

**Quality and Value Above all Else**

Looking to build a portfolio which will generate income and grow? Then this list of The Five companies is the place to start.


“The Five” represents stocks that are of the highest quality and undervalued. These are stocks that have met all or most of the 9 quantitative rules of Simply Investing (see the 12 Rules on page 11). In the long-term these stocks have the highest potential for capital appreciation and dividend growth.

The **Five** are ordered from highest Dividend Growth to lowest Dividend Growth. More information on how to use this report is listed on page 7.



**The Five - US Stocks**

Company Name	Symbol	Dividend Growth	P/E Ratio	Current Dividend Yield	Share Price	Annual Dividend	Consecutive Years of Dividend Increases	Dividends Paid Since	Industry
UnitedHealth	UNH	138.4%	24	1.57%	191.15	3.00	7	1990	Healthcare
Cisco	CSCO	59.9%	16	3.68%	31.52	1.16	6	2011	Technology
CVS Health Corp	CVS	25.3%	17	2.51%	79.75	2.00	9	1916	Healthcare
Intel	INTC	11.6%	15	3.09%	35.31	1.09	2	1991	Technology
Archer-Daniels-Midland	ADM	11.5%	18	3.06%	41.78	1.28	41	1927	Consumer Defensive



**The Five – Canadian Stocks**

Company Name	Symbol	Dividend Growth	P/E Ratio	Current Dividend Yield	Share Price	Annual Dividend	Consecutive Years of Dividend Increases	Dividends Paid Since	Industry
CI Financial Corp	CIX	51.0%	14	5.22%	27.01	1.41	7	1994	Financial Services
Aecon Group Incorporated	ARE	31.0%	19	3.32%	15.07	0.50	5	2000	Industrials
Canadian Tire Corporation	CTC.A	14.1%	15	1.82%	142.71	2.60	6	1944	Consumer Cyclical
Toronto-Dominion Bank	TD	9.7%	13	3.74%	64.10	2.40	6	1855	Financial Services
Imperial Oil	IMO	6.1%	12	1.77%	36.06	0.64	22	1891	Energy



# Undervalued US Stocks

These are stocks which are trading at historically low prices, and can be considered for purchase; start with those which have the highest SI Criteria grade out of 9. An Excel version of this table is available from your [Subscriber page](#).

