







JANUS HENDERSON GLOBAL DIVIDEND INDEX

Janus Henderson
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Introduction

Janus Henderson is an asset manager investing in global equity markets on behalf of its clients throughout the world for over 80 years.

What is the Janus Henderson Global Dividend Index?

The Janus Henderson Global Dividend Index (JHGDII) is a long-term study into global dividend trends. It measures the progress global firms are making in paying their investors an income on their capital using 2009 as a base year – index value 100. The index is calculated in U.S. dollars and can be broken down into regions, industries and sectors. It enables readers to easily compare the dividend performance of countries like the U.S., which provides a large proportion of global dividends, with smaller nations, such as the Netherlands.

The report aims to help readers better understand the world of income investing.



Global dividends end year on a high note

Strong payout growth in the fourth quarter continued to defy market volatility

- ▶ Global dividends increased 9.3% in the fourth quarter on a headline basis thanks in part to continued improvements in banking, mining and oil payouts.
- ▶ Nine in 10 countries saw steady or increasing dividends, with Canada, Japan, Russia and the U.S. leading the way.
- ▶ All told, global companies paid out \$1.37 trillion in dividends in 2018, \$10 billion ahead of our forecast. Dividends should stay stable in 2019, but the pace of growth will likely subside.

Benjamin Graham's observation that the market is a voting machine in the short term but a weighing machine in the long run says a little bit about the disconnect between equity performance and dividend growth in the fourth quarter of 2018.

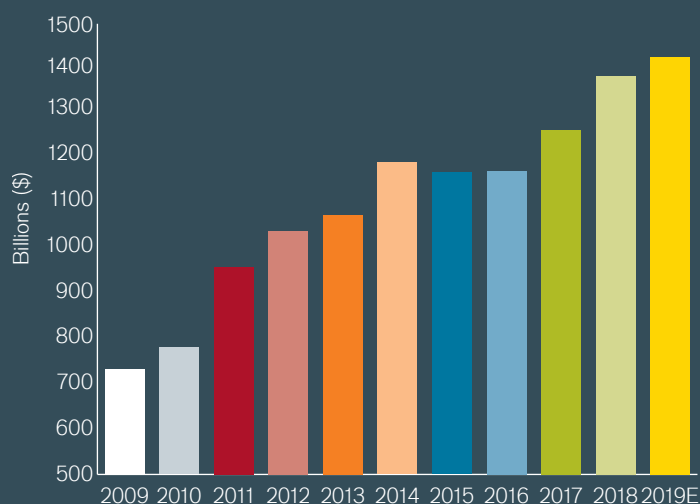
While most global markets suffered losses in the final stretch of the year, the Janus Henderson Global Dividend Index increased 9.3% on a headline basis, which is based on U.S. dollar payouts in relation to the same period last year. Underlying dividend growth, which accounts for any currency changes and special dividends, surged 8.5% year-over-year in the fourth quarter.

As was the case throughout 2018, North American countries continued to raise their payouts. In the fourth quarter, dividends rose 8.1%, driving annual payouts past \$500 billion for the first time. Only one in 25 U.S. companies tracked by the index reduced its dividend, with General Electric's cut making a significant impact. Canada was also a major contributor, with an 11.8% improvement on underlying terms and just one out of 40 companies reducing its dividend.

Relative to other regions, Europe's dividend growth lagged. Even so, underlying payouts improved 5.4% in the fourth quarter, thanks largely to significant increases coming out of Germany. Meanwhile, strong profits and improving payout ratios in Japan paved the way for record payouts, which increased 10.6% last quarter.

Although overall dividend growth was relatively widespread – both on a sector and country basis – last quarter's exceptional growth was due in part to the continued normalization of payouts for banking, mining and oil. This is the primary reason emerging markets – led by a 44% increase in Russia – posted double-digit dividend growth last quarter.

Global dividends (US\$)



Outlook

Following significant gains of 2018, the current year may shape up to be a little more ordinary. We expect dividend growth, while still healthy, to move toward the long-term trend with a 5.1% improvement in underlying growth in 2019. Headline growth is on pace to increase 3.3% as the strength of the dollar is reflected in results.

It is important for investors to distinguish between slower growth in payouts and dividend cuts. Even when market volatility reflects investor angst, dividends tend to follow a steadier trajectory.

Putting next year's outlook into perspective: The world's companies are set to pay their shareholders more than \$1.4 trillion in dividends in 2019 – double what they distributed a decade ago.

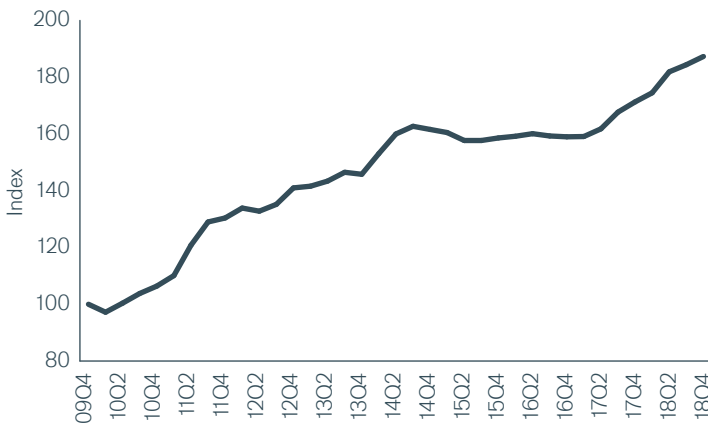


Ben Lofthouse, CFA
Head of Global Equity Income
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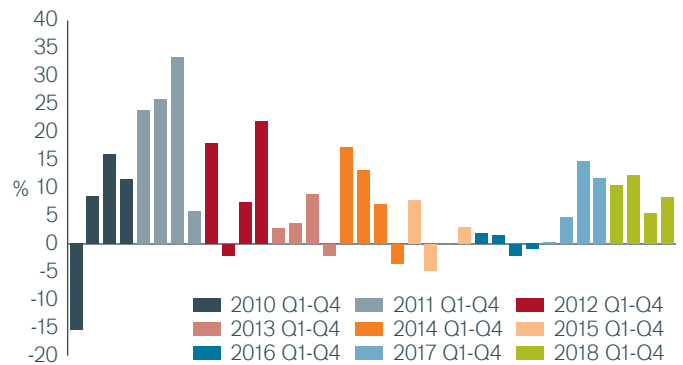


Global dividends shrug off market volatility to end 2018 at a record high

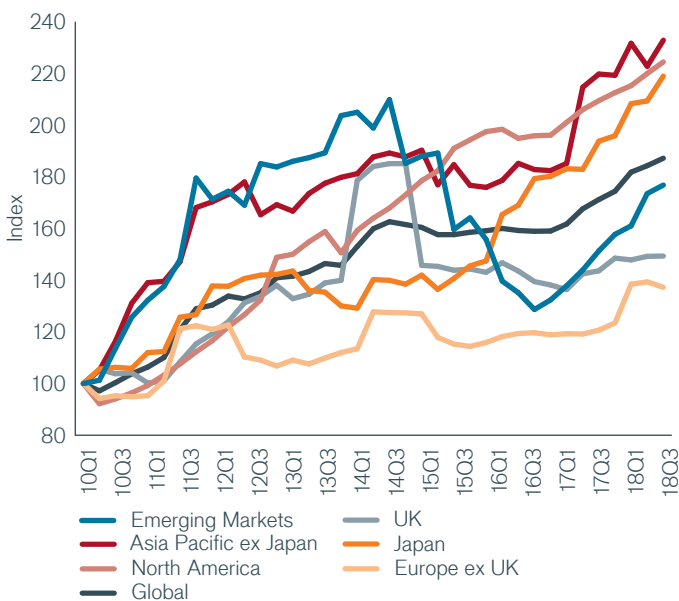
JHGD



Total dividends, annual growth per quarter



JHGD – by region



Annual dividends by region (US\$ billions)

