Sure Dividend International

INVESTING IN NON-U.S. HIGH-QUALITY DIVIDEND SECURITIES

July 2018 Edition

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- Long-Term Global GDP Growth -

Despite the doom and gloom spouted on most news stations, globally we are much better off now than 50 years ago. The increasing prevalence of free markets and the advance of technology have increased global GDP per capita steadily and consistently.

Source: World Bank

In fact, inflation adjusted global GDP per capita has increased at 1.8% a year from 1960 through 2017. Inflation adjusted Global GDP grew at 3.5% annually over the same time period. This paints a positive picture for the future.

Even ‘once in a generation’ events like the Great Recession are only minor dips in the long-term view of increasing GDP per capita.

Owning equities globally allows investors to take advantage of global GDP growth. Rising GDP per capita creates a favorable long-term environment for business because people have more money to spend. We strongly believe that the global equity market will continue to rise over the long run as GDP per capita continues to grow. With that said, there will be relatively brief periods of declining GDP and stock prices. Investors will be well-served to remember the favorable long-term trend.

The International Top 10 – July 2018

Name	Ticker	Mkt. Cap	Country	Price[1]	P/E	Yield[2]	Payout	Growth
Nippon T&T	NTTYY	$95 billion	Japan	$45	11.7	2.6%	35%	5.0%
Ping An Insurance	PNGAY	$166 billion	China	$18	12.1	2.5%	35%	9.0%
SK Telecom	SKM	$17 billion	South Korea	$24	6.5	3.5%	29%	4.0%
Aegon NV	AEG	$12 billion	Netherlands	$5.90	4.5	5.4%	24%	5.0%
BT Group	BT	$30 billion	U.K.	$15	8.2	6.9%	57%	2.0%
Nissan Motor Co.	NSANY	$39 billion	Japan	$18	5.8	4.8%	32%	6.0%
LG Display	LPL	$6 billion	South Korea	$9.70	3.7	2.1%	10%	2.0%
Honda Motor Co.	HMC	$52 billion	Japan	$29	7.8	2.6%	24%	6.0%
BMW	BMWYY	$61 billion	Germany	$31	15.0	2.7%	54%	5.0%
Turkiye Garanti	TKGBY	$7 billion	Turkey	$1.50	4.6	4.7%	25%	7.0%

Notes: *The 'Growth' column shows expected growth over next several years on a per-share basis. We tend to be reasonably conservative in our growth estimates. 'P/E' (P/E ratio) shows the company's earnings multiple as calculated in our written analysis. 'Yield' and 'Payout' ratio data are provided by our data provider for international securities or calculated manually from company data.*

As with our other newsletters, we expect the Top 10 to be reasonably stable. Securities that fall out of the top 10 are *holds*, not *sells*. Selling occurs rarely; you will be notified in the newsletter whenever a sell recommendation occurs. There are 2 new recommendations in this month's newsletter versus the prior month's newsletter: BMW (BMWYY) and LG Display (LPL). They replace Daimler (DDAIF) and Thomson Reuters (TRI).

An equally weighted portfolio of the Top 10 has the following characteristics:

Dividend Yield:	3.8%	**P/E Ratio:**	8.0
Growth Rate:	5.1%	**Payout Ratio:**	33%

On average, the securities in *The Sure Dividend International Newsletter* have a mix of above-average dividend yields, mediocre growth prospects, low payout ratios, and low P/E ratios. In short, these tend to be securities that are shareholder friendly, conservative, and likely undervalued.

Note: We are only recommending securities with U.S. American Depositary Receipts (ADRs) and reasonable liquidity for easier purchasing. ADRs are publicly traded securities issued by a bank. The issuing bank holds shares of the underlying foreign security. Each ADR gives the holder rights to a specific portion of shares of the underlying foreign security held at the bank.

Note: Data in this newsletter is primarily from July 11th through July 14th, 2018.

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[1] Rounded to nearest U.S. dollar.

[2] After accounting for any applicable withholding taxes.

Analysis of Top 10 Securities

Nippon Telegraph & Telephone Corp. (NTTYY)

Overview & Current Events

Nippon Telegraph & Telephone is a Japanese telecommunications company. The company has 76+ million mobile customers, and operates in 4 main segments: Regional Communications, Long-Distance and International Communications, Mobile Communications, and Data Communications.

On 5/11/18, Nippon reported financial results for fiscal 2017. Revenue, operating income, and net income all reached company records. For fiscal 2017, operating revenue and operating income increased by 3.6% and 6.7%, respectively. Revenue increased in each segment with the exception of Regional Communications. Mobile subscribers increased 2% last year, while video subscribers increased 1.9% for the year. For fiscal 2017, Nippon's adjusted earnings-per-share increased 10%, driven by revenue growth and share repurchases.

Growth, Competitive Advantages, and Total Returns

Nippon's growth strategy is to focus on research and development to leverage new technologies, such as the Internet of Things (IoT), big data, artificial intelligence, cloud computing, and machine learning. The company made progress on several fronts last year. For 2018, Nippon expects revenue and operating income growth of 0.4% and 2.9%, respectively. We expect a long-term earnings growth rate of 5% for Nippon, fueled by its R&D capabilities.

Nippon's competitive advantage is its vast intellectual property. The company has developed industry-leading technology, thanks to high research and development investments over the past several years. The company has over 16,000 patents and files thousands of new patent applications each year. Nippon's R&D is possible because the company has a strong balance sheet and an AA- credit rating from Standard & Poor's. This strong credit rating gives Nippon access to relatively cheap capital.

Nippon returns a significant amount of cash to shareholders each year, through dividends and share repurchases. From 1999-2017, Nippon repurchased over US$26 billion of its own shares. In February of 2018 the company authorized up to US$1.35 billion in buybacks, which will help accelerate future earnings growth. It also pays a dividend, and the company increases the dividend regularly. In 2018, Nippon expects to pay total annual dividends of US$1.35 per share (one ADS is equal to one ordinary share), a 25% increase from 2017, then increase the dividend again by 13% next year.

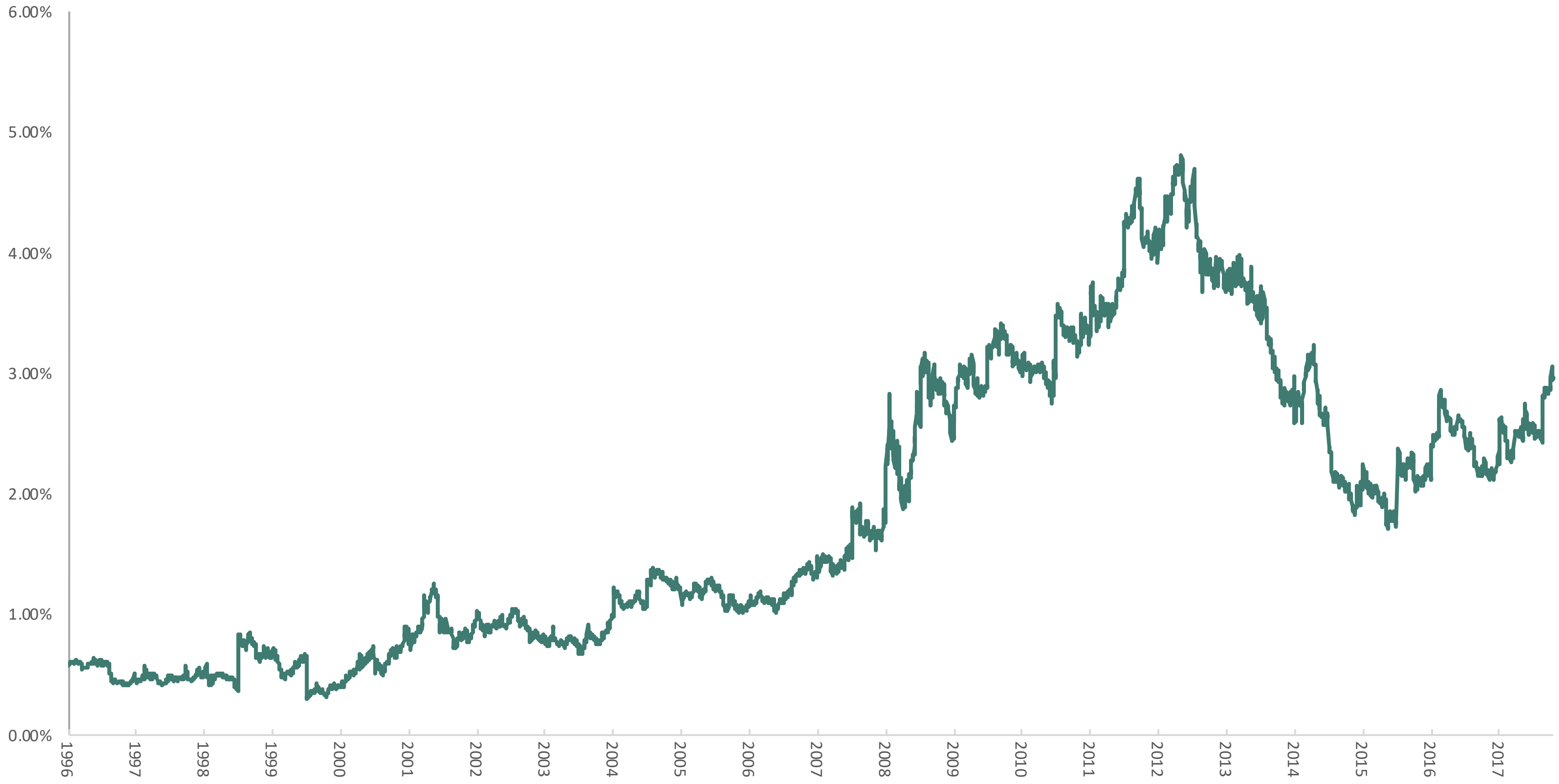
Nippon stock trades for a price-to-earnings ratio of 11.7, which we believe is too low for a highly-profitable, growing business. We estimate fair value to be a price-to-earnings ratio of 14-15. As a result, expansion of the price-to-earnings ratio could add 3%-4% to Nippon's annual returns. The combination of 5% annual earnings growth, 3%-4% returns from valuation changes, and the 2.6% dividend yield, could result in total annual returns of 11%+ moving forward.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Yen	**Dividend Yield:**	2.6%[1]
Headquarters City:	Tokyo	**TTM Earnings-Per-Share**:	US$3.89
Headquarters Country:	Japan	**Current Stock Price:**	US$45.31
Stock Exchange:	OTC	**Price-to-Earnings Ratio:**	11.7
Year Founded:	1952	**Market Capitalization:**	US$95.0 billion

[1] Japan imposes a 15% dividend withholding tax for U.S. investors. Excluding this tax, the dividend yield would be 3.0%.

Nippon Telegraph & Telephone Corporation (NTTYY) Dividend Yield History



Ping An Insurance Co. of China Ltd (PNGAY)

Overview & Current Events

Ping An Insurance Company of China is a Chinese financial services holding company. The company operates in five segments: Life and Health Insurance, Property and Casualty, Banking, Asset Management, and Fintech & Healthtech. The Life and Health Insurance segment is the largest by a wide margin, contributing 58% of the company's operating profit in the most recent quarter.

