

JANUS HENDERSON GLOBAL DIVIDEND INDEX












Janus Henderson
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For promotional purposes

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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 £289.9bn 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 30 September 2018



Executive summary – by region

Overview

- Dividends exceeded expectations, rising 5.1% to \$354.2bn and breaking third-quarter records in the US, Canada, Taiwan, and India
- Headline growth was suppressed by lower special dividends and a strengthening dollar with underlying growth registering a gain of 9.2%
- JHGDII rose to 184.4**, a new record

North America

- Underlying growth of 7.6% lagged behind the global average, but payouts still reached a new record, boosted by a large special dividend from Dr Pepper Snapple
- In the US, underlying growth of 7.3% was in line with Q1 and Q2
- Banks made the largest contribution to US dividend growth, and only one US company in 70 cut its payout
- Canadian dividends jumped 11.2% on an underlying basis, and also broke a new record

Europe ex UK

- Q3 is a seasonal low point in Europe
- Underlying growth of 9.1% followed a strong Q2 and was in line with the global average
- Almost nine-tenths of European companies raised payouts
- Spain and the Netherlands are less seasonal than other countries with 9.2% and 9.3% underlying growth respectively

UK

- A weakening pound, lower special dividends, and calendar effects resulted in headline growth of just 3.0% in the UK's most important dividend season
- Underlying growth however was 11.1% once these factors are taken into account
- Mining and banking stocks saw the most growth, and BP made its first declared increase since 2014 in USD terms

Underlying
growth of 9.2%

CONTINUED THE
STRONG 2018 TREND

GLOBAL DIVIDENDS ROSE
5.1% YEAR-ON-YEAR TO A

Q3 record
\$354.2bn

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

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

* Please refer to the glossary of 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

- Asia Pacific ex Japan lagged the world in Q3
- Headline growth declined 8.8% due to lower special dividends in Hong Kong and lacklustre growth in Australia. Underlying growth was a more encouraging 6.8%
- Australian payouts rose just 1.3% in underlying terms, as the dominant banks failed to raise their dividends and Telstra reduced its payment
- The underlying picture in Hong Kong and Taiwan saw growth of 5.9% and 6.2% respectively whilst Singapore and South Korea both showed exceptionally strong increases

Japan

- Q3 is a seasonal low point for Japanese dividends, but strong growth followed the pattern set earlier in 2018 with every Japanese company in the index raising payouts

Emerging Markets

- Underlying growth was 15.7%
- Chinese companies pay most of their dividends in Q3, and they surged 14.6% (underlying), following three years of declines
- Chinese banks, insurers and energy companies contributed most to growth
- In Russia, Sberbank pushed payouts sharply higher following record profits
- Indian dividends also rose to a new record

Industries & Sectors

- Financials and basic materials drove global dividend growth in Q3, but food, energy and tech also did well
- Telecoms meanwhile saw declines

Outlook

- Headline growth forecast unchanged at 8.5% with total dividends for 2018 still anticipated to be \$1.359 trillion.
- Underlying growth upgraded slightly from 7.4% to 8.1%

CHINESE DIVIDENDS
returned
to growth
AFTER 3 YEARS
OF DECLINES

4 COUNTRIES SAW
record payouts,
BUT AUSTRALIA
LAGGED BEHIND

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Global dividends jump to a third-quarter record

Q3 delivered another excellent quarter for global dividends as the continuing strength of the world economy boosted corporate profitability around the world. Payouts rose 5.1% to a third-quarter record of \$354.2bn. The United States, Canada, Taiwan, and India all saw record quarterly payouts, while Chinese dividends returned to growth, after three years of contraction. The third quarter marks a seasonal high point for China, Taiwan, and Hong Kong, as well as Australia and the UK. Most of these are among the largest dividend-paying countries in the world.

A stronger US dollar and lower special dividends suppressed headline growth year-on-year. On an underlying basis, our chosen measure of core dividend growth, payouts were 9.2% higher, continuing the surge we recorded in Q2.

The Janus Henderson Global Dividend Index ended the quarter at a new record 184.4**, indicating expansion of more than four-fifths in global dividends since 2009 when the index was launched at 100.

Annual dividends by region in USD billions

Region	2014	% change	2015	% change	2016	% change	2017	% change	Q3 2017	% change	Q3 2018	% change
Emerging Markets	126.6	-9%	112.2	-11%	87.9	-22%	103.4	18%	50.1	9.0%	58.3	16.4%
Europe ex UK	237.5	14%	213.4	-10%	223.2	5%	225.1	1%	17.3	-0.8%	19.0	10.4%
Japan	50.0	6%	52.6	5%	64.7	23%	70.0	8%	4.8	-2.0%	5.2	8.0%
North America	392.9	15%	441.2	12%	445.0	1%	475.7	7%	119.7	10.2%	130.2	8.8%
Asia Pacific	120.9	4%	113.8	-6%	117.8	3%	141.6	20%	74.8	36.2%	68.2	-8.8%
UK	123.3	32%	96.2	-22%	93.0	-3%	95.7	3%	32.3	14.4%	33.3	3.0%
Total	1051.2	11%	1029.3	-2%	1031.6	0%	1111.5	8%	299.0	15.0%	314.4	5.1%
Divs outside top 1,200	130.4	9%	130.6	0%	130.9	0%	141.0	8%	37.9	15.0%	39.9	5.1%
Grand total	1181.6	11%	1159.9	-2%	1162.5	0%	1252.5	8%	337.0	15.0%	354.2	5.1%

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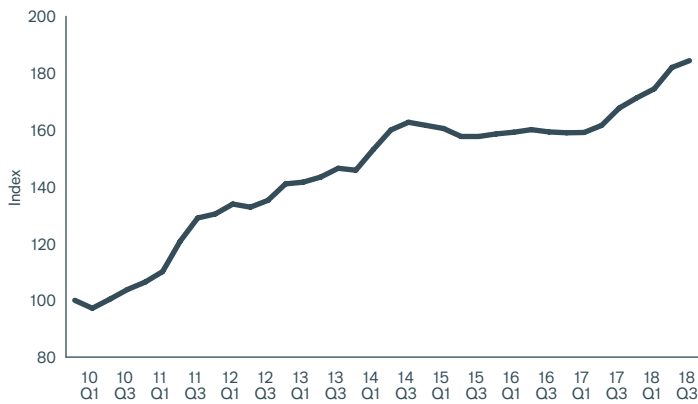
** This is a statistical measure of change of the Janus Henderson Global Dividend Index.



