DSR PREMIUM NEWSLETTER

IN THIS ISSUE…

- Sector review + best ideas
  - Healthcare
  - Industrials
  - Information Technology
  - Materials
  - REITs
  - Utilities

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DECEMBER 22nd, 2023

Dear DSR member,

It is with great pleasure that we present our weekly premium newsletter which is an important component of your subscription to Dividend Stocks Rock.

You may benefit from viewing our video explaining the differences between the Buy List, our ratings, and our portfolio models. You can retrieve this information in the Videos section of the website.

Referral

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HEALTHCARE

Interestingly, if you invested in healthcare this year, chances are you didn't have a good year. The ETF benchmark shows a total return of -1.72% as of December 6th, but there are many major losers. You can see on the graph that some companies had very challenging years (Baxter -28%, and Pfizer -39%) while most of them didn't do much (between -7% to +5%) with a special mention to Cardinal Health (CAH) at +42%. It seems like it's the revenge of the pharmaceutical wholesaler. Those companies operate in a razor-thin margin environment with large volumes and voluminous regulations that often change. They feel the weight of large debt loads and the hangover from the COVID hype (especially for Pfizer).

	VAL
Health Care Select Sector SPDR® ETF (XLV) Total Return	-1.72%
AbbVie Inc (ABBV) Total Return	-6.92%
Abbott Laboratories (ABT) Total Return	-3.05%
Pfizer Inc (PFE) Total Return	-38.99%
Merck & Co Inc (MRK) Total Return	-2.30%
Baxter International Inc (BAX) Total Return	-27.68%
Johnson & Johnson (JNJ) Total Return	-6.09%
Cardinal Health Inc (CAH) Total Return	41.85%
UnitedHealth Group Inc (UNH) Total Return	5.35%

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U.S Pick: LeMaitre Vascular (LMAT) (Educated Guess)

Since debt isn't a popular topic these days, I decided to go with a small cap with a stellar balance sheet. LMAT is a niche company selling a dozen products being used in surgeries on veins and arteries outside of the heart. In other words, they deal with hospitals, mostly surgeons, who don't have much time to shop around and change suppliers. Most of its products are #1 or #2 in their respective markets. The company doesn't hesitate to grow by acquisition or to spend more on hiring sales representatives. You can rest assured your interests are aligned with management as M. LeMaitre owns more than 10% of all shares.

U.S. Pick: Pfizer (PFE) (Core Holding)

I tried to catch PFE during this past summer and added it to the DSR Mike's buy list. It seems it was a bit premature to make that move. Pfizer's results were difficult to analyze this year as COVID products sales dropped like a rock. Excluding the COVID hype, PFE reported growing sales in 2023. Shares have fallen to a ridiculous price pushing its forward PE below 10. While the company is known to pay an average yield around 3.50% over the past 5 years, the current yield is at 5.60%. In 2023, Pfizer announced the acquisition of cancer-focused big pharma Seagen for $43B. Pfizer believes Seagen could contribute more than $10B in revenues by 2030, with potential significant growth beyond 2030. The transaction is expected to close at the end of this year or in early 2024.

The market does not appear to like the decision, and the stock price has been falling ever since. It looks like an interesting play in the healthcare industry, considering Pfizer's historic business model and drug pipeline.

U.S. Pick: United Healthcare Group (UNH) (Core Holding)

For this last pick, I'm going after an all-star dividend grower with an almost perfect dividend triangle. United Healthcare is the perfect example of a low-yield, high dividend growth stock. UNH is the largest private health insurance provider in the U.S. What strikes us when we analyze UNH is its ability to constantly be one step ahead of their peers by pre-emptively adapting its business model to the industry and political happenings. They offer medical insurance, pharmacy benefits, and healthcare services as a one-stop shop. This helps their customers manage their healthcare costs more effectively than most alternatives. This is why their revenue and EPS increase year after year without much fluctuation. The stock trades at a forward PE ratio of 19.75 while the 5-year average sits at 22.81.

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INDUSTRIALS

Industrials are highly cyclical and will usually follow the economy. Many old industrials are "GDP+" types of businesses which means they will normally generate a little bit more than the economic growth of their market (either a country or the world for the bigger guys). The Transportation industry's volume (railroads, trucking, parcel delivery) depends on how much people consume. There are not as many resources or goods to transport if buying volumes are down.

