D|A|DAVIDSON

Individual Investor Group Research

Dividend Achievers

October 2017

D|A|DAVIDSON

The Strength of Advice®

Please refer to page 19 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.

Quarterly Portfolio Letter
Dividend Achievers Third Quarter 2017 Recap

Dividend Achievers increased by 2.5% (total return including dividends) during the third quarter, relative to a positive 4.5% total return for the S&P 500 over the same time period. For the nine-month YTD period, Dividend Achievers earned a total return of 9.6% compared to 14.2% for the S&P 500.

The top contributor to the portfolio was **VF Corp (VFC),** with a positive total return of 11.1% during Q3 and up 21.9% year-to-date. Prior to our purchase of the stock, VFC was largely out of favor with investors. Weakness in the wholesale and department store channels left the Company short of its financial targets for the 2016 fiscal year. Despite the lower-than-expected sales and earnings, gross margin for the Company remained strong, indicating that VFC's brands - The North Face, Vans, and Timberland among others - continued to resonate with their core customer and widespread discounting was not required to liquidate undesirable inventory. In our view, the business was still fundamentally sound despite these short-term challenges.

Another investor concern was the lack of visibility into the Company's acquisition pipeline. Acquiring attractive brands has long been a key part of VFC's growth strategy, yet the Company's last major acquisition was in 2011 when it purchased Timberland. On quarterly earnings calls, management regularly fielded questions as to when the next acquisition would occur, and without any visibility into future sources of growth, estimates for both revenue and earnings were lackluster. We did not believe that VFC's management team had forgotten how to make a successful acquisition, and in fact viewed the lack of activity as an indicator that management remained disciplined, only willing to acquire brands that would increase shareholder value. During the quarter, our patience was rewarded. VFC announced the acquisition of Williamson-Dickie Mfg. Co., a privately-held manufacturer of workwear. The price of the Company was attractive, and in our view there is upside over and above management's targets due to their use of conservative assumptions when underwriting the acquisition.

Our strategy focuses on being directionally correct over our long time horizon. This leads us to emphasize questions such as, "do the brands continue to resonate?", and "do we have confidence in management's ability to identify and integrate acquisitions?", rather than trying to predict next-quarter's revenue and earnings. For individual investors, the ability to invest patiently over a long time horizon is a sustainable competitive advantage relative to the broad universe of institutional money managers. An informational edge is difficult to obtain, particularly in today's regulatory environment that prevents the selective disclosure of material information. It also has a limited shelf life. Precise analysis that correctly identifies a differentiated view will likely lead to a profitable trading opportunity, however it also will bring no additional value once the market discounts this new information. Instead, we choose to analyze the impact of a limited number of key business drivers on a company's financial performance over a period of years rather than months, and believe that over time our investors will benefit from this approach.

Other outperformers for the quarter were **Microsoft (MSFT)**, returning 8.6%, and **Automatic Data Processing (ADP)**, returning 7.3% for the quarter including dividends. **Kimberly-Clark (KMB)** declined by 8.1% for the quarter following management's reduction of organic sales guidance and indication that full-year earnings per share will be at the low end of its targeted range. **International Business Machines (IBM)**, which we discussed extensively last quarter, was down 4.7%. We maintain our view that the stock is attractively valued, particularly given that the market is giving the Company little credit for its efforts in the enterprise artificial intelligence space.

James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Dividend Achievers Portfolio

High Quality Growth & Income Strategy

Dividend Achievers Portfolio	9/29 Price	Total Return YTD	3 Mo.	1 Mo.	EPS Estimates FY1	FY2	P/Earnings Ratios FY1	FY2	Yield %
Dividend Achievers	—	**9.6%**	2.5%	1.4%	—	—	—	—	3.0%
S&P 500	2,519.36	**14.2%**	4.5%	2.1%	$130.81	$145.53	19.3x	17.3x	2.0%

Dividend Achievers Stocks	Ticker	'16 Year-End or '17 Add Price Date	Price	9/29 Price	Total Return YTD	3 Mo.	1 Mo.	Dividend Statistics Payout Ratio	10-Year CAGR	# of Years Increases	Paid Since	Yield %
Consumer Discretionary												
V.F. Corporation	VFC[A]	12/31	$53.35	**$63.57**	**21.9%**	11.1%	1.8%	54.0%	12.2%	43	1973	2.6%
Consumer Staples												
Kimberly-Clark Corporation	KMB	12/31	$114.12	**$117.68**	**5.5%**	-8.1%	-3.8%	64.3%	6.6%	44	1935	3.3%
Procter & Gamble Company	PG	12/31	$84.08	**$90.98**	**10.8%**	5.2%	-1.4%	70.4%	8.2%	61	1890	3.0%
Energy												
Exxon Mobil Corporation	XOM	12/31	$90.26	**$81.98**	**-6.6%**	2.5%	7.4%	130.2%	8.8%	34	1882	3.8%
Financials												
Chubb Limited	CB	12/31	$132.12	**$142.55**	**9.5%**	-1.5%	1.3%	28.1%	11.0%	23	1993	2.0%
Health Care												
CVS Health Corporation	CVS	12/31	$78.91	**$81.32**	**5.0%**	1.7%	5.1%	34.2%	27.0%	14	1995	2.5%
Johnson & Johnson	JNJ	12/31	$115.21	**$130.01**	**15.1%**	-1.1%	-1.8%	49.9%	8.0%	54	1944	2.6%
Novartis AG	NVS	12/31	$72.84	**$85.85**	**21.5%**	2.9%	1.9%	48.5%	8.9%	19	1996	3.3%
Industrials												
Emerson Electric Co.	EMR	12/31	$55.75	**$62.84**	**15.4%**	6.2%	6.4%	64.4%	7.4%	61	1947	3.1%
United Technologies Corporation	UTX	12/31	$109.62	**$116.08**	**7.7%**	-4.4%	-3.0%	42.4%	9.9%	23	1936	2.4%
Information Technology												
Automatic Data Processing, Inc.	ADP	12/31	$102.78	**$109.32**	**8.1%**	7.3%	3.2%	61.6%	11.1%	42	1974	2.1%
International Business Machines Corporation	IBM	12/31	$165.99	**$145.08**	**-10.1%**	-4.7%	1.4%	44.2%	17.5%	22	1913	4.1%
Microsoft Corporation	MSFT[A]	12/31	$62.14	**$74.49**	**21.9%**	8.6%	-0.4%	50.8%	14.8%	15	2003	2.3%
Telecommunication Services												
AT&T Inc.	T[A]	12/31	$42.53	**$39.17**	**-4.4%**	5.2%	4.6%	69.0%	3.7%	33	1881	5.0%
Utilities												
NextEra Energy, Inc.	NEE	12/31	$119.46	**$146.55**	**25.3%**	5.3%	-2.6%	63.5%	8.8%	21	1945	2.7%

Annual Performance (total returns)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Dividend Achievers Model Portfolio	-18.6%	13.8%	17.3%	12.9%	13.7%	24.6%	10.3%	2.6%	12.1%	9.6%
S&P 500	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	14.2%
Relative Performance	18.4%	-12.7%	2.2%	10.8%	-2.3%	-7.8%	-3.4%	1.2%	0.1%	-4.6%

Rolling Returns (annualized) and Since Inception	1-year	3-year	5-year	10-year	Since Inception Cumulative	Annualized
Dividend Achievers Model Portfolio	10.8%	10.1%	11.7%	8.6%	206.1%	9.8%
S&P 500	18.6%	10.8%	14.2%	7.4%	172.5%	8.7%
Relative Performance	-7.8%	-0.7%	-2.5%	1.1%	33.6%	1.1%

Notes:
- For stocks added to the Dividend Achievers Model Portfolio in 2017, YTD total return is calculated from the date it was added through 9/29/2017. All prices and return information reflect closing prices.
- Portfolio additions/removals by calendar year: **2009** 2/2; **2010** 1/1; **2011** 0/0; **2012** 1/1; **2013** 1/1; **2014** 1/1; **2015** 2/2; **2016** 2/2; **2017** 0/0

[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 AT&T Inc. (T)(A)

Price (10/12/17) $35.86

DIVIDEND STATISTICS

Dividend & Yield	$1.96 / 5.47%
Dividend paid since	1881
# of Consecutive Increases	33 years
10-yr. Annualized Dividend Growth	3.7%
Dividend Payout	69%

KEY STATISTICS

52-wk. Price Range	$35 - $43
Average Daily Volume (3mo.)	25,160,436
Market Value	$220.2 billion
Shares Outstanding (m)	6,140
Cash per share	$4.21
Book Value per share	$20.31

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	16.9x	44.9x	9.4x	21.8x	0.8x
P/Book	1.8x	2.3x	1.6x	2.0x	0.6x
P/Cash Flow	5.6x	7.0x	4.6x	5.8x	0.4x
P/Sales	1.4x	1.7x	1.3x	1.5x	0.6x
EV/EBITDA	6.7x	9.9x	4.9x	7.3x	0.5x
EV/Sales	2.1x	2.4x	1.8x	2.1x	0.8x
Div. Yield	5.5%	5.7%	4.4%	5.1%	3.0x
LTD/Capital	49%	52%	36%	45%	1.2x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	11.6%	8.3%	5.3%	10.0%
EBIT	5.0%	-5.3%	16.4%	8.9%
EBITDA	10.9%	1.9%	11.1%	9.4%
Net Income	-2.8%	-10.7%	26.9%	5.8%
EPS (Diluted)	-11.4%	-14.7%	26.0%	1.1%
Dividends	2.1%	2.2%	2.2%	3.7%

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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AT&T (T) is one of the largest U.S. wireless carriers, serving subscribers through handsets and other connected devices. The recent acquisition of DirecTV (DTV) makes T the largest pay TV provider in the world, and the proposed acquisition of Time Warner (TWX) would transform the Company into one of the largest vertically-integrated media conglomerates. 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.

