



The Rising Income Leaderboard

Stay a Step Ahead of Inflation

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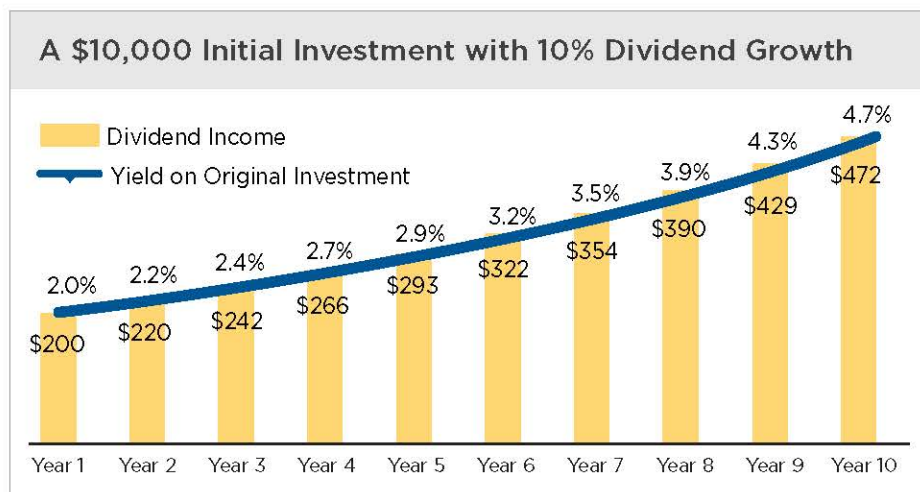
Filling up your gas tank or checking out with a cartful of groceries can quickly remind you how much inflation impacts your wallet. Retirement can stretch over 30 years or more, so inflation can be particularly worrisome as prices creep up over time. That is why it's so important for your investments to provide the potential for long-term growth and rising income, especially when preparing for retirement.

The Power of Rising Income

Companies that raise their dividends at an above-average rate can help you stay a step ahead of rising costs. These "rising income leaders" may not provide the highest dividend yields today, but they often increase their dividends faster than the rate of inflation.¹ Companies that pay dividends and grow them quickly also tend to have strong earnings growth.¹ And strong earnings growth generally translates into potential stock price growth and the opportunity for better real total returns over the long run.

However, don't ignore companies with a lower initial dividend. If a company is expected to grow its earnings and dividends at an above-average rate, the dividend may provide more income over time, compared to a company with a higher dividend today that is unable to grow. Dividend payments and the decision to increase or decrease them are voluntary and not guaranteed.

For example, imagine you bought \$10,000 of a stock with an initial dividend yield of just 2%. If the company raised its dividend annually by an average of 10%, your annual income from this investment would jump from \$200 to \$472 over a 10-year period.



Source: FactSet, Bloomberg. Hypothetical example is for illustrative purposes only and does not reflect the performance of any specific investment.

Please see important disclosures and analyst certification on Page 4 of this report.

¹ Edward Jones research.

Please see the full company research reports for important disclosures on the companies mentioned in this report. You can also contact a local Edward Jones financial advisor, or write the Research Department, Edward Jones, 12555 Manchester Road, St. Louis, MO 63131, to receive a complete company opinion.

Edward Jones
MAKING SENSE OF INVESTING

Building Your Portfolio

The average dividend yield of the companies on the Rising Income Leaderboard is similar to the market average (about 2%), and the list typically tilts toward companies in faster-growing cyclical sectors, including industrials, technology and consumer discretionary. We expect these companies to grow their dividends much faster than the historic inflation rate of about 3%.

If you need to fill any gaps in the diversification of your stock portfolio, some of the stocks on this list may provide the opportunity to add growth to your portfolio and rising income at the same time.

Realistic Expectations for Dividends

While we believe screening stocks for rising income leaders is a useful tool to help select high-quality companies with good dividend potential over the long term, dividends can be reduced or eliminated by a company at any time without notice. Due to the severity of the recession in 2008 and 2009, for example, several companies cut their dividends, chose not to raise them or even eliminated them for a period of time.

Actions for Investors

If you are thinking about owning individual stocks, talk to your financial advisor about whether companies with strong rising income potential like those on the Rising Income Leaderboard may be appropriate for you. Stocks with strong prospects for earnings and dividend growth are important, even if you don't need the income today, because reinvesting these dividends may help boost your portfolio's performance over time.

The Method Behind the Leaderboard

With a rising income strategy in mind, we developed the Rising Income Leaderboard. The strong earnings growth of the companies on the Leaderboard has enabled them to grow their dividends at an above-average rate.

The companies highlighted on the Leaderboard are screened monthly. First, we start with Edward Jones buy-recommended stocks. Second, we filter those stocks with above-average dividend growth potential. Finally, we review and select stocks whose dividend growth has been above the average company's over the past five years.

The Rising Income Leaderboard – Quick Overview

Above-average dividend potential and historical dividend growth.

