

# JANUS HENDERSON GLOBAL DIVIDEND INDEX

Janus Henderson  
—KNOWLEDGE. SHARED—

Edition 22  
May 2019



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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.**

Formed in 2017 from the merger between Janus Capital Group and Henderson Global Investors, we are committed to adding value through active management. For us, active is more than our investment approach – it is the way we translate ideas into action, how we communicate our views and the partnerships we build in order to create the best outcomes for clients.

We take pride in what we do and care passionately about the quality of our products and the services we provide. While our investment managers have the flexibility to follow approaches best suited to their areas of expertise, overall our people come together as a team. This is reflected in our Knowledge. Shared ethos, which informs the dialogue across the business and drives our commitment to empowering clients to make better investment and business decisions.

We are proud to offer a highly diversified range of products, harnessing the intellectual capital of some of the industry's most innovative and formative thinkers. Our expertise encompasses the major asset classes, we have investment teams situated around the world, and we serve individual and institutional investors globally. We have US\$357.3 billion in assets under management, more than 2,000 employees and offices in 28 cities worldwide\*. Headquartered in London, we are an independent asset manager that is dual-listed on the New York Stock Exchange and the Australian Securities Exchange.

## What is the Janus Henderson Global Dividend Index?

The Janus Henderson Global Dividend Index (JHGDI) 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.

\*As of March 31, 2019



## Executive summary – by region

### Overview

- Global dividends shrugged off concerns over global economic growth, rising 7.8% to a first-quarter record of US\$263.3 billion
- Underlying growth was 7.5% with the impact of large special dividend payments offset by exchange rate moves
- The U.S. and Canada broke all-time records, while first-quarter records were achieved in eight other countries
- The Janus Henderson Global Dividend Index rose to a record level of 190.1\*\*

### North America

- Seasonal patterns mean North America dominates the first quarter and it delivered the fastest underlying growth in the world\*
- U.S. dividends rose 8.3% to a record US\$122.5 billion, an increase of 9.6% on an underlying basis
- Almost nine-tenths of U.S. companies in the index raised their dividends, with banks making the strongest contribution to growth
- Canadian dividends jumped 12.0% on an underlying basis to a new record

## U.S. and Canada broke all-time records

WITH Q1 RECORDS IN 8 OTHER COUNTRIES

### Europe ex UK

- Q1 sees only a few European dividend payments, with Switzerland dominating
- Headline growth of 9.2% was boosted by special dividends, but weaker European exchange rates reduced the dollar value of payouts
- Underlying growth was 5.3%
- Switzerland grew only slowly, but France and Italy outperformed their peers

### UK

- UK dividends gained 10.5%, boosted by a very large special dividend from BHP
- Underlying growth of 4.4% was slower than the global average

UNDERLYING  
GROWTH WAS **7.5%**

Unless otherwise stated all data is sourced by Janus Henderson Investors as of March 31, 2019. Nothing in this document should be construed as advice.

Past performance is no guarantee of future results. International investing involves certain risks and increased volatility\*. These risks include currency fluctuations, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments.

The value of an investment and the income from it can fall as well as rise and you may not get back the amount initially invested.

\* Please refer to the glossary of terms found on Page 14.

\*\* This is a statistical measure of change of the Janus Henderson Global Dividend Index.



## Executive summary – by region (continued)

### Asia Pacific ex Japan

- Q1 is Asia's seasonal dividend low point and is dominated by Australian payments
- Dividends jumped 14.7% to a first-quarter record of US\$18.1 billion, helped in part by BHP's special dividend in Australia
- Underlying growth was 3.8%

### Japan

- Japan sees very few Q1 dividends but underlying growth of 8.7% was in line with the country's recent strong growth trend
- Headline growth of 5.7% was held back by a weaker yen

### Emerging Markets

- Weaker exchange rates made a significant impact on emerging market dividends
- Headline payouts fell 6.1% to US\$16.2 billion, but were 2.2% higher on an underlying basis, thanks mainly to a strong performance from India

### Industries & Sectors

- Pharmaceuticals paid the most in Q1 dividends but grew more slowly than the global average
- Financials, oils and utilities performed most strongly

### Outlook

- There is no change in our 2019 forecast, with higher special dividends offset by the strength of the U.S. dollar
- We expect a record US\$1.43 trillion in payments this year, up 4.2% in headline terms, or 5.2% on an underlying basis

GLOBAL DIVIDENDS ROSE **7.8%**  
TO A FIRST-QUARTER RECORD OF  
**US\$263.3 billion**

WE EXPECT A RECORD **US\$1.43 trillion**  
THIS YEAR, UP 4.2% IN HEADLINE TERMS,  
OR 5.2% ON AN UNDERLYING BASIS



# Global dividends shrug off concerns over global growth, making a strong start in 2019

Despite concerns about the macro-economic environment, corporate profits and dividends have so far largely met expectations. Dividends grew 7.8% in Q1 on a headline basis to a first quarter record of US\$263.3 billion, in line with their 2018 growth rate. Underlying growth of 7.5% followed the same trend.

All-time quarterly records were broken in the United States and Canada (which are less affected by seasonal changes) and new first-quarter records were set in eight other countries around the world. Growth in North America was the fastest in the world on an underlying basis, and its seasonally large weighting in the first quarter meant it made a significant contribution to global dividend growth.

Emerging markets were weaker than their developed counterparts, as they were the first to feel the effects of tighter U.S. monetary policy and global trade concerns, both in their exchange rates and in company profitability. Japan and Europe performed slightly better than expected while Asia Pacific ex Japan and the UK were in line with our forecast for low single-digit underlying growth.

The Janus Henderson Global Dividend Index rose to a record 190.1, meaning that dividends are now almost twice the level they were a decade ago when the index started at the end of 2009.

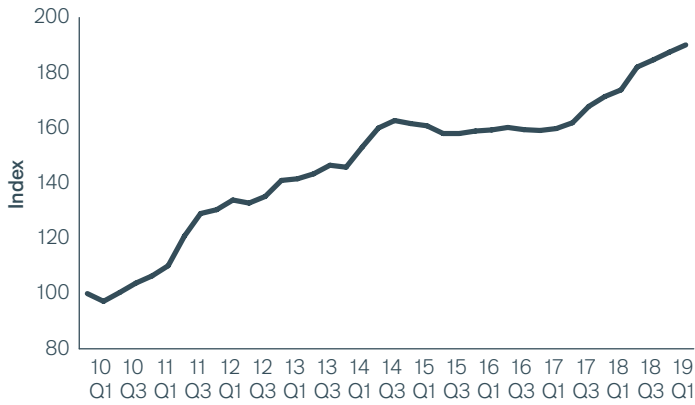
## Annual dividends by region in US\$ billions