Company Name	Symbol	EPS Growth	Dividend Growth	Payout Ratio	LT Debt/Equity Ratio	S&P Credit Rating	Consistent Share Buyback?	P/E Ratio	Current Div Yield	Avg Div Yield	Avg Low Div Yield	Avg High Div Yield	High Stock Price	Low Stock Price	P/B Ratio	Book Value per Share	SI Criteria (out of 9)	Share Price	Annual Div	Graham Price	%Difference Graham Price vs Current Price	Consecutive Years of Dividend Increases	Dividends Paid Since	Industry	U=undervalued O=overvalued	EPS	Consecutive Years of EPS Increases During Past 12 Years
Archer-Daniels-Midland	ADM	5.50%	11.50%	54.20%	37.90%	A	no	18	3.06%	2.10%	1.70%	2.80%	76.5	46.54	1	30.12	7	41.78	1.28	44	5.30%	41	1927	Consumer Defensive	U	2.36	0
Caterpillar	CAT	7.10%	12.70%	-1253.00%	173.20%	A	yes	-458	2.73%	2.50%	2.00%	3.60%	153.63	87.22	5	23.06	6	114.1	3.12	36.47	-68.00%	3	1914	Industrials	U	-0.25	0
Chevron	CVX	-7.30%	8.60%	280.30%	24.20%	AA-	yes	70	4.00%	3.50%	3.00%	4.30%	144.76	101.28	1	77.38	6	108.12	4.32	84.56	-21.80%	31	1926	Energy	U	1.54	0
Church & Dwight	CHD	7.90%	27.70%	41.50%	35.00%	BBB+	yes	29	1.43%	1.20%	1.10%	1.40%	71.42	54.68	7	7.77	6	53.3	0.76	21.36	-59.90%	19	1901	Consumer Defensive	U	1.83	0
Cisco	CSCO	10.10%	59.90%	58.90%	38.50%	AA-	yes	16	3.68%	2.40%	2.00%	2.80%	56.62	41.01	2	13.08	9	31.52	1.16	22.91	-27.30%	6	2011	Technology	U	1.97	2
Coca-Cola	KO	6.00%	8.70%	104.20%	128.70%	AA-	yes	32	3.22%	2.90%	2.60%	3.40%	56.85	44.1	9	5.35	4	46.01	1.48	13.82	-70.00%	54	1893	Consumer Defensive	U	1.42	0
CVS Health Corp	CVS	12.00%	25.30%	41.70%	69.50%	BBB+	yes	17	2.51%	1.10%	1.00%	1.40%	208.96	143.76	2	33.21	9	79.75	2	57.99	-27.30%	9	1916	Healthcare	U	4.8	6
Disney	DIS	16.30%	21.20%	27.20%	38.10%	A	yes	19	1.42%	1.20%	1.00%	1.50%	153.85	103.64	4	27.98	8	109.96	1.56	55.9	-49.20%	0	1957	Consumer Cyclical	U	5.73	7
Emerson Electric	EMR	6.30%	8.00%	82.00%	53.70%	A	yes	25	3.23%	2.90%	2.40%	3.60%	78.47	53.88	5	12.42	4	59.53	1.92	29.81	-49.90%	60	1947	Industrials	U	2.34	0
Exxon Mobil	XOM	-2.10%	9.20%	128.50%	17.30%	AA+	yes	33	3.87%	2.50%	2.20%	2.90%	140.07	104.95	2	41.81	6	79.6	3.08	64.65	-18.80%	34	1882	Energy	U	2.4	0
General Electric	GE	6.90%	3.10%	97.80%	139.10%	AA-	yes	26	3.76%	3.50%	2.90%	4.80%	33.45	20.12	3	8.58	4	25.53	0.96	10.7	-58.10%	6	1899	Industrials	U	0.98	1
General Mills	GIS	7.20%	9.80%	70.80%	143.20%	BBB+	yes	20	3.54%	2.80%	2.50%	3.20%	77.93	61.79	7	7.5	6	55.33	1.96	20.64	-62.70%	5	1898	Consumer Defensive	U	2.77	1
Goldman Sachs	GS	49.70%	9.60%	16.00%	307.40%	A+	yes	12	1.34%	1.10%	0.90%	1.70%	333.52	181.23	1	192.35	8	223.61	3	256.2	14.60%	5	1999	Financial Services	U	18.79	1
Home Depot	HD	11.00%	20.20%	53.30%	515.80%	A	yes	22	2.40%	2.20%	1.80%	2.70%	198.72	130.46	45	3.31	7	148.08	3.56	18.6	-87.40%	7	1987	Consumer Cyclical	U	6.68	7
IBM	IBM	9.70%	19.80%	49.30%	189.90%	AA-	yes	12	4.16%	2.00%	1.70%	2.40%	344.9	247.29	7	19.76	7	144.29	6	74.75	-48.20%	22	1913	Technology	U	12.16	0
Intel	INTC	12.00%	11.60%	47.20%	31.20%	A+	yes	15	3.09%	2.90%	2.40%	3.60%	45.69	30.03	2	14.19	9	35.31	1.09	26.82	-24.00%	2	1991	Technology	U	2.31	0
