

GLOBAL ECONOMY

Economic Growth (Real GDP)		
Annualized Quarter % change	Latest	2010 (E)
United States	5.9	3.0
United Kingdom	0.3	1.2
Eurozone	0.1	1.2
Japan	0.9	1.9
China	10.7	9.6

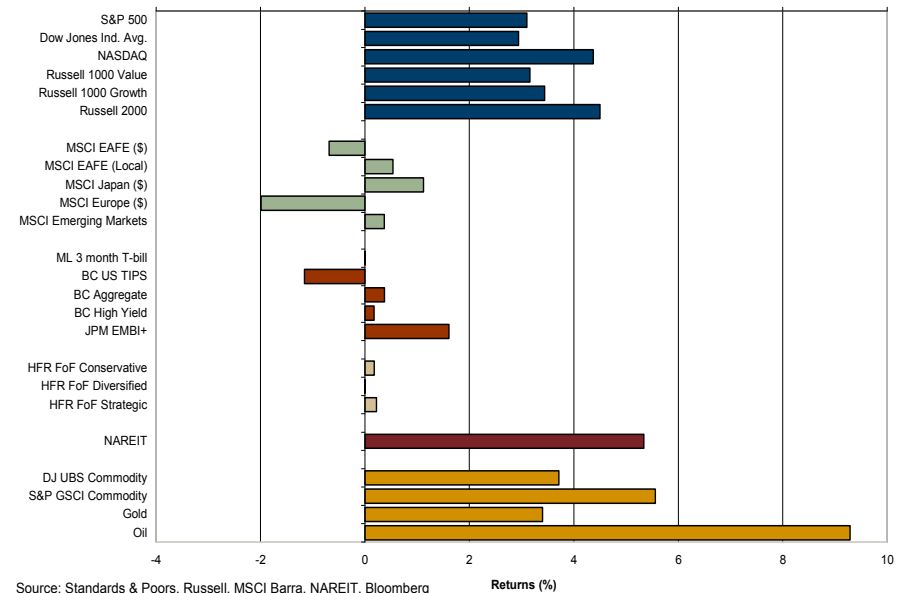
Inflation (CPI)		
Year over Year % change	Dec 2009	January 2010
United States	2.7	2.6
United Kingdom	2.9	3.5
Eurozone	0.9	1.0
Japan	-1.7	-1.3
China	1.9	1.5

Unemployment Rate		
%	Dec 2009	January 2010
United States	10.0	9.7
United Kingdom	7.8	7.8
Eurozone	9.9	9.9
Japan	5.2	4.9

Source: Bloomberg

- The debt crises in Greece and its feared spread to the peripheral markets in the eurozone dominated the global economic outlook. Worries about fiscal deficits kept pressure on the euro, which fell 1.67% versus the U.S. dollar on the month; the British pound tumbled 4.68%.
- In the U.S., fourth quarter annualized GDP growth was revised upwards to 5.9% though a robust recovery faces headwinds of unemployment, lackluster consumer spending, and chronic weakness in the housing market. Further, short-term positive impacts to growth from inventory restocking in 2009 should moderate over the course of 2010.
- Facing an overheating economy, China's moves to restrain credit growth and calls on banks to increase reserves added to concerns about prospects for a sustained global recovery.

GLOBAL MARKETS



- Declines in global risk appetite took its toll on emerging markets, though results were mixed in constituent countries. The commodity producers fared best.
- In fixed income markets, returns across most asset categories were stable, with most major sectors experiencing very little price movements. Sovereign bonds were the source of some movement as the lower quality end of the spectrum sold off in the wake of news out of Greece, but subsequently regained ground as the EU worked to reach a solution to the potential crisis.
- In the aggregate, dollar strength produced negative returns for U.S. investors overseas though returns in local currencies were positive. Returns for Continental Europe, however, were negative in both U.S. dollar and local currency terms. U.S. markets generally were buoyed by good earnings reports.

GLOBAL EQUITY MARKETS

U.S. Equity Returns (%)			
	1 Month	3 Month	12 Month
S&P 500	3.10	1.31	53.62
S&P 400	5.21	8.22	67.00
Russell 1000 Growth	3.44	1.99	54.19
Russell 1000 Value	3.16	2.04	56.51
Russell 2000	4.50	8.76	63.95
Russell 2000 Growth	4.36	8.23	61.86
Russell 2000 Value	4.64	9.26	65.88
NASDAQ Composite	4.37	4.60	63.99

S&P Sector Returns (%)			
	1 Month	3 Month	12 Month
Financial	3.52	0.50	98.27
Utilities	-1.25	-0.92	20.73
Energy	2.35	-3.16	30.58
Industrials	5.04	5.16	73.43
Materials	4.42	-3.03	66.86
Healthcare	0.28	2.86	39.58
Consumer Staples	2.79	1.41	35.99
Consumer Discretionary	5.47	7.07	76.80
Information Tech	4.21	0.79	65.92
Telecom Svcs	-1.25	-5.14	12.76

MSCI Non-U.S. Equity Returns (\$)			
	1 Month	3 Month	12 Month
EAFE	-0.69	-3.69	54.58
AC World Ex-US	0.01	-2.84	63.51
Japan	1.12	3.83	34.07
Pacific Ex-Japan	3.12	-1.75	92.63
United Kingdom	-1.46	-3.73	56.12
Europe Ex-UK	-2.25	-7.64	57.01

MSCI EAFE Sector Returns (\$)			
	1 Month	3 Month	12 Month
Financial	-0.44	-8.24	80.99
Utilities	-1.33	-5.28	20.79
Energy	-2.82	-6.34	37.04
Industrials	-0.03	0.45	60.74
Materials	0.55	-3.78	85.56
Healthcare	-0.19	-1.18	39.94
Consumer Staples	0.52	0.94	51.74
Consumer Discretionary	-2.24	-1.34	50.41
Information Tech	-1.10	5.72	50.28
Telecom Svcs	-1.35	-8.38	27.72

MSCI Emerging Markets Equity Returns (\$)			
	1 Month	3 Month	12 Month
Emerging Markets	0.37	-1.45	92.14
Latin America	4.20	-3.09	105.06
Asia	0.06	-1.59	86.96
Europe & M. East	-4.44	1.27	102.03
South Africa	-0.34	-0.91	82.33

U.S. Markets

- All of the major indices posted gains for February, generally buoyed by good earnings reports. The NASDAQ Composite led the broad market indices, closing the month up 4.4% at 2,238. The S&P 500 Index gained 3.1% to finish at 1,104, while the Dow Jones Industrial Average was up 2.9% to finish at 10,325. Year to date through February, all of the major indices posted negative returns with the NASDAQ Composite (-1.2%) trailing the most.
- Across the market capitalization spectrum, style returns showed mixed results as growth outperformed value in large capitalization stocks, but value outperformed growth in smaller capitalization stocks. On a capitalization basis, Midcap Value (+5.0%) was the best performer over the course of February.
- Consumer Discretionary was the strongest performing sector, benefiting from an increase in personal spending. Other strong sectors included Industrials, Materials, and Information Technology as companies continued to report positive earnings and were aided by a solid rebound in commodities. During the month crude strengthened by 9.3%, rising to \$79.73/barrel, while gold gained 3.4% ending at \$1,117/oz.

