

Dividend Aristocrats Enhanced Strategy

Strategy

The Dividend Aristocrats Enhanced Strategy seeks to provide Dividend Growth by investing in a portfolio of approximately twenty-five to thirty moderate stocks with annually increasing dividends.

Dividend Aristocrats are S&P 500 index constituents that have increased dividends every year for at least twenty-five consecutive years. We enhanced the list of available stocks to include companies with at least twenty years of increased dividends. Our research yielded a list of roughly one-hundred qualified companies, as of 1/1/2025, which may vary over time. The Strategy selects approximately twenty-five to thirty of the companies for inclusion, though the portfolio may fluctuate at times.

Stocks included in the Strategy are scored according to Earnings Estimate Revisions, Price to Cash Flow, Debt to Equity, and Return on Assets. Earnings Estimate Revisions carry the largest weight for stock inclusion.

The Dividend Aristocrats Enhanced Strategy equally weights each position at portfolio inception and holds limited cash to potentially maximize yield received.

The Dividend Yield of the Strategy is approximately 3% as of 1/1/2025.

Additional Information: Four primary factors for Earnings Estimate Revisions

Agreement

The extent to which all brokerage analysts are revising their earnings estimates in the same direction. The greater the percentage of analysts that are revising their estimates higher, the better the score will be for this component.

Magnitude

The size of a recent change in the current consensus estimate for the fiscal year and the next fiscal year. A 5% increase in the earnings estimate revision is better than a 2% increase in the earnings estimate revision and will thus get a better score for this component.

Upside

The difference between the most accurate earnings estimate as calculated by Zacks Research and the consensus estimate. A bigger difference between the most accurate estimate and the consensus estimate is better.

Surprise

The Zacks Rank factors in the last few quarters' earnings per share (EPS) surprises. Companies with a positive earnings surprise are more likely to surprise again in the future.

Current Dividend Aristocrats List

3M Co. (MMM)	Oneok Inc. (OKE)
Abbvie Inc. (ABV)	Pepsico Inc. (PEP)
Altria Group Inc. (MO)	Procter & Gamble (PG)
Archer Daniels Midland (ADM)	Realty Income Corp. (O)
Bristol Myers Squibb (BMY)	Sysco Corp (SYY)
Chevron Corp. (CVX)	T Rowe Price Group Inc (TROW)
Clorox Co. (CLX)	Target Corporation (TGT)
Exxon Mobil Corp. (XOM)	Texas Instruments (TXN)
Johnson & Johnson (JNJ)	TJX Companies (TJX)
Kimberly Clark Corp (KMB)	Verizon Communications (VZ)
Medtronic PLC SHS (MDT)	

Sample Holdings within the model portfolio as of 1/1/2025. These sample holdings are for informational purposes only and should not be deemed to be a recommendation to purchase or sell the securities mentioned. There are no guarantees that any securities mentioned will be held in a client's account. It should not be assumed that the securities transactions or holdings discussed were or will be profitable. Data are indicative only as of the given date. Holdings will fluctuate, and no assurance can be given that an actual portfolio will be able to obtain the same attributes.

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S&P 500 Total Return: The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

To be eligible for the S&P 500 Dividend Aristocrat index, a stock must have increased their dividend payouts for a minimum of 25 consecutive years or more, must currently be part of the S&P 500 index and finally must have a minimum market capitalization of \$3 billion. A committee at S&P Global makes the final decision on which companies are included in the S&P 500 index and this then allows for eligibility for inclusion into the Dividend Aristocrat index. Should a company reduce their dividend or be dropped from the S&P 500 index, the holding is automatically dropped from the Dividend Aristocrat list as well.

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