

# ECONOMIC REVIEW AND MARKET COMMENTARY

## ECONOMIC REVIEW

- During the second quarter, markets responded positively to economic news that indicates the recession may be abating. Although few indicators demonstrate substantial economic recovery, a large share of the data reveals that the downturn is slowing. The results of the bank stress tests conducted by the U.S. Government were also favorable and several banks were allowed to begin repayment of TARP loans.
- Exceeding most economists' expectations, GDP contracted at a 1.0% annualized rate in the second quarter. Much of the improvement is attributable to smaller decreases in nonresidential fixed investment, exports, and private inventory investment as well as notable increases in federal and state expenditures. However, consumer spending, which comprises around 70% of the economy, fell a further than expected 1.2%. This is the fourth straight quarter that GDP has declined, the longest downturn in the U.S. since quarterly GDP was first reported in 1947.
- Job losses continued to mount across all major sectors in the second quarter as the unemployment rate reached 9.5% in June. Nonfarm payroll employment fell by an average of 436,000 per month between April and June, down from an average of 670,000 per month from November 2008 to March 2009. In total, payroll employment has declined by 6.5 million since December 2007, when the current recession began.
- The Federal Reserve kept the target federal funds rate between 0% and 0.25%. The Federal Reserve Committee has continued to state that they anticipate having to keep rates extremely low for some time.
- Consumer prices rose at a Seasonally Adjusted Annual Rate of 3.3% in the quarter. The main drivers of inflation during the quarter were price increases in energy commodities, transportation, and other goods and services.

## INTERNATIONAL EQUITY

- As signs of economic stabilization continued to emerge, international equity markets rallied during the second quarter, with the MSCI All Country World Index ex US gaining 27.9% for the period. Emerging equity markets, which are measured by the MSCI Emerging Market Index (34.8%), continued to outperform the MSCI EAFE Index (+25.9%) during the quarter.
- For the three-month period, value stocks outpaced growth stocks with the MSCI EAFE Value and Growth indices returning (+30.3%) and (+21.7%), respectively. An increased appetite for risk drove the outperformance of small cap stocks over their larger counterparts.
- Within the EAFE Index, more traditionally defensive sectors such as healthcare (+11.6%), telecommunication services (+14.0%), and utilities (+15.2%) lagged during the period, while financials (+41.2%) held up best, followed by materials (+32.6%) and industrials (+27.6%).
- During the quarter, the dollar weakened against all major currencies as investors favored riskier investments over the safety of U.S. Treasuries.
- The MSCI Europe Index gained 25.9%, with the U.K., Germany and France returning 26.6%, 24.8% and 22.5%, respectively. All of the European developed markets posted a double-digit return for the quarter except Ireland (+6.6%), which is suffering from the deepest recession of any developed economy.
- The Japanese equity markets produced a return of +23.1% during the period largely due to the weakness of the yen and a recent increased output from the manufacturing sector. Other developed Asian markets fared better, particularly Singapore (+46.0%) and Hong Kong (+35.8%).
- Emerging Europe (+41.0%) fared better than Emerging Latin America (+38.6%) and Emerging Asia (+34.0%) during the quarter. Similar to the developed markets, healthcare and telecommunication services underperformed, while financials and consumer discretionary led the way. Particularly strong markets included Hungary, Brazil and India.

## DOMESTIC EQUITY

- During the second quarter, the domestic equity markets advanced substantially and built on the sizeable gains posted near the end of the first quarter as signs of economic stabilization continued to emerge.
- The Dow Jones Industrial Average gained 12.0%, the NAREIT Equity Index rose 28.9%, the S&P 500 climbed 15.9% and the NASDAQ Composite advanced 20.1% for the quarter.
- During the quarter, small- and mid-cap stocks outperformed large caps. The Russell Midcap Index gained 20.8% and the small cap Russell 2000 Index climbed 20.7%, while the large cap Russell 1000 Index gained 16.5%.
- The quarter showed mixed results in the style spectrum. In previous quarters, growth stocks significantly outperformed their value counterparts. However, in the second quarter, the trend disappeared, as there was not a significant difference in returns between styles.
- All ten of the sectors posted gains during the quarter with the financial services sector being the clear winner, followed up by the media, software, industrial materials, hardware and business services sectors. Telecommunications, consumer services, and healthcare were the laggards for the quarter.

