



Intelligent IncomeSM

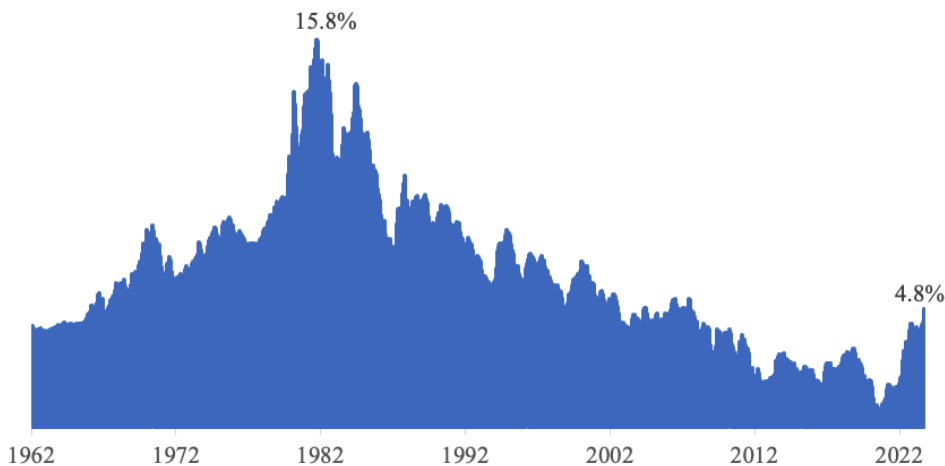
Quality dividend ideas for safe income and long-term growth

Monthly Commentary

The S&P 500 slumped to its lowest level in four months after falling 4.7% in September. With the selloff continuing through the first week of October, the stock market index's year-to-date gain now sits near 12%, down from as much as 21% this summer.

Rising bond yields have fueled much of the equity market's angst. In September, yields on 10-year Treasury notes jumped from 4.2% to 4.8%, hitting their highest level since 2007.

The 10-year Treasury yield jumped to its highest level since 2007, bucking the 40-year trend of falling rates



Credit markets are fickle. But as markets increasingly internalize that rates will remain higher for longer, investors can't help but wonder if the four-decade downward rate cycle has ended for good. Today's interest rates could be here to stay. Or turn even higher.

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Quote of the Month

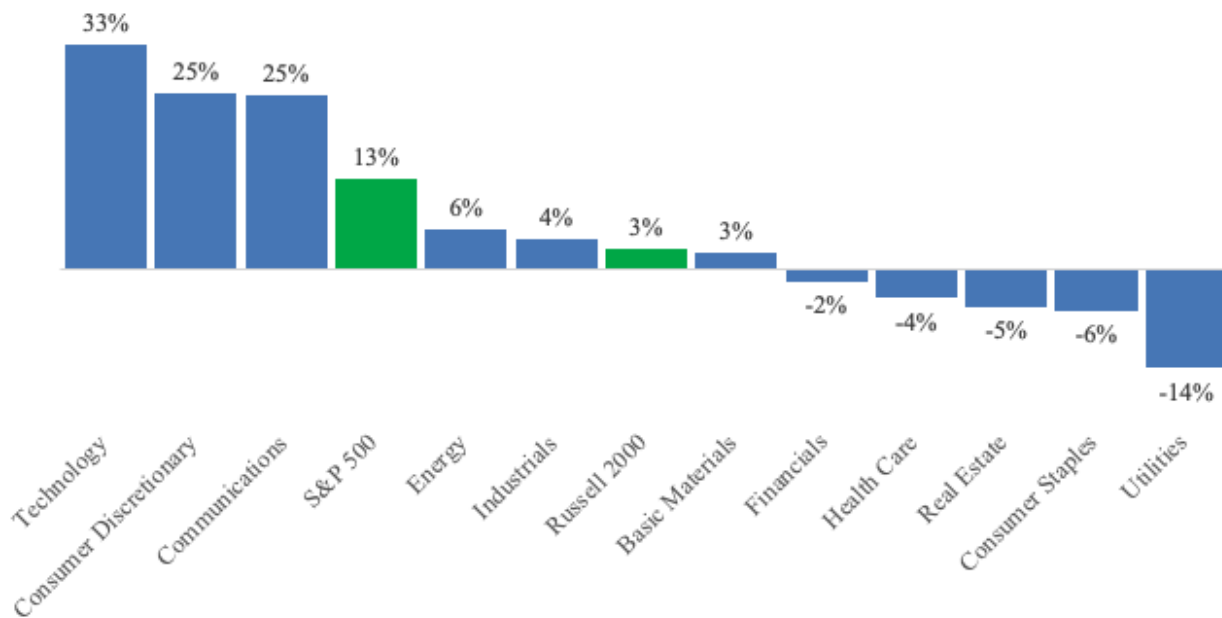
“I am not sure if the world is prepared for 7% [interest rates].”

– JPMorgan CEO Jamie Dimon

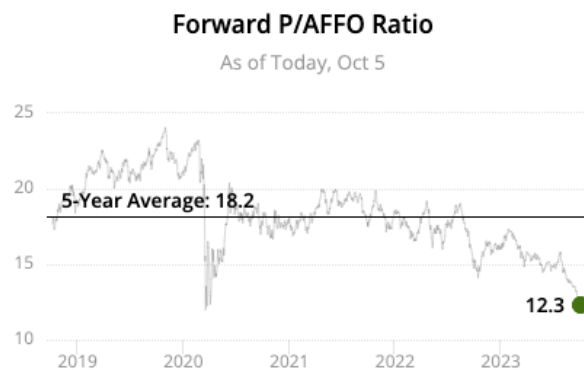
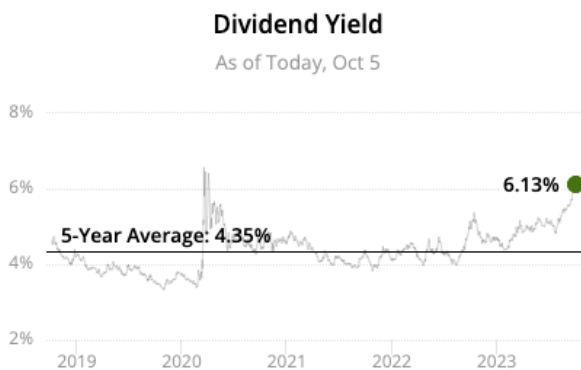
Your guess is as good as mine. But the pain has been real across bonds, bond-like stocks – those with relatively high dividend yields and low growth – and companies dependent on raising debt and equity capital to fund expansion.

Real estate investment trusts (REITs) check many of these boxes and lost over 7% during September. The utilities sector slumped nearly 6% as well and has been the worst performing part of the market this year.

Big tech's gains have masked the tough year felt by stocks tied to value, defensive, and small-cap themes



Higher risk-free yields compete with dividend stocks for investors’ capital. Using Realty Income (O) as an example, the retail REIT’s dividend yield started the year near 4.5%, above the 3.9% yield available on a 10-year Treasury. With risk-free yields near 5% available today, O’s stock has repriced to offer a competitive dividend yield north of 6%.



Could Realty Income's valuation get even worse? If interest rates defy expectations and head significantly higher, anything is possible.

For example, in early 2000, when the 10-year Treasury yield exceeded 6.5% (versus 4.8% today), Realty Income's dividend yield topped 10% (versus 6.1% today).

Higher rates also increase a company's borrowing costs. Realty Income has some near-term insulation since approximately 92% of its debt carries fixed rates, and only 16% of its debt matures through 2025. Coupled with the REIT's A- credit rating, Realty Income's balance sheet and debt profile are among the strongest in the sector.

That said, higher rates can reduce a company's growth by limiting the pool of profitable investment opportunities. If property prices and cap rates haven't responded to a REIT's rising cost of capital, then raising debt and equity to make acquisitions will result in smaller returns or might not be economical at all. As growth prospects fade, valuations contract.

So, should high-yield stocks be avoided in the current environment? While another spike in interest rates is a real risk factor to consider in the near term, many of these stocks are looking interesting.

Take the beaten down utilities sector as an example. Investors have shunned this usually defensive space, putting it on pace for its worst year since 2008 as many bonds now provide comparable income with less risk.

As a result of the selloff, the median forward P/E ratio across stocks in the utility sector has fallen to 14.4, down from 18.6 at the start of 2019. The current P/E ratio is equivalent to a 6.9% earnings yield (the inverse of the P/E ratio).

In other words, every dollar invested at this valuation gives you about 7 cents of earnings generated by a business that essentially acts as a regulated monopoly, provides essential services, maintains an investment-grade credit profile, and seems likely to grow at a low single-digit pace over the long run thanks in part to a shift to cleaner energy.

That doesn't sound like a bad deal for a conservative investor who desires to maintain some exposure to stocks for the long-term capital preservation and income growth they provide.

However, it might not sound so hot if the 10-year Treasury yield blows past 5% or if regulators are very slow to increase utilities' allowed return in recognition of their higher

cost of capital. But those are tough calls to make. Maintaining a diversified portfolio can help protect against company- and industry-specific risks.

Looking ahead, higher borrowing costs, tightening credit conditions, and slowing economic growth create an uncertain outlook for financial markets. This could cause any number of issues down the line, from more stress in the banking sector to solvency concerns for the whopping [50%](#) of all publicly-listed companies that were unprofitable in 2022.

Owning great businesses that generate reliable cash flow, provide time-tested products, and maintain prudent balance sheets takes a lot of risk off the table. But when periods of heightened volatility inevitably strike, don't become part of the club Peter Lynch referred to when he said that everybody is a long-term investor until the market goes down.

“People have been successful investors because they’ve stuck with successful companies. Sooner or later the market mirrors the business.” – Warren Buffett

We'll continue doing our part to help you stay the course, reviewing companies across our Dividend Safety Score coverage universe every week and providing timely information when you need it most. We are also spending more time studying companies' debt schedules and hope to have some helpful analysis to share soon.

