DSR PREMIUM NEWSLETTER

IN THIS ISSUE…

We look at banks.

- How the Canadian Big Six fared in 2023
- A look at innovative EQ Bank
- Credit anyone? A peek at GoEasy
- A tour of four large U.S. banks and a regional one that has a big vision

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MARCH 22ND, 2024

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.

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DIVIDEND STOCKS ROCK

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CANADIAN BANKS… US BANKS, AND MORE!

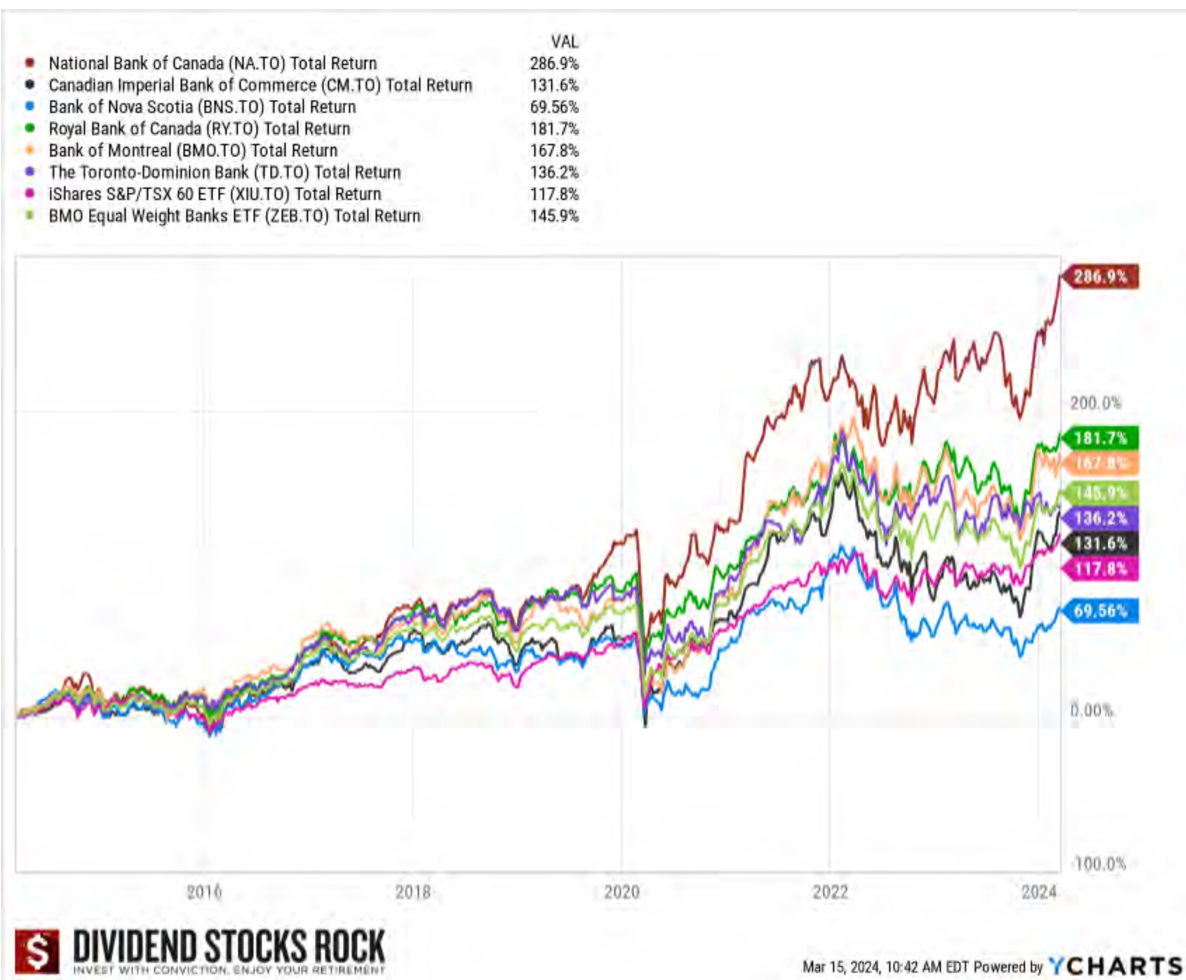
This week we rank the big six Canadian banks based on their fundamentals, growth opportunities, and their 2023 results. Remember that contrary to popular belief, they are not all the same. It matters which one(s) you choose to add to your portfolio.

We also look at two fast-growing innovators in the Canadian financial services sector that have created a lot of interest and enthusiasm from investors: EQ Bank and GoEasy.

Interested in U.S. banks? We've got you covered. Take a look at four of the largest banks in the U.S. and a growing regional bank.

CANADA'S BIG SIX BANKS vs. MARKET

First, let's look at the evolution of total returns of the big six Canadian banks for the last ten years.



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We see that at the end of 2023 five of six big Canadian banks had outperformed the market, and four of six also outperformed the ZEB.TO equal weight banks ETF over 10 years.

BIG SIX CANADIAN BANKS RANKED

Since the 2008 financial crisis, the six banks (Royal Bank, TD Bank, ScotiaBank, Bank of Montreal, Canadian Imperial Bank of Commerce, and National Bank), took different paths. They all benefited from the banking oligopoly in Canada to fund new growth vectors. Fifteen years later, if you picked the wrong bank, you will have possibly left a lot of money on the table.

Here is our Canadian Banks' Rankings for 2024 from position 6 to 1.

#6 ScotiaBank (BNS.TO)

The most international of the Canadian banks, BNS has significantly expanded outside of Canada with 40% of its assets outside the Canadian border. It hasn't always been an advantage as BNS ran into its share of problems with South American economic struggles. The bank reduced its international footprint to 30 countries down from 54 in 2013. Expected gross domestic product (GDP) growth for these countries is attractive, and is higher than Canada and the U.S., but comes with uncertainty and volatility. BNS is a dominant player in Chile after acquiring BBVA Chile in 2018. The bank has a strong track record for acquiring and integrating businesses.

Unfortunately, this wasn't enough to keep pace in 2023. BNS ended the year with poor results, mostly due to higher provisions for credit losses (PCLs) across all segments of its business. The pace at which PCLs have increased is concerning. We were also disappointed by the small dividend increase of just 3% in 2022 and another small increase in 2023.

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Pros:

- **Best diversified and most international**: For over a decade BNS focused on growing outside of Canada, especially in Central and South America where the GDP growth rate is better than in the U.S. and Canada. Moving forward it should grow at 3%-4% while it'll be hard to reach over 1%-2% in Canada and the U.S.

Cons:

- **International exposure brings uncertainties**: Before the pandemic, BNS had a great story, but never capitalized on it and never outperformed other banks. Why? It's complicated to do business in Central and South America! It took years and several failures for Canadian banks to enter the U.S. They made bad acquisitions and failed several times. Looking at South and Central America, you realize it's a lot more complicated than making loans in the U.S.

- **Worst performing stock from the top 6 over the past 10 years.** With all the difficulties mentioned, I'm not expecting BNS to reverse the current trend in the upcoming months or years.

