March 2025

VF INVEST

DIVIDEND STRATEGY

PART 1

Featured Stocks at a Glance:

AFLAC
Strong and stable earnings from life and health insurance

BHP GROUP
A globally operating resource giant from Australia

BLACKROCK
The world's largest asset manager as an attractive dividend stock

COCA-COLA
One of the strongest brands in the world

DEUTSCHE TELEKOM
Broad-based telecom group with a strong foothold in the U.S.

AFLAC

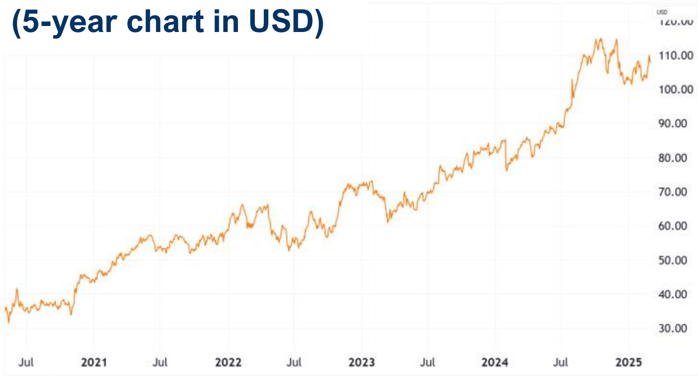
Strong and stable earnings from life and health insurance

The American Family Life Assurance Company is a leading U.S. insurance provider. Founded in 1955, Aflac specializes in supplemental insurance and is particularly well known for its offerings in health and life insurance. The iconic Aflac Duck, featured in the company's advertising campaigns for years, has brought the brand widespread recognition—especially in its two core markets: the United States and Japan.

Aflac's business model differs from traditional health insurers in that it primarily offers supplemental policies. These policies pay cash benefits directly to the insured when specific events occur—such as a cancer diagnosis, accident, hospital stay, or critical illness. The focus is on closing gaps left by standard health insurance, covering things like lost income or out-of-pocket medical expenses.

Aflac's two main markets are the U.S. and Japan. Aflac U.S. provides supplemental coverage to individuals and employers, who offer the policies as voluntary benefits to their employees. Aflac Japan is one of the largest life and health insurers in the country, holding roughly 25% market share in the cancer insurance segment.

(5-year chart in USD)



Key Figures

ISIN	US0010551028
Country / Industry	USA / Insurance
Market Capitalization	$60.37 billion
Performance (last 10 years)	+253.4%
Revenue Growth (5-Year CAGR)	-3.2%
Earnings Growth (5-Year CAGR)	+10.5%
Free Cash Flow Growth (5-Year CAGR)	-13.1%
Equity Ratio (5-Year Average)	20.3%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	$2.00
Dividend Yield (Last Fiscal Year)	1.81%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+19.0%
Dividend Growth (5-Year Avg.)	+13.1%
Payout Ratio (5-Year Avg.)	21%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2023	2024	2025e	2026e	2027e
Dividend (USD)	1.68	2.00	2.32	2.50	2.56
Dividend Yield (%)	1.50	1.81	2.10	2.26	2.32
Earnings per Share	7.78	9.63	6.70	7.00	7.35
P/E Ratio	14.20	11.47	16.49	15.78	15.02
Revenue ($ billion)	18.70	18.93	17.32	17.53	17.81

Worth noting: The Japanese market plays a major role in Aflac's overall revenue, contributing about 70% of total premium income. The Japanese government's decision to re-embrace nuclear power has also driven increased demand for cancer insurance, further strengthening Aflac's position in the region.

