SIMPLY SAFE DIVIDENDS

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Intelligent Income℠

Quality dividend ideas for safe income and long-term growth

Monthly Recap

A strong start to earnings season propelled the S&P 500 (SPY) higher by 4.1% in April, lifting the market's year-to-date total return to a staggering 18%. Investors entered the year with concerns about slowing economic growth. However, with over half of S&P 500 companies having reported first-quarter results, fears of an earnings recession have been alleviated for now.

More specifically, in early April analysts expected first-quarter earnings to decline 2.5%. Thus far, S&P 500 blended earnings are actually up 0.7%, and average earnings surprises are beating analysts' estimates by 6.9%, twice the normal percentage beat and the best since 2009, according to Refinitiv data cited by CNBC.

Simply put, corporate profits have proven to be healthier than most investors expected, driving the S&P 500 to a new all-time high. Analysts now expect mid-single-digit earnings growth in 2019, and a similar pace of dividend growth seems likely.

The bad news is stock valuations continue to stretch as price gains outpace earnings growth. The S&P 500 now trades at a forward P/E ratio just above 17, higher than its long-term average near 15 and well above the sub-14 multiple it fetched briefly in late December 2018, according to data from FactSet.

Even if you are only investing for the income, no one wants to invest at a record high, only to experience a large drawdown in the

In This Issue

Portfolio Updates

Idea Generation

Resources

- Our Best Dividend Articles
- Dividend Safety Scores

Quote of the Month

"We continue to make more money when snoring than when active."
– Warren Buffett

months that follow. If you are already fully invested, it's tempting to consider exiting the market in anticipation of an inevitable pullback. And if you are just getting started building a portfolio, waiting for lower stock prices might seem sensible, too.

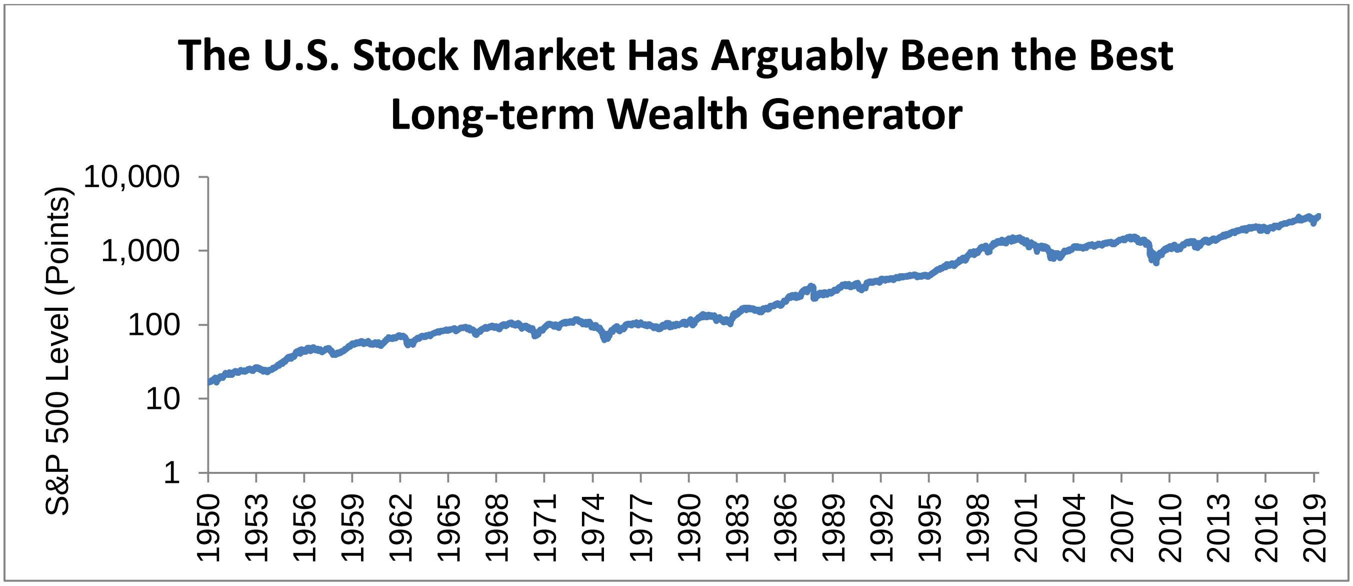
With the S&P 500 hitting a new record high last month, I wanted to revisit some (updated) research I first shared in March 2018. I analyzed the S&P 500's historical levels since 1950, recording each time the stock market fell at least 10% from a past all-time high. I noted how big the slump was (the "Price Decline" column below) and how long the downturn lasted until the market had recovered back to its previous all-time high (the "Peak-to-Trough-to-Recovery Total Days" column on the far right).

Since 1950 I observed 26 corrections (10%+ declines) from the S&P 500's past all-time highs, including 11 bear markets (20+% declines). You can see that each correction had its own flavor.

Peak Date	S&P 500 (Points)	Trough Date	S&P 500 (Points)	Price Decline	Recovery Date	Peak-to-Trough-to-Recovery Total Days
6/12/1950	19	7/17/1950	17	-14%	9/22/1950	102
1/5/1953	27	9/14/1953	23	-15%	3/11/1954	430
9/23/1955	46	10/11/1955	41	-11%	11/14/1955	52
3/20/1956	49	5/28/1956	44	-10%	7/16/1956	118
8/2/1956	50	10/22/1957	39	-21%	9/24/1958	783
8/3/1959	61	9/28/1960	52	-14%	1/27/1961	543
12/12/1961	73	6/26/1962	52	-28%	9/3/1963	630
5/13/1965	90	6/28/1965	82	-10%	9/27/1965	137
2/9/1966	94	10/7/1966	73	-22%	5/4/1967	449
9/25/1967	98	3/5/1968	88	-10%	4/29/1968	217
11/29/1968	108	5/26/1970	69	-36%	3/6/1972	1,193 (3.3 years)
1/11/1973	120	10/3/1974	62	-48%	7/17/1980	2,744 (7.5 years)
11/28/1980	141	8/12/1982	102	-27%	11/3/1982	705
10/10/1983	173	7/24/1984	148	-14%	1/21/1985	469
8/25/1987	337	12/4/1987	224	-34%	7/26/1989	701
10/9/1989	360	1/30/1990	323	-10%	5/29/1990	232
7/16/1990	369	10/11/1990	295	-20%	2/13/1991	212
2/18/1997	816	4/11/1997	738	-10%	5/5/1997	76
10/7/1997	983	10/27/1997	877	-11%	12/5/1997	59
7/17/1998	1,187	8/31/1998	957	-19%	11/23/1998	129
7/16/1999	1,419	10/15/1999	1,247	-12%	11/16/1999	123
3/24/2000	1,527	10/9/2002	777	-49%	5/30/2007	2,623 (7.2 years)
10/9/2007	1,565	3/9/2009	667	-57%	3/28/2013	1,997 (5.5 years)
5/21/2015	2,131	2/11/2016	1,829	-14%	7/11/2016	417
1/26/2018	2,873	4/2/2018	2,554	-11%	8/24/2018	210
9/20/2018	2,931	12/24/2018	2,351	-20%	4/23/2019	215

A primary goal in retirement is to reduce risk and protect capital, which means minimizing the probability of incurring a permanent loss. From that perspective, the table above has some alarming figures. Most notably, the four most severe bear markets that occurred from past all-time highs had drawdowns between 36% and 57% and lasted between 3.3 years and 7.5 years before a full price recovery was achieved.

The market's short-term performance is completely unpredictable, and you do not want to be a forced seller at the bottom of a down market. However, don't miss the forest for the trees. Since the start of 1950, the S&P 500 has increased from 17 points to over 2,900, representing total price appreciation of 17,588%. That's equivalent to a 7.8% annual return just from capital gains.



American businesses have always bounced back from any downturn, emerging stronger and becoming more valuable in the long run. The chart above demonstrates why many investors like the saying, "Time in the market matters more than timing the market."

When you think about the market's last 69 years of performance and all of the record highs achieved along the way, it's remarkable that only 26 corrections or bear markets from those highs have occurred. That's about an average of one correction every two to three years

That frequency is also why it's so difficult for anyone to accurately call and capitalize on short-term corrections – they don't happen often, and they usually don't last for long when they do.

For example, the two corrections from all-time highs we experienced in 2018 each lasted 7 months until a new high was achieved. Across all 26 corrections since 1950, the market's average price decline was 21%, and it took about 1.6 years for prices to fully recover.

Within reason, you can hold as much cash as you need to sleep soundly at night, even in the event of a bear market. Since the average correction has historically resolved itself within two years, if it helps you stay the course you could consider holding enough cash to cover the difference between your guaranteed income sources (Social Security, pension payments, government bond interest, etc.) and living expenses for a year or two. Relying on dividends rather than having to sell significant amounts of shares to make ends meet helps, too.

Regardless of your situation, you must respect the market's inherent short-term volatility. Analysts' estimates calling for mid-single-digit earnings growth this year could be completely off the mark, and we could instead enter a recession. Or perhaps global growth will accelerate and surprise to the upside, driving stocks even higher. No one knows.

When I started our three portfolios in June 2015, the S&P 500 traded at a forward P/E ratio of 17, roughly in line with its multiple today. At the time, concerns abounded over an extended stock market, stretched valuations, and a sluggish global economy. That fall I even wrote that with "near-term compounding prospects appearing below-average" I would continue to "approach the market with caution."

The S&P 500 has returned over 50% since then, and each of our portfolios has delivered a cumulative total return between 57% and 69% since inception. If you insist on timing the market, don't get your advice from me!

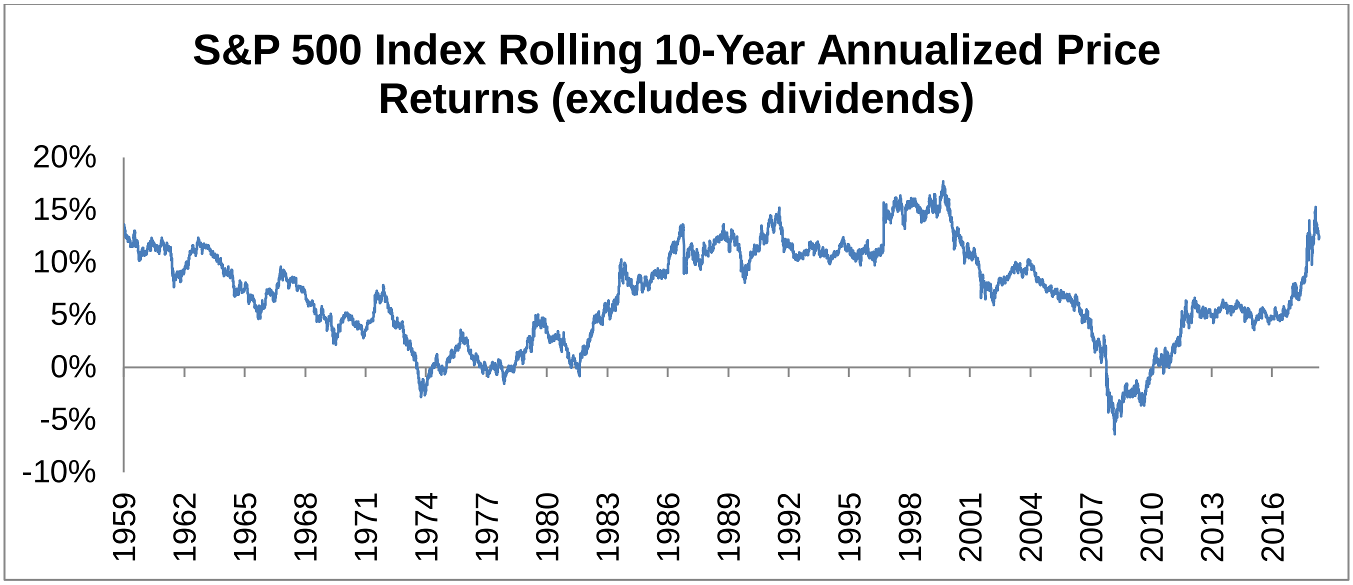
Fortunately, my general feeling of cautiousness didn't mean I was going to a heavy cash position or planning to wait on the sideline until valuations seemingly became more favorable. Instead, I kept our focus on conservatively run businesses that had solid balance sheets, maintained safe dividends, and produced consistently strong levels of cash flow. These are investments I hope to hold forever, regardless of market cycles.

With that said, as author Ian Fleming succinctly stated in one of his James Bond novels, nothing is forever. Most folks thinking about retirement don't have decades of time on their side to let their stock investments grow through the market's unpleasant bumps along the way.

The chart on the next page plots the S&P 500's trailing 10-year annualized price return from 1950 through the end of April 2019. In other words, the chart shows how much the S&P 500's price increased per year over the 10 years ending on each date along the horizontal access.

After crunching the numbers, since 1950 the S&P 500's average annual price return over these 10-year rolling windows was 7.0%. Importantly, the S&P 500's price declined in only 8% of these rolling periods.

In other words, if you invested with a blindfold in the S&P 500 at *any* point in time over the last 69 years and held your position for 10 years before selling, you had a 92% chance of getting all your capital back and then some, with expected average annual capital appreciation of 7%.



The longer you can hold your investments, the better your odds of avoiding losses. In fact, over *any* 15-year rolling period since the late 1950s the S&P 500 has never recorded a loss. The market's worst 15-year annual return was 3.7% a year.

Of course, the price you pay will affect the long-term total returns you earn. However, if safe dividend income and wealth preservation are your primary concerns as a retired income investor, then whether you earn 4% a year or 10% a year over any long-term period may be less of an issue to dwell on.

Stocks don't look cheap today, but I continue to believe they remain the most attractive asset class for long-term compounding in light of today's low interest rates. The yield on the benchmark 10-year Treasury note sits at just 2.5%, for example.

While Treasurys are risk-free investments in the sense that you are guaranteed to get your capital back if you hold until maturity, their 2.5% annual return is barely ahead of inflation, the interest they pay is subject to federal income tax rates, and you won't achieve any income growth.

In other words, investing in a diversified basket of stocks for the long term can help ensure you don't outlive your nest egg. Low-risk bonds can provide stability during infrequent market corrections to help you stay the course, as can a dividend-focused investment approach.

Since World War II ended the S&P 500's average dividend reduction during recessions was about 2%. That compares to an average peak stock market decline of 32%. In other words, with a focus on safety and high quality businesses, investing in dividend-paying stocks can help generate retirement income that's detached from volatile stock prices. You can learn more about the performance of dividends during recessions in our article here.

By now, hopefully you understand the importance of making a long-term commitment when you decide to invest in the stock market. The bottom line is that you need to figure out how much money you can comfortably invest in stocks for the long term (5-10+ years). If your holding period is fairly long, there is little reason to worry about inevitable corrections or buying stocks near the market's short-term top. Staying the course and maximizing your time in the market are the most important factors.

Understanding your unique financial situation, long-term goals, and risk tolerance is really the only way to answer questions about how to position your portfolio's mix of stocks, bonds, and cash; it depends on the individual. Once you have figured out how much money you are comfortable leaving invested and untouched for the long term, your nest egg's positioning probably shouldn't change at all in anticipation of any type of future market movement.

This article we wrote can help you think through the right asset allocation mix, especially if you are worried about bear markets and recessions:

- How to Prepare Your Retirement Portfolio for a Recession

As we've seen several times throughout history, it is certainly possible for the stock market to drop upwards of 50% and potentially take several or more years to recover back to a new all-time high.

If that were to occur, would you be able to remain fully invested throughout the multiyear downturn? How much volatility can you realistically stomach? How much income do you need, and how reliable are your current income sources?

With the market remaining strong, now is as good of a time as any to step back, review your financial needs, reassess your asset allocation, and ensure your investments remain aligned with your risk tolerance.

Portfolio Performance

The S&P 500 Index (SPY) continued its strong rally in April, driven by strength in cyclical sectors. Given our focus on higher quality, more defensive businesses, I usually expect our portfolios to underperform in such conditions, and that played out last month. However, I don't place any weight on short-term performance, and neither should you.

Since inception in June 2015, each of our portfolios has outperformed the S&P 500 and its dividend benchmark. The annualized returns of our portfolios remain unusually strong, ranging from 12.4% to 14.4%, but this rate won't continue over the long term. The market's average annual return over most long-term periods has been below 10%, and today's relatively high valuations suggest returns over the coming years will be lower compared to recent history.