## REAL ESTATE

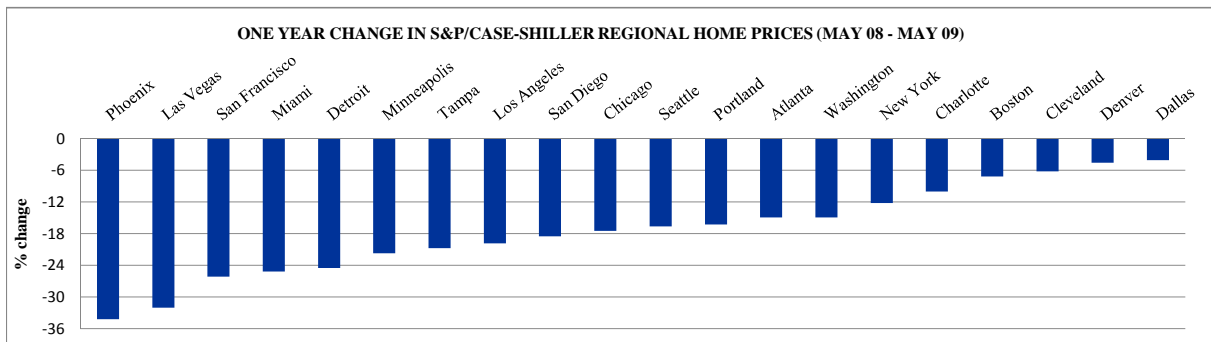
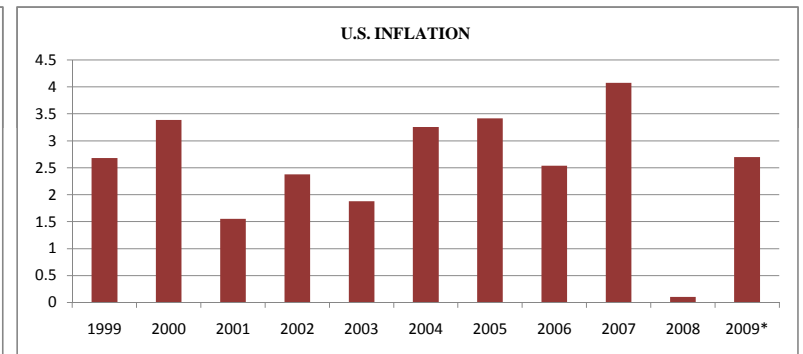
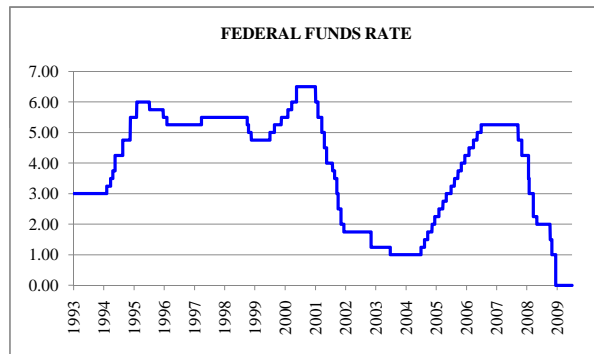
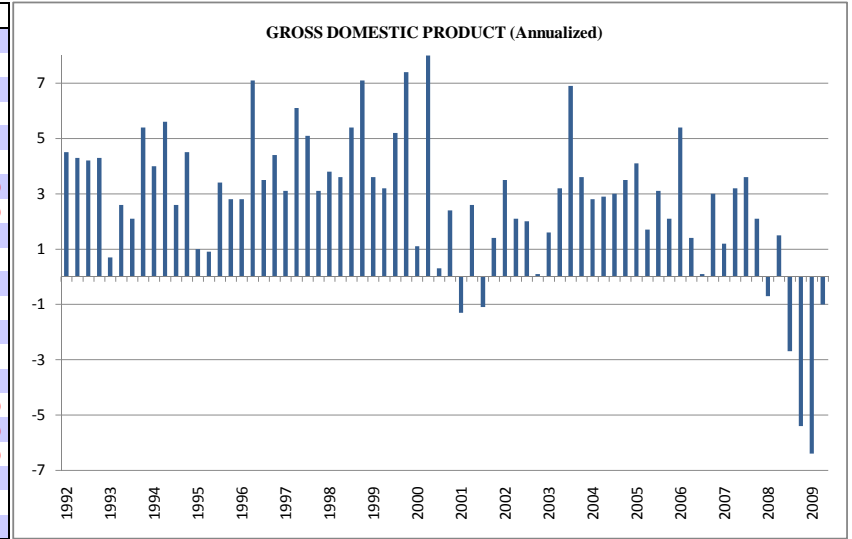
- Declines in housing prices may be reaching a bottom according to data released through May 2009. The S&P/Case-Shiller(1) Home Price Indices show that, although still negative, the annual rate of decline of the 10-City and 20-City Composites improved for the fourth consecutive month in 2009. The 10-City and 20-City Composites declined 16.8% and 17.1%, respectively, in May compared to the same month last year. These values are improvements over April's data, which show annual declines of 18.0% and 18.1%, respectively. After 16 consecutive months of record annual declines, beginning in October 2007 and ending in January 2009, the indices have now shown four consecutive months of improvement in annual returns.

## FIXED INCOME

- Treasury yields moved higher during the quarter, underperforming spread sectors as markets began to speculate on the end of quantitative easing by the Fed. Additionally, a massive increase in the Treasury supply came to the market to help fund the government's stimulus plan. The yield curve steepened with the yield on the 2-year note rising 30 bps to 1.11% and the yield on the 10-year moving 82 bps higher to 3.53%. The Barclay's Capital US Treasury Index returned -3.02% for the quarter. TIPS outperformed nominal treasury bonds as fears of near term deflation diminished.
- The recovery of non-Treasury fixed income assets continued in 2Q09 as investors' risk aversion abated on the back of the somewhat encouraging economic data. The leveraged finance space significantly outperformed all other fixed income classes in the second quarter.
- Municipals continued to rally, driven in part by attractive valuations and strong demand despite difficult fundamentals. The Municipal Bond Index returned 2.1% for the quarter.
- Government support had helped returns for agency bonds and MBS but to a lesser extent than riskier assets. The CMBS sector, which was up 12.5%, benefited from TALF support. ABS, which returned 7.6% for the quarter, was helped by banks shortening up credit card trusts. After suffering its worst quarter ever in 3Q08, investment grade credit experienced its best quarter in 2Q09, outperforming duration matched Treasuries by 1,187 bps. Investors took advantage of historically wide spreads and demand facilitated a more robust new issue calendar. In contrast to 1Q09, financials were a main contributor to the rally in high grade credit due in part to better than expected earnings and positive results from the stress tests.
- The Barclays US Corp High Yield Index, which was up 23.1%, had a record gain, with bonds and loans performing equally well. US dollar-denominated emerging market debt also performed well, returning 12.2% as risk appetites improved.