As of May 3, 2021	Investment Category	Price Movement	Price as of May 03, 2021	Yield	Dividends Paid Since	Years of Div. Increases	Last Div. Increase %	L-T EPS Growth Est.	5-Yr. Trailing Div. Growth	L-T Div. Growth Est.
Buy-rated Companies										
Communication Services										
Comcast (CMCSA)	G/I	A	\$56.57	1.8%	2008	13	9%	8%	13%	9%
Activision Blizzard (ATVI)	G/I	A	\$91.15	0.5%	2010	11	15%	11%	12%	8%
Consumer Discretionary										
Lowe's (LOW)	G/I	A	\$199.20	1.2%	1961	59	10%	11%	19%	12%
Nike (NKE)	G/I	A	\$133.03	0.8%	1984	19	12%	15%	12%	10%
Starbucks (SBUX)	G/I	A	\$115.72	1.6%	2010	10	10%	13%	16%	7%
Consumer Staples										
Mondelez International (MDLZ)	G/I	BA	\$61.41	2.1%	2012	8	11%	8%	13%	10%
PepsiCo (PEP)	G/I	BA	\$145.79	2.9%	1952	49	5%	8%	8%	8%
Energy										
TC Energy (TRP)	G/I	BA	\$49.84	5.0%	1964	21	7%	6%	9%	6%
Financial Services										
American Tower (AMT)	G/I	BA	\$252.42	2.0%	2012	9	15%	12%	19%	12%
S&P Global (SPGI)	G/I	A	\$393.90	0.8%	1937	48	15%	10%	16%	10%
BlackRock (BLK)	G/I	AA	\$825.62	2.0%	2003	12	14%	10%	13%	10%
Equinix (EQIX)	G/I	A	\$711.05	1.6%	2014	7	8%	8%	10%	8%
Prologis (PLD)	G/I	A	\$116.01	2.2%	1997	8	9%	8%	8%	8%
State Street (STT)	G	A	\$84.68	2.5%	1910	0	11%	8%	9%	8%
Health Care										
Eli Lilly (LLY)	G/I	BA	\$185.92	1.8%	1885	7	15%	14%	11%	14%
Zoetis (ZTS)	G/I	A	\$175.24	0.6%	2013	8	25%	12%	21%	12%
Abbott Labs (ABT)	G/I	BA	\$119.53	1.5%	1926	49	25%	11%	12%	11%
Medtronic (MDT)	G/I	BA	\$131.20	1.6%	1977	43	7%	8%	9%	8%
Industrials										
Roper Technologies (ROP)	G/I	BA	\$445.07	0.5%	1992	28	10%	11%	13%	13%
Honeywell Int'l. (HON)	G/I	BA	\$223.20	1.7%	1887	11	3%	10%	9%	12%
Illinois Tool Works (ITW)	G/I	A	\$233.56	2.0%	1933	58	7%	10%	19%	10%
Union Pacific (UNP)	G/I	A	\$223.74	1.7%	1899	15	10%	9%	14%	9%
Snap-On (SNA)	G	A	\$238.37	2.1%	1939	11	14%	9%	15%	9%
CSX Corp. (CSX)	G/I	A	\$101.38	1.1%	1993	12	8%	9%	9%	8%
General Dynamics (GD)	G/I	A	\$191.69	2.5%	1979	24	8%	7%	9%	8%
Materials										
FMC Corp. (FMC)	G	A	\$119.06	1.6%	2006	3	9%	14%	24%	14%
Linde plc (LIN)	G/I	BA	\$288.70	1.5%	1992	28	10%	13%	7%	13%
Technology										
Visa (V)	G/I	A	\$232.61	0.6%	2008	13	7%	14%	26%	12%
Amphenol (APH)	G/I	A	\$66.25	0.9%	2005	8	16%	12%	16%	10%
Apple (AAPL)	G/I	A	\$132.54	0.6%	2012	9	7%	14%	10%	8%
Broadcom Inc. (AVGO)	G/I	A	\$450.14	3.2%	2011	9	11%	10%	59%	8%
Microsoft (MSFT)	G/I	A	\$251.86	0.9%	2003	16	10%	13%	10%	8%
Motorola Solutions (MSI)	G	A	\$188.76	1.5%	2011	10	11%	9%	12%	8%
Texas Instruments (TXN)	G/I	A	\$178.80	2.3%	1962	17	13%	8%	20%	8%
Utilities										
NextEra Energy (NEE)	G/I	BA	\$76.70	2.0%	1944	18	10%	8%	12%	10%

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Required Disclosures

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Analyst Certification

I certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. Brian Yarbrough, CFA.

Other Disclosures

Past performance is not a guarantee of future results.

Dividends can be increased, decreased or eliminated at any point without notice. Stocks are subject to market risks, including the loss of principal invested.

Diversification does not guarantee a profit or protect against loss in declining markets.

Special risks are inherent in international investing, including those related to currency fluctuations and foreign, political and economic events.

All investment decisions need to take into consideration individuals' unique circumstances such as risk tolerance, taxes, asset allocation and diversification.

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Investment Category

Growth & Income (G&I) – Large-cap companies that pay a dividend, REITs and utility companies. **Growth (G)** – Small- and mid-cap companies, excluding REITs and utility stocks, and large-cap companies that do not pay a dividend.

Price Movement

Above Average (AA): This stock will likely move up and down to a greater degree than the average stock in the S&P 500 Index. These companies are often growing faster than the average company and/or are in industries that are more sensitive to the economy.

Average (A): This stock will likely move up and down to a similar degree of the average stock in the S&P 500 Index.

Below Average (BA): This stock will likely move up and down to a lesser degree than the average stock in the S&P 500 Index. These companies are often more mature, growing slower than the average company and/or are in industries that are less sensitive to the economy.