

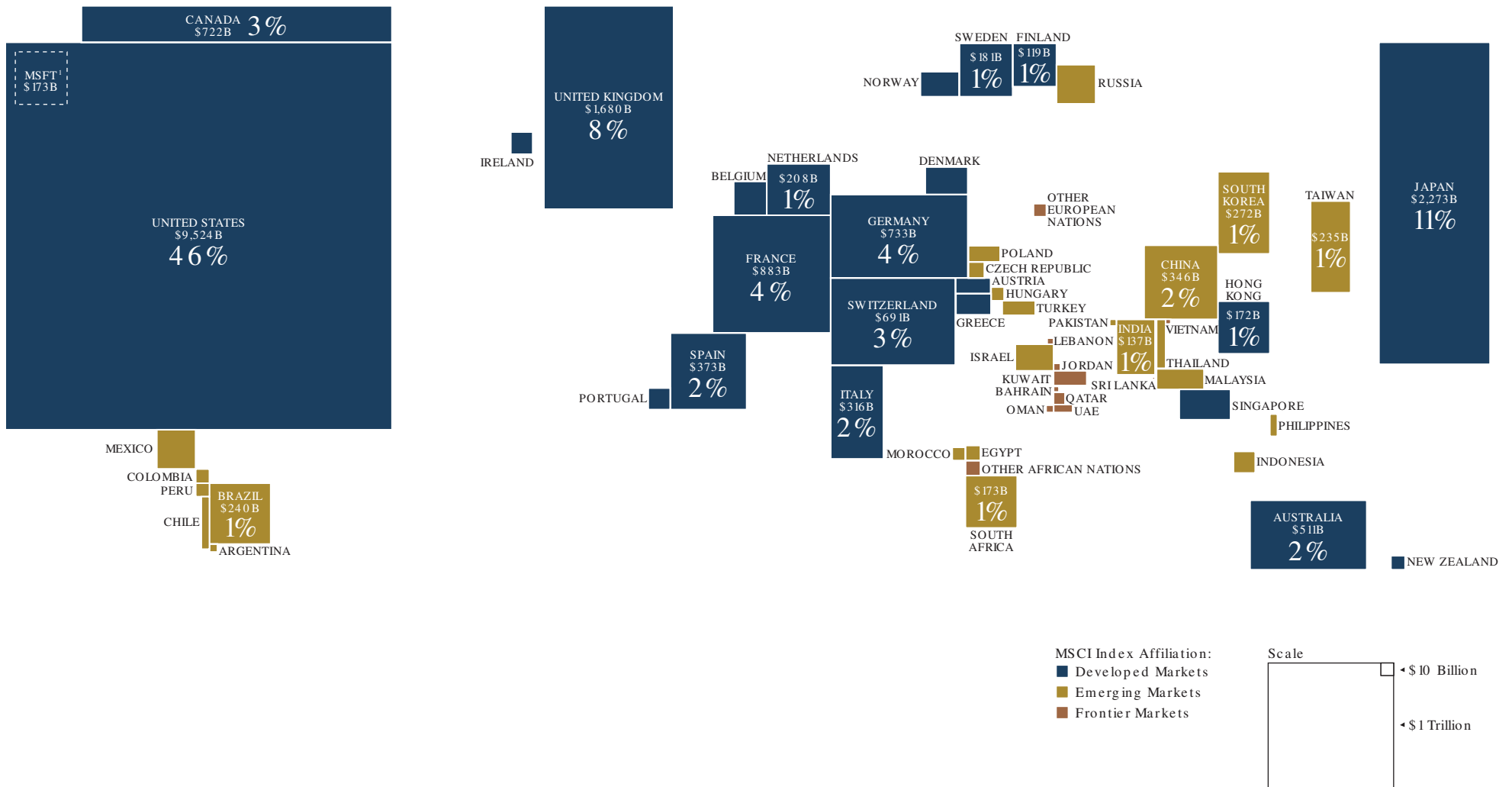
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OLLI Course F205 – Fall 2009 How to Help Your Money Outlive You: Managing and Surviving Uncertainty

World Market Capitalization

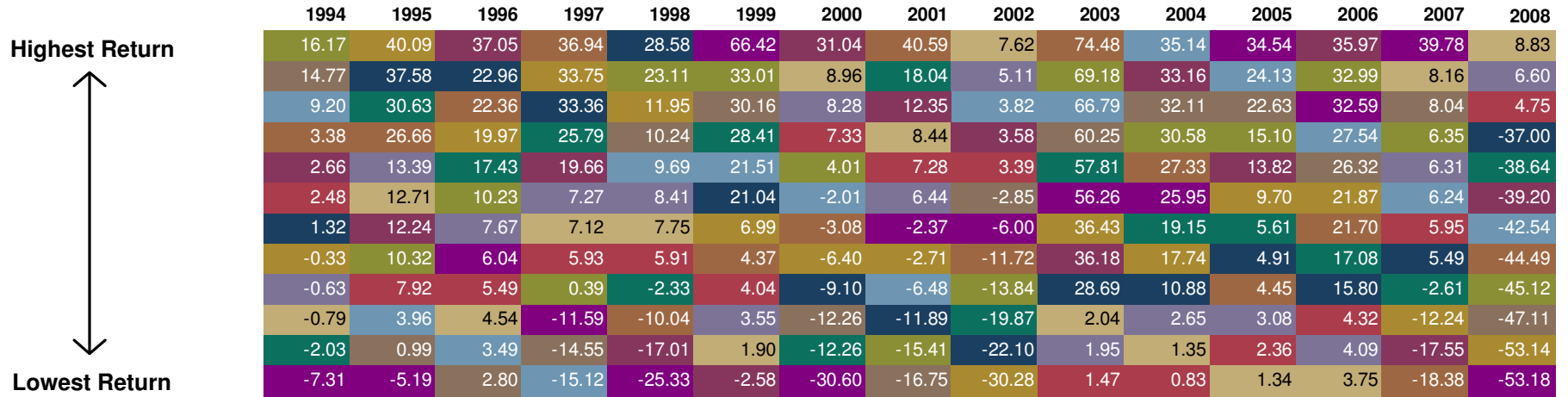
\$20.9 Trillion as of December 31, 2008



In US dollars. Map reflects countries in the MSCI Provisional All Country World Index, MSCI All Country World Small Cap Index, and MSCI Frontier Markets Index. Market cap data is free-float adjusted. MSCI data copyright MSCI 2009, all rights reserved. Vietnam data provided by MFMI. Many small nations not displayed. Totals may not equal 100% due to rounding. For educational purposes; should not be construed as investment advice. 1. An example large cap stock provided for comparison.

The Randomness of Returns

Annual Return (%)



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
US Large Cap	1.32	37.58	22.96	33.36	28.58	21.04	-9.10	-11.89	-22.10	28.69	10.88	4.91	15.80	5.49	-37.00
US Large Cap Value	-0.33	40.09	19.97	33.75	11.95	6.99	-6.40	-2.71	-30.28	36.43	17.74	9.70	21.87	-12.24	-53.14
US Small Cap	-2.03	30.63	17.43	25.79	-2.33	28.41	-12.26	18.04	-19.87	57.81	19.15	5.61	17.08	-2.61	-38.64
US Small Cap Value	3.38	26.66	22.36	36.94	-10.04	4.37	-3.08	40.59	-11.72	74.48	27.33	4.45	21.70	-18.38	-44.49
US Real Estate	2.66	12.24	37.05	19.66	-17.01	-2.58	31.04	12.35	3.58	36.18	33.16	13.82	35.97	-17.55	-39.20
International Value	16.17	10.32	10.23	0.39	23.11	33.01	4.01	-15.41	-13.84	69.18	30.58	15.10	32.99	6.35	-45.12
International Small Cap	14.77	0.99	2.80	-14.55	10.24	30.16	-12.26	-16.75	-2.85	60.25	32.11	22.63	26.32	8.04	-47.11
International Small Cap Value	9.20	3.96	3.49	-15.12	9.69	21.51	-2.01	-6.48	3.82	66.79	35.14	24.13	27.54	6.24	-42.54
Emerging Markets	-7.31	-5.19	6.04	-11.59	-25.33	66.42	-30.60	-2.37	-6.00	56.26	25.95	34.54	32.59	39.78	-53.18
One-Year US Fixed	2.48	7.92	5.49	5.93	5.91	4.04	7.33	7.28	3.39	1.47	0.83	2.36	4.32	5.95	4.75
Five-Year US Government Fixed	-0.79	12.71	4.54	7.12	7.75	1.90	8.96	8.44	7.62	2.04	1.35	1.34	3.75	8.16	8.83
Five-Year Global Fixed	-0.63	13.39	7.67	7.27	8.41	3.55	8.28	6.44	5.11	1.95	2.65	3.08	4.09	6.31	6.60

In US dollars. US Large Cap is the S&P 500 Index, provided by Standard & Poor's Index Services Group. US value (ex utilities) and US Small Cap data provided by Fama/French. US Real Estate is the Dow Jones Wilshire REIT Index, provided by Dow Jones Indexes. International Value data provided by Fama/French from Bloomberg and MSCI securities data. International Small Cap data compiled by Dimensional from Bloomberg, StyleResearch, London Business School, and Nomura Securities data. International Small Cap Value data compiled by Dimensional from Bloomberg and StyleResearch securities data. Emerging Markets is the MSCI Emerging Markets Index (gross dividends), copyright MSCI 2009, all rights reserved; see MSCI disclosure page for additional information. One-Year US Fixed is the Merrill Lynch One-Year US Treasury Note Index, used with permission; copyright 2009 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Five-Year US Government Fixed is the Barclays Capital Treasury Bond Index 1-5 Years, formerly Lehman Brothers, provided by Barclays Bank PLC. Five-Year Global Fixed is the Citigroup World Government Bond Index 1-5 Years (hedged), copyright 2009 by Citigroup.

Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

Model Portfolio: Allocations

		Model Portfolio 1	Model Portfolio 2	Model Portfolio 3	Model Portfolio 4	Model Portfolio 5
EQUITY		60%	60%	60%	60%	60%
US STOCKS		60%	60%	60%	60%	30%
US Large Cap	S&P 500 Index	60.0%	60.0%	30.0%	15.0%	7.5%
US Large Cap Value	Fama/French US Large Cap Value Index ¹	—	—	—	15.0%	7.5%
US Small Cap	Fama/French US Small Cap Index ¹	—	—	30.0%	15.0%	7.5%
US Small Cap Value	Fama/French US Small Cap Value Index ¹	—	—	—	15.0%	7.5%
NON-US STOCKS		0%	0%	0%	0%	30%
International Large Cap Value	Fama/French International Value Index	—	—	—	—	15.0%
International Small Cap	International Small Cap Index	—	—	—	—	15.0%
FIXED INCOME		40%	40%	40%	40%	40%
One-Year US Fixed	Merrill Lynch One-Year US Treasury Note Index	—	40.0%	40.0%	40.0%	40.0%
US Fixed (all maturities)	Barclays Capital US Government/Credit Bond Index 1-30+ Years	40.0%	—	—	—	—

1. Excludes utilities.

The returns and other characteristics of the allocation mixes contained in this presentation are based on model/back-tested simulations to demonstrate broad economic principles. They were achieved with the benefit of hindsight and do not represent actual investment performance. There are limitations inherent in model performance; it does not reflect trading in actual accounts and may not reflect the impact that economic and market factors may have had on an advisor's decision making if the advisor were managing actual client money. Model performance is hypothetical and is for illustrative purposes only. Model performance shown includes reinvestment of dividends and other earnings but does not reflect the deduction of investment advisory fees or other expenses. Clients' investment returns would be reduced by the advisory fees and other expenses they would incur in the management of their accounts.

For illustrative purposes only. The balanced strategies are not recommendations for an actual allocation. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Not to be construed as investment advice.

Model Portfolio: Historical Returns

Annual Return (%)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highest Return	5.95	30.02	15.75	23.63	21.63	16.76	-0.53	10.38	-7.18	33.07	15.01	8.39	16.16	6.29	-21.40
	1.82	25.07	14.64	21.98	19.89	15.76	-1.02	5.81	-9.18	28.88	11.45	4.68	13.20	5.74	-21.90
	1.42	23.18	14.48	21.69	10.82	14.32	-1.67	1.58	-11.05	25.46	9.31	4.15	11.69	3.29	-22.27
	0.85	22.95	14.19	20.16	10.30	11.64	-2.70	-3.30	-11.19	18.89	8.31	3.92	11.14	2.39	-26.00
Lowest Return	-0.61	14.57	10.27	9.45	7.19	11.26	-3.50	-3.91	-12.01	17.49	6.85	3.90	10.91	-1.91	-27.02

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Annualized Return	Annual Standard Deviation
Model Portfolio 1	-0.61	30.02	14.64	23.63	21.63	11.64	-1.02	-3.30	-9.18	18.89	8.31	3.92	10.91	6.29	-21.40	6.79	13.52
Model Portfolio 2	1.82	25.07	15.75	21.98	19.89	14.32	-2.70	-3.91	-12.01	17.49	6.85	3.90	11.14	5.74	-21.90	6.09	13.15
Model Portfolio 3	0.85	23.18	14.19	20.16	10.82	16.76	-3.50	5.81	-11.19	25.46	9.31	4.15	11.69	3.29	-22.27	6.47	12.88
Model Portfolio 4	1.42	22.95	14.48	21.69	7.19	11.26	-1.67	10.38	-11.05	28.88	11.45	4.68	13.20	-1.91	-26.00	6.22	13.88
Model Portfolio 5	5.95	14.57	10.27	9.45	10.30	15.76	-0.53	1.58	-7.18	33.07	15.01	8.39	16.16	2.39	-27.02	6.37	13.25

Assumes all strategies have been rebalanced quarterly.

The S&P data are provided by Standard & Poor's Index Services Group. Fama/French data provided by Fama/French. International Small Cap data compiled by Dimensional from Bloomberg, StyleResearch, London Business School, and Nomura Securities data. MSCI data copyright MSCI 2009, all rights reserved; see MSCI disclosure page for additional information. The Merrill Lynch indices are used with permission; copyright 2009 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Barclays Capital data, formerly Lehman Brothers, provided by Barclays Bank PLC. The returns and other characteristics of the allocation mixes contained in this presentation are based on model/back-tested simulations to demonstrate broad economic principles. They were achieved with the benefit of hindsight and do not represent actual investment performance. There are limitations inherent in model performance; it does not reflect trading in actual accounts and may not reflect the impact that economic and market factors may have had on an advisor's decision making if the advisor were managing actual client money. Model performance is hypothetical and is for illustrative purposes only. Model performance shown includes reinvestment of dividends and other earnings but does not reflect the deduction of investment advisory fees or other expenses. Clients' investment returns would be reduced by the advisory fees and other expenses they would incur in the management of their accounts.

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Past performance is not a guarantee of future results. Not to be construed as investment advice.

