

# Dividend Harvesting: Building The Portfolio Brick By Brick On \$100 A Week, Week 8 Update

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## Summary

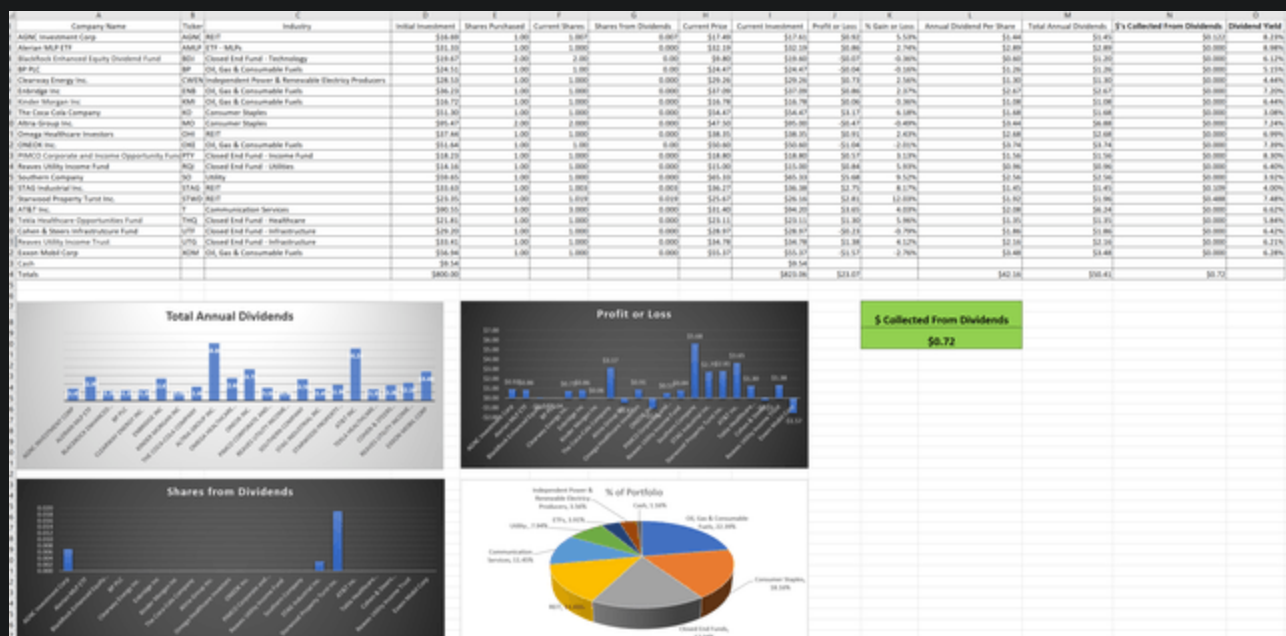
- After 8 weeks and \$800, the Dividend Harvesting Portfolio is generating \$50.44 in estimated annual income and \$4.20 in monthly estimated income.
- In week 8 I added ONEOK, BP plc and the BlackRock Enhanced Equity Dividend Trust to the Dividend Harvesting Portfolio.
- In the next week there are 5 positions paying dividends for a total of 8 dividends in the month of April to start the dividend harvesting journey for this portfolio.



After 7 articles in this series, one of the most common questions by individuals reading one of the weekly updates for the first time is “is this a real or fictitious portfolio?” This is an account I opened 2 months ago in addition to my other accounts specifically for this article series. I am funding this account with \$100 per week and documenting every investment, dividend, and the progress which is made. This article series about Dividend Harvesting has 3 main objectives, 1<sup>st</sup> is to illustrate that you can build a great portfolio on a budget and make your money work for you, 2<sup>nd</sup> to provide a guide for building a dividend portfolio, and 3<sup>rd</sup> to make dividend investing fun in a time when growth has overshadowed many aspects of investing.

It's been 8 weeks and I have allocated \$800 to this portfolio. I have started a position in 21 different investments which include 14 individual equities, 6 Closed-End Funds (CEFs), and 1 ETF. My investments have increased by \$23.07 putting this portfolio in the green. In week 8 I added 1 share of ONEOK Inc ([OKE](#)), 1 share of BP PLC ([BP](#)), and 1 share of the BlackRock Enhanced Equity Dividend Trust ([BDJ](#)). With these additions, my annual estimated income has increased to \$50.44 with an average yield of 6.21% from my investments.

One of the questions I get asked is why am I adding so many positions? If you look at the [recent news with Altria Group \(MO\)](#) you never know when a monkey wrench will get thrown into the plans. The main reason why I like to have a diversified portfolio spread across many positions is to mitigate individual risk. If you have a large portion of your capital in one position and something goes wrong, it could be detrimental to your portfolio's performance. My goal over the first year from a position aspect is to invest in as many individual companies, CEFs, and ETFs that I am interested in for this dividend portfolio.



(Source: Steven Fiorillo)

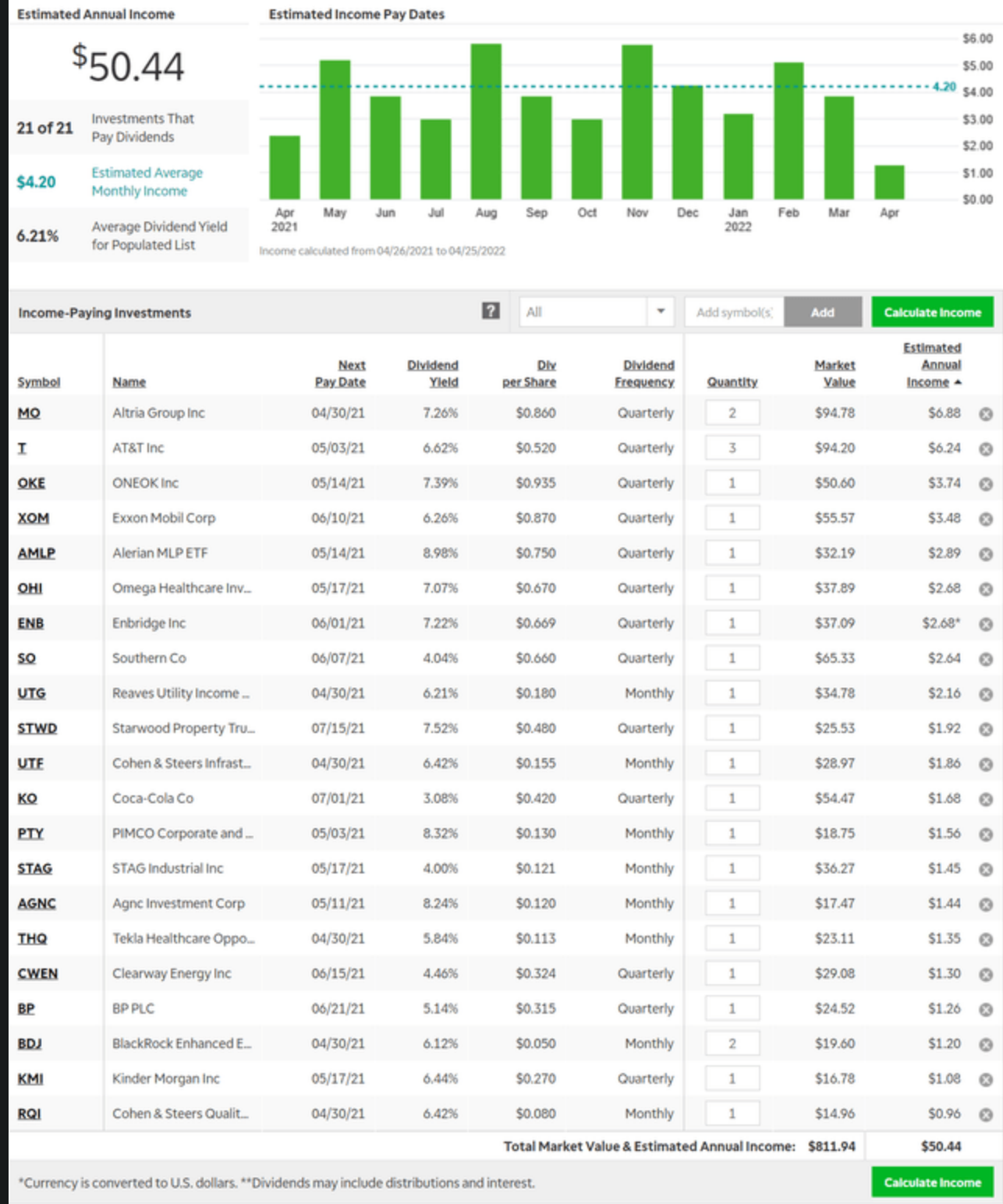
## A look inside the portfolio after 8 weeks and \$800 allocated

