

# JANUS HENDERSON GLOBAL DIVIDEND INDEX

Janus Henderson  
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Nothing in this document should be construed as advice.

\* Please refer to the glossary of services found on page 14.

# 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 £257.9bn in assets under management, more than 2,000 employees and offices in 27 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 (JHGDÍ) 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 US dollars, and can be broken down into regions, industries and sectors. It enables readers to easily compare the dividend performance of countries like the US, 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 at 31 December 2018





# 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 ten companies globally increased dividends or held them flat
- Janus Henderson Global Dividend Index rose to a record 187.3

## North America

- Record payouts of \$509.9bn were up 8.1%, breaking the half a trillion barrier for the first time
- US growth was 7.8% in underlying terms, with a strong contribution from banks, healthcare and technology
- Only one in 25 US 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

## Europe ex UK

- Growth in Europe lagged the global average on an underlying basis in 2018, up 5.4% to \$256.1bn
- 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 \$99.5bn, 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

GLOBAL DIVIDENDS  
ROSE 9.3% IN Q4 TO A  
record \$1.37trn

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

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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 services 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

- Record dividends of \$150.0bn 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 \$79.1bn, 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 \$120.9bn
- 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 distribute 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 towards 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

**UNDERLYING GROWTH  
WAS 8.5%,  
the best  
performance  
since 2015**

**Nine in ten  
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OR HELD THEM FLAT**

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

Global dividends finished 2018 at a new record high, as a strong fourth quarter shrugged off rising volatility in global financial markets. Total dividends jumped 9.3% in headline terms to \$1.37 trillion for the year, \$10 billion ahead of our forecast. On an underlying basis, which is our preferred measure of core growth, this was equivalent to an increase of 8.5%, the best performance since 2015 and ahead of the long-term trend of 5-7%. Almost nine in ten companies around the world raised their payouts or held them steady.

Overall growth finished the year faster than we anticipated with emerging markets, Japan and North America performing strongly; Europe lagged behind. Japan, North America, Europe and Asia Pacific all saw record payouts, along with almost a third of the individual countries in our index. US tax cuts, and trends that have seen dividends normalise in the banking, mining, and oil sectors, helped generate rapid growth for the year.

In Q4, headline dividend growth was 8.3%, yielding a total \$272.9bn, a record for the fourth quarter. Underlying growth was 8.0%, thanks to a strong finish to the year in Russia, Japan, the US and Canada.

The Janus Henderson Global Dividend Index ended the year at a new record 187.3, indicating expansion of almost nine tenths in global dividends since 2009 when the index was launched at 100.

## Annual dividends by region in USD billions

Region	2015	% change	2016	% change	2017	% change	2018	% change	Q4 2017	Q4 2018	% change
Emerging Markets	\$112.2	-11.4%	\$87.9	-21.6%	\$103.4	17.6%	\$120.9	16.9%	\$16.2	\$18.5	13.8%
Europe ex UK	\$213.4	-10.1%	\$223.2	4.6%	\$225.1	0.8%	\$256.1	13.8%	\$23.6	\$19.7	-16.5%
Japan	\$52.6	5.2%	\$64.7	23.2%	\$70.0	8.1%	\$79.1	13.0%	\$29.2	\$32.7	11.9%
North America	\$441.2	12.3%	\$445.0	0.9%	\$475.7	6.9%	\$509.9	7.2%	\$118.8	\$129.1	8.7%
Asia Pacific	\$113.8	-5.9%	\$117.8	3.5%	\$141.6	20.2%	\$150.0	6.0%	\$20.4	\$26.8	31.8%
UK	\$96.2	-22.0%	\$93.0	-3.3%	\$95.7	3.0%	\$99.5	4.0%	\$15.4	\$15.4	0.1%
Total	\$1,029.3	-2.1%	\$1,031.6	0.2%	\$1,111.5	7.7%	\$1,215.4	9.3%	\$223.6	\$242.2	8.3%
Divs outside top 1,200	\$130.6	0.2%	\$130.9	0.2%	\$141.0	7.7%	\$154.2	9.3%	\$28.4	\$30.7	8.3%
Grand total	\$1,159.9	-1.8%	\$1,162.5	0.2%	\$1,252.5	7.7%	\$1,369.6	9.3%	\$251.9	\$272.9	8.3%

