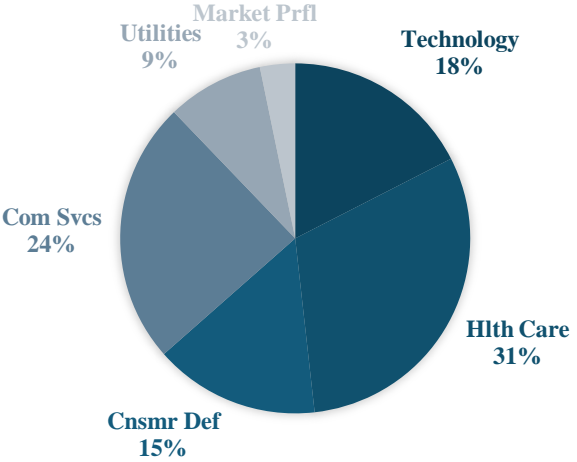


| Financial Ratios | Revenue | OI | NI | EPS | P/B | P/E | ROE | ROA | Oper.mrg | Profit mrg | D/Y |
|------------------|-------------|------------|------------|------|------|------|-----|-----|----------|------------|------|
| MSFT | 211,915,000 | 88,523,000 | 72,361,000 | 11.1 | 13.3 | 38.4 | 0.4 | 0.2 | 0.4 | 0.4 | 0.01 |
| JNJ | 85,159,000 | 22,009,000 | 35,153,000 | 5.2 | 5.3 | 29.2 | 0.2 | 0.1 | 0.2 | 0.4 | 0.03 |
| KO | 45,754,000 | 13,016,000 | 10,714,000 | 2.5 | 9.9 | 24.0 | 0.4 | 0.1 | 0.2 | 0.2 | 0.03 |
| VZ | 133,974,000 | 28,718,000 | 11,614,000 | 2.8 | 1.9 | 15.3 | 0.1 | 0.0 | 0.2 | 0.1 | 0.07 |
| NEE | 28,114,000 | 9,832,000 | 7,310,000 | 3.6 | 2.8 | 18.0 | 0.1 | 0.0 | 0.3 | 0.3 | 0.03 |

| | | | |
|--------------------------------|-----------|--------|---------|
| Portfolio Analysis 04-09-24 | | | |
| Total shares: 3174 | Sector | % YTD | % Asset |
| MSFT | Tech | 13.20% | 23.59% |
| JNJ | Hlth Care | -2.99% | 14.83% |
| KO | Cnsmr Def | 0.54% | 2.87% |
| VZ | Com Svcs | 11.18% | 3.24% |
| NEE | Utilities | 6.52% | 1.84% |
| S&P 500 | Mrkt Prfl | 9.21% | 53.64% |



| Sector Weightings | % of Stock | Rating & Risk | |
|-------------------|------------|---------------|-------|
| Technology | 17.48% | Alpha | 0.23 |
| Hlth Care | 30.75% | Beta | 0.88 |
| Cnsmr Def | 15.28% | SMB | -0.25 |
| Com Svcs | 24.32% | HML | -0.09 |
| Utilities | 8.93% | R-Squared | 0.95 |
| Market Prfl | 3.24% | St. Deviation | 1.05 |
| | | Sharpe Ratio | 0.93 |

| Net Composition | % Asset | % Stock |
|-----------------|---------|---------|
| Stocks | 46.36% | 96.76% |
| Market Index | 53.64% | 3.24% |

| Value measures | Profitability | |
|------------------|---------------|-------------------------|
| Price/Earnings | 25.51 | Return on Equity 29.64% |
| Dividend Yield % | 0.04 | Return on Assets 40.98% |

Client's profile

My client is Nicole, a 52-year-old who has recently embraced the freedom of retirement. With a lifetime of hard work behind her, Nicole is focused on ensuring a sustainable and comfortable lifestyle for herself and her family. To achieve this, she's looking to build a robust investment portfolio that prioritizes high-yielding stocks known for their consistent and growing dividend payouts. The carefully selected portfolio of MSFT, JNJ, VZ, MCD, and KO is designed to provide Nicole with a steady dividend income stream throughout her retirement. By diversifying across sectors and considering current market conditions, the portfolio aims to capture growth and income opportunities while mitigating risk.

Microsoft Corporation (MSFT)

Microsoft is a leading technology company in the Software and Infrastructure industry, founded on April 4, 1975, and based in Redmond, US. With a global presence in over 100 countries, 220 office locations, and nearly 221,000 employees¹, Microsoft is a diversified technology giant known for its products such as Windows, Office, Azure cloud platform, and various enterprise software and services. The company generates revenue through recurring streams from subscriptions, software licenses, cloud services, and hardware sales, contributing to stable cash flows. As of April 2024, Microsoft has a market capitalization of \$3.131 trillion and an average daily volume of 17.7 million shares.

Microsoft has increased its dividends for 19 consecutive years, demonstrating financial stability and commitment to returning value to shareholders². The company's payout ratio of around 25% over the last three years is relatively low, indicating a conservative approach to dividends while retaining earnings for reinvestment and growth initiatives. Microsoft's dividend yield of 0.8% in FY2023 is higher than 31% of companies in its sector, and its dividend payments per share have shown consistent growth over the past 120 months. With a strong track record of dividend growth, solid financial performance, and diversified revenue streams, Microsoft was chosen for Nicole's portfolio due to its potential for future dividend increases and ability to provide steady income.

