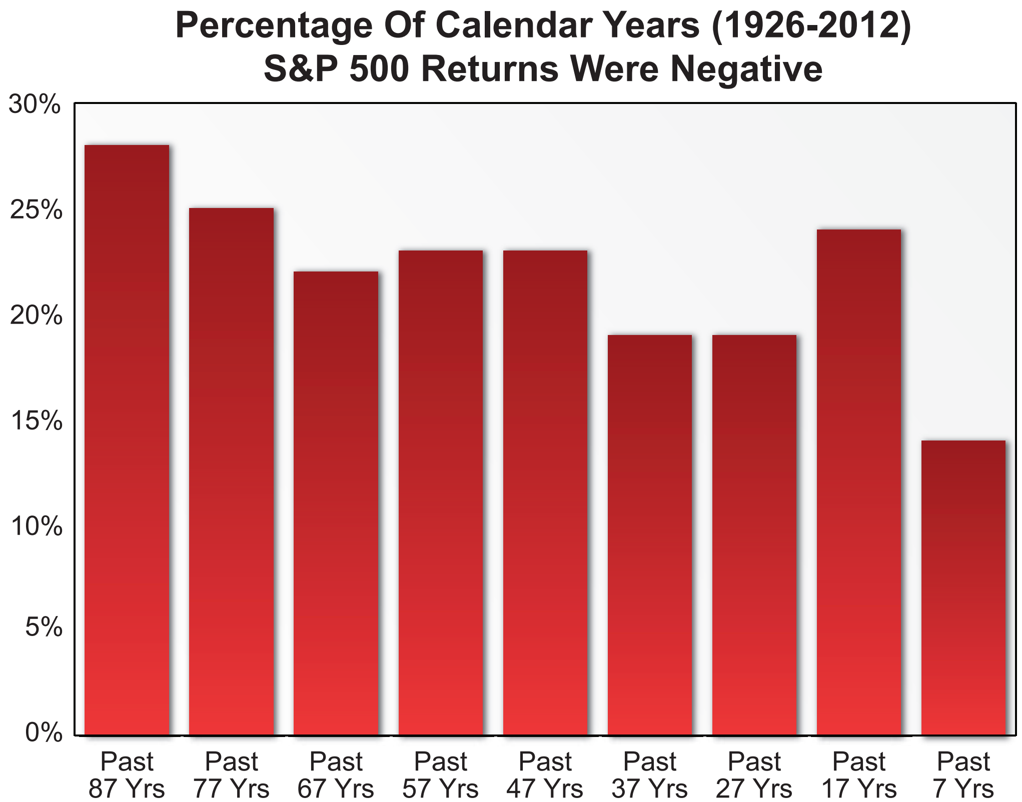
We See The Glass As Half Full



Sources: Ibbotson & Associates/Morningstar

View from the Observation Deck

1. The S&P 500 has never failed to eventually fully recover the losses sustained in a bear market. As a result, stocks continue to be one of the primary vehicles for building wealth over the long-term, in our opinion.
2. The index officially closed above its previous all-time high of 1565.15 (10/9/07) on 3/28/13, at 1569.19. Since then, the index has gone on to set several more new highs.
3. While we acknowledge that some investors may still be a bit leery about committing capital to the stock market, we are hard pressed in this low interest rate climate to find better opportunities for growing one's capital.
4. From 1926-2012, the S&P 500 posted a negative total return in 24 out of the 87 calendar years, or 28% of the time. The average decline was 13.61%, according to data from Ibbotson Associates/Morningstar.
5. What investors may find interesting is that the frequency with which the S&P 500 is posting negative return years has been generally on the decline since then (see chart).
6. The current bull market has gone 600 days without experiencing a 10% correction. While one could occur at any time, the S&P 500 has gone as many as 2,553 days without a 10% correction (10/11/90-10/7/97).