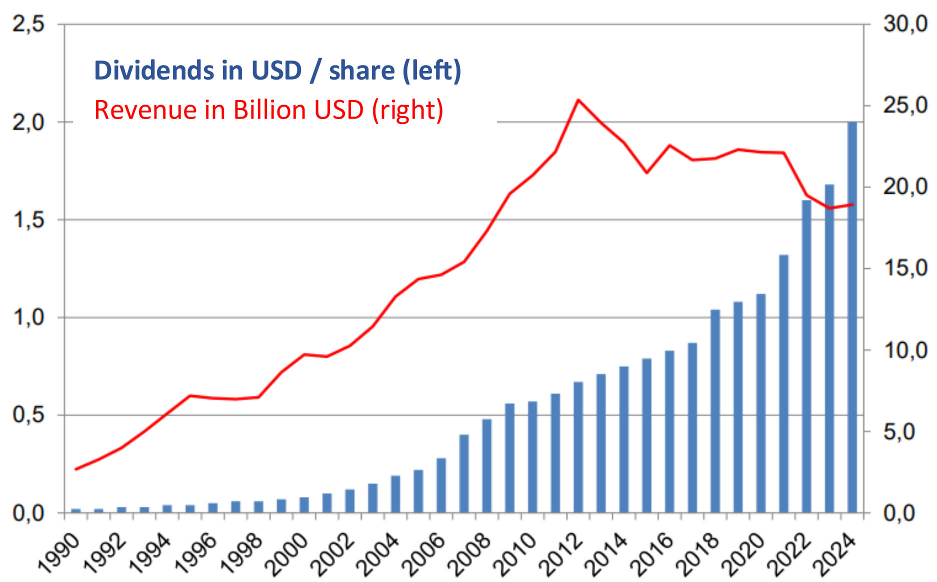
Opportunities and Risks

Aflac's strong dependence on the Japanese market represents both an opportunity and a risk. In both the U.S. and Japan, the proportion of elderly population is rising, increasing the demand for supplemental insurance such as cancer and long-term care coverage. However, Japan's shrinking population dampens long-term growth prospects. Still, rising healthcare costs and gaps in public or employer-sponsored insurance mean that many individuals and employees rely on supplemental policies.

With its iconic duck mascot and long-term advertising strategy, Aflac has built a strong brand identity that fosters customer trust. The company aims to leverage this brand to expand into new areas such as digital insurance products and healthcare services, creating additional revenue streams. However, the supplemental insurance market is highly competitive, and pressure from new entrants and InsurTechs — using digital solutions to capture market share — is steadily increasing.

Thanks to the stable nature of the insurance business, Aflac generates consistent cash flows over time and is less affected by economic cycles. However, the interest rate environment has a significant impact, as Aflac invests a large portion of its premium income in bonds. Changes in interest rates—whether increases or decreases—affect interest income and valuation results with a time lag, ultimately influencing profitability.

Dividends and Revenue since 1990



Aflac has been paying dividends to its shareholders since 1973 and has increased its dividend every year since 1983 — even during challenging periods like the global financial crisis in 2008 and the nuclear disaster in Japan in 2011. Over the past ten years, dividend growth has averaged 12.6% annually, and in the past five years, even 13.1% per year.

The average payout ratio based on earnings over the last five years was just 21%, leaving ample room for future dividend increases.

Aflac is classified as a Dividend Aristocrat and is well on its way to becoming a Dividend King once it reaches 50 consecutive years of dividend increases.

BHP GROUP

A globally operating resource giant from Australia

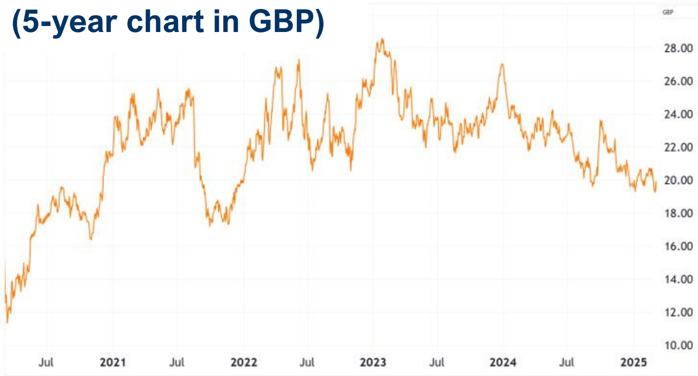
BHP Group Limited, headquartered in Melbourne, Australia, is one of the world's largest and most significant resource companies. Originally founded in 1885 as the Broken Hill Proprietary Company, BHP has grown into a globally operating mining and commodity giant and is part of the so-called "Big Four" of the mining industry. The company is listed on both the Australian Securities Exchange (ASX) and the London Stock Exchange (LSE), employing over 80,000 people worldwide. BHP operates in more than 90 countries and plays a vital role in global resource supply, particularly in industrial metals and fossil fuels.

