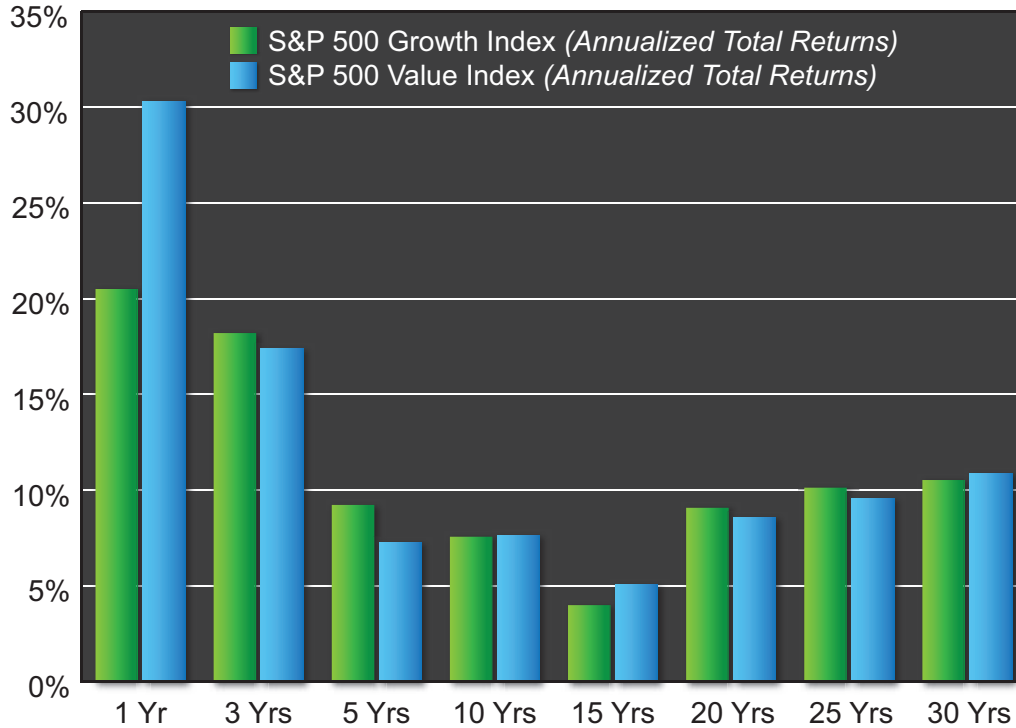


What A Difference A Year Can Make

Growth vs. Value



Source: Bloomberg. Data through 7/31/13. Past performance is no guarantee of future results.

View from the Observation Deck

1. When we did the comparison in the chart a year ago we found that the S&P 500 Growth Index outperformed the S&P 500 Value Index for the 5-, 10-, 15-, 20-, 25- and 30-year periods ended 7/31/12.
2. This year we added the past 1- and 3-year periods to the mix. The period that really pops in the chart is the one reflecting the past 12 months. The value style of investing is getting a boost from Financials.
3. The rebound in financial stocks, post-2008 crisis, has increased the sector's influence on the S&P 500. From 7/12-7/13, the S&P 500 Financials Index posted a total return of 42.37%, vs. 24.98% for the S&P 500.
4. Financials carried a weighting in the index of 8.6% on 3/9/09, compared to 16.7% on 7/31/13, according to Bespoke Investment Group.
5. The S&P 500 Growth Index outperformed for the 3-, 5-, 20- and 25-year periods ended 7/31/13, while the S&P 500 Value Index outperformed for the 1-, 10-, 15- and 30-year periods.
6. It is rare to see one style of equity investing dominate the way growth stocks did a year ago.
7. We believe maintaining exposure to both growth and value stocks in the large-cap space is prudent for the average investor.

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 Growth Index and S&P 500 Value Index are capitalization-weighted indices used to measure large-cap U.S. stock market performance based on style bias.