

JANUS HENDERSON GLOBAL DIVIDEND INDEX

Edition 28

NOVEMBER 2020



For promotional purposes

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\$358.3bn 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 (JHGDII) is a long-term study into global dividend trends. It measures the progress global firms are making in paying their investors an income on their capital, using 2009 as a base year – index value 100. The index is calculated in 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.

EXECUTIVE SUMMARY

BY REGION

Overview

- Global dividends fell \$55bn to \$329.8bn in the third quarter, a fall of 11.4% on an underlying basis and a headline decline of 14.3%
- The decline was less severe than in Q2 because seasonal patterns in Q3 favour parts of the world where dividends have been more resilient
- China, Hong Kong and Canada were among the very few major countries to see higher dividends
- The weakest results came from the UK, Australia, and the Netherlands
- One third of companies cut or cancelled payouts, but encouragingly we are already seeing some companies restore dividends suspended earlier in the year
- JHGD I fell to 176.0 a level last seen almost three years ago

North America

- North American dividends were almost unchanged year-on-year on an underlying basis, but fell 4.7% on a headline basis thanks to lower special dividends
- US payouts fell 3.9% in underlying terms to \$117.7bn with one in six companies cutting or cancelling dividends
- In the US lower share buybacks are bearing the brunt of the move by companies to preserve cash
- In Canada, where the pandemic has been milder, dividends grew 2.9%, its fifteenth consecutive quarter of increases

GLOBAL
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DECLINE OF
14.3%

Europe ex UK

- Q3 is a seasonally quiet quarter for European dividends
- They fell 26.8% on an underlying basis, much less than the 36.9% fall in Q2 thanks mainly to a more favourable sector mix
- France, Germany, Switzerland and the Netherlands saw companies restoring suspended payouts, though many of these were reinstated at a lower level
- The loss of banking and brewing dividends made a particularly large impact on the Netherlands
- Switzerland may even see higher dividends in 2020 compared to 2019 while Germany will be impacted less than other countries

UK

- An unfavourable sector mix and concentration among a few big payers meant that UK dividends are falling further than most other countries
- UK dividends fell 41.6% on an underlying basis to the lowest Q3 total in a decade
- Some companies, however, have started to restore payouts

Asia-Pacific ex Japan

- Q3 is seasonally important for Asian dividends; they fell 12.8% on an underlying basis, but excluding Australia they were flat year-on-year, thanks to the milder impact of the pandemic on people and economic growth



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- Australian payouts were hardest hit thanks to steep cuts by the banks, in response to regulatory instructions to limit payout ratios, as well as cancellations from the transport and leisure sector; dividends fell 40.3% on an underlying basis, one of the biggest drops in the world
- Hong Kong saw the world's fastest Q3 dividend growth in the developed world up 9.9% on an underlying basis; most companies raised dividends, but Hang Seng Bank was prominent among the cutters
- Taiwanese and South Korean payouts fell slightly year-on-year

Japan

- Q3 is seasonally unimportant for Japanese dividends
- Japanese payouts fell 16.0% on an underlying basis, with exporters especially hard hit

Emerging Markets

- Q3 marks China's seasonal peak; Chinese dividends rose 3.3% with three quarters of Chinese companies either raising payments or holding them steady
- Chinese dividends may see a greater impact in 2021 when 2020 profits are distributed, but so far, the economic impact has been relatively mild
- Russian dividends were resilient but across the other main emerging markets payouts were weaker

WE ARE NOW
CONFIDENT THE
FINAL RESULT
WILL BE
TOWARDS
THE TOP END
OF OUR
EXPECTATIONS
WITH A
BEST-CASE
UNDERLYING
DECLINE OF
17.5% AND A
WORST CASE
OF **20.2%**

Industries & Sectors

- Pharmaceuticals, food producers and food retailers proved resistant to cuts
- Car manufacturers and leisure companies cut sharply

Outlook

- The worst of the cuts are now behind us, but we do not expect dividends to grow until the anniversary of the global lockdown passes at the end of Q1 2021
- Dividends are being impacted very differently around the world. Europe, the UK and Australia are the worst affected, Japan is somewhere in the middle, while emerging markets and North America are proving most resilient, partly because US dividends are shielded to an extent by reduced share buybacks
- Our first estimate in April for this year saw underlying global dividends falling 15% on a best-case basis and 35% on a worst case; we narrowed this range to -19% to -25% in July
- We are now confident the final result will be towards the top end of our expectations with a best-case underlying decline of 17.5% and a worst case of 20.2%
- Our best case therefore sees payouts fall by \$224bn to \$1.20 trillion for 2020



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GLOBAL DIVIDENDS FELL 11.4% IN Q3, BUT THE DECLINE IN PAYOUTS IS MODERATING

As the pandemic has worn on, its impact on the dividend-paying capacity of the world's companies has become much clearer. The third quarter saw total payouts fall by \$55bn to \$329.8bn, the lowest since 2016. The 14.3% headline decline was equivalent to a fall of 11.4% on an underlying basis, far better than Q2's 18.3%¹ decline. The smaller impact primarily reflects a geographic mix in the third quarter that is skewed towards parts of the world where dividends have proved more resilient, especially in North America and emerging markets, but it is also an indication that the worst is past. Many companies that have traditionally paid a high portion of their profits in dividends, most commonly in countries like the UK and Australia, and to a lesser extent Europe, have now reset their payouts at a lower level, providing a firmer basis for future growth. Overall, more than two-thirds of companies increased dividends or held them steady in Q3, compared to a little under one third that cut or cancelled them.

176.0

OUR INDEX OF
GLOBAL PAYOUTS
FELL TO 176.0 A
LEVEL LAST SEEN
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OF THE FIRST
QUARTER NEXT
YEAR

Q3 is China's big dividend season and payouts there were higher year-on-year. Canada and Hong Kong were among the few major countries to see dividends rise too. The weakest results came from the UK, Australia, and the Netherlands.

Special dividends were notably much smaller in Q3, falling to just \$1.8bn, the lowest since 2010 and far below their long-run quarterly average of \$9.3bn. Special dividends are one-off in nature and usually reflect a company returning excess capital to shareholders. 2020's lockdowns mean that companies do not have much excess capital and cancelling plans for special dividends is a relatively easy way to preserve cash.

Our index of global payouts fell to 176.0 a level last seen almost three years ago. We expect it to reach a low point at the end of the first quarter next year.

ANNUAL DIVIDENDS BY REGION (US\$ BILLIONS)

Region	2016	%*	2017	%*	2018	%*	2019	%*	Q3 2019	%*	Q3 2020	%*
Emerging Markets	\$89.2	-22.0	\$105.8	19.0	\$127.5	20.6	\$139.9	9.7	\$59.2	4.8	\$57.8	-2.3
Europe ex UK	\$223.2	5.0	\$225.1	1.0	\$256.6	14.0	\$251.1	-2.1	\$44.1	11.4	\$33.1	-25.0
Japan	\$64.7	23.0	\$70.0	8.0	\$79.1	13.0	\$85.4	8.0	\$6.4	22.5	\$5.3	-16.5
North America	\$444.8	1.0	\$475.7	7.0	\$509.7	7.2	\$535.1	5.0	\$135.3	4.1	\$128.9	-4.7
Asia Pacific	\$115.4	1.0	\$141.6	23.0	\$150.4	6.2	\$147.5	-1.9	\$61.1	-4.4	\$48.8	-20.1
UK	\$93.0	-3.0	\$95.7	3.0	\$99.6	4.1	\$105.8	6.2	\$35.3	5.2	\$18.7	-47.0
Total	\$1,030.3	0.0	\$1,113.8	8.0	\$1,223.0	9.8	\$1,264.8	3.4	\$341.5	3.9	\$292.6	-14.3
Divs outside top 1,200	\$130.7	0.0	\$141.3	8.0	\$155.2	9.8	\$160.5	3.4	\$43.3	3.9	\$37.1	-14.3
Grand total	\$1,161.0	0.0	\$1,255.1	8.0	\$1,378.1	9.8	\$1,425.3	3.4	\$384.8	3.9	\$329.8	-14.3

* % change

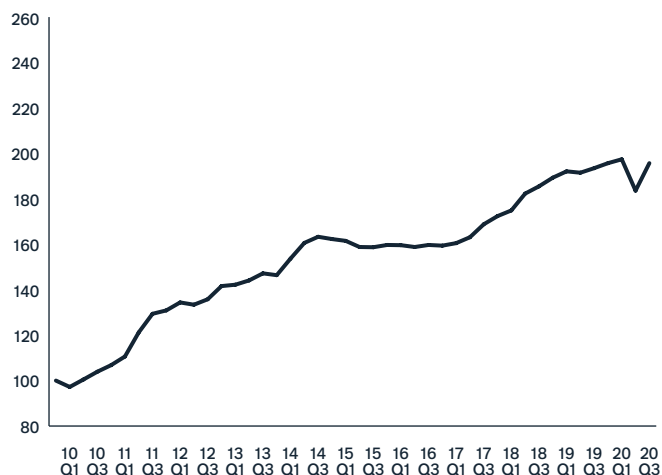
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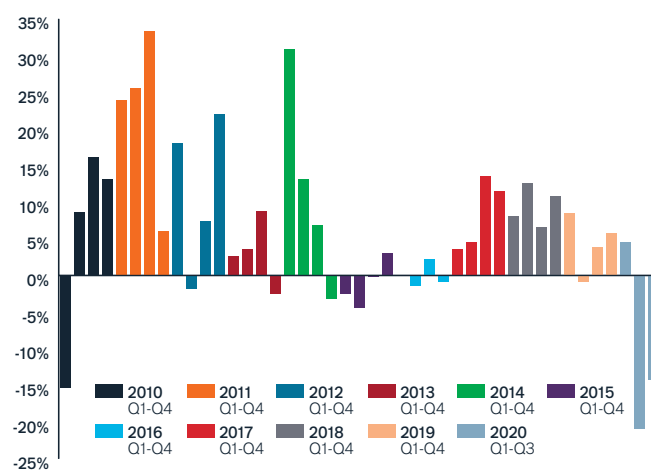
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¹ See Appendix 1 for details of Q2 data revisions.

