

# Sure Dividend

LONG-TERM INVESTING IN HIGH QUALITY DIVIDEND STOCKS

## June 2017 Edition

By Ben Reynolds & Nicholas McCullum

## Table of Contents

|   |           |
|---|-----------|
| <b>Opening Thoughts - Consistency Amid Improvements - .....</b> | <b>3</b>  |
| <b>The Sure Dividend Top 10 - June 2017 .....</b>               | <b>4</b>  |
| <b>Analysis of Top 10 Stocks.....</b>                           | <b>5</b>  |
| W.W. Grainger (GWW).....  | 5         |
| Target (TGT).....   | 8         |
| Cardinal Health (CAH).....                                      | 11        |
| Occidental Petroleum Corporation (OXY) .....                    | 14        |
| Ameriprise Financial (AMP) .....                                | 17        |
| The Archer-Daniels-Midland Company (ADM) .....                  | 20        |
| CVS Health Corporation (CVS) .....                              | 23        |
| Johnson Controls (JCI) .....                                    | 26        |
| AbbVie (ABBV) .....   | 29        |
| Qualcomm (QCOM) .....   | 32        |
| <b>Closing Thoughts – Patience &amp; Investing –.....</b>       | <b>35</b> |
| <b>Portfolio Building Guide .....</b>                           | <b>36</b> |
| Examples.....   | 36        |
| <b>Performance of the Sure Dividend Strategy.....</b>           | <b>37</b> |
| <b>List of Stocks by Sector .....</b>                           | <b>38</b> |
| <b>List of Stocks by Rank.....</b>                              | <b>43</b> |

## Opening Thoughts - Consistency Amid Improvements -

The Sure Dividend database has expanded to over 300 names. It now includes all [Dividend Achievers](#), in addition to all [Dividend Aristocrats](#), and [Kings](#).

The goal of increasing coverage is to provide better dividend growth investment ideas for long-term investors.

Despite significantly increasing the ranking database, 6 of June's top 10 stocks are previous recommendations. These six companies are:

- W.W. Grainger (GWW)
- Target (TGT)
- Cardinal Health (CAH)
- Archer-Daniels-Midland (ADM)
- Johnson Controls (JCI)
- AbbVie (ABBV)

Five of these 6 are Dividend Aristocrats (Johnson Controls is the exception). All are high-quality businesses trading below their historical average valuation multiples. I am long all 6 myself. The top 3 (GWW, TGT, CAH) especially present compelling buys at current prices. They are all great businesses experiencing temporary headwinds.

The new additions this month are:

- Occidental Petroleum
- Ameriprise Financial
- CVS
- Qualcomm

All appear to be undervalued at current prices. Occidental Petroleum is trading at its highest dividend yield of the last 15 years, making now an especially good time to add this oil and gas dividend growth stock.

The other 3 are all trading for a price-to-earnings ratio of around 13 – about half the market's overall valuation – and much too low for quality dividend growth stocks.

Thanks,  
Ben Reynolds

## The Sure Dividend Top 10 - June 2017

| Name                  | Price | Fair Value | Score | Months | Yield | Payout           | Growth | Beta |
|-----------------------|-------|------------|-------|--------|-------|------------------|--------|------|
| W.W. Grain. (GWW)     | \$173 | \$232      | 1.00  | 2      | 3.0%  | 50%              | 6.0%   | 0.8  |
| Target (TGT)          | \$56  | \$78       | 0.91  | 5      | 4.3%  | 48%              | 4.5%   | 0.5  |
| Cardinal Heal. (CAH)  | \$76  | \$103      | 0.88  | 14     | 2.5%  | 41%              | 13.0%  | 0.8  |
| Occidental Pet. (OXY) | \$61  | \$67       | 0.85  | 1      | 5.0%  | 66% <sup>1</sup> | 3.0%   | 0.8  |
| Ameriprise (AMP)      | \$123 | \$130      | 0.71  | 1      | 2.7%  | 36%              | 11.5%  | 1.9  |
| ADM (ADM)             | \$42  | \$43       | 0.69  | 2      | 3.0%  | 51%              | 5.0%   | 0.9  |
| CVS Health (CVS)      | \$79  | \$88       | 0.68  | 1      | 2.5%  | 41%              | 8.0%   | 0.8  |
| Johnson Contro. (JCI) | \$42  | \$48       | 0.68  | 1      | 2.4%  | 38% <sup>2</sup> | 12.0%  | 0.9  |
| AbbVie (ABBV)         | \$67  | \$72       | 0.66  | 1      | 3.8%  | 48%              | 11.5%  | 1.5  |
| Qualcomm (QCOM)       | \$59  | \$71       | 0.63  | 1      | 3.9%  | 51%              | 6.0%   | 1.3  |

*Notes:* The 'Score' column shows how close the composite rankings are between the top 10. The highest ranked stock will always have a score of 1. The 'Months' column shows the number of consecutive months a stock has been in the Top 10. The 'Price' column shows the price as of the date the newsletter was published. The 'Fair Value' column gives a rough estimate of the fair value of each stock. Real fair value is unknowable. The 'Growth' column shows the expected future growth rate of intrinsic value on a per-share basis used in rankings.

The rankings changed this month due to recent updates to the ranking system and almost doubling the number of stocks in the Sure Dividend database. Of this month's top 10, 6 (GWW, TGT, CAH, ADM, JCI, ABBV) have been previously recommended in Sure Dividend, and 4 (OXY, AMP, CVS, QCOM) are new.

The stability of the top 10 list (the last 2 months are the exception) shows the ranking method is consistent, not based on rapid swings. Stocks that fall out of the top 10 are *holds*, not *sells*. Selling occurs rarely; only when a stock becomes extremely overvalued, or if it reduces its dividend. Extremely overvalued is qualified as a stock with a price-to-earnings ratio (P/E ratio) over 40.

An equally weighted portfolio of the top 10 has the following characteristics:

|                 | <b>Top 10</b>     | <b>S&amp;P500</b> |
|-----------------|-------------------|-------------------|
| Dividend Yield: | 3.3%              | 1.9%              |
| Payout Ratio:   | 47.0%             | 49.0%             |
| Growth Rate:    | 8.1%              | 7.4%              |
| P/E Ratio:      | 14.2 <sup>3</sup> | 25.8              |

<sup>1</sup> Cash flow per share used, not TTM earnings

<sup>2</sup> Forward earnings used, not TTM earnings

<sup>3</sup> Cash flow per share used for OXY, forward EPS used for JCI, TTM EPS used for all others

# Analysis of Top 10 Stocks

## W.W. Grainger (GWW)

### Overview & Current Events

W.W. Grainger is a business-to-business distributor of maintenance, repair, and operating (MRO) supplies and other related products and services.

W.W. Grainger was founded in 1927, generated \$10.1 billion of sales in 2016 and currently services more than 3.2 million customers from its base of 25,000 employees. The company sources products from more than 5,100 suppliers and originates ~65% of orders from its online channels.

W.W. Grainger is also very shareholder-friendly. The company has raised its dividend for 45 consecutive years and repurchased 3.6 million shares in 2016.

The company's first quarter earnings release (4/18/17) saw sales increase by just 1% while adjusted earnings-per-share declined by 9%. Lower earnings were caused by a downwards adjustment to list prices, making it more competitive for large customers to consolidate their orders with Grainger.

While a 9% decline in earnings-per-share is not a welcome sight, Grainger is making intelligent investments to drive the long-term growth of its business. The market's continued negative reaction (or overreaction) to the company's earnings has caused Grainger to become undervalued.

### Competitive Advantage & Recession Performance

W.W. Grainger's competitive advantage comes from its distribution and supply chain mastery. This creates significant cost savings that are passed on to customers via lower product prices.

The company's business model of selling critical industrial supplies means that it performs quite well during recessions. W.W. Grainger saw its earnings-per-share decline by 14% during the worst of the great recession of 2007-2009, but set a new record for per-share profits in the subsequent year.

### Growth Prospects, Valuation, & Catalyst

W.W. Grainger has grown its earnings-per-share at double-digit rates over the past decade. It is reasonable to expect 8%-10% growth moving forward, driven by Grainger's strong online presence.

Enduring investor pessimism following W.W. Grainger's first quarter earnings release has led to a strong buying opportunity. The company is trading at a price-to-earnings ratio of 14.9 using 2016's adjusted earnings, which compares favorably to the 5-year average of 20.2. A price-to-earnings ratio of 20 is reasonable for this Dividend Aristocrat, which gives a fair value estimate of \$232.

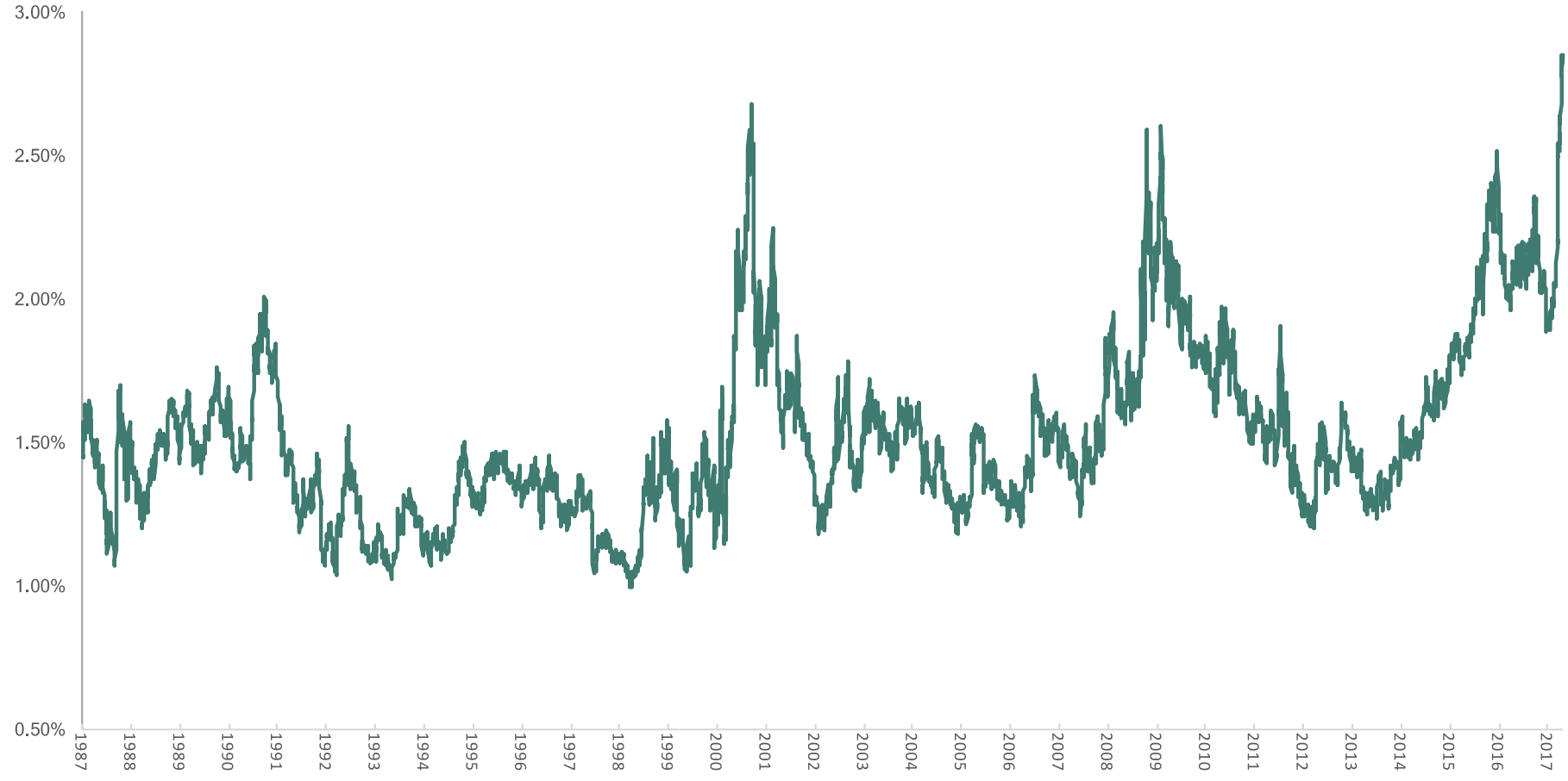
W.W. Grainger is also appealing as a dividend stock right now. Recent price action has pushed its dividend yield to 3.0%, a yield not seen since at least 1987 and likely an all-time high.

### Key Statistics, Ratios, & Metrics

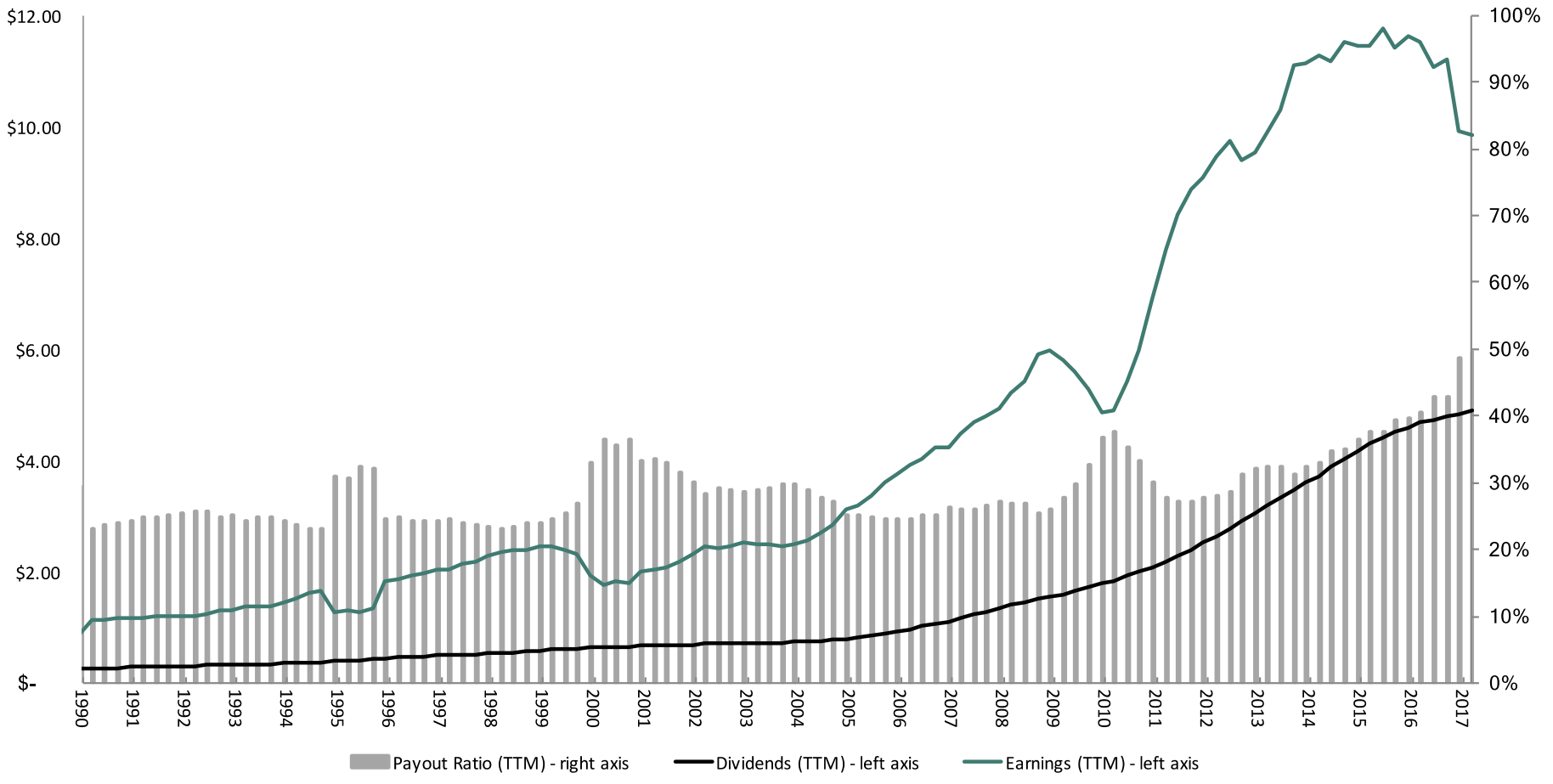
|  |       |   |                    |
|--|-------|---|--------------------|
| <b>Maximum Drawdown<sup>4</sup>:</b>           | 56%   | <b>10 Year EPS Growth Rate:</b>           | 11.0%              |
| <b>Dividend Yield:</b>                         | 3.0%  | <b>10 Year Dividend Growth Rate:</b>      | 15.8%              |
| <b>Most Recent Dividend Increase:</b>          | 4.9%  | <b>10 Year Historical Avg. P/E Ratio:</b> | 18.1               |
| <b>Estimated Fair Value:</b>                   | \$232 | <b>10 Year Annualized Total Return:</b>   | 9.3%               |
| <b>Dividend History:</b> 45 years of increases |       | <b>Next Ex-Dividend Date:</b>             | 8/4/17 (estimated) |

<sup>4</sup> Since year 2000. Maximum drawdown occurred in October of 2000

### W.W. Grainger (GWW) Dividend Yield History



### W.W. Grainger (GWW) Fundamentals



# Target (TGT)

## Overview & Current Events

Target is a well-known U.S. retail giant with headquarters in Minneapolis. Founded in 1902, the company operates 1,807 stores with a supply chain of 38 distribution centers. Target has a market capitalization of \$30.5 billion and has increased its dividend payments for 45 consecutive years.

Target's recent (5/17/17) first quarter earnings release was a welcome sight for the company's investors, who have seen its stock price decline by ~24% since the beginning of the year. Target's first quarter adjusted earnings-per-share of \$1.21 were well above management's guidance of \$0.80-\$1.00.

What caused the earnings beat? Same-store sales came in better than expected, declining only 1.3% from the same period a year ago. The company also benefitted from robust 22% growth in digital sales. This positive earnings release was beneficial for Target's stock price, helping to erase negative price action that occurred earlier in the month when fellow retailer Macy's (M) reported a 5.2% decline in comparable same store sales and a 7.5% decline in total revenues. With that said, Target's performance is far superior to Macy's and the spillover effect of Macy's earnings on Target's stock price should be ignored by long-term investors.

Later in the month, Target invested (5/25/17) \$75 million as the primary participant in a \$100 million fundraising round for privately-held Casper Sleep, an online mattress company. The partnership is more than financial: Casper will be introducing new products (the Casper Layer and Casper Lounger) that will be available exclusively in Target stores and on Target.com.

Target also recently (5/26/17) announced the elimination of 40 jobs at its Minneapolis headquarters as part of its ongoing efforts to trim costs.

## Competitive Advantage & Recession Performance

Target's competitive advantage comes from its unique mix of low prices and high-quality stores. Target has strong brand equity among consumers – Forbes estimates its brand is worth \$7.3 billion.

Target is relatively recession-resistant – the company saw its earnings decline by 14% from peak to trough during the recession of 2007-2009. Target's earnings rebounded significantly in the next year and the company saw a new level of peak profitability two years later.

## Growth Prospects, Valuation, & Catalyst

Target is investing heavily in its future growth, so much so that it is expecting its earnings-per-share to decline by ~20% in fiscal 2017. With that said, the company is trading at a very attractive valuation right now: a price-to-earnings ratio of 11.0 based on 2016's earnings, or 13.8 based on 2017's expected earnings. For context, Target has traded at an average price-to-earnings ratio of 16.1 over the past 5 years and 15.5 over the past 10 years. A P/E of 15.5 gives a fair value estimate of \$78.

