

D E A R B O R N

P A R T N E R S

On February 7, 2019, after only two quarters, Union Pacific Corporation (UNP) announced another dividend increase to \$0.88 per share (\$3.52 annually). This dividend increase is 10% more than the quarterly cash dividend per share of \$0.80 (\$3.20 annually) announced on July 26, 2018, but it is 20.6% more than the \$0.73 (\$2.92 annually) paid a year earlier. This just-announced cash dividend will be paid on March 29, 2019 to holders of record of Union Pacific's common stock as of February 28, 2019. Union Pacific paid \$0.075 for 13 consecutive quarters from January 2004 to January 2007. Since then, the company has increased its dividend 16 times, and this is its fourth dividend increase in the past six quarters.

From the press release: "The dividend increase and new share repurchase authorization (enabling the Company to buy up to 150 million of its common shares by March 31, 2022) are consistent with financial guidance we provided at our investor conference last year, including maintaining a dividend payout ratio between 40 and 45 percent and repurchasing approximately \$20 billion of shares between 2018 and 2020," said Rob Knight, Union Pacific chief financial officer. "These actions demonstrate our confidence in Union Pacific's ability to continue growing cash returns for our shareholders."

Union Pacific Railroad is the principal operating company of Union Pacific Corporation. One of America's most recognized companies, Union Pacific Railroad connects 23 states in the western two-thirds of the country by rail, providing a critical link in the global supply chain. The railroad's diversified business mix is classified into its Agricultural Products, Energy, Industrial and Premium business groups. Union Pacific serves many of the fastest-growing U.S. population centers, operates from all major West Coast and Gulf Coast ports to eastern gateways, connects with Canada's rail systems and is the only railroad serving all six major Mexico gateways. Union Pacific provides value to its roughly 10,000 customers by delivering products in a safe, reliable, fuel-efficient and environmentally responsible manner.

Union Pacific has paid dividends on its common stock for 120 consecutive years.

Union Pacific Corp. is in the Industrials sector of our Dearborn Partners Core Rising Dividend separately managed account (SMA) portfolio. So far this year, nine of the 49 companies in this portfolio have announced nine dividend increases. The average of these dividend increases is about 9% more than these companies paid a year earlier.

Thank you for your interest in our Dearborn Partners Rising Dividend Strategy.

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