

U.S. ECONOMIC BACKGROUND

The unsteady pace of the economic recovery continued during the fourth quarter. Despite unemployment declining to close the quarter at 10%, earlier in the quarter it reached its highest level (10.2%) since 1983. The quarter witnessed continued expansion in manufacturing, while consumer confidence (University of Michigan survey) increased to a peak of 73.4 before closing the quarter at 72.5. Third quarter annualized GDP was revised downward to 2.2% from an initial reading of 2.8%, suggesting the recovery was not as strong as originally perceived. Housing statistics continued to weaken during the quarter. Although existing home sales increased, housing starts as well as new home sales declined. After a drastic decline, retail sales (1.3%) increased for two consecutive months due to an increase in consumer spending. Durable goods orders grew slightly during the quarter, but were dragged down by the lack of demand in the transportation sector. The Producer Price Index (1.8%) and Consumer Price Index (0.4%) were driven by an increase in food and energy prices. Domestic crude oil ended the quarter at \$79.36 a barrel. At its most recent meeting in December, the Federal Open Market Committee held the Fed Funds rate at effectively 0.0%.

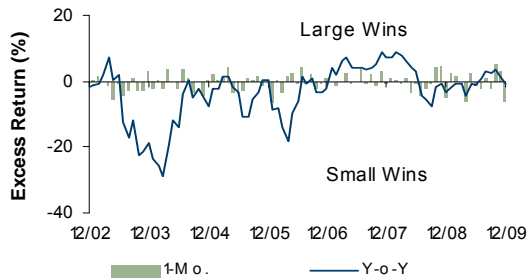
U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	1.93	6.04	26.46
S&P 400	6.28	5.56	37.38
Russell 1000 Growth	3.09	7.94	37.21
Russell 1000 Value	1.77	4.22	19.69
Russell 2000	8.05	3.88	27.19
Russell 2000 Growth	8.56	4.14	34.47
Russell 2000 Value	7.57	3.62	20.55
NASDAQ Composite	5.87	7.21	45.36

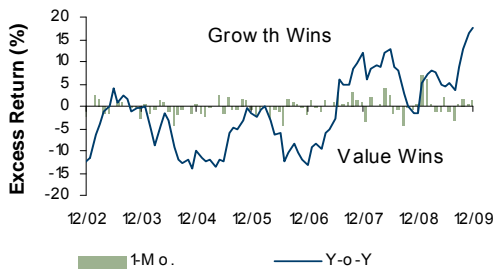
U.S. EQUITY MARKETS

- The equity markets continued to rally in the fourth quarter with the major indices posting positive gains for 2009. All of the major indices rose during the quarter. The Dow Jones Industrial Average led the broad market indices, advancing 8.1% to finish the quarter at 10,428. The NASDAQ increased 7.2%, ending the quarter at 2,269. The S&P 500 Index lagged most of its broad market peers, gaining 6.0% and finishing the quarter at 1,115. For the year, the NASDAQ (+45.4%) significantly outperformed the broad market indices. The S&P 500 Index returned 26.5%, while the laggard of the group was the Dow Jones Industrial Average with a return of 22.7%.

Large Cap vs. Small Cap
S&P 500 less Russell 2000



Growth vs. Value
Rsl 1000 Gr less Rsl 1000 Val



S&P Sector Returns (%)

	1 Mo.	3 Mos.	12 Mos.
Financial	-1.54	-3.32	17.22
Utilities	5.54	7.26	11.91
Energy	-0.93	5.58	13.82
Industrials	1.29	5.39	20.93
Materials	1.61	7.36	48.59
Healthcare	2.08	9.09	19.69
Consumer Staples	-0.26	5.02	14.89
Consumer Discretionary	4.54	9.07	41.30
Information Tech	5.62	10.70	61.72
Telecom Svcs	4.64	7.43	8.93

- Growth stocks outperformed value stocks across the capitalization spectrum for the fourth quarter. The largest disparity was among large caps, where growth outperformed value by 370 basis points (+7.9% vs. +4.2%). The competition was tightest among small caps where growth outperformed value by 50 basis points (+4.1% vs. +3.6%); mid caps followed, where growth led value by 150 basis points (+6.7% vs. +5.2%). For the full year, growth stocks outperformed value stocks across the capitalization spectrum; the Russell Midcap Growth Index (+46.3%) performed best.

- Among capitalization segments, large caps performed best for the fourth quarter. The Russell 1000 Index led with an advance of 6.1% while the Russell Midcap Index finished a close second, rising 5.9%. Small Caps, as represented by the Russell 2000 Index, trailed with a 3.9% return. For the full year, the Russell Midcap Index (+40.5%) was the best performer, followed by the Russell 1000 Index (+28.4%). The Russell 2000 Index (+27.2%) trailed in 2009.

