



The Equity Income Buy List

Robin Diedrich, CFA, CFP® Senior Area Analyst

James Shanahan, CFA Senior Equity Analyst

♦ Ashtyn Evans, CFA Senior Equity Analyst

Whether you're planning for retirement, already enjoying it, or opening your first investment account, we believe dividends can be an important piece of your investment strategy. When you stop working, income may become a concern, and a regular income stream could help pay for groceries, health care costs and vacations. If additional income is not needed now, dividends can be reinvested to grow wealth for your future needs. The Edward Jones Equity Income Buy List includes attractively priced stocks with appealing dividends in each sector. Keep in mind that dividends can be increased, decreased or eliminated at any time.

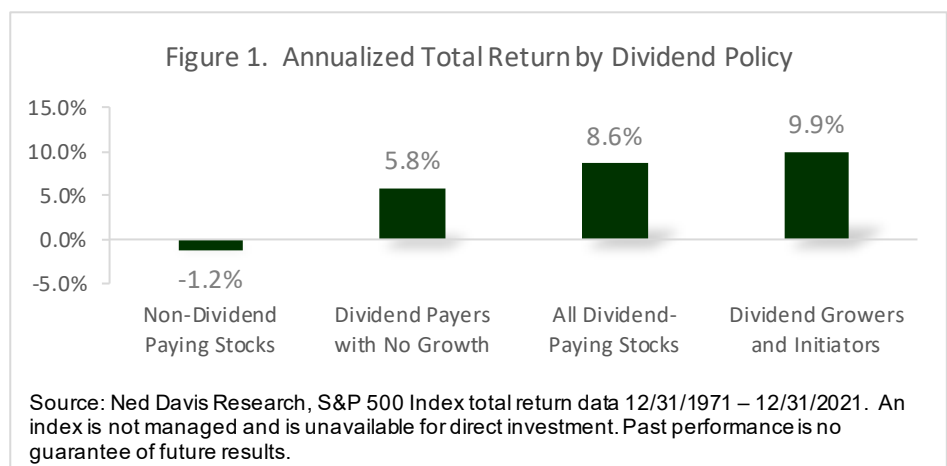
Investment Strategy Summary

The Equity Income Buy List's primary objective is to provide an above-average dividend yield with the potential for dividend increases. Secondly, this income strategy seeks to provide a competitive total return with less price volatility than the market.

The Case for Dividends

We believe dividend-paying stocks can be an important part of a complete equity portfolio. We recommend owning high-quality companies that pay an attractive dividend and are able to raise it over time. If owning individual stocks is right for you, a dividend-focused strategy offers several potential benefits including:

- **A regular income stream** – Most dividend-paying stocks pay dividends quarterly. By staggering your stock holdings based on the date they pay their dividend, you can potentially receive a dividend check every month. Our Monthly Income Strategy on Page 2 can help you accomplish this.
- **Offset inflation risk** – Inflation is a common concern when investing for a long time horizon. A stream of rising dividend income can help offset higher costs of living over time.
- **The power of reinvestment** – Dividends have been an important part of a stock's total return on investment. Historically, dividends that have been reinvested have accounted for nearly 40% of the total return on stocks.¹
- **Track record of good performance** – Over long periods of time, dividend-paying stocks have outperformed those without dividends. And the stocks of companies that grew their dividends performed even better. See Figure 1.



- **Lower volatility** - Dividends can be a signal of strong corporate financial health. Historically, stocks with attractive dividend profiles perform better during market downturns, as investors value the steadiness of dividends. See Figure 1.

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

Individuals can obtain the full research report with full disclosures on any of the companies mentioned in this report by contacting a local Edward Jones financial advisor, or write to: Edward Jones, 12555 Manchester Road, St. Louis, MO 63131. Information about research distribution is available through the Investments & Services link on edwardjones.com.

Edward Jones
MAKING SENSE OF INVESTING

How We Build the List

The stocks on the Equity Income Buy List are selected using a bottom-up approach with Buy recommendations by Edward Jones Research. Our Buy-rated stocks focus on quality companies with strong financial positions, sound fundamentals, and attractive valuations. We then apply sector and subsector diversification to this dividend-focused strategy, favoring sectors that meet our income and volatility objectives. Selected stocks typically behave more consistently than the general market with Average or Below-average price movement and display the following dividend characteristics:

1 Attractive current dividend yield.

The average dividend yield of the overall list is well above the current market yield.

Source: FactSet, S&P 500

2 Solid track record of paying and growing the dividend. The average dividend increase for the list is approximately 8% over the past 12 months.

