S&P Dow Jones Indices

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TalkingPoints

S&P High Yield Dividend Aristocrats® Index — A 20/20 View of Long-Term Dividend Growth

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Nov. 9, 2025, marks the 20th anniversary of the S&P High Yield Dividend Aristocrats Index, a milestone that highlights both its longevity and its unique methodology. Since its launch, the index has been dedicated to identifying companies in the S&P Composite 1500® with a proven commitment to returning capital to shareholders through steadily rising dividends. To qualify, each constituent must demonstrate 20 consecutive years of dividend growth—a rigorous requirement that helps ensure resilience, discipline and long-term value creation. The 20-year anniversary is especially meaningful because it mirrors the very standard at the heart of the index, celebrating two decades of performance built on the strength of companies that thrive through consistency.

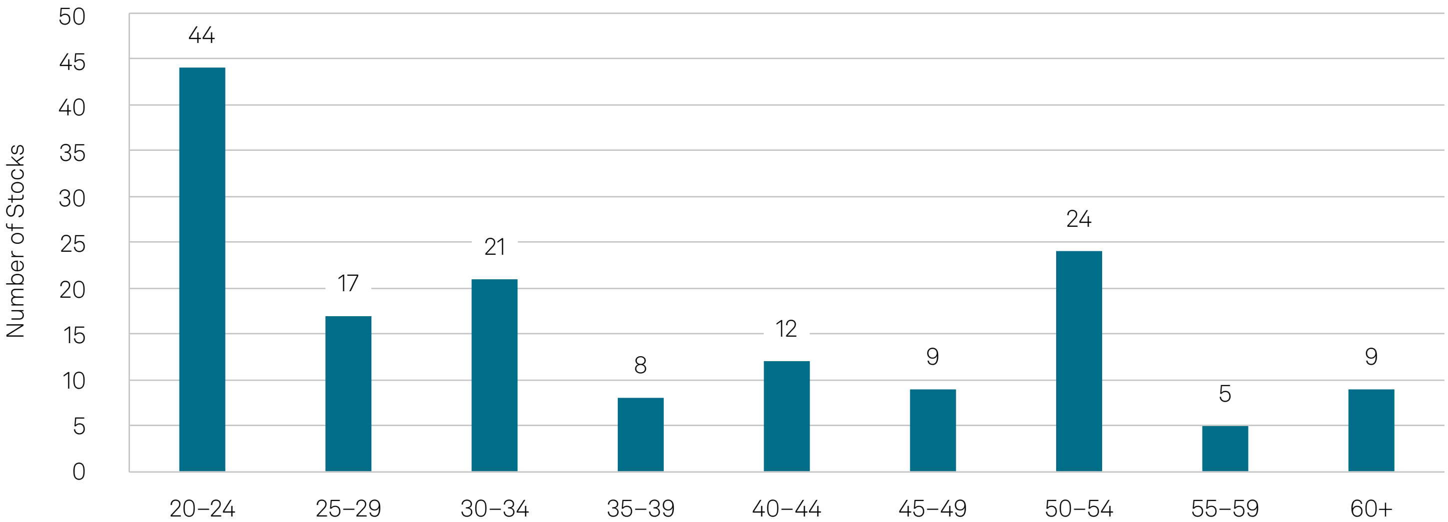
1. How does the index's long-term dividend growth screen help identify higher quality companies?

Long-term dividend growth is often viewed as a key indicator of quality, as it reflects a company's ability to consistently generate and return excess cash to shareholders across varying economic environments. Companies that increase dividends over decades must navigate recessions, industry disruptions and competitive pressures while continuing to deliver value to shareholders. Sustained dividend growth signifies resilience, prudent management and a durable business model, which is why the S&P High Yield Dividend Aristocrats Index tends to track higher-quality companies and exhibit defensive characteristics.

2. What is the dividend growth profile of the current constituents?

Almost one-half of the constituents have raised their dividends for over 30 years, with around 40% achieving this milestone for 40 years or longer. Furthermore, 38 companies, representing one-quarter of the constituents, have raised their dividends for more than 50 years. These impressive track records highlight these companies' long-standing commitment and capacity to return increasing amounts of capital to their shareholders over multiple decades.