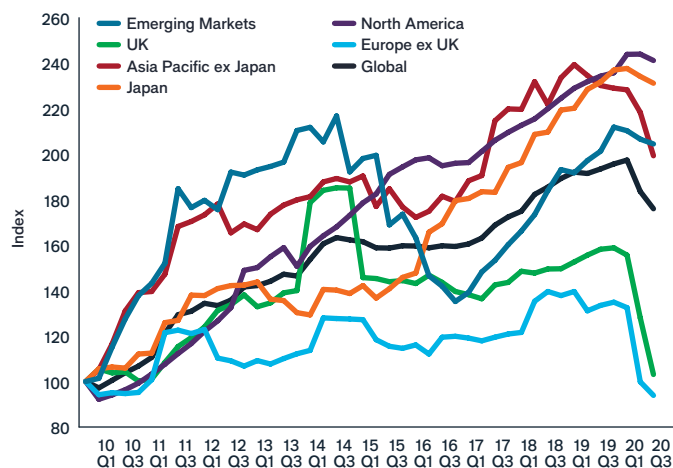
JHGGI (INDEX)



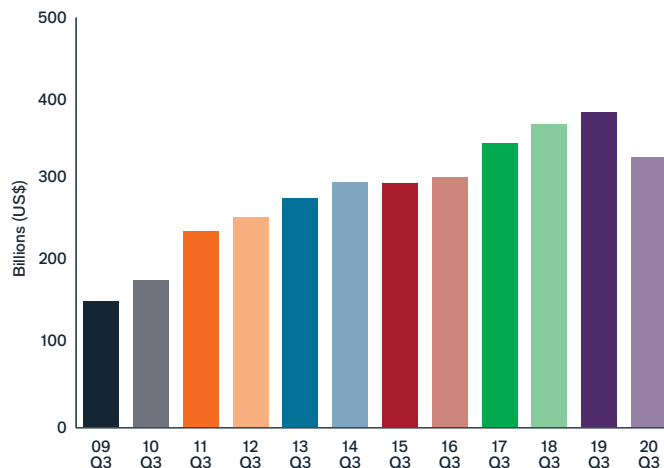
TOTAL DIVIDENDS, ANNUAL GROWTH PER QUARTER (%)



JHGGI BY REGION (INDEX)



GLOBAL DIVIDENDS (US\$ BILLIONS)



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HEADLINE V UNDERLYING – COMPANIES CUT ONE-OFF SPECIALS FIRST

Global exchange rates have been volatile in 2020. Emerging market currencies in particular have been weak against the US dollar, but many parts of the world have seen their exchange rates strengthen. At a global level, however, the effect was broadly neutral in Q3. Over the long term, our index shows that exchange rate impacts are negligible,

OVER THE LONG TERM, OUR INDEX SHOWS THAT EXCHANGE RATE IMPACTS ARE NEGLIGIBLE, MEANING THAT INVESTORS SHOULD NOT BE CONCERNED BY SHORT-TERM FLUCTUATIONS.

meaning that investors should not be concerned by short-term fluctuations.

Special dividends were sharply lower in Q3 year-on-year, reducing the headline growth rate by two percentage points. The impact was especially large in the UK and Australia.

We have mitigated the noise created by companies changing the timing of payments due to the disruption caused by the pandemic (see Appendix 1). Beyond this, timing factors and changes in our index constituents made only a small impact in Q3.

Q3 2020 ANNUAL GROWTH RATE – ADJUSTMENTS FROM UNDERLYING TO HEADLINE GROWTH – BY REGION

Region	Underlying growth*	Special dividends*	Currency effects	Index changes	Timing effects†	Headline dividend growth*
Emerging Markets	1.7%	-1.1%	-4.7%	0.6%	1.2%	-2.3%
Europe ex UK	-26.8%	-0.3%	2.3%	-0.9%	0.7%	-25.0%
Japan	-16.0%	-1.0%	0.3%	0.1%	0.0%	-16.5%
North America	-3.3%	-1.2%	-0.1%	-0.2%	0.0%	-4.7%
Asia Pacific ex Japan	-12.8%	-2.6%	2.4%	1.2%	-8.3%	-20.1%
UK	-41.6%	-7.8%	2.6%	-0.1%	0.0%	-47.0%
Global	-11.4%	-2.0%	0.2%	0.1%	-1.2%	-14.3%

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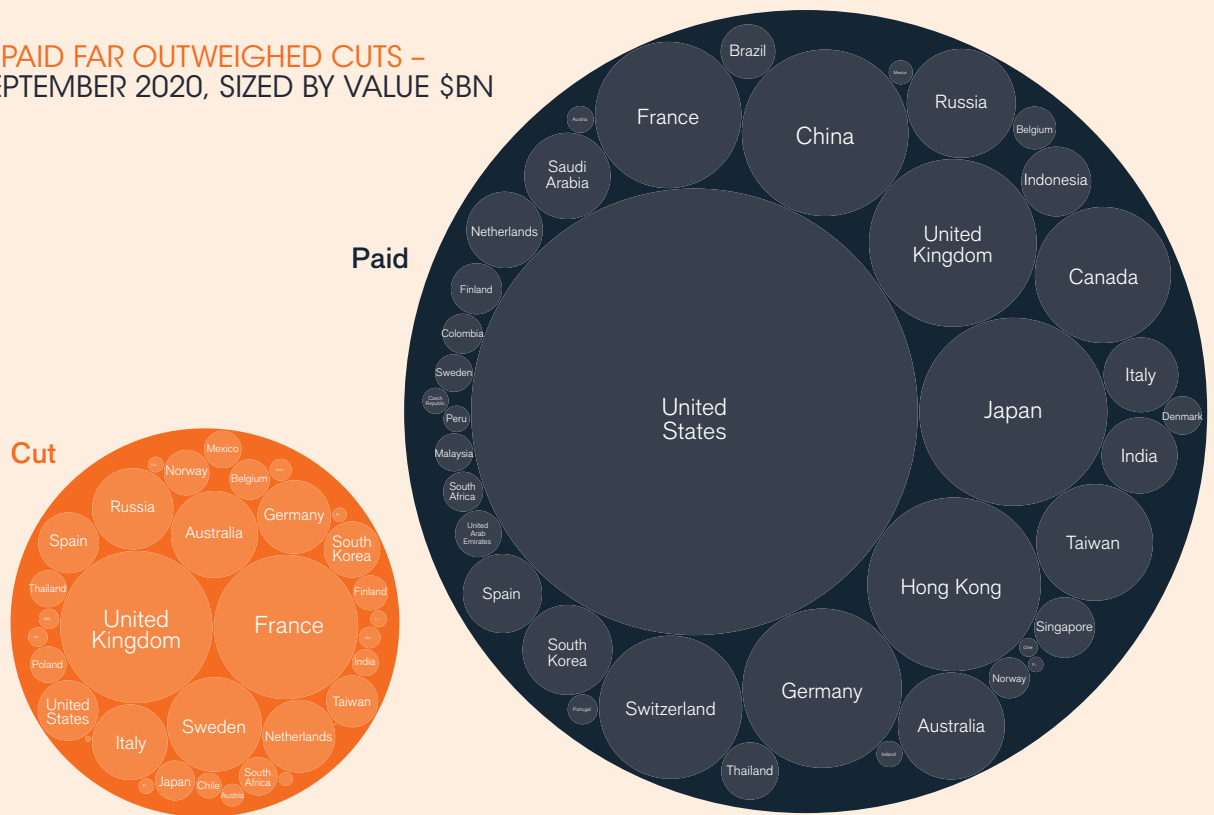
References made to individual securities should not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase the security.

† Timing effects are not significant on an annual basis.

