



A Re-Energizing & Investable Canada – In an Exacting But Opportune World



MICHAEL R. GRAHAM, PH.D.

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ALL THE WORLD'S A MARKET



Survival Competitiveness Required

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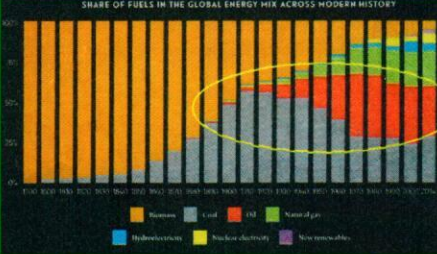
The 21st Century Game Changer – Nothing More Pervasive



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Double, Double, (T)oil and Trouble – Man's Ever-evolving Sources of Energy




Oil is not going to disappear

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The 21st Century Energy Revolution – "Saudi America" the Upstart New Leader

"Rise early, work hard, strike oil."
J. Paul Getty

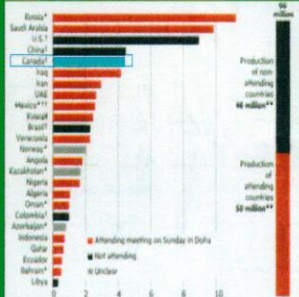
- U.S. now third largest O&G producer (after Russia and Saudi Arabia)
- Canada's superpower potential
- Shale O&G 'fracking' – abundance, cheaper
- Natural gas – environmentally cleaner
- NGL attraction – propane, butane, ethane
- Alternative energy – solar, wind
- Mounting economic benefits



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Global Oil Production – The New Force – Millions of Barrels per Day, February 2016



Note: * Indicates crude oil and liquid fuels supply. ** Figure may vary depending on final list of attending countries; † Latest data available; ‡ Mexico will participate as an observer.

SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION; REUTERS

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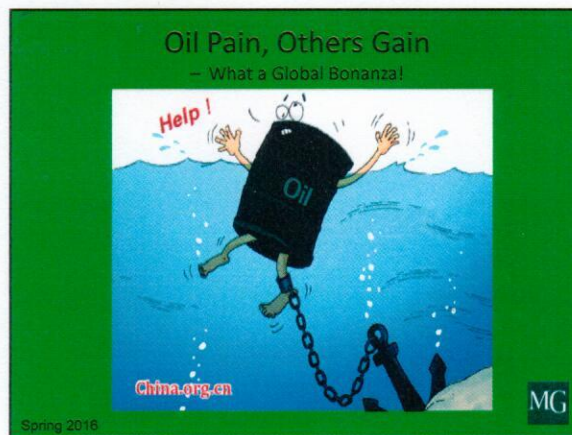
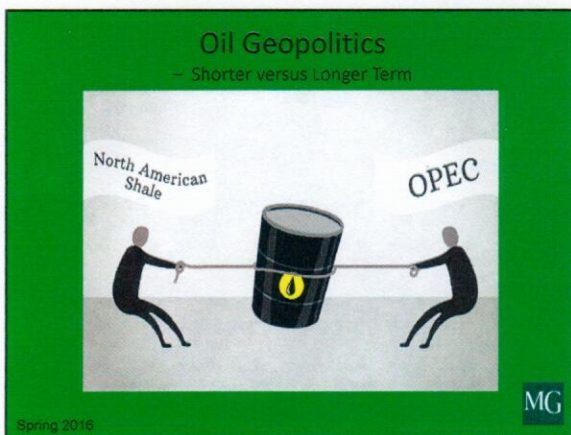
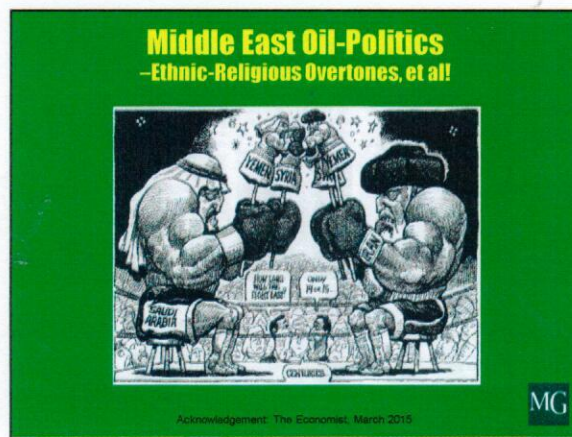
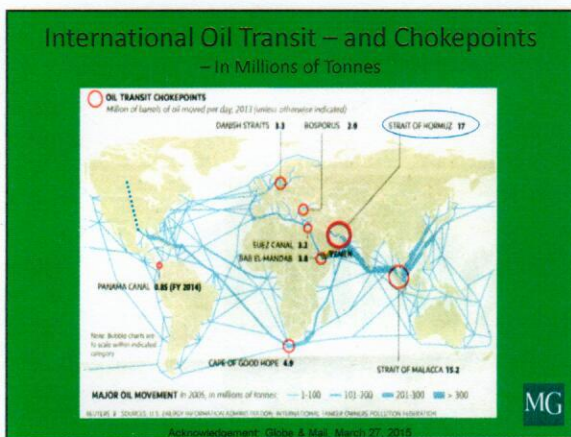
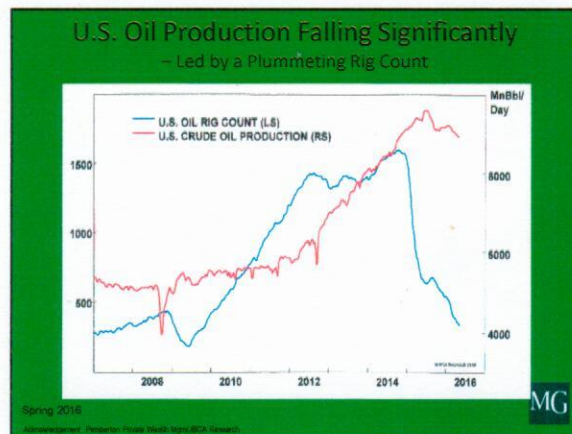
Saudi Arabia's New Tactical Order

