Seeking Dividend Safety and Aristocrats in a Volatile Market

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Learning Objectives

Presentation Overview

Benefits of Dividend Investing

- Passive income, higher growth potential, inflation protection and less volatility than other stocks

Introduction to the Three Pillars of Dividend Investing

- Valuation metrics, growth trends and financial strength / quality

S&P 500 Sector Analysis and EPS Growth Expectations

- Traditional sector rotation during bear markets

CARES Act

- Impact on income investors

Financial Strength Dividend Investing Pillar

- Examine dividend sustainability

Dividend Focused ETFs

- Dividend Aristocrats overview

Dividend Investing

Dividend Sustainability

Dividend Focused ETFs

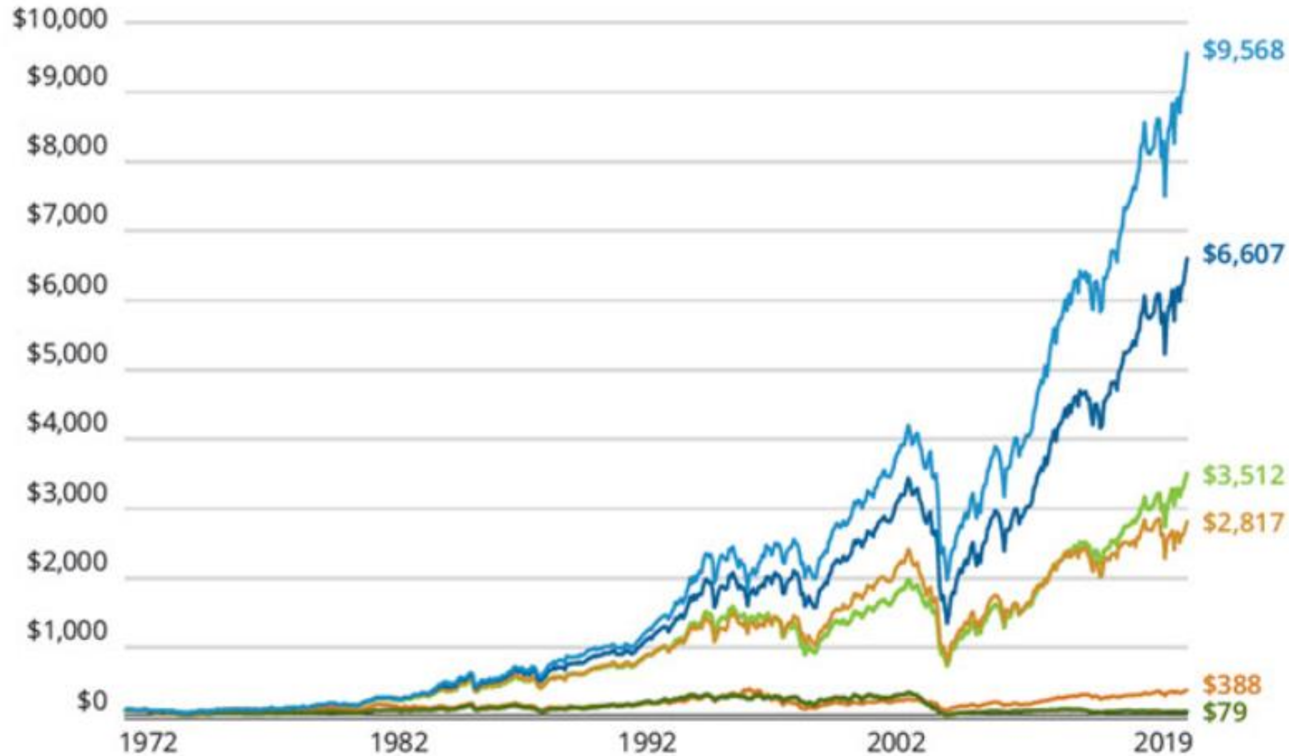
Appendix

Dividend Growth May Be a Key to Outperformance

- Returns of S&P 500 Index Stocks by Dividend Policy: Growth of $100 (1972–2019)

