

# Intelligent Income<sup>SM</sup>

Quality dividend ideas for safe income and long-term growth

## Monthly Recap

The S&P 500 ended 2022 on a somber note with a -5.8% return in December. Racking up a full-year loss of 18%, the market delivered its worst annual performance since the 2008 financial crisis.

Bonds delivered an even greater disappointment. A broad gauge of global fixed-income assets [lost 15%](#) in 2022, by far its worst return in more than 30 years as high inflation caused interest rates to surge.

A historic sell-off for bonds

Annual return of Bloomberg global aggregate index (%)



Source: Bloomberg  
© FT

Dividend strategies performed relatively well against this backdrop. The Dividend Aristocrats index slipped about 6%, and Schwab's popular U.S. Dividend Equity ETF (SCHD) and our Conservative Retirees portfolio both edged down around 3%.

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### Quote of the Month

"You don't have to be brilliant, only a little bit wiser than the other guys, on average, for a long time."

— Charlie Munger

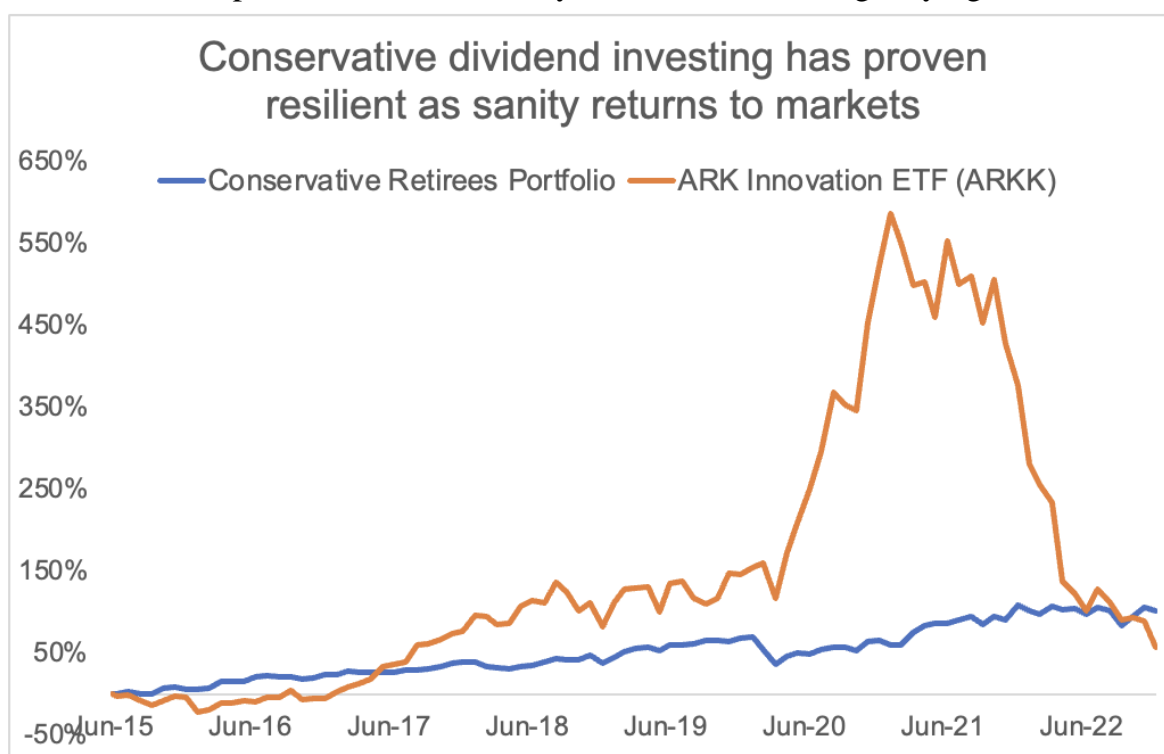
Luck played more of a role than skill for most dividend portfolios' outperformance last year as the market rotated swiftly from growth to value stocks. But staying true to a conservative dividend investing strategy in recent years still required great discipline.

The frothy, stimulus-fueled environment that persisted throughout most of 2020 and 2021 created a temptation to chase price momentum. Investors' risk tolerances seemed to increase almost as fast as trendy stocks soared. We saw that firsthand at Simply Safe Dividends.

Before 2022, it felt like not a week went by without hearing from first-time retail investors wondering if we could support syncing with trendy trading apps like Webull and Robinhood. And emails rolled in from folks who decided to turn in their stodgy dividend stocks for faster, easier profits offered by crypto and high-growth tech stocks.

High-profile investor Cathie Wood served as the posterchild of this frenzied environment. Betting big on "disruptive" but unprofitable companies such as Tesla, Coinbase, Robinhood, and Teladoc Health, her flagship ARK Innovation ETF saw assets swell from \$4 billion at the start of 2020 to \$50 billion in early 2021 as investors bought into her "skill" in picking rising stars.

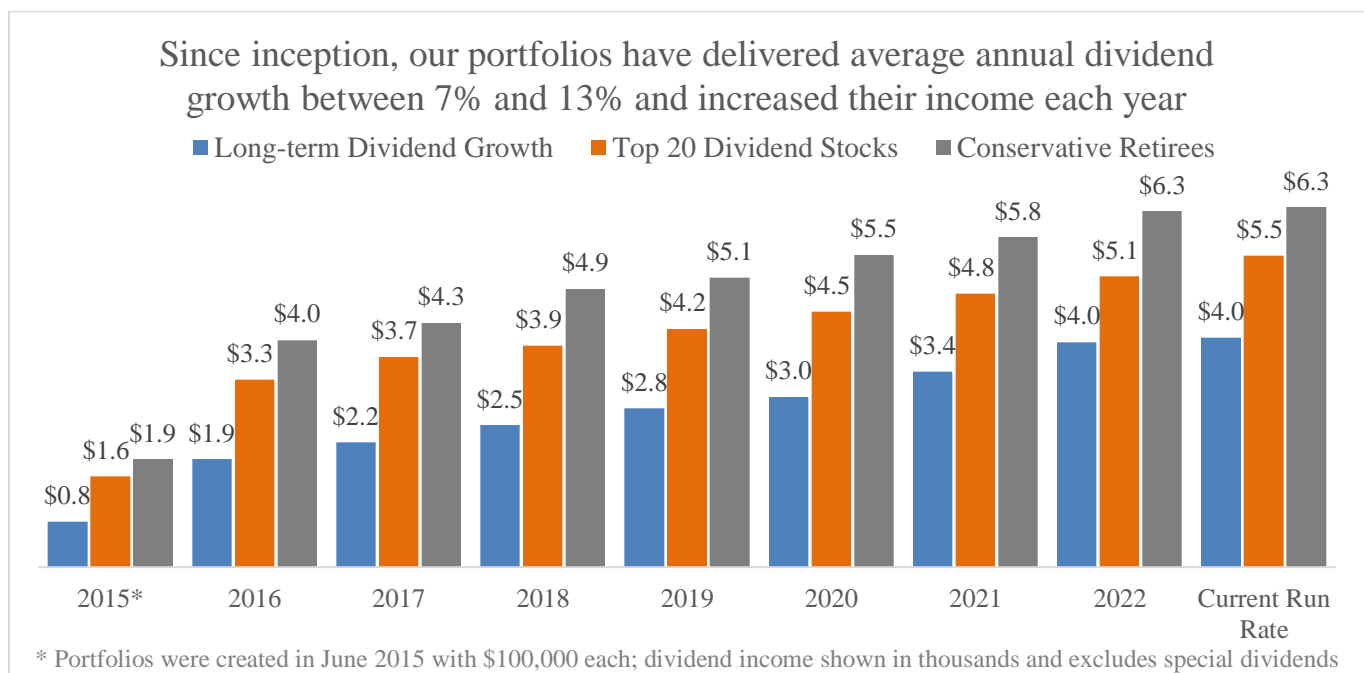
In the short run, the market is a voting machine. But in the long run, it is a weighing machine. Ben Graham's timeless wisdom proved true once more as the ARK ETF has lost over 75% from its peak with the bubble in speculative growth stocks popping. Since inception in 2015, our boring Conservative Retirees portfolio has now nearly doubled the once high-flying ETF's total return.



One reason I like dividend investing is because you don't have to be a genius to make it work. The strategy is as simple as buying a few dozen time-tested businesses with healthy profitability, strong balance sheets, and shareholder-friendly management teams.

We aren't tasked with making hard calls on whether Tesla is worth \$3,000 or \$30 a share. Nor do we need to concern ourselves with what could happen in the market this year. Or the next one.

A diversified portfolio of fundamentally sound companies should enjoy consistent dividend growth over time – regardless of where stock prices head any given year. Our three model portfolios have demonstrated the predictability of this income strategy since they were started.



Investor anxiety remains high as 2023 kicks off. On the bright side, the S&P 500 has had back-to-back losing years just four times in the last 100 years (the Great Depression, World War II, the 1973-74 oil shock, and the dot-com bubble).

But this could be another one of those times as the Fed keeps raising interest rates to combat inflation. A recession may be the price to pay as companies reduce spending and layoffs increase in response to an uncertain economic outlook and tighter financial conditions.

I don't know what 2023 will bring. While I'm not optimistic inflation will be cured without more pain, I have little confidence in my ability to make such forecasts or time the market. I'm much more confident about owning U.S. stocks over the long run and the power of long-term compounding achieved by holding high-quality businesses.

Companies begin reporting fourth-quarter earnings later this month and will share their initial outlooks for the year ahead. Our [Dividend Safety Scores](#) already take into consideration the possibility of a moderate recession, so we expect most of our ratings to remain stable even if the economy's short-term outlook deteriorates.

That said, we will continue to monitor the environment as companies grapple with a unique mix of challenges, some of which haven't been seen in a generation.

As always, our goal is to help you understand the risks behind different investment options, remain focused on what matters for your portfolio, and stay the course to avoid behavioral mistakes.

Thank you for your support of Simply Safe Dividends.

Sincerely,

A handwritten signature in black ink, appearing to read "Ben Bolten". The signature is fluid and cursive, with the first name "Ben" and last name "Bolten" clearly distinguishable.

## Portfolio Performance

Here is each portfolio's total return performance in December, 2022, 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.

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

	Inception Date	December 2022	2022	Annualized	
				1 Year	Since Inception
<b>Top 20 Dividend Stocks Portfolio</b>	<b>6/12/15</b>	<b>-3.73%</b>	<b>-7.73%</b>	<b>-7.73%</b>	<b>9.68%</b>
S&P 500 Index (SPY)		-5.76%	-18.18%	-18.18%	10.27%
Schwab U.S. Dividend Equity ETF (SCHD)		-3.42%	-3.25%	-3.25%	12.50%
<b>Conservative Retirees Portfolio</b>	<b>6/17/15</b>	<b>-1.94%</b>	<b>-3.30%</b>	<b>-3.30%</b>	<b>9.69%</b>
S&P 500 Index (SPY)		-5.76%	-18.18%	-18.18%	10.24%
S&P 500 High Dividend Low Volatility ETF (SPHD)		-3.61%	0.55%	0.55%	8.40%
<b>Long-term Dividend Growth Portfolio</b>	<b>6/9/15</b>	<b>-3.58%</b>	<b>-13.83%</b>	<b>-13.83%</b>	<b>11.19%</b>
S&P 500 Index (SPY)		-5.76%	-18.18%	-18.18%	10.36%
Vanguard Dividend Appreciation ETF (VIG)		-3.74%	-9.82%	-9.82%	11.12%

The amount of risk taken to achieve a certain return is equally important. The [Sharpe ratio](#) measures risk-adjusted returns by comparing a fund's returns to a fund's volatility (i.e. standard deviation). Higher ratios are better, indicating higher expected return per unit of risk.

Since inception in 2015, our portfolios have delivered comparable risk-adjusted returns versus their benchmarks. The lower volatility of our Top 20 and Conservative Retirees portfolios suggests they could perform relatively well during future market downturns, too.

