

PRESS RELEASE

Berlin, May 07, 2020

Dividend strategies can increase the dividend return to 60% of an ETFs total return

Rating provider XENIX has conducted a qualitative rating of all 13 global dividend ETFs currently listed on Xetra in Frankfurt. These ETFs are based on 11 dividend concepts, which differ considerably in terms of portfolio size, dividend strength and weighting concept.

XENIX rating study focusing on global dividend ETFs

"The performance contribution from dividends is mostly underestimated by investors," says Wieland Thyssen, spokesman for the management at XENIX. "Our index analysis shows that over the past 20 years, an average of 40% of global equity index total return has been generated from net dividends. With excellent global dividend ETFs, the performance contribution from dividends can even increase to 60% of an ETFs total return." The average dividend yield of global dividend ETFs for industrialized countries is currently around 3.8% per year, compared to a dividend yield of 2.3% for conventional global equity ETFs, according to XENIX.

Smart dividend ETFs

XENIX evaluates the quality of ETFs based on more than 260 criteria. These include the quality of the underlying indices, the quality of the ETF constructions, the liquidity of the respective ETFs and the tracking differences of ETFs. In the case of dividend ETFs, the "dividend concept" and the weighting methodology are of additional importance. Dividend ETFs can also be referred to as smart beta ETFs if they are weighted according to the "dividend strength" of their components.

Best in test-ETF with 1,600 high-dividend equities

The winner of the XENIX ETF rating study for global dividend ETFs is the "Vanguard FTSE All-World High Dividend Yield UCITS ETF". This ETF invests in around 1,600 high-dividend equities from around 45 countries. "The test-winning ETF tracks its benchmark since 2013 excellently and offers investors value for their investment," says Wieland Thyssen. The average TER cost in this ETF segment in the European market is 0.37% per year.

Four of the 13 ETFs offer an above-average product quality. These four ETFs are awarded each with four XENIX STARS ****. In addition to the Vanguard ETF, this includes two first-generation dividend-ETFs from Xtrackers and iShares. They follow a dividend-weighting strategy based on a top 100 index, while the fourth four-star dividend ETF (from Xtrackers) invests in over 300 equities that must generate at least a 30% higher dividend yield than the MSCI World Index.

About XENIX

XENIX is an independent rating provider and is an ETF-focused investment strategist with these business areas: ETF rating, benchmarking for ETF portfolios, ETF AWARDS and strategic advice for wealth managers. The WealthTech company was founded in 2009 by Dr. Markus Thomas in Berlin. Wieland Thyssen is spokesman for the management at XENIX. Financial service providers can license the complete XENIX ETF rating results as XENIX STARS and XENIX BOX.

Contact at XENIX

Wieland Thyssen, spokesperson and managing director: +49 175 871 0541.
info@xenix.eu and www.xenix.eu