

The Dividend Information You Need, From Those Who Know It Best

December 31, 2020

It was a year like no other. Following a good start, rising 5% to mid-February, the S&P 500 fell 34% between February 19 and March 23 as COVID-19 began wreaking havoc with global markets and economies. Recognizing the significant economic risk and with the memory of the damage the financial crisis caused still relatively vibrant, governments and central banks responded aggressively with historic monetary and fiscal stimulus.

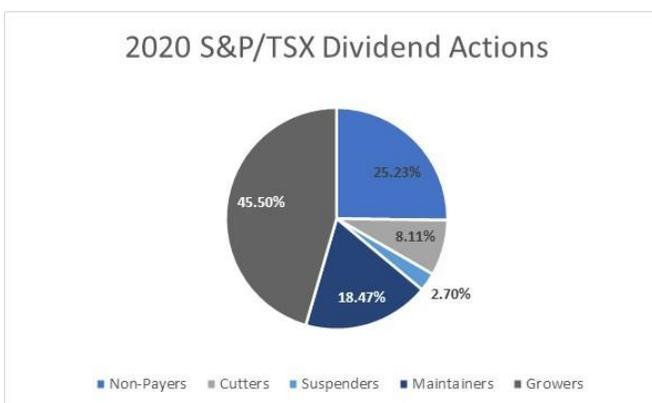
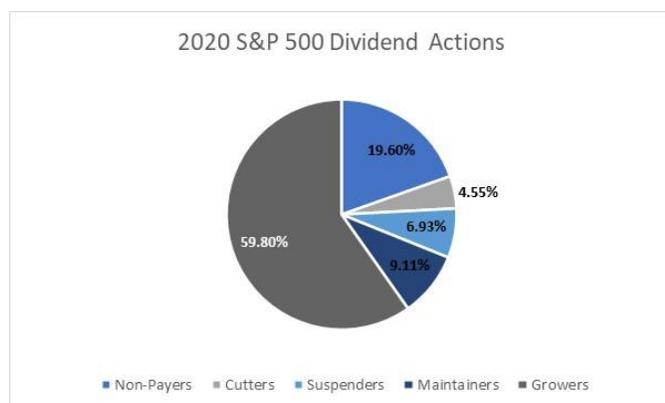
2020 also proved to be a challenging year for dividend paying companies in the broader index, with the number of dividend payers at year end falling to 371 from 423 in 2019 and those having raised their dividends post COVID (Q2-Q4) averaging 8.3% vs. 9.8% in 2019 (source: S&P Global Indices).

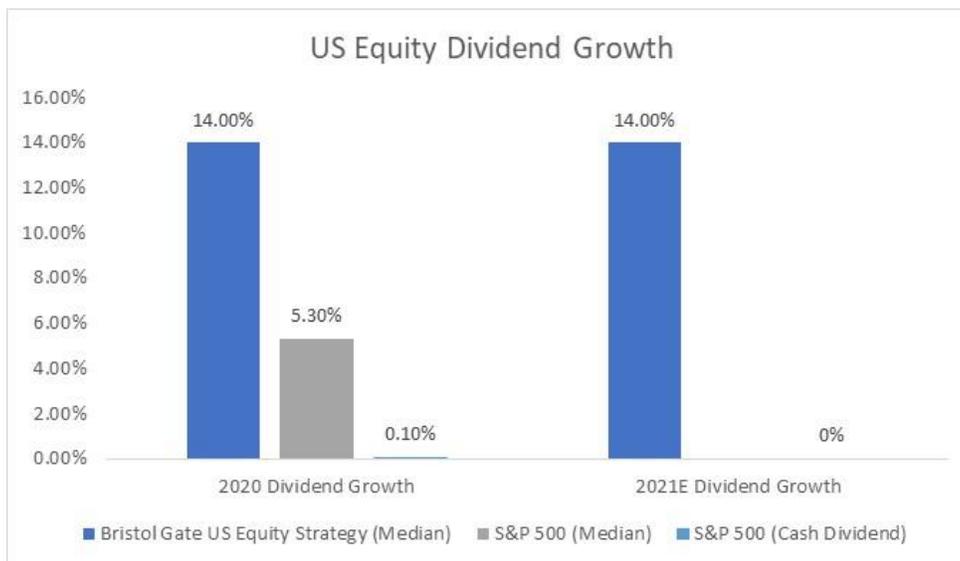
Below we have compiled important dividend statistics for the year ending December 31, 2020, for both the S&P 500 and S&P/TSX.

S&P 500 Dividend Statistics - Dec 31, 2020		S&P/TSX Dividend Statistics - Dec 31, 2020	
Total Dividend Payers	371	Total Dividend Payers	162
Median Dividend Growth	5.30%	Median Dividend Growth	2.90%
Dividend Cutters	23	Dividend Cutters	18
Dividend Suspenders	35	Dividend Suspenders	6
Dividend Maintainers	46	Dividend Maintainers	41
Dividend Growers	302	Dividend Growers	101
Dividend Yield	1.50%	Dividend Yield	3.00%
Median Grower Dividend Growth	7.50%	Median Grower Dividend Growth	7.01%
Cash Dividend Growth	0.10%	Cash Dividend Growth	1.00%

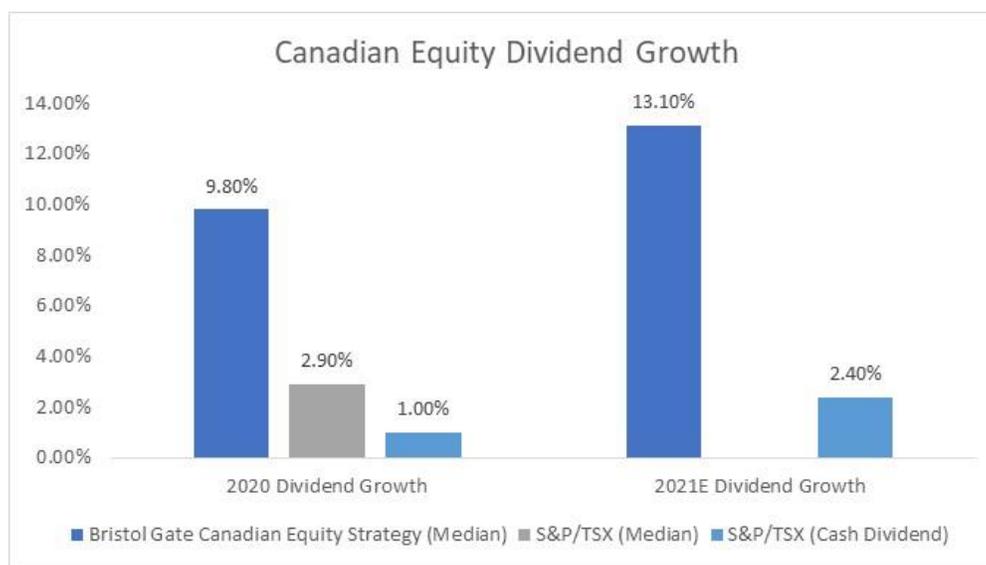
Source: Factset, Bloomberg, Company Reports, Bristol Gate Capital Partners Inc.

2020 Dividend Actions (%)





The Bristol Gate US Equity portfolio companies at year end, on average, delivered 14.8% dividend growth (median 14.0%), well ahead of the S&P 500’s cash dividend increase of 0.1% (median constituent increase 5.3%). Looking forward and including the changes made to the portfolio after year end, our expected dividend growth for the companies in the US Strategy is 14% in 2021. This compares to the near zero growth consensus estimates and dividend futures are implying for the Index.



In Canada, the Bristol Gate Canadian Equity portfolio companies at year end, on average, delivered 14.5% dividend growth (median 9.8%), well ahead of the TSX’s cash dividend increase of 1.0% (median constituent increase 2.9%). Our expected dividend growth for the companies in the Canadian Strategy is 13.1% in 2021. This compares to the 2.4% consensus forecast for the Index.

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