

Dividend Harvesting: Building The Portfolio Brick By Brick On \$100 A Week, Week 13 Update

Jun. 02, 2021 9:00 AM ET | AGNC, AMLP, AQN... | 30 Comments | 23 Likes

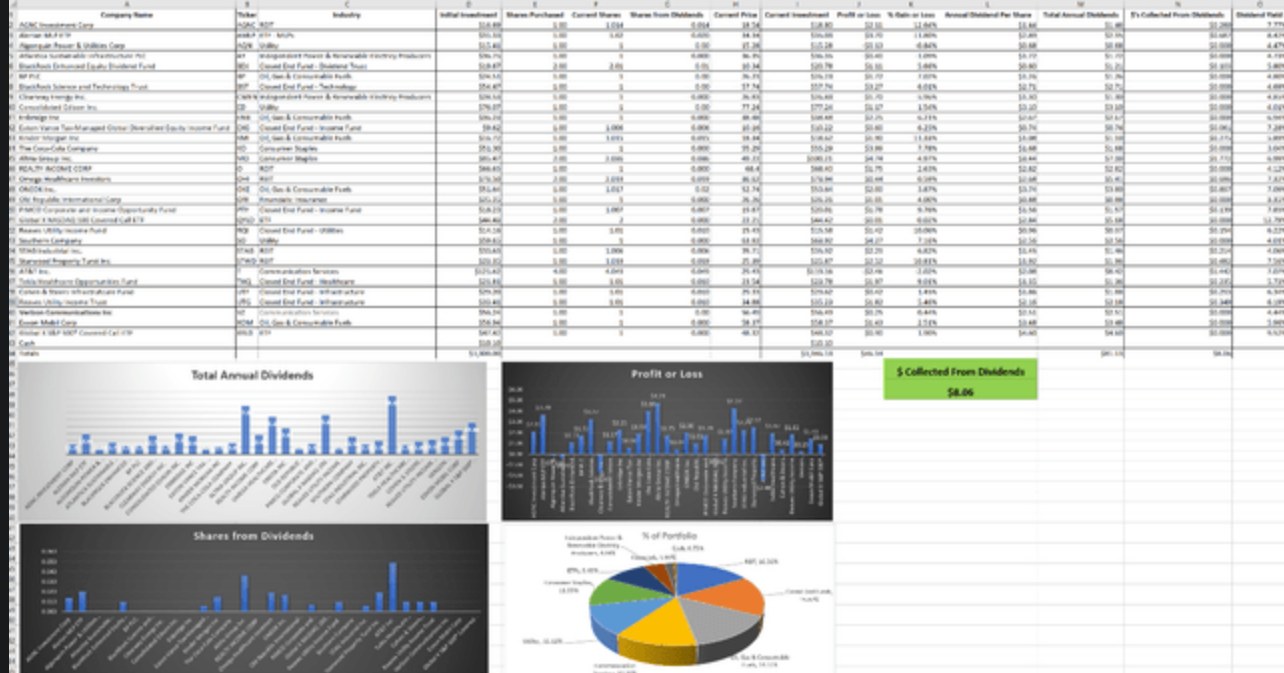
Summary

- After 13 weeks and \$1,200, the Dividend Harvesting Portfolio is generating \$80.25 in estimated annual income and \$6.69 in monthly estimated income.
- I started a position in Verizon and Algonquin Power & Utilities Corp. while adding a share of the Global X NASDAQ 100 Covered Call ETF.
- The Dividend Harvesting portfolio is now generating 228 dividends on an annual basis with 23 dividends being paid in June.



Photo by PM Images/DigitalVision via Getty Images

13 weeks have come and gone, and the portfolio is diversified, collecting dividends and in the green. Since the inception of this account and article series, I have invested \$1,300 over 13 weeks. There are now 31 positions, including individual equities, CEFs, and ETFs in the Dividend Harvesting portfolio. I have collected 22 dividends in April and May, which are now worth \$8.06. Overall this portfolio is projected to generate \$81.13 in annual dividends, and this number grows with each investment each week. The total value of the Dividend Harvesting portfolio has increased by \$46.14 (3.55%), and my initial investment of \$1,300 is yielding 6.24% in dividends. This summer will be exciting as June has 23 positions scheduled to pay \$7.21 in dividends. In July, the entire snowball effect starts due to my quarterly dividends starting to compound. Anyone can build an income-producing portfolio by adding any amount of capital to an account frequently and doing the homework. I hope this series does a good job of defying the misconception that you need large amounts of capital to make the stock market work in your favor.



