SIMPLY SAFE DIVIDENDS

July 2019
Published on 7/3/19

Intelligent Income℠

Quality dividend ideas for safe income and long-term growth

Monthly Recap

Following its second-worst May performance since the 1960s, the S&P 500 (SPY) surged 7% last month for its best June return since 1955, according to Barron's. The market gained 17% through the first six months of 2019, its largest first half return since 1997.

Investors had plenty of reasons to fear staying in the market following last year's late selloff. Slowing economic growth, the yield curve inversion, growing trade tensions, and steep valuations were some of the main concerns I read about.

However, the last six months of gains, representing the best start to a year in more than two decades, have shown the importance of staying the course as a long-term investor. It also makes me think back to a data point I shared in late 2016.

In Ralph Wanger's 1999 book *A Zebra in Lion Country*, he cited a University of Michigan study which showed that between 1969 and 1993 the market's 90 best trading days – barely 1% of that period – accounted for 95% of the market's gains.

Wanger referenced an additional study which found that if you were out of the market a critical 7% of the 780 months from 1926 through 1990, you would have earned absolutely nothing from 64 years of investing.

Inactivity is arguably our greatest ally as long-term investors, but I

In This Issue

Portfolio Updates

Idea Generation

Resources

Quote of the Month

"As always, we will act as appropriate to sustain the expansion." – Fed Chairman Jerome Powell know it's not always easy to stay in the market to capitalize on its historically compact periods of strength. I remember reading many panicky headlines around the time our three dividend portfolios were started in June 2015:

- The stock market is overvalued any way you look at it – MarketWatch, January 2015
- Rising Anxiety That Stocks Are Overpriced – The New York Times, August 2015
- Fears grow over US stock market bubble – Financial Times, September 2015
- Do Not Expect the Stock Growth of Recent Years to Continue – Kiplinger, January 2016
- The Federal Reserve Says U.S. Stocks are Overpriced – Fortune, June 2016

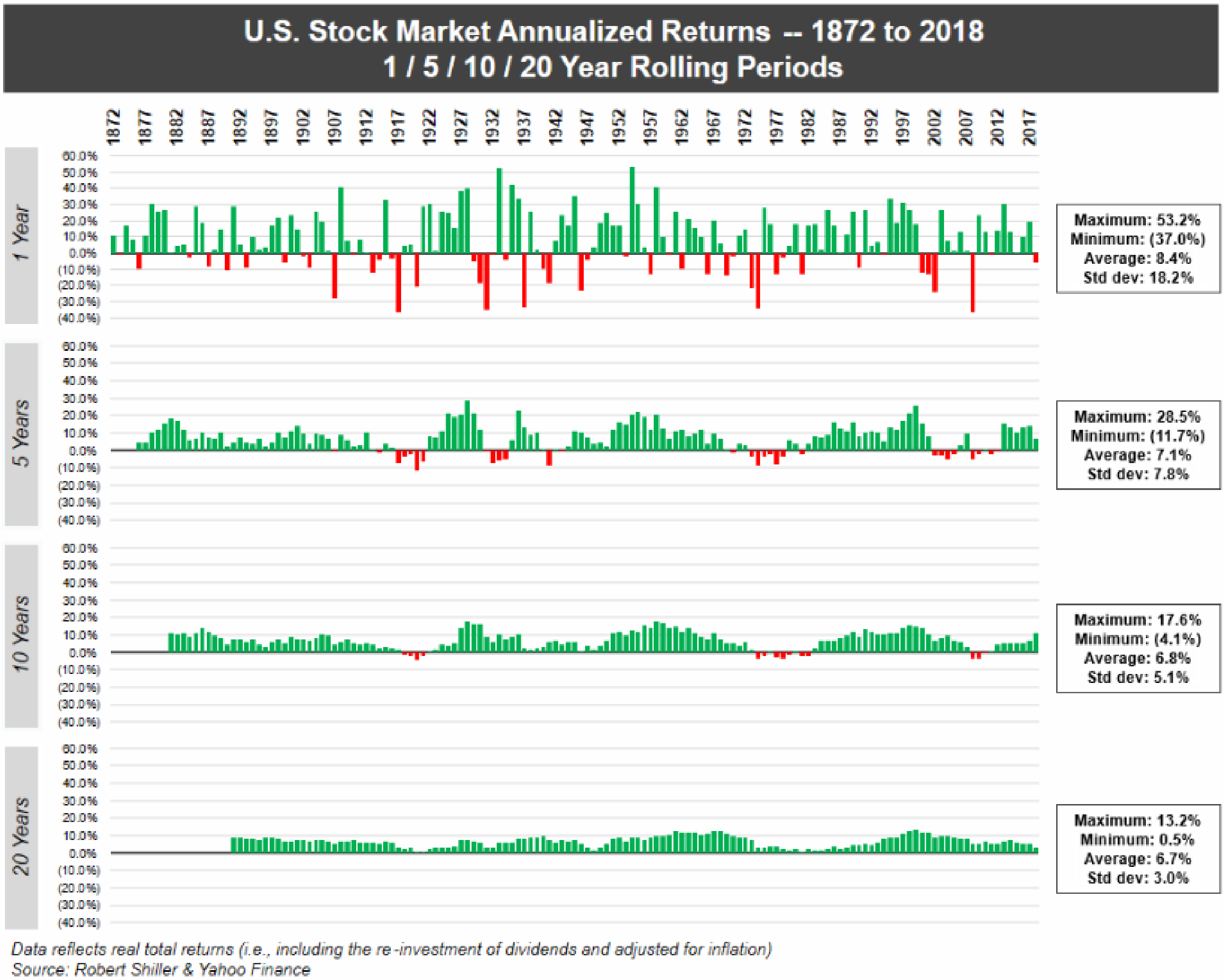
Four years later, the S&P 500 has returned just over 50% (nearly 11% per year), and each of our portfolios has gained between 59% and 69% (12% to 14% per year). It would take a 2008-like drop in the market (the S&P 500 lost 37% that year) just to get our portfolios back to their initial 2015 values, and I aim to continue growing our dividend income regardless of price volatility.

		Annualized	
Total Return Performance (as of 6/30/2019)	**Inception Date**	**1 Year**	**Since Inception**
Top 20 Dividend Stocks Portfolio	**6/12/2015**	**13.06%**	**13.81%**
S&P 500 Index (SPY)		10.09%	10.84%
Schwab U.S. Dividend Equity ETF (SCHD)		10.09%	10.68%
Conservative Retirees Portfolio	**6/17/2015**	**18.19%**	**12.25%**
S&P 500 Index (SPY)		10.09%	10.80%
S&P 500 High Dividend Low Volatility ETF (SPHD)		6.94%	10.93%
Long-term Dividend Growth Portfolio	**6/9/2015**	**8.58%**	**13.84%**
S&P 500 Index (SPY)		10.09%	11.02%
Vanguard Dividend Appreciation ETF (VIG)		15.52%	11.90%

It would not have been so hard to begin investing in a quality dividend portfolio in 2015 if you knew how nicely the next few years would play out. Those are great returns, regardless of the portfolio or ETF you would have invested in. But what about the next four years and beyond, especially if you are just getting started building a dividend portfolio today?

The market is unlikely to continue compounding at a double-digit annualized pace forever. Over most long-term periods, the S&P 500's annualized total return, adjusted for inflation, has been around 7%. But more importantly, the risk of losing money rapidly decreases the longer you stay in the game.

Visual Capitalist provided a neat animated chart [here]() that plots the S&P 500's annualized returns from 1872 to 2018 over 1-, 5-, 10-, and 20-year rolling periods. Past performance does not guarantee future results, but the S&P 500 has *never* had a negative return over any 20-year rolling period, adjusted for inflation. The average annual return during these periods was 6.7%.



Source: Visual Capitalist

Simply put, stocks have been and will likely continue to be arguably the best asset class for building and preserving wealth over the long run. When you consider that the benchmark 10-year Treasury yield sits near 2% today, providing an inflation-adjusted return near 0% for investors who buy these government bonds, stocks continue to look like the relatively more attractive asset class for long-term investors, even after their strong run in recent years.

Getting into the market requires you to figure out how much of your nest egg you want to invest in stocks. Stocks provide higher long-term returns than bonds but also experience larger short-term drawdowns. Your personal situation and risk tolerance will drive your asset allocation, but a moderately conservative retirement portfolio might invest around 60% of its value in stocks.

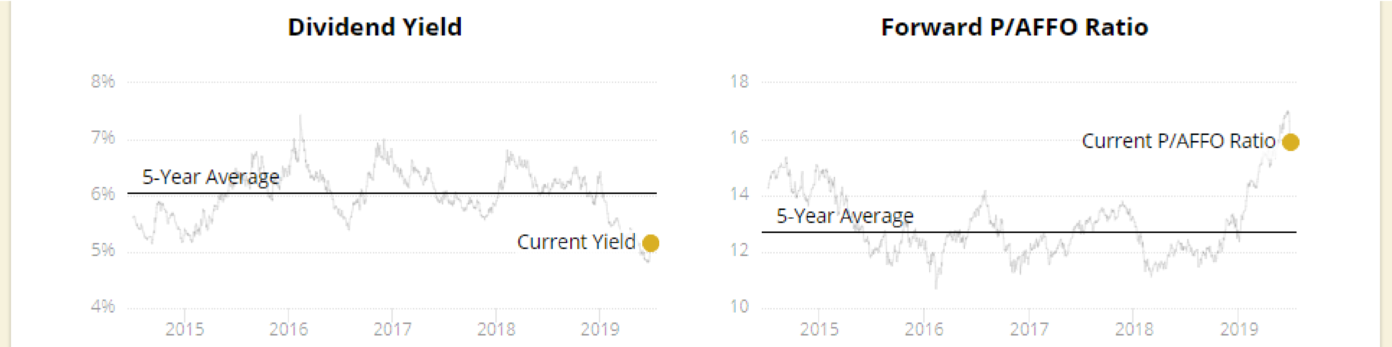
Portfolio Allocation Models: Historical Risk/Return from 1926 - 2017

Stocks	Bonds	Average Annual Return	Worst Year	Years with a Loss
100%	0%	10.3%	-43.1% (1931)	25 of 92
80%	20%	9.6%	-34.9% (1931)	23 of 92
70%	30%	9.3%	-30.7% (1931)	21 of 92
60%	40%	8.8%	-26.6% (1931)	20 of 92
50%	50%	8.4%	-22.5% (1931)	17 of 92
40%	60%	7.8%	-18.4% (1931)	14 of 92
30%	70%	7.3%	-14.2% (1931)	13 of 92
20%	80%	6.7%	-10.1% (1931)	12 of 92
0%	100%	5.4%	-8.1% (1969)	14 of 92

Source: Vanguard, Simply Safe Dividends

However, settling on an asset allocation plan still doesn't mean it's easy to pull the trigger on a stock and get a real dividend portfolio in place. When I look at the stocks we hold across our three portfolios, there always seems to be something to worry about, which can be especially paralyzing if you are new to the game.

Take W.P. Carey (WPC) in our Conservative Retirees portfolio, for example. I bought the REIT in March 2018 at a price of $60.29 per share. The stock has since returned over 40%, including dividends, and sits at about $81 per share today. As you can see, WPC's dividend yield and forward P/AFFO ratio sit at rich premiums compared to the stock's historical norm, suggesting it could be overvalued.



So should I sell? I could lock in a nice gain and look to reinvest the proceeds in an even higher-yielding, potentially undervalued stock to boost my income.

