March 2025

VF INVEST

DIVIDEND STRATEGY

PART 4

Featured Stocks at a Glance:

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PROCTER & GAMBLE

Diversified consumer goods company from the USA

Procter & Gamble, headquartered in Cincinnati, Ohio, is one of the world's largest and most well-known consumer goods companies. Founded in 1837 by William Procter and James Gamble, the company is now a leading provider of branded products in the household, hygiene, and personal care sectors.

The company, which is listed in the Dow Jones Industrial Average and the S&P 500 Index, operates in more than 180 countries and employs around 100,000 people worldwide. Some of the most well-known brands in P&G's portfolio include Gillette, Pampers, Ariel, Head & Shoulders, Oral-B, Always, and Braun. Many of these brands are global market leaders in their respective segments.

P&G operates a classic Fast Moving Consumer Goods (FMCG) business model. The focus is on the development, production, and distribution of everyday consumer products with high repurchase rates, based on strong brands that have been globally established over decades.

The company divides its operations into five business segments:

Beauty with brands such as Pantene and Olay.
Grooming including Gillette and Braun.
Health Care, e.g., Oral-B and Vicks.
Fabric & Home Care (laundry and cleaning products), including Ariel, Lenor, and Fairy.
Baby, Feminine & Family Care, with brands like Pampers and Always.

(5-year chart in USD)

Key Figures

ISIN	US7427181091
Country / Industry	USA / Consumer Goods
Market Capitalization	389.96 $ billion
Performance (last 10 years)	+100.3%
Revenue Growth (5-Year CAGR)	+2.5%
Earnings Growth (5-Year CAGR)	+1.5%
Free Cash Flow Growth (5-Year CAGR)	+6.8%
Equity Ratio (5-Year Average)	20%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	3.83 USD
Dividend Yield (Last Fiscal Year)	2.32%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+4.1%
Dividend Growth (5-Year Avg.)	+5.7%
Payout Ratio (5-Year Avg.)	62.2%
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)	3.83	4.05	4.24	4.40	4.16
Dividend Yield (%)	2.32	2.44	2.55	2.64	2.50
Earnings per Share	6.02	6.92	7.36	7.85	8.41
P/E Ratio	27.6	24.0	22.6	21.2	19.8
Revenue ($ billion)	84.04	85.22	87.98	91.01	95.32

Sales follow an omni-channel strategy across retail outlets (supermarkets, drugstores), online platforms, discount stores, wholesalers, and pharmacies. In addition to producing branded products, P&G invests heavily in research and development to launch innovative products and differentiate itself from competitors. Brand marketing, which focuses on consistency and emotional brand loyalty, plays a central role in this effort. And it pays off: thanks to strong pricing power and global reach, P&G achieves relatively stable revenues and margins.

OPPORTUNITIES AND RISKS

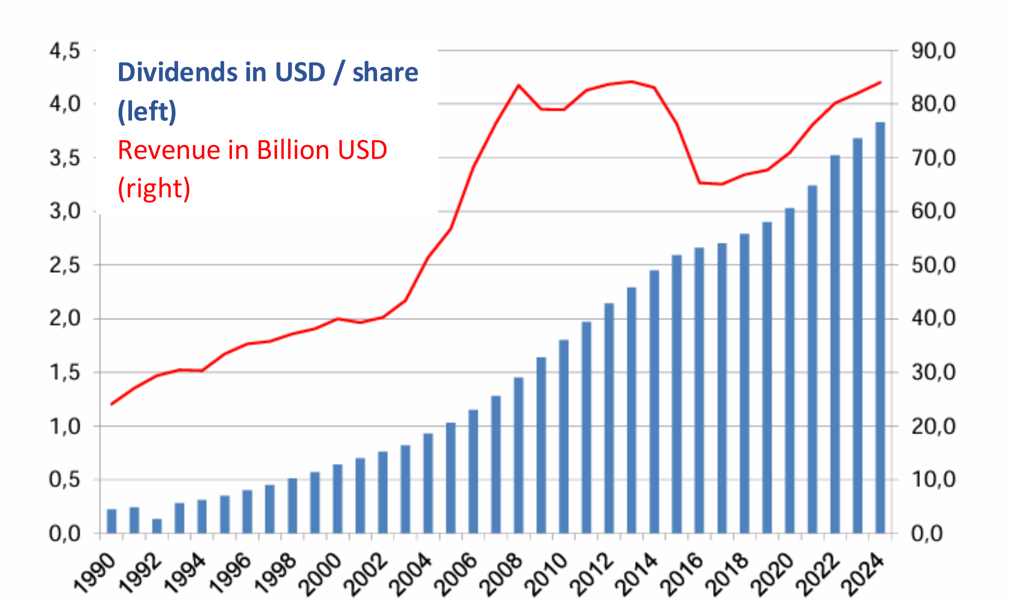
With many globally recognized and leading brands, P&G possesses tremendous market power. This strong brand foundation allows the company to more easily pass price increases on to consumers and to retain loyal customers.

