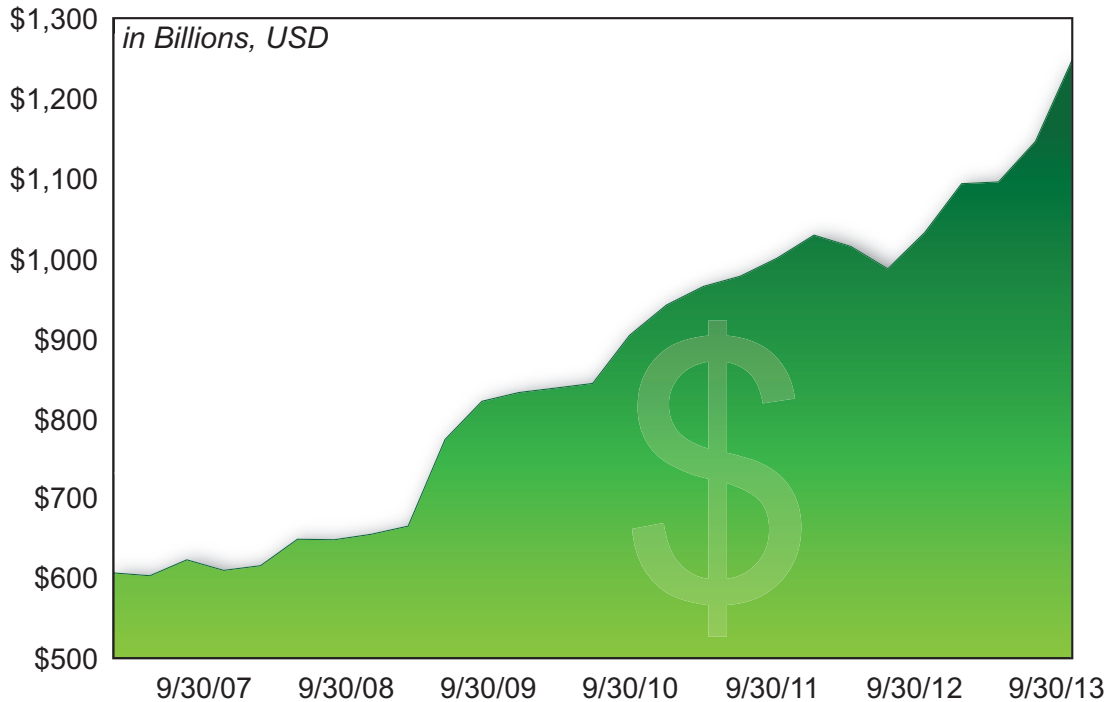


# Corporations Are Still Socking The Cash Away

## S&P 500 Old Industrials Cash & Equivalents (Excludes Financials, Utilities and Transportation Issues)



Source: S&P Capital IQ. Data is quarterly from 3/30/07 through 9/30/13. 9/30/13 data is preliminary.

## View from the Observation Deck

1. While the U.S. government remains mired in fiscal decay, Corporate America is not only "lean and mean," it appears to be strengthening, in our opinion.
2. The S&P 500 Old Industrials companies have more than doubled their cash and equivalent holdings from \$606.6 billion in March 2007 to \$1.25 trillion in September 2013.
3. These companies even managed to raise their cash and equivalent holdings during the last recession (12/07-6/09) stemming from the financial crisis: \$609.7 billion (12/07) to \$772.7 billion (6/09).
4. Cash and equivalent holdings are up big despite the fact that S&P 500 companies have spent more than a combined \$3.75 trillion on stock buybacks and dividend payouts since September 2007, according to S&P Dow Jones Indices.
5. We have been pro-Corporate America for the better part of the past five years and, as a result, have been resolute in our enthusiasm for the market. We remain so at the onset of 2014.

*This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance.*