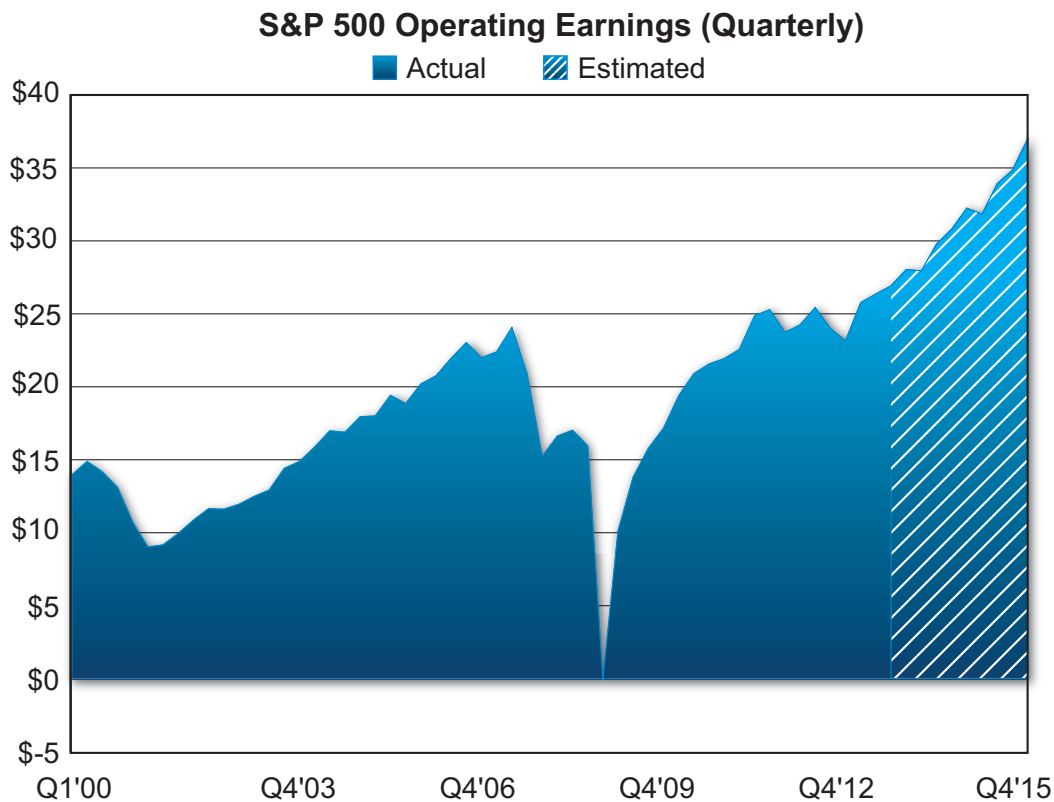


Corporations Expected To Grow Earnings Through 2015



Source: S&P Dow Jones Indices. Data is from Q1 2000 to Q4 2015.

View from the Observation Deck

1. A common question we often get from investors whenever the stock market is setting new all-time highs is the following: What will it take to push stock prices higher from here?
2. It's an appropriate question that can be answered, more often than not, in two words: higher earnings.
3. For those investors who prefer a good metaphor to help put things into context, we'll cite you a recent (3/4/14) baseball reference from Jeremy Siegel. He believes the S&P 500 is in around the 4th or 5th inning of the game.
4. Jeremy Siegel, the Russell E. Palmer Professor of Finance at the Wharton School of the University of Pennsylvania, supported his claim with the strong S&P 500 earnings projections featured in the chart.
5. In addition to the forward-looking quarterly estimates (Q4'13-Q4'15), we included data dating back to Q1'00, which is when the Internet bubble burst.
6. As indicated in the chart, S&P 500 earnings have grown significantly since 2000, despite multiple wars since 2003, two bear markets (3/00-10/02 & 10/07-3/09) and the recession that accompanied the global financial crisis in 2008.

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. S&P 500 operating earnings represent income from product (goods and services), excluding corporate (M&A, financing, layoffs) and unusual items.