Exhibit 1: Number of Companies that Have Consistently Raised Dividends across Five-Year Increments

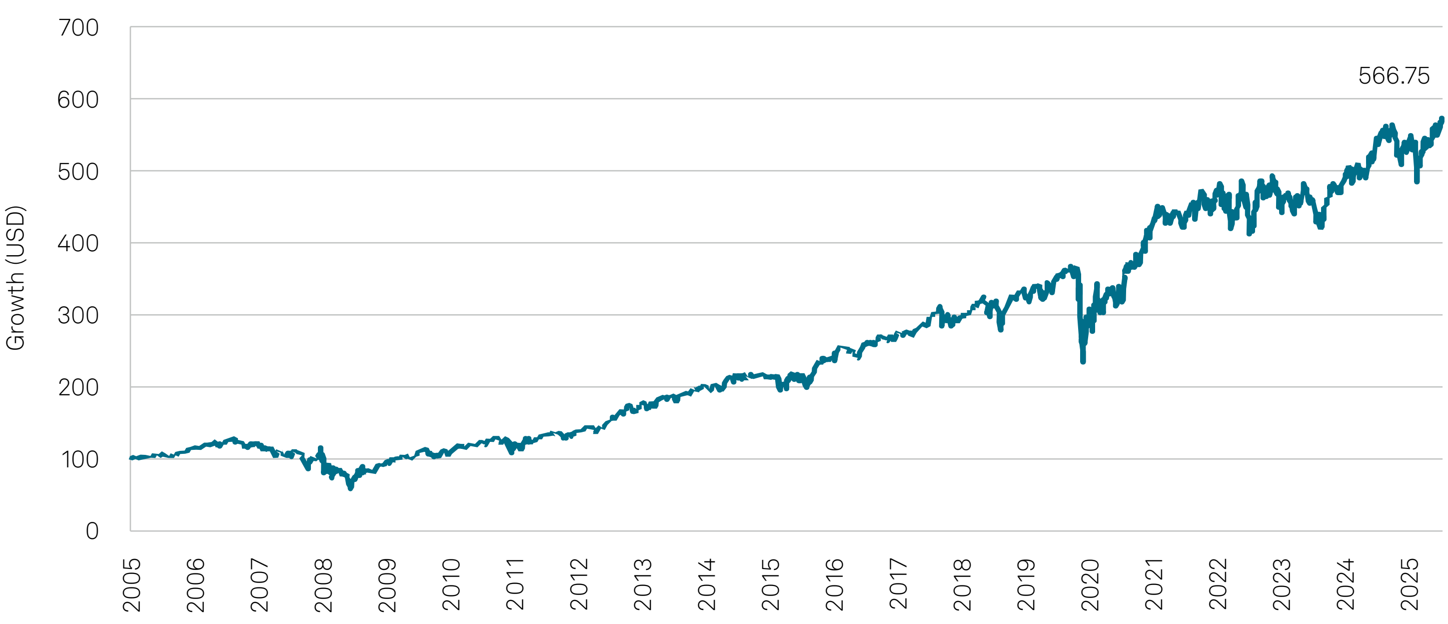


Source: S&P Dow Jones Indices LLC. Data as of Jan. 31, 2025. Chart is provided for illustrative purposes.

3. What would USD 100 tracking the index since its inception 20 years ago have grown to today?

Assuming dividends were reinvested, USD 100 tracking the S&P High Yield Dividend Aristocrats Index since Nov. 9, 2005, would have grown to USD 566.75 by Aug. 31, 2025. This represents an impressive growth of 467% over the past 20 years.

Exhibit 2: Growth of USD 100 Tracking the S&P High Yield Dividend Aristocrats Total Return (Dividends Reinvested)



Source: S&P Dow Jones Indices LLC. Data from Nov. 9, 2005, to Aug. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

4. In what ways has the index demonstrated defensive characteristics throughout its 20-year live history?

The S&P High Yield Dividend Aristocrats Index has consistently offered downside protection during historic market drawdowns, outperforming in all periods except for the COVID-19 drawdown, where it underperformed by 1.9% over the course of one month. Across all drawdown periods, the S&P Composite 1500 fell an average of 17.1%, versus -12.9% for the S&P High Yield Dividend Aristocrats Index.

