

Buying & Ranking Criteria

Initial security selection data is from the most recent Sure Analysis report on the Wednesday morning preceding the publication of the newsletter.

The method we use to find the Top 10 list for the *Sure Passive Income Newsletter* is below:

1. Filter our [Sure Analysis Research Database](#) universe of securities for:
 - Dividend yield greater than or equal to the S&P 500's
 - A & B Dividend Risk Scores
 - Dividend yield greater than or equal to the security's 10-year historical dividend yield
 - Expected total returns greater than or equal to the greater of 4.0% or our expected total return for the S&P 500
 - U.S. securities only (no international securities)
2. Rank securities by 5-year forward dividend growth rate and 5-year historical price standard deviation
3. Sort securities by their average ranking between standard deviation and expected growth rate
4. No more than three companies per sector
5. Qualitatively select our favorite Top 10 from the highest ranked 20 securities
6. "A" Dividend Risk Score securities rank ahead of "B" Dividend Risk Score securities within the Top 10. Within each Dividend Risk Score category, the Top 10 order will be sorted by dividend yield + expected 5-year growth rate (the higher the better).

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 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. Note that the Dividend Risk Score factors in dividend history also.

The combination of quality (low price standard deviation and our Dividend Risk Score), with 'fair or better price' dividend yield (yield greater than the S&P 500 and the security's 10-year historical average), and growth (5-year expected growth rate) creates a compelling system to find *buy and hold forever securities for rising passive income*.