

# Intelligent Income<sup>SM</sup>

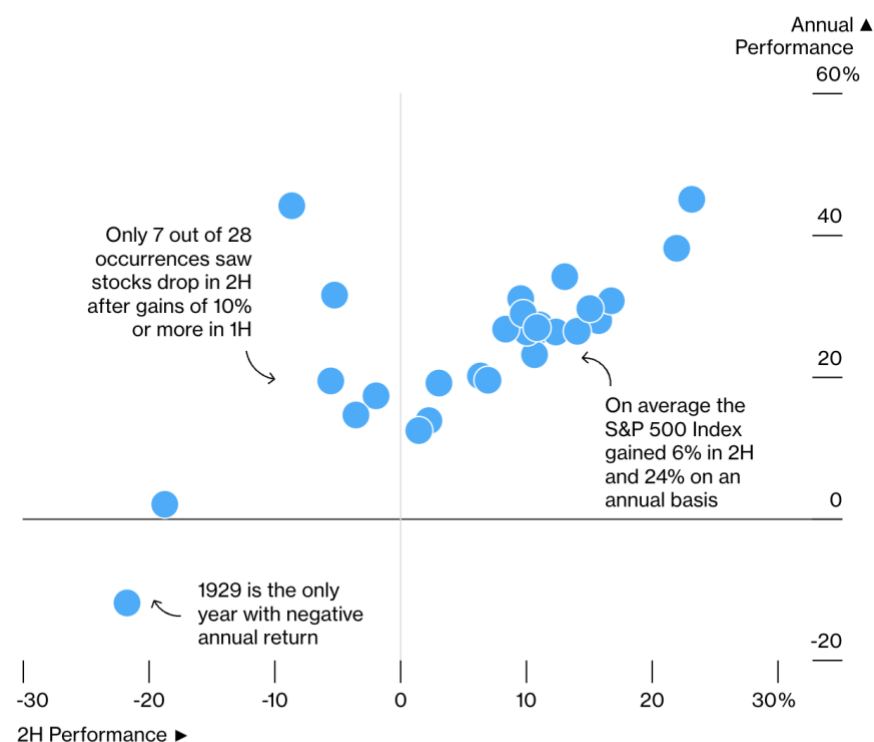
Quality dividend ideas for safe income and long-term growth

## Monthly Recap

The S&P 500 surged 6.5% in June to bring its year-to-date return to 16.7%. The tech-heavy Nasdaq has done even better, notching its best first half of a year [since 1983](#) with a 32% gain.

While skepticism surrounds the market's rally, outside of the Great Depression, the S&P 500 has had positive returns every single year when it has gained 10% or more in the first half, [per Bloomberg](#).

### S&P 500 Returns Are Mostly Positive After Strong First Half



Source: Bloomberg

Note: Performance data for years when 1H showed gains of 10% or more

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### Quote of the Month

“The stock market is a device to transfer money from the impatient to the patient.”

— Warren Buffett

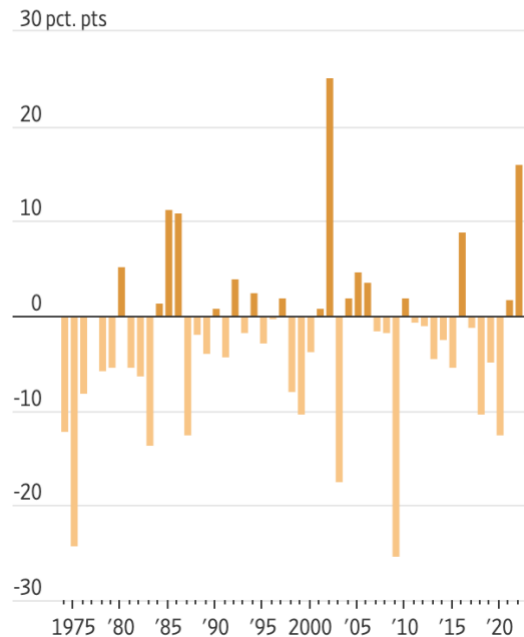
Maybe this time will be different as a handful of mega-cap tech stocks have driven the market's gains, potentially making it more susceptible to a reversal (an equal-weighted version of the S&P 500 would be up a more modest 5% in 2023).

Either way, 2023 has so far proven to be a frustrating year for dividend investors. The companies in the S&P 500 that don't pay a dividend have collectively gained about 18% in 2023, outpacing a roughly 4% advance by income-producing stocks.

That is the worst first-half performance for dividend payers relative to nonpayers since 2009, [according to the Wall Street Journal](#).

Popular dividend funds such as Schwab's U.S. Dividend Equity ETF (SCHD) and the S&P 500 High Dividend Low Volatility ETF (SPHD) have fared even worse this year, losing 2.2% and 3.6%, respectively.

**Dividend payers performance minus nonpayers through the first half of a year**



Much of this divergence between dividend payers and nonpayers can be chalked up to the growing hype surrounding artificial intelligence (AI), which could brighten the prospects of certain tech stocks the most. See [our June newsletter](#) for more thoughts on that topic.

That said, no one can predict short-term performance trends with any consistency. Rotating between investment strategies doesn't typically work well over time since performance comes in unpredictable lumps, even for the broader market.

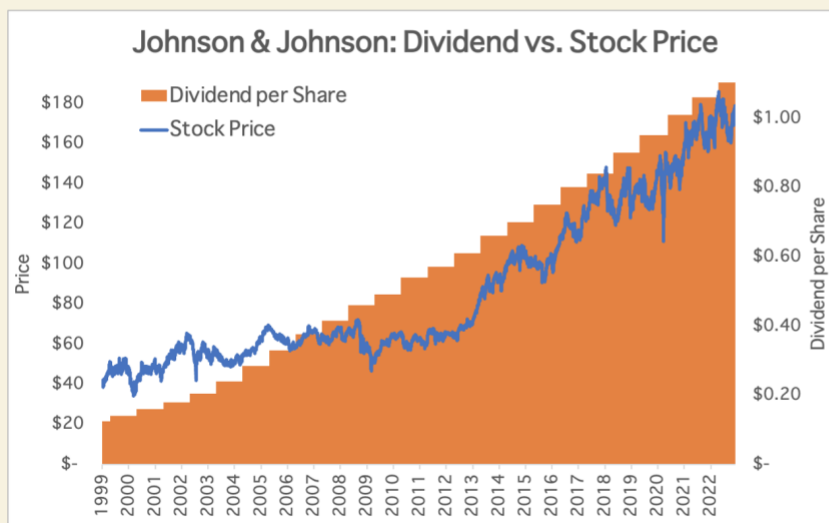
Since 1926, the S&P 500 has produced an average annual return of around 10%. But that typical return isn't so typical over shorter time periods. Only seven of the past 97 calendar years have had returns of 8% to 12%.

Dividend stocks will have their time in the sun again. Your guess is as good as mine on the "when". But rotations can happen quickly as we saw in 2022, when dividend payers [outperformed the S&P 500 by double-digits](#) as interest rates rose, speculative behavior declined, and investors flocked to more defensive companies that generate cash.

Owning a diversified portfolio of companies with strong balance sheets, consistent cash flow generation, and leading products and services leaves little to chance over time. This strategy is positioned to generate a rising income stream as the years roll on.

Johnson & Johnson's example below shows that over the long term, stock prices also tend to rise along with dividends and earnings. This not only benefits income portfolios but offers additional advantages that help investors stay committed to their strategy.

### Dividend growth investors can tune out the noise



- Income detached from stock price volatility
- Less need to sell shares to make ends meet
- Income growth in excess of inflation
- Competitive long-term returns, less volatility
- Higher current income than long-term bonds

The predictable qualities offered by dividend growth stocks become more appealing when investors worry about the future and seek to dial down risk. We haven't seen as much of that this year as the economy has been more resilient than expected in the face of sticky inflation and higher borrowing costs.

The question now is how long the economy can withstand an extended period of interest rates above 5%, which the Fed intends to keep until [the red-hot labor market](#) cools and inflation is confidently tamed.

Daniel Ivascyn, chief investment officer of Pimco, recently [stated](#) that historically it takes about five or six quarters for the impact of rising rates to be felt. We might not be out of the woods yet, especially with a couple more rate hikes expected by the Fed this year.

Corporate earnings season kicks off in earnest next week, providing the latest look at the economy's resilience. While we are eager to analyze how companies across our Dividend

Safety Score coverage universe have performed, these data points do not change our long-term investment strategy.

Our three model portfolios remain conservatively positioned in companies that, in aggregate, should continue delivering a rising stream of dividend income whether a recession is in the cards, or the more desirable “soft landing” scenario plays out.

As always, we will do our best to keep you informed on your holdings as they navigate the uncertain outlook. Owning quality dividend stocks can help provide peace of mind and is arguably a more attractive strategy in times like these when many investors don’t appear to be concerned much with risk.

Stay the course, and try to ignore the many headline-grabbing events that are unlikely to have a lasting impact on investment returns or company fundamentals.

Thank you for your support of Simply Safe Dividends, and please feel free to reach out if you ever have any questions or suggestions for us to consider as we improve the site.

Sincerely,

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

## Portfolio Performance

Here is each portfolio's total return performance in June, 2023 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.

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	June 2023	2023 YTD	Annualized	
				1 Year	Since Inception
<b>Top 20 Dividend Stocks Portfolio</b>	<b>6/12/15</b>	<b>5.62%</b>	<b>0.95%</b>	<b>4.43%</b>	<b>9.18%</b>
S&P 500 Index (SPY)		6.48%	16.73%	19.33%	11.73%
Schwab U.S. Dividend Equity ETF (SCHD)		5.33%	-2.15%	5.12%	11.38%
<b>Conservative Retirees Portfolio</b>	<b>6/17/15</b>	<b>3.32%</b>	<b>-1.05%</b>	<b>1.05%</b>	<b>8.92%</b>
S&P 500 Index (SPY)		6.48%	16.73%	19.33%	11.71%
S&P 500 High Dividend Low Volatility ETF (SPHD)		5.70%	-3.62%	-2.41%	7.36%
<b>Long-term Dividend Growth Portfolio</b>	<b>6/9/15</b>	<b>8.54%</b>	<b>6.65%</b>	<b>14.44%</b>	<b>11.37%</b>
S&P 500 Index (SPY)		6.48%	16.73%	19.33%	11.82%
Vanguard Dividend Appreciation ETF (VIG)		6.49%	8.01%	15.55%	11.46%

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.