- Nine of the ten GICS sectors posted positive returns for the fourth quarter. Information Technology (+10.7%), Consumer Discretionary (+9.1%), and Health Care (+9.1%) posted the largest gains; Financials (-3.3%) was the only sector that declined. The five largest contributors to the S&P 500 Index return came from the Information Technology sector. Google (+25.0%) led the surge as it reported third quarter gains in profit and sales while unveiling its highly anticipated Android operating system. Microsoft (+18.3%) advanced on better-than-expected earnings, while Apple (+13.8%) also rose on strong earnings due in part to robust sales of the iPhone, which has experienced wide distribution. In Consumer Discretionary, Amazon (+44.1%) reported a 69% gain in third quarter earnings, due in part to an increase in Kindle sales. In Health Care, Pfizer (+11.0%) benefited from the purchase of an Israeli biotech company's experimental drug technology that makes drugs in plant cells, while Johnson & Johnson (+6.6%) announced plans to reduce up to 7% of its workforce in a cost savings effort. In Financials, Citigroup (-31.6%) declined as existing shareholders expressed disappointment after the bank received a low price for its secondary share offering; Bank of America (-10.9%) dropped amid concern that the bank will have difficulty repaying federal bailout funds after losing more than \$2 billion in the third quarter.

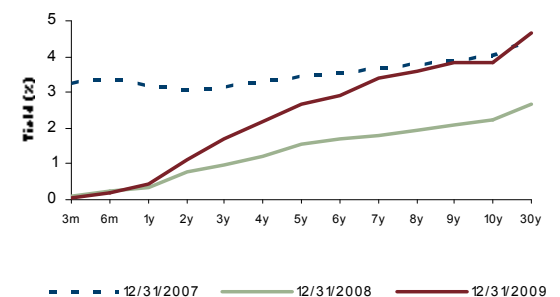
U.S. FIXED INCOME MARKETS

- Interest rates rose and the yield curve steepened during the fourth quarter as the economy displayed signs of recovery as indicated by improving manufacturing and unemployment data. The Federal Reserve’s near term plans to initiate a withdrawal of liquidity further contributed to an overall increase in interest rates. The 3-month Treasury rate remained anchored at 0.06% throughout the quarter while rates on the 30-year maturity rose 59 bps to 4.64% causing the yield curve to steepen by 65 bps to a slope of 459 bps. Largest yield increases were experienced towards the long end of the yield curve. Yields on the 2-, 5-, and 10-year maturities rose by 19 bps, 37 bps, and 53 bps, respectively. Swap spreads narrowed along the curve. Swap spreads on the 2-, 5-, 10-, and 30-year maturities were 26 bps, 28 bps, 11 bps, and -11 bps, respectively.
- The Barclays Capital Aggregate Index returned 0.20% in the fourth quarter (105 bps excess versus comparable Treasuries). Treasuries declined 1.30% for the quarter and fell 3.57% for 2009 as the flight to quality trend reversed in mid March causing spread sectors to rally. Credit returned 1.03% (267 bps excess) as spreads continued to tighten and companies took advantage of low rates to issue new debt. Financials were the best performing sector returning 2.60% (382 bps excess), followed by industrials and utilities, which returned 0.77% (268 bps excess) and 0.16% (256 bps excess), respectively. Lower quality outperformed higher quality with AAA, AA, A, and BBB rated issues returning -0.20%, 0.16%, 0.78%, and 2.06%, respectively. U.S. Agency securities fell 0.10% (27 bps excess), and the U.S. Government/Credit Index declined 0.21% (109 bps excess).
- Securitized sectors returned 0.79% (100 bps excess) and all segments finished the year in positive territory as government purchasing programs significantly helped support prices. Mortgage-Backed Securities (MBS) returned 0.57% (75 bps excess) as the Federal Reserve draws near its \$1.25 trillion total commitment to supporting the mortgage market. Asset-Backed Securities (ABS) returned 1.34% (168 bps excess) as investors continued to display an appetite for risk. Auto, utility, and credit card ABS returned 1.97% (190 bps excess), 1.34% (177 bps excess), and 0.63% (106 bps excess), respectively. Commercial Mortgage-Backed Securities (CMBS) returned 3.27% (374 bps excess) for the quarter and rebounded 28.45% (2960 bps excess) for 2009. Investors favored short term, high quality commercial mortgages or vintage years that are TALF eligible.
- The Merrill Lynch High Yield Master II Index returned 6.04% for the quarter and an astounding 57.51% for 2009. Optimism for an economic recovery created demand for risk particularly in the primary market as companies have been raising capital or refinancing debt. Lower quality outperformed higher quality with BB, B, and CCC (and lower) rated issues returning 4.59%, 4.81 and 10.38%, respectively. The yield on the Index decreased to 9.08% and the option adjusted spread decreased 154 bps to 639 bps.
- The Barclays Capital Municipal Bond Index fell 0.96% for the fourth quarter. The largest amount of activity occurred on the short end of the curve as investors looked to pick up yield but remained cautious. The primary driver of these returns was yields backing up in October caused by massive new issuance and concern over defaults. Pre-refunded bonds experienced the best performance returning 0.52%, followed by Insured (-1.08%), Revenue (-1.09%), and GO bonds (-1.23%).
- U.S. TIPS returned 1.76% as increased government spending and a recovering economy projected fears of future inflation. The breakeven spread, which is the difference in yield between nominal Treasuries and TIPS, and is a gauge of future expectation for inflation, increased by 64 bps to 241 bps on the 10-year maturity.