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,



Brian Bollinger
President & Analyst, Simply Safe Dividends

Portfolio Performance

Here is each portfolio's total return performance in September, 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	September 2023	2023 YTD	Annualized	
				1 Year	Since Inception
Top 20 Dividend Stocks Portfolio	6/12/15	-3.76%	-0.76%	8.45%	8.67%
S&P 500 Index (SPY)		-4.73%	12.97%	21.48%	10.92%
Schwab U.S. Dividend Equity ETF (SCHD)		-4.19%	-3.79%	10.41%	10.80%
Conservative Retirees Portfolio	6/17/15	-3.95%	-6.02%	3.30%	7.97%
S&P 500 Index (SPY)		-4.73%	12.97%	21.48%	10.90%
S&P 500 High Dividend Low Volatility ETF (SPHD)		-4.33%	-7.54%	4.63%	6.60%
Long-term Dividend Growth Portfolio	6/9/15	-6.36%	0.74%	13.02%	10.25%
S&P 500 Index (SPY)		-4.73%	12.97%	21.48%	11.00%
Vanguard Dividend Appreciation ETF (VIG)		-4.26%	3.84%	17.32%	10.57%

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	0.97%	0.77%	0.95%	0.70%	0.64%	0.95%	0.92%
Monthly Standard Deviation	4.58%	3.85%	4.41%	3.66%	4.67%	4.49%	4.08%
Annual Sharpe Ratio	0.67	0.62	0.69	0.59	0.42	0.67	0.72

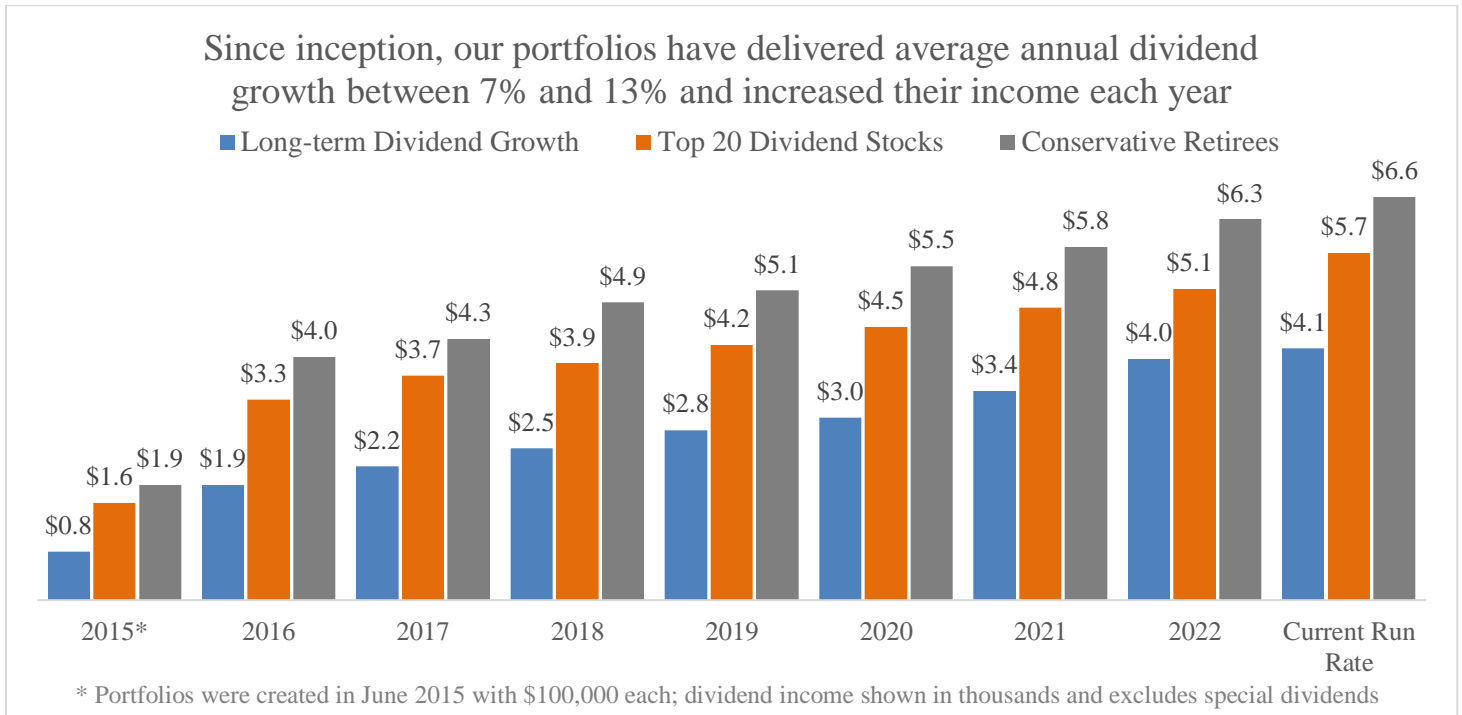
Dividend Events

Accenture (+15%), **American Tower** (+3.2%), **Verizon** (+1.9%), **McDonald's** (+9.9%), **W.P. Carey** (+0.2%), and **Philip Morris** (+2.4%) announced dividend increases.

Note that W.P. Carey plans to rebase its dividend next quarter after deciding to exit its office properties. See [our note here](#) for more information.

Dividend Events Since Inception			
	Top 20	Retirees	Growth
Increases	175	233	202
Cuts	1	2	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: on Monday, 10/9, we plan to add 105 shares to our existing position in **Pfizer (PFE)** using cash on hand. Pfizer will account for approximately 5% of the portfolio.

Long-term Dividend Growth: on Wednesday, 9/6, we sold **International Flavors & Fragrances (IFF)** (see [here](#) for more information) and bought 23 shares of **Elevance Health (ELV)**.

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.

<u>Top 20 Dividend Stocks</u>	Dividend Safety Score	Forward P/E	Dividend Yield	5-Yr Annual Div Growth Rate
Medtronic (MDT)	99	14.7	3.62%	8%
Johnson & Johnson (JNJ)	99	15.0	3.03%	6%
PepsiCo (PEP)	93	20.6	3.16%	7%
<u>Conservative Retirees</u>	Dividend Safety Score	Forward P/E	Dividend Yield	5-Yr Annual Div Growth Rate
WEC (WEC)	87	17.0	3.93%	6%
Johnson & Johnson (JNJ)	99	15.0	3.03%	6%
American Electric Power (AEP)	81	12.8	4.65%	6%
Pfizer (PFE)	75	11.3	4.90%	5%
<u>LT Dividend Growth</u>	Dividend Safety Score	Forward P/E	Dividend Yield	5-Yr Annual Div Growth Rate
Elevance Health (ELV)	99	12.7	1.34%	14%
Medtronic (MDT)	99	14.7	3.62%	8%
Mondelez (MDLZ)	66	19.3	2.61%	12%

Top 20 Dividend Stocks

Portfolio Update

Portfolio Statistics

Dividend Yield:	2.9%
Fwd P/E Ratio:	16.7
Beta:	0.72
Dividend Safety:	82

Performance Update

	9/30/23	Sep	Since Incep.
Portfolio	-3.8%		100%
S&P 500	-4.7%		136%
SCHD	-4.2%		134%

Dividend Increases: 175

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 3.8% in September, outperforming the S&P 500's -4.7% return and Schwab's Dividend ETF (SCHD), which recorded a loss of -4.2%.

Since inception in 2015, our portfolio has delivered a healthy annualized return of 8.7% 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 September were **Chubb** (+4%), **Cummins** (-1%) and **Emerson** (-2%).

Chubb last reported earnings on July 25. The P&C insurer recorded 10% growth in premiums and turned out another underwriting profit despite the industry's elevated catastrophe losses this year. Rising interest rates should boost the interest Chubb earns on its fixed income investments.

Cummins was one of our worst performers in August but rebounded last month. The engine

maker last reported earnings on August 3. Earnings trailed expectations by about 1%, and management maintained guidance for the year. No change to our favorable long-term outlook for Cummins, even though its short-term results can be cyclical.

Emerson remained resilient following its earnings report on August 3. The maker of industrial automation components, software, HVAC products, and various tools recorded 14% organic sales growth and raised full-year EPS guidance. Dividend growth could accelerate in the years ahead as earnings rise faster and Emerson's payout ratio sits near its lowest level in a decade.

Our worst performers in September were **American Tower** (-9%), **Leggett & Platt** (-8%), and **Dominion** (-7%).

American Tower sold off alongside other REITs as rising interest rates reduce their appeal, raise debt costs, and lessen growth. Carrier spending is also set to slow, tempering AMT's near-term outlook. See [our note on peer Crown Castle](#) for more thoughts.

Leggett & Platt last reported earnings in late July. Demand for big-ticket goods like mattresses and cars could face more pressure from higher rates. See [here](#) for more information.

Utility company **Dominion** remained weak with interest rates rising and its strategic review nearing an end (see [our note](#)). We plan to reevaluate our position after the review. The stock's expectations continue to look low.

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

Accenture (+15%), American Tower (+3.2%), and Verizon (+1.9%) announced dividend increases.

Our portfolio has recorded 175 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: 8% per year Dividend Yield: 3.62%

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 August 22. Sales and margins came in slightly ahead of analysts' estimates. Organic revenue grew 6% on improving supply chain and end markets, as well as progress on Medtronic's pipeline of new products. New product execution challenges and choppy macro conditions (supply chain

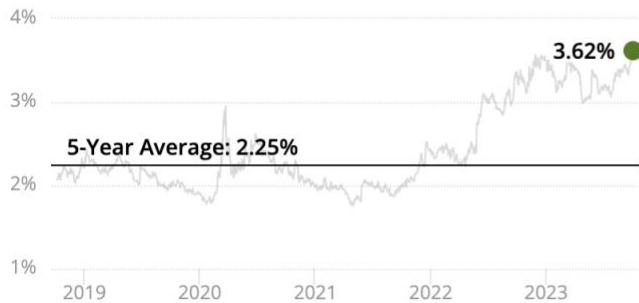
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difficulties, lower medical procedures due to labor shortages, etc.) have weighed on results over the past couple of years. These issues seem unlikely to impact Medtronic's long-term performance.

Valuation

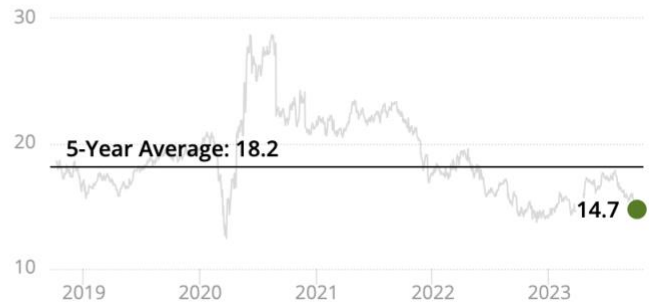
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



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.

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: 3.03%

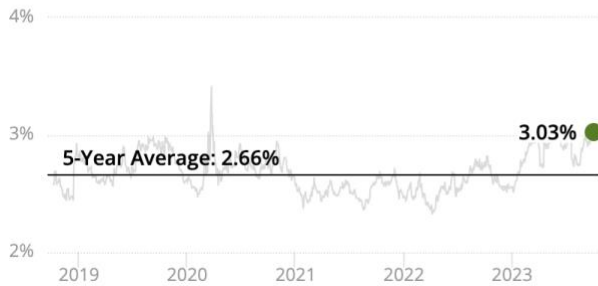
Johnson & Johnson has grown its dividend for over 50 consecutive years, maintains an unbeatable balance sheet (AAA credit rating), has a conservative payout ratio below 50%, generates a diversified stream of cash flow, and sells non-discretionary products that generally hold leadership positions in their markets.

Recent News

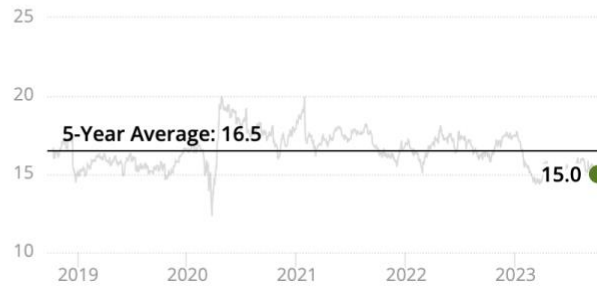
Johnson & Johnson completed its spinoff of Kenvue in August (we didn't participate; see [our note here](#) for more information). The healthcare giant last reported earnings on July 20. Profits came in higher than analysts expected, and management raised full-year EPS guidance.