Lowe's	LOW	8.00%	27.80%	51.40%	150.80%	A-	yes	24	2.14%	1.20%	1.00%	1.60%	160.15	104.55	12	6.55	6	76.48	1.64	19.3	-74.80%	54	1961	Consumer Cyclical	U	3.19	6
Medtronic	MDT	6.70%	15.10%	63.70%	58.10%	A	yes	29	2.18%	1.70%	1.40%	2.10%	129.74	88.97	2	37.01	7	84.29	1.84	46.86	-44.40%	39	1977	Healthcare	U	2.89	1
Microsoft	MSFT	9.50%	14.40%	68.80%	56.60%	AAA	yes	32	2.14%	2.00%	1.70%	2.50%	90.04	61.53	8	9.05	7	73.04	1.56	20.53	-71.90%	13	2003	Technology	U	2.27	1
Pepsi	PEP	6.50%	10.40%	68.10%	267.20%	A	yes	25	2.76%	2.70%	2.40%	3.10%	133.32	103.91	13	8.67	6	116.61	3.22	28.28	-75.70%	44	1952	Consumer Defensive	U	4.73	1
Procter & Gamble	PG	5.30%	9.10%	50.70%	33.00%	AA-	yes	17	3.06%	2.80%	2.50%	3.20%	112.37	86.06	4	20.66	7	90.21	2.76	39.64	-56.10%	60	1890	Consumer Defensive	U	5.44	1
Target	TGT	11.50%	19.40%	50.80%	100.70%	A	yes	11	4.42%	1.60%	1.40%	2.00%	179.89	125.99	3	19.98	8	56.11	2.48	29.53	-47.40%	49	1965	Consumer Defensive	U	4.88	1
The J. M. Smucker Co	SJM	12.00%	8.80%	61.20%	73.40%	BBB	yes	24	2.55%	2.30%	2.00%	2.70%	156.48	115.26	2	60.41	7	122.42	3.12	81.08	-33.80%	22	1960	Consumer Defensive	U	5.1	1
TJX Companies	TJX	16.50%	21.30%	35.50%	49.40%	A+	yes	20	1.80%	1.00%	0.90%	1.30%	142.27	95.75	10	7.08	8	69.6	1.25	22.37	-67.90%	8	1980	Consumer Cyclical	U	3.52	12
Unilever	UL	5.30%	12.80%	79.70%	68.10%	A+	no	27	2.92%	2.50%	2.20%	3.00%	74.81	55.26	9	6.59	4	56.8	1.66	16.23	-71.40%	37	1955	Consumer Defensive	U	2.08	1
Union Pacific	UNP	18.20%	20.80%	46.30%	71.50%	A	yes	20	2.34%	1.90%	1.60%	2.40%	154.18	100.5	4	24.53	7	103.3	2.42	54.78	-47.00%	10	1900	Industrials	U	5.23	0
United Technologies	UTX	7.90%	10.50%	43.60%	78.70%	A-	no	19	2.36%	2.20%	1.90%	2.70%	145.42	103.32	3	34.44	5	118.87	2.8	74.61	-37.20%	24	1936	Industrials	U	6.42	0
UnitedHealth	UNH	11.60%	138.40%	38.40%	67.30%	A+	yes	24	1.57%	0.90%	0.80%	1.10%	379.51	264.03	4	43.77	8	191.15	3	78.89	-58.70%	7	1990	Healthcare	U	7.81	8
Visa	V	51.70%	28.60%	32.90%	48.30%	A+	yes	49	0.67%	0.60%	0.50%	0.80%	125.9	83.01	9	11.55	7	99.15	0.66	25.01	-74.80%	8	2008	Financial Services	U	2	0
W.W. Grainger	GWW	9.90%	16.40%	52.30%	102.40%	AA-	yes	17	3.10%	1.80%	1.50%	2.20%	337.23	237	5	31.11	7	165.23	5.12	87.62	-47.00%	45	1971	Industrials	U	9.8	0
Walgreens Boots Alliance	WBA	12.40%	19.00%	40.40%	62.60%	BBB	no	20	2.01%	1.60%	1.30%	2.00%	119.96	81.23	3	28.6	7	79.62	1.6	45.9	-42.40%	41	1972	Consumer Defensive	U	3.96	0
Wal-Mart	WMT	6.30%	13.10%	46.30%	47.40%	AA	yes	18	2.56%	2.00%	1.80%	2.30%	116.15	89.71	3	24.45	7	79.81	2.04	51.56	-35.40%	44	1973	Consumer Defensive	U	4.4	0
Wells Fargo & Co	WFC	16.10%	16.20%	39.00%	127.80%	A	no	13	2.93%	2.70%	2.30%	3.50%	67.92	44.14	2	35.44	7	53.3	1.56	56.97	6.90%	6	1939	Financial Services	U	4	0



## Overvalued US Stocks

These are stocks which are trading at historically high prices, and should not be considered for purchase at this time. If you already own these stocks, they can be considered for sale after a complete analysis, [click here](#) for more information; start with those which have the lowest SI Criteria grade out of 9. An Excel version of this table is available from your [Subscriber page](#).

