

Diversified Stock Income Plan

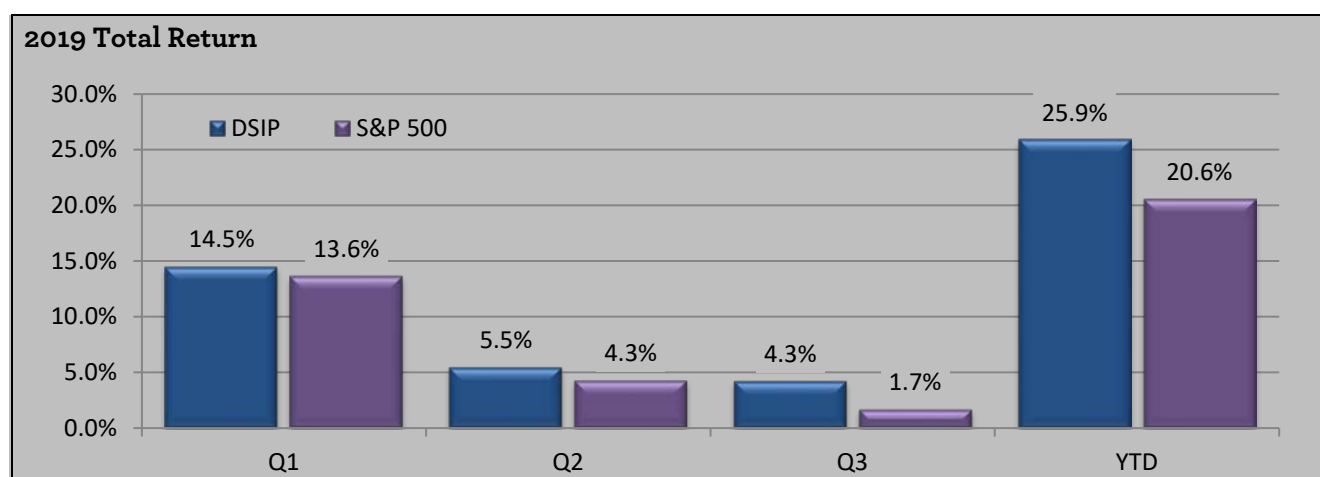
2019 Third Quarter Review

October 15, 2019

The Diversified Stock Income Plan List (DSIP, DSIP List or the List) focuses on companies that we believe will provide consistent annual dividend growth over a long-term investment horizon. Our objective is to provide a broad list of high quality, industry leading companies from which an investor can assemble a well-diversified portfolio. Through consistent dividend growth, our goal is to help investors stay ahead of the wealth eroding effects of inflation.

Summary

- In the third quarter (3Q) and through the first nine months of 2019, stocks on the DSIP List outperformed its benchmark, the S&P 500, on a total return basis.
- Stock selection played an important role in the outperformance. DSIP's over-weights in defensive groups, REIT's, utilities, and consumer staples, also helped relative performance in the quarter and year. Slowing global growth, talk of presidential impeachment, trade tensions and declining bond yields spurred market rotation towards more defensive-oriented groups as investors sought out both yield and growth. This broader safety theme helped overall list performance given our somewhat defensive posture.
- Sixteen of our DSIP companies announced dividend increases during the quarter with an average increase of +8.6% which is in-line with our longer-term expectations for list dividend increases.



Source: Wells Fargo Advisors, FactSet, year-to-date (YTD) as of 9/30/2019. Past performance is no guarantee of future results. An index is unmanaged and not available for direct investment.

Please see pages 10-12 for Important Disclosures, Disclaimers and Analyst Certification

Investment and Insurance Products: ►NOT FDIC Insured ►NO Bank Guarantee ►MAY Lose Value

Through the first nine months of 2019, the S&P 500 total return was 21%. With all the negative chatter of slowing global growth, trade tensions and now talk of presidential impeachment, it does not seem possible to have a gain of such magnitude. However, the broader markets have surely proved their resilience this year given some of these challenges. Now early into the 4Q, market weakness reared its ugly head due to fears of slowing domestic growth and erased some of these healthy gains. The market's strong 3Q performance was helped by a weakened stock market heading into 2019, a dovish Federal Reserve leading to interest rate declines, and more lately perceived progress in trade talks with China. It seems, the best offense is a good defense as the more defensive sectors led the way in the 3Q and in year-to-date performance, given concerns about slowing global growth and declining interest rates. Conversely, the energy and health care sectors were the laggards in the quarter and year. Overall market volatility was light in 3Q. However, we are starting to see heightened volatility in the early part of 4Q and it would probably be wise to expect increased volatility especially given that we are heading into the final months of the calendar year.