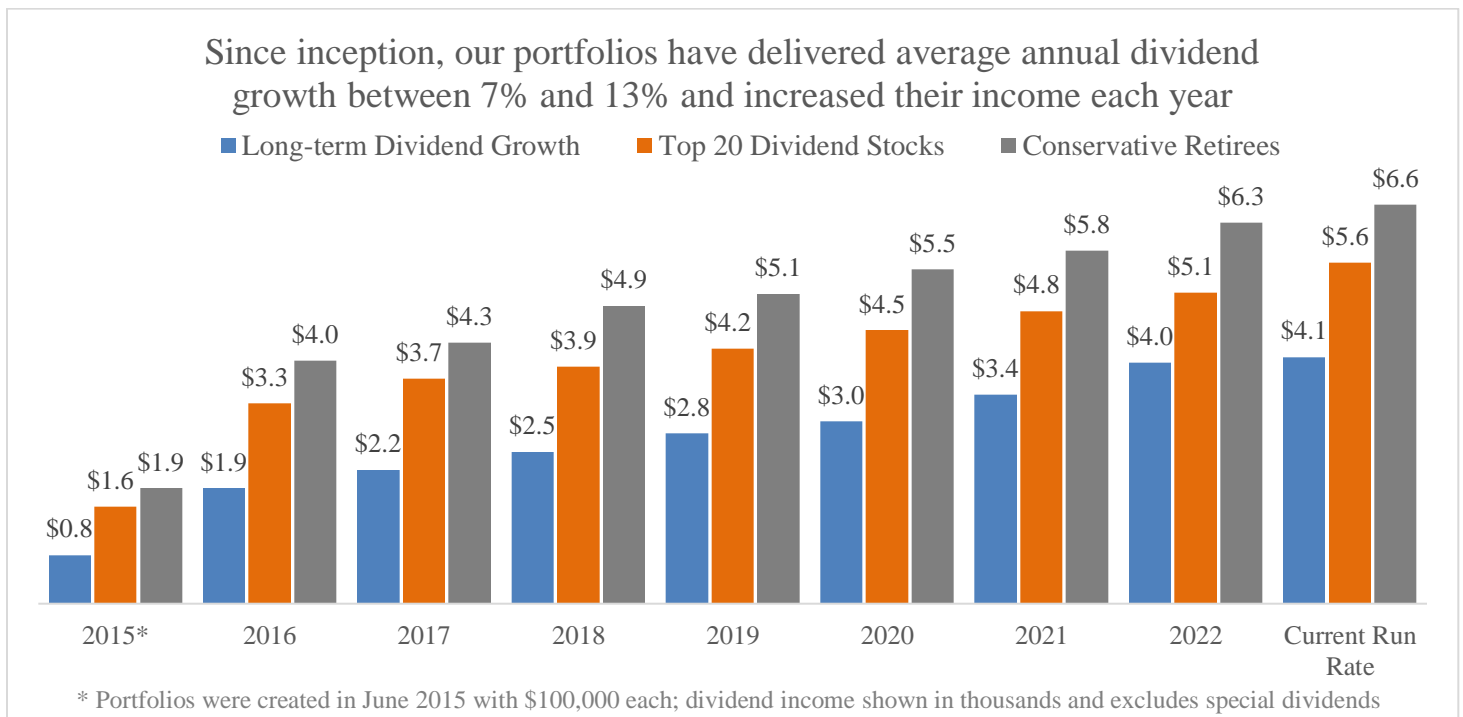
	SPY ETF	Top 20	SCHD ETF	Retirees	SPHD ETF	LT Growth	VIG ETF
Average Monthly Return	1.03%	0.81%	1.00%	0.78%	0.70%	1.00%	0.98%
Monthly Standard Deviation	4.60%	3.87%	4.43%	3.67%	4.69%	4.53%	4.10%
<b>Annual Sharpe Ratio</b>	0.72	<b>0.65</b>	0.72	<b>0.66</b>	0.46	<b>0.70</b>	0.76

## Dividend Events

**General Mills** (+9.3%) and **W.P. Carey** (+0.2%) announced dividend increases.

Dividend Events Since Inception			
	Top 20	Retirees	Growth
Increases	169	226	198
Cuts	1	3	3

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. **International Flavors & Fragrances (IFF)** remains under review for potential sale. See [here](#) for more information.

## 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>
Medtronic (MDT)	99	17.0	3.21%	8%
Aut. Data Processing (ADP)	97	25.4	2.26%	13%
Johnson & Johnson (JNJ)	99	15.2	2.95%	6%
<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>
WEC (WEC)	87	18.8	3.47%	6%
Johnson & Johnson (JNJ)	99	15.2	2.95%	6%
American Electric Power (AEP)	81	15.4	3.89%	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	17.0	3.21%	8%
Hormel (HRL)	99	21.6	2.76%	9%



# Top 20 Dividend Stocks

## Portfolio Update

### Portfolio Statistics

Dividend Yield:	2.7%
Fwd P/E Ratio:	17.9
Beta:	0.72
Dividend Safety:	83

### Performance Update

6/30/23	Jun	All
<b>Portfolio</b>	5.6%	102.9%
<b>S&amp;P 500</b>	6.5%	144.3%
<b>SCHD</b>	5.3%	138.3%

**Dividend Increases:** 169

**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 gained 5.6% in June, trailing the S&P 500's 6.5% return and performing in line with Schwab's Dividend ETF (SCHD), which increased 5.3%.

Since inception in 2015, our portfolio has delivered a healthy annualized return of 9.2% 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 June were **Cummins** (+20%), **Emerson** (+16%) and **Broadridge** (+13%).

**Cummins** last reported earnings on May 2. Earnings topped expectations, and management raised full-year guidance. However, the stock had sold off earlier this year as analysts worried about a cyclical downturn in engine demand as the trucking cycle weakens.

Optimism that a recession could be avoided sent industrial stocks soaring in June, propelling Cummins higher.

**Emerson** rallied alongside the broader industrial sector, which was strong as recent data on the economy suggested a recession was not around the corner. With an array of products and software focused on automation, Emerson should have a long runway for profitable growth.

**Broadridge** on May 2 reported earnings and issued guidance that met analysts' estimates. The company maintains an entrenched position helping financial institutions deliver investor communications. Earnings are expected to rise 13% in the year ahead, providing a solid foundation for dividend growth despite the uncertain economic environment.

Our worst performers in June were **Con Edison** (-3%), **Leggett & Platt** (-1%), and **C.H. Robinson** (0%).

**Con Edison**, a regulated utility, did not participate in the market's risk-on rally. As a defensive, bond-like stock, ED performs best when investors become more defensive. Rising interest rates might also be drawing some investors to the sidelines in favor of comparable risk-free yields from short-term bonds and CDs.

**Leggett & Platt** last reported earnings in May, when management reaffirmed full-year EPS guidance and raised the dividend by 4.5%. Higher interest rates could dent demand for big-ticket items like mattresses and cars. But LEG generates good cash flow even in downturns.

**C.H. Robinson's** weakness reflects concerns about pricing as the trucking cycle softens. No change to our favorable long-term outlook, though.



## 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

None of our holdings announced dividend increases.

Our portfolio has recorded 169 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:

**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: 3.21%

Medtronic is a dividend aristocrat that has paid higher dividends for 43 consecutive years. With a conservative free cash flow payout ratio near 65%, 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

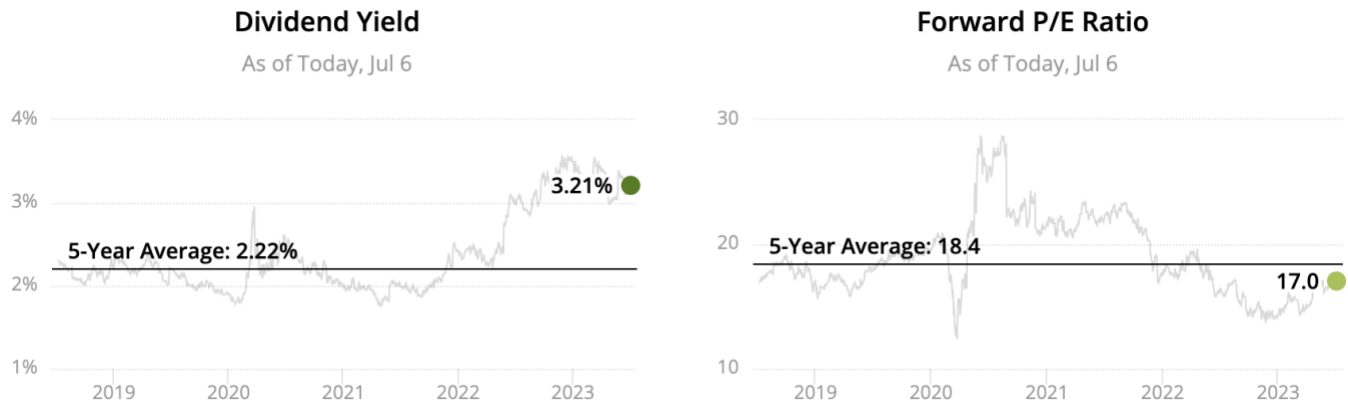
Medtronic reported earnings on May 25. Earnings were in line with analysts' estimates, and full-year EPS guidance was just a hair below consensus. Management raised the dividend by 1.5%, too. Organic

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revenue grew 6%, and adjusted EPS rose 3%. New product execution challenges and choppy macro conditions (supply chain difficulties, lower medical procedures due to labor shortages, etc.) have weighed on results over the past year or two. These issues seem unlikely to impact Medtronic's long-term performance.

### Valuation



**Automatic Data Processing (ADP):** ADP was founded in 1949 and is one of the largest providers of human capital management (HCM) solutions in the world. ADP offers a wide range of cloud-based software solutions and services, which companies use to pay, recruit, staff, manage, and retain employees.

The company generates most of its revenue on a recurring basis from providing payroll services (handles the preparation of employee paychecks, pay statements, journals, and summaries) but has expanded its suite of products over the last decade to cover most of the human resources spectrum.

### Competitive Advantages

ADP's primary competitive advantages are derived from its scale and long-standing customer relationships. The company has the most complete suite of products and services in the HCM market and is over twice as large as its closest pure-play HCM competitor. ADP also boasts the broadest market coverage by geography and client size.

As a result of its scope, ADP can offer a more complete suite of cloud-based HCM solutions to expand its existing client relationships, which has historically helped it gain client share across almost every major category of the HCM market. The firm's client retention rate has remained near or above 90% each year since fiscal 2011, too. Combined with its very low capital intensity and a large revenue base, ADP generates excellent cash flow.

