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October 10, 2014

THIS WEEK IN EARNINGS

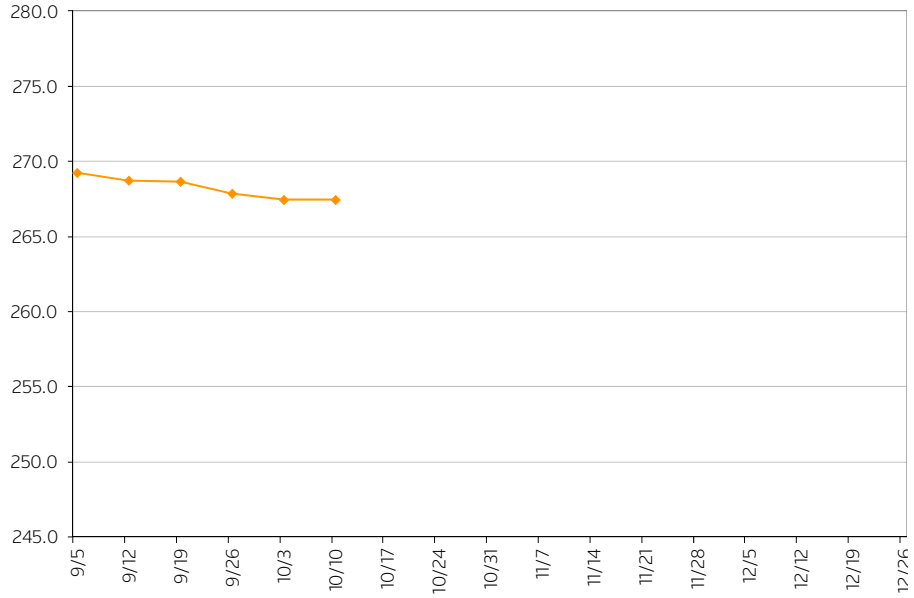
AGGREGATE ESTIMATES AND REVISIONS

- **Third quarter** earnings are expected to grow **6.5%** over Q2 2013. Excluding Bank of America (BAC.N), the earnings growth estimate increases to 7.7%.
- Of the **28** companies in the S&P 500 that have reported **earnings** to date for **Q3 2014**, **64%** have reported earnings above analyst expectations. This is above the long-term average of 63% and is below the average over the past four quarters of 67%.
- **75%** of companies have reported Q3 2014 **revenue** above analyst expectations. This is above the long-term average of 61% and above the average over the past four quarters of 58%.
- For **Q3 2014**, there have been **92** negative EPS preannouncements issued by S&P 500 corporations compared to **30** positive EPS preannouncements. By dividing 92 by 30, one arrives at an N/P ratio of **3.1** for the S&P 500 Index.
- The forward four-quarter (Q414 – Q315) P/E ratio for the S&P 500 is **14.9**.
- During the week of October 13, **52** companies are expected to report **Q3 2014** earnings.

SECTION A: EARNINGS OUTLOOK

Q3 2014: EARNINGS REVISIONS

Exhibit 1A. S&P 500: Q3 2014 Share-Weighted Earnings ($B)



Source: Thomson Reuters I/B/E/S

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There has been a decrease in the share-weighted earnings for the S&P 500 since the start of the quarter (to $267.2B from $279.8B). Nine of the ten sectors have experienced downward revisions to estimates.

Since July 1, the Financials (-8.2%) and Energy (-8.0%) sectors have recorded the highest percentage decreases in earnings, while the Health Care (0.9%) sector has recorded the highest percentage increase in earnings. Overall, share-weighted earnings for the S&P 500 have decreased by 4.5% since the start of the quarter.