– Crush, Predominate, Diversify




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Acknowledgement: Bloomberg Business Week, Apr. 26, 2016

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The Onrushing Waves of



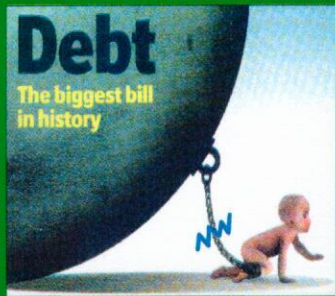
**Technology
and
Cheap and
Abundant
Energy**

Acknowledgement: The Economist, January 18, 2014

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Debt – And Its Terrifying Legacy

– Could an Energy-Tech Revolution Break This Chain?



Debt
The biggest bill
in history

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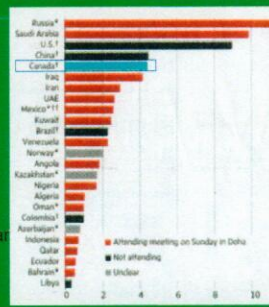
Acknowledgement: The Economist, June 13, 2009

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Canada: An Energy Superpower

– If Only We Knew It

- Oil** – Alberta's Oilsands
- Natural Gas** – Conventional, Shale, LNG
- Coal** – Coking, Thermal
- Uranium** – World Leader
- Hydro** – Run-of-river
- Renewable** – Wind, Wave, Solar
- Bio-mass** – Ethanol




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CANADIAN BUSINESS

OIL NATION

It's time to **stop apologizing** for our country's greatest resource p.48




2012

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Canada: A World Natural Gas Leader

– Reserves, Technology, Liquids (LNG)



Acknowledgement: The Economist, July 14, 2012

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Natural Gas and It's Golden LNG Future