Specifically in the 3Q, the S&P 500 was up 1.7 percent on a total return basis. The quarterly gains were mostly led by the more defensive sectors. However, technology, communication services and financial stocks also outperformed the broader indices with financials helped by the recent steepening of the yield curve. Defensive sectors' outperformance was helped by talk of slowing global growth and the search for income with bond yields declining in the quarter. Consumer staples, utilities and REITs all performed admirably in the third period. The DSIP List outperformed the S&P 500 both in the 3Q and year-to-date, aided by the help from defensive sectors many of which we are overweight on the DSIP List. Keep in mind the DSIP List has a heavy dose of more mature, defensive, dividend paying companies. Positive total relative return contributions were seen from seven of the eleven industry sectors represented on the DSIP List so we did see good contribution breadth in the period.

With interest rates declining and investors searching for income, the dividend yields the DSIP List offers could be just what the doctor ordered; if we are heading into a period of lower interest rates as dividend income will become that much more important. Remember that dividends have historically provided 30-40% of the total return when looking at a group of broad based dividend paying stocks and this could be vital if overall markets hit some turbulence and interest rates stay low. Through consistent dividend growth, our goal with the DSIP List is to provide rising income potential and to stay ahead of the wealth eroding effects of inflation and to lower overall portfolio volatility. Regarding the potential of lower interest rates ahead, declining interest rates have historically been positive for growth stocks and for more defensive equity sectors given their healthy dividend yields. Both of these groups are well represented on the DSIP List. However, lower rates have historically led to underperformance in financials, cyclical, small caps and traditional value stocks. Time will tell whether this scenario will play out once again.

In summary, the last ten years have provided healthy total returns for many equity investors. The next ten years will likely be more challenging in global equity markets especially if slower global economic growth develops. The DSIP List historically has typically outperformed the broader markets in periods of market uncertainty and heightened volatility given the mature, industry leading status of many of the companies on the list.

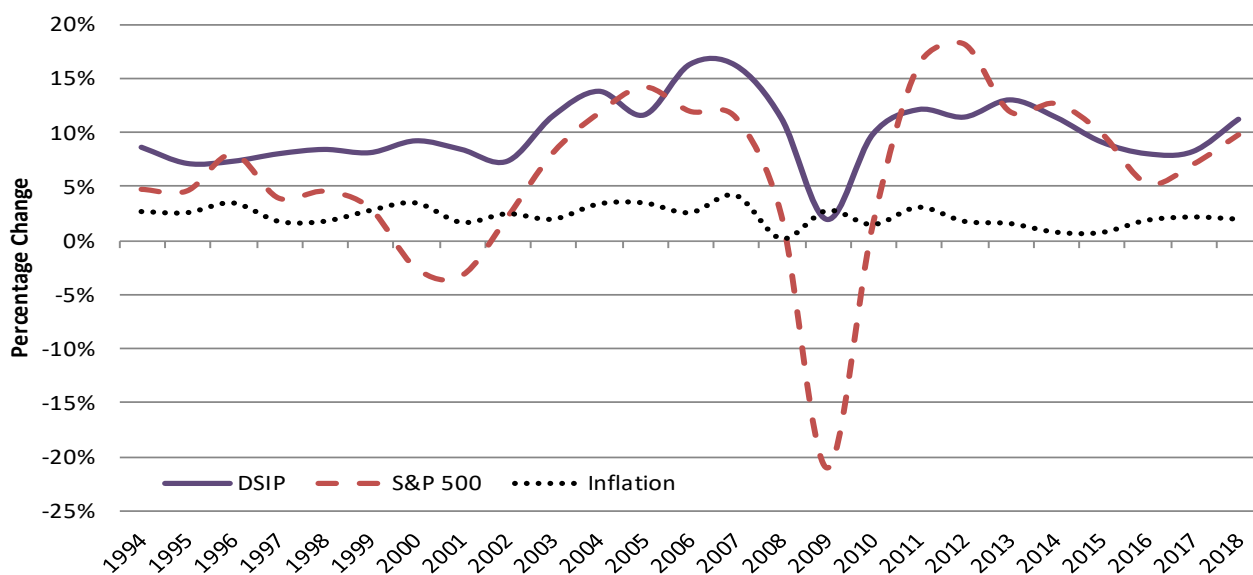
Dividend increases

The 3Q was a busy one in terms of companies raising dividends with 16 of the DSIP List companies reporting dividend increases. The average increase was 8.6% compared to the same quarter in 2018 which is in-line with our longer-term expectations in the 7-9% range. Year-to-date, there have been 60 companies out of the 76 on DSIP raising their dividends to an average increase of 8.4%. The lingering, positive effects of corporate tax reform and increasing free cash flow of many of our DSIP List names, helped support these healthy dividend boosts. Notable dividend raises were many in the quarter and

examples of such included: McDonald’s (43 consecutive years of increases), New Jersey Resources Corporation (24 consecutive years of increases), Illinois Tool Works (54 consecutive years), Federal Realty Investment Trust (52 consecutive years), PPG Industries, Inc. (48 consecutive years), American Tower Corp. (30th consecutive quarterly dividend hike) and Microsoft (16 consecutive years). Realty Income boosted their dividend for the 103rd time since 1994.

