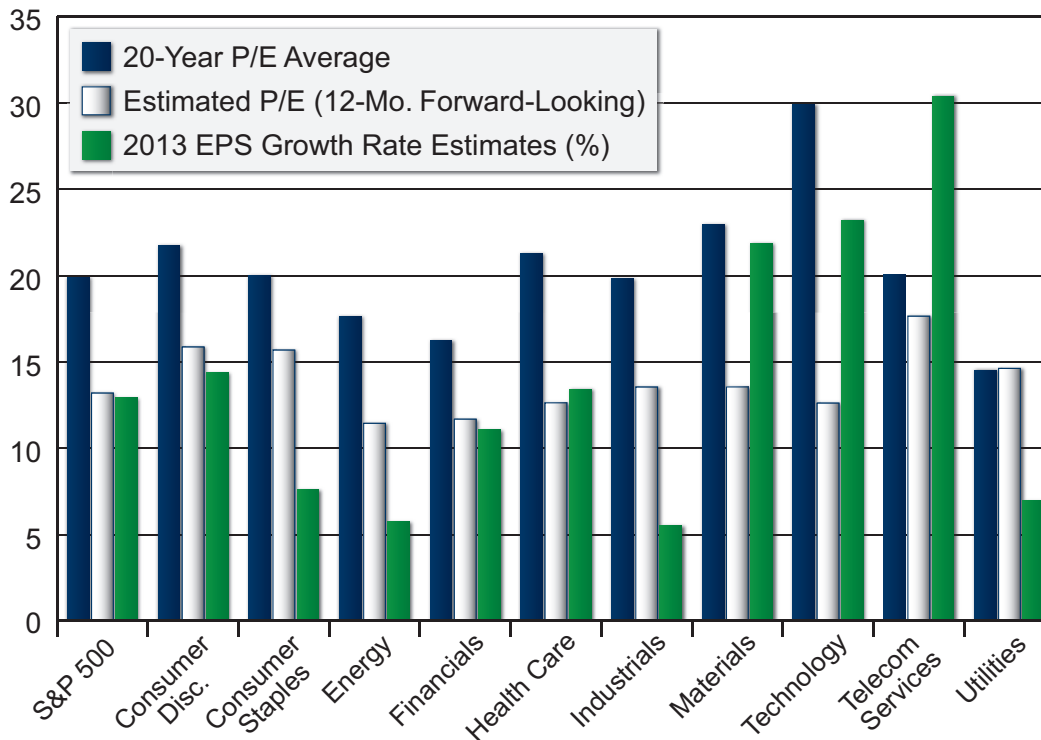


Large-Caps Still Relatively Inexpensive Heading Into 2013

S&P 500/Sector Price-to-Earnings (P/E) Comparisons & 2013 Earnings Per Share (EPS) Growth Rate Estimates



Source: Bloomberg. As of 1/2/13.

View from the Observation Deck

1. The S&P 500 posted a total return of 15.99% in 2012. On average, the index returned 9.8% per year from 1926 through 2011, according to Ibbotson Associates/Morningstar.
2. Despite the strong return in 2012, the S&P 500 closed the year 8.9% below its all-time high of 1565.15 on 10/9/07.
3. Except for the S&P 500 Utilities Index, each of the major sector indices, as well as the S&P 500, all possess 12-month forward-looking estimated P/E ratios that are well below their 20-year averages (see chart).
4. The S&P 500's estimated P/E is 13.19, significantly below its 20-year average of 19.86.
5. Bloomberg estimates that the S&P 500's 2013 EPS growth rate will be 12.92%, as of 1/2/13.

This chart is for illustrative purposes only and not indicative of any actual investment. Investors cannot invest directly in an index. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance.