

March 29, 2024

Markets at a Glance (Index Prices as of 3/22/2024)

	Current Price	One Month Change	Year to Date Change
S&P 500	\$5,234.1600	2.89%	9.73%
Dow Jones Industrial	\$39,475.9000	1.04%	4.74%
MSCI World Index	\$3,428.1200	2.95%	8.17%
Bloomberg US Convert Bal TR	\$363.2053	1.58%	-1.50%
Bloomberg US Aggregate Index	\$2,140.3800	1.17%	-1.00%
S&P Global Clean Energy	\$877.2500	-1.19%	-12.25%

Source: FactSet and Bloomberg

Markets at a Glance (as of 3/22/2024)

Values	Current Price	One Month Change	Year to Date Change
Dollar Spot Index (DXY)	104.4620	0.51%	3.04%
Crude Oil WTI	\$80.8300	3.18%	13.32%
Crude Oil Brent	\$85.6000	2.61%	11.05%
Natural Gas	\$1.6570	-4.00%	-33.64%
Gold	\$2,165.7000	7.13%	4.53%
CBOE Silver	\$24.6600	8.25%	2.64%
Copper	\$399.0000	2.45%	2.53%
Platinum	\$897.9000	-0.96%	-9.70%
Palladium	\$992.8000	2.46%	-10.24%
Corn	\$439.5000	8.05%	-6.64%
Wheat	\$556.2500	-4.67%	-11.53%

Source: Bloomberg 3/22/2024

S&P 500



Previous Close	5,234.18
52 Week High	5,241.53
52 Week Low	3,936.97
Change (%)	-
1 Day	-0.14
1 Week	2.29
1 Month	2.89
3 Months	10.09
6 Months	21.16
YTD	9.74
1 Year	32.95
3 Year	32.83
5 Year	86.89
10 Year	180.42

Currency: U.S. Dollar | Performance data as of: 22 Mar '24

Source: FactSet

Dow Jones Industrial



Previous Close	39,475.90
52 Week High	39,781.37
52 Week Low	32,030.11
Change (%)	-
1 Day	-0.77
1 Week	1.97
1 Month	1.04
3 Months	5.59
6 Months	16.23
YTD	4.74
1 Year	23.25
3 Year	20.61
5 Year	54.79
10 Year	142.14

Currency: U.S. Dollar | Performance data as of: 22 Mar '24

Source: FactSet

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

Russell 1000 Value



Previous Close	1,071.30
52 Week High	1,077.42
52 Week Low	874.15
Change (%)	-
1 Day	-0.57
1 Week	1.62
1 Month	3.47
3 Months	7.03
6 Months	14.72
YTD	6.47
1 Year	20.53
3 Year	16.97
5 Year	44.31
10 Year	84.23

Currency: U.S. Dollar | Performance data as of: 22 Mar '24

Source: FactSet

Russell 1000 Growth



Previous Close	2,257.43
52 Week High	2,257.43
52 Week Low	1,558.03
Change (%)	-
1 Day	0.10
1 Week	2.84
1 Month	2.42
3 Months	11.98
6 Months	27.11
YTD	11.88
1 Year	44.89
3 Year	40.22
5 Year	127.42
10 Year	290.74