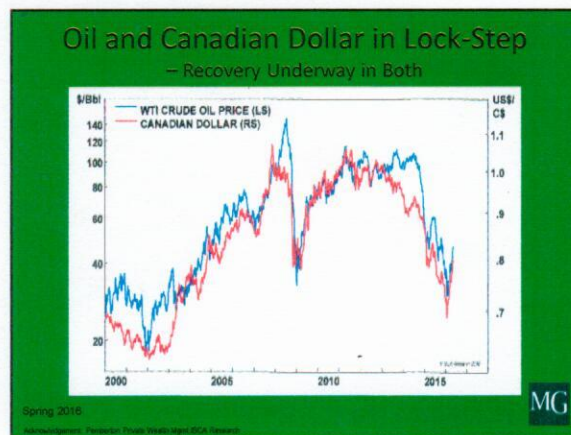
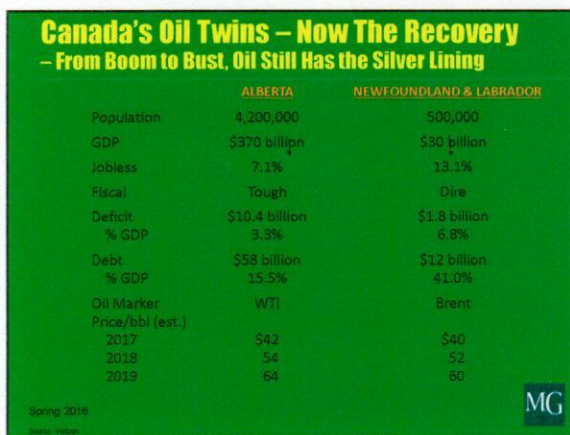
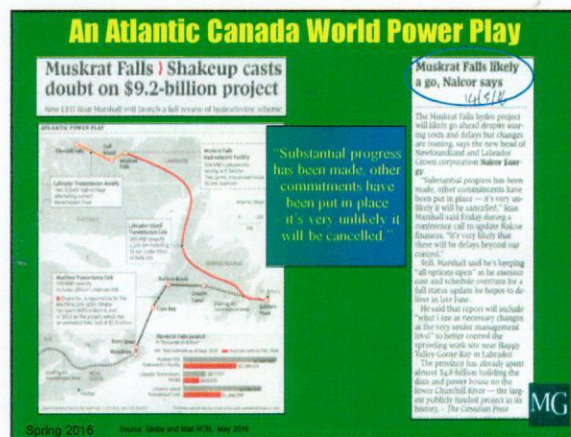
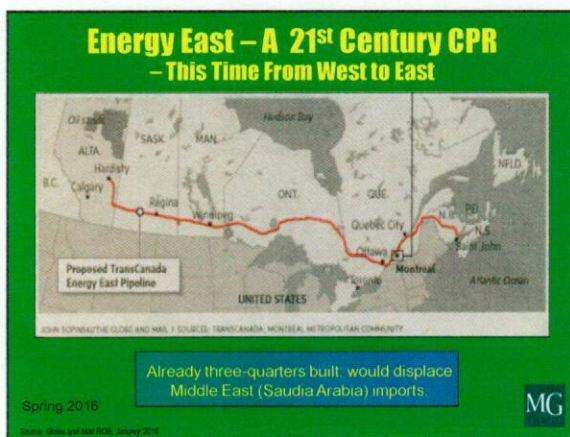
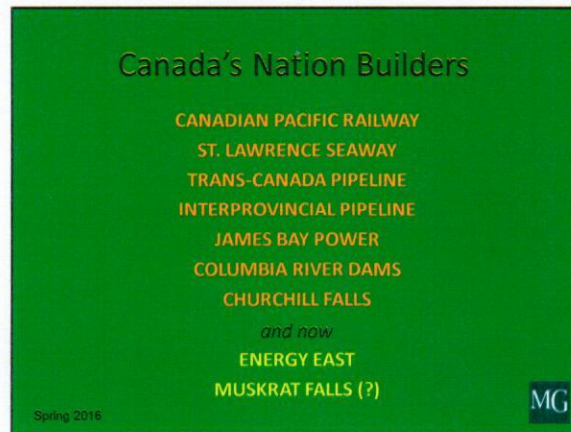
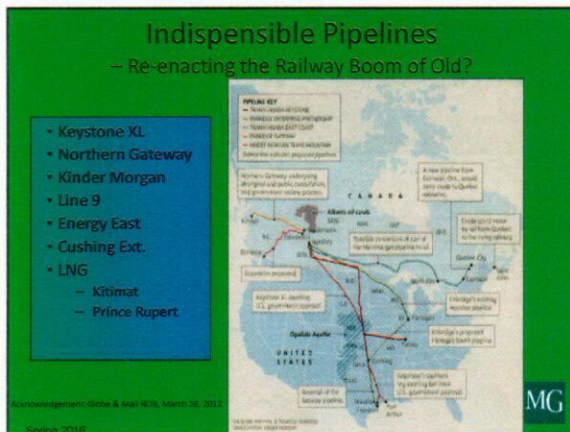
– British Columbia Don't Delay Much Longer

