

# JANUS HENDERSON GLOBAL DIVIDEND INDEX

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

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

# Introduction

## Janus Henderson Investors exists to help clients achieve their long-term financial goals.

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 £265.3bn 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 (JHGD) is a long-term study into global dividend trends. It measures the progress global firms are making in paying their investors an income on their capital, using 2009 as a base year – index value 100. The index is calculated in US dollars, and can be broken down into regions, industries and sectors. It enables readers to easily compare the dividend performance of countries like the US, which provides a large proportion of global dividends, with smaller nations, such as the Netherlands.

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

\*As at 31 March 2018



# Executive summary – by region

## Overview

- 2018 began strongly for global dividends, which rose 10.2% to \$244.7bn on a headline basis\*, a record for the first quarter
- The weak dollar flattered the headline growth rate but underlying growth was still 5.9%, continuing the encouraging pace set in 2017
- Canada and the US broke all-time records, while a quarter of countries broke Q1 records
- The JHGD I rose to 174.2\*\*, meaning global dividend payments have risen by three-quarters since 2009

## North America

- Payouts rose 6.1% on a headline basis to \$123.1bn, though underlying growth\* was much faster at 8.0%
- Canadian dividends soared to a new quarterly record, with underlying growth of 13.8% the fastest among major countries, and almost double the US pace of expansion
- US underlying growth of 7.6% was very encouraging, pushed higher by technology, financial and healthcare stocks

## Europe ex UK

- European dividends were propelled 13.7% higher to \$40.9bn by the strength of the euro and other European currencies
- Underlying growth of 3.9% was more modest
- Healthcare, which customarily dominates the first quarter, saw lower payouts on a constant-currency basis
- Solid dividend growth in the region's major economies bodes well for the crucial second quarter when almost two thirds of European dividend payments for the year are made

## UK

- Headline growth of 21.1% was distorted by a large timing change from tobacco giant BAT, which moved to quarterly distributions, and by the stronger pound
- Underlying growth was a more modest 4.2%

CANADA AND THE US BROKE  
all-time records

JHGD I ROSE TO  
**174.2**  
MEANING DIVIDENDS  
HAVE RISEN BY ALMOST  
THREE-QUARTERS  
SINCE 2009

EUROPEAN DIVIDENDS  
PROPELLED  
**13.7%**  
UPWARDS

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

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

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



# Executive summary – by region (continued)

## Asia Pacific ex Japan

- Asia was the only region to see lower payouts, both in headline and underlying terms
- Hong Kong dividends dropped sharply owing to lower special dividends\*, and were up only modestly on an underlying basis, while Singapore payouts were flat on an underlying basis
- Australian dividends were hit hard in a quiet quarter by steep cuts at telecommunications company Telstra and QBE Insurance Group

## Japan

- Q1 is seasonally quiet for Japan
- Dividend growth was strong, up 8.2% on an underlying basis

## Emerging Markets

- Emerging-market payouts were characteristically volatile
- India dominated the quarter and saw lower payouts in underlying terms, along with Russia, but Brazil was strong

## Industries & Sectors

- Oil & gas, technology, and financials shows the strongest growth, while telecoms lagged behind
- Eight out of ten sector groupings saw rising dividends in underlying terms

## Outlook

- Economic growth will continue to propel profit growth, and therefore higher dividends
- We forecast underlying dividend growth of 6.0% for 2018, unchanged from last quarter
- The headline growth forecast has been raised slightly due to the impact of a weaker dollar
- We now expect total dividends of \$1.358 trillion, \$10bn more than our initial forecast and equivalent to a year-on-year increase of 8.5% in headline terms

ECONOMIC GROWTH WILL  
CONTINUE TO PROPEL  
**profit growth**  
AND THEREFORE  
HIGHER DIVIDENDS

GLOBAL DIVIDENDS  
ROSE 10.2% TO  
**\$244.7bn**  
A Q1 RECORD

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# Global dividends make a strong start for 2018

After a very strong 2017 for global dividends, 2018 has started on a very encouraging note. Growing corporate profits pushed global dividends 10.2% higher on headline basis to \$244.7bn in the first quarter, a Q1 record. All-time quarterly records were broken in Canada and the US, while first-quarter records were broken in one in four of the countries in the index. Asia Pacific ex Japan was the only region not to see an increase, owing to sharply lower special dividends in Hong Kong, and dividend cuts in Australia. The Janus Henderson Global Dividend Index ended the quarter at a record 174.2, meaning that global payouts last year were almost three-quarters higher than in 2009.

Q1 growth was ahead of our forecast, mainly because the US dollar weakened steadily over the course of the quarter, meaning that payments denominated in other currencies were translated at more favourable exchange rates.

On an underlying basis, growth was exactly in line with our optimistic forecast, up 5.9% year-on-year, continuing the excellent pace set in 2017. Emerging markets, North America, and Japan put in the best performance, while Asia and Europe were a touch weaker than we expected.

## Annual dividends by region in USD billions

Region	2014	% change	2015	% change	2016	% change	2017	% change	Q1 2017	% change	Q1 2018	% change
Emerging Markets	\$126.6	-9.1%	\$112.2	-11.4%	\$87.9	-21.6%	\$102.6	16.7%	\$12.5	25.7%	\$17.0	35.3%
Europe ex UK	\$237.5	13.7%	\$213.4	-10.1%	\$223.2	4.6%	\$226.8	1.6%	\$36.0	-3.0%	\$40.9	13.7%
Japan	\$50.0	6.4%	\$52.6	5.2%	\$64.7	23.2%	\$70.0	8.1%	\$4.5	7.7%	\$5.2	16.8%
North America	\$392.9	14.8%	\$441.2	12.3%	\$445.0	0.9%	\$475.6	6.9%	\$116.1	0.4%	\$123.1	6.1%
Asia Pacific	\$120.9	4.4%	\$113.8	-5.9%	\$117.8	3.5%	\$139.9	18.8%	\$12.5	-2.0%	\$12.2	-2.4%
UK	\$123.3	32.3%	\$96.2	-22.0%	\$93.0	-3.3%	\$95.7	3.0%	\$15.4	-5.7%	\$18.7	21.1%
Total	\$1,051.2	11.1%	\$1,029.3	-2.1%	\$1,031.6	0.2%	\$1,110.6	7.7%	\$197.0	0.5%	\$217.1	10.2%
Divs outside top 1,200	\$130.4	8.6%	\$130.6	0.2%	\$130.9	0.2%	\$140.9	7.7%	\$25.0	0.5%	\$27.5	10.2%
Grand total	\$1,181.6	10.8%	\$1,159.9	-1.8%	\$1,162.5	0.2%	\$1,251.6	7.7%	\$222.0	0.5%	\$244.7	10.2%