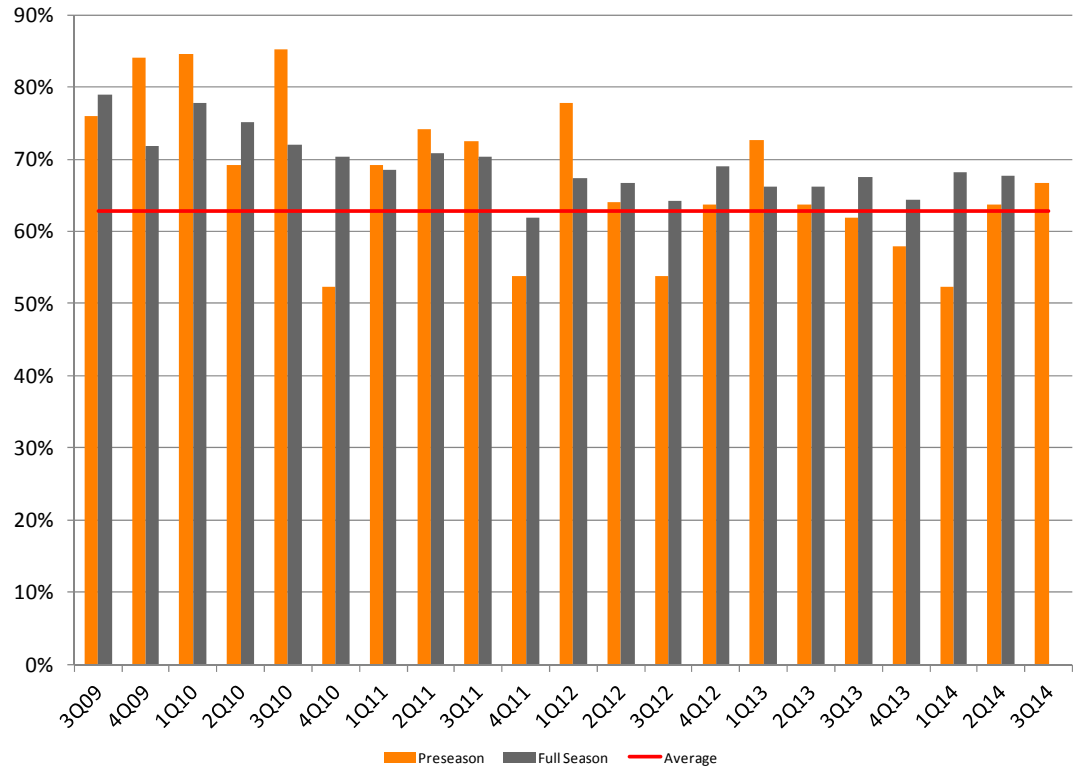
Since July 1, the Financials (-$4.3B) and Energy (-$2.6B) sectors have recorded the highest dollar-level decreases in earnings, while the Health Care ($317M) sector has recorded the highest dollar-level increase in earnings. Overall, expected share-weighted earnings for the S&P 500 have decreased by $12.6B since the start of the quarter.

OBSERVATIONS: STRONG RESULTS FROM EARLY REPORTERS BODE WELL FOR Q3 EARNINGS SEASON

Alcoa Incorporated (AA.N) marked the unofficial start to the third quarter earnings season on Wednesday when it reported a profit of 31 cents per share, crushing the analyst consensus of 23 cents by 35% and increasing earnings over the year prior quarter by 182%. In addition to the strong Q3 earnings, CFO William Oplinger pointed to some potential sources of growth in the fourth quarter. During the earnings call he said, "we expect the aerospace market to remain strong. Regarding our nonresidential construction business, we'll continue to see strength in North America but continued weakness in Europe."

Although Alcoa's earnings report is generally considered the beginning of earnings season, there are a number of S&P 500 companies that report their results prior to Alcoa. This quarter, 24 companies reported before Alcoa in the earnings preseason. The results announced during the preseason are often indicative of how companies will perform relative to expectations throughout the entire earnings season. When the companies that report in the preseason beat expectations more than normal, the remaining companies tend to do so as well, and vice versa.

Exhibit 2A. S&P 500: Q3 2014 Earnings Estimate Beat Rates – Earnings Preseason and Full Earnings Season



Source: Thomson Reuters I/B/E/S

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Of the 24 companies that reported in the preseason, 67% exceeded their analyst consensus, higher than the 63% long-term average. This implies a reasonable probability that the remaining companies will beat estimates at above average rates as well. Historically, the full earnings season follows the preseason 69% of the time in terms of EPS beat rates relative to average.

Now that Alcoa has been replaced in the Dow Jones Industrial Index, Nike Inc. (NKE.N) is now the first Dow component to report. Nike posted the second largest positive earnings surprise, bested only by Alcoa. Nike reported EPS of $1.09, well ahead of the $0.88 estimate. This result represented 24% earnings growth and 15% revenue growth. Promotions associated with the World Cup helped boost sales during the quarter, particularly in emerging markets. Nike Brand President Trevor Edwards explained some of the benefits from new product launches during the World Cup during the earnings call. He said, "We introduced more revolutionary product innovations in this World Cup than in any prior. And we're proud of the fact that more players wore Nike boots on the pitch than all other brands combined. Nearly a third of those players wore Flyknit boots."

With third quarter earnings currently estimated to grow 6.5%, the fact that the early reporters have reported strong earnings bodes well for the remainder of earnings season. Although there are some headwinds from the stronger dollar and macroeconomic weakness abroad, Q3 is shaping up to be another quarter of solid earnings.