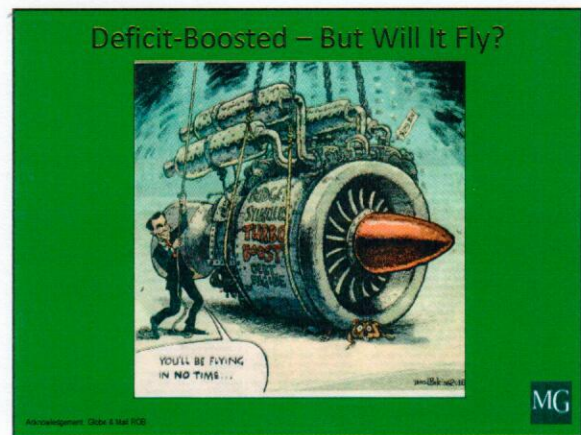
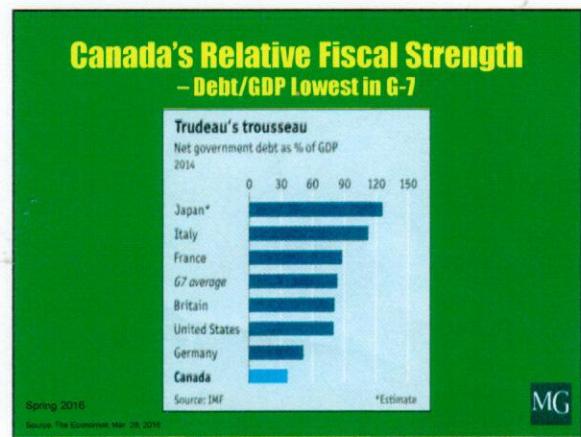
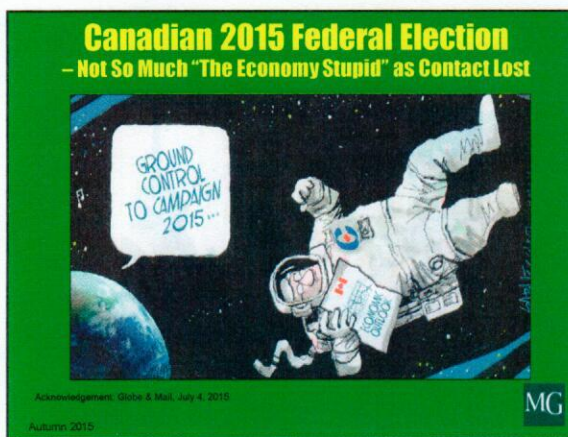
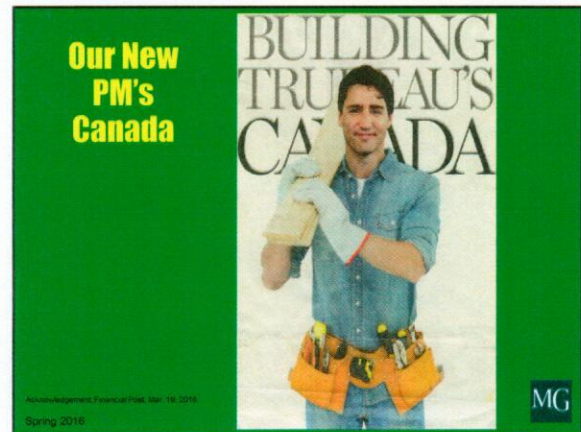
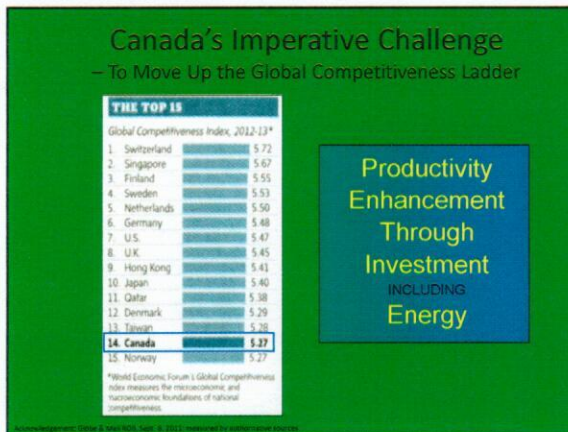


