D|A|DAVIDSON

Individual Investor
Group Research

Dividend Achievers

April 2016

D|A|DAVIDSON

The Strength of Advice®

Please refer to page 18
of this report for detailed disclosure
and certification information

Dividend Achievers Philosophy

High Quality Growth & Income Strategy

The D.A. Davidson & Co. Dividend Achievers Model Portfolio is made up of stocks that have a minimum 10-year history of consecutive dividend increases and have a positive outlook for future growth. We expect the overall dividend yield for the portfolio to be above the average market yield. The goal of the portfolio is to emphasize consistent income with a growth component while minimizing risk.

Although we may not have holdings in all sectors at all times, we maintain diversity across most economic sectors. While this can at times reduce the amount of the dividend yield, it will also reduce the overall risk profile to investors. We endeavor to minimize portfolio turnover in order to minimize potential capital gains liability.

We believe that companies with a long history of increasing their dividends have proven themselves able to successfully manage through changes in the economy and within their individual industries. Companies that have gained Dividend Achiever status tend to be large-cap, multi-national firms, and are generally leaders in their industries with strong, consistent management teams.

Increased market volatility has had a significant impact on investors' portfolios over the past few years. We have found that the focus on high income and low portfolio turnover taken by the D.A. Davidson Dividend Achievers Model Portfolio has enabled the portfolio to significantly outperform the market during down years, yet still provide reasonable returns during periods of higher market performance.

The stocks included in the portfolio are selected and supervised by members of D.A. Davidson's Individual Investor Group Research and it is actively managed.

Dividend Achievers Portfolio

High Quality Growth & Income Strategy

Dividend Achievers Portfolio	3/31 Price	Total Return YTD	3 Mo.	1 Mo.	EPS Estimates FY1	FY2	P/Earnings Ratios FY1	FY2	Yield %
Dividend Achievers	—	**6.7%**	6.7%	6.3%	—	—	—	—	2.9%
S&P 500	2,059.74	**1.3%**	1.3%	6.8%	$119.30	$135.49	17.3x	15.2x	2.2%

Dividend Achievers Stocks	Ticker	'15 Year-End or '16 Add Price Date	Price	3/31 Price	Total Return YTD	3 Mo.	1 Mo.	Dividend Statistics Payout Ratio	10-Year CAGR	# of Years Increases	Paid Since	Yield %
Energy												
Exxon Mobil Corporation	XOM	12/31	$77.95	**$83.59**	**8.2%**	8.2%	4.3%	74.8%	9.7%	33	1882	3.5%
Industrials												
Emerson Electric Co.	EMR	12/31	$47.83	**$54.38**	**14.9%**	14.9%	11.4%	63.3%	8.4%	60	1947	3.5%
United Technologies Corporation	UTX	12/31	$96.07	**$100.10**	**5.0%**	5.0%	3.6%	39.8%	11.3%	22	1936	2.6%
Consumer Discretionary												
Genuine Parts Company	GPC	12/31	$85.89	**$99.36**	**16.5%**	16.5%	11.0%	52.5%	6.9%	60	1948	2.6%
Consumer Staples												
Kimberly-Clark Corporation	KMB	12/31	$127.30	**$134.51**	**6.4%**	6.4%	4.0%	60.8%	7.1%	44	1935	2.7%
Procter & Gamble Company	PG	12/31	$79.41	**$82.31**	**4.6%**	4.6%	2.5%	66.6%	9.2%	60	1890	3.3%
Health Care												
CVS Health Corporation	CVS	2/19	$97.59	**$103.73**	**6.3%**	—	6.8%	26.6%	25.5%	13	1995	1.6%
Johnson & Johnson	JNJ	12/31	$102.72	**$108.20**	**6.1%**	6.1%	2.8%	47.2%	8.8%	53	1944	2.8%
Novartis AG	NVS	12/31	$86.04	**$72.44**	**-13.1%**	-13.1%	1.9%	54.1%	9.5%	19	1996	3.1%
Financials												
Chubb Limited	CB	12/31	$116.85	**$119.15**	**2.5%**	2.5%	3.7%	27.2%	11.6%	23	1993	2.2%
Information Technology												
Automatic Data Processing, Inc.	ADP	12/31	$84.72	**$89.71**	**6.5%**	6.5%	6.6%	65.7%	12.2%	40	1974	2.4%
International Business Machines Corporation	IBM	12/31	$137.62	**$151.45**	**11.2%**	11.2%	15.6%	33.5%	20.4%	20	1913	3.4%
Microsoft Corporation	MSFT[(A)]	12/31	$55.48	**$55.23**	**0.3%**	0.3%	8.5%	49.1%	15.0%	13	2003	2.6%
Telecommunication Services												
AT&T Inc.	T[(A)]	12/31	$34.41	**$39.17**	**15.4%**	15.4%	6.0%	70.3%	3.8%	31	1881	4.9%
Utilities												
NextEra Energy, Inc.	NEE	12/31	$103.89	**$118.34**	**14.8%**	14.8%	4.9%	53.7%	8.1%	20	1945	2.9%

Dividend Achievers Performance Statistics	2009	2010	2011	2012	2013	2014	2015	2016	Since Inception Cumulative	Annualized
Dividend Achievers Model Portfolio Performance	13.8%	17.3%	12.9%	13.7%	24.6%	10.3%	2.6%	6.7%	165.8%	9.8%
S&P 500 Return	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	1.3%	115.9%	7.6%
Relative Performance	-12.7%	2.2%	10.8%	-2.3%	-7.8%	-3.4%	1.2%	5.3%	50.0%	2.2%

Dividend Achievers Portfolio Composition Statistics	2010	2011	2012	2013	2014	2015	2016
Average Number of Companies	15	15	15	15	15	15	15
Added	1	0	1	1	1	2	1
Removed	1	0	1	1	1	2	1

Notes:
- Benchmark forecast earnings are FactSet consensus operating EPS estimates for the S&P 500 (top down), DJIA (bottom up), and NASDAQ Composite.
- YTD Total Return for period 12/31/2014 - 3/31/2016. For stocks added to the Dividend Achievers Model Portfolio in 2015, YTD Total Return is calculated from the date it was added through 3/31/2016. All prices and return information reflect closing prices. Novartis dividend assumes USD/CHF conversion rate as of 3/5/15 and 15% foreign tax withholding
- CVS Corp. (CVS) added on 2/19/16
- McDonald's Corp. (MCD) removed on 2/19/16

[(A)] D. A. Davidson & Co. makes a market in this security.

Model Portfolio inception date for the Dividend Achievers Model Portfolio is 10/6/2005.
Dividend Achievers is currently prepared by James Ragan, CFA, and Matthew Griffith, CFA.
Sources: D.A. Davidson & Co., FactSet, Morningstar Equity Research

Dividend Achievers Exxon Mobil Corporation (XOM)

Price (4/14/16)	$85.43

DIVIDEND STATISTICS

Dividend & Yield	$2.92 / 3.42%
Dividend paid since	1882
# of Consecutive Increases	33 years
10-yr. Annualized Dividend Growth	9.7%
Dividend Payout	75%

KEY STATISTICS

52-wk. Price Range	$67 - $90
Average Daily Volume (3mo.)	16,004,543
Market Value	$354.8 billion
Shares Outstanding (m)	4,153
Cash per share	$0.89
Book Value per share	$41.10

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	22.2x	22.2x	8.8x	12.3x	1.2x
P/Book	2.1x	2.9x	1.8x	2.3x	0.8x
P/Cash Flow	11.8x	11.0x	6.1x	8.3x	1.0x
P/Sales	1.5x	1.5x	0.8x	1.1x	0.8x
EV/EBITDA	12.8x	12.8x	5.1x	7.4x	1.1x
EV/Sales	1.7x	1.7x	0.8x	1.1x	0.7x
Div. Yield	3.4%	3.8%	2.0%	2.7%	1.7x
LTD/Capital	10%	10%	4%	6%	0.2x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	-35.1%	-17.4%	-7.1%	-3.2%
EBIT	-62.2%	-36.3%	-20.2%	-12.5%
EBITDA	-39.8%	-22.2%	-10.8%	-6.3%
Net Income	-50.3%	-28.8%	-11.9%	-7.7%
EPS (Diluted)	-49.3%	-26.5%	-9.1%	-3.9%
Dividends	6.7%	9.7%	10.6%	9.7%

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Exxon Mobil (XOM) is an integrated oil and gas company that searches for, produces, and refines oil around the world. The Company is the world's largest refiner and one of the world's largest manufacturers of commodity and specialty chemicals. In 2014, XOM produced 2.1 million barrels of oil and 11.1 billion cubic feet of natural gas a day. The Company was founded by John D. Rockefeller in 1882 and is headquartered in Irving, TX.

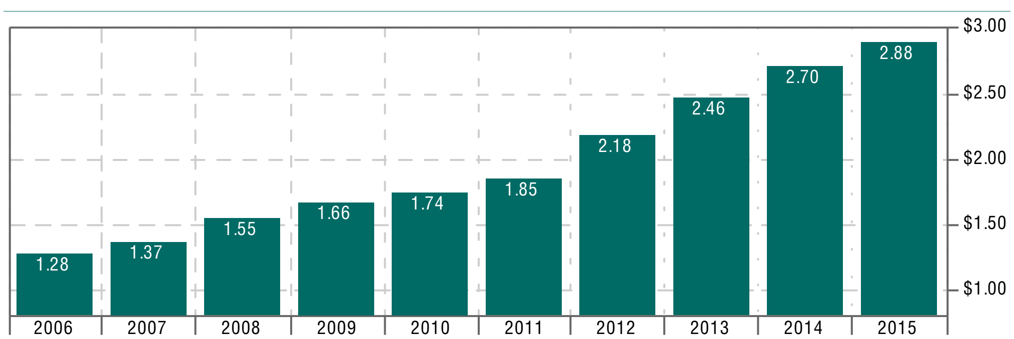
Why It's an Achiever

XOM has paid a dividend since 1882, with consecutive increases in each of the last 33 years. XOM has accomplished this by generating industry-leading returns and free cash flow from its portfolio of upstream production and downstream refining assets. The Company plans to maintain its recent success in coming years by investing in upstream projects, with near-term emphasis on liquids and away from lower margin gas output, although over the long-term XOM believes more demand growth will come from gas relative to oil. XOM has identified 31 new major projects that starting between 2012 and 2017 and are expected to add over one million barrels of oil equivalent per day to the Company's current production. Net of lost production, XOM's daily production is expected be between 4.0 million and 4.2 million barrels of oil equivalent per day by 2020. The Company expects achieve these production targets even after cutting capital expenditures in 2016 by 25%.

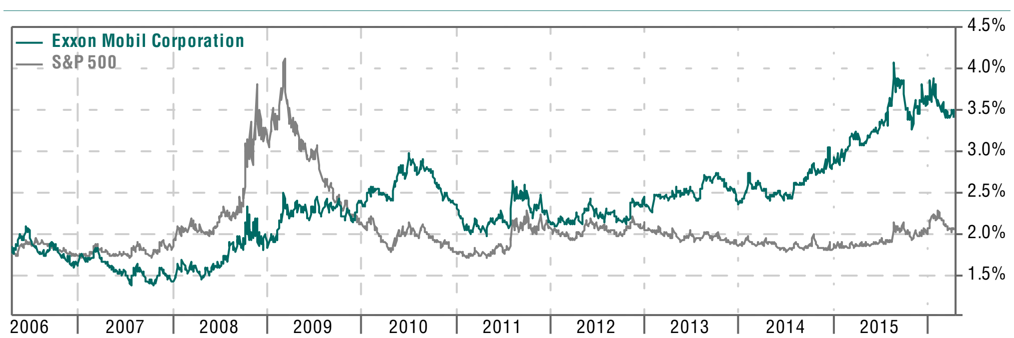
XOM will also continue to invest selectively in its downstream and chemical businesses. XOM has the most profitable downstream and chemical businesses among major integrateds. In fact, XOM's refining costs per unit are 10% below the industry average. The Company's returns on its downstream and chemical business have consistently outperformed the industry over a variety of cycles during the past ten years.