But I'm not convinced such an active approach would actually add incremental value to our long-term returns or dividend profile. The market tends to be quite efficient over time, and every stock I sell is one that needs to be replaced with a new idea, one that I don't have a long history with and that could get me into other types of trouble for any number of reasons (e.g. unanticipated challenges arise in its industry).

If you recall from our March 2019 newsletter, where I reviewed every trade I've made since our portfolios were conceived, I concluded that "had I not done anything, I think I would still feel quite satisfied with our portfolios' overall returns."

I don't consider myself to be an "expert" stock picker or anything like that. In fact, I'd put the odds at 50-50 that any single company I like today actually beats the market over the next five years. I never want to provide you with a false sense of certainty when there is none. The market is incredibly efficient most of the time, and the world is constantly changing in ways that will help some types of businesses while hurting others. No one has a crystal ball.

But that's okay. You and I actually don't need to be experts at picking individual stocks. The real value driver that we can control is assembling a well-diversified portfolio that prioritizes safe, growing dividends. That's a lot easier to accomplish than trying to decide whether or not W.P. Carey is too overvalued to own or if AT&T will beat the market next year. There's a heavy weight when feeling forced to make a call on a single stock rather than build a full portfolio.

I actually loathe getting asked my opinion of any single stock because it honestly does not matter in the grand scheme of things. The entire reason why I've built and invested in these three portfolios is to diversify away most company-specific risk. Yes, in aggregate, I really like the collection of great businesses we've assembled in each portfolio. And yes, I expect the group to grow in value over the years while delivering a stream of safe dividend income throughout.

That's really all I can tell you, though. I can highlight companies that look possibly timelier than others, but no one knows which stock will ultimately be the best performer. I don't know what the market is going to do either. And frankly, I don't waste much time thinking about it.

If you've been following along with us for any meaningful amount of time, you know I rarely trade. In fact, we've sold an average of just 1-2 stocks per year in each portfolio, and several of those sales were forced when our holdings were acquired by other companies. You don't need to be a very active investor to achieve success. Again, just look at the chart of the U.S. stock market's long-term rolling returns we showed above. It's hard to lose when you invest in a diversified collection of American businesses and stay the course. That's all we are doing, but with a focus on owning fundamentally healthy companies that can collectively reward us with safe and growing dividends each year.

So if you are trying to get started but find yourself worrying about market levels, the merits of any one stock, or the urge to be more active, don't make this harder than it has to be. You will always own some stocks that turn out to be undervalued, and others that were overvalued. What's more important than picking individual stocks is building a well-diversified portfolio that focuses on dividend safety and is not dependent on the performance of any single holding.

Here are the guidelines we follow to meet those goals:

- Hold between 20 and 60 stocks to reduce company-specific risk
- Equal-weight each holding since it's hard to predict winners and losers
- Invest no more than 25% in any one sector
- Target financially healthy companies with *Safe* or *Very Safe* Dividend Safety Scores

With those guardrails in place, you don't need to worry about what the latest headlines are saying or the market's short-term ups and downs. The success of this approach does not hinge on any one factor or stock working out favorably.

Looking ahead, in the current market environment I continue to believe it's hard to achieve more than a 4% to 5% dividend yield without taking on meaningful risk in the form of weaker dividend safety or less diversification.

Last month the world's top central banks reassured investors they will implement more accommodative monetary policies (e.g. interest rate cuts in the U.S.) if global economic growth weakens. Stocks and bonds surged as a result, and the benchmark 10-year Treasury yield fell below 2% for the first time since 2016. Ten-year bond yields hit record lows in Germany and France as well, according to The Wall Street Journal.

This environment of low interest rates has persisted much longer than many investors expected. It has also allowed companies of all quality levels to load up on cheap debt as investors worldwide chase higher returns (and yields). As always, we won't compromise on business quality in our portfolios, and we will do our very best to continue filtering out the stocks with riskier dividends from the safe ones. I hope the next four years are as good as the last four, but we will do our best to be prepared either way.

Portfolio Performance

The S&P 500 surged 7% in June, driven by hints the Fed could cut rates later this year, which makes risky assets such as stocks look more attractive. Given our focus on higher quality, more defensive businesses, each of our portfolios gained between 4% and 7%, trailing the market. With that said, 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 12.3% to 13.8%, 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 June, 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 6/30/2019	
				Annualized	
	Inception Date	**June 2019**	**YTD**	**1 Year**	**Since Inception**
Top 20 Dividend Stocks Portfolio	**6/12/2015**	**4.35%**	**15.55%**	**13.06%**	**13.81%**
S&P 500 Index (SPY)		6.96%	18.25%	10.09%	10.84%
Schwab U.S. Dividend Equity ETF (SCHD)		6.44%	13.76%	10.09%	10.68%
Conservative Retirees Portfolio	**6/17/2015**	**4.32%**	**16.12%**	**18.19%**	**12.25%**
S&P 500 Index (SPY)		6.96%	18.25%	10.09%	10.80%
S&P 500 High Dividend Low Volatility ETF (SPHD)		5.95%	12.56%	6.94%	10.93%
Long-term Dividend Growth Portfolio	**6/9/2015**	**7.04%**	**14.79%**	**8.58%**	**13.84%**
S&P 500 Index (SPY)		6.96%	18.25%	10.09%	11.02%
Vanguard Dividend Appreciation ETF (VIG)		6.62%	18.60%	15.52%	11.90%

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 18% and 25%, 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	2.99%	2.74%	3.85%
S&P 500	3.63%	3.64%	3.63%
% Difference	-17.63%	-24.73%	6.06%

Dividend Events

Wells Fargo (+13.3%), **W.P. Carey** (+0.2%), and **Medtronic** (+8.0%) announced new dividend increases during the last month. Since inception in June 2015, we have recorded 295 total dividend increases across our three portfolios and avoided dividend cuts.

	Dividend Events Since Inception		
	Top 20	**Retirees**	**Growth**
Increases	85	110	100
Cuts	0	0	0
Trailing 12 Month Dividend Growth	8.8%	8.2%	14.5%

Portfolio Actions

No trades were made in June, and none are planned for July. 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. Many higher-yielding stocks have rallied strongly as rates have fallen, making the search more difficult at the moment. 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)	86	14.0	3.10%	6%
C.H. Robinson (CHRW)	92	16.6	2.39%	4%

Conservative Retirees	**Dividend Safety Score**	**Forward P/E**	**Dividend Yield**	**5-Yr Annual Div Growth Rate**
ExxonMobil (XOM)	87	16.8	4.60%	6%
AT&T (T)	55	9.4	6.03%	2%
United Parcel Service (UPS)	69	13.3	3.76%	8%

LT Dividend Growth	**Dividend Safety Score**	**Forward P/E**	**Dividend Yield**	**5-Yr Annual Div Growth Rate**
A.O. Smith (AOS)	99	17.0	1.87%	26%
Lowe's (LOW)	93	17.7	2.14%	21%
C.H. Robinson (CHRW)	92	16.6	2.39%	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:	16.8
Beta:	0.75
Dividend Safety:	84
Dividend Growth:	55
1-yr Sales Growth:	4.0%
1-yr EPS Growth:	5.0%

Performance Update

6/30/19	Jun	All
Portfolio	4.4%	68.8%
S&P 500	7.0%	51.7%
SCHD	6.4%	50.8%

Dividend Increases:	85
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 4.4% in June, trailing the S&P 500 and Schwab's Dividend ETF (SCHD) which rose 7.0% and 6.4%, respectively.

Since inception in June 2015 the portfolio has returned 68.8% and remains ahead of the S&P 500 (51.7%) and Schwab's Dividend ETF (50.8%). During this time, the portfolio's monthly returns have also recorded about 18% less volatility than the market's.

Our top stocks in June were **General Motors** (+17%), **Cummins** (+14%), and **Emerson Electric** (+11%).

General Motors has found itself thrust into the crosshairs of the growing trade spat the U.S. has with China. Tariffs on steel, aluminum, and various parts made in China have increased GM's costs. However, they seem unlikely to affect the firm's long-term outlook, and the market was encouraged by potential progress on a U.S.-China trade deal.

Cummins has felt similar pressure from America's trade war with China. The engine manufacturer derives 10% of its revenue from China, and a total of 40% outside of North America. The stock performs well when the global economy is perceived to be strong, and U.S. progress on the trade front certainly helps as well.

Emerson Electric is yet another global industrial firm, deriving around half of its revenue outside of North America and nearly a quarter of its sales in Asia. Again, improving sentiment about a resolution to the U.S.-China trade war helped lift industrials like Emerson last month.

Our weakest stocks in June were **American Tower** (-2%), **Altria** (-2%), and **Consolidated Edison** (2%).

American Tower was our strongest performer last month before its moderate dip in June. The tower REIT last reported solid earnings on May 3. Revenue increased 4.1%, U.S. organic tenant billings growth exceeded 8%, and management raised the dividend. However, some investors remain concerned over a potential Sprint-T-Mobile merger gaining approval, which could give carriers more negotiating power with tower leases and reduce demand in some areas. AMT's business has actually benefited from carrier consolidation in the past (see our thesis), so it feels premature to worry about this risk.

Altria last reported earnings on April 25, but the Marlboro maker remains volatile as investors try to assess its long-term growth outlook in light of falling cigarette volumes and regulatory pressure on e-cigarettes sold by Juul. I'm taking a wait-and-see approach for now until more of the dust settles.

Con Edison and most other utilities lagged the market as investors rotated out of more defensive stocks.

Dividend Events

One of our holdings announced a dividend increase during the last month. Our portfolio has recorded 85 dividend increases since inception in June 2015 and has not experienced any dividend cuts.

Wells Fargo announced a 13.3% dividend increase following the Fed's approval of its capital plan.

Stocks to Consider Buying

Most of our holdings have rallied along with the broader market this year, 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: 86 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 3.10%

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.

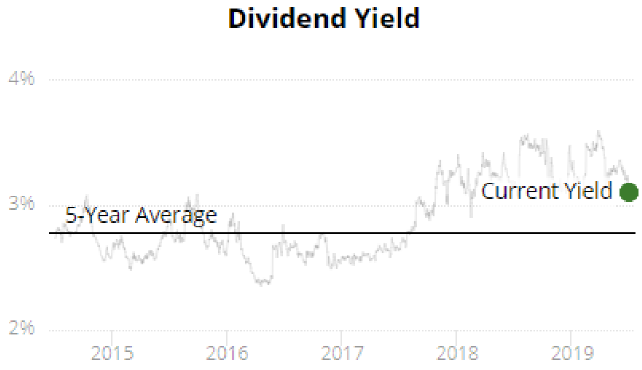
Recent News

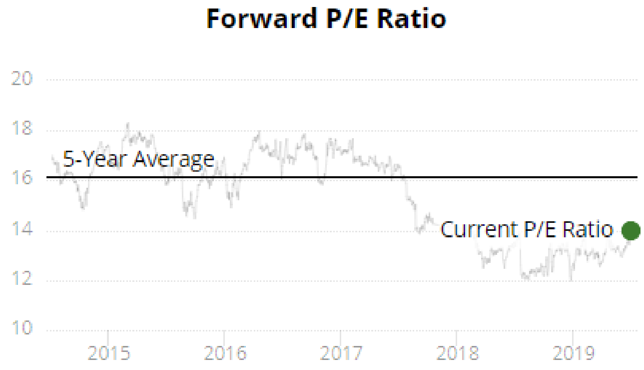
No update from last month. Omnicom reported earnings on April 16 that beat expectations. The firm's organic revenue grew at a healthy pace of 2.5% (including continued positive growth of 2% in its core U.S. market), and margins expanded 80 basis points. The company is performing well, fueled in large 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 14.0 and its dividend yield was 3.10% as of 7/2/19.





