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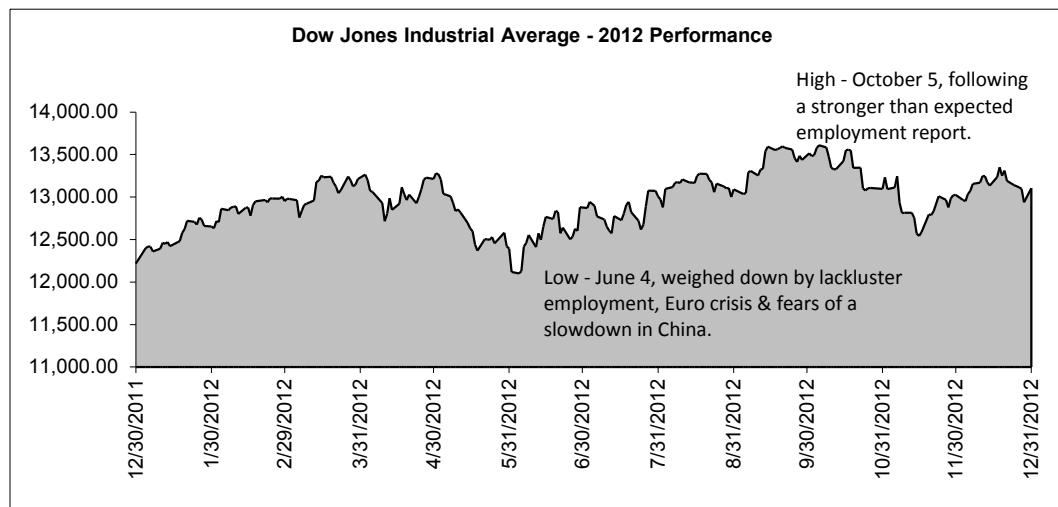
U.S. EQUITY PERFORMANCE: DOW JONES INDUSTRIAL AVERAGE - 2012 YEAR IN REVIEW

The Dow Jones
Industrial Average
finishes 2012 up 7.26%
for the 4th straight year
of annual gains.

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At A Glance

- **When All is Said & Done** - The Dow Jones Industrial Average finished the year at 13,140.14, up 886.58 or 7.26%. This level is off 1,024.39 or 7.23% from the DJIA's record close of 14,164.53, which was hit on October 9, 2007. Eight of the last ten years have enjoyed annual gains, though of course, the loss of nearly 34% in 2008 continues to leave a mark.
- **Leader & Laggard** - The leading individual contributor to the DJIA in 2012 was Home Depot (HD), which added 151.31 of the total 886.58 in index points gained on the year. The greatest individual detractor was McDonald's (MCD) dragging down the DJIA by 91.38 points.
- **Industry Performance** - The leading contributing industry to 2012 performance was Financial Services followed by Consumer Services and Industrials, industries which tend to outperform in recovering markets; the worst performer was Technology.
- **The Good** - The biggest Single Day Gain (Point & Percent) – up 286.84 or +2.37% - was June 6, spurred by comments from policy makers raised investors' hopes that further stimulus money was forthcoming.
- **The Bad** - The biggest Single Day Loss (Point & Percent) – down 312.94 or -3.26% - was November 7, following President Obama's reelection, concerns about resolution of the "Fiscal Cliff", and continued concerns about economic weakness in Europe.
- **Changes** - There was one addition/deletion to the DJIA in 2012: on September 24, UnitedHealth Group replaced Kraft Foods.
- **Dividends** - All 30 DJIA stocks currently pay cash dividends. As of 12/31/2012, dividend yields range from Bank of America's 0.34% to AT&T's hefty 5.22%. The average yield of the 30 stocks is 2.87% and the current yield on the DJIA is 2.74%. The DJIA had a total return of 10.24% for 2012; roughly 3% of this gain was a result of dividends reinvested back into the Dow.



