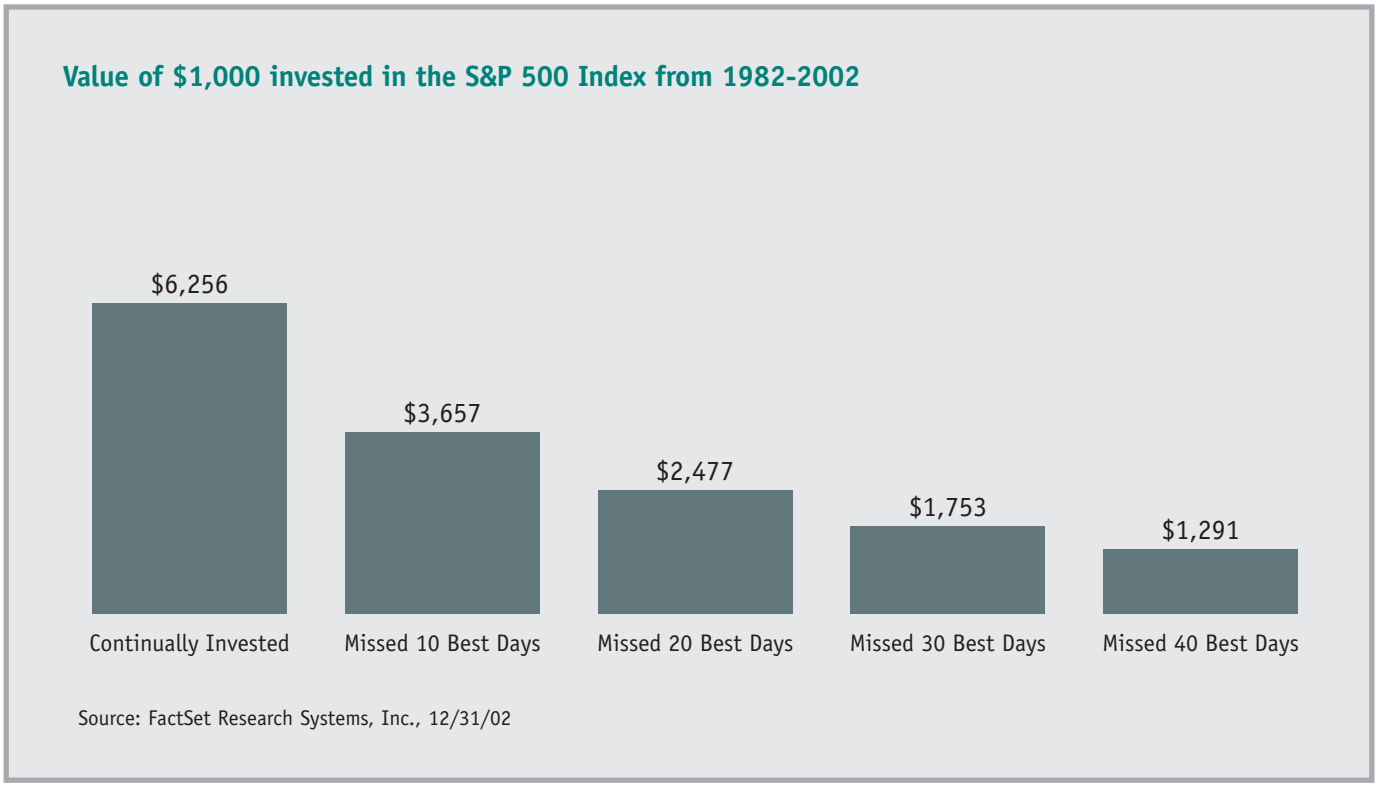
Taking the Long View

Market Timing Can Be Risky

Letting it ride has paid off.

Buy low, sell high: the familiar mantra of investors everywhere. But in these days of uncertain markets, "market timing"– attempting to buy before the market heads upward and sell before a downturn – is a risky proposition at best. On the other hand, an investment strategy that has historically proven itself time and again is consistent, long-term investing.

Stock rallies tend to occur in short bursts, so missing out on a few days could mean missing out on substantial gains.



Each of these bars represents the dollar return on a hypothetical $1,000 investment in the S&P 500 over a 20-year period. The differences among them reflects small pockets of market rallies in which the investor did not participate.

For example, if an investor missed only 10 of the market's best days, that's less than 3% in lost time. Yet, he earned **42% less** compared to the investor who was invested the entire 20 years.

Are you on the sidelines or invested for the long term?

Chart source: FactSet Research Systems, Inc., 12/31/02.
Past performance is no guarantee of future results and investment results and does not represent the returns of any particular investment. A mutual fund's portfolio may differ significantly from the securities in the index. The S&P 500 Index is not available for direct investment; therefore its performance does not reflect the expenses associated with the active management of an actual portfolio. The S&P 500 is the Standard & Poor's Composite Index of 500 stocks, a widely recognized, unmanaged index of common stocks. Janus Distributors LLC (2/03)

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