A Smarter Way to Invest

High Yield

Data as of 6/30/18

Risk Score™

RISK 81

Riskalyze: #SWHY

Investment Discipline

At any given time, the High Yield model will hold common stocks, a basket of MLPs, REITs, or BDCs, as well as preferred stocks. While stocks are not required to raise their dividend to be included, those that do are given preferrence. By including preferred stocks in the model, we are able to maintain a high dividend yield while attempting to minimize price volatility. Stocks are held until a specified sell criteria is met.

Model Objective

This model focuses on providing a high level of dividend income with the potential for annual increases. This can be reinvested to further compound the dividend growth effect or be withdrawn for immediate income. A secondary objective for this model is capital appreciation. While this model does have some correlation to equity markets, it is lower than that of Dividend Growth.

Dividend Yield

YIELD 5.3%

Returns (net of max fee)

2012	8.56%
2013	4.15%
2014	0.93%
2015	-6.46%
2016	9.27%
2017	9.73%
2018	-3.41%

Return Statistics

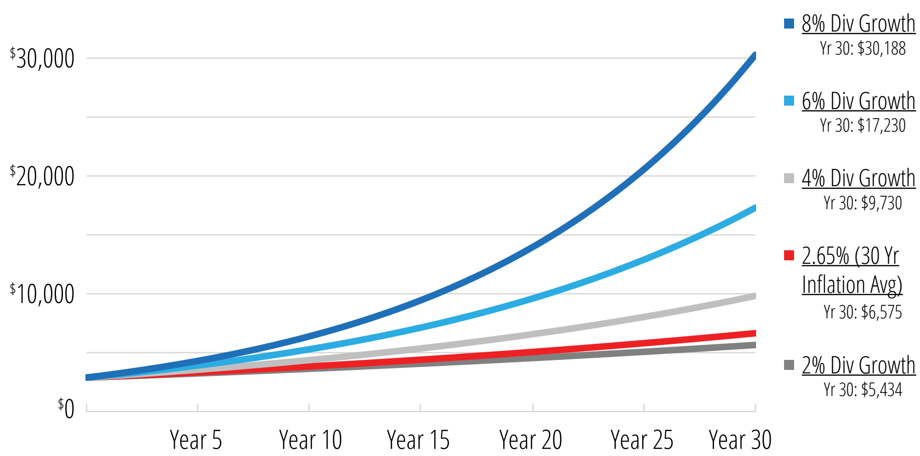
Annualzd Since Incept	3.33%
Last Quarter	2.98%
Trail 12 Months	2.70%
3 Year Annualized	3.55%
5 Year Annualized	2.85%
1 Yr Div Growth Rate	5.02%
3 Yr Div Growth Rate	6.16%

Risk Statistics

Max Drawdown	-23.45%
Recovery Time	12.9 mos
MAR Ratio	0.14
Alpha (5 Year)	-5.87%
Beta (5 Year)	0.74
Std Dev (5 Year)	11.18%
Sharpe (5 Year)	0.08

The Effects of Rising Dividends

This graph demonstrates the impact that dividend growth rates can have on annual dividend payouts over time. The Dividend Growth model aims to acheive a 6-8% annual dividend growth rate to help outpace the harmful effects of inflation. In this illustration, the red line represents the average annual inflation over the last 30 years. For a $100,000 portfolio with a starting dividend yield of 3%, the first year would pay $3,000 of dividends. From there, that amount would grow at the different rates shown. In 30 years, the average inflation rate would grow that $3,000 of dividend income to $6,575, while the 6% growth rate targeted by our model would grow the $3,000 to $17,230.



Disclosures