



# Sure Retirement Newsletter

HIGH-YIELD, HIGH-QUALITY INVESTMENTS

## April 2020 Edition

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## Opening Thoughts

# - The Performance Of High-Yield Securities During The COVID-19 Market Decline -

The investible S&P 500 (SPY) declined<sup>1</sup> 33.1% from peak (February 21<sup>st</sup>, 2020) to trough (March 23<sup>rd</sup>, 2020) during the worst of the COVID-19 market decline.

High-yield securities have declined in a similar fashion. Over the same dates, the Vanguard High Dividend Yield Fund ETF (VYM) declined 34.7%.

While we are not near an actual full recovery yet, market prices have recovered somewhat since their lows on March 23<sup>rd</sup>. From March 23<sup>rd</sup> through morning trading on April 8<sup>th</sup>, SPY and VYM have returned 21.2% and 22.0%, respectively.

In looking at the above numbers, the sharp decline and subsequent partial rally (note that the S&P 500 is still down nearly 20%<sup>2</sup>) affected high-yield securities and the broader S&P 500 market similarly. High-yield securities did not have lower price declines, on average, during this time period.

During the period of maximum decline, there's a clear distinction in performance between the highest quality high-yield securities and the extremely high-yield securities that are not in the upper echelon of dividend safety. Several past blue-chip high-yield *Sure Retirement Newsletter* recommendations that fared well during the maximum drawdown period mentioned previously are noted below. All of them were recommended in the October 2018 edition of the *Sure Retirement Newsletter* or more recently.

- General Mills (GIS): down 1.0%
- UPS (UPS): down 9.2%
- Verizon (VZ): down 11.0%

Our past recommendations that were somewhat riskier and focused on higher yielding securities have performed significantly worse. Note that all of the initial recommendations for the below securities came from *before* we switched to using Sure Analysis data for our *Sure Retirement Newsletter* recommendations in October of 2018<sup>3</sup>.

The worst performing recommendations over this time period include retailers like Macy's (M) and Kohl's (KSS) which had drawdowns of 63% and 64%, and energy sector securities like Occidental Petroleum (OXY) and ONEOK (OKE) which had drawdowns of 76% and 73% respectively.

Price declines alone are no reason to sell – a low price means a security is simply on sale – all other things being equal. We discuss dividend reductions and eliminations in the Sell Recommendations section of this newsletter, but that only applies to a few securities. One of the key advantages to investing in a reasonably diversified portfolio of high-dividend securities is to be able to generate income regardless of what market prices do. This advantage is as important now as ever.

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<sup>1</sup> All returns in the Opening Thoughts do not factor in dividends due to the short period of time over which price is measured.

<sup>2</sup> Through mid-morning on April 8<sup>th</sup>, 2020.

<sup>3</sup> The October 2018 edition relied partially on Sure Analysis data.

## Sell Recommendations

This is an unusual month for sell recommendations. Market declines make selling securities now a generally bad idea. Stocks are trading for a discount virtually across the board. Now is simply not the time to sell stocks, REITs, and MLPs.

At the same time, economic stress has led to an increase in dividend reductions. Highly leveraged companies that were struggling before COVID-19's impact on the economy are especially at risk now of a dividend reduction.

We generally recommend selling securities that reduce or eliminate their dividends. The current situation has created a conundrum since we believe it's best to sell securities that can't honor their dividend obligations to shareholders, and at the same time we also believe it's an emphatically poor time to sell securities right now.

Compounding this issue is that securities which reduce their dividend in this difficult time are likely to be among the most undervalued in the market.

Two of our previous and most vulnerable recommendations recently announced dividend reductions or eliminations – Occidental Petroleum (OXY) and Macy's (M).

To strike a balance between not selling during a steep market decline and selling companies that cannot reward shareholders with steady or rising dividends, **we are moving both Occidental Petroleum and Macy's to our *pending sell* category** due to their dividend reductions.

**They should be sold when they return to some semblance of fair value.** They are both extremely undervalued right now. We expect annual total returns from current prices of ~20% for Macy's and ~27% for Occidental Petroleum.

Macy's sales have stagnated over the last decade. The company has paid down debt and increased its dividend throughout this time. The dividend *was* well covered by earnings, but the company simply cannot operate effectively when its retail locations are closed.

Occidental Petroleum is struggling due to the extreme decline in oil prices coupled with its ill-timed and overpriced acquisition of Anadarko completed in 2019 for \$55 billion including debt. For comparison, *the combined company's market cap is now just ~\$14 billion*. The Anadarko acquisition saddled Occidental with tremendous debt, reducing the company's flexibility.

Both securities have proven that they are unable to pay steady dividends and are therefore no longer worthwhile long-term holds.

But the time to sell these is when they are not trading for such a wide discount to their fair values. We will do full sell write-ups on each of them when we issue our final sell recommendations.

**Note:** Data for this page is from the morning of 4/9/20 and from the 4/9/20 *Sure Analysis Research Database* spreadsheet.

## The Sure Retirement Top 10 – April 2020

Name & Ticker	Div. Risk Score	Price	Fair Value	Exp. Value Ret.	Div. Yield	Payout Ratio	Exp. Growth	ETR <sup>4</sup>
<a href="#">Franklin Resources (BEN)</a>	A	\$17	\$30	11.8%	6.3%	38%	2.0%	20.1%
<a href="#">Walgreens (WBA)</a>	A	\$44	\$72	10.8%	4.2%	31%	5.0%	20.0%
<a href="#">Bank OZK (OZK)</a>	A	\$18	\$26	6.9%	5.9%	28%	5.0%	17.8%
<a href="#">Weyco (WEYS)</a>	A	\$19	\$32	11.3%	5.1%	45%	1.0%	17.4%
<a href="#">AbbVie (ABBV)</a>	A	\$79	\$101	5.1%	5.9%	49%	5.5%	16.5%
<a href="#">National Fuel Gas (NFG)</a>	A	\$39	\$53	6.3%	4.6%	57%	4.0%	14.9%
<a href="#">Eaton Vance (EV)</a>	A	\$35	\$39	1.9%	4.2%	41%	6.5%	12.6%
<a href="#">Genuine Parts (GPC)</a>	A	\$73	\$94	5.0%	4.3%	54%	3.0%	12.3%
<a href="#">Polaris (PII)</a>	B	\$56	\$110	14.0%	4.3%	35%	7.0%	25.3%
<a href="#">Enterprise Products (EPD)</a>	B	\$16	\$27	10.4%	11.1%	59% <sup>5</sup>	2.0%	23.5%

**Notes:** Data for the table above is from a spreadsheet during the past week of our Sure Analysis Research Database and general data over the same week. 'Div.' stands for 'Dividend.' 'Exp. Value Ret.' means expected returns from valuation changes. 'Exp. Growth' means expected annualized growth rate over the next five years. 'ETR' stands for expected total returns and is the sum of the Exp. Value Ret., Div. Yield, and Exp. Growth columns. Data in the table above might be slightly different than individual company analysis pages due to writing the company reports throughout the past week.

**Disclosures:** Ben Reynolds is personally long the following from this month's Top 10: WBA, OZK, ABBV, PII. Bob Ciura is long ABBV.

The only two remaining securities from last month's Top 10 are AbbVie (ABBV) and Enterprise Products Partners (EPD). This is in part because lower market prices mean higher quality securities have yields above 4%. As a reminder, securities that are no longer in the Top 10 are holds, not sells.

This month's Top 10 includes the highest number of "A" ranked Dividend Risk Score securities in memory in the *Sure Retirement Newsletter*. The market downturn has created buying opportunities and corresponding high yields in quality securities.

An equally weighted portfolio of the Top 10 has the following future expected total returns estimate characteristics:

	Top 10	S&P 500
<b>Dividend Yield:</b>	5.6%	2.1%
<b>Growth Rate:</b>	4.1%	5.5%
<b>Valuation Expansion:</b>	8.4%	-2.8%
<b>Expected Annual Total Returns:</b>	18.0%	4.8%

**Note:** Data for the newsletter was from 4/7/20 through 4/10/20.

<sup>4</sup> Expected Total Returns is calculated using the simplified estimated method which is the sum of valuation, dividend, and growth returns. It does not take into account dividend growth or volatility decay.

<sup>5</sup> Based on the company's distributable cash flow coverage ratio, not EPS.

# Analysis of Top 10 Securities

## Franklin Resources Inc. (BEN)

### Overview & Current Events

Franklin Resources was founded in 1947 and named after Benjamin Franklin. Today, Franklin Resources manages the Franklin and Templeton families of funds. Franklin Resources has a market capitalization of approximately \$8.5 billion, with nearly \$600 billion in assets under management (AUM) as of the end of March.

Franklin Resources reported Q1 fiscal year 2020 results in which total assets under management increased 1% to over \$698 billion. Negative net flows were more than offset by strong investment performance. Operating revenue increased fractionally for the quarter, while earnings-per-share increased 30% from the same quarter last year. The company more recently announced that AUM declined 12% in March to \$580.2 billion, due primarily to the poor performance of the stock market.

### Competitive Advantages & Recession Performance

Competitive advantages are difficult to achieve in the asset management industry, but Franklin Resources has established itself with a long and successful track record of industry outperformance. It has also increased its dividend every year since 1981, placing it on the list of Dividend Aristocrats.

Franklin Resources is not a recession-resistant company. As a financial services provider, its profits are highly correlated to economic growth and market performance. For example, Franklin Resources' earnings-per-share declined 5.5% in 2008, and another 42% in 2009 during the Great Recession. That said, the company remained profitable, which allowed it to continue increasing its dividend throughout the recession, and earnings-per-share quickly recovered with 63% growth in 2010.

### Growth Prospects, Valuation, & Catalyst

While industry conditions have tightened lately due to escalating competition, we believe Franklin Resources retains multiple catalysts for future growth. First, the U.S. is an aging population. As the population ages, along with increasing life expectancy, the need for retirement planning services will be higher than ever. Franklin Resources will also be able to grow AUM through acquisitions, such as the recent \$4.5 billion acquisition of Legg Mason (LM). Legg Mason, and its investment affiliates, collectively managed over \$800 billion in assets as of January 31<sup>st</sup>, 2020. The combined company will be among the world's largest asset managers. The deal also presents significant cost synergies, as Franklin Resources expects to generate approximately \$200 million in annual cost savings.

We expect earnings-per-share of \$2.75 for 2020. Based on this, the stock trades for a price-to-earnings ratio (P/E) of 6.3, significantly below our fair value estimate of 11. Expansion of the P/E multiple could increase annual returns by 11.8% through 2025. Combining valuation changes with 2.0% expected annual earnings growth and the 6.3% dividend yield, we expect total returns of 20.1% per year for Franklin Resources stock over the next five years.

### Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	39	<b>5-Year Growth Estimate:</b>	2.0%
<b>Dividend Yield:</b>	6.3%	<b>5-Year Valuation Return Estimate:</b>	11.8%
<b>Most Recent Dividend Increase:</b>	3.8%	<b>5-Year CAGR Estimate:</b>	20.1%
<b>Estimated Fair Value:</b>	\$30	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$17	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue</b>	5853	7140	7101	7985	8491	7949	6618	6392	6319	5775
<b>Gross Profit</b>	3570	3196	3106	3558	3935	3733	3047	2928	2889	2370
<b>Gross Margin</b>	61.0%	44.8%	43.7%	44.6%	46.3%	47.0%	46.0%	45.8%	45.7%	41.0%
<b>SG&amp;A Exp.</b>	1316	363	408	446	498	481	474	444	526	813
<b>D&amp;A Exp.</b>	267	88	82	94	95	97	87	80	76	93
<b>Operating Profit</b>	2089	2660	2515	2921	3221	3028	2366	2264	2119	1557
<b>Operating Margin</b>	35.7%	37.3%	35.4%	36.6%	37.9%	38.1%	35.7%	35.4%	33.5%	27.0%
<b>Net Profit</b>	1446	1924	1931	2150	2384	2035	1727	1697	764	1196
<b>Net Margin</b>	24.7%	26.9%	27.2%	26.9%	28.1%	25.6%	26.1%	26.5%	12.1%	20.7%
<b>Free Cash Flow</b>	1594	1490	988	1974	2085	2183	1630	1061	2123	(32)
<b>Income Tax</b>	618	803	763	856	998	924	742	759	1473	442

### Balance Sheet Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Assets</b>	10708	13776	14752	15390	16357	16336	16099	17534	14384	14532
<b>Cash &amp; Equivalents</b>	3985	5199	4491	6323	7596	8368	8483	8750	6911	5958
<b>Accounts Receivable</b>	N/A	773	850	1039	950	838	794	1002	848	839
<b>Goodwill &amp; Int. Ass.</b>	2007	2148	2142	2359	2326	2257	2211	2228	2333	
<b>Total Liabilities</b>	2958	4653	4991	4705	4145	3840	3571	4598	4176	2995
<b>Accounts Payable</b>	547	266	242	274	238	232	233	292	227	3908
<b>Long-Term Debt</b>	980	2201	2777	2295	2149	2155	2083	1098	729	304
<b>Shareholder's Equity</b>	7727	8525	9201	10073	11584	11841	11936	12620	9899	748
<b>D/E Ratio</b>	0.13	0.26	0.30	0.23	0.19	0.18	0.17	0.09	0.07	0.08

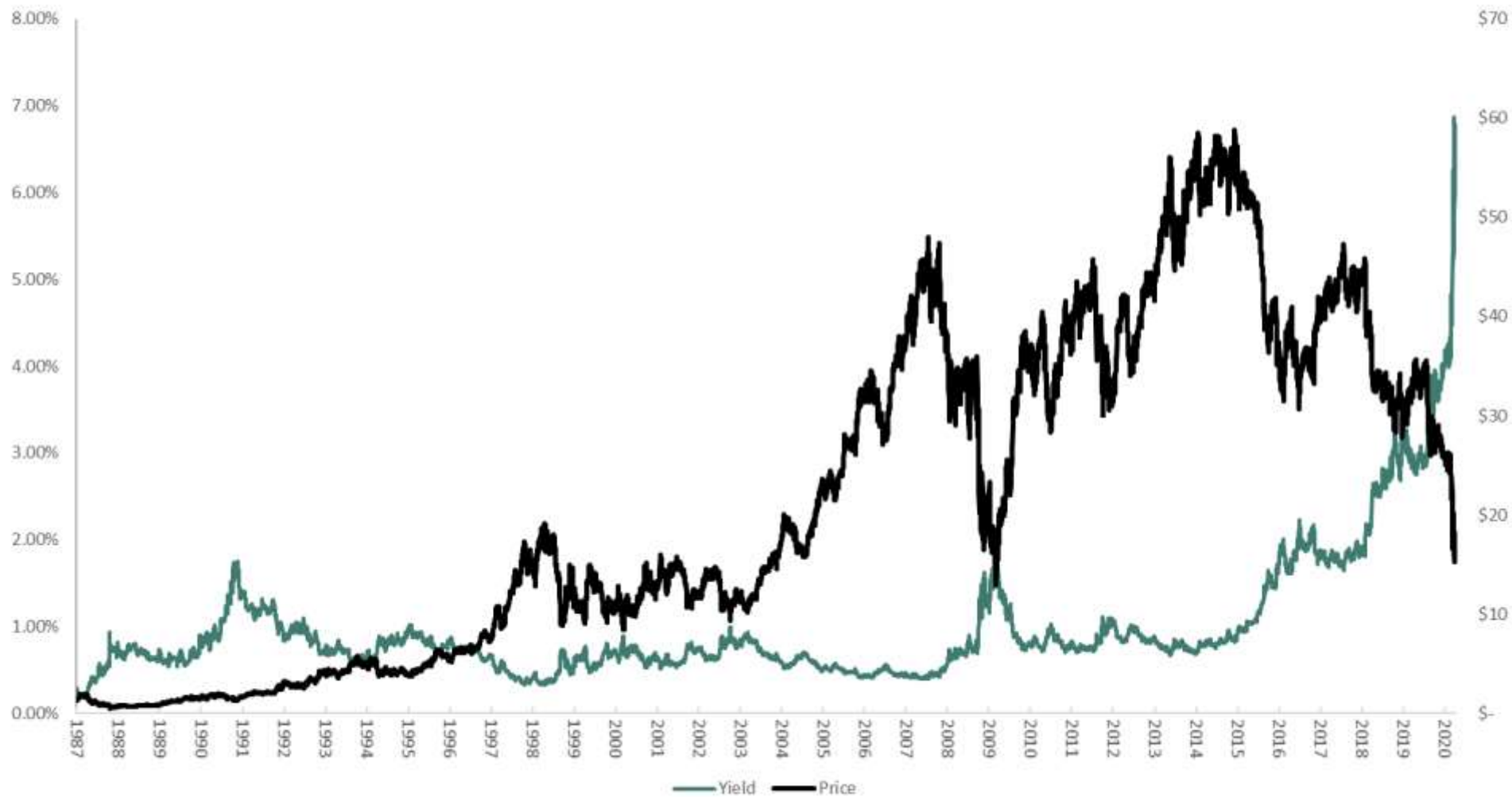
### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Return on Assets</b>	14.3%	15.7%	13.5%	14.3%	15.0%	12.5%	10.6%	10.1%	4.8%	8.3%
<b>Return on Equity</b>	18.8%	23.7%	21.8%	22.3%	22.0%	17.4%	14.5%	13.8%	6.8%	12.1%
<b>ROIC</b>	17.5%	19.2%	16.2%	16.9%	17.4%	14.0%	11.8%	11.8%	6.1%	10.7%
<b>Shares Out.</b>	672	653	637	631	623	604	570	555	522	499
<b>Revenue/Share</b>	8.58	10.72	11.04	12.59	13.58	12.93	11.34	11.43	11.75	11.45
<b>FCF/Share</b>	2.34	2.24	1.54	3.11	3.33	3.55	2.79	1.90	3.95	(0.06)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.



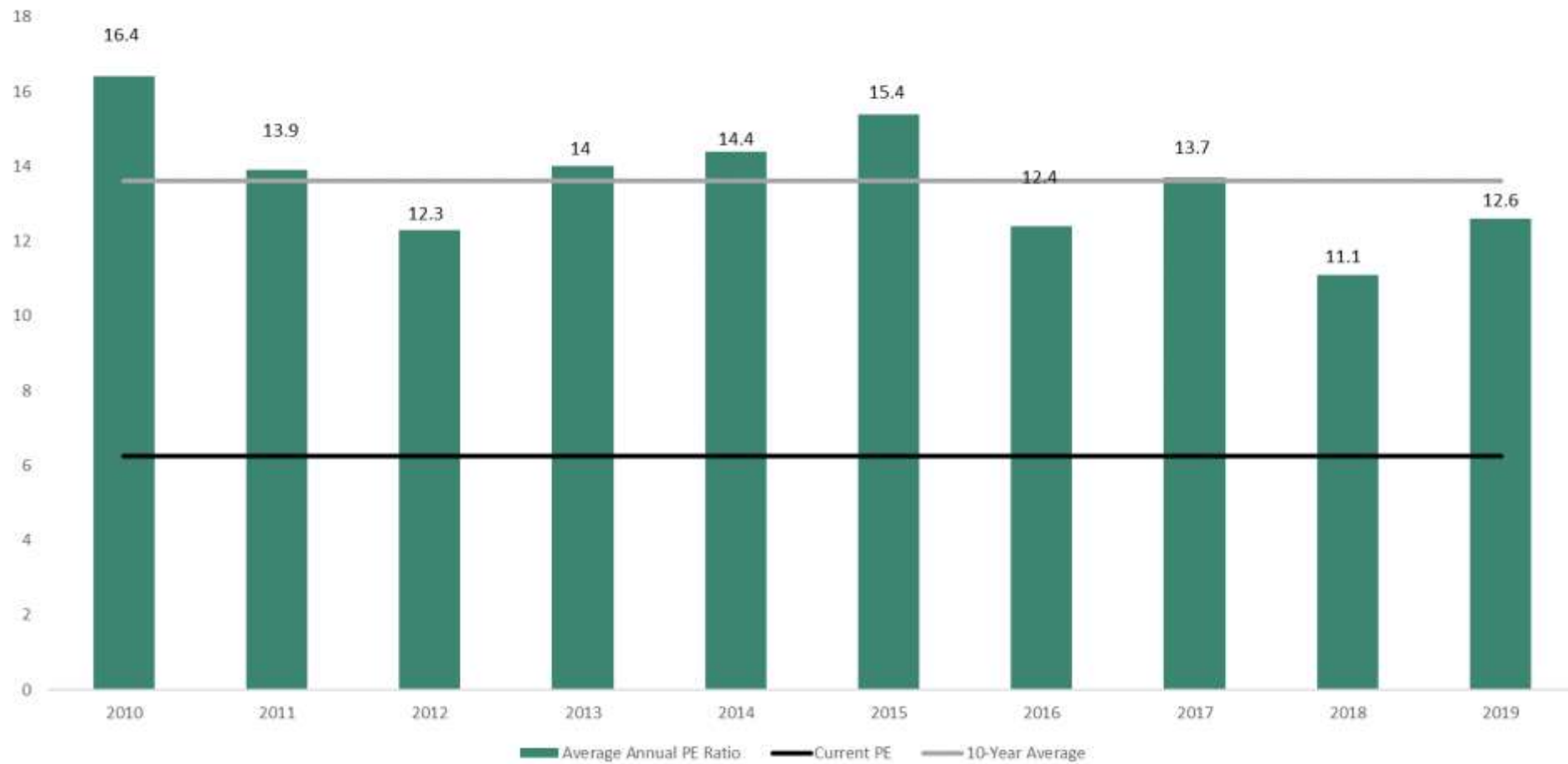
### Franklin Resources (BEN) Dividend Yield History



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### Franklin Resources (BEN): Valuation Analysis



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# Walgreens Boots Alliance Inc. (WBA)

## Overview & Current Events

Walgreens Boots Alliance is a pharmacy retailer with over 18,000 stores in 11 countries. The stock currently has a \$38 billion market capitalization. Walgreens has increased its dividend for 44 consecutive years, which makes it a member of the Dividend Aristocrats.

In late 2019, Walgreens was approached by KKR & Co., a private equity and real estate investment firm that specializes in leveraged buyouts, about a possible buyout. Following this announcement, analysts estimated that somewhere between \$75 and \$77 might be the price needed to take Walgreens private. However, no formal agreement has transpired, and all indications are that the talks have stalled. As a result, investors should not consider the go-private deal to be likely at this point.

In early April, Walgreens reported (4/2/20) financial results for the Q2 2020. Revenue of \$35.8 billion increased 4.1% year-over-year excluding foreign exchange impacts, beating analyst estimates by \$580 million. Comparable store sales grew 2.7% in the core Retail Pharmacy USA operating segment. However, adjusted earnings-per-share (EPS) fell 7.3% to \$1.52 from the same quarter last year, as the company ramps up its investments in growth initiatives. The company also withdrew its financial guidance for the remainder of fiscal 2020, due to the uncertainty posed by COVID-19.

## Competitive Advantages & Recession Performance

Walgreens' competitive advantage is its leading market share. Its robust retail presence and convenient locations encourage consumers to use Walgreens instead of its competitors. This brand strength means customers keep coming back to Walgreens, providing the company with stable sales and growth. Consumers are unlikely to cut spending on prescriptions and other healthcare products even during difficult economic times which makes Walgreens very resistant to recessions. Walgreens' adjusted EPS declined by just 7% during 2009 and actually grew its adjusted EPS from 2007 through 2010

## Growth Prospects, Valuation, & Catalyst

Walgreens has a positive long-term growth outlook. Retail Pharmacy has proven to be resistant to e-commerce and will benefit from the aging U.S. population and rising demand for healthcare. For example, in the most recent quarter Walgreens' pharmacy sales increased 5.3% year-over-year, reflecting higher brand inflation and prescription volume. Separately, the company continues to maintain its cost-cutting target of over \$1.8 billion by fiscal 2022. Walgreens already announced it will close 200 Boots stores in the U.K. and also 200 U.S. stores.

Based on expected fiscal 2020 adjusted EPS of \$6.00, Walgreens stock trades at a price-to-earnings ratio (P/E) of just 7.2. We believe Walgreens is valued far too low, based on its strong business model, competitive advantages, and long history of dividend increases. Our fair value estimate is a P/E of 12.0, which means expansion of the price-to-earnings ratio could add 10.8% to Walgreens' annual returns through 2025. In addition, we expect 5% annual EPS growth, and the stock has a 4.2% dividend yield. Overall, Walgreens stock has expected returns of 20% per year over the next 5 years.

## Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	44	<b>5-Year Growth Estimate:</b>	5.0%
<b>Dividend Yield:</b>	4.2%	<b>5-Year Valuation Return Estimate:</b>	10.8%
<b>Most Recent Dividend Increase:</b>	4%	<b>5-Year CAGR Estimate:</b>	20.0%
<b>Estimated Fair Value:</b>	\$72	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$44	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue (\$B)</b>	67	72	72	72	76	103	117	118	132	137
<b>Gross Profit</b>	18976	20492	20342	21119	21569	26753	29874	29162	30792	30076
<b>Gross Margin</b>	28.1%	28.4%	28.4%	29.2%	28.2%	25.9%	25.5%	24.7%	23.4%	22.0%
<b>SG&amp;A Exp.</b>	15518	16561	16878	17543	17992	22400	23910	23813	24694	25242
<b>D&amp;A Exp.</b>	1030	1086	1166	1283	1316	1742	1718	1654	1770	2038
<b>Operating Profit</b>	3458	3931	3464	3576	3577	4353	5964	5349	6098	4834
<b>Op. Margin</b>	5.1%	5.4%	4.8%	5.0%	4.7%	4.2%	5.1%	4.5%	4.6%	3.5%
<b>Net Profit</b>	2091	2714	2127	2548	1932	4220	4173	4078	5024	3982
<b>Net Margin</b>	3.1%	3.8%	3.0%	3.5%	2.5%	4.1%	3.6%	3.4%	3.8%	2.9%
<b>Free Cash Flow</b>	2730	2430	2881	3089	2787	4413	6522	5904	6896	3892
<b>Income Tax</b>	1282	1580	1249	1499	1526	1056	997	760	998	588

### Balance Sheet Metrics

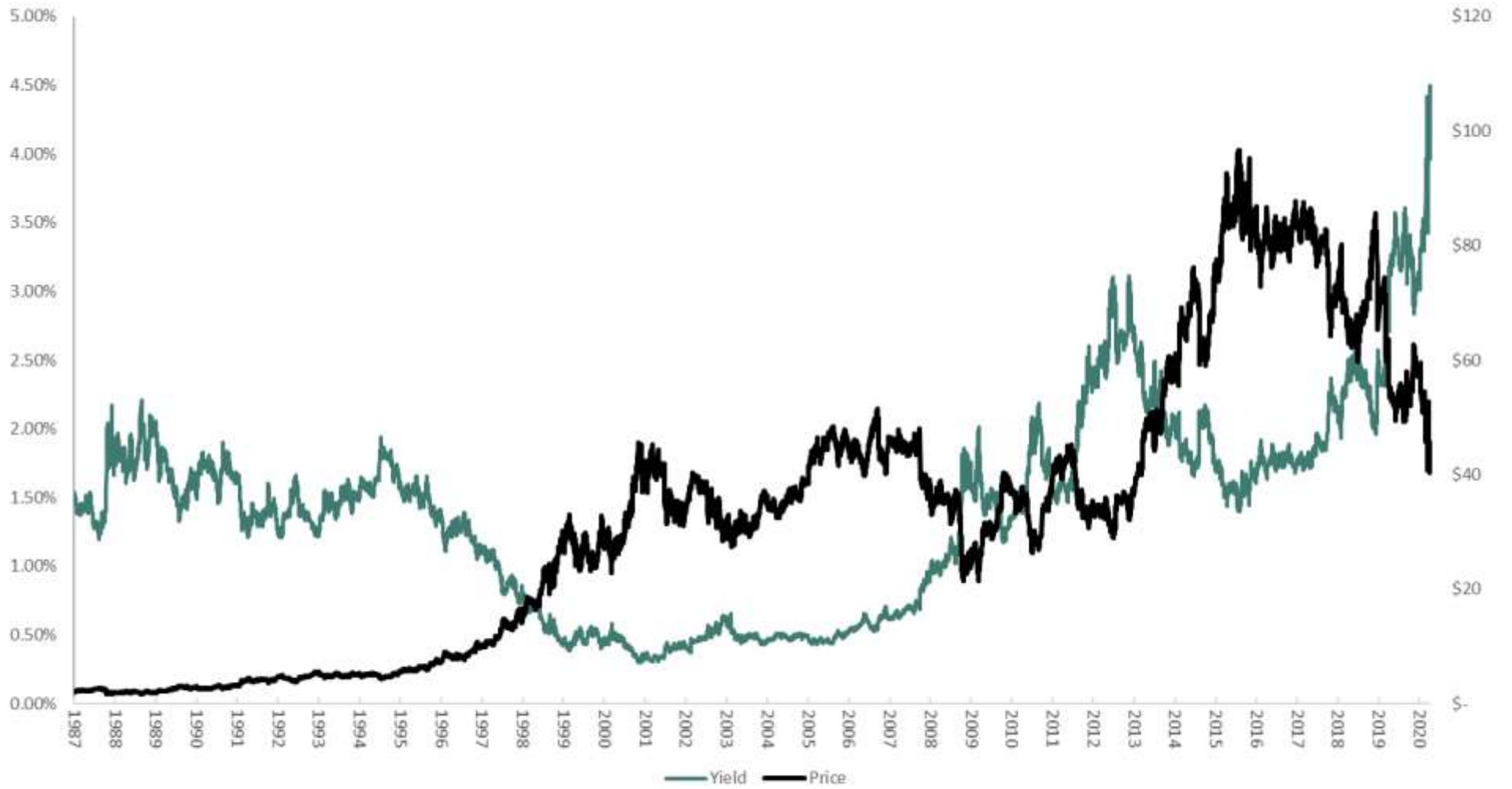
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Assets</b>	26275	27454	33462	35481	37250	68782	72688	66009	68124	67598
<b>Cash &amp; Equivalents</b>	1880	1556	1297	2106	2646	3000	9807	3301	785	1023
<b>Acc. Receivable</b>	2450	2497	2167	2632	3218	6849	6260	6528	6573	7226
<b>Inventories</b>	7378	8044	7036	6852	6076	8678	8956	8899	9565	9333
<b>Goodwill &amp; Int.</b>	3001	3229	3447	3717	3539	28723	25829	25788	28697	27436
<b>Total Liabilities</b>	11875	12607	15226	16027	16633	37482	42407	37735	41435	43446
<b>Accounts Payable</b>	4585	4810	4384	4635	4315	10088	11000	12494	13566	14341
<b>Long-Term Debt</b>	2401	2409	5392	5047	4490	14383	19028	12935	14397	16836
<b>Total Equity</b>	14400	14847	18236	19454	20513	30861	29880	27466	26007	23512
<b>D/E Ratio</b>	0.17	0.16	0.30	0.26	0.22	0.47	0.64	0.47	0.55	0.72