In emerging markets such as India, China, and parts of Africa, demand for hygiene and household products is rising, and P&G benefits from the growing middle class and increasing urbanization in these regions. On the other hand, the weakness of China's economy is increasingly weighing on P&G's business.

In addition, competition should not be underestimated, as P&G operates in a highly competitive market environment. Rival companies such as Unilever, Henkel, or Colgate-Palmolive, as well as private-label brands from major retailers, put pressure on P&G and could cost it market share.

And in times of economic strain, consumers increasingly turn to cheaper alternatives or store brands, which can negatively affect P&G's ability to implement price increases.

Dividends and Revenue since 1990



Procter & Gamble has increased its dividend payments every year for 69 consecutive years. This places the company not only among the Dividend Aristocrats but also in the exclusive group of Dividend Kings. The relatively low dividend yield of 2.3 percent is essentially the price for this consistency.

The steady dividend increases across many economic cycles and crises demonstrate the exceptional resilience of P&G's business model. P&G has the brand strength, competitive advantages, and profitability to sustain its consistent annual dividend increases over the long term.

RIO TINTO

Key raw materials for rebuilding the infrastructure of tomorrow's world

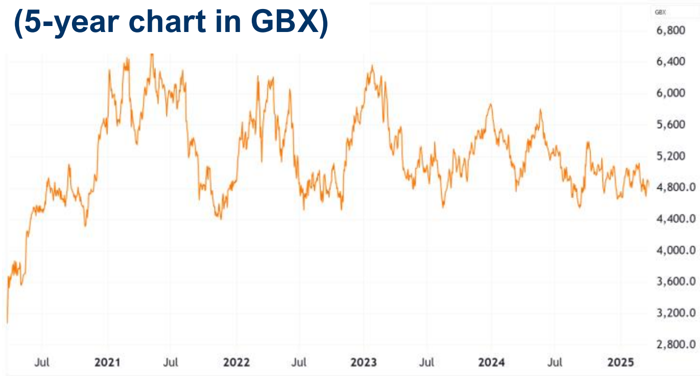
Rio Tinto is one of the largest mining companies in the world, with a global portfolio that encompasses a wide range of raw materials. The company was founded in 1873 and is headquartered in London, United Kingdom, as well as in Melbourne, Australia. Rio Tinto employs over 45,000 people in more than 35 countries and is listed on both the London and Australian stock exchanges.

Due to its size and global presence, Rio Tinto is a key player in global commodity markets. Its business model is based on the exploration, extraction, and processing of raw materials that are essential for industrial production worldwide. The business is divided into several core segments.

Iron & Steel: Iron is the most important raw material for Rio Tinto, primarily due to global demand for steel. The company operates large iron ore mines, especially in Australia and Canada, and supplies these materials to steel producers around the world.

Copper: Copper plays a crucial role in the electronics industry and renewable energy production. Rio Tinto operates major copper mines in various regions, including South America (Chile) and North America (USA and Canada). Copper is also a key material in the electronics and automotive industries.

(5-year chart in GBX)