Currency: U.S. Dollar | Performance data as of: 22 Mar '24

Source: FactSet

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

NASDAQ 100 Index

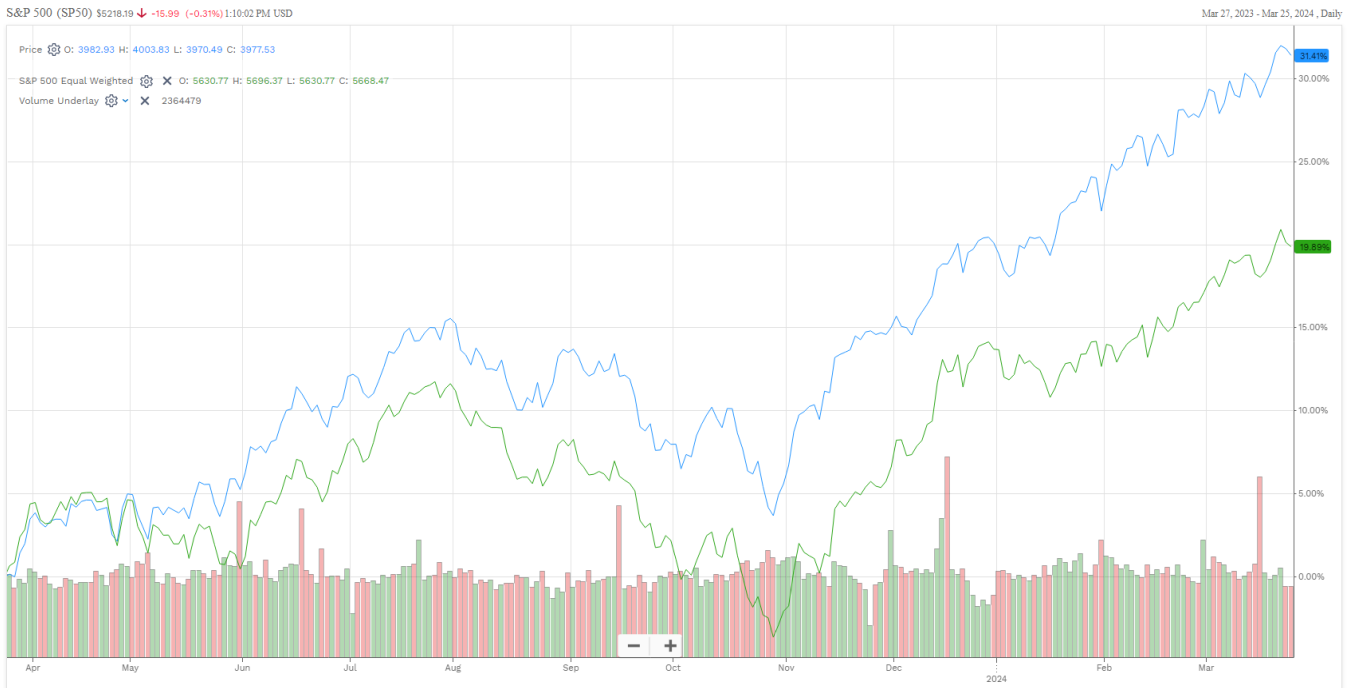


Previous Close	18,339.44
52 Week High	18,339.44
52 Week Low	12,567.15
Change (%)	-
1 Day	0.10
1 Week	2.98
1 Month	1.86
3 Months	9.31
6 Months	24.75
YTD	9.00
1 Year	45.93
3 Year	40.14
5 Year	150.33
10 Year	402.03

Currency: U.S. Dollar | Performance data as of: 22 Mar '24

Source: FactSet

S&P 500 Index vs. S&P 500 Equal-Weighted Index (1 year)



Source: FactSet

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

LAFFER TENGLER EQUITY INCOME ETF

Laffer Tengler investments launched an ETF in partnership with Tuttle Capital Management called, **The Laffer Tengler Equity Income ETF (SYMBOL: TGLR)**.

TGLR follows our flagship Equity Income Strategy managed by Nancy Tengler.

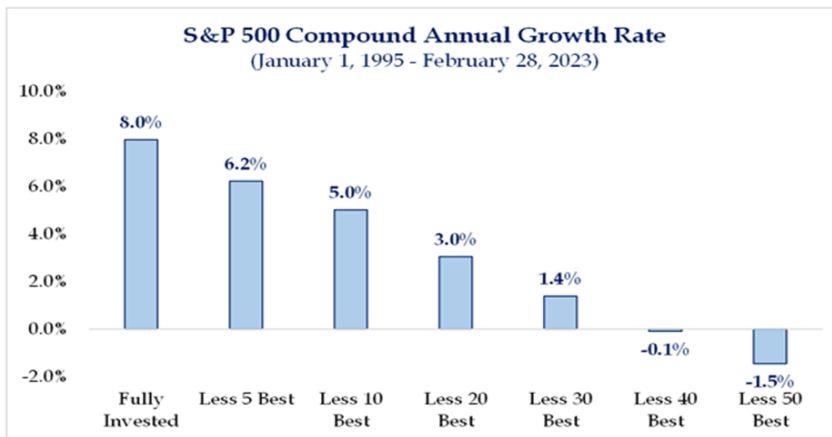
Please click [here](#) or visit tglretf.com to learn more about **TGLR** or call us at **800.838.3468**.

EQUITIES

from Nancy Tengler, CEO & Chief Investment Officer

Does this Bull have room to run? If you watch too much financial news like I do, you may be concerned that the market has run too far too fast and that valuations (particularly tech) are stretched. The market is always climbing a wall of worry which means there is always a bear case to be made. I heard one commentator recently quip: “the bears always sound smarter.” But they are rarely right. Stocks go up 2/3’s of the years recorded, back to the early 1900s. In good times and bad. On average stocks return an annualized 8-9% (depending on the period measured) and fortunes have been lost by investors trying to market time. Getting out is one thing. Getting back in the right time is another. Few, if any, have achieved that feat.

