

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
Cisco	CSCO	59.9%	18	3.37%	34.43	1.16	6	2011	Technology
CVS Health Corp	CVS	25.3%	14	2.90%	68.99	2.00	9	1916	Healthcare
Cardinal Health	CAH	21.0%	15	2.98%	62.01	1.85	31	1983	Healthcare
Archer-Daniels-Midland	ADM	11.5%	18	2.97%	43.07	1.28	41	1927	Consumer Defensive
Procter & Gamble	PG	9.1%	16	3.17%	87.04	2.76	60	1890	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
Metro Inc.	MRU	14.4%	16	1.58%	41.08	0.65	9	1995	Consumer Defensive
Canadian Tire Corporation	CTC.A	14.1%	16	1.64%	158.60	2.60	6	1944	Consumer Cyclical
ATCO	ACO.X	11.1%	17	2.80%	46.80	1.31	24	1973	Utilities
Imperial Oil	IMO	6.1%	13	1.56%	41.01	0.64	22	1891	Energy
Manulife Financial Corporation	MFC	3.8%	14	3.16%	25.95	0.82	3	2000	Financial Services



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%	54.10%	37.90%	A	no	18	2.97%	2.10%	1.70%	2.80%	76.5	46.54	1	30.93	7	43.07	1.28	44.58	3.50%	41	1927	Consumer Defensive	U	2.37	0
AT&T	T	27.60%	4.10%	92.10%	92.30%	BBB+	yes	16	5.77%	5.50%	4.90%	6.40%	40.27	30.51	2	20.31	6	33.97	1.96	29.49	-13.20%	8	1984	Communication Services	U	2.13	0
Cardinal Health	CAH	26.70%	21.00%	45.90%	133.20%	BBB+	yes	15	2.98%	1.60%	1.40%	2.00%	132.35	91.87	3	21.54	8	62.01	1.85	42.77	-31.00%	31	1983	Healthcare	U	4.03	3
Chevron	CVX	-7.30%	8.60%	140.10%	24.20%	AA-	yes	37	3.80%	3.50%	3.00%	4.30%	144.76	101.28	1	77.15	6	113.54	4.32	84.43	-25.60%	31	1926	Energy	U	3.08	0
Church & Dwight	CHD	13.10%	27.70%	44.90%	35.00%	BBB+	yes	27	1.68%	1.20%	1.10%	1.40%	71.42	54.68	6	7.41	7	45.32	0.76	16.34	-64.00%	19	1901	Consumer Defensive	U	1.69	0
Cisco	CSCO	10.10%	59.90%	61.10%	38.50%	AA-	yes	18	3.37%	2.40%	2.00%	2.80%	56.62	41.01	3	13.25	9	34.43	1.16	23.05	-33.00%	6	2011	Technology	U	1.9	2
Coca-Cola	KO	6.00%	8.70%	156.30%	128.70%	AA-	yes	49	3.21%	2.90%	2.60%	3.40%	56.85	44.1	9	5.16	4	46.07	1.48	13.57	-70.60%	54	1893	Consumer Defensive	U	0.95	0
CVS Health Corp	CVS	12.00%	25.30%	39.80%	69.50%	BBB+	yes	14	2.90%	1.10%	1.00%	1.40%	208.96	143.76	2	33.64	9	68.99	2	58.34	-15.40%	9	1916	Healthcare	U	5.02	6
Disney	DIS	16.70%	21.20%	27.70%	38.10%	A	yes	17	1.59%	1.20%	1.00%	1.50%	153.85	103.64	4	26.58	8	98.31	1.56	54.48	-44.60%	0	1957	Consumer Cyclical	U	5.64	7
Exxon Mobil	XOM	-2.10%	9.20%	111.00%	17.30%	AA+	yes	30	3.68%	2.50%	2.20%	2.90%	140.07	104.95	2	42.29	6	83.71	3.08	65.02	-22.30%	34	1882	Energy	U	2.77	0
General Electric	GE	6.90%	3.10%	116.90%	139.10%	AA-	yes	25	4.62%	3.50%	2.90%	4.80%	33.45	20.12	2	8.56	4	20.79	0.96	10.69	-48.60%	6	1899	Industrials	U	0.82	1
General Mills	GIS	7.20%	9.80%	70.80%	143.20%	BBB+	yes	19	3.80%	2.80%	2.50%	3.20%	77.93	61.79	7	7.5	6	51.57	1.96	20.64	-60.00%	5	1898	Consumer Defensive	U	2.77	1
Goldman Sachs	GS	49.70%	9.60%	15.70%	307.40%	A+	yes	13	1.24%	1.10%	0.90%	1.70%	333.52	181.23	1	194.41	8	241.71	3	257.57	6.60%	5	1999	Financial Services	U	19.07	1