VAL
BMO Equal Weight Industrials ETF (ZIN.TO) Total Return 12.77%
Industrial Select Sector SPDR® ETF (XLI) Total Return 11.35%

12.77%
11.35%
6.00%
0.00%
-6.00%
Jan '23
Apr '23
Jul '23
Oct '23
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After a difficult year in 2022, many industrial stocks came back in 2023. Defense stocks continue to receive much love as the war between Russia and Ukraine keeps raging and now, we have a second conflict between Israel and Hamas. On the transportation side, we saw railroads and trucking ringing the economic slowdown bells with lower volumes. Classic industrial piece makers also saw revenue slowing down as most companies try to stick with a lean inventory. We should see such slowdowns continue in 2024. However, if we begin to see rate cuts, you can bet industrials will rise faster than their backlogs!

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U.S Pick: Automatic Data Processing (ADP) (Core Holding)

Automatic Data Processing is the largest US-based payroll services provider. The company enjoys a sticky business model where most corporations will use ADP services for years. Once your payroll setup is rolling, why would you change it? Tight labor markets have worked in ADP's favor, leading to improved financial performance with a rebound in new bookings. ADP's recent efforts to increase investment in existing platforms and sales capacity should help boost growth.

ADP exhibits a very strong dividend triangle with a 5yr annual revenue growth rate of 6.05%, EPS growth of 11.85% and dividend growth of 13.70%. The company is close to becoming a Dividend King with 48 consecutive years of dividend increases. While ADP continued to grow, its stock price has hovered between $200 and $250 per share for the past two years. Its 5-year average PE ratio is 31.48 while its forward PE is at 24.45. There is nothing like buying a great company at a good price.

Canadian Pick: Toromont Industries (TIH.TO) (Educated Guess)

I'm coming back with Toromont Industries for a second year in a row as the company keeps showing a very strong dividend triangle (5yr double-digit growth for revenue, EPS and dividends) and yet, the stock price isn't following the same growth trend. Last year, you had the chance to buy TIH at a PE of 20. Today, the forward PE is 18.35!

In addition to counting on the mining (20%) and construction (38%) sectors to grow organically, the company also buys smaller dealerships, such as Hewitt (acquired in 2017). Considering the massive infrastructure spending needs in Canada for the coming years, Toromont is surely a player that could do well going forward.

TIH shows an interesting diversification with CIMCO representing 13% of its sales. The CIMCO segment is involved in the designing, engineering, fabrication, and installation of industrial and recreational refrigeration systems.

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INFORMATION TECHNOLOGY

After the tech world entered into a bear market last year (Technology Sector ETF XLK was down 24% and the Nasdaq was down 29% in our last year's newsletter), it has been payback time in 2023! XLK is now up 50% while the Nasdaq is up 38%. Over the past 2 years, XLK shows a total return of +7.65% while the Nasdaq is still trailing at -7.39%. The bull ride of 2021 was quite exceptional (and exaggerated!).

2023 was the rise of artificial intelligence. While there is still a down investment cycle around most semi-conductors, those who were making chips to power AI got all the love in the world. Nvidia's stock price more than tripled in 2023 and you may want to revisit your exposure to that company.

	VAL
Technology Select Sector SPDR® ETF Total Return	49.69%
Nasdaq Composite Total Return	38.11%

49.69%
40.00%
38.11%
20.00%
0.00%
-20.00%
Jan '23 Apr '23 Jul '23 Oct '23
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I must warn you about chasing trends, though. AI will help many industries to save on costs and will improve productivity across the board. There will be winners and there will be losers. Most trends push all stocks in the industry way to high (please remember cannabis stocks in 2018, gold mining stocks in 2020, crypto companies in 2021, etc.). While you want to participate in strong trends in the market, you don't want to be over exposed. A good diversification with exposure to the tech sector will be a prudent move.

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U.S Pick: Microsoft (MSFT) (Core holding)

Yes, I'm going with a classic, but classics don't die. Microsoft is a good example of a company that could surf on the AI trend while keeping a solid core business. In other words, you buy Microsoft for its solid bond with corporate America, for its growing cloud business (Azure) and its dominant place in the gaming world (with the acquisition of Activision Blizzard). Then, you benefit from its investment in Open AI, the company behind ChatGPT.

Microsoft has the expertise and the resources to use AI and boost its software and services. Cross-selling opportunities are incredible. Unfortunately, I must add a word of caution about the timing. Microsoft currently trades at a rich valuation (PE at 35.70, forward PE at 31.51). The company is condemned to report double-digit growth quarter after quarter.