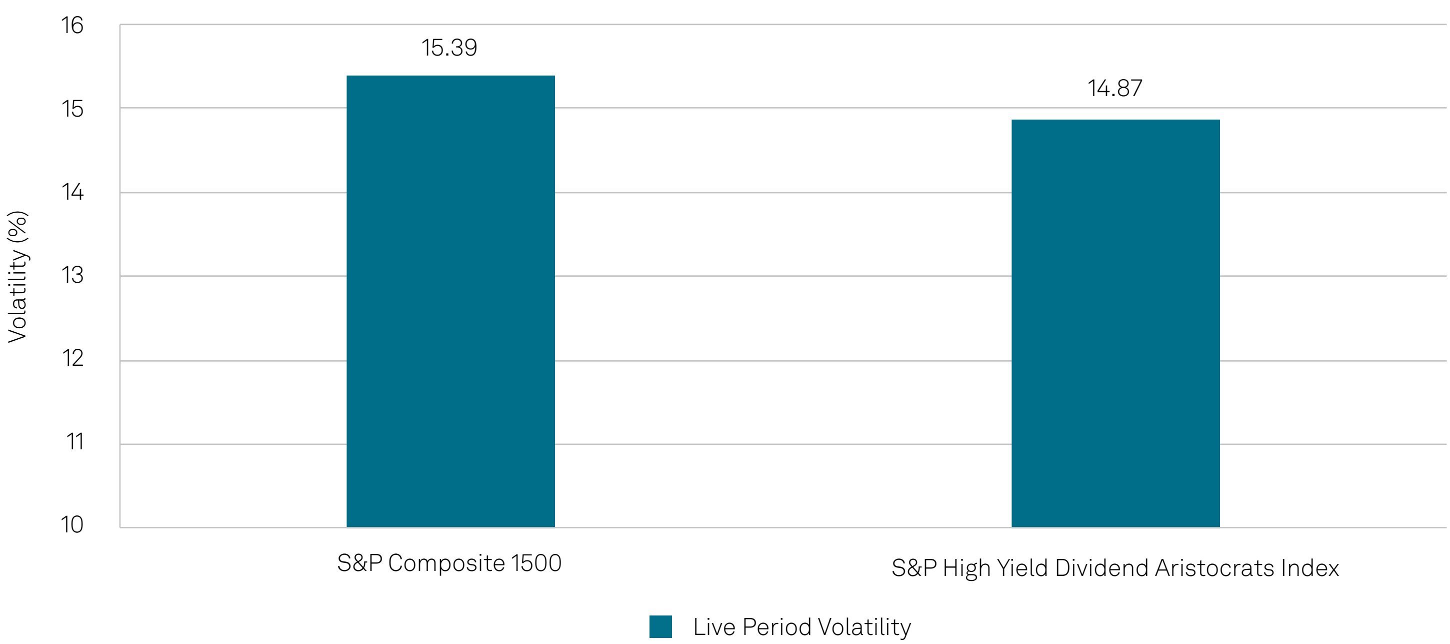
Exhibit 3: Historic Performance during Periods of Volatility

Period	Drawdown (%)	
	S&P Composite 1500	S&P High Yield Dividend Aristocrats Index
Global Financial Crisis (September 2007–February 2009)	-50.0	-45.7
Europe Crisis (March 2010–June 2010)	-11.2	-7.6
China Black Monday (May 2015–September 2015)	-8.4	-6.7
Inflation Fears (January 2018–March 2018)	-5.8	-4.7
Q4 2018 (September 2018–December 2018)	-14.0	-7.9
COVID-19 (March 2020)	-13.1	-15.2
Fed Tightening (December 2021–October 2022)	-17.4	-2.7
Average	**-17.1**	**-12.9**
Median	**-13.1**	**-7.6**

Source: S&P Dow Jones Indices LLC. Data from Sept. 30, 2007, to Oct. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