The average annual dividend increase for DSIP since its first full year in 1994 is roughly 10%, ahead of the corresponding number for the S&P 500 of +6% and annual inflation of +2% as measured by changes in the Consumer Price Index. Although future results should not be assumed to equal historical performance, we believe that holding a diversified portfolio of DSIP stocks has proven to be a viable strategy to help investors stay ahead of the rising cost of living. In 2019, we expect DSIP dividend growth to be healthy and average in the high single digit range.

Figure 1– Annual Percentage Change in Dividends & Inflation 1994-2018 (year over year)



Source: Federal Reserve Bank of St. Louis, S&P, Wells Fargo Advisors. Inflation represented by the Consumer Price Index. Data through year end 2018. The Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. **Past performance is not a guarantee of future results.** An index is unmanaged and not available for direct investment.

Third Quarter List Changes

During the 3Q of 2019, we made one list change to DSIP.

We removed the shares of **AT&T Inc.** (T-\$37.58). We believe AT&T’s annual dividend growth will remain at the same \$0.04, or a little less than +2%, for the foreseeable future, restrained by multiple factors including its payout ratio, leverage, and industry dynamics. For 2019, we expect AT&T’s dividend payout ratio will be about 57%, in line with management’s goal of the high-fifties percent. Ideally, we’d like to see this number a bit lower to provide a cushion should unexpected negative cash flow surprises arise. AT&T ended the 2Q of 2019 at 2.7x net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA). Management’s top goal is to bring net debt to adjusted EBITDA down to 2.5x by year-end 2019, with asset sales helping. We believe 2.5x is achievable and AT&T is on track to meet this target. For historical context, AT&T’s average net debt to adjusted EBITDA is more in the 2.0x range.

About half of AT&T's revenue is generated in segments undergoing significant shifts in industry dynamics. The linear video business (primarily DirecTV) is being negatively impacted by cord cutting as consumers' viewing habits change. The media business (WarnerMedia) is largely being driven by the same dynamics - as viewers move away from the traditional linear TV package, fees for Warner content is negatively impacted. At the end of the day, AT&T's alternative video offerings (HBO Max, DirecTV Now, AT&T TV) could offset declines in the traditional video business but it's difficult to get comfortable with a timeline of that potentially happening. While we believe there are better options in the Communication Services sector for dividend growth investors, our view is that AT&T's dividend is secure and likely to extend its 35 year track record of dividend growth (albeit moderate growth). The diversity of the business has expanded over the past several years with the acquisitions of DirecTV and Time Warner. Even though these businesses are in transition, we believe they could add value to AT&T, especially when paired with AT&T's extensive mobile network and customer base.

Notable company news from the second quarter

- **Walmart Inc. (WMT)** plans to expand Delivery Unlimited to more than half of the U.S. by end of 2019 to compete more effectively and accommodate changing consumer preferences. Walmart began piloting Delivery Unlimited in four markets - Houston, Miami, Salt Lake City and Tampa - earlier this year. Based on the positive response of customers, Walmart is expanding the program to all 200 metro areas where Grocery Delivery is available today. As the company continues to expand its Grocery Delivery service, Delivery Unlimited will expand. The service will be available in more than 1,600 stores and more than 50% of the country by the end of the year. The program gives customers the option to pay a yearly \$98 fee or a monthly \$12.95 fee to receive unlimited Walmart Grocery Delivery orders. Customers will continue to have the option to pay a per-delivery fee, without a membership.
- **McDonald's Corporation (MCD)** announced an agreement to acquire Apprente, a provider of voice-based, conversational technology. In McDonald's restaurants, this technology is expected to allow for faster, simpler and more accurate order taking at the drive through with future potential to incorporate into mobile ordering and kiosks. In other news, McDonald's is testing a new plant-based burger using Beyond Meat patty in Canada. McDonald's announced it will be conducting a 12-week test of a new plant-based burger called the P.L.T., which stands for Plant. Lettuce. Tomato. in 28 restaurants in Southwestern Ontario, starting September 30th.
- At its investor day, **V.F. Corporation (VFC)** management indicated revenue through fiscal 2024 (the company's fiscal year ends in March) is expected to grow at a five-year compounded annual growth rate (CAGR) between 7% and 8%, fueled by VF's largest brands (Vans, The North Face, Timberland and Dickies) and the company's International and Direct-to-Consumer business platforms. Earnings per share is (EPS) expected to grow at a five-year CAGR of between 12% and 14% as compared to 2019 adjusted EPS. The company expects to generate approximately \$8 billion of free cash flow on a cumulative basis between 2020 and 2024 and intends to return \$10 billion to shareholders through dividends and share repurchases. VF expects to deliver annual total shareholder return in the 14% to 16% range.
- While it briefly got above the magical \$1 trillion market cap in April 2019, the 3Q marked the longest period of time that **Microsoft Corporation (MSFT)** has stayed at or above this milestone market cap bogey. The company has received many positive reviews of late repositioning its

