

# An x y and zee Equity Income Update

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## *Safe Dividends*

Going into 2015, which dividends are “safe”? On the basis that a company has increased (not just maintained, but increased) its dividend each and every year for the last 10, 20 or even 30 years, I have compiled a global dividend list of “safe” stocks.

## The Global Dividend “Safe” List

Going into 2015, the question of “safe” dividends is regularly raised. On the basis that a company has increased (not just maintained, but increased) its dividend each and every year for the last 10, 20 or even 30 years, below I have compiled a global dividend peer list of “safe” stocks. Whilst some companies have very low yields, there are some big corporations which have paid consistently growing dividends and still offer a sensible yield. I have chosen a 2% dividend yield as the cut off point (rather than, say, 3%), simply as it is the inflation target for most developed countries but also not to cut out those companies on the 30 year list (such as Coca Cola) which warrants being included. I’d bet my bottom dollar that these companies’ dividends are safe.

### Global Dividend “Safe” List: At Least 10 Years of Continued Dividend Increases

Company	Sector	Country	30Y CAGR	20Y CAGR	10Y CAGR	Yr1E Div.
						Yield
ACE	Financials	US			11.2%	2.24%
AFLAC	Financials	US		16.7%	16.8%	2.54%
AIR PRDS. & CHEMS.	Materials	US		9.6%	12.2%	2.22%
AMEC FOSTER WHEELER	Energy	UK			14.9%	5.33%
AT&T	Telecommunications	US		4.5%	4.5%	5.54%
AUTOMATIC DATA PROC.	Info Technology	US	14.5%	14.8%	14.8%	2.21%
BABCOCK INTERNATIONAL	Industrials	UK			24.5%	2.15%
BG GROUP	Energy	UK			17.8%	2.45%
BHP BILLITON	Materials	UK			23.8%	6.06%
BRITISH AMERICAN TOBACCO	Consumer Staples	UK			13.9%	4.14%
CANADIAN UTILITIES 'A'	Utilities	Canada		5.2%	6.6%	2.61%
CAPITA	Industrials	UK			20.8%	2.69%
CATERPILLAR	Industrials	US			12.4%	2.75%
CHEUNG KONG INFR.HDG.	Utilities	Hong Kong			10.0%	3.33%
CHEVRON	Energy	US		7.8%	10.6%	3.89%
CINCINNATI FINL.	Financials	US		8.8%	6.2%	3.40%
CLOROX	Consumer Staples	US	10.9%	9.6%	10.9%	2.80%
COBHAM	Industrials	UK			13.2%	3.14%
COCA COLA	Consumer Staples	US	10.5%	9.9%	9.8%	2.84%
COLGATE-PALM.	Consumer Staples	US		10.9%	11.4%	2.08%
COLOPLAST 'B'	Health Care	Denmark			30.2%	2.61%
COLRUYT	Consumer Staples	Belgium		16.2%	15.3%	2.47%
COMPASS GROUP	Consumer Discretionary	UK			11.1%	2.66%
CONSOLIDATED EDISON	Utilities	US	3.3%	1.2%	0.9%	3.75%
CRODA INTERNATIONAL	Materials	UK			18.5%	2.47%
DIAGEO	Consumer Staples	UK			6.4%	3.00%
DOVER	Industrials	US	9.7%	9.8%	9.8%	2.23%
EATON VANCE NV.	Financials	US		17.8%	15.2%	2.59%
EMERSON ELECTRIC	Industrials	US	7.7%	7.8%	7.7%	3.06%
ENBRIDGE	Energy	Canada			11.7%	2.53%
ESSEX PROPERTY TST.	Financials	US			4.5%	2.26%
EXXON MOBIL	Energy	US		6.3%	9.6%	2.93%
FINNING INTL.	Industrials	Canada			12.7%	3.00%
FORTIS	Utilities	Canada		6.0%	9.1%	3.25%
FUCHS PETROLUB PF. (XET)	Materials	Germany			23.2%	2.38%
GBL NEW	Financials	Belgium			6.3%	3.91%
GENUINE PARTS	Consumer Discretionary	US	7.1%	5.7%	6.2%	2.24%
GLAXOSMITHKLINE	Health Care	UK			6.6%	5.69%
HARRIS	Info Technology	US			25.0%	2.67%
HCP	Financials	US			2.4%	4.69%
IMPERIAL TOBACCO GP.	Consumer Staples	UK			12.3%	5.39%
INTERNATIONAL BUS.MCHS.	Info Technology	US			19.4%	2.65%
J M SMUCKER	Consumer Staples	US			9.5%	2.51%
JOHNSON & JOHNSON	Health Care	US	13.0%	12.4%	10.8%	2.62%
KDDI	Telecommunications	Japan			24.0%	2.20%
KIMBERLY-CLARK	Consumer Staples	US			9.3%	2.85%
LEGGETT&PLATT	Consumer Discretionary	US	12.9%	11.4%	8.1%	2.76%
LINEAR TECHNOLOGY	Info Technology	US		20.3%	16.3%	2.40%
LOCKHEED MARTIN	Industrials	US			23.5%	2.80%