Equity Returns of Developed Markets

Annual Return (%)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highest Return	H.K. 46.99	Austria 176.27	Spain 121.22	Japan 43.00	Belg. 53.61	Austria 103.91	UK 10.29	H.K. 49.51	H.K. 32.29	H.K. 116.67	Norway 23.57	Switz. 44.11	Spain 40.05	Switz. 44.25	Belg. 67.76	Sing. 99.42	Switz. 5.83	Austral. 168	Austria 16.56	Austria 58.03	Austria 71.52	Can. 28.31	Spain 49.36	H.K. 41.20	Japan -29.21
	Spain 39.05	Ger. 135.23	Italy 108.31	Spain 36.91	Den. 52.70	Ger. 46.28	H.K. 9.18	Austral. 33.65	Switz. 17.24	Sing. 67.97	Japan 21.44	US 37.14	Sweden 37.22	Italy 35.50	Italy 52.53	Sweden 79.76	Can. 4.85	Austria -5.63	Austral. -1.34	Spain 55.70	Belg. 43.53	Japan 25.52	Sing. 46.71	Ger. 35.21	Switz. -30.49
	Japan 16.88	Italy 131.71	Japan 99.41	UK 35.07	Sweden 48.32	Norway 45.53	Austria 6.35	US 30.07	US 6.39	Switz. 45.75	Sweden 18.33	Sweden 33.39	H.K. 33.07	Den. 34.54	Spain 49.90	Japan 61.54	Den. 3.47	Belg. -10.90	Norway -7.25	Sweden 54.73	Norway 38.39	Austria 24.64	Norway 45.12	Norway 34.43	US -37.57
	Belg. 11.36	Switz. 105.76	Belg. 78.39	Den. 13.23	Norway 42.40	Den. 43.92	Norway 0.66	Sing. 24.94	Sing. 6.29	Norway 42.02	Neth. 11.70	Spain 29.83	Norway 28.64	US 33.38	France 41.53	H.K. 59.51	Norway -0.89	Spain -11.34	Italy -7.33	Ger. 54.73	Sweden 36.28	Den. 24.50	Swede 43.39	Can. 29.57	Spain -40.60
	Neth. 10.23	France 82.03	France 78.36	Can. 11.66	France 37.86	Sing. 42.29	Den. -0.91	France 17.83	France 2.80	Sweden 37.00	Italy 11.55	Neth. 27.72	Neth. 27.51	Spain 25.43	US 30.14	Can. 51.77	Italy -1.31	Norway -12.22	Japan -10.30	Can. 54.63	Italy 32.49	Norway 24.26	Den. 38.77	Sing. 28.35	France -43.27
	Italy 8.11	Belg. 76.60	Sweden 65.60	Austral. 9.25	Austral. 36.40	France 36.14	US -3.15	Neth. 17.81	Neth. 2.30	Ger. 35.67	Belg. 8.23	Belg. 25.88	UK 27.44	Ger. 24.58	Ger. 29.44	Norway 31.68	Neth. -4.10	US -12.39	Switz. -10.30	Den. 52.27	Den. 30.82	Switz. 16.33	Belg. 36.66	Austral. 28.34	Can. -45.51
	UK 5.31	Norway 68.62	H.K. 56.10	Belg. 7.86	Japan 35.38	Neth. 35.78	Neth. -3.19	Den. 16.55	Belg. -1.46	Neth. 35.28	Sing. 6.70	H.K. 22.58	Can. 26.34	Neth. 23.77	Switz. 23.53	France 29.26	France -4.32	UK -14.06	Sing. -11.05	Austral. 49.94	Austral. 30.34	Austral. 16.02	Austria 36.54	Den. 25.59	Ger. -45.87
	US 4.46	Den. 60.30	Sing. 45.18	Neth. 7.06	Sing. 33.35	Sweden 31.82	Switz. -6.22	UK 16.02	UK -3.67	Austral. 35.18	Austral. 5.40	UK 21.26	US 23.24	UK 22.61	Neth. 23.22	US 21.92	Austral. -9.94	Den. -14.80	Can. -13.21	Norway 39.39	Spain 28.93	Sing. 14.37	Ger. 35.99	Spain 23.95	Sing. -47.35
	France 4.32	Neth. 59.62	Austral. 42.28	Norway 5.66	H.K. 28.10	US 30.01	Ger. -9.36	Switz. 15.75	Ger. -10.28	Den. 32.81	Ger. 4.66	Den. 18.78	Den. 21.80	Belg. 13.56	UK 17.82	Ger. 20.03	UK -11.54	H.K. -18.61	Belg. -14.96	Italy 38.19	H.K. 24.98	Neth. 13.85	France 34.48	Neth. 20.59	Den. -47.56
	Norway 0.09	Sweden 56.94	Neth. 40.73	US 2.91	Ger. 20.60	Switz. 26.20	Belg. -10.97	Spain 15.62	Austria -10.64	Spain 29.76	Den. 3.76	Ger. 16.41	France 21.19	Sweden 12.93	Sweden 13.96	Austral. 17.62	Austria -11.97	Can. -20.44	UK -15.22	France 37.81	Sing. 22.27	Sweden 10.31	Italy 32.49	France 13.24	Neth. -48.22
	Austria -4.92	Spain 54.73	Ger. 35.29	Sing. 2.29	US 14.61	UK 21.87	Sing. -11.68	Sweden 14.42	Austral. -10.84	Italy 28.53	Switz. 3.54	Can. 16.09	Austral. 16.47	France 11.94	Den. 8.98	UK 12.44	US -12.84	Switz. -2.136	Spain -15.29	Japan 35.90	Can. 22.20	Ger. 9.92	Neth. 31.38	UK 8.36	UK -48.34
	Ger. -5.70	UK 53.04	Austria 34.75	Austria 2.23	Can. 14.25	Can. 21.36	France -13.84	Belg. 13.76	Can. -14.22	Austria 28.09	US 1.13	France 14.12	Ger. 13.57	Can. 11.20	Austral. 6.07	Den. 12.08	H.K. -14.75	Neth. -22.11	Den. -16.04	Belg. 32.31	UK 19.57	France 9.88	Austral. 30.86	Italy 6.06	Sweden -49.86
	Can. -10.91	H.K. 51.68	Switz. 33.37	Sweden 2.00	Neth. 14.17	Italy 19.41	Spain -13.84	Japan 8.91	Sweden -14.43	Japan 25.45	UK -1.61	Austral. 11.19	Italy 12.59	Norway 6.25	Japan 5.03	Neth. 6.88	Ger. -15.59	France -22.36	H.K. -17.79	UK 31.26	France 18.48	Belg. 9.05	UK 30.61	US 5.44	Italy -49.98
	Switz. -11.95	Japan 43.03	UK 26.96	H.K. -4.12	Spain 13.55	Belg. 17.30	Can. -15.32	Can. 8.29	Japan -21.45	UK 24.43	Spain -4.82	Sing. 6.47	Belg. 12.03	Austria 1.58	Austria 0.34	Spain 4.83	Spain -15.86	Ger. -22.39	Neth. -20.84	H.K. 29.93	Ger. 16.17	H.K. 8.40	H.K. 30.35	Switz. 5.29	Austral. -50.67
	Austral. -13.67	US 31.08	US 16.28	Switz. -9.46	Italy 11.46	Spain 9.75	Austral. -17.53	Ger. 8.15	Spain -21.86	Belg. 23.51	Can. -4.86	Norway 6.02	Austria 4.51	Austral. -10.43	H.K. -2.90	Italy -0.26	Belg. -16.85	Sing. -23.42	France -21.19	Switz. 29.04	Japan 15.86	UK 7.35	Switz. 27.40	Austria 2.17	H.K. -51.21
	Sweden -21.71	Austral. 19.55	Can. 7.44	France -13.82	Switz. 6.17	Austral. 9.29	Italy -19.20	Italy -1.83	Italy -22.22	France 20.90	France -5.18	Italy 1.05	Switz. 2.27	H.K. -23.28	Can. -7.43	Switz. -7.03	Sweden -21.27	Italy -26.60	US -23.09	US 28.41	Switz. 14.96	US 5.14	Can. 17.8	Sweden 0.62	Norway -64.24
	Sing. -26.92	Can. 12.24	Den. 1.25	Italy -21.31	UK 5.93	H.K. 8.38	Sweden -21.00	Austria -12.23	Norway -22.30	Can. 15.10	Austria -6.28	Japan 0.70	Sing. -6.88	Japan -23.67	Sing. -12.86	Austria -9.11	Sing. -27.73	Sweden -27.18	Sweden -30.49	Sing. 28.22	Neth. 12.24	Spain 4.41	US 14.67	Belg. -2.73	Belg. -66.48
Lowest Return	Den. -35.82	Sing. -22.18	Norway -2.52	Ger. -24.75	Austria 0.58	Japan 1.72	Japan -36.11	Norway -15.50	Den. -28.25	US 9.15	H.K. -28.91	Austria -4.73	Japan -15.50	Sing. -30.05	Norway -30.06	Belg. -14.27	Japan -28.16	Japan -29.41	Ger. -33.19	Neth. 22.80	US 10.14	Italy 1.90	Japan 6.24	Japan -4.23	Austria -68.41

In US dollars.

Source: MSCI developed markets country indices (net dividends) with at least twenty-five years of data. MSCI data copyright MSCI 2009, all rights reserved; see MSCI disclosure page for additional information.

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Equity Returns of Developed Markets

Annual Return (%)

Boxed Return is highest return for the year.

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Australia	-13.67	19.55	42.28	9.25	36.40	9.29	-17.53	33.65	-10.84	35.18	5.40	11.19	16.47	-10.43	6.07	17.62	-9.94	1.68	-1.34	49.94	30.34	16.02	30.86	28.34	-50.67
Austria	-4.92	176.27	34.75	2.23	0.58	103.91	6.35	-12.23	-10.64	28.09	-6.28	-4.73	4.51	1.58	0.34	-9.11	-11.97	-5.63	16.56	58.03	71.52	24.64	36.54	2.17	-68.41
Belgium	11.36	76.60	78.39	7.86	53.61	17.30	-10.97	13.76	-1.46	23.51	8.23	25.88	12.03	13.56	67.67	-14.27	-16.85	-10.90	-14.96	32.31	43.53	9.05	36.66	-2.73	-66.48
Canada	-10.91	12.24	7.44	11.66	14.25	21.36	-15.32	8.29	-14.22	15.10	-4.86	16.09	26.34	11.20	-7.43	51.77	4.85	-20.44	-13.21	54.63	22.20	28.31	17.80	29.57	-45.51
Denmark	-35.82	60.30	1.25	13.23	52.70	43.92	-0.91	16.55	-28.25	32.81	3.76	18.78	21.80	34.54	8.98	12.08	3.47	-14.80	-16.04	52.27	30.82	24.50	38.77	25.59	-47.56
France	4.32	82.03	78.36	-13.82	37.86	36.14	-13.84	17.83	2.80	20.90	-5.18	14.12	21.19	11.94	41.53	29.26	-4.32	-22.36	-21.19	37.81	18.48	9.88	34.48	13.24	-43.27
Germany	-5.70	135.23	35.29	-24.75	20.60	45.28	-9.36	8.15	-10.28	35.67	4.66	16.41	13.57	24.58	29.44	20.03	-15.59	-22.39	-33.19	54.73	16.17	9.92	35.99	35.21	-45.87
Hong Kong	46.99	51.68	56.10	-4.12	28.10	8.38	9.18	49.51	32.29	116.67	-28.91	22.58	33.07	-23.28	-2.90	59.51	-14.75	-18.61	-17.79	29.93	24.98	8.40	30.35	41.20	-51.21
Italy	8.11	131.71	108.31	-21.31	11.46	19.41	-19.20	-1.83	-22.22	28.53	11.55	1.05	12.59	35.50	52.53	-0.26	-1.31	-26.60	-7.33	38.19	32.49	1.90	32.49	6.06	-49.98
Japan	16.88	43.03	99.41	43.00	35.38	1.72	-36.11	8.91	-21.45	25.45	21.44	0.70	-15.50	-23.67	5.03	61.54	-28.16	-29.41	-10.30	35.90	15.86	25.52	6.24	-4.23	-29.21
Netherlands	10.23	59.62	40.73	7.06	14.17	35.78	-3.19	17.81	2.30	35.28	11.70	27.72	27.51	23.77	23.22	6.88	-4.10	-22.11	-20.84	22.80	12.24	13.85	31.38	20.59	-48.22
Norway	0.09	68.62	-2.52	5.66	42.40	45.53	0.66	-15.50	-22.30	42.02	23.57	6.02	28.64	6.25	-30.06	31.68	-0.89	-12.22	-7.25	39.39	38.39	24.26	45.12	31.43	-64.24
Singapore	-26.92	-22.18	45.18	2.29	33.35	42.29	-11.68	24.94	6.29	67.97	6.70	6.47	-6.88	-30.05	-12.86	99.42	-27.73	-23.42	-11.05	28.22	22.27	14.37	46.71	28.35	-47.35
Spain	39.05	54.73	121.22	36.91	13.55	9.75	-13.84	15.62	-21.86	29.76	-4.82	29.83	40.05	25.43	49.90	4.83	-15.86	-11.34	-15.29	55.70	28.93	4.41	49.36	23.95	-40.60
Sweden	-21.71	56.94	65.60	2.00	48.32	31.82	-21.00	14.42	-14.43	37.00	18.33	33.39	37.22	12.93	13.96	79.76	-21.27	-27.18	-30.49	54.73	36.28	10.31	43.39	0.62	-49.86
Switzerland	-11.95	105.76	33.37	-9.46	6.17	26.20	-6.22	15.75	17.24	45.75	3.54	44.11	2.27	44.25	23.53	-7.03	5.83	-21.36	-10.30	29.04	14.96	16.33	27.40	5.29	-30.49
United Kingdom	5.31	53.04	26.96	35.07	5.93	21.87	10.29	16.02	-3.67	24.43	-1.61	21.26	27.44	22.61	17.82	12.44	-11.54	-14.06	-15.22	31.26	19.57	7.35	30.61	8.36	-48.34
United States	4.46	31.08	16.28	2.91	14.61	30.01	-3.15	30.07	6.39	9.15	1.13	37.14	23.24	33.38	30.14	21.92	-12.84	-12.39	-23.09	28.41	10.14	5.14	14.67	5.44	-37.57