Company Name	Symbol	EPS Growth	Dividend Growth	Payout Ratio	LT Debt/ Equity Ratio	S&P Credit Rating	Consistent Share Buyback?	P/E Ratio	Current Div Yield	Avg Div Yield	Avg Low Div Yield	Avg High Div Yield	High Stock Price	Low Stock Price	P/B Ratio	Book Value per Share	SI Criteria (out of 9)	Share Price	Annual Div	Graham Price	%Difference Graham Price vs Current Price	Consecutive Years of Dividend Increases	Dividends Paid Since	Industry	U=undervalued O=overvalued	EPS	Consecutive Years of EPS Increases During Past 12 Years
3M	MIMM	6.90%	9.60%	56.80%	103.70%	AA-	yes	24	2.35%	2.60%	2.20%	3.20%	213.21	149.12	11	18.41	5	199.72	4.7	56.63	-71.60%	58	1916	Industrials	O	8.27	7
Abbott Laboratories	ABT	7.30%	6.00%	110.30%	100.70%	BBB	yes	52	2.14%	4.80%	4.20%	5.50%	24.97	19.21	3	18.07	2	49.61	1.06	26.93	-45.70%	3	1926	Healthcare	O	0.96	0
Aflac	AFL	9.70%	13.40%	28.00%	26.20%	A-	yes	13	2.17%	2.30%	1.90%	3.30%	92.14	51.59	2	51.25	8	79.38	1.72	84.94	7.00%	34	1973	Financial Services	O	6.15	1
American Express	AXP	11.40%	11.00%	23.10%	229.20%	BBB+	yes	15	1.51%	1.50%	1.20%	2.30%	104.21	55.98	4	23.95	6	84.8	1.28	54.04	-36.30%	1	1977	Financial Services	O	5.54	1
Apple	AAPL	43.00%	89.90%	29.60%	58.80%	AA+	yes	18	1.69%	1.70%	1.40%	2.20%	175.46	116.93	6	25.72	7	149.5	2.52	68.01	-54.50%	5	1987	Technology	O	8.52	0
AT&T	T	27.60%	4.10%	95.80%	92.30%	BBB+	yes	19	5.03%	5.50%	4.90%	6.40%	40.27	30.51	2	20.17	5	39	1.96	29.39	-24.60%	8	1984	Communication Services	O	2.05	0
Automatic Data Processing	ADP	6.90%	12.00%	59.00%	44.80%	AA	yes	30	1.94%	2.80%	2.40%	3.30%	93.71	68.26	13	9.17	5	117.38	2.28	25.48	-78.30%	42	1974	Industrials	O	3.87	1
Boeing	BA	17.70%	15.10%	70.00%	1161.20%	A	no	30	2.35%	2.40%	2.00%	3.10%	287.33	184.16	1508	0.16	4	241.27	5.68	5.19	-97.80%	5	1942	Industrials	O	8.12	4
Cintas	CTAS	14.80%	11.60%	27.60%	57.00%	BBB+	yes	28	0.98%	1.30%	1.10%	1.60%	120.35	84.23	7	20.67	6	135.61	1.33	44.7	-67.00%	34	1984	Industrials	O	4.82	6
Clorox	CLX	0.40%	10.10%	66.40%	605.10%	A-	yes	26	2.53%	2.70%	2.40%	3.10%	138.14	109.47	42	3.14	4	132.77	3.36	17.84	-86.60%	39	1968	Consumer Defensive	O	5.06	2
Colgate-Palmolive	CL	10.70%	9.80%	57.70%	-2683.10%	AA-	yes	26	2.21%	2.30%	2.00%	2.70%	78.3	60.21	-269	-0.27	7	72.54	1.6	#NUM!	#NUM!	53	1895	Consumer Defensive	O	2.77	1
E. I. du Pont	DD	10.70%	0.50%	55.70%	81.00%	A-	no	31	1.81%	3.70%	3.00%	4.90%	50.24	30.8	6	14	3	83.98	1.52	30.62	-63.50%	0	1904	Basic Materials	O	2.73	0
Johnson & Johnson	JNJ	6.10%	8.60%	56.50%	31.90%	AAA	no	22	2.55%	3.00%	2.70%	3.40%	126.02	99.74	5	26.11	5	131.85	3.36	57.88	-56.10%	54	1944	Healthcare	O	5.95	1
JPMorgan Chase	JPM	18.30%	35.50%	30.80%	116.20%	A-	yes	14	2.19%	2.70%	2.20%	3.50%	89.27	57.53	1	65.3	7	91.28	2	92.52	1.40%	6	1827	Financial Services	O	6.5	3
Kimberly-Clark	KMB	10.70%	6.70%	64.00%	-6312.70%	A	yes	20	3.17%	3.60%	3.20%	4.10%	120.2	94.73	422	0.29	6	122.45	3.88	5.28	-95.70%	44	1935	Consumer Defensive	O	6.06	1
McCormick	MKC	8.60%	9.40%	49.90%	64.80%	A-	no	25	1.97%	2.20%	2.00%	2.50%	95.85	73.82	7	14.43	5	95.52	1.88	33.13	-65.30%	31	1925	Consumer Defensive	O	3.77	1
McDonald's	MCD	12.70%	17.50%	66.40%	-1174.20%	BBB+	yes	28	2.41%	3.00%	2.70%	3.50%	141.26	107.67	-63	-2.49	7	155.85	3.76	#NUM!	#NUM!	40	1976	Consumer Cyclical	O	5.67	1
Merck	MRK	70.40%	1.80%	119.80%	60.60%	AA	yes	41	2.93%	3.90%	3.30%	4.90%	56.79	38.21	4	14.56	4	64.11	1.88	27.73	-56.80%	6	1970	Healthcare	O	1.57	0
Molson Coors	TAP	51.40%	9.20%	17.60%	99.70%	BBB-	no	10	1.84%	2.20%	1.80%	2.60%	88.99	62.96	2	53.88	5	89.11	1.64	75.08	-15.70%	42	1975	Consumer Defensive	O	9.31	1
Nike	NKE	13.80%	19.20%	28.70%	16.40%	AA-	yes	23	1.23%	1.30%	1.10%	1.70%	63.36	43.12	8	7.56	7	58.67	0.72	17.66	-69.90%	15	1984	Consumer Cyclical	O	2.51	7
Nucor	NUE	58.00%	19.00%	45.50%	47.40%	A-	no	17	2.63%	2.80%	2.30%	3.70%	66.31	40.37	2	25.49	7	57.46	1.51	33.33	-42.00%	7	1973	Basic Materials	O	3.32	1
Pfizer	PFE	13.30%	5.80%	107.70%	52.70%	AA	yes	28	3.86%	4.10%	3.50%	4.90%	36.08	25.97	3	9.79	4	33.15	1.28	16.48	-50.30%	6	1901	Healthcare	O	1.19	1
PPG Industries	PPG	27.10%	4.80%	55.10%	78.50%	A-	yes	32	1.70%	2.60%	2.10%	3.40%	84.29	53.62	5	21.95	4	106.03	1.8	51.23	-51.70%	44	1899	Basic Materials	O	3.27	0
S&P Global Inc.	SPGI	117.50%	4.90%	19.60%	548.30%	n/a	yes	18	1.07%	1.90%	1.60%	2.60%	104.32	62.5	50	3.06	4	153.47	1.64	16.46	-89.30%	43	1937	Industrials	O	8.39	1
Sysco	SY	2.40%	9.50%	69.60%	210.80%	BBB+	no	28	2.53%	3.00%	2.60%	3.50%	50.54	37.82	12	4.35	3	52.25	1.32	11.94	-77.10%	37	1970	Consumer Defensive	O	1.9	1
Travelers Companies Inc.	TRV	25.00%	10.10%	28.30%	25.40%	A	yes	13	2.26%	2.50%	2.10%	3.00%	134.62	97.11	1	86.46	8	127.21	2.88	143.73	13.00%	12	2004	Financial Services	O	10.17	0
Verizon	VZ	95.60%	3.50%	77.30%	468.10%	BBB+	no	16	4.82%	5.30%	4.60%	6.30%	50.55	36.96	8	5.76	3	47.94	2.31	20.78	-56.60%	9	1984	Communication Services	O	2.99	0