Source: Thomson Reuters Datastream

Global Dividend "Safe" List: At Least 10 Years of Continued Dividend *Increases* (cont.)

Company	Sector	Country	30Y CAGR	20Y CAGR	10Y CAGR	Yr1E Div.
						Yield
MAXIM INTEGRATED PRDS.	Info Technology	US			16.3%	3.06%
MCDONALDS	Consumer Discretionary	US	16.0%	18.4%	22.8%	3.53%
MDU RESOURCES GROUP	Utilities	US		4.3%	4.7%	3.11%
MICROCHIP TECH.	Info Technology	US			30.6%	3.14%
MURPHY OIL	Energy	US			12.1%	2.68%
NESTLE 'R'	Consumer Staples	Switzerland			11.6%	3.05%
NEXTERA ENERGY	Utilities	US			8.2%	2.70%
NORFOLK SOUTHERN	Industrials	US			21.1%	2.13%
NORTHEAST UTILITIES	Utilities	US			9.8%	2.94%
NOVARTIS 'R'	Health Care	Switzerland			9.4%	2.75%
OCCIDENTAL PTL.	Energy	US			17.3%	3.63%
ONEOK	Energy	US			15.7%	5.28%
PARTNERRE	Financials	US			7.9%	2.35%
PEARSON	Consumer Discretionary	UK		7.4%	7.1%	4.34%
PEOPLES UNITED FINANCIAL	Financials	US			7.2%	4.52%
PEPSICO	Consumer Staples	US	11.3%	10.5%	13.5%	2.61%
PRAXAIR	Materials	US		15.9%	18.0%	2.05%
PROCTER & GAMBLE	Consumer Staples	US	9.6%	11.0%	10.6%	2.87%
REALTY INCOME	Financials	US			6.3%	4.37%
RECKITT BENCKISER GROUP	Consumer Staples	UK			17.2%	2.59%
RED ELECTRICA CORPN.	Utilities	Spain			16.6%	3.90%
ROCHE HOLDING	Health Care	Switzerland		15.0%	16.8%	2.95%
SAGE GROUP	Info Technology	UK			20.9%	2.81%
SANOFI	Health Care	France			11.2%	3.88%
SCANA	Utilities	US			3.9%	3.42%
SNC-LAVALIN GP.	Industrials	Canada			21.3%	2.28%
SOUTHERN	Utilities	US			3.8%	4.19%
SSE	Utilities	UK		10.4%	9.2%	5.58%
STANLEY BLACK & DECKER	Industrials	US	7.0%	5.6%	6.8%	2.16%
SUNCOR ENERGY	Energy	Canada			22.5%	2.84%
SYSCO	Consumer Staples	US	17.1%	14.5%	9.4%	2.85%
T ROWE PRICE GROUP	Financials	US		17.9%	15.8%	2.09%
TARGET	Consumer Discretionary	US			19.8%	2.39%
TEVA PHARMACEUTICAL	Health Care	Israel			20.5%	2.31%
TRANSCANADA	Energy	Canada			5.5%	3.47%
UNITED TECHNOLOGIES	Industrials	US			14.5%	2.08%
USS	Consumer Discretionary	Japan			21.4%	2.06%
VODAFONE GROUP	Telecommunications	UK		17.1%	19.7%	5.01%
WAL MART STORES	Consumer Staples	US		18.3%	18.0%	2.15%
WEIR GROUP	Industrials	UK		10.0%	13.0%	2.55%
WOOLWORTHS	Consumer Staples	Australia			13.1%	4.76%
3M	Industrials	US	6.3%	5.8%	6.8%	2.12%

Source: Thomson Reuters Datastream

As ever, I'd very much welcome any comments, suggestions or constructive criticisms regarding anything included in this note. If you would like any further explanation of commentary contained within this document or any additional data, please let me know. Lastly, if you would like to reproduce any part of this document, please contact me before doing so. Many thanks. Zee.

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