In late April, Ping An reported (4/26/18) financial results for the three months ending March 31, 2018. The company's large Life and Health Insurance segment performed well, delivering 12.7% growth in operating profit. Elsewhere, insurance underwriting continued to be conservative and profitable, with Ping An Property & Casualty reporting a combined ratio of 95.9% in the quarter. All of this led to strong performance on a company-wide basis. Net profit increased by 11.5% and basic earnings-per-share increased by 11.6%. The conglomerate also reported impressive user metrics. The number of retail customers surged by 25.4% while the number of internet users rose by 22.0%.

To reward its shareholders for the company's strong recent performance, Ping An has announced a special dividend in the amount of RMB0.20 (approximately US$0.03) per share ($0.06 for ADRs because each ADR equals 2 shares). Remarkably, this special dividend was announced shortly after Ping An doubled (3/20/18) its normal quarterly dividend payment.

Growth, Competitive Advantages, and Total Returns

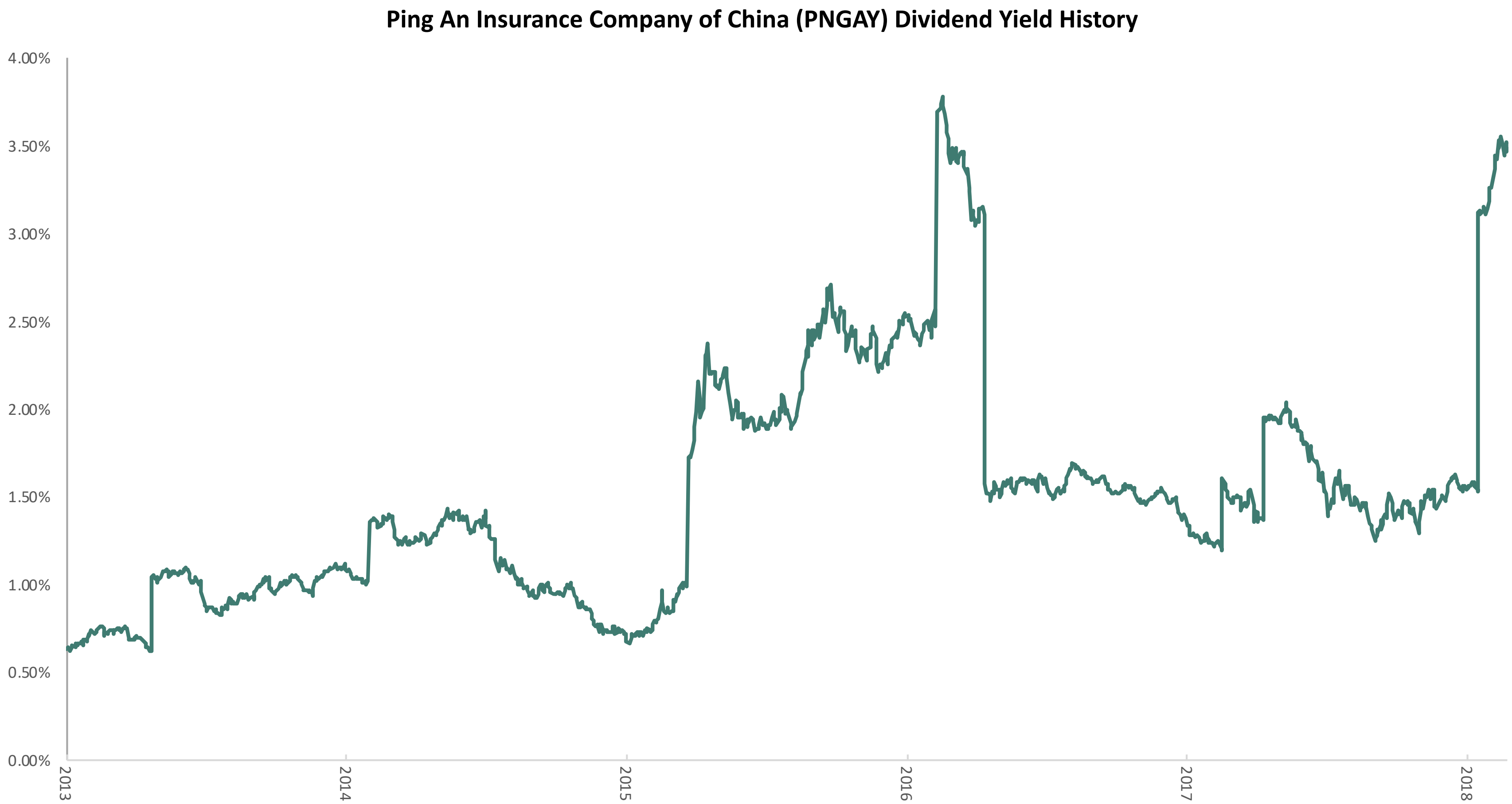
Ping An's future growth will likely come from its portfolio of technology innovations centered on fintech and healthtech. Notable among these is Ping An Good Doctor, which is a healthcare technology venture focused on providing online family doctor services via an in-house medical team and artificial intelligence assistant. Elsewhere, Ping An owns a subsidiary called Ping An Healthcare Technology, a business that provides smart cost control and social insurance-related services in over 200 cities across China. The company's recent earnings growth has been extremely impressive, with Ping An's bottom line compounding at 29% per year over the last four years. Looking ahead, we believe that the company's growth will slow to the high single-digits over time.

In Ping An's recently-completed fiscal 2017, the insurer reported earnings-per-share of RMB4.99 – equivalent to US$0.75. Given the 2-for-1 nature of Ping An's American Depository Receipts, this amounts to earnings-per-ADR of US$1.50. Using this earnings figure, Ping An is trading at a price-to-earnings ratio of 12.1. We believe that a low-teens earnings multiple is appropriate for most insurance companies and that the company is trading near fair value. Valuation expansion will not be a significant contributor to Ping An's future returns. Instead, the company's shareholders will profit from strong earnings growth and its 2.5% dividend yield (net of withholding taxes). All told, we expect annualized total returns of 11.5%+ from Ping An.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Renminbi	**Dividend Yield:**	2.5[1]%
Headquarters City:	Shenzhen	**TTM Earnings-Per-Share**:	US$1.50
Headquarters Country:	China	**Current Stock Price:**	US$18.18
Stock Exchange:	Hong Kong & OTC	**Price-to-Earnings Ratio:**	12.1
Year Founded:	1988	**Market Capitalization:**	US$166.2 billion

[1] China imposes a 10% dividend withholding tax. Excluding the withholding tax, the dividend yield would be 2.9%.


Ping An Insurance Company of China (PNGAY) Dividend Yield History
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
2013
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2017
2018

SK Telecom Co. Ltd (SKM)

Overview & Current Events

SK Telecom is South Korea's largest telecommunications company. It has approximately 30 million mobile subscribers, giving it roughly 50% of the total market share. SK Telecom offers a variety of services, including wireless telecommunication and internet. Its products include mobile phones, wireless data, and information communication.

On 5/4/18, SK Telecom announced first-quarter financial results. Revenue and operating income declined by 0.3% and 12.4%, respectively, due to increasing adoption of the company's optional mobile phone plan, which has higher discounts. But there were many positive notes in SK Telecom's quarterly earnings. For example, mobile service cancellation fell to 1.3%, its lowest point ever since the rollout of LTE services. In addition, IPTV subscribers increased 10% year-over-year, and mobile IPTV subscribers increased 25.5%. Broadband sales rose by 3.8% from the same quarter a year ago.

Growth, Competitive Advantages, and Total Returns

SK Telecom's growth catalysts include 5G and new technologies such as autonomous driving, the Internet of Things (IoT) and Big Data. In the 2018 first quarter, SK Telecom successfully test-ran "cooperative driving" using two of its autonomous vehicles in Hwaseong, South Korea's pilot city for self-driving cars. Acquisitions and partnerships will help accelerate growth in new technologies. On 5/8/18, SK Telecom announced it will purchase a 55% stake in ADT Caps for US$651 million. ADT Caps is South Korea's second-largest security services provider. Separately, on 6/11/18 the company signed an agreement with DJI Innovations, a major manufacturer of civilian drones and aerial imaging technology, to co-develop drone-based video streaming. SK Telecom's network technology will allow usage of drones to expand into new industries including agriculture, logistics, exploration, public safety, and media and entertainment.

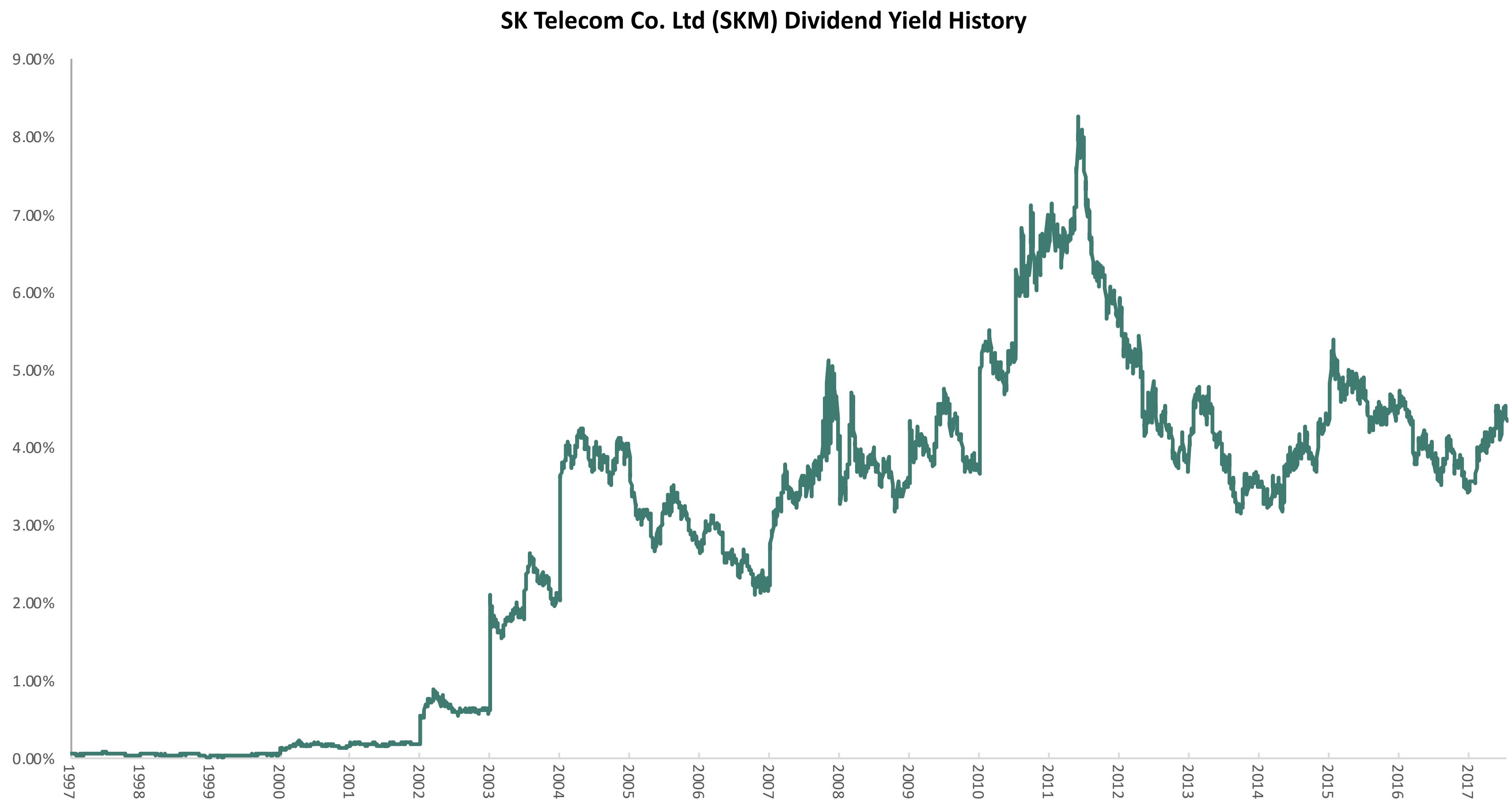
Growth should be achievable because of the company's competitive advantages, primarily its top industry position. SK Telecom has been rated the No. 1 mobile carrier in the National Customer Satisfaction Index (NCSI) for 21 years in a row. Another competitive advantage is SK Telecom's strong balance sheet. It has a credit rating of A- from Standard & Poor's and Fitch Ratings, which allows the company to access the capital markets to invest in growth.