The company currently has a AAA rating on its debt, however given the prolonged downturn in energy prices the company has been put on negative watch by both Moody's and S&P. Despite the negative rating outlook, we believe that XOM is in excellent financial shape. Capital spending plans show a declining profile in coming years. Although free cash flow does not currently fund the dividend, we believe the Company's commitment to the dividend and its balance sheet strength make XOM one of the most attractively positioned integrateds to weather the current downturn and remains an attractive way to maintain exposure to the sector in a diversified portfolio.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



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Dividend Achievers Emerson Electric Co. (EMR)

Price (4/14/16) $55.07

DIVIDEND STATISTICS

Dividend & Yield	$1.90 / 3.45%
Dividend paid since	1947
# of Consecutive Increases	60 years
10-yr. Annualized Dividend Growth	8.4%
Dividend Payout	63%

KEY STATISTICS

52-wk. Price Range	$41 - $63
Average Daily Volume (3mo.)	4,499,092
Market Value	$35.4 billion
Shares Outstanding (m)	643
Cash per share	$4.83
Book Value per share	$11.59

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	14.6x	30.0x	11.0x	18.2x	0.8x
P/Book	4.7x	4.7x	2.9x	4.0x	1.7x
P/Cash Flow	14.7x	15.1x	9.6x	12.2x	1.3x
P/Sales	1.7x	2.1x	1.3x	1.7x	0.9x
EV/EBITDA	9.3x	11.3x	6.9x	8.9x	0.8x
EV/Sales	1.9x	2.2x	1.4x	1.8x	0.8x
Div. Yield	3.5%	4.3%	2.2%	3.0%	1.7x
LTD/Capital	27%	29%	20%	25%	0.7x

GROWTH SUMMARY *as of FY Ended 9/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-9.1%	-3.0%	1.2%	2.6%
EBIT	-12.7%	-3.7%	2.3%	3.7%
EBITDA	-10.9%	-3.1%	1.9%	3.7%
Net Income	26.2%	11.2%	6.5%	6.7%
EPS (Diluted)	31.4%	14.5%	7.1%	9.0%
Dividends	7.1%	5.4%	6.9%	8.4%

PRIMARY RISKS

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Emerson Electric (EMR) is a diversified global manufacturing and technology company that offers a wide range of products and services in the industrial, commercial, and consumer markets. The Company operates through five business segments: Process Management, Industrial Automation, Network Power, Climate Technologies, and Commercial and Residential Solutions. Emerson Electric was founded in 1890 and is headquartered in St. Louis, MO.

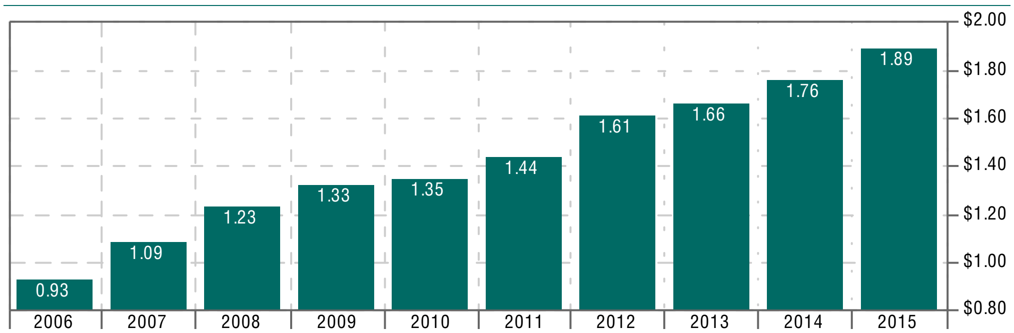
Why It's an Achiever

EMR has paid a dividend since 1947, with consecutive annual increases dating back 60 years. EMR's history of success lies within the Company's broad portfolio of electrical products that are designed for multiple end markets around the world. EMR's products are used in a wide variety of commercial, industrial, and residential applications. EMR views its overall market as being driven by growth in global gross fixed investment (GFI)—a measure of building and fixed infrastructure investment. Due to stagnating global growth and recent pressures in the energy market, EMR growth has been challenged in recent quarters.

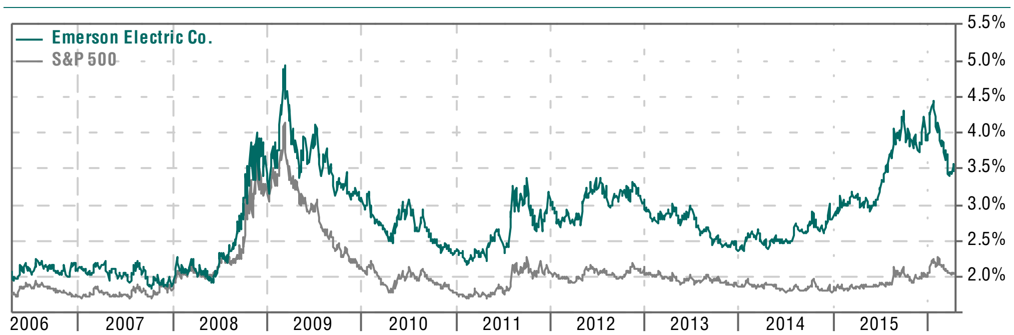
We believe that the Company is working hard to improve its situation by reducing fixed and variable costs, which should help to stabilize margins in the near-term. In addition, the Company recently announced plans for a tax-free spin-off or sale of its struggling Network Power business, along with exploring strategic alternatives for a number of its other businesses. Revenue has declined on a y/y basis for the past three years at Network Power and margins are significantly below the Company average, which will act to improve the overall optics of the Company once the business is spun out. We do not anticipate a change to the dividend strategy at this point, given that Network Power only contributes 13% to overall operating income. In our view, the above-mentioned moves will put the Company in a much better position when global growth resumes.

In FY15 (ended 9/30/15), EMR generated over $1.8 billion in free cash flow—almost 1.5x the Company's annual dividend commitment. The balance sheet is conservatively leveraged, as net debt was 24.7% of total capital as of 9/30/15.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers United Technologies Corporation (UTX)

Price (4/14/16)	$104.68

DIVIDEND STATISTICS

Dividend & Yield	$2.56 / 2.45%
Dividend paid since	1936
# of Consecutive Increases	22 years
10-yr. Annualized Dividend Growth	11.3%
Dividend Payout	40%

KEY STATISTICS

52-wk. Price Range	$83 - $120
Average Daily Volume (3mo.)	6,512,699
Market Value	$87.6 billion
Shares Outstanding (m)	837
Cash per share	$8.46
Book Value per share	$34.41

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	21.8x	21.8x	12.6x	16.4x	1.2x
P/Book	3.0x	3.7x	2.5x	3.2x	1.1x
P/Cash Flow	13.3x	15.1x	9.6x	12.6x	1.2x
P/Sales	1.6x	1.7x	1.1x	1.4x	0.9x
EV/EBITDA	10.4x	12.5x	7.5x	10.2x	0.9x
EV/Sales	1.8x	2.0x	1.2x	1.7x	0.8x
Div. Yield	2.4%	2.9%	1.9%	2.3%	1.2x
LTD/Capital	40%	47%	28%	36%	1.0x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	-13.6%	-0.8%	0.8%	2.8%
EBIT	-9.5%	3.7%	1.6%	4.1%
EBITDA	-8.9%	4.0%	2.2%	4.4%
Net Income	-35.8%	-6.2%	-1.8%	2.4%
EPS (Diluted)	-29.4%	-4.1%	0.3%	4.4%
Dividends	8.5%	8.0%	8.5%	11.3%

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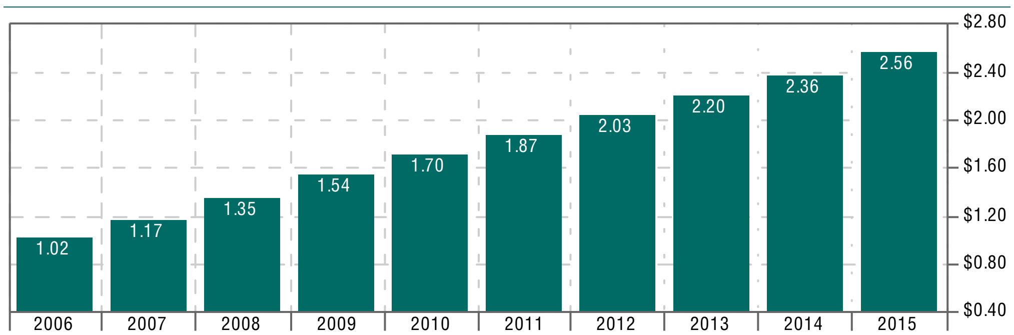
United Technologies (UTX) is a diversified conglomerate with business operations that serve primarily the building systems and aerospace markets. The Company's commercial businesses include Otis elevators and escalators, and UTC Climate, Controls & Security. UTX's aerospace segment is comprised of Pratt & Whitney and UTC Propulsion & Aerospace Systems. United Technologies was founded in 1934 and is headquartered in Hartford, CT.

Why It's an Achiever

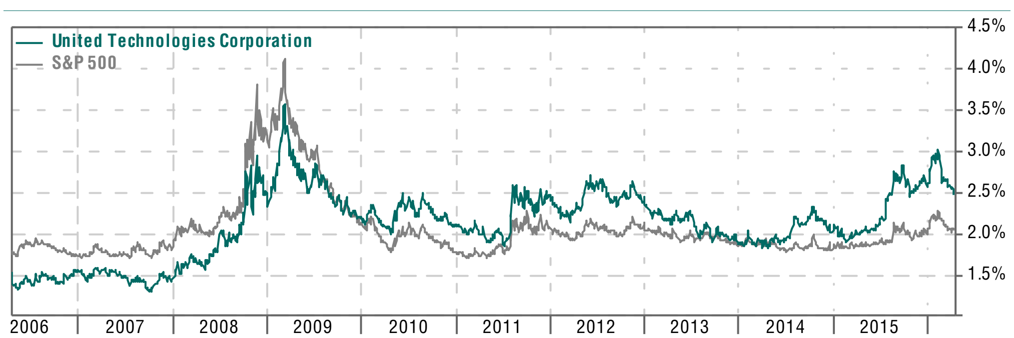
UTX has paid a dividend since 1936, with consecutive annual increases dating back 22 years. UTX has established this record while building itself into one of the world leaders in building infrastructure and aerospace. UTX's core operating strategy going forward is to build on its leadership positions in commercial buildings and aerospace, as well as to capitalize on two mega-trends: urbanization and increased commercial air travel. Today, according to the U.N., the world is nearly halfway through a 30-year cycle that will see an additional two billion people move to urbanized settings. With that, a similar trend is forecast in the growth of commercial airline revenue passenger miles. UTX has broadly aligned itself into two key segments: United Technologies Propulsion & Aerospace Systems and United Technologies Building & Industrial Systems. Including the military end market, Propulsion & Aerospace accounts for slightly more than half of the Company's total revenues. The Company's Propulsion & Aerospace unit is the largest aircraft component supplier in the world. Operating businesses within this unit include Pratt & Whitney, Hamilton Sundstrand, and Goodrich. Over the next 20 years, the number of commercial aircraft in service is expected to double, creating growth in both aircraft construction, as well as a larger pool for parts, maintenance, and service. Likewise, United Technologies Building & Industrial Systems is the worldwide leader in commercial building infrastructure, led by leading market brands such as Otis, Carrier, and Kidde. We believe that developing markets will be a key growth driver for the Company, where elevator/escalator and HVAC penetration is much lower than in the developed world.