Key Figures

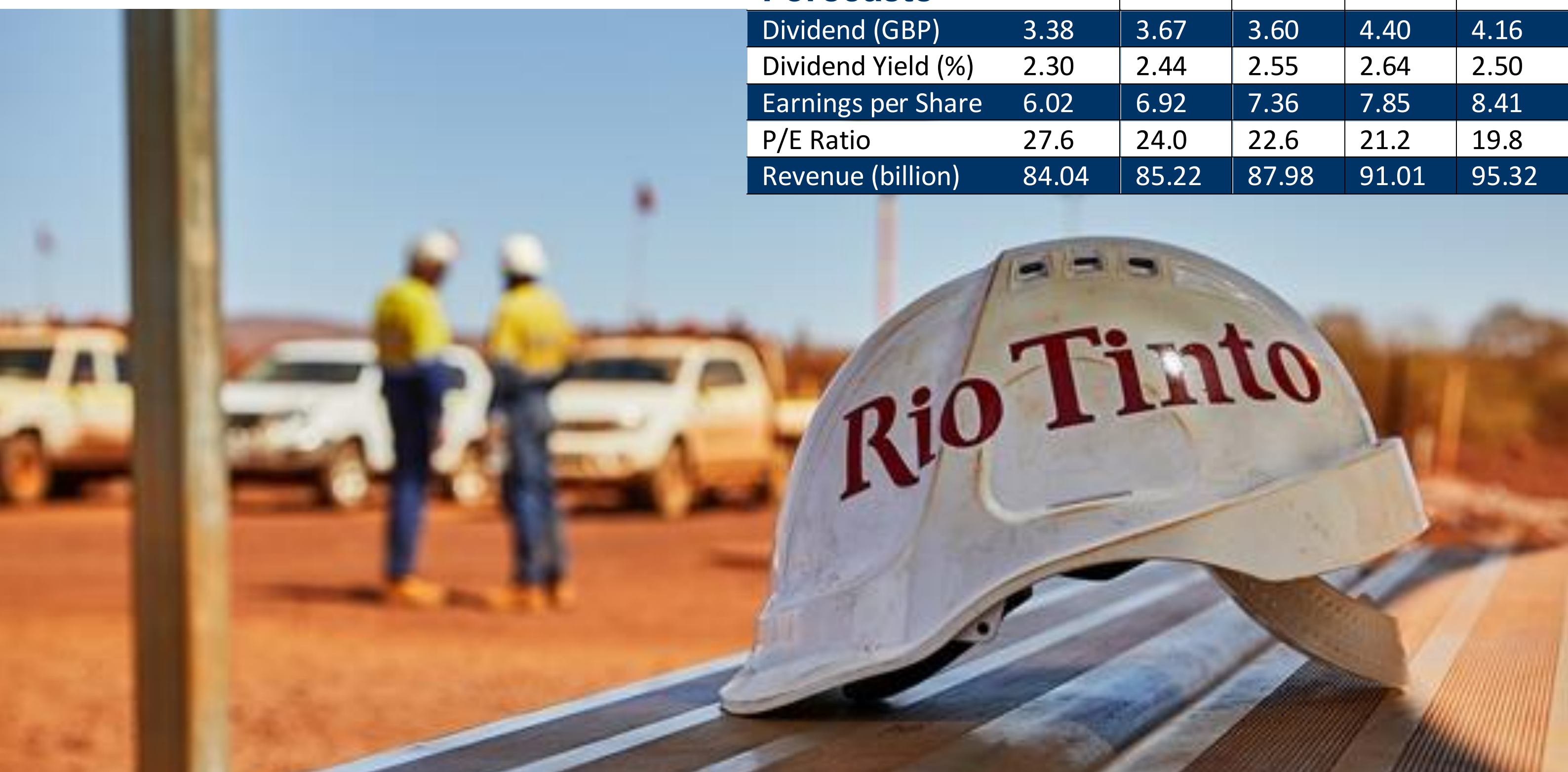
ISIN	GB0007188757
Country / Industry	UK / Raw Materials
Market Capitalization	79.00 billion GBP
Performance (last 10 years)	+68.9%
Revenue Growth (5-Year CAGR)	+4.4%
Earnings Growth (5-Year CAGR)	+6.3%
Free Cash Flow Growth (5-Year CAGR)	-9.5%
Equity Ratio (5-Year Average)	56%

Dividend Data

Payout Frequency	Semiannually
Dividend (Last Fiscal Year)	3.38 GBP
Dividend Yield (Last Fiscal Year)	6.43%
Dividend Increases / Cuts (Last 10 Years)	6 / 4
Dividend Growth (1 Year)	+7.6%
Dividend Growth (5-Year Avg.)	-1.9%
Payout Ratio (5-Year Avg.)	60%
Foreign Withholding Tax	0%

→ No withholding tax on dividends from the UK

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (GBP)	3.38	3.67	3.60	4.40	4.16
Dividend Yield (%)	2.30	2.44	2.55	2.64	2.50
Earnings per Share	6.02	6.92	7.36	7.85	8.41
P/E Ratio	27.6	24.0	22.6	21.2	19.8
Revenue (billion)	84.04	85.22	87.98	91.01	95.32



Diamonds & Precious Metals: Rio Tinto is also active in the diamond business, operating mines in Canada and Australia, among others. Additionally, the company is involved in the production of gold and other precious metals.

Uranium & Other Resources: Rio Tinto is a major uranium producer, operating uranium mines primarily in Canada and Australia. Uranium is mainly used for power generation in nuclear power plants.

Aluminum & Raw Materials for the Energy Industry: Rio Tinto also has a strong presence in aluminum production. Owning aluminum smelters and refineries, the company supplies aluminum used across many industries, including aerospace and automotive.