Unfortunately, this is the case for most "popular" tech stocks at the moment. If I had to pick one, I would pick Microsoft as I see more growth vectors (cloud, gaming, AI) than I can find with Apple (AAPL).

Canadian Pick: None

There are no dividend growers that deserve your attention since there are too many on the U.S. side. A special mention to Constellation Software (CSU.TO) though. I selected it last year, but I don't want to add it again since my goal was to select only 24 ideas for 2024

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MATERIALS

We could have assumed that basic materials would have provided an effective hedge against inflation. Historically, most commodities are volatile, but effective to fight inflation. Surprisingly, most commodities didn't keep up with inflation over the past 3 years. "Gold is back" in 2023 with a push toward a 13% gain in value and now trades above $2,000 (close to its all-time-high of 2020). Gold experts have predicted that the gold price would reach $3,000 before Christmas of 2020. Be careful of those "expert predictions".

VAL
Materials Select Sector SPDR® ETF Total Return 6.57%
VAL
Gold Price in US Dollars % Change 12.77%
10.00% 5.00% 0.00% -5.00%
Jan '23 Apr '23 Jul '23 Oct '23
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The demand surge for many commodities happened in 2021 and it then cooled off rapidly in 2022 and the trend continued in 2023. The rush for materials in 2021 brought many companies to historic highs last year. As opposed to the energy industry, the commodity prices party crashed rapidly. Demand for lumber, iron, paint, etc. weakened and many investors sobered up. It was a modest year for basic materials as many businesses dealt with higher-than-expected inventory. We notably saw Nutrien take a major hit as potash prices dropped by more than 35% in 2023. Nutrien may be an industry leader, but there isn't much it can do when its selling price declines so rapidly. You know the drill with materials: you buy market leaders when the commodity price is depreciated, and you cash your profit when you can. Let's just say I'm not a big fan of this strategy as you must "guess right" when you buy and also when you sell. I warned you to not chase the AI trend, and the same goes with battery makers and lithium miners.

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U.S Pick: Air Products & Chemicals (APD) (Educated Guess)

I'm keeping APD as my favorite pick for 2023 as I would rather go with a stable business model that has proven its stability with 41 consecutive years of dividend increases. APD' stability is mostly related to the ongoing need of industrials to consume APD's gases such as hydrogen and helium. The company enjoys long-term contracts with high switching costs (how often would you like to change your gas supplier?).

I've explained in the past that APD can easily pass their cost increases on to their customers:

"*APD is the largest supplier of hydrogen and helium in the world and produces other industrial gases. Demand for such commodities is relatively stable as many industries require those gases to run their facilities. If prices go up, customers won't be happy, but they will keep their orders in place as this is a comparatively small portion of their costs, but a most essential component*."

APD is also showing a strong growth potential as it is massively investing (CAPEX plan of $32B) into green hydrogen projects along with carbon capture.

Canadian Pick: Stella-Jones (SJ.TO) (Core holding)

I was tempted to select Nutrien for this one. But Nutrien could go either way. The best-case scenario is that potash and other fertilizer prices go up and the stock jumps. Worst-case would-be potash price remains low, and the company struggles and there is a dividend cut. I don't think we will get to that level in a single year, but that's also why I won't pick this security for one of my top picks of the year.

Stella-Jones is a special beast in the material sector. While its business model revolves around lumber prices, 65% of its revenue comes from utility poles and 25% from railway ties. In both cases, buyers will pay the price to get them as they are essential to their projects. Therefore, SJ's business is less affected by price fluctuations then if it was all about residential lumber.

In 2023, the company reported impressive numbers as demand for infrastructure products were surging. Management recently announced they were looking for more acquisition targets. SJ has a lot of growth vectors on its dashboard. While residential construction may slow down due to higher interest rates, the need for more infrastructure and major projects continues to drive sales higher.

The stock price surged in 2023 but the company still trades at an attractive forward PE of 14.

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REAL ESTATE

After a difficult year in 2022, REITs didn't do much this year either. They have been slightly positive in the U.S., but they continue to drag in Canada. The narrative is obviously that interest rates will affect REITs funds from operations going forward. Since REITs use significant leverage, debt payments may become a lager burden, forcing some REITs to slowdown their distribution growth policy, or to completely forget about increasing their payouts or even to slash their juicy dividends. Since REITs tend to diversify their debt maturity over many years, they might not feel the impact on their quarterly earnings just yet. But rest assured that the storm is coming. It's just that real estate is usually lagging (and the market is already proactive in their valuation).

