

# Bristol Gate Dividend Report

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

FY 2021

In 2021, the boogeymen came. US government 10-year treasury yields increased from 0.9% at the start of the year to 1.5% at year end. Inflation exited 2021 at 6.8%, the fastest annual rate since 1982. COVID related supply chain issues were severe and have yet to be resolved. US job openings are at or near all time highs as labour is scarce. And the market's P/E multiple fell from over 30x in 2020 to less and 25x at year end. Despite all of this, the S&P 500 generated a total return of 28.7%. While median dividend growth experience a slight YoY increase, it was still below 2019 levels. Over the course of the year, 403 S&P 500 dividend payers provided investors with a median dividend growth rate of 6.2%. Below we have compiled important dividend statistics for calendar year of 2021 for both the S&P 500 and S&P/TSX.

## S&P 500 DIVIDEND STATISTICS - 2021

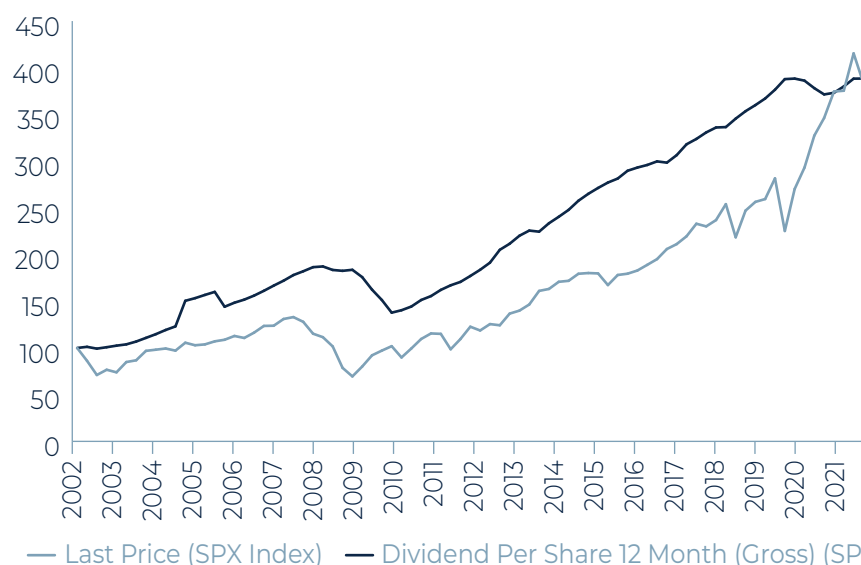
Total Dividend Payers	403
Median Dividend Growth	6.20%
Dividend Cutters	18
Dividend Suspenders	1
Dividend Maintainers	153
Dividend Growers	208
Dividend Yield	1.72%
Median Grower Dividend Growth	10%
Inadequate # of Payments (# of companies)	24
Non Re-Initiators	18
Re-Initiators	17

## S&P/TSX DIVIDEND STATISTICS - 2021

Total Dividend Payers	185
Median Dividend Growth	2.94%
Dividend Cutters	21
Dividend Suspenders	0
Dividend Maintainers	65
Dividend Growers	83
Dividend Yield	2.36%
Median Grower Dividend Growth	11.90%
Inadequate # of Payments (# of companies)	16
Non Re-Initiators	2
Re-Initiators	6

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

## S&P 500 DIVIDEND & PRICE GROWTH



Source: Source: Bloomberg,  
Bristol Gate Capital Partners

*"The single biggest enemy of long-term returns is human emotion. Focusing on dividend growth helps us avoid emotional reactions to the roller coaster ride price movements take us on. It keeps us thinking about business performance and the long-term cash generation that drives that dividend growth. Ultimately it helps us make better decisions for our long-term wealth."*