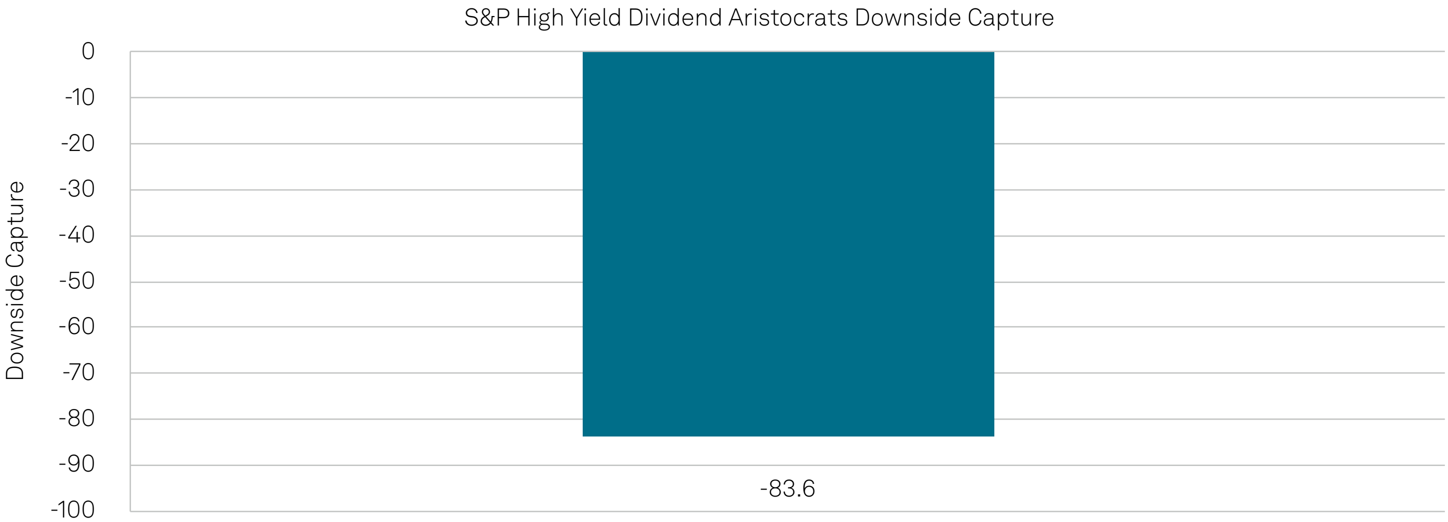
Furthermore, the Index has demonstrated a lower volatility, at 14.87% compared to 15.39% for the S&P Composite 1500. Additionally, it has achieved a lower downside capture ratio of 83.6 relative to the benchmark.

Exhibit 4: Live Period Volatility Comparison



Source: S&P Dow Jones Indices LLC. Data from Nov. 9, 2005, to Aug. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

Exhibit 5: S&P High Yield Dividend Aristocrats Downside Capture versus S&P Composite 1500

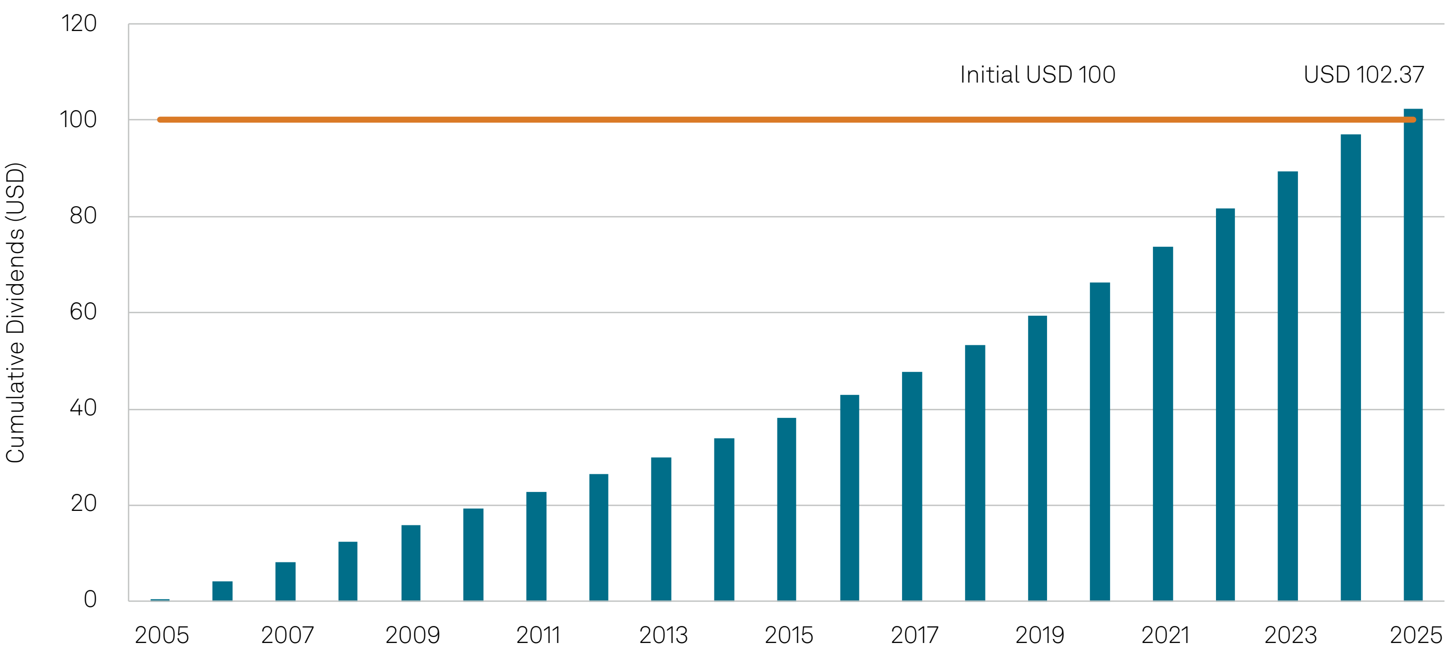


Source: S&P Dow Jones Indices LLC. Data from Nov. 30, 2005, to Aug. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