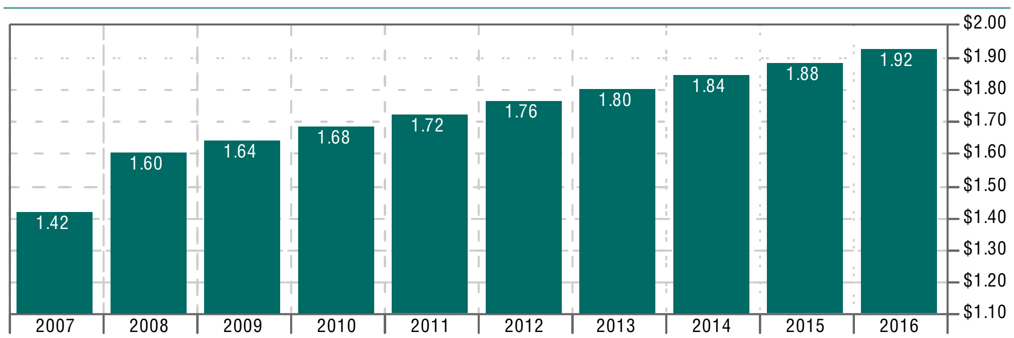
Why it is an Achiever

The Company has paid a dividend since 1881, and its current streak of consecutive annual increases now stands at 33 years. Over that span, the Company has evolved from a local exchange carrier operating in five states to now a dominant telecom provider that along with Verizon (VZ) controls over 65% of the U.S. wireless market. T's 2015 acquisition of Iusacell gives the Company access to 12.6 million subscribers and a network that covers 70% of Mexico's population of 120 million.

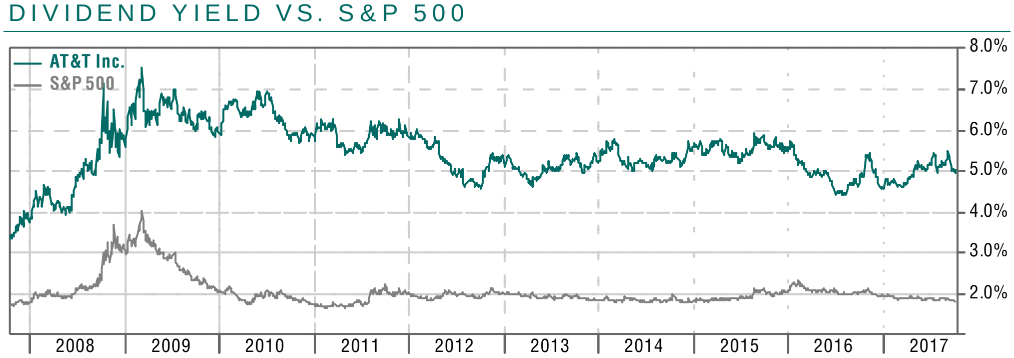
The Company has used its market-leading position and excess free cash flow to fund the investments needed to keep its service offerings among the fastest and most reliable in the industry. Smartphones continue to drive wireless growth and now account for the vast majority of new mobile phones placed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

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

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
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(A) **D. A. Davidson & Co. makes a market in this security.**

Dividend Achievers Automatic Data Processing, Inc. (ADP)

Price (10/12/17)	$113.59

DIVIDEND STATISTICS

Dividend & Yield	$2.28 / 2.01%
Dividend paid since	1974
# of Consecutive Increases	42 years
10-yr. Annualized Dividend Growth	11.1%
Dividend Payout	62%

KEY STATISTICS

52-wk. Price Range	$85 - $122
Average Daily Volume (3mo.)	4,659,842
Market Value	$50.5 billion
Shares Outstanding (m)	444
Cash per share	$6.26
Book Value per share	$8.94

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	29.5x	30.9x	17.5x	25.4x	1.4x
P/Book	12.7x	13.3x	3.8x	7.6x	4.0x
P/Cash Flow	14.9x	25.0x	11.9x	19.0x	1.4x
P/Sales	4.1x	4.3x	2.2x	3.2x	1.9x
EV/EBITDA	18.2x	19.0x	9.4x	14.6x	1.4x
EV/Sales	4.0x	4.2x	2.1x	3.1x	1.6x
Div. Yield	2.0%	3.2%	1.9%	2.5%	1.1x
LTD/Capital	33%	34%	0%	12%	0.8x

GROWTH SUMMARY *as of FY Ended 6/17*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	6.1%	0.5%	3.0%	4.7%
EBIT	7.6%	2.8%	4.3%	4.8%
EBITDA	7.8%	2.2%	3.7%	4.3%
Net Income	16.1%	4.9%	4.5%	5.4%
EPS (Diluted)	18.5%	7.3%	6.4%	6.7%
Dividends	8.2%	6.8%	8.0%	11.1%

PRIMARY RISKS

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Automatic Data Processing (ADP) competes in the human resources administration services industry. The Company serves over 700,000 clients and employs 58,000 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.

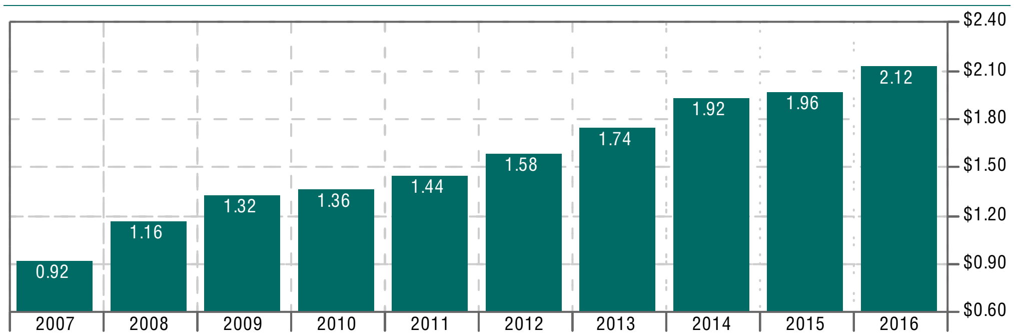
Why it is an Achiever

ADP has continuously paid a dividend since 1974, increasing it each of the past 42 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 110 countries around the world. The Company's payrolls cover 26 million (one in six) U.S. workers and 16 million more employees abroad. Last fiscal year (FY16 ended 6/30/16), ADP processed 61 million year-end tax statements.

ADP's ability to continue its history of dividend growth rests on its capacity to leverage market position and take share of the increasingly complex human capital management and payroll processing function. 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. Any change to government regulations present challenges for firms as they require process changes to remain in compliance. ADP has also developed solutions for workforce planning, eligibility, affordability, enrollment, and compliance management.

Financially, ADP's strength is highlighted by its 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. In August 2017, Pershing Square Capital Management launched a proxy battle to add three directors to the ADP board. As with all companies, ADP has inefficiencies and room to improve both its products and financial performance. The long-term orientation and track record of the current management team gives us confidence that the current strategy can continue to deliver shareholder return above both the market and its peers over our investment horizon.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Dividend Achievers Chubb Limited (CB)

Price (10/12/17)	$146.58

DIVIDEND STATISTICS

Dividend & Yield	$2.84 / 1.94%
Dividend paid since	1993
# of Consecutive Increases	23 years
10-yr. Annualized Dividend Growth	11.0%
Dividend Payout	28%

KEY STATISTICS

52-wk. Price Range	$121 - $150
Average Daily Volume (3mo.)	1,525,276
Market Value	$68.2 billion
Shares Outstanding (m)	465
Cash per share	-
Book Value per share	$108.19

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	12.9x	21.1x	8.6x	12.6x	0.6x
P/Book	1.4x	1.4x	1.0x	1.2x	0.4x
P/Cash Flow	14.5x	14.9x	6.8x	9.7x	1.1x
P/Sales	2.1x	2.6x	1.5x	1.9x	1.0x
EV/EBITDA	-	-	-	-	-
EV/Sales	2.5x	3.4x	1.7x	2.3x	1.0x
Div. Yield	1.9%	2.6%	1.9%	2.2%	1.0x
LTD/Capital	19%	24%	10%	15%	0.4x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	64.0%	18.5%	12.0%	8.8%
EBIT	-	-	-	-
EBITDA	-	-	-	-
Net Income	45.9%	3.2%	21.1%	6.0%
EPS (Diluted)	2.9%	-6.7%	13.8%	2.6%
Dividends	3.0%	10.8%	14.9%	11.0%

PRIMARY RISKS

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Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Chubb Limited (CB) 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. In early 2016, ACE Limited acquired Chubb Corp. to form the largest global P&C insurer by market capitalization. Shortly after the merger, the combined company branded itself as Chubb Limited. We feel strongly about the combined entity given a shared culture of underwriting discipline.

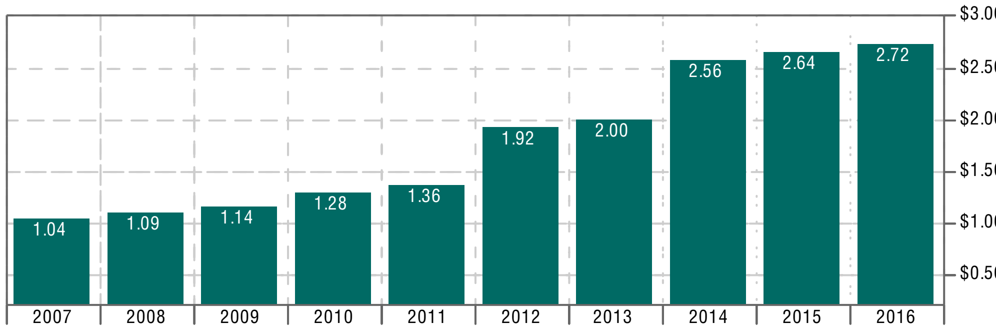
CB has a strong North American (70% of revenue) and European (11% of revenue) presence, but is also geographically diverse, with operations in 54 countries that include exposure to the fast-growing emerging economies of Asia (11% of revenue) and Latin America (7% of revenue). CB is headquartered in Zurich, Switzerland.

Why it is an Achiever

CB has a strong track record of dividend growth since becoming a public company in 1993, with 23 consecutive annual increases and a 10-year compounded annual growth rate (CAGR) of 11%. We expect dividend growth to continue, given CB's healthy growth prospects, revenue and cost synergies from the acquisition, as well as the Company's low payout ratio of 28%.