### Dividend Review

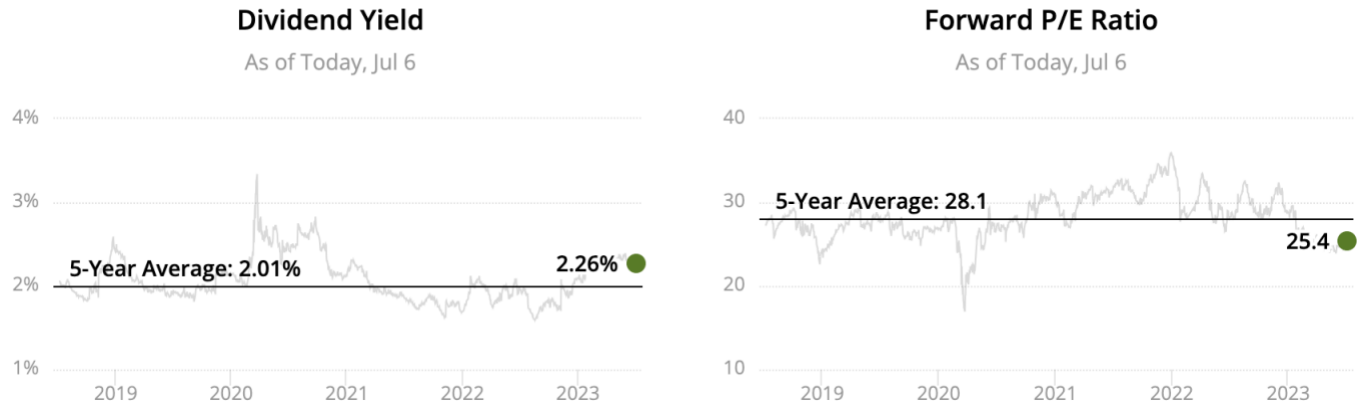
Dividend Safety Score: 97    5-Year Dividend Growth Rate: 13% per year    Dividend Yield: 2.26%

ADP has paid higher dividends for more than 45 consecutive years. With a payout ratio near 60%, recurring cash flow, largely variable operating costs, and an AA- credit rating from S&P, ADP's dividend is very safe and has double-digit growth potential in the long term.

### Recent News

ADP reported earnings on April 26. Organic sales grew 10%, and adjusted EPS rose 14%. Management raised full-year adjusted EPS guidance, which calls for 16% to 17% growth.

### Valuation



**Johnson & Johnson (JNJ):** Founded in the late 1800s, Johnson & Johnson is the world's largest medical conglomerate. Most profits are generated by the firm's branded pharmaceuticals division, with the remainder contributed by a broad range of medical devices and consumer healthcare products (about 15% of sales), which are being spun off.

### Competitive Advantages

Branded drugs operate in boom-and-bust cycles, enjoying substantial profits until their patents expire and low-priced competition takes share. J&J has a long track record of developing and commercializing new medicines and is not overly concentrated in any single drug or treatment area. The company's pristine balance sheet provides firepower to acquire new treatments, too. Outside of pharma, J&J's revenue is primarily generated from medical devices that hold No. 1 or No. 2 global market share positions.

### Dividend Review

Dividend Safety Score: 99   5-Year Dividend Growth Rate: 6% per year   Dividend Yield: 2.95%

Johnson & Johnson has grown its dividend for over 50 consecutive years, maintains an unbeatable balance sheet (AAA credit rating), has a conservative payout ratio below 50%, generates a diversified stream of cash flow, and sells non-discretionary products that generally hold leadership positions in their markets. We expect the dividend to remain safe and growing despite [talc power lawsuits](#).

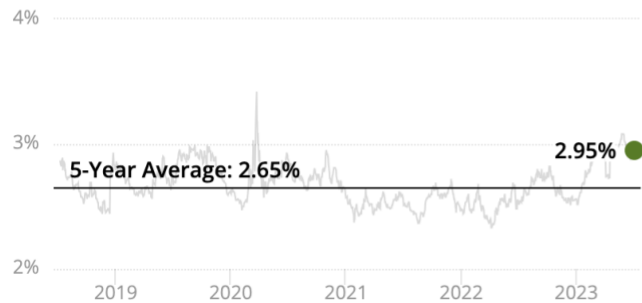
### Recent News

Johnson & Johnson on April 18 reported earnings and issued guidance that topped analyst estimates. Management hiked the dividend by 5.3%, too. On the legal front, near the beginning of February the U.S. appeals court rejected J&J's attempt to offload its talc product lawsuits. However, we do not expect this development to impact J&J's dividend profile. You can learn more [here](#).

Valuation

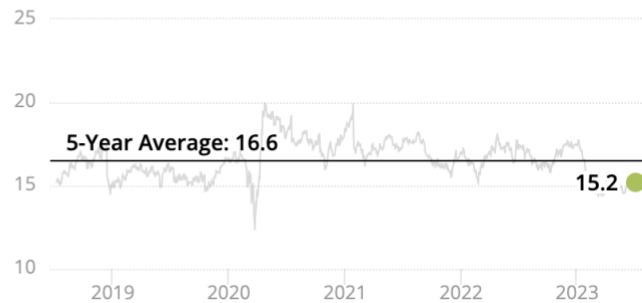
Dividend Yield

As of Today, Jul 6



Forward P/E Ratio

As of Today, Jul 6



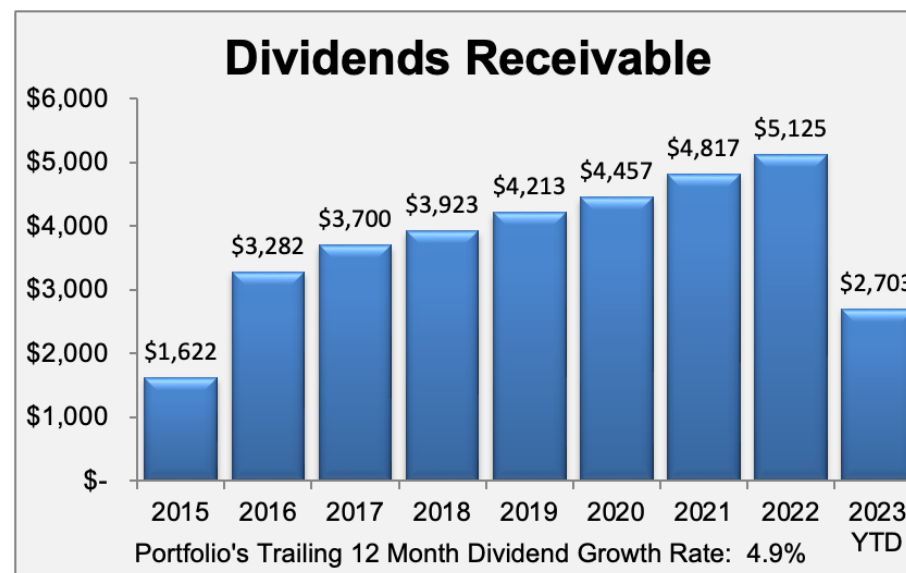
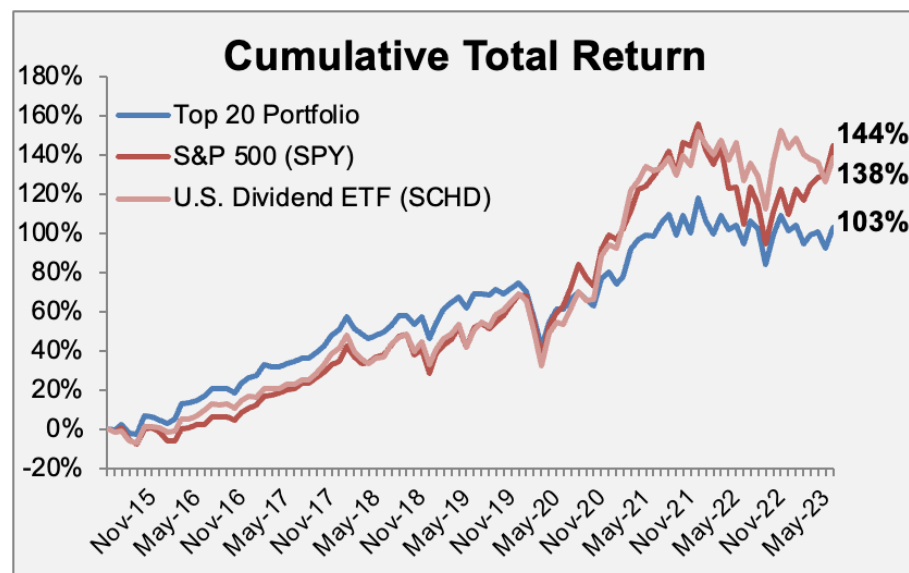
## Top 20 Dividend Stocks – Portfolio Actions

Data as of 7/6/23

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	17.0	3.21%	99	Low	04-06-20	95	4.1%	\$90.06	\$86.07	\$8,555.70	\$8,176.65	2.4%	74.7%
ADP	Automatic Data Processing	25.4	2.26%	97	Average	06-29-15	71	7.8%	\$88.65	\$221.65	\$6,294.15	\$15,737.15	203.7%	136.8%
JNJ	Johnson & Johnson	15.2	2.95%	99	Very Low	04-06-20	61	4.9%	\$136.29	\$161.60	\$8,313.69	\$9,857.60	28.4%	74.7%
<b>Long-term Holds</b>														
APD	Air Products	24.0	2.43%	95	Average	10-10-22	39	5.6%	\$232.73	\$287.84	\$9,076.47	\$11,225.76	31.1%	24.5%
VZ	Verizon	8.0	7.03%	80	Very Low	06-30-15	107	2.0%	\$46.61	\$37.13	\$4,987.27	\$3,972.91	21.4%	136.3%
GD	General Dynamics	16.2	2.46%	97	Low	08-10-20	47	5.0%	\$153.50	\$214.28	\$7,214.50	\$10,071.16	45.9%	37.5%
LEG	Leggett & Platt	17.5	6.31%	70	Average	12-07-20	150	2.2%	\$43.79	\$29.16	\$6,568.50	\$4,374.00	-22.2%	24.6%
CSCO	Cisco	12.7	3.05%	91	Average	06-06-16	214	5.4%	\$29.15	\$51.11	\$6,238.10	\$10,937.54	110.4%	128.6%
CMI	Cummins	12.5	2.59%	98	Average	07-09-15	39	4.7%	\$127.77	\$242.20	\$4,983.03	\$9,445.80	122.8%	137.4%
PEP	PepsiCo	25.2	2.71%	93	Very Low	07-10-15	62	5.7%	\$100.60	\$186.60	\$6,237.20	\$11,569.20	125.4%	134.5%
ED	Consolidated Edison	19.4	3.52%	90	Low	07-02-15	104	4.7%	\$62.14	\$92.17	\$6,462.36	\$9,585.68	92.6%	134.7%
CHRW	C.H. Robinson	23.4	2.57%	92	Average	09-06-16	88	4.1%	\$70.58	\$94.94	\$6,211.04	\$8,354.72	53.7%	120.1%
AMT	American Tower	19.2	3.20%	78	Average	04-03-17	55	5.3%	\$120.49	\$196.01	\$6,626.95	\$10,780.55	83.4%	103.4%
ACN	Accenture	25.9	1.45%	92	High	07-06-15	52	7.9%	\$97.31	\$307.97	\$5,060.12	\$16,014.44	241.8%	135.3%
KMB	Kimberly-Clark	21.5	3.42%	88	Very Low	11-07-16	55	3.8%	\$113.34	\$137.87	\$6,233.70	\$7,582.85	46.4%	125.7%
D	Dominion Energy	14.0	5.10%	80	Low	11-07-17	61	1.6%	\$80.63	\$52.35	\$4,918.43	\$3,193.35	-14.6%	84.1%
EMR	Emerson Electric	19.8	2.36%	78	Average	08-04-15	100	4.4%	\$49.62	\$88.24	\$4,962.00	\$8,824.00	114.0%	132.3%
CB	Chubb	10.2	1.79%	99	Low	06-26-15	48	4.6%	\$103.47	\$192.21	\$4,966.56	\$9,226.08	110.0%	131.8%
BR	Broadridge Financial Solutions	22.5	1.77%	75	Average	06-22-15	95	7.7%	\$52.65	\$163.51	\$5,001.75	\$15,533.45	244.7%	129.6%
<b>Under Review for Sale</b>														
MO	Altria	9.2	8.16%	55	Very Low	07-15-15	99	2.3%	\$51.23	\$46.09	\$5,071.77	\$4,562.91	36.8%	131.0%
Cash (Includes Dividends Receivable)								6.4%	\$12,827.42					
<b>Portfolio Total</b>		<b>17.9</b>	<b>2.74%</b>	<b>83</b>	<b>Low</b>			<b>100%</b>			<b>\$201,853</b>	<b>101.9%</b>	<b>141.4%</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>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	8.22%	4.89%	-3.73%	1.36%	-4.43%	2.15%	0.94%	-4.31%	5.62%
S&P 500	8.09%	5.56%	-5.76%	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%
SCHD ETF	11.21%	6.84%	-3.42%	2.08%	-3.32%	-1.04%	-0.81%	-4.11%	5.33%
<b>Portfolio Value</b>	\$199,043.67	\$208,767.38	\$200,987.81	\$203,722.37	\$194,702.52	\$198,885.12	\$200,747.82	\$192,101.75	\$202,903.20