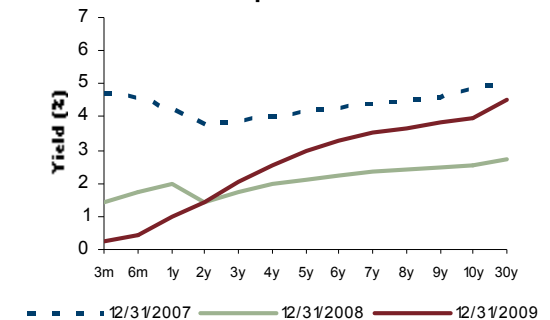
U.S. Fixed Income Returns (%)

	1 Mo.	3 Mos.	12 Mos.
Barclays Capital Aggregate	-1.56	0.20	5.93
Barclays Capital U.S. Govt	-2.27	-1.00	-2.20
Barclays Capital U.S. Credit	-1.00	1.03	16.04
Barclays Capital MBS	-1.41	0.57	5.89
Barclays Capital ABS	-0.09	1.34	24.72
ML US HY Master II	3.14	6.04	57.51

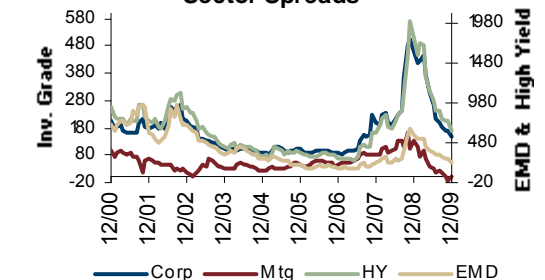
Treasury Yield Curve



Swap Curve



Sector Spreads



Source: Citigroup

NON-U.S. ECONOMIC BACKGROUND

Non-U.S. equity markets enjoyed a third consecutive positive quarter, extending the rally that began on March 9th. Data continued to show that economic conditions are improving in most developed markets and that the emerging markets are back on the path of rapid growth. GDP growth was positive in the third quarter for the eurozone (+0.4%) and Japan (+0.3%), officially ending their respective recessions, while GDP growth in Asia was robust led by China (+8.9%) and India (+7.9%). Export activity continued to improve as several Asian countries reported increases or slowing declines. Australia and Norway were the first developed nations to raise interest rates this year. Not all economic data was positive, however, as unemployment continued to be an issue in Europe where the U.K. and eurozone hit 14-year and 11-year highs, respectively. Japan's central bank acknowledged the beginning of the deflationary period for the country, while other nations began discussing ways to combat expected inflation that will arise from their massive fiscal stimulus plans. Commodities continued to be a focal point for investment and speculation as rising demand from the emerging markets drove prices higher.

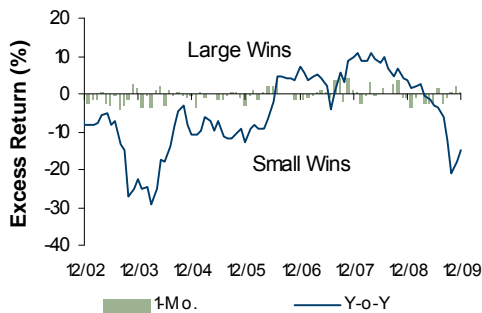
MSCI Non-U.S. Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EAFE	1.44	2.18	31.78
AC World Free Ex-US	2.13	3.79	42.14
Japan	0.77	-2.76	6.25
Pacific Ex-Japan	2.22	5.16	72.81
United Kingdom	2.63	6.96	43.30
Europe Ex-UK	0.98	1.56	32.57