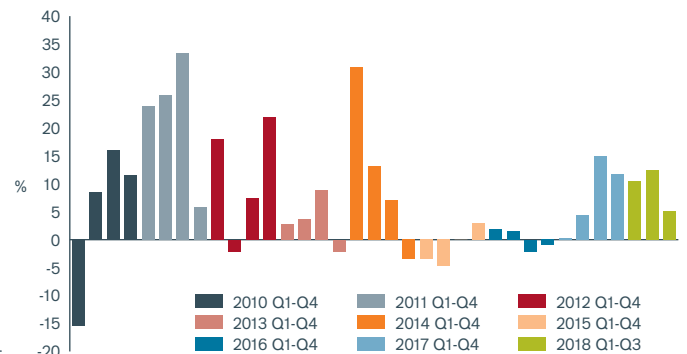
Global dividends jump to a third-quarter record

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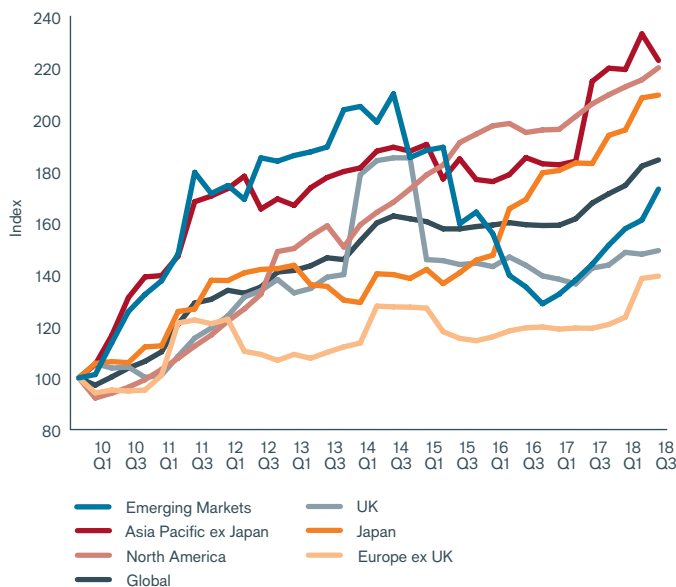
JHGDI



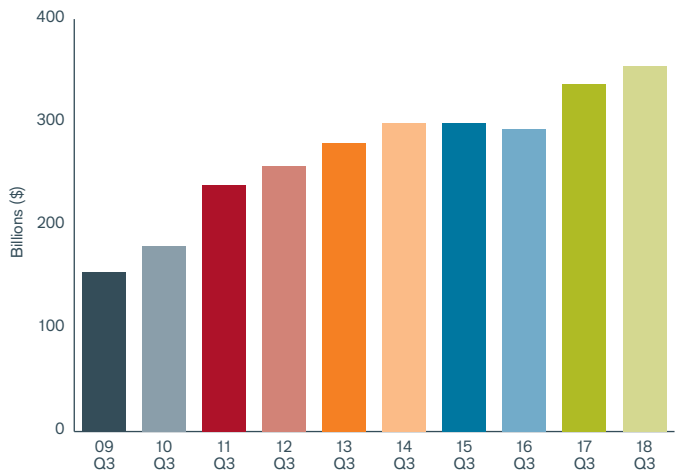
Total dividends, annual growth per quarter



JHGDI – by region



Global dividends (US\$)



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Lower special dividends and rising dollar disguise rapid underlying growth

Headline growth tracks the change in the total value of dividends paid each quarter in US dollar terms. Our measure of underlying growth removes the volatility caused by exchange rates, one-off special dividends, changes in the list of companies in our index, and the impact of companies changing their dividend calendar. It gives a clearer picture of how successfully companies are growing their payouts to shareholders.

Special dividends were exceptionally large in Hong Kong in the third quarter last year, and despite a large payment from Dr Pepper Snapple on its acquisition by Keurig, global special dividends were nevertheless much lower globally year-on-year. The impact on headline growth of this reduction was 2.8 percentage points.

During the third quarter, timing effects and the impact of index changes were minor at the global level, but the US dollar was stronger against most other currencies around the world when compared to Q3 last year. This meant that dividends in all of our six global regions suffered an exchange-rate headwind that reduced their US-dollar value by a collective \$5.7bn, impacting headline growth by -1.5 percentage points overall.

Q3 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	15.7%	0.9%	-3.7%	1.5%	2.0%	16.4%
Europe ex UK	9.1%	-1.9%	-0.5%	3.6%	0.0%	10.4%
Japan	9.2%	0.0%	-1.2%	0.0%	0.0%	8.0%
North America	7.6%	3.5%	-0.3%	-2.1%	0.1%	8.8%
Asia Pacific ex Japan	6.8%	-15.4%	-2.5%	2.3%	0.0%	-8.8%
UK	11.1%	-3.6%	-0.6%	0.6%	-4.5%	3.0%
Global	9.2%	-2.8%	-1.5%	0.3%	-0.1%	5.1%

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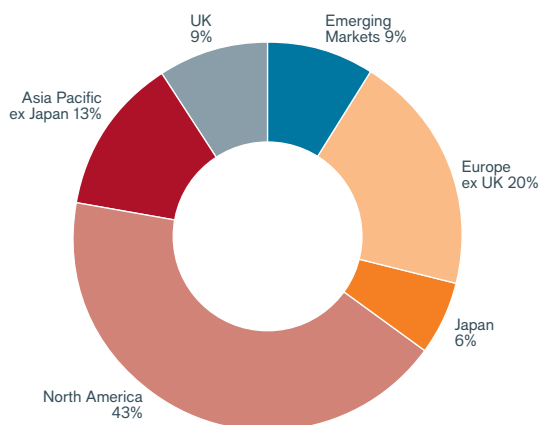
† Timing effects are not significant on an annual basis.

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

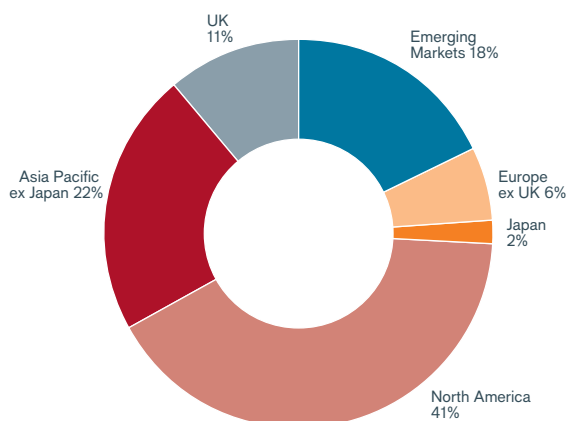


Regions and countries

2017 dividends by region



2018 Q3 dividends by region



North America

North American dividends rose 8.8% to a record \$130.2bn. Underlying growth was 7.6%, lagging behind the global average, but by no means a poor performance.