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 lines. 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 view. CB has historically run its business more efficiently than peers. The Company's combined ratio – a measure of the operating and claims expense of an insurance company relative to total premiums – is currently 87%, better (lower) than the industry average of 95%.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

Dividend Achievers CVS Health (CVS)

Price (10/12/17)	$73.78

DIVIDEND STATISTICS

Dividend & Yield	$2.00 / 2.71%
Dividend paid since	1995
# of Consecutive Increases	14 years
10-yr. Annualized Dividend Growth	27.0%
Dividend Payout	34%

KEY STATISTICS

52-wk. Price Range	$69 - $89
Average Daily Volume (3mo.)	5,369,510
Market Value	$75.0 billion
Shares Outstanding (m)	1,017
Cash per share	$2.13
Book Value per share	$33.64

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	14.7x	27.1x	14.7x	19.5x	0.7x
P/Book	2.2x	3.4x	1.6x	2.4x	0.7x
P/Cash Flow	6.5x	17.0x	6.8x	12.1x	0.5x
P/Sales	0.4x	0.9x	0.4x	0.6x	0.2x
EV/EBITDA	7.8x	12.7x	7.4x	9.7x	0.6x
EV/Sales	0.6x	0.9x	0.6x	0.7x	0.2x
Div. Yield	2.7%	2.6%	1.1%	1.6%	1.4x
LTD/Capital	42%	42%	18%	29%	1.0x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	15.8%	11.9%	10.6%	15.0%
EBIT	9.6%	10.1%	10.9%	15.8%
EBITDA	11.1%	10.0%	10.7%	15.2%
Net Income	1.9%	4.8%	8.7%	14.5%
EPS (Diluted)	6.1%	9.3%	13.5%	11.8%
Dividends	21.4%	22.7%	26.7%	27.0%

PRIMARY RISKS

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magriffith@dadco.com

CVS is an integrated pharmacy health care provider focused on providing solutions that over time reduce the total cost of health care. It operates its business through its Retail Pharmacy (40% of sales) and Pharmacy Services business (60% of sales). CVS was founded in 1963 and is headquartered in Woonsocket, RI.

Retail Pharmacy operates over 9,700 retail drug stores located in 49 states, Puerto Rico, and Brazil. CVS is the leader in retail medical clinics, operating more than 1,100 clinics through its MinuteClinic brand. 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 has grown its geographic footprint dramatically following its acquisition of Target's (TGT) in-store pharmacies in 2015. This segment derives the majority of its revenue by selling prescription drugs, but it also sells over-the-counter drugs and a wide assortment of general merchandise. CVS also provides pharmaceutical distribution services to long term care facilities following its acquisition of Omnicare.

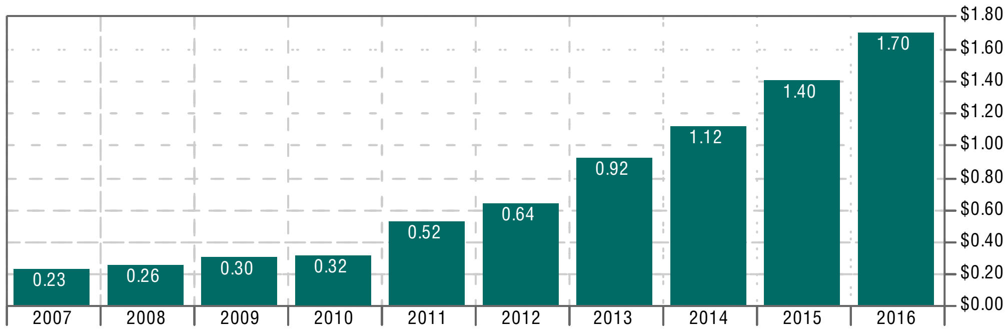
Pharmacy Services generates revenue through a full range of pharmacy benefit management (PBM) services including plan design and administration, formulary management, mail order, specialty pharma and infusion services.

Why it is an Achiever

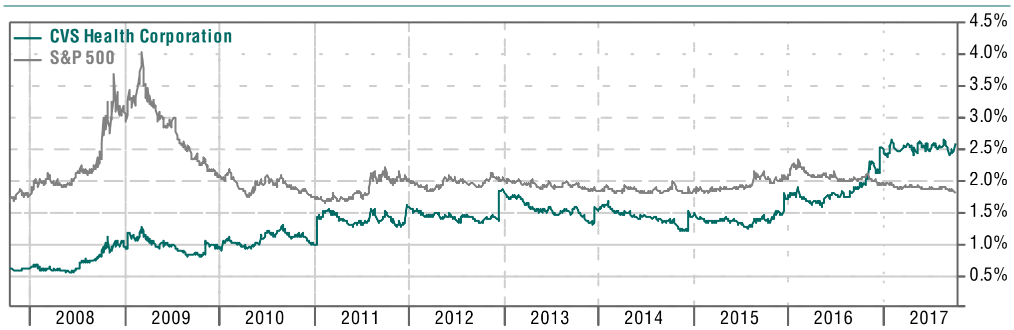
CVS' integrated model is uniquely positioned to take advantage of both an aging U.S. population and the expansion of covered lives. Through its robust service offerings, the Company believes it can offer better care at reduced costs. CVS has many touch points with health care consumers, which we believe provides a competitive advantage against pure play PBMs and pharmacies, and positions the Company well to help reduce costs in the health care market today. CVS also operates the largest specialty pharmacy in the U.S.

CVS has increased its dividend for 14 consecutive years at a 10-year compound annual growth rate (CAGR) of 27%. We expect the strong dividend growth trend to continue given the Company's long-term low double digit EPS growth prospects, its strong free cash flow profile (11.6% FCF yield), and its intention to raise its mid-cycle payout ratio to a modest 35% level by 2018. In addition to a current 2.7% yield, the Company is committed to buying back $5 billion in shares in 2017, which should reduce its share count by ~6%.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers Emerson Electric Co. (EMR)

Price (10/12/17) $63.92

DIVIDEND STATISTICS

Dividend & Yield	$1.92 / 3.00%
Dividend paid since	1947
# of Consecutive Increases	61 years
10-yr. Annualized Dividend Growth	7.4%
Dividend Payout	64%

KEY STATISTICS

52-wk. Price Range	$49 - $64
Average Daily Volume (3mo.)	2,475,911
Market Value	$40.9 billion
Shares Outstanding (m)	640
Cash per share	$4.91
Book Value per share	$12.45

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	30.8x	30.8x	11.0x	20.8x	1.4x
P/Book	5.1x	5.1x	3.4x	4.3x	1.6x
P/Cash Flow	20.4x	19.0x	11.1x	13.0x	1.5x
P/Sales	2.8x	2.8x	1.3x	1.9x	1.3x
EV/EBITDA	13.3x	13.3x	6.9x	9.5x	1.0x
EV/Sales	2.9x	2.9x	1.5x	2.0x	1.2x
Div. Yield	3.0%	4.3%	2.4%	3.1%	1.7x
LTD/Capital	29%	32%	20%	25%	0.7x

GROWTH SUMMARY *as of FY Ended 9/16*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	-34.9%	-16.1%	-9.7%	-3.2%
EBIT	-24.3%	-11.9%	-6.4%	-0.8%
EBITDA	-25.4%	-11.8%	-6.7%	-0.8%
Net Income	-41.3%	-7.4%	-8.3%	-1.5%
EPS (Diluted)	-36.9%	-3.0%	-5.1%	1.2%
Dividends	1.1%	4.7%	5.8%	7.4%

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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James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

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 two business segments: Automation Solutions and Commercial & Residential Solutions. Emerson Electric was founded in 1890 and is headquartered in St. Louis, MO.

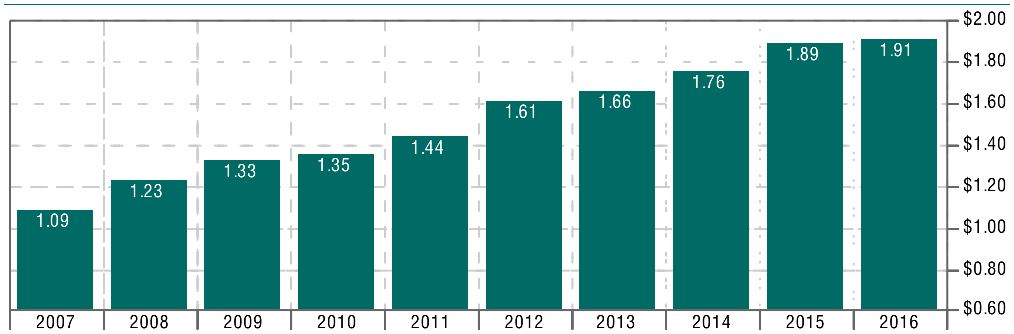
Why it is an Achiever

EMR has paid a dividend since 1947, with consecutive annual increases dating back 61 years. EMR's history of success lies within the Company's broad portfolio of electrical products that 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 years.

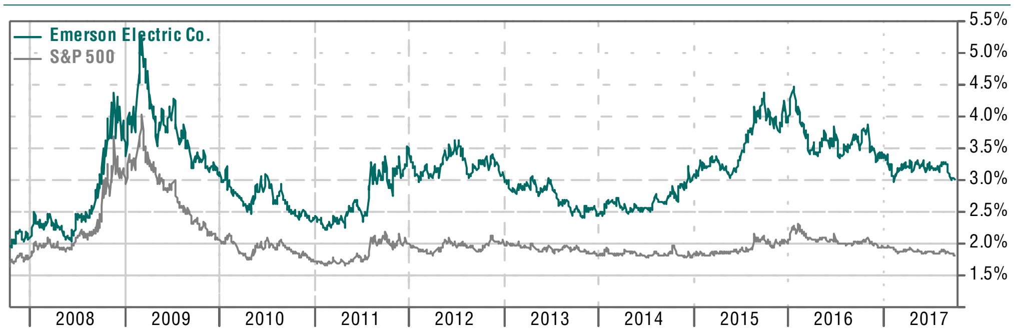
We believe that the Company is working hard to improve its situation by reducing fixed and variable costs, which should help to stabilize margins in the near-term. Revenue has declined on a y/y basis for the past three years in its recently divested Network Power segment and margins were significantly below the Company average, which will act to improve the overall optics of the Company now that business has been sold. The Company also acquired Pentair's (PNR) valves and controls business. In our view, these moves will put the Company in a much better position, particularly as economic growth outside of the US appears to be at a positive inflection point thus far in 2017. Trailing three-month underlying orders were up 9% as of August.

