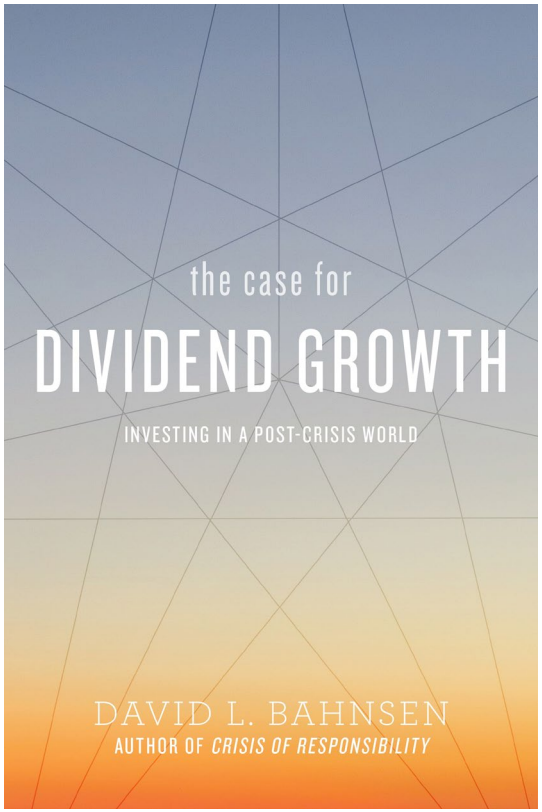


THE CASE FOR DIVIDEND GROWTH: Investing in a Post-Crisis World

Chart Deck

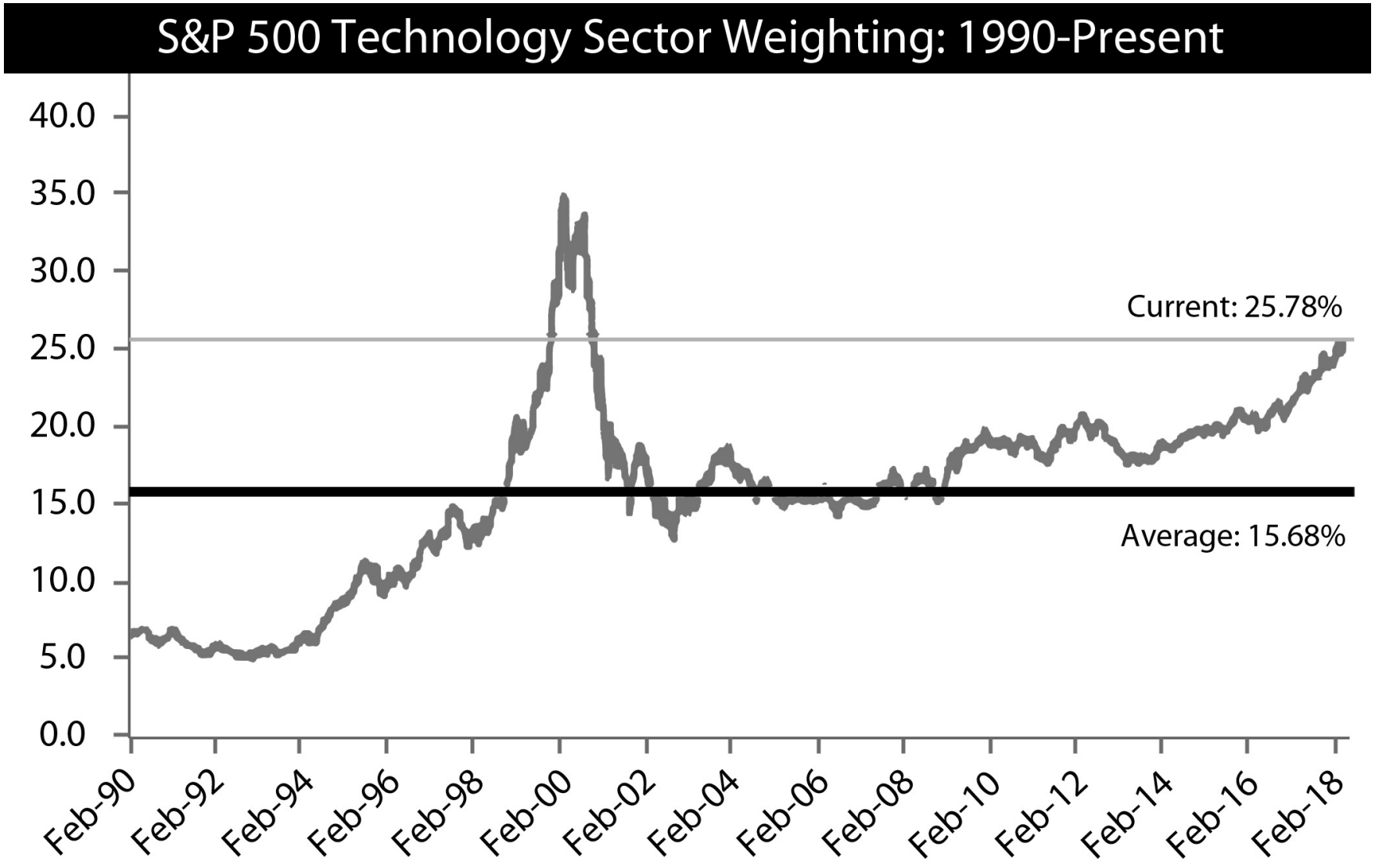
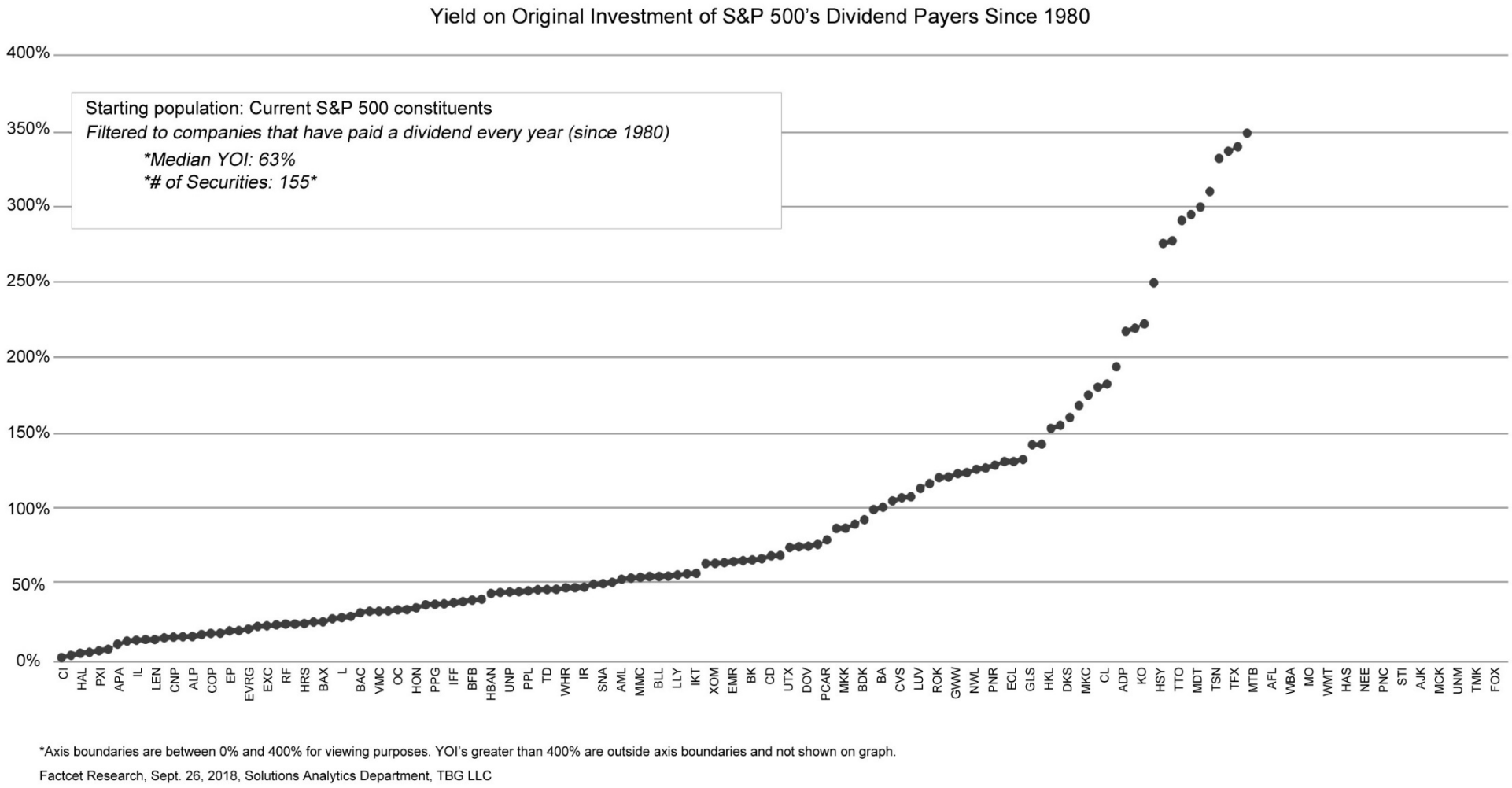

S&P 500 Technology Sector Weighting: 1990-Present
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
0.0
Current: 25.78%
Average: 15.68%
Feb-90
Feb-92
Feb-94
Feb-96
Feb-98
Feb-00
Feb-02
Feb-04
Feb-06
Feb-08
Feb-10
Feb-12
Feb-14
Feb-16
Feb-18

Figure i-1


S&P 500 (1998 - 2008)
- (INDEX) S&P 500 Price
High: 158.05 Low: 83.17 Chg: -7.86%
170
160
150
140
130
120
110
100
92.54
90
80
'98
'99
'00
'01
'02
'03
'04
'05
'06
'07
'08

Figure i-2



*Axis boundaries are between 0% and 400% for viewing purposes. YOI's greater than 400% are outside axis boundaries and not shown on graph.

Factcet Research, Sept. 26, 2018, Solutions Analytics Department, TBG LLC

Figure 1-1


10,000
1,000
100
10
1930
1940
1950
1960
1970
1980
1990
2000
2010

Figure 2-1

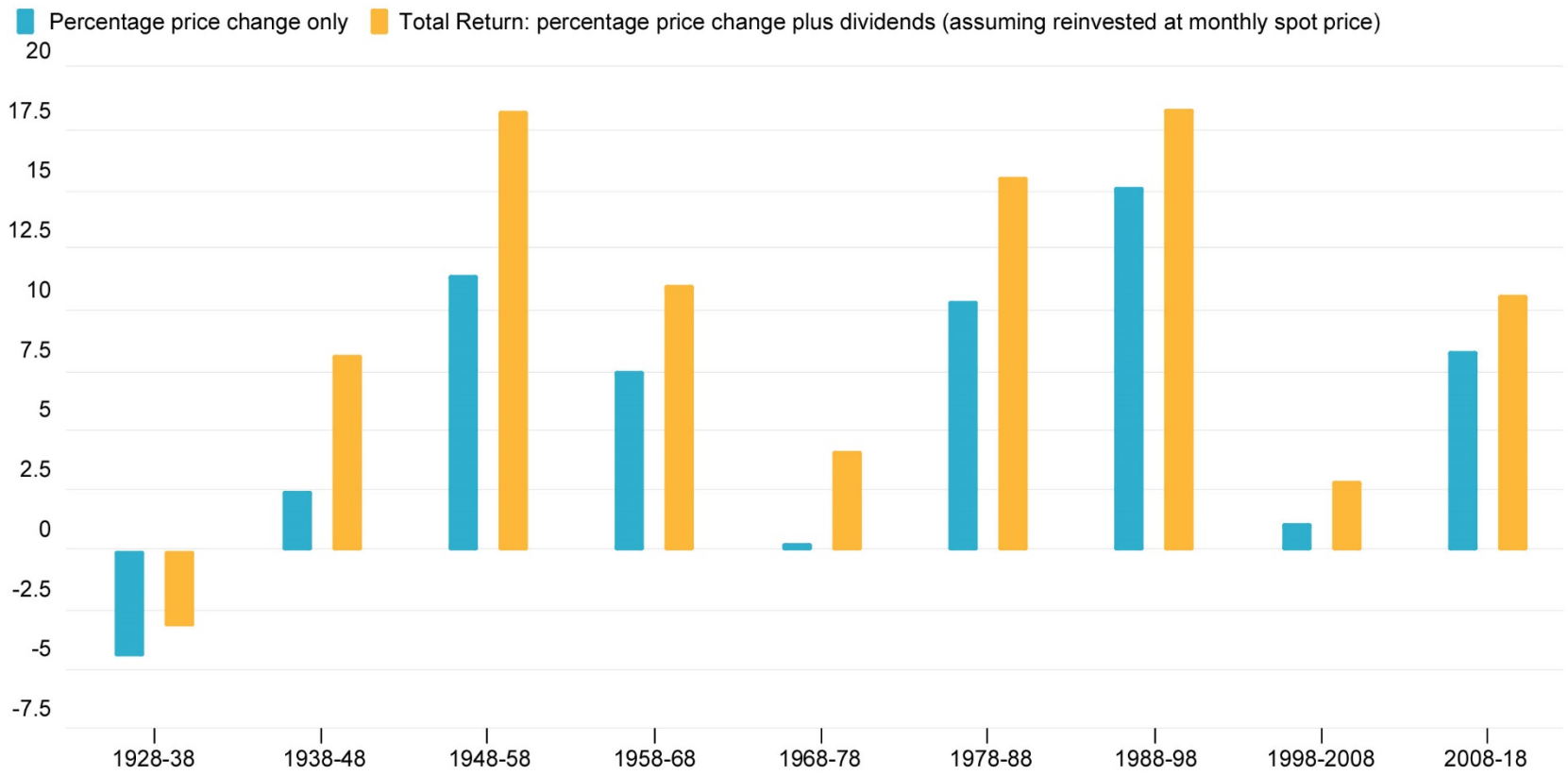
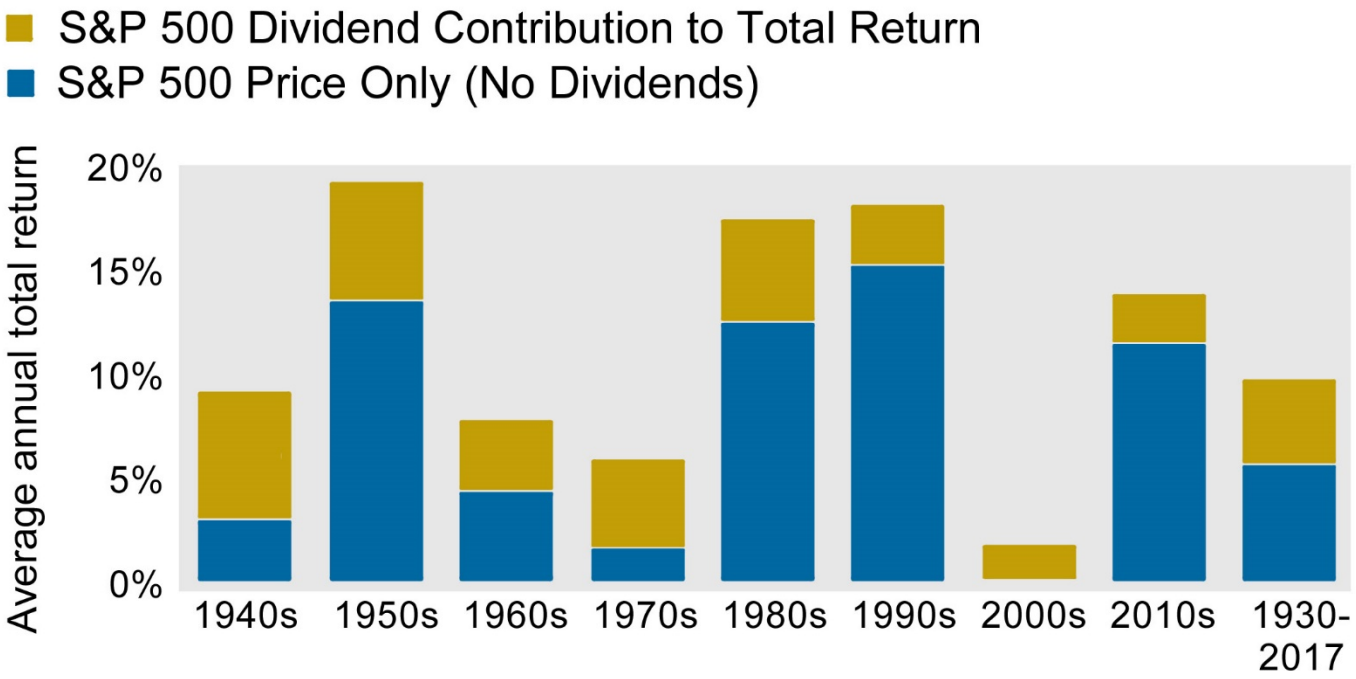

Percentage price change only
Total Return: percentage price change plus dividends (assuming reinvested at monthly spot price)
20
17.5
15
12.5
10
7.5
5
2.5
0
-2.5
-5
-7.5
1928-38
1938-48
1948-58
1958-68
1968-78
1978-88
1988-98
1998-2008
2008-18

Figure 2-2

Dividends' Contribution to Total Return Varies By Decade



Data Source: Morningstar 1/18. *Total Return for the S&P 500 Index was negative for the 2000s. Dividends provided a 1.8% annualized return over the decade.

