

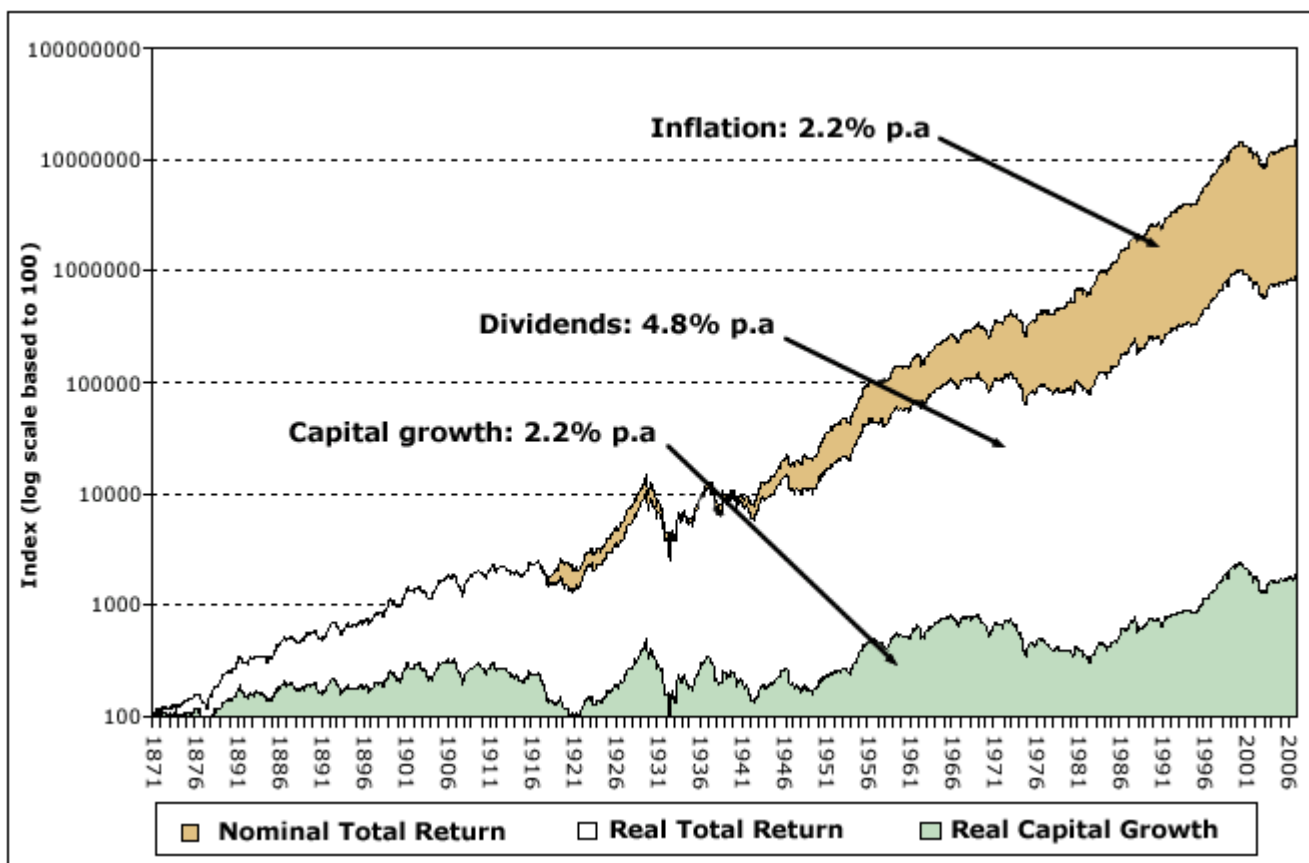
CHART OF THE WEEK

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THE MIRACULOUS DIVIDEND

For long-term investors, this may be the only chart you ever have to see again. It shows the amazing power of compound dividends. As you can see, dividends are responsible for more than 50% of total stock market gains. Why? As you reinvest your dividends, your claim on future dividends increases. At the same time, companies pay out larger and larger dividends. Taken together, the returns pyramid.

S&P500: Components of Total Nominal Return (1871 - 2006)



Source: Plexus Asset Management (based on data from Prof Robert Shiller and I-Net Bridge)

-Tom Dyson