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Return on Assets</b>	8.1%	10.1%	7.0%	7.4%	5.3%	8.0%	5.9%	5.9%	7.5%	5.9%
<b>Return on Equity</b>	14.5%	18.6%	12.9%	13.5%	9.7%	16.4%	13.7%	14.2%	18.8%	16.1%
<b>ROIC</b>	12.5%	15.9%	10.4%	10.6%	7.8%	11.9%	8.8%	9.0%	12.2%	9.7%
<b>Shares Out.</b>	939	889	944	947	950	1,090	1,083	1,024	952	924
<b>Revenue/Share</b>	68.25	78.08	81.39	75.60	79.15	98.15	107.55	109.61	132.20	148.20
<b>FCF/Share</b>	2.76	2.63	3.27	3.23	2.89	4.19	5.98	5.47	6.93	4.21

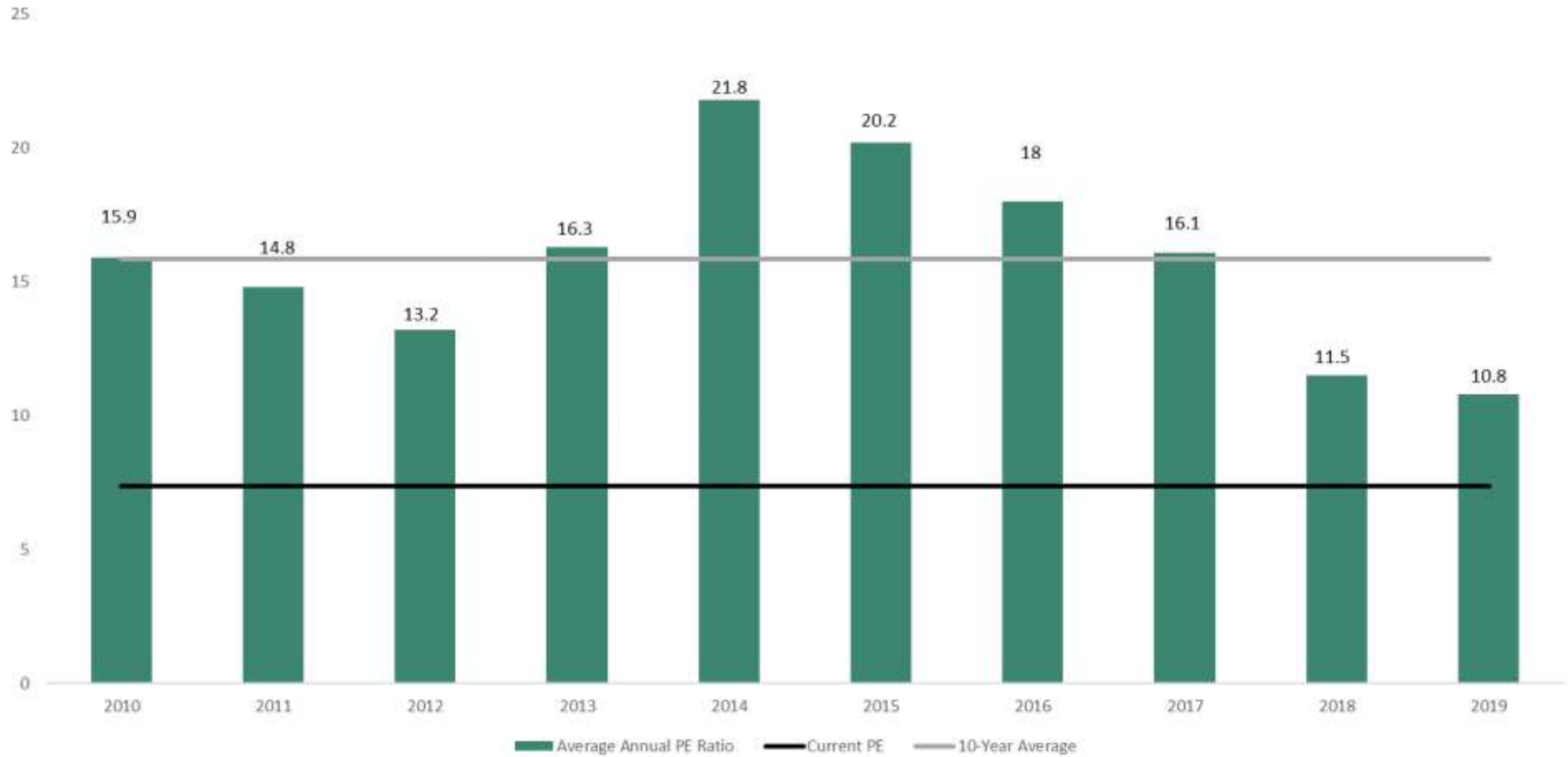
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Walgreens Boots Alliance (WBA) Dividend Yield History



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### Walgreens Boots Alliance (WBA): Valuation Analysis



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## Bank OZK (OZK)

### Overview & Current Events

Bank OZK is a regional bank based in Arkansas that offers core banking activities such as checking, business banking, commercial loans, mortgages, and other services to customers in the Southeast U.S., primarily. The bank was founded in 1903, produces more than \$900 million in annual revenue, and trades with a current market capitalization of \$2.3 billion.

Bank OZK reported fourth-quarter and full-year earnings on January 16<sup>th</sup>, and results were somewhat disappointing as the company struggled once again to produce meaningful growth. Total interest income – the bank’s primary source of revenue – came to \$281 million in Q4, a 3.8% decline from the comparable period in 2018. This resulted in a decline in net earnings from \$115 million in the year-ago period to \$100.8 million in Q4. On a per-share basis, earnings were \$0.78 against \$0.89 previously.

Results for the year were better as total interest income rose 5.6% to \$1.16 billion. Net income rose as well, although modestly, rising from \$417 million in 2018 to \$426 million in 2019. On a per-share basis, earnings were \$3.30 in 2019, up from \$3.24. Tangible book value at the end of the year was up 12.5% from 2018 to \$26.88. The current share price of \$18 compares extremely favorably to this measure of value.

### Competitive Advantages & Recession Performance

We note that competitive advantages are difficult in the banking industry simply because each institution offers virtually identical products. However, Bank OZK is well positioned in its home markets in the Southeastern U.S., including its home state of Arkansas, and has made inroads in more lucrative markets like New York and California.

We also note that Bank OZK performed extremely well during the last recession, and we expect that to occur once more. The impact of the COVID-19 slowdown is as yet unknown, but given the bank’s ability to withstand prior downturns, we are optimistic.

With the dividend payout ratio at just 28% of earnings for this year, we also see Bank OZK’s 23-year streak of dividend increases as being sustained for the foreseeable future.

### Growth Prospects, Valuation, & Catalyst

Bank OZK has proven to be a decent grower over time, although that growth has stalled in recent years. We forecast 5% annual earnings-per-share growth in the coming years as the bank continues to grow organically, and also makes opportunistic acquisitions. Bank OZK made several acquisitions of failing banks during and after the Great Recession, and if the current downturn produces more bank failures, we may see Bank OZK opportunistically acquire again. We further note that Bank OZK’s efficiency ratio in the low-40s is industry-leading and produces high operating leverage.

We see Bank OZK producing 17.8% total annual returns in the coming years, consisting of the 5.9% yield, 6.9% tailwind from the valuation, and 5% earnings growth. With shares at just 7.1 times this year’s earnings, the stock offers a high yield and strong value, along with a history of performing well during economic downturns.

### Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	23	<b>5-Year Growth Estimate:</b>	5.0%
<b>Dividend Yield:</b>	5.9%	<b>5-Year Valuation Return Estimate:</b>	6.9%
<b>Most Recent Dividend Increase:</b>	3.8%	<b>5-Year CAGR Estimate:</b>	17.8%
<b>Estimated Fair Value:</b>	\$26	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$18	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	154	211	228	258	346	479	695	930	992	984
SG&A Exp.	55	75	78	84	100	111	163	212	242	264
D&A Exp.	5	7	9	10	13	17	25	34	35	43
Net Profit	64	101	77	91	119	182	270	422	417	426
Net Margin	41.5%	48.0%	33.8%	35.3%	34.3%	38.0%	38.9%	45.4%	42.1%	43.3%
Free Cash Flow	24	-1	-62	49	79	184	197	346	619	326
Income Tax	27	50	34	40	54	94	154	159	137	138

### Balance Sheet Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	3274	3842	4040	4791	6766	9879	18890	21276	22388	23556
Cash & Equivalents	49	59	208	196	150	91	866	440	291	1496
Accounts Receivable	14	13	13	14	20	25	52	65	82	75
Goodwill & Int. Ass.	8	12	12	19	106	152	721	709	696	685
Total Liabilities	2950	3414	3529	4159	5855	8412	16095	17812	18615	19402
Accounts Payable	N/A	46	28	17	37	52	73	186	216	222
Long-Term Debt	347	367	346	346	256	322	383	364	439	695
Shareholder's Equity	320	425	508	629	908	1465	2792	3461	3770	4150
D/E Ratio	1.08	0.86	0.68	0.55	0.28	0.22	0.14	0.11	0.12	0.17

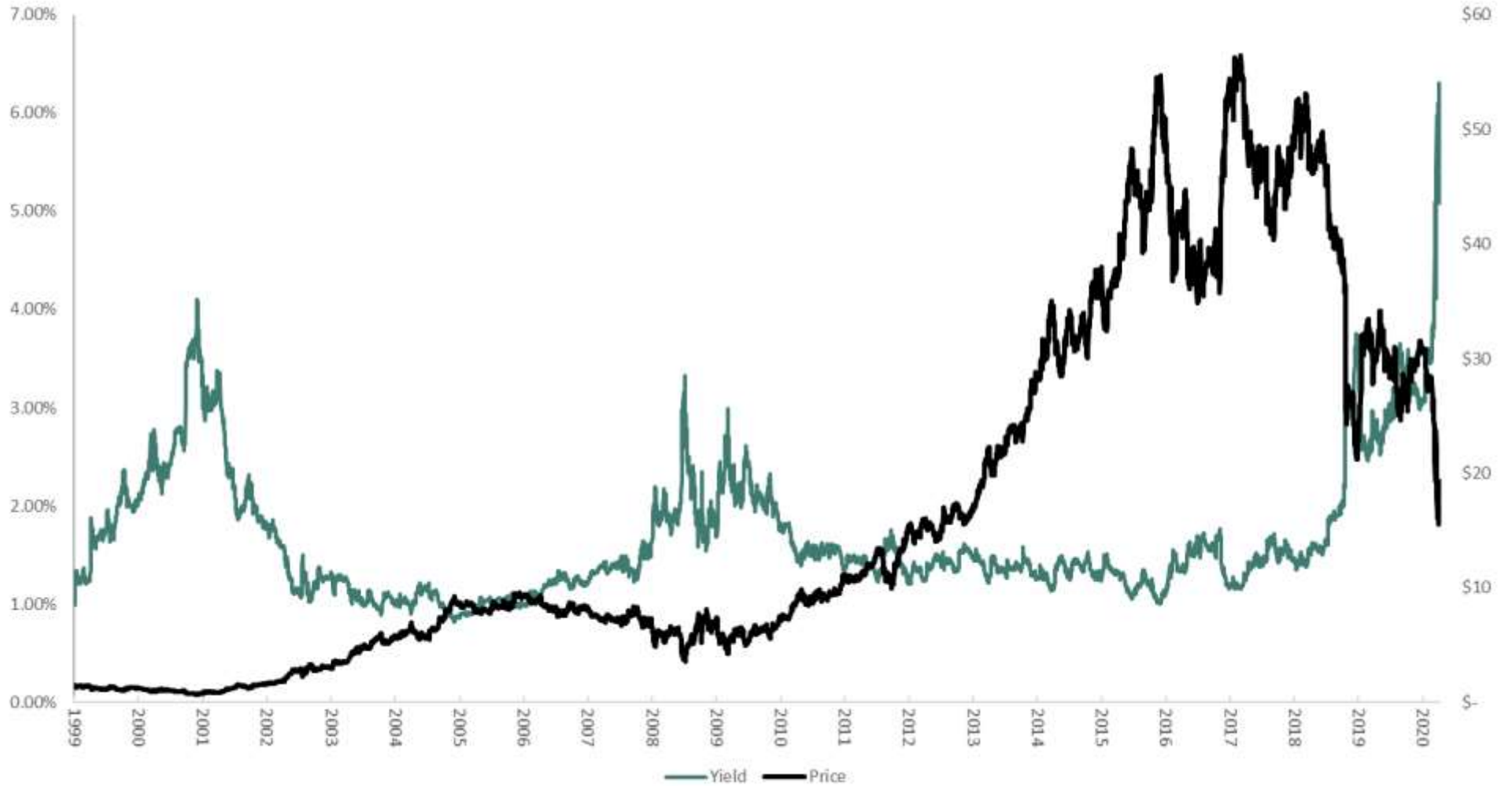
### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return on Assets	2.1%	2.8%	2.0%	2.1%	2.1%	2.2%	1.9%	2.1%	1.9%	1.9%
Return on Equity	21.7%	27.2%	16.5%	16.1%	15.4%	15.4%	12.7%	13.5%	11.5%	10.8%
ROIC	9.5%	13.8%	9.3%	9.9%	11.1%	12.3%	10.9%	12.0%	10.4%	9.4%
Shares Out.	68	69	71	74	80	90	121	128	130	129
Revenue/Share	2.26	3.06	3.26	3.57	4.43	5.49	6.63	7.39	7.70	7.63
FCF/Share	0.35	-0.01	-0.89	0.68	1.01	2.11	1.88	2.75	4.80	2.53

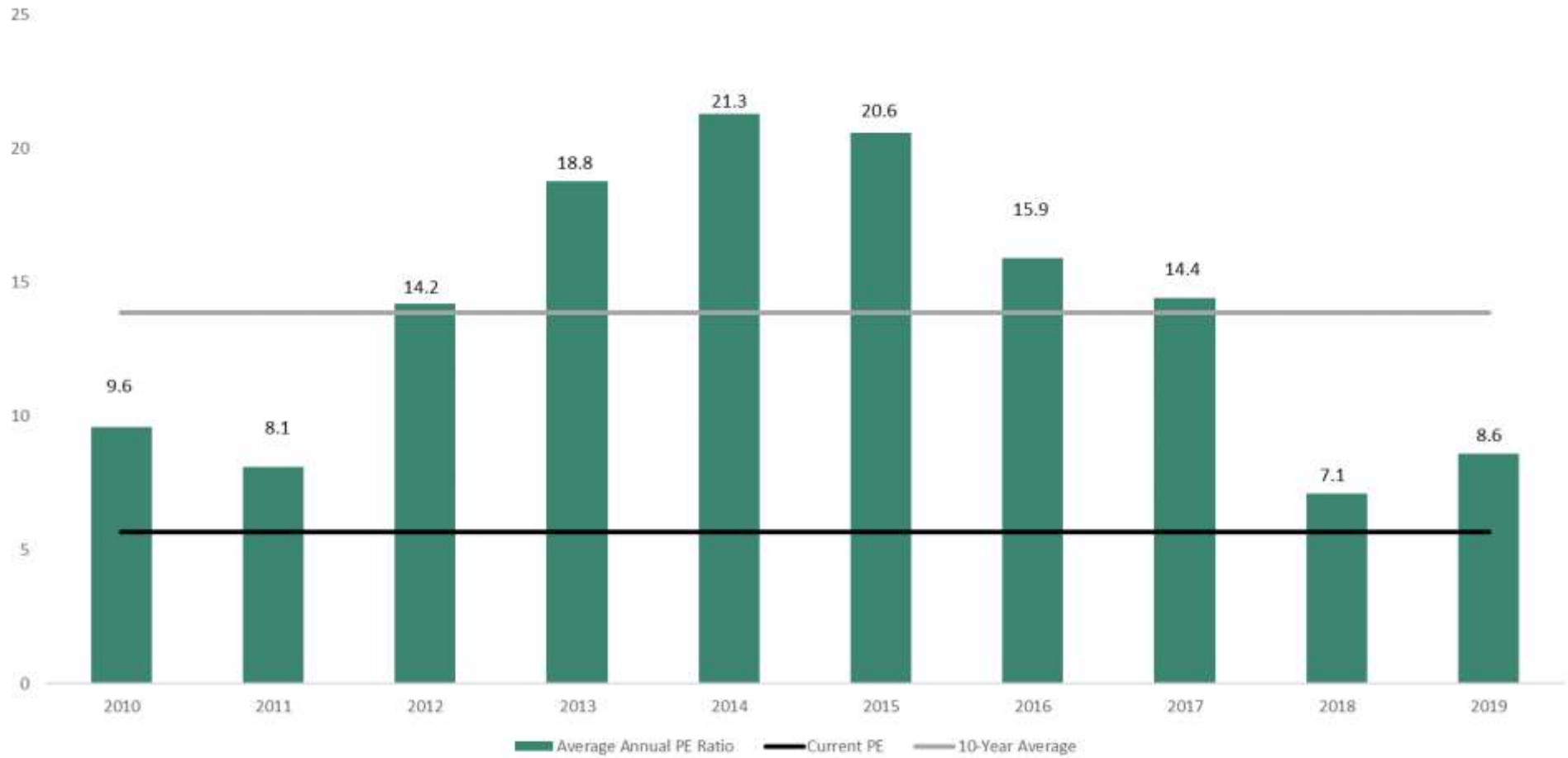
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.



**Bank OZK (OZK) Dividend Yield History**



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**Bank OZK (OZK): Valuation Analysis**

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# Weyco Group Inc. (WEYS)

## Overview & Current Events

Weyco Group is a designer and distributor of footwear. The company's brands consist of Florsheim, Nunn Bush, Stacy Adams, BOGS, and Rafters. Weyco distributes its products through department stores and other national retailers in North America, but it also operates its own Florsheim retail locations in the U.S., as well as its own digital channels. Revenue was just over \$300 million last year, and the stock trades with a market capitalization of \$181 million after the recent sell-off.

The company's full-year earnings were reported on March 10<sup>th</sup>, 2020, and results were somewhat disappointing. Revenue declined companywide by 3% to \$87 million in Q4, while earnings-per-share fell three cents on a diluted basis to \$0.90. Florsheim showed strength in the fourth quarter but was offset by the company's other brands. Wholesale revenue declined 3%, but Florsheim posted a very strong 9% gain on the top line. The international business was also quite weak, posting a 15% decline in revenue in Q4.

Lower sales led to lower margins for Weyco in Q4, and the addition of higher expenses and foreign exchange headwinds combined to produce a weak quarter in terms of operating profitability.

We are forecasting just over \$2 in earnings-per-share for this year, which would be essentially flat with 2019's full-year result of \$2.10 in earnings-per-share.

## Competitive Advantages & Recession Performance

Weyco's competitive advantage is its in-house brands, as it has proven it can produce and merchandise products that consumers want. However, it is a small player in the large footwear market, so it doesn't possess the size and scale of a company like Nike on the design side of the business, or Foot Locker on the distribution side. Weyco is beholden to its distribution partners for most of its sales, so should the current downturn take one or more of those distributors out, Weyco could suffer materially.

The same is true for the company's recession resistance, as Weyco is reliant upon consumer discretionary spending. While we don't expect this current downturn to last very long, Weyco's earnings fell precipitously during the Great Recession, and took years to recover. However, with the payout ratio at just 45% of earnings for this year, Weyco's 38-year streak of dividend increases should be safe barring a prolonged and deep recession.

## Growth Prospects, Valuation, & Catalyst

We see 2020 as a challenging year for Weyco since it ended 2019 with lower overall revenue and also lower margins. The COVID-19 impact is yet to be seen, but we also think it will be temporary. We expect growth in the coming years to be modest – just 1% annually – as Weyco tries to continue to build out its digital channels and become less reliant upon a dying breed of retailers.

We expect \$2.12 in earnings-per-share for this year, so shares trade with a price-to-earnings multiple of just 8.8 at present. That compares very favorably to our estimate of fair value at 15 times earnings, implying a huge 11.3% tailwind from the valuation in the coming years. Combined with 1% earnings growth and the current 5.1% dividend yield, we forecast 17.4% total annual returns for Weyco.

## Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	38	<b>5-Year Growth Estimate:</b>	1.0%
<b>Dividend Yield:</b>	5.1%	<b>5-Year Valuation Return Estimate:</b>	11.3%
<b>Most Recent Dividend Increase:</b>	4.3%	<b>5-Year CAGR Estimate:</b>	17.4%
<b>Estimated Fair Value:</b>	\$32	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$19	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	229	271	293	300	320	321	297	284	298	304
Gross Profit	90	107	115	117	123	122	112	111	120	124
Gross Margin	39.4%	39.4%	39.1%	39.1%	38.4%	37.9%	37.7%	39.0%	40.2%	40.8%
SG&A Exp.	72	84	85	90	92	90	89	87	95	97
D&A Exp.	3	3	4	4	4	4	4	4	4	3
Operating Profit	19	23	30	28	31	32	23	23	25	27
Operating Margin	8.2%	8.6%	10.2%	9.2%	9.6%	9.9%	7.7%	8.3%	8.5%	8.9%
Net Profit	14	15	19	18	19	18	16	16	20	21
Net Margin	6.0%	5.6%	6.5%	5.9%	5.9%	5.7%	5.5%	5.8%	6.9%	6.9%
Free Cash Flow	-1	9	8	27	15	-8	41	32	12	2
Income Tax	7	9	11	10	11	11	5	7	6	6

### Balance Sheet Metrics

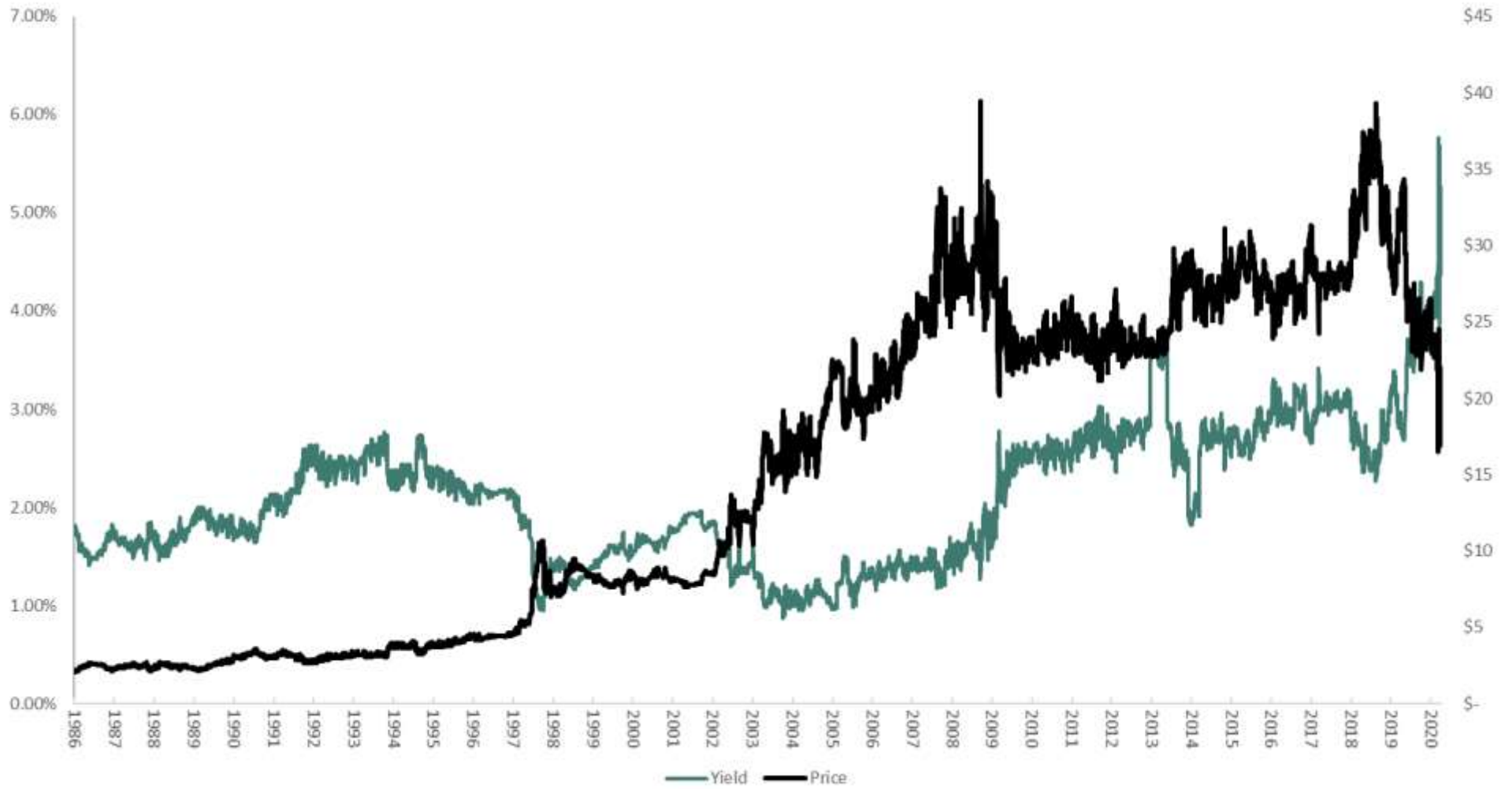
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	223	274	285	268	277	299	268	263	270	297
Cash & Equivalents	7	10	17	16	12	18	14	23	23	10
Accounts Receivable	39	44	49	49	55	54	51	49	52	52
Inventories	56	63	65	63	69	97	70	60	73	87
Goodwill & Int. Ass.	13	49	49	49	49	48	46	46	46	45
Total Liabilities	46	102	104	71	79	94	60	57	64	87
Accounts Payable	10	13	11	14	16	13	12	9	13	12
Long-Term Debt	5	37	45	12	5	27	4	0	6	7
Shareholder's Equity	172	166	174	190	191	198	202	199	206	210
D/E Ratio	0.03	0.22	0.26	0.06	0.03	0.13	0.02	0.00	0.03	0.03

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return on Assets	6.3%	6.1%	6.8%	6.4%	7.0%	6.3%	5.8%	6.2%	7.7%	7.4%
Return on Equity	8.1%	9.0%	11.1%	9.7%	10.0%	9.4%	8.2%	8.2%	10.1%	10.0%
ROIC	7.8%	7.8%	8.7%	8.1%	9.2%	8.4%	7.4%	7.9%	9.8%	9.7%
Shares Out.	11.4	10.9	10.8	10.9	10.8	10.8	10.5	10.2	10.4	10.0
Revenue/Share	19.95	24.29	26.80	27.64	29.44	29.53	28.09	27.51	28.71	30.54
FCF/Share	-0.12	0.80	0.77	2.50	1.37	-0.73	3.87	3.10	1.12	0.20

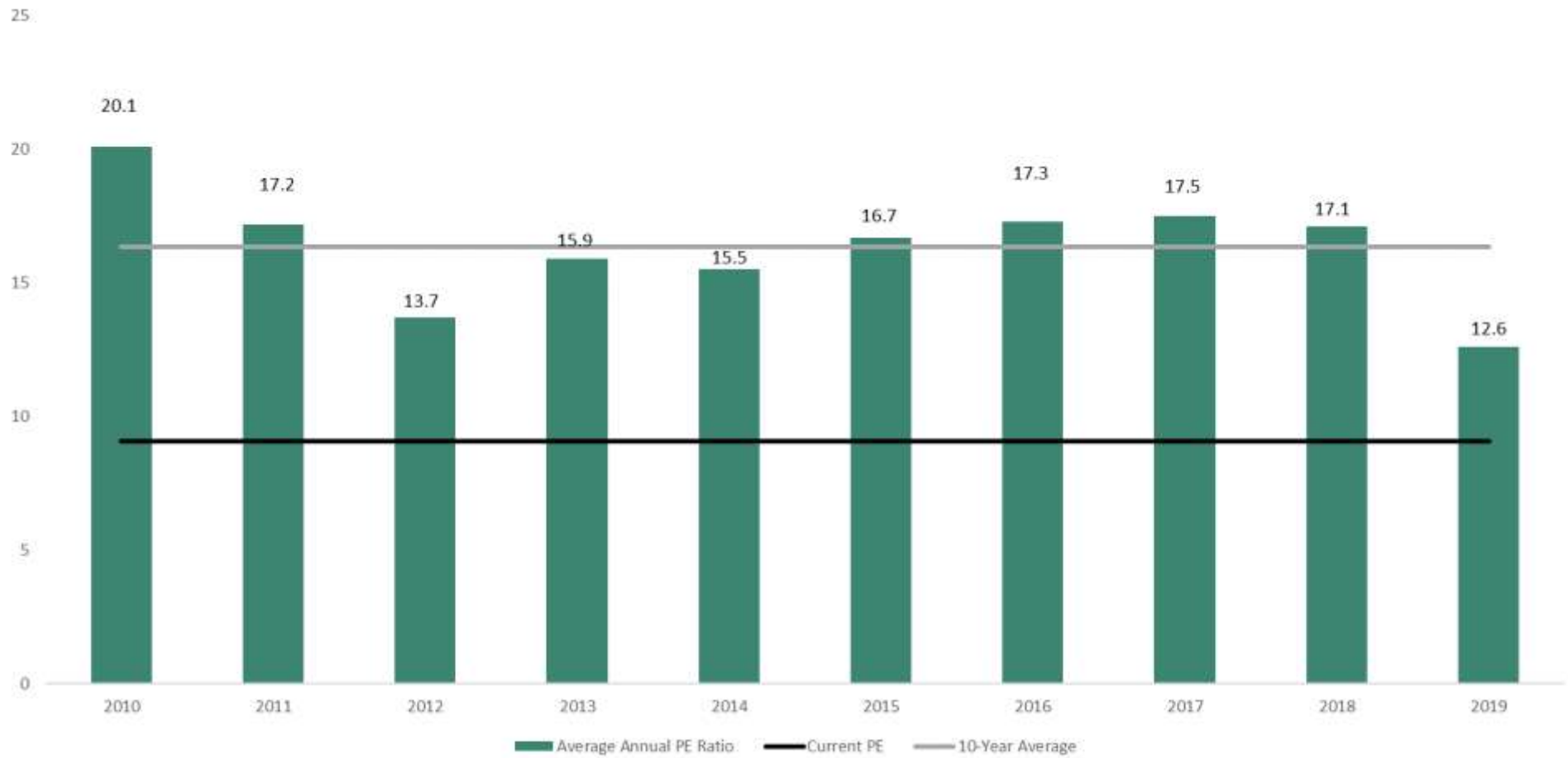
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Weyco Group (WEYS) Dividend Yield History



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### Weyco Group (WEYS): Valuation Analysis



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# AbbVie Inc. (ABBV)

## Overview & Current Events

AbbVie is a pharmaceutical company focused on Immunology, Oncology, and Virology. AbbVie was spun off by Abbott Laboratories in 2013 and now trades with a market capitalization of \$117 billion. Its most important product is Humira, which by itself represents ~60% of annual revenue. Humira is a multi-purpose pharmaceutical product and is the top-selling drug in the world. Humira is now facing biosimilar competition in Europe, which has had a noticeable impact on the company. It will lose patent protection in the U.S. in 2023.