In November 2015, the Company closed on its sale of the Sikorsky helicopter unit to Lockheed Martin (LMT-$216.94) for $9 billion (~$6 billion net). To offset the Sikorsky's earnings impact, the Company announced a new $12 billion share repurchase agreement through 2017. This includes the $6 billion accelerated repurchase using the net proceeds from the Sikorsky sale. UTX's dividend commitment for 2015 was less than 50% of the Company's free cash flow. At 12/31/15, net debt was less than 27.9% of total assets. This leaves UTX room, in our view, to continue its track record of dividend growth while funding share repurchase, debt repayment, and potential acquisitions.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



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Dividend Achievers Genuine Parts Company (GPC)

Price (4/14/16)	$98.42

DIVIDEND STATISTICS

Dividend & Yield	$2.63 / 2.67%
Dividend paid since	1948
# of Consecutive Increases	60 years
10-yr. Annualized Dividend Growth	6.9%
Dividend Payout	53%

KEY STATISTICS

52-wk. Price Range	$76 - $100
Average Daily Volume (3mo.)	868,736
Market Value	$14.7 billion
Shares Outstanding (m)	150
Cash per share	$1.42
Book Value per share	$20.97

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	21.3x	23.1x	14.6x	18.3x	1.2x
P/Book	4.7x	4.9x	2.7x	3.8x	1.7x
P/Cash Flow	12.8x	20.8x	10.7x	14.0x	1.1x
P/Sales	1.0x	1.1x	0.7x	0.9x	0.5x
EV/EBITDA	12.0x	13.7x	7.7x	10.5x	1.0x
EV/Sales	1.0x	1.1x	0.6x	0.9x	0.4x
Div. Yield	2.7%	3.5%	2.2%	2.8%	1.3x
LTD/Capital	8%	16%	6%	11%	0.2x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-0.4%	5.5%	6.4%	4.6%
EBIT	0.0%	3.2%	7.4%	4.2%
EBITDA	-0.5%	4.1%	7.7%	4.6%
Net Income	-0.8%	2.9%	8.2%	4.9%
EPS (Diluted)	0.4%	3.8%	9.1%	6.4%
Dividends	7.1%	7.7%	8.2%	6.9%

PRIMARY RISKS

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Genuine Parts Company (GPC) is a global distributor of automotive replacement parts. It operates in four divisions: Automotive (57% of 2015 sales); Industrial (27%); Office Products (11%); and Electrical/Electronic Materials (6%). The Company was founded in 1928 and is headquartered in Atlanta, GA.

Why It's an Achiever

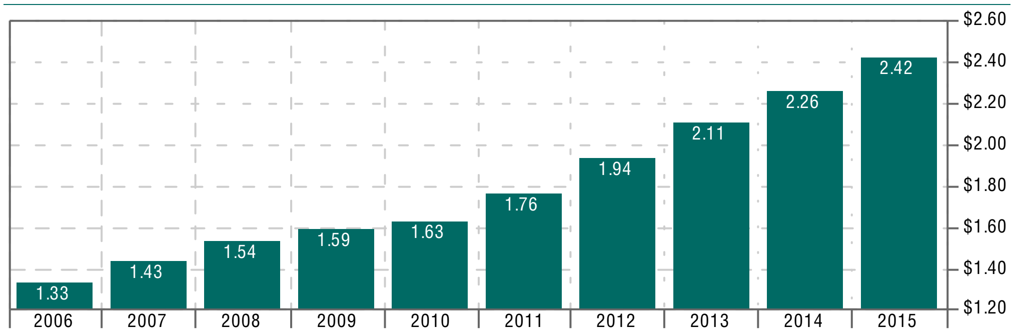
GPC has paid a dividend since 1948 and has increased it in each of the last 60 years. GPC has achieved this record based largely on its long-term success in distributing after-market automotive parts and industrial maintenance and repair parts. While parts distribution can generally be a low-margin business, it is not capital intensive, and produces steady cash flow with modest cyclical exposure. The Company's Automotive and Industrial segments account for over 80% of its total sales.

GPC is the sole remaining member of the National Automotive Parts Association (NAPA), a trade association formed in 1925. As the sole member, GPC effectively controls the NAPA brand and owns and operates 1,100 NAPA Auto Parts stores in 46 U.S. states. Additionally, there are over 6,100 independently owned and operated NAPA Auto Parts stores throughout the United States. GPC fulfills parts orders to these stores through 64 domestic distribution centers, carrying over 422,000 items. The Company also has an auto parts presence in Canada, Mexico, Australia, and New Zealand. Together, auto parts sales account for over half of GPC's total revenues and historically are fairly resilient to economic swings. Current sales trends are benefitting from the fact that the average age of a U.S. automotive vehicle is near a historical high.

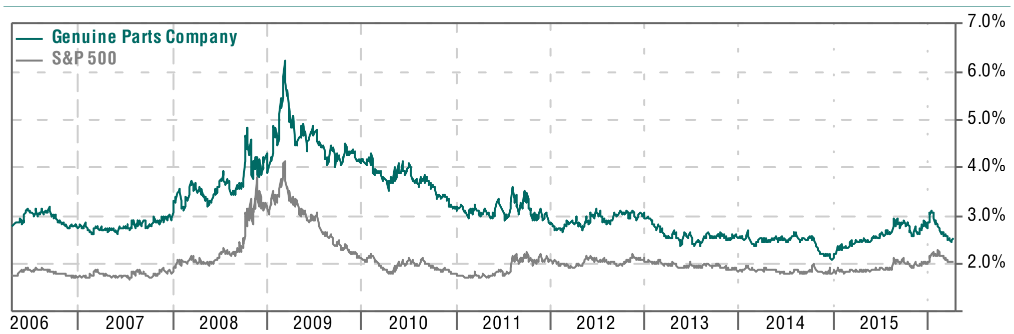
GPC's Industrial business operates under the name Motion Industries (MI). MI serves over 150,000 customers in a variety of industries, through over 500 branch offices and 15 distribution centers, by offering access to millions of parts through its broad supplier base. This business is generally maintenance and repair-related, which dampens some of the cyclicality.

GPC has historically been close to debt-free, but the Company did add debt in 2013 to complete an auto parts-related acquisition in Australia. However, net debt to total assets is currently 11.8%. In 2015, GPC's annual dividend commitment was 35% of free cash flow.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers Kimberly-Clark Corporation (KMB)

Price (4/14/16)	$136.04

DIVIDEND STATISTICS

Dividend & Yield	$3.68 / 2.71%
Dividend paid since	1935
# of Consecutive Increases	43 years
10-yr. Annualized Dividend Growth	7.1%
Dividend Payout	61%

KEY STATISTICS

52-wk. Price Range	$103 - $139
Average Daily Volume (3mo.)	1,924,030
Market Value	$49.1 billion
Shares Outstanding (m)	361
Cash per share	$1.72
Book Value per share	-$0.48

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	49.1x	73.9x	14.4x	26.4x	2.7x
P/Book	-	805.4x	4.4x	65.3x	-
P/Cash Flow	21.5x	20.6x	9.1x	13.2x	1.9x
P/Sales	2.7x	2.7x	1.2x	1.8x	1.5x
EV/EBITDA	13.8x	14.0x	8.1x	10.6x	1.1x
EV/Sales	3.0x	3.0x	1.5x	2.1x	1.3x
Div. Yield	2.7%	4.3%	2.6%	3.4%	1.3x
LTD/Capital	80%	80%	44%	56%	2.1x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-5.7%	-4.1%	-1.2%	1.6%
EBIT	7.7%	6.1%	2.9%	2.7%
EBITDA	3.1%	3.8%	1.9%	1.9%
Net Income	-31.4%	-16.6%	-11.3%	-4.4%
EPS (Diluted)	-31.4%	-14.4%	-9.0%	-1.8%
Dividends	4.5%	6.0%	6.2%	7.1%

PRIMARY RISKS

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Kimberly-Clark (KMB) is a leading player in the global health and hygiene category, selling bathroom tissues, diapers, feminine products, and paper towels. The Company's brands include Kleenex, Scott, Huggies, Pull-Ups, and Kotex. Kimberly sells its products directly and distributes them through supermarkets, mass merchandisers, and drugstores, among other outlets. The Company was founded in 1872 and is headquartered in Irving, TX.

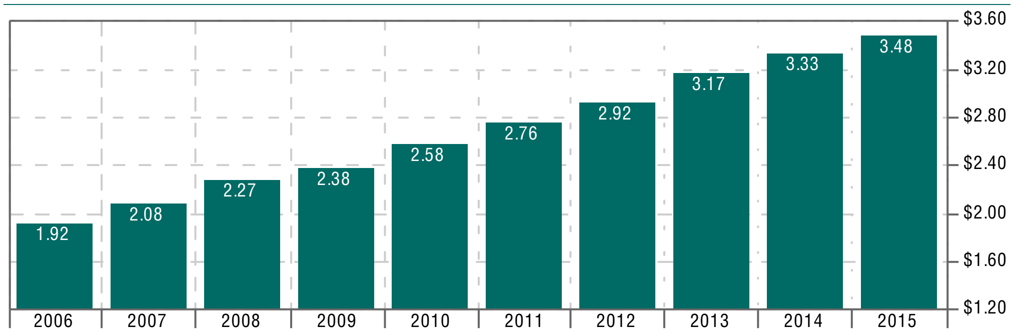
Why It's an Achiever

KMB has paid a dividend since 1935 and its streak of consecutive annual increases now stands at 44. The Company has achieved this by building a worldwide portfolio of leading consumer personal care brands. KMB's three principal segments are Personal Care, Consumer Tissue, and K-C Professional.

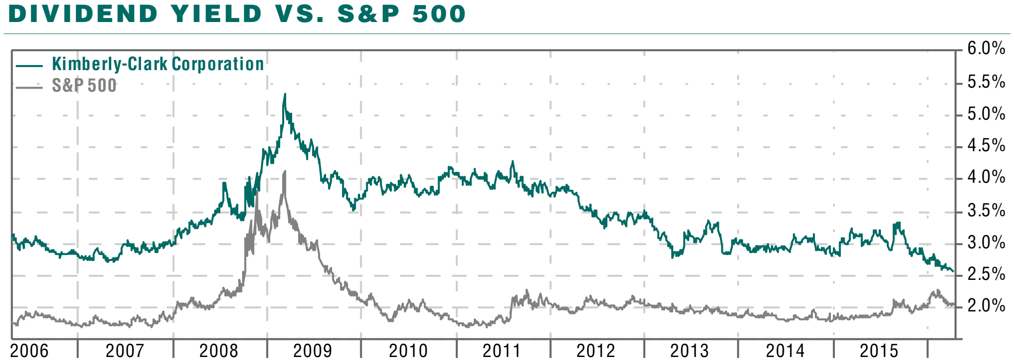
Personal Care products contribute to nearly half of the Company's overall sales, and among KMB's well-known brands are Poise and Depend in the growing adult care category. These brands account for 55% of category sales and are well-positioned as demographics drive mid-to-high single-digit growth for incontinence products. In the baby and childcare category, KMB's Huggies brand has maintained market share in the first half of 2015 and is still a strong number two player in this category. In Consumer Tissue, KMB's leading brands are Kleenex, Cottonelle, and Scott. These products make up nearly one-third of the Company's revenues. K-C Professional, contributing roughly 17% of total sales, supplies hygiene products to the workplace. Going forward, a key growth initiative will be the continued emphasis on developing economies, which made up 31% of the 1H FY15 revenue. Excluding Venezuela, organic sales were +11% in 1H 2015 and the Company expects three to five percent organic growth in 2016. China, Russia, and Latin America have been particularly important, and now represent over half of the Company's sales within developing markets. In particular, KMB is seeing strong growth in diapers and adult care products, as consumer education and acceptance continues to grow.