### Since Inception

<u>Cumulative</u>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	99.04%	108.77%	100.99%	103.72%	94.70%	98.89%	100.75%	92.10%	102.90%
S&P 500	110.35%	122.04%	109.26%	122.36%	116.77%	124.77%	128.35%	129.41%	144.27%
SCHD ETF	136.01%	152.14%	143.51%	148.58%	140.32%	137.82%	135.90%	126.21%	138.27%
<u>Annualized</u>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	9.76%	10.35%	9.68%	9.76%	9.01%	9.21%	9.24%	8.53%	9.18%
S&P 500	10.58%	11.26%	10.27%	11.02%	10.54%	10.93%	11.04%	10.98%	11.73%
SCHD ETF	12.32%	13.17%	12.50%	12.65%	12.03%	11.74%	11.49%	10.78%	11.38%

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## Top 20 Dividend Stocks – Payment Schedule

Data as of 7/6/23

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	1.5%	40%	1.12	Feb, May, Aug, Nov	07-12-23	08-15-23	10%	10%	10%
ADP	2.3%	58%	1.25	Jan, Apr, Jul, Oct	Early Sept	Early Oct	20%	13%	10%
AMT	3.2%	59%	1.57	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	12%	17%	21%
JNJ	2.9%	44%	1.19	Mar, Jun, Sept, Dec	Late Aug	Early Sept	5%	6%	6%
BR	1.8%	44%	0.73	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	13%	14%	15%
CB	1.8%	21%	0.86	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	4%	3%	5%
CHRW	2.6%	36%	0.61	Jan, Apr, Jul, Oct	Early Sept	Early Oct	11%	5%	5%
CMI	2.6%	34%	1.57	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	8%	7%	13%
CSCO	3.1%	43%	0.39	Jan, Apr, Jul, Oct	07-05-23	07-26-23	3%	6%	18%
ED	3.5%	65%	0.81	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	3%	3%	3%
EMR	2.4%	43%	0.52	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	1%	1%	3%
D	5.1%	67%	0.67	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	0%	-3%	2%
MDT	3.2%	51%	0.69	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	2%	8%	10%
KMB	3.4%	78%	1.18	Jan, Apr, Jul, Oct	Early Sept	Early Oct	2%	4%	5%
APD	2.4%	61%	1.75	Feb, May, Aug, Nov	Late Sept	Mid Nov	8%	11%	10%
MO	8.2%	76%	0.94	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	4%	8%	8%
LEG	6.3%	88%	0.46	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	5%	4%	4%
PEP	2.7%	66%	1.27	Mar, Jun, Sept, Dec	Early Sept	Late Sept	10%	7%	8%
VZ	7.0%	77%	0.65	Feb, May, Aug, Nov	07-07-23	08-01-23	2%	2%	2%
GD	2.5%	42%	1.32	Feb, May, Aug, Nov	07-06-23	08-11-23	5%	8%	9%
<b>Average</b>	2.7%	55%					6%	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:	3.7%
Fwd P/E Ratio:	16.6
Beta:	0.57
Dividend Safety:	78

### Performance Update

	6/30/23	Jun	All
<b>Portfolio</b>	3.3%	98.8%	
<b>S&amp;P 500</b>	6.5%	143.6%	
<b>SPHD</b>	5.7%	77.2%	

<b>Dividend Increases:</b>	224
<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 gained 3.3% in June, trailing the S&P 500's 6.5% return and Invesco's High Dividend Low Volatility ETF (SPHD), which rallied 5.7%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 8.9% 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 **Emerson** (+16%), **Philip Morris** (+10%), and **Waste Management** (+8%).

**Emerson** rallied alongside the broader industrial sector, which was strong as recent data on the economy suggested a recession was not around the corner.

With an array of products and software focused on automation, Emerson should have a long runway for profitable growth.

**Philip Morris** reaffirmed full-year adjusted EPS guidance in early June, including expectations for strong total shipment volume growth in the second quarter. As the leader in heat-not-burn tobacco products, the company looks favorably positioned to take more share as the cigarette market evolves.

No news was out on **Waste Management**. Trash collection has remained a defensive business with stable margins, even in the current inflationary environment (some of WM's pricing is tied to CPI).

Our worst performing stocks in June were **General Mills** (-9%), **Pfizer** (-4%), and **Con Edison** (-3%).

**General Mills** released earnings results on June 28 and raised its dividend by 9%. However, organic sales missed expectations as the packaged food maker saw retailers reduce their inventory. Management expects earnings to grow 4-6% this year. No change to our outlook.

No major news was out on **Pfizer**. The pharma giant's earnings are set to fall in the year ahead as demand for Covid vaccines continues to fall. The drug maker will also need to work on its pipeline to strengthen EPS growth.

**Con Edison**, a regulated utility, did not participate in the market's risk-on rally. As a defensive, bond-like stock, ED performs best when investors become more defensive. Rising interest rates might also be drawing some investors to the sidelines in favor of comparable risk-free yields from short-term bonds and CDs.

## Planned Transactions

None.

## Dividend Events

General Mills (+9.3%) and W.P. Carey (+0.2%) announced dividend increases.

Our portfolio has recorded 224 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:

**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: 3.47%

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.

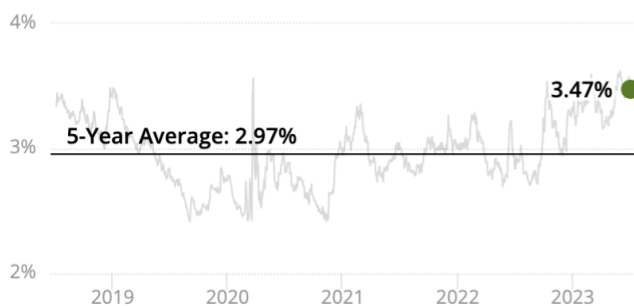
### Recent News

WEC reported earnings on May 1 and reaffirmed full-year EPS guidance, which calls for about 7% growth.

### Valuation

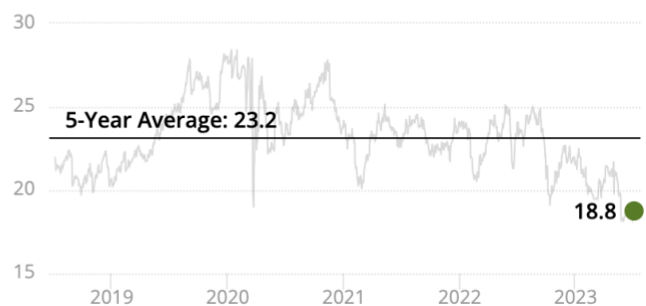
#### Dividend Yield

As of Today, Jul 6



#### Forward P/E Ratio

As of Today, Jul 6



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**Johnson & Johnson (JNJ):** Founded in the late 1800s, Johnson & Johnson is the world's largest medical conglomerate. Most profits are generated by the firm's branded pharmaceuticals division, with the remainder contributed by a broad range of medical devices and consumer healthcare products (about 15% of sales), which are being spun off.

### Competitive Advantages

Branded drugs operate in boom-and-bust cycles, enjoying substantial profits until their patents expire and low-priced competition takes share. J&J has a long track record of developing and commercializing new medicines and is not overly concentrated in any single drug or treatment area. The company's pristine balance sheet provides firepower to acquire new treatments, too. Outside of pharma, J&J's revenue is primarily generated from medical devices that hold No. 1 or No. 2 global market share positions.

### Dividend Review

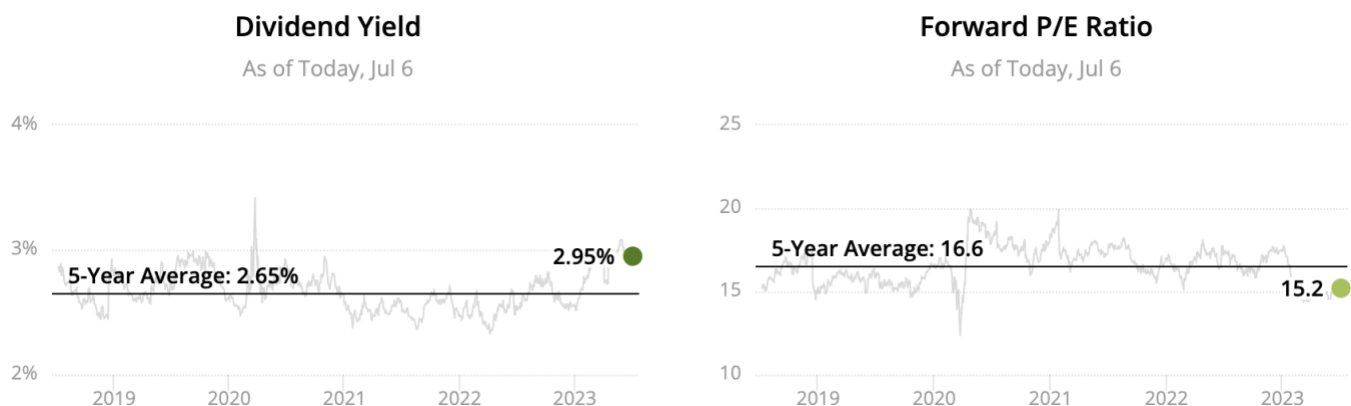
Dividend Safety Score: 99   5-Year Dividend Growth Rate: 6% per year   Dividend Yield: 2.95%

Johnson & Johnson has grown its dividend for over 50 consecutive years, maintains an unbeatable balance sheet (AAA credit rating), has a conservative payout ratio below 50%, generates a diversified stream of cash flow, and sells non-discretionary products that generally hold leadership positions in their markets. We expect the dividend to remain safe and growing despite [talc power lawsuits](#).