5. How much in dividends would USD 100 tracking the index over the past 20 years have generated?

For the past 20 years, had a market participant chosen to receive dividends rather than reinvesting them, they would have accumulated a total of USD 102.37 in dividends by August 2025, which is more than the original USD 100.

Exhibit 6: Cumulative Dividends Received by Year

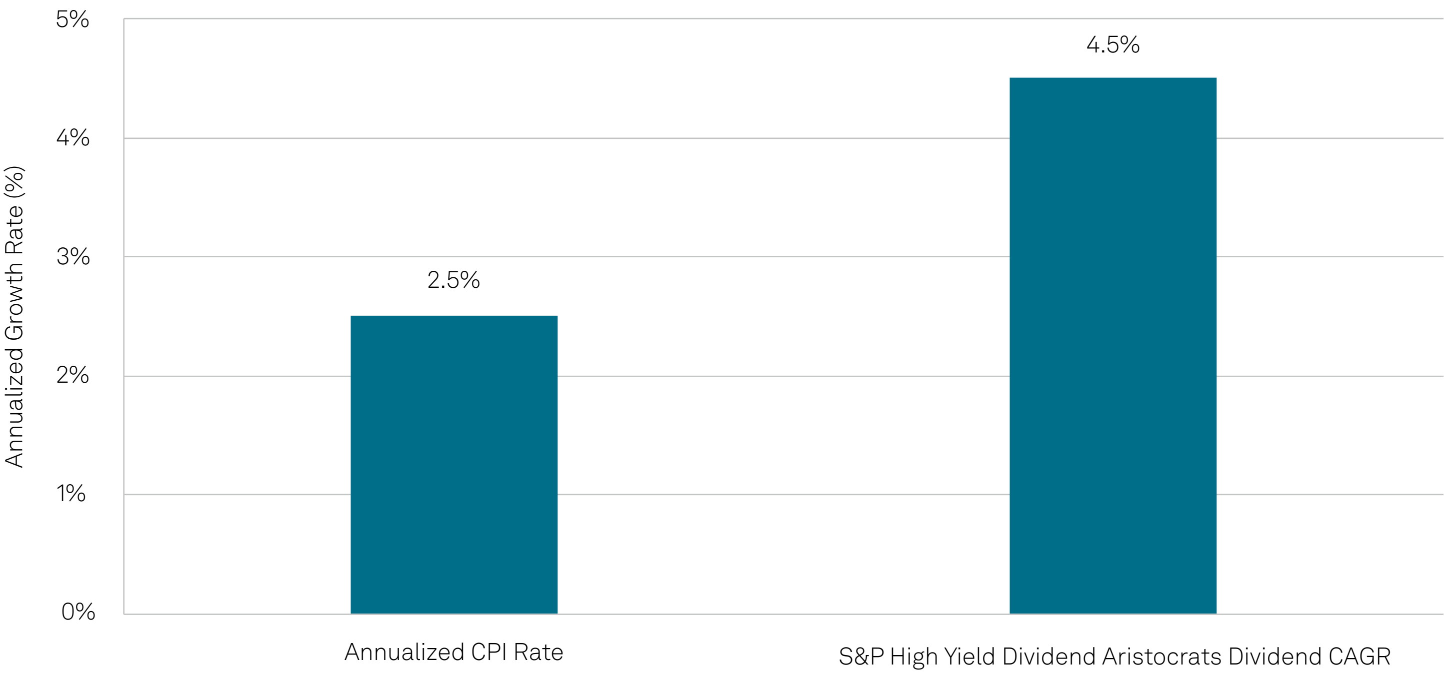


Source: S&P Dow Jones Indices LLC. Data from Nov. 9, 2005, to Aug. 31, 2025. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

6. Since its launch, has the index maintained a strong dividend growth rate?

Companies that consistently increase their dividends often do so at a rate that exceeds inflation, offering investors a growing stream of income that helps maintain purchasing power. Over the past 20 years, the index's constituents have grown their dollar dividends at a compound annual growth rate of 4.5%, easily surpassing the Consumer Price Index (CPI) inflation rate of 2.5% over the same period (see Exhibit 7).[1]