Average Annual Returns & Beta by Dividend Policy
(3/31/72 – 12/31/19)

	Returns	Beta
Dividend Growers & Initiators	12.87%	0.92
Dividend Payers	12.79%	0.98
Equal-Weighted S&P 500 Index	12.29%	1.00
No Change in Dividend Policy	11.85%	1.13
Dividend Non-Payers	8.57%	1.13
Dividend Cutters & Eliminators	10.88%	1.23



Dividend growers and initiators have historically provided greater total return with less volatility relative to companies that either maintained or cut their dividends

Data Sources: Ned Davis Research and Hartford Funds, 2/20 "The Power of Dividends: Past, Present, and Future" from https://www.hartfordfunds.com/market-perspectives/the-power-of-dividends.html. Past performance does not guarantee future results. For illustrative purposed only. The data does not take into account fees and charges associated with actual investments.

AAII American Association of Individual Investors

Benefits of Dividend Investing

1. **Passive Income**:
   - Dividends provide a steady flow of passive income, which you can choose to spend or reinvest
2. **Higher Growth Potential**:
   - Dividend-paying stocks have historically delivered higher long-term returns than non-dividend payers
3. **Inflation Protection**:
   - Unlike bonds paying fixed income, many companies increase their dividend payout each year
4. **Continued Ownership While Collecting Profits**:
   - Owning shares in a firm that doesn't pay dividends is frustrating in that profits are locked in the stock
     - Only way to access those profits is to sell shares
5. **Less Volatility Than Other Stocks**:
   - Dividend payers tend to be large, financially strong companies with more mature businesses
     - Less susceptible to economic cycles
   - Cushion against market risk
     - Dividend income has the potential to cushion falling stock prices and reduce volatility of returns
6. **Dividends May Provide Clear Signal of Corporate Financial Health**:
   - Straightforward and effective tool to identify quality, well-run companies
   - Enhance earnings transparency of a company / apply a level of financial discipline on management
   - Can signal management's confidence in current and future growth prospects

Three Pillars of Dividend Investing

1 Valuation / Attractiveness

Stock prices tend to **fluctuate between high** and **low extreme valuation levels**, these relationships can be used to determine a stock's value range

Characteristics Analyzed:

- Dividend yield
- Trailing price-earnings ratio
- Forward price-earnings ratio

2 Growth Trends

A company's success is driven by its ability to **generate sales** and **convert revenue into earnings** and **cash flow**

Characteristics Analyzed:

- Revenue
- Gross margins
- Operating margins
- Net profit margins
- Earnings
- Earnings per share
- Dividend history
  - Consistency
- Dividend growth

3 Financial Strength / Quality

Understand company's underlying financials and its ability to **generate cash flow, pay its obligations** and **return capital to shareholders**

Characteristics Analyzed:

- Earnings payout ratio
- Free-cash-flow payout ratio
- Leverage ratio
- Interest coverage ratio
- Operating cash flow
- Free cash flow
- Returned capital
  - Share buybacks & dividends

Traditional Sector Rotation During Bear Markets

CFRA	2/19-3/23
S&P 500 Sector	% Chg
Consumer Staples	(24.3)
Health Care	(28.5)
Communication Services	(28.7)
Info. Technology	(31.5)
Consumer Discretionary	(33.8)
S&P 500	**(33.9)**
Utilities	(35.9)
Materials	(37.2)
Real Estate	(40.2)
Industrials	(41.9)
Financials	(43.3)
Energy	(56.4)

CFRA	Since WWII	
S&P 500 Sector	% Chg	Outperf
Health Care	(12.0)	85.0
Consumer Staples	(13.0)	85.0
Real Estate	(17.0)	71.0
Utilities	(23.0)	77.0
Materials	(23.0)	46.0
All Sub-Industries	**(25.0)**	**NA**
Financials	(27.0)	46.0
Info. Technology	(27.0)	62.0
Energy	(28.0)	46.0
Consumer Discretionary	(28.0)	31.0
Communication Services	(30.0)	38.0
Industrials	(30.0)	15.0

Bear market sector rotation provides historical context

Source: CFRA, S&P Global. Past performance is no guarantee of future results. Data as of 3/23/20. Reproduction of slide 5 from Sam Stovall, CFRA presentation "Prelude to a Post-Pandemic Pop?"