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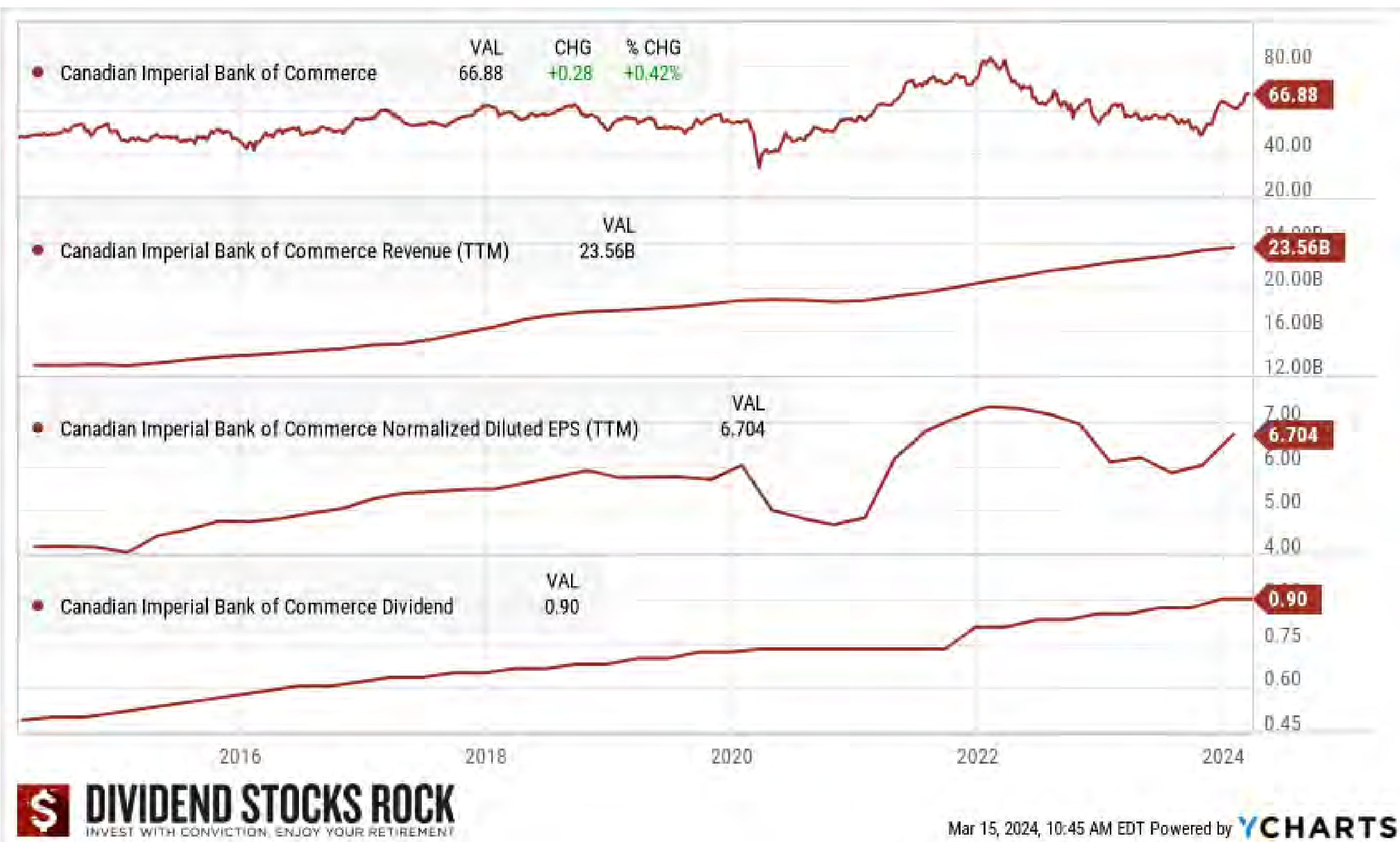
#5 Canadian Imperial Bank – CIBC (CM.TO)

While CIBC lags behind the other banks on the stock market along with ScotiaBank, it gives investors the chance to get a generous yield without significant risk. We like that they want to grow their wealth management division, but the integration of Private Bank is a crucial step. For investors looking for more income, CM is probably one of the best picks on the Canadian stock market; just don't expect it to outperform the banking industry over the long run. CIBC is trading at a low PE ratio versus some of its peers since it has lower growth expectations.

On the bright side, the dividend is not at risk, and an investor will enjoy consistent increases. CIBC will likely be a good fit for a retirement portfolio since it offers the stability of a top 5 Canadian bank with a decent yield and the security of future dividend growth.



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Pros:

- **High yield with a relatively low payout ratio**: When you do the math, a low stock price brings a higher yield. A low PE ratio also brings a high yield and so the stock price is low.
- **Mortgage loans**: A classic and easy activity for banks, but when your biggest growth vector is mortgages right now, we don't think it will result in outperforming the other banks.
- **Private banking and wealth management**: Smart move, but a little late. CIBC is a small player in this market compared to the others.

Cons:

- **Lack of growth vectors**: Lack of clarity about their strategy, or a lack of a strategy, they try to do a bit of everything. There isn't a business segment that's clearly leading the growth.

#4 Bank of Montreal – BMO (BMO.TO)

BMO chose the stock market path to ensure its growth. It was the first Canadian bank with its own ETF on the market. Competition is fierce, but being among the first Canadian issuers surely helped to build momentum in a growing market. The bank is still active in the M&A world with its acquisition of Bank of the West. BMO also made innovative moves such as the introduction of a robo-advisor. Over the years, BMO concentrated on developing expertise in capital markets, wealth management, and the U.S. market. Since growth will occur in these markets in the coming years, BMO is well-positioned to surf this tailwind. Take note that BMO's results are often more volatile compared to those of its peers due to its capital market business segment. The bank has been less generous about dividend growth between 2010 and 2020. However, it has come back strong with its most generous dividend increases in the years since 2021.

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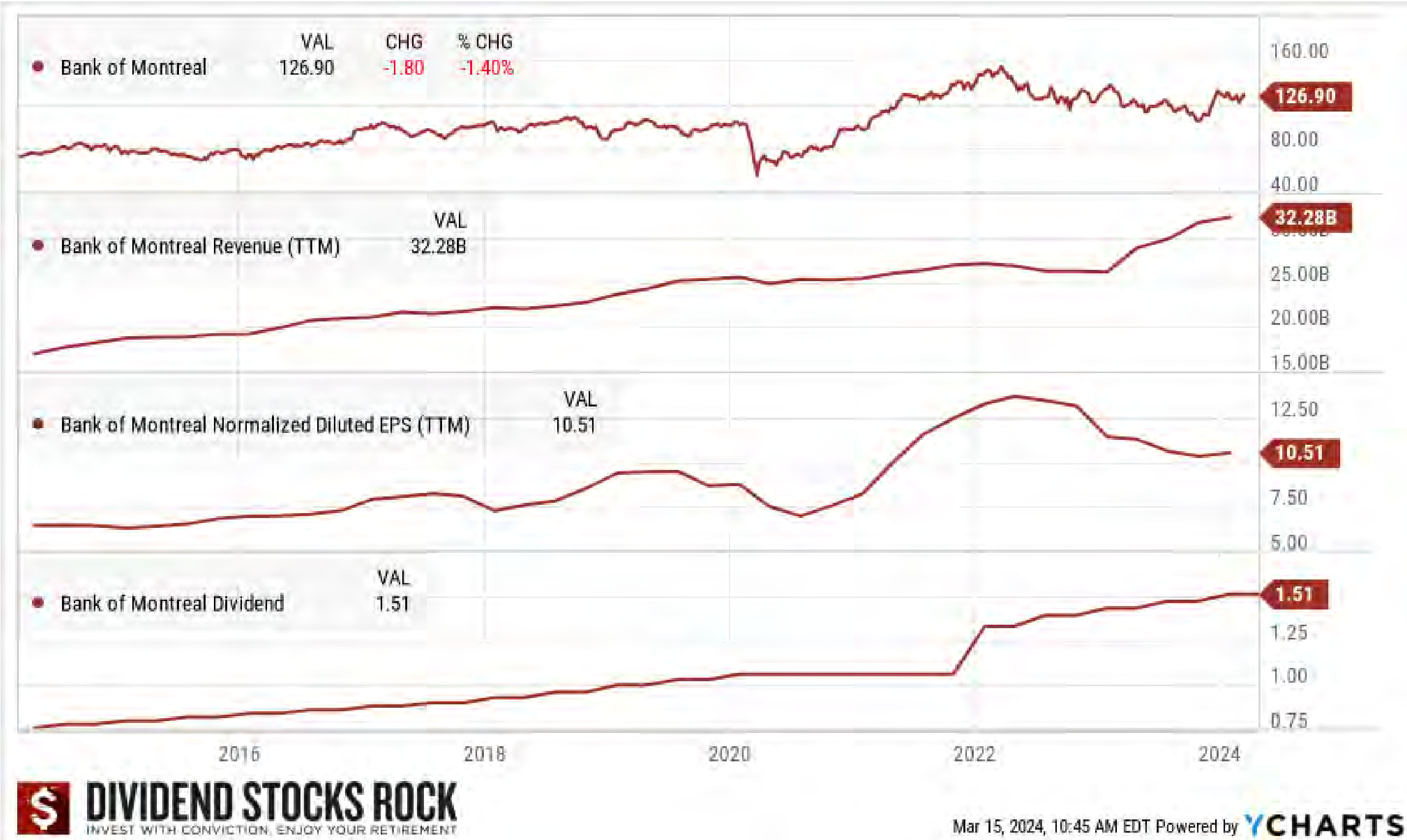

Pros:

- **Focus on capital markets and wealth management**: They were the first in the country to have their own ETF suites. They saw where the market was going, and they took advantage of it. They were also among the first of the Canadian banks to make a move towards private banking with the acquisition of Harris Bank in Chicago. They're well-established in wealth management and in capital markets, which we like.

- **Well-established in the U.S.**

Cons:

- **Revenue and earnings are more volatile**: Because of their focus, their revenue and earnings are more volatile, and at higher risk. Investors should expect two dividend increases per year going forward.

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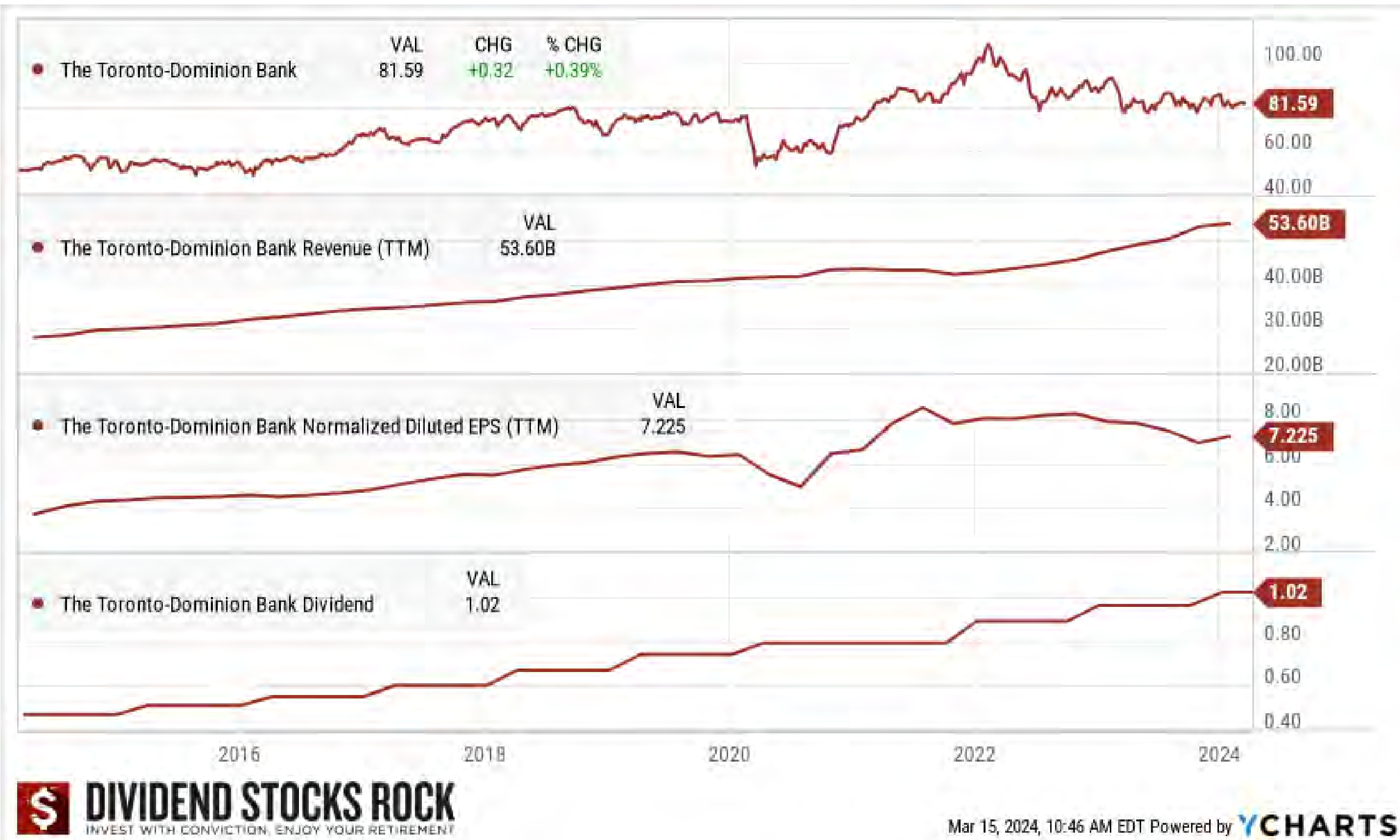
#3 TD Bank (TD.TO)

Over the years, the bank has been increasing its retail focus, driven by lower-risk businesses with stable, consistent earnings. The bank enjoys number one or two market share for most key products in the Canadian retail segment. TD keeps things clean and simple as the bulk of its income comes from personal and commercial banking. It has substantial exposure in major cities like Toronto, Vancouver, Edmonton, and Calgary, and a strong presence in the US. With about a third of its business coming from the U.S., TD is the most "American" bank you'll find in Canada. If you're looking for a straightforward bank, TD should be your pick as increasing retail focus, large market share in Canadian banking, and U.S. expansion are key growth enablers for TD Bank. The 13% stake in Charles Schwab (SCHW) is another interesting growth vector.



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Pros:

- **Revenues (a third of their total revenues) coming from the US**: They caught up to that game from their southern neighbors. They know how they want to deal, and they have great exposure in the U.S.
- **Largest amount of assets in Canada**.
- **Doing things simple but doing them the right way**: They have been doing very well for the past 10 years.
- **Strong wealth management**: Their segment from Ameritrade did very well, and now they're selling to Charles Schwab.

Cons:

- **High exposure to mortgages**: Showing resilience, the hot housing markets such as Vancouver and Toronto have only slightly cooled down over the last year. If we get into a housing bubble though, it's going to be harder for TD.

#2 Royal Bank – RBC (RY.TO)

Royal Bank counts on three main growth vectors: its insurance, wealth management, and capital markets divisions, which combine to provide for over 50% of its revenue. They're also the segments that helped Royal Bank stay the course during the pandemic. The company has made significant efforts to diversify its activities outside of Canada and has a highly diversified revenue stream to offset interest rate headwinds. Canadian banks are protected by federal regulations, but this also limits their growth. Having operations outside of the country helps RY to reduce risk and improve its growth potential. The bank posted impressive results for the latest quarters driven by strong volume growth and market share gains which offset the impact of higher provisions for credit losses. As interest rates rose in 2023, RY was in a strong position to take advantage.

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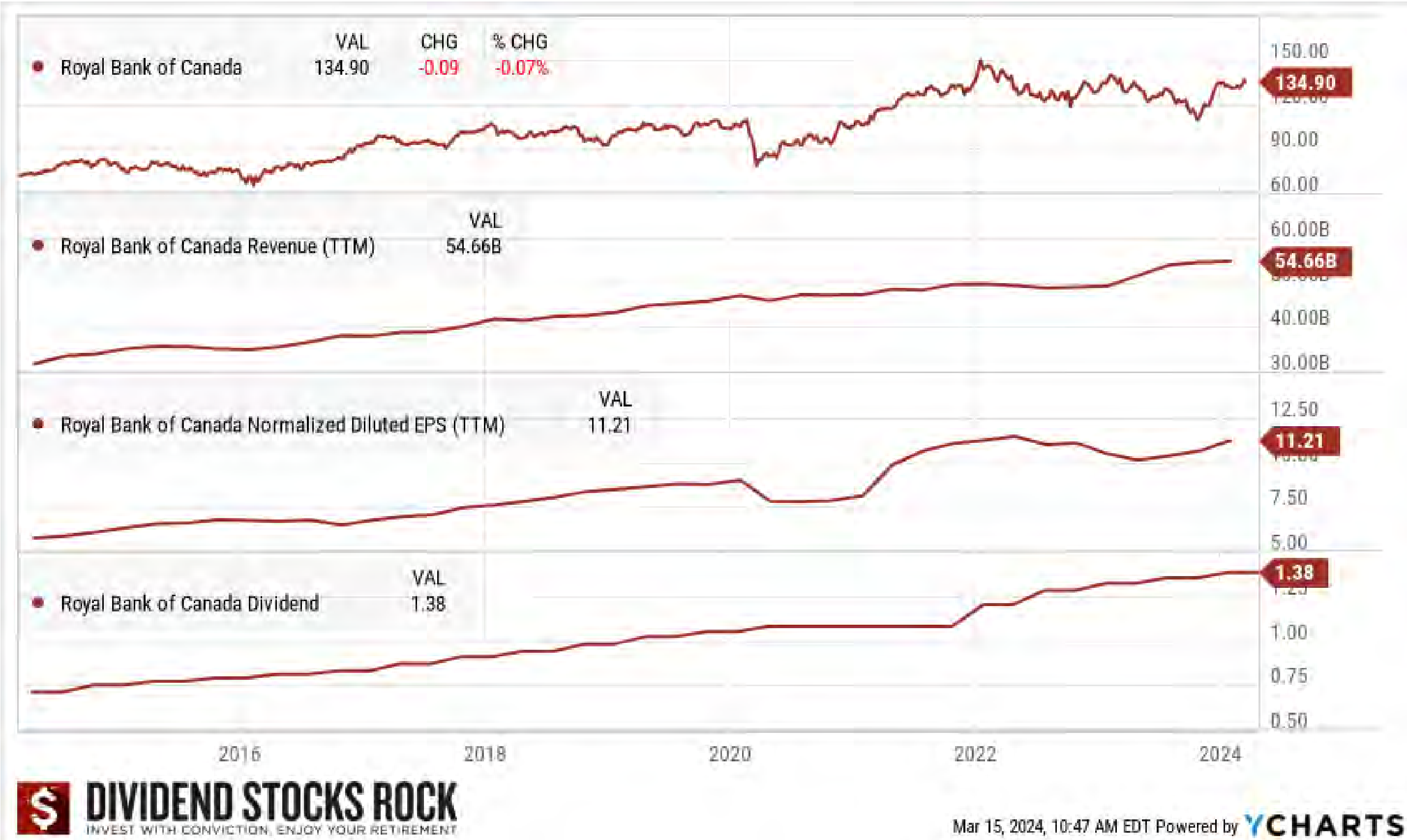

Pros:

- **Battling TD to be the largest bank in assets**: They're well established across all of Canada.
- **Roughly 50% of revenue comes from classic banking activities**: Which means only 50% is subject to the interest rate squeeze.
- **The other half comes from wealth management, capital markets, and insurance**: They have been able to cross-sell between those segments. They are maximizing their presence in wealth management, and they completed a huge deal with BlackRock for ETFs.
- **Strong dividend growth policy in place**: You can count on two low-single-digit dividend increases each year. Royal Bank increased its dividend by 2.3% in Q2 of 2023 and by another 2.2% in Q4 of 2023. The dividend is safe.

Cons:

- **Royal Bank could get hurt by a bearish housing market**: A rather small downside considering RY's strength and ability to face headwinds with its diverse business segments.

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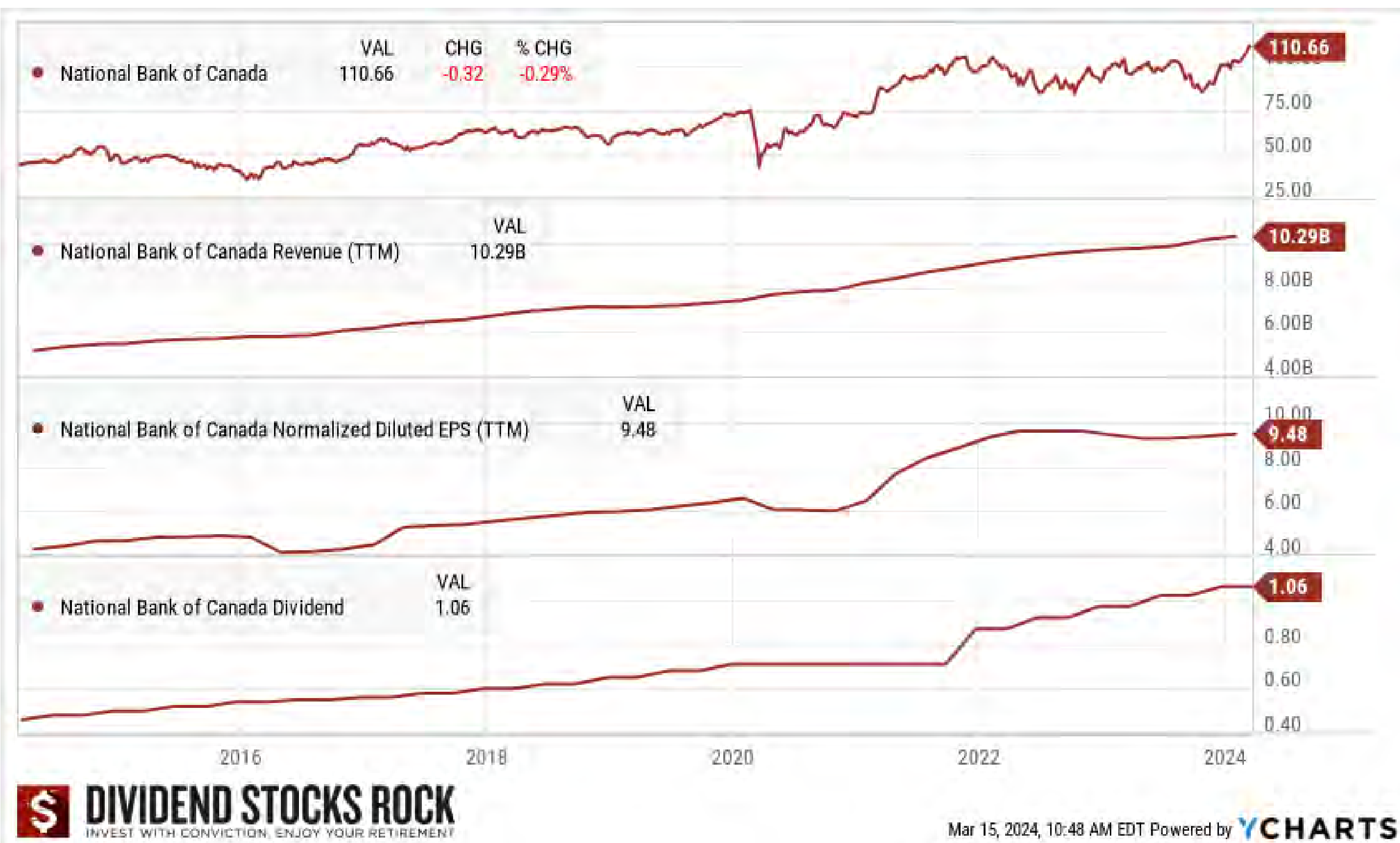
#1 National Bank (NA.TO)

Again, NA holds the top position in our Canadian banks' rankings for 2024. NA has targeted capital markets and wealth management to support its growth. Private Banking 1859 has become a serious player in that arena. The bank even opened private banking branches in Western Canada for added growth. It now shows great diversification across its business segments with 50% of revenue from outside classic savings & loans activities.

Since NA is heavily concentrated in Quebec, it has concluded deals to provide credit to investment and insurance firms under Power Corp. (POW). NA has shown strong results, and its stock outperformed the other Big 5 for the last decade. National Bank has been more flexible and proactive in growth areas such as capital markets and wealth management. NA is seeking more growth by investing in emerging markets; in Cambodia through ABA bank and in the U.S. through Credigy. We wonder if it can achieve more success than BNS internationally. It seems like it might have found the winning formula! It's one of the rare Canadian stocks with a near-perfect dividend triangle.



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Pros:

- **Among the fastest growing wealth management businesses in the country**: NA has very strong brand recognition there. Since it had many loans in Western Canada, it opened private banking branches for high-net-worth clients only with the label Private Banking 1859.
- **Strong in capital markets**: NA's very active on the market. This creates more volatility, as is the case with BMO, but overall, it's been doing well, and making more money.
- **International branch and US segment**: Internationally, it focuses on Cambodia by buying ABA Bank. NA is trying to create growth outside of Canada by selecting emerging markets in Asia.
- **Heavily based in Quebec**: In the past, this was a reason for NA to be a little behind, but over the past 10 years, Quebec has proven its resiliency. It's not dependent on energy to grow its economy; Quebec has a Canadian economy similar to Ontario.

Cons:

- **International branch and US segment**: We're going to see how this goes. Not my favorite part of the business model, but we like their focused attempts at diversifying their business.

EQ Bank

EQB has built an impressive business based on alternative-A borrowers who have a hard time obtaining prime mortgages from other banks due to credit factors such as impaired credit ratings, high debt levels, and unconventional income sources. Considered riskier than prime loans (but less than subprime loans), Alt-A loans come with higher interest rates than prime loans.

EQB's non-conventional business (including online presence and reverse mortgage products), along with its aggressive dividend growth policy, has made it popular with investors. It's drawing more and more customers to its digital platform. EQB exhibits a very strong dividend triangle and expects to perform well amidst a robust housing market and stable commercial real estate trends. Be sure to follow EQB's quarterly report to spot growth slowdowns or higher provisions for credit losses.

The bank has managed to sustain strong growth since 2021 and, surprisingly, it doesn't seem to have been affected by the slowing economy. It kept comparatively low provisions for credit losses in 2023 considering the interest rate hikes. Is EQB that good at managing its loans or are we going to see the true face of its credit underwriting practice during the next recession?

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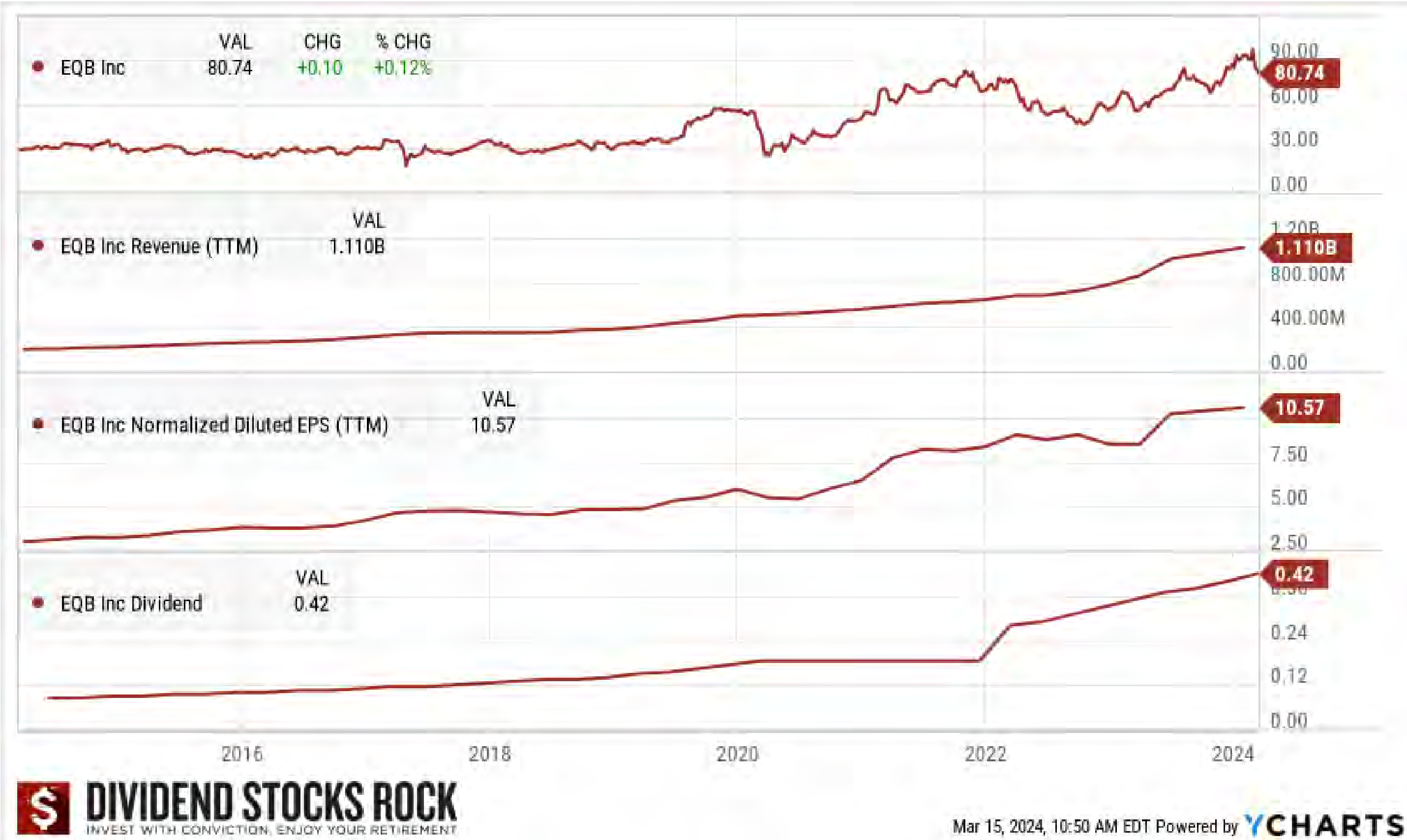

Pros:

- **Expansion:** The bank is expanding its lending activities through personal and commercial services and has reported impressive growth across all loan products and deposits over the past 5 years.
- **Solid growth trend:** A strong dividend triangle and 5-year annualized revenue growth of 21%, strongly fueled by commercial banking (up 20% in Q4 2023). After successfully purchasing Concentra Bank in 2022, perhaps more growth by acquisition is in the cards.
- **Strong dividend growth:** EQB has successfully increased its dividend each year since 2011, and has almost doubled their dividend between 2015 and 2019.

Cons:

- **High exposure to alt-a mortgages**: With its loan book growing at such a rapid pace, there is a risk of lending to the wrong borrowers. Mortgage applicants might be eligible for funds at the time of their request, but nothing ensures that they'll be able to make the payments for the next 30 years. Remember that higher interest rates have a lagging impact on the economy. We could rapidly see credit deterioration during a recession.

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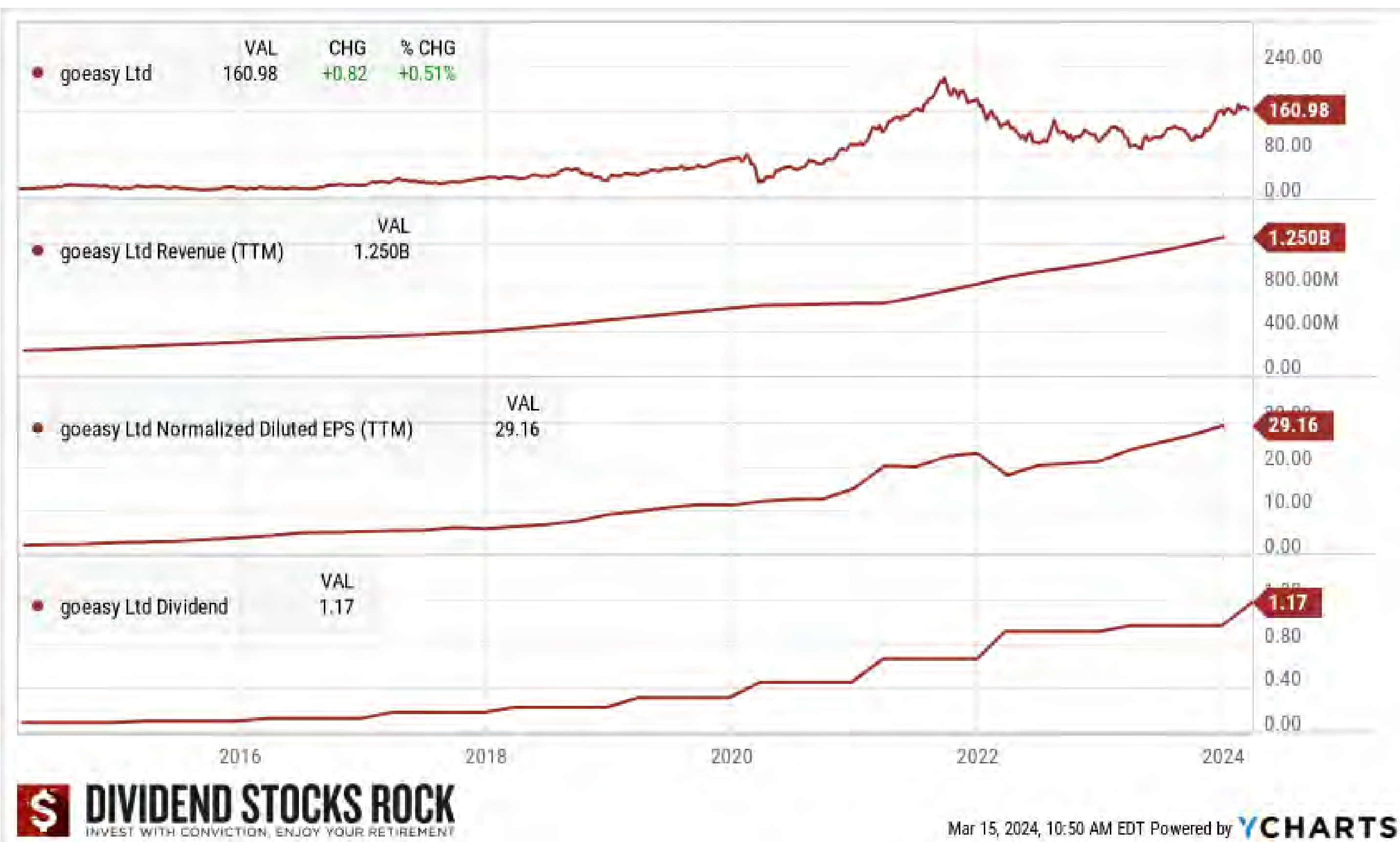
GoEasy

GoEasy provides leasing and lending services to non-prime borrowers—borrowers who, because of reasons such as limited credit history, low credit score, high debt levels, or history of late payments, aren't eligible for prime loans. Through its Easyfinancial brand, it offers unsecured and secured consumer loans. GSY's LendCare brand specializes in financing consumer purchases in the powersports, automotive, retail, healthcare, and home improvement categories. Lastly, the Easyhome brand supplies leasing services for household furniture, appliances, and electronics and unsecured lending products to retail consumers.

