

U.S. ECONOMIC BACKGROUND

The U.S. economy experienced severe challenges during 2008 including ongoing weakness in the housing market, rising unemployment and uncertainty in the financial sector. America's housing market continued to decline, evidenced by rising inventories, decreasing housing starts and declining new home sales. Unemployment increased, ending the year at a high of 6.7%. GDP contracted at an annualized rate of -0.50% and The National Bureau of Economic Research determined that the U.S. has been in a recession since the fourth quarter of 2007. Historic events in the third quarter included the government sponsored entities Fannie Mae and Freddie Mac being placed into a conservatorship, the Fed providing AIG with a revolving credit facility and Lehman Brothers declaring bankruptcy. The government attempted to stabilize financial markets with the passage of the Troubled Asset Relief Program. During the year, the Producer Price Index and CPI (ex food and energy) decreased, lessening fears of inflation. Manufacturing, consumer spending and consumer confidence data fell to levels not seen in more than 25 years. The Federal Open Market Committee completed a series of rate cuts that resulted in a targeted Fed Funds rate of effectively 0.0%.

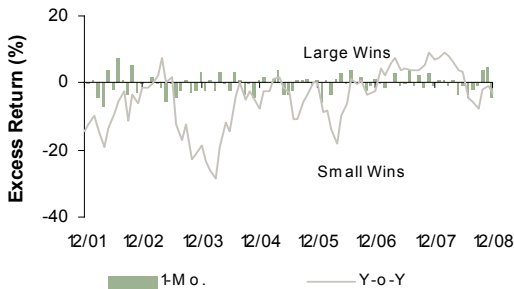
U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	1.06	-21.94	-37.00
S&P 400	4.85	-25.55	-36.23
Russell 1000 Growth	1.81	-22.79	-38.43
Russell 1000 Value	1.39	-22.17	-36.85
Russell 2000	5.80	-26.12	-33.80
Russell 2000 Growth	5.42	-27.44	-38.53
Russell 2000 Value	6.15	-24.89	-28.93
NASDAQ Composite	2.79	-24.37	-39.98

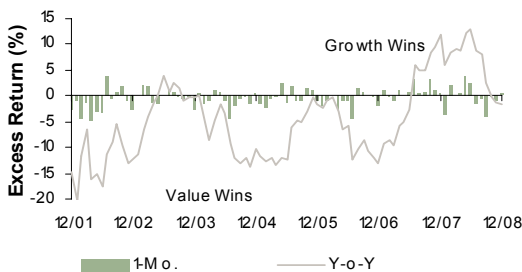
U.S. EQUITY MARKETS

- In 2008, the equity markets exhibited unprecedented levels of volatility. In October, the DJIA experienced two of the seven biggest one-day percentage gains in its 113-year history; four of the twenty largest daily percentage declines occurred in the last 4 months of 2008. This activity was largely attributed to broad deleveraging given the volume and magnitude of hedge fund trading and the heavy use of borrowed money. All major equity indices finished the year lower. The DJIA declined 31.9% to end the year at 8,776. The S&P 500 had its worst decline since 1937; it fell 37.0% and finished the year at 903. The NASDAQ Composite declined 40.0% to finish the year at 1,577.

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	-0.29	-36.92	-55.31
Utilities	-2.11	-10.92	-28.99
Energy	-3.99	-20.62	-34.87
Industrials	1.07	-23.93	-39.93
Materials	-0.37	-30.78	-45.67
Healthcare	6.81	-12.11	-22.83
Consumer Staples	-0.33	-12.84	-15.46
Consumer Discretionary	5.54	-22.85	-33.50
Information Tech	1.76	-25.74	-43.15
Telecom Svcs	0.98	-1.38	-30.50

- According to the Russell indices, value stocks outperformed their growth counterparts in the quarter across the market capitalization range. The largest disparity between styles was among small caps, where small value outperformed small growth by 256 basis points (-24.9% vs. -27.4%). The competition was closest among mid caps, where value outperformed growth by 17 basis points (-27.4% vs. -27.2%) followed by large caps, where value outperformed growth by 61 basis points (-22.8% vs. -22.2%).

- The quarter ended with significant losses across all market capitalization segments. The small cap Russell 2000 Index declined 26.1%, the Russell 1000 Index lost 22.5% and the Russell Midcap Index lost 27.3%. The Russell Midcap Growth Index has been the worst performing domestic equity style index since the market's peak in October 2007; since then, it has lost 47.0% of its value. Since the last market low in October 2002, the Russell Small Cap Value Index (+72.1%) has represented the best performing domestic equity style.