NON-U.S. EQUITY MARKETS

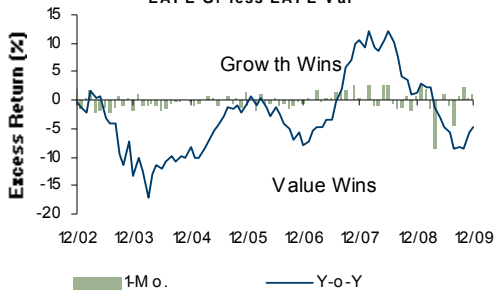
- Developed markets outside the U.S. were muted compared to the previous two quarters as the MSCI EAFE Index rose 2.2% in U.S. dollars and 3.3% in local currencies. For the year, the MSCI EAFE Index gained a robust 31.8% in 2009. The U.S. dollar was mixed versus major foreign currencies in the fourth quarter. The euro and Japanese yen started stronger against the U.S. dollar but then lost ground in December to finish lower at €1.43 and ¥93.02, respectively. The British pound strengthened against the U.S. dollar, reaching as high as £1.68 in mid November before ending the year higher at £1.62. The commodities-influenced Canadian and Australian dollars also made gains on the U.S. dollar finishing the year at CA\$1.05 and AU\$0.90, respectively.

Large Cap vs. Small Cap
EAFE less EAFE Sml Cap



- Large cap stocks led the market during the fourth quarter after trailing its medium and small cap counterparts over the first three quarters of the year. The MSCI EAFE Large Cap Index gained 2.6% while the MSCI EAFE Mid Cap Index was essentially flat at 0.1% and the MSCI EAFE Small Cap Index fell 1.0% for the quarter. For the year, small cap stocks (+46.8%) markedly outperformed mid caps (+34.1%) and large caps (+31.4%).

Growth vs. Value
EAFE Gr less EAFE Val



- Growth-oriented stocks returned to favor in the fourth quarter as investors began emphasizing top-line growth over valuation discounts. The MSCI EAFE Growth Index advanced 4.2% while the MSCI EAFE Value Index eked out a minimal return of 0.3% for the three-month period. For the year, value stocks (+34.2%) outperformed growth stocks (+29.4%) due to the sharp rebound of the Financials sector.

- Fueled by expectations of further growth in the emerging markets, the Materials (+13.2%) and Energy (+6.9%) sectors each made significant gains in the fourth quarter. The Consumer Staples sector (+8.1%) was driven by strong results for Nestle (+14.1%) and Unilever (+14.9%). Health Care (+5.4%) companies also advanced on some progress made in the U.S. health care reform bill. Financials (-4.5%) slumped in the fourth quarter on concerns about the effect of potential new regulations in the aftermath of government bailouts, as well as the near bankruptcy of Dubai World.

MSCI EAFE Sector Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
Financial	-1.51	-4.50	38.12
Utilities	1.16	-0.49	4.17
Energy	2.61	6.85	34.08
Industrials	2.20	1.44	31.14
Materials	4.43	13.22	69.31
Healthcare	1.97	5.44	17.52
Consumer Staples	2.36	8.10	31.63
Consumer Discretionary	3.58	2.90	37.43
Information Tech	4.16	-2.63	21.49
Telecom Svcs	-1.25	1.51	15.69

- European developed markets rose as a whole in the fourth quarter as the MSCI Europe Index rose 3.2% in U.S. dollars and 4.0% in local currencies, although results were mixed at the country level. Despite a prolonged recession and rising unemployment, the U.K. jumped 7.0% on the strength of its multinational Materials companies. France (+2.1%) and Germany (+2.2%) each advanced on improving economic conditions. Norway led the region with a robust return of 14.9% due to the exceptional returns for its commodity related companies. Greece fell an astonishing 22.4% after its government bonds were downgraded due to the country's high level of public debt. For the year, the MSCI Europe Index appreciated 35.8%.

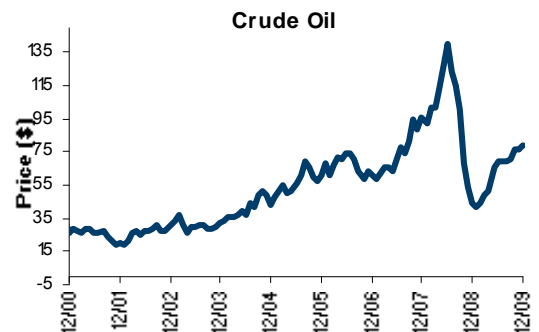
- Pacific region developed markets also produced positive results in the fourth quarter as the MSCI Pacific Index climbed 0.1% in U.S. dollars and 2.1% in local currencies. Japan (-2.8%) saw improving economic conditions as evidenced by rising GDP and falling unemployment, but the central bank declared that a deflationary period had begun and the yen weakened against the U.S. dollar after reaching a 14-year high. Singapore (+9.8%) advanced on rising exports while Hong Kong (+3.6%) moved higher on more Chinese IPOs and real estate price appreciation. Australia (+4.9%) showed it has a strong economy as its central bank raised interest rates three times, the first developed country to do so since the onset of the global economic crisis. For the year, the MSCI Pacific Index increased 24.2%.