Valuation**Dividend Yield**

As of Thu, Oct 5

**Forward P/E Ratio**

As of Thu, Oct 5



PepsiCo (PEP): PepsiCo's roots trace back to 1898. Today, the company generates over \$90 billion of revenue, split almost equally between snacks and beverages. Pepsi's portfolio includes more than 20 brands that generate over a billion dollars in sales, including Gatorade, Doritos, Quaker, Tostitos, and 7 Up.

Competitive Advantages

PepsiCo owns some of the most desirable brands in the industry. Retailers need to keep their shelves stocked with PepsiCo's products since consumers expect to find them, giving the firm more leverage with negotiating pricing, shelf space, and in-store promotions.

Dividend Review

Dividend Safety Score: 93 5-Year Dividend Growth Rate: 7% per year Dividend Yield: 3.16%

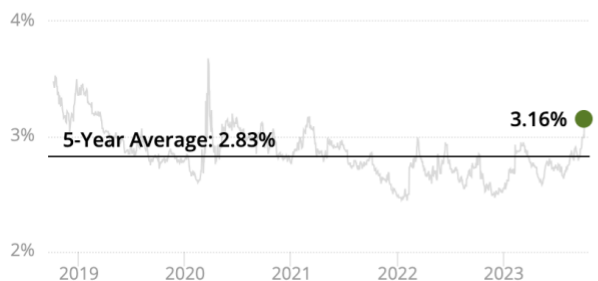
PepsiCo is a dividend aristocrat that has paid higher dividends every year since 1971. With a reasonable payout ratio below 70% and an A+ credit rating, the firm should be able to continue delivering at least mid-single-digit dividend growth over time.

Recent News

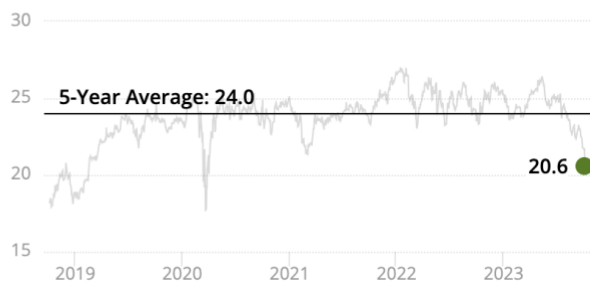
PepsiCo last reported earnings in July. Management raised full-year guidance to call for 10% organic sales growth and 12% adjusted EPS growth. A more recent headwind for the stock has been fears that new weight-loss drugs [will reduce food demand](#). This feels speculative and ignores the many ways food and beverage companies can evolve their products and marketing to protect profits and adapt as needed.

Valuation**Dividend Yield**

As of Thu, Oct 5

**Forward P/E Ratio**

As of Thu, Oct 5



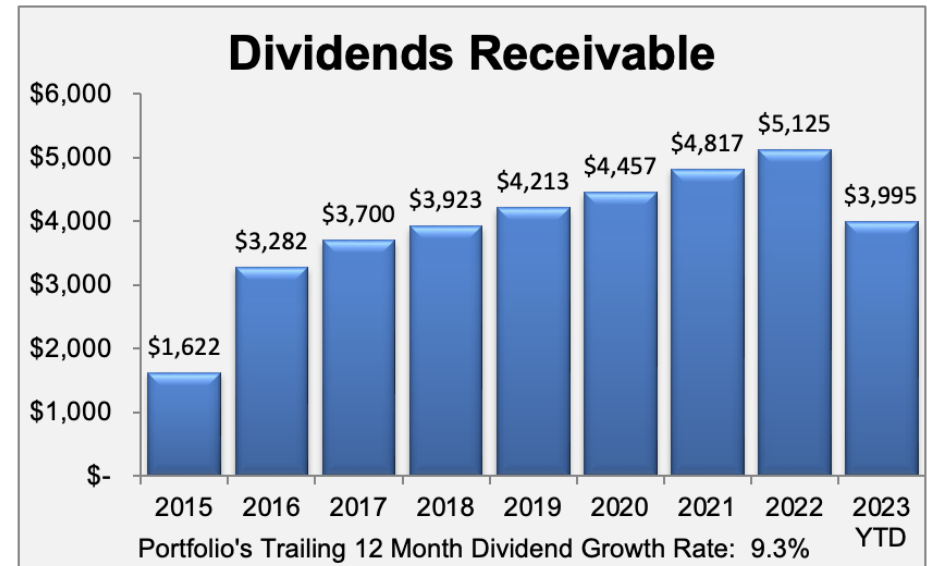
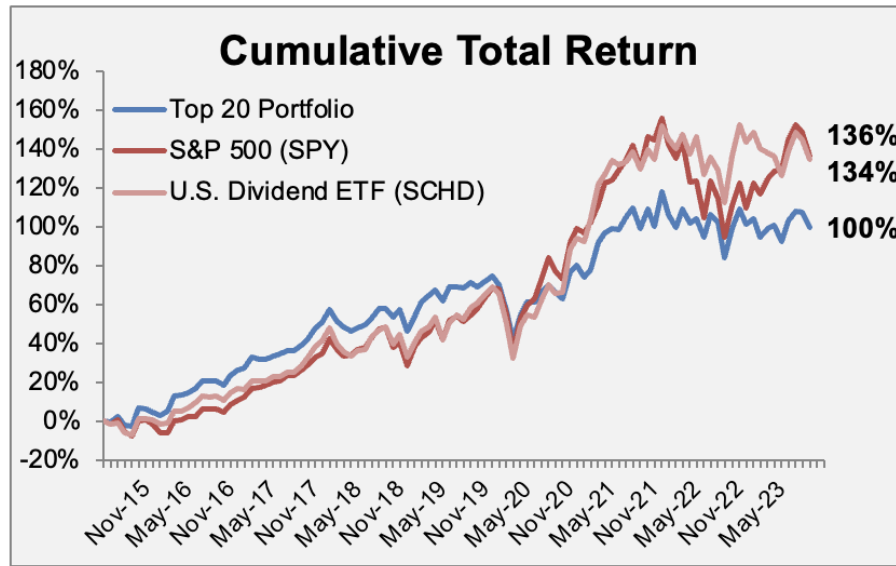
Top 20 Dividend Stocks – Portfolio Actions

Data as of 10/5/23

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	
Possible Buying Opportunities															
MDT	Medtronic	14.7	3.62%	99	Low	04-06-20	95	3.7%	\$90.06	\$76.15	\$8,555.70	\$7,234.25	-9.6%	68.2%	
JNJ	Johnson & Johnson	15.0	3.03%	99	Very Low	04-06-20	61	4.9%	\$136.29	\$157.14	\$8,313.69	\$9,585.54	23.3%	68.2%	
PEP	PepsiCo	20.6	3.16%	93	Very Low	07-10-15	62	5.0%	\$100.60	\$160.10	\$6,237.20	\$9,926.20	100.4%	126.2%	
Long-term Holds															
APD	Air Products	22.6	2.50%	95	Low	10-10-22	39	5.5%	\$232.73	\$279.86	\$9,076.47	\$10,914.54	23.4%	19.7%	
ADP	Automatic Data Processing	26.6	2.05%	97	Average	06-29-15	71	8.8%	\$88.65	\$243.36	\$6,294.15	\$17,278.56	234.4%	128.4%	
VZ	Verizon	6.8	8.36%	70	Very Low	06-30-15	107	1.7%	\$46.61	\$31.82	\$4,987.27	\$3,404.74	11.2%	128.0%	
GD	General Dynamics	15.5	2.44%	97	Low	08-10-20	47	5.2%	\$153.50	\$216.75	\$7,214.50	\$10,187.25	48.6%	32.4%	
LEG	Leggett & Platt	14.9	7.53%	70	Average	12-07-20	150	1.9%	\$43.79	\$24.43	\$6,568.50	\$3,664.50	-32.9%	20.0%	
CSCO	Cisco	13.1	2.94%	91	Low	06-06-16	214	5.8%	\$29.15	\$53.07	\$6,238.10	\$11,356.98	117.7%	120.5%	
CMI	Cummins	11.6	2.98%	98	Average	07-09-15	39	4.5%	\$127.77	\$225.42	\$4,983.03	\$8,791.38	108.7%	129.0%	
ED	Consolidated Edison	18.1	3.82%	90	Low	07-02-15	104	4.5%	\$62.14	\$84.76	\$6,462.36	\$8,815.04	84.4%	126.4%	
CHRW	C.H. Robinson	22.1	2.89%	92	Average	09-06-16	88	3.8%	\$70.58	\$84.35	\$6,211.04	\$7,422.80	40.4%	112.2%	
AMT	American Tower	15.8	4.08%	78	Average	04-03-17	55	4.4%	\$120.49	\$158.71	\$6,626.95	\$8,729.05	54.3%	96.1%	
ACN	Accenture	25.4	1.67%	92	High	07-06-15	52	8.2%	\$97.31	\$309.66	\$5,060.12	\$16,102.32	244.1%	127.0%	
KMB	Kimberly-Clark	17.7	3.98%	88	Very Low	11-07-16	55	3.3%	\$113.34	\$118.49	\$6,233.70	\$6,516.95	30.2%	117.6%	
D	Dominion Energy	11.8	6.52%	70	Low	11-07-17	61	1.3%	\$80.63	\$40.98	\$4,918.43	\$2,499.78	-27.0%	77.5%	
EMR	Emerson Electric	19.3	2.22%	78	Average	08-04-15	100	4.7%	\$49.62	\$93.59	\$4,962.00	\$9,359.00	121.5%	124.1%	
CB	Chubb	10.7	1.63%	99	Low	06-26-15	48	5.1%	\$103.47	\$210.76	\$4,966.56	\$10,116.48	128.4%	123.7%	
BR	Broadridge Financial Solutions	23.5	1.78%	75	Average	06-22-15	95	8.6%	\$52.65	\$179.32	\$5,001.75	\$17,035.40	272.2%	121.5%	
Under Review for Sale															
MO	Altria	8.3	9.34%	55	Very Low	07-15-15	99	2.1%	\$51.23	\$41.99	\$5,071.77	\$4,157.01	32.2%	122.8%	
Cash (Includes Dividends Receivable)								7.2%		\$14,118.91					
Portfolio Total		16.7	2.89%	82	Low			100%			\$197,217	97.2%	133.9%		

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>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	1.36%	-4.43%	2.15%	0.94%	-4.31%	5.62%	2.49%	-0.34%	-3.76%
S&P 500	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%	3.26%	-1.63%	-4.73%
SCHD ETF	2.08%	-3.32%	-1.04%	-0.81%	-4.11%	5.33%	4.19%	-1.49%	-4.19%
Portfolio Value	\$203,722.37	\$194,702.52	\$198,885.12	\$200,747.82	\$192,101.75	\$202,903.20	\$207,956.18	\$207,254.40	\$199,465.45

