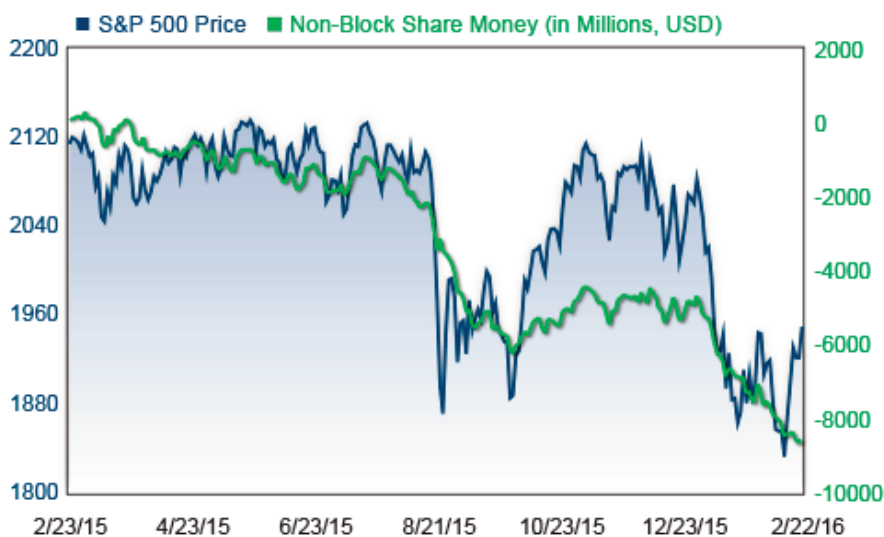
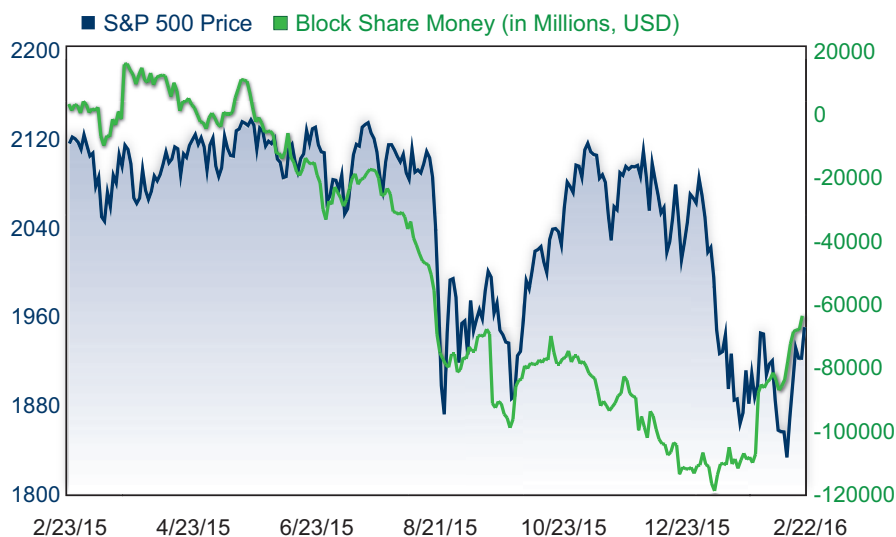


Block Trading In The S&P 500 Index Has Turned For The Better

Block Trades (10,000 shares or more) vs. Non-Block (<10,000)



Source: Bloomberg.
Past performance is no
guarantee of future results.

View from the Observation Deck

1. The S&P 500 Index set its all-time high on 5/21/15 at 2,130.82. From 5/21/15 through 2/22/16, the index declined by 8.70% to 1,945.50.
2. As indicated in the two charts, both block (10,000 shares or more) and non-block (< 10,000 shares) trading patterns in the S&P 500 Index have mostly signaled a selling bias since 5/21/15.
3. The one bright spot in the charts can be found in the top chart depicting block trading. It shows that the selling bias has eased since the end of January 2016.
4. Though not included in the 12-month period featured in the charts above, it is important to note that block trading, which is more associated with institutions, was largely responsible for driving the S&P 500 Index higher in the current bull market (3/9/09-2/22/16), according to Bloomberg. From 3/9/09-2/22/16, the S&P 500 Index posted a cumulative total return of 233.1%, according to Bloomberg.
5. Non-block trading, which would include most retail investors, actually reflected primarily a selling bias in the S&P 500 Index from around mid-2010 through the present, according to Bloomberg.
6. The S&P 500 Index is not expensive on a price-to-earnings (P/E) ratio basis, in our opinion. As of 2/23/16, the 2016 and 2017 estimated P/Es on the S&P 500 Index were 16.08 and 14.21, respectively, below the 10-year average of 16.57, according to Bloomberg.

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.