We believe that management has been successful in boosting profitability as of late, as cost restructuring programs have increased company operating margin from 10% in 2010 to 18% in 2014. The Company targets FY16 cost savings of at least $350 million. 2015 free cash flow was approximately equal to the Company's dividend commitment

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers The Procter & Gamble Company (PG)

Price (4/14/16) $82.01

DIVIDEND STATISTICS

Dividend & Yield	$2.68 / 3.27%
Dividend paid since	1890
# of Consecutive Increases	60 years
10-yr. Annualized Dividend Growth	9.2%
Dividend Payout	67%

KEY STATISTICS

52-wk. Price Range	$65 - $84
Average Daily Volume (3mo.)	9,967,527
Market Value	$221.8 billion
Shares Outstanding (m)	2,705
Cash per share	$5.28
Book Value per share	$22.39

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	28.5x	32.3x	15.6x	22.1x	1.6x
P/Book	3.7x	3.9x	2.5x	3.2x	1.3x
P/Cash Flow	15.1x	17.4x	13.5x	15.3x	1.3x
P/Sales	3.4x	3.4x	2.2x	2.7x	1.9x
EV/EBITDA	13.4x	14.3x	9.6x	12.2x	1.1x
EV/Sales	3.5x	3.5x	2.3x	2.8x	1.5x
Div. Yield	3.3%	3.7%	2.8%	3.1%	1.6x
LTD/Capital	19%	25%	18%	21%	0.5x

GROWTH SUMMARY *as of FY Ended 6/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-8.2%	-3.0%	-0.7%	3.0%
EBIT	-1.2%	-2.8%	-1.5%	3.7%
EBITDA	-1.0%	-2.4%	-1.2%	3.9%
Net Income	-23.6%	-1.2%	-4.2%	2.0%
EPS (Diluted)	-39.6%	-8.6%	-7.6%	-0.9%
Dividends	4.0%	6.0%	6.9%	9.2%

PRIMARY RISKS

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Procter & Gamble (PG) is one of the world's largest consumer product manufacturers. The Company's products are sold in over 180 countries worldwide through mass merchandisers, grocery stores, membership club stores, drug stores, and neighborhood stores. Some of PG's well-known brands include *Tide* laundry detergent, *Charmin* toilet paper, and *Pantene* hair products. PG maintains a strong international presence, with 63% of FY15 sales coming from outside of the United States. The Company was founded in 1837 and is headquartered in Cincinnati, OH.

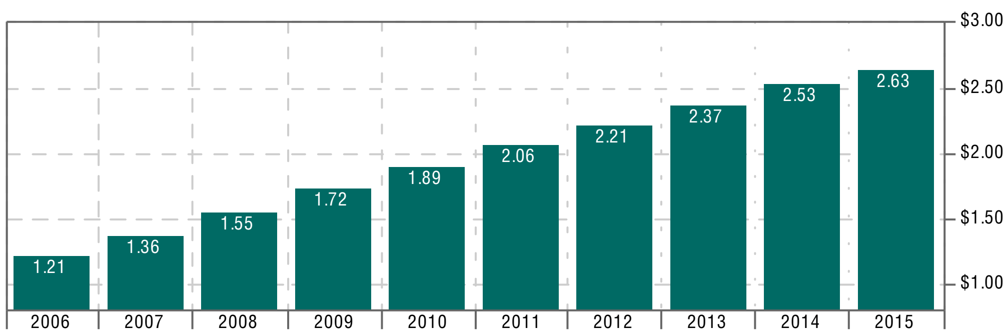
Why It's an Achiever

PG has paid a dividend since 1890 and has increased its dividend for the past 60 consecutive years. PG's ability to sustain its dividend rests on the Company's portfolio of market-leading everyday household and personal care products. PG's portfolio is anchored by 21 brand franchises that each generates over $1 billion in annual sales. These well-known brands include *Head & Shoulders*, *Olay*, *Gillette*, *Crest*, *Vicks*, *Pampers*, and *Tide*. The Company's vast portfolio of products spans the globe, with nearly 40% of company sales coming from developing markets. We believe that sales growth should continue to benefit, as per capita incomes and living standards continue to rise within these markets.

PG has established an initiative to wring $10 billion out of its cost structure over the next few years. We believe that a big opportunity lies within the Company's developing markets, where management seeks to improve supply chains by moving sourcing closer to its customers. This would reduce costs and improve inventory turns. More recently, PG completed the portfolio rationalization that was announced in 2014 that pared down its roughly 160 brands to a more focused number of ~65 leading brands. Notable sales included its Pet Care business, *Duracell*, and its portfolio of beauty brands. PG expects to retain 85% of sales and 95% of the before tax profit, which should be highly accretive to operating margins. We believe that the brand rationalization should lead to better growth, as the Company will be more focused on the brands and categories that are more attractive and that play into the PG's core strengths. Going forward, a greater emphasis on growth in areas of strength should improve profitability and cash flow, resulting in continued dividend growth, in our view.

Financially, we believe that PG is well-positioned to maintain its record of dividend achievement. From FY16-FY19 the Company is targeting to pay dividends and retire shares worth up to $70 billion (32% of current market cap) through ongoing discretionary share repurchases and shares eliminated through its portfolio sales. At the end of FY15 (ended 6/30/15), the Company's total debt to assets ratio was 23%, in-line with its five-year average, and the Company generated over $10 billion in free cash flow during the 2015 fiscal year. We believe that PG's free cash flow and current dividend payout rate of 66.6% leave the Company in a strong position to maintain its long-term track record of dividend growth.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

Dividend Achievers CVS Health (CVS)

Price (4/14/16)	$101.11

DIVIDEND STATISTICS

Dividend & Yield	$1.70 / 1.68%
Dividend paid since	1995
# of Consecutive Increases	13 years
10-yr. Annualized Dividend Growth	25.5%
Dividend Payout	27%

KEY STATISTICS

52-wk. Price Range	$81 - $114
Average Daily Volume (3mo.)	4,853,287
Market Value	$110.4 billion
Shares Outstanding (m)	1,092
Cash per share	$2.33
Book Value per share	$33.78

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	21.9x	27.1x	13.3x	19.0x	1.2x
P/Book	3.0x	3.4x	1.2x	2.1x	1.1x
P/Cash Flow	13.4x	17.0x	6.6x	12.0x	1.2x
P/Sales	0.7x	0.9x	0.4x	0.6x	0.4x
EV/EBITDA	11.6x	12.7x	6.7x	9.3x	1.0x
EV/Sales	0.9x	0.9x	0.5x	0.7x	0.4x
Div. Yield	1.7%	1.5%	1.1%	1.3%	0.7x
LTD/Capital	41%	42%	18%	23%	1.0x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	10.0%	7.6%	9.7%	15.3%
EBIT	10.3%	10.3%	9.5%	17.0%
EBITDA	10.0%	9.5%	9.1%	16.3%
Net Income	12.2%	10.2%	8.6%	15.5%
EPS (Diluted)	16.7%	15.0%	13.2%	12.3%
Dividends	25.0%	29.8%	34.3%	25.5%

PRIMARY RISKS

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CVS has paid a dividend since 1995 and has increased it for 13 consecutive years at a compounded annual growth rate of 23%. We expect the strong dividend growth trend to continue given the Company's low double digit EPS growth prospects, its strong free cash flow profile (5.5% FCF yield), and its intention to raise its payout ratio to a modest 35% level by 2018, up from 30% today. In addition to paying a 1.7% dividend, the Company is committed to buying back $4 billion in shares in 2016, which should reduce its share count by ~4%.

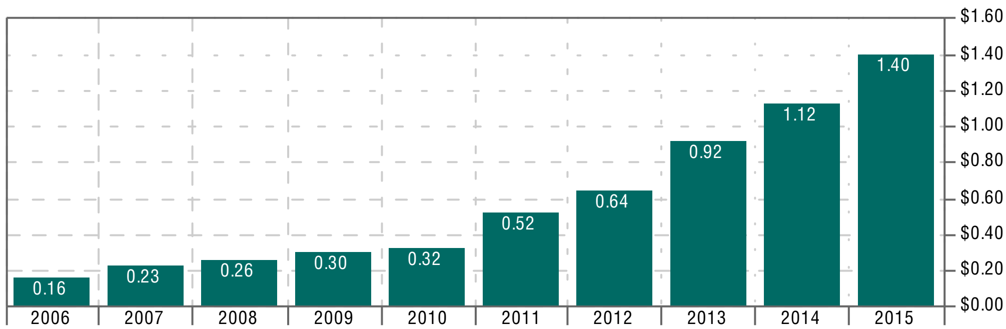
CVS is an integrated pharmacy health care provider that helps people live healthier lives while addressing the rising costs of healthcare. It operates its business through its Retail Pharmacy (44% of sales) and Pharmacy Services business (56% of sales). Through its Retail Pharmacy, it operates over 9,600 retail drug stores located in 44 states, Puerto Rico, and Brazil under the CVS, Longs Drugs, Navorro Discount Pharmacy and Drogaria Onofre retail stores. CVS is the leader in retail medical clinics, operating more than 1,100 clinics under the MinuteClinic name. These clinics diagnose and treat minor health conditions, perform health screenings, monitor chronic conditions, and deliver vaccinations at a fraction of the cost of a typical physician visit. Within its retail segment, CVS has the largest retail pharmacy and is growing its store base by ~2% per year. This segment derives the majority of its revenue through selling prescription drugs, but it also sells over-the-counter drugs and a wide assortment of general merchandise. Through its recent acquisition of Omnicare, it also provides pharmaceutical distribution services to long term care facilities. Its Pharmacy Services Segment generates revenue through a full range of pharmacy benefit management (PBM) services (#2 player) including plan design and administration, formulary management, mail order, specialty pharma and infusion services to name a few. CVS was founded in 1963 and is headquartered in Woonsocket, RI.

Why It's an Achiever

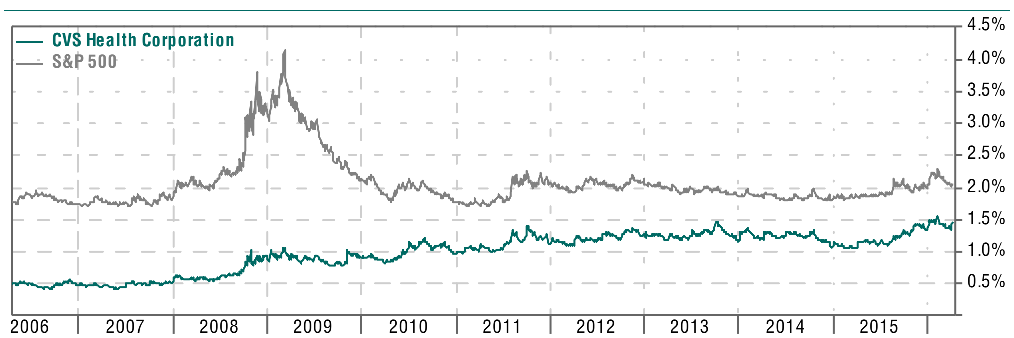
CVS has many touch points (retail pharmacies, Red Oak Sourcing, specialty pharmacy/infusion centers, MinuteClinics, and PBM services) giving it scale and deep connections that allows the Company to service many facets of the health care industry (payers, patients, and providers). We believe this provides CVS with a competitive advantage against the pure plays and solidly positions the Company to solve the cost, quality, and access to care conundrum that exists in the healthcare market today. Therefore, we believe CVS is uniquely positioned to take advantage of the many tailwinds we see in healthcare today which include an aging U.S. population, the expansion of covered lives, and rising costs in healthcare.