# ECONOMIC REVIEW

| % Change From Preceding Period<br>Seasonally Adjusted Annual Rates | 2006  |        |        |        | 2007   |        |        |        | 2008   |        |        |        | 2009   |        |
|--------------------------------------------------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                                    | Q1    | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     |
| <b>GDP</b>                                                         | 5.4   | 1.4    | 0.1    | 3.0    | 1.2    | 3.2    | 3.6    | 2.1    | (0.7)  | 1.5    | (2.7)  | (5.4)  | (6.4)  | (1.0)  |
| <b>PCE</b>                                                         | 4.5   | 2.2    | 2.5    | 4.1    | 3.7    | 1.1    | 1.9    | 1.2    | (0.6)  | 0.1    | (3.5)  | (3.1)  | 0.6    | (1.2)  |
| Durable Goods                                                      | 17.0  | (1.0)  | 4.5    | 5.6    | 5.5    | 2.1    | 5.2    | 5.5    | (8.9)  | (5.7)  | (11.7) | (20.3) | 3.9    | (7.1)  |
| Nondurable Goods                                                   | 2.6   | 1.6    | 2.6    | 6.1    | 3.1    | (0.8)  | 2.1    | 1.8    | (3.0)  | 2.2    | (5.6)  | (4.9)  | 1.9    | (2.5)  |
| Services                                                           | 2.9   | 3.0    | 2.1    | 3.1    | 3.6    | 1.6    | 1.3    | 0.3    | 1.8    | 0.4    | (1.3)  | 0.5    | (0.3)  | 0.1    |
| <b>GDPDI</b>                                                       | 6.0   | (0.6)  | (5.5)  | (10.9) | (6.0)  | 5.7    | 0.8    | (7.7)  | (7.4)  | (10.4) | (6.9)  | (24.2) | (50.5) | (20.4) |
| Fixed Investment                                                   | 9.5   | (1.9)  | (5.0)  | (5.3)  | (2.6)  | 3.6    | (0.4)  | (4.2)  | (6.3)  | (2.7)  | (8.3)  | (20.2) | (39.0) | (13.5) |
| Nonresidential                                                     | 18.0  | 7.3    | 4.4    | 2.3    | 4.2    | 11.4   | 9.6    | 6.7    | 1.9    | 1.4    | (6.1)  | (19.5) | (39.2) | (8.9)  |
| Structures                                                         | 18.9  | 22.4   | 10.3   | 1.5    | 15.6   | 22.7   | 26.6   | 11.2   | 6.8    | 14.5   | (0.1)  | (7.2)  | (43.6) | (8.9)  |
| Equip & software                                                   | 17.8  | 2.1    | 2.2    | 2.8    | (0.5)  | 6.5    | 2.2    | 4.5    | (0.5)  | (5.0)  | (9.4)  | (25.9) | (36.4) | (9.0)  |
| Residential                                                        | (4.2) | (16.9) | (21.2) | (19.7) | (16.2) | (12.9) | (22.4) | (29.5) | (28.2) | (15.8) | (15.9) | (23.2) | (38.2) | (29.3) |
| <b>Exports</b>                                                     | 16.5  | 6.9    | 0.6    | 17.8   | 3.5    | 5.2    | 18.5   | 14.5   | (0.1)  | 12.1   | (3.6)  | (19.5) | (29.9) | (7.0)  |
| Goods                                                              | 17.8  | 7.4    | 0.2    | 13.1   | 3.0    | 6.3    | 14.8   | 12.4   | 4.2    | 14.1   | (1.8)  | (25.5) | (36.9) | (9.3)  |
| Services                                                           | 13.6  | 5.6    | 1.5    | 29.1   | 4.7    | 2.8    | 27.2   | 19.2   | (9.0)  | 7.8    | (7.7)  | (4.3)  | (13.6) | (2.3)  |
| <b>Imports</b>                                                     | 7.8   | 4.5    | 4.9    | (0.5)  | 4.3    | (0.5)  | 3.7    | (3.6)  | (2.5)  | (5.0)  | (2.2)  | (16.7) | (36.4) | (15.1) |
| Goods                                                              | 6.3   | 5.0    | 5.5    | (2.3)  | 5.0    | (1.0)  | 2.8    | (3.8)  | (3.5)  | (4.6)  | (3.7)  | (19.6) | (41.0) | (15.9) |
| Services                                                           | 16.1  | 1.8    | 1.3    | 10.0   | 0.4    | 2.1    | 8.6    | (2.9)  | 3.0    | (7.1)  | 6.1    | (0.9)  | (11.5) | (11.5) |
| <b>Government</b>                                                  | 4.1   | 0.3    | 0.6    | 1.1    | 0.0    | 4.4    | 3.9    | 1.6    | 2.6    | 3.6    | 4.8    | 1.2    | (2.6)  | 5.6    |
| Federal                                                            | 11.9  | (3.4)  | (0.4)  | 1.1    | (5.1)  | 7.4    | 9.3    | 2.7    | 8.1    | 7.8    | 13.2   | 6.5    | (4.3)  | 10.9   |
| State and Local                                                    | (0.3) | 2.6    | 1.2    | 1.1    | 3.1    | 2.7    | 0.9    | 1.0    | (0.5)  | 1.2    | 0.1    | (2.0)  | (1.5)  | 2.4    |



|                              | Percent Changes in CPI for All Urban Consumers (CPI - U) |       |       |       |       |       |        |        |
|------------------------------|----------------------------------------------------------|-------|-------|-------|-------|-------|--------|--------|
|                              | 2002                                                     | 2003  | 2004  | 2005  | 2006  | 2007  | 2008   | 2009*  |
| Food and Beverages           | 1.5                                                      | 3.5   | 2.6   | 2.3   | 2.2   | 4.8   | 5.8    | (1.0)  |
| Housing                      | 2.4                                                      | 2.2   | 3.0   | 4.0   | 3.3   | 3.0   | 2.4    | (0.6)  |
| Apparel                      | (1.8)                                                    | (2.1) | (0.2) | (1.1) | 0.9   | (0.3) | (1.0)  | 3.3    |
| Transportation               | 3.8                                                      | 0.3   | 6.5   | 4.8   | 1.6   | 8.3   | (13.3) | 14.2   |
| Medical Care                 | 5.0                                                      | 3.7   | 4.2   | 4.3   | 3.6   | 5.2   | 2.6    | 3.8    |
| Recreation                   | 1.1                                                      | 1.1   | 0.7   | 1.1   | 1.0   | 0.8   | 1.8    | 1.0    |
| Education & Communication    | 2.2                                                      | 1.6   | 1.5   | 2.4   | 2.3   | 3.0   | 3.6    | 2.9    |
| Other Goods and Services     | 3.3                                                      | 1.5   | 2.5   | 3.1   | 3.0   | 3.3   | 3.4    | 12.2   |
| Energy Commodities           | 23.7                                                     | 6.9   | 26.7  | 16.7  | 6.1   | 29.4  | (40.5) | 52.1   |
| Energy Services              | 0.4                                                      | 6.9   | 6.8   | 17.6  | (0.6) | 3.4   | 7.7    | (13.6) |
| All Items Less Food & Energy | 1.9                                                      | 1.1   | 2.2   | 2.2   | 2.6   | 2.4   | 1.8    | 2.3    |