EMERGING EQUITY MARKETS

- The global emerging markets extended their 2009 gains in the fourth quarter as the MSCI Emerging Markets Index rose 8.6% in U.S. dollars and 7.2% in local currencies. All sectors produced positive performance on strong earnings growth and rising export activity. The Consumer sectors were particularly strong (Staples, +15.6%; Discretionary, +12.7%) as were the commodities-influenced Materials (+13.8%) and Energy (+8.1%) sectors. Technology (+9.3%) companies remained strong on rising prices. The Telecom sector (+1.6%) was the poorest-performing sector in the fourth quarter. For the year, the MSCI Emerging Markets Index soared with a return of 79.0%.
- The Asian emerging markets continued to lead the global economic recovery as the MSCI EM Asia Index gained 6.8% in U.S. dollars and 5.7% in local currencies. China (+9.6%) rose on better-than-expected third quarter GDP and increases in manufacturing and export activity. India (+7.7%) also benefited from stronger-than-expected third quarter data and shook off concerns about inflation. Taiwan (+8.1%) was boosted by rising orders at its technology and auto companies. For the year, the MSCI EM Asia Index produced a 74.2% return.
- Latin American emerging markets in the MSCI EM Latin America Index grew 12.5% in U.S. dollars and 9.8% in local currencies. Brazil (+13.1%) was boosted by rising demand for commodities and strong domestic consumption. Chile (+15.4%) benefited from strong results by its resource-related companies. Mexico (+13.7%) increased on economic reports that showed the country is beginning to emerge from its recession and optimism following the passing of its 2010 fiscal budget. Colombia (-1.1%) was the poorest performer in the region as the country struggled with a rapidly rising peso. For 2009, the MSCI EM Latin America Index more than doubled with a 104.2% return.
- European and Middle Eastern emerging markets also had a strong fourth quarter as the MSCI EM Europe & Middle East Index rose 10.3% in U.S. dollars and 11.0% in local currencies. Russia (+10.5%) was fueled by its commodities-related companies and its banking sector. Israel (+14.1%) and Poland (+12.9%) led the region during the quarter while the Czech Republic (-6.9%) lagged. For the year, the MSCI EM Europe & Middle East Index gained a robust 78.5%.

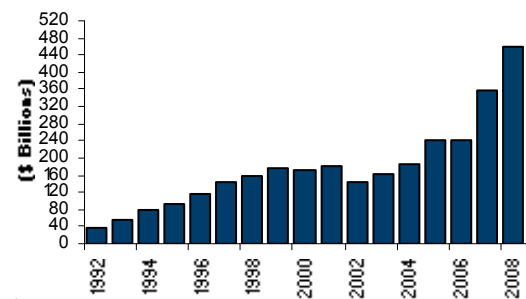
MSCI Emerging Market Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EM	3.96	8.58	79.02
Latin America	2.06	12.52	104.19
Asia	4.56	6.75	74.21
Europe & M. East	4.41	10.33	78.47
South Africa	4.98	9.35	57.82



Source: Bloomberg; Linked spot month futures contract price

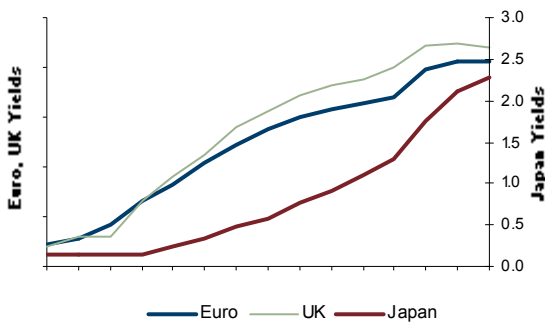
Emerging Market Private Direct Investment (net)



Source: IMF

Global Fixed Income Returns (unhedged, \$)

	1 Mo.	3 Mbs.	12 Mbs.
WGBI	-5.03	-1.93	2.55
United States	-2.57	-1.28	-3.69
Europe	-4.93	-1.59	8.26
Japan	-7.37	-3.35	-1.76
United Kingdom	-4.23	-1.10	11.40
World BIG Ex-US	-5.44	-1.76	6.84
WGBI Non-U.S.	-5.75	-2.15	4.39
Agencies Ex-US	-4.77	-1.00	9.24
Collateralized Ex-US	-4.90	-1.57	10.92
Corporates Ex-US	-4.51	0.00	20.21
EMBI+	0.20	1.36	25.95