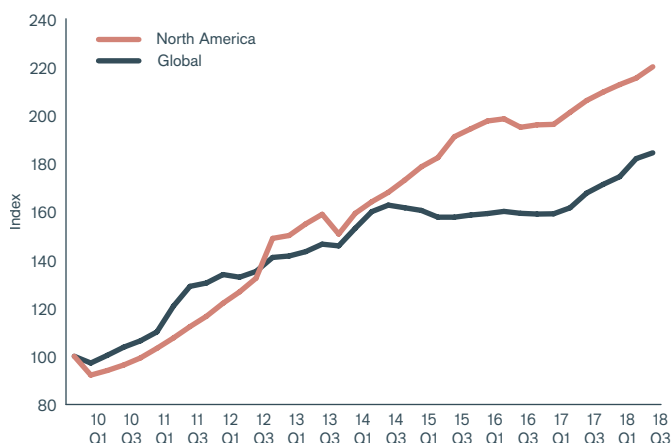
US payouts jumped 9.1% in headline terms to a record \$120.0bn. Almost half of the increase was down to a \$5.3bn special dividend paid by Dr Pepper Snapple when it was acquired by Keurig. Underlying growth in the US was 7.3%, in line with the rapid pace of the first and second quarters. Since US companies tend to pay four equal dividends over the course of the year, underlying growth rates tend to hold relatively steady in each quarter.

Among the larger sectors, the fastest growth came from semiconductors, in particular Broadcom. The largest contribution to growth, however, came from the banks. Every US bank increased its payout, and together they distributed \$1.2bn more than the same period last year. General financials followed suit, with increases across the board. The healthcare sector also featured among the top growers. Most pharmaceutical companies are showing steady growth, but Abbvie continues to stand out as profits rise on higher sales and lower taxation. Elsewhere autos and utilities saw broadly flat payouts year-on-year.

Just one US company in seventy cut its dividend: the largest of these was heavily indebted General Electric, which halved its payout this year, costing shareholders over \$1bn per quarter.

In Canada, record dividends of \$10.2bn were 11.2% higher on an underlying basis. Headline growth of 5.4% was held back by the weakening Canadian dollar. Energy dividends rose fastest on the back of higher prices for crude oil, but banks and telecoms also did well. More than nine-tenths of Canadian companies increased their dividends year-on-year.

JHGI – North America



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Regions and countries (continued)

Europe ex UK

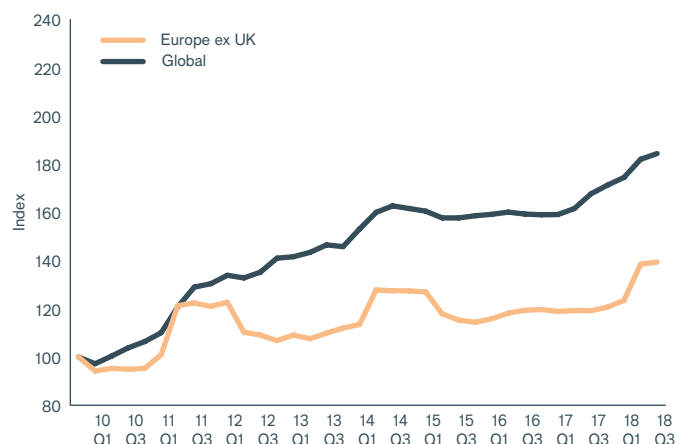
European dividends reach their seasonal low point in the third quarter, following the big second quarter dividend season. They extended their strong Q2 performance, rising 10.4% year-on-year to \$19.0bn, equivalent to an underlying increase of 9.1%, in line with the global average.

Spain's companies pay the most in Q3, as they tend to spread dividends more evenly throughout the year. Spanish payouts jumped 10.3% to \$6.2bn, an underlying increase of 9.2%, building on the excellent performance of the second quarter. Banco Santander and Repsol made the largest contribution to growth. Santander raised its dividend, and, having issued new shares last year to buy Banco Popular, the total amount distributed rose by a fifth. Following the theme of growing dividends from the oil sector, Repsol raised its payout by 14%.

In the Netherlands, every company in our index raised its payout or held it flat. The biggest increase came from support services group Wolters Kluwers, which raised its dividend by two-thirds as the company targeted a higher payout ratio and increased the amount it plans to spend on share buybacks. ING, the largest payer in Q3 held its dividend steady. Overall, Dutch payouts rose 6.6%, equivalent to underlying growth 9.3%.

Nine-tenths of European companies in our index raised their dividends in Q3. The big loser was Carrefour, which cut its payout by a third. The group is struggling with sluggish sales growth, falling margins, and sharply declining profits, particularly in its core French market. It shaved one percentage point off growth in Europe and was responsible for the underlying decline in French payouts. With only four French companies in our index making payments in Q3, the impact was disproportionate, causing an underlying fall of 9.7%. However, on a full-year basis, it will only knock 0.4 percentage points off French dividend growth. Elsewhere in Europe, very few companies in Switzerland and Italy, and none in our German index, made payments in Q3.

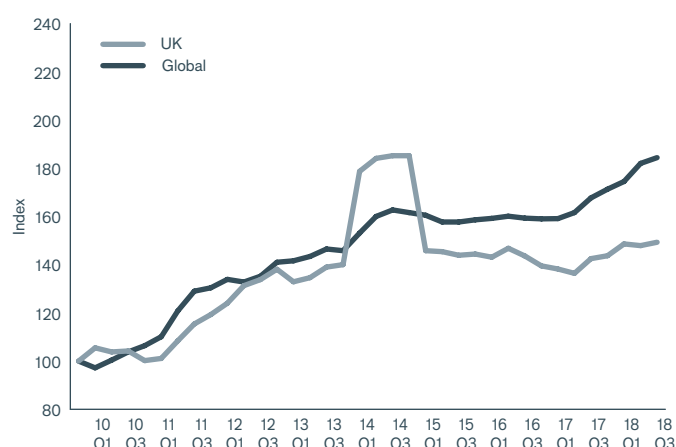
JHGDI – Europe ex UK



UK

UK companies in our index paid \$33.3bn to their shareholders in the third quarter, 3.0% higher year-on-year in headline terms. This headline growth was suppressed by the switch to quarterly payments by BAT following its acquisition of Reynolds American, lower special dividends and by the weaker value of sterling compared to the previous year. Underlying growth was very strong at 11.1%, reflecting the continuing rebound of payouts from the mining sector, as well as a pick-up in dividends from British banks; Barclays was the largest contributor to growth in the sector. The quarter also saw the first declared increase from BP since 2014 in USD terms. The oil major held its payout steady through the recent bad times for oil prices, but with crude prices rising, it is enjoying strong free cash flow, and is beginning to return more of it to shareholders.