After 8 weeks of investing the Dividend Harvesting portfolio's weighted sectors are:

- Oil, Gas & Consumables = 22.39%
- Consumer Staples = 18.16%
- CEFs = 17.04%
- REITs = 14.40%
- Communication Services = 11.45%
- Utilities = 7.94%
- ETFs = 3.91%
- Independent Power & Renewable Electricity Producers = 3.56%
- Cash = 1.16%

Starwood Property Trust ([STWD](#)) continues to be my largest winner as it has generated a 12.03% gain since my initial investment. Southern Company ([SO](#)) is my 2<sup>nd</sup> best performer as my investment has increased by 9.52% and STAG Industrial, Inc. ([STAG](#)) is 3<sup>rd</sup> with an increase of 8.17%. My recent additions of Exxon Mobil ([XOM](#)) and OKE are both down by more than 2% since I added them to this portfolio. I am expecting a rocky road for both XOM and OKE as the oil & gas sector is not for the faint of heart. In regards to XOM and OKE, I am fully committed to cost average down if these positions continue to decrease and my loss gets into the double-digit on a percentage basis.

In week 8 I added OKE, BP, and BDJ which increased my estimated annual dividend income by \$6.31 (14.30%) as it increased from \$44.13 to \$50.44. In the remaining days of April, I have 5 positions generating \$1.39 in dividends which will increase my dividends collected to \$2.11 from the \$0.72 I received the prior week. As I continue to add positions my dividend income increases and my monthly estimated average has increased to \$4.20 from \$3.68. One of the things I hope this series demonstrates is that you don't need a lot of money to start investing in the stock market. The past 2 months have flown by and I just broke the \$50 mark for estimated annual dividend income. If nothing else, I hope this series inspires people to look ahead and start saving for retirement.



(Source: TD)

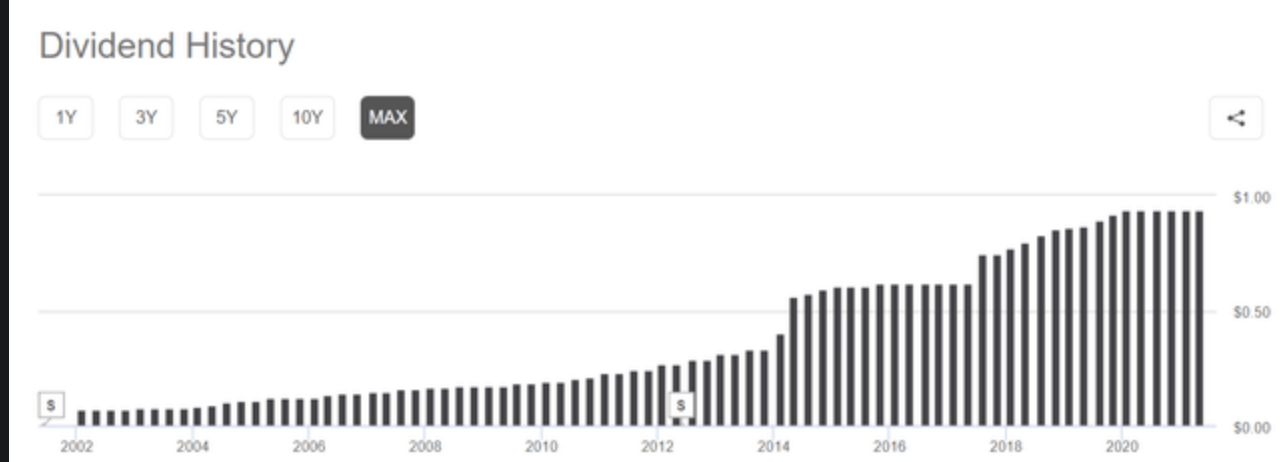
In my fun side project of tracking weekly dividends I am up to an estimated 42 weeks of dividend income. I am closing in on a secondary goal of 50 weeks, but this isn't a priority. I am letting everything occur organically as generating a dividend a week is not dictating any of my investment decisions. Depending on how many positions this portfolio ends up maintaining, I will consider making a daily dividend tracker but that's looking well into the future.

