

20 March 2020

Dear fellow investor

### **30 dividend increases and counting**

In February we again saw the power of the DivGro philosophy in action. More of our holdings continued to announce material dividend increases as anticipated by the DivGro system:

CME +13.3%

Intercontinental Exchange +9.1%

Restaurant Brands +4.0%

Domino's Pizza +20.0%

SBA Communications +25.7%

Home Depot +10.3%

From inception on 15 August 2019 we now have a record of 30 dividend increases, a significant number. Taken as a group the average increase is tracking at about 14%

We obviously recognise the extreme market volatility caused by the very real coronavirus pandemic. Since there is no obvious precedent for this, we won't make an assessment of its resolution here.

We nevertheless are reassured, at least to some extent, by the fact that:

- 1) We continue to receive our real cash dividends, right now, as expected
- 2) Even in the midst of virus related uncertainty our companies continue to increase their dividends as expected.

The huge psychological benefit of receiving dividends in times of uncertainty should not be underestimated. Nothing beats the feeling of a company we own telling us it is sending more money our way, especially in challenging times like the present. While most market participants are glued to

the news looking for clues that everything will turn out ok, we believe that the very best clues lie in the dividend announcements.

History has shown that in the absence of any reference point other than market prices most investors lose their heads, as we see right now. We believe that continuing to receive our dividends – in real cash – on a daily or weekly basis is immensely reassuring and is the best mechanism available to help remain invested, which has tended to produce the best long-term results. To reinforce this point of receiving real money right now, we look forward to making our next distribution to investors, as scheduled, in April.

In the meantime, we hope everyone is safe and healthy.

Sincerely,  
Jonathan & Barney

## DivGro Fund dividend increases<sup>1</sup>

Increase Number	Declaration Date	Company Ticker	Dividend Increase %
1	14-Sep-19	AMT	20.25%
2	18-Sep-19	MSFT	10.87%
3	19-Sep-19	MCD*	7.76%
4	19-Sep-19	TXN	16.88%
5	22-Oct-19	V	20.00%
6	29-Oct-19	CTAS	24.39%
7	30-Oct-19	SBUX	13.89%
8	31-Oct-19	CDW*	28.81%
9	01-Nov-19	ABBV	10.28%
10	07-Nov-19	AL	15.38%
11	14-Nov-19	NKE	11.36%
12	15-Nov-19	ROP	10.81%
13	25-Nov-19	BDX*	2.60%
14	03-Dec-19	MA	21.21%
15	04-Dec-19	SYK	10.58%
16	04-Dec-19	ECL	2.17%
17	11-Dec-19	ZTS	21.95%
18	12-Dec-19	AMT	20.24%
19	13-Dec-19	ABT	12.50%
20	20-Jan-20	MTY.TO	12.12%
21	24-Jan-20	YUM	11.90%
22	29-Jan-20	MKTX	17.65%
23	29-Jan-20	SPGI	17.54%
24	29-Jan-20	SCHW	5.88%
25	05-Feb-20	CME	13.33%
26	06-Feb-20	ICE	9.09%
27	10-Feb-20	QSR	4.00%
28	20-Feb-20	DPZ	20.00%
29	20-Feb-20	SBAC	25.68%
30	24-Feb-20	HD	10.29%
<b>Average</b>			<b>14.31%</b>

<sup>1</sup> \* represents companies no longer in the DivGro Fund portfolio.

### **Important disclaimer**

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