Q3 2014: EARNINGS SCORECARD

Exhibit 3A. S&P 500: Q3 2014 Earnings vs. Expectations

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	67%	0%	33%	9%	9	83
Consumer Staples	57%	14%	29%	3%	7	40
Energy	-	-	-	-	0	43
Financials	-	-	-	-	0	85
Health Care	-	-	-	-	0	55
Industrials	67%	33%	0%	5%	3	64
Materials	50%	0%	50%	56%	2	30
Technology	71%	0%	29%	-1%	7	65
Telecom Services	-	-	-	-	0	5
Utilities	-	-	-	-	0	30
S&P 500	64%	7%	29%	3%	28	500

Source: Thomson Reuters I/B/E/S

Through October 10, 28 companies in the S&P 500 Index have reported earnings for Q3 2014. Of these companies, 64% reported earnings above analyst expectations, 7% reported earnings in line with analyst expectations and 29% reported earnings below analyst expectations. In a typical quarter (since 1994), 63% of companies beat estimates, 16% match and 21% miss estimates. Over the past four quarters, 67% of companies beat the estimates, 10% matched and 23% missed estimates.

In aggregate, companies are reporting earnings that are 3% above estimates, which matches the 3% long-term (since 1994) average surprise factor, and matches the 3% surprise factor recorded over the past four quarters.

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Q3 2014: REVENUE SCORECARD

Exhibit 4A. S&P 500: Q3 2014 Revenue vs. Expectations

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	78%	0%	22%	1%	9	83
Consumer Staples	57%	0%	43%	0%	7	40
Energy	-	-	-	-	0	43
Financials	-	-	-	-	0	85
Health Care	-	-	-	-	0	55
Industrials	100%	0%	0%	2%	3	64
Materials	100%	0%	0%	7%	2	30
Technology	71%	0%	29%	1%	7	65
Telecom Services	-	-	-	-	0	5
Utilities	-	-	-	-	0	30
S&P 500	75.0%	0.0%	25.0%	1%	28	500

Source: Thomson Reuters I/B/E/S

Through October 10, 28 companies in the S&P 500 Index have reported revenues for Q3 2014. Of these companies, 75% reported revenues above analyst expectations, 0% reported revenues in line with analyst expectations, and 25% reported revenues below analyst expectations. In aggregate, companies are reporting revenues that are 1% above estimates.

Q3 2014: EARNINGS GROWTH RATES

Exhibit 5A. S&P 500: Q3 2014 Earnings Growth

Sector	Earnings $B Q314	Earnings $B Q313	Growth $B Q314	Growth % Q314
Consumer Discretionary	27.7	28.8	-1.0	-3.6%
Consumer Staples	25.5	24.7	0.8	3.1%
Energy	29.7	28.2	1.5	5.3%
Financials	48.2	43.4	4.8	11.0%
Health Care	34.1	30.6	3.5	11.4%
Industrials	28.4	26.3	2.1	7.9%
Materials	7.8	6.8	1.0	15.3%
Technology	47.9	44.8	3.0	6.7%
Telecom Services	7.6	7.1	0.5	7.3%
Utilities	10.3	10.2	0.1	0.7%
S&P 500	267.2	251.0	16.2	6.5%

Source: Thomson Reuters I/B/E/S

The estimated earnings growth rate for the S&P 500 for Q3 2014 is 6.5%. The S&P 500 expects to see share-weighted earnings of $267.2B in Q3 2014, compared to share-weighted earnings of $251.0B (based on the year-ago earnings of the current 500 constituents) in Q3 2013.

Nine of the ten sectors in the index expect to see an improvement in earnings relative to Q3 2013. The Materials and Health Care sectors have the highest earnings growth rates for the quarter, while the Consumer Discretionary sector has the weakest anticipated growth compared to Q3 2013.

The Materials sector has the highest earnings growth rate (15.3%) of any sector. It is expected to earn $7.8B in Q3 2014, compared to earnings of $6.8B in Q3 2013. Ten of the 13 sub-industries in the sector are anticipated to have positive earnings growth, by Aluminum (182%) and Fertilizers & Agricultural Chemicals (90%). If these sub-industries are removed, the growth rate declines to 10.4%.

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The Health Care sector has the second highest earnings growth rate (11.4%) of all ten sectors. Analysts expect it to earn $34.1B in Q3 2014, relative to earnings of $30.6B in Q3 2013. Eight of the ten sub-industries in the sector are anticipated to see higher earnings than a year ago. The Biotechnology (77%) and Life Science Tools (21%) have the highest growth rates within the sector. If these sub-industries are removed, the growth rate declines to 1.9%.

