

The two biggest dividend ETFs look different inside.



WHY ANYONE OWNS IT

The income overlay

Equity returns come from two places. Either the price goes up and you sell, or the companies pay you out of earnings.

Live on the first alone and you get paid only by selling, at whatever price the market gives you that day. The second is the dividend, and it pays you without having to sell. So the diversification is not in what you own. It is in how you get paid.

WHAT THE LABEL COVERS

The income overlay

Dividend is a label. It covers one category inside a bigger story, the income overlay. Other categories sell options or hold bonds.

Two of the three largest dividend ETFs are Vanguard's. VIG is Dividend Appreciation. It screens for a long record of raising the payout. VYM is High Dividend Yield. It screens for what a company pays today.

A company only has that record if it kept paying through the bad years. That is a test of durability written as an income rule.

Read the screen, not the name.

THE CROSS-SECTION

43.9

NARRATIVE ATTENTION INDEX · ALL 22 · 2026-W37



The index scores the whole income overlay, not the dividend category on its own.

C1 The AI compute core 55.9	C5 The rate regime 55.6	C2 The productivity handoff 54.3	C21 The orbital economy 51.0
C6 Hard asset flight 49.3	C14 The trade-war tax 49.1	C16 Pure narrative flow 48.6	C11 Geopolitical supply 48.0
C10 The power constraint 47.9	C8 Crypto conviction 47.8	C18 The refinancing cycle 44.3	C17 The income overlay 43.9
C22 The quantum frontier 43.6	C4 The biology trade 42.2	C19 The defense trade 41.1	C9 Onchain infrastructure 39.9
C12 The reshoring trade 39.2	C15 The fear layer 37.7	C13 Dollar displacement 37.1	C3 Physical AI layer 36.8
C7 The credit signal 32.0	C20 The values trade 24.8		

COLOR IS THE LEVEL. A RED TILE IS A QUIET NARRATIVE, NOT A FALLING ONE.

The income overlay

INSIDE THE CATEGORY

VIG and VYM run different screens. VIG and SCHD, the two biggest, share no company in their ten largest positions.

Those ten are a third of one ETF and two fifths of the other. Three ETFs are more than half of this category.

ETF	SHARE OF CATEGORY	AUM
1 VIG	20.1%	\$114 . 5bn
2 SCHD	19.7%	\$112 . 3bn
3 VYM	14.7%	\$84 . 0bn
4 DGRO	7.6%	\$43 . 5bn
5 CGDV	6.8%	\$38 . 7bn
6 DVY	4.1%	\$23 . 6bn

Share is of dividend ETFs, not of the whole income overlay. The two largest hold \$226.8bn between them.

THE ARGUMENT

The income overlay

For most of the last decade the difference did not matter. Cash paid almost nothing and both screens paid you. Today cash pays.

If you hold a dividend ETF for the income, cash competes. If you hold it for the screen, it does not.

The category is the same.
What you own is not.

Income, or durability?

ETFs are ranked by measured share of this category's capital. Placement cannot be bought and is not editorial.

