



**BENJAMIN F. EDWARDS® & Co.**  
INVESTMENTS *for* GENERATIONS®

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HANSON-FISHER WEALTH MANAGEMENT

Building Wealth  
with Dividend Investing

# Unlocking the Power of Rising Dividends

Hanson-Fisher Wealth Management at Benjamin F. Edwards & Co. is a team of veteran financial services professionals who offer highly specialized experience in implementing a time-tested, long-term investment approach to building wealth that is focused, prudent and sustainable.

Our dividend-driven investment strategy is the core tenet of our investment philosophy. The fundamental premise of the strategy is to provide clients with investments in strong companies that offer the opportunity for long-term capital appreciation and a rising stream of income that outpaces inflation.



We focus on investing in profitable, growing companies with a track record of paying increasing dividends throughout all market cycles, including economic recessions. Only a very select group of companies meet this stringent criteria and deliver time-tested returns.

## Dividend Strategy Wealth Management Approach

Hanson-Fisher Wealth Management's dividend-driven investment approach keeps clients focused on long-term objectives, not the day-to-day volatility of the market. It is appropriate for investors who want to generate long-term capital appreciation and income from their equity portfolios.

Through consistent dividend growth, our goal is to help clients stay ahead of the wealth-eroding effects of inflation and keep up with the rising cost of living. The dividend growth rate of this strategy has historically eclipsed the U.S. Consumer Price Index, a common measure of inflation.

Dividend growth is an important driver of total return – stock price appreciation plus income generated during the period a stock is held. We believe that compounded-investment income is a way to potentially maximize long-term total returns.

HANSON-FISHER WEALTH  
MANAGEMENT INVESTMENT  
PHILOSOPHY

HIGH QUALITY  
STOCKS

+

ABOVE-AVERAGE  
DIVIDEND YIELD

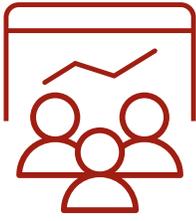
+

CONSISTENT GROWTH  
OF YIELD

=

POTENTIAL  
FOR HIGH TOTAL  
RETURN

## DISCIPLINED PROCESS



To implement the increasing-dividend strategy, the Hanson-Fisher Wealth Management Group will often engage private money management firms. Each money management firm must pass Benjamin F. Edwards & Co's strict due-diligence review. In certain unique client situations, we will provide the stock selection and portfolio management disciplines. Under either approach, we seek to have our clients invest in companies that are dominant in their industries, have attractive yields, have historically paid well-covered dividends, and offer the potential to continue to raise dividends.

*“Dividends help provide an objective indicator of a company's health and value. Dividends are ‘real cash in the bank’, and a common measure that is difficult to manipulate. These payments are one of the most tangible statements leadership can make about the company's future.”*

**David Fisher, MBA**

Managing Director - Investments  
Hanson-Fisher Wealth Management

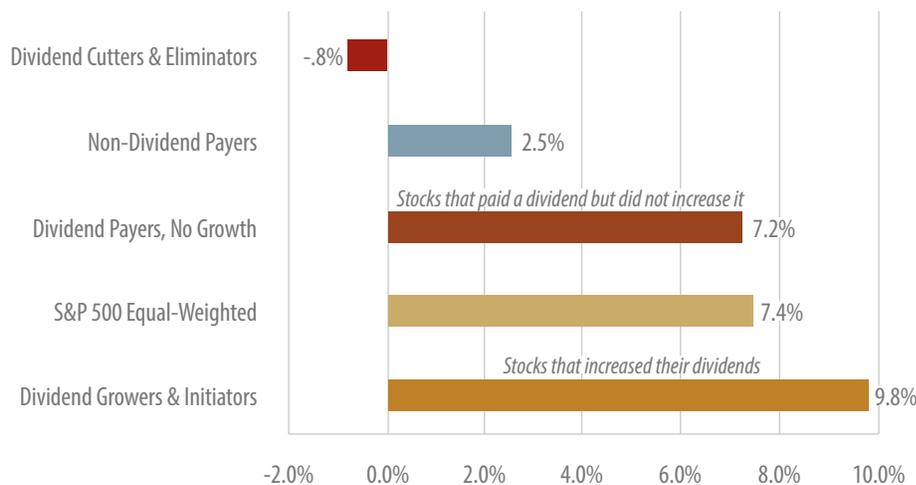
As part of the rigorous screening process, strong consideration is given to companies with the following key characteristics:

- Quality ratings given by Standard & Poor's
- Dividend yield equal to or better than the S&P 500 at purchase
- Dividend growth, strong balance sheet quality, process and corporate culture and commitment to dividend growth

The objective of the dividend-driven investment strategy is to help clients construct a portfolio of high quality, industry leading companies that are financially sound and operate in generally mature, defensive businesses. In addition, the dividend strategies are diversified across market sectors.