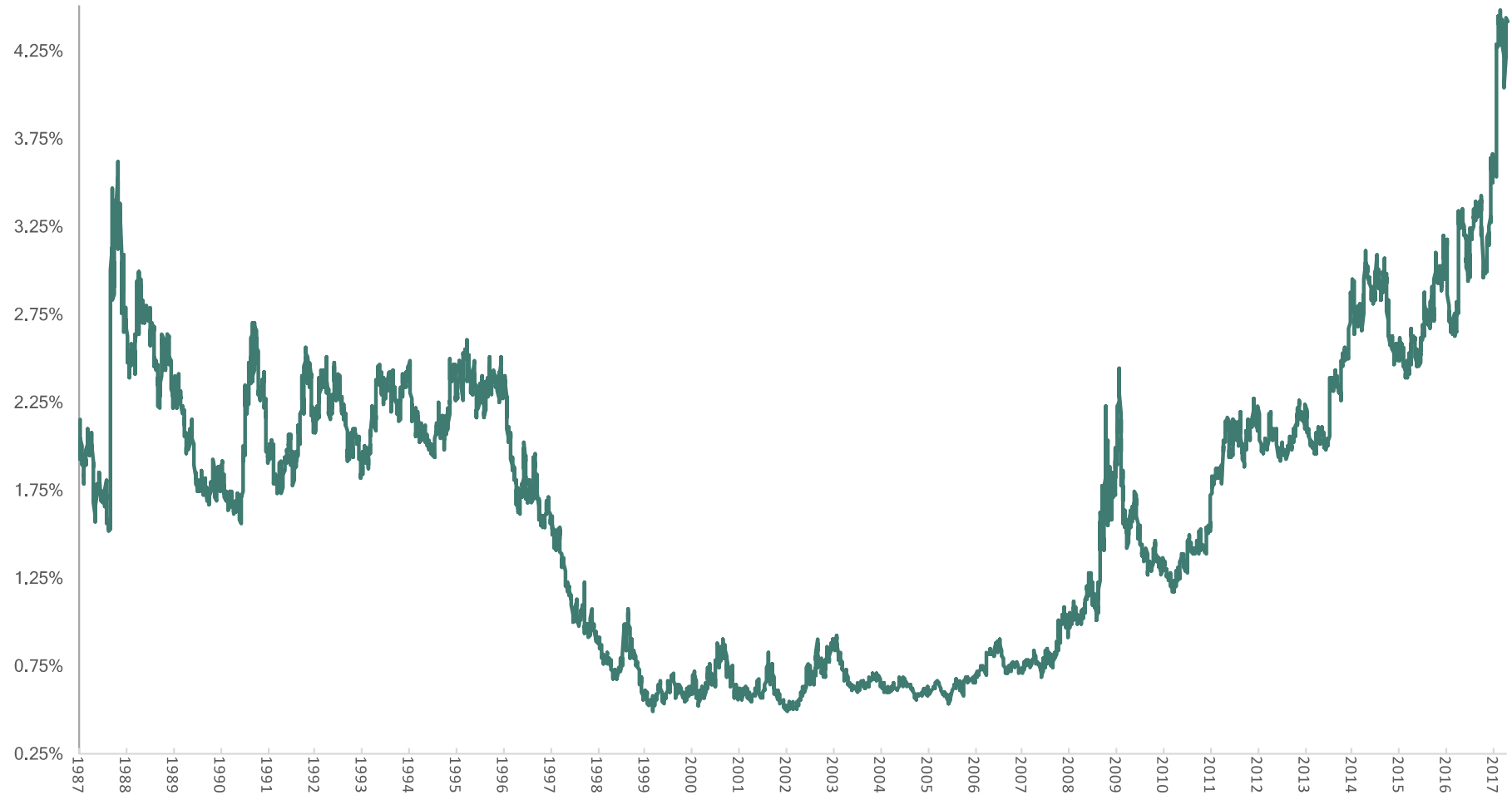
## Key Statistics, Ratios, & Metrics

|   |      |   |                     |
|---|------|---|---------------------|
| <b>Maximum Drawdown<sup>1</sup>:</b>                    | 63%  | <b>10 Year EPS Growth Rate:</b>           | 4.6%                |
| <b>Dividend Yield:</b>                                  | 4.3% | <b>10 Year Dividend Growth Rate:</b>      | 18.8%               |
| <b>Most Recent Dividend Increase:</b>                   | 7.1% | <b>10 Year Historical Avg. P/E Ratio:</b> | 15.5                |
| <b>Estimated Fair Value:</b>                            | \$78 | <b>10 Year Annualized Total Return:</b>   | 1.2%                |
| <b>Dividend History:</b> 45 years of consecutive raises |      | <b>Next Ex-Dividend Date:</b>             | 8/15/17 (estimated) |

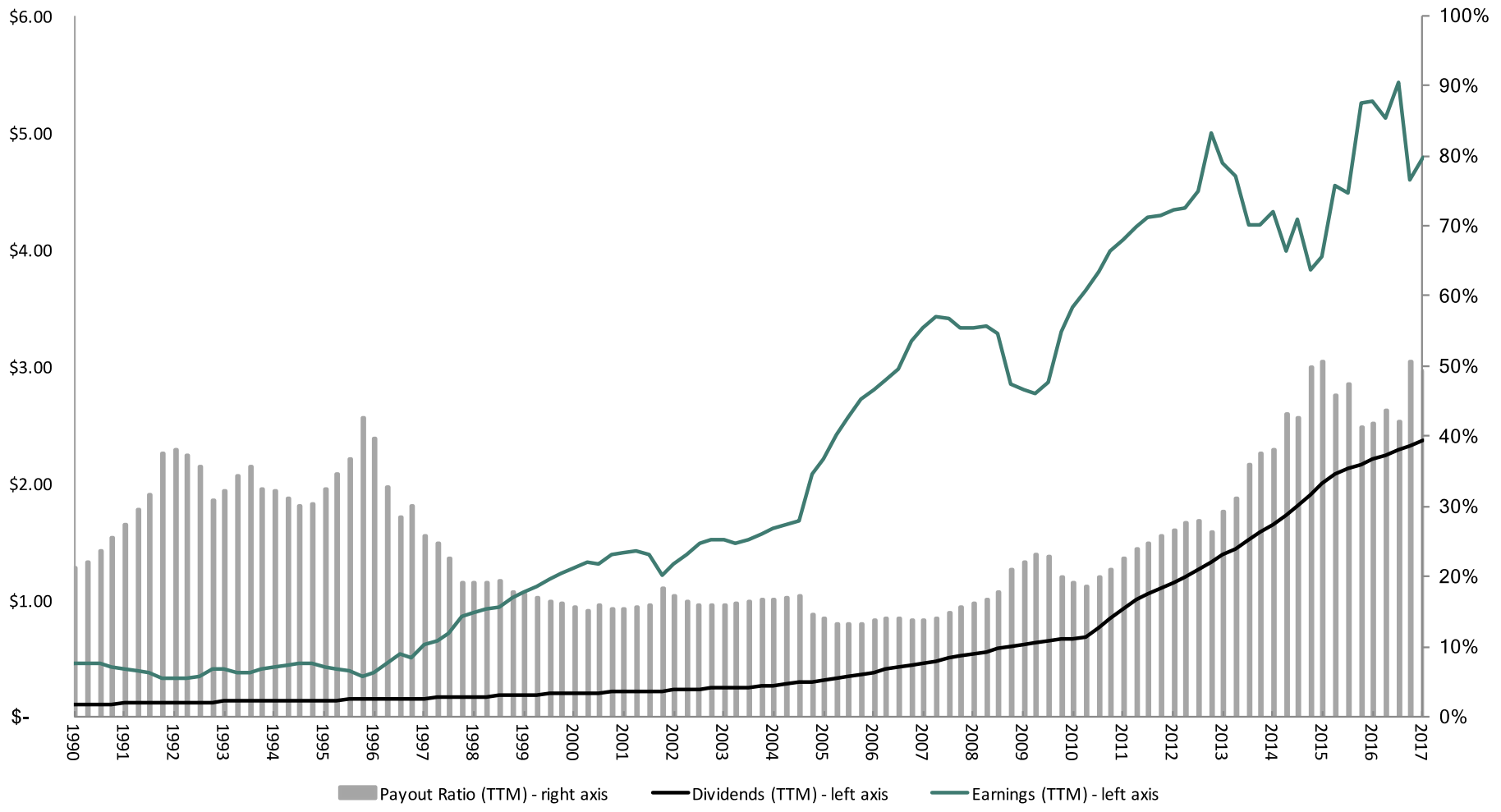
<sup>1</sup> Since year 2000. Maximum drawdown occurred in March of 2009 during the worst of the Great Recession



### Target Corporation (TGT) Dividend Yield History



### Target Corporation (TGT) Fundamentals



# Cardinal Health (CAH)

## Overview & Current Events

Cardinal Health is one of the ‘big three’ drug distribution companies along with McKesson and AmerisourceBergen. Cardinal Health serves over 25,000 U.S. pharmacies and more than 70% of U.S. hospitals. It is also a top 10 medical distributor in China.

Cardinal Health was founded in 1971 and has a current market capitalization of \$23 billion. The company is very shareholder-friendly; it is currently working through a \$1 billion share repurchase authorization and has increased its dividend for 32 consecutive years.

Last month, Cardinal’s stock price dropped by more than 10% after the company announced (4/18/17) the acquisition of Medtronic’s Patient Care, Deep Vein Thrombosis, and Nutritional Insufficiency businesses for \$6.1 billion. While the acquisition is still a positive for Cardinal’s long-term growth prospects, the company reduced guidance for 2017 during the same announcement. Management is now expecting earnings “at the bottom of its previous guidance range of \$5.35 to \$5.50.”

More recently, Cardinal Health saw adjusted earnings-per-share grow by 7% in its most recent quarter (5/1/17). The company managed to generate positive earnings growth despite its largest segment – pharmaceuticals – experiencing a 7% decline in profits, driven by the current drug distribution pricing war among the ‘big 3.’ The smaller Medical segment compensated by reporting 16% earnings growth.

## Competitive Advantage & Recession Performance

Cardinal Health has a scale-based competitive advantage and operates in an oligopoly that is very price competitive. The company reported profit margins of 1.9% and 4.3% for its Pharmaceutical and Medical segments, respectively, in the most recent quarter. These low margins discourage new industry participants and make Cardinal’s competitive advantage even more powerful.

Cardinal is exceptionally recession-resistant. Earnings-per-share declined during the Great Recession primarily due to the spinoff of CareFusion. Cardinal’s revenues, dividends, and segment profits continued to grow during the recession. Cardinal Health is likely to perform well during future recessions because its products and services are in demand regardless of economic conditions.

## Growth Prospects, Valuation, & Catalyst

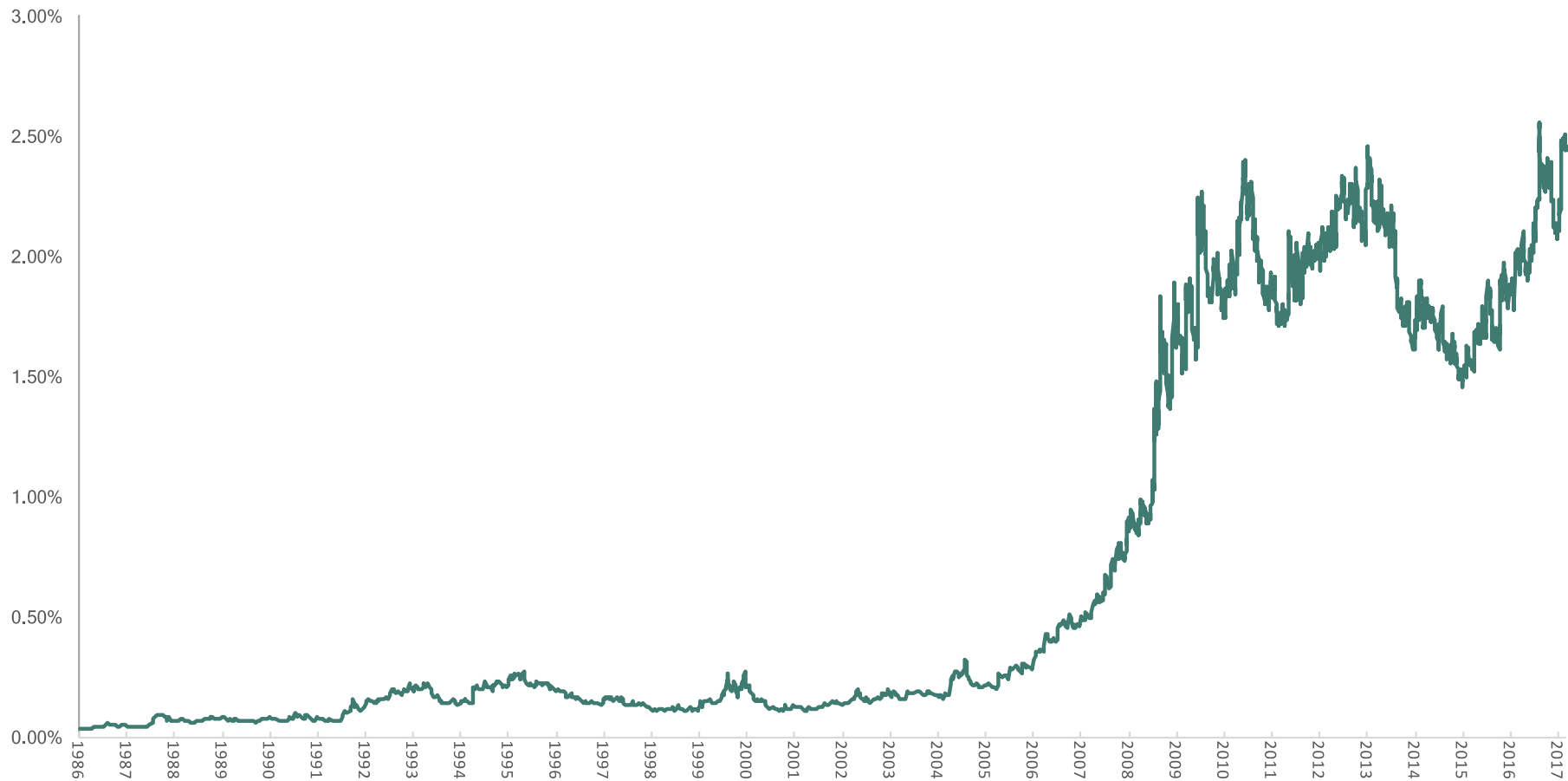
Cardinal Health will benefit from the long-term trend of rising prescription drug purchases. The company operates a ‘toll road’ business model, and its profits will remain somewhat constant regardless of what happens to the underlying drug prices. With that said, competitive pricing practices among drug distributors has led to market pessimism, pushing Cardinal’s valuation to very attractive levels. Cardinal is currently trading at a price-to-earnings ratio of 13.5 using the midpoint of 2017’s guidance band. A more reasonable 20x valuation rate (in-line with the average over the past 3 years) gives a fair value estimate of \$103.

## Key Statistics, Ratios, & Metrics

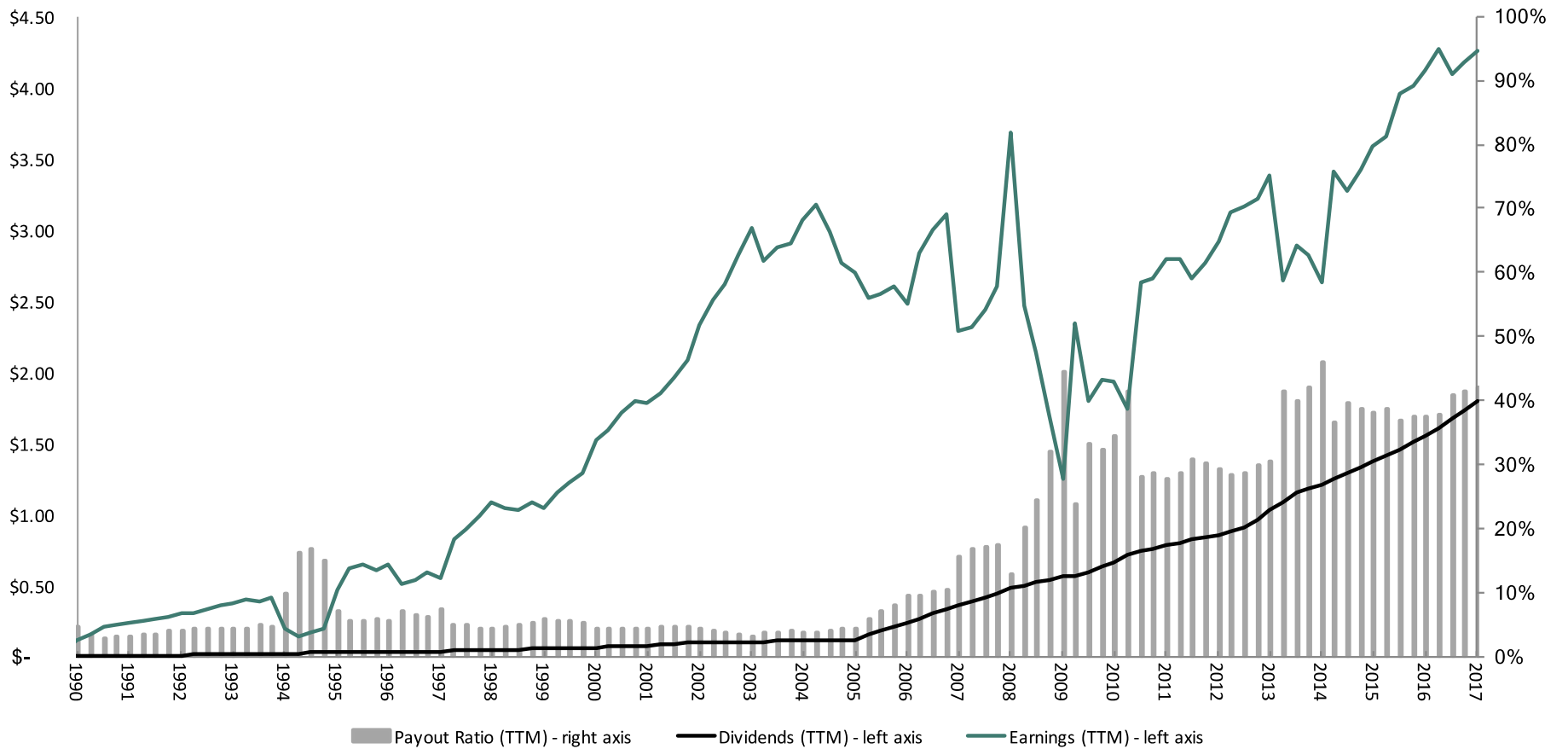
|   |       |   |         |
|---|-------|---|---------|
| <b>Maximum Drawdown<sup>6</sup>:</b>                    | 63%   | <b>10 Year EPS Growth Rate:</b>           | 3.4%    |
| <b>Dividend Yield:</b>                                  | 2.5%  | <b>10 Year Dividend Growth Rate:</b>      | 16.2%   |
| <b>Most Recent Dividend Increase:</b>                   | 3.0%  | <b>10 Year Historical Avg. P/E Ratio:</b> | 16.9    |
| <b>Estimated Fair Value:</b>                            | \$103 | <b>10 Year Annualized Total Return:</b>   | 2.03%   |
| <b>Dividend History:</b> 32 years of consecutive raises |       | <b>Next Ex-Dividend Date:</b>             | 6/30/17 |

<sup>6</sup> Since year 2000. Maximum drawdown occurred in November of 2008

### Cardinal Health (CAH) Dividend Yield History



### Cardinal Health Fundamentals



# Occidental Petroleum Corporation (OXY)

## Overview & Current Events

Occidental Petroleum is a multinational oil and gas company that is primarily involved in exploration and production (E&P). Occidental also has two smaller segments: the manufacturing of industrial chemicals, plastics, and fertilizers; and the operation of pipelines. Occidental has operations in the United States, the Middle East, and Latin America. Founded in 1920, Occidental Petroleum is headquartered in Houston, Texas and has a market capitalization of \$46 billion.

Occidental's recent (5/4/17) first quarter earnings report announced a \$0.15 per-share profit, up noticeably from a loss of \$0.36 in the quarter prior and a loss of \$0.56 in the same quarter a year ago. Importantly, this marks the end of five consecutive quarters of losses for the company. Occidental's improved performance was driven by higher crude oil prices, lower costs, and an increase in caustic soda prices and volumes. Looking ahead, Occidental's performance is expected to continue to improve and analysts expect the company to report a profit of \$0.95/share for the full-year of 2017.