Region	2015	% change	2016	% change	2017	% change	2018	% change	Q1 2018	% change	Q1 2019	% change
Emerging Markets	\$114.1	-9.9%	\$88.7	-22.3%	\$104.2	17.5%	\$122.5	17.5%	\$17.3	29.4%	\$16.2	-6.1%
Europe ex UK	\$213.4	-10.1%	\$223.2	4.6%	\$225.1	0.8%	\$256.1	13.8%	\$36.6	2.8%	\$40.0	9.2%
Japan	\$52.6	5.2%	\$64.7	23.2%	\$70.0	8.1%	\$79.1	13.0%	\$5.2	16.8%	\$5.5	5.7%
North America	\$441.2	12.3%	\$445.0	0.9%	\$475.7	6.9%	\$509.9	7.2%	\$123.2	6.1%	\$133.1	8.1%
Asia Pacific	\$113.8	-5.9%	\$117.8	3.5%	\$141.6	20.2%	\$150.0	6.0%	\$15.8	-2.2%	\$18.1	14.7%
UK	\$96.2	-22.0%	\$93.0	-3.3%	\$95.7	3.0%	\$99.5	4.0%	\$18.7	21.1%	\$20.7	10.5%
Total	\$1,031.2	-1.9%	\$1,032.4	0.1%	\$1,112.3	7.7%	\$1,217.0	9.4%	\$216.8	7.8%	\$233.7	7.8%
Divs outside top 1,200	\$130.8	0.3%	\$131.0	0.1%	\$141.1	7.7%	\$154.4	9.4%	\$27.5	7.8%	\$29.6	7.8%
Grand total	\$1,162.1	-1.6%	\$1,163.3	0.1%	\$1,253.4	7.7%	\$1,371.4	9.4%	\$244.3	7.8%	\$263.3	7.8%

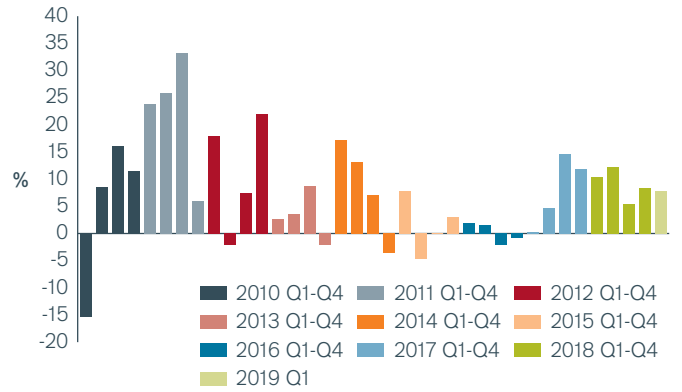


# Global dividends shrug off concerns over global growth, making a strong start in 2019 (continued)

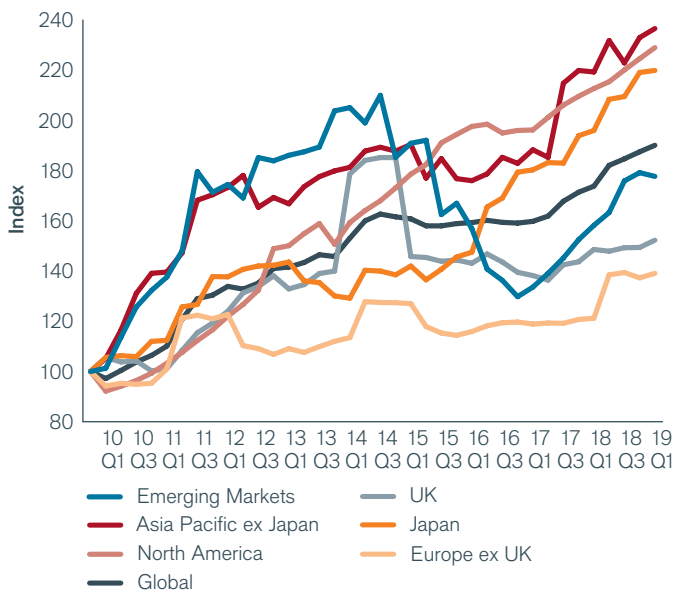
JHGDI



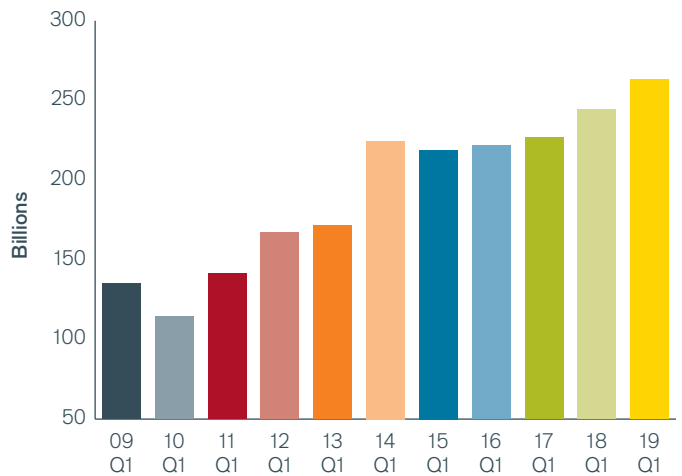
Total dividends, annual growth per quarter



JHGDI – by region



Global dividends (US\$)





## Large special dividends offset the negative effect of U.S. dollar strength

The headline growth rate represents the simple year-on-year comparison of the U.S. dollar value of dividends paid each quarter. To understand the core trends, we calculate an underlying rate, which adjusts for exchange rate movements, unpredictable one-off special dividends\*, changes in the list of companies featuring in the global top 1,200, and changes in the timing of payments (when companies shift a dividend from one quarter to another).

Unusually large special dividends totalling US\$13.4 billion boosted the headline growth rate by four percentage points this quarter. Almost half of this came from BHP, the mining giant, which distributed the proceeds of its shale oil assets disposal to holders of its Australian- and UK-listed shares. Akzo Nobel in the Netherlands paid out US\$3.4 billion in disposal proceeds from its specialty chemical business. Eleven other companies in our index also paid specials in the first quarter.

Exchange rates around the world were weaker against the U.S. dollar in the first quarter compared to the same period in 2018, meaning dividends in every country in our index were translated at less favorable rates. This impacted growth by 2.9 percentage points year-on-year with Europe and emerging markets the largest detractors. However, over the long term, the impact from exchange rates has tended to even out and has made almost no difference to an investor's dividend income.

We rebalance our index every year, to include the world's largest 1,200 companies. Over the course of the full year, index changes are negligible, but in any given quarter or region they can be a little larger. Index changes deducted a percentage point from the headline growth rate in the first quarter. Timing effects were very minor.

### Q1 2019 growth rate – adjustments from underlying to headline growth

Region	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects <sup>†</sup>	Headline dividend growth
Emerging Markets	2.2%	-0.6%	-7.1%	1.4%	-2.0%	-6.1%
Europe ex UK	5.3%	8.9%	-7.1%	0.2%	1.8%	9.2%
Japan	8.7%	0.9%	-4.4%	0.4%	0.0%	5.7%
North America	9.8%	-0.7%	-0.4%	-0.9%	0.3%	8.1%
Asia Pacific ex Japan	3.8%	24.1%	-5.4%	-5.6%	-2.2%	14.7%
UK	4.4%	12.8%	-4.9%	-1.8%	0.0%	10.5%
Global	7.5%	4.0%	-2.9%	-1.0%	0.1%	7.8%

<sup>†</sup> Timing effects are not significant on an annual basis.