Source: S&P Dow Jones Indices. Past performance is not an indication of future results.

Performance Statistics

Long Term Performance

| 1 Year | 3 Year | 5 Year | 7 Year | 10 Year |
|--------|--------|--------|--------|---------|
| 7.26% | 25.66% | -1.21% | 22.27% | 57.09% |

Historical Annual Performance

| 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|-------|-------|--------|--------|---------|-------|--------|--------|-------|--------|
| 7.26% | 5.53% | 11.02% | 18.82% | -33.84% | 6.43% | 16.29% | -0.61% | 3.15% | 25.32% |

Source: S&P Dow Jones Indices. Past performance is not an indication of future results.

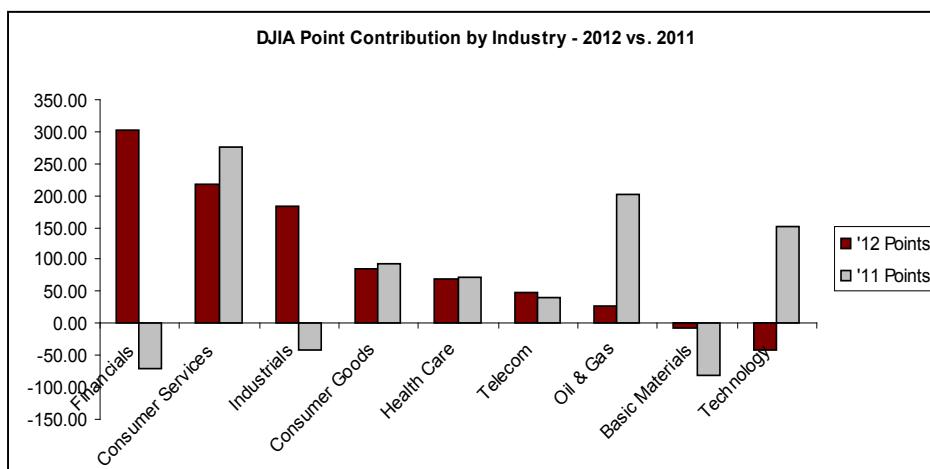
Odds & Ends

- There were 250 trading days for 2012, a couple short of the typical year due to the 2 day trading suspension following Hurricane Sandy.
- The DJIA experienced only one daily change of more than 300 points in 2012 (draining off 312 points on November 7th following the Presidential election). By comparison, there was a staggering 41 days in 2008 when the DJIA closed up or down more than 300 points.
- There were 123 days when the session ended up and 127 when it ended down. The average up day added 79.10 points and the average down day lost 61.43 points.
- There were 9 days in 2012 when all 30 stocks ended the session higher and 4 days when all 30 ended lower.
- The DJIA had 7 streaks when it moved either up or down for 5 or more days in a row. Only two of the seven streaks saw the DJIA moving up. The longest streak ended on March 15 when it was up for the 7th straight day, a rally that saw the DJIA gain 493 points or 3.87% driven by positive views on jobs and manufacturing.

Who Helped, Who Didn't

By Industry

- Financials led the way and was one of 7 DJIA industries with aggregate point gains during 2012. Technology was the worst performer and one of only 2 industries (along with Basic Materials) to end the year having taken points off the DJIA.
- In addition, Financials experienced the largest contribution differential from 2011 to 2012 (from dragging down the DJIA by nearly 70 points in 2011 to adding over 300 this year. Similarly, Technology had the reverse effect adding over 150 in 2011 and losing ~41 for the year just ended.



Source: S&P Dow Jones Indices. Past performance is not an indication of future results.

