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For Current Dearborn Partners Rising Dividend Strategy Investors Only

Another Dearborn Partners Core Rising Dividend SMA Portfolio Increase: Watsco, Inc.

On February 11, 2021, Watsco, Inc. announced a 9.9% increase in its quarterly dividend per share to \$1.95 (\$7.80 annually) from \$1.775 (\$7.10 annually). The increase will be reflected in the Company's next regular dividend payment beginning in April 2021. This is the 47th consecutive annual increase in the dividend paid by Watsco, Inc.

From the Press Release: Albert H. Nahmad, Watsco's Chairman & CEO stated: "Our performance in 2020 resulted in record cash flow and debt-reduction. As a result, we are pleased to raise our dividend 10% to \$7.80 per share effective April 2021. Watsco is debt-free and capable of investing in almost any-sized opportunity to grow our network and leadership position in the estimated \$40 billion North American HVAC distribution industry. The Company's philosophy is to share increasing amounts of cash flow through higher dividends while maintaining a conservative balance sheet with continued capacity to build its distribution network. Future changes in dividends are considered in light of investment opportunities, cash flow, general economic conditions and Watsco's overall financial condition."

Watsco is the largest distribution network for heating, air conditioning and refrigeration (HVAC/R) products with locations in the United States, Canada, Mexico and Puerto Rico, and on an export basis to Latin America and the Caribbean. Watsco estimates that over 300,000 contractors and technicians visit or call one of its 600 locations each year to get information, obtain technical support and buy products. HVAC/R products provide comfort to homes and businesses regardless of the outdoor climate. Older systems often operate below today's government mandated energy efficiency and environmental standards. Watsco has an opportunity to accelerate the replacement of these systems at a scale greater than its competitors as the movement toward reducing energy consumption and its environmental impact continues. This is especially important since heating and cooling accounts for approximately half of the energy consumed in a typical U.S. home.

Watsco, Inc. is in the Industrials sector of our Dearborn Partners Core Rising Dividend separately managed account (SMA) portfolio. So far this year, 9 of 49 companies in our Core Rising Dividend portfolio have announced 9 dividend increases averaging about 12.9% more than these companies paid a year earlier. No companies in this portfolio have reduced or suspended dividends so far this year.

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

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