Source: FactSet, S&P 500

3 Continuing ability to pay and grow dividends over time.

Rising income can help offset the impact of inflation.

Portfolio Fit: Equity vs. Fixed Income

The Equity Income Buy List may be included as part of the overall equity portion of a diversified portfolio. Many of the stocks on the list are large-sized companies that satisfy the Growth & Income Investment Category. Keep in mind, dividend-paying stocks are not a replacement for fixed-income investments. We believe you should have adequate exposure to bonds to fulfill the income allocation that is consistent with your overall investment objective. Bonds offer investors attractive diversification benefits, as they typically move in the opposite direction from stocks.

Plan for Monthly Income

Most dividends are paid quarterly, but companies pay their dividends during different months. By selecting one stock from each column in the following chart, you can potentially receive dividend payments every month of the year.

January, April, July, October	February, May, August, November	March, June, September, December	
Allstate (ALL)	Lowe's (LOW)	Ameren (AEE)	IBM (IBM)
BCE, Inc. (BCE)	Procter & Gamble (PG)	BlackRock (BLK)	Johnson & Johnson (JNJ)
Cisco Systems (CSCO)	Starbucks (SBUX)	Broadcom (AVGO)	Kellogg (K)
Equity Residential (EQR)	Texas Instruments (TXN)	Chevron (CVX)	Linde (LIN)
Illinois Tool Works (ITW)	Verizon Comm. (VZ)	Digital Realty Trust (DLR)*	Lockheed Martin (LMT)
JP Morgan Chase (JPM)		Duke Energy (DUK)	PepsiCo (PEP)*
Medtronic (MDT)		Eli Lilly (LLY)	Pfizer (PFE)
Merck (MRK)		Enbridge (ENB)	Truist (TFC)
Omnicom Group (OMC)		Honeywell (HON)	United Parcel Service (UPS)
Regions Financial (RF)			*pays Dec. dividend in Jan
State Street (STT)			

Actions for Investors: Talk with your financial advisor about appropriate ways to include dividend-paying stocks for your current and rising income needs as part of your overall portfolio.

Performance as of December 31, 2021

Dividend Yield & Growth	Equity Income Buy List	Russell 1000 Value	S&P 500
Current Yield %	2.8	1.8	1.2
1 YR Dividend Growth %	6.7	1.1	1.6

Total Return %	YTD	1 YR	5 YR	10 YR
Equity Income Buy List	26.2	26.2	14.4	13.4
Russell 1000 Value	25.2	25.2	11.2	13.0
+/- Index	+1.0	+1.0	+3.2	+0.5

Source: Morningstar & Factset. All periods show annualized returns. All data is for the period ending December 31, 2021. Past performance is not a guarantee of future results. Since inception in April 2005, the Edward Jones Equity Income Buy List has provided an average total return of 10.8% compared to 8.4% for the Russell 1000 Value Index and 10.9% for the S&P 500. Total returns assume reinvestment of dividends, capital appreciation and an annual management fee of 0.30% (prior to 2009 a transaction fee of 1% was assessed). The investment return and principal value of an investment will fluctuate. An investor's equity, when liquidated, may be worth more or less than the original cost. Performance results do not represent actual trading or the performance of an actual account. The Russell 1000 Value Index and the S&P 500 are unmanaged indexes and unavailable for direct investment.

The Equity Income Buy List – Quick Overview

The Equity Income Buy List is designed to provide an above-average dividend yield and the potential for rising income. The list includes a mix of stocks from all industry sectors. We recommend owning individual stocks within a diversified portfolio as appropriate for each portfolio objective. All stocks on the list are rated “Buy.”