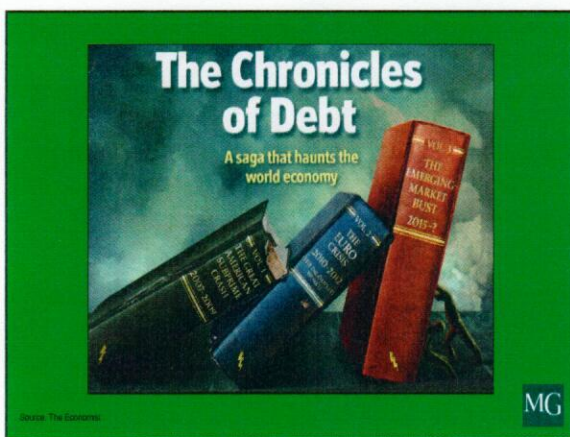
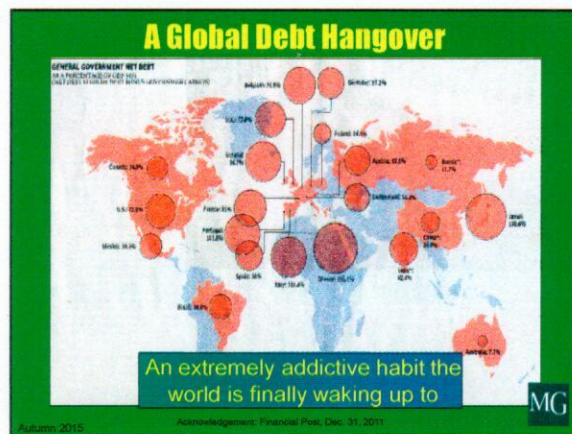
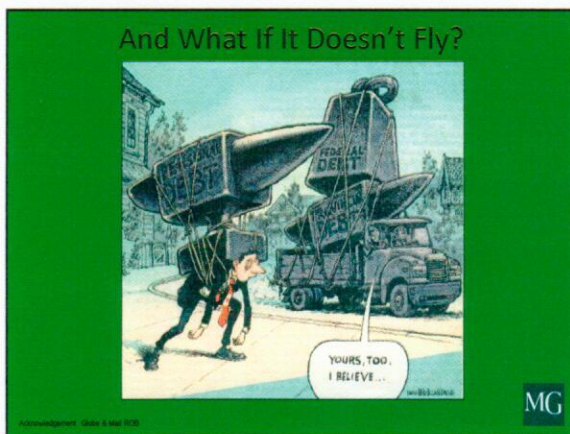
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Acknowledgement: The Economist, Aug. 8, 2011

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And Now The Liberal-Trudeau Approach:

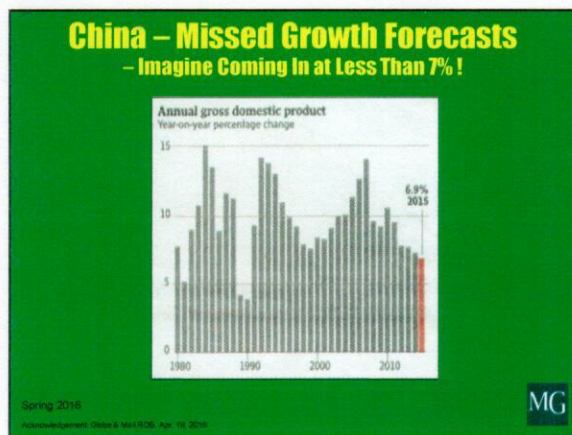
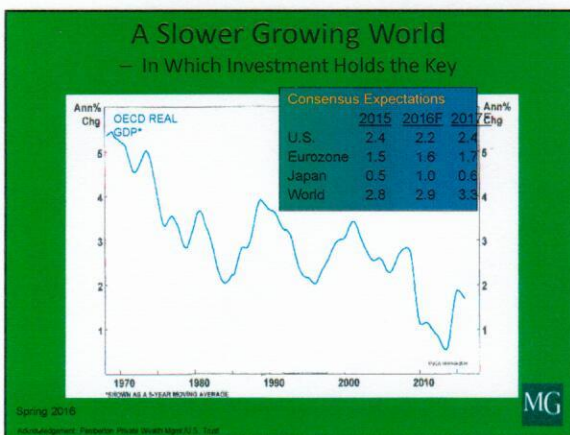
- Economy to be given a major fiscal jolt
- Infrastructure spending-induced deficits
- Initial \$30 billion annually, \$113 billion over 5 years (no commitment to get back to balance)
- Shift to a consumption-based personal tax system
- Cut back on TFSA investment vehicle