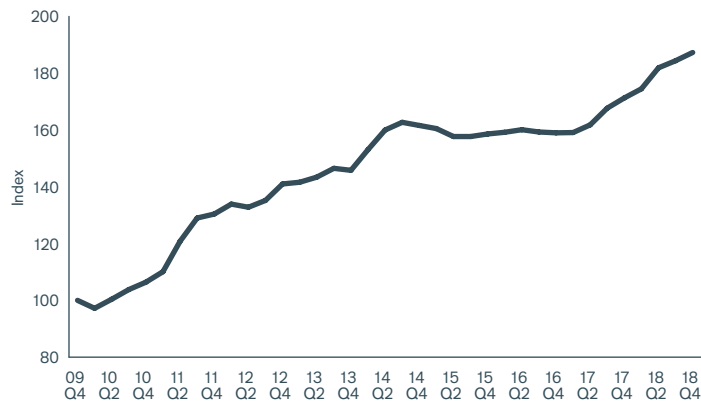
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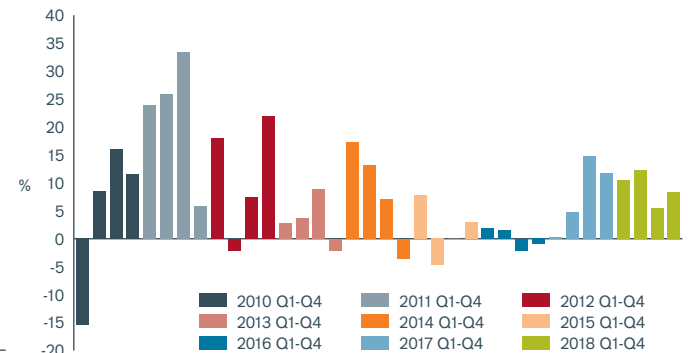


# Global dividends shrug off market volatility to end 2018 at a record high (continued)

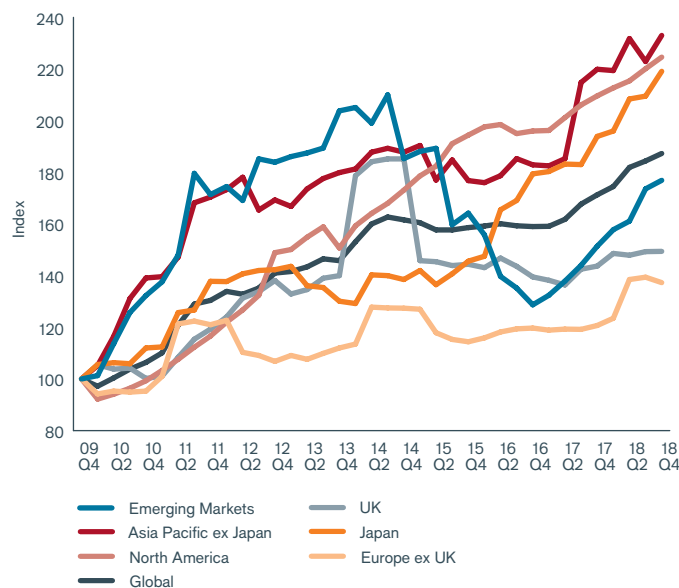
JHGDI



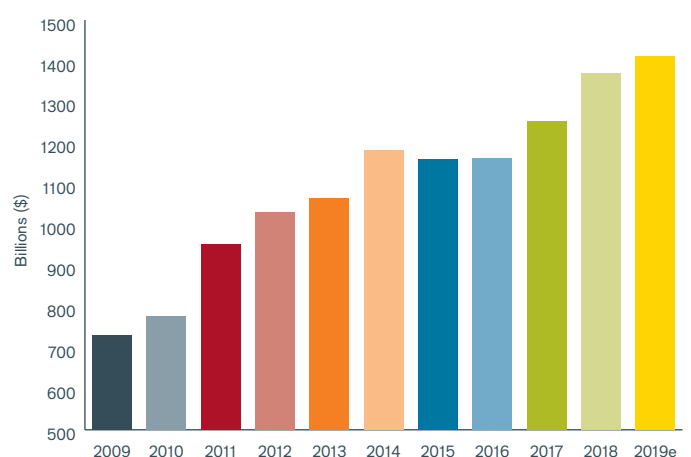
Total dividends, annual growth per quarter



JHGDI – by region



Global dividends (US\$)



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# 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 US 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 US dollar spent the first half of the year weaker against many other currencies compared to the same period in 2017, and especially against the euro. That meant that the US dollar value of global dividends was boosted by \$23bn 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 favourable exchange rates. The net effect for the full year was a small exchange-rate gain for the 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 twelve 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 twelve 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%	4.2%	0.0%	16.9%
Europe ex UK	5.4%	0.5%	6.4%	0.6%	0.8%	13.8%
Japan	10.5%	2.0%	0.6%	-0.1%	0.0%	13.0%
North America	8.1%	1.2%	0.0%	-2.2%	0.1%	7.2%
Asia Pacific ex Japan	8.0%	-3.2%	-1.6%	2.7%	0.0%	6.0%
UK	8.8%	-4.9%	1.5%	-1.4%	0.0%	4.0%
Global	8.5%	-0.1%	1.0%	-0.2%	0.2%	9.3%

## Q4 2018 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%	6.5%	1.8%	13.8%
Europe ex UK	-4.2%	-4.6%	-2.5%	-2.7%	-2.5%	-16.5%
Japan	9.2%	3.4%	-1.1%	0.4%	0.0%	11.9%
North America	8.4%	2.0%	-0.3%	-1.8%	0.3%	8.7%
Asia Pacific ex Japan	10.9%	19.1%	-4.9%	3.9%	2.7%	31.8%
UK	1.9%	-0.6%	-1.2%	-7.3%	7.3%	0.1%
Global	8.0%	2.2%	-1.8%	-0.9%	0.8%	8.3%

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† Timing effects are not significant on an annual basis.