Diminishing S&P 500 EPS Growth Expectations

CFRA	Q1 '20 EPS Est		Q2 '20 EPS Est		Q3 '20 EPS Est		Q4 '20 EPS Est		2020 EPS Est	
S&P 500 Sector	3/31/20	4/13/20	3/31/20	4/13/20	3/31/20	4/13/20	3/31/20	4/13/20	3/31/20	4/13/20
Utilities	6.7	2.5	4.8	3.8	1.7	1.3	8.7	8.2	5.0	3.5
Cons. Staples	1.2	1.2	1.4	(1.1)	3.5	2.0	3.8	3.2	2.5	1.3
Info. Tech.	4.0	0.4	1.2	(2.4)	4.1	1.2	6.1	4.1	4.0	1.0
Health Care	1.6	(0.7)	(0.5)	(8.1)	5.7	2.9	10.6	9.3	4.3	0.8
Comm. Svcs.	(1.3)	(4.9)	(8.3)	(17.2)	4.6	(1.6)	0.0	(4.0)	(1.3)	(7.0)
Materials	(14.8)	(17.7)	(12.4)	(19.4)	(3.3)	(9.5)	3.6	(0.6)	(7.2)	(12.4)
Financials	0.8	(15.5)	(6.8)	(21.3)	(3.6)	(18.7)	1.8	(12.4)	(2.0)	(17.0)
Real Estate	(12.0)	(15.8)	(40.4)	(43.4)	(24.1)	(26.4)	(18.8)	(19.8)	(25.2)	(27.7)
Industrials	(23.6)	(32.7)	(28.2)	(53.4)	(14.1)	(28.6)	10.0	1.3	(14.2)	(28.7)
Cons. Disc.	(24.4)	(34.6)	(39.6)	(60.8)	(9.6)	(19.7)	9.3	0.5	(16.2)	(28.9)
Energy	(43.1)	(57.7)	(107.3)	(131.2)	(88.2)	(104.6)	(67.3)	(89.8)	(79.4)	(98.9)
S&P 500	(5.1)	(12.1)	(13.8)	(24.8)	(4.5)	(12.0)	2.8	(3.2)	(5.1)	(13.0)

Defensive and technology sectors may present opportunities in a volatile market

Source: CFRA, S&P Global. Past performance is no guarantee of future results. Data as of 4/14/20. Reproduction of slide 13 from Sam Stovall, CFRA presentation “Prelude to a Post-Pandemic Pop?”

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Dividend Investing and the CARES Act

Coronavirus Aid, Relief and Economic Security (CARES) Act was passed on March 27, 2020:

- $2 trillion aid package provides aid to families and businesses impacted by the coronavirus pandemic
- Authorizes direct payments to eligible taxpayers, expands unemployment insurance, increases lending for businesses and provides new loans and grants for small businesses

CARES Act contains $500 billion in business and local government lending:

- Companies receiving federal assistance will be prohibited from paying a dividend for a period of time
- No way to predict for certain which companies will accept the stimulus package
  - Difficult to know how companies may adapt their dividend policies for other reasons

Dividend growers and initiators have shown the willingness and ability to grow their dividends despite turbulent times:

- Historically, high-quality dividend-paying companies have exhibited solid performance characteristics over a wide range of market conditions
  - Durable business models, stable earnings, solid fundamentals and strong histories of profit and growth

Companies receiving federal assistance will be prohibited from paying a dividend for a period of time