Shareholders will also generate returns from dividends. SK Telecom currently has a dividend payment of US$9.33 per ordinary share, or US$1.04 on a per-ADR basis (one ordinary share equals 9 ADRs, for a dividend yield of approximately 3.5%. In addition, valuation changes will add to total returns. SK Telecom had trailing 12-month earnings-per-share of US$3.62, for a price-to-earnings ratio of 6.5. We estimate a fair value price-to-earnings ratio of 8.0, which would add approximately 4% to annual shareholder returns. Combined with 3%-5% earnings growth and the 3.5% dividend yield, total returns could reach 10%+ annualized for SK Telecom shareholders.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Won	**Dividend Yield:**	3.5%[1]
Headquarters City:	Seoul	**TTM Earnings-Per-Share**:	US$1.81
Headquarters Country:	South Korea	**Current Stock Price:**	US$23.54
Stock Exchange:	NYSE	**Price-to-Earnings Ratio:**	6.5
Year Founded:	1984	**Market Capitalization:**	US$17.1 billion

[1] South Korea imposes a 22% dividend withholding tax for U.S. investors. Excluding this tax, the dividend yield would be 4.4%.


SK Telecom Co. Ltd (SKM) Dividend Yield History
9.00%
8.00%
7.00%
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2.00%
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Aegon NV (AEG)

Overview & Current Events

Aegon NV is a financial holding company that traces its origins to 1844. Today, it serves more than 30 million customers, and has operations in 20 countries around the world. Aegon provides a wide range of financial services to clients, including insurance, pensions, and asset management. It has five core operating segments: Americas, Europe, Asia, Asset Management, and Holding and Other Activities. Its most widely recognized brand is Transamerica, which Aegon acquired in 1999.

On 2/28/18, Aegon reported fourth-quarter and 2017 financial results. For the fourth quarter, Aegon's underlying earnings before tax decreased by 5% compared with the fourth quarter of 2016. However, the decline was mostly driven by non-recurring expenses and the weakening of the U.S. dollar. On a constant-currency basis, earnings were roughly flat. For 2017, revenue declined 2% for the full year. Going forward, the company will report financial results on a half-year and annual basis.

Growth, Competitive Advantages, and Total Returns

Aegon has a positive growth outlook moving forward, which will consist primarily of income from new policies written, and growth of assets under management. Aegon's asset management business grew earnings by 5% last quarter, thanks to higher origination fees. In addition, rising interest rates are a growth catalyst for insurance companies. They hold large amounts of cash from accumulated premiums, which they invest to earn additional income. For example, Aegon ended 2017 with cash and investments of approximately $173 billion. Tax reform is another growth catalyst. The company expects tax reform to reduce its effective corporate tax rate in the U.S. to approximately 16% to 18%. This will elevate Aegon's return on capital invested by approximately 75 basis points in the U.S.

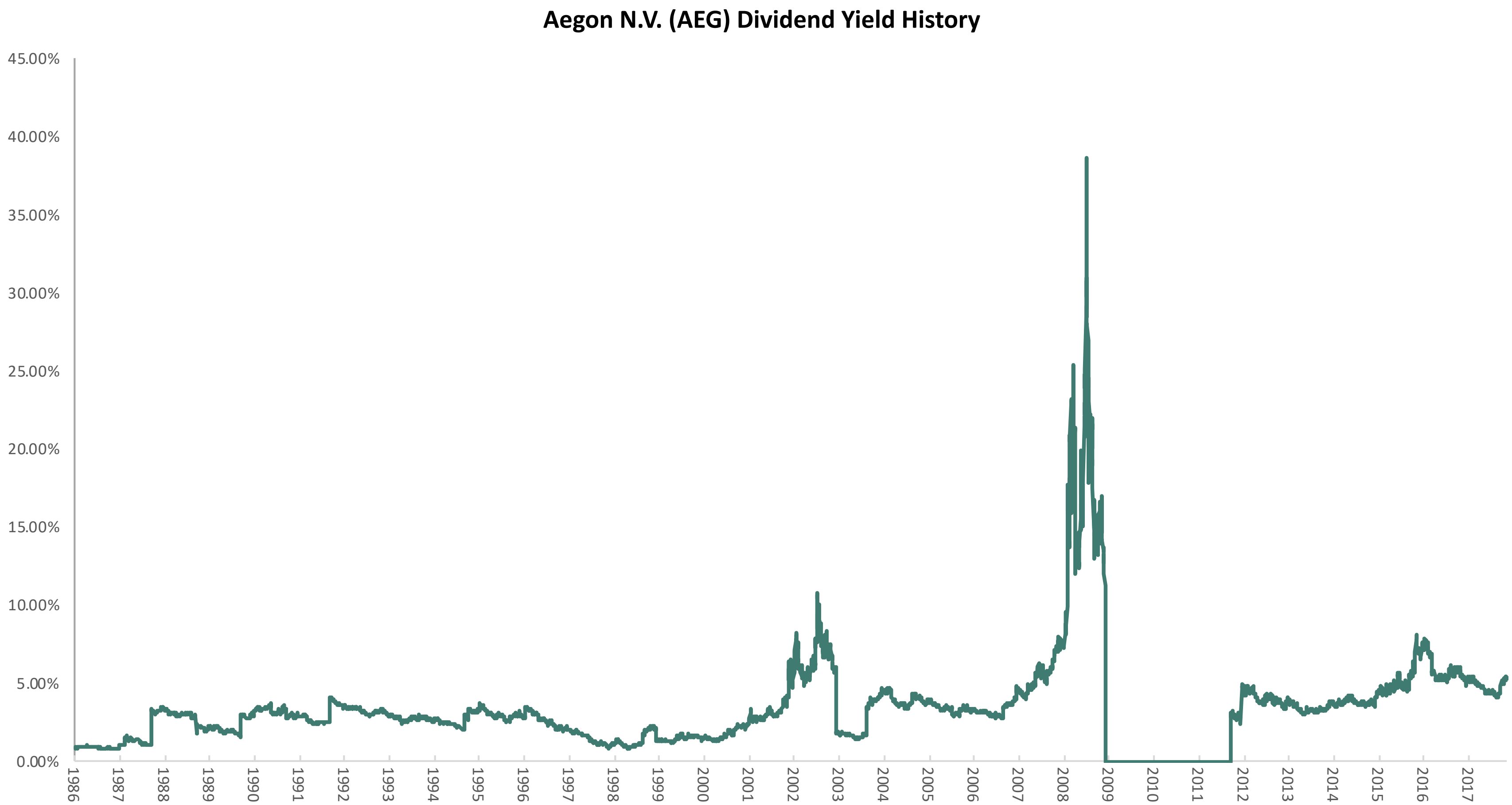
Aegon's main competitive advantage is its financial position and brand strength. The company holds a credit rating of A- from Standard & Poor's and A3 from Moody's. Such high credit ratings boost confidence among customers and investors and allows the company to readily access the capital markets. Aegon has a variety of strong brands. In addition to the core Aegon and Transamerica brands, it also operates online bank Knab, asset management firm Kames Capital, TKP Investments, and financial advice service Origen. These brands hold high market share in their categories.

Aegon stock should generate positive returns for shareholders over the next five years. First, the stock appears to be undervalued, with a price-to-earnings (PE) ratio of 4.5. We believe fair value for Aegon stock is a PE ratio of 6.0, which results in a fair value share price of approximately US$8.00 per share. An expansion of the PE ratio to fair value could add 5.9% to annual returns over the next five years. In addition, Aegon currently pays annualized dividends of US$0.32 per share, which results in a 5.4% dividend yield, and the company has increased its dividend for six consecutive years. We expect the combination of 4%-6% earnings growth, the 5.4% dividend yield, and 5.9% returns from valuation changes, to generate total shareholder returns of 16%+ each year.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Euros	**Dividend Yield:**	5.4%[1]
Headquarters City:	The Hague	**TTM Earnings-Per-Share:**	US$1.33
Headquarters Country:	Netherlands	**Current Stock Price:**	US$5.92
Stock Exchange:	OTC	**Price-to-Earnings Ratio:**	4.5
Year Founded:	1844	**Market Capitalization:**	US $12.4 billion

[1] The dividend withholding tax rate in the Netherlands was recently reduced to 0% from 15% (Source).


Aegon N.V. (AEG) Dividend Yield History
45.00%
40.00%
35.00%
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BT Group plc (BT)

Overview & Current Events

BT Group's history goes back to 1846. Today, its core activities include fixed-line services, broadband, mobile, networked IT services, and TV products and services. It provides its services to consumers and enterprise customers, in the U.K. and 180 countries around the world. BT Group operates in six core segments: Consumer; EE (its mobile network which has over 20 million customers); Business and Public Sector; Global Services; Wholesale and Ventures; and Openreach, which builds and maintains digital infrastructure for Britain's booming digital economy.

On 5/10/18, BT Group reported fourth-quarter and full-year fiscal 2017 financial results. Last year was a difficult one for BT Group, as the company reported core revenue declines of 1.4% for the fourth quarter, and 1% for the year. Revenue declines were attributable to a 1% decline in average monthly revenue-per-user for the fourth quarter. Adjusted earnings-per-share declined 3% for the year, but the company ended 2017 on a strong note with 5% growth in the fourth quarter.