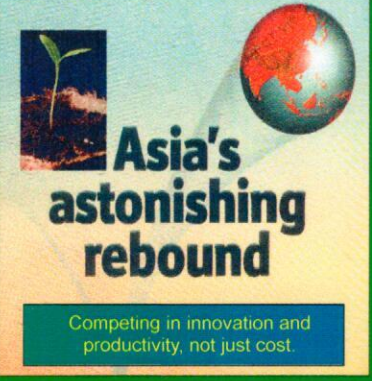
The Nine Most Terrifying Words in the English Language:
"I'm from the government and I've come to help."

Ronald Reagan, U.S. President, 1981 - 88

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Asia's astonishing rebound

Competing in innovation and productivity, not just cost.

New Year 2013
Acknowledgement: The Economist, August 2009

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TPP – The Pending Ring of Trade

– Twelve Nations, Canada Has To Be Part

The TPP will push for a new 12-nation free-trade pact across the Pacific Rim region. It is the most ambitious trade pact since the 1990s. The pact is expected to reduce trade barriers, particularly those that already have been removed in the last decade. The pact is expected to reduce trade barriers, particularly those that already have been removed in the last decade. The pact is expected to reduce trade barriers, particularly those that already have been removed in the last decade.

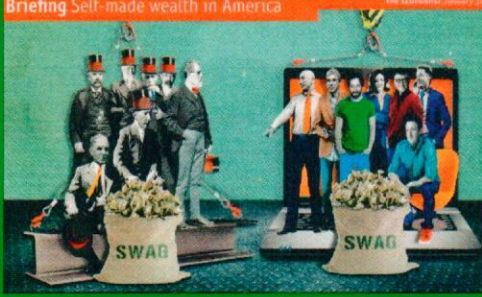
Country	GDP (2013)	Population (2013)
USA	\$16.5T	312M
Canada	\$1.5T	34M
Japan	\$4.8T	127M
South Korea	\$1.1T	47M
Australia	\$0.8T	23M
Chile	\$0.2T	17M
Peru	\$0.1T	31M
Colombia	\$0.1T	45M
Costa Rica	\$0.05T	4.5M
Guatemala	\$0.05T	15M
Brazil	\$1.8T	207M
India	\$1.8T	1.2B

Acknowledgement: Globe & Mail, Oct. 5, 2015

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From Robber Barons to Silicone Sultans

Briefing Self-made wealth in America




Acknowledgement: The Economist

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Investment More Necessary Than Ever


– In an Inter Connected, Capital-Hungry World



Acknowledgement: 'Other People's Money' New York Times, Nov. 1, 2008

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Building Wealth


The Warren Buffett Way

"The incredible power of market-driven capitalism."

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Annual Master Classes

– Lessons in Investing Like No Other



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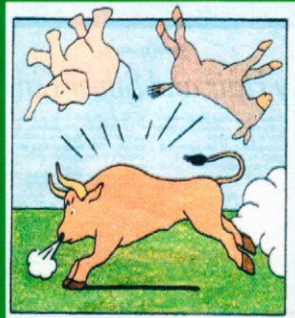
U.S. Presidential Politics – Let the Brawl Begin



Spring/Summer 2016
Source: The Economist, Feb. 1, 2016

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Does the Stock Market Really



Acknowledgement: "The Stock Market Doesn't Care About Elections", New York Times, Nov. 5, 2014

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The Buffett/Graham Approach – Disciplined and Businesslike

“Investing is most intelligent when it is most businesslike.”

Benjamin Graham
The Intelligent Investor

“Successful investing doesn’t require extraordinary intelligence, but rather extraordinary discipline.”

