Perils of Market Timing

A Case Study of Q1 2009

- March 9 was the low closing date for four of the five featured indices year-to-date.

- The Dow Jones Industrial Average rose 5.8% on March 10, 2009.

- Looking at daily returns, it’s difficult to tell if a recovery is occurring.

Q1 2009 Returns 1/1-3/31

- Dow Jones Industrial Average: -12.4%
- S&P 500 Index: -11.0%
- Russell 2000 Index: -14.9%
- Nasdaq Composite Index: -4.7%
- KBW Bank Index: -2.7%

Negative Return Period 1/1-3/9

- Dow Jones Industrial Average: -35.8%
- S&P 500 Index: -31.0%
- Russell 2000 Index: -24.7%
- Nasdaq Composite Index: -24.6%
- KBW Bank Index: -19.3%

Positive Return Period 3/10-3/31

- Dow Jones Industrial Average: 10.4%
- S&P 500 Index: 18.1%
- Russell 2000 Index: 23.4%
- Nasdaq Composite Index: 20.5%
- KBW Bank Index: 43.8%

Returns are from market-close to market-close. Indices are not available for direct investment; their performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data are provided by Standard & Poor’s Index Services Group. Dow Jones data provided by Dow Jones Indexes. Russell data copyright © Russell Investment Group 1995-2010 all rights reserved. Mutual fund universe statistical data and non-Dimensional money managers’ fund data provided by Morningstar, Inc. Nasdaq Composite Index data provided by The Nasdaq Stock Market, Inc. KBW Bank Index data provided by Keefe, Bruyette & Woods, Inc. (KBW). Past performance is not a guarantee of future results.