Dividend Investing for Income and Growth

Stuart Chaussée

This publication contains the opinions of its author and is designed to provide useful advice in regard to the subject matter covered. However, this publication is offered with the understanding that neither the author nor the publisher is engaged in rendering legal, accounting, investment, tax, estate planning or other professional service. If legal, investment or other advice is required the services of a competent professional should be sought. The author and publisher specifically disclaim any responsibility for liability, loss or risk, personal or otherwise, that is incurred as a consequence, directly or indirectly, of the use and application of any of the contents of this book.

Notwithstanding anything to the contrary set forth herein, the author, his officers and employees, affiliates, successors and assigns shall not, directly or indirectly be liable, in any way, to the reader or any other person for any reliance upon the information contained herein, or inaccuracies or errors in or omissions from the book, including but not limited to financial or investment data.

Printed in the United States of America - 2015 - Stuart Chaussée - All rights reserved.

Dividend Investing for Income and Growth

Contents

Introduction	5
Why own dividend stocks?	8
Dividend stock primer	15
Yields and Ratios	20
What to look for in a dividend stock	30
Dividend Growth Achievers	34
How to build a portfolio of Dividend Growth Achievers	48
Top industries to hunt for dividend stocks	52
How to structure a low-beta dividend portfolio	59
How to build a high dividend growth portfolio	64
Dividend Growth Achievers for monthly income	70
Exchange-Traded Funds for dividend investors	73
International Dividend Growth Achievers	84
Real Estate Investment Trust - Dividend Growth Achievers	93
When to sell a dividend stock	99

How to manage your portfolio to control risk	107
Reasonable return expectations	116
Strategies for safe portfolio withdrawals	120
Investing quotes	133
Bibliography and recommended reading	142
Recommended Web sites	145

Introduction

Current yield + dividend growth = the holy grail of investing.

WHEN ADVANCED PORTFOLIO MANAGEMENT: Strategies for the Affluent was published in 2002 I felt it was a pretty timely offering. We were in the middle of an Internet/tech bust that brought down major market indices by nearly 50% and the techheavy NASDAQ by more than 70% from peak-to-valley. The book earned praise from Barron's calling it "one of the best investment books of the year" and "a book aimed mainly at seasoned investors, though it describes complicated issues clearly and simply and gives advice that might be useful to both pros and amateurs." However, when I review my work it is obvious to me how much an additional 13 years of experience managing money has improved my understanding of markets, risk and investor behavior. Most importantly, perhaps, is how dividend stock investing has vastly improved cash flow and risk control for my clients. I firmly believe that dividend investing for current yield and dividend growth greatly improves on strategies used by traditional active managers or indexers.

In the boom and bust world we live in, with market bubbles being created at a far faster clip than math (standard deviation of returns) and history would suggest, it is apparent that if a manager doesn't focus on controlling risk *and* improving cash flow in a portfolio, returns will suffer. The approach I have adopted that fits both criteria, is focused on dividend investing in blue-chip stocks that not only pay healthy and rising dividends (much needed in today's low-yielding environment), but also typically exhibit much lower volatility than the market itself.

Wall Street loves to market and promote investment strategies that capture the attention of the investing public in an effort to attract assets and earn commissions and fat fees. Unfortunately most of these "sophisticated" efforts fail over time. Options strategies, futures, growth or momentum investing, hedging strategies – all have failed miserably at some point over the past 20 years or more. The strategy that has endured and even flourished, has been investing for dividends. While it is certainly not exciting, I know of no other investment approach that can compete with dividend stock investing for risk-adjusted returns and cash flow on a total return basis. Indeed, when you consider that over 40% of the stock market's returns over the last century have come from dividends, strategies that ignore the cash flow portion of the equation, offered by solid dividend payers, have a tough time competing in both good and bad markets.

In the nearly 30 years I have been advising and/or managing money, I can clearly recall with delight each time a new client came to me with an inherited portfolio of dividend payers that their parents or grandparents had started some 30 or 40 years ago with a small sum of \$10,000 or so. Many of the holdings are now worth \$500,000 to \$1 million or more thanks to the compounded growth of reinvested dividends. Stocks like Johnson & Johnson, Altria, Wal-Mart, Exxon Mobil, Abbott Labs and Coca-Cola – small investments in these companies a few decades ago are now worth a bundle – thanks to dividend reinvestment and price appreciation. This simple approach to investing for income and growth with dividend stocks that has been successful for many decades is still attractive and viable today.

In Dividend Investing for Income and Growth, I will show you how to create, manage and monitor a portfolio of dividend stocks that will give you the cash flow you need to supplement your income and also allow for moderate growth. This approach is most appropriate for investors nearing retirement or already in retirement although I believe it makes sense for nearly all investors, regardless of age. In addition, I believe my investment approach, coupled with an understanding and recognition of risk and cycles, will help you avoid many of the pitfalls that face buy-and-hold investors and convince you to reduce risk at market extremes. In other words, you will learn to adjust your portfolio and reduce volatility and risk when necessary, particularly during market bubbles, and increase your allocation during bear markets or crashes. The bottom line is to avoid as many investing mistakes as possible and ultimately earn a better risk-adjusted return than you would with an indexed or more traditional active management approach. And, avoid or reduce risk as much as possible when others are ignoring it.

Dividend Investing for Income and Growth is not an investment manual, rather, it is a statement of my investment philosophy and strategy that I believe can help keep you on track for a lifetime of successful income and growth investing. Hopefully you will find the content thought provoking as it forces you to consider the advantages of dividend growth investing with the objective of outpacing inflation, taxes and portfolio withdrawals in retirement.

1

Why own dividend stocks?

The consistency and dependability of the dividend is what should attract you to a company.

THERE IS NOTHING QUITE AS ENJOYABLE, in my practice, as when I download the prior day's account activity into my portfolio management software and see a large quantity of dividends paid to my clients. Indeed, payday is a beautiful thing.

Getting paid is why we invest in companies and we can get paid in two ways. We can earn a capital gain on an investment if the price rises – you buy it at \$25 and if all goes well the stock hits \$50 some years later – terrific – that's called an unrealized gain. If you subsequently sell the stock it becomes a realized gain. The other way we get paid is more predictable and consistent than the stock price – this is payment in the form of a dividend. Dividends are typically paid on a quarterly basis and are determined by the board of directors of the companies you own.

As an investor, when you own a dividend-paying stock, you are indeed an owner and are entitled to a portion of the net profits the company earns. And, shareholders are rewarded for their investment in a company by receiving dividends, which is a certain dollar amount decided by the board of directors each quarter. Each company's dividend is different and the amount paid is often an indication of how the company is doing financially and the policies of the board of directors, as far as returning profits to shareholders. Some companies do not pay dividends – they keep their earnings to expand business or invest cash as they see fit rather than return it to you. Typically more mature companies, after exiting a long growth phase, will initiate a dividend and then try to grow it each year to satisfy shareholders. Microsoft is a good example of what was once a tech startup that grew its business for a couple of decades before initiating a dividend and rewarding shareholders with cash flow. It now pays one of the highest and fastest growing dividends in the technology sector.

Again, as investors we can get paid by a capital gain and/or by receiving a dividend – the combination of the two determines our total return. If you own a stock that started the year at \$25 and it rose to \$28, you earned \$3 in capital appreciation (unrealized capital gain). If it also paid you \$1 per share that year in dividends, your total return was \$4, or 16%. That equates to 12% in capital appreciation and 4% in dividend income. It's important to note that throughout stock market history, dividends have represented 40% of the total return of the stock market. So, if you choose to own stocks that do not pay dividends, you are foregoing a potentially very large portion of your projected return.

Obviously when we buy a stock we have no idea how it will perform. We don't have any guarantee we will eventually earn a capital gain. A company's dividend is typically much more predictable. A company that pays a dividend will usually do so regardless of how the stock price performs in any given year or the state of the economy. Sure, if business turns very sour, as it did for many companies in the recent Great Recession, the company may have to suspend, reduce or even eliminate a dividend. But, most companies try to not only consistently pay a dividend, but to also grow the dividend year after year.

The consistency and dependability of the dividend is what should attract you to a company. Yes, there are many other qualities to look for in a company, and they will be discussed in later chapters, but the company's ability to pay its dividend and its history of hopefully raising its dividend each year can tell you almost all you need to know about how it is doing financially and also give you an indication that the board of directors is confident in the company's future too – raising the dividend is a sign of a stable and growing business.

There are many companies that have paid consistent and growing dividends for decades. Some have even paid dividends consistently for 50 years or more. These companies are often referred to as Dividend Aristocrats or Dividend Achievers. Companies like Procter & Gamble, Exxon Mobil and Johnson & Johnson, to name a few, have had a long history of paying and raising dividends. It is comforting for shareholders to know that despite the ups and downs of the stock market, these blue-chip companies have paid dividends regardless of market conditions. Shareholders can reinvest the dividends back into the stock, invest elsewhere, or, like many of my retired clients, withdraw some of their dividends to help cover living expenses.

Why do companies pay dividends?

Most of the stock market is made up of thousands of companies that are quite small – under \$1 billion in market capitalization. These companies typically do not pay dividends as they prefer to hold onto their cash and reinvest it in their own businesses to expand or invest in research and development. On the other hand, established large-cap companies that have been around for years and have a history of success typically reward shareholders with dividends.

The large successful companies in the stock market universe generally have to decide what to do with their profits each quarter (the board of directors decides) and they consider the following as viable options:

• *Pay off debt*. A company can use profits to pay off debt to reduce interest payments.

• *Repurchase shares*. A company can buy back its own shares if it feels they are a good value. When a company repurchases its own shares, it reduces the number of shares held by the public which means that even if profits remain the same, earnings per share will rise.

• *Reinvest*. A company can invest profits back into its business as a means to grow or fund research and development.

• *Issue and increase dividends*. A company can share profits with its shareholders by paying them cash dividends. The company's policy will be determined by the board of directors. If the board of directors is pro-growth it will usually vote to retain profits, repurchase shares or pay off debt. If it is more inclined to share its wealth, it will issue dividends so that all owners can share in the success of the company.

The advantages of owning dividend-paying stocks:

• *Own conservative, stable companies*. Companies that pay consistent dividends are usually run in a fairly conservative manner with an emphasis on delivering consistent, predictable earnings and dividends to shareholders. These companies have usually been in existence for years, matured and grew earnings

enough to finally pay dividends, and management then looks to conservatively manage growth in order to continue to pay and increase the dividend.

• *Income*. This is the main advantage of owning a dividend stock – you receive income, typically quarterly, and you can choose to reinvest it in your portfolio or use it to support your lifestyle. It is a great advantage, particularly for retirees.

• *Income growth*. Strong companies that pay dividends and have a track record of increasing profits also usually increase dividend payments at least enough to keep pace with inflation – think of this as a salary raise each year, or an increase in the rent you charge a tenant if you are a landlord. Unlike a bond, which does not increase its payout over the life of the bond, dividends are often increased by 6% or more each year. This is wonderful for all investors and particularly for younger retirees who may be concerned with living several decades in retirement and need to outpace inflation.

• *Lower risk*. Since dividends are typically paid by more established companies, one could say there is less risk than owning a stock that doesn't pay a dividend. In addition, since capital gains are unpredictable, at least capturing a dividend each quarter gives dividend investors some reward for holding a stock and it can improve performance, particularly during a sideways or declining market. The income serves as a cushion in a bear market and a kicker (extra profit) in a bull market.

• *Lower volatility*. Most dividend stocks, particularly since they attract conservative buy-and-hold investors, exhibit less volatility than the market itself. If one looks at the beta measurement of a stock (volatility reading), many solid dividend payers show a low beta reading which should appeal to all investors. Indeed, a portfolio that loses less than the market itself

in bad years, thanks to a low beta, *and* pays dividends, can be very attractive.

• *Two possibilities for gains*. As a dividend shareholder you can profit from receiving the dividend and you can also profit if your stock rises to show a price gain. Unlike the owner of a non-dividend paying company, you can benefit from both the dividend and potential capital gain – which can make for an attractive total return over the long haul.

• *Share in the company's success*. If a company doesn't pay a dividend, as a shareholder you are forced to sell stock each time you need to withdraw money or to actually be rewarded for the growth of the company. Selling can involve tax consequences (capital gains). A dividend shareholder participates in the success of the company each quarter by receiving a dividend payment, without having to sell shares.

• Grow the number of shares you own automatically. Since dividends are usually paid quarterly, if you don't need dividend income to supplement your lifestyle, you can automatically reinvest your dividends in the company or use them to purchase other solid dividend payers. The advantage of not having to use other cash (outside your portfolio) to increase your share ownership is appealing.

• *Inflation hedge*. Dividend-paying stocks have historically been one of the only reliable investments that actually keep pace with inflation (real estate is another). Unlike bonds and other fixedpayment investments, dividends usually rise each year, at least as much as inflation, which can be an enormous advantage over a lifetime of investing.

• *Attractive income in a low-yield environment*. Since interest rates remain at historically low levels thanks to very accommodative central banks, dividend yields relative to other

investments remain very attractive. One can still find solid dividend payers with current yields over 3%. In addition, many of these companies have been raising their dividends by 6% or more each year. With CDs, money markets and bonds paying next-to-nothing, dividends provide much needed growing cash flow.

• Lower taxes relative to bonds or real estate income. Qualified dividends are currently taxed at a maximum rate of 15% and the rate drops to zero for many lower income earners who are in the 10% to 15% ordinary income tax bracket. This can be an attractive advantage when compared to interest earned on corporate bonds or real estate rental income – taxed at the higher ordinary income tax rate.



2

Dividend stock primer

A dividend is value returned to a shareholder.

WHEN A BOARD OF DIRECTORS votes to pay a dividend to shareholders it is important to recognize a few key dates if you wish to capture the dividend and/or if you are considering a purchase or a sale. If you already own a portfolio of dividend stocks, making note of some critical dates for each company you own can eliminate some misunderstandings (why the stock dropped on the day it went ex-dividend, for example), and it can also allow you to calculate exactly when payday arrives and how much you will receive from each company you own. In addition, you may also receive a bonus too, in the form of an increased dividend. Let's take a look at some of the most important dates in the life of a dividend-paying stock.

Declaration date: This is the date the company's board of directors announces it will pay its next quarterly dividend. This is usually made public on the company's Web site and the declaration also includes the payment date and the date of record.

Trade date: When you purchase a stock this is your trade date and the total dollar amount you paid for the stock (cost basis) is also important to know for tax purposes. But, you don't take ownership of the shares on the date of purchase – you own the shares after the trade settles, three business days later.

Settlement date: The settlement date is the date when the purchase and sale transaction is finalized between the buyer and the seller. Settlement for most stocks is on the third business day, which is three business days after the trade date. The seller has three days to deliver the shares to you and you have three days to provide the cash to cover the transaction.

Record date: This is the date that you need to be on the company's books to be recognized as an owner of record in order to receive the upcoming dividend payment. Your purchase needs to "settle" before the record date in order to receive the dividend. If you purchase the company before the record date, but the trade settles afterwards, you will not be considered a shareholder of record and the seller who sold you the shares would receive that one last dividend payment, not you. Again, you must be listed on the company's books in order to receive the dividend and that means making sure you purchase the stock before the ex-dividend date so you are a shareholder of record.

Ex-dividend date: A stock goes "ex-dividend" the day it trades without the upcoming dividend. What this means is if you buy shares before the ex-dividend date you will receive the upcoming dividend and if you buy shares after it goes ex-dividend, you will not receive the dividend (the seller will). The reason is, again, that if you purchase the stock after the ex-dividend date you will not be recognized as a shareholder of record by the company when it is time to pay the dividend.

The critical date to remember is the ex-dividend date and it is two days before the record date. This involves the three-day settlement period created by the stock exchange and it's important to understand what happens during this period, particularly when a stock trades ex-dividend. When a stock goes ex-dividend, the buyer of the shares on that date will not receive the upcoming dividend, but he or she will purchase the stock at a price less the dividend that will be paid. Since a dividend is value returned to a shareholder, if you aren't going to receive it, you should pay less for the stock than the person who buys it with the upcoming dividend "included." For example, if a company pays a dividend of \$1 per share, on the day the stock opens for trade, ex-dividend, it will trade down by \$1 to recognize the upcoming dividend is not included in the purchase. Sure, other factors will influence the movement of the stock on that day, but regardless, it will trade lower by \$1, relative to where it would have normally traded if the dividend had been included.

Payment date: This is the date that the shareholders of record will receive the dividend. For most brokerage or bank accounts the payment will usually hit your account and be automatically swept to the money market. If you choose to reinvest your dividends automatically, then you will purchase new shares of the stock at this time instead of receiving a cash payment. The payday for most U.S. companies arrives four times per year, usually once per quarter. Some foreign stocks will pay dividends only once or twice per year.

Let's review a simple example to better understand the dividend payment process from the declaration date to the payment date.

Declaration Date	January 13, 2015	This is the date the
		company declares it
		will pay a dividend.
Trade Date	Before the ex-	This is the day you
	dividend date	purchase shares.
Settlement Date	On or before the	This is the day you
	record date	must pay for your
		shares – when the
		trade settles and the
		transaction closes. It
		is three business days
		after the trade date.
Record Date	January 23, 2015	This is the date you
		must be a shareholder
		of record to receive
		the dividend.
Ex-Dividend Date	January 21, 2015	This date begins the
		three-day period
		before the record
		date, and if you buy
		the stock ex-dividend
		you will not receive
		the upcoming
		dividend payment,
		but you will pay the
		market price minus
		the dividend payment
		(you pay less because
		you will not receive
		the cash dividend).
Payment Date	February 17, 2015	This is your payday –
		when you receive the
		cash dividend.

Some investors believe it is in their best interest to purchase a stock with the dividend, prior to it going ex-dividend, or sell a stock after the ex-dividend date, in order to capture the dividend. But really, this makes little sense. If you buy the stock just prior to the company going ex-dividend you are paying the "extra" dividend amount which is built into the price anyway. Likewise, if you sell the stock *after* it goes ex-dividend, in order to receive the dividend, you will sell it at the adjusted, lower price (by the exact amount of the dividend), to reflect the fact that you will receive the dividend – not the buyer. So, don't let receiving the upcoming dividend payment or not influence your decision when to buy or sell, since it is really moot. There are no "free lunches."



Dividends – still the best all-season investment strategy.

3

Yields and Ratios

Dividends have played a big part in stock market returns – more than 40% of one's total return has come from dividends.

THERE ARE SEVERAL KEY YIELDS and ratios that will help you assess a company's health. Let's review them in order to ultimately build a better dividend stock portfolio.

Dividend: The dividend, or dividend rate, is the income that an investor receives from a stock during the year. The cash flow in the form of a dividend is usually paid out of a company's profits. If the company doesn't earn enough profit it will not be in a position to pay its dividend. Yes, it can dip into its cash to pay a dividend during a poor year, but ultimately the company has to earn enough profit to sustain the dividend. Dividends have historically played a big part in stock market returns – more than 40% of one's total return has come from dividend payments.

Stock Market Total Return: Price and Dividends									
Decade	Average	Price	Div.	Dividend					
	Annual	App.	Income	contribution to					
	Return			total return					
1900s	11.4%	6.9%	4.5%	40%					
1910s	5.4%	-2.6%	6.1%	108%					
1920s	16.6%	10.9%	5.7%	34%					
1930s	4.7%	-0.2%	5.0%	106%					
1940s	10.1%	4.3%	5.8%	57%					
1950s	19.4%	14.2%	5.2%	27%					
1960s	8.2%	5.0%	3.2%	39%					
1970s	7.6%	3.4%	4.1%	55%					
1980s	17.1%	12.5%	4.5%	27%					
1990s	18.7%	16.1%	2.6%	14%					
2000s	2.9%	1.2%	1.6%	56%					

S&P 500 Dividend Payers Outperform (1972-2012)



S&P 500 Dividend Reinvested Total Return vs. Price Return Only

(Beginning value: \$100 on January 1, 1930 - December 31, 2010)

S&P 500 Reinvested Return = 9.4% S&P 500 Price Return = 5.2%



Dividend yield: The dividend yield is calculated by taking the total dividends paid in the fiscal year and dividing it by the share price. For example, Company XYZ pays an annual dividend of \$2.50. Its stock is quoted at \$85, so its current yield equals 2.94% (\$2.5/\$85). As a company's share price moves higher, the dividend yield drops and the opposite is true too – basic math. A solid company with a history of consistent profits will want to continually raise its dividend to not only keep up with inflation, but to also attract new investors. Note, a dividend yield obviously does not tell the complete story about the attractiveness of a stock. A company with a very high dividend yield may actually be in trouble. If the stock has plunged and the yield jumps as a result, the market might be telling investors that the company may have to reduce or eliminate its dividend – there is trouble. So, it's important to look beyond a stock's yield to determine if it is a worthy investment.



Dividend growth rate: The dividend growth rate is the annualized percentage rate of growth that a stock's dividend will show for the year. Ideally, the dividend growth rate for a stock should at least keep up with inflation and hopefully surpass it. Many blue-chip companies that have had a history of increasing dividends each year show a dividend growth rate of over 6%. Coca-Cola and Procter & Gamble have had a history of raising dividends and they are quite mature companies. Still, in 2015 they are both slated to increase dividends by 8%. It is important to note that in today's high-priced market, dividend growth has been unable to keep up with rising stock prices. As a result, the dividend yield on the Dow Jones Industrial Average is a paltry 2.4% and the dividend yield on the S&P 500 is only 1.8%. Either dividend growth will have to pick up substantially in the coming years to make stocks more attractive, or stock prices need to drop (yields rise) to bring yields closer to normal historical levels.

Name	Yield	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
AT&T	5.6	1.8400	1.8000	1.7600	1.7200	1.6800	1.6400	1.6000	1.4200	1.3300	1.2900
Bristol-Myers Squibb	2.4	1.4400	1.4000	1.3600	1.3200	1.2800	1.2400	1.2400	1.1200	1.1200	1.1200
Chevron	4.0	4.2100	3.9000	3.5100	3.0900	2.8400	2.6600	2.5300	2.2600	2.0100	1.7500
Cisco Systems	2.7	0.7400	0.5100	0.5000	0.1800	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Clorox	2.7	2.9000	2.7000	2.4800	2.3000	2.1000	1.9200	1.7200	1.4200	1.1600	1.1200
Coca-Cola	2.8	1.2200	1.1200	1.0200	0.9400	0.8800	0.8200	0.7600	0.6800	0.6200	0.5600
Colgate-Palmolive	2.1	1.4200	1.3300	1.2200	1.1350	1.0150	0.8600	0.7800	0.7000	0.6250	0.5550
ConocoPhillips	4.5	2.8400	2.7000	2.6400	2.6400	2.1500	1.9100	1.8800	1.6400	1.4400	1.1800
Consolidated Edison	3.7	2.5200	2.4600	2.4200	2.4000	2.3800	2.3600	2.3400	2.3200	2.3000	2.2800
CVS Health Corp.	1.4	1.1000	0.9000	0.6500	0.5000	0.3500	0.3050	0.2580	0.2288	0.1550	0.1450
Edison Intl.	2.4	1.4200	1.3500	1.3000	1.2800	1.2600	1.2400	1.2200	1.1600	1.0800	1.0000
Exxon Mobil	3.0	2.7000	2.4600	2.1800	1.8500	1.7400	1.6600	1.5500	1.3700	1.2800	1.1400
General Dynamics	1.8	2.4200	1.6800	2.5100	1.8300	1.6400	1.4900	1.3400	1.1000	0.8900	0.7800
General Mills	3.0	1.6100	1.4200	1.2700	1.1700	1.0500	0.9000	0.8250	0.7600	0.6900	0.6400
Hormel Foods	1.9	0.8000	0.6800	0.6000	0.5100	0.4200	0.3800	0.3700	0.3000	0.2800	0.2600
IBM	2.8	4.2500	3.7000	3.3000	2.9000	2.5000	2.1500	1.9000	1.5000	1.1000	0.7800
Intel	2.6	0.9000	0.9000	0.8700	0.7824	0.6300	0.5600	0.5475	0.4500	0.4000	0.3200
Johnson & Johnson	2.7	2.7600	2.5900	2.4000	2.2500	2.1100	1.9300	1.7950	1.6200	1.4550	1.2750
Kellogg	2.9	1.9000	1.8000	1.7400	1.6700	1.5600	1.4300	1.3000	1.2020	1.1370	1.0600
Kimberly-Clark	3.0	3.3300	3.1700	2.9200	2.7600	2.5800	2.3800	2.2700	2.0800	1.9200	1.7500
Lockheed Martin	3.0	5.4900	4.7800	4.1500	3.2500	2.6400	2.3400	1.8300	1.4700	1.2500	1.0500
Lowe's	1.3	0.8200	0.6800	0.6000	0.5000	0.4000	0.3500	0.3300	0.2600	0.1600	0.1000
McDonald's	3.8	3.2800	3.1200	2.8700	2.5300	2.2600	2.0500	1.6250	1.5000	1.0000	0.6700
Medtronic	1.6	1.1700	0.8200	1.2650	0.9350	0.8600	0.7850	0.6250	0.4700	0.4125	0.3600
Microsoft	2.6	1.1500	0.9700	0.8300	0.6800	0.5500	0.5200	0.4600	0.4100	0.3700	0.3200
3M	2.5	3.4200	2.5400	2.3600	2.2000	2.1000	2.0400	2.0000	1.9200	1.8400	1.6800
New Jersey Resources	1.4	1.7100	1.2200	1.9400	1.4400	1.3600	1.2400	1.1067	1.0133	0.9600	0.9067
Nike	1.2	0.9600	0.6300	0.9300	0.4650	0.6950	0.5000	0.4600	0.3700	0.3100	0.2500
Occidental Petroleum	3.7	2.8000	1.9200	2.6200	1.7600	1.4200	1.3000	1.1400	0.9100	0.7600	0.6025
Oracle	1.1	0.4800	0.2400	0.4200	0.2300	0.2000	0.1500	0.0000	0.0000	0.0000	0.0000
PepsiCo	2.7	2.4450	2.2100	2.1050	1.9900	1.8600	1.7500	1.6000	1.3500	1.1200	0.9800
Pfizer	3.5	1.0400	0.9600	0.8800	0.8000	0.7200	0.8000	1.2800	1.1600	0.9600	0.7600
Procter & Gamble	2.9	2.5323	2.3665	2.2110	2.0568	1.8854	1.7200	1.5500	1.3600	1.2100	1.0900
Qualcomm	2.3	1.6100	1.3000	0.9650	0.8350	0.7400	0.8300	0.6000	0.5200	0.4200	0.3200
Smucker J.M.	2.4	2.4400	2.2000	2.0000	1.8400	1.5500	1.3700	6.2600	1.1800	1.1100	1.0600
Southern	4.0	2.0825	2.0125	1.9425	1.8725	1.8025	1.7325	1.6625	1.5950	1.5350	1.4750
Sysco	2.9	1.1600	1.1200	1.0800	1.0400	1.0000	0.9600	0.8800	0.7600	0.6800	0.6000
Target	2.8	1.9000	1.5800	1.3200	1.1000	0.8400	0.6600	0.6000	0.5200	0.4400	0.3600
United Parcel Service	2.6	2.6800	2.4800	2.2800	2.0800	1.8800	1.8000	2.2200	1.6400	1.4700	1.2700
United Technologies	2.0	2.3600	2.1950	2.0300	1.8650	1.7000	1.5400	1.3450	1.1700	1.0150	0.8800
Verizon	4.7	2.1400	2.0750	2.0150	1.9625	1.9125	1.8550	1.7500	1.6450	1.6200	1.6000
Wal-Mart	2.2	1.9100	1.4100	1.9550	1.3975	1.1800	1.0550	0.9325	0.8275	0.6525	0.5800

Select Stocks – 10-Year Dividend Dollar Growth

Dividend payout ratio: The dividend payout ratio is the dividend per share divided by the earnings per share, expressed as a ratio. Here's an example:

In 2014 Coca-Cola declared dividends of \$1.22 per share and earned \$2.03 per share. \$1.22 divided by \$2.03 shows a payout ratio of 60%. So, Coca-Cola is sharing a fairly hefty portion of its profits with shareholders.

Assuming a company is established and earns consistent profits, it may be the goal of the board of directors to try to maintain a certain payout ratio over time. So as the company grows, so will the dividend and the subsequent payout to shareholders. Note, if a payout ratio gets too high and exceeds earnings, then the dividend will be at risk. And, a reduction in the dividend is a poor sign to investors about the company's health. As a result, the stock price usually sinks in anticipation of a dividend cut. On the other hand, a stable dividend payout ratio and a solid dividend policy will help a company's share price over time.

Dividend Payout Ratio %									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Wal-Mart	23	28	28	30	30	33	32	37	38
Exxon Mobil	20	19	19	43	29	23	28	34	32
PepsiCo	37	40	49	46	47	49	53	50	54
Procter & Gamble	43	41	39	45	50	49	54	55	57
AT&T	57	51	74	77	73	78	75	72	72
3M	36	34	40	45	36	36	37	37	45
Colgate-Palmolive	42	41	42	39	47	49	52	62	59
Chevron	26	26	22	51	30	23	26	35	37
Johnson & Johnson	36	39	39	41	44	44	46	46	46
Coca-Cola	52	53	50	56	50	48	51	53	60

Price-to-dividend ratio: The price-to-dividend ratio is the price of a share to dividends paid in the previous year. This ratio can be used to measure a company's potential as an investment or as a valuation tool for the overall market.

The accompanying chart shows that in the early part of the last century, investors were willing to pay around \$23, on average, for each dollar of dividends and currently they are paying almost double that price – the 2015 price-to-dividend ratio is approximately \$45. The high current reading, just like the elevated CAPE ratio, has often been seen at past market peaks. In 1999, at the height of the tech bubble, the price-to-dividend ratio hit a peak of over \$68. While we are not near that level, we are close to the level reached in 2007, before stocks plummeted 50%.



Earnings per share: This is a company's profit divided by the number of outstanding shares. This measure is considered one of the most important determinants of a share's price and value. Here is how it is calculated using a simple example: If a company earned \$4 million in one year and had 2 million shares outstanding, its EPS would be \$2 per share.

Earnings Per Share									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Wal-Mart	2.92	3.16	3.42	3.66	4.07	4.45	5.02	5.11	5.05
Exxon Mobil	6.55	7.28	8.69	3.98	6.22	8.42	8.09	7.37	7.75
PepsiCo	3	3.34	3.21	3.77	3.91	3.98	3.92	4.37	4.55
Procter & Gamble	2.64	3.04	3.64	3.58	3.53	3.93	3.85	4.05	4.22
AT&T	2.34	2.76	2.16	2.12	2.29	2.2	2.33	2.5	2.55
3M	5.06	5.6	4.89	4.52	5.75	5.96	6.32	6.72	7.48
Colgate-Palmolive	1.46	1.69	1.83	2.19	2.16	2.47	2.58	2.38	2.4
Chevron	7.8	8.77	11.6	5.24	9.48	13.4	13.3	11.1	11.2
Johnson & Johnson	3.76	4.15	4.57	4.63	4.76	5	5.1	5.52	6
Coca-Cola	1.19	1.29	1.51	1.47	1.75	1.92	1.97	2.08	2.03

Price-to-earnings ratio: The price-to-earnings ratio is the current price divided by earnings per share. Typically, a lower price-to-earnings ratio equals better value.

CAPE ratio: The CAPE ratio is based on a price-to-earnings model popularized by Yale economist Robert Shiller. This cyclically adjusted price-to-earnings ratio is a valuation measure usually applied to the S&P 500 index. It is defined as price divided by the average of ten years of earnings (moving average), adjusted for inflation. It is principally used to assess likely future returns from stocks and can give an accurate indication as to whether or not stocks are priced high or low relative to historical valuations. The current reading in early 2015 is 27. This lofty level clearly indicates prices are high relative to cyclically-adjusted earnings.



CAPE Ratio (cyclically-adjusted price-to-earnings)

Debt-to-equity ratio: The debt-to-equity ratio equals a company's short-term plus long-term debt divided by shareholder equity. A high debt-to-equity ratio generally indicates a company has been aggressive in financing its growth with debt. This can result in volatile earnings as a result of the additional interest expense. If a lot of debt is issued to finance increased operations (high debt-to-equity), the company could potentially generate more earnings than it would have without the financing. If this were to increase earnings by a greater amount than the cost of the debt (interest), then shareholders will benefit. However, the cost of debt financing may outweigh the return the company generates on the debt through investment and business activities, and could become a burden. Typically, the lower the debt-to-equity ratio the less vulnerable a company will be during recessionary times. In particular, pay attention to long-term debt obligations as a company may be required to make interest payments to debt holders for many years.

Cash flow per share: Cash flow per share is a measure of a company's financial strength and is calculated as follows:

Cash Flow per Share = (Operating Cash Flow – Preferred Dividends) divided by Common Shares Outstanding

Many financial analysts place more emphasis on the cash flow per share value than on earnings per share. The highly respected financial firm, *Value Line*, for example, uses cash-flow projections for a company to help determine the future stock price range over the coming 3 to 5 years. While earnings per share value can be easily manipulated to appear more positive than it really is, therefore putting its reliability in question, cash is more difficult to alter, resulting in what some analysts believe is a more accurate measure of the strength and sustainability of a company's business model.

Again, since the cash flow per share takes into consideration a company's ability to generate cash, it is regarded by some analysts as a more accurate indicator of a company's financial situation than the earnings per share metric. Cash flow per share represents the net cash a firm produces, on a per share basis.

Cash Flow Per Share									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Wal-Mart	4.27	4.83	5.16	5.64	6.42	6.92	7.69	7.92	7.95
Exxon Mobil	8.82	9.82	11.5	6.6	9	11.9	11.8	11.5	11.9
PepsiCo	3.95	4.38	4.3	4.84	5.47	5.83	5.74	6.2	6.45
Procter & Gamble	3.51	4.25	4.97	4.86	4.87	5.21	5.2	5.33	5.67
AT&T	4.63	5.36	5.56	5.46	5.6	5.31	5.7	6.1	6.25
3M	6.71	7.29	6.65	6.12	7.43	7.94	8.34	9.09	9.9
Colgate-Palmolive	1.85	2.1	2.27	2.64	2.57	2.97	3.1	2.91	2.9
Chevron	10	13.1	16.6	11.2	16.1	20	20.3	18.6	18.9
Johnson & Johnson	4.6	5.23	5.7	5.69	5.92	6.25	6.48	7.08	7.6
Coca-Cola	1.4	1.54	1.79	1.75	2.09	2.41	2.46	2.58	2.5

4

What to look for in a dividend stock

At a minimum, a company's average annual dividend growth should keep pace with inflation – ideally it will outpace inflation.

YOUR SEARCH FOR DIVIDEND STOCKS should begin with a focus on companies that have a history of delivering consistent, rising dividends. This should help mitigate risk by choosing companies that are unlikely to reduce or eliminate dividend payments. You can further put the odds in your favor by looking at total return potential (dividends plus capital gain), and not only focus on current yield. Many investors make the mistake of only choosing stocks based on current dividend yield, but they fail to study other important factors on a company's balance sheet. Most notably, they overlook the dividend payout ratio, potential growth of the dividend, and earnings consistency.

Here is a list of some of the qualities you should look for in a dividend stock as you build your portfolio. A minimum of 20 stocks in various industries would be ideal, with an emphasis on companies that deliver predictable earnings and dividend growth in any economic environment. Look for some, if not all, of the following characteristics: • Dividend payout ratio of 65% or less and a consistent payout ratio over the past 10 years. The measure of how much of a company's profits are paid out in dividends is a key consideration in choosing a dividend stock for your portfolio. You are looking for not only a payout ratio of 65% or less, but a ratio that has stayed fairly constant over many years. The lower the number the better, but you do want a company that pays out a fair amount of its earnings – a number that is too low should be a warning that the goals of the board of directors might not align with your income needs. Obviously, if the payout ratio gets too high and profits cannot cover the dividend, the company and its dividend may be in trouble. So, leave some margin for error – look for a somewhat moderate payout ratio so that if business stumbles for a quarter or two during a recession, the dividend will still be maintained and hopefully increased. You can find the payout ratio for a company using Value Line, or other online Web sites like www.dividendinvestor.com. Or, you can calculate the payout ratio yourself. Take the stock's annual dividend and divide it by the consensus earnings per share.

• Dividend yield 50% greater than the S&P 500's yield. The current yield for the S&P 500 is 1.8%, so look for a stock with a current yield of at least 2.7%. This is very straightforward – you want income beyond what the market is paying. Another benchmark to look at is the 10-year Treasury yield – you want income beyond what the 10-year note is paying. With this key interest rate sitting at unusually low levels, around 2%, it's fairly easy to find quality stocks yielding more than bonds.

• 10 consecutive years of dividend growth averaging 5% or more annually. At a minimum, a company's average annual dividend growth should be greater than the current rate of inflation (2% or more). Many very established companies like AT&T, Verizon and Consolidated Edison, to name a few, pay much higher than average dividend yields, but don't grow their dividends by much

each year. This can be acceptable, but ideally you want dividend growth to at least keep pace with inflation. And, you want to build a portfolio of companies offering both dividend growth and above-average current yield. Companies that have grown dividends on average 5% or more each year for the past 10 years should give you the confidence that they can sustain and grow their earnings and dividends even during difficult economic times (the company has proven it is well managed). It is important to see how a company's dividend performs during a full economic cycle – expansion and recession.

• 10 consecutive years of earnings growth averaging 5% or more annually. This is directly correlated to your search for consistent dividend growth, since companies that are unable to grow earnings consistently will not be able to grow dividends either. You will clearly see some overlap in these two categories.

• *Predictable earnings that can withstand recessionary times*. If you have access to *Value Line* either with your own subscription or perhaps through your local library, the earnings predictability rating assigned to each stock is helpful. This is a number from 0 to 100 (100 being the highest rating) and the solid names that provide sustainable, consistent earnings through good times and bad, receive a high ranking. It shouldn't come as a surprise that names like Coca-Cola, PepsiCo, Procter & Gamble, Johnson & Johnson and Colgate-Palmolive, all earn near perfect scores for earnings predictability.

• *Price-to-earnings ratio at or below the market's multiple*. Most financial Web sites like *www.finance.yahoo.com* will show you either a 12-month trailing PE ratio for a stock or a 12-month forward PE based on earnings estimates. You can compare this ratio to the market's multiple (Dow Jones Industrials or S&P 500). It is advisable to look for companies that have a PE ratio at or below the multiple of the market. However, keep in mind that

great companies may trade at a premium multiple over the market and they often deserve the premium.

• A simple-to-understand business model selling products or services familiar to you. I prefer to own companies that my clients are familiar with – companies like Kimberly-Clark, Procter & Gamble, Coca-Cola and Johnson & Johnson all have products that you will find in your own home and these stocks can build a solid foundation for a portfolio. Assuming they meet the other criteria you are looking for, it's nice to own companies in a business that you understand.

• *Cash on the balance sheet*. I prefer to buy companies that have consistent earnings growth, pay growing dividends, and have plenty of cash on the balance sheet. The cash can be used to service or pay down debt, reinvest in operations, repurchase shares or even help temporarily pay the dividend. Many blue-chip dividend payers have a cash hoard in the billions of dollars which provides comfort to investors. For example, in early 2015, Procter & Gamble has \$10 billion in cash, PepsiCo – \$7 billion, Chevron – \$14 billion, Intel – \$15 billion and Johnson & Johnson has over \$33 billion in cash on its balance sheet.

• *Low beta*. Beta is a measurement of a stock's volatility relative to the market. The S&P 500 has a beta of 1.0, so any stock with a beta reading under 1.0 will show less volatility than the market. A low-beta portfolio can help minimize the volatility in a portfolio and smooth out what can often be a bumpy ride. The beta for any particular company can be found on nearly any financial Web site. Thankfully, many dividend stocks in the consumer staples, utilities or medical industries show below-average beta readings: Colgate-Palmolive – 0.43, General Mills – 0.6, Johnson & Johnson – 0.48, Coca-Cola – 0.47 and AT&T – 0.56, to name a few.

5

Dividend Growth Achievers

The strongest companies show dividend growth every year.

COMPANIES WITH A LONG HISTORY of paying dividends are an investor's best friend. The companies that have a history of delivering consistent, rising dividends should make up the core of your portfolio. This should help mitigate risk by choosing companies that are unlikely to reduce or eliminate dividend payments. Here is a comprehensive list of Dividend Growth Achievers - companies that have a history of increasing dividends. Thanks to www.dripinvesting.org you can have free access to detailed information regarding dividend-paying companies. It is one of the best sources available to investors and advisors. The Web site divides dividend payers into three categories – *Dividend Champions* (25+ years of increases), Contenders (10-24 years of increases) and Challengers (5-9 years of increases). Again, this is a great site to help you build your ideal dividend-paying stock portfolio. The U.S. Dividend Champions are maintained by Dave Fish of Moneypaper's DirectInvesting.com, whose articles appear at Seeking Alpha.

Focus your search for *Dividend Growth Achievers* using the following criteria:

• *Dividend payout ratio (EPS %) of 65% or less.* The lower the payout ratio, typically, the more room there is to grow the dividend in the future, and the less likely you are to see a dividend reduction. Still, you don't want a payout ratio that is too low – you want to invest in companies that share a healthy percentage of their profits and reward shareholders.

• *Dividend yield 50% greater than the market's yield.* The S&P 500 is currently yielding 1.8%, so look for companies that are paying at least 2.7% in annual dividends and preferably higher.

• *Consistent dividend growth*. Companies that have achieved a long history of dividend growth have proven themselves during many economic cycles (good times and bad). Also, do not ignore up-and-comers ("Challengers") who have begun to show at least 5 years of consecutive dividend increases. Focus your search on companies that raise their dividends, on average, at least enough to keep pace with inflation.

• *Manageable debt-to-equity ratio*. A high debt-to-equity ratio indicates a company has been aggressive in financing its growth with debt. This can result in volatile earnings as a result of the additional interest expense. If a lot of debt is used to finance increased operations (high debt-to-equity), the company could potentially generate more earnings than it would have without outside financing. If this were to increase earnings by a greater amount than the debt cost (interest), then the shareholders benefit as more earnings are being spread among the same amount of shareholders. However, the cost of this debt financing may outweigh the return that the company generates on the debt through investment and business activities and become too much for the company to handle. Generally, a well-established company can push the liability component of its balance sheet structure to higher percentages without getting into trouble. Look for companies that have a low debt-to equity ratio and look deeper into the balance sheet (*Value Line*) to get an idea as to how much of the total debt is long-term.

• Low beta. A company's stock price that shows less volatility than the market itself is appealing for conservative and moderate investors. While volatility is typically not a deciding factor when choosing a stock, a dividend portfolio comprised of low-beta names is attractive, particularly when markets are trading at a high valuation. I would suggest looking for companies with a beta reading of 0.60 or less. And, if you choose stocks with higher beta readings, consider offsetting this with some lower beta stocks so that the overall volatility of your portfolio is less than the market itself.



