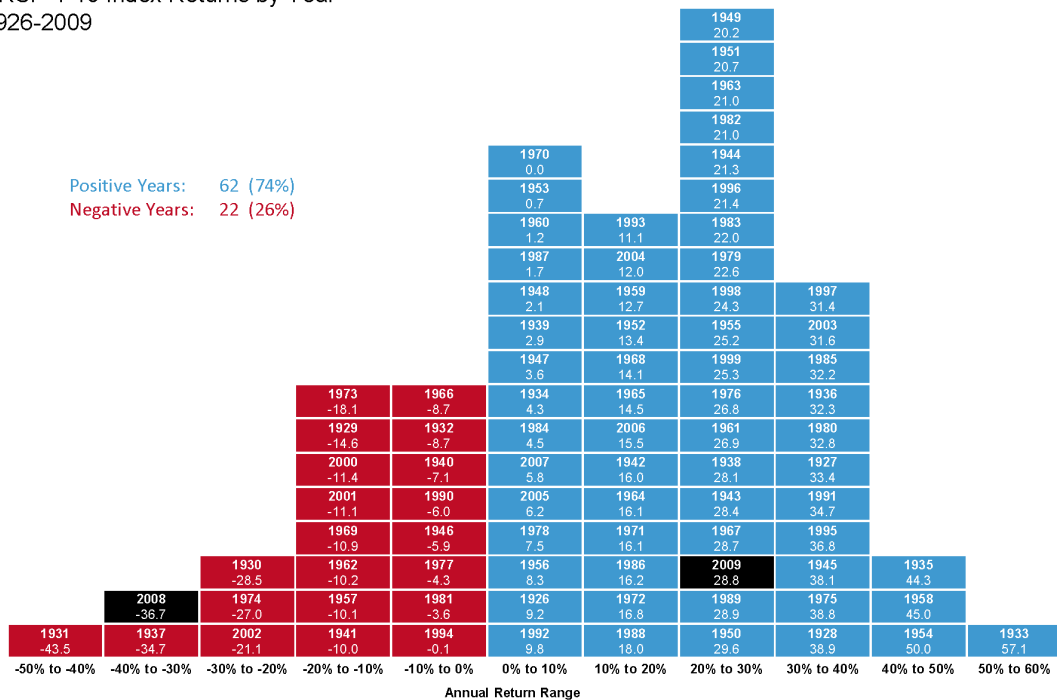


Distribution of US Market Returns

CRSP 1-10 Index Returns by Year
1926-2009



CRSP data provided by the Center for Research in Security Prices, University of Chicago. The CRSP 1-10 Index measures the performance of the total US stock market, which it defines as the aggregate capitalization of all securities listed on the NYSE, AMEX, and NASDAQ exchanges. Indices are not available for direct investment; therefore their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Recent Market Volatility in Perspective

The US stock market has taken investors on a bumpy ride in recent years. This volatility has tested investor discipline and prompted some people to question their commitment to equities. While no one knows the future, looking at the past may help you gain a better view of long-term market performance and put the recent market volatility in perspective.

The above chart shows the historical distribution of US market returns since 1926. The performance years are stacked in ascending order by return range. This chart illustrates that:

- Market performance over the past two years has been extreme by historical standards. In 2008, US stocks experienced their second-worst calendar return in eighty-four years. Then, in 2009, stocks rebounded strongly to deliver a return in the top quartile of the historical distribution.
- Over the long term, the market's positive return years have outnumbered the negative return years. Since 1926, the market has experienced a positive return in almost three-quarters of the calendar years.
- Not only are the positive years more numerous, the chart shows a larger concentration of performance in the higher ranges of returns.
- The sequence of calendar returns appears random, suggesting that accurately predicting future performance is a difficult task for any investor or professional manager.

Over time, the market has rewarded investors who can bear the risk of stocks and stay committed through various periods of performance.