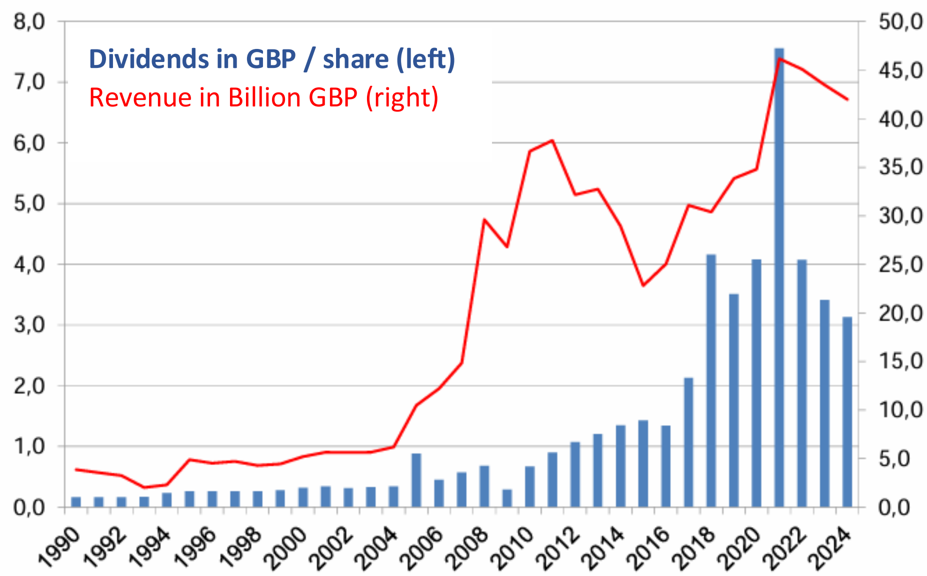
Opportunities and Risks

The growing demand for electric vehicles, solar energy, and wind turbines is driving up the need for copper, aluminum, and lithium. And these are the raw materials which Rio Tinto produces in large quantities. Therefore, this development offers Rio Tinto long-term growth prospects, especially in a global economy increasingly focused on green technologies.

Global steel demand, especially in emerging markets such as China and India, remains high. This ensures continued demand for iron ore, Rio Tinto's most important raw material. At the same time, the company's strong dependency on the economic situation in China represents a significant risk for Rio Tinto's operations. Additionally, as a globally active raw materials producer, the company is highly exposed to price fluctuations.

Furthermore, mining is associated with significant environmental issues, including the destruction of ecosystems, water consumption, and CO_2 emissions. Despite efforts to implement more sustainable practices, Rio Tinto continues to face criticism regarding the minimization of its environmental footprint. New legal requirements and stricter environmental regulations may lead to higher operating costs.

Dividends and Revenue since 1990



Rio Tinto's business is highly dependent on the economic cycle, and as a result, profits fluctuate significantly. The same applies to dividends. Periods of high dividends and even special payouts are followed by years of dividend cuts. For example, between 2019 and 2021, the dividend more than doubled, but starting in 2022, it was reduced again in line with business performance. Not only at present but also in the long term, Rio Tinto shows an above-average dividend yield. Raw materials are always in demand—sometimes more, sometimes less.

ROCHE HOLDING

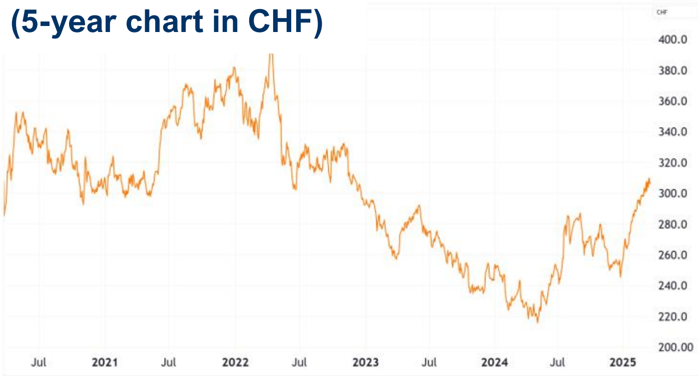
Swiss pharmaceutical giant with an impressive dividend history

Roche Holding AG, headquartered in Basel, Switzerland, is one of the largest and leading healthcare companies in the world. Founded in 1896, Roche is today one of the most important players in the pharmaceutical and diagnostics industries. The company operates internationally and is present in over 100 countries. Roche is particularly valued for its innovative strength in the fields of oncology, immunology, and diagnostics, and is considered one of the "Big Pharma" corporations with a strong focus on research. Roche operates through its two core business segments, Pharma and Diagnostics, which function under one roof and complement each other. Roche pursues an integrated business model based on these two pillars.