Exhibit 7: Annualized Dividend Growth Rate since Index Inception



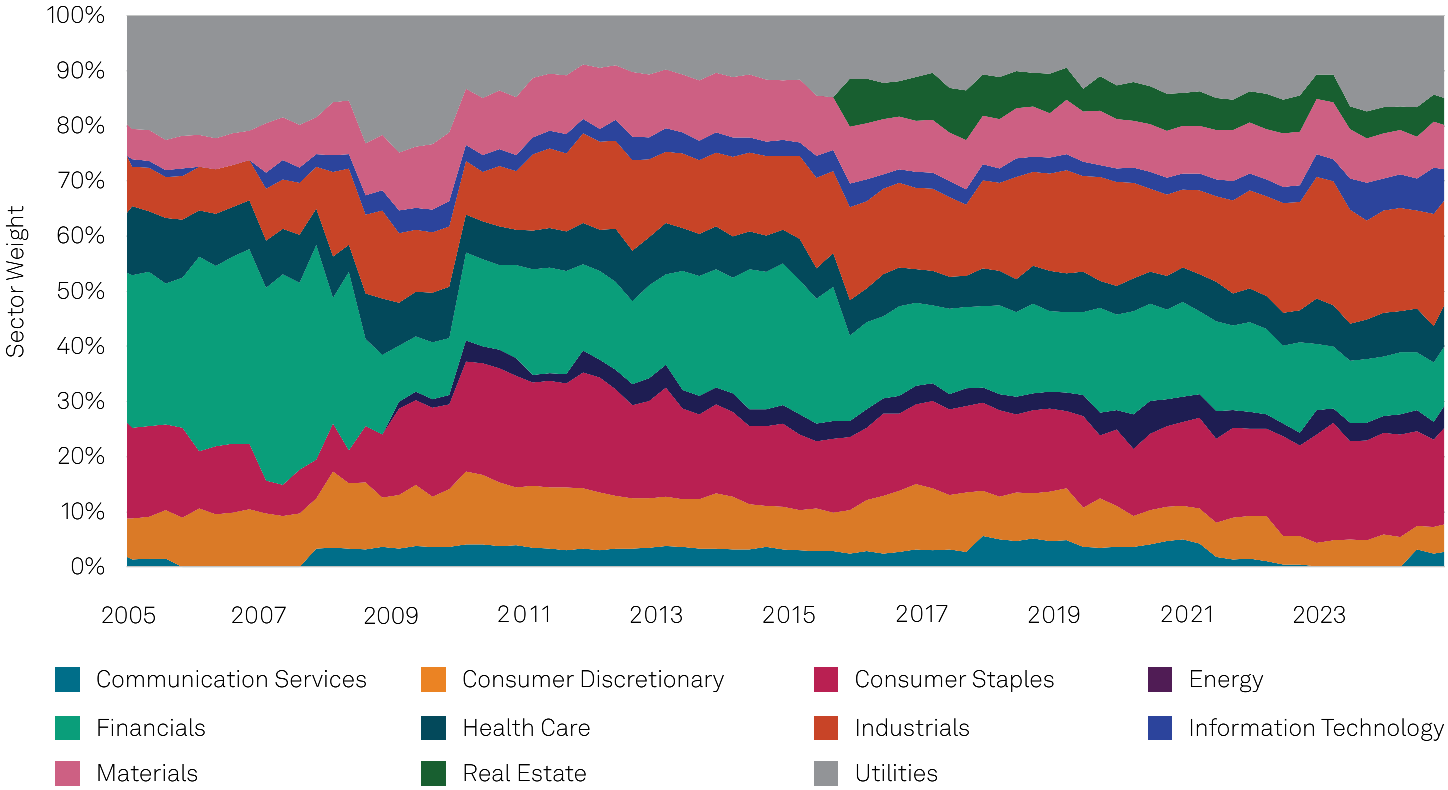
Source: S&P Dow Jones Indices LLC and FactSet. Data from Dec. 31, 2005, to Dec. 31, 2024. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

7. How have sector weights within the index evolved since its launch date?

Exhibit 8 shows that at the index's inception, the largest sector weights were in Financials and Utilities, at 27.3% and 19.7%, respectively. By Aug. 31, 2025, these weights had gradually decreased to 10.8% for Financials and 15.0% for Utilities, and Industrials had the largest weight at 18.9%, a significant increase from 10.5% in November 2005. Exhibit 9 shows that, throughout the last 20 years, the S&P High Yield Dividend Aristocrats Index has maintained a considerable overweight in the Utilities sector, alongside a marked underweight in the Information Technology sector.