(Source: Steven Fiorillo)

I will keep this blurb in all my articles going forward because I am constantly asked how I made this tracker in Excel. If you are interested, please see the formulas below, and if not, skip to the next section:

- 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 \$1,300 of investments

After 13 weeks of investing \$100 per week, here is an overview of the Dividend Harvesting Portfolio's composition:

Industry	Investment	Portfolio Total	% of Portfolio
REIT	\$222.93	\$1,346.13	16.56%
Closed End Funds	\$212.97	\$1,346.13	15.82%
Oil, Gas & Consuma	\$195.33	\$1,346.13	14.51%
Communication Ser	\$175.65	\$1,346.13	13.05%
Utility	\$156.44	\$1,346.13	11.62%
Consumer Staples	\$155.50	\$1,346.13	11.55%
ETFs	\$127.77	\$1,346.13	9.49%
Independent Power	\$63.18	\$1,346.13	4.69%
Financials	\$26.26	\$1,346.13	1.95%
Cash	\$10.10	\$1,346.13	0.75%

(Source: Steven Fiorillo)

Diversification is a portfolio's friend because you never know when sector rotations will occur, and it helps mitigate the downside. Out of the 31 positions, 5 are in the red, having lost -0.02% - -5.96% and 5 positions have appreciated by 10% or more ranging from 10.06% to 12.64%. AGNC Investment Corp ([AGNC](#)) is my largest percentage gainer, followed by Alerian MLP ETF ([AML](#)P), Kinder Morgan ([KMI](#)), Starwood Property Trust ([STWD](#)), and Reaves Utility Income Fund (NYSE:[UTG](#)). As this is a portfolio dedicated to generating stable income, I am not concerned with price fluctuations. I am fully prepared to experience periods when my overall investment is in the red. Still, it sure is nice when the portfolio is green every week.

In week 13, I started new positions in Algonquin Power & Utilities Corp ([AQN](#)) and Verizon Communications Inc ([VZ](#)). I also added a share to the Global X NASDAQ 100 Covered Call ETF ([QYLD](#)). AQN provided me with \$0.68 in dividend income while VZ added \$2.51 and QYLD added \$2.84. My estimated annual income increased in week 13 by \$5.86 (7.88%) to \$80.25 from \$74.39, while my monthly dividend income increased by \$0.49 (7.90%) to \$6.69. I gained 8 new annual dividends, and the Dividend Income portfolio is now on track to generate 228 dividends on an annual basis.

The goal of this portfolio was to demonstrate how someone could build a dividend income portfolio over an extended period 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 \$80.25, an increase of \$72.81 or 979%
- Estimated Monthly Dividend Income
 - \$0.62 to \$6.69, an increase of \$6.07 or 979%
- Annual Dividends Generated
 - 12 to 228
- Weekly Dividends
 - 9 weeks to 44 weeks