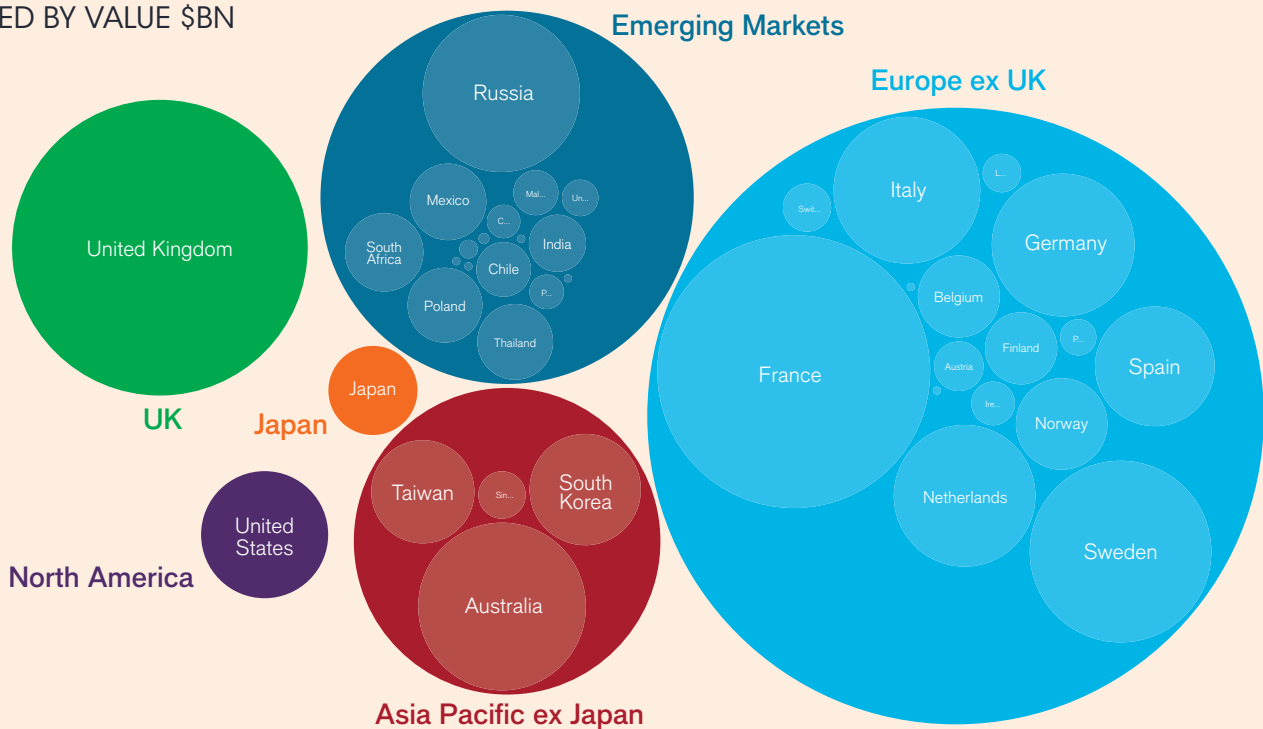
* Please refer to the glossary of terms found on page 18.

REGIONS AND COUNTRIES

DIVIDENDS PAID FAR OUTWEIGHED CUTS –
APRIL TO SEPTEMBER 2020, SIZED BY VALUE \$BN



Q2 AND Q3 DIVIDEND CUTS –
SIZED BY VALUE \$BN



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REGIONS AND COUNTRIES (CONTINUED)

North America

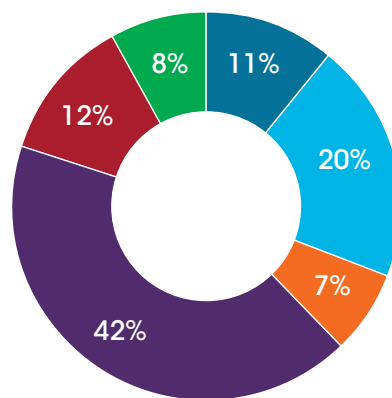
Dividends from the US and Canada continued to escape relatively unscathed in the third quarter. Overall North American payouts fell 4.7% on a headline basis to \$128.9bn, equivalent to an underlying decline of 3.3% once lower special dividends and other minor factors were considered. The decline put North American payouts back to the level last seen in mid-2018 but was by far the smallest drop of any of our regions.

In the US, the picture has worsened since our last report, but not drastically. Dividends fell by 5.4% on a headline basis to \$117.7bn, equivalent to a 3.9% underlying decline. This compares to flat payouts in the second quarter.

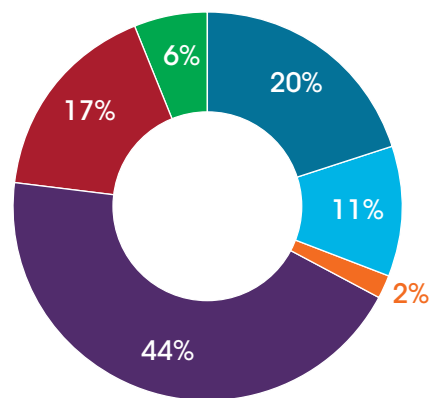
Eight in ten US companies held or increased their payouts in Q3, down from the nine tenths in Q2, but one in six cancelled dividends altogether. The biggest of these was Las Vegas Sands, the US gaming company, which is suffering a severe drop in visitor numbers thanks to the pandemic. The biggest impact, however, came from Wells Fargo which cut its dividend by 80% in order to meet the Federal Reserve's dividend-cover guidance. Meanwhile, the world's new biggest dividend payer, Microsoft, went from strength to strength, announcing a near 10% increase in its impending Q4 payout. And Exxon bucked the trend of many of its global oil-producing peers by leaving its dividend unchanged. It will become the world's biggest oil-dividend payer in 2020 now that Royal Dutch Shell has reset its payout at a lower level.

Q4 will set the tone for the next four quarters, as many US companies set their payouts around this time of year for the next twelve months. A larger fall than in

2019 DIVIDENDS
BY REGION



2020 Q3 DIVIDENDS
BY REGION



■ Emerging Markets ■ Europe ex UK ■ Japan ■ North America ■ Asia Pacific ex Japan ■ UK

↓5.4%

IN THE US, THE PICTURE HAS WORSENERD SINCE OUR LAST REPORT, BUT NOT DRASTICALLY. DIVIDENDS FELL BY 5.4% ON A HEADLINE BASIS TO \$117.7BN, EQUIVALENT TO A 3.9% UNDERLYING DECLINE

the third quarter is possible, but we nevertheless expect the US to be among the countries whose dividends are least affected by the pandemic. A glance at the biggest payers shows that all of Q3's top payers, contributing one third of dividends by value, will either increase their dividends or hold them steady. US payout ratios were lower than in the UK, Europe and Australia, providing a cushion at this time of crisis. Moreover, a sharp reduction in characteristically generous US share buy-backs has reportedly borne the brunt of companies' efforts to preserve cash. This should be considered when comparing how US dividends have fared in 2020 compared to those elsewhere.

Canada again proved its resilience with payouts 2.9% higher year-on-year on an underlying basis, its fifteenth consecutive quarter of underlying growth and one of the best performers in the world. There were a few more cuts in Q3 than in Q2, for example Restaurant Brands cancelled its payout, but Canada's large, well-capitalised banks all increased dividends enough to offset the cuts and lift the national total.

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Europe ex UK

Relatively few European companies pay a third quarter dividend – most make a single annual distribution in the second. Q2 payouts fell by a revised 36.9% on an underlying basis, so the 26.8% decline in Q3 compares favourably. This is still a large drop, with most European countries severely affected by the pandemic and their companies cutting dividends to preserve cash, but it also masked significant divergence from one country to the next.

French companies contributed most to the European total in the third quarter. The 22.8% underlying fall was better than Q2's revised 55.4% and reflected a more favourable sector mix, in particular with no banks in the comparative quarter in 2019. Total, for example, defied many of its European peers by holding its dividend steady. A number of French companies also restored cancelled payouts – including Danone, which made a healthy increase, and Bouygues and L'Oréal which held their dividends firm year-on-year. Michelin, LVMH and Axa also restored payouts, but at a much lower level.

In Germany, both Vonovia and RWE restored payouts and made increases too, but this was not enough to offset the 70% cut implemented by Daimler. Overall, German dividends fell by 36.5% on an underlying basis, compared to a revised 9.8% fall in the second quarter. Even so Germany is now certain to be one of the best performing European countries for dividends in 2020, especially since Volkswagen paid its dividend (five months late in October) at full strength. Germany's resilience reflects a lack of big dividend-paying banks as well as its grip over the pandemic.

↓36.9%

Q2 PAYOUTS FELL
BY A REVISED
36.9% ON AN
UNDERLYING BASIS,
SO THE 26.8%
DECLINE IN Q3
COMPARES
FAVOURABLY

In Switzerland, Kuhne & Nagel restored its suspended payout, but cut by one third, while Richemont, the luxury goods conglomerate, halved its dividend as it suffered the effects of shops being closed around the world. This pulled the Swiss total down by 29.1% on an underlying basis, though for the full year we expect Swiss payouts to be slightly ahead of 2019.

Spanish dividends suffered a tough second quarter (down a revised 68%, thanks mainly to the loss of banking payouts) but the third looked much better, with payouts flat year-on-year on an underlying basis. Higher dividends from utilities (especially Iberdrola) offset the cancellation of the Amadeus payout as the travel technology company suffered along with its customers. Repsol and Telefonica were able to hold their dividends almost steady. Elsewhere, the strength in Spanish utilities was not repeated in Italy, where dividends were dragged lower by a steep cut at Eni.