### Recent News

Johnson & Johnson on April 18 reported earnings and issued guidance that topped analyst estimates. Management hiked the dividend by 5.3%, too. On the legal front, near the beginning of February the U.S. appeals court rejected J&J's attempt to offload its talc product lawsuits. However, we do not expect this development to impact J&J's dividend profile. You can learn more [here](#).

### Valuation



**American Electric Power (AEP):** Founded in 1906, AEP is one of America's largest regulated electric utilities. The company serves more than 5 million customers spanning 11 states, including Kentucky, Michigan, Texas, Oklahoma, Indiana, West Virginia, and Ohio. Vertically integrated utilities account for about 45% of earnings. Transmission and distribution utilities contribute another 45%, and generation and marketing activities account for the remaining 10% of profits.

### Competitive Advantages

Regulated utilities have several qualities that can make them appealing high-yield income stocks. Most of these companies are essentially government-sanctioned monopolies with locked in customer bases, exclusive rights within their service areas, and guaranteed returns on capital set by regulators to incentivize continued investment into their asset base. AEP's diversified geographical exposure reduces regulatory risk and provides numerous opportunities for growth.

AEP sees opportunity to invest \$40 billion between 2023 and 2027, focusing on its transmission and distribution lines and opportunities in contracted renewables. Many wind farms and solar field are located in remote areas, so [utilities will need to invest heavily in transmission lines](#) to bring these power sources to the grid as policymakers become increasingly supportive of cleaner power.

These investments will drive 6% to 7% long-term earnings growth and help AEP reduce its carbon emissions by reducing coal generation capacity and increasing its mix of regulated renewables.

### Dividend Review

Dividend Safety Score: 81    5-Year Dividend Growth Rate: 4% per year    Dividend Yield: 3.89%

AEP has paid dividends for over 110 years. The company targets a payout ratio between 60% and 70% and expects the dividend to grow 6% to 7% annually. While AEP did [cut its dividend](#) in 2003 as a result of weak power prices, the utility has since transformed itself into a pure-play regulated utility. The firm's earnings are much more predictable and supportive of the dividend, which has been paid without interruption for more than 15 years.

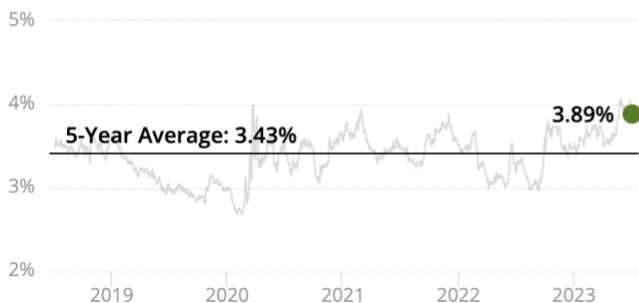
### Recent News

AEP reported earnings on May 4. Management reaffirmed full-year operating earnings guidance and longer-term expectations for 6% to 7% annual EPS growth.

### Valuation

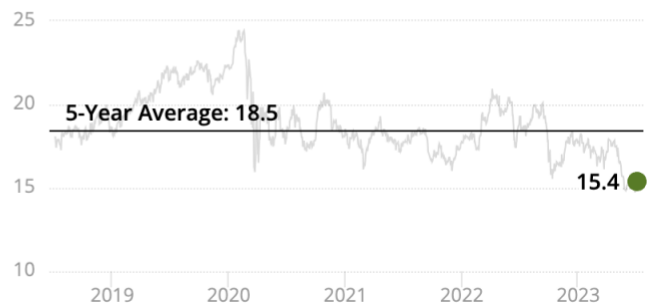
#### Dividend Yield

As of Today, Jul 6



#### Forward P/E Ratio

As of Today, Jul 6



## Conservative Retirees Portfolio – Portfolio Actions

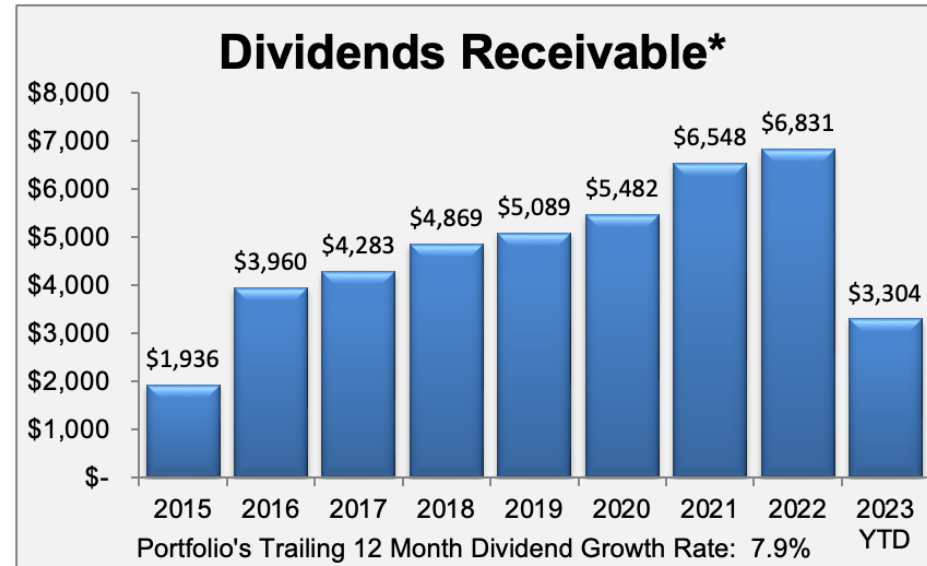
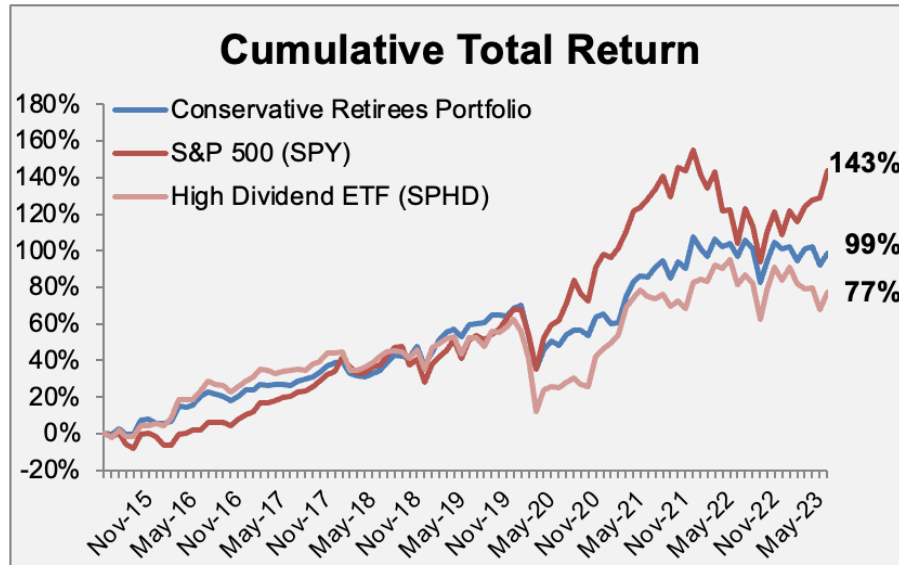
Data as of 7/6/23

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>														
WEC	WEC Energy	18.8	3.47%	87	Low	03-05-18	48	2.2%	\$59.41	\$89.98	\$2,851.68	\$4,319.04	67.4%	74.5%
JNJ	Johnson & Johnson	15.2	2.95%	99	Very Low	06-25-15	40	3.3%	\$99.12	\$161.60	\$3,964.80	\$6,464.00	97.5%	131.8%
AEP	American Electric Power	15.4	3.89%	81	Low	06-19-15	73	3.1%	\$54.47	\$85.33	\$3,976.31	\$6,229.09	94.3%	131.2%
<b>Long-term Holds</b>														
CSCO	Cisco	12.7	3.05%	91	Average	06-06-16	175	4.5%	\$29.15	\$51.11	\$5,101.25	\$8,944.25	110.4%	128.6%
MAIN	Main Street Capital	10.2	6.93%	62	Low	06-07-21	113	2.3%	\$41.49	\$39.84	\$4,688.37	\$4,501.92	10.7%	8.3%
VZ	Verizon	8.0	7.03%	80	Very Low	06-30-15	103	1.9%	\$48.17	\$37.13	\$4,961.51	\$3,824.39	21.4%	136.3%
NNN	National Retail Properties	13.2	5.10%	80	Low	06-26-15	111	2.4%	\$35.74	\$43.15	\$3,967.14	\$4,789.65	64.3%	131.8%
CCI	Crown Castle International	15.5	5.37%	61	Average	11-07-17	40	2.4%	\$111.51	\$116.68	\$4,460.40	\$4,667.20	28.3%	84.1%
ORI	Old Republic International	10.6	3.89%	73	Low	08-10-20	285	3.6%	\$16.84	\$25.19	\$4,799.40	\$7,179.15	82.4%	37.5%
LEG	Leggett & Platt	17.5	6.31%	70	Average	12-07-20	115	1.7%	\$43.79	\$29.16	\$5,035.85	\$3,353.40	-22.2%	24.6%
PM	Philip Morris International	15.4	5.21%	64	Low	06-19-15	60	2.9%	\$81.36	\$97.50	\$4,881.60	\$5,850.00	63.7%	131.2%
PFE	Pfizer	11.2	4.60%	75	Low	04-03-17	175	3.1%	\$34.49	\$35.63	\$6,035.75	\$6,235.25	34.2%	103.4%
ED	Consolidated Edison	19.4	3.52%	90	Low	07-02-15	67	3.1%	\$59.14	\$92.17	\$3,962.38	\$6,175.39	92.6%	134.7%
SO	Southern Company	18.7	3.96%	65	Low	08-10-20	84	3.0%	\$54.71	\$70.79	\$4,595.64	\$5,946.36	42.1%	37.5%
PSA	Public Storage	19.8	4.12%	96	Average	03-05-18	21	3.1%	\$196.64	\$290.95	\$4,129.44	\$6,109.95	77.9%	74.5%
UPS	United Parcel Service	16.1	3.61%	69	Average	03-05-18	42	3.8%	\$100.62	\$179.28	\$4,226.04	\$7,529.76	92.1%	74.5%
XOM	Exxon Mobil	11.5	3.54%	80	Low	07-31-15	50	2.6%	\$79.29	\$102.92	\$3,964.50	\$5,146.00	68.9%	131.1%
KO	Coca-Cola	22.9	3.04%	80	Low	04-06-20	80	2.4%	\$44.89	\$60.56	\$3,591.20	\$4,844.80	41.0%	74.7%
PG	Procter & Gamble Company	24.5	2.48%	99	Very Low	07-01-15	50	3.8%	\$79.72	\$151.99	\$3,986.00	\$7,599.50	121.1%	134.4%
DUK	Duke Energy	15.8	4.44%	80	Low	03-05-18	53	2.4%	\$76.88	\$90.56	\$4,074.64	\$4,799.68	41.9%	74.5%
PAYX	Paychex	24.3	3.13%	61	Average	07-28-15	111	6.4%	\$50.04	\$113.72	\$5,554.44	\$12,622.92	180.6%	132.4%
T	AT&T	6.5	6.99%	70	Low	11-07-17	105	0.8%	\$23.03	\$15.87	\$2,418.00	\$1,666.35	-21.2%	84.1%
KMB	Kimberly-Clark	21.5	3.42%	88	Very Low	08-07-17	42	2.9%	\$120.99	\$137.87	\$5,081.58	\$5,790.54	35.0%	92.6%
WPC	W.P. Carey	12.5	6.29%	73	Low	03-05-18	46	1.6%	\$60.29	\$68.03	\$2,773.34	\$3,129.38	49.0%	74.5%
GIS	General Mills	16.9	3.09%	90	Very Low	06-17-15	73	2.8%	\$55.25	\$76.43	\$4,033.25	\$5,579.39	67.4%	131.5%
EMR	Emerson Electric	19.8	2.36%	78	Average	08-04-15	80	3.6%	\$49.62	\$88.24	\$3,969.60	\$7,059.20	114.0%	132.3%
MCD	McDonald's	26.4	2.06%	77	Very Low	07-07-15	41	6.1%	\$96.68	\$294.92	\$3,963.88	\$12,091.72	247.0%	133.9%
WM	Waste Management	27.5	1.63%	74	Low	07-13-15	83	7.2%	\$47.93	\$171.36	\$3,978.19	\$14,222.88	296.2%	131.9%
D	Dominion Energy	14.0	5.10%	80	Low	11-07-17	50	1.3%	\$80.63	\$52.35	\$4,031.50	\$2,617.50	-14.6%	84.1%
Cash (Includes Dividends Receivable)								9.6%	\$19,027.10					
<b>Portfolio Total</b>		<b>16.6</b>	<b>3.67%</b>	<b>78</b>	<b>Low</b>			<b>100%</b>			<b>\$198,316</b>	<b>98.3%</b>	<b>140.7%</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>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	6.03%	5.72%	-1.94%	0.56%	-3.69%	3.32%	0.49%	-4.75%	3.32%
S&P 500	8.09%	5.56%	-5.76%	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%
SPHD ETF	9.77%	6.95%	-3.61%	3.89%	-4.66%	-1.78%	0.33%	-6.59%	5.70%
<b>Portfolio Value</b>	\$193,787.68	\$204,869.12	\$200,888.96	\$202,007.06	\$194,561.64	\$201,027.06	\$202,002.65	\$192,401.08	\$198,787.89