### DIVIDEND GROWTH POLICY AND TOTAL RETURN

Time Period 1/31/1972 - 12/31/2015



Past performance is not guarantee of future results.

This chart is for illustrative purposes only and not representative of performance for any specific investment.

Data is for informational purposes only and not intended for trading purposes.

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We focus on investing in essential service companies with strong free cash flows, and the willingness to share those cash flows with shareholders in the form of a dividend. These virtues all combine to create one of the most prudent approaches to long-term investing.

## EMBRACING THE ESSENTIALS OF INVESTING

The essence of investing is to identify companies that are profitable and growing, year after year. These businesses are fundamentally sound, dominant in their industries, provide goods and services customers typically purchase in both favorable and difficult market environments, and offer well-covered, increasing dividends.

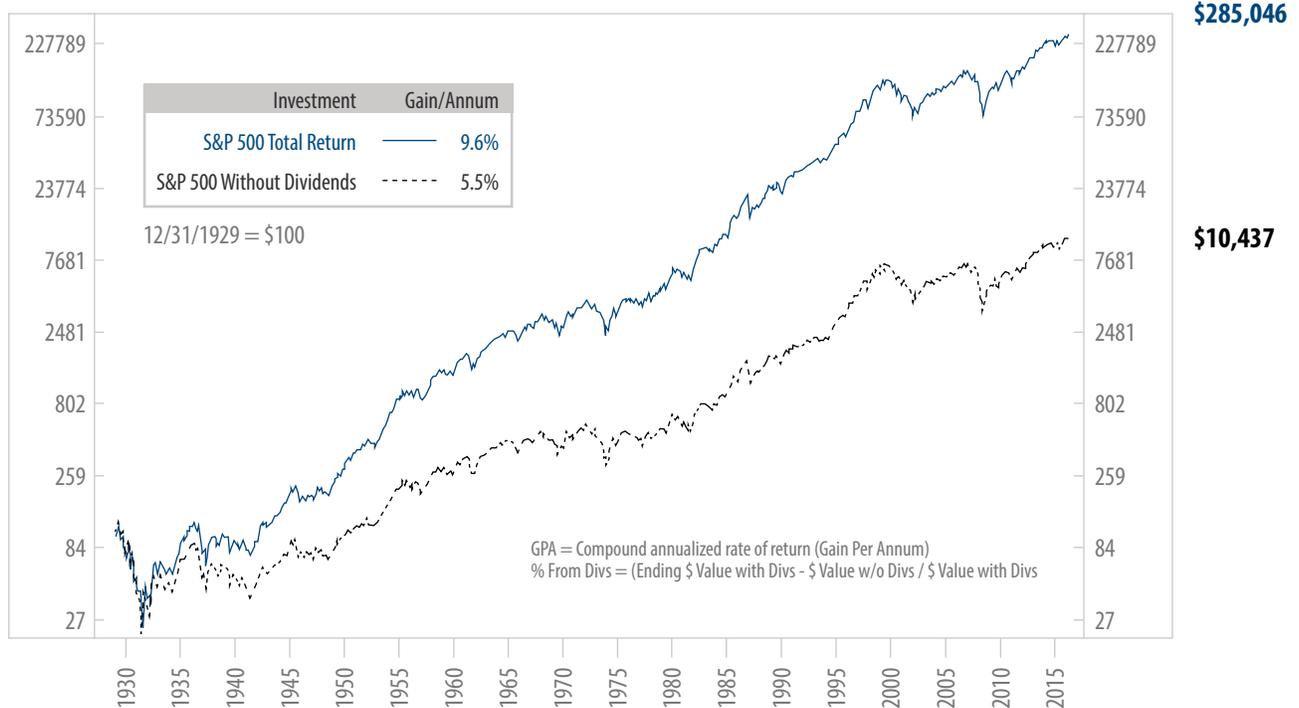
Hanson-Fisher Wealth Management seeks to invest our clients' portfolios in companies with seasoned management teams that have proven their abilities over long periods of time. In our view, companies that exhibit growth in earnings and cash flow, and increase dividends yearly, typically perform better with less risk. Stock prices also historically tend to move in line with earnings growth.

We believe earning cash dividends with the opportunity for dividend increases annually from a well diversified portfolio helps investors get in and stay in the market to participate in long-term wealth building potential, while avoiding the deluge of daily market reports and hype in the financial press that focuses on short-term results.