IBM	IBM	9.70%	19.80%	49.80%	189.90%	AA-	yes	13	3.90%	2.00%	1.70%	2.40%	344.9	247.29	8	19.76	7	153.68	6	74.75	-51.40%	22	1913	Technology	U	12.05	0
Lowe's	LOW	8.00%	27.80%	46.60%	150.80%	A-	yes	23	2.03%	1.20%	1.00%	1.60%	160.15	104.55	12	6.61	6	80.61	1.64	19.39	-75.90%	54	1961	Consumer Cyclical	U	3.52	6
Medtronic	MDT	6.70%	15.10%	61.90%	58.10%	A	yes	27	2.26%	1.70%	1.40%	2.10%	129.74	88.97	2	37.21	7	81.3	1.84	46.98	-42.20%	39	1977	Healthcare	U	2.97	1
Pepsi	PEP	6.50%	10.40%	68.20%	267.20%	A	yes	23	2.91%	2.70%	2.40%	3.10%	133.32	103.91	13	8.81	6	110.6	3.22	28.5	-74.20%	44	1952	Consumer Defensive	U	4.72	1
Procter & Gamble	PG	5.30%	9.10%	49.30%	33.00%	AA-	yes	16	3.17%	2.80%	2.50%	3.20%	112.37	86.06	4	21.22	7	87.04	2.76	40.17	-53.80%	60	1890	Consumer Defensive	U	5.59	1
Target	TGT	11.50%	19.40%	50.10%	100.70%	A	yes	12	4.12%	1.60%	1.40%	2.00%	179.89	125.99	3	20.32	8	60.26	2.48	29.78	-50.60%	49	1965	Consumer Defensive	U	4.95	1
The J. M. Smucker Co	SJM	12.00%	8.80%	65.60%	73.40%	BBB	yes	22	3.01%	2.30%	2.00%	2.70%	156.48	115.26	2	61.07	7	103.71	3.12	81.52	-21.40%	22	1960	Consumer Defensive	U	4.76	1
TJX Companies	TJX	16.50%	21.50%	35.40%	49.40%	A+	yes	20	1.77%	1.00%	0.90%	1.30%	142.11	95.66	10	7.14	8	70.54	1.25	22.46	-68.20%	8	1980	Consumer Cyclical	U	3.53	12
Unilever	UL	5.30%	12.80%	69.80%	68.10%	A+	no	23	2.99%	2.50%	2.20%	3.00%	74.81	55.26	8	6.75	6	55.53	1.66	16.42	-70.40%	37	1955	Consumer Defensive	U	2.38	1
Union Pacific	UNP	18.20%	20.80%	43.90%	71.50%	A	yes	21	2.07%	1.90%	1.60%	2.40%	154.18	100.5	5	24.53	7	117.08	2.42	54.78	-53.20%	10	1900	Industrials	U	5.51	0
United Technologies	UTX	7.90%	10.50%	42.70%	78.70%	A-	no	18	2.35%	2.20%	1.90%	2.70%	145.42	103.32	3	35.61	5	119.07	2.8	75.86	-36.30%	24	1936	Industrials	U	6.57	0
UnitedHealth	UNH	11.60%	138.40%	36.00%	67.30%	A+	yes	26	1.41%	0.90%	0.80%	1.10%	379.51	264.03	5	44.73	7	212.6	3	79.75	-62.50%	7	1990	Healthcare	U	8.32	8
Visa	V	51.70%	28.60%	29.00%	48.30%	A+	yes	41	0.71%	0.60%	0.50%	0.80%	148.8	98.1	10	11.55	7	109.71	0.78	25.01	-77.20%	8	2008	Financial Services	U	2.69	0
W.W. Grainger	GWW	9.90%	16.40%	59.00%	102.40%	AA-	yes	23	2.56%	1.80%	1.50%	2.20%	337.23	237	7	29.87	7	199.76	5.12	85.85	-57.00%	45	1971	Industrials	U	8.68	0
Walgreens Boots Alliance	WBA	12.40%	19.00%	40.40%	62.60%	BBB	no	16	2.48%	1.60%	1.30%	2.00%	119.96	81.23	2	28.6	7	64.48	1.6	45.89	-28.80%	41	1972	Consumer Defensive	U	3.96	0
Wal-Mart	WMT	6.30%	13.10%	49.00%	47.40%	AA	yes	21	2.31%	2.00%	1.80%	2.30%	116.15	89.71	3	25.4	7	88.17	2.04	52.55	-40.40%	44	1973	Consumer Defensive	U	4.16	0
Wells Fargo & Co	WFC	16.10%	16.20%	38.40%	127.80%	A	no	14	2.79%	2.70%	2.30%	3.50%	67.96	44.17	2	36.56	7	55.87	1.56	57.86	3.60%	6	1939	Financial Services	U	4.06	0