In US dollars.

Source: MSCI developed markets country indices (net dividends) with at least twenty-five years of data. MSCI data copyright MSCI 2009, all rights reserved; see MSCI disclosure page for additional information.

Indexes are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.

Past performance is not a guarantee of future results.

The Importance of Long-Term Discipline

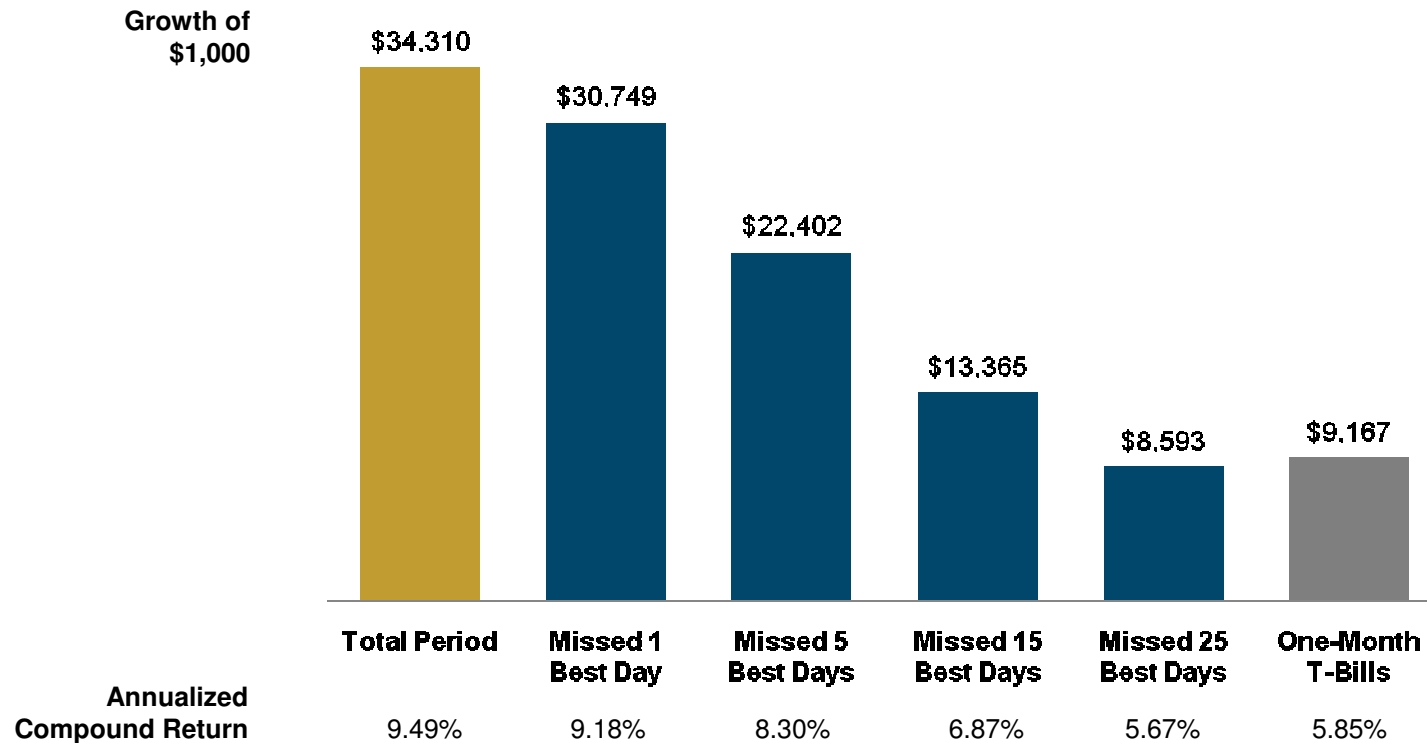
Annualized Compound Returns (%)	1926-2008	1965-1981	1982-2008
S&P 500 Index	9.62	6.33	10.64
One-Month US Treasury Bills	3.70	6.66	5.16

The S&P data are provided by Standard & Poor's Index Services Group. One-Month US Treasury Bills data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

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Performance of the S&P 500 Index

Daily: January 1, 1970-December 31, 2008



Performance data for January 1970-August 2008 provided by CRSP; performance data for September 2008-December 2008 provided by Bloomberg.

The S&P data are provided by Standard & Poor's Index Services Group. CRSP data provided by the Center for Research in Security Prices, University of Chicago.

US bonds and bills data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

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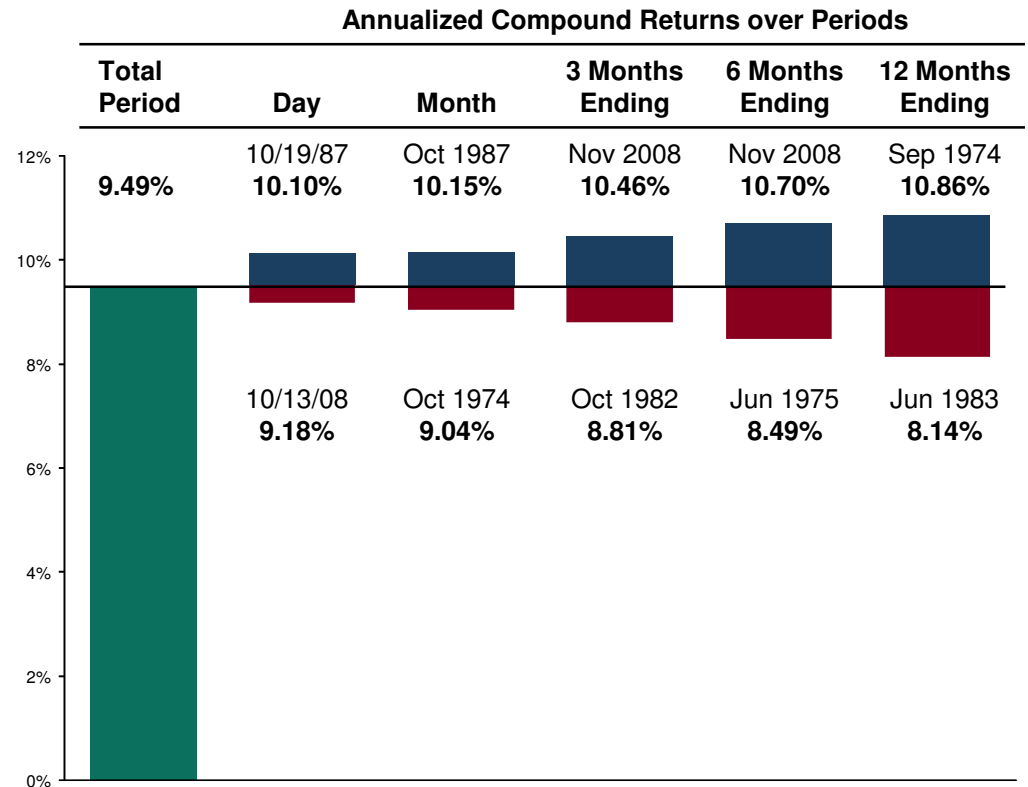
Performance of the S&P 500 Index