## Competitive Advantage & Recession Performance

Occidental Petroleum's competitive advantage comes from its size and technical expertise in its three operating segments – E&P, chemicals, and pipelines. Occidental's scale and diversified business model allow it to remain viable in the toughest operating environments.

Occidental Petroleum is not very recession-resistant compared to other companies in this month's top 10. The company saw its adjusted earnings-per-share decline by 58% during the 2009 financial crisis, although earnings rebounded to near previous levels after two years. The company also reported operating losses in 2015 and 2016 due to low oil prices. With that said, Occidental is well capitalized. Cash and equivalents totaled ~\$1.5 billion at the end of the quarter, and long-term debt was a reasonable ~31% of the company's total balance sheet.

## Growth Prospects, Valuation, & Catalyst

The main catalyst for Occidental Petroleum is an improved oil price environment. Management noted on their most recent conference call that every \$1/barrel increase in crude oil increases Occidental's annual operating cash flow by about *\$110 million*. With that said, management is restructuring the business to be profitable at \$50 crude. On the bright side, low oil prices have created buying opportunities – Occidental's stock is down more than 40% since oil prices began declining in 2014.

Over the past decade, Occidental Petroleum has traded at an average price-to-earnings ratio of 13.4 (excluding 2015 & 2016, when it reported operating losses). The company is expected to earn about \$0.95 per share this year and \$5.00 per share by 2022. Earnings-per-share of \$5.00 gives a long-term fair value estimate of \$67 at its long-term average P/E. While this level may not be reached until oil prices recover further, investors can happily collect Occidental's 5%+ dividend yield in the meanwhile.

## Key Statistics, Ratios, & Metrics

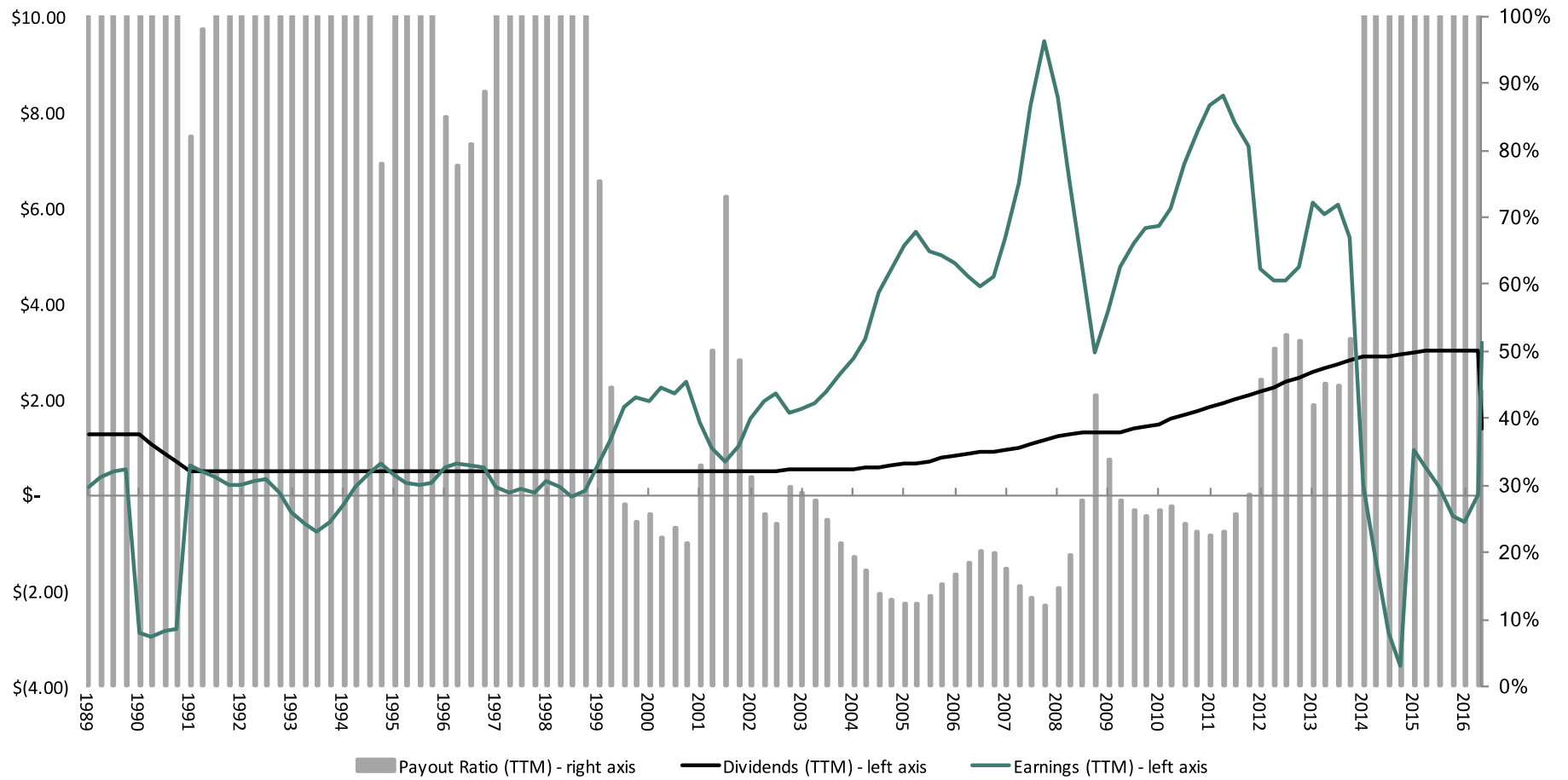
|   |       |   |        |
|---|-------|---|--------|
| <b>Maximum Drawdown<sup>7</sup>:</b>                | 62.5% | <b>10 Year EPS Growth Rate:</b>           | N/A    |
| <b>Dividend Yield:</b>                              | 5.0%  | <b>10 Year Dividend Growth Rate:</b>      | 14.8%  |
| <b>Most Recent Dividend Increase:</b>               | 1.3%  | <b>10 Year Historical Avg. P/E Ratio:</b> | 13.4   |
| <b>Estimated Fair Value:</b>                        | \$67  | <b>10 Year Annualized Total Return:</b>   | 4.1%   |
| <b>Dividend History:</b> Steady or rising since '91 |       | <b>Next Ex-Dividend Date:</b>             | 6/7/17 |

<sup>7</sup> Since year 2000. Maximum drawdown occurred in May of 1999

### Occidental Petroleum (OXY) Dividend Yield History



### Occidental Petroleum (OXY) Fundamentals



**Note:** Occidental Petroleum’s payout ratio exceeds 100% in 43 of the quarters depicted in this chart.



# Ameriprise Financial (AMP)

## Overview & Current Events

Ameriprise Financial is a U.S. financial planning leader with more than \$800 billion of assets under management (AUM). The company manages 112 four- and five-star Morningstar mutual funds and through its network of more than 9,000 advisors, delivers comprehensive financial planning services to 2+ million customers – primarily those with \$500,000 to \$5 million of investable assets.

Ameriprise was founded in 1894 as Investors Syndicate and was later acquired by American Express in 1984. In 2005, the entity was spun-off to AMEX shareholders under the ticker AMP.

Ameriprise is very shareholder-friendly. In the most recent quarter, the company increased its dividend by 11% and returned \$478 million (or 111% of its operating earnings) to its shareholders through dividends and share repurchases. Ameriprise's current share repurchase authorization expires in June 2019 and has \$2.5 billion of purchasing capability remaining, about 14% of its current market cap.

Ameriprise's recent (4/24/17) first quarter earnings release was perceived positively by the markets and saw its stock price rise by 2.7% on the day following the announcement. The company saw adjusted earnings-per-share increase by 24% and its operating return on equity tick upwards by 220 basis points to 26.1%. Ameriprise's strong performance was driven by strong financial market performance, client inflows for wealth management, and improving advisor productivity.

## Competitive Advantage & Recession Performance

Ameriprise's competitive advantage comes from its brand recognition and the strong performance of its funds. The mass affluent are likely to work with Ameriprise because of its reputation and prestige.

Ameriprise is not recession-resistant. The company reported an operating loss of \$0.17 per share in 2008 after reporting per-share profits of \$3.39 in the year prior. Expect Ameriprise to perform well in bull markets and poorly during bear markets as clients (mistakenly) withdraw assets as markets decline.

## Growth Prospects, Valuation, & Catalyst

Ameriprise's business model is based on cultivating the advisor-client relationship. Accordingly, the firm's growth will be driven by expanding/improving its advisor base and growing its AUM. The company reported 11% growth in retail assets and 100 additional advisor hires in the most recent quarter. Importantly, the firm's retention rate for advisors with 10+ years of tenure exceeds 95%.

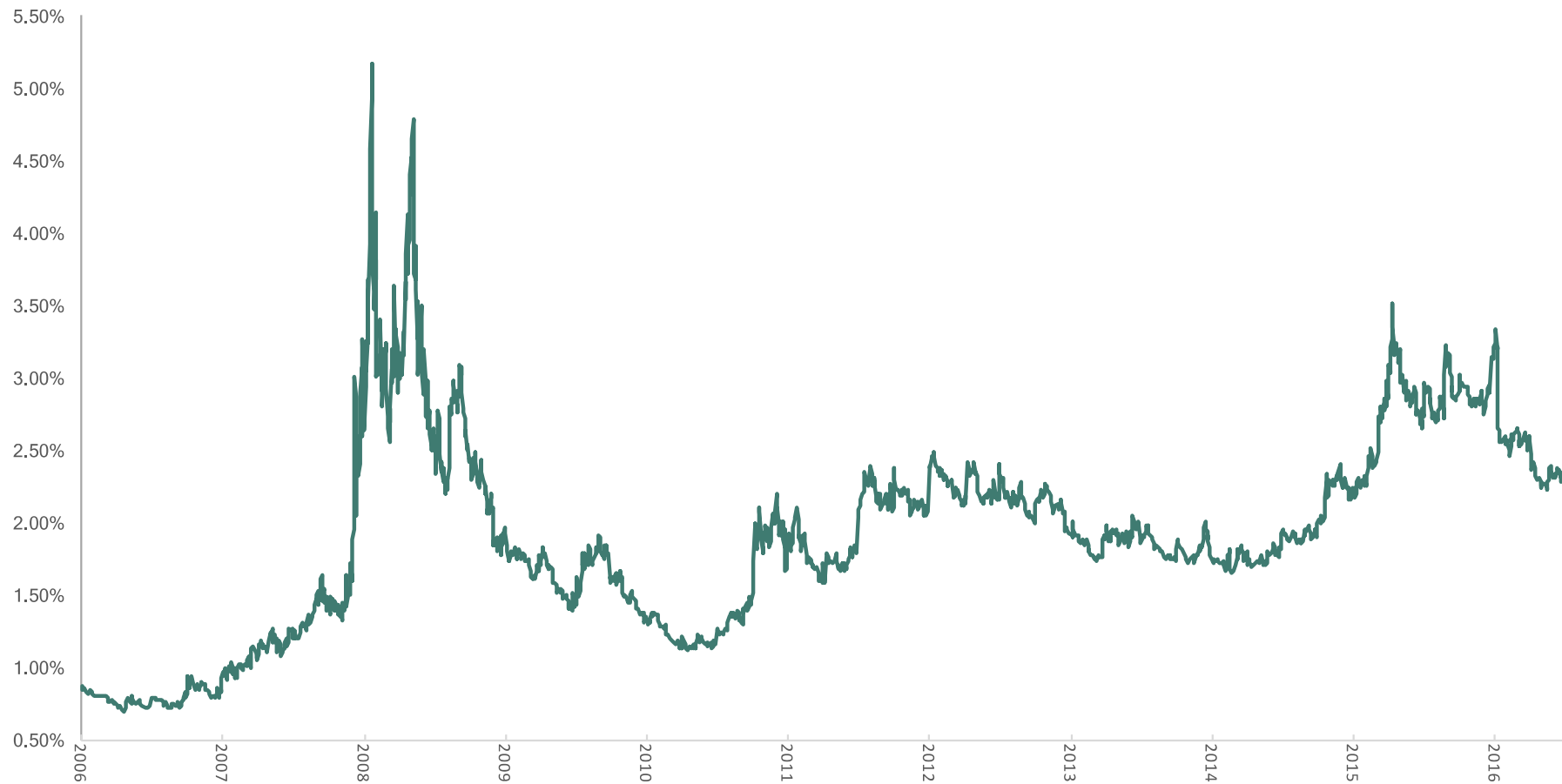
Ameriprise has traded at an average price-to-earnings ratio of 12.8 since its spinoff from American Express and an average price-to-earnings ratio of 13.7 over the past three years. The company is currently trading at 12.0x 2017's expected earnings-per-share. A more typical price-to-earnings ratio of 13 gives a fair value estimate of \$130. While Ameriprise's valuation is unlikely to exceed low double-digits for extended periods, the company is growing quickly and the current price is an attractive entry point.

## Key Statistics, Ratios, & Metrics

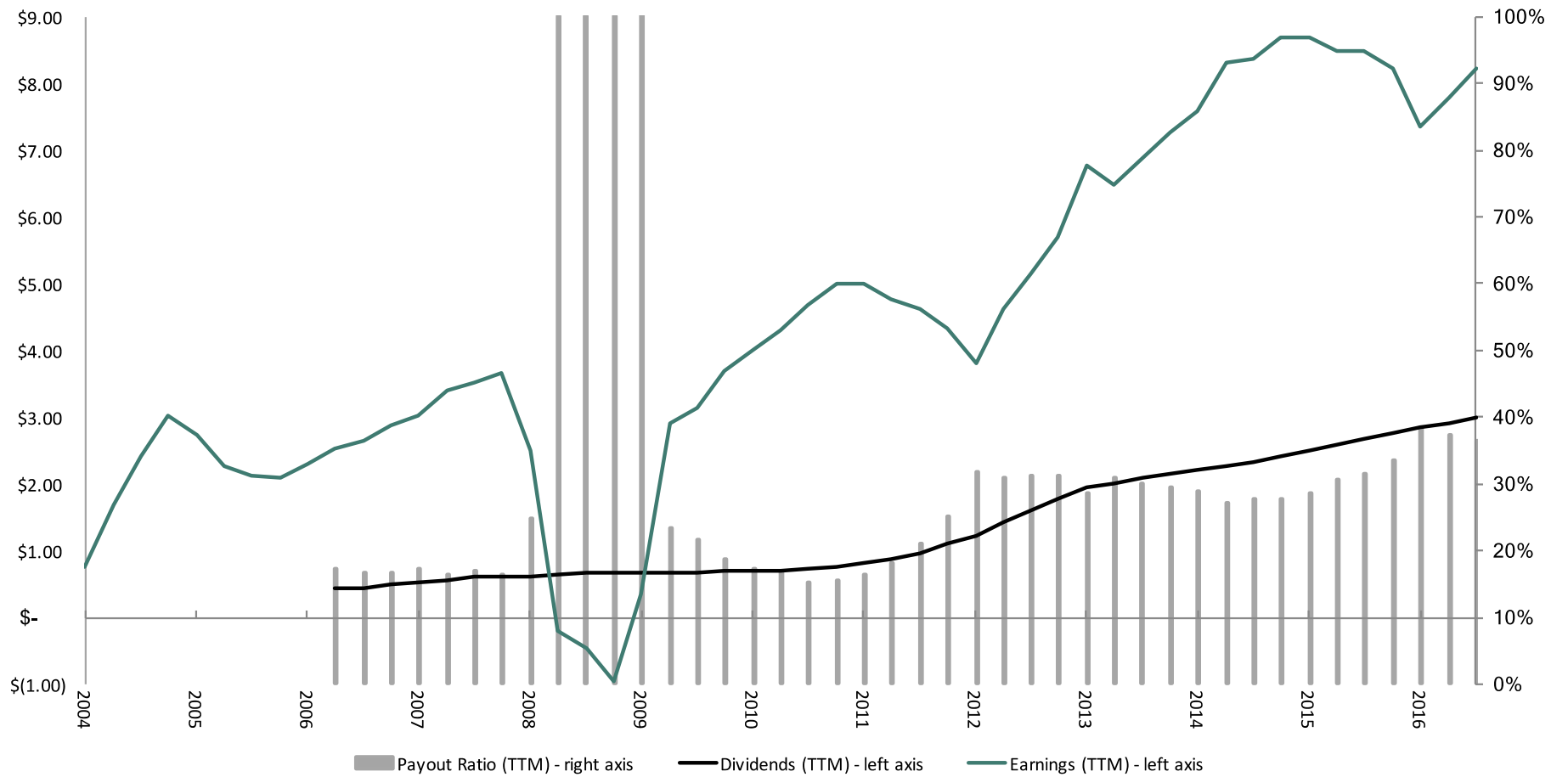
|  |       |   |                    |
|--|-------|---|--------------------|
| <b>Maximum Drawdown<sup>8</sup>:</b>           | 81.5% | <b>10 Year EPS Growth Rate:</b>           | 9.7%               |
| <b>Dividend Yield:</b>                         | 2.7%  | <b>10 Year Dividend Growth Rate:</b>      | 20.9%              |
| <b>Most Recent Dividend Increase:</b>          | 10.7% | <b>10 Year Historical Avg. P/E Ratio:</b> | 12.8               |
| <b>Estimated Fair Value:</b>                   | \$130 | <b>10 Year Annualized Total Return:</b>   | 9.3%               |
| <b>Dividend History:</b> 10 years of increases |       | <b>Next Ex-Dividend Date:</b>             | 8/4/17 (estimated) |

<sup>8</sup> Since year 2000. Maximum drawdown occurred in November of 2008

### Ameriprise Financial (AMP) Dividend Yield History



### Ameriprise Financial (AMP) Fundamentals



# The Archer-Daniels-Midland Company (ADM)

## Overview & Current Events

Archer-Daniels-Midland is one of the world's largest agricultural companies with a market capitalization of \$24 billion. The company is in the business of processing oilseeds, corn, and other commodities as well as manufacturing by-products like sweeteners and biodiesels. ADM has a global business model – 47% of 2016 sales were generated outside of the United States.

Archer-Daniels-Midland recently (5/2/17) reported financial performance for the first quarter of 2017. Adjusted earnings-per-share increased by 42.9% over the same period a year ago, driven by improved fundamental performance from each of the company's operating segments. The company also returned \$431 million (or 1.8% of its market capitalization) to shareholders through a combination of share repurchases and dividend payments. Archer-Daniels-Midland is expected to continue to realize better performance as worldwide commodity prices return to normalized levels.

This month, ADM announced (5/8/17) that it had reached an agreement to purchase a controlling stake in Industries Centers for an undisclosed amount. This Israel-based company specializes in the import and distribution of agricultural feed, and the acquisition bolsters ADM's international footprint.

## Competitive Advantage & Recession Performance

Archer-Daniels-Midland's competitive advantage comes from its impressive scale as the largest processor of corn in the world. The company's vast array of worldwide operating assets – 428 procurement locations, 280 manufacturing facilities, 39 innovation centers – creates a barrier to entry for potential competition in this capital-intensive industry.

Archer-Daniels-Midland is resistant to recessions in the broader global economy. The company increased its adjusted earnings-per-share each year during the great recession of 2008-2009. Conversely, Archer-Daniels-Midland is sensitive to changes in global commodity prices.

## Growth Prospects, Valuation, & Catalyst

Archer-Daniels-Midland's near-term growth prospects are based on a turnaround in global crop prices. Longer-term, growth will be driven by growing populations and an increasing demand for food. With crop prices at historical lows, Archer-Daniels-Midland would be expected to be trading at a cheap valuation. However, low crop prices have also pressured earnings. The company is currently trading at a price-to-earnings ratio of 19.3 (using 2016's adjusted earnings).