AbbVie reported fourth-quarter and full-year earnings on February 7th, and results beat expectations on the top and bottom lines. Full-year revenue came to \$33.3 billion, up 2.7% on an adjusted basis. Excluding the impact of international Humira revenue, full-year adjusted net revenue grew 9.9%. Full-year U.S. Humira revenue was \$14.9 billion, up 8.6%. However, internationally, where patent protections have begun to expire, Humira revenue fell 31% in 2019. AbbVie saw 2019 revenue of \$355 million and \$47 million, respectively, for Skyrizi and Rinvoq, but expects combined sales in 2020 of \$1.7 billion.

## Competitive Advantages & Recession Performance

AbbVie's major risk is loss of exclusivity for Humira. Fortunately, the company's massive research and development platform is a competitive advantage. Adjusted research and development expense totaled \$5 billion in 2019, and the investment is already paying off. AbbVie has received 14 major approvals since 2013, with 10 of those coming in the core categories of Immunology and Oncology. AbbVie has multiple growth opportunities to replace Humira.

AbbVie was not a standalone company during the last financial crisis, so there is no recession track record, but since sick people require treatment whether the economy is strong or not, it is highly likely that AbbVie would continue to perform well during a recession. AbbVie's earnings are likely to decline somewhat in a recession, but the dividend should remain secure. AbbVie has a projected dividend payout ratio of 49% for 2020.

## Growth Prospects, Valuation, & Catalyst

Despite the challenge posed by loss of exclusivity on Humira, we believe AbbVie has long-term growth potential. First, it has invested heavily in building its pipeline of new products. For example, Imbruvica sales increased 29% in 2019, while sales of Venclexta more than doubled last year. AbbVie also announced the \$63 billion acquisition of Allergan (AGN). The combined company will have annual revenues of nearly \$50 billion. AbbVie expects the transaction to be 10% accretive to adjusted earnings-per-share over the first year, with peak accretion of greater than 20%.

Based on expected 2020 earnings-per-share of \$9.66, AbbVie stock trades for a price-to-earnings ratio (P/E) of 8.2. Our fair value estimate for AbbVie is a P/E of 10.5. We view AbbVie as undervalued. An expanding P/E multiple could boost shareholder returns by approximately 5.1% per year over the next 5 years. In addition, we expect annual earnings growth of 5.5%, while the stock has a 5.9% dividend yield. We expect total annual returns of 16.5% per year over the next five years.

## Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	48 <sup>6</sup>	<b>5-Year Growth Estimate:</b>	5.5%
<b>Dividend Yield:</b>	5.9%	<b>5-Year Valuation Return Estimate:</b>	5.1%
<b>Most Recent Dividend Increase:</b>	10.3%	<b>5-Year CAGR Estimate:</b>	16.5%
<b>Estimated Fair Value:</b>	\$101	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$79	<b>Retirement Suitability Score:</b>	A

<sup>6</sup> Including years as a wholly-owned subsidiary of Abbott Laboratories (ABT).



### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	N/A	N/A	18380	18790	19960	22859	25638	28216	32753	33266
Gross Profit	N/A	N/A	13872	14209	15534	18359	19806	21174	25035	25827
Gross Margin	N/A	N/A	75.5%	75.6%	77.8%	80.3%	77.3%	75.0%	76.4%	77.6%
SG&A Exp.	N/A	N/A	4989	5352	7724	6387	5881	6295	7399	6942
D&A Exp.	N/A	N/A	1150	897	786	836	1189	1501	1765	2017
Operating Profit	N/A	N/A	5817	5664	3411	7537	9340	9545	6383	13368
Op. Margin	N/A	N/A	31.6%	30.1%	17.1%	33.0%	36.4%	33.8%	19.5%	40.2%
Net Profit	N/A	N/A	5275	4128	1774	5144	5953	5309	5687	7882
Net Margin	N/A	N/A	28.7%	22.0%	8.9%	22.5%	23.2%	18.8%	17.4%	23.7%
Free Cash Flow	N/A	N/A	6012	5776	2937	7003	6562	9431	12789	12772
Income Tax	N/A	N/A	450	1204	595	1501	1931	2418	-490	544

### Balance Sheet Metrics

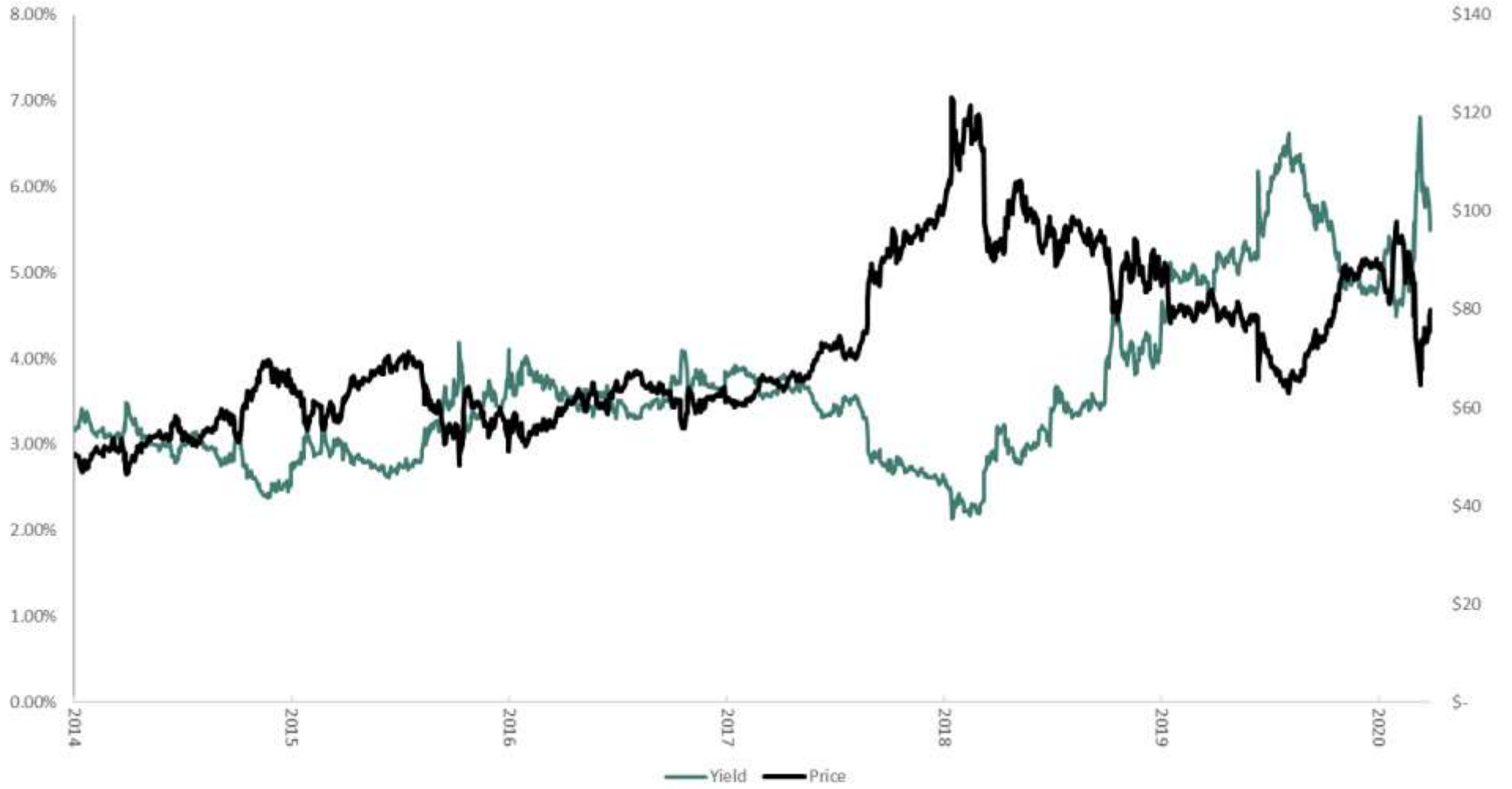
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	N/A	N/A	27008	29198	27513	53050	66099	70786	59352	89115
Cash & Equivalents	N/A	N/A	5901	9595	8348	8399	5100	9303	7289	39924
Acc. Receivable	N/A	N/A	4298	3854	3735	4730	4758	5088	5384	5428
Inventories	N/A	N/A	1091	1150	1124	1719	1444	1605	1605	1813
Goodwill & Int.	N/A	N/A	8453	8167	7375	32877	44313	43344	36896	34253
Total Liabilities	N/A	N/A	23645	24706	25771	49105	61463	65689	67798	97287
Accounts Payable	N/A	N/A	556	933	1401	1597	1407	1474	1546	1452
Long-Term Debt	N/A	N/A	15672	14723	14977	31671	36842	37368	40310	66728
Total Equity	N/A	N/A	3363	4492	1742	3945	4636	5097	-8446	-8172
D/E Ratio	N/A	N/A	4.66	3.28	8.60	8.03	7.95	7.33	-4.77	-8.17

### Profitability & Per Share Metrics

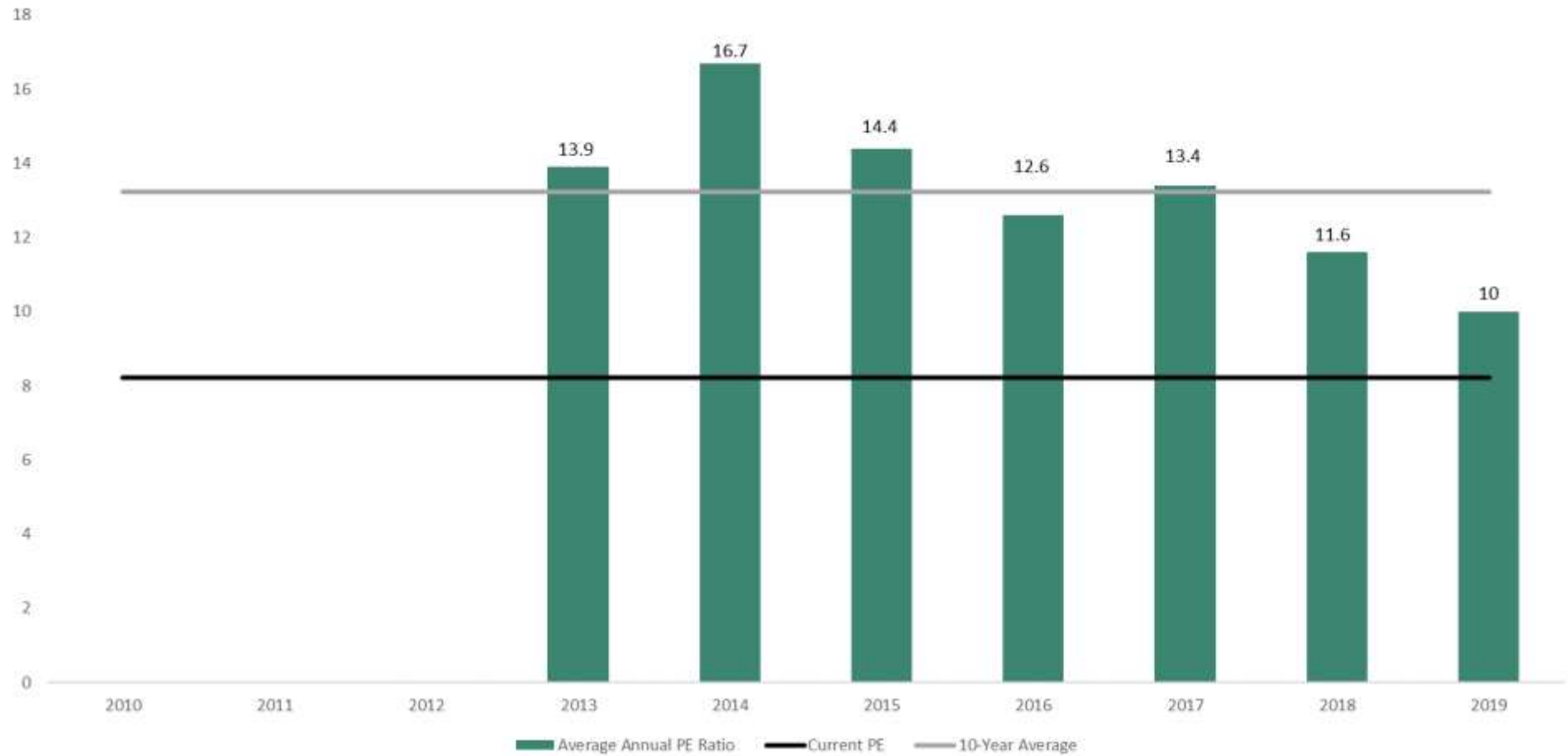
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return on Assets	N/A	N/A	22.7%	14.7%	6.3%	12.8%	10.0%	7.8%	8.7%	10.6%
Return on Equity	N/A	N/A	69.0%	105%	56.9%	181%	139%	109%	-340%	N/A
ROIC	N/A	N/A	34.0%	21.6%	9.9%	19.7%	15.4%	12.6%	15.3%	17.4%
Shares Out.	N/A	N/A	N/A	1590	1590	1610	1590	1590	1550	1484
Revenue/Share	N/A	N/A	11.66	11.71	12.40	13.96	15.72	17.60	21.19	22.42
FCF/Share	N/A	N/A	3.81	3.60	1.82	4.28	4.02	5.88	8.27	8.61

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### AbbVie (ABBV) Dividend Yield History



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**AbbVie (ABBV): Valuation Analysis**

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# National Fuel Gas Co. (NFG)

## Overview & Current Events

National Fuel Gas Co. is a diversified energy company that operates in five business segments: Exploration & Production (E&P is its largest segment), Pipeline & Storage, Gathering, Utility, and Energy Marketing. The company was founded in 1902 and has grown to a market capitalization of \$3.4 billion while establishing a sterling record of 49 years of consecutive dividend increases, making it a longtime Dividend Champion and almost a Dividend King.

Natural Fuel Gas reported its first fiscal quarter results on January 30<sup>th</sup>. The company grew production 19% year-over-year. However, earnings-per-share fell by 10% due to significantly lower natural gas prices. The company's integrated business model, hedging practices, and high output growth provided a strong boost to the gathering segment and mitigated some of the negative impact from lower natural gas prices. Management reduced its 2020 earnings-per-share guidance to \$2.95-\$3.15 in order to account for lower natural gas pricing.

## Competitive Advantages & Recession Performance

National Fuel Gas' competitive advantage is its combination of regulated and stable cash flowing businesses (pipelines and utilities) with cyclical and potentially higher-growth sectors (exploration and production). This allows the company to allocate capital efficiently. Defensive businesses generate 55% of National Fuel Gas' EBITDA, giving it resilience in bad times while still leaving opportunity (45% of EBITDA in E&P businesses) to pursue more aggressive growth in favorable environments.

The company also benefits from a healthy balance sheet with conservative leverage and interest coverage ratios of 2.7x and 6x, respectively. Furthermore, its dividend payout ratio is sufficiently low to enable continued dividend growth even if earnings stall temporarily. The company's integrated business model means that it will suffer a little bit during a recession but is unlikely to see a steep drop-off in cash flow. In the last recession, operating income remained fairly stable with the exception of a sizable impairment of its oil and gas producing properties in 2009. Overall, we view the company as fairly recession resistant.

## Growth Prospects, Valuation, & Catalyst

We expect National Fuel Gas to grow earnings-per-share at a rate of 4% per year through 2025 and to continue growing its dividend at a similar pace. We expect continued steady growth in its pipeline and utility businesses, expansion and operational improvement in its E&P businesses, and strong natural gas demand in developing economies to boost natural gas prices.

National Fuel Gas stock trades for a price-to-earnings ratio of 12.9, based on expected earnings-per-share of \$3.05 for this year. Our fair value estimate for the stock is a price-to-earnings ratio of 17.5, so the stock is significantly undervalued after a recent decline. Valuation changes could add approximately 6.3% to shareholder returns per year over the next five years. Combining this tailwind with earnings-per-share growth (4%) and the current dividend yield (4.6%), gives us expected annualized total returns of 14.9% per year over the next five years.

## Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	49	<b>5-Year Growth Estimate:</b>	4.0%
<b>Dividend Yield:</b>	4.6%	<b>5-Year Valuation Return Estimate:</b>	6.3%
<b>Most Recent Dividend Increase:</b>	2.4%	<b>5-Year CAGR Estimate:</b>	14.9%
<b>Estimated Fair Value:</b>	\$53	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$39	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	1761	1779	1627	1830	2113	1761	1452	1580	1593	1693
Gross Profit	1102	924	940	1042	935	891	895	935	873	1031
Gross Margin	62.6%	51.9%	57.8%	57.0%	44.2%	50.6%	61.6%	59.2%	54.8%	60.9%
Operating Profit	440	441	448	518	570	515	532	553	487	512
Operating Margin	25.0%	24.8%	27.5%	28.3%	27.0%	29.3%	36.6%	35.0%	30.6%	30.2%
Net Profit	226	258	220	260	299	-379	-291	283	392	304
Net Margin	12.8%	14.5%	13.5%	14.2%	14.2%	-21.5%	-20.0%	17.9%	24.6%	18.0%
Free Cash Flow	4	-160	-376	35	-5	-165	7	234	30	-94
Income Tax	137	164	151	173	190	-319	-233	161	-7	85

### Balance Sheet Metrics

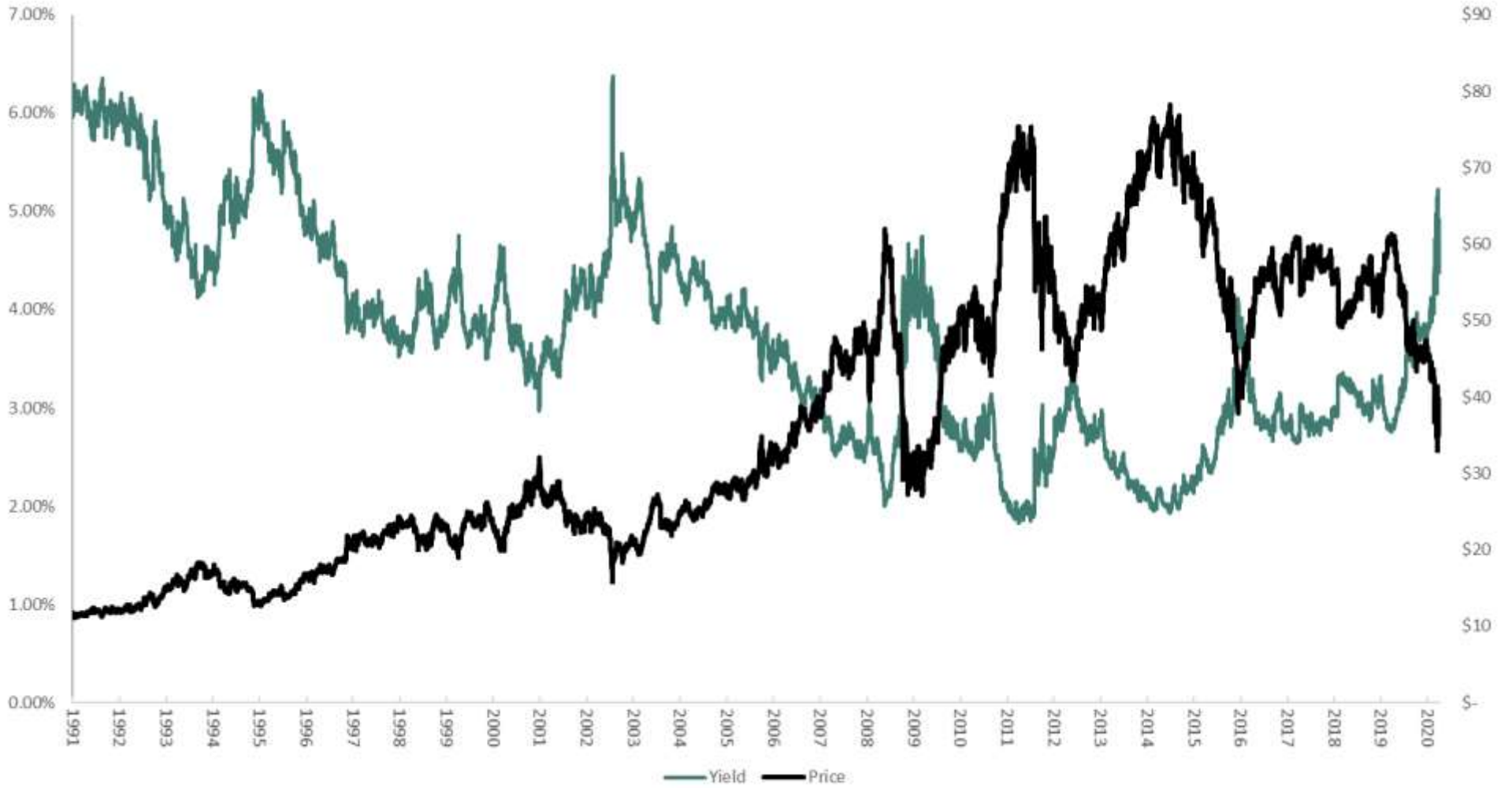
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	5106	5221	5935	6218	6728	6565	5636	6103	6036	6462
Cash & Equivalents	397	80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20
Accounts Receivable	163	163	116	133	150	105	133	112	141	140
Inventories	74	82	78	94	67	65	71	74	78	80
Goodwill & Int. Ass.	5	5	5	5	5	5	5	5	5	5
Total Liabilities	3360	3329	3975	4024	4317	4539	4109	4400	4099	4323
Accounts Payable	128	142	88	105	137	180	108	126	160	132
Long-Term Debt	1249	1089	1570	1649	1723	2084	2086	2384	2131	2189
Shareholder's Equity	1746	1892	1960	2195	2411	2025	1527	1704	1937	2139
D/E Ratio	0.72	0.58	0.80	0.75	0.71	1.03	1.37	1.40	1.10	1.02

### Profitability & Per Share Metrics

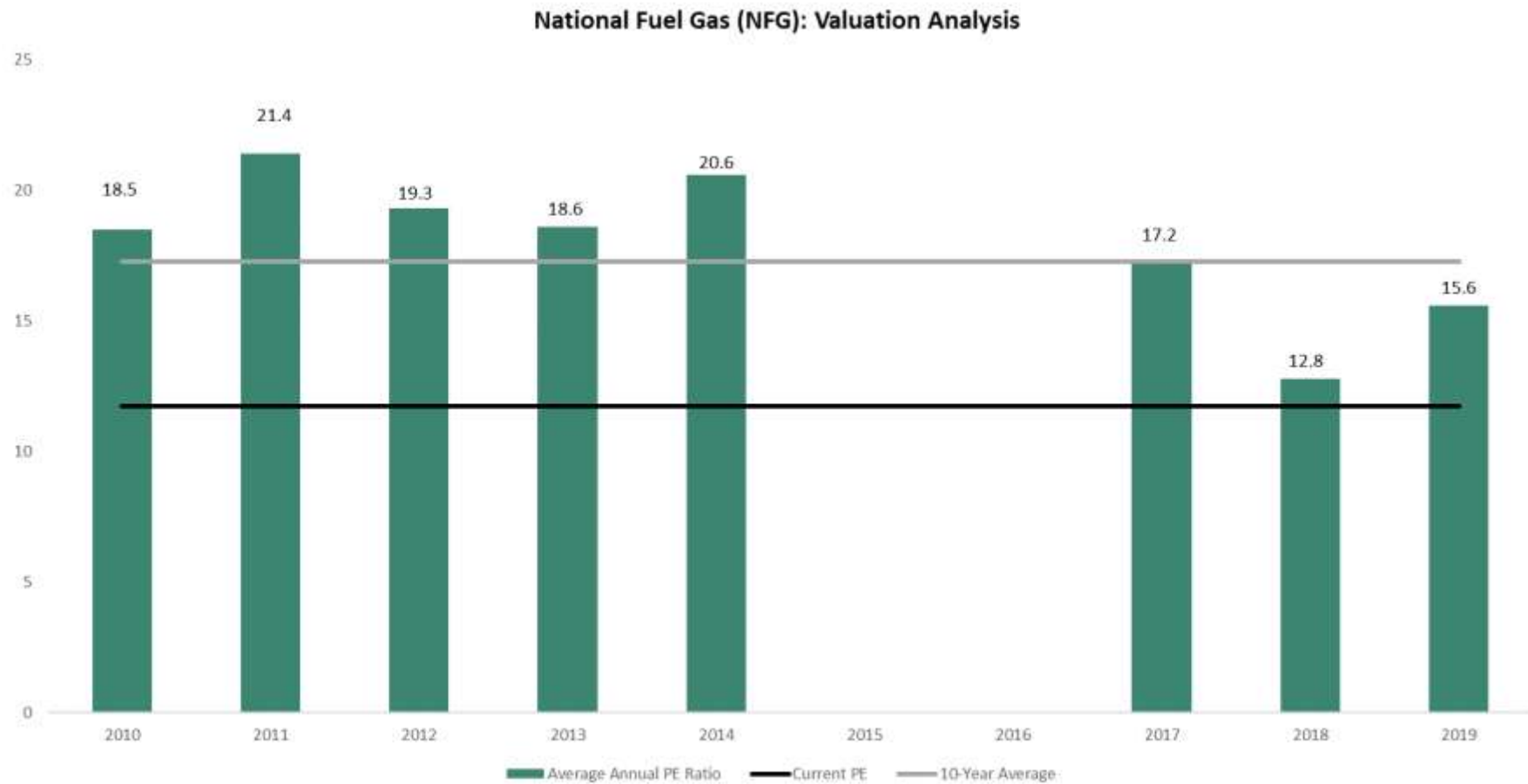
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return on Assets	4.6%	5.0%	3.9%	4.3%	4.6%	-5.7%	-4.8%	4.8%	6.5%	4.9%
Return on Equity	13.5%	14.2%	11.4%	12.5%	13.0%	-17.1%	-16.4%	17.5%	21.5%	14.9%
ROIC	7.7%	8.6%	6.8%	7.1%	7.5%	-9.2%	-7.5%	7.4%	9.6%	7.2%
Shares Out.	82.1	82.9	83.3	83.7	84.2	84.6	85.1	85.5	86.0	86.77
Revenue/Share	21.30	21.26	19.43	21.69	24.87	20.87	17.12	18.37	18.43	19.51
FCF/Share	0.05	-1.92	-4.49	0.42	-0.06	-1.95	0.09	2.72	0.34	-1.09

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### National Fuel Gas (NFG) Dividend Yield History



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Note: Negative EPS in 2015 and 2016 are why there is no average annual price-to-earnings ratio for those years.

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# Eaton Vance Corp. (EV)

## Overview & Current Events

Eaton Vance is an asset manager based in Boston. It offers a variety of financial services and investment products including closed-end funds, mutual funds, term trusts and exchange-traded managed funds (NextShares). Eaton Vance has a market capitalization of \$4.1 billion.

Eaton Vance reported its Q1 2020 earnings results on February 26. Revenue increased 4.3% compared with the same quarter the previous year. Assets under management (AUM) rose to \$518 billion at the end of the quarter, up 4% year-over-year. Market appreciation accounted for some of the increase, while net inflows were also higher. Net inflows totaled \$6.1 billion for the first quarter; a highly impressive performance given the elevated competition in the asset management industry. Earnings-per-share (EPS) of \$0.86 declined 9% year-over-year but did exceed analyst consensus estimates by \$0.01 per share.

## Competitive Advantages & Recession Performance

Competitive advantages are hard to come by in the financial services industry. But in this case, Eaton Vance does have a competitive advantage in the form of its strong brand and long track record of strong performance which has led to increased client retention. Eaton Vance has 32 U.S. mutual funds currently rated 5 stars by Morningstar for one or more share classes and 77 U.S. mutual funds currently rated 4 or 5 stars. Furthermore, 30% of its U.S. mutual fund AUM is in funds ranking in the top quartile of their Morningstar peer group over three years, and 58% of its mutual fund AUM is in funds ranking in the top quartile over the past five and ten years.

That said, the company is vulnerable to a recession. Eaton Vance's EPS declined 31% in 2009, during the Great Recession. However, the company remained profitable, which allowed it to continue increasing its dividend. It also quickly emerged from the Great Recession, with 30% EPS growth in 2010 and 25% in 2011.

## Growth Prospects, Valuation, & Catalyst

Eaton Vance grew its earnings-per-share by 11% annually after the financial crisis, but more recently the growth rate has come down to a ~7% annual pace. Like most asset managers, Eaton Vance has rather low variable costs, so growth in assets under management allows the company to increase its profit margins, all else being equal. Eaton Vance's operating margin remained relatively high in recent quarters, as its margins did not see as much downward pressure as those of many other asset managers. As long as Eaton Vance manages to keep its AUM growing in the long run, its profits should continue to grow at a solid pace. COVID-19 and the related market decline are a temporary challenge for this quality asset manager; the company has increased its dividend through even larger market drawdowns.

We expect 6.5% adjusted EPS growth over the next five years. Based on 2020 expected EPS of approximately \$3.55, Eaton Vance stock trades for a price-to-earnings ratio (P/E) of 10. The stock trades slightly below our fair P/E ratio of 11.0, meaning valuation changes could add 1.9% to Eaton Vance's annual returns through 2025. With a 4.2% dividend yield, we expect total returns of 12.6% per year over the next five years.

### Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	39	<b>5-Year Growth Estimate:</b>	6.5%
<b>Dividend Yield:</b>	4.2%	<b>5-Year Valuation Return Estimate:</b>	1.9%
<b>Most Recent Dividend Increase:</b>	7.1%	<b>5-Year CAGR Estimate:</b>	12.6%
<b>Estimated Fair Value:</b>	\$39	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$35	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue	1116	1249	1209	1358	1450	1404	1343	1529	1702	1683
Gross Profit	873	621	579	656	731	615	635	730	843	799
Gross Margin	78.2%	49.8%	47.9%	48.3%	50.4%	43.8%	47.3%	47.7%	49.5%	47.5%
SG&A Exp.	369	29	30	32	34	35	35	38	42	
D&A Exp.	25	25	25	25	21	22	20	19	25	
Operating Profit	348	426	393	453	520	400	414	483	555	521
Operating Margin	31.1%	34.1%	32.5%	33.4%	35.8%	28.5%	30.8%	31.6%	32.6%	30.9%
Net Profit	174	215	203	194	304	230	241	282	382	400
Net Margin	15.6%	17.2%	16.8%	14.3%	21.0%	16.4%	18.0%	18.5%	22.4%	23.8%
Free Cash Flow	84	160	174	110	91	208	333	67	115	
Income Tax	126	157	142	144	187	143	154	174	157	135

### Balance Sheet Metrics

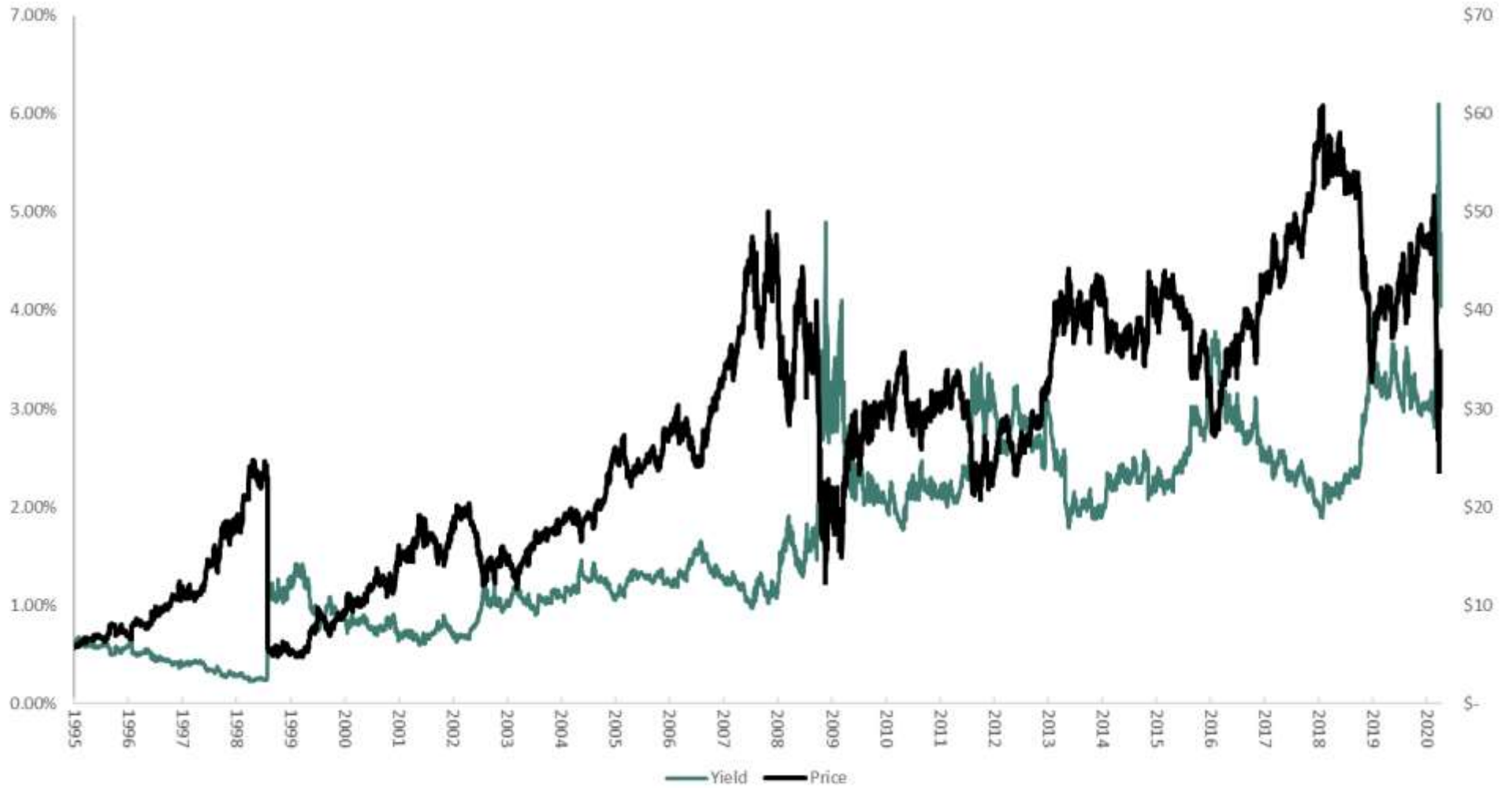
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Assets	1259	1831	1979	2407	1860	2116	1730	2331	3599	4254
Cash & Equivalents	308	527	499	499	394	628	424	611	817	606
Accounts Receivable			134	170	186	188	186	200	237	238
Goodwill & Int. Ass.	209	210	214	303	294	293	295	349	341	336
Total Liabilities	781	1269	1366	1736	1203	1495	1026	1319	2491	3070
Accounts Payable	61	51	59	59	65	65	60	68	91	90
Long-Term Debt	500	978	947	1100	726	971	572	631	1493	2238
Shareholder's Equity	410	460	612	670	655	620	704	1011	1107	1184
D/E Ratio	1.22	2.12	1.55	1.64	1.11	1.57	0.81	0.62	1.35	1.89

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return on Assets	14.9%	13.9%	10.7%	8.8%	14.3%	11.6%	12.5%	13.9%	12.9%	10.2%
Return on Equity	48.6%	49.4%	37.9%	30.2%	45.9%	36.1%	36.5%	32.9%	36.1%	34.9%
ROIC	18.9%	17.1%	13.1%	11.6%	19.3%	15.5%	16.8%	19.3%	18.0%	13.3%
Shares Out.	118	115	116	121	118	116	114	119	115	110
Revenue/Share	9.10	10.41	10.50	11.09	11.93	11.88	11.78	13.13	13.85	14.72
FCF/Share	0.68	1.33	1.52	0.90	0.75	1.76	2.92	0.58	0.93	

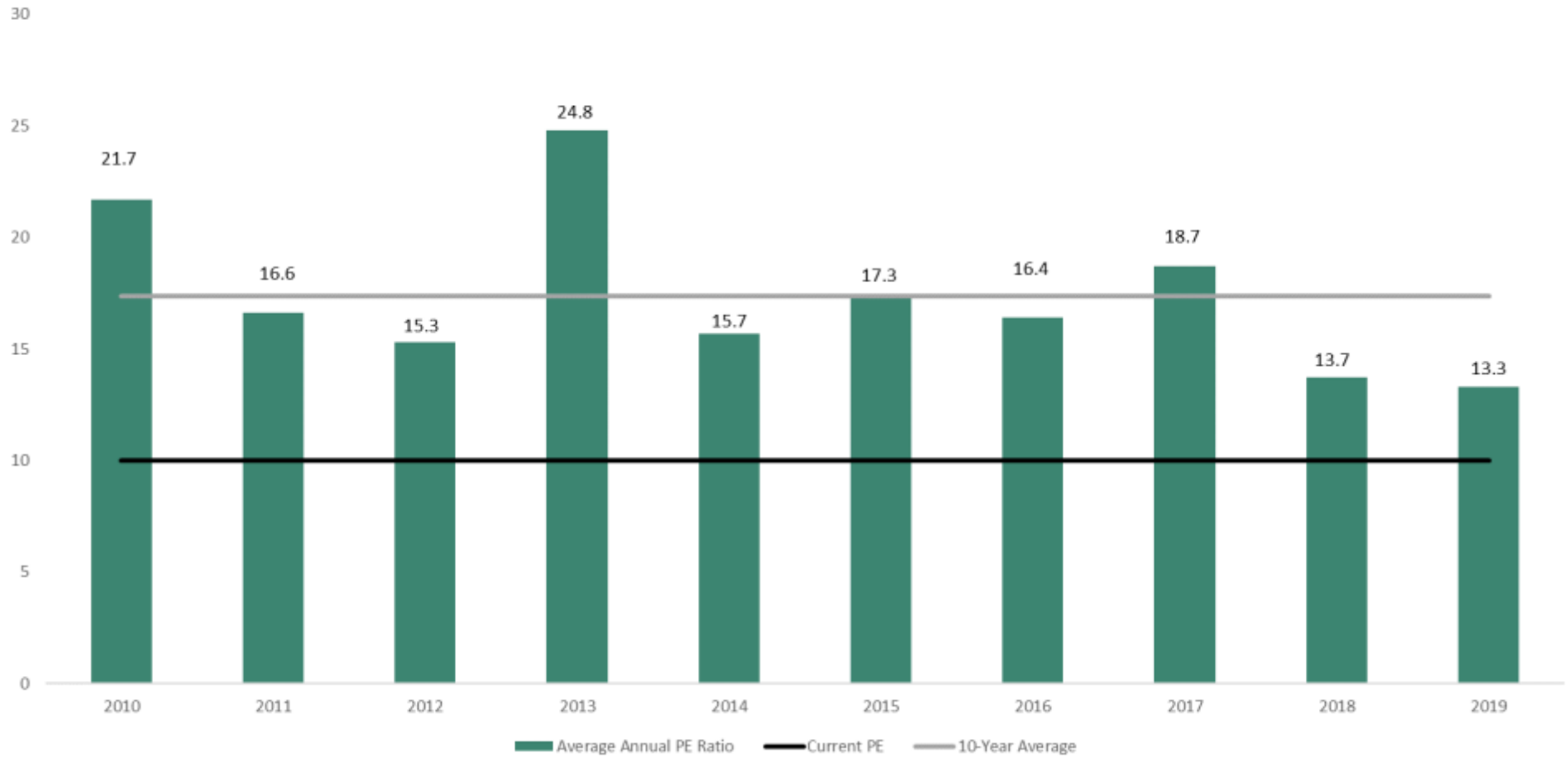
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Eaton Vance (EV) Dividend Yield History



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### Eaton Vance (EV): Valuation Analysis



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# Genuine Parts Co. (GPC)

## Overview & Current Events

Genuine Parts Company was founded nearly a hundred years ago, and in the time since, has grown into a retail and wholesale conglomerate that sells industrial parts, electrical materials, office supplies, and automotive products. The company has more than three thousand locations around the world, with most of its revenue coming from North America. Genuine Parts produces about \$19 billion in annual revenue and trades with a market capitalization of \$10.7 billion.

Genuine Parts reported fourth-quarter and full-year earnings on February 19<sup>th</sup>, and results were better than expected on both the top and bottom lines. Revenue for the year came to \$19.4 billion, which was 3.5% higher than 2018, and was the third consecutive year of record sales for the company.

Earnings came to \$833 million on an adjusted basis, and on a per-share basis, rose fractionally to \$5.69. The company guided for sales to be up 3% to 4% on an adjusted basis for 2020, and we currently expect \$5.85 in earnings-per-share for this year.

Genuine Parts announced it was divesting S.P. Richards Canada and plans to use the proceeds within its capital allocation strategy, including both dividends and buybacks.

## Competitive Advantages & Recession Performance

Genuine Parts' competitive advantage is its wide reach with its physical footprint of distribution locations, as well as its entrenched position with its customers. It sells industrial and consumer staples that tend to hold up well during recessions as it is not beholden to discretionary spending.

That means its recession performance is generally quite strong, and for that reason, Genuine Parts should hold up nicely during this downturn. If earnings do decline due to the COVID-19 slowdown, we'd expect them to rebound quickly. In addition, the company's legendary 63-year streak of increasing its dividend should remain intact, as the payout ratio is just 54% of earnings for 2020. Genuine Parts, therefore, is quite defensive in nature, particularly for investors seeking safe income.

## Growth Prospects, Valuation, & Catalyst

We see growth at 3% annually as Genuine Parts is constantly modifying its portfolio of brands through acquisitions and divestitures, but also as it sells staples that tend to see rather stable demand over time. The company has struggled with margins in recent quarters, which has made us more cautious on growth projections. While we don't see this as materially changing our view on the stock, it is something to consider. We see revenue and share repurchases as driving the 3% increase in earnings annually in the coming years, offsetting whatever weakness may occur from margins.

We expect \$5.85 in earnings-per-share for this year, which puts the current price-to-earnings (P/E) multiple at 12.5. That's quite low compared to our estimate of fair value at 16 times earnings, which in turn is lower than recent years' average P/E ratios in the upper teens. We think the company's relatively low growth will keep a lid on the multiple, but it still offers good value today. Combining the 3% annual growth forecast with the current 4.3% dividend yield, as well as the 5% tailwind from the valuation, we see Genuine Parts producing 12.3% total annual returns in the next five years.

## Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	63	<b>5-Year Growth Estimate:</b>	3.0%
<b>Dividend Yield:</b>	4.3%	<b>5-Year Valuation Return Estimate:</b>	5.0%
<b>Most Recent Dividend Increase:</b>	3.6%	<b>5-Year CAGR Estimate:</b>	12.3%
<b>Estimated Fair Value:</b>	\$94	<b>Dividend Risk Score:</b>	A
<b>Stock Price:</b>	\$73	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue</b>	11208	12459	13014	14078	15342	15280	15340	16309	18735	19392
<b>Gross Profit</b>	3253	3606	3778	4220	4594	4556	4600	4906	5984	6316
<b>Gross Margin</b>	29.0%	28.9%	29.0%	30.0%	29.9%	29.8%	30.0%	30.1%	31.9%	
<b>SG&amp;A Exp.</b>	2367	2594	2657	3028	3314	3277	3371	3705	4615	4934
<b>D&amp;A Exp.</b>	89	89	98	134	148	142	147	168	242	270
<b>Operating Profit</b>	786	909	1015	1049	1124	1124	1070	1020	1110	1097
<b>Op. Margin</b>	7.0%	7.3%	7.8%	7.5%	7.3%	7.4%	7.0%	6.3%	5.9%	
<b>Net Profit</b>	476	565	648	685	711	706	687	617	810	621
<b>Net Margin</b>	4.2%	4.5%	5.0%	4.9%	4.6%	4.6%	4.5%	3.8%	4.3%	
<b>Free Cash Flow</b>	593	521	804	933	682	1050	785	658	913	594
<b>Income Tax</b>	286	326	371	359	406	418	387	393	265	209

### Balance Sheet Metrics

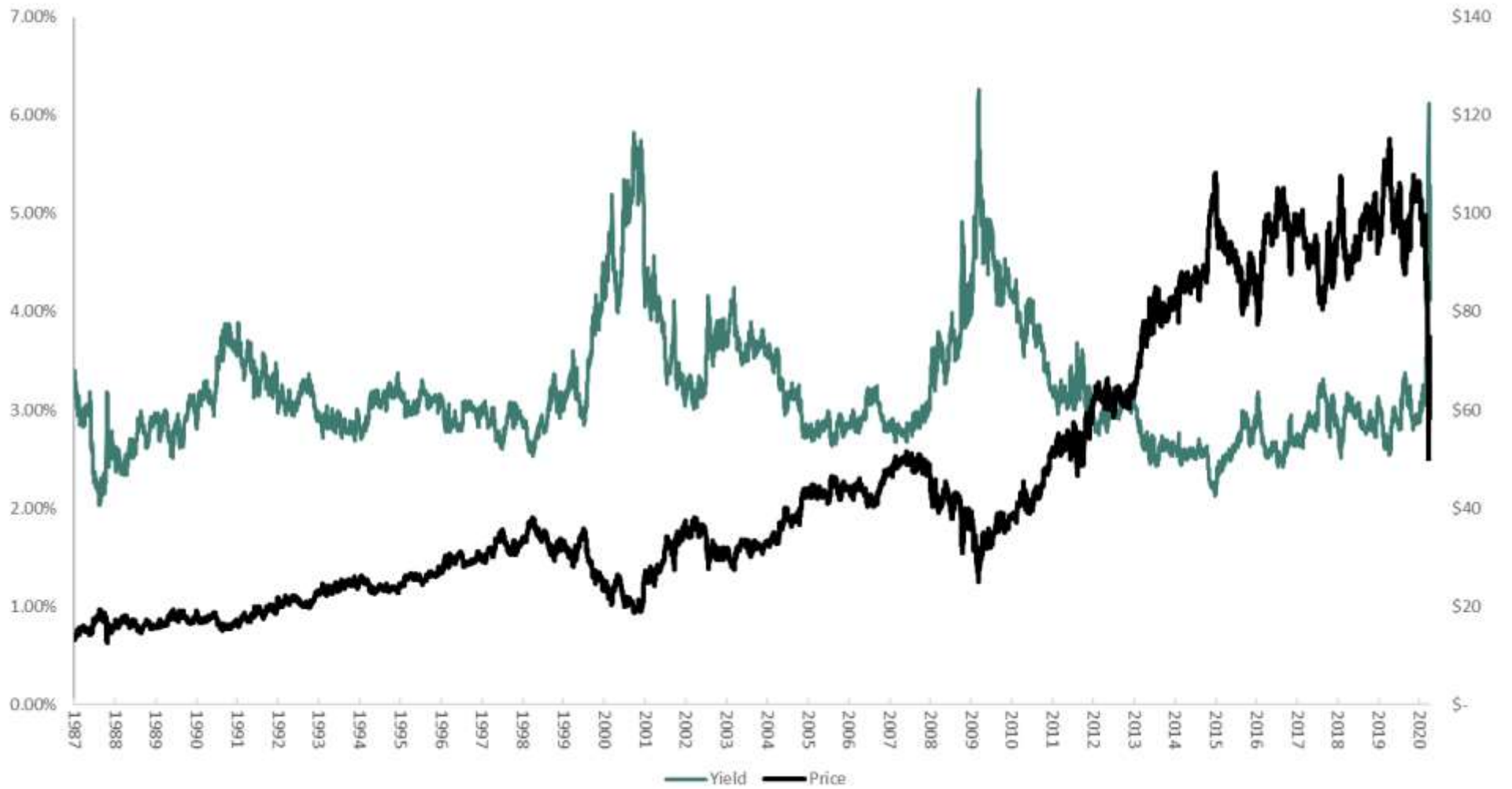
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Assets</b>	5465	6203	6807	7680	8246	8145	8859	12412	12683	14645
<b>Cash &amp; Equivalents</b>	530	525	403	197	138	212	243	315	334	277
<b>Accounts Receivable</b>	1364	1461	1490	1665	1872	1822	1939	2422	2494	2635
<b>Inventories</b>	2225	2440	2603	2946	3044	3000	3210	3771	3609	3831
<b>Goodwill &amp; Int. Ass.</b>	210	280	498	1289	1387	1362	1575	3554	3540	3862
<b>Total Liabilities</b>	2662	3449	3799	4322	4934	4986	5652	8948	9211	10950
<b>Accounts Payable</b>	1375	1441	1682	2270	2555	2822	3081	3635	3996	4106
<b>Long-Term Debt</b>	500	500	500	765	765	625	875	3245	3143	3426
<b>Shareholder's Equity</b>	2794	2744	2998	3349	3301	3147	3194	3412	3450	3675
<b>D/E Ratio</b>	0.18	0.18	0.17	0.23	0.23	0.20	0.27	0.95	0.91	0.93

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Return on Assets</b>	9.1%	9.7%	10.0%	9.5%	8.9%	8.6%	8.1%	5.8%	6.5%	4.5%
<b>Return on Equity</b>	17.6%	20.4%	22.6%	21.6%	21.4%	21.9%	21.7%	18.7%	23.6%	17.4%
<b>ROIC</b>	14.8%	17.2%	19.2%	18.0%	17.3%	18.0%	17.5%	11.4%	12.2%	9.0%
<b>Shares Out.</b>	158	156	155	154	153	150	148	147	147	146
<b>Revenue/Share</b>	70.73	79.02	83.20	90.41	99.38	100.20	102.40	110.42	127.24	132.45
<b>FCF/Share</b>	3.74	3.31	5.14	5.99	4.42	6.88	5.24	4.46	6.20	4.06

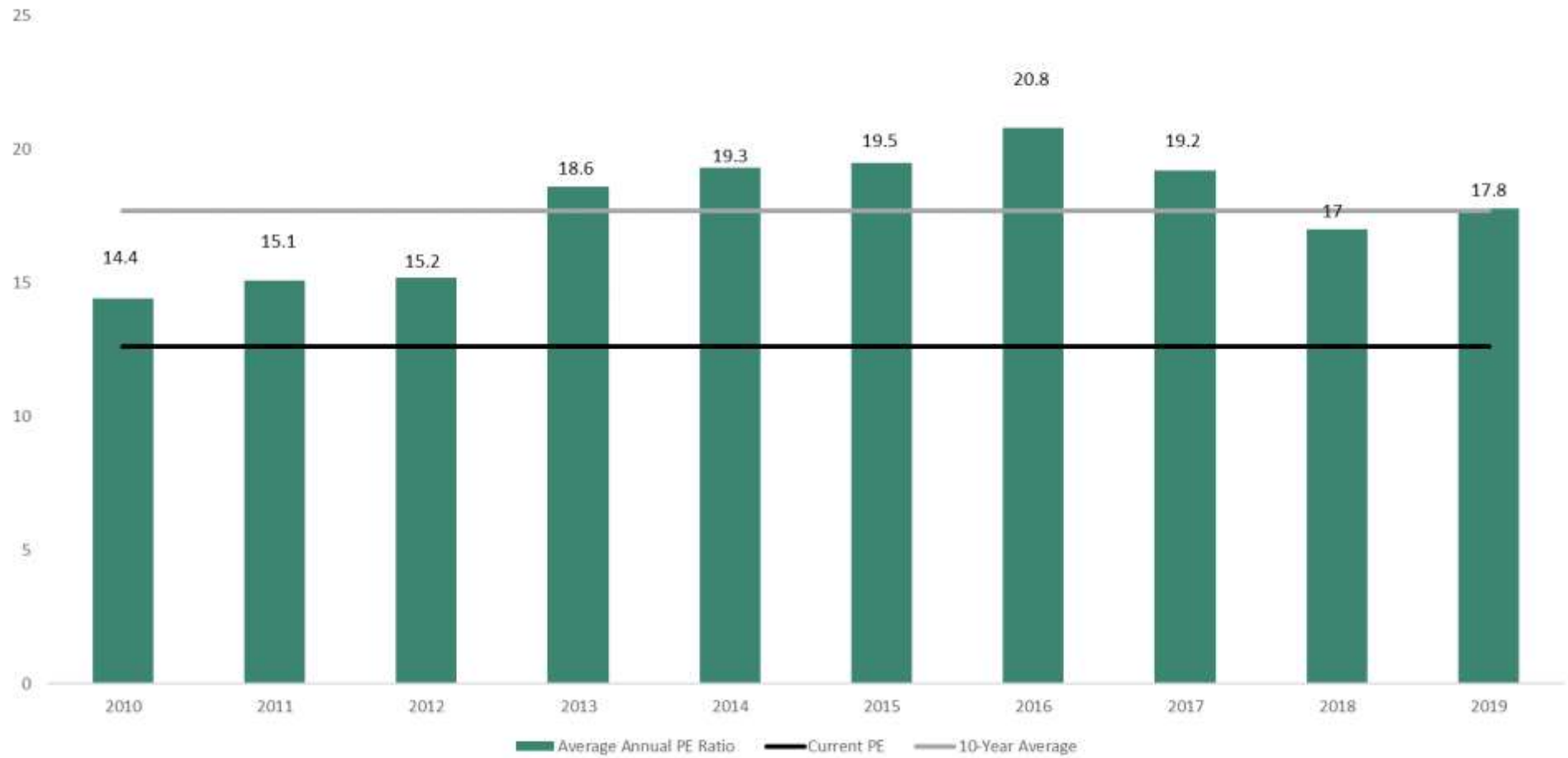
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Genuine Parts (GPC) Dividend Yield History



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### Genuine Parts (GPC): Valuation Analysis



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## Polaris Inc. (PII)

### Overview & Current Events

Polaris designs, engineers, and manufactures snowmobiles, all-terrain vehicles (ATVs) and motorcycles. It also sells accessories and replacement parts through dealers. The company operates in over 100 countries. Some of the company's major brands include Polaris, Ranger, RZR, Sportsman, Indian Motorcycle, Slingshot, and Transamerican Auto Parts. Polaris generates annual sales of approximately \$6.8 billion, and the stock has a market capitalization of \$3.5 billion.

Polaris posted strong 2019 results. In the fourth quarter, sales grew 7% to \$1.7 billion, thanks to 7% growth in its Off-Road Vehicles and Snowmobile segment. As this segment makes up approximately two-thirds of the company's sales, it continues to lead to strong top-line growth. Gross profit increased 8% to \$423 million for the fourth quarter, while adjusted earnings-per-share (EPS) of \$1.83 increased slightly year-over-year. For 2019, total sales came in at \$6.78 billion, a 12% increase from 2018. Again, the company's growth was led by sales in the Off-Road Vehicles and Snowmobile segment. Adjusted EPS declined 3.6% to \$6.32 in 2019, due to elevated costs and growth investments.

### Competitive Advantages & Recession Performance

Polaris' competitive advantage is its top-tier brands that lead in their respective categories. This gives it a significant operating advantage over lesser-known competing brands. This allowed the company to continue increasing its dividend even during the Great Recession.

However, Polaris would be adversely impacted in a recession. Its product sales are reliant on a financially healthy consumer and a growing economy. In a recession, characterized by high unemployment; sales of snowmobiles, ATVs, and motorcycles would almost certainly decline. Indeed, earnings-per-share declined 13% during 2009, although this was still a relatively impressive performance given the extent of the economic downturn. And, earnings-per-share quickly returned to growth in 2009, 2010, and beyond.

### Growth Prospects, Valuation, & Catalyst

We believe 7% annual EPS growth is a reasonable expectation over the next five years. To be sure, there are many mitigating factors that could change the company's growth trajectory, including a global economic slowdown and the lingering trade war. But we believe the coronavirus is a short-term challenge, and that expected earnings growth in the mid-to-high single-digit range is attainable for Polaris over the next five years.

Based on expected adjusted EPS of \$6.92 – which may well come in lower this year due to COVID-19 – Polaris stock trades for a forward price-to-earnings ratio (P/E) of 8.3. In our view, this is a low valuation multiple for a highly profitable company. We believe fair value for Polaris is a P/E of 16. As such, today's valuation implies the potential for a significant valuation tailwind of 14.0% per year over the next five years. In addition, we expect 7% annual EPS growth through 2025, and the stock has a high current dividend yield of 4.3%. Taken together, we expect total annual returns of 25.3% per year through 2025 for Polaris stock.

### Key Statistics, Ratios, & Metrics

<b>Years of Dividend Increases:</b>	25	<b>5-Year Growth Estimate:</b>	7.0%
<b>Dividend Yield:</b>	4.3%	<b>5-Year Valuation Return Estimate:</b>	14.0%
<b>Most Recent Dividend Increase:</b>	1.6%	<b>5-Year CAGR Estimate:</b>	25.3%
<b>Estimated Fair Value:</b>	\$110	<b>Dividend Risk Score:</b>	B
<b>Stock Price:</b>	\$56	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue</b>	1,991	2,657	3,210	3,777	4,480	4,719	4,517	5,428	6,079	6,783
<b>Gross Profit</b>	530	741	925	1,121	1,319	1,339	1,106	1,325	1,501	1,649
<b>Gross Margin</b>	26.6%	27.9%	28.8%	29.7%	29.4%	28.4%	24.5%	24.4%	24.7%	24.3%
<b>SG&amp;A Exp.</b>	241	309	353	450	518	526	649	803	842	953
<b>D&amp;A Exp.</b>	67	66	71	92	128	152	168	191	211	235
<b>Operating Profit</b>	221	350	478	578	715	716	350	360	487	484
<b>Operating Margin</b>	11.1%	13.2%	14.9%	15.3%	16.0%	15.2%	7.8%	6.6%	8.0%	7.1%
<b>Net Profit</b>	147	228	312	377	454	455	213	172	335	324
<b>Net Margin</b>	7.4%	8.6%	9.7%	10.0%	10.1%	9.6%	4.7%	3.2%	5.5%	4.8%
<b>Free Cash Flow</b>	242	218	313	241	324	191	380	401	252	404
<b>Income Tax</b>	71	119	168	193	245	230	100	146	94	84

### Balance Sheet Metrics

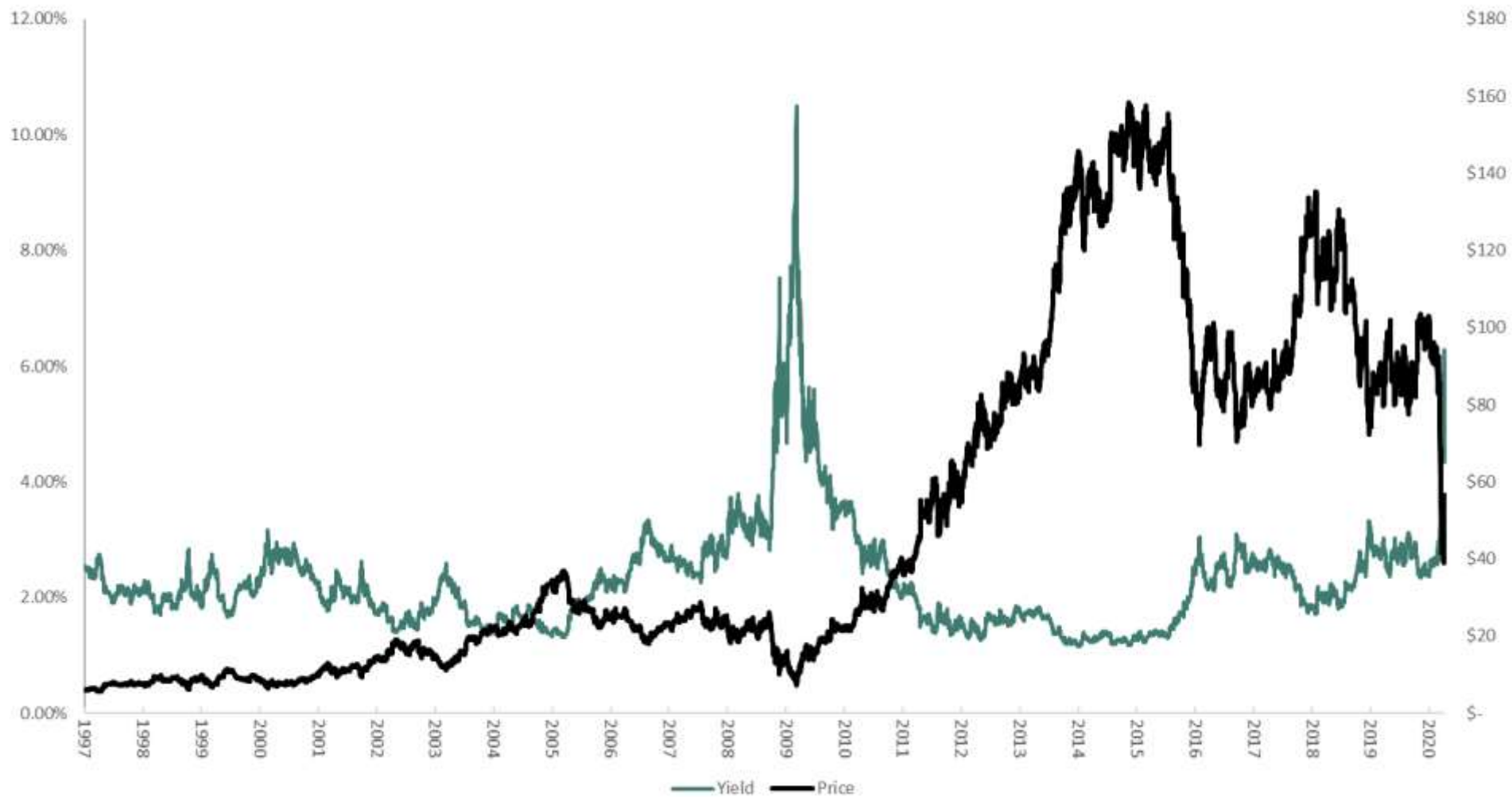
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Assets</b>	1,062	1,228	1,489	1,685	2,075	2,386	3,100	3,090	4,125	4,431
<b>Cash &amp; Equivalents</b>	394	325	417	92	138	155	127	138	161	157
<b>Accounts Receivable</b>	89	115	120	186	205	151	175	200	197	190
<b>Inventories</b>	236	298	345	418	566	710	747	784	970	1,121
<b>Goodwill &amp; Int. Ass.</b>		78	107	230	224	236	793	781	1,518	1,490
<b>Total Liabilities</b>	691	728	798	1,150	1,214	1,404	2,233	2,158	3,258	3,322
<b>Accounts Payable</b>	113	147	169	238	343	300	274	317	346	450
<b>Long-Term Debt</b>	200	100	100	281	203	442	1,124	895	1,946	1,679
<b>Shareholder's Equity</b>	371	500	691	536	861	981	867	932	867	1,108
<b>D/E Ratio</b>	0.54	0.20	0.14	0.52	0.24	0.45	1.30	0.96	2.25	1.52