Figure 2-3

The Power of Dividends ans Compunding

Growth of $10,000 (12/1960-12/2017)

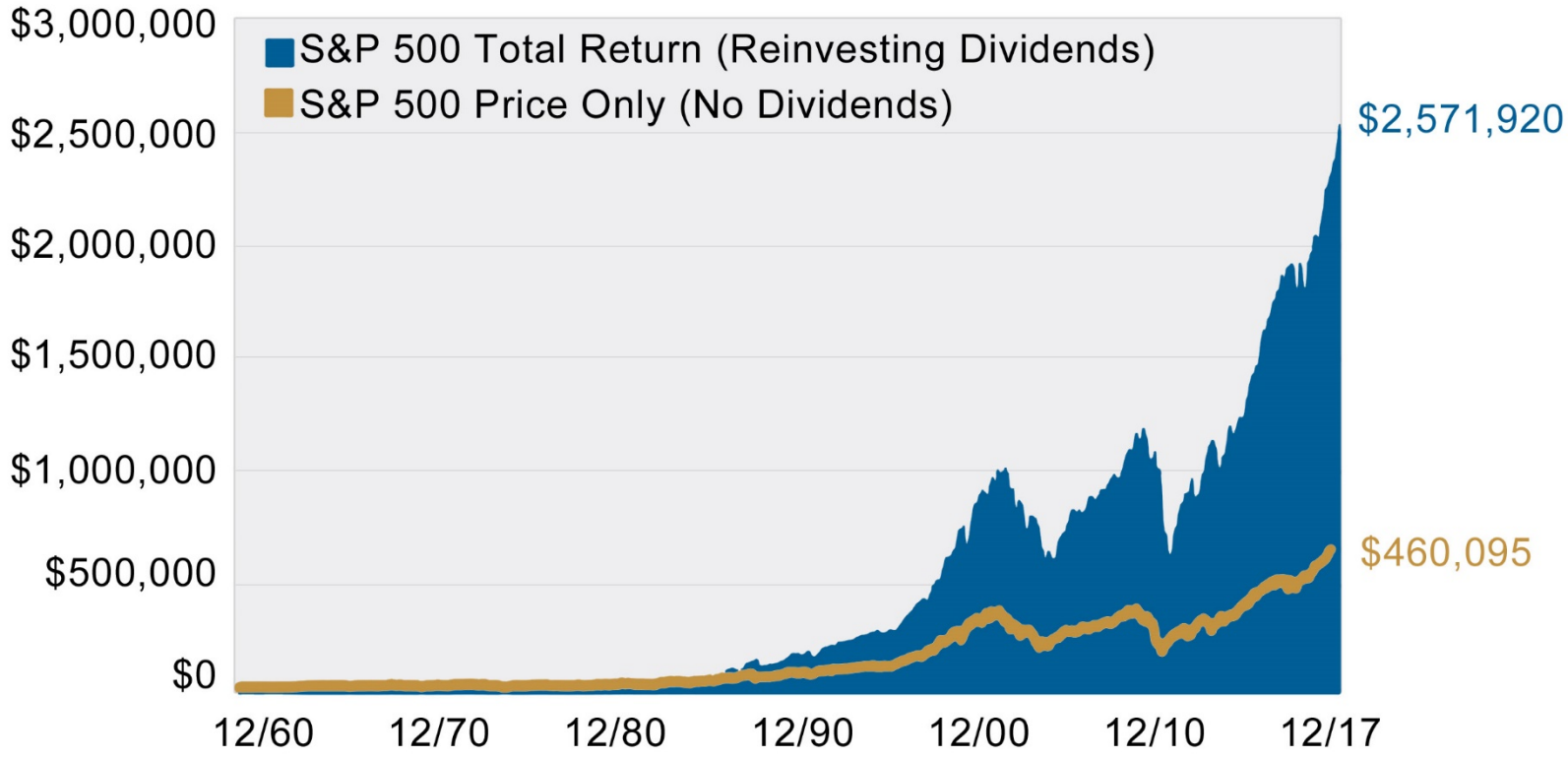


Figure 2-4

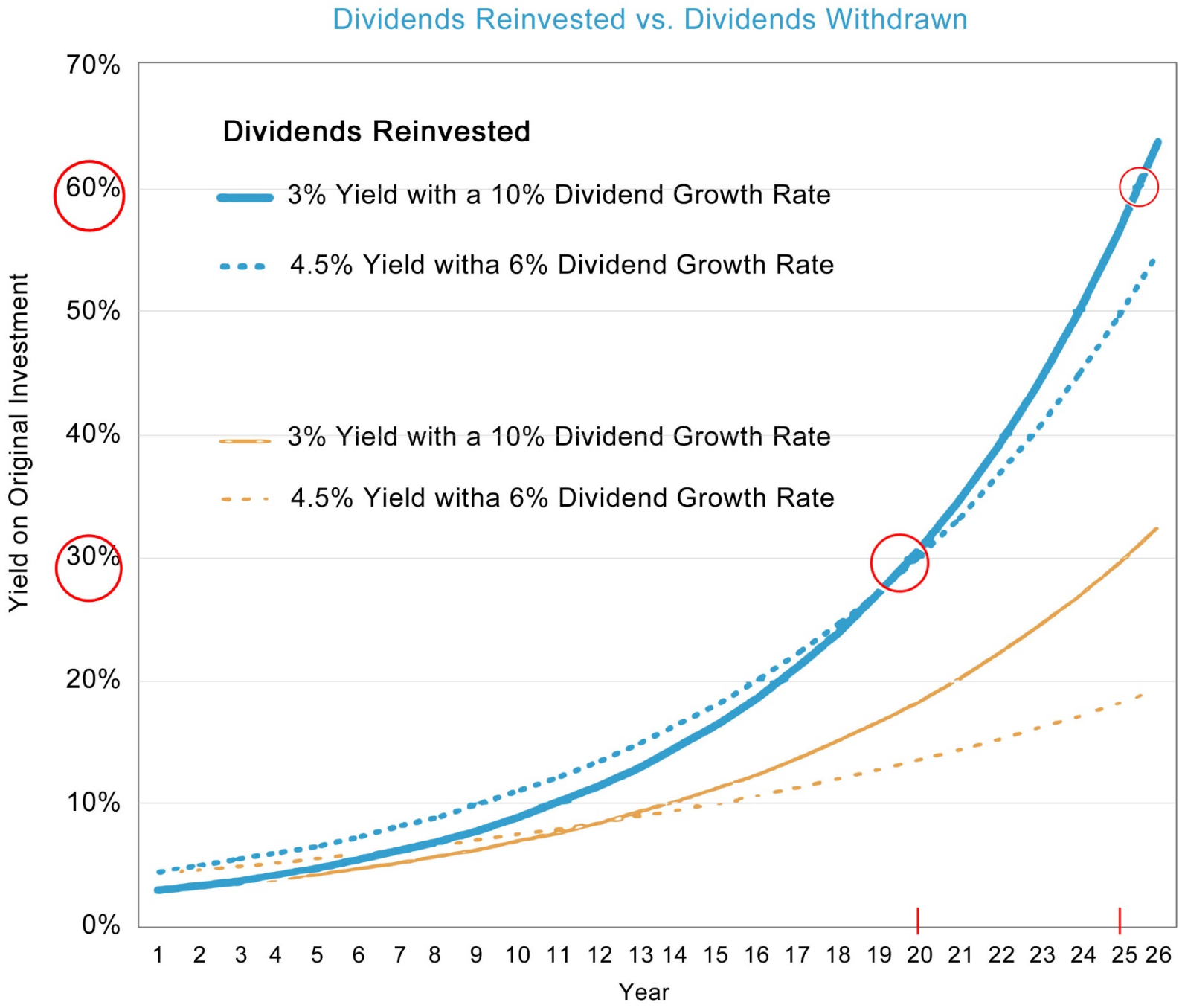

Dividends Reinvested vs. Dividends Withdrawn
Dividends Reinvested
3% Yield with a 10% Dividend Growth Rate
4.5% Yield witha 6% Dividend Growth Rate
3% Yield with a 10% Dividend Growth Rate
4.5% Yield witha 6% Dividend Growth Rate
Yield on Original Investment
70%
60%
50%
40%
30%
20%
10%
0%
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26
Year

Figure 4-1

			6% of beginning value per year	
YEAR	**Beginning Value**	**Return**	**Withdrawal**	**Ending Balance**
2000	**$ 2,000,000**	-9.10%	$ (120,000)	$ 1,698,000.00
2001	$ 1,698,000	-11.89%	$ (120,000)	$ 1,376,108
2002	$ 1,376,108	-22.10%	$ (120,000)	$ 951,988
2003	$ 951,988	28.68%	$ (120,000)	$ 1,105,018
2004	$ 1,105,018	10.88%	$ (120,000)	$ 1,105,244
2005	$ 1,105,244	4.91%	$ (120,000)	$ 1,039,512
2006	$ 1,039,512	15.79%	$ (120,000)	$ 1,083,650
2007	$ 1,083,650	5.49%	$ (120,000)	$ 1,023,143
2008	$ 1,023,143	-37.00%	$ (120,000)	**$ 524,580**
		-1.59%	**Average return, nine years**	

Figure 5-1

			6% of adjusted value each year	
YEAR	**Beginning Value**	**Return**	**Withdrawal**	**Ending Balance**
2000	**$ 2,000,000**	-9.10%	$ (120,000)	$ 1,698,000.00
2001	$ 1,698,000	-11.89%	$ (101,880)	$ 1,394,228
2002	$ 1,394,228	-22.10%	$ (83,654)	$ 1,002,450
2003	$ 1,002,450	28.68%	$ (60,147)	$ 1,229,805
2004	$ 1,229,805	10.88%	$ (73,788)	$ 1,289,820
2005	$ 1,289,820	4.91%	$ (77,389)	$ 1,275,761
2006	$ 1,275,761	15.79%	$ (76,546)	$ 1,400,658
2007	$ 1,400,658	5.49%	$ (84,039)	$ 1,393,515
2008	$ 1,393,515	-37.00%	$ (83,611)	**$ 794,303**
		-1.59%	**Average return, nine years**	

Figure 5-2

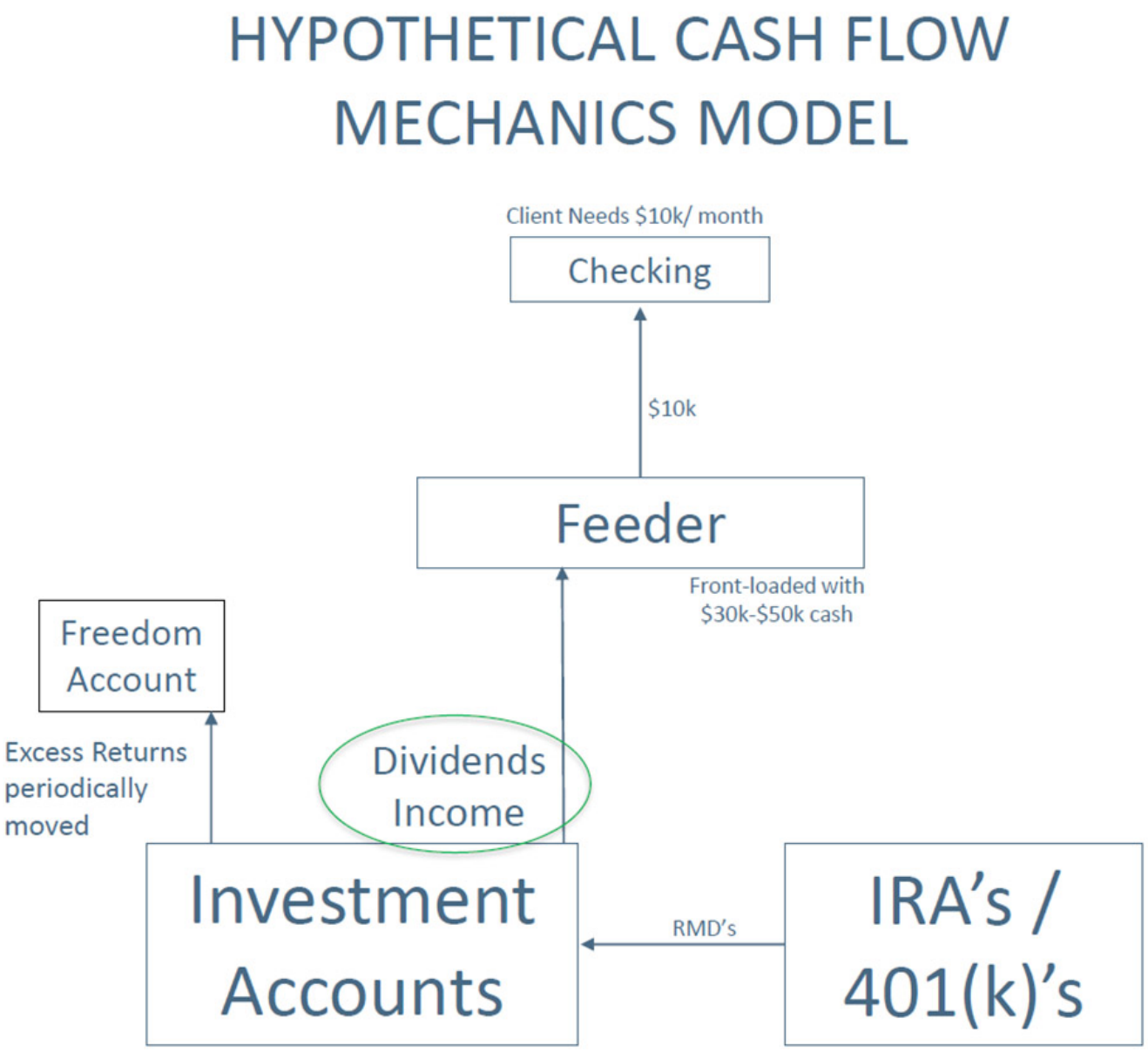

HYPOTHETICAL CASH FLOW MECHANICS MODEL
Client Needs $10k/ month
Checking
$10k
Feeder
Front-loaded with $30k-$50k cash
Freedom Account
Excess Returns periodically moved
Dividends Income
Investment Accounts
RMD's
IRA's / 401(k)'s