Dividend Aristocrat
Company	Ticker	No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
1st Source Corp.	SRCE	27	34.31	2.10	0.1800	0.72	30.51	2.36	0.19	1.14
3M Company	MMM	57	164.32	2.50	1.0250	4.10	56.32	7.28	0.45	1.11
ABM Industries Inc.	ABM	48	28.65	2.23	0.1600	0.64	48.48	1.32	0.33	0.98
AFLAC Inc.	AFL	32	61.09	2.55	0.3900	1.56	24.45	6.38	0.26	1.52
Air Products & Chem.	APD	32	144.23	2.14	0.7700	3.08	67.10	4.59	0.83	1.21
Altria Group Inc.	MO	45	49.27	4.22	0.5200	2.08	95.41	2.18	3.26	0.51
American States Water	AWR	60	37.66	2.26	0.2130	0.85	56.05	1.52	0.62	0.77
Archer Daniels Midland	ADM	39	52.00	1.85	0.2400	0.96	32.88	2.92	0.27	0.82
AT&T Inc.	Т	31	33.59	5.60	0.4700	1.88	57.67	3.26	0.82	0.40
Atmos Energy	ATO	31	55.74	2.80	0.3900	1.56	53.61	2.91	0.86	0.60
Automatic Data Proc.	ADP	40	83.37	2.35	0.4900	1.96	61.64	3.18	0.33	0.85
Becton Dickinson & Co.	BDX	43	139.16	1.72	0.6000	2.40	40.00	6.00	0.79	0.88
Bemis Company	BMS	31	45.21	2.39	0.2700	1.08	46.15	2.34	0.91	0.64
Black Hills Corp.	BKH	44	53.04	2.94	0.3900	1.56	61.18	2.55	1.15	0.83
Bowl America Class A	BWL.A	43	14.32	4.75	0.1700	0.68	251.85	0.27	n/a	n/a
Brady Corp.	BRC	29	27.34	2.93	0.2000	0.80	n/a	-1.01	0.29	1.44
Brown-Forman Class B	BF-B	31	87.84	1.43	0.3150	1.26	40.51	3.11	0.54	0.66
C.R. Bard Inc.	BCR	43	166.62	0.53	0.2200	0.88	8.53	10.32	0.77	0.71
California Water Service	CWT	47	24.61	2.64	0.1625	0.65	60.75	1.07	0.79	0.62
Carlisle Companies	CSL	38	90.24	1.11	0.2500	1.00	20.62	4.85	0.35	1.36
Chevron Corp.	CVX	27	112.18	3.82	1.0700	4.28	39.41	10.86	0.16	1.15
Chubb Corp.	CB	32	103.47	1.93	0.5000	2.00	23.45	8.53	0.20	0.61
Cincinnati Financial	CINF	54	51.83	3.40	0.4400	1.76	60.48	2.91	0.14	0.80
Cintas Corp.	CTAS	32	78.44	1.08	0.8500	0.85	24.01	3.54	0.57	0.87
Clarcor Inc.	CLC	31	66.64	1.20	0.2000	0.80	30.53	2.62	0.39	0.87
Clorox Company	CLX	37	104.21	2.84	0.7400	2.96	68.36	4.33	13.16	0.44
Coca-Cola Company	KO	52	42.22	2.89	0.3050	1.22	67.78	1.80	1.25	0.48
Colgate-Palmolive Co.	CL	51	69.19	2.08	0.3600	1.44	63.16	2.28	4.26	0.45
Commerce Bancshares	CBSH	46	43.49	1.97	0.2143	0.86	32.22	2.66	0.05	0.96
Community Trust Banc.	CTBI	34	36.61	3.28	0.3000	1.20	47.43	2.53	0.14	1.01
Computer Services Inc.	CSVI	43	40.03	2.20	0.2200	0.88	44.67	1.97	n/a	n/a
Conn. Water Service	CTWS	45	36.29	2.84	0.2575	1.03	54.79	1.88	0.84	0.65
Consolidated Edison	ED	40	66.01	3.82	0.6300	2.52	59.57	4.23	0.99	0.19
Donaldson Company	DCI	28	38.63	1.71	0.1650	0.66	37.71	1.75	0.58	1.01
Dover Corp.	DOV	59	71.72	2.23	0.4000	1.60	32.59	4.91	0.69	1.46
Eagle Financial Services	EFSI	28	23.30	3.43	0.2000	0.80	41.88	1.91	n/a	n/a
Eaton Vance Corp.	EV	34	40.93	2.44	0.2500	1.00	39.53	2.53	1.11	1.66
Emerson Electric	EMR	58	61.73	3.05	0.4700	1.88	61.64	3.05	0.60	1.30
Erie Indemnity Company	ERIE	25	90.77	3.00	0.6810	2.72	80.12	3.40	0.00	0.51
ExxonMobil Corp.	XOM	32	92.45	2.99	0.6900	2.76	34.72	7.95	0.12	0.90
Family Dollar Stores	FDO	38	79.21	1.57	0.3100	1.24	49.80	2.49	0.30	0.39
Federal Realty Inv. Trust	FRT	47	133.46	2.61	0.8700	3.48	150.00	2.32	1.51	0.60
First Financial Corp.	THFF	26	35.62	2.75	0.4900	0.98	38.89	2.52	0.00	1.13
Franklin Resources	BEN	35	55.37	1.08	0.1500	0.60	15.83	3.79	0.19	1.64
Genuine Parts Co.	GPC	58	106.57	2.16	0.5750	2.30	51.11	4.50	0.24	0.75
Gorman-Rupp Company	GRC	42	32.12	1.25	0.1000	0.40	29.63	1.35	0.06	1.22
H.B. Fuller Company	FUL	45	44.53	1.08	0.1200	0.48	40.34	1.19	0.59	1.48
HCP Inc.	HCP	29	44.03	4.95	0.5450	2.18	107.39	2.03	0.86	0.60
Helmerich & Payne Inc.	HP	42	67.42	4.08	0.6875	2.75	42.64	6.45	0.02	1.35
Hormel Foods Corp.	HRL	49	52.10	1.92	0.2500	1.00	44.84	2.23	0.07	0.56
Illinois Tool Works	ITW	40	94.70	2.05	0.4850	1.94	43.89	4.42	0.97	1.29
Johnson & Johnson	JNJ	52	104.57	2.68	0.7000	2.80	46.36	6.04	0.20	0.56
Kimberly-Clark Corp.	KMB	43	115.54	2.91	0.8400	3.36	59.47	5.65	1.64	0.21
Lancaster Colony Corp.	LANC	52	93.64	1.96	0.4600	1.84	50.83	3.62	0.00	0.51

Select Dividend Champions (25+ years of increases)

Lowe's Companies LOW 52 68.80 1.34 0.2300 0.92 36.36 2.53 1.06 1.17 McCormick & Co. MKC 29 74.30 2.15 0.4000 1.60 50.31 3.18 0.70 0.53 McDonald's Corp. MCD 39 93.70 3.63 0.8500 3.40 66.80 5.09 1.11 0.333 McGraw Hill Financial In MHFI 41 88.98 1.35 0.3000 1.22 42.07 2.90 0.70 1.05 Mercury General Corp. MCY 28 56.67 4.36 0.6175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MSA 43 53.09 2.34 0.3100 1.24 49.62 2.08 0.48 1.57 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Fuel Gas NFG 44 69.53
McCormick & Co. MKC 29 74.30 2.15 0.4000 1.60 50.31 3.18 0.70 0.53 McConnald's Corp. MCD 39 93.70 3.63 0.8500 3.40 66.80 5.09 1.11 0.33 McGraw Hill Financial Ind MHFI 41 88.98 1.35 0.3000 1.20 366.80 5.09 1.11 0.33 Medronic Inc. MDT 37 72.20 1.60 0.3050 1.22 42.07 2.90 0.70 1.05 Medronic Inc. MCY 28 56.67 4.36 0.6175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MSE A 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.73 Middlesex Water Co. MSA 44 69.53 2.21 0.380 1.54 43.63 3.53 0.72 1.48 National Fuel Gas NFG 44 69.53 2.21
McDonald's Corp. MCD 39 93.70 3.63 0.8500 3.40 66.80 5.09 1.11 0.33 McGraw Hill Financial Ind MHFI 41 88.98 1.35 0.3000 1.20 36.81 3.26 0.52 1.11 Medtronic Inc. MDT 37 72.20 1.69 0.3050 1.22 42.07 2.90 0.70 1.05 Mercury General Corp. MCY 28 56.67 4.36 0.6175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MGEE 39 45.61 2.48 0.2255 1.13 49.56 2.28 0.64 1.57 MACCO Industries NC 29 59.36 1.74 0.255 1.03 3.209 3.53 0.72 1.46 National Retai Propertie NNN 25 39.37 4.27 0.4200 1.68 146.09 1.15 0.81 0.34 Nordson Corp. NUE 42 49.05
McGraw Hill Financial Ind MHFI 41 88.98 1.35 0.3000 1.20 36.81 3.26 0.52 1.11 Medtonic Inc. MDT 37 72.20 1.69 0.3050 1.22 42.07 2.90 0.70 1.05 Mercury General Corp. MCY 28 56.67 4.36 0.8175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MGSEX 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.67 MSA Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 49.63 3.53 0.72 1.46 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.55 0.90 1.48 Nordson Corp. NDSN 51 77.96 1.13 0.2200 0.88 28.64 3.85 0.90 1.49 Northwest Natural Gas NWN 59 49.90 3.71 0.4625 1.49 70.95 2.10 0.33 1.61
Medtronic Inc. MDT 37 72.20 1.69 0.3050 1.22 42.07 2.90 0.70 1.05 Mercury General Corp. MCY 28 56.67 4.36 0.6175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MGEE 39 45.61 2.48 0.2825 1.13 49.56 2.28 0.61 0.57 Middlesex Water Co. MSEX 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.67 NAS Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 59.62 2.08 0.48 1.57 NACCO Industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.80 1.73 National Retail Propertie NNN 59 49.90 3.71 0.4625 1.86 84.47 2.19 1.13 0.55 Nuccor Corp. NUE 42 49.05 <
Mercury General Corp. MCY 28 56.67 4.36 0.6175 2.47 63.33 3.90 0.15 0.52 MGE Energy Inc. MGEE 39 45.61 2.48 0.2825 1.13 49.56 2.28 0.61 0.57 Middlesex Water Co. MSX 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.67 MSA Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 59.62 2.08 0.48 1.57 NACCO Industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.80 1.73 National Retail Propertie NNN 25 39.37 4.27 0.4200 0.88 22.86 3.85 0.90 1.48 Nordson Corp. NUE 42 49.05 3.04 0.372 1.44 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63
MGE Energy Inc. MGEE 39 45.61 2.48 0.2825 1.13 49.56 2.28 0.61 0.57 Middlesex Water Co. MSEX 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.67 MSA Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 59.62 2.08 0.48 1.57 NACCO Industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.400 1.73 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Retail Propertie NIN 25 39.37 4.27 0.4200 1.88 84.47 2.19 1.13 0.55 Nucor Corp. NUE 42 49.05 3.70 0.4625 1.49 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63
Middlesex Water Co. MSEX 42 23.06 3.34 0.1925 0.77 70.64 1.09 0.84 0.67 MSA Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 59.62 2.08 0.48 1.57 NACCO Industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.80 1.73 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Retail Propertie NNN 25 39.37 4.27 0.4200 1.68 146.09 1.15 0.81 0.48 Nordson Corp. NDSN 51 77.96 1.13 0.2200 0.88 2.86 3.85 0.90 1.49 Nucor Corp. NUE 42 49.05 3.04 0.3220 1.48 4.47 1.10 0.33 1.61 Pentair Ltd. PNR 39 66.22 1.93
MSA Safety Inc. MSA 43 53.09 2.34 0.3100 1.24 59.62 2.08 0.48 1.57 NACCO Industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.80 1.73 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Retail Propertie NNN 25 39.37 4.27 0.4200 1.88 146.09 1.15 0.81 0.48 Nordson Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.6300 2.52 35.44 7.11 0.33 1.61 Pensico Inc. PEP 42 94.56 2.77
NACCO industries NC 29 59.36 1.74 0.2575 1.03 32.09 3.21 0.80 1.73 National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Retail Propertie NNN 25 39.37 4.27 0.4200 1.68 146.09 1.15 0.81 0.48 Nordson Corp. NDS<51
National Fuel Gas NFG 44 69.53 2.21 0.3850 1.54 43.63 3.53 0.72 1.46 National Retail Propertie NNN 25 39.37 4.27 0.4200 1.68 146.09 1.15 0.81 0.48 Nordson Corp. NDSN 51 77.96 1.13 0.2200 0.88 22.86 3.85 0.90 1.49 Northwest Natural Gas NWN 59 49.90 3.71 0.4625 1.85 84.47 2.19 1.13 0.55 Nucor Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic International ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.6500 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41
National Retail Propertie NNN 25 39.37 4.27 0.4200 1.68 146.09 1.15 0.81 0.48 Nordson Corp. NDSN 51 77.96 1.13 0.2200 0.88 22.86 3.85 0.90 1.49 Northwest Natural Gas NWN 59 49.90 3.71 0.4625 1.85 84.47 2.19 1.13 0.55 Nucor Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.3200 1.28 39.26 3.26 0.60 1.23 Pentair Ltd. PNR 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 Prodemont Natural Gas PNY 36 39.41 </td
Nordson Corp. NDSN 51 77.96 1.13 0.2200 0.88 22.86 3.85 0.90 1.49 Northwest Natural Gas NWN 59 49.90 3.71 0.4625 1.85 84.47 2.19 1.13 0.55 Nucor Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic Internationd ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.6300 2.52 35.44 7.11 0.33 1.61 Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 19.63 1.07 1.25 0.61 Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 19.63 1.07 1.25 0.61 Piedmont Natural Gas PNY 36 39.41 3.25
Northwest Natural Gas NWN 59 49.90 3.71 0.4625 1.85 84.47 2.19 1.13 0.55 Nucor Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.6300 2.52 35.44 7.11 0.33 1.61 Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 39.26 3.26 0.60 1.23 PepsiCo Inc. PEP 42 94.56 2.77 0.6550 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41 3.25 0.300 1.28 19.03 1.07 1.25 0.61 Proder & Gamble Co. PG 55 25.28 <
Nucor Corp. NUE 42 49.05 3.04 0.3725 1.49 70.95 2.10 0.59 1.31 Old Republic Internation ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.93 0.3200 2.52 35.44 7.11 0.33 1.61 Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 39.26 3.26 0.60 1.23 Pentair Ltd. PNY 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 Proder & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 0.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.75 56.52 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46
Old Republic International ORI 33 14.63 4.99 0.1825 0.73 47.40 1.54 0.25 0.92 Parker-Hannifin Corp. PH 58 128.95 1.95 0.6300 2.52 35.44 7.11 0.33 1.61 Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 39.26 3.26 0.60 1.23 PepsiCo Inc. PEP 42 94.66 2.77 0.6550 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.68 2.77 3.54 0.51 0.37 Questar Corp. STR 35 2.528 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08
Parker-Hannifin Corp. PH 58 128.95 1.95 0.6300 2.52 35.44 7.11 0.33 1.61 Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 39.26 3.26 0.60 1.23 PepsiCo Inc. PEP 42 94.56 2.77 0.6550 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 19.63 1.07 1.25 0.61 PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.68 29.74 9.01 0.55 1.26 Procter & Gamble Co. PG 58 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAWN 28 25.00 2.08 0.1300 0.72 23.92 3.01 0.16 0.76 Sigma-Aldrich Corp. RLI 39 49.40
Pentair Ltd. PNR 39 66.42 1.93 0.3200 1.28 39.26 3.26 0.60 1.23 PepsiCo Inc. PEP 42 94.66 2.77 0.6550 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.68 29.74 9.01 0.55 1.26 Procter & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 0.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08 0.1300 0.52 266.52 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46
PepsiCo Inc. PEP 42 94.56 2.77 0.6550 2.62 57.96 4.52 1.42 0.42 Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.68 29.74 9.01 0.55 1.26 Procter & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 0.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08 0.1300 0.52 56.52 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 Shewin-Williams Co. SHW 36 263.04 0.84
Piedmont Natural Gas PNY 36 39.41 3.25 0.3200 1.28 119.63 1.07 1.25 0.61 PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.88 92.74 9.01 0.55 1.26 Procter & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 0.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08 0.1300 0.72 23.92 3.01 0.16 0.76 RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Addrich Corp. SIAL 38 137.2
PPG Industries Inc. PPG 43 231.15 1.16 0.6700 2.68 29.74 9.01 0.55 1.26 Procter & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 1.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAWN 28 25.00 2.08 0.1300 0.72 23.92 3.01 0.16 0.76 RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 <
Procter & Gamble Co. PG 58 91.09 2.83 0.6436 2.57 72.72 3.54 0.51 0.37 Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08 0.1300 0.52 56.52 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SUW Corp. SJW 47 32.12 2.33
Questar Corp. STR 35 25.28 3.01 0.1900 0.76 57.58 1.32 1.19 0.63 Raven Industries RAVN 28 25.00 2.08 0.1300 0.52 25.62 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93
Raven Industries RAVN 28 25.00 2.08 0.1300 0.52 56.52 0.92 0.00 0.75 RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08
RLI Corp. RLI 39 49.40 1.46 0.1800 0.72 23.92 3.01 0.16 0.76 RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAU 38 137.27 0.67 0.2300 0.92 22.22 4.14 1.01 0.90 Symcorp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 <td< td=""></td<>
RPM International Inc. RPM 41 50.71 2.05 0.2600 1.04 48.83 2.13 1.03 1.35 Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69
Sherwin-Williams Co. SHW 36 263.04 0.84 0.5500 2.20 25.61 8.59 1.24 0.59 Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Row Price Group TROW 27 85.86 <td< td=""></td<>
Sigma-Aldrich Corp. SIAL 38 137.27 0.67 0.2300 0.92 22.22 4.14 0.10 0.90 SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Row Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74
SJW Corp. SJW 47 32.12 2.33 0.1875 0.75 30.12 2.49 1.10 0.85 Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 7.5.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 2.525 2.12 </td
Sonoco Products Co. SON 32 43.70 2.93 0.3200 1.28 55.17 2.32 0.59 0.89 Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 2.525 2.12 0.13400 0.54 n/a 1.17 0.44 1.15
Stanley Black & Decker SWK 47 96.08 2.16 0.5200 2.08 48.04 4.33 0.62 1.56 Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 2525 2.12 0.13400 0.54 n/a 1.17 0.44 1.15
Stepan Company SCL 47 40.08 1.80 0.1800 0.72 26.77 2.69 0.46 0.91 Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 2.525 2.12 0.1340 0.54 n/a 1.17 0.44 1.15
Sysco Corp. SYY 45 39.69 3.02 0.3000 1.20 76.92 1.56 0.57 0.74 T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 2.525 2.12 0.1340 0.54 n/a 1.17 0.44 1.15
T. Rowe Price Group TROW 27 85.86 2.05 0.4400 1.76 39.73 4.43 0.00 1.43 Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 25.25 2.12 0.1340 0.54 n/a -1.17 0.44 1.15
Target Corp. TGT 47 75.91 2.74 0.5200 2.08 87.03 2.39 0.87 0.61 Telephone & Data Sys. TDS 40 25.25 2.12 0.1340 0.54 n/a -1.17 0.44 1.15
Telephone & Data Svs. TDS 40 25.25 2.12 0.1340 0.54 n/a -1.17 0.44 1.15
Tennant Company TNC 43 72.17 1.11 0.2000 0.80 34.48 2.32 0.10 0.98
Tompkins Financial Cord TMP 28 55.30 3.04 0.4200 1.68 46.67 3.60 0.42 0.83
Tootsie Roll Industries TR 48 30.65 1.04 0.0800 0.32 31.07 1.03 0.01 0.92
UGI Corp. UGI 27 37.98 2.28 0.2167 0.87 44.91 1.93 1.40 0.67
United Bankshares Inc. UBSI 40 37.45 3.42 0.3200 1.28 69.95 1.83 0.15 0.99
Universal Corp. UVV 44 43.98 4.73 0.5200 2.08 78.49 2.65 0.62 1.35
Universal Health Realty UHT 28 48.12 5.28 0.6350 2.54 84.39 3.01 1.36 0.79
Valspar Corp. VAL 37 86.48 1.39 0.3000 1.20 29.78 4.03 1.54 0.91
Vectren Corp. VVC 55 46.23 3.29 0.3800 1.52 78.35 1.94 1.04 0.56
VF Corp. VFC 42 74.90 1.71 0.3200 1.28 44.44 2.88 0.36 0.94
W.W. Grainger Inc. GWW 43 254.89 1.69 1.0800 4.32 37.47 11.53 0.13 0.98
Walgreen Company WAG 39 76.05 1.78 0.3375 1.35 63.68 2.12 0.22 1.36
Wal-Mart Stores Inc. WMT 41 85.88 2.24 0.4800 1.92 40.08 4.79 0.70 0.47
Weyco Group Inc. WEYS 33 29.67 2.56 0.1900 0.76 46.63 1.63 0.13 0.73
WGL Holdings Inc. WGL 38 54.62 3.22 0.4400 1.76 85.85 2.05 0.92 0.69

Company	Ticker	No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
A.O. Smith Corp.	AOS	21	56.41	1.06	0.1500	0.60	27.78	2.16	0.19	1.28
Aaron's Inc.	AAN	12	30.57	0.30	0.0230	0.09	8.60	1.07	0.46	1.40
Accenture plc	ACN	10	89.31	2.28	1.0200	2.04	45.74	4.46	0.00	1.17
ACE Limited	ACE	22	114.88	2.26	0.6500	2.60	26.94	9.65	0.21	0.85
Acme United Corp.	ACU	11	19.99	1.80	0.0900	0.36	27.27	1.32	0.77	0.32
AGL Resources	GAS	12	54.51	3.60	0.4900	1.96	47.12	4.16	1.19	0.50
Airgas Inc.	ARG	12	115.18	1.91	0.5500	2.20	46.32	4.75	1.25	0.68
Albemarle Corp.	ALB	20	60.13	1.83	0.2750	1.10	23.40	4.70	0.72	1.59
Alliance Resource Partne	ARLP	12	43.05	5.92	0.6375	2.55	56.42	4.52	0.78	0.86
Alliant Energy Corp.	LNT	11	66.42	3.07	0.5100	2.04	57.63	3.54	1.06	0.48
American Equity Investm	AEL	11	29.19	0.69	0.2000	0.20	9.39	2.13	0.37	1.69
AmeriGas Partners LP	APU	10	47.92	7.35	0.8800	3.52	124.82	2.82	1.84	0.34
Ameriprise Financial Inc.	AMP	10	132.25	1.75	0.5800	2.32	30.69	7.56	2.08	1.66
AmerisourceBergen Cor	ABC	10	90.16	1.29	0.2900	1.16	96.67	1.20	1.02	0.65
Am Trust Financial Servic	AFSI	10	56.25	1.78	0.2500	1.00	18.55	5.39	0.44	0.73
Analog Devices Inc.	ADI	12	55.52	2.67	0.3700	1.48	74.75	1.98	0.18	1.16
Andersons Inc. (The)	ANDE	13	53.14	1.05	0.1400	0.56	16.92	3.31	0.47	1.03
AptarGroup Inc.	ATR	21	66.84	1.68	0.2800	1.12	40.58	2.76	0.43	0.94
Aqua America Inc.	WTR	23	26.70	2.47	0.1650	0.66	55.46	1.19	1.02	0.50
Arrow Financial Corp.	AROW	21	27.49	3.64	0.2500	1.00	55.56	1.80	0.10	0.71
Artesian Resources	ARTNA	17	22.59	3.81	0.2151	0.86	86.04	1.00	0.99	0.45
Assurant Inc.	AIZ	11	68.43	1.58	0.2700	1.08	15.04	7.18	0.22	0.87
Atlantic Tele Network Inc.	ATNI	17	67.59	1.72	0.2900	1.16	35.91	3.23	0.00	1.32
Atrion Corp.	ATRI	12	340.01	0.88	0.7500	3.00	21.55	13.92	0.00	0.79
Auburn National Bancorr	AUBN	13	23.64	3.64	0.2150	0.86	43.00	2.00	0.17	(0.13)
Avista Corp.	AVA	12	35.35	3.59	0.3175	1.27	63.82	1.99	1.01	0.64
Axis Capital Holdings Ltd	AXS	13	51.09	2.27	0.2900	1.16	15.89	7.30	0.29	0.79
Badger Meter Inc.	BMI	22	59.35	1.28	0.1900	0.76	36.36	2.09	0.29	0.90
BancFirst Corp. OK	BANF	21	63.39	2.15	0.3400	1.36	34.52	3.94	0.04	1.05
Bank of Marin Bancorp	BMRC	10	52.59	1.67	0.2200	0.88	30.03	2.93	0.03	0.80
Bank of the Ozarks Inc.	OZRK	16	37.92	1.32	0.1250	0.50	34.97	1.43	0.48	1.00
Bank of Utica	BKUT	15	545.00	2.24	6.1000	12.20	n/a	n/a	n/a	n/a
Bar Harbor Bankshares	BHB	11	32.00	2.94	0.2350	0.94	37.90	2.48	0.04	0.57
Best Buy Corp.	BBY	12	38.98	1.95	0.1900	0.76	26.12	2.91	0.36	1.89
BHP Billiton Ltd.	BHP	12	47.32	5.24	1.2400	2.48	47.88	5.18	0.44	1.55
BHP Billiton plc	BBL	12	43.00	5.77	1.2400	2.48	47.88	5.18	0.44	1.62
BOK Financial Corp.	BOKF	10	60.04	2.80	0.4200	1.68	38.62	4.35	0.12	0.80
Brinker International	EAT	10	58.69	1.91	0.2800	1.12	48.07	2.33	23.38	0.88
British American Tobacc	BTI	10	107.82	4.49	2.4200	4.84	81.21	5.96	2.33	0.80
Brown & Brown Inc.	BRO	21	32.91	1.34	0.1100	0.44	28.21	1.56	0.57	1.00
Buckeye Partners LP	BPL	19	75.66	5.95	1.1250	4.50	148.03	3.04	1.04	0.54
Bunge Limited	BG	13	90.91	1.50	0.3400	1.36	34.61	3.93	0.80	0.87
C.H. Robinson Worldwid	CHRW	17	74.89	2.03	0.3800	1.52	52.60	2.89	0.88	0.53
Cambridge Bancorp	CATC	16	46.50	3.61	0.4200	1.68	45.04	3.73	n/a	n/a
Canadian National Railw	CNI	18	68.91	1.31	0.2263	0.91	29.48	3.07	0.57	0.97
Canadian Natural Resou	CNQ	14	30.88	2.60	0.2005	0.80	32.60	2.46	0.49	1.46
CARBO Ceramics	CRR	14	40.05	3.30	0.3300	1.32	40.12	3.29	0.00	1.38
Cardinal Health Inc.	CAH	18	80.73	1.70	0.3425	1.37	43.22	3.17	0.64	0.53
Casey's General Stores	CASY	15	90.32	0.89	0.2000	0.80	22.35	3.58	1.07	0.73

Select Dividend Contenders (10 - 24 years of increases)

Cass Information System	CASS	13	53.25	1.58	0.2100	0.84	41.58	2.02	2.83	1.09
Caterpillar Inc.	CAT	21	91.53	3.06	0.7000	2.80	45.31	6.18	2.09	1.65
CCFNB Bancorp Inc.	CCFN	17	38.45	3.59	0.3450	1.38	44.09	3.13	n/a	n/a
Chesapeake Financial S	CPKF	22	15.46	2.91	0.1125	0.45	29.61	1.52	n/a	n/a
Chesapeake Utilities	CPK	11	49.66	2.17	0.2700	1.08	44.08	2.45	0.83	0.53
Church & Dwight	CHD	18	78.81	1.57	0.3100	1.24	43.06	2.88	0.50	0.47
Citizens Financial Service	CZFS	16	53.65	2.98	0.4000	1.60	36.87	4.34	n/a	n/a
Community Bank System	CBU	22	38.13	3.15	0.3000	1.20	59.11	2.03	0.11	0.87
Compass Minerals Interr	CMP	11	86.83	2.76	0.6000	2.40	41.38	5.80	1.02	0.85
ConocoPhillips	COP	14	69.06	4.23	0.7300	2.92	50.00	5.84	0.38	1.07
Costco Wholesale	COST	11	141.75	1.00	0.3550	1.42	29.52	4.81	0.41	0.53
Cracker Barrel Old Coun	CBRL	12	140.76	2.84	1.0000	4.00	69.08	5.79	0.73	0.78
Crane Company	CR	10	58.70	2.25	0.3300	1.32	42.31	3.12	0.69	1.51
CSX Corp.	CSX	10	36.23	1.77	0.1600	0.64	34.78	1.84	0.86	1.35
Cullen/Frost Bankers	CFB	21	70.64	2 89	0.5100	2.04	49.51	4 12	0.09	0.83
CVS Health Corp	CVS	12	96.31	1 45	0.3500	1 40	36.18	3.87	0.34	1.07
Daktronics Inc	DAKT	10	12 51	3.20	0.1000	0.40	83.33	0.48	0.02	1.23
Darden Bestaurants	DRI	10	58.63	3.75	0.5500	2 20	709.68	0.10	0.02	0.73
Deere & Company		11	88 47	2.71	0.0000	2.20	28.61	8 30	4.08	1.26
Delte Natural Gas	DCAS	10	00.47	2.71	0.0000	2.40	70.00	1 1 2	4.00	0.60
Digital Realty Trust	DUAS	10	21.20	5.70	0.2000	0.00	104.15	1.13	1.57	0.02
Digital Reality Hust	DLN	10	76.00	0.10	0.6300	0.02	194.15	0.57	1.57	0.50
Dominion Resources	DOIOA	10	76.90	3.12	0.0000	2.40	93.39	2.57	2.10	0.32
Donegal Group Inc. A	DGICA	12	15.98	3.29	0.1315	0.53	72.05	0.73	n/a	n/a
Donegal Group Inc. B	DGICB	12	21.50	2.16	0.1160	0.46	63.56	0.73	n/a	n/a
Duke Energy Corp.	DUK	10	83.54	3.81	0.7950	3.18	/3./8	4.31	1.01	0.23
Eagle Bancorp Montana	EBMI	15	10.97	2.73	0.0750	0.30	54.55	0.55	0.10	0.40
Ecolab Inc.	ECL	23	104.52	1.26	0.3300	1.32	35.01	3.77	0.88	0.64
Edison International	EIX	12	65.48	2.55	0.4175	1.67	41.96	3.98	1.14	0.47
Enbridge Inc.	ENB	19	51.41	2.47	0.3170	1.27	164.68	0.77	3.00	0.52
Enterprise Bancorp Inc.	EBTC	20	25.25	1.90	0.1200	0.48	34.53	1.39	0.07	1.25
Enterprise Products Part	EPD	17	36.12	4.04	0.3650	1.46	97.33	1.50	1.25	0.68
EOG Resources Inc.	EOG	15	92.07	0.73	0.1675	0.67	12.05	5.56	0.33	1.26
Equity LifeStyle Propertie	ELS	10	51.55	2.52	0.3250	1.30	85.53	1.52	2.85	0.70
Essex Property Trust	ESS	20	206.60	2.52	1.3000	5.20	322.98	1.61	0.88	0.83
Expeditors International	EXPD	20	44.61	1.43	0.3200	0.64	35.36	1.81	0.00	1.17
Factset Research System	FDS	16	140.75	1.11	0.3900	1.56	30.89	5.05	0.00	0.90
Farmers & Merchants Ba	FMCB	17	463.00	2.76	6.4000	12.80	40.29	31.77	n/a	n/a
Farmers and Merchants	FMAO	10	26.74	3.14	0.2100	0.84	42.00	2.00	n/a	n/a
Fastenal Company	FAST	15	47.56	2.10	0.2500	1.00	62.50	1.60	0.06	0.99
FedEx Corp.	FDX	13	173.66	0.46	0.2000	0.80	10.09	7.93	0.30	1.26
First Keystone Corp.	FKYS	14	24.65	4.38	0.2700	1.08	65.45	1.65	n/a	n/a
First of Long Island Corp	FLIC	20	28.37	2.68	0.1900	0.76	46.63	1.63	1.28	0.63
First Robinson Financial	FRFC	14	31.75	3.31	1.0500	1.05	23.39	4.49	n/a	n/a
Flowers Foods	FLO	13	19.19	2.76	0.1325	0.53	60.23	0.88	0.70	0.44
Franklin Electric Co.	FELE	22	37.53	0.96	0.0900	0.36	22.09	1.63	0.36	1.34
Gap Inc.	GPS	10	42.11	2.09	0.2200	0.88	31.43	2.80	0.48	1.36
General Dynamics	GD	23	137.62	1.80	0.6200	2.48	33.38	7.43	0.30	1.13
General Mills	GIS	11	53 33	3.08	0 4100	1 64	68.62	2 39	1.86	0.16
Genesis Energy I P	GEI	11	42 42	5 47	0.5800	2.32	214.81	1.08	1 10	0.65
Graco Inc	GGG	18	80.18	1 50	0.3000	1 20	33.71	3.56	0.80	1 79
Hanover Insurance Group	THG	10	71.32	2.30	0.4100	1.64	28.62	5.00	0.33	0.79
Harris Corn	HRS	13	71.02	2.00	0.4700	1.04	37.62	4 00	0.00	1.32
Hashro Inc	ная	11	54.00	3.12	0.4300	1.00	60.14	2.86	1.00	0.96
Hawkins Inc	HWKN	10	42.22	1 75	0.4000	0.76	40.14	1.99	0.00	1 2/
HCC Incurance Holdings	HCC	10	52 50	0.00	0.0000	1 10	25 74	1.00	0.00	0.62
Inco insurance notaings	HUU	10	55.52	2.20	0.2930	1.18	20./1	4.59	0.19	0.02

HDFC Bank Limited	HDB	10	50.75	0.67	0.3412	0.34	18.24	1.87	0.79	1.25
Health Care REIT Inc.	HCN	12	75.67	4.36	0.8250	3.30	434.21	0.76	0.84	0.60
Healthcare Services Grou	HCSG	12	30.93	2.26	0.1750	0.70	437.50	0.16	0.00	0.83
Holly Energy Partners LP	HEP	10	29.91	6.89	0.5150	2.06	192.52	1.07	2.55	0.51
Honat Bancorp Inc.	HONT	11	63.00	1.65	0.2600	1.04	n/a	n/a	n/a	n/a
Imperial Oil Ltd.	IMO	22	43.03	1.12	0.1200	0.48	11.37	4.22	0.28	1.27
Infinity Property & Casual	IPCC	12	77.26	1.86	0.3600	1.44	36.83	3.91	0.40	0.63
Inmarsat plc	IMASF	10	12.40	3.83	0.2375	0.48	135.71	0.35	n/a	n/a
International Business M	IBM	19	160.44	2.74	1.1000	4.40	27.62	15.93	3.21	0.63
International Flavors & Fr	IFF	12	101.36	1.85	0.4700	1.88	40.00	4.70	0.58	0.86
ITC Holdings Corp.	ITC	10	40.43	1.61	0.1625	0.65	37.36	1.74	2.50	0.19
J&J Snack Foods Corp.	JJSF	11	108.77	1.32	0.3600	1.44	37.70	3.82	0.00	0.62
J.M. Smucker Co.	SJM	17	100.98	2.54	0.6400	2.56	46.97	5.45	0.47	0.58
Jack Henry & Associates	JKHY	22	62.14	1.42	0.2200	0.88	36.36	2.42	0.01	0.81
JB Hunt Transport Servic	JBHT	11	84.25	0.95	0.2000	0.80	26.58	3.01	0.72	0.96
John Wiley & Sons Inc.	JW-A	21	59.24	1.96	0.2900	1.16	39.46	2.94	0.69	0.90
Kellogg Company	К	10	65.44	3.00	0.4900	1.96	40.75	4.81	2.26	0.52
L-3 Communications Ho	LLL	11	126.21	1.90	0.6000	2.40	33.90	7.08	0.67	1.06
Laclede Group Inc.	LG	12	53.20	3.46	0.4600	1.84	68.91	2.67	1.42	0.44
Landmark Bancorp Inc.	LARK	13	21.22	3.58	0.1900	0.76	39.58	1.92	0.48	(0.02)
Landstar System Inc	LSTR	10	72.53	0.39	0.0700	0.28	10.33	271	0.30	0.87
Lincoln Electric Holdings	LECO	20	69.09	1.68	0.2900	1 16	35.15	3.30	0.06	1.28
Lindsay Corp		12	85 74	1.00	0.2700	1.10	27.00	4.00	0.00	1.20
Linear Technology Corp.	LLTC	22	45.60	2.37	0.2700	1.00	54 55	1.00	0.00	1.10
Lockheed Martin		12	192 57	3.12	1 5000	6.00	60.67	9.80	1 35	0.63
Lyone Bancorn Inc		14	152.57	3.34	0.3800	1.52	34.86	4.36	n/a	0.00
Magellan Midstream Part	MMP	14	82.66	3.23	0.6675	2.67	78.07	3.42	1.65	0.51
Marketing Alliance Inc	ΝΛΛΛΙ	13	3 00	5.20	0.0070	0.21	150.00	0.42	n/a	0.01
Matthews International		20	48.67	1.07	0.2100	0.21	33 33	1.56	0.94	1 17
Maxim Integrated Produc	MYIM	13	31.97	3.51	0.1000	1 1 2	00.00	1.00	0.042	1.17
McGrath Bentcorn	MGRC	22	35.86	2.73	0.2000	0.08	50.04	1.22	0.42	1.03
MDLL Basourooo	MDU	22	22.50	2.75	0.2430	0.30	46.00	1.00	0.70	0.01
Moradith Corp		24	£4.20	2.10	0.1023	1 72	40.20	1.50	0.72	1 1 0
Maga Laboratorios Inc.		10	77.01	0.02	0.4325	1.73	22.03	2.02	0.00	1.10
Microphin Tophnology Inc.		12	11.01	0.00	0.1000	1 42	20.02	1 00	0.37	1.00
Microcoff Corp	MORET	10	40.11	3.10	0.3505	1.43	19.22	2.55	0.01	0.00
Mindon Rangern Inc.		12	40.45	2.07	0.0100	0.24	40.03	2.55	0.20	0.99
MOCON Inc.		10	17.00	1.97	0.0950	0.30	20.00	1.47	0.10	0.05
Monte Muffler Broke Inc.		10	57.00	2.40	0.1100	0.44	02.00	1.04	0.16	0.25
Monto Mullier Brake Inc.		10	57.60	0.90	0.1300	0.52	20.20	1.04	0.00	0.51
MOO la dua trial Dire at Oa		14	119.47	1.04	0.4900	1.90	30.21	5.13	0.99	1.30
MSC Industrial Direct Co		12	81.25	1.97	0.4000	1.60	42.55	3.76	0.24	1.08
Muncy Bank Financial Inc	NITRE	14	33.99	2.59	0.2200	0.88	n/a	n/a	n/a	n/a
Murphy Oli Corp.	MUR	18	50.52	2.77	0.3500	1.40	33.18	4.22	0.48	1.61
National Bankshares	INKSH	15	30.39	3.82	0.5800	1.16	46.40	2.50	0.00	1.01
National Health Investors	NHI	12	69.96	4.40	0.7700	3.08	103.70	2.97	0.83	0.59
National Healthcare Corp	NHC	11	62.84	2.16	0.3400	1.36	43.59	3.12	0.09	0.83
National Interstate Corp.	NAIL	10	29.80	1.61	0.1200	0.48	64.86	0.74	0.03	0.91
Nestle S.A.	NSRGY	14	72.95	3.31	2.41/4	2.42	/8./4	3.07	n/a	n/a
New Jersey Resources	NJR	19	61.20	2.94	0.4500	1.80	53.89	3.34	0.97	0.61
NewMarket Corp.	NEU	10	403.53	1.39	1.4000	5.60	30.35	18.45	0.78	1.32
NextEra Energy	NEE	20	106.29	2.73	0.7250	2.90	66.67	4.35	1.56	0.44
Nike Inc.	NKE	13	96.15	1.16	0.2800	1.12	33.33	3.36	0.11	0.79
Norfolk Southern	NSC	13	109.61	2.08	0.5700	2.28	35.51	6.42	0.72	1.14
Northeast Indiana Banco	NIDB	20	26.00	3.08	0.2000	0.80	33.47	2.39	n/a	n/a
Northeast Utilities	NU	16	53.52	2.93	0.3925	1.57	64.34	2.44	0.96	0.51