While I don't expect our performance to deviate all that much from the market's over time, I do expect to generate safer and faster-growing dividend income with less volatility. Here is each portfolio's total return performance in April, year-to-date (YTD), over the trailing 12-month period (1 Year), and annualized since inception. Returns for the S&P 500 and relevant dividend ETFs are provided for comparison purposes.

				As of 4/30/2019	
				Annualized	
	Inception Date	**April 2019**	**YTD**	**1 Year**	**Since Inception**
Top 20 Dividend Stocks Portfolio	**6/12/2015**	**1.94%**	**14.67%**	**14.59%**	**14.20%**
S&P 500 Index (SPY)		4.07%	18.09%	13.26%	11.28%
Schwab U.S. Dividend Equity ETF (SCHD)		3.21%	15.67%	14.74%	11.63%
Conservative Retirees Portfolio	**6/17/2015**	**1.10%**	**14.55%**	**19.75%**	**12.40%**
S&P 500 Index (SPY)		4.07%	18.09%	13.26%	11.24%
S&P 500 High Dividend Low Volatility ETF (SPHD)		0.80%	13.16%	12.20%	11.56%
Long-term Dividend Growth Portfolio	**6/9/2015**	**1.57%**	**14.54%**	**10.74%**	**14.39%**
S&P 500 Index (SPY)		4.07%	13.47%	13.26%	11.46%
Vanguard Dividend Appreciation ETF (VIG)		3.72%	10.13%	15.96%	11.95%

Additional performance information for the portfolios, including their dividend growth track records, can be found in each portfolio's section of this newsletter.

The amount of risk taken to achieve a certain return is equally important. Standard deviation is a common measure of risk used by investors. It measures the historical volatility of a portfolio or investment. Lower volatility indicates that an investment's return fluctuates less.

The following table shows the monthly volatility of our portfolios compared to the S&P 500's volatility. Our Top 20 and Conservative Retirees portfolios have been less volatile than the broader market since inception by approximately 15% and 22%, respectively.

Assuming this trend continues, these portfolios will likely do a better job than the broader stock market of preserving capital during market corrections.

Our Long-term Dividend Growth portfolio has been somewhat more volatile than the market, reflecting its focus on smaller companies with higher long-term earnings growth potential.

	Monthly Standard Deviation (Since June 2015 Inception)		
Monthly Volatility	**Top 20**	**Retirees**	**Growth**
Portfolio	2.94%	2.70%	3.67%
S&P 500	3.44%	3.44%	3.43%
% Difference	-14.53%	-21.51%	7.00%

Dividend Events

Exxon Mobil (+6.1%), **Johnson & Johnson** (+5.6%), **Procter & Gamble** (+4.0%), and **Parker Hannifin** (+15.8%) announced new dividend increases during the last month. Since inception in June 2015, we have recorded 285 total dividend increases across our three portfolios and avoided dividend cuts.

	Dividend Events Since Inception		
	Top 20	**Retirees**	**Growth**
Increases	82	107	96
Cuts	0	0	0
Trailing 12 Month Dividend Growth	8.1%	10.1%	13.5%

Portfolio Actions

No trades were made in April, and none are planned for May. However, please note that **PPL Corp** (PPL), a regulated utility company held in our Conservative Retirees portfolio, remains under review for potential sale in the coming months (learn more in our thesis here).

I am currently evaluating replacement ideas. As always, I will send out an email if I am considering making any trades between newsletter editions.

Timely Holdings to Consider

Due to the market's continued strength, few of our holdings trade at compelling valuations today. However, a handful of companies from each portfolio below appear to offer interesting valuation and fundamental timeliness. These are stocks we hold that investors can review as potential buying opportunities.

If you decide to mirror a portfolio, our recommendation would be to invest equally across all holdings. This provides immediate diversification. Some holdings may appear undervalued or overvalued, but overall we expect the portfolio to continue performing in line with its objectives.

Top 20 Dividend Stocks	**Dividend Safety Score**	**Forward P/E**	**Dividend Yield**	**5-Yr Annual Div Growth Rate**
Omnicom (OMC)	89	13.2	3.28%	13%
C.H. Robinson (CHRW)	90	16.6	2.40%	4%

Conservative Retirees	**Dividend Safety Score**	**Forward P/E**	**Dividend Yield**	**5-Yr Annual Div Growth Rate**
ExxonMobil (XOM)	86	16.0	4.50%	6%
AT&T (T)	55	8.5	6.66%	2%
United Parcel Service (UPS)	66	13.8	3.64%	8%
Pfizer (PFE)	79	14.3	3.51%	4%

LT Dividend Growth	**Dividend Safety Score**	**Forward P/E**	**Dividend Yield**	**5-Yr Annual Div Growth Rate**
A.O. Smith (AOS)	99	18.6	1.68%	26%
Medtronic (MDT)	99	16.8	2.24%	12%
C.H. Robinson (CHRW)	90	16.6	2.40%	4%

Thank you for your continued support of Simply Safe Dividends.

Sincerely,

Brian Bollinger, CPA
CEO, Simply Safe Dividends

Top 20 Dividend Stocks

Portfolio Update

Portfolio Statistics

Dividend Yield:	2.8%
Fwd P/E Ratio:	16.5
Beta:	1.12
Dividend Safety:	84
Dividend Growth:	55
1-yr Sales Growth:	4.4%
1-yr EPS Growth:	5.0%

Performance Update

4/30/19	Apr	All
Portfolio	1.9%	67.5%
S&P 500	4.1%	51.5%
SCHD	3.2%	53.3%

Dividend Increases:	82
Dividend Decreases:	0

Portfolio Objective
Perform as well as the S&P 500 over the long term with safer income and less volatility than the market.

Return Drivers
Total return is expected to be composed of:

2.5% - 3.5% dividend yield
7% - 9% earnings growth

Investment Philosophy
We invest in companies with enduring competitive advantages, shareholder-aligned management, and large markets that provide opportunity for long-term growth. Our holdings offer a blend of current income and income growth and are accumulated when they appear underpriced.

Portfolio Turnover
When we initiate a new position, we expect to hold it for at least 3-5 years. We only sell if fundamentals structurally change or the valuation reaches excessive levels.

Performance Update

Our Top 20 Dividend Stocks portfolio gained 1.9% in April, trailing the S&P 500's 4.1% jump and also lagging Schwab's Dividend ETF, which gained 3.2%.

Since inception in June 2015 the portfolio has returned 67.5% and remains ahead of the S&P 500 (51.5%) and Schwab's Dividend ETF (53.3%). During this time, the portfolio's monthly returns have also recorded about 15% less volatility than the market's.

Our top stocks in April were **Broadridge** (+14%), **Omnicom** (+10%), and **Accenture** (+5%).

Broadridge last reported earnings on February 7. Technology was the second-best performing sector last month, helping lift Broadridge after the stock had sold off in late 2018.

Omnicom reported earnings on April 16, beating expectations. Organic sales grew 2.5%, including 2% growth in North America. Operating margin also increased 80 basis points. Omnicom continues working to show investors it can keep up with changes caused by digital advertising, which it appears to be doing thus far.

Accenture last reported solid earnings on March 28. Organic revenue grew 9%, margins ticked higher, and adjusted EPS rose 9%. Digital, cloud, and security services account for more than 60% of revenue and continue recording strong double-digit growth.

Our weakest stocks in April were **3M** (-9%), **C.H. Robinson** (-7%), and **Altria** (-5%).

3M reported disappointing earnings on April 25, sending its stock down more than 13% for its largest single-day loss since 1987. Organic sales fell 1.1%, driven by weakness in China and automotive and electronics markets. Management lowered guidance and announced a new restructuring plan, causing investors to wonder if 3M still deserves its valuation premium. The diversified company remains a long-term hold.

C.H. Robinson reported solid earnings on April 30, but the stock fell over 5% days earlier following a report that Amazon launched a truck brokerage platform with prices that undercut the market. We think this is more noise than news given the large and fragmented market.

Altria remains volatile as investors try to assess the future of the tobacco and vaping industries. The company reported earnings on April 25. While management reaffirmed full-year guidance calling for 4-7% adjusted EPS growth, investors were spooked by the 7% drop in cigarette shipment volume. Altria has a number of advantages – scale, distribution, strong brands, regulatory relationships – that position it to adapt. However, the regulatory situation and tobacco market remain dynamic. We will continue to take a "wait and see" approach as we hold our MO position.

Dividend Events
None of our holdings announced dividend increases during the last month. Our portfolio has recorded 82 dividend increases since inception in June 2015 and has not experienced any dividend cuts.

Stocks to Consider Buying
Most of our holdings have rallied along with the broader market, reducing the number of stocks with appealing valuations and timely fundamentals. The stocks that look the most interesting to me today are: Omnicom (OMC) and C.H. Robinson (CHRW).

Omnicom (OMC): Omnicom is one of the largest providers of advertising and marketing communication services. The company holds more than 1,500 advertising agencies that specialize in over 30 marketing disciplines. A full-service agency provides numerous services, including designing ad campaigns, making the actual ads, determining where the ads should be placed and distributed, media buying, accounting management, public relations, consulting, and more.

Competitive Advantages
As one of the biggest agency networks in the world, Omnicom gains several advantages over smaller rivals. It can act as a one-stop shop for clients because it offers a much wider breadth of services and operates around the world. Clients prefer work with a small number of agencies to save on costs, and many of the relationships Omnicom has span multiple decades. There are also only a few other large agency networks and many of them have relationships with clients' competitors, raising switching costs for existing clients. Our full investment thesis on Omnicom is available here.

Dividend Review
Dividend Safety Score: 89 5-Year Dividend Growth Rate: 13% per year Dividend Yield: 3.28%

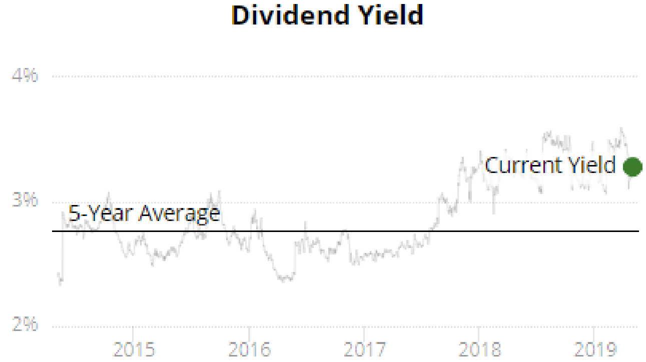
Omnicom has paid uninterrupted dividends since its founding in 1986 and boosted its dividend each year since 2010. Management announced an 8.3% dividend increase in February 2019, and the dividend has plenty of room for continued growth given Omnicom's 45% payout ratio, healthy balance sheet, and consistent earnings growth.

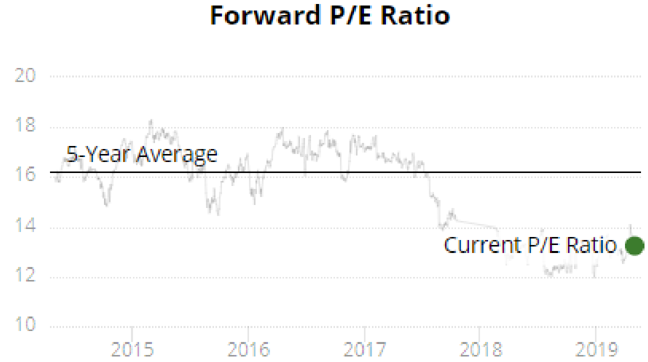
Recent News
Omnicom reported earnings on April 16 that beat expectations. The firm's organic revenue grew at a healthy pace of 2.5% (including continued positive growth of 2% in its core U.S. market), and margins expanded 80 basis points. The company is performing well, fueled in large part by solid net new business gains recorded last year.

Despite continued company-wide growth, investors have remained skeptical of global ad agencies. Many large brands (i.e. ad agency customers), especially in the consumer staples sector, are facing growth headwinds as consumer behaviors evolve. The continued rise of digital technology (i.e. marketers trying to become more efficient with their spending, advertisers trying to reach customers more directly) and potentially growing threats from Google, Facebook, Amazon, Accenture, and other technology and consulting companies are causing concern as well.

In an increasingly tech-driven world, I believe advertising firms will remain important for clients facing disruption to their business models. Omnicom continues delivering solid results and appears to be trading at an attractive valuation with safe dividend. I plan to continue holding the stock for the long term.

Valuation
OMC's forward P/E ratio was 13.2 and its dividend yield was 3.28% as of 5/2/19.





C.H. Robinson (CHRW): Founded in 1905, C.H. Robinson has been in business for nearly 120 years and is one of the biggest third party logistics companies in the world. The business essentially acts as a middleman in the transportation industry, helping connect companies that need to ship goods with cost-effective transportation providers that have capacity available via trucks, railroads, airlines, and ships. C.H. Robinson doesn't own any hard transportation assets and is a service company that creates transportation and supply chain advantages for its customers.

The company has over 120,000 customers and maintains relationships with more than 75,000 carriers and suppliers, who it purchases shipping capacity from on behalf of its customers. Key end markets include manufacturing, food and beverage, chemical, retail, automotive, paper, and electronics. Trucking generates close to 70% of the company's overall revenue, with the remainder from air and ocean freight forwarding, intermodal, and produce sourcing operations.

Competitive Advantages
Many of C.H. Robinson's advantages come from its scale – the company generates more revenue than top rivals TQL, XPO Logistics, and Echo combined. If you were a retailer that needed to cost-effectively ship goods across the country, you would want to use a broker that had access to the greatest number of shipping routes and carriers. If you were a transportation company, you would want to work with a broker that had access to the greatest number of potential customers in need of your shipping services.

Connecting a global supply chain with hundreds of thousands of participants and even more variables is very difficult, but C.H. Robinson has the necessary relationships, technology, and employees to get the job done efficiently for customers. With less than 3% share of the overall market in each of the areas it competes in, the company appears to have a solid runway for long-term growth as it consolidates the market. Our full investment thesis on C.H. Robinson can be seen here.

Dividend Review
Dividend Safety Score: 90 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 2.40%

C.H. Robinson's dividend looks very safe. The company has raised its dividend each year since becoming a publicly-traded company in 1997. Its current payout ratio sits near 40%, and this is an especially healthy level because the company's cost structure is mostly variable (it owns few hard assets).

For example, C.H. Robinson grew its earnings during the financial crisis and continued generating strong free cash flow despite a 12% drop in revenue. The business has consistently earned a high return on invested capital near 30% and maintains a very healthy balance sheet as well.

C.H. Robinson's dividend has increased by 19% per year over the last two decades, although growth has slowed in recent years. With the company's payout ratio sitting near its target level (40-45%), future dividend growth will likely follow earnings growth, which is expected to remain near 10% annually.

Recent News

C.H. Robinson reported solid earnings on April 30. Net revenues increased 8.4%, operating margin improved 250 basis points to 33.1%, operating income grew 17.2%, and cash flow from operations rose 28.1%. Management continues to expect market share gains in 2019 and beyond while improving margins and recording double-digit EPS growth over the long term.

However, C.H. Robinson shares fell nearly 8% in late April following a report that Amazon launched a truck brokerage platform with prices that significantly undercut the market. However, Amazon later told the industry trade publication which published the report that it is not undercutting market prices.

Either way, investors worried that Amazon might be willing to do business for little to no profit in this space as it builds out its own logistics network to enable future capabilities like one-day delivery for Prime members.

I believe this is more noise than news, for several reasons. First the markets C.H. Robinson competes in are extremely large and fragmented. Despite being the largest freight broker in North America, the company is no more than 3% of the overall market in any one of the spaces it competes in (truckload, ocean, air, less than truckload, etc.).

The U.S. third-party logistics brokerage market is also forecast to grow 10% annually between 2018 and 2022. While C.H. Robinson delivers an average of over three services to each of its top 500 clients, the business appears to have plenty of opportunities to continue expanding its services and market share, almost across the board.

Finally, the company's lengthy track record means it deserves some benefit of the doubt. The company's COO Bob Biesterfeld made the following remarks on Robinson's April 30th earnings call:

"If I look back over the past 20 years of my tenure here at Robinson, we have really seen several instances of disruption in our competitive landscape. And really with each instance of disruption in our history, the bear case on Robinson has always been that these new entrants, who are going to disintermediate our model and drive margins down or to zero.

