

The Compelling Case for Stock Funds

When it comes to investing for your long-term goals, there's nothing like stocks. For some very good reasons.

1. FOR STARTERS, INFLATION Inflation alone is one reason to consider investing in stocks. Inflation is always weakening your buying power, chipping away at the value of every dollar you earn. Stocks have the potential to help your money grow faster than the rising cost of living.

2. THE RISK OF NOT DIVERSIFYING Saving through traditional bank products is safe because it lets you benefit from stability of principal, FDIC insurance and fixed rates of return. But it can also be risky in the long run because your rate of return may not outpace the effects of inflation. Stocks involve more risk than bonds, bank products, and other types of investments. Investors must be willing to assume more risk.

Of course, if you decide to invest but invest only in bonds, the return potential on your investment may or may not exceed inflation. That's because most bonds typically involve a more moderate potential return in exchange for moderate risk compared with stocks.

And, by saving or investing only in bonds, your money may not grow fast enough for you to reach your goals-especially costly goals like a college education or a comfortable retirement.

3. A PROVEN PERFORMANCE RECORD As the following chart will illustrate, it's been proven over the years: When it comes to outpacing inflation, no other type of investment has historically shown the power of stocks. As measured by the Standard & Poor's 500, stocks have outperformed all other types of investments over time.

Past performance is no guarantee of future results.

This chart shows just how a modest \$100 monthly investment in stocks has grown in value compared to Treasury bills and what you'd need to keep up with inflation.*

In return for their higher growth potential, stock prices are more volatile than those of bonds or Treasury bills. U.S. government bonds and Treasury bills, unlike stocks and corporate bonds, are guaranteed as to the payment of principal and interest by the U.S. government.*

| If you started investing in | You would have invested a total of | This is what you need to keep up with inflation ¹ | This is the value of an investment in TBills ² | And the value of an investment in stocks ³ |
|-----------------------------|------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|
| 1950 | 74,400 | \$300,235 | \$539,794 | \$4,853,663 |
| 1951 | 73,200 | \$288,975 | \$516,957 | \$4,188,160 |
| 1952 | 72,000 | \$278,547 | \$494,441 | \$3,679,486 |
| 1953 | 70,800 | \$268,352 | \$472,302 | \$3,245,209 |
| 1954 | 69,600 | \$258,235 | \$450,599 | \$2,838,361 |
| 1955 | 68,400 | \$248,154 | \$429,191 | \$2,515,425 |
| 1956 | 67,200 | \$238,048 | \$408,055 | \$2,290,506 |
| 1957 | 66,000 | \$228,086 | \$387,405 | \$2,101,605 |
| 1958 | 64,800 | \$218,453 | \$367,382 | \$1,910,322 |
| 1959 | 63,600 | \$209,076 | \$347,843 | \$1,735,256 |
| 1960 | 62,400 | \$199,785 | \$328,821 | \$1,599,467 |
| 1961 | 61,200 | \$190,632 | \$310,467 | \$1,462,984 |
| 1962 | 60,000 | \$181,576 | \$292,564 | \$1,352,575 |
| 1963 | 58,800 | \$172,625 | \$275,128 | \$1,236,967 |
| 1964 | 57,600 | \$163,785 | \$258,204 | \$1,138,760 |
| 1965 | 56,400 | \$155,059 | \$241,859 | \$1,056,896 |
| 1966 | 55,200 | \$146,470 | \$226,127 | \$983,731 |
| 1967 | 54,000 | \$138,129 | \$211,087 | \$909,331 |
| 1968 | 52,800 | \$130,014 | \$196,738 | \$843,602 |
| 1969 | 51,600 | \$122,226 | \$183,085 | \$783,879 |
| 1970 | 50,400 | \$114,838 | \$170,240 | \$725,538 |
| 1971 | 49,200 | \$107,861 | \$158,271 | \$659,416 |
| 1972 | 48,000 | \$101,170 | \$146,904 | \$605,358 |
| 1973 | 46,800 | \$94,693 | \$136,000 | \$558,352 |
| 1974 | 45,600 | \$88,593 | \$125,700 | \$511,272 |
| 1975 | 44,400 | \$83,096 | \$116,183 | \$451,092 |
| 1976 | 43,200 | \$78,062 | \$107,297 | \$398,112 |
| 1977 | 42,000 | \$73,302 | \$98,886 | \$355,081 |
| 1978 | 40,800 | \$68,832 | \$90,889 | \$311,635 |
| 1979 | 39,600 | \$64,677 | \$83,385 | \$269,395 |
| 1980 | 38,400 | \$60,940 | \$76,525 | \$232,471 |
| 1981 | 37,200 | \$57,650 | \$70,406 | \$202,016 |
| 1982 | 36,000 | \$54,670 | \$65,064 | \$175,143 |
| 1983 | 34,800 | \$51,863 | \$60,372 | \$147,954 |
| 1984 | 33,600 | \$49,144 | \$56,091 | \$128,715 |
| 1985 | 32,400 | \$46,536 | \$52,196 | \$110,294 |
| 1986 | 31,200 | \$44,018 | \$48,629 | \$95,332 |
| 1987 | 30,000 | \$41,548 | \$45,300 | \$83,939 |
| 1988 | 28,800 | \$39,164 | \$42,157 | \$74,644 |
| 1989 | 27,600 | \$36,874 | \$39,205 | \$65,155 |
| 1990 | 26,400 | \$34,689 | \$36,479 | \$57,598 |
| 1991 | 25,200 | \$32,616 | \$33,961 | \$50,462 |
| 1992 | 24,000 | \$30,627 | \$31,604 | \$44,453 |
| 1993 | 22,800 | \$28,697 | \$29,348 | \$39,133 |
| 1994 | 21,600 | \$26,822 | \$27,163 | \$34,379 |
| 1995 | 20,400 | \$24,995 | \$25,054 | \$29,828 |
| 1996 | 19,200 | \$23,218 | \$23,054 | \$26,073 |
| 1997 | 18,000 | \$21,491 | \$21,157 | \$23,113 |
| 1998 | 16,800 | \$19,804 | \$19,355 | \$20,868 |
| 1999 | 15,600 | \$18,143 | \$17,644 | \$19,095 |
| 2000 | 14,400 | \$16,517 | \$16,010 | \$17,668 |
| 2001 | 13,200 | \$14,944 | \$14,463 | \$16,348 |
| 2002 | 12,000 | \$13,415 | \$12,995 | \$14,780 |
| 2003 | 10,800 | \$11,909 | \$11,559 | \$12,916 |
| 2004 | 9,600 | \$10,437 | \$10,142 | \$11,052 |
| 2005 | 8,400 | \$9,003 | \$8,741 | \$9,499 |
| 2006 | 7,200 | \$7,616 | \$7,373 | \$8,068 |
| 2007 | 6,000 | \$6,273 | \$6,062 | \$6,779 |
| 2008 | 4,800 | \$4,966 | \$4,815 | \$5,652 |
| 2009 | 3,600 | \$3,708 | \$3,605 | \$4,277 |
| 2010 | 2,400 | \$2,446 | \$2,402 | \$2,574 |
| 2011 | 1,200 | \$1,204 | \$1,200 | \$1,193 |