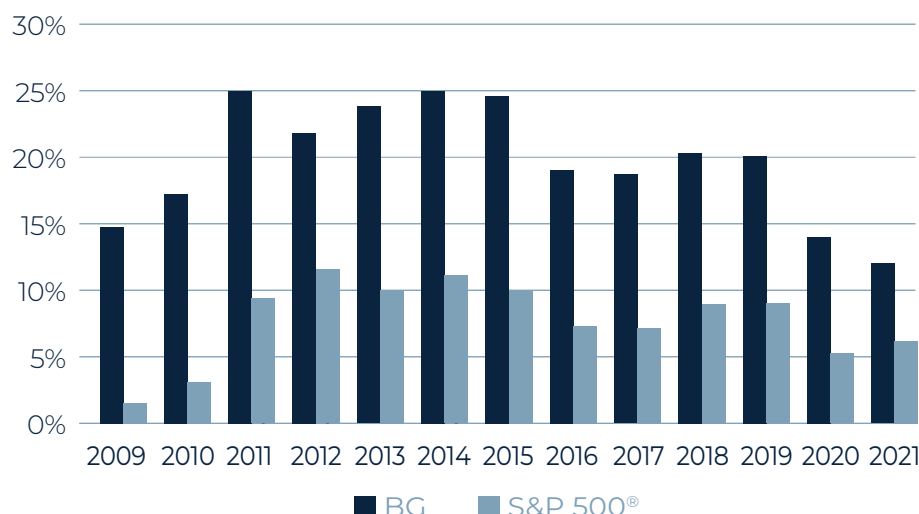
Izet Elmazi, CIO

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## BRISTOL GATE US EQUITY STRATEGY

### TRAILING DIVIDEND GROWTH

As at December 31, 2021



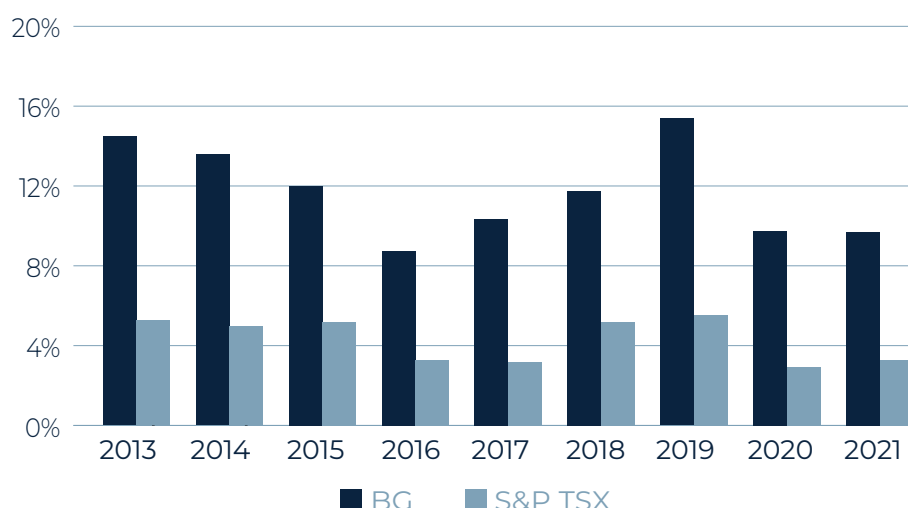
**Source:** Bloomberg. Median of the annual trailing 12-month dividend growth (as reported on Bloomberg) of the individual stocks held at the end of each calendar year in the Bristol Gate US Equity Strategy compared to the S&P 500 Index.

The trailing 12-month median dividend growth of our US Equity Strategy was 12.0% at quarter end compared to the S&P 500 constituent median 6.2% and actual cash dividend growth of 2.7%. Over the next 12 months, our model is predicting median dividend growth of 15.0% for our portfolio companies. This compares to the median of the S&P 500 constituents of 4.4% as forecast by consensus.

## BRISTOL GATE CANADIAN EQUITY STRATEGY

### TRAILING DIVIDEND GROWTH

As at December 31, 2021



**Source:** Bloomberg. Median of the annual trailing 12-month dividend growth (as reported on Bloomberg) of the individual stocks held at the end of each calendar year in the Bristol Gate Canadian Equity Strategy compared to the S&P TSX Composite Index.

For the year, the portfolio companies delivered median dividend growth of 9.7%, well ahead of the S&P/TSX Composite constituent median increase of 3.3% and actual cash dividend increase of 5.0%. Over the next 12 months, our model is predicting median dividend growth of 11.1% for our portfolio companies. This compares to the median 4.2% for the Index constituents as forecast by consensus.

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