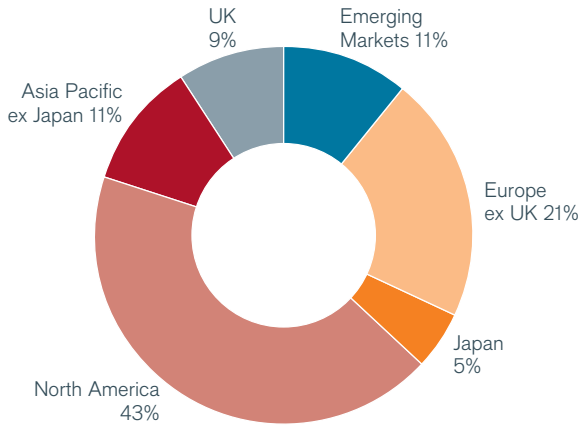
\* Please refer to the glossary of terms found on Page 14.



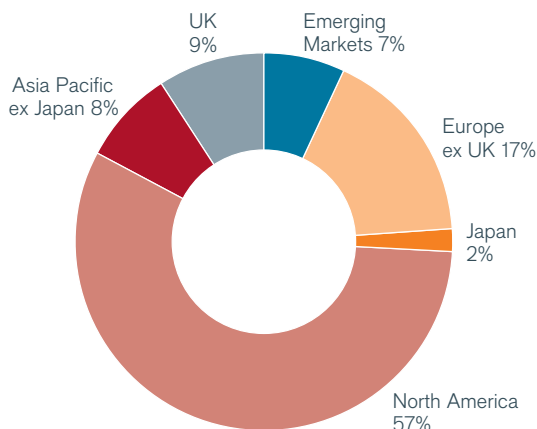


# Regions and countries

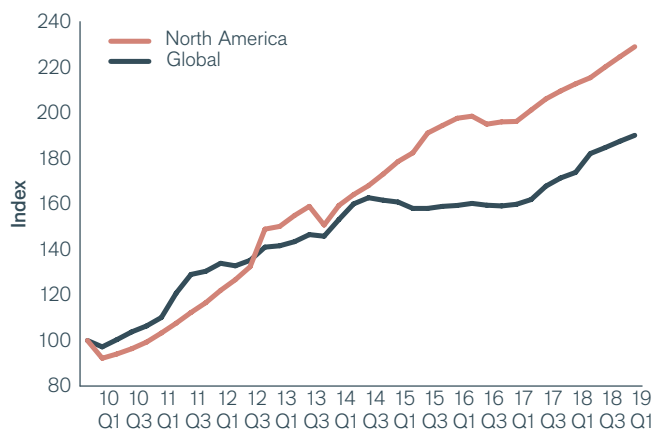
## 2018 dividends by region



## 2019 Q1 dividends by region



## JHGDI – North America



## North America

Most companies in North America pay dividends every quarter, in contrast to other parts of the world where payments are much more seasonal. These patterns mean North America accounts for three-fifths of the global total in Q1 compared to two-fifths over the course of a full year. The country's impressive headline 8.1% increase year-on-year, to an all-time record US\$133.1 billion, therefore, had a disproportionate influence on the overall global growth rate. Underlying growth was stronger still at 9.8%, well ahead of any other part of the world, taking our index for North America to a record level of 229.0.

In the U.S. dividends totaled a record US\$122.5 billion, up 8.3% on a headline basis, with underlying growth even better at 9.6%. U.S. growth has exceeded the global average 70% of the time over the last five years, as company profits have benefited from a robust economy and favorable tax changes. Almost nine-tenths of U.S. companies in our index raised their dividends, with the largest impact coming from the banking sector. Banking dividends jumped by a quarter, adding US\$1.9 billion year-on-year, with many banks making high double-digit increases. Among the bigger banks, the largest percentage increase came from Citigroup, but JPMorgan made the greatest contribution to growth, paying almost US\$700 million more year-on-year. Real estate companies' payments also registered strong growth with dividends up by a fifth. The U.S. pharmaceuticals sector paid out the most, US\$1 in every US\$11 of the total, with payouts up 9% year-on-year, more than twice as fast as peers elsewhere in the world. eBay notably paid its first-ever dividend and just one company in 40 in the U.S. cut its dividend, with the weakest performance coming from industrials.

In Canada, a weaker exchange rate held back headline growth, but dividends still reached a record US\$10.7 billion, up 12.0% in underlying terms, the third consecutive quarter of double-digit growth. Higher oil prices, and the acquisition of Spectra Energy, helped Enbridge become Canada's largest payer for the first time. It increased its total payout by a third.

References made to individual securities should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase the security.



## Regions and countries (continued)

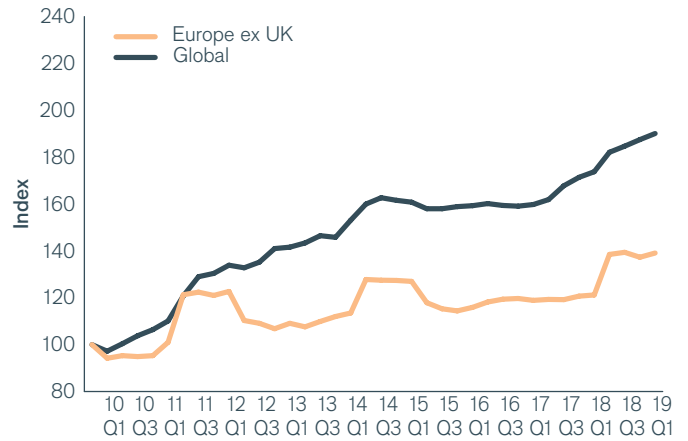
### Europe ex UK

European dividends have shown the slowest growth since 2009, increasing at one third of the pace of the rest of the world. There has been wide divergence between countries, however; dividends in Spain, Italy and Portugal are still lower than they were a decade ago, while the Netherlands, Denmark, Belgium and Switzerland have seen them more than double.

The first quarter sees relatively few dividends paid in Europe. Seasonal patterns mean Switzerland and Spain are overrepresented, while France and Germany make only a small contribution. Headline growth of 9.2% in Europe was boosted by US\$3.4 billion in special dividends from Dutch chemicals group Akzo Nobel, which distributed some of the proceeds from the sale of its specialty chemical business. This more than offset the effect of weaker European exchange rates, and was enough to take the European total to a Q1 record of US\$40.0 billion.

Growth of 5.3% on an underlying basis was in line with the whole of 2018. This was despite Swiss dividends, which accounted for over a third of the Q1 total, only inching ahead 2.2% in underlying terms. Slow growth in Switzerland was mainly due to the world's largest Q1 payer Novartis only making a very small increase in its US\$7.2 billion dividend. Underlying growth in Spain, Germany and Belgium was in line with the European average while France and Italy significantly outperformed. Luxury goods group Kering contributed most to France's performance, raising its dividend by three quarters on the back of record profits. In Italy, rising profits from renewable energy enabled Enel to raise its payout by a third.

