

**Table 1.1 Total Savings and Investments Reported by Workers in 2013 (not including value of primary residence or defined benefit plans)**

Amount Saved	Percentage of Workers
Less than \$1,000	28%
\$1,000 to \$9,999	18%
\$10,000 to \$24,999	11%
\$25,000 to \$49,999	9%
\$50,000 to \$99,999	10%
\$100,000 to \$249,999	12%
\$250,000 or more	12%

*Source:* Employee Benefit Research Institute and Mathew Greenwald & Associates, *2013 RCS Fact Sheet #3: Preparing for Retirement in America*, 2013, accessed November 15, 2014, [www.ebri.org/files/Final-FS.RCS-13.FS\\_3.Saving.FINAL.pdf](http://www.ebri.org/files/Final-FS.RCS-13.FS_3.Saving.FINAL.pdf)



**Figure 1.1 1929–2010: \$100 Original Investment**

Source: Chart: Marc Lichtenfeld; data: Ned Davis Research

**Table 2.1 Perpetual Dividend Raisers**

Name	List Maintained By	Requirements	Notes
Dividend Aristocrats	Standard & Poor's	Annual dividend raised 25 years in a row Member of S&P 500 Liquidity requirements	Included on Champions list
Dividend Champions	DRiP Resource Center	Annual dividend raised 25 years in a row	Includes Aristocrats
Dividend Achievers	Nasdaq OMX	Annual dividend raised 10–24 years in a row Liquidity requirements	Included on Contenders list
Dividend Contenders	DRiP Resource Center	Annual dividend raised 10–24 years in a row	Includes Achievers
Dividend Challengers	DRiP Resource Center	Annual dividend raised 5–9 years in a row	

Source: Standard & Poor's, Nasdaq OMX, and DRiP Resource Center

**Table 2.2 Champions, Contenders, and Challengers**

	Average Yield	Average Most Recent Dividend Increase	Yield in 10 Years*	Income Received over 10 Years (\$10K invested)*
Champions	2.64%	8.02%	5.3%	\$4,728
Contenders	2.76%	8.64%	5.8%	\$4,942
Challengers	3.00%	12.42%	8.6%	\$5,372

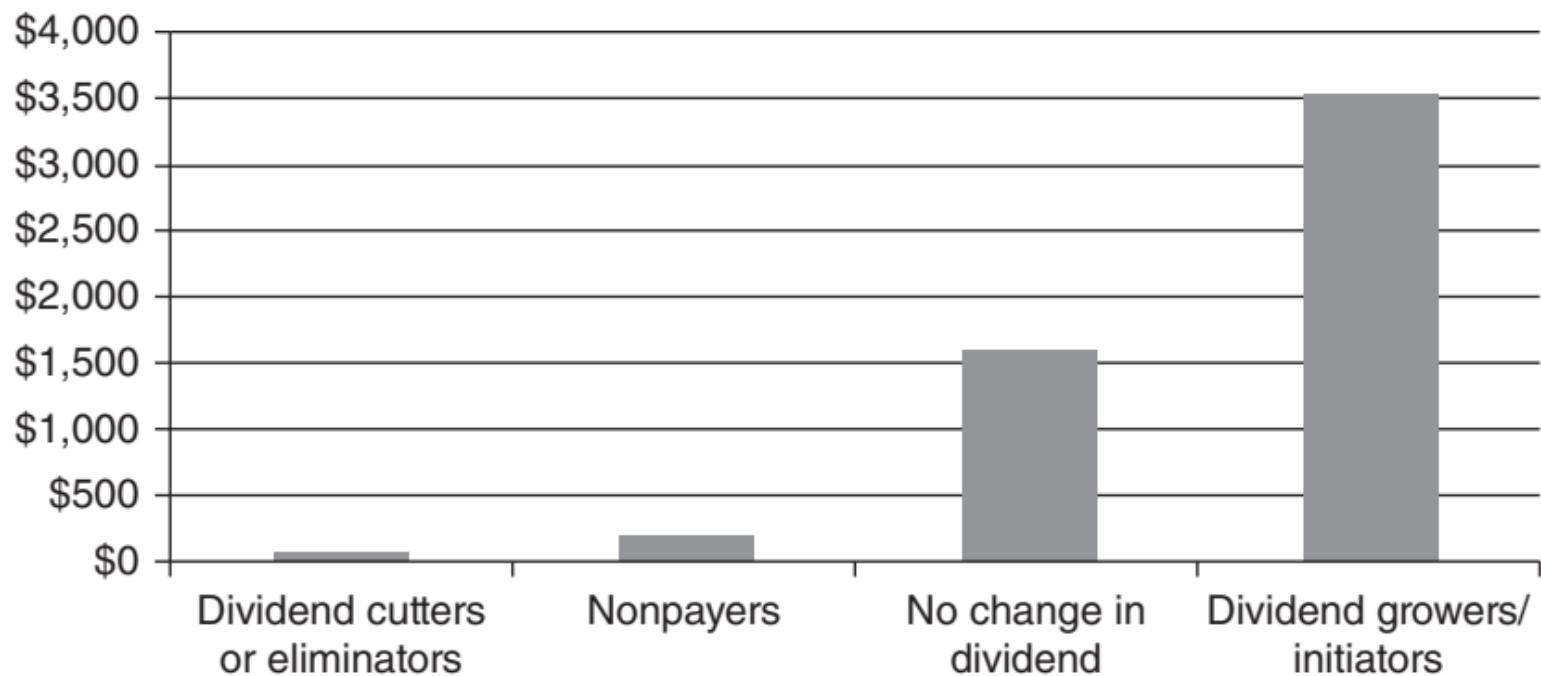
\*Estimated

Source: DRiP Resource Center and Marc Lichtenfeld

## Table 2.3 Annual Dividend Growth Rates as of August 2014

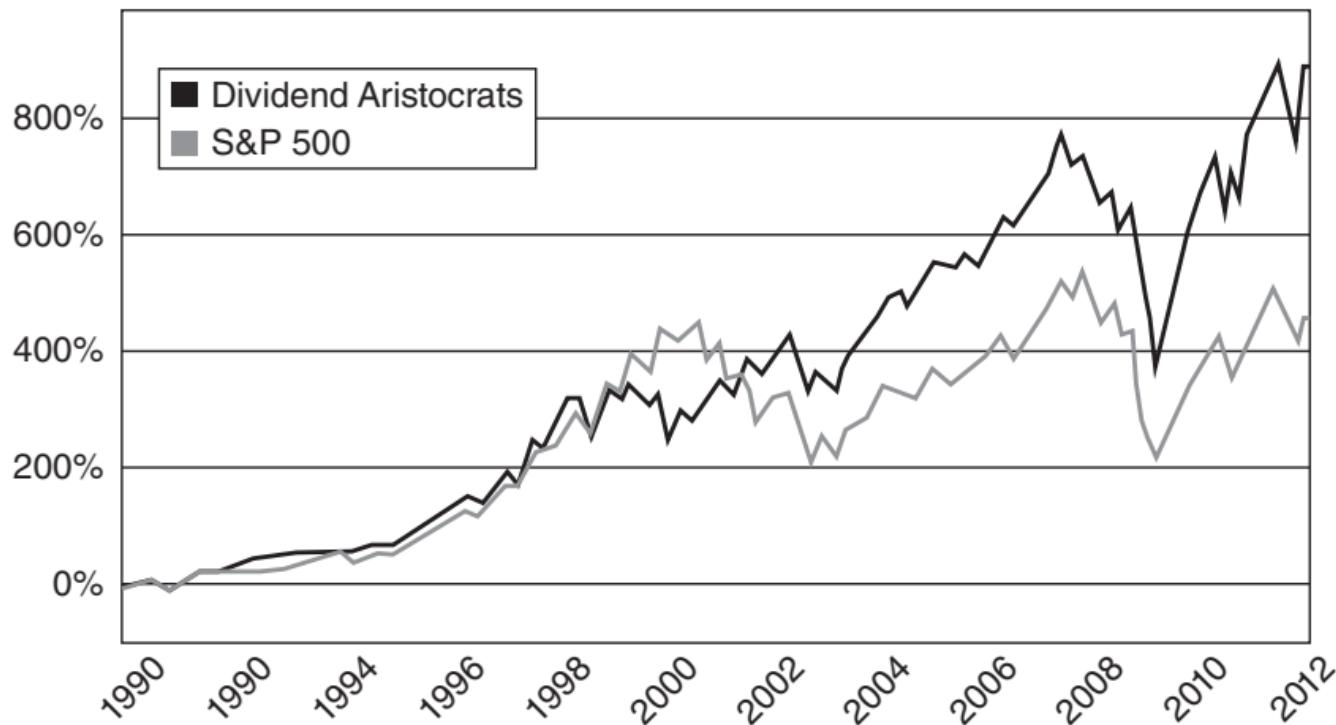
	1 Year	3 Year	5 Year	10 Year
Champions	8.4%	7.5%	6.6%	7.9%
Contenders	9.8%	10.0%	8.9%	11.7%
Challengers	14.6%	18.6%	16.2%	19.0%