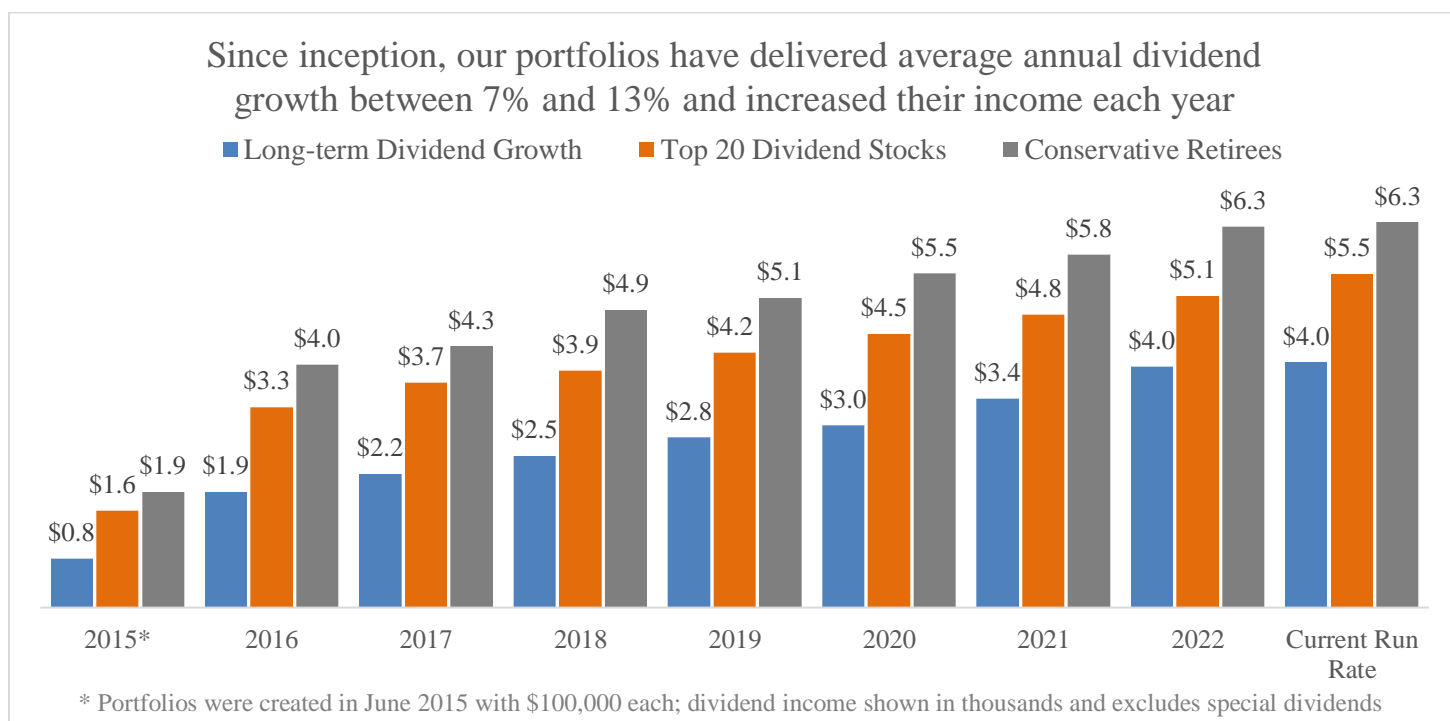
	SPY ETF	Top 20	SCHD ETF	Retirees	SPHD ETF	LT Growth	VIG ETF
Average Monthly Return	0.92%	0.84%	1.08%	0.83%	0.78%	0.99%	0.96%
Monthly Standard Deviation	4.66%	3.89%	4.49%	3.70%	4.70%	4.54%	4.15%
<b>Annual Sharpe Ratio</b>	0.67	<b>0.73</b>	0.82	<b>0.76</b>	0.56	<b>0.74</b>	0.78

## Dividend Events

**Toro** (+13%), **Abbott** (+8.5%), **American Tower** (+6.1%), **WEC** (+7.2%), **Pfizer** (+2.5%), **W.P. Carey** (+0.4%), and **Waste Management** (+7.7%) announced dividend increases.

	Dividend Events Since Inception		
	Top 20	Retirees	Growth
Increases	158	210	188
Cuts	1	3	2

Each portfolio continues meeting its goal of generating higher dividend income every year:



## Portfolio Actions

Top 20: none. **Altria (MO)** remains under review for potential sale but with low urgency given the firm's defensive qualities and undemanding valuation. See [here](#) for more information.

Conservative Retirees: none.

Long-term Dividend Growth: none.

## Timely Holdings to Consider

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.

<b><u>Top 20 Dividend Stocks</u></b>	<b>Dividend Safety Score</b>	<b>Forward P/E</b>	<b>Dividend Yield</b>	<b>5-Yr Annual Div Growth Rate</b>
Verizon (VZ)	87	8.4	6.26%	2%
Medtronic (MDT)	99	14.7	3.40%	9%
Leggett & Platt (LEG)	70	16.2	5.26%	4%
<b><u>Conservative Retirees</u></b>	<b>Dividend Safety Score</b>	<b>Forward P/E</b>	<b>Dividend Yield</b>	<b>5-Yr Annual Div Growth Rate</b>
Verizon (VZ)	87	8.4	6.26%	2%
Leggett & Platt (LEG)	70	16.2	5.26%	4%
WEC (WEC)	87	21.2	3.38%	6%
<b><u>LT Dividend Growth</u></b>	<b>Dividend Safety Score</b>	<b>Forward P/E</b>	<b>Dividend Yield</b>	<b>5-Yr Annual Div Growth Rate</b>
Medtronic (MDT)	99	14.7	3.40%	9%

# Top 20 Dividend Stocks

## Portfolio Update

### Portfolio Statistics

Dividend Yield:	2.7%
Fwd P/E Ratio:	18.0
Beta:	0.68
Dividend Safety:	83

### Performance Update

	12/31/22	Dec	All
<b>Portfolio</b>	-3.7%		101.0%
<b>S&amp;P 500</b>	-5.8%		109.3%
<b>SCHD</b>	-3.4%		143.5%

**Dividend Increases:** 158

**Dividend Decreases:** 1

### 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 portfolio fell 3.7% in December, outperforming the S&P 500 (-5.8%) and in line with Schwab's Dividend ETF (SCHD), which lost 3.4%.

Since inception in 2015, our portfolio has delivered a healthy annualized return of 9.7% and remains on track to continue providing safe, growing dividend income each year.

Our portfolio's monthly returns have also been about 15% less volatile than our benchmarks' returns. This can help our results during periods of market weakness but also usually causes us to lag the market during periods of exceptional strength.

Our top holdings in December were **Verizon** (+1%), **Dominion** (+1%) and **Chubb** (+1%).

**Verizon** held its ground in December after a bruising year which saw its stock price fall to its lowest level since 2012. The telecom giant's subscriber growth has trailed the gains achieved by AT&T and T-Mobile. These rivals have caught up with Verizon's network quality, resulting in a more promotional environment. Meanwhile, 5G hasn't accelerated growth in the wireless market. We [expect Verizon to remain a cash cow](#) with a safe dividend.

**Dominion** stabilized after spooking investors in November when the regulated utility unveiled plans to conduct a "business review" following a few years of weak performance. We do not expect the review to impact Dominion's dividend. Learn more [here](#).

**Chubb**, a property and casualty insurer, stands to benefit from higher interest rates. The firm's collected premiums, or float, is invested primarily in fixed income securities which will earn more interest income as bonds mature and are reinvested at higher rates. This will lead to stronger profitability and earnings growth, all else equal.

Our worst performers in December were **Accenture** (-11%), **Broadridge** (-10%), and **ADP** (-9%).

**Accenture** reported earnings on December 16. Organic sales and EPS grew 10%+ and management raised full-year EPS guidance. Shares look reasonably priced with a forward P/E ratio of 22 given Accenture's double-digit growth potential and net cash.

No news was out on **Broadridge**. The firm last reported earnings in November. Profits fell slightly short of expectations but management reaffirmed expectations for 7-11% adjusted EPS growth in the year ahead. No change to our outlook.

**ADP** will benefit from higher interest on client funds held before disbursement on pay day. But a spike in unemployment could reduce demand for payroll processing and HR services. ADP's valuation and long-term outlook appear reasonable.

## Planned Transactions

None. Altria remains under review for potential sale with low urgency. We'd prefer to own a business that has more in its control and a clearer path to growth. However, we are not in a rush to act given the stock's stable cash flow and undemanding valuation. Please [see our note here](#) for more information.

## Dividend Events

American Tower (+6.1%) announced a dividend increase.

Our portfolio has recorded 158 dividend increases since inception in June 2015 compared to one dividend cut, resulting in steady growth in our overall dividend income each year.

## Stocks to Consider Buying

Here are companies we own that look interesting to us today:

**Verizon (VZ):** Founded in 1983 as Bell Atlantic, Verizon (VZ) is the largest wireless service provider in the U.S. The company's 4G LTE network is available to more than 98% of the U.S. population. Wireless operations, which include voice and data services as well as equipment sales, generate around 90% of the company's EBITDA (a proxy for cash flow).

### Competitive Advantages

Verizon's historical key to success has been delivering reliable wireless and wireline services over the best communications network in the country. The firm's network leadership position has been built over decades and at a cost of hundreds of billions of dollars. As long as Verizon continues to invest in its leading network coverage and architecture, the company should continue maintaining a massive base of customers. Disrupting Verizon's base of customers would be almost impossible barring a revolutionary change in network technologies given the mature state of the industry and the high barriers to entry.

### Dividend Review

Dividend Safety Score: 87    5-Year Dividend Growth Rate: 2% per year    Dividend Yield: 6.26%

Verizon and its predecessors have paid uninterrupted dividends for more than 30 consecutive years. The company's scale, hard-to-replicate network assets, mission-critical services, brand recognition, and massive subscriber base remain important competitive advantages and ensure that the firm continues to generate reliable cash flow. With a conservative payout ratio near 50% and an investment-grade credit rating, Verizon's dividend should remain reliable.

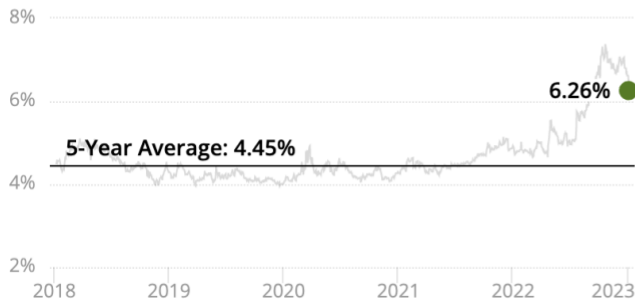
### Recent News

Verizon reported earnings on October 21. Investors were disappointed by the company's continued struggles to grow its postpaid phone subscriber base despite rivals reporting solid wireless gains. Management announced a new cost savings program expected to reduce costs by \$2 billion to \$3 billion by 2025. Coupled with 5G investments peaking this year, Verizon's free cash flow generation and balance sheet should further strengthen in the years ahead, even if revenue growth remains modest.

## Valuation

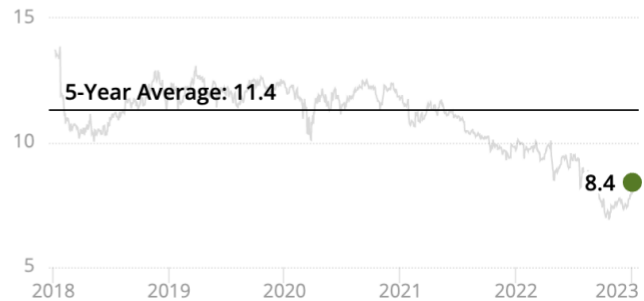
### Dividend Yield

As of Today, Jan 5



### Forward P/E Ratio

As of Today, Jan 5



**Medtronic (MDT):** Since its founding in 1949, Medtronic has grown into one of the world's largest medical equipment device companies. Today the firm's products help treat over 40 medical conditions and 70 million patients around the world each year. Medtronic's medical supplies products are used primarily in hospitals, surgical centers, and alternate care facilities, such as home care and long-term care facilities.