Figure 5-3

Annual Returns and Pullbacks

S&P 500 Index. Max drawdown represents the biggest intra-year decline

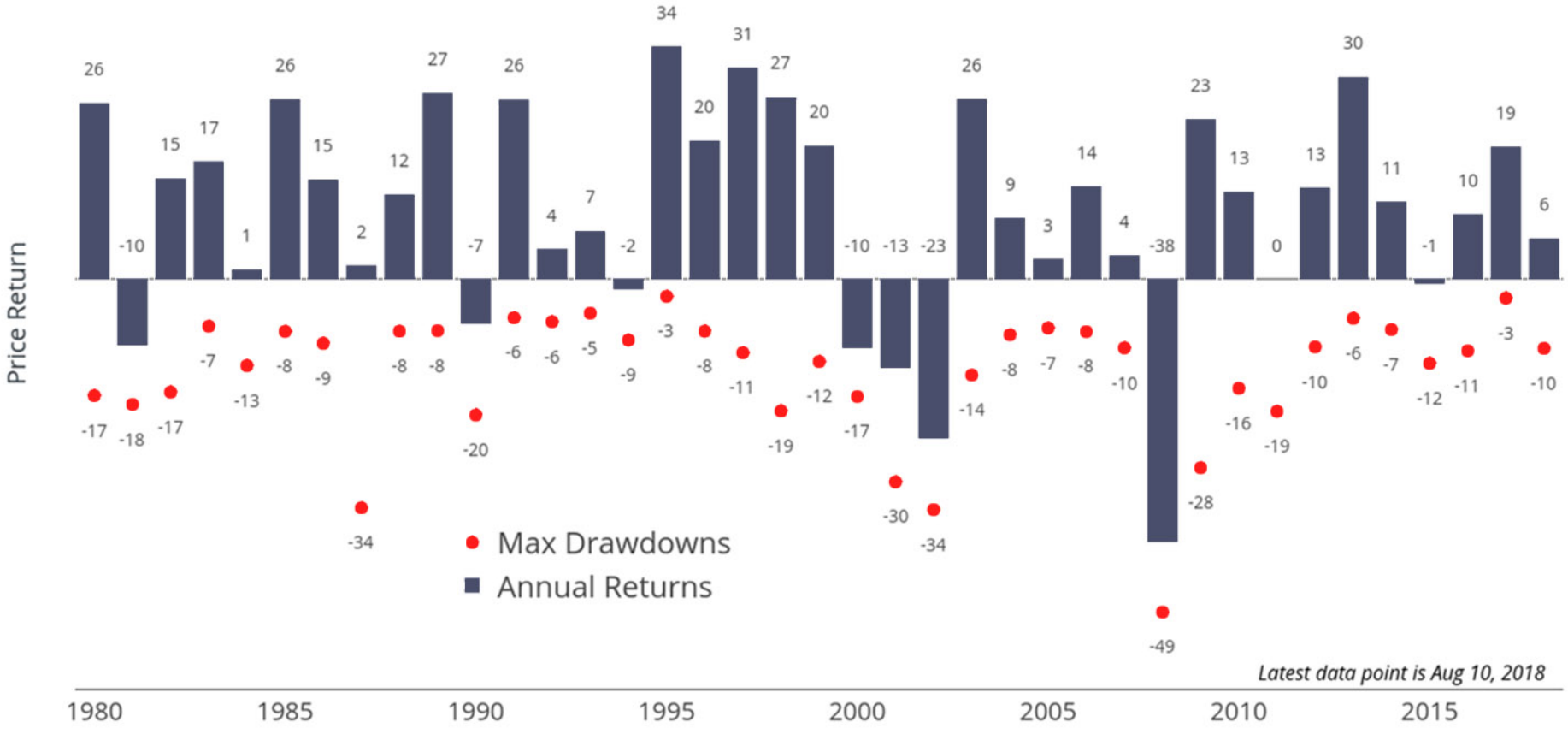


Figure 5-4

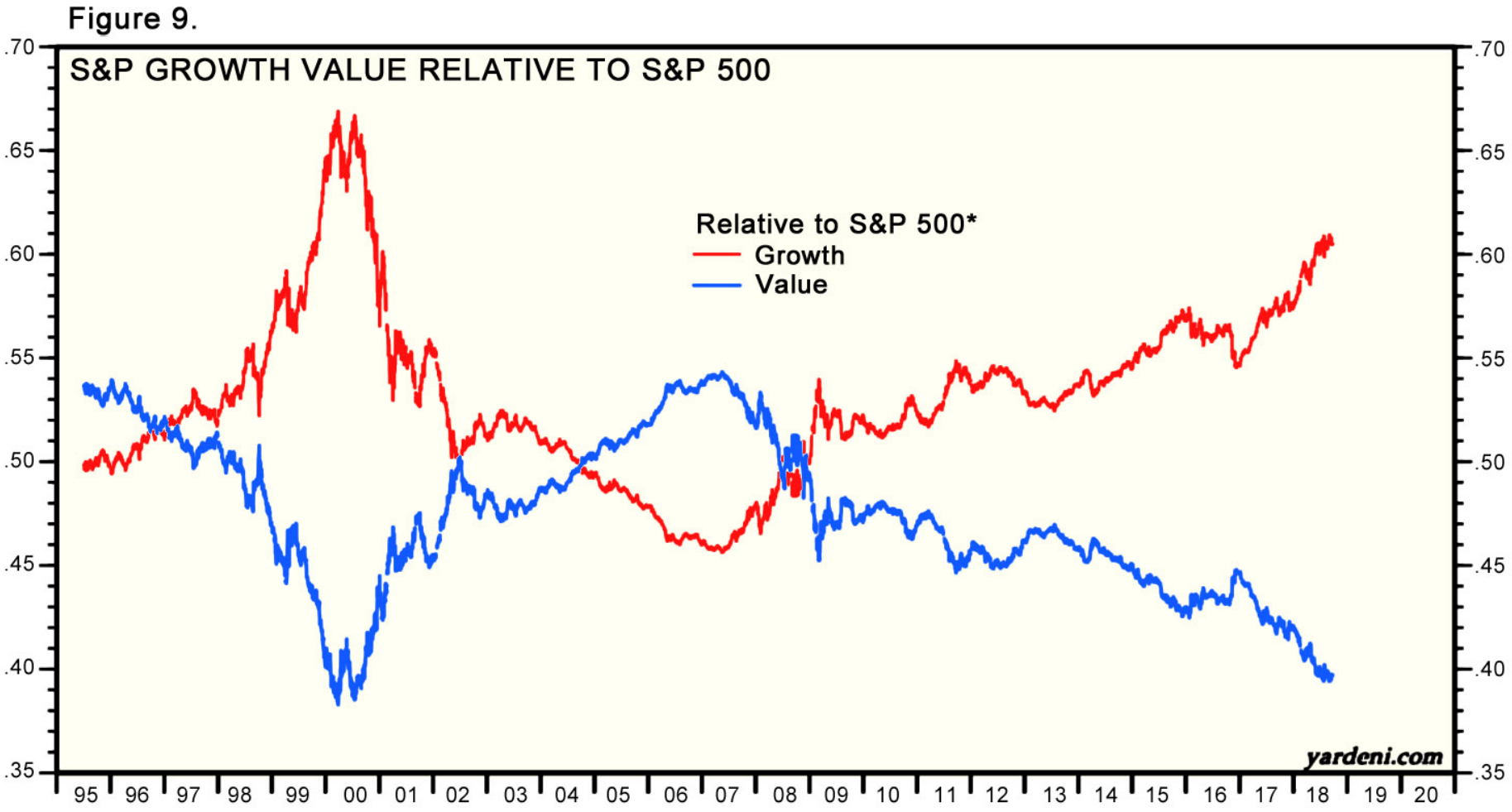


Figure 9.
S&P GROWTH VALUE RELATIVE TO S&P 500
Relative to S&P 500*
Growth
Value
yardeni.com
.70
.65
.60
.55
.50
.45
.40
.35
95 96 97 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20

Figure 6-1

Macrotrends Data

S&P 500 Historical Annual Returns

www.macrotrends.net

2017	21.83%
2016	11.96%
2015	1.38%
2014	13.69%
2013	32.39%
2012	16.00%
2011	2.11%
2010	15.06%
2009	26.46%
2008	-37.00%
2007	5.49%
2006	15.79%
2005	4.91%
2004	10.88%
2003	28.68%
2002	-22.10%
2001	-11.89%
2000	-9.10%

15.65%	**2009-2017**
7.03%	**2000-2017**

Figure 6-2

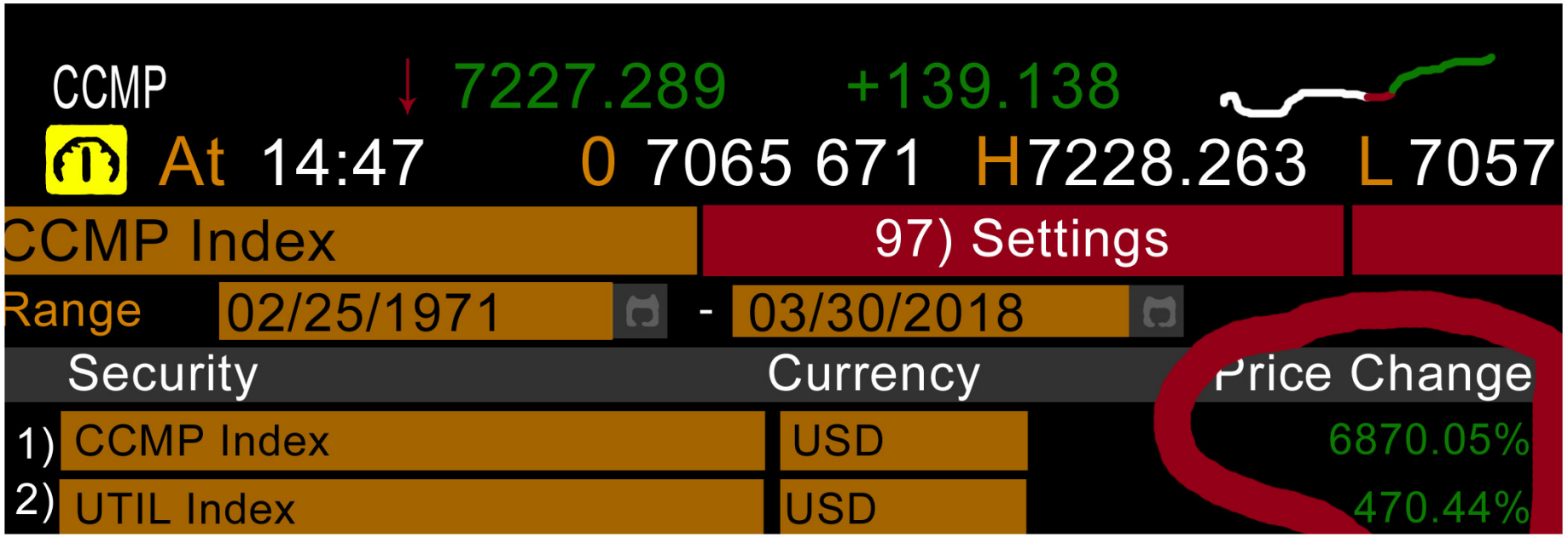

CCMP
7227.289
+139.138
At 14:47
O 7065 671
H7228.263
L 7057
CCMP Index
97) Settings
Range
02/25/1971
-
03/30/2018
Security
Currency
Price Change
1) CCMP Index
USD
6870.05%
2) UTIL Index
USD
470.44%

Figure 6-3


CCMP ↓ 7227.289 +139.138
At 14:47 O 7065.671 H 7228.263 L 7057.886 Prev 7088.151
CCMP Index 97) Settings Comparative Returns
Range 02/26/1971 - 03/30/2018 Period Month of Period 565 Month(s) Table
Security Currency Price Change Total Return Difference Annual Eq
1) CCMP Index USD 6870.05% 8407.19% -807.80% 9.89%
2) UTIL Index USD 470.44% 9214.99% -- 10.10%
3)
4)
5)
6)
1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y
Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
Copyright 2018 Bloomberg Finance L.P.
SN 577997 EDT GMT-4:00 G576-4356-0 04-May-2018 14:47:48

Figure 6-4

DIVIDEND PAYERS AND GROWERS HAVE HISTORICALLY HAD HIGHER ANNUALIZED RETURNS AND LOWER VOLATILITY THAN NON-DIVIDEND PAYERS.

Dividends historically have been a major source of stock market returns over the long term. By focusing on companies with a consistent track record of increasing their dividends investors have an opportunity to generate superior risk-adjusted performance.

Standard deviation is a measurement of volatility. The higher the standard deviation the higher the possible risk of an investment based on its past performance.

Standard deviation has historically been lower for companies that pay and grow their dividends.

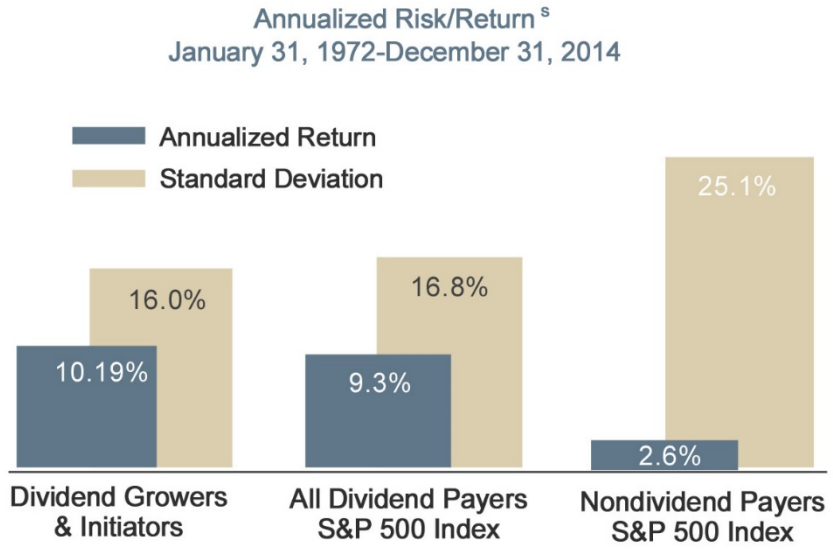
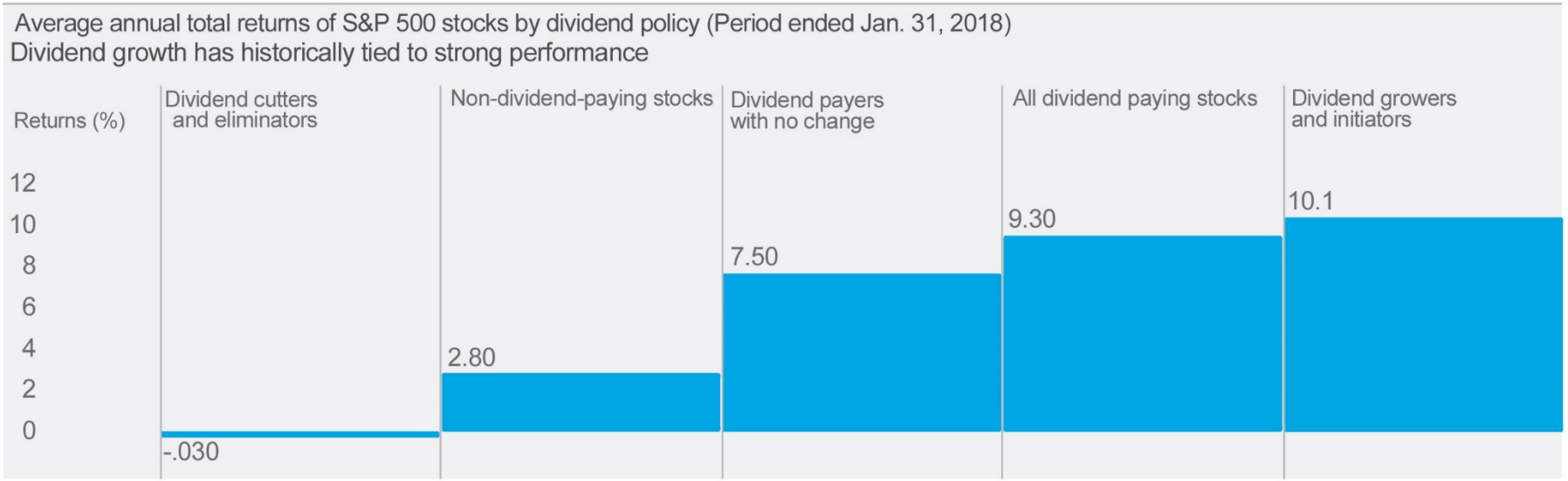


Figure 6-5



Source: 2018 Ned Davis Research, Inc. Past performance does not guarantee future results. Indexes are unmanaged and one cannot invest directly in an index. All stocks were categorized by the following methodology for total return of each 12-month period since Jan. 31, 1972 period ended Jan. 31, 2018. Dividend Cutters and Eliminators represents stocks in the S&P 500 that have lowered or eliminated their dividend; Non-Dividend-Paying Stocks represents non-dividend-paying stocks of the S&P 500; Dividend Payers With No Change represents all dividend-paying stocks of the S&P 500 that have maintained their existing dividend rate; All Dividend-Paying Stocks represents all dividend-paying stocks in the S&P 500; and Dividend Growers and initiators represents all dividend-paying stocks of the S&P 500 that raised their existing dividend or initiated a new dividend. Performance does not represent any unit trust or strategy.