Estimated Annual Income

\$80.25

31 of 31

Investments That
Pay Dividends

\$6.69

Estimated Average
Monthly Income

6.04%

Average Dividend Yield
for Populated List

Estimated Income Pay Dates



Income calculated from 05/29/2021 to 05/28/2022

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
ENB	Enbridge Inc	06/01/21	7.19%	\$0.692	Quarterly	1	\$38.48	\$2.77*
PTY	PIMCO Corporate and ...	06/01/21	7.85%	\$0.130	Monthly	1	\$19.87	\$1.56
QYLD	Global X NASDAQ 100 ...	06/02/21	11.98%	\$0.221	Monthly	2	\$44.42	\$5.32
XYLD	Global X S&P 500® Cov...	06/02/21	9.35%	\$0.333	Monthly	1	\$48.32	\$4.52
SO	Southern Co	06/07/21	4.13%	\$0.660	Quarterly	1	\$63.92	\$2.64
AGNC	Agnc Investment Corp	06/09/21	7.77%	\$0.120	Monthly	1	\$18.54	\$1.44
XOM	Exxon Mobil Corp	06/10/21	5.96%	\$0.870	Quarterly	1	\$58.37	\$3.48
ED	Consolidated Edison Inc	06/15/21	4.01%	\$0.775	Quarterly	1	\$77.24	\$3.10
Q	Realty Income Corp	06/15/21	4.12%	\$0.235	Monthly	1	\$68.40	\$2.82
AY	Atlantica Sustainable L...	06/15/21	4.73%	\$0.430	Quarterly	1	\$36.35	\$1.72
STAG	STAG Industrial Inc	06/15/21	4.06%	\$0.121	Monthly	1	\$35.71	\$1.45
CWEN	Clearway Energy Inc	06/15/21	4.90%	\$0.329	Quarterly	1	\$26.83	\$1.32
ORI	Old Republic Internatio...	06/15/21	3.35%	\$0.220	Quarterly	1	\$26.26	\$0.88
BP	BP PLC	06/18/21	4.80%	\$0.315	Quarterly	1	\$26.23	\$1.26
BST	BlackRock Science and...	06/30/21	4.70%	\$0.226	Monthly	1	\$57.74	\$2.71
UTG	Reaves Utility Income ...	06/30/21	6.19%	\$0.180	Monthly	1	\$34.88	\$2.16
UTF	Cohen & Steers Infrast...	06/30/21	6.34%	\$0.155	Monthly	1	\$29.33	\$1.86
THQ	Tekla Healthcare Oppo...	06/30/21	5.73%	\$0.113	Monthly	1	\$23.54	\$1.35
BDJ	BlackRock Enhanced E...	06/30/21	5.80%	\$0.050	Monthly	2	\$20.68	\$1.20
RQI	Cohen & Steers Quality...	06/30/21	6.22%	\$0.080	Monthly	1	\$15.43	\$0.96
EXG	Eaton Vance Tax-Mana...	06/30/21	7.28%	\$0.062	Monthly	1	\$10.16	\$0.74
KO	Coca-Cola Co	07/01/21	3.04%	\$0.420	Quarterly	1	\$55.29	\$1.68
MO	Altria Group Inc	07/09/21	6.99%	\$0.860	Quarterly	2	\$98.44	\$6.88
STWD	Starwood Property Tru...	07/15/21	7.56%	\$0.480	Quarterly	1	\$25.39	\$1.92
AQN	Algonquin Power & Uti...	07/15/21	4.47%	\$0.171	Quarterly	1	\$15.28	\$0.68
I	AT&T Inc	08/03/21	7.07%	\$0.520	Quarterly	4	\$117.72	\$8.32
VZ	Verizon Communicatio...	08/03/21	4.44%	\$0.628	Quarterly	1	\$56.49	\$2.51
OHI	Omega Healthcare Inv...	08/16/21	7.32%	\$0.670	Quarterly	2	\$73.24	\$5.36
OKE	ONEOK Inc	08/16/21	7.09%	\$0.935	Quarterly	1	\$52.74	\$3.74
KMI	Kinder Morgan Inc	08/17/21	5.89%	\$0.270	Quarterly	1	\$18.34	\$1.08
AMLP	Alerian MLP ETF	08/20/21	8.21%	\$0.750	Quarterly	1	\$34.34	\$2.82

Total Market Value & Estimated Annual Income: \$1,327.97

\$80.25

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

Calculate Income

(Source: TD)

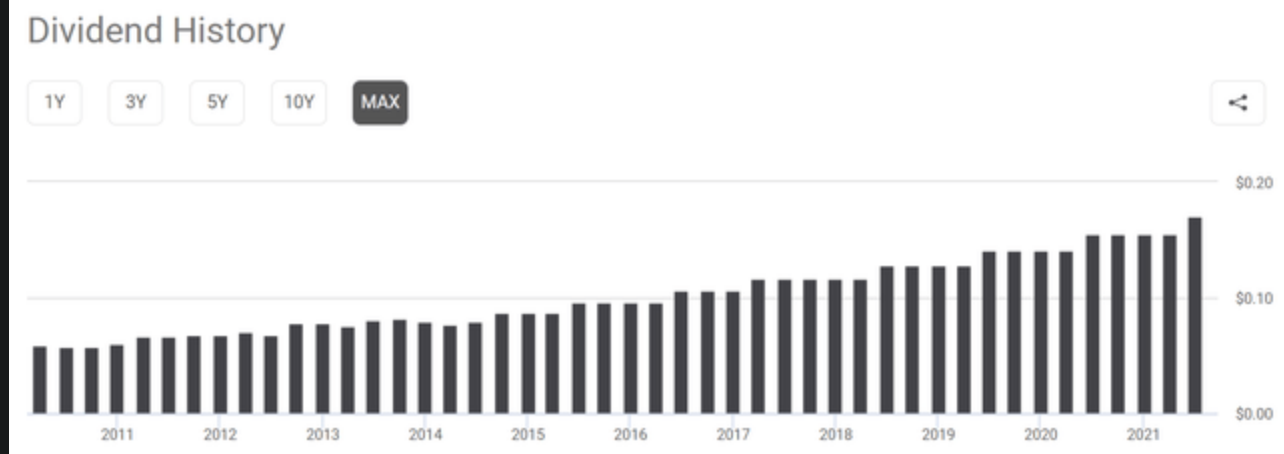
My side project didn't change much as far as weekly dividend income. With the additions of AQN and VZ, I gained 8 annual dividends but didn't add additional weeks. I am still at 44 weeks of dividend income, but the Dividend Harvesting portfolio generates 228 dividends which I find exciting. Below is when the dividends are expected to be paid:

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 / AQN	14th to 20th	STAG / SO / AMLP	14th to 20th STAG / CWEN / ED / ORI
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 / VZ			
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 / AQN	9th to 15th	AGNC / STAG / AMLP / OKE	13th to 19th STAG / CWEN / BP / ED / ORI / AY
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 / VZ	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 / VZ	5th to 11th AGNC / XOM
Week 2	11th to 17th	STWD / STAG / AQN	8th to 14th	AGNC / OKE	12th to 18th STAG / CWEN / ED / ORI / AY
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 / AQN	14th to 20th	STAG / SO / AMLP	12th to 18th KO / ENB / STAG / CWEN / BP / ED / ORI / AY
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 / VZ			

(Source: Steven Fiorillo)

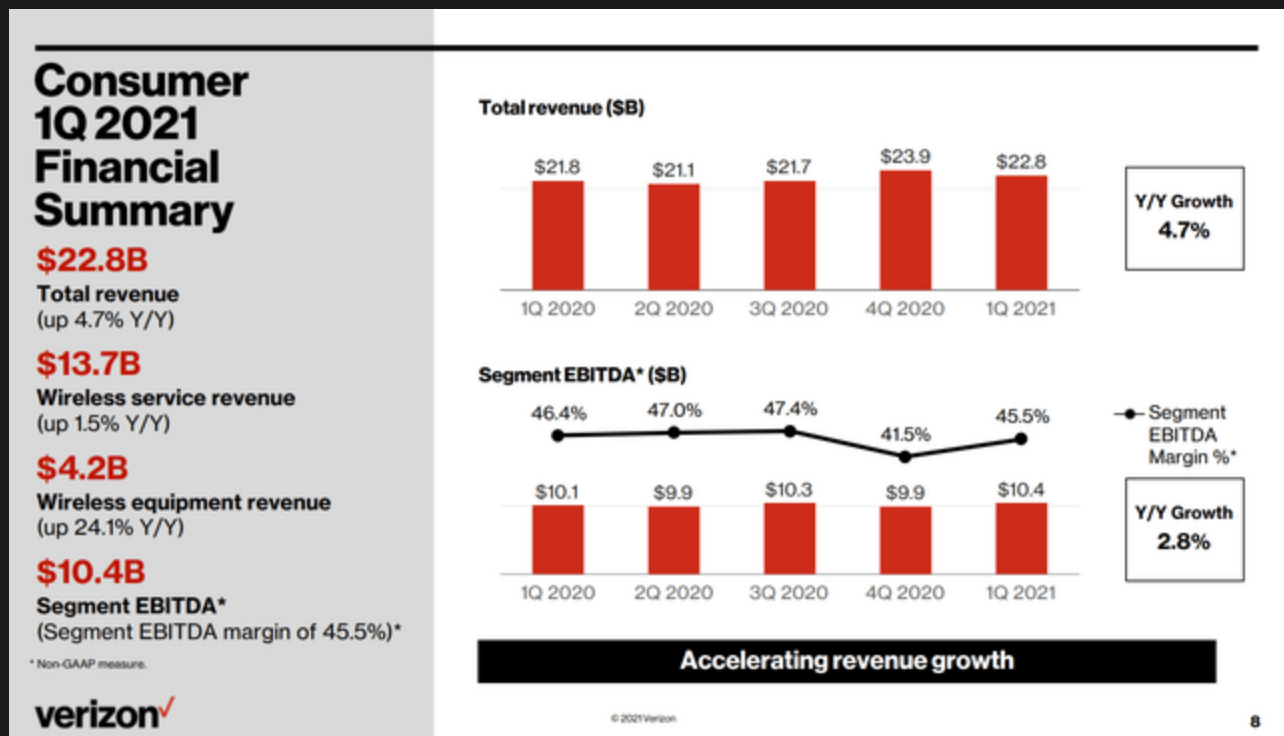
Week 13 additions AQN, VZ and QYLD

[AQN](#) is an interesting utility that I wanted in my portfolio. AQN provides regulated water, electricity, and natural gas utility services to over 1 million customers in North America. AQN has a growing portfolio of clean, renewable wind, solar, hydro, and thermal power generation facilities, totaling over 3GW of renewables in operation and construction. With ESG investments on the rise and more capital being allocated to green projects, I want to build up the green energy section of this portfolio. [AQN](#) has provided investors with 11 years of dividend growth and has a forward yield of 4.45%. AQN has been increasing its revenue base and in 2020 generated \$1.64 billion in revenue. This is definitely a name I will look to add to in the future and possibly add it to my other accounts.