Companies Preserving Cash in Uncertain Times

Dividend investors are already seeing companies reduce or eliminate payouts:

- Companies are starting to withdraw their quarterly and full-year outlooks amid the uncertainty
- Intense pressure for companies to preserve cash due to impact of the coronavirus pandemic
- Several actions that companies can take to increase financial flexibility and preserve cash
    - Reduce labor and operating costs
    - Lower capital expenditures
    - Draw down revolving credit lines
    - Suspend share buybacks
    - Cut or eliminate the dividend

Airlines

BOEING

DELTA

Energy

Apache

OXY

Dividends (Suspended /Cut)

Marriott INTERNATIONAL

DARDEN

Hospitality

macy's

NORDSTROM

Retail

Dividend investors should be ready for further cuts and suspensions

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Three Pillars of Dividend Investing: Financial Strength

1 Valuation / Attractiveness

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- Leverage ratio
- Interest coverage ratio
- Operating cash flow
- Free cash flow
- Returned capital
    - Share buybacks & dividends

Sustainability: Can the company sustain its dividend payment in the future?

3 Financial Strength and Dividend Sustainability

Financial Strength / Quality	Dividend Sustainability
• Understand company's underlying financials ○ Ability to generate cash flow ○ Pay its obligations ○ Return capital to shareholders • Ties into dividend sustainability ○ Can the company support the dividend? ○ Good times and bad times	• **Payout ratio**: earnings & free cash flow • **Financial strength**: high leverage is bad (generally!) • **Long-term earnings growth**: dividends derived from earnings • **Long-term competitive advantage**: ○ No demand = no profitability ○ Analyze margins ○ Non-quantitative aspects (SWOT analysis, etc.)

Seeking "sticky" dividends. Can a company sustain its dividend?

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Dividend Sustainability: Payout Ratios

$$\text{Earnings Payout Ratio} = \frac{\text{Dividends per share}}{\text{Earnings per share}}$$

$$\text{Free-Cash-Flow (FCF) Payout Ratio} = \frac{\text{Dividends per share}}{\text{FCF per share}}$$

FCF = (cash from operations – capital expenditures)
This calculation is a "pre-dividend" calculation

Payout Ratios

- Generally lower is better -> shows room to grow
- High payout ratio (>100%) is not sustainable over the long term
- Important to compare to industry and historical average
- Check to see if company reports "target" payout ratio
- Free cash flow is less easily manipulated by management
- Sometimes payout ratio can be affected by "one-time" items

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Dividend Sustainability: Payout Ratios

$$\text{Earnings Payout Ratio} = \frac{\text{Dividends per share}}{\text{Earnings per share}}$$

	Walgreens Boots Alliance		Medtronic	
Earnings payout ratio:	$1.80 / $3.89	**46.2%**	$2.12 / $3.90	**54.3%**

$$\text{Free-Cash-Flow (FCF) Payout Ratio} = \frac{\text{Dividends per share}}{\text{FCF per share}}$$

FCF = (cash from operations – capital expenditures)
This calculation is a "pre-dividend" calculation

	Walgreens Boots Alliance		Medtronic	
Free-cash-flow (FCF) per share:	$1.80 / $5.96	**30.2%**	$2.12 / $4.97	**42.7%**

3

Dividend Sustainability: Payout Ratios

Sector Median Payout Ratios for All Dividend-Paying Stocks

Sector	Payout Ratio 12 Mo (%)	# of Stocks
Basic Materials	37.3	110
Consumer Cyclicals	35.6	209
Energy	84.7	131
Financials	37.6	667
Healthcare	30.6	61
Industrials	29.4	235
Non-Cyclicals	50.9	78
Technology	39.0	117
Telecom Servs	55.8	19
Utilities	62.2	71
Basic Materials	37.3	110

Source: *AAII* Stock Investor Pro/*Refinitiv*. Data as of 11/4/2019.