The Consumer Discretionary sector has the lowest growth rate (-3.6%) of any sector. It is expected to earn $27.7B in Q3 2014, relative to earnings of $28.8B in Q3 2013. Eight of the 33 sub-industries in the sector are anticipated to see earnings decreases compared to Q3 2013, led by Homebuilding (-81%).

Q3 2014: REVENUE GROWTH RATES

Exhibit 6A. S&P 500: Q3 2014 Revenue Growth

Sector	Revenue $B Q314	Revenue $B Q313	Growth $B Q314	Growth % Q314
Consumer Discretionary	404.5	387.7	16.8	4.3%
Consumer Staples	414.8	400.5	14.3	3.6%
Energy	398.2	400.6	-2.4	-0.6%
Financials	276.8	268.6	8.2	3.1%
Health Care	342.5	310.0	32.5	10.5%
Industrials	305.0	296.2	8.8	3.0%
Materials	101.2	98.6	2.6	2.6%
Technology	278.8	262.7	16.1	6.1%
Telecom Services	72.1	69.6	2.5	3.6%
Utilities	88.0	85.0	3.1	3.6%
S&P 500	2,681.9	2,579.5	102.4	4.0%

Source: Thomson Reuters I/B/E/S

The estimated revenue growth rate for the S&P 500 for Q3 2014 is 4.0%. The S&P 500 is expected to earn revenues of $2,681.9B in Q3 2014 compared to $2,579.5B in Q3 2013.

Nine of the ten sectors anticipate revenue growth for the quarter. The Health Care sector is expected to have the highest revenue growth rate for the quarter, while the Energy sector is expected to have the lowest revenue growth rate.

The Health Care sector expects the highest revenue growth rate (10.5%) for the quarter. It is expected to generate sales of $342.5B in Q3 2014, compared to sales of $310.0B in Q3 2013. Nine of of the ten sub-industries in the sector are expected to see sales growth, led by the Health Care Facilities (42%) and Biotechnology (37%) sub-industries.

The Energy sector has the lowest revenue growth rate at -0.6%. The sector is expected to post sales of $398.2B in Q3 2014, relative to sales of $400.6B in Q3 2013. Four of the seven sub-industries in the sector expect to see revenue decreases for the quarter, led by the Coal & Consumable Fuels (-27%) and Oil & Gas Drilling (-4%) sub-industries.

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Q3 2014: EARNINGS GUIDANCE

Exhibit 7A. S&P 500: Q3 2014 Preannouncements

	Q3 2014		Q3 2013		Q2 2014	
Type	Total (#)	Total (%)	Total (#)	Total (%)	Total (#)	Total (%)
Positive	30	22%	18	14%	24	18%
In-Line	15	11%	11	9%	12	9%
Negative	92	67%	96	77%	96	73%
Total	137		125		132	
N/P Ratio	3.07		5.33		4.00	

Source: Thomson Reuters I/B/E/S

In the S&P 500, there have been 92 negative EPS preannouncements issued by corporations for Q3 2014 compared to 30 positive EPS preannouncements. By dividing 92 by 30, one arrives at an N/P ratio of 3.1 for the S&P 500 Index. This 3.1 ratio is lower than the N/P ratio at the same point in time in Q3 2013 (5.3), and is above the long-term aggregate (since 1995) N/P ratio for the S&P 500 (2.6).

Q4 2014 – Q3 2015: FORWARD FOUR-QUARTER P/E RATIO

Exhibit 8A. S&P 500: Forward Four-Quarter (Q3 2014 – Q2 2015) P/E Ratio

	Price	EPS	P/E Ratio
CY 2014	1,928	118.13	16.3
Forward 4 Quarter	1,928	130.02	14.9
CY 2015	1,928	132.64	14.5

Source: Thomson Reuters I/B/E/S

The forward four-quarter (Q4 2014 – Q3 2015) P/E ratio for the S&P 500 is **14.9**.

Q3 2014 – Q2 2015: EARNINGS GROWTH

The estimated earnings growth rates for the S&P 500 for Q3 2014 through Q2 2015 are 6%, 11%, 11%, and 12%, respectively. For sector-level growth rates for Q2 2014 through Q1 2015, see Exhibits 2C-5C in this report.

EARNINGS CALENDAR

The next several weeks will see the companies report earnings for Q3 2014. There are **52** S&P 500 companies scheduled to report Q3 2014 earnings during the week of October 13.

Exhibit 9A. Number of Companies Reporting Q3 2014 Earnings

Q3 2014	Reported To Date	Report This Week	Report Next Week	Report Remaining
Dow 30	1	7	12	10
S&P 500	28	52	130	289

Source: Thomson Reuters StreetEvents.

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SECTION B: EARNINGS CALENDAR

MONDAY: OCTOBER 13

Exhibit 1B. Monday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
13-Oct-14	OMC.N	OMNICOM GROUP	Q3-Sep.14	0.91		0.82	11.0	8:30 AM

Source: Thomson Reuters StreetEvents.

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TUESDAY: OCTOBER 14

Exhibit 2B. Tuesday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
14-Oct-14	JPM.N	JPMORGAN CHASE CO	Q3-Sep.14	1.38		1.42	-2.7	7:00 AM
14-Oct-14	WFC.N	WELLS FARGO & CO	Q3-Sep.14	1.02		0.99	2.9	8:00 AM
14-Oct-14	C.N	CITIGROUP INC	Q3-Sep.14	1.13		1.02	10.4	8:30 AM
14-Oct-14	JNJ.N	JOHNSON & JOHNSON	Q3-Sep.14	1.43		1.36	5.3	8:30 AM
14-Oct-14	CSX.N	CSX CORPORATION	Q3-Sep.14	0.47		0.46	2.2	4:00 PM
14-Oct-14	INTC.OQ	INTEL CORPORATION	Q3-Sep.14	0.64		0.58	10.9	4:00 PM
14-Oct-14	LLTC.OQ	LINEAR TECHNOLOGY CP	Q1-Sep.14	0.54		0.47	14.1	4:00 PM

Source: Thomson Reuters StreetEvents.

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WEDNESDAY: OCTOBER 15

Exhibit 3B. Wednesday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
15-Oct-14	BAC.N	BANK OF AMERICA CORP	Q3-Sep.14	-0.09		0.20	-146.9	7:00 AM
15-Oct-14	BLK.N	BLACKROCK INC	Q3-Sep.14	4.74		3.88	22.1	8:30 AM
15-Oct-14	KEY.N	KEYCORP	Q3-Sep.14	0.26		0.19	35.6	8:30 AM
15-Oct-14	PNC.N	PNC FINANCIAL SERVICES	Q3-Sep.14	1.70		1.79	-4.8	8:30 AM
15-Oct-14	SCHW.N	CHARLES SCHWAB CORP	Q3-Sep.14	0.24		0.22	11.0	8:30 AM
15-Oct-14	STJ.N	ST JUDE MEDICAL INC	Q3-Sep.14	0.96		0.90	6.7	8:30 AM
15-Oct-14	AXP.N	AMERICAN EXPRESS COMPANY	Q3-Sep.14	1.36		1.25	9.0	4:00 PM
15-Oct-14	EBAY.OQ	EBAY INC	Q3-Sep.14	0.67		0.64	4.5	4:00 PM
15-Oct-14	KMI.N	KINDER MORGAN INC	Q3-Sep.14	0.34		0.27	25.4	4:00 PM
15-Oct-14	NAVI.OQ	NAVIENT CORP	Q3-Sep.14	0.52			NA	4:00 PM
15-Oct-14	NFLX.OQ	NETFLIX INC.	Q3-Sep.14	0.93		0.52	78.4	4:00 PM
15-Oct-14	URI.N	UNITED RENTALS INC	Q3-Sep.14	2.09		1.63	28.0	4:00 PM

Source: Thomson Reuters StreetEvents.