Overvalued US Stocks

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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	MMM	6.90%	9.60%	53.60%	103.70%	AA-	yes	27	2.00%	2.60%	2.20%	3.20%	213.21	149.12	12	19.42	4	234.74	4.7	58.17	-75.20%	58	1916	Industrials	O	8.77	7
Abbott Laboratories	ABT	7.30%	6.00%	148.50%	100.70%	BBB	yes	78	1.91%	4.80%	4.20%	5.50%	24.97	19.21	3	18.19	1	55.37	1.06	27.02	-51.20%	3	1926	Healthcare	O	0.71	0
Aflac	AFL	9.70%	13.40%	27.20%	26.20%	A-	yes	13	2.14%	2.30%	1.90%	3.30%	96.42	53.99	2	54.3	8	83.94	1.8	87.43	4.20%	34	1973	Financial Services	O	6.61	1
Air Products and Chemicals	APD	4.20%	9.30%	28.50%	69.50%	A	no	12	2.36%	2.60%	2.20%	3.30%	171.54	116	4	43.19	5	160.88	3.8	65.83	-59.10%	35	1954	Basic Materials	O	13.31	0
American Express	AXP	11.40%	11.00%	28.70%	229.20%	BBB+	yes	20	1.46%	1.50%	1.20%	2.30%	113.98	61.23	4	23.93	6	95.79	1.4	54.02	-43.60%	1	1977	Financial Services	O	4.88	1
Apple	AAPL	43.00%	89.90%	28.60%	58.80%	AA+	yes	19	1.55%	1.70%	1.40%	2.20%	175.46	116.93	6	25.62	7	163.05	2.52	67.87	-58.40%	5	1987	Technology	O	8.81	0
Automatic Data Processing	ADP	6.90%	12.00%	59.20%	44.80%	AA	yes	31	1.93%	2.80%	2.40%	3.30%	93.71	68.26	13	8.94	5	118.25	2.28	25.15	-78.70%	42	1974	Industrials	O	3.85	1
Boeing	BA	17.70%	15.10%	49.80%	1161.20%	A	no	22	2.21%	2.40%	2.00%	3.10%	287.33	184.16	141	1.82	5	256.46	5.68	17.5	-93.20%	5	1942	Industrials	O	11.41	4
Caterpillar	CAT	7.10%	12.70%	1743.00%	173.20%	A	yes	770	2.26%	2.50%	2.00%	3.60%	153.63	87.22	6	23.71	3	137.81	3.12	36.98	-73.20%	3	1914	Industrials	O	0.18	0
Cintas	CTAS	15.10%	11.60%	36.90%	57.00%	BBB+	yes	35	1.07%	1.30%	1.10%	1.60%	146.59	102.6	7	21.85	6	151.56	1.62	45.96	-69.70%	34	1984	Industrials	O	4.39	6
Clorox	CLX	0.40%	10.10%	63.00%	605.10%	A-	yes	24	2.65%	2.70%	2.40%	3.10%	138.14	109.47	30	4.2	5	127.03	3.36	20.64	-83.80%	39	1968	Consumer Defensive	O	5.34	2
Colgate-Palmolive	CL	10.70%	9.80%	59.50%	-2683.10%	AA-	yes	26	2.27%	2.30%	2.00%	2.70%	78.3	60.21	-256	-0.28	7	70.4	1.6	#NUM!	#NUM!	53	1895	Consumer Defensive	O	2.69	1
Consolidated Edison	ED	4.00%	1.50%	66.80%	103.10%	A-	no	21	3.21%	4.70%	4.20%	5.30%	66.18	51.77	2	47.35	4	85.92	2.76	64.96	-24.40%	43	1885	Utilities	O	4.13	3
Dover Corporation	DOV	8.10%	9.20%	47.00%	84.40%	A-	yes	24	1.96%	2.50%	2.00%	3.10%	92.24	59.72	4	26.15	6	96	1.88	51.07	-46.80%	62	1947	Industrials	O	4	0
DowDuPont	DWDP	63.60%	8.10%	77.00%	78.70%	A-	no	30	2.54%	3.50%	2.80%	5.20%	65	35.36	3	23.23	3	72.54	1.84	46.74	-35.60%	6	1904	Basic Materials	O	2.39	0
Emerson Electric	EMR	6.30%	8.00%	85.70%	53.70%	A	yes	30	2.85%	2.90%	2.40%	3.60%	78.47	53.88	5	12.45	3	67.38	1.92	29.84	-55.70%	60	1947	Industrials	O	2.24	0
Home Depot	HD	11.00%	20.20%	51.20%	515.80%	A	yes	24	2.13%	2.20%	1.80%	2.70%	198.72	130.46	56	3.01	6	167.34	3.56	17.73	-89.40%	7	1987	Consumer Cyclical	O	6.95	7