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Return on Assets</b>	16.1%	19.9%	23.0%	23.8%	24.1%	20.4%	7.8%	5.6%	9.3%	7.6%
<b>Return on Equity</b>	51.1%	52.3%	52.5%	61.5%	65.0%	49.4%	23.0%	19.2%	37.3%	32.8%
<b>ROIC</b>	30.2%	38.9%	44.9%	47.0%	48.3%	36.6%	12.5%	9.0%	14.5%	11.6%
<b>Shares Out.</b>	68	68	69	66	66	65	63	63	61	62
<b>Revenue/Share</b>	28.96	37.39	45.21	53.54	65.66	69.93	69.32	84.58	95.05	108.88
<b>FCF/Share</b>	3.52	3.07	4.41	3.41	4.75	2.83	5.84	6.25	3.94	6.48

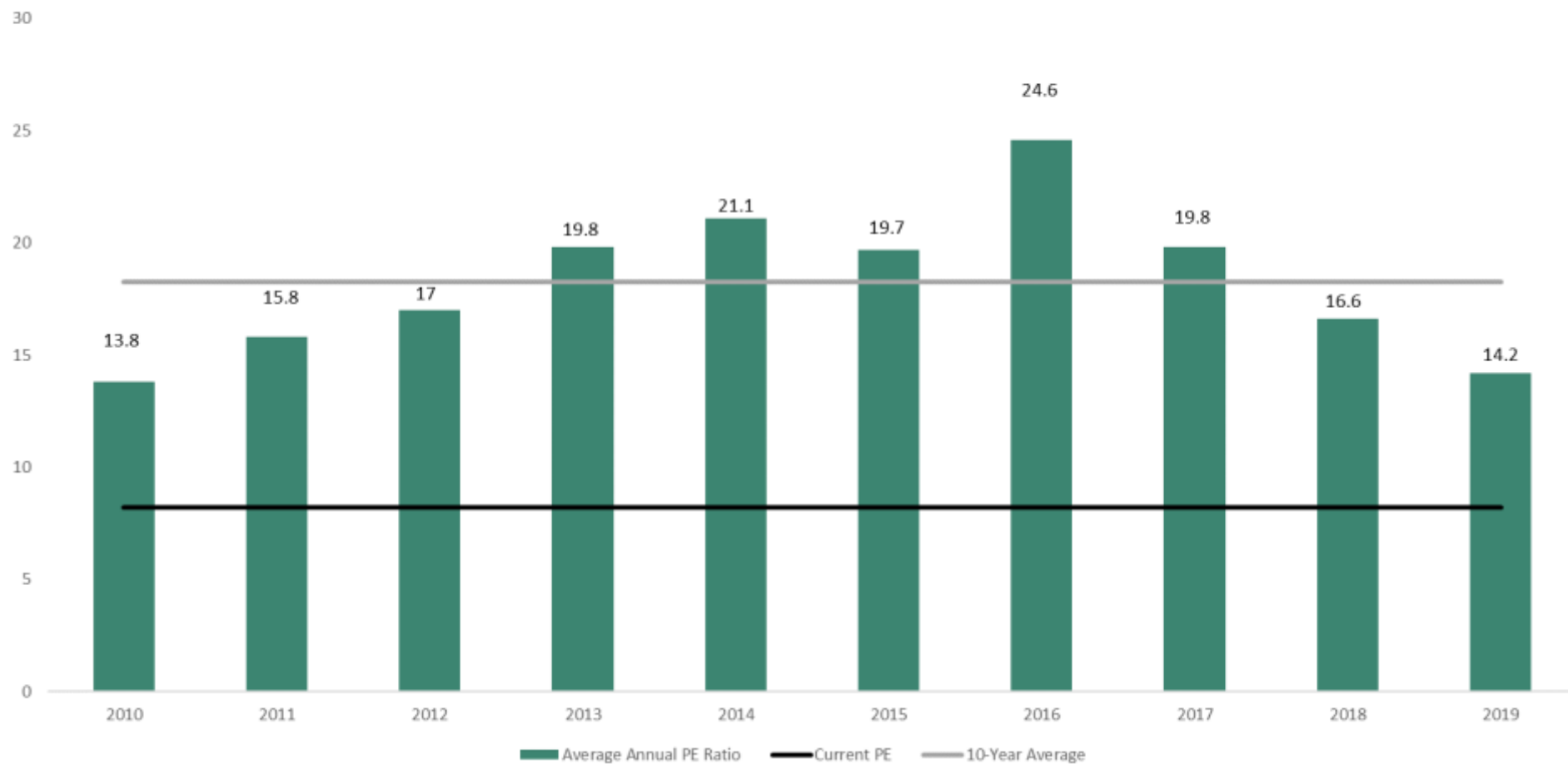
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Polaris (PII) Dividend Yield History



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### Polaris (PII): Valuation Analysis



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# Enterprise Products Partners LP (EPD)

## Overview & Current Events

Enterprise Products Partners is a midstream Master Limited Partnership (MLP) with services including the storage and transportation of oil and gas. Its assets include approximately 50,000 miles of pipelines, 260 million barrels of storage capacity for Natural Gas Liquids (NGL), crude oil, and other refined products; and 14 billion cubic feet (Bcf) of natural gas storage capacity.

The partnership reported fourth-quarter and full-year 2019 earnings on January 30th, and results were very strong. Enterprise Products had \$5.4 billion in new assets come online during the year, as well as strong NGL volumes, seeing Q4 adjusted EBITDA rise by 5% from the prior quarter. Distributable cash flow was even with 2018's fourth quarter.

The partnership guided for capital expenditures on growth projects to come in at \$3.5 billion in 2020, down from \$4.3 billion in 2019. That number is expected to fall further next year to \$2.5 billion. While this may crimp future growth, it will also greatly improve distribution coverage as it frees up cash flow away from capital expenditures. Given the COVID-19 and oil price war headwinds facing the energy industry, management is reviewing its capital expenditure program for potential opportunities to cut or delay spending.

## Competitive Advantages & Recession Performance

Enterprise Products has tremendous competitive advantages, primarily its vast network of assets. It would be enormously costly to build out a network of pipelines and terminals large enough to compete with Enterprise Products. These are high-quality assets, which generate strong cash flow, even in recessions. Enterprise Products has been able to raise its distribution for 63 *quarters* in a row.

Cash flow and distributions are likely to hold up, even during a recession. Enterprise Products is arguably the safest MLP in our coverage universe. The partnership has an investment-grade credit rating of BBB+ from Standard & Poor's and Baa1 from Moody's. In addition, the MLP reported a distribution coverage ratio of 1.7x in 2019.

## Growth Prospects, Valuation, & Catalyst

Enterprise Products Partners' future growth will come from new projects. For example, the MLP recently opened its Mentone cryogenic natural gas processing plant, which has capacity to process 300 million cubic feet per day of natural gas and extract more than 40,000 barrels per day of NGL.

Exports are another growth catalyst, as demand for liquefied petroleum gas (LPG) and liquefied natural gas (LNG) is growing at a rapid rate across the world, particularly in Asia. We expect 2% annualized growth from Enterprise Products Partners over the next five years.

Enterprise Products is expected to generate EBITDA-per-unit of \$3.00 for 2020. Based on this, the company trades with a price-to-EBITDA ratio of 5.5x. Our fair value estimate for Enterprise Products is an EBITDA multiple of 9x. Expansion of the valuation multiple could boost annual returns by 10.4% per year. Including 2% annual EBITDA-per-unit growth and the 11.1% yield, we believe Enterprise Products is capable of delivering annualized returns of 23.5% through 2025.

## Key Statistics, Ratios, & Metrics

<b>Years of Distribution Increases:</b>	21	<b>5-Year Growth Estimate:</b>	2.0%
<b>Distribution Yield:</b>	11.1%	<b>5-Year Valuation Return Estimate:</b>	10.4%
<b>Most Recent Distrib. Increase:</b>	0.6%	<b>5-Year CAGR Estimate:</b>	23.5%
<b>Estimated Fair Value:</b>	\$27	<b>Distribution Risk Score:</b>	B
<b>Stock Price:</b>	\$16	<b>Retirement Suitability Score:</b>	A

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### Income Statement Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenue</b>	33739	44313	42583	47727	47951	27028	23022	29242	36534	32789
<b>Gross Profit</b>	2290	2995	3215	3488	3731	3359	3379	3684	5137	5727
<b>Gross Margin</b>	6.8%	6.8%	7.6%	7.3%	7.8%	12.4%	14.7%	12.6%	14.1%	17.5%
<b>SG&amp;A Exp.</b>	205	182	170	188	215	193	160	181	208	212
<b>Operating Profit</b>	985	1007	1105	1218	1361	1516	1552	1644	1792	1949
<b>Op. Margin</b>	2085	2813	3045	3300	3516	3167	3219	3503	4929	5516
<b>Net Profit</b>	6.2%	6.3%	7.2%	6.9%	7.3%	11.7%	14.0%	12.0%	13.5%	16.8%
<b>Net Margin</b>	321	2047	2420	2597	2787	2521	2513	2799	4172	4591
<b>Free Cash Flow</b>	1.0%	4.6%	5.7%	5.4%	5.8%	9.3%	10.9%	9.6%	11.4%	14.0%
<b>Income Tax</b>	259	(537)	(731)	457	1269	172	1083	1565	1903	1989

### Balance Sheet Metrics

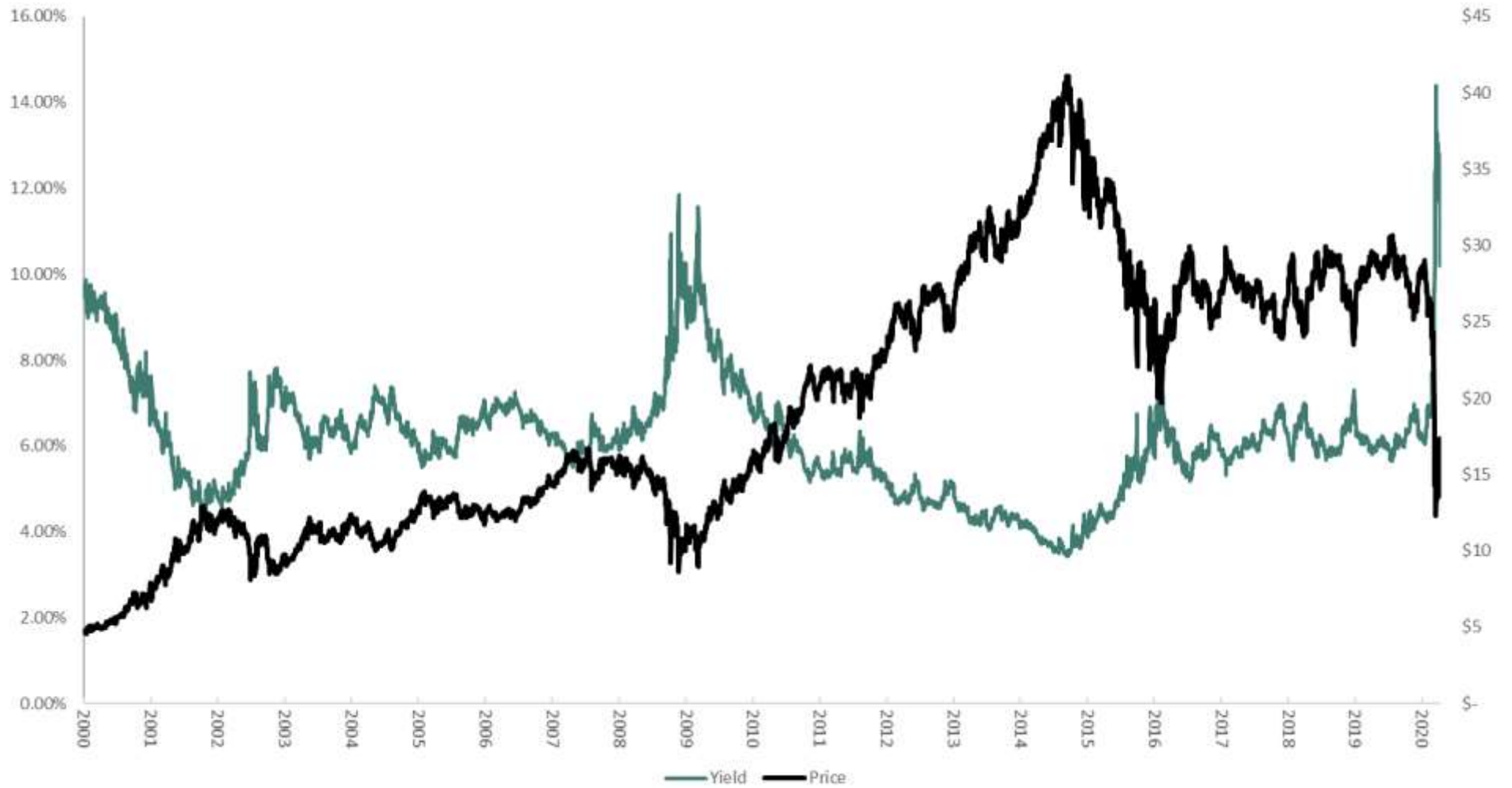
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Total Assets</b>	31361	34125	35934	40139	47201	48802	52194	54418	56970	61733
<b>Cash &amp; Equivalents</b>	66	20	16	57	74	19	63	5	345	335
<b>Acc. Receivable</b>	3837	4502	4351	5476	3823	2570	3330	4358	3659	4874
<b>Inventories</b>	1,134	1112	1088	1093	1014	1038	1771	1610	1522	2091
<b>Goodwill &amp; Int.</b>	3949	3749	3654	3542	8602	9782	9609	9436	9354	9194
<b>Total Liabilities</b>	19460	21906	22638	24698	27509	28301	29928	31646	32678	35906
<b>Accounts Payable</b>	675	773	765	724	774	860	398	802	1103	1005
<b>Long-Term Debt</b>	13564	14529	16202	17352	21364	22541	23698	24569	26178	27625
<b>Total Equity</b>	11374	12113	13188	15215	18063	20295	22047	22547	23854	24764

### Profitability & Per Share Metrics

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Return on Assets</b>	1.1%	6.3%	6.9%	6.8%	6.4%	5.3%	5.0%	5.3%	7.5%	7.7%
<b>Return on Equity</b>	4.8%	17.4%	19.1%	18.3%	16.8%	13.1%	11.9%	12.6%	18.0%	18.9%
<b>Shares Out.</b>	1687.4	1763.2	1797.6	1871.4	1937.3	2012.6	2117.6	2161.1	2187	2200
<b>Revenue/Share</b>	60.57	26.87	24.71	25.90	25.30	13.52	11.02	13.57	16.71	14.89
<b>FCF/Share</b>	0.47	(0.33)	(0.42)	0.25	0.67	0.09	0.52	0.73	0.87	0.90

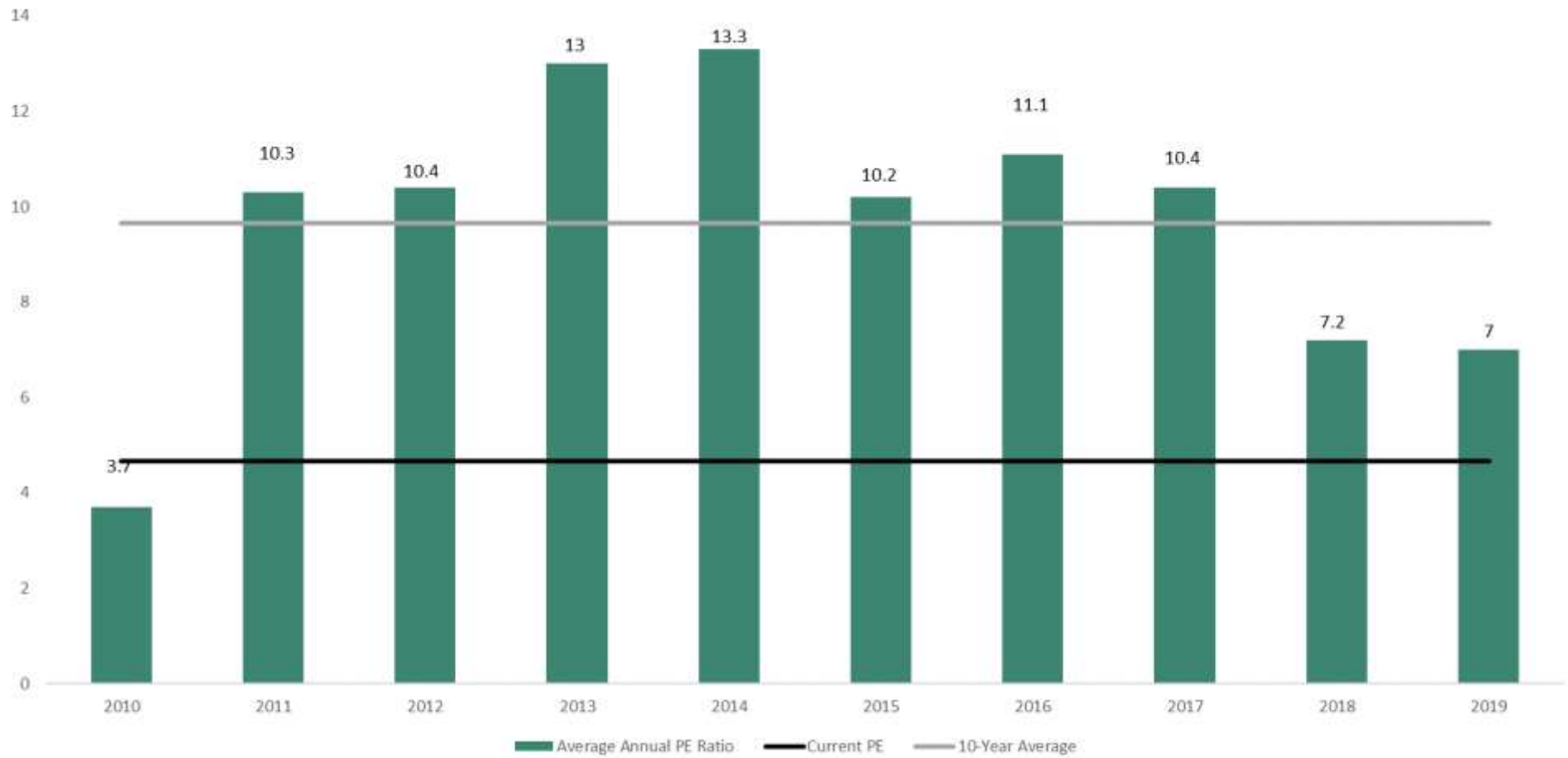
Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Enterprise Product Partners (EPD) Dividend Yield History



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### Enterprise Products Partners LP (EPD): Valuation Analysis



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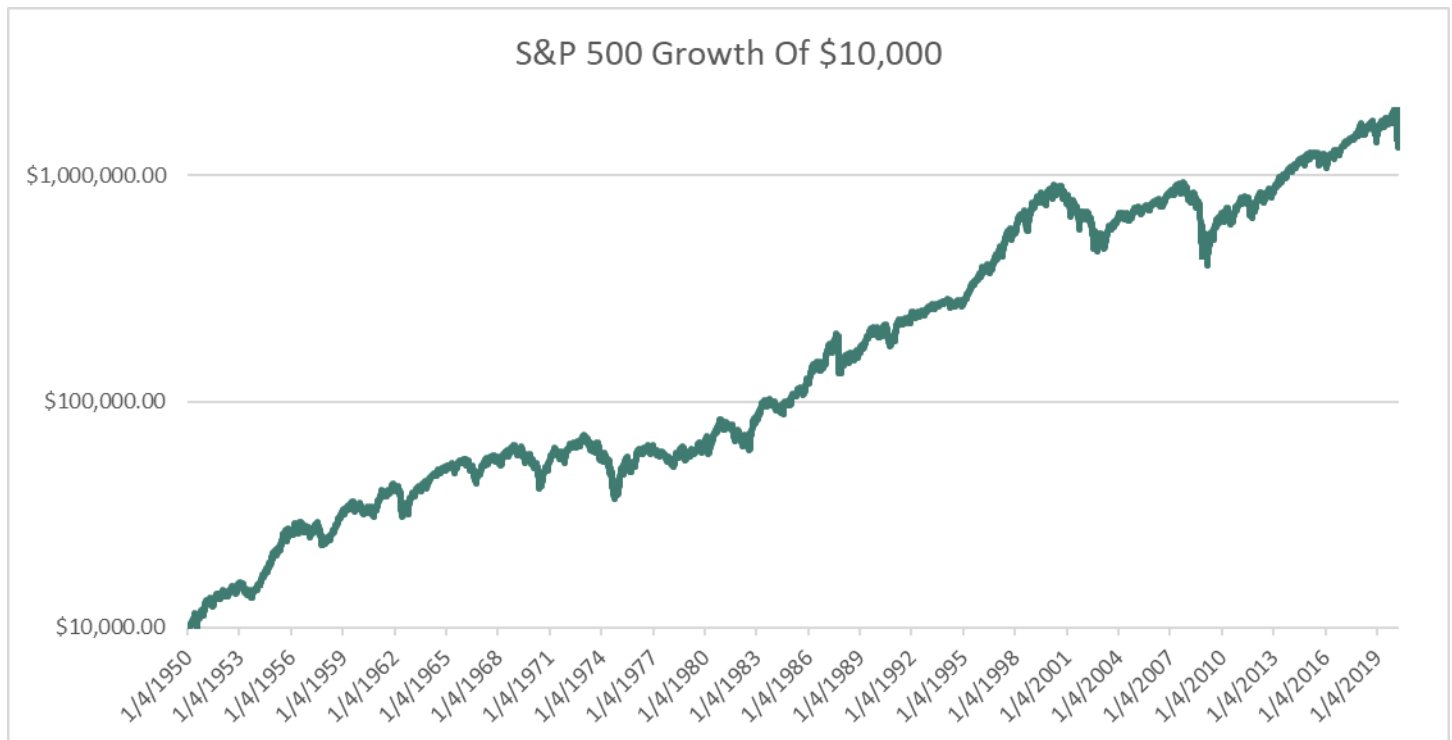


## Closing Thoughts

### - The Upside To Down Markets -

First things first, it's painful to go through market declines. Seeing red ink (pixels?) in your brokerage account is never a fun experience. When we suffer through a broad market decline like we are doing now, it's easy to question why we invest at all.

But taking a longer-term perspective can make all the difference in how you see a market decline. The image below shows the price growth (not including dividends) of \$10,000 starting in 1950 on a logarithmic scale.



As you can see, even serious market declines like the 'dot com bubble' and the 'Great Recession' are only missteps on the market's long-term growth path. Today's COVID-19 market decline so far is nothing more than a brief spike downward.

The upside to down markets is that high-quality securities go on sale. This month's Top 10 had more "A" rated Dividend Risk Score securities than at any other time in my memory of the *Sure Retirement Newsletter*. It's typically not a common occurrence to find a secure dividend with a 4%+ yield. But with recent market declines, we are seeing that occur now more frequently.

Market declines create opportunities for long-term investors to buy securities at a discount. The current market decline is no exception. And if you are no longer saving, then holding through a recession and relying on dividend income is much more preferable to selling when prices are low.

Thanks,  
Ben Reynolds

**The next newsletter publishes on Sunday, May 10<sup>th</sup>, 2020**

## List of Stocks by Retirement Suitability Score

Each of the securities in the [Sure Analysis Research Database](#) are grouped according to Retirement Suitability Score and sorted (from highest to lowest) by Expected Total Returns. Dividend or Distribution Yield is included next to each security's ticker symbol. **The Retirement Suitability Score is a combination of the Dividend Risk Score and the security's Distribution or Dividend Yield.** You can learn more about how the score is calculated at the [Sure Analysis Procedures, Glossary, & Definitions](#).

**Note:** Check the *Sure Analysis Research Database* for the most up-to-date Retirement Suitability Scores and Dividend Yields. These rankings will not always align with our Top 10 due to additional safety constraints we impose outside of the Top 10. See our '[Buying and Ranking Criteria](#)' for more information.

### A-Rated Retirement Suitability Stocks

1. ONEOK, Inc. (OKE): 12.4%
2. Inter Pipeline Ltd. (IPPLF): 18.3%
3. Micro Focus International Plc (MFGP): 9.7%
4. Tanger Factory Outlet Centers, Inc. (SKT): 19.8%
5. MPLX LP (MPLX): 21.4%
6. Marathon Petroleum Corp. (MPC): 8.3%
7. Enterprise Products Partners LP (EPD): 10.7%
8. Canadian Natural Resources Ltd. (CNQ): 8.4%
9. Sunoco LP (SUN): 18.5%
10. Suncor Energy, Inc. (SU): 7.8%
11. Polaris Inc. (PII): 4.4%
12. Meredith Corp. (MDP): 13.3%
13. Principal Financial Group, Inc. (PFG): 6.7%
14. Magellan Midstream Partners LP (MMP): 10.3%
15. Foot Locker, Inc. (FL): 6.1%
16. Lazard Ltd. (LAZ): 6.9%
17. Kohl's Corp. (KSS): 13.5%
18. Hanesbrands, Inc. (HBI): 6.3%
19. Phillips 66 (PSX): 5.7%
20. Bank OZK (OZK): 4.7%
21. Great-West Lifeco, Inc. (GWLIF): 7.3%
22. Gap, Inc. (GPS): 10.7%
23. Whirlpool Corp. (WHR): 4.5%
24. Total SA (TOT): 8%
25. The Bank of Nova Scotia (BNS): 6.5%
26. Fairfax Financial Holdings Ltd. (FRHF): 3.4%
27. Franklin Resources, Inc. (BEN): 6.2%
28. H&R Block, Inc. (HRB): 6.9%
29. People's United Financial, Inc. (PBCT): 5.8%
30. MetLife, Inc. (MET): 4.9%
31. Leggett & Platt, Inc. (LEG): 5.3%
32. AT&T, Inc. (T): 6.7%
33. Calvin B. Taylor Bankshares, Inc. (TYCB): 3.6%
34. Canadian Imperial Bank of Commerce (CM): 7%
35. Sysco Corp. (SYY): 3.3%
36. AbbVie, Inc. (ABBV): 5.5%
37. Eagle Financial Services, Inc. (EFSI): 3.7%
38. Old Republic International Corp. (ORI): 4.7%
39. Weyco Group, Inc. (WEYS): 4.8%
40. National Fuel Gas Co. (NFG): 4.4%
41. Walgreens Boots Alliance, Inc. (WBA): 4.1%
42. Emerson Electric Co. (EMR): 3.8%
43. Archer-Daniels-Midland Co. (ADM): 3.7%
44. Altria Group, Inc. (MO): 8%
45. Eaton Vance Corp. (EV): 4.2%
46. Community Trust Bancorp, Inc. (Kentucky) (CTBI): 4.3%
47. Genuine Parts Co. (GPC): 4.3%
48. International Business Machines Corp. (IBM): 5.3%
49. Federal Realty Investment Trust (FRT): 4.8%
50. Red Eléctrica Corp. SA (RDEIY): 6.6%
51. United Bankshares, Inc. (West Virginia) (UBSI): 5.1%
52. 1st Source Corp. (SRCE): 3.1%
53. Chesapeake Financial Shares, Inc. (Maryland) (CPKF): 2.9%
54. 3M Co. (MMM): 3.9%
55. Aflac, Inc. (AFL): 2.8%
56. Johnson & Johnson (JNJ): 2.7%
57. Cardinal Health, Inc. (CAH): 3.8%
58. Universal Corp. (UVV): 6.5%
59. Nucor Corp. (NUE): 4.1%

### B-Rated Retirement Suitability Stocks

1. Genesis Energy LP (GEL): 44.1%
2. Targa Resources Corp. (TRGP): 42.3%
3. Royal Caribbean Cruises Ltd. (RCL): 7.4%
4. Macerich Co. (MAC): 31.8%
5. Chorus Aviation, Inc. (CHRRF): 16.3%
6. New Residential Investment Corp. (NRZ): 34.8%
7. Service Properties Trust (SVC): 32.7%
8. EPR Properties (EPR): 17.6%