JHGDI – UK



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Regions and countries (continued)

Asia Pacific ex Japan

Asia Pacific ex Japan lagged the rest of the world in the third quarter. Headline dividends dropped 8.8% to \$68.2bn but only because the extremely large specials in Hong Kong last year, from companies such as China Mobile, were not repeated. Underlying growth was a more respectable 6.8% but still the slowest rate of expansion among the major regions in what was a strong quarter globally.

A poor performance in Australia, in its most important season for dividends, held back the Asian total. Australian payouts fell 2.2% to \$24.5bn, dragged more than six percentage points lower by the weakening Australian dollar. Underlying growth of 1.3% was the weakest in the developed world, with the exception of France where seasonal factors had an effect. The biggest impact came from Telstra which paid \$700m less year-on-year, while it undergoes costly restructuring. Meanwhile, the dominant banks in Australia, which pay almost half the country's dividends each year, saw no growth, apart from a token 0.5% increase at Commonwealth Bank. National Australia Bank has not raised its payout for four years now. Australian banks have very high payout ratios, and profits are under pressure, so there is little scope for higher dividends. Insurance payouts were also flat.

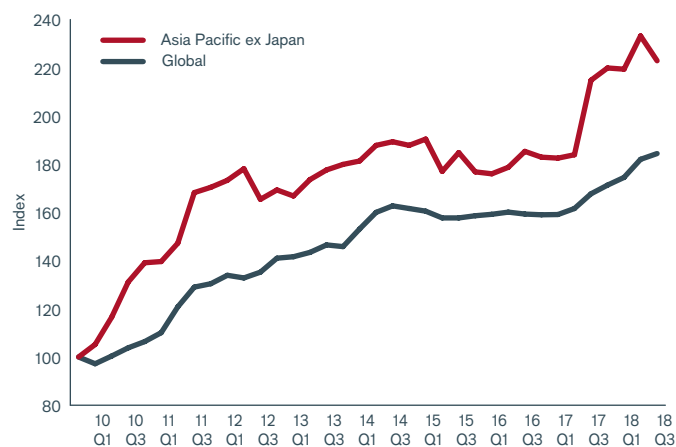
There was much better news from the oil and mining sectors however. BHP Billiton raised its payout by \$1bn, an increase of two thirds, while Rio Tinto increased by a fifth. Woodside Petroleum, enjoying higher oil prices, also increased its per share dividend by a fifth.

In Hong Kong, payouts dropped by a third to \$17.5bn on lower special dividends, but underlying growth was 5.9%. Although China Mobile did not repeat its special dividend, its regular distribution was \$530m bigger, following an even larger increase in Q2. There was particularly strong growth from the real estate sector, which increased total payouts by \$580m, while oil company Cnooc raised its dividend by a third. No company in our Hong Kong index cut its dividend year-on-year.

Taiwan delivered a record \$20.1bn, up 6.2% on an underlying basis, in line with Hong Kong. Taiwan Semiconductor made another big increase and made the largest contribution to growth. It will distribute \$6.8bn this year, likely putting it in the top 25 largest global payers, and almost tripling its payout in three years. Asset sales and strong trading generated a big dividend increase from Taiwan's largest food and beverage group, Uni-President too.

Sharply higher banking dividends sent Singapore's payout 29.6% higher on an underlying basis, while in South Korea, Samsung Electronics made another very large increase following record profits, enough to almost double the total South Korean dividends paid in the quarter.

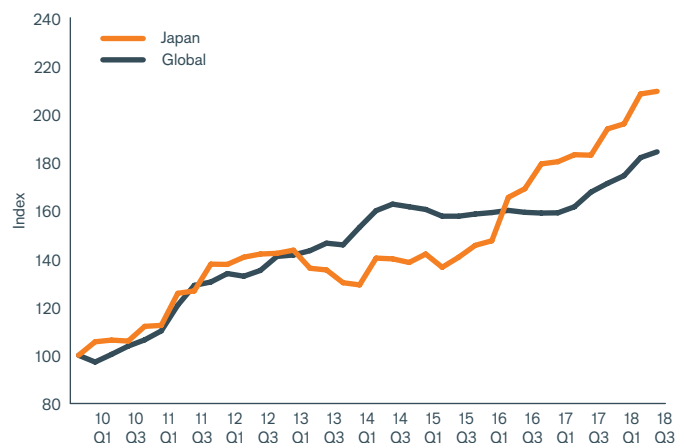
JHGDI – Asia Pacific ex Japan



Japan

The third quarter sees few dividends distributed in Japan. The \$5.2bn paid was 9.2% higher on an underlying basis, continuing the strong trend established earlier this year. Every Japanese company in our index increased its payout: robust profits are driving strong growth in dividends from a low base.

JHGDI – Japan



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Regions and countries (continued)

Emerging Markets

In their largest quarter of the year, emerging market payouts rose faster than the global average, up 16.4% on a headline basis (15.7% underlying) to \$58.3bn. Those countries facing difficulties at present, such as Turkey, Brazil and Argentina, do not feature highly in the third quarter and so made little impact, though lower exchange rates caused a significant drag across the whole grouping. Collectively, currency moves knocked 3.7 percentage points off the headline growth rate.

Q3 is an important quarter for China with more than three quarters of its annual total paid during the period. 2018 marked a turnaround, after three years of falling payouts, as dividends surged 14.2% to \$27.5bn, equivalent to a rise of 14.6% on an underlying basis. It is too soon for the impact of the trade war with the US to show up in dividend payments, and overall seven-eighths of Chinese companies raised their distribution.

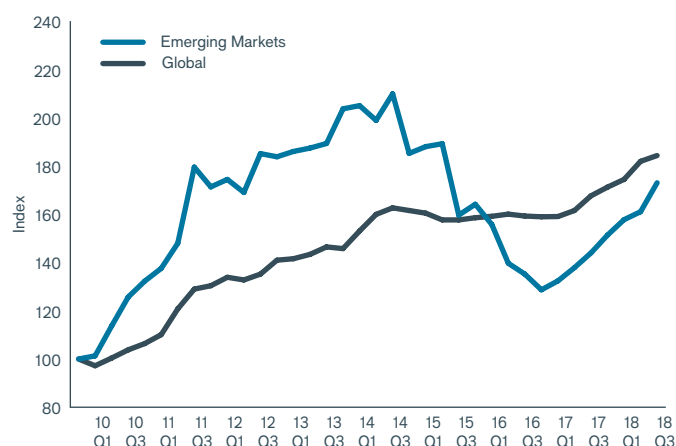
A rebound in payouts from the banks delivered half the increase in the Chinese total, mainly because they represent the largest sector; their 9.7% rise was actually slower than the country's average. Insurers accounted for over a third of the increase, despite being a small sector, and there was also solid growth from energy companies, with another big special dividend from Petrochina.

