



"Number of Canadians receiving EI benefits hit Record Low, In February ". BNN Bloomberg

Clients and friends, that's the headline I want you to focus on this weekend. Forget about President Trump, and his tariffs. Focus on the labour market. When Canadians are working, their mortgages are current, they take their families out for dinner, and they enjoy summer vacations. This, in turn, creates more jobs and the virtuous circle continues.

We have waited a long time to write the headline above. Take the time to reflect on its positive meaning, and do not be swayed by the negative media reports.

As you may suspect, my team and I are constantly swamped by "sales pitches " from investment firms. Most "pitches" are well designed, articulate, colorful, and sometimes very convincing stories. However, I rarely see proof that the stories are grounded on solid evidence.

Allow me to provide a real life example: This week a major Canadian bank (their name will not be provided, but they love the colour green) sent me a package with the following headlines, and suggested stock investments:

*Attractive Themes in Technology:*

Cloud Computing (Amazon, Microsoft)

High Quality Internet Companies (Alphabet, Facebook)

Industrial Electronics and Software (Visa, Paypal)

Cyber Security (Intuitive Surgical, Stryker)

Artificial Intelligence (UnitedHealth, Aetna)

Gaming (no examples provided)



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The bank suggested we invest in the above themes through their mutual fund. Fortunately for my clients, I tossed the highly priced package in the recycling bin, and went back to evidence based investing.

Where's the evidence that the themes and suggested companies will generate profitable returns in the future? None provided.

Investing based on great stories (such as above) often leads to poor investment returns. Stay committed to evidence based investing.

On a personal note, our middle child just completed a Master's Degree from The University Of Chicago, and this weekend, I will be helping him move from his Chicago apartment to his new accommodations in Denver. He landed a job at Oracle, and will be enjoying the ski hills in the winter, and mountain biking in the summer. Lucky guy....

I wish everyone a Happy Canada Day! And remember, we live in the best country in the world, lets be grateful.

Investment tip of the week: Turn off all electronics this weekend, and enjoy the outdoors.

#### **Market Watch:**

For a detailed review of this week's economic and political events:

[http://www.smlibrary.com/media/documents/Research-and-Reports/Weekly/market\\_watch.pdf](http://www.smlibrary.com/media/documents/Research-and-Reports/Weekly/market_watch.pdf)

#### **Articles of interest:**

Balancing the Benefit and Burden of Wealth

<https://www.nytimes.com/2018/06/08/your-money/wealth-happiness.html>

NAFTA: Stealing ourselves for the macro costs of tariffs

[https://na2.api.pressly.com/hubs/6222/files/151425/download/NAFTA-Stealing%20Ourselves%20for%20theMacro%20Costs%20of%20Tariffs%20\(June%20142018\).pdf](https://na2.api.pressly.com/hubs/6222/files/151425/download/NAFTA-Stealing%20Ourselves%20for%20theMacro%20Costs%20of%20Tariffs%20(June%20142018).pdf)

Scotiabank 2018 Photography Award Winner

<http://perspectives.scotiabank.com/posts/celebrating-the-2018-scotiabank-photography-award-winner-22286037>

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<b>Canadian Dividend Model</b>	<b>YTD Return</b>	<b>YTD Dividend Increase</b>	<b>US Dividend Model</b>	<b>YTD Return</b>	<b>YTD Dividend Increase</b>
Interrent REIT*	0%		Broadcom Limited	-4%	72%
Toronto Dominion Bank	3%	12%	Allegiant Travel Company	-11%	
Open Text Corp.	3%	15%	NIC Inc.	3%	
Transcontinental Inc.	23%	5%	First American Financial	-10%	
Empire Ltd	5%		Investor Bancorp Inc.	-5%	9%
Brookfield Asset Management*	1%	15%	Lyondell Industries	-1%	11%
TFI International*	3%		Valero Energy Corp	19%	14%
Power Corp of Canada	-10%		Fastenal Company	-11%	15%
CAE Inc.	16%		KAR Auctions	7%	
Magna International Inc.	13%	22%	Gilead Science Inc.	-4%	9%
NFI Group	-12%		Ruth's Hospitality Group Inc.	30%	22%
Enbridge Inc.	-14%		DSW Inc.	21%	25%
Metro Inc.	12%	11%	Novo Nordisk AS	-15%	12%
CCL Industries Inc	11%	13%	General Motors	-2%	

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Royal Bank	-3%	3%	Nielson Holdings PLC	-17%	3%
Dollarama Inc.	-2%	9%	Cracker Barrel Old Country Store	0%	4%
Canadian National Railway	3%	10%	CMS Energy Corp	0%	8%
Telus Corporation	-1%		Columbia Banking Systems	-5%	18%
Canadian Utilities Ltd.	-11%	10%	Everest RE Group LTD	3%	4%
Intact Financial Corp	-11%	9%	City Holdings Company	13%	4%

This week's additions: None

This Week's removals: None

\* Performance indicates from the date it was added to the model

Brookfield Asset Management added May 7th, 2018

TFI International added May 8th, 2018

Interrent Real Estate Investment Trust added June 4th, 2018

US Dividend Model

\*\*Source Thomson Reuters

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This week's removals: None

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Richard started the Canadian Dividend Growth Model in 2007 with the prime focus on investing in Canada's best dividend growing companies. With the assistance of one of North America's most well-respected providers of independent equity research, the model uses 10 investment filters to screen companies that meet stringent and rigorous investment criteria.

Richard backtested the dividend model over a 10 year time period and found that it produced historical returns above both the S&P/TSX returns and the average Canadian Dividend Fund during the same period.

As always, we are here to assist and are happy to share our thoughts in more detail. Should you have any questions or if you would like more information about any of our Canadian and US dividend growth models please send us an email or call us directly.

Feel free to forward this weekly report onto a family member, friend, or colleague who might appreciate receiving it.

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