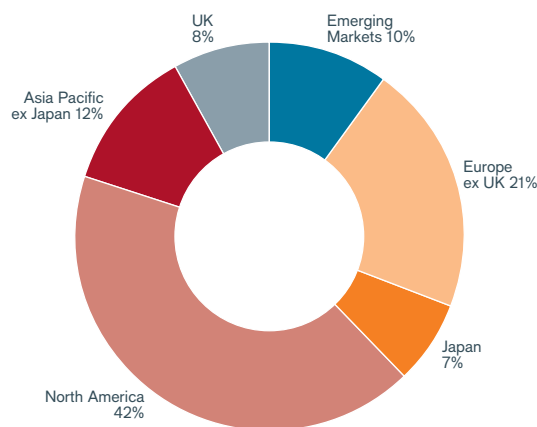
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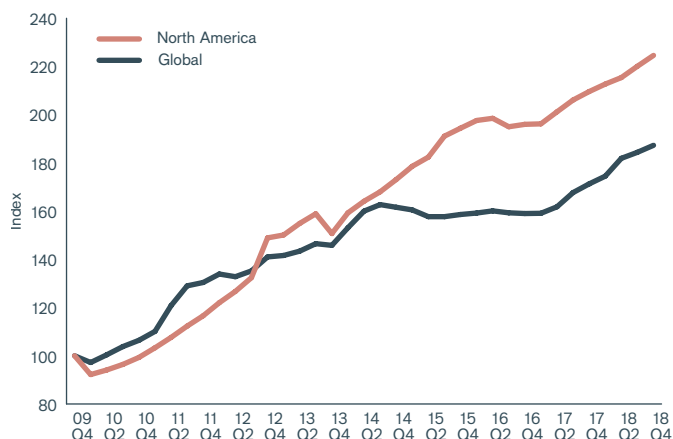
# Regions and countries

## 2018 dividends by region



## North America

### JHGD – North America



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

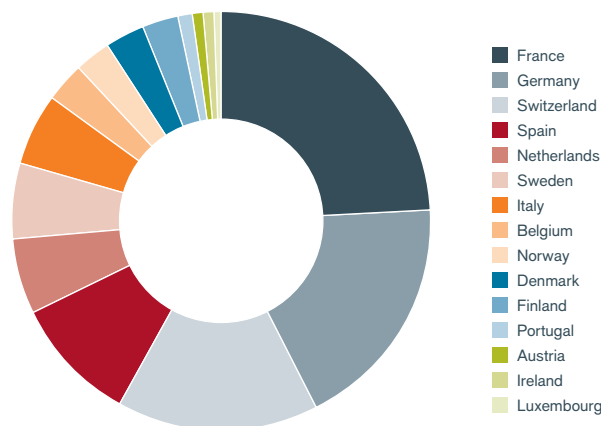
US dividends of \$468.9bn were 7.0% higher in headline terms. Underlying growth was 7.8% and was consistent across each quarter.

The biggest contribution to growth came from the US banks, which distributed an additional \$5.9bn. JP Morgan overtook Wells Fargo to become the largest payer of banking dividends, though Bank of America made the biggest increase, paying an additional \$1.5bn year-on-year. Healthcare and technology companies each added over \$3bn, led respectively by Abbvie which referenced strong drug sales and tax cuts as reasons for its 50% increase, and Broadcom. Only one in 25 US 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 totalled a record \$41.0bn, the fastest underlying growth among major developed economies. Like its neighbour, growth was consistently high in every quarter, and only one in forty companies cut its payout. Canadian oil companies made the largest contribution to growth, followed closely by the banks. Nine of the top ten contributors to the increase in Canadian dividends were from these two sectors.

## Europe ex UK

### Europe ex UK 2018



European dividends reached a record \$256.1bn 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 \$63.1bn 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 ten 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 \$47.5bn. 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 11c per share from 75c three years ago as it continued to

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## Regions and countries (continued)

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.

For their part, Swiss companies continued their slow but steady progress. The \$40.1bn 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.