### S&P 500 RETURNS WITH AND WITHOUT DIVIDENDS

y-axis is 12/31/16 account value (\$USD) of \$100 invested on 12/31/29

Monthly Data 12/31/1929 - 12/31/2016 (Log Scale)



# Making an Impact: Compounded Investing and Rising Income

The positive impact of combining rising dividends with the reinvestment of dividends can be powerful. Equally important is the fact that combining compounded income with “un-fixed” income – income that grows consistently over time – from a basket of high quality companies provides the building blocks for a durable, sound investment philosophy.

4.5% YIELD WITH 8% DIVIDEND GROWTH (HYPOTHETICAL \$100,000 INVESTMENT)<sup>1,2,3</sup>



Source: Miller/Howard Research & Analysis

1. Methodology: Assumes an initial investment of \$100,000 (with no fluctuation in price of the underlying stocks) yielding 4.5% generates \$4,500 in income annually. By increasing the dividend by 8% annually over 20 years the yield on the original investment is 19.4%, offering a total return of \$19,420. When dividends are reinvested with an 8% annual yield over 20 years, the yield on the original investment grows to 42.2%, offering a total return of \$42,180. The results and projections noted are based on the assumptions and are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. Actual results will vary, and such results may be better or worse than the simulated scenarios. Investors should be aware this demonstrates hypothetical dividend growth. Since dividends cannot be negative, there can be no losses. However, income could be less than projected and there is the potential for loss (or gain) on the initial investment.

2. Illustration shown is hypothetical and does not take into account any fees, expenses, or taxes associated with an actual investment. If these costs had been taken into consideration, results would have been lower. The data is not intended to represent past, or be indicative of future, investment performance. Calculations, such as the one used to produce this hypothetical result are provided for educational purposes only and are educational in nature, not individualized, and not intended to serve as the primary or sole basis for investment or tax-planning decisions.

3. Above hypotheticals assume no income is withdrawn from hypothetical accounts.

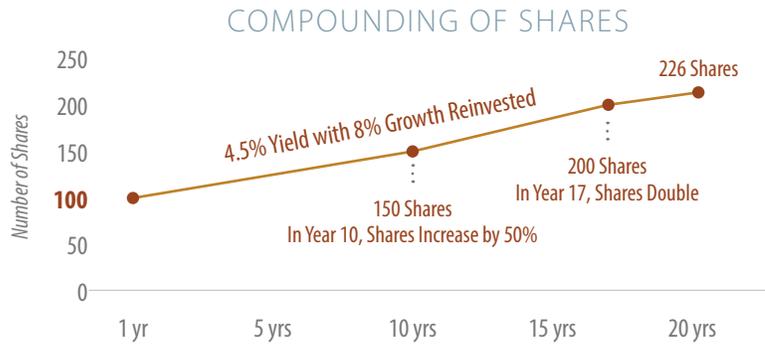
The chart above illustrates the power of income growth and compounded income over the course of 20 years.<sup>1,2</sup> The bottom of each bar represents the annual income received at 4.5% dividend yield. The middle of each bar shows the impact of income growing at an 8% annual rate. The top of the bar (blue) shows the compounding impact of reinvested income.

## REINVESTED DIVIDENDS PRODUCES COMPOUNDING OF SHARES

This chart shows the accumulation of shares using the scenario from the chart on page 5 (4.5% yield with 8% annual growth, and all income reinvested).

Source: Miller/Howard Research & Analysis.