3

Dividend Sustainability: Mattel, Inc. (MAT)

	2014	2015	2016	2017
Earnings payout ratio:	104.1%	140.8%	163.9%	216.1%
Free-cash-flow (FCF) per share:	$0.33	($0.10)	($0.54)	($1.14)

Dividend sustainability: Mattel, Inc. (MAT)

- Mattel cut its dividend 60% in June 2017, from $0.38 per share to $0.15 per share
- Dividend cut freed up $50 million per quarter
- Share price down 61% since the dividend cut
- Shares have never recovered back to pre-dividend cut levels
- No longer paying a dividend

ProShares S&P 500 Dividend Aristocrats (NOBL)

Summary:

- Focuses exclusively on the S&P 500 Dividend Aristocrats—high-quality companies that have increased their dividends for at least 25 consecutive years.
- Strategy has a demonstrated history of weathering market turbulence over time by capturing most of the gains of rising markets and fewer of the losses in falling markets.

Portfolio Statistics

Fund Group:	U.S. Equity
Category:	Large Blend
Expense Ratio:	0.35%
Category Risk Index:	0.98
Category Risk Rating:	Average

Portfolio Composition

Portfolio Date:	March 31, 2020
Holdings:	64
TTM Yield:	2.66%
Portfolio Turnover:	20.0%
Weighting:	Equal Weight
Benchmark:	S&P 500 Dividend Aristocrats Index

Total Return %	2015	2016	2017	2018	2019	2020 YTD*
Return (Price):	0.4	11.6	21.0	(3.3)	27.4	(19.4)

Sectors	Fund %	Top 10 Holdings	Fund %
Basic Materials	10.8	Clorox Co. (CLX)	2.2
Consumer Cyclical	10.0	Walmart Inc. (WMT)	2.0
Financial Services	10.3	Hormel Foods Corp. (HRL)	2.0
Real Estate	4.0	Colgate-Palmolive Co. (CL)	1.9
Communication Servs	1.6	AbbVie Inc. (ABBV)	1.9
Energy	2.5	Expeditors Int'l of Washington (EXPD)	1.8
Industrials	22.5	Kimberly Clark Corp. (KMB)	1.8
Technology	0.0	Cardinal Health Inc. (CAH)	1.8
Consumer Defensive	22.8	Johnson & Johnson (JNJ)	1.8
Health Care	12.3	Procter & Gamble Co. (PG)	1.8
Utilities	3.4	**Top 10 Holdings**	**19.2**

Source: AAII's A+ Investor, Morningstar and ProShares. Fund data as of March 31, 2020. Performance data through April 21, 2020. Past performance is no guarantee of future results.

Vanguard Dividend Appreciation Index ETF (VIG)

Summary:

- Strategy focuses on dividend growth rather than dividend yield.
- Fund requires its holdings to have increased their dividends for 10 consecutive years.
- Diversified portfolio of highly profitable U.S. dividend-paying stocks.

Portfolio Statistics

Fund Group:	U.S. Equity
Category:	Large Blend
Expense Ratio:	0.06%
Category Risk Index:	0.91
Category Risk Rating:	Low

Portfolio Composition

Portfolio Date:	March 31, 2020
Holdings:	182
TTM Yield:	2.03%
Portfolio Turnover:	14.0%
Weighting:	Market Cap.
Benchmark:	NASDAQ US Div Achievers Select

Total Return %	2015	2016	2017	2018	2019	2020 YTD*
Return (Price):	(2.0)	12.0	22.2	(2.1)	29.6	(12.1)

