

# Several Ultra Dividend Trades: MDU, UNM, IRM, PAYX, NWL, LYB, T, and PSA



Fernandez, Ramiro  
Manager

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## Trims:

Unum Group (UNM) has delivered a total return of 50% in 2022 to date, having blown through expectations. While it still ranks a 1 in Empirical, we are taking some chips of the table.

Iron Mountain (IRM) has outperformed the Vanguard High Div Yield index by 50 percentage points over the past 24 months. We are trimming to make room for another REIT (see below).

Paychex (PAYX) has outperformed the Vanguard High Div Yield index by 26 percentage points in the past 2 years, coming off the employment interruptions of COVID. We are trimming as the P/E multiple at 30x next twelve months' earnings is the highest in the portfolio, and there is limited upside to analyst's price target.

## Sell:

MDU Resources (MDU) – this Industrial / utility hybrid has begun to unlock value since our purchase in March, per the thesis of the Research team. However, the Empirical ranking has

declined to a 7, the yield is below our target of 2x that of the S&P 500, and the outperformance has created an exit opportunity in our view.

**Buy:**

Public Storage (PSA) – this consumer facing storage REIT is defensive, having a strong balance sheet and sticky revenue. The Empirical score of 2 and analyst Hunter Brackett's recent recommendation added conviction in the name.

**Increases:**

Newell Brands (NWL, ranked 4) , LyondellBasell Industries (LYB, ranked 1) and AT&T (T, ranked 2) are all below-average position sizes, offer significant upside to analysts' price targets, and support the portfolio's income requirement with yields between 5.3% and 6.4%.