

Some Insight Into The S&P 500 Index Dividend Payout

S&P 500 Index Dividend Payout Breakdown (As of 4/30/18)

Sectors/Index	Constituents	% of Constituents that pay a Dividend	Dividend Payout Contribution
Cons. Discretionary	82	74%	8.88%
Cons. Staples	34	97%	11.51%
Energy	31	94%	9.13%
Financials	69	94%	13.07%
Health Care	61	56%	12.41%
Industrials	70	90%	10.02%
Info. Tech.	69	65%	16.23%
Materials	25	96%	2.90%
Real Estate	33	94%	5.10%
Telecom. Services	3	100%	5.42%
Utilities	28	96%	5.32%
S&P 500	505	82%	100.00%

Source: S&P Dow Jones Indices. Past performance is no guarantee of future results.

View from the Observation Deck

- As of 4/30/18, 415 of the constituents in the S&P 500 Index distributed a stock dividend to shareholders. There are currently 505 stocks in the index.
- For comparative purposes, since 1980, the highest number of dividend-paying stocks in the S&P 500 Index at year-end was 469 (1980), while the lowest number was 351 (2001 & 2002), according to S&P Dow Jones Indices.
- Information Technology and Financials contributed the most to the S&P 500 Index's dividend payout at 16.23% and 13.07%, respectively, as of 4/30/18 (see table).
- In Q1'18, the total dividend payments from the constituents in the S&P 500 Index totaled \$109.2 billion, up 8.23% from the \$100.9 billion distributed in Q1'17, according to S&P Dow Jones Indices.
- S&P 500 Industrials (Old), defined as the S&P 500 minus Financials, Utilities, Real Estate and Transportation companies, had cash and equivalent holdings totaling an all-time high of \$1.636 trillion in Q4'17, according to S&P Dow Jones Indices. This indicates that S&P 500 companies have the wherewithal to increase dividend payments moving forward, even without factoring in any of the capital that could potentially be allocated to dividends as a result of the cut in the federal corporate tax rate from 35% to 21% last December (Tax Cuts & Jobs Act), in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. 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, while the S&P Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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