Northrop Grumman	NOC	11	147.39	1.90	0.7000	2.80	29.82	9.39	0.60	1.03
NorthWestern Corp.	NWE	10	56.58	2.83	0.4000	1.60	56.94	2.81	1.28	0.66
Norwood Financial	NWFL	16	29.05	4.13	0.3000	1.20	52.86	2.27	0.23	0.15
Novo Nordisk A/S	NVO	14	42.32	1.96	0.8303	0.83	51.89	1.60	0.01	0.94
Nu Skin Enterprises Inc.	NUS	14	43.70	3.16	0.3450	1.38	31.65	4.36	0.20	1.62
Occidental Petroleum	OXY	12	80.61	3.57	0 7200	2.88	39.89	7 22	0.19	1 4 9
Oil-Dri Corp. of America	ODC	12	32.63	245	0.2000	0.80	65.57	1 22	0.18	0.65
Omega Healthcare Inves	OHI	12	39.07	5 32	0.5200	2.08	123.81	1.68	1.64	0.00
ONEOK Inc	OKE	12	49.79	4 74	0.5200	2.00	157 33	1.00	11 56	0.00
Owens & Minor Inc		17	35.11	2.85	0.3500	1.00	78 13	1.00	0.76	0.33
Ball Corp		10	101.01	1.01	0.2000	1.00	25.57	2.42	0.70	1 47
Pail Colp.		01	114.10	1.21	0.3030	1.22	14.10	10.00	0.74	1.47
Pariner Re Linnieu	PRE	21	114.13	2.35	0.6700	2.00	14.12	10.90	0.12	0.00
People's United Financia	PBCI	22	15.18	4.35	0.1650	0.66	80.49	0.82	0.22	0.78
Perrigo Company pic	PRGO	12	167.16	0.25	0.1050	0.42	38.53	1.09	0.37	0.30
Plains All American Pipe	PAA	13	51.32	5.14	0.6600	2.64	116.30	2.27	1.11	0.55
Polaris Industries	PII	19	151.24	1.27	0.4800	1.92	30.77	6.24	0.28	1.34
PPL Corp.	PPL	13	36.33	4.10	0.3725	1.49	107.19	1.39	1.56	0.26
Praxair Inc.	PX	21	129.56	2.01	0.6500	2.60	41.34	6.29	1.39	0.81
Prosperity Bancshares	PB	16	55.36	1.97	0.2725	1.09	26.33	4.14	0.05	1.21
PSB Holdings Inc.	PSBQ	21	35.50	2.25	0.4000	0.80	21.39	3.74	n/a	n/a
Qualcomm Inc.	QCOM	12	74.33	2.26	0.4200	1.68	38.18	4.40	0.00	1.16
Raytheon Company	RTN	10	108.17	2.24	0.6050	2.42	36.83	6.57	0.40	0.64
Realty Income Corp.	0	21	47.71	4.61	0.1834	2.20	247.30	0.89	0.92	0.53
Regal Beloit Corp.	RBC	10	75.20	1.17	0.2200	0.88	35.06	2.51	0.32	1.43
BenaissanceBe Holding	RNR	19	97 22	1 1 9	0 2900	1 16	8.03	14 45	0.07	0.42
Benublic Bancorn KY	RBCAA	16	24 72	3.03	0 1870	0.75	62.86	1 19	0.07	1 15
Benublic Services Inc	RSG	12	40.25	2.78	0.2800	1 1 2	54.90	2.04	0.07	0.63
Reynolds American Inc.		10	64.27	417	0.2000	2.69	00.85	2.04	1 10	0.00
Reynolds American Inc.		10	04.27	4.17	0.0700	2.00	90.00	2.90	0.76	0.51
RGC Resources Inc.	HGCU	12	22.00	3.50	0.1925	0.77	77.00	1.00	0.76	(0.10)
Ritchie Brothers Auctione	RBA	12	26.89	2.08	0.1400	0.56	62.22	0.90	0.23	1.04
Robert Half International	RHI	11	58.38	1.23	0.1800	0.72	33.96	2.12	0.00	1.41
Rollins Inc.	ROL	12	33.10	1.27	0.1050	0.42	45.16	0.93	0.00	0.84
Roper Industries Inc.	ROP	22	156.35	0.64	0.2500	1.00	16.08	6.22	0.51	0.99
Ross Stores Inc.	ROST	20	94.26	0.85	0.2000	0.80	18.87	4.24	0.18	0.68
Royal Gold Inc.	RGLD	14	62.70	1.40	0.2200	0.88	86.27	1.02	0.13	0.33
Ryder System	R	10	92.85	1.59	0.3700	1.48	28.68	5.16	2.27	1.69
Safeway Inc.	SWY	10	35.12	2.62	0.2300	0.92	766.67	0.12	0.51	1.07
SCANA Corp.	SCG	14	60.40	3.48	0.5250	2.10	55.41	3.79	1.26	0.43
SEI Investments Compar	SEIC	24	40.04	1.20	0.2400	0.48	27.12	1.77	0.00	1.19
Sempra Energy	SRE	11	111.36	2.37	0.6600	2.64	57.64	4.58	1.23	0.45
Shire plc	SHPG	11	212.54	0.29	0.3114	0.62	6.51	9.57	0.17	0.72
Silgan Holdings Inc	SLGN	11	53.60	1 12	0.1500	0.60	21.05	2.85	2.52	0.67
South lersey Industries	SII	16	58.03	3.41	0.5025	2.01	70.53	2.85	1 36	0.07
Southern Company	80	13	/0.11	1 28	0.5025	2.01	80.74	2.00	1.00	0.12
Southeide Beneaberee	00	00	49.11	4.20	0.5250	2.10	45.19	1.05	1.23	0.10
Southside Bancshares	ODAN	20	20.91	3.04	0.2200	0.00	45.13	1.95	0.21	0.00
Span-America Medical S	SPAN	10	17.02	3.53	0.1500	0.60	68.97	0.87	0.00	0.33
StanCorp Financial Grou	SFG	16	69.86	1.86	1.3000	1.30	25.00	5.20	0.22	1.12
Steris Corp.	STE	10	64.85	1.42	0.2300	0.92	44.66	2.06	0.58	1.12
StoneMor Partners LP	STON	10	25.77	9.62	0.6200	2.48	n/a	-0.26	1.15	0.64
Stryker Corp.	SYK	22	94.33	1.46	0.3450	1.38	82.14	1.68	0.46	0.96
Sunoco Logistics Partne	SXL	13	41.78	3.66	0.3825	1.53	91.07	1.68	0.61	0.51
Syngenta AG	SYT	13	64.24	3.54	2.2759	2.28	64.47	3.53	0.48	1.08
Tanger Factory Outlet Ce	SKT	21	36.96	2.60	0.2400	0.96	117.07	0.82	2.85	0.42
TC Pipelines LP	TCP	15	71.22	4.72	0.8400	3.36	129.23	2.60	1.13	0.39
Teekay LNG Partners LP	TGP	10	43.00	6.44	0.6918	2.77	109.81	2.52	1.75	0.67
Teva Pharmaceutical Ind	TEVA	15	57.51	2.36	0.3387	1.35	42.20	3.21	0.45	0.64
Texas Instruments	TXN	11	53 47	2.54	0.3400	1.36	59.91	2 27	0.44	1.25
Texas Pacific Land Truet	TPI	11	118.00	0.23	0.2700	0.27	6.68	4 04	0.00	1.06
Thomasville Bancebaree	THVB	13	20 50	1 36	0.4000	0.27	54 70	0.73	0.00 n/a	n/2
Thomaon Boutoro Corr	TDI	01	40.24	1.00	0.4000	1.20	064.00	0.73	0.60	0.00
monison neuters Corp.	ILLI	21	40.34	3.27	0.3300	1.32	204.00	0.50	0.02	0.00

Tiffany & Company	TIF	12	106.86	1.42	0.3800	1.52	107.04	1.42	0.38	1.78
TJX Companies Inc.	TJX	18	68.58	1.02	0.1750	0.70	23.10	3.03	0.37	0.63
Transmontaigne Partner	TLP	10	31.51	8.44	0.6650	2.66	150.28	1.77	0.74	0.36
Travelers Companies	TRV	10	105.85	2.08	0.5500	2.20	21.32	10.32	0.25	0.87
UMB Financial Corp.	UMBF	23	56.89	1.65	0.2350	0.94	32.75	2.87	0.00	1.26
United Technologies	UTX	21	115.00	2.05	0.5900	2.36	34.86	6.77	0.59	1.14
Urstadt Biddle Properties	UBA	21	21.88	4.66	0.2550	1.02	231.82	0.44	0.84	0.75
Utah Medical Products In	UTMD	11	60.05	1.70	0.2550	1.02	32.59	3.13	0.09	0.33
Valmont Industries	VMI	13	127.00	1.18	0.3750	1.50	20.22	7.42	0.60	1.11
Vector Group Ltd.	VGR	17	21.31	7.51	0.4000	1.60	181.82	0.88	n/a	0.31
Verizon Communications	VZ	10	46.78	4.70	0.5500	2.20	45.64	4.82	6.59	0.39
VSE Corp.	VSEC	11	65.90	0.61	0.1000	0.40	9.52	4.20	0.40	0.51
W.P. Carey Inc.	WPC	18	70.10	5.42	0.9500	3.80	255.03	1.49	0.99	0.85
W.R. Berkley Corp.	WRB	13	51.26	0.86	0.1100	0.44	8.89	4.95	0.52	0.63
Waste Management	WM	11	51.32	2.92	0.3750	1.50	652.17	0.23	1.89	0.71
West Pharmaceutical Se	WST	22	53.24	0.83	0.1100	0.44	26.67	1.65	0.35	0.81
Westamerica Bancorp	WABC	23	49.02	3.10	0.3800	1.52	64.96	2.34	0.00	1.06
Westar Energy	WR	10	41.24	3.39	0.3500	1.40	59.83	2.34	1.11	0.46
Westlake Chemical Corp	WLK	11	61.09	1.08	0.1650	0.66	13.28	4.97	0.27	2.36
Westwood Holdings Gro	WHG	13	61.82	3.24	0.5000	2.00	57.31	3.49	0.00	0.92
Williams Companies	WMB	11	44.94	5.07	0.5700	2.28	89.06	2.56	2.29	1.31
Williams Partners LP	WPZ	10	44.75	8.30	0.9285	3.71	562.73	0.66	1.18	0.30
Wisconsin Energy	WEC	12	52.74	3.20	0.4225	1.69	63.06	2.68	1.16	0.28
Xcel Energy	XEL	11	35.92	3.34	0.3000	1.20	61.86	1.94	1.23	0.30
Xilinx Inc.	XLNX	12	43.29	2.68	0.2900	1.16	48.74	2.38	0.57	1.31
York Water Company	YORW	18	23.21	2.58	0.1495	0.60	72.93	0.82	0.83	0.53
Yum! Brands Inc.	YUM	11	72.85	2.25	0.4100	1.64	51.25	3.20	1.35	0.78

Company	Ticker	No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
A. Schulman Inc.	SHLM	7	40.53	2.02	0.2050	0.82	45.56	1.80	0.70	1.46
ABB Limited	ABB	5	21.15	3.73	0.7887	0.79	74.40	1.06	0.46	1.42
Access Midstream Partne	ACMP	5	54.20	4.54	0.6150	2.46	212.07	1.16	1.08	0.45
Activision Blizzard Inc.	ATVI	5	20.15	0.99	0.2000	0.20	23.26	0.86	0.62	1.01
Admiral Group plc	AMIGY	6	20.71	7.93	0.8212	1.64	97.76	1.68	n/a	n/a
Aetna Inc.	AET	5	88.83	1.13	0.2500	1.00	16.64	6.01	0.53	1.00
Alexandria Real Estate E	ARE	5	88.74	3.34	0.7400	2.96	168.18	1.76	1.00	1.02
Alfa Laval AB	ALFVY	5	19.14	2.98	0.5710	0.57	62.07	0.92	n/a	n/a
Alliance Holdings GP LP	AHGP	9	60.99	5.85	0.8925	3.57	/8.63	4.54	1.39	0.48
Altera Corp.	ALIK	8	36.94	1.95	0.1800	0.72	49.32	1.46	0.45	1.24
American Electric Power	AEP	5	60.72	3.49	0.5300	2.12	57.92	3.66	1.15	0.40
American Financial Grou	AFG	9	60.72	1.05	0.2500	1.00	18.90	5.29	0.22	0.83
American water works		7	53.30	2.33	0.3100	0.26	15.65	2.20	1.20	1.29
America America		5	150.00	1.00	0.0900	0.30	10.76	2.30	1 20	0.52
Annyen Inc.		5	112 32	2.88	1 6108	3.10	57.05	5.50	1.30	0.52
Applied Industrial Techno		5	45.50	2.00	0.2500	1.00	36.63	2.73	0.41	1.28
Applied Materials Inc	AMAT	5	24 92	1.61	0.1000	0.40	45.98	0.87	0.25	1.20
Armanino Foods of Distir	AMNE	9	2 04	3.53	0.0180	0.10	60.00	0.07	n/a	n/a
Ashford Hospitality Trust	AHT	5	10.48	4.58	0 1200	0.48	n/a	-0.85	3.31	1 74
Ashland Inc.	ASH	5	119.76	1.14	0.3400	1.36	152.81	0.89	0.92	1.24
Assa Ablov AB	ASAZY	5	26.54	1.62	0.4290	0.43	44.68	0.96	n/a	n/a
Autoliv Inc.	ALV	5	106.12	2.04	0.5400	2.16	48.32	4.47	0.48	1.65
Avago Technologies Ltd.	AVGO	5	100.59	1.39	0.3500	1.40	104.48	1.34	1.78	0.96
AVX Corp.	AVX	5	14.00	3.00	0.1050	0.42	45.16	0.93	0.00	1.29
BAE Systems plc	BAESY	6	29.16	4.54	0.6625	1.33	368.06	0.36	n/a	n/a
Balchem Inc.	BCPC	6	66.64	0.45	0.3000	0.30	20.98	1.43	0.91	0.90
Banco Latinoamericano	BLX	5	30.10	5.12	0.3850	1.54	62.86	2.45	1.57	0.99
Bank of Nova Scotia	BNS	5	57.08	4.12	0.5880	2.35	48.30	4.87	0.11	1.04
Barclays plc	BCS	5	15.01	2.87	0.1076	0.43	72.93	0.59	1.82	1.90
Barrett Business Service	BBSI	5	27.40	3.21	0.2200	0.88	n/a	-4.04	0.15	1.27
Baxter International Inc.	BAX	8	73.29	2.84	0.5200	2.08	65.00	3.20	1.10	0.71
BioMed Realty Trust Inc.	BMR	5	21.54	4.83	0.2600	1.04	325.00	0.32	0.97	0.97
BlackRock Inc.	BLK	5	357.56	2.16	1.9300	7.72	39.92	19.34	0.33	1.46
Bob Evans Farms	BORE	9	51.18	2.42	0.3100	1.24	147.62	0.84	1.25	0.87
Breitburn Energy Partner	BBEP	6	7.00	29.71	0.1733	2.08	n/a	-0.26	1.01	0.39
Bristol-Myers Squibb Co.	BMY	6	59.03	2.51	0.3700	1.48	90.80	1.63	0.51	0.34
Broadcom Corp.	BRUM	0	43.33	1.29	0.1400	0.56	/0./1	0.73	0.18	1.03
Broadridge Financial Sol	BK	8	40.18	2.34	0.2700	1.08	53.47	2.02	0.54	1.07
BIOOKIIEIU IIIIastiuciule I		5	61.00	4.59	0.4600	1.92	10 66	-0.59	2.19	0.79
		7	13.01	1.80	0.0607	0.23	40.00	0.63	0.87	1.11
Calamos Asset Manager		5	13.32	4.50	0.0504	0.20	60.00	1.00	0.07	1.17
Calumet Specialty Produ		5	22 41	12 23	0.6850	2 74	00.00 n/a	-1 12	1.84	0.88
Cantel Medical Corp	CMN	6	43.26	0.23	0.0500	0.10	9.62	1.04	0.25	1 64
Cardinal Financial Corp.	CFNL	5	19.83	2.02	0.1000	0.40	47.06	0.85	0.07	1.17
CBL & Associates Prope	CBL	5	19.42	5.46	0.2650	1.06	168.25	0.63	3.39	1.80
CBOE Holdings Inc.	CBOE	5	63.42	1.32	0.2100	0.84	38.89	2.16	0.00	0.61
Celanese Corp.	CE	5	59.96	1.67	0.2500	1.00	11.45	8.73	1.16	1.87
Cenovus Energy Inc.	CVE	6	20.62	4.81	0.2481	0.99	75.74	1.31	0.50	1.15
CenterPoint Energy	CNP	9	23.43	4.05	0.2375	0.95	74.80	1.27	2.03	0.47
Chemed Corp.	CHE	6	105.67	0.83	0.2200	0.88	17.05	5.16	0.40	0.78
Chesapeake Lodging Tri	CHSP	5	37.21	3.22	0.3000	1.20	112.15	1.07	0.54	1.19
Chico's FAS Inc.	CHS	5	16.21	1.85	0.0750	0.30	47.62	0.63	0.00	1.49
Cimarex Energy Co.	XEC	5	106.00	0.60	0.1600	0.64	8.78	7.29	0.34	1.51
Cleco Corp.	CNL	5	54.54	2.93	0.4000	1.60	61.30	2.61	0.82	0.54
CMS Energy Corp.	CMS	8	34.75	3.11	0.2700	1.08	61.02	1.77	2.41	0.33
Coach Inc.	COH	6	37.56	3.59	0.3375	1.35	55.33	2.44	0.07	1.13
Coca-Cola Enterprises Ir	CCE	7	44.22	2.26	0.2500	1.00	37.04	2.70	2.40	1.04
Cohen & Steers Inc.	CNS	5	42.08	2.09	0.2200	0.88	50.57	1.74	0.00	1.22
Colony Financial Inc.	CLNY	6	23.82	6.21	0.3700	1.48	142.31	1.04	0.45	0.84
Columbia Sportswear Co	COLM	9	44.54	1.35	0.1500	0.60	35.71	1.68	0.00	1.37

Select Dividend Challengers (5-9 years of increases)

Comcast Corp.	CMCSA	7	58.01	1.55	0.2250	0.90	28.30	3.18	0.91	1.21
ConAgra Foods Inc.	CAG	6	36.28	2.76	0.2500	1.00	156.25	0.64	1.50	0.46
Copa Holdings SA	CPA	5	103.64	3.71	0.9600	3.84	38.02	10.10	0.54	1.11
Core Laboratories NV	CLB	7	120.34	1.66	0.5000	2.00	35.15	5.69	3.87	0.91
CoreSite Realty Corp.	COR	5	39.05	4.30	0.4200	1.68	280.00	0.60	1.45	1.26
Corning Inc.	GLW	5	22.93	2.09	0.1200	0.48	37.21	1.29	0.19	1.73
Covidien plc	COV	8	102.28	1.41	0.3600	1.44	39.45	3.65	0.50	1.00
CubeSmart	CUBE	5	22.07	2.90	0.1600	0.64	457.14	0.14	0.87	1.04
Cummins Inc.	CMI	9	144.17	2.16	0.7800	3.12	35.06	8.90	0.22	1.77
DCP Midstream Partners	DPM	9	45.43	6.78	0.7700	3.08	221.58	1.39	0.82	0.83
DeVry Education Group In	DV	9	47.47	0.76	0.1800	0.36	14.34	2.51	0.00	1.43
Diageo plc	DEO	5	114.09	2.95	1.6849	3.37	58.40	5.77	1.35	0.86
Domtar Corp.	UFS	5	40.22	3.73	0.3750	1.50	22.94	6.54	0.47	1.63
Douglas Dynamics Inc.	PLOW	5	21.43	4.06	0.2175	0.87	55.06	1.58	0.85	1.24
Douglas Emmett Inc.	DEI	5	28.40	2.96	0.2100	0.84	289.66	0.29	1.64	1.00
Dow Chemical Company	DOW	5	45.61	3.68	0 4200	1.68	56.57	2.97	0.91	1.65
Dr Pepper Snapple Grou	DPS	5	71.68	2 29	0 4100	1.64	45.94	3.57	1.08	0.06
DTF Energy Company	DTF	5	86.37	3.20	0.6900	2 76	66.99	4 12	1.00	0.35
Dun & Bradstreet Corp	DNB	8	120.96	1 46	0.4400	1 76	23.69	7 43	n/a	1.06
DuPont Fabros Technolo	DFT	6	33.24	5.05	0 4200	1.68	154 13	1 09	1 12	0.46
Eastman Chemical Co	EMN	5	75.86	2 11	0 4000	1.60	22 70	7.05	1 17	1 73
Eaton Corp. plc	FTN	5	67.96	2.88	0.4900	1.00	55.37	3 54	0.54	1.70
EMC Insurance Group In	EMCL	5	35.46	2.82	0.2500	1.00	44 84	2 23	0.05	0.69
Enbridge Energy Partner	FFP	ğ	39.90	5.71	0.5700	2.28	n/a	0.00	1 73	0.53
Energy Transfer Equity 1	FTF	ğ	57.38	2.89	0.0100	1.66	307 41	0.54	42 11	0.00
Energy Handler Equity El	FSV	5	20.05	10.02	0.7500	3.00	138.89	2 16	0.50	1.45
Ensign Group Inc	ENSG	8	44.39	0.68	0.750	0.30	18.07	1.66	0.00	0.75
Equifax Inc	FFX	5	80.87	1.24	0.2500	1.00	35.84	2 70	0.67	0.10
Escalade Inc	ESCA	5	15.09	2.65	0.2000	0.40	46 51	0.86	0.07	0.31
Estee Lauder Companie	FI	5	76.20	1.00	0.2400	0.10	33.22	2.80	0.20	1 14
EV Energy Partners I P	EVEP	8	10.20	16.07	0.2400	3 10	00.22 n/a	-0.53	1 15	0.71
Evercore Partners Inc	EVB	8	52 37	2 14	0.7740	1 12	61.20	1.83	0.20	1 59
Event Trust Inc	EXI	6	13 30	5.23	0.1750	0.70	n/a	-0.09	0.20	0.60
Exterran Partners I P	EXIP	8	21.62	10.22	0.1730	2 21	276 25	0.80	1 79	0.00
Extra Space Storage Inc.	EXB	5	58.64	3.21	0.4700	1.88	103.87	1.81	1.76	0.95
Example of the state of the sta	FISI	5	25.15	3.18	0.2000	0.80	42 11	1 90	0.00	1 1 2
Finish Line Inc. (The)	FINI	7	24.31	1.32	0.2000	0.32	18.60	1.30	0.00	1.06
First American Financial	FAF	5	33.00	2.83	0.2400	0.96	51.06	1.88	0.00	0.95
First Interstate Bancsyste	FIBK	5	27.82	2.00	0.2400	0.50	34 78	1.84	0.17	1 10
Flowserve Corp	FLS	8	59.83	1.07	0.1600	0.64	17.68	3.62	0.10	1.10
ENB Bancorn	FNBG	5	27 75	1 73	0.1200	0.01	20.27	1.64	n/a	n/a
Frisch's Bestaurants Inc.	FBS	8	26.26	3.05	0.2000	0.10	40.40	1.01	0.06	0.38
G&K Services Inc	GK	q	70.85	1 75	0.3100	1 24	42.61	2.91	0.00	1 75
General Electric Co	GE	5	25.27	3.64	0.2300	0.92	62 16	1 48	2 77	1.75
General Growth Propertie	GGP	6	28.13	2 4 2	0.1700	0.68	261.54	0.26	2.22	1.00
Gildan Activewear Inc	GII	5	56 55	0.92	0.1700	0.00	17.81	2 92	0.08	1.40
Global Partners I P		5	32.00	7.01	0.1000	2.61	61.85	4 22	1.80	0.77
Group 1 Automotive Inc	GPI	5	89.62	0.85	0.0020	0.76	20.00	3.62	2.36	1.62
HCI Group Inc	HCI	5	43.24	2.54	0.1900	1 10	20.33	5.02	2.30	1.02
HEICO Corp	HEI	8	60.40	0.23	0.2750	0.14	7 78	1 80	0.72	0.77
Hershey Company	HSV	5	103.93	2.06	0.0700	2 14	58.15	3.68	1 50	0.77
Hillenbrand Inc	ш	8	34.50	2.00	0.0000	0.80	46.51	1 72	0.06	1 22
Hinghom Institution for S		7	97.01	1.00	0.2000	1.10	40.01	0.05	0.90	0.20
Home Depet Inc		5	104.07	1.29	0.2000	1.12	40.72	9.95	1.65	1.06
Horaco Mann Educatora		5	22 10	0.77	0.4700	1.00	42.73	4.40	0.10	1.00
Horizon Rencern		5	06.14	2.11	0.2300	0.92	20.77	1 00	0.10	0.25
		7	106 92	2.14	0.1400	0.00	41.00	5.40	0.10	1.20
Luntington Rangeborge		6	100.03	2.10	0.0000	2.24	41.03	0.71	0.30	1.23
IDEX Corp		5	77.94	2.20	0.0000	0.24	31.00	3.51	0.60	1.04
Interface Inc		5	16.47	1.44	0.2000	0.10	20.00	0.01	0.52	1.44
International Panacharas	IBOC	5 F	26.54	2.02	0.0400	0.16	22.23	0.48	0.01	1.50
International Dancsfidles		5	20.04	2.03	0.2700	1 60	20.00	1.00	1 40	1./4
International Paper CO.		0	21.58	2.99	0.4000	1.00	10.05	1.90	1.42	1.40
international Speedway (IJUA	J	31.05	0.70	v.∠400	0.24	19.00	1.20	0.21	1.12

Invesco Limited	IVZ	5	39.52	2.53	0.2500	1.00	46.51	2.15	0.19	2.12
Iron Mountain Inc.	IRM	5	38.66	4.91	0.4750	1.90	102.70	1.85	9.64	0.89
JMP Group Inc	.IMP	5	7 62	3 67	0 0700	0.28	56.00	0.50	0.69	1.85
Johnson Controls Inc	JCI	5	48.34	2 15	0.2600	1 04	48.83	2 13	0.59	1.64
Kimes Boolty Corp		5	05 14	2.10	0.2400	0.06	120.72	0.74	1.00	1.01
KINCO Really Colp.		5	20.14	3.02	0.2400	0.90	129.73	0.74	1.00	1.34
KLA-Tencor Corp.	KLAC	5	70.32	2.84	0.5000	2.00	61.73	3.24	0.21	1.61
Kohlberg Kravis Roberts	ккн	5	23.21	8.75	0.5075	2.03	93.55	2.17	1.87	1.89
Kroger Company	KR	9	64.21	1.15	0.1850	0.74	22.84	3.24	2.17	0.81
LaSalle Hotel Properties	LHO	5	40.47	3.71	0.3750	1.50	82.42	1.82	0.56	1.67
Lazard Limited	LAZ	7	50.03	2.40	0.3000	1.20	51.95	2.31	1.85	1.94
Lennox International Inc.	LII	5	95.07	1.26	0.3000	1.20	30.38	3.95	1.19	1.22
Lexington Realty Trust	L XP	5	10.98	6 1 9	0 1700	0.68	618 18	0.00	1.56	1.23
Lincoln National Corn		5	57.67	1 20	0.0000	0.00	14.02	5.60	0.25	1.00
Liftoin National Colp.		5	06.60	1.39	0.2000	0.00	10.05	3.02	1.60	1.99
Litria Motors inc.	LAD	5	00.09	0.74	0.1600	0.04	13.65	4.02	1.02	2.25
Littelfuse Inc.	LFUS	5	96.67	1.03	0.2500	1.00	22.62	4.42	0.37	1.65
Lorillard Inc.	LO	7	62.94	3.91	0.6150	2.46	78.10	3.15	n/a	0.45
Macerich Company	MAC	5	83.41	3.12	0.6500	2.60	541.67	0.48	1.55	1.20
Magna International Inc.	MGA	5	108.69	1.40	0.3800	1.52	18.34	8.29	0.12	1.13
Maiden Holdings Ltd.	MHLD	7	12.79	4.07	0.1300	0.52	58.43	0.89	0.40	0.69
Malaga Financial Corp	MIGE	6	21.75	3.68	0 2000	0.80	41.45	1 03	n/a	n/a
Marathan Oil Corp.		5	20.00	2.07	0.2000	0.00	40.70	2.06	0.22	1 40
MarketAure e Lleldinge la		0	20.29	2.97	0.2100	0.04	40.78	2.00	0.32	1.40
MarketAxess Holdings in		0	/1./1	0.69	0.1600	0.04	35.30	1.01	0.00	0.74
Marriott International Inc.	MAR	5	78.03	1.03	0.2000	0.80	33.61	2.38	n/a	1.33
Marsh & McLennan Com	MMC	5	57.24	1.96	0.2800	1.12	42.11	2.66	0.51	0.81
Mattel Inc.	MAT	5	30.94	4.91	0.3800	1.52	73.08	2.08	0.70	0.74
McKesson Corp.	MCK	7	207.58	0.46	0.2400	0.96	15.82	6.07	1.18	0.73
Mead Johnson Nutrition	MJN	6	100.54	1.49	0.3750	1.50	42.61	3.52	2.94	0.69
Mid-America Apartment (ΜΔΔ	5	74.68	4 12	0 7700	3.08	254 55	1 21	1 18	0.57
Millor Industrias Inc	MID	5	20.70	2 00	0.1700	0.00	50 00	1.02	0.00	0.07
Manageh Financial Haldin		5	20.79	2.09	0.1500	0.00	00.02	1.02	0.00	0.63
Monarch Financial Holdin	MINHK	5	13.75	2.33	0.0800	0.32	32.00	1.00	0.10	0.59
Montpelier Re Holdings L	MRH	5	35.82	2.23	0.2000	0.80	16.36	4.89	0.27	0.55
Moody's Corp.	MCO	6	95.81	1.42	0.3400	1.36	30.70	4.43	10.12	1.56
Morningstar Inc.	MORN	5	64.71	1.17	0.1900	0.76	44.19	1.72	0.04	0.68
Mvers Industries Inc.	MYE	5	17.60	2.95	0.1300	0.52	157.58	0.33	1.57	1.52
National American Unive	NAUH	5	2 70	6.67	0.0450	0.18	75.00	0.24	0.23	1.31
National Oilwell Varco In		6	65.53	2.91	0.4600	1.94	31.45	5.85	0.15	1.01
Nacional Onwell Valco Inc	ND	5	60.07	1.00	0.4000	1.04	26.25	2.05	0.13	1.92
Neenan Faper Inc.		5	70.00	1.99	0.3000	1.20	30.25	0.01	0.04	1.20
Nordstrom Inc.	JWN	5	79.39	1.66	0.3300	1.32	35.01	3.77	1.38	1.33
Northrim BanCorp Inc.	NRIM	5	26.24	2.74	0.1800	0.72	36.55	1.97	0.12	0.52
OGE Energy Corp.	OGE	8	35.48	2.82	0.2500	1.00	50.51	1.98	0.90	0.67
Omnicare Inc.	OCR	5	72.93	1.21	0.2200	0.88	39.46	2.23	0.83	1.28
Omnicom Group Inc.	OMC	5	77.47	2.58	0.5000	2.00	48.90	4.09	1.25	1.43
ONFOK Partners LP	OKS	9	39.63	7 82	0 7750	3 10	132 48	2 34	1.08	0.28
Oracle Corp	ORCI	6	44 97	1.07	0 1200	0.48	20.08	2.39	0.68	1 43
Orango County Bancorn		7	42.50	2 77	0.1200	1.64	20.00	2.00 n/o	0.00	n/o
Orange County Bancorp		/	45.50	3.77	0.4100	1.04	11/a	11/a	11/a	11/a
Ontani Financial Corp.	ORII	0	15.40	4.55	0.1750	0.70	/5.2/	0.93	0.00	0.60
Pardee Resource Compa	PDER	9	260.00	2.69	1.7500	7.00	n/a	n/a	n/a	n/a
Patterson Companies Inc	PDCO	5	48.10	1.66	0.2000	0.80	37.04	2.16	0.50	0.78
PCTEL Inc.	PCTI	5	8.66	2.31	0.0500	0.20	117.65	0.17	0.00	1.32
PennyMac Mortgage Inve	PMT	5	21.09	11.57	0.6100	2.44	91.04	2.68	0.26	0.53
PetMed Express Inc	PFTS	6	14 37	4 73	0 1700	0.68	80.95	0.84	0.00	1 2 9
PetSmart Inc	PETM	6	81.20	0.96	0 1950	0.00	18.48	4 22	0.42	0.58
		5	01.23	0.30	0.1950	0.70	70.40	4.22	0.42	0.00
Pfizer Inc.	PFE	5	31.15	3.60	0.2800	1.12	70.89	1.58	0.48	0.69
Philip Morris Internationa	PM	1	81.45	4.91	1.0000	4.00	80.32	4.98		0.93
PolyOne Corp.	POL	5	37.91	1.06	0.1000	0.40	33.33	1.20	1.13	1.70
Portland General Electric	POR	9	37.83	2.96	0.2800	1.12	50.00	2.24	1.23	0.51
Preferred Apartment Corr	APTS	5	9.10	7.69	0.1750	0.70	n/a	-0.03	1.78	1.40
Primerica Inc	PRI	5	54 26	0.88	0 1200	0.48	15 53	3 09	0 4 4	077
Principal Financial Group	PFG	6	51 94	2.62	0.3400	1.36	37 78	3.60	0.26	1.76
Pro Acquirance Corn		5	45 15	0.75	0.0100	1.00	27.04	2.00	0.11	0.62
Protective Life Corp.		5	40.10	2.75	0.3100	1.24	37.24	5.00	0.11	1.70
FIOLECLIVE LITE COIP.		c	09.65	1.38	0.2400	0.96	10.15	5.29	0.48	1./3
Prudential Financial Inc.	PHU	6	90.46	2.56	0.5800	2.32	47.35	4.90	0.78	1.58
Public Storage	PSA	5	184.85	3.03	1.4000	5.60	111.55	5.02	0.01	0.76
Quaint Oak Bancorp Inc.	QNTO	7	19.50	1.23	0.0600	0.24	19.05	1.26	n/a	n/a
Quaker Chemical Corp.	KWR	7	92.04	1.30	0.3000	1.20	27.46	4.37	0.17	2.15
							-			
Ralph Lauren Corp.	RL	5	185.16	0.97	0.4500	1.80	21.69	8.30	0.19	1.30
Ralph Lauren Corp. Reinsurance Group of An	RL BGA	5	185.16 87.62	0.97	0.4500	1.80	21.69 14.55	8.30 9.07	0.19	1.30