China's dividends comprised almost half the emerging market total in Q3. Another significant contributor was Russia, where dividends rose 13.6% to \$14.3bn, an underlying increase of 21.9%. Sberbank, by far the largest bank in Russia, doubled its payout to \$4.2bn after posting record profits and increasing the portion of profits it pays out from a quarter to over a third. The Kremlin, a majority shareholder in Sberbank, has mandated a 50% payout ratio by 2020, so further increases are likely.

Indian dividends reached a new all-time quarterly record, jumping 10.0% to \$5.5bn, equivalent to 7.7% underlying growth. Vedanta, the mining company, made the biggest increase but every Indian company in our index, with the exception of ICICI bank, either raised its payout or held it steady. ICICI's profits have been hit by bad loans, leading to a 40% cut in its dividend.

Elsewhere in emerging markets, South African dividends were flat in local-currency terms as ongoing cuts at telecoms company MTN were offset by rises elsewhere, and Brazilian payouts rose.

JHGDI – Emerging Markets



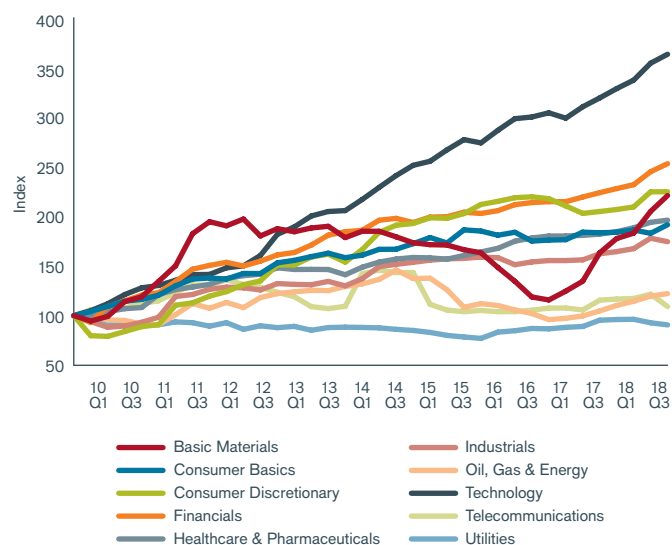
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Industry and sectors

JHGDI – Total dividends by industry



Dividends from banks and other financials made up a third of the Q3 total. In most of the world, the sector is delivering higher payouts, and their size means they make a very large impact on global dividend growth. Underlying growth was 12.4%, second only to basic materials, which includes the mining sector. Consumer basics, especially food, energy and technology also did well. Only telecoms saw dividends decline on an underlying basis.

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Top payers

World's biggest dividend payers

Rank	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
1	China Construction Bank Corp.	China Construction Bank Corp.	China Construction Bank Corp.	China Construction Bank Corp.	China Construction Bank Corp.	China Mobile Limited	China Construction Bank Corp.
2	Gazprom	Vodafone Group plc	Gazprom	Kraft Foods Group, Inc	Taiwan Semiconductor Manufacturing	China Construction Bank Corp.	Taiwan Semiconductor Manufacturing
3	Vodafone Group plc	Gazprom	China Mobile Limited	China Mobile Limited	Commonwealth Bank of Australia	Taiwan Semiconductor Manufacturing	Keurig Dr Pepper Inc
4	China Mobile Limited	China Mobile Limited	Westpac Banking Corp	Taiwan Semiconductor Manufacturing	China Mobile Limited	Commonwealth Bank of Australia	China Mobile Limited
5	Westpac Banking Corp	Westpac Banking Corp	Rosneft Oil Co.	Commonwealth Bank of Australia	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Commonwealth Bank of Australia
6	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.	Westpac Banking Corp	Westpac Banking Corp	Savings Bank Of Russia
7	Royal Dutch Shell Plc	Australia & New Zealand Banking Group Ltd.	Vodafone Group plc	Westpac Banking Corp	Exxon Mobil Corp.	Exxon Mobil Corp.	HSBC Holdings plc
8	Exxon Mobil Corp.	Royal Dutch Shell Plc	Australia & New Zealand Banking Group Ltd.	Vodafone Group plc	Industrial & Commercial Bank of China Ltd.	Apple Inc	Royal Dutch Shell Plc
9	Taiwan Semiconductor Manufacturing	Exxon Mobil Corp.	Royal Dutch Shell Plc	Exxon Mobil Corp.	Apple Inc	Gazprom	Apple Inc
10	Telstra Corporation	Apple Inc	Exxon Mobil Corp.	Gazprom	AT&T, Inc.	Vodafone Group plc	Exxon Mobil Corp.
Subtotal \$bn	42.1	43.6	44.0	49.3	42.4	53.0	50.7
% of total	16.4%	15.6%	14.7%	16.5%	14.5%	15.7%	14.3%
11	BHP Billiton Limited	Rosneft Oil Co.	BHP Billiton Limited	Royal Dutch Shell Plc	Gazprom	AT&T, Inc.	Westpac Banking Corp
12	AT&T, Inc.	Eni Spa	Apple Inc	Apple Inc	Microsoft Corporation	Microsoft Corporation	Microsoft Corporation
13	Australia & New Zealand Banking Group Ltd.	Natixis	Bank of China Ltd.	BHP Billiton Limited	Vodafone Group plc	Industrial & Commercial Bank of China Ltd.	Industrial & Commercial Bank of China Ltd.
14	Eni Spa	BHP Billiton Limited	Eni Spa	Australia & New Zealand Banking Group Ltd.	Australia & New Zealand Banking Group Ltd.	National Australia Bank Limited	Vodafone Group plc
15	Apple Inc	Taiwan Semiconductor Manufacturing	Taiwan Semiconductor Manufacturing	Bank of China Ltd.	Verizon Communications Inc	Australia & New Zealand Banking Group Ltd.	AT&T, Inc.
16	Lukoil Oil Co.	AT&T, Inc.	Banco Santander S.A.	Microsoft Corporation	MTR Corporation Ltd.	Verizon Communications Inc	Gazprom
17	National Australia Bank	Bank of China Ltd.	AT&T, Inc.	AT&T, Inc.	Bank of China Ltd.	MTR Corporation Ltd.	BHP Billiton Limited
18	Bank of China Ltd.	Telstra Corporation	Telstra Corporation	General Electric Co.	Johnson & Johnson	Power Assets Holdings Limited	National Australia Bank Limited
19	Ecopetrol SA	Mining and Metallurgical Co Norilsk Nickel	Microsoft Corporation	Verizon Communications Inc	General Electric Co.	Johnson & Johnson	Verizon Communications Inc
20	Orange.	Banco Santander S.A.	General Electric Co.	Johnson & Johnson	Telstra Corporation	General Electric Co.	Australia & New Zealand Banking Group Ltd.
Subtotal \$bn	23.0	24.7	25.1	25.5	24.0	25.7	29.7
Grand total \$bn	65.1	68.3	69.1	74.8	66.4	78.7	80.4
% of total	25.3%	24.4%	23.1%	25.0%	22.7%	23.3%	22.7%

