

ON YOUR PORTFOLIO

The New Rules for Investing: Same as the Old Rules

You may be wondering if the system is broken and whether you should invest in the stock market at all. Learn why we think investing fundamentals still apply.

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ON FUNDS

Active Funds vs. Index Funds: What You Need to Know

Despite a tough 2008, don't write off actively managed funds. Learn why, and how to determine if you're personally better off with managed or index funds.

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ON STRATEGY



Deficits, the Dollar and Exit Strategies

Government is pushing the limits on how much debt it can incur.

By Liz Ann Sonders
Senior Vice President, Chief Investment Strategist, Charles Schwab & Co., Inc.
June 15, 2009

During the past 25 years, the private sector in the United States pushed the limits on debt, and when this experiment in debt-fueled consumption came to its crescendo, it sent shock waves throughout the global economy. Now it appears that the U.S. government is trying to push those same limits.

As you can see in the table below, during the 1950s it took \$1.36 of debt to generate \$1.00 of gross domestic product. However, that ratio has crept up over time, and in the current decade, it's thus far taken \$5.81 of debt to generate that same \$1.00 of GDP. And now it's apparently the government's turn to ramp up debt.

Debt Through the Decades

Date Range	Decade Change in Debt (\$, billions)	Decade Change in GDP (\$, billions)	Ratio of Debt to GDP
12/31/1949-12/31/1959	337.6	248.0	1.36
12/31/1959-12/31/1969	752.1	491.4	1.53
12/31/1969-12/31/1979	2,785.2	1,655.9	1.68
12/31/1979-12/31/1989	8,563.7	2,923.8	2.93
12/31/1989-12/31/1999	12,566.2	3,935.2	3.19
12/31/1999-12/31/2008*	27,186.5	4,680.8	5.81

Source: Ned Davis Research, Inc. *Most recent data available.

The Obama administration projects total U.S. debt to increase by \$1.8 trillion in 2009 and another \$1.4 trillion in 2010, driven by the public sector as the private sector continues to unwind debt. On top of that, the Congressional Budget Office (CBO) projects almost \$10 trillion in additional debt from 2010 through 2019. As you can see in the chart at the top of the next page, this reflects a doubling in public sector debt as a percentage of GDP through the next decade. We should be concerned about these estimates for obvious reasons, but also because of the optimism of the underlying numbers upon which they're based: The CBO assumes a robust economic recovery in 2010 and 2011, with GDP growth of 3.8% and 4.5%, respectively. **(Continued on p. 2)**

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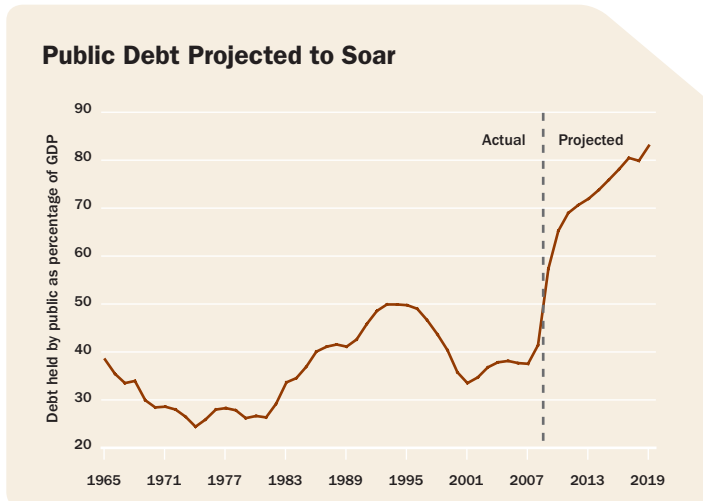
Deficits, the Dollar and Exit Strategies

The government is pushing the limits on how much debt it can incur.

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Source: Congressional Budget Office, as of April 14, 2009. Numbers projected under President Obama's budget proposal. Actual approved budget may differ.

If these numbers sound lofty, consider the fact that the CBO's unemployment rate estimate is 8.8% for 2009 and 9% for next year—yet the current rate is 9.4%, as of the latest employment report. To top it off, these staggering numbers also ignore the massive unfunded liabilities of Social Security and Medicare.