Growth, Competitive Advantages, and Total Returns

It is expected that 2018 will be another challenging year for BT Group. The company forecasts a 2% revenue decline this year. In response, the company is cutting costs to grow earnings. Along with the most recent quarterly earnings, the company announced it will cut 13,000 jobs which will deliver cost savings of approximately US$2 billion. BT Group is also positioning itself for a return to revenue growth through new products and services. For example, in the fourth quarter the company secured rights packages for Premier League soccer matches through 2020. Sports viewing is a growth category in the U.K. Separately, on 7/9/18 BT Group announced it has entered discussions with Chinese e-commerce giant Alibaba to form a cloud-services partnership, which is an exciting growth opportunity.

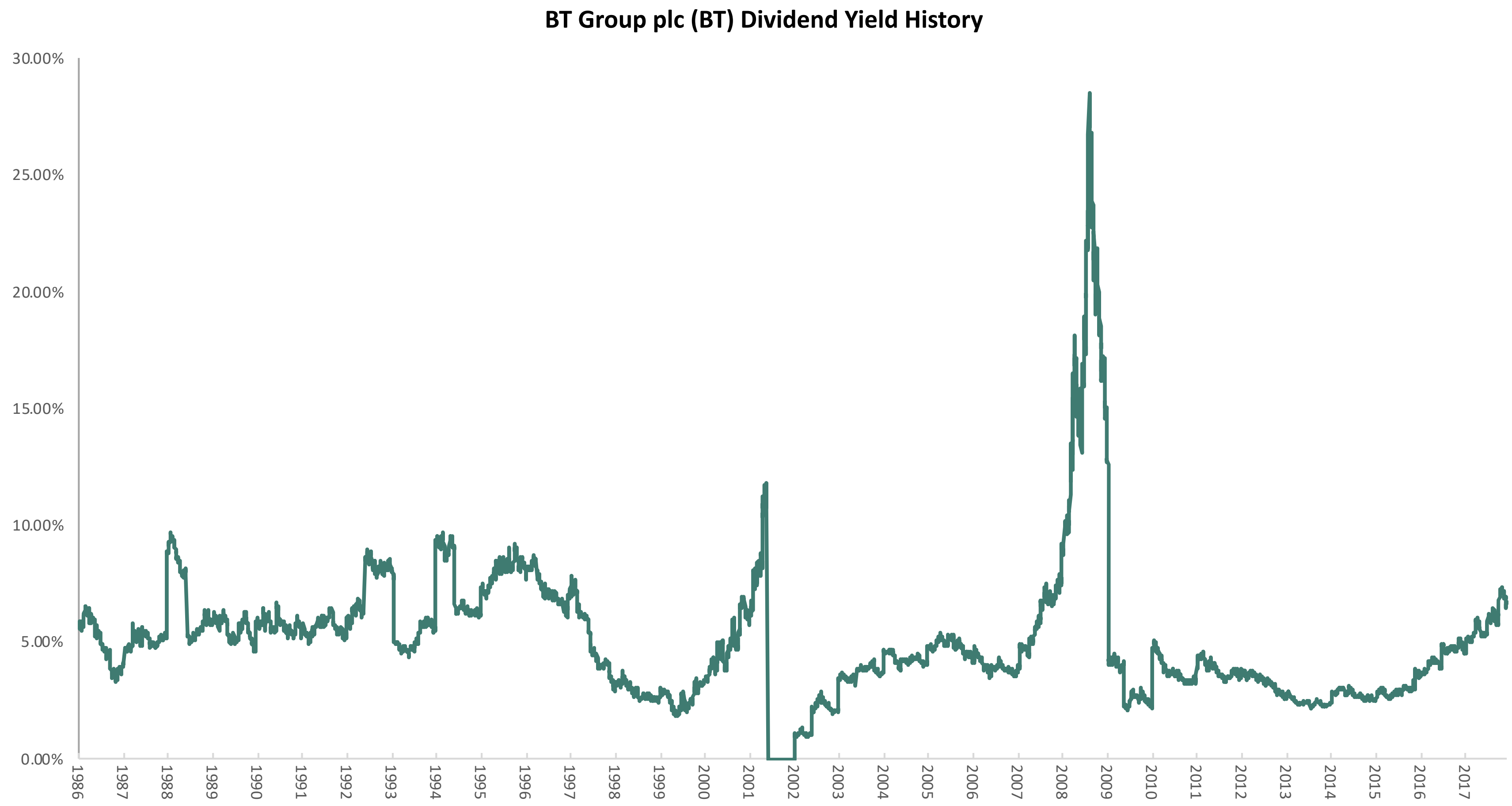
BT Group's competitive advantages are its industry positioning and size. BT Group has among the largest and highest-quality 4G networks in the U.K., which allows it to retain market share and affords some pricing power. Another competitive advantage is its strong balance sheet, which provides the company the financial flexibility to expand. BT Group has a credit rating of BBB+ from Standard & Poor's and Fitch, which are solidly in the investment-grade category.

BT Group is a shareholder-friendly company, with a high dividend yield. The two semi-annual dividend payments authorized for 2018 total US$1.05 per share (one ADS is equal to five ordinary shares). This equals a high dividend yield of 6.9%. The company announced it will freeze dividend payments over the next two years, after raising the dividend by 10% in 2017, but this still represents a generous dividend yield. In addition, we believe the stock is undervalued, with a price-to-earnings ratio of 8.2. Our fair value estimate is a price-to-earnings ratio of 10, which would add 4.1% per year to shareholder returns. If the company can generate ~2% annual earnings growth, total returns would reach 13% per year for BT Group shareholders.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Pounds	**Dividend Yield:**	6.9%[1]
Headquarters City:	London	**TTM Earnings-Per-Share**:	US$1.85
Headquarters Country:	U.K.	**Current Stock Price:**	US$15.13
Stock Exchange:	NYSE	**Price-to-Earnings Ratio:**	8.2
Year Founded:	2001	**Market Capitalization:**	US$30.0 billion

[1] Dividends from stocks headquartered in the U.K. are not subject to any withholding taxes.


BT Group plc (BT) Dividend Yield History
30.00%
25.00%
20.00%
15.00%
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Nissan Motor Co. Ltd (NSANY)

Overview & Current Events

The Nissan Motor Company is a multinational Japanese automobile manufacturer headquartered in Yokohama, Japan. The company manufactures and distributes cars under the Nissan, Infiniti, and Datsun brands while also manufacturing performance products under the Nismo brand. Nissan has been a member of the Renault-Nissan-Mitsubishi Alliance since 1999 and is the world's largest electric vehicle manufacturer due to the widespread popularity of its flagship electric vehicle, the Nissan Leaf.

In mid-May, Nissan reported (5/14/18) financial results for the fourth quarter and full year of fiscal 2017. Retail volume rose by 4.8% in the twelve-month reporting period while the automotive manufacturer gained 0.2% points of market share. This was driven by exceptional performance in China, which saw unit sales increase by 12.2% over the prior year's period. Importantly, Nissan's strong operational performance translated well to its financial results. The company's fiscal 2017 generated net revenue growth of 2.0% and net income growth of 12.6%. Nissan also hiked its dividend by 10.4% during the fiscal year and repurchased 2.2% of its outstanding stock.

In early July, Nissan announced (7/3/18) June U.S. automotive sales. The company's June unit sales of 145,096 grew 1.2% year-on-year, far better than the 7.0% *drop* that was expected. This was driven by strong truck sales (+11.9%), a robust showing from the Rogue crossover (+8%), and partially offset by weak car sales (-6.7%).

More recently, Nissan's shares fell (7/9/18) by as much as 5% overnight after the automaker admitted that emissions data had been falsified on new cars produced at five domestic plans in Japan. This announcement has created some uncertainty regarding Nissan moving forward, and we are recommending that investors who own (or would like to own) Nissan monitor the situation closely.

Growth, Competitive Advantages, and Total Returns

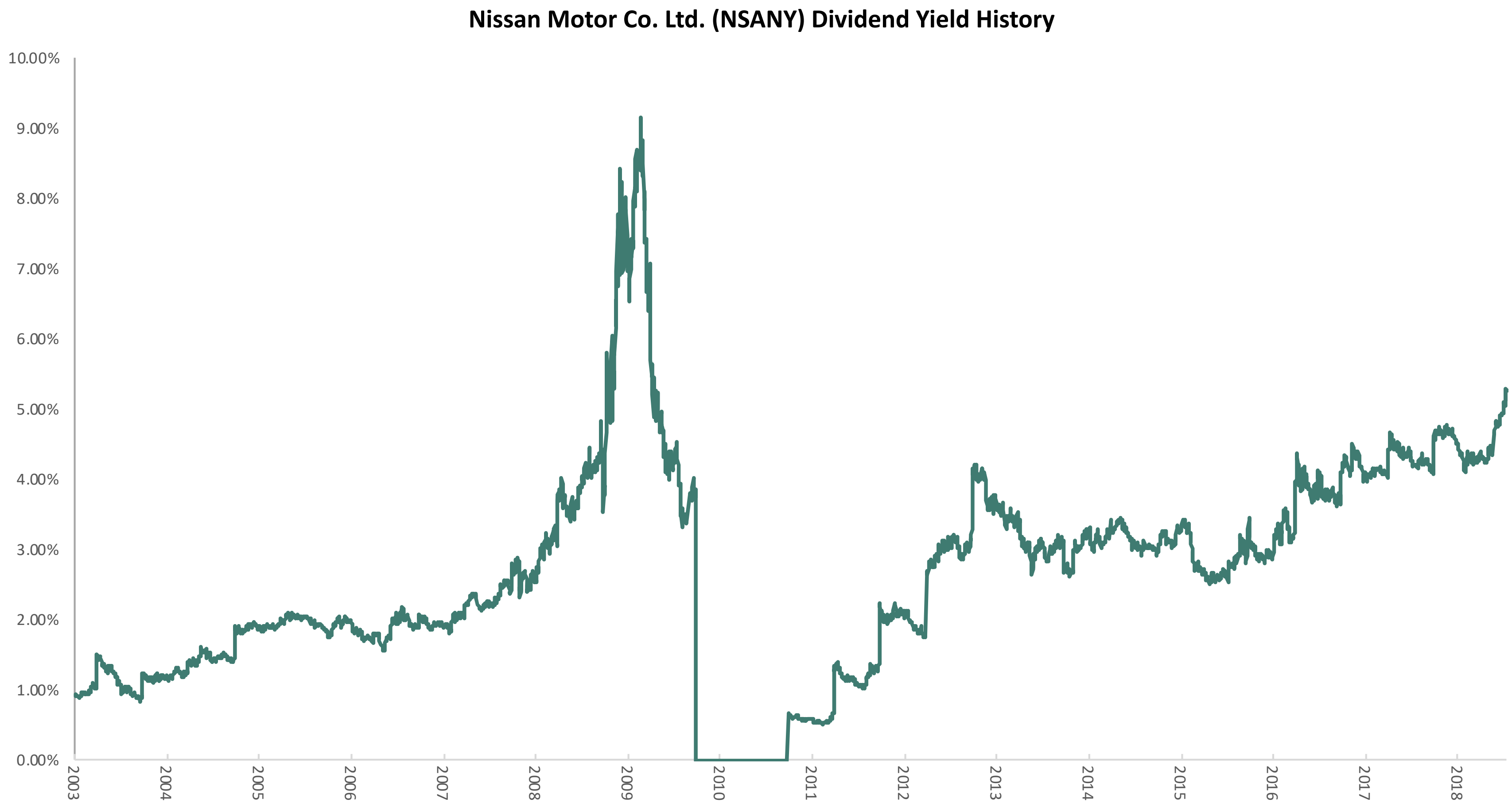
Nissan's near-term growth will be driven by the Nissan M.O.V.E. to 2022 plan, which stands for Mobility, Operational Excellence, Value to Customers, and Electrification. Nissan expects to grow its revenue at ~5% per year while seeing its operating margin expand to ~8% under "reasonable economic conditions." For context, Nissan's operating margin was 4.8% in fiscal 2017.