Source: DRiP Resource Center



**Figure 3.1 1972–2010: \$100 Original Investment**

Source: Ned Davis Research



**Figure 3.2 Dividend Aristocrats vs. S&P 500**

Source: Standard & Poor's



## THE POWER OF UNFIXED INCOME

S&P 500 CONSTITUENT RETURNS VS. VOLATILITY OF RETURNS, 1973 - NOV 2013

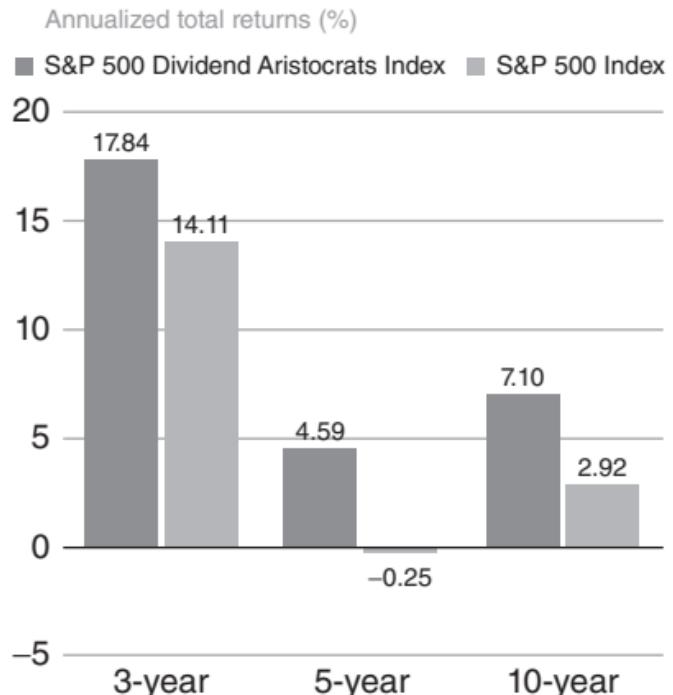


Figure 3.3 The Power of Unfixed Income

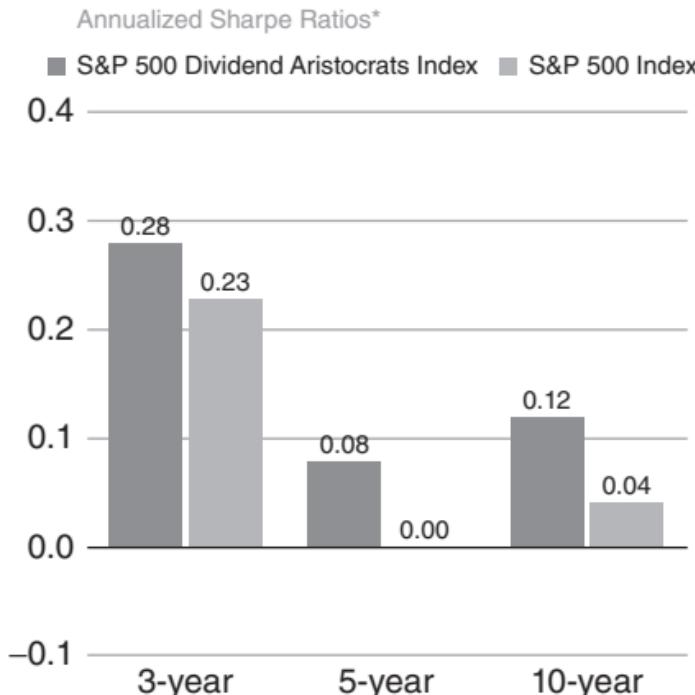
Source: Chart: Alan Gula, *Dividends and Income Daily*; Data: Ned Davis Research

**Table 3.1 Aristocrats: Outperformance with Lower Risk, 2001–2011**

	S&P Dividend Aristocrats Index	S&P 500 Index
Annualized total return	7.1%	2.9%
Standard deviation	18.4%	21.3%
Sharpe ratio	0.12	0.04



\*Dates as of December 31, 2011



### Figure 3.4 Better Returns, Both Absolute and Risk-Adjusted

Source: Legg Mason, *Carpe Dividends*, [www.leggmason.com/individualinvestors/documents/sales\\_idea/D9741-CarpeDividends'InvestmentIdea\\_EIB\\_CBAX013016\\_public.pdf](http://www.leggmason.com/individualinvestors/documents/sales_idea/D9741-CarpeDividends'InvestmentIdea_EIB_CBAX013016_public.pdf) and Standard & Poor's



**Figure 3.5 Chevron**

Source: Yahoo! Finance

**Table 3.2 Watch What Happens if You Give Compounding Time**

Year	Dividend per Share	Yearly Income	Yield on Original Investment
1	\$0.40	\$400	4%
2	\$0.44	\$440	4.4%
3	\$0.484	\$484	4.8%
4	\$0.5324	\$532	5.3%
5	\$0.5856	\$586	5.9%
6	\$0.6442	\$644	6.4%
7	\$0.7086	\$709	7.1%
8	\$0.7795	\$780	7.8%
9	\$0.8574	\$857	8.6%
10	\$0.9432	\$943	9.4%
11	\$1.0375	\$1,038	10.5%
12	\$1.1412	\$1,141	11.4%
13	\$1.2554	\$1,255	12.6%
14	\$1.3809	\$1,381	13.8%
15	\$1.5190	\$1,519	15.2%
16	\$1.6709	\$1,671	16.7%
17	\$1.8380	\$1,838	18.4%
18	\$2.0218	\$2,022	20.2%
19	\$2.2240	\$2,224	22.2%
20	\$2.4464	\$2,446	24.4%

**Table 3.3 20 Years of Reinvesting Quarterly Dividends**

Quarter	Quarterly Dividend per Share	# of Shares Owned	Total Quarterly Dividend	Stock Price	Value
Y1 Q1	\$0.10	1,010	\$100	\$10	\$10,100
Y1 Q2	\$0.10	1,020.1	\$101	\$10	\$10,201
Y1 Q3	\$0.10	1,030.301	\$102.01	\$10	\$10,303
Y1 Q4	\$0.10	1,040.604	\$103.03	\$10	\$10,406
Y2 Q1	\$0.11	1,052.051	\$114.47	\$10	\$10,521
Y2 Q2	\$0.11	1,063.623	\$115.73	\$10	\$10,636
Y2 Q3	\$0.11	1,075.323	\$117	\$10	\$10,753
Y2 Q4	\$0.11	1,087.152	\$118.29	\$10	\$10,872
Y3 Q1	\$0.121	1,100.306	\$131.55	\$10	\$11,003
Y3 Q2	\$0.121	1,113.62	\$133.14	\$10	\$11,136
Y3 Q3	\$0.121	1,127.095	\$134.75	\$10	\$11,271
Y3 Q4	\$0.121	1,140.733	\$136.38	\$10	\$11,407
Y4 Q1	\$0.1331	1,155.916	\$151.83	\$10	\$11,559
Y4 Q2	\$0.1331	1,171.301	\$153.85	\$10	\$11,713
Y4 Q3	\$0.1331	1,186.891	\$155.90	\$10	\$11,869
Y4 Q4	\$0.1331	1,202.688	\$157.98	\$10	\$12,027
Y5 Q1	\$0.14641	1,220.297	\$176.09	\$10	\$12,203
Y5 Q2	\$0.14641	1,238.163	\$178.66	\$10	\$12,382
Y5 Q3	\$0.14641	1,256.291	\$181.28	\$10	\$12,563
Y5 Q4	\$0.14641	1,274.685	\$183.93	\$10	\$12,747
Y6 Q1	\$0.161051	1,295.214	\$205.29	\$10	\$12,952
Y6 Q2	\$0.161051	1,316.073	\$208.60	\$10	\$13,160
Y6 Q3	\$0.161051	1,337.269	\$211.95	\$10	\$13,373
Y6 Q4	\$0.161051	1,358.805	\$215.37	\$10	\$13,588
Y7 Q1	\$0.177156	1,382.878	\$240.72	\$10	\$13,829
Y7 Q2	\$0.177156	1,407.376	\$244.99	\$10	\$14,073
Y7 Q3	\$0.177156	1,432.309	\$249.33	\$10	\$14,323
Y7 Q4	\$0.177156	1,457.683	\$253.75	\$10	\$14,577
Y8 Q1	\$0.194872	1,486.089	\$284.06	\$10	\$14,861
Y8 Q2	\$0.194872	1,515.049	\$289.60	\$10	\$15,150
Y8 Q3	\$0.194872	1,544.573	\$295.24	\$10	\$15,445
Y8 Q4	\$0.194872	1,574.672	\$300.99	\$10	\$15,746
Y9 Q1	\$0.214359	1,608.426	\$337.54	\$10	\$16,084
Y9 Q2	\$0.214359	1,642.094	\$344.78	\$10	\$16,421
Y9 Q3	\$0.214359	1,678.122	\$352.17	\$10	\$16,781
Y9 Q4	\$0.214359	1,714.094	\$359.72	\$10	\$17,141
Y10 Q1	\$0.235795	1,754.511	\$404.17	\$10	\$17,545
Y10 Q2	\$0.235795	1,795.882	\$413.70	\$10	\$17,959
Y10 Q3	\$0.235795	1,838.227	\$423.46	\$10	\$18,383
Y10 Q4	\$0.235795	1,881.572	\$433.44	\$10	\$18,882
Y11 Q1	\$0.259374	1,930.375	\$488.03	\$10	\$19,304
Y11 Q2	\$0.259374	1,980.444	\$500.59	\$10	\$19,804
Y11 Q3	\$0.259374	2,031.812	\$513.68	\$10	\$20,318
Y11 Q4	\$0.259374	2,084.512	\$527	\$10	\$20,845
Y12 Q1	\$0.285312	2,143.985	\$594.74	\$10	\$21,440
Y12 Q2	\$0.285312	2,205.156	\$611.70	\$10	\$22,052
Y12 Q3	\$0.285312	2,268.071	\$629.16	\$10	\$22,681