In the Pharma division, Roche develops, produces, and markets innovative prescription medications, primarily in oncology, neurology, immunology, hematology, and rare diseases. Among its most well-known drugs are blockbusters such as Herceptin, Avastin, and Rituxan, which play a central role in cancer treatment. In recent years, Roche has increasingly invested in new therapeutic areas such as gene therapy and personalized medicine.

In the Diagnostics segment, Roche is a global leader in in-vitro diagnostics and offers a broad portfolio of laboratory tests, analysis instruments, and point-of-care solutions. These include clinical chemistry, molecular diagnostics, and blood glucose monitoring, among others.

(5-year chart in CHF)



Key Figures

ISIN	CH0012032048
Country / Industry	Switzerland / Pharmaceuticals
Market Capitalization	259.04 billion CHF
Performance (last 10 years)	+23.9%
Revenue Growth (5-Year CAGR)	-1.1%
Earnings Growth (5-Year CAGR)	-3.1%
Free Cash Flow Growth (5-Year CAGR)	-20.6%
Equity Ratio (5-Year Average)	38.6%

Dividend Data

Payout Frequency	Annually
Dividend (Last Fiscal Year)	9.70 CHF
Dividend Yield (Last Fiscal Year)	3.0%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+1.0%
Dividend Growth (5-Year Avg.)	+1.5%
Payout Ratio (5-Year Avg.)	67.1%
Foreign Withholding Tax	35%

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

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (CHF)	9.70	9.89	10.09	10.35	11.06
Dividend Yield (%)	2.98	3.04	3.10	3.18	3.40
Earnings per Share	10.38	20.82	22.40	23.30	24.66
P/E Ratio	31.4	15.7	14.5	14.0	13.2
Revenue (billion)	60.49	64.57	67.54	70.66	72.25

During the COVID pandemic, Roche's diagnostics revenues benefited significantly from the demand for PCR and antigen tests. Roche pursues a clear strategy of personalized medicine, in which diagnostics and therapy are closely linked. The goal is to develop treatments that are precisely tailored to individual patients—an approach that is becoming increasingly important.

OPPORTUNITIES AND RISKS

High healthcare costs are a thorn in the side of governments around the world. Therefore, they are constantly seeking new ways to reduce these costs, often by intervening in the system and undermining patent protections. On the other hand, once granted, patents provide strong protection against competitors during their validity. The research and development of new active ingredients is extremely expensive, costing pharmaceutical companies around one billion dollars per drug, including the costs of numerous failures—when compounds fail in clinical trials and do not make it to approval. This is why pharmaceutical companies protect their innovations with patents. During the patent period, they earn substantial revenues. After the expiration, however, generic drug manufacturers enter the market with cheap copies, significantly impacting earnings.

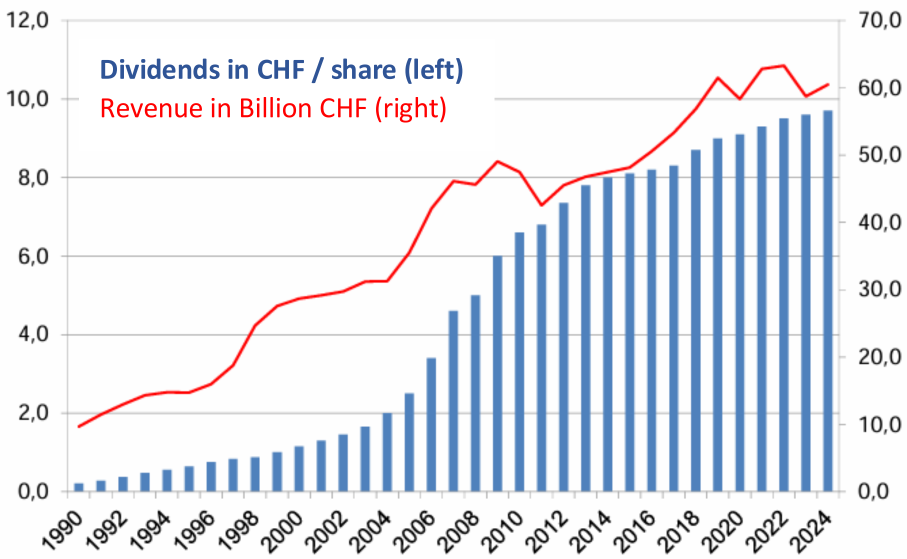
The combination of diagnostics and pharmaceuticals enables tailored treatment approaches. The trend toward more precise, personalized medicine offers Roche strong long-term growth opportunities, especially in the treatment of complex diseases such as cancer or autoimmune disorders. Roche is the world's largest provider of cancer drugs and benefits from the increasing demand for innovative therapies. Through ongoing research and strategic acquisitions — such as that of the biotech company Foundation Medicine — Roche strengthens its market leadership and advances the development of personalized cancer treatments.