- All ten GICS sectors posted losses for the quarter. Sectors with the greatest negative impact on the S&P 500 return included Financials (-36.9%) and Information Technology (-25.7%). Sectors that detracted the least from performance included Consumer Staples (-12.8%) and Health Care (-12.1%). Among Financials stocks, where declines were due to market illiquidity, asset write-downs, and higher-than-expected losses, large detractors included Bank of America (-58.9%), Citigroup (-66.9%), JP Morgan (-32.0%), and Wells Fargo (-20.6%). Top detractors from Information Technology included Microsoft (-26.7%), IBM (-27.6%), and Cisco (-27.8%), as consumer spending declined for technology products. Investors sought safety during the turbulent market conditions in Consumer Staples and Health Care stocks. Positive contributors to performance in Consumer Staples included Archer Daniels (+32.3%) and Anheuser Busch (+6.3%). Bristol-Myers Squibb (+14.7%) and Gilead Sciences (+12.2%) were strong contributors to the Health Care sector.

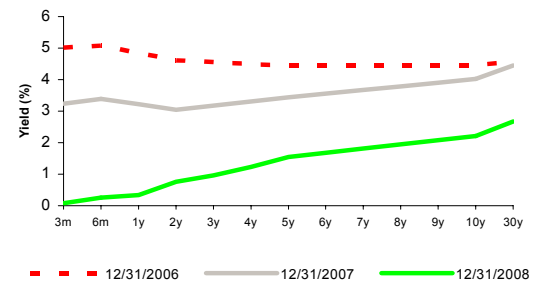
U.S. FIXED INCOME MARKETS

- Interest rates declined and the yield curve flattened as recession gripped the economy. The Federal Reserve slashed the Fed Funds rate target to a range of 0-25 bps and indicated it would purchase Treasuries in an effort to push long term rates lower and stimulate economic activity. Short term rates declined to near zero with the 3-month Treasury yielding 0.09% by year end. At one point during the quarter, T-bills were auctioned at a negative yield as investors sought safe haven regardless of cost. During the quarter, the yield on the 30-year Treasury declined by 163 bps to 2.68% causing the yield curve (as measured by the 3-month to 30 year maturity) to flatten by 80 bps to a slope of 259 bps. Yields on the 2-, 5-, and 10-year Treasuries declined by 120 bps, 143 bps, and 161 bps, respectively. Swap spreads narrowed significantly, particularly on the short end. At year end, swap spreads on the 2-, 5- and 10-year maturities were 69, 56, and 33 bps, respectively.
- The Barclays Capital (BC) Aggregate Index returned 4.58% (-296 bps versus comparable Treasuries) for the quarter as interest rates declined and investors continued to seek safety. Investor risk aversion drove Treasury performance to a full year return of 13.7%. For the quarter, U.S. Credit returned 4.03% underperforming Treasuries by 543 bps as corporations faced funding challenges and economic activity declined abruptly. Sentiment in the corporate bond segment finally began to shift in December as emergency government aid programs, changes in monetary policy, fiscal stimulus plans and bargain hunting by investors began to have an impact. AAA, AA, A, and BBB-rated issues returned 7.92%, 8.33%, 6.73%, and -3.11%, respectively. The financial segment outperformed industrials and utilities thanks to government aid programs, with Agency securities also benefiting to the tune of 6.32% (44 bps excess). The U.S. Government/Credit Index returned 6.42% (-211 bps excess) for the quarter.
- Commercial Mortgage Backed Securities (CMBS) was the worst performer in the quarter among securitized sectors returning -13.52% (-2042 bps versus Treasuries) on an increase in delinquencies and concerns over the performance of commercial properties in a recession. In other areas, the Federal Reserve's plan to buy agency mortgage backed securities (MBS) was offset by an increase in interest rate volatility creating some headwinds to performance in MBS with returns of 4.34% (-195 bps). Consumer related segments continued to experience pressure with Asset Backed Securities (ABS) returning -6.82% (-1172 bps excess).
- The Merrill Lynch High Yield Master II Index lost a stunning 17.63% for the quarter on concerns over financial market dysfunction, access to credit, an increase in defaults and economic recession. There was a great deal of performance dispersion among credit quality segments with BB rated issues returning -12.8% followed by B and CCC rated issues which returned -18.7% and -35.3%, respectively. The Index contains 42.5% in BB-rated issues, 35.0% in B-rated, 16.2% in CCC and 6.3% rated below CCC. The high yield market lost 26.39% in 2008, ending the year with an Index yield of 22.95% and an option-adjusted spread of 1,812 bps.
- The BC Municipal Bond Index returned 0.74% on investor risk aversion. Long duration and lower quality issues generated negative returns while short maturity, high quality paper generated solid returns as the municipal curve steepened. Pre-refunded issues returned 4.65%, followed by GOs (2.97%), Insured (1.66%) and revenue (-1.66%) bonds, respectively.
- TIPS returned -3.48% as real yields were volatile and breakevens narrowed. The breakeven spread (the difference in the nominal Treasury and TIPS yield), which gauges the market's expectations for future inflation, declined by 146 bps to 0.12% on the 10-year maturity.