In FY16 (ended 9/30/16), EMR generated over $2.4 billion in free cash flow — nearly twice the Company's annual dividend commitment. The balance sheet is conservatively leveraged, as net debt was 15.4% of total capital as of 6/30/17.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers Exxon Mobil Corporation (XOM)

Price (10/12/17)	$82.43

DIVIDEND STATISTICS

Dividend & Yield	$3.08 / 3.74%
Dividend paid since	1882
# of Consecutive Increases	34 years
10-yr. Annualized Dividend Growth	8.8%
Dividend Payout	130%

KEY STATISTICS

52-wk. Price Range	$76 - $93
Average Daily Volume (3mo.)	9,818,742
Market Value	$349.3 billion
Shares Outstanding (m)	4,237
Cash per share	$0.95
Book Value per share	$42.29

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	29.8x	48.0x	8.9x	20.0x	1.4x
P/Book	1.9x	2.5x	1.8x	2.2x	0.6x
P/Cash Flow	12.6x	19.1x	7.0x	10.7x	0.9x
P/Sales	1.6x	1.9x	1.0x	1.3x	0.8x
EV/EBITDA	14.3x	19.4x	6.0x	10.4x	1.1x
EV/Sales	1.8x	2.1x	0.9x	1.4x	0.7x
Div. Yield	3.7%	4.0%	2.3%	3.1%	2.0x
LTD/Capital	11%	14%	4%	8%	0.3x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-16.6%	-20.3%	-14.5%	-5.1%
EBIT	-67.1%	-52.8%	-39.9%	-22.9%
EBITDA	-24.9%	-26.0%	-19.7%	-10.2%
Net Income	-51.5%	-37.8%	-28.2%	-14.9%
EPS (Diluted)	-51.2%	-36.6%	-25.9%	-11.8%
Dividends	3.5%	6.6%	10.0%	8.8%

PRIMARY RISKS

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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. The Company was founded by John D. Rockefeller in 1882 and is headquartered in Irving, TX.

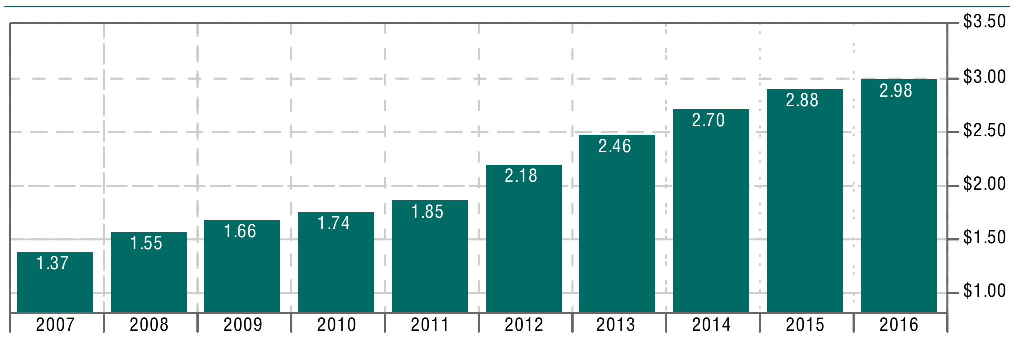
Why it is an Achiever

XOM has paid a dividend since 1882, with consecutive increases in each of the last 34 years. The Company has accomplished this by generating industry-leading returns and free cash flow from its portfolio of upstream production and downstream refining assets. XOM plans to increase investment in the coming years, 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. The Company expects to invest $22 billion in 2017, an increase of 16% over 2016. This investment will primarily be in the Upstream segment. By 2020, XOM expects to produce 4.0-4.4 million barrels of oil equivalents (boe) per day.

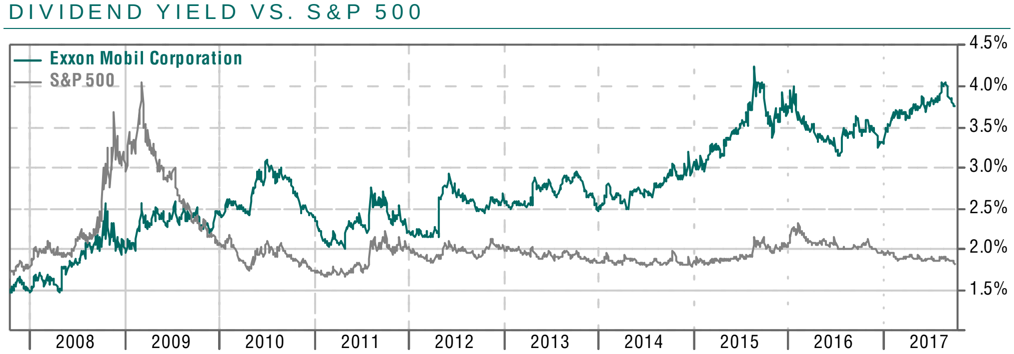
XOM will also continue to invest selectively in its downstream and chemical businesses. XOM has the most profitable downstream and chemical businesses among major integrateds, and XOM's refining costs per unit are below the industry average. The Company's returns on its downstream and chemical business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

The Company currently has an AA+ rating on its debt from S&P and an Aaa rating from Moody's. We believe that XOM's balance sheet strength makes the Company one of the most attractively positioned integrateds to weather the current downturn. Trailing twelve-month free cash flow now covers the annual dividend payment, so our concern over the Company's ability to maintain its history of dividend growth is abating. We expect near-term increases to be in the low single-digit range. In our view, XOM remains a solid way to maintain exposure to the Energy sector within a diversified portfolio.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

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

Price (10/12/17) $147.03

DIVIDEND STATISTICS

Dividend & Yield	$6.00 / 4.08%
Dividend paid since	1913
# of Consecutive Increases	22 years
10-yr. Annualized Dividend Growth	17.5%
Dividend Payout	44%

KEY STATISTICS

52-wk. Price Range	$139 - $183
Average Daily Volume (3mo.)	3,941,435
Market Value	$137.0 billion
Shares Outstanding (m)	932
Cash per share	$13.19
Book Value per share	$19.76

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	12.2x	14.7x	9.2x	12.0x	0.6x
P/Book	7.4x	13.9x	7.2x	10.3x	2.3x
P/Cash Flow	9.0x	12.4x	7.1x	9.9x	0.7x
P/Sales	1.8x	2.3x	1.5x	1.9x	0.8x
EV/EBITDA	11.4x	12.5x	7.6x	9.5x	0.9x
EV/Sales	2.2x	2.6x	1.9x	2.2x	0.9x
Div. Yield	4.1%	4.0%	1.6%	2.8%	2.1x
LTD/Capital	59%	67%	44%	57%	1.4x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-2.2%	-7.1%	-5.7%	-1.3%
EBIT	-18.8%	-14.3%	-9.9%	0.1%
EBITDA	-12.2%	-11.7%	-8.2%	-0.3%
Net Income	-11.1%	-10.3%	-5.6%	2.4%
EPS (Diluted)	-8.5%	-6.1%	-1.1%	7.3%
Dividends	10.0%	14.1%	13.7%	17.5%

PRIMARY RISKS

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Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

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

Why it is an Achiever

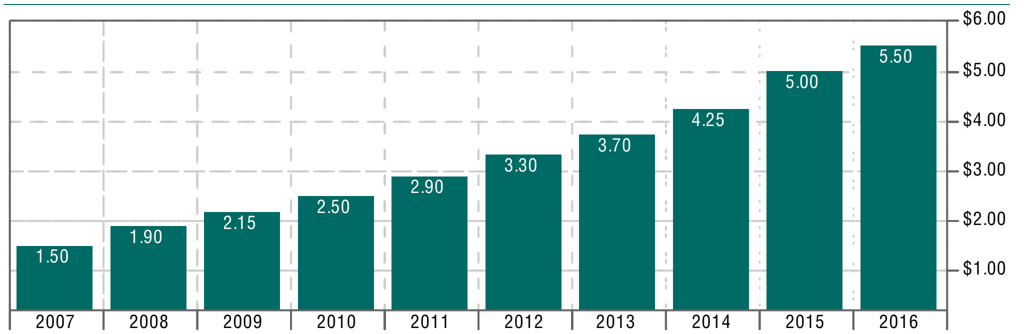
IBM has increased its dividend for 22 consecutive years and has consistently paid a dividend for over 100 years. Over the past decade, IBM transformed itself from a hardware and commodity service-based enterprise into one that has leveraged innovation into better growth and higher profitability, focused 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 adjusted pre-tax operating margin was 10% compared to 25% in 2016.

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 41% of combined revenue of $79.9B and grew by 14% in 2016. Cloud offerings, in particular, generated $13.7 billion in revenue in 2016.

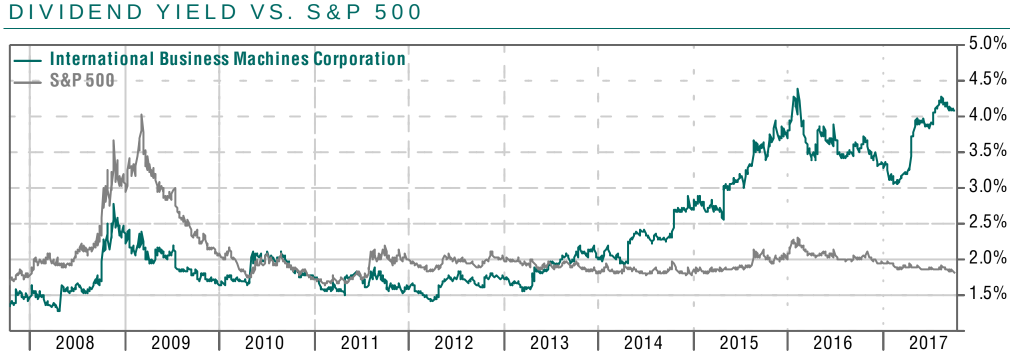
We acknowledge that IBM's near-term results leave little room for excitement as overall growth remains sluggish, but we continue to see pockets of opportunity driven by double-digit revenue growth in IBM's Strategic Imperatives. Importantly, the market for enterprise artificial intelligence is massive, and IBM is uniquely positioned to succeed in this space given its history of innovation and its ability to fund substantial investment through free cash flow. We believe that the near-term focus of many investors and generally bearish 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 17% over the past ten years, the 2016 payout ratio remained modest at 45% of trailing twelve-month 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 Johnson & Johnson (JNJ)

Price (10/12/17)	$136.83

DIVIDEND STATISTICS

Dividend & Yield	$3.36 / 2.46%
Dividend paid since	1944
# of Consecutive Increases	54 years
10-yr. Annualized Dividend Growth	8.0%
Dividend Payout	50%

KEY STATISTICS

52-wk. Price Range	$109 - $138
Average Daily Volume (3mo.)	5,249,507
Market Value	$367.3 billion
Shares Outstanding (m)	2,684
Cash per share	$4.79
Book Value per share	$26.78

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	23.1x	23.5x	16.5x	19.9x	1.1x
P/Book	5.1x	5.1x	3.0x	4.0x	1.6x
P/Cash Flow	18.1x	19.5x	12.7x	16.2x	1.3x
P/Sales	5.2x	5.2x	2.9x	4.1x	2.4x
EV/EBITDA	15.3x	15.3x	9.2x	11.7x	1.2x
EV/Sales	5.4x	5.4x	2.8x	3.9x	2.1x
Div. Yield	2.5%	3.4%	2.4%	2.8%	1.3x
LTD/Capital	26%	26%	11%	17%	0.6x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	2.5%	0.3%	2.0%	3.0%
EBIT	16.2%	4.3%	5.5%	4.5%
EBITDA	13.5%	3.1%	5.2%	4.7%
Net Income	7.3%	6.1%	11.3%	4.1%
EPS (Diluted)	8.2%	7.2%	11.2%	4.7%
Dividends	6.8%	6.7%	7.0%	8.0%

PRIMARY RISKS

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James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

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 230 operating companies around the world, JNJ operates in three segments: Pharmaceutical (46% of 2016 revenue), Medical Devices & Diagnostics (MD&D – 35%), and Consumer (19%). The Company was founded in 1886 and is headquartered in New Brunswick, NJ.