Nissan reported earnings-per-share of approximately 190.97 yen in fiscal 2017, which is equivalent to US$1.70 at prevailing exchange rates. Each of Nissan's American Depository Receipts (ADRs) are equivalent to 2 ordinary shares, which implies 2017 earnings-per-ADR of US$3.40. The company's current stock price of approximately $18 implies a price-to-earnings ratio of just 5.8. Nissan's average price-to-earnings ratio since 2010 is around 9. The company looks significantly undervalued. Dividends (~5%) and earnings-per-share growth (~6%) alone given Nissan 11% expected total returns, even before potential valuation multiple gains.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Yen	**Dividend Yield:**	4.8[1]%
Headquarters City:	Yokohama	**TTM Earnings-Per-Share:**	US$3.40
Headquarters Country:	Japan	**Current Stock Price:**	US$18.11
Stock Exchange:	TSE & OTC	**Price-to-Earnings Ratio:**	5.8
Year Founded:	1933	**Market Capitalization:**	US$39.2 billion

[1] Japan imposes a 15% dividend withholding tax. Excluding the withholding tax, the dividend yield would be 5.6%.


Nissan Motor Co. Ltd. (NSANY) Dividend Yield History
10.00%
9.00%
8.00%
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
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LG Display Co. Ltd (LPL)

Overview & Current Events

LG Display is one of the world's largest manufacturers of liquid crystal displays (LCDs) and organic light emitting diode (OLED) displays. The company is headquartered in Seoul, South Korea, and operates nine fabrication facilities and seven back-end assembly facilities located throughout the world. In the most recent quarter, the company's revenue mix was as follows: TV panels, 43% of revenue; mobile devices, 22%; tablets and notebook PCs, 19%; desktop monitors, 16%.

In late April, LG Display reported (4/25/18) financial results for the first quarter of fiscal 2018. In many ways, it was a difficult quarter for this technology hardware company. Revenue declined by 20% while operating income declined by 2%. However, EBITDA increased by 14%. Pretax income declined from 44 billion won (US$39 million) to a loss of 96 billion won (-US$85 million) and net income declined from 44 billion won (US$39 million) to a loss of 49 billion won (-US$42 million). The revenue decline and worse profitability was driven by weak demand in panels from low seasonality and a continued decline in panel prices. With that said, LG Display noted that the company has seen continuous increases in revenues from its OLED TV panels and profitability improvements thanks to continued research and development expenses. Unfavorable exchange rate fluctuations also had a negative impact on LG Display's performance in the quarter. LG Display's financial report was negatively perceived by the market and shares have fallen by more than 20% since the performance results were published.

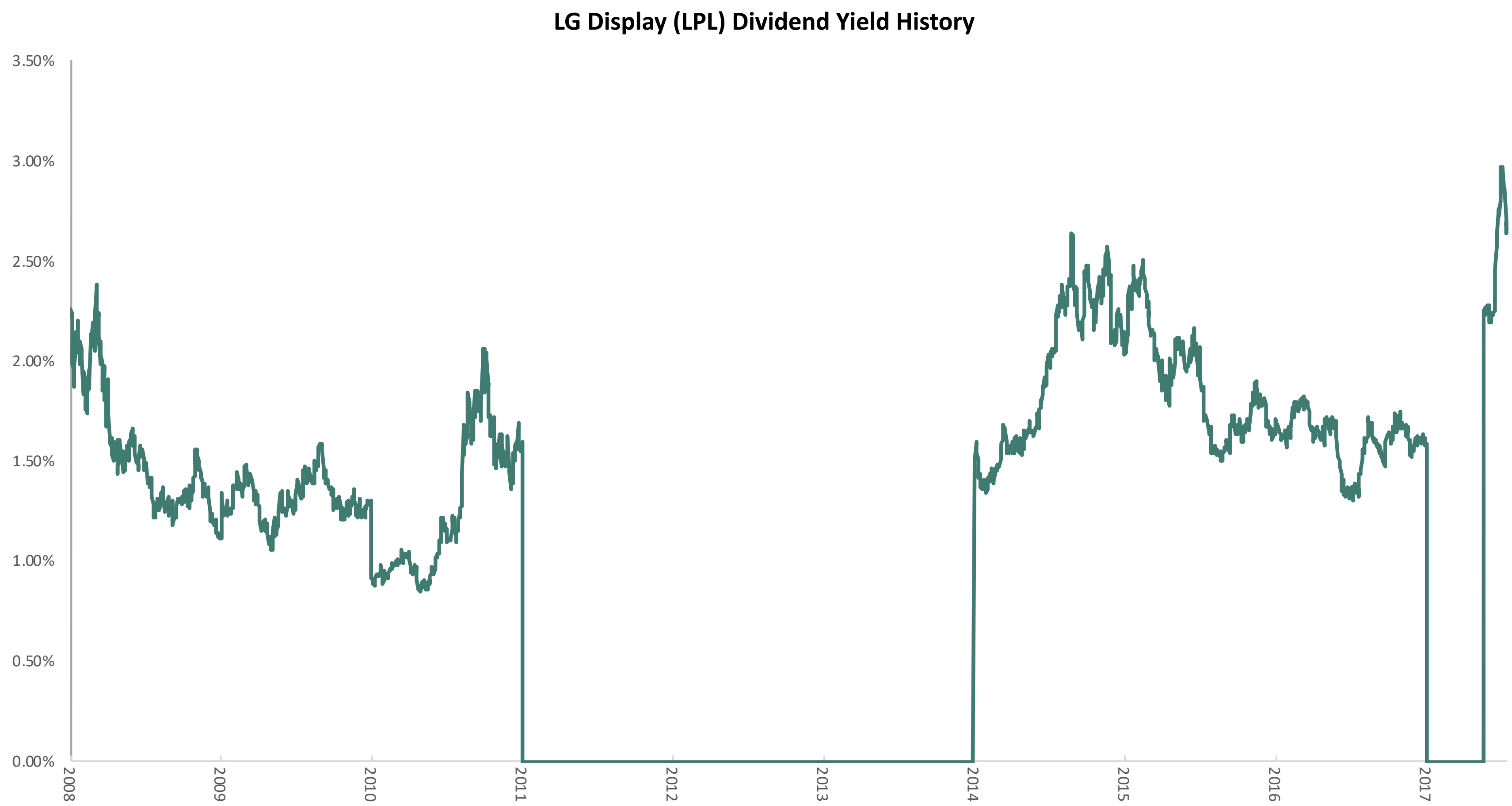
Growth, Competitive Advantages, and Total Returns

LG Display is a rather unique Sure Dividend International recommendation because it is a pure value play. The best way to measure LG Display's valuation is by looking into its Form 20-F that was filed with the U.S. Securities & Exchange Commission on April 27th, 2018 (international firms do not have the same quarterly disclosure requirements as their domestic counterparts, so annual filings with the SEC are best). In the filing, the company notes that it generated earnings-per-share of US$4.72 in fiscal 2017. Given the 2-for-1 nature of the company's American Depository Receipts, this implies earnings-per-ADR of $2.36. For context, the firm's ADRs currently trade on the NYSE for less than $9, which implies a price-to-earnings ratio of just 3.7. LG had an exceptionally good year in 2017. The company's earnings-per-ADR are likely to come in around half of where they were in 2017 in a 'normal' year – still, this is a very cheap normalized P/E of between 7 and 8. Looking at assets, the story is similar. LG Display had shareholders' equity of around US$14.0 billion at the end of fiscal 2017. The company currently trades with a market capitalization of $6.3 billion, which implies a price-to-book ratio of 0.45. Using any standard metric, LG Display is profoundly undervalued. While calculating an estimation of the firm's future returns is difficult, we believe that a few quarters of positive financial performance could catalyze this stock significantly higher.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Won	**Dividend Yield:**	2.1[1]%
Headquarters City:	Seoul	**TTM Earnings-Per-Share**:	US$2.36
Headquarters Country:	South Korea	**Current Stock Price:**	US$8.74
Stock Exchange:	NYSE	**Price-to-Earnings Ratio:**	3.7
Year Founded:	1985	**Market Capitalization:**	US$6.3 billion

[1] South Korea imposes a 22% withholding tax. Excluding the withholding tax, the dividend yield would be 2.7%.


LG Display (LPL) Dividend Yield History
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017

Honda Motor Co. Ltd (HMC)

Overview & Current Events

The Honda Motor Company is Japan's second-largest automobile manufacturer (behind Toyota) and the country's largest manufacturer of motorcycles. The company also produces power tools. Honda was founded in 1948 and has grown to a market capitalization of more than US$50 billion and a team of more than 212,000 employees. North America is responsible for approximately 50% of Honda's revenue, with Asia (ex-Japan) contributing ~25% and much of the remainder coming from Japan. American investors can invest in Honda through American Depository Receipts that trade on the New York Stock Exchange under the ticker HMC.

In late April, Honda reported (4/27/18) financial results for the fourth quarter and full year of fiscal 2018 (which ended on March 31). Top-line revenue increased 4% (or 6% on a constant-currency basis) thanks to strong, fundamental performance in each of Honda's business lines. In particular, sales of Honda motorcycles increased by 15%, driven by 12% volume growth. Earnings-per-share increased by 18.8% over the prior year's period. It was a strong quarter from Honda, but the company's shares have fallen following the announcement, perhaps due to concerns about an international tariff war.

In a separate announcement, Honda announced (4/27/18) an 8% increase to its quarterly dividend payment. At the same time, the board announced a decision to acquire 18 million of its outstanding shares (or approximately 1% of its share count) for up to 70 billion yen. The authorization runs until the end of 2018. This follows a 4% dividend hike and 24 million shares repurchased in 2017.