	VAL
BMO Equal Weight REITs ETF Total Return	-5.70%
Real Estate Select Sector SPDR® Total Return	3.35%

Dec 08 2023, 5:30PM EST. Powered by YCHARTS

REIT also suffer from income seeking investors dropping their investments in equities to go back to their beloved bonds and GICs. We may see them come back sooner than expected if rates go the other way in 2024.

The other interrogation point is about some sub-sectors that are still affected by the pandemic. Office REITs may see their occupancy rates go down (and they already have seen weaker parking revenues) as businesses revise their office space needs. Healthcare REITs are stuck with a double problem: lower occupation rates and higher expenses to ensure senior security. This is a trend that will continue to affect REITs in 2024.

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U.S Pick: Equinix (EQIX) (Core Holding)

I have hesitated to buy American Tower (AMT), but I have been convinced by Equinix' strong dividend triangle. In fact, EQIX is a rare REIT showing a perfect dividend triangle. EQIX is the word's largest data center owner, and it keeps growing quarter after quarter. The beauty behind the EQIX business model is that it is both poised for strong growth and hard to replicate. EQIX excels in matching customers in the data and cloud service arenas with each other. Its cloud-based global platform, through a distributed infrastructure, is a critical source of differentiation making EQIX the partner of choice for some of the largest technology companies. With over 10,000 customers including 1,800 networks, EQIX is a well-diversified cash cow.

EQIX surprised the market by a staggering 25% dividend increase in October of 2023. This is a major jump for a "boring" REIT.

Canadian Pick: Granite REIT (GRT.UN.TO / GRP.U) (Core Holding)

My number one criterion when it's time to select a REIT is distribution growth. If the REIT can't keep up with the economy and fails to increase its distribution yearly, there is no rationale for owning the shares. Since a REIT's goal is to distribute as much money as possible to unitholders, you can't expect huge price appreciation. Therefore, if the dividend doesn't grow, your income is getting devoured by inflation. There aren't that many in Canada that have kept their distribution increases alive in 2023. One of them is Granite! This is among the rare REITs exhibiting AFFO per unit growth while issuing more units to finance growth.

GRT's growth is mostly driven by new acquisitions and contractual rent adjustments. The REIT announced another dividend increase of 3.125% and reported an AFFO payout ratio of 73% for their latest quarter (reported on November 8th). While many investors are worried about the future of industrial properties now that interest rates have increased, Granite keeps reporting stellar occupation rates (95.6%) and a solid pipeline. The demand remains strong in this sector.

Granite's unit price has been on a roller coaster in 2023 but will end on a positive note. As the REIT keeps reporting strong numbers each quarter, it should get more love from the market.