Sectors	Fund %	Top 10 Holdings	Fund %
Basic Materials	4.4	Microsoft Corp. (MSFT)	5.9
Consumer Cyclical	10.2	Walmart Inc. (WMT)	4.8
Financial Services	11.2	Procter & Gamble Co. (PG)	4.6
Real Estate	0.0	Visa Inc. (V)	4.4
Communication Servs	3.3	Johnson & Johnson (JNJ)	4.0
Energy	0.0	Comcast Corp. (CMCSA)	3.2
Industrials	20.8	Abbott Laboratories (ABT)	2.9
Technology	12.1	McDonald's Corp. (MCD)	2.6
Consumer Defensive	16.7	Costco Wholesale (COST)	2.6
Health Care	14.6	Medtronic PLC (MDT)	2.5
Utilities	6.7	**Top 10 Holdings**	**37.5**

Source: AAII's A+ Investor, Morningstar and Vanguard. Fund data as of March 31, 2020. Performance data through April 20, 2020. Past performance is no guarantee of future results.

Schwab US Dividend Equity ETF (SCHD)

Summary:

- Fund targets high-quality, higher-yielding dividend-paying U.S. stocks.
- Fund requires its holdings to have increased their dividends for 10 consecutive years.
- Tracks an index focused on the quality and sustainability of dividends.

Portfolio Statistics

Fund Group:	U.S. Equity
Category:	Large Value
Expense Ratio:	0.06%
Category Risk Index:	0.88
Category Risk Rating:	Below Average

Portfolio Composition

Portfolio Date:	April 20, 2020
Holdings:	97
TTM Yield:	4.03%
Portfolio Turnover:	24.0%
Weighting:	Market Cap.
Benchmark:	Dow Jones U.S. Dividend 100 Index

Total Return %	2015	2016	2017	2018	2019	2020 YTD*
Return (Price):	(0.3)	16.4	20.8	(5.6)	27.3	(16.7)

Sectors	Fund %	Top 10 Holdings	Fund %
Basic Materials	0.6	Home Depot Inc. (HD)	5.3
Consumer Cyclical	8.7	Exxon Mobil Corp. (XOM)	4.9
Financial Services	7.8	Intel Corp. (INTC)	4.9
Real Estate	0.0	Bristol-Myers Squibb Co. (BMY)	4.9
Communication Servs	4.7	Pfizer Inc. (PFE)	4.4
Energy	6.2	PepsiCo Inc. (PEP)	4.4
Industrials	17.6	Verizon Communications Inc. (VZ)	4.3
Technology	18.1	Coca-Cola Co. (KO)	4.1
Consumer Defensive	23.3	Procter & Gamble Co. (PG)	4.1
Health Care	13.0	IBM Corp. (IBM)	4.0
Utilities	0.0	**Top 10 Holdings**	**45.3**

Source: AAII's A+ Investor, Morningstar and Charles Schwab Investment Management. Fund data and performance data as of April 20, 2020. Past performance is no guarantee of future results.

AAII Dividend Investing

AAII Dividend Investing

- Model portfolio with real capital investment
- 24 curated dividend-paying growth stocks
- Alert members of portfolio additions / deletions
- Monthly *Dividend Investing* newsletter
- Weekly email / commentary
- DI Ideas
- Dividend article archive
- Website: www.aaiidividendinvesting.com

Provide the education and tools necessary to analyze, research and manage a successful dividend portfolio

Dividend Investing

Dividend Sustainability

Dividend Focused ETFs

Appendix

Dividend Investing Resources

Resources

AAII’s A+ Investor

- Single source for data, discovery and analysis tools (Stocks, ETFs and Funds)
- Portfolio tracking and analysis

Dividend.com

- Dividend data, investment tools and articles

Morningstar

- Independent research and analysis (Stocks, ETFs and Funds)

Seeking Alpha

- New investing ideas, analysis, investment tools and news

Articles

Barron’s article by Nicholas Jasinski, April 20, 2020

- The 40 Stocks in the S&P 500 With the Safest Dividends — and 40 That Could Be at Risk.
- **https://www.barrons.com/articles/these-s-p-500-companies-are-the-most-dependable-dividend-payers-in-a-recession-51587378601?siteid=yhoof2&yptr=yahoo**

Goldman Sachs Touts ‘Safe’ Bets

Summary:

- Dividends from corporate America are poised to tumble this year, but there are pockets of promise for investors looking for safe income, according to strategists at Goldman Sachs Group Inc.
- These 40 stocks for income-oriented investors “have high dividend yields, ample cash, healthy balance sheets and reasonable payout ratios,” the strategists wrote in a note to clients.
- Goldman screened stocks in the Russell 1000 Index for companies that offer high dividend yields and security of payouts.

