assumptions, retirement income needs and insurance needs.

You may want to consider a compromise between the increased payments and extended amortization by opting for a mortgage that offers you options such as increasing payments during the term, making extra monthly payments or making lump-sum payments without incurring a penalty. These options can allow you to start with a comfortable payment with an initially increased amortization but enable you to increase the payments as your income increases.

The Cardinal Foundation

Cardinal FOUNDATION

MAKING A DIFFERENCE IN 2022

BY RON MALECH, CFP, FMA, CIM

Twelve months ago, I wondered how we could top 2021 at the Cardinal Foundation for the number of grant applications we received and the amount of funds we disbursed. The number of organizations that we were able to assist in 2022 amazes me but the need for what we do continues unabated, not only in Manitoba but across the country.

Here are a couple of the organizations that the Cardinal Foundation assisted last year.

1. **The Canadian Ukrainian Foundation**

   Many of us have been impacted one way or another by the war in Ukraine. It's virtually impossible to miss the influx of refugees who have arrived in Winnipeg. Many of these people, if not all of them, are leaving behind absolutely everything they own to come to Canada for the chance at a new life. The Cardinal Foundation issued a challenge early last year to Cardinal employees, offering to match every dollar donated to the cause. Cardinal staff, of course, met the challenge head on and a total contribution of $10,000 was made.

2. **The Bruce Oake Memorial Foundation**

   Just as many of us have been impacted by the war in Ukraine, the same can be true with the growing drug problem in both our city and our country. Many of us know someone with an addiction. The Bruce Oake Memorial Foundation was established to fund the Bruce Oake Recovery Centre. The Cardinal Foundation had been approached to provide funding for snow clearing equipment for the centre. As part of the programming for the men living there, the residents are responsible for the day-to-day maintenance of its interior and exterior. Our grants committee approved the request.

I would like to thank my fellow board members and our grants committee for their ongoing care and concern for the many organizations that apply to us for help and the creativity they have come up with over the past year to help as many as we can.

If you are interested in discussing setting up a foundation for yourself or your family please talk to your advisor. They will put you in touch with our foundation's executive director, DeWayne Osborn, who will be able to lead you through the process.

Board of Directors

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Leah Cochrane
Mitch de Rocquigny
Leanne Thiessen

Investment Q&A

Q: How will the new insurance accounting rule changes impact Canadian insurers?

A: Canadian insurers rang in the New Year by adopting new financial reporting standards.

IFRS 17 will affect the timing of profit recognition as well as add new wrinkles to balance sheet calls.

The adoption of the new standard, which was pushed back two years due to the pandemic, pertains more to life insurers than property and casualty providers.

Information about the anticipated impact on financial statements by adopting IFRS 17 trickled out last year via special presentations and quarterly earnings. Manulife Financial, a Cardinal portfolio holding, said it expects its book value will decline by 20 per cent upon adoption of IFRS 17 and that its core earnings will decline by about 10 per cent during the transition year.

The vast majority of this impact is caused by establishing a new balance sheet liability called the "contractual service margin" – CSM for short – which defers profit recognition from "upfront" under the current rules to "over the life of the contract" under IFRS 17.

Given the significant impact on both the balance sheet and income statement, how does this change our view of Manulife and the other Canadian lifecos? Not much, actually. The initial reaction to Manulife's disclosures was a nearly 10 per cent drop in its share price, which did not recover through most of 2022. We believe this was an overreaction to the disclosures and nothing has changed economically.

The typical concern with a decline in book value is that it could have a negative impact on available capital needed to meet the minimum regulatory requirements and could require raising equity.

The Office of the Superintendent of Financial Institutions (OSFI), the regulator in Canada, has said it would recognize the CSM liability as part of its calculations of available capital. This means the decline in book value would actually have no economic impact on the lifecos. Had this not been the case, we would have had some genuine concerns about IFRS 17.

The decline in earnings in transition is mostly due to the timing of profit recognition. Certain items, such as investment gains or positive impacts from the sale of insurance contracts, will now be deferred over the life of the contract instead of being recognized upfront. The cash flows from these contracts, however, will not change and neither will the overall profits from the contracts. The only change is how accounting rules recognize it as profit. As a result, dividend payments and dividend growth are not expected to be impacted.

It's important to understand the implications of the financial reporting changes and we believe the end result is fairly neutral.

– ROBERT LAM, CPA, CFA

Q: What caused the healthcare sector to outperform in 2022?

A: The S&P 500 Total Return Index declined 18.1% last year as sectors sensitive to interest rates and companies trading at high valuations had a challenging time. The healthcare sector in contrast was down just 1.9% as investors looked for companies that were not only trading at attractive valuations but had the ability to generate durable cash flows and predictable earnings in all economic environments.

Demographics are an obvious benefit for this sector as the older people get, the more they access healthcare services. So, not only is healthcare recession-proof but it has underlying growth tailwinds.

We have an overweight position in healthcare in the U.S. equity portion of our portfolios as we believe these companies are a great fit with Cardinal's investment philosophy. Merck, CVS and AbbVie, our three most widely-held healthcare companies, each outperformed the market in 2022.

