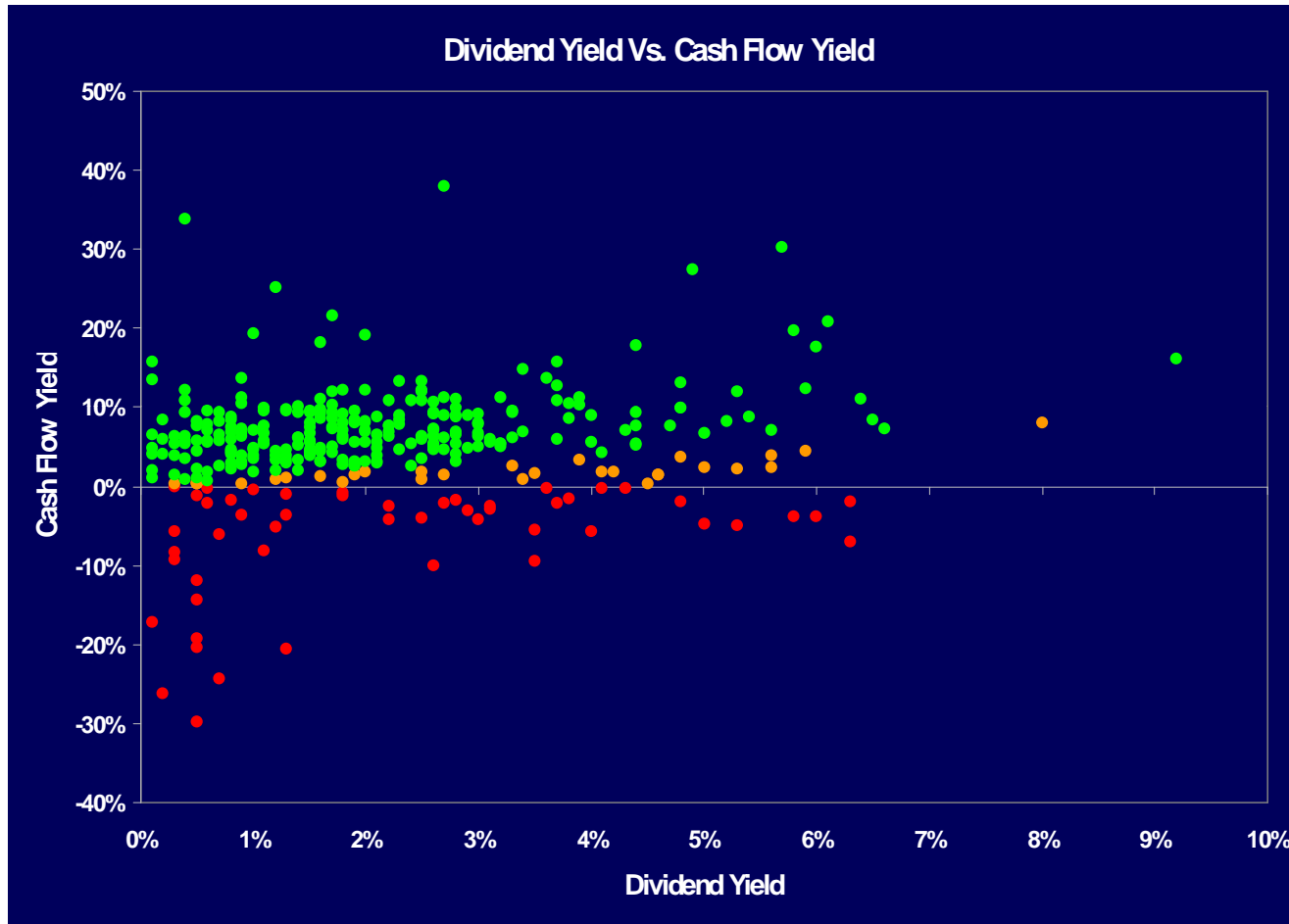


# Chasing Yield In A Low/Rising Rate Environment Part IV

## Dividends Expensive Relative to Cash Flow, Indicates Growth May Be Cheap



- Red dot:** Negative Cash Flow, Dividend paid out of existing Capital
- Orange dot:** Dividend Yield greater than Cash Flow Yield
- Green dot:** Cash Flow Yield greater than Dividend Yield.

- Larger number of green dots indicates that growth prospects may be undervalued as investors prefer the safety of cash in hand vs. the uncertainty of growth through internal reinvestment.
- Red dots indicate stocks with negative Cash Flow that paid Dividends out of existing Cash – signaling limited near-term growth prospects.

S&P 500 companies with Dividend/Share greater than zero. Cash flow before financing activities used to calculate Cash Flow Yield.