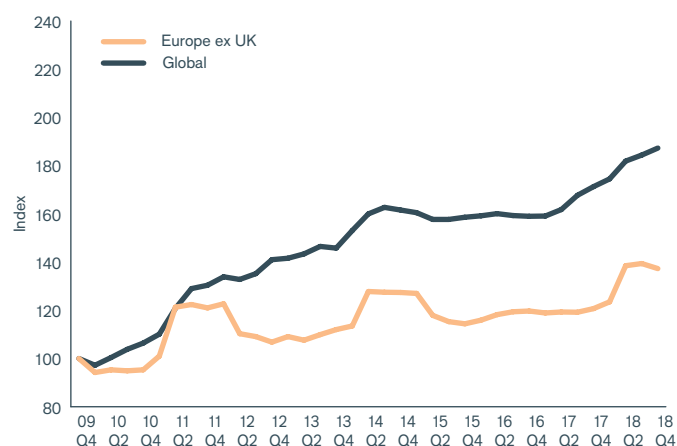
In Spain, dividends were 7.1% higher on an underlying basis, reaching a total of \$24.4bn. Spain's biggest payer, Banco Santander made a 5% increase, but a number of companies achieved double-digit rises. Telefonica stood out for holding its dividend flat, and only BBVA reduced its payout year-on-year.

Italian dividends have only risen by 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 \$15.3bn were up 13.2% in underlying terms as nine out of ten Italian companies raised their payouts or held them steady. Unicredit restored its dividend after cancelling 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 \$15.1bn, 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 SAB Miller, 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

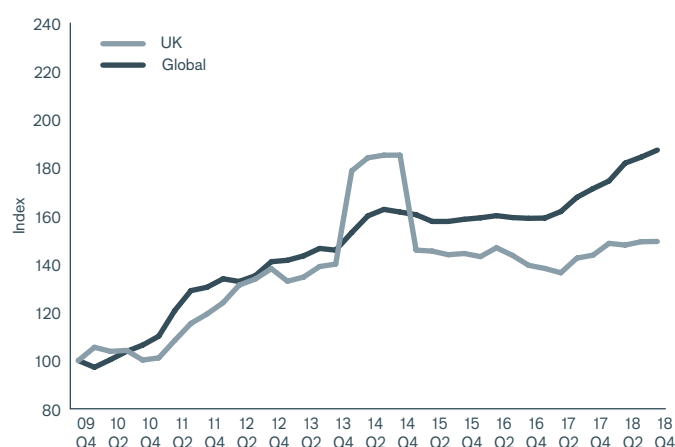


## UK

Dividends from UK companies in the index rose 4.0% to \$99.5bn. 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 \$4.8bn 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 \$1.2bn 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 ten 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 \$25bn buyback programme, equivalent to about a tenth of the shares in issue.

### JHGDI – UK



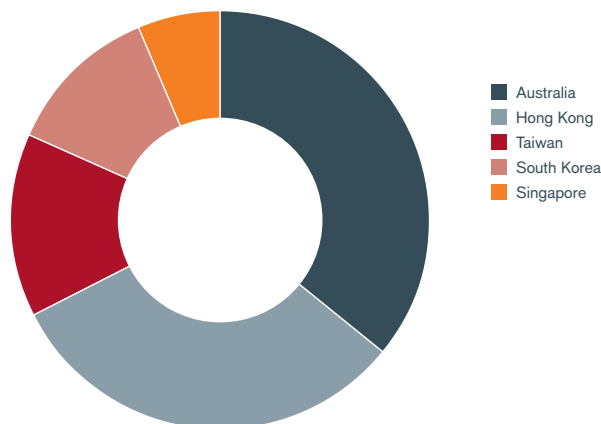
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## Regions and countries (continued)

### Asia Pacific ex Japan

Asia-Pacific ex Japan 2018



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. The total paid nonetheless rose to a new record of \$150.0bn, 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 ten increased dividends or held them flat, with the fastest growth coming from consumer sectors.

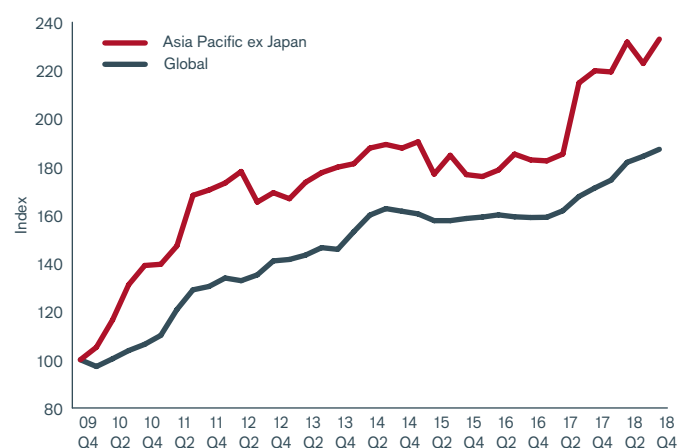
Australian payouts inched ahead just 0.9% year-on-year on an underlying basis, the weakest level among the world's major developed stock markets. Australian banks account for almost half the country's total dividends and weak profitability, combined with already high payout ratios, means it is difficult 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\$1.3bn 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 \$1.6bn more to their shareholders.

