

NEW HIGHS FOR GLOBAL DIVIDEND STREAM

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In a previous [blog](#), I discussed the new record *Dividend Stream*[®] of the United States and how the [S&P 500 Index](#) is growing dividends at a record pace. Below I will expand beyond the United States to look at the global dividend landscape and discuss some key characteristics of the different countries. *Global Dividend Stream* Like the United States, the global *Dividend Stream* has reached a new high.¹ Although the developed international and emerging markets are not exhibiting the same rapid growth seen recently in U.S. markets, the global *Dividend Stream* was able to grow at almost 9% over the most recent one-year period through May 31, 2013. To calculate the global *Dividend Stream*, we start with the 5,052 investable dividend payers in the [WisdomTree Global Dividend Index](#). We then take the dividends per share for each company and multiply them by their current shares outstanding. The table below aggregates the *Dividend Streams* of each company by their respective country and ranks the top 20 countries as of the May 31, 2013, screening. **Top 20 Dividend-Paying Countries**

Rank	Country	Percentage Weight	Dividend Stream (Billions)	Number of Companies
1	United States	31.1%	\$339.93	1325
2	United Kingdom	9.9%	\$107.57	278
3	Australia	5.9%	\$64.53	195
4	Japan	5.9%	\$63.97	912
5	France	5.1%	\$55.58	97
6	Canada	4.6%	\$50.49	253
7	Germany	3.8%	\$41.35	98
8	Switzerland	3.3%	\$35.96	63
9	Hong Kong	2.8%	\$30.50	83
10	China	2.5%	\$26.97	78
11	Spain	2.1%	\$23.02	40
12	Russia	2.1%	\$22.99	22
13	Brazil	2.1%	\$22.78	94
14	Taiwan	2.0%	\$21.44	246
15	Sweden	1.8%	\$19.46	80
16	Italy	1.5%	\$16.72	76
17	Malaysia	1.2%	\$12.77	89
18	South Africa	1.2%	\$12.61	85
19	Singapore	1.1%	\$11.58	84
20	Thailand	1.1%	\$11.56	103
Total		90.8%	\$991.79	4301
Total Developed ex-U.S.		52.1%	\$568.68	2514
Total Emerging Markets		16.8%	\$183.43	1213
Total Dividend Stream		100.0%	\$1,092.04	5052

Source: WisdomTree, as of 05/31/13. Past performance is not indicative of future results.

•Global Dividend Stream Growth – The total *Dividend Stream* grew by

approximately 9.0% to \$1.09 trillion, surpassing the recent 2008 high of \$1.08 trillion to set a new Index record. •**United Kingdom (UK) Tops Ex-U.S. List** – The UK is a real standout, occupying the second position behind only the United States. In fact, if you were to add the *Dividend Streams* of constituents from China, Russia, Brazil, Taiwan and Malaysia (the top five emerging market country contributors to the global *Dividend Stream*), they still do not exceed the *Dividend Stream* of the United Kingdom. •**Australia Overtakes Japan** – Australia moved up to third place, overtaking Japan, at this most recent screening. It is not surprising that Australia is near the top of the list, given the fact that it typically is one of the highest developed dividend-paying countries, but it is interesting because Japan has a market cap over three times that of Australia.² •**Emerging Markets** – China leads the way with a \$26 billion contribution, which ranks it behind eight developed market countries outside of the United States. China recently surpassed both Taiwan and Brazil to be the top emerging market dividend payer. Emerging markets, and specifically China, have certainly come a long way with respect to their dividend growth, but it's important to remember that China's dividend stream is less than a quarter the size of the United Kingdom's.

Global Dividend Stream Composition In considering the behavior of the global *Dividend Stream*, there are two factors that can affect a country's *Dividend Stream*. First, constituents that were already members of the Index over the prior year remain in the Index and achieve *Dividend Stream* growth. Second, new constituents qualify for Index membership and increase the total number of contributing components for a particular country. Of course, this can also work the other way, in that constituents can fail to retain their membership and thereby reduce the *Dividend Stream*. • **United States Also Leads with Company Representation** – It is not surprising that the United States is home to the most dividend-paying countries in the Index. The 1,325 companies U.S. make up over 26% of all dividend-paying companies. • **United Kingdom Ranks Third in Number of Companies and Leads Europe** – Although the UK ranks third behind Japan in terms of number of dividend payers, it is interesting to note that the 278 UK companies are able to produce a *Dividend Stream* that is approximately 68% greater than Japan's, with fewer than one-third the number of dividend-paying companies. The UK also has a larger dividend stream and more dividend-paying companies than both France and Germany combined. **Diversify Across the *Dividend Stream*** Although, the United States has seen some of the best dividend growth recently, we think it is important to remain diversified across the globe. The United States may continue to lead the world in dividend growth, but it is impossible to know for sure. As a result, we think it is important to have exposure to other large dividend-paying countries such as the United Kingdom and Australia.¹Source: WisdomTree, as of 05/31/13.²Source: MSCI, as of 05/31/13.

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DEFINITIONS

Dividend Stream: Refers to the regular dividends per share multiplied by the number of shares outstanding.

S&P 500 Index: Market capitalization-weighted benchmark of 500 stocks selected by the Standard and Poor's Index Committee designed to represent the performance of the leading industries in the United States economy.

WisdomTree Global Dividend Index: WisdomTree's broadest measure of dividend-paying stocks, including firms incorporated in emerging markets, developed international markets and the United States, weighted by cash dividends.