January 1970-December 2008

- The best single day was October 13, 2008.
- The best one-month return, October 1974, happened immediately after the worst one-year period.
- The occurrence of strongly positive returns has been especially unpredictable. Investors attempting to wait out an apparent downturn ran a high risk of missing these best periods.
- Ten of the top 25 days occurred between September 2008 and December 2008, during which time the S&P 500 dropped 28.9%

**Worst Periods
and the Return
If Missed**

**Best Periods
and the Return
If Missed**



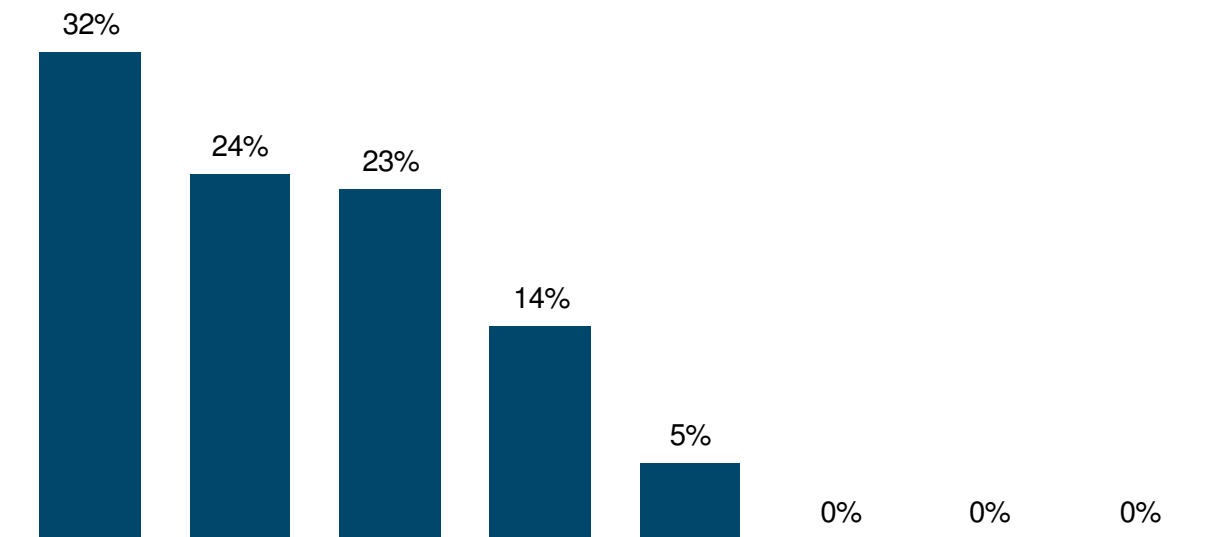
Time periods greater than one month are based on monthly rolling periods, and dates indicated are end of period. The S&P data are provided by Standard & Poor's Index Services Group.

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Fixed Income vs. Large Stocks

Monthly: January 1926-December 2008

Rolling Time Periods	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	30 Years	40 Years
Total Number of Periods	985	961	937	877	817	757	637	517
Number of Periods One-Month T-Bills Outperformed S&P 500 Index	314	230	214	126	44	0	0	0



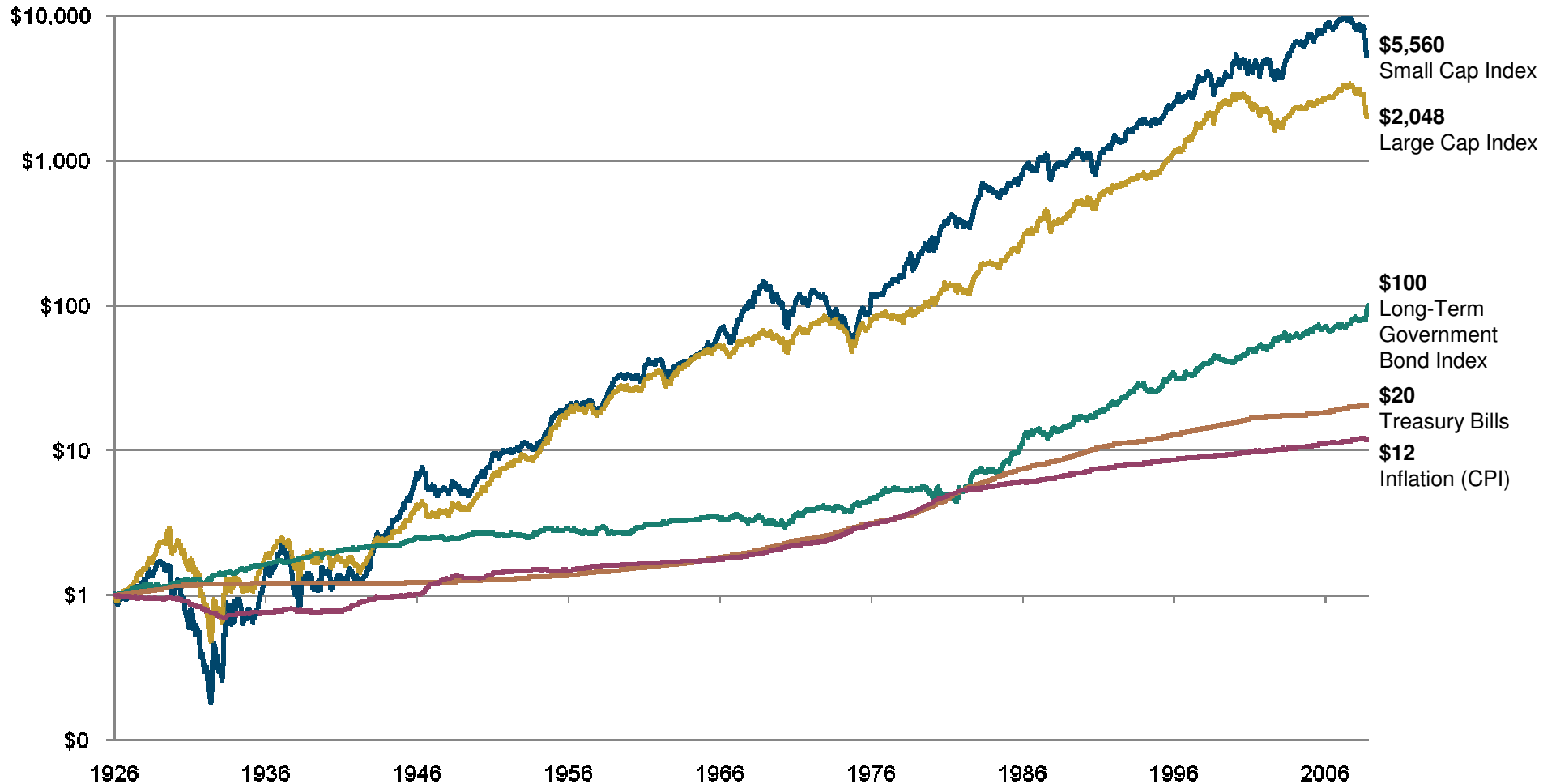
Percentage of All Rolling Periods Where One-Month T-Bills Outperformed S&P 500 Index

The S&P data are provided by Standard & Poor's Index Services Group. One-Month Treasury Bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

Indexes are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Values change frequently and past performance may not be repeated. There is always the risk that an investor may lose money. Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities, and the portfolios that own them, to rise or fall. Because the value of your investment in a portfolio will fluctuate, there is a risk that you will lose money. Indexes are referred to for comparative purposes only and do not represent similar asset classes in terms of components or risk exposure; thus, their returns may vary significantly. The S&P 500 Index measures the performance of large cap US stocks. One-Month T-Bills measure the performance of US government-issued Treasury bills.

