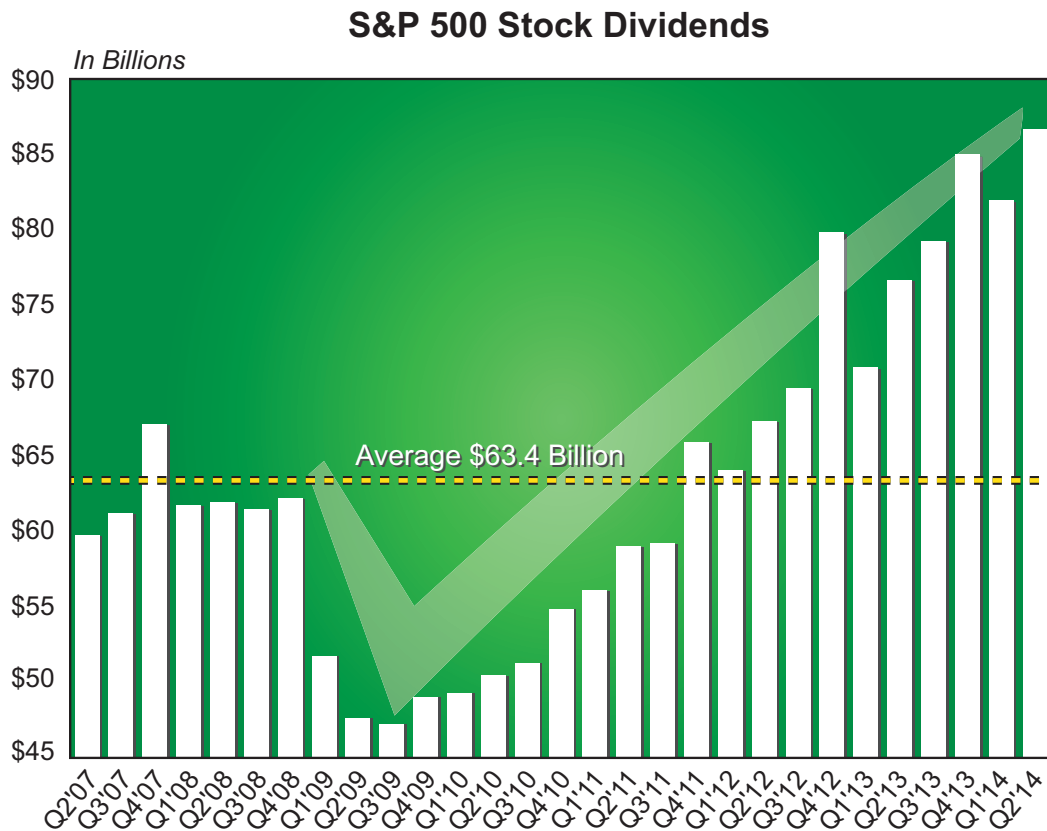


Investors With Exposure To Dividend-Paying Stocks Should Check This Out



Source: S&P Dow Jones Indices. Q2'14 data is preliminary.

View from the Observation Deck

1. Today's blog post is an update of one we did on 3/27/14. We intend to continue monitoring the direction of S&P 500 stock dividend distributions over the coming quarters.
2. S&P 500 companies paid out \$86.65 billion in stock dividends in Q2'14, up 13.02% from the \$76.67 billion distributed in Q2'13. This is an indication of how healthy Corporate America is in 2014, in our opinion.
3. The \$86.65 billion distributed in Q2'14 was 83.5% higher than the \$47.21 billion in Q3'09 (see chart). Stock dividend distributions are now well above pre-financial crisis levels.
4. Companies have the capital to raise payouts. The cash and equivalent holdings of the S&P 500 Old Industrials companies (excludes Financial, Utility & Transportation companies) stood at \$1.23 trillion in Q1'14, according to S&P Dow Jones Indices.
5. Investors should be encouraged by the fact that companies are not only distributing billions of dollars more each quarter to shareholders via stock dividends, but have the wherewithal to keep this trend going.

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.