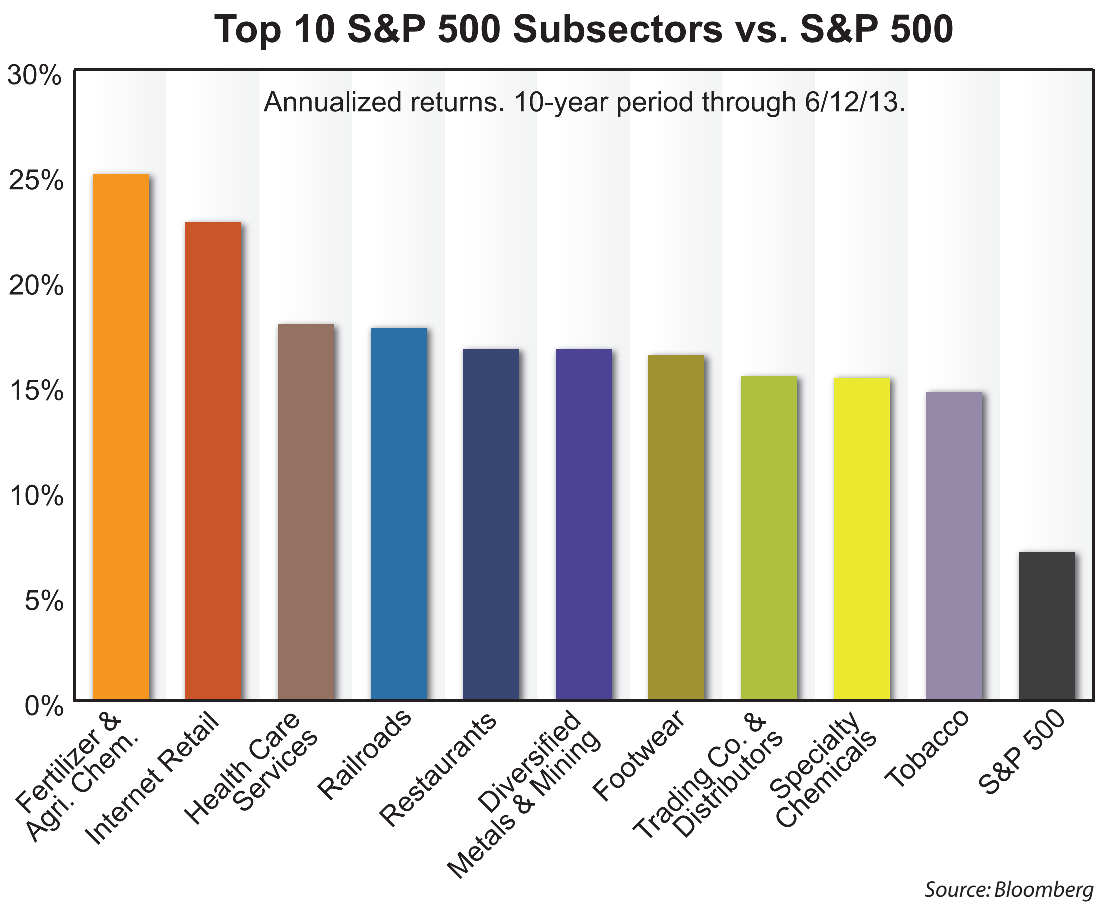
Take-Two:
The Buy And Hold Investment Strategy Is Not Dead!



Source: Bloomberg

View from the Observation Deck

1. Many in the financial media continue to preach that investors should no longer subscribe to the buy and hold investment strategy. They say it no longer works.
2. We featured a blog post a year ago (6/14/12…see archive) that looks similar to today's. In fact, six of the subsectors in today's chart were top 10 performers for that period as well.
3. Those subsectors are as follows: Diversified Metals & Mining; Footwear; Railroads; Restaurants; Specialty Chemicals; and Tobacco.
4. As was the case a year ago, this year's version of the top 10 subsectors (over the past 10 years) is well diversified, which supports conventional thought about proper diversification.
5. The annualized returns in today's chart range from 14.68% to 25.01%, higher than last year's range of 10.95% to 19.19%.
6. Many investors chase returns or try to time the market. We believe a buy and hold strategy can be a rewarding way to participate in the stock market.

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. Past performance is no guarantee of future results. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the S&P Sub-Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific industry in a specific sector.