

The Top 10 Dividend Aristocrats

Ranked Using The 8 Rules of Dividend Investing

By

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Methodology

The 8 Rules of Dividend Investing systematically rank businesses with 25+ years of dividend payments *without a reduction*.

It is important to note **that *not all Sure Dividend stocks are Dividend Aristocrats, but all Dividend Aristocrats are Sure Dividend stocks.***

That's because the 1st rule of Dividend Investing looks for businesses with *25+ years of dividend payments without a reduction*, whereas the Dividend Aristocrats Index has the following requirements:

- 25+ years of consecutive dividend increases
- Must be a member of the S&P 500
- Must meet certain size and liquidity requirements

There are 4 primary ranking criteria used in The 8 Rules of Dividend Investing:

- **Payout Ratio:** The lower the better
- **Dividend Yield:** The higher the better
- **Expected Growth Rate:** The higher the better
- **Stock Price Standard Deviation:** The lower the better

Why is a *low payout ratio better than a high one*? Because the combination of a high yield with a low payout ratio means a stock is rewarding shareholders with a high yield while still maintaining a large 'margin of safety' in its payout ratio in case earnings drop.

In the study "High Yield, Low Payout Ratio" by Barefoot, Yao, and Patel, high yield *low payout ratio* stocks outperformed high yield, high payout ratio stocks by 8.2 percentage points a year from 1990 through 2006. Low payout ratios matter.

Stock price standard deviation matters as well. Low stock price standard deviation is a *proxy* for risk – it isn't perfect, but it is better than nothing. That's not just an opinion – the 100 stocks in the S&P 500 with the lowest stock price volatility have historically outperformed the market according to S&P – with less risk.

The Top 10 Dividend Aristocrats

Name	Ticker	Price	8 Rules Rank	Dividend Aristocrats Rank	Consecutive Dividend Increases	Yield Rank	Payout Ratio Rank	Standard Deviation Rank	Growth Rate Rank
Abbott Labs	ABT	\$39.54	4 of 186	1 of 50	44 Years	87	90	22	34 (tie)
Cardinal Healt.	CAH	\$78.29	5 of 186	2 of 50	32 Years	110	34	135	29
W.W. Grainger	GWW	\$229.73	8 of 186	3 of 50	44 Years	126	48	70	16
Target	TGT	\$70.05	9 of 186	4 of 50	45 Years	40	108	109	32
Wal-Mart	WMT	\$72.81	12 of 186	5 of 50	43 Years	73	61	16	107
Pentair	PNR	\$58.83	15 of 186	6 of 50	39 Years	107	37	122	27
Becton, Dickin.	BDX	\$169.64	19 of 186	7 of 50	44 Years	158	27	21	34 (tie)
VF Corp.	VFC	\$62.30	26 of 186	8 of 50	43 Years	104	84	104	10
Hormel	HRL	\$36.28	27 of 186	9 of 50	50 Years	156	52	16	9
Archer-Dan.	ADM	\$42.61	29 of 186	10 of 50	40 Years	69	91	133	34 (tie)

The quantitative rankings above are a bias-free way to decide which Dividend Aristocrats are currently the best to invest in.

To see the Top 10 dividend stocks using The 8 Rules of Dividend Investing (including ~130 dividend stocks with 25+ years of dividend payments without a reduction that *are not* Dividend Aristocrats – see the [Sure Dividend Newsletter](#).

For detailed qualitative analysis on each of the Top 10 Dividend Aristocrats, click the links below:

- [Target \(TGT\)](#)
- [Hormel \(HRL\)](#)
- [Pentair \(PNR\)](#)
- [Wal-Mart \(WMT\)](#)
- [VF Corporation \(VFC\)](#)
- [Cardinal Health \(CAH\)](#)
- [W.W. Grainger \(GWW\)](#)
- [Abbott Laboratories \(ABT\)](#)
- [Archer-Daniels-Midland \(ADM\)](#)
- [Becton, Dickinson, and Company \(BDX\)](#)

P.S. – If you have any questions at all, email me at Ben@SureDividend.com.

Thanks,
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