A Classic Commodity Powerhouse

BHP operates a traditional mining and commodities business. The company focuses on the exploration, extraction, processing, and global sale of raw materials. Its core product segments include:

Iron Ore – Iron ore is BHP's largest and most profitable segment. The company operates extensive mining operations in Western Australia's Pilbara region, exporting primarily to China — the world's largest steel consumer. As the key raw material for steel production, iron ore accounts for a significant portion of BHP's revenue and profits.

(5-year chart in GBP)



Key Figures

ISIN	AU000000BHP4
Country / Industry	Australia / Commodities
Market Capitalization	$126.20 billion
Performance (last 10 years)	+50.6%
Revenue Growth (5-Year CAGR)	+4.7%
Earnings Growth (5-Year CAGR)	-1.0%
Free Cash Flow Growth (5-Year CAGR)	+1.0%
Equity Ratio (5-Year Average)	45.7%

Dividend Data

Payout Frequency	Semiannual
Dividend (Last Fiscal Year)	$1.46
Dividend Yield (Last Fiscal Year)	5.13%
Dividend Increases / Cuts (Last 10 Years)	5 / 5
Dividend Growth (1 Year)	-15.8%
Dividend Growth (5-Year Avg.)	-1.5%
Payout Ratio (5-Year Avg.)	118.7%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2023	2024	2025e	2026e	2027e
Dividend (USD)	1.70	1.46	1.07	1.16	1.08
Dividend Yield (%)	5.68	5.13	4.28	4.64	4.34
Earnings per Share	2.55	1.56	2.05	2.31	2.09
P/E Ratio	11.8	18.3	12.1	10.8	11.9
Revenue ($ billion)	53.82	55.67	50.49	50.59	49.17

Copper – BHP is one of the world's largest copper producers. Copper is widely used in construction, electrical engineering, and renewable energy. Key copper mines operated by the company include Escondida in Chile and Olympic Dam in Australia.

Coal – BHP produces both metallurgical coal (used in steelmaking) and thermal coal (used for power generation). However, the company has been gradually exiting thermal coal production in an effort to make its portfolio more sustainable.

Nickel – BHP is a major supplier of nickel, a strategically important metal for batteries and electric vehicles. The company is actively investing in the development of new nickel resources to benefit from the growing electric mobility market.

Opportunities and Risks

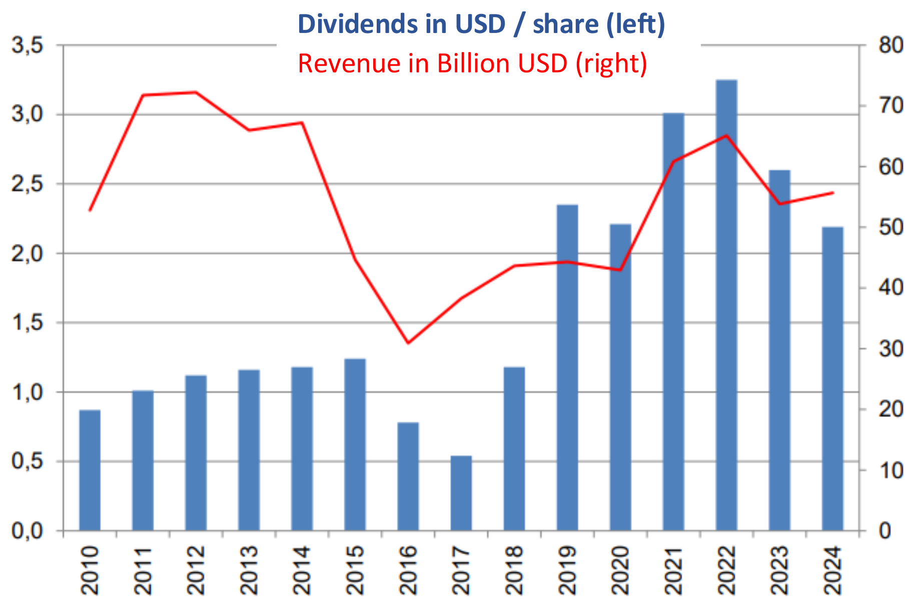
Many natural resources are located in politically unstable and often contested regions, where production disruptions and corruption are common, posing ongoing challenges for operations.