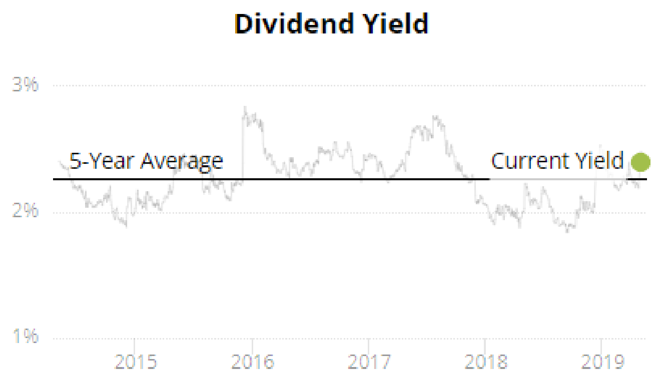
And so through each of these phases we have stayed true to one of our core values, which is evolving constantly and managing our business for long-term value creation.

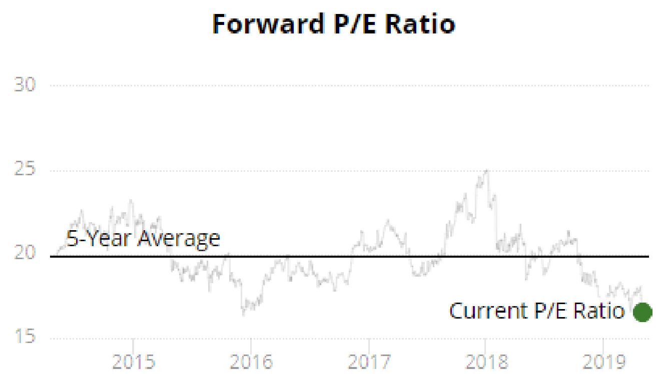
But in the early 2000s, it was the advent of the Internet. The arrival of the load board that was going to bring price and cost transparency and disintermediate brokerage. In the mid 2000s, we had upstart 3PLs actively pricing freight below market rates in order to take share with large shippers, either in order to sell or to go public.

We have seen roll-up strategies launched, fueled by a near zero cost of capital targeted directly at disintermediating Robinson. And recently, we have got numerous of these tech start or tech first brokerages promising low or no margins, reducing friction and improving efficiency. And these have really been high on the hype curve as we have seen, again fueled by what seems to be an endless source of private equity.

But through this whole long range cycle what Robinson has done is maintain our margins relatively consistent. We have increased our share of the market. We have diversified our business and we have increased our return to shareholders."

<u>Valuation</u>
CHRW's forward P/E ratio was 16.6 and its dividend yield was 2.40% as of 5/2/19.





Stocks to Consider Selling
None.

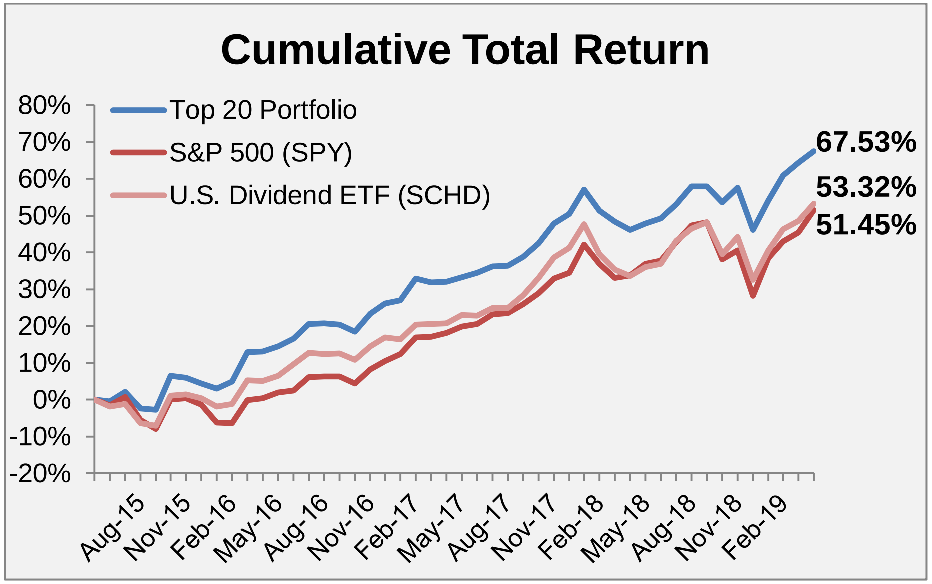
Top 20 Dividend Stocks – Portfolio Actions

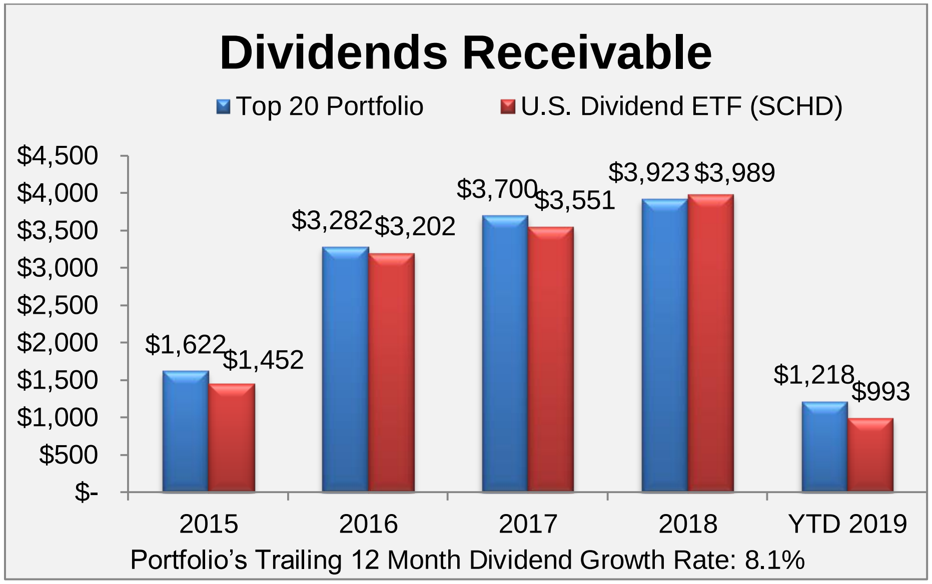
Data as of 5/2/19

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Market Value	Total Return	S&P 500 Return	Relative Return
Possible Buying Opportunities														
OMC	Omnicom Group	13.2	3.28%	89	Low	06-24-15	70	3.3%	$70.94	$79.16	$5,541.20	24.7%	48.2%	-23.5%
CHRW	C.H. Robinson Worldwide	16.6	2.40%	90	Low	09-06-16	88	4.4%	$70.58	$83.42	$7,340.96	21.8%	40.4%	-18.6%
Long-term Holds														
VZ	Verizon Communications	12.0	4.23%	84	Very Low	06-30-15	107	3.7%	$46.61	$56.99	$6,097.93	42.6%	51.5%	-8.9%
AMT	American Tower Corporation (REIT	24.8	1.87%	74	Low	04-03-17	55	6.4%	$120.49	$192.80	$10,604.00	66.7%	29.2%	37.5%
PEP	PepsiCo	22.6	2.93%	94	Low	07-10-15	52	4.0%	$95.55	$126.83	$6,595.16	46.6%	50.3%	-3.7%
ACN	Accenture plc	24.1	1.63%	92	High	07-06-15	52	5.6%	$97.31	$179.39	$9,328.28	98.1%	50.9%	47.2%
MMM	3M Company	19.1	3.12%	86	Average	07-24-15	34	3.8%	$149.33	$184.75	$6,281.50	39.0%	50.0%	-11.0%
WFC	Wells Fargo & Company	10.1	3.73%	69	Average	02-29-16	105	3.1%	$46.92	$48.30	$5,071.50	13.3%	60.0%	-46.7%
GM	General Motors Company	5.7	3.97%	64	High	07-21-15	164	3.8%	$30.39	$38.25	$6,273.00	46.8%	47.3%	-0.5%
KMB	Kimberly-Clark Corporation	18.9	3.24%	86	Low	11-07-16	55	4.2%	$113.34	$127.26	$6,999.30	21.3%	43.8%	-22.5%
D	Dominion Energy	18.3	4.77%	75	Very Low	11-07-17	61	2.8%	$80.63	$76.98	$4,695.78	1.9%	16.6%	-14.8%
BA	Boeing Company	21.6	2.19%	99	High	07-10-15	22	5.0%	$144.48	$375.80	$8,267.60	175.8%	50.3%	125.4%
CMI	Cummins	10.7	2.75%	96	High	07-09-15	39	3.9%	$127.77	$166.11	$6,478.10	42.5%	52.2%	-9.8%
EMR	Emerson Electric Co.	19.0	2.80%	82	High	08-04-15	100	4.2%	$49.62	$70.10	$7,010.00	57.5%	49.0%	8.6%
CSCO	Cisco Systems	17.1	2.55%	89	High	06-06-16	214	7.1%	$29.15	$54.94	$11,757.16	104.7%	46.0%	58.6%
CB	Chubb Limited	13.4	2.02%	94	Average	06-26-15	48	4.2%	$103.47	$144.33	$6,927.84	51.2%	48.7%	2.5%
ADP	Automatic Data Processing	27.0	1.99%	96	High	06-29-15	61	5.8%	$80.91	$158.42	$9,663.62	114.4%	51.9%	62.6%
BR	Broadridge Financial Solutions	24.3	1.66%	75	Average	06-22-15	95	6.7%	$52.65	$117.00	$11,115.00	134.7%	47.2%	87.5%
MO	Altria Group	12.3	6.02%	65	Low	07-15-15	99	3.2%	$51.23	$53.17	$5,263.83	25.2%	48.1%	-22.9%
ED	Consolidated Edison	19.5	3.48%	92	Very Low	07-02-15	84	4.3%	$59.14	$85.16	$7,153.44	63.2%	50.5%	12.7%
Cash (Includes Dividends Receivable)								10.5%			$17,355.03			
Portfolio Total		**16.5**	**2.82%**	**84**	**High**			**69%**			**$165,820**	**65.8%**	**51.5%**	**14.4%**

How to Use the Table: Stocks in the "Possible Buying Opportunities" list appear to have relatively attractive valuations and/or more timely fundamental momentum. As such, they could prove to be the best available investment opportunities to put new cash to work in. Stocks in the "Long-term Holds" list are still expected to be solid long-term holdings, but they do not appear to have as attractive valuations or fundamental momentum at the moment, suggesting there might be a better opportunity in the future to add more.

Top 20 Dividend Stocks – Performance and Dividend Income





Monthly Return	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019
Portfolio	3.28%	-0.01%	-2.78%	2.54%	-7.26%	5.54%	4.37%	2.11%	1.94%
S&P 500	3.19%	0.55%	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%
SCHD ETF	2.29%	1.25%	-5.91%	3.37%	-8.11%	6.05%	4.06%	1.56%	3.21%
Portfolio Value	$158,052.26	$158,033.41	$153,637.46	$157,533.59	$146,094.99	$154,195.00	$160,940.58	$164,335.96	$167,531.20

Since Inception

Cumulative	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019
Portfolio	58.05%	58.03%	53.64%	57.53%	46.09%	54.19%	60.94%	64.34%	67.53%
S&P 500	47.41%	48.21%	38.09%	40.67%	28.25%	38.46%	42.95%	45.53%	51.45%
SCHD ETF	46.48%	48.30%	39.55%	44.25%	32.55%	40.57%	46.27%	48.55%	53.32%

Annualized	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019
Portfolio	15.27%	14.88%	13.51%	13.99%	11.25%	12.63%	13.65%	13.98%	14.20%
S&P 500	12.80%	12.67%	9.99%	10.33%	7.25%	9.35%	10.09%	10.39%	11.28%
SCHD ETF	12.58%	12.69%	10.33%	11.13%	8.25%	9.80%	10.77%	10.98%	11.63%

Top 20 Dividend Stocks – Payment Schedule

Data as of 5/2/19

Ticker	Dividend Yield	EPS Payout Ratio	Dividend Amount $	Payment Cycle	Next Ex-Div Date	Next Pay Date	1-Yr Div Growth	5-Yr Div CAGR	10-Yr Div CAGR
ACN	1.6%	41%	1.46	May, Nov	Early Oct	Mid Nov	10%	10%	19%
ADP	2.0%	56%	0.79	Jan, Apr, Jul, Oct	06-13-19	07-01-19	21%	10%	9%
AMT	1.9%	39%	0.90	Jan, Apr, Jul, Oct	Mid July	Late July	20%	23%	N/A
BA	2.2%	46%	2.06	Mar, Jun, Sept, Dec	Mid May	Early June	20%	23%	17%
BR	1.7%	40%	0.49	Jan, Apr, Jul, Oct	Mid June	Early July	33%	18%	21%
CB	2.0%	31%	0.73	Jan, Apr, Jul, Oct	Late June	Mid July	3%	6%	10%
CHRW	2.4%	40%	0.50	Mar, Jun, Sept, Dec	Late May	Late June	4%	6%	8%
CMI	2.7%	34%	1.14	Mar, Jun, Sept, Dec	Late May	Early June	5%	15%	22%
CSCO	2.5%	46%	0.35	Jan, Apr, Jul, Oct	Early July	Late July	13%	15%	N/A
ED	3.5%	66%	0.74	Mar, Jun, Sept, Dec	05-14-19	06-17-19	4%	3%	2%
EMR	2.8%	59%	0.49	Mar, Jun, Sept, Dec	Mid May	Mid June	1%	3%	4%
D	4.8%	83%	0.92	Mar, Jun, Sept, Dec	Late May	Mid June	10%	8%	8%
GM	4.0%	23%	0.38	Mar, Jun, Sept, Dec	Early June	Late June	0%	N/A	25%
KMB	3.2%	61%	1.03	Jan, Apr, Jul, Oct	Early June	Early July	3%	4%	6%
MMM	3.1%	57%	1.44	Mar, Jun, Sept, Dec	Mid May	Mid June	6%	11%	11%
MO	6.0%	79%	0.80	Jan, Apr, Jul, Oct	Late June	Late July	18%	10%	6%
OMC	3.3%	42%	0.65	Jan, Apr, Jul, Oct	Early June	Mid July	8%	6%	16%
PEP	2.9%	66%	0.93	Mar, Jun, Sept, Dec	Late May	Late June	13%	10%	8%
VZ	4.2%	77%	0.60	Feb, May, Aug, Nov	Mid July	Early Aug	2%	3%	3%
WFC	3.7%	36%	0.45	Mar, Jun, Sept, Dec	05-09-19	06-01-19	10%	6%	14%
Average	2.8%	51%					10%	9%	12%

How to Use the Table

The "Payment Schedule" table displays the dividend information you need to know about each holding.

Dividend Yield: the company's indicated annual dividend divided by its stock price.
EPS Payout Ratio: the percentage of GAAP earnings paid out as a dividend over the last 12 months.
FCF Payout Ratio: the percentage of free cash flow paid out as a dividend over the last 12 months.
Dividend Amount: the dollar per share amount of dividends paid out at each pay period.
Payment Cycle: the months the dividend is paid out. Useful for creating monthly income streams.
Next Ex-Div Date: to receive the next dividend payment, you need to own shares before this date.
Next Pay Date: the date at which the dividend amount is actually distributed to shareholders.

Conservative Retirees

Portfolio Update

Portfolio Statistics

Dividend Yield:	3.4%
Fwd P/E Ratio:	17.3
Beta:	0.65
Dividend Safety:	80
Dividend Growth:	36
1-yr Sales Growth:	4.4%
1-yr EPS Growth:	12.0%

Performance Update

4/30/19	Apr	All
Portfolio	1.1%	57.2%
S&P 500	4.1%	51.0%
SPHD	0.8%	53.0%

Dividend Increases:	107
Dividend Decreases:	0

Portfolio Objective
Preserve capital and deliver a safe dividend yield above the market's average. Moderate dividend growth and outperformance in bear markets is expected.

Return Drivers
Total return is expected to be composed of:

3.5% - 4.5% dividend yield
4% - 6% earnings growth

Investment Philosophy
We invest in established, high quality companies with shareholder-oriented management teams. Each business has exhibited a strong commitment to its dividend and operates in stable, mature markets.

Portfolio Turnover
When we initiate a new position, we expect to hold it for at least 3-5 years. We only sell if fundamentals structurally change or valuation reaches excessive levels.

Performance Update

Our Conservative Retirees portfolio gained 1.1% in March, trailing the S&P 500's strong 4.1% return but edging out the S&P 500 High Dividend Low Volatility ETF, which gained 0.8%.