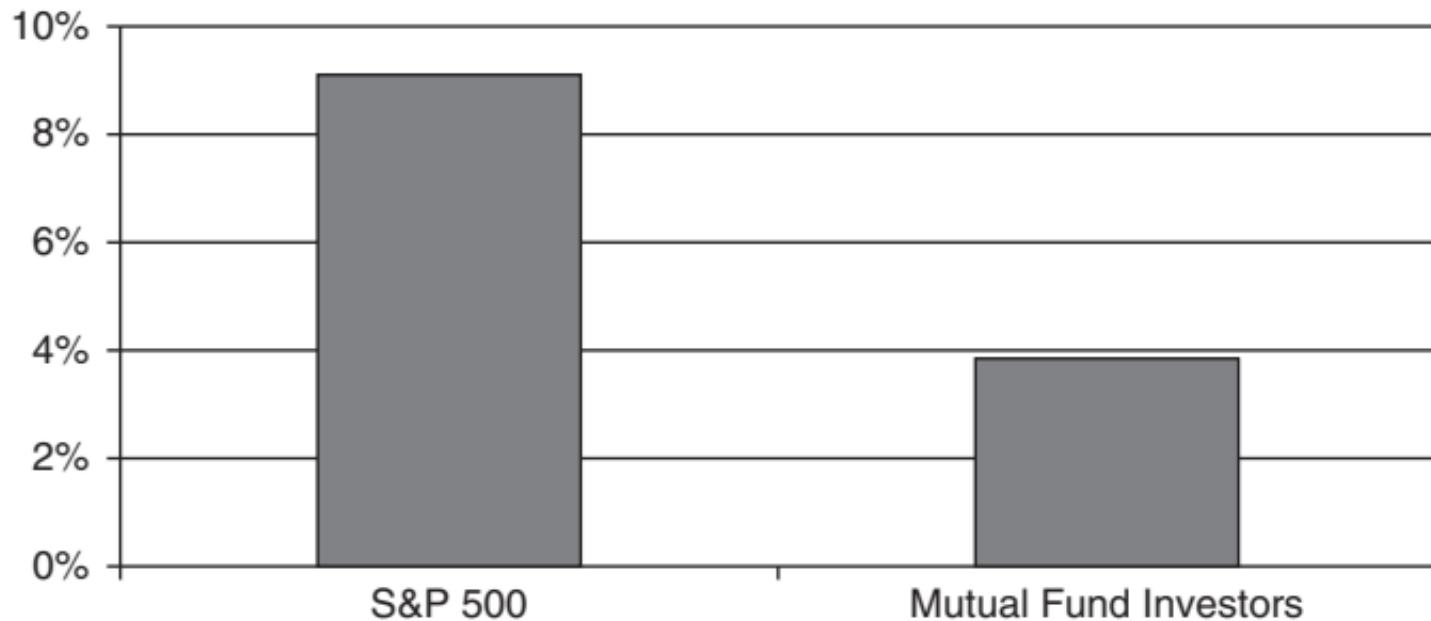
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**Table 3.3** (*Continued*)

Quarter	Quarterly Dividend per Share	# of Shares Owned	Total Quarterly Dividend	Stock Price	Value
Y12 Q4	\$0.285312	2,332.782	\$647.10	\$10	\$23,328
Y13 Q1	\$0.313843	2,405.995	\$732.13	\$10	\$24,060
Y13 Q2	\$0.313843	2,481.505	\$755.10	\$10	\$24,815
Y13 Q3	\$0.313843	2,559.385	\$778.80	\$10	\$25,594
Y13 Q4	\$0.313843	2,639.71	\$803.24	\$10	\$26,397
Y14 Q1	\$0.345227	2,730.84	\$911.29	\$10	\$27,308
Y14 Q2	\$0.345227	2,825.116	\$942.76	\$10	\$28,251
Y14 Q3	\$0.345227	2,922.646	\$975.31	\$10	\$29,226
Y14 Q4	\$0.345227	3,023.544	\$1,008.98	\$10	\$30,235
Y15 Q1	\$0.37975	3,138.363	\$1,148.19	\$10	\$31,384
Y15 Q2	\$0.37975	3,257.542	\$1,179.91	\$10	\$32,575
Y15 Q3	\$0.37975	3,381.247	\$1,237.05	\$10	\$33,812
Y15 Q4	\$0.37975	3,509.65	\$1,284.28	\$10	\$35,097
Y16 Q1	\$0.417725	3,656.257	\$1,486.07	\$10	\$36,565
Y16 Q2	\$0.417725	3,808.988	\$1,527.30	\$10	\$38,099
Y16 Q3	\$0.417725	3,968.099	\$1,591.10	\$10	\$39,681
Y16 Q4	\$0.417725	4,133.856	\$1,657.57	\$10	\$41,339
Y17 Q1	\$0.459497	4,323.806	\$1,899.50	\$10	\$43,238
Y17 Q2	\$0.459497	4,522.483	\$1,986.78	\$10	\$45,225
Y17 Q3	\$0.459497	4,730.29	\$2,078.07	\$10	\$47,303
Y17 Q4	\$0.459497	4,947.646	\$2,173.56	\$10	\$49,477
Y18 Q1	\$0.505447	5,197.723	\$2,500.77	\$10	\$51,977
Y18 Q2	\$0.505447	5,460.441	\$2,627.14	\$10	\$54,604
Y18 Q3	\$0.505447	5,736.437	\$2,759.96	\$10	\$57,364
Y18 Q4	\$0.505447	6,026.383	\$2,899.47	\$10	\$60,264
Y19 Q1	\$0.555992	6,361.445	\$3,350.62	\$10	\$63,614
Y19 Q2	\$0.555992	6,715.136	\$3,536.91	\$10	\$67,151
Y19 Q3	\$0.555992	7,088.492	\$3,733.56	\$10	\$70,885
Y19 Q4	\$0.555992	7,482.607	\$3,941.14	\$10	\$74,826
Y20 Q1	\$0.611591	7,940.236	\$4,576.29	\$10	\$79,402
Y20 Q2	\$0.611591	8,425.854	\$4,856.18	\$10	\$84,259
Y20 Q3	\$0.611591	8,941.171	\$5,153.18	\$10	\$89,412
Y20 Q4	\$0.611591	9,488.005	\$5,468.34	\$10	\$94,880

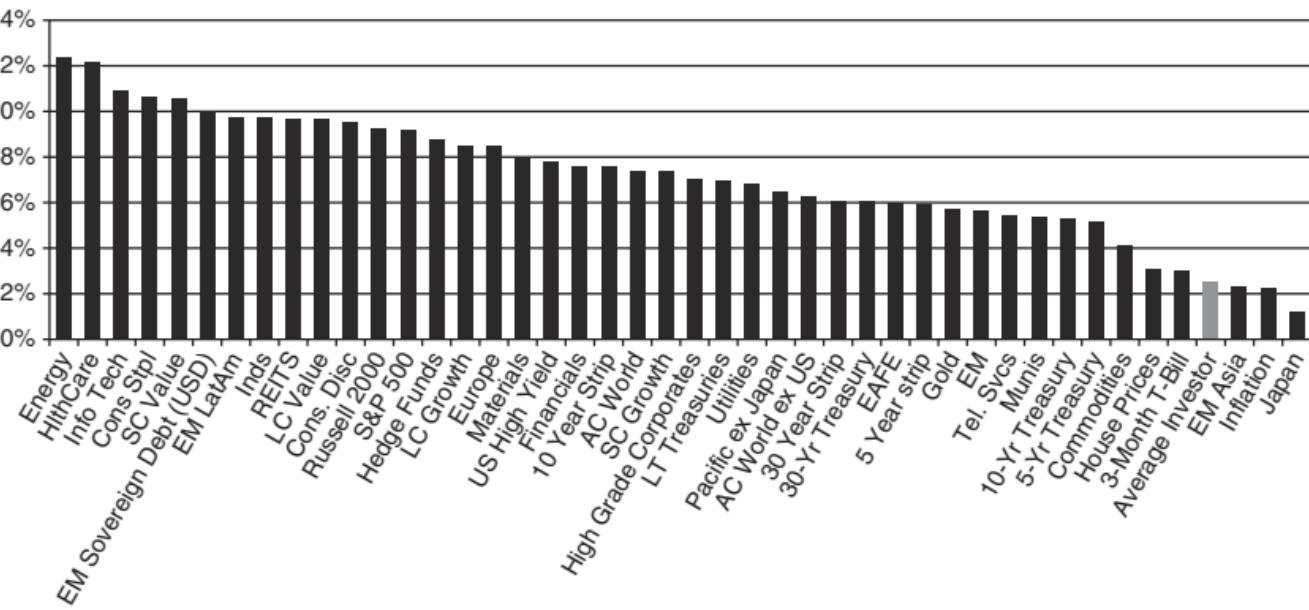
**Table 3.4 Making Money Even in a Bear Market**