Growth, Competitive Advantages, and Total Returns

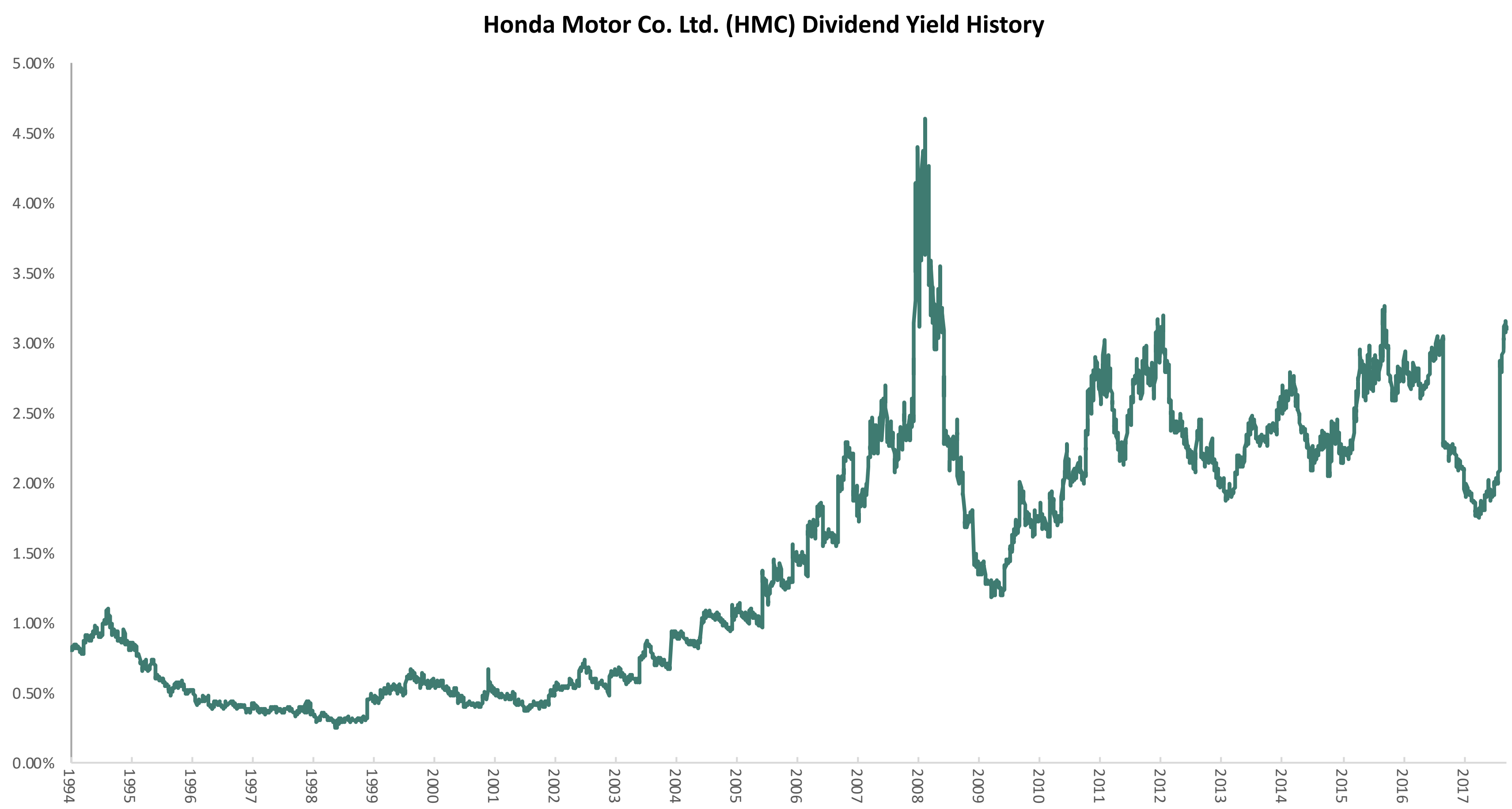
Honda's motorcycle business is currently its fastest-growing operating segment. The segment's sales increased by 15.3% in fiscal 2018, driven by sales growth in emerging markets like India, Vietnam, and Thailand. On the automobile front, sales growth in China and Japan has been more than offsetting declines in North America, where Honda refuses to partake in the deep incentive programs being implemented by other automobile manufacturers. We believe this is a wise choice as it ensures profitability and prevents Honda from financial difficulties like some of its peers in the last recession.

Honda generated earnings-per-ADR of US$3.75 in fiscal 2018 and its ADRs currently trade at around $29. This implies a price-to-earnings ratio of 8.6. For context, Honda has traded at an average price-to-earnings ratio of around 12 over the last 5 years. Although an earnings multiple of 12 may be somewhat rich for an automotive company, we still believe Honda is undervalued today. In addition, long-term earnings-per-share growth of 6% per year is feasible for this leader in the automotive industry. We believe that Honda investors can expect high single-digit or low double-digit total returns when accounting for earnings-per-share growth (6%), its 2.6% dividend yield, and valuation expansion.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Yen	**Dividend Yield:**	2.6[1]%
Headquarters City:	Tokyo	**TTM Earnings-Per-Share**:	US$3.75
Headquarters Country:	Japan	**Current Stock Price:**	US$29.18
Stock Exchange:	TSE & OTC	**Price-to-Earnings Ratio:**	7.8
Year Founded:	1948	**Market Capitalization:**	US$51.7 billion

[1] Japan imposes a 15% withholding tax. Excluding the withholding tax, the dividend yield would be 3.1%.


Honda Motor Co. Ltd. (HMC) Dividend Yield History
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
1994
1995
1996
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1998
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2016
2017

Bayerische Motoren Werke AG (BMWYY)

Overview & Current Events

Bayerische Motoren Werke AG – more commonly known as BMW – is a German automotive manufacturer. The company produces the BMW, Mini, and Rolls-Royce brands of vehicles. In the most recent quarter, the company's sales breakdown by geography was as follows: Americas, 18%; Europe, 45%; Mainland China, 25%; and the Rest of World, 12%.

In early May, BMW reported (5/4/18) financial results for the first quarter of 2018. First-quarter vehicles deliveries rose by 3.0%, with each of the company's major sales regions contributing to this growth. On the top line, group revenues fell by 5.1%, largely due to foreign exchange fluctuations - constant currency revenue declined by 0.7%. Operating profit fell by 3.1% while pretax income fell by 0.5%. BMW's earnings release seemed roughly in-line with the market's expectations as shares remained relatively flat following the announcement (though they declined significantly in later months as the global tariff war began to gain steam).

More recently, BMW announced (7/12/18) sales figures for the first half of fiscal 2018. The company sold 1,242,507 BMW, Mini, and Rolls-Royce vehicles, which represented the best first-half sales figure in the company's history. The company has now achieved 35 consecutive quarters of sales growth, with the firm "*confident this trend will continue.*"

Growth, Competitive Advantages, and Total Returns

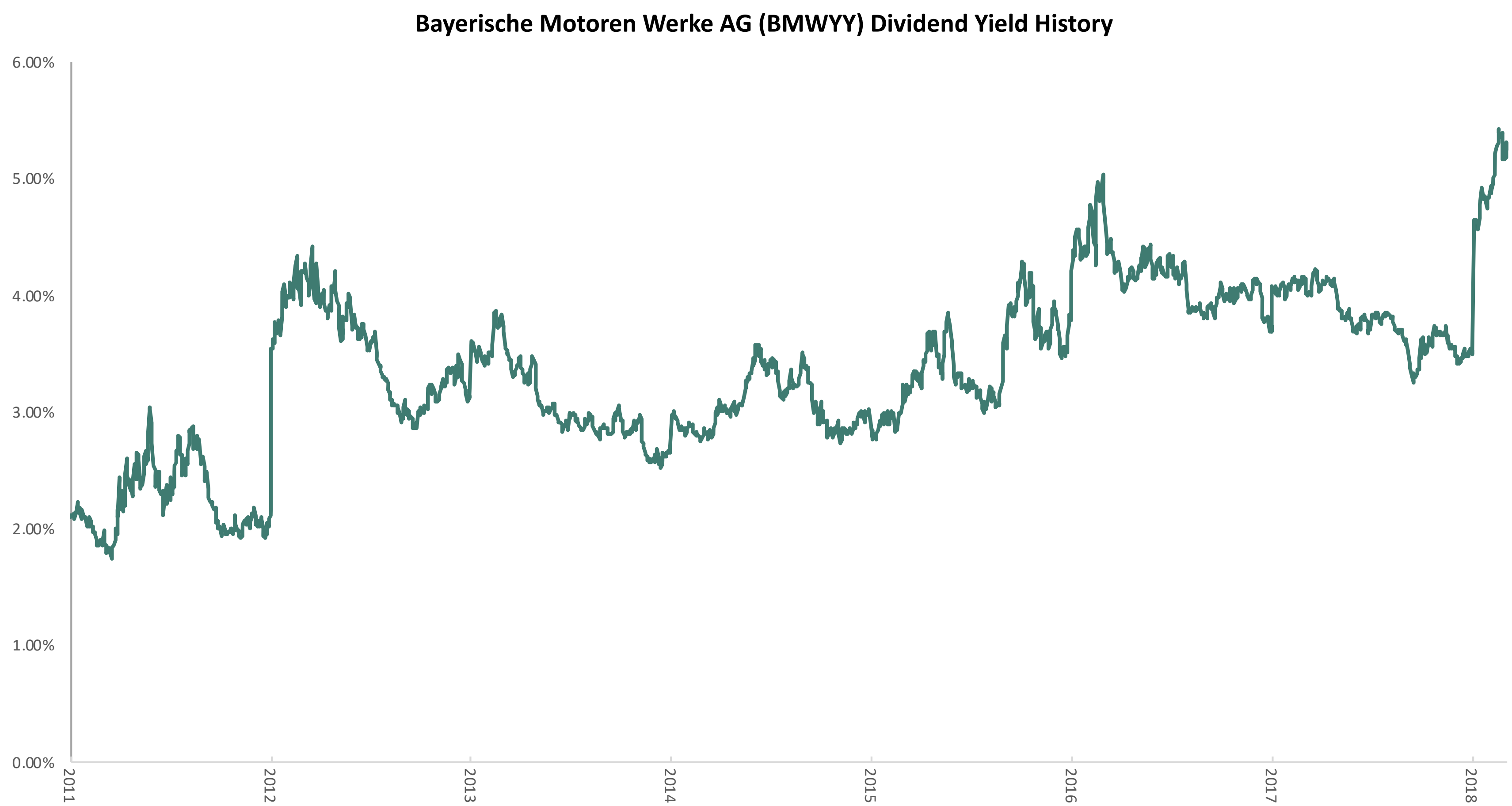
BMW's focus on innovation should propel the company moving forward. In February, the company signed a letter of intent with the Chinese manufacturing firm Great Wall to establish a joint venture for the local production of an all-electric Mini. In a world where electric vehicles are gaining market share and likely to replace their gasoline counterparts, we view this as a promising development. The company has also been investing aggressively in autonomous driving. On April 11th, BMW opened its Campus for Autonomous Driving just outside Munich. The campus is a 23,000 square meter facility where 1,800 employees will develop technologies for both assisted and automated driving.