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: 92 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 2.39%

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

No update from last month. 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.

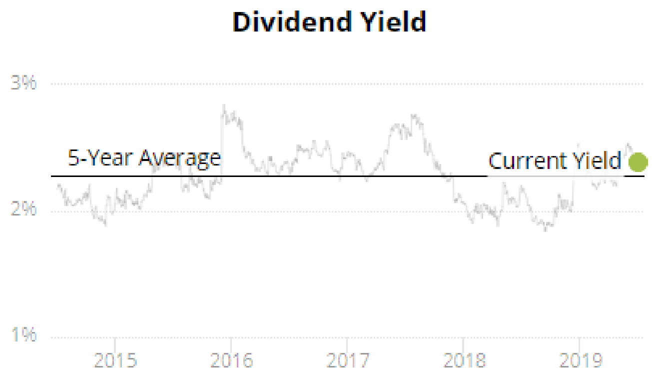
And so through each of these phases we have stayed true to one of our core values, which is evolving constantly and managing our business for long-term value creation.

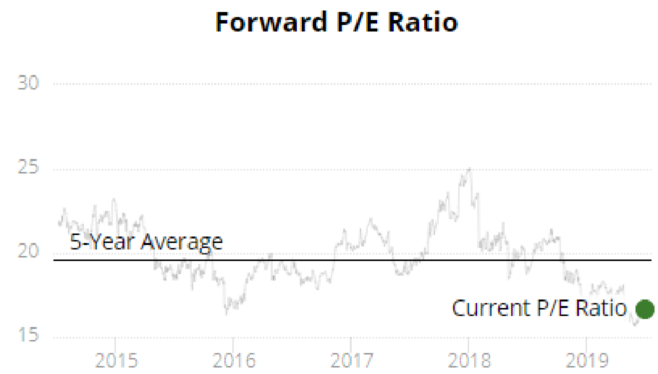
But in the early 2000s, it was the advent of the Internet. The arrival of the load board that was going to bring price and cost transparency and disintermediate brokerage. In the mid 2000s, we had upstart 3PLs actively pricing freight below market rates in order to take share with large shippers, either 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 2.39% as of 7/2/19.





Stocks to Consider Selling
None.

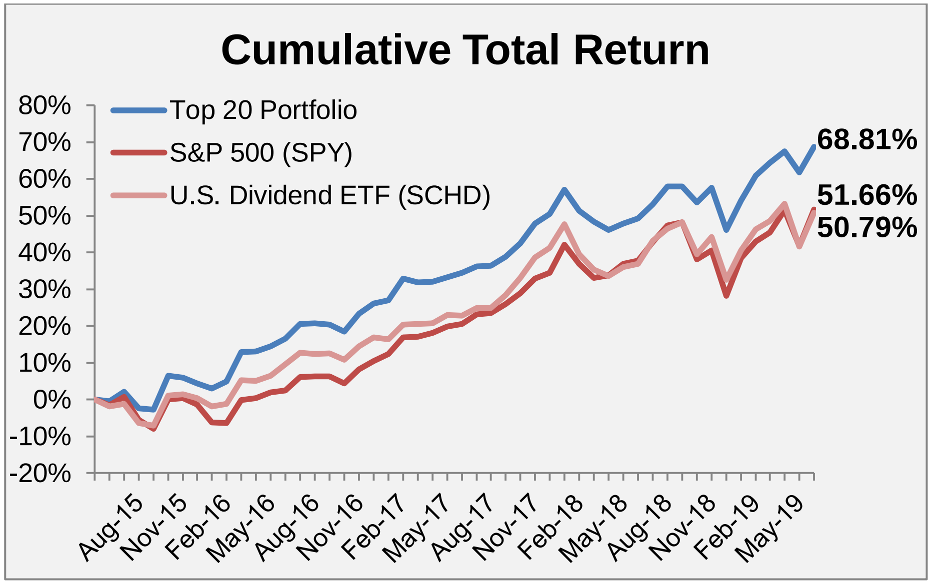
Top 20 Dividend Stocks – Portfolio Actions

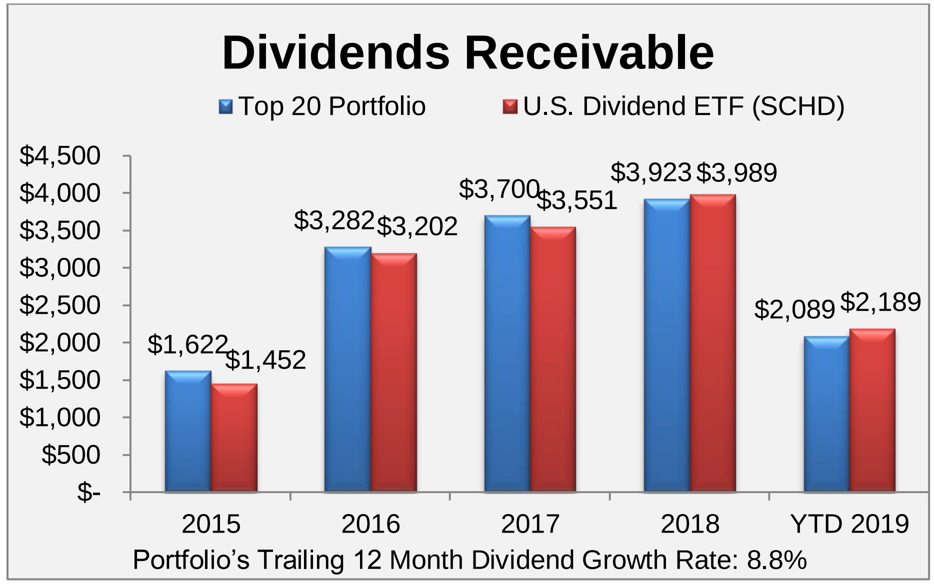
Data as of 7/2/19

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	14.0	3.10%	86	Low	06-24-15	70	3.5%	$70.94	$83.74	$5,861.80	30.9%	50.0%	-19.1%
CHRW	C.H. Robinson Worldwide	16.6	2.39%	92	Low	09-06-16	88	4.3%	$70.58	$83.63	$7,359.44	26.3%	42.2%	-15.9%
Long-term Holds														
VZ	Verizon Communications	12.2	4.15%	87	Very Low	06-30-15	107	3.7%	$46.61	$58.13	$6,219.91	44.6%	53.4%	-8.8%
AMT	American Tower Corporation (REIT	26.0	1.79%	78	Very Low	04-03-17	55	6.7%	$120.49	$205.63	$11,309.65	76.0%	30.9%	45.1%
PEP	PepsiCo	23.6	2.88%	93	Low	07-10-15	52	4.1%	$95.55	$132.43	$6,886.36	52.2%	52.2%	0.0%
ACN	Accenture plc	24.5	1.55%	92	High	07-06-15	52	5.8%	$97.31	$188.60	$9,807.20	104.2%	52.8%	51.5%
MMM	3M Company	18.3	3.31%	75	Average	07-24-15	34	3.5%	$149.33	$174.02	$5,916.68	29.6%	51.8%	-22.2%
WFC	Wells Fargo & Company	10.0	3.81%	79	Average	02-29-16	105	2.9%	$46.92	$47.23	$4,959.15	11.8%	62.0%	-50.2%
GM	General Motors Company	6.0	3.96%	61	High	07-21-15	164	3.7%	$30.39	$38.34	$6,287.76	46.0%	49.1%	-3.1%
KMB	Kimberly-Clark Corporation	20.1	3.03%	88	Low	11-07-16	55	4.4%	$113.34	$136.07	$7,483.85	28.9%	45.6%	-16.7%
D	Dominion Energy	18.2	4.74%	75	Very Low	11-07-17	61	2.8%	$80.63	$77.38	$4,720.18	2.4%	18.1%	-15.7%
BA	Boeing Company	20.8	2.32%	98	High	07-10-15	22	4.6%	$144.48	$354.16	$7,791.52	160.9%	52.2%	108.7%
CMI	Cummins	10.8	2.68%	98	High	07-09-15	39	3.9%	$127.77	$170.20	$6,637.80	46.4%	54.1%	-7.7%
EMR	Emerson Electric Co.	17.7	2.96%	78	High	08-04-15	100	3.9%	$49.62	$66.30	$6,630.00	49.1%	50.8%	-1.7%
CSCO	Cisco Systems	16.8	2.51%	91	High	06-06-16	214	7.0%	$29.15	$55.81	$11,943.34	104.2%	47.9%	56.3%
CB	Chubb Limited	13.7	2.02%	99	Average	06-26-15	48	4.2%	$103.47	$148.42	$7,124.16	55.0%	50.5%	4.5%
ADP	Automatic Data Processing	27.5	1.95%	97	Average	06-29-15	61	5.8%	$80.91	$161.96	$9,879.56	112.4%	53.7%	58.7%
BR	Broadridge Financial Solutions	26.3	1.48%	75	Average	06-22-15	95	7.3%	$52.65	$131.09	$12,453.55	160.2%	49.0%	111.2%
MO	Altria Group	11.3	6.58%	65	Low	07-15-15	99	2.8%	$51.23	$48.60	$4,811.40	15.6%	49.9%	-34.3%
ED	Consolidated Edison	20.1	3.35%	90	Very Low	07-02-15	84	4.4%	$59.14	$88.42	$7,427.28	68.2%	52.3%	15.9%
Cash (Includes Dividends Receivable)								10.7%			$18,226.23			
Portfolio Total		**16.9**	**$0.03**	**84**	**Low**			**69%**			**$169,737**	**69.7%**	**51.7%**	**18.1%**

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





<u>**Monthly Return**</u>	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**	**May 2019**	**Jun 2019**
Portfolio	-2.78%	2.54%	-7.26%	5.54%	4.37%	2.11%	1.94%	-3.44%	4.35%
S&P 500	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%	-6.38%	6.96%
SCHD ETF	-5.91%	3.37%	-8.11%	6.05%	4.06%	1.56%	3.21%	-7.60%	6.44%
Portfolio Value	$153,637.46	$157,533.59	$146,094.99	$154,195.00	$160,940.58	$164,335.96	$167,531.20	$161,767.14	$168,810.11

<u>**Since Inception**</u>

Cumulative	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**	**May 2019**	**Jun 2019**
Portfolio	53.64%	57.53%	46.09%	54.19%	60.94%	64.34%	67.53%	61.77%	68.81%
S&P 500	38.09%	40.67%	28.25%	38.46%	42.95%	45.53%	51.45%	41.79%	51.66%
SCHD ETF	39.55%	44.25%	32.55%	40.57%	46.27%	48.55%	53.32%	41.67%	50.79%

Annualized	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**	**May 2019**	**Jun 2019**
Portfolio	13.51%	13.99%	11.25%	12.63%	13.65%	13.98%	14.20%	12.88%	13.81%
S&P 500	9.99%	10.33%	7.25%	9.35%	10.09%	10.39%	11.28%	9.19%	10.84%
SCHD ETF	10.33%	11.13%	8.25%	9.80%	10.77%	10.98%	11.63%	9.17%	10.68%