And there's another problem: The average maturity for all U.S. Treasury securities outstanding is 4.7 years, the lowest in 25 years. In comparison, the average maturity for public debt is 14 years in the United Kingdom, with maturities in most other European nations averaging around 10 years. The United States has to continue to roll over this debt as it comes due, meaning it's not just the ongoing deficit that has to be financed, but all existing Treasuries as well. This leaves us vulnerable to having to fund debt much more expensively if the yields investors demand continue to climb.

Just as we saw on the private sector side, you can't run deficits higher than nominal GDP without the system faltering at some point, even if we can bump along for a few years (as Japan did during the 1990s). We also can't run deficits in perpetuity if other nations are doing the same. We've been the global consumption engine for a long time, which has allowed money to be recycled back into our debt. But that tide is heading out.

The market can and often will play a role in disallowing debt spikes by pushing interest rates higher and slowing economic growth in the process. As debt and deficits expand, the Treasury has to borrow even more to finance that debt, which pushes interest rates up. Wider deficits also stir inflation fears, which add to the upward pressure on rates, as investors demand more yield to help offset the higher expected inflation.

We're presently witnessing this firsthand as bond market "vigilantes" have pushed the 10-year Treasury yield from 2.1% to 3.8% (as of

June 12). Debate is currently raging among academics, historians and economists as to whether this spike in yields reflects worries about debt, the dollar and inflation—or whether it reflects an improving economy in which investors are becoming less risk-averse. For what it's worth, I think it's a bit of both.

What's the Fed to do?

Federal Reserve Chairman Ben Bernanke recently warned Congress: "Even as we take steps to address the recession and threats to financial stability, maintaining the confidence of the financial markets requires that we, as a nation, begin planning now for the restoration of fiscal balance." He went on to say: "Unless we demonstrate a strong commitment to fiscal sustainability in the longer run, we will have neither financial stability nor healthy economic growth." Hear, hear.

Deficit concerns are starting to offset the Fed's efforts to restore economic growth, and there are calls from economists, business leaders and political leaders every day for the Fed to share its "exit strategy." On June 2, German Chancellor Angela Merkel publicly rebuked the Fed and the European Central Bank for their loose monetary policies. Usually when politicians put pressure on central banks, it's to ease—not tighten—policy!

With the next Fed meeting on tap for June 23–24, there's potential for additional purchases of Treasuries by the Fed to try to combat the rise in yields. But that may not happen, for several reasons:

- The rise in actual borrowing costs has been more modest than the rise in long-term Treasury yields.
- The Fed has already noted that the yield rebound at least partly reflects the improvement to financial and economic conditions, which has made investors willing to sell Treasuries and take on a bit more risk within their fixed income or equity allocations.
- The Fed is cognizant of the need to sop up excess liquidity when the economic recovery gains traction, and moving aggressively now to push yields lower would make that process more difficult when the time comes.
- Finally, if a portion of the yield rebound reflects deficit concerns, the Fed has made it clear it doesn't intend to "monetize" that deficit by incessantly printing money.

More recently, the yield rebound has moved to the shorter end of the yield curve, and as of this writing, the futures market is starting to price in hikes in the fed funds rate later this year. We beg to differ with the market's current view.

There's a lot more unconventional "tightening" the Fed can do by soaking up reserves—some of which were created by the Fed's loans to banks, commercial paper issuers and others to unfreeze the credit markets. Those liquidity facilities charge borrowers a penalty rate, making the Fed's loans less attractive as private credit revives. This is now happening, and as such, liquidity facilities are beginning to shrink.

See page 7 for important disclosures.

Inflation to the rescue?

Inflation builds partly from fear. Consumers and investors need to believe that the extraordinarily bold monetary and fiscal policies unleashed during this crisis will be reversed. If they don't believe this, inflation expectations will soar—as will interest rates—and policymakers will be in a real bind.

But would a little inflation be a good thing? Can we simply inflate away the debt by printing money? It would have short-term political benefits, but rising bond yields in the long term are not palatable for either the economy or the dollar. The good news is that, to date, most of the rise in bond yields has been in the real (non-inflation) component; long-term inflation expectations are up much less.

China and the dollar

Not only are investors eager to glean the Fed's next move, but they're also sweating over China's role as a financier of our debt and the impact on the dollar should China diversify away from dollar-denominated securities. According to Treasury Secretary Timothy Geithner, there is a "very sophisticated understanding" in China about why the United States needs to run large budget deficits in the short term.