Please see page 5, Notes 2&3 for additional disclosures



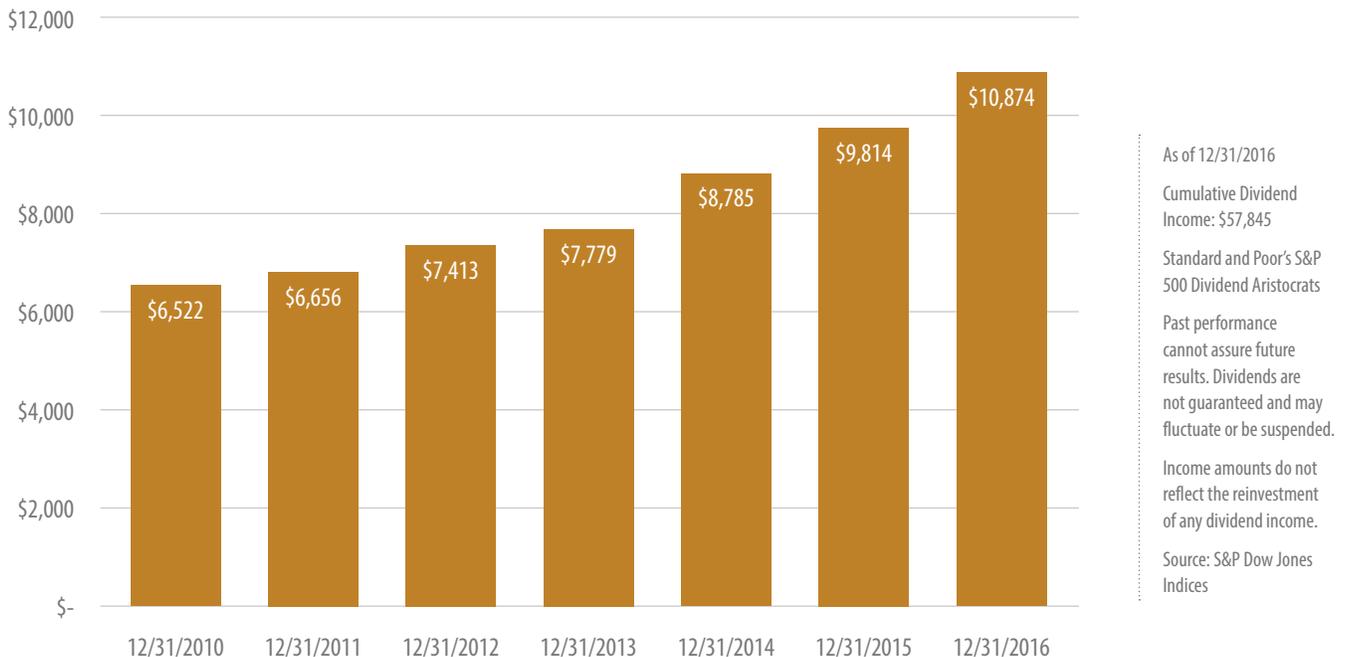
Compound investment income is a time-tested approach to building wealth that has outperformed the broad markets over rolling 5-, 7- and 10-year periods. To help achieve the goal of a growing income stream, we recommend that investors plan to hold these stocks for at least five years and explore the advantages of passing the strategy on to heirs as part of their financial legacy.

## SUSTAINABLE INVESTMENT RESULTS

Because dividend strategy investors are typically seeking growth in their portfolios, a fairly healthy rate of return is required to have a growing nest egg. The returns that you earn on your investments need to provide a return high enough to offset the effects of inflation and taxes.

In the chart below, you can see the dividend income generated for each trailing one year. The portfolio generated total dividend income of \$57,845 on the original \$200,000 investment.

TRAILING 12 MONTHS DIVIDEND INCOME GENERATED ON AN INITIAL  
\$200,000 INVESTMENT ON 12/31/2009



## WEALTH PROTECTION WITH LOWER VOLATILITY



Companies paying dividends, and growing dividends, have consistently had higher annualized returns and lower volatility than non-dividend paying companies. Our clients have the opportunity to generate higher risk-adjusted performance since dividend paying companies may offer lower risk compared to broader equity markets.

We seek to mitigate risk by recommending diversified portfolios with stocks from different market sectors. Portfolio companies are selected based on criteria that their products will remain in demand during all market cycles, and offer the potential to consistently increase earnings and dividends, and subsequently stock prices, over time.

In addition, stocks of companies that are able to increase dividends year after year typically hold up better in challenging markets, such as those characterized by rising interest rates, and provide enhanced returns in stable and declining interest rate environments.

## GETTING STARTED



Hanson-Fisher Wealth Management of Benjamin F. Edwards & Co. has the resources and expertise to bring you access to our time-tested approach of building wealth with dividend-driven investing.

By focusing on high quality, industry leading companies with a consistent track record of increasing dividends, you will have the opportunity to generate superior, risk-adjusted long-term capital appreciation and the potential for dividend-income that outpaces inflation.

Please contact us today at (630) 871-2673 to find out how you can get started and how to pass this strategy on to your heirs as part of your financial legacy.



*Focusing on investing in profitable, growing companies with a track record of paying increasing dividends throughout all market cycles is a time-tested approach to building wealth.*

*We believe it is one of the most prudent and sustainable investment strategies for long-term investing.*

LET US PUT IT TO WORK FOR YOU.



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Please remember that dividends are not guaranteed. Dividends can be increased, decreased or totally eliminated at any point without notice. Certain money managers are only offered at BFEC through our investment advisory program. To participate in one of these accounts, investors must sign an investment advisory agreement selecting a money manager, and pay an advisory fee, which at a maximum will be 2.75% of assets under management, which will be paid quarterly based on value of assets under management at the end of the preceding quarter.

2017-1505 Exp. 8/31/2019 Member SIPC