Since Inception

<u>Cumulative</u>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	103.72%	94.70%	98.89%	100.75%	92.10%	102.90%	107.96%	107.25%	99.47%
S&P 500	122.36%	116.77%	124.77%	128.35%	129.41%	144.27%	152.23%	148.13%	136.40%
SCHD ETF	148.58%	140.32%	137.82%	135.90%	126.21%	138.27%	148.25%	144.54%	134.30%
<u>Annualized</u>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	9.76%	9.01%	9.21%	9.24%	8.53%	9.18%	9.41%	9.27%	8.67%
S&P 500	11.02%	10.54%	10.93%	11.04%	10.98%	11.73%	12.04%	11.68%	10.92%
SCHD ETF	12.65%	12.03%	11.74%	11.49%	10.78%	11.38%	11.82%	11.49%	10.80%

Top 20 Dividend Stocks – Payment Schedule

Data as of 10/5/23

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	1.5%	40%	1.29	Feb, May, Aug, Nov	10-11-23	11-15-23	10%	11%	10%
ADP	2.1%	58%	1.25	Jan, Apr, Jul, Oct	Early Dec	Early Jan	20%	14%	11%
AMT	3.8%	62%	1.62	Jan, Apr, Jul, Oct	10-10-23	10-27-23	12%	17%	21%
JNJ	3.1%	44%	1.19	Mar, Jun, Sept, Dec	Late Nov	Early Dec	5%	6%	6%
BR	1.8%	41%	0.80	Jan, Apr, Jul, Oct	Mid Dec	Early Jan	10%	15%	15%
CB	1.7%	20%	0.86	Jan, Apr, Jul, Oct	Mid Dec	Early Jan	4%	3%	5%
CHRW	2.8%	51%	0.61	Jan, Apr, Jul, Oct	Early Dec	Early Jan	11%	5%	5%
CMI	2.9%	33%	1.68	Mar, Jun, Sept, Dec	Late Nov	Early Dec	7%	7%	13%
CSCO	2.9%	40%	0.39	Jan, Apr, Jul, Oct	10-03-23	10-25-23	3%	4%	10%
ED	3.8%	66%	0.81	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	3%	3%	3%
EMR	2.2%	44%	0.52	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	1%	1%	3%
D	6.0%	71%	0.67	Mar, Jun, Sept, Dec	Early Dec	Late Dec	0%	-3%	2%
MDT	3.5%	51%	0.69	Jan, Apr, Jul, Oct	Late Dec	Mid Jan	2%	8%	10%
KMB	3.9%	75%	1.18	Jan, Apr, Jul, Oct	Early Dec	Early Jan	2%	4%	5%
APD	2.5%	60%	1.75	Feb, May, Aug, Nov	Late Dec	Mid Feb	8%	11%	10%
MO	9.3%	76%	0.98	Jan, Apr, Jul, Oct	Mid Dec	Mid Jan	4%	8%	8%
LEG	7.2%	106%	0.46	Jan, Apr, Jul, Oct	Mid Dec	Mid Jan	5%	4%	4%
PEP	3.0%	65%	1.27	Mar, Jun, Sept, Dec	Early Dec	Late Dec	10%	7%	8%
VZ	8.1%	77%	0.67	Feb, May, Aug, Nov	10-06-23	11-01-23	2%	2%	2%
GD	2.4%	42%	1.32	Feb, May, Aug, Nov	10-05-23	11-10-23	5%	8%	9%
Average	2.8%	57%					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:	4.0%
Fwd P/E Ratio:	14.9
Beta:	0.56
Dividend Safety:	77

Performance Update

	9/30/23	Sep	Since Incep.
Portfolio	-4.0%		89%
S&P 500	-4.7%		136%
SPHD	-4.3%		70%

Dividend Increases:	233
Dividend Decreases:	2

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 lost 4.0% in September, outperforming the S&P 500's -4.7% return but Invesco's High Dividend Low Volatility ETF (SPHD), which slumped -4.3%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 8% 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 **Exxon Mobil** (+6%), **AT&T** (+2%), and **Main Street** (+2%).

Exxon Mobil last reported earnings in late July. The oil major has tracked higher alongside rising energy prices, driven in part by OPEC+ intervention and resilient economic growth. Refining margins have also jumped, boosting the near-term outlook.

AT&T spoke at a few conferences last month. The telecom giant said

it remained on track to generate \$16 billion of free cash flow in 2023 despite a somewhat slower start to the year. Combined with a well-laddered debt maturity schedule, AT&T has some near-term resistance to higher interest rates despite its large debt load.

Main Street's business benefits from higher interest rates because practically all its loans carry floating rates, boosting income. With credit losses remaining minimal so far, this has helped boost earnings.

Our worst performing stocks in September were **W.P. Carey** (-15%), **Leggett & Platt** (-8%), and **UPS** (-8%).

W.P. Carey surprised investors by announcing plans to exit all its office properties over the next 6 months or so. Losing this cash flow will result in the dividend being rebased lower, likely by 10-20%. This decision was a head-scratcher as WPC had no need or expressed desire to shed these steady properties. We continue to like the remaining business and plan to hold our shares. See [our note here](#) for more analysis.

Leggett & Platt last reported earnings in late July. Demand for big-ticket goods like mattresses and cars could face more pressure from higher rates. See [here](#) for more information.

UPS remained weak after earlier agreeing on a new labor with its union workforce. With future price hikes, UPS should still grow its earnings and dividend over time.

Planned Transactions

On Monday, 10/9, we plan to add 105 shares to our existing position in Pfizer using cash on hand.

Dividend Events

Verizon (+1.9%), McDonald's (+9.9%), W.P. Carey (+0.2%), and Philip Morris (+2.4%) announced dividend increases. Note that W.P. Carey plans to rebase its dividend next quarter after deciding to exit its office properties. See [our note here](#) for more information.

Our portfolio has recorded 233 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: 3.93%

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.

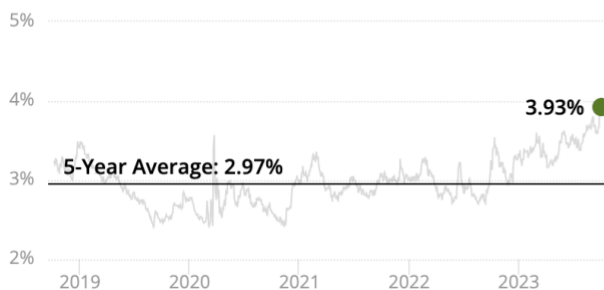
Recent News

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

Valuation

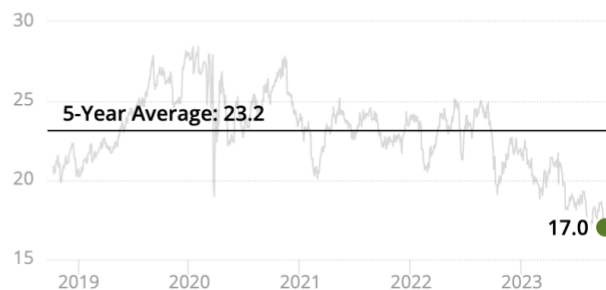
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



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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: 3.03%

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.

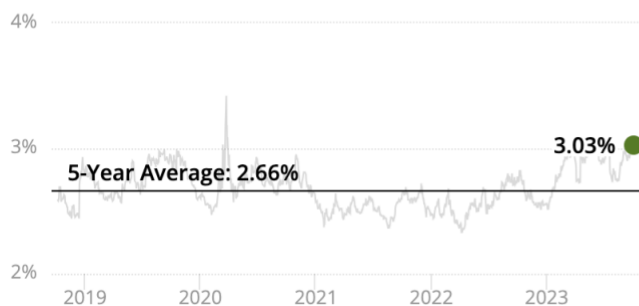
Recent News

Johnson & Johnson completed its spinoff of Kenvue in August (we didn't participate; see [our note here](#) for more information). The healthcare giant last reported earnings on July 20. Profits came in higher than analysts expected, and management raised full-year EPS guidance.

Valuation

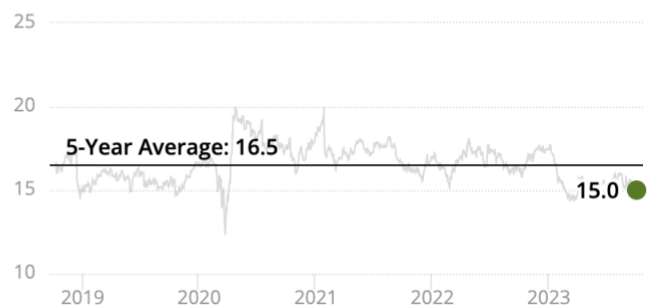
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



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: 4.65%

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.

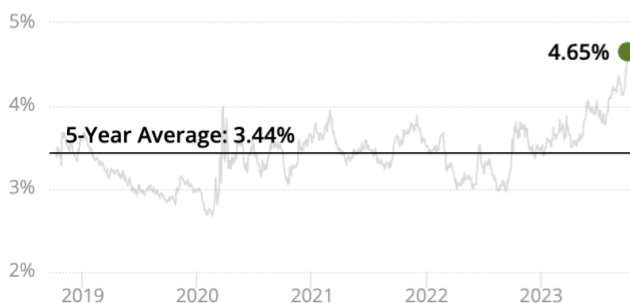
Recent News

AEP reported earnings on July 27. Management reaffirmed full-year operating earnings guidance and longer-term expectations for 6% to 7% annual EPS growth.

Valuation

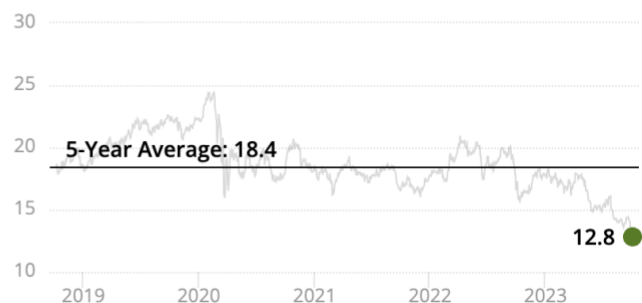
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



Pfizer (PFE): Pfizer's roots trace back to 1848 but didn't introduce its first proprietary pharma product until 1950. Today, the company is one of the biggest pharmaceutical companies in the world and generates nearly all its profits from developing and marketing patented drugs.

Competitive Advantages

Pfizer's current portfolio of medicines has no significant concentrations in any single drug (excluding Covid-related revenue) or treatment area, diversifying risk. The firm also has no major patent expirations through 2025, and its investment-grade balance sheet has capacity for acquisitions to keep the pipeline filled with promising medicines that a global sales team can take worldwide.

Dividend Review

Dividend Safety Score: 75 5-Year Dividend Growth Rate: 5% per year Dividend Yield: 4.90%

Pfizer paid higher dividends every year since 1968 until management cut the dividend in 2009 to help fund a large acquisition, which was necessary to offset a looming sales cliff from cholesterol drug Lipitor losing patent protection.

The dividend looks on solid ground today with a payout ratio near 50%, an A+ credit rating, and financial flexibility to develop or acquire new medicines to more than offset upcoming revenue losses.