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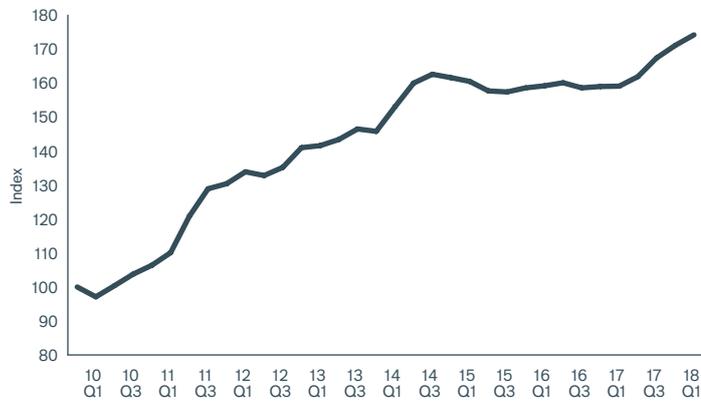
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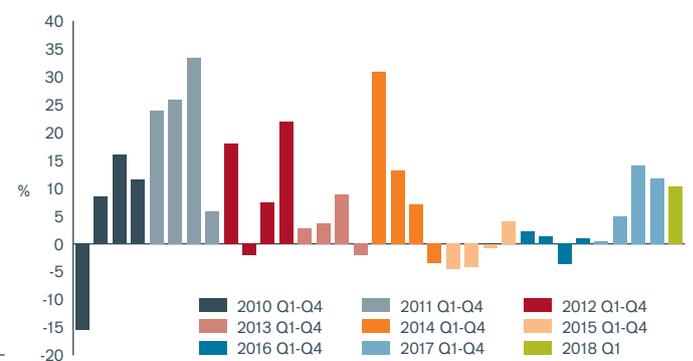
# Global dividends make a strong start for 2018

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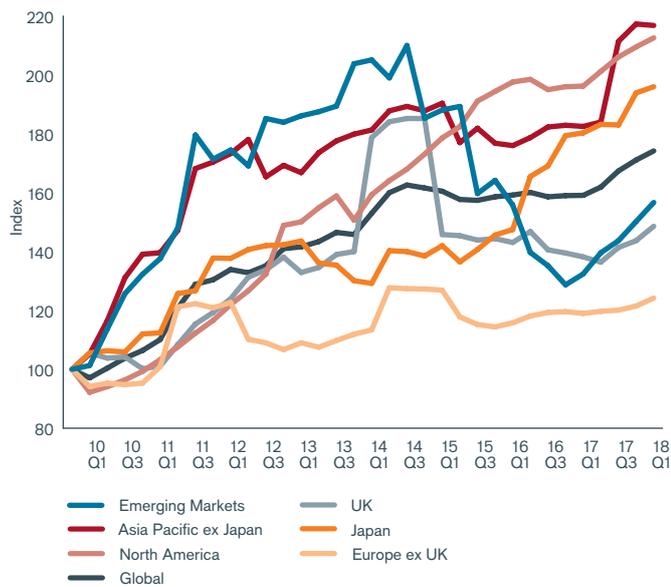
JHGDI



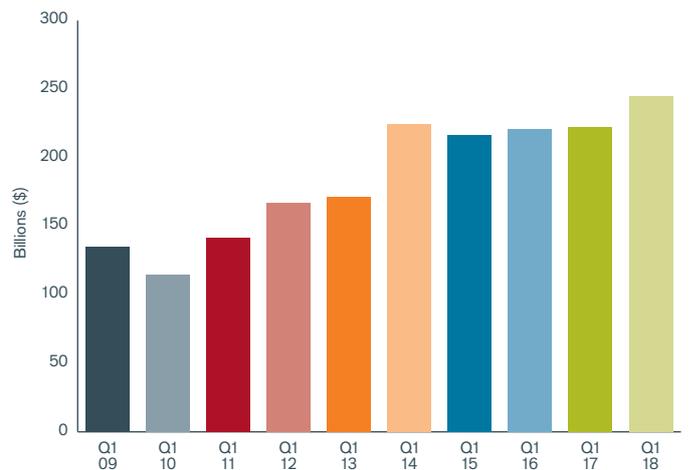
Total dividends, annual growth per quarter



JHGDI – by region



Global dividends (US\$)



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# Weakening dollar boosts the contribution from companies outside the US

The headline growth rate considers the change in the US dollar value of dividends paid around the world. To understand the core trends, we calculate an underlying rate. That adjusts for four key factors: exchange rate movements, unpredictable one-off special dividends, changes in the list of companies featuring in the global top 1,200, and changes in the timing of payments (when companies shift a dividend from one quarter to another).

The US dollar extended its losses against almost all the world's currencies in the first quarter. That pushed up the dollar value of the world's dividends, boosting the Q1 headline growth rate by almost three percentage points, and accounting for over a quarter of the headline rate of expansion.

There was a significant timing effect in the UK as British American Tobacco moved to quarterly payouts, having previously paid half-yearly. This one company was responsible for most of the 0.8 percentage point boost to the Q1 global headline growth rate, and will cause an offsetting reduction in the second quarter. The overall impact of special dividends was similar, adding 0.6 percentage points to the global headline rate, though they had a greater impact in some parts of the world, in particular in Asia and emerging markets.

Finally, some US companies left the Janus Henderson index, mainly because exchange rate movements increased the dollar value of companies outside the US, promoting them to the global top 1200 instead. At a global level, index changes netted off completely, which is what we would expect on average.