Quarter	Quarterly Dividend per Share	# of Shares Owned	Total Quarterly Dividend	Stock Price	Value
Y11 Q1	\$2.438	1,205.285	\$707.53	\$15.90	\$19,160.14
Y11 Q2	\$2.438	1,251.499	\$734.86	\$15.90	\$19,894.80
Y11 Q3	\$2.438	1,299.485	\$762.83	\$15.90	\$20,657.62
Y11 Q4	\$2.438	1,350.469	\$792.07	\$15.54	\$20,908.77
Y12 Q1	\$2.682	1,408.751	\$905.47	\$15.54	\$21,886.24
Y12 Q2	\$2.682	1,469.548	\$944.54	\$15.54	\$22,830.78
Y12 Q3	\$2.682	1,532.969	\$985.31	\$15.54	\$23,816.09
Y12 Q4	\$2.682	1,600.664	\$1,027.83	\$15.18	\$24,303.29
Y13 Q1	\$2.95	1,678.417	\$1,180.54	\$15.18	\$25,483.03
Y13 Q2	\$2.95	1,759.947	\$1,237.88	\$15.18	\$26,721.71
Y13 Q3	\$2.95	1,845.437	\$1,298.01	\$15.18	\$28,019.73
Y13 Q4	\$2.95	1,937.161	\$1,361.01	\$14.84	\$28,744.05
Y14 Q1	\$3.245	2,043.073	\$1,571.59	\$14.84	\$30,316.33
Y14 Q2	\$3.245	2,154.776	\$1,657.51	\$14.84	\$31,973.85
Y14 Q3	\$3.245	2,272.586	\$1,748.13	\$14.84	\$33,721.98
Y14 Q4	\$3.245	2,399.723	\$1,843.71	\$14.50	\$34,800.20
Y15 Q1	\$3.57	2,547.398	\$2,141.54	\$14.50	\$36,941.75
Y15 Q2	\$3.57	2,704.160	\$2,273.33	\$14.50	\$39,215.07
Y15 Q3	\$3.57	2,870.57	\$2,413.23	\$14.50	\$41,628.30
Y15 Q4	\$3.57	3,051.323	\$2,561.73	\$14.17	\$43,245.07
Y16 Q1	\$3.927	3,262.07	\$2,995.34	\$14.17	\$46,240.41
Y16 Q2	\$3.927	3,488.657	\$3,202.81	\$14.17	\$49,443.21
Y16 Q3	\$3.927	3,730.297	\$3,424.65	\$14.17	\$52,867.87
Y16 Q4	\$3.927	3,994.674	\$3,661.86	\$13.85	\$55,329.68
Y17 Q1	\$4.319	4,306.101	\$4,313.52	\$13.85	\$59,643.15
Y17 Q2	\$4.319	4,641.807	\$4,649.81	\$13.85	\$64,292.46
Y17 Q3	\$4.319	5,003.684	\$5,012.31	\$13.85	\$69,305.27
Y17 Q4	\$4.319	5,402.835	\$5,403.07	\$13.54	\$73,135.11
Y18 Q1	\$4.751	5,876.925	\$6,417.03	\$13.54	\$79,552.60
Y18 Q2	\$4.751	6,392.615	\$6,980.16	\$13.54	\$86,553.22
Y18 Q3	\$4.751	6,953.557	\$7,593.15	\$13.54	\$94,126.37
Y18 Q4	\$4.751	7,577.893	\$8,259.44	\$13.23	\$100,249.14
Y19 Q1	\$5.23	8,326.325	\$9,901.13	\$13.23	\$110,150.27
Y19 Q2	\$5.23	9,148.677	\$10,879.02	\$13.23	\$121,029.28
Y19 Q3	\$5.23	10,052.25	\$11,953.48	\$13.23	\$132,982.77
Y19 Q4	\$5.23	11,068.12	\$13,134.07	\$12.93	\$143,098.13
Y20 Q1	\$5.75	12,298.51	\$15,907.33	\$12.93	\$159,005.66
Y20 Q2	\$5.75	13,665.68	\$17,675.89	\$12.93	\$176,681.55
Y20 Q3	\$5.75	15,184.82	\$19,640.84	\$12.93	\$196,322.39
Y20 Q4	\$5.75	16,912.06	\$21,824.82	\$12.64	\$213,690.09



**Figure 3.6 1990–2010: Equity Mutual Fund Investors' Poor Timing Leads to Subpar Results**

Source: DALBAR, Inc., *Quantitative Analysis of Investor Behavior, 2011*

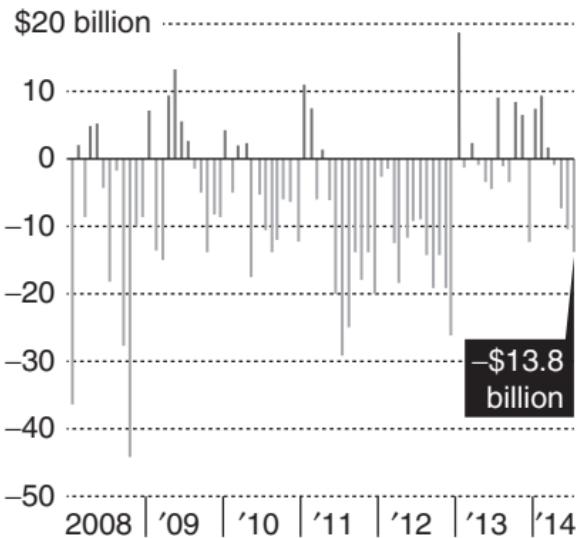


**Figure 3.7 Asset Class Returns vs. The “Average Investor” 20 Years Annualized (12/31/1993–12/31/2013)**

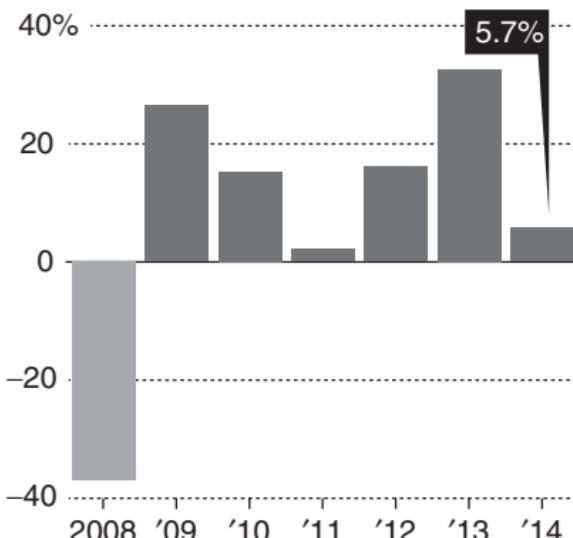
Note: Total returns in USD. Average investor is represented by Dalbar’s average asset allocation, which utilizes the net of aggregate mutual.

Source: Richard Bernstein Advisors, “Toward the Sounds of Chaos,” *Insights*, August 2014, [www.rbadvisors.com/images/pdfs/toward\\_the\\_sounds\\_of\\_chaos.pdf](http://www.rbadvisors.com/images/pdfs/toward_the_sounds_of_chaos.pdf)

### Monthly flows into and out of U.S.-stock mutual funds



### S&P 500 total return



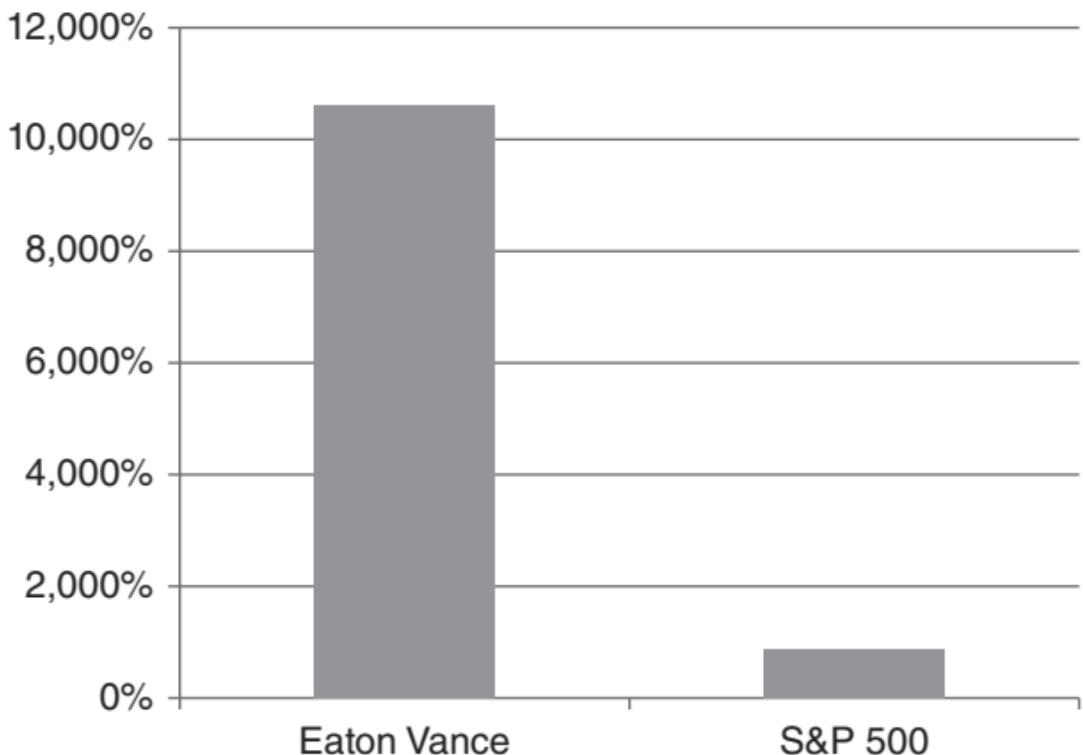
**Figure 3.8 Bad Timing**

Note: Data through July 31.