Warren Buffett
Deshmore Hathaway Inc., 2004 AGM

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A World-Ranking Canadian “Top 30” – Resource (hold) and Non-Resource

Company	AGU \$118.5	HUSKY ENERGY	HSE	\$14.65
AGRIUM INC.	7	MAGNA INTERNATIONAL	MG	52.30
BANK OF NOVA SCOTIA	BNS 63.76	MANULIFE FINANCIAL	MFC	19.37
BARRICK GOLD CORP.	ABX 22.24	POTASH CORP. SASK.	POT	21.38
BCE INC.	BCE 60.85	POWER CORP. OF CANADA	POW	29.35
BLACKBERRY	BB 9.13	ROGERS COMMUNICATIONS	RCI.B	50.43
BOMBARDIER INC.	BBD.B 2.02	ROYAL BANK OF CANADA	RY	78.52
BROOKFIELD ASSET MGMT.	BAM.A 46.1	SUNCOR ENERGY	SU	35.39
CAMECO CORP.	CCO 15.26	SUN LIFE FINANCIAL	SLF	45.50
CDN. NATIONAL RLWY.	CNR 76.65	TECK RESOURCES	TCK.B	12.19
CDN. NATL. RESOURCES	CNQ 38.12	THOMSON REUTERS	TRI	54.49
CDN. PACIFIC RLWY.	CP 168.34	TORONTO-DOMINION BANK	TD	57.00
CANADIAN TIRE		TRANSALTA CORP.	TA	6.50
		TRANSCANADA CORP.	TRP	53.65
		VERESEN INC.	VSN	9.84

Canadian Equity 6-Pak
Canadian Dividend 9-Pak

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A Canadian 6-Pak Approach – 3-D Benchmarks Introduced in 2004-05

- **D**isciplined rebalancing
- **D**iversification
- **D**ividend support
- Transparency
- Underlying collateral
- Accountability

Year	Equity	Dividend
2004*	16.5%	
2005*	16.5	20.0%
2006	25.5	20.0
2007	0.1	12.0
2008	-37.8	-2.5
2009	18.8	40.4
2010	14.3	11.7
2011	-5.0	17.8
2012	21.1	9.7
2013	23.8	12.4
2014	20.1	12.8
2015	-10.0	-13.4
2016 YTD	11.0	17.7
Since Inception	100	239
		*Initial 2 years

May 24, 2016

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Canadian Equity 6-Pak – 2016 Edition – Diversified and Rebalanced for Superior Total Return

Company	No. of Shares	Share Price		Market Value		Dividend Per Share	Total
		2015	2016	Jan. 1	May 24		
Bank of Nova Scotia (BNS)	110	105	55.97	63.76	6,157	↑	
Brookfield Asset Mgmt. (BAM.A)	188	145	43.65	46.17	8,206	6,695	0.52*
Canadian Pacific Railway (CP)	32	35	176.73	168.34	5,655		
Enbridge Inc. (ENB)	120	125	46.00	53.10	5,520		
Encana Corp. (ECA)	260	425	7.03	-9.56	-1,828	4,063	-0.06*
Cenovus Energy (CVE)	100	125	12.50	19.26	1,750		
Thomson Reuters (TRI)	155	125	52.41	54.49	8,124	6,811	1.36*
	223						

Return YTD: 8.4%, Yield 2.6%, Total 11.0%
Rebalanced in allocation of \$0.25 (approx.) half allocations in ECA/CVE

* Figures in U.S. Dollars. CAD at USD 0.9700

Canadian Dividend 6-Pak – 2016 Edition

– Positioned and Rebalanced for Superior Income-Driven Total Return

	No. of Shares	Share Price	Market Value		Indicat. Dividend	Yield
			2015	2016		
			Jan. 1	May 24 Jan. 1*	Per Share	Total
Artis REIT (AX.UN)	410	400	12.80	13.39	5.248	5.358 1.08
Bank of Montreal (BMO)	70	65	78.08	82.23	5.466	5.410 3.36
BCE Inc. (BCE)	110	85	53.46	60.85	5.881	5.172 2.73
Inter Pipeline (IPL)	160	190	22.21	26.63	3.554	5.060 1.56
Enbridge Income Fund (ENF.UN)	145	170	28.03	30.46	4.064	5.178 1.87
TransAlta Corp. (TA)	280	—	4.91	—	1.375	→ 0.16
TransAlta Renewables (RNW)	260	425	10.37	12.81	2.696	5.446 0.88
					\$28,286	\$31,620

Return YTD: Mkt. Val. 11.8%, Yield 5.9%, Total 17.7%

* Rebalanced in allotments of \$4,700 (approx.)