## Q1 2018 annual growth rate – adjustments from underlying to headline growth

Region	Underlying growth	Special dividends	Currency effects	Index changes	Timing effects <sup>†</sup>	Headline dividend growth
Emerging Markets	2.0%	7.8%	2.5%	17.2%	5.8%	35.3%
Europe ex UK	3.9%	0.0%	11.0%	0.4%	-1.5%	13.7%
Japan	8.2%	2.9%	5.7%	0.0%	0.0%	16.8%
North America	8.0%	0.3%	0.3%	-2.6%	0.0%	6.1%
Asia Pacific ex Japan	-3.1%	-4.4%	0.9%	4.2%	0.0%	-2.4%
UK	4.2%	1.5%	4.9%	1.5%	9.0%	21.1%
Global	5.9%	0.6%	2.9%	0.0%	0.8%	10.2%

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

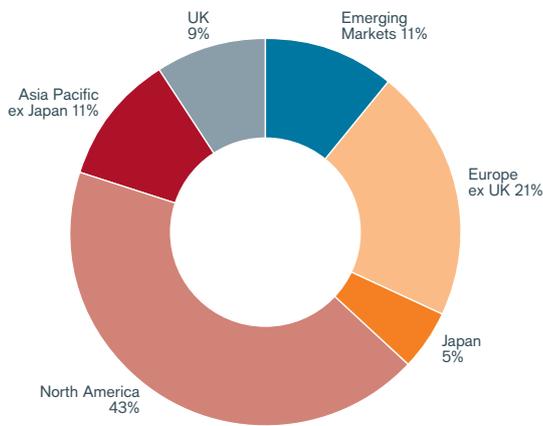
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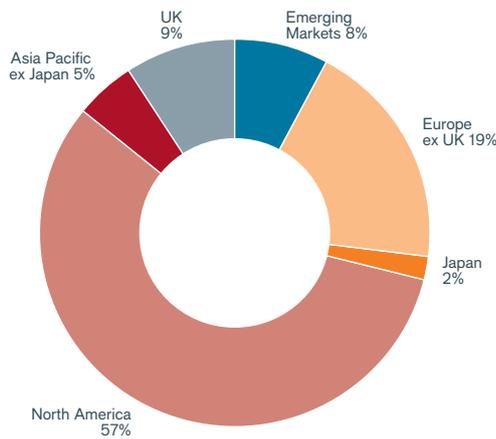


# Regions and countries

### 2017 dividends by region



### 2018 Q1 dividends by region



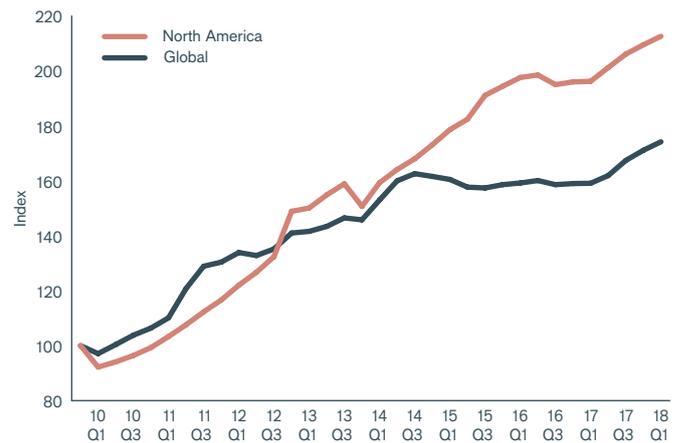
## North America

Seasonal patterns in dividend payments give North America a greater share of global payouts in Q1, as almost every company makes regular quarterly distributions to investors. North American dividends were 6.1% higher on a headline basis at \$123.1bn, the highest quarterly total ever for the region, thanks mainly to a stellar performance from Canada. After adjusting for companies leaving the index, and other smaller factors, underlying growth was an impressive 8.0%, faster than our expectations.

Although Canada only makes up a tenth of the region's total dividends, it grew much more rapidly than the US. Headline growth of 16.6% took Canadian payouts to an all-time quarterly record of \$10.1bn. The two largest sectors, financials and oils, both saw particularly strong growth. Every Canadian company in our index increased its dividend or held it constant, even after accounting for the stronger Canadian dollar, which pushed up the headline growth rate by almost five percentage points. Underlying growth of 13.8% was the fastest among the world's major dividend-paying economies, and was almost double that of its larger neighbour.

Even so, underlying growth in the US was a healthy 7.6%. The total \$113.0bn paid was 5.2% higher than Q1 2017 in headline terms, despite having fewer companies in the index, and was also an all-time quarterly record. Tech stocks delivered the fastest increases, but financials and healthcare also did well. Utilities were hit by energy supplier PG&E, which cancelled its payout as it absorbed the costs incurred by California's most destructive ever wildfire season late last year. Overall, almost eight in ten US companies paid out more in dividends year-on-year. The top three, Exxon, Microsoft and Apple contributed one dollar in every nine to the US total.

## JHGDI – North America



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# Regions and countries (continued)

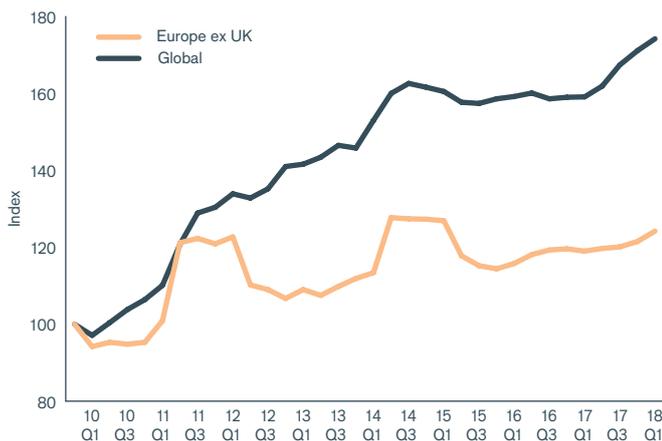
## Europe ex UK

The European economy is growing more strongly than at any time since the financial crisis, and that has pushed the region's exchange rates markedly higher against the US dollar. The 13.7% jump in dividends in headline terms, which took the European total to a first-quarter record of \$40.9bn, was largely down to the dollar's weakness. Without the exchange-rate effect, underlying growth was a more modest 3.9%. The first quarter sees relatively few dividends paid, however, so a few companies can make a significant impact. Moreover, the mix of sectors and countries that make up first-quarter dividends is very different from the full-year mix.

