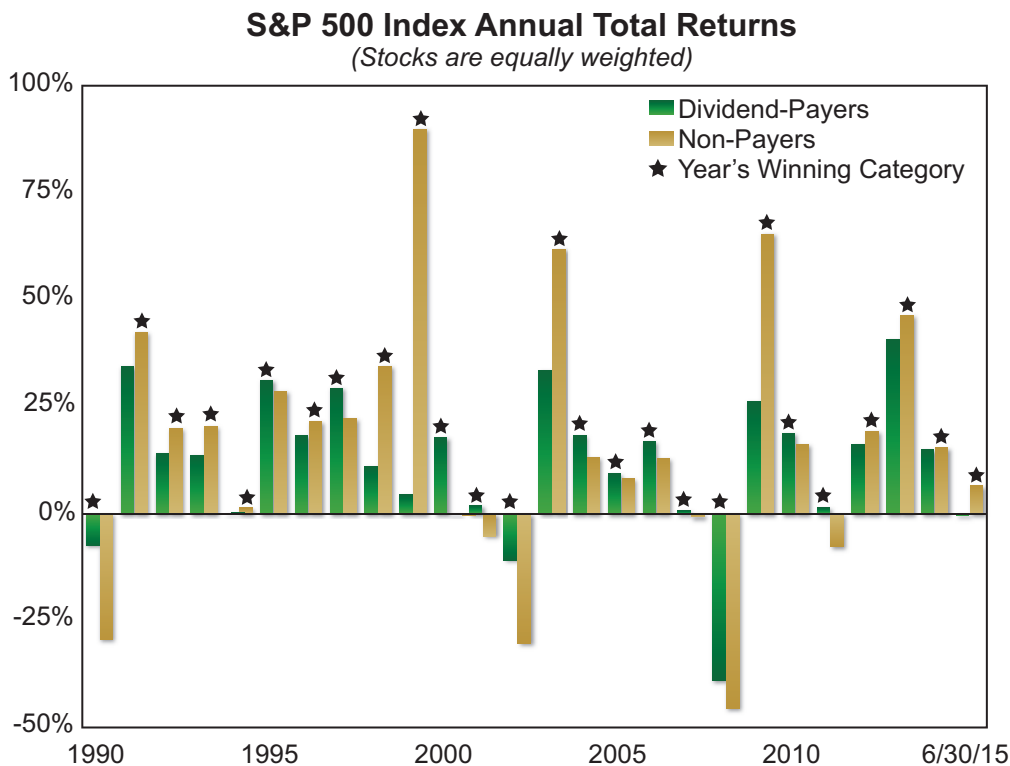


Growth-Oriented Stocks in the S&P 500 Outperforming Dividend-Payers (2012-Present)



View from the Observation Deck

1. One of the ways in which S&P Dow Jones Indices tracks the performance of the constituents in the S&P 500 is by separating those that pay a dividend from those that do not.
2. As of 6/30/15, there were actually 502 stocks in the index and 421 of them distributed a cash dividend to shareholders, while 81 did not.
3. The number of S&P 500 companies that distribute dividends fluctuates over time. Since 1990, the numbers have ranged from a high of 438 in 1990 to a low of 351 in 2001.
4. From 1990-2014, the dividend-payers category outperformed the non-payers category, on a total return basis, in 13 of the 25 calendar years, or 52% of the time.
5. The non-payers category, however, outperformed the dividend-payers category, on a total return basis, in 2012, 2013, 2014, and in the first half of 2015.
6. Historically, growth-oriented stocks (non-payers) have tended to assume the leadership role during bull markets when economic growth turns robust, or at least accelerates over a sustained period of time.
7. In the 1990s, the non-payers category outperformed the dividend-payers category in 7 of the 10 calendar years, including a four-year run from 1991-1994.
8. Real U.S. GDP growth averaged 3.3% per year in the 1990s, according to the Bureau of Economic Analysis. From 2012-Q1'15, real U.S. GDP growth averaged 2.4%.
9. The International Monetary Fund is forecasting 2.5% real GDP growth for the U.S. in 2015, as of 7/9/15, according to Reuters.
10. We will continue to monitor to see if growth-oriented stocks (non-payers) can maintain their leadership role in the S&P 500 or relinquish it back to the more value-oriented dividend-payers.

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