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THURSDAY: OCTOBER 16

Exhibit 4B. Thursday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
16-Oct-14	DOV.N	DOVER CORPORATION	Q3-Sep.14	1.34		1.54	-12.8	7:00 AM
16-Oct-14	ADS.N	ALLIANCE DATA SYSTEMS CORP	Q3-Sep.14	3.31		2.67	23.9	8:30 AM
16-Oct-14	BAX.N	BAXTER INTERNATIONAL	Q3-Sep.14	1.31		1.19	10.1	8:30 AM
16-Oct-14	BBT.N	BB&T CORPORATION	Q3-Sep.14	0.71		0.70	1.9	8:30 AM
16-Oct-14	BHI.N	BAKER HUGHES INCORPORATED	Q3-Sep.14	1.14		0.90	26.4	8:30 AM
16-Oct-14	DAL.N	DELTA AIR LINES INC	Q3-Sep.14	1.18		1.41	-16.3	8:30 AM
16-Oct-14	DHR.N	DANAHER CORPORATION	Q3-Sep.14	0.89		0.84	5.5	8:30 AM
16-Oct-14	FITB.OQ	FIFTH THIRD BANCORP	Q3-Sep.14	0.43		0.41	5.9	8:30 AM
16-Oct-14	GS.N	GOLDMAN SACHS GROUP INC	Q3-Sep.14	3.17		2.88	10.0	8:30 AM
16-Oct-14	GWW.N	WW GRAINGER INC	Q3-Sep.14	3.29		2.95	11.7	8:30 AM
16-Oct-14	MAT.OQ	MATTEL INC	Q3-Sep.14	1.06		1.21	-12.2	8:30 AM
16-Oct-14	PM.N	PHILIP MORRIS INTERNATIONAL INC	Q3-Sep.14	1.35		1.44	-6.1	8:30 AM
16-Oct-14	PPG.N	PPG INDS INC	Q3-Sep.14	2.75		2.44	12.8	8:30 AM
16-Oct-14	SNA.N	SNAP-ON INCORPORATED	Q3-Sep.14	1.63		1.43	14.0	8:30 AM
16-Oct-14	UNH.N	UNITEDHEALTH GROUP INC	Q3-Sep.14	1.53		1.53	-0.2	8:30 AM
16-Oct-14	COF.N	CAPITAL ONE FINANCIAL CORP.	Q3-Sep.14	1.92		1.86	3.0	4:00 PM
16-Oct-14	GOOG.OQ	GOOGLE INC	Q3-Sep.14	6.37			NA	4:00 PM
16-Oct-14	GOOGL.OQ	GOOGLE INC	Q3-Sep.14	6.55		5.37	22.0	4:00 PM
16-Oct-14	PBCT.OQ	PEOPLES UNITED FINANCIAL INC	Q3-Sep.14	0.21		0.19	11.6	4:00 PM
16-Oct-14	SLB.N	SCHLUMBERGER LTD	Q3-Sep.14	1.47		1.29	13.9	4:00 PM
16-Oct-14	SNDK.OQ	SANDISK CORPORATION	Q3-Sep.14	1.40		1.59	-12.1	4:00 PM
16-Oct-14	SYK.N	STRYKER CORPORATION	Q3-Sep.14	1.14		0.98	16.2	4:00 PM
16-Oct-14	XLNX.OQ	XILINX INC	Q2-Sep.14	0.56		0.58	-4.1	4:00 PM

Source: Thomson Reuters StreetEvents.

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FRIDAY: OCTOBER 17

Exhibit 5B. Friday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
17-Oct-14	BK.N	THE BANK OF NEW YORK MELLON CORP	Q3-Sep.14	0.61		0.60	2.1	8:30 AM
17-Oct-14	CMA.N	COMERICA INCORPORATED	Q3-Sep.14	0.81		0.78	3.9	8:30 AM
17-Oct-14	GE.N	GENERAL ELECTRIC CO	Q3-Sep.14	0.38		0.36	6.2	8:30 AM
17-Oct-14	HBAN.OQ	HUNTINGTON BANCSHARES INC	Q3-Sep.14	0.19		0.18	4.7	8:30 AM
17-Oct-14	HON.N	HONEYWELL INTERNATIONAL	Q3-Sep.14	1.41		1.24	14.0	8:30 AM
17-Oct-14	KSU.N	KANSAS CITY SOUTHN	Q3-Sep.14	1.25		1.10	13.7	8:30 AM
17-Oct-14	MS.N	MORGAN STANLEY	Q3-Sep.14	0.55		0.50	10.2	8:30 AM
17-Oct-14	STI.N	SUNTRUST BANKS	Q3-Sep.14	0.80		0.66	21.1	8:30 AM
17-Oct-14	TXT.N	TEXTRON INC	Q3-Sep.14	0.54		0.35	53.2	8:30 AM

Source: Thomson Reuters StreetEvents.