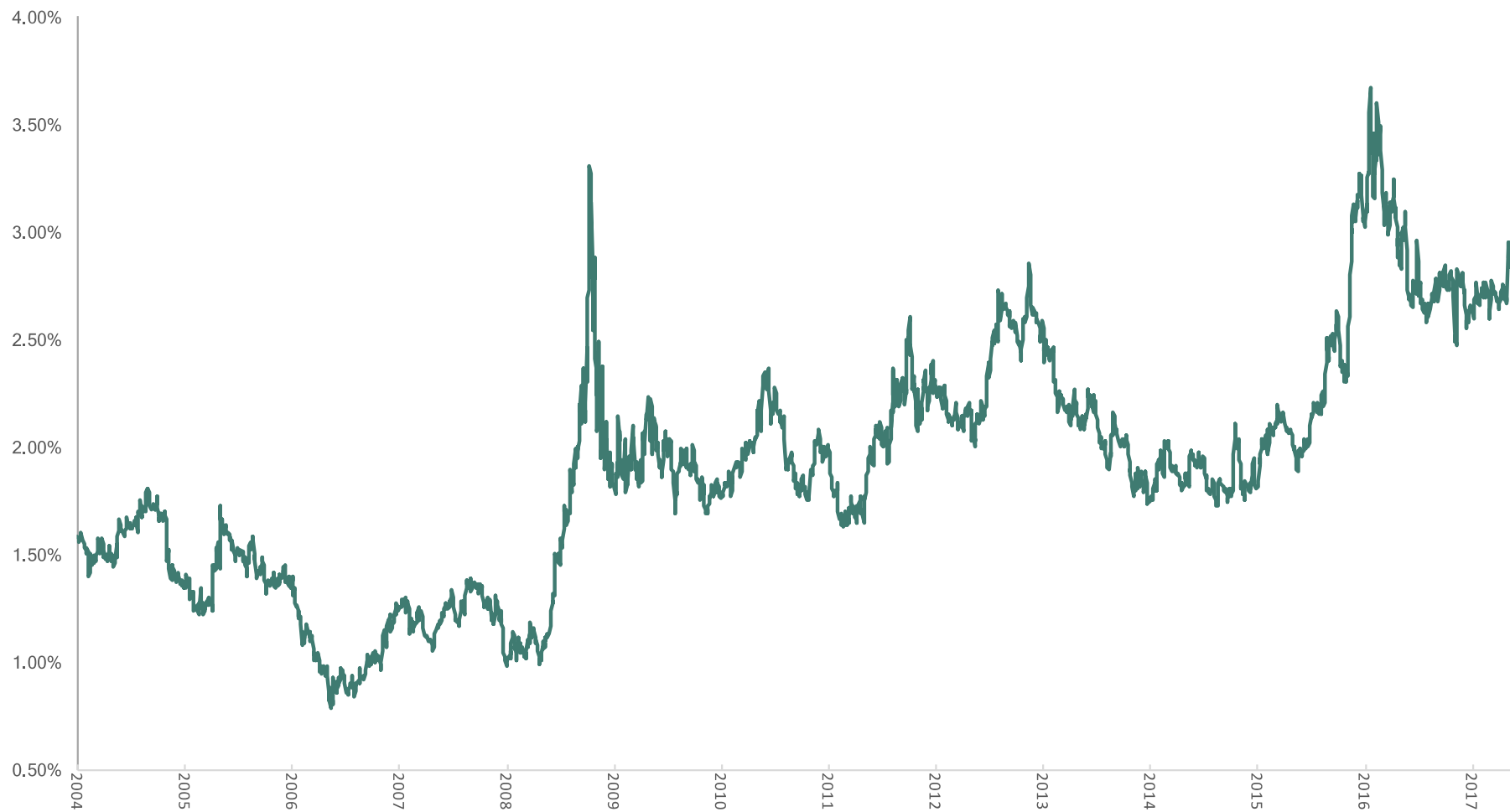
Looking ahead, Archer-Daniels-Midland is expected to recover in the coming year. This year's earnings are expected to grow by ~30% over last year. The company's price-to-earnings ratio using 2017's expected earnings is 14.6. Archer-Daniels-Midland is a high-quality, shareholder-friendly business. A reasonable valuation is 20 times earnings, giving ADM a fair value estimate of \$43.

## Key Statistics, Ratios, & Metrics

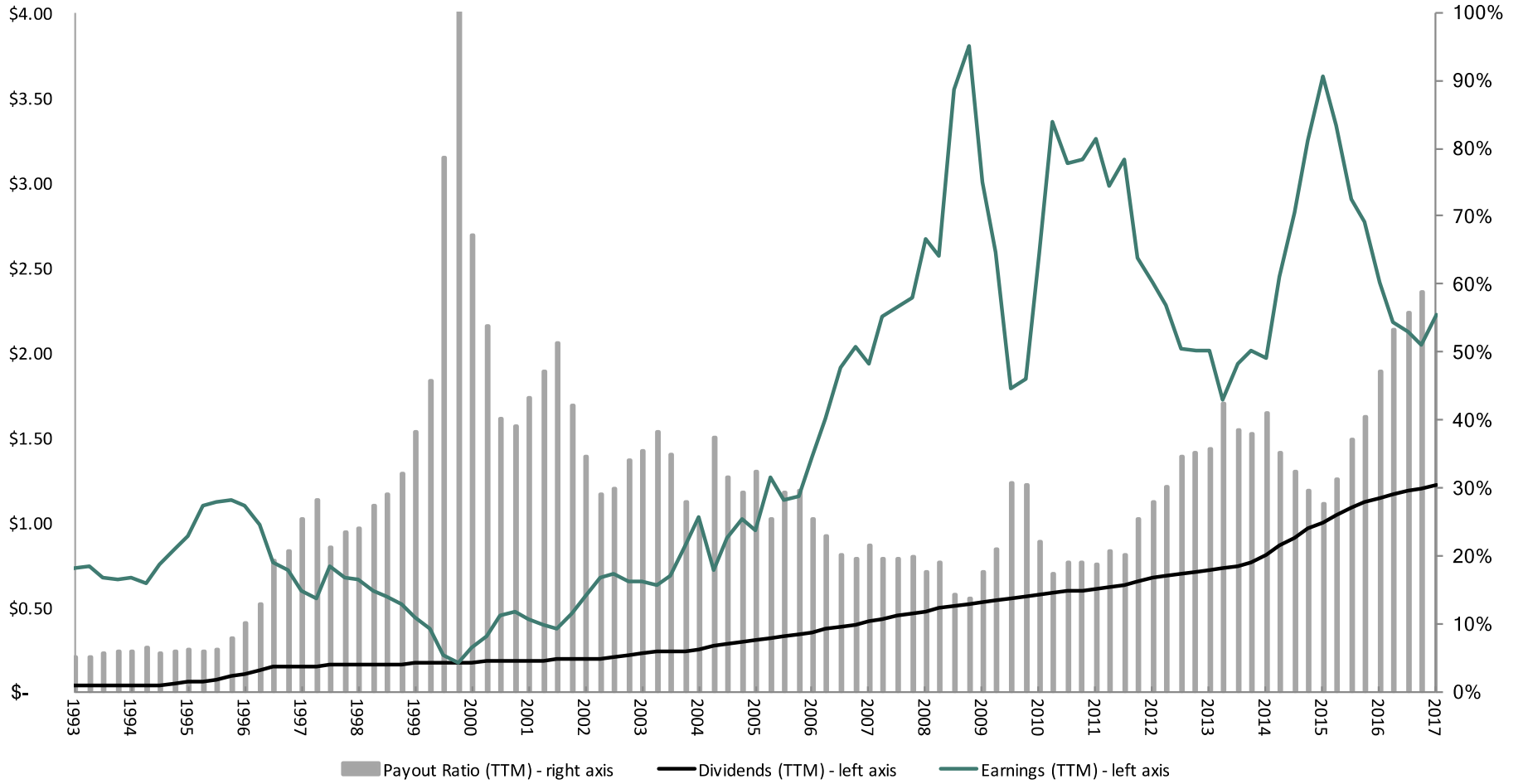
|                                       |                       |   |                     |
|---------------------------------------|-----------------------|---|---------------------|
| <b>Maximum Drawdown<sup>9</sup>:</b>  | 59%                   | <b>10 Year EPS Growth Rate:</b>           | 0.8%                |
| <b>Dividend Yield:</b>                | 3.0%                  | <b>10 Year Dividend Growth Rate:</b>      | 12.5%               |
| <b>Most Recent Dividend Increase:</b> | 6.7%                  | <b>10 Year Historical Avg. P/E Ratio:</b> | 15.0                |
| <b>Estimated Fair Value:</b>          | \$43                  | <b>10 Year Annualized Total Return:</b>   | 4.0%                |
| <b>Dividend History:</b>              | 35 years of increases | <b>Next Ex-Dividend Date:</b>             | 8/15/17 (estimated) |

<sup>9</sup> Since year 2000. Maximum drawdown occurred in August of 2000.

**Archer-Daniels-Midland (ADM) Dividend Yield History**



### Archer-Daniels-Midland (ADM) Fundamentals



# CVS Health Corporation (CVS)

## Overview & Current Events

CVS is an integrated healthcare services provider and operates a pharmaceutical services business along with the country's largest chain of pharmacies. CVS operates more than 9,700 retail locations, 1,100 medical clinics, and services more than 90 million plan members through its pharmacy benefits management business. Founded in 1964, CVS is headquartered in Woonsocket, Rhode Island and generated 2016 net sales of ~\$178 billion.

CVS' first quarter earnings report (5/2/17) drove the company's stock down by 3.6% as adjusted earnings-per-share came in 1.4% lower than the same quarter a year ago. The company's profitability decrease was driven by a 4.9% year-over-year drop in comparable same store sales. Although the market reacted pessimistically to this announcement, CVS is still expecting profits in-line with last year's number and the company's long-term growth outlook is robust.

## Competitive Advantage & Recession Performance

CVS' competitive advantage comes from its strong network of retail pharmacy locations and brand recognition among consumers. The company also benefits from its tremendous scale as a provider of pharmacy benefits management services, providing plan solutions to more than 90 million members and dealing with large healthcare insurance companies such as Aetna.

CVS is exceptionally recession-resistant. The company continued to grow its earnings-per-share at a solid clip during the great recession of 2007-2009. Qualitatively, this makes sense – consumers are not likely to stop filling their prescriptions just because the economy is showing broad weakness.

## Growth Prospects, Valuation, & Catalyst

CVS' future growth will be driven by its pharmacy benefits management business. Accounting for approximately 70% of total company sales, this segment experienced 8.5% revenue growth in the most recent quarter. Further, CVS will benefit from increasing prescription drug purchases as the domestic population continues to grow older. CVS has compounded its bottom line at a double-digit rate over the past decade and is highly likely to deliver 8%-10% earnings-per-share growth over full economic cycles.

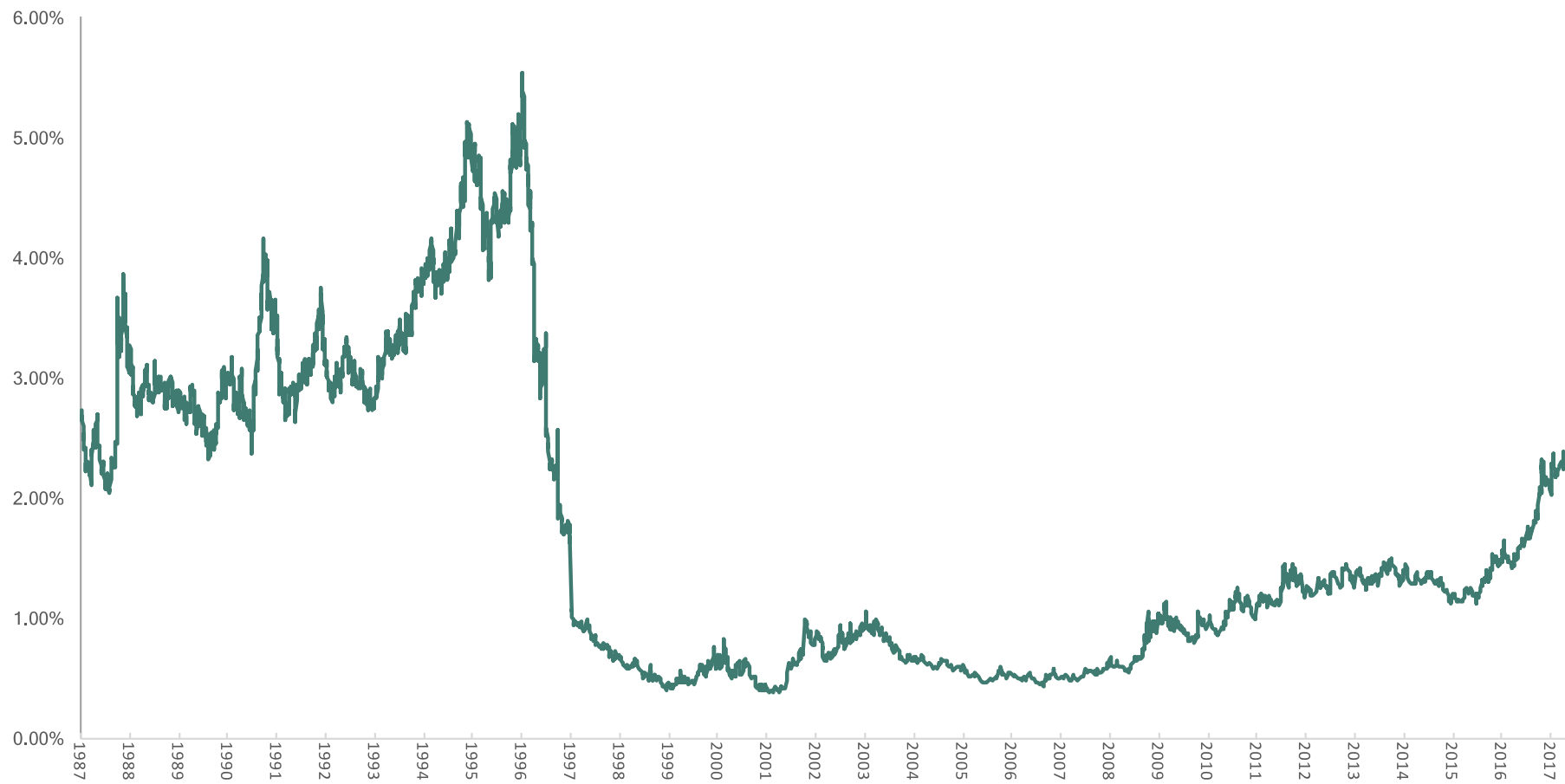
CVS is currently trading at a very attractive valuation in the aftermath of its first quarter earnings release and amid fears that Amazon may be entering the pharmaceutical distribution business. CVS is trading at a price-to-earnings ratio of 13.1 using 2016's adjusted earnings. Looking ahead, CVS' management is expecting adjusted earnings-per-share of \$5.77-\$5.93 in fiscal 2017. Taking the midpoint of this guidance range and applying a price-to-earnings ratio of 15 (in-line with the company's long-term average) gives a fair value estimate of \$88.

## Key Statistics, Ratios, & Metrics

|  |       |   |        |
|--|-------|---|--------|
| <b>Maximum Drawdown<sup>1</sup>:</b>           | 65%   | <b>10 Year EPS Growth Rate:</b>           | 13.1%  |
| <b>Dividend Yield:</b>                         | 2.5%  | <b>10 Year Dividend Growth Rate:</b>      | 24.9%  |
| <b>Most Recent Dividend Increase:</b>          | 17.6% | <b>10 Year Historical Avg. P/E Ratio:</b> | 15.2   |
| <b>Estimated Fair Value:</b>                   | \$88  | <b>10 Year Annualized Total Return:</b>   | 8.5%   |
| <b>Dividend History:</b> 14 years of increases |       | <b>Next Ex-Dividend Date:</b>             | 7/8/17 |

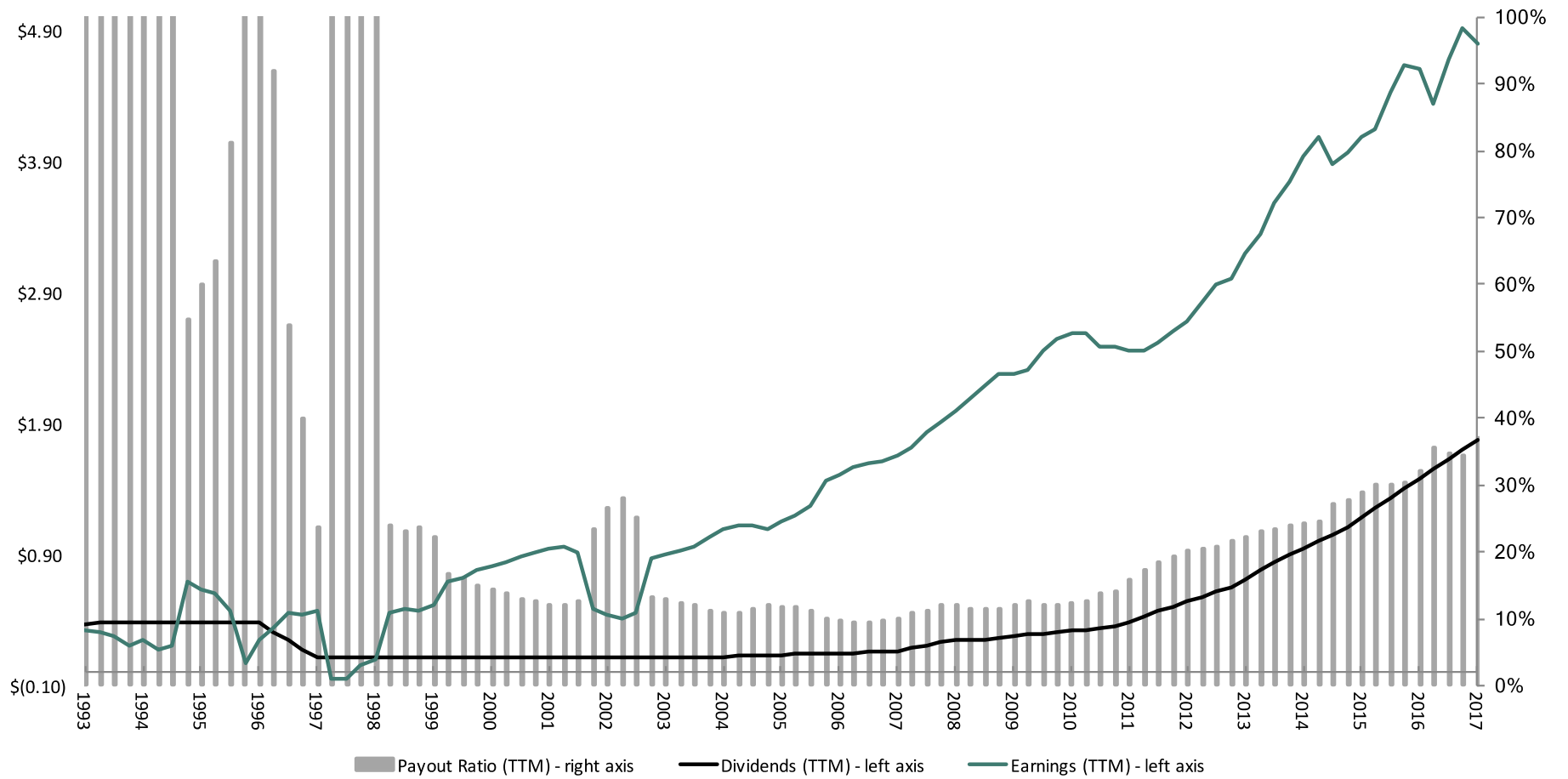
<sup>1</sup> Since year 2000. Maximum drawdown occurred in January of 2003

### CVS Health Corporation (CVS) Dividend Yield History





### CVS Health Corporation (CVS) Fundamentals



# Johnson Controls (JCI)

## Overview & Current Events

Johnson Controls manufactures building controls systems, power solutions, and battery systems. The company was founded in 1885 and has paid dividends since 1887.

Johnson Controls has executed two significant transactions over the past year. First, the company merged (9/6/16) with Tyco, a leading provider of fire and security solutions. Second, the company spun-off Adient (10/31/16), its automotive seating business. The new company reports in two segments: Building Technologies & Solutions, and Power Solutions. Johnson Controls' restructuring is progressing well. The company is on pace to realize \$250-\$300 million in cost savings this year.

