

Dividend Harvesting: Building The Portfolio Brick By Brick On \$100 A Week - Week 12 Update

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Summary

- After 12 weeks and \$1,200, the Dividend Harvesting Portfolio is generating \$74.39 in estimated annual income and \$6.20 in monthly estimated income.
- I started a position in Realty Income and added to my current position in Omega Healthcare Investors in week 12.
- The Dividend Harvesting portfolio is now generating 220 dividends on an annual basis with 7 dividends being paid for the remainder of May and 23 are expected in June.



Photo by PM Images/DigitalVision via Getty Images

It's hard to believe 3 months have passed and week 12 has come to an end. Since the inception of this series, I have allocated \$1,200 to this portfolio. Today there are 29 individual positions within the Dividend Harvesting portfolio across 9 investment categories creating a healthy mix of diversification. Overall the Dividend Harvesting portfolio has appreciated by 3.67%, 14 positions have paid dividends since April, and I have collected \$7.42 in dividends. For the remainder of May, I have 7 positions paying dividends. There are two reasons why June is going to be an exciting month for the Dividend Harvesting portfolio. First, there are 23 positions paying dividends. Second, it's the end of Q2, meaning the snowball effect and powers of compounding will apply to just about all of my positions and not just the monthly dividend payers. In week 12, I added an additional share of Omega Healthcare Investors (NYSE:[OHI](#)) and started a new position in Realty Income (NYSE:[O](#)) with 1 share. The Dividend Harvesting portfolio has appreciated by 3.67%, and by my calculations (different from the income estimator I use), I just broke the \$75 annual dividend income mark. The \$1,200 in invested capital is now generating a dividend yield of 6.25% across 29 positions.

The figure consists of four charts related to dividend performance:

- Total Annual Dividends:** A bar chart showing annual dividend amounts from 1992 to 2002. The y-axis ranges from \$0.00 to \$1.00. Notable peaks occur around 1994, 1997, and 2001.
- Profit or Loss:** A bar chart showing annual profit or loss from 1992 to 2002. The y-axis ranges from -\$1.00 to \$1.00. It shows significant fluctuations, with a major loss around 1997 and a major profit around 2001.
- Shares from Dividends:** A bar chart showing the number of shares received from dividends from 1992 to 2002. The y-axis ranges from 0.00 to 1.00. It shows a general upward trend with some fluctuations.
- % of Portfolio:** A pie chart showing the percentage of the portfolio held by various funds. The data is as follows:

Fund	% of Portfolio
Investment Company of America	11.00%
Investment Company of America	10.00%
Investment Company of America	9.00%
Investment Company of America	8.00%
Investment Company of America	7.00%
Investment Company of America	6.00%
Investment Company of America	5.00%
Investment Company of America	4.00%
Investment Company of America	3.00%
Investment Company of America	2.00%
Investment Company of America	1.00%
Investment Company of America	0.00%

As a side note, many readers over the prior 3 months have asked where they can get the dividend/portfolio tracker in the picture above. I built this in Excel and have the charts mapped to specific columns while many of the columns update automatically through basic Excel formulas based on the information inputted. If you're interested in building like this, please see below. This is how I have some of the columns mapped to auto-populate mapped:

- Column G Shares from Dividends
 - $=F2-E2$
- Column I Current Investment
 - $=H2*F2$
- Column J Profit or Loss
 - $=I2-D2$
- Column K Profit / Loss
 - $=J2/D2$
- Column M Total Annual Dividends
 - $=L2*F2$
- \$'s Collected From Dividends
 - $=H2*G2$
- Dividend Yield
 - $=L2/H2$

The other columns are manually entered and after the initial information is entered, the only columns that need future updating are the following:

- Column D Initial Investment
 - As you add shares
- Column E Shares Purchased
 - As you add shares
- Column F Current Shares
 - As shares are purchased
 - As dividends are reinvested
- Column H Current Price
 - As shares of prices change
- Column L Annual Dividend Per Share
 - As annual dividends increase or decrease

A look inside the Dividend Harvesting portfolio after \$1,200 of investments

After 12 weeks and investing \$100 per week, here is an overview of the Dividend Harvesting portfolio's composition:

Industry	Investment	Portfolio Total	% of Portfolio
REIT	\$219.33	\$1,244.07	17.63%
Closed End Funds	\$206.79	\$1,244.07	16.62%
Oil, Gas & Consumable Fuels	\$197.22	\$1,244.07	15.85%
Consumer Staples	\$156.42	\$1,244.07	12.57%
Utility	\$143.34	\$1,244.07	11.52%
Communication Services	\$121.51	\$1,244.07	9.77%
ETFs	105.61	\$1,244.07	8.49%
Independent Power & Renewable Electricity Producers	63.62	\$1,244.07	5.11%
Financials	26.29	\$1,244.07	2.11%
Cash	\$3.94	\$1,244.07	0.32%

(Source: Steven Fiorillo)

Diversification is critical to any portfolio because it's hard to predict when specific sectors will work and when others will lose steam. Many wouldn't have believed that oil and gas would rebound as sharply as they are given the sentiment around ESG investments and the emphasis on clean energy. Others may not have seen the sell-off in tech coming as corporate earnings were stellar yet the markets didn't budge. This is why I continue to discuss diversification as a way to mitigate your risk. By having exposure across different sectors, your portfolio benefits from sector rotations.

In the Dividend Harvesting portfolio, my top 2 performing investments since its inception are in the oil patch. Kinder Morgan ([KMI](#)) is up 13.64% and the Alerian MLP ETF ([AML](#)[P](#)) is up 12.48%. BP p.l.c. ([BP](#)) rounds out the top 5 in the 5th spot, up 8.2%. Real estate has also done well as AGNC Investment Corp ([AGNC](#)) is my 3rd largest gainer, up 8.54%, and Starwood Property Trust ([STWD](#)) takes the 4th spot up 8.2%. It's still very early in this portfolio's journey as only 12 weeks have passed, and I plan on making many more investments, expanding its diversification across individual equities, Closed-End Funds, and ETFs.

In week 12, I added 1 share of OHI and started a position in O. OHI was in the red by about 4%, so I decided to cost average as this will be a core holding of mine for years to come. This added \$2.68 in dividend income to the portfolio. I also started a position in O which added \$2.82 in dividend income. In week 12, my overall estimated dividend income increased by \$5.65 (8.22%) to \$74.39 from \$68.74. My monthly dividend income increased by \$0.47 (8.2%) from \$5.73 to \$6.20. I gained 12 additional dividends, and the Dividend Harvesting portfolio is now generating 220 dividends annually.

The goal of this portfolio was to demonstrate how someone could build a dividend income portfolio over an extended period of time without a large amount of seed capital. I wanted the portfolio to be diversified, generate frequent dividends, and utilize the powers of compounding. I believe a tremendous amount of progress has been made since week 1. By investing \$100 weekly, the dividend income stats for this portfolio have increased significantly.

- Estimated Annual Dividend Income
 - \$7.44 to \$74.39, an increase of \$66.95 or 899.87%
- Estimated Monthly Dividend Income
 - \$0.62 to \$6.20, an increase of \$5.58 or 900%
- Annual Dividends Generated
 - 12 to 220
- Weekly Dividends
 - 9 weeks to 44 weeks

Income Estimator



List populated from Positions

Start over

Estimated Annual Income

\$74.39

29 of 29

Investments That Pay Dividends

\$6.20

Estimated Average Monthly Income

6.03%

Average Dividend Yield for Populated List

Estimated Income Pay Dates



Income calculated from 05/24/2021 to 05/23/2022

Income-Paying Investments



All

Add symbol(s)

