

20 Stock Model Portfolio Rules

The 20 Stock Model Portfolio weights the Top 20 high quality dividend stocks based on the 8 Rules of Dividend Investing so that stocks with lower correlations and better quality scores are more heavily weighted in the portfolio.

The portfolio is designed to spread risk across various factors so investors are not overly exposed to any one stock, industry, or risk factor. The 20 stock portfolio is well diversified, with no holding making up more than 10% of the total portfolio value.

Portfolio Construction Rules

Each month, the portfolio will be updated. Holdings will be sold if they have a P/E ratio over 40, or if a dividend payment is reduced or eliminated. Additionally, if a position falls out of the top 40% of rankings using the 8 Rules of Dividend Investing, it will be eliminated and replaced with a higher ranked stock.

Otherwise, positions will be rebalanced if they are 50% above or below the target weight. Performance will be tracked on both absolute and risk adjusted metrics and compared to the performance of the S&P500, as measured by the ticker SPY.

Suitability

The portfolio is suitable for investors who are no longer in the accumulation phase of investing; people who have a fixed amount of assets and are no longer saving money each month. Retirees are an excellent example of a group for whom this 20 stock model portfolio may be suitable.

The goal of the model portfolio is to provide steady, growing dividend income from extremely stable businesses while minimizing overall volatility by maximizing gains from diversification. You can build this portfolio by buying the largest position you don't own each month so you build the entire portfolio over a period of 20 months. Alternatively, you can purchase the entire portfolio of stocks at once based on the target weights found in the model portfolio to implement the portfolio immediately.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this newsletter should be construed as a recommendation to follow any investment strategy or allocation. Any forward looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in securities. Past performance is not a guarantee of future performance.