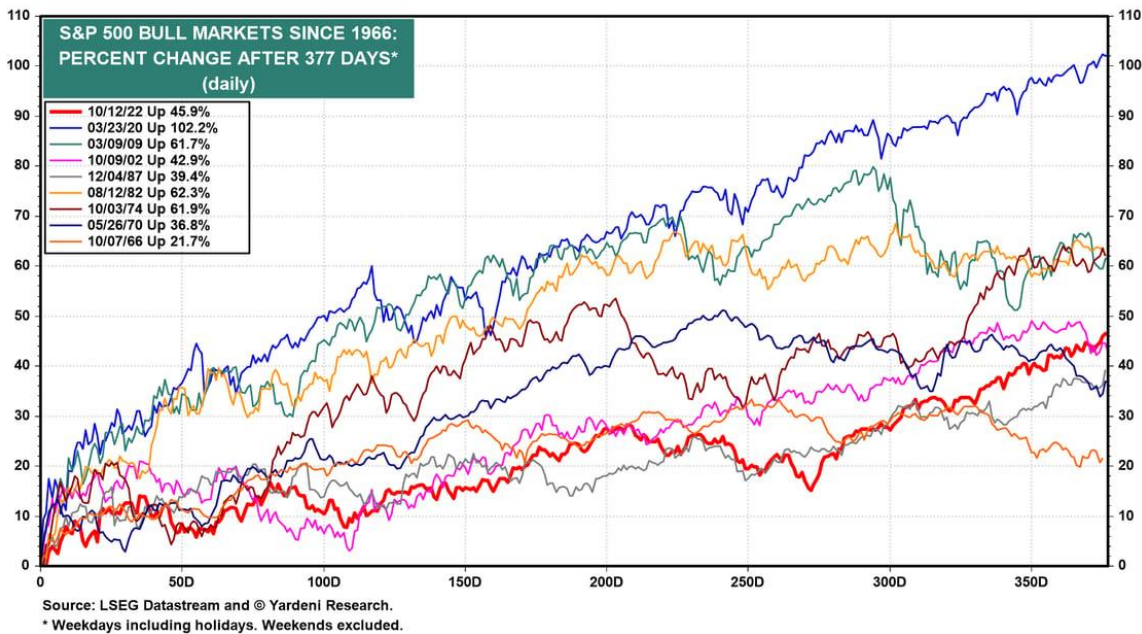
Below is a chart I featured in the second edition of my book *The Women’s Guide to Successful Investing* which shows the effects of missing the 5-best days (10, 20, 30, 40 and 50-best days) to a portfolio invested in the S&P 500 over an almost 30-year period. Fully invested investors received an annualized return of 8.0%. Missing the 5-best days resulted in an annualized return of 6.2%-- a meaningful cost compounded over the long-term! This is not to say that we cannot prepare for difficult times, we can and we do.



Source: Strategas

COMMENTARY

Bull markets can run for a long time. This one is relatively young. Despite strong returns we have only recovered what was lost in the 2022 bear market and appreciated modestly above pre-bear market levels (see below from our friend Ed Yardeni). Bulls can run for a long time and this one has returned modestly compared to previous bulls.



We are due for a correction. When we get one we will be buying the dip.

LAFFER | TENGLER
INVESTMENTS

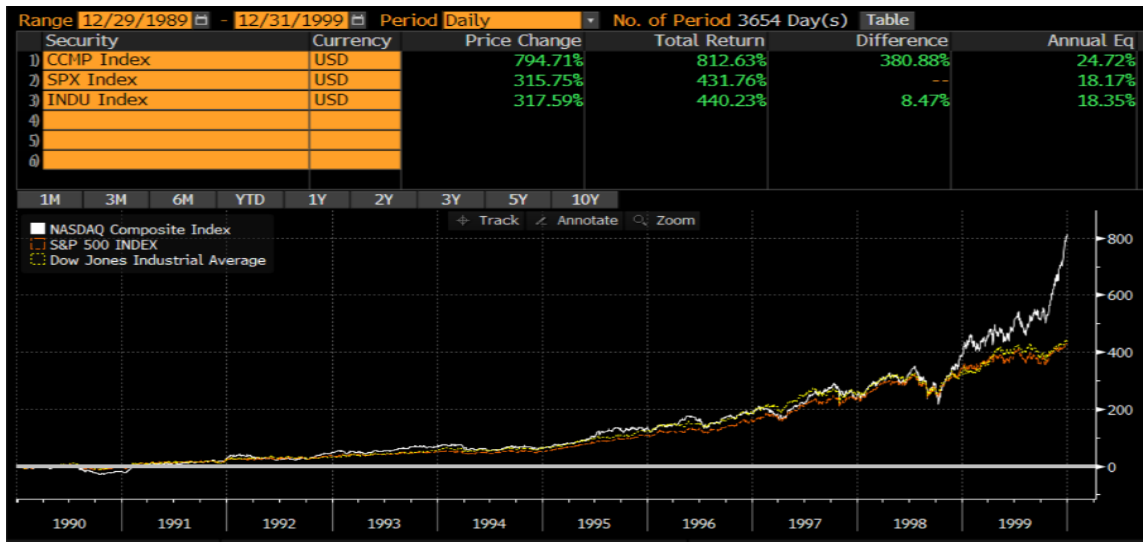
The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