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

(Source: Steven Fiorillo)

## Why I added OKE, BP, and BDJ in week 8 to the Dividend Harvesting Portfolio

If you have followed me on Seeking Alpha then you know I am fond of pipeline companies, OKE is an interesting midstream operator that isn't an MLP. [OKE](#) has 40,000 miles of pipelines that service natural gas and natural gas liquids. OKE has 52.2 billion cubic feet of natural gas storage capacity and 10% of the U.S. natural gas production is reliant on OKE's natural gas infrastructure. OKE is positioned to continue its growth as its net income, adjusted EBITDA, and distributable cash flow are all expected to increase in 2021. OKE has paid a dividend since 1972 and has increased its dividend for the past 19 consecutive years. OKE pays \$3.74 per share and has a dividend yield which exceeds 7%. I believe natural gas will continue to increase its utilization rates globally and domestically which will be very positive for OKE.



(Source: Seeking Alpha)

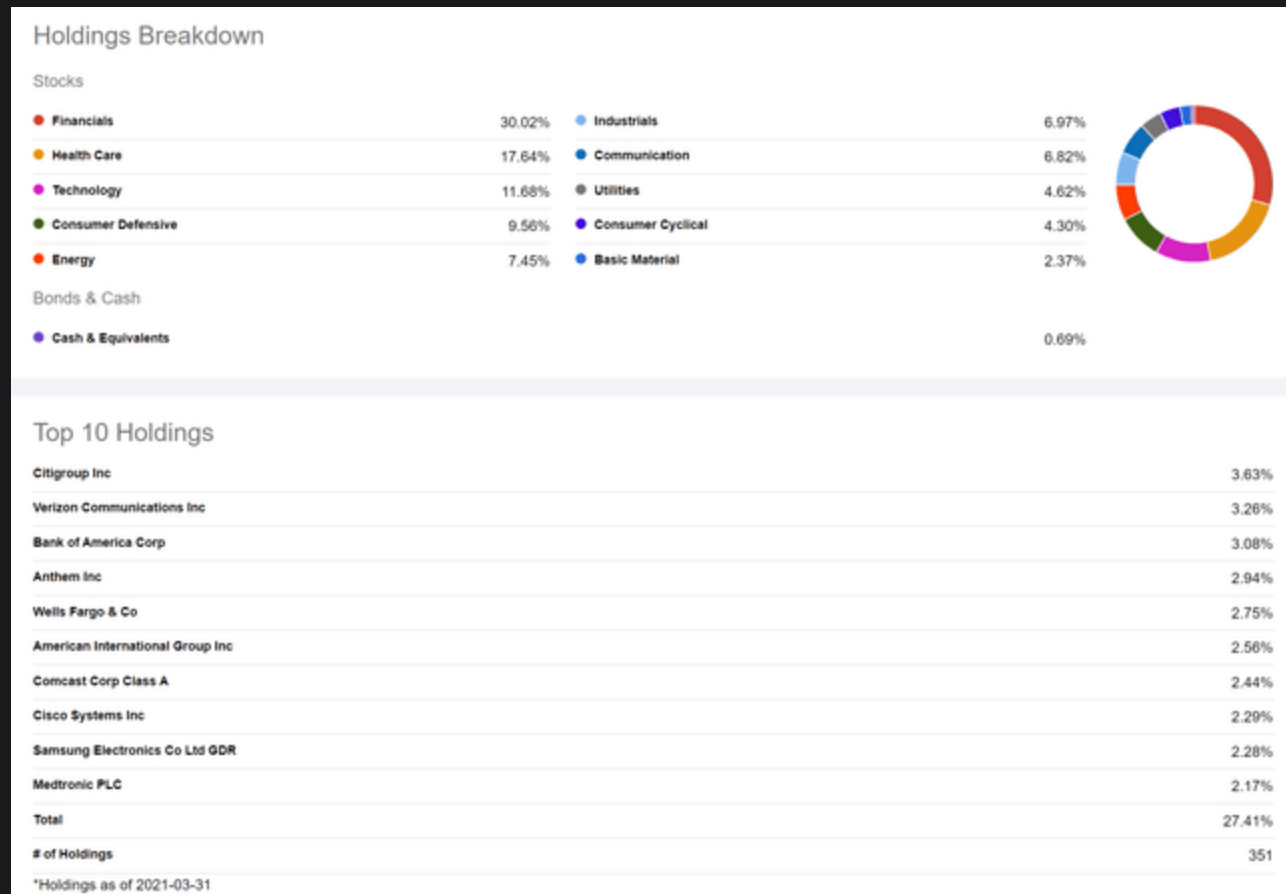
BP has been a controversial stock for years and with a cut dividend, many want nothing to do with them. I have been invested in BP for years and believe they are positioning themselves for the future better than their peers. BP was one of the first energy companies to recognize and invest in low carbon energy sources. BP fits in my energy thesis because it will be a major player in gas, oil, and renewables. By 2025 BP is on track to have 20 gigawatts of renewable capacity and 50 gigawatts by 2030. The large integrated supermajors will be needed today, tomorrow, and 30 years from now. I believe BP will continue to play a substantial role in the energy sector for decades to come. BP currently pays a dividend of \$1.26 which is a yield that exceeds 5%. In the future, I believe BP will start growing its dividend again and I also believe shares are undervalued today.



(Source: Seeking Alpha)