Healthcare, particularly in Switzerland, dominates Q1, accounting for more than a third of European dividends paid, compared to just one tenth of the annual figure. Swiss Novartis and Roche, the two largest payers in the world in Q1, only made very small increases. Meanwhile Israel's Teva, the world's largest maker of generic drugs, cancelled its first-quarter payout altogether, while it focused on the restructuring of its business. Teva's impact alone knocked a percentage point off the entire European growth rate. With the overall healthcare total down on a constant-currency basis, and making up such a disproportionate share of the overall European figure, Europe's relatively slow rate of Q1 underlying growth is easy to understand.

Oil payouts are also growing relatively slowly, and they too make up a larger share of the Q1 mix than they do for the full year, while financials, which have been in recovery mode, are underrepresented. Furthermore, solid underlying growth in France, Spain, and the Netherlands, all key contributors, bodes well for the crucial second-quarter European dividend season. German dividend growth of 3.9% was in line with the underlying average for the quarter.

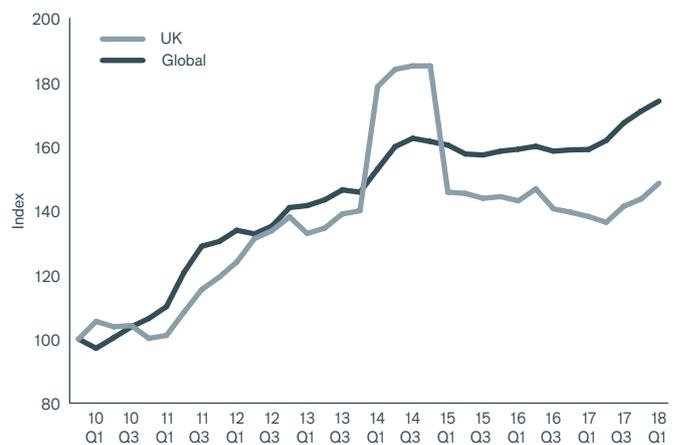
## JHGDI – Europe ex UK



## UK

A sharp 21.1% headline increase in UK dividends to \$18.7bn was significantly distorted by British American Tobacco, which paid its first ever quarterly dividend in February. The company made the switch from semi-annual payments following its acquisition of Reynolds American last year, which brought with it a large contingent of US shareholders accustomed to quarterly income. The impact of the change boosted the first-quarter total by nine percentage points, and will be offset in the second quarter. A stronger pound, the addition of UK companies to the index, and a special dividend from Sky, which is involved in a takeover battle, each added a further boost to the headline figure. Underlying growth was a more modest 4.2%, with BHP Billiton one of the largest contributors to the increase, continuing the resurgence in mining dividends over the last year.

## JHGDI – UK



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# Regions and countries (continued)

## Asia Pacific ex Japan

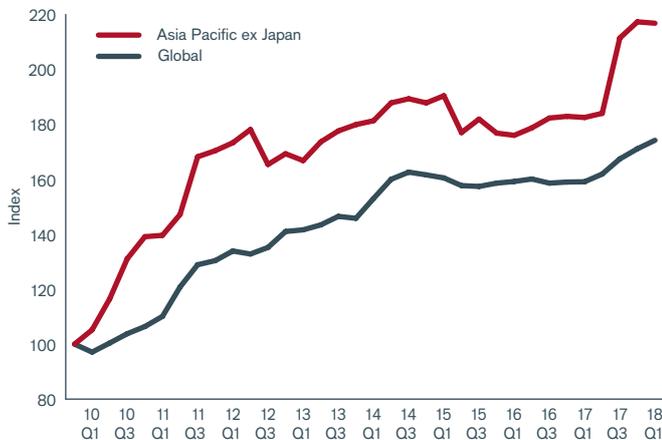
Asia Pacific ex Japan was the laggard during Q1. Payouts dropped year-on-year in both headline (-2.4%) and underlying terms (-3.1%), though the dip is likely to prove temporary.

Sharply lower special dividends in Hong Kong, where companies use special dividends more readily than most other major dividend-paying countries, caused payouts to fall by a quarter in headline terms. In reality, most companies held payouts or raised them modestly. Dividends in Singapore were flat, once a special from Singapore Telecom was accounted for.

Australian dividends fell 1.2% on a headline basis to \$7.7bn, but were 6.6% lower in underlying terms, mainly owing to Telstra. Telstra has been one of Australia's dividend stalwarts, consistently ranking in the top six payers until now. Slow profit growth and a need to preserve cash for investment led to the telco's first dividend cut in 20 years. Its new dividend policy targets a much less generous, but more realistic, payout ratio range of 70-90%. QBE Insurance Group cut its dividend by 90% after warning in January that it had made a loss.

Excluding the impact of QBE and Telstra, Australian dividends rose encouragingly year-on-year, with a particular boost from mining group BHP Billiton.

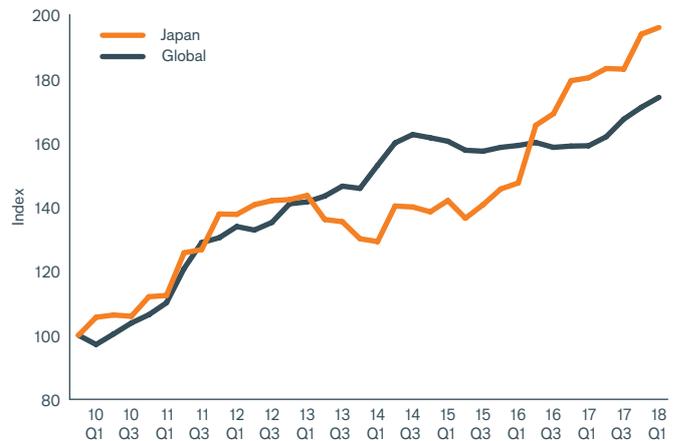
## JHGDI – Asia Pacific ex Japan



## Japan

Japanese payouts jumped by a sixth on a headline basis, boosted by special dividends and a stronger yen. The total \$5.2bn was a first-quarter Japanese record, and was 8.2% higher in underlying terms. Most Japanese companies pay dividends during Q2 and Q4. The Q1 total is so small - typically only accounting for about 6% of the annual total - that it is unwise to consider it offers a clear indication of the result for later quarters, but it suggests our expectations are realistic for 2018.