Hong Kong is the second largest payer in Asia-Pacific. The total paid there fell slightly to \$47.8bn, 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 \$9.5bn 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 paying 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 \$2.8bn 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 feature in the top 100.

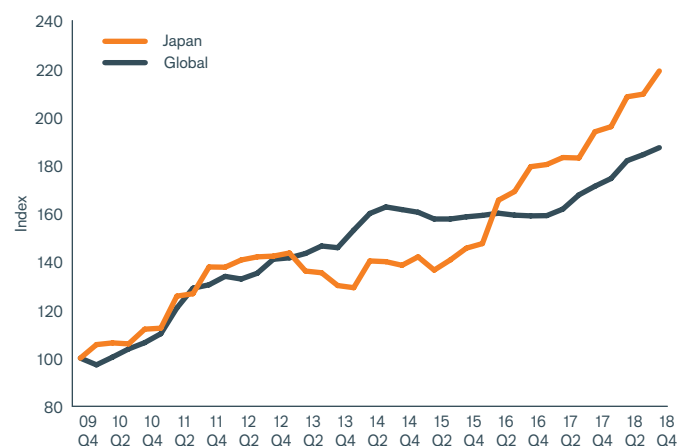
### JHGD – Asia Pacific ex Japan



### 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 \$79.1bn 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.

### JHGD – Japan

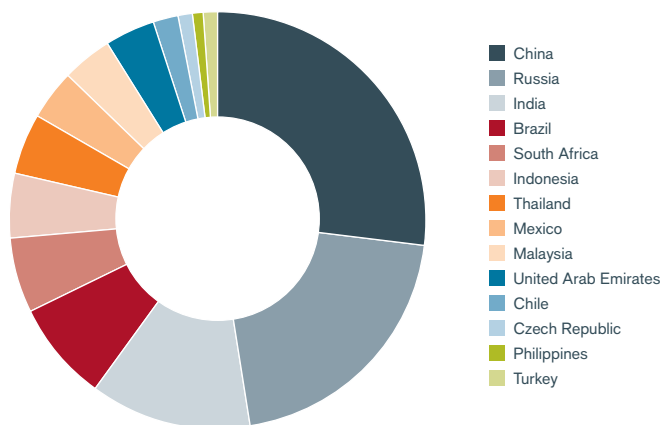




## Regions and countries (continued)

### Emerging Markets

#### Emerging Markets 2018



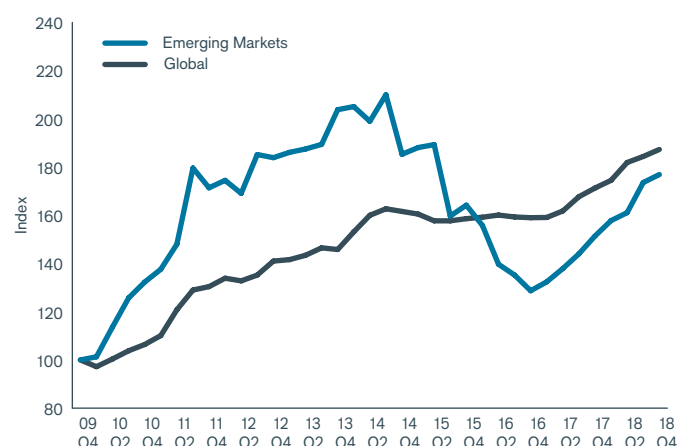
After a weak first quarter, emerging market dividends bounced back strongly over the rest of the year. For the whole of 2018, they jumped 15.9% in underlying terms. The total \$120.9bn paid was the highest since 2014.

Russian payouts accounted for two fifths of the \$17.7bn increase, and were characteristically volatile, soaring 44.1% on an underlying basis to a comfortable record of \$25.1bn. 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 \$33.3bn 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 single increase coming from Sinopec where rising refining margins and an improving sales mix meant \$980m more in dividends for shareholders (\$980m – \$33.3bn is the total for all of China). 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. Vale significantly increased its dividend but following a tragic incident in January 2019 the company has suspended future dividend payments. 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



