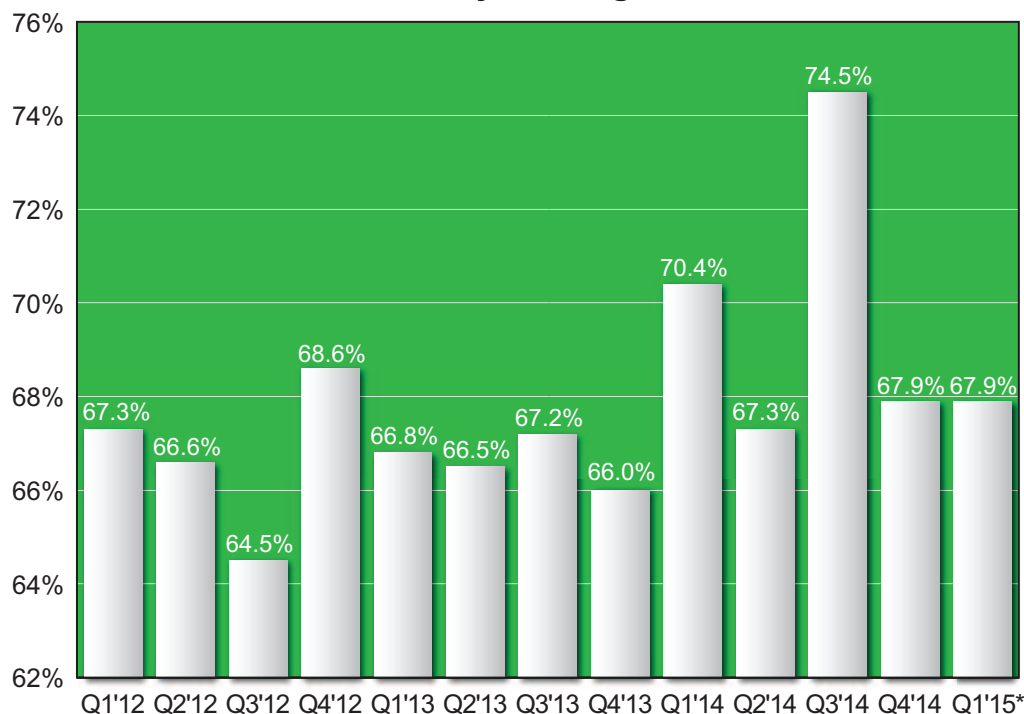


The S&P 500 Beat Rate Hasn't Skipped A Beat

% of S&P 500 Companies That Beat Their Quarterly Earnings Estimates



Source: Bloomberg. *As of 5/5/15, 408 companies have reported.

View from the Observation Deck

1. From Q1'12 through Q4'14, the average quarterly earnings beat rate for S&P 500 companies was 67.8%. The 67.9% beat rate so far in Q1'15 is on the mark.
2. The Q1'15 beat rate may be surprisingly high to some investors, considering the soft economic data posted in Q1'15. Real U.S. GDP growth came in at an annualized 0.2%, according to the Bureau of Economic Analysis.
3. Heading into earnings season, the financial media had been reporting that equity analysts were lowering estimates. Many multinational companies warned investors that the strong U.S. dollar could cut into earnings.
4. As of 5/5/15, the "percent change in adjusted earnings to estimates" stood at 6.90% for Q1'15, according to Bloomberg. In other words, on average, earnings have come in 6.90% above the estimates projected prior to earnings reporting season.

This chart is for illustrative purposes only and not indicative of any actual investment. 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.