### Competitive Advantages

Medtronic's success over the decades has stemmed from its unrelenting focus on continually innovating new medical products to meet needs of an aging global population. The company invests heavily in R&D each year (7-8% of sales), which has led to world-changing inventions such as the pacemaker in 1957. Medtronic also has a portfolio of more than 45,000 patents and a development pipeline covering everything from surgical robotics systems to vessel sealing instruments.

Given the price-sensitive nature of the healthcare industry, developing successful new technologies and medical devices is essential to maintaining market share and healthy profitability. A lot of Medtronic's medical devices also significantly impact patients' quality of life and must be of very high quality. The company's specialized products can offer superior performance in many instances, allowing it to maintain strong market share and profitability.

In addition, thanks to a disciplined and well executed acquisition strategy, such as its \$50 billion acquisition of Covidien in 2015, Medtronic has been able to extend its sales reach into new promising treatment areas, as well as faster growing emerging markets.

### Dividend Review

Dividend Safety Score: 99    5-Year Dividend Growth Rate: 9% per year    Dividend Yield: 3.40%

Medtronic is a dividend aristocrat that has paid higher dividends for 43 consecutive years. With a conservative free cash flow payout ratio near 60%, consistent cash flow generation (recession resistant business too), and a strong investment grade credit rating, Medtronic's dividend looks very secure. Note that Medtronic is headquartered in Ireland, but U.S. investors [can be exempt](#) from withholding taxes.

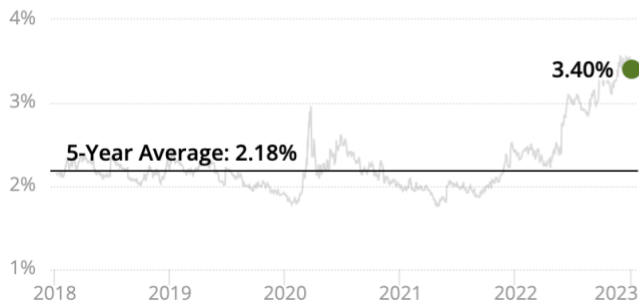
### Recent News

Medtronic reported earnings on November 22. Organic sales grew 2%, and adjusted EPS declined 2%, slightly below expectations. Continued supply chain challenges and lower than expected medical procedures, driven in part by persistent labor shortages, weighed on revenue growth again. These issues seem unlikely to impact Medtronic's long-term performance, though they may persist in the near term.

## Valuation

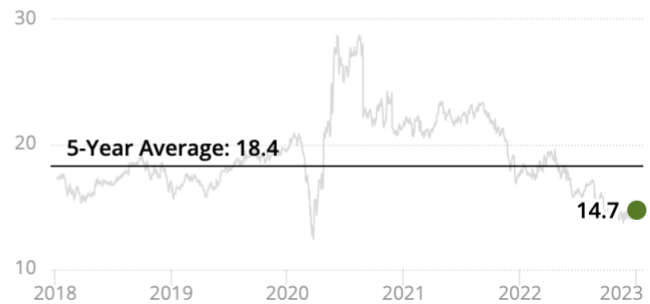
### Dividend Yield

As of Today, Jan 5



### Forward P/E Ratio

As of Today, Jan 5



**Leggett & Platt (LEG):** Founded in 1883, Leggett & Platt patented the first steel coil bedspring. The company has since become a diversified manufacturer of engineered components (innersprings, recliner mechanisms, adjustable beds, steel wire, seat frames, carpet cushion, armrests, etc.) used in bedding, furniture, carpet, automobiles, aircraft, and other products around the world.

Most of the firm's sales are derived from the U.S. market (67% of revenue), but Leggett & Platt also has a presence in overseas markets, including fast-growing emerging economies such as China (10%).

### Competitive Advantages

Leggett benefits from its long-standing customer relationships (the company has been in the industry for over 100 years), economies of scale (the firm is vertically integrated and has No. 1 or No. 2 market share positions in most of its categories), and global distribution system (cheaper sourcing). The niches Leggett competes in generally have a slow pace of change as well, and many of its products are driven by replacement demand, making it more difficult for new entrants to disrupt the company.

### Dividend Review

Dividend Safety Score: 70    5-Year Dividend Growth Rate: 5% per year    Dividend Yield: 5.26%

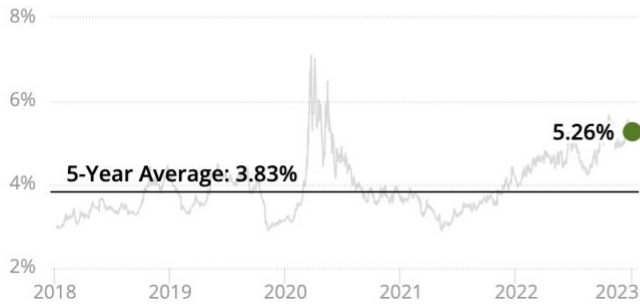
Leggett & Platt has increased its dividend for 51 consecutive years and is a dividend aristocrat. The company generates solid cash flow during downturns thanks to its largely variable cost structure, and Leggett maintains an investment-grade credit rating. Management also targets a conservative 50% payout ratio. Over the long term, Leggett expects to deliver average annual revenue growth of 6% to 9%, providing a foundation for solid dividend growth.

### Recent News

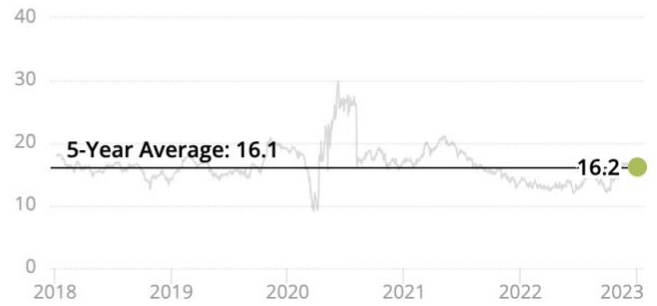
Leggett reported earnings on October 31. Organic sales fell 3%, driven by an 8% volume decline primarily from soft demand for mattresses and home furniture. As discussed in [our October note](#), we believe Leggett's long-term outlook and dividend profile remain intact.

Valuation**Dividend Yield**

As of Today, Jan 5

**Forward P/E Ratio**

As of Today, Jan 5



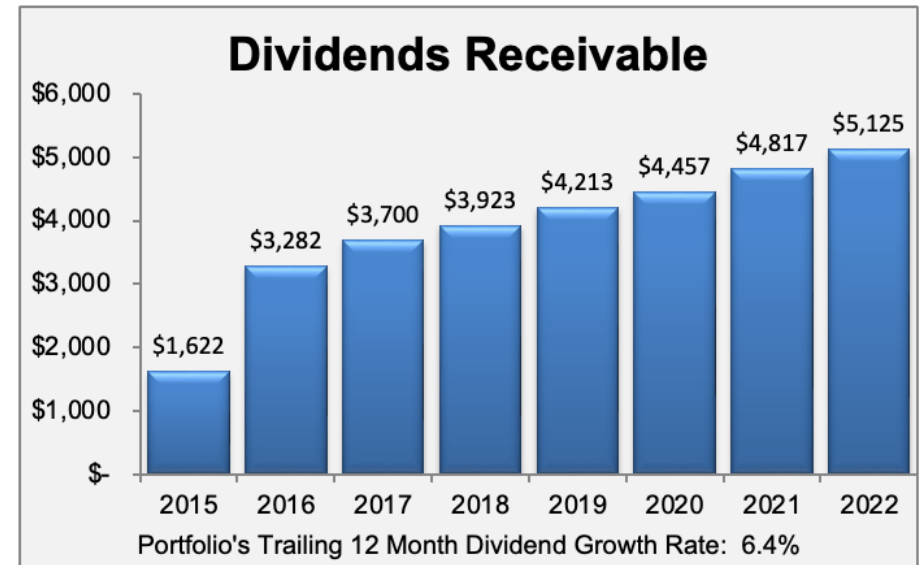
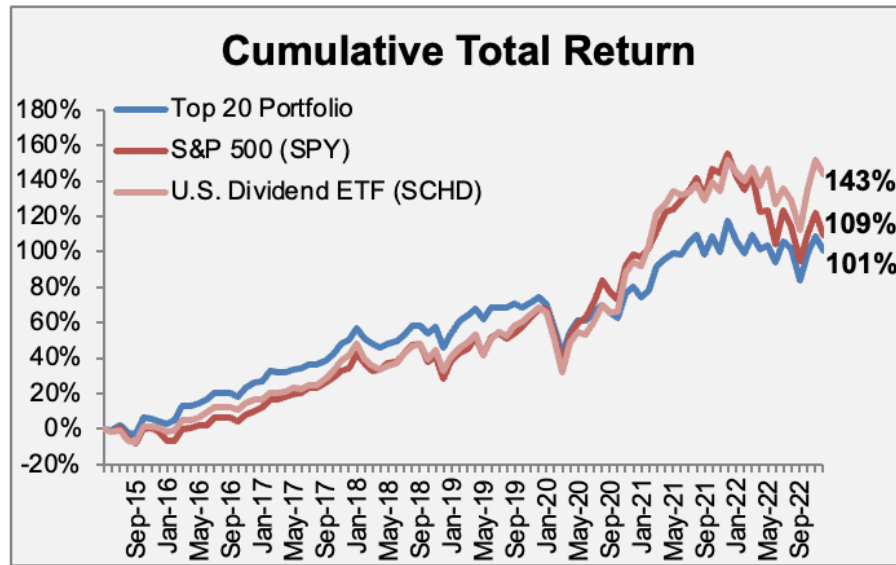
## Top 20 Dividend Stocks – Portfolio Actions

Data as of 1/5/23

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Cost Basis	Market Value	Total Return	S&P 500 Return
<b>Possible Buying Opportunities</b>														
VZ	Verizon	8.4	6.26%	87	Very Low	06-30-15	107	2.2%	\$46.61	\$41.70	\$4,987.27	\$4,461.90	23.3%	105.2%
MDT	Medtronic	14.7	3.40%	99	Low	04-06-20	95	3.8%	\$90.06	\$80.03	\$8,555.70	\$7,602.85	-10.1%	50.6%
LEG	Leggett & Platt	16.2	5.26%	70	Average	12-07-20	150	2.5%	\$43.79	\$33.47	\$6,568.50	\$5,020.50	-18.4%	7.3%
<b>Long-term Holds</b>														
APD	Air Products	26.5	2.15%	95	Average	10-10-22	39	5.9%	\$232.73	\$301.82	\$232.73	\$11,770.98	33.3%	6.7%
GD	General Dynamics	18.4	2.06%	97	Low	08-10-20	47	5.7%	\$153.50	\$244.62	\$7,214.50	\$11,497.14	65.3%	18.4%
CSCO	Cisco	13.0	3.24%	91	Average	06-06-16	214	5.0%	\$29.15	\$46.88	\$6,238.10	\$10,032.32	93.7%	98.3%
CMI	Cummins	12.0	2.65%	98	Average	07-09-15	39	4.6%	\$127.77	\$236.72	\$4,983.03	\$9,232.08	118.1%	106.2%
ADP	Automatic Data Processing	28.2	2.14%	97	Average	06-29-15	71	8.3%	\$88.65	\$233.63	\$6,294.15	\$16,587.73	224.2%	105.7%
PEP	PepsiCo	24.7	2.60%	93	Very Low	07-10-15	62	5.5%	\$100.60	\$177.10	\$6,237.20	\$10,980.20	118.1%	103.6%
ED	Consolidated Edison	20.3	3.32%	90	Very Low	07-02-15	104	4.9%	\$62.14	\$95.29	\$6,462.36	\$9,910.16	98.2%	103.8%
CHRW	C.H. Robinson	16.0	2.71%	92	Low	09-06-16	88	3.9%	\$70.58	\$90.01	\$6,211.04	\$7,920.88	48.0%	90.9%
AMT	American Tower	20.6	2.94%	78	Average	04-03-17	55	5.8%	\$120.49	\$212.13	\$6,626.95	\$11,667.15	95.6%	76.2%
ACN	Accenture	22.7	1.70%	92	High	07-06-15	52	6.8%	\$97.31	\$262.98	\$5,060.12	\$13,674.96	196.7%	104.4%
JNJ	Johnson & Johnson	17.6	2.53%	99	Very Low	04-06-20	61	5.4%	\$136.29	\$178.80	\$8,313.69	\$10,906.80	34.7%	50.6%
KMB	Kimberly-Clark	22.7	3.42%	88	Very Low	11-07-16	55	3.7%	\$113.34	\$135.54	\$6,233.70	\$7,454.70	42.3%	95.6%
D	Dominion Energy	14.6	4.34%	80	Very Low	11-07-17	61	1.9%	\$80.63	\$61.46	\$4,918.43	\$3,749.06	-4.5%	59.4%
EMR	Emerson Electric	23.3	2.19%	78	Average	08-04-15	100	4.7%	\$49.62	\$95.01	\$4,962.00	\$9,501.00	123.3%	101.8%
CB	Chubb	12.6	1.49%	99	Low	06-26-15	48	5.3%	\$103.47	\$223.56	\$4,966.56	\$10,730.88	135.4%	101.3%
BR	Broadridge Financial Solutions	18.7	2.18%	75	Average	06-22-15	95	6.3%	\$52.65	\$133.02	\$5,001.75	\$12,636.90	182.1%	99.4%
<b>Under Review for Sale</b>														
MO	Altria	9.1	8.29%	55	Very Low	07-15-15	99	2.2%	\$51.23	\$45.37	\$5,071.77	\$4,491.63	33.9%	100.6%
Cash (Includes Dividends Receivable)								5.4%	\$10,923.80					
<b>Portfolio Total</b>		<b>18.0</b>	<b>2.67%</b>	<b>83</b>	<b>Low</b>			<b>100%</b>			<b>\$200,754</b>	<b>100.8%</b>	<b>106.6%</b>	

**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>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	-3.53%	1.07%	-4.69%	6.06%	-1.98%	-8.95%	8.22%	4.89%	-3.73%
S&P 500	-8.75%	0.23%	-8.26%	9.17%	-4.08%	-9.21%	8.09%	5.56%	-5.76%
SCHD ETF	-4.12%	3.90%	-7.98%	3.91%	-2.73%	-7.38%	11.21%	6.84%	-3.42%
<b>Portfolio Value</b>	\$201,710.38	\$203,871.55	\$194,304.10	\$206,087.06	\$202,009.38	\$183,922.95	\$199,043.67	\$208,767.38	\$200,987.81

### Since Inception

<u>Cumulative</u>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	101.71%	103.87%	94.30%	106.09%	102.01%	83.92%	99.04%	108.77%	100.99%
S&P 500	122.62%	123.12%	104.69%	123.47%	114.35%	94.60%	110.35%	122.04%	109.26%
SCHD ETF	137.08%	146.33%	126.68%	135.54%	129.11%	112.21%	136.01%	152.14%	143.51%
<u>Annualized</u>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	10.73%	10.76%	9.87%	10.67%	10.22%	8.70%	9.76%	10.35%	9.68%
S&P 500	12.33%	12.20%	10.69%	11.93%	11.13%	9.54%	10.58%	11.26%	10.27%
SCHD ETF	13.36%	13.80%	12.30%	12.76%	12.16%	10.85%	12.32%	13.17%	12.50%

## Top 20 Dividend Stocks – Payment Schedule

Data as of 1/5/23

Ticker	Dividend Yield	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	1.7%	38%	1.12	Feb, May, Aug, Nov	01-11-23	02-15-23	10%	10%	10%
ADP	2.1%	58%	1.25	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	20%	13%	10%
AMT	2.9%	58%	1.56	Feb, May, Aug, Nov	Late Mar	Early May	15%	19%	0%
JNJ	2.5%	44%	1.13	Mar, Jun, Sept, Dec	02-17-23	03-07-23	7%	6%	6%
BR	2.2%	42%	0.73	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	13%	14%	15%
CB	1.5%	22%	0.83	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	4%	3%	8%
CHRW	2.7%	27%	0.61	Jan, Apr, Jul, Oct	Early Mar	Early Apr	11%	4%	6%
CMI	2.7%	40%	1.57	Mar, Jun, Sept, Dec	Mid Feb	Early Mar	8%	7%	16%
CSCO	3.2%	44%	0.38	Jan, Apr, Jul, Oct	01-04-23	01-25-23	3%	6%	18%
ED	3.3%	66%	0.79	Mar, Jun, Sept, Dec	Mid Feb	Mid Mar	2%	3%	3%
EMR	2.2%	39%	0.52	Mar, Jun, Sept, Dec	Early Feb	Mid Mar	1%	1%	3%
D	4.3%	65%	0.67	Mar, Jun, Sept, Dec	Early Mar	Late Mar	6%	-2%	2%
MDT	3.4%	49%	0.68	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	8%	8%	10%
KMB	3.4%	86%	1.16	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	2%	4%	5%
APD	2.1%	61%	1.62	Feb, May, Aug, Nov	Early Apr	Mid May	8%	11%	10%
MO	8.3%	77%	0.94	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	4%	8%	8%
LEG	5.3%	65%	0.44	Jan, Apr, Jul, Oct	Mid Mar	Mid Apr	5%	4%	4%
PEP	2.6%	67%	1.15	Jan, Apr, Jul, Oct	Early Mar	Early Apr	7%	7%	8%
VZ	6.3%	77%	0.65	Feb, May, Aug, Nov	01-09-23	02-01-23	2%	2%	3%
GD	2.1%	41%	1.26	Feb, May, Aug, Nov	01-19-23	02-10-23	6%	9%	10%
<b>Average</b>	2.7%	54%					7%	7%	8%

### 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.

**Payout Ratio:** the percentage of earnings paid out as a dividend.

**Dividend Amount:** the dollar per share amount of dividends paid out at each pay period.

**Payment Cycle:** the months the dividend is paid out. Useful for creating monthly income streams.

**Next Ex-Div Date:** to receive the next dividend payment, you need to own shares before this date.

**Next Pay Date:** the date at which the dividend amount is actually distributed to shareholders.

# Conservative Retirees

## Portfolio Update

### Portfolio Statistics

Dividend Yield:	3.4%
Fwd P/E Ratio:	17.5
Beta:	0.51
Dividend Safety:	78

### Performance Update

	12/31/22	Dec	All
<b>Portfolio</b>	-1.9%		100.9%
<b>S&amp;P 500</b>	-5.8%		108.7%
<b>SPHD</b>	-3.6%		83.9%

<b>Dividend Increases:</b>	210
<b>Dividend Decreases:</b>	3

### Portfolio Objective

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

### Return Drivers

Total return is expected to be composed of:

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

### Investment Philosophy

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

### Portfolio Turnover

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

### Performance Update

Our Conservative Retirees fell 1.9% in December, topping the S&P 500 (-5.8%) and Invesco's High Dividend Low Volatility ETF (SPHD), which lost 3.6%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 9.7% and remains on track to continue providing safe, growing dividend income each year.

Our more defensive positioning has helped our portfolio's monthly returns record around 20% less volatility than our benchmarks' returns as well. This can help our results during periods of market weakness but also usually causes us to lag the market during periods of exceptional strength.

Our best performers last month were **Southern Company** (+6%), **Philip Morris** (+3%), and **Duke Energy** (+3%).

No news was out on regulated utility **Southern Company**. The firm last reported earnings in late October. 2023 is set to be an important year as Southern's long delayed nuclear reactors are expected to come online. As one of the largest utilities in America and a provider of essential services, Southern should remain a defensive investment even if the economy tips into a recession.

**Philip Morris** recently completed its acquisition of Swedish Match, which we analyzed in May 2022 [here](#). This deal gives the firm a pathway to distribute its IQOS heated tobacco products in the U.S. Tobacco is also generally considered a recession-resistant business, perhaps increasing PM's appeal.

**Duke Energy** last reported earnings in early November. The regulated utility is a defensive holding given its predictable profit stream and essential services. When recessions hit, utilities often deliver relatively resilient performance.

Our worst performing stocks in December were **UPS** (-8%), **Leggett & Platt** (-8%), and **Paychex** (-7%).

**UPS** slumped in sympathy with FedEx, which reported earnings on December 20. Volumes weakened more than expected. Our long-term outlook on UPS hasn't changed. With e-commerce demand providing a secular tailwind and the industry's capital intensity creating an effective oligopoly with FedEx and Amazon, UPS should remain a cash cow with a safe and growing dividend.

**Leggett & Platt** sells components used in durable consumer goods such as mattresses and cars. Higher interest rates and reduced consumer spending on high-ticket goods could create a tough short-term outlook though the long-term view is stable.

**Paychex** reported solid earnings on December 22 and raised full-year EPS guidance. Expectations were just very high heading into the quarter. No change to our outlook.

## Planned Transactions

None.

## Dividend Events

WEC (+7.2%), Pfizer (+2.5%), W.P. Carey (+0.4%), and Waste Management (+7.7%) announced dividend increases.

Our portfolio has recorded 210 dividend increases since inception in June 2015 and grown its income every year.

## Stocks to Consider Buying

Here are companies we own that look interesting to us today:

**Verizon (VZ):** Founded in 1983 as Bell Atlantic, Verizon (VZ) is the largest wireless service provider in the U.S. The company's 4G LTE network is available to more than 98% of the U.S. population. Wireless operations, which include voice and data services as well as equipment sales, generate around 90% of the company's EBITDA (a proxy for cash flow).

### Competitive Advantages

Verizon's historical key to success has been delivering reliable wireless and wireline services over the best communications network in the country. The firm's network leadership position has been built over decades and at a cost of hundreds of billions of dollars. As long as Verizon continues to invest in its leading network coverage and architecture, the company should continue maintaining a massive base of customers. Disrupting Verizon's base of customers would be almost impossible barring a revolutionary change in network technologies given the mature state of the industry and the high barriers to entry.

### Dividend Review

Dividend Safety Score: 87   5-Year Dividend Growth Rate: 2% per year   Dividend Yield: 6.26%

Verizon and its predecessors have paid uninterrupted dividends for more than 30 consecutive years. The company's scale, hard-to-replicate network assets, mission-critical services, brand recognition, and massive subscriber base remain important competitive advantages and ensure that the firm continues to generate reliable cash flow. With a conservative payout ratio near 50% and an investment-grade credit rating, Verizon's dividend should remain reliable.

### Recent News

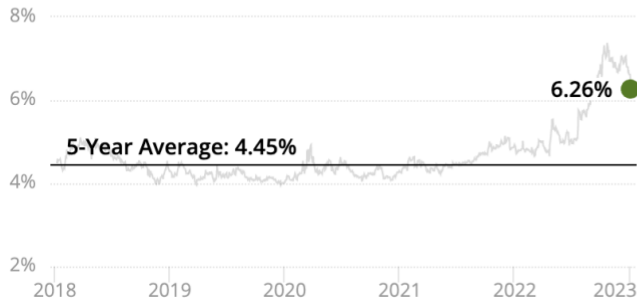
Verizon reported earnings on October 21. Investors were disappointed by the company's continued struggles to grow its postpaid phone subscriber base despite rivals reporting solid wireless gains.

Management announced a new cost savings program expected to reduce costs by \$2 billion to \$3 billion by 2025. Coupled with 5G investments peaking this year, Verizon's free cash flow generation and balance sheet should further strengthen in the years ahead, even if revenue growth remains modest.

## Valuation

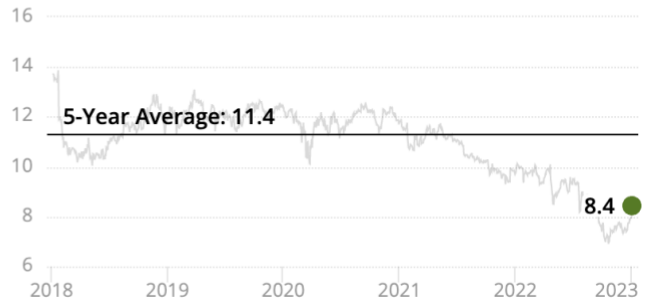
### Dividend Yield

As of Today, Jan 5



### Forward P/E Ratio

As of Today, Jan 5



**Leggett & Platt (LEG):** Founded in 1883, Leggett & Platt patented the first steel coil bedspring. The company has since become a diversified manufacturer of engineered components (innersprings, recliner mechanisms, adjustable beds, steel wire, seat frames, carpet cushion, armrests, etc.) used in bedding, furniture, carpet, automobiles, aircraft, and other products around the world.