business towards the faster growing cloud (Azure) and away from some of its slower growth businesses. Market sentiment has also favored the company's capital allocation strategies of late which has favored shareholders. For example, the company just raised its dividend 11% and this raise was the 16th consecutive year of increases. As of today, only two companies have a market cap above \$1 trillion, Microsoft and Apple.

- On September 26, 2019, **Accenture Plc (ACN)** announced its first quarterly dividend, shifting away from its semi-annual schedule. This change was accompanied by a dividend increase over the quarterly equivalent rate. The company's first quarterly dividend is payable November 15, 2019 to shareholders of record October 17, 2019. The annual rate will be \$3.20 per share (\$0.80 per quarter), up from \$2.92 per share (\$0.73 per quarter). This \$0.07 per share boost represents an increase of 9.6% over the previous quarterly equivalent dividend and is the company's 14th consecutive annual dividend increase.
- In late August, **Amgen Inc. (AMGN)** announced an agreement to acquire Otezla (apremilast) from Celgene Corporation (CELG-\$100.57) for \$13.4 billion in cash. Otezla is a prescription medicine for the treatment of moderate to severe plaque psoriasis. Amgen notes Otezla's strong strategic fit within its portfolio as well as accelerated top-line growth and immediate accretion to adjusted EPS. The purchase is expected to be completed by the end of 2019.
- Also in August, Oklahoma District Court found **Johnson & Johnson (JNJ)** had created a public nuisance in the state of Oklahoma and ordered the company to pay \$572 million in damages related to the state's opioid crisis. While the verdict is disappointing and J&J plans to appeal, the initial damages (\$572 million) is on the low end of expectations. Subsequent to the 3Q, J&J announced a settlement in its Ohio opioid case. J&J agreed to pay \$20 million to settle all outstanding claims in Ohio. Similar to the Oklahoma case, the monetary outlay in Ohio is below expectations. Both cases are positive to the overall J&J story but opioid (and talc) litigation risk remains and will likely take years to fully resolve.

Appendix A– 2019 DSIP List Dividend Increases

Company	Symbol	New Annual Dividend Rate	Year Earlier Annual Dividend Rate	Annualized Increase
First Quarter				7.4%
Realty Income Corporation ¹	O	\$2.71	\$2.63	3.0%
BlackRock, Inc.	BLK	\$13.20	\$12.52	5.4%
WEC Energy Group Inc.	WEC	\$2.36	\$2.21	6.8%
CMS Energy Corporation	CMS	\$1.53	\$1.43	7.0%
Comcast Corporation Class A	CMCSA	\$0.84	\$0.76	10.5%
Air Products and Chemicals, Inc.	APD	\$4.64	\$4.40	5.5%
Commerce Bancshares, Inc.	CBSH	\$1.04	\$0.90	16.2%
S&P Global, Inc.	SPGI	\$2.28	\$2.00	14.0%
Xylem Inc.	XYL	\$0.96	\$0.84	14.3%
Polaris Industries Inc.	PII	\$2.44	\$2.40	1.7%
Aflac Incorporated	AFL	\$1.08	\$1.04	3.8%
3M Company	MMM	\$5.76	\$5.44	5.9%
Eversource Energy	ES	\$2.14	\$2.02	5.9%
Jack Henry & Associates, Inc.	JKHY	\$1.60	\$1.48	8.1%
T. Rowe Price Group	TROW	\$3.04	\$2.80	8.6%
Cisco Systems, Inc.	CSCO	\$1.40	\$1.32	6.1%
NextEra Energy, Inc.	NEE	\$5.00	\$4.44	12.6%
United Parcel Service, Inc. Class B	UPS	\$3.84	\$3.64	5.5%
Walmart Inc.	WMT	\$2.12	\$2.08	1.9%
Analog Devices, Inc.	ADI	\$2.16	\$1.92	12.5%
Xcel Energy Inc.	XEL	\$1.62	\$1.52	6.6%
Linde plc	LIN	\$3.50	\$3.30	6.1%
Chubb Limited	CB	\$3.00	\$2.92	2.7%
General Dynamics Corporation	GD	\$4.08	\$3.72	9.7%
American Tower Corporation ²	AMT	\$3.60	\$3.00	20.0%
Realty Income Corporation ³	O	\$2.71	\$2.63	3.0%
Colgate-Palmolive Company	CL	\$1.72	\$1.68	2.4%
Novartis AG	NVS	CHF 2.85	CHF 2.80	1.8%
Second Quarter				9.8%
TJX Companies Inc.	TJX	\$0.92	\$0.78	17.9%
Procter & Gamble Company	PG	\$2.98	\$2.87	4.0%
American Water Works Company, Inc.	AWK	\$2.00	\$1.82	9.9%
Johnson & Johnson	JNJ	\$3.80	\$3.60	5.6%
Exxon Mobil Corporation	XOM	\$3.48	\$3.28	6.1%
W.W. Grainger, Inc.	GWV	\$5.76	\$5.44	5.9%
Costco Wholesale Corporation	COST	\$2.60	\$2.28	14.0%
International Business Machines Corp.	IBM	\$6.48	\$6.28	3.2%
PepsiCo, Inc.	PEP	\$3.82	\$3.71	3.0%
Apple Inc.	AAPL	\$3.08	\$2.92	5.5%
Paychex, Inc.	PAYX	\$2.48	\$2.24	10.7%
Phillips 66	PSX	\$3.60	\$3.20	12.5%
FactSet Research Systems Inc.	FDS	\$2.88	\$2.56	12.5%
Clorox Company	CLX	\$4.24	\$3.84	10.4%
American Tower Corporation ⁴	AMT	\$3.68	\$3.08	19.5%
Lowe's Companies, Inc.	LOW	\$2.20	\$1.92	14.6%
UnitedHealth Group Incorporated	UNH	\$4.32	\$3.60	20.0%
Realty Income Corporation ⁴	O	\$2.72	\$2.64	3.0%
Medtronic Plc	MDT	\$2.16	\$2.00	8.0%