Non-U.S. Markets

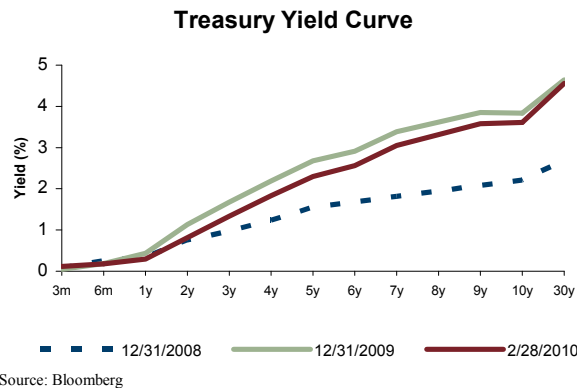
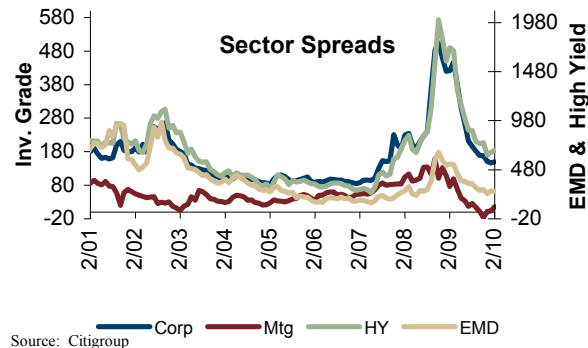
- Growth stocks outperformed value stocks (-0.0% versus -1.4%) as cyclical sectors such as Energy and Consumer Discretionary sold off due to fears about the sustainability of global economic recovery.
- Large cap stocks led their mid and small cap counterparts (-0.6% versus -1.0% and -1.4%, respectively) as investors sold off riskier assets in their portfolios.
- Most European markets fell on the fear of possible defaults on sovereign debt by Portugal (-6.0%), Ireland (-3.9%), Greece (-9.8%), Spain (-7.3%), and the UK (-1.5%), although these fears began to abate toward the end of the month.
- Pacific Basin markets rose on stronger currencies and improving economic data, although Japan still faced a significant headwind in the form of deflation.

Emerging Markets

- Asian markets were mixed depending on individual country economic reports. Latin American markets were robust on rising commodity prices (Brazil) and improved economic outlooks (Mexico). European and Middle Eastern markets lagged on fears of sovereign debt contagion by Western European nations.
- Materials companies (+3.3%) continued to show their strength amid rising oil and iron ore prices, while Information Technology companies (-2.9%) lagged on weakness by semiconductor companies in Korea and Taiwan.

GLOBAL FIXED INCOME MARKETS

U.S. Fixed Income Returns (%)			
	1 Month	3 Month	12 Month
Barclays Capital Aggregate	0.37	0.31	9.32
Barclays Capital U.S. Govt	0.41	-0.44	2.45
Barclays Capital U.S. Credit	0.41	0.94	20.38
Barclays Capital MBS	0.18	0.08	6.67
Barclays Capital ABS	0.48	2.07	20.82
ML US HY Master II	0.16	4.86	57.54



Global Fixed Income Returns (unhedged, \$)			
	1 Month	3 Month	12 Month
WGBI	0.25	-4.67	10.90
Europe	-1.17	-8.23	13.89
Japan	2.11	-2.89	12.29
United Kingdom	-5.40	-9.46	8.97
World BIG Ex-US	-0.21	-6.33	14.94
WGBI Non-U.S.	0.21	-5.85	13.50
EMBI+	1.61	1.67	29.09

Broad Market Overview

- Interest rates increased on the short and long ends of the curve on lackluster demand for U.S. Treasury issuance and on the Fed's increase of the discount rate by 25 bps to normalize rate policy. TIPS (-1.16%) significantly underperformed nominal Treasuries (+0.40%) on economic slowing and benign inflation measures.
- The debt problems facing Greece highlighted the increasing risk of sovereign default, which created another bout of market jitters and volatility across markets. The Barclays Capital Aggregate Index returned 0.37%.

U.S. Credit

- Investment Grade Credit returned 0.41%, on par with Treasuries, on mixed economic reports and investor concerns over the potential for economic slowdown. Industrials performed best, returning 0.48% (8 bps excess), while lower quality outperformed higher quality with BBB-rated securities returning 0.57% as investors continued to reach for yield in a low interest rate environment.
- High Yield returns were weak at 0.16% on worries over sovereign debt defaults and investor jitters. Higher quality outperformed lower quality with BB-rated bonds returning 0.54%. The spread on the Merrill Lynch High Yield Master II Index widened by 17 bps to 671 bps ending the month with a yield of 9.08%.