\*Seasonally adjusted annual rate

## DOMESTIC EQUITY MARKET PERFORMANCE

### Trailing Performance as of: June 2009

(As exhibited by the Russell 1000, MidCap and 2000 stylized indices)

|       |  | Quarter |       |        |
|-------|--|---------|-------|--------|
| Large |  | 16.70   | 16.50 | 16.32  |
| Mid   |  | 20.94   | 20.80 | 20.67  |
| Small |  | 18.00   | 20.69 | 23.38  |
|       |  | Value   | Blend | Growth |

|       |  | Year To Date |       |        |
|-------|--|--------------|-------|--------|
| Large |  | -2.87        | 4.32  | 11.53  |
| Mid   |  | 3.19         | 9.96  | 16.61  |
| Small |  | -5.17        | 2.64  | 11.36  |
|       |  | Value        | Blend | Growth |

|       |  | 1 Year |        |        |
|-------|--|--------|--------|--------|
| Large |  | -29.03 | -26.69 | -24.50 |
| Mid   |  | -30.52 | -30.36 | -30.33 |
| Small |  | -25.24 | -25.01 | -24.85 |
|       |  | Value  | Blend  | Growth |

|       |  | 3 Years |       |        |
|-------|--|---------|-------|--------|
| Large |  | -11.11  | -8.20 | -5.45  |
| Mid   |  | -11.07  | -9.25 | -7.93  |
| Small |  | -12.07  | -9.89 | -7.83  |
|       |  | Value   | Blend | Growth |

|       |  | 5 Years |       |        |
|-------|--|---------|-------|--------|
| Large |  | -2.13   | -1.85 | -1.83  |
| Mid   |  | -0.43   | -0.11 | -0.44  |
| Small |  | -2.27   | -1.71 | -1.32  |
|       |  | Value   | Blend | Growth |

|       |  | 10 Years |       |        |
|-------|--|----------|-------|--------|
| Large |  | -0.15    | -1.75 | -4.18  |
| Mid   |  | 4.00     | 3.15  | 0.02   |
| Small |  | 5.00     | 2.38  | -0.89  |
|       |  | Value    | Blend | Growth |

|       |  | 15 Years |       |        |
|-------|--|----------|-------|--------|
| Large |  | 7.49     | 7.07  | 5.98   |
| Mid   |  | 9.09     | 8.76  | 6.97   |
| Small |  | 8.24     | 6.55  | 4.25   |
|       |  | Value    | Blend | Growth |

|       |  | 20 Years |       |        |
|-------|--|----------|-------|--------|
| Large |  | 8.11     | 7.88  | 7.14   |
| Mid   |  | 9.43     | 9.37  | 8.20   |
| Small |  | 8.91     | 7.27  | 5.07   |
|       |  | Value    | Blend | Growth |

Top 3 performers

Bottom 3 performers

### Sector Performance as of: June 2009

| Sector               | Weight | 3 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------|--------|--------|-------|--------|---------|---------|----------|
| Financial Services   | 13.5   | 29.38  | -5.01 | -34.79 | -23.56  | -11.01  | -3.12    |
| Media                | 2.4    | 25.44  | 8.37  | -27.16 | -13.88  | -8.14   | -8.31    |
| Software             | 4.6    | 22.42  | 21.59 | -13.95 | 1.77    | 1.39    | -4.29    |
| Industrial Materials | 10.4   | 20.58  | 2.03  | -38.42 | -10.92  | -2.49   | -0.78    |
| Hardware             | 10.1   | 20.19  | 26.88 | -18.71 | -2.26   | -1.82   | -5.49    |
| Business Services    | 3.3    | 17.69  | 5.20  | -25.36 | -6.65   | 2.29    | 0.12     |
| S&P 500 Index        | -      | 15.93  | 3.16  | -26.22 | -8.22   | -2.24   | -2.22    |
| Consumer Goods       | 10.9   | 15.57  | 1.75  | -10.11 | 0.16    | 1.69    | 3.04     |
| Energy               | 12.3   | 13.20  | 1.45  | -43.54 | -2.60   | 10.75   | 8.45     |
| Utilities            | 4.0    | 11.22  | -1.68 | -26.45 | -1.45   | 7.06    | 4.35     |
| Healthcare           | 12.8   | 9.73   | 1.73  | -11.21 | -2.24   | -0.25   | 1.02     |
| Consumer Services    | 8.6    | 9.58   | 7.03  | -12.47 | -7.03   | -1.51   | 0.30     |
| Telecommunications   | 7.2    | 4.14   | -2.29 | -21.55 | -5.18   | 1.74    | -9.02    |

### Other Market Indices Performance as of: June 2009

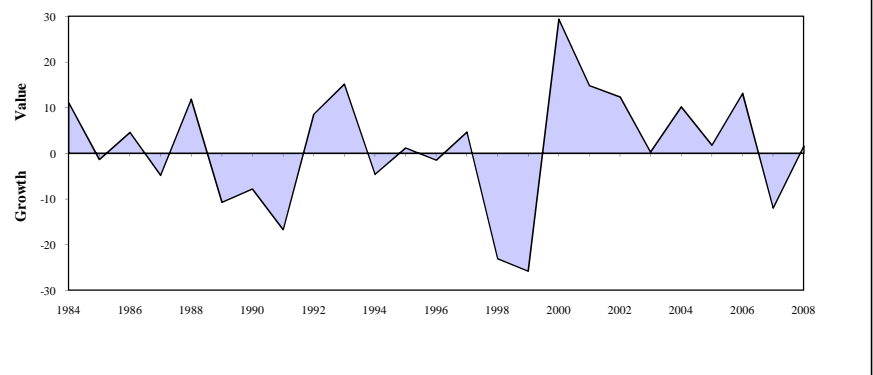
| Index                         | 3 Mos. | YTD    | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------------------|--------|--------|--------|---------|---------|----------|
| S&P 500 Index                 | 15.93  | 3.16   | -26.22 | -8.22   | -2.24   | -2.22    |
| NASDAQ Composite Index        | 20.05  | 16.36  | -19.97 | -5.47   | -2.17   | -3.74    |
| Dow Jones Wilshire 5000 Index | 16.82  | 5.00   | -26.11 | -7.99   | -1.47   | -1.26    |
| NAREIT - Equity               | 28.85  | -12.21 | -43.29 | -18.00  | -2.73   | 5.54     |
| Dow Jones Industrial Average  | 11.96  | -2.01  | -23.00 | -6.34   | -1.68   | -0.41    |