STRONG CASH FLOW FOR DIVIDENDS

Roche is expected to increase its revenue by around 3% per year over the long term, as also reflected in analysts' forecasts through 2025 (see table). The free cash flow margins are attractive, at around 20 percent.

This enables Roche to pay an attractive dividend, most recently 9.30 CHF. Even though profits may fluctuate from year to year, consistently growing dividend payouts are part of the company's long-standing policy.

Dividends and Revenue since 1990



For the 2024 fiscal year, Roche paid an attractive dividend of 9.70 CHF per share, resulting in a current dividend yield of around 3 percent. Over the past five years, the payout has increased by an average of 1.5 percent per year. These and other figures can also be found in the table.

As the chart illustrates, the annual dividend has been increased every year since 1990, even though revenues have occasionally fluctuated due to the unpredictable success of new medications and the significant impact of individual blockbuster drugs. This consistency is one of Roche's key strengths.

UNILEVER

Globally positioned consumer goods company with a strong focus on emerging markets

Unilever plc, headquartered in London, is one of the largest consumer goods companies in the world. Founded in 1929 through the merger of the British Lever Brothers and the Dutch Margarine Unie, Unilever has developed into one of the world's leading suppliers of everyday products. The company employs around 128,000 people and operates in over 190 countries, supplying billions of consumers with products in the areas of food, personal care, and household goods.

The company is globally diversified and generates more than half of its revenue in emerging and developing markets. It is a classic example of a broad-based Fast-Moving Consumer Goods (FMCG) company and is divided into five main segments:

Beauty & Wellbeing: Unilever offers products for skin and hair care, hygiene, and wellness. Brands such as Dove, Sunsilk, and Vaseline are among the best known. In this segment, Unilever targets both mass markets and premium segments, and is actively strengthening its portfolio with wellness and natural cosmetics brands.

Personal Care: This segment includes well-known products like deodorants and oral care, with familiar brands such as Rexona, giving the company strong access to global markets. The focus here is on functional products for daily use.

(5-year chart in GBX)

Key Figures

ISIN	GB00B10RZP78
Country / Industry	UK / Consumer Goods
Market Capitalization	114.2 billion GBP
Performance (last 10 years)	+58.2%
Revenue Growth (5-Year CAGR)	+3.1%
Earnings Growth (5-Year CAGR)	+0.5%
Free Cash Flow Growth (5-Year CAGR)	-2.7%
Equity Ratio (5-Year Average)	30.7%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	1.51 GBP
Dividend Yield (Last Fiscal Year)	3.27%
Dividend Increases / Cuts (Last 10 Years)	6 / 1
Dividend Growth (1 Year)	+3.0%
Dividend Growth (5-Year Avg.)	+0.7%
Payout Ratio (5-Year Avg.)	60%
Foreign Withholding Tax	0%

→ No withholding tax on dividends from the UK

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (GBP)	1.51	1.88	1.99	2.16	2.62
Dividend Yield (%)	3.27	4.15	4.40	4.76	5.79
Earnings per Share	1.95	3.15	3.35	3.50	4.21
P/E Ratio	23.22	14.38	13.52	12.96	10.75
Revenue (billion)	51.44	62.63	64.91	67.41	70.51

Home Care: This segment includes cleaning and household products such as Cif, Domestos, and Coral.

Nutrition (Food & Beverages): The Nutrition segment includes food brands like Knorr (soups, sauces, ready meals) and Hellmann's (mayonnaise, condiments). In addition to traditional foods, plant-based products are also offered to align with the trends toward health and sustainability.

Ice Cream: This division includes well-known ice cream brands such as Magnum and Ben & Jerry's. This segment is scheduled to be spun off into a separate company by the end of 2025.