Company	Symbol	New Annual Dividend Rate	Year Earlier Annual Dividend Rate	Annualized Increase
Third Quarter				8.6%
L3Harris Technologies, Inc.	LHX	\$3.00	\$2.74	9.5%
PPG Industries, Inc.	PPG	\$2.04	\$1.92	6.3%
J.M. Smucker Company	SJM	\$3.52	\$3.40	3.5%
Mondelez International, Inc.	MDLZ	\$1.14	\$1.04	9.6%
Broadridge Financial Solutions, Inc.	BR	\$2.16	\$1.94	11.3%
Federal Realty Investment Trust	FRT	\$4.20	\$4.08	2.9%
Illinois Tool Works, Inc.	ITW	\$4.28	\$4.00	7.0%
Verizon Communications Inc.	VZ	\$2.46	\$2.41	2.1%
New Jersey Resources Corporation	NJR	\$1.25	\$1.17	6.8%
American Tower Corporation ⁶	AMT	\$3.80	\$3.16	20.3%
Realty Income Corporation ⁷	O	\$2.72	\$2.65	2.9%
Microsoft Corporation	MSFT	\$2.04	\$1.84	10.9%
Texas Instruments Incorporated	TXN	\$3.60	\$3.08	16.9%
McDonald's Corporation	MCD	\$5.00	\$4.64	7.8%
Accenture plc Class A	ACN	\$3.20	\$2.92	9.6%
Honeywell International Inc.	HON	\$3.60	\$3.28	9.8%

¹ O dividend increased after 1 month. The increase over the previous month is 2.0%.

² AMT dividend increased after 1 quarter. The increase over the previous quarter is 7.1%.

³ O dividend increased after 2 months. The increase over the previous month is 0.2%.

⁴ AMT dividend increased after 1 quarter. The increase over the previous quarter is 2.2%.

⁵ O dividend increased after 3 months. The increase over the previous month is 0.2%.

⁶ AMT dividend increased after 1 quarter. The increase over the previous quarter is 3.3%.

⁷ O dividend increased after 3 months. The increase over the previous month is 0.2%.

