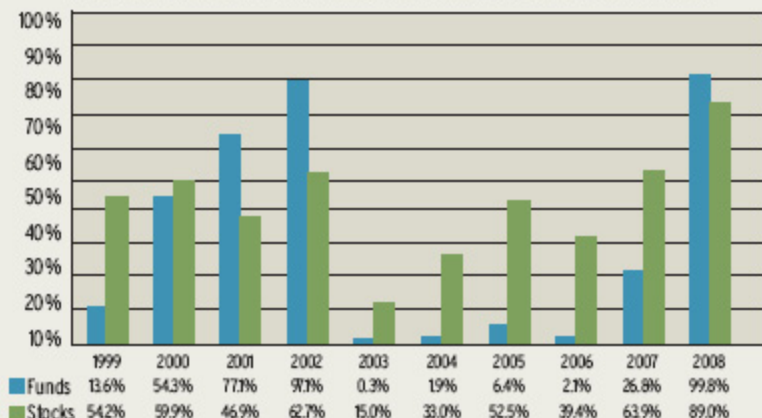


LOOMING LARGE

In 2001, 2002 and 2008, more equity mutual funds had negative returns than equities. In each of these years, large-cap equities, as measured by their indexes, performed poorly. Because a large percentage of all mutual funds are large-cap funds, when the largest and most popular stocks perform badly, mutual funds in general get creamed.

**PERCENTAGE OF U.S. STOCK FUNDS
AND U.S. STOCKS WITH A NEGATIVE ANNUAL RETURN: 1999-2008**



Source: Morningstar Principle raw data

ANNUAL TOTAL % RETURN: 1999-2008

MAJOR U.S. EQUITY INDEXES AND CASH	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	10-YR. ANN. RET. (%)
3-month T-Bill (Cash)	4.9	6.3	3.7	1.7	1.1	1.4	3.3	5.1	4.8	1.5	3.35
DJIA	27.2	-4.9	-5.4	-15.0	28.3	5.3	1.7	19.1	8.9	-31.9	1.67
S&P 100	32.8	-12.6	-13.8	-22.6	26.2	6.4	1.4	18.5	6.1	-35.3	-1.54
S&P 500	21.0	-9.1	-11.9	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	-1.38
Russell 1000	20.9	-7.8	-12.5	-21.7	29.9	11.4	6.3	15.5	5.8	-37.6	-1.09
Russell 2000	21.3	-3.0	2.5	-20.5	47.3	18.3	4.6	18.4	-1.6	-33.8	3.02
Russell 3000	20.9	-7.5	-11.5	-21.5	31.1	12.0	6.1	15.7	5.1	-37.3	-0.80
DJ Wilsh, 5000	23.6	-10.9	-11.0	-20.9	31.6	12.5	6.3	16.0	5.7	-37.3	-0.63

Source: Morningstar Principle raw data