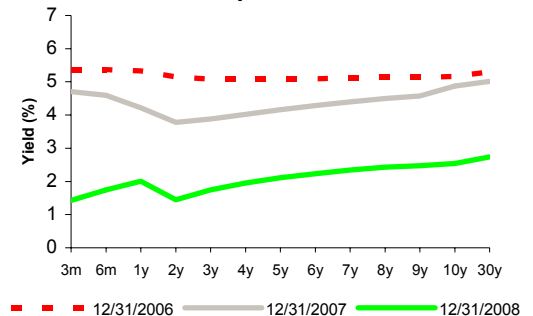
U.S. Fixed Income Returns (%)

	1 Mo.	3 Mbs.	12 Mbs.
BC Aggregate	3.73	4.58	5.24
BC US Government	3.44	8.05	12.39
BC US Credit	6.27	4.03	-3.08
BC Mortgage Backed	1.67	4.34	8.34
BC Asset Backed	-0.59	-6.82	-12.72
ML US HY Master II	7.47	-17.63	-26.39

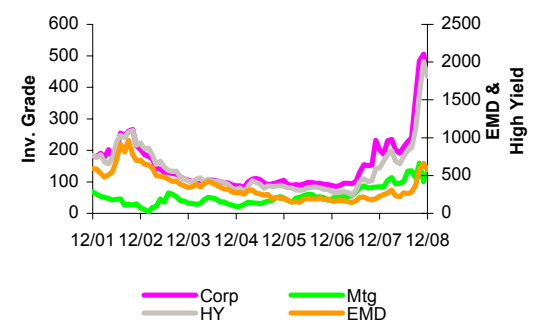
Treasury Yield Curve



Swap Curve



Sector Spreads



Source: Citigroup

NON-U.S. ECONOMIC BACKGROUND

Developed and developing markets outside the U.S. experienced exceedingly weak economic conditions during the fourth quarter. During this time, several developed nations confirmed they had entered into an economic recession. Many central banks implemented dramatic interest rate reductions (e.g., Bank of England to 2.0%, European Central Bank to 2.5%, Bank of Japan to 0.1%), economic stimulus packages, and bank nationalization programs aimed at stabilizing their economies. Corporate bankruptcies in Europe are expected to reach significant numbers in 2009. Growth forecasts for developing nations, most notably China, were slashed due to the strong likelihood that global demand will markedly decline in 2009. Oil prices fell below \$32/barrel before rallying to around \$45/barrel at year end. Steel production is expected to fall more than 10% in 2009, the worst decline in over 60 years. The World Bank predicted that world trade will decline in 2009 for the first time since 1982. S&P downgraded Russia's credit rating due to weakness in its currency and the sharp drop in oil prices.

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

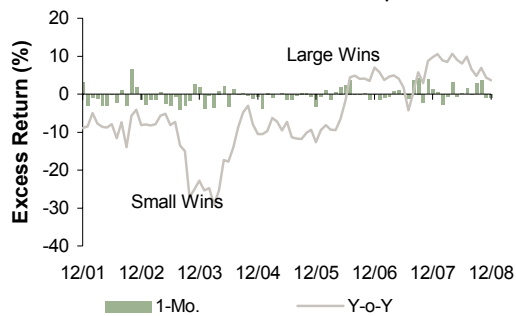
	1 Mo.	3 Mos.	12 Mos.
EAFE	6.01	-19.95	-43.38
AC World Free Ex-US	5.72	-22.29	-45.24
Japan	8.13	-9.01	-29.21
Pacific Ex-Japan	5.77	-25.03	-50.50
United Kingdom	-2.87	-26.36	-48.34
Europe Ex-UK	9.22	-21.13	-45.54

NON-U.S. EQUITY MARKETS

- Non-U.S. developed equity markets were exceptionally weak during the first half of the quarter, resulting in the MSCI EAFE Index returning -20.0% in U.S. dollars and -18.5% in local currencies for the fourth quarter. As a result of the year-long market turmoil, the EAFE Index fell an astonishing -43.4% (-40.3% local) in 2008, by far the worst calendar year performance on record. Major market non-U.S. currencies were mixed against the U.S. dollar during the quarter. The euro fell below 1.30 for just over a month before rallying in December to close the year at 1.3971. The Japanese yen strengthened throughout the quarter, briefly trading below 88 before closing at 90.64. The pound sterling weakened steadily to a close of 1.4593, its lowest level since April 2002. The Canadian and Australian dollars weakened considerably during October before stabilizing in November and December, closing the year at 1.2188 and 0.7026, respectively.

