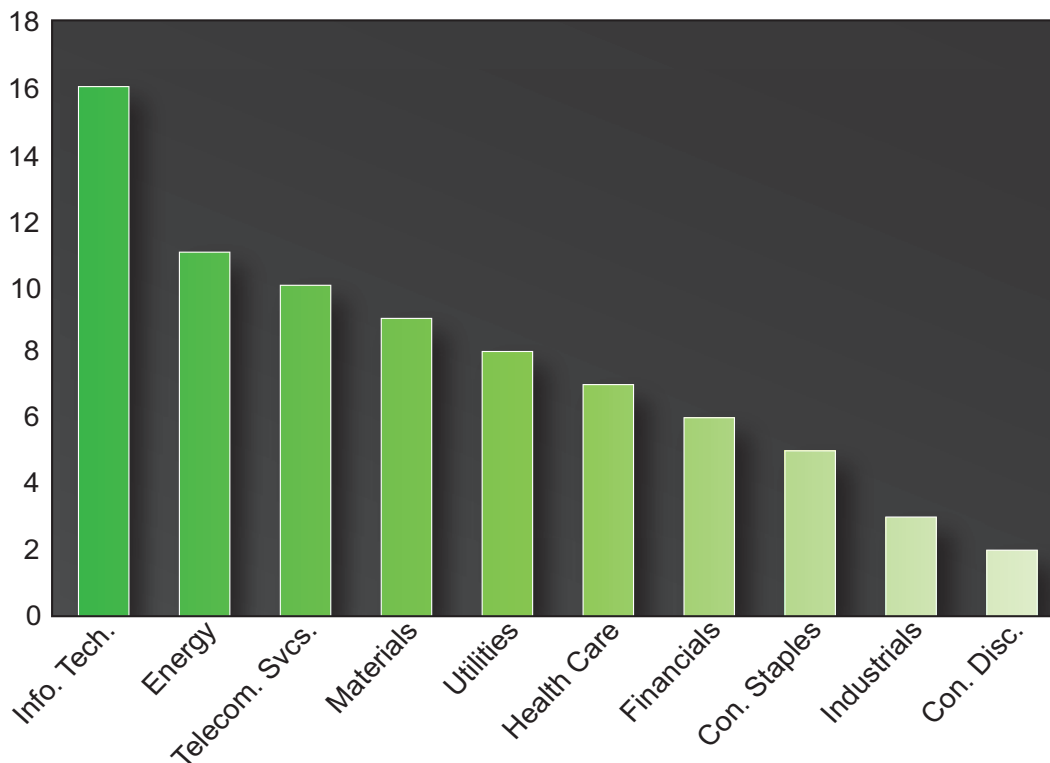


# Technology Stocks Post Highest Total Return In 20% Of Calendar Quarters Since Q1'95

**S&P 500 Sectors - Number Of Times Each Posted  
The Highest Calendar Quarter Total Return (12/94-1/14)**



Source: Bloomberg. Past performance is no guarantee of future results.

## View from the Observation Deck

1. The information technology sector has garnered a lot of attention from the financial media since the early days of the Internet Revolution, which is why we selected the time period captured in the chart.
2. It covers much of the formation of the tech bubble (1995-1999), the deflation of said bubble (3/27/00-10/9/02) and the recovery process (10/10/02 to present).
3. Despite the extreme volatility associated with the bubble era, from 12/31/94-3/31/14, the S&P 500 Information Technology Index posted an average annualized total return of 10.44%, compared to 9.62% for the S&P 500.
4. Of the 16 calendar quarters (out of 77) where Information Technology posted the highest total return, 10 of them occurred during the Internet Revolution (1995 to 1999).
5. At the close of Q1'14, the S&P 500 Information Technology Index stood 40% below its all-time high set on 3/27/00, so the recovery is still very much a work in progress, in our opinion.
6. The recovery is being driven by technological innovation, such as 3D printing and cloud computing, and it encompasses old as well as new technology companies, in our opinion.
7. Valuations in the technology sector are quite reasonable today. Bloomberg's estimated price-to-earnings (P/E) ratio for the S&P 500 Information Technology Index was 15.39 on 4/21/14, well below its average P/E of 29.62 since 12/31/94.

*The chart and performance data referenced are for illustrative purposes only and not indicative of any actual investment. The index performance data excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. There can be no assurance that any of the projections cited will occur. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 10 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.*