COMMENTARY

The market will react to each comment, sigh, stutter, retracement in the near term. Thank the algos for that. But here is where we come down.

- Our analogy to the 1990s remains intact thanks to productivity improvements. Stocks can indeed coexist with higher interest rates. In the 1990s the 10-year averaged between 5-7%. For the decade:



Source: Bloomberg

- We think the Fed will take out the 1990 playbook: Greenspan raised rates significantly in 1994 to tamp down inflation but as a big believer in productivity driving non-inflationary growth, he only cut once in 1995 and twice in 1996. Rates sat at 5.25% for over a year and then a 25bp hike. In other words: higher for longer.



Source: Bloomberg

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

- The economy, while slowing does not appear headed for recession. Just look at housing starts turning higher—first time since 2022—along with building permits. Housing starts don't trend higher heading into a recession. If the Fed is not cutting because the economy is strong that is bullish for stocks.
- Nominal and real rates: the U.S. 10-year is the highest among OECD nations with the best economy on the block. This is likely to cause Fed to cut this year. We think June but May or September are also discussed. We don't think it matters.
- If the Fed is more hawkish than recent Congressional testimony due to hotter CPI and PPI (which has been leading inflation down) we will buy the dip.

EARNINGS

from Alex Van Iderstine, CFA[®], Securities Analyst

Adobe Inc. (Ticker: ADBE) posted 2024 Q1 earnings last week. Revenue was in line with consensus estimates coming in at \$5.2 billion, representing 11.32% growth over Q1 2023. Earnings per share beat consensus estimates at \$4.48 per share, representing nearly 18% growth over Q1 2023! Yet the stock was down roughly 13% following the earnings call. It raises the question, why the drastic selloff? If ADBE beat its Q1 guidance and is on pace to achieve or possibly exceed its full year guidance, why was the stock trading lower? We believe the immediate reaction has a lot to do with the excitement around Open AI's new product Sora, and the uncertainty of how it will affect consumers use of ADBE's products. Management made several solid points around the notion. Generative AI is great at creating content, there is no argument there, but in the current environment just content creation is not the whole product. ADBE, with its ability to edit video, photo, and documents, remains the leader in the marketplace and its products will continue to be used in tandem with generative AI asset creation for companies. Management touched on product innovations for PDF AI assistant, Firefly (ADBE's generative AI text to image generator), and Express on mobile, all of which should continue to gain momentum and help top line growth into the back half of the year. We still believe ADBE is in a strong position to benefit from mass adoption of generative AI and continue to hold it in our Equity Growth and 12 Best Ideas (Concentrated) strategies.

CONVERTIBLES

from Stan Rogers, Portfolio Manager

Notable earnings/news reports:

Convertible news flow was quiet this week. Valuations were supported by continued strength in the equity markets and a slight downtick in interest rates. The primary market saw only two new issues priced over the last two weeks, and both were in the crypto arena. Coinbase and MicroStrategy issued \$1.1 billion and \$525 million, respectively, in new convertible bonds. In

the case of MicroStrategy, their issue, curiously enough, came on the heels of issuing a convertible bond just the week prior, as they took advantage of Bitcoin's recent strength.

Transactions for this period:

Winnebago Industries (WGO), the recreational vehicle and boat manufacturer, recently issued a \$350 million convertible. Part of the proceeds were used to repurchase the 1.5% convertible bond that we owned. After their repurchase, there were only \$59 million bonds left outstanding in the 1.5%. With just this small stub remaining, and the lack of liquidity, we decided to exit our position.

