

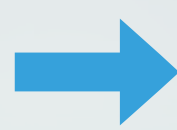
DEMYSTIFYING DIVIDENDS

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Bahl & Gaynor
Investment Counsel

What is a Dividend?

A dividend is a type of return on investment – a distribution of a portion of a company's profits to shareholders.

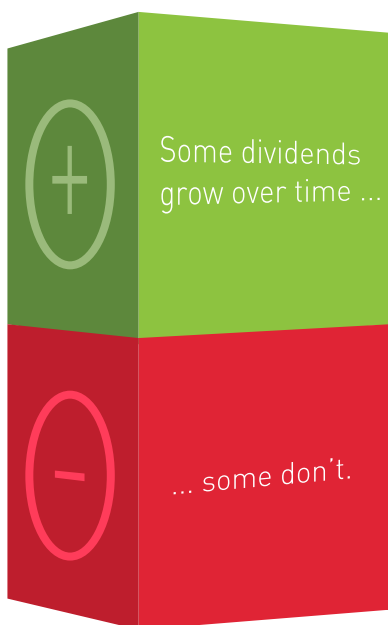


What do Dividends Offer?

<p>Reliable Income</p>	<p>Freedom to spend/ use as you want</p>	<p>Downside protection</p>	<p>Opportunity to stabilize and enhance returns</p>	<p>Compounded Income Growth</p>
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Why Dividend Growth Matters

Dividend growth investing is a strategy that focuses on companies which regularly raise dividends.



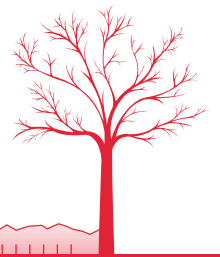
Benefits of Growing Dividends

- + Management confidence in the business
- + Financial health
- + Tangible proof of stock's value



Risks of Non-Growing Dividends

- Erosion of purchasing power
- Stock price stagnation
- Unsustainable payout



Dividend Growth Stocks in a Portfolio

Diversification in an equity portfolio can take many forms including diversification by:

- Market Sector
- Position size
- Dividend income contribution

Building a sustainable dividend growth portfolio means striking the right balance between income and growth by utilizing:

- Higher yielding/slower dividend growth stocks that provide greater income now, and
- Lower yielding/higher dividend growth stocks that provide more income later

A high-quality, dividend growth stock portfolio can provide:

- More downside stability, especially in challenging markets
- Greater consistency – a smoother ride – over time
- A solid foundation for total return, as dividends have accounted for 42% of total S&P 500 return on average since the 1920s



Learn more about how Bahl & Gaynor helps clients attain a growing stream of income while preserving their hard-earned capital at bahl-gaynor.com