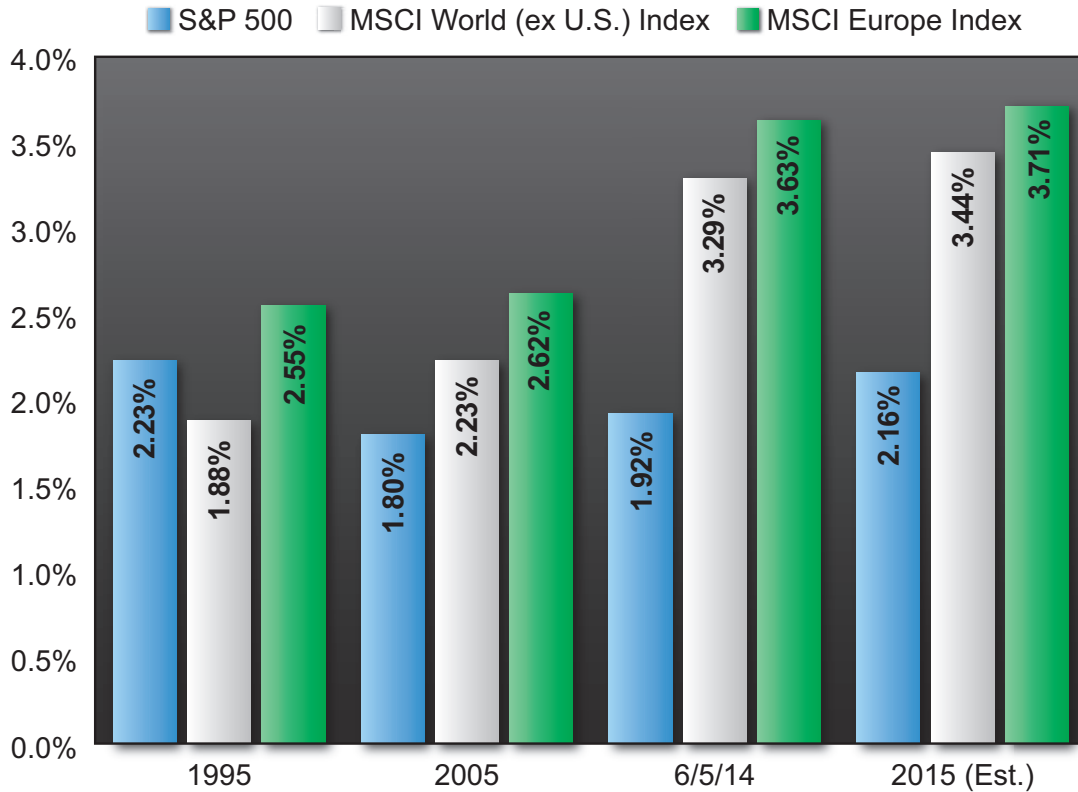


Foreign Stock Dividends Look Compelling In Today's Climate

Stock Dividend Yield Comparison



Source: Bloomberg. Past performance is no guarantee of future results.
Note: Calendar year yields (1995, 2005, and 2015 Est.) are as of 12/31.

View from the Observation Deck

1. Today's blog post is intended to make investors aware of the fact that stock dividend yields are considerably more attractive in foreign markets than in the U.S.
2. The yield on the S&P 500 has actually declined from 2.23% in 1995 to 1.92% today. One of the main contributing factors for the slide has been a reduction in the payout ratio.
3. The dividend payout-ratio (% of a dollar's worth of earnings paid out as a dividend) for the S&P 500 currently stands at 35.00%, according to Bloomberg. S&P Dow Jones Indices quotes a historical average of 52.00%.
4. As indicated in the chart, the yields on the MSCI World (ex U.S.) Index and the MSCI Europe Index have both been trending higher since 1995.
5. The current dividend payout-ratios on the MSCI World (ex U.S.) and MSCI Europe indices are 51.77% and 54.99%, respectively. Both are very close to the 52.00% historical average in the U.S.
6. Bloomberg's (2014 & 2015) estimated earnings growth rates for the S&P 500, MSCI World (ex U.S.) Index and MSCI Europe Index are as follows (as of 6/5): S&P 500 (8.51% & 11.15%); MSCI World (ex U.S.) Index (37.39% & 11.49%); and MSCI Europe Index (37.55% & 12.59%).

The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance. The MSCI World (ex U.S.) Index is a free-float weighted index designed to measure the equity market performance of developed markets. The MSCI Europe Index is a free-float weighted index designed to measure the performance of the developed equity markets in Europe.