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Aecon Group Incorporated	ARE	107.90%	31.00%	63.30%	33.30%	n/a	yes	19	3.32%	1.70%	1.40%	2.50%	36.31	20.08	1	12.57	8	15.07	0.5	14.76	-2.10%	5	2000	Industrials	U	0.79	0
Agrium	AGU	121.70%	51.20%	108.70%	71.30%	BBB	no	30	3.67%	1.20%	1.00%	1.40%	459.58	321.18	2	55	5	124.09	4.56	81.85	-34.00%	7	1993	Basic Materials	U	4.2	0
Alimentation Couche-Tard Inc.	ATD.B	19.40%	18.90%	18.00%	56.10%	BBB	yes	30	0.60%	0.50%	0.40%	0.70%	81.56	50	6	10.23	7	59.72	0.36	20.97	-64.90%	5	1999	Consumer Defensive	U	2	0
ATCO	ACO.X	21.80%	11.10%	45.50%	229.80%	A	yes	17	2.74%	2.10%	1.80%	2.60%	74.02	51.11	2	31.48	8	47.73	1.31	43.27	-9.30%	24	1973	Utilities	U	2.88	1
BCE Inc.	BCE	18.30%	12.20%	87.20%	94.50%	BBB+	yes	18	4.91%	4.80%	4.30%	5.40%	67.25	52.66	4	16.53	6	58.42	2.87	33.92	-41.90%	8	1880	Communication Services	U	3.29	3
Canadian National Railways	CNR	12.10%	17.50%	34.10%	60.10%	A	yes	20	1.68%	1.70%	1.40%	2.00%	115.25	83.92	5	20.04	8	98.42	1.65	43.81	-55.50%	22	1995	Industrials	U	4.83	7
Canadian Natural Resources	CNQ	21.90%	21.70%	833.30%	57.10%	BBB+	no	292	2.86%	1.30%	1.00%	1.80%	109.23	61.27	2	21.71	6	38.5	1.1	21.39	-44.40%	17	2001	Energy	U	0.13	1
Canadian Tire Corporation	CTC.A	8.60%	14.10%	27.00%	54.00%	BBB+	yes	15	1.82%	1.50%	1.30%	1.80%	203.77	143.8	2	69.09	9	142.71	2.6	114.77	-19.60%	6	1944	Consumer Cyclical	U	9.62	7
Canadian Utilities	CU	11.60%	2.90%	65.00%	131.10%	A	no	18	3.56%	3.30%	2.80%	3.90%	50.63	36.86	2	18.04	6	40.15	1.43	27.75	-30.90%	45	1972	Utilities	U	2.2	1
Canadian Western Bank	CWB	11.80%	15.90%	42.00%	54.10%	n/a	no	13	3.30%	2.20%	1.70%	3.20%	54.16	28.87	1	24.27	7	27.85	0.92	40.02	43.70%	6	1993	Financial Services	U	2.19	0
CI Financial Corp	CIX	10.80%	51.00%	72.70%	43.50%	A-	yes	14	5.22%	4.60%	3.80%	5.90%	36.82	24.07	4	6.65	8	27.01	1.41	16.82	-37.70%	7	1994	Financial Services	U	1.94	0
CIBC	CM	173.30%	5.50%	42.30%	14.30%	A+	no	9	4.72%	4.60%	3.90%	5.60%	129.04	90.65	2	61.42	7	107.63	5.08	112.41	4.40%	6	1868	Financial Services	U	12	2
Emera	EMA	5.80%	7.80%	79.40%	212.90%	BBB+	no	17	4.54%	4.40%	3.90%	5.10%	54.17	41.35	2	29.47	4	46.01	2.09	38.91	-15.40%	10	1992	Utilities	U	2.63	0
Empire	EMP.A	-45.70%	7.90%	72.40%	55.60%	n/a	no	35	2.08%	1.50%	1.30%	1.70%	33.43	24.09	2	13.44	4	20.22	0.42	#NUM!	#NUM!	22	1982	Consumer Defensive	U	0.58	0
Enbridge	ENB	452.80%	14.40%	203.00%	170.60%	BBB+	no	43	4.77%	3.30%	2.90%	3.90%	84.93	62.49	2	32.02	5	51.14	2.44	27.98	-45.30%	5	1953	Energy	U	1.2	1
Ensign Energy Services	ESI	-25.20%	15.60%	-49.20%	31.80%	n/a	yes	-7	7.25%	2.80%	2.20%	4.00%	22.21	12.04	1	11.63	7	6.62	0.48	#NUM!	#NUM!	0	1995	Energy	U	-0.98	0
Equitable Bank	EQB	16.40%	9.90%	10.70%	11.80%	n/a	no	6	1.67%	1.70%	1.30%	2.30%	68.64	39.42	1	57.72	7	55.04	0.92	99.24	80.30%	6	n/a	Financial Services	U	8.57	11
Finning International Inc.	FTT	42.60%	11.90%	128.10%	80.00%	BBB+	yes	45	2.87%	2.20%	1.80%	2.90%	40.44	24.84	2	11.41	6	25.4	0.73	10.47	-58.80%	15	1990	Industrials	U	0.57	1
H&R Real Estate Investment	HR.UN	272.70%	11.30%	83.40%	79.50%	n/a	no	13	6.52%	5.90%	4.80%	9.10%	28.91	15.09	1	22.93	5	21.15	1.38	26.78	26.60%	1	2009	Real Estate	U	1.65	1
IGM Financial Inc.	IGM	3.10%	5.00%	69.40%	27.90%	A+	yes	13	5.41%	4.70%	4.00%	5.60%	55.82	39.86	2	19.35	7	41.6	2.25	36.7	-11.80%	0	2002	Financial Services	U	3.24	2
Imperial Oil	IMO	12.70%	6.10%	20.90%	20.10%	AA+	yes	12	1.77%	1.00%	0.90%	1.20%	74.42	52.17	1	29.89	8	36.06	0.64	43.19	19.80%	22	1891	Energy	U	3.06	1
Jean Coutu Group	PJC.A	-53.20%	13.00%	49.10%	0.00%	n/a	yes	20	2.51%	1.50%	1.30%	1.90%	40.61	27.06	3	6.78	6	20.68	0.52	14.99	-27.50%	8	1987	Consumer Defensive	U	1.06	0
Laurentian Bank	LB	8.70%	6.80%	57.70%	376.90%	BBB	no	13	4.59%	3.90%	3.40%	4.60%	73.18	53.69	1	49.74	6	53.99	2.48	67.63	25.30%	9	1871	Financial Services	U	4.3	1
Magna International	MG	-43.60%	40.60%	20.80%	24.50%	A-	yes	8	2.53%	1.70%	1.40%	2.30%	109.76	65.93	2	34.02	8	59.39	1.5	60.57	2.00%	7	1992	Consumer Cyclical	U	7.22	7
Manulife Financial Corporation	MFC	414.80%	3.80%	52.50%	30.60%	A	no	16	3.22%	3.10%	2.50%	4.30%	32.45	19.07	1	20.01	7	25.44	0.82	25.28	-0.60%	3	2000	Financial Services	U	1.56	1
Metro Inc.	MRO	14.70%	14.40%	26.40%	45.90%	BBB	yes	17	1.54%	1.40%	1.20%	1.70%	53.86	38.67	4	11.8	8	42.09	0.65	23.22	-44.80%	9	1995	Consumer Defensive	U	2.46	2
Potash Corporation	POT	23.60%	38.30%	110.60%	45.20%	BBB+	yes	47	2.35%	1.60%	1.30%	2.10%	38.87	24.86	2	12.37	7	22.17	0.52	18.58	-16.20%	0	1990	Basic Materials	U	0.47	0
Rogers Communications Inc.	RCL.B	129.60%	60.50%	95.50%	276.20%	BBB+	yes	32	2.98%	2.90%	2.50%	3.40%	75.57	56.62	6	10.38	5	64.37	1.92	24.13	-62.50%	13	2003	Communication Services	U	2.01	1
Shaw Communications	SJR.B	56.30%	22.20%	112.70%	82.60%	BBB-	no	26	4.28%	3.70%	3.20%	8.40%	37.13	14.12	2	11.23	4	27.59	1.18	22.74	-17.60%	3	2009	Communication Services	U	1.05	1
Suncor Energy Inc.	SU	13.00%	23.90%	77.60%	36.10%	A-	yes	24	3.17%	1.50%	1.20%	1.90%	104.72	67.56	1	27.27	8	40.39	1.28	12.22	-69.70%	15	1992	Energy	U	1.65	1
Telus	T	8.80%	14.30%	91.70%	146.60%	BBB+	yes	21	4.36%	4.00%	3.50%	4.80%	56.04	41.31	3	13.74	6	45.18	1.97	26.2	-42.00%	13	1916	Communication Services	U	2.15	0
Thomson Reuters Corporation	TRI	142.20%	5.60%	34.20%	49.20%	BBB+	yes	10	3.28%	3.10%	2.70%	3.60%	70.12	52.17	3	22.12	8	57.3	1.88	36.61	-36.10%	7	1978	Consumer Cyclical	U	5.49	1
Toronto-Dominion Bank	TD	14.30%	9.70%	47.40%	15.00%	AA-	no	13	3.74%	3.60%	3.10%	4.30%	77.34	55.66	2	38.07	8	64.1	2.4	60.97	-4.90%	6	1855	Financial Services	U	5.06	7



