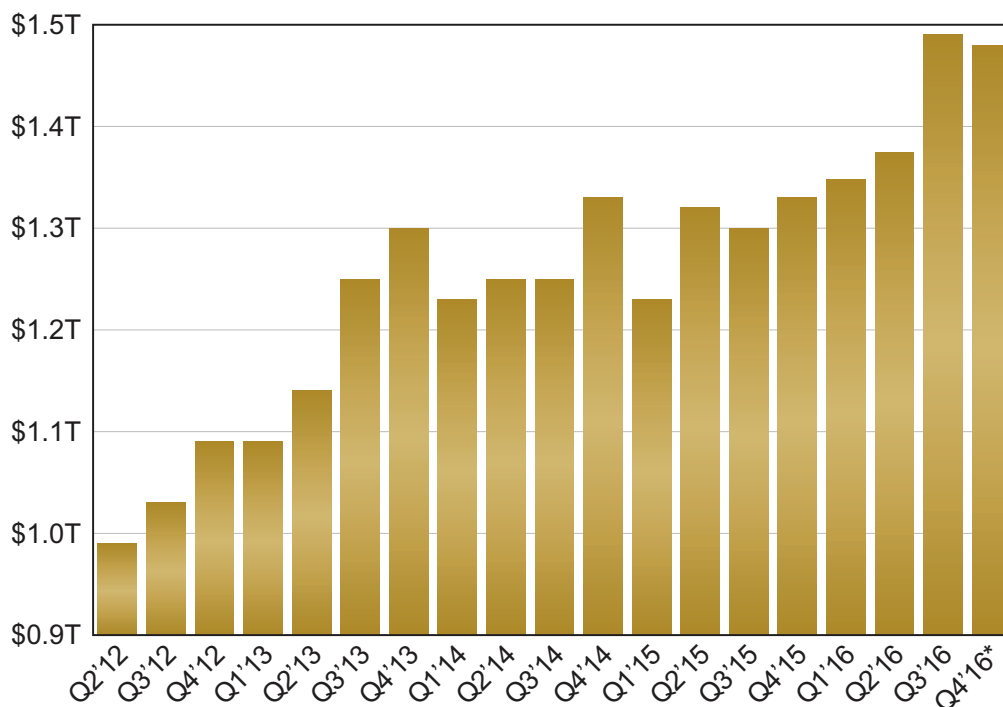


# One Measure Of Corporate Cash Holdings Just Shy Of \$1.5 Trillion

## S&P 500 Industrials (Old) Cash & Equivalents



Source: S&P Dow Jones Indices. \*Q4'16 amount is preliminary.  
S&P 500 Industrials (Old) is defined as the S&P 500 minus Financials, Utilities and Transportation companies.

## View from the Observation Deck

1. In Q4'16, preliminary data puts S&P 500 Industrials (Old) cash and equivalents at a near-record high of \$1.48 trillion (see chart). The all-time high was \$1.49 trillion, set in Q3'16.
2. From Q2'12 through Q2'16, cash holdings rose from \$985.38 billion to \$1.49 trillion, or a gain of 51.2%. The S&P 500 Index posted a cumulative total return of 81.01% over the same period, according to Bloomberg.
3. What is interesting is that S&P 500 Index companies spent a combined \$4.11 trillion on stock dividend distributions and stock buybacks over that same period (not shown in chart), according to S&P Dow Jones Indices.
4. Keep in mind that S&P 500 companies also utilize capital for such things as mergers and acquisitions, investment in plants and factories, and to purchase software and equipment.
5. Seeing cash holdings at an all-time high suggests that Corporate America, in aggregate, is on solid footing, 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 and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance.*