

# The power of dividends

### **ClearBridge Dividend Strategy Portfolios**



# Income: A necessity for today's investors

Rising costs, especially in areas like health care, along with longer life expectancies, have only increased the need for a consistent income stream that has the potential to grow over time.

The **ClearBridge Dividend Strategy Portfolios** seek to provide attractive dividend yield and capital appreciation through a broadly diversified portfolio of what the managers consider to be high-quality companies that emphasize growing their dividends.

#### **Rising dividend potential**

The right mix of dividend-paying stocks has the potential to offer attractive dividend yields and dividend growth that may help offset the rising costs of living.



#### **Total return opportunity**

The combination of dividends and capital appreciation has the potential to enhance total return over the long term.

#### **Downside management**

Because of the income they generate, dividend-paying equities may provide a cushion to price volatility during challenging markets.

## Seasoned investment management

ClearBridge Investments is a leading global equity manager committed to delivering differentiated long-term results through authentic active management.



**John Baldi**Portfolio Manager
25+ years experience



**Michael Clarfeld, CFA**Portfolio Manager
25 years experience



**Diane Keady**Portfolio Manager
25 years experience

"ClearBridge Dividend Strategy Portfolios may be a solution for investors who are looking for additional income from a seasoned management team that looks to take measured risks."

Diversification does not ensure a profit or protect against loss.

## Active investing through a disciplined process

The managers of **ClearBridge Dividend Strategy Portfolios** draw on decades of experience to pursue companies committed to paying consistent and growing dividends over time.

#### Focus on dividends

The Portfolio's investment process reflects the managers' belief that consistent dividend pay-outs have long signaled quality companies with strong balance sheets and healthy cash flows, and are the kind of companies that have withstood multiple market cycles.





#### Idea generation

- Targets an investment universe comprised of industry leaders and global champions in secularly attractive industries with strong balance sheets, brand and market presence
- Focuses on companies that offer robust dividend growth and sustainable payout ratios

#### **Fundamental analysis**

- Performs proprietary analysis on companies across all market sectors – includes business model evaluation, financial and management analysis to better determine valuation
- Conducts traditional fundamental research with the goal of answering the question, "Can this company grow and sustain its dividend?"





#### Portfolio construction

- Uses bottom-up stock selection to construct a primarily large-cap portfolio that is diversified across sectors
- Typical portfolio consists of 40–60 securities with relatively low turnover (15–25%)
- Emphasizes diversification over relative sector positioning, limits position size to 1–3%

#### Risk management

- Investment team constantly monitors and evaluates each individual security as well as the overall portfolio as part of the risk management process
- Re-examines positions when the fundamental or valuation case changes and/or cyclical shifts alter the industry's attractiveness

To find out more about how the ClearBridge Dividend Strategy Portfolios may help provide needed portfolio income, contact your investment professional.

Diversification does not ensure a profit or protect against loss.

**franklintempleton.com**The power of dividends

#### At Franklin Templeton, everything we do has a single focus: to deliver better client outcomes.



We have deep expertise across equity, fixed income, alternatives, multi-asset solutions and cash strategies.



We offer an unmatched range of specialist investment managers, consisting of more than 1,600 investment professionals.



75+ years of experience in identifying opportunities and delivering investment solutions to clients.

#### WHAT SHOULD I KNOW BEFORE INVESTING?

All investments involve risks, including possible loss of principal. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. Dividends may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets.

Separately Managed Accounts (SMAs) are investment services provided by Franklin Templeton Private Portfolio Group, LLC (FTPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton affiliated sub-advisors: ClearBridge Investments. Management is implemented by FTPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designae.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, a forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.



(800) 342-5236 franklintempleton.com

ClearBridge