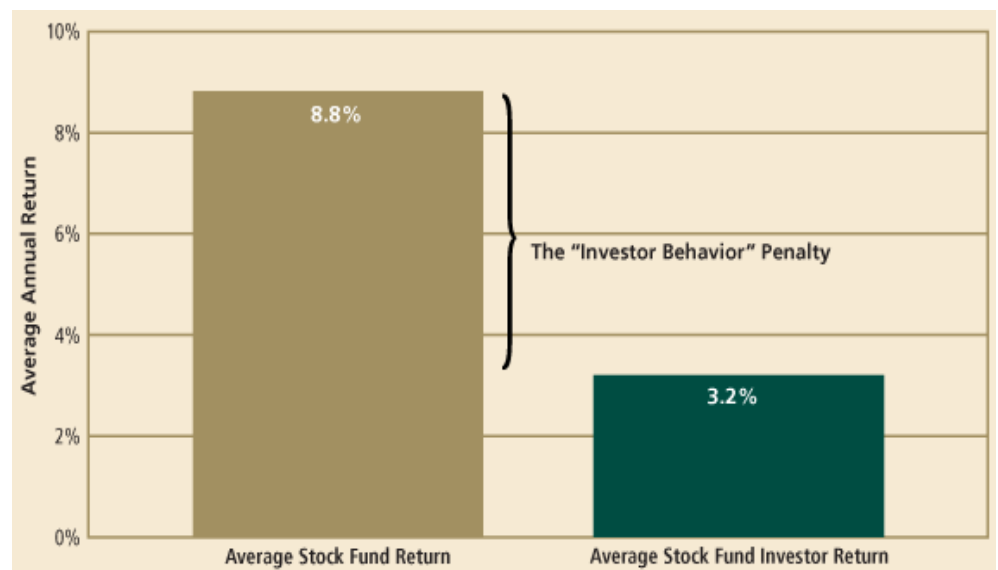




The Cost of Emotional Investing

Emotions can wreak havoc on an investor's ability to make timely investment decisions and accumulate long term wealth. Studies by the Industry research group Dalbar Inc. show that investor emotions such as "fear" and "greed" cause investors to engage in negative behaviors such as chasing hot managers or asset classes, attempting to time the market and abandoning their investment plans. The chart below shows the penalty most investors incur in stock market returns as a result of this investment behavior.

**Average Stock Fund Return vs. Average Stock Fund Investor Return
(1990-2009)**



Source: *Quantitative Analysis of Investor Behavior* by Dalbar, Inc. (March 2010) and Lipper. Dalbar computed the "average stock fund investor" returns by using industry cash flow reports from the Investment Company Institute. The "average stock fund return" figures represent the average return for all funds listed in Lipper's U.S. Diversified Equity fund classification model. Dalbar also measured the behavior of a "systematic investor" and "asset allocation investor". The annualized return for these investor types was 3.4% and 2.3% respectively over the time frame measured. All Dalbar returns were computed using the S&P 500® Index. Returns assume reinvestment of dividends and capital gain distributions.

There is no guarantee that the average stock fund will continue to outperform the average stock fund investor in the future. Equity markets are volatile and average stock funds and/or average stock fund investors may lose money.