## Overvalued Canadian Stocks

These are stocks which are trading at historically high prices, and should not be considered for purchase at this time. If you already own these stocks, they can be considered for sale after a complete analysis, [click here](#) for more information; start with those which have the lowest SI Criteria grade out of 9. An Excel version of this table is available from your [Subscriber page](#).

Company Name	Symbol	EPS Growth	Dividend Growth	Payout Ratio	LT Debt/Equity Ratio	S&P Credit Rating	Consistent Share Buyback?	P/E Ratio	Current Div Yield	Avg Div Yield	Avg Low Div Yield	Avg High Div Yield	High Stock Price	Low Stock Price	P/B Ratio	Book Value per Share	SI Criteria (out of 9)	Share Price	Annual Div	Graham Price	%difference Graham Price vs Current Price	Consecutive Years of Dividend Increases	Dividends Paid Since	Industry	U=undervalued O=overvalued	EPS	Consecutive Years of EPS Increases During Past 12 Years
Algonquin Power & Utilities Corp	AQN	31.00%	1.70%	138.10%	221.50%	BBB	no	32	4.33%	6.90%	5.60%	10.60%	10.29	5.46	2	7.21	3	13.4	0.58	7.95	-40.60%	6	2007	Utilities	O	0.42	3
Bank of Montreal	BMO	5.40%	5.90%	45.30%	10.50%	A+	no	12	3.82%	4.60%	4.00%	5.80%	90.73	62.44	2	62.61	5	94.12	3.6	96.67	2.70%	5	1829	Financial Services	O	7.95	7
Bank of Nova Scotia	BNS	6.40%	7.40%	48.30%	13.60%	A+	no	12	3.92%	4.00%	3.50%	4.80%	88.06	62.71	2	45.86	5	77.57	3.04	76.69	-1.10%	6	1833	Financial Services	O	6.29	3
Brookfield Asset Management	BAM.A	16.50%	5.20%	61.70%	238.40%	A-	no	39	1.60%	1.70%	1.40%	2.20%	55.31	35.32	2	23.48	4	48.13	0.77	36.2	-24.80%	5	1997	Real Estate	O	1.25	0
Canadian Pacific Railway	CP	16.00%	11.60%	22.50%	187.20%	BBB+	no	20	1.15%	1.40%	1.10%	1.80%	197.08	124.31	5	36.51	5	196.49	2.25	86.76	-55.80%	1	2002	Industrials	O	10.02	1
Cenovus Energy Inc.	CVE	-30.80%	-11.10%	7.30%	54.60%	BBB	no	4	1.89%	2.60%	2.20%	3.20%	9.19	6.19	1	9.54	5	10.57	0.2	8.79	-16.80%	0	2009	Energy	O	2.74	0
Cogeco Communications Inc.	CCA	32.30%	23.60%	28.00%	189.70%	BB+	no	14	1.97%	2.20%	1.80%	2.70%	94.7	64.51	3	31.54	5	87.3	1.72	36.43	-58.30%	9	1993	Communication Services	O	6.15	0
Encana	ECA	-101.60%	-12.00%	7.00%	73.50%	BBB	yes	11	0.63%	2.90%	2.30%	4.00%	3.45	2.02	1	8.72	5	12.62	0.08	#NUM!	#NUM!	0	2002	Energy	O	1.14	1
Fortis	FTS	6.80%	9.20%	76.10%	146.20%	A-	no	21	3.55%	3.60%	3.10%	4.10%	51.23	38.61	1	31.22	4	45.1	1.6	37.11	-17.70%	44	1972	Utilities	O	2.1	0
George Weston Limited	WN	95.20%	1.80%	41.00%	146.60%	BBB	yes	25	1.65%	2.00%	1.70%	2.30%	105.46	77.66	2	60.71	6	110	1.82	60.95	-44.60%	5	1930	Consumer Defensive	O	4.44	2
Great-West Life	GWO	4.10%	5.10%	55.70%	26.00%	A+	no	13	4.14%	4.30%	3.70%	5.30%	40.19	27.91	2	19.99	5	35.53	1.47	34.55	-2.80%	2	2000	Financial Services	O	2.64	0
Home Capital Group	HCG	15.00%	26.20%	0.00%	163.80%	BBB-	no	4	0.00%	1.70%	1.30%	2.40%	0	0	1	20.75	5	14.01	0	43.66	211.70%	4	1990	Financial Services	O	3.69	0
Husky Energy Inc.	HSE	-28.10%	-1.80%	0.00%	28.50%	BBB+	no	10	0.00%	3.50%	2.90%	4.60%	0	0	1	16.43	5	14.56	0	#NUM!	#NUM!	0	2001	Energy	O	1.51	1
Intact Financial Corporation	IFC	16.30%	12.90%	65.20%	22.90%	n/a	yes	25	2.65%	2.70%	2.30%	3.20%	109.52	80.18	2	43.14	7	96.68	2.56	69.57	-28.00%	13	2004	Financial Services	O	3.93	0
Lassonde Industries	LAS.A	15.10%	14.00%	25.00%	44.60%	n/a	no	25	1.02%	1.60%	1.40%	2.00%	176.24	125.03	3	78.19	5	239.55	2.44	119.54	-50.10%	9	1991	Consumer Defensive	O	9.77	10
Loblaws Companies Limited	L	99.00%	1.90%	35.80%	80.50%	BBB	no	23	1.59%	2.00%	1.70%	2.30%	63.05	46.01	2	31.8	5	68.12	1.08	30.62	-55.10%	5	1979	Consumer Defensive	O	3.02	2
National Bank of Canada	NA	5.40%	8.90%	49.10%	21.80%	A	no	12	4.13%	4.20%	3.60%	5.30%	64.92	43.43	2	29.97	6	56.21	2.32	52.19	-7.10%	6	1980	Financial Services	O	4.72	0
Power Corporation	POW	5.30%	7.70%	18.80%	117.60%	A	no	11	1.73%	3.80%	3.20%	4.60%	16.05	11.38	1	31.75	4	30.12	0.52	46.06	52.90%	2	1972	Financial Services	O	2.77	0
Richelieu Hardware	RCH	9.80%	9.00%	20.20%	0.30%	n/a	yes	28	0.71%	1.30%	1.10%	1.50%	21.51	15.05	5	7.18	5	32.35	0.23	12.58	-61.10%	0	n/a	Consumer Cyclical	O	1.14	7
RioCan Real Estate Investment	REI.UN	159.00%	1.00%	54.70%	70.80%	BBB	no	9	5.88%	6.10%	5.30%	7.40%	26.82	19.1	1	24.25	5	23.99	1.41	30.18	25.80%	0	1994	Real Estate	O	2.58	1
Royal Bank of Canada	RY	10.90%	9.90%	47.20%	13.70%	AA-	yes	13	3.75%	3.90%	3.30%	4.70%	104.75	74.01	2	45.19	8	92.83	3.48	81.32	-12.40%	6	1870	Financial Services	O	7.38	7
Saputo Inc.	SAP	10.90%	12.50%	32.60%	30.20%	n/a	yes	23	1.42%	1.60%	1.40%	2.00%	42.65	30.07	4	11.2	6	42.24	0.6	19.2	-54.50%	8	1997	Consumer Defensive	O	1.84	0
Stella-Jones Incorporated	SJ	22.50%	30.00%	18.00%	67.00%	n/a	no	18	1.00%	1.00%	0.80%	1.50%	54.21	29.44	3	14.95	6	43.79	0.44	25.41	-42.00%	7	1995	Basic Materials	O	2.44	6
Sun Life Financial Inc.	SLF	49.20%	4.70%	43.00%	32.70%	A	no	12	3.65%	4.00%	3.30%	5.40%	52.26	32.05	1	33.49	6	47.65	1.74	51.21	7.50%	2	2000	Financial Services	O	4.05	3
Teck Resources	TECK.B	-55.70%	-10.10%	7.70%	47.30%	BB	yes	10	0.76%	1.90%	1.40%	4.20%	14.37	4.79	1	31.23	5	26.36	0.2	#NUM!	#NUM!	0	1977	Basic Materials	O	2.6	1
Toromont Industries	TIH	11.70%	8.40%	37.80%	17.10%	n/a	no	23	1.63%	2.70%	2.30%	3.30%	32.46	23.06	4	11.46	5	46.56	0.76	21.84	-53.10%	4	1968	Industrials	O	2.01	4
TransCanada Corporation	TRP	-4.60%	5.80%	1562.50%	174.10%	A-	no	398	3.93%	4.00%	3.50%	4.60%	70.56	54	3	23.45	2	63.6	2.5	12.37	-80.60%	18	1964	Energy	O	0.16	1