Since inception in June 2015, our portfolio has returned 57.2%, outperforming the S&P 500 (51.0%) and our ETF benchmark (53.0%). Importantly, our return has been delivered while recording 22% less volatility than the broader market on a monthly basis.

We have also avoided all dividend cuts while recording over 100 dividend increases. Steadier returns make it easier to stay the course through turbulent times.

Our best performers in April were **Sysco** (+6%), **Paychex** (+5%), and **General Motors** (+5%).

No new news was out on **Sysco**. The food distributor next reports earnings on May 6. Sysco's last report showed 2.5% sales growth and a 2.7% increase in gross profit. The defensive stock remains a long-term hold as it continues consolidating the industry.

Paychex last reported earnings on March 27. Organic revenue grew 7%, and adjusted EPS rose 3%. The company's human capital management product lines continue enjoying solid growth, especially with the labor market remaining strong.

General Motors reported earnings on April 30, but the stock previously rallied higher after Ford delivered better than expected results. GM's operating profit slipped 11% due to weakness in China, but management reiterated the firm's full-year guidance. Savings from restructuring efforts are expected to ramp up later this year. GM is a cyclical stock but remains in good health with safe dividend and intriguing technologies as it prepares for the future of auto.

Our worst performing stocks in April were **Intel** (-5%), **UPS** (-5%), and **Pfizer** (-4%).

Intel slumped after reporting weak earnings on April 25. A "dramatic slowdown" in China and softer demand from cloud-computing companies caused management to slightly lower 2019 guidance. These seem like cyclical issues that will eventually fade away, so Intel remains a long-term hold.

UPS announced earnings on April 25. Profits fell due to disruptive winter weather, but management reiterated full-year guidance. UPS's long-term outlook appears to remain attractive.

Pfizer sold off with other healthcare stocks as investors worried about the prospects of a single-payer system. It's too soon to read much into that risk factor. Pfizer otherwise reported good earnings on April 30 that beat expectations. The firm's drug pipeline is showing good progress, and management maintained full-year revenue growth guidance.

Dividend Events
Three of our holdings increased their dividends during the last month. Our portfolio has recorded 107 dividend increases since inception in June 2015 and has not experienced any dividend cuts.

Exxon Mobil raised its dividend by 6.1%, marking its 37th consecutive annual increase. Exxon has paid dividends for more than 100 years.

Johnson and Johnson boosted its payout by 5.6%, its 57th straight year of higher dividends.

Procter & Gamble lifted its dividend by 4%. The consumer staples giant has increased its dividend for 63 consecutive years.

Stocks to Consider Buying
Most of our holdings have rallied along with the broader market, reducing the number of stocks with appealing valuations and timely fundamentals. Four holdings look interesting to me today: ExxonMobil (XOM), AT&T (T), United Parcel Service (UPS), and Pfizer (PFE).

Exxon Mobil (XOM): Exxon Mobil was founded in 1870 and is one of the world's oldest oil companies. It's also the world's largest publicly traded integrated oil conglomerate, with nearly 30,000 oil & gas wells on six continents. The company operates in three distinct business segments: upstream oil & gas production, downstream refining, and specialty chemicals.

Competitive Advantages
Exxon Mobil's greatest strengths are its scale, diversification, and conservative management team. If Exxon were its own nation, its total liquids production would have made it one of the world's 10 largest oil producers. Such scale helps Exxon achieve lower costs, which is essential in a commodity market. The company's integrated business model also provides some cash flow diversification, helping it ride out energy cycles with somewhat less volatility than most of its rivals. Exxon's management team has a long track record of excellent capital allocation, which has helped the company enjoy higher returns on capital than all of its major peers. Our investment thesis on Exxon Mobil can be seen here.

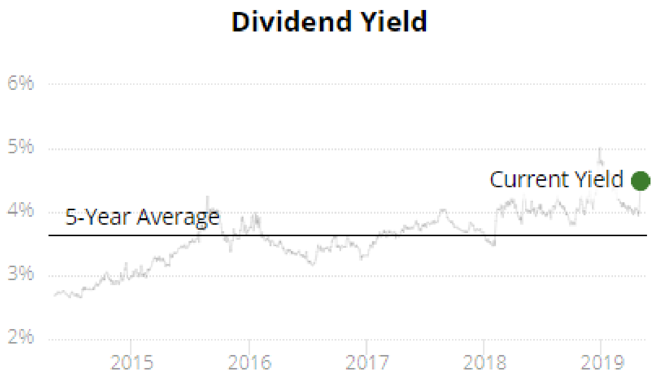
Dividend Review
Dividend Safety Score: 86 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 4.50%

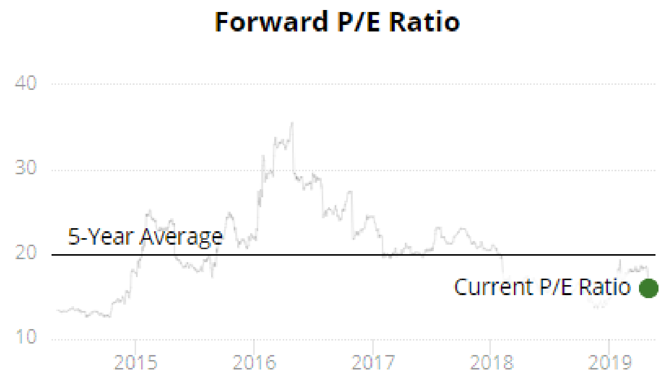
Exxon has paid an uninterrupted quarterly dividend since 1882 and has increased its payout for more than 30 consecutive years. While Exxon's dividend grew nearly 9% annually over the past decade, payout growth has slowed in recent years thanks to the crash in oil prices. With the price of oil recovering and stabilizing somewhat, the company announced a 6.1% dividend increase in April 2019. Exxon's cash flow is also more than covering its net investments and dividends. If energy prices remain depressed, Exxon will arguably be the last company still standing and paying dividends.

Recent News
Exxon reported earnings on April 26 and raised its dividend by 6.1%. Oil-equivalent production grew 5% as management invested heavily in the U.S. Permian basin. However, earnings fell due to challenging downstream and chemical margin environments. Overall, not much has changed. The company appears to be adapting well to an environment that has been characterized by significant commodity price volatility in recent years.

Valuation

XOM's forward P/E ratio was 16.0 and its dividend yield was 4.50% as of 5/2/19. While it's hard to make a compelling valuation case form any energy stocks if oil prices return below $50 or $60 a barrel, Exxon is one of the very few energy stocks I am comfortable owning in a diversified income portfolio, and its relatively high yield makes it a more compelling investment opportunity to consider today.





<u>AT&T (T):</u> AT&T is a telecom and media conglomerate that was founded in 1983. The company operates four business segments: Business Solutions (primarily wireless, voice, and data services sold to 3 million businesses), Entertainment (provides video entertainment to 47 million subscribers and internet to 16 million subscribers), Consumer Mobility (wireless services to over 159 million customers in U.S. and Mexico), and International (digital TV and wireless services throughout Latin America). If the $109 billion Time Warner acquisition closes, it would represent about 15% of company-wide sales and provide AT&T with unprecedented TV distribution, mobile distribution, and content.

Competitive Advantages

AT&T's competitive advantages are primarily driven by its scale and the capital intensity of the industry. For example, AT&T spent more than $150 billion between 2012 and 2018 on maintaining, upgrading, and expanding its networks, including over $20 billion in 2018 (about 13% of revenue). Few other companies can afford to compete with AT&T on a national scale. Only Verizon (VZ), T-Mobile, and to a lesser extent Sprint (S) have the resources to operate networks that offer similar levels of connectivity. To make matters even more challenging for new competitors, most of AT&T's markets are very mature. The number of total subscribers is simply not growing much. In other words, it would be almost impossible for new entrants to accumulate the critical mass of subscribers needed to cover the huge cost of building out a cable, wireless, or satellite network.

In addition to covering network costs, AT&T's scale allows it to invest heavily in marketing and maintain strong purchasing power for equipment and TV content. Smaller players and new entrants are once again at a disadvantage. Barring a major change in technology, it seems very difficult to uproot AT&T. It's much easier to maintain a large subscriber base in a mature market than it is to build a new base from scratch. While AT&T's wireless division is its most consumer-facing business, the company's strong presence in hundreds of broadband internet markets, as well as its expansion into pay-TV, via the $67 billion acquisition of DirectTV in 2015, have helped it continue growing and reducing churn despite a highly saturated U.S. market in both wireless and internet service. Our full investment thesis on AT&T can be seen here.

Dividend Review

Dividend Safety Score: 55 5-Year Dividend Growth Rate: 2% Dividend Yield: 6.66%

In 2018 AT&T's Dividend Safety Score fell to 55 ("Borderline Safe") after the Time Warner deal gained regulatory approval since the acquisition significantly increased the firm's debt. Management plans to aggressively reduce debt and divest some assets to raise more cash for deleveraging, but the stakes are high. Fortunately AT&T is a huge cash cow and its services are largely recession-resistant in nature. Dividend growth will remain weak (i.e. under 3% per year) while AT&T reduces debt, but the company will do all it can to continue its 30+ year dividend growth streak. In fact, management increased the dividend by 2% in December 2018. Please see my latest analysis on AT&T's dividend safety here.

Recent News
AT&T reported earnings on January 30, which caused its stock to fall over 3%. While cash flow from operations increased 24% and the company's de-leveraging and free cash flow generation goals remain on track, investors were once again disappointed by the performance of AT&T's pay-TV business.

The company registered a net loss of 544,000 TV customers, and its streaming service DirecTV Now also lost 83,000 customers (better than the 267,000 loss last quarter). For context, AT&T has 23.9 million pay-TV customers (down around 5% from 2017). In fairness to AT&T, its loss of streaming users was driven by the firm's decision to reduce discounting and improve profitability.

Management expects declines to continue but hopes losses should lessen moving into 2020. By raising prices on DirecTV Now and taking out costs, AT&T's segment which houses its struggling DirecTV business actually grew its operating profit by about 5%. WarnerMedia and the firm's wireless business also performed well, but investors understandably remain anxious about the evolving TV landscape.

As we've said before, it remains critical that AT&T is able to generate stable, moderately growing free cash flow over the years ahead. Following its acquisitions of DirecTV and Time Warner, the company's balance sheet is stretched, and its dividend consumes about $13 billion of cash which can't go towards deleveraging. Given the higher stakes and lower margin for error, investors are especially sensitive to any signs of weakness in AT&T's business.

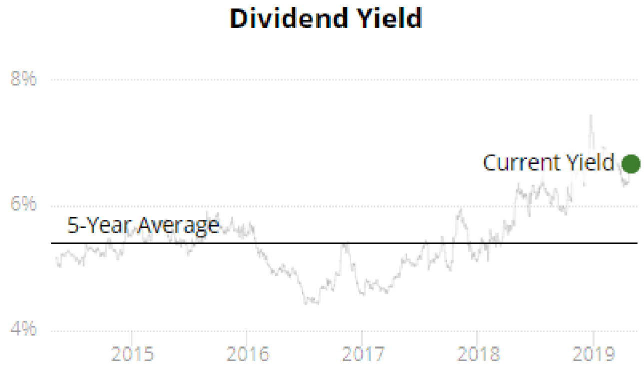
The good news is that AT&T's business has become increasingly diversified, so as long as its core wireless business and Time Warner remain solid and growing, and subscriber losses don't accelerate (the company hopes to stabilize EBITDA in its TV business), I don't see this as an issue that will jeopardize the dividend. It may cause more investors to lose faith in management's strategic plans and capital allocation skill, but there are a lot of moving parts at AT&T that need time to play out.

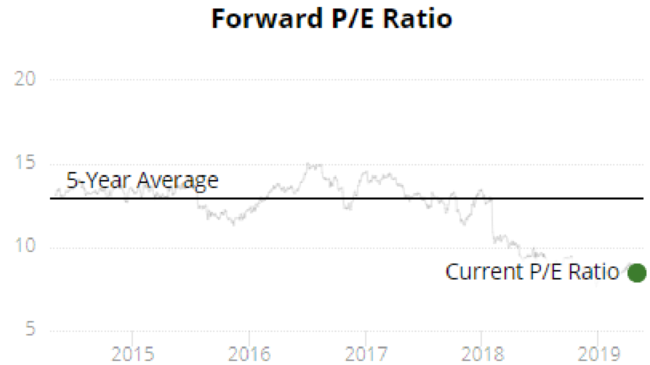
Based on the information we know today, AT&T's deleveraging plans appear to remain on track and unlikely to threaten its dividend for the foreseeable future. Management still plans to get AT&T's net debt to EBITDA ratio down to about 2.5 times by the end of 2019, and back to historical levels by year-end 2022.

Annual free cash flow is expected to exit this year at a $26 billion run rate, which leaves around $13 billion of retained cash flow after paying dividends of about $13 billion. This retained cash flow will be used to reduce debt and aligns nicely with maturities over the next four years.

A lot of bad news is already in the stock's price, and I expect AT&T to remain a cash cow for many years to come. We have a modest position (under 2% of our portfolio's total value) in the stock, which reflects some of these long-term growth uncertainties. We will continue to monitor AT&T's free cash flow generation over the quarters ahead to make sure its dividend safety profile does not deteriorate.

Valuation
T's forward P/E ratio was 8.5 and its dividend yield was 6.66% as of 5/2/19.





United Parcel Services (UPS): Founded in 1907, UPS is the world's largest package delivery company. Thanks to a global fleet of more than 110,000 vehicles and over 550 aircraft, UPS delivers 20 million packages and documents each day to around 10 million customers located in more than 220 countries. While the domestic business continues to generate the majority of profits, the company continues to expand overseas and diversify into supply chain and freight.

Competitive Advantages
Few companies can afford to invest in all of the hard assets required to efficiently run a global delivery service business. UPS benefits from running denser delivery routes due to the sheer volume of packages it handles, which reduces its per package costs. Furthermore, new or smaller rivals lack the brand recognition enjoyed by UPS, which is important because customers expect their packages to be reliably delivered in a time-sensitive manner. These are all reasons why the industry is heavily concentrated with a small handful of operators dominating the space. Our full investment thesis on UPS can be seen here.

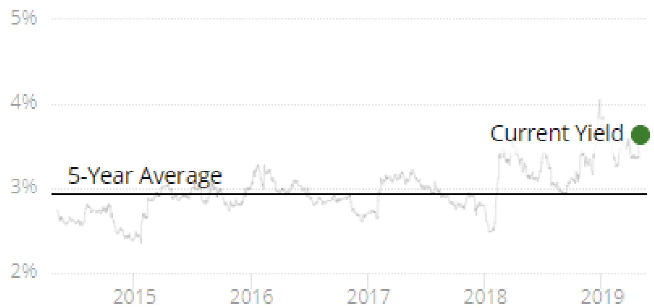
Dividend Review
Dividend Safety Score: 66 5-Year Dividend Growth Rate: 8% Dividend Yield: 3.64%

UPS has a long history of rewarding shareowners with generous cash dividends. The company has paid a cash dividend every year since 1969 and has more than quadrupled its dividend since it went public at the end of 1999. With a payout ratio near 50%, consistent cash flow generation, and a strong investment grade credit rating, the company's dividend remains on solid ground. Management last boosted the payout by 5.5% in February 2019.

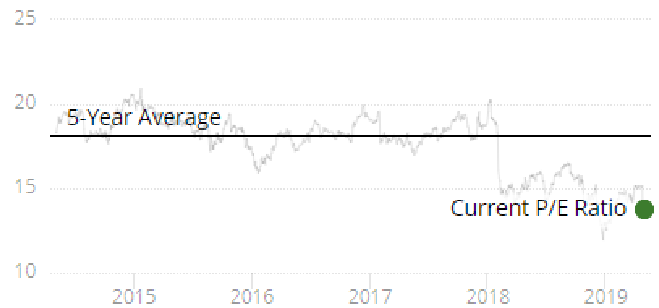
Recent News
UPS reported earnings on April 25. While management reaffirmed 2019 adjusted EPS guidance, investors were disappointed by the company's profit decline driven by disruptive winter weather. The company continues spending billions of dollars to improve and expand its delivery network, which should position UPS well for growing demand in the future. I expect e-commerce growth around the world to continue supporting UPS's long-term earnings outlook and ability to achieve profitable growth. Delivery remains a *very* large global market with high barriers to entry and room for multiple players.

Valuation
UPS’s forward P/E ratio was 13.8 and its dividend yield was 3.64% as of 5/2/19.