The cancellation of banking and brewing dividends impacted the Netherlands severely, though their elimination was partly offset by a big increase by food retailer Ahold Dehaize which, along with many of its peers around the world, is benefiting from changed consumer habits during the pandemic. Insurer NN Group also restored its suspended May dividend and paid its regular interim too. On an underlying basis, Dutch dividends fell 44.8% in Q3, compared to a revised 50.1% decline in Q2, making it one of the worst affected countries in the world.

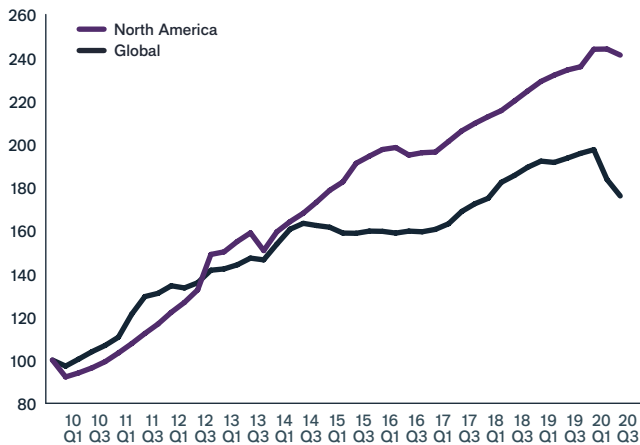
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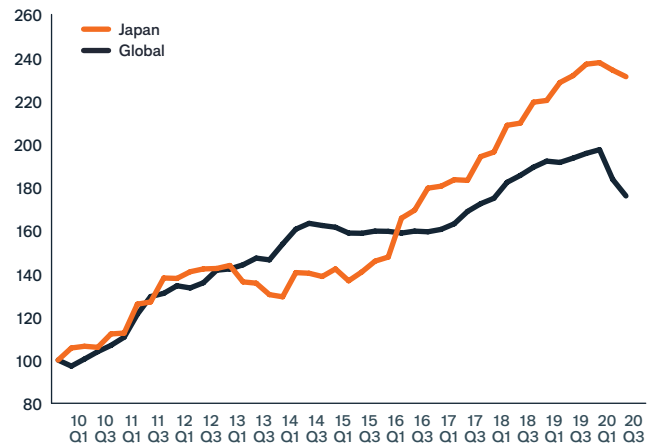
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REGIONS AND COUNTRIES (CONTINUED)

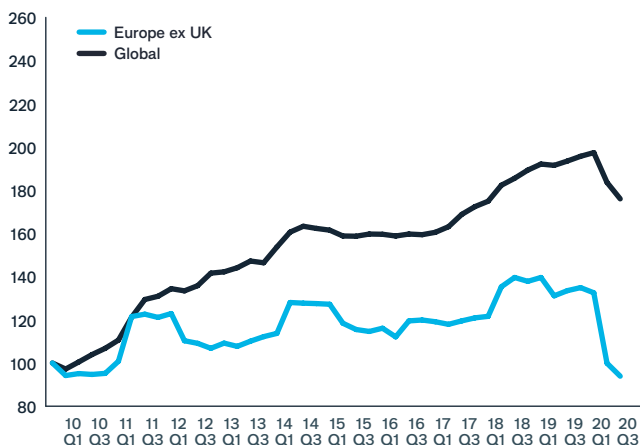
JHGDI – NORTH AMERICA



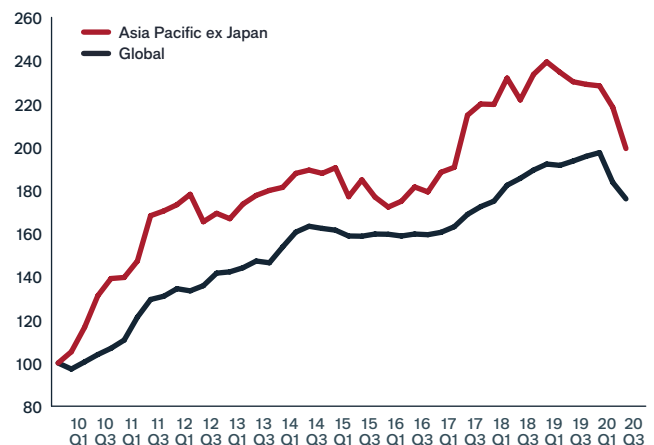
JHGDI – JAPAN



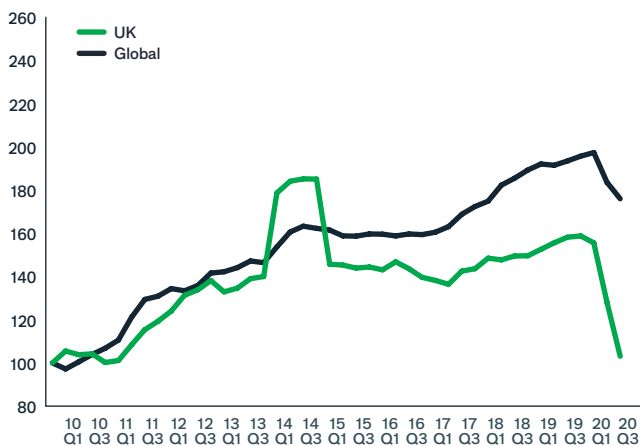
JHGDI – EUROPE EX UK



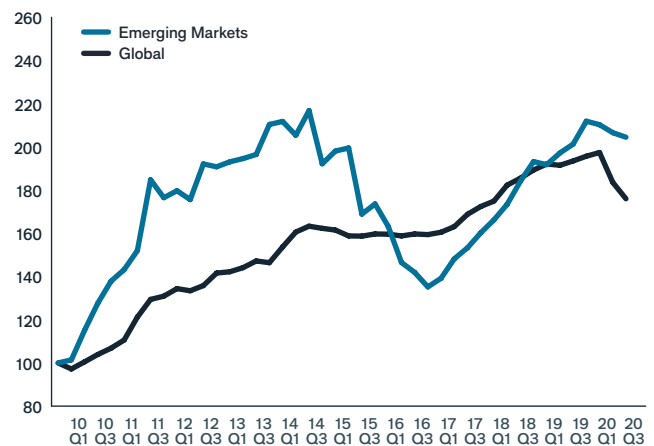
JHGDI – ASIA PACIFIC EX JAPAN



JHGDI – UK



JHGDI – EMERGING MARKETS



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UK

The UK is suffering steeper cuts than most other parts of the world. This is mainly thanks to a sector mix dominated by oil, banking and mining, a history of overdistribution among some key companies and because the concentration of dividends in the UK had left payouts reliant on a small number of very large companies. With banks barred from distributing cash, both the UK-listed oil majors slashing their payouts and Glencore cancelling its dividend UK payouts have been under significant pressure.

UK dividends fell 47.0% on a headline basis in Q3, falling to \$18.7bn, their lowest third-quarter total in a decade. The decline was exaggerated by sharply lower special dividends. On an underlying basis, payouts fell 41.6%, putting the UK behind many of its peers.

On the positive side some companies (like industrial company Ferguson) have restarted payouts or declared the intention to do so in the fourth quarter, while others that we had considered vulnerable to cuts (like Diageo) are now back on our safe list.

↓47%

UK DIVIDENDS FELL
47.0% ON A
HEADLINE BASIS
IN Q3, FALLING
TO \$18.7BN,
THEIR LOWEST
THIRD-QUARTER
TOTAL IN A DECADE

Asia-Pacific ex Japan

The third quarter is very important for Asian dividends. It is the peak season in Australia, Hong Kong and Taiwan, and their fortunes diverged significantly. Overall dividends from Asia-Pacific ex Japan fell 12.8% on an underlying basis, only a little below the global Q3 average.

Australian dividends have been among the hardest hit in the world. They fell 47.8% on a headline basis, down to just \$9.6bn, the lowest third-quarter total in at least 11 years. Special dividends were significantly lower than last year, so the underlying fall was less severe at 40.3%. The heavy reliance on banking dividends in Australia has long been a source of major risk. Last year banks accounted for half the dividends in the Australian part of our index. In 2020, under pressure from their regulator only to pay up to half their earnings out in dividends, and already with extremely high payout ratios, Australia's banks had no choice but to make big cuts to meet the mandated target, ranging from -60 to -70% in the third quarter. CBA, NAB and ANZ between them accounted for three fifths of the \$8.8bn fall in Australian dividends in Q3. Other casualties include Insurance Australia Group, which cancelled its dividend for the first time on record in order to bolster its capital reserves, as well as Sydney Airport and Aristocrat Leisure. Food retailer Coles and gold miner Newcrest are both beneficiaries in the current crisis, however, the former due to the increased grocery demand and the latter thanks to the soaring price of gold. They were the only two Australian companies in our index to raise their dividends year-on-year.

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REGIONS AND COUNTRIES (CONTINUED)

Excluding Australia, dividends from the region were exactly flat year-on-year. The better performance from the other countries reflects the milder impact of the pandemic both on the population and on the economy, stronger balance sheets, lower payout ratios. In addition, many of this quarter's payouts relate to 2019 earnings and were fixed several months ago. This may mean a delayed effect into 2021, though the impact has already been felt in some sectors.