BMW generated €3.2 billion of net profit in 2017, which is equivalent to €5.32 on a per-share basis given the average number of shares outstanding during the reporting period. At prevailing exchange rates, this is equivalent to US$6.19, or $2.06 after adjusting for the 3-for-1 nature of BMW's American Depository Receipts. The ADRs are currently trading for just under $31, which implies a price-to-earnings ratio of around 15. BMW's valuation is far higher than many of its peers in the global automotive manufacturing industry. Still, the company's consistent profitability, steadily rising dividends (which are more than 10x higher on a per-share basis than a decade ago) and focus on innovation should lead investors to achieve solid returns in the long run. We expect earnings-per-share growth of at least 5% a year from BMW. This growth coupled with the company's current yield gives investors expected total returns of around 8% per year.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Euro	**Dividend Yield:**	2.7[1]%
Headquarters City:	Munich	**TTM Earnings-Per-Share:**	US$2.06
Headquarters Country:	Germany	**Current Stock Price:**	US$30.96
Stock Exchange:	FSE & OTC	**Price-to-Earnings Ratio:**	15.0
Year Founded:	1918	**Market Capitalization:**	US$61.2 billion

[1] Germany imposes a 26% withholding tax. Excluding the withholding tax, the dividend yield would be 3.6%.


Bayerische Motoren Werke AG (BMWYY) Dividend Yield History
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
2011
2012
2013
2014
2015
2016
2017
2018

Turkiye Garanti Bankasi AS (TKGBY)

Overview & Current Events

Turkiye Garanti Bankasi is Turkey's second-largest bank, with assets of $94 billion, more than 15 million customers, and over 940 branches. It offers financial services, including banking, pension and life insurance, brokerage services, and asset management services.

On 4/26/18, Garanti reported first-quarter financial results. Loan growth propelled strong results for the quarter. Consumer and business loans rose 15% and 19%, respectively. In addition, Garanti has made big strides in the emerging payments field. Fees increased 34% last quarter from higher payment systems revenue. Overall, net income increased 18% quarter-over-quarter and 31% year-over-year. As the economy in Turkey recovers from the debt crisis and global recession over the past decade, Garanti's fundamentals are improving. This lays the groundwork for future growth.

Growth, Competitive Advantages, and Total Returns

Turkey is an emerging market, characterized by high economic growth. In 2017, Turkey's gross domestic product (GDP) rose by 7.4%. The Organization for Economic Cooperation and Development (OECD) expects Turkey's economy to expand by 5.3% in 2018 and 5.1% in 2019. These GDP growth rates are much higher than those reported by developed economies. High rates of GDP growth for Turkey will naturally benefit the banking industry. In 2018, Garanti expects 10% asset growth, and 14%-15% loan growth. As the Turkish economy expands, interest rates will likely rise to reduce the threat of inflation. The Turkey central bank is likely to address inflation risk through monetary tightening. Banks are among the beneficiaries of rising interest rates, as they can collect higher income from loans. Increasing investment income will flow directly to Garanti's bottom line.

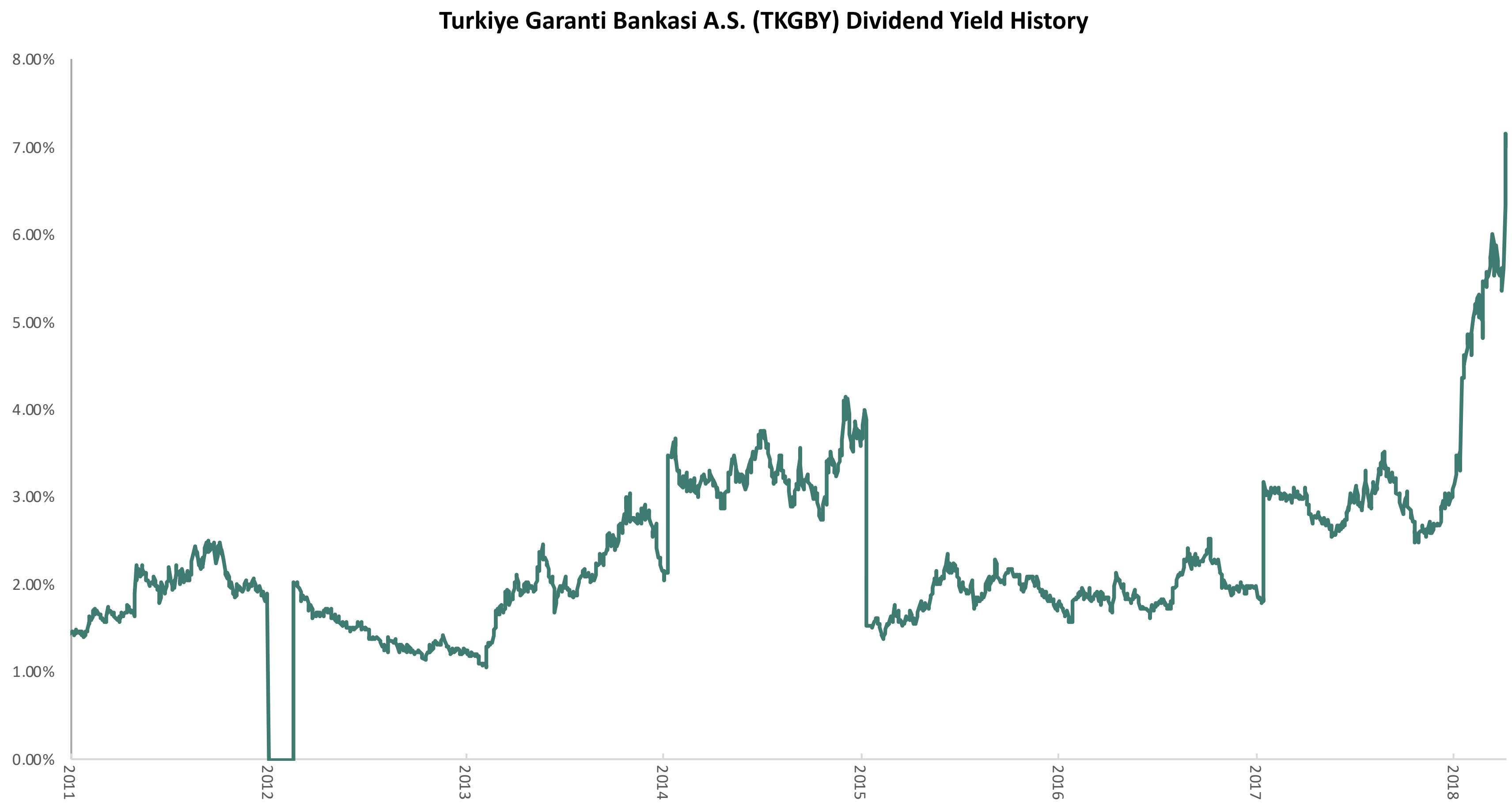
Garanti's competitive advantage—its positioning as the second-largest bank in Turkey—gives it the ability to capitalize on the broader growth of the Turkish economy. Garanti has access to capital resources that smaller competitor banks cannot match. It can also attract new customers and take share from smaller competitors, because of its expansive services and large number of branches.

Given the elevated level of geopolitical risk this year, we maintain fairly modest growth assumptions for Garanti over the next five years. We expect low single-digit earnings growth for Garanti each year, of just 2%. However, dividends and valuation changes will provide additional returns to shareholders. The company has a dividend payout of approximately US$0.08 per share (one ADS is equal to one ordinary share). Based on the current share price, this represents a dividend yield of 4.7%, after withholding taxes. The dividend appears secure, as Garanti had a payout ratio of approximately 25% in 2017. We also view the stock as undervalued, with a fair value price-to-earnings ratio of 6. Expansion of the price-to-earnings ratio could add 5.5% to Garanti's annual returns. As a result, the combination of earnings growth, dividends, and an expanding valuation, could generate total shareholder returns of over 15% annually.

Key Statistics, Ratios, & Metrics

Reporting Currency:	Lira	**Dividend Yield:**	4.7%[1]
Headquarters City:	Istanbul	**TTM Earnings-Per-Share**:	US$0.32
Headquarters Country:	Turkey	**Current Stock Price:**	US$1.46
Stock Exchange:	NYSE	**Price-to-Earnings Ratio:**	4.6
Year Founded:	1946	**Market Capitalization:**	US$6.8 billion

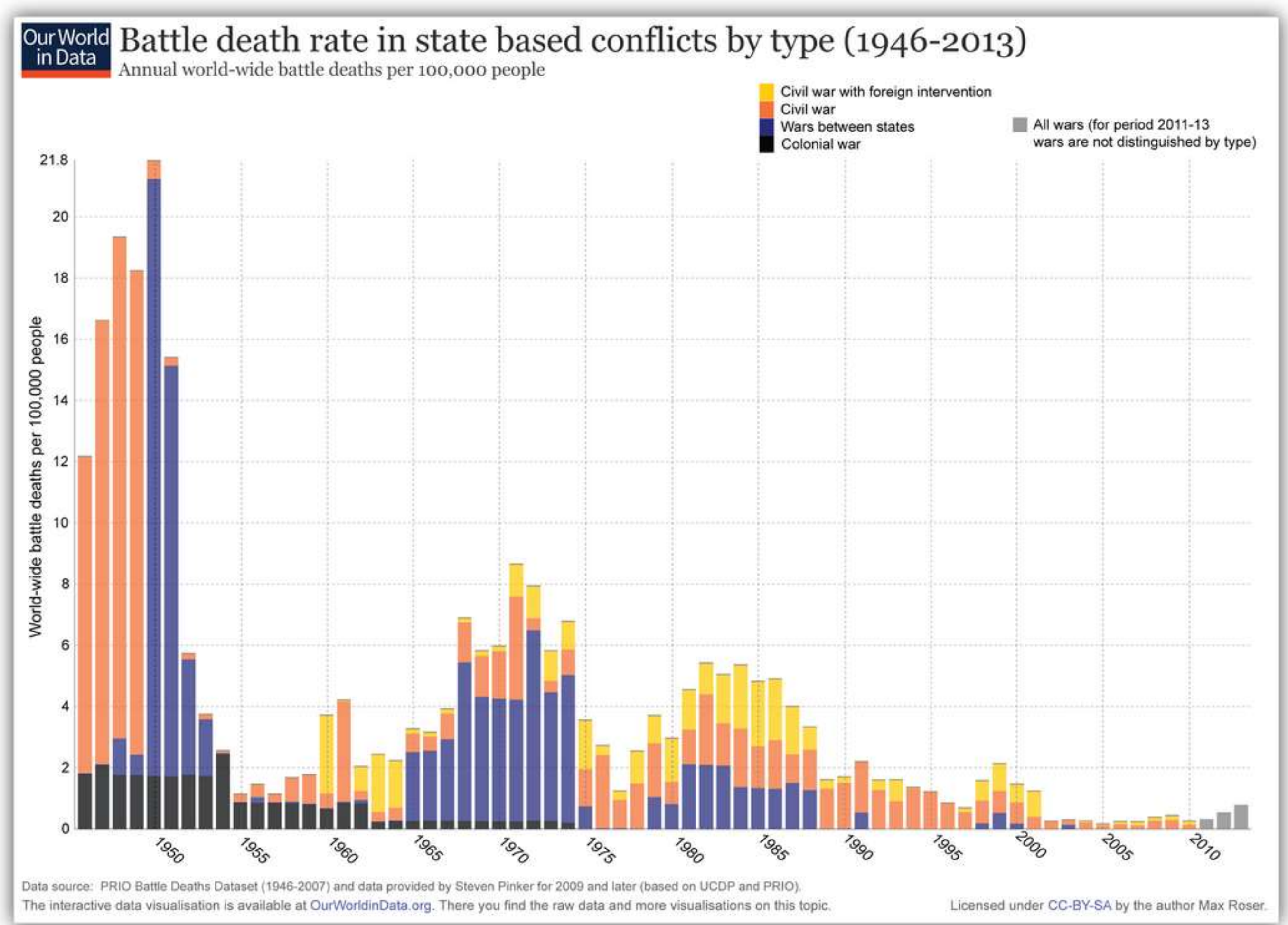
[1] Turkey imposes a 15% dividend withholding tax for U.S. investors. Excluding this tax, the dividend yield would be 5.5%.