### Since Inception

<u>Cumulative</u>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	93.79%	104.87%	100.89%	102.01%	94.56%	101.03%	102.00%	92.40%	98.79%
S&P 500	109.77%	121.43%	108.68%	121.75%	116.17%	124.15%	127.72%	128.77%	143.59%
SPHD ETF	78.37%	90.77%	83.88%	91.04%	82.13%	78.90%	79.48%	67.66%	77.23%

<u>Annualized</u>	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	9.38%	10.09%	9.69%	9.65%	9.02%	9.38%	9.34%	8.57%	8.92%
S&P 500	10.56%	11.24%	10.24%	11.00%	10.52%	10.91%	11.02%	10.96%	11.71%
SPHD ETF	8.14%	9.03%	8.40%	8.84%	8.08%	7.74%	7.70%	6.70%	7.36%

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## Conservative Retirees Portfolio – Payment Schedule Data as of 7/6/23

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	3.9%	65%	0.83	Mar, Jun, Sept, Dec	Early Aug	Early Sept	6%	6%	5%
CCI	5.4%	82%	1.57	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	7%	9%	0%
CSCO	3.1%	43%	0.39	Jan, Apr, Jul, Oct	07-05-23	07-26-23	3%	6%	18%
ED	3.5%	65%	0.81	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	3%	3%	3%
EMR	2.4%	43%	0.52	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	1%	1%	3%
D	5.1%	67%	0.67	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	0%	-3%	2%
GIS	3.1%	50%	0.59	Feb, May, Aug, Nov	07-07-23	08-01-23	9%	2%	5%
KO	3.0%	71%	0.46	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	5%	4%	6%
LEG	6.3%	88%	0.46	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	5%	4%	4%
JNJ	2.9%	44%	1.19	Mar, Jun, Sept, Dec	Late Aug	Early Sept	5%	6%	6%
MCD	2.1%	56%	1.52	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	10%	8%	7%
NNN	5.1%	67%	0.55	Feb, May, Aug, Nov	Late July	Mid Aug	4%	3%	3%
UPS	3.6%	51%	1.62	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	7%	13%	10%
WEC	3.5%	69%	0.78	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	7%	7%	9%
WPC	6.3%	81%	1.07	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	1%	1%	6%
DUK	4.4%	76%	1.01	Mar, Jun, Sept, Dec	Mid Aug	Mid Sept	2%	3%	3%
PAYX	3.1%	74%	0.89	Feb, May, Aug, Nov	Mid Aug	Late Aug	13%	10%	10%
PFE	4.6%	26%	0.41	Mar, Jun, Sept, Dec	07-27-23	09-05-23	3%	5%	6%
PG	2.5%	64%	0.94	Feb, May, Aug, Nov	Late July	Mid Aug	3%	5%	5%
PM	5.2%	88%	1.27	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	2%	4%	5%
MAIN	6.9%	73%	0.23	Monthly	07-06-23	07-14-23	2%	3%	4%
KMB	3.4%	78%	1.18	Jan, Apr, Jul, Oct	Early Sept	Early Oct	2%	4%	5%
XOM	3.5%	24%	0.91	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	3%	3%	5%
T	7.0%	44%	0.28	Feb, May, Aug, Nov	07-07-23	08-01-23	0%	-11%	-5%
PSA	4.1%	64%	3.00	Mar, Jun, Sept, Dec	Mid Sept	Late Sept	50%	0%	6%
VZ	7.0%	77%	0.65	Feb, May, Aug, Nov	07-07-23	08-01-23	2%	2%	2%
WM	1.6%	47%	0.70	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	8%	9%	6%
SO	4.0%	77%	0.70	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	3%	3%	3%
ORI	3.9%	34%	0.25	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	7%	4%	3%
<b>Average</b>	3.7%	62%					6%	4%	5%

### 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:	1.7%
Fwd P/E Ratio:	20.1
Beta:	0.84
Dividend Safety:	82

### Performance Update

6/30/23	Jun	All
<b>Portfolio</b>	8.5%	138.3%
<b>S&amp;P 500</b>	6.5%	146.1%
<b>VIG ETF</b>	6.5%	139.5%

**Dividend Increases:** 198

**Dividend Decreases:** 3

### 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 rallied 8.5% in June, topping the S&P 500's 6.5% gain and Vanguard's Dividend Appreciation ETF (VIG), which also returned 6.5%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 11.4%.

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

Our strongest stocks in June were **Thor** (+32%), **Parker Hannifin** (+22%), and **Rockwell Automation** (+18%).

**Thor** ripped higher as cyclical stocks outperformed in June. With economic data remaining more resilient than expected, hope is mounting that a recession can be avoided. That would be good news for the RV maker, which serves a notoriously cyclical market that is also sensitive to interest rates and fuel prices.

No new was out on **Parker Hannifin**, which last reported earnings on May 4. The maker of a motion and control technologies beat earnings expectations and issued guidance above consensus estimates.

**Rockwell Automation** last reported earnings in late April, beating expectations and raising full-year adjusted EPS guidance. A leader in making hardware and software that helps automate manufacturing processes, Rockwell should have a long runway for growth as companies look to become more efficient.

Our weakest stocks last month were **American States Water** (-2%), **Mondelez** (0%), and **C.H. Robinson** (0%).

**American States Water** last reported earnings on May 10. The water utility remains a defensive, low-risk business with predictable growth, a strong balance sheet, and minimal equity needs. Another 7%+ dividend raise looks likely this summer.

**Mondelez** last reported earnings in April but sold off with other consumer staples stocks following General Mills' disappointing report.

General Mills saw organic sales miss expectations as the packaged food maker saw retailers reduce their inventory and more consumers pull back in response to higher pricing. Management expects earnings to grow 4-6% this year.

Mondelez's snack products could be susceptible to these risks, but our favorable long-term outlook remains unchanged.

**C.H. Robinson's** weakness reflects concerns about pricing as the trucking cycle softens. No change to our favorable long-term outlook for the third-party logistics company, though.

## Planned Transactions

None. However, International Flavors & Fragrances is under review for potential sale. See [our February 2023 note](#) for more details.

## Dividend Events

None of our holdings announced dividend increases.

## 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: 3.21%

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

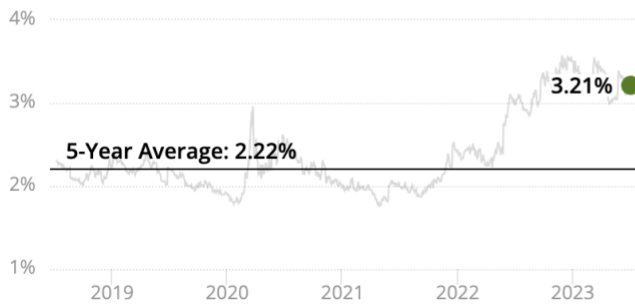
Medtronic reported earnings on May 25. Earnings were in line with analysts' estimates, and full-year EPS guidance was just a hair below consensus. Management raised the dividend by 1.5%, too. Organic revenue grew 6%, and adjusted EPS rose 3%. New product execution challenges and choppy macro conditions (supply chain difficulties, lower medical procedures due to labor shortages, etc.) have weighed

on results over the past year or two. These issues seem unlikely to impact Medtronic's long-term performance.

### Valuation

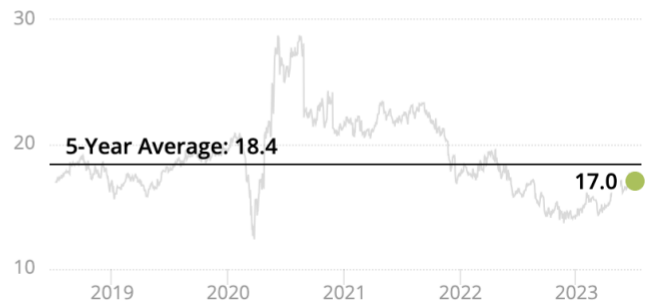
#### Dividend Yield

As of Today, Jul 6



#### Forward P/E Ratio

As of Today, Jul 6



**Hormel (HRL):** Hormel was founded in 1891 and has proven to be one of the most resilient food providers in the world. The company's brands include Skippy peanut butter, SPAM meat, Dinty Moore stew, Wholly Guacamole dips, Jennie-O turkey, Planters nuts, and numerous Hormel-branded meat products.