Top 20 Dividend Stocks – Payment Schedule

Data as of 7/2/19

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	1.5%	41%	1.46	May, Nov	Early Oct	Mid Nov	10%	10%	19%
ADP	2.0%	57%	0.79	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	21%	10%	9%
AMT	1.8%	41%	0.92	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	20%	23%	N/A
BA	2.3%	46%	2.06	Mar, Jun, Sept, Dec	08-08-19	09-06-19	20%	23%	17%
BR	1.5%	38%	0.49	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	33%	18%	21%
CB	2.0%	30%	0.75	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	3%	3%	10%
CHRW	2.4%	39%	0.50	Mar, Jun, Sept, Dec	Early Sept	Late Sept	4%	6%	8%
CMI	2.7%	30%	1.14	Mar, Jun, Sept, Dec	Late Aug	Early Sept	5%	15%	22%
CSCO	2.5%	45%	0.35	Jan, Apr, Jul, Oct	07-03-19	07-24-19	10%	14%	N/A
ED	3.3%	66%	0.74	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	3%	3%	2%
EMR	3.0%	58%	0.49	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	1%	3%	4%
D	4.7%	86%	0.92	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	10%	9%	8%
GM	4.0%	23%	0.38	Mar, Jun, Sept, Dec	Early Sept	Late Sept	0%	N/A	25%
KMB	3.0%	61%	1.03	Jan, Apr, Jul, Oct	Early Sept	Early Oct	3%	4%	6%
MMM	3.3%	57%	1.44	Mar, Jun, Sept, Dec	Late Aug	Mid Sept	6%	11%	11%
MO	6.6%	79%	0.80	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	18%	10%	6%
OMC	3.1%	42%	0.65	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	8%	6%	16%
PEP	2.9%	66%	0.96	Mar, Jun, Sept, Dec	Early Sept	Late Sept	13%	10%	8%
VZ	4.1%	77%	0.60	Feb, May, Aug, Nov	07-09-19	08-01-19	2%	3%	3%
WFC	3.8%	38%	0.45	Mar, Jun, Sept, Dec	Early Aug	Early Sept	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:	3.3%
Fwd P/E Ratio:	17.8
Beta:	0.63
Dividend Safety:	80
Dividend Growth:	36
1-yr Sales Growth:	4.6%
1-yr EPS Growth:	8.0%

Performance Update

6/30/19	Jun	All
Portfolio	4.3%	59.4%
S&P 500	7.0%	51.3%
SPHD	6.0%	52.1%

Dividend Increases:	110
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

The conservative nature of our portfolio means it's not expected to keep pace when the market surges. That played out in June, when the S&P 500 jumped 7% but our portfolio *only* gained 4.3% as defensive sectors such as utilities and consumer staples lagged.

Since inception in June 2015, our portfolio has returned 59.4%, outperforming the S&P 500 (51.3%) and our ETF benchmark (52.1%). Importantly, our return has been delivered while recording 25% 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 June were **General Motors** (+17%) and **Emerson Electric** (+11%), and **United Parcel Service** (+11%).

General Motors has found itself thrust into the crosshairs of the growing trade spat the U.S. has with China. Tariffs on steel, aluminum, and various parts made in China have increased GM's costs. However, they seem unlikely to affect the firm's long-term outlook, and the market was encouraged by potential progress on a U.S.-China trade deal.

Emerson Electric a very global industrial firm, deriving around half of its revenue outside of North America and nearly a quarter of its sales in Asia. Improving sentiment about a resolution to the U.S.-China trade war helped lift industrials like Emerson last month.

United Parcel Service last 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. UPS's stock bounced back in June, likely driven by improving sentiment for a trade deal and potential for additional actions by global central banks to stimulate the economy.

Our worst performing stocks in June were **Paychex** (-4%), **National Retail Properties** (-1%), and **W.P. Carey** (-1%).

Paychex reported earnings on June 26. Revenue increased 16% (organic sales up 5%) and diluted EPS rose 7%. PAYX had very high expectations coming into the quarter, sporting a forward P/E ratio near 30, above its 5-year average of 25. The stock remains a long-term hold.

National Retail Properties last reported earnings on May 1. The REIT's cash flow per share grew 1.5%, and occupancy remained strong at 98.2%. However, both National Retail and **W.P. Carey** struggled to keep pace with the broader market. The Real Estate sector only gained 1.5% in June as investors rotated out of more defensive stocks in favor of economy-sensitive businesses.

Dividend Events

Two of our holdings increased their dividends during the last month. Our portfolio has recorded 110 dividend increases since inception in June 2015 and has not experienced any dividend cuts.

W.P. Carey raised its dividend by 0.2%. The REIT has delivered consecutive annual dividend increases since going public in 1998.

Wells Fargo announced a 13.3% dividend increase following the Fed's approval of its capital plan.

Stocks to Consider Buying

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

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: 87   5-Year Dividend Growth Rate: 6% per year   Dividend Yield: 4.60%

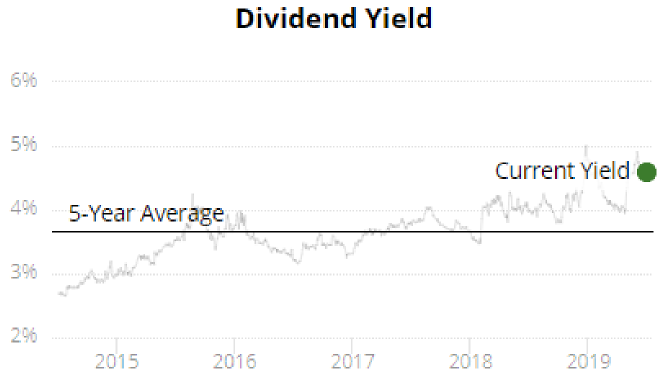
Exxon has paid an uninterrupted quarterly dividend since 1882 and has increased its payout for more than 30 consecutive years. While Exxon's dividend grew nearly 9% annually over the past decade, payout growth has slowed in recent years thanks to the crash in oil prices. With the price of oil recovering 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.

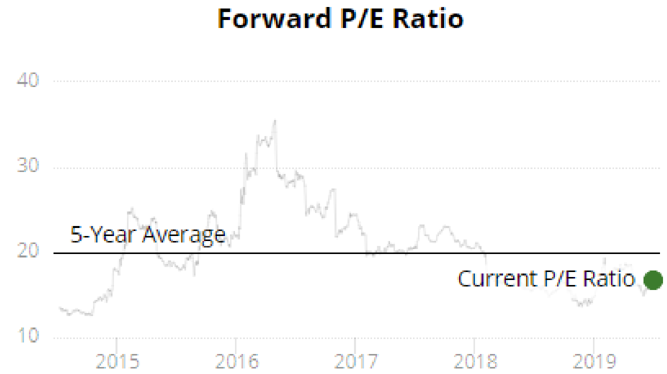
Recent News

No update from last month. 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 16.8 and its dividend yield was 4.60% as of 7/2/19. 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.





AT&T (T): 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: 6.03%

In 2018 AT&T's Dividend Safety Score fell from *Safe* to *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 analysis on AT&T's dividend safety here.

Recent News

No update from last month. AT&T last reported earnings on April 24, 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.

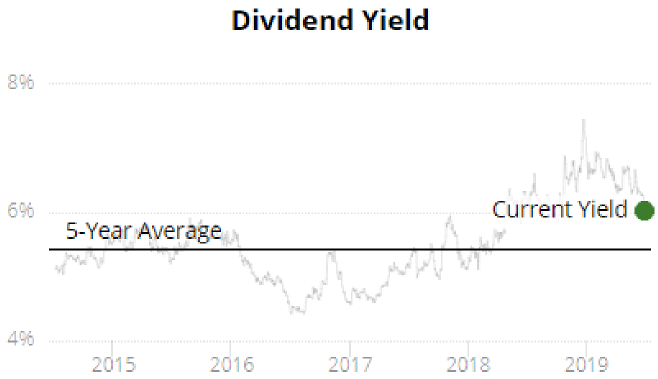
Based on the information we know today, AT&T's deleveraging plans appear to remain on track and unlikely to threaten its dividend for the foreseeable future. Management still plans to get AT&T's net debt to EBITDA ratio down to about 2.5 times by the end of 2019, and back to historical levels by year-end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

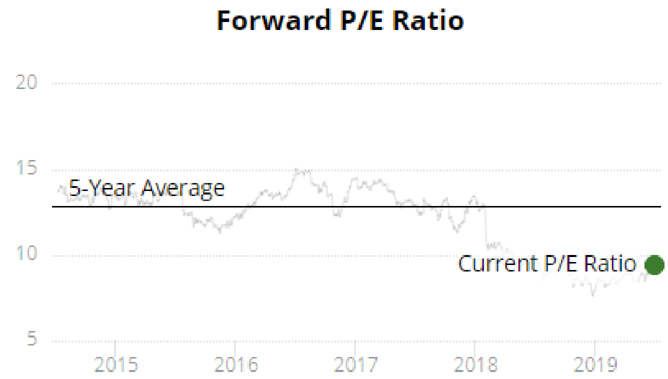
Annual free cash flow is expected to exit this year at a $26 billion run rate, which leaves around $13 billion of retained cash flow after paying dividends of about $13 billion. This retained cash flow will be used to reduce debt and aligns nicely with maturities over the next four years.

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 9.4 and its dividend yield was 6.03% as of 7/2/19.





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: 69 5-Year Dividend Growth Rate: 8% Dividend Yield: 3.76%

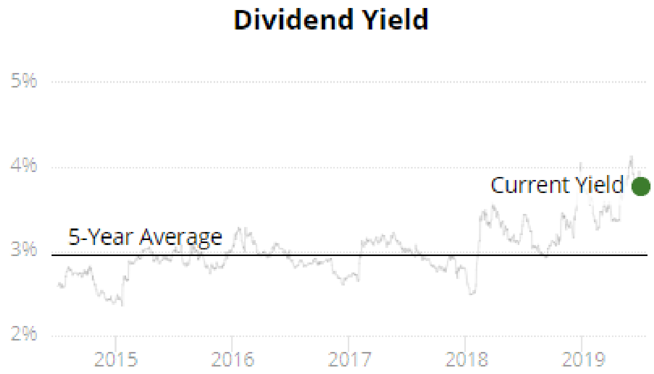
UPS has a long history of rewarding shareowners with generous cash dividends. The company has paid a cash dividend every year since 1969 and has more than quadrupled its dividend since it went public at the end of 1999. With a payout ratio near 50%, consistent cash flow generation, and a strong investment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

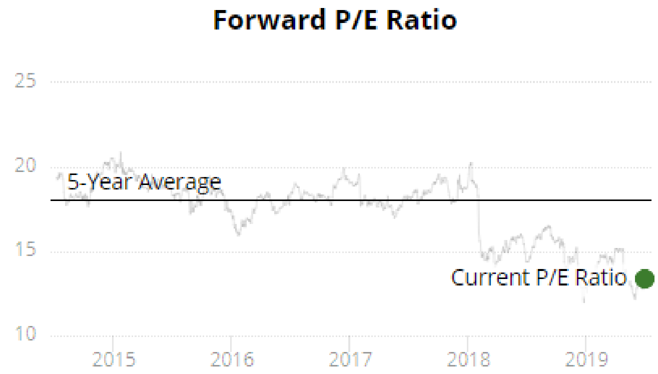
Recent News

No update from last month. UPS last 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 13.3 and its dividend yield was 3.76% as of 7/2/19.





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.