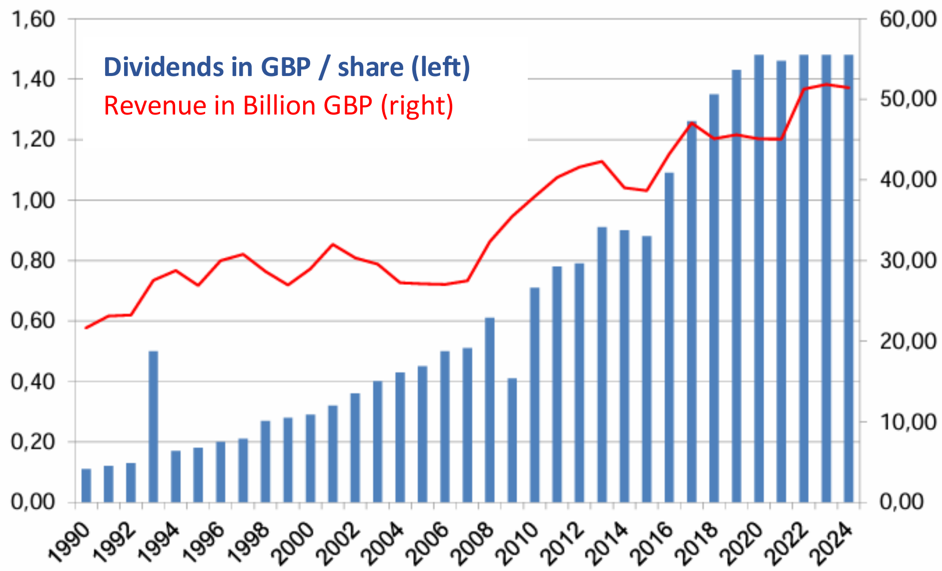
Unilever places strong emphasis on innovation, brand leadership, and a global supply chain. The company's strategy is built on three pillars: strong brands, sustainable business practices, and close connections with consumers worldwide.

OPPORTUNITIES AND RISKS

With over 400 brands—some of which are known in virtually every household worldwide—Unilever benefits from enormous market penetration and high customer loyalty. Its strong position in emerging markets also ensures further growth potential. Over 60 percent of revenues are already generated in emerging economies such as India, Southeast Asia, Africa, or Latin America. As the middle class grows in these regions, so does demand for branded products in the areas of food, hygiene, and household goods. Thanks to its global presence, Unilever achieves significant economies of scale in procurement, production, and logistics.

And that is necessary, because Unilever operates in a highly competitive market environment. Competing with companies like Procter & Gamble, Nestlé, Colgate-Palmolive, or local brands, the group vies for market share and consumer loyalty. Price wars and high marketing expenditures are constant challenges, as are raw material prices (e.g., palm oil, paper, plastics) and transportation costs.

Dividends and Revenue since 1990



Dividend Consistency does not appear to play a decisive role for Unilever; over the past ten years, there have been six increases, but also one cut and three years with unchanged payouts. On average, however, the dividend grew by 4.4 percent per year during the past decade. Unilever doesn't have much room to maneuver here, as the payout ratio has averaged around two-thirds of earnings in recent years. However, profit forecasts for the coming years indicate pleasing growth, so the dividend should be able to follow suit.

W.P. CAREY

A dividend-strong Real Estate Investment Trust (REIT)

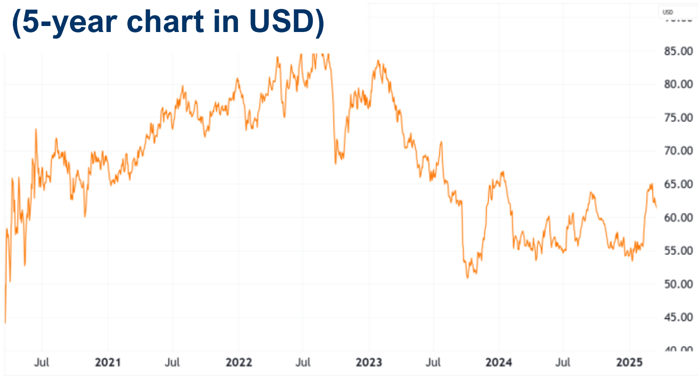
The internationally active Real Estate Investment Trust (REIT) W. P. Carey is headquartered in New York City. Founded in 1973, the company is one of the largest net lease REITs in the world. W. P. Carey primarily invests in commercial real estate, which is leased under long-term triple-net leasing agreements.

With over 25 billion dollars in managed real estate assets and hundreds of tenants from various industries, W. P. Carey has established itself as a reliable partner for both tenants and investors. The company is distinguished by a diversified real estate portfolio that is broadly spread across both the U.S. and Europe.

W. P. Carey's business model is based on the principles of “sale-leaseback” and “triple-net leasing.” Under triple-net lease agreements, the tenant assumes all operating costs, maintenance expenses, insurance, and property taxes.

For W. P. Carey, this results in predictable and stable income, as the REIT is only responsible for management and portfolio administration, while the ongoing costs remain with the tenant.

