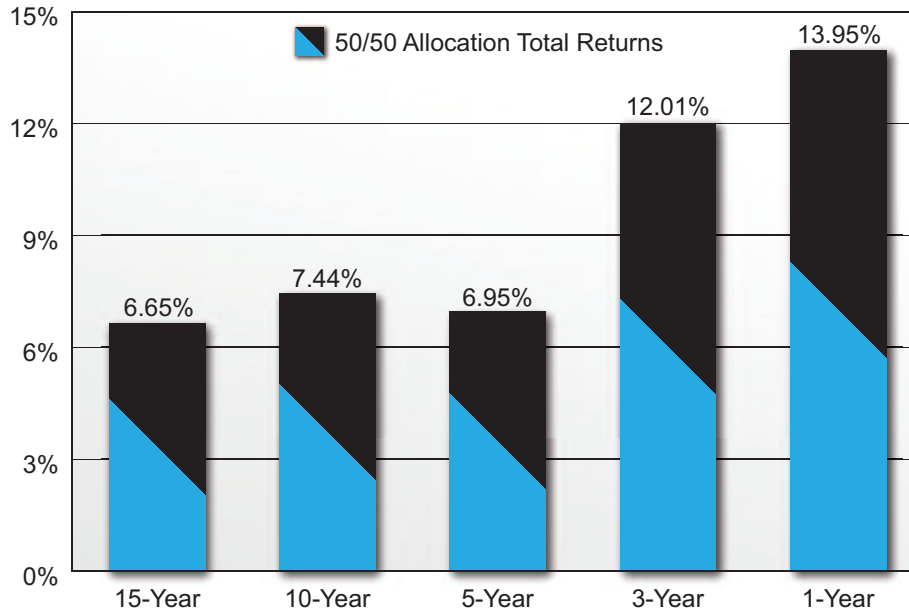


One Way To Make Investing A Bit Less Taxing

Dow Jones U.S. Select Dividend Index & Barclays Capital Municipal Bond: Long Bond (22+) Index



Sources: Bloomberg and Barclays Capital. Data as of 4/30/13. 3-, 5-, 10- and 15-year performance figures are annualized total returns. Past performance is no guarantee of future results.

View from the Observation Deck

1. The Obama Administration pushed hard for Congress to raise taxes on the wealthiest Americans following last year's presidential election. Congress did.
2. The discussion, however, did not end with the passage of the American Taxpayer Relief Act. The Obama Administration continues to push for additional sources of revenue.
3. While the new tax law raises the top federal marginal rate from 35% to 39.6% starting in 2013, income levels below the top rate were permanently extended, including the 15% maximum tax rate on qualified stock dividends.
4. One of the ways that investors can position some of their capital to potentially generate a more tax-efficient total return is to combine dividend-paying stocks with municipal bonds (see chart).
5. The two indices referenced in the chart were chosen simply for illustrative purposes. The Dow Jones U.S. Select Dividend Index is one of the original dividend-paying stock indices.
6. Looking ahead, we believe the demand for municipal bonds will remain strong as more and more Americans are forced to seek out ways to offset any future tax burdens.
7. We see the demand for dividend-paying stocks actually rising in the years ahead as approximately 10,000 baby boomers, on average, turn 65 years old every day for the next 20 years, according to the Federal Reserve.
8. With Americans living longer, we believe retirees will need greater exposure to growth and income-oriented securities, such as dividend-paying stocks, to cover living expenses.
9. Combining dividend-paying stocks with municipal bonds in a buy and hold strategy is one way of navigating through a challenging tax climate, in our opinion.

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 Dow Jones U.S. Select Dividend Index represents the most widely traded of the market's highest-yielding stocks, while the Barclays Capital Municipal Bond: Long Bond (22+) Subindex tracks the four main sectors (state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds) of the USD-denominated long-term tax exempt bond market.