Why it is an Achiever

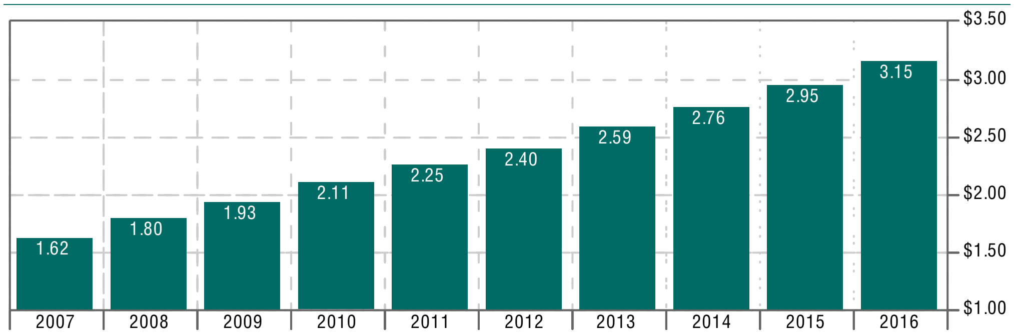
JNJ's string of consecutive annual dividend increases stands at 54 years. JNJ's long-term track record is built around market leading products and innovation. In 2016, approximately 65% of total consumer product sales come from products with either a number one or two global market share and 22% of total sales come from products launched within the past five years. Over half of the Company sales come from outside of the United States.

JNJ's Pharmaceutical business is anchored by its Remicade franchise for the treatment of immune disorders. Remicade accounts for nearly 10% of total company revenues and though it has U.S. patent protection through 2018, the FDA recently approved a biosimilar version of Remicade, a development we will watch closely. JNJ's deep and diverse portfolio should help limit the impact on financial results. 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, each with the potential to exceed $1 billion in revenue, by 2019 adding an additional layer of growth to the Pharmaceutical segment.

JNJ's MD&D segment operates the world's largest and most comprehensive orthopaedics and neurologics business. The Consumer segment holds a leading portfolio of brands including *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 two in the S&P 500. JNJ's trailing twelve-month free cash flow exceeds its annual dividend commitment by over 100%.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

Dividend Achievers Kimberly-Clark Corporation (KMB)

Price (10/12/17)	$117.56

DIVIDEND STATISTICS

Dividend & Yield	$3.88 / 3.30%
Dividend paid since	1935
# of Consecutive Increases	44 years
10-yr. Annualized Dividend Growth	6.6%
Dividend Payout	64%

KEY STATISTICS

52-wk. Price Range	$111 - $136
Average Daily Volume (3mo.)	1,587,586
Market Value	$41.5 billion
Shares Outstanding (m)	353
Cash per share	$2.97
Book Value per share	$0.29

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	19.7x	73.9x	16.8x	28.0x	0.9x
P/Book	407.3x	805.4x	5.7x	166.0x	128.1x
P/Cash Flow	13.6x	20.6x	9.7x	14.4x	1.0x
P/Sales	2.3x	2.7x	1.5x	2.1x	1.1x
EV/EBITDA	12.1x	14.5x	9.4x	11.8x	0.9x
EV/Sales	2.7x	3.1x	1.8x	2.4x	1.1x
Div. Yield	3.3%	3.7%	2.6%	3.1%	1.8x
LTD/Capital	83%	87%	44%	65%	1.9x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-2.1%	-4.9%	-2.7%	0.8%
EBIT	3.5%	0.8%	3.3%	2.6%
EBITDA	1.8%	-0.7%	0.6%	1.4%
Net Income	113.8%	0.4%	6.4%	3.7%
EPS (Diluted)	116.2%	2.7%	8.5%	6.3%
Dividends	4.6%	4.7%	5.7%	6.6%

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 to supermarkets, mass merchandisers, and drugstores, in addition to distributing products through other distributors. The Company was founded in 1872 and is headquartered in Irving, TX.

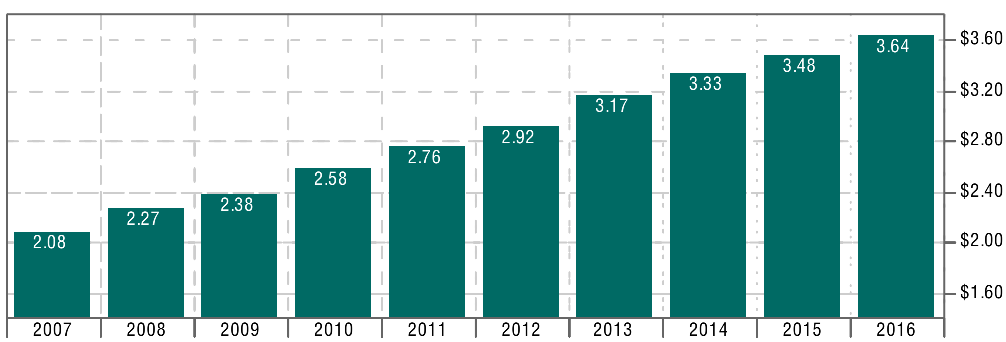
Why it is an Achiever

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.

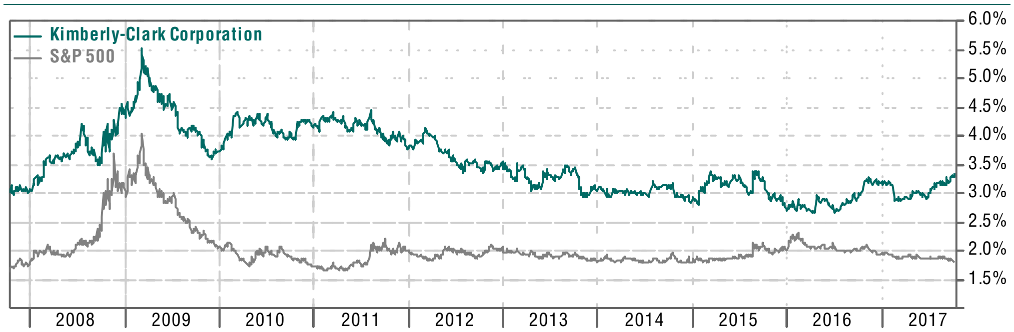
Personal Care products contribute to nearly half of the Company's overall sales, and among KMB's well-known brands are *Poise* and *Depend* in the growing adult care category. These brands account for 55% of category sales and are well-positioned as demographics drive mid-to-high single-digit growth for incontinence products. In the baby and childcare category, the latest available data shows KMB's *Huggies* brand maintains its position as the 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 and emerging economies, which make up roughly 30% of revenue. In particular, KMB is seeing strong growth in diapers and adult care products, as consumer education and acceptance continues to grow.

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 2016. The Company targets FY17 cost savings of at least $400 million. Dividends paid during 2016 were approximately 53% of KMB's free cash flow.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Dividend Achievers Microsoft Corporation (MSFT)[(A)]

Price (10/12/17) $77.12

DIVIDEND STATISTICS

Dividend & Yield	$1.68 / 2.18%
Dividend paid since	2003
# of Consecutive Increases	15 years
10-yr. Annualized Dividend Growth	14.8%
Dividend Payout	51%

KEY STATISTICS

52-wk. Price Range	$56 - $77
Average Daily Volume (3mo.)	19,924,534
Market Value	$594.0 billion
Shares Outstanding (m)	7,702
Cash per share	$17.27
Book Value per share	$9.39

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	28.5x	43.8x	12.3x	23.2x	1.3x
P/Book	8.2x	8.2x	3.1x	5.0x	2.6x
P/Cash Flow	15.2x	15.2x	7.2x	11.9x	1.1x
P/Sales	6.8x	6.8x	3.1x	4.5x	3.2x
EV/EBITDA	16.5x	17.5x	5.8x	10.4x	1.3x
EV/Sales	6.2x	6.2x	2.3x	3.8x	2.4x
Div. Yield	2.2%	3.1%	2.0%	2.5%	1.1x
LTD/Capital	49%	50%	12%	25%	1.1x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	5.5%	1.0%	3.9%	5.8%
EBIT	18.4%	-4.1%	-2.6%	2.6%
EBITDA	21.8%	0.3%	1.4%	5.1%
Net Income	26.2%	-1.3%	4.5%	4.2%
EPS (Diluted)	29.0%	1.0%	6.3%	6.7%
Dividends	14.0%	14.8%	16.7%	14.8%

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.
- All risks that could materially affect the Company are disclosed in the annual 10-K filing.

Microsoft Corporation (MSFT) develops and markets software, services, and hardware. The Company's segments include Productivity & Business Processes, Intelligent Cloud, and More Personal Computing, which made up 32%, 28%, and 40% of FY17 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.

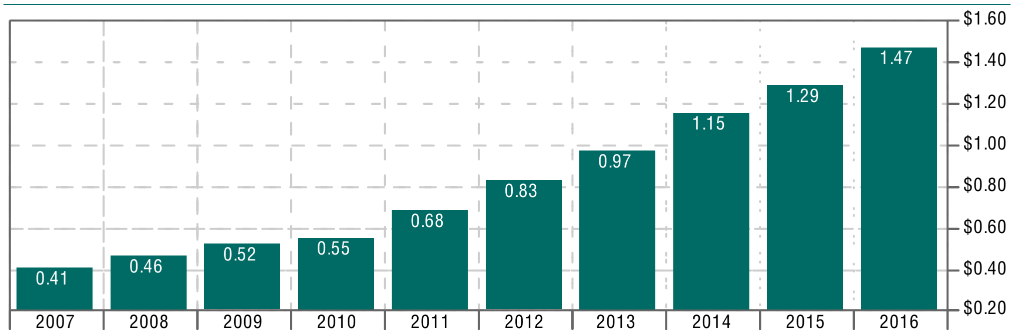
Why it is an Achiever

MSFT has paid a dividend since 2003 and has increased it for 15 consecutive years at a compound annual growth rate of 25%. We believe the strong dividend growth trend will continue, given the Company's pristine balance sheet, healthy cash flow profile (5.8% FCF yield), and relatively low payout ratio (47% based upon analysts EPS estimates for next fiscal year). In addition to offering an attractive 2.2% yield, MSFT announced another $40 billion share repurchase in September 2016.