However, this is the same man who heard laughter among University of Peking students when he said that "Chinese financial assets are very safe." It harkens back to earlier this year, when Chinese Premier Wen and People's Bank of China Governor Zhou questioned U.S. creditworthiness and the dollar's reserve currency status.

Quite simply, though, we don't believe China would risk torpedoing its own economy by a massive dumping of our Treasuries. Indeed, China is increasing its natural resource and gold purchases (pushing up commodity prices), calling for an expanded role for the International Monetary Fund's Special Drawing Rights, and trading more in non-dollar currencies. But there's still no viable alternative to the dollar in sufficient quantities for China's reserves (the *Financial Times* has called it China's "dollar trap").

The dollar's not going anywhere ...

... and China knows it, too. "In the short term I don't think we can find another currency to replace the U.S. dollar," said Guo Shuqing, chairman of China Construction Bank and former head of China's foreign exchange administrator. "The U.S. dollar is the main currency because their economy is number one in terms of competitiveness, in terms of innovation." Although the financial crisis may be accelerating the balance of power shift toward China, this change will likely remain gradual.

Oh, and China is still buying. China increased its Treasury holdings by \$272 billion in the second half of 2008 and continued to buy U.S. Treasuries throughout the first quarter (although more recently at the short end of the yield curve). The last month China was a net seller was February 2008. And it's not just China. Foreign central banks (FCBs) continue to buy U.S. Treasuries and are absorbing some of the increased supply. In fact, FCBs have purchased more Treasuries (\$215 billion this year through May) than the Fed.

This supports the view that U.S. debt is unlikely to get downgraded anytime soon, a worry that developed after Standard & Poor's revised its outlook on the United Kingdom's sovereign debt rating from "stable" to "negative." The dollar remains the world's reserve

currency, accounting for 64% of global foreign exchange reserves (versus the euro's 26%). Also, imagine any private company maintaining an AAA rating when the dominant global reserve country has a lower rating? It's simply not practical.

What about China's yuan? Asks our former Schwab colleague Sheldon Engler in his *Global Risk Monitor*: "Can a non-convertible currency in a country where an authoritarian government fixes interest rates and where capital markets are infantile really be considered a serious contender to the dollar?" Good question.

The fix ... it's the economy, stupid

Most reasonable folks will concede that in the longer term, we won't get ourselves out of our debt crisis through spending and taxation. The only way to solve the problem is to grow GDP faster than debt and to adopt vigorous fiscal discipline. So, will aggressive monetary and fiscal policy be sufficient to restore economic growth and the vitality of the financial sector?

Let me play "angel's advocate" to the consensus bearish view: There is a non-calamitous way out of our present mess. Let's start with the premise that we're not the first country to get into a financial pickle and run up large deficits in order to bail itself out. In fact, many countries have run disturbingly high debt-to-GDP ratios but have seen them come back down over time and without calamity.

We even have our own example: The U.S. total debt-to-GDP ratio was 125% after World War II, but had come down to 25% by 1980. Another example would be Japan, which has maintained a high ratio of 150%–180% for the past decade (not that I'm suggesting theirs is a model for us to follow).

The only way to manage our debt is to concentrate on both components of the equation—keep spending in check and maximize economic growth, which in turn reduces the debt ratio by increasing tax revenues. In other words, rising economic growth helps both numerator (debt) and denominator (GDP). We also believe that the private sector's deleveraging is a longer-term story, meaning savers' demand for Treasuries will remain high.

Don't stifle trade or innovation

In last month's *Investing Insights* cover story, I wrote about what we thought the economic recovery's characteristics would be, with an emphasis on emerging economies' demand and on global trade. On this note, politicians and businesses must continue to resist the temptation to become overly protectionist, given that the United States shepherds other countries' savings. We need "them" and "they" need us—healthy trade between nations not only brings economic prosperity, but discourages war and strife.

We also need to encourage and incentivize innovation. One sign of hope is the burgeoning war chests that have been re-amassed by private equity and venture capital funds—assuming innovation doesn't get stifled. Let's never forget the transition from "rust bowl" despair in the late 1970s to the stunning period of innovation in the late 1990s—innovations spurred by venture capital and private equity investments.

Even on my most pessimistic days during the past two years, I refused to abandon faith in the spirit of innovation that this country has always mastered. And I believe we can pull through again.