Source: Chart: Morgan Housel, "Three Mistakes Investors Keep Making Again and Again: Successful Investing Requires Avoiding Common Mental and Emotional Pitfalls," *Wall Street Journal*, September 12, 2014, <http://online.wsj.com/articles/three-mistakes-investors-keep-making-again-and-again-1410533307>; Data: Investment Company Institute (flows) and Morningstar (returns).

## Table 4.1 Stock Buybacks Can Increase EPS

	Net Income	EPS	P/E	Stock Price
20 million shares	\$20 million	\$1	15	\$15
18 million shares	\$20 million	\$1.11	15	\$16.65



**Figure 4.1 Eaton Vance Beats the S&P by Nearly 10,000%**

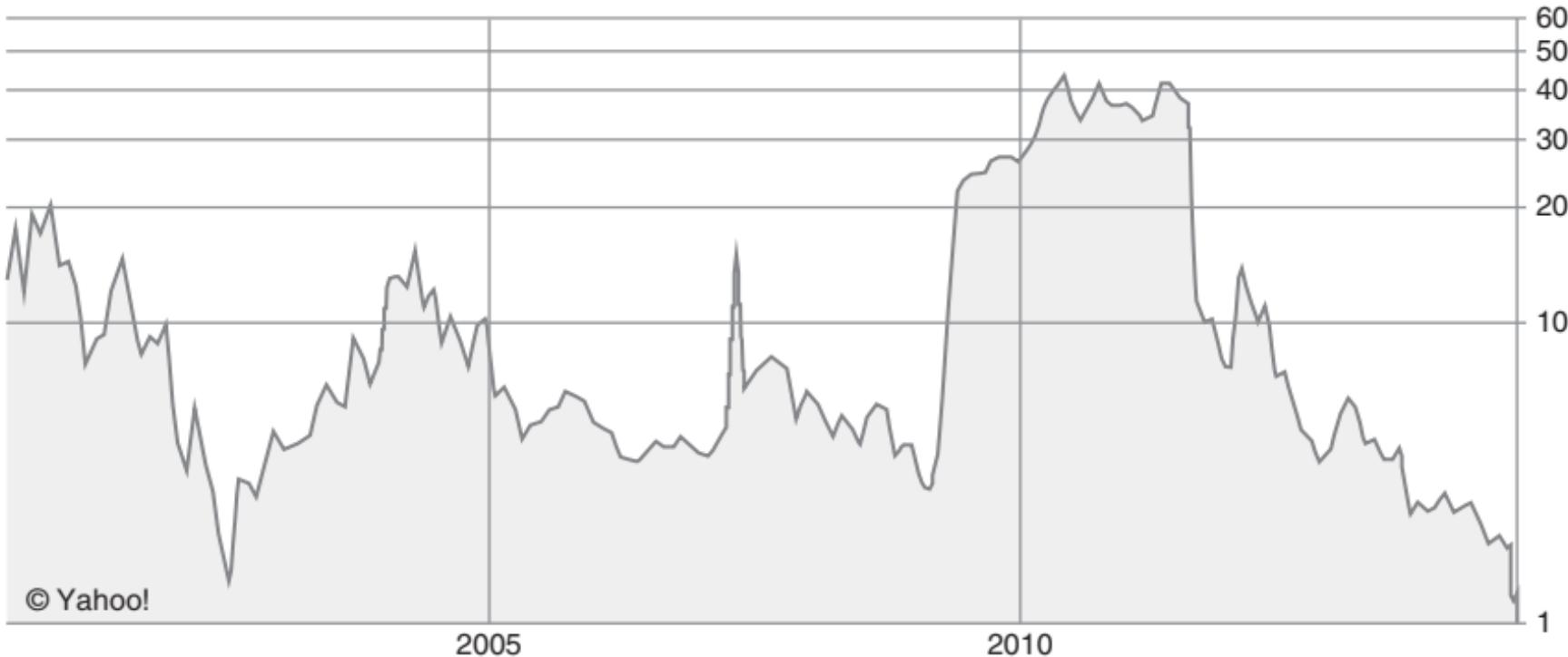
*Source:* Yahoo! Finance

**Table 5.1 How Much Can You Save?**

	Investment	Fees (20 Years)	Total \$ (5 Years)	Total \$ (10 Years)	Total \$ (20 Years)
10 dividend stocks	\$10,000	\$100 (\$10 commission × 10 trades)	\$17,873	\$32,627	\$116,855
Mutual fund	\$10,000	\$6,097	\$16,086	\$25,499	\$61,655

**Table 5.2 How Much Money Do You Want to Make?**

Initial Yield	Dividend Growth Rate	Stock Price Growth	Value After 5 Years	Value After 10 Years	Value After 20 Years	Time to Double(years)	Time to Triple (years)
4%	8%	1%	\$13,199	\$19,062	\$60,732	10.75	14.75
4%	10%	1%	\$13,320	\$20,104	\$89,294	10	13.75
4%	8%	5%	\$15,716	\$25,484	\$75,049	8	12
4%	10%	5%	\$15,842	\$26,551	\$93,890	7.75	11.25
4%	8%	8%	\$17,862	\$31,908	\$101,815	6	10
4%	10%	8%	\$17,994	\$33,013	\$118,654	6	9.75
5%	8%	1%	\$13,967	\$21,821	\$90,200	9.25	13
5%	10%	1%	\$14,126	\$23,317	\$145,504	8.75	12
5%	8%	5%	\$16,549	\$28,479	\$97,118	7	11
5%	10%	5%	\$16,716	\$29,972	\$128,348	7	10.25
5%	8%	8%	\$18,751	\$35,161	\$123,631	6	9
5%	10%	8%	\$18,923	\$36,685	\$149,619	6	9



**Figure 5.1 Dendreon's Wild Price Swings**

*Source:* Yahoo! Finance

**Table 5.3 Aristocrats/Champions and Their Betas**

Company	Beta
Coca-Cola (NYSE: KO)	0.41
Consolidated Edison (NYSE: ED)	-0.02
ExxonMobil (NYSE: XOM)	0.89
Illinois Tool Works (NYSE: ITW)	1.15
Kimberly-Clark (NYSE: KMB)	0.04
McDonald's (NYSE: MCD)	0.45
Procter & Gamble (NYSE: PG)	0.35
Wal-Mart (NYSE: WMT)	0.34
S&P 500	1.00

*Source:* Yahoo! Finance

**Table 5.4 Low Beta Doesn't Mean Poor Performance**

Company	Beta	Performance
Coca-Cola (NYSE: KO)	0.41	87%
Consolidated Edison (NYSE: ED)	-0.02	37%
ExxonMobil (NYSE: XOM)	0.89	115%
Illinois Tool Works (NYSE: ITW)	1.15	93%
Kimberly-Clark (NYSE: KMB)	0.04	65%
McDonald's (NYSE: MCD)	0.45	246%
Procter & Gamble (NYSE: PG)	0.35	48%
Wal-Mart (NYSE: WMT)	0.34	43%
S&P 500	1.00	81%

Source: Yahoo! Finance

**Table 5.5 Reinvested Dividends Provide Great Returns in Low-Beta Stocks**

Company	Beta	Total Return
Coca-Cola (NYSE: KO)	0.42	147%
Consolidated Edison (NYSE: ED)	0.27	124%
ExxonMobil (NYSE: XOM)	0.53	170%
Illinois Tool Works (NYSE: ITW)	1.10	143%
Kimberly-Clark (NYSE: KMB)	0.34	134%
McDonald's (NYSE: MCD)	0.34	368%
Procter & Gamble (NYSE: PG)	0.47	95%
Wal-Mart (NYSE: WMT)	0.43	77%
S&P 500	1.00	123%