Intel	INTC	12.00%	11.60%	41.60%	31.20%	A+	yes	17	2.45%	2.90%	2.40%	3.60%	45.69	30.03	3	14.6	7	44.4	1.09	27.21	-38.70%	2	1991	Technology	O	2.62	0
Johnson & Johnson	JNJ	6.10%	8.60%	56.90%	31.90%	AAA	no	24	2.37%	3.00%	2.70%	3.40%	126.02	99.74	5	26.79	5	141.78	3.36	58.63	-58.60%	54	1944	Healthcare	O	5.91	1
JPMorgan Chase	JPM	18.30%	35.50%	33.00%	116.20%	A-	yes	15	2.20%	2.70%	2.20%	3.50%	99.98	64.44	2	66.06	7	101.77	2.24	93.06	-8.60%	6	1827	Financial Services	O	6.78	3
Kimberly-Clark	KMB	10.70%	6.70%	64.80%	-6312.70%	A	yes	19	3.45%	3.60%	3.20%	4.10%	120.2	94.73	389	0.29	6	112.41	3.88	5.27	-95.30%	44	1935	Consumer Defensive	O	5.99	1
McCormick	MKC	8.60%	9.40%	49.90%	64.80%	A-	no	26	1.89%	2.20%	2.00%	2.50%	95.85	73.82	7	14.43	5	99.36	1.88	33.13	-66.70%	31	1925	Consumer Defensive	O	3.77	1
McDonald's	MCD	12.70%	17.50%	66.10%	-1174.20%	BBB+	yes	27	2.44%	3.00%	2.70%	3.50%	151.78	115.69	-67	-2.47	7	165.39	4.04	#NUM!	#NUM!	40	1976	Consumer Cyclical	O	6.11	1
Merck	MRK	70.40%	1.80%	101.80%	60.60%	AA	yes	32	3.23%	3.90%	3.30%	4.90%	56.79	38.21	4	14.47	4	58.24	1.88	27.64	-52.50%	6	1970	Healthcare	O	1.85	0
Microsoft	MSFT	9.50%	14.40%	62.00%	56.60%	AAA	yes	31	2.00%	2.00%	1.70%	2.50%	96.97	66.26	9	9.39	6	83.81	1.68	20.91	-75.00%	13	2003	Technology	O	2.71	1
Molson Coors	TAP	51.40%	9.20%	16.40%	99.70%	BBB-	no	8	2.09%	2.20%	1.80%	2.60%	88.99	62.96	1	56.18	5	78.43	1.64	76.67	-2.20%	42	1975	Consumer Defensive	O	10.01	1
Nike	NKE	13.80%	19.20%	28.70%	16.40%	AA-	yes	22	1.29%	1.30%	1.10%	1.70%	63.36	43.12	7	7.55	7	55.96	0.72	17.65	-68.50%	15	1984	Consumer Cyclical	O	2.51	7
Nucor	NUE	58.00%	19.00%	42.40%	47.40%	A-	no	17	2.54%	2.80%	2.30%	3.70%	66.31	40.37	2	26.23	7	59.49	1.51	33.8	-43.20%	7	1973	Basic Materials	O	3.56	1
Pfizer	PFE	13.30%	5.80%	93.60%	52.70%	AA	yes	26	3.60%	4.10%	3.50%	4.90%	36.08	25.97	4	9.81	4	35.6	1.28	16.5	-53.70%	6	1901	Healthcare	O	1.37	1
PPG Industries	PPG	27.10%	4.80%	47.40%	78.50%	A-	yes	31	1.53%	2.60%	2.10%	3.40%	84.29	53.62	5	21.95	4	117.93	1.8	51.23	-56.60%	44	1899	Basic Materials	O	3.8	0
S&P Global Inc.	SPGI	117.50%	4.90%	19.10%	548.30%	n/a	yes	19	1.01%	1.90%	1.60%	2.60%	104.32	62.5	41	3.97	4	162.16	1.64	18.74	-88.40%	43	1937	Industrials	O	8.58	1
Stanley Black & Decker	SWK	20.20%	6.60%	32.30%	59.90%	A	yes	21	1.53%	2.50%	2.10%	3.20%	119.45	78	4	45.38	6	164.71	2.52	76.2	-53.70%	50	1876	Industrials	O	7.81	3
Sysco	SY	2.40%	9.50%	63.50%	210.80%	BBB+	no	26	2.41%	3.00%	2.60%	3.50%	50.54	37.82	12	4.49	3	54.8	1.32	12.13	-77.90%	37	1970	Consumer Defensive	O	2.08	1
Travelers Companies Inc.	TRV	25.00%	10.10%	28.70%	25.40%	A	yes	13	2.20%	2.50%	2.10%	3.00%	134.62	97.11	2	86.47	8	131.06	2.88	143.75	9.70%	12	2004	Financial Services	O	10.04	0
Verizon	VZ	95.60%	3.50%	60.70%	468.10%	BBB+	no	13	4.83%	5.30%	4.60%	6.30%	51.65	37.76	8	6.18	4	48.87	2.36	21.52	-56.00%	9	1984	Communication Services	O	3.89	0