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-generating businesses that provide internal funding to maintain its leadership in the IT space. We favor MSFT's move to a subscription-based model, and we see potential for continued growth within the commercial cloud business, particularly Office 365 and Azure.

Though MSFT paid a steep price for the recently acquired LinkedIn, for a company of MSFT's size and with its large cash balance, we view the financial risk as low. We believe there is potential to integrate LinkedIn's data graph into new products that could provide an avenue for growth with the Company's core enterprise customers.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500

James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

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

Dividend Achievers NextEra Energy, Inc. (NEE)

Price (10/12/17)	$150.70

DIVIDEND STATISTICS

Dividend & Yield	$3.93 / 2.61%
Dividend paid since	1945
# of Consecutive Increases	21 years
10-yr. Annualized Dividend Growth	8.8%
Dividend Payout	63%

KEY STATISTICS

52-wk. Price Range	$110 - $152
Average Daily Volume (3mo.)	1,474,829
Market Value	$70.6 billion
Shares Outstanding (m)	468
Cash per share	$2.54
Book Value per share	$55.25

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	17.3x	24.4x	13.4x	19.2x	0.8x
P/Book	2.7x	2.7x	1.8x	2.3x	0.9x
P/Cash Flow	11.4x	11.4x	7.0x	8.4x	0.8x
P/Sales	4.5x	4.5x	2.1x	3.0x	2.1x
EV/EBITDA	14.9x	14.9x	9.5x	11.9x	1.1x
EV/Sales	6.7x	6.7x	4.0x	4.9x	2.7x
Div. Yield	2.6%	3.5%	2.5%	2.9%	1.4x
LTD/Capital	50%	54%	48%	51%	1.2x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-4.9%	1.2%	1.2%	-0.3%
EBIT	5.6%	2.9%	6.7%	4.2%
EBITDA	5.5%	6.3%	9.5%	6.2%
Net Income	5.8%	19.2%	8.7%	8.6%
EPS (Diluted)	3.1%	15.8%	6.4%	6.8%
Dividends	13.0%	9.6%	9.6%	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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Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

NextEra Energy (NEE) is a leading electricity provider whose regulated segment, Florida Power & Light, distributes power to approximately 4.9 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.

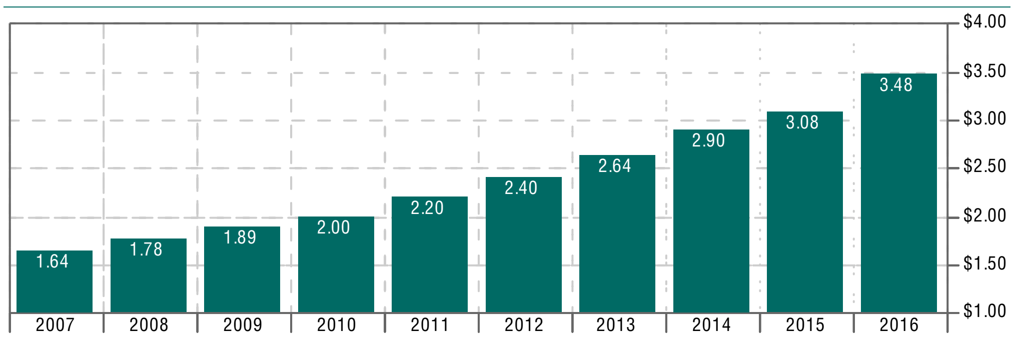
Why it is an Achiever

NEE has paid a dividend since 1945 and has increased it in each of the past 21 years. NEE's largest business segment is Florida Power & Light (FPL), accounting for 69% of the Company's revenues. FPL has just under $11 billion in annual operating revenue and primarily serves customers along Florida's Atlantic coast. FPL is one of the nation's cleanest utilities, only 3% of capacity generated from coal. In 2017, FPL submitted a proposal for a new base rate plan with the Florida Public Service Commission, in which they suggest revenue increases of 2.8% annualized over a four-year period.

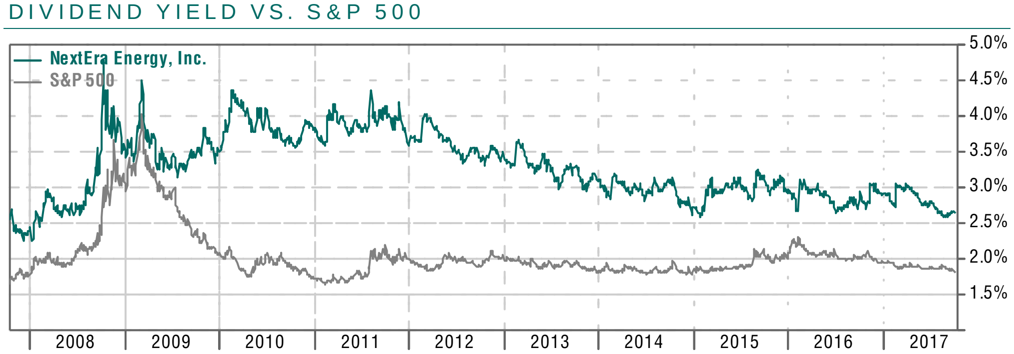
NEE also operates NextEra Energy Resources (NEER). NEER is one of the largest wholesale generators of electricity in the U.S with facilities in 25 U.S. states and 4 Canadian provinces. Nearly 40% of NEER's power generation is wind-based, with the balance split evenly between natural gas and nuclear. Approximately 80% of NEER's generating capacity is now contracted out under long-term selling agreements, with a weighted average contract life of 17 years. In June 2017, NEER's proposed acquisition of Energy Future Holdings' transmission business for $18B was rejected by the Texas Public Utility Commission. NEE management has moved on from the proposed transaction and will not attempt another bid.

Over 80% of NEE's adjusted EBITDA comes from its regulated and long-term contracted operations. Based on this visibility, NEE expects +6-8% annual adjusted EPS growth through at least 2020 from a 2016 base, which should provide room for NEE to continue raising its dividend in the future.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers Novartis AG (NVS)

Price (10/12/17)	$85.99

DIVIDEND STATISTICS

Dividend (CHF) & Yield	2.75 / 3.28%
Dividend paid since	1996
# of Consecutive Increases	19 years
10-yr. Annualized Dividend Growth	7.4%
Dividend Payout	48%

KEY STATISTICS

52-wk. Price Range	$67 - $87
Average Daily Volume (3mo.)	1,586,634
Market Value	$225.9 billion
Shares Outstanding (m)	2,627
Cash per share	$3.21
Book Value per share	$29.82

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	31.1x	31.1x	9.6x	21.1x	1.4x
P/Book	2.9x	3.6x	2.2x	2.7x	0.9x
P/Cash Flow	16.4x	18.7x	10.2x	15.4x	1.2x
P/Sales	4.2x	5.1x	2.7x	3.8x	2.0x
EV/EBITDA	15.0x	17.3x	10.0x	13.8x	1.1x
EV/Sales	4.6x	5.4x	2.9x	4.1x	1.9x
Div. Yield	3.3%	4.0%	2.5%	3.3%	1.8x
LTD/Capital	23%	23%	12%	16%	0.5x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-1.9%	-5.8%	-3.7%	2.9%
EBIT	-11.5%	-8.8%	-4.8%	1.2%
EBITDA	-6.8%	-4.7%	-2.5%	3.8%
Net Income	-4.4%	-9.9%	-6.0%	-0.5%
EPS (Diluted)	-61.6%	-8.9%	-5.9%	4.0%
Dividends	1.9%	3.9%	4.1%	7.4%

PRIMARY RISKS

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Novartis AG (NVS) develops and manufactures branded pharmaceuticals, eye care solutions, cost-saving generic pharmaceuticals, preventive vaccines, diagnostic tools, and over-the-counter products. NVS operates through three primary segments: Innovative Medicines (pharmaceuticals), Alcon (eye care), and Sandoz (generics). The Company is headquartered in Basel, Switzerland.

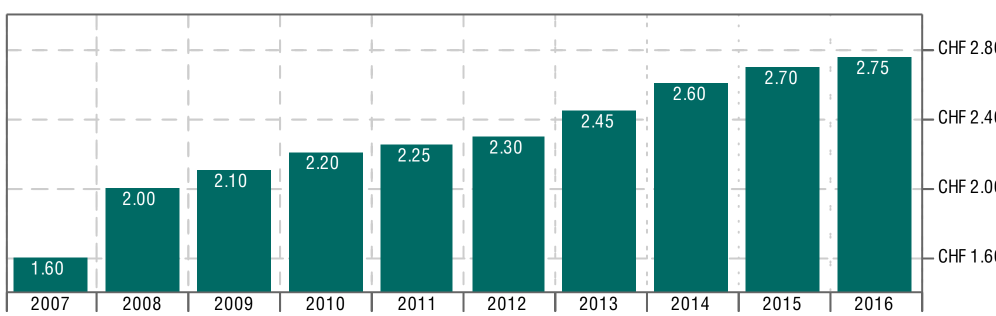
Why it is an Achiever

NVS has paid a dividend since the Company was formed in late 1996 and has increased the dividend once annually (on a Swiss franc basis) every year since. The Innovative Medicines segment is the Company's largest operating segment, accounting for 67% of total revenue. We note that the lifeblood of any quality pharmaceutical company is a strong pipeline. NVS has invested in research and development at a level above that of its global pharmaceutical peers over the past several years. This investment in its pipeline coupled with a history of successful new product launches gives us confidence that the company's current efforts have the potential to make a meaningful financial impact on company results.

Alcon accounts for 12% of the NVS 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 business in coming years. Though the Alcon division recently has had difficulty achieving its near-term growth and profitability goals, in early 2017 management announced a strategic review of the segment. Absent a turnaround in the business, it is possible that the segment will be divested. The generics business, Sandoz, is one of the largest in the world and the segment contributed 21% of 2016 revenue.