The availability and utilization of costly new therapies is increasing. Specialty drug sales made up 38% of drug spending in 2014, and are expected to grow to 50% or to $235 billion by 2018. At $31 billion in FY14 revenue, CVS has the largest specialty pharmacy, and through its robust service offerings, the Company believes it can offer better care at reduced costs. On the opposite side of the spectrum sits the opportunity with generic drug substitutions. Generics remain one of the best ways to save patients and payers money, in our opinion. CVS recently formed the #1 generic sourcing entity through its Red Oak venture with Cardinal Health (CAH). We believe this venture provides unmatched buying scale that should allow further cost reductions through the system.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



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Dividend Achievers Johnson & Johnson (JNJ)

Price (4/14/16)	$109.84

DIVIDEND STATISTICS

Dividend & Yield	$3.00 / 2.73%
Dividend paid since	1944
# of Consecutive Increases	53 years
10-yr. Annualized Dividend Growth	8.8%
Dividend Payout	47%

KEY STATISTICS

52-wk. Price Range	$82 - $110
Average Daily Volume (3mo.)	9,373,241
Market Value	$303.0 billion
Shares Outstanding (m)	2,758
Cash per share	$13.91
Book Value per share	$25.82

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	20.0x	23.3x	14.9x	18.8x	1.1x
P/Book	4.3x	4.3x	2.8x	3.5x	1.6x
P/Cash Flow	16.0x	17.8x	11.7x	14.5x	1.4x
P/Sales	4.4x	4.4x	2.7x	3.5x	2.4x
EV/EBITDA	12.8x	12.9x	7.8x	10.3x	1.1x
EV/Sales	4.0x	4.0x	2.4x	3.3x	1.7x
Div. Yield	2.7%	3.7%	2.5%	3.0%	1.3x
LTD/Capital	14%	17%	11%	15%	0.4x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	-5.6%	1.4%	2.6%	3.3%
EBIT	-12.2%	2.3%	1.8%	3.2%
EBITDA	-10.9%	2.0%	2.3%	3.6%
Net Income	-5.6%	12.4%	2.9%	4.0%
EPS (Diluted)	-3.9%	12.4%	2.8%	4.7%
Dividends	6.9%	7.1%	6.9%	8.8%

PRIMARY RISKS

- Investors must bear in mind that inherent in investments are the risks of fluctuating prices and the uncertainties of dividends, rates of return, and yield.
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Johnson & Johnson (JNJ) is engaged in the research and development, manufacturing, and sale of a broad range of products within the health care sector. With over 275 operating companies around the world, JNJ operates in three segments: Pharmaceutical, Medical Devices & Diagnostics (MD&D), and Consumer. Pharmaceuticals and MD&D account for 45% and 36% of sales, respectively, with Consumer representing the rest of company sales. The Company was founded in 1886 and is headquartered in New Brunswick, NJ.

Why It's an Achiever

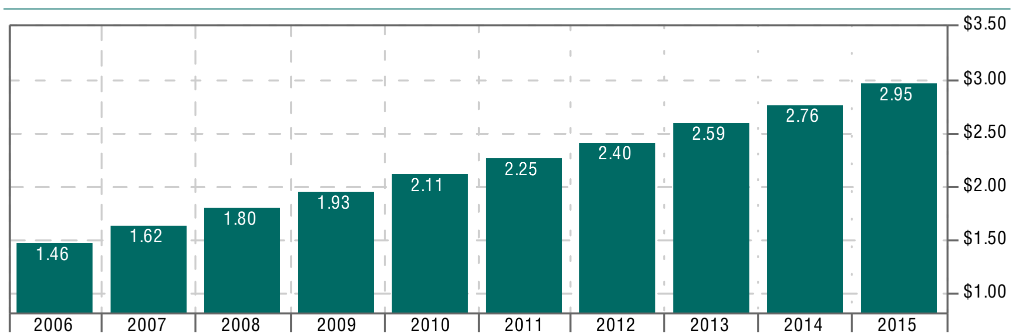
JNJ's string of consecutive annual dividend increases stands at 53 years. JNJ has achieved this performance by building one of the world's leading health care organizations. Over half of the Company sales come from outside of the United States. JNJ's long-term track record is built around market leading products and innovation. As of 12/31/2015, approximately 70% of total sales come from products with either a number one or two global market share and 25% of sales come from products launched within the past five years.

JNJ's Pharmaceutical business is anchored by its *REMICADE* franchise for the treatment of immune disorders. *REMICADE* accounts for 9.4% of total company revenues and should remain a key contributor for several more years with U.S. patent protection out to 2018, in our view. JNJ's other key immunology franchises, *STELARA* and *SIMPONI*, are showing solid growth and JNJ has filed a number of submissions to extend indications for these products. In addition, JNJ plans to file more than ten new products by 2019, each with the potential to exceed $1 billion in revenue, adding an additional layer of growth to the Pharmaceutical segment.

In 2012, JNJ bolstered its MD&D business with the acquisition of Synthes, Inc. This represented the largest acquisition in the Company's history. Synthes was combined with JNJ's DePuy operating company, creating the world's largest and most comprehensive orthopaedics and neurologics business. JNJ's portfolio of consumer brands includes *Aveeno*, *Clean & Clear*, *Neutrogena*, *RoC*, *Lubriderm*, *Listerine*, *Carefree*, and *Stayfree*.

We note that financial strength at JNJ is exemplary, and the Company's AAA credit rating is one of only three in the S&P 500. JNJ's free cash flow is nearly two times the Company's annual dividend commitment.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

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Dividend Achievers Novartis AG (NVS)

Price (4/14/16)	$76.09

DIVIDEND STATISTICS

Dividend & Yield*	$2.27 / 2.99%
Dividend paid since	1996
# of Consecutive Increases	19 years
10-yr. Annualized Dividend Growth	8.9%
Dividend Payout	54%

KEY STATISTICS

52-wk. Price Range	$70 - $107
Average Daily Volume (3mo.)	2,444,656
Market Value	$203.7 billion
Shares Outstanding (m)	2,677
Cash per share	$2.03
Book Value per share	$32.46

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	10.3x	24.6x	9.6x	16.3x	0.6x
P/Book	2.3x	3.6x	2.0x	2.6x	0.9x
P/Cash Flow	15.5x	18.7x	8.6x	13.6x	1.4x
P/Sales	3.8x	5.1x	2.1x	3.4x	2.1x
EV/EBITDA	16.5x	19.8x	8.8x	13.9x	1.4x
EV/Sales	4.0x	5.4x	2.4x	3.6x	1.7x
Div. Yield	3.0%	4.0%	2.2%	3.0%	1.5x
LTD/Capital	16%	18%	12%	15%	0.4x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-4.7%	-4.5%	-0.5%	4.4%
EBIT	-27.8%	-12.2%	-10.1%	-0.4%
EBITDA	-12.3%	-6.3%	-3.1%	3.7%
Net Income	-33.5%	-9.7%	-6.5%	1.4%
EPS (Diluted)	78.3%	20.3%	11.3%	10.7%
Dividends*	3.8%	5.5%	4.2%	8.9%

*Dividend assumes USD/CHF conversion rate as of 3/5/15 and 15% foreign tax withholding.

PRIMARY RISKS

- Investors must bear in mind that inherent in investments are the risks of fluctuating prices and the uncertainties of dividends, rates of return, and yield.
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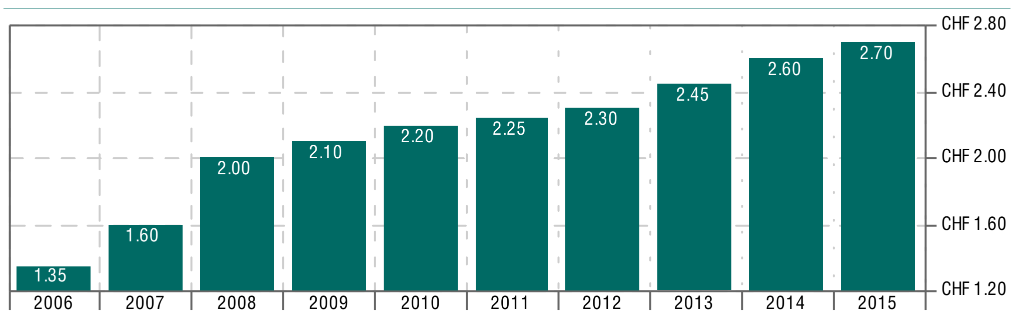
Novartis AG (NVS) manufactures and markets health care and nutritional products. The Company provides health care solutions and offers innovative medicines, eye care, cost-saving generic pharmaceuticals, preventive vaccines, diagnostic tools, and over-the-counter products. The Company operates through three primary segments: Pharmaceuticals, Alcon (eye care), and Sandoz (generics). The Company is headquartered in Basel, Switzerland.

Why It's an Achiever

NVS has paid a dividend since the Company was formed in late 1996 and has increased it every year since. The Pharmaceuticals segment is the Company's largest operating segment, accounting for over 60% of the Company sales. We note that the lifeblood of any good pharmaceutical company is a strong pipeline, and over the past five years, we believe that NVS has proven itself capable of producing significant new therapies. The importance is the visibility that new products give through longer patent lives. NVS' new product sales as a percent of sales were more than double the industry averages. The Company expects an additional four franchises to reach the $1 billion sales level by 2018. NVS' research and development efforts are broad, covering therapies for oncology (cancer), dermatology, heart failure, cell therapy, and respiratory. In April 2014, the Company announced that it would bolster its oncology pipeline with the purchase of assets from GlaxoSmithKline (GSK-$42.64). At the same time, it announced a consumer health care joint venture with GSK, as well as divestitures of its Animal Health segment and a significant portion of its Vaccines business; on 1/1/15, NVS completed its divestment of its Animal Health business for $5.4 billion. Divestiture of the Vaccines business to Australian company, CSL Limited, closed in August 2015 and was the final piece of the planned portfolio reorganization.

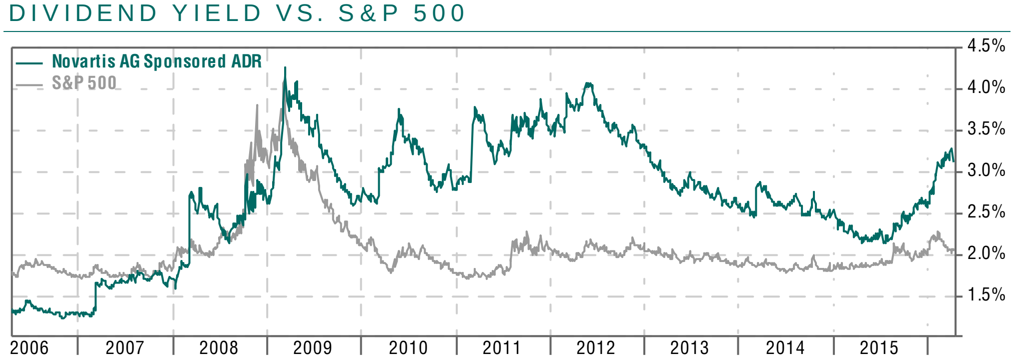
Alcon accounts for 20% of the Company's sales. Alcon has a broad and deep portfolio of eye care products that are market leaders in cataract surgery, glaucoma treatment and contact lenses, and has also developed promising new treatments for dry eye. We believe that aging demographics and international growth should provide a positive backdrop for Alcon's growth in coming years. The generics business, Sandoz, contributed 19% of 2015 revenue. NVS' net debt at year-end 2014 was just under 16.7% of capital. NVS' 2015 free cash flow coverage of the dividend was 1.26x.

DIVIDENDS PER SHARE



Reflects total dividends per share paid on ordinary shares, in Swiss francs (CHF).