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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
Aecon Group Incorporated	ARE	107.90%	31.00%	90.90%	33.30%	n/a	yes	36	2.56%	1.70%	1.40%	2.50%	36.31	20.08	2	12.46	6	19.56	0.5	14.69	-24.90%	5	2000	Industrials	U	0.55	0
Agrium	AGU	121.70%	51.20%	75.60%	71.30%	BBB	no	23	3.23%	1.20%	1.00%	1.40%	447.48	312.73	3	47.78	6	137.61	4.44	76.28	-44.60%	7	1993	Basic Materials	U	5.87	0
Alimentation Couche-Tard Inc.	ATD.B	19.40%	18.90%	12.80%	56.10%	BBB	yes	21	0.60%	0.50%	0.40%	0.70%	81.56	50	6	10.57	8	60.31	0.36	21.32	-64.70%	5	1999	Consumer Defensive	U	2.81	0
ATCO	ACO.X	21.80%	11.10%	47.80%	229.80%	A	yes	17	2.80%	2.10%	1.80%	2.60%	74.02	51.11	1	31.37	8	46.8	1.31	43.19	-7.70%	24	1973	Utilities	U	2.74	1
BCE Inc.	BCE	18.30%	12.20%	88.60%	94.50%	BBB+	yes	18	4.82%	4.80%	4.30%	5.40%	67.25	52.66	4	16.38	6	59.55	2.87	33.76	-43.30%	8	1880	Communication Services	U	3.24	3
Canadian Natural Resources	CNQ	21.90%	21.70%	79.70%	57.10%	BBB+	no	31	2.54%	1.30%	1.00%	1.80%	109.23	61.27	2	25.5	6	43.39	1.1	23.18	-46.60%	17	2001	Energy	U	1.38	1
Canadian Tire Corporation	CTC.A	8.60%	14.10%	26.10%	54.00%	BBB+	yes	16	1.64%	1.50%	1.30%	1.80%	203.77	143.8	2	69.11	9	158.6	2.6	114.79	-27.60%	6	1944	Consumer Cyclical	U	9.96	7
Canadian Utilities	CU	11.60%	2.90%	66.80%	131.10%	A	no	18	3.70%	3.30%	2.80%	3.90%	50.63	36.86	2	17.93	6	38.66	1.43	27.66	-28.50%	45	1972	Utilities	U	2.14	1
Canadian Western Bank	CWB	11.80%	15.90%	42.10%	54.10%	n/a	no	15	2.78%	2.20%	1.70%	3.20%	56.51	30.12	1	24.27	7	34.59	0.96	40.02	15.70%	6	1993	Financial Services	U	2.28	0
CI Financial Corp	CIX	10.80%	51.00%	76.70%	43.50%	A-	yes	15	4.96%	4.60%	3.80%	5.90%	36.82	24.07	4	6.34	7	28.42	1.41	16.42	-42.20%	7	1994	Financial Services	U	1.84	0
CIBC	CM	173.30%	5.50%	47.30%	14.30%	A+	no	10	4.59%	4.60%	3.90%	5.60%	132.09	92.79	2	64.31	7	113.27	5.2	115.02	1.50%	6	1868	Financial Services	U	11	2
Emera	EMA	5.80%	7.80%	169.90%	212.90%	BBB+	no	37	4.62%	4.40%	3.90%	5.10%	58.58	44.71	2	28.9	3	48.92	2.26	38.53	-21.20%	10	1992	Utilities	U	1.33	0
Empire	EMP.A	-45.70%	7.90%	77.80%	55.60%	n/a	no	42	1.86%	1.50%	1.30%	1.70%	33.43	24.09	2	13.44	3	22.54	0.42	#NUM!	#NUM!	22	1982	Consumer Defensive	U	0.54	0
Enbridge	ENB	452.80%	14.40%	178.10%	170.60%	BBB+	no	36	4.95%	3.30%	2.90%	3.90%	84.93	62.49	2	31.26	5	49.3	2.44	27.65	-43.90%	5	1953	Energy	U	1.37	1
Ensign Energy Services	ESI	-25.20%	15.60%	-51.10%	31.80%	n/a	yes	-7	7.44%	2.80%	2.20%	4.00%	22.21	12.04	1	11.1	7	6.45	0.48	#NUM!	#NUM!	0	1995	Energy	U	-0.94	0
