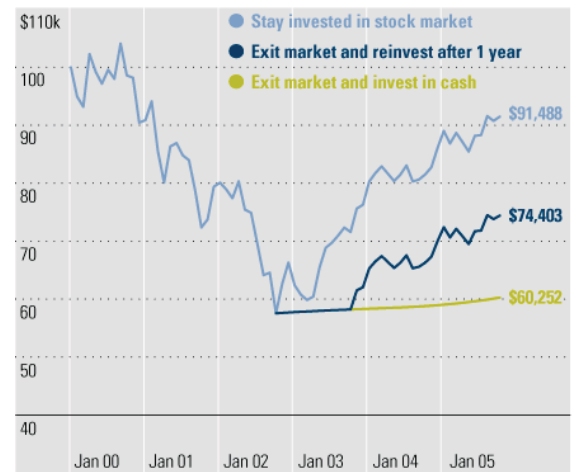




The Importance of Staying Invested

Investors who attempt to time the market run the risk of missing periods of positive returns. The image illustrates the value of a \$100,000 investment in the stock market during 2000–2006, which included the bear market of 2001 and the recovery that followed. The value of the investment dropped to \$57,537 by September 2002 (trough date). If an investor remained invested in the market over the next three years, however, the ending value would be \$91,488. If an investor exited the market at the bottom to invest in cash for a year and then re-entered, the ending value would be \$74,403. An all-cash investment would have yielded only \$60,252. Even though the continuous stock-market investment did not recover its initial value after three years, it still provided a higher ending value than the other two strategies. Investors are well advised to stick with a long-term approach to investing.

Ending Wealth Values After a Market Decline



Source: The market is represented by the Standard & Poor's 500®, which is an unmanaged group of securities and considered to be representative of the stock market in general. Cash is represented by the 30-day U.S. Treasury bill. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs. Returns and principal invested in stocks are not guaranteed. Stocks have been more volatile than bonds or cash. Holding a portfolio of securities for the long term does not ensure a profitable outcome and investing in securities always involves risk of loss.

Advisor Corner



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