DIVIDEND YIELD VS. S&P 500



Dividend Achievers Chubb Limited (CB)

Price (4/14/16)	$120.34

DIVIDEND STATISTICS

Dividend & Yield	$2.68 / 2.23%
Dividend paid since	1993
# of Consecutive Increases	22 years
10-yr. Annualized Dividend Growth	11.6%
Dividend Payout	27%

KEY STATISTICS

52-wk. Price Range	$96 - $123
Average Daily Volume (3mo.)	2,431,800
Market Value	$55.8 billion
Shares Outstanding (m)	464
Cash per share	-
Book Value per share	$89.77

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	14.0x	15.4x	8.6x	11.4x	0.8x
P/Book	1.3x	1.3x	0.9x	1.1x	0.5x
P/Cash Flow	10.2x	9.9x	5.4x	7.9x	0.9x
P/Sales	2.0x	2.0x	1.2x	1.7x	1.1x
EV/EBITDA	-	-	-	-	-
EV/Sales	2.5x	2.5x	1.4x	1.9x	1.4x
Div. Yield	2.2%	2.6%	1.9%	2.3%	1.1x
LTD/Capital	24%	24%	10%	13%	0.6x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	0.4%	2.2%	3.5%	3.9%
EBIT	-	-	-	-
EBITDA	-	-	-	-
Net Income	-0.7%	1.6%	-1.8%	10.7%
EPS (Diluted)	2.4%	3.0%	-1.1%	10.0%
Dividends	3.1%	11.2%	15.6%	11.6%

PRIMARY RISKS

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Chubb is one of the world's largest multiline property and casualty insurance (P&C) insurers, providing commercial and personal P&C insurance, personal accident and supplemental health insurance, reinsurance, and life insurance. On July 1, 2015, ACE announced its intention to acquire P&C peer Chubb for $62.93 per share in cash and 0.6019 shares of ACE. The completed deal between ACE and CB, which included the third-largest (ACE) and fourth-largest (CB) global P&C insurers by underwriting income, combined to make the largest global P&C insurer by market capitalization. Shortly following the merger, the merged company took the Chubb name.

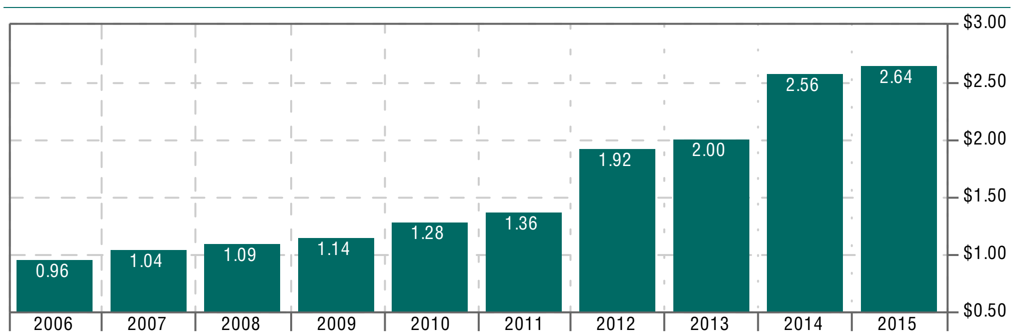
CB has a strong North American (68% of revenue) and European (14% of revenue) presence, but is also geographically diverse, with operations in 54 countries that include exposure to the fast-growing emerging economies of Asia (10% of revenue) and Latin America (8% of revenue). CB is headquartered in Zurich, Switzerland.

Why It's an Achiever

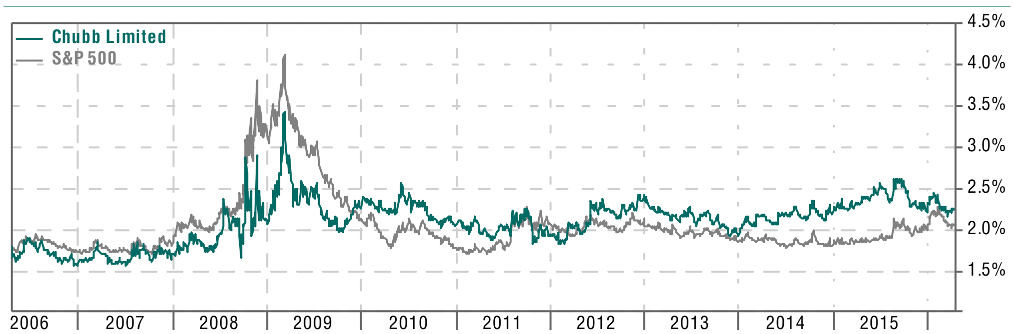
In our view, CB has an impressive dividend track record since becoming public in 1993, with 22 consecutive annual increases and a compounded annual growth rate (CAGR) of 16%. We expect dividend growth to continue, given CB's healthy growth prospects, revenue, and cost synergies from the acquisition, as well as a conservative pro forma payout ratio of 22%.

The combination of the two companies will enhance the overall earnings power through revenue (cross-selling) and cost synergies, in our opinion. CB's advantage lies within its large global footprint and its ability to service the needs of large and complex multinational customers with its diverse product line. In addition, CB has a growing consumer business given its attractive exposure to the high net worth individual. CB's international presence, particularly in Asia and Latin America, adds an enhanced layer of growth in markets that are currently underserved, providing a longer-term growth tailwind, in our opinion. Legacy ACE's ten-year combined ratio average of 90.7% sits below North American peers of 98.8% and global peers of 97.2%. This allows CB to operate at a high level of profitability even during low interest rate environments. Legacy CB's ten-year average combined ratio of 89.8% is also considered industry-leading and another reason we feel strongly about the combined entity given the shared culture of underwriting discipline.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



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Dividend Achievers Automatic Data Processing, Inc. (ADP)

Price (4/14/16)	$90.26

DIVIDEND STATISTICS

Dividend & Yield	$2.12 / 2.35%
Dividend paid since	1974
# of Consecutive Increases	40 years
10-yr. Annualized Dividend Growth	12.2%
Dividend Payout	66%

KEY STATISTICS

52-wk. Price Range	$64 - $91
Average Daily Volume (3mo.)	1,877,420
Market Value	$41.3 billion
Shares Outstanding (m)	457
Cash per share	$6.17
Book Value per share	$9.17

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	29.6x	30.0x	16.2x	22.6x	1.7x
P/Book	9.8x	9.8x	3.4x	5.5x	3.6x
P/Cash Flow	14.9x	25.0x	11.3x	16.3x	1.4x
P/Sales	3.7x	3.7x	2.0x	2.8x	2.0x
EV/EBITDA	17.3x	17.4x	8.3x	12.6x	1.4x
EV/Sales	3.6x	3.6x	1.9x	2.7x	1.5x
Div. Yield	2.3%	3.5%	2.2%	2.7%	1.1x
LTD/Capital	32%	32%	0%	3%	0.8x

GROWTH SUMMARY *as of FY Ended 6/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-10.4%	0.8%	4.1%	2.6%
EBIT	-9.4%	0.9%	2.5%	2.1%
EBITDA	-10.4%	0.1%	1.9%	1.6%
Net Income	-8.4%	-0.3%	2.7%	2.7%
EPS (Diluted)	-7.3%	0.8%	3.7%	6.0%
Dividends	2.1%	7.4%	7.6%	12.2%

PRIMARY RISKS

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Automatic Data Processing (ADP) competes in the human resources administration services industry. The Company serves over 630,000 clients and employs 55,000 people worldwide. ADP provides services that satisfy companies' human resources needs, including payroll processing and benefits administration. ADP was founded in 1949 and is headquartered in Roseland, NJ.

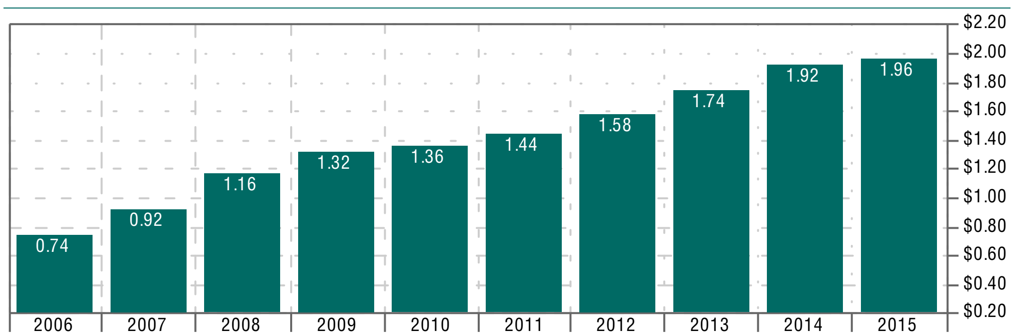
Why It's an Achiever

ADP has continuously paid a dividend since 1974, increasing it each of the past 31 years. The Company has achieved strong performance, while growing into one of the world's largest providers of business outsourcing and solutions, and is by far the largest payroll service provider. ADP's customers can now be found in more than 100 countries around the world. The Company's payrolls cover 24 million (one in six) U.S. workers and 12 million more employees abroad. Last fiscal year (FY15 ended 6/30/15), ADP processed 56 million W-2s, making it the largest IRS taxpayer, as well.

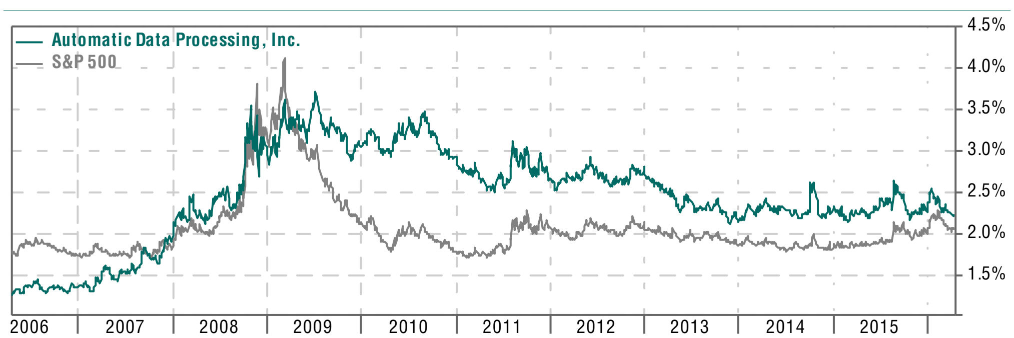
ADP's ability to continue its history of dividend growth rests on its capacity to leverage market position in order to take advantage of the increasingly complex modern workplace. The Company plans to grow its suite of cloud-based benefits and payroll solutions and enhance its support and compliance capabilities. ADP will offer an end-to-end suite of cloud-based HR services. The Affordable Care Act (ACA) also presents new workplace challenges and ADP has developed solutions for workforce planning, eligibility, affordability, enrollment, and compliance management.