### Calendar Year Performance By Style Within Capitalization Category

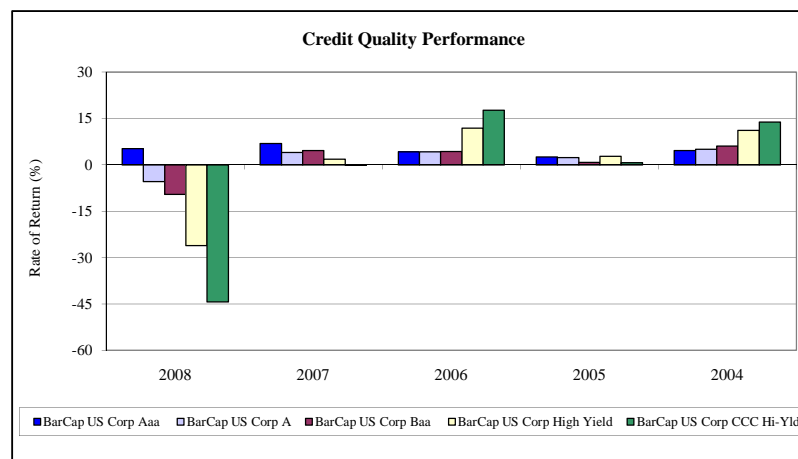
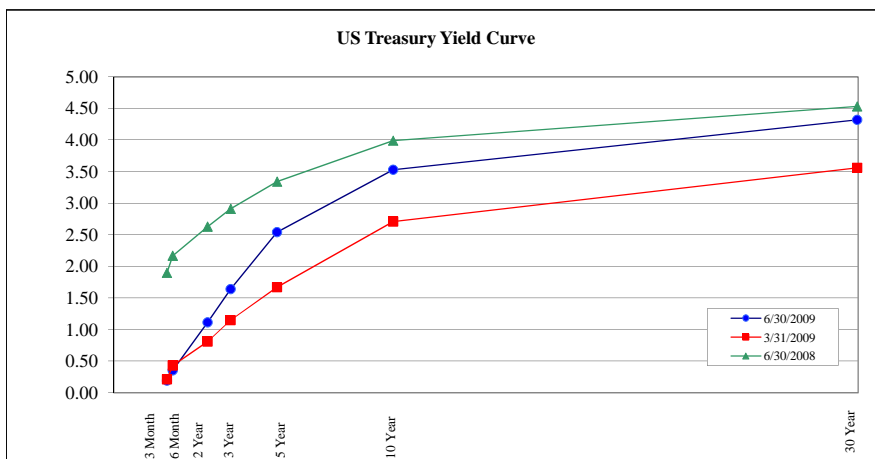
(As exhibited by the Russell 1000, MidCap and 2000 stylized indices)

|      | LARGE CAP      |                | MID CAP     |             | SMALL CAP      |                | LARGE  | MID    | SMALL  |
|------|----------------|----------------|-------------|-------------|----------------|----------------|--------|--------|--------|
|      | Russell 1000 V | Russell 1000 G | Russell MCV | Russell MCG | Russell 2000 V | Russell 2000 G |        |        |        |
| 1983 | 28.29          | 15.99          | -           | -           | 38.64          | 20.13          | 22.13  | 23.82  | 29.13  |
| 1984 | 10.10          | -0.95          | -           | -           | 2.27           | -15.83         | 4.75   | 1.43   | -7.30  |
| 1985 | 31.51          | 32.86          | -           | -           | 31.01          | 30.97          | 32.26  | 32.01  | 31.05  |
| 1986 | 19.98          | 15.36          | 17.87       | 17.55       | 7.41           | 3.58           | 17.87  | 18.20  | 5.68   |
| 1987 | 0.50           | 5.31           | -2.19       | 2.76        | -7.11          | -10.48         | 2.93   | 0.23   | -8.80  |
| 1988 | 23.16          | 11.27          | 24.61       | 12.92       | 29.47          | 20.37          | 17.25  | 19.80  | 25.02  |
| 1989 | 25.19          | 35.92          | 22.70       | 31.48       | 12.43          | 20.17          | 30.43  | 26.27  | 16.26  |
| 1990 | -8.08          | -0.26          | -16.08      | -5.13       | -21.77         | -17.41         | -4.21  | -11.50 | -19.48 |
| 1991 | 24.55          | 41.27          | 37.92       | 47.03       | 41.70          | 51.19          | 33.04  | 41.51  | 46.04  |
| 1992 | 13.58          | 4.99           | 21.68       | 8.71        | 29.14          | 7.77           | 8.93   | 16.34  | 18.41  |
| 1993 | 18.07          | 2.87           | 15.62       | 11.19       | 23.77          | 13.37          | 10.18  | 14.30  | 18.88  |
| 1994 | -1.98          | 2.62           | -2.13       | -2.16       | -1.54          | -2.43          | 0.39   | -2.09  | -1.82  |
| 1995 | 38.35          | 37.17          | 34.93       | 33.98       | 25.75          | 31.04          | 37.77  | 34.45  | 28.45  |
| 1996 | 21.64          | 23.12          | 20.26       | 17.48       | 21.37          | 11.26          | 22.45  | 19.00  | 16.49  |
| 1997 | 35.18          | 30.49          | 34.37       | 22.54       | 31.78          | 12.95          | 32.85  | 29.01  | 22.36  |
| 1998 | 15.63          | 38.71          | 5.08        | 17.86       | -6.45          | 1.23           | 27.02  | 10.10  | -2.55  |
| 1999 | 7.35           | 33.16          | -0.11       | 51.29       | -1.49          | 43.09          | 20.91  | 18.23  | 21.26  |
| 2000 | 7.01           | -22.42         | 19.18       | -11.75      | 22.83          | -22.43         | -7.79  | 8.25   | -3.02  |
| 2001 | -5.59          | -20.42         | 2.33        | -20.15      | 14.03          | -9.23          | -12.45 | -5.62  | 2.49   |
| 2002 | -15.52         | -27.89         | -9.65       | -27.41      | -11.43         | -30.26         | -21.65 | -16.18 | -20.48 |
| 2003 | 30.03          | 29.75          | 38.07       | 42.71       | 46.03          | 48.54          | 29.89  | 40.06  | 47.25  |
| 2004 | 16.49          | 6.30           | 23.71       | 15.48       | 22.25          | 14.31          | 11.40  | 20.22  | 18.33  |
| 2005 | 7.05           | 5.26           | 12.65       | 12.10       | 4.71           | 4.15           | 6.27   | 12.65  | 4.55   |
| 2006 | 22.25          | 9.07           | 20.22       | 10.66       | 23.48          | 13.35          | 15.46  | 15.26  | 18.37  |
| 2007 | -0.17          | 11.81          | -1.42       | 11.43       | -9.78          | 7.05           | 5.77   | 5.60   | -1.57  |
| 2008 | -36.85         | -38.44         | -38.44      | -44.32      | -28.92         | -38.54         | -37.60 | -41.46 | -33.79 |