Most of the firm's sales are derived from the U.S. market (67% of revenue), but Leggett & Platt also has a presence in overseas markets, including fast-growing emerging economies such as China (10%).

### Competitive Advantages

Leggett benefits from its long-standing customer relationships (the company has been in the industry for over 100 years), economies of scale (the firm is vertically integrated and has No. 1 or No. 2 market share positions in most of its categories), and global distribution system (cheaper sourcing). The niches Leggett competes in generally have a slow pace of change as well, and many of its products are driven by replacement demand, making it more difficult for new entrants to disrupt the company.

### Dividend Review

Dividend Safety Score: 70    5-Year Dividend Growth Rate: 5% per year    Dividend Yield: 5.26%

Leggett & Platt has increased its dividend for 51 consecutive years and is a dividend aristocrat. The company generates solid cash flow during downturns thanks to its largely variable cost structure, and Leggett maintains an investment-grade credit rating. Management also targets a conservative 50% payout ratio. Over the long term, Leggett expects to deliver average annual revenue growth of 6% to 9%, providing a foundation for solid dividend growth.

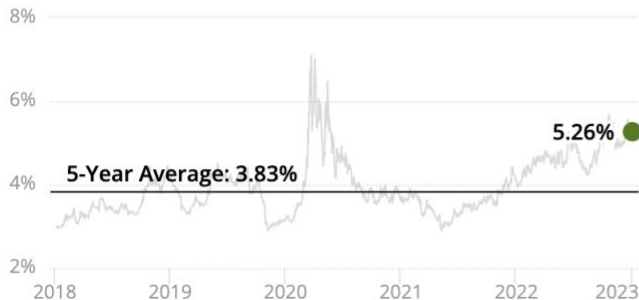
### Recent News

Leggett reported earnings on October 31. Organic sales fell 3%, driven by an 8% volume decline primarily from soft demand for mattresses and home furniture. As discussed in [our October note](#), we believe Leggett's long-term outlook and dividend profile remain intact.

## Valuation

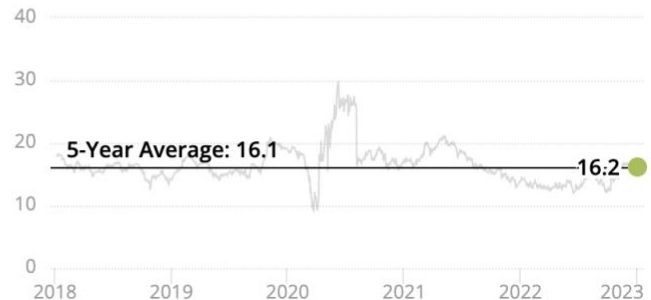
### Dividend Yield

As of Today, Jan 5



### Forward P/E Ratio

As of Today, Jan 5



**WEC (WEC):** WEC is one of America's largest electric and natural gas utilities with millions of customers throughout Wisconsin, Minnesota, Michigan, and Illinois. Over 95% of earnings are from regulated activities, and the company's home market of Wisconsin accounts for the majority of WEC's business.

## Competitive Advantages

Regulated utilities are among the most dependable businesses in the country. WEC is particularly impressive from a reliability perspective because it is the only regulated utility to beat guidance every year for more than 15 consecutive years. The company's track record reflects management's discipline and conservatism with how they run the business. WEC's utilities all earn "A" credit ratings, and the company maintains constructive relationships with regulators in regions with generally favorable demographics.

## Dividend Review

Dividend Safety Score: 87    5-Year Dividend Growth Rate: 6% per year    Dividend Yield: 3.38%

WEC is one of the fastest dividend growers in the utility sector. A healthy payout ratio near 70%, investment-grade balance sheet, and well-funded capital investment plans should keep the dividend growing at a mid-single-digit pace.

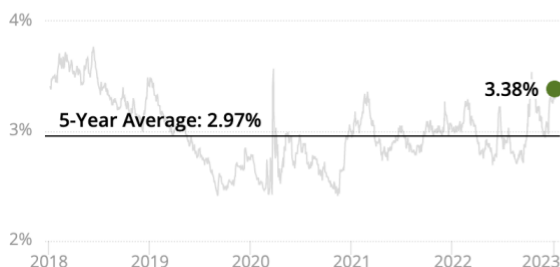
## Recent News

WEC in December hiked its dividend by 7.2% and issued 2023 EPS guidance in line with consensus estimates.

## Valuation

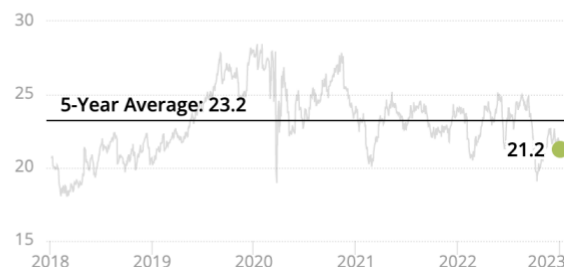
### Dividend Yield

As of Today, Jan 5



### Forward P/E Ratio

As of Today, Jan 5



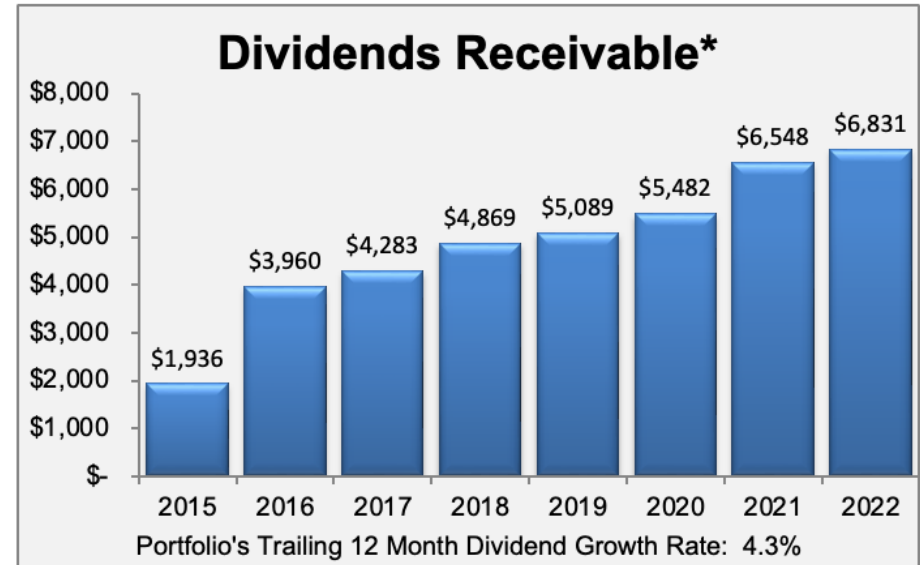
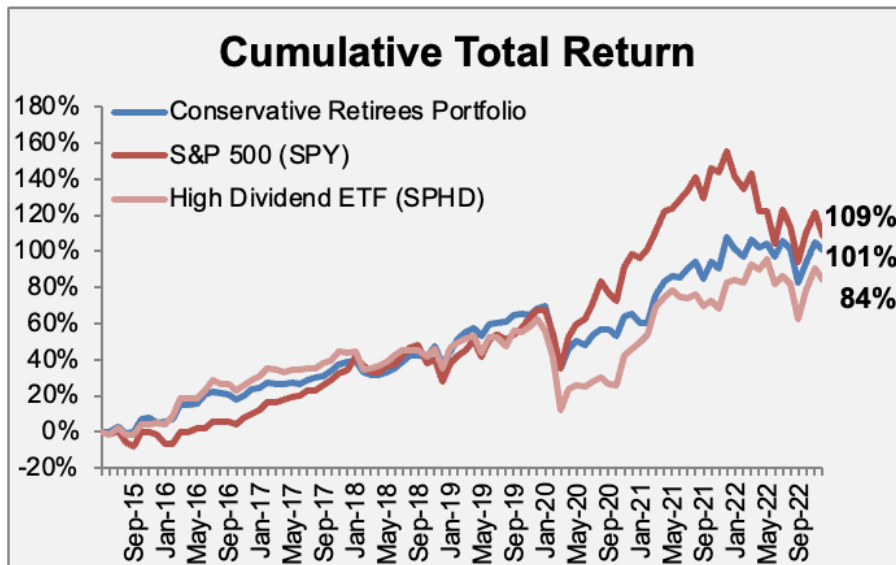
## Conservative Retirees Portfolio – Portfolio Actions

Data as of 1/5/23

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Cost Basis	Market Value	Total Return	S&P 500 Return
<b>Possible Buying Opportunities</b>														
VZ	Verizon	8.4	6.26%	87	Very Low	06-30-15	103	2.1%	\$48.17	\$41.70	\$4,961.51	\$4,295.10	23.3%	105.2%
LEG	Leggett & Platt	16.2	5.26%	70	Average	12-07-20	115	1.9%	\$43.79	\$33.47	\$5,035.85	\$3,849.05	-18.4%	7.3%
WEC	WEC Energy	21.2	3.38%	87	Very Low	03-05-18	48	2.2%	\$59.41	\$92.41	\$2,851.68	\$4,435.68	73.9%	51.0%
<b>Long-term Holds</b>														
CSCO	Cisco	13.0	3.24%	91	Average	06-06-16	175	4.1%	\$29.15	\$46.88	\$5,101.25	\$8,204.00	93.7%	98.3%
MAIN	Main Street Capital	10.3	7.31%	62	Average	06-07-21	113	2.1%	\$41.49	\$36.93	\$4,688.37	\$4,173.09	-0.9%	-6.9%
NNN	National Retail Properties	14.3	4.76%	70	Low	06-26-15	111	2.6%	\$35.74	\$46.18	\$3,967.14	\$5,125.98	69.5%	101.3%
PM	Philip Morris International	18.1	5.04%	64	Very Low	06-19-15	60	3.0%	\$81.36	\$100.82	\$4,881.60	\$6,049.20	65.0%	100.9%
CCI	Crown Castle International	18.7	4.45%	61	Average	11-07-17	40	2.8%	\$111.51	\$140.75	\$4,460.40	\$5,630.00	44.9%	59.4%
ORI	Old Republic International	11.6	3.82%	73	Low	08-10-20	285	3.4%	\$16.84	\$24.11	\$4,799.40	\$6,871.35	73.7%	18.4%
AEP	American Electric Power	17.5	3.54%	81	Very Low	06-19-15	73	3.4%	\$54.47	\$93.78	\$3,976.31	\$6,845.94	111.0%	100.9%
PFE	Pfizer	10.1	3.30%	75	Very Low	04-03-17	175	4.3%	\$34.49	\$49.66	\$6,035.75	\$8,690.50	74.3%	76.2%
ED	Consolidated Edison	20.3	3.32%	90	Very Low	07-02-15	67	3.2%	\$59.14	\$95.29	\$3,962.38	\$6,384.43	98.2%	103.8%
SO	Southern Company	19.8	3.86%	65	Very Low	08-10-20	84	2.9%	\$54.71	\$70.38	\$4,595.64	\$5,911.92	41.7%	18.4%
PSA	Public Storage	18.5	2.95%	96	Very Low	03-05-18	21	2.8%	\$196.64	\$271.27	\$4,129.44	\$5,696.67	68.9%	51.0%
UPS	United Parcel Service	13.9	3.50%	69	Average	03-05-18	42	3.6%	\$100.62	\$173.84	\$4,226.04	\$7,301.28	83.9%	51.0%
XOM	Exxon Mobil	9.1	3.33%	80	Low	07-31-15	50	2.7%	\$79.29	\$109.21	\$3,964.50	\$5,460.50	70.4%	100.7%
KO	Coca-Cola	25.2	2.83%	80	Very Low	04-06-20	80	2.5%	\$44.89	\$62.20	\$3,591.20	\$4,976.00	46.3%	50.6%
PG	Procter & Gamble Company	25.4	2.43%	99	Very Low	07-01-15	50	3.7%	\$79.72	\$150.34	\$3,986.00	\$7,517.00	118.5%	103.6%
DUK	Duke Energy	19.3	3.89%	80	Very Low	03-05-18	53	2.7%	\$76.88	\$103.26	\$4,074.64	\$5,472.78	56.4%	51.0%
PAYX	Paychex	26.0	2.76%	61	Average	07-28-15	111	6.3%	\$50.04	\$114.36	\$5,554.44	\$12,693.96	184.9%	101.8%
T	AT&T	7.7	5.78%	70	Very Low	11-07-17	105	1.0%	\$23.03	\$19.21	\$2,418.00	\$2,017.05	-15.4%	59.4%
JNJ	Johnson & Johnson	17.6	2.53%	99	Very Low	06-25-15	40	3.6%	\$99.12	\$178.80	\$3,964.80	\$7,152.00	106.3%	101.3%
KMB	Kimberly-Clark	22.7	3.42%	88	Very Low	08-07-17	42	2.8%	\$120.99	\$135.54	\$5,081.58	\$5,692.68	31.2%	66.8%
WPC	W.P. Carey	14.9	5.45%	73	Very Low	03-05-18	46	1.8%	\$60.29	\$78.10	\$2,773.34	\$3,592.60	62.9%	51.0%
GIS	General Mills	20.0	2.56%	69	Very Low	06-17-15	73	3.1%	\$55.25	\$84.41	\$4,033.25	\$6,161.93	78.4%	101.1%
EMR	Emerson Electric	23.3	2.19%	78	Average	08-04-15	80	3.8%	\$49.62	\$95.01	\$3,969.60	\$7,600.80	123.3%	101.8%
MCD	McDonald's	25.9	2.32%	77	Very Low	07-07-15	41	5.4%	\$96.68	\$262.16	\$3,963.88	\$10,748.56	207.8%	103.1%
WM	Waste Management	25.7	1.82%	74	Very Low	07-13-15	83	6.4%	\$47.93	\$153.88	\$3,978.19	\$12,772.04	258.8%	101.4%
D	Dominion Energy	14.6	4.34%	80	Very Low	11-07-17	50	1.5%	\$80.63	\$61.46	\$4,031.50	\$3,073.00	-4.5%	59.4%
Cash (Includes Dividends Receivable)								8.1%	\$16,240.98					
<b>Portfolio Total</b>		<b>17.4</b>	<b>3.44%</b>	<b>78</b>	<b>Low</b>			<b>100%</b>			<b>\$200,636</b>	<b>100.6%</b>	<b>106.1%</b>	