BDJ caught my eye as it's a CEF from Blackrock with a well-balanced holding allocation. It is not sector-specific and its 3 largest industries are financials, healthcare, and technology. BDJ pays a \$0.60 dividend which is a yield of 6.12%. This CEF also pays its dividend every month, which is a bonus in my book as it enhances the powers of compounding. After looking through their holdings this is a CEF I will be adding capital to over the coming months.



(Source: Seeking Alpha)

## What Investments I am looking at in week 9

It's interesting because after all of the investments I have made there are still many companies and funds I want to add. On the individual equity side, I want to add exposure to tech, healthcare, and financials while expanding in some of the sectors I have already invested in. Companies such as Bristol-Myers Squibb ([BMY](#)), Verizon ([VZ](#)), Cisco Systems ([CSCO](#)), AbbVie Inc. ([ABBV](#)), and Consolidated Edison ([ED](#)) are still at the top of my list. I am not leaning in any specific direction this week as I still want to add some dividend ETFs that I already own in another account such as Schwab U.S. Dividend Equity ETF ([SCHD](#)) or the Vanguard High Dividend Yield ETF ([VYM](#)).

## Conclusion



Thank you to everyone who is reading and commenting on this series. Please leave your suggestions in the comment section because in week 10 the \$100 I allocate to this portfolio will be invested in only companies that have been suggested by the readers. So far the list is interesting and there have been some suggestions I wanted to add before week 10. Hopefully, this series is sparking some investment ideas and bringing the fun back to dividend investing.

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This article was written by



**Steven Fiorillo**

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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 MO, STWD, SO, STAG, OKE, XOM, BP, BDJ, SCHD, VYM. 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 stock 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.

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