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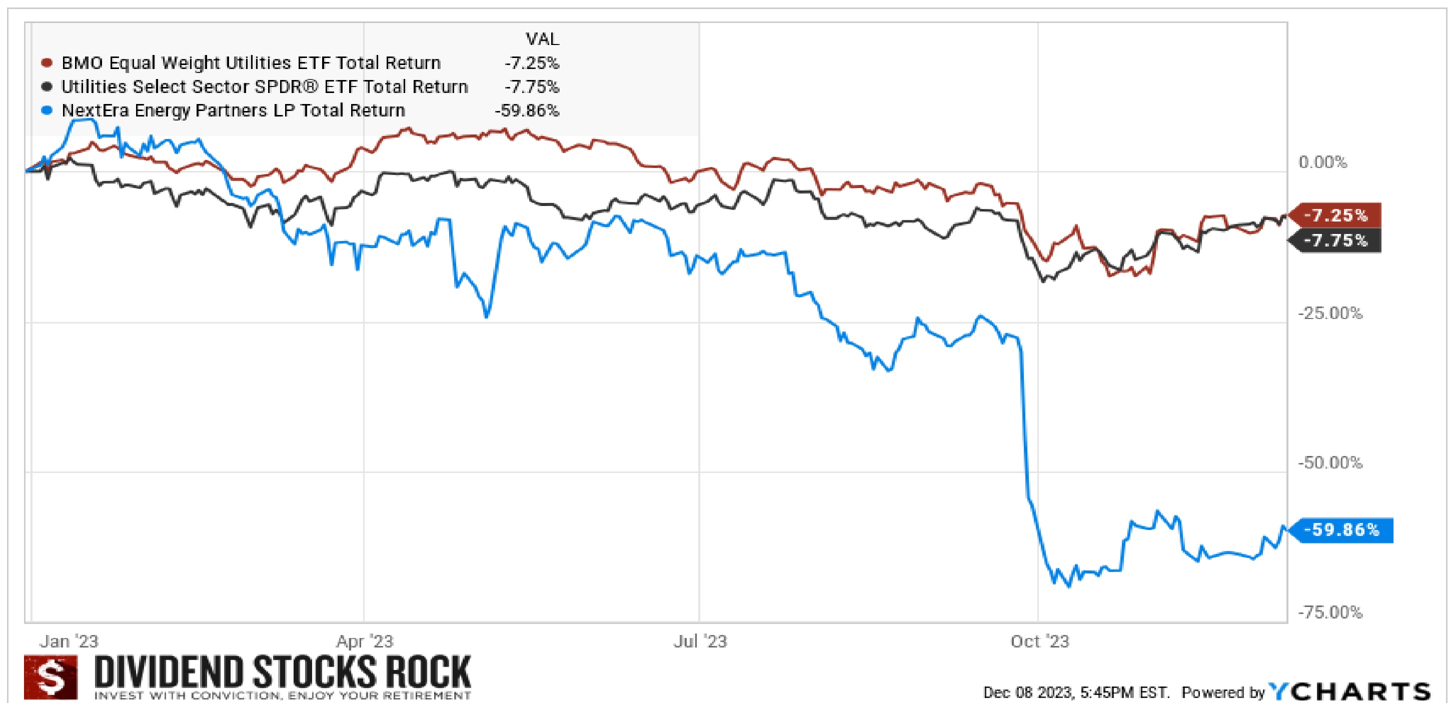
UTILITIES

Last year, Algonquin (AQN.TO) dropped a bomb on the market with a bad quarter in November, announcing the worst for 2023. Unfortunately, the worst happened faster than expected. The company cut its dividend in January, weeks before announcing its next quarterly results. The rest of the year is history as utilities continue to suffer from higher interest rates and lack of love from the market as income seeking investors are leaving the boat to take up residence on Bonds & GICs island.



On September 27th, NextEra Partners (NEP) announced a revision of its distribution per unit growth from 12%-15% per year down to 5%-8% with a target growth rate of 6% per year. For the record, NEP's distribution has almost doubled over the past 5 years (+89.78%) with an annualized growth rate of 13.67%. The CEO explained why in a press release:

"NextEra Energy Partners is revising its long-term growth rate expectations for limited partner distributions to increase its flexibility as it continues to execute on its growth opportunities," said John Ketchum, chairman and chief executive officer. *"**Tighter monetary policy and higher interest rates** obviously affect the financing needed to grow distributions at 12%, and **the burden of financing this growth has had an impact on NextEra** Energy Partners' unit price and yield. In the current market environment, the partnership believes revising its growth expectations for now is the appropriate decision for unitholders and better positions it to continue to deliver long-term value."*

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The company already announced a strategic shift in May when NEP confirmed its intention to sell its natural gas pipelines.

The idea behind the asset sale and the reduction of the dividend growth policy is to give the company more financial flexibility and to maintain its ability to invest in new projects to pursue growth. It's also to pay off debts that are maturing soon.

NEP has roughly $1.5B of convertible equity financing debt to pay off through 2025. The CEFP (Convertible Equity Financing Portfolio) is a way to get financing where you intend to either pay the debt in cash or in units when it comes to maturity.

As you know, companies can use debt or issue more stocks/units to finance their projects. NEP uses a mix of equity financing (issuing units) and regular debt. They can then use CEFP to get money "today" and bet that their NEP unit price will go up before the CEFP comes to maturity and then get a good deal by issuing units at a higher price to pay off the debt. As the stock has dropped by nearly 60% recently, you can count on them not using the issuance of additional units as their source for near term financing.

This specific situation has highlighted how most renewable energy utility companies are now highly sensitive to the higher interest rates. NEP is now stuck between a rock and a hard place. Future debt will carry interest rates of 7%-8% while issuing more units when your stock price is so depreciated could only drive the price lower as it dilutes shareholders' investment.

What's next for NEP?