Dividend Yield



Forward P/E Ratio



Pfizer (PFE): Founded in 1849, Pfizer is one of the world's largest drug makers, with medications sold in over 125 countries. The company’s portfolio of products includes mainly medicines and vaccines, as well as some consumer healthcare products. Pfizer has made a number of major acquisitions in recent years to further expand its drug portfolio and pipeline, acquiring Medivation ($13.9 billion – oncology), Anacor ($4.5 billion – skin inflammation), and Hospira ($15.7 billion – biosimilars and injectables) in 2016, 2016, and 2015, respectively.

Today patented medicines account for 56% of sales, with no drug accounting for more than 11% of company-wide revenue. Legacy medications that have lost patent protection account for 37% of revenue, and over-the-counter consumer healthcare products, such as Advil and Centrum, account for the remainder. However, Pfizer plans to merge this business with with GlaxoSmithKline's consumer healthcare division in the second half of 2019.

Competitive Advantages
While it is very expensive to research, develop, and ultimately commercialize a new drug, pharma companies can enjoy years of monopoly-like profits, recession-resistant cash flow, and strong growth with a successful product launch.

However, patent expirations, strong competition from similar products, and fast growth of cheaper generic drugs makes it more difficult for these businesses to generate sustained profitable growth. Pfizer’s business is less risky than most in the space thanks to its drug diversification (none greater than 11% of company-wide sales; over 15 potential blockbuster drugs in its pipeline), which reduces the importance of any single medicine.

Few companies have Pfizer’s enormous financial resources, technical know-how, and global distribution as well. Overall, starting in 2021 Pfizer believes it can start generating mid-single-digit sales growth and even faster earnings growth as its drug pipeline more than offsets moderating revenue losses in its legacy portfolio from expiring patents. Our full investment thesis on Pfizer can be seen here.

Dividend Review
Dividend Safety Score: 79   5-Year Dividend Growth Rate: 7% per year   Dividend Yield: 3.52%

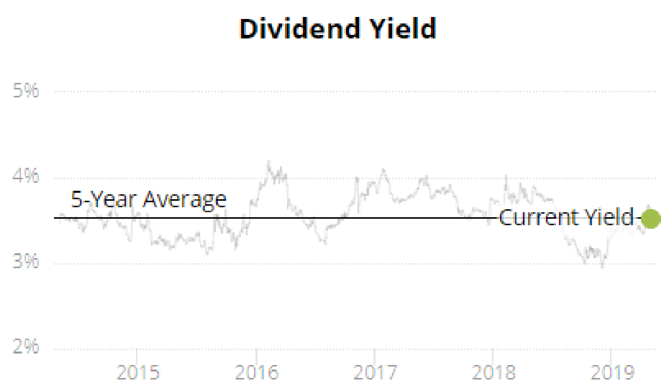
Pfizer has paid dividends for more than 30 years and has increased its dividend by 7% per year over the last five years. The company’s dividend appears to be quite safe thanks to Pfizer’s healthy 50% payout ratio, excellent balance sheet (AA investment-grade credit rating from S&P), and recession-resistant cash flow. While parts of the drug industry are under some political pressure to potentially reduce prices, Pfizer's dividend should remain safe given the company's diversification and financial strength. Going forward, Pfizer will likely continue increasing its dividend at a mid-single-digit rate.

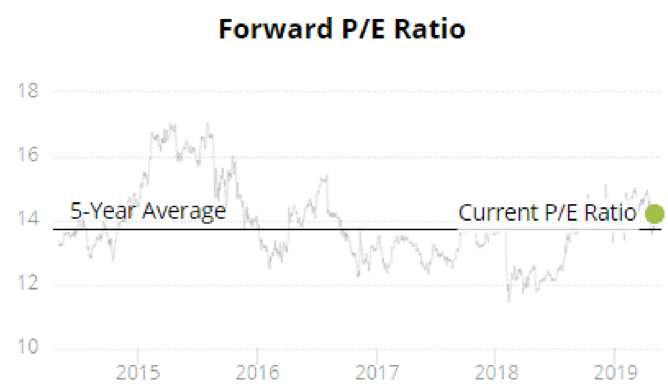
Recent News

Last month Pfizer sold off with other healthcare stocks as investors worried about the prospects of a single-payer healthcare system. However, it's too soon to read much into that risk factor. Pfizer otherwise reported good earnings on April 30 that beat expectations. The firm's drug pipeline is showing solid progress (by 2022 Pfizer hopes to get approval on 15 new drugs or indications that each have potential to generate at least $1 billion in annual sales), and management maintained full-year revenue growth guidance.

Valuation

PFE's forward P/E ratio was 14.2 and its dividend yield was 3.52% as of 5/2/19.





Stocks to Consider Selling

None. However, please note that **PPL** (PPL) is under review for potential sale in the coming months. The regulated utility derives just over half of its profits from the United Kingdom. While its allowed returns are protected through 2023 under the country's current regulatory framework, regulators appear to desire to significantly reduce the rates PPL can earn thereafter (learn more here).

Given the company's somewhat diminished long-term outlook for earnings and dividend growth, I'd like to move on. With PPL's stock rebounding strongly since late December, I'm feeling more open to parting ways with the company sooner rather than later. As always, I'll send out an email if any trade is planned to take place between newsletter editions. For now I'm hunting for replacement ideas.

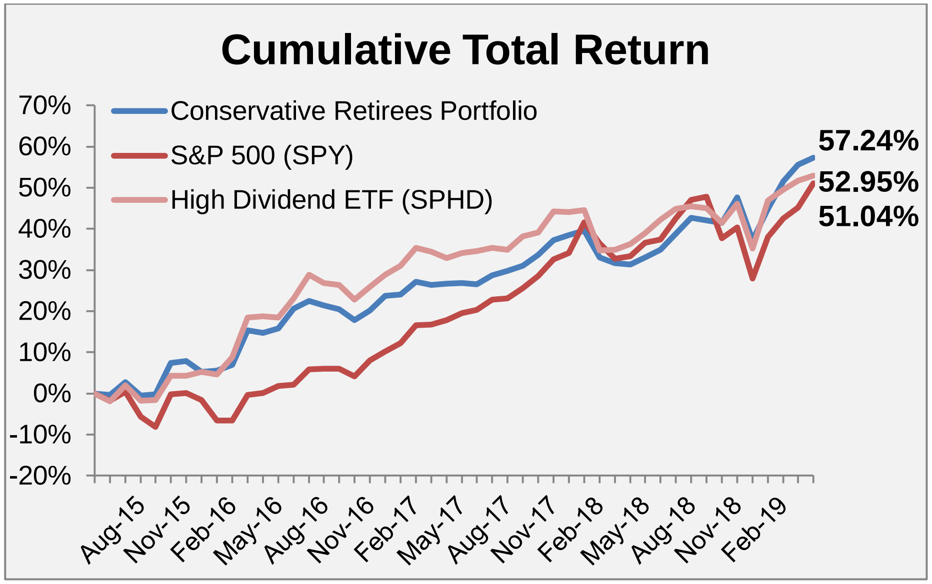
Conservative Retirees Portfolio – Portfolio Actions

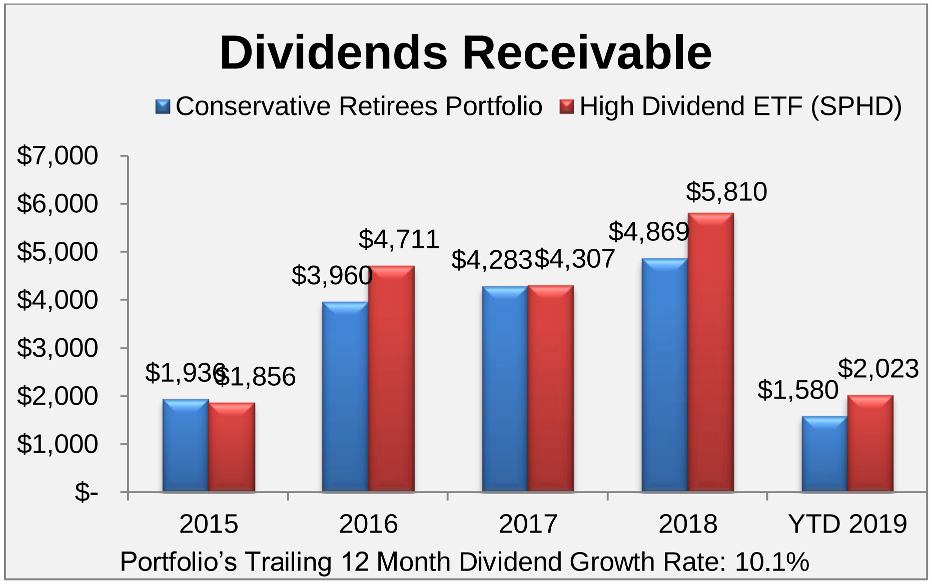
Data as of 5/2/19 **= stock under review for potential sale in the coming months**

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Market Value	Total Return	S&P 500 Return	Relative Return
Possible Buying Opportunities														
XOM	Exxon Mobil Corporation	16.0	4.50%	86	Average	07-31-15	50	2.5%	$79.29	$77.29	$3,864.50	15.9%	48.2%	-32.3%
T	AT&T	8.5	6.66%	55	Low	11-07-17	80	1.6%	$32.80	$30.62	$2,449.60	2.8%	16.6%	-13.9%
UPS	United Parcel Service	13.8	3.64%	66	High	03-05-18	26	1.8%	$105.01	$105.51	$2,743.26	3.9%	10.3%	-6.5%
PFE	Pfizer	14.2	3.52%	79	Low	04-03-17	167	4.4%	$34.20	$40.91	$6,831.14	26.4%	29.2%	-2.8%
Long-term Holds														
CCI	Crown Castle International	20.8	3.63%	61	Very Low	11-07-17	40	3.2%	$111.51	$124.03	$4,961.20	18.3%	16.6%	1.7%
WFC	Wells Fargo & Company	10.1	3.73%	69	Average	12-31-15	74	2.3%	$54.33	$48.30	$3,574.20	-1.5%	51.9%	-53.4%
PG	Procter & Gamble Company	22.5	2.83%	99	Very Low	07-01-15	50	3.4%	$79.72	$105.56	$5,278.00	47.4%	50.3%	-2.9%
PSA	Public Storage	23.0	3.53%	91	Very Low	03-05-18	14	2.0%	$195.75	$226.86	$3,176.04	17.1%	10.3%	6.8%
GM	General Motors Company	5.7	3.97%	64	High	07-21-15	131	3.2%	$30.39	$38.25	$5,010.75	46.8%	47.3%	-0.5%
KMB	Kimberly-Clark Corporation	18.9	3.24%	86	Low	08-07-17	42	3.4%	$120.99	$127.26	$5,344.92	11.5%	22.2%	-10.7%
WPC	W. P. Carey	15.7	5.21%	71	Low	03-05-18	46	2.3%	$60.29	$79.29	$3,647.34	39.0%	10.3%	28.6%
NNN	National Retail Properties	18.9	3.77%	95	Very Low	06-26-15	111	3.8%	$35.74	$53.01	$5,884.11	68.1%	48.7%	19.4%
JNJ	Johnson & Johnson	16.0	2.69%	99	Low	06-25-15	40	3.6%	$99.12	$141.08	$5,643.20	55.0%	48.6%	6.3%
DUK	Duke Energy Corporation	18.1	4.13%	80	Very Low	03-05-18	35	2.0%	$75.83	$89.81	$3,143.35	22.3%	10.3%	12.0%
D	Dominion Energy	18.3	4.77%	75	Very Low	11-07-17	50	2.5%	$80.63	$76.98	$3,849.00	1.9%	16.6%	-14.8%
GIS	General Mills	15.7	3.82%	69	Low	06-17-15	73	2.4%	$55.25	$51.26	$3,741.98	7.0%	48.6%	-41.7%
VZ	Verizon Communications	12.0	4.23%	84	Very Low	06-30-15	85	3.1%	$46.61	$56.99	$4,844.15	42.6%	51.5%	-8.9%
WEC	WEC Energy Group	22.2	3.04%	85	Very Low	03-05-18	48	2.4%	$59.41	$77.61	$3,725.28	32.5%	10.3%	22.1%
PM	Philip Morris International	16.4	5.37%	71	Average	06-19-15	50	2.7%	$82.66	$84.92	$4,246.00	25.3%	48.5%	-23.2%
CSCO	Cisco Systems	17.1	2.55%	89	High	06-06-16	175	6.2%	$29.15	$54.94	$9,614.50	104.7%	46.0%	58.6%
AEP	American Electric Power	20.5	3.16%	82	Very Low	06-19-15	73	4.0%	$54.47	$84.70	$6,183.10	73.5%	48.5%	25.0%
MCD	McDonald's Corporation	23.5	2.39%	78	Low	07-07-15	41	5.1%	$96.68	$194.32	$7,967.12	119.4%	50.0%	69.4%
PPL	PPL Corporation	12.6	5.37%	75	Low	07-13-15	129	2.5%	$30.97	$30.74	$3,965.46	19.8%	48.7%	-28.9%
INTC	Intel Corporation	11.3	2.49%	95	Low	07-15-15	100	3.2%	$29.69	$50.55	$5,055.00	85.8%	48.1%	37.6%
ED	Consolidated Edison	19.5	3.48%	92	Very Low	07-02-15	67	3.7%	$59.14	$85.16	$5,705.72	63.2%	50.5%	12.7%
PAYX	Paychex	27.2	2.71%	67	High	07-28-15	87	4.6%	$46.61	$82.78	$7,201.86	96.5%	49.0%	47.4%
WM	Waste Management	23.9	1.93%	73	Low	07-13-15	83	5.7%	$47.93	$106.13	$8,808.79	137.5%	48.7%	88.8%
SYY	Sysco Corporation	20.0	2.20%	90	Low	07-23-15	112	5.1%	$36.14	$70.83	$7,932.96	108.8%	48.4%	60.4%
EMR	Emerson Electric Co.	19.0	2.80%	82	High	08-04-15	80	3.6%	$49.62	$70.10	$5,608.00	57.5%	49.0%	8.6%
Cash (Includes Dividends Receivable)								3.8%			$5,903.26			
Portfolio Total		**17.3**	**3.37%**	**80**	**Low**			**100%**			**$155,904**	**55.9%**	**51.0%**	**4.9%**

<u>How to Use the Table:</u> Stocks in the "Possible Buying Opportunities" list appear to have relatively attractive valuations and/or more timely fundamental momentum. As such, they could prove to be the best available investment opportunities to put new cash to work in. Stocks in the "Long-term Holds" list are still expected to be solid long-term holdings, but they do not appear to have as attractive valuations or fundamental momentum at the moment, suggesting there might be a better opportunity in the future to add more.