Figure 6-6

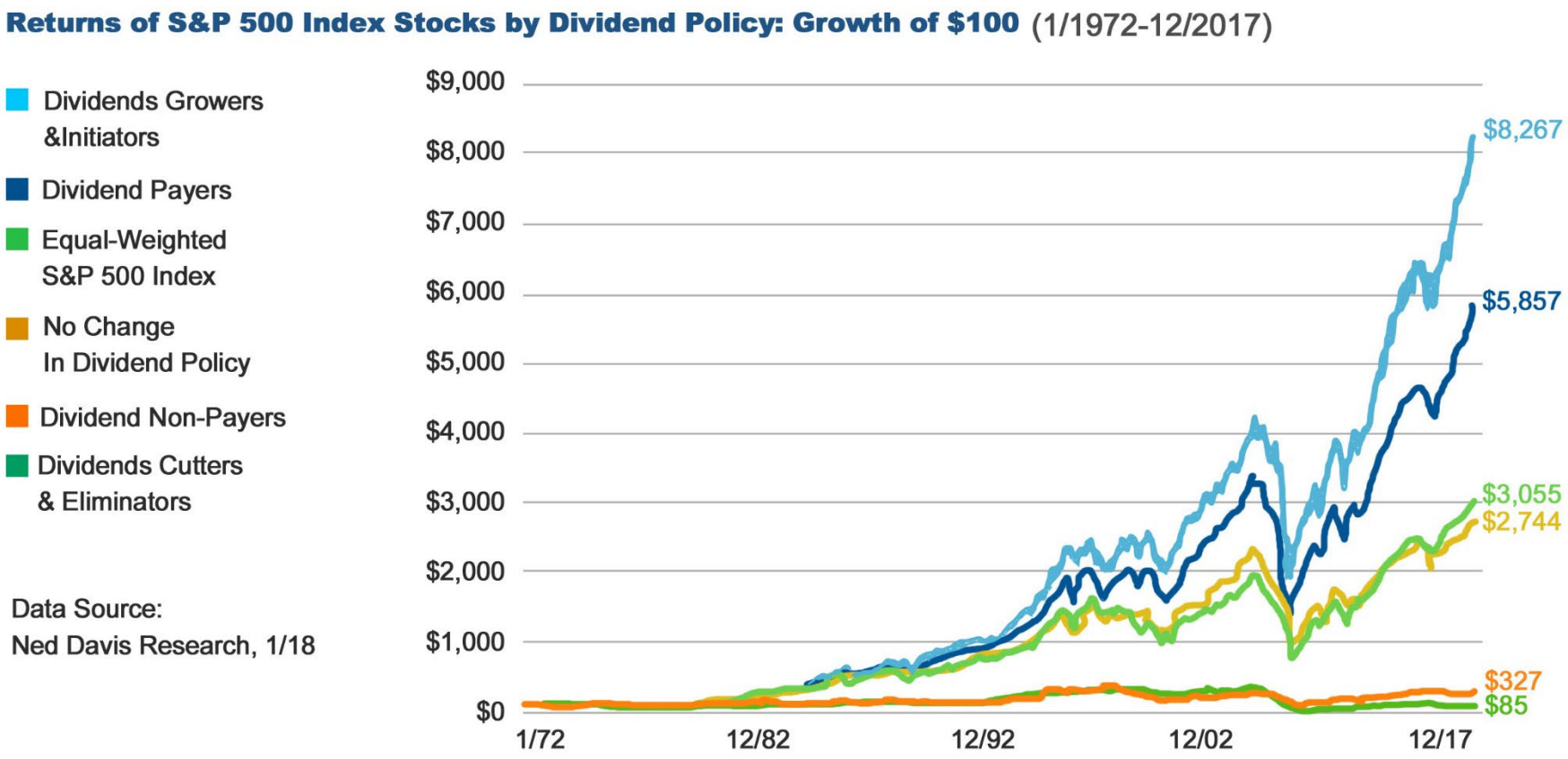
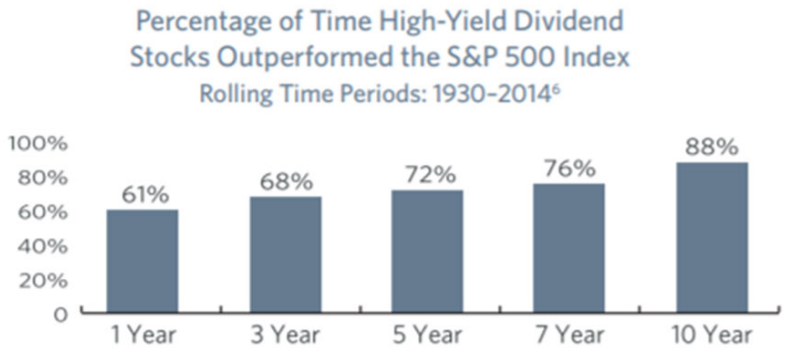

Returns of S&P 500 Index Stocks by Dividend Policy: Growth of $100 (1/1972-12/2017)
Dividends Growers &Initiators
Dividend Payers
Equal-Weighted S&P 500 Index
No Change In Dividend Policy
Dividend Non-Payers
Dividends Cutters & Eliminators
Data Source:
Ned Davis Research, 1/18
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
1/72
12/82
12/92
12/02
12/17
$8,267
$5,857
$3,055
$2,744
$327
$85

Figure 6-7

THE PERCENTAGE OF TIME THAT HIGH-YIELD DIVIDEND STOCKS HAVE OUTPERFORMED THE S&P 500 INDEX INCREASES AS THE TIME HORIZON LENGTHENS.

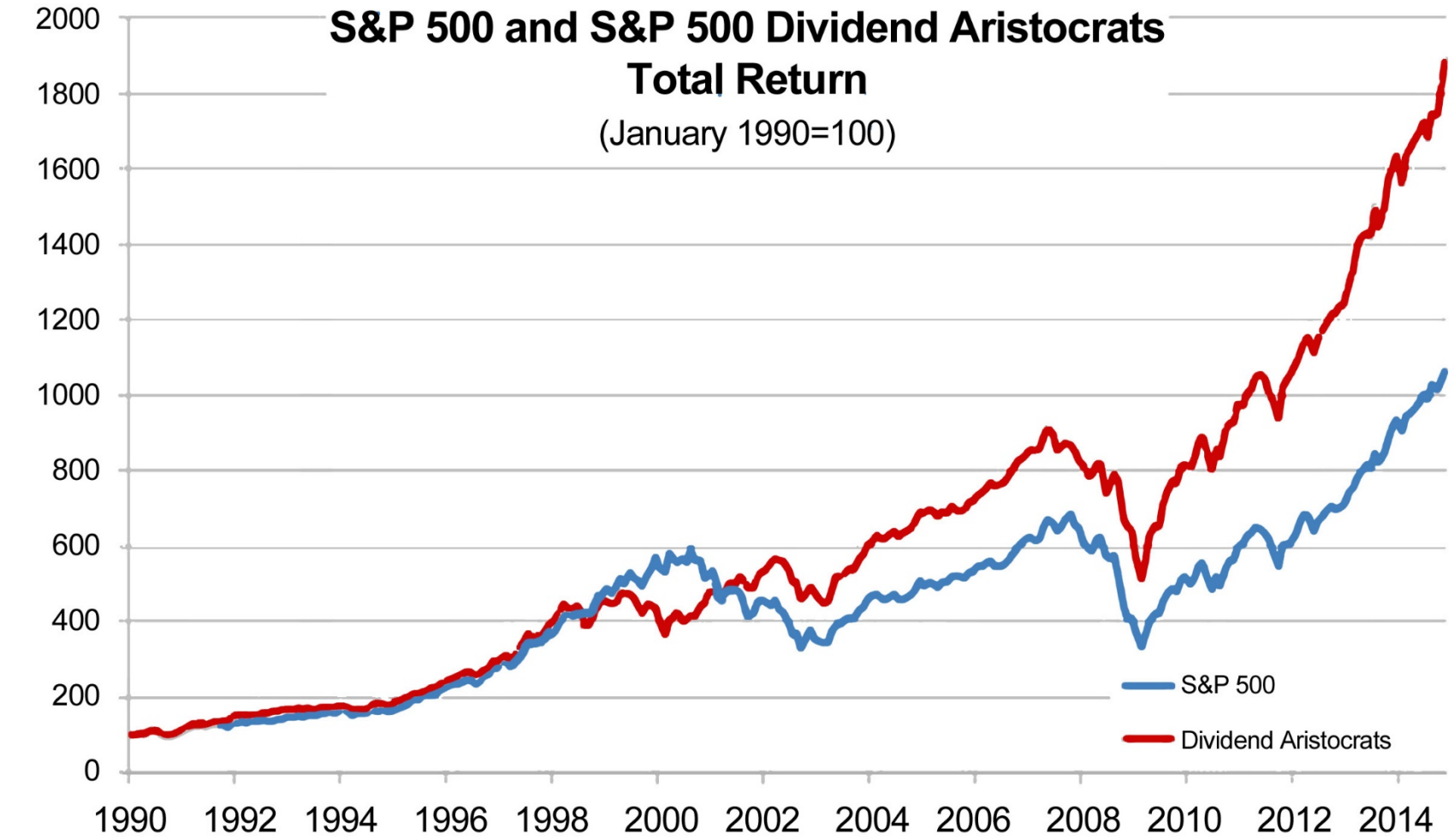


Source: Kenneth French (Fama/French), Morningstar Direct, Miller/Howard Research & Analysis.

5. Data shown from January 31, 1972 to December 31, 2014. Dividend Growers and Initiators shown are those that increased their dividend anytime in the last 12 months in the period ended December 31, 2014. Once an increase occurs, it remains classified as a grower for 12 months or until another change in dividend policy occurs.

6. Source: Kenneth French (Fama/French), Morningstar Direct, Miller/Howard Research & Analysis. Miller/Howard defines "High-Yield Dividend Stocks" as comprising deciles 7 to 9 from the data set created by Eugene Fama and Kenneth French, called "Portfolios Formed on Dividend Yield," in which all NYSE, AMEX, and NASDAQ stocks with Market Equity for June of year t, and at least 7 monthly returns, were separated into deciles based on dividend yield (decile 10 being the highest yielding). The file was created by CMPT_DP_RETS using the CRSP database. D/P (in percent) was computed with breakpoints at the end of each June. Period discussed is from January 1, 1930 to December 31, 2014. Miller/Howard utilizes the value-weighted returns for this study. Common stocks do not ensure dividend payments. Dividends are paid only when declared by an issuer's board of directors and the amount of any dividend may vary over time. Dividend yield is one component of performance and should not be the only consideration for investment. Past performance is no guarantee of future results. There is no guarantee that a company will continue to pay a dividend. The data presented does not take into account any fees or expenses associated with an actual investment. If these costs had been taken into consideration, results would have been lower. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your investment. Actual performance may be higher or lower than the performance data shown. It is not possible to directly invest in an index.

Figure 6-8



Data are monthly January 1990 to November 2014. Past performance is not a guarantee of future results. It is not possible to invest directly an index.

Figure 6-9

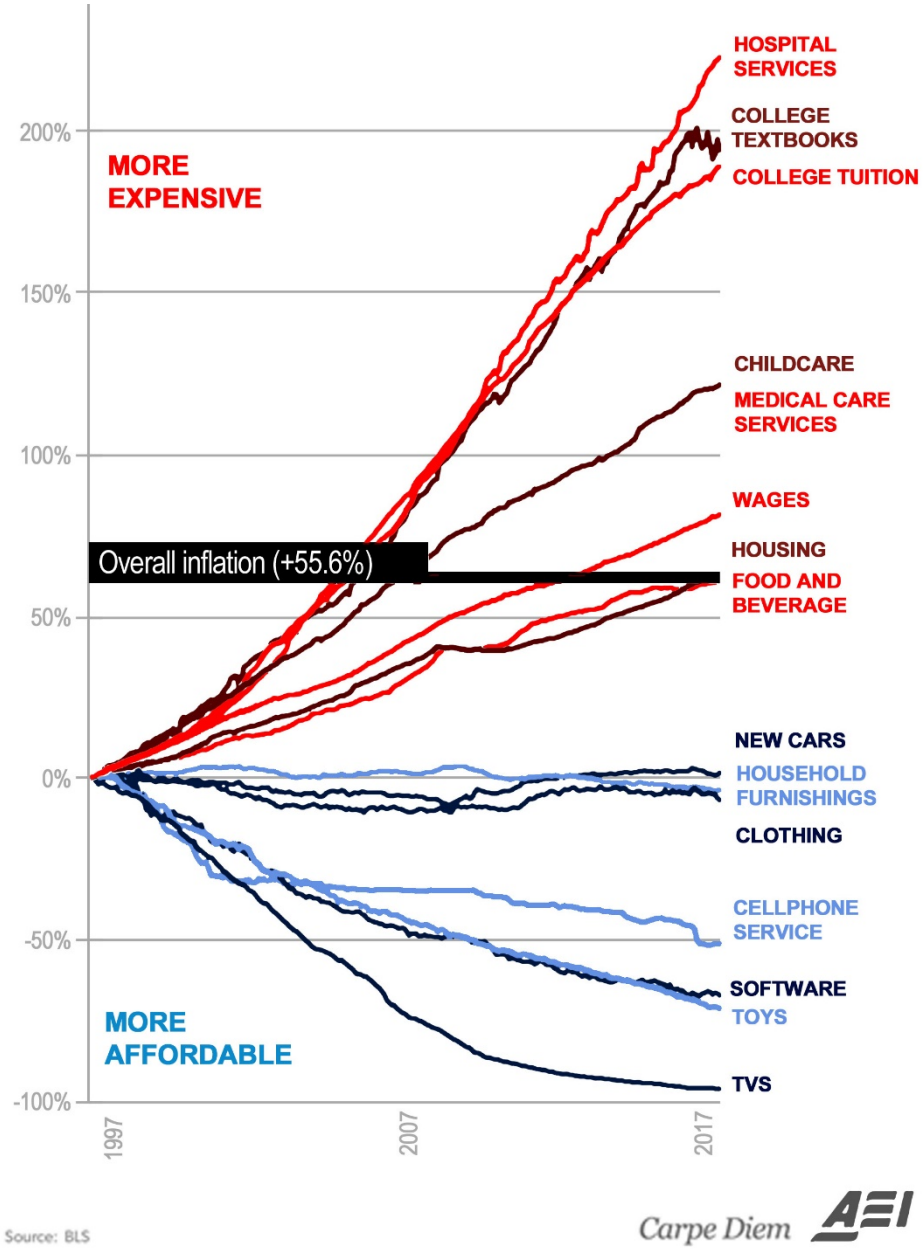

HOSPITAL SERVICES
COLLEGE TEXTBOOKS
COLLEGE TUITION
CHILDCARE
MEDICAL CARE SERVICES
WAGES
HOUSING
FOOD AND BEVERAGE
NEW CARS
HOUSEHOLD FURNISHINGS
CLOTHING
CELLPHONE SERVICE
SOFTWARE
TOYS
TVS
MORE EXPENSIVE
MORE AFFORDABLE
Overall inflation (+55.6%)
200%
150%
100%
50%
0%
-50%
-100%
1997
2007
2017
Source: BLS
Carpe Diem
AEI

Figure 7-1


Gold prices vs U.S. consumer inflation
1970s-1980s - Gold rises in line with spiking inflation
1986-1990 - Gold falls despite rise in inflation
149.12 %
124 months
8.5 Default
6957.59 %
124 months
151.059 USD
472.73 %
47 months
5.2 Default
-139.07 %
47 months
-25.517 USD

Figure 7-2

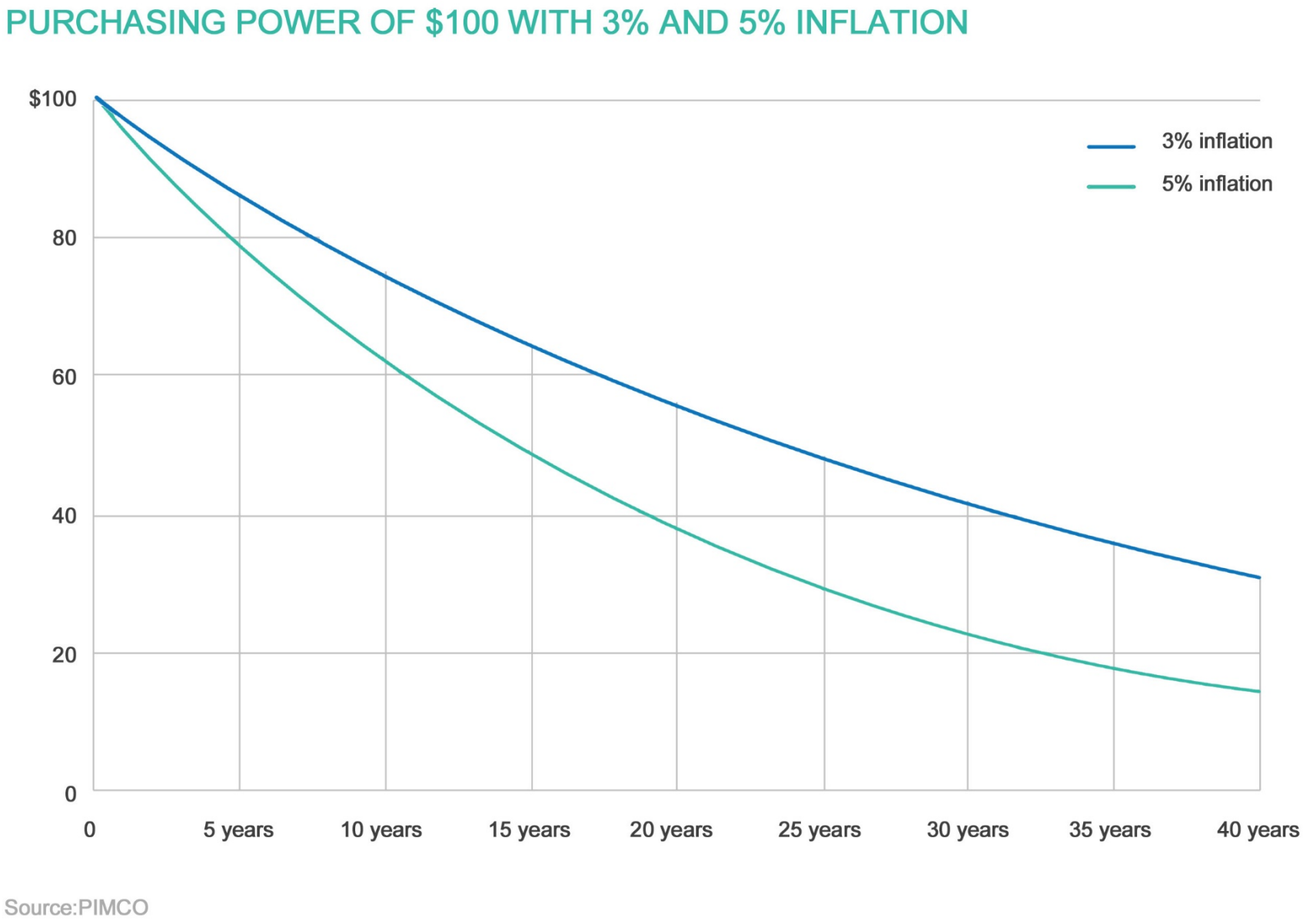
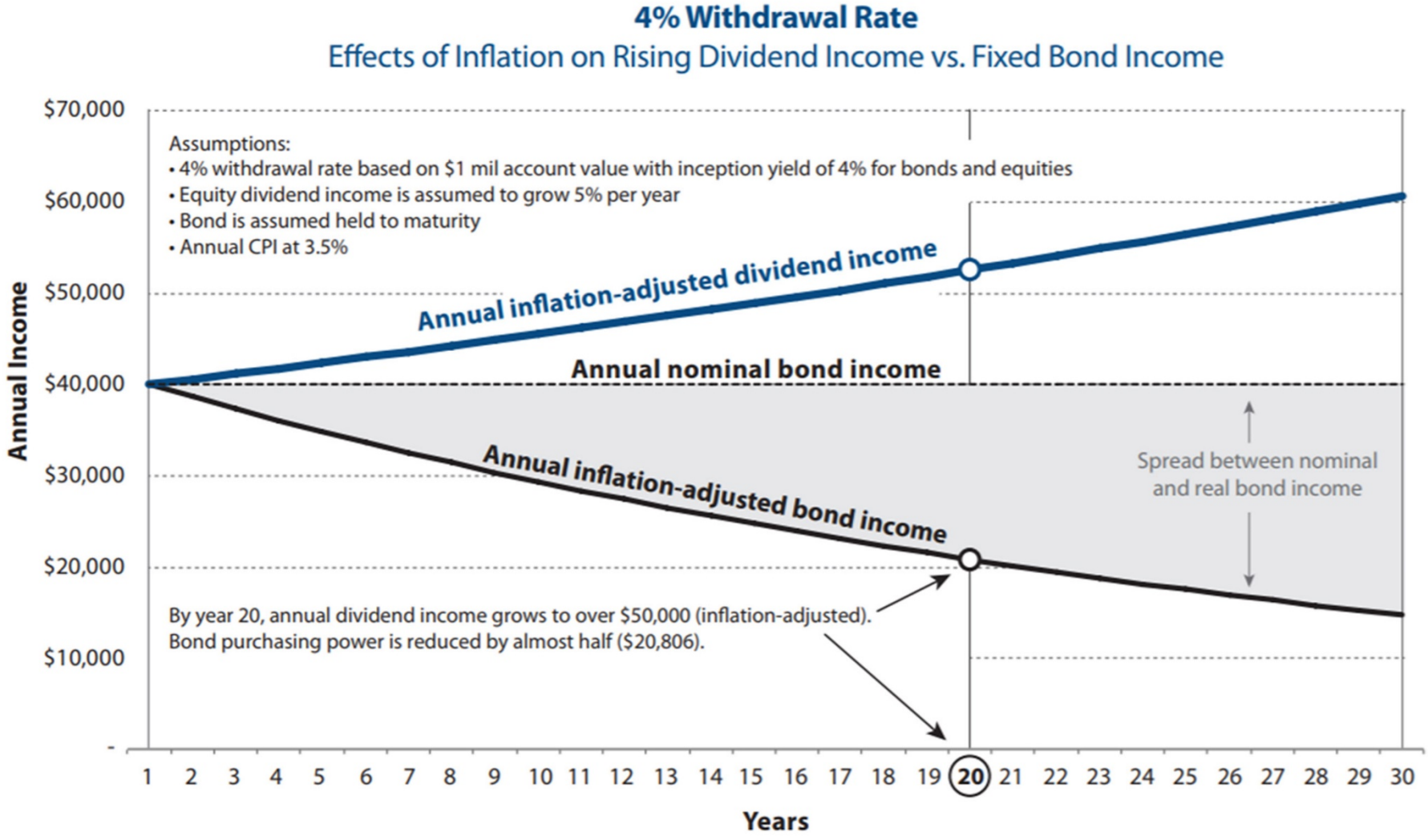

