

Dividend Assets Capital



DIVIDEND ASSETS CAPITAL – INVESTMENT STRATEGIES FOR RISING INCOME & GROWTH

Quarterly Commentary September 30, 2020

So much has happened in the third quarter that it is difficult to find a single theme impactful to the market or the economy. For the quarter:

Nymex Natural Gas	+44.32%
Comex Silver	+26.38%
NASDAQ 100 Index	+12.42%
S&P 500 Index	+8.47%
Dow Jones Industrial Average Index	+7.63%
Comex Gold	+5.27%
WSJ Dollar Index	-3.15%
S&P 500 Energy	-20.86%

The market is focused on the COVID-19 pandemic, which is still impeding a full recovery from shutdowns across the country, especially small businesses. A number of COVID-19 vaccines are in clinical trials, many of which are in Phase 3, and this is an important focus for the markets.

The underlying economy is being driven by a new digital age with work from home (WFH). Many companies see this as permanent with commercial real estate in major cities being abandoned. E-commerce has become significant and is replacing the traditional shopping mall. Telehealth is growing rapidly as people seek to avoid office visits with doctors. E-fitness businesses are thriving, and once unknown companies have become household names. Housing is strong due to low interest rates and people relocating from cities.

Productivity is increasing with E-commerce making the new mantra faster, better, and cheaper. This is putting a lid on inflation and producing high consumer savings rates.

The old adage that the market climbs a wall of worries is evident this quarter. Massive wildfires in the West have burned millions of acres and seriously affected agriculture, in particular, the wine industry in California and forced thousands to flee from their homes.

We are experiencing a major Atlantic and Gulf of Mexico hurricane season. Hurricanes have flooded much of the Gulf coast and caused billions of dollars in damage. We are far from over in this hurricane season.

On the political scene, we had a very contentious first Presidential Debate. A new round of stimulus relief has stalled. The upcoming Supreme Court nomination will also be contentious leading into the November 3 elections.

With all the market volatility, we believe consistent investing in dividend growth stocks providing increasing income is the favorable way to grow your assets. Good companies pay dividends, but we believe great companies grow their dividends.

Please follow us on LinkedIn for timely updates on the markets and the economy. Please stay safe and vote.

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The NASDAQ 100 Index includes 100 of the largest domestic and international non-financial companies listed on the NASDAQ Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. The S&P 500 refers to the Standard and Poor's 500 Index which is a capitalization weighted index of 500 leading companies and covers approximately 80% of available market capitalization. The Dow Jones Industrial Average Index consists of 30 U.S. blue-chip stocks covering all major sectors except utilities and transportation. The Wall Street Journal (WJS) Dollar Index measures the value of the U.S. dollar relative to 16 foreign currencies. The Index is weighted using data provided by the Bank for International Settlements on total foreign exchange trading volume. The index rises when the U.S. dollar gains value against the other currencies and falls when the U.S. dollar loses value against the currencies. Individuals cannot invest directly in any Index.

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DIVIDEND ASSETS CAPITAL, LLC is a privately held registered investment advisor located in the Low Country of coastal South Carolina. We were founded in 2003 by several investment professionals each sharing the desire to provide clients with a sound investment philosophy using energy related Master Limited Partnerships (MLPs) and dividend growth equities. From its humble beginnings of five employees, the firm now includes a staff of fourteen. DAC-20-103



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