Conservative Retirees Portfolio – Performance and Dividend Income





Monthly Return	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	2.82%	-0.44%	-0.38%	4.31%	-7.01%	5.54%	4.62%	2.62%	1.10%
S&P 500	3.19%	0.55%	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%
SPHD ETF	0.40%	-0.34%	-2.47%	3.32%	-7.49%	8.68%	1.79%	1.49%	0.80%
Portfolio Value	$142,692.51	$142,057.82	$141,515.89	$147,615.90	$137,264.95	$144,868.82	$151,555.96	$155,531.77	$157,241.87

Since Inception

Cumulative	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	42.69%	42.06%	41.52%	47.62%	37.26%	44.87%	51.56%	55.53%	57.24%
S&P 500	47.00%	47.80%	37.71%	40.28%	27.90%	38.08%	42.56%	45.13%	51.04%
SPHD ETF	45.46%	44.97%	41.39%	46.09%	35.15%	46.88%	49.52%	51.74%	52.95%

Annualized	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	11.72%	11.28%	10.84%	11.92%	9.35%	10.76%	11.88%	12.38%	12.40%
S&P 500	12.76%	12.63%	9.94%	10.28%	7.19%	9.30%	10.05%	10.35%	11.24%
SPHD ETF	12.33%	11.92%	10.76%	11.54%	8.84%	11.14%	11.43%	11.61%	11.56%

Conservative Retirees Portfolio – Payment Schedule

Data as of 5/2/19

Ticker	Dividend Yield	EPS Payout Ratio	Dividend Amount $	Payment Cycle	Next Ex-Div Date	Next Pay Date	1-Yr Div Growth	5-Yr Div CAGR	10-Yr Div CAGR
AEP	3.2%	62%	0.67	Mar, Jun, Sept, Dec	05-09-19	06-10-19	6%	5%	4%
CCI	3.6%	77%	1.13	Mar, Jun, Sept, Dec	Mid June	Late June	10%	N/A	N/A
CSCO	2.5%	46%	0.35	Jan, Apr, Jul, Oct	Early July	Late July	13%	15%	N/A
ED	3.5%	66%	0.74	Mar, Jun, Sept, Dec	05-14-19	06-17-19	4%	3%	2%
EMR	2.8%	59%	0.49	Mar, Jun, Sept, Dec	Mid May	Mid June	1%	3%	4%
D	4.8%	83%	0.92	Mar, Jun, Sept, Dec	Late May	Mid June	10%	8%	8%
GIS	3.8%	62%	0.49	Feb, May, Aug, Nov	Mid July	Early Aug	0%	5%	9%
GM	4.0%	23%	0.38	Mar, Jun, Sept, Dec	Early June	Late June	0%	N/A	25%
INTC	2.5%	26%	0.32	Mar, Jun, Sept, Dec	05-06-19	06-01-19	5%	7%	8%
JNJ	2.7%	43%	0.95	Mar, Jun, Sept, Dec	05-24-19	06-11-19	7%	6%	7%
MCD	2.4%	53%	1.16	Mar, Jun, Sept, Dec	Late May	Mid June	9%	6%	10%
NNN	3.8%	73%	0.50	Feb, May, Aug, Nov	Late July	Mid Aug	5%	4%	3%
UPS	3.6%	51%	0.96	Mar, Jun, Sept, Dec	Late May	Mid June	5%	7%	8%
WEC	3.0%	64%	0.59	Mar, Jun, Sept, Dec	05-13-19	06-01-19	7%	9%	13%
WPC	5.2%	76%	1.03	Jan, Apr, Jul, Oct	Late June	Mid July	2%	4%	8%
DUK	4.1%	77%	0.93	Mar, Jun, Sept, Dec	Mid May	Mid June	4%	3%	3%
PAYX	2.7%	79%	0.56	Feb, May, Aug, Nov	Early May	Mid May	12%	9%	6%
PFE	3.5%	45%	0.36	Mar, Jun, Sept, Dec	05-09-19	06-07-19	6%	7%	1%
PG	2.8%	66%	0.75	Feb, May, Aug, Nov	Mid July	Mid Aug	3%	3%	6%
PM	5.4%	88%	1.14	Jan, Apr, Jul, Oct	Late June	Mid July	6%	5%	11%
PPL	5.4%	68%	0.41	Jan, Apr, Jul, Oct	Early June	Early July	4%	2%	2%
KMB	3.2%	61%	1.03	Jan, Apr, Jul, Oct	Early June	Early July	3%	4%	6%
SYY	2.2%	45%	0.39	Jan, Apr, Jul, Oct	Early July	Late July	3%	6%	5%
T	6.7%	57%	0.51	Feb, May, Aug, Nov	Mid July	Early Aug	2%	2%	2%
PSA	3.5%	81%	2.00	Mar, Jun, Sept, Dec	Mid June	Late June	0%	9%	14%
VZ	4.2%	77%	0.60	Feb, May, Aug, Nov	Mid July	Early Aug	2%	3%	3%
WFC	3.7%	36%	0.45	Mar, Jun, Sept, Dec	05-09-19	06-01-19	10%	6%	14%
WM	1.9%	45%	0.51	Mar, Jun, Sept, Dec	Early June	Late June	10%	6%	6%
XOM	4.5%	73%	0.87	Mar, Jun, Sept, Dec	05-10-19	06-10-19	6%	6%	8%
Average	3.4%	61%					5%	6%	7%

How to Use the Table

The "Payment Schedule" table displays the dividend information you need to know about each holding.

Dividend Yield: the company's indicated annual dividend divided by its stock price.
EPS Payout Ratio: the percentage of GAAP earnings paid out as a dividend over the last 12 months.
FCF Payout Ratio: the percentage of free cash flow paid out as a dividend over the last 12 months.
Dividend Amount: the dollar per share amount of dividends paid out at each pay period.
Payment Cycle: the months the dividend is paid out. Useful for creating monthly income streams.
Next Ex-Div Date: to receive the next dividend payment, you need to own shares before this date.
Next Pay Date: the date at which the dividend amount is actually distributed to shareholders.

Long-term Dividend Growth

Portfolio Update

Portfolio Statistics

Dividend Yield:	1.7%
Fwd P/E Ratio:	20.5
Beta:	0.93
Dividend Safety:	85
Dividend Growth:	84
1-yr Sales Growth:	6.9%
1-yr EPS Growth:	12.0%

Performance Update

4/30/19	Apr	All
Portfolio	1.6%	68.8%
S&P 500	4.1%	52.6%
VIG ETF	3.7%	55.0%

Dividend Increases:	96
Dividend Decreases:	0

Portfolio Objective

Outperform the S&P 500 by at least 1% per year over any five-year rolling time horizon and generate annual dividend growth of at least 12% per year.

Return Drivers

Total return is expected to be composed of:

1.5% - 2.5% dividend yield
8% - 10% earnings growth

Investment Philosophy

We invest in companies with enduring competitive advantages, big markets, and relatively low payout ratios. We believe these stocks are best positioned for long-term earnings and dividend growth.

Portfolio Turnover

When we initiate a new position, we expect to hold it for at least 3-5 years. We only sell if fundamentals structurally change or valuation reaches excessive levels.

Performance Update

Our Long-term Dividend Growth portfolio gained 1.6% in April, trailing the S&P 500's (SPY) 4.1% pop and Vanguard's Dividend Appreciation ETF (VIG), which returned 3.7%.

Since inception in June 2015, our portfolio has returned 68.8%, outperforming the S&P 500's 52.6% return and VIG's 55.0% gain.

With our holdings' sales and EPS rising around 10% over the last year, our outlook for dividend growth remains strong. In fact, our dividend income has grown 13.5% over the trailing 12 months.

Our strongest stocks during the month of April were **Broadridge** (+14%), **FLIR Systems** (+11%), and **International Flavors** (+5%).

Broadridge last reported earnings on February 7. Technology was the second-best performing sector last month, helping lift Broadridge after the stock had sold off in late 2018.

FLIR reported results on April 24. Organic revenue grew 1%, but bookings increased 34%, margins improved, and adjusted EPS rose 10%. Management reaffirmed full-year guidance calling for 5% organic revenue growth. The company remains a long-term hold as thermal adoption rises.

International Flavors & Fragrances next reports earnings on May 6. Otherwise, no new news was out on the company. Investors will be closely watching the performance of Frutarom, which IFF acquired for $7.1 billion. IFF remains a long-term hold.

Our worst stocks in April were **Texas Roadhouse** (-13%), **Hormel** (-10%), and **C.H. Robinson** (-7%).

Texas Roadhouse tumbled after reporting earnings on April 29. While sales grew 10% (including solid comparable restaurant sales growth of 5.2%), operating income fell 7%. Higher labor costs were the culprit, driven by wage rate inflation that management expects to continue. The firm's long-term outlook remains solid as management seeks to increase the average restaurant's sales volumes from just over $5 million to $6 million in the coming years.

Hormel's next earnings report is due out on May 23, but the stock was downgraded by analysts at JPMorgan and Goldman Sachs last month. The main issue cited was rising pork prices, which Hormel might not be able to fully offset through price increases. Swine fever is ravaging China's hog industry, which could cause prices to stay elevated through 2020. However, this issue shouldn't affect Hormel's long-term outlook.

C.H. Robinson reported solid earnings on April 30, but the stock fell over 5% days earlier following a report that Amazon launched a truck brokerage platform with prices that undercut the market. We think this is more noise than news given the large and fragmented market.

Dividend Events
One of our holdings announced a new dividend increase during the last month. Our portfolio has enjoyed a total of 96 payout raises since inception in June 2015. We have not experienced any dividend cuts.

Parker Hannifin increased its dividend by 15.8%. The energy company has raised its payout each year for the last 63 fiscal years.

Stocks to Consider Buying
Three stocks look like timely opportunities for long-term investors to consider: A.O. Smith (AOS), Medtronic (MDT), and C.H. Robinson (CHRW).

A.O. Smith (AOS): A.O. Smith was founded in 1874 and manufactures residential and commercial gas and electric water heaters, boilers, and water treatment products that are sold in over 60 countries around the world. The company's water heaters are sold to residences, restaurants, hotels, office buildings, laundromats, car washes, and other small businesses. It also produces residential and commercial boilers for use in space heating applications for hospitals, schools, hotels, and other large commercial buildings. Over 60% of sales are made in North America, but China is a key market accounting for 34% of revenue.

Competitive Advantages
A.O. Smith has spent over 100 years carefully building up its core brands and forming great relationships with over 1,300 distributors in North America. The company spends about 3% of its sales on R&D to continually improve the quality of its products, specifically their thermal efficiency (how much energy is used to heat the water versus lost to the environment). The company also prides itself on the reliability and durability of its heaters and boilers. This is why today A.O. Smith is the largest water heater manufacturer in America with almost 40% market share in the U.S. residential market.

Competitors have a hard time taking meaningful market share from A.O. Smith due to the mature nature of the water heater market. Water heaters need to be replaced every 8 to 12 years, and customers have few reasons to switch suppliers if they are happy with the quality, performance, and price of A.O. Smith's solutions. As a result, the company enjoys substantial replacement sales, which account for the vast majority of the U.S. residential water heater market. Future growth will be driven by the company’s efforts to deploy its leading water treatment technologies in China, India, and other fast-growing emerging markets. Our full investment thesis on A.O. Smith is available here.

Dividend Review
Dividend Safety Score: 99 5-Year Dividend Growth Rate: 26% per year Dividend Yield: 1.68%

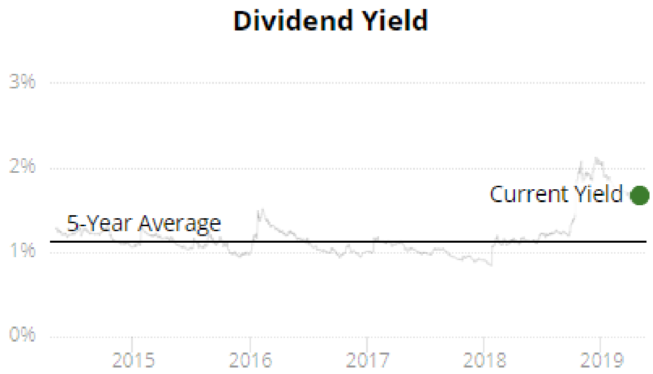
With 25 consecutive annual dividend increases, A.O. Smith is a dividend aristocrat. The firm last raised its dividend by 22% in October 2018 and maintains excellent dividend growth potential going forward. A.O. Smith’s payout ratio sits below 35%, the business has a pristine balance sheet (more cash than debt), management targets 8% long-term organic revenue growth, and the water heater replacement business generates consistent cash flow.

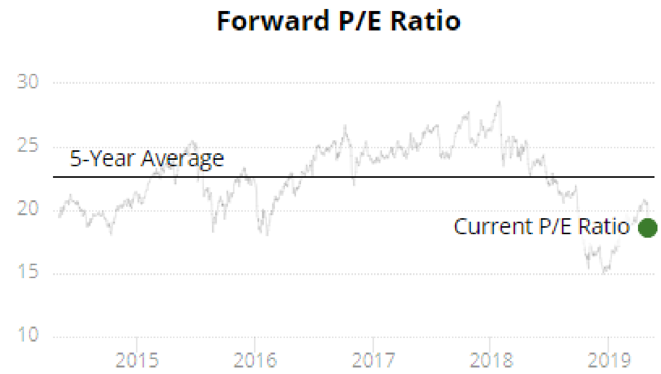
Recent News
A.O. Smith reported earnings on April 30. Sales fell 5% and adjusted EPS declined 14%. The firm’s North American business grew, but sales in China slumped 18% due to channel inventory build which occurred in the first quarter of 2018 but did not repeat in 2019. These results essentially met

management's forecast. Management reaffirmed the midpoint of its 2019 guidance, which represents a 4% increase in EPS. Performance in China is expected to improve throughout the rest of the year.

While A.O. Smith's short-term outlook is murky, I continue to believe this is a great business to own for the long term. The company's strong market share, 85% replacement market in U.S. water heaters and boilers (recurring cash flow), solid organic growth, and excellent balance sheet will allow A.O. Smith to successfully navigate volatile times.

Valuation
AOS's forward P/E ratio was 18.6 and its dividend yield was 1.68% as of 5/2/19.





Medtronic (MDT): Medtronic was founded in 1949 and has grown into one of the world's largest medical equipment device companies, helping treat over 40 medical conditions and 70 million patients each year. The company's diverse portfolio of products is organized into four main business units (cardiac & vascular, minimally invasive therapy, restorative therapies, diabetes). Products include everything from pacemakers to blood vessel sealing technology to insulin management pumps. The business is very global with close to half of total sales coming from outside of the U.S., including a meaningful portion (about 15%) from emerging markets.

Competitive Advantages
Medtronic's success over the decades has largely stemmed from its unrelenting focus on continually innovating new medical products to meet needs of a fast-growing and aging global population. The company invests heavily in R&D each year, resulting in over 4,000 patents and a constantly growing development pipeline, which covers everything from surgical robotics systems to vessel sealing instruments. Given the price-sensitive nature of the healthcare industry, developing successful new technologies and medical devices is essential to maintaining market share and healthy profitability.

A lot of Medtronic's medical devices also significantly impact patients' quality of life and must be of extremely high quality. The company's specialized products can offer superior performance in many instances, allowing it to maintain strong market share and profitability. In addition, thanks to a disciplined and well executed acquisition strategy, such as its $50 billion acquisition of Covidien, Medtronic has been able to extend its sales reach into new promising treatment areas, as well as faster-growing emerging markets. Our full investment thesis on Medtronic is available here.

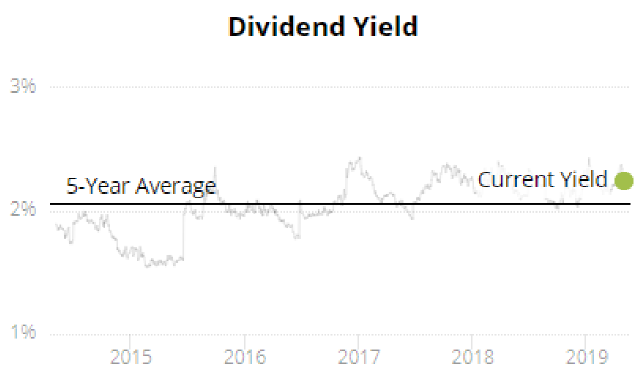
Dividend Review
Dividend Safety Score: 99 5-Year Dividend Growth Rate: 12% per year Dividend Yield: 2.24%

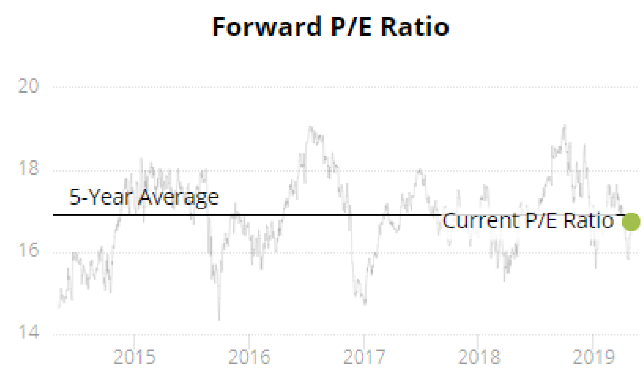
Medtronic is a dividend aristocrat that has paid higher dividends for 40 consecutive years. With a conservative free cash flow payout ratio near 55%, consistent cash flow generation (recession resistant business, too), and a very strong investment grade credit rating, Medtronic's dividend is extremely secure. The company's payout has compounded by around 15% annually over the past two decades and has reasonable potential to continue rising at a double-digit clip going forward.

Recent News
No update from last quarter. Medtronic reported earnings on February 19. Organic sales grew 4%, operating margins increased, and management raised fiscal 2019 EPS and free cash flow guidance. Emerging market sales (16% of company revenue) continue to be a key driver of overall growth and were up 14%. Here's what CEO Omar Ishrak stated:

"Our organization executed on multiple fronts to deliver a strong quarter for Medtronic. Revenue outperformance in our Minimally Invasive Therapies and Restorative Therapies Groups, as well as broad strength across Emerging Markets, helped to offset certain market-specific headwinds we faced during the quarter, reflecting the full benefits of our diversification."

Valuation
MDT's forward P/E ratio was 16.8 and its dividend yield was 2.24% as of 5/2/19.