Financially, ADP's strength is highlighted by its industry-leading AA credit rating (S&P). ADP's basic financial model relies on a large recurring revenue base and low capital requirements. The Company currently has minimal long-term debt.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers Int'l Business Machines Corp. (IBM)

Price (4/14/16)	$151.16

DIVIDEND STATISTICS

Dividend & Yield	$5.20 / 3.44%
Dividend paid since	1913
# of Consecutive Increases	20 years
10-yr. Annualized Dividend Growth	20.4%
Dividend Payout	33%

KEY STATISTICS

52-wk. Price Range	$117 - $176
Average Daily Volume (3mo.)	5,314,336
Market Value	$145.2 billion
Shares Outstanding (m)	961
Cash per share	$8.53
Book Value per share	$14.77

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	11.2x	15.6x	9.2x	13.3x	0.6x
P/Book	10.2x	13.9x	8.2x	10.9x	3.7x
P/Cash Flow	8.6x	12.4x	7.1x	10.6x	0.8x
P/Sales	1.8x	2.3x	1.5x	2.0x	1.0x
EV/EBITDA	9.3x	10.3x	7.6x	9.1x	0.8x
EV/Sales	2.2x	2.5x	1.9x	2.2x	0.9x
Div. Yield	3.4%	4.0%	1.4%	2.2%	1.7x
LTD/Capital	62%	67%	41%	52%	1.6x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-11.9%	-7.9%	-3.9%	-1.1%
EBIT	-20.6%	-10.2%	-4.0%	3.1%
EBITDA	-19.4%	-9.5%	-4.1%	1.5%
Net Income	-15.2%	-7.0%	-2.1%	5.3%
EPS (Diluted)	13.8%	-2.0%	3.3%	10.7%
Dividends	17.6%	14.8%	14.9%	20.4%

PRIMARY RISKS

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International Business Machines (IBM) is a multinational information technology company that offers integrated solutions through five primary business segments: Global Technology Services, Software, Global Business Services, Systems & Technology, and Global Financing. The Company was founded in 1911 and is headquartered in Armonk, NY.

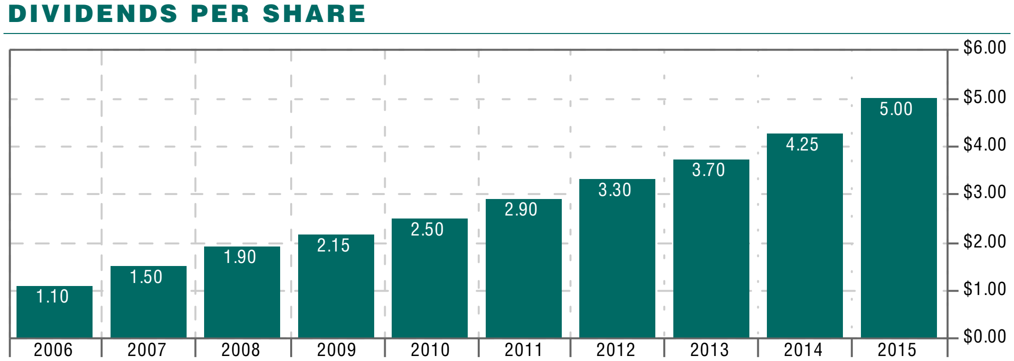
Why It's an Achiever

IBM has increased its dividend for 20 consecutive years and has consistently paid a dividend for over 100 years. Over the past decade, IBM transformed itself from a hardware and commodity service-based enterprise into one that has leveraged innovation into better growth and higher profitability, focused on software and higher-value services. Margins tell the story, as this shift has resulted in impressive growth of IBM's profit margin. In 2000, IBM's pre-tax operating margin was 10%, which compares to 19.5% in 2015.

Despite recent earnings setbacks, margins continue to expand with the change in revenue mix. The recent divestiture of the money-losing semiconductor manufacturing business and growth within IBM's Strategic Imperatives (cloud, analytics, mobile, social, and security) further supports the view for improving margins. These Strategic Imperatives represented 35% of combined revenue of $81.7B and grew by 26% in 2015. Cloud offerings, in particular, generated $10 billion in revenue in 2015.

We acknowledge that IBM's near-term results leave little room for excitement, as overall growth remains sluggish, in our view, but we continue to see pockets of opportunity driven by double-digit revenue growth in IBM's Strategic Imperatives. Importantly, we believe that IBM is investing in the right areas for long-term growth, though progress is slower than desired. While we clearly did not expect to see such near-term underperformance in the shares, we initiated our Dividend Achievers position in IBM well aware of the near-term fundamental challenges facing the Company, as it attempts to turn a big ship to better align with future technology growth and trends. We believe that the near-term focus of many investors and generally bearish near-term sentiment sets a low bar, and offers an attractive long-term opportunity for patient investors who are seeking income growth and capital appreciation. As for the dividend, which has grown at a compounded annual rate of 20% over the past ten years, the 2014 payout ratio was still modest, at 37% of adjusted free cash flow. Given considerable headroom in these ratios, we believe that IBM's dividend is well-positioned for continued healthy growth and at a rate faster than earnings.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

Dividend Achievers Microsoft Corporation (MSFT)[A]

Price (4/14/16) $55.36

DIVIDEND STATISTICS

Dividend & Yield	$1.44 / 2.60%
Dividend paid since	2003
# of Consecutive Increases	13 years
10-yr. Annualized Dividend Growth	15.0%
Dividend Payout	49%

KEY STATISTICS

52-wk. Price Range	$40 - $57
Average Daily Volume (3mo.)	35,306,500
Market Value	$437.9 billion
Shares Outstanding (m)	7,909
Cash per share	$12.98
Book Value per share	$9.69

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	39.5x	39.6x	9.1x	18.0x	2.2x
P/Book	5.7x	5.7x	3.1x	4.0x	2.1x
P/Cash Flow	14.5x	15.0x	7.2x	10.2x	1.3x
P/Sales	5.1x	5.1x	3.0x	3.8x	2.8x
EV/EBITDA	12.5x	12.5x	5.4x	7.9x	1.0x
EV/Sales	4.3x	4.4x	2.3x	3.1x	1.8x
Div. Yield	2.6%	3.1%	2.2%	2.6%	1.2x
LTD/Capital	34%	34%	12%	18%	0.9x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	7.2%	8.0%	8.4%	8.9%
EBIT	-0.8%	-0.5%	3.1%	5.2%
EBITDA	1.6%	2.7%	4.9%	6.8%
Net Income	-44.8%	-10.4%	-8.3%	0.0%
EPS (Diluted)	-43.7%	-9.5%	-6.8%	2.8%
Dividends	12.2%	15.8%	18.6%	15.0%

PRIMARY RISKS

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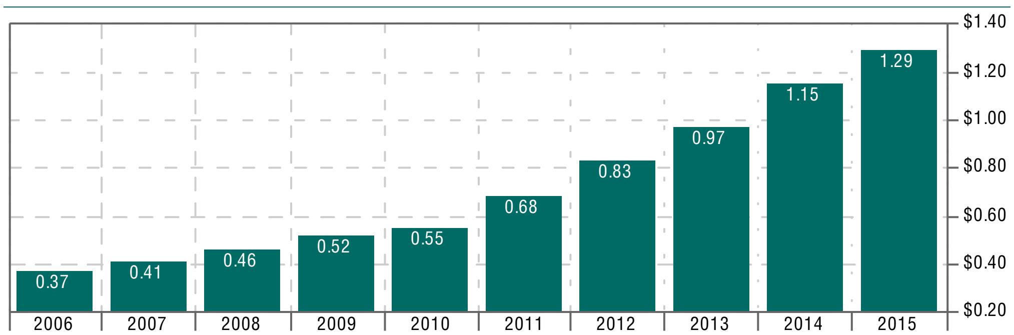
Microsoft Corporation (MSFT) develops and markets software, services, and hardware. The Company's segments include Commercial and Devices & Consumer, which made up 63% and 23% of FY15 revenue, respectively. The Company's products include: operating systems for personal computers, servers, phones, and other intelligent devices; server applications for distributed computing environments; productivity applications; business solution applications; desktop and server management tools; software development tools; video games; and online advertising. MSFT also designs and sells hardware, including its line of *Xbox* video game consoles and *Surface* tablets. The Company was founded in 1975 and is headquartered in Redmond, WA.

Why It's an Achiever

MSFT has paid a dividend since 2003 and has increased it for 13 consecutive years at a compounded annual growth rate of 23.2%. We believe that the strong dividend growth trend will continue, given the Company's pristine balance sheet ($58.2 billion in cash; net of debt), healthy cash flow profile (5.4% FCF yield), and relatively low payout ratio (51% payout ratio based upon analysts EPS estimates for next fiscal year). In addition to paying an attractive 2.6% dividend, the Company has a sizeable $40 billion share repurchase agreement it expects to complete by 12/31/16.

In our view, Microsoft's advantage lies within its size and scale, allowing the Company to offer compelling and competitively priced software products for enterprise and consumer markets. Through its *Windows* and *Office* products, MSFT is deeply entrenched in the consumer, small business, and enterprise software markets. These products are high margin, cash cow businesses that provide internal funding for the Company to discover and continue to grow new businesses to maintain relevance as a leader in the IT space. We believe that CEO Satya Nadella's mobile-first, cloud-first strategy and reorganization, which represents a shift from PC and server toward a mobile and cloud-based environment, provides a clear path for Microsoft to reinvigorate growth.
FY15 was a transition year for MSFT, as it shifted its software business from a license to a subscription-based model, was up against tough comparisons from the end of the *Windows XP* refresh cycle, and faced a drag on near-term gross margins from the growing hardware business (*Xbox*, Nokia, and *Surface* tablet). However, looking out into FY16, we see a pickup in the overall business from the recent launch of *Windows 10*, which we believe will embody CEO Satya Nadella's mobile cross platform *Windows* eco-system strategy. Long-term, we like the move to a subscription-based model, and we see potential for continued growth within the commercial cloud business (including *Office 365*, *Azure*, and *Dynamics CRM*), particularly Office 365, which grew 70% in the most recent reported quarter (Q2 of FY16)

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

[A] **D. A. Davidson & Co. makes a market in this security.**

Dividend Achievers AT&T Inc. (T)[(A)]

Price (4/14/16)	$38.42

DIVIDEND STATISTICS

Dividend & Yield	$1.92 / 5.00%
Dividend paid since	1881
# of Consecutive Increases	31 years
10-yr. Annualized Dividend Growth	3.8%
Dividend Payout	70%

KEY STATISTICS

52-wk. Price Range	$31 - $40
Average Daily Volume (3mo.)	27,368,162
Market Value	$236.3 billion
Shares Outstanding (m)	6,151
Cash per share	$0.90
Book Value per share	$19.96

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	16.2x	50.6x	8.7x	25.7x	0.9x
P/Book	1.9x	2.3x	1.5x	1.9x	0.7x
P/Cash Flow	6.6x	6.4x	4.6x	5.4x	0.6x
P/Sales	1.5x	1.7x	1.3x	1.5x	0.8x
EV/EBITDA	7.7x	9.9x	4.9x	7.4x	0.6x
EV/Sales	2.4x	2.5x	1.8x	2.0x	1.0x
Div. Yield	5.0%	6.0%	4.6%	5.3%	2.4x
LTD/Capital	48%	52%	33%	41%	1.2x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	10.8%	4.8%	3.4%	12.8%
EBIT	77.7%	23.7%	4.7%	13.4%
EBITDA	45.2%	14.4%	3.7%	12.3%
Net Income	114.4%	22.5%	-6.9%	10.8%
EPS (Diluted)	99.2%	23.7%	-5.9%	5.3%
Dividends	2.2%	2.2%	2.3%	3.8%

PRIMARY RISKS

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AT&T (T) is one of the largest U.S. wireless carriers, serving subscribers through handsets and other "connected devices," including tablets and e-readers. The recent acquisition of DirectTV (DTV) makes T the largest pay TV provider in the world. The Company is also the dominant local phone company in 22 U.S. states and provides phone and data services, such as web hosting and data transport, to larger businesses nationwide. AT&T was founded in 1876 and is headquartered in Dallas, TX.