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Conclusion and outlook

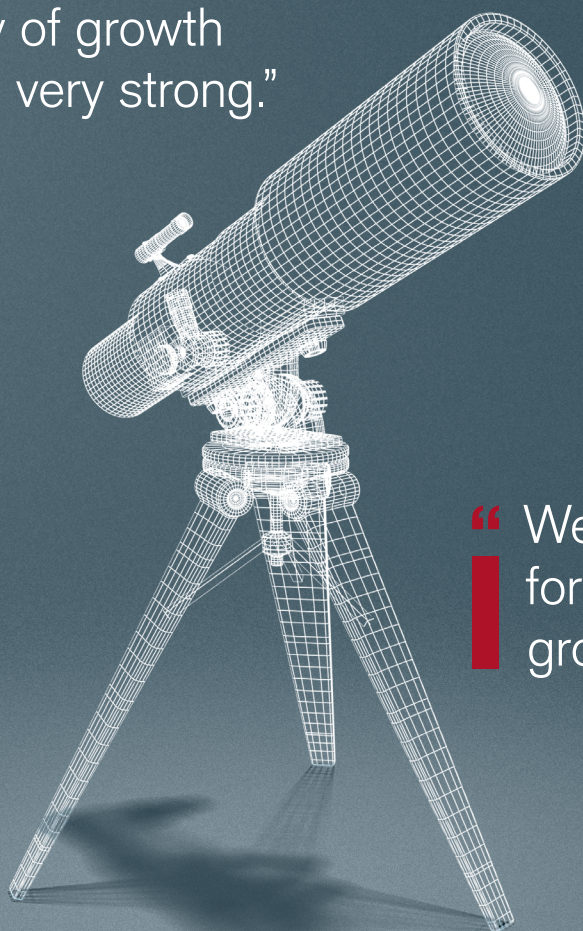
The third quarter slightly exceeded our expectations, but more importantly, the quality of growth was better than we expected. It came despite a negative impact from exchange rates and a lower level of special dividends. Moreover, our core underlying measure of growth was strong.

Our forecast for headline growth remains unchanged at 8.5% with total dividends for 2018 still expected to be \$1.359 trillion. But on an underlying basis this translates into an upgraded increase of 8.1%, compared to 7.4% in our last report. Fourth-fifths of 2018's dividends have now been paid, giving us a high degree of confidence in the level of growth forecast for the full year.

We will introduce our 2019 forecast in the next report. Expectations for corporate earnings growth next year are starting to come under some pressure, given the late stage of the economic cycle. That is not to say that profits themselves are set to fall, rather that the pace of expansion may now be slower than previously thought. Growing profits and strong cash flow mean that dividends should continue to be well supported and so investors seeking an income from their shares should feel confident about the year ahead.

“The quality of growth
in Q3 was very strong.”

“Growing profits and strong
cash flow means dividends
are well supported”.



“We have upgraded our
forecast for underlying
growth to 8.1% from 7.4%”.

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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 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

Quarterly dividends by country in USD billions

Region	Country US\$ bn	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
Emerging Markets	Brazil	\$3.4	\$4.1	\$3.7	\$2.1	\$2.0	\$2.4	\$3.4
	China	\$23.3	\$26.3	\$36.2	\$28.6	\$25.3	\$24.1	\$27.5
	Colombia	\$2.0	\$1.0	\$0.1	\$0.0	\$-	\$-	\$0.6
	Czech Republic	\$1.2	\$1.1	\$1.0	\$0.9	\$0.9	\$0.8	\$0.8
	India	\$3.8	\$3.8	\$4.0	\$4.0	\$3.7	\$5.0	\$5.5
	Indonesia	\$0.8	\$0.6	\$0.2	\$0.4	\$0.2	\$0.4	\$0.3
	Malaysia	\$0.8	\$0.7	\$1.1	\$1.1	\$1.1	\$1.5	\$1.7
	Mexico	\$0.6	\$0.7	\$0.8	\$1.5	\$0.8	\$0.7	\$0.9
	Morocco	\$0.2	\$-	\$-	\$-	\$-	\$-	\$-
	Philippines	\$0.2	\$0.4	\$0.4	\$0.5	\$0.4	\$0.1	\$0.1
	Poland	\$2.6	\$1.5	\$1.5	\$0.7	\$0.6	\$-	\$0.5
	Russia	\$16.5	\$16.4	\$16.5	\$6.1	\$7.9	\$12.6	\$14.3
	South Africa	\$3.1	\$3.3	\$2.3	\$1.7	\$0.9	\$1.8	\$1.5
	Thailand	\$2.0	\$1.7	\$1.6	\$1.6	\$1.2	\$0.8	\$1.1
Europe ex UK	Austria	\$-	\$0.3	\$-	\$-	\$-	\$-	\$0.2
	Denmark	\$-	\$-	\$-	\$-	\$0.9	\$1.1	\$1.1
	Finland	\$-	\$-	\$1.9	\$-	\$-	\$-	\$0.2
	France	\$5.6	\$8.3	\$3.8	\$2.4	\$1.8	\$1.4	\$1.5
	Germany	\$-	\$0.2	\$-	\$-	\$0.4	\$-	\$-
	Israel	\$0.5	\$0.5	\$0.4	\$0.4	\$0.3	\$0.1	\$-
	Italy	\$2.5	\$2.7	\$2.6	\$1.6	\$1.6	\$2.8	\$3.4
	Netherlands	\$1.5	\$1.6	\$1.6	\$3.1	\$4.3	\$3.8	\$4.0
	Norway	\$0.4	\$0.6	\$1.4	\$0.7	\$0.7	\$0.7	\$0.8
	Portugal	\$0.1	\$0.1	\$0.2	\$-	\$0.2	\$0.2	\$0.2
	Spain	\$5.3	\$5.7	\$7.4	\$4.9	\$5.8	\$5.6	\$6.2
	Switzerland	\$0.3	\$0.6	\$0.8	\$2.1	\$1.3	\$1.5	\$1.5
Japan	Japan	\$2.5	\$2.2	\$2.1	\$3.6	\$4.9	\$4.8	\$5.2
North America	Canada	\$9.5	\$9.7	\$9.6	\$8.6	\$7.9	\$9.7	\$10.2
	United States	\$69.5	\$78.5	\$87.4	\$108.0	\$100.7	\$110.0	\$120.0
Asia Pacific ex Japan	Australia	\$19.3	\$21.3	\$18.9	\$21.1	\$21.1	\$25.1	\$24.5
	Hong Kong	\$8.7	\$11.2	\$12.8	\$12.1	\$13.8	\$26.1	\$17.5
	Singapore	\$2.4	\$3.3	\$3.0	\$3.2	\$3.2	\$2.5	\$3.3
	South Korea	\$0.4	\$0.4	\$0.4	\$0.5	\$0.5	\$1.3	\$2.8
	Taiwan	\$11.4	\$8.6	\$10.6	\$13.7	\$16.3	\$19.8	\$20.1
UK	United Kingdom	\$27.8	\$30.7	\$31.4	\$30.5	\$28.3	\$32.3	\$33.3
Total		\$228.3	\$248.3	\$265.5	\$265.5	\$260.0	\$299.0	\$314.4
Outside top 1,200		\$29.0	\$31.5	\$33.7	\$33.7	\$33.0	\$37.9	\$39.9
Grand Total		\$257.2	\$279.8	\$299.2	\$299.2	\$293.0	\$337.0	\$354.2

