

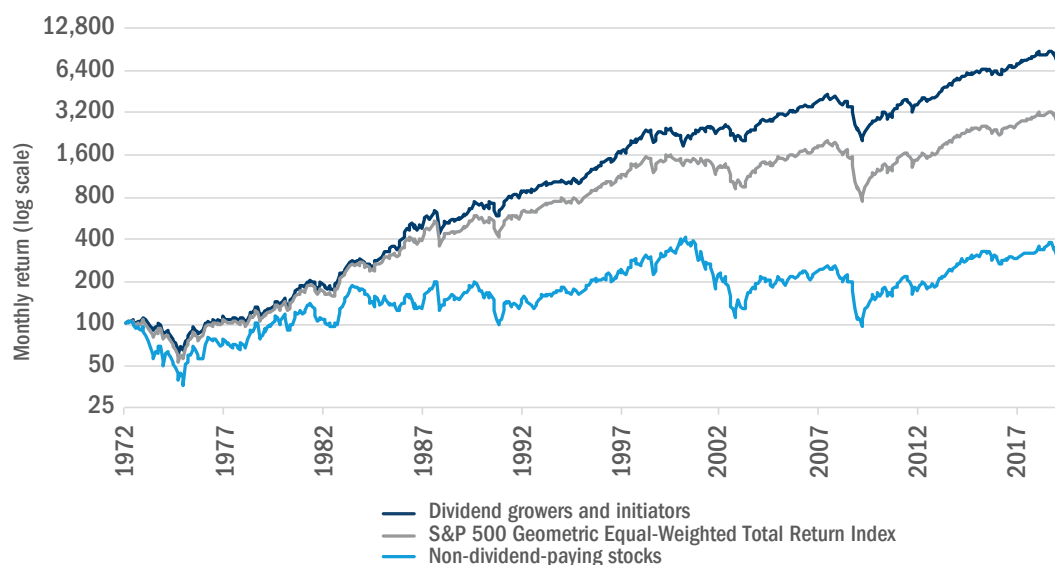


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► Sustainable dividends drive long-term growth

S&P 500 Index stock returns by dividend policy



Source: Ned Davis Research, data as of 03/29/19. Past performance is not a guarantee of future results. This information is intended for illustrative purposes only. It is not intended to be representative of specific portfolio holdings. Dividend growers and initiators represents those companies in the S&P 500 Index that have either grown their cash dividend or initiated one over the last 12 months. Non-dividend-paying stocks are those in the index that have not paid dividends in the last 12 months. The S&P 500 Index tracks the performance of 500 widely held, large-capitalization U.S. stocks. It is not possible to invest directly in an index.

By Ed Kerschner,
Chief Portfolio Strategist

Dividends are an important part of total return. Historically, dividends have proven to be a consistent source of returns for the S&P 500 Index throughout each decade.

Companies that are able to initiate and grow dividends have outperformed. Over the long term, companies that grow and initiate dividends have outperformed the S&P 500 Index annual average gain of 7.6%. Dividend growers and initiators (those that have either grown or initiated a dividend in the prior 12 months) have an annual average gain of 9.9%. Non-dividend-paying stocks have had an average annual return of only 2.8%.

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