Finning International Inc.	FTT	42.60%	11.90%	86.40%	80.00%	BBB+	yes	36	2.43%	2.20%	1.80%	2.90%	42.1	25.86	3	11.52	6	31.31	0.76	10.52	-66.40%	15	1990	Industrials	U	0.88	1
Fortis	FTS	6.80%	9.20%	74.60%	146.20%	A-	no	21	3.61%	3.60%	3.10%	4.10%	54.43	41.02	1	32.76	6	47.13	1.7	38.01	-19.30%	44	1972	Utilities	U	2.28	0
H&R Real Estate Investment	HR.UN	272.70%	11.30%	76.00%	79.50%	n/a	no	12	6.41%	5.90%	4.80%	9.10%	28.91	15.09	1	22.95	5	21.52	1.38	26.79	24.50%	1	2009	Real Estate	U	1.82	1
IGM Financial Inc.	IGM	3.10%	5.00%	66.90%	27.90%	A+	yes	13	5.00%	4.70%	4.00%	5.60%	55.82	39.86	2	19.53	7	45	2.25	36.86	-18.10%	0	2002	Financial Services	U	3.36	2
Imperial Oil	IMO	12.70%	6.10%	20.10%	20.10%	AA+	yes	13	1.56%	1.00%	0.90%	1.20%	74.42	52.17	1	29.61	8	41.01	0.64	42.98	4.80%	22	1891	Energy	U	3.18	1
Jean Coutu Group	PJ.C.A	-53.20%	13.00%	49.50%	0.00%	n/a	yes	24	2.10%	1.50%	1.30%	1.90%	40.61	27.06	4	6.72	6	24.72	0.52	14.93	-39.60%	8	1987	Consumer Defensive	U	1.05	0
Laurentian Bank	LB	8.70%	6.80%	56.50%	376.90%	BBB	no	14	4.12%	3.90%	3.40%	4.60%	73.18	53.69	1	50.14	6	60.16	2.48	67.9	12.90%	9	1871	Financial Services	U	4.39	1
Magna International	MG	-43.60%	40.60%	19.40%	24.50%	A-	yes	10	2.00%	1.70%	1.40%	2.30%	102.44	61.54	2	28.83	8	69.94	1.4	55.76	-20.30%	7	1992	Consumer Cyclical	U	7.22	7
Manulife Financial Corporation	MFC	414.80%	3.80%	44.30%	30.60%	A	no	14	3.16%	3.10%	2.50%	4.30%	32.45	19.07	1	20.13	7	25.95	0.82	25.36	-2.30%	3	2000	Financial Services	U	1.85	1
Metro Inc.	MRU	14.70%	14.40%	25.70%	45.90%	BBB	yes	16	1.58%	1.40%	1.20%	1.70%	53.86	38.67	3	12.1	8	41.08	0.65	23.51	-42.80%	9	1995	Consumer Defensive	U	2.53	2
Potash Corporation	POT	23.60%	38.30%	92.30%	45.20%	BBB+	yes	47	1.96%	1.60%	1.30%	2.10%	35.88	22.95	2	10.12	7	24.52	0.48	16.8	-31.50%	0	1990	Basic Materials	U	0.52	0
Power Corporation	POW	5.30%	7.70%	51.30%	117.60%	A	no	12	4.35%	3.80%	3.20%	4.60%	44.13	31.29	1	28.58	5	32.89	1.43	43.7	32.90%	2	1972	Financial Services	U	2.79	0
Shaw Communications	SJR.B	56.30%	22.20%	113.50%	82.60%	BBB-	no	27	4.17%	3.70%	3.20%	8.40%	37.13	14.12	3	11.23	4	28.29	1.18	22.74	-19.60%	3	2009	Communication Services	U	1.04	1
Suncor Energy Inc.	SU	13.00%	23.90%	77.60%	36.10%	A-	yes	26	2.96%	1.50%	1.20%	1.90%	104.72	67.56	2	26.99	7	43.3	1.28	12.16	-71.90%	15	1992	Energy	U	1.65	1
Telus	T	8.80%	14.30%	95.60%	146.60%	BBB+	yes	23	4.22%	4.00%	3.50%	4.80%	56.04	41.31	3	14.12	6	46.68	1.97	26.56	-43.10%	13	1916	Communication Services	U	2.06	0
TransCanada Corporation	TRP	-4.60%	5.80%	240.40%	174.10%	A-	no	59	4.09%	4.00%	3.50%	4.60%	70.56	54	3	23.54	3	61.1	2.5	12.39	-79.70%	18	1964	Energy	U	1.04	1