*Source:* Yahoo! Finance

**Table 5.6 \$100,000 Turns into . . .**

Starting Amount	Average Annual Return	5 Years	10 Years	20 Years	Years to \$1 Million
\$100,000	10%	\$161,051	\$259,374	\$672,750	
\$100,000	11%	\$168,505	\$283,942	\$806,231	
\$100,000	12%	\$176,234	\$310,584	\$964,629	
\$100,000	13%	\$184,283	\$339,456	\$1,152,308	19
\$100,000	14%	\$192,541	\$370,722	\$1,374,348	18
\$100,000	15%	\$201,135	\$404,555	\$1,636,653	17

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**Central GoldTrust as of 11/30/2011**

<b>AMEX / GTU</b>		<b>Asset Class: Sector Equity Funds</b>	<b>1 YR Lipper Avg: 7.56%</b>
<b>Growth of \$10K</b>			
NAV	\$64.86	Market Price	\$65.94
Net Change	\$1.05	Market Change	\$0.84
<b>Premium/Discount</b>			
1 YR NAV Return	25.406%		
1 YR NAV Rank	4		
12-Mo Yield as of 10/31/2011	Yield Def		
Income Only Yield	23.67%		
Distribution Yield (Market)	0.00%		
Most Recent Income Dividend			
Ex-Div Date	--		
Most Recent Cap Gain Dividend			
Ex-Div Date	--		
<b>Dividend Frequency</b>			
YTD Dividends	--		
YTD Capital Gains	--		
Inception Date	9/22/2006		
Fund Advisor	Central Gold Trust		
Manager & Tenure	Not Managed		
Phone	--		
Website	<a href="http://www.gold-trust.com">www.gold-trust.com</a>		

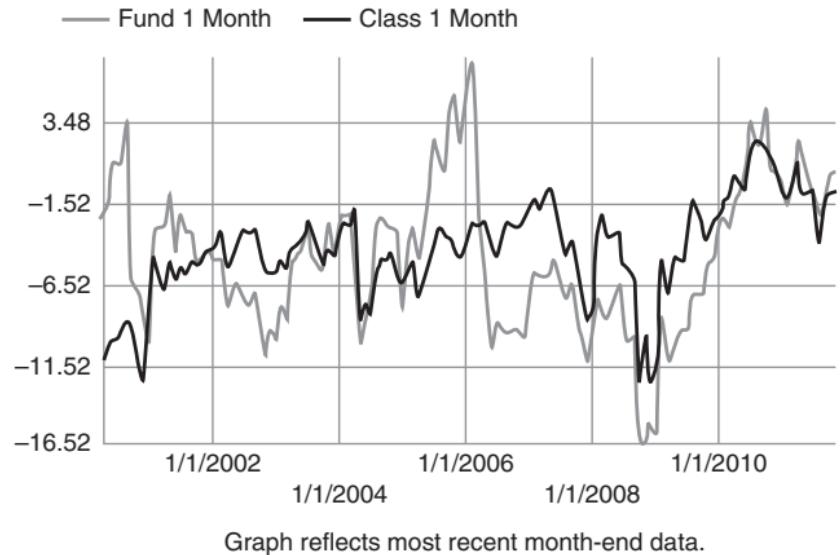
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**Figure 6.1 Closed-End Funds Association Site**

Source: Closed-End Fund Association and Lipper, a Thomson Reuters Company

## Premium/Discount History



### Premium/Discount

10 YR Avg	5 YR Avg	YTD Avg
-4.917%	-5.503%	-0.380%

**Figure 6.2 Deutsche Municipal Income Trust**

Source: Closed-End Fund Association and Lipper, a Thomson Reuters Company

	10 YR	5 YR	1 YR	YTD
Market Return	2.23%	2.18%	4.18%	-2.86%
Lipper Pct. Rank	34	60	67	84
NAV Return	2.99%	2.27%	6.36%	0.61%
Lipper Pct. Rank	25	34	38	38

**Figure 6.3 Average Annual Total Return %**

Source: Closed-End Fund Association and Lipper, a Thomson Reuters Company

Period Ending	Jun 30, 2014	Jun 30, 2013	Jun 30, 2012
Net Income	113,541	123,650	104,372
<b>Operating Activities, Cash Flows Provided By or Used In</b>			
Depreciation	57,511	55,010	56,195
Adjustments To Net Income	27,962	35,392	53,430
Changes In Accounts Receivables	(2,430)	(16,575)	10,197
Changes In Liabilities	(29,336)	38,872	(8,438)
Changes In Inventories	4,133	(5,814)	1,101
Depreciation	6,709	(41,448)	(34,927)
<b>Total Cash Flow From Operating Activities</b>	<b>178,090</b>	<b>189,087</b>	<b>181,930</b>
<b>Investing Activities, Cash Flows Provided By or Used In</b>			
Capital Expenditures	(24,822)	(25,969)	(35,718)
Investments	-	-	-
Other Cash flows from Investing Activities	(417,461)	(50,190)	(248,964)
<b>Total Cash Flow From Investing Activities</b>	<b>(442,283)</b>	<b>(76,159)</b>	<b>(284,682)</b>
<b>Financing Activities, Cash Flows Provided By or Used In</b>			
Dividends Paid	(75,392)	(70,527)	(62,994)
Sale Purchase of Stock	(19,341)	(15,215)	(20,973)
Net Borrowings	365,000	(30,000)	185,000
Other Cash Flows from Financing Activities	(2,016)	(770)	(677)
<b>Total Cash Flow From Financing Activities</b>	<b>273,106</b>	<b>(111,074)</b>	<b>100,851</b>
Effect Of Exchange Rate Changes	-	-	-
<b>Change in Cash and Cash Equivalents</b>	<b>8,913</b>	<b>1,854</b>	<b>(1,901)</b>

**Figure 7.1 Statement of Cash Flow, Meredith Corp.**

Source: Yahoo! Finance

## Table 7.2 Marc Lichtenfeld's Authentic Italian Trattoria 2014 Statement of Cash Flows

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Net Profit	\$100,000
Depreciation	\$100,000
Total cash flow from operating activities	\$200,000

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## Table 7.2 Marc Lichtenfeld's Authentic Italian Trattoria 2014 Statement of Cash Flows

Net Profit	\$100,000
Depreciation	\$100,000
Total cash flow from operating activities	\$200,000

<u>U.S. Dividend Champions</u>		<u>Dividends Paid by Year</u>				
(and American Depository Receipts)		(excluding Special/Extra Dividends)				
		*A/D=Acceleration/Deceleration (5-year average)				
25 or more Straight Years Higher Dividends		(DGR=Dividend Growth Rate)				
Company Name	Ticker Symbol	5/10 A/D*	DGR 1-yr	DGR 3-yr	DGR 5-yr	DGR 10-yr
1st Source Corp.	SRCE	0.443	3.0	3.7	3.2	7.3
3M Company	MMM	0.724	7.6	6.5	4.9	6.8
ABM Industries Inc.	ABM	0.795	3.4	3.6	3.7	4.7
AFLAC Inc.	AFL	0.484	6.0	7.6	8.1	16.8
Air Products & Chem.	APD	0.844	10.8	13.0	10.3	12.2
Altria Group Inc.	MO	0.810	7.8	8.2	9.2	11.4
American States Water	AWR	1.555	19.7	13.5	8.7	5.6
Archer Daniels Midland	ADM	0.645	8.6	8.2	7.9	12.2
AT&T Inc.	T	0.488	2.3	2.3	2.4	4.9
Atmos Energy	ATO	0.029	2.5	1.8	1.7	1.7
Automatic Data Proc.	ADP	0.615	10.1	8.6	8.4	13.7
Becton Dickinson & Co.	BDX	0.694	10.0	11.1	12.2	17.6
Bemis Company	BMS	0.532	4.0	4.2	3.4	6.4
Black Hills Corp.	BKH	0.693	2.7	1.8	1.7	2.4
Bowl America Class A	BWL_A	0.615	2.3	2.1	1.9	3.1
Brady Corp.	BRCA	0.654	2.7	2.8	4.3	6.6
Brown-Forman Class B	BF-B	0.764	10.5	9.7	7.8	10.2
C.R. Bard Inc.	BCR	0.930	5.1	5.4	5.8	6.2
California Water Service	CWT	1.396	1.6	2.5	1.8	1.3
Carlisle Companies	CSL	1.023	10.5	8.4	7.0	6.8
Chevron Corp.	CVX	0.857	11.1	11.2	9.0	10.6
Chubb Corp.	CB	0.672	6.8	5.8	6.2	9.2
Cincinnati Financial	CINF	0.233	1.7	1.2	1.5	6.4
Cintas Corp.	CTAS	0.982	20.3	17.1	10.9	11.0
Clarcor Inc.	CLC	1.327	16.2	13.1	11.7	8.9
Clorox Company	CLX	0.885	8.9	8.7	9.4	10.7
Coca-Cola Company	KO	0.823	9.8	8.4	8.1	9.8
Colgate-Palmolive Co.	CL	0.984	9.0	9.4	11.3	11.4
Commerce Bancshares	CBSH	0.543	6.5	5.2	3.8	7.0
Community Trust Bancorp.	CTBI	0.295	1.6	1.5	1.7	5.9
Computer Services Inc.	CSVI	0.748	13.2	13.5	12.7	17.0
Connecticut Water Service	CTWS	1.253	2.1	1.9	2.2	1.7
Consolidated Edison	ED	1.068	1.7	1.1	1.0	0.9
Diebold Inc.	DBD	0.525	0.9	2.1	2.8	5.4
Donaldson Company	DCI	0.956	42.9	26.4	17.6	18.4
Dover Corp.	DOV	1.023	9.0	10.7	10.0	9.8
Eagle Financial Services	EFSI	0.349	4.1	3.3	2.6	7.3
Eaton Vance Corp.	EV	0.414	5.1	7.5	6.3	15.2
Emerson Electric	EMR	0.801	3.1	7.1	6.2	7.7
Energen Corp.	EGN	0.814	3.6	3.7	3.9	4.7