Hong Kong enjoyed the fastest dividend growth in the developed world in Q3, with payouts rising 9.9% on an underlying basis to \$21.7bn, the second highest quarterly total on record from the territory. The biggest contribution to growth came from oil producer CNOOC, but two thirds of Hong Kong's companies raised or held dividends year-on-year. There was only one cancellation – the very small dividend from China Southern Airlines – but there were some prominent cuts, such as Hang Seng Bank, after profits were squeezed sharply by loan-loss provisions related to the pandemic and global trade tensions.

In Taiwan, payouts were 6.9% lower year-on-year. While all the technology companies in our Taiwanese index either held their dividends steady or increased them significantly, payouts from oil and chemicals companies fell across the board, enough to more than offset the good news in the tech sector.

South Korean dividends were also lower year-on-year owing to Hyundai cancelling its payout, while Singapore Telecom slashed its payout after profits fell to their lowest level since 1993 owing to intensifying competition outside its domestic market, dragging Singapore dividends lower in a typically quiet quarter.

↑9.9%

HONG KONG ENJOYED THE FASTEST DIVIDEND GROWTH IN THE DEVELOPED WORLD IN Q3, WITH PAYOUTS RISING 9.9% ON AN UNDERLYING BASIS TO \$21.7BN, THE SECOND HIGHEST QUARTERLY TOTAL ON RECORD FROM THE TERRITORY

Japan

The third quarter sees very few Japanese dividends paid and, though we should therefore be wary of drawing too many conclusions from a small sample, the dividend picture seems to have worsened. The total fell 16.0% on an underlying basis with a similar headline decline. Defensive companies like Japan Tobacco and the brewers Kirin and Asahi held payments, but some key exporters that depend on discretionary consumer spending like Bridgestone, Honda Motor and Canon all made steep cuts. On the positive side, Olympus reinstated its suspended dividend though at one third of last year's level.

Overall, however we continue to expect Japanese companies to cut their dividends less than the global average for the whole of 2020, owing to the market's low payout ratio and the relatively smaller impact of the pandemic.

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Emerging Markets

Emerging-market dividends were a relative bright spot in Q3, following a second quarter roughly in line with the global average. Weak exchange rates and lower one-off special dividends meant payouts were 2.3% lower on a headline basis, but they were up 1.7% in underlying terms. This group contains a wide range of countries with very different sector exposures, diverse economic models and a widely divergent experience of the pandemic. We may yet see a lagged effect on payouts in the months ahead, but overall Q3 was relatively resilient.

Chinese dividends are concentrated in the third quarter and this seasonal peak means they dominate the emerging-market total. They rose 3.3% on an underlying basis to \$30.0bn, well ahead of the rest of the world, and only a little slower than in 2019. As with other parts of Asia, Chinese dividends in the last quarter mainly relate to 2019 profits, so the impact of the global recession will only be fully measurable this time next year.

Three quarters of Chinese companies in our index raised their dividends or held them steady. The biggest contribution to growth came from China Life insurance following a big increase in its profits. By contrast, PetroChina's income fell last year and the company cut its dividend by a third, making it the biggest cutter. Neither of the two biggest Chinese payers, China Construction Bank (one of the ten largest dividend payers in the world) and Industrial & Commercial Bank of China, increased their dividends for a second consecutive year. Without growth from these two, which together account for two fifths of the annual Chinese total, it is hard for increases by smaller companies to make much impact.

EMERGING-MARKET
DIVIDENDS WERE A
RELATIVE BRIGHT
SPOT IN Q3,
FOLLOWING A
SECOND QUARTER
ROUGHLY IN LINE
WITH THE GLOBAL
AVERAGE

Russian dividends held up well (following a weak second quarter) rising 6.7% on an underlying basis, although they were down by a tenth in dollar terms, which is a better reflection of their true value given that most of the firms are dollar earners. Tatneft and Gazprom were prominent casualties, each making big cuts, but other energy giants Rosneft and Lukoil increased payouts. The payment schedules for Russian dividends are very unpredictable and the dividends themselves are very volatile, so a clear picture is only really possible on a longer-term view. Over the last five years, Russian dividends have more than doubled in dollar terms, far faster than the global average, though they are likely to fall this year and next.

Elsewhere, South African dividends fell sharply following the cancellation of Standard Bank's interim payout. Indian Tobacco (India's second-largest payer) was among a few companies whose large dividend increases more than offset cancellations elsewhere. Cuts from every Brazilian company in our index were offset by the restoration to full strength of mining company Vale's dividend.

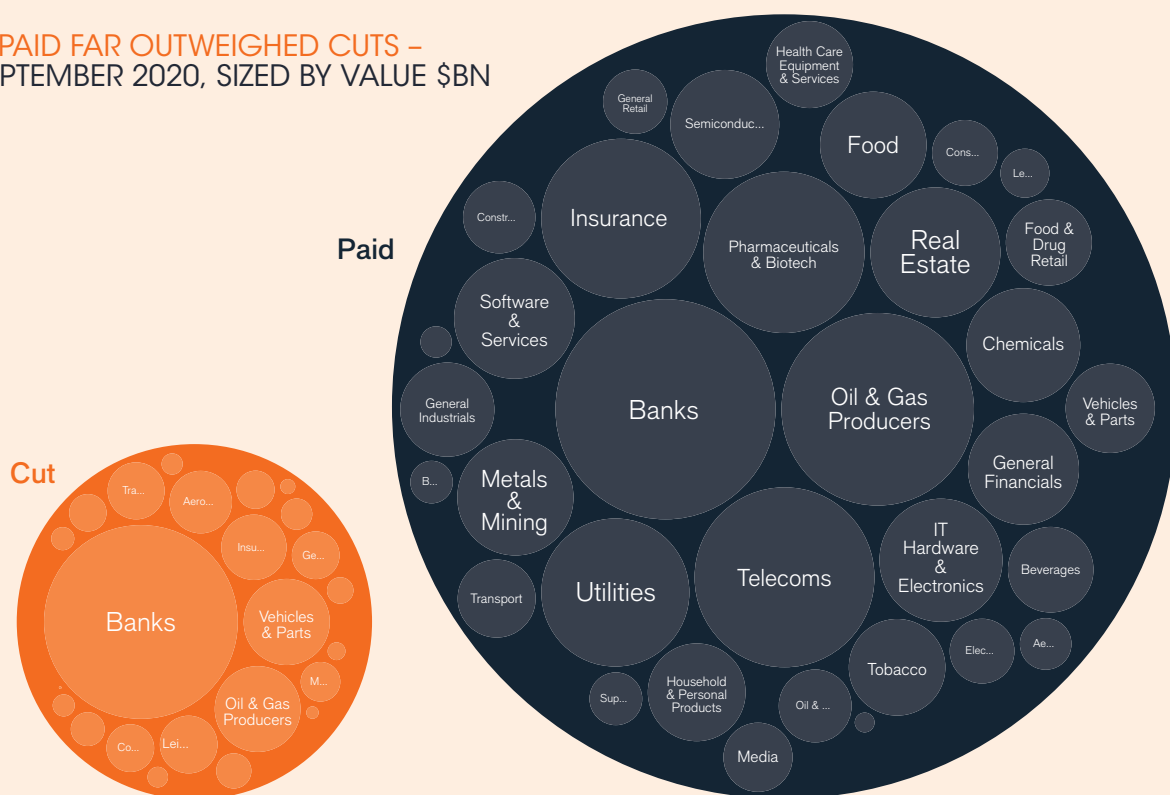
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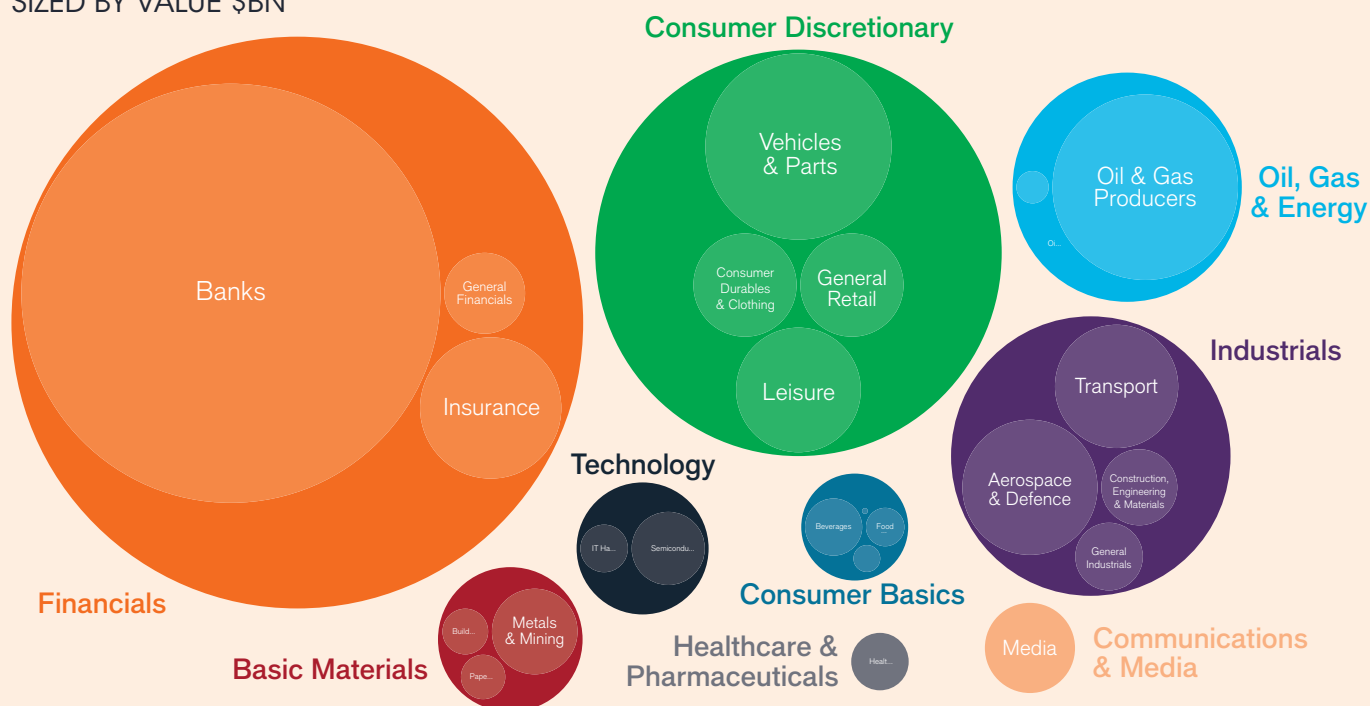
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INDUSTRY AND SECTORS