Additionally, commodities are highly cyclical, and their prices are strongly influenced by global economic trends.

BHP aims to ensure stable and strong cash generation through large-scale, cost-efficient resource extraction. Long-term supply contracts with major industrial clients and steel producers provide additional stability for the business model. However, while these contracts mitigate volatility, they do not eliminate the risks. China, the world's largest steel producer, is BHP's most important customer for iron ore, making the company heavily dependent on China's economic performance.

One of BHP's key advantages is its operation of some of the largest and most productive mines in the world. A focus on efficiency and cost leadership gives the company a competitive edge over smaller players, helping to buffer the impact of fluctuations in the commodity markets.

Dividends and Revenue since 2010



The commodities business is highly cyclical, which leads to fluctuating income streams – a key factor influencing dividend payments. In recent years, BHP Group has paid volatile dividends, with multiple increases and cuts, alongside a high payout ratio.

Predicting the global economic outlook is extremely difficult, making forecasts for companies like BHP Group inherently uncertain. Nevertheless, a stock like this still has its place in a dividend portfolio. Despite the risks mentioned, it adds valuable diversification to the overall portfolio.

BLACKROCK

The world's largest asset manager as an attractive dividend stock

BlackRock Inc., headquartered in New York City, is the world's largest asset manager and one of the most influential financial institutions globally. Founded in 1988 by Larry Fink and other partners, the company now manages over ten trillion U.S. dollars in assets on behalf of institutional and private investors.

The success of BlackRock is built on a combination of strong scalability, innovation in the fintech space, and a global presence. The firm operates in over 30 countries and provides access to all major capital markets.

Diverse and Extensive Client Base

The company serves a broad range of clients, including governments, pension funds, foundations, insurers, corporations, and retail investors. In addition to its scale, BlackRock is well-known for its data-driven approach and its proprietary technology platform, Aladdin (Asset, Liability, Debt and Derivative Investment Network), which is used by numerous financial institutions worldwide.

BlackRock operates primarily as an asset manager and generates the majority of its revenue through management fees on assets under management (AUM). Its business model is built on a comprehensive range of products and services for both institutional and private investors.

(5-year chart in USD)

Key Figures

ISIN	US09247X1019
Country / Industry	USA / Financials
Market Capitalization	$150.75 billion
Performance (last 10 years)	+168.7%
Revenue Growth (5-Year CAGR)	+6.9%
Earnings Growth (5-Year CAGR)	+7.3%
Free Cash Flow Growth (5-Year CAGR)	+12.3%
Equity Ratio (5-Year Average)	14.6%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	$20.40
Dividend Yield (Last Fiscal Year)	2.10%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+2.0%
Dividend Growth (5-Year Avg.)	+10.9%
Payout Ratio (5-Year Avg.)	44%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2023	2024	2025e	2026e	2027e
Dividend (USD)	20.00	20.40	21.52	22.92	24.40
Dividend Yield (%)	2.46	1.99	2.22	2.36	2.51
Earnings per Share	36.51	42.01	47.45	54.10	60.97
P/E Ratio	26.6	23.1	20.5	18.0	15.9
Revenue ($ billion)	18.66	20.90	23.58	26.53	28.57

BlackRock®

In the index and ETF business, BlackRock is the world's largest provider of exchange-traded funds (ETFs) through its iShares platform. These low-cost investment products are a core component of wealth management for many investors. In addition to ETFs, BlackRock also offers active asset management — mutual funds across various asset classes that are actively managed by professionals. These include equities, bonds, multi-asset strategies, and alternative investments such as private equity and infrastructure.