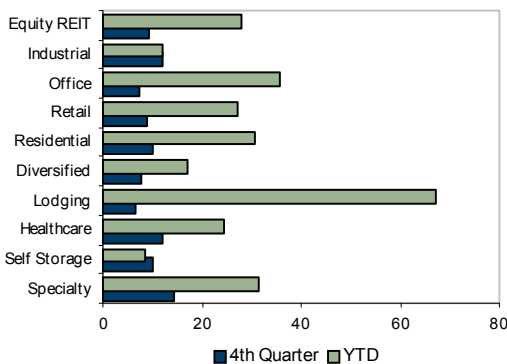
NON-U.S. FIXED INCOME MARKETS

- The Bank of England kept its benchmark rate at 0.5% and increased the size of its asset purchase program to £200 billion from £175 billion in the quarter. The majority of the U.K. yield curve shifted upwards as the 2-, 5-, 10-, and 30-year yields increased by 43 bps, 17 bps, 42 bps, and 33 bps, respectively. The European Central Bank kept rates steady at 1% and ended the year by proposing to withdraw liquidity. The European yield curve steepened by 17 bps to a slope of 365 bps with the 2-, 5-, 10- and 30-year yields increasing by 7 bps, 2 bps, 17 bps, and 17 bps, respectively. The Bank of Japan kept its benchmark rate steady at 0.10% and continued to announce its support for the Japanese economy as it struggles to gain traction. The Japanese yield curve steepened by 9 bps to a slope of 213 bps. The 2-, 5-, 10-, and 30-year yields changed by -10 bps, -13 bps, -1 bp, and 8 bps, respectively.
- The Citigroup World Government Bond Index fell 1.93% in the fourth quarter as rating agencies Fitch and S&P downgraded the debt rating of Greece and put Spain and Ireland on alert, causing speculation about the ability of other countries to reign in their escalating deficits. The U.S. dollar rose against most major currencies. The U.S. dollar was up 2.18% against the euro, up 3.70% against the Japanese yen, down 0.11% against the Swiss franc, and down 1.18% against the British pound. The United States declined 1.28% while eurozone countries fell 1.79%. The worst performing countries were Greece, Japan, and Portugal falling 8.26%, 3.35% and 2.36%, respectively.
- The J.P. Morgan EMBI+ Index returned 1.36% in the fourth quarter. Investor demand for emerging market debt was strong throughout the quarter as growth in developed regions dropped off significantly and emerging regions provided more attractive yields. The best performing countries were Argentina, Ukraine, and Venezuela returning 5.89%, 3.86%, and 2.73%, respectively.

REAL ESTATE (REITs)

- After plunging nearly 80% from their peak to the market bottom in early March 2009, REITs staged an extraordinary recovery, in part driven by their ability to raise fresh debt and equity via the public markets (nearly \$38 billion so far), thus resolving much of the concern surrounding potential capital structure issues at many entities. REITs also have rebounded in sympathy with most other asset classes as the worst possible economic outcomes seem much less likely than a year ago.
- As of year end, U.S. REITs were up over 120% from their low, though still roughly 40% off their peak. However, additional risk remains as challenges persist in the commercial real estate market. Real estate companies now seek to solve their operating issues in an environment with still weak property fundamentals (falling occupancy and rents). Overall, despite these fundamental issues, the combination of low interest rates, improving access to capital, and improving economic growth should help REITs over the course of 2010.
- The FTSE/NAREIT Equity REIT Index gained 9.4% during the quarter and 28.0% for the year. U.S. REITs extended their recovery into the final quarter after a slow start in October (-4.5%) but gaining momentum in November (+6.9%) and December (+7.2%). Of the four major property sectors, Residential and Industrial outperformed the Index during the quarter, while Retail and Office lagged. Although Retail lagged the broader Index, the Mall sub-sector was the best overall performer (+14.8%). The Healthcare, Self Storage, and Specialty sectors all outperformed the Index with double digit returns during the quarter. As of quarter end, the average U.S. REIT dividend yield stood at approximately 3.7%, well below the historical average of 7.3%, according to FTSE NAREIT.