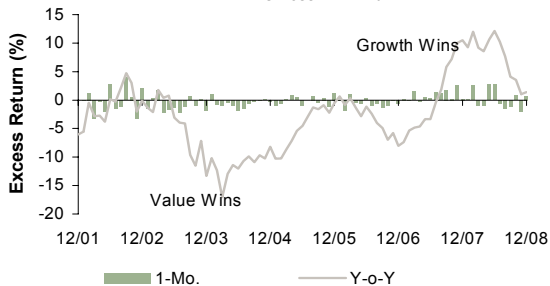
Large Cap vs. Small Cap

EAFE less EAFE Sml Cap



Growth vs. Value

EAFE Gr less EAFE Val



MSCI EAFE Sector Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
Financial	4.25	-32.36	-55.21
Utilities	8.73	-8.63	-28.15
Energy	-0.51	-15.20	-38.18
Industrials	9.35	-18.09	-44.48
Materials	6.08	-26.62	-53.03
Healthcare	8.16	-8.05	-18.95
Consumer Staples	5.50	-13.54	-31.33
Consumer Discretionary	6.14	-21.21	-45.47
Information Tech	7.48	-19.16	-44.87
Telecom Svcs	8.56	-3.33	-32.49

- Market weakness during the fourth quarter was not limited to a specific capitalization range, as the MSCI EAFE Large Cap Index fell 19.8%, the MSCI EAFE Mid Cap Index fell 21.1%, and the MSCI EAFE Small Cap Index fell 22.2%. This was also true for the entire year 2008, with the respective indices returning -43.1%, -44.6%, and -47.0%.
- Unlike recent years, investors showed no clear bias in terms of growth or value orientation. For the fourth quarter, the MSCI EAFE Growth Index (-20.1%) and MSCI EAFE Value Index (-19.8%) declined by essentially the same amount. Over the span of 2008, growth stocks (-42.7%) had a slight edge over their value counterparts (-44.1%).
- As the developed markets one by one fell into a recession, investors sought relative safety during the fourth quarter in defensive, cash flow intensive sectors such as Health Care (-8.1%), Utilities (-8.6%), and Telecom Services (-3.3%). Financials (-32.7%) continued to fall sharply as a series of layoff announcements and lowered profit forecasts weighed on the sector. Materials (-26.6%) and Consumer Discretionary (-21.2%) stocks also fell sharply amid plummeting consumer demand that is expected to be weak well into 2009.
- The MSCI Europe Index returned -22.8% in U.S. dollars and -17.0% in local currencies during the fourth quarter as many European nations confirmed they were in a recession. Almost all countries fell at least 20% with Switzerland (-13.3%) and Spain (-17.0%) the lone exceptions. The United Kingdom fell sharply (-26.4% in U.S. dollars), although much of the poor performance was due to weakness in the pound sterling. The smaller nations of Austria (-43.25), Greece (-41.0%), Ireland (-40.2%), and Norway (-40.7%) were the hardest hit countries due to concerns about the health of their financial systems. For the year, the European region declined 46.4% (-38.9% local).

- Pacific region nations were not immune to the market turmoil of the fourth quarter with the MSCI Pacific Index dropping 13.9% in U.S. dollars and -21.1% in local currencies. Japan (-9.0%) was buoyed by the strength of its currency and better-than-expected profit reports from its Telecom and Utilities companies. Australia (-26.9%) suffered due to weakness in the Australian dollar and the drop in commodity prices. Hong Kong (-18.8%) and Singapore (-26.3%) also struggled as global trade continued to slow, negatively impacting these export-driven economies. For the year, the Pacific region declined 36.4% (-42.5% local).