### JHGDI – Europe ex UK



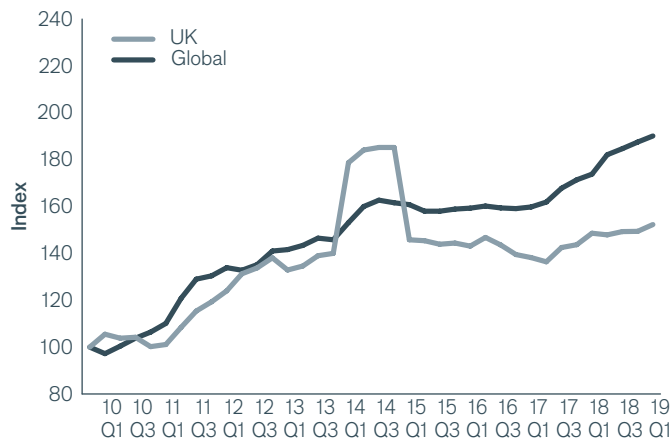


# Regions and countries (continued)

## UK

UK dividends have grown at just over half the pace of the rest of the world since 2009, only a little faster than the rest of Europe. This reflects the sector concentration in the UK (with a heavy reliance on slower growth oil and banking stocks), and higher payout ratios that provide less room for expansion. The total from UK companies in the global top 1,200 in Q1 was US\$20.7 billion. It was boosted by a very large special dividend from BHP, following the disposal of its U.S. shale oil assets, taking headline growth to 10.5%. After adjusting for this alongside a weaker pound compared to Q1 2018 and other minor factors, underlying growth was 4.4%, in line with the longer-term trend for the UK.

### JHGDI – UK



## Asia Pacific ex Japan

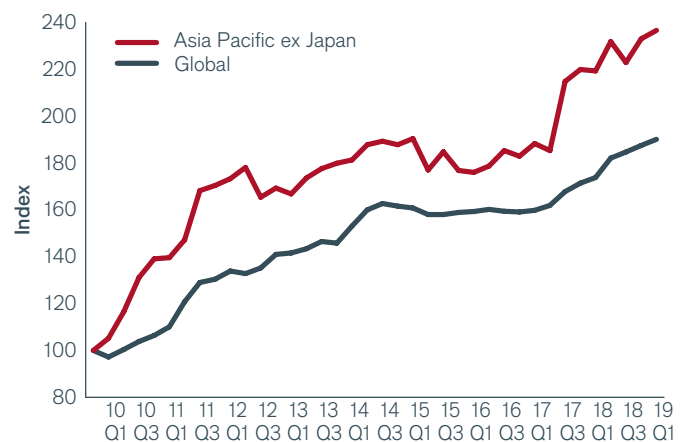
Asia Pacific ex Japan has seen the world's strongest dividend growth since 2009, thanks to rising profits and expanding payout ratios. The Q1 total of US\$18.1 billion, was up 14.7% year-on-year on a headline basis, setting a first-quarter record and leaving the Asian index at 236.6.

Even so, the first quarter marks a seasonal low point, so one-offs can distort the figures quite easily. After adjusting for BHP's big special dividend and its franking credit, which made up over a third of the total paid in Australia, as well as other factors, underlying growth was a more modest 3.8%.

Australia accounts for a disproportionate three-quarters of the Q1 total from the region. The Australian index has shown no growth in dividends over the last five years, but larger dividends from commodity companies more recently helped the country achieve dividend growth of 5.4% in Q1, the fastest rate in almost a year. The biggest contribution to growth came from Woodside Petroleum, which is restoring its dividend after a couple of challenging years. Telstra cut its payout again, while the largest payer Commonwealth Bank held its dividend flat, in common with the recent trend in the wider banking sector in Australia.

Hong Kong dividends rose 8.4% on an underlying basis, delivering a total of US\$3.1 billion, despite zero growth for the fourth year from Sands China, Hong Kong's biggest payer in the period. The largest contribution to growth came from Chinese property developer Longfor Group Holdings, where the dividend was increased by almost 50%, owing to higher profits. Elsewhere in the region, only Singapore Telecoms in the index paid a dividend, holding it flat year-on-year.

### JHGDI – Asia Pacific ex Japan



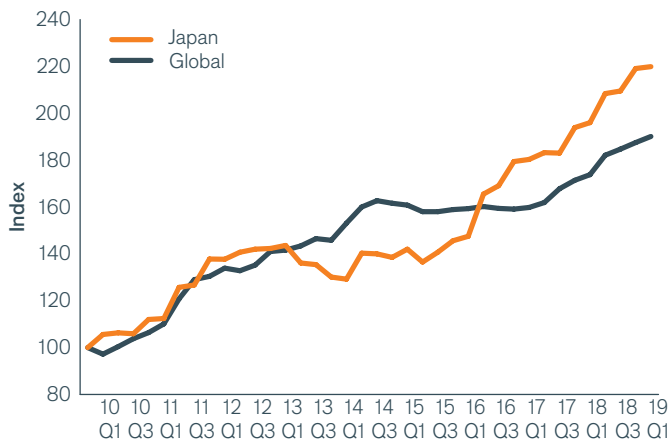


# Regions and countries (continued)

## Japan

Income investors in Japan have enjoyed growth far ahead of the global average in the last five years as more Japanese companies have embraced a dividend-paying culture. Dividends are 70% higher than in 2014, compared to 25% for the rest of the world. This strong performance continued in the first quarter. Although headline growth of 5.7% was held back by a weaker yen, underlying growth was 8.7%. Q1 marks a seasonal low point for Japanese dividends, so we should be cautious of drawing too many conclusions for the full year. Even so, the fact that every company raised or held its dividend, and that this was Japan's best first quarter on record, is very positive. Our index of Japanese payouts rose to 219.9, one of the highest in the world.

### JHGDI – Japan

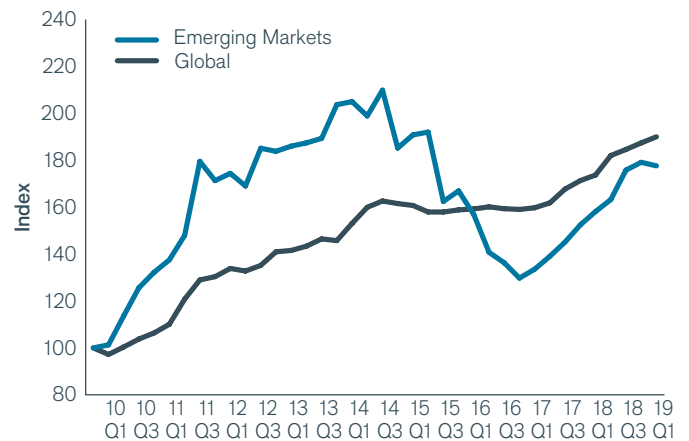


## Emerging Markets

As with many other parts of the world, emerging market dividends are seasonally low in the first quarter. The total fell 6.1% year-on-year to US\$16.2bn, as emerging-market exchange rates were weaker against the U.S. dollar, but dividends were 2.2% higher on an underlying basis.

India accounted for more than a quarter of the total, and though most companies paid out less year-on-year, the overall total jumped 12.7% on an underlying basis thanks to the payment of an extra US\$700m from Oil & Natural Gas Corporation. It reported sharply higher profits thanks to rising product prices but also faced pressure from a cash-strapped government shareholder to pay larger dividends. In Brazil, payouts fell due to a lower currency and following the cancellation of Vale's dividend, after the group's recent major mining disaster.

