

# MARKET COMEBACKS

Does the recent market volatility have you concerned about your 401(k) plan?

Stock market volatility is nothing new and should be expected. Even when we have experienced double digit losses in a single year, we have seen the market turn around and produce significant positive returns that very next year. For example, the S&P 500 finished down at a -23% in the year 2002. Then, in 2003, the market rebounded to a very positive 26%!

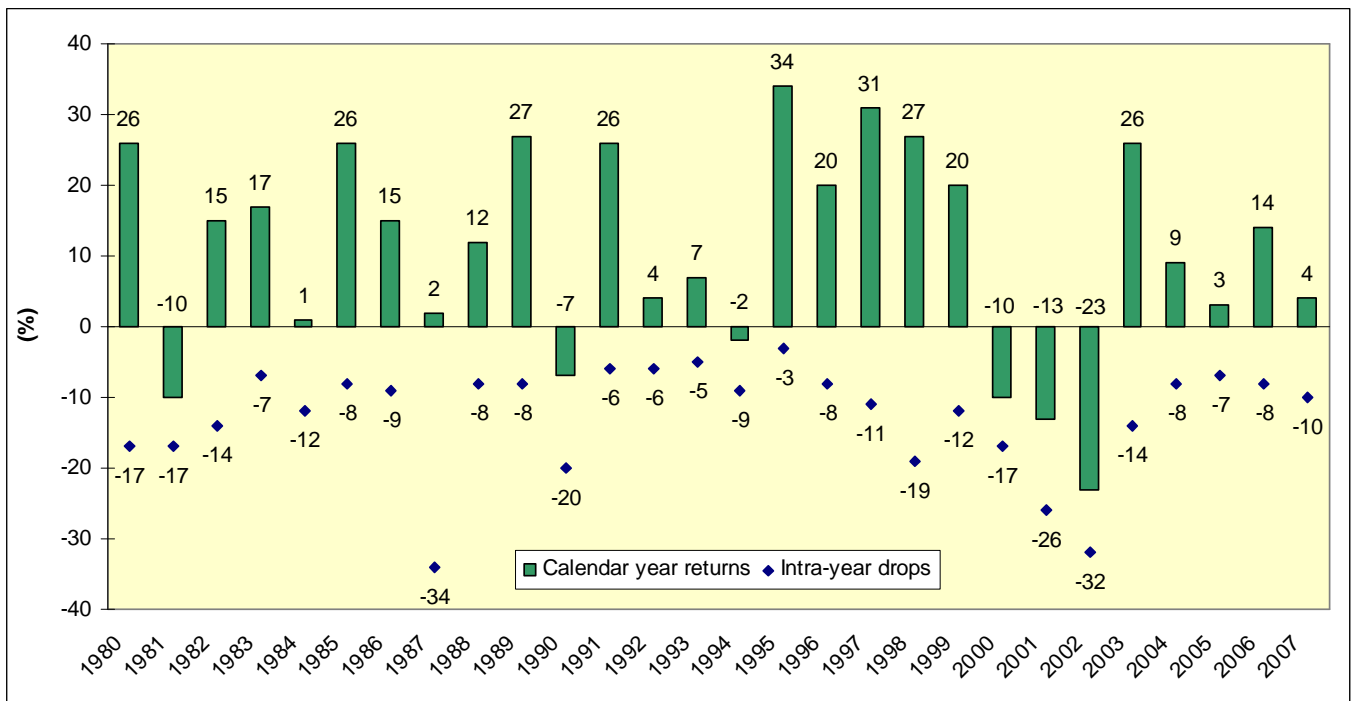
Also, intra-year drops are very common. For example, at one point during the year 2006, the market was down -8% percent but still ended up finishing the year strongly at a positive 14%. **Ups and downs of the stock market are very natural and should be expected.**

How do we protect ourselves against volatility? **Diversification!** Diversification among several asset classes continues to be your best solution when investing for retirement.\*

*\*Diversification does not guarantee a profit. All investing involves risk, including the loss of principal.*

## Market Corrections & Calendar Year Price Return (S&P 500)

Despite an average intra-year drop of 12.6%, the market's return was positive in 22 of 28 years.



Source: Standard & Poor's. Market returns represented by S&P 500 Index return and do not include dividends. Past performance is not indicative of future returns. Intra-year drops refers to the largest market drops over periods of 6 months or less. Calendar years refers to the price return for the S&P 500 for each calendar year. **This chart is for illustrative purposes only.** Data as of 12/31/07.