**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.

## Conservative Retirees Portfolio – Performance and Dividend Income



\* Includes special dividends; regular dividends have grown each year

<u>Monthly Return</u>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	-2.09%	1.04%	-3.66%	4.70%	-2.37%	-9.11%	6.03%	5.72%	-1.94%
S&P 500	-8.75%	0.23%	-8.26%	9.17%	-4.08%	-9.21%	8.09%	5.56%	-5.76%
SPHD ETF	-1.18%	2.74%	-7.05%	2.71%	-2.48%	-10.66%	9.77%	6.95%	-3.61%
<b>Portfolio Value</b>	\$202,103.51	\$204,204.17	\$196,731.06	\$205,973.70	\$201,083.06	\$182,764.51	\$193,787.68	\$204,869.12	\$200,888.96

### Since Inception

<u>Cumulative</u>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	102.10%	104.20%	96.73%	105.97%	101.08%	82.76%	93.79%	104.87%	100.89%
S&P 500	122.01%	122.51%	104.13%	122.85%	113.76%	94.07%	109.77%	121.43%	108.68%
SPHD ETF	90.18%	95.38%	81.61%	86.53%	81.89%	62.50%	78.37%	90.77%	83.88%

<u>Annualized</u>	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	10.78%	10.80%	10.09%	10.68%	10.17%	8.62%	9.38%	10.09%	9.69%
S&P 500	12.31%	12.18%	10.67%	11.91%	11.11%	9.52%	10.56%	11.24%	10.24%
SPHD ETF	9.79%	10.08%	8.83%	9.13%	8.63%	6.87%	8.14%	9.03%	8.40%

This information is for general informational use only and is not personal investment advice. See the disclaimer on the last page for more.

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## Conservative Retirees Portfolio – Payment Schedule Data as of 1/5/23

Ticker	Dividend Yield	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	3.5%	62%	0.83	Mar, Jun, Sept, Dec	Early Feb	Mid Mar	6%	6%	5%
CCI	4.4%	81%	1.57	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	7%	9%	0%
CSCO	3.2%	44%	0.38	Jan, Apr, Jul, Oct	01-04-23	01-25-23	3%	6%	18%
ED	3.3%	66%	0.79	Mar, Jun, Sept, Dec	Mid Feb	Mid Mar	2%	3%	3%
EMR	2.2%	39%	0.52	Mar, Jun, Sept, Dec	Early Feb	Mid Mar	1%	1%	3%
D	4.3%	65%	0.67	Mar, Jun, Sept, Dec	Early Mar	Late Mar	6%	-2%	2%
GIS	2.6%	50%	0.54	Feb, May, Aug, Nov	01-09-23	02-01-23	6%	1%	5%
KO	2.8%	70%	0.44	Mar, Jun, Sept, Dec	Early Mar	Mid Mar	5%	4%	6%
LEG	5.3%	65%	0.44	Jan, Apr, Jul, Oct	Mid Mar	Mid Apr	5%	4%	4%
JNJ	2.5%	44%	1.13	Mar, Jun, Sept, Dec	02-17-23	03-07-23	7%	6%	6%
MCD	2.3%	57%	1.52	Mar, Jun, Sept, Dec	Early Mar	Mid Mar	10%	8%	8%
NNN	4.8%	67%	0.55	Feb, May, Aug, Nov	Late Jan	Mid Feb	4%	3%	3%
UPS	3.5%	43%	1.52	Mar, Jun, Sept, Dec	Mid Feb	Early Mar	49%	6%	7%
WEC	3.4%	65%	0.78	Mar, Jun, Sept, Dec	02-13-23	03-01-23	7%	6%	10%
WPC	5.5%	80%	1.07	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	1%	1%	7%
DUK	3.9%	77%	1.01	Mar, Jun, Sept, Dec	Mid Feb	Mid Mar	2%	3%	3%
PAYX	2.8%	76%	0.79	Feb, May, Aug, Nov	Early Feb	Late Feb	20%	9%	8%
PFE	3.3%	24%	0.41	Mar, Jun, Sept, Dec	01-26-23	03-03-23	3%	5%	7%
PG	2.4%	62%	0.91	Feb, May, Aug, Nov	Mid Jan	Mid Feb	5%	5%	5%
PM	5.0%	85%	1.27	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	2%	4%	6%
MAIN	7.3%	84%	0.23	Monthly	01-05-23	01-13-23	2%	3%	5%
KMB	3.4%	86%	1.16	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	2%	4%	5%
XOM	3.3%	28%	0.91	Mar, Jun, Sept, Dec	Mid Feb	Mid Mar	3%	3%	7%
T	5.8%	47%	0.28	Feb, May, Aug, Nov	01-09-23	02-01-23	-47%	2%	2%
PSA	2.9%	61%	2.00	Mar, Jun, Sept, Dec	Mid Mar	Late Mar	0%	2%	8%
VZ	6.3%	77%	0.65	Feb, May, Aug, Nov	01-09-23	02-01-23	2%	2%	3%
WM	1.8%	45%	0.70	Jan, Apr, Jul, Oct	03-16-23	03-31-23	8%	7%	5%
SO	3.9%	77%	0.68	Mar, Jun, Sept, Dec	Mid Feb	Early Mar	3%	3%	3%
ORI	3.8%	32%	0.23	Mar, Jun, Sept, Dec	Early Mar	Mid Mar	5%	3%	2%
<b>Average</b>	3.4%	61%					4%	4%	6%

### 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.

**Payout Ratio:** the percentage of earnings paid out as a dividend.

**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:	1.9%
Fwd P/E Ratio:	20.4
Beta:	0.75
Dividend Safety:	84

### Performance Update

	12/31/22	Dec	All
<b>Portfolio</b>	-3.6%		123.1%
<b>S&amp;P 500</b>	-5.8%		110.8%
<b>VIG ETF</b>	-3.7%		121.8%

**Dividend Increases:** 188

**Dividend Decreases:** 2

### 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 8-10% 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 fell 3.6% in December, topping the S&P 500's -5.8% return and in line with Vanguard's Dividend Appreciation ETF (VIG), which lost 3.7%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 11.2%.

Dividend growth remains solid as well, with our income continuing to compound at a double-digit annualized pace since inception.

Our strongest stocks during the month of December were **Toro** (+2%), **Abbott** (+2%), and **Chubb** (+1%).

**Toro** reported strong earnings on December 21 and hiked its dividend by 13%. Sales grew 22%, and adjusted EPS nearly doubled. Demand for turf and landscape maintenance equipment remains solid with a high backlog providing nice sales growth and cash flow visibility.

**Abbott** raised its dividend by 8.5% but hasn't reported earnings since October. Supply chain snarls and hospital staffing challenges created challenges for medical supplies and devices last year. These headwinds should eventually abate. No change to our long-term outlook.

**Chubb**, a property and casualty insurer, stands to benefit from higher interest rates.

The firm's collected premiums, or float, is invested primarily in fixed income securities which will earn more interest income as bonds mature and are reinvested at higher rates. This will lead to stronger profitability and earnings growth, all else equal.

Our weakest stocks in December were **V.F. Corp** (-14%), **Thor** (-12%), and **Broadridge** (-10%).

**V.F. Corp** gave back some of its gains from November as investors continue to worry about slumping apparel demand and industry-wide excess inventory creating a promotional environment.

Despite the firm's shrinking margins, we [expect](#) V.F. Corp to stay committed to its dividend but are monitoring the performance of its largest brand, Vans, which has faced slower growth.

**Thor** beat earnings expectations on December 7 but remains volatile as investors assess the resiliency of RV demand. Higher interest rates and a cooling economy could reduce demand for discretionary, big-ticket purchases. Even if RVs benefit over the long run from growing interest in this lifestyle. No change to our long-term view.

No news was out on **Broadridge**. The firm last reported earnings in November. Profits fell slightly short of expectations but management reaffirmed expectations for 7-11% adjusted EPS growth in the year ahead. No change to our outlook.

## Planned Transactions

None.

## Dividend Events

Toro (+13%), Abbott (+8.5%), and American Tower (+6.1%) announced dividend increases.

Our portfolio has recorded a total of 188 payout raises since inception in June 2015 and grown its income each year.

## Stocks to Consider Buying

Here are companies we own that look interesting to us today:

**Medtronic (MDT):** Since its founding in 1949, Medtronic has grown into one of the world's largest medical equipment device companies. Today the firm's products help treat over 40 medical conditions and 70 million patients around the world each year. Medtronic's medical supplies products are used primarily in hospitals, surgical centers, and alternate care facilities, such as home care and long-term care facilities.

### Competitive Advantages

Medtronic's success over the decades has stemmed from its unrelenting focus on continually innovating new medical products to meet needs of an aging global population. The company invests heavily in R&D each year (7-8% of sales), which has led to world-changing inventions such as the pacemaker in 1957. Medtronic also has a portfolio of more than 45,000 patents and a development pipeline covering everything from surgical robotics systems to vessel sealing instruments.

Given the price-sensitive nature of the healthcare industry, developing successful new technologies and medical devices is essential to maintaining market share and healthy profitability. A lot of Medtronic's medical devices also significantly impact patients' quality of life and must be of very high quality. The company's specialized products can offer superior performance in many instances, allowing it to maintain strong market share and profitability.