C.H. Robinson (CHRW): Founded in 1905, C.H. Robinson has been in business for nearly 120 years and is one of the biggest third party logistics companies in the world. The business essentially acts as a middleman in the transportation industry, helping connect companies that need to ship goods with cost-effective transportation providers that have capacity available via trucks, railroads, airlines, and ships. C.H. Robinson doesn't own any hard transportation assets and is a service company that creates transportation and supply chain advantages for its customers.

The company has over 120,000 customers and maintains relationships with more than 75,000 carriers and suppliers, who it purchases shipping capacity from on behalf of its customers. Key end markets include manufacturing, food and beverage, chemical, retail, automotive, paper, and electronics. Trucking generates close to 70% of the company's overall revenue, with the remainder from air and ocean freight forwarding, intermodal, and produce sourcing operations.

Competitive Advantages

Many of C.H. Robinson's advantages come from its scale – the company generates more revenue than top rivals TQL, XPO Logistics, and Echo combined. If you were a retailer that needed to cost-effectively ship goods across the country, you would want to use a broker that had access to the greatest number of shipping routes and carriers. If you were a transportation company, you would want to work with a broker that had access to the greatest number of potential customers in need of your shipping services.

Connecting a global supply chain with hundreds of thousands of participants and even more variables is very difficult, but C.H. Robinson has the necessary relationships, technology, and employees to get the job done efficiently for customers. With less than 3% share of the overall market in each of the areas it competes in, the company appears to have a solid runway for long-term growth as it consolidates the market. Our full investment thesis on C.H. Robinson can be seen here.

Dividend Review

Dividend Safety Score: 90 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 2.40%

C.H. Robinson's dividend looks very safe. The company has raised its dividend each year since becoming a publicly-traded company in 1997. Its current payout ratio sits near 40%, and this is an especially healthy level because the company's cost structure is mostly variable (it owns few hard assets).

For example, C.H. Robinson grew its earnings during the financial crisis and continued generating strong free cash flow despite a 12% drop in revenue. The business has consistently earned a high return on invested capital near 30% and maintains a very healthy balance sheet as well.

C.H. Robinson's dividend has increased by 19% per year over the last two decades, although growth has slowed in recent years. With the company's payout ratio sitting near its target level (40-45%), future dividend growth will likely follow earnings growth, which is expected to remain near 10% annually.

Recent News

C.H. Robinson reported solid earnings on April 30. Net revenues increased 8.4%, operating margin improved 250 basis points to 33.1%, operating income grew 17.2%, and cash flow from operations rose 28.1%. Management continues to expect market share gains in 2019 and beyond while improving margins and recording double-digit EPS growth over the long term.

However, C.H. Robinson shares fell nearly 8% in late April following a report that Amazon launched a truck brokerage platform with prices that significantly undercut the market. However, Amazon later told the industry trade publication which published the report that it is not undercutting market prices.

Either way, investors worried that Amazon might be willing to do business for little to no profit in this space as it builds out its own logistics network to enable future capabilities like one-day delivery for Prime members.

I believe this is more noise than news, for several reasons. First the markets C.H. Robinson competes in are extremely large and fragmented. Despite being the largest freight broker in North America, the company is no more than 3% of the overall market in any one of the spaces it competes in (truckload, ocean, air, less than truckload, etc.).

The U.S. third-party logistics brokerage market is also forecast to grow 10% annually between 2018 and 2022. While C.H. Robinson delivers an average of over three services to each of its top 500 clients, the business appears to have plenty of opportunities to continue expanding its services and market share, almost across the board.

Finally, the company's lengthy track record means it deserves some benefit of the doubt. The company's COO Bob Biesterfeld made the following remarks on Robinson's April 30th earnings call:

"If I look back over the past 20 years of my tenure here at Robinson, we have really seen several instances of disruption in our competitive landscape. And really with each instance of disruption in our history, the bear case on Robinson has always been that these new entrants, who are going to disintermediate our model and drive margins down or to zero.

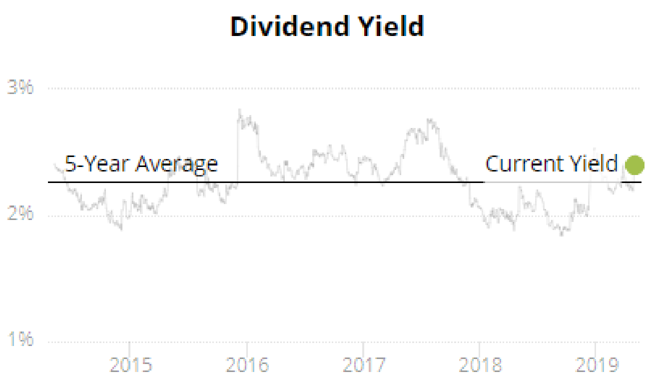
And so through each of these phases we have stayed true to one of our core values, which is evolving constantly and managing our business for long-term value creation.

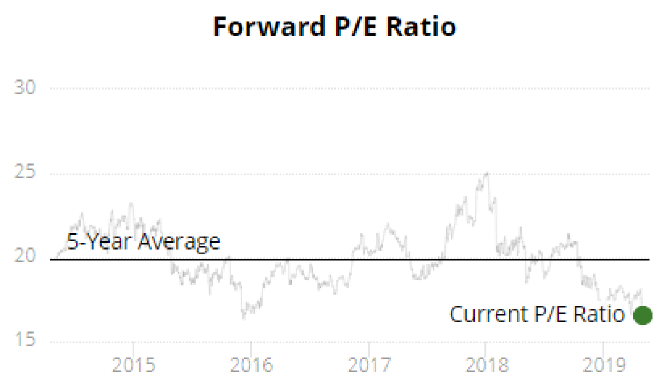
But in the early 2000s, it was the advent of the Internet. The arrival of the load board that was going to bring price and cost transparency and disintermediate brokerage. In the mid 2000s, we had upstart 3PLs actively pricing freight below market rates in order to take share with large shippers, either in order to sell or to go public.

We have seen roll-up strategies launched, fueled by a near zero cost of capital targeted directly at disintermediating Robinson. And recently, we have got numerous of these tech start or tech first brokerages promising low or no margins, reducing friction and improving efficiency. And these have really been high on the hype curve as we have seen, again fueled by what seems to be an endless source of private equity.

But through this whole long range cycle what Robinson has done is maintain our margins relatively consistent. We have increased our share of the market. We have diversified our business and we have increased our return to shareholders."

Valuation
CHRW's forward P/E ratio was 16.6 and its dividend yield was 2.40% as of 5/2/19.





Stocks to Consider Selling
None.

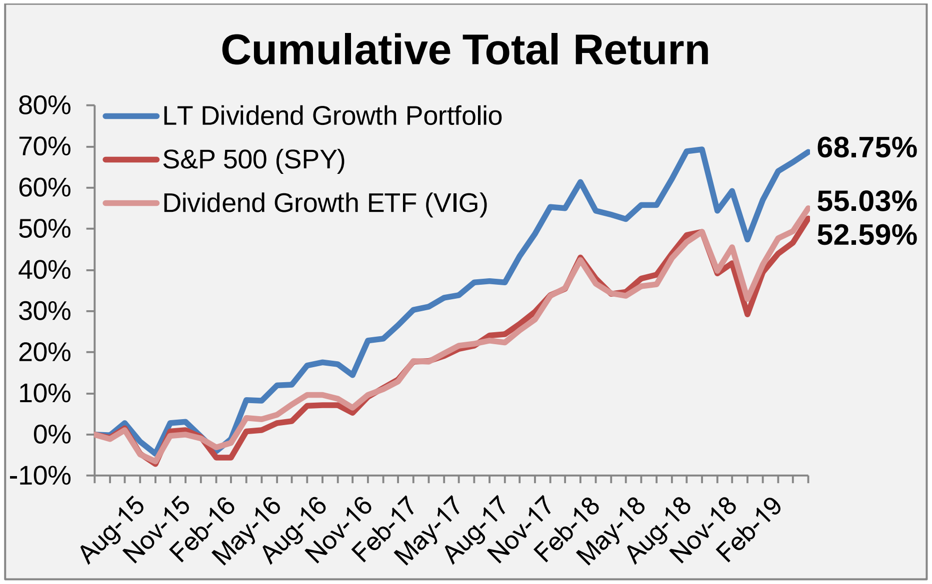
Long-term Dividend Growth Portfolio – Portfolio Actions

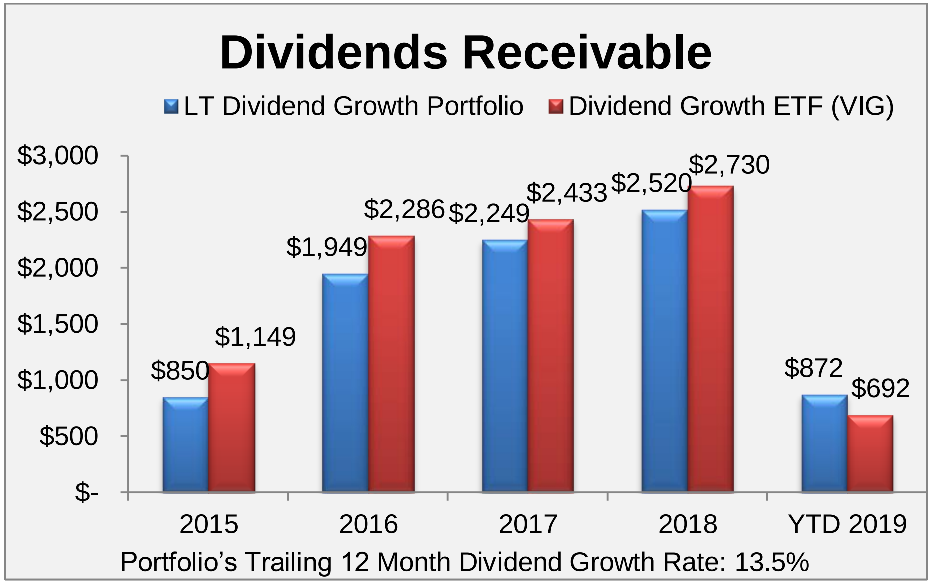
Data as of 5/2/19

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Market Value	Total Return	S&P 500 Return	Relative Return
Possible Buying Opportunities														
AOS	A. O. Smith Corporation	18.6	1.68%	99	High	07-13-15	118	3.7%	$33.76	$52.52	$6,197.36	64.5%	48.7%	15.8%
MDT	Medtronic	16.8	2.24%	99	Average	11-07-17	65	3.5%	$77.80	$89.14	$5,794.10	17.6%	16.6%	1.0%
CHRW	C.H. Robinson Worldwide	16.6	2.40%	90	Low	10-03-16	65	3.2%	$70.26	$83.42	$5,422.30	21.8%	40.4%	-18.6%
Long-term Holds														
FLIR	FLIR Systems	21.6	1.31%	97	High	07-10-15	130	4.0%	$30.57	$52.05	$6,766.50	80.1%	50.3%	29.7%
MSM	MSC Industrial Direct Co.	14.1	3.08%	86	Average	06-22-15	57	2.8%	$69.81	$81.74	$4,659.18	31.3%	47.2%	-15.9%
LOW	Lowe's Companies	18.5	1.71%	95	High	11-07-17	60	4.0%	$77.65	$112.06	$6,723.60	49.3%	16.6%	32.6%
ORCL	Oracle Corporation	14.7	1.76%	96	High	12-31-15	110	3.6%	$36.53	$54.58	$6,003.25	58.3%	51.9%	6.4%
FUL	H.B. Fuller Company	13.8	1.33%	65	High	07-24-15	107	3.1%	$38.83	$47.96	$5,131.72	31.8%	50.0%	-18.2%
HRL	Hormel Foods Corporation	21.7	2.12%	99	Very Low	06-06-16	141	3.3%	$34.38	$39.69	$5,596.28	23.7%	46.0%	-22.3%
APH	Amphenol Corporation	25.2	0.93%	88	Average	07-14-15	72	4.3%	$55.15	$99.14	$7,138.08	85.4%	48.1%	37.3%
CB	Chubb Limited	13.4	2.02%	94	Average	06-26-15	38	3.3%	$103.47	$144.33	$5,484.54	51.2%	48.7%	2.5%
AMT	American Tower Corporation (REIT	24.8	1.87%	74	Low	04-03-17	35	4.0%	$120.49	$192.80	$6,748.00	66.7%	29.2%	37.5%
BDX	Becton, Dickinson and Company	19.0	1.30%	94	High	04-04-16	28	4.0%	$153.94	$236.67	$6,626.76	61.1%	49.6%	11.4%
IFF	International Flavors & Fragrances	21.9	2.11%	64	Low	07-14-15	37	3.1%	$113.16	$138.65	$5,130.05	30.4%	48.1%	-17.7%
PH	Parker-Hannifin Corporation	14.7	2.00%	96	High	07-23-15	36	3.8%	$110.92	$176.08	$6,338.88	72.4%	48.4%	24.0%
ABT	Abbott Laboratories	23.7	1.62%	72	Average	12-31-15	90	4.2%	$44.91	$78.78	$7,090.20	85.7%	51.9%	33.8%
TJX	TJX Companies	20.9	1.69%	78	Low	06-23-15	118	3.8%	$33.76	$54.45	$6,425.10	74.7%	47.1%	27.6%
FIS	Fidelity Nat'l Information Services	15.6	1.19%	76	Low	07-17-15	63	4.4%	$62.94	$117.80	$7,421.40	87.7%	46.8%	40.9%
BR	Broadridge Financial Solutions	24.3	1.66%	75	Average	06-22-15	76	5.3%	$52.65	$117.00	$8,892.00	134.7%	47.2%	87.5%
IEX	IDEX Corporation	26.5	1.11%	95	High	07-22-15	52	4.8%	$75.87	$155.35	$8,078.20	113.3%	47.6%	65.8%
TXRH	Texas Roadhouse	22.4	2.26%	83	Low	06-09-15	109	3.5%	$36.38	$53.13	$5,791.17	97.0%	50.1%	46.9%
ROK	Rockwell Automation	19.1	2.21%	71	High	07-27-15	34	3.6%	$116.32	$175.87	$5,979.58	65.7%	50.8%	14.9%
THO	Thor Industries	10.4	2.40%	89	Very High	07-29-15	72	2.8%	$55.14	$64.99	$4,679.28	28.8%	48.0%	-19.2%
EXPO	Exponent	39.9	1.14%	66	Low	07-22-15	180	6.1%	$22.66	$56.24	$10,123.20	161.7%	47.6%	114.1%
TTC	Toro Company	24.2	1.23%	88	Low	07-20-15	122	5.4%	$33.67	$73.45	$8,960.90	126.9%	46.7%	80.2%
Cash (Includes Dividends Receivable)								2.4%			$4,283.09			
Portfolio Total		**20.5**	**1.70%**	**85**	**Average**			**100%**			**$167,485**	**67.5%**	**52.6%**	**14.9%**

How to Use the Table: Stocks in the "Possible Buying Opportunities" list appear to have relatively attractice valuations and/or more timely fundamental momentum. As such, they could prove to be the best available investment opportunities to put new cash to work in. Stocks in the "Long-term Holds" list are still expected to be solid long-term holdings, but they do not appear to have as attractive valuations or fundamental momentum at the moment, suggesting there might be a better opportunity in the future to add more.