Johnson Controls' second quarter earnings release (4/27/17) reflected the impact of these transactions. Due to significant restructuring charges, the company reported a GAAP loss of \$0.16. When these one-time charges are backed out, Johnson Controls reported adjusted earnings-per-share of \$0.50, an 11% increase from the same period a year ago. For the full-year of 2016, the company is expecting adjusted earnings-per-share growth of 13%-16%.

In the same announcement, Johnson Controls announced the expansion of its existing share repurchase plan by \$500 million. All said, the company is expecting to repurchase up to \$750 million of company stock in fiscal 2017, which amounts to ~2% of its current market capitalization.

## Competitive Advantage & Recession Performance

Johnson Controls' history, size and scale give it a durable competitive advantage. The company benefits from its globalized business model, serving customers in more than 150 countries.

In the past, Johnson Controls has not performed well in recessions. The company saw adjusted earnings-per-share plummet from \$2.33 to \$0.47 during the Great Recession. With that said, Johnson Controls has spun off its automotive business into Adient, and now operates as a diversified manufacturer of building solutions. I would expect Johnson Controls to perform better than history would indicate in future recessions, although not as well as a consumer staples or healthcare stock.

## Growth Prospects, Valuation, & Catalyst

Johnson Controls' largest growth catalyst is its merger with Tyco. The company is now more specialized and the synergy opportunities available to the new company should help to spur growth. The 'new' Johnson Controls will also benefit from lower tax rates, as it is now domiciled in Ireland.

Johnson Controls is guiding for adjusted earnings-per-share of \$2.60-\$2.68 for the full year of fiscal 2017. Based on the midpoint of this range, Johnson Controls is trading at a price-to-earnings ratio of 15.9. The company merits a price-to-earnings ratio of 18, giving a fair value estimate of \$48.

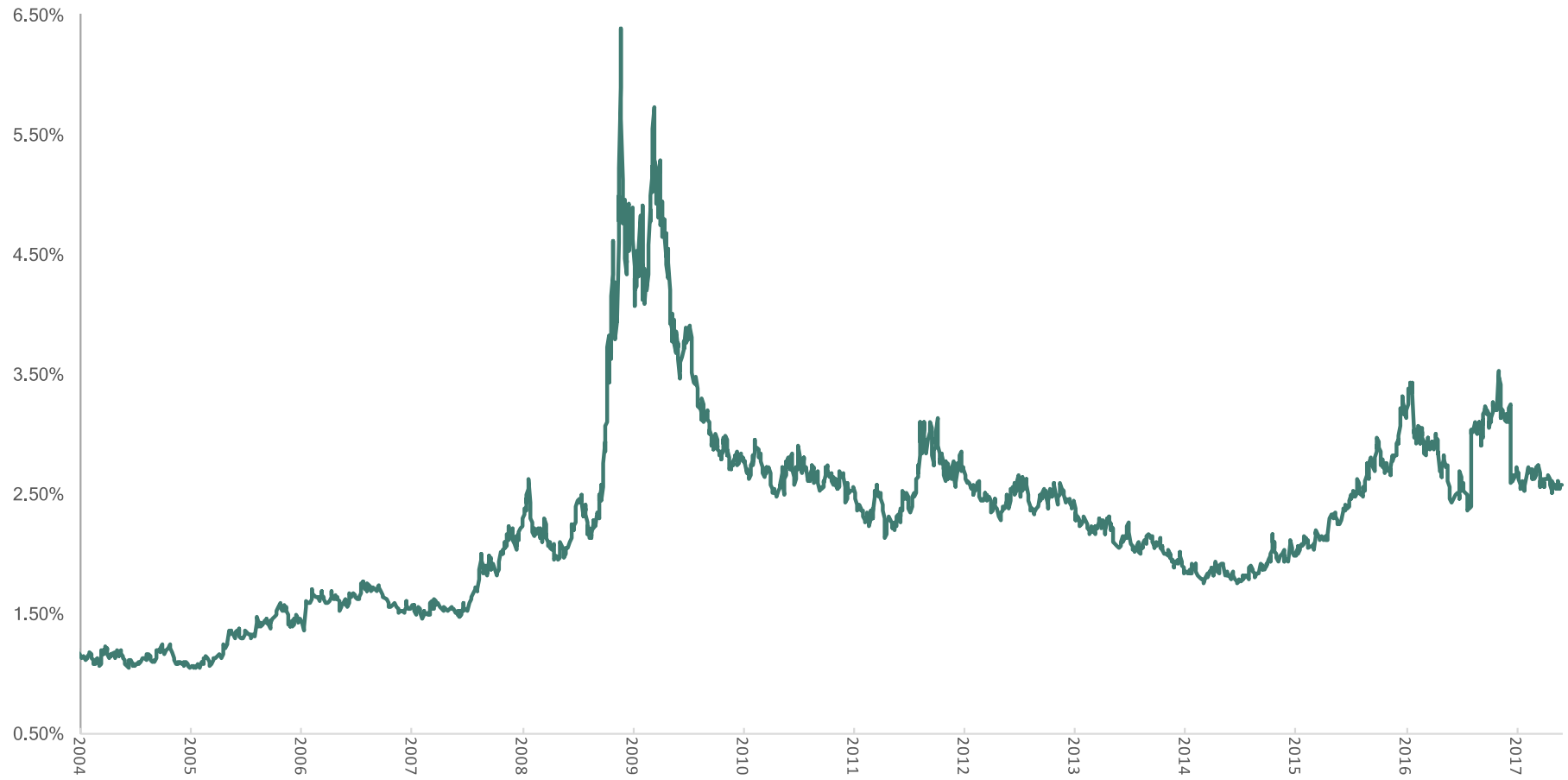
## Key Statistics, Ratios, & Metrics

|   |      |   |                     |
|---|------|---|---------------------|
| <b>Maximum Drawdown<sup>11</sup>:</b>               | 87%  | <b>10 Year EPS Growth Rate:</b>           | 8.6%                |
| <b>Dividend Yield:</b>                              | 2.4% | <b>10 Year Dividend Growth Rate:</b>      | 11.5%               |
| <b>Most Recent Dividend Increase<sup>12</sup>:</b>  | N/A  | <b>10 Year Historical Avg. P/E Ratio:</b> | 16.4                |
| <b>Estimated Fair Value:</b>                        | \$48 | <b>10 Year Annualized Total Return:</b>   | 7.2%                |
| <b>Dividend History:</b> Steady or rising since '85 |      | <b>Next Ex-Dividend Date:</b>             | 6/19/17 (estimated) |

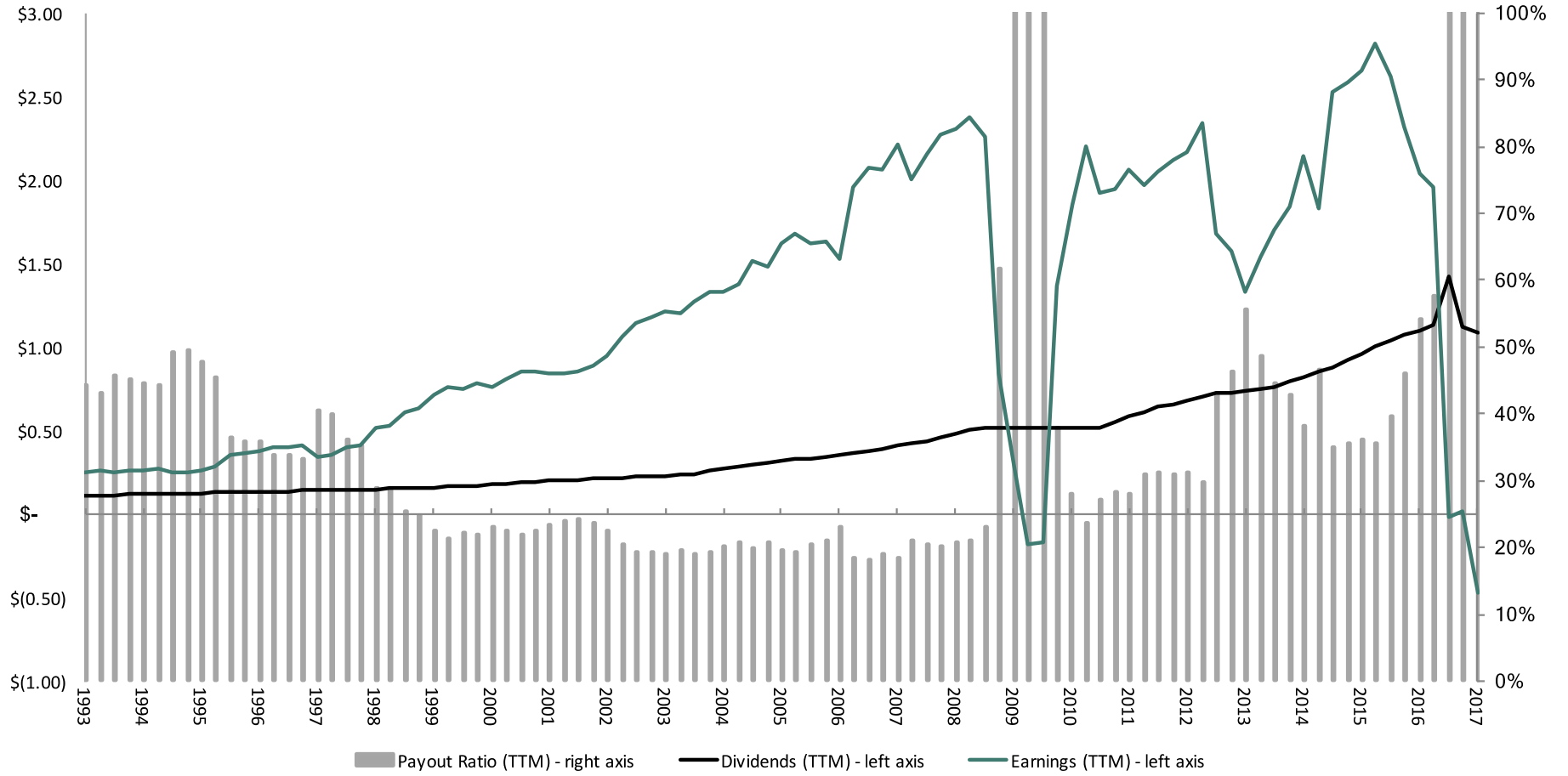
<sup>11</sup>Maximum drawdown occurred in July of 2002.

<sup>12</sup> Johnson Control's dividend was reduced following the Adient spin-off, although this is not a dividend cut in the traditional sense.

### Johnson Controls (JCI) Dividend Yield History



### Johnson Controls (JCI) Fundamentals



# AbbVie (ABBV)

## Overview & Current Events

AbbVie is a research-based biopharmaceutical company that was spun-off from Abbott Laboratories in 2013. The company's most important product is its flagship drug Humira (~60% of sales), which is the highest grossing drug in the world. AbbVie has become known for its high dividend yield, shareholder-friendly capital allocation, and robust drug pipeline.

AbbVie's first quarter earnings report (4/27/17) saw adjusted earnings-per-share increase by 11.3% on net sales growth of 10.1%. Importantly, Humira sales grew 15.1% on a reported basis and 15.8% on an adjusted basis. AbbVie's patent portfolio on Humira began expiring at the end of 2016, and many expected AbbVie to encounter a significant 'patent cliff.' Contrary to market expectations, AbbVie is expecting Humira sales to grow over the coming years to \$18B by 2020 (from ~\$16B in 2016).

Earlier this year, AbbVie announced (2/17/17) a \$5 billion repurchase program, around 5% of the company's market cap at current prices.

## Competitive Advantage & Recession Performance

AbbVie's competitive advantage comes from its large size which allows it to acquire small, promising drug companies and scale their products. The company also has a strong intellectual property portfolio, with 8 late-stage drugs that are expected to contribute \$25-\$30 billion of annual sales by fiscal 2020.

Abbott Laboratories owned AbbVie during the Great Recession. Abbott grew per-share earnings each year during the recession. AbbVie is assumed to be similarly recession-resistant because the company sells drugs that treat chronic conditions – which are in demand through all economic environments.

## Growth Prospects, Valuation, & Catalyst

AbbVie's long-term growth will be driven by its robust drug pipeline. Most notably, the company's IMBRUVICA drug is growing extremely rapidly, growing sales by 45% year-on-year in the most recent quarter. AbbVie is expecting EPS growth of 14% per year going forward, although we believe 10%-12% annual growth is more likely. In either case, AbbVie investors have a very high likelihood of achieving double-digit total returns, especially considering its 3.8% dividend yield.

AbbVie's valuation is depressed right now because of widespread market pessimism about the future of Humira. AbbVie is currently trading at 13.8x 2016's earnings and 12.1x 2017's expected earnings. If AbbVie can report a few more quarters of solid Humira growth, this will likely catalyze AbbVie's valuation upwards. A price-to-earnings ratio of 15x gives a fair value estimate of \$72/share.

## Key Statistics, Ratios, & Metrics

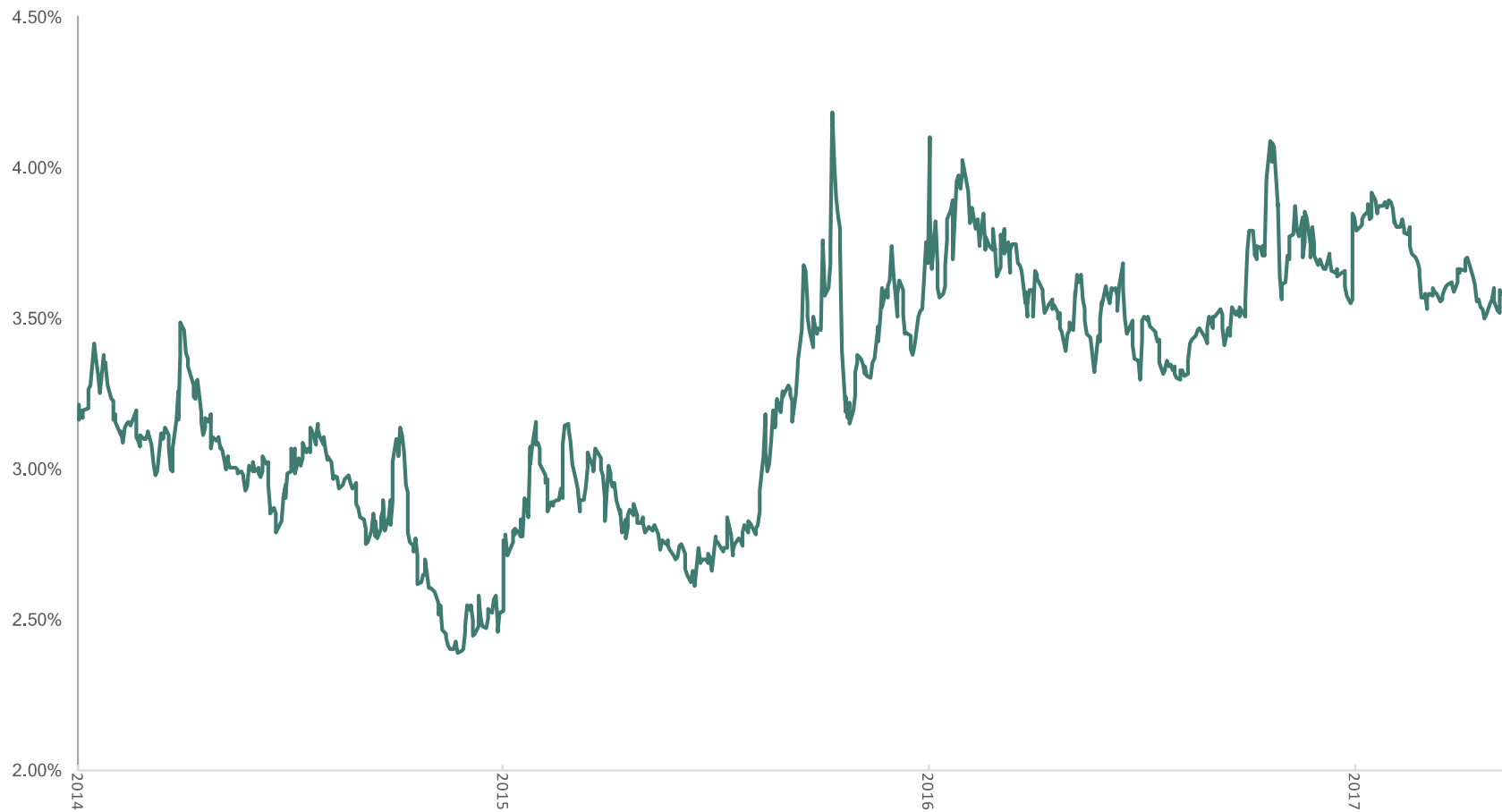
|                                       |                       |   |                  |
|---------------------------------------|-----------------------|---|------------------|
| <b>Maximum Drawdown<sup>1</sup>:</b>  | 32%                   | <b>10 Year EPS Growth Rate:</b>           | N/A <sup>2</sup> |
| <b>Dividend Yield:</b>                | 3.8%                  | <b>10 Year Dividend Growth Rate:</b>      | N/A              |
| <b>Most Recent Dividend Increase:</b> | 12.8%                 | <b>10 Year Historical Avg. P/E Ratio:</b> | N/A              |
| <b>Estimated Fair Value:</b>          | \$72                  | <b>10 Year Annualized Total Return:</b>   | N/A              |
| <b>Dividend History<sup>3</sup>:</b>  | 44 years of increases | <b>Next Ex-Dividend Date:</b>             | 7/13/17          |

<sup>1</sup> Since 2013. Maximum drawdown occurred in October of 2015

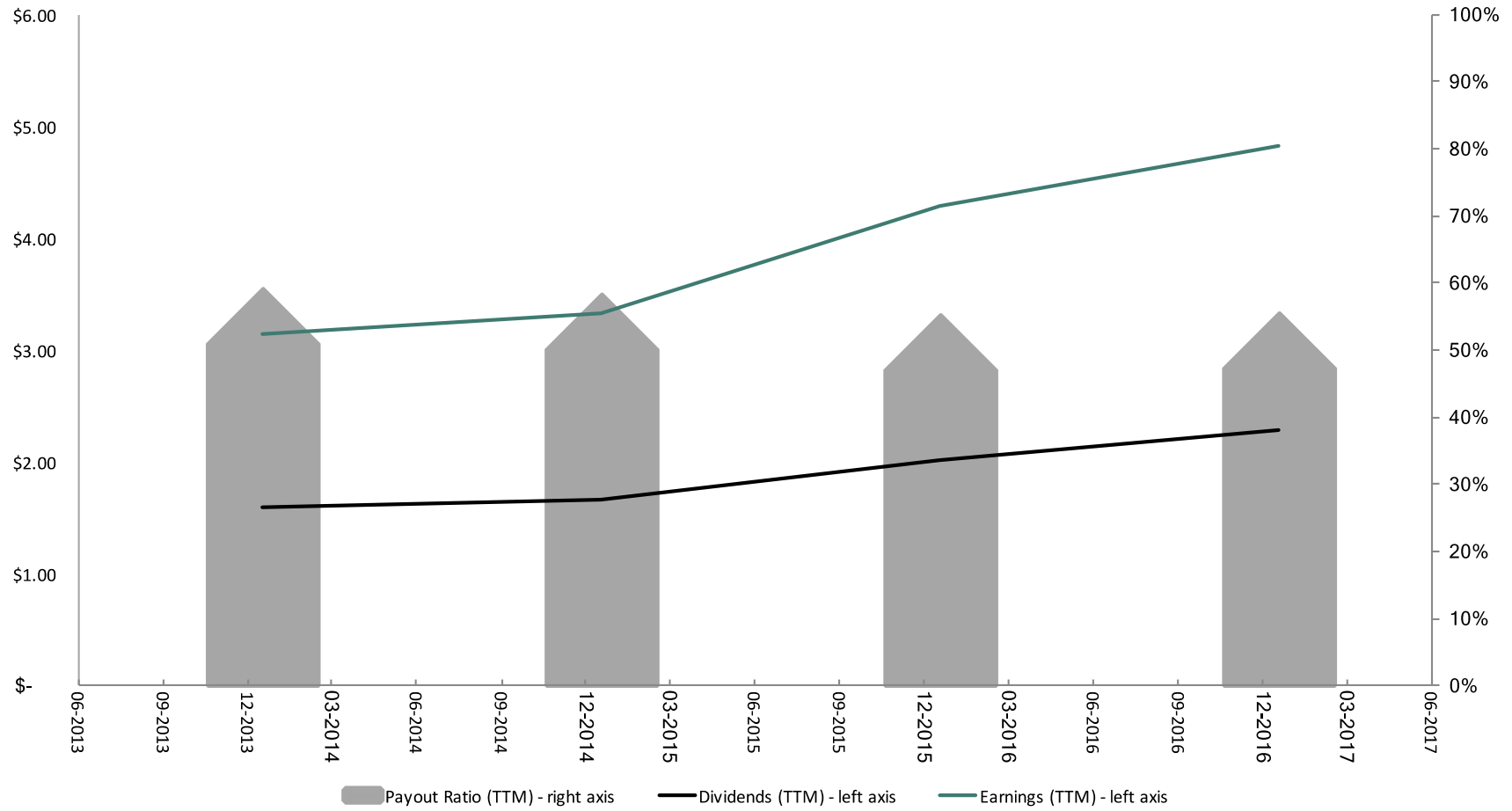
<sup>2</sup> 10 Year stats are all not available due to the company's spinoff on 1/1/2013.