[1] U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/CPIAUCSL, Oct. 10, 2024v.

Exhibit 8: Sector Weights over Time



Source: S&P Dow Jones Indices LLC. Data from Nov. 30, 2005, to Aug. 31, 2025. Chart is provided for illustrative purposes.

Exhibit 9: Sector Weight versus the Benchmark

Sector	Aug. 31, 2025 Weights (%)			Full Period Weights (%) (Nov. 11, 2005 - Aug. 31, 2025)		
	S&P Composite 1500	S&P High Yield Dividend Aristocrats Index	Difference	S&P Composite 1500	S&P High Yield Dividend Aristocrats Index	Difference
Communication Services	9.4	2.7	-6.7	5.0	2.7	-2.3
Consumer Discretionary	10.8	4.9	-5.8	11.3	8.7	-2.6
Consumer Staples	5.1	17.5	12.4	8.3	15.3	6.9
Energy	3.1	4.0	0.9	7.5	2.6	-4.9
Financials	14.3	10.8	-3.5	15.1	18.9	3.8
Health Care	9.1	7.5	-1.5	12.9	7.4	-5.5
Industrials	9.5	18.9	9.4	10.5	14.5	4.0
Information Technology	31.9	5.7	-26.2	21.3	3.2	-18.1
Materials	2.2	8.1	6.0	3.3	9.3	6.0
Real Estate	2.4	4.8	2.4	1.5	2.9	1.4
Utilities	2.4	15.0	12.6	3.4	14.6	11.2

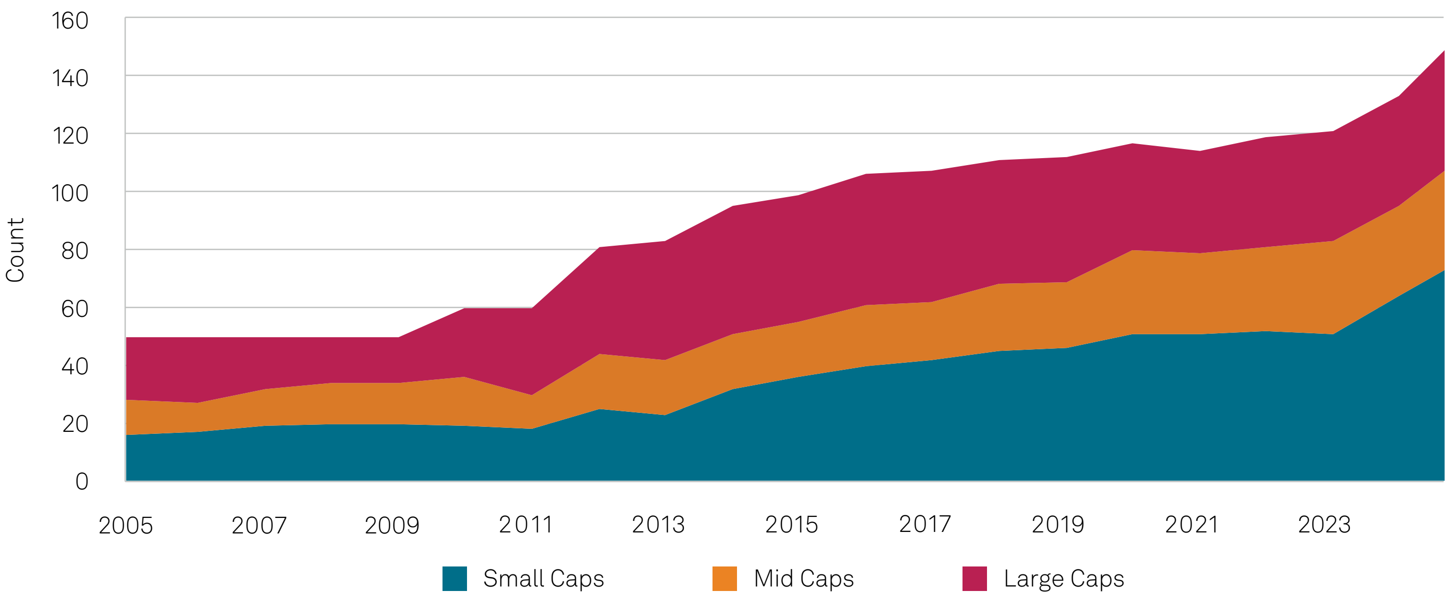
Source: S&P Dow Jones Indices LLC. Data from Nov. 30, 2005, to Aug. 31, 2025. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

8. Since the index launched, how has the number of constituents changed, and what shifts have occurred in the size breakdown?