Source: Company reports, Wells Fargo Advisors

Appendix B– DSIP List Holdings by Sector

Company	Symbol	Price	Market Cap	Dividend per Share	Dividend Yield	Dividend Pay Cycle ²	DSIP List Dividend Increases	Company Consecutive Dividend Increases	Annual Dividend Growth Estimate	Consensus L-T EPS Growth Estimate	Date Added to List	Q3 Total Return
Communication Services (average)			\$229.7		2.4%				7%	3%		
Comcast Corporation Class A	CMCSA	\$45.55	\$207.0	\$0.84	1.8%	1,4,7,10	4	11	10%	10%	8/28/15	7%
Verizon Communications Inc.	VZ	\$59.93	\$247.9	\$2.46	4.1%	2,5,8,11	6	13	2%	3%	3/12/14	7%
Walt Disney Company	DIS	\$130.02	\$234.2	\$1.76	1.4%	1,7	4	9	7%	1%	8/28/15	-6%
Consumer Discretionary			\$86.7		1.9%				10%	14%		
Lowe's Companies	LOW	\$110.81	\$85.5	\$2.20	2.0%	2,5,8,11	7	57	10%	19%	9/14/12	10%
McDonald's Corporation	MCD	\$209.02	\$158.7	\$5.00	2.4%	3,6,9,12	15	43	6%	9%	9/16/04	4%
NIKE, Inc. Class B	NKE	\$93.88	\$146.5	\$0.88	0.9%	1,4,7,10	4	17	12%	16%	2/24/15	12%
Polaris Industries, Inc.	PII	\$89.89	\$5.5	\$2.44	2.7%	3,6,9,12	17	24	4%	14%	11/8/02	-3%
Starbucks Corporation	SBUX	\$86.36	\$103.4	\$1.44	1.7%	2,5,8,11	2	8	10%	14%	3/24/17	6%
TJX Companies, Inc.	TJX	\$58.57	\$71.0	\$0.92	1.6%	3,6,9,12	5	23	12%	9%	6/10/14	6%
V.F. Corporation	VFC	\$90.89	\$36.2	\$1.72	1.9%	3,6,9,12	10	46	8%	11%	10/3/08	2%
Consumer Staples			\$111.9		2.1%				6%	8%		
Brown-Forman Corp.	BF.B	\$62.98	\$30.1	\$0.66	1.1%	7,10,12	12	35	8%	8%	5/31/07	14%
Clorox Company	CLX	\$150.25	\$18.9	\$4.24	2.8%	2,5,8,11	15	42	6%	3%	9/16/05	0%
Colgate-Palmolive Co.	CL	\$70.51	\$60.5	\$1.72	2.4%	2,5,8,11	14	56	4%	4%	9/16/05	3%
Costco Wholesale Corp.	COST	\$297.60	\$130.8	\$2.60	0.9%	2,5,8,11	11	14	10%	9%	6/25/08	9%
J. M. Smucker Company	SJM	\$107.02	\$12.2	\$3.52	3.3%	3,6,9,12	12	22	6%	9%	10/3/08	-4%
McCormick & Company, Inc.	MKC	\$164.76	\$21.9	\$2.28	1.4%	1,4,7,10	12	33	7%	10%	5/31/07	1%
Mondelez International Inc.	MDLZ	\$54.82	\$79.1	\$1.14	2.1%	1,4,7,10	1	6	8%	8%	9/17/18	3%
PepsiCo, Inc.	PEP	\$137.64	\$191.9	\$3.82	2.8%	1,3,6,9	25	47	7%	6%	8/10/94	5%
Procter & Gamble Co.	PG	\$121.09	\$303.0	\$2.98	2.5%	2,5,8,11	21	63	4%	7%	11/23/98	14%
Sysco Corporation	SYU	\$78.87	\$40.4	\$1.56	2.0%	1,4,7,10	23	49	5%	11%	2/6/97	13%
Walmart Inc.	WMT	\$120.24	\$342.0	\$2.12	1.8%	1,4,6,9	15	46	4%	15%	9/21/04	8%
Energy			\$169.8		4.2%				5%	6%		
Exxon Mobil Corporation	XOM	\$68.98	\$291.9	\$3.48	5.0%	3,6,9,12	21	37	4%	11%	5/11/95	-7%
Phillips 66	PSX	\$106.53	\$47.8	\$3.60	3.4%	3,6,9,12	9	7	6%	0%	5/2/12	10%