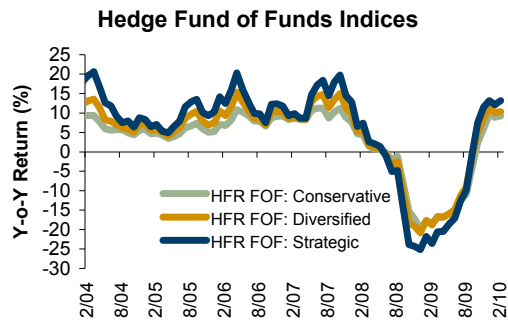
U.S. Mortgages

- Mortgage Backed Securities (MBS) returned 0.18% (-7 bps excess) as the market began pricing in the discontinuation of mortgage purchases by the Federal Reserve at the end of March. Furthermore, Fannie Mae and Freddie Mac announced their intention to purchase delinquent loans from pools spurring investors to sell high coupon premium mortgages to avoid an expected increase in prepayment speeds.
- CMBS put in a very strong performance for the month returning 1.89% (144 bps excess) on purchases financed by the legacy CMBS TALF program. Asset-Backed Securities (ABS) returned 0.48% (17 bps excess) as investors sought yield in a very low rate environment.

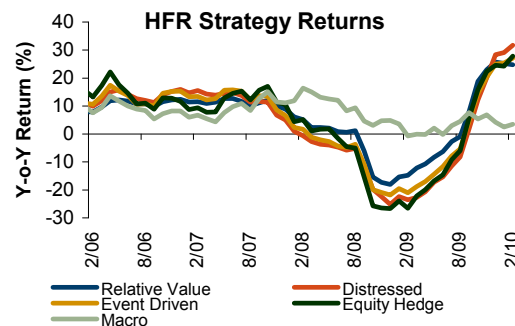
Global

- The Citigroup World Government Bond Index returned 0.25% on an unhedged USD basis. Yields in the eurozone declined and the yield curve flattened on sovereign debt worries, while in the U.K. yields declined on the short end and the curve steepened. Japanese bonds returned 2.11% boosted by the strengthening of the yen against the U.S. dollar that strengthened against most other major currencies.
- The J.P. Morgan EMBI+ Index returned 1.61%. The best performing country was Peru, returning 3.56% as December's data beat expectations and Peru's economy expanded at the fastest pace since October 2008.

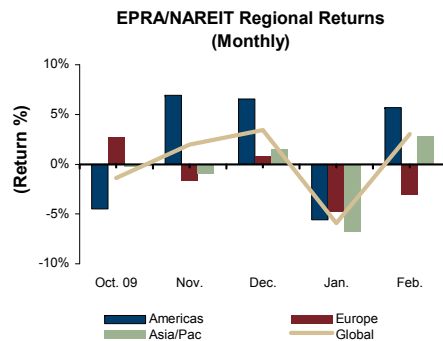
LIQUID ALTERNATIVES



Source: Hedge Fund Research



Source: Hedge Fund Research



Source: FTSE EPRA/NAREIT

Hedge Fund of Funds

- Hedge fund of funds, as represented by the HFR FOF Index, were up 0.12% for the month of February but remain down 0.25% year-to-date after a tough January. Looking at the sub-strategies within fund of funds, the HFR FOF Conservative index was up the most (+0.57%) year-to-date but was the worst performer over the one-year period up 9.25%. The HFR FOF Diversified Index was down -0.14% year-to-date but was up 10.33% over the one-year period. The HFR FOF Strategic Index was down 0.69% year-to-date but was the best performing strategy, up 13.15%, over the one-year period.