Growth of Wealth

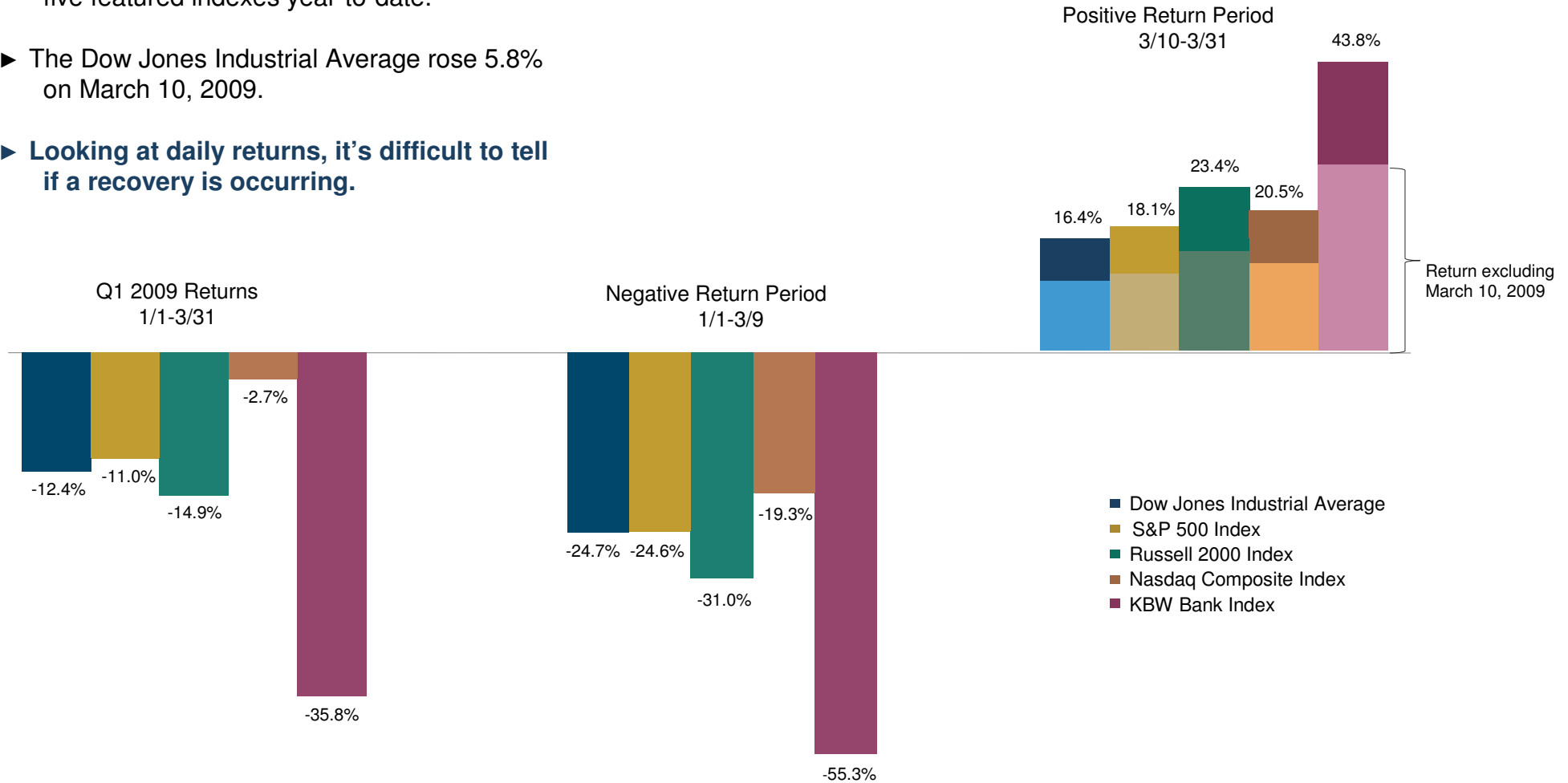
Monthly: January 1926-December 2008



Perils of Market Timing

As of March 31, 2009

- ▶ March 9 was the low closing date for four of the five featured indexes year-to-date.
- ▶ The Dow Jones Industrial Average rose 5.8% on March 10, 2009.
- ▶ **Looking at daily returns, it's difficult to tell if a recovery is occurring.**

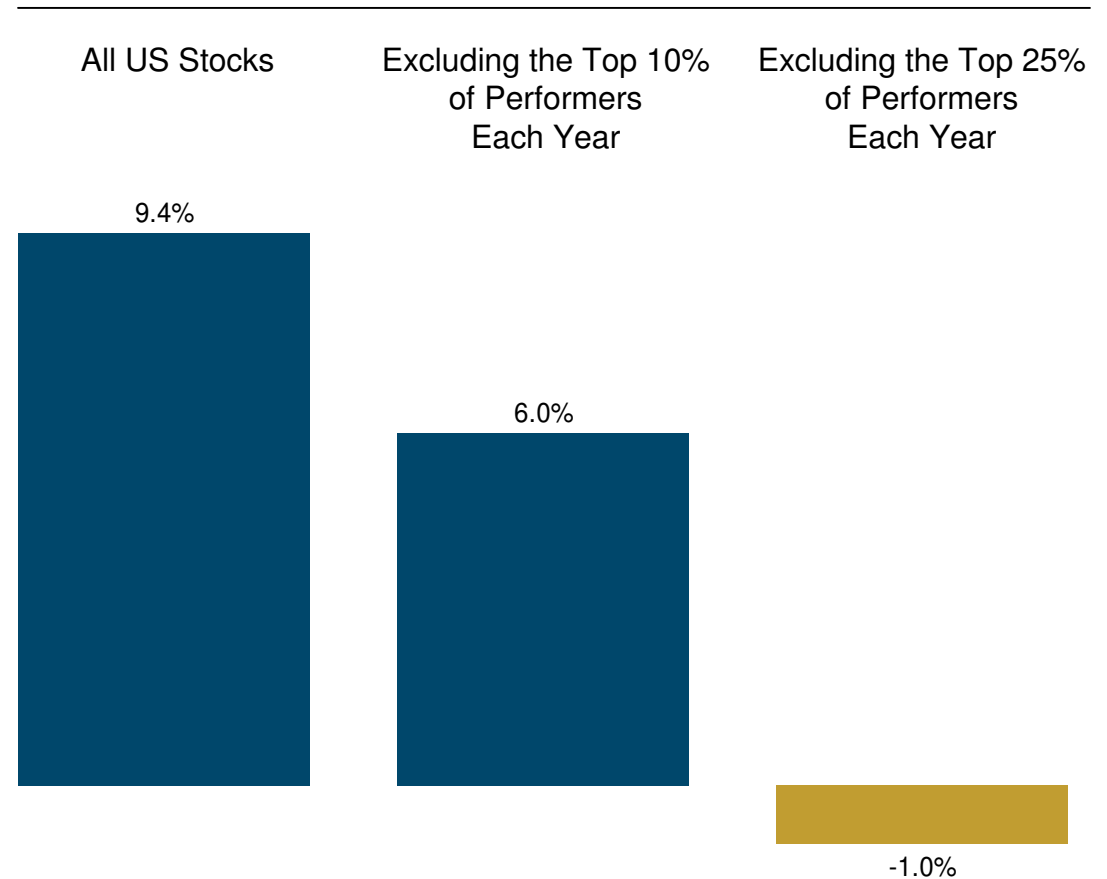


Returns are from market-close to market-close. Indices are not available for direct investment; their performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data are provided by Standard & Poor's Index Services Group. Dow Jones data provided by Dow Jones Indexes. Russell data copyright © Russell Investment Group 1995-2009, all rights reserved. Mutual fund universe statistical data and non-Dimensional money managers' fund data provided by Morningstar, Inc. Nasdaq Composite Index data provided by The Nasdaq Stock Market, Inc. KBW Bank Index data provided by Keefe, Bruyette & Woods, Inc. (KBW). Past performance is not a guarantee of future results.

Missing Opportunity

- Strong performance among a few stocks accounts for much of the market's return each year.
- There is no evidence that managers can identify these stocks in advance—and attempting to pick them may result in missed opportunity.
- Investors should diversify broadly and stay fully invested to capture expected returns.

Compound Average Annual Returns: 1926-2008



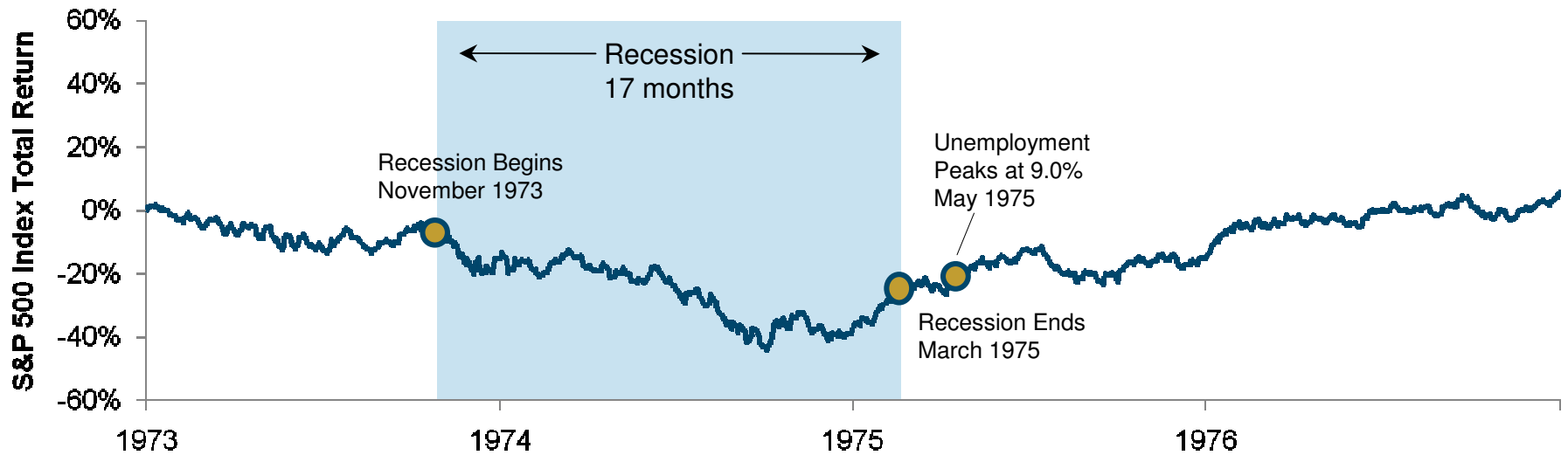
Recessionary Periods

Observations

- The last four recessions have looked different in terms of length, stock market performance, unemployment rates, and subsequent recovery.
- In each of the last four recessions prior to 2007, unemployment rates peaked after the recession ended.
- Stock markets tend to be a leading indicator of economic prosperity, and in each case, the S&P 500 Index started to rebound before the end of the recession was announced.