Here is Goldman’s list of stocks with “safe dividends”:

Omnicom Group Inc.	PNC Financial Servs Group Inc.	3M Co.	Nucor Corp.
Home Depot Inc.	M&T Bank Corp.	Emerson Electric Co.	Sonoco Products Co.
Archer-Daniels-Midland Co.	Hartford Financial Servs Group	United Parcel Service Inc.	Regency Centers Corp.
Sysco Corp.	Bank of America Corp.	Cummins Inc.	Mid-America Apartment Comm
Wells Fargo & Co.	Everest Re Group Ltd.	Caterpillar Inc.	Essex Property Trust Inc.
Franklin Resources Inc.	Aflac Inc.	CH Robinson Worldwide Inc.	CenterPoint Energy Inc.
People’s United Financial Inc.	Cincinnati Financial Corp.	United Technologies Corp.	Exelon Corp.
Truist Financial Corp.	Bristol-Myers Squibb Co.	IBM Corp.	MDU Resources Group Inc.
U.S. Bancorp	Merck & Co.	NetApp Inc.	NiSource Inc.
Eaton Vance Corp.	Johnson & Johnson	Cisco Systems Inc.	American Electric Power Co.

Source: Goldman Touts ‘Safe’ Bets When S&P 500 Dividends Set to Drop 25% by Cristin Flanagan, Bloomberg, March 30, 2020 from https://finance.yahoo.com/news/goldman-touts-safe-bets-p-154412769.html.

Jefferies Identifies Companies Susceptible to a Dividend Cut

Summary:
- Jefferies listed 60 companies in the S&P 500 index that are "susceptible to a dividend cut."
- Table is sorted by declining dividend coverage ratio, which was calculated by dividing the firm's estimated earnings for the companies over the next 12 months by the expected dividend payouts based on the current dividend rates.
- A higher coverage ratio is better. However, a high ratio of net debt to equity is of concern. The net-debt-to-equity ratio was calculated by subtracting cash from debt and dividing by equity.

10 companies with the lowest dividend coverage ratio on Jefferies' list of stocks "susceptible to a dividend cut":

Company	Ticker	Div Yield (%)	Div Coverage Ratio	Net Debt to Equity (%)
Realty Income Corp.	O	5.3	0.51	81.1
Newell Brands Inc.	NWL	6.7	0.47	121.1
Williams Companies Inc.	WMB	11.6	0.47	135.7
UDR Inc.	UDR	3.8	0.46	111.1
Dominion Energy Inc.	D	4.9	0.46	112.3
Crown Castle International Corp.	CCI	3.2	0.39	226.3
Iron Mountain Inc.	IRM	10.0	0.38	711.8
Ventas Inc.	VTR	11.0	0.37	113.7
Wynn Resorts Ltd.	WYNN	6.6	0.31	533.9
Healthpeak Properties Inc.	PEAK	6.1	0.06	95.5

Source: These 60 large U.S. companies are 'susceptible to a dividend cut,' according to Jefferies by Philip van Doorn, MarketWatch, April 6, 2020 from https://www.marketwatch.com/story/these-60-large-us-companies-are-susceptible-to-a-dividend-cut-according-to-jefferies-2020-03-31.