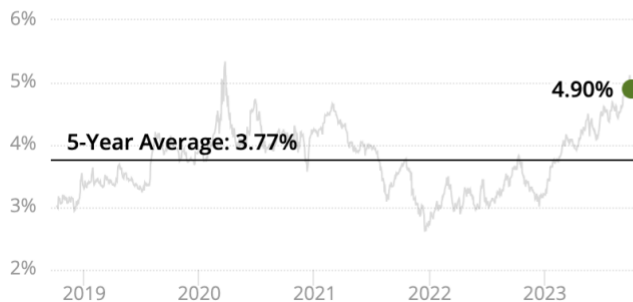
Recent News

Pfizer's shares have sold off over the past year due to concerns about demand for its Covid products waning, plus uncertainty surrounding the firm's ability to replace upcoming revenue holes created by drugs losing patent protection through 2030. Please [see our note](#) for more information on these issues.

Valuation

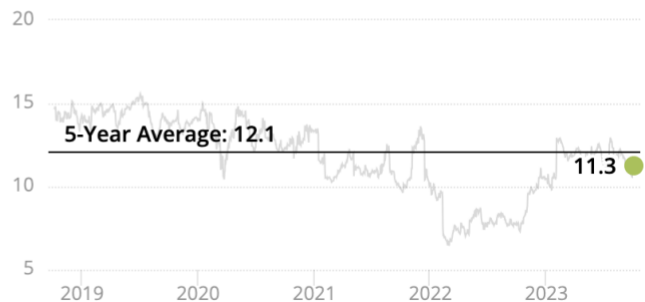
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



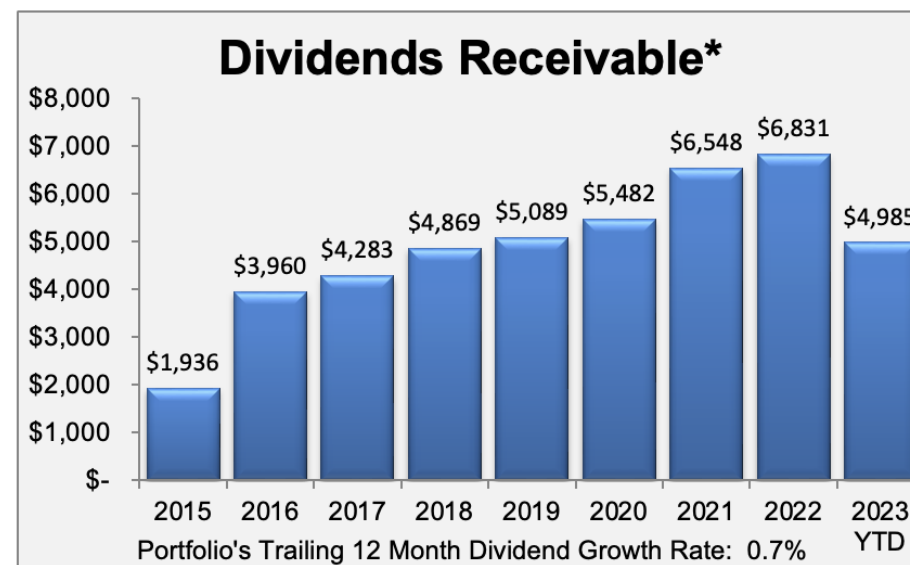
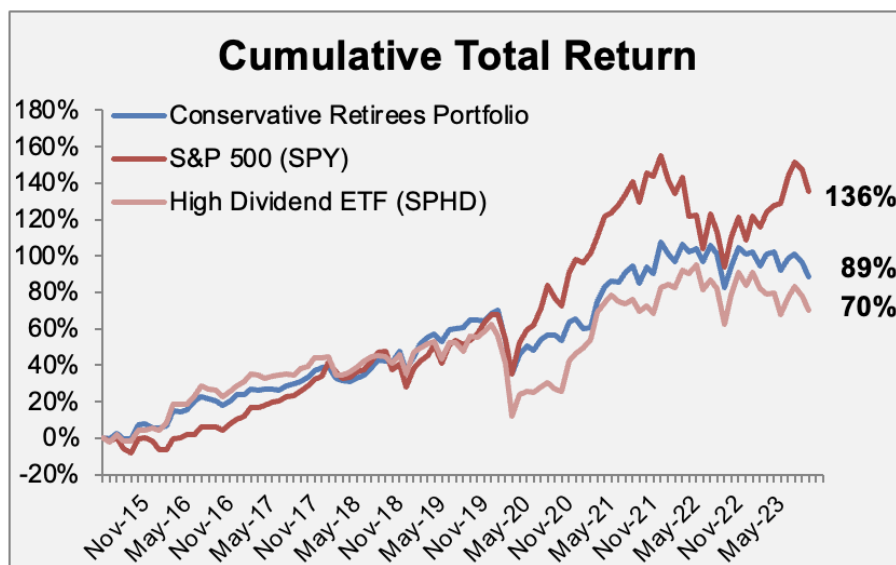
Conservative Retirees Portfolio – Portfolio Actions

Data as of 10/5/23

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
Possible Buying Opportunities														
WEC	WEC Energy	17.0	3.93%	87	Low	03-05-18	48	2.1%	\$59.41	\$79.30	\$2,851.68	\$3,806.40	54.0%	68.1%
JNJ	Johnson & Johnson	15.0	3.03%	99	Very Low	06-25-15	40	3.4%	\$99.12	\$157.14	\$3,964.80	\$6,285.60	90.2%	123.6%
AEP	American Electric Power	12.8	4.65%	81	Low	06-19-15	73	2.8%	\$54.47	\$71.33	\$3,976.31	\$5,207.09	72.2%	123.1%
PFE	Pfizer	11.3	4.90%	75	Low	04-03-17	175	3.2%	\$34.49	\$33.47	\$6,035.75	\$5,857.25	26.0%	96.1%
Long-term Holds														
CSCO	Cisco	13.1	2.94%	91	Low	06-06-16	175	5.0%	\$29.15	\$53.07	\$5,101.25	\$9,287.25	117.7%	120.5%
MAIN	Main Street Capital	9.9	7.15%	62	Low	06-07-21	113	2.4%	\$41.49	\$39.46	\$4,688.37	\$4,458.98	12.3%	4.2%
VZ	Verizon	6.8	8.20%	70	Very Low	06-30-15	103	1.8%	\$48.17	\$31.82	\$4,961.51	\$3,277.46	11.2%	128.0%
NNN	National Retail Properties	10.8	6.45%	80	Low	06-26-15	111	2.1%	\$35.74	\$35.05	\$3,967.14	\$3,890.55	44.2%	123.7%
CCI	Crown Castle International	12.7	6.97%	61	Average	11-07-17	40	1.9%	\$111.51	\$89.81	\$4,460.40	\$3,592.40	8.1%	77.5%
ORI	Old Republic International	11.0	3.65%	73	Low	08-10-20	285	4.1%	\$16.84	\$26.84	\$4,799.40	\$7,649.40	93.6%	32.4%
LEG	Leggett & Platt	14.9	7.53%	70	Average	12-07-20	115	1.5%	\$43.79	\$24.43	\$5,035.85	\$2,809.45	-32.9%	20.0%
PM	Philip Morris International	14.9	5.65%	64	Low	06-19-15	60	3.0%	\$81.36	\$91.98	\$4,881.60	\$5,518.80	58.5%	123.1%
ED	Consolidated Edison	18.1	3.82%	90	Low	07-02-15	67	3.1%	\$59.14	\$84.76	\$3,962.38	\$5,678.92	84.4%	126.4%
SO	Southern Company	16.2	4.34%	65	Low	08-10-20	84	2.9%	\$54.71	\$64.59	\$4,595.64	\$5,425.56	33.0%	32.4%
PSA	Public Storage	17.4	4.64%	96	Very Low	03-05-18	21	2.9%	\$196.64	\$258.88	\$4,129.44	\$5,436.48	62.7%	68.1%
UPS	United Parcel Service	16.3	4.22%	69	High	03-05-18	42	3.5%	\$100.62	\$153.38	\$4,226.04	\$6,441.96	69.2%	68.1%
XOM	Exxon Mobil	12.5	3.34%	80	Low	07-31-15	50	2.9%	\$79.29	\$108.99	\$3,964.50	\$5,449.50	72.2%	122.9%
KO	Coca-Cola	19.3	3.51%	80	Very Low	04-06-20	80	2.3%	\$44.89	\$52.38	\$3,591.20	\$4,190.40	25.2%	68.2%
PG	Procter & Gamble Company	22.5	2.62%	99	Low	07-01-15	50	3.9%	\$79.72	\$143.80	\$3,986.00	\$7,190.00	112.3%	126.2%
DUK	Duke Energy	14.4	4.80%	80	Low	03-05-18	53	2.4%	\$76.88	\$85.48	\$4,074.64	\$4,530.44	37.7%	68.1%
PAYX	Paychex	24.1	3.10%	70	Average	07-28-15	111	6.9%	\$50.04	\$114.87	\$5,554.44	\$12,750.57	188.9%	124.2%
T	AT&T	6.0	7.48%	60	Low	11-07-17	105	0.8%	\$23.03	\$14.83	\$2,418.00	\$1,557.15	-23.8%	77.5%
KMB	Kimberly-Clark	17.7	3.98%	88	Very Low	08-07-17	42	2.7%	\$120.99	\$118.49	\$5,081.58	\$4,976.58	19.9%	85.7%
WPC	W.P. Carey	10.0	8.19%	40	Low	03-05-18	46	1.3%	\$60.29	\$52.31	\$2,773.34	\$2,406.26	25.7%	68.1%
GIS	General Mills	13.7	3.78%	90	Very Low	06-17-15	73	2.5%	\$55.25	\$62.36	\$4,033.25	\$4,552.28	42.5%	123.3%
EMR	Emerson Electric	19.3	2.22%	78	Average	08-04-15	80	4.0%	\$49.62	\$93.59	\$3,969.60	\$7,487.20	121.5%	124.1%
MCD	McDonald's	21.4	2.65%	77	Very Low	07-07-15	41	5.6%	\$96.68	\$252.23	\$3,963.88	\$10,341.43	200.8%	125.6%
WM	Waste Management	24.6	1.81%	74	Very Low	07-13-15	83	6.9%	\$47.93	\$154.72	\$3,978.19	\$12,841.76	258.7%	123.7%
D	Dominion Energy	11.8	6.52%	70	Low	11-07-17	50	1.1%	\$80.63	\$40.98	\$4,031.50	\$2,049.00	-27.0%	77.5%
Cash (Includes Dividends Receivable)								11.2%	\$20,708.01					
Portfolio Total		14.9	4.02%	77	Low			100%				\$185,654	85.7%	133.2%

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>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	0.56%	-3.69%	3.32%	0.49%	-4.75%	3.32%	1.09%	-2.19%	-3.95%
S&P 500	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%	3.26%	-1.63%	-4.73%
SPHD ETF	3.89%	-4.66%	-1.78%	0.33%	-6.59%	5.70%	3.43%	-3.04%	-4.33%
Portfolio Value	\$202,007.06	\$194,561.64	\$201,027.06	\$202,002.65	\$192,401.08	\$198,787.89	\$200,960.92	\$196,569.23	\$188,798.10