Add

Calculate Income

Symbol	Name	Next Pay Date ▲	Dividend Yield	Div per Share	Dividend Frequency	Quantity	Market Value	Estimated Annual Income
BST	BlackRock Science and...	05/28/21	4.90%	\$0.226	Monthly	1	\$55.31	\$2.71
UTG	Reaves Utility Income ...	05/28/21	6.22%	\$0.180	Monthly	1	\$34.74	\$2.16
UTF	Cohen & Steers Infrast...	05/28/21	6.54%	\$0.155	Monthly	1	\$28.42	\$1.86
THQ	Tekla Healthcare Oppo...	05/28/21	5.89%	\$0.113	Monthly	1	\$22.93	\$1.35
BDJ	BlackRock Enhanced E...	05/28/21	5.88%	\$0.050	Monthly	2	\$20.42	\$1.20
RQI	Cohen & Steers Quality...	05/28/21	6.37%	\$0.080	Monthly	1	\$15.06	\$0.96
EXG	Eaton Vance Tax-Mana...	05/28/21	7.41%	\$0.062	Monthly	1	\$9.98	\$0.74
ENB	Enbridge Inc	06/01/21	7.17%	\$0.692	Quarterly	1	\$38.61	\$2.77*
PTY	PIMCO Corporate and ...	06/01/21	8.09%	\$0.130	Monthly	1	\$19.29	\$1.56
XYLD	Global X S&P 500® Cov...	06/02/21	9.37%	\$0.333	Monthly	1	\$48.24	\$4.52
QYLD	Global X NASDAQ 100 ...	06/02/21	12.02%	\$0.221	Monthly	1	\$22.13	\$2.66
SO	Southern Co	06/07/21	4.10%	\$0.660	Quarterly	1	\$64.38	\$2.64
AGNC	Agnc Investment Corp	06/09/21	7.78%	\$0.120	Monthly	1	\$18.50	\$1.44
XOM	Exxon Mobil Corp	06/10/21	5.91%	\$0.870	Quarterly	1	\$58.92	\$3.48
ED	Consolidated Edison Inc	06/15/21	3.93%	\$0.775	Quarterly	1	\$78.96	\$3.10
Q	Realty Income Corp	06/15/21	4.24%	\$0.235	Monthly	1	\$66.58	\$2.82
AY	Atlantica Sustainable L...	06/15/21	4.66%	\$0.430	Quarterly	1	\$36.93	\$1.72
STAG	STAG Industrial Inc	06/15/21	4.08%	\$0.121	Monthly	1	\$35.53	\$1.45
CWEN	Clearway Energy Inc	06/15/21	4.93%	\$0.329	Quarterly	1	\$26.69	\$1.32
ORI	Old Republic Internatio...	06/15/21	3.35%	\$0.220	Quarterly	1	\$26.29	\$0.88
BP	BP PLC	06/18/21	4.75%	\$0.315	Quarterly	1	\$26.52	\$1.26
KO	Coca-Cola Co	07/01/21	3.08%	\$0.420	Quarterly	1	\$54.62	\$1.68
MO	Altria Group Inc	07/09/21	6.88%	\$0.860	Quarterly	2	\$100.00	\$6.88
STWD	Starwood Property Tru...	07/15/21	7.72%	\$0.480	Quarterly	1	\$24.87	\$1.92
I	AT&T Inc	08/03/21	6.93%	\$0.520	Quarterly	4	\$120.04	\$8.32
OHI	Omega Healthcare Inv...	08/16/21	7.42%	\$0.670	Quarterly	2	\$72.22	\$5.36
OKE	ONEOK Inc	08/16/21	7.02%	\$0.935	Quarterly	1	\$53.26	\$3.74
KMI	Kinder Morgan Inc	08/17/21	5.77%	\$0.270	Quarterly	1	\$18.72	\$1.08
AML	Alerian MLP ETF	08/20/21	8.16%	\$0.750	Quarterly	1	\$34.55	\$2.82

Total Market Value & Estimated Annual Income: \$1,232.71 \$74.39

*Currency is converted to U.S. dollars. **Dividends may include distributions and interest.

Calculate Income

(Source: TD)

In week 12, I didn't make any progress filling the gaps in my weekly dividend side project. I gained 12 dividends bringing my annual dividends to 220 by investing in O. I still think I am on pace to achieve 50 weeks of dividend income sometime in the fall. I am not targeting the individual weeks, but I think it would be interesting to have at least 1 dividend coming in every week throughout the year. Overall I think I will hit 50, then eventually 52.