By Stock

- Home Depot (HD) was the standout performer contributing over 17% to the DJIA's gain for the year. McDonald's (MCD), after a strong 2011, was the weakest performer.
- 25 of the 31 components contributed gains to the index (keeping in mind that while the DJIA has only 30 companies and UnitedHealth replaced Kraft Foods late in the year, we can still account for Kraft's contribution through its roughly 9 months of inclusion).
- The contributions were more distributed in 2012 with the top 3 contributors (HD, TRV, DIS) accounting for ~39% of the DJIA advance in 2012 compared with nearly 90% in 2011 (IBM, MCD, CVX). The average contribution for '12 was 28.60 versus 21.34 in 2011.
- 16 components experienced back to back positive point contributions from 2011 to 2012; 3 components had consecutive years of negative contribution; 9 switched from negative to positive contribution; and, 2 switched from positive to negative contribution.

| Name | Ticker | 2012 Closing Pr. | Closing Wt. | '12 Points | '11 Points |
|---------------------------|--------|------------------|-------------|---------------|---------------|
| Home Depot Inc. | HD | 61.85 | 3.62% | 151.31 | 52.83 |
| Travelers Cos. Inc. | TRV | 71.82 | 4.21% | 96.91 | 26.19 |
| Walt Disney Co. | DIS | 49.79 | 2.92% | 93.23 | -0.08 |
| 3M Co. | MMM | 92.85 | 5.44% | 84.28 | -34.59 |
| JPMorgan Chase & Co. | JPM | 43.97 | 2.58% | 82.16 | -69.40 |
| American Express Co. | AXP | 57.48 | 3.37% | 78.34 | 32.17 |
| United Technologies Corp. | UTX | 82.01 | 4.81% | 68.15 | -42.61 |
| Wal-Mart Stores Inc. | WMT | 68.23 | 4.00% | 63.55 | 44.12 |
| Int'l Business Machines | IBM | 191.55 | 11.23% | 57.61 | 280.94 |
| Bank of America Corp. | BAC | 11.60 | 0.68% | 46.23 | -58.88 |
| Coca-Cola Co. | KO | 36.25 | 2.12% | 42.51 | 31.79 |
| Johnson & Johnson | JNJ | 70.10 | 4.11% | 34.40 | 28.23 |
| Kraft Foods Inc. Cl A | KFT | NA | NA | 32.67 | 44.27 |
| Pfizer Inc. | PFE | 25.08 | 1.47% | 26.20 | 31.26 |
| AT&T Inc. | T | 33.71 | 1.98% | 25.88 | 6.51 |
| Merck & Co. Inc. | MRK | 40.94 | 2.40% | 24.14 | 12.56 |
| Verizon Communications | VZ | 43.27 | 2.54% | 23.76 | 32.85 |
| General Electric Co. | GE | 20.99 | 1.23% | 23.39 | -2.88 |
| Boeing Co. | BA | 75.36 | 4.42% | 15.07 | 61.23 |
| Exxon Mobil Corp. | XOM | 86.55 | 5.07% | 13.56 | 88.10 |
| Chevron Corp. | CVX | 108.14 | 6.34% | 12.84 | 114.66 |
| Cisco Systems Inc. | CSCO | 19.65 | 1.15% | 12.20 | -16.27 |
| Procter & Gamble Co. | PG | 67.89 | 3.98% | 9.22 | 18.01 |
| Microsoft Corp. | MSFT | 26.73 | 1.57% | 5.47 | -14.83 |
| Alcoa Inc. | AA | 8.68 | 0.51% | 0.20 | -51.01 |
| E.I. DuPont de Nemours | DD | 44.97 | 2.64% | -6.76 | -31.03 |
| Caterpillar Inc. | CAT | 89.58 | 5.25% | -7.47 | -23.16 |
| UnitedHealth Group Inc. | UNH | 54.24 | 3.18% | -14.90 | NA |
| Intel Corp. | INTC | 20.63 | 1.21% | -28.33 | 24.37 |
| Hewlett-Packard Co. | HPQ | 14.25 | 0.84% | -87.85 | -123.67 |
| McDonald's Corp. | MCD | 88.21 | 5.17% | -91.38 | 178.39 |
| TOTAL | | | | 886.58 | 640.05 |

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