<sup>3</sup> Includes history with Abbott Laboratories. 45<sup>th</sup> year will be 2017 increase.

**AbbVie (ABBV) Dividend Yield History**



### AbbVie (ABBV) Fundamentals



# Qualcomm (QCOM)

## Overview & Current Events

Qualcomm is a semiconductor and telecommunications equipment company that primarily manufactures components for mobile devices. The company pioneered the 3G & 4G networks and is now leading the industry into 5G. Founded in 1985, Qualcomm has a market cap of \$88 billion.

Last month (5/26/17), Qualcomm and Blackberry announced an arbitration agreement that awarded Blackberry \$940 million for Blackberry overpaying royalties to Qualcomm. While \$940 million seems substantial, Qualcomm was sitting on \$7.1 billion of cash and equivalents at the end of the most recent quarter and has plenty of ‘dry powder’ available to pay this settlement.

Unfortunately, Qualcomm is no stranger to legal trouble. The company has been under investigation by the Federal Trade Commission since 2014 with regards to its patent licensing practices. In January, the FTC charged Qualcomm with using anti-competitive tactics to build a monopoly in its industry and then imposing exorbitant licensing terms. Separately, Qualcomm is being sued by Apple, which is seeking \$1 billion for being charged excessive royalties for the use of Qualcomm’s technologies.

On a more positive note, Qualcomm announced (3/26/17) excellent financial results for its second quarter. The chipmaker reported adjusted earnings-per-share of \$1.34, a 28.8% increase from the same period a year ago. In addition, revenues increased 8.1% year-over-year. Qualcomm’s strong performance was driven by its non-mobile segments: automotive, Internet of Things (IoT), security, and networking. Qualcomm has compounded its adjusted earnings-per-share at 11.9% over the past decade and is highly likely to deliver strong growth moving forward.

## Competitive Advantage & Recession Performance

Qualcomm’s competitive advantage comes from its intellectual property and patent portfolio. The company invests heavily in research & development, spending \$1.4 billion on R&D in the last quarter alone. This ensures that Qualcomm will remain competitive in the years to come.

Qualcomm saw its earnings-per-share decline by 15.6% peak-to-trough during the Great Recession of 2007-2009. The stock is moderately recession-resistant and its dividend is very safe. Qualcomm had a dividend payout ratio of 45% in fiscal 2016 and is expected to payout of ~48% of earnings in 2017.

## Growth Prospects, Valuation, & Catalyst

Qualcomm’s current legal battles have weighed on this stock for some time now and are presenting a buying opportunity for investors. Qualcomm is currently trading at 13.2x 2016’s earnings and 12.6x 2017’s expected earnings (using adjusted earnings). This is *far too low* for a technology company reporting double-digit percentage earnings growth. Once Qualcomm’s legal troubles can be sorted out it will likely realize a significant upwards valuation revision. A more reasonable price-to-earnings ratio of 16 (in-line with its long-term average) gives a fair value estimate of \$71.

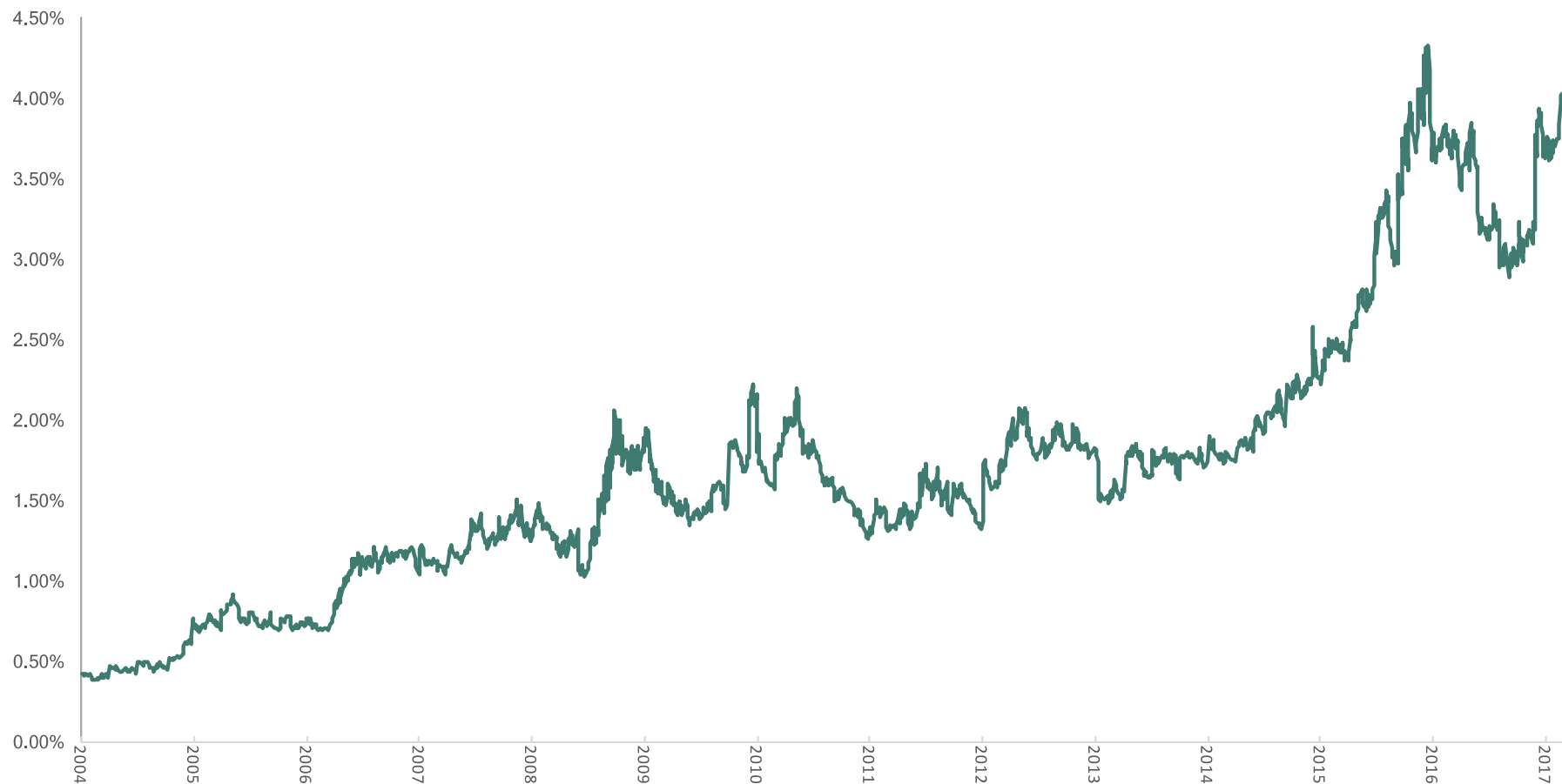
## Key Statistics, Ratios, & Metrics

|                                       |                          |   |                     |
|---------------------------------------|--------------------------|---|---------------------|
| <b>Maximum Drawdown<sup>1</sup>:</b>  | 87%                      | <b>10 Year EPS Growth Rate:</b>           | 11.9%               |
| <b>Dividend Yield:</b>                | 3.9%                     | <b>10 Year Dividend Growth Rate:</b>      | 17.0%               |
| <b>Most Recent Dividend Increase:</b> | 7.5%                     | <b>10 Year Historical Avg. P/E Ratio:</b> | 16.4                |
| <b>Estimated Fair Value:</b>          | \$71                     | <b>10 Year Annualized Total Return:</b>   | 5.5%                |
| <b>Dividend History:</b>              | 15 consecutive increases | <b>Next Ex-Dividend Date:</b>             | 8/26/17 (estimated) |

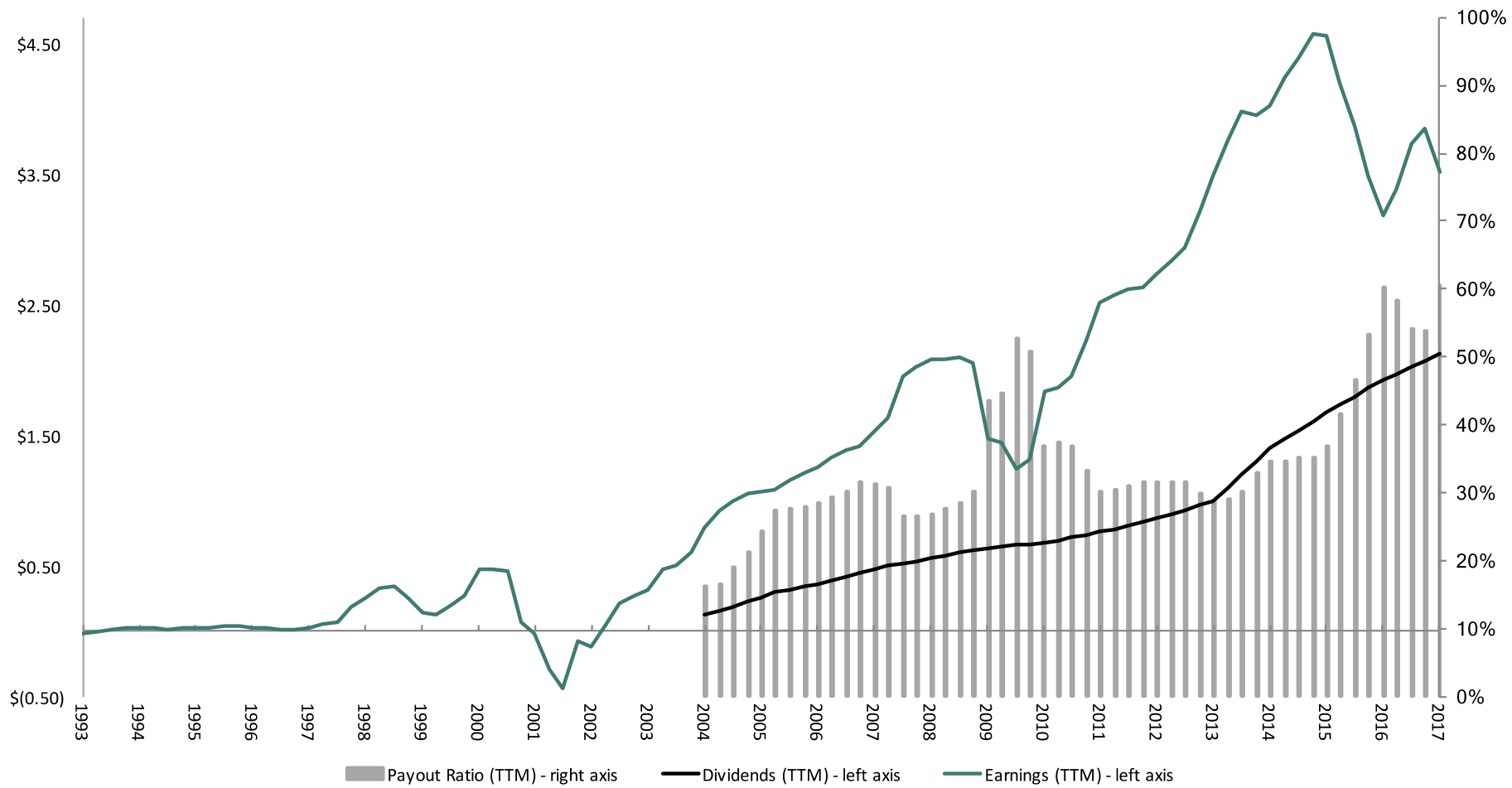
<sup>1</sup> Maximum drawdown occurred in August of 2002.



### Qualcomm (QCOM) Dividend Yield History



### Qualcomm (QCOM) Fundamentals



## Closing Thoughts – Patience & Investing –

The S&P 500 has appreciated by 14.5% since the election on November 8, inflating stock valuations in a market that was already priced quite richly. For dividend growth investors, this can lead to frustration. When will the market *finally* return to a level near its historical fair value?

In today's market, patience is key. Buying stocks right now may seem foolish, given elevated valuations. This is why deploying a fixed dollar amount each month (rather than investing all your capital at once) into high-quality dividend growth stocks is our recommended method to build wealth. Doing this over long periods of time and *exercising patience* will allow you to build a portfolio of high-quality businesses with shareholder-friendly management.

*“The stock market is designed to transfer money from the active to the patient.”*  
- Warren Buffett

With that said, continuously buying stocks when the overall stock market is at historically high valuation levels can be psychologically difficult.

Instead, it can be tempting to hold cash so you have ample ‘dry powder’ to deploy during the stock market's next recession. However, *time in the market* is superior to *timing the market* because of opportunity costs and the impossibility of knowing exactly when market downturns will occur.

Holding mostly cash to prepare for a market correction could be a mistake. You miss out on the dividend payments and business growth that you would have received if fully invested. While buying at attractive valuations is important, waiting to accumulate stocks during a recession creates a significant lost opportunity in the form of missed growth and dividends. Although some recessions are more severe than others, it would take a *market meltdown* to compensate for the cost of missing many years of growth and dividend payments.

*“No matter how great the talent or efforts, some things just take time. You can't produce a baby in one month by getting nine women pregnant.”*  
– Warren Buffett

While the market *as a whole* is overvalued, there are still many stocks trading below their historical average valuation multiples. There are pockets of value in this otherwise overvalued market.

Thus, although equities are trading at historically lofty valuations right now, our strategy remains the same. Accumulate a growing ownership in our Top 10 recommended stocks (which all trade at fair or better valuations), and watch your wealth compound over time.

**The next newsletter publishes on Sunday July 2<sup>nd</sup>, 2017.**

---

### 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.

## Portfolio Building Guide

The process of building a high quality dividend growth portfolio is not complex: **Each month invest in the top ranked stock in which you own the smallest dollar amount out of the Top 10.** Over time, you will build a well-diversified portfolio of great businesses purchased at attractive prices. Alternatively, the Top 10 list is also useful as an idea generation tool for those with a different portfolio allocation plan. If you are looking to add additional yield to your portfolio, the Sure Retirement Newsletter offers a Top 10 list with 5%+ dividend yields.

### Examples

| Portfolio 1 |                        |          |
|-------------|------------------------|----------|
| Ticker      | Name                   | Amount   |
| GWW         | W.W. Grainger Inc.     | \$ 1,002 |
| TGT         | Target                 | \$ -     |
| CAH         | Cardinal Health        | \$ -     |
| OXY         | Occidental Petroleum   | \$ -     |
| AMP         | Ameriprise Financial   | \$ -     |
| ADM         | Archer-Daniels-Midland | \$ -     |
| CVS         | CVS Health             | \$ -     |
| JCI         | Johnson Controls       | \$ -     |
| ABBV        | AbbVie                 | \$ -     |
| QCOM        | Qualcomm               | \$ -     |

| Portfolio 2 |                        |          |
|-------------|------------------------|----------|
| Ticker      | Name                   | Amount   |
| GWW         | W.W. Grainger Inc.     | \$ 4,374 |
| TGT         | Target                 | \$ 4,878 |
| CAH         | Cardinal Health        | \$ 4,353 |
| OXY         | Occidental Petroleum   | \$ 7,428 |
| AMP         | Ameriprise Financial   | \$ 3,309 |
| ADM         | Archer-Daniels-Midland | \$ 8,099 |
| CVS         | CVS Health             | \$ 5,629 |
| JCI         | Johnson Controls       | \$ 2,176 |
| ABBV        | AbbVie                 | \$ 1,079 |
| QCOM        | Qualcomm               | \$ 4,864 |

- If you had portfolio 1, you would buy TGT, the top ranked stock you own least.
- If you had portfolio 2, you would buy ABBV, the top ranked stock you own least.

If you have an existing portfolio or a large lump sum to invest, switch over to the Sure Dividend strategy over 20 months. Each month, take 1/20 of your initial portfolio value, and buy the top ranked stock you own the least out of the Top 10. When you sell a stock use the proceeds to purchase the top ranked stock you own the least. Reinvest dividends in the same manner.

This simple investing process will build a diversified portfolio of high quality dividend stocks over a period of less than 2 years. Further, higher ranked stocks will receive proportionately more investment dollars as they will stay on the rankings longer. You will build up large positions in the highest quality stocks over your investing career.

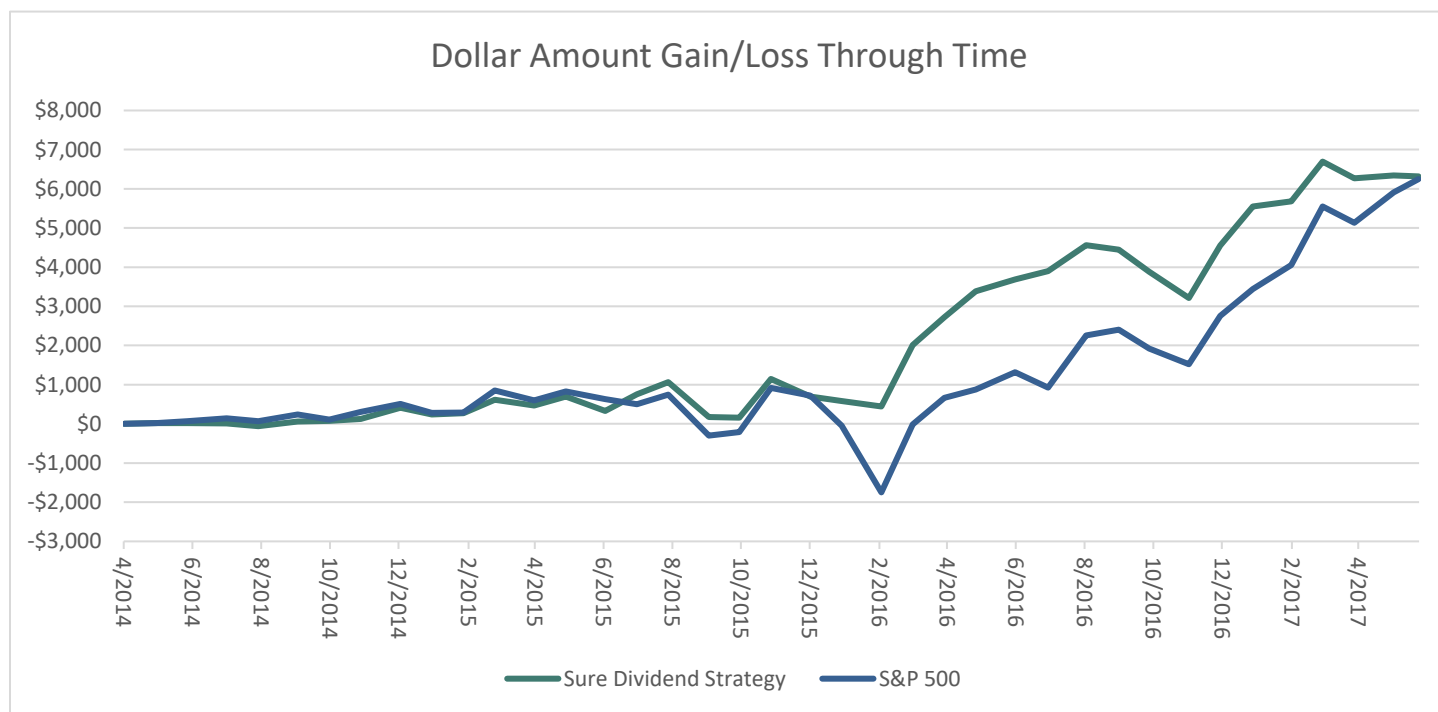
***If your portfolio grows too large to manage comfortably*** (for example, you are not comfortable holding 40+ stocks – which would happen after around 4 years of the Sure Dividend system), you will need to sell holdings. I recommend eliminating positions that have the lowest yields if you are in or near retirement. If you are not near retirement, eliminate positions that rank the lowest in the newsletter until you are comfortable with the number of positions in your portfolio. Reinvest proceeds into the highest ranked stocks *you currently own*, until your highest ranked holding makes up 10% of your portfolio's total value. Then add to the next highest ranked holding, and so on.