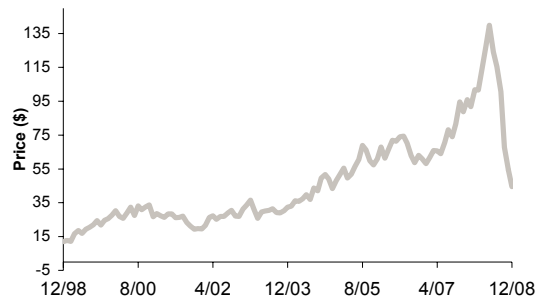
EMERGING EQUITY MARKETS

- The emerging equity markets were extremely volatile during the fourth quarter as shrinking global demand and falling commodity prices weighed on these nations. For the quarter, the MSCI Emerging Markets Index returned -27.6% in U.S. dollars and -22.0% in local currencies. Cyclical sectors were impaired as Energy (-38.5%), Materials (-32.0%), and Consumer Discretionary (-30.2%) stocks all fell sharply. Financials (-26.0%) suffered after several central banks began lowering their primary policy rates as inflationary pressures eased. Defensive sectors such as Health Care (-9.7%) and Consumer Staples (-16.8%) provided relative safety during the quarter. For the year, emerging equity markets lost more than half of their value (-53.2%) as investors' appetite for risk dried up quickly.
- Latin American countries plunged during the fourth quarter as weakened currencies and commodity prices impacted the region. The MSCI EM Latin America Index returned -34.0% in U.S. dollars and -20.4% in local currencies. Brazil (-37.1%) tumbled due to weakness in its Energy, Materials, and Financials sectors while Mexico (-30.0%) fell mainly because of poor performance from its Telecom and Materials sectors. Argentina (-43.8%) declined dramatically due to concerns about the health of its financial system. Peru (-15.5%) was a relative bright spot for the region on news that it reached a major trade pact with China. For the year, the region fell 51.3% (-37.7% local).
- Emerging markets in Asia were slightly more resilient as the MSCI EM Asia Index returned -21.5% in U.S. dollars and -19.6% in local currencies. China (-10.8%) showed relative strength due to strong results in its Telecom sector (-1.8%) and buoyancy from its Financials sector while Malaysia (-13.2%) showed resilience within its Utilities and Consumer Staples sectors. The Pakistan (-50.4%) equity market fell apart in mid December after the trading "floor" implemented in August was lifted, sending share prices spiraling downward. MSCI removed the country from its broad indices as of December 31st citing a loss of transparency and uninvestable conditions in the Pakistan market. For the year, the region fell 52.8% (-47.1% local).
- European and Middle Eastern emerging markets fell substantially during the quarter with the MSCI EM Europe & Middle East Index returning -41.8% in U.S. dollars and -36.2% in local currencies. Heavyweight country Russia (-51.3%) was the most affected by the drop in commodity prices as its Energy and Materials sectors (which make up over 75% of the Russian equity market) tumbled sharply. Israel (-21.2%) was the leader of the region due to the defensive strength of the largest company, Teva Pharmaceuticals. Jordan was officially downgraded from an emerging market to a frontier market by MSCI due to a failure to meet minimum size and liquidity parameters. For the year, the region fell -63.1% (-59.4% local).

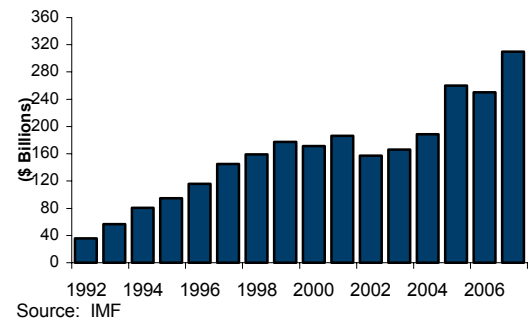
MSCI Emerging Market Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EM	7.83	-27.56	-53.18
Latin America	3.20	-33.97	-51.28
Asia	11.22	-21.51	-52.77
Europe & M. East	-0.95	-41.84	-63.10
South Africa	13.60	-16.30	-37.89

Crude Oil

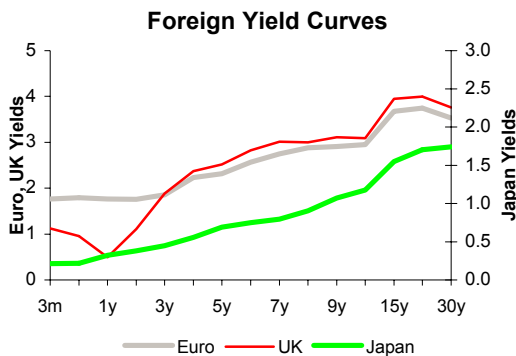


Emerging Market Private Direct Investment (net)



Global Fixed Income Returns (unhedged, \$)