**Figure 7.2 U.S. Dividend Champions**

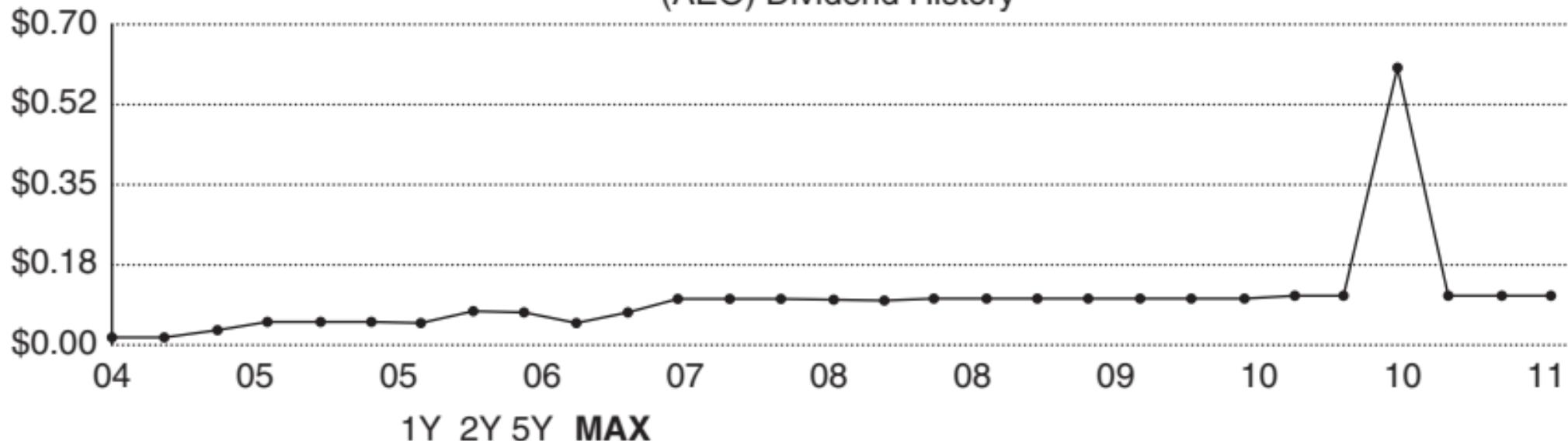
Source: DRIP Resource Center

**Table 7.3** Brady Corp.'s Dividend History

Year	Dividend	% Raise
2004	\$0.425	4.9%
2005	\$0.46	8.2%
2006	\$0.53	15.2%
2007	\$0.57	7.5%
2008	\$0.62	8.8%
2009	\$0.685	10.5%
2010	\$0.705	2.9%
2011	\$0.725	2.8%
2012	\$0.745	2.8%
2013	\$0.765	2.7%
<b>Average</b>		<b>6.6%</b>

*Source:* Brady Corp.

### (AEO) Dividend History



**Figure 7.3 American Eagle Outfitters Dividend History**

Source: Dividata.com

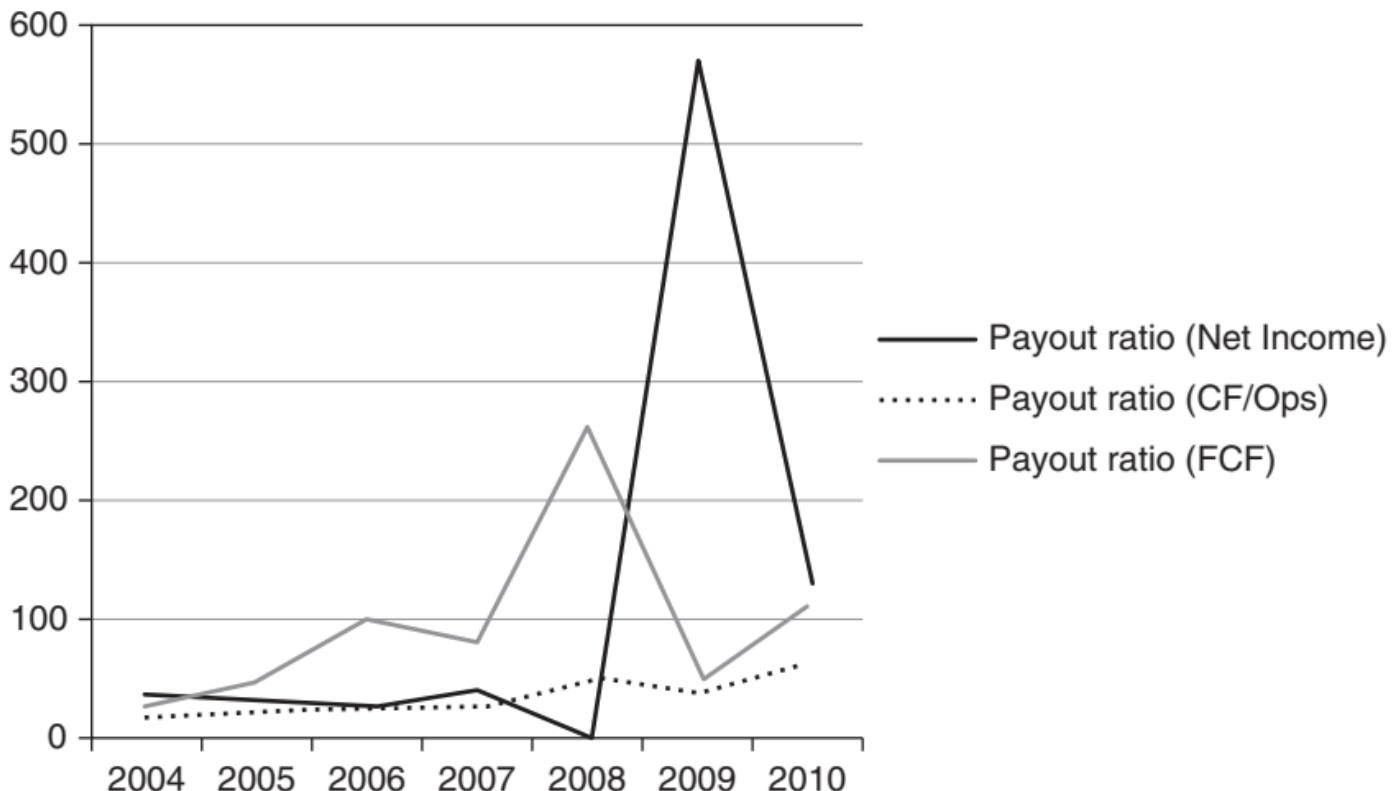
Ex-Dividend Date	Dividend Amount
Sep 22, 2011	\$0.110000
Jul 6, 2011	\$0.110000
Mar 24, 2011	\$0.110000
Dec 9, 2010	\$0.610000
Sep 23, 2010	\$0.110000
Jun 24, 2010	\$0.110000
Mar 25, 2010	\$0.100000
Dec 23, 2009	\$0.100000
Oct 7, 2009	\$0.100000
Jul 1, 2009	\$0.100000

**Figure 7.4 Dividend Payment History for American Eagle Outfitters**

Source: Dividata.com

**Table 8.1 Vulcan Materials Company's Payout Ratios (Dollar Amounts in Millions)**

	2004	2005	2006	2007	2008	2009	2010
Dividends	\$106	\$118	\$144	\$181	\$215	\$171	\$128
Net income	287	389	468	451	(4)	30	96
Payout ratio	37%	30%	31%	40%	NM	570%	133%
Cash flow/operations	\$581	\$473	\$579	\$708	\$435	\$453	\$203
Payout ratio	18%	25%	25%	26%	50%	38%	63%
Free cash flow	\$377	\$258	\$144	\$225	\$82	\$343	\$116
Payout ratio	28%	46%	100%	80%	262%	50%	110%



**Figure 8.1 Vulcan Materials Company Dividends**

Source: Chart: Marc Lichtenfeld; Data: Morningstar

**Table 8.2 Growth Is Important, but a Decent Starting Yield Is, Too**

Yield	Dividend Growth Rate	Dividend Growth		Value with Reinvested Dividends	
		Yield Year 5	Yield Year 10	Year 5	Year 10
4%	10%	5.9%	9.4%	\$12,746	\$18,815
4.5%	9%	6.4%	9.8%	\$13,066	\$19,690
5%	8%	6.8%	10%	\$13,379	\$20,493

**Table 8.3 In Later Years, Dividend Growth Is More Important Than Starting Yield**

Yield	Dividend Growth Rate			Value with Reinvested Dividends	
		Yield Year 15	Yield Year 20	Year 15	Year 20
4%	10%	15.2%	24.5%	\$35,096	\$94,880
4.5%	9%	15.0%	23.1%	\$36,878	\$96,058
5%	8%	14.7%	21.8%	\$38,224	\$94,891

**Table 8.4 Average Market with 10% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	6.9%	11.1%	17.8%	28.7%
Annual income	\$688	\$1,108	\$1,784	\$2,874
Yield on original investment (dividends reinvested)	8.64%	18.08%	38.88%	86.17%
Annual income (dividends reinvested)	\$864	\$1,808	\$3,888	\$8,617
Compound annual growth rate (CAGR)	13.11%	13.39%	13.69%	14.02%
Total value	\$18,517	\$35,147	\$68,555	\$137,800

**Assumptions:**

Average market with 10% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 7.84% (historical average).