## JHGDI – Japan



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# Regions and countries (continued)

## Emerging Markets

Emerging market dividends showed much of their characteristic volatility, leaping more than a third in headline terms to a first-quarter record of \$17.0bn. New companies joining the index accounted for half the increase, the largest of these being Indian Oil Corp. Special dividends in the United Arab Emirates and Brazil and an early payment by Brazilian miner Vale flattered the headline rate meaning underlying growth was a more modest 2.0%. Brazil grew rapidly, but a cut from Coal India pushed Indian dividends down year-on-year, while unpredictable Russian payouts were also lower. India made the largest contribution (almost one-third of the emerging-market Q1 total), so lower payouts there made a significant impact on the emerging-market whole.

China is severely underrepresented in the first quarter for seasonal reasons. It is comfortably the largest emerging-market payer, and has shown flat or falling dividends over the last three years. Its performance for 2018 is likely to be better, and will be crucial for the overall emerging-market total.

### JHGDI – Emerging Markets



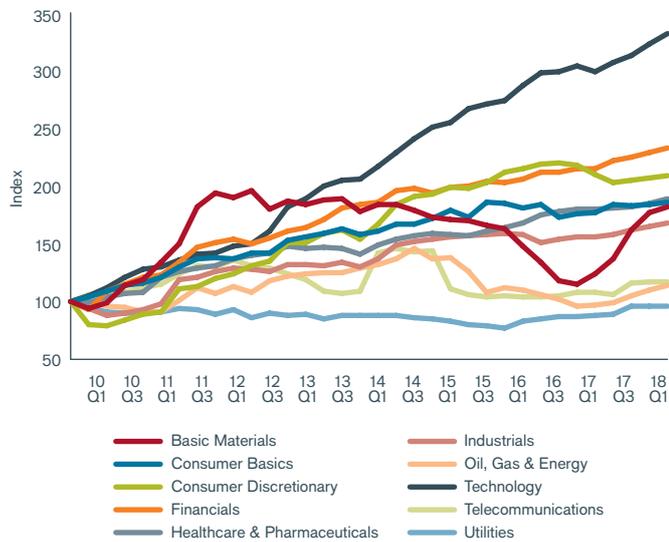
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# Industry and sectors

JHGDI – Total dividends by industry



Oil & gas, technology and financials showed the strongest underlying growth from an industry perspective. Oil dividends were boosted in particular by Russia where Tatneft made one of its unpredictable distributions, and by Canada. Technology growth was mainly a US and Japanese story, while the contribution to dividend growth from financials came in particular from North American banks. Telecoms was the only industry grouping to see a decline, mainly owing to the Telstra cut in Australia. At the more detailed sector level, eight out of ten groupings saw rising dividends in underlying terms.

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# Top payers

## World's biggest dividend payers

Rank	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
1	Novartis AG	Novartis AG	Vodafone Group plc	Novartis AG	Novartis AG	Novartis AG	Novartis AG
2	Vodafone Group plc	Roche Holding AG	Novartis AG	Roche Holding AG	Roche Holding AG	Roche Holding AG	Roche Holding AG
3	Roche Holding AG	Siemens AG	Roche Holding AG	Siemens AG	Royal Dutch Shell Plc	Royal Dutch Shell Plc	Royal Dutch Shell Plc
4	Siemens AG	Royal Dutch Shell Plc	Siemens AG	Royal Dutch Shell Plc	Siemens AG	Siemens AG	Siemens AG
5	Telstra Corporation	BHP Billiton Limited	Coal India Limited	Exxon Mobil Corp.	Equity Residential Properties Trust	Exxon Mobil Corp.	Nordea Bank AB
6	Royal Dutch Shell Plc	Vodafone Group plc	Royal Dutch Shell Plc	BHP Billiton Limited	Exxon Mobil Corp.	Microsoft Corporation	Exxon Mobil Corp.
7	AT&T, Inc.	Telstra Corporation	BHP Billiton Limited	Apple Inc	AT&T, Inc.	AT&T, Inc.	Microsoft Corporation
8	Astrazeneca plc	AT&T, Inc.	Exxon Mobil Corp.	Nordea Bank AB	Nordea Bank AB	Apple Inc	Apple Inc
9	BHP Billiton Limited	Exxon Mobil Corp.	Apple Inc	Microsoft Corporation	Apple Inc	Nordea Bank AB	AT&T, Inc.
10	Exxon Mobil Corp.	Apple Inc	Astrazeneca plc	AT&T, Inc.	Microsoft Corporation	Astrazeneca plc	BHP Billiton Limited
<b>Subtotal \$bn</b>	<b>\$36.38</b>	<b>\$33.71</b>	<b>\$59.93</b>	<b>\$35.33</b>	<b>\$37.87</b>	<b>\$37.42</b>	<b>\$40.36</b>
<b>% of total</b>	<b>22%</b>	<b>20%</b>	<b>27%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>
11	General Electric Co.	Astrazeneca plc	AT&T, Inc.	Astrazeneca plc	Symantec Corp.	Verizon Communications Inc	Verizon Communications Inc
12	Total S.A.	Banco Santander S.A.	Telstra Corporation	Costco Wholesale Corp	Coal India Limited	Johnson & Johnson	Astrazeneca plc
13	Pfizer Inc.	General Electric Co.	Banco Santander S.A.	General Electric Co.	Cheung Kong Infrastructure Holdings Ltd.	Pepsico Inc.	Pepsico Inc.
14	Microsoft Corporation	Microsoft Corporation	Microsoft Corporation	Verizon Communications Inc	Astrazeneca plc	General Electric Co.	Johnson & Johnson
15	Pepsico Inc.	Total S.A.	General Electric Co.	First Gulf Bank	General Electric Co.	Chevron Corp.	Chevron Corp.
16	HSBC Holdings plc	Nordea Bank AB	Total S.A.	Banco Santander S.A.	Verizon Communications Inc	BP plc	First Abu Dhabi Bank
17	Chevron Corp.	Pfizer Inc.	Chevron Corp.	Coal India Limited	Johnson & Johnson	Pfizer Inc.	Pfizer Inc.
18	Johnson & Johnson	Chevron Corp.	Johnson & Johnson	Chevron Corp.	Pepsico Inc.	Wells Fargo & Co.	BP plc
19	BP plc	BP plc	Novo Nordisk	Pepsico Inc.	Chevron Corp.	Coal India Limited	JPMorgan Chase & Co.
20	Procter & Gamble Co.	Johnson & Johnson	Swedbank AB	Disney Walt Co.	Novo Nordisk	BHP Billiton Limited	Wells Fargo & Co.
<b>Subtotal \$bn</b>	<b>\$16.29</b>	<b>\$18.96</b>	<b>\$21.01</b>	<b>\$21.55</b>	<b>\$22.87</b>	<b>\$20.39</b>	<b>\$21.45</b>
<b>Grand total \$bn</b>	<b>\$52.68</b>	<b>\$52.67</b>	<b>\$80.94</b>	<b>\$56.88</b>	<b>\$60.73</b>	<b>\$57.81</b>	<b>\$61.82</b>
<b>% of total</b>	<b>32%</b>	<b>31%</b>	<b>36%</b>	<b>26%</b>	<b>28%</b>	<b>26%</b>	<b>25%</b>