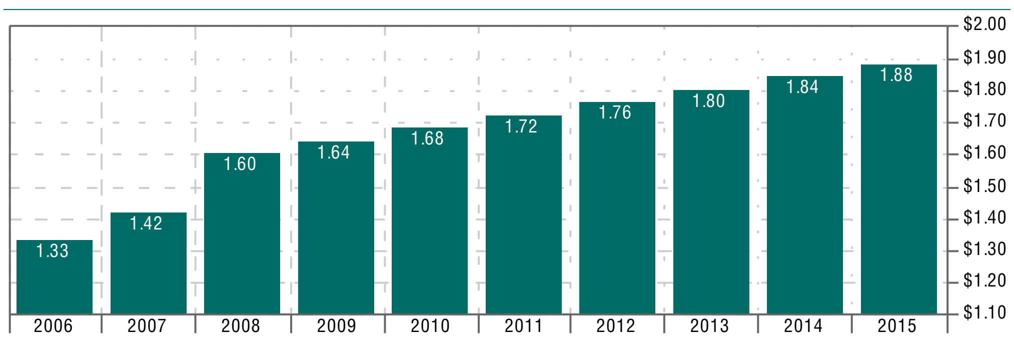
Why It's an Achiever

The Company has paid a dividend since 1881, and its current streak of consecutive annual increases now stands at 31 years. Over that span, the Company has evolved from a local exchange carrier operating in five states to a local exchange carrier operating in 22 U.S. states and a national wireless provider that, along with Verizon (VZ-$51.36), has been a mobile service duopoly. AT&T recently closed the lusacell acquisition, which gives the Company access to 8.6 million subscribers and a network that covers 70% of Mexico's population of 120 million.

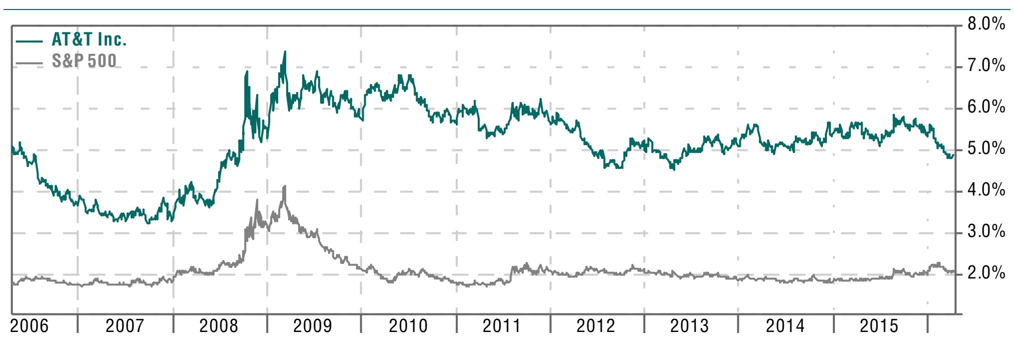
The Company has used its market-leading position and excess free cash flow to fund the investments needed to keep its service offerings among the fastest and most reliable in the industry. Smartphones continue to drive wireless growth and now account for the vast majority of new mobile phones placed into service. To meet the needs of these devices, T has nearly completed the national development of its 4G LTE (Long Term Evolution) network.

Following T's acquisition of DTV, the Company held an Analyst Day on in August 2015 highlighting synergies from the deal, as well as provided a long-term growth outlook (2016-2018), in which it expects EPS to grow mid-single digits or better, and the Company sees an improving FCF dividend payout ratio in the 70% range, down from the current 90% level. AT&T continues to generate sufficient operating cash flow to fund both its investments in its networks, as well as to maintain and modestly grow its dividend.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



[(A)] **D. A. Davidson & Co. makes a market in this security.**

Dividend Achievers NextEra Energy, Inc. (NEE)

Price (4/14/16)	$116.15

DIVIDEND STATISTICS

Dividend & Yield	$3.48 / 3.00%
Dividend paid since	1945
# of Consecutive Increases	20 years
10-yr. Annualized Dividend Growth	8.1%
Dividend Payout	54%

KEY STATISTICS

52-wk. Price Range	$94 - $119
Average Daily Volume (3mo.)	2,482,964
Market Value	$53.6 billion
Shares Outstanding (m)	461
Cash per share	$3.31
Book Value per share	$48.97

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	19.2x	24.0x	12.1x	17.4x	1.1x
P/Book	2.4x	2.4x	1.5x	2.0x	0.9x
P/Cash Flow	8.8x	9.0x	5.4x	7.5x	0.8x
P/Sales	3.3x	3.4x	1.5x	2.4x	1.8x
EV/EBITDA	13.3x	16.2x	9.3x	11.9x	1.1x
EV/Sales	5.2x	5.3x	3.0x	4.2x	2.2x
Div. Yield	3.0%	4.0%	2.7%	3.2%	1.3x
LTD/Capital	51%	55%	49%	52%	1.3x

GROWTH SUMMARY *as of FY Ended 12/15*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-3.4%	4.9%	2.3%	2.9%
EBIT	-20.3%	3.4%	8.0%	7.3%
EBITDA	-6.8%	11.4%	8.5%	7.5%
Net Income	11.6%	12.9%	7.1%	12.0%
EPS (Diluted)	8.2%	9.9%	5.0%	10.2%
Dividends	6.2%	8.7%	9.0%	8.1%

PRIMARY RISKS

- Investors must bear in mind that inherent in investments are the risks of fluctuating prices and the uncertainties of dividends, rates of return, and yield.
- All risks that could materially affect the Company are disclosed in the annual 10-K filing.

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NextEra Energy (NEE) is a leading electricity provider whose regulated segment, Florida Power & Light, distributes power to approximately 4.8 million customers in Florida. The Company's other principal operating subsidiary, NextEra Energy Resources, is the largest generator in the U.S. of renewable energy from the wind and sun. NextEra is headquartered in Juno Beach, FL.

Why It's an Achiever

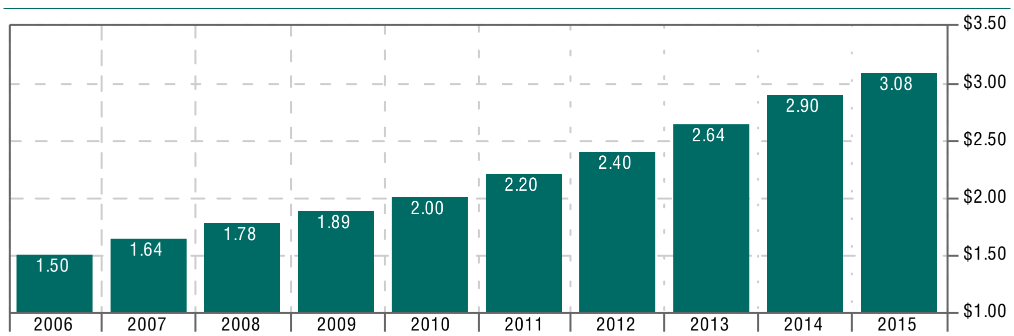
NEE has paid a dividend since 1945 and has increased it in each of the past 20 years. NEE's largest business segment is Florida Power & Light (FPL), accounting for over 70% of the Company's revenues. FPL has over $11 billion in annual operating revenue and primarily serves customers along Florida's Atlantic coast. FPL is one of the nation's cleanest utilities, with 95% of its power generation coming from natural gas, nuclear, and solar sources. FPL is also one of the nation's most efficient generators, with the lowest average cost for residential usage in the state of Florida. In late 2012, FPL reached a new rate agreement with the state that runs through 2016 and provides good visibility to above average growth for the utility. Among the provisions of the agreement, FPL's allowed return on equity (ROE) will be 10.5%, give or take 100 basis points, with base rate increases that are tied to two recent modernization projects, and a third that is currently underway.

NEE also operates NextEra Energy Resources (NEER). NEER is one of the largest wholesale generators of electricity in the U.S with facilities in 25 U.S. states and 4 Canadian provinces. Nearly 40% of NEER's power generation is wind-based, with the balance split evenly between natural gas and nuclear. Over 60% of NEER's generating capacity is now contracted out under long-term selling agreements, with a weighted average contract life of 15 years.

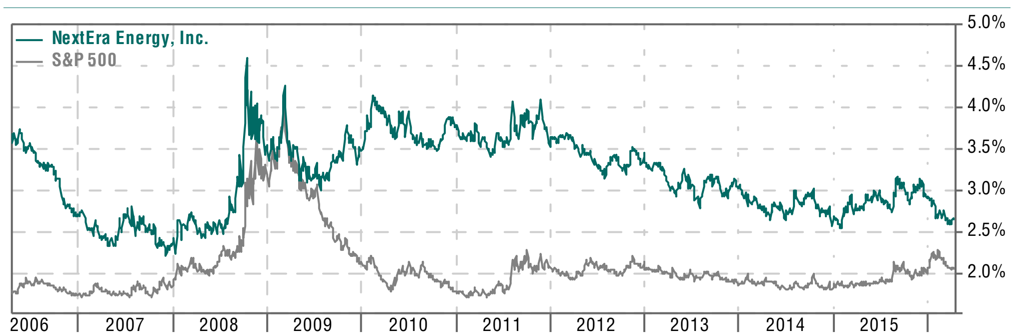
On 12/3/14, NEE announced that it plans to purchase Hawaiian Electric (HE-$32.14)[A] for approximately $4.3 billion. The acquisition should allow NEE to build upon its core strategy of becoming the largest clean energy company in North America. Though the deal was expected to close by December 2015, the Hawaii Public Utilities Commission has yet to approve the deal. Either party may terminate the deal if it is not closed prior to June 3, 2016. The acquisition is expected to be EPS neutral in the first full-year and EPS accretive thereafter.

With an A- credit rating (S&P and Fitch), NEE is in the top quartile of credit quality for all utilities. NEE expects that by 2016, 84% of the Company's EBITDA will come from its regulated and long-term contracted operations. Based on this visibility, NEE expects ~5-7% annual EPS growth through at least 2018 from a 2014 adjusted EPS base.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Required Disclosures

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James Ragan, the analyst who prepared this report, or his immediate family owns an investment position in: T, IBM, MSFT, AAPL, GE, INTC, MRK, QCOM, SLB, PAA, GOOGL, AAPL, CAT, COST, MXWL

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Of all the eligible securities from the Research Universe, those ultimately selected for inclusion in Dividend Achievers will have a minimum 10-year history of consecutive dividend increases and, in the opinion of Mr. Ragan and Mr. Griffith, have a positive outlook for future growth. The overall dividend yield for Dividend Achievers is expected to be above the average market yield. Dividend Achievers may not have holdings in all sectors at all times, but Mr. Ragan and Mr. Griffith strive to maintain diversity across most economic sectors. Dividend Achievers will be a periodic publication that will highlight the current securities included. Securities may be removed from Dividend Achievers if the underlying company fails to sustain its record of consecutive annual dividend increases or if there is a significant change in company fundamentals. Changes to Dividend Achievers may also be prompted by Mr. Ragan and Mr. Griffith's views of the risk/reward profile offered by individual securities. Dividend Achievers will disclose any securities removed from the list in the first publication following the removal of the security.

For a copy of the most recent reports containing all required disclosure information for covered companies referenced in this report, please contact your D.A. Davidson & Co. representative or call 1-800-755-7848.

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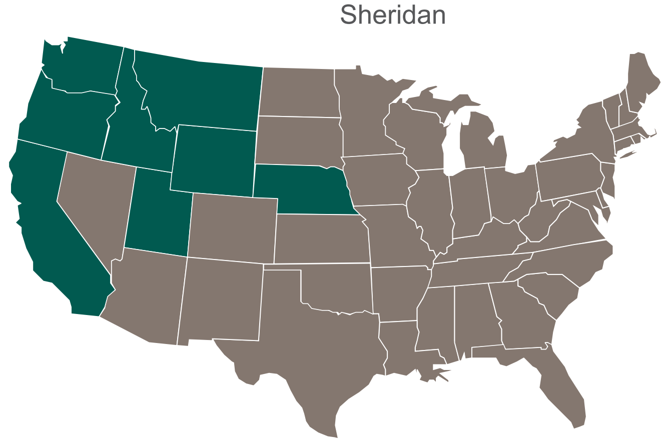

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