% Differential Between Value and Growth Over Past 25 Years



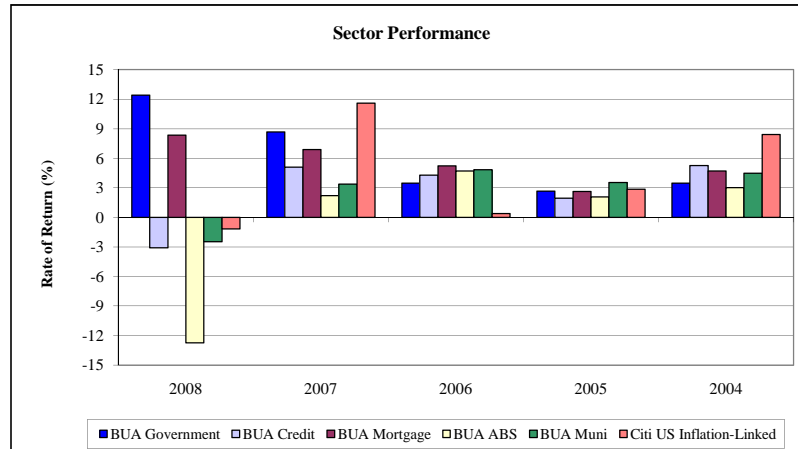
## DOMESTIC FIXED INCOME MARKET PERFORMANCE



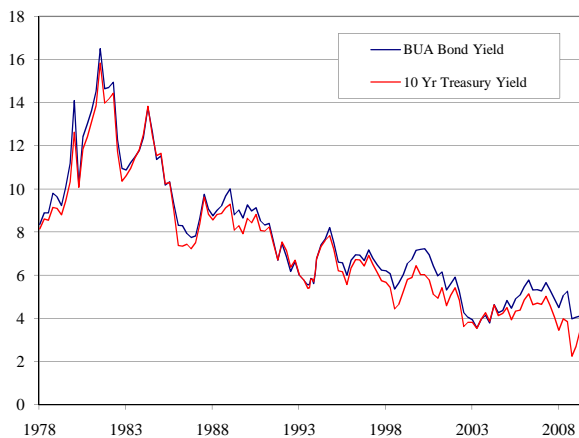
| US Treasury Curve Yield Change (bps) |        |        |         |         |         |          |          |
|--------------------------------------|--------|--------|---------|---------|---------|----------|----------|
|                                      | 3 Mos. | 6 Mos. | 2 Years | 3 Years | 5 Years | 10 Years | 30 Years |
| Trailing 3 Months                    | -2     | -8     | 30      | 49      | 87      | 82       | 76       |
| Trailing 12-Months                   | -171   | -182   | -152    | -127    | -80     | -46      | -21      |

| TRAILING PERFORMANCE as of 6/30/2009 |        |        |       |        |         |         |          |
|--------------------------------------|--------|--------|-------|--------|---------|---------|----------|
| Credit Quality                       | 3 Mos. | 6 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
| BarCap US Corp Aaa                   | 0.82   | -5.99  | -5.99 | -1.08  | 3.70    | 3.44    | 5.43     |
| BarCap US Corp A                     | 9.53   | 6.01   | 6.01  | 1.33   | 3.47    | 3.22    | 5.28     |
| BarCap US Corp Baa                   | 13.62  | 15.29  | 15.29 | 5.27   | 4.97    | 4.05    | 5.66     |
| BarCap US Corp High Yield            | 23.07  | 30.43  | 30.43 | -2.40  | 2.09    | 4.33    | 4.69     |
| BarCap US Corp CCC Hi-Yld            | 38.82  | 45.45  | 45.45 | -17.64 | -3.74   | 1.51    | 1.50     |

| TRAILING PERFORMANCE as of 6/30/2009 |        |        |       |        |         |         |          |
|--------------------------------------|--------|--------|-------|--------|---------|---------|----------|
|                                      | 3 Mos. | 6 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
| Citigroup US 3-Month T-Bill          | 0.05   | 0.09   | 0.09  | 0.78   | 3.04    | 3.02    | 3.08     |
| ML 1-3 Year Treasury                 | -0.11  | -0.02  | -0.02 | 4.39   | 5.58    | 4.07    | 4.59     |
| Barclays Aggregate Bond Index        | 1.78   | 1.90   | 1.90  | 6.05   | 6.43    | 5.01    | 5.98     |
| BUAGC Intermediate                   | 1.67   | 1.62   | 1.62  | 5.27   | 6.13    | 4.57    | 5.66     |
| BUAGC                                | 1.85   | 0.55   | 0.55  | 5.26   | 6.16    | 4.80    | 5.95     |
| BUAGC Long-Term                      | 2.78   | -3.54  | -3.54 | 5.34   | 6.37    | 5.64    | 6.89     |