We were highly skeptical about GoEasy for a long time. We didn't think it could compete with banks and do well. Well, it's been growing at an impressive pace and has proven that it can manage its way through troubled waters. It made its way to my Buy List in January 2022 where it remained for nearly two years. Don't think we removed it because it's suddenly become a bad pick (actually, we're rating it as a 4 - Buy with a 4 - Good Dividend at DSR). We replaced it with another pick because, as we said at the time, "the narrative around interest rates driving us into a recession remains strong", which we still believe, and it was "time to offer you a new idea" on the Buy List.



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Pros:

- **Resilience**: GoEasy survived the credit crunch and has since expanded its activities. When you look at its dividend triangle, you see constant quarterly revenue growth
- **Superb underwriting skills:** GSY is very adept at correctly assessing which consumers will pay their loans and which won't. This is what powers its continuous growth.
- **Reach:** With a national footprint of over 400 branches and stores across Canada and digital commerce-enabled platforms, GSY is everywhere credit is needed in Canada. Knowing Canadians' tendencies to borrow money to buy goods, GSY's strong growth is not surprising.

Cons:

- **Possible vulnerability to harsher conditions:** We wonder if GSY can support its dividend growth policy during tougher times. Can it take the hit from non-paying consumers when they lose their jobs? GSY performed admirably over the pandemic and its dividend triangle remained impressive. In early 2022 however, we saw EPS falling due to higher bad debts and expenses, but they seem to be picking up steam now. Let's keep an eye on how things develop from there.

U.S. BANKS

We look at four of the largest banks in the U.S. and one interesting regional bank. The banking system in the U.S. is more regulated now than it was before the crisis of 2008, but it still looks a bit like the Wild West especially when you compare it to Canadian banks.

U.S. banks are legion. In fact, there are nearly 5,000 banks while there are only 35 domestic banks in Canada. This highly fragmented market opens the door for all kinds of regional banks with different strategies.

The U.S. has many smaller regional and community banks. Much more than in Canada where it's more difficult for small banks to diversify their loan portfolios and spread risk. The U.S. also has a more decentralized regulatory environment, in which states play a larger role than Canadian provinces do. This leads to more variation in oversight from one state to another.

This diversity and the sheer size of the U.S. banking system can present challenges in maintaining stability across all sectors. With the "big six" Canadian banks dominating the sector, Canada has a more concentrated and interconnected banking landscape. This enhances stability by reducing fragmentation and systemic risks. Also, Canada's conservative regulatory approach, including strict capital requirements and stress testing, contributes to the reputation of its banking system as one of the most stable in the world.

You can expect more volatility with U.S. banks particularly for regional banks because they are smaller. When there's bad news with a regional bank, as happened with Silicon Valley Bank and a few others in 2023, the big U.S. banks also take a hit due to consumers losing trust in the entire banking system.

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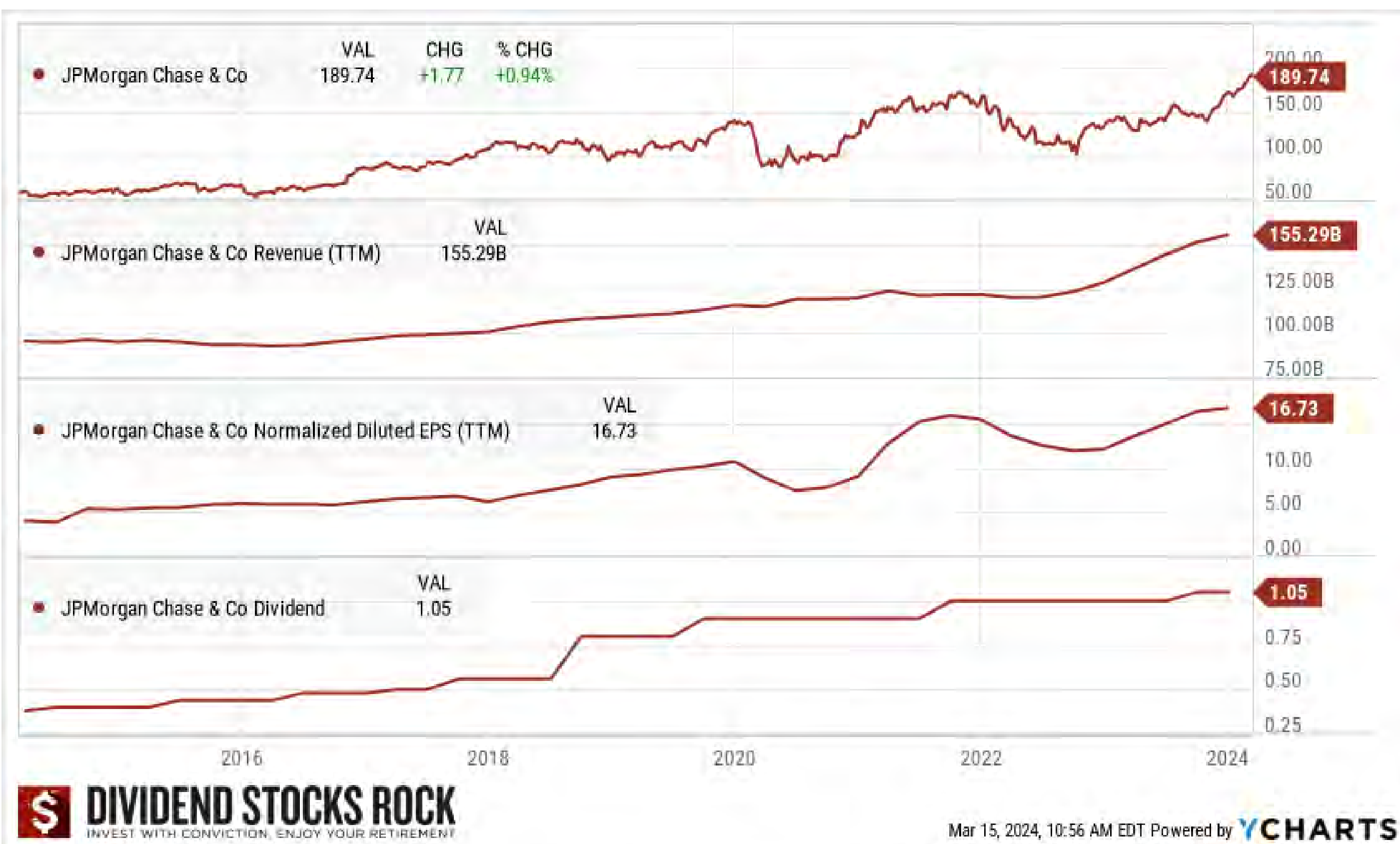
For this reason, we prefer to look at only the "big US banks" that have similar business models to the Canadian banks. They offer classic banking products, but also diversify their revenue sources with private banking, investment banking, capital markets and insurance products.

**Since Canadian banks also trade on the NYSE, we would still consider them over US banks if we were American. But that's just me.*

JP Morgan Chase & Co (JPM)

The financial crisis of 2008-2010 propelled JPM and it became one of the most dominant banks in the U.S. financial markets. It is now the largest bank in the U.S. in terms of deposits, loans, and credit cards issued.

JPM counts on multiple business segments in order to benefit from any uptrend in the economy: investment banking, commercial banking, credit cards, retail banking, and asset and wealth management franchises. JPM shows an ideal balance between a core business based on traditional banking, and growth vectors such as wealth management and investment banking. JMP is ranked in the top three for underwriting and M&A. Consumer banking is expected to grow modestly, with credit cards and personal loans. With higher interest rates, JPM grew its revenues in 2023. Their dividend triangle is becoming stronger, and the company increased its dividend by 5%.