Alliant Energy (LNT) is a new addition to the portfolio. We initiated a 2% weighting in this newly registered investment grade rated 3.875% convertible bond. At purchase, the convertible has a 3.95% current yield and matures on 3-15-2026. Alliant is a public utility serving customers in Illinois, Wisconsin, Iowa, and Minnesota. With the high credit rating and short two-year maturity, the bond has a high bond floor of 97, which limits downside considerably. The horizon analysis is attractive as well, as the bond will participate in 10.5% upside (of a 25% move in the common) and will still have a +4.8% return even if the stock falls 25% due to the high bond floor and income.

Our 1% position in **Expedia Group (EXPE)** was sold. This 0% coupon convertible bond was trading with a lower delta and higher conversion premium, and coupled with no current income, we decided to exit the position and flow funds to more attractive opportunities.

ON Semi (ON) 0.5% convertible bond is a new position in the portfolio. We have owned ON previously. This bond recently became registered, and we started a 2% position. The bond matures in March of 2029 and provides exposure to a technology company that supplies analog, standard logic, and discrete semiconductors for data and power management. Their power technologies (silicon carbide) are vital to the electrification of the automotive industry. The bond has an attractive horizon analysis and will participate in +14%/-8% in a +/- 25% move in the common. This total-return security trades on a 66 delta.

NANCY TENGLER'S RECENT MEDIA APPEARANCES

[Tengler: People Are Worried About Inflation](#) (March 15)
[Tengler: We're Seeing Dramatic Gains](#) (March 11)
[Tengler: Women Are Better Investors Than Men](#) (March 8)
[Is This The 90s? Tengler Says "Yes"](#) (March 7)
[Tengler On Stock Market Rally: So Many Similarities To The 90s](#) (March 5)
[Tengler: Musk's Lawsuit Against OpenAI Is Distraction](#) (March 1)
[Tengler: A Lot Of Reasons To Be Optimistic](#) (February 29)
[Tengler Joins Kudlow To Talk AI](#) (February 24)
[Tengler Insights On Magnificent 7](#) (February 23)
[Tengler: The 12 Best Ideas Portfolio](#) (February 9)
[Tengler: Don't Fight AI](#) (February 8)
[Tengler: The Market Isn't Listening To The Fed](#) (February 6)
[Tengler On Spirit AeroSystems: I Think There's A Big Problem Here](#) (February 5)
[Tengler: Microsoft Is A-Must Hold Name](#) (February 1)
[Tengler: Not All Tech Companies Are Created Equal](#) (January 22)
[Tengler: You've Got To Own The Tech Names](#) (January 19)
[Tengler: Soft Landing Is Possible](#) (January 15)
[Tengler: Look For Great Companies Pivoting To The Digital Revolution](#) (January 5)
[Tengler: This Market Is Analogous To The 1990s](#) (December 30)
[Tengler: We Have The Opportunity To Move Up](#) (December 27)
[Tengler: The Importance Of Discipline](#) (December 27)
[Tengler's Hot-Takes On This Week's Media And Tech Events](#) (December 22)
[Tengler: The Market Has Stopped Listening](#) (December 18)
[Tengler: Lots Of Reasons To Buy Tech](#) (December 8)
[Tengler On Bloomberg Radio: Stocks Can Continue To Do Well From Earnings](#) (December 8)
[Tengler: Investors Should Own Reliable Growing Stocks In A Slowing Economy](#) (December 7)

ARTHUR LAFFER, JR. RECENT MEDIA APPEARANCES

[Arthur Laffer Jr. On CNBC.Com: A Decade Of Debt](#) (February 7)
[Unpacking The Latest Fed, Stock Market Moves With Arthur Laffer Jr.](#) (July 5, 2023)
[Arthur Laffer Jr. For Barron's: Fed Minutes Come Tomorrow. Here's What To Watch](#) (May 23, 2023)
[Arthur Laffer Jr. Comments on Fox Business: ETF's To Play Around The Debt Default Risk](#) (May 18, 2023)