Recessionary Periods

Mid 1970s and Early 1980s

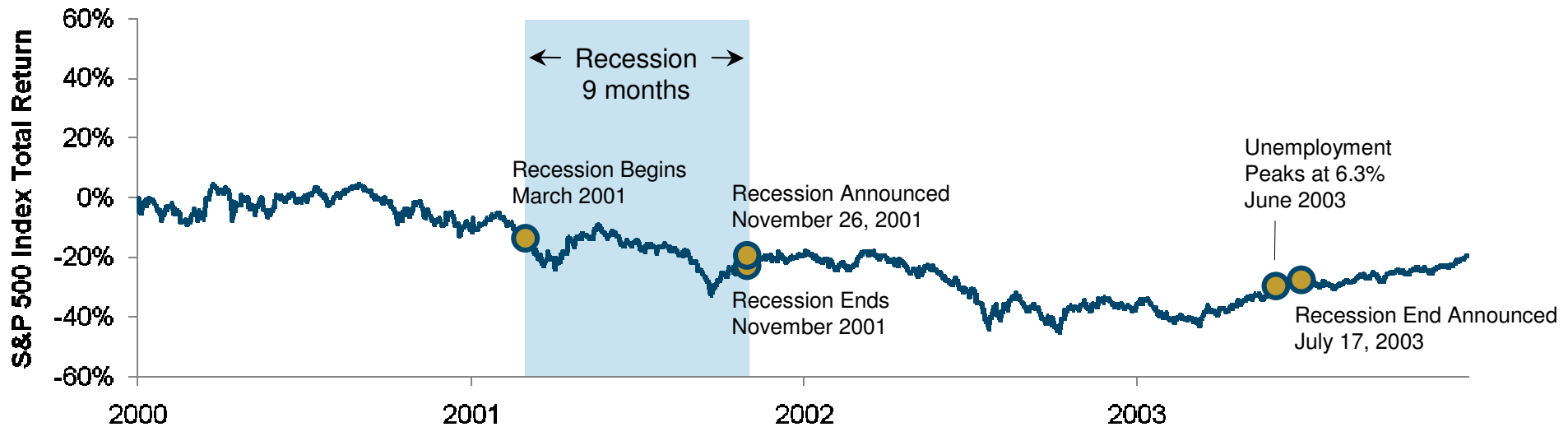
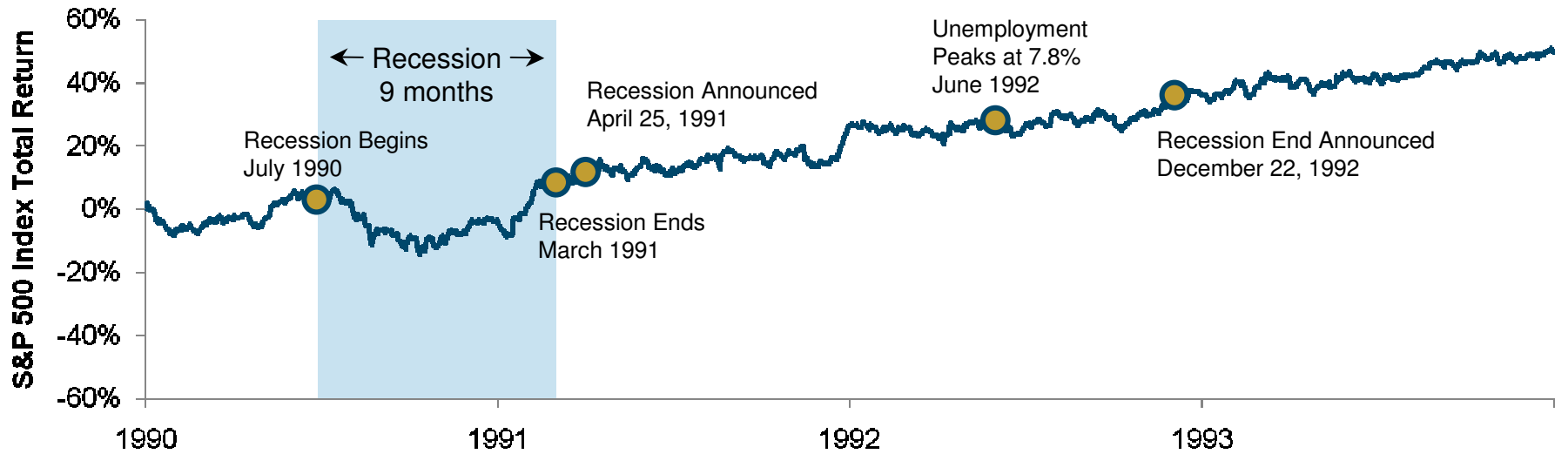


Prior to 1979, there were no formal announcements of business cycle turning points.

Indices are not available for direct investment; their performance does not reflect the expenses associated with the management of an actual portfolio. For illustrative purposes only. Past performance is not a guarantee of future results and there is always the risk that an investor will lose money. Source: National Bureau of Economic Research (NBER) for economic expansions and recessions data; the S&P data are provided by Standard & Poor's Index Services Group; US Bureau of Labor Statistics for unemployment data.

