

Investment Fundamentals

MARKET CYCLES

Markets historically move in cycles, as evidenced by the year-to-year variation in returns across the various asset classes shown below.

To create a successful long-term investment plan, investors should establish a well-diversified portfolio that includes a range of asset classes.

Annual returns for various indices: 1987 - 2001

Ranked in order of performance (best to worst)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Best	International 24.9%	International 28.6%	Large-Cap Growth 35.9%	Fixed Income 9.0%	Small-Cap 46.0%	Small-Cap 18.4%	International 32.9%	International 8.1%	Large-Cap Value 38.4%	Large-Cap Growth 23.1%	Large-Cap Value 35.2%	Large-Cap Growth 38.7%	Large-Cap Growth 33.2%	Fixed Income 11.6%	Fixed Income 8.4%
	Large-Cap Growth 5.3%	Small-Cap 25.0%	S&P 500 31.7%	Large-Cap Growth -0.3%	Mid-Cap 41.5%	Mid-Cap 16.3%	Small-Cap 18.9%	Large-Cap Growth 2.6%	S&P 500 37.6%	S&P 500 23.0%	S&P 500 33.4%	S&P 500 28.6%	International 27.3%	Mid-Cap 8.3%	Small-Cap 2.5%
	S&P 500 5.3%	Large-Cap Value 23.2%	Mid-Cap 26.3%	S&P 500 -3.1%	Large-Cap Growth 41.3%	Large-Cap Value 13.6%	Large-Cap Value 18.1%	Mid-Cap 2.1%	Large-Cap Growth 37.2%	Large-Cap Value 21.6%	Large-Cap Growth 30.5%	International 20.3%	Small-Cap 21.3%	Large-Cap Value 7.0%	Large-Cap Value -5.6%
	Fixed Income 2.8%	Mid-Cap 19.8%	Large-Cap Value 25.2%	Large-Cap Value -8.1%	S&P 500 30.5%	S&P 500 7.6%	Mid-Cap 14.3%	S&P 500 1.3%	Mid-Cap 34.5%	Mid-Cap 19.0%	Mid-Cap 29.0%	Large-Cap Value 15.6%	S&P 500 21.1%	Small-Cap -3.0%	Mid-Cap -5.6%
	Large-Cap Value 0.5%	S&P 500 16.6%	Small-Cap 16.3%	Mid-Cap -11.5%	Large-Cap Value 24.6%	Fixed Income 7.4%	S&P 500 10.1%	Small-Cap -1.8%	Small-Cap 28.5%	Small-Cap 16.5%	Small-Cap 22.4%	Mid-Cap 10.1%	Mid-Cap 18.2%	S&P 500 -9.0%	S&P 500 -11.9%
	Mid-Cap 0.2%	Large-Cap Growth 11.3%	Fixed Income 14.5%	Small-Cap -19.5%	Fixed Income 16.0%	Large-Cap Growth 5.0%	Fixed Income 9.8%	Large-Cap Value -2.0%	Fixed Income 18.5%	International 6.4%	Fixed Income 9.7%	Fixed Income 8.7%	Large-Cap Value 7.4%	International -14.0%	Large-Cap Growth -20.4%
Worst	Small-Cap -8.8%	Fixed Income 7.9%	International 10.8%	International -23.2%	International 12.5%	International -11.9%	Large-Cap Growth 2.9%	Fixed Income -2.9%	International 11.6%	Fixed Income 3.6%	International 2.1%	Small-Cap -8.8%	Fixed Income -0.8%	Large-Cap Growth -22.4%	International -21.2%

Source: Standard & Poor's Microcap, Inc.

Fixed Income is represented by the Lehman Brothers Aggregate Bond Index. The index is a broad representation of the investment grade fixed income bond market in the U.S. It includes U.S. government and corporate debt securities, mortgage pass-through and asset-backed securities, and international U.S. dollar-denominated bonds. All issues contained in the index have a minimum term to maturity of one year.

International is represented by the MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, Far East) Index. The index is a market capitalization-weighted average of the performance of approximately 1,000 securities listed on stock exchanges in developed countries outside North America.

Large-Cap Growth is represented by the Russell 1000 Growth Index. The index contains those securities in the Russell 1000 Index with a greater than average growth orientation.

Large-Cap Value is represented by the Russell 1000 Value Index. The index contains those securities in the Russell 1000 Index with a less than average growth orientation.

Mid-Cap is represented by the Russell Midcap Index. The index contains the smallest 800 securities in the Russell 1000 Index, as ranked by market capitalization, representing approximately 35% of the Russell 1000 Index's total market capitalization.

Small-Cap is represented by the Russell 2000 Index. The index contains the smallest 2,000 securities in the Russell 3000 Index, representing approximately 11% of the Russell 3000 Index's total market capitalization.

S&P 500 is represented by the Standard & Poor's 500 Index. The index is a market capitalization-weighted index that tracks broad-based changes in the U.S. stock market. It is composed of roughly 400 industrial, 40 utility, 40 financial and 20 transportation securities. The index is calculated on a total return basis with dividends reinvested.

All indices are unmanaged and not available for direct investment.

Past performance is no guarantee of future results.

Not FDIC Insured No Bank Guarantee May Lose Value