ProShares S&P 500 Dividend Aristocrats (NOBL)

Dividend Aristocrats holdings as of April 21, 2020:

Company	Ticker	Company	Ticker	Company	Ticker
3M Co.	MMM	Coca-Cola Co.	KO	Medtronic PLC	MDT
A. O. Smith Corp.	AOS	Colgate-Palmolive Co.	CL	Nucor Corp.	NUE
Abbott Laboratories	ABT	Consolidated Edison Inc.	ED	Otis Worldwide Corp.	OTIS
AbbVie Inc.	ABBV	Dover Corp.	DOV	Pentair Plc	PNR
Aflac Inc.	AFL	Ecolab Inc.	ECL	People's United Financial Inc.	PBCT
Air Products and Chemicals Inc	APD	Emerson Electric Co.	EMR	PepsiCo Inc.	PEP
Albemarle Corp.	ALB	Essex Property Trust Inc.	ESS	PPG Industries Inc.	PPG
Amcor Plc	AMCR	Expeditors Intl Of Washington	EXPD	Procter & Gamble Co.	PG
Archer Daniels Midland Co.	ADM	Exxon Mobil Corp.	XOM	Raytheon Technologies Corp.	RTX
AT&T Inc.	T	Federal Realty Investment Trust	FRT	Realty Income Corp.	O
Atmos Energy Corp.	ATO	Franklin Resources Inc.	BEN	Roper Technologies Inc.	ROP
Automatic Data Processing Inc.	ADP	General Dynamics Corp.	GD	Ross Stores Inc.	ROST
Becton Dickinson And Co.	BDX	Genuine Parts Co.	GPC	S&P Global Inc.	SPGI
Brown-Forman Corp.	BF.B	Hormel Foods Corp.	HRL	Sherwin-Williams Co.	SHW
Cardinal Health Inc.	CAH	Illinois Tool Works Inc.	ITW	Stanley Black & Decker Inc.	SWK
Carrier Global Corp.	CARR	Johnson & Johnson	JNJ	Sysco Corp.	SYY
Caterpillar Inc.	CAT	Kimberly-Clark Corp.	KMB	T. Rowe Price Group Inc.	TROW
Chevron Corp.	CVX	Leggett & Platt Inc.	LEG	Target Corp.	TGT
Chubb Ltd.	CB	Linde Plc	LIN	VF Corp.	VFC
Cincinnati Financial Corp.	CINF	Lowe's Cos Inc.	LOW	W W Grainger Inc.	GWW
Cintas Corp.	CTAS	McCormick & Co. Inc.	MKC	Walgreens Boots Alliance Inc.	WBA
Clorox Co.	CLX	McDonald's Corp.	MCD	Walmart Inc.	WMT

Source: ProShares. Fund data as of April 21, 2020.

S&P 500 Dividend Kings

List of Dividend Kings as of April 21, 2020:

Company	Ticker	Company	Ticker
3M Co.	MMM	Illinois Tool Works, Inc.	ITW
ABM Industries, Inc.	ABM	Johnson & Johnson	JNJ
Altria Group, Inc.	MO	Lancaster Colony Corp.	LANC
American States Water Co.	AWR	Lowe's Cos., Inc.	LOW
California Water Service Group	CWT	Nordson Corp.	NDSN
Cincinnati Financial Corp.	CINF	Northwest Natural Holding Co.	NWN
Colgate-Palmolive Co.	CL	Parker-Hannifin Corp.	PH
Commerce Bancshares, Inc. (MO)	CBSH	Procter & Gamble Co.	PG
Dover Corp.	DOV	SJW Group	SJW
Emerson Electric Co.	EMR	Stanley Black & Decker, Inc.	SWK
Farmers & Merchants Bancorp (CA)	FMCB	Stepan Co.	SCL
Federal Realty Investment Trust	FRT	Sysco Corp.	SYY
Genuine Parts Co.	GPC	Target Corp.	TGT
H.B. Fuller Co.	FUL	The Coca-Cola Co.	KO
Hormel Foods Corp.	HRL	Tootsie Roll Industries, Inc.	TR

Source: Sure Dividend. List data as of April 21, 2020. S&P 500 Dividend Kings requires companies to have increased their dividends for at least 50 consecutive years.

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