Recessionary Periods

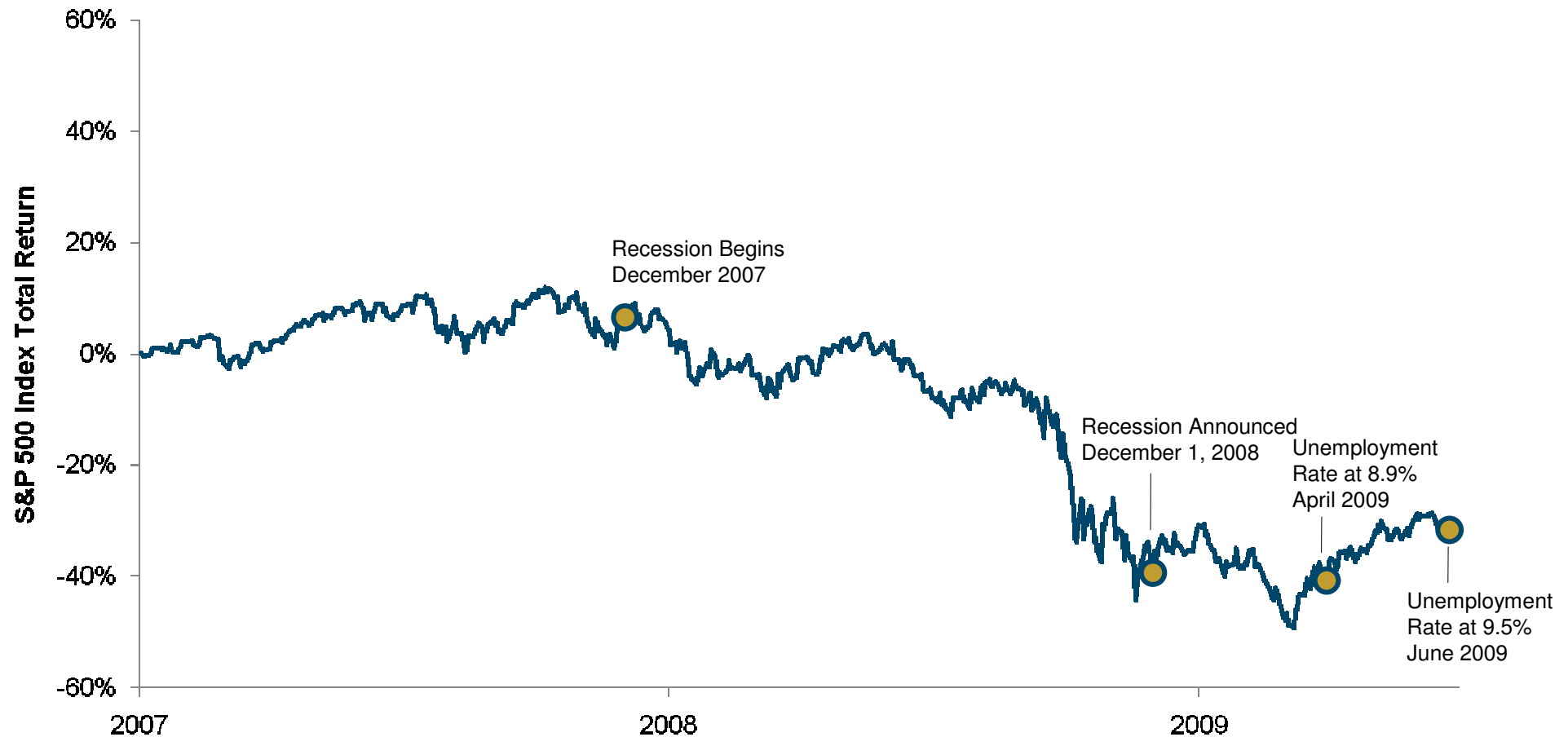
Early 1990s and Early 2000s



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Recessionary Period

January 2007-June 2009



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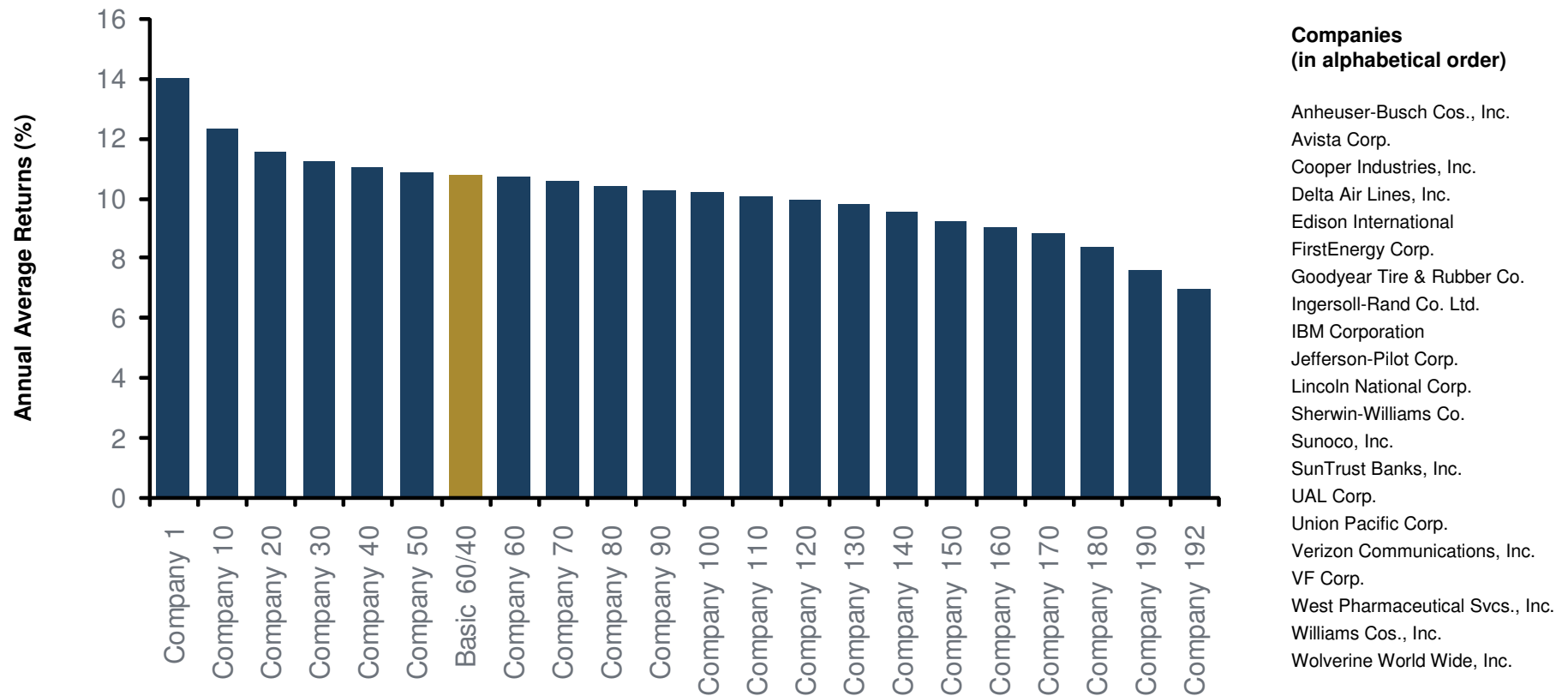
Investment Considerations

- Reduce expenses.
- Diversify systematically.
- Minimize taxes and turnover.
- Think long-term.
- Apply discipline.
- Hold low-cost funds.
- Maintain asset allocation.

Basic 60/40 Balanced Strategy vs. Company Plans

Results of 192 Corporate Pension Funds

Annual: 1988-2005



Basic 60/40 is 60% S&P 500 Index, 40% Lehman Brothers US Government/Credit Bond Index Intermediate, rebalanced monthly.

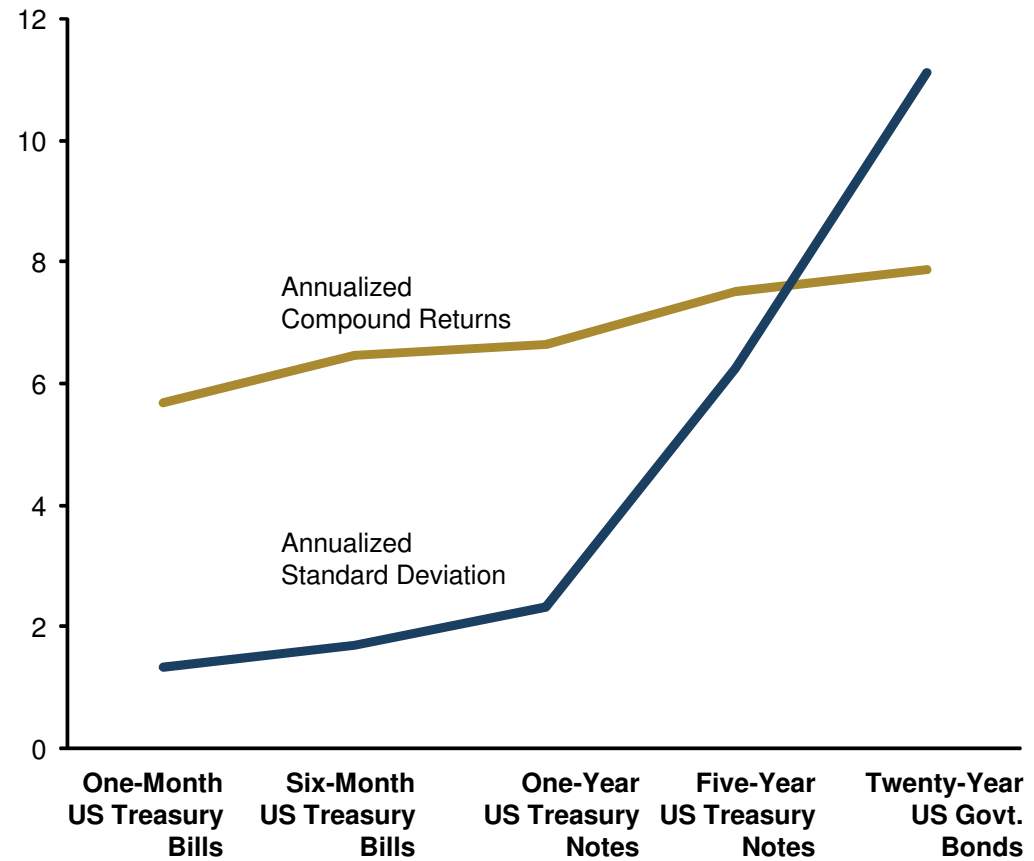
Source: FutureMetrics (December 2006); all companies with fiscal year ending December, with complete return data from 1988-2005.

The S&P data are provided by Standard & Poor's Index Services Group. Barclays Capital data, formerly Lehman Brothers, provided by Barclays Bank PLC.

Evaluating the Maturity Risk/Return Tradeoff

Quarterly: 1964-2008

- Not all investors define risk as standard deviation. Some investors may seek to hedge long-term liabilities using long-term bonds.
- Historically, longer-maturity instruments have higher standard deviations than shorter-maturity instruments.



Maturity	One-Month US Treasury Bills	Six-Month US Treasury Bills	One-Year US Treasury Notes	Five-Year US Treasury Notes	Twenty-Year US Govt. Bonds
Annualized Compound Return (%)	5.69	6.46	6.66	7.50	7.87
Annualized Standard Deviation (%)	1.34	1.71	2.32	6.24	11.10

Source: One-Month US Treasury Bills, Five-Year US Treasury Notes, and Twenty-Year (Long-Term) US Government Bonds provided by Ibbotson Associates. Six-Month US Treasury Bills provided by CRSP (1964-1977) and Merrill Lynch (1978-present). One-Year US Treasury Notes provided by CRSP (1964-May 1991) and Merrill Lynch (June 1991-present). Ibbotson data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). CRSP data provided by the Center for Research in Security Prices, University of Chicago. The Merrill Lynch Indices are used with permission; copyright 2009 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved.

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Past performance is not a guarantee of future results. Values change frequently and past performance may not be repeated. There is always the risk that an investor may lose money. Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. In general, fixed income securities with longer maturities are more sensitive to these price changes and may experience greater fluctuation in returns.