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## Conclusion and outlook

2018 has started very well for dividends, with underlying growth in line with our expectations. Economic growth is strong, and corporate profitability is rising, generating cash that companies can hand back to their shareholders. The Q1 acceleration in US dividend growth may be an early sign that companies are feeling confident about returning to shareholders some of the cash they have accumulated. Recent US corporate

tax reforms have encouraged this trend. The second quarter will see European dividends paid from a much broader range of industries, and with a more representative mix of countries. Europe's economic recovery is likely to yield healthy growth from across the region. Stock-specific problems in Australia made a greater impact on Q1 than they will on the full year, and we are optimistic for emerging markets and Asia too.

Our forecast for underlying growth this year remains at 6.0%, with expansion coming from every region of the world, though the dollar's steady decline in recent months is adding to our headline growth forecast. We now expect dividends to rise 8.5% in headline terms for the full year, reaching a total of \$1.358 trillion, \$10bn more than our initial expectations in January.

“ Europe's economic recovery is likely to yield healthy growth from across the region.”



“ Economic growth is strong, and corporate profitability is rising.”

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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	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
Emerging Markets	Brazil	\$3.25	\$4.01	\$3.73	\$3.66	\$2.06	\$2.46	\$3.48
	Chile	\$0.80	\$0.77	\$0.77	\$0.63	\$0.60	\$0.43	\$0.57
	China	\$-	\$-	\$-	\$0.08	\$0.13	\$0.13	\$0.05
	Colombia	\$0.06	\$0.07	\$0.02	\$0.02	\$-	\$-	\$-
	India	\$3.54	\$3.03	\$4.35	\$2.65	\$3.75	\$3.56	\$5.24
	Indonesia	\$-	\$-	\$-	\$-	\$-	\$-	\$-
	Malaysia	\$1.10	\$0.77	\$1.25	\$1.49	\$1.17	\$0.67	\$0.74
	Mexico	\$0.03	\$0.51	\$0.15	\$0.05	\$0.42	\$0.40	\$0.36
	Philippines	\$-	\$0.05	\$-	\$0.25	\$0.11	\$0.04	\$0.07
	Russia	\$0.70	\$2.99	\$1.26	\$2.88	\$0.21	\$2.46	\$2.90
	South Africa	\$1.79	\$0.62	\$2.18	\$1.71	\$0.25	\$0.25	\$0.27
	Thailand	\$-	\$-	\$-	\$0.15	\$0.20	\$0.28	\$0.39
	United Arab Emirates	\$-	\$-	\$-	\$2.12	\$1.06	\$1.87	\$2.90
	Europe ex UK	Belgium	\$0.13	\$0.14	\$0.15	\$0.13	\$0.16	\$0.15
Denmark		\$1.38	\$1.64	\$2.51	\$2.80	\$3.73	\$3.46	\$4.49
Finland		\$0.41	\$0.77	\$0.90	\$0.60	\$0.96	\$0.74	\$1.09
France		\$2.08	\$2.39	\$2.70	\$2.92	\$4.42	\$2.98	\$3.87
Germany		\$4.04	\$3.69	\$3.79	\$3.94	\$4.05	\$3.98	\$4.37
Ireland		\$-	\$-	\$-	\$0.58	\$-	\$-	\$-
Israel		\$0.25	\$0.30	\$0.83	\$0.32	\$0.35	\$0.35	\$-
Italy		\$-	\$-	\$0.40	\$-	\$-	\$0.98	\$1.70
Netherlands		\$0.50	\$0.57	\$0.64	\$0.52	\$0.57	\$0.58	\$0.76
Norway		\$0.38	\$-	\$0.46	\$0.75	\$0.70	\$0.72	\$0.73
Portugal		\$0.25	\$-	\$-	\$-	\$-	\$-	\$-
Spain		\$5.23	\$5.46	\$5.75	\$4.64	\$4.88	\$4.85	\$4.99
Sweden		\$-	\$4.28	\$1.77	\$2.72	\$2.93	\$2.86	\$3.43
Switzerland		\$13.15	\$12.97	\$15.10	\$14.42	\$14.35	\$14.32	\$15.30
Japan	Japan	\$2.10	\$2.58	\$2.22	\$3.49	\$4.16	\$4.48	\$5.23
North America	Canada	\$8.90	\$9.88	\$9.24	\$8.83	\$7.77	\$8.65	\$10.09
	United States	\$64.68	\$66.43	\$86.64	\$99.54	\$107.87	\$107.43	\$113.04
Asia Pacific ex Japan	Australia	\$8.39	\$8.08	\$7.91	\$8.41	\$5.96	\$7.83	\$7.74
	Hong Kong	\$2.30	\$1.11	\$2.57	\$3.58	\$5.79	\$3.86	\$2.88
	Singapore	\$1.00	\$1.03	\$0.92	\$0.91	\$0.98	\$0.78	\$1.20
	South Korea	\$0.57	\$0.41	\$0.16	\$0.33	\$-	\$-	\$0.35
UK	United Kingdom	\$21.14	\$17.65	\$43.45	\$17.23	\$16.37	\$15.44	\$18.70
<b>Total</b>		<b>\$148.16</b>	<b>\$152.19</b>	<b>\$201.83</b>	<b>\$192.33</b>	<b>\$195.97</b>	<b>\$196.98</b>	<b>\$217.10</b>
<b>Outside top 1,200</b>		<b>\$18.80</b>	<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.40</b>	<b>\$24.86</b>	<b>\$24.99</b>	<b>\$27.55</b>
<b>Grand Total</b>		<b>\$166.96</b>	<b>\$171.50</b>	<b>\$224.47</b>	<b>\$216.73</b>	<b>\$220.83</b>	<b>\$221.98</b>	<b>\$244.64</b>