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%	117.50%	221.50%	BBB	no	34	3.42%	6.90%	5.60%	10.60%	8.34	4.42	2	6.99	3	13.73	0.47	7.83	-43.00%	6	2007	Utilities	O	0.4	3
Bank of Montreal	BMO	5.40%	5.90%	44.10%	10.50%	A+	no	12	3.60%	4.60%	4.00%	5.80%	90.73	62.44	2	57.19	5	100.03	3.6	92.39	-7.60%	5	1829	Financial Services	O	8.16	7
Bank of Nova Scotia	BNS	6.40%	7.40%	48.80%	13.60%	A+	no	13	3.81%	4.00%	3.50%	4.80%	91.53	65.18	2	45.86	5	82.86	3.16	76.69	-7.40%	6	1833	Financial Services	O	6.47	3
Brookfield Asset Management	BAM.A	16.50%	5.20%	40.60%	238.40%	A-	no	31	1.32%	1.70%	1.40%	2.20%	51	32.57	2	23.29	4	53.61	0.71	36.05	-32.80%	5	1997	Real Estate	O	1.75	0
Canadian National Railways	CNR	12.10%	17.50%	32.20%	60.10%	A	yes	20	1.58%	1.70%	1.40%	2.00%	115.25	83.92	5	20.01	7	104.22	1.65	43.78	-58.00%	22	1995	Industrials	O	5.12	7
Canadian Pacific Railway	CP	16.00%	11.60%	18.20%	187.20%	BBB+	no	18	1.01%	1.40%	1.10%	1.80%	197.08	124.31	6	36.5	5	223.51	2.25	86.75	-61.20%	1	2002	Industrials	O	12.35	1
Cenovus Energy Inc.	CVE	-30.80%	-11.10%	7.30%	54.60%	BBB	no	5	1.61%	2.60%	2.20%	3.20%	9.19	6.19	1	16.03	5	12.39	0.2	11.4	-8.00%	0	2009	Energy	O	2.74	0
Cogeco Communications Inc.	CCA	32.30%	23.60%	28.10%	189.70%	BB+	no	15	1.90%	2.20%	1.80%	2.70%	94.7	64.51	3	31.69	5	90.32	1.72	36.51	-59.60%	9	1993	Communication Services	O	6.12	0
Encana	ECA	-101.60%	-12.00%	7.00%	73.50%	BBB	yes	13	0.55%	2.90%	2.30%	4.00%	3.45	2.02	2	6.97	5	14.43	0.08	#NUM!	#NUM!	0	2002	Energy	O	1.14	1
Equitable Bank	EQB	16.40%	9.90%	10.10%	11.80%	n/a	no	6	1.62%	1.70%	1.30%	2.30%	71.62	41.13	1	59.98	6	59.35	0.96	101.16	70.40%	6	n/a	Financial Services	O	9.54	11
George Weston Limited	WN	95.20%	1.80%	38.60%	146.60%	BBB	yes	23	1.67%	2.00%	1.70%	2.30%	105.46	77.66	2	54.31	6	109.09	1.82	57.65	-47.20%	5	1930	Consumer Defensive	O	4.72	2
Great-West Life	GWO	4.10%	5.10%	57.40%	26.00%	A+	no	14	4.09%	4.30%	3.70%	5.30%	40.19	27.91	2	19.95	5	35.97	1.47	34.51	-4.10%	2	2000	Financial Services	O	2.56	0
Home Capital Group	HCG	15.00%	26.20%	0.00%	163.80%	BBB-	no	14	0.00%	1.70%	1.30%	2.40%	0	0	1	21.63	5	13.71	0	44.58	225.20%	4	1990	Financial Services	O	0.98	0
Husky Energy Inc.	HSE	-28.10%	-1.80%	0.00%	28.50%	BBB+	no	11	0.00%	3.50%	2.90%	4.60%	0	0	1	16.43	5	16.49	0	#NUM!	#NUM!	0	2001	Energy	O	1.51	1
Intact Financial Corporation	IFC	16.30%	12.90%	50.30%	22.90%	n/a	yes	21	2.43%	2.70%	2.30%	3.20%	109.52	80.18	2	42.16	7	105.39	2.56	68.78	-34.70%	13	2004	Financial Services	O	5.09	0
Lassonde Industries	LAS.A	15.10%	14.00%	25.00%	44.60%	n/a	no	25	1.00%	1.60%	1.40%	2.00%	176.24	125.03	3	77.99	4	243.8	2.44	119.39	-51.00%	9	1991	Consumer Defensive	O	9.75	10
Loblaws Companies Limited	L	99.00%	1.90%	35.80%	80.50%	BBB	no	22	1.60%	2.00%	1.70%	2.30%	63.05	46.01	2	32.11	5	67.58	1.08	30.76	-54.50%	5	1979	Consumer Defensive	O	3.02	2
National Bank of Canada	NA	5.40%	8.90%	48.00%	21.80%	A	no	13	3.72%	4.20%	3.60%	5.30%	64.92	43.43	2	29.97	6	62.42	2.32	52.19	-16.40%	6	1980	Financial Services	O	4.83	0
Richelieu Hardware	RCH	9.80%	9.00%	20.00%	0.30%	n/a	yes	29	0.69%	1.30%	1.10%	1.50%	21.51	15.05	5	7.18	5	33.4	0.23	12.58	-62.30%	0	n/a	Consumer Cyclical	O	1.15	7
RioCan Real Estate Investment	REI.UN	159.00%	1.00%	63.50%	70.80%	BBB	no	11	5.70%	6.10%	5.30%	7.40%	26.82	19.1	1	24.35	5	24.74	1.41	30.25	22.30%	0	1994	Real Estate	O	2.22	1
Rogers Communications Inc.	RCI.B	129.60%	60.50%	95.50%	276.20%	BBB+	yes	34	2.84%	2.90%	2.50%	3.40%	75.57	56.62	6	11.21	4	67.57	1.92	25.08	-62.90%	13	2003	Communication Services	O	2.01	1
Royal Bank of Canada	RY	10.90%	9.90%	49.60%	13.70%	AA-	yes	14	3.60%	3.90%	3.30%	4.70%	109.57	77.42	2	44.97	8	101.17	3.64	81.12	-19.80%	6	1870	Financial Services	O	7.34	7
Saputo Inc.	SAP	10.90%	12.50%	33.20%	30.20%	n/a	yes	25	1.35%	1.60%	1.40%	2.00%	45.49	32.07	4	11.22	6	47.48	0.64	19.22	-59.50%	8	1997	Consumer Defensive	O	1.93	0
Stella-Jones Incorporated	SJ	22.50%	30.00%	21.90%	67.00%	n/a	no	25	0.88%	1.00%	0.80%	1.50%	54.21	29.44	3	15.25	5	49.99	0.44	25.67	-48.70%	7	1995	Basic Materials	O	2.01	6
Sun Life Financial Inc.	SLF	49.20%	4.70%	41.20%	32.70%	A	no	12	3.45%	4.00%	3.30%	5.40%	52.26	32.05	1	33.71	6	50.45	1.74	51.38	1.80%	2	2000	Financial Services	O	4.22	3
Teck Resources	TECK.B	-55.70%	-10.10%	5.60%	47.30%	BB	yes	7	0.75%	1.90%	1.40%	4.20%	14.37	4.79	1	31.98	5	26.78	0.2	#NUM!	#NUM!	0	1977	Basic Materials	O	3.6	1
Thomson Reuters Corporation	TRI	142.20%	5.60%	32.20%	49.20%	BBB+	yes	11	2.85%	3.10%	2.70%	3.60%	64.15	47.73	3	17.68	6	60.3	1.72	32.74	-45.70%	7	1978	Consumer Cyclical	O	5.34	1
Toromont Industries	TIH	11.70%	8.40%	37.30%	17.10%	n/a	no	28	1.35%	2.70%	2.30%	3.30%	32.46	23.06	5	11.77	4	56.13	0.76	22.14	-60.60%	4	1968	Industrials	O	2.04	4
Toronto-Dominion Bank	TD	14.30%	9.70%	45.40%	15.00%	AA-	no	14	3.30%	3.60%	3.10%	4.30%	77.34	55.66	2	38.08	7	72.77	2.4	60.98	-16.20%	6	1855	Financial Services	O	5.29	7