(5-year chart in USD)



Key Figures

ISIN	US92936U1097
Country / Industry	USA / Real Estate
Market Capitalization	12.81 billion USD
Performance (last 10 years)	-4.8%
Revenue Growth (5-Year CAGR)	+5.1%
Earnings Growth (5-Year CAGR)	+8.6%
Free Cash Flow Growth (5-Year CAGR)	+17.7%
Equity Ratio (5-Year Average)	46.7%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	3.49 USD
Dividend Yield (Last Fiscal Year)	5.96%
Dividend Increases / Cuts (Last 10 Years)	8 / 2
Dividend Growth (1 Year)	-33.0%
Dividend Growth (5-Year Avg.)	-3.4%
Payout Ratio (5-Year Avg.)	80.9%
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)	5.21	3.49	3.57	3.66	3.81
Dividend Yield (%)	8.20	5.96	6.10	6.25	6.52
Earnings per Share	5.18	4.70	4.87	2.69	2.95
P/E Ratio	19.20	28.00	21.75	21.79	19.85
Revenue (billion $)	1.74	1.58	1.67	1.75	1.76

A central element of the growth strategy is the sale-leaseback model. In this model, a company sells the property it uses to W. P. Carey and simultaneously leases it back. This allows companies to gain liquidity for investments or debt reduction, while W. P. Carey benefits from long-term lease agreements and attractive property locations.

W. P. Carey's strength lies in a broadly diversified portfolio, as the REIT specifically invests in industrial properties, warehouse and logistics facilities, retail spaces, and special-purpose properties. The geographic focus is on North America and Europe, allowing the company to benefit from stable markets and diverse economic environments. Tenants include companies from various sectors such as industry, retail, logistics, automotive, and healthcare.

W. P. Carey has exited the office building (commercial real estate) segment and spun it off to its shareholders under the name "Net Lease Office Properties".

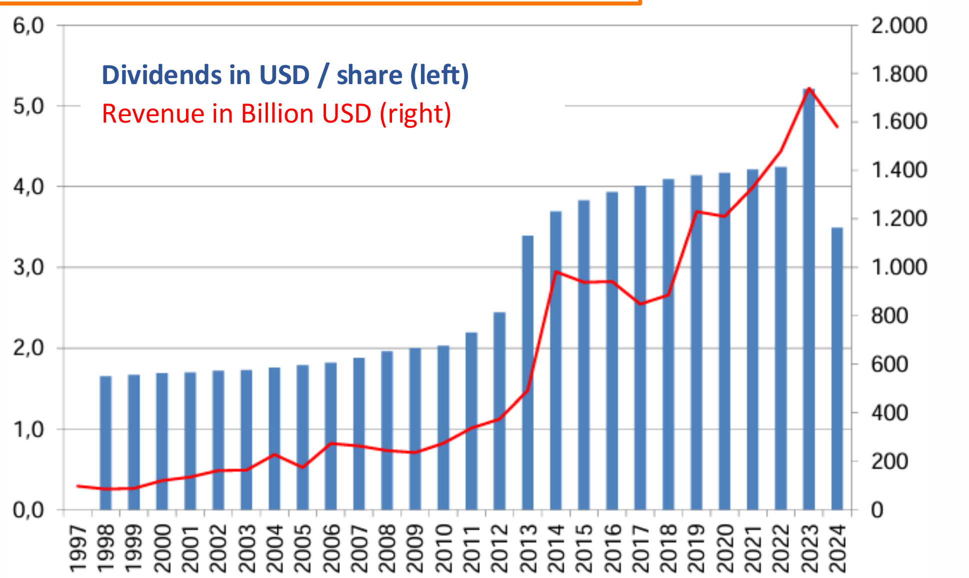
The average remaining term of the lease agreements is often over ten years and typically includes built-in inflation protection through rent adjustment clauses, which are frequently linked to the consumer price index.

OPPORTUNITIES AND RISKS

Thanks to the triple-net lease model, W. P. Carey generates predictable and consistent cash flows. The long lease terms provide planning security and protect the company from sudden revenue drops during economically weaker phases. With indexed rents, the company is shielded from inflation; however, rising interest rates put pressure on earnings, as the REIT operates with a significant level of debt financing.

The broadly diversified portfolio across different industries and regions reduces overall risk. Still, despite the long-term nature of the leases, economic downturns can negatively affect specific tenant sectors like retail or industry. Bankruptcies or payment defaults could lead to vacancies or lost rental income, which would, in turn, impact property values and W. P. Carey's financial results.

Dividends and Revenue since 1997



Since its IPO in 1998, the dividend was increased every year – until 2023, when an adjustment was made as part of the company's strategic decision to divest from office properties. However, the growth rates had already slowed down in the years prior.

Following the separation from office properties, W. P. Carey's risk profile has improved, and the company is expected to show greater resilience against market fluctuations. Since 2024, quarterly dividends have at least slightly increased again, which can be interpreted as a sign of a return to growing earnings power in the future.