Merck shares increased by nearly 50 per cent last year, driven by a number of factors, including strong growth from Keytruda, its immuno-oncology treatment that continues to expand into additional cancer types and earlier stages of the treatment process. Keytruda is one of the world's largest pharmaceutical products and is on-track to surpass $20 billion of annual revenues in 2022. Merck also has animal health and vaccine franchises which provide durable growth and the company's COVID treatment, Lagevrio, has played a crucial role during the pandemic. At less than 15 times forward earnings estimates, shares continue to trade at a reasonable valuation despite the exceptional performance in 2022. The company recently increased its dividend by 5.8%.

Despite playing a pivotal role during the COVID-19 pandemic through the administration of vaccines and tests, shares in CVS declined by 8% in 2022. While CVS is often thought of as a pharmacy chain, it continues to evolve toward a more fully-integrated healthcare services company, highlighted by its $69 billion acquisition of Aetna, a healthcare benefits company, in late-2017 and its desire to add physicians and clinics to its network. The company's valuation remains attractive with shares trading at less than 11 times forward earnings estimates and the dividend was recently increased by 10%.

AbbVie, which is best known for Humira, a treatment for a wide range of conditions across rheumatology, dermatology, and gastroenterology, was purchased in early 2022. Its shares were up 24% during the year. Humira's U.S. patent is expiring later this year and a number of competing products have already been approved and are waiting to enter the market. As a result, AbbVie has been focused on diversifying its portfolio away from Humira and its product pipeline has had some recent successes which are expected to lead the company's next phase of growth. Rinvoq and Skyrizi, two of the newest products which treat the same conditions as Humira, have outperformed it in clinical trials and their combined peak annual revenue is expected to exceed $20 billion. Shares remain attractive, trading at less than 14 times forward earnings estimates, and the dividend was recently increased by 5%.

– DAVID AIME, CFA

Q: Why doesn't Cardinal invest in Gold Stocks?

A: Gold has long been a portfolio staple at many investment firms but Cardinal is not many investment firms. Not only have we not traditionally invested in gold stocks but we haven't bought bullion either. The reason is simple – gold stocks do not meet our criteria of investing in high-quality businesses with sustainable business models.

Gold is a store of value and has very little industrial purpose or usefulness. Gold stocks do not align with our investment philosophy due to their volatility, cyclical nature and checkered dividend record.

Consider this – if everybody stopped buying gold for an entire year, would it impact the world at all? No, it wouldn't. So, how is gold a sustainable business?

We prefer not to speculate that gold companies would continue to find buyers at prices greater than their production costs. Virtually all other commodities, including grains, cotton and natural gas, are not only useful, but they are absolute necessities to meet our daily needs. When we invest in commodity-related companies, we prefer operators such as Saputo and TC Energy because they are sustainable, profitable and necessary.

We are investors in businesses. We do not merely trade stocks. Shares of gold companies do not stand up well to our buy-and-hold investment style as they have generally lagged stock indices over the long run. Today, gold is being held up as a hedge against inflation. Given its track record during previous inflationary periods has been mixed, we see a better option. We believe dividend stocks are often overlooked as a way to protect against inflation, which always has been a key tenet of Cardinal's investment style.

Inflation protection comes from investing in dividend-paying stocks in which we have high certainty that the companies will be able to grow their dividends regularly at a rate that outpaces inflation. Resilient, high-quality, dividend-paying companies that have pricing power or a strategic advantage over their competition are better positioned to weather periods of higher inflationary. As a bonus, when inflation recedes, dividend-paying companies continue to provide strong, predictable returns while gold stocks have not.

We stick to our discipline, which has protected our clients from taking on unnecessary risk rewarding them with good returns that protect against inflation.

– SHEILA WILSON-KOWAL, CFA

Cardinal News

Huge congratulations are in order for some new parents! Chris Daniels and his wife, Sarah, welcomed their new baby girl, Addia Elaine, on December 3rd. Welcome to the world and to the Cardinal family Addia!

Our Calgary office is growing with two new Associates recently added to the team – Kaelten Stuckey and Usman Ahmed. Kaelten started at Cardinal as a summer intern in 2021 and has completed a business and accounting program through the College of the Rockies. Usman is taking a business administration and accounting program at the Southern Alberta Institute of Technology (SAIT). Kaelten and Usman both look forward to serving our clients.

DIVIDEND INCREASES:

	% Increase
CANADA	
Alimentation Couche-Tard	27.30%
Suncor Energy	10.60%
Toronto Dominion Bank	7.90%
Canadian Tire	6.20%
National Bank of Canada	5.40%
Sun Life Financial	4.30%
TELUS	3.70%
Granite REIT	3.30%
Enbridge	3.20%
Royal Bank of Canada	3.10%
Bank of Montreal	2.90%
CIBC	2.40%
U.S.	
Broadcom	12.20%
CVS Health	10.00%
Merck & Co	5.80%
Abbvie	5.00%
V.F. Corp.	2.00%
INTERNATIONAL	
Siemens	6.30%

For the period Oct. 1-Dec. 31, 2022