The Simply Investing Perspective

In this issue I introduce five new US companies to our list: Dover Corporation (DOV), Cardinal Health (CAH), Air Products and Chemicals (APD), Consolidated Edison (ED), and Stanley Black & Decker (SWK). These diversified five companies are Dividend Aristocrats, which means they have increased their dividend payouts for 25 consecutive years or more. Stanley Black & Decker (SWK) has been paying dividends consecutively for 141 years.

The stock market continues its rise, so our buying choices are limited. Out of the 5 new additions this month, only CAH is undervalued right now and it appears in our top Five List this month.

Today's headline from the Globe & Mail (national Canadian newspaper) reads: "Canadian stocks soar to new heights as TSX surges to record close". Things are no different in the US, the Dow closed at 23,434 and hit a new record again this last month. What does this mean for investors like us? At a macro level the market is high, but that doesn't mean every single stock is overvalued. Though our choices are limited, there are a few quality undervalued stocks remaining.

Remember not all undervalued stocks are equal. Take for example these 3 undervalued stocks and have a look at their P/E ratio today: Chevron (37), Coca-Cola (49), Visa (41). Review rule #10.A (see page 7), and see way these 3 stocks should not be considered for purchase right now.

Stay focused on the long-term, your goal is to build a passive stream of increasing income with dividends. You can achieve this goal by acquiring quality dividend paying stocks when they are undervalued.

Wishing you financial success,
Kanwal Sarai

Note: Due to the recent merger of Dow Chemical and DuPont (DD), the DD ticker has been replaced by DWDP and the newly formed company is called DowDuPont. DD no longer appears in this issue, in its place you will find DWDP.

"Buy value, not market trends or the economic outlook"

– John Templeton

Next Issue: December 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. Transportation

Over 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.

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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, if the current annual dividend is \$0 the high stock price value will appear as 0.

Low Stock Price: Low stock price based on the stock's average low dividend yield, if the current annual dividend is \$0 the low stock price value will appear as 0.

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: $\text{Graham Price} = \sqrt{(\text{average of 3 years of EPS} \times \text{Book Value per share} \times 22.5)}$ 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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