Let's be clear here: NEP is walking on the edge of a cliff, but it doesn't mean it will fall. The numbers seem to work between now and 2025 (assuming no further major interest rate hikes). However, the company is not out of the woods yet. **There is a pessimistic scenario** where NEP faces higher interest rates, and the unit price doesn't bounce back. In that scenario, NEP will eventually face the possibility of a dividend cut or NextEra Energy (NEE) will buy all NEP units and bring that kid back home. NEE is a leader in renewable energy and has a market cap of $97B and owns 51% of NEP which has a market cap of $2B. If this happens, NEP shareholders won't be happy as they won't receive much for their units.

There is also an optimistic scenario where NEP walks on the edge of the cliff for a few years and then sees interest rates going lower before 2026 when more debt (including CEFP) comes to maturity.

If this happens, then the NEP unit price will slowly but surely go back up, the dividend will be paid, and growth will be back on the table. At this point, however, NEP has become a high-risk, high-reward investment.

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What about other renewable utilities?

You may have heard me several times proclaiming that "now is not the time to take wild guesses". That "now is the time to make sure you have a solid portfolio". That implies you must do more digging and make sure the companies you hold in your portfolio show strong financial metrics. Unfortunately, utilities aren't easy to analyze since they use a combination of GAAP (Generally accepted accounting principles) and non-GAAP (like homemade calculations). Funds from operations (FFO) and FFO per unit are common metrics used in their press releases and quarterly earnings reports.

Therefore, **digging into DSR's numbers isn't enough. You must go on the company's website and look for investors' presentations along with quarterly earnings reviews.**

If you do that, you will notice that a company like Brookfield Renewable (BEPC/BEPC.TO) hosted its investors day earlier in September. You will also notice that as opposed to NEP, BEPC reaffirmed their growth expectations along with their distribution growth targets. In other words, it's business as usual for BEPC.

Different companies, different business models, different debt structures. The good news is that when something like this happens, great companies get punished on the market because they are put in the same basket as the one with the problem.

In this case, it appears clear that all utilities (along with other capital-intensive companies) will suffer for a while. Higher interest charges hurt their balance sheet and cash flow while many retirees are now moving away from utilities (a sector considered relatively safe and paying a relatively good yield) to go back to bonds and GICs. After all, when 10-year government bonds offer a yield above 4.5%, an income-seeking investor would be a fool to go after a stock paying the same yield.

How to look at renewable utilities

Analysis

NextEra Energy Partners: Is It Always Darkest Before Dawn, Or Pitch Black?
STRONG BUY Samuel Smith • Today, 8:00 AM • 46 Comments

NextEra Energy Partners Is A Sell: Evaluating CEPF And Take-Under Risk
SELL Julian Lin • Wed, Oct. 04 • 138 Comments

NextEra Energy Partners' Growth Has Been Stalled By Higher Rates: Time To Move On
HOLD NJ Value Investor • Tue, Oct. 03 • 26 Comments

First, ignore the noise. If you look for other's thoughts on NEP or the like, you'll get lost in a myriad of conflicting information. On your left, you can see the last 3 articles on the Seeking Alpha page as of October 6th (Strong Buy, Sell, and Hold ratings).

I read all three and they all make some solid points. Therefore, I'm left with no opinion if I trust others. Therefore, you are better off developing your own opinion. How can you do that? By following the same investment process as usual: making sure your investment thesis (the narrative) is backed by the numbers.

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First and foremost, I start with the dividend triangle. It's harder to make sense as the EPS won't be of much use in this category. Therefore, I look at the revenue and dividend growth trend first and then I look for FFO per unit (the common replacement for EPS in that case) on the company's website.

None or weak dividend growth would raise a huge red flag! I've discussed that many times in the past while comparing BEPC to Northland Power (NPI) for example. If you have the choice between two stocks and one shows no growth or weak dividend growth, it should be eliminated from your decision process.

Then, I'll look at the company's debt structure and maturity (you can find that in the company's investor presentation). There is a big difference between a company that shows fixed-rate debt over a long period of time vs. a company with floating rates or short-term maturities that will push interest rate charges higher.

Finally, the past performance and track record of the company and their management is key here. Knowing how a company reacts during difficult times is very important. You may have to go back and study the 2008 crisis, but it's worth spending that time if you are uncomfortable with your stocks.

