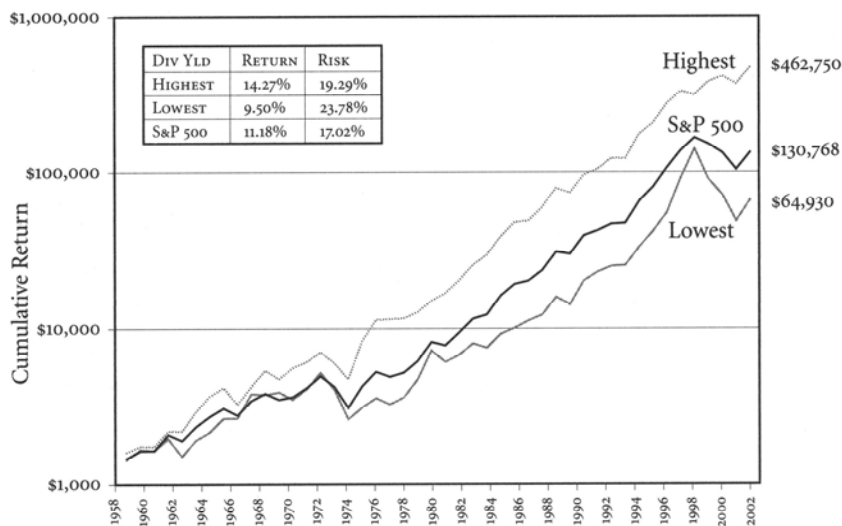


## Performance of High Dividend Yield Stocks of the S&P 500, 1957-2002

In a more recent study, *The Future for Investors*, Crown Business, 2005, Jeremy Siegel, the noted finance professor at the University of Pennsylvania, examined the performance of the component stocks of the Standard and Poor's 500 Stock Index, ranked by dividend yield from 1957 to 2002. In his study, on December 31 of each year, the S&P 500 stocks were sorted into five quintiles ranked by dividend yield. He then calculated the returns of the stocks and quintiles over the next year, re-sorting at year-end. He found that better results were directly correlated with higher dividend yields. The highest yielding quintile (top 20% of S&P 500 based on yield) produced an annualized return of 14.27% versus an annualized return of 11.18% for the S&P 500 Index, which resulted in three times the wealth accumulation of the index.

FIGURE 9.2: CUMULATIVE RETURNS TO S&P 500 SORTED BY DIVIDEND YIELD (SOURCE: COMPUSTAT®)



Source: *The Future for Investors*, Jeremy J. Siegel, Crown Business, 2005, p.128

Please note that the information in the chart above reflects past performance and is not intended to predict or project future investment results.