9. USA Compression Partners LP (USAC): 29.5%
10. Chatham Lodging Trust (CLDT): 18.2%
11. PermRock Royalty Trust (PRT): 28.4%
12. Delta Air Lines, Inc. (DAL): 6.2%
13. Comerica, Inc. (CMA): 7.7%
14. TELUS Corp. (TU): 10.6%
15. Holly Energy Partners LP (HEP): 22.7%
16. R.R. Donnelley & Sons Co. (RRD): 8.8%
17. Imperial Oil Ltd. (IMO): 5%
18. Navient Corp. (NAVI): 7.7%
19. Carnival Corp. (CCL): 16.1%
20. Société Générale SA (SCGLY): 15.3%
21. Energy Transfer LP (ET): 21%
22. Invesco Ltd. (IVZ): 12.5%
23. BNP Paribas SA (BNPQF): 10.9%
24. Darden Restaurants, Inc. (DRI): 5.3%
25. Fiat Chrysler Automobiles NV (FCAU): 9%
26. Suburban Propane Partners LP (SPH): 17.9%
27. Bed Bath & Beyond, Inc. (BBBY): 12%
28. Macquarie Infrastructure Corp. (MIC): 16.7%
29. Ameriprise Financial, Inc. (AMP): 3.2%
30. Brixmor Property Group, Inc. (BRX): 9.9%
31. AEGON NV (AEG): 10.4%
32. Banco Santander SA (SAN): 7.9%
33. STORE Capital Corp. (STOR): 7.4%
34. Prudential Financial, Inc. (PRU): 6.8%
35. Raytheon Co. (RTN): 3.2%
36. Sabra Health Care REIT, Inc. (SBRA): 13.6%
37. CorEnergy Infrastructure Trust, Inc. (CORR): 12.6%
38. Royal Dutch Shell Plc (RDS.B): 10.3%
39. Valero Energy Corp. (VLO): 7.2%
40. Diversified Healthcare Trust (DHC): 23.9%
41. HNI Corp. (HNI): 4.6%
42. BP Plc (BP): 9.9%
43. Ventas, Inc. (VTR): 9.4%
44. Ford Motor Co. (F): 11.2%
45. Bank of Montreal (BMO): 5.8%
46. Exxon Mobil Corp. (XOM): 8%
47. Kontoor Brands, Inc. (KTB): 8.3%
48. Enbridge, Inc. (ENB): 7.8%
49. United Technologies Corp. (UTX): 3.4%
50. The Toronto-Dominion Bank (TD): 5.2%
51. Macy's, Inc. (M): 22.7%
52. Sun Life Financial, Inc. (SLF): 4.5%
53. H.B. Fuller Co. (FUL): 2%
54. Superior Plus Corp. (SUUIF): 8.5%
55. Omnicom Group, Inc. (OMC): 4.6%
56. Farmers & Merchants Bancorp (California) (FMCB): 2.1%
57. Corning, Inc. (GLW): 3.8%
58. M&T Bank Corp. (MTB): 3.6%
59. Royal Bank of Canada (RY): 5%
60. Pentair Plc (PNR): 2.2%
61. Chevron Corp. (CVX): 5.6%
62. Prosperity Bancshares, Inc. (PB): 3.1%
63. UGI Corp. (UGI): 4%
64. Patterson Cos., Inc. (PDCO): 6.8%
65. Brookfield Infrastructure Partners LP (BIP): 4.9%
66. Gazprom PJSC (OGZPY): 10%
67. Iron Mountain, Inc. (IRM): 9%
68. Molson Coors Beverage Co. (TAP): 4.1%
69. Telephone & Data Systems, Inc. (TDS): 3.6%
70. Urstadt Biddle Properties, Inc. (UBA): 7.6%
71. MSC Industrial Direct Co., Inc. (MSM): 4.8%
72. AXIS Capital Holdings Ltd. (AXS): 3.8%
73. Ping An Insurance (Group) Co. of China Ltd. (PNGAY): 2.8%
74. BancFirst Corp. (Oklahoma) (BANF): 3.3%
75. Siemens AG (SIEGY): 4.7%
76. Enterprise Bancorp, Inc. (EBTC): 2.4%
77. Snap-On, Inc. (SNA): 3.2%
78. National Bank of Canada (NTIOF): 5%
79. Bayer AG (BAYRY): 5%
80. Bristol-Myers Squibb Co. (BMY): 2.9%
81. Stanley Black & Decker, Inc. (SWK): 2.3%
82. General Dynamics Corp. (GD): 2.9%
83. UMB Financial Corp. (UMBF): 2.4%
84. Carlisle Cos., Inc. (CSL): 1.4%
85. MDU Resources Group, Inc. (MDU): 3.3%
86. PPG Industries, Inc. (PPG): 2%
87. Cullen/Frost Bankers, Inc. (CFR): 3.9%
88. Tennant Co. (TNC): 1.4%
89. Greif, Inc. (GEF): 5.2%
90. Realty Income Corp. (O): 4.8%
91. Caterpillar, Inc. (CAT): 3%
92. British American Tobacco plc (BTI): 6.9%
93. Parker-Hannifin Corp. (PH): 2.3%
94. Verizon Communications, Inc. (VZ): 4.2%
95. NextEra Energy Partners LP (NEP): 4.5%
96. ABM Industries, Inc. (ABM): 2.5%
97. T. Rowe Price Group, Inc. (TROW): 2.9%
98. Chubb Ltd. (CB): 2.4%
99. Target Corp. (TGT): 2.5%
100. VF Corp. (VFC): 3.3%
101. McGrath RentCorp (MGRC): 2.7%
102. Sonoco Products Co. (SON): 3.4%
103. Lowe's Cos., Inc. (LOW): 2.2%
104. Cummins, Inc. (CMI): 3.3%
105. John Wiley & Sons, Inc. (JW.A): 3.6%
106. WestRock Co. (WRK): 5.7%
107. PSB Holdings, Inc. (Wisconsin) (PSBQ): 1.9%
108. Dover Corp. (DOV): 2.2%
109. The Travelers Cos., Inc. (TRV): 2.9%
110. Automatic Data Processing, Inc. (ADP): 2.3%
111. The Coca-Cola Co. (KO): 3.3%
112. Fluor Corp. (FLR): 10.7%
113. National Retail Properties, Inc. (NNN): 5.7%
114. Edison International (EIX): 4.1%
115. Fortis, Inc. (FTS): 3.5%
116. The Gorman-Rupp Co. (GRC): 1.9%
117. First Financial Corp. (Indiana) (THFF): 2.9%
118. Nordstrom, Inc. (JWN): 6.9%
119. Best Buy Co., Inc. (BBY): 3%
120. CenterPoint Energy, Inc. (CNP): 6.5%
121. Albemarle Corp. (ALB): 2.2%
122. TransAlta Renewables, Inc. (TRSWF): 6.6%
123. Kimberly-Clark Corp. (KMB): 3.1%
124. W.W. Grainger, Inc. (GWW): 2%
125. W.P. Carey, Inc. (WPC): 5.9%
126. PPL Corp. (PPL): 6.2%

127. Taubman Centers, Inc. (TCO): 5.8%
128. The Western Union Co. (WU): 4%
129. Black Hills Corp. (BKH): 2.9%
130. Medtronic Plc (MDT): 2.1%
131. MSA Safety, Inc. (MSA): 1.4%
132. SJW Group (SJW): 1.9%
133. Illinois Tool Works, Inc. (ITW): 2.6%
134. PepsiCo, Inc. (PEP): 2.8%
135. Computer Services, Inc. (CSVI): 1.9%
136. McDonald's Corp. (MCD): 2.6%
137. Abbott Laboratories (ABT): 1.5%
138. Procter & Gamble Co. (PG): 2.6%
139. Arrow Financial Corp. (AROW): 3.5%
140. RPM International, Inc. (RPM): 2.2%
141. Lancaster Colony Corp. (LANC): 2%
142. Colgate-Palmolive Co. (CL): 2.4%
143. Consolidated Edison, Inc. (ED): 3.4%
144. Cincinnati Financial Corp. (CINF): 2.7%
145. Walmart, Inc. (WMT): 1.7%
146. Northwest Natural Holding Co. (NWN): 2.9%
147. Tompkins Financial Corp. (TMP): 2.7%
148. Hormel Foods Corp. (HRL): 1.8%
34. Magna International, Inc. (MGA): 4%
35. Ladder Capital Corp. (LADR): 16.7%
36. Brookfield Asset Management, Inc. (BAM): 1.8%
37. LyondellBasell Industries NV (LYB): 7%
38. Two Harbors Investment Corp. (TWO): 34%
39. Blackstone Mortgage Trust, Inc. (BXMT): 11.2%
40. SFL Corp. Ltd. (SFL): 14.1%
41. AllianceBernstein Holding LP (AB): 10.6%
42. Imperial Brands Plc (IMBBY): 11.9%
43. CAE, Inc. (CAE): 2.3%
44. HollyFrontier Corp. (HFC): 5.1%
45. Kinder Morgan, Inc. (KMI): 6.2%
46. Tapestry, Inc. (TPR): 8.6%
47. CenturyLink, Inc. (CTL): 9.4%
48. Telefónica SA (TEF): 9.5%
49. America Móvil SAB de CV (AMX): 3.2%
50. General Motors Co. (GM): 6.3%
51. Host Hotels & Resorts, Inc. (HST): 6.7%
52. WPP Plc (WPP): 10.4%
53. Comcast Corp. (CMCSA): 2.2%
54. HSBC Holdings Plc (HSBC): 9.5%
55. Capitala Finance Corp. (CPTA): 32.2%
56. L Brands, Inc. (LB): 8%
57. UBS Group AG (UBS): 7.2%
58. Summit Hotel Properties, Inc. (INN): 15.6%
59. American Express Co. (AXP): 1.7%
60. Dynex Capital, Inc. (DX): 14.4%
61. Gladstone Capital Corp. (GLAD): 13.1%
62. Domtar Corp. (UFS): 7.9%
63. United Parcel Service, Inc. (UPS): 3.9%
64. Stryker Corp. (SYK): 1.2%
65. VEREIT, Inc. (VER): 10.4%
66. Wells Fargo & Co. (WFC): 5.8%
67. Nielsen Holdings Plc (NLSN): 7.9%
68. Hasbro, Inc. (HAS): 3.6%
69. Prospect Capital Corp. (PSEC): 15.8%
70. Lamar Advertising Co. (LAMR): 7.6%
71. Gladstone Investment Corp. (GAIN): 8.6%
72. Newell Brands, Inc. (NWL): 6.5%
73. McKesson Corp. (MCK): 1.2%
74. Gladstone Commercial Corp. (GOOD): 10.1%
75. Lockheed Martin Corp. (LMT): 2.4%
76. CVS Health Corp. (CVS): 3.3%
77. Canadian Pacific Railway Ltd. (CP): 1%
78. Vector Group Ltd. (VGR): 14.8%
79. SEI Investments Co. (SEIC): 1.3%
80. Cisco Systems, Inc. (CSCO): 3.4%
81. Philip Morris International, Inc. (PM): 6.1%
82. Northrop Grumman Corp. (NOC): 1.5%
83. EQM Midstream Partners LP (EQM): 34.7%
84. TC Pipelines LP (TCP): 9.1%
85. Global Net Lease, Inc. (GNL): 12.9%
86. Fresenius Medical Care AG & Co. KGaA (FMS): 1.9%
87. GlaxoSmithKline Plc (GSK): 5.2%
88. B&G Foods, Inc. (BGS): 11.1%
89. Mercury General Corp. (MCY): 6.1%
90. Office Properties Income Trust (OPI): 7.8%
91. Compass Diversified Holdings (CODI): 9%
92. Assurant, Inc. (AIZ): 2.2%

## C-Rated Retirement Suitability Stocks

1. Halliburton Co. (HAL): 8.8%
2. ViacomCBS, Inc. (VIAC): 4.7%
3. Chimera Investment Corp. (CIM): 26%
4. Schlumberger NV (SLB): 12.1%
5. Brookfield Property Partners LP (BPY): 12.8%
6. Alaska Air Group, Inc. (ALK): 4.4%
7. Dine Brands Global, Inc. (DIN): 7.7%
8. Enerplus Corp. (ERF): 4.2%
9. Discover Financial Services (DFS): 4.3%
10. Cedar Fair LP (FUN): 17.2%
11. Occidental Petroleum Corp. (OXY): 20.4%
12. Synchrony Financial (SYF): 4.9%
13. TechnipFMC Plc (FTD): 6.2%
14. Hawaiian Holdings, Inc. (HA): 4.1%
15. Ally Financial, Inc. (ALLY): 4%
16. Antero Midstream Corp. (AM): 42.9%
17. Alaris Royalty Corp. (ALARF): 17.5%
18. Jack in the Box, Inc. (JACK): 3.6%
19. Harley-Davidson, Inc. (HOG): 7.1%
20. Six Flags Entertainment Corp. (SIX): 20.4%
21. Simon Property Group, Inc. (SPG): 12.2%
22. Kimco Realty Corp. (KIM): 10.4%
23. OUTFRONT Media, Inc. (OUT): 10.1%
24. Stellus Capital Investment Corp. (SCM): 18%
25. Huntington Bancshares, Inc. (HBAN): 6.4%
26. KeyCorp (KEY): 5.9%
27. Sampo Oyj (SAXPY): 6.3%
28. Oxford Lane Capital Corp. (OXLC): 27%
29. PacWest Bancorp (PACW): 11.7%
30. Eagle Point Credit Co., Inc. (ECC): 30.3%
31. Whitestone REIT (WSR): 18.1%
32. Artisan Partners Asset Management, Inc. (APAM): 10.3%
33. Helmerich & Payne, Inc. (HP): 14.8%

93. CF Industries Holdings, Inc. (CF): 3.9%  
 94. Tyson Foods, Inc. (TSN): 2.6%  
 95. L3Harris Technologies, Inc. (LHX): 1.5%  
 96. Waddell & Reed Financial, Inc. (WDR): 7.9%  
 97. Cross Timbers Royalty Trust (CRT): 14.7%  
 98. The TJX Cos., Inc. (TJX): 1.9%  
 99. A. O. Smith Corp. (AOS): 2.2%  
 100. BlackRock, Inc. (BLK): 2.8%  
 101. Omega Healthcare Investors, Inc. (OHI): 7.7%  
 102. Oracle Corp. (ORCL): 1.8%  
 103. Perrigo Co. Plc (PRGO): 1.6%  
 104. Intel Corp. (INTC): 2.2%  
 105. KLA Corp. (KLAC): 2.1%  
 106. ABB Ltd. (ABB): 3.5%  
 107. Ross Stores, Inc. (ROST): 1.1%  
 108. Amgen, Inc. (AMGN): 2.7%  
 109. DTE Energy Co. (DTE): 3.5%  
 110. Rogers Communications, Inc. (RCI): 3.5%  
 111. Everest Re Group Ltd. (RE): 2.7%  
 112. Honeywell International, Inc. (HON): 2.3%  
 113. BCE, Inc. (BCE): 5.8%  
 114. Becton, Dickinson & Co. (BDX): 1.3%  
 115. Canadian National Railway Co. (CNI): 2%  
 116. Merck & Co., Inc. (MRK): 2.7%  
 117. Ares Capital Corp. (ARCC): 12.2%  
 118. Hercules Capital, Inc. (HTGC): 14%  
 119. CSX Corp. (CSX): 1.5%  
 120. Dominion Energy, Inc. (D): 4.5%  
 121. Cracker Barrel Old Country Store, Inc. (CBRL): 5.8%  
 122. Arbor Realty Trust, Inc. (ABR): 14.6%  
 123. Novartis AG (NVS): 2.4%  
 124. Apollo Commercial Real Estate Finance, Inc. (ARI): 19.8%  
 125. QUALCOMM, Inc. (QCOM): 3.5%  
 126. AmerisourceBergen Corp. (ABC): 1.8%  
 127. Union Pacific Corp. (UNP): 2.5%  
 128. Donaldson Co., Inc. (DCI): 2%  
 129. AvalonBay Communities, Inc. (AVB): 3.6%  
 130. Gilead Sciences, Inc. (GILD): 3.4%  
 131. Exelon Corp. (EXC): 3.7%  
 132. Landmark Infrastructure Partners LP (LMRK): 11.8%  
 133. ARMOUR Residential REIT, Inc. (ARR): 23.7%  
 134. Physicians Realty Trust (DOC): 5.5%  
 135. Brady Corp. (BRC): 1.8%  
 136. The Sherwin-Williams Co. (SHW): 0.9%  
 137. The J. M. Smucker Co. (SJM): 3.1%  
 138. International Paper Co. (IP): 5.9%  
 139. AGNC Investment Corp. (AGNC): 16.4%  
 140. Kellogg Co. (K): 3.6%  
 141. Brookfield Renewable Partners LP (BEP): 4.5%  
 142. S&P Global, Inc. (SPGI): 0.8%  
 143. Williams-Sonoma, Inc. (WSM): 3.8%  
 144. Brown & Brown, Inc. (BRO): 0.8%  
 145. Vermilion Energy, Inc. (VET): 46.5%  
 146. Duke Energy Corp. (DUK): 4.1%  
 147. The Southern Co. (SO): 4.1%  
 148. The Kroger Co. (KR): 2%  
 149. Franklin Electric Co., Inc. (FELE): 1.1%  
 150. C.H. Robinson Worldwide, Inc. (CHRW): 2.7%  
 151. Rio Tinto Plc (RIO): 8%  
 152. Expeditors International of Washington, Inc. (EXPD): 1.4%  
 153. Nestlé SA (NSRGY): 2.2%  
 154. Western Digital Corp. (WDC): 4.4%  
 155. Atmos Energy Corp. (ATO): 2%  
 156. Roper Technologies, Inc. (ROP): 0.6%  
 157. Air Products & Chemicals, Inc. (APD): 2.1%  
 158. Ecolab, Inc. (ECL): 1%  
 159. Entergy Corp. (ETR): 3.6%  
 160. McCormick & Co., Inc. (MKC): 1.5%  
 161. Cintas Corp. (CTAS): 1%  
 162. Ingersoll Rand, Inc. (IR): 8%  
 163. Nordson Corp. (NDSN): 1%  
 164. Westamerica Bancorporation (WABC): 2.6%  
 165. Community Bank System, Inc. (CBU): 2.4%  
 166. Tootsie Roll Industries, Inc. (TR): 0.9%  
 167. Starwood Property Trust, Inc. (STWD): 14%  
 168. Stepan Co. (SCL): 1.1%  
 169. Middlesex Water Co. (MSEX): 1.6%  
 170. MGE Energy, Inc. (MGEE): 1.9%  
 171. The Clorox Co. (CLX): 2.2%  
 172. American States Water Co. (AWR): 1.3%  
 173. Annaly Capital Management, Inc. (NLY): 17.3%  
 174. California Water Service Group (CWT): 1.5%  
 175. RLI Corp. (RLI): 1%  
 176. West Pharmaceutical Services, Inc. (WST): 0.4%

## D-Rated Retirement Suitability Stocks

1. Nabors Industries Ltd. (NBR): 10.6%
2. Apache Corp. (APA): 12.2%
3. Patterson-UTI Energy, Inc. (PTEN): 6.9%
4. American Airlines Group, Inc. (AAL): 3.2%
5. Petróleo Brasileiro SA (PBR): 3.7%
6. Citigroup, Inc. (C): 4%
7. Truist Financial Corp. (TFC): 4.7%
8. Textron, Inc. (TXT): 0.3%
9. Baker Hughes Co. (BKR): 5.6%
10. The Boeing Co. (BA): 5.4%
11. Xerox Holdings Corp. (XRX): 3.9%
12. NetApp, Inc. (NTAP): 4.3%
13. The Williams Cos., Inc. (WMB): 9.2%
14. Wynn Resorts Ltd. (WYNN): 5.3%
15. The Toro Co. (TTC): 1.4%
16. Shaw Communications, Inc. (SJR): 5.4%
17. DuPont de Nemours, Inc. (DD): 5.3%
18. Ryder System, Inc. (R): 7%
19. ConocoPhillips (COP): 3.8%
20. Swiss Re AG (SSREY): 6.8%
21. Applied Materials, Inc. (AMAT): 1.7%
22. Lam Research Corp. (LRCX): 1.7%
23. Eni SpA (E): 9.2%
24. China Mobile Ltd. (CHL): 4.7%
25. U.S. Bancorp (USB): 4.2%
26. Tenaris SA (TS): 6.3%
27. Pfizer Inc. (PFE): 4.1%
28. China Petroleum & Chemical Corp. (SNP): 9.8%
29. HP, Inc. (HPQ): 4.1%
30. CNOOC Ltd. (CEO): 7.5%
31. Yum! Brands, Inc. (YUM): 2.1%

32. Fox Corp. (FOXA): 1.8%
33. Autoliv, Inc. (ALV): 4.3%
34. CNA Financial Corp. (CNA): 4.1%
35. Las Vegas Sands Corp. (LVS): 6.4%
36. Cognizant Technology Solutions Corp. (CTSH): 1.5%
37. Dunkin' Brands Group, Inc. (DNKN): 2.6%
38. LTC Properties, Inc. (LTC): 6.2%
39. FedEx Corp. (FDX): 2.1%
40. Bayerische Motoren Werke AG (BMWYY): 7%
41. JPMorgan Chase & Co. (JPM): 3.3%
42. The Bank of New York Mellon Corp. (BK): 3.2%
43. Dow, Inc. (DOW): 5.7%
44. Main Street Capital Corp. (MAIN): 9.3%
45. Ambev SA (ABEV): 4.3%
46. BHP Group Ltd. (BHP): 7.2%
47. Apple Hospitality REIT, Inc. (APLE): 13.1%
48. Welltower, Inc. (WELL): 6.1%
49. Pearson Plc (PSO): 3.7%
50. Kansas City Southern (KSU): 1.1%
51. Intercontinental Exchange, Inc. (ICE): 1.3%
52. STAG Industrial, Inc. (STAG): 5.2%
53. Advance Auto Parts, Inc. (AAP): 0.2%
54. Anheuser-Busch InBev SA/NV (BUD): 4.1%
55. Infosys Ltd. (INFY): 2.9%
56. SAP SE (SAP): 1.4%
57. Spark Energy, Inc. (SPKE): 9.8%
58. Broadcom, Inc. (AVGO): 4.4%
59. Mastercard, Inc. (MA): 0.5%
60. Honda Motor Co., Ltd. (HMC): 3.5%
61. UnitedHealth Group, Inc. (UNH): 1.6%
62. Norfolk Southern Corp. (NSC): 2.3%
63. Amcor Plc (AMCR): 3.8%
64. TC Energy Corp. (TRP): 4.8%
65. MGM Growth Properties LLC (MGP): 7.6%
66. Sanofi (SNY): 3.8%
67. Keurig Dr Pepper, Inc. (KDP): 2.2%
68. Vale SA (VALE): 4.1%
69. eBay, Inc. (EBAY): 1.7%
70. Sempra Energy (SRE): 3%
71. Arthur J. Gallagher & Co. (AJG): 2%
72. Starbucks Corp. (SBUX): 2%
73. SK Telecom Co., Ltd. (SKM): 0.5%
74. Healthcare Trust of America, Inc. (HTA): 4.6%
75. Medical Properties Trust, Inc. (MPW): 5.6%
76. The Home Depot, Inc. (HD): 2.7%
77. Mondelez International, Inc. (MDLZ): 2.1%
78. The Kraft Heinz Co. (KHC): 5.7%
79. Skyworks Solutions, Inc. (SWKS): 1.8%
80. Texas Instruments Incorporated (TXN): 3%
81. Diageo Plc (DEO): 2.6%
82. Unilever Plc (UL): 3.5%
83. New York Community Bancorp, Inc. (NYCB): 6.4%
84. Taiwan Semiconductor Manufacturing Co., Ltd. (TSM): 5.1%
85. Pembina Pipeline Corp. (PBA): 8.7%
86. Daimler AG (DDAIF): 3%
87. Domino's Pizza, Inc. (DPZ): 0.8%
88. Huntington Ingalls Industries, Inc. (HII): 1.9%
89. Paychex, Inc. (PAYX): 3.7%
90. Seagate Technology Plc (STX): 5%
91. Granite Real Estate Investment Trust (GRP-UN): 4.7%
92. Rockwell Automation, Inc. (ROK): 2.3%
93. Dream Office Real Estate Investment Trust (DRETF): 5.1%
94. Sabine Royalty Trust (SBR): 10.3%
95. Public Storage (PSA): 3.8%
96. Garmin Ltd. (GRMN): 2.8%
97. Dream Industrial Real Estate Investment Trust (DREUF): 7.3%
98. Xylem, Inc. (XYL): 1.4%
99. Gaming & Leisure Properties, Inc. (GLPI): 9.6%
100. Apollo Global Management, Inc. (APO): 5.2%
101. Canon, Inc. (CAJ): 7.1%
102. Fastenal Co. (FAST): 2.6%
103. Healthpeak Properties, Inc. (PEAK): 5.2%
104. General Mills, Inc. (GIS): 3.4%
105. NVIDIA Corp. (NVDA): 0.2%
106. Otter Tail Corp. (OTTR): 2.9%
107. Dollar General Corp. (DG): 0.8%
108. Weyerhaeuser Co. (WY): 6.5%
109. CoreSite Realty Corp. (COR): 3.9%
110. Seaspan Corp. (SSW): 5%
111. Vodafone Group Plc (VOD): 6.6%
112. Deere & Co. (DE): 2.1%
113. Church & Dwight Co., Inc. (CHD): 1.3%
114. Constellation Brands, Inc. (STZ): 1.8%
115. Tractor Supply Co. (TSCO): 1.5%
116. Conagra Brands, Inc. (CAG): 2.6%
117. Campbell Soup Co. (CPB): 2.9%
118. Linde Plc (LIN): 1.8%
119. Waste Management, Inc. (WM): 2.1%
120. Flowers Foods, Inc. (FLO): 3.4%
121. Morningstar, Inc. (MORN): 0.9%
122. International Flavors & Fragrances, Inc. (IFF): 2.3%
123. Choice Properties Real Estate Investment Trust (PPRQF): 5.7%
124. The Hershey Co. (HSY): 2.1%
125. American Electric Power Co., Inc. (AEP): 3.1%
126. Apple, Inc. (AAPL): 1.1%
127. Moody's Corp. (MCO): 0.8%
128. Microsoft Corp. (MSFT): 1.2%
129. Artesian Resources Corp. (ARTNA): 2.6%
130. Commerce Bancshares, Inc. (Missouri) (CBSH): 1.7%
131. Booz Allen Hamilton Holding Corp. (BAH): 1.3%
132. Digital Realty Trust, Inc. (DLR): 2.9%
133. Costco Wholesale Corp. (COST): 0.9%
134. NextEra Energy, Inc. (NEE): 2%
135. Newmont Corp. (NEM): 1%
136. NIKE, Inc. (NKE): 1.1%
137. AptarGroup, Inc. (ATR): 1.3%
138. Erie Indemnity Co. (ERIE): 2.2%
139. Easterly Government Properties, Inc. (DEA): 3.5%
140. Essential Utilities, Inc. (WTRG): 2%
141. WEC Energy Group, Inc. (WEC): 2.4%
142. Eli Lilly & Co. (LLY): 1.8%
143. Badger Meter, Inc. (BMI): 1.1%
144. Xcel Energy, Inc. (XEL): 2.4%
145. Brown-Forman Corp. (BF.B): 1.1%
146. Jack Henry & Associates, Inc. (JKHY): 0.9%

- 147. Abercrombie & Fitch Co. (ANF): 7%
- 148. Universal Health Realty Income Trust (UHT): 2.4%

## **F-Rated Retirement Suitability Stocks**

- 1. MGM Resorts International (MGM): 3.6%
- 2. Southwest Airlines Co. (LUV): 1.9%
- 3. National Oilwell Varco, Inc. (NOV): 1.7%
- 4. Nokia Oyj (NOK): 3.4%
- 5. Marriott International, Inc. (MAR): 2.3%
- 6. ArcelorMittal SA (MT): 1.9%
- 7. Restaurant Brands International, Inc. (QSR): 4.6%
- 8. Johnson Controls International Plc (JCI): 3.4%
- 9. Bank of America Corp. (BAC): 2.7%
- 10. The Goldman Sachs Group, Inc. (GS): 2.3%
- 11. Boston Properties, Inc. (BXP): 3.6%
- 12. Deutsche Telekom AG (DEG): 3.3%
- 13. General Electric Co. (GE): 0.6%
- 14. NACCO Industries, Inc. (NC): 2.5%
- 15. Oshkosh Corp. (OSK): 1.7%
- 16. Olin Corp. (OLN): 5.3%
- 17. Nutrien Ltd. (NTR): 4.8%
- 18. Consolidated Water Co. Ltd. (CWCO): 2.2%
- 19. The Allstate Corp. (ALL): 2%
- 20. Aon Plc (AON): 0.9%
- 21. Koninklijke Philips NV (PHG): 2.3%
- 22. POSCO (PKX): 2.5%
- 23. The Wendy's Co. (WEN): 2.5%
- 24. Aptiv Plc (APT): 1.4%
- 25. PACCAR, Inc. (PCAR): 1.9%
- 26. Telefonaktiebolaget LM Ericsson (ERIC): 0.6%
- 27. ASML Holding NV (ASML): 1.1%
- 28. Toyota Motor Corp. (TM): 1.5%
- 29. Algonquin Power & Utilities Corp. (AQN): 3.9%
- 30. Visa, Inc. (V): 0.6%
- 31. Dillard's, Inc. (DDS): 1.5%
- 32. PetroChina Co., Ltd. (PTR): 5.7%
- 33. Eaton Corp. Plc (ETN): 3.5%
- 34. Trane Technologies Plc (TT): 2.3%
- 35. Logitech International SA (LOGI): 1.6%
- 36. Novo Nordisk A/S (NVO): 1.5%
- 37. Essex Property Trust, Inc. (ESS): 3.2%
- 38. The Blackstone Group, Inc. (BX): 3.9%
- 39. Accenture Plc (ACN): 1.3%
- 40. The Walt Disney Co. (DIS): 1.7%
- 41. Gladstone Land Corp. (LAND): 3.4%
- 42. Crown Castle International Corp. (CCI): 2.8%
- 43. Scholastic Corp. (SCHL): 2.1%
- 44. Marvell Technology Group Ltd. (MRVL): 1%
- 45. Equity Residential (EQR): 3.3%
- 46. Ferrari NV (RACE): 0.7%
- 47. Legg Mason, Inc. (LM): 3.1%
- 48. American Tower Corp. (AMT): 1.5%
- 49. Yamana Gold, Inc. (AUY): 0.8%
- 50. Tiffany & Co. (TIF): 1.8%
- 51. Sony Corp. (SNE): 0.3%
- 52. CME Group, Inc. (CME): 1.6%
- 53. ResMed, Inc. (RMD): 1%
- 54. Owens & Minor, Inc. (OMI): 0.2%
- 55. AstraZeneca Plc (AZN): 3.1%
- 56. Thomson Reuters Corp. (TRI): 2%
- 57. Wheaton Precious Metals Corp. (WPM): 1.1%
- 58. Barrick Gold Corp. (GOLD): 0.9%
- 59. Kulicke & Soffa Industries, Inc. (KLIC): 2.1%



## List of Stocks by Sector

Each of the securities in the [Sure Analysis Research Database](#) are grouped according to sector and Retirement Suitability Score and sorted (from highest to lowest) by Expected Total Returns. Dividend or Distribution Yield is included next to each security's ticker symbol. **The Retirement Suitability Score is a combination of the Dividend Risk Score and the security's Distribution or Dividend Yield.** You can learn more about how the score is calculated at the [Sure Analysis Procedures, Glossary, & Definitions](#).

**Note:** Check the *Sure Analysis Research Database* for the most up-to-date Retirement Suitability Scores and Dividend Yields. These rankings will not always align with our Top 10 due to additional safety constraints we impose outside of the Top 10. See our '[Buying and Ranking Criteria](#)' for more information.