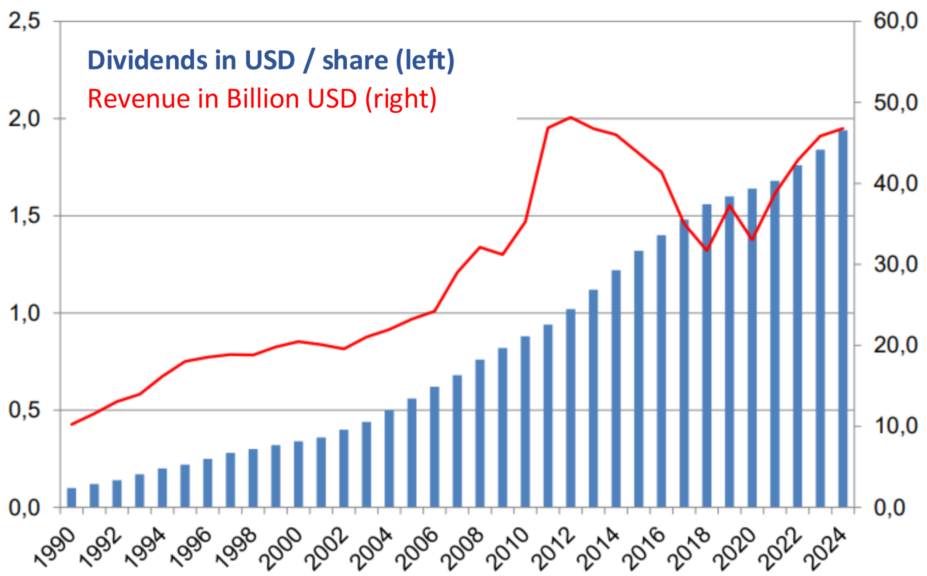
The Aladdin technology platform is one of the most important risk management and investment platforms in the financial sector. Many banks, insurance companies, and pension funds license Aladdin to manage their portfolios and control risk. BlackRock also offers consulting services, advising governments, central banks, and institutional investors on investment strategies, regulatory issues, and risk analysis.

Opportunities and Risks

The trend toward passive investing and cost-efficient products like ETFs continues. As the market leader, BlackRock benefits significantly from ongoing inflows into iShares products. Additionally, demographic developments in many developed countries and a growing middle class in emerging markets offer further growth potential due to increased demand for investment solutions.

However, the ETF market is highly competitive, and passive investment products are relatively interchangeable, which puts continuous pressure on fee structures. Thanks to its broad spectrum of investment products, technologies, and services, BlackRock is less vulnerable to cyclical fluctuations in individual markets. Nevertheless, its strong dependency on global capital markets remains a risk. As an asset manager, BlackRock is highly exposed to market performance: falling equity prices or a prolonged recession could reduce assets under management and, consequently, lower fee income.

Dividends and Revenue since 1990



BlackRock has not cut its dividend in 22 years and has even increased it every year for the past 15 years. Over a ten-year period, the average dividend growth rate was 10.2 percent.

This growth comes at a price: the dividend yield, currently at 2.1 percent, is not particularly high, but it will naturally increase as payouts continue to rise.

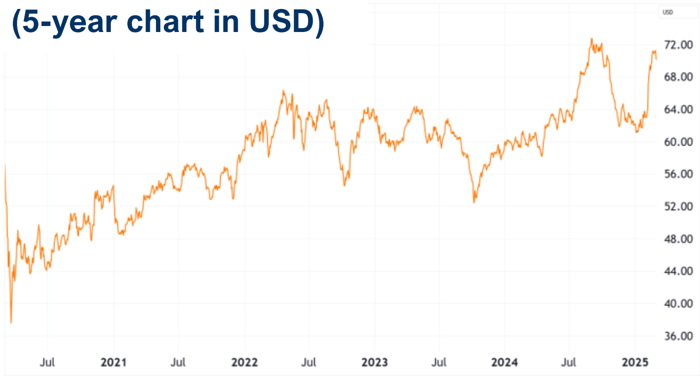
The payout ratio based on earnings is 44 percent—a solid figure that leaves room for further dividend increases.