Financials			\$32.9		2.0%				7%	7%		
Aflac Incorporated	AFL	\$52.44	\$38.8	\$1.08	2.1%	3,6,9,12	14	37	5%	5%	11/1/06	-4%
BlackRock, Inc.	BLK	\$434.00	\$67.1	\$13.20	3.0%	3,6,9,12	5	10	7%	7%	2/24/15	-4%
Brown & Brown, Inc.	BRO	\$36.04	\$10.1	\$0.32	0.9%	2,5,8,11	11	25	7%	10%	10/3/08	8%
Chubb Limited	CB	\$155.10	\$70.7	\$3.00	1.9%	1,4,7,10	3	26	5%	10%	10/28/16	10%
Commerce Bancshares, Inc.	CBSH	\$59.73	\$6.6	\$1.04	1.7%	3,6,9,12	23	51	5%	1%	4/18/97	2%
Eaton Vance Corporation	EV	\$43.47	\$4.9	\$1.50	3.5%	2,5,8,11	20	39	7%	0%	1/12/01	5%
FactSet Research Systems Inc.	FDS	\$245.30	\$9.4	\$2.88	1.2%	3,6,9,12	11	14	10%	7%	2/6/09	-15%
S&P Global, Inc.	SPGI	\$252.99	\$62.3	\$2.28	0.9%	3,6,9,12	1	46	8%	10%	10/19/18	8%
T. Rowe Price Group	TROW	\$110.94	\$26.1	\$3.04	2.7%	3,6,9,12	3	33	7%	8%	6/29/16	5%
Health Care			\$141.0		1.9%				9%	9%		0%
Abbott Laboratories	ABT	\$79.63	\$140.7	\$1.28	1.6%	2,5,8,11	11	47	8%	11%	6/25/08	0%
AmerisourceBergen Corp.	ABC	\$81.96	\$17.1	\$1.60	2.0%	3,6,9,12	3	14	6%	7%	11/9/15	-3%
Amgen Inc.	AMGN	\$200.80	\$120.4	\$5.80	2.9%	3,6,9,12	4	8	12%	7%	9/9/15	6%
Becton, Dickinson & Co.	BDX	\$252.86	\$68.3	\$3.08	1.2%	3,6,9,12	12	47	7%	12%	1/5/07	1%
Johnson & Johnson	JNJ	\$131.33	\$346.6	\$3.80	2.9%	3,6,9,12	11	57	6%	7%	6/25/08	-6%
Medtronic Plc	MDT	\$107.58	\$144.3	\$2.16	2.0%	1,4,7,10	4	42	9%	8%	11/9/15	13%
Stryker Corporation	SYK	\$213.81	\$79.8	\$2.08	1.0%	1,4,7,10	7	28	10%	10%	4/25/12	5%
UnitedHealth Group Inc.	UNH	\$222.07	\$210.5	\$4.32	1.9%	3,6,9,12	3	10	10%	13%	3/24/17	-11%
Industrials			\$64.6		2.4%				6%	9%		
3M Company	MMM	\$158.10	\$91.0	\$5.76	3.6%	2,5,8,11	14	61	5%	6%	3/2/05	-4%
Emerson Electric Co.	EMR	\$67.04	\$41.2	\$1.96	2.9%	3,6,9,12	25	62	4%	7%	11/30/93	1%
General Dynamics Corp.	GD	\$179.63	\$51.9	\$4.08	2.3%	2,5,8,11	11	22	9%	9%	6/25/08	1%
Honeywell International Inc.	HON	\$163.53	\$117.7	\$3.60	2.2%	3,6,9,12	2	9	8%	8%	2/7/18	-3%
Illinois Tool Works Inc.	ITW	\$154.53	\$50.0	\$4.28	2.8%	1,4,7,10	13	54	7%	5%	3/2/05	4%
L3Harris Technologies Inc.	LHX	\$208.94	\$46.5	\$3.00	1.4%	3,6,9,12	12	18	6%	-	8/29/08	11%
United Parcel Service, Inc.	UPS	\$116.02	\$99.7	\$3.84	3.3%	3,6,9,12	11	10	6%	9%	3/7/07	17%
United Technologies Corp.	UTX	\$136.15	\$117.5	\$2.94	2.2%	3,6,9,12	15	23	6%	10%	9/20/01	5%
W.W. Grainger, Inc.	GWW	\$305.20	\$16.7	\$5.76	1.9%	3,6,9,12	13	48	6%	11%	7/10/06	11%
Xylem Inc.	XYL	\$77.63	\$14.0	\$0.96	1.2%	3,6,9,12	1	7	10%	14%	10/19/18	-5%