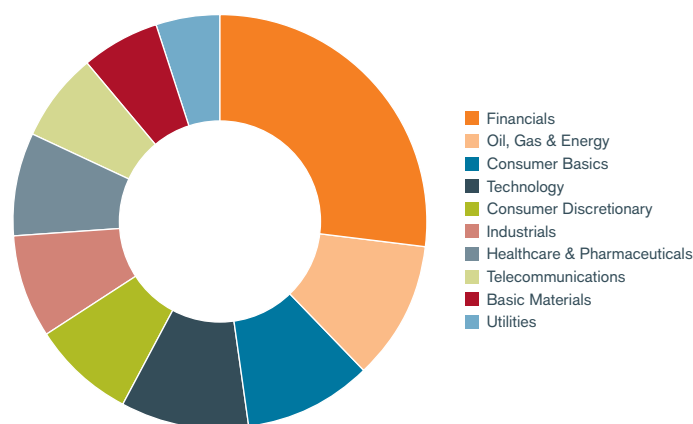
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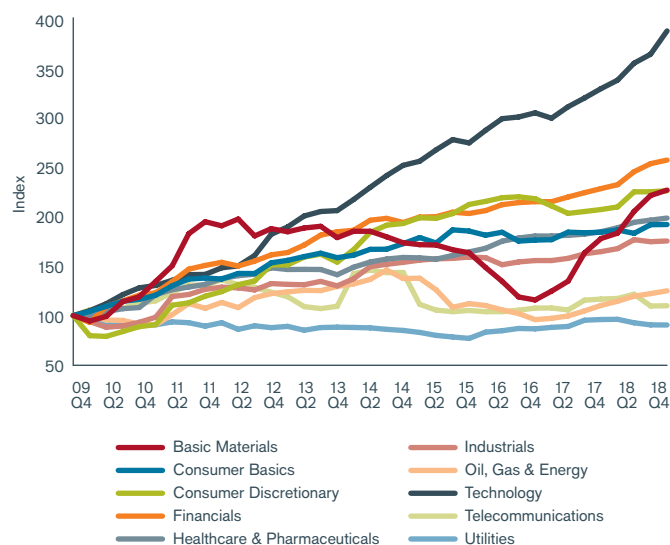


# Industry and sectors

Global dividends by industry 2018



JHGDI – 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.

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# 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
<b>Subtotal \$bn</b>	<b>\$95.0</b>	<b>\$98.3</b>	<b>\$124.6</b>	<b>\$106.8</b>	<b>\$109.6</b>	<b>\$120.5</b>	<b>\$118.1</b>
<b>% of total</b>	<b>9.2%</b>	<b>9.2%</b>	<b>10.5%</b>	<b>9.2%</b>	<b>9.4%</b>	<b>9.6%</b>	<b>8.6%</b>
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
<b>Subtotal \$bn</b>	<b>\$70.0</b>	<b>\$74.9</b>	<b>\$78.3</b>	<b>\$74.6</b>	<b>\$74.0</b>	<b>\$76.4</b>	<b>\$80.7</b>
<b>Grand total \$bn</b>	<b>\$165.0</b>	<b>\$173.2</b>	<b>\$202.9</b>	<b>\$181.4</b>	<b>\$183.6</b>	<b>\$196.9</b>	<b>\$198.8</b>
<b>% of total</b>	<b>16.0%</b>	<b>16.2%</b>	<b>17.2%</b>	<b>15.6%</b>	<b>15.8%</b>	<b>15.7%</b>	<b>14.5%</b>

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## Conclusion and outlook

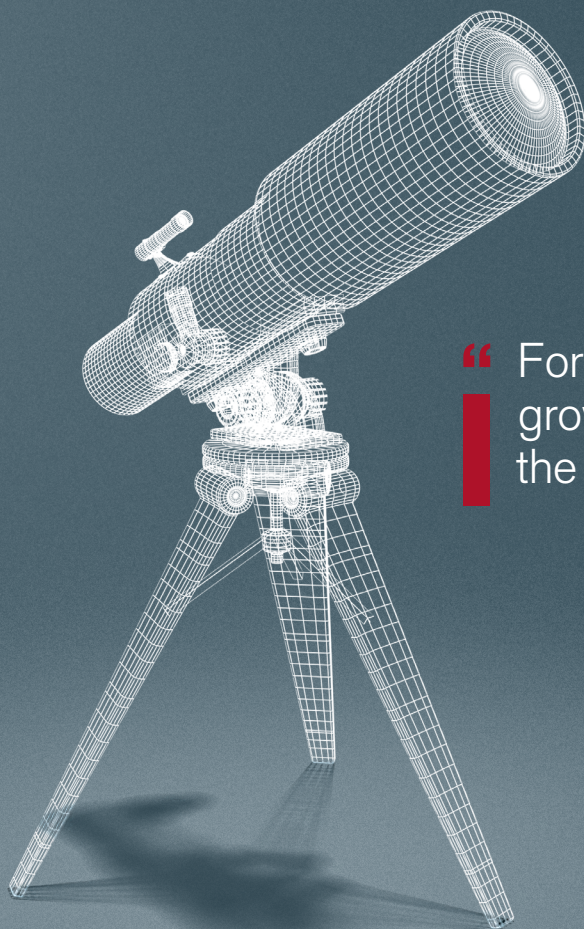
“ Dividends are much less volatile than earnings, so we remain optimistic on the prospects for income investors.”