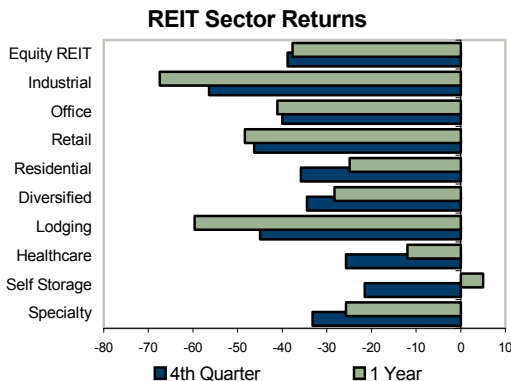
	1 Mo.	3 Mos.	12 Mos.
WGBI	7.11	8.81	10.89
United States	3.42	8.85	13.89
Europe	9.14	2.27	0.60
Japan	6.96	20.24	27.82
United Kingdom	-1.24	-10.78	-17.96
World BIG Ex-US	8.52	6.77	6.48
WGBI Non-U.S.	8.13	8.80	10.11
Agencies Ex-US	10.77	4.15	2.99
Collateralized Ex-US	10.33	3.35	0.13
Corporates Ex-US	9.67	-1.42	-8.25
EMBI+	8.52	-4.78	-9.70



NON-U.S. FIXED INCOME MARKETS

- The Bank of England slashed rates by 300 bps in three moves to 2.00% to help restore liquidity and stimulate economic activity. The U.K. yield curve steepened with the 2-, 5-, 10-, and 30-year maturities declining by 296 bps, 177 bps, 143 bps, and 80 bps, respectively. The European Central Bank cut their target rate three times as well for a total of 175 bps to 2.50% as the fallout from the credit crisis negatively impacted economic activity. The yield curve steepened as 2-, 5-, 10- and 30-year bond yields declined by 172, 145, 142 and 106 bps, respectively. The Bank of Japan followed suit in what was a global coordinated cut in rates in early October followed by the BOJ's own policy action in December reducing rates by a total of 40 bps for the quarter to 0.10%. The Japanese yield curve flattened by 18 bps to a slope of 152 bps as yields declined by about 40 bps across the curve with the 30-year JGB yield declining by 55 bps on economic weakness.
- The Citigroup World Government Bond Index returned 8.81% on an unhedged basis, as countries around the world cut rates to restore liquidity and provide stimulus to sagging economies. Dispersion of returns among countries was significant on currency volatility. Store of value currencies such as yen and Swiss franc propelled returns for those countries to 20.24% and 9.05%, respectively, while U.S. dollar strength caused U.K., Canada, Poland, Norway, Mexico, Australia and New Zealand to produce negative returns. The U.S. generated 8.85% while Europe as a group produced 5% returns with member countries producing returns of 3-6%.
- The J.P. Morgan EMBI+ Index returned -4.78% on investor risk aversion. The riskiest credits from a financial and political perspective went into freefall with Ecuador (defaulted on its debt), Ukraine, Argentina and Venezuela losing 68%, 45%, 33% and 27%, respectively. Stable country credits performed well including bond markets in Brazil (7.3%) and Mexico (4.6%) while Russia returned -11.8%. Largest country weights in the Index are Brazil (21%), Mexico (15%), Russia (15%) and Turkey (14%).

REAL ESTATE (REITs)

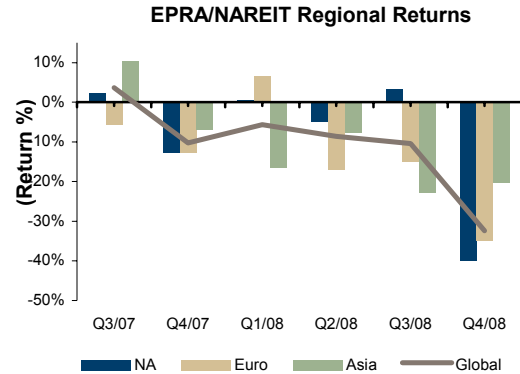


Source: FTSE NAREIT (Data as of 12/31/08)

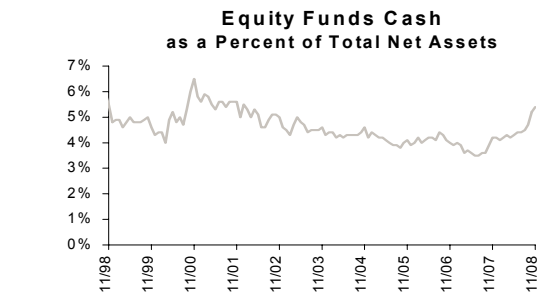
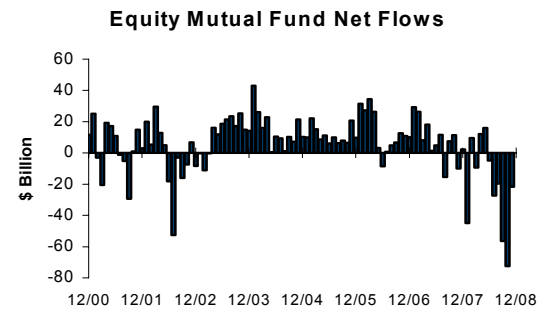
- REITs were down across all three regions (North America, Europe, and Asia) in what proved to be a very volatile fourth quarter. The U.S. REIT market, as represented by the FTSE/NAREIT Equity REIT Index, experienced the most dramatic volatility during the quarter. The Index suffered its two worst performing months since inception in 1972 (-31.7% and -23.1% in October and November, respectively), followed by its best performing month (+16.4% in December). However, the sharp rebound was not enough to keep the Index from its it worst ever quarterly performance (-38.7%). The 2008 return (-37.7%) was also the worst year on record.
- Early in the quarter, REITs were adversely impacted by the largely indiscriminate selling across asset classes. However, with respect to REITs in particular, investors also were concerned about leverage levels and liquidity in light of the dismal credit environment. This panic spread across sub-sectors of the market, which all experienced extreme losses during the quarter. However, negative sentiment did shift late in the quarter with evidence of companies successfully implementing recapitalization plans, leading to a positive impact on REITs overall in December. This was in conjunction with the firming of the broader equity markets over the same period. As an example, ProLogis Trust, an industrial REIT that declined approximately 90% from October 1st through November 30th, returned over 250% in the month of December as the company successfully reduced leverage and strengthened its liquidity position through a series of asset sales and various other initiatives.