The New Rules for Investing: Same as the Old Rules

Despite economic turmoil and the bear market, the financial system isn't broken.

By Bryan Olson, CFA, Vice President, Head of Portfolio Consulting, Charles Schwab & Co., Inc.
June 15, 2009

As I'm sure you're well aware, we've experienced the worst financial meltdown since the Great Depression. Both Wall Street and Main Street borrowed way too much, and when the home-price bubble finally popped, the house of cards collapsed. Markets plunged around the world. Overleveraged balance sheets—and massive frauds—were exposed as the tide rolled out.

Like so many investors, you may wonder if the U.S. financial system is somehow broken, or if the stock market is no longer worthy of your trust. Given the size of the meltdown, shouldn't more people have seen this coming? More importantly, as we sit here in the rubble, how can the old rules of investing—asset allocation, diversification, buy and hold—possibly still apply?

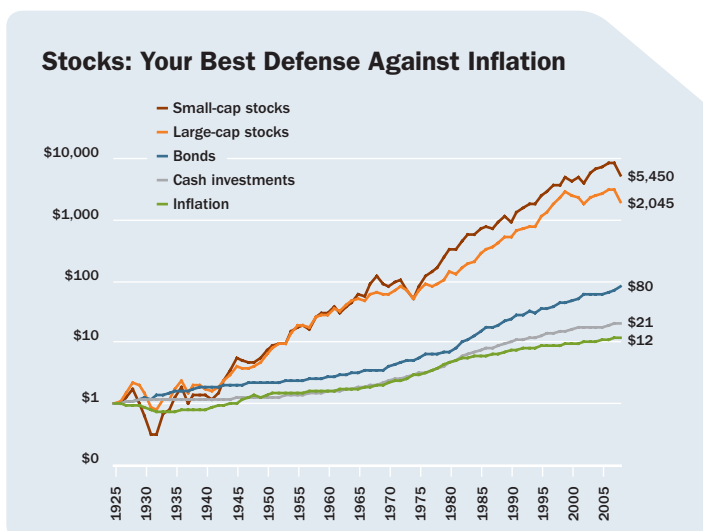
The world has not changed

While the market drop has been incredibly painful, especially for those in or near retirement, it didn't create a "new world" of investing. Rather, it was a natural course correction back to fundamentals after a period of excess. In short, the financial system was on an unsustainable path before—this is the fix.

We see nothing that's changed in the U.S. free-enterprise system that warrants a change in our approach to investing. And we remain confident that over the long term, most high-quality companies will continue to attract capital and likely reward shareholders with higher returns than they would find with less-risky assets.

To save or to invest? That is the question

Take a moment to really consider: Are you a saver or an investor? The rationale behind a pure savings plan is to preserve wealth, while an investment plan aims to build wealth to fund a future need—to buy a home, to save for college and, most importantly for many, to make sure you have enough income in retirement.



Source: Morningstar, Inc. *Stocks, Bonds, Bills and Inflation 2007 Yearbook*. Based on the copyrighted works of Ibbotson and Sinquefeld.¹

See page 7 for important disclosures and footnotes.

If you're a saver only, you'll need to out-save current inflation and save enough to cushion against future inflation, since bank accounts, money market funds and other saving vehicles barely keep up with inflation over time (see chart at left). Inflation will slowly but surely decrease your purchasing power—for example, over 20 years at an inflation rate of 3.5%, nearly half of your money's purchasing power would be lost. So while being a saver may sidestep the risks inherent to the stock market, it carries its own big risk: inflation risk.

If you're an investor, that means you're looking to create inflation-beating wealth over time. To do that, history shows you'll want stocks in your portfolio (bonds do outpace inflation, but not by nearly as much)—and owning stocks means you're exposed to risk. The best way that you as an individual can mitigate that risk is through **asset allocation** (your portfolio's target mix of large-cap, small-cap and international stocks, along with bonds and cash investments) and **diversification** (spreading your investment dollars across multiple countries, sectors, industries and companies).

Perhaps you consider yourself an investor, but you're still reluctant to accept this logic. But consider the alternatives—trying to time the market, concentrating your portfolio in a few investments, or frequently trading in and out of positions. Ask yourself: After the volatility of last year, do I feel more confident in my ability to pick a small number of winning investments, and to know when they've reached a peak and it's time to sell?

In fact, picking quality investments is no easier now than before, and having concentrated positions increases your overall risk. Also, historical return patterns tell us that an "out and back in" strategy must be done with uncanny precision to beat a long-term, buy-and-hold strategy (still monitored, of course). The truth is, we know of no one who's successfully timed the market over the long run.

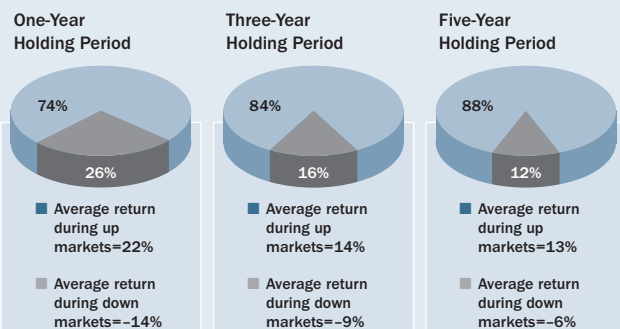
Asset allocation and diversification: Still the right tools

With the downturn in most asset classes and increased volatility during the past year, it's often been said that the "old" investing rules no longer apply. But as investors, we must guard against extrapolating that what's just happened will continue. We've already seen a big turnaround, and whether or not it represents the end of the bear market, it demonstrates a normal pattern of returns moving from negative to positive with limited short-term predictability.

Asset allocation and diversification together enable you to develop and maintain a plan that aligns with your personal tolerance for risk—and that gives you the peace of mind to maintain the strategy through incredibly tough periods like 2008.

There's been a lot of talk lately about a "lost decade," with stock investors having nothing to show for the past 10 years. Is this truly the case? Only if you invested 100% in large-cap U.S. stocks, which had an annualized return of -1.4% for the 10 years ending in 2008. However, there was a severe bear market near the beginning of that 10-year period and one of the worst bear markets at the end. Should you alter your plan based on the worst decade for U.S. stocks?

How Often Has the Stock Market Gone Up?



Frequency of positive returns of the S&P 500, 1926–2008

Source: Schwab Center for Financial Research, with data provided by Morningstar, Inc. Pie chart labels represent frequency of positive and negative returns during the three types of holding periods from January 1926 to December 2008.²

We'd never recommend a plan concentrated in just one asset class. An investor using an asset allocation strategy for the past 10 years would have had positive returns in other asset classes, demonstrating the power of asset allocation. For example, our moderate asset allocation plan (comprised of 60% equities) experienced a positive annualized return of 2.8%—not very high, but certainly not negative. This would represent a cumulative return of nearly 32%, meaning a \$100,000 portfolio would have grown to more than \$130,000.

Even with the negative returns for large-cap U.S. stocks, it's helpful to understand how often the stock market goes up. As the chart above shows, over longer-term periods the market (as represented by the S&P 500® Index) generally has positive returns. Obviously, that's not true 100% of the time, which is precisely the reason most plans should include a mix of stocks, bonds and cash investments to smooth out returns in the short run and help you live through the short-term risk necessary to receive higher long-term returns.

Action steps for investors in three different situations:

1. You bailed out of the market at a low point, and now you can't decide when to get back in (if at all).

If this sounds like you, you likely had a riskier portfolio than you were really comfortable with. Your first step should be to reexamine your tolerance for risk—now that you've really experienced a true down market!—and then review your longer-term investing goals and plans to try to achieve them.

Assessing your risk tolerance should include an examination of full market cycles, considering both ups and downs. For details on determining your risk tolerance, you can read my article "Know Yourself, Know Your Risk Tolerance" at schwab.com/marketinsight. You may find your risk tolerance is skewed abnormally high right after bull markets and too low just after bear markets—make sure you don't overcorrect.

Once you've determined your true risk tolerance and decided on an asset allocation plan, the next step is to dust yourself off and get back on track with your plan—which for many will mean buying stocks (either individually or through mutual funds). Market history

may suggest committing all of your investable assets immediately (see the chart at left, which shows that the longer you hold stocks, the greater your chance of having a positive return). But if the thought of jumping back in is unsettling, you can ease back in gradually by investing over a period of months, perhaps with slightly larger amounts during market pullbacks. (The silver lining for many investors is that enough losses have probably been booked in taxable accounts to offset gains for some time.)