In addition, thanks to a disciplined and well executed acquisition strategy, such as its \$50 billion acquisition of Covidien in 2015, Medtronic has been able to extend its sales reach into new promising treatment areas, as well as faster growing emerging markets.

### Dividend Review

Dividend Safety Score: 99   5-Year Dividend Growth Rate: 9% per year   Dividend Yield: 3.40%

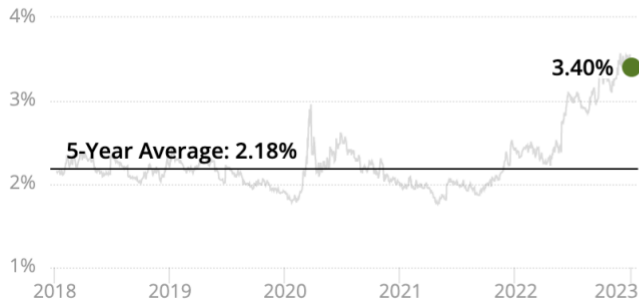
Medtronic is a dividend aristocrat that has paid higher dividends for 43 consecutive years. With a conservative free cash flow payout ratio near 60%, consistent cash flow generation (recession resistant business too), and a strong investment grade credit rating, Medtronic's dividend looks very secure. Note that Medtronic is headquartered in Ireland, but U.S. investors [can be exempt](#) from withholding taxes.

### Recent News

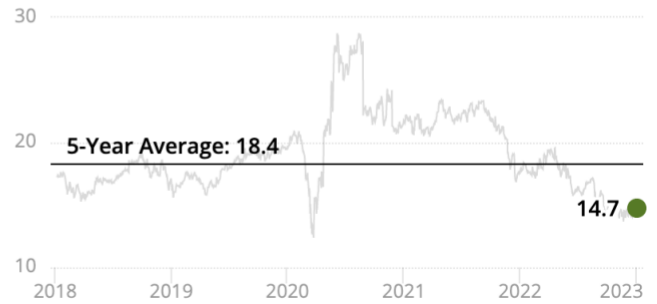
Medtronic reported earnings on November 22. Organic sales grew 2%, and adjusted EPS declined 2%, slightly below expectations. Continued supply chain challenges and lower than expected medical procedures, driven in part by persistent labor shortages, weighed on revenue growth again. These issues seem unlikely to impact Medtronic's long-term performance, though they may persist in the near term.

Valuation**Dividend Yield**

As of Today, Jan 5

**Forward P/E Ratio**

As of Today, Jan 5



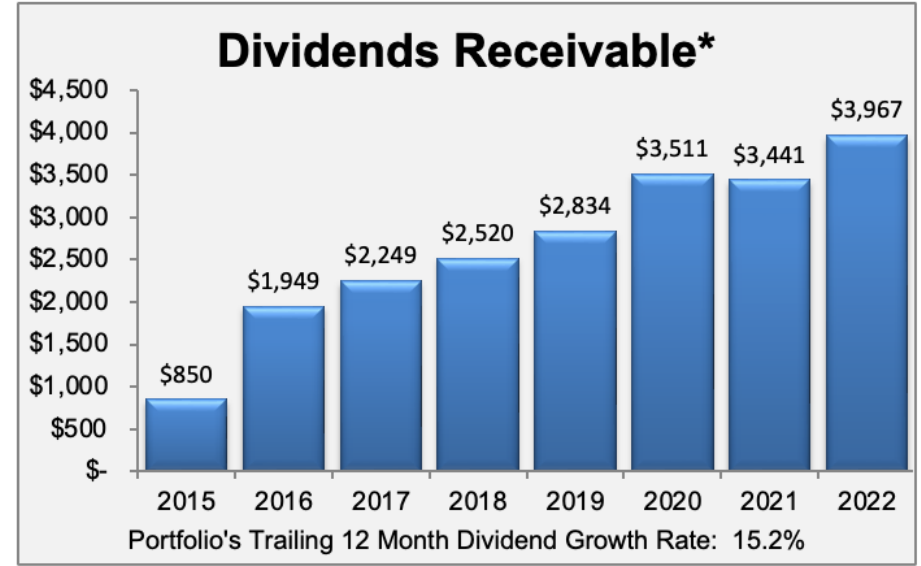
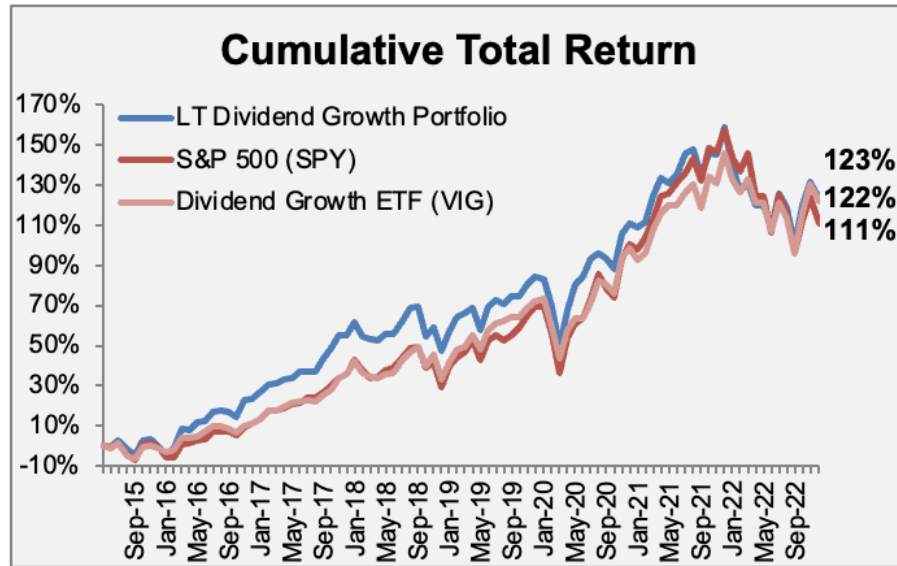
## Long-term Dividend Growth Portfolio – Portfolio Actions

Data as of 1/5/23

Ticker	Name	Fwd P/E Ratio	Dividend Yield	Safety Score	Price Volatility	Entry Date	Shares Owned	% of Portfolio	Cost per Share	Last Price	Cost Basis	Market Value	Total Return	S&P 500 Return
<b>Possible Buying Opportunities</b>														
MDT	Medtronic	14.7	3.40%	99	Low	11-07-17	65	2.3%	\$77.80	\$80.03	\$5,057.00	\$5,201.95	15.0%	59.4%
<b>Long-term Holds</b>														
APH	Amphenol	25.5	1.10%	87	High	07-14-15	72	2.5%	\$55.15	\$76.70	\$3,970.80	\$5,522.40	197.5%	100.5%
MDLZ	Mondelez	22.1	2.33%	66	Low	08-10-20	156	4.6%	\$55.38	\$66.19	\$8,639.28	\$10,325.64	26.3%	18.4%
VFC	V.F. Corp	13.6	6.93%	80	High	06-07-21	115	1.5%	\$79.72	\$29.45	\$9,167.80	\$3,386.75	-60.8%	-6.9%
HRL	Hormel	24.4	2.39%	99	Very Low	06-06-16	139	2.8%	\$34.38	\$46.05	\$4,778.82	\$6,400.95	50.1%	98.3%
ORCL	Oracle	16.3	1.52%	99	Average	12-31-15	110	4.1%	\$36.53	\$84.31	\$4,018.30	\$9,274.10	141.4%	106.1%
AWR	American States Water Corp	34.9	1.71%	98	Very Low	08-10-20	115	4.8%	\$79.75	\$92.92	\$9,171.25	\$10,685.80	20.4%	18.4%
MSM	MSC Industrial	12.4	4.10%	84	Low	06-22-15	57	2.0%	\$69.81	\$77.03	\$3,979.17	\$4,390.71	55.8%	99.4%
LOW	Lowe's	14.3	2.09%	93	Average	11-07-17	60	5.4%	\$77.65	\$200.77	\$4,659.00	\$12,046.20	172.9%	59.4%
AOS	A.O. Smith	18.8	2.02%	99	Average	07-13-15	118	3.1%	\$33.76	\$59.38	\$3,983.68	\$7,006.84	89.2%	101.4%
CHRW	C.H. Robinson	16.0	2.71%	92	Low	10-03-16	65	2.6%	\$70.26	\$90.01	\$4,566.90	\$5,850.65	48.0%	90.9%
FUL	H.B. Fuller	15.3	1.08%	70	Average	07-24-15	107	3.3%	\$38.83	\$70.26	\$4,154.81	\$7,517.82	96.2%	103.1%
CB	Chubb	12.6	1.49%	99	Low	06-26-15	38	3.8%	\$103.47	\$223.56	\$3,931.86	\$8,495.28	135.4%	101.3%
AMT	American Tower	20.6	2.94%	78	Average	04-03-17	35	3.3%	\$120.49	\$212.13	\$4,217.15	\$7,424.55	95.6%	76.2%
BDX	Becton Dickinson	21.4	1.43%	91	Low	04-04-16	28	3.2%	\$153.94	\$255.31	\$4,310.32	\$7,148.68	77.8%	103.2%
IFF	International Flavors & Fragrances	19.9	3.02%	62	Average	07-14-15	37	1.8%	\$113.16	\$107.29	\$4,186.92	\$3,969.73	11.5%	100.5%
PH	Parker Hannifin	15.3	1.78%	94	High	07-23-15	36	4.8%	\$110.92	\$298.10	\$3,993.12	\$10,731.60	185.1%	101.0%
ABT	Abbott	26.9	1.84%	71	Average	12-31-15	90	4.4%	\$44.91	\$110.80	\$4,041.90	\$9,972.00	165.9%	106.1%
FIS	Fidelity Nat'l Information Services	10.5	2.76%	77	High	07-17-15	63	1.9%	\$62.94	\$68.19	\$3,965.22	\$4,295.97	21.8%	98.8%
BR	Broadridge Financial Solutions	18.7	2.18%	75	Average	06-22-15	76	4.5%	\$52.65	\$133.02	\$4,001.40	\$10,109.52	182.1%	99.4%
IEX	IDEX	26.6	1.06%	95	Average	07-22-15	52	5.2%	\$75.87	\$225.74	\$3,945.24	\$11,738.48	218.3%	99.9%
ROK	Rockwell Automation	24.2	1.83%	70	High	07-27-15	34	3.9%	\$116.32	\$258.58	\$3,954.88	\$8,791.72	145.5%	104.3%
THO	Thor	10.3	2.30%	65	Very High	07-29-15	72	2.5%	\$55.14	\$78.28	\$3,970.08	\$5,636.16	57.6%	100.4%
EXPO	Exponent	48.1	0.99%	61	Average	07-22-15	180	7.8%	\$22.66	\$96.92	\$4,078.80	\$17,445.60	362.3%	99.9%
TTC	Toro	22.7	1.21%	84	Average	07-20-15	122	6.1%	\$33.67	\$112.37	\$4,107.74	\$13,709.14	257.9%	98.7%
Cash (Includes Dividends Receivable)								7.7%	\$17,240.59					
<b>Portfolio Total</b>		<b>20.3</b>	<b>1.86%</b>	<b>84</b>	<b>Average</b>			<b>100%</b>				<b>\$224,880</b>	<b>124.9%</b>	<b>108.2%</b>

**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



\* Includes special dividends; regular dividends have grown each year

Monthly Return	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	-4.87%	-0.01%	-5.30%	8.61%	-3.28%	-8.67%	10.17%	5.20%	-3.58%
S&P 500	-8.75%	0.23%	-8.26%	9.17%	-4.08%	-9.21%	8.09%	5.56%	-5.76%
VIG ETF	-5.12%	-0.07%	-6.24%	6.80%	-3.45%	-8.17%	9.96%	6.75%	-3.74%
Portfolio Value	\$219,744.44	\$219,720.33	\$208,069.34	\$225,976.69	\$218,565.34	\$199,616.15	\$219,909.41	\$231,341.33	\$223,067.75