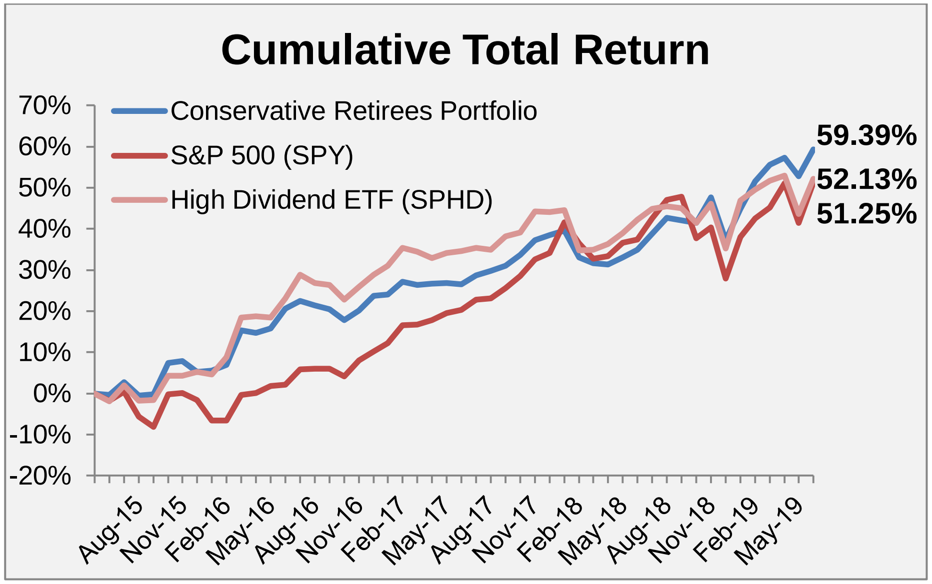
Conservative Retirees Portfolio – Portfolio Actions

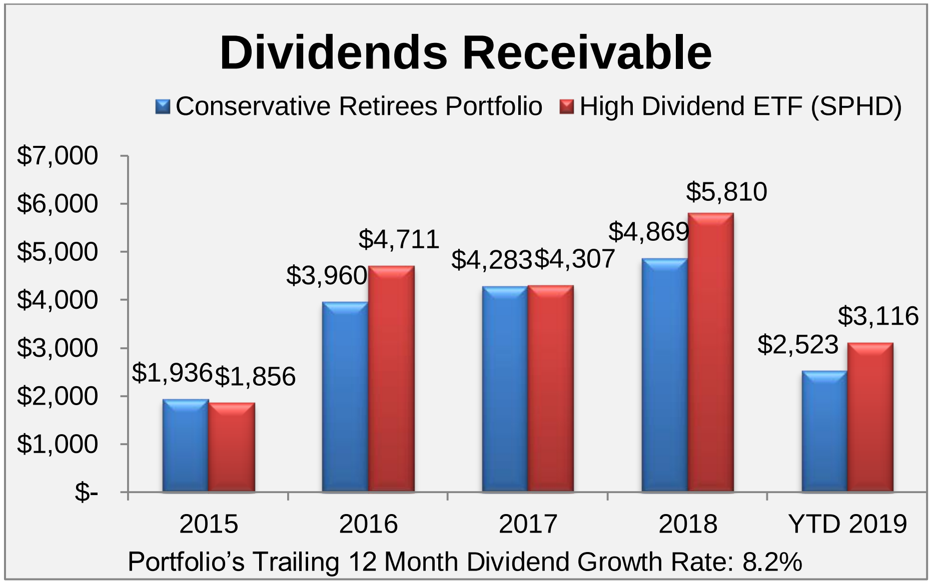
Data as of 7/2/19 **= stock under review for potential sale in the coming months**

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	16.8	4.60%	87	Average	07-31-15	50	2.4%	$79.29	$75.72	$3,786.00	11.3%	50.0%	-38.7%
T	AT&T	9.4	6.03%	55	Very Low	11-07-17	80	1.7%	$32.80	$33.84	$2,707.20	11.5%	18.1%	-6.7%
UPS	United Parcel Service	13.3	3.76%	69	High	03-05-18	26	1.6%	$105.01	$102.00	$2,652.00	0.8%	11.8%	-11.0%
Long-term Holds														
CCI	Crown Castle International	22.4	3.38%	61	Very Low	11-07-17	40	3.3%	$111.51	$133.25	$5,330.00	26.0%	18.1%	7.9%
WFC	Wells Fargo & Company	10.0	3.81%	79	Average	12-31-15	74	2.2%	$54.33	$47.23	$3,495.02	-2.8%	53.8%	-56.6%
PFE	Pfizer	15.5	3.26%	75	Low	04-03-17	167	4.6%	$34.20	$44.22	$7,384.74	38.0%	30.9%	7.2%
PG	Procter & Gamble Company	23.7	2.68%	99	Very Low	07-01-15	50	3.5%	$79.72	$111.48	$5,574.00	53.7%	52.2%	1.5%
PSA	Public Storage	24.6	3.30%	96	Very Low	03-05-18	14	2.1%	$195.75	$242.51	$3,395.14	29.0%	11.8%	17.2%
GM	General Motors Company	6.0	3.96%	61	High	07-21-15	131	3.1%	$30.39	$38.34	$5,022.54	46.0%	49.1%	-3.1%
KMB	Kimberly-Clark Corporation	20.1	3.03%	88	Low	08-07-17	42	3.6%	$120.99	$136.07	$5,714.94	18.7%	23.8%	-5.1%
WPC	W. P. Carey	16.1	5.10%	73	Low	03-05-18	46	2.3%	$60.29	$81.16	$3,733.36	43.7%	11.8%	31.9%
NNN	National Retail Properties	18.9	3.75%	95	Very Low	06-26-15	111	3.7%	$35.74	$53.35	$5,921.85	70.1%	50.5%	19.6%
JNJ	Johnson & Johnson	15.9	2.71%	99	Low	06-25-15	40	3.5%	$99.12	$140.03	$5,601.20	54.8%	50.5%	4.3%
DUK	Duke Energy Corporation	18.0	4.16%	80	Very Low	03-05-18	35	1.9%	$75.83	$89.14	$3,119.90	21.0%	11.8%	9.2%
D	Dominion Energy	18.2	4.74%	75	Very Low	11-07-17	50	2.4%	$80.63	$77.38	$3,869.00	2.4%	18.1%	-15.7%
GIS	General Mills	15.9	3.66%	69	Low	06-17-15	73	2.4%	$55.25	$53.55	$3,909.15	10.7%	50.4%	-39.7%
VZ	Verizon Communications	12.2	4.15%	87	Very Low	06-30-15	85	3.1%	$46.61	$58.13	$4,941.05	44.6%	53.4%	-8.8%
WEC	WEC Energy Group	24.2	2.80%	87	Very Low	03-05-18	48	2.5%	$59.41	$84.25	$4,044.00	43.0%	11.8%	31.2%
PM	Philip Morris International	15.4	5.72%	64	Average	06-19-15	50	2.5%	$82.66	$79.75	$3,987.50	18.4%	50.3%	-31.8%
CSCO	Cisco Systems	16.8	2.51%	91	High	06-06-16	175	6.1%	$29.15	$55.81	$9,766.75	104.2%	47.9%	56.3%
AEP	American Electric Power	21.8	3.00%	81	Very Low	06-19-15	73	4.0%	$54.47	$89.19	$6,510.87	81.4%	50.3%	31.1%
MCD	McDonald's Corporation	25.4	2.21%	77	Very Low	07-07-15	41	5.3%	$96.68	$209.58	$8,592.78	133.0%	51.8%	81.2%
PPL	PPL Corporation	12.7	5.36%	75	Low	07-13-15	129	2.5%	$30.97	$30.79	$3,971.91	19.8%	50.5%	-30.7%
INTC	Intel Corporation	10.9	2.62%	96	Low	07-15-15	100	3.0%	$29.69	$48.12	$4,812.00	77.0%	49.9%	27.1%
ED	Consolidated Edison	20.1	3.35%	90	Very Low	07-02-15	67	3.7%	$59.14	$88.42	$5,924.14	68.2%	52.3%	15.9%
PAYX	Paychex	27.1	2.97%	61	Average	07-28-15	87	4.5%	$46.61	$83.63	$7,275.81	96.3%	50.9%	45.5%
WM	Waste Management	26.3	1.77%	74	Low	07-13-15	83	6.0%	$47.93	$115.89	$9,618.87	156.4%	50.5%	105.8%
SYY	Sysco Corporation	19.3	2.18%	92	Low	07-23-15	112	5.0%	$36.14	$71.42	$7,999.04	111.7%	50.2%	61.4%
EMR	Emerson Electric Co.	17.7	2.96%	78	High	08-04-15	80	3.3%	$49.62	$66.30	$5,304.00	49.1%	50.8%	-1.7%
Cash (Includes Dividends Receivable)								4.3%			$6,846.84			
Portfolio Total		**17.8**	**$0.03**	**80**	**Low**			**100%**			**$160,812**	**60.8%**	**51.2%**	**9.6%**

<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	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	-0.38%	4.31%	-7.01%	5.54%	4.62%	2.62%	1.10%	-2.83%	4.32%
S&P 500	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%	-6.38%	6.96%
SPHD ETF	-2.47%	3.32%	-7.49%	8.68%	1.79%	1.49%	0.80%	-6.12%	5.95%
Portfolio Value	$141,515.89	$147,615.90	$137,264.95	$144,868.82	$151,555.96	$155,531.77	$157,241.87	$152,794.24	$159,390.18

Since Inception

Cumulative	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	41.52%	47.62%	37.26%	44.87%	51.56%	55.53%	57.24%	52.79%	59.39%
S&P 500	37.71%	40.28%	27.90%	38.08%	42.56%	45.13%	51.04%	41.40%	51.25%
SPHD ETF	41.39%	46.09%	35.15%	46.88%	49.52%	51.74%	52.95%	43.59%	52.13%

Annualized	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	10.84%	11.92%	9.35%	10.76%	11.88%	12.38%	12.40%	11.31%	12.25%
S&P 500	9.94%	10.28%	7.19%	9.30%	10.05%	10.35%	11.24%	9.15%	10.80%
SPHD ETF	10.76%	11.54%	8.84%	11.14%	11.43%	11.61%	11.56%	9.54%	10.93%

Conservative Retirees Portfolio – Payment Schedule

Data as of 7/2/19

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	3.0%	62%	0.67	Mar, Jun, Sept, Dec	Early Aug	Mid Sept	6%	5%	4%
CCI	3.4%	78%	1.13	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	10%	N/A	N/A
CSCO	2.5%	45%	0.35	Jan, Apr, Jul, Oct	07-03-19	07-24-19	10%	14%	N/A
ED	3.3%	66%	0.74	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	3%	3%	2%
EMR	3.0%	58%	0.49	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	1%	3%	4%
D	4.7%	86%	0.92	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	10%	9%	8%
GIS	3.7%	61%	0.49	Feb, May, Aug, Nov	07-09-19	08-01-19	0%	5%	9%
GM	4.0%	23%	0.38	Mar, Jun, Sept, Dec	Early Sept	Late Sept	0%	N/A	25%
INTC	2.6%	26%	0.32	Mar, Jun, Sept, Dec	Early Aug	Early Sept	5%	7%	8%
JNJ	2.7%	44%	0.95	Mar, Jun, Sept, Dec	Late Aug	Mid Sept	7%	6%	7%
MCD	2.2%	55%	1.16	Mar, Jun, Sept, Dec	Late Aug	Mid Sept	9%	6%	10%
NNN	3.7%	73%	0.50	Feb, May, Aug, Nov	Late July	Mid Aug	5%	4%	3%
UPS	3.8%	52%	0.96	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	5%	7%	8%
WEC	2.8%	65%	0.59	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	7%	9%	13%
WPC	5.1%	77%	1.03	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	2%	4%	8%
DUK	4.2%	79%	0.93	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	4%	3%	3%
PAYX	3.0%	79%	0.62	Feb, May, Aug, Nov	Mid Aug	Late Aug	12%	9%	6%
PFE	3.3%	45%	0.36	Mar, Jun, Sept, Dec	08-01-19	09-03-19	6%	7%	6%
PG	2.7%	66%	0.75	Feb, May, Aug, Nov	Mid July	Mid Aug	3%	3%	6%
PM	5.7%	88%	1.14	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	6%	5%	11%
PPL	5.4%	70%	0.41	Jan, Apr, Jul, Oct	Early Sept	Early Oct	1%	2%	2%
KMB	3.0%	61%	1.03	Jan, Apr, Jul, Oct	Early Sept	Early Oct	3%	4%	6%
SYY	2.2%	44%	0.39	Jan, Apr, Jul, Oct	07-03-19	07-26-19	3%	6%	5%
T	6.0%	57%	0.51	Feb, May, Aug, Nov	Mid July	Early Aug	2%	2%	2%
PSA	3.3%	81%	2.00	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	0%	9%	14%
VZ	4.1%	77%	0.60	Feb, May, Aug, Nov	07-09-19	08-01-19	2%	3%	3%
WFC	3.8%	38%	0.45	Mar, Jun, Sept, Dec	Early Aug	Early Sept	10%	6%	14%
WM	1.8%	45%	0.51	Mar, Jun, Sept, Dec	Early Sept	Late Sept	10%	6%	6%
XOM	4.6%	74%	0.87	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	6%	6%	8%
Average	3.3%	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:	1.8%
Fwd P/E Ratio:	20.4
Beta:	0.90
Dividend Safety:	85
Dividend Growth:	84
1-yr Sales Growth:	6.2%
1-yr EPS Growth:	18.0%

