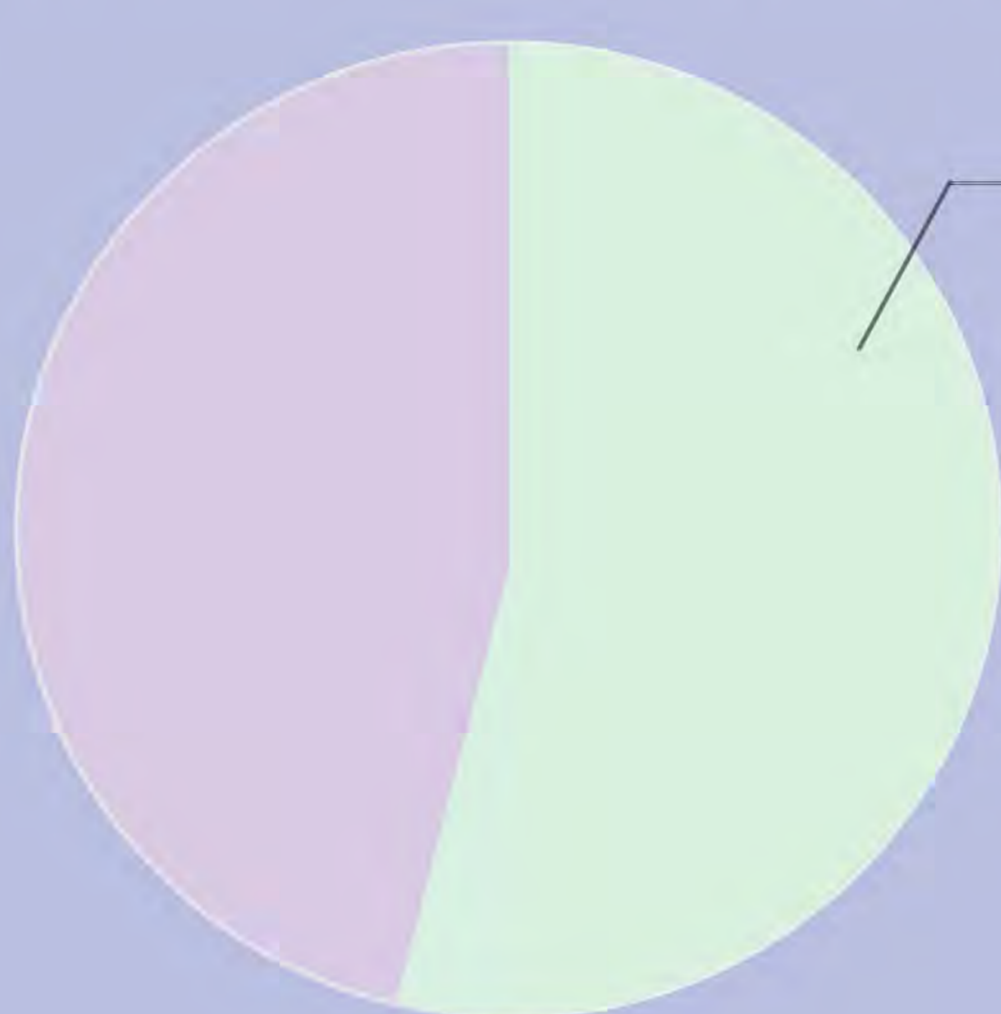


A DIVIDEND INVESTING STRATEGY



Investors love their dividend stocks

75% of investors state that they usually invest in dividend stocks¹ on the Singapore market



Approx. 52%

More than 400 SGX-listed stocks² pay dividends out of 767 SGX-listed companies³

Do not pay dividends Pay dividends

But there are so many stocks that pay dividends! How should investors evaluate them?

Don't just zoom in on high dividend yield stocks...

#1: Take a closer look at the company's financials

- High dividend yield could be a result of a low share price caused by inconsistent earnings and other fundamental problems
- It isn't easy to keep dividends high - dividends could be reduced or eliminated in the long run

#2: Stocks with low dividend yield now may not be a bad thing. Instead of giving out earnings through dividends, companies may be reinvesting it into the business to help it grow; as a result, dividends may grow over the years

... What about a dividend growth strategy?

Try screening stocks using these 3 criteria:

DIVIDEND YIELD > 3%

MARKET CAPITALISATION > SGD 200M

DIVIDEND GROWTH RATE (5-YEAR AVERAGE) > 8%

We backtested this strategy⁴ using 5-year historical data & assuming we rebalanced the portfolio every three months :

34.1% 5-year return excluding dividends

VS

-8.8% 5-year return on the Straits Times Index

Ready for Hands-On Experience?

Try this strategy or build your own using KE Trade's Strategy Builder.

[Find Out More](#) ▶

¹ Investment Trends SG Broking Report 2015, Q66: Which local shares do you usually invest in?

² Results from Recognia Strategy Builder, available on Maybank Kim Eng's KE Trade platform

³ http://www.sgx.com/wps/wcm/connect/sgx_en/home/highlights/news_releases/SGX_reports_market+statistics_for_Aug_2016

⁴ Results from Recognia Strategy Builder, available on Maybank Kim Eng's KE Trade platform. Information accurate as at 30 March 2016.

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