COCA-COLA

One of the strongest brands in the world

The Coca-Cola Company is one of the most well-known companies in the world. Founded in 1886, Coca-Cola has evolved from a local soda into a multinational corporation operating in over 200 countries, symbolizing global consumer culture. With a brand portfolio of over 200 beverages – including soft drinks, water, juices, coffee, tea, and energy drinks – Coca-Cola is among the largest players in the non-alcoholic beverage industry. Twenty of its brands each generate over one billion USD in annual revenue, and more than two billion of its drinks are consumed every day, resulting in annual sales of nearly 50 billion USD. At the heart of Coca-Cola's business model is the production and marketing of concentrates, syrups, and finished beverages. However, a significant share of its revenue does not come from direct sales to end customers, but through a so-called franchise system. Coca-Cola typically produces the beverage concentrates and sells them to regional bottling and distribution partners such as Coca-Cola Europacific Partners or Coca-Cola FEMSA. These bottlers handle bottling, packaging, distribution, and sales to retailers, foodservice providers, and vending operators. Coca-Cola thus earns revenue both from licensing and the sale of concentrates, as well as through ownership stakes in bottling companies in key markets. At the same time, the company heavily invests in marketing to maintain global brand awareness and drive product sales.

(5-year chart in USD)



Key Figures

ISIN	US1912161007
Country / Industry	USA / Beverages
Market Capitalization	$300.85 billion
Performance (last 10 years)	+71.5%
Revenue Growth (5-Year CAGR)	+7.5%
Earnings Growth (5-Year CAGR)	+13.0%
Free Cash Flow Growth (5-Year CAGR)	+5.6%
Equity Ratio (5-Year Average)	23%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	$1.94
Dividend Yield (Last Fiscal Year)	2.77%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+5.4%
Dividend Growth (5-Year Avg.)	+3.9%
Payout Ratio (5-Year Avg.)	78%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (USD)	1.94	2.01	2.12	2.24	2.38
Dividend Yield (%)	2.77	2.87	3.03	3.21	3.40
Earnings per Share	2.46	2.96	3.20	3.45	3.75
P/E Ratio	28.4	23.7	21.9	20.3	18.6
Revenue ($ billion)	46.77	47.92	50.30	53.00	54.86

WARREN BUFFETT IS THE LARGEST SHAREHOLDER

Buffett doesn't just love Cherry Coke — reportedly drinking several bottles a day — he's also Coca-Cola's biggest shareholder. He first invested after the stock market crash in 1987, starting at a split-adjusted price of $2.73 per share, continuing his purchases until 1994. Since then, he has held his stake unchanged: 400 million shares, for which he paid a total of $1.3 billion, averaging $3.25 per share. Today, Coca-Cola is Buffett's fourth-largest portfolio holding, and his 9.3% ownership continues to grow steadily, as the company actively buys back its own shares. What Buffett values most about Coca-Cola is its pricing power — the ability to raise prices without losing business to competitors. He once remarked:

"If you gave me $100 billion and said, 'Take away Coca-Cola's market share around the world,' I'd give the money back to you and say it can't be done."

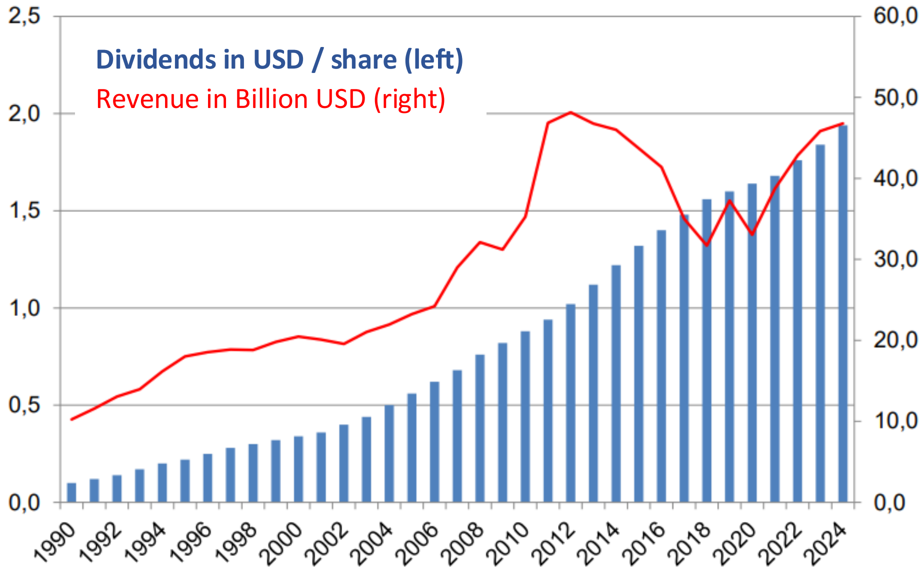
OPPORTUNITIES AND RISKS

While sugary drinks are losing popularity and some countries have introduced sugar taxes or stricter marketing regulations, Coca-Cola is strategically investing in high-growth categories outside of traditional soft drinks. These include:

Bottled and sparkling water (e.g., Dasani, Smartwater), Energy drinks (e.g., Monster, Coca-Cola Energy), Coffee (e.g., Costa Coffee) and Plant-based beverages

While markets in the U.S. and Europe are saturated, emerging markets such as India, Southeast Asia, and Africa still offer significant growth potential, as per capita consumption of packaged beverages remains relatively low in those regions.

Dividends and Revenue since 1990



Coca-Cola has increased its dividend every year for 60 years, making it not just a dividend aristocrat, but a member of the elite group of dividend kings.The dividend yield is currently just under three percent, and the payout ratio stands at 78 percent.

Over the past five years, dividend growth has averaged 3.9 percent per year. Despite the relatively high payout ratio, Coca-Cola remains a reliable and attractive dividend payer. Analysts expect the dividend to continue increasing steadily through 2028.

DEUTSCHE TELEKOM

Broad-based telecom group with a strong foothold in the U.S.

Deutsche Telekom AG, headquartered in Bonn, Germany, is one of the largest telecommunications providers in Europe and a significant player in the global market. The company is among the leading providers of fixed-line and mobile services as well as IT and internet solutions, employing around 200,000 people worldwide.

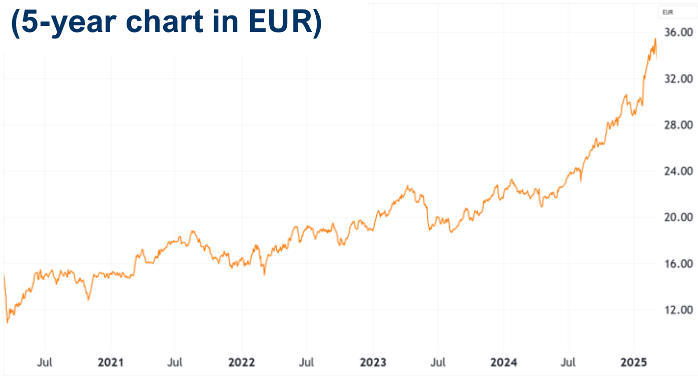
MULTIPLE STRATEGIC PILLARS

Deutsche Telekom's business model is broadly diversified and based on several strategic pillars.

Telecommunication Services: The core business includes mobile communications, fixed-line services, internet, and television for both private and business customers. In Germany, Telekom is the market leader in fixed-line telephony and DSL broadband connections, and one of the largest mobile service providers.

International Business: Deutsche Telekom is also particularly strong abroad, especially through its majority stake in T-Mobile US, which has become the largest and most successful mobile provider in the United States. The U.S. business now contributes a significant portion of the Group's revenue and profit.

(5-year chart in EUR)



Key Figures

ISIN	DE0005557508
Country / Industry	Germany / Telecommunications
Market Capitalization	€165.36 billion
Performance (last 10 years)	+98.2%
Revenue Growth (5-Year CAGR)	+8.6%
Earnings Growth (5-Year CAGR)	+44.2%
Free Cash Flow Growth (5-Year CAGR)	+23.1%
Equity Ratio (5-Year Average)	28.8%

Dividend Data

Payout Frequency	Yearly
Dividend (Last Fiscal Year)	€0.90
Dividend Yield (Last Fiscal Year)	3.12%
Dividend Increases / Cuts (Last 10 Years)	8 / 1
Dividend Growth (1 Year)	+16.9%
Dividend Growth (5-Year Avg.)	+8.4%
Payout Ratio (5-Year Avg.)	56%
Foreign Withholding Tax	26.375%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (EUR)	0.90	1.00	1.17	1.25	1.36
Dividend Yield (%)	2.67	2.97	3.47	3.70	4.03
Earnings per Share	2.27	2.08	2.34	2.60	2.92
P/E Ratio	14.87	16.18	14.44	13.00	11.56
Revenue ($ billion)	115.8	122.3	127.0	132.0	135.4