## The Simply Investing Perspective

I am pleased to announce the addition of 5 more companies to the SI Report. This issue I have added the following Canadian companies: Aecon Group, Algonquin Power, Cogeco Communications, Finning International, Stella-Jones. All five companies are part of the Canadian Dividend Aristocrats, and provide diversification from various industries (Industrials, Utilities, Telecommunications, and Basic Materials). Over the next few months I also plan to add additional US companies to our Report.

Last week the Dow Jones Industrial Average rose by more than 1% as company earnings helped push it higher. With more than half of the companies in the S&P 500 having reported second-quarter results, earnings are up 9.1% year-over-year. With no end in sight the market continues to go higher. In times like these, our approach is more important than ever. Even though the market as a whole is high, there are still certain stocks that are undervalued.

The best place to start is to consider the stocks on page 1, these are quality dividend paying stocks that are currently undervalued. With continued dividend increases the stock prices will eventually increase too in order to keep the dividend yield close its long-term average. If you already own the stocks on page 1 or are looking more ideas then proceed to the list of undervalued stocks on pages 2 and 4. Start with those stocks which have the highest SI Criteria grade out of 9.

The key to successful investing is patience and discipline. The patience to wait for stocks to be undervalued before you buy them, and the discipline to avoid the hype and stick to the value investing approach.

Wishing you financial success,  
Kanwal Sarai

***"The stock market is a device for transferring money from the impatient to the patient."*** – Warren Buffett

**Next Issue: September 1, 2017**

## Building Your Portfolio

1. Start with **The Five** companies listed on the first page each month. These represent stocks that are of the highest quality and undervalued. These are stocks that have met all or most of the 9 quantitative rules of Simply Investing (see the 12 Rules on page 7). In the long-term these stocks have the highest potential for capital appreciation and dividend growth.
2. Build a portfolio across the following industries:
  - a. Basic Materials
  - b. Consumer Goods
  - c. Consumer Services
  - d. Financial
  - e. Health Care
  - f. Industrials
  - g. Oil & Gas
  - h. Technology
  - i. Telecommunications
  - j. Utilities
  - k. Real Estate
  - l. TransportationOver time certain industries will be out of favor, this provides a great buying opportunity to acquire quality companies when they are undervalued.
3. It does take time to build a portfolio do not rush into buying companies when they are overvalued. Remain patient and disciplined. Do not jump from one investment strategy to the next. Focus on this strategy, avoid the noise in the media, and do not panic when markets decline. Remain patient and continue to collect your dividends thru good times and the bad.
4. Use the 12 Rules of Simply Investing as your guiding principles throughout your investing career.
5. For those of you looking to learn how to calculate the important stock values for yourself, or expand your investing knowledge, consider taking our online [Simply Investing Course](#).