Performance Update

6/30/19	Jun	All
Portfolio	7.0%	69.1%
S&P 500	7.0%	52.8%
VIG ETF	6.6%	57.6%

Dividend Increases:	100
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 returned 7.0% in June, keeping pace with the S&P 500 (SPY) and Vanguard's Dividend Appreciation ETF (VIG), which gained 6.6%.

Since inception in June 2015, our portfolio has returned 69.1%, outperforming the S&P 500's 52.8% return and VIG's 57.6% 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 14.5% over the trailing 12 months.

Our strongest stocks during the month of June were **H.B. Fuller** (+18%), **A.O. Smith** (+16%), and **Thor Industries** (+14%).

H.B. Fuller reported earnings on June 26. The adhesives maker recorded 1% organic revenue growth and expanded its gross margin. Management also announced a deal to sell off a non-core business to accelerate its deleveraging efforts. H.B. Fuller is sensitive to the global economy, so the stock also benefited from the central bank's reassurance that it would take action to sustain growth.

A.O. Smith has had a wild ride in recent months. The manufacturer of water heaters and boilers derives 34% of its revenue from China, so the trade spat has caused some jitters. A short seller also issued a bearish report on the company in May, which we analyzed here. Neither issue seems likely to affect A.O. Smith's long-term outlook, and progress on a trade deal between the U.S. and China likely improved sentiment around the stock in June.

Thor Industries reported results on June 10. The RV and camper manufacturer is one of our most volatile holdings. Its end markets are very sensitive to consumer spending, and the firm is also digesting a $2 billion acquisition which it closed during the quarter. Management has had success with past deals to expand Thor's market, so they deserve the benefit of the doubt for now.

Our only holding that declined in June was **American Tower** (-2%).

American Tower was our strongest performer last month before its moderate dip in June. The tower REIT last reported solid earnings on May 3.

Revenue increased 4.1%, U.S. organic tenant billings growth exceeded 8%, and management raised the dividend. However, some investors remain concerned over a potential Sprint-T-Mobile merger gaining approval, which could give carriers more negotiating power with tower leases and reduce demand in some areas.

American Tower's business has actually benefited from carrier consolidation in the past (see our thesis), so it feels premature to worry about this risk.

Dividend Events
One of our holdings announced a dividend increase during the last month. Our portfolio has enjoyed a total of 100 payout raises since inception in June 2015. We have not experienced any dividend cuts.

Medtronic announced its 42nd consecutive annual dividend increase, raising its payout by 8%.

Stocks to Consider Buying
Most of our holdings have rallied along with the broader market this year, reducing the number of stocks with appealing valuations and timely fundamentals. Three stocks look like timely opportunities for long-term investors to consider: A.O. Smith (AOS), Lowe's (LOW), 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: 1.87%

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.

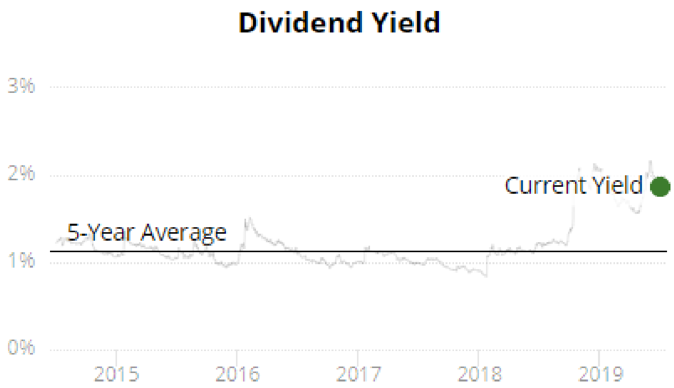
Recent News
No update from last month. A short seller issued a bearish report on A.O. Smith in mid-May. You can read our assessment of the report here. While short-term demand trends in China may be unfavorable, the company's long-term outlook appears intact to us. Management refuted the short seller's report and also

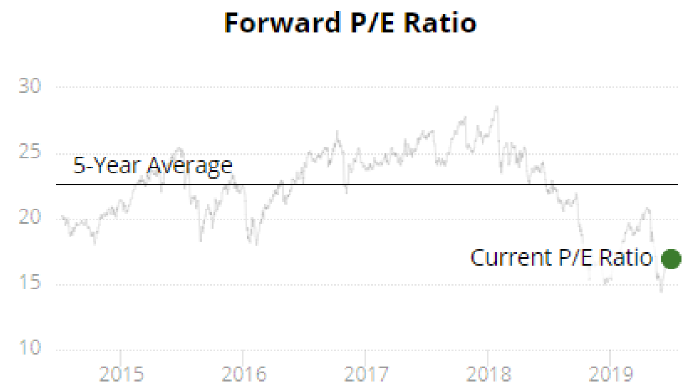
increased the firm's share repurchase program by 50%, demonstrating confidence in the underlying business.

A.O. Smith last 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 17.0 and its dividend yield was 1.87% as of 7/2/19.





Lowe's (LOW): Founded in 1946 in North Wilkesboro, North Carolina, Lowe's is America's second largest home improvement retailer, behind Home Depot (HD). It operates more than 2,100 stores in the U.S., Canada, and Mexico. The company's stores are famous for being a one-stop shop for both do-it-yourself (DIY) customers, as well as professional contractors, generally offering more than 35,000 products, including both well-known national and exclusive brands.

Competitive Advantages
The key to Lowe's steady growth has been its strong focus on strong customer service, which combined with its extensive base of conveniently located stores, economies of scale, brand recognition, and massive distribution channels creates a wide moat in an otherwise highly commoditized retail sector.

Smaller competitors are unable to match the broad assortment of inventory and in-store product presentations that Lowe's can afford. They also have much less bargaining power with suppliers, making their products less price-competitive. Consumers have few reasons not to head to Lowe's or Home Depot for their home improvement needs.

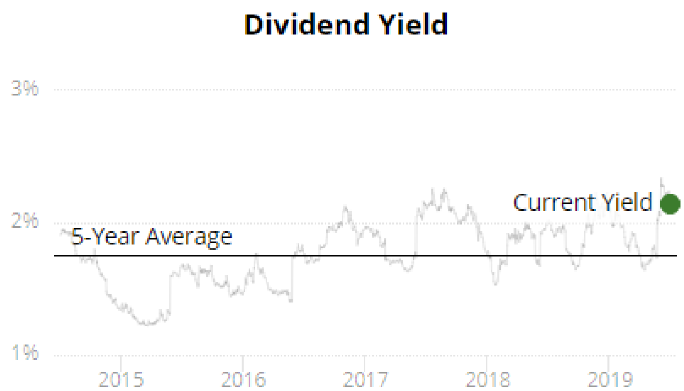
Lowe's has also been improving its competitive positioning by investing more in technology, product presentation, and its online omni-channel sales platform. Through the use of technology and helpful in-store displays and service, customers have even fewer reasons to try out competitors' stores, and the home improvement niche has proven to be fairly Amazon-proof. Our full investment thesis on Lowe's is available [here](#).

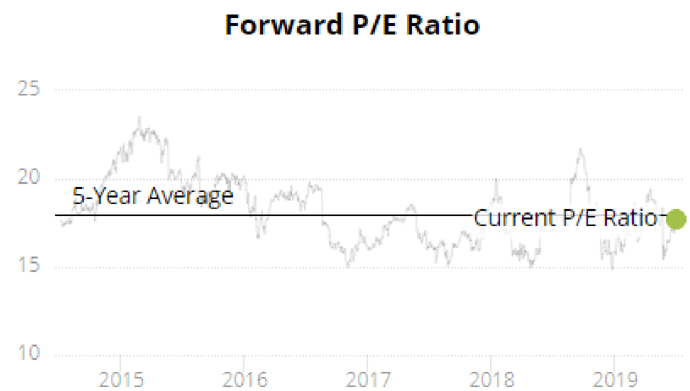
Dividend Review
Dividend Safety Score: 93 5-Year Dividend Growth Rate: 21% per year Dividend Yield: 2.14%

Lowe's has increased its dividend for 56 consecutive years, recording 23% compound annual payout growth over the last two decades. With a healthy payout ratio near 40%, a solid investment grade credit rating, and very consistent cash flow generation, Lowe's dividend is very secure. Given the company's plans for margin expansion, its low payout ratio, and moderating store expansion spending in the future, Lowe's dividend could continue growing at a double-digit rate for many years to come.

Recent News
Lowe's reported earnings on May 22, resulting in the stock having its worst-ever single-day loss of 12%. The company overhauled its management team over the last year, which resulted in several operational hiccups that hurt the firm's profitability. Otherwise, growth was solid. We reviewed the disappointing report here and explained why the company's long-term outlook appears intact.

Valuation
LOW's forward P/E ratio was 17.7 and its dividend yield was 2.14% as of 7/2/19.





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: 92 5-Year Dividend Growth Rate: 6% per year Dividend Yield: 2.39%

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

No update from last month. C.H. Robinson last 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.

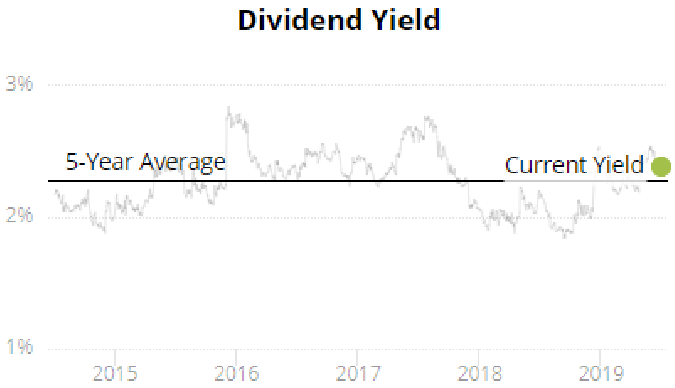
And so through each of these phases we have stayed true to one of our core values, which is evolving constantly and managing our business for long-term value creation.