Despite more challenging equity market conditions, investors can take comfort in the ability of the world's companies to continue to generate income. Dividend yields in most markets are at attractive levels, while the 8.5% dividend growth recorded in 2018 was ahead of the long-term trend. This strength reflects a number of factors; several sectors, such as mining, oil and banking have been normalising their dividend payments, after a period of low or no dividends, while some of the biggest tech firms are increasingly adopting a dividend-paying culture. The impact of tax cuts in the US clearly helped dividend growth there too.

For the year ahead, we expect dividend growth to be more in line with the longer-run trend. Corporate profit expectations have fallen as global economic forecasts have been revised down, although most observers still expect companies to deliver positive earnings growth in 2019. Dividends in any case are much less volatile than earnings, so we remain optimistic on the prospects for income investors.

“ We forecast underlying growth of 5.1%, which translates into headline growth of 3.3%”.

We forecast underlying growth of 5.1% in 2019, which translates into headline growth of 3.3%, assuming the US dollar maintains its current exchange rate against the other major currencies. That means the world's companies are set to pay their shareholders \$1.414 trillion this year, almost \$700bn more than they did ten years ago.



“ For 2019, we expect dividend growth to be more in line with the longer-run trend”.





# Methodology

Each year Janus Henderson analyse dividends paid by the 1,200 largest firms by market capitalisation (as at 31/12 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 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.

**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 above

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## Appendix

Annual dividends by country in USD billions

Region	Country US\$ bn	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
	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
	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
<b>Total</b>		<b>\$915</b>	<b>\$946</b>	<b>\$1,051</b>	<b>\$1,029</b>	<b>\$1,032</b>	<b>\$1,112</b>	<b>\$1,215</b>
<b>Outside top 1,200</b>		<b>\$116</b>	<b>\$120</b>	<b>\$130</b>	<b>\$131</b>	<b>\$131</b>	<b>\$141</b>	<b>\$154</b>
<b>Grand Total</b>		<b>\$1,031</b>	<b>\$1,066</b>	<b>\$1,182</b>	<b>\$1,160</b>	<b>\$1,163</b>	<b>\$1,253</b>	<b>\$1,370</b>

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# Appendices (continued)

## Annual dividends by industry in USD billions

Industry US\$ bn	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
Healthcare & 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
<b>Total</b>	<b>\$915.0</b>	<b>\$946.3</b>	<b>\$1,051.2</b>	<b>\$1,029.3</b>	<b>\$1,031.6</b>	<b>\$1,111.5</b>	<b>\$1,215.4</b>
<b>Outside Top 1,200</b>	<b>\$116</b>	<b>\$120</b>	<b>\$130</b>	<b>\$131</b>	<b>\$131</b>	<b>\$141</b>	<b>\$154</b>
<b>Grand total</b>	<b>\$1,031</b>	<b>\$1,066</b>	<b>\$1,182</b>	<b>\$1,160</b>	<b>\$1,163</b>	<b>\$1,253</b>	<b>\$1,370</b>

## Annual dividends by sector in USD billions

Industry	Sector US\$bn	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
Healthcare & 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
<b>Total</b>		<b>\$915.0</b>	<b>\$946.3</b>	<b>\$1,051.2</b>	<b>\$1,029.3</b>	<b>\$1,031.6</b>	<b>\$1,111.5</b>	<b>\$1,215.4</b>
<b>Outside Top 1,200</b>		<b>\$116</b>	<b>\$120</b>	<b>\$130</b>	<b>\$131</b>	<b>\$131</b>	<b>\$141</b>	<b>\$154</b>
<b>Grand total</b>		<b>\$1,031</b>	<b>\$1,066</b>	<b>\$1,182</b>	<b>\$1,160</b>	<b>\$1,163</b>	<b>\$1,253</b>	<b>\$1,370</b>

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## Appendices (continued)

### JHGDJ – 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
<b>Global total</b>	<b>141.0</b>	<b>145.8</b>	<b>162.0</b>	<b>158.6</b>	<b>159.0</b>	<b>171.3</b>	<b>187.3</b>

### JHGDJ – 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	184.0	191.8
Consumer Discretionary	151.1	153.9	192.8	212.0	217.8	206.9	225.7
Financials	161.2	184.5	193.8	202.9	214.8	228.0	256.7
Healthcare & Pharmaceuticals	148.2	141.2	158.6	164.2	180.2	184.6	198.3
Industrials	132.3	130.0	153.7	159.0	155.5	164.5	175.2
Oil, Gas & Energy	122.2	129.4	137.4	112.1	96.0	110.3	125.0
Technology	181.9	205.8	251.4	274.0	304.3	328.7	386.8
Telecommunications	123.5	109.4	143.5	105.2	107.6	116.7	110.0
Utilities	87.9	88.4	85.1	77.1	86.7	96.1	90.6
<b>Total</b>	<b>141.0</b>	<b>145.8</b>	<b>162.0</b>	<b>158.6</b>	<b>159.0</b>	<b>171.3</b>	<b>187.3</b>