2. You're half in, half out of the market, but your faith is shaken and you're not sure how to tell if things are truly getting better.

As in scenario 1, there was likely a mismatch between your actual portfolio risk and your true risk tolerance. But since you didn't totally withdraw from the market, you have less correcting to do.

Also as in scenario 1, take another look at your risk tolerance and adjust your portfolio accordingly so you can stick with your plan through future ups and downs. One strategy to consider: Target new deposits (or withdrawals) to the appropriate asset classes and adjust to your revamped plan over time.

3. You stuck to your investment plan throughout the maelstrom, but are still concerned about how much risk you can handle.

Sticking with even a perfect plan can be difficult during one of the worst bear markets ever, so pat yourself on the back for properly aligning the risk in your portfolio with your risk tolerance. You've benefited most from the recent rally, which illustrates the benefit of sticking with a plan through a downturn.

However, experience is one of the best teachers, so reassessing risk still isn't a bad idea at this point. Thinking about the emotional rollercoaster and considering whether or not you could stick with your plan through another market downturn should tell you if adjustments are necessary. Changes are likely to be minor, unless something else in your situation has changed. Consider some tax-loss harvesting and rebalancing to realign with your original plan.

The severity of the recent downturn, a 50% decline from October 2007 through February of this year, ranks as one of the worst bear markets of modern times. The bear market in 1973–74 totaled a 43% loss, while the 2000–02 bear market resulted in a loss of 45%. And, of course, the worst was the Great Depression, starting in 1929 and dragging on through the early 1930s, with a loss of 80%. But despite these stomach-churning drops the market has suffered through before, it has always come back.

It's natural to question tried and true rules of investing after markets like we've seen, but beware of making dramatic changes to try to avoid something that has already occurred. You can still be a successful, long-term, buy-and-hold investor—and asset allocation and diversification remain the keys.

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Active Funds vs. Index Funds: What You Need to Know

Don't make the mistake of choosing index funds based only on last year's numbers.

By James D. Peterson, Ph.D., Vice President, Investment Manager Research, Schwab Center for Financial Research
with Justin Holt, CFA, Senior Research Analyst, Schwab Center for Financial Research
June 15, 2009

Last year, many pundits wrote off actively managed mutual funds—those that try to beat their benchmark indexes—because they largely underperformed those indexes. But does that mean you should be invested in index funds—lower-cost funds designed to simply match the performance of their benchmarks—instead?

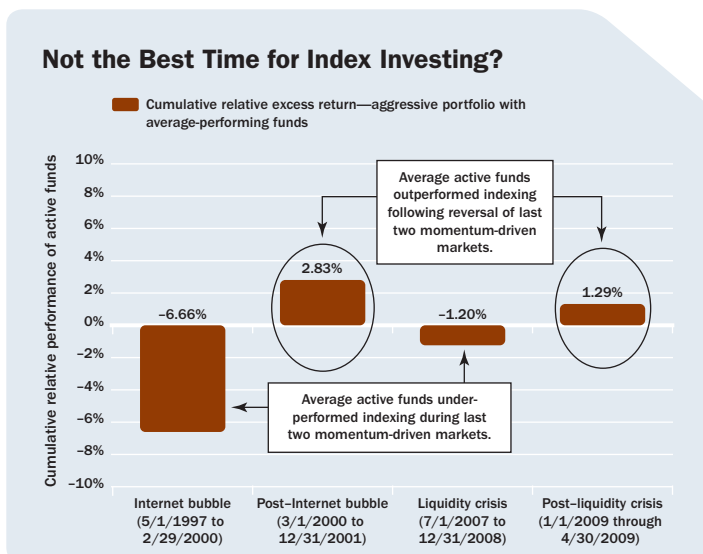
Not necessarily. We advise against making the leap to an all-index-fund portfolio based solely on recent performance. Case in point: Investors who did so in late 2008 may now have some regrets—on the whole, active funds have outperformed their indexes during the first several months of 2009.

No strategy outperforms in every market environment

During momentum-driven markets¹—when investors abandon fundamentals and chase hot stocks or sectors—index funds generally outperform their actively managed cousins. The reason? Unlike active funds, index funds hold most or all of the stocks in their benchmark indexes, most of which are capitalization-weighted (stocks with a higher overall market value have a greater influence on an index's performance). So investors chasing performance drive up these indexes, in turn boosting index funds.

Witness the past two momentum markets: First, the Internet bubble of the late '90s, when active funds suffered by holding fewer tech stocks than their benchmark indexes; then, the liquidity crisis of 2007–2008, when anxious investors sold off everything but U.S. Treasuries. As all stocks plummeted, active funds underperformed index funds due to generally higher management fees.

However, after a momentum-driven market has run its course, investing fundamentals usually return to favor, and actively managed funds typically regain the upper hand. The chart below illustrates



Source: Schwab Center for Financial Research. Portfolio comparisons based on an all-stock portfolio consisting of the average-performing active stock funds within their categories.

See page 7 for important disclosures, footnotes and prospectus offering.

the relative performance of an all-stock portfolio² consisting of average-performing (within their categories) actively managed funds during and immediately following momentum-driven markets. Note that actively managed funds have rebounded after underperforming through most of 2007 and 2008. And with many high-quality stocks still near their 10-year lows, active managers who focus on these types of stocks may find yet more upside potential.

Going forward, we see the market staying focused on fundamentals as long as investors see positive signs in the economy—though if the economy turns sharply up or down, we wouldn't be surprised to see momentum return to favor.

Index versus active: What's right for you?

In addition to looking at relative performance and market expectations, consider the following to decide whether index funds or actively managed funds (or both) make sense for you.

Consider index funds if:

- **You lack the time or desire** to research and monitor funds.
- **You're content to match the overall market**, not beat it.
- **You want lower-cost funds.** Index funds typically have lower expense ratios.
- **You're investing in a taxable account.** Index funds are typically more tax-efficient than active funds.

Go to schwab.com/selectlist to see recommended index funds, or do your own research on Schwab.com: Consider funds with low fees and clear information about their indexes and holdings.

Consider actively managed funds if:

- **You have the time and interest** to research and monitor funds.
- **You want to beat the market.** Long term, top funds may outperform their indexes (though active funds can underperform as well).
- **You want more downside protection.** Some active managers strategically increase cash holdings in times of market distress.
- **You're looking for broader diversification.** In categories such as bonds, active funds may provide more diversification.

Choosing active funds: Identifying good managers is crucial

Looking at the chart, the outperformance of active funds appears relatively small. That's because active management is a zero-sum game—lackluster performance by some managers offsets gains achieved by top managers. That's why fund selection is so important. For example, assume you held top-quartile funds during the first four months of 2009, rather than average-performing funds: You would have beaten the benchmark by 5.79%—better than 1.29% if you had invested in a portfolio of average funds.

The Schwab *Mutual Fund OneSource Select List*[®] is designed to try to help you identify superior funds, both actively managed and index. Find the latest list at schwab.com/selectlist, or research mutual funds yourself at Schwab.com.

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The S&P 500® Index is an index of widely traded stocks. Indexes are unmanaged, do not incur fees or expenses and cannot be invested in directly.

Sector investing may involve a greater degree of risk than an investment with broader diversification.

Small-cap stocks have historically been more volatile than the stocks of larger, more established companies.

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On Your Portfolio (pages 4–5):

¹ Chart illustrates the growth in value of \$1.00 invested in various financial instruments on December 31, 1925. Results assume reinvestment of dividends, capital gains and coupons, but do not include taxes or transaction costs. Generally, small-cap stocks are in the bottom 50% of publicly traded companies based on market capitalization; such stocks are subject to greater volatility.

² Indexes representing each asset class are the Center for Research in Security Prices (CRSP) 6–8 Index (small-cap stocks), S&P 500 Index (large-cap stocks), Ibbotson Intermediate-Term U.S. Government Bond Index (bonds) and Ibbotson U.S. 30-day Treasury bills (cash investments). Total returns of the S&P 500 Index (composed of large-cap stocks) represent the stock market return, with dividends reinvested. Holding-period returns are annualized. One-, three- and five-year returns roll forward in one-month increments.

On Funds (page 6):

¹ Momentum-driven markets are defined as periods when investors could have outperformed by investing in stocks that achieved the highest returns during the prior 12 months.

² The all-stock portfolio consists of an allocation to the average monthly returns of the following Morningstar categories: 53% large blend, 21% small blend and 26% foreign large blend.

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