

GRAPHING DIVIDENDS

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CANADIAN DIVIDENDS IN PICTURES

I've written many articles highlighting the generous returns offered by Canadian dividend stocks but they usually include only one or two graphs due to space limitations. I've given the extra graphs a home here for the enjoyment of dividend aficionados.

The following graphs are based on raw data from [Professor Kenneth French](#). In one study he tracks four portfolios. The first is a market portfolio that includes all of the Canadian stocks in his database with book values. The remaining portfolios sort stocks by yield each year. The high-yield portfolio tracks the 30% of stocks with the highest yields. The low-yield portfolio follows the 30% of stocks with the lowest positive yields while the zero-yield portfolio tracks stocks that do not pay dividends. All of the portfolios are weighted by market capitalization and use Canadian dollar returns.

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- The graphs on page 2 show the long-term returns of the portfolios.
- The graphs on pages 3 to 5 show the returns of the portfolios in smaller chunks.
- A graph on page 5 shows the average dividend yield of the market over time.
- The bar graphs on page 6 show the number of stocks in the database – note the big jump in 2008.
- The graphs on pages 7 to 9 show poor periods for the various portfolios.
- The graphs on pages 10 to 12 show rolling returns over the prior 5, 10, and 20 years.

Overall Results

Compound Annual Growth Rates from the start of 1977 to the end of 2021
High Yield: 14.01% Market: 10.44% Low Yield: 10.04% Zero Yield: 4.00%

Yours,

Norm Rothery





















