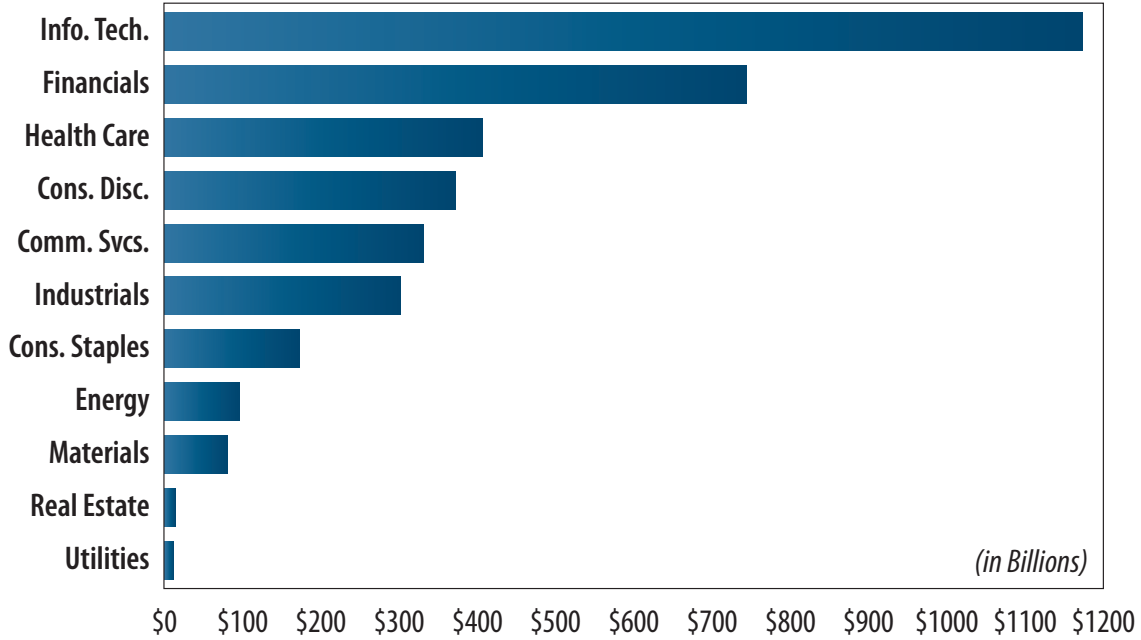


Stock Buybacks by Sector

S&P 500 Index Stock Buybacks by Sector (5-Year Total)



Source: S&P Dow Jones Indices. Data (preliminary) as of 6/30/22.

View from the Observation Deck

1. S&P 500 Index stock buybacks totaled \$219.64 billion (preliminary) in Q2'22, down 21.84% from the \$281.01 billion (all-time high) spent in Q1'22, but up 10.46% from the \$198.84 billion spent in Q2'21, according to S&P Dow Jones Indices.
2. Companies appear to be concerned about their earnings moving forward and are becoming more cautious with respect to their expenditures, according to Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.
3. For the 12-month period ended June 2022, S&P 500 Index buybacks totaled \$1.005 trillion, up 64.93% from the \$609.36 billion repurchased over the same period through June 2021.
4. S&P Dow Jones Indices reported that S&P 500 Index companies spent \$3.703 trillion on buybacks for the five-year period ended 6/30/22.
5. As indicated in the chart, Information Technology was the most active sector with respect to buyback activity over the past five years. Technology companies repurchased stock valued at \$1.173 trillion, or 31.66% of total buybacks for the S&P 500 Index. Financials and Health Care followed with buybacks totaling \$744.09 billion (20.09%) and \$406.47 billion (10.98%), respectively.
6. The Inflation Reduction Act recently passed into law will levy a 1% excise tax on stock buybacks beginning in 2023. Silverblatt notes that while the 1% tax is an additional cost, it is not substantial enough to impact buybacks.

This chart is for illustrative purposes only and not indicative of any actual investment. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. The 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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