Company and Symbol	Price as of 1/13/2022	Yield	Annual Dividend	Dividends Paid Since	Consecutive Years Increased	% Last Div. Increase	LT Dividend Growth Est.	Price Movement
Communication Services								
BCE Inc. (BCE)	\$52.89	5.29%	\$2.80	1881	13	5%	4%	Below Average
Omnicom Group (OMC)	\$78.89	3.55%	\$2.80	1986	1	8%	5%	Average
Verizon Communications (VZ)	\$53.52	4.78%	\$2.56	1984	15	2%	2%	Below Average
Consumer Discretionary								
Lowe's (LOW)	\$250.70	1.28%	\$3.20	1961	60	33%	12%	Average
Starbucks (SBUX)	\$102.40	1.91%	\$1.96	2010	11	9%	7%	Average
Consumer Staples								
Kellogg (K)	\$66.84	3.47%	\$2.32	1923	1	2%	4%	Below Average
PepsiCo (PEP)	\$174.18	2.47%	\$4.30	1952	49	5%	8%	Below Average
Procter & Gamble (PG)	\$158.29	2.20%	\$3.48	1890	65	10%	6%	Below Average
Energy								
Chevron (CVX)	\$126.80	4.23%	\$5.36	1912	34	4%	4%	Below Average
Enbridge (ENB)	\$41.75	6.44%	\$2.69	1952	27	3%	4%	Average
Financial Services								
Allstate (ALL)	\$124.16	2.61%	\$3.24	1993	11	50%	5%	Average
BlackRock (BLK)	\$867.58	2.25%	\$19.52	2003	13	18%	10%	Above Average
Digital Realty Trust (DLR)	\$157.62	2.94%	\$4.64	2005	16	4%	7%	Average
Equity Residential (EQR)	\$91.47	2.63%	\$2.41	1993	3	6%	5%	Below Average
JP Morgan Chase (JPM)	\$168.23	2.38%	\$4.00	1827	1	11%	7%	Average
Regions Financial (RF)	\$25.03	2.72%	\$0.68	1984	1	10%	7%	Above Average
State Street Corp (STT)	\$103.44	2.20%	\$2.28	1910	1	10%	8%	Average
Truist Financial Corporation (TFC)	\$66.77	2.88%	\$1.92	1995	1	7%	8%	Average
Health Care								
Eli Lilly (LLY)	\$249.67	1.57%	\$3.92	1885	8	15%	14%	Below Average
Johnson & Johnson (JNJ)	\$168.76	2.51%	\$4.24	1944	59	5%	6%	Below Average
Medtronic PLC (MDT)	\$108.78	2.32%	\$2.52	1977	44	9%	8%	Below Average
Merck & Co. (MRK)	\$81.32	3.39%	\$2.76	1935	11	6%	6%	Below Average
Pfizer Inc. (PFE)	\$55.54	2.88%	\$1.60	1901	13	3%	3%	Below Average
Industrials								
Honeywell Intl (HON)	\$219.43	1.79%	\$3.92	1887	12	5%	10%	Below Average
Illinois Tool Works (ITW)	\$247.01	1.98%	\$4.88	1933	59	7%	10%	Average
Lockheed Martin (LMT)	\$365.18	3.07%	\$11.20	1995	20	8%	6%	Below Average
United Parcel Service (UPS)	\$210.47	1.94%	\$4.08	2000	11	1%	7%	Average
Materials								
Linde PLC (LIN)	\$333.41	1.27%	\$4.24	1992	28	10%	11%	Below Average
Technology								
Broadcom Inc. (AVGO)	\$597.19	2.75%	\$16.40	2011	10	14%	9%	Average
Cisco Systems (CSCO)	\$61.50	2.41%	\$1.48	2011	10	3%	4%	Average
IBM (IBM)	\$134.76	4.87%	\$6.56	1916	26	1%	2%	Average
Texas Instruments (TXN)	\$184.15	2.50%	\$4.60	1962	18	13%	8%	Average
Utilities								
Ameren (AEE)	\$88.86	2.48%	\$2.20	1906	8	7%	7%	Below Average
Duke Energy (DUK)	\$104.15	3.78%	\$3.94	1926	14	2%	4%	Below Average
LIST AVERAGE		2.87%				9%	7%	

Please see the individual research reports for additional information, including disclosures, analyst certifications, valuation and risks specific to each company.

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. Robin Diedrich, CFA, CFP®; James Shanahan, CFA; Ashtyn Evans, CFA

Required Research Disclosures

Analysts receive compensation that is derived from revenues of Edward Jones as a whole which include, but are not limited to, investment banking revenue.

Other Disclosures

This report does not take into account your particular investment profile and is not intended as an express recommendation to purchase, hold or sell particular securities, financial instruments or strategies. You should contact your Edward Jones Financial Advisor before acting upon any Edward Jones Research Rating referenced.

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

It is the policy of Edward Jones that analysts or their associates are not permitted to have an ownership position in the companies they follow directly or through derivatives.

This opinion is based on information believed reliable but not guaranteed. The foregoing is for INFORMATION ONLY. Additional information is available on request.

In general, Edward Jones analysts do not view the material operations of the issuer.

Past performance is no guarantee of future results.

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

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

Dividends can be increased, decreased or eliminated at any time without notice.

An index is not managed and is unavailable for direct investment.

Opinion Rating Definition:

Buy (B) - We believe the valuation is attractive and total return potential is above average over the next 3-5 years compared with industry peers.

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.