Rent-A-Center Inc.	RCII	6	36.32	2.64	0.2400	0.96	60.76	1.58	0.70	1.15
Resources Connection Ir	RECN	5	16.45	1.95	0.0800	0.32	57.14	0.56	0.00	1.56
Retail Opportunity Investr	ROIC	5	16.79	3.81	0.1600	0.64	290.91	0.22	0.74	0.33
Rock-Tenn Company	RKT	6	60.98	1.23	0.1875	0.75	22.80	3.29	0.69	1.48
Rockwell Automation Inc.	ROK	5	111.20	2.34	0.6500	2.60	43.99	5.91	0.46	1.42
Royal Bank of Canada	RY	5	69.07	3.73	0.6445	2.58	49.86	5.17	0.16	1.19
Safety Insurance Group I	SAFT	5	64.01	4.37	0.7000	2.80	70.53	3.97	0.00	0.72
Scotts Miracle-Gro Comp	SMG	5	62.32	2.89	0.4500	1.80	68.44	2.63	1.42	1.00
Sensient Technologies	SXT	9	60.34	1.66	0.2500	1.00	58.82	1.70	0.42	1.15
Simon Property Group Inc	SPG	5	182.11	2.86	1.3000	5.20	119.54	4.35	4.26	0.82
Six Flags Entertainment (SIX	5	43.15	4.82	0.5200	2.08	169.11	1.23	4.00	1.26
Smith & Nephew plc	SNN	9	36.74	1.52	0.2800	0.56	50.00	1.12	0.50	0.84
Snap-on Inc	SNA	5	136 74	1.55	0.5300	2 12	31.27	6 78	0.40	1.33
Solera Holdings Inc	SLH	6	51 18	1.52	0 1950	0.78	n/a	-0.15	3 14	0.83
Southwest Gas Corp	SWX	8	61.81	2.36	0.3650	1 46	48 99	2.98	1.00	0.74
Spectra Energy Partners	SEP	8	56.97	4.05	0.5763	2 31	40.02	5.76	0.58	0.45
STAG Industrial Inc	STAG	5	24.50	5.51	0.3700	1 35	+0.02 n/a	-0.23	1 1 1	0.40
Stage Stores Inc	SSI	5	20.70	2.71	0.1120	0.56	08.25	0.20	0.20	1.01
Standard Motor Products	SMP	5	20.70	1.26	0.1400	0.50	23 74	2.10	0.29	1.21
Starbucko Corp		5	00.12	1.50	0.1300	1.00	47.06	2.13	0.10	0.04
Stanwood Hotolo & Booo		6	Q1 07	1.00	0.0200	1.20	50 54	2.12	1.14	1.04
Stanwood Property Trust	STWD	6	01.07	0.00	0.3300	1.40	04 50	2.11	1.14	1.94
Starwood Property ITust		0	23.24	0.20	0.4600	1.92	04.00	2.27	1.00	0.69
Stock Yards Bancorp Inc.	SIBI	5	33.34	2.76	0.2300	0.92	41.82	2.20	n/a	0.83
Suncor Energy Inc.	50	9	31.78	2.90	0.2305	0.92	51.51	1.79	0.28	1.67
Symetra Financial Corp.	SYA	5	23.05	1.74	0.1000	0.40	18.60	2.15	0.21	1.14
TAL International Group I	TAL	5	43.57	6.61	0.7200	2.88	77.84	3.70	4.30	1.67
Targa Resources Partne	NGLS	8	47.88	6.52	0.7800	3.12	108.33	2.88	1.35	0.82
TD Ameritrade Holding C	AMTD	5	35.78	1.68	0.1500	0.60	42.25	1.42	0.26	1.45
TE Connectivity Ltd.	TEL	5	63.25	2.09	0.3300	1.32	30.77	4.29	0.44	1.62
Techne Corp.	TECH	7	92.40	1.39	0.3200	1.28	44.29	2.89	0.16	0.62
Teekay Offshore Partners	TOO	8	26.79	8.04	0.5384	2.15	414.15	0.52	4.02	0.64
Telenor ASA	TELNY	5	60.54	5.80	3.5134	3.51	190.94	1.84	n/a	n/a
TELUS Corp.	TU	5	36.04	3.78	0.3410	1.36	70.31	1.94	1.16	0.44
Tarrana Daalty Carn			00.00	2 10	0 1 0 0 0	0.01	100.07	0.45	0.00	0.00
Terreno Really Corp.	THINU	5	20.63	3.10	0.1600	0.64	426.67	0.15	0.33	0.62
Territorial Bancorp	TBNK	5 5	20.63	2.97	0.1600	0.64	426.67	0.15	0.33	0.62
Territorial Bancorp TESSCO Technologies In	TBNK TESS	5 5 6	20.63 21.55 29.00	2.97 2.76	0.1600 0.1600 0.2000	0.64 0.64 0.80	426.67 42.67 46.24	0.15 1.50 1.73	0.33	0.62
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings	TBNK TESS TGH	5 5 6 8	20.63 21.55 29.00 34.32	2.97 2.76 5.48	0.1600 0.1600 0.2000 0.4700	0.64 0.64 0.80 1.88	426.67 42.67 46.24 55.79	0.15 1.50 1.73 3.37	0.33	0.62 0.24 1.25 1.20
Territorial Bancorp TESSCO Technologies Ir Textainer Group Holdings Thor Industries Inc.	TBNK TESS TGH THO	5 5 6 8 5	20.63 21.55 29.00 34.32 55.87	2.97 2.76 5.48 1.93	0.1600 0.1600 0.2000 0.4700 0.2700	0.64 0.64 0.80 1.88 1.08	426.67 42.67 46.24 55.79 32.34	0.15 1.50 1.73 3.37 3.34	0.33 0.00 0.02 2.36 0.00	0.62 0.24 1.25 1.20 1.75
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc.	TBNK TESS TGH THO TWC	5 5 6 8 5 5	20.63 21.55 29.00 34.32 55.87 152.06	2.97 2.76 5.48 1.93 1.97	0.1600 0.2000 0.4700 0.2700 0.7500	0.64 0.64 0.80 1.88 1.08 3.00	426.67 42.67 46.24 55.79 32.34 42.49	0.15 1.50 1.73 3.37 3.34 7.06	0.33 0.00 0.02 2.36 0.00 3.07	0.62 0.24 1.25 1.20 1.75 0.89
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc.	TBNK TESS TGH THO TWC TWX	5 5 6 8 5 5 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42	3.10 2.97 2.76 5.48 1.93 1.97 1.49	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175	0.64 0.64 0.80 1.88 1.08 3.00 1.27	426.67 42.67 46.24 55.79 32.34 42.49 27.49	0.15 1.50 1.73 3.37 3.34 7.06 4.62	0.33 0.00 0.02 2.36 0.00 3.07 0.89	0.62 0.24 1.25 1.20 1.75 0.89 1.19
Territorial Bancorp TESSCO Technologies II Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp.	TBNK TESS TGH THO TWC TWX TMK	5 6 8 5 5 5 9	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Torc Company	TBNK TESS TGH THO TWC TWX TMK TTC	5 6 8 5 5 5 9 6	20.83 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04	0.33 0.00 2.36 0.00 3.07 0.89 0.28 0.92	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Torc Company Tractor Supply Company	TBNK TESS TGH THO TWC TWX TMK TTC TSCO	5 5 6 8 5 5 5 5 9 6 5	20.83 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53	0.33 0.00 2.36 0.00 3.07 0.89 0.28 0.92 0.12	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12
Territorial Bancorp TESSCO Technologies II Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Torc Company Tractor Supply Company Trancle Capital Corp	TBNK TESS TGH THO TWC TWX TMK TTC TSCO TCAP	5 5 6 8 5 5 9 6 5 8 5 8	20.83 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67	0.33 0.00 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Tractor Supply Company Triangle Capital Corp.	THNO TBNK TESS TGH THO TWC TWC TWX TMK TTC TSCO TCAP TUP	5 5 6 8 5 5 5 9 6 5 8 5 5 5 9 6 5 8 5	20.83 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Triator Supply Company Triangle Capital Corp. Tupperware Brands Corp. Tupperware Brands Corp.	THNO TBNK TESS TGH THO TWC TWC TWX TMK TTC TSCO TCAP TUP TYC	5 6 8 5 5 5 9 6 5 8 5 7	20.83 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.1800	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72 0.72	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32 1.69	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Tractor Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd.	THNO TBNK TESS TGH THO TWC TWC TWX TMK TTC TSCO TCAP TUP TYC LINP	5 6 8 5 5 9 6 5 8 5 7 8	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64	0.1600 0.1600 0.2000 0.4700 0.2700 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.1800 0.5000	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32 1.69 5.42	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.99
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Tractor Supply Company Triactor Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. United Partic	TBNK TESS TGH THO TWC TWX TMK TTC TSCO TCAP TUP TYC UNP UNP UNP	5 5 6 8 5 5 5 9 6 5 8 5 7 8 5 7 8 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41	0.1600 0.1600 0.2000 0.4700 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.5900 0.5900 0.5000	0.64 0.64 0.80 1.88 3.00 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32 1.69 5.42 4.03	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 0.704 0.31 0.31 0.53 2.18	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.99 0.93
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Tractor Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. Union Pacific United Parcel Service Inc	TBNK TESS TGH THO TWC TWX TMK TTC TSCO TCAP TUP TYC UNP UPS UNP	5 6 8 5 5 9 6 5 8 5 7 8 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48	0.1600 0.1600 0.2000 0.4700 0.7500 0.7500 0.3175 0.2500 0.1600 0.5900 0.6800 0.5900 0.8800 0.1800 0.5000 0.5000 0.3750	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68 150	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\end{array}$	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53 2.18 0.54	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.93 0.93 0.54
Territorial Bancorp TESSCO Technologies In Testainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Triators Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. United Parcel Service Inc United Health Group Inc.	TBNK TESS TGH THO TWC TWX TMK TTC TSCO TCAP TUP TYC UNP UPS UNH	5 6 8 5 5 9 6 5 8 5 7 8 5 5 6	20.63 21.55 29.000 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48	0.1600 0.1600 0.2000 0.4700 0.2700 0.3175 0.1267 0.2500 0.1600 0.5900 0.5900 0.6800 0.5900 0.5000 0.6800 0.5000 0.6700 0.3750 0.03750	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68 1.50 0.66	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.62\\ 3.53\end{array}$	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53 2.18 0.53 2.18 0.31	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.99 0.93 0.53
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company Triangle Capital Corp. Typo International Ltd. United Parcel Service Inc United Parcel Service Inc United Health Group Inc. United Health Group Inc.	TBNK TESS TGH THO TWC TWC TWK TTC TSCO TCAP TUP TYC UNP UNP UNP UNP UNP UNP UNH UNM YSB	5 6 8 5 5 9 6 5 8 5 7 8 5 5 6 7	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48 1.88 2.41 1.48 1.67 2.66	0.1600 0.1600 0.2000 0.4700 0.2700 0.2700 0.3175 0.2500 0.1267 0.2500 0.5900 0.6800 0.5900 0.5900 0.5000 0.5000 0.5000 0.5000 0.5750 0.1650 0.2100	0.64 0.60 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.36 2.72 2.00 2.68 1.50 0.66 2.52	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32 1.69 5.42 4.03 5.60 3.53 1.37	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53 2.18 0.54 0.54 0.54	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.99 0.93 0.54 1.39 0.95
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Inc. Torchmark Corp. Toro Company Tractor Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. Union Pacific United Parcel Service Inc United Hearth Group Inc. United Hearth Group Inc. Unum Group Vanta Inc.	TBNK TESS TGH THO TWC TWX TMK TTC TSCO TCAP TUP TYC UNP UNP UPS UNH UNM VNR VTB	5 5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 6 7 8 5 5 6 7	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48 1.89 16.72	0.1600 0.1600 0.2000 0.2700 0.2700 0.3175 0.1267 0.2500 0.2500 0.2500 0.6800 0.5900 0.6800 0.5900 0.6700 0.6700 0.6700 0.3750 0.1650 0.2100 0.2 2000	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.72 0.72 2.00 2.68 1.50 0.66 2.52 2.52	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 20.92	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ \hline 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ \hline 5.60\\ 3.53\\ 1.37\\ 1.57\\ \end{array}$	0.33 0.00 0.02 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53 2.18 0.54 0.31 1.46 0.31	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.94 1.21 0.99 1.21 0.86 0.99 0.93 0.54 1.39 0.55
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Triator Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. United Parcel Service Inc United Parcel Service Inc. United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc.	TBNK TBNK TESS TGH TWC TWC TWC TWX TMK TTC TSCO TCAP TUP TYC UNP UPS UNP UNH VNR VTR VTR	5 6 8 5 5 5 5 5 7 8 5 5 6 7 7 5 5 6 7 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 76.26	3.10 2.97 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.64 1.64 1.64 1.64 1.64 1.64 1.64	0.1600 0.2000 0.2700 0.2700 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.6800 0.6800 0.6800 0.6800 0.6800 0.6700 0.3750 0.1650 0.1650 0.2100	0.64 0.64 0.80 1.88 1.08 3.00 1.27 0.51 1.00 0.64 2.72 2.00 2.68 1.50 0.66 2.52 3.16	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87	0.15 1.50 1.73 3.37 3.34 7.06 4.62 4.01 3.04 2.53 1.67 4.32 1.69 5.42 4.03 5.60 3.53 1.37 1.55 5.45	0.33 0.00 2.36 0.00 3.07 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.53 2.18 0.54 0.31 1.46 1.20 2.42	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.94 1.21 0.94 1.21 0.86 0.99 0.93 0.54 1.39 0.95 0.50
Territorial Bancorp TESSCO Technologies In Testainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Triatols Copply Company Triangle Capital Corp. Tupperware Brands Corp. Typo International Ltd. United Parcel Service Inc United Parcel Service Inc. United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Vaccom Inc. B	TBNK TESS TGH THO TWC TWC TWC TWC TWC TCAP TCAP TCAP TYC UNP UNP UNP UNP UNP UNP UNP VNR VTR VIR VIR VIR	5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 6 7 5 5 6 7 5 5 7 5 7 5 7	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48 1.89 16.72 4.41 1.77 0.72	0.1600 0.2000 0.2000 0.2700 0.2700 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.1800 0.5000 0.3750 0.1650 0.2100 0.2100 0.2100 0.2100 0.2300	0.64 0.64 0.80 1.88 1.08 3.000 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68 1.50 0.66 2.52 3.16 1.32	426.67 46.24 55.79 32.34 42.49 27.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 29.20	$\begin{array}{c} 0.15 \\ 1.50 \\ 1.73 \\ 3.37 \\ 3.34 \\ \hline 7.06 \\ 4.62 \\ 4.01 \\ 3.04 \\ 2.53 \\ 1.67 \\ 4.32 \\ 1.69 \\ 5.42 \\ 4.03 \\ 5.60 \\ 3.53 \\ 1.37 \\ 1.55 \\ 5.45 \\ 5.64 \\ 5.64 \\ 6.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ 5.64 \\ 5.64 \\ 1.55 \\ $	$\begin{array}{c} 0.33\\ 0.00\\ 0.02\\ 2.36\\ 0.00\\ 3.07\\ 0.89\\ 0.28\\ 0.92\\ 0.12\\ 0.70\\ 3.64\\ 0.31\\ 0.53\\ 2.18\\ 0.54\\ 0.31\\ 1.46\\ 1.20\\ 3.43\\ 0.90\\$	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.93 0.54 1.39 0.93 0.55 0.50 1.08 0.95
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company Tractor Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. Uniton Pacific United Parcel Service Inc United Parcel Service Inc United Health Group Inc. United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc.	TBNK TESS TGH THO TWC TWC TWC TMK TTC TSCO TCAP TUP TYC UNP UNP UNP UNP UNP UNP UNP UNP VNR VIR VIAB V T	5 6 8 5 5 5 5 9 6 5 8 5 7 8 5 5 6 7 5 5 7 5 5 7 5 5 7 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20	3.107 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.68 2.41 1.48 1.89 16.72 4.41 1.75 0.73 5.45	0.1600 0.1600 0.2000 0.2000 0.4700 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.5900 0.6800 0.5900 0.6700 0.6700 0.6700 0.2100 0.7900 0.7900 0.3300	0.64 0.64 0.80 1.88 1.08 3.000 1.27 0.51 1.00 0.64 2.72 0.72 2.00 2.68 1.50 0.66 2.52 3.16 1.32 1.92	426.67 42.67 46.24 45.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20	$\begin{array}{c} 0.15 \\ 1.50 \\ 1.73 \\ 3.37 \\ 3.34 \\ \hline 7.06 \\ 4.62 \\ 4.01 \\ 3.04 \\ 2.53 \\ 1.67 \\ 4.32 \\ 1.69 \\ 5.42 \\ 4.03 \\ 5.60 \\ 3.53 \\ 1.37 \\ 1.55 \\ 5.45 \\ 5.45 \\ 8.65 \\ 0.14 \end{array}$	$\begin{array}{c} 0.33\\ 0.00\\ 0.02\\ 2.36\\ 0.00\\ 3.07\\ 0.89\\ 0.28\\ 0.92\\ 0.12\\ 0.70\\ 3.64\\ 0.31\\ 0.53\\ 2.18\\ 0.54\\ 0.31\\ 1.46\\ 1.20\\ 3.43\\ 0.00\\ 2.20\\ 0.20\\$	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.21 0.59 1.21 0.86 0.99 0.53 0.54 1.39 0.55 0.50 1.08 0.92 0.50 1.08 0.95 0.50 1.08 0.95 0.50 1.08 0.95 0.50 1.08 0.95 0.50 1.08 0.95 0.50 1.08 0.92 0.50
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Tractor Supply Company Triangle Capital Corp. Tupperware Brands Corp. Tupperware Brands Corp. Tupperware Brands Corp. Tupperware Brands Corp. United Parcel Service Inc. United Parcel Service Inc. United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Wasa Inc. Wasa Inc.	TBNK TESS TGH THO TWC TWC TWC TWC TWC TWC TWC TWC TWC TWC	5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 6 7 5 5 7 5 5 7 5 5 7 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34	3.107 2.776 5.48 1.93 1.97 1.499 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48 1.89 16.72 4.41 1.75 0.73 5.45	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.6800 0.5900 0.6800 0.5900 0.6800 0.3750 0.1600 0.3750 0.1650 0.1650 0.2100 0.3300 0.3300 0.34800 0.4800	0.64 0.64 0.80 1.88 1.08 3.00 0.51 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68 1.50 0.66 2.52 3.16 1.32 2.52 3.16 1.92 0.40 2.52	426.67 46.24 55.79 32.34 42.49 27.49 12.64 32.530 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 8.65\\ 0.14\\ 2.66\\ 0.14\\ 0.16\\ 0.14\\ 0.16\\ 0.14\\ 0.16\\ 0.14\\ 0.16\\ 0.14\\ 0.16\\ 0.14\\ 0.16\\ 0.16\\ 0.14\\ 0.16\\$	0.33 0.00 0.02 2.36 0.00 3.07 0.28 0.92 0.12 0.70 3.64 0.31 1.46 0.31 1.46 0.31 1.20 3.43 0.00 2.29	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.59 1.21 0.99 0.93 0.54 1.39 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.50 0.50 0.54 1.39 0.52
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Triator Supply Company Triangle Capital Corp. Tupperware Brands Corp Tyco International Ltd. United Parcel Service Inc United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Wacom Inc. B Visa Inc. WaXT Offshore Inc. WaXT Offshore Inc.	TBNK TESS TGH THO TWC TWC TWC TWC TWC TCAP TCAP TCAP TCAP TYC UNP UNP UNP UNP UNP UNP UNP UNM VNR VTR VAB V V WTI WDR DI2	5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 6 7 5 5 7 5 5 7 5 5 5 5 5 7 5 5 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82	3.107 2.776 5.48 1.93 1.97 1.49 0.94 1.57 0.84 1.67 1.68 2.41 1.68 2.41 1.68 2.41 1.68 1.69 16.72 4.41 1.77 5.45 3.45 2.45	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.5900 0.6700 0.5900 0.6700 0.5000 0.4800 0.2100 0.2100 0.3300 0.4800 0.1000 0.4800	0.64 0.64 0.80 1.88 1.08 3.00 0.51 1.27 0.51 1.00 0.64 2.36 2.72 0.72 2.00 2.68 1.50 0.252 3.16 1.32 1.92 0.40 1.72	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.26	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.67\\ 4.32\\ 1.67\\ 1.55\\ 5.45\\ 8.65\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 3.66\\ 0.14\\ 0.02\\$	$\begin{array}{c} 0.33\\ 0.00\\ 0.02\\ 2.36\\ 0.00\\ 3.07\\ 0.89\\ 0.28\\ 0.92\\ 0.12\\ 0.70\\ 3.64\\ 0.31\\ 0.53\\ 2.18\\ 0.54\\ 0.31\\ 1.46\\ 1.20\\ 3.64\\ 0.31\\ 1.46\\ 1.20\\ 3.64\\ 0.31\\ 0.54\\ 0.31\\ 0.54\\ 0.31\\ 0.229\\ 0.24\\ 0.229\\ 0.24\\ 0.2$	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.99 0.93 0.93 0.93 0.93 0.93 0.93 0.93
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company Tractor Suppl	TBNK TENK TENS TGH THO TWC TWC TWC TMC TCC TSCO TCAP TVC TVC TCAP TVC UNP UNP UNN UNN VNR VTR VIAB V WTI WDR DIS	5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 6 7 5 5 7 5 5 5 5 5 5 5 5 5 5 5 5 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.48 2.41 1.48 1.89 16.72 4.41 1.75 0.73 5.45 3.45 1.22	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.1800 0.5000 0.6700 0.3750 0.3750 0.3750 0.3300 0.3300 0.3300 0.3300 0.3300 0.3400 0.3300 0.4300 0.4300	0.64 0.64 0.64 0.64 0.80 1.88 3.00 1.27 0.51 1.00 0.64 2.36 2.72 2.00 2.68 1.50 0.66 1.32 1.92 0.66 1.32 1.92 0.72 2.52 3.16 1.32 1.92 0.44 1.52 1.52 1.52 1.52 1.52 1.52 1.52 1.52	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 25.30 141.32 62.96 36.90 66.50 36.90 66.50 36.90 78.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 28.57 24.22 22.20 285.71 46.99 27.00 27.52 20 20 20 20 20 20 20 20 20 20 20 20 20	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.67\\ 4.32\\ 1.67\\ 5.42\\ 5.60\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 0.14\\ 3.66\\ 4.26\\ 4.7\\ 1.55\\ 1.57\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 5.45\\ 1.37\\ 1.55\\ 1.57\\ $	0.33 0.00 0.02 2.36 0.00 0.89 0.89 0.89 0.28 0.92 0.12 0.70 0.70 0.70 0.30 12 0.70 0.31 0.53 2.18 0.54 0.31 1.46 1.20 0.31 1.46 0.229 0.24 0.02	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.69 0.93 0.54 1.39 0.95 0.50 1.08 0.82 0.82 0.82 0.82 0.82 0.82 0.82 0
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Tractor Supply Company Laborational Ltd. United Parcel Service Inc United Parcel Service Inc United Health Group Inc. United Health Group Inc. United Health Group Inc. United Tercel Service Inc United Service Inc. Ward Matural Resout Viacom Inc. B Visa Inc. Wat Difshore Inc. Wat Difshore Inc.	TBNK TENK TESS TGH TWC TWC TWC TWC TWC TWC TWC TCAP TCAP TCAP TCAP TCAP TCAP TCAP TCA	$5 \\ 5 \\ 6 \\ 8 \\ 5 \\ 5 \\ 5 \\ 9 \\ 6 \\ 5 \\ 8 \\ 5 \\ 7 \\ 8 \\ 5 \\ 5 \\ 5 \\ 6 \\ 7 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5$	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19 43.89	3.10 2.97 2.97 5.48 1.93 1.97 1.49 0.94 1.57 0.94 1.57 0.94 1.67 1.63 1.63 1.63 1.64 1.64 1.64 1.64 1.64 1.64 1.64 1.64	0.1600 0.1600 0.2000 0.7500 0.7500 0.3175 0.2500 0.5900 0.5900 0.6800 0.5900 0.6800 0.3750 0.1600 0.3750 0.1650 0.2100 0.33750 0.1650 0.2100 0.33750 0.1650 0.33750 0.1650 0.33750 0.1650 0.33750 0.1650 0.4300 0.4300 0.4300 0.4300	0.64 0.64 0.64 0.80 1.88 1.08 3.00 0.51 1.27 0.51 1.00 0.64 2.36 2.72 2.00 2.68 1.50 0.66 2.52 3.16 1.30 0.64 1.32 0.40 1.27 2.52 3.16 1.32 2.52 3.16 1.32 1.92 0.40 1.72 0.51 1.55 2.55 2.55 2.55 2.55 2.55 2.55 2	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 183.94 20.36 7.01 285.71 46.92 22.20 285.71 46.92 27.00 29.38	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 4.62\\ 4.01\\ 3.06\\ 4.62\\ 4.03\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 8.65\\ 0.14\\ 3.66\\ 4.26\\ 4.26\\ 1.77\\ 1.77\\ 1.55\\ 5.45\\ 1.77\\ 1.55\\ 5.45\\ 1.77\\ 1.55\\ 5.45\\ 1.77\\ 1.55\\ 5.45\\ 1.77\\ 1.55\\ 1.77\\ 1.55\\ 1.77\\ 1.55\\ 1.77\\ 1.55\\ 1.77\\ 1.77\\ 1.55\\ 1.77\\ 1.77\\ 1.55\\ 1.77\\$	0.33 0.00 0.02 2.36 0.00 0.89 0.28 0.92 0.12 0.70 3.64 0.31 0.70 0.31 0.54 0.31 0.54 0.31 0.54 0.31 0.54 0.31 0.54 0.31 0.54 0.31 0.54 0.32 0.54 0.33 0.00 0.55 0.55 0.55 0.55 0.55 0.55	0.62 0.24 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.59 1.21 0.86 0.93 0.54 1.39 0.93 0.54 1.39 0.95 0.50 1.08 0.82 2.02 2.04 1.19
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Triator Supply Company Triangle Capital Corp. Tupperware Brands Corp. Tupperware Brands Corp. Tyco International Ltd. United Parcel Service Inc United Parcel Service Inc United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Wacom Inc. B Wisa Inc. Wast Offshore Inc. Wat Offshore Inc. Wat Connections Inc. WD-40 Company	TBNK TENK TESS TGH TWC TWC TWC TWC TWC TWC TWC TCAP TCAP TCAP TCAP TCAP TCAP TYC UNP UPS UNH UNP UNP UNP VNR VTR VIAB V WDR DIS WCN WCN	5 6 8 5 5 5 9 6 5 8 5 7 8 5 5 5 7 5 5 7 5 5 5 6 6 5 5 5 6 7 5 5 5 5 5 6 6 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 6 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19 943.99 85.06	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 4.41 1.64 1.68 2.41 1.68 2.41 1.68 2.41 1.68 2.41 1.68 2.41 1.75 5.45 3.45 5.45 3.45 1.22 1.22 1.22 1.22 1.22 1.22 1.22 1.2	0.1600 0.2000 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.6800 0.5900 0.6800 0.5900 0.6700 0.3000 0.4800 0.2100 0.2100 0.3300 0.4800 0.4800 0.4800 0.4800 0.4800 0.4800 0.4800 0.4300 0.2300 0.2300 0.2300 0.25000 0.25000 0.25000 0.250000000000	0.64 0.64 0.80 1.88 1.08 3.00 0.51 1.27 0.51 1.00 0.64 2.36 2.72 0.268 1.50 0.66 2.52 3.16 1.32 1.92 0.40 1.72 0.40 1.72 5.52 1.52 0.52	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 285.71 46.99 27.00 29.38 52.96	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 0.14\\ 3.66\\ 4.26\\ 0.14\\ 3.66\\ 1.77\\ 2.87\\ \end{array}$	0.33 0.00 0.00 2.36 0.00 0.89 0.22 0.70 0.89 0.22 0.70 0.31 0.53 2.18 0.54 2.18 0.54 2.18 0.54 2.18 0.53 2.18 0.53 2.18 0.53 2.18 0.53 2.18 0.53 0.01 0.02 0.02 0.22 0.02 0.22 0.22 0.22	0.62 0.24 1.25 0.89 1.25 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.86 0.93 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.55 0.55 0.55 0.59 0.54 1.39 0.54 1.08 2.02 2.04 1.05 0.59 0.55 1.21 0.84 0.93 0.55 0.55 0.55 0.55 0.55 0.55 0.55 0.5
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company Inted Health Group Inc. United Health Group Inc. Viacom Inc. B Visa Inc. Wat Offshore Inc. Waddell & Reed Financia Walt Disney Company Wandys Company Wendy's Company	TBNK TENK TENS TGH THO TWC TWC TWC TMC TCC TSCO TCAP TYC UNP UNF UNP UNH UNM VNR VTR VIAB VTR VIAB VTR VIAB DIS WCN WDFC WER	5 6 8 5 5 5 5 9 6 5 7 5 5 5 6 7 5 5 5 6 7 5 5 5 6 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19 43.99 85.08 85.08 95.00 85.08 95.00 85	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 1.57 0.54 1.59 0.54 1.54 1.59 1.59 1.54 1.54 1.54 1.54 1.54 1.54 1.54 1.54	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.1600 0.5900 0.6800 0.6800 0.6800 0.6800 0.3750 0.1650 0.3750 0.3750 0.3300 0.3300 0.4800 0.4300 1.1500 0.4300 1.1500 0.33800 0.33800	$\begin{array}{c} 0.64\\ 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.72\\ 2.00\\ 0.64\\ 1.30\\ 1.50\\ 0.66\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.66\\ 1.32\\ 1.92\\ 1.50\\ 0.66\\ 1.32\\ 1.92\\ 1.50\\ 2.52\\ 1.52\\ 0.22\\ 1.52\\ 0.22\\ 1.52\\ 0.22\\ 1.52\\ 0.22\\ 0.22\\ 1.52\\ 0.22\\$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 25.30 141.32 62.96 36.90 66.50 66.50 26.79 18.70 183.94 203.87 24.22 22.20 28.571 46.99 27.00 29.38 52.96 64.71	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 0.14\\ 3.66\\ 4.26\\ 1.77\\ 2.87\\ 0.34\\ \end{array}$	0.33 0.00 0.02 2.36 0.00 0.89 0.28 0.92 0.70 0.89 0.28 0.92 0.12 0.70 0.53 2.18 0.53 2.18 0.53 2.18 0.53 0.53 2.18 0.53 0.53 0.00 0.05 0.05 0.02 0.02 0.02 0.02 0.02	0.02 0.24 1.25 1.20 0.89 1.19 1.10 0.94 1.10 0.99 0.93 0.59 1.21 0.99 0.93 0.59 1.34 1.39 0.99 0.93 0.50 1.34 1.39 0.55 0.50 1.08 0.82 2.02 2.04 1.19 0.37 0.85 1.09 0.85 0.85 0.85 0.85 0.85 0.95 0.93 0.95 0.95 0.95 0.95 0.95 0.95 0.95 0.95
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchomark Corp. Toro Company Tractor Supply Company International Ltd. Union Pacific United Parcel Service Inc United Parcel Service Inc United Hatth Group Inc. United Barcel Service Inc. Watth Jisney Company Waste Connections Inc. WD-40 Company Western Gas Partners Lf	TBNK TENK TENK TGH TWC TWC TWC TWC TWC TWC TWC TWC TCAP TCAP TCAP TCAP TCAP TCAP TCAP TVC UNP UNP UNP UNP UNP UNP UNP UNP UNP UNP	5 6 8 5 5 9 6 5 8 5 7 8 5 7 5 5 5 6 5 7 5 5 5 5 6 5 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 7 5 5 7 5 5 7 7 5 5 5 6 5	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 75.25 262.20 7.34 49.82 94.19 43.99 85.08 9.03 73.05	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.68 2.41 1.68 16.72 4.41 1.75 0.73 3.45 1.22 1.18 1.79 2.44 3.70	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.2500 0.2500 0.2500 0.5900 0.6800 0.5900 0.800 0.1800 0.3750 0.1650 0.3750 0.1650 0.3750 0.1650 0.3750 0.33750 0.1650 0.3750 0.4800 0.3300 0.4800 0.4300 0.45000 0.45000 0.45000 0.45000 0.450000000000	0.64 0.64 0.64 1.88 1.080 3.000 1.27 0.51 1.000 0.64 2.72 2.000 2.68 1.500 0.66 2.52 3.16 1.32 1.92 0.402 1.52 0.52 1.52 0.52 2.52 3.52 1.52 0.52 1.52 0.52 2.52 3.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.52 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.52 0.55 1.55 1.55 1.55 1.55 1.55 1.55 1.55	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 20.36 26.79 18.70 183.94 20.36 27.00 29.38 52.96 64.71 118.94	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 4.62\\ 4.03\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 8.65\\ 0.14\\ 3.54\\ 5.45\\ 8.65\\ 0.14\\ 4.26\\ 1.77\\ 2.87\\ 0.34\\ 2.27\\ 0.34\\ 2.27\\ \end{array}$	0.33 0.00 0.00 0.00 2.36 0.00 0.20 0.20 0.20 0.20 0.20 0.20 0.2	0.024 1.25 1.20 0.89 1.19 1.05 0.94 1.12 0.59 1.21 0.59 1.21 0.59 0.94 0.94 1.22 0.59 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.94 0.95 0.95 0.86 0.99 0.93 0.55 0.80 0.85 0.89 0.94 0.85 0.89 0.94 0.85 0.89 0.94 0.85 0.95 0.85 0.89 0.95 0.85 0.89 0.95 0.85 0.89 0.95 0.85 0.85 0.89 0.95 0.85
Territoria Bancorp TERSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Triangle Capital Corp. Tupperware Brands Corp. Tupperware Brands Corp. Tupperware Brands Corp. Tupperware Brands Corp. United Parcel Service Inc. United Parcel Service Inc. United Parcel Service Inc. United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Wacom Inc. B Visa Inc. Wat Offshore Inc. Wat Offshore Inc. Wat Dorsney Company Westerm Gas Partners LF Whole Foods Market Inc.	TBNK TENK TESS TGH TWC TWC TWC TWC TWC TWC TWC TWC TWC TWC	$5 \\ 5 \\ 6 \\ 8 \\ 5 \\ 5 \\ 5 \\ 9 \\ 6 \\ 5 \\ 8 \\ 5 \\ 7 \\ 8 \\ 5 \\ 5 \\ 6 \\ 7 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5$	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19 85.08 9.03 73.05 50.42	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 4.41 1.68 2.41 1.68 2.41 1.68 2.41 1.68 1.69 16.72 4.41 1.75 5.45 5.45 5.45 2.45 1.22 1.22 1.22 1.22 1.22 1.22 1.22 1.2	0.1600 0.2000 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.6800 0.5900 0.6800 0.5900 0.6800 0.5900 0.800 0.1800 0.3750 0.2100 0.3300 0.48000 0.48000 0.480000000000	$\begin{array}{c} 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.72\\ 2.00\\ 2.68\\ 1.50\\ 0.64\\ 2.52\\ 3.16\\ 1.32\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.40\\ 1.72\\ 1.15\\ 0.52\\ 1.52\\ 0.22\\ 2.70\\ 0.52\\ \end{array}$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.530 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 29.38 52.96 64.71 118.94 118.94	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.34\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.45\\ 0.14\\ 3.66\\ 4.26\\ 1.77\\ 2.87\\ 0.34\\ 2.27\\ 1.56\\ \end{array}$	0.33 0.000 0.002 2.360 0.000 0.022 2.360 0.002 0.000 0.002 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.0000 0.00000 0.00000 0.0000000000	0.62 0.24 1.25 1.20 0.89 1.19 1.04 1.12 0.59 1.21 0.59 0.33 0.54 0.80 0.99 0.33 0.54 0.80 0.99 0.53 0.54 0.80 0.85 0.65 0.77
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company United Health Group Inc. United Health Group Inc. Wanguard Natural Resou Ventas Inc. Wiacom Inc. B Wisa Inc. Wat Offshore Inc. Waddell & Reed Financia Wat Disney Company Wester Gas Partners Lf Whole Foods Market Inc. Wi-Lan Inc.	TBNK TENK TENK TGH THO TWC TWC TWC TMK TTC TSCO TCAP TVC TVC UNP UNS UNH UNM VNR VIR VIR VIR VIR VIR VIR VIAB V WDR DIS WCN WEN WEN WEN WEN WEN	$5 \\ 5 \\ 6 \\ 8 \\ 5 \\ 5 \\ 5 \\ 9 \\ 6 \\ 5 \\ 8 \\ 5 \\ 7 \\ 8 \\ 5 \\ 5 \\ 5 \\ 6 \\ 7 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5 \\ 5$	20.63 21.55 29.00 34.32 55.87 152.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 71.70 75.25 262.20 7.34 49.82 94.19 43.99 85.08 9.03 73.05 50.42 2.99	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.57 0.81 11.63 4.32 1.64 1.57 0.81 11.63 5.45 5.45 2.41 1.79 2.44 3.70 0.3 5.42	0.1600 0.1600 0.2000 0.2700 0.3750 0.2500 0.3175 0.2500 0.2500 0.4600 0.5900 0.6800 0.6800 0.6800 0.6700 0.3750 0.1650 0.3750 0.1650 0.3750 0.3300 0.3300 0.4300 0.4300 1.1500 0.33800 0.33800 0.4300 0.3380000000000	$\begin{array}{c} 0.64\\ 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.72\\ 2.00\\ 0.64\\ 1.30\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.66\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.62\\ 1.50\\ 0.62\\ 2.72\\ 0.22\\ 2.70\\ 0.52\\ 0.16\\ \end{array}$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 25.30 141.32 64.260 36.90 66.59 42.60 36.90 66.579 18.70 28.79 18.70 28.571 46.99 27.00 285.71 46.99 27.00 285.71 118.94 33.33 162.06	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 0.14\\ 3.66\\ 4.26\\ 1.77\\ 0.34\\ 2.27\\ 0.34\\$	0.33 0.00 0.02 2.36 0.00 0.00 0.00 0.00 0.00 0.00 0.22 0.12 0.70 0.92 0.12 0.70 0.92 0.12 0.70 0.92 0.12 0.70 0.92 0.12 0.70 0.92 0.40 0.54 0.54 0.55 0.58 0.84 0.84 0.92 0.55 0.55	0.024 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.21 0.94 1.21 0.94 0.94 1.21 0.94 1.22 0.94 1.21 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.94 1.22 0.93 0.95 1.22 0.93 0.95 1.22 0.93 0.95 1.22 0.54 1.39 0.95 1.22 0.54 1.39 0.95 1.08 0.95 1.08 0.93 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.09 0.55 1.09 0.55 1.09 0.55 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.09 0.57 1.00 0.00 0.57 1.00 0.00 0.57 1.00 0.00 0.57 1.00 0.00 0.57 1.00 0.00
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchorark Corp. Toro Company Tractor Supply Company United Parcel Service Inc United Parcel Service Inc United Parcel Service Inc United Parcel Service Inc United Health Group Inc. Unum Group Vanguard Natural Resou Ventas Inc. Wat Offshore Inc. Wat Offshore Inc. Wat Disney Company Wester Gas Partners LF Whole Foods Market Inc. Wi-Lan Inc.	TBNK TENK TENK TGH TWC TWC TWC TWC TWC TWC TWC TCC TCAP TCC TCAP TCC TCAP TCC TCAP TUP UNR UNP UNP UNP UNP UNN VNR VTR VIAB V VAB VTR VIAB V VAB VTR VIAB V VAB V VAB V VIA VIA VIA VIA VIA VIA VIA VIA VIA V	5 5	20.63 21.55 29.00 34.32 55.29 52.06 85.42 54.17 63.81 78.82 20.29 63.00 43.86 119.13 111.17 101.09 34.88 15.07 7.34 49.82 262.20 7.34 49.82 94.19 43.99 85.08 9.03 73.05 50.42 2.99 75.68	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.57 0.81 11.63 4.32 1.64 1.68 2.41 1.68 2.41 1.68 1.67 2.44 3.45 2.42 3.45 2.42 3.45 1.22 1.79 1.79 1.79 1.79 1.79 1.79 1.79 1.79	0.1600 0.1600 0.2000 0.7500 0.7500 0.2500 0.2500 0.2500 0.2500 0.6800 0.6800 0.6800 0.6800 0.6800 0.6800 0.6700 0.3750 0.1650 0.3750 0.1650 0.3750 0.3300 0.4800 0.3300 0.4800 0.4300 0.4300 0.4300 0.5500 0.5500 0.5500 0.5500000000	$\begin{array}{c} 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.72\\ 2.00\\ 2.68\\ 1.50\\ 0.66\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.40\\ 1.72\\ 1.15\\ 0.52\\ 1.52\\ 0.22\\ 2.70\\ 0.52\\ 0.52\\ 0.132\\ \end{array}$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 27.49 27.49 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 29.38 52.96 64.71 118.94 3.33 162.06 43.14	$\begin{array}{c} 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 4.62\\ 4.01\\ 3.04\\ 4.62\\ 1.67\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 8.65\\ 5.45\\ 8.65\\ 0.14\\ 3.56\\ 4.26\\ 1.77\\ 2.87\\ 0.34\\ 2.27\\ 1.56\\ 0.306\\ \end{array}$	0.33 0.000 0.02 2.36 0.000 3.07 0.89 0.28 0.20 0.22 0.12 0.70 0.31 0.53 2.18 0.54 0.31 1.46 0.54 0.54 0.54 0.54 0.54 0.000 0.24 0.000 0.24 0.05 8 0.05 0.05 0.05 0.05 0.05 0.05 0.	0.024 1.25 1.20 0.89 1.19 1.00 0.94 1.12 0.59 1.21 0.50 1.21 0.86 0.99 0.93 1.21 0.50 1.39 0.54 1.39 0.55 1.08 0.55 1.08 0.55 1.08 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.54 1.39 0.55 0.50 0.50 1.00 0.55 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 0.50 1.00 0.55 0.50 0.50 0.50 1.00 0.55 0.50 1.00 0.55 0.50 1.00 0.55 0.50 1.00 0.55 0.50 1.00 0.55 0.50 1.00 0.55 0.50 1.00 0.55 1.00 0.55 0.50 1.00 0.55 1.00 0.75 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 1.00 0.55 0.77 0.75
Territoria Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Time Warner Cable Inc. Torchmark Corp. Toro Company Tractor Supply Company Tractor Supply Company Tractor Supply Company Tractor Supply Company Tyco International Ltd. Union Pacific United Parcel Service Inc United Health Group Inc. United Service Inc. Ward Offshore Inc. Wat Dffshore Inc. Wat Dffshore Inc. WD-40 Company Wester Gas Partners Lf Whole Foods Market Inc. Williams-Sonoma Inc. Winmark Corp.	TBNK TENK TENK TESS TGH TWC TWC TWC TWC TWC TWC TCAP TCAP TCAP TCAP TCAP TCAP TCAP TCA	5 6 8 5 5 9 6 5 8 5 7 8 5 7 5 5 5 6 5 7 7 5 5 5 6 5 7 7 5 5 5 6 5 7 5	$\begin{array}{c} 20.63\\ 21.55\\ 29.00\\ 34.32\\ 55.87\\ 152.06\\ 85.42\\ 54.17\\ 63.81\\ 78.82\\ 20.29\\ 63.00\\ 43.86\\ 119.13\\ 111.17\\ 101.09\\ 34.88\\ 15.07\\ 71.70\\ 75.25\\ 262.20\\ 7.34\\ 49.82\\ 94.19\\ 43.99\\ 85.08\\ 9.03\\ 73.05\\ 50.42\\ 2.99\\ 75.68\\ 86.92 \end{array}$	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 4.41 1.68 2.41 1.68 2.41 1.68 2.41 1.68 1.64 1.68 1.64 1.68 1.67 2.44 1.17 5.45 5.3.45 2.45 3.45 2.45 1.22 1.18 1.22 1.22 1.22 1.22 1.22 1.22	0.1600 0.1600 0.2000 0.2700 0.7500 0.3175 0.1267 0.2500 0.6800 0.5900 0.6800 0.3750 0.1600 0.3750 0.1600 0.3750 0.1650 0.4800 0.3300 0.4800 0.4800 0.43000 0.43000 0.43000 0.430000000000	$\begin{array}{c} 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.72\\ 2.00\\ 2.68\\ 1.50\\ 0.72\\ 2.00\\ 2.68\\ 1.50\\ 0.64\\ 1.35\\ 0.52\\ 1.52\\ 0.25\\ 1.52\\ 0.22\\ 2.70\\ 0.52\\ 2.70\\ 0.52\\ 2.70\\ 0.52\\ 2.70\\ 0.52\\ 0.24\\ 1.32\\ 0.24\\ 0.24\\ 1.32\\ 0.24\\$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 62.96 42.60 36.90 66.50 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 29.38 52.96 64.59 27.00 29.38 52.96 43.14 46.91 43.14 43.14 43.14 43.14 43.14 45.15 4	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.06\\ 4.62\\ 4.01\\ 3.06\\ 1.67\\ 1.67\\ 4.32\\ 1.67\\ 4.32\\ 1.67\\ 1.55\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 4.03\\ 3.53\\ 1.37\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 5.42\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.55\\ 1.57\\ 1.57\\ 1.55\\ 1.57\\ 1.57\\ 1.55\\ 1.57\\ 1.57\\ 1.55\\ 1.57\\$	0.33 0.00 0.00 2.36 0.00 0.22 2.36 0.00 0.22 0.00 0.89 0.92 0.92 0.92 0.92 0.92 0.92 0.92 0.9	0.02 0.24 1.25 1.20 0.89 1.19 1.10 0.94 1.12 0.59 1.21 0.59 0.86 0.99 0.93 0.54 1.39 0.95 0.50 0.54 1.39 0.95 0.50 0.54 1.39 0.95 0.50 0.55 0.50 0.55 0.50 0.55 0.50 0.55 0
Territorial Bancorp TESSCO Technologies In Textainer Group Holdings Thor Industries Inc. Time Warner Cable Inc. Time Warner Cable Inc. Toro Company Tractor Supply Company Vanguard Natural Resou Ventas Inc. Viacom Inc. B Visa Inc. Wat Offshore Inc. Wat Disney Company Wester Gas Partners LF Whole Foods Market Inc. Wintams-Sonoma Inc. Wintams-Sonoma Inc. Wintams Corp. WPP plc	TBNK TENK TENK TESS TGH THO TWC TWC TWC TTC TSCO TCAP TVC UNP UPS UNH UNM VNR VIR VIR VIR VIR VIR VIR VIR VIR WEN WEN WEN WEN WEN WEN WILN WINA WINA WINA WINA WINA WINA	5 6 8 5 5 9 6 5 5 9 6 5 5 7 8 5 5 5 6 7 5 5 5 5 5 5 5 5 5 5 5 5 5	$\begin{array}{c} 20.63\\ 21.55\\ 29.00\\ 34.32\\ 55.87\\ 152.06\\ 85.42\\ 54.17\\ 63.81\\ 78.82\\ 20.29\\ 63.00\\ 43.86\\ 119.13\\ 111.17\\ 101.09\\ 34.88\\ 15.07\\ 71.70\\ 75.25\\ 262.20\\ 7.34\\ 49.82\\ 94.19\\ 43.99\\ 85.08\\ 9.03\\ 73.05\\ 50.42\\ 2.99\\ 75.68\\ 86.92\\ 10.98\\ 75.68\\ 86.92\\ 10.98\\ 75.68\\ 86.92\\ 10.98\\ 10$	3.10 2.97 2.76 5.48 1.93 1.97 1.49 0.94 1.57 0.81 11.63 4.32 1.64 1.57 0.81 11.63 4.32 1.64 1.57 0.81 11.63 5.45 5.45 5.45 5.45 3.45 1.22 1.18 3.45 1.22 1.18 3.45 1.22 1.22 1.22 1.22 1.22 1.22 1.22 1.2	0.1600 0.1600 0.2000 0.2700 0.3750 0.2500 0.3175 0.2500 0.2500 0.4600 0.5900 0.6800 0.6800 0.6700 0.3750 0.1650 0.3750 0.1650 0.3750 0.3300 0.4300 0.4300 1.1500 0.4300 0.4300 0.4300 0.5500000000	$\begin{array}{c} 0.64\\ 0.64\\ 0.64\\ 0.80\\ 1.88\\ 1.08\\ 3.00\\ 1.27\\ 0.51\\ 1.00\\ 0.64\\ 2.36\\ 2.52\\ 0.72\\ 2.00\\ 0.66\\ 2.52\\ 3.16\\ 1.32\\ 1.92\\ 0.40\\ 1.72\\ 1.15\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.52\\ 0.16\\ 1.32\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 2.70\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.22\\ 0.52\\ 0.52\\ 0.22\\ 0.52\\ 0.52\\ 0.22\\ 0.52\\$	426.67 42.67 46.24 55.79 32.34 42.49 27.49 12.64 32.89 25.30 141.32 64.260 36.90 66.690 66.690 26.79 18.70 183.94 203.87 24.22 22.20 285.71 46.99 27.00 285.71 118.94 33.33 162.06 43.14 6.61 49.86	$\begin{array}{c} 0.15\\ 0.15\\ 1.50\\ 1.73\\ 3.37\\ 3.37\\ 7.06\\ 4.62\\ 4.01\\ 3.04\\ 2.53\\ 1.67\\ 4.32\\ 1.69\\ 5.42\\ 4.03\\ 5.60\\ 3.53\\ 1.37\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 5.45\\ 0.14\\ 4.26\\ 0.1\\ 3.66\\ 4.26\\ 0.1\\ 7.7\\ 2.87\\ 0.34\\ 2.27\\ 1.56\\ 0.10\\ 3.06\\ 3.68\\ 3.68\\ 4.84\\ 1.77\\ 1.56\\ 0.10\\ 3.06\\ 3.68\\ 3.68\\ 4.84\\ 1.77\\ 1.56\\ 0.10\\ 1.58\\ 1.$	0.33 0.00 0.02 2.36 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0	0.024 1.25 1.20 1.75 0.89 1.19 1.10 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.12 0.94 1.21 0.94 1.21 0.93 0.95 1.39 0.95 1.08 0.93 0.95 1.39 0.54 1.39 0.55 1.08 0.93 0.54 1.39 0.55 1.08 0.93 0.54 1.39 0.55 1.08 0.93 0.54 1.39 0.55 1.08 0.93 0.54 1.39 0.55 1.08 0.93 0.54 1.39 0.55 1.08 0.54 1.39 0.55 1.08 0.54 1.39 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.08 0.55 1.09 0.57 1.07 0.77 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.42 1.48 0.54 0.42 1.48 0.54 0.42 1.48 0.54 0.42 1.48 0.54 0.42

6

How to build a portfolio of Dividend Growth Achievers

Search for companies that have a dividend yield at least 50% higher than the market's yield and have grown dividends for 10 years or more.

AFTER COMPILING YOUR LIST of personal preferences for your dividend portfolio, you are ready to begin the selection process. Here are some additional tips to help you structure your dividend portfolio for a lifetime:

• Look for a payout ratio of 65% or less. The dividend payout should be reasonable, as a percentage of profits, but you do want a company to generously share its success with stockholders in the form of dividends.

• Search for companies with a current dividend yield at least 50% higher than the market's yield. Currently that would be an annual dividend yield of 2.7% or higher.

• Search for companies that have grown their dividends for at least 10 consecutive years.

• Own companies that have a manageable debt-to-equity ratio.

• Buy companies that have plenty of cash on the balance sheet.

• Focus on companies with a beta reading of 0.60 or less. Many studies have shown that a low-beta stock portfolio not only reduces volatility, but can also outperform over the long term.

Using the filtering tool in an *Excel* spreadsheet from *www.dripinvesting.org*, I have put together a list of *Dividend Growth Achievers* that have shown at least 10 years of consecutive dividend increases and most of the companies also meet the other characteristics you should look for in a dividend stock. I would suggest building the core of your portfolio from this diversified list of 50 companies. Choose stocks from stable industries like consumer staples and balance out the portfolio with selections from other industries for proper diversification.