DIVIDENDS PAID FAR OUTWEIGHED CUTS –
APRIL TO SEPTEMBER 2020, SIZED BY VALUE \$BN



Q2 AND Q3 DIVIDEND CUTS –
SIZED BY VALUE \$BN



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The story of the pandemic is told through the impact on dividends at the sector level.

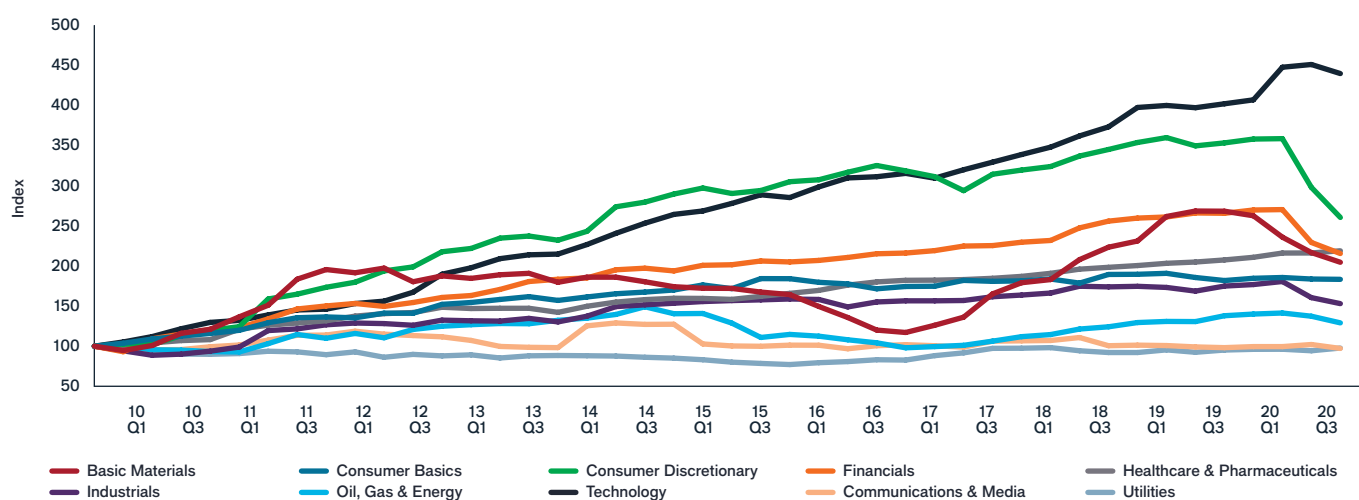
The worst declines in Q3 came from consumer discretionary companies, down 43% in underlying terms, with car manufacturers and leisure companies making the deepest cuts. Media, aerospace and banks were also severely impacted. The most resilient sectors were pharmaceuticals, food producers and food retailers, which all saw higher payouts on an underlying basis.

↓43%

THE WORST DECLINES IN Q3 CAME FROM CONSUMER DISCRETIONARY COMPANIES, DOWN 43% IN UNDERLYING TERMS, WITH CAR MANUFACTURERS AND LEISURE COMPANIES MAKING THE DEEPEST CUTS

In 2019, over two fifths of the world's dividends were paid by defensive sectors that are proving relatively insulated from the crisis. Two fifths were from more economically sensitive sectors which have faced cuts. Among the remaining fifth the impact has been mixed.

JHGD - TOTAL DIVIDENDS BY INDUSTRY



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TOP PAYERS

WORLD'S BIGGEST DIVIDEND PAYERS

Rank	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
1	China Construction Bank Corp.	China Construction Bank Corp.	China Construction Bank Corp.	China Mobile Limited	China Construction Bank Corp.	China Construction Bank Corp.	China Construction Bank Corp.
2	Gazprom	Kraft Foods Group, Inc	Taiwan Semiconductor Manufacturing	China Construction Bank Corp.	Taiwan Semiconductor Manufacturing	Taiwan Semiconductor Manufacturing	Gazprom
3	BHP	BHP	Commonwealth Bank of Australia	Taiwan Semiconductor Manufacturing	Keurig Dr Pepper Inc	Gazprom	China Mobile Limited
4	China Mobile Limited	China Mobile Limited	China Mobile Limited	Commonwealth Bank of Australia	China Mobile Limited	BHP	Microsoft Corporation
5	Westpac Banking Corp	Taiwan Semiconductor Manufacturing	Royal Dutch Shell Plc	Royal Dutch Shell Plc	BHP	HSBC Holdings plc	AT&T, Inc.
6	Rosneft Oil Co.	Commonwealth Bank of Australia	Westpac Banking Corp	Westpac Banking Corp	Commonwealth Bank of Australia	China Mobile Limited	Exxon Mobil Corp.
7	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.	Exxon Mobil Corp.	Exxon Mobil Corp.	Savings Bank Of Russia	Commonwealth Bank of Australia	Apple Inc
8	Vodafone Group plc	Westpac Banking Corp	Industrial & Commercial Bank of China Ltd.	Apple Inc	HSBC Holdings plc	Rio Tinto	PJSC Lukoil
9	Australia & New Zealand Banking Group Ltd.	Vodafone Group plc	Apple Inc	Gazprom	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Industrial & Commercial Bank of China Ltd.
10	Royal Dutch Shell Plc	Exxon Mobil Corp.	AT&T, Inc.	Vodafone Group plc	Apple Inc	AT&T, Inc.	JPMorgan Chase & Co.
Subtotal \$bn	45.2	50.4	42.4	53.0	51.5	51.8	44.0
% of total	15.1%	16.9%	13.9%	15.3%	13.9%	13.5%	13.3%
11	Exxon Mobil Corp.	Gazprom	Gazprom	AT&T, Inc.	Exxon Mobil Corp.	Exxon Mobil Corp.	Rosneft Oil Co.
12	Apple Inc	Royal Dutch Shell Plc	Microsoft Corporation	Microsoft Corporation	Westpac Banking Corp	Microsoft Corporation	Johnson & Johnson
13	Bank of China Ltd.	Apple Inc	Vodafone Group plc	Industrial & Commercial Bank of China Ltd.	Microsoft Corporation	Apple Inc	Cnooc Ltd.
14	Eni Spa	Australia & New Zealand Banking Group Ltd.	Australia & New Zealand Banking Group Ltd.	BHP	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.	Verizon Communications Inc
15	Taiwan Semiconductor Manufacturing	Bank of China Ltd.	Verizon Communications Inc	National Australia Bank Limited	Vodafone Group plc	PetroChina Co. Ltd.	L'Oreal
16	Banco Santander S.A.	Microsoft Corporation	MTR Corporation Ltd.	Australia & New Zealand Banking Group Ltd.	AT&T, Inc.	JPMorgan Chase & Co.	Chevron Corp.
17	AT&T, Inc.	AT&T, Inc.	Bank of China Ltd.	Verizon Communications Inc	Gazprom	Johnson & Johnson	BHP Group Limited
18	Telstra Corporation	General Electric Co.	Johnson & Johnson	MTR Corporation Ltd.	National Australia Bank Limited	Verizon Communications Inc	Bank of China Ltd.
19	Microsoft Corporation	Verizon Communications Inc	General Electric Co.	Power Assets Holdings Limited	Verizon Communications Inc	National Australia Bank Limited	Taiwan Semiconductor Manufacturing
20	General Electric Co.	Johnson & Johnson	Telstra Corporation	Johnson & Johnson	Australia & New Zealand Banking Group Ltd.	Cnooc Ltd.	Pfizer Inc.
Subtotal \$bn	25.2	25.7	24.0	26.5	27.8	28.8	27.6
Grand total \$bn	70.5	76.1	66.4	79.5	79.3	80.6	71.6
% of total	23.5%	25.5%	21.7%	22.9%	21.4%	20.9%	21.7%