### Since Inception

Cumulative	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	119.74%	119.72%	108.07%	125.98%	118.57%	99.62%	119.91%	131.34%	123.07%
S&P 500	124.28%	124.79%	106.23%	125.14%	115.95%	96.06%	111.92%	123.70%	110.83%
VIG ETF	121.26%	121.10%	107.30%	121.39%	113.74%	96.28%	115.83%	130.40%	121.78%

Annualized	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Portfolio	12.10%	11.94%	10.93%	12.09%	11.42%	9.91%	11.24%	11.86%	11.19%
S&P 500	12.43%	12.30%	10.79%	12.03%	11.23%	9.64%	10.68%	11.36%	10.36%
VIG ETF	12.23%	12.05%	10.89%	11.78%	11.09%	9.67%	10.97%	11.81%	11.12%

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## Long-term Dividend Growth Portfolio – Payment Schedule Data as of 1/5/23

Ticker	Dividend Yield	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	1.8%	33%	0.51	Feb, May, Aug, Nov	01-12-23	02-15-23	8%	N/A	N/A
CB	1.5%	22%	0.83	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	4%	3%	8%
AOS	2.0%	36%	0.30	Feb, May, Aug, Nov	Late Jan	Mid Feb	7%	17%	22%
APH	1.1%	27%	0.21	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	5%	17%	45%
BDX	1.4%	28%	0.91	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	5%	4%	7%
BR	2.2%	42%	0.73	Jan, Apr, Jul, Oct	Mid Mar	Early Apr	13%	14%	15%
EXPO	1.0%	48%	0.24	Mar, Jun, Sept, Dec	Mid Mar	Late Mar	20%	17%	0%
FIS	2.8%	26%	0.47	Mar, Jun, Sept, Dec	Mid Mar	Late Mar	21%	8%	23%
VFC	6.9%	76%	0.51	Mar, Jun, Sept, Dec	Mid Mar	Late Mar	2%	3%	10%
FUL	1.1%	18%	0.19	Feb, May, Aug, Nov	Mid Jan	Early Feb	13%	4%	8%
IEX	1.1%	31%	0.60	Jan, Apr, Jul, Oct	01-12-23	01-27-23	11%	10%	12%
IFF	3.0%	56%	0.81	Jan, Apr, Jul, Oct	Late Mar	Early Apr	3%	5%	10%
LOW	2.1%	28%	1.05	Feb, May, Aug, Nov	01-24-23	02-08-23	31%	18%	19%
MSM	4.1%	49%	0.79	Jan, Apr, Jul, Oct	01-09-23	01-24-23	5%	8%	12%
ORCL	1.5%	26%	0.32	Jan, Apr, Jul, Oct	01-09-23	01-24-23	0%	15%	18%
MDT	3.4%	49%	0.68	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	8%	8%	10%
PH	1.8%	25%	1.33	Mar, Jun, Sept, Dec	Mid Feb	Early Mar	29%	11%	11%
CHRW	2.7%	27%	0.61	Jan, Apr, Jul, Oct	Early Mar	Early Apr	11%	4%	6%
ROK	1.8%	47%	1.18	Mar, Jun, Sept, Dec	Mid Feb	Mid Mar	5%	8%	10%
THO	2.3%	9%	0.45	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	5%	5%	11%
AMT	2.9%	58%	1.56	Feb, May, Aug, Nov	Late Mar	Early May	15%	19%	0%
TTC	1.2%	29%	0.34	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	13%	11%	18%
HRL	2.4%	57%	0.28	Feb, May, Aug, Nov	01-13-23	02-15-23	6%	9%	13%
AWR	1.7%	59%	0.40	Mar, Jun, Sept, Dec	Mid Feb	Early Mar	9%	9%	10%
MDLZ	2.3%	48%	0.39	Jan, Apr, Jul, Oct	Late Mar	Mid Apr	10%	13%	1%
<b>Average</b>	1.9%	34%					10%	10%	14%

### 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.

**Payout Ratio:** the percentage of earnings paid out as a dividend.

**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 healthy Dividend Safety Scores. These companies are good bets to continue delivering predictable income with less price volatility.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Payout Ratio	5yr Div CAGR
AEP	American Electric Power	17.5	3.5%	81	62%	6%
AVB	AvalonBay Communities	16.7	4.0%	98	77%	3%
DLR	Digital Realty Trust	15.3	5.0%	94	79%	6%
DUK	Duke Energy	19.3	3.9%	80	77%	3%
ED	Consolidated Edison	20.3	3.3%	90	66%	3%
SO	Southern Company	19.8	3.9%	65	72%	3%
K	Kellogg	17.2	3.3%	66	57%	3%
KMB	Kimberly-Clark	22.7	3.4%	88	86%	4%
KO	Coca-Cola	25.2	2.8%	80	70%	4%
PFE	Pfizer	10.1	3.3%	75	24%	5%
GIS	General Mills	20.0	2.6%	69	50%	1%
SJM	J.M. Smucker	17.0	2.6%	96	47%	6%
PEP	PepsiCo	24.7	2.6%	93	67%	7%
BMJ	Bristol-Myers Squibb	9.2	3.2%	79	28%	6%
VZ	Verizon	8.4	6.3%	87	49%	2%
FLO	Flowers Foods	22.2	3.1%	62	39%	6%
MRK	Merck	15.7	2.6%	99	36%	7%
O	Realty Income	16.0	4.7%	70	76%	3%
DOC	Physicians Realty Trust	14.8	6.2%	65	91%	0%

# Idea Generation – High Growth Dividend Stocks

The dividend stocks on this list are characterized by moderate price volatility, dividend yields near 1% or higher, and strong long-term growth potential. These companies appear well-positioned to grow their dividends quickly in long term.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Payout Ratio	3yr Div CAGR
AMT	American Tower	20.6	2.9%	78	58%	18%
CUBE	CubeSmart	15.5	5.0%	61	70%	6%
DOX	Amdocs Limited	15.6	1.7%	90	29%	12%
ELS	Equity LifeStyle Properties	28.5	2.6%	86	70%	10%
ADP	Automatic Data Processing	28.2	2.1%	97	58%	10%
HON	Honeywell	22.3	2.0%	99	47%	7%
LOW	Lowe's	14.3	2.1%	93	28%	17%
ITW	Illinois Tool Works	23.2	2.4%	81	57%	10%
WSM	Williams-Sonoma	7.9	2.7%	80	18%	15%
FIS	Fidelity National	10.5	2.8%	77	26%	7%
MDLZ	Mondelez	22.1	2.3%	66	48%	11%
SCI	Service Corporation International	20.4	1.6%	76	24%	9%
SNA	Snap-on	13.6	2.8%	99	34%	14%
UNH	UnitedHealth	20.4	1.4%	99	29%	18%
ABT	Abbott Laboratories	26.9	1.8%	71	33%	16%
TSCO	Tractor Supply	21.0	1.7%	68	36%	20%
APD	Air Products and Chemicals	26.5	2.2%	95	61%	12%
APH	Amphenol	25.5	1.1%	87	27%	13%

# Idea Generation – High Yield Stocks

The dividend stocks on this list have dividend yields near 4% or higher and *Borderline Safe* or higher Dividend Safety Scores.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Payout Ratio	5yr Div CAGR
MMP	Magellan Midstream Partners	8.9	8.2%	61	81%	4%
EPD	Enterprise Products Partners	7.2	8.0%	65	56%	2%
MAIN	Main Street Capital	10.3	7.3%	62	84%	3%
ENB	Enbridge	10.1	6.6%	70	60%	10%
VZ	Verizon	8.4	6.3%	87	49%	2%
DOC	Physicians Realty Trust	18.9	6.2%	65	91%	0%
KMI	Kinder Morgan	8.6	6.1%	61	52%	17%
T	AT&T	7.7	5.8%	70	47%	2%
PBA	Pembina Pipeline	10.6	5.8%	80	49%	6%
LYB	LyondellBasell	10.5	5.5%	51	35%	6%
WPC	W. P. Carey	14.9	5.5%	73	80%	1%
DOW	Dow	14.5	5.3%	45	35%	9%
LEG	Leggett & Platt	16.2	5.3%	70	65%	4%
IP	International Paper	11.3	5.1%	70	49%	2%
PM	Philip Morris International	18.1	5.0%	64	85%	4%
NNN	National Retail Properties	14.3	4.8%	70	67%	3%
PNW	Pinnacle West Capital	17.3	4.7%	70	72%	6%
WHR	Whirlpool	9.9	4.7%	70	30%	7%
EBF	Ennis	14.0	4.5%	61	61%	7%
CCI	Crown Castle	18.7	4.5%	61	81%	9%
BBY	Best Buy	12.4	4.3%	80	49%	20%
WASH	Washington Trust Bancorp	10.7	4.8%	76	50%	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	Payout Ratio	5yr Div CAGR
MA	Mastercard	16%	30.6	0.7%	99	19%	18%
LLY	Eli Lilly	15%	45.6	1.3%	96	45%	11%
ZTS	Zoetis	15%	27.9	1.0%	74	26%	21%
CUBE	CubeSmart	14%	15.5	5.0%	61	70%	10%
TTC	Toro	13%	22.7	1.2%	84	29%	11%
MAA	Mid-America Apartment Communities	12%	18.6	3.7%	97	62%	5%
AVGO	Broadcom	12%	13.6	3.3%	67	45%	29%
CVS	CVS Health	10%	10.3	2.7%	90	25%	3%
AMGN	Amgen	9.8%	14.6	3.2%	74	42%	12%
ABT	Abbott Laboratories	8.5%	26.9	1.8%	71	33%	12%
SYK	Stryker	7.9%	25.9	1.2%	90	31%	11%
WM	Waste Management	7.7%	25.7	1.8%	74	45%	7%
WEC	WEC Energy	7.2%	21.2	3.4%	87	65%	6%
DE	Deere & Company	6.2%	14.9	1.2%	83	19%	13%
AMT	American Tower	6.1%	20.6	2.9%	78	58%	19%
BMJ	Bristol-Myers Squibb	5.6%	9.2	3.2%	79	28%	6%
EIX	Edison International	5.4%	14.0	4.6%	60	60%	6%
ECL	Ecolab	3.9%	30.7	1.5%	98	45%	7%
WASH	Washington Trust Bancorp	3.7%	10.7	4.8%	76	50%	8%
BEN	Franklin Resources	3.4%	10.6	4.4%	70	32%	8%
EPD	Enterprise Products Partners	3.2%	7.2	8.0%	65	56%	2%
OZK	Bank OZK	3.0%	7.6	3.5%	50	28%	12%
PFE	Pfizer	2.5%	10.1	3.3%	75	24%	5%
NUE	Nucor	2.0%	9.3	1.5%	90	6%	3%
WPC	W. P. Carey	0.4%	14.9	5.5%	73	80%	1%

## 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 more than 2% and upcoming ex-dividend dates.

Ticker	Name	P/E Ratio	Dividend Yield	Safety Score	Payout Ratio	5yr Div CAGR	Next Ex-Div Date
DRI	Darden Restaurants	17.4	3.4%	70	62%	14%	1/9/23
GIS	General Mills	20.0	2.6%	69	50%	1%	1/9/23
T	AT&T	7.7	5.8%	70	47%	2%	1/9/23
VZ	Verizon	8.4	6.3%	87	49%	2%	1/9/23
ABBV	AbbVie	12.9	3.6%	70	42%	18%	1/12/23
MAA	Mid-America Apartment Communities	18.6	3.7%	97	62%	5%	1/12/23
EOG	EOG Resources	8.6	2.7%	82	22%	24%	1/13/23
HRL	Hormel Foods	24.4	2.4%	99	57%	9%	1/13/23
CVS	CVS Health	10.3	2.7%	90	25%	3%	1/19/23
CLX	Clorox	31.3	3.3%	75	122%	8%	1/24/23
RY	Royal Bank of Canada	10.9	4.1%	80	42%	7%	1/25/23
PFE	Pfizer	10.1	3.3%	75	24%	5%	1/26/23
BMO	Bank of Montreal	9.3	4.6%	70	39%	9%	1/27/23
EPD	Enterprise Products Partners	7.2	8.0%	65	56%	2%	1/30/23

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