Company	Ticker		No.	12/31/14	Div.		Annual	EPS%	TTM	5-yr
Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Payout	EPS	Beta
Lockheed Martin	LMT	Aerospace/Defense	12	192.57	3.12	1.5	6	60.667	9.89	0.63
PepsiCo Inc.	PEP	Beverages/Snack For	42	94.56	2.77	0.6550	2.62	57.96	4.52	0.42
Coca-Cola Company	KO	Beverages-Non-alcol	52	42.22	2.89	0.3050	1.22	67.78	1.80	0.48
Clorox Company	CLX	Cleaning Products	37	104.21	2.84	0.7400	2.96	68.36	4.33	0.44
Procter & Gamble Co.	PG	Consumer Products	58	91.09	2.83	0.6436	2.57	72.72	3.54	0.37
Johnson & Johnson	JNJ	Drugs/Consumer Pro	52	104.57	2.68	0.7000	2.80	46.36	6.04	0.56
General Mills	GIS	Food Processing	11	53.33	3.08	0.41	1.64	68.619	2.39	0.16
Kellogg Company	K	Food Processing	10	65.44	3	0.49	1.96	40.748	4.81	0.52
J.M. Smucker Co.	SJM	Food Processing	17	100.98	2.54	0.64	2.56	46.972	5.45	0.58
Sysco Corp.	SYY	Food-Wholesale	45	39.69	3.02	0.3000	1.20	76.92	1.56	0.74
ExxonMobil Corp.	XOM	Oil & Gas	32	92.45	2.99	0.6900	2.76	34.72	7.95	0.90
Sonoco Products Co.	SON	Packaging	32	43.70	2.93	0.3200	1.28	55.17	2.32	0.89
Kimberly-Clark Corp.	KMB	Personal Products	43	115.54	2.91	0.8400	3.36	59.47	5.65	0.21
Darden Restaurants	DRI	Restaurants	10	58.63	3.75	0.55	2.2	709.68	0.31	0.73
McDonald's Corp.	MCD	Restaurants	39	93.70	3.63	0.8500	3.40	66.80	5.09	0.33
Cracker Barrel Old Cou	CBRL	Restaurants	12	140.76	2.84	1	4	69.085	5.79	0.78
Target Corp.	TGT	Retail-Discount	47	75.91	2.74	0.5200	2.08	87.03	2.39	0.61
International Business I	IBM	Technology-Hardwar	19	160.44	2.74	1.1	4.4	27.621	15.93	0.63
Microsoft Corp.	MSFT	Technology-Software	12	46.45	2.67	0.31	1.24	48.627	2.55	0.99
AT&T Inc.	Т	Telecommunications	31	33.59	5.60	0.4700	1.88	57.67	3.26	0.40
Verizon Communication	VZ	Telecommunications	10	46.78	4.7	0.55	2.2	45.643	4.82	0.39
Altria Group Inc.	MO	Tobacco	45	49.27	4.22	0.5200	2.08	95.41	2.18	0.51
Reynolds American Inc	RAI	Tobacco	10	64.27	4.17	0.67	2.68	90.847	2.95	0.51
British American Tobac	BTI	Tobacco	10	107.82	4.49	2.42	4.84	81.209	5.96	0.8
Xcel Energy	XEL	Utility-Elec/Gas	11	35.92	3.34	0.3	1.2	61.856	1.94	0.3
Wisconsin Energy	WEC	Utility-Elec/Gas	12	52.74	3.2	0.423	1.69	63.06	2.68	0.28
NorthWestern Corp.	NWE	Utility-Elec/Gas	10	56.58	2.83	0.4	1.6	56.94	2.81	0.66
Duke Energy Corp.	DUK	Utility-Elec/Gas	10	83.54	3.81	0.795	3.18	73.782	4.31	0.23
PPL Corp.	PPL	Utility-Electric	13	36.33	4.1	0.373	1.49	107.19	1.39	0.26
Westar Energy	WR	Utility-Electric	10	41.24	3.39	0.35	1.4	59.829	2.34	0.46
Southern Company	SO	Utility-Electric	13	49.11	4.28	0.525	2.1	89.744	2.34	0.18
Black Hills Corp.	BKH	Utility-Electric	44	53.04	2.94	0.3900	1.56	61.18	2.55	0.83
Edison International	EIX	Utility-Electric	12	65.48	2.55	0.418	1.67	41.96	3.98	0.47
Consolidated Edison	ED	Utility-Electric	40	66.01	3.82	0.6300	2.52	59.57	4.23	0.19
Avista Corp.	AVA	Utility-Electric/Gas	12	35.35	3.59	0.318	1.27	63.819	1.99	0.64
Vectren Corp.	WC	Utility-Electric/Gas	55	46.23	3.29	0.3800	1.52	78.35	1.94	0.56
Northeast Utilities	NU	Utility-Electric/Gas	16	53.52	2.93	0.393	1.57	64.344	2.44	0.51
SCANA Corp.	SCG	Utility-Electric/Gas	14	60.4	3.48	0.525	2.1	55.409	3.79	0.43
Alliant Energy Corp.	LNT	Utility-Electric/Gas	11	66.42	3.07	0.51	2.04	57.627	3.54	0.48
Dominion Resources	D	Utility-Electric/Gas	11	76.9	3.12	0.6	2.4	93.385	2.57	0.32
NextEra Energy	NEE	Utility-Electric/Gas	20	106.29	2.73	0.725	2.9	66.667	4.35	0.44
Piedmont Natural Gas	PNY	Utility-Gas	36	39.41	3.25	0.3200	1.28	119.63	1.07	0.61
ONEOK Inc.	OKE	Utility-Gas	12	49.79	4.74	0.59	2.36	157.33	1.5	0.99
Northwest Natural Gas	NWN	Utility-Gas	59	49.90	3.71	0.4625	1.85	84.47	2.19	0.55
Laclede Group Inc.	LG	Utility-Gas	12	53.2	3.46	0.46	1.84	68.914	2.67	0.44
AGL Resources	GAS	Utility-Gas	12	54.51	3.6	0.49	1.96	47.115	4.16	0.5
WGL Holdings Inc	WGL	Utility-Gas	38	54.62	3.22	0.4400	1.76	85.85	2.05	0.69
Atmos Energy	ATO	Utility-Gas	31	55.74	2.80	0.3900	1.56	53.61	2.91	0.60
South Jersey Industries	SJI	Utility-Gas	16	58.93	3.41	0.503	2.01	70.526	2.85	0.72
New Jersev Resources	NJR	Utility-Gas	19	61,2	2.94	0.45	1.8	53.892	3.34	0.61

50-Stock Dividend Growth Achievers Portfolio

For some investors, owning 50 companies or more can be a bit unmanageable, and perhaps unnecessary (possibly too much diversification and/or overlap) – even for multi-million dollar portfolios. So, you could simplify your portfolio and make it easier to follow by holding 25 to 30 dividend growth stocks – simply choose your favorites. This reduced number of holdings should be plenty for most investors and certainly easier to manage and monitor. I have filtered through the larger list of 50 stocks to come up with a *30-Stock Dividend Growth Achievers Portfolio* that might appeal to you. It offers an attractive current yield, dividend growth and stability.

Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Payout	EPS	Beta
Lockheed Martin	LMT	Aerospace/Defense	12	192.57	3.12	1.5	6	60.667	9.89	0.63
PepsiCo Inc.	PEP	Beverages/Snack For	42	94.56	2.77	0.6550	2.62	57.96	4.52	0.42
Coca-Cola Company	KO	Beverages-Non-alcoh	52	42.22	2.89	0.3050	1.22	67.78	1.80	0.48
Clorox Company	CLX	Cleaning Products	37	104.21	2.84	0.7400	2.96	68.36	4.33	0.44
Procter & Gamble Co.	PG	Consumer Products	58	91.09	2.83	0.6436	2.57	72.72	3.54	0.37
Johnson & Johnson	JNJ	Drugs/Consumer Pro	52	104.57	2.68	0.7000	2.80	46.36	6.04	0.56
J.M. Smucker Co.	SJM	Food Processing	17	100.98	2.54	0.64	2.56	46.972	5.45	0.58
Kellogg Company	К	Food Processing	10	65.44	3	0.49	1.96	40.748	4.81	0.52
General Mills	GIS	Food Processing	11	53.33	3.08	0.41	1.64	68.619	2.39	0.16
Sysco Corp.	SYY	Food-Wholesale	45	39.69	3.02	0.3000	1.20	76.92	1.56	0.74
ExxonMobil Corp.	XOM	Oil & Gas	32	92.45	2.99	0.6900	2.76	34.72	7.95	0.90
Kimberly-Clark Corp.	KMB	Personal Products	43	115.54	2.91	0.8400	3.36	59.47	5.65	0.21
McDonald's Corp.	MCD	Restaurants	39	93.70	3.63	0.8500	3.40	66.80	5.09	0.33
International Business I	IBM	Technology-Hardwar	19	160.44	2.74	1.1	4.4	27.621	15.93	0.63
Microsoft Corp.	MSFT	Technology-Software	12	46.45	2.67	0.31	1.24	48.627	2.55	0.99
Verizon Communication	VZ	Telecommunications	10	46.78	4.7	0.55	2.2	45.643	4.82	0.39
AT&T Inc.	Т	Telecommunications	31	33.59	5.60	0.4700	1.88	57.67	3.26	0.40
NorthWestern Corp.	NWE	Utility-Elec/Gas	10	56.58	2.83	0.4	1.6	56.94	2.81	0.66
Wisconsin Energy	WEC	Utility-Elec/Gas	12	52.74	3.2	0.423	1.69	63.06	2.68	0.28
Duke Energy Corp.	DUK	Utility-Elec/Gas	10	83.54	3.81	0.795	3.18	73.782	4.31	0.23
Edison International	EIX	Utility-Electric	12	65.48	2.55	0.418	1.67	41.96	3.98	0.47
Black Hills Corp.	BKH	Utility-Electric	44	53.04	2.94	0.3900	1.56	61.18	2.55	0.83
Westar Energy	WR	Utility-Electric	10	41.24	3.39	0.35	1.4	59.829	2.34	0.46
Consolidated Edison	ED	Utility-Electric	40	66.01	3.82	0.6300	2.52	59.57	4.23	0.19
Southern Company	SO	Utility-Electric	13	49.11	4.28	0.525	2.1	89.744	2.34	0.18
NextEra Energy	NEE	Utility-Electric/Gas	20	106.29	2.73	0.725	2.9	66.667	4.35	0.44
Vectren Corp.	WC	Utility-Electric/Gas	55	46.23	3.29	0.3800	1.52	78.35	1.94	0.56
SCANA Corp.	SCG	Utility-Electric/Gas	14	60.4	3.48	0.525	2.1	55.409	3.79	0.43
New Jersey Resources	NJR	Utility-Gas	19	61.2	2.94	0.45	1.8	53.892	3.34	0.61
AGL Resources	GAS	Utility-Gas	12	54.51	3.6	0.49	1.96	47.115	4.16	0.5

30-Stock Dividend Growth Achievers Portfolio

7

Top industries to hunt for dividend stocks

Consumer staples can be an attractive industry for investors seeking steady income and growth.

THE MOST ATTRACTIVE INDUSTRIES of the market to locate solid dividend payers are typically those that generate high cash flow and earnings per share and pass this on to shareholders in the form of dividends. One could argue that an investor could simply choose top dividend payers from a handful of industries and have adequate diversification with plenty of income and growth potential. While there are twelve sectors that comprise the S&P 500, my opinion is that you could own dividend stocks from half of these sectors and still have plenty of diversification and higher annual dividend payments too.

I would suggest beginning your search in attractive cash-flow industries where companies have a history of rewarding shareholders. Industries like food and beverages, oil and gas, telecom, tobacco and utilities standout for dividend plays. Again, thanks to *www.dripinvesting.org* you can filter through names and industries that meet your criteria for free, and build an attractive portfolio.

Consumer Staples

The consumer staples sector is made up of companies producing and/or selling essential products such as food, beverages, tobacco and household items. Consumer staples are goods that people are unable or unwilling to eliminate from their budgets, regardless of their financial situation. These stocks are considered non-cyclical, meaning they are always in demand, no matter how poorly the economy is performing. We tend to purchase consumer staples at a relatively constant level, regardless of price.

Consumer staples can be a good option for investors seeking slow and steady growth. Companies that excel in this industry include Procter & Gamble, Kimberly-Clark, General Mills, Johnson & Johnson and Coca-Cola.

The consumer staples sector is a favorite of investors seeking safety when market volatility increases. Specifically, the food & beverage sector has historically been a particular area of interest because of the inelastic nature of its underlying products.



Tobacco

Tobacco stocks have proven to be among the most resilient, recession-proof equities for many years. Volume declines for the big tobacco companies are nothing new and this has been a common trend for some time now. But, fortunately for tobacco shareholders, the remaining customers are willing to shoulder a heavier cost burden than they have in the past. When these companies report their earnings, the results may not be earth shattering, but they will probably continue to keep the stock prices moving higher and the dividend growth too.

Oil and Gas

Oil and gas is category of stocks that produce or supply energy. This sector includes companies involved in the exploration and development of oil or gas reserves, oil and gas drilling, or integrated power firms.

Performance in the sector is largely driven by the supply and demand for worldwide energy. Energy producers will do very well during times of high oil and gas prices, but will earn less when the value of energy drops. Furthermore, this sector is sensitive to political events, which historically have driven changes in the price of oil.

The energy industry is not any different from most commoditybased industries as it faces long periods of boom and bust. Drilling and other service firms are highly dependent on the price and demand for petroleum. These firms are some of the first to feel the effects of increased or decreased spending. If oil prices rise, it takes time for petroleum companies to size up land, set up rigs, take out the oil, transport it and refine it before the oil company sees any profit. On the other hand, oil services and drilling companies are the first on the scene when companies decide to start exploring. Oil and gas prices fluctuate on a daily basis and there are many factors that determine the price of oil. But, it really all comes down to supply and demand. Demand typically does not fluctuate too much, but it will during recessions which makes this sector and the stocks it comprises, more volatile than most.

Telecom

Think of telecommunications as a machine strung together by complex networks, telephones, mobile phones and Internetlinked PCs – this global system touches nearly all of us. It allows us to speak and do business with nearly anyone, regardless of where they are in the world. Telecom companies make this possible.

Not long ago, the telecommunications industry was comprised of a club of big national and regional operators. However, over the past couple of decades, the industry has been swept up in rapid deregulation and innovation. In many countries around the world, government monopolies are now privatized and they face new competitors. Traditional markets have been turned upside down as the growth in mobile services outpaces fixed line and the Internet starts to replace voice as the staple business.

It is hard to avoid the conclusion that size matters in telecom. It is an expensive business; contenders need to be large enough and produce sufficient cash flow to absorb the costs of expanding networks and services that become obsolete seemingly overnight. Transmission systems need to be replaced as frequently as every two years. Big companies that own extensive networks – especially local networks that stretch directly into customers' homes and businesses – are less reliant on interconnecting with other companies to get calls and data to their final destinations. By contrast, smaller players must pay for interconnection more often in order to finish the job. For little operators hoping to grow big one day, the financial challenges of keeping up with rapid technological change and depreciation can be monumental. So, stick with established carriers – Verizon and AT&T come to mind. A foreign holding like Vodafone can also offer solid dividends and moderate growth potential in the telecom industry.

Utilities

The utility sector is comprised of companies such as electric, gas and water firms. Since utilities require significant infrastructure, these firms often carry large amounts of debt. With a high debt load, utility companies become sensitive to changes in interest rates. As interest rates rise or drop, their debt payments will increase or decrease. The utilities sector performs best when interest rates are falling or remain low.

While utility stocks are no longer synonymous with big dividends, that doesn't mean that dividends no longer matter. Most utility companies still go to great lengths to ensure distribution of cash to shareholders, and relative to other industries, utilities offer excellent income potential. Dividend yields in this sector typically appeal to conservative investors and are often seen as competition for bonds. What you don't have in the utilities industry, because companies already pay out large portions of their earnings in dividends, is optimal dividend growth potential. Still, assuming the current yield is above average and the company increases its dividend each year, utilities are a welcome addition to nearly every portfolio.

Company	Ticker		No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
PepsiCo Inc.	PEP	Beverages/Snacks	42	94.56	2.77	0.6550	2.62	57.96	4.52	1.42	0.42
Anheuser-Busch InBev S	BUD	Beverages-Alc.	5	112.32	2.88	1.6198	3.24	57.95	5.59	1.06	0.91
Brown-Forman Class B	BF-B	Beverages-Alc.	31	87.84	1.43	0.3150	1.26	40.51	3.11	0.54	0.66
Diageo plc	DEO	Beverages-Alc.	5	114.09	2.95	1.6849	3.37	58.40	5.77	1.35	0.86
Coca-Cola Company	KO	Beverages-Non-Alc	52	42.22	2.89	0.3050	1.22	67.78	1.80	1.25	0.48
Coca-Cola Enterprises Ir	CCE	Beverages-Non-Alc	7	44.22	2.26	0.2500	1.00	37.04	2.70	2.40	1.04
Dr Pepper Snapple Grou	DPS	Beverages-Non-Alc	5	71.68	2.29	0.4100	1.64	45.94	3.57	1.08	0.06
Church & Dwight	CHD	Consumer Products	18	78.81	1.57	0.3100	1.24	43.06	2.88	0.50	0.47
Brogtor & Comble Co	IVUIN DC	Consumer Products	50	01.00	1.49	0.3750	0.57	42.01	3.52	2.94	0.09
Tupperware Brands Corr	TUP	Consumer Products	5	63.00	2.03	0.0430	2.37	62.06	4 32	3.64	1.21
AmerisourceBergen Corr	ABC	Drugs	10	90.16	1 29	0.0000	1 16	96.67	1 20	1.02	0.65
Baxter International Inc.	BAX	Drugs	8	73.29	2.84	0.5200	2.08	65.00	3.20	1.10	0.71
Bristol-Myers Squibb Co.	BMY	Drugs	6	59.03	2.51	0.3700	1.48	90.80	1.63	0.51	0.34
Cardinal Health Inc.	CAH	Drugs	18	80.73	1.70	0.3425	1.37	43.22	3.17	0.64	0.53
McKesson Corp.	MCK	Drugs	7	207.58	0.46	0.2400	0.96	15.82	6.07	1.18	0.73
Novo Nordisk A/S	NVO	Drugs	14	42.32	1.96	0.8303	0.83	51.89	1.60	0.01	0.94
Perrigo Companyplc	PRGO	Drugs	12	167.16	0.25	0.1050	0.42	38.53	1.09	0.37	0.30
Shire plc	SHPG	Drugs	11	212.54	0.29	0.3114	0.62	6.51	9.57	0.17	0.72
Teva Pharmaceutical Ind	TEVA	Drugs	15	57.51	2.36	0.3387	1.35	42.20	3.21	0.45	0.64
Johnson & Johnson	JNJ	Drugs/Cons.	52	104.57	2.68	0.7000	2.80	46.36	6.04	0.20	0.56
PetMed Express Inc.	PETS	Drugs-Animal	6	14.37	4.73	0.1700	0.68	80.95	0.84	0.00	1.29
Pfizer Inc.	PFE	Drugs-Animal	5	31.15	3.60	0.2800	1.12	70.89	1.58	0.48	0.69
ConAgra Foods Inc.		Food Processing	10	30.20	2.70	0.2500	1.00	150.25	0.64	1.50	0.46
General Mills	GIS	Food Processing	11	53.33	2.70	0.1325	0.53	68.62	2.30	1.86	0.44
Hormel Foods Corp	HRI	Food Processing	49	52 10	1.92	0.4100	1.04	44.84	2.33	0.07	0.56
International Flavors & Fr	IFF	Food Processing	12	101.36	1.85	0.4700	1.88	40.00	4 70	0.58	0.86
J&J Snack Foods Corp.	JJSF	Food Processing	11	108.77	1.32	0.3600	1.44	37.70	3.82	0.00	0.62
J.M. Smucker Co.	SJM	Food Processing	17	100.98	2.54	0.6400	2.56	46.97	5.45	0.47	0.58
Kellogg Company	К	Food Processing	10	65.44	3.00	0.4900	1.96	40.75	4.81	2.26	0.52
McCormick & Co.	MKC	Food Processing	29	74.30	2.15	0.4000	1.60	50.31	3.18	0.70	0.53
Nestle S.A.	NSRGY	Food Processing	14	72.95	3.31	2.4174	2.42	78.74	3.07	n/a	n/a
Sensient Technologies C	SXT	Food Processing	9	60.34	1.66	0.2500	1.00	58.82	1.70	0.42	1.15
Sysco Corp.	SYY	Food-Wholesale	45	39.69	3.02	0.3000	1.20	76.92	1.56	0.57	0.74
Canadian Natural Resou	CNQ	Oil & Gas	14	30.88	2.60	0.2005	0.80	32.60	2.46	0.49	1.46
Chevron Corp.	CVX	Oil & Gas	27	112.18	3.82	1.0700	4.28	39.41	10.86	0.16	1.15
ConocoPhillips Ephridae Inc	ENID	Oil & Gas	14	69.06 51.41	4.23	0.7300	2.92	164.69	0.77	2.00	0.52
Endinge Inc.	END	Oil & Gas	15	92.07	2.47	0.3170	0.67	12.05	5.56	0.33	1.26
Exan Mobil Corn	XOM	Oil & Gas	32	92.07	2.99	0.6900	2.76	34.72	7.95	0.00	0.90
Helmerich & Payne Inc	HP	Oil & Gas	42	67.42	4.08	0.6875	2.75	42.64	6.45	0.02	1.35
Imperial Oil Ltd.	IMO	Oil & Gas	22	43.03	1.12	0.1200	0.48	11.37	4.22	0.28	1.27
Murphy Oil Corp.	MUR	Oil & Gas	18	50.52	2.77	0.3500	1.40	33.18	4.22	0.48	1.61
Ashland Inc.	ASH	Oil&Gas	5	119.76	1.14	0.3400	1.36	152.81	0.89	0.92	1.24
Cenovus Energy Inc.	CVE	Oil&Gas	6	20.62	4.81	0.2481	0.99	75.74	1.31	0.50	1.15
Cimarex Energy Co.	XEC	Oil&Gas	5	106.00	0.60	0.1600	0.64	8.78	7.29	0.34	1.51
Ensco plc	ESV	Oil&Gas	5	29.95	10.02	0.7500	3.00	138.89	2.16	0.50	1.45
Marathon Oil Corp.	MRO	Oil&Gas	5	28.29	2.97	0.2100	0.84	40.78	2.06	0.32	1.40
Occidental Petroleum	OXY	Oil&Gas	12	80.61	3.57	0.7200	2.88	39.89	7.22	0.19	1.49
Pardee Resource Comp	PDER	Oil&Gas	9	260.00	2.69	1.7500	7.00	n/a	n/a	n/a	n/a
Suncor Energy Inc.	50	Oll&Gas	9	31.78	2.90	0.2305	0.92	51.51	1.79	0.28	1.67
War Olishore Inc.		OllaGas	11	1.04	5.45	0.1000	0.40	200.06	0.14	2.29	1.02
Colgate-Palmolive Co		Personal Products	51	69 19	2.08	0.3700	2.20	63.16	2.30	4 26	0.45
Estee Lauder Companie	FL	Personal Products	5	76.20	1.26	0.2400	0.96	33.22	2.89	0.35	1.14
Kimberly-Clark Corp.	KMB	Personal Products	43	115.54	2.91	0.8400	3,36	59.47	5.65	1.64	0.21
Nu Skin Enterprises Inc.	NUS	Personal Products	14	43.70	3.16	0.3450	1.38	31.65	4.36	0.20	1.62
AT&T Inc.	Т	Telecom	31	33.59	5.60	0.4700	1.88	57.67	3.26	0.82	0.40
Atlantic Tele Network Inc.	ATNI	Telecom	17	67.59	1.72	0.2900	1.16	35.91	3.23	0.00	1.32
BT Group plc	BT	Telecom	5	61.99	2.84	0.8807	1.76	48.66	3.62	n/a	1.11
Inmarsat plc	IMASF	Telecom	10	12.40	3.83	0.2375	0.48	135.71	0.35	n/a	n/a
Telenor ASA	TELNY	Telecom	5	60.54	5.80	3.5134	3.51	190.94	1.84	n/a	n/a
Telephone & Data Sys.	TDS	Telecom	40	25.25	2.12	0.1340	0.54	n/a	-1.17	0.44	1.15
TELUS Corp.	10	Telecom	5	36.04	3.78	0.3410	1.36	70.31	1.94	1.16	0.44
verizon Communications	٧Z	I elecom	10	46.78	4.70	0.5500	2.20	45.64	4.82	6.59	0.39

Attractive industries to find Dividend Growth Achievers

Altria Group Inc.	MO	Tobacco	45	49.27	4.22	0.5200	2.08	95.41	2.18	3.26	0.51
British American Tobacc	BTI	Tobacco	10	107.82	4.49	2.4200	4.84	81.21	5.96	2.33	0.80
Lorillard Inc.	LO	Tobacco	7	62.94	3.91	0.6150	2.46	78.10	3.15	n/a	0.45
Philip Morris Internationa	PM	Tobacco	7	81.45	4.91	1.0000	4.00	80.32	4.98		0.93
Reynolds American Inc.	RAI	Tobacco	10	64.27	4.17	0.6700	2.68	90.85	2.95	1.10	0.51
Universal Corp.	UW	Tobacco	44	43.98	4.73	0.5200	2.08	78.49	2.65	0.62	1.35
Vector Group Ltd.	VGR	Tobacco	17	21.31	7.51	0.4000	1.60	181.82	0.88	n/a	0.31
CMS Energy Corp.	CMS	Utility-Elec/Gas	8	34.75	3.11	0.2700	1.08	61.02	1.77	2.41	0.33
Duke Energy Corp.	DUK	Utility-Elec/Gas	10	83.54	3.81	0.7950	3.18	73.78	4.31	1.01	0.23
NorthWestern Corp.	NWE	Utility-Elec/Gas	10	56.58	2.83	0.4000	1.60	56.94	2.81	1.28	0.66
OGE Energy Corp.	OGE	Utility-Elec/Gas	8	35.48	2.82	0.2500	1.00	50.51	1.98	0.90	0.67
Wisconsin Energy	WEC	Utility-Elec/Gas	12	52.74	3.20	0.4225	1.69	63.06	2.68	1.16	0.28
Xcel Energy	XEL	Utility-Elec/Gas	11	35.92	3.34	0.3000	1.20	61.86	1.94	1.23	0.30
American Electric Power	AEP	Utility-Electric	5	60.72	3.49	0.5300	2.12	57.92	3.66	1.15	0.40
Black Hills Corp.	BKH	Utility-Electric	44	53.04	2.94	0.3900	1.56	61.18	2.55	1.15	0.83
Cleco Corp.	CNL	Utility-Electric	5	54.54	2.93	0.4000	1.60	61.30	2.61	0.82	0.54
Consolidated Edison	FD	Utility-Electric	40	66.01	3.82	0.6300	2.52	59.57	4.23	0.99	0.19
DTE Energy Company	DTE	Utility-Electric	5	86.37	3.20	0.6900	2.76	66.99	4.12	1.08	0.35
Edison International	FIX	Utility-Electric	12	65.48	2.55	0.4175	1.67	41.96	3.98	1 14	0.47
ITC Holdings Com	ITC	Litility-Electric	10	40.43	1.61	0.1625	0.65	37.36	1 74	2.50	0.19
Portland General Electric	POR	Litility-Electric	9	37.83	2.96	0.2800	1 12	50.00	2 24	1.23	0.10
PPI Corp	PPI	Litility-Electric	13	36.33	4 10	0.2000	1.12	107.19	1 39	1.56	0.26
Fire Company	60	Utility Electric	10	40.11	4.10	0.5725	2.10	90.74	0.24	1.00	0.20
Moster Energy	30 M/D	Utility-Electric	10	49.11	9.20	0.3230	2.10	50.02	2.34	1.23	0.10
Alliant Energy Com		Utility-Electric	11	41.24	3.39	0.5500	1.40	59.03	2.34	1.11	0.40
Allant Energy Corp.		Utility-Electric/Gas	10	00.42	3.07	0.5100	2.04	57.03	3.54	1.06	0.46
Avista Corp.	AVA	Utility-Electric/Gas	12	35.35	3.59	0.3175	1.27	63.82	1.99	1.01	0.64
CenterPoint Energy	CNP	Utility-Electric/Gas	9	23.43	4.05	0.2375	0.95	74.80	1.27	2.03	0.47
Dominion Resources	D	Utility-Electric/Gas	11	76.90	3.12	0.6000	2.40	93.39	2.57	2.16	0.32
MGE Energy Inc.	MGEE	Utility-Electric/Gas	39	45.61	2.48	0.2825	1.13	49.56	2.28	0.61	0.57
NextEra Energy	NEE	Utility-Electric/Gas	20	106.29	2.73	0.7250	2.90	66.67	4.35	1.56	0.44
Northeast Utilities	NU	Utility-Electric/Gas	16	53.52	2.93	0.3925	1.57	64.34	2.44	0.96	0.51
SCANA Corp.	SCG	Utility-Electric/Gas	14	60.40	3.48	0.5250	2.10	55.41	3.79	1.26	0.43
UGI Corp.	UGI	Utility-Electric/Gas	27	37.98	2.28	0.2167	0.87	44.91	1.93	1.40	0.67
Vectren Corp.	WC	Utility-Electric/Gas	55	46.23	3.29	0.3800	1.52	78.35	1.94	1.04	0.56
AGL Resources	GAS	Utility-Gas	12	54.51	3.60	0.4900	1.96	47.12	4.16	1.19	0.50
Atmos Energy	ATO	Utility-Gas	31	55.74	2.80	0.3900	1.56	53.61	2.91	0.86	0.60
Chesapeake Utilities	CPK	Utility-Gas	11	49.66	2.17	0.2700	1.08	44.08	2.45	0.83	0.53
Delta Natural Gas	DGAS	Utility-Gas	10	21.25	3.76	0.2000	0.80	70.80	1.13	0.75	0.62
Laclede Group Inc.	LG	Utility-Gas	12	53.20	3.46	0.4600	1.84	68.91	2.67	1.42	0.44
MDU Resources	MDU	Utility-Gas	24	23.50	3.11	0.1825	0.73	46.20	1.58	0.72	0.81
National Fuel Gas	NFG	Utility-Gas	44	69.53	2.21	0.3850	1.54	43.63	3.53	0.72	1.46
New Jersey Resources	NJR	Utility-Gas	19	61.20	2.94	0.4500	1.80	53.89	3.34	0.97	0.61
Northwest Natural Gas	NWN	Utility-Gas	59	49.90	3.71	0.4625	1.85	84.47	2.19	1.13	0.55
ONEOK Inc.	OKE	Utility-Gas	12	49.79	4.74	0.5900	2.36	157.33	1.50	11.56	0.99
Piedmont Natural Gas	PNY	Utility-Gas	36	39.41	3.25	0.3200	1.28	119.63	1.07	1.25	0.61
Questar Corp.	STR	Utility-Gas	35	25.28	3.01	0.1900	0.76	57.58	1.32	1.19	0.63
RGC Resources Inc.	RGCO	Utility-Gas	12	22.00	3.50	0.1925	0.77	77.00	1.00	0.76	(0.10)
Sempra Energy	SRE	Utility-Gas	11	111.36	2.37	0.6600	2.64	57.64	4.58	1.23	0.45
South Jersey Industries	SJI	Utility-Gas	16	58.93	3.41	0.5025	2.01	70.53	2.85	1.36	0.72
WGL Holdings Inc.	WGL	Utility-Gas	38	54.62	3.22	0.4400	1.76	85.85	2.05	0.92	0.69
Southwest Gas Corp	SWX	Utility-Natural Gas	8	61.81	2.36	0.3650	1 46	48.99	2.98	1.00	0.74
American States Water	AW/R	Litility-Water	60	37.66	2.00	0.2130	0.85	56.05	1.52	0.62	0.77
American Water Works	AWK	Utility-Water	7	53.30	2.33	0.3100	1 24	56.36	2 20	1 20	0.29
	WTR	Litility-Water	23	26 70	2.00	0.1650	0.66	55.46	1 10	1.02	0.50
Artesian Resources		Litility-Water	17	22.50	3.81	0.2151	0.00	86.04	1.19	0.02	0.45
California Water Service	CWT	Litility-Water	47	24.61	2.6/	0.1625	0.00	60.04	1.00	0.39	0.43
Conn Water Service	CTWP	Litility-Water	45	36.20	2.04	0.2575	1.02	54 70	1.07	0.79	0.65
Middles ex Water Co	MSEY	Litility-Water	40	23.06	2.04	0.2075	0.77	70.64	1.00	0.04	0.03
S IM Corp		Utility Water	42	20.00	0.04	0.1923	0.77	20.10	1.09	1.10	0.07
Verk Weter Composition		Utility Water	4/	32.12	2.33	0.10/0	0.75	30.12	2.49	1.10	0.00
TOTK Water Company	TORW	ounty-water	18	23.21	2.58	U.1495	0.60	72.93	0.82	0.83	0.53

8

How to structure a low-beta dividend portfolio

Most studies have shown that low beta stocks not only reduce volatility in a portfolio, but also outperform.

LOW-BETA STOCK PORTFOLIOS, mutual funds and ETFs have gained in popularity in recent years as investors seek to reduce risk in a very volatile investment environment. I think investors are wise to consider low-beta strategies and I typically own low-beta dividend stocks for my managed accounts too, regardless of market valuations. Low-beta stock portfolios generally appeal to moderate and conservative investors.

For a quick review of beta, the broad market (S&P 500) has a beta reading of 1.0 and each stock is correlated differently to the market and has its own beta reading. Beta measures the volatility of an investment relative to the market itself. So, a portfolio or stock with a beta of 0.75 will be 75% as volatile as the market itself. In this example, if the market were to rise by 10%, a portfolio with a beta of 0.75 would rise 7.5%. Likewise, if the market were to decline by 10% this lower beta portfolio should

only drop by 7.5%. So, it's obvious that for conservative or moderate investors (typically retirees) who want to reduce volatility, reducing beta makes entire sense.

There have been numerous studies comparing low- and high-beta stocks and how they are non-correlated during economic expansion periods (bull markets) and recessionary times too (bear markets). Most studies have shown that low-beta stocks typically not only reduce volatility in a portfolio, but also outperform.

The benefit of a low-beta portfolio comes from the low correlation with the broad market and the low correlation each stock has to the others in the portfolio. This low correlation reduces volatility, but doesn't necessarily reduce returns. The bottom line, and why you should consider a low-beta portfolio – you may have a higher return than the market *and* lower volatility. This is ideal.

I believe there are a few reasons for low-beta stock outperformance: 1) Low-beta stocks typically pay high and growing dividends and this extra yield and increased cash flow each year adds to performance over time – helping a portfolio to outperform the broad averages. 2) Low-beta stocks have gained in popularity the past couple of decades as markets have become more volatile and investors have become more risk-averse. These stocks attract money, which in turn, boosts their prices. 3) Low-beta stocks are typically found in industries where earnings are independent of economic volatility. Stocks in the consumer staples or utility sectors (where one will find many low beta readings), for example, usually have more consistent earnings even during recessionary periods as their products or services are in demand on a consistent basis. Again, more consistent and predictable earnings make low-beta stocks less sensitive to market gyrations.

I think it makes complete sense to concentrate a portfolio in lowbeta stocks particularly during times of overvaluation - periods when the CAPE ratio (cyclically-adjusted price-to-earnings) has a reading well above 16.5 (its historical average). The reason for this is that if valuations are high, or if we are in a period where we have had a long bull-market run, we know this trend will eventually reverse, and a correction or bear market will take place. If stocks are due for a decline, for whatever reason, but you still want to maintain exposure to stocks, you could compromise and own a portfolio of low-beta stocks to hopefully reduce the amount of money you will temporarily lose if the overall market declines. As of this writing, in early 2015, with a CAPE ratio at 27, this is how I am positioned for my managed accounts – I am not inclined to reduce my target stock allocation just yet, but I recognize risks are higher as stocks have appreciated for 6 years and valuations are extended. So, rather than move completely to cash or bonds (bonds are also currently overvalued), a compromise is to continue to own stocks, but reduce volatility as much as possible with low-beta selections. If the market subsequently declines, I am hopeful that with a lowbeta portfolio my clients will lose less and therefore recover quicker too whenever the uptrend resumes.

Advantages of a low-beta stock portfolio:

- Less volatility than the market itself.
- Potential outperformance in good times and bad.

• *High current and growing dividends*. Most low-beta stocks pay nice dividends. This adds cash flow to a portfolio, which also helps with overall performance in bull and bear markets.

• *More predictable earnings*. Low-beta stocks are typically found in industries with consistent earnings. This predictability attracts investors and helps support stock prices.

• A risk-reduction compromise during periods of overvaluation. A low-beta portfolio can be an attractive option to stay invested in stocks, rather than selling out completely, when stocks are clearly overvalued. Since stocks can stay highly priced, above their historical average CAPE valuation level of 16.5, for many years, a compromise is to simply shift to a portfolio of low-beta holdings. By swapping holdings to low-beta stocks you can hopefully lower your portfolio's drawdown during a correction or bear market, stay invested, collect dividends and continue to have price appreciation potential.

The data in the *Excel* table in this chapter show 5-year beta readings from the lowest to highest for select dividend growth achievers. I conducted a broad search of dividend payers to filter out lower quality holdings with high volatility readings. So, if history is a guide, the holdings in this portfolio will exhibit quite a bit less volatility than the market itself over time and provide dividend income that is increasing each year.

To summarize, low-beta portfolios can provide risk-averse investors a way to maintain stock exposure, cash flow and capital gain potential while reducing overall volatility. Low-beta stocks are particularly attractive in overvalued markets as they normally decline less than the market when trends turn negative.

Company	Ticker		No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Pavout	EPS	Equity	Beta
Piedmont Natural Gas	PNY	Utility	36	39.41	3.25	0.3200	1.28	119.63	1.07	1.25	(0.10)
Dr Pepper Snapple Grou	DPS	Beverages	5	71.68	2.29	0.4100	1.64	45.94	3.57	1.08	0.06
ConAgra Foods Inc.	CAG	Food Proc.	6	36.28	2.76	0.2500	1.00	156.25	0.64	1.50	0.16
Portland General Electric	POR	Utility	9	37.83	2.96	0.2800	1.12	50.00	2.24	1.23	0.18
Black Hills Corp.	BKH	Utility	44	53.04	2.94	0.3900	1.56	61.18	2.55	1.15	0.19
DTE Energy Company	DTE	Utility	5	86.37	3.20	0.6900	2.76	66.99	4.12	1.08	0.19
Colgate-Palmolive Co.	CL	Personal	51	69.19	2.08	0.3600	1.44	63.16	2.28	4.26	0.21
ITC Holdings Corp.	ITC	Utility	10	40.43	1.61	0.1625	0.65	37.36	1.74	2.50	0.26
NorthWestern Corp.	NWE	Utility	10	56.58	2.83	0.4000	1.60	56.94	2.81	1.28	0.28
Southwest Gas Corp.	SWX	Utility	8	61.81	2.36	0.3650	1.46	48.99	2.98	1.00	0.29
McKesson Corp.	MCK	Drugs	7	207.58	0.46	0.2400	0.96	15.82	6.07	1.18	0.30
OGE Energy Corp.	OGE	Utility	8	35.48	2.82	0.2500	1.00	50.51	1.98	0.90	0.30
Revnolds American Inc.	RAI	Tobacco	10	64.27	4.17	0.6700	2.68	90.85	2.95	1.10	0.31
Avista Corp.	AVA	Utility	12	35.35	3.59	0.3175	1.27	63.82	1.99	1.01	0.32
Stryker Corp.	SYK	Medical	22	94.33	1.46	0.3450	1.38	82.14	1.68	0.46	0.33
Patterson Companies In	PDCO	Medical	5	48.10	1.66	0.2000	0.80	37.04	2.16	0.50	0.33
AmerisourceBergen Corr	ABC	Druas	10	90.16	1.29	0.2900	1.16	96.67	1.20	1.02	0.34
Cleco Corp.	CNL	Utility	5	54.54	2.93	0.4000	1.60	61.30	2.61	0.82	0.35
Procter & Gamble Co.	PG	Consumer	58	91.09	2.83	0.6436	2.57	72.72	3.54	0.51	0.37
York Water Company	YORW	Utility	18	23.21	2.58	0.1495	0.60	72.93	0.82	0.83	0.37
Telephone & Data Svs.	TDS	Telecom	40	25.25	2.12	0.1340	0.54	n/a	-1.17	0.44	0.39
Wisconsin Energy	WEC	Utility	12	52.74	3.20	0.4225	1.69	63.06	2.68	1.16	0.40
PepsiCo Inc.	PEP	Beverages	42	94.56	2.77	0.6550	2.62	57.96	4.52	1.42	0.42
NextEra Energy	NEE	Utility	20	106.29	2.73	0.7250	2.90	66.67	4.35	1.56	0.43
Armanino Foods of Distir	AMNF	Food Proc.	9	2.04	3.53	0.0180	0.07	60.00	0.12	n/a	0.44
Telenor ASA	TELNY	Telecom	5	60.54	5.80	3.5134	3.51	190.94	1.84	n/a	0.44
Dominion Resources	D	Utility	11	76.90	3.12	0.6000	2.40	93.39	2.57	2.16	0.44
Chesapeake Utilities	СРК	Utility	11	49.66	2.17	0.2700	1.08	44.08	2.45	0.83	0.44
Altria Group Inc.	MO	Tobacco	45	49.27	4.22	0.5200	2.08	95.41	2.18	3.26	0.45
Questar Corp.	STR	Utility	35	25.28	3.01	0.1900	0.76	57.58	1.32	1.19	0.45
American Water Works	AWK	Utility	7	53.30	2.33	0.3100	1.24	56.36	2.20	1.20	0.45
PPL Corp.	PPL	Utility	13	36.33	4.10	0.3725	1.49	107.19	1.39	1.56	0.46
Consolidated Edison	ED	Utility	40	66.01	3.82	0.6300	2.52	59.57	4.23	0.99	0.47
Alliant Energy Corp.	LNT	Utility	11	66.42	3.07	0.5100	2.04	57.63	3.54	1.06	0.47
Coca-Cola Company	ко	Beverages	52	42.22	2.89	0.3050	1.22	67.78	1.80	1.25	0.48
Southern Company	SO	Utility	13	49.11	4.28	0.5250	2.10	89.74	2.34	1.23	0.48
UGI Corp.	UGI	Utility	27	37.98	2.28	0.2167	0.87	44.91	1.93	1.40	0.50
American States Water	AWR	Utility	60	37.66	2.26	0.2130	0.85	56.05	1.52	0.62	0.50
Nestle S.A.	NSRGY	Food Proc.	14	72.95	3.31	2.4174	2.42	78.74	3.07	n/a	0.51
Verizon Communications	VZ	Telecom	10	46.78	4.70	0.5500	2.20	45.64	4.82	6.59	0.51
Lorillard Inc.	LO	Tobacco	7	62.94	3.91	0.6150	2.46	78.10	3.15	n/a	0.51
Edison International	EIX	Utility	12	65.48	2.55	0.4175	1.67	41.96	3.98	1.14	0.51
MGE Energy Inc.	MGEE	Utility	39	45.61	2.48	0.2825	1.13	49.56	2.28	0.61	0.51
J&J Snack Foods Corp.	JJSF	Food Proc.	11	108.77	1.32	0.3600	1.44	37.70	3.82	0.00	0.52
Baxter International Inc.	BAX	Drugs	8	73.29	2.84	0.5200	2.08	65.00	3.20	1.10	0.53
J.M. Smucker Co.	SJM	Food Proc.	17	100.98	2.54	0.6400	2.56	46.97	5.45	0.47	0.53
AGL Resources	GAS	Utility	12	54.51	3.60	0.4900	1.96	47.12	4.16	1.19	0.53
Middlesex Water Co.	MSEX	Utility	42	23.06	3.34	0.1925	0.77	70.64	1.09	0.84	0.53
American Electric Power	AEP	Utility	5	60.72	3.49	0.5300	2.12	57.92	3.66	1.15	0.54
National Fuel Gas	NFG	Utility	44	69.53	2.21	0.3850	1.54	43.63	3.53	0.72	0.55
Shire plc	SHPG	Drugs	11	212.54	0.29	0.3114	0.62	6.51	9.57	0.17	0.56
Flowers Foods	FLO	Food Proc.	13	19.19	2.76	0.1325	0.53	60.23	0.88	0.70	0.56
SCANA Corp.	SCG	Utility	14	60.40	3.48	0.5250	2.10	55.41	3.79	1.26	0.56
CenterPoint Energy	CNP	Utility	9	23.43	4.05	0.2375	0.95	74.80	1.27	2.03	0.57
International Flavors & Fr	IFF	Food Proc	12	101.36	1.85	0.4700	1.88	40.00	4.70	0.58	0.58
Vectren Corp.	WC	Utility	55	46.23	3.29	0.3800	1.52	78.35	1.94	1.04	0.60
r											

Low-Beta Dividend Growth Achievers Portfolio (0.60 or less)

9

How to build a high dividend growth portfolio

Buy companies that grow dividends by 6% or more each year.