REAL ESTATE (REITs) continued

- Among the major sectors, Industrial REITs, which substantially outperformed the broader Index in December (+70.5%), was still the worst performer over the quarter (-56.4%) and the year (-67.5%). ProLogis accounted for over 60% of the Industrial segment market cap at the end of 2007, driving the segment returns over 2008. Retail REITs were down significantly (-46.3%) over the quarter as well, but only partially recovered in the month of December (+18.9%) perhaps reflecting the gloomy retail environment. Office REITs modestly outperformed the Index in December (+17.6%), but were still down 40% in the quarter. Residential REITs was the only major sector to beat the broad Index during the quarter (-35.8%), although it was also the weakest performer in December, up only 3.0%.
- Although global real estate securities did not perform well on an absolute basis, they did outperform U.S. REITs in the fourth quarter. The FTSE/EPRA NAREIT Global Real Estate Index (in USD) ended the quarter down (-32.4%). The North American region (-39.8%) performed worst among the three, while Europe (-34.9%) and Asia (-20.2%) declined to lesser extents. All regions recovered some ground in December, however, with the U.S. up over 15%, Europe up 7.6%, and Asia up 4.8%. Non-U.S. real estate markets continue to face similar issues as the U.S, with deteriorating economic data from many countries across all regions.
- REIT securities globally are likely to remain volatile in the coming months as investors digest more economic and company-specific data. Until the credit market improves, however, investors are likely to remain concerned about leverage and liquidity at the REIT level.



Source: FTSE EPRA/NAREIT (Data as of 12/31/08)

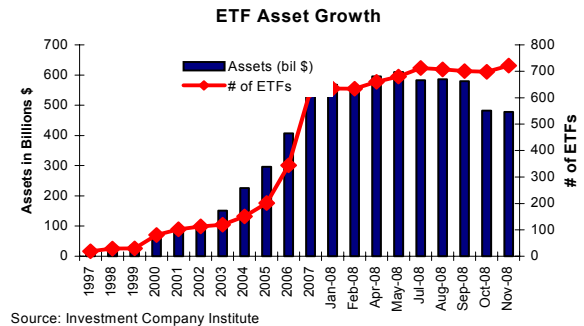


MUTUAL FUNDS

- Stock funds experienced a net outflow of over \$2.92 trillion through the first eleven months of 2008. The market saw approximately \$231 billion roll out of hybrid funds, \$115 billion out of taxable bond funds, and \$28 billion out of municipal bond funds. Net cash held by portfolio managers increased in 2008, finishing November 2008 at 5.4% versus the 4.2% level recorded a year earlier.

EXCHANGE TRADED FUNDS

- Total assets for exchange-traded funds (ETFs) were \$478 billion as of the end of November 2008, according to Investment Company Institute (ICI). At this date, there were 721 ETFs: 431 domestic equity index, 222 international equity index, 62 bond index, and 6 hybrid index funds. Assets of ETFs decreased by \$94 billion, or 16.4%, in the 12-month period ending November 2008. Assets in domestic equity decreased nearly \$37 billion since November 2007, and international equity assets fell \$76 billion during this period. Bond index funds posted an inflow of \$18 billion.