PURCHASING POWER OF $100 WITH 3% AND 5% INFLATION
$100
80
60
40
20
0
0
5 years
10 years
15 years
20 years
25 years
30 years
35 years
40 years
3% inflation
5% inflation
Source:PIMCO

Figure 7-3

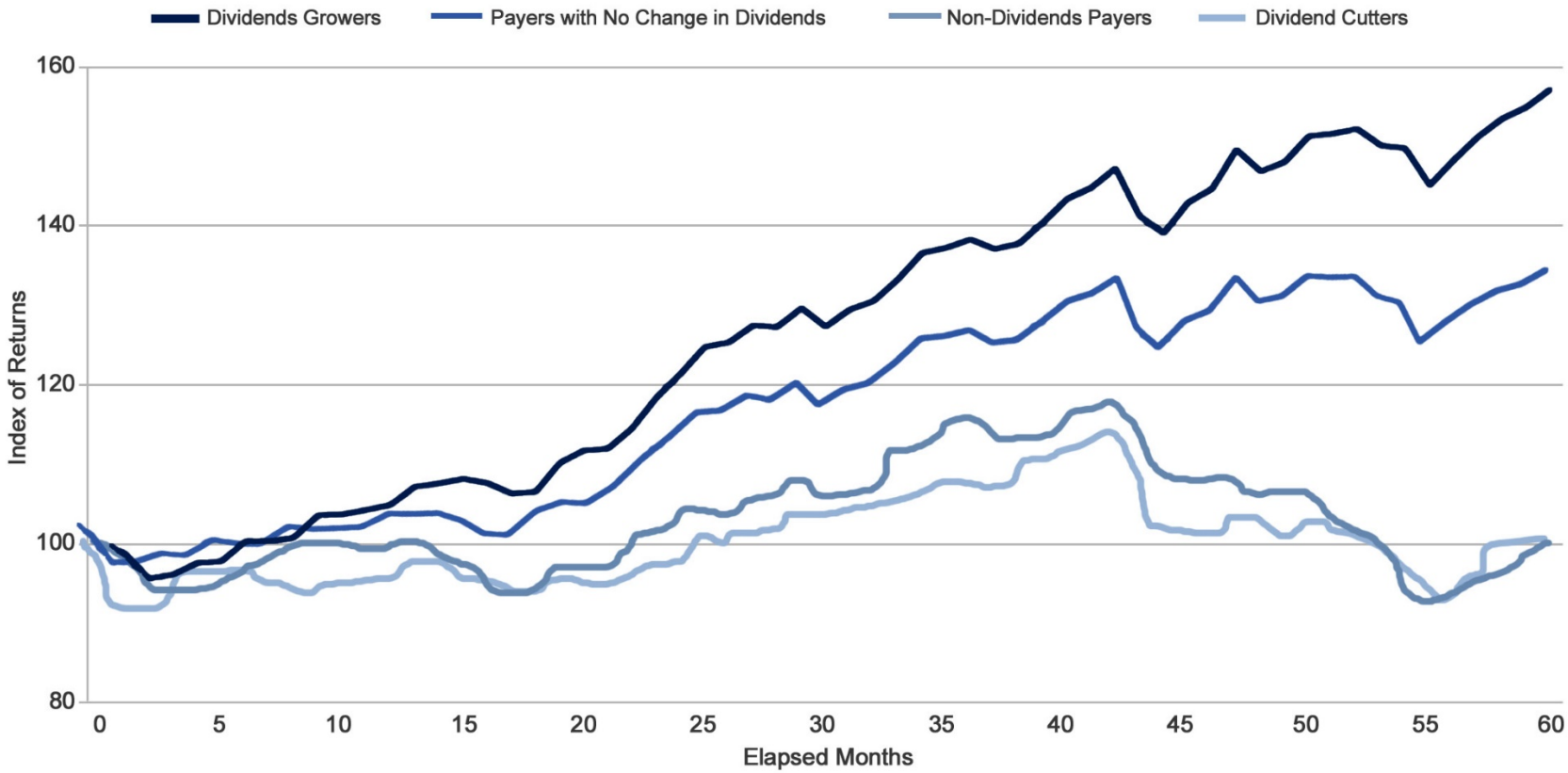


Source: MHI Research & Analysis
CPI (Consumer Price Index) program, presented by the Bureau of Labor Statistics, produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. The annual percentage change in a CPI is used as a measure of inflation.

Figure 7-4

Dividend Performance Afetr the Fedeeral Reserve Increased Rates

Subset of S&P 500 Index; All Rate Hikes Since 1972



Dividend payers, particularly those that have grown or initiated a dividend, have outperformed after the Fed increased rates

Source Ned David Research Inc. 2015 Past performance is no guarantee of future results

Figure 7-5

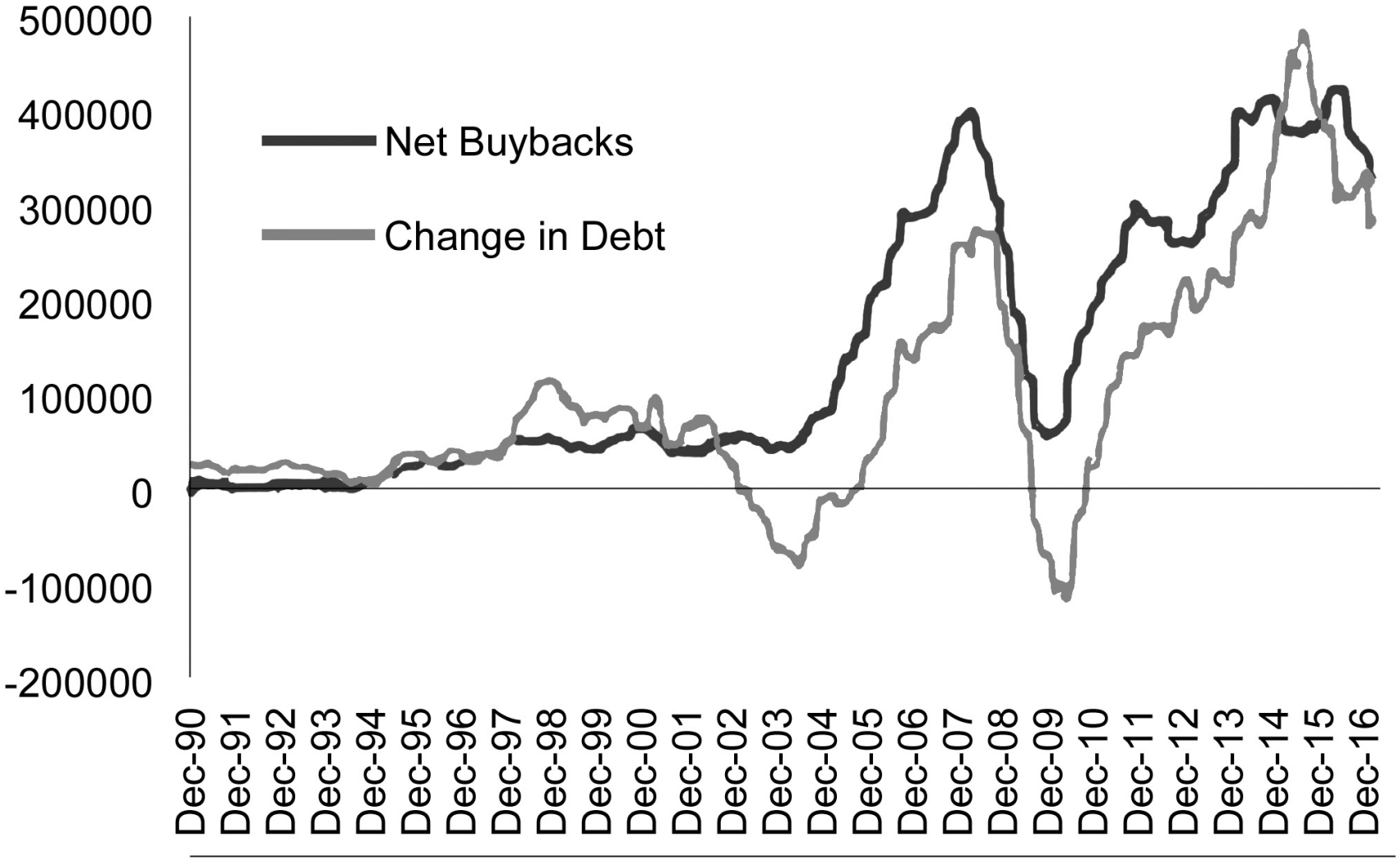
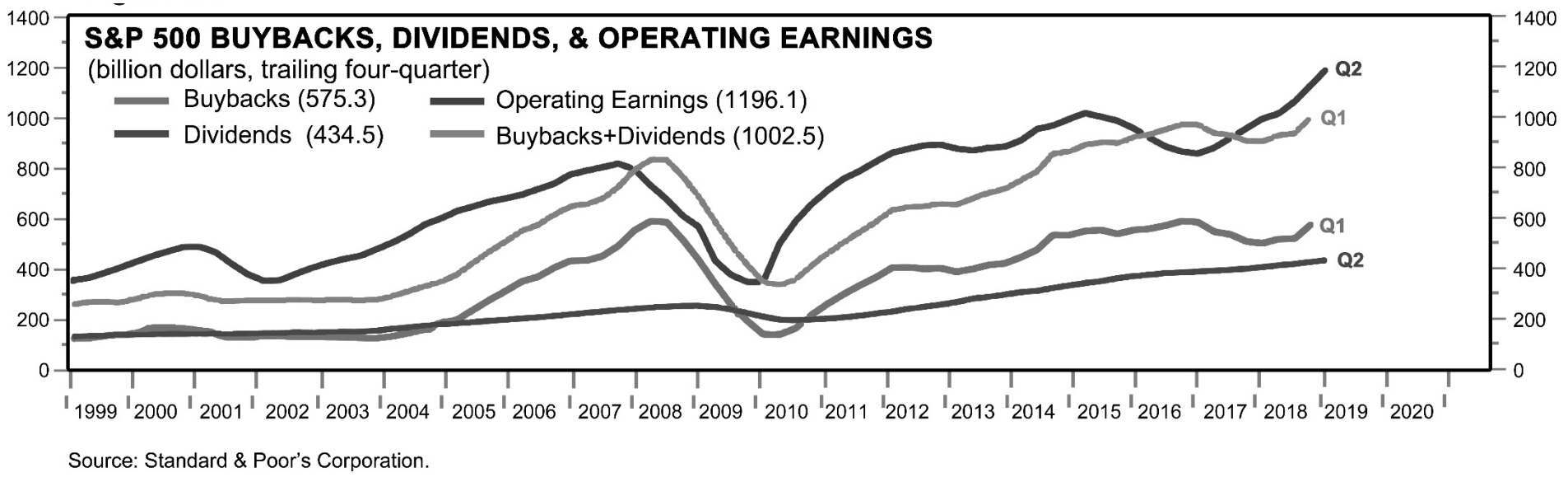

500000
400000
300000
200000
100000
0
-100000
-200000
Net Buybacks
Change in Debt
Dec-90
Dec-91
Dec-92
Dec-93
Dec-94
Dec-95
Dec-96
Dec-97
Dec-98
Dec-99
Dec-00
Dec-01
Dec-02
Dec-03
Dec-04
Dec-05
Dec-06
Dec-07
Dec-08
Dec-09
Dec-10
Dec-11
Dec-12
Dec-13
Dec-14
Dec-15
Dec-16

Figure 8-1



Source: Standard & Poor's Corporation.

