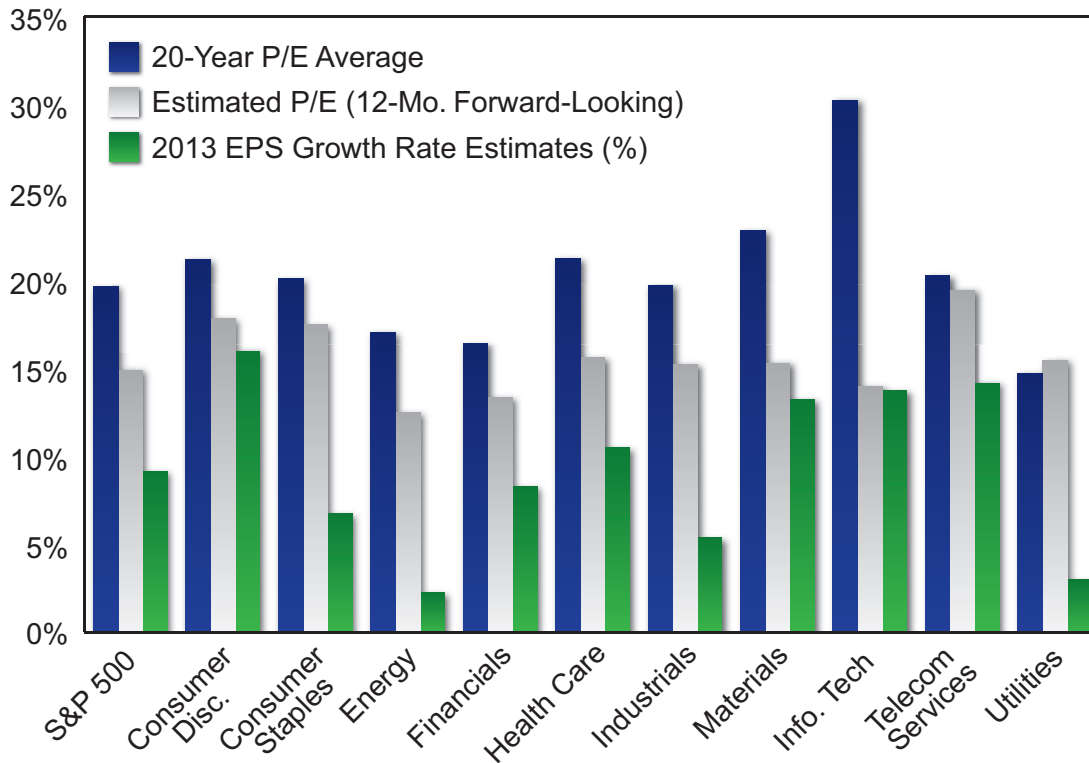


# S&P 500 Valuation Snapshot

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



Source: Bloomberg. As of 6/10/13.

### View from the Observation Deck

1. Year-to-date through 6/10/13, the S&P 500 posted a total return of 16.30%.
2. The index level stood at 1642.81 on 6/10/13, approximately 1.6% below its all-time high of 1669.16 on 5/21/13.
3. Despite the fact that the S&P 500 has completely rebounded from the previous bear market and moved on to set a new all-time high, investors can still find value, in our opinion.
4. With the exception of Utilities, most of the major sectors are sporting forward-looking estimated P/E ratios below their 20-Year averages.
5. In some cases, such as Information Technology and Materials, forward-looking estimated P/E ratios are significantly below their respective 20-Year averages. Both sectors are cyclical in nature.
6. We believe that cyclical stocks, on the whole, will garner more interest from investors than defensive-oriented stocks, like utilities, in the second half of 2013.

*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 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the S&P Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.*