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Additional quantitative measures in Europe have pushed global bond yields to all time lows. In fact, some \$7 trillion of European debt, inside a six year duration, is at negative yield! Yes, negative which means capital erosion for all those investors. This puts investing in dividend paying equities safer than bonds. Some 42% of all stocks on the S&P 500 pay a yield greater than 10 year American Treasuries.

Historically from an interest rate perspective and also economically, we are emulating the time period of the late 1940's. Economically, "things are ok but not great." Job creation is happening but wages and personal earnings are below long term averages. Just like after a recession and a long recovery cycle, the middle class gets squeezed the hardest. However, as with the late 1940's investors gradually migrated to dividend paying equities which supported growth and out of safe haven treasuries as bond yields hit all time lows. Just as then and now, dividend paying stock fetch a higher price to earnings multiples and payout ratios are growing over time along with yield and total return.

In keeping with our models and strategy to minimise risk, preserve yield and capture growth, we are well positioned to capture the capital flows out of bonds into dividend equities.

The S&P 500 has been rich in yield paying stock from 1900 till 1981 after which internet stock mania hit "all growth and no earnings" global markets making a very small group of people billionaires and the rest watched their wealth evaporate. An all earning model for publicly and or privately traded equity does not work in the long run. Even Apple now pays a dividend. Yield paying stocks are back, still at their early stages with both yield and growth on the rise.