

## Buying & Ranking Criteria

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

**Note:** Ranking data is from the most recent Sure Analysis report on the Wednesday morning preceding the publication of the newsletter.

1. Filter our [Sure Analysis Research Database](#) universe of securities for:
  - 10%+ Expected Total Returns
  - A & B Dividend Risk Scores
  - U.S. securities only (no international securities, REITs, MLPs, or BDCs, etc.)
  - All companies must have their dividend covered by cash flows
2. Sort by Expected Total Returns (highest first)
3. No more than three companies per sector
4. Veto any securities from the Top 10 as necessary after qualitative analysis
5. The Top 10 is the 10 highest Expected Total Returns securities from steps 1 through 4
6. “A” Dividend Risk Score securities rank ahead of “B” Dividend Risk Score securities within the Top 10

To receive an “A” Dividend Risk Score, a security must be in the top 20% for dividend safety. To receive a “B” Dividend Risk Score, a security must be in the top 40% for dividend safety. The formula for the Dividend Risk Score is below:

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

We view securities with “A” and “B” Dividend Risk Scores as generally having secure dividends that are very unlikely to be reduced in the near future.

Our expected total returns are calculated in Sure Analysis. They are based on expected returns over the next five years. Our expected total returns take into account dividends, growth, and valuation returns.

The combination of expected total returns and low dividend risk creates a screen to find high-quality dividend growth securities with strong return potential.

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 encounter a recession. Recessions happen, of course, and we seek to recommend securities likely to pay steady or rising dividends during recessions. Recession safety factors into our Dividend Risk Scores, and in turn our rankings for *The Sure Dividend Newsletter*.