**BUA Yield vs. 10 Yr. Treasury Yield (%)**



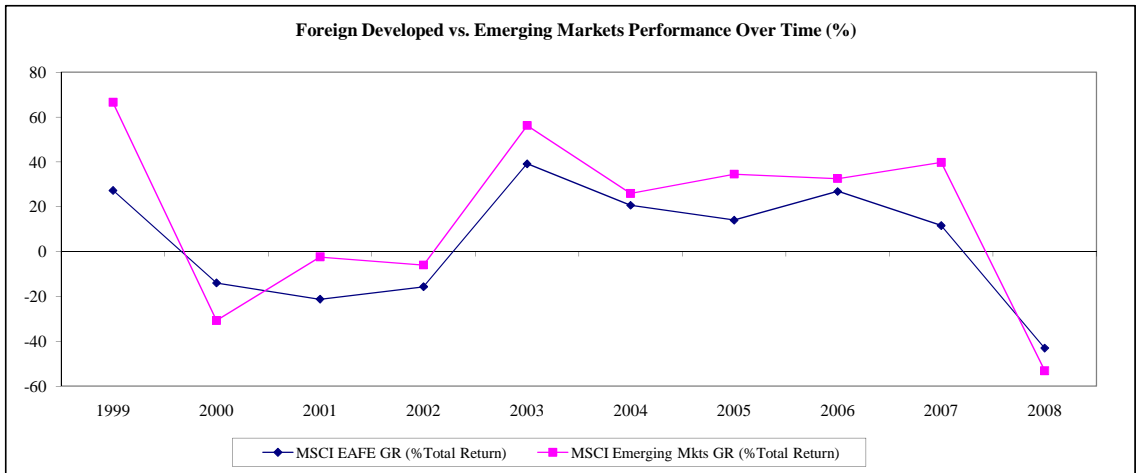
**Barclay's Aggregate Bond Index Composition (%)**

|                         |              |
|-------------------------|--------------|
| US Treasury             | 25.65        |
| US Agency               | 9.62         |
| <b>Total Government</b> | <b>35.27</b> |
| Industrial              | 9.99         |
| Utility                 | 2.18         |
| Finance                 | 6.53         |
| Non-Corporate           | 4.13         |
| <b>Total Credit</b>     | <b>22.83</b> |
| GNMA                    | 5.17         |
| FNMA                    | 18.17        |
| FHLMC                   | 12.44        |
| <b>Total MBS</b>        | <b>35.78</b> |
| Credit Card             | 0.27         |
| Auto                    | 0.10         |
| Home                    | 0.04         |
| Utility                 | 0.06         |
| Manufactured Housing    | 0.00         |
| <b>Total ABS</b>        | <b>0.47</b>  |
| <b>CMBS</b>             | <b>3.34</b>  |
| <b>Hybrid Arm</b>       | <b>2.31</b>  |

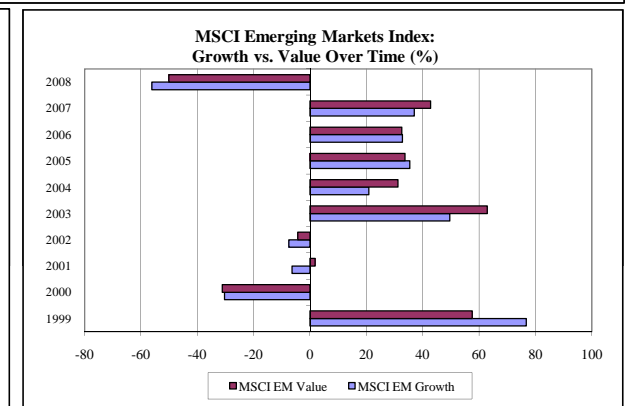
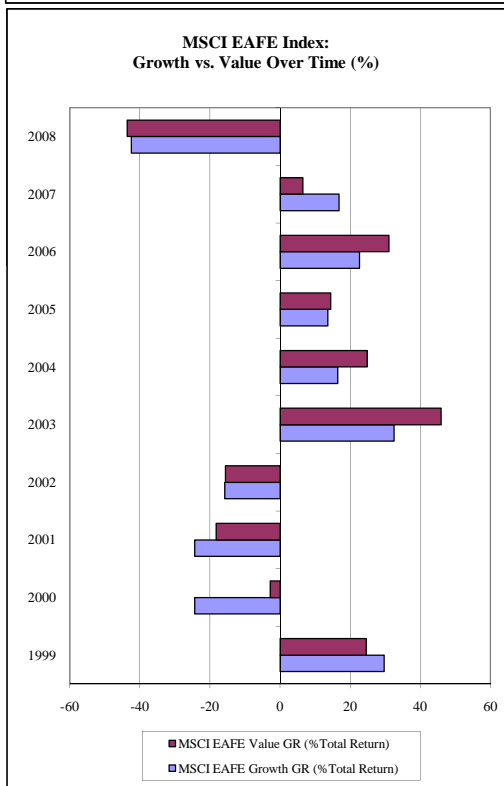
| TRAILING PERFORMANCE as of 6/30/2009 |        |        |       |        |         |         |          |
|--------------------------------------|--------|--------|-------|--------|---------|---------|----------|
| Sector                               | 3 Mos. | 6 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
| BUA Government                       | -2.21  | -3.17  | -3.17 | 6.63   | 7.28    | 5.41    | 6.06     |
| BUA Credit                           | 8.81   | 6.87   | 6.87  | 4.08   | 4.86    | 4.08    | 5.79     |
| BUA Mortgage                         | 0.70   | 2.91   | 2.91  | 9.38   | 7.86    | 5.98    | 6.29     |
| BUA ABS                              | 7.64   | 15.78  | 15.78 | 3.87   | 2.41    | 2.51    | 4.71     |
| BUA Muni                             | 2.11   | 6.42   | 6.42  | 3.77   | 3.90    | 4.14    | 5.00     |
| Citi US Inflation-Linked             | 0.40   | 4.72   | 4.72  | -1.30  | 5.70    | 4.88    | 7.20     |