Weekly Projected Dividends For 2021					
2021 Q1					
Month	January		February		March
Week 1	3rd to 9th	PTY / QYLD	7th to 13th	AGNC / OHI / OKE	7th to 13th AGNC / XOM
Week 2	10th to 16th	STWD / MO / AGNC / STAG / UTG / O	14th to 20th	STAG / SO / AMLP / O	14th to 20th STAG / CWEN / ED / ORI / O
Week 3	17th to 23rd		21st to 27th	THQ / BDJ / EXG / BST	21st to 27th BP / AY
Week 4	24th to 30	THQ / BDJ / QYLD / EXG / BST	28th to 6th	PTY / UTG / QYLD	28th - 3rd KO / ENB / PTY / UTG / THQ / BDJ / QYLD / EXG / BST
Week 5	31st to 6th	T / PTY			
2021 Q2					
Month	April		May		June
Week 1	4th to 10th	AGNC	2nd to 8th	PTY / T	6th to 12th AGNC / XOM
Week 2	11th to 17th	STWD / STAG / O	9th to 15th	AGNC / STAG / AMLP / OKE / O	13th to 19th STAG / CWEN / BP / ED / ORI / AY / O
Week 3	18th to 24th		16th to 22nd	SO	20th to 26th
Week 4	25th to 1st	MO / UTG / THQ / OHI / BDJ / QYLD / EXG / BST	23rd to 29th	QYLD / EXG / BST	27th to 3rd KO / ENB / PTY / UTG / THQ / BDJ / QYLD / EXG / BST
Week 5			30th to 5th	PTY / UTG / THQ / BDJ	
2021 Q3					
Month	July		August		September
Week 1	4th to 10th	MO / AGNC	1st to 7th	T / PTY	5th to 11th AGNC / XOM
Week 2	11th to 17th	STWD / STAG / O	8th to 14th	AGNC / OKE / O	12th to 18th STAG / CWEN / ED / ORI / AY / O
Week 3	18th to 24th		15th 21st	STAG / SO / AMLP	19th to 25th BP
Week 4	25th to 31st	UTG / THQ / OHI / BDJ / QYLD / EXG / BST	22nd to 28th		26th to 2nd KO / ENB / PTY / UTG / THQ / BDJ / QYLD / EXG / BST
Week 5			29th 4th	PTY / UTG / THQ / BDJ / QYLD / EXG / BST	
2021 Q4					
Month	October		November		December
Week 1	3rd to 9th	AGNC	7th to 13th	AGNC / OKE	5th to 11th AGNC / XOM
Week 2	10th to 16th	STWD / MO / STAG / O	14th to 20th	STAG / SO / AMLP / O	12th to 18th KO / ENB / STAG / CWEN / BP / ED / ORI / AY / O
Week 3	17th to 23rd		21st to 27th		19th to 25th
Week 4	24th to 30th	QYLD / EXG / BST	28th to 4th	PTY / UTG / THQ / BDJ / QYLD / EXG / BST	26th to 31st UTG / THQ / BDJ / EXG / BST
Week 5	31st - 6th	T / PTY / UTG / THQ / OHI / BDJ			

(Source: Steven Fiorillo)

Week 12 additions OHI and O

I have been a shareholder of OHI for years, and this was one of my first investments in the Dividend Harvesting portfolio. Recently I wrote a [dedicated article on my investment thesis for OHI](#). Since my investment was in the red and I consider OHI one of the core positions I will continue to invest in I decided to dollar cost average a bit in week 12. The broad strokes are OHI is a REIT that specializes in triple net leases within the Skilled Nursing Facility and Senior Living sectors. OHI works with 70 operators and has 950+ properties with 95,782 beds within their portfolio, making them one of the largest Skilled Nursing Facility focused REITs. OHI provides investors with a 7.7%-yielding dividend with 17 years of consecutive dividend increases and a dividend CAGR of 8.8%. OHI is a strong dividend pick, in my opinion, and they operate in a critical space that will continue to see increased demand for decades to come.