WHILE MOST DIVIDEND INVESTORS focus on current yield, it is equally important to own companies that show high dividend growth potential. It's obvious why investors are attracted to current yield, since this is the yield they will capture immediately and current dividend yield percentages are displayed and quoted on financial Web sites and in newspapers. I don't think I have ever had an investor ask me about the future dividend growth of a company – everyone is focused on current yield. Again, this is a mistake because it is the growth of the dividend that will help your portfolio outpace inflation and a strong dividend growth rate also tells you the company is doing well and earnings are plentiful.

At a minimum, I believe it makes sense for all investors to focus on both current yield *and* dividend growth. Some combination of the two should allow you to have enough current cash flow while hopefully also providing you with dividend growth greater than inflation – and potentially twice the rate of inflation. At present, inflation is running around 2% annually, so a portfolio focused not only on current income, but also on companies growing their dividends by 4% or more is a good starting point.

Let's briefly review some of the advantages of investing in companies that grow their dividends:

• *Compounded dividend growth*. The benefits of exponential growth are multiplied by growing dividends. This is because both the number of shares (from reinvestment) and the dividends per share are growing. The power of compounded dividend growth can provide competitive returns regardless of whether or not the price of the stock increases.

• *Capital preservation*. Quality dividend-paying companies are more mature and stable than most. These stocks usually hold up better in down markets and provide plenty of upside in bull markets too.

• *Create an income stream*. Dividends provide a regular income steam that can be reinvested or help cover living expenses. Most stocks pay a quarterly dividend, but a well-constructed portfolio of dividend stocks can provide a consistent monthly income stream too. Dividend growth is especially critical for early retirees who may need to live off a portfolio in retirement for several decades and need to keep pace with inflation.

• *Inflation hedge*. The big disadvantage of fixed income investments is that the income stream doesn't grow. Even a 3% inflation rate will destroy 50% of the buying power of your principal in just 24 years. Companies that increase their dividends provide the ability to receive income that increases and maintains the purchasing power of your principal and income.

I've put together a few diversified portfolios of *Dividend Growth Achievers* for your review, with the investment objective of owning stocks that have shown average annual 10-year dividend growth of at least 4% (twice the current inflation rate). Most of these stocks can be found in traditional dividend-paying sectors like utilities, foods and beverages, personal products and other consumer staples. I think targeting companies that grow their dividends by 6% to 8% annually is ideal – companies like Coca-Cola, Exxon Mobil, Kimberly-Clark, Procter & Gamble, Johnson & Johnson and General Mills are standouts in this category and should be considered for any portfolio.

Company	Ticker		No	12/31/14	Div	Annual	EPS%	TTM	Deht/	DGB		5-1/
Namo	Symbol	Inductor	Vro	Prico	Viold	Dividond	Pavout	EDS	Equity	10-10	2014	Bota
Lockhood Martin	I MT	Aarospaco/Dof	12	102.57	2 12	6 00	60 67	0.90	1.25	10-yi	5 490	0.62
PopsiCo Inc	DED	Reiospace/Dei.	42	04.56	2.72	2.62	57.06	4.52	1.00	12.5	2 5 2 2	0.03
Anheuser-Busch InBev	BUD	Beverages-Alcoholic		112 32	2.88	3.24	57.95	5.50	1.42	n/a	3 240	0.42
Coca-Cola Company	KO	Beverages-Non-alc	52	42.02	2.00	1 22	67.78	1.80	1.00	93	1 220	0.48
Dr Penner Snannle Groun	DPS	Beverages-Non-alc	5	71.68	2.00	1.64	45.94	3.57	1.23	n/a	1.610	0.40
Clorey Company		Cloaning Products	27	104.21	2.23	2.06	69.26	4.32	12.16	10.4	2 000	0.00
Horshov Company	LICY	Confectioners	57	109.21	2.04	2.50	59.15	9.00	1 50	0.2	2.000	0.44
2MCompany	MAMAA	Conglomorato	57	164.32	2.00	4.10	56.22	7.00	0.45	9.0	2.040	1 1 1
United Technologies		Conglomorato	21	115.00	2.00	2.26	24.96	6.77	0.43	12.0	2 260	1.11
Broster & Comble Co		Congionierate Congumer Broducto	21	01.00	2.05	2.30	34.00	0.77	0.59	12.9	2.300	0.27
Lipited Bargel Conice Inc.	LIDE	Consumer Floducis	50	91.09	2.03	2.37	12.12 66 E0	3.34	0.51	0.1	2.332	0.37
Onited Parcel Service Inc.	UPS	Delivery & Freight	5	70.00	2.41	2.08	00.00	4.03	2.18	9.1	2.680	0.93
Baxier International Inc.	BAX	Drugs	8	73.29	2.84	2.08	00.00	3.20	1.10	13.2	2.020	0.71
Jonnson & Jonnson	JNJ	Drugs/Consumer	52	104.57	2.68	2.80	46.36	6.04	0.20	9.7	2.760	0.56
Pfizer Inc.	PFE	Drugs-Animal	5	31.15	3.60	1.12	70.89	1.58	0.48	4.3	1.040	0.69
Kellogg Company	K	Food Processing	10	65.44	3.00	1.96	40.75	4.81	2.26	6.5	1.900	0.52
General Mills	GIS	Food Processing	11	53.33	3.08	1.64	68.62	2.39	1.86	10.7	1.610	0.16
Hormel Foods Corp.	HRL	Food Processing	49	52.10	1.92	1.00	44.84	2.23	0.07	13.5	0.800	0.56
Nestle S.A.	NSRGY	Food Processing	14	72.95	3.31	2.42	78.74	3.07	n/a	15.8	2.417	n/a
Sysco Corp.	SYY	Food-Wholesale	45	39.69	3.02	1.20	76.92	1.56	0.57	8.4	1.160	0.74
ExxonMobil Corp.	XOM	Oil & Gas	32	92.45	2.99	2.76	34.72	7.95	0.12	9.8	2.700	0.90
Chevron Corp.	CVX	Oil & Gas	27	112.18	3.82	4.28	39.41	10.86	0.16	10.7	4.210	1.15
ConocoPhillips	COP	Oil & Gas	14	69.06	4.23	2.92	50.00	5.84	0.38	15.2	2.840	1.07
Occidental Petroleum	OXY	Oil&Gas	12	80.61	3.57	2.88	39.89	7.22	0.19	17.7	2.699	1.49
Kimberly-Clark Corp.	KMB	Personal Products	43	115.54	2.91	3.36	59.47	5.65	1.64	8.2	3.256	0.21
Colgate-Palmolive Co.	CL	Personal Products	51	69.19	2.08	1.44	63.16	2.28	4.26	11.5	1.420	0.45
Wal-Mart Stores Inc.	WMT	Retail-Discount	41	85.88	2.24	1.92	40.08	4.79	0.70	14.8	1.910	0.47
Target Corp.	TGT	Retail-Discount	47	75.91	2.74	2.08	87.03	2.39	0.87	20.3	1.900	0.61
Walgreen Company	WAG	Retail-Drugstores	39	76.05	1.78	1.35	63.68	2.12	0.22	21.2	1.305	1.36
CVS Health Corp.	CVS	Retail-Drugstores	12	96.31	1.45	1.40	36.18	3.87	0.34	23.4	1.100	1.07
Lowe's Companies	LOW	Retail-Home Improv.	52	68.80	1.34	0.92	36.36	2.53	1.06	27.9	0.820	1.17
Microsoft Corp.	MSFT	Technology-Software	12	46.45	2.67	1.24	48.63	2.55	0.26	21.8	1.150	0.99
Qualcomm Inc.	QCOM	Telecomm Equipment	12	74.33	2.26	1.68	38.18	4.40	0.00	21.7	1.610	1.16
Verizon Communications	V7	Telecommunications	10	46.78	4.70	2.20	45.64	4.82	6.59	3.3	2.140	0.39
AT&T Inc.	T	Telecommunications	31	33.59	5.60	1.88	57.67	3.26	0.82	3.9	1.840	0.40
Revnolds American Inc.	RAI	Tobacco	10	64.27	4.17	2.68	90.85	2.95	1.10	10.8	2.640	0.51
Altria Group Inc	MO	Tobacco	45	49.27	4 22	2.08	95.41	2.18	3.26	11.6	1 960	0.51
Philip Morris International	PM	Tobacco	7	81.45	4 91	4.00	80.32	4 98	0.20	n/a	3,880	0.01
Duke Energy Corp		I Itility/Flec/Gas	10	83.54	3.81	3.18	73 78	4.30	1.01	5.1	3 150	0.30
Southern Company	SO	Litility-Electric	13	49.11	4 28	2 10	89.74	2 34	1.01	3.0	2.083	0.20
Edison International	EIV	Litility Electric	12	65.49	2.55	1.67	41.06	2.04	1.20	5.0	1 420	0.10
PPI Corp	PPI	Litility-Electric	12	36.33	4 10	1.07	107.10	1 30	1.14	6.1	1 485	0.26
Dominian Bassurasa		Utility Electric/Coo	10	76.00	9.10	1.49	02.20	0.57	1.50	0.1	0.400	0.20
NextEra Energy		Utility Electric/Gas	00	106.00	0.12	2.40	93.39	2.57	2.10	0.3	2.400	0.32
Nexicia Eriergy	NEE	Utility-Electric/GaS	20	100.29	2.73	2.90	00.07	4.35	1.56	8.4	2.900	0.44
Sempra Energy	SHE	Utility-Gas	11	111.36	2.37	2.64	57.64	4.58	1.23	10.1	2.610	U.45

Large-Cap Dividend Growth Achievers Portfolio

Company	Ticker	No.	12/31/14	Div.		Annual	Past 5vr	5/10	DGR	DGR	DGR	DGR
Name	Symbol	Vre	Price	Vield	New	Dividend	DEG	A/D*	1-vr	3-vr	5-vr	10-vr
Darden Bestaurants	DBI	10	58.63	3 75	0.5500	2 20	n/a	0.498	4.8	13.6	19.6	39.3
Microsoft Corp.	MSFT	12	46.45	2.67	0.3100	1.24	1.687	0.789	18.6	19.1	17.2	21.8
Target Corp.	TGT	47	75.91	2.74	0.5200	2.08	16.296	1.125	20.3	20.0	22.8	20.3
International Business M	IBM	19	160.44	274	1 1000	4 40	1 340	0 739	14.9	13.6	14.6	19.8
Lockheed Martin	I MT	12	192 57	3.12	1 5000	6.00	5.811	0.945	14.9	19.1	18.6	19.7
McDonald's Corp	MCD	39	93 70	3.63	0.8500	3 40	1 217	0.504	5.1	9.0	9.9	19.6
ONEOK Inc	OKE	12	49.79	4 74	0.5900	2.36	n/a	1 303	64.4	31.1	24.3	18.7
Bepublic Services Inc.	BSG	12	40.25	2.78	0.2800	1 12	0 200	0.379	9.8	8.9	6.9	18.1
Flowers Foods	FLO	13	19 19	2.76	0.1325	0.53	0.731	0.565	9.2	7.6	10.1	17.9
Wisconsin Energy	WEC	12	52 74	3.20	0.4225	1.69	1 689	1 288	8.0	14.5	18.2	14.2
Baxter International Inc	BAX	8	73.29	2.84	0.5200	2.08	4 733	1.200	74	17.7	14.2	13.2
PensiCo Inc	PFP	42	94.56	2 77	0.6550	2.62	1 258	0.614	13.1	84	77	12.5
Altria Group Inc	MO.	45	49.27	4 22	0.5200	2.02	0.973	0 739	8.9	8.1	8.6	11.6
Beynolds American Inc	RAI	10	64.27	4 17	0.6700	2.68	1 346	0.826	8.2	71	8.9	10.8
General Mills	GIS	11	53.33	3.08	0.4100	1.64	1 486	1 158	13.4	11.2	12.3	10.7
Clorox Company		37	104 21	2.84	0 7400	2.96	1.686	0.828	74	8.0	8.6	10.4
Procter & Gamble Co	PG	58	91.09	2.83	0.6436	2.57	2 873	0.805	7.4	7.2	8.0	10.4
ExonMobil Corp	XOM	32	92.45	2.99	0.6900	2.76	070	1 043	9.8	13.4	10.2	9.8
Johnson & Johnson	JNJ	52	104 57	2.68	0 7000	2.80	7 4 1 6	0.766	6.6	7.0	74	9.7
Northeast Utilities	NU	16	53.52	2.93	0.3925	1.57	1 273	1.095	6.8	12.6	10.6	9.6
I M Smucker Co	SIM	17	100.98	2.54	0.6400	2.56	1.037	1 281	10.9	9.9	12.2	9.6
Avista Corp		12	35.35	3.59	0.3175	1.00	1 494	0.996	4 1	4.9	9.4	9.4
Coca-Cola Company	KO	52	42.22	2.89	0.3050	1.22	0.929	0.886	8.9	9.1	8.3	9.3
CenterPoint Energy	CNP	9	23.43	4 05	0 2375	0.95	n/a	0.505	14.5	6.3	4.6	9.0
South Jersey Industries	SJI	16	58.93	3.41	0.5025	2.01	n/a	1.096	5.0	8.1	9.7	8.8
Svsco Corp.	SYY	45	39.69	3.02	0.3000	1.20	n/a	0.462	3.6	3.7	3.9	8.4
NextEra Energy	NEE	20	106.29	2.73	0.7250	2.90	n/a	1.070	9.8	9.6	8.9	8.4
Kimberly-Clark Corp.	KMB	43	115.54	2.91	0.8400	3.36	1.153	0.896	7.2	6.7	7.4	8.2
Alliant Energy Corp.	LNT	11	66.42	3.07	0.5100	2.04	1.175	0.874	8.5	6.3	6.3	7.3
Waste Management	WM	11	51.32	2.92	0.3750	1.50	n/a	0.735	2.7	3.3	5.3	7.2
New Jersey Resources	NJR	19	61.20	2.94	0.4500	1.80	0.169	0.944	5.6	5.9	6.6	7.0
Kellogg Company	K	10	65.44	3.00	0.4900	1.96	0.547	0.897	5.6	4.4	5.8	6.5
Dominion Resources	D	11	76.90	3.12	0.6000	2.40	3.623	1.031	6.7	6.8	6.5	6.3
Westar Energy	WB	10	41.24	3.39	0.3500	1.40	0.517	0.507	2.2	3.1	3.2	6.2
PPL Corp.	PPL	13	36.33	4.10	0.3725	1.49	n/a	0.241	1.2	2.0	1.5	6.1
Questar Corp.	STR	35	25.28	3.01	0.1900	0.76	n/a	1.350	5.6	6.6	8.2	6.1
Edison International	EIX	12	65.48	2.55	0.4175	1.67	n/a	0.465	5.2	3.5	2.7	5.9
Cleco Corp.	CNL	5	54.54	2.93	0.4000	1.60	1.254	2.057	9.6	11.7	11.7	5.7
AGL Resources	GAS	12	54.51	3.60	0.4900	1.96	n/a	0.483	4.3	2.9	2.6	5.5
Diageo plc	DEO	5	114.09	2.95	1.6849	3.37	1.088	1.575	12.4	9.1	8.3	5.3
Duke Energy Corp.	DUK	10	83.54	3.81	0.7950	3.18	0.509	0.440	1.9	2.0	2.2	5.1
Vector Group Ltd.	VGR	17	21.31	7.51	0.4000	1.60	n/a	1.000	5.0	5.0	5.0	5.0
MDU Resources	MDU	24	23.50	3.11	0.1825	0.73	n/a	0.619	2,9	3.0	2.7	4.4
Pfizer Inc.	PFE	5	31.15	3.60	0.2800	1.12	0.792	1.241	8.3	9.1	5.4	4.3
Xcel Energy	XEL	11	35.92	3.34	0.3000	1.20	0.746	1.003	7.3	4.8	4.1	4.1
Piedmont Natural Gas	PNY	36	39.41	3.25	0.3200	1.28	0.968	0.857	3.3	3.4	3.5	4.1

Portfolio for Maximum 10-Year Dividend Growth Potential

This 15-Stock Dividend Growth Portfolio is focused primarily on dividend growth and to a lesser degree on current yield. The average annual dividend growth projection of this portfolio is 9%. This handily beats inflation and the 20-year hypothetical growth of both dividend and dollar growth is astounding. For a \$1 million portfolio invested today with a current yield of 3.0% and annual dividend growth of 9% reinvested quarterly, the 20-year ending value is over \$5 million. This is a remarkable example of how much a portfolio can grow *only* from compounded dividend growth – no capital gains were assumed. Dividend growth alone, if high enough, may be sufficient to meet your investment objectives. The power of compounding growing dividends works wonders.

15-Stock Dividend Growth				
Name	Symbol	Cons.Inc	Div.Yield	Div. Growth
Exxon Mobil	XOM	32	3.2%	10.3%
Smucker JM	SJM	5	2.5%	12.2%
Procter & Gamble	PG	61	3.0%	7.9%
Pfizer	PFE	4	3.6%	5.7%
PepsiCo	PEP	43	2.8%	7.4%
New Jersey Resources	NJR	1	3.1%	6.5%
Microsoft	M SFT	9	2.8%	17.3%
Altria	MO	5	3.9%	8.6%
M cDonald's	MCD	38	3.7%	9.8%
Coca-Cola	KO	52	3.0%	8.2%
Kimberly-Clark	KMB	40	3.1%	7.0%
Kellogg	K	10	3.0%	5.8%
Johnson & Johnson	JNJ	52	2.9%	7.4%
General Mills	GIS	11	3.1%	12.0%
Clorox	CLX	38	2.9%	8.3%
Average Annual %			3.1%	9.0%

20-Year Hypothetical Portfolio Growth

9% Annual Dividend Growth Rate Dividends Reinvested Quarterly Source: www.dividendinvestor.com

Year	Dividend	Yield on	Starting Value
0	Yield	Cost	\$1,000,000
1	3.1%	3.1%	\$1,031,392
2	3.1%	3.5%	\$1,066,825
3	3.2%	4.0%	\$1,106,938
4	3.3%	4.6%	\$1,152,496
5	3.4%	5.2%	\$1,204,424
6	3.4%	5.9%	\$1,263,840
7	3.5%	6.8%	\$1,332,113
8	3.6%	7.9%	\$1,410,925
9	3.7%	9.1%	\$1,502,363
10	3.8%	10.7%	\$1,609,036
11	3.8%	12.5%	\$1,734,230
12	3.9%	14.8%	\$1,882,130
13	4.0%	17.6%	\$2,058,106
14	4.1%	21.1%	\$2,269,131
15	4.2%	25.5%	\$2,524,351
16	4.3%	31.2%	\$2,835,904
17	4.4%	38.4%	\$3,220,099
18	4.5%	47.9%	\$3,699,140
19	4.6%	60.5%	\$4,303,682
20	4.7%	77.3%	\$5,076,694

10

Dividend Growth Achievers for monthly income

Do you know the only thing that gives me pleasure? It's to see my dividends coming in. – John D. Rockefeller

WHILE I WOULD CERTAINLY NOT advise you to structure your dividend portfolio with the primary objective of having dividend income every month, if it is important to you, you can easily build a quality portfolio that will give you cash flow each and every month. There are plenty of free financial Web sites available that can show you when any particular company pays its dividend or you can look on the company's Web site itself to gather information. In the table in this chapter I have compiled a short list of well-known dividend growth stocks grouped in order of their monthly pay dates.

In looking at the Pay Date column in the accompanying table, you can see there are plenty of companies that vary their pay dates enough so you can build a portfolio and have plenty of cash flow every month to meet expenditures. Again, I don't think it makes sense to focus only on the payment schedule before other more important criteria for dividend stock selection, but if the timing of your cash flow is critical for you to meet expenses, then you could choose a few companies that pay dividends each month of the year.

Dividend flow each month allows investors to match income with living expenses, which will certainly appeal to retirees or anyone on a budget. I would suggest owning a portfolio of at least 25 to 30 names (no fewer than 15), and if you choose from companies who begin their pay dates in January, February and March, you will receive dividends every month of the year since the entire yearly payment schedule will be staggered accordingly. The reason to buy a dividend stock is obviously not the months it pays its dividends, but with many high-quality companies beginning their payments in different months of the first quarter of the year, you can have both attractive monthly income and a portfolio that meets your more important selection criteria (i.e. consistent dividend growth, modest payout ratio, low beta, attractive current yield etc.).



High Dividend Yield

Select Dividend Stock Pay	Dates		
	Symbol	Yield	Pay Date
Abbott Labs	ABT	2.1	Feb, May, Aug, Nov
AT&T	Т	5.7	Feb, May, Aug, Nov
Bristol-Myers Squibb	BMY	2.5	Feb, May, Aug, Nov
Clorox	CLX	2.8	Feb, May, Aug, Nov
Colgate-Palmolive	CL	2.1	Feb, May, Aug, Nov
CVS Health Corp	CVS	1.4	Feb, May, Aug, Nov
General Dynamics	GD	1.9	Feb, May, Aug, Nov
General Mills	GIS	3.1	Feb, May, Aug, Nov
Hormel	HRL	2	Feb, May, Aug, Nov
Lowe's	LOW	1.4	Feb, May, Aug, Nov
Procter & Gamble	PG	3	Feb, May, Aug, Nov
Verizon	VZ	4.8	Feb, May, Aug, Nov
Altria	MO	3.9	Jan, Apr, Jul, Oct
Cisco Systems	CSCO	2.9	Jan, Apr, Jul, Oct
Edison International	EIX	2.5	Jan, Apr, Jul, Oct
Kimberly-Clark	KMB	3.1	Jan, Apr, Jul, Oct
Kraft Foods	KRFT	3.4	Jan, Apr, Jul, Oct
New Jersey Resources	NJR	1.4	Jan, Apr, Jul, Oct
Nike	NKE	1.2	Jan, Apr, Jul, Oct
Occidental Petroleum	OXY	3.6	Jan, Apr, Jul, Oct
Oracle	ORCL	1.1	Jan, Apr, Jul, Oct
PepsiCo	PEP	2.8	Jan, Apr, Jul, Oct
Sysco	SYY	3.1	Jan, Apr, Jul, Oct
Wal-Mart	WMT	2.3	Jan, Apr, Jul, Oct
3M	MMM	2.5	Mar, Jun, Sep, Dec
Chevron	CVX	4.2	Mar, Jun, Sep, Dec
Coca-Cola	КО	3	Mar, Jun, Sep, Dec
ConocoPhillips	COP	4.6	Mar, Jun, Sep, Dec
Consolidated Edison	ED	3.8	Mar, Jun, Sep, Dec
Exxon Mobil	XOM	3.2	Mar, Jun, Sep, Dec
IBM	IBM	2.9	Mar, Jun, Sep, Dec
Intel	INTC	2.9	Mar, Jun, Sep, Dec
Johnson & Johnson	JNJ	2.8	Mar, Jun, Sep, Dec
Kellogg	K	3	Mar, Jun, Sep, Dec
Lockheed Martin	LMT	3.2	Mar, Jun, Sep, Dec
McDonald's	MCD	3.7	Mar, Jun, Sep, Dec
Microsoft	MSFT	3.1	Mar, Jun, Sep, Dec
Pfizer	PFE	3.6	Mar, Jun, Sep, Dec
Qualcomm	QCOM	2.7	Mar, Jun, Sep, Dec
Smucker JM	SJM	2.5	Mar, Jun, Sep, Dec
Southern Company	SO	4.1	Mar, Jun, Sep, Dec
Target	TGT	2.8	Mar, Jun, Sep, Dec
United Parcel Service	UPS	2.7	Mar, Jun, Sep, Dec
United Technologies	UTX	2.1	Mar, Jun, Sep, Dec
11

Exchange-Traded Funds for dividend investors

Dividend-paying ETFs have exploded in popularity.

Exchange-Traded Funds (ETFs) do not need much of an introduction as they have become wildly popular over the past ten years. When I wrote my first book about ETFs some fifteen years ago very few investors had heard of them. Now, most investors are aware ETFs provide an excellent alternative to traditional mutual funds and one could also argue that a portfolio comprised of only dividend-paying ETFs is all the stock exposure you need to help reach your investment objectives. In other words, you could argue against owing any individual dividend companies – simply own them via ETFs that are comprised of the companies you want in your portfolio. I prefer to have better risk control by owning individual dividend-paying stocks and reduced investment costs too, but for many clients I will also own some ETFs and certainly for some smaller accounts I may only own ETFs for diversification purposes. Exchange-Traded Funds (ETFs) began in the late 1980s and quickly gained popularity as investors started looking for lessexpensive and more liquid alternatives to mutual funds. Investors, both institutional and individual, could see the benefits of holding a specific group of stocks with lower management fees and intraday price visibility.

Let's look briefly at the advantages and disadvantages of owning dividend-paying ETFs so you can decide if they are appropriate for you.

Advantages of owning dividend-paying ETFs:

• *Diversification*. A single ETF can give exposure to a group of equities, market segments or styles. In comparison to a stock, an ETF can track a broader range of stocks, or even mimic the returns of a country or a group of countries. For example, you could focus on dividend-paying companies in Europe or Emerging Markets, or an individual industry. Mutual funds can be diversified as well, but ETFs can give you immediate diversification with the push of a button on your keyboard.

• Low fees. ETFs, which are generally passively managed, have much lower ongoing expenses compared to other managed funds. A mutual fund's expense ratio is usually higher due to costs such as a management fee, accounting expenses at the fund level, service and marketing fees, paying a board of directors, and load fees for sale and distribution. In addition, ETF fees have even declined further in recent years as firms like *Vanguard* and *iShares by BlackRock* compete for passively managed dollars where cost is all-important. Some ETFs are available for as little as 0.10% in annual expenses. This is less than one-tenth the ongoing cost of many actively managed mutual funds and can make quite a difference over a lifetime of investing. • *Trade like stocks*. ETFs trade throughout the day on an exchange, just like any typical stock you might buy. Mutual funds, on the other hand, are only available for purchase or sale at the end of each trading day and you usually have to enter your order about an hour prior to the close of trading. So, you actually don't know what price you are going to get when you enter a buy or sell order on a mutual fund – who knows what might happen on that particular trading day? Since ETFs trade like stocks, they allow you more flexibility to make purchases and sales during the trading day and not have to wait until the end of the day – and at an unknown price. Again, ETFs trade at a price that is updated throughout the day. An open-ended mutual fund is priced *only* at the end of the day, at the net asset value.

• *ETFs can be purchased on margin and sold short*. If you are so inclined, you can purchase ETFs, like most stocks, on margin (borrowed money) and sell them short too. This can be an advantage for speculators, but also for more conservative investors who are looking to hedge a portfolio to reduce risk. This can be considered an advantage, but I don't encourage speculation or utilizing margin for most investors.

• *Dividends are reinvested automatically and immediately*. Dividends of the companies comprised in an open-ended ETF are reinvested immediately.

• *Capital gains tax exposure is limited*. ETFs can be much more tax-efficient than mutual funds because most of the tax on capital gains is paid only after the sale of an ETF occurs and this is at the discretion of the investor. Even if the ETF sells or buys shares while attempting to mimic the basket of shares it is tracking, there is typically no taxable distribution to shareholders (unlike some actively managed mutual funds). The reason for this is that in-kind transfers seen in ETFs do not result in a tax charge, and therefore can be expected to be much lower than

mutual funds. Mutual funds, on the other hand, are required to distribute capital gains to shareholders if the manager sells securities at a profit. This distribution amount is made according to the proportion of the holders' investment and taxable as a capital gain. If other mutual fund holders sell before the date of record, the remaining holders divide up the capital gain, and thus pay taxes even if the fund declined in value and even if they did not sell any of their own shares. This can be a very unpleasant surprise and I have had many discussions with investors who have been shocked when they were distributed a taxable gain by a mutual fund even though they didn't sell any shares during the year. It can be a tough concept to grasp, but it's incredibly important to recognize it happens frequently. Bottom line, many actively managed mutual funds are not tax efficient and ETFs, for the most part, are perfectly tax efficient – a huge advantage.

• Lower discount or premium in price. ETFs trade throughout the day at a price close to the value of the underlying securities, and if the price is significantly higher or lower than the net asset value, arbitrage will bring the price back in line. This is different than closed-end funds because ETFs trade based on supply and demand and market makers will capture the price discrepancy to keep the value of the ETF very close to the underlying securities.

• *Predictable income*. Dividend-paying ETFs pay income as predictable as the underlying shares. So, if you own an ETF that is invested in high-quality dividend payers, you can be confident that the quarterly dividends will be passed on to you, the shareholder, as if you held the individual shares. This is important for retirees or anyone living off the income generated from a portfolio.

Disadvantages of owning dividend-paying ETFs:

• *Bid-ask spread can be large*. As more niche ETFs are created you might actually find an investment in a low volume index and

this could result in a high bid-ask spread. You might get a better price by investing in the underlying stocks themselves, not via the ETF. If you own an ETF or are looking to purchase or sell one that has low volume, be sure to enter a limit order rather than a market order to be sure you don't get a poor fill as a result of a large bid-ask spread. If you stick to very liquid ETFs that have high daily volume, the bid-ask spread will not be an issue. However, be careful with ETFs that invest in small sectors or foreign markets that might have low volume. Look for highly liquid ETFs with billions in assets that trade frequently.

• *Costs are higher than owning individual stocks*. Most investors compare trading ETFs with mutual funds, but if you compare ETFs to investing in a specific stock, then the costs are higher. The actual commission paid to the broker might be the same, but there is no built-in management fee for owning a portfolio of individual stocks like there is with ETFs or mutual funds.

• Dividend yields may not be as high as owning individual stocks. Some dividend-paying ETFs have yields that might not be as high as owning a group of stocks. If you handpick your own portfolio of individual stocks you can focus on the high-yielding companies, for example, and ignore those with lower yields. However, when you buy a basket of stocks via an ETF, you are going to typically track a broad market or sector and you are forced to have part ownership in every stock in the ETF – even those that might pay dividend yields lower than you want.

• *More difficult to control risk than with individual shares*. If you own a portfolio of ETFs as opposed to a portfolio of individual shares, you may find it is more difficult to control risk. In order to reduce risk, you don't have the first option I often suggest, and that is to remove the high-beta stocks from the portfolio as the market becomes overvalued. These are stocks that have a beta (measure of volatility) higher than the market itself.

Unfortunately, with ETFs you cannot choose to sell any of the underlying holdings – you have to own all of them. So, owning individual shares gives you more flexibility and risk control.

• More difficult to control taxes than with individual shares. If you own a portfolio of individual stocks you certainly have some stocks that have performed better than others and you may have some that show losses. If you have taken a taxable gain in any given tax year and you are looking to offset the gain with a loss, you can sell one or more of your individual stocks to offset the gain. This can be a great advantage when managing money for tax efficiency. However, with an ETF or mutual fund you typically only have a single cost basis for the entire investment – you can't go into the underlying basket or fund and sell a loser to offset a winner to save money on taxes. The bottom line is that ETFs offer less tax flexibility than owning individual shares – and this is important to consider when managing assets in a taxable account.

• ETFs could encourage you to trade. In some cases an investor may be encouraged to sell an investment at an inopportune time if he or she owns an ETF as opposed to a mutual fund. Here's an example of how this might happen - suppose you own an ETF and you awake to see the stock market and your ETF plunging by 5%. You panic and enter your sell order and you liquidate your entire holding within seconds. Relieved you go about your day only to discover that the market actually recovered the entire amount later in the day and finished higher. If you had not owned the ETF, rather, a mutual fund, you would not have been able to sell during the downturn since you can *only* sell a mutual fund at the end of the day. You not only would have had a better price on your sale, but you also might not have been so quick to pull the trigger and sell, if you had owned a mutual fund instead of the ETF. So, for very long-term investors or those who are highly emotional investors (prone to panic), as long as the costs

are comparable and the fund is as tax efficient as an ETF, you could consider owning a mutual fund instead of an ETF. *Vanguard* has ETFs that mirror some of their passively managed mutual funds, and some investors might actually be better served by owning their mutual funds instead of the ETFs.

• Forced to own companies you don't want. As much as I am a fan of ETFs, it has always bothered me that I have to own a piece of every company in an ETF, even if I don't believe in the company or would never own the company outright. Again, when you buy an ETF you are buying a basket of stocks or securities and you have to own ALL of the stocks that are in the ETF - you aren't able to avoid some and choose others as you can with a portfolio of individual shares. So, before you purchase an ETF, you should look into the ETF and see what percentage it owns in each individual company, what the top holdings are, and if the ETF owns companies that you don't believe in or would rather avoid, then don't make the purchase. It is difficult to find a dividend-paying ETF that will only comprise companies that you want, but quite easy to find dividend-paying ETFs that have most of their money invested in companies you like. Still, I must say, it does bother me to even have one dollar invested in a company I don't believe in and that is always the case with ETFs – you don't get to choose the underlying companies in the ETF.

• Diversification from ETFs will not mitigate risk of loss, perhaps permanent, during bear markets. While ETFs offer broad diversification like traditional mutual funds, they are not immune to price declines and carry the same risks as the holdings that comprise the ETF. While they have many advantages, traditional ETFs will in no way control risk during market downturns and are, in fact, set up to mirror the performance of an index (up or down).

Dividend-Paying ETFs for your consideration:

Name and symbol: Vanguard Dividend Appreciation (VIG)

Objective: seeks to track the performance of the NASDAQ U.S. Dividend Achievers Select Index. It provides a convenient way to track the performance of stocks with a record of growing dividends. It is passively managed.

Fund Information		Sector Breakdown	
Expense Ratio:	0.10%	Basic Materials	6%
Current Yield:	2.10%	Consumer Goods	19%
Number of Holdings:	163	Consumer Services	17%
		Financials	7%
Top 10 Holdings		Health Care	10%
Wal-Mart		Industrials	23%
Johnson & Johnson		Oil & Gas	7%
Coca-Cola		Technology	9%
PepsiCo			
Qualcomm			
Exxon Mobil			
CVS			
IBM			
3M			
United Technologies			

Name and symbol: Vanguard High Dividend Yield (VYM)

Objective: seeks to track the performance of the FTSE High Dividend Yield Index, which measures the investment return of common stocks characterized by high dividend yields. It provides a convenient way to track the performance of stocks with above-average dividend yields. It is passively managed.

Fund Information		Sector Breakdown	
Expense Ratio:	0.10%	Basic Materials	3%
Current Yield:	3.00%	Consumer Goods	14%
Number of Holdings:	391	Consumer Services	6%
		Financials	13%
Top 10 Holdings		Health Care	11%
Apple		Industrials	12%
Exxon Mobil		Oil & Gas	10%
Microsoft		Technology	18%
Johnson & Johnson		Telecom	5%
Wells Fargo		Utilities	8%
General Electric			
Procter & Gamble			
JP Morgan Chase			
Chevron			
Pfizer			

Name and symbol: iShares Select Dividend (DVY)

Objective: seeks to track the investment results of an index composed mainly of high dividend-paying U.S. equities. It offers broad exposure to U.S. companies with a history of paying dividends consistently. It provides income and access to 100 U.S. stocks with 5-year records of paying dividends.

Fund Information		Sector Breakdown	
Expense Ratio:	0.39%	Consumer Staples	11%
Current Yield:	3.00%	Consumer Disc.	10%
Number of Holdings:	100	Financials	8%
		Energy	7%
Top 10 Holdings		Health Care	4%
Lockheed Martin		Industrials	14%
Entergy		Telecom	2%
Integrys Energy		Utilities	35%
Chevron		Materials	5%
Philip Morris			
Kimberly-Clark			
General Dynamics			
DTE Energy			
Nextera Energy			
Northrop Grumman			

Name and symbol: iShares Core High Dividend (HDV)

Objective: seeks to track the investment results of an index composed of relatively high dividend-paying U.S. equities. It offers exposure to high-quality U.S. companies and access to 75 dividend-paying domestic companies that have been screened for financial health. It can be used as a core holding to seek income.

Fund Information		Sector Breakdown	
Expense Ratio:	0.12%	Consumer Staples	21%
Current Yield:	3.40%	Energy	23%
Number of Holdings:	74	Health Care	10%
		Industrials	9%
Top 10 Holdings		Telecom	16%
Exxon Mobil		Utilities	10%
AT&T			
Verizon			
General Electric			
Chevron			
Procter & Gamble			
Pfizer			
Philip Morris			
Coca-Cola			
Merck			

Name and symbol: **Invesco PowerShares Dividend Achievers (PFM)** Objective: seeks to replicate, before fees and expenses, the NASDAQ U.S. Broad Dividend Achievers TM Index (Index), which is designed to identify a diversified group of dividend-paying companies. The Fund will normally invest in dividend-paying common stocks that comprise the Index. These companies have increased annual dividends for 10 or more consecutive fiscal years.

Fund Information		Sector Breakdown	
Expense Ratio:	0.55%	Consumer Staples	24%
Current Yield:	2.00%	Energy	15%
Number of Holdings:	237	Health Care	8%
		Industrials	14%
Top 10 Holdings		Telecom	3%
Exxon Mobil		Utilities	5%
Procter & Gamble		Technology	10%
Wal-Mart		Materials	5%
Johnson & Johnson		Consumer Disc.	7%
Chevron		Financials	7%
Coca-Cola			
Intel			
AT&T			
IBM			
PepsiCo			

Name and symbol: Consumer Staples Select Sector SPDR (XLP)

Objective: seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P Consumer Staples Select Sector Index.

Fund Information		Sector Breakdown	
Expense Ratio:	0.15%	Food & Staples	26%
Current Yield:	2.30%	Beverages	19%
Number of Holdings:	41	Household	19%
		Food Products	17%
Top 10 Holdings		Tobacco	15%
Procter & Gamble			
Coca-Cola			
Wal-Mart			
Philip Morris			
CVS			
Altria			
PepsiCo			
Walgreens Boots Allian	ce		
Costco			
Colgate-Palmolive			

Name and symbol: S&P 500 Dividend Aristocrats (SDY)

Objective: seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the S&P High Yield Dividend Aristocrats TM Index.

Fund Information		Sector Breakdown	
Expense Ratio:	0.35%	Financials	25%
Current Yield:	2.20%	Industrials	14%
Number of Holdings:	103	Consumer Staples	14%
		Materials	11%
Top 10 Holdings		Utilities	11%
AT&T		Consumer Disc.	7%
HCP		Health Care	6%
People's United Financi	al	Telecom	3%
Realty Income		Energy	3%
National Retail Propert	ies	Technology	2%
Chevron			
McDonald's			
Consolidated Edison			
Nucor			
Cullen/Frost Bankers			

In summary, dividend-paying ETFs are used by investors to build a broad-based portfolio or gain exposure to specific sectors. There are many advantages, especially compared to actively managed accounts and mutual funds. ETFs are much like stocks in the way they trade and I find them to be vastly more attractive than mutual funds for the reasons cited in this chapter. Yes, there are a few disadvantages, but the advantages far outweigh any negatives.

12

International Dividend Growth Achievers

Be careful – diversifying abroad doesn't minimize risk.

INVESTORS HAVE ALWAYS BEEN TOLD to diversify as much as possible to reduce risk. While this sounds simplistic and obvious, I've often found that in reality, markets and many asset classes tend to move in tandem, particularly during high valuation periods (bubbles), so the added diversification doesn't actually minimize risk or variance of returns. When a bear market hits an asset class, it usually takes out the entire global asset class so owning emerging markets or European stocks, for example, doesn't work as a diversification tool to minimize losses. In addition, in the past I have argued (and I still hold this opinion) that adding international holdings to a U.S. dollar-based portfolio may be unnecessary given the fact that many U.S.based multinational companies receive a large percentage of their earnings from abroad – so one is already exposed to overseas economies simply by owning companies like Coca-Cola and McDonald's since they receive a hefty portion of their earnings from international operations. Yet, there are still some benefits to searching abroad to round out your dividend stock

portfolio and it's worth looking at a few options. In this chapter we'll look at the advantages and disadvantages of owning foreign stocks that trade in the U.S. and I'll also suggest a few international dividend-focused exchange-traded funds (ETFs) that might appeal to you too.

The search for individual dividend stocks that are headquartered overseas, but trade on U.S. exchanges, should begin with a list of American Depositary Receipts (ADRs) – foreign stocks that are listed for trading in the U.S. From this list we can come up with some names that have had a history of raising dividends. Recognize that this list is quite small compared to U.S. company offerings, which are much more focused on giving back to shareholders in the form of dividends. While you could choose among individual names to add some foreign holdings to your portfolio, I would rather you consider a low-cost ETF for international exposure.