Hedge Funds

- Hedge fund managers, as represented by the HFR Weighted Composite, were up 0.52% for the month and were up 21.33% over the one-year period. For the month, most hedge fund strategies earned a positive return despite some early month volatility and a turbulent trading environment.
- Equity Hedged Index was up 0.62% for the month and was up 27.82% over the one-year period. During the month, managers secured gains in the US and European markets. The emerging markets struggled during the month as Russia, Eastern Europe and Turkey sustained losses.
- The HFR Distressed Index was up 0.39% for the month and is the best performer year-to-date, up 2.17%. Performance has been solid over the one-year period, up 31.72%, with contribution coming from the performance of the high yield markets, which was up 57.54%.
- The HFR Relative Value Index was up 0.22% for the month, up 1.79% year-to-date and was up 24.79% over the one-year period. This strategy has performed well as convertible arbitrage strategies continued to perform well during 2010, after a huge bound back in 2009.

Commodities

- The S&P GSCI, which is dominated by energy, was up 5.56% for the month as oil prices increased by 9.29%. The DJ-UBS Index, which is more equally weighted, was up 3.71% for the month. Over the one-year period commodity indices have performed well up 29.04% and 26.45%, respectively.

REITs

- While part of a broad market sell-off in January (-5.9%), Global REITs rebounded +4.0% in February. North America (+5.7%) led the broader index during the month, while Europe (-3.1%) and Asia/Pacific (+2.8%) lagged.
- REITs with access to public debt and equity should be well positioned to make accretive acquisitions throughout 2010. Corporate M&A is expected to pick up during the year, as well as the IPO market, as several private property owners in need of capital bring their companies public as REITs.

STATISTICAL SUMMARY

As of February 28, 2010

EQUITY MARKETS

	Total Return		
	Month	3 Mos	YTD
US Markets			
S&P 500	1.93	6.04	-0.61
S&P 500/CG Growth	3.44	0.20	-1.88
S&P 500/CG Value	2.76	2.46	0.68
S&P 400	6.28	5.56	1.83
Russell 1000	3.30	2.00	-0.42
Russell 1000 Growth	3.09	7.94	-1.07
Russell 1000 Value	1.77	4.22	0.26
Russell MIDCAP	5.00	7.28	1.49
Russell MIDCAP Growth	4.96	7.01	0.77
Russell MIDCAP Value	5.04	7.52	2.17
Russell 2000	8.05	3.88	0.65
Russell 2000 Growth	8.56	4.14	-0.30
Russell 2000 Value	7.57	3.62	1.57
NASDAQ Composite	5.87	7.21	-1.20

S&P 500 Sectors

Financial	-1.54	-3.32	2.07
Utilities	5.54	7.26	-6.12
Energy	-0.93	5.58	-2.25
Industrials	1.29	5.39	3.82
Materials	1.61	7.36	-4.57
Healthcare	2.08	9.09	0.77
Consumer Staples	-0.26	5.02	1.68
Consumer Discretionary	4.54	7.07	2.42
Information Technology	5.62	10.70	-4.57
Telecommunication Services	4.64	7.43	-9.35

Sources: Standard & Poor's, Russell, Bloomberg

	Total Return		
	Month	3 Mos	YTD
Non-US Markets			
EAFE	1.44	2.18	-5.06
EAFE Growth	1.99	4.17	-4.25
EAFE Value	0.89	0.28	-5.89
EAFE Small Cap	-1.39	-1.63	-2.36
AC World Ex-US	2.13	3.79	-4.86
Japan	0.77	-2.76	3.04
Pacific Ex-Japan	2.22	5.16	-3.88
United Kingdom	2.63	6.96	-6.20
Europe Ex-UK	0.98	1.56	-8.53
Emerging Markets	3.96	8.58	-5.21

MSCI EAFE Sectors

Financial	-1.51	-4.50	-6.83
Utilities	1.16	-0.49	-6.36
Energy	2.61	6.85	-8.72
Industrials	2.20	1.44	-1.71
Materials	4.43	13.22	-7.87
Healthcare	1.97	5.44	-3.08
Consumer Staples	2.36	8.10	-1.39
Consumer Discretionary	3.58	2.90	-4.75
Information Technology	4.16	-2.63	1.50
Telecommunication Services	-1.25	1.51	-7.22

