



## DIVIDEND ASSETS CAPITAL, LLC

INVESTMENT ADVISORS

The recent equity market advancement seems to be somewhat vexing given all the negative news we've been receiving. Here are a few market insights that we hope might bring a little clarity to the current trends:

1. Not all ships are rising with the tide... as of 6/24/20, the S&P500® Index was down **-5.59%** YTD. However, this commonly quoted version is the market-weighted index. When all the holdings are equally weighted, the S&P 500 Index is down **-13.80%** YTD. Also, just 2 holdings, Apple and Microsoft, have a combined index weight of more than 11% and the IT Sector alone is more than a quarter of the entire index. So currently, much of the index returns investors hear about are being driven by a relatively low number of concentrated index holdings.
2. When measured by dividend yield, sectors like Energy and Financials are trading at relatively steep discounts. Energy, for instance, is at a 91% discount to its historical average yield, even after the 69% rally from the March lows. The S&P has rallied 41% since its March low and currently trades at a 10% dividend yield premium to its historical average. Communication Services, Consumer Discretionary and IT top the list of sectors trading at a higher premium than the S&P 500.

Name	last price	52Week high	T12 P/E	Yield	DVO Yield		P/E	Ticker	SD price change	3M price change	MTD return	YTD return	Performance
					Premium/D	premium/D							since March
ASO20 index	\$4.35	-13.8%						S&P 500 Annl Div Dec20	1.40%	9.5%	3.0%	-11%	8.8%
SSTELS INDEX	\$184.15	-4.9%	22.40	1.27%	72%	32%		S&P 500 COMM SVC	3.20%	5.2%	1.8%	1%	35.0%
SSOOND INDEX	\$1,044.50	-2.6%	34.32	1.08%	32%	67%		S&P 500 CONS DISCRET IDX	3.52%	7.5%	4.2%	6%	46.6%
CCMP INDEX	\$8,943.05	-1.4%	40.51	1.01%	24%	32%		NASDAQ COMPOSITE INDEX	4.74%	8.3%	4.8%	11%	46.7%
SBWFT INDEX	\$1,807.55	-1.8%	28.53	1.24%	17%	51%		S&P 500 INFO TECH INDEX	4.57%	7.9%	5.2%	12%	47.8%
SSINDU INDEX	\$590.29	-17.9%	17.79	2.06%	10%	1%		S&P 500 INDUSTRIALS IDX	3.85%	11.8%	3.5%	-14%	45.8%
SPX Index	\$3,115.34	-8.2%	21.78	1.99%	10%	21%		S&P 500 INDEX	3.77%	6.6%	2.3%	-4%	41.4%
RIY INDEX	\$1,725.71	-8.2%	22.89	1.95%	10%	24%		RUSSELL 1000 INDEX	3.92%	7.0%	2.6%	-3%	41.6%
SRIST INDEX	\$220.38	-15.3%	45.52	3.26%	9%	-9%		S&P 500 REAL ESTATE IDX	3.43%	11.6%	2.9%	-8%	40.1%
SSUTIL INDEX	\$298.17	-17.1%	15.74	3.61%	7%	-4%		S&P 500 UTILITIES INDEX	0.52%	5.0%	-1.3%	-9%	32.1%
SSHLTH INDEX	\$1,359.85	-5.2%	20.54	1.94%	1%	8%		S&P 500 HEALTH CARE IDX	2.99%	-0.4%	-3.2%	-2%	35.2%
SSCONS INDEX	\$609.93	-8.4%	20.12	3.01%	-1%	6%		S&P 500 CONS STAPLES IDX	2.84%	4.1%	0.7%	-6%	23.5%
SSMATR INDEX	\$853.04	-9.2%	21.02	2.37%	-5%	14%		S&P 500 MATERIALS INDEX	4.32%	6.5%	1.3%	-9%	49.1%
AMINA INDEX	\$339.98	-32.8%	9.84	8.29%	-16%	-37%		AlerianMidstreamEnergy	4.30%	4.4%	1.3%	-28%	69.6%
SSFINL INDEX	\$899.37	-23.2%	12.54	3.17%	-35%	-13%		S&P 500 FINANCIALS INDEX	4.38%	11.6%	3.1%	-22%	38.8%
AMZ INDEX	\$148.46	-42.6%	8.73	10.59%	-42%	-63%		ALERIAN MLP INDEX	3.87%	7.6%	2.8%	-32%	92.1%
AMEI INDEX	\$340.78	-33.7%	5.83	8.10%	-48%	-75%		AlerianMidstreamEnrg5lct	4.74%	5.8%	2.8%	-29%	75.1%
SSENRS INDEX	\$301.45	-37.0%	23.29	5.55%	-91%	-9%		S&P 500 ENERGY INDEX	3.45%	6.0%	3.4%	-34%	68.9%

Source: Bloomberg; Data as of 6/19/20

3. Lastly, here's a little historical perspective. It's interesting how the current market movement during the COVID crisis has correlated to the market rebound we saw in 2009 after our last economic crisis. This chart compares performance of the S&P500® in 2009 (yellow line) vs. its YTD 2020 performance (green line).



Source: Bloomberg; Data as of 6/19/20

Your DAC team is here for you and we hope you find this information helpful. Please do not hesitate to contact us with any questions or concerns at (843) 645-9700 or [www.dacapitalsc.com](http://www.dacapitalsc.com).

#### **Disclosures**

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