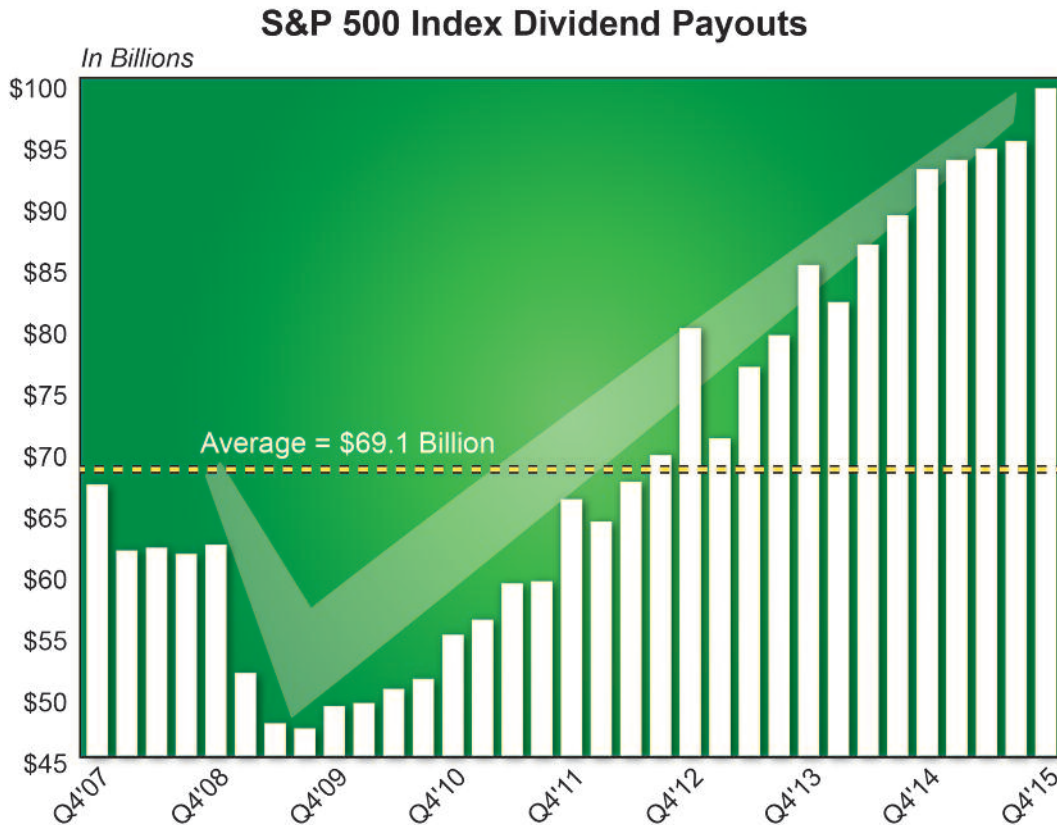


S&P 500 Index Dividend-Payers Distributing Record Levels Of Cash



Source: S&P Dow Jones Indices. Q4'15 data is preliminary.

View from the Observation Deck

1. S&P 500 companies paid out a record-high \$99.39 billion in stock dividends in Q4'15, up 7.1% from the \$92.80 billion distributed in Q4'14.
2. The \$99.39 billion distributed in Q4'15 was 110.5% higher than the \$47.21 billion paid out in Q3'09, which was the lowest level in the last eight years, and it was 48.1% above the pre-financial crisis (2008-2009) record-high of \$67.09 in Q4'07.
3. With all of the discussion in the financial media about the U.S. economy being on the cusp of sliding into recession, the steady rise in stock dividend distributions suggests that Corporate America is still on solid footing, in our opinion.
4. In addition to the higher payouts, more companies are paying dividends than in 2009. The number of dividend-payers in the S&P 500 Index rose from 363 in December 2009 to 417 in December 2015, according to S&P Dow Jones Indices.
5. In Q4'15, five sectors contributed nearly two-thirds (66%) of the S&P 500 Index's dividend payout. Here was the breakdown: 15.7% (Financials); 15.2% (Information Technology); 12.5% (Consumer Staples); 11.8% (Health Care); and 10.8% (Industrials), according to S&P Dow Jones Indices.
6. S&P 500 Industrials (Old), defined as the S&P 500 minus Financials, Utilities and Transportation companies, had cash and equivalent holdings totaling \$1.326 trillion in Q4'15, down slightly from the all-time high of \$1.333 trillion set in Q4'14.
7. 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 appear to have the wherewithal to keep this trend going, in our opinion.

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.