Since Inception

<u>Cumulative</u>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	102.01%	94.56%	101.03%	102.00%	92.40%	98.79%	100.96%	96.57%	88.80%
S&P 500	121.75%	116.17%	124.15%	127.72%	128.77%	143.59%	151.54%	147.45%	135.75%
SPHD ETF	91.04%	82.13%	78.90%	79.48%	67.66%	77.23%	83.31%	77.73%	70.03%
<u>Annualized</u>	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	9.65%	9.02%	9.38%	9.34%	8.57%	8.92%	8.97%	8.58%	7.97%
S&P 500	11.00%	10.52%	10.91%	11.02%	10.96%	11.71%	12.02%	11.67%	10.90%
SPHD ETF	8.84%	8.08%	7.74%	7.70%	6.70%	7.36%	7.73%	7.24%	6.60%

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Conservative Retirees Portfolio – Payment Schedule Data as of 10/5/23

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	4.4%	67%	0.83	Mar, Jun, Sept, Dec	Early Nov	Early Dec	6%	6%	5%
CCI	6.8%	80%	1.57	Mar, Jun, Sept, Dec	Mid Dec	Late Dec	7%	9%	0%
CSCO	2.9%	40%	0.39	Jan, Apr, Jul, Oct	10-03-23	10-25-23	3%	4%	10%
ED	3.8%	66%	0.81	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	3%	3%	3%
EMR	2.2%	44%	0.52	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	1%	1%	3%
D	6.0%	71%	0.67	Mar, Jun, Sept, Dec	Early Dec	Late Dec	0%	-3%	2%
GIS	3.7%	52%	0.59	Feb, May, Aug, Nov	10-06-23	11-01-23	9%	2%	5%
KO	3.3%	69%	0.46	Jan, Apr, Jul, Oct	Mid Dec	Early Jan	5%	4%	6%
LEG	7.2%	106%	0.46	Jan, Apr, Jul, Oct	Mid Dec	Mid Jan	5%	4%	4%
JNJ	3.1%	44%	1.19	Mar, Jun, Sept, Dec	Late Nov	Early Dec	5%	6%	6%
MCD	2.3%	54%	1.67	Mar, Jun, Sept, Dec	11-30-23	12-15-23	10%	8%	7%
NNN	6.4%	68%	0.57	Feb, May, Aug, Nov	Late Oct	Mid Nov	3%	3%	3%
UPS	4.2%	55%	1.62	Mar, Jun, Sept, Dec	Mid Nov	Early Dec	7%	13%	10%
WEC	3.9%	70%	0.78	Mar, Jun, Sept, Dec	Mid Nov	Early Dec	7%	7%	9%
WPC	7.9%	80%	1.07	Jan, Apr, Jul, Oct	Late Dec	Mid Jan	1%	1%	6%
DUK	4.6%	80%	1.03	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	2%	3%	3%
PAYX	3.1%	77%	0.89	Feb, May, Aug, Nov	Early Nov	Late Nov	13%	10%	10%
PFE	4.9%	34%	0.41	Mar, Jun, Sept, Dec	Late Oct	Early Dec	3%	5%	6%
PG	2.6%	62%	0.94	Feb, May, Aug, Nov	Mid Oct	Mid Nov	3%	6%	5%
PM	5.5%	86%	1.30	Jan, Apr, Jul, Oct	Late Dec	Mid Jan	2%	4%	5%
MAIN	6.9%	68%	0.24	Monthly	10-05-23	10-13-23	2%	3%	4%
KMB	3.9%	75%	1.18	Jan, Apr, Jul, Oct	Early Dec	Early Jan	2%	4%	5%
XOM	3.1%	29%	0.91	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	3%	3%	5%
T	7.4%	44%	0.28	Feb, May, Aug, Nov	10-06-23	11-01-23	0%	-11%	-5%
PSA	4.6%	70%	3.00	Mar, Jun, Sept, Dec	Mid Dec	Late Dec	50%	0%	6%
VZ	8.1%	77%	0.67	Feb, May, Aug, Nov	10-06-23	11-01-23	2%	2%	2%
WM	1.8%	48%	0.70	Mar, Jun, Sept, Dec	Early Dec	Late Dec	8%	9%	6%
SO	4.3%	77%	0.70	Mar, Jun, Sept, Dec	Mid Nov	Early Dec	3%	3%	3%
ORI	3.6%	35%	0.25	Mar, Jun, Sept, Dec	Early Dec	Mid Dec	7%	4%	3%
Average	3.9%	64%					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:	1.9%
Fwd P/E Ratio:	19.2
Beta:	0.88
Dividend Safety:	81

Performance Update

	9/30/23	Sep	Since Incep.
Portfolio	-6.4%		125%
S&P 500	-4.7%		138%
VIG ETF	-4.3%		130%

Dividend Increases:	202
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 fell -6.4% in September, trailing the S&P 500's -4.7% loss and Vanguard's Dividend Appreciation ETF (VIG), which returned -4.3%.

Since inception in 2015, our portfolio has delivered a healthy annualized total return of 10.3%.

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

Our strongest stocks in September were **Chubb** (+4%), **FIS** (+0%), and **Hormel** (-1%).

Chubb last reported earnings on July 25. The P&C insurer recorded 10% growth in premiums and turned out another underwriting profit despite the industry's elevated catastrophe losses this year. Rising interest rates should boost the interest Chubb earns on its fixed income investments.

FIS was stable as investors continued digesting the fintech company's plans to sell a majority interest in its merchant solutions business (~33% of profits) in early 2024. This deal will reduce FIS's debt and continue supporting the dividend. See [our July 2023 note here](#) for more information.

Hormel reported earnings on August 31 and slightly reduced full-year sales and EPS guidance. While Hormel's US businesses are growing profits, the international business was hampered by supply chain disruption caused by a logistics provider shutdown. That adds to the list of challenges Hormel has faced the last few years including elevated inventory, higher beef costs, soft demand in branded nuts, and inflationary pressures. None of these challenges seem likely to impede the company's long-term outlook.

Our weakest stocks last month were **Toro** (-19%), **Oracle** (-12%), and **Lowe's** (-10%).

Toro reported earnings on September 7. Destocking in the landscape business caused sales to miss expectations and led management to reduce full-year guidance. No change to our favorable long-term outlook.

Oracle reported earnings on September 11 and came into the quarter riding high expectations (ORCL's P/E ratio topped 20 earlier this year compared to a 5-year average closer to 15). Sales grew 8% thanks to nearly 30% growth in cloud revenue, and operating profits rose 12%. Investors were a little disappointing in Oracle's guidance for next quarter, but no change to the enterprise software giant's stable long-term outlook.

No news was out on big-box retailer **Lowe's**. It remains to be seen if the housing market's interest rate-induced slowdown will bite further into demand for home improvement projects. Lowe's next earnings report will arrive in mid-November.

Planned Transactions

None.

Dividend Events

American Tower (+3.2%) announced a dividend increase.

Stocks to Consider Buying

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

Elevance Health (ELV): formerly called Anthem, Elevance Health was founded in 1944 and has grown to become one of the two largest health benefits companies in America (the other is UnitedHealth). The managed care company manages health insurance for approximately 48 million members and, in more recent years, has expanded into the delivery and services of healthcare by acquiring care providers, pharmacies, and other services.

Competitive Advantages

As the largest US health insurer and exclusive licensee of Blue Cross Blue Shield in roughly 15 states, Elevance Health's dominant market share helps it be more efficient with claims processing. Compared to smaller rivals, Elevance can use its large member base to negotiate better rates with providers and spread its costs across a wider revenue pool. The company also has a unique opportunity to acquire care providers to reduce its costs, increase margins, and roll out more services to its customer base. This vertical integration strategy provides many opportunities for acquisitive growth and can continue positioning Elevance Health as a cost-effective solution to the complex and inefficient healthcare market.

Dividend Review

Dividend Safety Score: 99 5-Year Dividend Growth Rate: 14% per year Dividend Yield: 1.33%

Elevance Health has paid dividends since 2011 and compounded its payout by 16% annually over the last decade. With double-digit EPS growth expected over the long term, a payout ratio below 20%, and an A-rated balance sheet, Elevance Health seems likely to continue delivering 10-15% annual dividend growth.

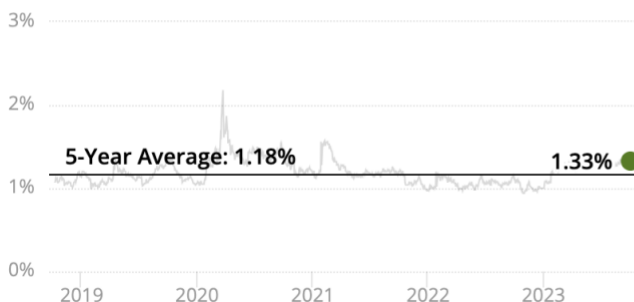
Recent News

Elevance Health reported earnings on July 19. Operating revenue grew 13%, medical enrollment increased to 48 million members, and management raised full-year EPS guidance.

Valuation

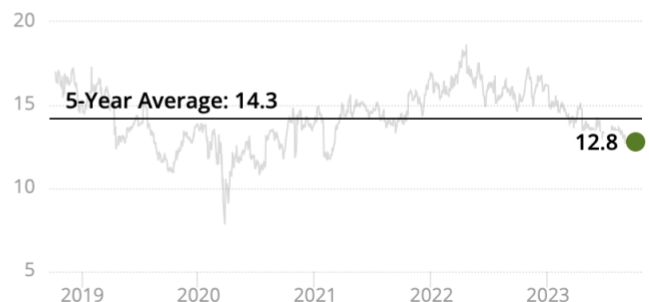
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 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.

Dividend Review

Dividend Safety Score: 99 5-Year Dividend Growth Rate: 9% per year Dividend Yield: 3.62%

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.

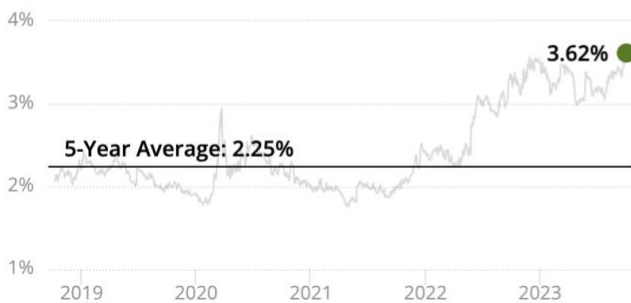
Recent News

Medtronic reported earnings on August 22. Sales and margins came in slightly ahead of analysts' estimates. Organic revenue grew 6% on improving supply chain and end markets, as well as progress on Medtronic's pipeline of new products. 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 couple of years. These issues seem unlikely to impact Medtronic's long-term performance.

Valuation

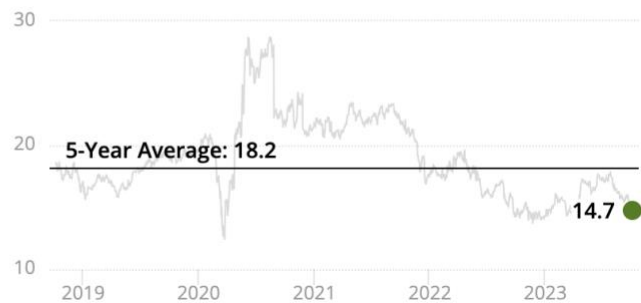
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



Mondelez (MDLZ): Mondelez was created in 2012 after Kraft Foods spun off its North American grocery business. The remaining Kraft Foods business was renamed Mondelez and is one of the largest snack companies in the world.