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# Appendices (continued)

## Quarterly dividends by industry in USD billions

Industry US\$ bn	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
Basic Materials	\$10.43	\$9.41	\$11.48	\$10.84	\$5.98	\$8.92	\$10.70
Consumer Basics	\$14.19	\$15.84	\$17.46	\$21.59	\$18.78	\$19.03	\$20.51
Consumer Discretionary	\$8.02	\$7.99	\$13.53	\$16.10	\$17.44	\$14.22	\$15.35
Financials	\$23.26	\$26.27	\$28.29	\$35.26	\$38.89	\$39.19	\$43.76
Healthcare & Pharmaceuticals	\$26.53	\$25.67	\$29.47	\$29.29	\$31.11	\$31.13	\$33.08
Industrials	\$13.95	\$13.49	\$17.67	\$18.92	\$18.58	\$18.59	\$20.33
Oil, Gas & Energy	\$20.09	\$21.93	\$24.63	\$24.94	\$22.97	\$24.30	\$28.71
Technology	\$8.64	\$10.95	\$14.37	\$15.61	\$19.49	\$17.86	\$20.44
Telecommunications	\$15.14	\$11.88	\$36.38	\$12.42	\$11.53	\$11.63	\$12.01
Utilities	\$7.92	\$8.75	\$8.54	\$7.36	\$11.19	\$12.12	\$12.20
<b>Total</b>	<b>\$148.16</b>	<b>\$152.19</b>	<b>\$201.83</b>	<b>\$192.33</b>	<b>\$195.97</b>	<b>\$196.98</b>	<b>\$217.11</b>
<b>Outside Top 1,200</b>	<b>\$18.80</b>	<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.40</b>	<b>\$24.86</b>	<b>\$24.99</b>	<b>\$27.55</b>
<b>Grand total</b>	<b>\$166.96</b>	<b>\$171.50</b>	<b>\$224.47</b>	<b>\$216.73</b>	<b>\$220.83</b>	<b>\$221.98</b>	<b>\$244.65</b>

## Quarterly dividends by sector in USD billions

Industry	Sector US\$bn	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
Basic Materials	Building Materials	\$-	\$0.02	\$-	\$-	\$0.05	\$0.06	\$0.06
	Chemicals	\$2.47	\$2.71	\$4.23	\$3.65	\$3.93	\$3.92	\$4.23
	Metals & Mining	\$7.68	\$6.30	\$6.88	\$6.79	\$1.49	\$4.43	\$5.87
	Paper & Packaging	\$0.27	\$0.37	\$0.37	\$0.40	\$0.51	\$0.52	\$0.54
Consumer Basics	Beverages	\$2.18	\$3.71	\$4.28	\$4.44	\$3.42	\$3.36	\$3.79
	Food	\$2.70	\$2.81	\$3.45	\$2.49	\$2.79	\$2.72	\$2.74
	Food & Drug Retail	\$3.37	\$2.44	\$2.79	\$5.64	\$3.67	\$3.72	\$3.09
	Household & Personal Products	\$2.18	\$2.43	\$2.60	\$3.69	\$3.88	\$3.93	\$4.46
Consumer Discretionary	Tobacco	\$3.76	\$4.44	\$4.35	\$5.33	\$5.02	\$5.30	\$6.42
	Consumer Durables & Clothing	\$0.47	\$0.41	\$1.17	\$1.56	\$1.51	\$1.60	\$1.52
	General Retail	\$1.66	\$2.10	\$2.65	\$3.31	\$3.54	\$2.81	\$2.76
	Leisure	\$2.75	\$3.12	\$4.92	\$5.39	\$4.48	\$4.35	\$5.01
	Media	\$2.25	\$1.26	\$2.84	\$3.51	\$4.23	\$2.84	\$2.99
	Other Consumer Services	\$-	\$-	\$-	\$0.06	\$-	\$-	\$-
Financials	Vehicles & Parts	\$0.88	\$1.11	\$1.94	\$2.28	\$3.69	\$2.62	\$3.06
	Banks	\$13.37	\$17.08	\$15.76	\$19.27	\$19.25	\$20.50	\$23.18
	General Financials	\$2.69	\$2.22	\$4.50	\$4.71	\$4.46	\$5.46	\$6.11
	Insurance	\$2.88	\$2.69	\$4.07	\$5.00	\$5.89	\$5.88	\$6.07
	Real Estate	\$4.32	\$4.29	\$3.95	\$6.29	\$9.29	\$7.34	\$8.41
Healthcare & Pharmaceuticals	Health Care Equipment & Services	\$2.26	\$1.24	\$2.13	\$2.59	\$2.71	\$3.00	\$3.41
	Pharmaceuticals & Biotech	\$24.27	\$24.43	\$27.34	\$26.70	\$28.40	\$28.13	\$29.67
Industrials	Aerospace & Defence	\$2.14	\$2.11	\$2.86	\$3.10	\$3.14	\$2.75	\$3.14
	Construction, Engineering & Materials	\$1.47	\$0.52	\$1.30	\$1.40	\$1.57	\$1.79	\$2.11
	Electrical Equipment	\$0.64	\$0.67	\$0.65	\$0.71	\$0.69	\$0.73	\$0.76
	General Industrials	\$7.09	\$7.44	\$8.79	\$8.78	\$8.86	\$8.60	\$8.79
	Support Services	\$1.00	\$0.99	\$1.11	\$1.12	\$1.18	\$1.13	\$1.21
	Transport	\$1.61	\$1.75	\$2.97	\$3.81	\$3.14	\$3.58	\$4.32
Oil, Gas & Energy	Energy - non-oil	\$1.28	\$1.17	\$2.92	\$2.08	\$2.60	\$1.89	\$1.58
	Oil & Gas Equipment & Distribution	\$1.54	\$2.14	\$2.48	\$3.12	\$2.67	\$3.15	\$3.87
	Oil & Gas Producers	\$17.27	\$18.63	\$19.23	\$19.73	\$17.70	\$19.27	\$23.27
Technology	IT Hardware & Electronics	\$2.39	\$4.54	\$5.59	\$6.00	\$6.18	\$6.35	\$7.01
	Semiconductors & Equipment	\$1.94	\$2.07	\$2.89	\$3.30	\$3.57	\$4.18	\$4.96
	Software & Services	\$4.31	\$4.34	\$5.89	\$6.31	\$9.74	\$7.33	\$8.48
Telecommunications	Fixed Line Telecommunications	\$9.04	\$8.90	\$8.56	\$9.00	\$9.49	\$9.70	\$9.55
	Mobile Telecommunications	\$6.10	\$2.98	\$27.82	\$3.42	\$2.05	\$1.92	\$2.47
Utilities	Utilities	\$7.92	\$8.75	\$8.54	\$7.36	\$11.19	\$12.12	\$12.20
<b>Total</b>		<b>\$148.16</b>	<b>\$152.19</b>	<b>\$201.83</b>	<b>\$192.33</b>	<b>\$195.97</b>	<b>\$196.98</b>	<b>\$217.11</b>
<b>Outside Top 1,200</b>		<b>\$18.80</b>	<b>\$19.31</b>	<b>\$22.64</b>	<b>\$24.40</b>	<b>\$24.86</b>	<b>\$24.99</b>	<b>\$27.55</b>
<b>Grand total</b>		<b>\$166.96</b>	<b>\$171.50</b>	<b>\$224.47</b>	<b>\$216.73</b>	<b>\$220.83</b>	<b>\$221.98</b>	<b>\$244.65</b>