Company	Ticker		No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
ACE Limited	ACE	Insurance	22	114.88	2.26	0.6500	2.60	26.94	9.65	0.21	0.85
Accenture plc	ACN	Business Ser.	10	89.31	2.28	1.0200	2.04	45.74	4.46	0.00	1.17
Axis Capital Holdings Ltd.	AXS	Insurance	13	51.09	2.27	0.2900	1.16	15.89	7.30	0.29	0.79
BHP Billiton plc	BBL	Mining/Oil&Gas	12	43.00	5.77	1.2400	2.48	47.88	5.18	0.44	1.62
Bunge Limited	BG	Agriculture	13	90.91	1.50	0.3400	1.36	34.61	3.93	0.80	0.87
BHP Billiton Ltd.	BHP	Mining/Oil&Gas	12	47.32	5.24	1.2400	2.48	47.88	5.18	0.44	1.55
British American Tobacco	BTI	Tobacco	10	107.82	4.49	2.4200	4.84	81.21	5.96	2.33	0.80
Core Laboratories NV	CLB	Oil&Gas Equip	7	120.34	1.66	0.5000	2.00	35.15	5.69	3.87	0.91
Diageo plc	DEO	Beverages-Alc.	5	114.09	2.95	1.6849	3.37	58.40	5.77	1.35	0.86
Lazard Limited	LAZ	Financial Ser.	7	50.03	2.40	0.3000	1.20	51.95	2.31	1.85	1.94
Maiden Holdings Ltd.	MHLD	Insurance	7	12.79	4.07	0.1300	0.52	58.43	0.89	0.40	0.69
Montpelier Re Holdings Ltd	MRH	Insurance	5	35.82	2.23	0.2000	0.80	16.36	4.89	0.27	0.55
Novo Nordisk A/S	NVO	Drugs	14	42.32	1.96	0.8303	0.83	51.89	1.60	0.01	0.94
PartnerRe Limited	PRE	Insurance	21	114.13	2.35	0.6700	2.68	14.12	18.98	0.12	0.88
Perrigo Company plc	PRGO	Drugs	12	167.16	0.25	0.1050	0.42	38.53	1.09	0.37	0.30
Ritchie Brothers Auctionee	RBA	Business Ser.	12	26.89	2.08	0.1400	0.56	62.22	0.90	0.23	1.04
RenaissanceRe Holdings	RNR	Insurance	19	97.22	1.19	0.2900	1.16	8.03	14.45	0.07	0.42
Shire plc	SHPG	Drugs	11	212.54	0.29	0.3114	0.62	6.51	9.57	0.17	0.72
Smith & Nephew plc	SNN	Medical Equip.	9	36.74	1.52	0.2800	0.56	50.00	1.12	0.50	0.84
Syngenta AG	SYT	Agriculture	13	64.24	3.54	2.2759	2.28	64.47	3.53	0.48	1.08
Teva Pharmaceutical Indus	TEVA	Drugs	15	57.51	2.36	0.3387	1.35	42.20	3.21	0.45	0.64
Textainer Group Holdings I	TGH	Transportation	8	34.32	5.48	0.4700	1.88	55.79	3.37	2.36	1.20
Teekay LNG Partners LP	TGP	MLP-LNG Trans.	10	43.00	6.44	0.6918	2.77	109.81	2.52	1.75	0.67
Teekay Offshore Partners I	TOO	LNG Trans.	8	26.79	8.04	0.5384	2.15	414.15	0.52	4.02	0.64
Thomson Reuters Corp.	TRI	Media	21	40.34	3.27	0.3300	1.32	264.00	0.50	0.62	0.88

International Dividend Growth Achievers

Let's highlight some of the advantages and disadvantages of diversifying abroad – either with individual stocks or via an ETF portfolio. Note, as you'll see, many of the advantages can also be considered disadvantages – caveat emptor.

Advantages:

• International diversification. International exposure can be considered helpful, at least in theory, because some economies and subsequently their stock markets may run on a different cycle than our domestic U.S. economy. There may be emerging markets, Asian or European markets that are poised to advance for reasons that might not benefit the U.S. – so some exposure may be warranted. In addition, from a valuation standpoint there are times when foreign markets are undervalued relative to the U.S. Currently, projected forward returns for emerging markets and Europe are much more attractive than the U.S. market.

• *Diversify away from the U.S. dollar*. When you purchase a foreign holding that trades on a U.S. exchange, you buy it in dollars, but you have exposure to the company's local currency. If the local currency of the company (e.g. Euro) appreciates vs. the dollar, and the stock also performs well on the exchange where it is listed abroad, you could get a double-win so to speak. You'll have currency appreciation and price appreciation too. If you believe the U.S. dollar may lose purchasing power over the coming years, having foreign exposure in stocks, bonds or real estate could be attractive.

• *Global growth potential*. While the U.S. economy is very mature and established, there are some foreign economies that are just beginning their own growth cycles. These may be found in emerging market countries or even European markets that are undergoing new growth potential. Some exposure in these markets may allow you to capture future growth potential of an economy that has high growth prospects.

Disadvantages:

• *Diversifying abroad won't reduce risk*. As mentioned earlier, adding global diversification doesn't actually reduce risk or the possibility of loss. Since most global asset classes move in tandem, particularly during bear markets, you may find all your holdings decline together (foreign or otherwise) and the added diversification may offer no risk reduction whatsoever. This was evident during the collapse of the stock and real estate bubbles in 2008-09 as all asset classes around the globe were taken out together – there were no benefits to diversification.

• *Currency risk*. While this can also be considered an advantage if the local currency appreciates vs. the U.S. dollar, one must recognize that it can also hurt performance. If you own shares in a foreign company and the U.S. dollar gains against that currency, you will lose on the exchange rate and it will be reflected in the price of your holding. In addition, if the stock also loses money on its own domestic market, you can lose not only on the stock price but also on the currency – a double whammy. Also, don't forget that the dividend you receive is converted to U.S. dollars, so if a dividend is declared in Euros and then exchanged to U.S. dollars, this could help or hurt your payment depending on the strength of the currency.

• *Illiquid foreign markets*. Foreign markets, particularly emerging markets, may offer poor liquidity. Since many smaller markets are made up of a relatively limited number of participants, this can work against you. If investors are fearful and selling in a panic, it can make exiting a foreign holding difficult – as everyone is trying to sell an illiquid market at the same time. You may receive a poor execution price. Even trying to exit an entire country via an ETF can be challenging if you own a very illiquid emerging market. • *Irregular dividend payments*. Foreign companies, unlike U.S. companies, pay irregular dividends that may only arrive once or twice per year. Some may pay a small interim dividend early in the year and then a larger one at a later date. This can make calculating the dividend tricky and it can also make trying to match cash flow with expenses nearly impossible – due to the somewhat unpredictable nature of foreign dividend payments.

• Unattractive dividend policies. U.S.-based companies have very sound and generally predictable dividend policies that are set by the board of directors. For U.S companies that have a history of rewarding shareholders with dividends, their policies are usually consistent. They may have a history of raising their dividends by 6% per year and have done so for the past 20 years – you can count on it. The opposite is true of many foreign holdings. Foreign companies will tend to pay a fluctuating dividend that, depending on economic conditions, could vary greatly from year to year. In some cases the dividend can be eliminated or reduced for a year only to be reinstated the next year. This is why the list of International Dividend Achievers is so small relative to U.S. companies – there is not a consistent, predictable dividend policy.

• *Withholding taxes on dividends*. Withholding taxes are typically withheld at the source, but can vary depending on the country. The typical withholding amount is 15%, but can go up to 25%. You can usually deduct the amount that was withheld on your taxes (receive a credit) in a taxable account. However, for IRAs or other tax-deferred accounts, the tax withholding offers no benefit or credit. U.S. investors must pay taxes on dividends received from foreign companies and need to be aware of the possible withholding of some of their dividend payments and to account for them at tax time –to receive a credit for the amount withheld.

• *Increased volatility*. Because of the illiquidity of some foreign markets and the fact that they are smaller than our domestic market, they can be highly volatile. In addition, with the currency risk added to the equation this involves another volatile component. The result is that many foreign holdings have higher beta readings and will exhibit unwanted volatility in a portfolio. This can make owning foreign dividend stocks a challenge for moderate or conservative investors who prefer reduced portfolio volatility.

To summarize, while there are times when I believe it makes sense to own foreign ETFs and individual stocks, it is important to recognize the many disadvantages that often outweigh the advantages. Having said that, if a foreign currency is depressed vs. the U.S. dollar *and* foreign markets offer an undervalued opportunity relative to the U.S. markets, it can make sense to add some exposure to these markets.



International Dividend-Paying ETFs for your consideration:

Name and symbol: Vanguard FTSE All-World ex-US (VEU)

Objective: seeks to track the performance of the FTSE All-World ex-U.S. Index, which includes approximately 2200 stocks of companies located in 46 countries.

Fund Information		Country Breakdown	
Expense Ratio:	0.15%	Japan	16%
Current Yield:	3.40%	UK	15%
Number of Holdings:	2463	Canada	7%
		Switzerland	6%
Top 10 Holdings		France	6%
Nestle		Germany	6%
Novartis		Australia	5%
Royal Dutch Shell		China	4%
Roche Holding		Korea	3%
HSBC		Taiwan	3%
Toyota Motor			
Samsung Electronics			
BHP Billiton			
BP			
Bayer			

Name and symbol: Vanguard FTSE Europe (VGK)

Objective: seeks to track the performance of the FTSE Developed Europe Index. The fund invests in all the index stocks, holding each stock in approximately the same proportion as its weighting in the index.

Fund Information		Country Breakdown	
Expense Ratio:	0.12%	UK	32%
Current Yield:	4.50%	Switzerland	14%
Number of Holdings:	526	France	14%
		Germany	14%
Top 10 Holdings		Spain	5%
Nestle		Sweden	5%
Novartis		Netherlands	4%
Roche Holding		Italy	3%
HSBC			
Royal Dutch Shell			
Bayer			
BP			
GlaxoSmithKline			
British American Tobac	co		
Sanofi			

Name and symbol: Vanguard FTSE Emerging Markets (VWO)

Objective: invests in stocks of companies located in emerging markets around the world. The goal is to track the return of the FTSE Emerging Index.

Fund Information		Country Breakdown	
Expense Ratio:	0.15%	China	24%
Current Yield:	2.60%	Taiwan	14%
Number of Holdings:	990	India	11%
		Brazil	11%
Top 10 Holdings		South Africa	10%
Taiwan Semiconductor		Mexico	5%
Tencent Holdings		Malaysia	4%
China Mobile		Russia	3%
China Construction Ba	nk		
Industrial & Commerci	al Bank (of China	
Naspers			
Bank of China			
Itau Unibanco			
Hon Hai Precision			
Banco Bradesco			

Name and symbol: iShares International Dividend Select (IDV)

Objective: tracks the investment results of an index composed of relatively high dividend equities in non-developed markets. Offers exposure to high-quality international companies, access to developed markets with high dividend yields and allows owners to expand income strategies to foreign markets.

Fund Information		Country Breakdown	
Expense Ratio:	0.50%	Australia	18%
Current Yield:	4.15%	UK	16%
Number of Holdings:	115	Fance	7%
		Germany	7%
Top 10 Holdings		Finland	6%
ProSiebenSat1		Canada	5%
Belgacom		Italy	5%
Spark New Zealand		Sweden	5%
Orange		Others	18%
Astrazeneca			
GDF Suez			
Zurich Insurance			
Ferrovial			
Elisa			
K&S			

Name and symbol: **PowerShares International Dividend Achievers (PID)** *Objective:* the portfolio is based on the NASDAQ International Dividend Achievers Index. The fund normally invests at least 90% of its assets in dividend-paying stocks that comprise the index. These companies have increased their aggregate annual regular cash dividend payments consistently for at least each of the last five consecutive years.

Fund Information		Country Breakdown	
Expense Ratio:	0.54%	U.S.	24%
Current Yield:	4.10%	UK	20%
Number of Holdings:	67	Canada	16%
		Australia	4%
Top 10 Holdings		Russia	4%
Teekay		China	4%
Navios Maritime		Greece	3%
Statoil		Japan	3%
Teekay Offshore		Norway	3%
GlaxoSmithKline		Switzerland	3%
Rosneft			
Textainer Group			
Vodafone			
China Petroleum & Ch	emical		
Brookfield Infrastructure			

13

Real Estate Investment Trust Dividend Growth Achievers

REITs offer steady income and diversification away from stocks.

REAL ESTATE IS AN ASSET CLASS that investors can use to further diversify that provides plenty of upside growth potential and income too. The easiest way to gain access to real estate, without having to become a property owner outright and manage and maintain buildings, deal with tenants and collect rent, is via real estate investment trusts (REITs). REITs trade like stocks on major exchanges and the sector includes rental real estate, office buildings, malls etc. There are plenty of advantages to owning REITs so let's examine the most obvious reasons to include them in your portfolio.

Advantages:

• *REITs offer access to real estate ownership that you might otherwise not be able to have*. Through a publicly-traded REIT you can own a piece of shopping malls, residential real estate or

apartment complexes in a certain region in the U.S. or even get real estate exposure abroad.

• *No management or maintenance duties*. Owning a REIT allows you to have access to rental real estate without the hassles of dealing with tenants, upkeep, management, tax and depreciation considerations, illiquidity etc.

• *REITs are required by law to pass through 90% of their rental income to you.* As a REIT owner you not only have an investment that can grow over the years, but you also receive excellent cash flow.

• *REITs have historically offered some diversification away from stocks.* In vicious bear markets REITs may become highly correlated to stocks (when all asset classes decline), but in normal markets they will show some non-correlation to stocks, which can help smooth out the returns of the entire portfolio.

• *REITs can offer access to diverse real estate sectors*. Owning an index of REITs or a broad-based individual REIT portfolio allows you to have access to very diverse real estate sectors that would otherwise be impossible. Again, you can have access via mutual funds, index products like ETFs or individual securities.

• *REITs typically offer higher yields than stocks*. Since REITs are required to distribute 90% of their income to shareholders, they typically offer higher yields and more current income than most stocks.

• *REITs offer stable, consistent income*. REITs offer steady income and many have a history of raising dividends consecutively, at least 5 years or more.

Disadvantages:

• *Not enough diversification away from stocks*. In times of illiquidity or during a bear market, REITs often move like stocks and decline just as much as equities. So, the added diversification benefit may at times not be helpful or apparent.

• *REITs*, *like stocks or bonds*, *can become quite overvalued*. When REIT income is low relative to prices – as it is in early 2015 – be careful. While REITs are usually considered a high yielding asset class, if prices have increased dramatically and yields are low, there is a good chance REITs are overvalued and are overdue for a correction in pricing. When this is the case, be careful and focus on risk control – avoid them.

• Income from REITs doesn't receive a preferential tax rate. REIT income doesn't fall under the same qualified rate as dividend income from stocks. So, the taxes you pay are typically higher for REITs. REIT income is typically taxed as ordinary income – same as bond interest, which is usually much higher than the rate paid on qualified stock dividends.

• *REITs can be difficult to value*. REITs are challenging to value for many investors since price-to-earnings ratios are not as relevant for this asset class. Some use the FFO payout ratio as a benchmark to determine valuation – this is the Funds from Operations payout ratio. Looking at the current yield, rather than price-to-earnings ratio, can give a more accurate valuation since REITs are required to distribute nearly all of their income to shareholders. Again, unfortunately at the current time (2015), REITs are only yielding 3.3% as an asset class. This is one of the lowest readings in the history of this asset class.

Real Estate Investment Trust ETFs for your consideration:

Name and symbol: Vanguard REIT (VNQ)

Objective: invests in stocks issued by real estate investment companies that purchase office buildings, hotels and other real property. Its goal is to closely track the return of the MSCI U.S. REIT Index, a gauge of real estate stocks. It offers high potential return, income and diversification away from stocks.

Fund Information		Sector Breakdown	
Expense Ratio:	0.10%	Health Care	13%
Current Yield:	3.30%	Diversified	10%
Number of Holdings:	142	Hotel & Resort	8%
		Industrial	4%
Top 10 Holdings		Office	13%
Simon Property Group		Residential	16%
Public Storage		Retail	25%
Equity Residential		Specialized	9%
Health Care REIT			
Prologis			
AvalonBay Communiti	es		
Ventas			
HCP			
Vornado Realty Trust			
Boston Properties			

Name and symbol: **Vanguard Global ex-U.S. Real Estate (VNQI)** *Objective:* invests in stocks in the S&P Global ex-U.S. Property Index, representing real estate stocks in more than 30 countries. This provides a convenient way to get broad exposure to global REIT markets.

Fund Information		Glo	Global Breakdown				
Expense Ratio:	0.10%	Em	Emerging Markets		18%		
Current Yield:	3.90%	Eu	Europe		23%		
Number of Holdings:	631	Pac	Pacific		52%		
Top 10 Holdings							
Mitsubishi Estate							
Mitsui Fudosan							
Unibail-Rodamco							
Sun Hung Kai Propertie							
Cheung Kong Holdings							
Sumitomo Realty & Development							
Scentre Group							
Link REIT							
Land Securities Group							
Westfield Corp.							

Name and symbol: iShares U.S. Real Estate (IYR)

Objective: invests in stocks that seek to track the investment results of an index of U.S. equities in the real estate sector. It provides exposure to real estate companies and REITs, which invest in real estate directly and trade like stocks. This holding can be used to diversify away from stocks and bonds and for investors seeking income from real estate.

Fund Information		Sector Breakdown					
Expense Ratio:	0.45%	REIT s	95%				
Current Yield:	3.20%	Mgt./Development	4%				
Number of Holdings:	111						
Top 10 Holdings							
Simon Property Group							
American Tower							
Public Storage							
Crown Castle Intl.							
Equity Residential							
Health Care REIT							
Prologis							
AvalonBay Communities							
Vornado Realty Trust							
HCP							

Individual REIT Holdings

If you choose to own individual REITs instead of REIT ETFs for exposure to this asset class (see accompanying table in this chapter) I would suggest you choose from companies that have paid dividends for 10 years or longer, have a current yield that is 1% higher than the yield we are looking for in common stocks (1% higher than 2.7% = 3.7% current yield), and select companies with a low beta relative to stocks, for diversification purposes. In addition, you may prefer to own companies from a particular industry – hotels, office properties or apartments. If you own individual REIT holdings rather than ETFs, be sure to get broad exposure to various subsectors to diversify as much as possible. My personal preference is to own REIT ETFs though you may feel differently or wish to own a combination of both ETFs and individual REITs in this asset class.

Company	Ticker		No.	12/31/14	Div.		Annual	EPS%	TTM	Debt/	5-yr
Name	Symbol	Industry	Yrs	Price	Yield	New	Dividend	Payout	EPS	Equity	Beta
Essex Property Trust	ESS	REIT-Apartment	20	206.60	2.52	1.3000	5.20	322.98	1.61	0.88	0.83
DuPont Fabros Technolo	DFT	REIT-Data Centers	6	33.24	5.05	0.4200	1.68	154.13	1.09	1.12	0.46
Colony Financial Inc.	CLNY	REIT-Diversified	6	23.82	6.21	0.3700	1.48	142.31	1.04	0.45	0.84
Douglas Emmett Inc.	DEI	REIT-Diversified	5	28.40	2.96	0.2100	0.84	289.66	0.29	1.64	1.00
Excel Trust Inc.	EXL	REIT-Diversified	6	13.39	5.23	0.1750	0.70	n/a	-0.09	0.93	0.60
Lexington Realty Trust	LXP	REIT-Diversified	5	10.98	6.19	0.1700	0.68	618.18	0.11	1.56	1.23
Starwood Property Trust	STWD	REIT-Diversified	6	23.24	8.26	0.4800	1.92	84.58	2.27	1.00	0.69
HCP Inc.	HCP	REIT-Health Care	29	44.03	4.95	0.5450	2.18	107.39	2.03	0.86	0.60
Health Care REIT Inc.	HCN	REIT-Health Care	12	75.67	4.36	0.8250	3.30	434.21	0.76	0.84	0.60
National Health Investors	NHI	REIT-Health Care	12	69.96	4.40	0.7700	3.08	103.70	2.97	0.83	0.59
Omega Healthcare Inves	OHI	REIT-Health Care	12	39.07	5.32	0.5200	2.08	123.81	1.68	1.64	0.90
Universal Health Realty T	UHT	REIT-Health Care	28	48.12	5.28	0.6350	2.54	84.39	3.01	1.36	0.79
Ventas Inc.	VTR	REIT-Healthcare	5	71.70	4.41	0.7900	3.16	203.87	1.55	1.20	0.50
Ashford Hospitality Trust	AHT	REIT-Hotel/Motel	5	10.48	4.58	0.1200	0.48	n/a	-0.85	3.31	1.74
LaSalle Hotel Properties	LHO	REIT-Hotel/Motel	5	40.47	3.71	0.3750	1.50	82.42	1.82	0.56	1.67
CubeSmart	CUBE	REIT-Industrial	5	22.07	2.90	0.1600	0.64	457.14	0.14	0.87	1.04
Digital Realty Trust	DLR	REIT-Industrial	10	66.30	5.01	0.8300	3.32	194.15	1.71	1.57	0.56
Extra Space Storage Inc.	EXR	REIT-Industrial	5	58.64	3.21	0.4700	1.88	103.87	1.81	1.26	0.95
Public Storage	PSA	REIT-Industrial	5	184.85	3.03	1.4000	5.60	111.55	5.02	0.01	0.76
STAG Industrial Inc.	STAG	REIT-Industrial	5	24.50	5.51	0.1125	1.35	n/a	-0.23	1.11	0.92
Terreno Realty Corp.	TRNO	REIT-Industrial	5	20.63	3.10	0.1600	0.64	426.67	0.15	0.33	0.62
Chesapeake Lodging Tru	CHSP	REIT-Lodging	5	37.21	3.22	0.3000	1.20	112.15	1.07	0.54	1.19
Alexandria Real Estate E	ARE	REIT-Office	5	88.74	3.34	0.7400	2.96	168.18	1.76	1.00	1.02
BioMed Realty Trust Inc.	BMR	REIT-Office	5	21.54	4.83	0.2600	1.04	325.00	0.32	0.97	0.97
CoreSite Realty Corp.	COR	REIT-Office	5	39.05	4.30	0.4200	1.68	280.00	0.60	1.45	1.26
Tanger Factory Outlet Ce	SKT	REIT-Outlet Stores	21	36.96	2.60	0.2400	0.96	117.07	0.82	2.85	0.42
W.P. Carey Inc.	WPC	REIT-Prop. Mgmt.	18	70.10	5.42	0.9500	3.80	255.03	1.49	0.99	0.85
Equity LifeStyle Propertie	ELS	REIT-Residential	10	51.55	2.52	0.3250	1.30	85.53	1.52	2.85	0.70
Mid-America Apartment C	MAA	REIT-Residential	5	74.68	4.12	0.7700	3.08	254.55	1.21	1.18	0.57
PennyMac Mortgage Inve	PMT	REIT-Residential	5	21.09	11.57	0.6100	2.44	91.04	2.68	0.26	0.53
Preferred Apartment Con	APTS	REIT-Residential	5	9.10	7.69	0.1750	0.70	n/a	-0.03	1.78	1.40
CBL & Associates Prope	CBL	REIT-Retail	5	19.42	5.46	0.2650	1.06	168.25	0.63	3.39	1.80
General Growth Propertie	GGP	REIT-Retail	6	28.13	2.42	0.1700	0.68	261.54	0.26	2.22	1.46
Kimco Realty Corp.	KIM	REIT-Retail	5	25.14	3.82	0.2400	0.96	129.73	0.74	1.00	1.34
Macerich Company	MAC	REIT-Retail	5	83.41	3.12	0.6500	2.60	541.67	0.48	1.55	1.20
National Retail Properties	NNN	REIT-Retail	25	39.37	4.27	0.4200	1.68	146.09	1.15	0.81	0.48
Retail Opportunity Investr	ROIC	REIT-Retail	5	16.79	3.81	0.1600	0.64	290.91	0.22	0.74	0.33
Simon Property Group In	SPG	REIT-Retail	5	182.11	2.86	1.3000	5.20	119.54	4.35	4.26	0.82
Realty Income Corp.	0	REIT-Retail Stores	21	47.71	4.61	0.1834	2.20	247.30	0.89	0.92	0.53
Federal Realty Inv. Trust	FRT	REIT-Shopping Cen	47	133.46	2.61	0.8700	3.48	150.00	2.32	1.51	0.60
Urstadt Biddle Properties	UBA	REIT-Shopping Cen	21	21.88	4.66	0.2550	1.02	231.82	0.44	0.84	0.75
Iron Mountain Inc.	IRM	REIT-Technology	5	38.66	4.91	0.4750	1.90	102.70	1.85	9.64	0.89

Real Estate Investment Trust Dividend Growth Achievers



14

When to sell a dividend stock

Buy-and-hold does not mean buy-and-forget. Every stock is a candidate for a sale at some level.

FAR TOO MUCH ATTENTION IS DEVOTED to buying stocks and not enough to when it is appropriate to sell. And, there are times during an investor's lifetime when it will make sense to reduce or perhaps even completely sell out of a dividend stock portfolio. Stocks become overvalued and bear markets hit, on average, every five or six years. In the past 60 years we have had eleven bear markets and I imagine this rate of frequency will continue. Ideally, one protects capital as well as possible during these drawdowns – which means selling stocks.

When you decide to sell a dividend stock, it involves not only a decision to sell, but another, perhaps equally difficult decision of what to buy with the proceeds of the sale. So, prior to making a sale, you should also have a good idea as to what you intend to do with the proceeds. Sure, perhaps you will use the cash to help cover certain living expenses or other needs, but if not, you'll need a plan in place prior to the sale. For these reasons, knowing why you are selling *and* what you are going to buy afterwards,

makes selling often more difficult than buying. To further complicate matters, selling in a taxable account can involve a tax burden (capital gains taxes may be due) so one must be aware of the tax ramifications of a sale, how much you may potentially owe the government (assuming you cannot offset the gain with a loss in the same tax year), and consider the taxes before pulling the trigger on the sale. Bottom line, I have found that most investors have more trouble selling than buying. If you add the emotional attachment that some investors might feel for certain companies that have treated them well over the years, it can make parting ways, regardless of valuations and risks, nearly impossible.

There are many valid reasons for selling a dividend stock and we'll look at some of them in this chapter.

Reasons to sell a dividend stock:

• *Stocks are overvalued*. There are times when the entire stock market can become overvalued to such an extent that it makes sense to reduce stock positions to protect wealth. The market historically trades at a CAPE ratio (cyclically-adjusted price-toearnings) of approximately 16.5. Usually it will trade in a fairly narrow range around this valuation, but given the cyclicality of the markets and the irrational behavior of participants, markets will sometimes trade far beyond normal pricing. When valuations rise to dangerous levels, it often makes sense to sell stocks simply to protect your capital. This has nothing to do with what you think about the prospects of any particular company in your portfolio – it is more a realization that the entire market is overvalued to such a degree that all stocks become vulnerable to a correction or bear market. Since periods of high valuation are often followed by below-average or negative returns, my belief is that if the stock market has been in a bullish mode for a certain number of years (perhaps four or five years into a recovery) and

sentiment is very positive and valuations become excessive, it is best to reduce risk. And, the only way to reduce risk may be to sell some of your dividend stock holdings. As a rule of thumb, I would consider a CAPE ratio over 20 as a warning sign and to at least consider reducing risk at that point.

• The dividend is reduced or at risk of being reduced or eliminated. 2008-09 was a period when many financial companies were strapped for cash and earnings were plummeting. To me it was obvious that many firms were not going to be able to sustain their dividends – even companies that had previously paid dividends consistently for years began reducing or eliminating dividends. This is a good reason to sell a stock. Unfortunately, once the news of a dividend cut is announced it is often already factored into the price of the stock and it has probably already dropped quite a bit in anticipation of the news. So, in order to protect yourself, you want to be ahead of the crowd and try to figure out whether or not a company you own is at risk of a dividend cut. Keep an eye on dividend growth, earnings projections, the payout ratio and the cash position of the company to determine if the dividend may be at risk. Value Line stock reports show a nice snapshot of the balance sheet of a company and you can see the cash available, payout ratio and the dividend and earnings growth of the prior 10 years. The reports also show projections for the coming years for earnings and dividend growth, which can help you assess risk. Assuming you understand the business of the company you own, you should have a good understanding as to whether or not the dividend will be at risk (hopefully never). If you are worried and you are questioning the sustainability of the dividend, my suggestion is to sell rather than risk the stock price being whacked when a cut is finally announced. Another strategy I would suggest is to have the core of your portfolio comprised of companies from industries that rarely cut dividends - these firms are usually found in sectors that have solid earnings growth regardless of the economic environment (e.g. food, beverages, consumer staples, tobacco, utilities).

• The dividend payout ratio reaches an unsustainable level. The dividend payout ratio is the dividend per share divided by the earnings per share, expressed as a ratio. Assuming a company is established and earns consistent profits, it may be the goal of the board of directors to try to maintain a certain payout ratio over time. So, as the company grows its earnings per share, it will also increase the dividend payout to shareholders. However, if a payout gets too high and exceeds earnings, then the dividend will be at risk. Yes, cash on the balance sheet can be used to temporarily sustain a dividend, but eventually the dividend must be paid from earnings. Keep an eye on the current payout ratio and the history of the payout ratio too. Again, most companies will try to maintain a certain payout ratio - you can find the history of the payout ratio through Value Line or many other financial Web sites. For example, both PepsiCo and Coca-Cola have tried to maintain payout ratios around 50% over the past decade. Chevron and Exxon Mobil have typically had payout ratios around 30% and Johnson & Johnson returns about 40% of its earnings in the form of dividends to shareholders. If you see a pattern where the payout ratio is increasing as a result of perhaps earnings declining or the company is growing its dividend more slowly, you should treat this as a red flag and consider a sale of the stock. Also, remember that certain industries traditionally have higher payout ratios than others - telecom and utilities come to mind, so consider this before a sale. Bottom line, the payout ratio should have a history of being at a fairly consistent level, thanks to a generous board of directors and consistent earnings and dividend growth.

• A stock position becomes overweight in your portfolio. If a stock you own has appreciated to such an extent that it not only becomes overvalued, but it also becomes heavily weighted in

your portfolio, you should consider reducing the size of the holding. Traditional portfolio management would suggest an individual position should not be larger than 6% of your total portfolio. If you have a position that perhaps started out at this level and has grown to 10% or more, definitely consider a sale to reduce single-stock risk and further diversify your holdings.

• The combined dividend yield and dividend growth are unattractive relative to bonds. Although it has been many years since this was the case, there have been periods in history where it is hard to justify owning dividend stocks if bonds are paying rates that are very attractive. Bonds are traditionally much less risky than stocks and also don't have nearly the volatility of stocks, so in an environment where you can get enough interest income from a bond portfolio why own dividend stocks? Unfortunately in today's low-yield environment, bond yields will probably not be attractive relative to dividend yields for many years to come. However, if intermediate-term investment grade corporate bonds yield in the 4% to 6% range, inflation is in check, and stocks are either fairly valued or overvalued, I definitely think it makes sense to sell at least a portion of your dividend stocks to diversify and capture an attractive yield in a less volatile and less risky asset class - bonds.

• *The company's stock price begins to experience more volatility than in the past and you are uncomfortable*. The measure of a stock's price volatility relative to the market itself is defined as beta. I typically prefer stocks that have low volatility, a beta around 40% less than the market itself, or 0.60. However, know that beta is backward-looking and it is impossible to know for sure what the future holds as far as the volatility of a particular holding. Still, if you track the price movement of the stocks you own fairly closely, you may be able to detect patterns of volatility relative to the market and if you see one of your holdings is exhibiting more volatility than you anticipated and it

is making you uncomfortable, consider a sale. Why continue to hold onto a stock if it is more volatile than the market and its beta has increased in recent years (after your original purchase) to where it's making you uncomfortable? If you can find an alternative dividend stock that meets your criteria and is less volatile, then by all means considering swapping out and reducing the volatility of your portfolio.

• There are other dividend stocks you would rather own. At times you may be fully invested in dividend stocks in your portfolio and a stock you don't own, but have had your eye on, declines to an attractive level. If the overall market is in a bullish trend and valuations are reasonable and a stock on your watch list declines, it's probably because of an earning's warning or reduced outlook by the company. Assuming the earning's "miss" is temporary, this can provide an opportunity for you to sell one of your existing holdings if you believe your money will work better elsewhere. This recently happened to me when Kimberly-Clark, which had been on my watch list for some time as a potential purchase, was hit hard after it reduced its outlook for the fiscal year. The stock dropped 10% in a few days and I felt that was a point where I could start accumulating shares for my clients. I have owned Kimberly-Clark many times in the past, but had not had an opportunity to buy it in this recent bull market because I felt the price had advanced too far to warrant a good risk-reward purchase. However, when the stock was hit hard after the news, I began accumulating shares. I chose to sell a dividend stock in my portfolios to make room for Kimberly-Clark. In my opinion, Kimberly-Clark provided a higher dividend, lower beta and better upside potential. Furthermore, at this stage in the bull cycle (6+ years), I wanted to add another company in the consumer staples sector that would hopefully provide more stable earnings going forward. Anyway, this is an example of when it can make sense to trade one dividend holding for another. Again, if you can pick up a better dividend

yield and higher dividend growth with a different company that you would rather own, then consider making a move. You want the highest yield combined with consistent and sustainable dividend growth in a company, and if you have a better candidate for your portfolio than one of your existing positions, then you should certainly consider a swap.

• You lose faith in the company – for whatever reason. I don't have any particular attachment to any stock and neither should you. I try my best to remove my emotions to make rational portfolio management decisions. While I certainly have a preference to own companies that have a history of dividend growth and consistent earnings - Coca-Cola and General Mills come to mind – if for any reason I lose faith in these companies or I believe they are fully valued with little upside potential, I would not hesitate to sell. At some point in managing your portfolio (probably when you are losing money), you will undoubtedly question many of your holdings or you might lose faith in the direction a company is taking. You may question its decision to introduce a certain product or make an investment in a certain industry. These are certainly reasons to review why you own a company and if you are not convinced you want to own it at today's price, then you should consider a sale. I have found that if I begin to doubt why I own a company, it is best to sell it and invest the proceeds elsewhere – in a company where I have more conviction. You should consider doing the same if you begin to lose faith.

• You have personal financial reasons to sell. You really shouldn't have money invested in any dividend stock or the market itself if you are going to need that money in the next two or three years. The reason for this is obvious since no one can predict with great certainty what stock prices will do in any given year and with a time horizon of only a few years, there is risk that your money won't be there when you need it. So, if you know you are going to need a certain dollar amount of your portfolio for upcoming expenses in the next few years, it may be wise to reduce risk sooner than later and raise cash now by selling shares. You don't want to risk college tuition, a down payment on your dream home, or any other critical expense you cannot forego that is coming up in the next few years. Begin reducing risk well in advance of an upcoming obligation by selling some of your dividend stocks in anticipation of needing the cash for personal financial reasons.

Bottom line, even if you are a buy-and-hold investor, that doesn't mean you should buy-and-forget. You must keep an eye on all of your holdings and there are very few stocks, if any, that can be held forever. Remove your emotions – every stock is a candidate for a sale at some level.



15

How to manage your portfolio to control risk

Recognizing risk begins with an understanding of value and knowing when an asset is priced high relative to the projected return.

IN ORDER TO MANAGE YOUR PORTFOLIO well to control risk you need to pay particular attention to where we are in any economic cycle, bull or bear market, and most importantly, what current valuations are indicating about future projected returns. As I discussed at length in *Understanding Risk, Investor Behavior and Surviving Bubbles*, risk can be defined as the uncertainty of future returns and the possibility of capital loss, perhaps permanent loss. This is the risk that investors care about most. Most "professional" investors and academicians define risk as the volatility of returns, but I would disagree and I believe that the only risks we truly care about are the uncertainty of future returns and the risk of loss.

Recognizing risk begins with an understanding of value and knowing when an asset is priced high relative to the projected

return. So, high risk with a low projected return is clearly an acknowledgement of the relationship between value and price and the associated risk.

Risks increase as markets and valuations rise, since the projected and expected returns, based on historical valuations and price trends, decline. Quite simply, as a bull market ages and prices rise, investors become more risk-friendly, looking for greater returns, even though history would suggest the opposite will occur. When investors are willing to accept more risk, as a result of perhaps recent positive returns thanks to rising prices, the rational investor should be skeptical of future positive returns continuing at the same pace. And, if you are going to accept risk, don't you want commensurate potential returns for assuming the risk? So, why would the unemotional, level-headed investor buy more of a stock or asset class as it becomes pricier and the projected return declines? It doesn't make sense, yet this is how most of the investing public behaves.

When investors have few worries and are complacent, often because recent returns have been steady and positive, they develop a tolerance for risk and pay higher prices for assets. During periods of high valuations or bubbles, as price-toearnings multiples rise, low or even negative projected returns become likely in future years. So, it's critical to recognize when risks are elevated and projected returns become unattractive.

The degree of risk present in the market is determined by the behavior of the participants (buyers and sellers), and if ignored, will lead to possibly poor returns and certainly unattractive returns on a risk-adjusted basis. At extremes, greed and the possibility of easy money and profits encourages the herd to pile into investments with little regard for risk, value, or an understanding of the consequences of their actions. This is what pushes markets into dangerous bubble territory. It also stems
from a belief that the good times will continue, indefinitely, and increased risk isn't actually considered increased at the time it is assumed. In other words, the irrational, typical investor doesn't recognize that risks have risen – he or she believes the investment is low-risk and has been conditioned to believe so by the attractive recent returns. So, if it is not really risky, why not buy more?

Again, increased risk in investing comes from paying a high price for a low projected return when optimism is rampant and there is little concern for potential loss of capital. Where we stand today, in 2015, I see many of the same market characteristics and behavior exhibited by investors that I saw at the height of our most recent bubble in real estate and stocks in 2007. Fast forward eight years and here we are again – we have low levels of skepticism and fear with many participants willing to take on higher risks with little awareness that the projected returns don't warrant the risk assumed. This clearly has the makings of another bubble. Basically one sees few assets that investors are willing to sell, except at premium prices and buyers are increasingly willing to pay higher and higher prices for an asset they were perhaps unwilling to buy at discounted prices a few years back.

Most investors are unaware that their behavior and subsequent price moves cause market risk to rise and fall. Certainly risks rise as they accumulate more assets (stocks and real estate) and the opposite is true if they are unloading assets in a panic (bearmarket behavior) – the market actually becomes less risky as future returns look more attractive. The increased confidence of the retail investor and even the "professional" fund manager should make the deeper thinker worried as projected returns are reduced due to rising prices. And, the opposite is true too. If investors are of the mindset that "I won't buy that at any price, it's too risky," there might be a great opportunity to profit for those who can recognize it. If everyone believes an investment is risky, it probably isn't, in fact, since at a depressed price future returns are probably quite favorable. And, of course, if everyone believes that risk is low and future attractive returns are likely, the more seasoned investor will probably determine the opposite is more likely to occur. In short, what is of utmost importance in understanding the relationship between price, value and risk, is that the price paid for an asset and the projected future returns will greatly determine the level of risk.

A good investor can control risk, first and foremost, because he or she recognizes it exists and has an understanding when it is elevated. However, since there are more good years than bad in the stock market, this recognition of risk may only become apparent in bad years (negative market returns) – that risk control was important and necessary at the time. Risk control in anticipation of a bear market or correction is critical, and the objective of losing less than the market itself and minimizing drawdowns is a worthy pursuit. Or, if possible, to not lose any money would be ideal.

The bottom line is it is an investment manager's job to intelligently assume risk for potential profit, when it makes sense. We can accept risk when the reward is worthwhile. We can never avoid risk altogether, since the future is unknowable, but we can do our best to control it and even welcome it at times.

Bull or Bear	Start Date	End Date	Gain/Loss
Bull	4/28/1942	5/29/1946	128.7%
Bear	5/29/1946	6/13/1949	-24.0%
Bull	6/13/1949	12/13/1961	354.8%
Bear	12/13/1961	6/26/1962	-27.1%
Bull	6/26/1962	2/9/1966	85.8%
Bear	2/9/1966	10/7/1966	-25.2%
Bull	10/7/1966	12/3/1968	32.4%
Bear	12/3/1968	5/26/1970	-35.9%
Bull	5/26/1970	1/11/1973	66.6%
Bear	1/11/1973	12/6/1974	-45.1%
Bull	12/6/1974	9/21/1976	75.7%
Bear	9/21/1976	2/28/1978	-26.9%
Bull	2/28/1978	4/27/1981	38.0%
Bear	4/27/1981	8/12/1982	-24.1%
Bull	8/12/1982	8/25/1987	250.4%
Bear	8/25/1987	10/19/1987	-36.1%
Bull	10/19/1987	7/16/1990	72.5%
Bear	7/16/1990	10/11/1990	-21.2%
Bull	10/11/1990	1/14/2000	395.7%
Bear	1/14/2000	9/21/2001	-29.8%
Bull	9/21/2001	3/19/2002	29.1%
Bear	3/19/2002	10/9/2002	-31.5%
Bull	10/9/2002	10/9/2007	94.4%
Bear	10/9/2007	3/9/2009	-53.8%
Bull *	3/9/2009	3/6/2015	172.7%
*To 3/6/2015			
Source: WSJ			
Dow Jones I			

Bear Markets Happen

Suggested plan of action to help control risk:

Reduce beta

If we agree that the uncertainty of future returns and the possibility of loss are the risks we care about most, then obviously when markets are overvalued on an historical basis and future projected returns are very low or even negative, this is when we need to make adjustments to a portfolio to control risk. In early 2014, having recognized that the overall stock market valuation was slowly inching toward what I believe is another bubble, I took the first step to reduce risk in my managed accounts and you may consider doing the same if you agree valuations are excessive. While I believe markets are substantially overvalued I also understand that the party might go on for another year or two and I would like to participate in the gains, if possible. So, rather than sell out of stocks completely and move to cash or low yielding bonds, I simply reduced the beta of my portfolios by approximately 30%. This is a first step you can do to control risk if you believe markets are overvalued. Remember, beta is a measure of volatility for a stock or an entire portfolio relative to the market itself. My thinking is, and this is why I reduced the volatility of my equity portfolios, if the market corrects or we enter a bear market, I want to lose less than the market itself. In a low-beta portfolio (e.g. 0.60), assuming history repeats itself, you would lose 60% of the amount that the market would lose in a downtrend. For example, if the market drops 10%, with a low-beta portfolio of 0.60, your portfolio would decline by only 6%. Reducing beta in your portfolio is a good first step to controlling risk.

The long-term average CAPE ratio for stocks is 16.5, so if stocks are trading above that level you could consider lowering risk in your portfolio by reducing beta or by selling stocks. Or, a more aggressive approach may be to reduce risk if the CAPE ratio reading is over 20. The current CAPE reading of 27 is truly rare though we have seen at least two times in the past 15 years when we have had similar extreme valuations – the tech bubble in 2000 and the stock market and real estate bubbles in 2007.

If you pay attention to the CAPE ratio and it is elevated (20 or above), and future returns look below average, you may decide to not only reduce beta in your existing stock holdings, you may also decide to reduce risk by selling a portion of your portfolio and raising cash or moving into short-term bonds. Yes, you could be giving up potential future gains by doing so, but you will also protect wealth and the profits you have accumulated.

Reduce stock exposure

As a bull market ages and valuations rise you can control risk by divesting and selling down your stock holdings. You could start, for example, by reducing your stock portfolio by perhaps a quarter or a third, if valuations exceed 20 on the CAPE ratio. If we move up to 22 or 25 you could sell another third, or even a higher percentage. As we move higher and projected returns are reduced, you would be raising cash and protecting your profits and your wealth. This sounds like common sense, but it is particularly difficult to do when it seems like gains come so easily and there is little reason to worry (typical late bull-market behavior). Yes, you may decide to "let it ride" for a while, but at some point the gains could evaporate quickly when trends reverse, so it is essential that you have a plan of action in place to reduce risk.

