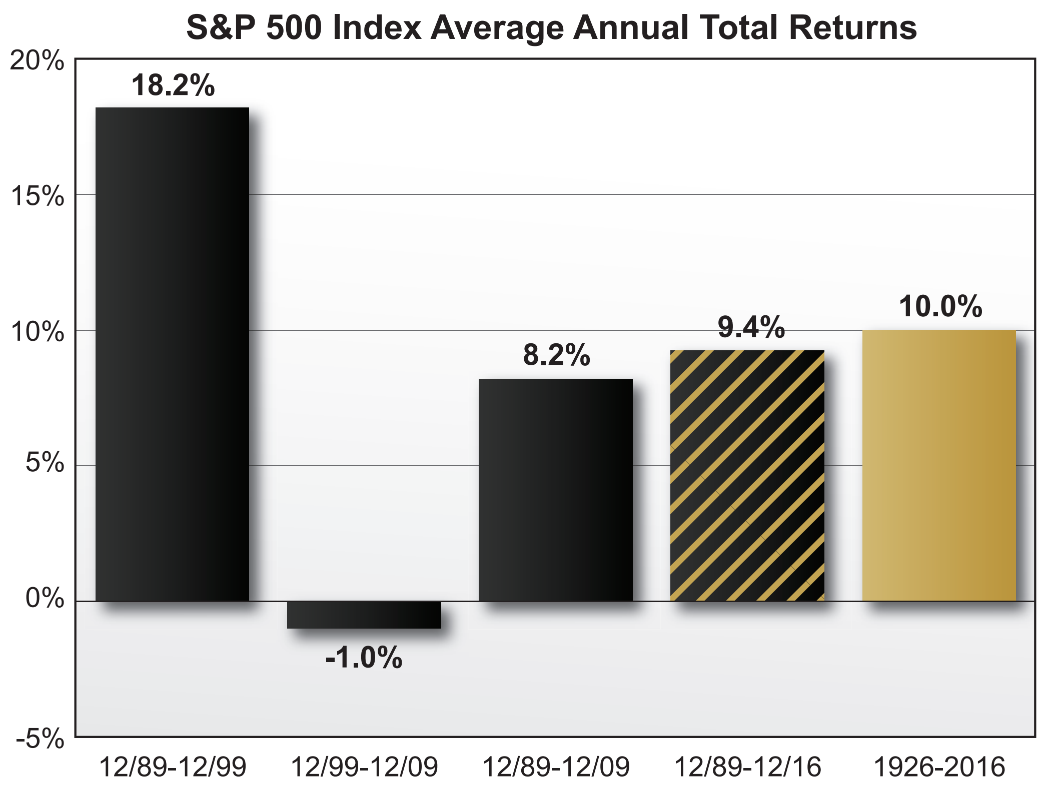
Some Perspective On The Performance Of The S&P 500 Index



Source: Bloomberg & Ibbotson Associates/Morningstar. Past performance is no guarantee of future results.

View from the Observation Deck

1. Are U.S. stocks overvalued? While there are many metrics that can be used to argue one side or the other, we believe there is room for an eyeball test using historical returns.
2. The last bar in the chart (shaded gold) represents the average annual total return for the S&P 500 Index since 1926. Since it covers such a long period, it tends to change modestly with each passing year.
3. Bar #1 is simply extraordinary because it reflects an average annual total return that is way beyond the historical norm. Performance was enhanced substantially by the Internet Revolution (1995-1999).
4. Bar #2 reflects the fallout after the Internet bubble burst late in Q1'00. This is your so-called "Lost Decade" in stocks.
5. Bar #3 shows the average annual total return for the two decades captured in Bar #1 and Bar #2. The 8.2% average gain for the 20-year period is below the historical 10.0% benchmark return since 1926.
6. Bar #4 (striped) extends the period measured in Bar #3 by another seven calendar years through 2016. The 9.4% average annual total return for the period is closer to the 10.0% historical norm, but still falls short.

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.