Figure 8-2


UPS Payout Drives Stock Price Growth
United Parcel Service Dividend % Change
United Parcel Service Price % Change
55.00%
45.61%
44.74%
35.00%
25.00%
15.00%
5.00%
-5.00%
2013
2014
2015
2016
2017
Jul 05 2017, 5:02 PM EDT. Powered by YCHARTS

Figure 9-1

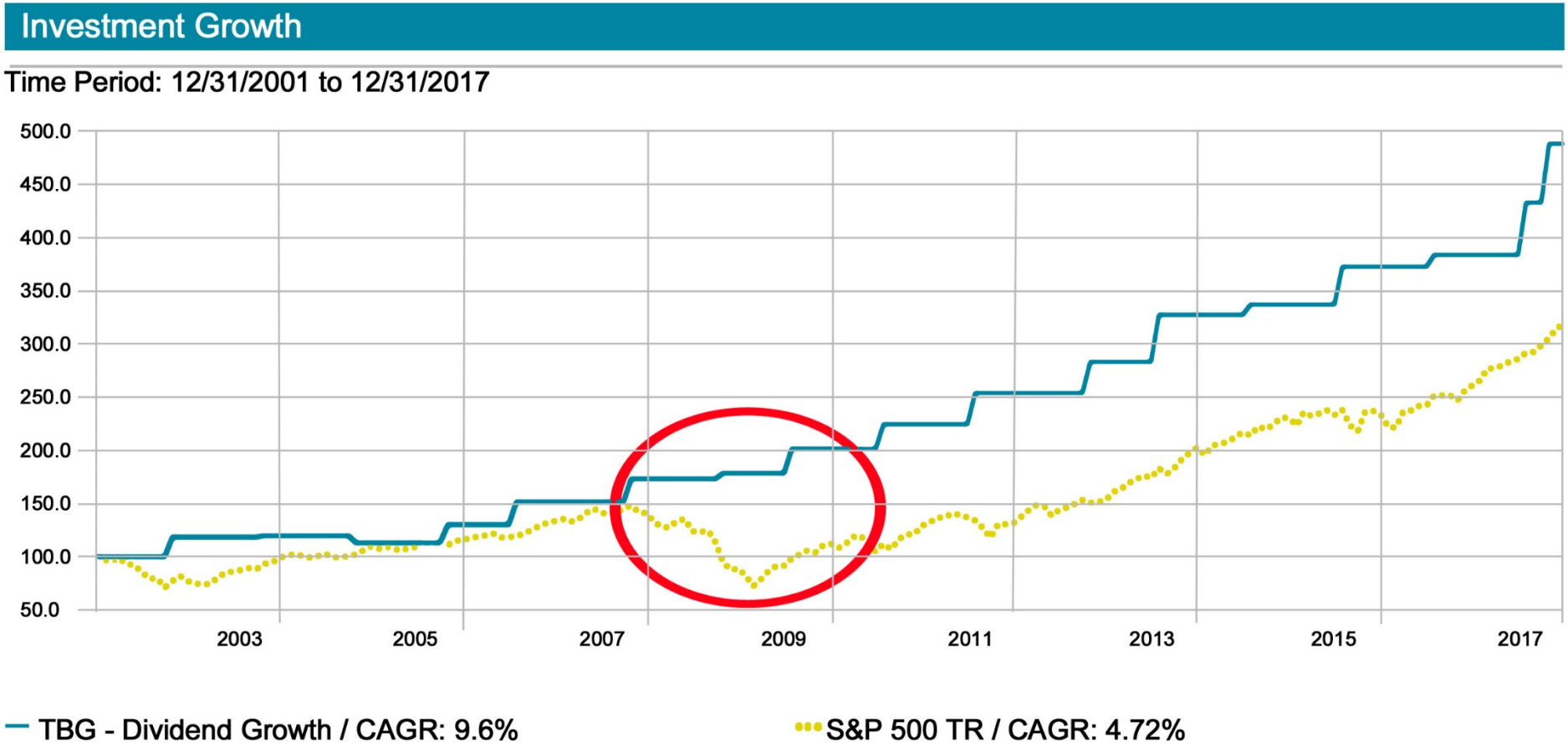

Investment Growth
Time Period: 12/31/2001 to 12/31/2017
500.0
450.0
400.0
350.0
300.0
250.0
200.0
150.0
100.0
50.0
2003
2005
2007
2009
2011
2013
2015
2017
TBG - Dividend Growth / CAGR: 9.6%
S&P 500 TR / CAGR: 4.72%

Figure 9-2

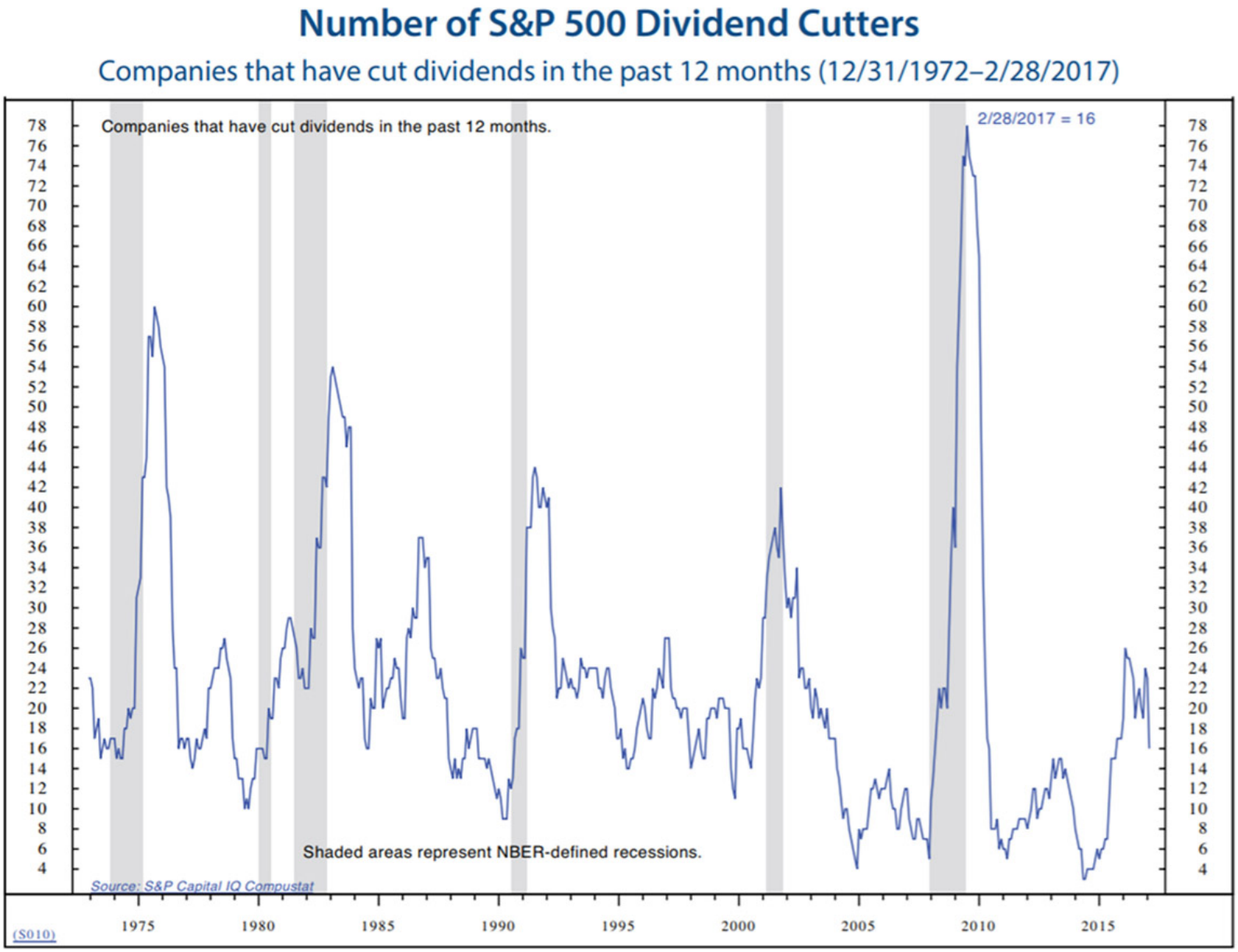


Figure 9-3

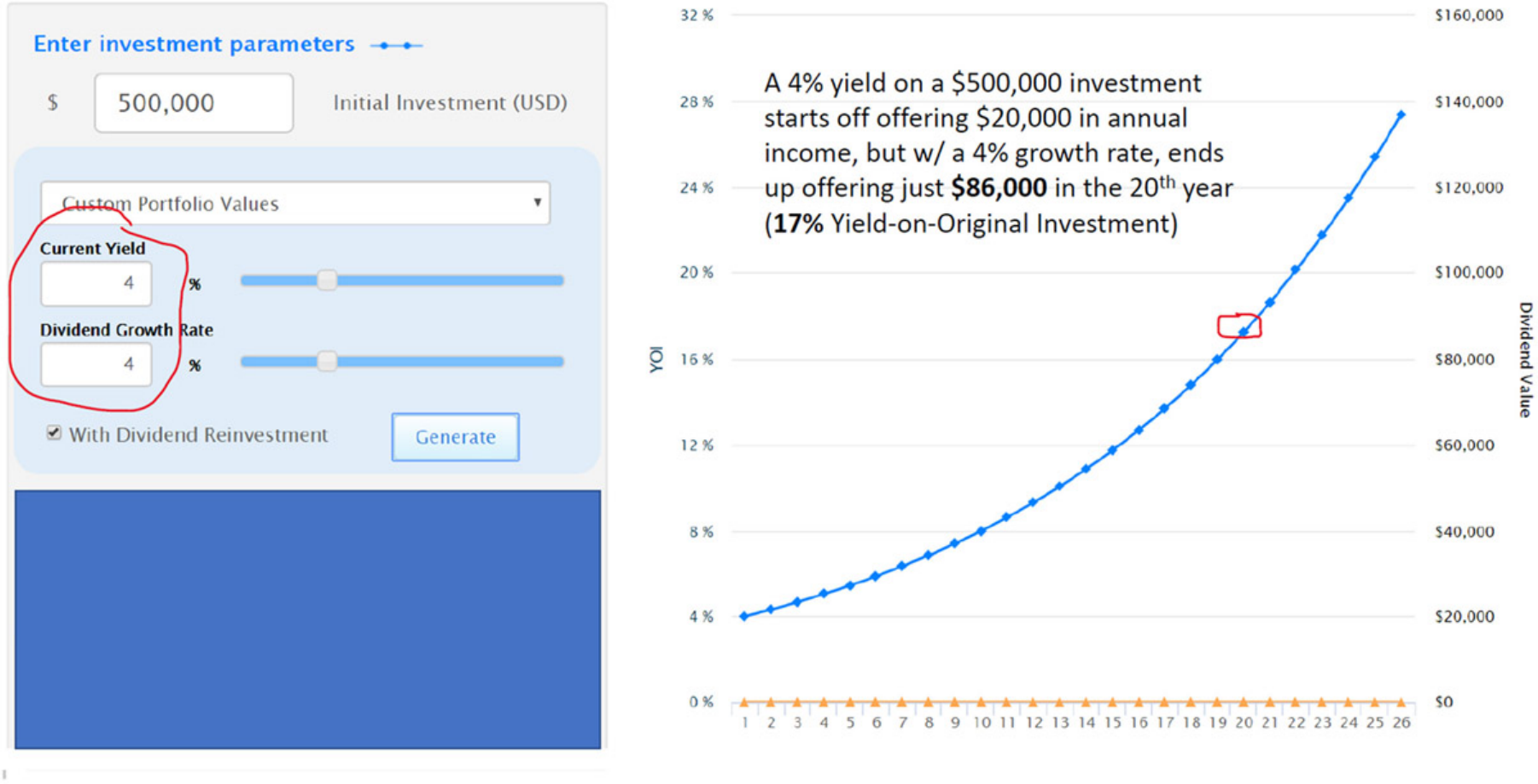

Enter investment parameters
$
500,000
Initial Investment (USD)
Custom Portfolio Values
Current Yield
4
%
Dividend Growth Rate
4
%
With Dividend Reinvestment
Generate
A 4% yield on a $500,000 investment starts off offering $20,000 in annual income, but w/ a 4% growth rate, ends up offering just $86,000 in the 20th year (17% Yield-on-Original Investment)
YOI
Dividend Value
32 %
28 %
24 %
20 %
16 %
12 %
8 %
4 %
0 %
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

Figure 10-1

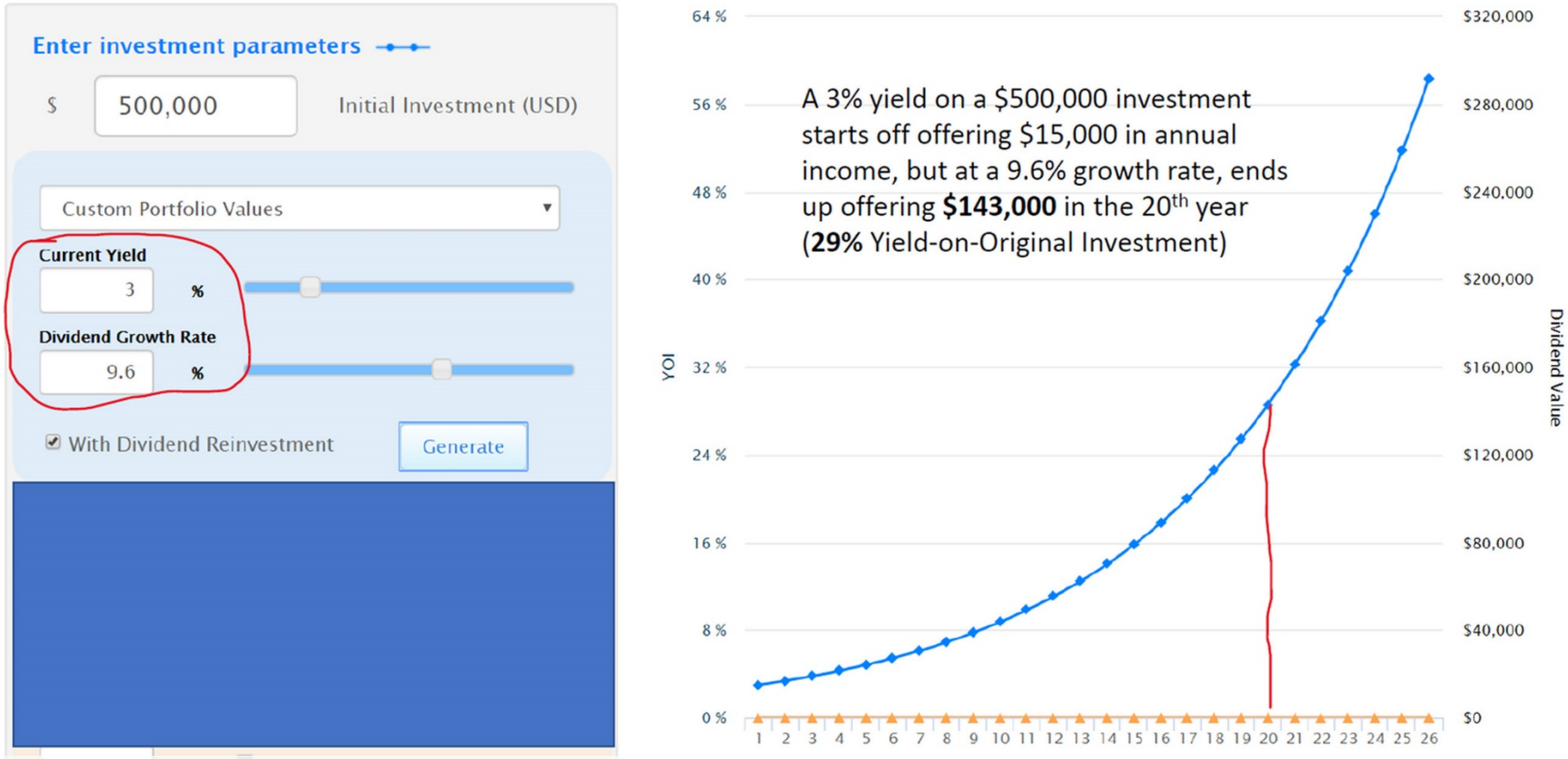

Enter investment parameters
$
500,000
Initial Investment (USD)
Custom Portfolio Values
Current Yield
3
%
Dividend Growth Rate
9.6
%
With Dividend Reinvestment
Generate
A 3% yield on a $500,000 investment starts off offering $15,000 in annual income, but at a 9.6% growth rate, ends up offering $143,000 in the 20th year (29% Yield-on-Original Investment)
YOI
64 %
56 %
48 %
40 %
32 %
24 %
16 %
8 %
0 %
Dividend Value
$320,000
$280,000
$240,000
$200,000
$160,000
$120,000
$80,000
$40,000
$0
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26

Figure 10-2


High Quality Stocks
+
High Dividend Yield
+
High Growth of Yield
=
Potential For High Return

Figure 10-3

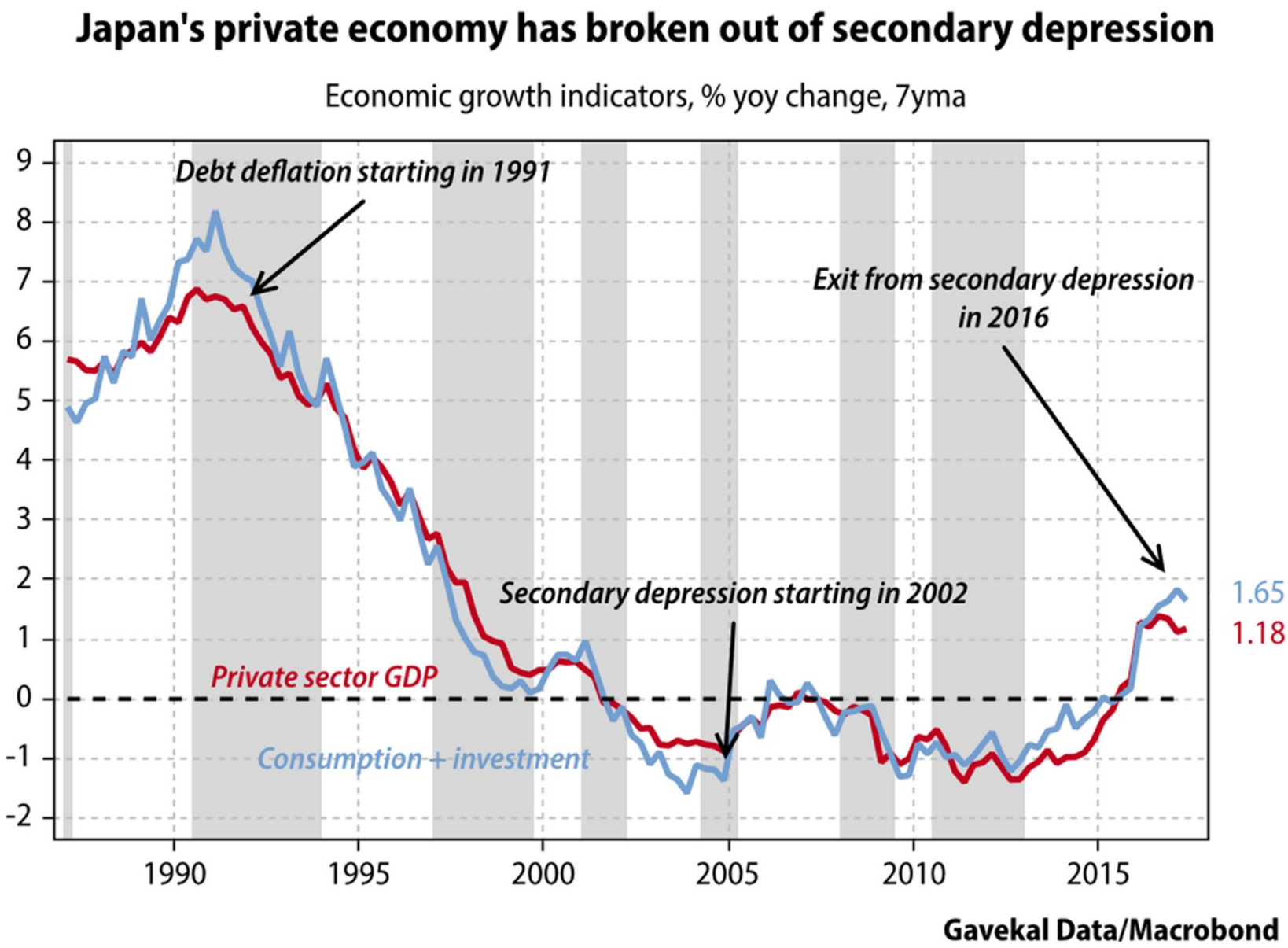

Japan's private economy has broken out of secondary depression
Economic growth indicators, % yoy change, 7yma
Debt deflation starting in 1991
Exit from secondary depression in 2016
Secondary depression starting in 2002
Private sector GDP
Consumption + investment
1.65
1.18
9
8
7
6
5
4
3
2
1
0
-1
-2
1990
1995
2000
2005
2010
2015
Gavekal Data/Macrobond