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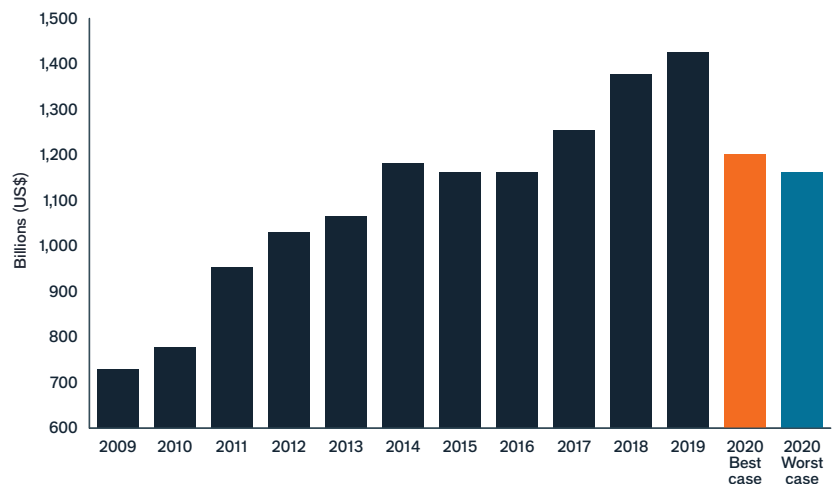
CONCLUSION AND OUTLOOK

It is clear that the worst of the cuts are now behind us, though we do not expect to see dividends start to grow again until Q2 2021, after the anniversary of the global lockdown. It is also clear that there is a marked divergence from one part of the world to another. Europe, the UK and Australia are the worst affected, Japan is somewhere in the middle, while emerging markets (thanks in large part to China) and North America are proving most resilient.

We should not overemphasise the relatively minor cuts in the US, however. On the plus side, the big tech companies have shrugged off the pandemic and are raising payouts, the oil sector has so far proved resilient and the banks have been under far less pressure from their regulator than those in other parts of the world. But we must not ignore share buybacks. The total shareholder yield in the US is split roughly 50:50 between buybacks and dividends. Surveys of 2020's buyback reductions will be available in early 2021, but if roughly half of buybacks are shelved this year in the US, that will push the total shareholder yield down by a little over a quarter (including the modest dividend cuts). This would paint a truer picture for the US that puts it more in line with the best performing European nations.

In April, in the midst of the greatest pandemic-induced uncertainty, we calculated that global dividends could fall at least 15% this year and by as much as 35%. In July we narrowed this range to -19% to -25%. We are now confident that the final figure will be towards the top end of our expectations. Our best case now sees a fall of -17.5% to \$1.20 trillion on an underlying basis, equivalent to a

ANNUAL DIVIDENDS (US\$ BILLIONS)



headline drop of -15.7%. Our worst case sees underlying dividends declining -20.2% to \$1.16 trillion, a headline drop of -18.5% (the difference owing mainly to lower special dividends). Our best case would eradicate more than three years of dividend growth (our worst case four years), costing investors \$224bn in lost income this year.

For 2021, we must remember that Q1 will still be affected by reductions, but then things should pick up. The big question mark is over the decisions the regulators in the UK, Europe and Australia will make around banking payouts. And of course, so much depends on the pandemic and the severity and duration of any further lockdowns. We estimate that under a worst-case scenario dividends could be flat next year on an underlying basis, but that they could rebound by 12% in our best-case scenario.

FOR 2021, WE MUST
REMEMBER THAT Q1
WILL STILL BE
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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 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.

* Please see the glossary of terms above.

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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.

APPENDICES

In order to unpick the distortion caused by those companies initially cancelling or suspending and then more recently restarting dividends, we have restated the second quarter figures to ensure we are reflecting real cuts and cancellations rather than just delays. Of course, this effect would disappear by the end of the year, but it's helpful to get an accurate sense of progress in the meantime. This exercise left the second quarter total down 18.3% on an underlying basis, instead of 19.1%. We have revised down the result for emerging markets and Asia-Pacific ex Japan, but in every other region, our figures are either higher or essentially flat. Where relevant, we mention revisions to specific countries later in this edition.

UNDERLYING GROWTH – REVISION TO Q2 2020 FIGURES

Region	Original Q2 Results	Revised Q2 Results
Emerging Markets	13.4%	-17.3%
Europe ex UK	-39.7%	-36.9%
Japan	-3.1%	-2.2%
North America	0.2%	0.4%
Asia Pacific ex Japan	-9.0%	-10.8%
UK	-40.9%	-40.7%
GLOBAL	-19.1%	-18.3%

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APPENDICES (CONTINUED)

QUARTERLY DIVIDENDS BY COUNTRY IN USD BILLIONS

Region	Country US bn	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
Emerging Markets	Brazil	3.7	2.1	2.0	2.4	3.4	1.5	3.2
	China	36.2	28.6	25.3	24.9	28.7	27.4	30.0
	Colombia	0.1	0.0	0.0	0.0	0.6	0.0	0.0
	Czech Republic	1.0	0.9	0.9	0.8	0.8	0.6	0.8
	India	4.0	4.0	3.7	5.4	6.0	6.5	5.8
	Indonesia	0.2	0.4	0.2	0.4	0.3	2.4	1.8
	Malaysia	1.1	1.1	1.1	0.8	0.8	0.7	0.2
	Mexico	0.8	1.5	0.8	0.7	0.9	1.0	0.4
	Philippines	0.4	0.5	0.4	0.1	0.1	0.5	0.3
	Poland	1.5	0.7	0.6	0.0	0.5	1.6	0.0
	Russia	16.5	6.1	7.9	10.4	10.5	13.7	12.4
	Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0	1.7
	South Africa	2.3	1.7	0.9	1.8	1.5	1.0	0.2
	Thailand	1.7	1.7	1.5	1.0	1.4	1.6	0.7
	United Arab Emirates	0.0	0.0	0.9	0.9	0.9	0.9	0.4
Europe ex UK	Austria	0.0	0.0	0.0	0.0	0.2	0.2	0.1
	Belgium	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	Denmark	0.0	0.0	0.9	1.1	1.1	1.0	0.9
	Finland	1.9	0.0	0.0	0.0	0.2	0.3	0.0
	France	3.8	1.8	8.3	8.7	13.1	16.6	12.5
	Germany	0.0	0.0	2.8	6.5	8.1	8.3	6.1
	Ireland	0.0	0.0	0.0	0.2	0.2	0.2	0.2
	Israel	0.4	0.4	0.3	0.1	0.0	0.0	0.0
	Italy	2.6	1.6	1.6	2.8	3.4	3.3	2.5
	Netherlands	1.6	3.1	4.3	3.8	4.0	4.8	2.8
	Norway	1.4	0.7	0.7	0.7	0.8	1.0	0.4
	Portugal	0.2	0.0	0.2	0.2	0.2	0.3	0.0
	Spain	7.4	4.9	8.0	6.0	6.9	5.9	5.6
	Switzerland	0.8	2.1	1.3	1.5	1.5	2.3	1.8
Japan	Japan	2.1	3.6	4.9	4.8	5.2	6.4	5.3
North America	Canada	9.6	8.6	7.9	9.7	10.2	10.9	11.2
	United States	87.4	108.0	100.7	110.0	119.7	124.4	117.7
Asia Pacific ex Japan	Australia	18.9	21.1	21.1	21.6	19.8	18.4	9.6
	Hong Kong	12.8	12.1	13.8	25.2	17.4	19.1	21.7
	Singapore	3.0	3.2	3.2	2.5	3.3	1.4	1.3
	South Korea	0.4	0.5	0.5	1.3	2.6	2.5	1.9
	Taiwan	10.6	13.7	16.3	19.8	20.8	19.7	14.3
UK	United Kingdom	31.4	30.5	28.3	32.3	33.6	35.3	18.7
Total		265.6	265.2	271.4	308.3	328.8	341.5	292.6
Outside top 1,200		33.7	33.6	34.4	39.1	41.7	43.3	37.1
Grand Total		299.3	298.8	305.8	347.4	370.5	384.8	329.8

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APPENDICES (CONTINUED)

QUARTERLY DIVIDENDS BY INDUSTRY IN USD BILLIONS

Industry US bn	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
Basic Materials	16.4	14.9	9.7	19.3	24.4	24.3	20.3
Consumer Basics	24.6	32.6	28.7	27.9	34.8	32.4	32.1
Consumer Discretionary	10.7	11.7	13.8	19.0	21.1	22.1	12.5
Financials	71.9	78.0	83.8	84.6	95.3	94.8	77.1
Healthcare & Pharmaceuticals	13.2	15.1	17.2	18.0	19.1	20.5	21.8
Industrials	14.7	15.3	18.9	21.7	21.2	24.9	20.5
Oil, Gas & Energy	52.8	34.6	30.7	36.1	38.8	46.3	37.9
Technology	22.4	25.6	26.0	28.7	32.0	33.4	30.1
Communications & Media	26.5	26.0	29.7	36.9	27.2	26.4	21.7
Utilities	12.3	11.4	12.8	16.1	14.8	16.5	18.5
TOTAL	265.6	265.2	271.4	308.3	328.8	341.5	292.6
Divs outside top 1,200	33.7	33.6	34.4	39.1	41.7	43.3	37.1
Grand Total	299.3	298.8	305.8	347.4	370.5	384.8	329.8

