

Screening With the Big, Safe Dividend Formula

This week's AAI **Weekly Digest** highlights these “must-read” AAI articles:



What's in a Yield?

Yield is a term that is used quite often in the investment universe. But it is also frequently a source of investor confusion. The problem is that “yield” has many different meanings, and thus many different implications for investors. The basic dilemma is that yield may or may not be synonymous with total return—the bottom line for investors. This article aims to remove the confusion surrounding yield.

The Power of Compounded Growth and Reinvested Dividends

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What's the allure of dividend-paying stocks? Dividends provide a portion of return that is always

positive. Increases in dividends provide an increased positive cash return and, consequently, increase the value of the instrument producing that return. Positive fluctuations are normal in the world of cash payments to shareholders; negative fluctuations are a rarity. Over time, reinvesting income that increases can result in yield from income alone that's far higher than anyone can reasonably expect from the total return in the equity market.

Factor Investing and Dividends

AAII's Dividend Investing portfolio targets dividend-paying stocks. However, it also "tilts" toward other factors or premiums, something the professionals also do. The lingo of "tilting," "factors," and "premiums" is not a language most individual investors incorporate into their conversations. They are words frequently mentioned in investment industry conferences and various research studies. This article explains these terms and how you can apply them to your own investment portfolio.

Screening With the Big, Safe Dividend Formula



Updated screening results based on Charles Carlson's "Big Safe Dividend" (BSD) approach outlined in his book "The Little Book of Big Dividends: A Safe Formula for Guaranteed Returns." Carlson's BSD approach is based on two premises: that a company cannot pay dividends if it doesn't have the money to do so, and investors should choose stocks based on their total return potential, not just dividend return (yield).

Our Member Question for this week is:

Political risk is the risk an investment's returns could suffer because of political changes or

instability. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control. How worried are you about political risk affecting U.S. markets over the next several months?

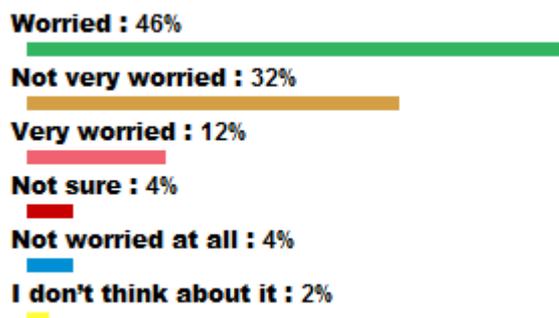
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Vote to answer this week's Special Question:

Considering political developments in the U.S. over the last several weeks, have you made any significant changes to your investment portfolio? If so, what changes have you made?

Last Week's Results:

How worried are you about rising cybersecurity threats to your financial information in the aftermath of the "WannaCry" ransomware cyberattacks?



Poll results are as of 9 a.m. (Central) on Monday. 2,312 respondents.



Retail Investors Worry About Rising Cybersecurity Threat

In the aftermath of the recent “WannaCry” ransomware attack, cybersecurity is once again in the spotlight. Hackers typically prey on exploits in software and the lax security measures used by individuals and organizations. As investors, it becomes even more important to take steps to protect our important personal and financial information. Our latest reader survey asked how worried people are about their financial information falling into the wrong hands. Our follow-up special question asked what steps our readers are taking to protect their financial information.



AII Investor Classroom: Investing in Bonds

Think of the bond market as a mystery wrapped in an enigma? You are not alone. But this AII classroom—a member exclusive—pulls back the curtain so that you can analyze individual bonds with confidence.

The AII Weekly Digest is one of the many **benefits** of AII membership. To learn more, consider a **30-day Trial AII Membership** to start becoming an effective manager of your own assets.