Renewables aren't dead, they are just facing significant headwinds

Renewable utilities are facing more voluminous headwinds than classic utilities due to their business model. Many classic utilities like Fortis, Canadian Utilities, Xcel, and WEC Energy operate regulated assets. The term "regulated" means that the utility is given a monopoly over an area to ensure the quality and stability of the service (we don't want to live in a world where we don't know when the power will be cut off). In exchange for that monopoly, the utility can't raise rates whenever they want. It must present a case to the regulator (that will ensure the rate increase makes sense for both the utility and its customers). If interest rate costs increase, regulated utilities have more pricing power as they can more easily defend their rate increase request.

Renewable utilities don't enjoy a monopoly as their energy source is often a complementary source (as it's less stable). They benefit from the free market advantages (e.g., being able to raise prices as they want), but they also face more competitors. In the current economic environment, I am sure they wish they could negotiate rate increases with a regulator!

As is the case with other capital-intensive businesses (Telcos, REITs, pipelines, some industrials, etc.) it will be a rough ride until we have confirmation that the rate increases are over and we are heading toward some rate reductions. Unfortunately, we are not there yet, and investors must decide if they want to endure this "walk in the desert". Again, focusing on dividend growers should help.

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U.S Pick: American Water Works (AWK) (Core Holding)

The investment thesis for such a company is simple: an investor is buying shares of a monopoly that is selling an essential product with repeat purchases. This reflects well on its dividend triangle! With a highly fragmented industry and the urgent need for heavy investment in water connections, a leader of its size will surely find a way to grow its business.

Water needs will continue to increase as the population grows and, luckily, the company operates a near recession-proof business. Over the next 5 years, AWK purports that it has opportunities to acquire up to 1.2 million customers, placing it in a position to benefit from continually increasing cash flows. Its 2023-2027 EPS growth target is now 7% to 9% annually.

Canadian Pick: Capital Power (CPX.TO) (Educated Guess)

Capital Power has been hurt as have most other utilities over the past two years. However, the company reported solid revenue growth, decent EPS increases, and a mid-single digit dividend growth rate during that period. The company has invested heavily in new projects each year since 2012. This constant investment has enabled CPX to grow its AFFO consistently in each of those years.

CPX relied on Alberta for 38% of its revenue and it has made real diversification efforts with multiple acquisitions. After their recent transaction, CPX's reliance on Alberta's economy will drop to 31% and the utility company will show a 50/50 Canadian-U.S. exposure. The company will expand its renewable energy activities while counting on a solid natural gas business.

FINAL THOUGHTS

I am thankful to be able to write these newsletters and answer your questions year in and year out. I want to thank you for your trust as it means the world to me!

I wish you and your family a Merry Christmas, and a healthy & prosperous New Year!

Cheers,

Mike

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RATING CHANGES

This section communicates rating changes on the most popular stocks held at DSR. The changes mentioned below happened during this week upon our latest review.

No rating changes.

COMPANY	SYMBOL	PREVIOUS RATINGS (PRO/DIV)	NEW RATINGS (PRO/DIV)	COMMENT

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OVERALL PORTFOLIO PERFORMANCE

Listed Returns are as of December 18th 2023:

Portfolios	Inception Date	Return	Benchmark	Added Value	Annualized Return	1 Y	YTD
CAD 25K	10/31/13	203.97%	129.70%	74.27%	11.49%	7.18%	14.03%
USD 25K	10/31/13	172.53%	186.99%	-14.45%	10.31%	2.25%	7.70%
CAD 100K	10/31/13	133.56%	129.70%	3.86%	8.65%	5.11%	11.22%
USD 100K	10/31/13	222.89%	186.99%	35.90%	12.15%	12.01%	17.13%
USD 500K	05/31/14	115.33%	154.66%	-39.32%	8.36%	5.34%	9.71%
CAD 500K	05/31/14	122.45%	102.07%	20.38%	8.73%	2.32%	7.17%
100% CAD	07/31/17	75.51%	47.13%	28.38%	9.34%	3.35%	9.88%
Retirement CAD	07/31/18	28.44%	35.94%	-7.50%	4.76%	-4.76%	0.31%
Retirement USD	07/31/18	63.41%	73.12%	-9.71%	9.55%	1.98%	6.99%

*Canadian portfolios added value is calculated based on 50% of VIG and 50% of XDV as half of portfolios are US stocks. Currency hasn't been taken into consideration.

Benchmarks are VIG and XDV.TO for all portfolios.

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