Long-term Dividend Growth Portfolio – Performance and Dividend Income





Monthly Return	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	4.16%	0.25%	-8.82%	3.19%	-7.50%	6.62%	4.38%	1.33%	1.57%
S&P 500	3.19%	0.55%	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%
VIG ETF	2.80%	1.68%	-6.36%	4.14%	-8.72%	6.32%	4.58%	1.14%	3.72%
Portfolio Value	$168,870.38	$169,291.05	$154,351.88	$159,278.48	$147,331.86	$157,084.76	$163,962.68	$166,137.51	$168,753.33

Since Inception

Cumulative	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	68.87%	69.29%	54.35%	59.28%	47.33%	57.08%	63.96%	66.14%	68.75%
S&P 500	48.51%	49.32%	39.12%	41.72%	29.21%	39.50%	44.02%	46.62%	52.59%
VIG ETF	46.85%	49.32%	39.82%	45.61%	32.91%	41.31%	47.78%	49.47%	55.03%

Annualized	**Aug 2018**	**Sep 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**
Portfolio	17.61%	17.26%	13.63%	14.31%	11.48%	13.17%	14.19%	14.27%	14.39%
S&P 500	13.03%	12.89%	10.21%	10.54%	7.46%	9.55%	10.29%	10.58%	11.46%
VIG ETF	12.67%	12.92%	10.40%	11.43%	8.33%	9.96%	11.08%	11.16%	11.95%

Long-term Dividend Growth Portfolio – Payment Schedule

Data as of 5/2/19

Ticker	Dividend Yield	EPS Payout Ratio	Dividend Amount $	Payment Cycle	Next Ex-Div Date	Next Pay Date	1-Yr Div Growth	5-Yr Div CAGR	10-Yr Div CAGR
ABT	1.6%	40%	0.32	Feb, May, Aug, Nov	Mid July	Mid Aug	8%	N/A	N/A
CB	2.0%	31%	0.73	Jan, Apr, Jul, Oct	Late June	Mid July	3%	6%	10%
AOS	1.7%	29%	0.22	Feb, May, Aug, Nov	Late July	Mid Aug	36%	27%	20%
APH	0.9%	24%	0.23	Jan, Apr, Jul, Oct	Mid June	Mid July	26%	24%	40%
BDX	1.3%	27%	0.77	Mar, Jun, Sept, Dec	Early June	Late June	3%	7%	9%
BR	1.7%	40%	0.49	Jan, Apr, Jul, Oct	Mid June	Early July	33%	18%	21%
EXPO	1.1%	38%	0.16	Mar, Jun, Sept, Dec	06-06-19	06-21-19	23%	21%	N/A
FIS	1.2%	24%	0.35	Mar, Jun, Sept, Dec	06-13-19	06-28-19	10%	8%	20%
FLIR	1.3%	28%	0.17	Mar, Jun, Sept, Dec	05-23-19	06-07-19	6%	11%	N/A
FUL	1.3%	21%	0.16	Feb, May, Aug, Nov	Mid July	Early Aug	4%	10%	9%
IEX	1.1%	23%	0.43	Feb, May, Aug, Nov	Mid Apr	Early May	16%	13%	14%
IFF	2.1%	46%	0.73	Jan, Apr, Jul, Oct	Late June	Early July	7%	14%	11%
LOW	1.7%	36%	0.48	Feb, May, Aug, Nov	Late July	Early Aug	17%	21%	19%
MSM	3.1%	46%	0.63	Jan, Apr, Jul, Oct	Early July	Late July	14%	8%	12%
ORCL	1.8%	23%	0.24	Jan, Apr, Jul, Oct	Mid July	Late July	7%	11%	23%
MDT	2.2%	38%	0.50	Jan, Apr, Jul, Oct	Late June	Mid July	9%	12%	10%
PH	2.0%	26%	0.88	Mar, Jun, Sept, Dec	05-09-19	06-07-19	6%	10%	13%
CHRW	2.4%	40%	0.50	Mar, Jun, Sept, Dec	Late May	Late June	4%	6%	8%
ROK	2.2%	44%	0.97	Mar, Jun, Sept, Dec	05-10-19	06-10-19	11%	11%	13%
THO	2.4%	25%	0.39	Jan, Apr, Jul, Oct	Early July	Mid July	5%	11%	19%
TJX	1.7%	32%	0.23	Mar, Jun, Sept, Dec	05-15-19	06-06-19	25%	22%	22%
AMT	1.9%	39%	0.90	Jan, Apr, Jul, Oct	Mid July	Late July	20%	23%	N/A
TTC	1.2%	30%	0.23	Jan, Apr, Jul, Oct	Late June	Mid July	13%	18%	20%
TXRH	2.3%	47%	0.30	Mar, Jun, Sept, Dec	Mid June	Late June	19%	16%	N/A
HRL	2.1%	43%	0.21	Feb, May, Aug, Nov	Mid July	Mid Aug	12%	16%	16%
Average	1.7%	33%					13%	14%	16%

How to Use the Table

The "Payment Schedule" table displays the dividend information you need to know about each holding.

Dividend Yield: the company's indicated annual dividend divided by its stock price.
EPS Payout Ratio: the percentage of GAAP earnings paid out as a dividend over the last 12 months.
FCF Payout Ratio: the percentage of free cash flow paid out as a dividend over the last 12 months.
Dividend Amount: the dollar per share amount of dividends paid out at each pay period.
Payment Cycle: the months the dividend is paid out. Useful for creating monthly income streams.
Next Ex-Div Date: to receive the next dividend payment, you need to own shares before this date.
Next Pay Date: the date at which the dividend amount is actually distributed to shareholders.

Idea Generation – Safe Dividend Stocks

The dividend stocks on this list are characterized by low price volatility, dividend yields in excess of 3%, and very strong Dividend Safety Scores. These companies are good bets to continue delivering predictable income with less price volatility. We calculate how safe a dividend payment is by analyzing balance sheets, profitability trends, payout ratios, industry cyclicality, earnings growth, and more.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Price Volatility	EPS Payout	5yr Div CAGR
AEP	American Electric Power Company	20.5	3.2%	82	Very Low	62%	5%
AVB	AvalonBay Communities	22.7	3.0%	98	Low	64%	6%
DLR	Digital Realty Trust	19.1	3.6%	91	Low	67%	5%
DUK	Duke Energy Corporation	18.1	4.1%	80	Very Low	77%	3%
ED	Consolidated Edison	19.5	3.5%	92	Very Low	66%	3%
FRT	Federal Realty Investment Trust	25.4	3.1%	84	Low	65%	6%
K	Kellogg Company	14.6	3.9%	72	Low	51%	4%
KMB	Kimberly-Clark Corporation	18.9	3.2%	86	Low	61%	4%
KO	Coca-Cola Company	22.7	3.3%	84	Very Low	75%	6%
MAA	Mid-America Apartment Communities	19.9	3.5%	96	Very Low	75%	6%
MO	Altria Group	12.3	6.0%	65	Low	79%	10%
NNN	National Retail Properties	18.9	3.8%	95	Very Low	73%	4%
O	Realty Income Corporation	21.1	3.9%	80	Very Low	83%	4%
PEP	PepsiCo	22.6	3.0%	94	Low	66%	10%
PNW	Pinnacle West Capital Corporation	18.9	3.1%	92	Very Low	62%	5%
PSA	Public Storage	23.0	3.5%	91	Very Low	81%	9%
SPG	Simon Property Group	15.8	4.6%	74	Low	68%	11%
MMP	Magellan Midstream Partners, L.P.	12.1	6.6%	61	Low	80%	12%
VTR	Ventas	18.2	5.2%	71	Low	87%	3%
VZ	Verizon Communications	12.0	4.2%	84	Very Low	51%	3%
WEC	WEC Energy Group	22.2	3.0%	85	Very Low	64%	9%
FLO	Flowers Foods	22.1	3.4%	65	Very Low	76%	10%

Idea Generation – High Growth Dividend Stocks

The dividend stocks on this list are characterized by moderate price volatility, dividend yields in excess of 1.5%, and strong long-term growth potential. These companies are extremely well-positioned to grow their dividends quickly in coming years. We calculate how fast a dividend payment can grow by analyzing payout ratios, sales and earnings growth, and more.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Price Volatility	EPS Payout	3yr Div CAGR
AMT	American Tower Corporation (REIT)	24.8	1.9%	74	Low	39%	20%
BBY	Best Buy Co.	13.3	2.7%	72	Average	34%	N/A
COLB	Columbia Banking System	14.6	2.8%	61	Average	40%	13%
CSCO	Cisco Systems	17.1	2.5%	89	Average	46%	16%
CUBE	CubeSmart	20.3	4.0%	61	Very Low	75%	21%
DOX	Amdocs Limited	12.7	2.1%	89	Low	25%	13%
ELS	Equity LifeStyle Properties	31.5	2.1%	83	Very Low	63%	13%
HD	Home Depot	19.9	2.7%	89	Average	45%	22%
HON	Honeywell International	20.6	1.9%	99	Average	39%	12%
HRL	Hormel Foods Corporation	21.7	2.2%	99	Very Low	43%	13%
ITW	Illinois Tool Works	19.2	2.6%	84	Average	47%	20%
KEY	KeyCorp	9.5	3.9%	77	Average	32%	25%
MDT	Medtronic plc	16.8	2.3%	99	Low	38%	10%
NDAQ	Nasdaq	18.3	2.0%	61	Low	35%	24%
RGA	Reinsurance Group of America	11.3	1.6%	98	Low	17%	16%
SBUX	Starbucks Corporation	26.8	1.9%	69	Very Low	53%	25%
SCI	Service Corporation International	21.0	1.7%	67	Average	38%	12%
SNA	Snap-on Incorporated	13.5	2.3%	99	Average	29%	16%
STI	SunTrust Banks	11.2	3.1%	80	Very High	32%	25%
TSN	Tyson Foods	12.3	2.0%	99	Very Low	20%	44%
VFC	V.F. Corporation	22.7	2.2%	82	Average	48%	8%
AAPL	Apple	17.2	1.5%	99	Average	23%	11%

Idea Generation – High Yield Stocks

The dividend stocks on this list are characterized by moderate to low price volatility, dividend yields near 4% or higher, and average or better Dividend Safety Scores. High yield stocks often carry higher business risk or personal tax liabilities (e.g. MLP's). We do our best to filter out the riskiest ideas by using our proprietary scoring system, but you should always closely analyze these types of stocks. Click on the blue-colored ticker symbols to pull up each company in our Stock Analyzer. I also suggest bookmarking this article: High Dividend Stocks

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Price Volatility	EPS Payout	5yr Div CAGR
BEP	Brookfield Renewable Partners L.P.	17.4	6.6%	53	Very Low	71%	6%
BIP	Brookfield Infrastructure Partners L.P.	15.6	4.9%	65	Average	54%	10%
DUK	Duke Energy Corporation	18.1	4.1%	80	Very Low	77%	3%
ENB	Enbridge	11.1	5.9%	60	Low	58%	16%
EPD	Enterprise Products Partners L.P.	10.4	6.1%	89	Average	63%	5%
PM	Philip Morris International	16.4	5.4%	71	Average	88%	5%
IRM	Iron Mountain Incorporated	10.4	7.8%	52	Low	81%	17%
MMP	Magellan Midstream Partners, L.P.	12.1	6.6%	61	Low	80%	12%
SKT	Tanger Factory Outlet Centers	9.6	7.8%	72	Low	62%	9%
SO	Southern Company	17.2	4.7%	65	Very Low	78%	3%
SPG	Simon Property Group	15.8	4.6%	74	Low	68%	11%
T	AT&T	8.5	6.7%	55	Low	57%	2%
VTR	Ventas	18.2	5.2%	71	Low	87%	3%
VZ	Verizon Communications	12.0	4.2%	84	Very Low	51%	3%
WPC	W. P. Carey	15.7	5.2%	71	Low	76%	4%
MO	Altria Group	12.3	6.0%	65	Low	79%	10%
MAIN	Main Street Capital Corporation	15.4	6.1%	68	Average	88%	4%
HTA	Healthcare Trust of America	19.8	4.5%	62	Low	91%	1%
GIS	General Mills	15.7	3.8%	69	Low	62%	5%
NHI	National Health Investors	14.7	5.6%	61	Low	79%	7%
MPW	Medical Properties Trust	15.6	5.7%	85	Low	87%	4%
D	Dominion Energy	18.3	4.8%	75	Very Low	83%	8%
WELL	Welltower	19.7	4.7%	70	Very Low	95%	2%
STOR	STORE Capital Corporation	17.2	4.0%	62	Very Low	70%	8%

Idea Generation – Dividend Increases

Dividend increases are a signal of management's confidence in the company's future. Historically speaking, consistent dividend growers have been among the best long-term performers in the market. The following table contains some of the notable dividend increases that were announced over the last month.

Ticker	Name	Dividend Increase	P/E Ratio	Dividend Yield	Safety Score	Price Volatility	EPS Payout	5yr Div CAGR
KMI	Kinder Morgan	25%	8.7	5.2%	65	Average	40%	-10%
PAA	Plains All American Pipeline, L.P.	20%	9.0	6.2%	55	Average	47%	-13%
PH	Parker-Hannifin Corporation	16%	14.7	2.0%	96	Very High	26%	10%
COST	Costco Wholesale Corporation	14%	29.7	0.9%	99	Average	30%	13%
AWK	American Water Works Company	10%	29.6	1.9%	76	Very Low	54%	10%
LAZ	Lazard Ltd	7%	9.9	4.9%	48	High	46%	13%
XOM	Exxon Mobil Corporation	6%	16.0	4.5%	86	Average	73%	6%
GWW	W.W. Grainger	6%	15.3	2.1%	99	Average	32%	8%
JNJ	Johnson & Johnson	6%	16.0	2.7%	99	Low	43%	6%
AAPL	Apple	6%	17.2	1.5%	99	Average	23%	11%
WHR	Whirlpool Corporation	4%	9.4	3.4%	85	Very High	29%	14%
PG	Procter & Gamble Company	4%	22.5	2.8%	99	Very Low	66%	3%
IVZ	Invesco Ltd.	3%	8.7	5.7%	41	Very High	52%	4%
SO	Southern Company	3%	17.2	4.7%	65	Very Low	78%	3%
IBM	International Business Machines	3%	10.0	4.5%	65	Average	46%	11%
MPLX	MPLX LP	2%	8.7	8.0%	43	High	71%	17%
ARLP	Alliance Resource Partners, L.P.	1%	5.8	11.2%	47	High	66%	-2%
MMP	Magellan Midstream Partners, L.P.	1%	12.1	6.6%	61	Average	80%	12%
OKE	ONEOK	1%	13.6	5.1%	54	Average	76%	17%
EPD	Enterprise Products Partners L.P.	1%	10.4	6.1%	89	Average	63%	5%
HEP	Holly Energy Partners, L.P.	0%	10.0	9.9%	42	Low	105%	6%

Idea Generation – Ex-Dividend Dates

To receive the next dividend payment from a stock, you must own shares before the company's ex-dividend date. The following table contains large cap dividend stocks with dividend yields in excess of 2% and upcoming ex-dividend dates.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Price Volatility	EPS Payout Ratio	5yr Div CAGR	Next Ex-Div Date
MET	MetLife	8.4	3.7%	72	Average	31%	10%	5/6/2019
UBS	UBS Group AG	10.4	5.3%	60	Average	58%	23%	5/6/2019
MMP	Magellan Midstream Partners, L.P.	12.1	6.6%	61	Low	80%	12%	5/7/2019
ETR	Entergy Corporation	18.1	3.8%	74	Very Low	49%	2%	5/8/2019
AEP	American Electric Power Company	20.5	3.2%	82	Very Low	62%	5%	5/9/2019
PFE	Pfizer	14.2	3.5%	79	Low	45%	7%	5/9/2019
WFC	Wells Fargo & Company	10.1	3.7%	69	Average	36%	6%	5/9/2019
XOM	Exxon Mobil Corporation	16.0	4.5%	86	Average	73%	6%	5/10/2019
WEC	WEC Energy Group	22.2	3.0%	85	Very Low	64%	9%	5/13/2019
ED	Consolidated Edison	19.5	3.5%	92	Very Low	66%	3%	5/14/2019
ENB	Enbridge	11.1	5.8%	60	Low	58%	16%	5/14/2019
TGT	Target Corporation	13.1	3.4%	73	Low	47%	10%	5/14/2019
CNP	CenterPoint Energy	18.5	3.7%	89	Very Low	69%	6%	5/15/2019
MPC	Marathon Petroleum Corporation	10.3	3.5%	70	Average	30%	19%	5/15/2019
AMGN	Amgen	12.6	3.3%	82	Average	37%	23%	5/16/2019
CVX	Chevron Corporation	13.7	4.0%	85	Average	59%	2%	5/16/2019
FTS	Fortis	18.9	3.7%	66	Very Low	67%	7%	5/16/2019
SO	Southern Company	17.2	4.7%	65	Very Low	78%	3%	5/17/2019
WBA	Walgreens Boots Alliance	9.1	3.3%	81	Low	28%	8%	5/17/2019
CCL	Carnival Corporation	11.9	3.6%	69	Average	47%	14%	5/23/2019
CUK	Carnival plc	11.3	3.6%	69	Average	47%	14%	5/23/2019
STI	SunTrust Banks	11.2	3.1%	80	Very High	32%	39%	5/30/2019
K	Kellogg Company	14.6	3.9%	72	Low	51%	4%	5/31/2019
PFG	Principal Financial Group	9.9	3.8%	79	Very High	38%	16%	5/31/2019

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