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

COMPLETED ANALYSIS ITEM(S) FOR PORTFOLIO COMPANIES

Home Depot, Inc. (HD)
 Facebook, Inc. (FB)
 Walmart Inc. (WMT)
 Apple Computer, Inc. (AAPL)
 Microsoft Corp. (MSFT)
 Starbucks Corporation (SBUX)
 Broadcom Inc. (AVGO)
 FedEx (FDX)
 Intl. Flavors & Fragrances, Inc. (IFF)
 Palo Alto Networks, Inc. (PANW)
 Morgan Stanley (MS)
 Boeing (BA)
 Goldman Sachs (GS)
 Visa (V)
 AbbVie (ABBV)
 Tiffany & Co. (TIF)
 Walt Disney Company (DIS)
 International Paper Co. (IP)
 Salesforce.com (CRM)
 Micron (MU)
 Pfizer (PFE)
 AT&T (T)
 Boston Scientific Corp. (BSX)
 Western Digital Corp. (WDC)
 Fortive Corp. (FTV)
 Pinnacle West Capital (PNW)
 Danaher Corporation (DHR)
 Southwest Airlines Co. (LUV)
 QUALCOMM Inc. (QCOM)
 Dominion Energy (D)
 Booking.com (BKNG)
 Hannon Armstrong Sustainable
 Infrastructure Capital, Inc. (HASI)
 Becton, Dickinson and Co. (BDX)
 American Tower Corp. (AMT)
 Illinois Tool Works (ITW)
 Square, Inc. Class A (SQ)
 Ecolab Inc. (ECL)
 Snap-on Incorporated (SNA)
 Prudential Financial, Inc. (PRU)
 ServiceNow, Inc. (NOW)
 Johnson & Johnson (JNJ)
 Cisco Systems, Inc. (CSCO)
 Amgen Inc. (AMGN)
 JPMorgan Chase & Co. (JPM)
 Texas Instruments Inc. (TXN)
 United Parcel Service, Inc. (UPS)
 McDonald's Corporation (MCD)
 PepsiCo, Inc. (PEP)
 Medtronic Plc (MDT)
 PNC Fin. Serv. Group, Inc. (PNC)
 BlackRock, Inc. (BLK)
 Chevron Corporation (CVX)
 Lam Research Corp. (LCRX)
 II-VI Incorporated (IIVI)
 3M Company (MMM)
 Roku, Inc. (ROKU)
 Coca-Cola Company (KO)
 Comcast Corporation (CMCSA)
 D.R. Horton, Inc. (DHI)
 Fastenal Company (FAST)
 Intel Corporation (INTC)
 Procter & Gamble Company (PG)
 T. Rowe Price Group (TROW)
 Raytheon Tech. Corp. (RTX)
 Chipotle Mexican Grill (CMG)
 Target Corporation (TGT)
 Alphabet Inc. Class A (GOOGL)
 American Express Co. (AXP)
 Honeywell Int'l Inc. (HON)
 Lowe's Companies, Inc. (LOW)
 Splunk Inc. (SPLK)
 Ulta Beauty Inc. (ULTA)
 Amazon.com Inc. (AMZN)
 Emerson Electric Co. (EMR)
 BCE Inc. (BCE)
 Tyson Foods (TSN)
 Magellan Mid. Partners (MMP)
 Lululemon Athletica Inc. (LULU)
 CVS Healthcare Corp. (CVS)
 Taiwan Semi. Manuf. Co. (TSM)
 Truist Financial Corp. (TFC)
 Lockheed Martin Corp. (LMT)
 BHP Group (ADR) (BHP)
 NVR, Inc. (NVR)
 Twitter, Inc. (TWTR)
 Freeport-McMoRan, Inc. (FCX)
 Trumble Inc. (TRMB)
 Littelfuse, Inc. (LFUS)
 Jacobs Engineering Group (J)
 Air Prod. and Chemicals (APD)
 Steel Dynamics Inc. (STLD)
 BorgWarner, Inc. (BWA)
 Lear Corporation (LEA)
 Exelon Corporation (EXC)
 L3Harris (LHX)
 Corning Inc. (GLW)
 Diamondback Energy (FANG)
 EOG Resources, Inc. (EOG)
 Splunk, Inc (SPLK) – convertible
 Unilever (UL)
 AES Corp. (AES) – convertible
 Americold Realty Trust (COLD)
 Xylem Inc. (XYL)
 Quest Diagnostics Inc. (DGX)
 Viacom CBS (convertible)
 Winnebago Industries Inc. (WGO)
 Twitter Inc. (TWTR) - convertible
 Enbridge (ENB)
 Vertex Pharmaceuticals (VRTX)
 Lumentum Holdings, Inc. (LITE)
 Stryker (SYK)
 Phillips 66 (PSX)
 Hormel Foods Corp. (HRL)
 Public Storage (PSA)
 DexCom Inc. (DXCM)
 UnitedHealth Group Inc. (UNH)
 LyondellBasell Industries NV (LYB)
 Kimberly-Clark Corporation (KMB)
 Caterpillar Inc. (CAT)
 Molson Coors Beverage Co. (TAP)
 Oracle Corporation (ORCL)
 Kimco Realty Corporation (KIM)
 Weyerhaeuser Company (WY)
 Zscaler, Inc. (ZS)
 Fortinet Inc. (FTNT)
 Palantir (PLTR)
 Bank of New York Mellon (BK)
 PulteGroup, Inc. (PHM)
 Amphenol Corporation Class A (APH)
 Discovery, Inc. Class C (DISCK)
 Fox Corporation (FOXA)
 Arista Networks Inc. (ANET)
 BJ's Wholesale Club (BJ)
 AutoNation, Inc. (AN)
 Dollar Tree, Inc. (DLTR)
 Charter Communications, Inc. (CHTR)
 TJX Companies, Inc. (TJX)
 Discover Financial Services (DFS)
 O'Reilly Automotive, Inc. (ORLY)
 Exelixis, Inc. (EXEL)
 Chubb Limited (CB)
 Gilead Sciences, Inc. (GILD)
 Hershey Company (HSY)
 Interpublic Group of Companies (IPG)
 Zebra Technologies Corp. (ZRBA)
 Lincoln National Corporation (LNC)
 FMC Corporation (FMC)
 National Instruments Corp (NATI)
 Newell Brands Inc. (NWL)
 JM Smucker Company (SJM)
 Darden Restaurants Inc. (DRI)
 Adobe Inc. (ADBE)
 Polaris, Inc. (PII)
 Compass Minerals International (CMP)
 Electronic Arts Inc. (EA)
 iRobot Corporation (IRBT)
 Constellation Brands, Inc. (STZ)
 Best Buy Co., Inc. (BBY)
 CME Group Inc. Class A (CME)
 Nasdaq, Inc. (NDAQ)
 Bunge Limited (BG)
 DTE Energy Company (DTE)