Stocks for Escalating Dividend Yield

– Reinvestable Compounding Too!

	Jan. 1, 2003		May 24, 2016		Yield
	Price	Dvd.	Price	Dvd.	
Bank of Nova Scotia (BNS)	\$26.33	0.84	\$64.51	2.88	4.5% 10
BCE Inc. (BCE)	31.15	1.31	60.73	2.73	4.5
Brookfield Asset Mgmt. (BAM)	6.10	0.20	45.55	0.52*	1.5
CIBC (CM)	43.52	1.64	102.30	4.72	4.6
Enbridge Inc. (ENB)	10.65	0.42	52.69	2.12	4.0
Suncor Energy (SU)	12.35	0.10	35.70	1.16	3.2
Thomson-Reuters (TRI)	26.25	0.63	54.30	1.34*	3.2
Toronto-Dominion Bank (TD)	17.00	0.58	57.46	2.30	4.0
TransCanada Corp. (TRP)	22.92	1.08	53.86	2.26	4.2

Why not also get some DRIPs flowing into your portfolio?

* On cost if bought Jan. 1, 2003; adjusted for stock splits, mergers etc.
* Payable in US funds.

Fortis Inc. – A Utility With a Difference

– Exciting Transition Potential

FTS/TSX - \$40.86 52 Week = \$41.58-\$34.16

- Earnings: \$2.20 - \$2.50 range
- Dividend: \$1.50, rising yield expectation
- Book Value: \$28/share

Comment

- Numerous diversification initiatives
- Singapore Wealth Fund purchase of minority stake in ITC (\$123 billion cash infusion to receive FTS credit rating)
- Fortis BC Energy's Woodfire LNG project
- Stain Marshall legacy – Naicor/Muskat Falls?

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MGIS Proactive List – Spring 2016

	Recent Price/1	52 Week Range	Indicat. Dividend	Comments
Power Financial Corp. (PWF)	\$31.70	\$38.00-28.84	\$1.57	US focus, rising dividends
SunLife Financial (SLF)	45.50	45.65-36.64	1.56	Wealth mgmt, India
Suncor Energy (SU)	35.39	40.35-27.32	1.16	Blue chip, leadership
TransCanada Corp. (TRP)	53.65	56.53-40.58	2.26	N. Am. pipelines leader
Fortis Inc. (FTS)	40.86	41.58-34.16	1.50	Trans-?? potential
Yerres Inc. (VN)	9.84	19.40-6.65	1.00	Pipelines, power, Jordan Cove
Franco-Nevada Corp. (FNV)	81.27	91.61-49.98	1.08	Gold insurance
Labrador Iron Ore (LIF)	12.04	17.45-6.85	1.00	Rising prices, IOC/Rio
Tinto				
Teck Resources (TCK)	12.19	19.45-3.85	0.10	Zinc, long-life reserves
Brookfield Property (BPY.UN)	31.32	32.25-26.00	1.44	Property worldwide
Berkshire Hathaway (BRK.B)	143.36	148.57-123.55	—	Mgmt-holding co. like no other

2016-17 Steady As She Goes



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The Case for Canadian Equities

– And Equity Products

- CATCH-UP VALUE ATTRACTION
- EARNINGS & CASH FLOW
- SUPPORTING DIVIDENDS
- SUPERIOR TOTAL RETURN
- DIVERSIFIED, WORLD RANKING, MULTI-NATIONAL
- RANGE OF CHOICE, MORE THAN RESOURCES

Spring **LONGER-TERM WEALTH**

Canada Calling

— As Seldom Before

GLOBALLY CHEAP

FISCALLY SOUND

FAVOURABLY POSITIONED

EMINENTLY INVESTABLE

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Canada

Circa 2016-17

World's Soundest Banking System

Oil/Energy Potential

Broadening Trade Reach

Relative Fiscal Strength

Sound (and Undervalued) Currency

GLOBAL
INTERNATIONAL
In Every Direction

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2016-17 Canada

for
Investment
Rebound
and
Hands-On Return

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Canada – Growth AND Safe Passage

A Welcoming Place From Coast to Coast to Coast

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Michael Graham Investments Services Inc.
14 Adelaide Street West, Suite 1001
Toronto, ON M5H 3L5 Canada
(Tel) 416-360-7538 (e) michael@grahamis.ca
www.michaelgrahamis.com

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