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SECTION C: EARNINGS DATA TABLES

Exhibit 1C. S&P 500: Q2 2014 Earnings Scorecard

Sector	Above	Match	Below	Surprise	Reported	Index
Consumer Discretionary	67%	0%	33%	9%	9	83
Consumer Staples	57%	14%	29%	3%	7	40
Energy	-	-	-	-	0	43
Financials	-	-	-	-	0	85
Health Care	-	-	-	-	0	55
Industrials	67%	33%	0%	5%	3	64
Materials	50%	0%	50%	56%	2	30
Technology	71%	0%	29%	-1%	7	65
Telecom	-	-	-	-	0	5
Utilities	-	-	-	-	0	30
S&P 500	64%	7%	29%	3%	28	500

Source: Thomson Reuters I/B/E/S

Exhibit 2C. S&P 500: Q3 2014 Earnings Growth

Sector	Today	1 Oct	1 Jul	1 Apr	1 Jan
Consumer Discretionary	-3.6%	-3.2%	1.8%	3.9%	5.8%
Consumer Staples	3.1%	2.8%	6.5%	7.3%	9.6%
Energy	5.3%	6.0%	13.8%	13.5%	20.2%
Financials	11.0%	10.1%	20.6%	24.0%	24.8%
Health Care	11.4%	11.4%	10.5%	8.4%	6.5%
Industrials	7.9%	8.4%	9.5%	9.5%	9.2%
Materials	15.3%	14.7%	18.7%	14.3%	18.8%
Technology	6.7%	6.5%	10.3%	10.5%	9.9%
Telecom	7.3%	7.5%	9.8%	12.7%	14.2%
Utilities	0.7%	1.0%	3.5%	4.4%	2.1%
S&P 500	6.5%	6.4%	11.0%	11.6%	12.7%

Source: Thomson Reuters I/B/E/S

Exhibit 3C. S&P 500: Q4 2014 Earnings Growth

Sector	Today	1 Oct	1 Jul	1 Apr	1 Jan
Consumer Discretionary	13.2%	13.9%	15.8%	17.5%	18.3%
Consumer Staples	3.9%	4.5%	7.7%	7.3%	10.3%
Energy	4.6%	6.6%	10.4%	9.7%	14.1%
Financials	10.3%	10.4%	10.5%	12.1%	14.9%
Health Care	19.3%	19.4%	18.1%	14.8%	14.5%
Industrials	12.3%	12.4%	12.0%	11.5%	12.3%
Materials	6.3%	10.0%	7.7%	7.2%	23.1%
Technology	10.9%	10.5%	10.8%	9.2%	12.1%
Telecom	23.4%	23.8%	22.0%	19.1%	18.1%
Utilities	7.7%	7.7%	8.0%	7.3%	3.3%
S&P 500	10.8%	11.2%	12.0%	11.4%	13.8%

Source: Thomson Reuters I/B/E/S

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Exhibit 4C. S&P 500: Q1 2015 Earnings Growth

Sector	Today	1 Oct	1 Jul	1 Apr	
Consumer Discretionary	17.1%	17.3%	18.2%	22.0%	
Consumer Staples	8.3%	8.8%	10.3%	10.5%	
Energy	1.3%	2.3%	5.7%	9.7%	
Financials	15.1%	15.5%	14.7%	13.0%	
Health Care	12.6%	12.4%	12.2%	13.9%	
Industrials	12.6%	13.4%	12.3%	16.6%	
Materials	21.4%	24.2%	22.1%	23.0%	
Technology	12.5%	12.0%	10.7%	15.0%	
Telecom	7.7%	7.6%	8.4%	8.6%	
Utilities	-5.0%	-5.2%	-2.4%	3.5%	
S&P 500	11.2%	11.5%	11.7%	14.0%	

Source: Thomson Reuters I/B/E/S

Exhibit 5C. S&P 500: Q2 2015 Earnings Growth

Sector	Today	1 Oct	1 Jul		
Consumer Discretionary	17.9%	17.9%	19.9%		
Consumer Staples	6.9%	7.5%	9.2%		
Energy	1.8%	2.9%	10.5%		
Financials	19.6%	20.2%	13.6%		
Health Care	7.9%	7.8%	14.1%		
Industrials	8.9%	9.5%	11.5%		
Materials	22.2%	20.1%	25.9%		
Technology	13.7%	13.2%	13.5%		
Telecom	8.3%	8.3%	6.1%		
Utilities	6.3%	6.3%	3.9%		
S&P 500	11.7%	11.9%	13.3%		

Source: Thomson Reuters I/B/E/S

Exhibit 6C. S&P 500: Q3 2015 Earnings Growth

Sector	Today	1 Oct			
Consumer Discretionary	20.7%	20.3%			
Consumer Staples	9.5%	10.0%			
Energy	12.0%	12.7%			
Financials	22.5%	23.0%			
Health Care	14.6%	14.8%			
Industrials	11.9%	12.1%			
Materials	17.4%	17.1%			
Technology	15.8%	15.8%			
Telecom	7.5%	7.3%			
Utilities	4.2%	4.0%			
S&P 500	15.2%	15.4%			

Source: Thomson Reuters I/B/E/S

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Exhibit 7C. S&P 500: CY 2014 Earnings Growth