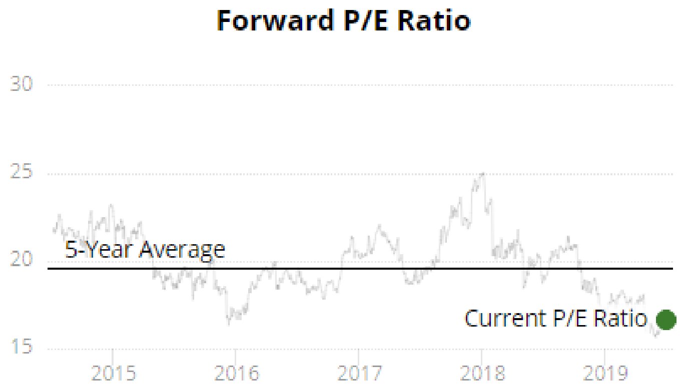
But in the early 2000s, it was the advent of the Internet. The arrival of the load board that was going to bring price and cost transparency and disintermediate brokerage. In the mid 2000s, we had upstart 3PLs actively pricing freight below market rates in order to take share with large shippers, either 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 2.39% as of 7/2/19.





Stocks to Consider Selling
None.

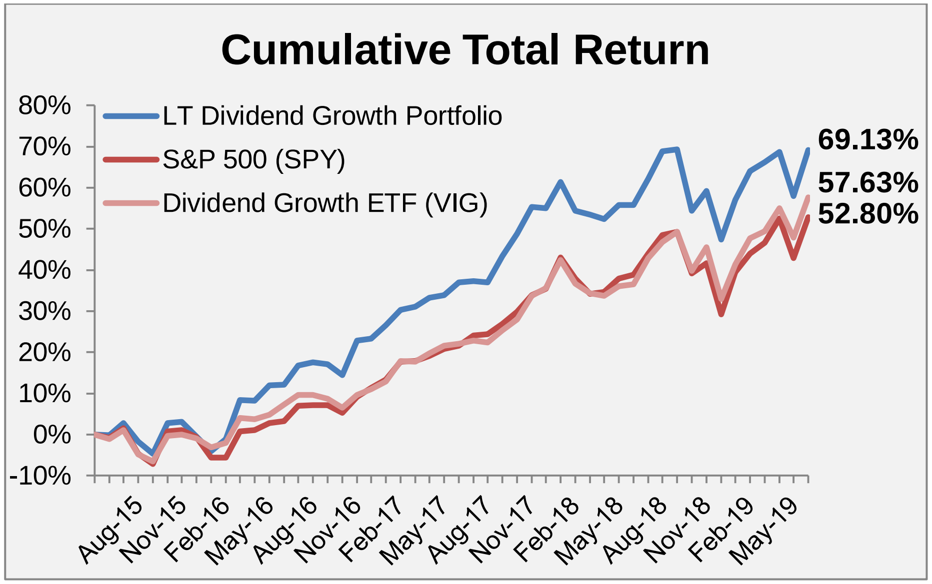
Long-term Dividend Growth Portfolio – Portfolio Actions

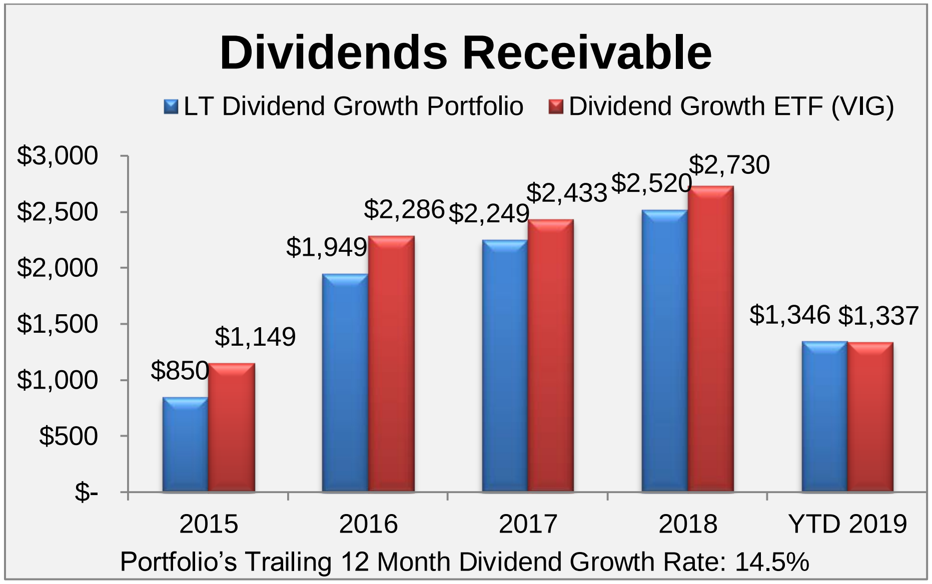
Data as of 7/2/19

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	17.0	1.87%	99	High	07-13-15	118	3.3%	$33.76	$46.99	$5,544.82	48.0%	50.5%	-2.5%
LOW	Lowe's Companies	17.7	2.14%	93	High	11-07-17	60	3.6%	$77.65	$102.69	$6,161.40	35.8%	18.1%	17.7%
CHRW	C.H. Robinson Worldwide	16.6	2.39%	92	Low	10-03-16	65	3.2%	$70.26	$83.63	$5,435.95	26.3%	42.2%	-15.9%
Long-term Holds														
FLIR	FLIR Systems	22.4	1.25%	93	High	07-10-15	130	4.2%	$30.57	$54.27	$7,055.10	85.0%	52.2%	32.8%
MSM	MSC Industrial Direct Co.	12.7	3.42%	84	Average	06-22-15	57	2.5%	$69.81	$73.68	$4,199.76	17.0%	49.0%	-32.0%
MDT	Medtronic	18.0	2.20%	99	Low	11-07-17	65	3.8%	$77.80	$98.05	$6,373.25	29.4%	18.1%	11.3%
ORCL	Oracle Corporation	15.1	1.64%	99	High	12-31-15	110	3.8%	$36.53	$58.46	$6,430.60	66.9%	53.8%	13.1%
FUL	H.B. Fuller Company	12.8	1.36%	63	High	07-24-15	107	3.0%	$38.83	$46.89	$5,017.23	26.4%	51.8%	-25.4%
HRL	Hormel Foods Corporation	24.1	2.04%	99	Very Low	06-06-16	141	3.4%	$34.38	$41.20	$5,809.20	27.4%	47.9%	-20.4%
APH	Amphenol Corporation	25.1	0.94%	87	Average	07-14-15	72	4.2%	$55.15	$98.39	$7,084.08	83.7%	49.9%	33.8%
CB	Chubb Limited	13.7	2.02%	99	Average	06-26-15	38	3.3%	$103.47	$148.42	$5,639.96	55.0%	50.5%	4.5%
AMT	American Tower Corporation (REIT	26.0	1.79%	78	Very Low	04-03-17	35	4.2%	$120.49	$205.63	$7,197.05	76.0%	30.9%	45.1%
BDX	Becton, Dickinson and Company	20.5	1.21%	91	High	04-04-16	28	4.2%	$153.94	$253.86	$7,108.08	70.0%	51.5%	18.5%
IFF	International Flavors & Fragrances	22.0	2.05%	62	Low	07-14-15	37	3.1%	$113.16	$142.78	$5,282.86	35.4%	49.9%	-14.5%
PH	Parker-Hannifin Corporation	14.0	2.10%	94	High	07-23-15	36	3.6%	$110.92	$167.55	$6,031.80	61.0%	50.2%	10.7%
ABT	Abbott Laboratories	25.5	1.51%	71	Average	12-31-15	90	4.5%	$44.91	$84.95	$7,645.50	97.8%	53.8%	44.0%
TJX	TJX Companies	19.7	1.74%	86	Average	06-23-15	118	3.7%	$33.76	$52.78	$6,228.04	69.2%	48.9%	20.2%
FIS	Fidelity Nat'l Information Services	16.5	1.12%	77	Low	07-17-15	63	4.6%	$62.94	$124.91	$7,869.33	102.2%	48.6%	53.6%
BR	Broadridge Financial Solutions	26.3	1.48%	75	Average	06-22-15	76	5.9%	$52.65	$131.09	$9,962.84	160.2%	49.0%	111.2%
IEX	IDEX Corporation	29.4	1.16%	95	High	07-22-15	52	5.3%	$75.87	$172.45	$8,967.40	134.8%	49.4%	85.4%
TXRH	Texas Roadhouse	22.2	2.28%	82	Low	06-09-15	109	3.4%	$36.38	$52.58	$5,731.22	97.0%	52.0%	45.0%
ROK	Rockwell Automation	17.8	2.38%	70	High	07-27-15	34	3.3%	$116.32	$162.86	$5,537.24	51.2%	52.7%	-1.5%
THO	Thor Industries	9.3	2.74%	65	Very High	07-29-15	72	2.4%	$55.14	$56.98	$4,102.56	13.4%	49.8%	-36.4%
EXPO	Exponent	40.9	1.10%	61	Very Low	07-22-15	180	6.2%	$22.66	$58.10	$10,458.00	168.9%	49.4%	119.5%
TTC	Toro Company	20.7	1.37%	84	Average	07-20-15	122	4.7%	$33.67	$65.61	$8,004.42	105.2%	48.5%	56.7%
Cash (Includes Dividends Receivable)								2.8%			$4,757.26			
Portfolio Total		**20.9**	**$0.02**	**84**	**Average**			**100%**			**$169,635**	**69.6%**	**52.8%**	**16.8%**

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.

Long-term Dividend Growth Portfolio – Performance and Dividend Income





Monthly Return	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	-8.82%	3.19%	-7.50%	6.62%	4.38%	1.33%	1.57%	-6.37%	7.04%
S&P 500	-6.88%	1.87%	-8.81%	7.96%	3.24%	1.81%	4.07%	-6.38%	6.96%
VIG ETF	-6.36%	4.14%	-8.72%	6.32%	4.58%	1.14%	3.72%	-4.63%	6.62%
Portfolio Value	$154,351.88	$159,278.48	$147,331.86	$157,084.76	$163,962.68	$166,137.51	$168,753.33	$158,008.75	$169,129.01

Since Inception

Cumulative	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	54.35%	59.28%	47.33%	57.08%	63.96%	66.14%	68.75%	58.01%	69.13%
S&P 500	39.12%	41.72%	29.21%	39.50%	44.02%	46.62%	52.59%	42.86%	52.80%
VIG ETF	39.82%	45.61%	32.91%	41.31%	47.78%	49.47%	55.03%	47.84%	57.63%

Annualized	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Portfolio	13.63%	14.31%	11.48%	13.17%	14.19%	14.27%	14.39%	12.19%	13.84%
S&P 500	10.21%	10.54%	7.46%	9.55%	10.29%	10.58%	11.46%	9.38%	11.02%
VIG ETF	10.40%	11.43%	8.33%	9.96%	11.08%	11.16%	11.95%	10.35%	11.90%