## Performance of the Sure Dividend Strategy

The portfolio building guide is designed to build a high quality dividend growth portfolio over time. *I expect this approach to slightly underperform the market during bull markets, and significantly outperform the market during bear markets (on a relative basis).*

Hypothetical returns from investing \$1,000 per month since Sure Dividend's inception (April 2014) into the highest ranked stock you own the least out of the Top 10 is shown below. Once the portfolio reaches 30 holdings, the highest ranked stock you already own is purchased, as long as the purchase does not push ownership of any stock above 10% of total portfolio value. Transaction costs are not included, but are minimal for either strategy. S&P 500 returns are calculated using the ETF SPY, and assume purchasing \$1,000 of SPY per month. Returns assume dividends are reinvested.

|   |                        |                          |          |
|---|------------------------|--------------------------|----------|
| <b>Sure Dividend Ending Value:</b>              | \$45,321 <sup>17</sup> | <b>SPY Ending Value:</b> | \$45,247 |
| <b>Sure Dividend CAGR:</b>                      | 9.2%                   | <b>SPY CAGR:</b>         | 8.9%     |
| <b>Sure Dividend Volatility:</b>                | 8.2%                   | <b>SPY Volatility:</b>   | 10.8%    |
| <b>Sure Dividend Sharpe Ratio<sup>18</sup>:</b> | 0.88                   | <b>SPY Sharpe Ratio:</b> | 0.64     |



The performance of the Sure Dividend strategy has exceeded expectations so far. It has kept pace with the S&P 500 over the last ~3 years (with lower volatility), despite a near constant bull market. As can be seen in the image above, the strategy significantly outperformed during the mini bear market of early 2016.

<sup>17</sup> Data through 5/30/17

<sup>18</sup> 2% risk free rate used.

## List of Stocks by Sector

All of the stocks in the Sure Dividend database are sorted by rank below in order based on The 8 Rules of Dividend Investing (highest to lowest) based on sector. Dividend yield is included next to each stock's ticker symbol. MLPs and REITs are excluded from Top 10 rankings in Sure Dividend. They are included in [the Sure Retirement newsletter](#) if yields are greater than 5%.

### Basic Materials

- |   |  |
|---|--|
| 1. Johnson Controls (JCI) - 2.4%            | 3. McDonald's Corporation (MCD) - 2.5% |
| 2. Ecolab, Inc. (ECL) - 1.1%                | 4. NIKE, Inc. (NKE) - 1.4%             |
| 3. MDU Resources (MDU) - 2.8%               | 5. Lowe's Companies (LOW) - 1.7%       |
| 4. Sensient Technologies Corp. (SXT) - 1.5% | 6. The Home Depot, Inc. (HD) - 2.3%    |
| 5. Royal Gold Inc. (RGLD) - 1.2%            | 7. Kohl's Corporation (KSS) - 5.6%     |
| 6. Sherwin-Williams Co. (SHW) - 1%          | 8. The Wendy's Company (WEN) - 1.7%    |
| 7. Air Products & Chem. (APD) - 2.6%        | 9. Polaris Industries (PII) - 2.8%     |
| 8. Praxair (PX) - 2.3%                      | 10. Yum! Brands Inc. (YUM) - 1.6%      |
| 9. RPM International Inc. (RPM) - 2.2%      | 11. Bemis Company (BMS) - 2.7%         |
| 10. PPG Industries Inc. (PPG) - 1.5%        | 12. TJX (TJX) - 1.6%                   |
| 11. Stepan Company (SCL) - 1%               | 13. Gap (GPS) - 4%                     |
| 12. International Flavors (IFF) - 1.8%      | 14. Williams-Sonoma Inc. (WSM) - 3.2%  |
| 13. E. I. du Pont de Nemours (DD) - 1.9%    | 15. Ross Stores Inc (ROST) - 1%        |
| 14. H.B. Fuller Company (FUL) - 1.2%        | 16. Carlisle Companies (CSL) - 1.4%    |
| 15. Albemarle Corp. (ALB) - 1.1%            | 17. Leggett & Platt Inc. (LEG) - 2.8%  |
| 16. Nucor Corp. (NUE) - 2.6%                | 18. Weyco Group Inc. (WEYS) - 3.2%     |
| 17. NewMarket Corp. (NEU) - 1.5%            | 19. Cracker Barrel (CBRL) - 2.9%       |
| 18. Westlake Chemical Corp (WLK) - 1.2%     | 20. Monro Muffler Brake (MNRO) - 1.4%  |
| 19. Valspar Corp. (VAL) - 0%                | 21. Hasbro Inc. (HAS) - 2.2%           |
| 20. Hawkins Inc. (HWKN) - 1.8%              | 22. AptarGroup Inc. (ATR) - 1.5%       |
| 21. Compass Minerals (CMP) - 4.4%           | 23. Best Buy Co Inc. (BBY) - 2.1%      |

### Communication Services

- |  |  |
|--|--|
| 1. AT&T Inc. (T) - 5%                    | 25. Genuine Parts Co. (GPC) - 2.9%       |
| 2. BCE, Inc. (BCE) - 4.7%                | 26. Starbucks (SBUX) - 1.6%              |
| 3. Verizon Communications Inc. (VZ) - 5% | 27. Tiffany & Co. (TIF) - 2.2%           |
| 4. Vodafone Group plc (VOD) - 5.4%       | 28. Sonoco Products Co. (SON) - 3%       |
| 5. Telephone & Data (TDS) - 2.1%         | 29. Matthews International (MATW) - 1.1% |
| 6. ATN International Inc. (ATNI) - 2.1%  | 30. Meredith Corp. (MDP) - 3.8%          |
|  | 31. GameStop Corp. (GME) - 6.7%          |

### Consumer Cyclical

- |                            |  |
|----------------------------|--|
| 1. Macy's, Inc. (M) - 6.3% | 32. L Brands, Inc. (LB) - 4.5%           |
| 2. VF Corp. (VFC) - 3.1%   | 33. The Walt Disney Company (DIS) - 1.4% |
|                            | 34. Las Vegas Sands Corp. (LVS) - 4.7%   |
|                            | 35. John Wiley & Sons Inc. (JW.A) - 2.4% |

36. Columbia Sportswear Co. (COLM) - 1.3%
37. International Speedway (ISCA) - 1.2%
38. Mattel, Inc. (MAT) - 6.7%
39. Staples, Inc. (SPLS) - 5.2%
40. Ford Motor Company (F) - 5.2%
41. Bowl America (BWL.A) - 4.8%
42. NACCO Industries (NC) - 1.6%

### **Consumer Defensive**

1. Target (TGT) - 4.3%
2. Archer Daniels Mid. (ADM) - 3%
3. Procter & Gamble (PG) - 3.1%
4. Sysco Corp. (SY) - 2.4%
5. Kraft-Heinz Company (KHC) - 2.6%
6. Colgate-Palmolive Co. (CL) - 2.1%
7. General Mills (GIS) - 3.3%
8. Altria Group Inc. (MO) - 3.2%
9. Vector Group (VGR) - 7.3%
10. Brown-Forman (BF.B) - 1.4%
11. Kimberly-Clark Corp. (KMB) - 3%
12. Nu Skin Enterprises Inc. (NUS) - 2.6%
13. Unilever (UL) - 2.7%
14. Hormel Foods Corp. (HRL) - 2%
15. Kellogg (K) - 2.9%
16. Hershey (HSY) - 2.1%
17. PepsiCo Inc. (PEP) - 2.7%
18. McCormick & Co. (MKC) - 1.8%
19. Wal-Mart Stores, Inc. (WMT) - 2.6%
20. Casey's General Stores Inc. (CASY) - 0.8%
21. The Coca-Cola Company (KO) - 3.2%
22. Clorox Company (CLX) - 2.5%
23. Philip Morris (PM) - 3.4%
24. Lancaster Colony (LANC) - 1.7%
25. Diageo plc (DEO) - 2.5%
26. Church & Dwight (CHD) - 1.4%
27. Kroger (KR) - 1.6%
28. Flowers Foods (FLO) - 3.6%
29. Walgreens Boots (WBA) - 1.8%
30. Mondelez (MDLZ) - 1.6%
31. Andersons Inc/The (ANDE) - 1.8%
32. Bunge Ltd. (BG) - 2.3%
33. JM Smucker Co/The (SJM) - 2.3%
34. Universal Corp. (UVV) - 3.2%
35. Costco Wholesale Corp (COST) - 1.1%

36. Coca-Cola European Partners (CCE) - 2.3%
37. Tootsie Roll Industries (TR) - 1%
38. J&J Snack Foods Corp (JJSF) - 1.3%

### **Energy**

1. Occidental Petroleum Corp (OXY) - 5%
2. ONEOK Inc. (OKE) - 4.9%
3. Enbridge, Inc. (ENB) - 4.6%
4. Exxon Mobil Corporation (XOM) - 3.8%
5. Helmerich & Payne (HP) - 5.2%
6. Phillips 66 (PSX) - 3.6%
7. Chevron Corporation (CVX) - 4.1%
8. Cabot Oil & Gas Corporation (COG) - 0.9%
9. National Fuel Gas (NFG) - 2.9%
10. Imperial Oil (IMO) - 1.7%

### **Financial Services**

1. Ameriprise Financial Inc. (AMP) - 2.7%
2. Assurant Inc (AIZ) - 2.1%
3. Axis Capital Holdings Ltd. (AXS) - 2.3%
4. T. Rowe Price Group (TROW) - 3.2%
5. Aflac (AFL) - 2.3%
6. TD Bank Group (TD) - 3.7%
7. Farmers & Merchants (FMCB) - 2.2%
8. Cincinnati Financial (CINF) - 2.8%
9. The Travelers Companies (TRV) - 2.3%
10. FactSet Research Systems Inc. (FDS) - 1.4%
11. Northern Trust (NTRS) - 1.7%
12. Old Republic (ORI) - 3.8%
13. WR Berkley Corp (WRB) - 0.8%
14. Invesco Ltd. (IVZ) - 3.5%
15. Bank of Nova Scotia (BNS) - 4%
16. Erie Indemnity (ERIE) - 2.6%
17. RenaissanceRe Holdings Ltd. (RNR) - 0.9%
18. American Express Company (AXP) - 1.6%
19. M&T Bank (MTB) - 1.9%
20. Visa Inc. (V) - 0.7%
21. UMB Financial (UMBF) - 1.4%
22. S&P Global (SPGI) - 1.1%
23. Cullen/Frost Bankers Inc (CFR) - 2.5%
24. SEI Investments (SEIC) - 1.1%
25. Bank of Montreal (BMO) - 4%
26. First Financial (FFIN) - 2%

27. Infinity Property & Casualty (IPCC) - 2.4%
  28. AmTrust Financial Services (AFSI) - 4.8%
  29. BOK Financial Corp. (BOKF) - 2.2%
  30. Canadian Imperial Bank (CM) - 4.8%
  31. RLI Corp. (RLI) - 1.5%
  32. Tompkins Financial (TMP) - 2.3%
  33. Franklin Resources (BEN) - 1.9%
  34. Royal Bank of Canada (RY) - 3.7%
  35. Arthur J Gallagher (AJG) - 2.7%
  36. Commerce Bancshar. (CBSH) - 1.7%
  37. BancFirst Corp. (BANF) - 1.6%
  38. Mercury General Corp. (MCY) - 4.4%
  39. People's United Financial (PBCT) - 4.1%
  40. Brown & Brown Inc. (BRO) - 1.2%
  41. Bank of the Ozarks Inc. (OZRK) - 1.5%
  42. Waddell & Reed (WDR) - 10.7%
  43. Community Trust (CTBI) - 3%
  44. Eagle Financial (EFSI) - 2.9%
  45. Eaton Vance Corp. (EV) - 2.4%
  46. First Financial Corp. (THFF) - 2.2%
  47. Chubb Ltd. (CB) - 1.9%
  48. Prosperity Bancshares Inc. (PB) - 2.1%
  49. CNO Financial Group, Inc. (CNO) - 1.7%
  50. The Goldman Sachs Group, Inc. (GS) - 1.4%
  51. American Financial Group (AFG) - 1.2%
  52. Torchmark Insurance (TMK) - 0.8%
  53. Chesapeake Financial (CPKF) - 1.9%
  54. United Bankshares Inc. (UBSI) - 3.4%
  55. Community Bank System Inc. (CBU) - 2.3%
  56. 1st Source Corp. (SRCE) - 1.6%
  57. Westamerica (WABC) - 3%
  58. Harleysville Savings (HARL) - 3.8%
  59. The Allstate Corporation (ALL) - 1.7%
  60. Huntington Bancshares (HBAN) - 2.5%
  61. JPMorgan Chase & Co. (JPM) - 2.4%
  62. Westwood Holdings Group (WHG) - 4.5%
  63. Southside Bancshares Inc. (SBSI) - 3.3%
  64. BGC Partners, Inc. (BGCP) - 6%
  65. American Equity Investment (AEL) - 1%
  66. Hanover Insurance Group (THG) - 2.4%
  67. Artisan Partners (APAM) - 8.2%
- Healthcare**
1. Cardinal Health (CAH) - 2.5%
  2. CVS Health Corp (CVS) - 2.5%
  3. AbbVie (ABBV) - 3.8%
  4. Becton Dickinson (BDX) - 1.5%
  5. Baxter International (BAX) - 1.1%
  6. Novo Nordisk (NVO) - 2.6%
  7. Abbott Laboratories (ABT) - 2.3%
  8. AmerisourceBergen Corp. (ABC) - 1.6%
  9. Merck & Co., Inc. (MRK) - 2.9%
  10. Johnson & Johnson (JNJ) - 2.6%
  11. Eli Lilly & Company (LLY) - 2.6%
  12. UnitedHealth Group (UNH) - 1.4%
  13. C.R. Bard Inc. (BCR) - 0.3%
  14. West Pharmaceutical Services (WST) - 0.5%
  15. Owens & Minor Inc. (OMI) - 3.2%
  16. Medtronic Inc. (MDT) - 2%
  17. Pfizer Inc. (PFE) - 3.9%
  18. Stryker Corp. (SYK) - 1.2%
  19. Perrigo Co. PLC (PRGO) - 0.9%
  20. National HealthCare Corp. (NHC) - 2.8%
  21. Atrion Corp. (ATRI) - 0.7%
  22. Agilent Technologies, Inc. (A) - 0.9%
- Industrials**
1. W.W. Grainger Inc. (GWW) - 3%
  2. Lindsay Corp. (LNN) - 1.4%
  3. ABM Industries Inc. (ABM) - 1.6%
  4. MSC Industrial Direct (MSM) - 2.1%
  5. The Boeing Company (BA) - 3%
  6. Northrop Grumman Corp. (NOC) - 1.6%
  7. 3M Company (MMM) - 2.3%
  8. Caterpillar Inc. (CAT) - 2.9%
  9. JB Hunt Transport Services (JBHT) - 1.1%
  10. Expeditors International (EXPD) - 1.6%
  11. General Electric Company (GE) - 3.5%
  12. Raytheon Co. (RTN) - 2%
  13. Graco Inc. (GGG) - 1.3%
  14. Dover Corp. (DOV) - 2.1%
  15. Eaton (ETN) - 3.1%
  16. Lockheed Martin Corp. (LMT) - 2.6%
  17. CH Robinson Worldwide (CHRW) - 2.7%
  18. General Dynamics (GD) - 1.7%



19. Waste Management Inc. (WM) - 2.3%
20. Healthcare Services Group (HCSG) - 1.5%
21. Nordson Corp. (NDSN) - 0.9%
22. Toro (TTC) - 1%
23. Cintas Corp. (CTAS) - 1.1%
24. Robert Half International Inc. (RHI) - 2%
25. FedEx Corp. (FDX) - 0.8%
26. Parker-Hannifin Corp. (PH) - 1.7%
27. Emerson Electric (EMR) - 3.3%
28. United Parcel Service (UPS) - 3.1%
29. Jack Henry (JKHY) - 1.2%
30. Union Pacific Corp (UNP) - 2.2%
31. Republic Services Inc. (RSG) - 2%
32. Rollins Inc. (ROL) - 1.1%
33. Snap-on (SNA) - 1.8%
34. United Technologies (UTX) - 2.2%
35. Ryder System Inc. (R) - 2.6%
36. Illinois Tool Works (ITW) - 1.8%
37. Deere & Co. (DE) - 1.9%
38. Iron Mountain Incorporated (IRM) - 6.3%
39. Stanley B&D (SWK) - 1.7%
40. Cummins (CMI) - 2.6%
41. Tennant Company (TNC) - 1.2%
42. Roper Technologies (ROP) - 0.6%
43. Lincoln Electric Holdings (LECO) - 1.5%
44. HNI Corp. (HNI) - 2.5%
45. Honeywell (HON) - 2%
46. Brady Corp. (BRC) - 2.3%
47. Macquarie Infrastructure (MIC) - 6.7%
48. Donaldson Company (DCI) - 1.5%
49. Franklin Electric Co. Inc. (FELE) - 1.1%
50. CSX Corp. (CSX) - 1.5%
51. Pentair Ltd. (PNR) - 2.1%
52. Gorman-Rupp (GRC) - 1.9%
53. L-3 Communications Holdings (LLL) - 1.8%
54. Mine Safety (MSA) - 1.7%
55. AO Smith Corp (AOS) - 1%
56. Aaron's Inc. (AAN) - 0.3%
57. RR Donnelley (RRD) - 4.4%
58. Regal Beloit Corp. (RBC) - 1.3%
59. McGrath RentCorp (MGRC) - 3.1%
60. Herman Miller, Inc. (MLHR) - 2.1%
61. BWX Technologies, Inc. (BWXT) - 0.8%

62. Cass Information Systems (CASS) - 1.5%

## Technology

1. QUALCOMM Inc. (QCOM) - 3.9%
2. IBM (IBM) - 3.9%
3. Computer Services (CSVI) - 2.4%
4. Automatic Data Proc. (ADP) - 2.2%
5. Microchip Technology Inc. (MCHP) - 1.7%
6. Maxim Integrated Products (MXIM) - 2.7%
7. Texas Instruments Inc. (TXN) - 2.5%
8. Intel Corporation (INTC) - 3%
9. Microsoft Corporation (MSFT) - 2.2%
10. Analog Devices Inc. (ADI) - 2.2%
11. Harris Corp. (HRS) - 1.9%
12. Accenture PLC (ACN) - 1.9%
13. Black Box Corp. (BBOX) - 6%
14. Xilinx Inc. (XLNX) - 2.1%
15. Badger Meter Inc. (BMI) - 1.2%
16. Cisco Systems, Inc. (CSCO) - 3.6%
17. Apple Inc. (AAPL) - 1.6%

## Utilities

1. South Jersey Industries Inc. (SJI) - 3%
2. Atmos Energy (ATO) - 2.1%
3. Southern Company (SO) - 4.6%
4. Black Hills Corp. (BKH) - 2.5%
5. York Water (YORW) - 1.9%
6. Aqua America (WTR) - 2.3%
7. Dominion Resources (D) - 3.7%
8. Northwest Natural Gas (NWN) - 3%
9. Consolidated Edison (ED) - 3.3%
10. SCANA Corp. (SCG) - 3.6%
11. WGL Holdings Inc. (WGL) - 2.4%
12. NextEra Energy Inc. (NEE) - 2.8%
13. California Water (CWT) - 2%
14. PPL Corp (PPL) - 3.9%
15. Otter Tail (OTTR) - 3.2%
16. Eversource Energy (ES) - 3%
17. CenterPoint Energy Inc (CNP) - 3.7%
18. Middlesex Water Co. (MSEX) - 2.3%
19. WEC Energy Group Inc. (WEC) - 3.3%
20. Vectren Corp. (VVC) - 2.7%
21. Avista Corp. (AVA) - 3.3%

22. Conn. Water Service (CTWS) - 2.2%
23. Alliant Energy Corp. (LNT) - 3%
24. Chesapeake Utilities Corp. (CPK) - 1.7%
25. UGI Corp. (UGI) - 1.9%
26. Xcel Energy Inc. (XEL) - 3%
27. Duke Energy Corp. (DUK) - 4%
28. New Jersey Resources Corp. (NJR) - 2.4%
29. Edison International (EIX) - 2.6%
30. Spire Inc. (SR) - 3%
31. OGE Energy Corp. (OGE) - 3.4%
32. American States Water (AWR) - 2.1%
33. NorthWestern Corp. (NWE) - 3.4%
34. Portland General Electric Co. (POR) - 2.9%
35. MGE Energy (MGEE) - 1.9%
36. Southwest Gas Holdings Inc. (SWX) - 2.5%
37. SJW Corp. (SJW) - 1.7%

## List of Stocks by Rank

All of the stocks in the Sure Dividend database are sorted by rank below in order based on The 8 Rules of Dividend Investing (highest to lowest). Dividend yield is included next to each stock's ticker symbol. MLPs and REITs are excluded from Top 10 rankings in Sure Dividend. They are included in [the Sure Retirement newsletter](#) if yields are greater than 5%.

