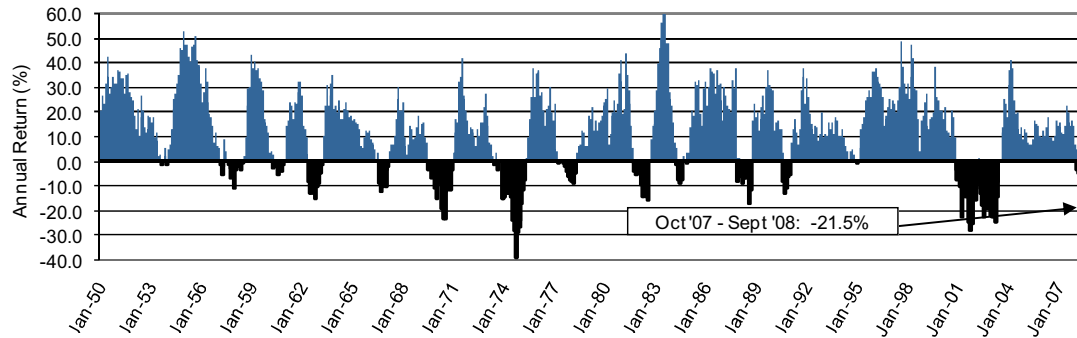


Equity returns in perspective

U.S. Equity returns and mutual fund flows

12 Month Rolling US Equity Returns*- 1950 through Sept. 2008

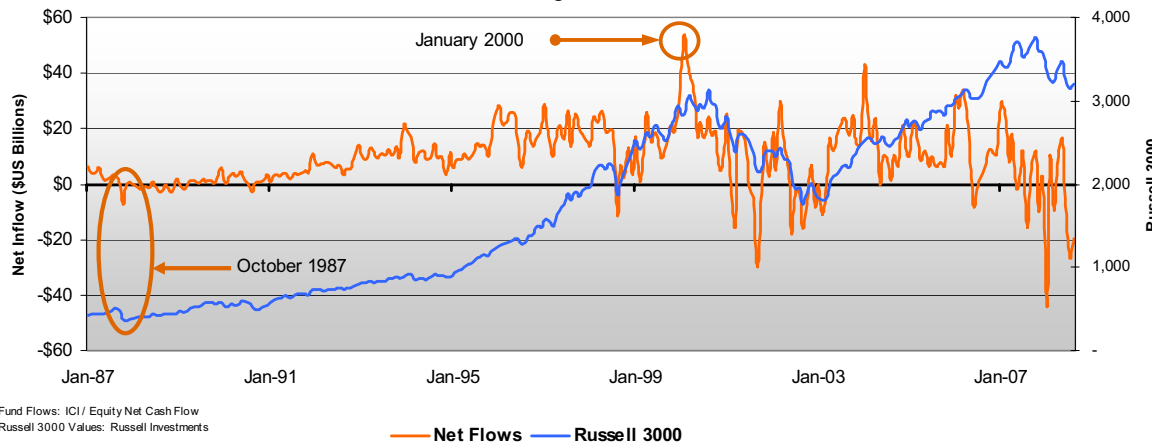


*US Equity Returns: 1950 - 1978: Ibbotson and Associates, 1979 - Current: Russell 3000

- You have to take risk to get return
- For equity investors, it's difficult to avoid down markets – they happen
- From a historical perspective, the last 12 months are approaching the bear market of 2001-2002

The Shaky Record of Investors Timing

Mutual Fund Flows vs Russell 3000
Jan. 1987 - August 2008



Fund Flows: ICI/ Equity Net Cash Flow
Russell 3000 Values: Russell Investments

- Note overall long term trend of the broad market (R3000)
- Investors continually overreact to negative markets by redeeming shares
- It is extremely challenging to time the eventual bounce back in the market

Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.