Sector	Today	1 Oct	1 Jul	1 Apr	1 Jan
Consumer Discretionary	6.8%	6.7%	8.6%	10.4%	13.5%
Consumer Staples	4.7%	4.8%	5.9%	6.5%	10.1%
Energy	6.8%	7.3%	9.4%	8.1%	12.9%
Financials	3.5%	3.1%	6.6%	9.3%	10.9%
Health Care	15.2%	15.2%	11.9%	8.3%	8.2%
Industrials	9.3%	9.5%	8.8%	7.7%	9.4%
Materials	7.7%	8.6%	8.6%	9.2%	17.1%
Technology	10.7%	10.4%	10.8%	8.9%	10.6%
Telecom	15.0%	15.1%	15.9%	15.9%	13.5%
Utilities	7.4%	7.5%	7.0%	5.4%	2.9%
S&P 500	8.2%	8.2%	9.0%	8.7%	10.8%

Source: Thomson Reuters I/B/E/S

Exhibit 8C. S&P 500: CY 2015 Earnings Growth

Sector	Today	1 Oct	1 Jul	1 Apr	
Consumer Discretionary	18.0%	18.0%	18.0%	18.5%	
Consumer Staples	8.7%	9.0%	8.9%	9.1%	
Energy	5.9%	6.9%	6.5%	7.1%	
Financials	16.6%	16.7%	12.5%	11.3%	
Health Care	11.5%	11.6%	11.9%	12.8%	
Industrials	11.2%	11.5%	11.8%	11.8%	
Materials	19.7%	19.1%	20.2%	17.4%	
Technology	12.8%	12.5%	11.3%	11.9%	
Telecom	6.5%	6.5%	6.5%	6.9%	
Utilities	2.9%	2.8%	3.5%	2.9%	
S&P 500	12.2%	12.4%	11.5%	11.5%	

Source: Thomson Reuters I/B/E/S

Exhibit 9C. S&P 500: Bottoms-Up EPS Actuals and Estimates

Year	Q1	Q2	Q3	Q4	CY
2004	15.87	16.74	16.59	17.83	67.10
2005	17.95	19.11	18.86	20.19	76.28
2006	20.73	22.31	22.60	22.44	88.18
2007	22.71	24.40	21.31	16.14	85.12
2008	18.96	19.78	17.49	5.62	65.47
2009	12.83	16.03	16.36	16.80	60.80
2010	19.71	21.48	21.75	22.55	85.28
2011	23.50	24.14	25.65	24.55	97.82
2012	25.60	25.84	26.00	26.32	103.80
2013	26.74	27.40	27.63	28.62	109.68
2014	28.18	30.07	29.04	31.80	118.13
2015	31.24	33.09	33.63	35.76	132.64
2016					147.64
2017					138.00

Source: Thomson Reuters I/B/E/S

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Exhibit 10C. S&P 500: Actual Earnings Growth Rates

Sector	2Q14	1Q14	4Q13	3Q13	2Q13
Consumer Disc.	7.5%	8.8%	8.4%	22.6%	7.5%
Consumer Staples	7.8%	3.3%	4.1%	5.5%	3.4%
Energy	17.0%	-0.1%	-8.8%	-7.5%	-8.5%
Financials	-6.6%	-0.6%	24.7%	1.5%	30.0%
Health Care	18.5%	12.0%	9.7%	8.5%	4.9%
Industrials	11.4%	3.9%	14.2%	8.0%	1.4%
Materials	12.2%	0.0%	22.2%	4.6%	-8.4%
Technology	15.3%	10.0%	10.3%	9.6%	-3.2%
Telecom	6.8%	14.0%	25.0%	8.5%	3.7%
Utilities	-0.1%	22.6%	-5.9%	1.2%	-3.7%
S&P 500	8.6%	5.6%	9.9%	6.0%	4.9%

Source: Thomson Reuters I/B/E/S

Exhibit 11C. S&P 500: Actual vs. Estimate (Above/Match/Below)

	2Q14	1Q14	4Q13	3Q13	2Q13
Above	68%	68%	64%	67%	66%
Match	10%	9%	12%	10%	9%
Below	22%	23%	24%	22%	24%

Source: Thomson Reuters I/B/E/S

Exhibit 12C. S&P 500: Actual vs. Estimate (Aggregate Difference)

	2Q14	1Q14	4Q13	3Q13	2Q13
Surprise Factor	2.7%	5.0%	3.2%	2.2%	3.0%

Source: Thomson Reuters I/B/E/S

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