

# Dividend Assets Capital

DIVIDEND ASSETS CAPITAL – INVESTMENT STRATEGIES FOR RISING INCOME & GROWTH

## Quarterly Commentary June 30, 2021

Dear Valued Client:

The markets rose to all-time highs in the second quarter across almost all markets as reflected here:

S&P 500	+8.95%
Dow Jones Industrials	+4.81%
NASDAQ 100	+13.07%
S&P GSCI Commodities	+15.34%
WTI Crude Oil	+27.29%
Gold	+3.41%

Vaccinations for COVID-19 increased strongly throughout the quarter, allowing many states to reopen their economies and renew confidence that the economy would rebound significantly. As companies reported first quarter earnings, the majority of them beat estimates.

In May, inflation surprised to the upside, hitting multi-decade highs. The jobs report was also disappointing although the number of job openings was very healthy. However, it was surprising that 55+ year-olds are leaving the work force just as quickly as the 25-54 year-olds are coming back.

We have all seen the price of gasoline at the pump increase dramatically. We assume that the main reason is the increase in oil prices. Another factor is transportation costs. We have a shortage of truck drivers as we recover from the pandemic. Digging deeper, we find the average age of truck drivers in the US is age 55. This is the cohort that is leaving the labor force as mentioned previously. For regular updates on energy, we publish our Energy Monthly which can be found on our website at [dacapitalsc.com](http://dacapitalsc.com). At our website, you will also find our views on Space, Blockchain, Robotics and Cybersecurity, among others. We update our views periodically, so please check out our website.

Every day we review a myriad of data sets that can be statistically significant. It doesn't take a lot of variables to make a very complex environment.

To illustrate this point, retrieve a used deck of cards at home. Lay the cards out sequentially on a table. This sequence is entirely unique and has never occurred in history. From researchers at McGill University: "There are more ways to arrange a deck of cards than there are atoms on Earth. The exact number of combinations: 8 followed by 67 zeroes." The McGill researchers recommend seven full shuffles, at which time you are holding a sequence that has never existed and will never exist again.

To summarize, while there has been material progress against the pandemic with state economies reopening, risks still remain. Supply chains have not been fully restored and inflation is here.

We understand the risks facing both the economy and the markets. We are committed to helping you navigate the investment environment. It is important that you stay invested, remain patient, and stick to your long-range plan. We have worked with you to establish a unique, personal allocation based on your financial position, risk tolerance and investment timeline.

Please do not hesitate to contact us with any questions, comments, or to schedule a portfolio review.

Sincerely,

Your DAC Investment Team



Troy Shaver, Jr.  
CEO

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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-21-057



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