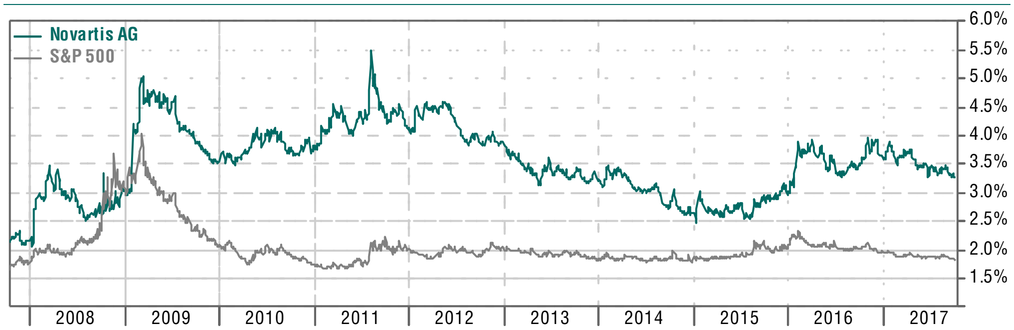
NVS' trailing twelve-month net debt was just under 22% of capital. NVS' 2016 free cash flow coverage of the dividend was 1.6x.

DIVIDENDS PER SHARE



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

DIVIDEND YIELD VS. S&P 500



James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Dividend Achievers Procter & Gamble Company (PG)

Price (10/12/17)	$92.15

DIVIDEND STATISTICS

Dividend & Yield	$2.76 / 2.99%
Dividend paid since	1890
# of Consecutive Increases	61 years
10-yr. Annualized Dividend Growth	8.2%
Dividend Payout	70%

KEY STATISTICS

52-wk. Price Range	$81 - $95
Average Daily Volume (3mo.)	6,486,041
Market Value	$235.0 billion
Shares Outstanding (m)	2,550
Cash per share	$5.94
Book Value per share	$21.22

VALUATION SUMMARY

		5 Year			Rel. to
	Last	**High**	**Low**	**Avg.**	**SP500**
P/E (LTM)	25.3x	32.3x	17.3x	23.9x	1.2x
P/Book	4.3x	4.5x	2.8x	3.6x	1.4x
P/Cash Flow	19.5x	19.5x	13.8x	16.2x	1.4x
P/Sales	3.9x	3.9x	2.4x	3.1x	1.8x
EV/EBITDA	14.6x	15.3x	10.7x	13.3x	1.1x
EV/Sales	3.9x	3.9x	2.6x	3.2x	1.5x
Div. Yield	3.0%	3.7%	2.8%	3.1%	1.6x
LTD/Capital	21%	24%	18%	20%	0.5x

GROWTH SUMMARY *as of FY Ended 6/17*

	1-yr.	**3-yr.**	**5-yr.**	**10-yr.**
Sales	-0.4%	-7.8%	-4.9%	-1.6%
EBIT	-0.2%	-2.9%	-3.1%	-0.6%
EBITDA	-1.2%	-3.0%	-3.1%	-0.7%
Net Income	1.8%	-4.4%	2.0%	-0.2%
EPS (Diluted)	2.8%	-3.1%	2.8%	1.8%
Dividends	1.5%	4.1%	5.4%	8.2%

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 58% of FY17 sales coming from outside of the United States. The Company was founded in 1837 and is headquartered in Cincinnati, OH.

Why it is an Achiever

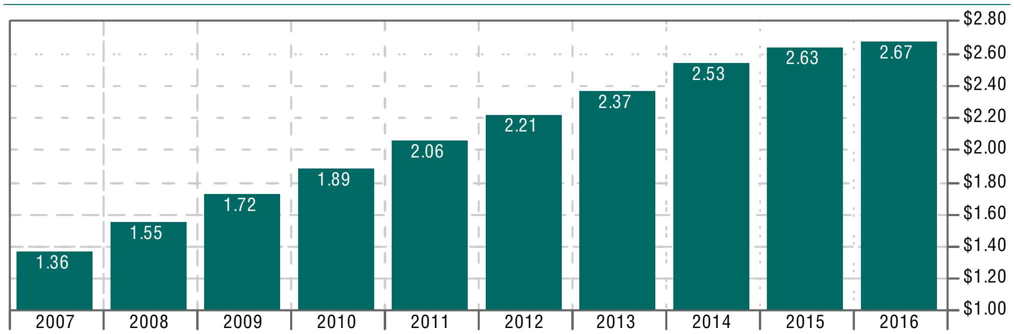
PG has paid a dividend since 1890 and has increased its dividend for the past 61 consecutive years. PG's ability to sustain its dividend rests on the Company's portfolio of market-leading everyday household and personal care products. PG's portfolio is anchored by 22 brand franchises that each generate over $1 billion in annual sales. The Company's vast portfolio of products spans the globe, with nearly 40% of company sales coming from emerging markets. We believe volume growth should continue to increase as global per capita income and living standards rise.

With the recent divestiture of the company's specialty beauty brands, PG completed the portfolio rationalization that was announced in 2014, paring down its brands to the ~65 leaders. Other notable divestitures included its Pet Care business and Duracell. PG retained approximately 85% of sales and 95% of the before tax profit, which should be highly accretive to operating margins. With a greater emphasis in these areas of strength, growth, profitability, and cash flow should improve.

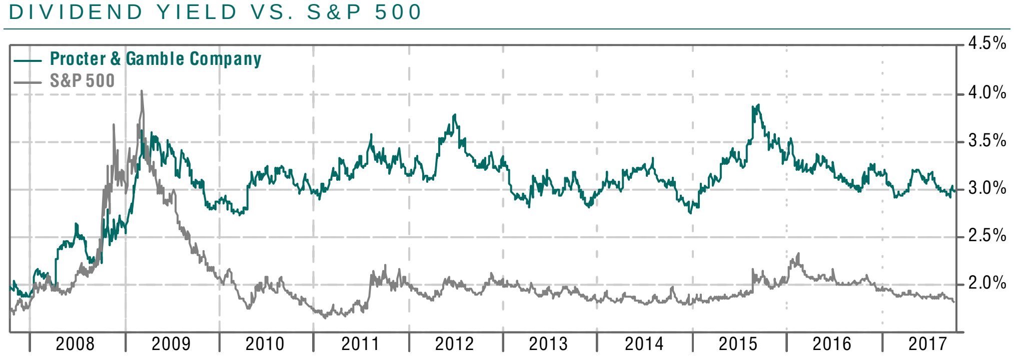
PG has established an initiative to wring $10 billion out of its cost structure by fiscal year 2021. Its plan is currently under attack from activist investor Nelson Peltz, who organized a proxy contest to win a seat on the PG board. Despite the fact that many prominent institutional investors and corporate governance research firms indicated support for a vote in favor of Peltz' addition, preliminary results show that Peltz lost his bid by a narrow margin. The support he garnered, however, is likely to lead to increased pressure on management to demonstrate progress towards its goals in the near term.

Financially, we believe PG is well-positioned to maintain its record of dividend growth. From FY16-FY19 the Company is targeting to pay dividends and retire shares worth up to $70 billion (30% of current market cap) through ongoing discretionary share repurchases and shares eliminated through its portfolio sales. The Company's trailing twelve month debt to total capital ratio was 19%, in-line with its five-year average, and PG generated over $9 billion in free cash flow in FY17.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

Dividend Achievers United Technologies Corporation (UTX)

Price (10/12/17)	$118.82

DIVIDEND STATISTICS

Dividend & Yield	$2.80 / 2.36%
Dividend paid since	1936
# of Consecutive Increases	23 years
10-yr. Annualized Dividend Growth	9.9%
Dividend Payout	42%

KEY STATISTICS

52-wk. Price Range	$98 - $125
Average Daily Volume (3mo.)	3,514,810
Market Value	$94.9 billion
Shares Outstanding (m)	799
Cash per share	$11.70
Book Value per share	$35.61

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	18.1x	84.5x	13.1x	27.4x	0.8x
P/Book	3.3x	3.6x	2.6x	3.2x	1.0x
P/Cash Flow	13.6x	15.1x	10.6x	13.4x	1.0x
P/Sales	1.6x	1.7x	1.3x	1.5x	0.8x
EV/EBITDA	12.1x	12.5x	8.4x	11.0x	0.9x
EV/Sales	2.0x	2.0x	1.6x	1.8x	0.8x
Div. Yield	2.4%	2.9%	1.9%	2.3%	1.2x
LTD/Capital	43%	47%	33%	40%	1.0x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	1.9%	-2.9%	-0.2%	1.8%
EBIT	-3.8%	-3.0%	0.2%	2.2%
EBITDA	-2.1%	-2.0%	1.5%	2.9%
Net Income	26.8%	-3.8%	0.3%	3.1%
EPS (Diluted)	244.2%	-0.8%	2.1%	5.1%
Dividends	2.3%	6.1%	7.0%	9.9%

PRIMARY RISKS

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James D. Ragan, CFA
Director of IIG Research
206.389.4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

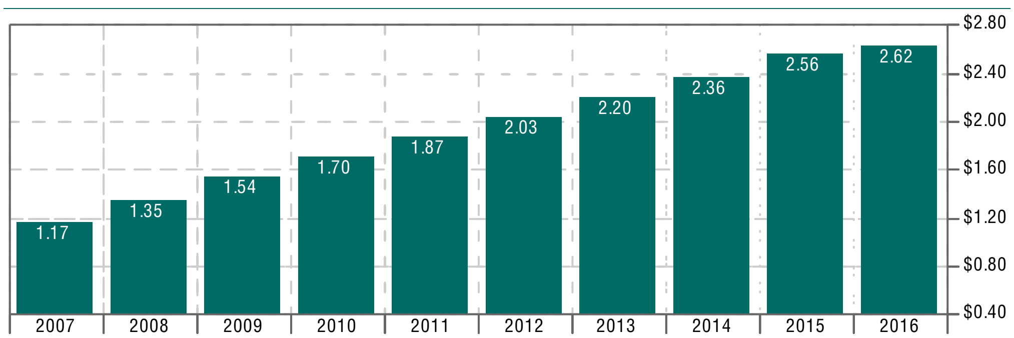
United Technologies (UTX) is a diversified industrial conglomerate with business operations primarily serving the building systems and aerospace markets. The Company's Building & Industrial Systems businesses include Otis elevators and escalators, and UTC Climate, Controls & Security. UTX's Propulsion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