Johnson & Johnson (JNJ)

JNJ is a global healthcare company based in New Brunswick, United States, with operations in more than 60 countries and 275 subsidiaries. It develops, manufactures, and markets pharmaceutical solutions, medical devices, and consumer health products under well-known brands like Band-Aid, Aveeno, Tylenol, and Zyrtec. With a market capitalization of \$380.095 billion and an average daily volume of 5.96 million shares, JNJ is one of healthcare industry leaders³.

Johnson & Johnson has an impressive track record of increasing its dividends for 52 consecutive years. In FY 2023, the company's dividend yield was 3%, higher than 72% of companies in its sector⁴. The payout ratio of 33.48% indicates a sustainable dividend policy, and the annual DPS of \$4.76 has been consistently growing. Johnson & Johnson's dividend payments per share have shown steady growth over the past ten years, making it an attractive choice for Nicole's portfolio. Additionally, the company's strong financial performance, with a basic EPS of \$14.6 in 2023 and a high ROE of 48.95%, further solidifies its position as a reliable dividend-paying stock.

Verizon Communications Inc. (VZ)

Verizon is one of the largest telecommunications companies in the United States, providing wireless, wireline, and broadband services to consumers, businesses, and governments. The company offers wireless plans, high-speed internet, digital TV, and enterprise solutions like data connectivity and cybersecurity. Verizon's business model revolves around its extensive network infrastructure, strong brand recognition, and reliable communication services.

With a market cap of \$179.662 billion and average daily volume of 3.4 million shares, Verizon is the second-largest wireless carrier in the US with 144.8 million subscribers as of December 31, 2023⁵. The company has increased its dividend payout for 20 consecutive years. In FY 2023, Verizon's dividend yield was 7.06%, higher than 76% of companies in its sector, with a payout ratio of 94.93%⁶. Its annual dividend per share of \$2.62 has shown steady growth over the years. With a strong dividend track record,

¹ <https://finance.yahoo.com/quote/MSFT/profile>

² <https://www.koyfin.com/company/msft/dividends/>

³ <https://finance.yahoo.com/quote/JNJ/profile>

⁴ <https://www.koyfin.com/company/jnj/dividends/#::~:~:text=Johnson%20%26%20Johnson's%20latest%20ex%2Ddividend,be%20on%20June%204%2C%202024%20>

⁵ <https://finance.yahoo.com/quote/VZ/financials>

⁶ <https://www.koyfin.com/company/vz/dividends/>

high yield, and operating profit margin well above industry average, Verizon was chosen for Nicole's portfolio as a reliable income-generating investment.

The Coca-Cola Company (KO)

Coca-Cola is a leading global beverage manufacturer and marketer, with a diverse portfolio of over 200 brands and thousands of beverages. Founded in 1886 and headquartered in Atlanta, Coca-Cola operates a franchise distribution system and employs over 700,000 people, with its drinks enjoyed in over 200 countries and territories.

Coca-Cola trades under KO, with a market cap of \$259.76 billion and average daily volume of 14.09 million shares. In 2023, KO reported an operating profit margin of 28.45%, net profit margin of 23.42%, and ROE of 39.05% (above industry average)⁷. Its 5-year average dividend yield is 3.04%, with a payout ratio of 74.22%. In 2023, net revenues grew 6% to \$45.8 billion, and the current dividend yield of 3.22% is higher than 65% of companies in its sector⁸. With consistent dividend growth, strong financial performance, and a diversified product portfolio, Coca-Cola was chosen for Nicole's portfolio as a reliable income-generating investment.

NextEra Energy, Inc. (NEE)

NextEra Energy is a leading clean energy company based in Juno Beach, Florida. It operates through its subsidiaries, generating, transmitting, distributing, and selling electric power to retail and wholesale customers in North America. NEE's business model focuses on clean energy solutions, including renewable generation facilities, battery storage projects, and electric transmission facilities. The company generates electricity through wind, solar, nuclear, natural gas, and other clean energy sources.

NextEra Energy, Inc. is an attractive choice for Nicole's portfolio due to its focus on the resilient and essential utilities sector, as well as its potential for growth in renewable energy sources. The company has demonstrated a commitment to sustainability, reducing its dependency on foreign oil by 99% since 2001⁹. NEE has an extensive track record of issuing dividends and has steadily raised its dividend distribution for 30 consecutive years. NEE's financial performance is solid, with an operating margin of 33.83%, a profit margin of 26.00%, and a return on equity of 11.58% as of December 2023¹⁰. The company has a 5-year average dividend yield of 2.19% and a payout ratio of 51.94%¹¹, indicating a consistent commitment to returning value to shareholders through dividends.

⁷ <https://finance.yahoo.com/quote/KO/financials>

⁸ <https://www.koyfin.com/company/ko/dividends/#::~:~:text=The%20Coca%2DCola%20Company's%20latest,been%20announced%20at%20this%20time.>

⁹ <https://www.nexteraenergy.com/sustainability.html>

¹⁰ <https://finance.yahoo.com/quote/NEE/key-statistics>

¹¹ <https://www.koyfin.com/company/nee/dividends/#::~:~:text=Dividend%20Data,%243.06%20in%20dividends%20per%20year.>