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Pros:

- **JPM is amongst the most dominant banks in the U.S**. It benefits from economies of scale and the power of a wide network and a strong distribution platform.
- **Diversification:** JPM generates revenue from different business segments (consumer banking, commercial banking, investment banking, wealth management, etc.).
- **Proven record:** JPM has proven over and over that is has a solid balance sheet as it has operated profitably through multiple crises without experiencing major problems.

Cons:

- To remain competitive, JPMorgan must spend large sums of money on marketing and sales. It doesn't always generate the expected results and that could put their earnings at risk.

Bank of America Corp. (BAC)

Thanks to its size and strength in customer service, Bank of America has a dominant position in the banking landscape in the U.S. BAC already has one of the highest ratios of net interest income to revenue and it benefits from the Fed's rate hikes. BAC can also rely on its wealth management division and investment management division to support its growth. We think that BAC should keep its focus on traditional banking activities and wealth management.

With higher interest rates, BAC and other banks should see their margins expand. We believe BAC is better positioned compared to its peers to take advantage of this. The question is whether loan activity will continue to grow. In March 2023, several regional banks were impacted on the stock market because they held long-term bonds which greatly declined in value. BAC received a net inflow of deposits as clients were concerned about smaller banks. BAC's stock price has declined. While investors must remain cautious, it looks like BAC could be an interesting play.

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Pros:

- **One of the best retail branch networks:** BAC has an impressive reach and enjoys a strong distribution network. The Bank is also a top four U.S. credit card issuer and a strong player in the commercial space.
- **Balance sheet:** Bank of America has proven through the recent "banking saga" in 2023 that it is well capitalized. It will gain additional trust and will likely win more customers.

Cons:

- **Lack of growth:** As interest likely peaked (and will likely go down), it will be harder for the bank to generate revenue growth with lower interest rates.
- **Long duration bond portfolio:** In the even of major rate cut (not on the table yet), BAC's long duration bond portfolio will take a while before maturing and recovering its value.

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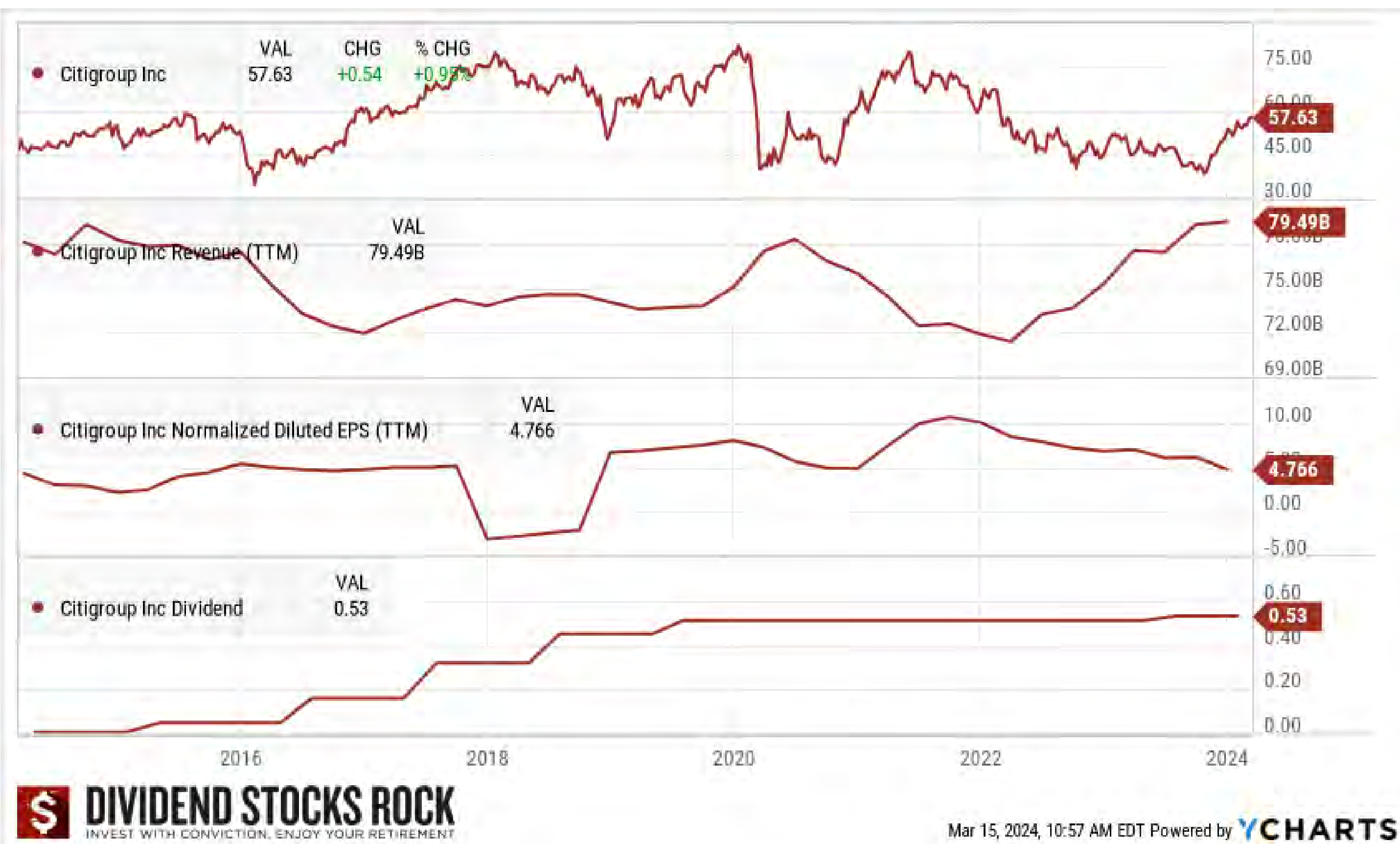
Citigroup Inc. (C)

Citigroup is a global financial services company operating in over 100 countries and jurisdictions. It is organized into two primary segments: the institutional clients group (ICG), which is its commercial operations, and the personal banking and wealth-management group. The bank's primary services include cross-border banking needs for multinational corporate clients, investment banking and trading, and credit card services in the U.S. The ICG has a large global presence that is difficult for others to replicate and that is the reason for corporations with cross-border banking needs choosing Citigroup as their bank. However, ICG is expensive and complicated to operate and has produced mixed results.

In personal banking and wealth management, Citigroup has a limited branch presence in the U.S., focusing on the credit card business instead, and to a lesser extent, on wealth management. Facing strong competition in personal banking from its peers as well as regional and community banks, Citigroup has not been able to dominate or be as profitable as others.

Citigroup has worked on simplifying and de-risking its operations over the last 10 years and is making more changes to improve its outlook, like selling off its international consumer operations and increasing investments in its ICG and wealth management units. It will take a few years to see if and how they improve C’s profitability.



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Pros:

- **Valuation:** The bank is trading at a very low PE ratio, which could lead to a potential buy opportunity.

Cons:

- **Financial crisis disaster:** In 2008, Citigroup paid a steep price for its mistakes (and so did their stockholders!). It has not really recovered from this event.
- **Lack of dividend growth**: Citigroup shows one dividend increase between 2019 and today. It seems like a fragile investment in our view.

Wells Fargo & Co (WFC)

One of the largest banks in the U.S., Wells Fargo has about $1.9 trillion of assets on its balance sheet. It operates four main segments: consumer banking, commercial banking, corporate and investment banking, and wealth and investment management. It is almost entirely focused on the U.S. market.

Public trust in Wells Fargo suffered a beating when in 2016 a series of scandals began involving the bank creating fake deposits and credit card accounts, charging borrowers for unnecessary insurance, concealing information, and lying to the public and Congress. Along the way, the Federal Reserve imposed punitive consent orders on Wells Fargo, including an unprecedented cap on its amount of assets while it overhauls its compliance and oversight. After hearings convened by the U.S. House of Representatives, a report published in 2020 brought the details to light Wells Fargo's stock price fell 22.5% and it lost $54B of its market cap.

Since then, Wells Fargo changed its CEO, paid billions in fines and legal settlements, and has worked on fixing its problems. As of February 2024, six of the consent orders from the Fed have been lifted and eight remain. So, the bank is making progress but is still a few years away from completing its transformation.

Despite all this, Wells Fargo is one of the top deposit gatherers in the U.S., third behind JPMorgan Chase and Bank of America. Wells Fargo has one of the most extensive branch networks in the U.S. and it excels in the middle-market commercial space. Its scale and existing mix of franchises could be the building blocks for a decently performing bank.