## How to Use the Report

1. Start with the cover page, “The Five” represents stocks that are of the highest quality and undervalued. These are stocks that have met all or most of the 9 quantitative rules of Simply Investing. The stocks are ranked from highest dividend growth to lowest dividend growth.
2. See the “Undervalued” tables for a list of additional stocks for consideration; remember to apply the 12 Rules of Simply Investing.
3. The 12 Rules of Simply Investing are listed on the right.
4. The table headings are listed on the next page.
5. Watch our [video](#) on how to use the Simply Investing Report.

## Want to Learn More?

Watch a video on how to use the Simply Investing Report:

<http://www.simplyinvesting.com/use/>

Take the Simply Investing online course and learn more about the 12 Rules of Simply Investing and how to apply them. Also learn how to calculate the important values for yourself:

<http://www.simplyinvesting.com/course/>

## Want Access to the Data?

Log in to your [Subscriber page](#) to download the complete tables (Excel Spreadsheet) each month, which allow you to custom sort and filter the data. You also have access to our complete archive.

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## The 12 Rules of Simply Investing

The Rules in **bold** are quantitative, therefore these 9 criteria are listed in the column heading “SI Criteria (out of 9)”. A stock that passes all the criteria listed in bold achieves a maximum grade of 9 out of 9.

1. Do you understand the product or service offered by the company?
2. Will people still be using this product or service in 20 years?
3. Does the company have a low-cost durable (lasting) competitive advantage?
4. Is the company recession proof?
- 5. Has the company had consistent earnings growth?**  
Generally the EPS growth must be at least 8%
- 6. Has the company had consistent dividend growth?**  
Generally the dividend growth must be at least 8%
- 7. Does the company have a low payout ratio?**  
Payout ratio must be 75% or less.
- 8. Does the company have low debt?**  
Debt must be 70% or less.
- 9. Does the company have a good credit rating?**  
Company must have a minimum S&P Credit Rating of “BBB+”.
- 10. Does the company actively buy back its shares? (optional)**
11. Is the stock undervalued?
  - a. The P/E Ratio must be 25 or below.**
  - b. Is the current dividend yield higher than the average dividend yield?**
  - c. The P/B Ratio should be 3 or less.**
12. Keep emotion out of investing.  
A reminder to keep emotion out of the selection process. Discipline and patience are the keys to successful investing.

## Share the Knowledge

If you know a friend or colleague that could benefit from our Report, please [send them this link](#). They can save 65% off their first issue.



## Table Headings

**Company Name:** Name of the corporation

**Symbol:** Stock ticker symbol

**EPS Growth:** Earnings per share growth over the last 12 years

**Dividend Growth:** Dividend growth over the last 12 years

**Payout Ratio:** Payout Ratio is the amount of earnings paid out in dividends to shareholders.  $\text{Payout Ratio} = (\text{Dividends per Share}) / (\text{Earnings per Share})$

**LT Debt/Equity Ratio:** Long-term debt which are loans and financial obligations lasting over one year or more.  $\text{Ratio} = (\text{Long-term debt}) / (\text{Shareholder's Equity})$

**S&P Credit Rating:** Credit ratings are forward-looking opinions about credit risk. Standard & Poor's credit ratings express the agency's opinion about the ability and willingness of a corporation to meet its financial obligations in full and on time. Ratings range from AAA to D. A rating of "n/a" indicates the company has not requested S&P to rate it.

**Consistent Share Buyback:** A share buyback occurs when a company repurchases some of its own stock either through purchasing shares on the open market or by buying shares directly from shareholders.

**P/E Ratio:** The Price-to-Earnings Ratio is a ratio used to compare a stock's market value to its earnings per share.  $\text{P/E Ratio} = (\text{Share Price}) / (\text{Earnings per Share})$

**Current Div Yield:** A stock's current dividend yield =  $(\text{Annual Dividend per share}) / (\text{Share Price})$

**Avg Div Yield:** Average dividend yield over the last 12 years

**Avg Low Div Yield:** Average low dividend yield over the last 12 years

**Avg High Div Yield:** Average high dividend yield over the last 12 years

**High Stock Price:** High stock price based on the stock's average high dividend yield

**Low Stock Price:** Low stock price based on the stock's average low dividend yield

**P/B Ratio:** The Price-to-Book Ratio is a ratio used to compare a stock's market value to its book value per share.  $\text{P/B Ratio} = (\text{Share Price}) / (\text{Book Value per Share})$

**Book Value Per Share:** Book value is the total value of the company's assets if a company were liquidated.

**SI Criteria (out of 9):** The 9 quantitative criteria taken from the 12 Rules of Simply Investing. A stock that passes all the criteria listed on the previous page achieves a maximum grade of 9 out of 9.

**Share Price:** The stock share price

**Annual Div:** The annual dividend

**Graham Price:** Graham Price = square root of (average of 3 years of EPS x Book Value per share x 22.5) Note: "#NUM!" will be displayed when 3yr EPS average is negative

**% Difference Graham Price vs Current Price:** The percent difference between the Graham Price and the current stock price. Note: "#NUM!" will be displayed when 3yr EPS average or Book Value is negative

**Consecutive Years of Dividend Increases:** List the most recent number of years of consecutive dividend increases.

**Dividends Paid Since:** The first year in which the company started to pay dividends.

**Industry:** The industry in which the company primarily operates in.

**Undervalued/Overvalued:** A stock is undervalued when it's current dividend yield is greater than it's the average dividend yield, and overvalued when the reverse is true.

**EPS:** Earnings per share

**Consecutive Years of EPS Increases During Past 12 Years:** List the most recent number of years of consecutive EPS increases.

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