The firm's snacks include biscuits (cookies, crackers, salted snacks), chocolate, gum & candy, and various cheese, grocery, and powdered beverage products. The firm's largest global brands include Oreo, Trident, Milka, Tang, BelVita, Toblerone, Philadelphia, Halls, and Cadbury. Emerging markets generate over 30% of revenue.

Competitive Advantages

Mondelez owns a portfolio of leading brands which compete in a growing category – snacks. While Mondelez owns No. 1 or No. 2 market share positions in biscuits (cookies, crackers, salted snacks), chocolate, candy, and gum, these remain very large categories which should benefit from higher per capital consumption in developing markets over time.

With solid consumer awareness and distribution, Mondelez should remain a cash cow. In recent years, Mondelez has struck a better balance between taking out costs and reinvesting in its brands to achieve volume-driven, profitable growth.

Dividend Review

Dividend Safety Score: 66 5-Year Dividend Growth Rate: 12% per year Dividend Yield: 2.61%

Mondelez has paid higher dividends each year since Kraft executed its spinoff in 2012, including a 10% dividend increase announced in July 2023. The business generates excellent free cash flow and maintains an investment grade credit rating, supporting an outlook for near double-digit dividend growth.

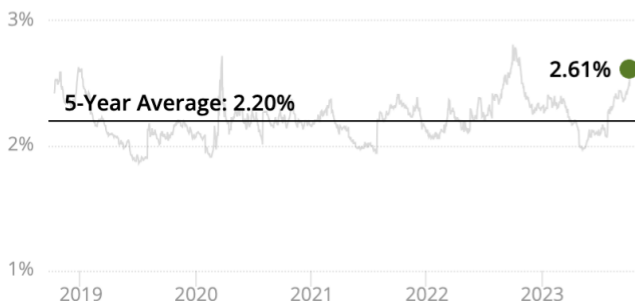
Recent News

Mondelez last reported earnings in July. Organic sales grew 16% and adjusted EPS rose over 20%. A more recent headwind for the stock has been fears that new weight-loss drugs [will reduce food demand](#). This feels speculative and ignores the many ways food and beverage companies can evolve their products and marketing to protect profits and adapt as needed.

Valuation

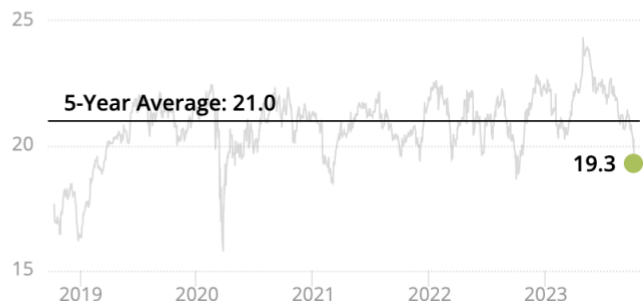
Dividend Yield

As of Thu, Oct 5



Forward P/E Ratio

As of Thu, Oct 5



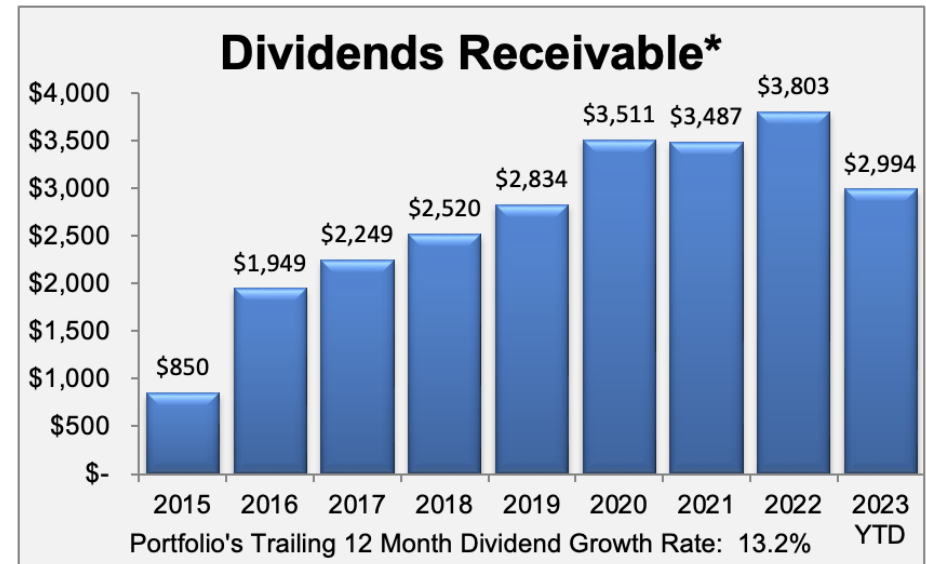
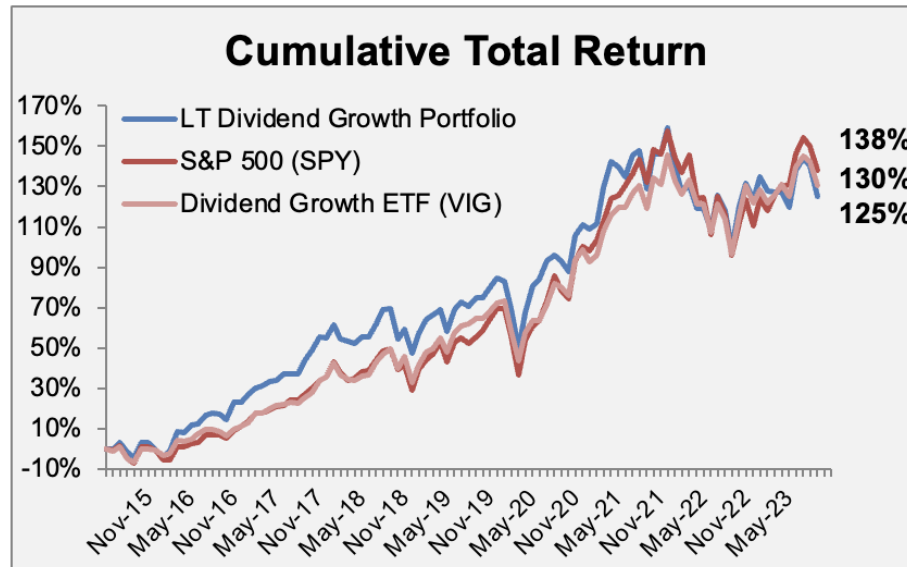
Long-term Dividend Growth Portfolio – Portfolio Actions

Data as of 10/5/23

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
Possible Buying Opportunities														
MDT	Medtronic	14.7	3.62%	99	Low	11-07-17	65	2.2%	\$77.80	\$76.15	\$5,057.00	\$4,949.75	15.6%	77.5%
ELV	Elevance Health	12.8	2.95%	99	Very Low	09-06-23	23	4.6%	\$450.32	\$443.87	\$10,357.36	\$10,209.01	-0.1%	-4.5%
MDLZ	Mondelez	19.3	2.61%	66	Low	08-10-20	156	4.5%	\$55.38	\$65.07	\$8,639.28	\$10,150.92	25.6%	32.4%
Long-term Holds														
APH	Amphenol	27.4	1.02%	87	High	07-14-15	144	5.3%	\$27.58	\$82.64	\$3,970.80	\$11,900.16	223.3%	122.7%
VFC	V.F. Corp	8.0	7.24%	50	Very High	06-07-21	115	0.9%	\$79.72	\$16.57	\$9,167.80	\$1,905.55	-73.6%	4.2%
HRL	Hormel	NA	2.95%	99	Very Low	06-06-16	140	2.3%	\$34.38	\$37.35	\$4,813.20	\$5,229.00	28.4%	120.5%
ORCL	Oracle	19.0	1.48%	90	Average	12-31-15	110	5.3%	\$36.53	\$108.35	\$4,018.30	\$11,918.50	217.3%	129.1%
AWR	American States Water Corp	28.4	2.17%	98	Low	08-10-20	115	4.1%	\$79.75	\$79.16	\$9,171.25	\$9,103.40	5.2%	32.4%
MSM	MSC Industrial	15.4	3.20%	84	Average	06-22-15	57	2.5%	\$69.81	\$98.60	\$3,979.17	\$5,620.20	83.4%	121.5%
LOW	Lowe's	14.4	2.20%	93	High	11-07-17	60	5.4%	\$77.65	\$199.80	\$4,659.00	\$11,988.00	177.7%	77.5%
AOS	A.O. Smith	18.2	1.82%	99	High	07-13-15	118	3.5%	\$33.76	\$66.07	\$3,983.68	\$7,796.26	118.0%	123.7%
CHRW	C.H. Robinson	22.1	2.89%	92	Average	10-03-16	65	2.4%	\$70.26	\$84.35	\$4,566.90	\$5,482.75	40.4%	112.2%
FUL	H.B. Fuller	16.1	1.17%	70	High	07-24-15	107	3.3%	\$38.83	\$70.06	\$4,154.81	\$7,496.42	93.7%	125.6%
CB	Chubb	10.7	1.63%	99	Low	06-26-15	38	3.6%	\$103.47	\$210.76	\$3,931.86	\$8,008.88	128.4%	123.7%
AMT	American Tower	15.8	4.08%	78	Average	04-03-17	35	2.5%	\$120.49	\$158.71	\$4,217.15	\$5,554.85	54.3%	96.1%
BDX	Becton Dickinson	19.8	1.39%	91	Low	04-04-16	28	3.3%	\$153.94	\$261.05	\$4,310.32	\$7,309.40	83.9%	125.9%
PH	Parker Hannifin	16.9	1.54%	94	High	07-23-15	36	6.2%	\$110.92	\$383.68	\$3,993.12	\$13,812.48	272.6%	123.3%
ABT	Abbott	21.4	2.12%	90	Low	12-31-15	90	3.9%	\$44.91	\$96.20	\$4,041.90	\$8,658.00	139.0%	129.1%
FIS	Fidelity Nat'l Information Services	8.7	3.84%	77	High	07-17-15	63	1.5%	\$62.94	\$54.15	\$3,965.22	\$3,411.45	2.9%	120.9%
BR	Broadridge Financial Solutions	23.5	1.78%	75	Average	06-22-15	76	6.1%	\$52.65	\$179.32	\$4,001.40	\$13,628.32	272.2%	121.5%
IEX	IDEX	25.3	1.25%	95	Average	07-22-15	52	4.8%	\$75.87	\$205.14	\$3,945.24	\$10,667.28	190.2%	122.0%
ROK	Rockwell Automation	22.0	1.65%	70	High	07-27-15	34	4.3%	\$116.32	\$286.16	\$3,954.88	\$9,729.44	173.1%	126.9%
THO	Thor	13.1	1.97%	65	High	07-29-15	72	2.9%	\$55.14	\$91.21	\$3,970.08	\$6,567.12	87.8%	122.6%
EXPO	Exponent	40.9	1.20%	61	Low	07-22-15	180	7.0%	\$22.66	\$86.82	\$4,078.80	\$15,627.60	311.6%	122.0%
TTC	Toro	20.3	1.64%	84	Low	07-20-15	122	4.5%	\$33.67	\$82.92	\$4,107.74	\$10,116.24	171.0%	120.7%
Cash (Includes Dividends Receivable)								2.9%		\$6,565.37				
Portfolio Total		19.5	1.94%	83	Average			100%			\$223,856	123.9%	135.6%	

