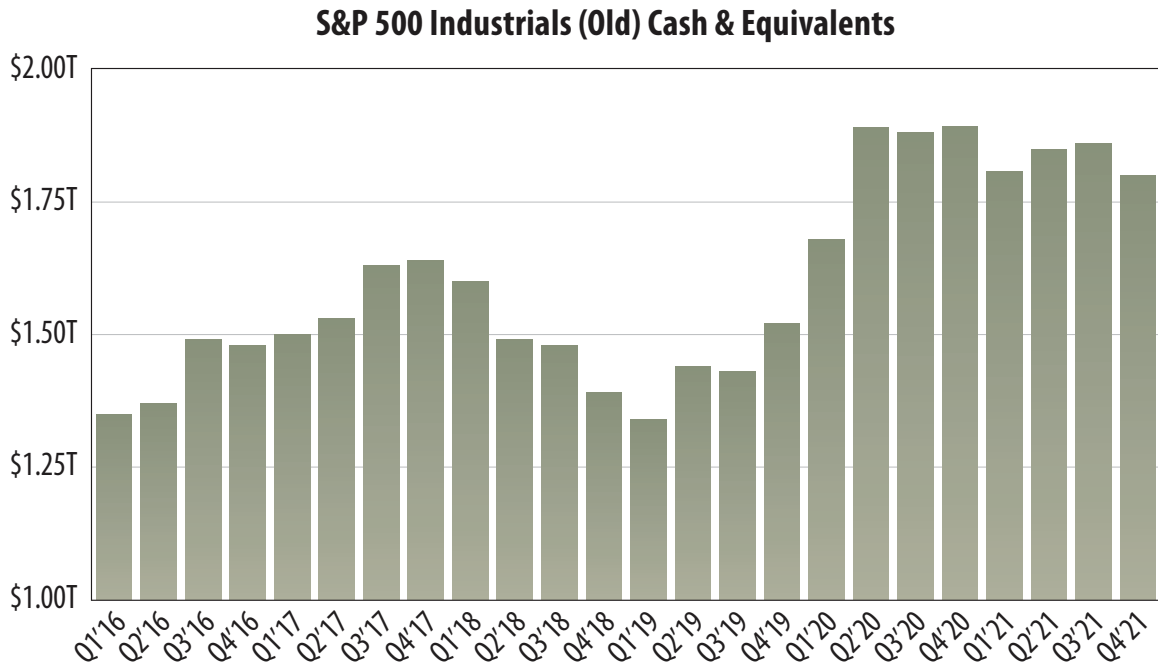


One Measure Of Corporate Cash Holdings



Source: S&P Dow Jones Indices. 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 Q4'21, S&P 500 Industrials (Old) cash and equivalents stood at \$1.80 trillion (see chart).
2. The all-time high was \$1.89 trillion, set in Q4'20.
3. From Q3'09 (not in chart – quarter in which the S&P 500 Index bottomed during the financial crisis) through Q4'21, cash holdings rose from \$664.78 billion to \$1.80 trillion, or an increase of 170.77%.
4. The S&P 500 Index posted a cumulative total return of 770.06% (18.00% average annualized total return) over the same period, according to Bloomberg.
5. What is interesting is that S&P 500 Index companies spent \$4.720 trillion on stock dividend distributions and \$6.833 trillion stock buybacks over that same period (3/31/09-12/31/21), according to S&P Dow Jones Indices.
6. 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.
7. Seeing S&P 500 Index cash holdings continue to rise over time suggests that America's largest companies, overall, appear to be 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 an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

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