### Commercial Services

#### *A-Ranked Retirement Suitability*

1. N/A

#### *B-Ranked Retirement Suitability*

1. R.R. Donnelley & Sons Co. (RRD): 8.8%
2. Omnicom Group, Inc. (OMC): 4.6%
3. ABM Industries, Inc. (ABM): 2.5%

#### *C-Ranked Retirement Suitability*

1. CAE, Inc. (CAE): 2.3%
2. WPP Plc (WPP): 10.4%
3. Nielsen Holdings Plc (NLSN): 7.9%
4. S&P Global, Inc. (SPGI): 0.8%

#### *D-Ranked Retirement Suitability*

1. Moody's Corp. (MCO): 0.8%
2. Booz Allen Hamilton Holding Corp. (BAH): 1.3%

#### *F-Ranked Retirement Suitability*

1. Thomson Reuters Corp. (TRI): 2%

### Communications

#### *A-Ranked Retirement Suitability*

1. AT&T, Inc. (T): 6.7%

#### *B-Ranked Retirement Suitability*

1. TELUS Corp. (TU): 10.6%
2. Telephone & Data Systems, Inc. (TDS): 3.6%
3. Verizon Communications, Inc. (VZ): 4.2%

#### *C-Ranked Retirement Suitability*

1. CenturyLink, Inc. (CTL): 9.4%

2. Telefónica SA (TEF): 9.5%
3. America Móvil SAB de CV (AMX): 3.2%
4. Rogers Communications, Inc. (RCI): 3.5%
5. BCE, Inc. (BCE): 5.8%

#### *D-Ranked Retirement Suitability*

1. China Mobile Ltd. (CHL): 4.7%
2. SK Telecom Co., Ltd. (SKM): 0.5%
3. Vodafone Group Plc (VOD): 6.6%

#### *F-Ranked Retirement Suitability*

1. Deutsche Telekom AG (DTEGY): 3.3%

### Consumer Durables

#### *A-Ranked Retirement Suitability*

1. Polaris Inc. (PII): 4.4%
2. Whirlpool Corp. (WHR): 4.5%
3. Leggett & Platt, Inc. (LEG): 5.3%

#### *B-Ranked Retirement Suitability*

1. Fiat Chrysler Automobiles NV (FCAU): 9%
2. Ford Motor Co. (F): 11.2%
3. Snap-On, Inc. (SNA): 3.2%
4. Stanley Black & Decker, Inc. (SWK): 2.3%
5. MSA Safety, Inc. (MSA): 1.4%

#### *C-Ranked Retirement Suitability*

1. Harley-Davidson, Inc. (HOG): 7.1%
2. General Motors Co. (GM): 6.3%
3. Hasbro, Inc. (HAS): 3.6%

#### *D-Ranked Retirement Suitability*

1. Bayerische Motoren Werke AG (BMWYY): 7%
2. Honda Motor Co., Ltd. (HMC): 3.5%
3. Daimler AG (DDAIF): 3%



***F-Ranked Retirement Suitability***

1. Toyota Motor Corp. (TM): 1.5%
2. Ferrari NV (RACE): 0.7%
3. Sony Corp. (SNE): 0.3%

**Consumer Non-Durables*****A-Ranked Retirement Suitability***

1. Hanesbrands, Inc. (HBI): 6.3%
2. Altria Group, Inc. (MO): 8%
3. Universal Corp. (UVV): 6.5%

***B-Ranked Retirement Suitability***

1. Kontoor Brands, Inc. (KTB): 8.3%
2. Molson Coors Beverage Co. (TAP): 4.1%
3. British American Tobacco plc (BTI): 6.9%
4. VF Corp. (VFC): 3.3%
5. The Coca-Cola Co. (KO): 3.3%
6. Kimberly-Clark Corp. (KMB): 3.1%
7. PepsiCo, Inc. (PEP): 2.8%
8. Procter & Gamble Co. (PG): 2.6%
9. Lancaster Colony Corp. (LANC): 2%
10. Colgate-Palmolive Co. (CL): 2.4%
11. Hormel Foods Corp. (HRL): 1.8%

***C-Ranked Retirement Suitability***

1. Imperial Brands Plc (IMBBY): 11.9%
2. Vector Group Ltd. (VGR): 14.8%
3. Philip Morris International, Inc. (PM): 6.1%
4. B&G Foods, Inc. (BGS): 11.1%
5. Tyson Foods, Inc. (TSN): 2.6%
6. The J. M. Smucker Co. (SJM): 3.1%
7. Kellogg Co. (K): 3.6%
8. Nestlé SA (NSRGY): 2.2%
9. McCormick & Co., Inc. (MKC): 1.5%
10. Tootsie Roll Industries, Inc. (TR): 0.9%
11. The Clorox Co. (CLX): 2.2%

***D-Ranked Retirement Suitability***

1. Ambev SA (ABEV): 4.3%
2. Anheuser-Busch InBev SA/NV (BUD): 4.1%
3. Keurig Dr Pepper, Inc. (KDP): 2.2%
4. Mondelez International, Inc. (MDLZ): 2.1%
5. The Kraft Heinz Co. (KHC): 5.7%
6. Diageo Plc (DEO): 2.6%
7. Unilever Plc (UL): 3.5%
8. General Mills, Inc. (GIS): 3.4%
9. Church & Dwight Co., Inc. (CHD): 1.3%
10. Constellation Brands, Inc. (STZ): 1.8%
11. Conagra Brands, Inc. (CAG): 2.6%
12. Campbell Soup Co. (CPB): 2.9%
13. Flowers Foods, Inc. (FLO): 3.4%
14. International Flavors & Fragrances, Inc. (IFF): 2.3%
15. The Hershey Co. (HSY): 2.1%
16. NIKE, Inc. (NKE): 1.1%
17. Brown-Forman Corp. (BF.B): 1.1%

***F-Ranked Retirement Suitability***

1. N/A

**Consumer Services*****A-Ranked Retirement Suitability***

1. Meredith Corp. (MDP): 13.3%
2. H&R Block, Inc. (HRB): 6.9%

***B-Ranked Retirement Suitability***

1. Royal Caribbean Cruises Ltd. (RCL): 7.4%
2. Carnival Corp. (CCL): 16.1%
3. Darden Restaurants, Inc. (DRI): 5.3%
4. John Wiley & Sons, Inc. (JW.A): 3.6%
5. McDonald's Corp. (MCD): 2.6%

***C-Ranked Retirement Suitability***

1. ViacomCBS, Inc. (VIAC): 4.7%
2. Dine Brands Global, Inc. (DIN): 7.7%
3. Cedar Fair LP (FUN): 17.2%
4. Jack in the Box, Inc. (JACK): 3.6%
5. Six Flags Entertainment Corp. (SIX): 20.4%
6. Comcast Corp. (CMCSA): 2.2%
7. Cracker Barrel Old Country Store, Inc. (CBRL): 5.8%
8. Cintas Corp. (CTAS): 1%

***D-Ranked Retirement Suitability***

1. Wynn Resorts Ltd. (WYNN): 5.3%
2. Shaw Communications, Inc. (SJR): 5.4%
3. Yum! Brands, Inc. (YUM): 2.1%
4. Fox Corp. (FOXA): 1.8%
5. Las Vegas Sands Corp. (LVS): 6.4%
6. Dunkin' Brands Group, Inc. (DNKN): 2.6%
7. Pearson Plc (PSO): 3.7%
8. eBay, Inc. (EBAY): 1.7%
9. Starbucks Corp. (SBUX): 2%
10. Domino's Pizza, Inc. (DPZ): 0.8%

***F-Ranked Retirement Suitability***

1. MGM Resorts International (MGM): 3.6%
2. Marriott International, Inc. (MAR): 2.3%
3. Restaurant Brands International, Inc. (QSR): 4.6%
4. The Wendy's Co. (WEN): 2.5%
5. The Walt Disney Co. (DIS): 1.7%
6. Scholastic Corp. (SCHL): 2.1%

**Distribution Services*****A-Ranked Retirement Suitability***

1. Sunoco LP (SUN): 18.5%
2. Sysco Corp. (SYY): 3.3%
3. Weyco Group, Inc. (WEYS): 4.8%
4. Genuine Parts Co. (GPC): 4.3%
5. Cardinal Health, Inc. (CAH): 3.8%

**B-Ranked Retirement Suitability**

1. Superior Plus Corp. (SUUIF): 8.5%
2. Patterson Cos., Inc. (PDCO): 6.8%
3. MSC Industrial Direct Co., Inc. (MSM): 4.8%
4. W.W. Grainger, Inc. (GWW): 2%

**C-Ranked Retirement Suitability**

1. McKesson Corp. (MCK): 1.2%
2. AmerisourceBergen Corp. (ABC): 1.8%

**D-Ranked Retirement Suitability**

1. Fastenal Co. (FAST): 2.6%

**F-Ranked Retirement Suitability**

1. Owens & Minor, Inc. (OMI): 0.2%

**Electronic Technology****A-Ranked Retirement Suitability**

1. N/A

**B-Ranked Retirement Suitability**

1. Raytheon Co. (RTN): 3.2%
2. Corning, Inc. (GLW): 3.8%
3. General Dynamics Corp. (GD): 2.9%

**C-Ranked Retirement Suitability**

1. Northrop Grumman Corp. (NOC): 1.6%
2. Lockheed Martin Corp. (LMT): 2.4%
3. Northrop Grumman Corp. (NOC): 1.5%
4. L3Harris Technologies, Inc. (LHX): 1.5%
5. Intel Corp. (INTC): 2.2%
6. KLA Corp. (KLAC): 2.1%
7. QUALCOMM, Inc. (QCOM): 3.5%
8. Western Digital Corp. (WDC): 4.4%
9. Roper Technologies, Inc. (ROP): 0.6%

**D-Ranked Retirement Suitability**

1. Textron, Inc. (TXT): 0.3%
2. The Boeing Co. (BA): 5.4%
3. Xerox Holdings Corp. (XRX): 3.9%
4. NetApp, Inc. (NTAP): 4.3%
5. Lam Research Corp. (LRCX): 1.7%
6. HP, Inc. (HPQ): 4.1%
7. Broadcom, Inc. (AVGO): 4.4%
8. Skyworks Solutions, Inc. (SWKS): 1.8%
9. Texas Instruments Incorporated (TXN): 3%
10. Taiwan Semiconductor Manufacturing Co., Ltd. (TSM): 5.1%
11. Huntington Ingalls Industries, Inc. (HII): 1.9%
12. Seagate Technology Plc (STX): 5%
13. Garmin Ltd. (GRMN): 2.8%
14. Canon, Inc. (CAJ): 7.1%
15. NVIDIA Corp. (NVDA): 0.2%
16. Apple, Inc. (AAPL): 1.1%

**F-Ranked Retirement Suitability**

1. Nokia Oyj (NOK): 3.4%
2. General Electric Co. (GE): 0.6%
3. Telefonaktiebolaget LM Ericsson (ERIC): 0.6%
4. Logitech International SA (LOGI): 1.6%
5. Marvell Technology Group Ltd. (MRVL): 1%
6. Kulicke & Soffa Industries, Inc. (KLIC): 2.1%

**Energy Minerals****A-Ranked Retirement Suitability**

1. Marathon Petroleum Corp. (MPC): 8.3%
2. Canadian Natural Resources Ltd. (CNQ): 8.4%
3. Suncor Energy, Inc. (SU): 7.8%
4. Phillips 66 (PSX): 5.7%
5. Total SA (TOT): 8%
6. National Fuel Gas Co. (NFG): 4.4%

**B-Ranked Retirement Suitability**

1. Targa Resources Corp. (TRGP): 42.3%
2. PermRock Royalty Trust (PRT): 28.4%
3. Imperial Oil Ltd. (IMO): 5%
4. Royal Dutch Shell Plc (RDS.B): 10.3%
5. Valero Energy Corp. (VLO): 7.2%
6. BP Plc (BP): 9.9%
7. Exxon Mobil Corp. (XOM): 8%
8. Chevron Corp. (CVX): 5.6%
9. Gazprom PJSC (OGZPY): 10%

**C-Ranked Retirement Suitability**

1. Enerplus Corp. (ERF): 4.2%
2. Occidental Petroleum Corp. (OXY): 20.4%
3. HollyFrontier Corp. (HFC): 5.1%
4. Cross Timbers Royalty Trust (CRT): 14.7%
5. Vermilion Energy, Inc. (VET): 46.5%

**D-Ranked Retirement Suitability**

1. Apache Corp. (APA): 12.2%
2. Petróleo Brasileiro SA (PBR): 3.7%
3. ConocoPhillips (COP): 3.8%
4. Eni SpA (E): 9.2%
5. China Petroleum & Chemical Corp. (SNP): 9.8%
6. CNOOC Ltd. (CEO): 7.5%
7. Sabine Royalty Trust (SBR): 10.3%

**F-Ranked Retirement Suitability**

1. NACCO Industries, Inc. (NC): 2.5%
2. PetroChina Co., Ltd. (PTR): 5.7%

**Finance****A-Ranked Retirement Suitability**

1. Tanger Factory Outlet Centers, Inc. (SKT): 19.8%
2. Principal Financial Group, Inc. (PFG): 6.7%
3. Lazard Ltd. (LAZ): 6.9%
4. Bank OZK (OZK): 4.7%

5. Great-West Lifeco, Inc. (GWLIF): 7.3%
6. The Bank of Nova Scotia (BNS): 6.5%
7. Fairfax Financial Holdings Ltd. (FRHF): 3.4%
8. Franklin Resources, Inc. (BEN): 6.2%
9. People's United Financial, Inc. (PBCT): 5.8%
10. MetLife, Inc. (MET): 4.9%
11. Calvin B. Taylor Bankshares, Inc. (TYCB): 3.6%
12. Canadian Imperial Bank of Commerce (CM): 7%
13. Eagle Financial Services, Inc. (EFSI): 3.7%
14. Old Republic International Corp. (ORI): 4.7%
15. Eaton Vance Corp. (EV): 4.2%
16. Community Trust Bancorp, Inc. (Kentucky) (CTBI): 4.3%
17. Federal Realty Investment Trust (FRT): 4.8%
18. United Bankshares, Inc. (West Virginia) (UBSI): 5.1%
19. 1st Source Corp. (SRCE): 3.1%
20. Chesapeake Financial Shares, Inc. (Maryland) (CPKF): 2.9%
21. Aflac, Inc. (AFL): 2.8%

### ***B-Ranked Retirement Suitability***

1. Macerich Co. (MAC): 31.8%
2. New Residential Investment Corp. (NRZ): 34.8%
3. Service Properties Trust (SVC): 32.7%
4. EPR Properties (EPR): 17.6%
5. Chatham Lodging Trust (CLDT): 18.2%
6. Comerica, Inc. (CMA): 7.7%
7. Navient Corp. (NAVI): 7.7%
8. Société Générale SA (SCGLY): 15.3%
9. Invesco Ltd. (IVZ): 12.5%
10. BNP Paribas SA (BNPQF): 10.9%
11. Macquarie Infrastructure Corp. (MIC): 16.7%
12. Ameriprise Financial, Inc. (AMP): 3.2%
13. Brixmor Property Group, Inc. (BRX): 9.9%
14. AEGON NV (AEG): 10.4%
15. Banco Santander SA (SAN): 7.9%
16. STORE Capital Corp. (STOR): 7.4%
17. Prudential Financial, Inc. (PRU): 6.8%
18. Sabra Health Care REIT, Inc. (SBRA): 13.6%
19. CorEnergy Infrastructure Trust, Inc. (CORR): 12.6%
20. Diversified Healthcare Trust (DHC): 23.9%
21. Ventas, Inc. (VTR): 9.4%
22. Bank of Montreal (BMO): 5.8%
23. The Toronto-Dominion Bank (TD): 5.2%
24. Sun Life Financial, Inc. (SLF): 4.5%
25. Farmers & Merchants Bancorp (California) (FMCB): 2.1%
26. M&T Bank Corp. (MTB): 3.6%
27. Royal Bank of Canada (RY): 5%
28. Prosperity Bancshares, Inc. (PB): 3.1%
29. Iron Mountain, Inc. (IRM): 9%
30. Urstadt Biddle Properties, Inc. (UBA): 7.6%
31. AXIS Capital Holdings Ltd. (AXS): 3.8%
32. Ping An Insurance (Group) Co. of China Ltd. (PNGAY): 2.8%
33. BancFirst Corp. (Oklahoma) (BANF): 3.3%
34. Enterprise Bancorp, Inc. (EBTC): 2.4%
35. National Bank of Canada (NTIOF): 5%
36. UMB Financial Corp. (UMBF): 2.4%
37. Cullen/Frost Bankers, Inc. (CFR): 3.9%

38. Realty Income Corp. (O): 4.8%
39. T. Rowe Price Group, Inc. (TROW): 2.9%
40. Chubb Ltd. (CB): 2.4%
41. McGrath RentCorp (MGRC): 2.7%
42. PSB Holdings, Inc. (Wisconsin) (PSBQ): 1.9%
43. The Travelers Cos., Inc. (TRV): 2.9%
44. National Retail Properties, Inc. (NNN): 5.7%
45. First Financial Corp. (Indiana) (THFF): 2.9%
46. W.P. Carey, Inc. (WPC): 5.9%
47. Taubman Centers, Inc. (TCO): 5.8%
48. The Western Union Co. (WU): 4%
49. Arrow Financial Corp. (AROW): 3.5%
50. Cincinnati Financial Corp. (CINF): 2.7%
51. Tompkins Financial Corp. (TMP): 2.7%

### ***C-Ranked Retirement Suitability***

1. Chimera Investment Corp. (CIM): 26%
2. Brookfield Property Partners LP (BPY): 12.8%
3. Discover Financial Services (DFS): 4.3%
4. Synchrony Financial (SYF): 4.9%
5. Ally Financial, Inc. (ALLY): 4%
6. Alaris Royalty Corp. (ALARF): 17.5%
7. Simon Property Group, Inc. (SPG): 12.2%
8. Kimco Realty Corp. (KIM): 10.4%
9. OUTFRONT Media, Inc. (OUT): 10.1%
10. Stellus Capital Investment Corp. (SCM): 18%
11. Huntington Bancshares, Inc. (HBAN): 6.4%
12. KeyCorp (KEY): 5.9%
13. Sampo Oyj (SAXPY): 6.3%
14. PacWest Bancorp (PACW): 11.7%
15. Whitestone REIT (WSR): 18.1%
16. Artisan Partners Asset Management, Inc. (APAM): 10.3%
17. Ladder Capital Corp. (LADR): 16.7%
18. Brookfield Asset Management, Inc. (BAM): 1.8%
19. Two Harbors Investment Corp. (TWO): 34%
20. Blackstone Mortgage Trust, Inc. (BXMT): 11.2%
21. AllianceBernstein Holding LP (AB): 10.6%
22. Host Hotels & Resorts, Inc. (HST): 6.7%
23. HSBC Holdings Plc (HSBC): 9.5%
24. Capitala Finance Corp. (CPTA): 32.2%
25. UBS Group AG (UBS): 7.2%
26. Summit Hotel Properties, Inc. (INN): 15.6%
27. American Express Co. (AXP): 1.7%
28. Dynex Capital, Inc. (DX): 14.4%
29. Gladstone Capital Corp. (GLAD): 13.1%
30. VEREIT, Inc. (VER): 10.4%
31. Wells Fargo & Co. (WFC): 5.8%
32. Prospect Capital Corp. (PSEC): 15.8%
33. Lamar Advertising Co. (LAMR): 7.6%
34. Gladstone Investment Corp. (GAIN): 8.6%
35. Gladstone Commercial Corp. (GOOD): 10.1%
36. SEI Investments Co. (SEIC): 1.3%
37. Global Net Lease, Inc. (GNL): 12.9%
38. Mercury General Corp. (MCY): 6.1%
39. Office Properties Income Trust (OPI): 7.8%
40. Compass Diversified Holdings (CODI): 9%
41. Assurant, Inc. (AIZ): 2.2%
42. Waddell & Reed Financial, Inc. (WDR): 7.9%

43. BlackRock, Inc. (BLK): 2.8%
44. Omega Healthcare Investors, Inc. (OHI): 7.7%
45. Everest Re Group Ltd. (RE): 2.7%
46. Ares Capital Corp. (ARCC): 12.2%
47. Hercules Capital, Inc. (HTGC): 14%
48. Arbor Realty Trust, Inc. (ABR): 14.6%
49. Apollo Commercial Real Estate Finance, Inc. (ARI): 19.8%
50. AvalonBay Communities, Inc. (AVB): 3.6%
51. Landmark Infrastructure Partners LP (LMRK): 11.8%
52. ARMOUR Residential REIT, Inc. (ARR): 23.7%
53. Physicians Realty Trust (DOC): 5.5%
54. AGNC Investment Corp. (AGNC): 16.4%
55. Brown & Brown, Inc. (BRO): 0.8%
56. Westamerica Bancorporation (WABC): 2.6%
57. Community Bank System, Inc. (CBU): 2.4%
58. Starwood Property Trust, Inc. (STWD): 14%
59. Annaly Capital Management, Inc. (NLY): 17.3%
60. RLI Corp. (RLI): 1%

### ***D-Ranked Retirement Suitability***

1. Citigroup, Inc. (C): 4%
2. Truist Financial Corp. (TFC): 4.7%
3. Ryder System, Inc. (R): 7%
4. Swiss Re AG (SSREY): 6.8%
5. U.S. Bancorp (USB): 4.2%
6. CNA Financial Corp. (CNA): 4.1%
7. LTC Properties, Inc. (LTC): 6.2%
8. JPMorgan Chase & Co. (JPM): 3.3%
9. The Bank of New York Mellon Corp. (BK): 3.2%
10. Main Street Capital Corp. (MAIN): 9.3%
11. Apple Hospitality REIT, Inc. (APLE): 13.1%
12. Welltower, Inc. (WELL): 6.1%
13. Intercontinental Exchange, Inc. (ICE): 1.3%
14. STAG Industrial, Inc. (STAG): 5.2%
15. Mastercard, Inc. (MA): 0.5%
16. MGM Growth Properties LLC (MGP): 7.6%
17. Arthur J. Gallagher & Co. (AJG): 2%
18. Healthcare Trust of America, Inc. (HTA): 4.6%
19. Medical Properties Trust, Inc. (MPW): 5.6%
20. New York Community Bancorp, Inc. (NYCB): 6.4%
21. Granite Real Estate Investment Trust (GRP-UN): 4.7%
22. Dream Office Real Estate Investment Trust (DRETF): 5.1%
23. Public Storage (PSA): 3.8%
24. Dream Industrial Real Estate Investment Trust (DREUF): 7.3%
25. Gaming & Leisure Properties, Inc. (GLPI): 9.6%
26. Apollo Global Management, Inc. (APO): 5.2%
27. Healthpeak Properties, Inc. (PEAK): 5.2%
28. Weyerhaeuser Co. (WY): 6.5%
29. CoreSite Realty Corp. (COR): 3.9%
30. Morningstar, Inc. (MORN): 0.9%
31. Choice Properties Real Estate Investment Trust (PPRQF): 5.7%
32. Commerce Bancshares, Inc. (Missouri) (CBSH): 1.7%
33. Digital Realty Trust, Inc. (DLR): 2.9%
34. Erie Indemnity Co. (ERIE): 2.2%
35. Easterly Government Properties, Inc. (DEA): 3.5%
36. Universal Health Realty Income Trust (UHT): 2.4%

### ***F-Ranked Retirement Suitability***

1. Bank of America Corp. (BAC): 2.7%
2. The Goldman Sachs Group, Inc. (GS): 2.3%
3. Boston Properties, Inc. (BXP): 3.6%
4. The Allstate Corp. (ALL): 2%
5. Aon Plc (AON): 0.9%
6. Visa, Inc. (V): 0.6%
7. Essex Property Trust, Inc. (ESS): 3.2%
8. The Blackstone Group, Inc. (BX): 3.9%
9. Gladstone Land Corp. (LAND): 3.4%
10. Crown Castle International Corp. (CCI): 2.8%
11. Equity Residential (EQR): 3.3%
12. Legg Mason, Inc. (LM): 3.1%
13. American Tower Corp. (AMT): 1.5%
14. CME Group, Inc. (CME): 1.6%

## **Health Services**

### ***A-Ranked Retirement Suitability***

1. N/A

### ***B-Ranked Retirement Suitability***

1. N/A

### ***C-Ranked Retirement Suitability***

1. Fresenius Medical Care AG & Co. KGaA (FMS): 1.9%

### ***D-Ranked Retirement Suitability***

1. UnitedHealth Group, Inc. (UNH): 1.6%

### ***F-Ranked Retirement Suitability***

1. N/A

## **Health Technology**

### ***A-Ranked Retirement Suitability***

1. AbbVie, Inc. (ABBV): 5.5%
2. Johnson & Johnson (JNJ): 2.7%

### ***B-Ranked Retirement Suitability***

1. Bayer AG (BAYRY): 5%
2. Bristol-Myers Squibb Co. (BMY): 2.9%
3. Medtronic Plc (MDT): 2.1%
4. Abbott Laboratories (ABT): 1.5%

### ***C-Ranked Retirement Suitability***

1. Stryker Corp. (SYK): 1.2%
2. GlaxoSmithKline Plc (GSK): 5.2%
3. Perrigo Co. Plc (PRGO): 1.6%
4. Amgen, Inc. (AMGN): 2.7%
5. Becton, Dickinson & Co. (BDX): 1.3%
6. Merck & Co., Inc. (MRK): 2.7%
7. Novartis AG (NVS): 2.4%
8. Gilead Sciences, Inc. (GILD): 3.4%
9. West Pharmaceutical Services, Inc. (WST): 0.4%

***D-Ranked Retirement Suitability***

1. Pfizer Inc. (PFE): 4.1%
2. Sanofi (SNY): 3.8%
3. Eli Lilly & Co. (LLY): 1.8%

***F-Ranked Retirement Suitability***

1. Koninklijke Philips NV (PHG): 2.3%
2. Novo Nordisk A/S (NVO): 1.5%
3. ResMed, Inc. (RMD): 1%
4. AstraZeneca Plc (AZN): 3.1%

**Industrial Services*****A-Ranked Retirement Suitability***

1. ONEOK, Inc. (OKE): 12.4%
2. Inter Pipeline Ltd. (IPPLF): 18.3%
3. MPLX LP (MPLX): 21.4%
4. Enterprise Products Partners LP (EPD): 10.7%
5. Magellan Midstream Partners LP (MMP): 10.3%

***B-Ranked Retirement Suitability***

1. Genesis Energy LP (GEL): 44.1%
2. USA Compression Partners LP (USAC): 29.5%
3. Holly Energy Partners LP (HEP): 22.7%
4. Energy Transfer LP (ET): 21%
5. Enbridge, Inc. (ENB): 7.8%
6. Dover Corp. (DOV): 2.2%
7. Fluor Corp. (FLR): 10.7%

***C-Ranked Retirement Suitability***

1. Halliburton Co. (HAL): 8.8%
2. Schlumberger NV (SLB): 12.1%
3. TechnipFMC Plc (FTI): 6.2%
4. Antero Midstream Corp. (AM): 42.9%
5. Helmerich & Payne, Inc. (HP): 14.8%
6. Kinder Morgan, Inc. (KMI): 6.2%
7. EQM Midstream Partners LP (EQM): 34.7%
8. TC Pipelines LP (TCP): 9.1%

***D-Ranked Retirement Suitability***

1. Nabors Industries Ltd. (NBR): 10.6%
2. Patterson-UTI Energy, Inc. (PTEN): 6.9%
3. Baker Hughes Co. (BKR): 5.6%
4. The Williams Cos., Inc. (WMB): 9.2%
5. TC Energy Corp. (TRP): 4.8%
6. Pembina Pipeline Corp. (PBA): 8.7%
7. Waste Management, Inc. (WM): 2.1%

***F-Ranked Retirement Suitability***

1. National Oilwell Varco, Inc. (NOV): 1.7%

**Miscellaneous*****A-Ranked Retirement Suitability***

1. N/A

***B-Ranked Retirement Suitability***

1. N/A

***C-Ranked Retirement Suitability***

1. Oxford Lane Capital Corp. (OXLC): 27%
2. Eagle Point Credit Co., Inc. (ECC): 30.3%

***D-Ranked Retirement Suitability***

1. N/A

***F-Ranked Retirement Suitability***

1. N/A

**Non-Energy Minerals*****A-Ranked Retirement Suitability***

1. Nucor Corp. (NUE): 4.1%

***B-Ranked Retirement Suitability***

1. N/A

***C-Ranked Retirement Suitability***

1. Rio Tinto Plc (RIO): 8%

***D-Ranked Retirement Suitability***

1. Tenaris SA (TS): 6.3%
2. BHP Group Ltd. (BHP): 7.2%
3. Vale SA (VALE): 4.1%
4. Newmont Corp. (NEM): 1%

***F-Ranked Retirement Suitability***

1. ArcelorMittal SA (MT): 1.9%
2. POSCO (PKX): 2.5%
3. Yamana Gold, Inc. (AUY): 0.8%
4. Wheaton Precious Metals Corp. (WPM): 1.1%
5. Barrick Gold Corp. (GOLD): 0.9%

**Process Industries*****A-Ranked Retirement Suitability***

1. Archer-Daniels-Midland Co. (ADM): 3.7%

***B-Ranked Retirement Suitability***

1. H.B. Fuller Co. (FUL): 2%
2. PPG Industries, Inc. (PPG): 2%
3. Greif, Inc. (GEF): 5.2%
4. Sonoco Products Co. (SON): 3.4%
5. WestRock Co. (WRK): 5.7%
6. Albemarle Corp. (ALB): 2.2%
7. RPM International, Inc. (RPM): 2.2%

***C-Ranked Retirement Suitability***

1. LyondellBasell Industries NV (LYB): 7%
2. Domtar Corp. (UFS): 7.9%

3. CF Industries Holdings, Inc. (CF): 3.9%
4. Donaldson Co., Inc. (DCI): 2%
5. The Sherwin-Williams Co. (SHW): 0.9%
6. International Paper Co. (IP): 5.9%
7. Air Products & Chemicals, Inc. (APD): 2.1%
8. Ecolab, Inc. (ECL): 1%
9. Stepan Co. (SCL): 1.1%

### ***D-Ranked Retirement Suitability***

1. DuPont de Nemours, Inc. (DD): 5.3%
2. Dow, Inc. (DOW): 5.7%
3. Amcor Plc (AMCR): 3.8%
4. Linde Plc (LIN): 1.8%
5. AptarGroup, Inc. (ATR): 1.3%

### ***F-Ranked Retirement Suitability***

1. Olin Corp. (OLN): 5.3%
2. Nutrien Ltd. (NTR): 4.8%

## **Producer Manufacturing**

### ***A-Ranked Retirement Suitability***

1. Emerson Electric Co. (EMR): 3.8%
2. 3M Co. (MMM): 3.9%

### ***B-Ranked Retirement Suitability***

1. HNI Corp. (HNI): 4.6%
2. United Technologies Corp. (UTX): 3.4%
3. Pentair Plc (PNR): 2.2%
4. Siemens AG (SIEGY): 4.7%
5. Carlisle Cos., Inc. (CSL): 1.4%
6. Tennant Co. (TNC): 1.4%
7. Caterpillar, Inc. (CAT): 3%
8. Parker-Hannifin Corp. (PH): 2.3%
9. Cummins, Inc. (CMI): 3.3%
10. The Gorman-Rupp Co. (GRC): 1.9%
11. Illinois Tool Works, Inc. (ITW): 2.6%

### ***C-Ranked Retirement Suitability***

1. Magna International, Inc. (MGA): 4%
2. Newell Brands, Inc. (NWL): 6.5%
3. A. O. Smith Corp. (AOS): 2.2%
4. ABB Ltd. (ABB): 3.5%
5. Honeywell International, Inc. (HON): 2.3%
6. Brady Corp. (BRC): 1.8%
7. Franklin Electric Co., Inc. (FELE): 1.1%
8. Ingersoll Rand, Inc. (IR): 8%
9. Nordson Corp. (NDSN): 1%

### ***D-Ranked Retirement Suitability***

1. The Toro Co. (TTC): 1.4%
2. Applied Materials, Inc. (AMAT): 1.7%
3. Autoliv, Inc. (ALV): 4.3%
4. Rockwell Automation, Inc. (ROK): 2.3%
5. Xylem, Inc. (XYL): 1.4%
6. Deere & Co. (DE): 2.1%
7. Badger Meter, Inc. (BMI): 1.1%

### ***F-Ranked Retirement Suitability***

1. Johnson Controls International Plc (JCI): 3.4%
2. Oshkosh Corp. (OSK): 1.7%
3. Aptiv Plc (APTV): 1.4%
4. PACCAR, Inc. (PCAR): 1.9%
5. ASML Holding NV (ASML): 1.1%
6. Eaton Corp. Plc (ETN): 3.5%
7. Trane Technologies Plc (TT): 2.3%

## **Retail Trade**

### ***A-Ranked Retirement Suitability***

1. Foot Locker, Inc. (FL): 6.1%
2. Kohl's Corp. (KSS): 13.5%
3. Gap, Inc. (GPS): 10.7%
4. Walgreens Boots Alliance, Inc. (WBA): 4.1%