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	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	4.99%	-2.79%	-0.32%	-0.05%	-3.37%	8.54%	2.50%	-1.59%	-6.36%
S&P 500	6.26%	-2.51%	3.69%	1.59%	0.46%	6.48%	3.26%	-1.63%	-4.73%
VIG ETF	2.90%	-2.74%	1.84%	2.31%	-2.74%	6.49%	2.35%	-1.09%	-4.26%
Portfolio Value	\$234,604.03	\$228,055.49	\$227,335.89	\$227,219.18	\$219,556.59	\$238,302.66	\$244,258.88	\$240,381.58	\$225,086.66

Since Inception

Cumulative	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	134.60%	128.06%	127.34%	127.22%	119.56%	138.30%	144.26%	140.38%	125.09%
S&P 500	124.02%	118.39%	126.46%	130.06%	131.12%	146.09%	154.12%	149.99%	138.17%
VIG ETF	128.22%	121.97%	126.05%	131.28%	124.93%	139.54%	145.18%	142.50%	130.29%
Annualized	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Jul 2023	Aug 2023	Sep 2023
Portfolio	11.79%	11.26%	11.08%	10.95%	10.36%	11.37%	11.58%	11.24%	10.25%
S&P 500	11.12%	10.63%	11.03%	11.13%	11.07%	11.82%	12.13%	11.77%	11.00%
VIG ETF	11.40%	10.88%	11.01%	11.22%	10.70%	11.46%	11.65%	11.37%	10.57%

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Long-term Dividend Growth Portfolio – Payment Schedule Data as of 10/5/23

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	2.1%	47%	0.51	Feb, May, Aug, Nov	10-12-23	11-15-23	8%	N/A	N/A
CB	1.7%	20%	0.86	Jan, Apr, Jul, Oct	Mid Dec	Early Jan	4%	3%	5%
AOS	1.8%	34%	0.30	Feb, May, Aug, Nov	Late Oct	Mid Nov	7%	15%	20%
APH	1.0%	28%	0.21	Jan, Apr, Jul, Oct	Mid Dec	Mid Jan	5%	18%	23%
BDX	1.4%	31%	0.91	Mar, Jun, Sept, Dec	Early Dec	Late Dec	5%	4%	7%
BR	1.8%	41%	0.80	Jan, Apr, Jul, Oct	Mid Dec	Early Jan	10%	15%	15%
EXPO	1.2%	51%	0.26	Mar, Jun, Sept, Dec	Early Dec	Late Dec	8%	18%	0%
FIS	3.8%	31%	0.52	Mar, Jun, Sept, Dec	Early Dec	Late Dec	11%	10%	9%
VFC	6.8%	86%	0.30	Mar, Jun, Sept, Dec	Early Dec	Late Dec	-41%	1%	7%
FUL	1.2%	22%	0.21	Feb, May, Aug, Nov	Mid Oct	Early Nov	8%	5%	8%
IEX	1.2%	29%	0.64	Jan, Apr, Jul, Oct	10-12-23	10-27-23	7%	10%	12%
ELV	1.3%	18%	1.48	Mar, Jun, Sept, Dec	Early Dec	Late Dec	16%	14%	16%
LOW	2.1%	31%	1.10	Feb, May, Aug, Nov	10-24-23	11-08-23	5%	20%	20%
MSM	3.2%	49%	0.79	Jan, Apr, Jul, Oct	Mid Oct	Late Oct	5%	8%	12%
ORCL	1.5%	29%	0.40	Jan, Apr, Jul, Oct	10-11-23	10-26-23	25%	14%	20%
MDT	3.5%	51%	0.69	Jan, Apr, Jul, Oct	Late Dec	Mid Jan	2%	8%	10%
PH	1.5%	25%	1.48	Mar, Jun, Sept, Dec	Late Nov	Early Dec	11%	15%	12%
CHRW	2.8%	51%	0.61	Jan, Apr, Jul, Oct	Early Dec	Early Jan	11%	5%	5%
ROK	1.7%	40%	1.18	Mar, Jun, Sept, Dec	Mid Nov	Mid Dec	5%	8%	10%
THO	1.9%	26%	0.45	Jan, Apr, Jul, Oct	Early Oct	Late Oct	5%	4%	10%
AMT	3.8%	62%	1.62	Jan, Apr, Jul, Oct	10-10-23	10-27-23	12%	17%	21%
TTC	1.6%	29%	0.34	Jan, Apr, Jul, Oct	10-03-23	10-18-23	13%	11%	18%
HRL	2.9%	63%	0.28	Feb, May, Aug, Nov	10-13-23	11-15-23	6%	9%	13%
AWR	2.2%	58%	0.43	Mar, Jun, Sept, Dec	Mid Nov	Early Dec	8%	9%	9%
MDLZ	2.4%	49%	0.43	Jan, Apr, Jul, Oct	Late Dec	Mid Jan	10%	12%	4%
Average	1.7%	35%					7%	11%	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.

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	12.8	4.7%	81	67%	6%
AVB	AvalonBay Communities	17.3	3.9%	98	63%	2%
DLR	Digital Realty Trust	18.8	4.2%	80	82%	6%
DUK	Duke Energy	14.4	4.8%	80	80%	3%
ED	Consolidated Edison	18.1	3.8%	90	66%	3%
SO	Southern Company	16.2	4.3%	65	87%	3%
K	Kellogg	14.2	4.7%	66	55%	2%
KMB	Kimberly-Clark	17.7	4.0%	88	75%	4%
KO	Coca-Cola	19.3	3.5%	80	69%	4%
PFE	Pfizer	11.3	4.9%	75	34%	5%
GIS	General Mills	13.7	3.8%	90	52%	2%
SJM	J.M. Smucker	11.9	3.6%	80	44%	6%
PEP	PepsiCo	20.6	3.2%	93	65%	7%
BMJ	Bristol-Myers Squibb	7.4	4.0%	79	30%	7%
VZ	Verizon	6.8	8.4%	70	53%	2%
FLO	Flowers Foods	17.2	4.3%	62	41%	5%
MRK	Merck	13.4	2.8%	99	101%	8%
O	Realty Income	12.3	6.1%	80	76%	3%
DOC	Physicians Realty Trust	11.6	7.8%	65	94%	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	15.8	4.1%	78	62%	16%
CUBE	CubeSmart	14.5	5.3%	61	72%	11%
DOX	Amdocs Limited	13.2	2.1%	90	29%	12%
ELS	Equity LifeStyle Properties	25.8	2.8%	86	74%	10%
ADP	Automatic Data Processing	26.6	2.1%	97	58%	11%
HON	Honeywell	18.8	2.4%	99	45%	6%
LOW	Lowe's	14.4	2.2%	93	31%	23%
ITW	Illinois Tool Works	23.2	2.4%	81	56%	7%
WSM	Williams-Sonoma	10.5	2.4%	80	22%	18%
FIS	Fidelity National	8.7	3.8%	77	31%	10%
MDLZ	Mondelez	19.3	2.6%	66	49%	10%
SCI	Service Corporation International	15.5	2.1%	76	32%	12%
SNA	Snap-on	13.7	2.5%	99	35%	14%
UNH	UnitedHealth	19.6	1.5%	99	29%	16%
ABT	Abbott Laboratories	21.4	2.1%	90	47%	13%
TSCO	Tractor Supply	19.1	2.0%	68	39%	39%
APD	Air Products and Chemicals	22.6	2.5%	95	60%	12%
APH	Amphenol	27.4	1.0%	87	28%	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
EPD	Enterprise Products Partners	7.6	7.4%	65	57%	3%
MAIN	Main Street Capital	9.9	7.2%	62	68%	3%
ENB	Enbridge	8.3	8.5%	70	64%	7%
VZ	Verizon	6.8	8.4%	70	53%	2%
DOC	Physicians Realty Trust	18.9	7.8%	65	94%	0%
KMI	Kinder Morgan	7.4	7.0%	61	53%	17%
T	AT&T	6.0	7.5%	60	44%	-11%
PBA	Pembina Pipeline	8.8	7.0%	80	59%	5%
LYB	LyondellBasell	11.5	5.5%	51	59%	6%
DOW	Dow	17.7	5.6%	45	97%	0%
LEG	Leggett & Platt	14.9	7.5%	60	106%	4%
IP	International Paper	16.7	5.3%	70	62%	0%
PM	Philip Morris International	14.9	5.7%	64	86%	4%
NNN	NNN REIT	10.8	6.5%	80	68%	3%
PNW	Pinnacle West Capital	15.1	4.8%	70	96%	5%
WHR	Whirlpool	7.0	5.6%	70	46%	10%
EBF	Ennis	0.0	4.7%	61	62%	5%
CCI	Crown Castle	12.7	7.0%	61	80%	9%
BBY	Best Buy	10.3	5.4%	80	57%	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
ACN	Accenture	15%	25.4	1.7%	92	40%	11%
MSFT	Microsoft	10%	29.1	0.9%	99	28%	10%
MCD	McDonald's	9.9%	21.4	2.7%	77	54%	8%
NJR	New Jersey Resources	7.7%	15.4	4.1%	74	54%	7%
SBUX	Starbucks	7.5%	23.7	2.5%	67	64%	14%
VICI	VICI Properties	6.4%	13.0	5.9%	50	75%	0%
TXN	Texas Instruments	4.8%	20.8	3.4%	90	58%	17%
FTS	Fortis	4.4%	16.7	4.5%	62	77%	6%
AMT	American Tower	3.2%	15.8	4.1%	78	62%	17%
PM	Philip Morris International	2.4%	14.9	5.7%	64	86%	4%
VZ	Verizon	1.9%	6.8	8.4%	70	53%	2%
OGE	OGE Energy	1.0%	13.2	5.1%	70	81%	6%

Idea Generation – Ex-Dividend Dates

To receive the next dividend payment from a stock, you must own shares before the company's ex-dividend date. The following table contains large cap dividend stocks with dividend yields 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
OGE	OGE Energy	13.2	5.1%	70	81%	6%	10/6/23
UDR	UDR	15.3	4.7%	71	73%	4%	10/6/23
PECO	Phillips Edison	18.0	3.5%	70	48%	-11%	10/13/23
SNN	Smith & Nephew plc	13.0	3.1%	99	48%	1%	10/5/23
DRI	Darden Restaurants	15.7	3.7%	70	60%	14%	10/6/23
GIS	General Mills	13.7	3.8%	90	52%	2%	10/6/23
MAA	Mid-America Apartment Communities	15.3	4.4%	97	65%	6%	10/12/23
RY	Royal Bank of Canada	10.0	4.8%	80	48%	7%	10/25/23
SNN	Smith & Nephew plc	13.0	3.1%	99	48%	1%	10/5/23
SYN	Sysco	14.8	3.1%	80	49%	7%	10/5/23
TD	Toronto-Dominion Bank	9.5	4.9%	80	46%	9%	10/5/23
TXN	Texas Instruments	20.8	3.4%	90	58%	17%	10/30/23
UDR	UDR	15.3	4.7%	71	73%	4%	10/6/23
VZ	Verizon	6.8	8.4%	70	53%	2%	10/6/23

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