Why it is an Achiever

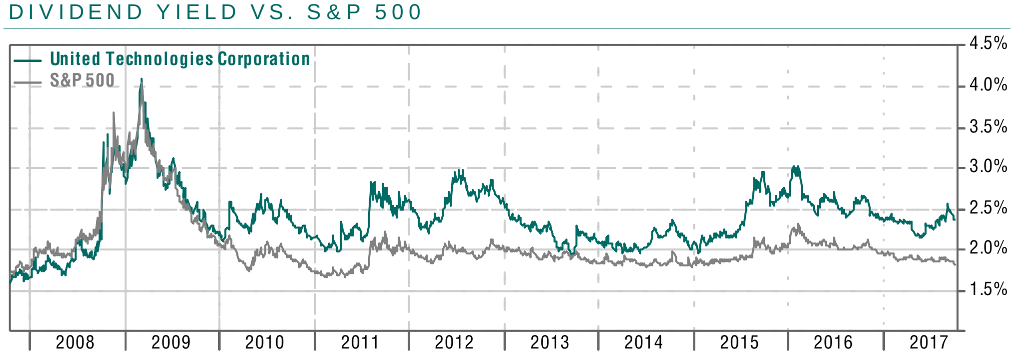
UTX has paid a dividend since 1936, with consecutive annual increases dating back 23 years. UTX has established this record while building itself into one of the world leaders in building infrastructure and aerospace. UTX's core operating strategy is to build on its leadership positions in commercial 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 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. Including the military end market, Propulsion & Aerospace accounts for slightly more than half of the Company's total revenues, and the 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 business. Likewise, 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 September 2017, UTX announced intention to acquire Rockwell Collins (COL), a maker of avionics systems and aircraft interiors, for $30 billion. UTX intends to issue $14 billion of debt to complete the transaction; we will closely monitor the proposed acquisition's effect on UTX's ability to sustain above market dividend growth. Though we expect continued dividend growth if the acquisition closes, it will likely be at a lower rate as the company focuses on reducing debt. UTX's dividend commitment for 2016 was less than 40% of the Company's trailing twelve-month free cash flow, and its trailing twelve-month debt-to-total capital ratio is 31%.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



Dividend Achievers V.F. Corporation (VFC)(A)

Price (10/12/17)	$64.44

DIVIDEND STATISTICS

Dividend & Yield	$1.68 / 2.61%
Dividend paid since	1973
# of Consecutive Increases	43 years
10-yr. Annualized Dividend Growth	12.2%
Dividend Payout	59%

KEY STATISTICS

52-wk. Price Range	$48 - $66
Average Daily Volume (3mo.)	2,269,264
Market Value	$25.4 billion
Shares Outstanding (m)	394
Cash per share	$1.71
Book Value per share	$9.27

VALUATION SUMMARY

		5 Year			Rel. to
	Last	High	Low	Avg.	SP500
P/E (LTM)	24.5x	32.2x	15.2x	22.4x	1.1x
P/Book	7.0x	7.0x	3.2x	5.0x	2.2x
P/Cash Flow	17.7x	29.4x	13.0x	18.6x	1.3x
P/Sales	2.2x	2.7x	1.5x	2.1x	1.0x
EV/EBITDA	16.0x	16.7x	9.6x	13.0x	1.2x
EV/Sales	2.4x	2.8x	1.6x	2.2x	0.9x
Div. Yield	2.6%	3.0%	1.4%	2.0%	1.4%
LTD/Capital	30%	30%	17%	21%	0.7x

GROWTH SUMMARY *as of FY Ended 12/16*

	1-yr.	3-yr.	5-yr.	10-yr.
Sales	-7.4%	2.1%	5.3%	6.9%
EBIT	-31.1%	0.8%	7.0%	7.0%
EBITDA	-27.7%	1.1%	7.0%	7.2%
Net Income	-4.8%	-1.0%	5.7%	8.2%
EPS (Diluted)	2.1%	2.4%	7.8%	8.7%
Dividends	15.0%	18.7%	18.6%	12.2%

PRIMARY RISKS

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jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst
206.389.4011
magriffith@dadco.com

V.F. Corp. (VFC) has grown from its founding in 1899 as a glove and mitten manufacturer into a diversified global apparel brand powerhouse. Over 85% of the Company's sales are from its Outdoor & Action Sports and Jeanswear coalitions, or segments, anchored by top brands that include The North Face, Vans, Timberland, Lee, and Wrangler, each of which generate more than $1 billion in annual revenue. The North Face and Vans are $2 billion businesses. We believe that VFC is among the best-managed and most well-diversified portfolios in consumer apparel, both by brand and geography.

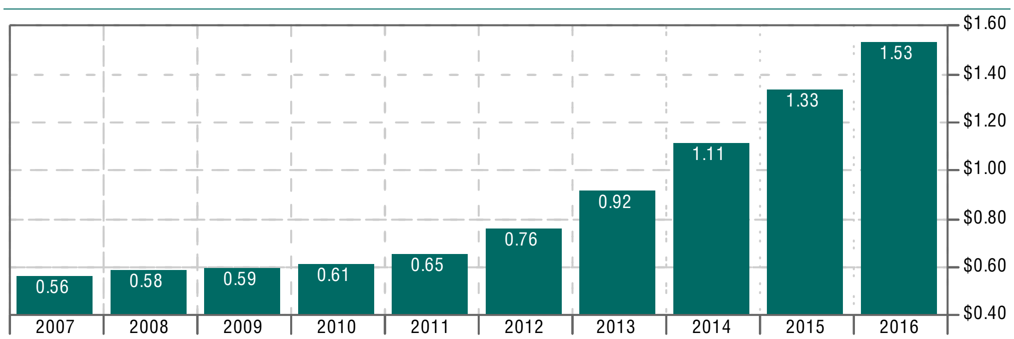
Why it is an Achiever

VFC has increased its dividend every year for 43 years, including a 16% increase announced in October 2016, and in our view is poised to continue growing into the future aided by a reasonable payout ratio. VFC's asset-light operating model has historically led to high returns on invested capital – over the past five years the average has been 17%.

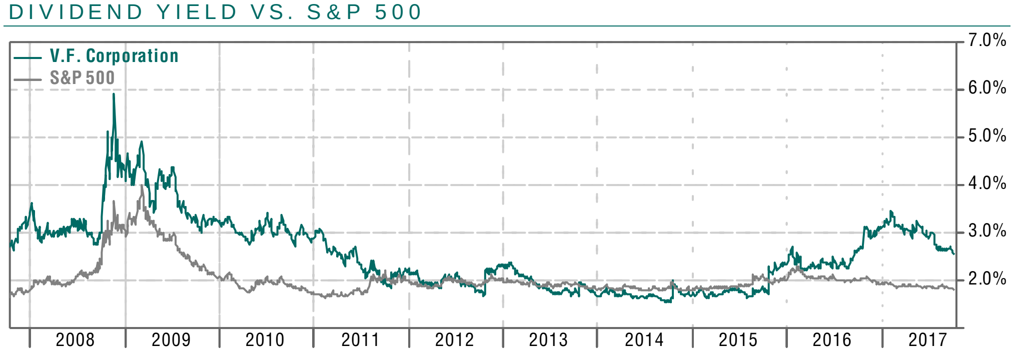
During the tenure of previous CEO Eric Wiseman from 2008-2016, revenue grew 7% annualized and EPS grew by 11%. Strategically, we view the Company's focus on brand ownership as important in an environment where retailers are struggling with too many locations and competition from online retailers. VFC has also built a strong direct-to-consumer (DTC) business (28% of 2016 revenues) and continues to develop its online presence (5% of total sales, also counted within DTC). Gross margins of 48% have consistently remained above peer group averages of 43%. Steven Rendle, former President/Chief Operating Officer and previously head of the North Face business, took over as CEO beginning in 2017, part of a multi-year succession plan.

We continue to believe in the long-term strategy along with management's ability to execute and deliver strong financial results for shareholders. In August 2017, the Company announced the acquisition of Williamson-Dickie Mfg. Co., a leading manufacturer of workwear. The acquisition led management to increase its guidance for long-term earnings per share growth by 1% to a range of 11-13%. If the execution of the merger exceeds management's expectations, which appear to be conservative, there is potential for further upside, and the Company maintains ability to make further acquisitions given its reasonable net debt position relative to cash flow.

DIVIDENDS PER SHARE



DIVIDEND YIELD VS. S&P 500



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

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James Ragan, the analyst who prepared this report, or his immediate family owns an investment position in: IBM, MSFT, T

Matt Griffith, the analyst who prepared this report, or his immediate family owns an investment position in: ADP, CVS, VFC

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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.

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Individual Investor Group Research Contacts

Seattle Office
701 5th Avenue, Suite 4050
Seattle, Washington 98104

James D. Ragan, CFA
Director of Research,
Individual Investor Group
(206) 389-4070
jragan@dadco.com

Matthew G. Griffith, CFA
Senior Research Analyst,
Individual Investor Group
(206) 389-4011
magriffith@dadco.com

Brent P. Williams, CFA
Research Analyst,
Individual Investor Group
(206) 389-4076
brentwilliams@dadco.com

Brooke K. Van Lohuizen
Research Associate,
Individual Investor Group
(206) 903-8674
bvanlohuizen@dadco.com

Joseph-Andrew L. Malach
Research Associate
Individual Investor Group
(206) 389-4082
jmalach@dadco.com

Los Angeles Office
624 S. Grand Ave., 26th Floor
One Wilshire Building
Los Angeles, California 90017

Douglas A. Christopher, CFA
Senior Research Analyst,
Individual Investor Group
(213) 244-9338
dchristopher@dadco.com

Corporate Office

D.A. Davidson Companies

8 Third Street North
Great Falls, Montana 59401 | (800) 332-5915

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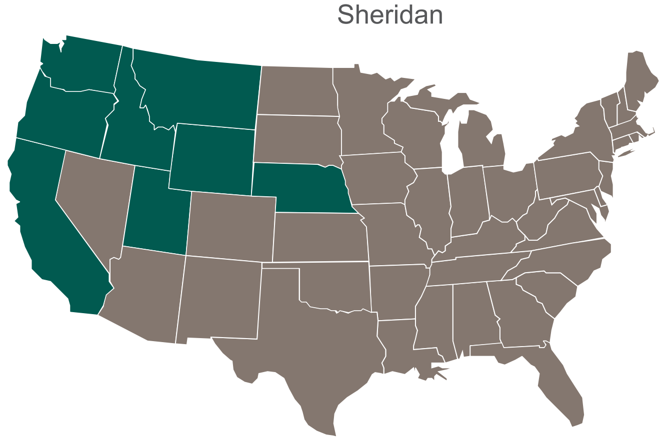

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