Long-term Dividend Growth Portfolio – Payment Schedule

Data as of 7/2/19

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	1.5%	41%	0.32	Feb, May, Aug, Nov	07-12-19	08-15-19	8%	N/A	N/A
CB	2.0%	30%	0.75	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	3%	3%	10%
AOS	1.9%	31%	0.22	Feb, May, Aug, Nov	Late July	Mid Aug	36%	27%	20%
APH	0.9%	24%	0.23	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	26%	24%	40%
BDX	1.2%	27%	0.77	Mar, Jun, Sept, Dec	Early Sept	Late Sept	3%	7%	9%
BR	1.5%	38%	0.49	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	33%	18%	21%
EXPO	1.1%	40%	0.16	Mar, Jun, Sept, Dec	Early Sept	Late Sept	23%	21%	N/A
FIS	1.1%	23%	0.35	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	9%	8%	21%
FLIR	1.3%	29%	0.17	Mar, Jun, Sept, Dec	Late Aug	Early Sept	6%	11%	N/A
FUL	1.4%	21%	0.16	Feb, May, Aug, Nov	Mid July	Early Aug	3%	7%	9%
IEX	1.2%	32%	0.50	Jan, Apr, Jul, Oct	07-15-19	07-31-19	16%	12%	15%
IFF	2.0%	48%	0.73	Jan, Apr, Jul, Oct	Late Sept	Early Oct	7%	14%	11%
LOW	2.1%	37%	0.55	Feb, May, Aug, Nov	07-23-19	08-07-19	17%	21%	19%
MSM	3.4%	46%	0.63	Jan, Apr, Jul, Oct	Early July	Late July	14%	8%	12%
ORCL	1.6%	23%	0.24	Jan, Apr, Jul, Oct	07-16-19	07-31-19	7%	11%	23%
MDT	2.2%	38%	0.54	Jan, Apr, Jul, Oct	07-05-19	07-25-19	9%	12%	10%
PH	2.1%	26%	0.88	Mar, Jun, Sept, Dec	Early Aug	Early Sept	6%	10%	13%
CHRW	2.4%	39%	0.50	Mar, Jun, Sept, Dec	Early Sept	Late Sept	4%	6%	8%
ROK	2.4%	44%	0.97	Mar, Jun, Sept, Dec	08-09-19	09-10-19	11%	11%	13%
THO	2.7%	29%	0.39	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	5%	11%	19%
TJX	1.7%	33%	0.23	Mar, Jun, Sept, Dec	08-14-19	09-05-19	18%	21%	23%
AMT	1.8%	41%	0.92	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	20%	23%	N/A
TTC	1.4%	32%	0.23	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	13%	18%	20%
TXRH	2.3%	49%	0.30	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	20%	15%	N/A
HRL	2.0%	44%	0.21	Feb, May, Aug, Nov	07-12-19	08-15-19	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 near 3% or higher, 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	21.8	3.0%	81	Very Low	62%	5%
AVB	AvalonBay Communities	23.1	3.0%	98	Low	65%	6%
DLR	Digital Realty Trust	19.1	3.6%	94	Low	68%	5%
DUK	Duke Energy Corporation	18.0	4.2%	80	Very Low	79%	3%
ED	Consolidated Edison	20.1	3.4%	90	Very Low	66%	3%
FRT	Federal Realty Investment Trust	24.3	3.1%	88	Low	65%	6%
K	Kellogg Company	13.9	4.2%	66	Low	54%	4%
KMB	Kimberly-Clark Corporation	20.1	3.0%	88	Low	61%	4%
KO	Coca-Cola Company	24.4	3.1%	80	Very Low	75%	6%
MAA	Mid-America Apartment Communities	21.7	3.2%	97	Very Low	71%	6%
MO	Altria Group	11.3	6.6%	65	Low	79%	10%
NNN	National Retail Properties	18.9	3.8%	95	Very Low	73%	4%
O	Realty Income Corporation	20.7	3.9%	86	Very Low	83%	4%
PEP	PepsiCo	23.6	2.9%	93	Low	66%	10%
PNW	Pinnacle West Capital Corporation	19.4	3.1%	92	Very Low	61%	5%
PSA	Public Storage	24.6	3.3%	96	Very Low	81%	9%
SPG	Simon Property Group	14.4	5.1%	65	Low	68%	10%
MMP	Magellan Midstream Partners, L.P.	12.5	6.3%	61	Low	77%	12%
VTR	Ventas	20.2	4.6%	68	Very Low	87%	3%
VZ	Verizon Communications	12.2	4.2%	87	Very Low	51%	3%
WEC	WEC Energy Group	24.2	2.8%	87	Very Low	65%	9%
FLO	Flowers Foods	23.4	3.2%	62	Very Low	75%	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)	26.0	1.8%	78	Very Low	41%	20%
BBY	Best Buy Co.	12.5	2.8%	84	Average	34%	24%
COLB	Columbia Banking System	14.2	2.9%	50	Average	42%	13%
CSCO	Cisco Systems	16.8	2.5%	91	Average	45%	13%
CUBE	CubeSmart	21.3	3.8%	61	Very Low	75%	21%
DOX	Amdocs Limited	13.8	1.8%	90	Very Low	25%	14%
ELS	Equity LifeStyle Properties	33.0	2.0%	86	Very Low	65%	13%
HD	Home Depot	20.4	2.6%	87	Average	47%	22%
HON	Honeywell International	21.2	1.9%	99	Average	39%	12%
HRL	Hormel Foods Corporation	24.1	2.0%	99	Very Low	44%	13%
ITW	Illinois Tool Works	18.6	2.7%	81	Average	50%	20%
KEY	KeyCorp	9.7	3.9%	67	Average	36%	25%
MDT	Medtronic plc	18.0	2.2%	99	Low	38%	10%
NDAQ	Nasdaq	19.8	1.9%	61	Low	37%	24%
RGA	Reinsurance Group of America	11.8	1.5%	99	Low	17%	16%
SBUX	Starbucks Corporation	29.5	1.7%	67	Low	56%	25%
SCI	Service Corporation International	23.7	1.5%	76	Average	38%	12%
SNA	Snap-on Incorporated	13.0	2.3%	99	Average	29%	16%
STI	SunTrust Banks	10.8	3.2%	72	High	33%	25%
TSN	Tyson Foods	12.9	1.9%	99	Very Low	10%	44%
VFC	V.F. Corporation	25.9	2.4%	75	Average	51%	8%
AAPL	Apple	16.8	1.5%	99	Average	25%	11%
BA	Boeing Company	20.8	2.3%	98	High	46%	24%

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.	15.5	5.8%	50	Very Low	70%	6%
BIP	Brookfield Infrastructure Partners L.P.	15.7	4.6%	65	Average	57%	9%
DUK	Duke Energy Corporation	18.0	4.2%	80	Very Low	79%	3%
ENB	Enbridge	11.3	5.9%	57	Low	61%	16%
EPD	Enterprise Products Partners L.P.	10.3	6.0%	89	Low	61%	5%
PM	Philip Morris International	15.4	5.7%	64	Average	88%	5%
IRM	Iron Mountain Incorporated	10.4	7.7%	47	Low	81%	17%
MMP	Magellan Midstream Partners, L.P.	12.5	6.3%	61	Low	77%	12%
SO	Southern Company	18.3	4.4%	65	Very Low	83%	3%
SPG	Simon Property Group	14.4	5.1%	65	Low	68%	10%
T	AT&T	9.4	6.0%	55	Very Low	57%	2%
VTR	Ventas	20.2	4.6%	68	Very Low	87%	3%
VZ	Verizon Communications	12.2	4.2%	87	Very Low	51%	3%
WPC	W. P. Carey	16.1	5.1%	73	Low	77%	4%
MO	Altria Group	11.3	6.6%	65	Low	79%	10%
MAIN	Main Street Capital Corporation	16.2	6.0%	62	Average	88%	4%
HTA	Healthcare Trust of America	19.6	4.6%	62	Low	91%	1%
GIS	General Mills	15.9	3.7%	69	Low	61%	5%
NHI	National Health Investors	15.2	5.3%	61	Low	79%	6%
MPW	Medical Properties Trust	15.6	5.5%	88	Low	91%	4%
D	Dominion Energy	18.2	4.7%	75	Very Low	86%	9%
WELL	Welltower	22.0	4.1%	72	Very Low	95%	2%
STOR	STORE Capital Corporation	17.2	3.9%	61	Very Low	69%	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
DRI	Darden Restaurants	17%	18.9	2.9%	72	Very Low	49%	6%
KR	Kroger Co.	14%	9.7	3.0%	71	Low	27%	12%
WFC	Wells Fargo & Company	13%	10.0	3.8%	79	Average	38%	6%
JPM	JPMorgan Chase & Co.	13%	11.3	3.2%	79	Average	32%	14%
MDT	Medtronic plc	8%	18.0	2.2%	99	Low	38%	12%
OZK	Bank OZK	4%	8.5	3.2%	65	Very High	25%	17%
TGT	Target Corporation	3%	14.4	3.0%	74	Low	45%	10%
WPC	W. P. Carey	0%	16.1	5.1%	73	Low	77%	4%
O	Realty Income Corporation	0%	20.7	3.9%	86	Very Low	83%	4%

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
DGX	Quest Diagnostics Incorporated	15.7	2.1%	81	Average	33%	11%	7/5/2019
MDT	Medtronic plc	18.0	2.2%	99	Low	38%	12%	7/5/2019
DRI	Darden Restaurants	18.9	2.9%	72	Very Low	49%	6%	7/9/2019
GIS	General Mills	15.9	3.7%	69	Low	61%	5%	7/9/2019
LNC	Lincoln National Corporation	6.7	2.3%	88	Very High	16%	21%	7/9/2019
RTN	Raytheon Company	14.7	2.2%	99	Average	34%	9%	7/9/2019
TD	Toronto-Dominion Bank	11.0	3.6%	95	Average	41%	10%	7/9/2019
UDR	UDR	23.8	3.0%	71	Low	72%	6%	7/9/2019
VZ	Verizon Communications	12.2	4.2%	87	Very Low	51%	3%	7/9/2019
HRL	Hormel Foods Corporation	24.1	2.0%	99	Very Low	44%	16%	7/12/2019
MAA	Mid-America Apartment Communities	21.7	3.2%	97	Very Low	71%	6%	7/12/2019
CL	Colgate-Palmolive Company	25.1	2.4%	90	Low	58%	5%	7/17/2019
CAT	Caterpillar	11.1	3.0%	93	Very High	30%	8%	7/19/2019
LOW	Lowe's Companies	17.7	2.1%	93	Average	37%	21%	7/23/2019
RY	Royal Bank of Canada	11.4	3.8%	94	Average	44%	8%	7/24/2019
CLX	Clorox Company	23.5	2.8%	75	Very Low	63%	6%	7/30/2019
BMO	Bank of Montreal	10.0	3.9%	94	Average	42%	5%	7/31/2019
HAS	Hasbro	22.9	2.6%	67	Average	65%	10%	7/31/2019
PNW	Pinnacle West Capital Corporation	19.4	3.1%	92	Very Low	61%	5%	7/31/2019

**** DISCLAIMER ****

All content is provided "as is" without warranty of any kind, express or implied. The entire risk as to the quality and performance of the content, and any market loss incurred, is with you. In no event shall the author, Simply Safe Dividends, be liable for any claim, damages, market loss or other liability, whether in an action or contract, tort or otherwise, arising from, out of or in connection with the content or the use or other dealings in the content.

Simply Safe Dividends is not a licensed financial adviser, and nothing presented herein is, or is intended to constitute, specific investment advice. It is for educational and information purposes only. Nothing in this newsletter should be construed as a recommendation to follow any investment strategy or allocation. Any forward looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision.

Statistics and information within this newsletter are thoroughly researched and believed to be correct. However, discrepancies can occur. While Simply Safe Dividends has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. Investors should recheck important data and do their own research before making stock purchases. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities. Past performance is not a guarantee of future performance.

This copyrighted material is for the sole use of the individual who purchased it. Redistribution is strictly prohibited.

As of the time this newsletter was published, Brian Bollinger was long each of the stocks held in the Top 20 Dividend Stocks, Conservative Retirees, and Long-term Dividend Growth portfolios.