QUARTERLY DIVIDENDS BY SECTOR IN USD BILLIONS

Industry	Sector USbn	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
Basic Materials	Building Materials	0.6	0.2	0.3	0.5	0.6	0.6	0.5
	Chemicals	5.0	4.7	5.7	7.1	7.9	7.5	7.6
	Metals & Mining	10.5	9.5	3.1	11.3	15.5	15.6	11.8
	Paper & Packaging	0.4	0.4	0.6	0.4	0.4	0.6	0.4
Consumer Basics	Beverages	5.9	5.8	6.2	5.1	10.6	5.1	4.8
	Food	4.0	12.1	4.3	4.4	5.3	5.7	5.3
	Food & Drug Retail	4.9	3.3	4.0	3.0	3.4	5.0	4.7
	Household & Personal Products	3.9	4.9	7.1	7.3	8.0	8.6	8.9
Consumer Discretionary	Tobacco	5.9	6.4	7.1	8.1	7.5	7.9	8.4
	Consumer Durables & Clothing	1.8	2.4	2.5	2.4	4.8	4.9	3.5
	General Retail	3.1	3.3	4.4	4.7	2.9	3.5	3.2
	Leisure	3.4	2.8	2.7	4.0	3.7	3.8	1.6
Financials	Other Consumer Services	0.0	0.1	0.0	0.0	0.0	0.0	0.0
	Vehicles & Parts	2.4	3.1	4.2	8.0	9.7	9.9	4.2
	Banks	54.8	54.1	55.5	53.1	58.6	58.6	40.8
	General Financials	4.7	7.0	6.5	7.8	9.4	7.1	7.4
Healthcare & Pharmaceuticals	Insurance	6.7	9.1	12.5	13.9	15.6	14.7	12.7
	Real Estate	5.7	7.8	9.3	9.8	11.6	14.3	16.2
	Health Care Equipment & Services	2.7	3.3	4.0	4.5	4.8	5.7	5.5
	Pharmaceuticals & Biotech	10.5	11.8	13.2	13.6	14.3	14.8	16.3
Industrials	Aerospace & Defence	3.0	3.1	2.9	4.0	3.3	5.7	2.0
	Construction, Engineering & Materials	2.9	2.4	3.0	3.2	4.1	5.1	5.3
	Electrical Equipment	0.7	0.7	0.7	0.7	0.7	0.7	0.9
	General Industrials	4.0	4.6	4.6	5.4	5.7	5.1	4.9
Oil, Gas & Energy	Support Services	1.0	1.2	1.2	1.5	1.5	1.4	1.7
	Transport	3.2	3.2	6.5	6.8	5.9	6.9	5.8
	Energy - non-oil	0.5	0.4	0.2	1.5	0.5	0.4	0.6
	Oil & Gas Equipment & Distribution	2.9	4.5	2.3	3.4	3.7	4.1	3.9
Technology	Oil & Gas Producers	49.4	29.6	28.3	31.2	34.7	41.7	33.4
	IT Hardware & Electronics	9.5	9.8	9.9	11.0	11.1	11.9	11.4
	Semiconductors & Equipment	6.3	8.5	9.2	10.3	12.1	12.4	8.8
	Software & Services	6.7	7.3	6.9	7.4	8.8	9.1	10.0
Communications & Media	Media	3.0	3.9	4.3	4.3	4.0	4.4	1.7
	Telecoms	23.5	22.1	25.4	32.6	23.2	22.0	20.0
Utilities	Utilities	12.3	11.4	12.8	16.1	14.8	16.5	18.5
TOTAL		265.6	265.2	271.4	308.3	328.8	341.5	292.6
Divs outside top 1200		33.7	33.6	34.4	39.1	41.7	43.3	37.1
Grand Total		299.3	298.8	305.8	347.4	370.5	384.8	329.8

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APPENDICES (CONTINUED)

JHGDI – BY REGION

Region	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
Emerging Markets	216.8	168.9	141.9	153.3	184.0	201.3	204.5
Europe ex UK	127.7	115.5	119.5	119.5	139.6	133.5	93.9
Japan	140.2	140.8	169.4	183.2	209.7	231.7	231.2
North America	168.0	191.1	194.9	206.1	220.0	234.3	241.2
Asia Pacific ex Japan	189.3	184.8	181.5	214.7	221.8	230.2	199.3
UK	185.2	143.9	143.6	142.5	149.5	158.2	103.1
Global total	163.3	158.7	159.7	168.8	185.5	193.5	176.0

JHGDI – BY INDUSTRY

Industry	14Q3	15Q3	16Q3	17Q3	18Q3	19Q3	20Q3
Basic Materials	180.4	167.5	120.1	165.3	223.5	268.4	204.7
Consumer Basics	167.5	184.3	171.6	180.9	189.5	181.9	183.4
Consumer Discretionary	279.7	294.2	325.4	314.5	345.4	353.6	260.6
Financials	197.3	206.3	215.3	225.5	256.0	265.8	215.6
Healthcare & Pharmaceuticals	158.1	162.2	180.2	184.7	198.4	207.6	219.0
Industrials	151.6	157.8	155.2	161.7	174.0	175.0	153.1
Oil, Gas & Energy	149.2	110.9	104.2	106.3	124.2	138.0	129.1
Technology	253.4	288.9	311.4	329.6	373.6	402.4	440.1
Communications & Media	127.2	99.9	100.6	106.3	100.6	98.2	97.2
Utilities	86.2	78.5	83.1	97.3	92.1	95.2	97.7
Total	163.3	158.7	159.7	168.8	185.5	193.5	176.0

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APPENDICES (CONTINUED)

Q3 ANNUAL GROWTH RATE – ADJUSTMENTS FROM UNDERLYING TO HEADLINE

Region	Country	Underlying growth	Special dividends	Currency	Index changes	Timing effects	Headline Growth
Emerging Markets	Brazil	89.3%	0.0%	-63.1%	35.1%	48.9%	110.1%
	China	3.3%	-0.5%	1.0%	5.7%	0.0%	9.6%
	Czech Republic	42.2%	0.0%	5.1%	0.0%	0.0%	47.3%
	India	4.2%	-3.7%	-5.2%	-6.4%	0.0%	-11.1%
	Indonesia	-7.0%	0.0%	-2.9%	-15.2%	0.0%	-25.1%
	Malaysia	-59.5%	0.0%	-0.4%	-13.8%	0.0%	-73.7%
	Mexico	-24.4%	-26.7%	-4.9%	0.0%	0.0%	-56.0%
	Philippines	-41.6%	0.0%	1.8%	-9.8%	0.0%	-49.6%
	Poland	0.0%	0.0%	0.0%	-100.0%	0.0%	-100.0%
	Russia	6.7%	0.0%	-12.2%	-3.5%	0.0%	-9.0%
	South Africa	-52.9%	0.0%	-1.9%	-28.4%	0.0%	-83.2%
	Thailand	-36.8%	0.0%	-0.9%	-17.3%	0.0%	-55.0%
	United Arab Emirates	-62.5%	0.0%	0.0%	0.0%	0.0%	-62.5%
Europe ex UK	Austria	-19.1%	0.0%	0.6%	0.0%	0.0%	-18.5%
	Denmark	4.5%	-12.9%	7.2%	0.0%	0.0%	-1.2%
	Finland	-100.0%	0.0%	0.0%	0.0%	0.0%	-100.0%
	France	-22.8%	0.0%	0.9%	-2.9%	0.0%	-24.8%
	Germany	-36.5%	0.0%	3.2%	4.0%	3.6%	-25.7%
	Ireland	-1.0%	0.0%	0.0%	0.0%	0.0%	-1.0%
	Italy	-27.6%	0.0%	3.1%	0.0%	0.0%	-24.6%
	Netherlands	-44.8%	0.0%	3.7%	0.0%	0.0%	-41.0%
	Norway	-71.8%	0.0%	0.9%	7.3%	0.0%	-63.6%
	Portugal	-100.0%	0.0%	0.0%	0.0%	0.0%	-100.0%
	Spain	0.1%	0.0%	1.9%	-6.6%	0.0%	-4.7%
	Switzerland	-29.1%	0.5%	5.4%	0.0%	0.0%	-23.2%
Japan	Japan	-16.0%	-1.0%	0.3%	0.1%	0.0%	-16.5%
North America	Canada	2.9%	0.0%	-0.7%	0.8%	0.0%	3.0%
	United States	-3.9%	-1.3%	0.0%	-0.3%	0.0%	-5.4%
Asia Pacific ex Japan	Australia	-40.3%	-8.2%	2.4%	-1.6%	0.0%	-47.8%
	Hong Kong	9.9%	-0.5%	1.0%	3.0%	0.0%	13.3%
	Singapore	-40.9%	0.0%	1.0%	31.8%	0.0%	-8.1%
	South Korea	-14.6%	0.0%	1.8%	-10.1%	0.0%	-22.9%
	Taiwan	-6.9%	0.0%	4.1%	1.3%	-25.9%	-27.4%
UK	United Kingdom	-41.6%	-7.8%	2.6%	-0.1%	0.0%	-47.0%

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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 payouts.

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 US\$ 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 with the aim of reducing risk to income and capital.

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