(Continued)

LAFFER | TENGLER

INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

COMPLETED ANALYSIS ITEM(S) FOR PORTFOLIO COMPANIES

Southern Company (SO)
NextEra Energy, Inc. (NEE)
NiSource Inc. (NI)
Anglo American Plc ADR (NGLOY)
Vale S.A. Sponsored ADR (VALE)
First Quantum Minerals Ltd. (FQVLF)
Southern Copper Corporation (SCCO)
Reliance Steel & Aluminum Co. (RS)
Cleveland-Cliffs Inc. (CLF)
Wheaton Precious Metals Corp. (WPM)
Pan American Silver Corp. (PAAS)
Turquoise Hill Resources Ltd. (TRQ)
Parsons Corp. (PSN) – convertible
Zillow Group, Inc. (Z)
VICI Properties (VICI)
MasTec, Inc. (MTZ)
Blackstone Mortgage Trust (BXMT)
convertibles
Teck Resources Limited Class B (TECK)
Quanta Services, Inc. (PWR)

Martin Marietta Materials, Inc. (MLM)
BioMarin Pharmaceutical (BMRN) –
convert.
KKR Real Estate Finance Trust Inc.
(KREF)
Devon Energy Corporation (DVN)
Camden Property Trust (CPT)
Aflac Incorporated (AFL)
Aptiv PLC (APTIV) – convertible
Life Storage (LSI)
Prologis, Inc. (PLD)
Tractor Supply Co. (TSCO)
Newmont Corp. (NEM)
Dollar General (DG)
Tyler Technologies (TYL)
Prospect Capital (PSEC)
Algonquin Power and Utilities (AQN)
Bentley Systems (BSY)
Jazz Pharmaceuticals (JAZZ)

Energy Transfer, LP (ET)
Blackstone, Inc. (BX)
Spotify Technology (SPOT)
MetLife, Inc. (MET)
Expedia Group, Inc (EXPE)
Tesla, Inc. (TSLA)
NRG Energy, Inc. (NRG)
MPLX LP (MPLX)
Merck & Co., Inc. (MRK)
Halozyme Therapeutics, Inc. (HALO)
NXP Semiconductors NV (NXPI)
First Solar, Inc (FSLR)
NICE Ltd. Sponsored ADR (NICE)
Microchip Technology Incorporated
(MCHP)
Enphase Energy, Inc. (ENPH)
Starwood Property Trust, Inc. (STWD)
Uber Technologies, Inc. (UBER)

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

Discipline is key to sustainable long-term total returns:

- **At Laffer Tengler Investments we use two, time-tested stock valuation metrics (both pioneered by our team) that are consistent and robust indicators of value: Relative Dividend Yield (RDY) and Relative-Price-to-Sales Ratio (RPSR).**
- **Why not use earnings like almost everyone else? Because earnings are often an unreliable indicator of value. In May of 2016, I published the following:**

Earnings reported by corporations have always been subject to the vagaries of accounting gimmickry. You don't have to be a novice to scratch your head at the way managements (or governments for that matter!) account for various items.