Annual dividend growth rate: 10%.

Necessary starting yield: 4.7%.

**Table 8.5 Weak Market with 10% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	7.8%	12.5%	20.1%	32.4%
Annual income	\$776	\$1,249	\$2,012	\$3,241
Yield on original investment (dividends reinvested)	9.9%	22.7%	56.8%	159.4%
Annual income	\$993	\$2,271	\$5,684	\$15,944
CAGR	11.18%	12.01%	12.99%	14.14%
Total value	\$16,987	\$31,079	\$62,421	\$140,933

**Assumptions:**

Weak market with 10% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 5% (below historical average).

Annual dividend growth rate: 10%.

Necessary starting yield: 5.3%.

**Table 8.6 Nowhere Market with 10% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	10.5%	17%	27.3%	44%
Annual income	\$1,054	\$1,697	\$2,734	\$4,403
Yield on cost (dividends reinvested)	15.3%	47.4%	217.7%	1,853%
Annual income	\$1,526	\$4,742	\$21,796	\$185,309
CAGR	9.08%	11.97%	16.09%	22.1%
Total value	\$15,445	\$30,962	\$93,791	\$542,675

**Assumptions:**

Nowhere market, 10% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 0%.

Annual dividend growth rate: 10%.

Necessary starting yield: 7.2%.

**Table 8.7 Bear Market with 10% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	11.0%	17.7%	28.5%	45.9%
Annual income	\$1,098	\$1,768	\$2,848	\$4,586
Yield on original investment (dividends reinvested)	16.3%	55.1%	311.2%	4,099.7%
Annual income	\$1,630	\$5,514	\$31,122	\$409,969
CAGR	8.45%	12.03%	17.42%	25.72%
Total value	\$15,003	\$31,142	\$111,273	\$973,662

**Assumptions:**

Bear market, 10% dividend growth.

\$10,000 investment.

Annual stock price appreciation: -1.2% (historical average of 10-year negative rolling returns).

Annual dividend growth rate: 10%.

Necessary starting yield: 7.5%.

## Table 8.8 1,000 Shares Reinvested Grow to . . .

Stock Performance	10 Years	20 Years
10%	1,578	2,492
7.84%	1,652	3,045
5%	1,774	4,404
0%	2,099	13,922
-1.2%	2,209	21,443

**Table 8.9 Bull Market with 10% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	6.9%	11%	17.8%	28.7%
Annual income	\$688	\$1,108	\$1,784	\$2,874
Yield on cost (dividends reinvested)	\$840	\$1,701	\$3,442	\$6,967
Annual income	8.4%	17%	34.4%	69.7%
Average annual return	15.14%	15.14%	15.14%	15.14%
Total value	\$20,236	\$40,951	\$82,870	\$167,700

**Assumptions:**

Bull market, 10% dividend growth.

\$10,000 investment.

Stock price appreciation: 10% (above historical average).

Dividend growth rate: 10%.

Necessary starting yield: 4.7%.

**Table 8.10 Average Market with 5% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	5.7%	7.3%	9.3%	11.9%
Annual income	\$571	\$729	\$930	\$1,187
Yield on original investment (dividends reinvested)	7.03%	10.88%	16.42%	24.27%
Annual income (dividends reinvested)	\$703	\$1,088	\$1,642	\$2,427
Average annual return	12.64%	12.33%	12.06%	11.80%
Total value	\$18,131	\$31,998	\$55,147	\$93,088

**Assumptions:**

Average market with 5% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 7.84% (historical average).

Annual dividend growth rate: 5%.

Necessary starting yield: 4.7%.

**Table 8.11 Weak Market with 5% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	6.4%	8.2%	10.5%	13.4%
Annual income	\$644	\$822	\$1,049	\$1,339
Yield on original investment (dividends reinvested)	8.1%	13.4%	22.2%	36.7%
Annual income	\$809	\$1,339	\$2,218	\$3,671
Average annual return	10.61%	10.61%	10.61%	10.61%
Total value	\$16,554	\$27,406	\$45,371	\$75,111

**Assumptions:**

Weak market with 5% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 5% (below historical average).

Annual dividend growth rate: 5%.

Necessary starting yield: 5.3%.

**Table 8.12 Nowhere Market with 5% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	8.8%	11.1%	14.3%	18.2%
Annual income	\$875	\$1,116	\$1,425	\$1,819
Yield on cost (dividends reinvested)	12.3%	25.5%	60.6%	169.8%
Annual income	\$1,229	\$2,553	\$6,054	\$16,978
Average annual return	8.2%	9.37%	10.76%	12.43%
Total value	\$14,827	\$24,481	\$46,322	\$104,167

**Assumptions:**

Nowhere market, 5% dividend growth.

\$10,000 investment.

Annual stock price appreciation: 0%.

Annual dividend growth rate: 5%.

Necessary starting yield: 7.2%.

**Table 8.13 Bear Market with 5% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	9.1%	11.6%	14.8%	19%
Annual income	\$911	\$1,163	\$1,484	\$1,895
Yield on original investment (dividends reinvested)	13.1%	28.97%	77.59%	268.79%
Annual income	\$1,310	\$2,896	\$7,758	\$26,878
Average annual return	7.5%	9.1%	11.1%	13.6%
Total value	\$14,355	\$23,892	\$48,512	\$128,567

**Assumptions:**

Bear market, 5% dividend growth.

\$10,000 investment.

Annual stock price appreciation: -1.2% (historical average of 10-year negative rolling returns).

Annual dividend growth rate: 5%.

Necessary starting yield: 7.5%.

**Table 8.14 Bull Market with 5% Dividend Growth**

	5 Years	10 Years	15 Years	20 Years
Yield (dividends not reinvested)	5.7%	7.3%	9.3%	11.9%
Annual income	\$571	\$729	\$930	\$1,187
Yield on cost (dividends reinvested)	\$688	\$1,040	\$1,520	\$2,159
Annual income	6.9%	10.4%	15.2%	21.6%
Average annual return	14.69%	14.19%	13.77%	13.4%
Total value	\$19,840	\$37,705	\$69,242	\$123,749

**Assumptions:**

Bull market, 5% dividend growth.

\$10,000 investment.

Stock price appreciation: 10% (above historical average).

Dividend growth rate: 5%.

Necessary starting yield: 4.7%.

## Table 9.1 Brokers Offering Free DRIPs

---

Broker	Details
Schwab	Does not allow DRIPs of ADRs
E*TRADE	Does not allow DRIPs of ADRs
Fidelity	No restrictions
TD Ameritrade	No restrictions
Scottrade	Does not offer DRIPs, offers FRIP

---

Initial Setup Fee	\$10.00
Cash Purchase Fee	\$5.00
Ongoing Automatic Investment Fee	\$2.50
Purchase Processing Fee (per share)	\$0.03
Dividend Reinvestment Fee	5% of amount reinvested up to a maximum of \$3.00
Batch Sale Fee	\$15.00
Batch Sale Processing Fee (per share)	\$0.12
Batch Maximum Sales Fee	N/A
Market Order Sale Fee	\$25.00
Market Order Processing Fee (per share)	\$0.12
Market Order Maximum Sales Fee	N/A

**Figure 9.1 Fees When Reinvesting Dividends or Purchasing Stock Directly from Altria**

Source: Computershare

Initial Setup Fee	\$15.00
Cash Purchase Fee	\$5.00
Ongoing Automatic Investment Fee	\$0.00
Purchase Processing Fee (per share)	\$0.03
Dividend Reinvestment Fee	Company Paid
Batch Sale Fee	\$15.00
Batch Sale Processing Fee (per share)	\$0.12
Batch Maximum Sales Fee	N/A
Market Order Sale Fee	\$25.00
Market Order Processing Fee (per share)	\$0.12
Market Order Maximum Sales Fee	N/A

**Figure 9.2 Clorox Plan Fee**

Source: The Clorox Company

## Table 11.1 CorpBanca Dividend History

	2008	2009	2010
Total dividends paid	Ch\$51 billion	Ch\$56 billion	Ch\$86 billion
Dividends paid per share	Ch\$0.22	Ch\$0.25	\$Ch0.37
Dividends paid per ADR	\$0.61	\$0.49	\$0.86

Source: CorpBanca SA & Morningstar