## INTERNATIONAL EQUITY MARKET PERFORMANCE

| <i>As of 6/30/09 (\$)</i>           | 3 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------------------------|--------|-------|--------|---------|---------|----------|
| <b>BROAD INDEXES</b>                |        |       |        |         |         |          |
| MSCI AC World                       | 22.54  | 9.59  | -28.86 | -6.54   | 1.58    | 0.22     |
| MSCI AC World Ex US                 | 27.94  | 14.35 | -30.54 | -5.35   | 4.95    | 2.94     |
| MSCI EAFE                           | 25.85  | 8.42  | -30.96 | -7.51   | 2.79    | 1.59     |
| MSCI EAFE Growth                    | 21.72  | 6.73  | -33.36 | -7.03   | 2.55    | -0.27    |
| MSCI EAFE Value                     | 30.31  | 10.15 | -28.43 | -8.07   | 2.94    | 3.28     |
| MSCI EAFE Small Cap                 | 34.54  | 21.79 | -27.83 | -9.52   | 2.99    | 5.54     |
| MSCI Emerging Markets               | 34.84  | 36.22 | -27.82 | 3.27    | 15.08   | 9.00     |
| EPRA/NAREIT Developed ex N. America | 38.99  | 17.96 | -29.80 | -10.08  | 4.51    | 7.29     |
| <b>REGIONAL INDEXES</b>             |        |       |        |         |         |          |
| MSCI Europe                         | 25.89  | 7.69  | -34.05 | -7.84   | 2.87    | 1.77     |
| MSCI Europe Ex UK                   | 25.54  | 5.33  | -34.00 | -6.72   | 4.09    | 2.61     |
| MSCI Pacific Free                   | 25.74  | 9.75  | -24.31 | -7.06   | 2.43    | 1.10     |
| MSCI Pacific Free Ex Japan          | 31.98  | 29.11 | -27.22 | 1.16    | 10.69   | 7.31     |
| MSCI EM Latin America               | 38.60  | 45.44 | -35.24 | 10.96   | 26.71   | 15.88    |
| MSCI EM Europe                      | 40.98  | 31.67 | -54.68 | -12.71  | 7.78    | 8.83     |
| MSCI EM Asia                        | 34.00  | 36.22 | -17.62 | 4.13    | 13.22   | 5.63     |
| MSCI BRIC                           | 39.34  | 45.76 | -32.66 | 5.19    | 20.04   | 11.57    |



| DEVELOPED MARKETS | MSCI EAFE WEIGHT | 3 Mos. | YTD   | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------|------------------|--------|-------|--------|---------|---------|----------|
| MSCI Japan        | 24.1%            | 23.05  | 2.67  | -23.01 | -10.06  | -0.50   | -1.05    |
| MSCI U.K.         | 21.0%            | 26.59  | 13.07 | -34.18 | -10.03  | 0.56    | -0.12    |
| MSCI France       | 10.4%            | 22.48  | 2.93  | -33.52 | -7.96   | 2.98    | 2.48     |
| MSCI Germany      | 7.8%             | 24.76  | 0.51  | -36.83 | -3.71   | 5.71    | 1.82     |
| MSCI Switzerland  | 7.4%             | 16.90  | -0.59 | -25.21 | -5.02   | 4.44    | 3.41     |
| MSCI Australia    | 7.4%             | 28.42  | 26.46 | -31.52 | -0.49   | 10.90   | 9.40     |
| MSCI Spain        | 4.5%             | 37.09  | 11.98 | -22.56 | 2.48    | 10.98   | 6.95     |
| MSCI Italy        | 3.5%             | 30.09  | 3.32  | -37.92 | -12.95  | -0.40   | 1.31     |
| MSCI Hong Kong    | 2.4%             | 35.78  | 35.14 | -15.38 | 4.28    | 10.08   | 4.65     |
| MSCI Sweden       | 2.4%             | 36.16  | 27.65 | -26.15 | -5.51   | 5.23    | 3.86     |
| MSCI Netherlands  | 2.3%             | 25.49  | 4.97  | -36.04 | -7.59   | 2.73    | 0.20     |
| MSCI Singapore    | 1.4%             | 46.00  | 32.82 | -23.78 | 5.77    | 12.24   | 4.55     |
| MSCI Finland      | 1.3%             | 32.60  | 3.54  | -39.86 | -7.66   | 4.51    | 0.30     |
| MSCI Denmark      | 0.9%             | 34.33  | 19.47 | -36.73 | 0.07    | 10.28   | 9.67     |
| MSCI Belgium      | 0.9%             | 26.70  | 21.23 | -47.91 | -20.91  | -4.29   | -1.90    |
| MSCI Norway       | 0.7%             | 25.62  | 29.70 | -54.31 | -9.79   | 8.45    | 9.89     |
| MSCI Greece       | 0.6%             | 39.08  | 21.61 | -43.58 | -12.74  | 3.30    | -1.97    |
| MSCI Portugal     | 0.3%             | 27.32  | 17.39 | -24.74 | -5.10   | 3.61    | 2.42     |
| MSCI Ireland      | 0.3%             | 6.64   | -2.82 | -66.35 | -34.39  | -16.69  | -8.62    |
| MSCI Austria      | 0.3%             | 35.19  | 24.21 | -58.49 | -20.74  | -0.86   | 5.97     |
| MSCI New Zealand  | 0.1%             | 23.76  | 20.46 | -23.41 | -6.49   | -0.67   | 4.86     |



| MSCI EAFE SECTORS          | 3 Mos. | YTD   | 1 Year |
|----------------------------|--------|-------|--------|
| Financials                 | 41.17  | 13.15 | -36.56 |
| Materials                  | 32.57  | 25.22 | -44.33 |
| Industrials                | 27.61  | 8.55  | -33.08 |
| Consumer Discretionary     | 25.53  | 15.45 | -23.88 |
| Information Technology     | 21.77  | 9.23  | -30.57 |
| Consumer Staples           | 20.14  | 4.54  | -17.86 |
| Energy                     | 17.98  | 10.75 | -34.73 |
| Utilities                  | 15.21  | -8.65 | -30.26 |
| Telecommunication Services | 13.97  | -3.66 | -22.51 |
| Healthcare                 | 11.56  | -5.22 | -19.90 |

