



## The Forecast to End All Forecasts: Revisited

### Description

Today marks the last trading day of the first half of 2013. And, guess what that means? It's time to go back to the beginning of the year and find out how we're doing on our 3, make that 4, bold prognostications. If you'd like to quickly review these prognostications in their entirety, simply [follow this link](#).

We'll go through a quick recap on each prediction, and then assess how it's turned out thus far.

#### Prediction #1

We came out swinging, predicting that **BCE Inc.** (TSX:BCE,NYSE:BCE) and dozens, even hundreds of companies in the S&P/TSX Composite would pay their dividend on time and at a level no lower than the current rate.

We added that earning a reliable dividend takes at least some of the pressure off the capital gains component of the total return equation. Still valid. And that the world is, for the most part, an unpredictable place and that dividends from solid corporations are not. Simply, dividend paying stocks help reduce uncertainty in your portfolio. Check.

**Result:** Nailed it. So far. BCE continues to pay its dividend, as do hundreds of other Canadian companies and dividends remain a crucial component of the total return equation.

1/1

#### Prediction #2

Stock prices will fluctuate. The media will talk about it. These stock price fluctuations will have no impact on the value of the underlying business. The media will make it seem like they do.

**Result:** Stock prices fluctuated on a daily basis. The media still exists. Think we're good here as well.

Let's go back to our original example of **CN Rail** (TSX:CNR,NYSE:CNI) to illustrate. CN provides

transportation services that essentially can't be replicated. The fact that the stock dropped by 1.6% from May 22 to May 23 did nothing to alter the intrinsic value of CN's rail network.

Investing in companies like CN, or BCE for that matter, that have an embedded competitive advantage is a recipe for long-term success. Daily fluctuations are noise.

2/2

### Prediction #3

We will continue to live in "uncertain" times.

**Result:** Do you know what's going to happen tomorrow?

3/3

And when we consider the fourth prediction was that all three of these predictions would be right – we're 4/4!

### The Foolish Bottom Line

Fantastic! Where's my TV show! Alas, they don't put people that come up with such lame predictions on TV. As we said in the original, investing is sometimes tough, but it can be made easier by sticking to what's boringly simple and by following some rules of thumb. Dividends, competitive advantages, and accepting uncertainty are all part of the equation.

Get ready for a barrage of mid-year reports that "explain" what's transpired thus far in 2013 as well as 2<sup>nd</sup> half predictions. Take them for what they are: entertainment, not investment advice.

And. HAPPY CANADA DAY!

The Motley Fool has just released its new, **FREE** report "**A Top Small Canadian Small Cap for 2013 – and Beyond**". [Click here now](#) to download your copy – it's **FREE**!

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*Fool contributor Iain Butler does not own any of the companies mentioned in this report. David Gardner owns shares of CN Rail. The Motley Fool has no position in any stocks mentioned at this time.*

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)

2. NYSE:CNI (Canadian National Railway Company)
3. TSX:BCE (BCE Inc.)
4. TSX:CNR (Canadian National Railway Company)

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