A case in point: The Wall Street Journal (Thursday, February 25, 2016) reported that according to FactSet, pro forma earnings for S&P 500 companies rose 0.4% in 2015. Using generally accepted accounting principles or GAAP, earnings per share actually fell 12.7% in 2015 (this according to S&P Dow Jones Indices). The author's point is that according to GAAP earnings, investors are paying a great deal more for stocks than they think. The price-to-earnings ratio (P/E) on pro forma earnings (which is the most commonly accepted method) is 17x 2015 earnings. But when GAAP earnings are considered, the P/E jumps to more than 21x.

It is important to remember that the P/E ratio for any given stock is only as good as the price input (a fact) and the reported earnings input (apparently not a fact at all).

(Continued)

- RDY measures the yield of a particular stock compared to the yield on the S&P 500 and does so over long periods of time. Since a stock's relative yield and relative price are inverse, we can generally conclude that as a stock's yield is rising, its price is declining—similar to a bond. Consequently, a rising RDY provides an opportunity for investors to at least consider an underperforming, cheaply valued stock for purchase.



- Company managements and boards of directors pay the dividend out of free cash flow, not earnings. In maturing U.S. companies these seasoned professionals often operate within a “dividend paying culture” and set the dividend as a portion of long-term, sustainable real earnings power because management teams are loathed to cut dividends.
- The relative nature of the RDY metric is also important because it measures the relative attractiveness of a stock compared to its own history and compared to the S&P 500. (In 1992, I co-authored Relative Dividend Yield, Common Stock Investing for Income and Appreciation with Tony Spare)

(Continued)

Chart Source: FactSet

THE LAFFER TENGLER INVESTMENTS DISCIPLINE

- **RPSR:** In fallen-angel growth companies where the dividend is less of a factor in management's calculus, we look at sales—a fact. Rarely are sales manipulated and when they are someone usually goes to jail. The price-to-sales ratio measures how



much investors are paying for a unit of sales, the relative price-to-sales ratio reveals what investors have historically paid for a particular company's sales compared to what they are paying for the sales of all the companies in the S&P 500. In 2003, I authored *New Era Value Investing*, John Wiley & Sons where I outline the benefits of RPSR in stock selection.

- Discipline, in summary, is the only way to navigate volatile markets. We remain disciplined and over time that consistency has the potential to generate excess return.

Fundamental Research reduces the ownership of terminally cheap companies: Meet the 12 Fundamental Factors.

Our proprietary research approach analyzes fundamental qualitative and quantitative factors.

- **Qualitative Factors:** Catalyst for Outperformance, Franchise Value & Market Growth, Top Management/Board of Directors.
- **Quantitative Factors:** Sales Growth, Operating Margins, Relative P/E, Positive Free Cash Flow, Dividend Coverage/Growth, Asset Turnover Ratio, Use of Cash (buyback, debt, div.), Leverage, Financial Risk.

Chart Source: FactSet

LAFFER | TENGLER
INVESTMENTS

The securities identified and described do not represent all of the securities purchased, sold, or recommended by advisory clients, and it should not be assumed that investments in the securities were or will be profitable.

www.laffertengler.com

General Disclosures

Advisory services offered through Laffer Tengler Investments, Inc. Information and commentary provided by Laffer Tengler Investments, Inc. (“Laffer Tengler”) are opinions and should not be construed as facts. The market commentary is for informational purposes only and should not be deemed as a solicitation to invest or increase investments in Laffer Tengler products or the products of Laffer Tengler affiliates. The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. Information provided from third parties was obtained from sources believed to be reliable, but no reservation or warranty is made as to its accuracy or completeness.

Laffer Tengler does not control and has not independently verified data provided by third parties, including the data presented in this report. While we believe the information presented is reliable, Laffer Tengler makes no representation or warranty concerning the accuracy or completeness of any data presented herein.

Laffer Tengler Investments, Inc. is a Registered Investment Adviser. Registration with the SEC or a state securities authority does not imply a certain level of skill or training. Laffer Tengler’s advisory fee and risks are fully detailed in Part 2 of its Form ADV, available on request.

Laffer | Tengler

6710 N. Scottsdale Rd.

Suite 210

Scottsdale, AZ. 85253

www.laffertengler.com