

A Snapshot Of Dividend-Payers & Non-Payers In The S&P 500 Index

S&P 500 Index: Dividend-Payers vs. Non-Payers
(YTD & Annual Equal Weight Total Returns)

Year	Payers	Non-Payers	Winner
2019 (March)	14.30%	18.90%	TBD
2018	-8.14%	-2.41%	Non-Payers
2017	18.75%	15.53%	Payers
2016	15.64%	7.58%	Payers
2015	-3.08%	-1.27%	Non-Payers
2014	14.99%	15.44%	Non-Payers
2013	40.67%	46.27%	Non-Payers
2012	16.14%	19.20%	Non-Payers
2011	1.40%	-7.60%	Payers
2010	18.75%	16.24%	Payers
2009	26.18%	65.32%	Non-Payers
2008	-39.01%	-45.45%	Payers
2007	0.73%	-0.77%	Payers
2006	16.91%	12.93%	Payers
2005	9.34%	8.23%	Payers
2004	18.23%	13.17%	Payers
2003	33.45%	61.65%	Non-Payers
2002	-10.93%	-30.34%	Payers

Source: S&P Dow Jones Indices. Past performance is no guarantee of future results.

View from the Observation Deck

1. One of the ways in which S&P Dow Jones Indices tracks the performance of the constituents in the S&P 500 Index ("index") is by separating those that pay a dividend from those that do not.
2. Companies that do not pay a dividend tend to be more growth-oriented, in our opinion. As of 3/29/19, 418 of the index members distributed a cash dividend to shareholders, according to S&P Dow Jones Indices.
3. The number of S&P 500 companies that distribute dividends fluctuates over time. Since 2002, the numbers have ranged from a year-end low of 351 in 2002 to a year-end high of 423 in 2014.
4. While the S&P 500 Index is capitalization-weighted, constituents are equally-weighted in this comparison.
5. The average market cap of the constituents in the S&P 500 Index was \$49.0 billion as of 3/29/19, according to S&P Dow Jones Indices. For comparative purposes, the 50 largest companies in the index had an average market cap of \$245.5 billion.
6. From 2002-2018, the dividend-payers outperformed the non-payers, on a total return basis, in 10 of the 17 calendar years. Payers are lagging year-to-date through Q1'19.
7. With respect to the non-payers, two years in the table stand out: 2003 and 2009. Both marked the first year of a new bull market, which helps explain the huge disparity in performance over the dividend-payers, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks (currently 505) used to measure large-cap U.S. stock market performance.

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