High-Yield and Historically Consistent Dividend



(Source: Omega Healthcare Investors)

O was the 2nd investment I made in week 12 as I started an initial position. I am still kicking myself, and I can't believe I didn't own O in my other accounts. Before making this investment, I conducted a lot of research and wrote a [dedicated article discussing O on Seeking Alpha](#). O operates a portfolio consisting of 6,600+ properties with a 98% occupancy rate. I have no interest in being a landlord or investing in physical real estate, so REITs are perfect for me. I don't have to deal with tenants or any problems with the properties. I can sit back, let the management team do the work and collect the dividends. O opened up exposure to a ton of commercial real estate for this portfolio. Its tenants include Walgreens (NASDAQ:[WBA](#)), CVS (NYSE:[CVS](#)), Home Depot (NYSE:[HD](#)), Costco (NASDAQ:[COST](#)), FedEx (NYSE:[FDX](#)), 7-Eleven, Walmart (NYSE:[WMT](#)), and Kroger (NYSE:[KR](#)). There is a great chance I have driven by their properties and never knew it. Commercial real estate took a hit during the pandemic, but with 51.2% of O's revenue tied to their top 20 clients, including the companies I previously listed, I am not concerned with their ability to rent space. O provides investors with a \$2.82 dividend yielding 4.24%. Over the years, O has provided shareholders with 26 consecutive years of increasing their dividend payout, has declared 610 monthly dividends, and provided 94 consecutive quarterly increases. As a dividend aristocrat with solid fundamentals, O gained a spot in the Dividend Harvesting portfolio and will earn a place in my other accounts.

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GROWING INTERNATIONAL PRESENCE

9th largest global REIT⁽²⁾
\$2.2B UK Portfolio
54 assets
100% occupancy
12 years remaining lease term⁽³⁾
5 industries



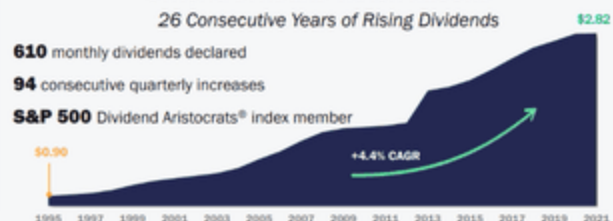
⁽¹⁾ As measured by equity market capitalization of FTSE EPRA Nareit Global REITs TR Index Constituents.
⁽²⁾ As of March 31, 2021.

DIVERSIFIED REAL ESTATE PORTFOLIO



⁽¹⁾ Clients with a credit rating of Baa3/BBB- or higher from one of the three major rating agencies Moody's/S&P/Pratt.

STRONG DIVIDEND TRACK RECORD⁽⁴⁾



⁽⁴⁾ As of April 2021.

(Source: Realty Income)

Week 13 thoughts

There are many companies and funds I want to invest in, but I can't buy everything at once on a budget of \$100 a week. Week 13 will be tricky as there are so many quality companies and funds I haven't started a position yet. I am leaning toward starting a position in the Schwab U.S Dividend Equity ETF ([SCHD](#)). I have been invested in SCHD for years, and this fund has a great mix of companies within its [holdings](#). I also want to add some technology to this portfolio, and Cisco Systems ([CSCO](#)) and Hewlett Packard Enterprise ([HPE](#)) have been on my watchlist. I am torn because there are some quality REITs I want to add as well, such as SL Green ([SLG](#)), Boston Properties Inc ([BXP](#)), and W.P. Carey ([WPC](#)), but I don't want to become overweight with REITs, so these may have to wait. There are a lot of options, and I still need to add some banks and finance companies. Over the next few days, I will be kicking around some ideas making a plan for the next several weeks.

Conclusion

I want to say thank you to everyone who continues to read and comment on the Dividend Harvesting series. I am looking forward to engaging with everyone in the comments section and gaining perspectives and ideas for new investments. I am pleased with the progress that's been made and hope this series has shown that you can start investing with a small amount of capital and eventually grow a portfolio into an income-producing monster. After 12 weeks and \$1,200, the Dividend Harvesting portfolio has invested in 29 positions and yields 6.25% as it just crossed \$75 of annual dividends. I am excited for the months and years to come as the snowball effect is about to start rolling and growing.

This article was written by



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I am focused on growth and dividend income. My personal strategy revolves around setting myself up for an e...
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Disclosure: I am/we are long OHI, O, STWD, AMLP, AGNC, KMI, SCHD. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Additional disclosure: I am long every position in the Dividend Harvesting portfolio

Disclaimer: I am not an investment advisor or professional. This article is my own personal opinion and is not meant to be a recommendation of the purchase or sale of stock. Investors should conduct their own research before investing to see if the companies discussed in this article fits into their portfolio parameters.

39 Likes

53 Comments