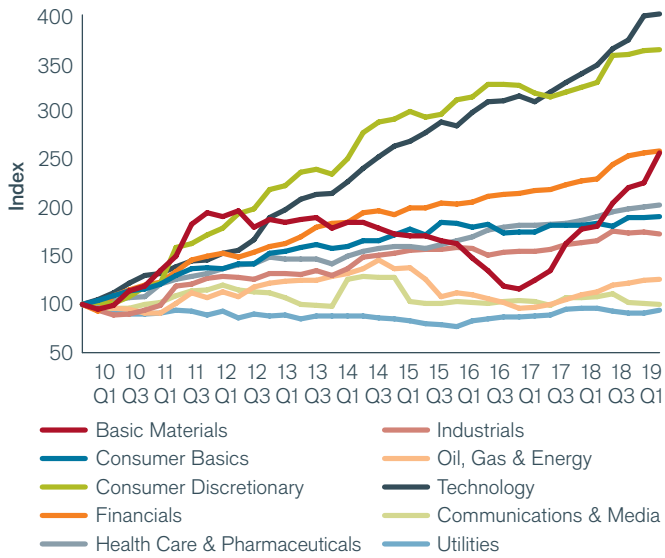
### JHGDI – Emerging Markets





## Industries and sectors

JHGDI – Total dividends by industry



Pharmaceutical dividends were the largest-paying sector in the first quarter, contributing US\$1 in every US\$8 paid globally. Novartis alone paid US\$1 in every US\$30, with Roche close behind. The sector delivered an all-time record of US\$30.1 billion, though its underlying growth rate was lower than the global average. The much smaller leisure sector also delivered a record payment, boosted by a large special dividend from the UK's InterContinental Hotels.

On an underlying basis, financial dividends grew fastest, thanks in particular to banks and real estate companies, but their growth rate was matched by utilities. This is traditionally a high-yielding, slow-growth sector, and even after the strong first quarter, dividends are unchanged in a decade. Oil dividends also bounced back, up by a tenth year-on-year. They are the second-slowest-growing sector after utilities over the last 10 years.



# Top payers

## World's biggest dividend payers

Rank	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
1	Novartis AG	Vodafone Group plc	Novartis AG	Novartis AG	Novartis AG	Novartis AG	Novartis AG
2	Roche Holding AG	Novartis AG	Roche Holding AG	Roche Holding AG	Roche Holding AG	Roche Holding AG	BHP Group Limited
3	Siemens AG	Roche Holding AG	Siemens AG	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Roche Holding AG
4	Royal Dutch Shell Plc	Siemens AG	Royal Dutch Shell Plc	Siemens AG	Siemens AG	Siemens AG	Royal Dutch Shell Plc
5	BHP Billiton Limited	Coal India Limited	ExxonMobil Corp.	Equity Residential Properties Trust	ExxonMobil Corp.	Nordea Bank AB	AT&T, Inc.
6	Vodafone Group plc	Royal Dutch Shell Plc	BHP Billiton Limited	ExxonMobil Corp.	Microsoft Corporation	ExxonMobil Corp.	Siemens AG
7	Telstra Corporation	BHP Billiton Limited	Apple Inc.	AT&T, Inc.	AT&T, Inc.	Microsoft Corporation	Commonwealth Bank of Australia
8	AT&T, Inc.	ExxonMobil Corp.	Nordea Bank AB	Nordea Bank AB	Apple Inc.	Apple Inc.	Microsoft Corporation
9	ExxonMobil Corp.	Apple Inc.	Microsoft Corporation	Apple Inc.	Nordea Bank AB	AT&T, Inc.	ExxonMobil Corp.
10	Apple Inc.	Astrazeneca plc	AT&T, Inc.	Microsoft Corporation	Astrazeneca plc	BHP Billiton Limited	Akzo Nobel N.V.
Subtotal US\$bn	\$33.71	\$59.93	\$35.33	\$37.87	\$37.42	\$40.36	\$45.18
% of total	20%	27%	16%	17%	17%	17%	17%
11	Astrazeneca plc	AT&T, Inc.	Astrazeneca plc	Symantec Corp.	Verizon Communications Inc.	Verizon Communications Inc.	Apple Inc.
12	Banco Santander S.A.	Telstra Corporation	Costco Wholesale Corp	Coal India Limited	Johnson & Johnson	Astrazeneca plc	BHP Group Plc
13	General Electric Co.	Banco Santander S.A.	General Electric Co.	Cheung Kong Infrastructure Holdings Ltd.	Pepsico Inc.	Pepsico Inc.	JPMorgan Chase & Co.
14	Microsoft Corporation	Microsoft Corporation	Verizon Communications Inc.	Astrazeneca plc	General Electric Co.	Johnson & Johnson	Pepsico Inc.
15	Total S.A.	General Electric Co.	First Gulf Bank	General Electric Co.	Chevron Corp.	Chevron Corp.	Verizon Communications Inc.
16	Nordea Bank AB	Total S.A.	Banco Santander S.A.	Verizon Communications Inc.	BP plc	First Abu Dhabi Bank	Astrazeneca plc
17	Pfizer Inc.	Chevron Corp.	Coal India Limited	Johnson & Johnson	Pfizer Inc.	Pfizer Inc.	Johnson & Johnson
18	Chevron Corp.	Johnson & Johnson	Chevron Corp.	Pepsico Inc.	Wells Fargo & Co.	BP plc	Chevron Corp.
19	BP plc	Novo Nordisk	Pepsico Inc.	Chevron Corp.	Coal India Limited	JPMorgan Chase & Co.	First Abu Dhabi Bank PJSC
20	Johnson & Johnson	Swedbank AB	Disney Walt Co.	Novo Nordisk	BHP Billiton Limited	Wells Fargo & Co.	Wells Fargo & Co.
Subtotal US\$bn	\$18.96	\$21.01	\$21.55	\$22.87	\$20.39	\$21.45	\$25.95
Grand total US\$bn	\$52.67	\$80.94	\$56.88	\$60.73	\$57.81	\$61.82	\$71.13
% of total	31%	36%	26%	27%	26%	25%	27%

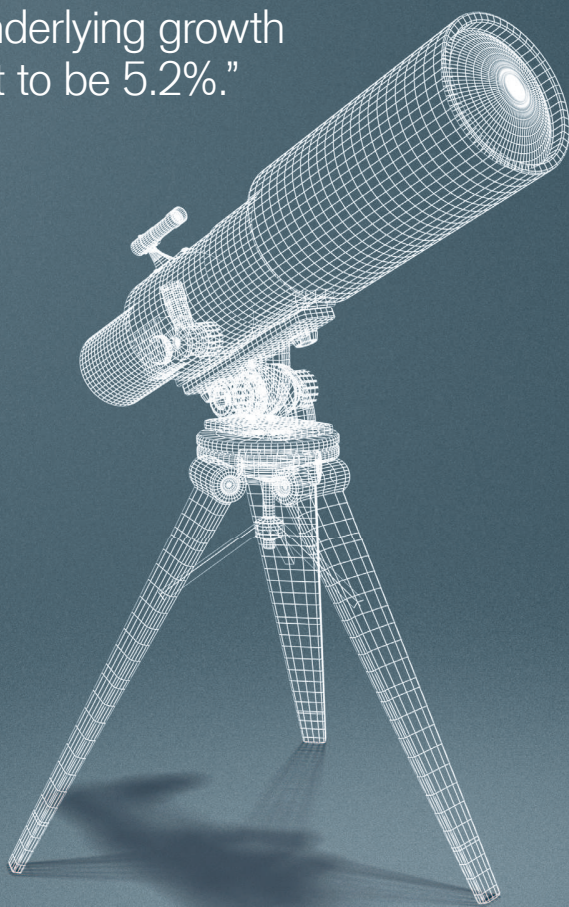
## Conclusion and outlook

Dividend growth has made a strong start in 2019. This reflects a continuation of the robust growth witnessed in 2018, rather than necessarily setting the tone for another above-trend year for 2019.