REIT Sector Returns



Source: FTSE NAREIT

REAL ESTATE (REITs), continued

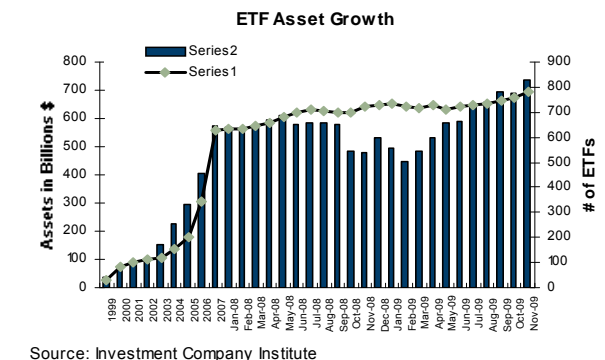
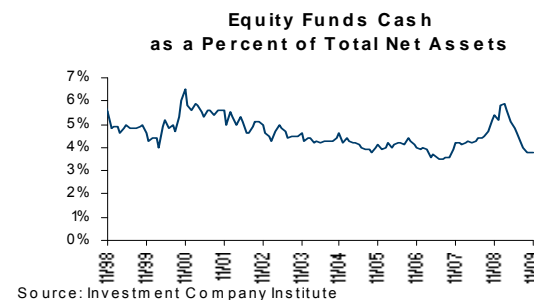
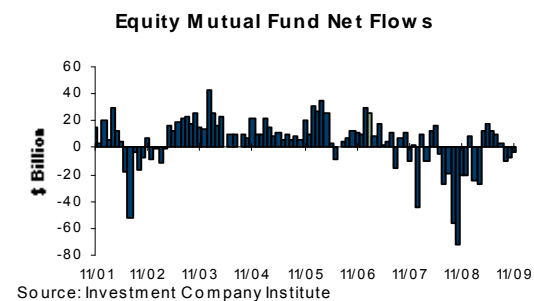
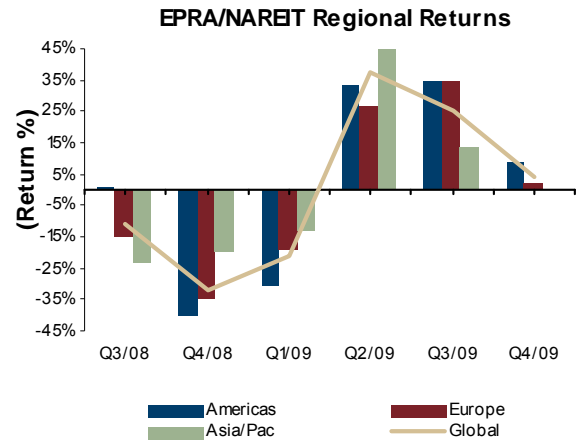
- The REIT recovery over the past three quarters was a worldwide phenomenon. Global REITs, as represented by the FTSE/EPRA NAREIT Global Real Estate Index (in USD), gained 41.3% for the year. Still, non-U.S. REITs underperformed those in the U.S. during the quarter (+4.0% vs. +9.4%). All three major regions experienced exceptional 2nd and 3rd quarter performance, but diverged somewhat during the 4th quarter. The Asia/Pacific (+0.3%) and European (+1.9%) regions lagged the broader Index during the quarter. However, Asia/Pacific led the Index over the past year (+44.9%). Japan (-4.9%) and Australia (-3.2%) were major detractors during the quarter, while Hong Kong (+5.9%) and Singapore (+12.5%) real estate companies provided strong returns; REITs in both markets were up over 80% for the year. As of year end, the average global REIT dividend yield stood at approximately 3.6%.
- The difficult economic environment translated into very slow transaction activity in the private real estate markets. With relatively few transactions on which to base comparable valuations, private market real estate investors remain cautious. This makes valuing REITs challenging as well. With their strong performance over the past nine months, some investment managers feel that global REITs, on average, are currently trading at close to fair value relative to their underlying real estate net asset values ('NAV'). U.S. and U.K. real estate companies may trade at modest premiums to NAV, while Continental Europe and some of Asia may currently be trading at discounts, depending on the market and company. Still, given the limited transaction activity, it is difficult to determine current NAVs with any degree of confidence. As such, REITs may remain volatile as long as the real estate markets remain challenged.

MUTUAL FUNDS

- The total assets of U.S. mutual funds increased by \$1.35 trillion in 2009, to \$10.96 trillion, through November. Stock funds posted a net outflow of \$9.9 billion. Among stock funds, world equity funds (U.S. funds that invest primarily overseas) posted an inflow of \$13.8 billion and domestic funds had an outflow of \$23.6 billion. Hybrid funds experienced inflows of \$6.3 billion, and taxable bond funds had inflows of \$71.4 billion. Municipal bond funds added \$9.7 billion, while money market funds had an outflow of \$118.5 billion.

EXCHANGE TRADED FUNDS

- Total assets for exchange-traded funds (ETFs) were \$737.9 billion in November, according to the Investment Company Institute (ICI). At the end of November, there were 779 ETFs: 446 domestic equity (\$431.2 billion), 233 global/international equity (\$202.3 billion), 6 hybrid (\$180 million) and 94 bond funds (\$104.3 billion). Assets of all ETFs rose in October and November 2009 by \$45 billion. Investors added nearly \$27.8 billion to domestic equity and \$13.9 billion to global/international equity in November. Over the past 12 months ending November, ETF assets increased by \$259.9 billion, or 54.4%.



Sources: Barclays Capital, J.P. Morgan, Standard & Poor's, Morgan Stanley Capital International, Merrill Lynch, Bloomberg, Frank Russell Company, Salomon Smith Barney, NASDAQ, IMF, NAREIT, EPRA/NAREIT, Investment Company Institute.

