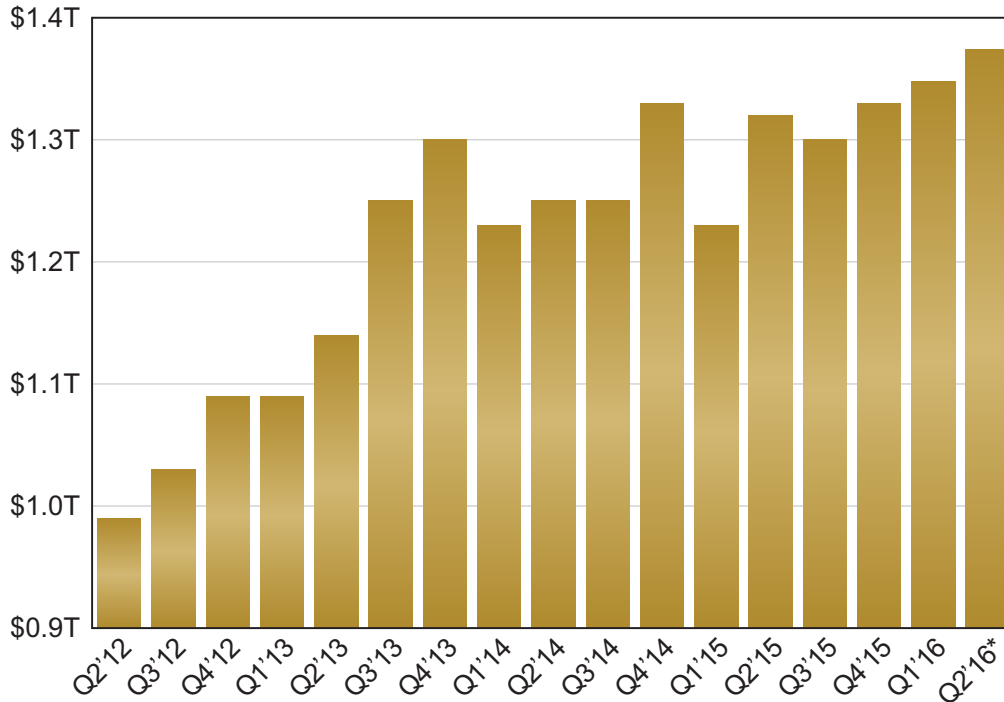


One Measure Of Corporate Cash Holdings Reached A Record High in Q2'16

S&P 500 Industrials (Old) Cash & Equivalents



Source: S&P Dow Jones Indices. *Q2'16 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 Q2'16, preliminary data puts S&P 500 Industrials (Old) cash and equivalents at a record high \$1.374 trillion (see chart).
2. From Q2'12 through Q2'16, cash holdings rose from \$985.375 billion to \$1.374 trillion, or a gain of approximately 39%. The S&P 500 Index posted a cumulative total return of 67.87% in the period, according to Bloomberg.
3. What is interesting is that S&P 500 Index companies spent a combined \$3.661 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. 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.