### Competitive Advantages

Many of Hormel's brands date back over 50 years and have been supported by billions of advertising dollars over time. Many consumers and restaurants know and trust Hormel's products. As a result, most of its brands have No. 1 or No. 2 market share positions in their categories.

### Dividend Review

Dividend Safety Score: 99    5-Year Dividend Growth Rate: 13% per year    Dividend Yield: 2.76%

Hormel has paid uninterrupted dividends since 1928 and increased its dividend for more than 50 consecutive years. The firm's recession-resistant products, consistent cash flow generation, and solid balance sheet (including an A- credit rating) should provide ongoing support for the dividend.

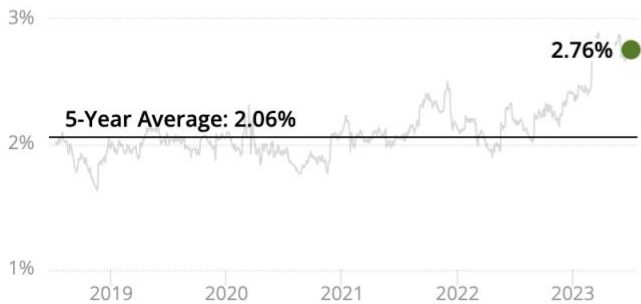
### Recent News

Hormel reported earnings on June 1. Elevated inventory, higher beef costs, soft demand in branded nuts, inflationary pressures, and supply-chain constraints have made the last few years difficult for Hormel. None of these challenges seem likely to impede the company's long-term outlook. Management also expects sales and earnings growth in the back half of this year, which gave the team confidence to reaffirm full-year EPS guidance.

Valuation

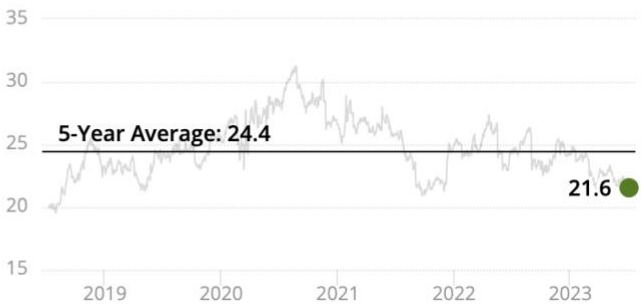
**Dividend Yield**

As of Today, Jul 6



**Forward P/E Ratio**

As of Today, Jul 6



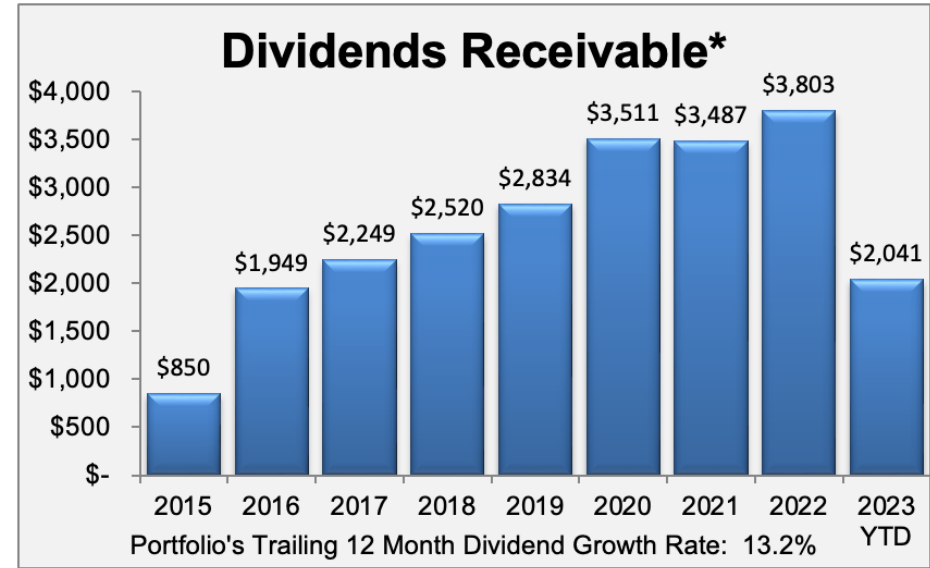
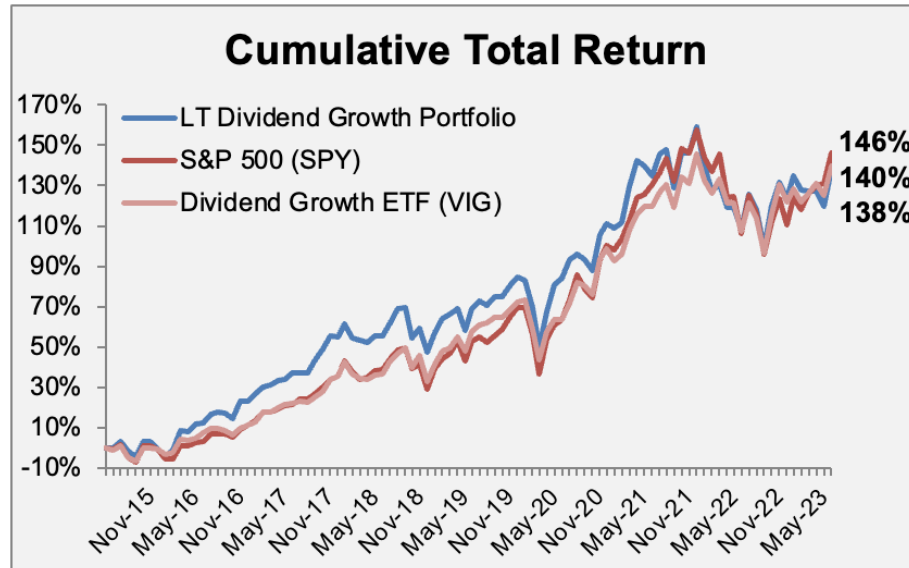
## Long-term Dividend Growth Portfolio – Portfolio Actions

Data as of 7/6/23

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	17.0	3.21%	99	Low	11-07-17	65	2.4%	\$77.80	\$86.07	\$5,057.00	\$5,594.55	30.0%	84.1%
HRL	Hormel	21.6	2.76%	99	Very Low	06-06-16	139	2.3%	\$34.38	\$39.81	\$4,778.82	\$5,533.59	36.1%	128.6%
<b>Long-term Holds</b>														
APH	Amphenol	28.7	1.00%	87	High	07-14-15	144	5.1%	\$27.58	\$83.70	\$3,970.80	\$12,052.80	230.9%	130.9%
MDLZ	Mondelez	22.3	2.11%	66	Low	08-10-20	156	4.8%	\$55.38	\$72.88	\$8,639.28	\$11,369.28	39.0%	37.5%
VFC	V.F. Corp	8.7	6.46%	80	Very High	06-07-21	115	0.9%	\$79.72	\$18.58	\$9,167.80	\$2,136.70	-70.8%	8.3%
ORCL	Oracle	20.8	1.39%	90	Average	12-31-15	110	5.4%	\$36.53	\$115.45	\$4,018.30	\$12,699.50	245.6%	137.5%
AWR	American States Water Corp	31.5	1.82%	98	Low	08-10-20	115	4.3%	\$79.75	\$87.34	\$9,171.25	\$10,044.10	14.5%	37.5%
MSM	MSC Industrial	14.6	3.35%	84	Average	06-22-15	57	2.3%	\$69.81	\$94.41	\$3,979.17	\$5,381.37	77.5%	129.6%
LOW	Lowe's	16.4	1.99%	93	High	11-07-17	60	5.6%	\$77.65	\$221.42	\$4,659.00	\$13,285.20	209.7%	84.1%
AOS	A.O. Smith	20.0	1.70%	99	High	07-13-15	118	3.5%	\$33.76	\$70.60	\$3,983.68	\$8,330.80	137.0%	131.9%
CHRW	C.H. Robinson	23.4	2.57%	92	Average	10-03-16	65	2.6%	\$70.26	\$94.94	\$4,566.90	\$6,171.10	53.7%	120.1%
FUL	H.B. Fuller	14.5	1.21%	70	High	07-24-15	107	3.1%	\$38.83	\$67.56	\$4,154.81	\$7,228.92	96.9%	133.9%
CB	Chubb	10.2	1.79%	99	Low	06-26-15	38	3.1%	\$103.47	\$192.21	\$3,931.86	\$7,303.98	110.0%	131.8%
AMT	American Tower	19.2	3.20%	78	Average	04-03-17	35	2.9%	\$120.49	\$196.01	\$4,217.15	\$6,860.35	83.4%	103.4%
BDX	Becton Dickinson	20.2	1.41%	91	Low	04-04-16	28	3.1%	\$153.94	\$258.87	\$4,310.32	\$7,248.36	85.3%	134.3%
PH	Parker Hannifin	17.4	1.56%	94	High	07-23-15	36	5.8%	\$110.92	\$378.96	\$3,993.12	\$13,642.56	277.0%	131.4%
ABT	Abbott	24.3	1.90%	71	Average	12-31-15	90	4.1%	\$44.91	\$107.20	\$4,041.90	\$9,648.00	166.4%	137.5%
FIS	Fidelity Nat'l Information Services	9.8	3.52%	77	High	07-17-15	63	1.6%	\$62.94	\$59.09	\$3,965.22	\$3,722.67	2.9%	128.9%
BR	Broadridge Financial Solutions	22.5	1.77%	75	Average	06-22-15	76	5.3%	\$52.65	\$163.51	\$4,001.40	\$12,426.76	244.7%	129.6%
IEX	IDEX	24.3	1.22%	95	Average	07-22-15	52	4.6%	\$75.87	\$210.12	\$3,945.24	\$10,926.24	202.7%	130.1%
ROK	Rockwell Automation	25.6	1.45%	70	High	07-27-15	34	4.7%	\$116.32	\$324.49	\$3,954.88	\$11,032.66	209.3%	135.2%
THO	Thor	16.7	1.78%	65	Very High	07-29-15	72	3.1%	\$55.14	\$101.10	\$3,970.08	\$7,279.20	109.2%	130.8%
EXPO	Exponent	43.4	1.13%	61	Average	07-22-15	180	7.0%	\$22.66	\$91.90	\$4,078.80	\$16,542.00	339.1%	130.1%
TTC	Toro	20.4	1.35%	84	Average	07-20-15	122	5.2%	\$33.67	\$100.67	\$4,107.74	\$12,281.74	225.6%	128.8%
<b>Under Review for Sale</b>														
IFF	International Flavors & Fragrances	15.4	4.15%	60	High	07-14-15	37	1.2%	\$113.16	\$78.03	\$4,186.92	\$2,887.11	-9.4%	130.9%
Cash (Includes Dividends Receivable)								5.7%	\$13,353.34					
<b>Portfolio Total</b>		<b>20.1</b>	<b>1.70%</b>	<b>82</b>	<b>Average</b>			<b>100%</b>				<b>\$235,599</b>	<b>135.6%</b>	<b>143.2%</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	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	10.62%	5.05%	-3.46%	4.99%	-2.79%	-0.32%	-0.05%	-3.37%	8.54%
S&P 500	8.09%	5.56%	-5.76%	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%
VIG ETF	9.96%	6.75%	-3.74%	2.90%	-2.74%	1.84%	2.31%	-2.74%	6.49%
Portfolio Value	\$220,318.23	\$231,441.27	\$223,444.17	\$234,604.03	\$228,055.49	\$227,335.89	\$227,219.18	\$219,556.59	\$238,302.66

