

## Fidelity Connects

### Factor Investing: Focus on inflation

**Himesh Patel**, ETF Strategist

**Kelly Roberts**, Host

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**Kelly Roberts:** Absolutely. Okay, high dividend, dividends for rising rate.

**Himesh Patel:** Also very positive here. Dividend strategies didn't do as well over the last 12 months in 2020 because of the nature of the global lockdowns and the shutdowns. The market really punished these types of companies because they were expecting a lot of dividend cuts and suspensions. We did actually see a lot of cuts and suspensions last year. Performance was fairly negative across the board from a dividend strategy perspective. I think now we're kind of out of the woods. So from a yield perspective, if you're looking at increasing the yield of your portfolio, especially for those retiring or ageing investors, these are a great way to get that additional yield. There's also a tailwind because dividend strategies also have a little bit of that cyclical tilt. Financials, energy stocks still that sort of reopening play with valuations still relatively cheap to the market as well. I'm still really positive on dividends from here and I think really it's about getting that additional yield for investors.

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