Figure A-1

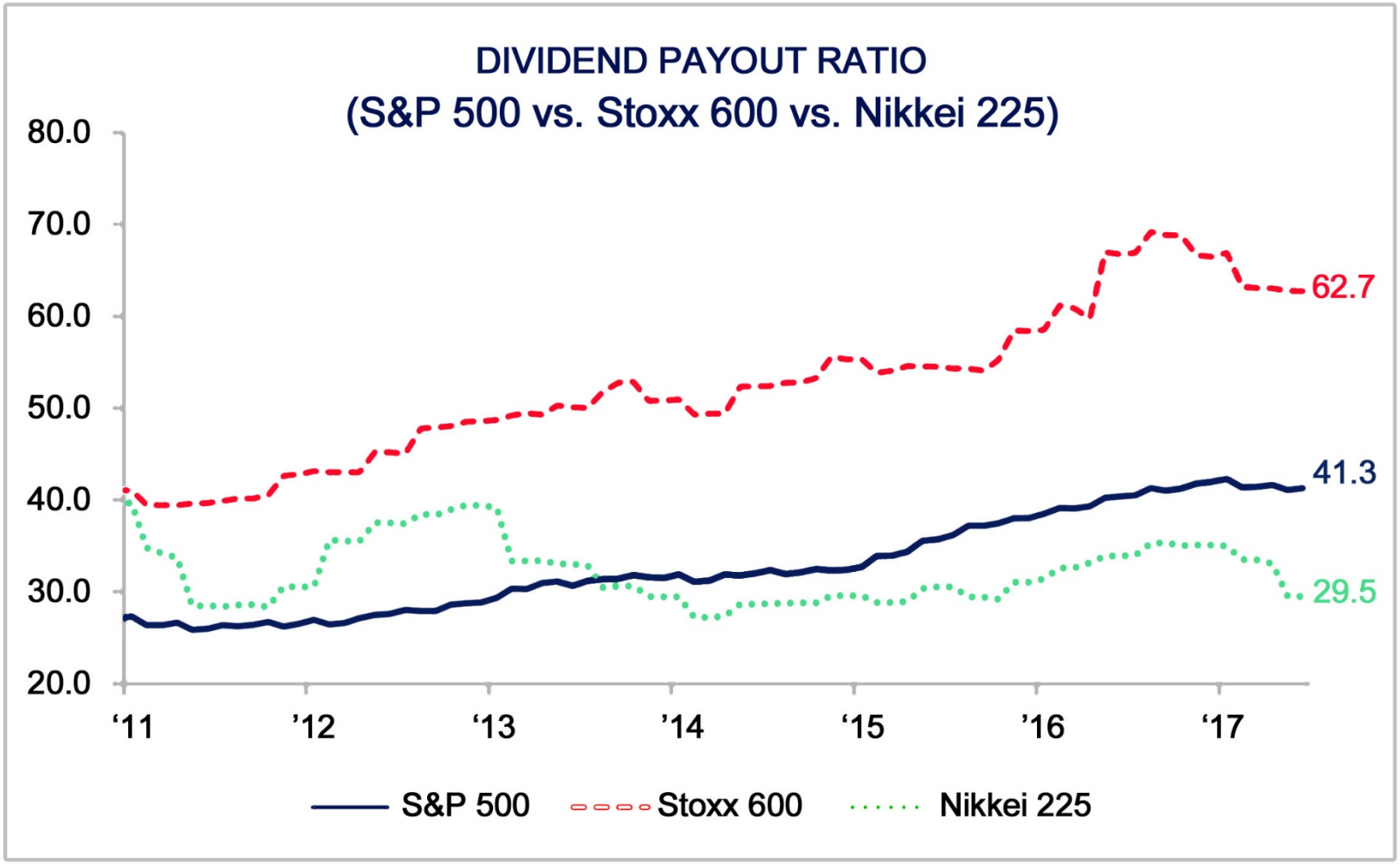

DIVIDEND PAYOUT RATIO
(S&P 500 vs. Stoxx 600 vs. Nikkei 225)
80.0
70.0
60.0
50.0
40.0
30.0
20.0
'11
'12
'13
'14
'15
'16
'17
62.7
41.3
29.5
S&P 500
Stoxx 600
Nikkei 225

Figure A-2

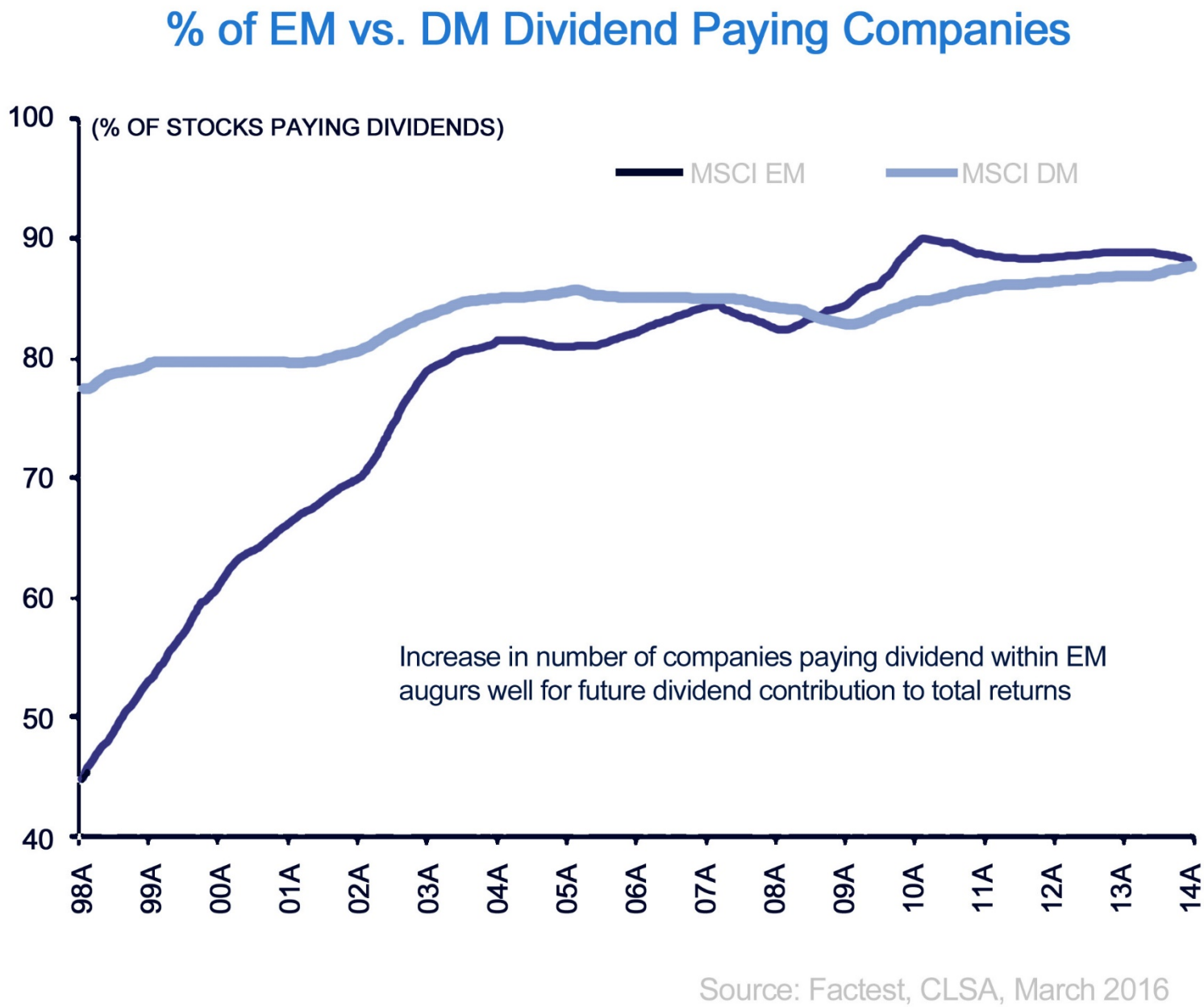

% of EM vs. DM Dividend Paying Companies
(% OF STOCKS PAYING DIVIDENDS)
MSCI EM
MSCI DM
100
90
80
70
60
50
40
Increase in number of companies paying dividend within EM augurs well for future dividend contribution to total returns
98A
99A
00A
01A
02A
03A
04A
05A
06A
07A
08A
09A
10A
11A
12A
13A
14A
Source: Factest, CLSA, March 2016

Figure A-3

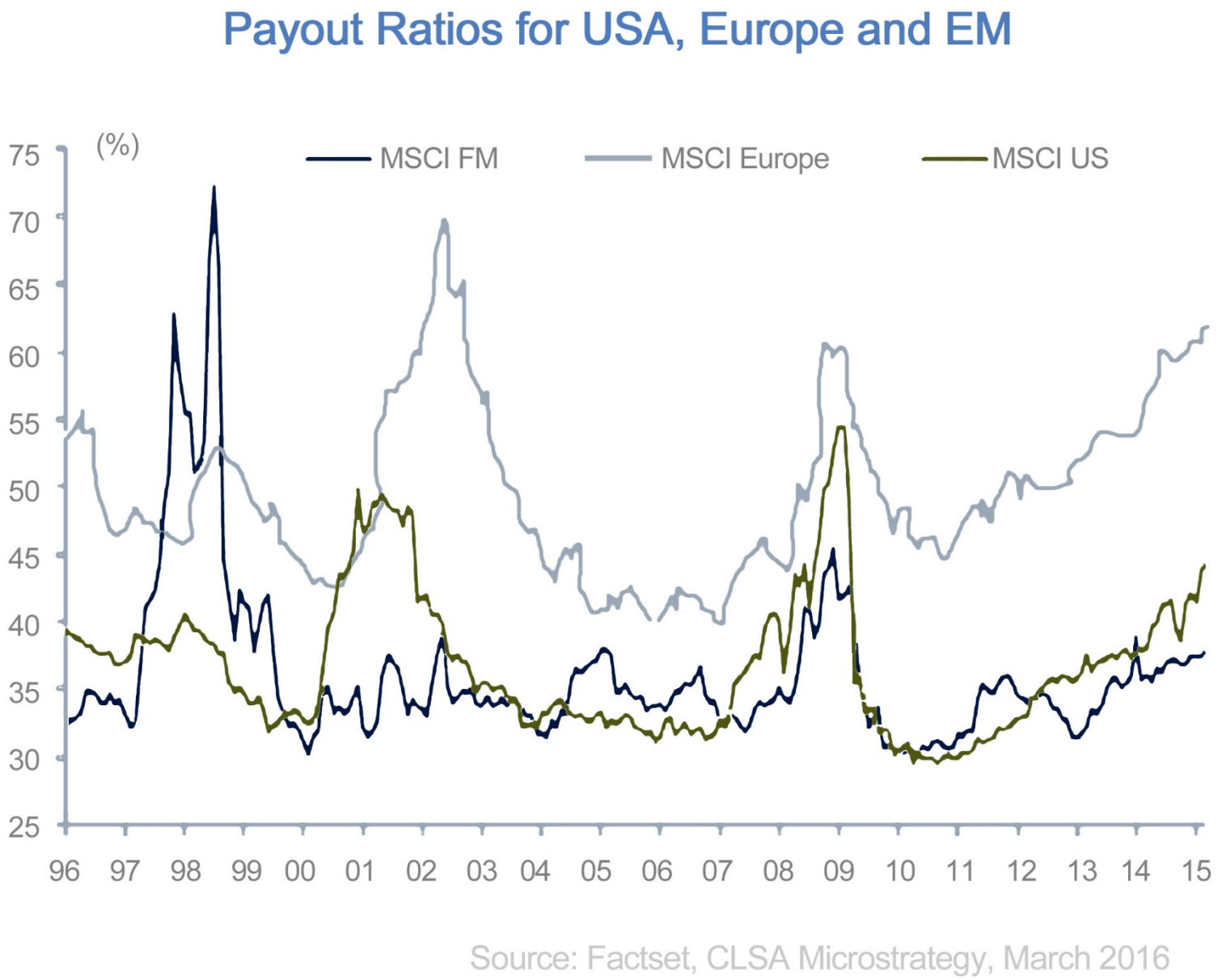
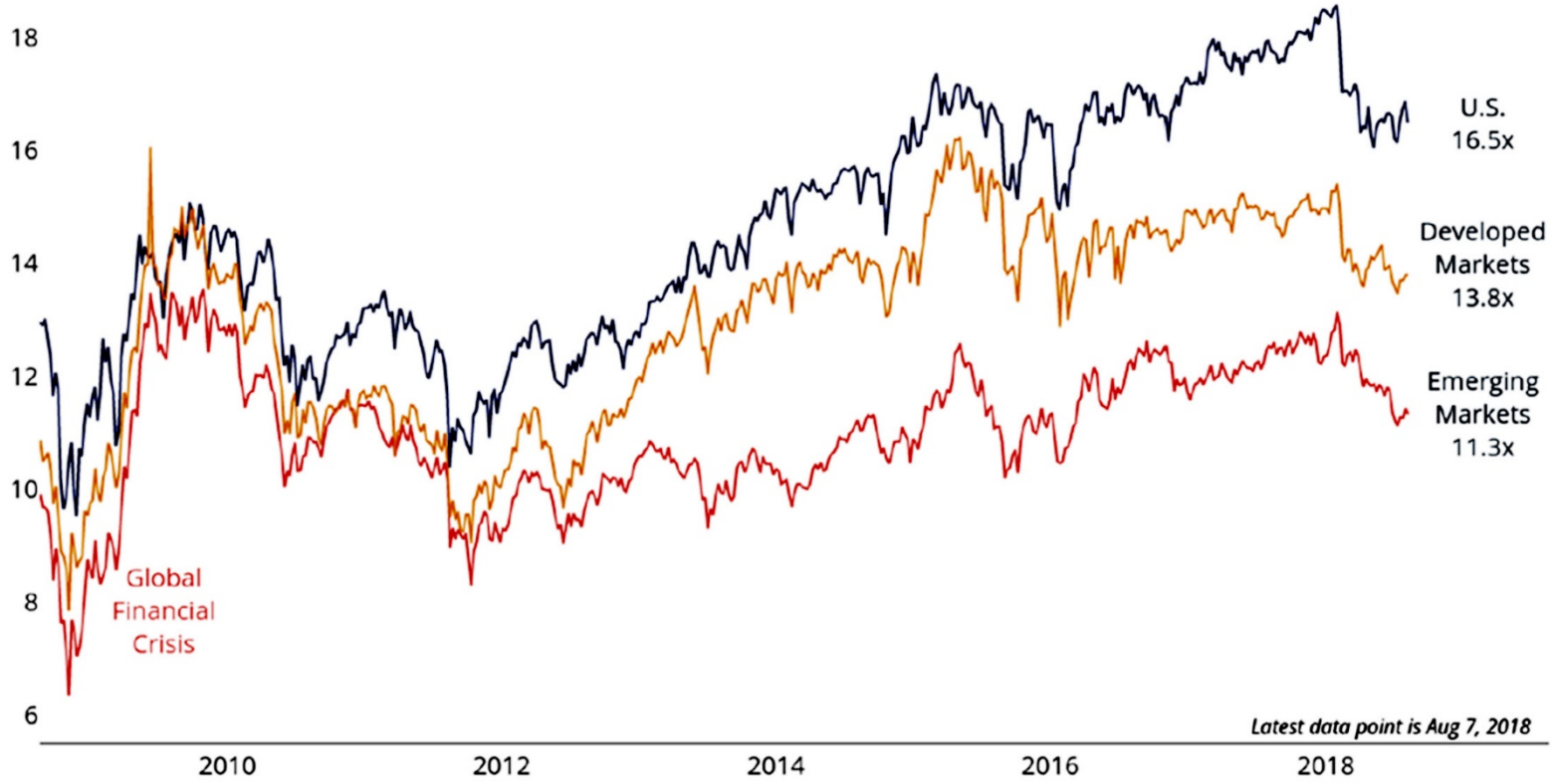