Market expectations for corporate earnings have moderated in recent months as global economic momentum has slowed and forecasts may yet come down a bit further. Dividends are a lagging indicator of company health, so a reduction in their rate of increase is to be expected as earnings growth slows.

Nevertheless, we do not yet feel any need to make changes to our 2019 dividend forecast. We have already allowed for a slowdown in growth this year and would highlight that dividends are far less volatile than earnings. We believe this is one of the major benefits for income investors – a diversified

“ Underlying growth  
■ set to be 5.2%.”



portfolio of equities can provide a stable flow of dividends that can grow over the long term, even when earnings and financial markets are experiencing some volatility.

For the full year, we continue to expect global dividends to reach a record US\$1.43 trillion, up 4.2% in headline terms, and 5.2% on an underlying basis. Higher special dividends than originally expected (our base case assumes each year that they revert to the longer-run average) are likely to be broadly offset by a more negative impact from exchange rates (based on the dollar's current level).

“ No change in our 2019  
■ forecast with higher special  
dividends offset by the  
strength of the U.S. dollar.”

“ We expect a record  
■ US\$1.43 trillion in  
payments this year, up  
4.2% in headline terms.”



## Methodology

Each year Janus Henderson analyzes dividends paid by the 1,200 largest firms by market capitalization (as at of December 31 before the start of each 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 US\$ 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.

**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.

\* Please see the glossary of terms above



## Appendix

### Quarterly dividends by country in US\$ billions

Region	Country US\$bn	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
Emerging Markets	Argentina	\$-	\$-	\$-	\$-	\$-	\$0.01	\$-
	Brazil	\$4.01	\$3.73	\$3.66	\$2.06	\$2.46	\$3.48	\$2.36
	Chile	\$0.77	\$0.77	\$0.63	\$0.60	\$0.43	\$0.71	\$0.69
	China	\$-	\$-	\$0.08	\$0.13	\$0.13	\$0.05	\$0.06
	Colombia	\$0.07	\$0.02	\$0.02	\$-	\$-	\$-	\$-
	India	\$3.03	\$4.35	\$2.65	\$3.75	\$3.56	\$3.80	\$4.50
	Malaysia	\$0.77	\$1.25	\$1.49	\$1.17	\$0.67	\$0.74	\$0.89
	Mexico	\$0.51	\$0.15	\$0.05	\$0.42	\$0.40	\$0.36	\$0.62
	Philippines	\$0.05	\$-	\$0.25	\$0.11	\$0.04	\$0.14	\$0.14
	Qatar	\$-	\$-	\$1.90	\$0.74	\$0.81	\$1.52	\$1.52
	Russia	\$2.99	\$1.26	\$2.88	\$0.21	\$2.46	\$2.90	\$2.35
	South Africa	\$0.62	\$2.18	\$1.71	\$0.25	\$0.25	\$0.27	\$0.40
	Thailand	\$-	\$-	\$0.15	\$0.20	\$0.28	\$0.39	\$0.48
	United Arab Emirates	\$-	\$-	\$2.12	\$1.06	\$1.87	\$2.90	\$2.20
Europe ex UK	Belgium	\$0.14	\$0.15	\$0.13	\$0.16	\$0.15	\$0.18	\$0.17
	Denmark	\$1.64	\$2.51	\$2.80	\$3.73	\$3.46	\$4.49	\$3.84
	Finland	\$0.77	\$0.90	\$0.60	\$0.96	\$0.74	\$1.09	\$0.84
	France	\$2.39	\$2.70	\$2.92	\$4.42	\$2.98	\$3.87	\$3.98
	Germany	\$3.69	\$3.79	\$3.94	\$4.05	\$3.98	\$4.37	\$4.94
	Ireland	\$-	\$-	\$0.58	\$-	\$-	\$-	\$-
	Israel	\$0.30	\$0.83	\$0.32	\$0.35	\$0.35	\$-	\$-
	Italy	\$-	\$0.40	\$-	\$-	\$0.98	\$1.70	\$1.98
	Netherlands	\$0.57	\$0.64	\$0.52	\$0.57	\$0.58	\$0.76	\$4.28
	Norway	\$-	\$0.46	\$0.75	\$0.70	\$0.72	\$0.73	\$0.93
	Spain	\$5.46	\$5.75	\$4.64	\$4.88	\$4.51	\$4.99	\$5.14
	Sweden	\$4.28	\$1.77	\$2.72	\$2.93	\$2.86	\$-	\$-
	Switzerland	\$12.97	\$15.10	\$14.42	\$14.35	\$14.32	\$14.45	\$13.88
	Japan	\$2.58	\$2.22	\$3.49	\$4.16	\$4.48	\$5.23	\$5.53
North America	Canada	\$9.88	\$9.24	\$8.83	\$7.77	\$8.65	\$10.09	\$10.66
	United States	\$66.43	\$86.64	\$99.54	\$107.87	\$107.43	\$113.11	\$122.47
Asia Pacific ex Japan	Australia	\$8.08	\$7.91	\$8.41	\$5.96	\$11.54	\$11.38	\$14.26
	Hong Kong	\$1.11	\$2.57	\$3.58	\$5.79	\$3.86	\$2.88	\$3.05
	Singapore	\$1.03	\$0.92	\$0.91	\$0.98	\$0.78	\$1.20	\$0.82
	South Korea	\$0.41	\$0.16	\$0.33	\$-	\$-	\$0.35	\$-
UK	United Kingdom	\$17.65	\$43.45	\$17.23	\$16.37	\$15.44	\$18.70	\$20.67
Total		<b>\$152.19</b>	<b>\$201.83</b>	<b>\$194.23</b>	<b>\$196.71</b>	<b>\$201.16</b>	<b>\$216.84</b>	<b>\$233.66</b>
Outside top 1,200		<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.64</b>	<b>\$24.96</b>	<b>\$25.52</b>	<b>\$27.51</b>	<b>\$29.64</b>
Grand Total		<b>\$171.50</b>	<b>\$224.47</b>	<b>\$218.87</b>	<b>\$221.67</b>	<b>\$226.68</b>	<b>\$244.35</b>	<b>\$263.30</b>