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Appendices (continued)

Quarterly dividends by industry in USD billions

Industry US\$ bn	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
Basic Materials	\$17.6	\$18.1	\$16.3	\$14.7	\$9.5	\$18.9	\$24.2
Consumer Basics	\$22.5	\$24.8	\$24.9	\$33.6	\$27.7	\$27.4	\$33.1
Consumer Discretionary	\$9.3	\$10.6	\$13.7	\$15.8	\$16.2	\$17.1	\$17.1
Financials	\$56.8	\$69.6	\$72.1	\$77.9	\$80.7	\$86.4	\$96.8
Healthcare & Pharmaceuticals	\$11.4	\$11.4	\$12.9	\$14.7	\$16.4	\$17.0	\$18.1
Industrials	\$11.1	\$13.1	\$14.5	\$14.7	\$16.4	\$19.9	\$17.9
Oil, Gas & Energy	\$43.3	\$43.0	\$52.8	\$34.6	\$30.7	\$36.1	\$38.7
Technology	\$17.4	\$18.8	\$22.4	\$25.6	\$26.1	\$28.8	\$31.6
Telecommunications	\$27.0	\$25.5	\$23.6	\$22.4	\$23.5	\$30.9	\$21.7
Utilities	\$11.7	\$13.3	\$12.3	\$11.4	\$12.8	\$16.6	\$15.3
Total	\$228.3	\$248.3	\$265.5	\$265.5	\$260.0	\$299.0	\$314.4
Outside Top 1,200	\$29.0	\$31.5	\$33.7	\$33.7	\$33.0	\$37.9	\$39.9
Grand total	\$257.2	\$279.8	\$299.2	\$299.2	\$293.0	\$337.0	\$354.2

Quarterly dividends by sector in USD billions

Industry	Sector US\$bn	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
Basic Materials	Building Materials	\$0.6	\$0.7	\$0.5	\$0.1	\$0.1	\$0.2	\$0.2
	Chemicals	\$5.2	\$4.0	\$5.0	\$4.7	\$5.7	\$7.1	\$7.9
	Metals & Mining	\$11.5	\$13.1	\$10.5	\$9.5	\$3.1	\$11.3	\$15.7
	Paper & Packaging	\$0.3	\$0.4	\$0.4	\$0.4	\$0.6	\$0.4	\$0.4
Consumer Basics	Beverages	\$4.5	\$5.4	\$5.9	\$5.8	\$6.2	\$5.1	\$10.6
	Food	\$3.1	\$4.1	\$4.0	\$12.1	\$3.1	\$3.3	\$3.9
	Food & Drug Retail	\$6.1	\$5.9	\$5.3	\$4.3	\$6.3	\$5.6	\$5.5
	Household & Personal Products	\$3.5	\$3.8	\$3.9	\$4.9	\$5.1	\$5.3	\$5.6
Consumer Discretionary	Tobacco	\$5.3	\$5.6	\$5.9	\$6.4	\$7.1	\$8.1	\$7.5
	Consumer Durables & Clothing	\$1.0	\$1.4	\$1.8	\$2.4	\$2.5	\$2.4	\$2.7
	General Retail	\$2.5	\$2.3	\$3.1	\$3.3	\$3.2	\$3.1	\$2.9
	Leisure	\$1.9	\$2.4	\$3.4	\$2.8	\$2.7	\$4.0	\$3.7
Financials	Media	\$2.2	\$2.7	\$3.0	\$4.2	\$4.5	\$4.2	\$3.9
	Other Consumer Services	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0
	Vehicles & Parts	\$1.8	\$1.8	\$2.4	\$3.1	\$3.4	\$3.4	\$3.8
	Banks	\$43.5	\$54.6	\$54.8	\$54.1	\$55.5	\$58.7	\$64.8
Healthcare & Pharmaceuticals	General Financials	\$3.2	\$3.9	\$4.8	\$7.1	\$6.7	\$7.9	\$9.4
	Insurance	\$5.3	\$4.7	\$6.7	\$9.1	\$9.4	\$10.7	\$11.9
	Real Estate	\$4.8	\$6.4	\$5.7	\$7.6	\$9.1	\$9.0	\$10.6
	Health Care Equipment & Services	\$1.5	\$1.8	\$2.4	\$2.9	\$3.2	\$3.6	\$3.8
Industrials	Pharmaceuticals & Biotech	\$10.0	\$9.6	\$10.5	\$11.8	\$13.2	\$13.4	\$14.3
	Aerospace & Defence	\$2.3	\$2.5	\$3.0	\$3.1	\$2.9	\$4.0	\$3.3
	Construction, Engineering & Materials	\$1.8	\$2.8	\$2.9	\$2.4	\$2.1	\$2.3	\$2.9
	Electrical Equipment	\$0.8	\$0.9	\$0.7	\$0.7	\$0.7	\$0.7	\$0.8
Oil, Gas & Energy	General Industrials	\$3.4	\$3.7	\$4.0	\$4.6	\$4.6	\$6.3	\$5.6
	Support Services	\$0.6	\$0.7	\$0.7	\$0.7	\$0.7	\$1.3	\$1.2
	Transport	\$2.3	\$2.5	\$3.2	\$3.2	\$5.4	\$5.3	\$4.2
	Energy – non-oil	\$1.3	\$1.2	\$0.5	\$0.4	\$0.2	\$1.5	\$0.5
Technology	Oil & Gas Equipment & Distribution	\$1.6	\$2.6	\$2.9	\$4.5	\$2.3	\$3.4	\$3.7
	Oil & Gas Producers	\$40.4	\$39.2	\$49.4	\$29.6	\$28.3	\$31.2	\$34.6
	IT Hardware & Electronics	\$7.4	\$7.3	\$9.5	\$9.8	\$9.9	\$11.0	\$11.3
	Semiconductors & Equipment	\$5.0	\$5.7	\$6.3	\$8.5	\$9.2	\$10.3	\$12.1
Telecommunications	Software & Services	\$5.0	\$5.7	\$6.7	\$7.3	\$7.0	\$7.5	\$8.2
	Fixed Line Telecommunications	\$14.4	\$10.5	\$11.2	\$11.4	\$13.7	\$13.1	\$11.8
	Mobile Telecommunications	\$12.7	\$15.0	\$12.4	\$11.0	\$9.8	\$17.8	\$9.8
	Utilities	\$11.7	\$13.3	\$12.3	\$11.4	\$12.8	\$16.6	\$15.3
Total		\$228.3	\$248.3	\$265.5	\$265.5	\$260.0	\$299.0	\$314.4
Outside Top 1,200		\$29.0	\$31.5	\$33.7	\$33.7	\$33.0	\$37.9	\$39.9
Grand total		\$257.2	\$279.8	\$299.2	\$299.2	\$293.0	\$337.0	\$354.2