Past performance is no guarantee of future results. This chart is for illustrative purposes only and is not representative of performance for any particular Huntington Fund. Stocks involve investment risks that may include loss of principal. Calculation assumes dividends and capital gains are reinvested.

Calculation assumes an investment start date of January 31 in any year and a \$100 monthly investment through December 31, 2011. Sources:

*This guarantee relates only to the prompt payment of principal and interest and does not remove market risks if the investment is sold prior to maturity.

- 1 IA SBBI US Inflation**—Also known as the cost of living or inflation, this index measures the change in consumer prices, including housing, costs, food, transportation, and electricity, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Indexes are unmanaged and investments may not be made in an index.
- 2 Treasury Bills**—The T-Bill 3-Month Index is derived from secondary market rates as published from the Federal Reserve Bank in release H.15 (519). T-Bills are short-term debt instruments of the federal government with maturities under one year.
- 3 Stocks**—the S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

No matter what the stock market is doing, you can put time on your side with dollar-cost averaging

As the chart on the left shows, investing even a little in stocks on a regular basis can produce positive returns. Investing on a regular basis is also a great way to take advantage of a simple and effective investment strategy called dollar-cost averaging.

Of course, investing in stocks involves a degree of volatility. Stock prices can go down as well as up in some periods. Dollar-cost-averaging "works" by putting the "Law of Averages" on your side—in up markets and down. This strategy is easy to understand. You simply systematically invest the same dollar amount in a mutual fund on a pre-determined schedule—every month, every quarter, every year—whatever is most convenient for you.

You should keep in mind that dollar-cost-averaging works slowly. It requires both discipline and patience, and there's no guarantee that you'll realize a profit. In fact, if you redeem shares out of your mutual fund too soon—and when the market is down—you may take a loss. That's why it's important to make a commitment to consistent investing. Of course, dollar-cost averaging does not ensure a profit or protect against a loss in declining markets. And you always have the freedom to rethink your commitment if your financial situation changes or in periods of low price levels.

- **It's simple: Invest the same amount in a mutual fund every month, or every quarter, year in and year out.**
- **You automatically buy more shares when prices are low, but fewer shares when prices are high.**
- **As the following chart illustrates, dollar-cost averaging can help keep the average price you pay for shares lower than the average market price per share.**

| | 12/31 | 3/31 | 6/30 | 9/30 |
|------------------------------------|--------------------------|-------|-------|-------|
| Share Price..... | \$10 | \$9 | \$6 | \$7 |
| Amount Invested | \$500 | \$500 | \$500 | \$500 |
| Shares Purchased..... | 50 | 55.5 | 83.3 | 71.4 |
| <hr/> | | | | |
| Average price per share purchased: | $\$32/4 = \8 | | | |
| Average cost per share purchased: | $\$2,000/260.2 = \7.69 | | | |

This chart is for illustrative purposes only and is not representative of the performance of any particular investment.

Dollar-cost averaging cannot assure a profit or protect against loss in declining markets. Since this technique involves making continuous investments regardless of fluctuating price levels, investors should consider their financial ability to continue purchases during periods of low price levels.



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