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# Appendices (continued)

## JHGDI – by region

Region	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
Emerging Markets	174.5	186.1	205.1	188.1	155.8	132.4	156.7
Europe ex UK	122.7	109.0	113.4	126.9	115.8	119.0	124.2
Japan	137.7	143.6	129.2	142.0	147.5	180.3	196.0
North America	122.0	150.1	159.3	178.6	197.6	196.2	212.6
Asia Pacific ex Japan	173.3	166.8	181.3	190.4	176.0	182.5	216.8
UK	124.0	132.9	178.7	145.8	143.1	138.2	148.6
<b>Global total</b>	<b>133.9</b>	<b>141.6</b>	<b>153.0</b>	<b>160.5</b>	<b>159.2</b>	<b>159.1</b>	<b>174.2</b>

## JHGDI – by industry

Industry	12Q1	13Q1	14Q1	15Q1	16Q1	17Q1	18Q1
Basic Materials	189.8	183.8	184.2	170.8	147.9	124.2	182.4
Consumer Basics	136.9	155.7	160.9	178.7	181.0	176.5	186.3
Consumer Discretionary	124.2	151.1	166.5	198.6	215.1	210.5	209.5
Financials	153.7	163.6	186.0	199.3	205.8	215.1	232.8
Healthcare & Pharmaceuticals	137.3	146.5	148.8	158.2	167.8	180.2	188.5
Industrials	128.7	131.5	137.2	155.9	158.4	155.5	167.5
Oil, Gas & Energy	113.3	124.0	132.0	137.7	110.2	97.3	113.8
Technology	148.2	189.4	217.0	255.5	286.7	298.9	331.7
Telecommunications	136.1	119.1	142.3	111.4	104.0	107.7	117.3
Utilities	92.9	89.2	88.1	83.1	83.4	88.2	96.3
<b>Total</b>	<b>133.9</b>	<b>141.6</b>	<b>153.0</b>	<b>160.5</b>	<b>159.2</b>	<b>159.1</b>	<b>174.2</b>

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# Appendices (continued)

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

Region	Country	Underlying growth	Special dividends	Currency	Index changes	Timing effects	Headline Growth
Emerging Markets	Brazil	11.9%	10%	-3%	-7%	30%	41.2%
	Chile	9.6%	0%	10%	13%	0%	32.8%
	China	-62.4%	0%	0%	0%	0%	-62.4%
	India	-2.2%	-2%	2%	50%	0%	47.3%
	Malaysia	11.4%	0%	13%	-13%	0%	11.7%
	Mexico	-16.1%	0%	6%	0%	0%	-10.2%
	Philippines	20.0%	0%	0%	70%	0%	89.6%
	Russia	-9.1%	0%	5%	22%	0%	17.9%
	South Africa	2.2%	0%	6%	0%	0%	8.1%
	Thailand	26.0%	0%	14%	0%	0%	39.7%
	United Arab Emirates	11.1%	44%	0%	0%	0%	54.9%
Europe ex UK	Belgium	4.0%	0%	16%	0%	0%	19.7%
	Denmark	7.6%	5%	15%	2%	0%	29.8%
	Finland	6.6%	0%	18%	23%	0%	47.8%
	France	7.8%	-1%	15%	8%	0%	29.7%
	Germany	3.9%	0%	15%	-9%	0%	9.7%
	Italy	16.6%	0%	18%	0%	38%	72.7%
	Netherlands	14.4%	0%	16%	0%	0%	30.0%
	Norway	1.7%	0%	0%	0%	0%	1.7%
	Spain	8.0%	0%	13%	0%	-19%	2.9%
	Sweden	4.0%	0%	16%	0%	0%	19.8%
	Switzerland	1.8%	-1%	6%	0%	0%	6.8%
Japan	Japan	8.2%	3%	6%	0%	0%	16.8%
North America	Canada	13.8%	0%	4.7%	-2%	0%	16.6%
	United States	7.6%	0%	0%	-3%	0%	5.2%
Asia Pacific ex Japan	Australia	-6.6%	6%	1%	-1%	0%	-1.2%
	Hong Kong	3.3%	-36%	-1%	8%	0%	-25.3%
	Singapore	0.0%	47%	7%	0%	0%	54.6%
UK	United Kingdom	4.2%	2%	5%	1.5%	9%	21.1%

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# Frequently Asked Questions

## What is the Janus Henderson Global Dividend Index?

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

## How many companies are analysed?

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

## What information does JHGDI provide?

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

## What do the charts cover?

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

## Why is this piece of research produced?

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

## How are the figures calculated?

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

## Why is the report based in dollars?

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

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

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

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

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

## Can you invest in the JHGDI?

The JHGDI is not an investable index like the S&P 500 or FTSE 100, but is a measure of the progress that global firms are making in paying their investors an income on their capital, taking 2009 as a base year (index value of 100).

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

The index is not linked to any of Janus Henderson's funds, however the report is headed up by Ben Lofthouse, co-manager 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 31 March 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 not associated with investing solely in the UK. 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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