- |  |   |
|--|---|
| 1. W.W. Grainger Inc. (GWW) - 3%       | 33. Axis Capital Holdings (AXS) - 2.3%      |
| 2. Target (TGT) - 4.3%                 | 34. South Jersey Industries Inc. (SJI) - 3% |
| 3. Cardinal Health (CAH) - 2.5%        | 35. BCE, Inc. (BCE) - 4.7%                  |
| 4. Occidental Petroleum (OXY) - 5%     | 36. Vector Group (VGR) - 7.3%               |
| 5. Ameriprise Financial (AMP) - 2.7%   | 37. Northrop Grumman (NOC) - 1.6%           |
| 6. Archer Daniels Mid. (ADM) - 3%      | 38. Brown-Forman (BF.B) - 1.4%              |
| 7. CVS Health Corp. (CVS) - 2.5%       | 39. Computer Services (CSVI) - 2.4%         |
| 8. Johnson Controls (JCI) - 2.4%       | 40. Automatic Data Proc. (ADP) - 2.2%       |
| 9. AbbVie (ABBV) - 3.8%                | 41. 3M Company (MMM) - 2.3%                 |
| 10. QUALCOMM Inc. (QCOM) - 3.9%        | 42. ONEOK Inc. (OKE) - 4.9%                 |
| 11. Macy's, Inc. (M) - 6.3%            | 43. Caterpillar Inc. (CAT) - 2.9%           |
| 12. VF Corp. (VFC) - 3.1%              | 44. Kimberly-Clark Corp. (KMB) - 3%         |
| 13. McDonald's (MCD) - 2.5%            | 45. Holly Energy Partners (HEP) - 7.7%      |
| 14. NIKE, Inc. (NKE) - 1.4%            | 46. JB Hunt Transport (JBHT) - 1.1%         |
| 15. Lowe's Companies (LOW) - 1.7%      | 47. Atmos Energy (ATO) - 2.1%               |
| 16. The Home Depot, Inc. (HD) - 2.3%   | 48. Yum! Brands Inc. (YUM) - 1.6%           |
| 17. Kohl's Corporation (KSS) - 5.6%    | 49. Bemis Company (BMS) - 2.7%              |
| 18. IBM (IBM) - 3.9%                   | 50. Southern Company (SO) - 4.6%            |
| 19. Lindsay Corp. (LNN) - 1.4%         | 51. Enbridge, Inc. (ENB) - 4.6%             |
| 20. Procter & Gamble (PG) - 3.1%       | 52. TJX (TJX) - 1.6%                        |
| 21. Wendy's (WEN) - 1.7%               | 53. Exxon Mobil (XOM) - 3.8%                |
| 22. Sysco Corp. (SYU) - 2.4%           | 54. Expeditors Internatio. (EXPD) - 1.6%    |
| 23. Kraft-Heinz Company (KHC) - 2.6%   | 55. Black Hills Corp. (BKH) - 2.5%          |
| 24. Polaris Industries (PII) - 2.8%    | 56. General Electric (GE) - 3.5%            |
| 25. ABM Industries Inc. (ABM) - 1.6%   | 57. T. Rowe Price Group (TROW) - 3.2%       |
| 26. MSC Industrial Direct (MSM) - 2.1% | 58. Raytheon Co. (RTN) - 2%                 |
| 27. The Boeing Company (BA) - 3%       | 59. Graco Inc. (GGG) - 1.3%                 |
| 28. Colgate-Palmolive Co. (CL) - 2.1%  | 60. Aflac (AFL) - 2.3%                      |
| 29. AT&T Inc. (T) - 5%                 | 61. Ecolab, Inc. (ECL) - 1.1%               |
| 30. General Mills (GIS) - 3.3%         | 62. TD Bank Group (TD) - 3.7%               |
| 31. Altria Group Inc. (MO) - 3.2%      | 63. Nu Skin Enterprises (NUS) - 2.6%        |
| 32. Assurant Inc. (AIZ) - 2.1%         | 64. Dover Corp. (DOV) - 2.1%                |

65. Becton Dickinson (BDX) - 1.5%
66. Baxter International (BAX) - 1.1%
67. Eaton (ETN) - 3.1%
68. Farmers & Merchants (FMCB) - 2.2%
69. Lockheed Martin Corp. (LMT) - 2.6%
70. MDU Resources (MDU) - 2.8%
71. Unilever (UL) - 2.7%
72. Cincinnati Financial (CINF) - 2.8%
73. CH Robinson (CHRW) - 2.7%
74. Gap (GPS) - 4%
75. Hormel Foods Corp. (HRL) - 2%
76. Williams-Sonoma (WSM) - 3.2%
77. Kellogg (K) - 2.9%
78. Travelers Companies (TRV) - 2.3%
79. General Dynamics (GD) - 1.7%
80. Sensient Technologies (SXT) - 1.5%
81. Verizon Communications (VZ) - 5%
82. FactSet Research (FDS) - 1.4%
83. Waste Management (WM) - 2.3%
84. Healthcare Services (HCSG) - 1.5%
85. Northern Trust (NTRS) - 1.7%
86. Helmerich & Payne (HP) - 5.2%
87. Old Republic (ORI) - 3.8%
88. York Water (YORW) - 1.9%
89. Nordson Corp. (NDSN) - 0.9%
90. Toro (TTC) - 1%
91. Cintas Corp. (CTAS) - 1.1%
92. Aqua America (WTR) - 2.3%
93. Novo Nordisk (NVO) - 2.6%
94. Robert Half International (RHI) - 2%
95. Abbott Laboratories (ABT) - 2.3%
96. FedEx Corp. (FDX) - 0.8%
97. Parker-Hannifin Corp. (PH) - 1.7%
98. Hershey (HSY) - 2.1%
99. Emerson Electric (EMR) - 3.3%
100. United Parcel Service (UPS) - 3.1%
101. PepsiCo Inc. (PEP) - 2.7%
102. WR Berkley Corp (WRB) - 0.8%
103. Invesco Ltd. (IVZ) - 3.5%
104. McCormick & Co. (MKC) - 1.8%
105. Ross Stores Inc. (ROST) - 1%
106. Wal-Mart Stores, Inc. (WMT) - 2.6%
107. Dominion Resources (D) - 3.7%
108. Carlisle Companies (CSL) - 1.4%
109. Bank of Nova Scotia (BNS) - 4%
110. Casey's General (CASY) - 0.8%
111. Erie Indemnity (ERIE) - 2.6%
112. Coca-Cola (KO) - 3.2%
113. Northwest Natural Gas (NWN) - 3%
114. Clorox Company (CLX) - 2.5%
115. Philip Morris (PM) - 3.4%
116. Microchip Tech. (MCHP) - 1.7%
117. Lancaster Colony (LANC) - 1.7%
118. RenaissanceRe (RNR) - 0.9%
119. Diageo plc (DEO) - 2.5%
120. Church & Dwight (CHD) - 1.4%
121. Jack Henry (JKHY) - 1.2%
122. Kroger (KR) - 1.6%
123. Consolidated Edison (ED) - 3.3%
124. SCANA Corp. (SCG) - 3.6%
125. Union Pacific Corp. (UNP) - 2.2%
126. Republic Services Inc. (RSG) - 2%
127. Royal Gold Inc. (RGLD) - 1.2%
128. WGL Holdings Inc. (WGL) - 2.4%
129. Sherwin-Williams Co. (SHW) - 1%
130. Leggett & Platt Inc. (LEG) - 2.8%
131. Flowers Foods (FLO) - 3.6%
132. American Express (AXP) - 1.6%
133. NextEra Energy Inc (NEE) - 2.8%
134. California Water (CWT) - 2%
135. M&T Bank (MTB) - 1.9%
136. Walgreens Boots (WBA) - 1.8%
137. Visa Inc. (V) - 0.7%
138. Phillips 66 (PSX) - 3.6%
139. Maxim Integrated (MXIM) - 2.7%
140. Weyco Group Inc. (WEYS) - 3.2%
141. AmerisourceBergen (ABC) - 1.6%
142. Merck & Co., Inc. (MRK) - 2.9%
143. Rollins Inc. (ROL) - 1.1%
144. Texas Instruments (TXN) - 2.5%
145. Air Products & Chem. (APD) - 2.6%
146. Snap-on (SNA) - 1.8%

147. UMB Financial (UMBF) - 1.4%
148. Praxair (PX) - 2.3%
149. United Technologies (UTX) - 2.2%
150. S&P Global (SPGI) - 1.1%
151. Cullen/Frost Bankers (CFR) - 2.5%
152. Johnson & Johnson (JNJ) - 2.6%
153. Cracker Barrel (CBRL) - 2.9%
154. Monro Muffler (MNRO) - 1.4%
155. Eli Lilly & Company (LLY) - 2.6%
156. Ryder System Inc. (R) - 2.6%
157. PPL Corp. (PPL) - 3.9%
158. Illinois Tool Works (ITW) - 1.8%
159. SEI Investments (SEIC) - 1.1%
160. Otter Tail (OTTR) - 3.2%
161. Deere & Co. (DE) - 1.9%
162. Hasbro Inc. (HAS) - 2.2%
163. Bank of Montreal (BMO) - 4%
164. Iron Mountain (IRM) - 6.3%
165. Eversource Energy (ES) - 3%
166. Stanley B&D (SWK) - 1.7%
167. CenterPoint Energy (CNP) - 3.7%
168. Cummins (CMI) - 2.6%
169. First Financial (FFIN) - 2%
170. Middlesex Water Co. (MSEX) - 2.3%
171. Infinity Property & C. (IPCC) - 2.4%
172. Tennant Company (TNC) - 1.2%
173. Roper Technologies (ROP) - 0.6%
174. AmTrust Financial (AFSI) - 4.8%
175. WEC Energy Group (WEC) - 3.3%
176. Lincoln Electric (LECO) - 1.5%
177. HNI Corp (HNI) - 2.5%
178. Mondelez (MDLZ) - 1.6%
179. UnitedHealth Group (UNH) - 1.4%
180. Honeywell (HON) - 2%
181. AptarGroup Inc. (ATR) - 1.5%
182. C.R. Bard Inc. (BCR) - 0.3%
183. Vectren Corp. (VVC) - 2.7%
184. BOK Financial Corp. (BOKF) - 2.2%
185. Intel Corporation (INTC) - 3%
186. West Pharmaceutical (WST) - 0.5%
187. Brady Corp. (BRC) - 2.3%
188. Microsoft (MSFT) - 2.2%
189. Canadian Imperial Bank (CM) - 4.8%
190. RLI Corp. (RLI) - 1.5%
191. Analog Devices Inc. (ADI) - 2.2%
192. Chevron Corporation (CVX) - 4.1%
193. Tompkins Financial (TMP) - 2.3%
194. Avista Corp (AVA) - 3.3%
195. Franklin Resources (BEN) - 1.9%
196. Vodafone Group plc (VOD) - 5.4%
197. Andersons (ANDE) - 1.8%
198. Harris Corp. (HRS) - 1.9%
199. Royal Bank of Canada (RY) - 3.7%
200. Bunge Ltd. (BG) - 2.3%
201. Donaldson Company (DCI) - 1.5%
202. Best Buy Co. Inc. (BBY) - 2.1%
203. Conn. Water Service (CTWS) - 2.2%
204. Alliant Energy Corp. (LNT) - 3%
205. Chesapeake Utilities (CPK) - 1.7%
206. JM Smucker (SJM) - 2.3%
207. Arthur J Gallagher (AJG) - 2.7%
208. Wolverine World (WWW) - 0.9%
209. UGI Corp. (UGI) - 1.9%
210. Xcel Energy Inc. (XEL) - 3%
211. Commerce Bancshar. (CBSH) - 1.7%
212. Owens & Minor Inc (OMI) - 3.2%
213. BancFirst Corp. (BANF) - 1.6%
214. Mercury General (MCY) - 4.4%
215. Duke Energy Corp (DUK) - 4%
216. Accenture PLC (ACN) - 1.9%
217. New Jersey Resources (NJR) - 2.4%
218. Universal Corp. (UVV) - 3.2%
219. Genuine Parts Co. (GPC) - 2.9%
220. Edison International (EIX) - 2.6%
221. RPM International Inc. (RPM) - 2.2%
222. Franklin Electric (FELE) - 1.1%
223. People's United (PBCT) - 4.1%
224. Starbucks (SBUX) - 1.6%
225. Brown & Brown Inc. (BRO) - 1.2%
226. Black Box Corp. (BBOX) - 6%
227. Spire Inc. (SR) - 3%
228. Tiffany & Co (TIF) - 2.2%

|   |  |
|---|--|
| 229. CSX Corp (CSX) - 1.5%                | 270. John Wiley & Sons (JW.A) - 2.4%     |
| 230. Pentair Ltd. (PNR) - 2.1%            | 271. Cabot Oil & Gas (COG) - 0.9%        |
| 231. PPG Industries Inc. (PPG) - 1.5%     | 272. CNO Financial Group (CNO) - 1.7%    |
| 232. Bank of the Ozarks (OZRK) - 1.5%     | 273. Southwest Gas (SWX) - 2.5%          |
| 233. Waddell & Reed (WDR) - 10.7%         | 274. Goldman Sachs (GS) - 1.4%           |
| 234. Sonoco Products Co. (SON) - 3%       | 275. American Financial (AFG) - 1.2%     |
| 235. Community Trust (CTBI) - 3%          | 276. Stryker Corp (SYK) - 1.2%           |
| 236. OGE Energy Corp. (OGE) - 3.4%        | 277. Torchmark Insurance (TMK) - 0.8%    |
| 237. Costco Wholesale (COST) - 1.1%       | 278. Badger Meter Inc. (BMI) - 1.2%      |
| 238. Matthews Int'l (MATW) - 1.1%         | 279. Columbia Sportswear (COLM) - 1.3%   |
| 239. Meredith Corp. (MDP) - 3.8%          | 280. Chesapeake Financial (CPKF) - 1.9%  |
| 240. Medtronic Inc. (MDT) - 2%            | 281. SJW Corp. (SJW) - 1.7%              |
| 241. GameStop Corp. (GME) - 6.7%          | 282. Regal Beloit Corp. (RBC) - 1.3%     |
| 242. Eagle Financial (EFSI) - 2.9%        | 283. Albemarle Corp. (ALB) - 1.1%        |
| 243. Stepan Company (SCL) - 1%            | 284. International Speedw. (ISCA) - 1.2% |
| 244. Gorman-Rupp (GRC) - 1.9%             | 285. Telephone & Data (TDS) - 2.1%       |
| 245. L-3 Communications (LLL) - 1.8%      | 286. United Bankshares (UBSI) - 3.4%     |
| 246. Eaton Vance Corp. (EV) - 2.4%        | 287. Cisco Systems, Inc. (CSCO) - 3.6%   |
| 247. Xilinx Inc. (XLNX) - 2.1%            | 288. Apple Inc. (AAPL) - 1.6%            |
| 248. Pfizer Inc. (PFE) - 3.9%             | 289. Community Bank (CBU) - 2.3%         |
| 249. American States Water (AWR) - 2.1%   | 290. 1st Source Corp. (SRCE) - 1.6%      |
| 250. Mine Safety (MSA) - 1.7%             | 291. Mattel, Inc. (MAT) - 6.7%           |
| 251. L Brands, Inc. (LB) - 4.5%           | 292. Westamerica (WABC) - 3%             |
| 252. Phillips 66 Partners (PSXP) - 4.7%   | 293. National Fuel Gas (NFG) - 2.9%      |
| 253. Coca-Cola European (CCE) - 2.3%      | 294. Staples, Inc. (SPLS) - 5.2%         |
| 254. First Financial Corp. (THFF) - 2.2%  | 295. Nucor Corp. (NUE) - 2.6%            |
| 255. Walt Disney (DIS) - 1.4%             | 296. Harleysville Savings (HARL) - 3.8%  |
| 256. NorthWestern Corp. (NWE) - 3.4%      | 297. NewMarket Corp. (NEU) - 1.5%        |
| 257. AO Smith Corp. (AOS) - 1%            | 298. McGrath RentCorp (MGRC) - 3.1%      |
| 258. Chubb Ltd. (CB) - 1.9%               | 299. Perrigo Co. PLC (PRGO) - 0.9%       |
| 259. International Flavors (IFF) - 1.8%   | 300. Imperial Oil (IMO) - 1.7%           |
| 260. Portland General Elec. (POR) - 2.9%  | 301. Westlake Chemical (WLK) - 1.2%      |
| 261. Las Vegas Sands Corp. (LVS) - 4.7%   | 302. Ford Motor Company (F) - 5.2%       |
| 262. Aaron's Inc. (AAN) - 0.3%            | 303. Allstate Corporation (ALL) - 1.7%   |
| 263. E. I. du Pont de Nemours (DD) - 1.9% | 304. Huntington Bancsh. (HBAN) - 2.5%    |
| 264. Prosperity Bancshares (PB) - 2.1%    | 305. JPMorgan Chase & Co. (JPM) - 2.4%   |
| 265. H.B. Fuller Company (FUL) - 1.2%     | 306. Westwood Holdings (WHG) - 4.5%      |
| 266. Tootsie Roll Industries (TR) - 1%    | 307. National HealthCare (NHC) - 2.8%    |
| 267. MGE Energy (MGEE) - 1.9%             | 308. Southside Bancshares (SBSI) - 3.3%  |
| 268. J&J Snack Foods Corp. (JJSF) - 1.3%  | 309. Bowl America (BWL.A) - 4.8%         |
| 269. RR Donnelley (RRD) - 4.4%            | 310. American Equity (AEL) - 1%          |

|  |                                      |
|--|--------------------------------------|
| 311. Herman Miller, Inc. (MLHR) - 2.1% | 318. Compass Minerals (CMP) - 4.4%   |
| 312. Valspar Corp. (VAL) - 0%          | 319. ATN International (ATNI) - 2.1% |
| 313. Hanover Insurance (THG) - 2.4%    | 320. Atrion Corp (ATRI) - 0.7%       |
| 314. BWX Technologies (BWXT) - 0.8%    | 321. Artisan Partners (APAM) - 8.2%  |
| 315. SemGroup (SEMG) - 5.8%            | 322. Cass Information (CASS) - 1.5%  |
| 316. NACCO Industries (NC) - 1.6%      | 323. Agilent Technologies (A) - 0.9% |
| 317. Hawkins Inc. (HWKN) - 1.8%        |                                      |