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Appendices (continued)

JHGD I – by region

Region	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
Emerging Markets	185.2	189.4	210.0	159.7	135.2	144.0	173.1
Europe ex UK	109.1	109.9	127.5	115.3	119.4	119.2	139.4
Japan	142.0	135.4	140.0	140.7	169.1	183.0	209.5
North America	132.4	158.9	168.0	191.1	195.0	206.1	220.1
Asia Pacific ex Japan	165.4	177.6	189.3	184.8	185.3	214.8	222.9
UK	133.8	139.0	185.2	143.9	143.6	142.5	149.3
Global total	135.2	146.5	162.7	157.7	159.3	167.7	184.4

JHGD I – by industry

Industry	12Q3	13Q3	14Q3	15Q3	16Q3	17Q3	18Q3
Basic Materials	180.3	190.0	179.4	166.4	118.8	163.3	221.0
Consumer Basics	142.4	162.9	166.9	186.4	175.1	183.5	191.6
Consumer Discretionary	135.0	161.9	191.1	202.8	219.7	204.9	224.8
Financials	154.9	181.1	198.0	204.2	213.9	223.9	253.1
Healthcare & Pharmaceuticals	141.7	146.5	157.0	160.6	178.2	182.1	196.2
Industrials	125.9	134.5	151.7	157.7	154.1	162.3	174.5
Oil, Gas & Energy	118.2	125.2	146.0	108.4	102.1	104.8	122.2
Technology	160.6	204.9	241.1	277.3	300.1	319.3	363.3
Telecommunications	128.6	107.1	143.3	104.0	105.5	115.6	109.2
Utilities	89.8	88.0	86.2	78.5	87.1	95.4	90.7
Total	135.2	146.5	162.7	157.7	159.3	167.7	184.4

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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	6.8%	7.9%	-19.7%	2.5%	42.9%	40.4%
	China	14.6%	0.7%	-0.5%	-0.6%	0.0%	14.2%
	Czech Republic	0.0%	0.0%	1.1%	0.0%	0.0%	1.0%
	India	7.7%	0.0%	-8.0%	10.4%	0.0%	10.0%
	Indonesia	-0.2%	0.0%	-6.8%	0.0%	0.0%	-6.9%
	Malaysia	9.7%	0.0%	4.5%	-4.9%	0.0%	9.2%
	Mexico	38.0%	13.7%	-10.0%	0.0%	0.0%	41.6%
	Philippines	-0.1%	-8.7%	-2.5%	-10.7%	0.0%	-22.0%
	Russia	21.9%	0.0%	-4.8%	-3.4%	0.0%	13.6%
	South Africa	-2.7%	0.0%	-12.2%	0.0%	0.0%	-14.9%
	Thailand	7.0%	0.0%	1.9%	38.8%	0.0%	47.7%
Europe ex UK	Denmark	13.7%	-14.7%	-2.4%	0.0%	0.0%	-3.3%
	France	-9.7%	0.0%	2.2%	16.5%	0.0%	9.1%
	Israel	-100.0%	0.0%	0.0%	0.0%	0.0%	-100.0%
	Italy	19.7%	0.0%	-0.1%	0.0%	0.0%	19.6%
	Netherlands	9.3%	0.0%	-2.7%	0.0%	0.0%	6.6%
	Norway	14.1%	0.0%	-7.3%	0.0%	0.0%	6.8%
	Portugal	9.6%	0.0%	-1.2%	0.0%	0.0%	8.4%
	Spain	9.2%	0.0%	1.1%	0.0%	0.0%	10.3%
Japan	Switzerland	5.7%	-10.8%	0.1%	0.0%	0.0%	-5.0%
	Japan	9.2%	0.0%	-1.2%	0.0%	0.0%	8.0%
North America	Canada	11.2%	0.0%	-3.7%	-2.1%	0.0%	5.4%
	United States	7.3%	3.8%	0.0%	-2.1%	0.2%	9.1%
Asia Pacific ex Japan	Australia	1.3%	2.1%	-6.4%	0.8%	0.0%	-2.2%
	Hong Kong	5.9%	-46.0%	-0.2%	7.2%	0.0%	-33.1%
	Singapore	29.6%	0.0%	-1.0%	5.4%	0.0%	33.9%
	South Korea	91.3%	0.0%	3.3%	12.5%	0.0%	107.1%
	Taiwan	6.2%	0.0%	-1.2%	-3.3%	0.0%	1.7%
UK	United Kingdom	11.1%	-3.6%	-0.6%	0.6%	-4.5%	3.0%

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Frequently Asked Questions

What is the Janus Henderson Global Dividend Index?

The Janus Henderson Global Dividend Index (JHGD I) 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 JHGD I 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 JHGD I 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 JHGD I?

The JHGD I 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 JHGD I 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.

Unless otherwise stated all data is sourced by Janus Henderson Investors as of 30 September 2018. Nothing in this document should be construed as advice.

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

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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