When stock valuations indicate that future returns are very low or even negative and it is difficult to justify owning stocks, I have no problem reducing stock exposure to 20% or less. And, with whatever remaining stocks you own, I'd also advise owning low-beta dividend payers to reduce risk even further. The simple plan here is to sell down assets on the way up (not the opposite) and, assuming you have a lot of ammunition (cash) on hand during the next bear market, you will be in a good position to start scooping up assets at bargain prices in anticipation of higher future returns.

Caveat – many buy-and-hold fans believe they can own a portfolio of high-quality companies forever, without much risk of loss, either temporary or permanent. They believe that owning great dividend payers or companies that sell products that are in demand regardless of the strength of the economy, are always worth holding. I disagree. Quality assets become risky if the price paid is too high and the future return of the "quality" asset is too low, or even negative. It all depends on the price you pay (it determines quality) and there is no doubt in my mind that we often overpay for what are perceived as quality companies at any price - and many are unaware of the risks of purchasing at elevated prices. Remember, many "high quality" stocks sell for high multiples and prices because they are assumed to be such terrific investments and deserve a premium price. However, please recognize that in times of extreme overvaluation or bubbles it doesn't matter how much "quality" you have in your portfolio – these stocks can get clobbered too. If you have any doubts, revisit how the highest quality companies performed in 2008-2009, 2000-2002 or even 1973-1974. I would guess that a portfolio of the "best" stocks dropped 40% or more during each of these ugly bear markets. Someone who bought these companies, just prior to each of these vicious bear markets, didn't recognize that what truly mattered was the price paid for the asset at the time, relative to the projected future return. And, at market peaks, when valuations are stretched, the price of quality companies is simply too high and projected returns too low to warrant the risk. Bottom line, at times there is no real quality available in the market – prices are too high. So, no matter how much you love a company or are emotionally

attached to a stock, know that it can lose much of its value in the next bear market, regardless of the quality rating you place on it.

I would be the first to admit that managing a portfolio to control risk is more art than science – that's what makes it so difficult. You can control risk by reducing beta and you can also control risk by selling stocks as the market moves beyond historical fair value and well into overvalued territory. These are the two primary ways you can control risk, but you must first recognize when risks are elevated. A cautious approach to investing makes sense for nearly everyone and certainly for retirees or those nearing retirement. If you try to control risk and avoid terrible bear-market losses, your returns can still be very good and consistent enough to allow you to be financially comfortable throughout your life. Yes, you may miss out on some excitement at the end of a rip-roaring bull market, but if you invest defensively and minimize drawdowns whenever possible, you stand an excellent chance of achieving your investment goals.



16

Reasonable return expectations

Don't expect more than the cash flow your portfolio generates.

GIVEN THE CURRENT OVERVALUED ENVIRONMENT in stocks, real estate and bonds, it's incredibly important to have reasonable return expectations for the coming years. This is one of the topics I struggle with in my practice when meeting with prospective and existing clients. It's terribly difficult to look at the high recent returns the market has given us and not anticipate more of the same in the future. This is somewhat typical investor behavior and the thought process for most – our emotions lead us to believe that the most recent returns (negative or positive) will persist over the coming years. This belief, irrational as it is, is what causes investors to abandon stocks during bear markets and it also encourages them to add to positions (stocks or real estate) *after* they have already greatly appreciated and most likely late in a bull-market cycle at extreme valuations.

Successful investors will think and act opposite of the herd at market extremes and I think it is very important to think and act differently in 2015. With a CAPE ratio of 27 and historically low bond yields, we are setting ourselves up for disappointment if we think recent high returns will continue. Sure, perhaps we can get a couple more nice years out of stocks, real estate and bonds, if the Fed continues to be accommodative. Perhaps prices can continue higher up until the election in 2016 – I don't know. But what we can be certain of is that eventually sentiment and trends will reverse. To better prepare and keep your expectations reasonable, I think it's wise to not count on earning any returns beyond the cash flow your portfolio generates after fees. Right now that might equate to 2.5% or 3% annually. The reason for this paltry expected return is that valuations are very high in stocks and real estate and bond yields are very low too - so it is unlikely you will see much capital appreciation in any of these asset classes over the coming 5 years or more. Sure, if we hit a bear market in the meantime and stocks drop substantially (and then you invest), from those lower levels you could expect higher returns. But, until stocks revert to a lower mean level, don't expect more than your dividend and interest cash flow from your portfolio.

In addition to the cash flow your portfolio provides, you can count on most of your blue-chip dividend payers to increase their dividends hopefully by 6% or more each year going forward. You've already learned how to set up your portfolio for dividend growth, so if you decide to stay invested despite the present overvaluation in stocks and bonds, at least you'll have growing dividends to add to the current yield of approximately 3%. Yes, you'll always have the risk of capital loss and uncertainty of future returns when owning stocks, but dividend growth is something you should be able to count on.

Remember, given where we stand with current high valuations, it's not at all unrealistic to anticipate negative returns after inflation over the coming years. In most market environments I believe it is reasonable to expect returns in the single-digits, a few percentage points above inflation, and occasionally in low double-digits if one's starting point is attractive. But, there are also times when even low single-digit returns look unlikely. If you are expecting more, you will be disappointed. And, I don't think it is a good idea for a money manager to assume more risk in an effort to meet a client's high expectations because the added risk will more than likely backfire. In an overvalued market you just can't squeeze that much out of a portfolio, as far as gains, while maintaining a defensive-minded approach. Again, if markets are fully valued as they are now, recognize that flat or even negative returns could persist for some years.

GMO's accompanying table titled 7-Year Asset Class Real Return Forecasts, from Q3 2014, shows why it's incredibly important at this time to manage your return expectations. Given the unusually lofty valuations of all asset classes, GMO predicts average annual returns to be poor (low-single digits) and even negative, after inflation, for most of their asset class projections for the coming 7 years. GMO has a great track record and its forecast is another reason to temper your expectations for any returns beyond the cash flow generated by your portfolio.



GMO 7-Year Asset Class Real Return Forecasts*

To summarize, in all market environments it's important to keep return expectations reasonable, but particularly when valuations are lofty. On the other hand, if prices are depressed and we are in a bear market, then higher future returns will be far more likely. Bottom line, to help keep you from being disappointed and also help you manage your cash flow and spending, the most prudent way to approach the topic of return expectations is to keep it reasonable. By "reasonable" I mean don't expect more than the cash flow your portfolio generates and certainly don't invade principal if you will be on a fixed budget for many years. By keeping your expectations in check, you will more than likely outpace inflation, taxes and grow your portfolio to a level where you are both financially comfortable and are also likely to pass on a fair amount of wealth to the next generation.

17

Strategies for safe portfolio withdrawals

Adjust your withdrawals depending on the current environment. Contrary to popular opinion, a 4% annual withdrawal rate is not necessarily safe.

SAFE WITHDRAWAL RATES IN RETIREMENT and strategies for appropriate withdrawals, as a percentage of the value of one's portfolio, are rarely discussed, particularly during bullish times when most investors are spending as they wish with little concern about depleting their assets. The reason for this is that investors withdraw money from their portfolios to cover expenses, perhaps at unreasonable rates of 6% or higher annually, yet their portfolios still continue to grow each year during a bull market, which allows them to ignore what could become a serious issue when the next bear market hits and they are unwilling or unable to reduce their spending.

In my practice, I would say the issue of appropriate withdrawal rates for my clients in retirement and my ability, or lack thereof, to enforce the issue with certain clients is of great concern to me. Quite frankly, and I'm sure I'm not alone in observing this, many retirees are withdrawing far too much from their portfolios on an annual basis and they risk depleting their assets if they live too long. Many retirees have grown comfortable with a certain lifestyle and are unable to cut back and reduce expenses – so they prefer to ignore this serious issue. Furthermore, as I will discuss in detail in this chapter, in the low-yield environment and high stock valuation period we live in, and given the fact that we are living longer than previous generations, the topic of appropriate withdrawal rates should be first and foremost in the minds of all pre-retirees and retirees.

In this chapter we'll review various strategies for safe withdrawals and probabilities of success with different asset allocations. We will also look at what I believe is of utmost importance at this particular time – appropriate rates of withdrawals in a low-yield bond market and highly valued stock market.

Surveys have repeatedly shown that retirees and those nearing retirement have little idea about how much money they can withdraw from their portfolios in retirement and still not outlive their money. More than 70% of Americans have not even heard of the so-called 4% withdrawal rule, which is the standard in the industry for what should be a guideline for reasonable annual withdrawals in retirement. Many retirees think a withdrawal rate of 6% to 8% is reasonable and sustainable, despite the facts speaking loudly to the contrary. So, there is much the American public should learn about this topic as most are unprepared and poorly informed.

Obviously the goal for most investors is to grow a portfolio to a certain level prior to retirement (by saving and investing) so that they can then start to comfortably live off the portfolio throughout retirement. Ideally, one would live off some of the income and not touch principal. The goal is obviously to not

outlive your money and perhaps also have plenty of assets to pass on to the next generation. This is also a primary objective I see with my client base – they want to provide for themselves first, but also leave an important legacy for their children or grandchildren.

The first step in this process should be to determine how much you think you will be spending in retirement on an annual basis. Start with the basics and add up your expenses for the coming year and then subtract that number from any income you are receiving outside of your portfolio – social security, annuity payments, pension, rental income etc. Whatever amount that remains is the amount that will need to be withdrawn from your investment portfolio to maintain your lifestyle. The total dollar amount to be withdrawn each year will be your spending rate or withdrawal rate - a certain percentage of your portfolio's value. Yes, it can vary over time, but it is important to start with a reasonable withdrawal rate and try to factor in your time horizon, asset allocation and most importantly your life expectancy. If you are a couple, your time horizon will be the life expectancy of the surviving spouse. For most, there is a good chance your retirement assets will need to last 20 years or more.

Here's a simple example of a retiree who has annual income needs of \$80,000 and a \$1.5 million portfolio. This retiree receives \$1,000 per month in social security and an additional \$2,000 in monthly pension income or approximately \$36,000 annually. So, there is a shortfall of \$44,000 per year. Assuming this retiree then withdraws \$44,000 from the portfolio each year, the withdrawal rate is 2.93%.

4% Rule

The 4% safe withdrawal rate was popularized by financial planner William Bengen in 1994 and was further advanced by the Trinity Study in 1998. The studies basically show that most

portfolio mixes of stocks and bonds in retirement, regardless of the percentage invested in each asset class, and assuming a retirement up to 30 years, will be successful with a withdrawal rate at 4% annually. By "success" I mean the investor does not outlive the portfolio. The studies further factor in an annual inflation adjustment so that one's dollar withdrawal amount increases each year to keep up with the rate of inflation. In its simplest form, using the 4% rule, the retiree would calculate 4% of the ending portfolio balance in any given year to determine the maximum dollar amount to be withdrawn in the subsequent year. The dollar distribution can come from dividend income, bond interest, or unfortunately, from selling some holdings – this involves raiding principal which is necessary if income is low and/or your withdrawal rate is too high.

In my opinion, the problem with applying the 4% rule today is that the projected return assumptions used in the studies done in the 1990s are far too optimistic. Average annual bond returns of 5.5% and stock market returns of 10% annually are not going to materialize in the coming years. How could they? We have intermediate-term bonds paying around 1% annually before taxes and there is basically no upside potential for capital gains with bonds since rates are at miserably low levels. In addition, as I will show later, with stock valuations at current high levels, projected stock returns going forward are also very low. So, the success rates shown in the accompanying table with data from Ibbotson are far too optimistic. Quite simply, in my humble opinion, portfolio returns from any mix of stocks and bonds in the coming years will fall far short of historical average returns and this presents a very real challenge for investors retiring now or anyone living off a portfolio with a life expectancy of 15 years or more.

Retirement Portfolio Success Rates (1929-2009) Early Studies											
Opinion - these project	ions ar	e curre	ently fa	ar too o	optimi	stic.					
		Annu	al Wit	hdraw	al Rat	e					
Payout Period	3%	4%	5%	6%	7%	8%	9%				
100% Stocks											
15 Years	100%	100%	100%	97%	94%	93%	86%				
20 Years	100%	100%	100%	95%	92%	86%	77%				
25 Years	100%	100%	100%	93%	90%	80%	67%				
30 Years	100%	100%	100%	93%	87%	76%	62%				
75% Stocks/25% Bonds											
15 Years	100%	100%	100%	100%	97%	94%	90%				
20 Years	100%	100%	100%	97%	95%	89%	74%				
25 Years	100%	100%	100%	97%	92%	78%	60%				
30 Years	100%	100%	100%	96%	91%	69%	55%				
50% Stocks/50% Bonds											
15 Years	100%	100%	100%	100%	100%	99%	93%				
20 Years	100%	100%	100%	100%	100%	88%	63%				
25 Years	100%	100%	100%	100%	100%	67%	48%				
30 Years	100%	100%	100%	98%	100%	53%	27%				
25% Stocks/75% Bonds											
15 Years	100%	100%	100%	100%	100%	100%	86%				
20 Years	100%	100%	100%	100%	100%	68%	35%				
25 Years	100%	100%	100%	100%	100%	33%	25%				
30 Years	100%	100%	100%	96%	100%	24%	15%				
100% Bonds											
15 Years	100%	100%	100%	100%	100%	73%	56%				
20 Years	100%	100%	100%	92%	100%	49%	28%				
25 Years	100%	100%	97%	58%	97%	27%	18%				
30 Years	100%	100%	64%	42%	64%	16%	7%				
Note: Stock Data is S&P 5	00, Bor	nd Data	is high-	grade c	orpora	te bond	s.				
Data from 1929-2009 pub	lished ir	h Ibbots	on 201	0 SBBI	Classic	e Yearb	ook				

In addition, I will argue that retirees with a time horizon of 30 years or longer should withdraw far less than 4% annually from a portfolio (perhaps half that amount would be ideal) in order to assure a portfolio survives. As the retiree ages and life expectancy decreases, one could consider bumping up the withdrawal rate above 4%, but 4% really isn't a safe rate for most in the current environment. Still, if you look at the portfolio success statistics in the *Ibbotson* data, it appears as if you have nothing to worry about assuming you stick to the 4% rate, regardless of your asset allocation. Again, I disagree.

While I have long been a proponent of the 4% rule and I have advised my clients to use it as a guideline in the past, I no longer believe it is a safe withdrawal rate given current low yields. Here are some suggestions I have to put the odds more highly in your favor for a financially comfortable retirement:

• Don't increase your withdrawal rate each year to keep pace with inflation. For example, if you start your withdrawal rate at 4% at age 70, stick with the 4% rate and don't increase your withdrawal rate each year to keep up with inflation.

• *Reduce your withdrawal rate during corrections or bear markets*. If your portfolio has declined 10% to 20% or more, reduce the amount you withdraw so you have the best chance to recover losses when the market eventually turns bullish again. Again, I advise reducing your withdrawal rate when your portfolio performs poorly. For example, if your portfolio is down 10% in the prior year, perhaps cutting back your withdrawal rate to 3% or less would be appropriate since this would mean you have more money in your portfolio to hopefully recoup when stocks eventually recover. The problem with this strategy, of course, is that many retirees are unable or unwilling to cut back during tough markets or during any market environment for that matter. If one continues to withdraw 4% or more during a prolonged bear market of several years or more, there is a great risk of running out of money and the portfolio may lose value (poor performance and high withdrawals) much faster than anticipated. Again, I prefer an investor be in a position to adjust withdrawal rates to market conditions.

• *Cut your expenses and reduce your withdrawal rate to below* 4% *if your life expectancy is beyond 15 years*. If your life expectancy is beyond 15 years, and particularly in the current low-yield environment, you risk greatly depleting your portfolio, even at a 4% withdrawal rate. For anyone with a life expectancy or time horizon beyond 15 years, consider reducing your withdrawals to less than 3% annually to give your portfolio a better chance to survive in any market environment. If interest rates eventually return to more normal levels and/or stocks fall enough to where the projected returns become more attractive, then you could increase your withdrawals to the 4% range or higher, but until that happens my suggestion is to be prudent and lower your withdrawals as much as possible.

Portfolio withdrawals in a low-yield environment

The research department at *Morningstar* has produced some excellent work on withdrawal rates that are currently far more appropriate than the works of the Bengen and Trinity Studies done in the 1990s. I would recommend all investors, particularly those in or nearing retirement, read the studies in their entirety on the *Morningstar* Web site. David Blanchett, Michael Finke and Wade Pfau wrote a paper in 2013 titled *Low Bond Yields and Safe Withdrawal Rates* that should be an eye opener for retirees. This study, in my opinion, is much more pertinent in today's low-yield environment and factors in more realistic returns and also assumes an annual investment advisory fee of 1% - which is a typical fee paid for portfolio management. The results of the study are staggering, sobering and should be a wake-up call for all investors.

Blanchett, Finke and Pfau found in 2013 that while the original 4% rule popularized by Bengen back in 1994 was acceptable at the time, with interest rates now at historically low levels, and fees and more realistic stock returns factored in, the 4% rule is actually far too aggressive and in many cases only gives a 50% chance of success. I don't like those odds and neither should you. I happen to agree with the *Morningstar* study and when looked at in conjunction with its excellent study that factors in equity valuations (reviewed in a moment) it should cause even more concern.

Let's look at a couple examples, using *Morningstar's* data from 2013, for withdrawal rates with a low yield of 2% and a CAPE ratio of 22. I hope the portfolio's poor success rate sufficiently frightens you into withdrawing less from your portfolio. Using the table that shows a 60% equity allocation (the balance would be in bonds) with retirement periods ranging from 15 to 35 years, one can see what the appropriate withdrawal rate should be for a predetermined success rate %. Today the bond yield is still at the same level as in 2013, but the CAPE ratio is now closer to 27, so these same projections would be even less optimistic if run today. Anyway, using the data in the table, a retiree who wants a 90% probability of success over a 20-year retirement period, could withdraw 3.7% annually. If the same retiree wanted to bump up the success rate to 99%, the appropriate withdrawal rate should drop to 2.4% annually. Again, this is using data for a 20year retirement and a 60% equity allocation.

Another example of a younger retiree who wants a 95% success rate % over a 30-year retirement shows a withdrawal rate of only 2.0% annually to be appropriate. If she withdraws 4.2%, she only has a 50% chance of success.

Withdrawal rates and success % - years in retirement											
20% Equity 15 20 25 30 35											
	99	5.1%	3.8%	3.1%	2.6%	2.2%					
Success	95	5.6%	4.2%	3.4%	2.8%	2.4%					
Rate %	90	5.8%	4.4%	3.5%	3.0%	2.6%					
	80	6.1%	4.6%	3.7%	3.2%	2.8%					
	50	6.6%	5.1%	4.2%	3.6%	3.2%					

Initial Withdrawal Rates for Various Equity Allocations, Retirement Periods, and Probabilities of Success Assuming an Initial Bond Yield of 2% and a CAPE Ratio 22

Withdrawal rates and success % - years in retirement											
40% Equity	0% Equity 15 20 25 30 35										
	99	4.4%	3.1%	2.5%	2.0%	1.7%					
Success	95	5.1%	3.8%	3.0%	2.5%	2.1%					
Rate %	90	5.5%	4.1%	3.3%	2.8%	2.4%					
	80	6.0%	4.5%	3.7%	3.1%	2.8%					
	50	7.0%	5.5%	4.5%	4.0%	3.5%					

Withdrawal rates and success $\%$ - years in retirement											
60% Equity	ity 15 20 25 30 35										
	99	3.5%	2.4%	1.8%	1.4%	1.2%					
Success	95	4.4%	3.2%	2.5%	2.0%	1.7%					
Rate %	90	5.0%	3.7%	2.9%	2.4%	2.1%					
	80	5.7%	4.3%	3.5%	3.0%	2.6%					
	50	7.2%	5.7%	4.8%	4.2%	3.8%					

Withdrawal rates and success $\%$ - years in retirement											
80% Equity	aity 15 20 25 30 3.										
	99	2.7%	1.8%	1.2%	0.9%	0.7%					
Success	95	3.8%	2.6%	2.0%	1.5%	1.3%					
Rate %	90	4.5%	3.2%	2.5%	2.0%	1.7%					
	80	5.4%	4.0%	3.2%	2.7%	2.3%					
	50	7.4%	5.9%	5.0%	4.4%	4.0%					

My point in citing the more realistic projections put forth by *Morningstar* is an attempt to convince all investors to reconsider current withdrawal rates, given our low-yield environment where 2% returns or less from bonds are the norm, and to hopefully convince you to lower your withdrawal rate before it is too late. Again, the original studies from the 1990s are no longer valid in the current environment. Appropriate withdrawal rates should actually be nearly 50% lower than originally determined for retirements that might last 30 years or longer. And, if you decide not to make an adjustment (reduce your withdrawals), know that your odds of success are greatly reduced in this low-yield environment.

Portfolio withdrawals in a low-yield and high valuation environment

In April 2013, the *Morningstar* research trio of David Blanchett, Michael Finke and Wade Pfau put forth an exhaustive study that looked at safe withdrawal rates when factoring in low yielding bonds *and* stock market valuations. The paper titled *Asset Valuations and Safe Portfolio Withdrawal Rates* should be required reading for all pre-retirees, retirees and their advisors.

As you are no doubt aware, bond yields are at historically low levels and stock market valuations are very lofty. As of February 2015, with a 10-year Treasury yield of 2.0% and a CAPE ratio of 27, we pretty much don't have any comparable period in history to predict portfolio survival rates – we are in unchartered territory. The studies conducted in the 1990s on portfolio survivability did not factor in low interest rates or stock valuations so *Morningstar's* study was long overdue.

At the time of the study in 2013, the CAPE ratio was at 22 and the bond yield was at 2.0%. Currently, nearly two years later, with an even higher stock market valuation and equivalent bond yields, one would imagine future success rates to be even lower

than the rates found by *Morningstar*. What Messrs. Blanchett, Finke and Pfau discovered was that withdrawal rates in a lowyield bond environment *and* a highly valued stock market need to be much lower than previously thought to succeed.

Let's look at a couple examples to learn how to use the tables correctly to determine your probability of success with various withdrawal rates given the current environment. If we use the 2% rate now available in a 10-year Treasury bond and a portfolio with a 60% equity allocation, and a CAPE ratio reading of 25, there is only a 48.5% chance of success for a retiree withdrawing 4% annually from a portfolio. All of the data in the following tables assume a 4% withdrawal rate and a 30-year retirement.

Another example, using the 40% equity allocation table and a 2% bond yield with a CAPE ratio of 25, shows that if the investor withdraws 4% annually over a 30-year retirement, he only has a 41.6% chance of success.

Clearly, with a high CAPE ratio and a low bond yield, it is likely a retiree's portfolio won't survive if withdrawal rates are too high. Indeed, historically low bond yields combined with historically high stock valuations have put many retirement portfolios at risk of being emptied over the coming decades.

I hope these studies and my warnings convince you to adjust your withdrawal rate depending on current bond yields and equity valuations. In looking at the recent *Morningstar* study, and the data in the tables, you can clearly see that regardless of your equity allocation (20% to 80% equities), if you withdraw more than 4% annually and you are trying to make your portfolio last 25 or 30 years, you will probably fail. A 25-year retirement with an initial 4% withdrawal rate, a 2% bond yield and a 25 CAPE ratio has only a 50.2% chance of success (80% equities). The results are eye-opening and depressing.

20% Equity			Initial CA	APE Ratio			
		5	10	15	20	25	30
Initial	1.0%	31.1%	23.9%	19.0%	12.7%	8.8%	5.8%
Bond	2.0%	42.7%	37.0%	29.2%	22.1%	16.9%	11.9%
Yield	3.0%	56.8%	49.6%	42.4%	34.5%	27.2%	20.5%
	4.0%	71.4%	64.2%	56.8%	48.0%	40.4%	32.2%
	5.0%	81.8%	77.0%	70.4%	63.2%	54.4%	46.2%

Probability of Success for a 4%	Withdrawal Rate Over 30 Years
for Various Equity Allocations,	, Bond Yields and CAPE Ratios

40% Equity			Initial C	APE Rat			
		5	10	15	20	25	30
Initial	1.0%	74.8%	67.1%	58.1%	46.8%	35.4%	26.1%
Bond	2.0%	78.0%	71.6%	62.3%	51.0%	41.6%	29.7%
Yield	3.0%	81.4%	75.4%	66.5%	55.9%	45.6%	34.8%
	4.0%	84.9%	78.3%	70.8%	62.1%	50.2%	38.3%
	5.0%	86.8%	82.1%	74.0%	65.2%	54.7%	43.7%

60% Equity			Initial C.	APE Rati			
		5	10	15	20	25	30
Initial	1.0%	83.2%	77.5%	68.1%	57.6%	45.6%	34.4%
Bond	2.0%	84.4%	78.3%	70.3%	59.5%	48.5%	36.4%
Yield	3.0%	85.5%	79.4%	71.7%	60.7%	48.9%	37.3%
	4.0%	85.7%	80.1%	71.5%	62.3%	50.1%	39.7%
	5.0%	86.9%	80.8%	73.2%	62.8%	52.5%	40.8%

80% Eq	uity		Initial CAPE Ratio				
		5	10	15	20	25	30
Initial	1.0%	85.4%	79.2%	70.3%	60.7%	48.6%	37.2%
Bond	2.0%	85.5%	80.1%	71.0%	60.1%	50.2%	37.1%
Yield	3.0%	85.9%	79.4%	71.1%	60.7%	49.1%	38.6%
	4.0%	84.9%	79.0%	70.9%	60.4%	48.7%	36.4%
	5.0%	85.1%	79.4%	70.5%	59.9%	48.4%	36.3%

In summary, if one studies the correlation of returns and success rates between bond yields, stock market valuations and portfolio withdrawal rates, one can manage expectations and expenses accordingly. Historically low bond yields and high stock valuations suggest that in order to achieve success investing, particularly in retirement, one must reduce portfolio withdrawals dramatically to improve the odds. For investors with a retirement time horizon of 15 years or more, my suggestion is to reduce withdrawal rates by half of what you have grown accustomed to (perhaps to 2.5% or less annually), and to also manage risk as well as possible to hopefully minimize loss of principal and protect capital during down years. It is critical to pay attention to and adjust your asset allocation *and* your withdrawal rate depending on the current market environment.

Investing quotes

"Price is what you pay. Value is what you get."

"Rule No.1: Never lose money. Rule No.2: Never forget rule No.1."

"We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful."

"We don't have to be smarter than the rest. We have to be more disciplined than the rest."

"Cash combined with courage in a time of crisis is priceless."

"If you have more than 120 or 130 I.Q. points, you can afford to give the rest away. You don't need extraordinary intelligence to succeed as an investor."

"Wide diversification is only required when investors do not understand what they are doing."

"A public-opinion poll is no substitute for thought."

"I am quite serious when I say that I do not believe there are, on the whole earth besides, so many intensified bores as in these United States. No man can form an adequate idea of the real meaning of the word, without coming here."

"I buy expensive suits. They just look cheap on me."

"I don't look to jump over 7-foot bars: I look around for 1-foot bars that I can step over."

"I never attempt to make money in the stock market. I buy on the assumption that they could close the market the next day and not reopen it for five years."

"If a business does well, the stock eventually follows."

"If past history was all there was to the game, the richest people would be librarians."

"In the business world, the rear view mirror is always clearer than the windshield."

Warren Buffett

"It's far better to buy a wonderful company at a fair price than a fair company at a wonderful price."

"Investors making purchases in an overheated market need to recognize that it may often take an extended period for the value of even an outstanding company to catch up with the price they paid."

"Look at market fluctuations as your friend rather than your enemy; profit from folly rather than participate in it."

"Long ago, Sir Isaac Newton gave us three laws of motion, which were the work of genius. But Sir Isaac's talents didn't extend to investing: He lost a bundle in the South Sea Bubble, explaining later, 'I can calculate the movement of the stars, but not the madness of men.' If he had not been traumatized by this loss, Sir Isaac might well have gone on to discover the Fourth Law of Motion: For investors as a whole, returns decrease as motion increases."

"Most people get interested in stocks when everyone else is. The time to get interested is when no one else is. You can't buy what is popular and do well."

"Never count on making a good sale. Have the purchase price be so attractive that even a mediocre sale gives good results."

"Only when the tide goes out do you discover who's been swimming naked."

"The business schools reward difficult complex behavior more than simple behavior, but simple behavior is more effective."

"There are all kinds of businesses that Charlie and I don't understand, but that doesn't cause us to stay up at night. It just means we go on to the next one, and that's what the individual investor should do."

"There seems to be some perverse human characteristic that likes to make easy things difficult."

"We don't get paid for activity, just for being right. As to how long we'll wait, we'll wait indefinitely."

"We enjoy the process far more than the proceeds."

Warren Buffett

"We've long felt that the only value of stock forecasters is to make fortune tellers look good. Even now, Charlie and I continue to believe that short-term market forecasts are poison and should be kept locked up in a safe place, away from children and also from grown-ups who behave in the market like children."

"Should you find yourself in a chronically leaking boat, energy devoted to changing vessels is likely to be more productive than energy devoted to patching leaks."

"Why not invest your assets in the companies you really like? As Mae West said, "Too much of a good thing can be wonderful".

"You do things when the opportunities come along. I've had periods in my life when I've had a bundle of ideas come along, and I've had long dry spells. If I get an idea next week, I'll do something. If not, I won't do a damn thing."

"You only have to do very few things right in your life so long as you don't do too many things wrong."

"Your premium brand had better be delivering something special, or it's not going to get the business."



Warren Buffett

"You don't get rewarded for taking risk; you get rewarded for buying cheap assets."

"Watching neighbors get rich at the end of a bubble while you sit it out patiently is pure torture. The best way to resist is to do your own simple measurements of value..."

"Remember that history always repeats itself. Every great bubble in history has broken. There are no exceptions."

"Great bubbles in history [have] always overcorrected."

I ask myself, 'Why is it that several dozen people saw this crisis coming for years?' I described it as being like watching a train wreck in very slow motion. It seemed so inevitable and so merciless, and yet the bosses of Merrill Lynch and Citi and even [U.S. Treasury Secretary] Hank Paulson and [Fed Chairman Ben] Bernanke - none of them seemed to see it coming.

"Seeing these things requires more people with a historical perspective who are more thoughtful and more right-brained - but we end up with an army of leftbrained immediate doers."

"If the assets you bought got pushed up in price simply because they were risky, then you are not going to be rewarded for taking a risk; you are going to be punished for it."

"If the numbers tell you it's a real outlier of a mispriced market, grit your teeth and go for it."

"Economic theory doesn't work with human beings. We're far too messy."

"You can make good money in the long-term in cheap stocks. What it's about is value. If you have a market that becomes overpriced, you will make a return too little given the risk you take."

"Being bullish sells. You will not easily hear honest advice when it is bearish."

"Painful errors teach you more than success does."

"Indexing in the long run is sensible. In the short run it can be lethal."

Jeremy Grantham

"When a cycle or bubble breaks it so crushes people's euphoria that they become absolutely prudent for the balance of their careers. I've been talking to older people who went through a wipeout and my best guess is about 95% of the people who have been through a bubble breaking never speculate in that asset class again."

"I got wiped out personally in 1968, which was the last really crazy, silly stock market before the Internet era. I like to say I got wiped out before anyone else knew the bear market started. After 1968, I became a great reader of history books. I was shocked and horrified to discover that I had just learned a lesson that was freely available all the way back to the South Sea Bubble."

"People ask what is going to happen next year, and I say I haven't the faintest idea."

"Think of yourself standing on the corner of a high building in a hurricane with a bag of feathers. Throw the feathers in the air. You don't know much about those feathers. You don't know how high they will go. You don't know how far they will go. Above all, you don't know how long they will stay up. You know canaries in Jamaica end up in Maine once in a blue moon. They just get swept along for a week in a hurricane. Yet you know one thing with absolute certainty: Eventually on some unknown flight path, at an unknown time, at an unknown location, the feathers will hit the ground, absolutely, guaranteed. There are situations where you absolutely know the outcome of a long-term interval though you absolutely cannot know the short-term time periods in between. That is almost perfectly analogous to the stock market."

"When people get very discouraged, they really need a reason to be a hero and to step up and catch the falling knife. You need to know there is something in it for you. Why be brave? In 1974 Dick Mayo and I had a portfolio that was way, way under replacement cost. If something didn't yield 10%, we wouldn't put it in the portfolio."

"In a world where almost all professional investors are depressed, you need something really pretty powerful to get you to put your cash reserves to work because it's your cash reserves that have been making you look like a hero, relatively, month after month. Somewhere, from inside you, you have got to drag out the courage to whip out your cash reserves and throw them into battle."

Jeremy Grantham

"I like to tell my story about the archangel Gabriel. The archangel comes down to a fund manager and says, `You've been a very good boy and I'm allowed to give you some really useful information - the probability distribution of the S&P 500 for the next 12 months. The probability distribution is 70% that cash will beat stocks and 30% that stocks will beat cash.' What does he do? I don't think there is anyone in our industry who doesn't know exactly what he does. He puts cash in his own account and leaves (the fund) 100% invested in equities because nobody in this business, or almost nobody, is willing to bet their career on a 30% chance of failure."

"I'll quit when it's not fun."

"Five things I know about the market: One, the market is gloriously inefficient; two, the manifestations of the inefficiency are that they horribly emphasize comfort and discomfort; three, they extrapolate today's conditions forever so if inflation is low, they will assume that inflation will be low forever; four, the real world is mean reverting, so you have a huge creative tension between the behavioral-driven world and the real world, driven by mean reversion. The problem is, rule No. 5, we're all governed by career risk and business risk, which means that even though you know points 1 to 4, you don't know what the hell to do about it, and if you do anything about it, you're liable to pay a very high price. That's 98% of anything I know in five quick points."



Jeremy Grantham

"Skepticism and pessimism aren't synonymous. Skepticism calls for pessimism when optimism is excessive. But it also calls for optimism when pessimism is excessive."

"A hugely profitable investment that doesn't begin with discomfort is usually an oxymoron."

"In both economic forecasting and investment management, it's worth noting that there's usually someone who gets it exactly right... but it's rarely the same person twice."

"You can't predict. You can prepare."

"I like to say success carries within itself the seeds of failure, and failure the seeds of success."

"We must strive to understand the implications of what's going on around us. When others are recklessly confident and buying aggressively, we should be highly cautious; when others are frightened into action or panic selling, we should become aggressive."

"Believe me, there's nothing better than buying from someone who has to sell regardless of price during a crash. Many of the best buys we've ever made occurred for that reason."

"When everyone believes something is risky, their unwillingness to buy usually reduces its price to the point where it's not risky at all. Broadly negative opinion can make it the least risky thing since all optimism has been driven out of its price."

"Investors with no knowledge of (or concern for) profits, dividends, valuation or the conduct of business simply cannot possess the resolve needed to do the right thing at the right time."

"Value investors score their biggest gains when they buy an underpriced asset, average down unfailingly and have their analysis proved out. Thus there are two essential ingredients for profit in a declining market: you have to have a view on intrinsic value, and you have to hold that view strongly enough to be able to hang in and buy even as price declines suggest that you're wrong. Oh yes, there's a third; you have to be right."

Howard Marks

"When things are going well and prices are high, investors rush to buy, forgetting all prudence. Then, when there's chaos all around and assets are on the bargain counter, they lose all willingness to bear risk and rush to sell. And it will ever be so."

[On the consistent swinging of the pendulum between fear and greed] "The significance of all this is the opportunity it offers to those who recognize what is happening and see the implications. At one extreme of the pendulum – the darkest of times – it takes analytical ability, objectivity, resolve, even imagination, to think things will ever get better. The few people who possess those qualities can make unusual profits with low risk. But at the other extreme, when everyone assumes and prices in the impossible – improvement forever – the stage is set for painful losses. It all goes together. None of these is an isolated event or a chance occurrence. Rather, they're all elements in a recurring pattern that can be understood and profited from."

"The air goes out of the balloon much faster than it went in."

"Those who believe that the pendulum will move in one direction forever – or reside at an extreme forever – eventually will lose huge sums. Those who understand the pendulum's behavior can benefit enormously."

"Inefficiencies – mispricings, misperceptions, mistakes that other people make – provide potential opportunities for superior performance. Exploiting them is, in fact, the only road to consistent outperformance. To distinguish yourself from the others, you need to be on the right side of those mistakes."

"The thing I find most interesting about investing is how paradoxical it is: how often the things that seem most obvious – on which everyone agrees – turn out not to be true."

"The process has to begin with investors who are unusually perceptive, unconventional, iconoclastic or early. That's why successful investors are said to spend a lot of their time being lonely."

"I'd say the necessary condition for the existence of bargains is that perception has to be considerably worse than reality. That means the best opportunities are usually found among the things most others won't do. After all, if everyone feels good about something and is glad to join in, it won't be bargain-priced."

Howard Marks

"We can make excellent investment decisions on the basis of present observations, with no need to make guesses about the future."

"To achieve superior investment results, your insight into value has to be superior."

"There is no surefire recipe for investment success. Just a way to think that might help you make good decisions and perhaps more important, avoid the pitfalls that ensnare so many."

"One cannot develop an effective philosophy without having been exposed to life's lessons."

"Experience is what you got when you didn't get what you wanted."

"I should limit my efforts to relatively inefficient markets where hard work and skill would pay off best."

"Investors with no knowledge of (or concern for) profits, dividends, valuation or the conduct of business simply cannot possess the resolve needed to do the right thing at the right time. With everyone around them buying and making money, they can't know when a stock is too high and therefore resist joining in. And with a market in freefall, they can't possibly have the confidence needed to hold or buy at severely reduced prices."

"An accurate estimate of intrinsic value is the essential foundation for steady, unemotional and potentially profitable investing."



Howard Marks

Bibliography and recommended reading

Ackerlof, George, Shiller, Robert - Animal Spirits: How Human Psychology Drives the Economy, and Why it Matters for Global Capitalism – Princeton

Belsky, Gary and Gilovich, Thomas - Why Smart People Make Big Money Mistakes—And How To Correct Them: Lessons from the New Science of Behavioral Economics – Simon & Schuster

Bernstein, Peter L. - Against the Gods; The Remarkable Story of Risk – John Wiley & Sons, Inc.

Bernstein, William - The Intelligent Asset Allocator - McGraw-Hill

Bogle, John C. - Common Sense on Mutual Funds: New Imperatives for the Intelligent Investor – John Wiley & Sons, Inc.

Calverley, John - When Bubbles Burst: Surviving the Financial Fallout – Nicholas Brealey

Calverley, John - Bubbles and How to Survive Them – Nicholas Brealey

Carlson, Charles - The Little Book of Dividends: A Safe Formula for Guaranteed Returns – Wiley

Carrel, Lawrence - Dividend Stocks for Dummies - Wiley

Clements, Jonathan - 25 Myths You've Got to Avoid If You Want to Manage Your Money Right: The New Rules for Financial Success – Simon & Schuster

Ellis, Charles D. – Winning the Loser's Game: Timeless Strategies for Successful Investing – McGraw-Hill

Evensky, Harold R. - Wealth Management: The Financial Advisor's Guide to Investing and Managing Client Assets – Irwin Professional Publishing

Galbraith, John Kenneth - A Short History of Financial Euphoria - Viking

Gibson, Roger C. - Simple Asset Allocation Strategies - Marketplace Books

Good, Walter R. CFA, Hermansen, Roy W. CFA - Index Your Way to Investment Success: Using Institutional Investment Strategies to Boost Returns and Control Risk – New York Institute of Finance Gordon, Mark - The Complete Guide to Investing in REITs: How to earn high rates of return safely – Atlantic Publishing Group

Grant, James - Mr. Market Miscalculates: The Bubble Years and Beyond – Axios

Hirsch, Jeffrey - The Little Book of Stock Market Cycles: How to take advantage of Time-Proven Market Patterns – Wiley

Koppel, Robert - Investing and the Irrational Mind: Rethink Risk, Outwit Optimism and Seize Opportunities Others Miss – McGraw-Hill

Lichtenfeld, Marc - Get Rich with Dividends: Proven System for Earning Double-Digit Returns – Wiley

MacKay, Charles - Extraordinary Popular Delusions and the Madness of Crowds – Wilder

Malkiel, Burton G. - A Random Walk Down Wall Street - Norton & Company

Mandelbrot, Benoit, Hudson, Richard - The Misbehavior of Markets – Basic Books

Marks, Howard - The Most Important Thing: Uncommon Sense for the Thoughtful Investor – Columbia Business School

Marks, Howard - The Most Important Thing Illuminated: Uncommon Sense for the Thoughtful Investor – Columbia Business School

Maudlin, John, Tepper, Jonathan - Code Red - Wiley

Mergent - Handbook of Dividend Achievers - Mergent

Montier, James - The Little Book of Behavioral Investing: How Not to be your Own Worst Enemy – Wiley

Neill, Humphrey - The Art of Contrary Thinking - Caxton

O'Shea, Peter, Worrall, Jonathan - *Beating the S&P with Dividends: How to build a Superior Portfolio of Dividend Yielding Stocks* – Wiley

Peris, Daniel - The Dividend Imperative - McGraw-Hill

Peris, Daniel - *The Strategic Dividend Investor: Why Slow and Steady Wins the Race* – McGraw-Hill

Peters, Josh - The Ultimate Dividend Playbook: Income, Insight and Independence for Today's Investor – Wiley

Reinhardt, Werba, Bowen - *The Prudent Investor s Guide to Beating the Market* – Irwin Professional Publishing

Reinhart, Carmen, Rogoff, Kenneth - This Time is Different: Eight Centuries of Financial Folly – Princeton

Schott, M.D., John W. - *Mind Over Money: Match Your Personality to a Winning Financial Strategy* – Little, Brown and Company

Schreiber, Don, Stroik, Gary - All About Dividend Investing - McGraw-Hill

Schwab, Charles - Charles Schwab's Guide to Financial Independence: Simple Solutions for Busy People – Three Rivers Press

Siegel, Jeremy J. - Stocks for The Long Run: The Definitive Guide to Financial Market Returns and Long-Term Investment Strategies – McGraw-Hill

Sornette, Didier - Why Stock Markets Crash: Critical Events in Complex Financial Systems – Princeton

Statman, Meir - What Investors Really Want: Discover What Drives Investor Behavior and Make Smarter Financial Decisions – McGraw-Hill

Taleb, Nassim Nicholas - Fooled by Randomness: The Hidden Role of Chance in Life and in the Markets – Random House

Tigue, Joseph - *The Standard & Poor's Guide to Building Wealth with Dividend Stocks* – McGraw-Hill
Recommended Web sites

Barrons.com

Bigsafedividends.com

Buyupside.com

Dividend.com

Dividendgrowthinvestor.com

Directinvesting.com

Dividendinvestor.com

Djindexes.com

Dripinvesting.org

Econ.yale.edu/~shiller (Robert Shiller)

Finance.yahoo.com

Gmo.com (Jeremy Grantham)

Hussman.com

Indexarb.com

Investopedia.com

Morningstar.com

Oaktreecapital.com (Howard Marks)

Preservingwealth.com

Valueline.com

Wallstreetjournal.com