(Source: Seeking Alpha)

Next, I started a position in VZ. It's hard to find anything wrong with VZ. [VZ](#) is more of a utility these days as smartphones are essential to everyday life. VZ is a behemoth that generated \$128.29 billion in revenue for 2020 while generating \$18.89 billion in net income. VZ has increased its dividend since 2007, and [2021](#) will mark its 15th consecutive dividend increase. VZ pays an annual dividend of \$2.51, which is a forward yield of 4.46%. As its payout ratio is just below 50%, I am expecting VZ will continue to increase its dividend increases annually.



(Source: Verizon)

QYLD was an ETF I added in [week 10](#). Several readers recommended this, and it's an interesting ETF. I have written covered calls in the past to increase my income from dividend-producing stocks, but I didn't know some funds applied this strategy. At the beginning of the week, I was down a couple of percent, so I decided to dollar cost average and bought an additional share. This is an interesting fund that I want to add shares to, so I figured I would take the opportunity to decrease my investment basis. QYLD has a 12-month trailing yield of 12.69% and pays a monthly dividend. I like the positions in its portfolio, and the dividend yield is very enticing. Even though I tend to be conservative regarding dividend stocks, I don't mind adding to this position as I like the strategy they utilize.

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QYLD

Nasdaq 100 Covered Call ETF

FUND MAPRELATED ETFs

FUND SUMMARY

The Global X Nasdaq 100 Covered Call ETF (QYLD) follows a "covered call" or "buy-write" strategy, in which the Fund buys the stocks in the Nasdaq 100 Index and "writes" or "sells" corresponding call options on the same index.

★★★★★
Morningstar Rating™
Overall rating out of 113 Options-based funds, based on risk-adjusted returns as of 03/31/2021

FUND OBJECTIVE

The Global X Nasdaq 100 Covered Call ETF (QYLD) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the CBOE Nasdaq-100 BuyWrite V2 Index.

WHY QYLD?

High Income Potential

QYLD seeks to generate income through covered call writing, which historically produces higher yields in periods of volatility.⁠

Monthly Distributions

QYLD has made monthly distributions 7 years running.

Efficient Options Execution

QYLD writes call options on the Nasdaq-100 Index, saving investors the time and potential expense of doing so individually.

FUND DETAILS

As of 05/27/21

Key Facts	
Ticker	QYLD
Inception Date	12/11/13
CUSIP	37954Y483
ISIN	US37954Y4834
Bloomberg Index Ticker	BOXT
Primary Exchange	Nasdaq
Number of Holdings	103
Stats & Fees	
Net Assets	\$2,903,438,070
Net Asset Value (NAV)	\$22.16
Shares Outstanding	131,030,000
Total Expense Ratio	0.60%
Distributions	
30-Day SEC Yield	0.14%
12-Month Trailing Yield	12.69%
Distribution Yield	11.73%
Distribution Frequency	Monthly

[Distribution Calendar](#)

FUND DOCUMENTS

[Prospectus & Regulatory Information](#)[Supplemental Tax Information](#)[Fact Sheet](#)[Index Methodology Summary](#)

(Source: Global X)

Week 14 thoughts

Sometimes I do exactly what I lay out in this section in the following week, and sometimes I deviate a bit from what I was planning. In week 14, I have no idea what I am doing because I want to add many companies. Multiple readers have insisted that I look into BDCs and @briansoule gave me some homework to do. I asked Brian to recommend some BDCs, and he said Main Street Capital ([MAIN](#)) and Ares Capital ([ARCC](#)). I have heard of both but never looked into them, so I will do my due diligence this weekend, and maybe they become week 14 additions. I also want to start adding some pharmaceutical companies and tech companies.

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 can't believe we're going into week 14. Please continue to list suggestions in the comment section because week 20 is approaching, and I will only be adding companies the readers suggest. In week 13, the Dividend Harvesting portfolio broke the \$80 mark for annual income, and before you know it, triple digits will be upon us.

This article was written by



Steven Fiorillo

12.14K Followers

I am focused on growth and dividend income. My personal strategy revolves around setting myself up for an e... [more](#)

Disclosure: I am/we are long AGNC, STWD, KMI, AMLP, RQI, VZ, QYLD, AQN. 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.

23 Likes

30 Comments

