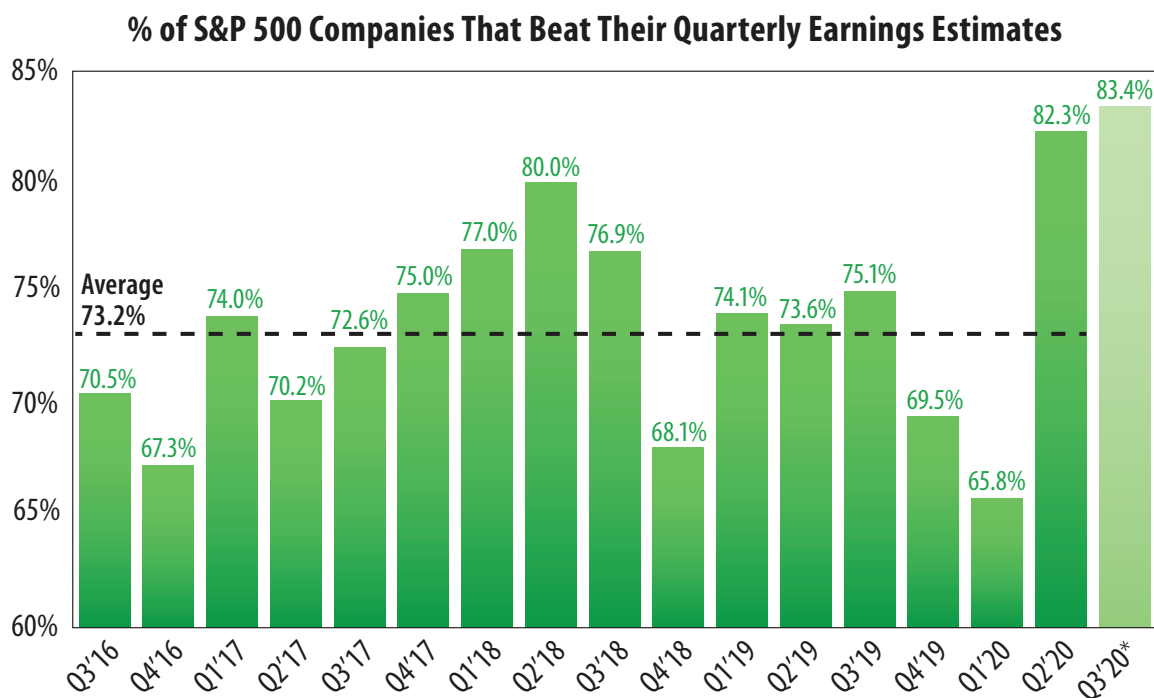


A Snapshot Of The S&P 500 Index Earnings Beat Rate



Source: S&P Dow Jones Indices. Average is Q3'16-Q2'20. *Q3'20 beat rate is still in progress and is based on 463 company results.

View from the Observation Deck

1. As we head into the close of corporate earnings season for Q3'20, we thought it would be a good time to review the percentage of S&P 500 Index companies that top their earnings estimates on a quarterly basis. The index currently has 506 constituents.
2. Equity analysts adjust their corporate earnings estimates on an ongoing basis. Regardless of whether they adjust their estimates up or down, companies typically have a consensus target number or range to hit.
3. From Q3'16 through Q2'20 (16 quarters), the average quarterly earnings beat rate for the companies that comprise the index was 73.2%.
4. As indicated in the chart, the beat rates over the past two quarters, including Q3'20, have exceeded the 80.0% mark.
5. The S&P 500 Index posted a total return of -19.6% in Q1'20, according to Bloomberg. From 03/31/20 through 11/18/20, however, the index surged 39.6%.
6. On a dollar basis, Bloomberg's 2020, 2021 and 2022 consensus earnings per share estimates for the S&P 500 Index stood at \$135.10, \$165.00 and \$192.70, respectively, as of 11/13/20.

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.

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