Since November 2005, the number of constituents has nearly tripled, increasing from 50 to 149. Notably, the count and proportion of small-cap stocks have surpassed those of large- and mid-cap stocks. By August 2025, small caps had increased to 73 constituents, accounting for 49% of the total, while mid caps and large caps had 34 and 42 constituents, representing 23% and 28% of the total, respectively.

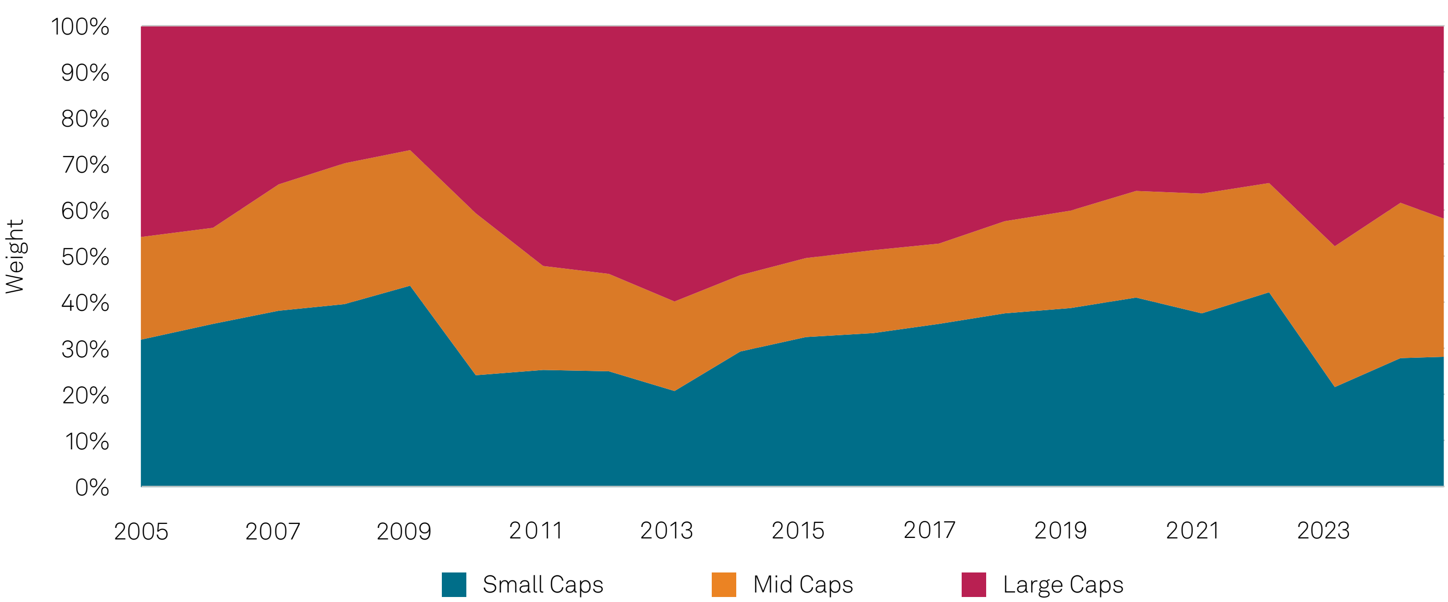
Although small caps have increased in relative proportion by count, their weight has not followed suit. As shown in Exhibit 11, in November 2005, small caps accounted for about 32% of the total weight, compared to 22% for mid caps and 46% for large caps. By August 2025, the weight for both small and large caps had decreased by approximately 4%, bringing them down to 28% and 46%, respectively. In contrast, mid caps saw an increase in their weight of approximately 8%, rising to 30%.

Exhibit 10: Constituent Count and Size Distribution (By Count)



Source: S&P Dow Jones Indices LLC. Data from Nov. 30, 2005, to Aug. 31, 2025. Chart is provided for illustrative purposes.

Exhibit 11: Size Distribution (By Weight)



Source: S&P Dow Jones Indices LLC. Data from Nov. 30, 2005, to Aug. 31, 2025. Chart is provided for illustrative purposes.

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