### ***B-Ranked Retirement Suitability***

1. Bed Bath & Beyond, Inc. (BBBY): 12%
2. Macy's, Inc. (M): 22.7%
3. Target Corp. (TGT): 2.5%
4. Lowe's Cos., Inc. (LOW): 2.2%
5. Nordstrom, Inc. (JWN): 6.9%
6. Best Buy Co., Inc. (BBY): 3%
7. Walmart, Inc. (WMT): 1.7%

### ***C-Ranked Retirement Suitability***

1. Tapestry, Inc. (TPR): 8.6%
2. L Brands, Inc. (LB): 8%
3. CVS Health Corp. (CVS): 3.3%
4. The TJX Cos., Inc. (TJX): 1.9%
5. Ross Stores, Inc. (ROST): 1.1%
6. Williams-Sonoma, Inc. (WSM): 3.8%
7. The Kroger Co. (KR): 2%

### ***D-Ranked Retirement Suitability***

1. Advance Auto Parts, Inc. (AAP): 0.2%
2. The Home Depot, Inc. (HD): 2.7%
3. Dollar General Corp. (DG): 0.8%
4. Tractor Supply Co. (TSCO): 1.5%
5. Costco Wholesale Corp. (COST): 0.9%
6. Abercrombie & Fitch Co. (ANF): 7%

### ***F-Ranked Retirement Suitability***

1. Dillard's, Inc. (DDS): 1.5%
2. Tiffany & Co. (TIF): 1.8%

## **Technology Services**

### ***A-Ranked Retirement Suitability***

1. Micro Focus International Plc (MFGP): 9.7%
2. International Business Machines Corp. (IBM): 5.3%

### ***B-Ranked Retirement Suitability***

1. Automatic Data Processing, Inc. (ADP): 2.3%

2. Computer Services, Inc. (CSVI): 1.9%

### ***C-Ranked Retirement Suitability***

1. Cisco Systems, Inc. (CSCO): 3.4%
2. Oracle Corp. (ORCL): 1.8%

### ***D-Ranked Retirement Suitability***

1. Cognizant Technology Solutions Corp. (CTSH): 1.5%
2. Infosys Ltd. (INFY): 2.9%
3. SAP SE (SAP): 1.4%
4. Paychex, Inc. (PAYX): 3.7%
5. Microsoft Corp. (MSFT): 1.2%
6. Jack Henry & Associates, Inc. (JKHY): 0.9%

### ***F-Ranked Retirement Suitability***

1. Accenture Plc (ACN): 1.3%

## **Transportation**

### ***A-Ranked Retirement Suitability***

1. N/A

### ***B-Ranked Retirement Suitability***

1. Chorus Aviation, Inc. (CHRRF): 16.3%
2. Delta Air Lines, Inc. (DAL): 6.2%

### ***C-Ranked Retirement Suitability***

1. Alaska Air Group, Inc. (ALK): 4.4%
2. Hawaiian Holdings, Inc. (HA): 4.1%
3. SFL Corp. Ltd. (SFL): 14.1%
4. United Parcel Service, Inc. (UPS): 3.9%
5. Canadian Pacific Railway Ltd. (CP): 1%
6. Canadian National Railway Co. (CNI): 2%
7. CSX Corp. (CSX): 1.5%
8. Union Pacific Corp. (UNP): 2.5%
9. C.H. Robinson Worldwide, Inc. (CHRW): 2.7%
10. Expeditors International of Washington, Inc. (EXPD): 1.4%

### ***D-Ranked Retirement Suitability***

1. American Airlines Group, Inc. (AAL): 3.2%
2. FedEx Corp. (FDX): 2.1%
3. Kansas City Southern (KSU): 1.1%
4. Norfolk Southern Corp. (NSC): 2.3%
5. Seaspac Corp. (SSW): 5%

### ***F-Ranked Retirement Suitability***

1. Southwest Airlines Co. (LUV): 1.9%

## **Utilities**

### ***A-Ranked Retirement Suitability***

1. Red Eléctrica Corp. SA (RDEIY): 6.6%

### ***B-Ranked Retirement Suitability***

1. Suburban Propane Partners LP (SPH): 17.9%
2. UGI Corp. (UGI): 4%
3. Brookfield Infrastructure Partners LP (BIP): 4.9%
4. MDU Resources Group, Inc. (MDU): 3.3%
5. NextEra Energy Partners LP (NEP): 4.5%
6. Edison International (EIX): 4.1%
7. Fortis, Inc. (FTS): 3.5%
8. CenterPoint Energy, Inc. (CNP): 6.5%
9. TransAlta Renewables, Inc. (TRSWF): 6.6%
10. PPL Corp. (PPL): 6.2%
11. Black Hills Corp. (BKH): 2.9%
12. SJW Group (SJW): 1.9%
13. Consolidated Edison, Inc. (ED): 3.4%
14. Northwest Natural Holding Co. (NWN): 2.9%

### ***C-Ranked Retirement Suitability***

1. DTE Energy Co. (DTE): 3.5%
2. Dominion Energy, Inc. (D): 4.5%
3. Exelon Corp. (EXC): 3.7%
4. Brookfield Renewable Partners LP (BEP): 4.5%
5. Duke Energy Corp. (DUK): 4.1%
6. The Southern Co. (SO): 4.1%
7. Atmos Energy Corp. (ATO): 2%
8. Entergy Corp. (ETR): 3.6%
9. Middlesex Water Co. (MSEX): 1.6%
10. MGE Energy, Inc. (MGEE): 1.9%
11. American States Water Co. (AWR): 1.3%
12. California Water Service Group (CWST): 1.5%

### ***D-Ranked Retirement Suitability***

1. Spark Energy, Inc. (SPKE): 9.8%
2. Sempra Energy (SRE): 3%
3. Otter Tail Corp. (OTTR): 2.9%
4. American Electric Power Co., Inc. (AEP): 3.1%
5. Artesian Resources Corp. (ARTNA): 2.6%
6. NextEra Energy, Inc. (NEE): 2%
7. Essential Utilities, Inc. (WTRG): 2%
8. WEC Energy Group, Inc. (WEC): 2.4%
9. Xcel Energy, Inc. (XEL): 2.4%

### ***F-Ranked Retirement Suitability***

1. Consolidated Water Co. Ltd. (CWCO): 2.2%
2. Algonquin Power & Utilities Corp. (AQN): 3.9%

# Sell Rules, Past Recommendations, Pending Sells, & Past Sells

## Sell Rules

Except in extreme circumstances, we will not issue sell recommendations – even if the sell rules below are triggered – unless a security has been held for 1 year or longer to qualify for lower long-term capital gains tax rates in taxable accounts.

**Sell Rule #1 | Dividend-Based Sell Rules:** Any past recommendation that reduces or eliminates its dividend is automatically a pending sell. We review and analyze these stocks to determine when to initiate the final sale.

Secondly, any past recommendation that has an “F” Dividend Risk Score is automatically reviewed for safety and a sell *may* be issued. We will only recommend selling up to two securities a month so that the reinvestment of sale proceeds is not concentrated in a short time frame.

**Sell Rule #2 | Valuation-Based Sell Rules:** Sell past recommendations with expected total returns below the expected total returns of the S&P 500 over the next several years. This sell rule replaces our previous valuation-based sell rule of selling recommendations trading below 2/3 of their historical average dividend yield. This new valuation-based sell rule went into effect in the January 2019 edition of the *Sure Retirement Newsletter*.

We calculate our estimate of the long-term returns of the S&P 500 using the simplified expected total return method, which is the S&P 500’s dividend yield plus nominal (not inflation-adjusted) GDP growth less valuation multiple mean reversion over 10 years.

We currently estimate long-term U.S. nominal GDP growth at 5.5%, the S&P 500’s dividend yield at 2.1%, and valuation multiple mean reversion at -2.8% (S&P 500 fair value P/E of 15.79 versus current P/E of 20.99) for an expected total return sell threshold of 4.8%. This expected total return calculation uses the ‘approximate’ total return method of simply adding expected total returns from dividend yield, growth rate, and valuation multiple change.

Past recommendations at or below this sell threshold are **in red** in the Unsold Past Recommendations table below. We will only recommend up to two valuation-based sells a month; and fewer if there are sells based on the first sell rule.



## Unsold Past Recommendations<sup>7</sup>

Name	Ticker	Time Since 1 <sup>st</sup> Rec. (Years)	DR Score	5 Year Expected Total Return	CAGR <sup>8</sup>	Total Return	S&P 500 (SPY) Total Return
Omega Healthcare	OHI	3.4	F	10.0%	11.8%	46.6%	39.8%
AT&T	T	3.4	B	16.0%	-1.5%	-5.0%	39.8%
Enterprise Product	EPD	3.4	B	26.9%	-5.9%	-18.9%	39.8%
Magellan Midstream	MMP	3.4	C	22.8%	-9.2%	-28.1%	39.8%
Energy Transfer	ET	3.4	D	25.2%	-17.0%	-47.2%	39.8%
Sunoco	SUN	2.9	C	25.4%	7.0%	21.9%	23.1%
Kohl's	KSS	2.9	C	20.4%	-16.3%	-40.5%	23.1%
Royal Dutch Shell	RDS.B	2.8	D	20.2%	-8.4%	-21.6%	21.2%
ONEOK	OKE	2.3	C	33.8%	-22.5%	-43.7%	6.1%
Altria	MO	1.9	B	12.6%	-8.2%	-15.0%	6.0%
Invesco	IVZ	1.9	D	24.8%	-39.3%	-61.4%	6.0%
STAG Industrial	STAG	1.5	F	11.1%	25.5%	40.2%	4.5%
Verizon	VZ	1.5	B	11.1%	-6.9%	-10.1%	4.5%
General Mills	GIS	1.4	C	6.5%	22.5%	33.1%	5.2%
IBM	IBM	1.4	B	12.2%	4.5%	6.4%	5.2%
AbbVie	ABBV	1.4	A	15.0%	-3.4%	-4.8%	5.2%
Leggett & Platt	LEG	1.4	B	16.0%	-10.0%	-13.8%	5.2%
People's United	PBCT	1.4	B	17.9%	-12.5%	-17.2%	5.2%
Foot Locker	FL	1.4	B	20.9%	-37.9%	-48.9%	5.2%
Cardinal Health	CAH	1.2	A	8.3%	9.7%	12.1%	10.8%
Newell Brands	NWL	1.2	D	13.2%	-20.9%	-25.2%	10.8%
Hanesbrands	HBI	1.2	B	20.3%	-22.8%	-27.4%	10.8%
WestRock	WRK	1.2	C	9.7%	-20.7%	-23.6%	5.4%
Tanger Factory Outlet	SKT	1.0	C	29.8%	N/A	-60.9%	-2.1%
MSC Industrial Direct	MSM	0.3	C	13.8%	N/A	-10.4%	-10.4%
Chevron	CVX	0.2	C	15.4%	N/A	-22.3%	-16.4%
United Parcel Service	UPS	0.1	C	14.5%	N/A	-9.9%	2.0%

<sup>7</sup> This does not include our past “special recommendations” which aren’t part of the regular *Sure Retirement* Newsletter strategy. Total returns data is from after market close 4/9/20 and Sure Analysis data is from 4/10/20.

<sup>8</sup> Compound annual growth rate (CAGR) is only available for past recommendations with 1+ year holding periods.

Franklin Resources	BEN	0.0	A	18.3%	N/A	N/A	N/A
Eaton Vance	EV	0.0	A	12.5%	N/A	N/A	N/A
Genuine Parts Company	GPC	0.0	A	12.3%	N/A	N/A	N/A
National Fuel Gas	NFG	0.0	A	13.5%	N/A	N/A	N/A
Bank OZK	OZK	0.0	A	20.3%	N/A	N/A	N/A
Polaris	PII	0.0	B	24.8%	N/A	N/A	N/A
Walgreens Boots Alliance	WBA	0.0	A	13.0%	N/A	N/A	N/A
Weyco	WEYS	0.0	A	14.5%	N/A	N/A	N/A

## Sold Positions

Name	Ticker	1st Rec. Date	Sell Date	Total Return	S&P 500 (SPY) Total Return
Waddell & Reed Financial	WDR	11/7/2016	11/6/2017	34.4%	23.9%
Gladstone Financial	GAIN	2/6/2017	7/9/2018	49.7%	24.8%
R.R. Donnelley & Sons	RRD	6/11/2018	8/13/2018	-28.2%	1.7%
Vector Group	VGR	8/7/2017	12/10/2018	-35.1%	9.0%
New Residential	NRZ	10/15/2018	12/10/2018	-7.7%	-3.8%
Spectra Energy	SEP	11/7/2016	1/14/2019	9.6%	26.2%
Holly Energy	HEP	12/5/2016	1/14/2019	6.9%	21.7%
Welltower	WELL	1/8/2018	2/11/2019	31.1%	0.7%
W.P. Carey	WPC	2/6/2017	3/11/2019	37.7%	26.4%
Senior Housing Properties	SNH	2/5/2018	3/11/2019	-16.0%	7.5%
TC PipeLines	TCP	12/5/2016	4/15/2019	-16.5%	37.7%
AmeriGas Partners	APU	1/3/2017	4/15/2019	-8.3%	34.3%
Buckeye Partners	BPL	11/7/2016	5/13/2019	-17.7%	38.3%
Owens & Minor	OMI	11/6/2017	9/9/2019	-58.8%	19.1%
Urstadt Biddle	UBA	11/7/2016	10/14/2019	31.2%	47.1%
Western Union	WU	10/15/2018	11/11/2019	55.8%	17.1%
Target	TGT	11/6/2017	12/9/2019	129.8%	25.9%
Qualcomm	QCOM	12/10/2018	1/13/2020	64.8%	27.3%
Western Digital	WDC	2/11/2019	2/12/2020	59.3%	27.0%
L Brands	LB	8/13/2018	3/9/2020	-26.2%	0.1%

**Average sold position total return:** 14.9%

**S&P 500 (SPY) average position total return:** 20.5%

## Pending Sells

<b>Name &amp; Ticker</b>	<b>Recommend Date</b>	<b>Total Return<sup>9</sup></b>
Genesis Energy (GEL)	November 2016	-79.3%
Macy's (M)	May 2017	-71.3%
Occidental Petroleum (OXY)	June 2017	-69.6%
Suburban Propane (SPH)	July 2017	-27.9%
Kraft Heinz (KHC)	October 2018	-43.9%

We will initiate final sell recommendations for all of the above pending sells when they reach or approximate their fair value.

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<sup>9</sup> Total returns start with the market close price of the first trading day after the newsletter recommendation. Prior to March 2018, this was the first trading day after the first Sunday of the month. As of March 2018, and later, this is generally the first trading day after the second Sunday of the month. Closing price data is from market close 4/9/20.

## Buying & Ranking Criteria

The method we use to come up with the Top 10 buys for the *Sure Retirement Newsletter* is as follows:

**Note:** Ranking data is from the most recent Wednesday's Sure Analysis data update.

1. Filter our [Sure Analysis Research Database](#) universe of securities for:
  - 10%+ Expected Total Returns
  - Dividend Yield of 4%+
  - Retirement Suitability Score of A
  - Dividend Risk Score of A
  - U.S. securities only
  - Qualitative dividend safety check
2. Sort by Expected Total Return (highest first)
3. If fewer than 10 securities, allow "B" ranked Dividend Risk Score securities. If there are still fewer than 10 securities, allow "C" ranked Dividend Risk Score securities. If still fewer than 10 securities, allow "B" ranked Retirement Suitability Score securities.
4. No more than 3 REITs and 3 MLPs in each newsletter
5. Veto any securities from the Top 10 as necessary after qualitative analysis
6. The Top 10 are the 10 highest Expected Total Return securities from steps 1 through 4 above

Dividend Risk Scores are sorted into quintiles (A is top 20%, B is top 40%, C is top 60%, and so on) based on the formula below:

**Dividend Risk Score (Raw) = Payout Ratio x 100 – # Years of Steady or Rising Dividends + 50 if deemed risky during a recession**

Only the top 10% of securities in our *Sure Analysis Research Database* receive an "A" Retirement Suitability Score. "B" ranked securities are the next 25% of securities. The Retirement Suitability Score uses the following formula:

**Retirement Suitability Score (Raw) = (1 – Dividend Risk Score Percentile) + Dividend Yield Percentile**

Our formula for Expected Total Return is based on our expected growth returns, valuation returns, and dividend returns.

The combination of a high Retirement Suitability Score with high Expected Total Returns means the *Sure Retirement Newsletter* looks for high-yielding securities with strong total return potential and good or better safety scores. Note that our Expected Total Returns are based on the idea that the economy will continue forward 'as is' for the foreseeable future, and not hit a recession. Recession safety factors into our Dividend Risk Scores, and in turn our rankings for the *Sure Retirement Newsletter*.

## Portfolio Building Guide

The process of building a high-yield dividend portfolio is straightforward: **Each month invest in the top-ranked security in which you own the smallest dollar amount out of the Top 10.**

Over time, you will build a well-diversified portfolio of quality businesses purchased when they yield 4% or more. If your portfolio has 25% or more allocated to one sector, buy the highest ranked security not in that sector. Alternatively, the Top 10 list is also useful as an idea generation tool for those with a different portfolio allocation plan.

### Examples

Portfolio 1			Portfolio 2		
Ticker	Name	Amount	Ticker	Name	Amount
BEN	Franklin Resources	\$ 1,002	BEN	Franklin Resources	\$ 4,374
WBA	Walgreens Boots Alliance	\$ -	WBA	Walgreens Boots Alliance	\$ 4,878
OZK	Bank OZK	\$ -	OZK	Bank OZK	\$ 5,374
WEYS	Weyco	\$ -	WEYS	Weyco	\$ 4,353
ABBV	AbbVie	\$ -	ABBV	AbbVie	\$ 7,312
NFG	National Fuel Gas	\$ -	NFG	National Fuel Gas	\$ 2,799
EV	Eaton Vance	\$ -	EV	Eaton Vance	\$ 2,952
GPC	Genuine Parts	\$ -	GPC	Genuine Parts	\$ 6,660
PII	Polaris	\$ -	PII	Polaris	\$ 2,367
EPD	Enterprise Products	\$ -	EPD	Enterprise Products	\$ 2,818

- If you had portfolio 1, you would buy WBA, the top-ranked security you own least.
- If you had portfolio 2, you would buy PII, the top-ranked security you own least.

If you have an existing portfolio or a large lump sum to invest, switch over to the Sure Retirement Strategy over 20 months. Each month take 1/20 of your initial portfolio value and buy the top-ranked security you own the least out of the Top 10 (if that sector makes up less than 25% of your portfolio). When you sell a security, use the proceeds to purchase the top-ranked security you own the least.

This simple investing process will build a diversified portfolio of high-quality dividend or distribution securities over a period of less than 2 years. There's nothing magical about 20 months. A period of 15 months or 30 months will yield similar results.

***If your portfolio grows too large to manage comfortably*** (for example, you are not comfortable holding 40+ securities – which would happen after around 4 years of the Sure Dividend System), you will need to sell holdings. We recommend eliminating positions that have the lowest yields.

You can combine recommendations from the *Sure Retirement* and [Sure Dividend Newsletters](#) by targeting a specific yield for your overall portfolio. When you need your portfolio yield to increase, invest from the *Sure Retirement Newsletter*. If less yield is required (and growth is preferred), invest from the [Sure Dividend Newsletter](#). The [Sure Analysis Research Database](#) can also be used to supplement the newsletters.

## Tax Guide

There are 4 broad types of investment vehicles covered in the *Sure Retirement Newsletter*:

1. Corporations
2. Master Limited Partnerships (MLPs)
3. Real Estate Investment Trusts (REITs)
4. Business Development Companies (BDCs)

The organization form is important for tax purposes because it determines how efficiently a company can return money to unit or shareholders. An example is below.

Imagine a company makes \$10, pre-tax, and distributes 100% to investors. The image below shows how much of the \$10 would go to investors using standard assumptions for the three investment vehicles:

*Notes: Tax treatment for BDCs and REITs is similar. BDCs have been omitted from the images below because of this. The image below takes into account the [pass-through entity tax breaks](#) from Trump's Tax Act, which will expire in 2025. The tables below assume that 80% of MLP distributions are returns of capital, and 20% are ordinary income. It assumes that 70% of REIT payments are ordinary income; and capital gains and return of capital each make up 15% of REIT payments.*

Corporation		MLP		REIT	
Pre-Tax Income	\$10.00	Distributable Cash	\$10.00	Distributable Cash	\$10.00
Corporate Income Tax	(\$2.10)	After-Tax Distributable Cash	\$10.00	After-Tax Fund From Operations	\$10.00
After-Tax Income	\$7.90	Ordinary Income Tax @37%	(\$0.59)	Ordinary Income Tax @37%	(\$2.07)
Qualified Dividend Tax	(\$1.58)	Return of Capital Tax @20%	(\$1.28)	Capital Gains Tax @ 20%	(\$0.24)
<b>Dividend After Tax</b>	<b>\$6.32</b>	<b>Distribution After All Taxes</b>	<b>\$8.13</b>	Return of Capital Tax @20%	(\$0.24)
				<b>Distribution After All Taxes</b>	<b>\$7.45</b>

- \$6.32 in after-tax income from a Corporation
- \$7.45 in after-tax income from a REIT
- \$8.13 in after-tax income from an MLP

The image below gives an overview of the different organizational forms:

	Corp.	MLP	REIT
<b>Tax Form</b>	1099	K-1	1099
<b>Taxed at Organization Level</b>	Yes	No	No
<b>Distributions Taxed at Individual Level</b>	Yes	Yes	Yes
<b>Hold In Retirement Account</b>	Yes	Yes*	Yes
<b>Hold In Regular Account</b>	Yes	Yes	No**

\*Under the condition that you stay up to date with form 990-T.

\*\*REIT income is largely subject to personal income tax rates as ordinary income, making it better suited for retirement accounts, depending on your personal tax rate.

## Corporations

Corporations are taxed on income at the corporate level. They then pay out this after-tax income to shareholders. Shareholders are then taxed again at the individual level.

**Note:** The United States corporate tax rate (including the state and federal levels) is 26% after the Tax Cuts and Jobs Act. The global average is 23%, for comparison.

Corporations issue a 1099 to track dividend payments to shareholders. They are the simplest and most common type of investment. They are also the least tax advantaged.

Given the choice, corporations should be held in a retirement account to minimize taxes. Of course, owning them in a taxable account is fine, one will just be paying taxes on dividends received. Capital gains taxes are only triggered when a common stock is sold, making it tax advantageous to buy and hold.

Capital gains taxes are divided into two types: short-term and long-term. Short-term capital gains tax applies to investments held for less than a year. The short-term capital gains rate is your ordinary income tax rate. It ranges between 10% and 37% depending on your income bracket.

Long-term capital gains apply to most types of investments (including Corporations, REITs, and MLPs) held longer than 1 year. The maximum long-term capital gains tax rate is 20%. The minimum is 0%. Most investors will fall into the 15% long-term capital gains tax bracket.

Dividend taxes are also divided into two types: ordinary and qualified. Most dividends paid from blue-chip dividend stocks are 'qualified.' The requirements for a dividend to be classified as 'qualified' are below:

- The company must be a U.S. corporation, or a foreign corporation that readily trades on major U.S. exchanges, or be incorporated in a U.S. territory.
- The investor must have held the stock for 60+ days before the ex-dividend date.

Qualified dividends are taxed at the same rate as long-term capital gains; between 0% and 20% (though most investors will be in the 15% bracket). Ordinary dividends are dividends that do not meet the criteria to be ‘qualified.’ Ordinary dividends are taxed at the ordinary income tax rate.

## Master Limited Partnerships (MLPs)

MLPs are the most tax efficient vehicle for returning money to investors. They avoid the double taxation issues of Corporations. *MLPs are not taxed at the organization level.* Unfortunately, *MLPs are also the most complicated.*

Typically, somewhere around 80% to 90% of MLP distributions are considered a ‘return of capital’ because of depreciation. You don’t pay taxes immediately on ‘return of capital’ distributions.

Returns of capital *reduce your cost basis* in the MLP. You are not taxed until you sell the units.

For example, imagine you buy 10 units of an MLP at \$100 a unit for a total investment of \$1,000. Now imagine you hold for 5 years.

The MLP unit price has increased to \$120. Your investment is now worth \$1,200. It also paid out \$37.50 per unit in distributions over this time, with 80% of that being a return of capital ( $\$37.50 \times 80\% = \$30$  return of capital).

The 20% of distributions that *were not* returns of capital would be taxed at your ordinary income tax rate, which is up to 37%. These taxes would be due the year they are accrued.

Your cost basis would be \$700 (initial investment amount of \$1,000 less return of capital of \$30 per unit or \$300 total). The amount of long-term capital gains tax you owe (assuming you are in the 20% tax bracket) is \$100.

**Math Behind Example:** Sale price of \$1,200 less cost basis of \$700 = \$500 in capital gains.  $\$500$  in capital gains  $\times$  20% tax bracket = \$100.

As a caveat, if the cost basis ever falls below 0 (which will only happen after holding for around a decade or more), you will owe long-term capital gains tax on the amount the cost basis is below 0 every year.

Return of capital and other issues discussed above *do not matter* when MLPs are held in a retirement account.

There is a different issue with holding MLPs in a retirement account, however. This includes 401(k), IRA, and Roth IRA accounts, among others.

When retirement plans conduct or invest in a business activity, they must file separate tax forms to report **Unrelated Business Income (UBI)** and may owe tax on **Unrelated Business Taxable Income (UBTI)**. UBTI tax brackets go up to 37% (the top personal rate).



MLPs issue K-1 forms for tax reporting. K-1s report business income, expense, and loss to owners. Therefore, MLPs held in retirement accounts may still qualify to pay taxes.

If UBI for *all holdings* in your retirement account is over \$1,000, you must have your retirement account provider (typically, your brokerage) file Form 990-T. You will want to file form 990-T as well if you have a UBI loss to get a loss carryforward for subsequent tax years. Failure to file form 990-T and pay **Unrelated Business Income Tax (UBIT)** can lead to severe penalties. Fortunately, UBIs are often negative. *It is a fairly rare occurrence to owe taxes on UBI.*

The subject of MLP taxation can be complicated and confusing. Hiring a tax professional to aid in preparing taxes is a viable option for dealing with the complexity.

The bottom line is this: *MLPs are tax-advantaged vehicles* that are suited for investors looking for current income. It is fine to hold them in either taxable or non-taxable (retirement) accounts. Since retirement accounts are already tax-deferred, holding MLPs in taxable accounts allows you to ‘get credit’ for the full effects of their unique structure.

## **Real Estate Investment Trusts (REITs)**

Like MLPs, REITs avoid double taxation. *REITs are not taxed at the organization level.* REITs are in between MLPs and Corporations in terms of both complexity and tax-advantages. REITs are required to pay out 90%+ of their income.

REITs are organized as trusts. As a result, ‘shareholders’ are actually unit holders.

REITs issue 1099 forms (just like corporations) instead of K-1 forms (like MLPs do). Unit holders receive distributions, not dividends (just like MLPs). REIT distributions fall into three categories:

- Ordinary income
- Return of capital
- Capital gains

Ordinary income is taxed at your ordinary income tax rate; up to 37%. Return of capital reduces your cost basis (just as it does with MLPs). Capital gains are taxed at either short-term or long-term capital gains rates.

The percentage of distributions from these three sources varies by REIT. In general, ordinary income tends to be the majority of the distribution. Expect around 70% of distributions as ordinary income, 15% as a return of capital, and 15% as capital gains.

REITs are best suited for retirement accounts because the majority of their payments are taxed as ordinary income. Retirement accounts remove this negative and make REITs very tax advantageous.

This doesn't mean you should never own a REIT in a taxable account. A good investment is a good investment, regardless of tax issues. If you have the choice, REITs should definitely be placed in a retirement account such as an IRA or 401k.

## **Business Development Companies (BDCs)**

Much like REITs, business development companies must pay out 90%+ of their income as distributions. Additionally, business development companies must derive 90% of their gross income from interest, dividends, or capital gains on securities.

BDCs pay their distributions as a mix of:

- Ordinary income & non-qualified dividends
- Qualified dividends
- Return of capital
- Capital gains

Just as with MLPs, returns of capital reduce your tax basis. Qualified dividends and long-term capital gains are taxed at lower rates, while ordinary income and non-qualified dividends are taxed at your personal income tax bracket rate.

Unfortunately, 70% to 80% of BDC income is typically derived from ordinary income. Because of this, they make excellent vehicles for tax-advantaged retirement accounts such as an IRA or 401k.

*Please email us at [support@suredividend.com](mailto:support@suredividend.com) with any questions you have on taxes regarding retirement accounts, MLPs, REITs, and BDCs. Frequently asked questions will be added to this tax guide.*

*As a newsletter provider, we can't provide specific personal investment advice, only general information.*

## Glossary of Common Terms & Acronyms

**Adjusted Funds From Operations (AFFO):** A term used to describe Funds From Operations (FFO), plus non-recurring items that do not impact the long-term fundamentals of the business. See FFO in this glossary for more.

**Cash Available for Distribution (CAD):** This term is also referred to as funds available for distribution (FAD). It is the cash available to be distributed to unitholders. It is most commonly seen with REITs. CAD is calculated by subtracting recurring capital expenditures from funds from operations.

**Distributable Cash Flow (DCF):** A non-GAAP (Generally Accepted Accounting Principles) financial metric frequently utilized by Master Limited Partnerships as an alternative to earnings-per-share. Expresses cash available for unitholder distributions, after payments to the General Partner. Calculated by adding non-cash items, such as depreciation and one-time expenses, to net income. Viewed as a better gauge of financial health than earnings-per-share, as MLPs operate asset-heavy business models with significant depreciation expenses.

**Dividend Yield:** The annual dividend returns from an investment, expressed as a percentage. The dividend yield is calculated from the annual dividend per share, divided by the stock price per share. MLPs and REITs pay distributions, not dividends. Distribution yield is used for them instead of dividend yield, though some companies (notably REITs) call it a dividend for ease of understanding by the public.

**Dividend Payout Ratio:** The percentage of earnings paid to shareholders as a dividend. The payout ratio is calculated from the annual dividend per share, divided by annual earnings-per-share. For MLPs and REITs, this is typically expressed as the distribution coverage ratio.

**EBITDA:** Earnings before interest, taxes, depreciation, and amortization. Used by companies with high levels of depreciation and interest costs, such as MLPs, to indicate the financial health of a business. A similar metric to operating cash flow. Frequently used as part of leverage ratios such as debt-to-EBITDA.

**Funds From Operations (FFO):** A non-GAAP financial metric frequently utilized by Real Estate Investment Trusts, as an alternative to earnings-per-share. FFO is calculated by adding depreciation and amortization expenses to net income, minus any gains on asset sales. REITs view FFO as a more accurate gauge of financial health since earnings-per-share are heavily impacted by depreciation and amortization expenses.

**GAAP:** Generally accepted accounting principles. These are legally required, standardized accounting rules and procedures used when preparing financial statements.

If you read a term in the *Sure Retirement Newsletter* not on this list with which you are unfamiliar, please email [support@suredividend.com](mailto:support@suredividend.com). We will explain the term and add it to the glossary in next month's edition.

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### Disclaimer

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