STATISTICAL SUMMARY

As of December 31, 2009

EQUITY MARKETS

<u>US Markets</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
S&P 500	1.93	6.04	26.46
S&P 500/CG Growth	2.13	7.76	31.57
S&P 500/CG Value	1.76	4.22	21.18
S&P 400	6.28	5.56	37.38
Russell 1000	2.43	6.07	28.42
Russell 1000 Growth	3.09	7.94	37.21
Russell 1000 Value	1.77	4.22	19.69
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Russell 2000 Growth	8.56	4.14	34.47
Russell 2000 Value	7.57	3.62	20.55
NASDAQ Composite	5.87	7.21	45.36

Sources: Standard & Poor's, Frank Russell Company, Bloomberg

<u>S&P 500 Sectors</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
Financial	-1.54	-3.32	17.22
Utilities	5.54	7.26	11.91
Energy	-0.93	5.58	13.82
Industrials	1.29	5.39	20.93
Materials	1.61	7.36	48.59
Healthcare	2.08	9.09	19.69
Consumer Staples	-0.26	5.02	14.89
Consumer Discretionary	4.54	9.07	41.30
Information Technology	5.62	10.70	61.72
Telecommunication Svcs	4.64	7.43	8.93

<u>Non-US Markets</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
EAFE	1.44	2.18	31.78
EAFE Growth	1.99	4.17	29.36
EAFE Value	0.89	0.28	34.23
AC World Free Ex-US	2.13	3.79	42.14
Japan	0.77	-2.76	6.25
Pacific Ex-Japan	2.22	5.16	72.81
United Kingdom	2.63	6.96	43.30
Europe Ex-UK	0.98	1.56	32.57
Emerging Markets	3.96	8.58	79.02

Sources: MSCI, Bloomberg

<u>MSCI EAFE Sectors</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
Financials	-1.51	-4.50	38.12
Utilities	1.16	-0.49	4.17
Energy	2.61	6.85	34.08
Industrials	2.20	1.44	31.14
Materials	4.43	13.22	69.31
Healthcare	1.97	5.44	17.52
Consumer Staples	2.36	8.10	31.63
Consumer Discretionary	3.58	2.90	37.43
Information Technology	4.16	-2.63	21.49
Telecommunication Svcs	-1.25	1.51	15.69

FIXED INCOME MARKETS

<u>Key Rates</u>	<u>U. S. Yields</u>		
	10/31/2009	11/30/2009	12/31/2009
Overnight	0.00	0.00	0.00
3- Month	0.06	0.06	0.06
2- Year	0.90	0.67	1.14
5- Year	2.31	2.00	2.68
10-Year	3.39	3.20	3.84

Sources: Merrill Lynch; Bloomberg Financial Markets

	<u>Euro</u>	<u>Japan</u>	<u>U.K.</u>
	12/31/2009	12/31/2009	12/31/2009
	1.00	0.10	0.50
	0.46	0.14	0.38
	1.33	0.15	1.32
	2.42	0.47	2.81
	3.39	1.30	4.02

<u>Sectors</u>	<u>Total Return %</u>		
	Month	3 Mos	YTD
Barclays Capital Universal	-1.25	0.58	8.60
Barclays Capital Aggregate	-1.56	0.20	5.93
Barclays Capital U.S. Govt	-2.27	-1.00	-2.20
Barclays Capital U.S. Credit	-1.00	1.03	16.04
Barclays Capital MBS	-1.41	0.57	5.89
Barclays Capital Municipal Bond	0.34	-0.96	12.91
Barclays Capital U.S. TIPS	-2.19	1.76	11.41
ML US HY Master II	3.14	6.04	57.51

Sources: Barclays Capital, SSB/Citi

<u>Mod.Adj. Duration</u>	<u>Weighting Basis</u>	
	<u>Duration</u>	<u>MktVal</u>
4.57	--	--
4.57	100.00%	100.00%
4.64	37.20%	36.61%
6.16	31.09%	23.06%
3.57	28.70%	36.78%
8.29	--	--
4.92	--	--
4.55	--	--

<u>Markets/Regions</u>	<u>U.S. Dollars % (Unhedged)</u>		
	Month	3 Mos	YTD
United States	-2.57	-1.28	-3.69
WGBI	-5.03	-1.93	2.55
WGBI Non-US	-5.75	-2.15	4.39
EMBI+	0.20	1.36	25.95
EMLI+ (local currency index)	-0.90	1.04	11.69
Euro Zone	-5.13	-1.79	7.70
United Kingdom	-4.23	-1.10	11.40
Japan	-7.37	-3.35	-1.76

Sources: Barclays Capital, Citigroup, JP Morgan, Bloomberg Financial Markets

	<u>Local Currency %</u>		
	Month	3 Mos	YTD
	--	--	--
	-1.01	-0.22	1.00
	-0.55	0.10	2.36
	--	--	--
	0.33	0.92	6.20
	-0.73	0.05	4.35
	-2.67	-2.05	-0.81
	0.10	0.49	0.89

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