Payout Ratios for USA, Europe and EM
(%)
MSCI FM
MSCI Europe
MSCI US
75
70
65
60
55
50
45
40
35
30
25
96
97
98
99
00
01
02
03
04
05
06
07
08
09
10
11
12
13
14
15
Source: Factset, CLSA Microstrategy, March 2016

Figure A-4

Global Equity Valuations

Forward P/E Ratios for the S&P 500, MSCI EAFE and MSCI EM



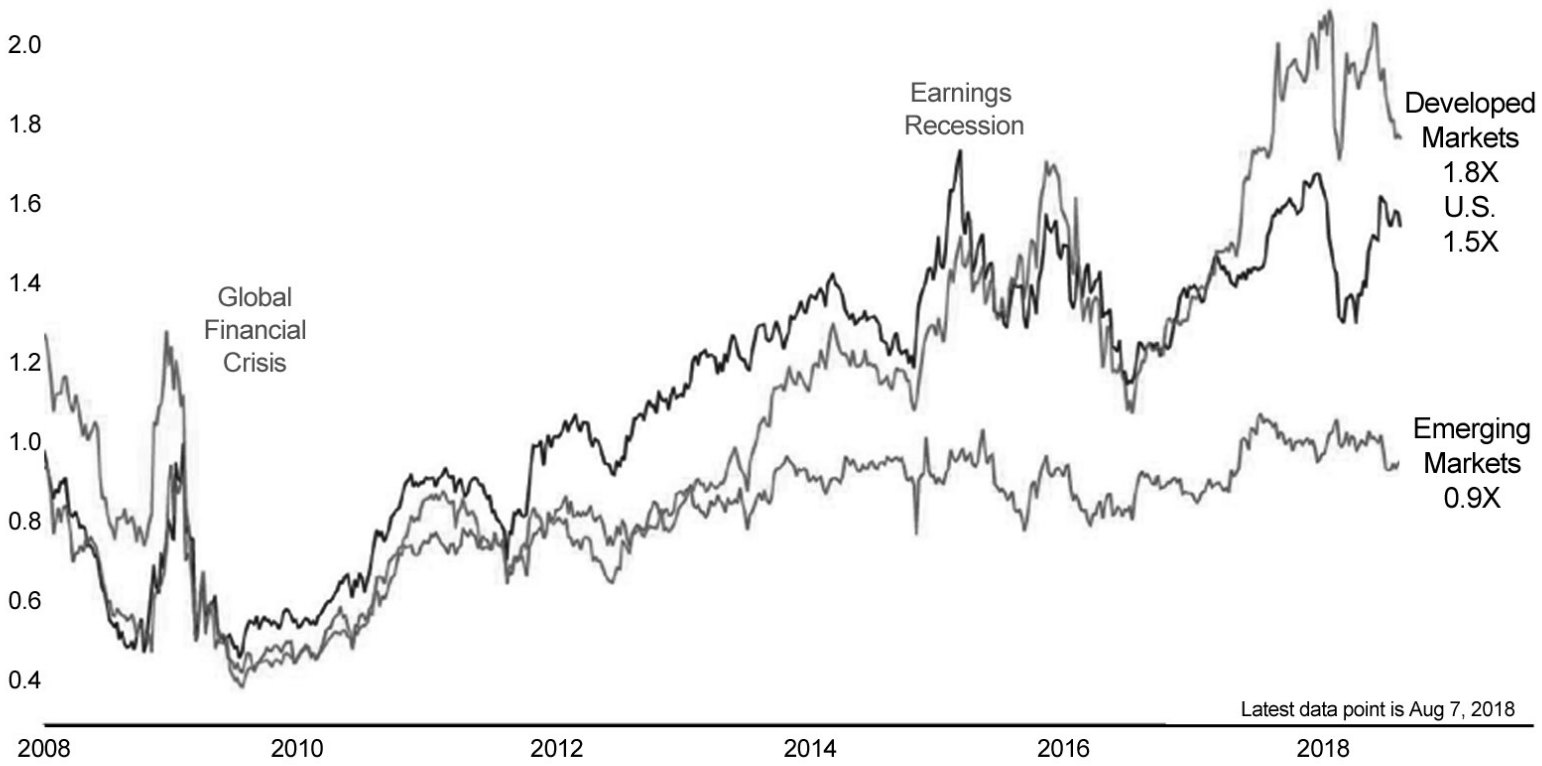
- On absolute basis, obviously the U.S. commands (and possesses) a valuation premium to other parts of the world

Source: Standard & Poor's, MSCI, Thomson Reuters

Figure A-5

Global PEG Ratios

S&P 500, MSCI EAFE, and MSCI EME. P/E and EPS growth over next 18 months



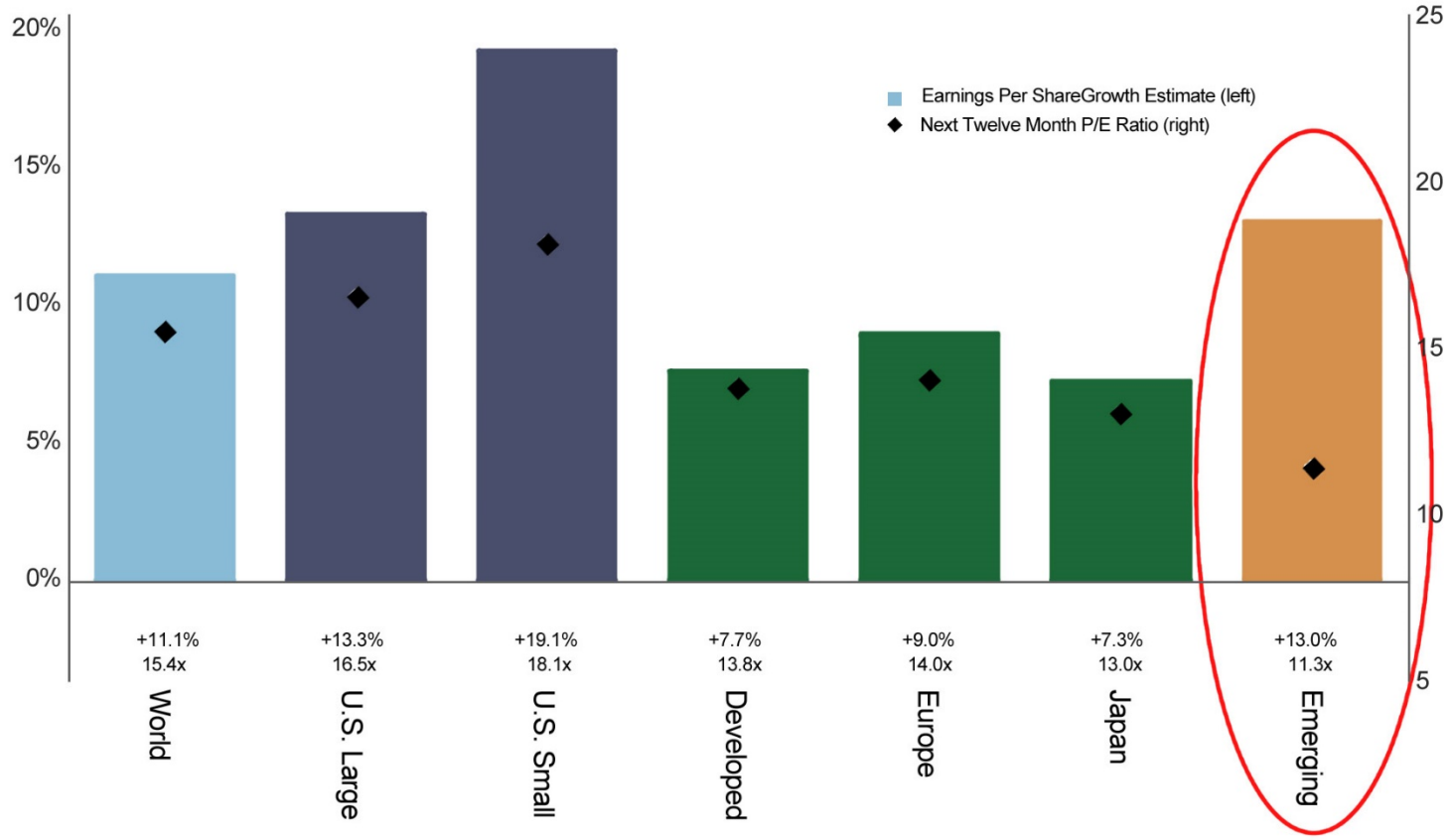
- But beyond basic nominal valuations, adjusted for actual organic growth, emerging markets are deeply under-valued on relative and absolute basis

Source: MSCI, Standard and Poor's, Thomas Reuters

Figure A-6

Global Earnings and Valuations

Earnings Growth and P/E Ratios, Next Twelve Month Estimates



- The sentiment against emerging markets is far out of balance with its earnings fundamentals

Source: MSCI, Standard and Poor's
Thomson Reuters

Figure A-7

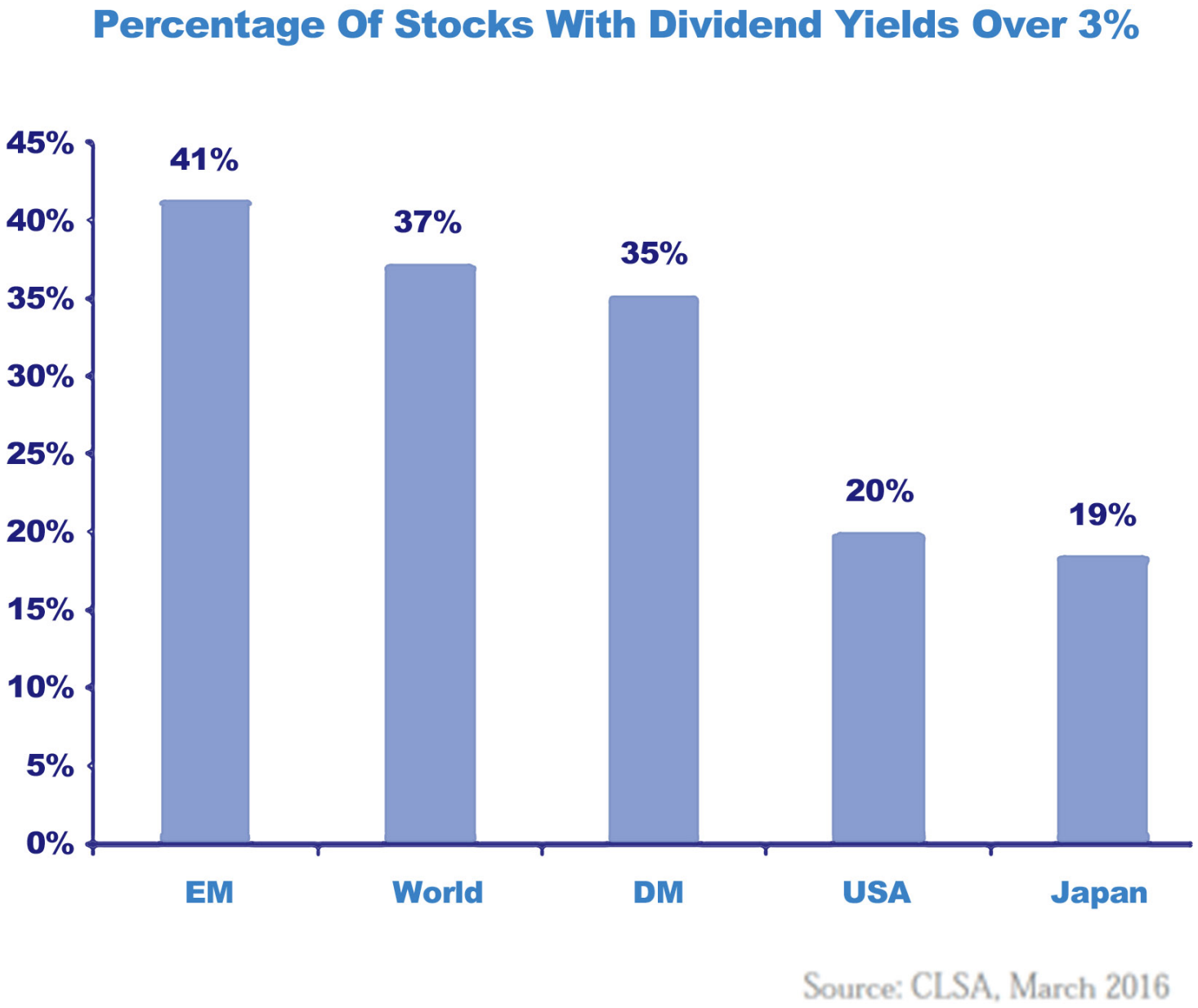

Percentage Of Stocks With Dividend Yields Over 3%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
41%
37%
35%
20%
19%
EM
World
DM
USA
Japan
Source: CLSA, March 2016

Figure A-8

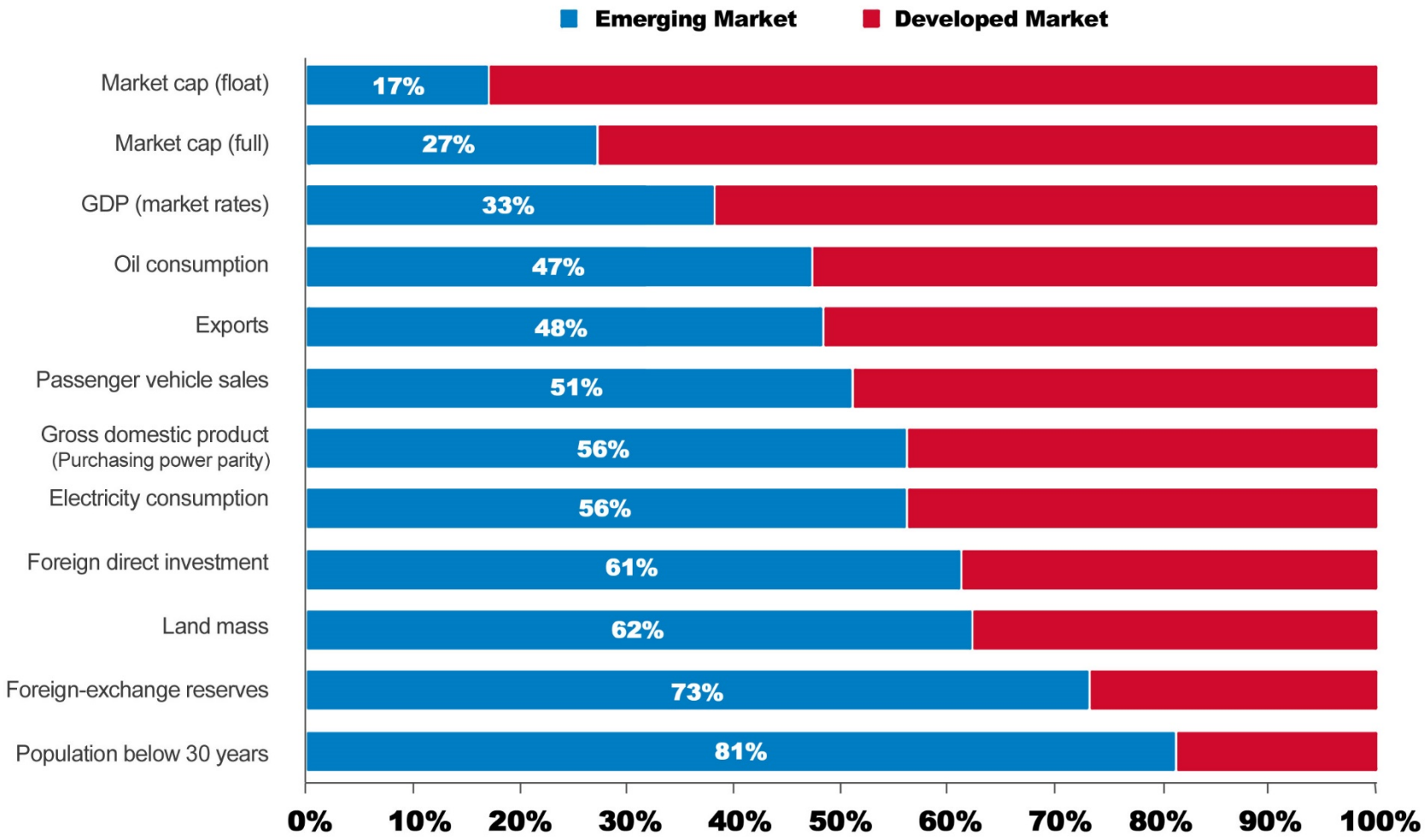

Emerging Market
Developed Market
Market cap (float)
17%
Market cap (full)
27%
GDP (market rates)
33%
Oil consumption
47%
Exports
48%
Passenger vehicle sales
51%
Gross domestic product
(Purchasing power parity)
56%
Electricity consumption
56%
Foreign direct investment
61%
Land mass
62%
Foreign-exchange reserves
73%
Population below 30 years
81%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%

Figure A-9