Region	2015	% change	2016	% change	2017	% change	2018	% change	Q4 2017	Q4 2018	% change
Emerging Markets	112.20	-11.4%	87.93	-21.6%	103.44	17.6%	120.88	16.9%	16.24	18.47	13.8%
Europe ex UK	213.41	-10.1%	223.22	4.6%	225.11	0.8%	256.10	13.8%	23.58	19.69	-16.5%
Japan	52.56	5.2%	64.73	23.2%	70.00	8.1%	79.08	13.0%	29.22	32.69	11.9%
North America	441.18	12.3%	445.00	0.9%	475.71	6.9%	509.86	7.2%	118.80	129.12	8.7%
Asia Pacific	113.81	-5.9%	117.78	3.5%	141.55	20.2%	149.99	6.0%	20.37	26.85	31.8%
UK	96.17	-22.0%	92.95	-3.3%	95.70	3.0%	99.50	4.0%	15.37	15.38	0.1%
Total	1029.34	-2.1%	1031.63	0.2%	1111.51	7.7%	1215.40	9.3%	223.58	242.21	8.3%
Divs outside top 1,200	130.60	0.2%	130.89	0.2%	141.02	7.7%	154.20	9.3%	28.37	30.73	8.3%
Grand Total	1159.93	-1.8%	1162.51	0.2%	1252.53	7.7%	1369.61	9.3%	251.95	272.94	8.3%



Headline and underlying growth were similar at the global level, but differed markedly in some regions

Our headline growth rate describes the change in the value of dividends paid around the world, expressed in U.S. dollars. We calculate an underlying growth rate to reveal the core trends. This removes the effect of exchange rates, special dividends (which tend to be one-offs), changes in the constituents of our index and the impact of companies changing their dividend calendar.

The U.S. dollar spent the first half of the year weaker against many other currencies compared to the same period in 2017, especially the euro. That meant that the U.S. dollar value of global dividends was boosted by \$23 billion in H1, two-thirds of this coming from Europe and equivalent to 3.4 percentage points on the H1 growth rate. As the dollar strengthened through the remainder of the year, however, dividends were translated at increasingly less favorable exchange rates. The net effect was a small exchange-rate gain for the full year, equivalent to 1.0 percentage points.

Exchange rates can have a large impact in any given quarter or even any given year, but over the longer term, the effect is negligible: exchange rates have only accounted for 0.9 percentage points out of the 87.3% growth in dividends since 2009. As we move into 2019, the dollar starts the year higher than 12 months ago, creating an exchange-rate headwind in H1.

As you would expect, index changes were negligible at the global level over the course of the year, though naturally their impact varied by country and by region. Calendar effects also tend to net off over the course of 12 months, and 2018 was no exception. One-off special dividends were also almost unchanged year-on-year at the global level, though they were markedly lower in the UK and Asia Pacific, so underlying growth there was higher once we adjusted for them.

Full year 2018 annual growth rate – adjustments from underlying to headline growth						
Region	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects [†]	Headline dividend growth
Emerging Markets	15.9%	-0.3%	-3.0%	4.20%	0.00%	16.90%
Europe ex UK	5.4%	0.5%	6.4%	0.60%	0.80%	13.80%
Japan	10.5%	2.0%	0.6%	-0.10%	0.00%	13.00%
North America	8.1%	1.2%	0.0%	-2.20%	0.10%	7.20%
Asia Pacific ex Japan	8.0%	-3.2%	-1.6%	2.70%	0.00%	6.00%
UK	8.8%	-4.9%	1.5%	-1.40%	0.00%	4.00%
Global	8.5%	-0.1%	1.0%	-0.20%	0.20%	9.30%

Q4 2018 annual growth rate – adjustments from underlying to headline growth						
Region	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects [†]	Headline dividend growth
Emerging Markets	22.5%	-7.8%	-9.2%	6.50%	1.80%	13.80%
Europe ex UK	-4.2%	-4.6%	-2.5%	-2.70%	-2.50%	-16.50%
Japan	9.2%	3.4%	-1.1%	0.40%	0.00%	11.90%
North America	8.4%	2.0%	-0.3%	-1.80%	0.30%	8.70%
Asia Pacific ex Japan	10.9%	19.1%	-4.9%	3.90%	2.70%	31.80%
UK	1.9%	-0.6%	-1.2%	-7.30%	7.30%	0.10%
Global	8.0%	2.2%	-1.8%	-0.90%	0.80%	8.30%

[†] Timing effects are not significant on an annual basis.



Executive Summary – By Region

Overview

- Global dividends rose to a record \$1.37 trillion, up 9.3% on a headline basis
- Underlying growth, our core measure, was 8.5%, the best performance since 2015 and faster than the long-term trend
- Nine in 10 companies globally increased dividends or held them flat
- Janus Henderson Global Dividend Index rose to a record 187.3

North America

- Record payouts of \$509.9 billion were up 8.1%, breaking the half-trillion barrier for the first time
- U.S. growth was 7.8% in underlying terms, with a strong contribution from banks, health care and technology
- Only one in 25 U.S. companies cut its dividend
- Canadian payouts rose 11.8% in underlying terms to a new record, the fastest among major economies
- Only one Canadian company in 40 cut its payout

GLOBAL DIVIDENDS ROSE
9.3% IN Q4 TO A RECORD

\$1.37 trillion

UNDERLYING GROWTH
WAS 8.5%, THE

**best performance
since 2015**

Europe ex UK

- Growth in Europe lagged the global average on an underlying basis in 2018, up 5.4% to \$256.1 billion
- Headline growth was 13.8% owing to positive exchange-rate effects
- Germany and the Netherlands stood out, but payouts in Belgium fell
- Nine-tenths of European companies raised dividends or held them flat, with consumer discretionary, financials and industrial sectors performing most strongly

UK

- UK payouts rose 4.0% on a headline basis to \$99.5 billion, held back by lower special dividends, although underlying growth was slightly ahead of the global average at 8.8%
- Mining companies, banks and the enlarged British American Tobacco made the largest contribution to growth



Executive Summary – By Region (continued)

Asia Pacific ex Japan

- Record dividends of \$150.0 billion were 8.0% higher in underlying terms, in line with the global average
- Australian dividends inched ahead just 0.9% with more companies seeing lower payouts than elsewhere in the region
- Singapore and South Korea stood out for their strong contribution to growth
- The total paid in Hong Kong fell slightly owing to lower special dividends, but underlying growth was strong

Japan

- Japanese dividends broke a new record in 2018 at \$79.1 billion, up 10.6% on an underlying basis
- Strong profits and rising payout ratios have seen Japanese dividend growth improve markedly over the last three years

Emerging Markets

- Emerging market dividends reached their highest level since 2014, up 15.9% in underlying terms to \$120.9 billion
- Russia made the largest contribution to growth and reached a new record, thanks in particular to rising oil payouts
- Chinese dividends also rose strongly

Industries & Sectors

- Mining dividends rose fastest, in particular in Australia, Russia and the UK
- Financials distributed the most in dividends, and payouts rose 11.7% on an underlying basis, well ahead of the global average
- Telecoms, meanwhile, saw declines, with payouts flat or down in half the countries in our index

Outlook

- Underlying growth is likely to slow slightly toward the long-term trend in 2019
- We forecast underlying growth of 5.1% in 2019, which is equivalent to headline growth of 3.3% once the current strength of the dollar is factored in
- We expect global dividends to reach \$1.414 trillion

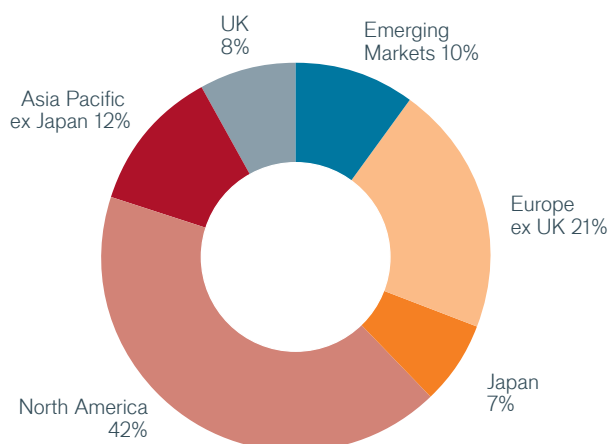
EMERGING MARKETS,
JAPAN AND NORTH AMERICA
performed strongly;
EUROPE LAGGED BEHIND

**Nine in 10
companies**
GLOBALLY INCREASED
DIVIDENDS OR HELD
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Regions and Countries

Dividends by region – 2018



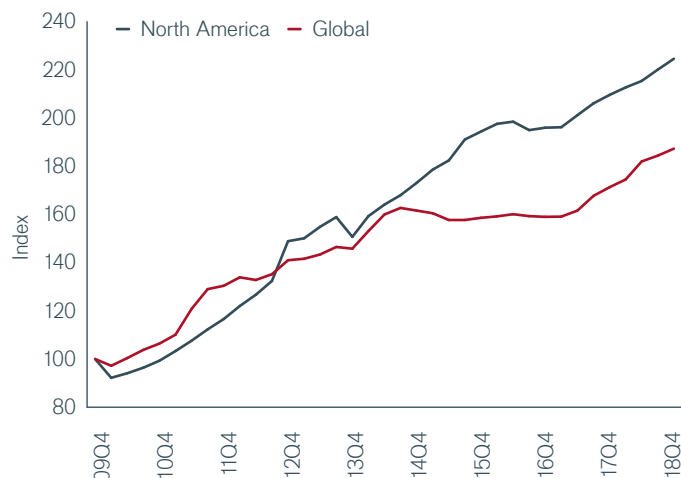
North America

North American dividends set a new record in 2018, rising to \$509.9 billion, an increase of 8.1% on an underlying basis, and breaking the half-trillion barrier for the first time. Both the U.S. and Canada delivered record payouts.

U.S. dividends of \$468.9 billion were 7.0% higher in headline terms. Underlying growth was 7.8% and was consistent across each quarter.

The biggest contribution to growth came from U.S. banks, which distributed an additional \$5.9 billion. JPMorgan overtook Wells Fargo to become the largest payer of banking dividends, though Bank of America made the biggest increase, paying an additional \$1.5 billion year-on-year. Health care and technology companies each added over \$3 billion, led respectively by AbbVie, which referenced strong drug sales and tax cuts as reasons for its 50% increase, and Broadcom. Only one in 25 U.S. companies reduced its dividend, with the cut from General Electric making a significant impact. In Canada, dividends jumped 11.8% on an underlying basis and totaled a record \$41.0 billion, the fastest underlying growth among major developed economies. Like its neighbor, growth was consistently high in every quarter, and only one in 40 companies cut its payout. Canadian oil companies made the largest contribution to growth, followed closely by the banks. Nine of the top 10 contributors to the increase in Canadian dividends were from these two sectors.

JHGDI – North America



Europe ex UK

European dividends reached a record \$256.1 billion in 2018, boosted by the strength of the euro during the crucial Q2 seasonal peak in dividends. The headline increase was 13.8%, but this became just 5.4% once the exchange rate and other smaller factors were taken into account. European growth lagged the global average, held back in particular by slow growth in Switzerland and lower payouts in Belgium. Many other countries performed well.

France is Europe's largest dividend payer and payouts of \$63.1 billion were up 7.5% on an underlying basis. The headline figure was technically a record, but it was flattered by the strong euro in Q2 and calendar effects as Total shifted payments around. Special dividends were also higher. Even so, it was a decent performance. Nine in 10 French companies in our index increased their dividends in 2018, although EDF's payout was cut again as it underwent restructuring to save costs.

Germany's performance really stood out. Between 2009 and 2017, growth in German dividends lagged the global average significantly. In 2018, by contrast, they leapt by a quarter on a headline basis to a record \$47.5 billion. The exchange-rate effect was especially large in Germany, adding 9.4 percentage points to the headline growth rate. Special dividends made a big contribution, too. Underlying growth was a more modest 9.1%, but this was nonetheless an excellent result, reflecting strong profits across German industry. Daimler, BMW, SAP, Volkswagen and E.ON SE accounted for half the growth in German dividends. Only one company in our index, Deutsche Bank, cut its payout to \$0.11 per share from \$0.75 three years ago as it continued to struggle with ongoing restructuring and a weak balance sheet. Germany jumped ahead of Switzerland in the rankings of the world's largest payers last year.



Regions and Countries (continued)

For their part, Swiss companies continued their slow but steady progress. The \$40.1 billion total broke a new record but was only 1.3% higher on an underlying basis than 2017. Novartis, Nestlé and Roche pay half of Switzerland's dividends. Each of them showed steady growth, but a big cut from Credit Suisse (the only company in our index in Switzerland to reduce its dividend) made an impact on the Swiss total.

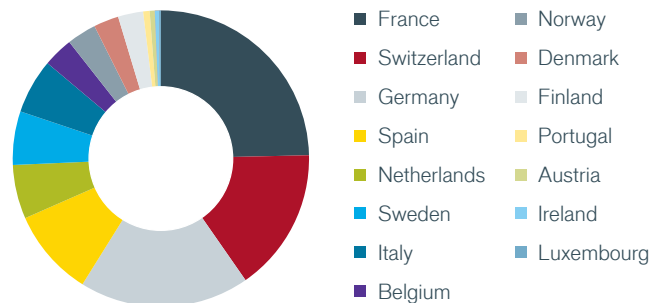
In Spain, dividends were 7.1% higher on an underlying basis, reaching a total of \$24.4 billion. Spain's biggest payer, Banco Santander, made a 5% increase, but a number of companies achieved double-digit rises. Telefónica stood out for holding its dividend flat, and only BBVA reduced its payout year-on-year.

Italian dividends have risen by only around 8% since 2009 once we adjust for companies leaving the index, putting it near the bottom of the global rankings. 2018 was a much better year. Total dividends of \$15.3 billion were up 13.2% in underlying terms as nine out of 10 Italian companies raised their payouts or held them steady. UniCredit restored its dividend after canceling it in 2017, making the largest contribution to growth, but Enel Spa and Intesa San Paolo did very well, too.

Dutch payouts reached a new record of \$15.1 billion, up 9.8% on an underlying basis thanks in particular to ABN AMRO and Akzo Nobel, which both made very large increases. Dividends fell year-on-year in Belgium, however, after global brewing giant Anheuser-Busch halved its interim dividend to preserve cash following its acquisition of SABMiller, reducing Europe's underlying growth rate by 0.6 percentage points.

Overall, more than nine-tenths of European companies increased their dividends or held them steady. Discretionary consumer stocks, financials and industrials across Europe saw the highest increases overall.

JHGDI – Europe ex UK

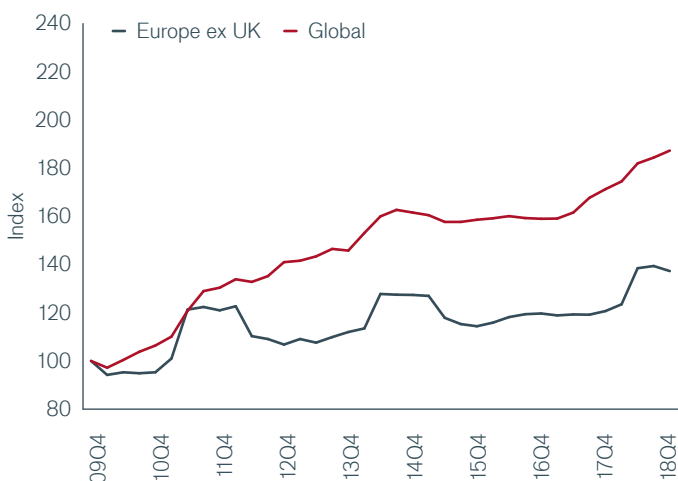


UK

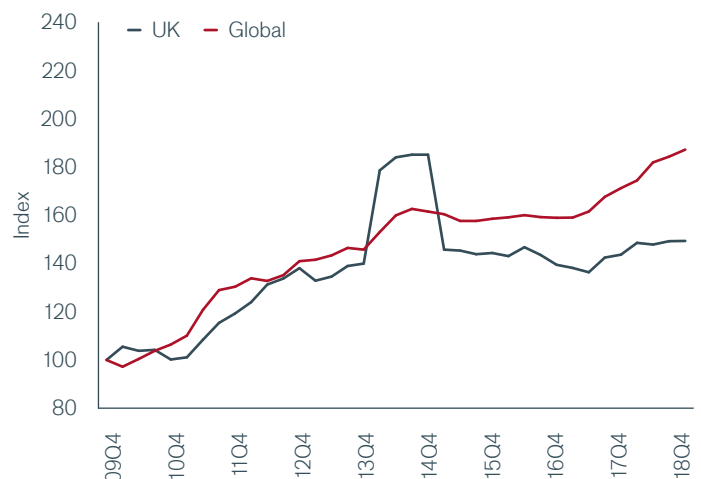
Dividends from UK companies in the index rose 4.0% to \$99.5 billion. Special dividends were lower year-on-year, which held back the headline increase, but underlying growth was a decent 8.8%. Mining companies were the biggest contributors to growth, distributing an additional \$4.8 billion between them, an increase of two-thirds year-on-year. This was the second year of strong growth from the sector following the cuts made in 2016 on the back of lower commodity prices. British American Tobacco made the single largest contribution to the UK increase. It paid an extra \$1.2 billion in its first full year since it took over Reynolds American, pushing it into the top 30 global payers. Elsewhere in the UK, the banking sector performed strongly as Royal Bank of Scotland paid its first dividend in 10 years while Standard Chartered made its first payout since 2015.

In the oil sector, much stronger cash flow following cost cutting and a higher oil price meant BP was able to make its first, albeit small, dividend increase since 2014. Shell held its dividend flat but also launched a \$25 billion buyback program, equivalent to about a tenth of the shares in issue.

JHGDI – Europe ex UK



JHGDI – UK





Regions and Countries (continued)

Asia Pacific ex Japan

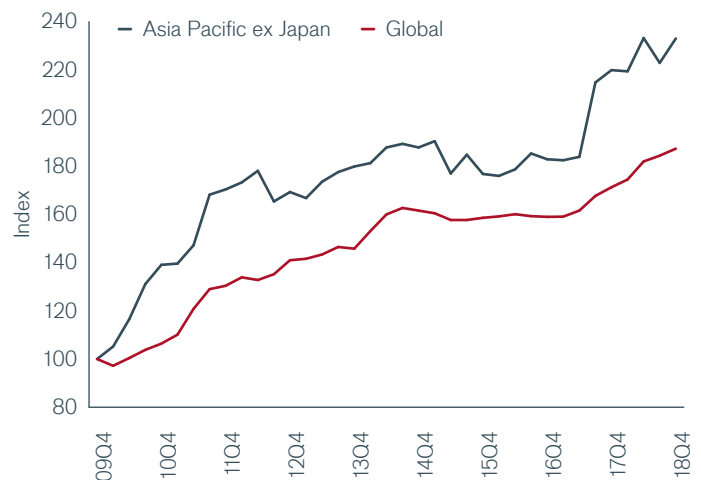
Dividend growth in Asia Pacific was in line with the global average on an underlying basis, though lower special dividends in Hong Kong held headline growth back. Nonetheless, the total paid rose to a new record of \$150.0 billion, an increase of 8.0% in underlying terms. Australia, the largest contributor to dividends in the region, dragged growth lower for Asia Pacific, contrasting with Singapore and South Korea, which both performed strongly. A little under nine companies in 10 increased dividends or held them flat, with the fastest growth coming from consumer sectors.

Australian payouts inched ahead just 0.9% year-on-year on an underlying basis, the weakest level among the world's major developed stock markets. Australian banks account for almost half the country's total dividends, and weak profitability, combined with already high payout ratios, means it is difficult for them to increase their dividends. Almost a quarter of Australian companies cut their dividends, although in most cases they only made very small reductions. Telstra's cut, however, was large, slashing the total paid to shareholders by US\$1.3 billion in a bid to preserve cash and protect its balance sheet. This was Telstra's first cut in 20 years. QBE Insurance also made a steep cut following poor results. Mining companies, by contrast, distributed a collective \$1.6 billion more to their shareholders.

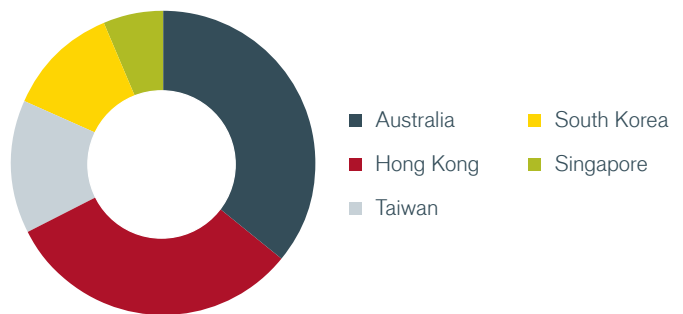
Hong Kong is the second-largest payer in Asia Pacific. The total paid there fell slightly to \$47.8 billion, although this was mainly due to much lower special dividends. Underlying growth was a decent 9.8%, with oil company CNOOC making a large increase, in line with many oil companies around the world. The real estate sector put in a strong showing, too. Taiwanese payouts, meanwhile, rose to a new record, thanks largely to Taiwan Semiconductor.

Singapore's \$9.5 billion total was boosted by large special dividends, especially from banking group DBS, which was able to release surplus capital from its balance sheet as well as pay a large regular dividend. That helped push underlying growth to 36.2%, and no company in our Singapore index cut its payout. In South Korea, Samsung Electronics made the largest dividend increase in the world in 2018 (if we disregard one-off specials elsewhere), distributing \$2.8 billion more to its shareholders, up by half year-on-year. Samsung now accounts for half the South Korean total and was the 11th-largest payer in the world in 2018, entering the top 20 for the first time. In 2014, it did not even appear in the top 100.

JHGDI – Asia Pacific ex Japan



Asia Pacific ex Japan – 2018



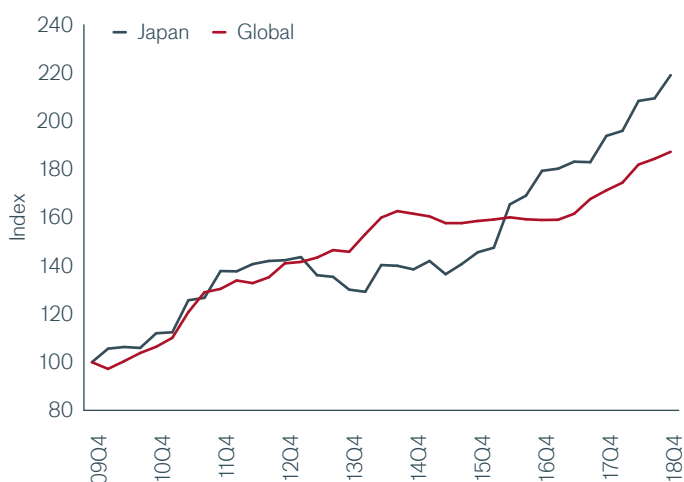


Regions and Countries (continued)

Japan

Japanese dividends grew strongly in 2018, rising 10.6% on an underlying basis, second only to Canada among the world's large, developed equity markets. Its \$79.1 billion total was 13.0% higher on a headline basis and broke a new record. Decent profit growth and a rapidly developing dividend-paying culture have seen dividends rise significantly in the last three years, increasing more than three times faster than the rest of the world. Among the larger payers, Mitsubishi Corp. raised its dividend by almost a third while cash-rich NTT Docomo made the single largest contribution to the growth. Tokyo Electron and Nippon Telegraph also made significant contributions, while only one Japanese company in 30 cut its dividend.

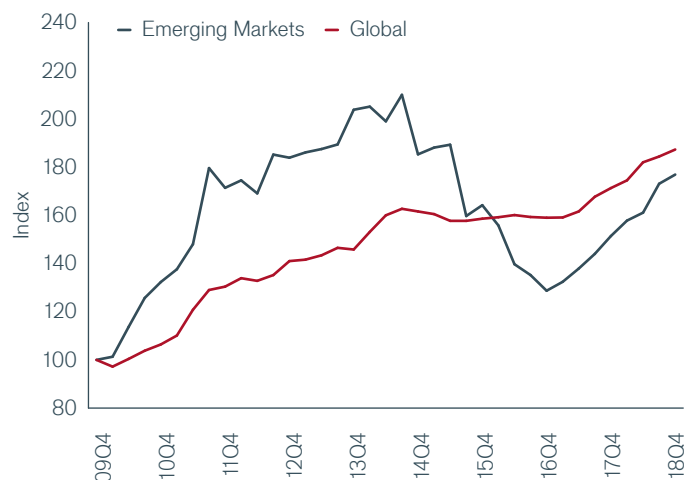
JHGDI – Japan



single increase coming from Sinopec, where rising refining margins and an improving sales mix meant \$980 million more in dividends for shareholders. At the sector level, banks and insurance companies accounted for most of the growth. Ping An Insurance, for example, doubled its dividend, paying out a larger share of sharply higher profits.

Brazilian payouts jumped 22.7% on an underlying basis, though headline growth was markedly lower due to the sharp devaluation of the real. All in all, a quarter of Brazilian companies cut payouts, testament to the weakness of the economy. Among the other large emerging markets, Indian and South African dividends were broadly flat on an underlying basis.

JHGDI – Emerging Markets



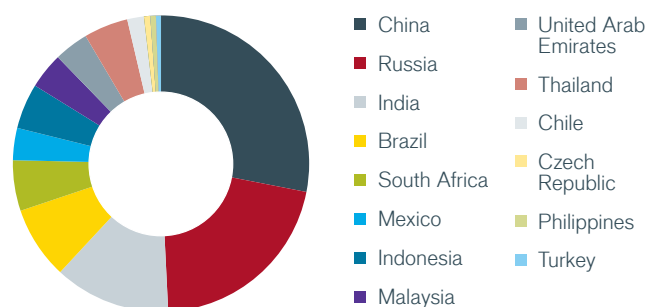
Emerging Markets

After a weak first quarter, emerging market dividends bounced back strongly over the rest of the year. For the whole of 2018, they jumped 15.9% in underlying terms. The total \$120.9 billion paid was the highest since 2014.

Russian payouts accounted for two-fifths of the \$17.7 billion increase and were characteristically volatile, soaring 44.1% on an underlying basis to a comfortable record of \$25.1 billion. The largest increase came from Sberbank, whose dividend doubled owing to a higher payout ratio and excellent profit growth, while higher oil prices resulted in big hikes from Tatneft and Rosneft following trends from energy companies elsewhere in the world.

Chinese dividends comprise a quarter of the emerging market total and at \$33.3 billion were 14.0% higher on an underlying basis once lower special dividends were taken into account. Nine-tenths of Chinese companies raised or held their payouts, with the largest

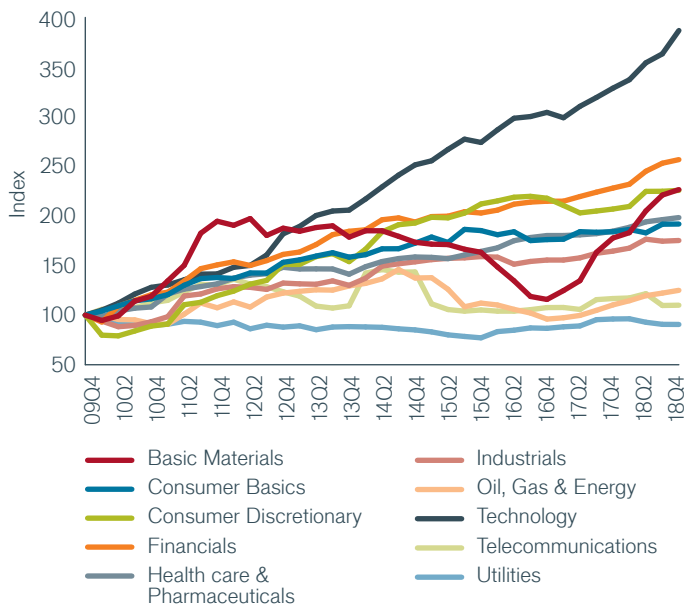
Emerging Market Dividends – 2018





Industries and Sectors

JHGGI – Total Dividends by Industry



The mining sector exhibited the fastest growth in 2018, helped by dividends in Australia, Russia and the UK as companies restored payouts. Financials, of which banks are the largest group, paid the most dividends around the world, and growth of 11.7% on an underlying basis beat the global average. Higher oil prices over most of 2018 meant oil dividends surged 15.4%. The telecoms sector stood out as the weakest, with payouts flat or down in half the countries in our index.



Top Payers

World's biggest dividend payers

Rank	2012	2013	2014	2015	2016	2017	2018
1	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Vodafone Group plc	Exxon Mobil Corp.	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Royal Dutch Shell Plc
2	PetroChina Co. Ltd.	Exxon Mobil Corp.	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Exxon Mobil Corp.	China Mobile Limited	Apple Inc
3	Vodafone Group plc	Apple Inc	China Construction Bank Corp.	China Construction Bank Corp.	Apple Inc	Exxon Mobil Corp.	Exxon Mobil Corp.
4	AT&T, Inc.	China Construction Bank Corp.	Exxon Mobil Corp.	Apple Inc	AT&T, Inc.	Apple Inc	Microsoft Corporation
5	Exxon Mobil Corp.	PetroChina Co. Ltd.	Apple Inc	Kraft Foods Group, Inc	Microsoft Corporation	Microsoft Corporation	AT&T, Inc.
6	HSBC Holdings plc	AT&T, Inc.	PetroChina Co. Ltd.	Microsoft Corporation	HSBC Holdings plc	AT&T, Inc.	China Construction Bank Corp.
7	China Construction Bank Corp.	China Mobile Limited	AT&T, Inc.	AT&T, Inc.	China Construction Bank Corp.	HSBC Holdings plc	HSBC Holdings plc
8	China Mobile Limited	HSBC Holdings plc	Microsoft Corporation	HSBC Holdings plc	Verizon Communications Inc	China Construction Bank Corp.	Verizon Communications Inc
9	Commonwealth Bank of Australia	Banco Santander S.A.	Banco Santander S.A.	General Electric Co.	General Electric Co.	Verizon Communications Inc	Johnson & Johnson
10	Banco Santander S.A.	Westpac Banking Corp	HSBC Holdings plc	Verizon Communications Inc	Johnson & Johnson	Johnson & Johnson	China Mobile Limited
Subtotal \$B	\$95.0	\$95.0	\$124.6	\$106.8	\$109.6	\$120.5	\$118.1
% of Total	9.2%	9.2%	10.5%	9.2%	9.4%	9.6%	8.6%
11	Westpac Banking Corp	Microsoft Corporation	General Electric Co.	Johnson & Johnson	Chevron Corp.	General Electric Co.	Samsung Electronics
12	General Electric Co.	Commonwealth Bank of Australia	China Mobile Limited	Chevron Corp.	Commonwealth Bank of Australia	Chevron Corp.	Chevron Corp.
13	Total S.A.	General Electric Co.	Verizon Communications Inc	China Mobile Limited	Wells Fargo & Co.	Commonwealth Bank of Australia	JPMorgan Chase & Co.
14	Gazprom	Vodafone Group plc	Chevron Corp.	Wells Fargo & Co.	Nestle SA	BP plc	BP plc
15	Nestle SA	Chevron Corp.	Nestle SA	BP plc	BP plc	Pfizer Inc.	Commonwealth Bank of Australia
16	Microsoft Corporation	Total S.A.	Johnson & Johnson	Nestle SA	Pfizer Inc.	Wells Fargo & Co.	Pfizer Inc.
17	Chevron Corp.	Johnson & Johnson	Total S.A.	Novartis AG	Novartis AG	JPMorgan Chase & Co.	Wells Fargo & Co.
18	Ecopetrol SA	Nestle SA	Novartis AG	Procter & Gamble Co.	Procter & Gamble Co.	Novartis AG	Total S.A.
19	Novartis AG	BP plc	BP plc	Commonwealth Bank of Australia	China Mobile Limited	Nestle SA	Novartis AG
20	Wal-Mart Stores, Inc.	Pfizer Inc.	Wells Fargo & Co.	Pfizer Inc.	JPMorgan Chase & Co.	Procter & Gamble Co.	Nestle SA
Subtotal \$B	\$70.0	\$74.9	\$78.3	\$74.6	\$74.0	\$76.4	\$80.7
Grand Total \$B	\$165.0	\$173.2	\$202.9	\$181.4	\$183.6	\$196.9	\$198.8
% of Total	16.0%	16.2%	17.2%	15.6%	15.8%	15.7%	14.5%



Appendices

Methodology

Each year Janus Henderson analyzes dividends paid by the 1,200 largest firms by market capitalization (as of Dec. 31, before the start of the new year). Dividends are included in the model on the date they are paid. Dividends are calculated gross, using the share count prevailing on the pay date (this is an approximation because companies in practice fix the exchange rate a little before the pay date), and converted to USD using the prevailing exchange rate. Where a scrip dividend is offered, investors are assumed to opt 100% for cash. This will slightly overstate the cash paid out, but we believe this is the most proactive approach to treat scrip dividends. In most markets it makes no material difference, though in some, particularly European markets, the effect is greater. Spain is a particular case in point. The model takes no account of free floats since it is aiming to capture the dividend-paying capacity of the world's largest listed companies without regard for their shareholder base. We have estimated dividends for stocks outside the top 1,200 using the average value of these payments compared to the large-cap dividends over the five-year period (sourced from quoted yield data). This means they are estimated at a fixed proportion of 12.7% of total global dividends from the top 1,200, and therefore in our model grow at the same rate. This means we do not need to make unsubstantiated assumptions about the rate of growth of these smaller company dividends. All raw data was provided by Exchange Data International with analysis conducted by Janus Henderson Investors.

Glossary

Commodities – A raw material or primary agricultural product that can be bought and sold, such as copper or oil.

Equity dividend yields – A financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Free floats – A method by which the market capitalization of an index's underlying companies is calculated.

Government bond yields – The rate of return derived from government debt.

Headline dividends – The sum total of all dividends received.

Headline growth – Change in total gross dividends.

Percentage points – One percentage point equals 1/100.

Scrip dividend – An issue of additional shares to investors in proportion to the shares already held.

Special dividends – Typically, one-off payouts made by companies to shareholders that are declared to be separate from their regular dividend cycle.

Timing effects – Adjustments made to the index based upon if companies pay dividends in different quarters than they have in prior years.

Underlying dividend growth – Headline dividend growth adjusted for special dividends, change in currency, timing effects and index changes.

Underlying dividends – Headline dividends adjusted for special dividends, change in currency, timing effects and index changes.

Volatility – The rate and extent at which the price of a security or market index, for example, moves up and down. If the price swings up and down with large movements, it has high volatility. If the price moves more slowly and to a lesser extent, it has lower volatility. Used as a measure of risk.



Appendices (continued)

Annual dividends by country in (US\$ billions)								
Region	Country	2012	2013	2014	2015	2016	2017	2018
Emerging Markets	Brazil	\$18.1	\$16.3	\$16.8	\$10.8	\$6.5	\$8.0	\$9.4
	Chile	\$3.0	\$2.2	\$2.7	\$2.4	\$1.5	\$1.5	\$2.2
	China	\$30.2	\$35.6	\$38.4	\$32.8	\$28.4	\$30.3	\$33.3
	Colombia	\$7.0	\$5.9	\$5.7	\$4.0	\$0.0	\$0.3	\$1.3
	Czech Republic	\$1.2	\$1.5	\$1.0	\$0.9	\$0.9	\$0.8	\$0.8
	Egypt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Hungary	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	India	\$9.9	\$11.4	\$11.3	\$10.2	\$11.3	\$13.4	\$15.1
	Indonesia	\$4.3	\$4.6	\$3.4	\$3.6	\$3.9	\$4.8	\$5.9
	Malaysia	\$7.2	\$7.7	\$7.0	\$5.5	\$5.4	\$4.4	\$4.7
	Mexico	\$3.6	\$9.0	\$3.8	\$4.9	\$4.3	\$5.2	\$4.2
	Morocco	\$1.1	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Peru	\$0.4	\$0.3	\$0.2	\$0.2	\$0.0	\$0.8	\$0.4
	Philippines	\$0.9	\$1.2	\$1.2	\$1.5	\$1.1	\$0.6	\$0.7
	Poland	\$3.1	\$2.3	\$1.8	\$1.8	\$0.6	\$0.0	\$0.5
	Russia	\$17.3	\$21.1	\$18.3	\$14.5	\$9.7	\$18.1	\$25.1
	South Africa	\$11.2	\$9.9	\$8.6	\$7.8	\$5.4	\$6.2	\$6.5
	Thailand	\$4.7	\$5.9	\$5.0	\$4.7	\$3.2	\$4.1	\$5.7
	Turkey	\$2.1	\$3.3	\$1.3	\$3.1	\$0.7	\$0.6	\$0.6
	United Arab Emirates					\$5.0	\$4.3	\$4.5
Europe Ex UK	Austria	\$0.6	\$1.1	\$0.7	\$0.5	\$0.6	\$0.9	\$1.4
	Belgium	\$4.8	\$7.5	\$8.1	\$9.0	\$9.4	\$9.9	\$8.4
	Denmark	\$2.2	\$2.8	\$3.9	\$9.5	\$6.3	\$6.1	\$7.0
	Finland	\$3.9	\$3.3	\$5.4	\$3.6	\$5.0	\$5.2	\$7.0
	France	\$47.9	\$52.1	\$55.8	\$48.6	\$54.3	\$52.1	\$63.1
	Germany	\$35.0	\$36.4	\$39.4	\$34.2	\$36.4	\$38.1	\$47.5
	Greece	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
	Ireland	\$1.2	\$0.5	\$0.7	\$1.7	\$0.7	\$0.7	\$1.2
	Israel	\$2.0	\$1.8	\$2.1	\$1.5	\$1.4	\$0.8	\$0.0
	Italy	\$12.3	\$12.4	\$13.0	\$11.5	\$12.5	\$12.9	\$15.3
	Luxembourg	\$0.8	\$0.6	\$0.6	\$0.5	\$0.5	\$0.5	\$0.5
	Netherlands	\$8.0	\$7.3	\$7.9	\$9.6	\$13.2	\$14.6	\$15.1
	Norway	\$8.5	\$8.7	\$11.5	\$5.8	\$5.6	\$6.9	\$8.2
	Portugal	\$1.7	\$1.2	\$1.4	\$0.6	\$1.0	\$1.6	\$1.8
	Spain	\$24.7	\$25.1	\$31.6	\$22.9	\$22.7	\$21.9	\$24.4
	Sweden	\$14.3	\$15.9	\$17.4	\$15.6	\$15.3	\$13.7	\$15.0
	Switzerland	\$31.4	\$32.0	\$38.0	\$38.5	\$38.5	\$39.0	\$40.1
Japan	Japan	\$51.3	\$47.0	\$50.0	\$52.6	\$64.7	\$70.0	\$79.1
North America	Canada	\$37.1	\$38.6	\$37.5	\$34.8	\$31.3	\$37.5	\$41.0
	United States	\$300.8	\$303.5	\$355.4	\$406.4	\$413.7	\$438.2	\$468.9
Asia Pacific ex Japan	Australia	\$54.6	\$58.8	\$55.2	\$50.1	\$44.9	\$53.3	\$53.8
	Hong Kong	\$29.4	\$33.1	\$40.3	\$34.5	\$39.6	\$49.0	\$47.8
	Singapore	\$7.1	\$8.0	\$8.2	\$7.6	\$6.6	\$5.8	\$9.5
	South Korea	\$6.4	\$6.7	\$6.6	\$7.9	\$10.4	\$13.7	\$18.0
	Taiwan	\$11.4	\$9.3	\$10.6	\$13.7	\$16.3	\$19.8	\$21.0
UK	United Kingdom	\$92.0	\$93.3	\$123.3	\$96.2	\$93.0	\$95.7	\$99.5
Total		\$915	\$946	\$1,051	\$1,029	\$1,032	\$1,112	\$1,215
Outside Top 1200		\$116	\$120	\$130	\$131	\$131	\$141	\$154
Grand Total		\$1,031	\$1,066	\$1,182	\$1,160	\$1,163	\$1,253	\$1,370



Appendices (continued)

Annual dividends by industry (US\$ billions)

Industry	2012	2013	2014	2015	2016	2017	2018
Basic Materials	\$61.7	\$58.7	\$57.0	\$53.7	\$38.1	\$58.4	\$74.4
Consumer Basics	\$101.1	\$104.6	\$113.8	\$122.2	\$116.3	\$121.5	\$126.6
Consumer Discretionary	\$66.5	\$67.8	\$84.8	\$93.3	\$95.9	\$91.1	\$99.3
Financials	\$206.7	\$236.4	\$248.5	\$260.1	\$275.4	\$292.3	\$329.0
Health care & Pharmaceuticals	\$73.9	\$70.4	\$79.0	\$81.8	\$89.8	\$92.0	\$98.8
Industrials	\$77.3	\$76.0	\$89.8	\$92.9	\$90.9	\$96.1	\$102.4
Oil, Gas & Energy	\$127.0	\$134.5	\$142.9	\$116.6	\$99.8	\$114.6	\$129.9
Technology	\$55.5	\$62.8	\$76.8	\$83.7	\$92.9	\$100.4	\$118.1
Telecommunications	\$92.1	\$81.6	\$107.0	\$78.4	\$80.2	\$87.0	\$82.0
Utilities	\$53.2	\$53.5	\$51.5	\$46.6	\$52.5	\$58.2	\$54.8
Total	\$915.0	\$946.3	\$1,051.2	\$1,029.3	\$1,031.6	\$1,111.5	\$1,215.4
Outside Top 1200	\$116	\$120	\$130	\$131	\$131	\$141	\$154
Grand Total	\$1,031	\$1,066	\$1,182	\$1,160	\$1,163	\$1,253	\$1,370

Annual dividends by sector (US\$ billions)

Industry	Sector	2012	2013	2014	2015	2016	2017	2018
Basic Materials	Building Materials	\$1.7	\$1.7	\$2.1	\$2.1	\$1.8	\$2.7	\$3.1
	Chemicals	\$23.7	\$22.6	\$24.1	\$22.3	\$25.0	\$27.3	\$30.0
	Metals & Mining	\$35.3	\$33.3	\$29.6	\$28.1	\$8.9	\$25.9	\$37.8
	Paper & Packaging	\$0.9	\$1.1	\$1.1	\$1.2	\$2.4	\$2.5	\$3.5
Consumer Basics	Beverages	\$19.3	\$24.1	\$26.7	\$27.9	\$27.9	\$26.9	\$32.9
	Food	\$20.1	\$21.7	\$23.3	\$28.5	\$21.1	\$21.5	\$22.2
	Food & Drug Retail	\$26.6	\$22.5	\$24.9	\$23.3	\$21.7	\$26.0	\$21.7
	Household & Personal Products	\$15.7	\$15.8	\$16.5	\$20.3	\$21.4	\$21.9	\$24.1
Consumer Discretionary	Tobacco	\$19.4	\$20.4	\$22.4	\$22.2	\$24.1	\$25.2	\$25.7
	Consumer Durables & Clothing	\$6.7	\$7.2	\$10.5	\$12.1	\$12.7	\$12.3	\$14.2
	General Retail	\$14.6	\$14.0	\$16.1	\$17.7	\$17.5	\$17.2	\$17.0
	Leisure	\$13.0	\$13.0	\$16.5	\$14.8	\$15.5	\$15.7	\$18.6
Financials	Media	\$13.6	\$11.1	\$14.3	\$18.0	\$17.0	\$12.5	\$11.6
	Other Consumer Services	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	\$0.0	\$0.0
	Vehicles & Parts	\$18.6	\$22.4	\$27.4	\$30.4	\$33.2	\$33.4	\$37.9
	Banks	\$130.2	\$152.8	\$153.3	\$154.6	\$157.1	\$166.4	\$189.0
Health care & Pharmaceuticals	General Financials	\$18.2	\$19.5	\$24.3	\$28.6	\$27.7	\$33.5	\$38.8
	Insurance	\$37.3	\$37.3	\$46.0	\$46.7	\$52.1	\$53.8	\$59.2
	Real Estate	\$20.9	\$26.9	\$24.8	\$30.2	\$38.4	\$38.6	\$42.0
	Health Care Equipment & Services	\$10.5	\$8.2	\$11.1	\$12.5	\$13.7	\$16.2	\$18.0
Industrials	Pharmaceuticals & Biotech	\$63.4	\$62.2	\$68.0	\$69.3	\$76.0	\$75.8	\$80.8
	Aerospace & Defence	\$10.5	\$11.6	\$13.9	\$14.7	\$15.8	\$15.1	\$16.4
	Construction, Engineering & Materials	\$13.2	\$10.8	\$12.2	\$10.8	\$11.6	\$13.0	\$15.1
	Electrical Equipment	\$6.5	\$6.9	\$7.2	\$6.7	\$6.9	\$7.4	\$8.1
Oil, Gas & Energy	General Industrials	\$29.4	\$29.7	\$35.2	\$32.1	\$31.5	\$33.3	\$35.0
	Support Services	\$3.5	\$4.1	\$4.8	\$5.0	\$4.9	\$6.4	\$6.5
	Transport	\$14.3	\$12.9	\$16.6	\$23.6	\$20.1	\$20.9	\$21.4
	Energy - non-oil	\$3.0	\$2.5	\$3.5	\$2.5	\$2.8	\$3.4	\$2.1
Technology	Oil & Gas Equipment & Distribution	\$7.2	\$10.5	\$11.4	\$15.2	\$10.4	\$14.2	\$15.9
	Oil & Gas Producers	\$116.8	\$121.5	\$128.0	\$98.9	\$86.7	\$97.0	\$112.0
	IT Hardware & Electronics	\$20.8	\$24.9	\$28.4	\$32.7	\$34.1	\$38.0	\$42.9
	Semiconductors & Equipment	\$12.1	\$14.7	\$20.2	\$19.0	\$21.3	\$24.5	\$29.8
Telecommunications	Software & Services	\$22.6	\$23.3	\$28.2	\$32.0	\$37.5	\$37.9	\$45.4
	Fixed Line Telecommunications	\$55.7	\$48.0	\$52.7	\$50.1	\$55.1	\$53.8	\$54.3
	Mobile Telecommunications	\$36.3	\$33.6	\$54.3	\$28.3	\$25.1	\$33.2	\$27.6
	Utilities	\$53.2	\$53.5	\$51.5	\$46.6	\$52.5	\$58.2	\$54.8
Total		\$915.0	\$946.3	\$1,051.2	\$1,029.3	\$1,031.6	\$1,111.5	\$1,215.4
Outside Top 1,200		\$116	\$120	\$130	\$131	\$131	\$141	\$154
Grand Total		\$1,031	\$1,066	\$1,182	\$1,160	\$1,163	\$1,253	\$1,370



Appendices (continued)

JHGD – by region

Region	12Q4	13Q4	14Q4	15Q4	16Q4	17Q4	18Q4
Emerging Markets	183.9	203.8	185.3	164.2	128.7	151.4	176.9
Europe Ex UK	106.8	112.0	127.4	114.4	119.7	120.7	137.3
Japan	142.3	130.1	138.5	145.6	179.4	193.9	219.1
North America	148.9	150.7	173.1	194.4	196.0	209.6	224.6
Asia Pacific ex Japan	169.3	179.9	187.8	176.8	182.9	219.9	233.0
UK	138.1	140.0	185.2	144.4	139.5	143.7	149.4
Global	141.0	145.8	161.6	158.6	159.0	171.3	187.3

JHGD – by industry

Industry	12Q4	13Q4	14Q4	15Q4	16Q4	17Q4	18Q4
Basic Materials	187.6	178.6	173.4	163.3	115.8	177.7	226.5
Consumer Basics	153.2	158.4	172.5	185.2	176.1	184	191.8
Consumer Discretionary	151.1	153.9	192.8	212	217.8	206.9	225.7
Financials	161.2	184.5	193.8	202.9	214.8	228	256.7
Health care & Pharmaceuticals	148.2	141.2	158.6	164.2	180.2	184.6	198.3
Industrials	132.3	130.0	153.7	159	155.5	164.5	175.2
Oil, Gas & Energy	122.2	129.4	137.4	112.1	96	110.3	125
Technology	181.9	205.8	251.4	274	304.3	328.7	386.8
Telecommunications	123.5	109.4	143.5	105.2	107.6	116.7	110
Utilities	87.9	88.4	85.1	77.1	86.7	96.1	90.6
Total	141	145.8	162	158.6	159	171.3	187.3



Appendices (continued)

Q4 annual growth rate – adjustments from underlying to headline growth

Region	Country	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects	Headline dividend growth
Emerging Markets	Brazil	22.7%	11.3%	-14.0%	-2.4%	0.0%	17.5%
	Chile	14.4%	9.3%	7.2%	14.3%	0.0%	45.3%
	China	14.0%	-3.2%	-0.5%	-0.5%	0.0%	9.9%
	Colombia	295.2%	0.0%	3.3%	0.0%	0.0%	298.5%
	Czech Republic	0.0%	0.0%	1.1%	0.0%	0.0%	1.0%
	Egypt		0.0%	0.0%	0.0%	0.0%	
	Hungary		0.0%	0.0%	0.0%	0.0%	
	India	-5.4%	-0.7%	-4.3%	23.0%	0.0%	12.6%
	Indonesia	14.8%	5.0%	-5.7%	7.0%	0.0%	21.1%
	Malaysia	3.2%	0.0%	4.7%	-2.6%	0.0%	5.4%
	Mexico	12.1%	-20.1%	-2.7%	-8.6%	0.0%	-19.2%
	Morocco		0.0%	0.0%	0.0%	0.0%	
	Peru	6.7%	-56.5%	0.0%	0.0%	0.0%	-49.8%
	Philippines	8.1%	4.0%	-4.4%	10.7%	0.0%	18.3%
	Poland		0.0%	0.0%	0.0%	0.0%	
	Russia	44.1%	0.0%	-8.0%	2.5%	0.0%	38.6%
	South Africa	4.4%	2.2%	1.4%	-1.5%	0.0%	6.5%
	Thailand	6.9%	0.0%	6.9%	25.2%	0.0%	39.0%
	Turkey	27.6%	0.0%	-13.6%	0.0%	0.0%	14.0%
	United Arab Emirates	-8.1%	18.8%	0.0%	-8.2%	0.0%	2.6%
Europe ex UK	Austria	22.3%	0.0%	4.9%	25.6%	0.0%	52.9%
	Belgium	-15.0%	0.0%	4.9%	-5.7%	0.0%	-15.9%
	Denmark	7.3%	-5.0%	9.9%	3.2%	0.0%	15.4%
	Finland	10.7%	0.0%	12.8%	12.3%	0.0%	35.7%
	France	7.5%	1.1%	6.8%	2.1%	3.5%	21.0%
	Germany	9.1%	3.6%	9.4%	2.6%	0.0%	24.8%
	Greece		0.0%	0.0%	0.0%	0.0%	
	Ireland	6.2%	0.0%	6.0%	53.7%	0.0%	65.9%
	Israel	-100.0%	0.0%	0.0%	0.0%	0.0%	-100.0%
	Italy	13.2%	0.0%	5.8%	0.0%	0.0%	19.0%
	Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Netherlands	9.8%	-8.2%	4.1%	-2.5%	0.0%	3.1%
	Norway	7.8%	14.2%	0.7%	-4.4%	0.0%	18.3%
	Portugal	3.3%	0.0%	7.4%	0.0%	0.0%	10.6%
	Spain	7.1%	0.4%	6.1%	-2.3%	0.0%	11.3%
	Sweden	2.4%	3.3%	5.8%	-2.6%	0.0%	8.9%
	Switzerland	1.3%	-2.0%	3.6%	0.0%	0.0%	2.9%
Japan	Japan	10.6%	2.0%	0.5%	-0.1%	0.0%	13.0%
North America	Canada	11.8%	-0.5%	0.0%	-2.0%	0.0%	9.3%
	United States	7.8%	1.4%	0.0%	-2.2%	0.1%	7.0%
Asia Pacific ex Japan	Australia	0.9%	3.4%	-4.2%	0.9%	0.0%	1.0%
	Hong Kong	9.8%	-17.8%	-0.3%	5.8%	0.0%	-2.6%
	Singapore	36.2%	27.2%	-4.9%	5.4%	0.0%	63.8%
	South Korea	20.4%	0.0%	4.3%	6.3%	0.0%	31.0%
	Taiwan	6.1%	4.5%	-1.1%	-3.3%	0.0%	6.2%
UK	United Kingdom	8.8%	-4.9%	1.5%	-1.4%	0.0%	4.0%

For more information, please visit janushenderson.com.

Janus Henderson
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