Sources: MSCI, Bloomberg

FIXED INCOME MARKETS

Key Rates	U. S. Yields			Euro 2/28/10	Japan 2/28/10	U.K. 2/28/10
	12/31/09	01/31/10	02/28/10			
Overnight	0.00	0.00	0.00	1.00	0.10	0.50
3- Month	0.06	0.08	0.13	0.39	0.14	0.47
2- Year	1.14	0.82	0.82	0.96	0.17	0.94
5- Year	2.68	2.33	2.31	2.13	0.51	2.74
10-Year	3.84	3.59	3.62	3.10	1.31	4.03

Sources: Merrill Lynch, Bloomberg

Sectors	Total Return %			Mod.Adj. Duration	Weighting Basis	
	Month	3 Mos	YTD		Duration	MktVal
BC Universal	0.38	0.63	1.90	4.54	--	--
BC Aggregate	0.37	0.31	1.91	4.53	100.00%	100.00%
BC U.S. Government	0.41	-0.44	1.87	4.71	39.12%	37.62%
BC U.S. Credit	0.41	0.94	1.96	6.24	31.23%	22.65%
BC Mortgage Backed	0.18	0.08	1.51	3.32	26.56%	36.17%
BC Municipal Bond	0.97	1.84	1.50	8.35	--	--
BC U.S. TIPS	-1.16	-1.77	0.43	4.63	--	--
ML US HY Master II	0.16	4.86	1.67	4.45	--	--

Sources: Barclays Capital, Merrill Lynch

Markets/Regions	U.S. Dollars %			Local Currency %		
	Month	3 Mos	YTD	Month	3 Mos	YTD
United States	0.37	-0.68	1.94	--	--	--
WGBI	0.25	-4.67	0.38	0.53	0.13	1.14
WGBI Non-US	0.21	-5.85	-0.11	0.58	0.35	0.90
EMBI+	1.61	1.67	1.47	--	--	--
EMLI+ (local currency index)	0.02	-1.23	-0.33	0.25	0.84	0.51
Euro Zone	-0.66	-8.36	-3.40	1.18	0.82	1.56
United Kingdom	-5.40	-9.46	-5.46	-0.43	-2.40	0.28
Japan	2.11	-2.89	4.84	0.10	0.17	0.07

Sources: Barclays Capital, Citigroup, JP Morgan, Bloomberg

LIQUID ALTERNATIVE STRATEGIES

	Total Return %						
	Month	3 Mos	YTD	1 Yr	3 Yr	5 Yr	7 Yr
Commodities							
S&P GS Commodity	5.56	-1.93	-2.77	29.04	-8.40	-5.94	-0.47
DJ UBS Commodity	3.71	-1.93	-3.84	26.45	-6.19	-0.42	3.67
CPI	0.02	0.19	0.37	2.14	2.12	2.48	2.44
Hedge Fund of Funds							
HFRI Fund of Funds	0.12	0.50	-0.25	10.81	-1.91	2.45	4.37
HFRI FOF Conservative	0.18	1.06	0.57	9.25	-2.34	1.57	3.11
HFRI FOF Diversified	-0.01	0.67	-0.14	10.33	-1.81	2.45	4.41
HFRI FOF Statagic	0.22	0.32	-0.69	13.15	-2.43	2.78	5.64
Hedge Funds							
HFRI Fund Weighted	0.52	1.05	-0.18	21.33	1.56	5.30	7.91
HFRI Equity Hedge	0.62	1.46	-0.58	27.82	-0.45	4.09	7.17
HFRI Event-Driven	-0.11	2.93	0.57	27.04	0.70	5.08	9.16
HFRI Distressed	0.39	4.99	2.17	31.72	0.07	4.97	9.81
HFRI Relative Value	0.22	3.79	1.79	24.79	3.83	6.14	6.47
HFRI Macro	0.75	-2.35	-1.00	3.43	6.12	6.52	7.77
Real Estate/REIT							
NAREIT U.S. Equity REITS	5.34	6.99	-0.15	95.19	-14.14	1.49	9.25
NAREIT Global Real Estate	3.03	0.64	-2.87	84.55	-14.79	1.93	11.31

Sources: HFR, Bloomberg