Source: Investment Company Institute

Sources: Lehman Brothers, 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, 2008

EQUITY MARKETS

<u>US Markets</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
S&P 500	1.06	-21.94	-37.00
S&P 500/CG Growth	1.16	-20.24	-34.92
S&P 500/CG Value	0.95	-23.82	-39.22
S&P 400	4.85	-25.55	-36.23
Russell 1000	1.60	-22.48	-37.60
Russell 1000 Growth	1.81	-22.79	-38.43
Russell 1000 Value	1.39	-22.17	-36.85
Russell 2000	5.80	-26.12	-33.80
Russell 2000 Growth	5.42	-27.44	-38.53
Russell 2000 Value	6.15	-24.89	-28.93
NASDAQ Composite	2.79	-24.37	-39.98

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

<u>S&P 500 Sectors</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
Financial	-0.29	-36.92	-55.31
Utilities	-2.11	-10.92	-28.99
Energy	-3.99	-20.62	-34.87
Industrials	1.07	-23.93	-39.93
Materials	-0.37	-30.78	-45.67
Healthcare	6.81	-12.11	-22.83
Consumer Staples	-0.33	-12.84	-15.46
Consumer Discretionary	5.54	-22.85	-33.50
Information Technology	1.76	-25.74	-43.15
Telecommunication Svcs	0.98	-1.38	-30.50

<u>Non-US Markets</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
EAFE	6.01	-19.95	-43.38
EAFE Growth	6.38	-20.10	-42.70
EAFE Value	5.63	-19.81	-44.09
AC World Free Ex-US	5.72	-22.29	-45.24
Japan	8.13	-9.01	-29.21
Pacific Ex-Japan	5.77	-25.03	-50.50
United Kingdom	-2.87	-26.36	-48.34
Europe Ex-UK	9.22	-21.13	-45.54
Emerging Markets	7.83	-27.56	-53.18

Sources: MSCI, Bloomberg, Vestek

<u>MSCI EAFE Sectors</u>	<u>Total Return</u>		
	Month	3 Mos	YTD
Financials	4.25	-32.36	-55.21
Utilities	8.73	-8.63	-28.15
Energy	-0.51	-15.20	-38.18
Industrials	9.35	-18.09	-44.48
Materials	6.08	-26.62	-53.03
Healthcare	8.16	-8.05	-18.95
Consumer Staples	5.50	-13.54	-31.33
Consumer Discretionary	6.14	-21.21	-45.47
Information Technology	7.48	-19.16	-44.87
Telecommunication Svcs	8.56	-3.33	-32.49

FIXED INCOME MARKETS

<u>Key Rates</u>	<u>U. S. Yields</u>		
	10/31/2008	11/30/2008	12/31/2008
Overnight	1.00	1.00	0.00
3- Month	0.39	0.05	0.09
2- Year	1.57	0.99	0.77
5- Year	2.84	1.92	1.55
10-Year	3.97	2.92	2.22

Sources: Merrill Lynch; Bloomberg Financial Market

	<u>Euro</u>	<u>Japan</u>	<u>U.K.</u>
	12/31/2008	12/31/2008	12/31/2008
	3	0.30	2.00
	N/A	0.22	1.15
	1.76	0.38	1.05
	2.32	0.69	2.43
	2.59	1.17	3.02

<u>Sectors</u>	<u>Total Return %</u>		
	Month	3 Mos.	YTD
BC Universal	3.82	2.72	2.38
BC Aggregate	3.73	4.58	5.24
BC U.S. Government	3.44	8.05	12.39
BC U.S. Credit	6.27	4.03	-3.08
BC Mortgage Backed	1.67	4.34	8.34
BC Municipal Bond	1.46	0.74	-2.47
BC U.S. TIPS	4.96	-3.48	-2.35
ML US HY Master II	7.47	-17.63	-26.39

Sources: Barclays Capital, SSB/Citi

<u>Mod.Adj. Duration</u>	<u>Weighting Basis</u>	
	Duration	MktVal
3.77	--	--
3.71	100.00%	100.00%
4.97	46.55	34.72
6.03	35.05	21.55
1.31	14.01	39.58
8.11	--	--
5.83	--	--
3.86	--	--

<u>Markets/Regions</u>	<u>U.S. Dollars %</u>		
	Month	3-Months	YTD
United States	3.42	8.85	13.89
WGBI	7.11	8.81	10.89
WGBI Non-US	8.13	8.80	10.11
EMBI+	8.52	-4.78	-9.70
EMLI+ (local currency index)	3.34	-6.83	-3.85
Euro Zone	10.96	4.99	3.96
United Kingdom	-1.24	-10.78	-17.96
Japan	6.96	20.24	27.82

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

	<u>Local Currency %</u>		
	Month	3-Months	YTD
	---	---	---
	2.25	5.88	8.90
	1.93	5.07	7.62
	---	---	---
	1.06	2.85	7.64
	1.29	6.10	9.35
	5.40	10.61	13.59
	1.80	2.67	3.72

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