Turkiye Garanti Bankasi A.S. (TKGBY) Dividend Yield History
8.00%
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
2011
2012
2013
2014
2015
2016
2017
2018

Closing Thoughts
- The Decline of War -

The opening thoughts of this month's newsletter discuss how GDP per capita has risen steadily over the last 50 years.

It's difficult to discern from the 24 hours news cycle, but death from war has actually declined significantly as well. We may very well be living in one of the most peaceful times in all of human history.



Source: [Our World In Data]

In last month's newsletter, we discussed how war isn't necessarily bad for stocks. What *is* certain is that war is terrible for people. Declining battle deaths over the last 60+ years are a marked positive for long-term global GDP growth and markets in general.

What is behind declines in war and rising GDP? Improved education globally combined with more trade between countries makes war less palatable and costlier than ever before. This reduces the incentives for large nations to go to war with one another. For investors, it also greatly reduces the risk of investing in international stocks.

The next newsletter publishes on Sunday, August 19th, 2018

List of Past Recommendations & Performance

The performance and initial recommendation date of every Sure Dividend International Recommendation is below.

Performance is calculated using the closing price on the first trading day *after* the newsletter publishes[1]. If the newsletter were published on Sunday, the close price from the following Monday is used as the buy price. Returns include dividends.

Name & Ticker	Newsletter Date	Total Returns
Aegon (AEG)	January 2018	-4.3%
ITV (ITVPY)	January 2018	0.2%
Dixons Carphone (DC:LN)	January 2018	-7.7%
Royal Mail (RMG:LN)	January 2018	5.9%
Acea SpA (ACE:IM)	January 2018	-16.7%
Groupe Renault (RNO:FP)	January 2018	-13.4%
Gazprom (OGZPY)	January 2018	-4.5%
Inchcape (INCH:LN)	January 2018	4.6%
Blom Bank (BLOM:LB)	January 2018	-7.3%
Yanlord Land (Z25:SP)	January 2018	-10.3%
Canadian Imperial Bank (CM)	February 2018	-2.5%
Canadian National (CNI)	February 2018	12.7%
Sampo Oyj (SAXPY)	February 2018	-8.5%
Fortis (FTS)	February 2018	-2.8%
BNP Paribas (BNPQY)	February 2018	-19.8%
Nissan Motor Co. (NSANY)	February 2018	-12.2%
Société Générale (SCGLY)	February 2018	-17.5%
Deutsche Telekom (DTEGY)	March 2018	2.6%
Swiss Re Ltd (SSREY)	March 2018	-6.8%
Enel SpA (ENLAY)	March 2018	-5.6%
ProSiebenSat.1 Media (PBSFY)	March 2018	-16.2%
Toyota Motor Corp. (TM)	April 2018	0.5%
SK Telecom (SKM)	April 2018	1.8%
Tokio Marine (TKOMY)	April 2018	2.4%
Ping An Insurance (PNGAY)	May 2018	-9.0%
Thomson Reuters (TRI)	May 2018	9.7%
Sanofi (SNY)	May 2018	8.1%
Nippon T&T (NTTYY)	May 2018	-4.9%
Turkiye Garanti (TKGBY)	May 2018	-24.7%
BT Group (BT)	June 2018	6.8%
Daimler (DDAIF)	June 2018	-6.7%
Honda Motor Co. (HMC)	June 2018	-7.6%
BMW (BMWYY)	July 2018	N/A
LG Display (LPL)	July 2018	N/A
Average		**-4.8%**
S&P 500 Average		**3.9%**

Performance over periods of 3 years or less is virtually meaningless. With 6 months of return data, the return data here is nothing more than noise. Over the years, this performance page and list of past recommendations will grow in relevancy.

[1] Prior to March 2018, this is the day after the 1st Sunday of the month. From March 2018 onward, it is the day after the 3rd Sunday of the month. Performance for DC:LN, RMG:LN, INCH:LN, ACE:IM, RNO:FP, and Z25:SP are in home currency. All other performance numbers are in USD.

Tax Guide

Most foreign countries don't require you to file a tax return if you hold/held securities from their country. Instead, dividends are withheld 'at the source.'

You will receive a 1099 statement at year end from your broker. Box 6 will show how much foreign tax was withheld. In most cases you can get a foreign tax credit.

A tax credit is different from a deduction. Deductions reduce your taxable income, while credits are a dollar-for-dollar reduction in your taxes owed. You have the option of taking a credit or deduction. Credits are generally preferable.

The maximum foreign tax credit is equal to the lower of:

1. The tax you would've owed if the security was in the U.S.
2. The total amount of foreign tax paid

Additionally, the tax credit cannot be more than:

(Income from foreign sources / Total taxable income) x Total U.S. taxes owed.

IRS form 1116 is used in these calculations, unless foreign dividend taxes are less than $300 (or $600 filing jointly). In the $300 and below case, you can enter the taxes paid directly onto your tax return as a tax credit.

If your foreign taxes due are higher than the amount of your would-be U.S. taxes, you can carry over the extra tax credit for up to 10 years. Note that the credit is against taxes *paid*. If you aren't paying taxes, you don't get the credit.

Retirement accounts do not accrue U.S. taxes, so you will not get a foreign tax credit if you use your retirement account to invest in international securities. The exception here is that some countries have tax treaties with the U.S. that waive foreign dividend taxes for U.S. retirement accounts.

In addition to dividend taxes, foreign countries *may* impose capital gains taxes as well. Fewer countries tax capital gains than dividends, but some do. Of course, the U.S. does tax capital gains, so you will have to pay the U.S. government any normal capital gains taxes owed.

The table below details the tax rates for all parent countries of current and prior Sure Dividend International recommendations.

Country	Dividend Withholding Tax Rate
Netherlands	0%[1]
United Kingdom	0%
Singapore	0%
China (Mainland)	10%
Lebanon	10%
Russia	15%
Turkey	15%
Japan	15%
France	15%[2]
Canada	15%[3]
South Korea	22%
Germany	26%[4]
Italy	26%
Finland	30%
Switzerland	35%

Taxation matters are subject to the individual. While we do our best to present the most accurate and up-to-date tax information, we recommend investors speak to a qualified tax expert to maximize tax reductions.

[1] The dividend withholding tax rate in the Netherlands was recently reduced to 0% from 15% (Source).
[2] Additional forms must be filed to get this tax rate (see here for more).
[3] 0% if the proper paperwork is filed and the investment is in a U.S. retirement account.
[4] 26% rounded. The actual dividend withholding tax rate is 26.375%.

How To Buy International Securities

There are 2 primary ways to invest in international securities:

1. Through American Depository Receipts (ADRs). We recommend this way.
2. Directly from a foreign stock exchange

ADRs come in 3 levels

Level I: Exempt from full SEC reporting, usually trade over the counter (OTC)
Level II: Report to SEC, can be listed on a major stock exchange
Level III: Same as level II, and the company can use public offerings to raise capital in the U.S.

Level I ADRs are the riskiest as they don't have to report to the SEC and they tend to be relatively illiquid with low trading volumes. Investing in Level II and III ADRs is similar to investing in other publicly traded securities on large exchanges. In general, you can tell the level of ADR by its ticker. A level II or III ADR will have a 'normal' 1 to 4 letter ticker. A level I ADR will have a longer ticker, usually 5 letters.

Our recommendation for investing in international securities is simple. If a level II or III ADR is available, it is the best way to invest in an international security.

If only a level I ADR is available, we *may* recommend it depending on its volume. Our rule of thumb is if average daily volume ~$1 million or more we will recommend the ADR. Depending on your account size, smaller volumes may be safe for you. As a general rule, never trade more than 5% of daily volume. Since other Sure Dividend readers will likely be making similar trades, we would prefer to use 1% of volume as a 'safe' level for liquidity. **When purchasing OTC shares, be sure to use limit orders as market orders could potentially be filled at unsatisfactory prices**. This corresponds generally to the top 200 or so most actively traded OTC securities. If volume is not sufficient, we will not recommend buying OTC shares.

If the level I ADR is thinly traded, or if no ADR exists, an investor could still invest directly in the security via the security's home exchange. This can be done in two ways:

1. Opening a brokerage in the country of the security you want to buy
2. Enabling a global account with your current brokerage

It will quickly become unwieldly and time consuming to open brokerage accounts in multiple countries. Instead, we recommend enabling a global trading account with your current broker or switching to one that offers this service should you choose to buy but not with ADRs. Interactive Brokers, Fidelity, E*Trade, and Charles Schwab, among others, offer international trading.

The best ticker to invest in each of our Top 10 recommendations is included next to the name of the security on each respective analysis page and in the Top 10 chart.

Please email us at support@suredividend.com with any questions you have on the actual process required to purchase international securities. As a newsletter provider, we can't provide specific personal investment advice, only general information.

Selling Guide

Buying securities is only part of the battle. Knowing *when to sell* and *how long to hold* is critical to investing success. Sure Dividend focuses on investing for long periods of time. Our favorite investments are those we don't have to sell.

With that said, there are 2 primary situations where it makes sense to sell:

Situation 1: If a security is significantly overvalued and total returns are likely to be mediocre going forward due to the excessive valuation.

Situation 2: If the company has lost its competitive advantage and is unlikely to generate adequate total returns for investors going forward.

We will periodically review all past recommendations to determine their status. As long-term investors, we prefer to err on the side of holding rather than selling. Sell recommendations will be covered in detail in the Opening Thoughts section of the newsletter.

Sell decisions are determined qualitatively, not quantitatively. We have chosen a qualitative approach as international securities tend to put less emphasis on increasing dividends every year. Additionally, valuations and business results fluctuate more widely with many international securities, making a qualitative approach more suitable.