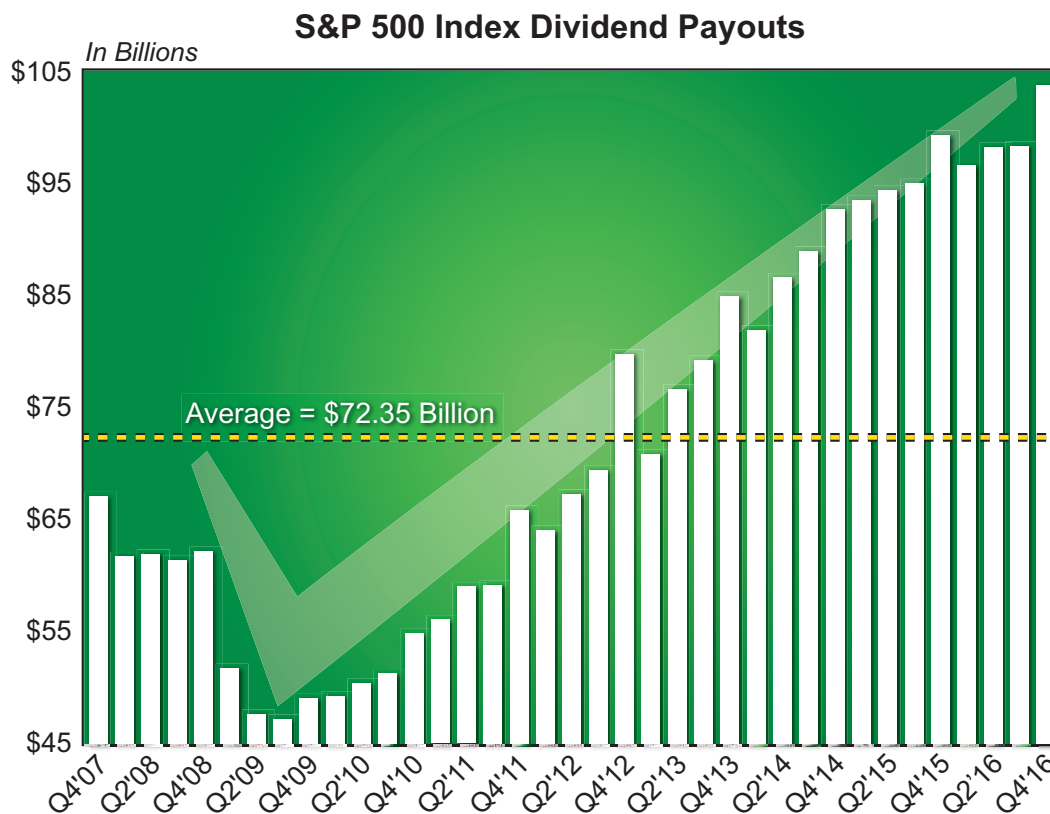


# S&P 500 Index's Dividend Payout Topped \$100 Billion In Q4'16



Source: S&P Dow Jones Indices. Q4'16 data is preliminary.

## View from the Observation Deck

1. S&P 500 Index companies paid out \$103.82 billion in cash dividends in Q4'16 (1st \$100 billion quarter in the history of the S&P 500 Index), up 4.46% from the \$99.39 billion distributed in Q4'15.
2. It marked the ninth consecutive quarter in which cash dividend distributions exceeded \$90 billion. Over the past 37 quarters through Q4'16, the average quarterly dividend payout was \$72.35 billion.
3. The low point in the chart was the \$47.21 billion paid out in Q3'09, the first quarter of the current economic expansion. From Q3'09 to Q4'16, the index's quarterly dividend payout more than doubled (+119.91%).
4. In 2016, S&P 500 Index companies paid out \$397.2 billion in cash dividends, up 3.9% from the \$382.3 billion distributed in 2015, according to S&P Dow Jones Indices.
5. The steady rise in dividend distributions throughout the current economic recovery suggests that Corporate America is still on solid footing, in our opinion.
6. As of 12/30/16, five sectors contributed 63.13% of the S&P 500 Index's dividend payout. Here was the breakdown: 15.49% (Information Technology); 12.49% (Consumer Staples); 12.15% (Financials); 12.02% (Health Care); and 10.98% (Industrials), according to S&P Dow Jones Indices.
7. S&P 500 Industrials (Old), defined as the S&P 500 minus Financials, Utilities and Transportation companies, had cash and equivalent holdings totaling \$1.48 trillion in Q4'16, just below the all-time high of \$1.49 trillion in Q3'16, according to S&P Dow Jones Indices.
8. Investors should be encouraged by the fact that companies are not only distributing billions of dollars more each quarter to shareholders via 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 (currently 505) used to measure large-cap U.S. stock market performance.*