

## Risk Score™

**RISK**  
**89**

Riskalyze: #SWHY2

## Investment Discipline

High Yield II primarily holds REITs, but adds in some high yield common stocks, business development companies, and ETFs. All of these securities are included for the primary purpose of providing high dividend income. Because of the nature of these securities, this model can be more interest rate sensitive than other equity focused models.

## Model Objective

This model focuses on providing a high level of dividend income. This can be reinvested to create a compound growth effect on the dividends or be withdrawn for immediate income. A secondary objective for this model is to provide capital appreciation. While this model does have some correlation to equity markets, it is also correlated to fluctuations in interest rates.

## Dividend Yield

**YIELD**  
**9.1%**

## Returns (net of max fee)

2015	-20.59%
2016	7.91%
2017	11.64%
2018	-2.94%

## Return Statistics

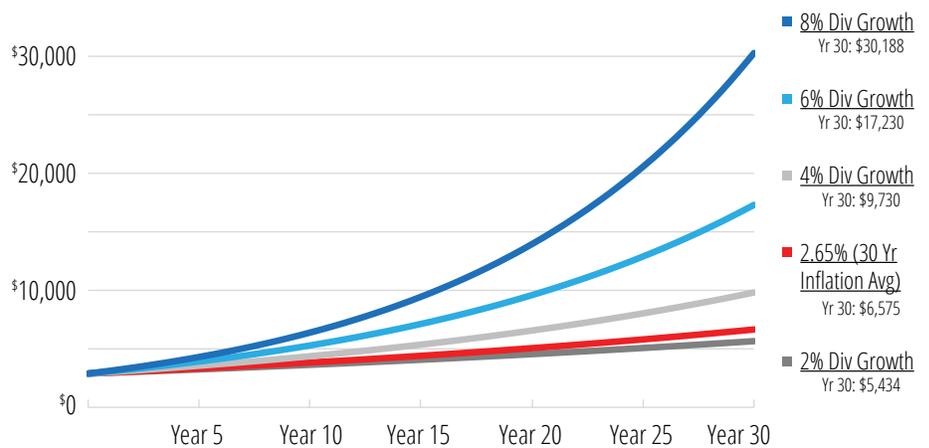
Annualized Since Incept	-2.10%
Last Quarter	2.30%
Trail 12 Months	0.21%
3 Year Annualized	1.06%
1 Yr Div Growth Rate	-0.25%
3 Yr Div Growth Rate	-0.16%

## Risk Statistics

Max Drawdown	-34.77%
Recovery Time	NA
MAR Ratio	-0.06
Alpha (3 Year)	-5.75%
Beta (3 Year)	0.63
Std Dev (3 Year)	12.68%
Sharpe (3 Year)	-0.14

## 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 achieve 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

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