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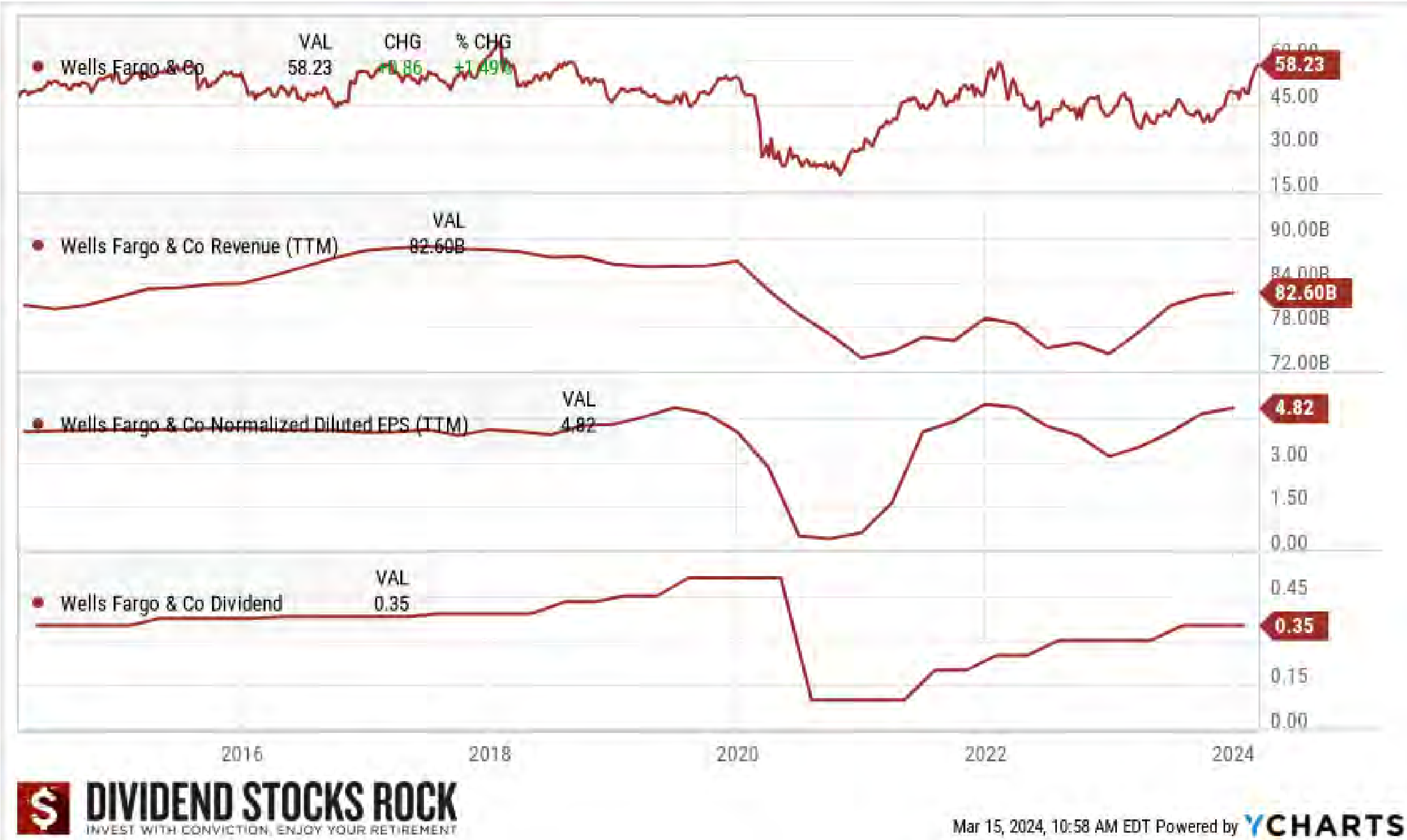

Pros:

- **Comeback story:** The world likes a good comeback story. After cutting its dividend and failing their investors, WFC is slowly recovering.
- **Balance sheet:** Wells Fargo is still under asset cap regulations. While it limits its growth, it also limits its risk. Since we expect the economy to slowdown, it may be a good thing.

Cons:

- **Dividend cut**: as you know, we are not fans of dividend cutters. WFC failed its shareholders in 2020 after getting hit by multiple scandals in 2016. We would remain cautious about this one.

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Bank OZK (OZK)

This small bank with a big vision has a strong reputation in the savings and loan banking industry. As a traditional bank, OZK is well-positioned to benefit from the U.S. economic tailwind. We trust the man behind the bank, George Gleason II, the President of OZK since 1979. He's the mastermind behind the bank's growth, and we think that he'll stick around for years to come.

Its Real Estate Specialities Group (RESG) is a loan growth powerhouse but can also be a source of concern during challenging economic times. In April, the bank reiterated its guidance for the full year for the RESG business segment. OZK is exiting the crowded loan activity market to focus on Real Estate specialties. As the bulk of the bank's projects are in NYC, the bank could perform very well or poorly in the coming months, depending on the economy's state.

After the panic about banking in 2023, due to some regional banks failing, OZK's stock price pulled back to the low thirties but it has since inched back up to the low forties. Its PE ratio remains at about 7.3, which is hard to find nowadays, and this could be a good entry point if OZK is on your watchlist. Keep in mind that OZK is a relatively small bank with a "high risk, high reward" tag.

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Pros:

- **Dividend growth policy:** Bank OZK has been rewarding its shareholders with quarterly dividend increases for a number of years now.
- **Classic approach + growth vectors:** The bank counts on a solid business model of savings and loans and its specialty real estate group (SREG) generates the additional growth.
- **Balance sheet:** Bank OZK went through the 2023 bank saga without blinking. The bank is well-managed.

Cons:

- **SREG:** it's main growth vector could also lead to major losses if customers don't pay their loans back. It's a double-edged sword.

FINAL THOUGHTS

Canadian banks are stable and resilient and can play a worthwhile role in any investor's portfolio. The U.S. has huge banks and many regional banks, providing a higher risk/reward landscape for investors. Again, we would always go with dividend growers and be very cautious with previous dividend cutters.

Look at Canadian banks as you would the salt you add to a hearty winter soup. A pinch or two makes it tasty and great. Too much salt, however, ruins it. Exercise the same caution with Canadian banks. Pick one or two, and don't add them all to your portfolio!

Cheers,

Claudia & 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.

COMPANY	SYMBOL	PREVIOUS RATINGS (PRO/DIV)	NEW RATINGS (PRO/DIV)	COMMENT
Digital Realty Trust	DLR	3/3	3/2	After a long dividend growth streak, the REIT has stopped increasing its distribution in 2022 (March of 2022 was the last dividend increase). Therefore, we must downgrade its dividend safety score from 3 to 2.
Nutrien	NTR.TO / NTR	4/4	3/3	The company offered a 1.9% dividend increase in 2024. After showing a strong dividend triangle, the company faces multiple headwinds as fertilizers prices decline and offers from competitors increase. We continue to see Nutrien as an interesting speculative play with high risk, high reward. However, only the most “adventurous” investors should consider it.
Quebecor	QBR.B.TO	3/2	3/3	After reporting 5 consecutive quarters with no dividend increase, we downgraded Quebecor’s dividend safety from 3 to 2. A few months later, the company announced a dividend increase of 8.3%. Therefore, we reinstated its dividend safety score to 3. However, we are still concerned about QBR’s growth vectors in general as it will not be able to rely on its consistent business from Videotron forever.

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OVERALL PORTFOLIO PERFORMANCE

Listed Returns are as of March 21st 2024:

Portfolios	Inception Date	Return	Benchmark	Added Value	Annualized Return	1 Y	YTD
CAD 25K	10/31/13	211.52%	144.27%	67.26%	11.45%	8.84%	0.96%
USD 25K	10/31/13	176.65%	210.45%	-33.80%	10.20%	11.62%	0.85%
CAD 100K	10/31/13	141.73%	144.27%	-2.54%	8.79%	9.84%	1.59%
USD 100K	10/31/13	239.29%	210.45%	28.84%	12.36%	21.90%	4.62%
USD 500K	05/31/14	124.74%	175.50%	-50.76%	8.60%	13.54%	3.70%
CAD 500K	05/31/14	134.72%	114.95%	19.77%	9.08%	9.54%	3.25%
100% CAD	07/31/17	85.41%	51.97%	33.44%	9.87%	8.78%	2.44%
Retirement CAD	07/31/18	27.92%	40.42%	-12.49%	4.46%	-6.13%	-1.23%
Retirement USD	07/31/18	65.64%	87.29%	-21.65%	9.35%	9.38%	-0.23%

*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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