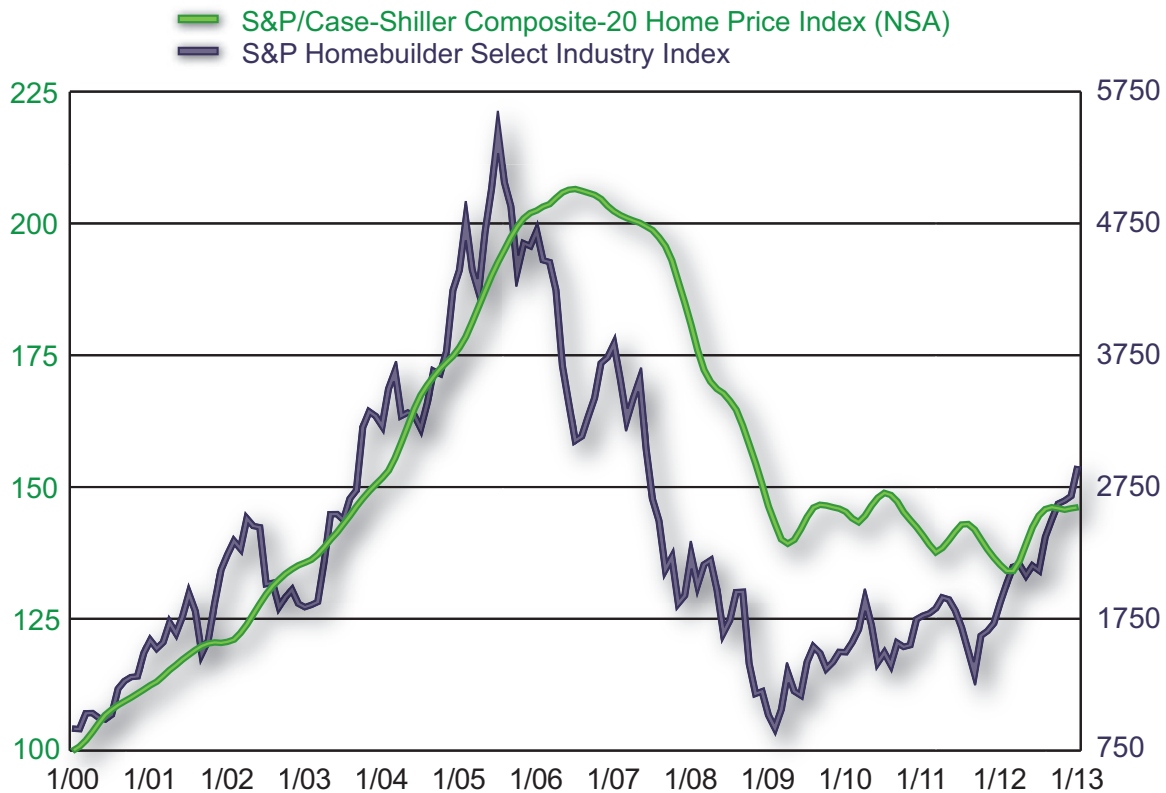


Home Prices And Homebuilder Stocks Are Still Recovering

S&P/Case-Shiller Composite-20 Home Price Index (NSA) vs. S&P Homebuilder Select Industry Index



Source: Bloomberg. Note: Monthly data points from January 2000 to January 2013.

View from the Observation Deck

1. Home prices in the 20 metropolitan cities tracked by S&P/Case-Shiller are roughly where they stood in the fall of 2003 (see chart).
2. Prices were up 8.1% (y-o-y), on average, in January 2013, the latest figures available.
3. The National Association of Homebuilders/First American Improving Markets Index (IMI) expanded for the seventh consecutive month in March with 75% of the 361 metropolitan areas tracked by IMI showing improvement.
4. The S&P Homebuilding Select Industry Index posted a price-only return of 56.3% in 2012, and is up 12.3% (price-only) this year as of 3/25.
5. The following are the S&P Homebuilding Select Industry Index's annual earnings from 2010-2014 (Source: Bloomberg): \$15.73 (2010); \$48.42 (2011); \$94.46 (2012); \$151.29 Est. (2013); and \$194.02 Est. (2014).

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P Homebuilding Select Industry Index provides investors with an equity benchmark for U.S. traded Homebuilding-related securities. The S&P/Case-Shiller Composite-20 Home Price Index (Not Seasonally Adjusted) measures the price changes of homes within all 20 metropolitan markets for which MacroMarkets LLC and S&P have launched an index. The National Association of Homebuilders/First American Improving Markets Index (IMI) identifies metropolitan areas that have shown improvement from their respective troughs in housing permits, employment and house prices for at least six consecutive months.