## Appendices (continued)

### Quarterly dividends by industry in US\$ billions

Industry US\$bn	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
Basic Materials	\$9.41	\$11.48	\$10.84	\$5.98	\$8.92	\$9.99	\$20.03
Consumer Basics	\$15.56	\$17.14	\$21.19	\$18.31	\$18.50	\$20.00	\$20.78
Consumer Discretionary	\$6.73	\$10.68	\$12.59	\$13.21	\$11.38	\$12.50	\$12.78
Financials	\$26.01	\$28.02	\$36.90	\$39.36	\$43.11	\$45.54	\$47.48
Health Care & Pharmaceuticals	\$25.95	\$29.80	\$29.69	\$31.58	\$31.66	\$33.59	\$35.00
Industrials	\$13.75	\$17.94	\$19.19	\$18.85	\$18.84	\$20.30	\$19.49
Oil, Gas & Energy	\$21.93	\$24.63	\$24.94	\$22.97	\$24.30	\$27.27	\$28.64
Technology	\$10.95	\$14.37	\$15.61	\$19.44	\$17.72	\$20.39	\$21.12
Communications & Media	\$13.15	\$39.22	\$15.92	\$15.81	\$14.60	\$15.06	\$14.13
Utilities	\$8.75	\$8.54	\$7.36	\$11.19	\$12.12	\$12.20	\$14.21
<b>Total</b>	<b>\$152.19</b>	<b>\$201.83</b>	<b>\$194.23</b>	<b>\$196.71</b>	<b>\$201.16</b>	<b>\$216.84</b>	<b>\$233.66</b>
<b>Outside Top 1,200</b>	<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.64</b>	<b>\$24.96</b>	<b>\$25.52</b>	<b>\$27.51</b>	<b>\$29.64</b>
<b>Grand total</b>	<b>\$171.50</b>	<b>\$224.47</b>	<b>\$218.87</b>	<b>\$221.67</b>	<b>\$226.68</b>	<b>\$244.35</b>	<b>\$263.30</b>

### Quarterly dividends by sector in US\$ billions

Industry	Sector US\$bn	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
Basic Materials	Building Materials	\$0.02	\$-	\$-	\$0.05	\$0.06	\$0.06	\$0.07
	Chemicals	\$2.71	\$4.23	\$3.65	\$3.93	\$3.92	\$3.67	\$7.40
	Metals & Mining	\$6.30	\$6.88	\$6.79	\$1.49	\$4.43	\$5.95	\$12.24
	Paper & Packaging	\$0.37	\$0.37	\$0.40	\$0.51	\$0.52	\$0.31	\$0.32
Consumer Basics	Beverages	\$3.71	\$4.28	\$4.44	\$3.42	\$3.36	\$3.79	\$3.76
	Food	\$2.81	\$3.45	\$2.49	\$2.79	\$2.72	\$2.74	\$2.82
	Food & Drug Retail	\$2.16	\$2.46	\$5.24	\$3.20	\$3.18	\$2.59	\$2.79
	Household & Personal Products	\$2.43	\$2.60	\$3.69	\$3.88	\$3.93	\$4.46	\$4.50
Consumer Discretionary	Tobacco	\$4.44	\$4.35	\$5.33	\$5.02	\$5.30	\$6.42	\$6.90
	Consumer Durables & Clothing	\$0.41	\$1.17	\$1.56	\$1.51	\$1.60	\$1.52	\$1.58
	General Retail	\$2.10	\$2.65	\$3.31	\$3.54	\$2.81	\$2.90	\$3.22
	Leisure	\$3.12	\$4.92	\$5.39	\$4.48	\$4.35	\$5.01	\$5.68
Financials	Other Consumer Services	\$-	\$-	\$0.06	\$-	\$-	\$-	\$-
	Vehicles & Parts	\$1.11	\$1.94	\$2.28	\$3.69	\$2.62	\$3.06	\$2.31
	Banks	\$17.08	\$15.76	\$21.17	\$19.99	\$24.67	\$25.11	\$26.56
	General Financials	\$1.95	\$4.23	\$4.44	\$4.19	\$5.21	\$5.86	\$5.26
Health Care & Pharmaceuticals	Insurance	\$2.69	\$4.07	\$5.00	\$5.89	\$5.88	\$6.09	\$7.22
	Real Estate	\$4.29	\$3.95	\$6.29	\$9.29	\$7.34	\$8.48	\$8.44
	Health Care Equipment & Services	\$1.52	\$2.46	\$2.99	\$3.18	\$3.53	\$3.92	\$4.93
	Pharmaceuticals & Biotech	\$24.43	\$27.34	\$26.70	\$28.40	\$28.13	\$29.67	\$30.07
Industrials	Aerospace & Defense	\$2.11	\$2.86	\$3.10	\$3.14	\$2.75	\$3.14	\$3.41
	Construction, Engineering & Materials	\$0.52	\$1.30	\$1.40	\$1.57	\$1.79	\$2.11	\$2.34
	Electrical Equipment	\$0.67	\$0.65	\$0.71	\$0.69	\$0.70	\$0.74	\$0.75
	General Industrials	\$7.44	\$8.79	\$8.78	\$8.86	\$8.63	\$8.53	\$7.33
Oil, Gas & Energy	Support Services	\$1.26	\$1.38	\$1.38	\$1.45	\$1.38	\$1.46	\$1.38
	Transport	\$1.75	\$2.97	\$3.81	\$3.14	\$3.58	\$4.32	\$4.28
	Energy – non-oil	\$1.17	\$2.92	\$2.08	\$2.60	\$1.89	\$1.58	\$1.17
	Oil & Gas Equipment & Distribution	\$2.14	\$2.48	\$3.12	\$2.67	\$3.15	\$3.87	\$4.30
Technology	Oil & Gas Producers	\$18.63	\$19.23	\$19.73	\$17.70	\$19.27	\$21.82	\$23.17
	IT Hardware & Electronics	\$4.54	\$5.59	\$6.00	\$6.18	\$6.35	\$7.01	\$7.23
	Semiconductors & Equipment	\$2.07	\$2.89	\$3.30	\$3.57	\$4.18	\$4.96	\$5.45
	Software & Services	\$4.34	\$5.89	\$6.31	\$9.69	\$7.19	\$8.43	\$8.43
Communications & Media	Media	\$1.26	\$2.84	\$3.51	\$4.28	\$2.98	\$3.04	\$2.67
	Telecoms	\$11.88	\$36.38	\$12.42	\$11.53	\$11.63	\$12.01	\$11.46
Utilities	Utilities	\$8.75	\$8.54	\$7.36	\$11.19	\$12.12	\$12.20	\$14.21
<b>Total</b>		<b>\$152.19</b>	<b>\$201.83</b>	<b>\$194.23</b>	<b>\$196.71</b>	<b>\$201.16</b>	<b>\$216.84</b>	<b>\$233.66</b>
<b>Outside Top 1,200</b>		<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.64</b>	<b>\$24.96</b>	<b>\$25.52</b>	<b>\$27.51</b>	<b>\$29.64</b>
<b>Grand total</b>		<b>\$171.50</b>	<b>\$224.47</b>	<b>\$218.87</b>	<b>\$221.67</b>	<b>\$226.68</b>	<b>\$244.35</b>	<b>\$263.30</b>



## Appendices (continued)

### JHGDI – by region

Region	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
Emerging Markets	186.1	205.1	190.9	156.9	133.6	158.2	177.7
Europe ex UK	109.1	113.5	127.0	115.9	118.9	121.2	139.1
Japan	143.6	129.2	142.0	147.5	180.3	196.0	219.9
North America	150.1	159.3	178.6	197.6	196.2	212.7	229.0
Asia Pacific ex Japan	166.8	181.3	190.4	176.0	188.3	219.3	236.6
UK	132.9	178.7	145.8	143.1	138.2	148.6	152.3
<b>Global total</b>	<b>141.6</b>	<b>153.1</b>	<b>160.8</b>	<b>159.3</b>	<b>159.8</b>	<b>173.8</b>	<b>190.1</b>

### JHGDI – by industry

Industry	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1	19Q1
Basic Materials	184.5	185.0	171.5	148.5	124.7	180.9	257.0
Consumer Basics	155.4	160.2	177.8	179.6	174.8	184.4	191.2
Consumer Discretionary	223.2	250.9	299.9	314.6	318.9	330.0	364.3
Financials	162.8	185.2	199.9	205.5	217.5	229.7	258.6
Health Care & Pharmaceuticals	147.0	149.8	159.6	169.6	182.4	190.9	203.4
Industrials	131.6	137.2	155.6	158.1	155.2	166.5	173.2
Oil, Gas & Energy	124.0	132.0	137.7	110.2	97.3	113.1	126.3
Technology	197.8	226.8	268.7	298.7	309.6	348.3	401.5
Communications & Media	107.2	125.5	103.4	102.4	102.7	107.6	100.5
Utilities	89.2	88.1	83.1	83.4	88.2	96.3	93.9



## Appendices (continued)

### Q1 Annual Growth Rate – adjustments from underlying to headline

Region	Country	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects	Headline dividend growth
Emerging Markets	Brazil	-15.0%	10%	-9%	-9%	-10%	-32.1%
	Chile	7.9%	0%	-11%	0%	0%	-2.9%
	China	26.4%	0%	0%	0%	0%	26.4%
	India	12.7%	6%	-9%	8%	0%	18.4%
	Malaysia	12.9%	0%	-5%	11%	0%	19.0%
	Mexico	42.0%	36%	-3%	0%	0%	74.8%
	Philippines	1.5%	0%	-2%	0%	0%	-0.5%
	Russia	-4.5%	0%	-14%	0%	0%	-18.9%
	South Africa	15.2%	0%	-20%	53%	0%	48.1%
	Thailand	21.9%	0%	2%	0%	0%	23.5%
	United Arab Emirates	4.1%	-28%	0%	0%	0%	-24.2%
Europe ex UK	Belgium	4.0%	0%	-7%	0%	0%	-2.8%
	Denmark	-2.5%	-4%	-8%	0%	0%	-14.5%
	Finland	0.2%	0%	-8%	-15%	0%	-23.3%
	France	15.7%	0%	-6%	-6%	0%	2.9%
	Germany	3.3%	0%	-8%	18%	0%	13.0%
	Italy	25.9%	0%	-9%	0%	0%	16.6%
	Netherlands	18.6%	454%	-8%	0%	0%	465.2%
	Norway	14.5%	0%	-9%	21%	0%	27.0%
	Spain	6.4%	0%	-7%	-10%	13%	3.0%
Switzerland	2.2%	0%	-6%	0%	0%	-4.0%	
Japan	Japan	6.7%	1%	-4%	2%	0%	5.7%
North America	Canada	12.0%	0%	-5.0%	-1%	0%	5.6%
	United States	9.6%	-1%	0%	-1%	0%	8.3%
Asia Pacific ex Japan	Australia	5.4%	37%	-7%	-9%	0%	25.3%
	Hong Kong	8.4%	0%	0%	-2%	0%	5.9%
	Singapore	0.0%	-31%	-1%	0%	0%	-31.5%
UK	United Kingdom	4.1%	13%	-5%	-1.5%	0%	10.5%



## Appendices (continued)

### Q1 2019 growth rate – adjustments from underlying to headline growth

Region	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects	Headline dividend growth
Emerging Markets	2.2%	-0.6%	-7.1%	1.4%	-2.0%	-6.1%
Europe ex UK	5.3%	8.9%	-7.1%	0.2%	1.8%	9.2%
Japan	8.7%	0.9%	-4.4%	0.4%	0.0%	5.7%
North America	9.8%	-0.7%	-0.4%	-0.9%	0.3%	8.1%
Asia Pacific ex Japan	3.8%	24.1%	-5.4%	-5.6%	-2.2%	14.7%
UK	4.4%	12.8%	-4.9%	-1.8%	0.0%	10.5%
Global	7.5%	4.0%	-2.9%	-1.0%	0.1%	7.8%



## Frequently Asked Questions

### What is the Janus Henderson Global Dividend Index?

The Janus Henderson Global Dividend Index (JHGDI) is a long-term study into global dividend trends, and is the first of its kind. It is a measure of the progress global firms are making in paying their investors an income on their capital. It analyzes dividends paid every quarter by the world's largest 1,200 firms by market capitalization.

### How many companies are analyzed?

The world's largest 1,200 companies by market capitalization are analyzed in detail, representing 90% of global dividends paid. The next 1,800 only represent 10%, so due to their size, their effects on the results are negligible.

### What information does JHGDI provide?

The index breaks down global payouts by region, industry and sector. It enables readers to easily compare the dividend performance of countries like the U.S., for example, that provide a large proportion of global dividends, alongside smaller nations such as the Netherlands. The report aims to explain the world of equity income investing.

### What do the charts cover?

All charts and tables are based on the analysis of the top 1,200 companies. The charts are there to help illustrate the dividend performance, regional and sector pay outs.

### Why is this piece of research produced?

The hunt for income remains a major investment theme for investors, and in response to client feedback Janus Henderson has undertaken a long-term study into global dividend trends with the launch of the Janus Henderson Global Dividend Index.

### How are the figures calculated?

Dividends are included in the model on the date they are paid. They are calculated gross, using the share count prevailing on the pay-date, and converted into U.S. dollars using the prevailing exchange rate. Please see the methodology section in the JHGDI report for a more detailed answer.

### Why is the report based in dollars?

The report is produced in U.S. dollars, since the U.S. dollar is the global reserve currency, used as the standard measure for comparing cross border financial metrics.

### Is the data in the report year on year or quarter on quarter?

The report is published on a quarterly basis. Given that this is a global study of dividend income, publishing the data on a quarterly basis provides best insight on which regions and sectors pay dividends in which quarter. In each edition the data is compared with the same quarter of the previous year e.g. Q1 2015 vs Q1 2014.

### What is the difference between headline and underlying growth?

In the report we focus on headline growth, which is how much was paid in US\$ in any quarter in relation to the same period in the previous year. Underlying growth is also calculated, but is an adjusted rate that takes currency movements, special dividends, timing changes and index changes into account.

### Can you invest in the JHGDI?

The JHGDI is not an investable index, but is a measure of the progress that global firms are making in paying their investors an income on their capital, taking 2009 as a base year (index value of 100).

### Is the JHGDI linked to any of Janus Henderson's funds?

The index is not linked to any of Janus Henderson's funds, however, the report is headed up by Ben Lofthouse, Head of Janus Henderson's Global Equity Income strategy, and supported by Andrew Jones and Jane Shoemake, members of the Global Equity Income team.

### Why should investors be interested in global dividend income?

Investing in companies that not only offer dividends, but increase them, has proven over time to provide both growing income and higher total return than companies that do not. Investing globally offers investors diversification across countries and sectors with the aim of reducing risk to income and capital.



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For more information, please visit [janushenderson.com](http://janushenderson.com).

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—KNOWLEDGE. SHARED—

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C-0519-23948 05-15-20

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