Appendix B– DSIP List Holdings by Sector (continued)

Company	Symbol	Price	Market Cap (billion)	Dividend per Share	Dividend Yield	Dividend Pay Cycle ²	DSIP List Dividend Increases	Company Consecutive Dividend Increases	Annual Dividend Growth Estimate	Consensus L-T EPS Growth Estimate	Date Added to List	Q3 Total Return
Information Technology			\$260.4		2.2%				8%	9%		
Accenture plc	ACN	\$184.97	\$117.9	\$3.20	1.7%	5,11	12	14	8%	8%	6/25/08	4%
Analog Devices, Inc.	ADI	\$111.22	\$41.1	\$2.16	1.9%	3,6,9,12	11	15	8%	9%	6/28/07	-1%
Apple Inc.	AAPL	\$236.21	\$1,067.5	\$3.08	1.3%	2,5,8,11	1	6	8%	11%	11/29/18	14%
Automatic Data Processing, Inc.	ADP	\$162.52	\$70.5	\$3.16	1.9%	1,4,7,10	16	44	6%	15%	11/25/03	-2%
Broadridge Financial Solutions, Inc	BR	\$124.34	\$14.2	\$2.16	1.7%	1,4,7,10	4	12	9%	-	1/15/16	-2%
Cisco Systems, Inc.	CSCO	\$46.56	\$197.7	\$1.40	3.0%	1,4,7,10	6	8	9%	6%	11/20/13	-9%
Intl Business Machines Corp.	IBM	\$142.76	\$126.5	\$6.48	4.5%	3,6,9,12	19	24	5%	2%	7/20/00	7%
Jack Henry & Associates, Inc.	JKHY	\$142.10	\$10.9	\$1.60	1.1%	3,6,9,12	20	28	10%	9%	11/11/99	9%
Microsoft Corporation	MSFT	\$139.68	\$1,066.5	\$2.04	1.5%	3,6,9,12	5	16	8%	14%	1/5/12	4%
Paychex, Inc.	PAYX	\$84.63	\$30.3	\$2.48	2.9%	2,5,8,11	16	9	5%	8%	5/7/01	1%
Texas Instruments Inc.	TXN	\$130.09	\$121.5	\$3.60	2.8%	2,5,8,11	3	16	8%	8%	6/28/17	13%
Materials			\$59.3		1.6%				7%	11%		
Air Products & Chemicals, Inc.	APD	\$217.29	\$47.9	\$4.64	2.1%	2,5,8,11	13	37	7%	11%	7/5/06	-1%
Ecolab Inc.	ECL	\$194.74	\$56.0	\$1.84	0.9%	1,4,7,10	12	27	9%	13%	3/6/07	1%
Linde plc	LIN	\$194.25	\$105.0	\$3.50	1.8%	3,6,9,12	13	26	5%	11%	6/15/06	-3%
PPG Industries, Inc.	PPG	\$119.17	\$28.2	\$2.04	1.7%	3,6,9,12	3	47	7%	9%	6/29/16	2%
Real Estate			\$47.8		2.9%				5%	11%		
American Tower Corporation	AMT	\$224.45	\$99.4	\$3.61	1.6%	2,5,8,11	25	7	15%	18%	6/14/13	9%
Crown Castle International Corp.	CCI	\$136.68	\$56.8	\$4.50	3.3%	3,6,9,12	1	4	7%	16%	9/17/18	8%
Federal Realty Investment Trust	FRT	\$136.20	\$10.2	\$4.20	3.1%	1,4,7,10	3	52	3%	6%	10/28/16	7%
Realty Income Corporation	O	\$77.89	\$24.8	\$2.72	3.5%	Monthly	61	24	3%	4%	3/14/07	12%
Utilities			\$35.2		2.4%				6%	7%		
American Water Works Co, Inc.	AWK	\$123.69	\$22.3	\$2.00	1.6%	3,6,9,12	1	11	8%	9%	6/7/18	8%
CMS Energy Corp.	CMS	\$63.88	\$18.1	\$1.53	2.4%	2,5,8,11	1	13	7%	7%	9/17/18	11%
Eversource Energy	ES	\$85.57	\$27.7	\$2.14	2.5%	3,6,9,12	16	20	6%	6%	6/7/04	14%
New Jersey Resources Corp.	NJR	\$43.73	\$3.9	\$1.25	2.9%	1,4,7,10	25	24	6%	7%	2/16/96	-9%
NextEra Energy, Inc.	NEE	\$229.54	\$112.2	\$5.00	2.2%	3,6,9,12	26	25	12%	9%	5/10/94	14%
WEC Energy Group Inc.	WEC	\$93.81	\$29.6	\$2.36	2.5%	3,6,9,12	9	16	6%	6%	2/9/12	15%
Xcel Energy Inc.	XEL	\$63.33	\$32.6	\$1.62	2.6%	1,4,7,10	4	16	6%	5%	3/3/15	10%
DSIP List Average ¹			\$114.1		2.2%		11	27	7%	9%	4/4/09	
S&P 500		\$2,970	\$49.3	\$54.15	1.8%					11%		

Source: FactSet, Wells Fargo Advisors, company reports

¹ Simple average for market cap, dividend yield, dividend counts, date added. Median for growth estimate.² Months in which dividends are paid. January is 1, February 2, etc.

EPS = earnings per share, funds from operations used for real estate investment trusts

L-T = long-term

DSIP List Dividend Increases = the number of dividend increases for the company while on the DSIP List

Company Consecutive Dividend Increases = the consecutive number of annual dividend increases for the company

Market Cap categories: large cap greater than \$12.5 billion, mid cap between \$12.5 billion and \$3 billion, small cap less than \$3 billion

IMPORTANT DISCLOSURES

Analyst or household member owns an equity position in Eversource Energy (ES) and Verizon Communications, Inc. (VZ).

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