Fiber and 5G Infrastructure

Deutsche Telekom is heavily investing in the expansion of fiber-optic networks (FTTH – Fiber to the Home) and the development of a comprehensive 5G network. The goal is to modernize network infrastructure in Germany and other core markets to create a foundation for data-intensive applications and future technologies.

IT and Cloud Services

Through its subsidiary T-Systems, Deutsche Telekom serves business customers from SMEs to large enterprises with solutions related to IT outsourcing, cloud computing, cybersecurity, and the Internet of Things (IoT).

The company generates revenue primarily through monthly fees, data plans, pay-TV offerings, the sale of devices, and the provision of IT services. Additionally, it benefits from the growing demand for cloud and connectivity solutions.

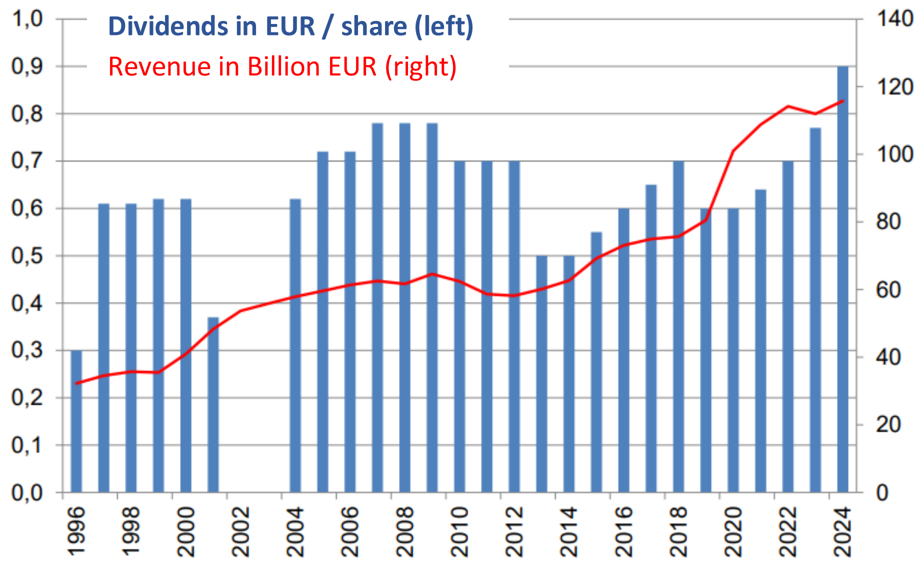
Opportunities and Risks

In Germany and the EU, the telecommunications sector is subject to strict regulation. This includes requirements for net neutrality, price caps (e.g., on roaming fees), and mandatory network access for competitors. The market is saturated, and any gain in market share comes at the expense of competitors. Since services are largely similar, competitive advantages can only be achieved through pricing and service quality. The introduction of new technologies always requires significant investment, although the need for fast and stable connectivity continues to rise due to trends such as remote work, streaming, and Industry 4.0.

Revenue Driver: U.S. Subsidiary

As an operator of critical infrastructure, Deutsche Telekom is a potential target for cyberattacks and must therefore invest heavily in security measures. Moreover, its U.S. subsidiary T-Mobile US has developed into the new epicenter of the group in recent years, now generating about two-thirds of the company’s revenue and contributing an even larger share to overall profits.

Dividends and Revenue since 1996



In recent years, Deutsche Telekom has developed very positively, primarily due to the remarkable transformation of its former problem child, T-Mobile US. Initially slated for sale without success, it has since evolved into the crown jewel of the group. Over the past ten years, the company increased its dividend in eight years, kept it unchanged in one year, and reduced it only once (in 2020). Analysts estimate that dividends will continue to rise steadily in the coming years, further reinforcing Deutsche Telekom's reputation as a reliable dividend stock.