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## Appendices (continued)

### Full year 2018 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%
	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%
	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%
	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%
	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%
	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%
Japan	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	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%

### 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%	4.2%	0.0%	16.9%
Europe ex UK	5.4%	0.5%	6.4%	0.6%	0.8%	13.8%
Japan	10.5%	2.0%	0.6%	-0.1%	0.0%	13.0%
North America	8.1%	1.2%	0.0%	-2.2%	0.1%	7.2%
Asia Pacific ex Japan	8.0%	-3.2%	-1.6%	2.7%	0.0%	6.0%
UK	8.8%	-4.9%	1.5%	-1.4%	0.0%	4.0%
Global	8.5%	-0.1%	1.0%	-0.2%	0.2%	9.3%

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## Appendices (continued)

### Q4 2018 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	9.9%	16.5%	-16.0%	-1.4%	12.0%	20.9%
	Chile	-14.2%	0.0%	0.0%	0.0%	0.0%	-14.2%
	China	-20.9%	-32.9%	-0.1%	0.0%	2.2%	-51.8%
	India	-26.8%	-1.1%	-8.3%	52.0%	0.0%	15.7%
	Indonesia	4.7%	0.0%	-8.3%	0.0%	0.0%	-3.6%
	Malaysia	-7.8%	0.0%	0.7%	-4.2%	0.0%	-11.3%
	Mexico	-10.5%	2.8%	-3.8%	-12.6%	0.0%	-24.1%
	Philippines	5.2%	0.0%	-5.9%	36.7%	0.0%	35.9%
	Russia	189.5%	0.0%	-34.3%	12.9%	0.0%	168.1%
	South Africa	6.2%	0.0%	-3.7%	-8.3%	0.0%	-5.7%
	Thailand	-0.5%	0.0%	0.5%	0.0%	0.0%	0.0%
	Belgium	-41.0%	0.0%	-2.0%	-5.1%	0.0%	-48.1%
Europe ex UK	Denmark	3.5%	-32.9%	-2.7%	26.6%	0.0%	-5.5%
	France	12.1%	0.0%	-3.1%	-5.2%	0.0%	3.9%
	Ireland	4.8%	0.0%	-0.9%	0.0%	0.0%	3.9%
	Italy	1.3%	0.0%	-0.7%	0.0%	-75.9%	-75.3%
	Netherlands	4.4%	-57.2%	-1.6%	0.0%	0.0%	-54.5%
	Norway	6.1%	8.5%	-2.1%	0.0%	0.0%	12.5%
	Spain	1.9%	1.6%	-2.5%	-4.0%	0.0%	-3.0%
	Sweden	-25.6%	0.0%	-3.3%	0.0%	-16.0%	-44.9%
Japan	Japan	9.2%	3.4%	-1.1%	0.4%	0.0%	11.9%
North America	Canada	11.7%	-1.8%	-3.7%	-2.0%	0.0%	4.2%
	United States	8.1%	2.4%	0.0%	-1.7%	0.4%	9.1%
Asia Pacific ex Japan	Australia	2.2%	4.8%	-7.4%	3.3%	0.0%	2.9%
	Hong Kong	9.7%	37.4%	-0.1%	6.1%	8.7%	61.7%
	Singapore	9.4%	0.0%	-1.0%	0.0%	0.0%	8.4%
	South Korea	135.3%	0.0%	-6.9%	0.0%	0.0%	128.4%
UK	United Kingdom	1.9%	-0.6%	-1.2%	-7.3%	7.3%	0.1%

### Q4 2018 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%	6.5%	1.8%	13.8%
Europe ex UK	-4.2%	-4.6%	-2.5%	-2.7%	-2.5%	-16.5%
Japan	9.2%	3.4%	-1.1%	0.4%	0.0%	11.9%
North America	8.4%	2.0%	-0.3%	-1.8%	0.3%	8.7%
Asia Pacific ex Japan	10.9%	19.1%	-4.9%	3.9%	2.7%	31.8%
UK	1.9%	-0.6%	-1.2%	-7.3%	7.3%	0.1%
Global	8.0%	2.2%	-1.8%	-0.9%	0.8%	8.3%

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# 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 analyses dividends paid every quarter by the world's largest 1,200 firms by market capitalisation.

## How many companies are analysed?

The world's largest 1,200 companies by market capitalisation are analysed 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 US 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 US 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 US dollars, since the US 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 USD in any quarter in relation to the same period in the previous year. Underlying growth is also calculated, but is an adjusted rate which 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 like the S&P 500 or FTSE 100, 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 to reduce risk to income and capital.



#### **Important Information**

Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment. Any investment application will be made solely on the basis of the information contained in the Prospectus (including all relevant covering documents), which will contain investment restrictions. This document is intended as a summary only and potential investors must read the prospectus, and where relevant, the key investor information document before investing. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

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