### Since Inception

Cumulative	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	120.32%	131.44%	123.44%	134.60%	128.06%	127.34%	127.22%	119.56%	138.30%
S&P 500	111.92%	123.70%	110.83%	124.02%	118.39%	126.46%	130.06%	131.12%	146.09%
VIG ETF	115.83%	130.40%	121.78%	128.22%	121.97%	126.05%	131.28%	124.93%	139.54%

Annualized	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Portfolio	11.26%	11.87%	11.21%	11.79%	11.26%	11.08%	10.95%	10.36%	11.37%
S&P 500	10.68%	11.36%	10.36%	11.12%	10.63%	11.03%	11.13%	11.07%	11.82%
VIG ETF	10.97%	11.81%	11.12%	11.40%	10.88%	11.01%	11.22%	10.70%	11.46%

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## Long-term Dividend Growth Portfolio – Payment Schedule Data as of 7/6/23

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	1.9%	42%	0.51	Feb, May, Aug, Nov	07-13-23	08-15-23	8%	N/A	N/A
CB	1.8%	21%	0.86	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	4%	3%	5%
AOS	1.7%	35%	0.30	Feb, May, Aug, Nov	Late July	Mid Aug	7%	15%	20%
APH	1.0%	27%	0.21	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	5%	18%	23%
BDX	1.4%	32%	0.91	Mar, Jun, Sept, Dec	Early Sept	Late Sept	5%	4%	7%
BR	1.8%	44%	0.73	Jan, Apr, Jul, Oct	Mid Sept	Early Oct	13%	14%	15%
EXPO	1.1%	50%	0.26	Mar, Jun, Sept, Dec	Early Sept	Late Sept	8%	18%	0%
FIS	3.5%	30%	0.52	Mar, Jun, Sept, Dec	Early Sept	Late Sept	11%	10%	9%
VFC	6.5%	86%	0.30	Mar, Jun, Sept, Dec	Early Sept	Mid Sept	-41%	1%	7%
FUL	1.2%	22%	0.21	Feb, May, Aug, Nov	Mid July	Early Aug	8%	5%	8%
IEX	1.2%	22%	0.64	Jan, Apr, Jul, Oct	07-13-23	07-28-23	7%	10%	12%
IFF	4.2%	68%	0.81	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	3%	4%	9%
LOW	2.0%	30%	1.10	Feb, May, Aug, Nov	07-25-23	08-09-23	5%	20%	20%
MSM	3.3%	49%	0.79	Jan, Apr, Jul, Oct	07-10-23	07-25-23	5%	8%	12%
ORCL	1.4%	28%	0.40	Jan, Apr, Jul, Oct	07-11-23	07-26-23	25%	14%	20%
MDT	3.2%	51%	0.69	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	2%	8%	10%
PH	1.6%	26%	1.48	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	11%	11%	11%
CHRW	2.6%	36%	0.61	Jan, Apr, Jul, Oct	Early Sept	Early Oct	11%	5%	5%
ROK	1.5%	41%	1.18	Mar, Jun, Sept, Dec	08-11-23	09-11-23	5%	8%	10%
THO	1.8%	17%	0.45	Jan, Apr, Jul, Oct	07-06-23	07-21-23	5%	5%	11%
AMT	3.2%	59%	1.57	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	12%	17%	21%
TTC	1.4%	26%	0.34	Jan, Apr, Jul, Oct	Mid Sept	Mid Oct	13%	11%	18%
HRL	2.8%	63%	0.28	Feb, May, Aug, Nov	07-14-23	08-15-23	6%	9%	13%
AWR	1.8%	59%	0.40	Mar, Jun, Sept, Dec	Mid Aug	Early Sept	9%	9%	9%
MDLZ	2.1%	50%	0.39	Jan, Apr, Jul, Oct	Late Sept	Mid Oct	10%	12%	4%
<b>Average</b>	1.7%	35%					6%	10%	13%

### 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.

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**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	15.4	3.9%	81	65%	6%
AVB	AvalonBay Communities	19.9	3.4%	98	64%	2%
DLR	Digital Realty Trust	18.3	4.3%	80	82%	6%
DUK	Duke Energy	15.8	4.4%	80	76%	3%
ED	Consolidated Edison	19.4	3.5%	90	65%	3%
SO	Southern Company	18.7	4.0%	65	79%	3%
K	Kellogg	16.6	3.5%	66	56%	2%
KMB	Kimberly-Clark	21.5	3.4%	88	78%	4%
KO	Coca-Cola	22.9	3.0%	80	71%	4%
PFE	Pfizer	11.2	4.6%	75	26%	5%
GIS	General Mills	16.9	3.1%	90	50%	2%
SJM	J.M. Smucker	15.7	2.8%	96	46%	6%
PEP	PepsiCo	25.2	2.7%	93	66%	7%
BMJ	Bristol-Myers Squibb	7.8	3.6%	79	28%	7%
VZ	Verizon	8.0	7.0%	80	52%	2%
FLO	Flowers Foods	20.6	3.7%	62	41%	5%
MRK	Merck	15.0	2.6%	99	42%	8%
O	Realty Income	14.8	5.1%	80	76%	3%
DOC	Physicians Realty Trust	14.2	6.6%	65	93%	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	19.2	3.2%	78	59%	16%
CUBE	CubeSmart	17.1	4.4%	61	71%	11%
DOX	Amdocs Limited	15.7	1.8%	90	30%	12%
ELS	Equity LifeStyle Properties	26.8	2.7%	86	72%	10%
ADP	Automatic Data Processing	25.4	2.3%	97	58%	10%
HON	Honeywell	21.9	2.0%	99	45%	6%
LOW	Lowe's	16.4	2.0%	93	30%	23%
ITW	Illinois Tool Works	24.8	2.2%	81	55%	7%
WSM	Williams-Sonoma	9.1	2.9%	80	21%	18%
FIS	Fidelity National	9.8	3.5%	77	30%	10%
MDLZ	Mondelez	22.3	2.1%	66	50%	10%
SCI	Service Corporation International	18.1	1.7%	76	31%	12%
SNA	Snap-on	15.4	2.3%	99	35%	14%
UNH	UnitedHealth	18.3	1.6%	99	29%	16%
ABT	Abbott Laboratories	24.3	1.9%	71	42%	13%
TSCO	Tractor Supply	20.6	1.9%	68	39%	39%
APD	Air Products and Chemicals	24.0	2.4%	95	61%	12%
APH	Amphenol	28.7	1.0%	87	27%	19%

# 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	10.0	6.8%	61	74%	3%
EPD	Enterprise Products Partners	7.5	7.4%	65	54%	3%
MAIN	Main Street Capital	10.2	6.9%	62	73%	3%
ENB	Enbridge	9.0	7.2%	70	62%	7%
VZ	Verizon	8.0	7.0%	80	52%	2%
DOC	Physicians Realty Trust	18.9	6.6%	65	93%	0%
KMI	Kinder Morgan	7.8	6.7%	61	52%	17%
T	AT&T	6.5	7.0%	70	44%	-11%
PBA	Pembina Pipeline	9.2	6.5%	80	55%	5%
LYB	LyondellBasell	9.5	5.6%	51	44%	6%
WPC	W. P. Carey	12.5	6.3%	73	81%	1%
DOW	Dow	15.0	5.3%	45	63%	0%
LEG	Leggett & Platt	17.5	6.3%	70	88%	4%
IP	International Paper	15.2	5.9%	70	51%	0%
PM	Philip Morris International	15.4	5.2%	64	88%	4%
NNN	National Retail Properties	13.2	5.1%	80	67%	3%
PNW	Pinnacle West Capital	18.5	4.2%	70	84%	5%
WHR	Whirlpool	8.3	4.8%	70	41%	10%
EBF	Ennis	11.7	5.0%	61	60%	5%
CCI	Crown Castle	15.5	5.4%	61	82%	9%
BBY	Best Buy	12.8	4.6%	80	53%	19%

## 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
WFC	Wells Fargo	17%	9.6	3.3%	50	24%	-7%
UNH	UnitedHealth	14%	18.3	1.6%	99	29%	17%
KR	Kroger	12%	10.3	2.5%	71	24%	15%
GIS	General Mills	9.3%	16.9	3.1%	90	50%	2%
BAC	Bank of America	9.1%	8.7	3.4%	55	26%	17%
CAT	Caterpillar	8.3%	13.6	2.2%	93	30%	9%
JPM	JPMorgan Chase	5.0%	10.4	2.9%	60	30%	14%
NFG	National Fuel Gas	4.2%	9.8	3.9%	95	31%	3%
ARE	Alexandria	2.5%	16.5	4.2%	76	75%	6%
TGT	Target	1.9%	15.0	3.4%	90	71%	10%
WPC	W. P. Carey	0.2%	12.5	6.3%	73	81%	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
DGX	Quest Diagnostics	15.8	2.0%	80	31%	8%	7/10/23
ABBV	AbbVie	12.4	4.3%	70	44%	17%	7/13/23
AFG	American Financial	9.6	2.2%	80	22%	13%	7/13/23
MAA	Mid-America Apartment Communities	18.4	3.6%	97	63%	6%	7/13/23
EOG	EOG Resources	9.8	2.9%	82	25%	36%	7/14/23
HRL	Hormel Foods	21.6	2.8%	99	63%	9%	7/14/23
CAT	Caterpillar	13.6	2.2%	93	30%	9%	7/19/23
CL	Colgate-Palmolive	24.0	2.5%	90	64%	3%	7/20/23
RY	Royal Bank of Canada	10.7	4.2%	80	47%	7%	7/25/23
BMO	Bank of Montreal	8.9	4.9%	70	46%	9%	7/27/23
PFE	Pfizer	11.2	4.6%	75	26%	5%	7/27/23
DD	DuPont de Nemours	18.5	2.1%	70	39%	-24%	7/28/23

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