Financial Markets Commentary
Fourth Quarter, 2011

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Economic & Monetary: December 31, 2011

Pushing on the Same String

As the world seems to careen from crisis to crisis, it is eminently useful to step back and assess the landscape from a long term perspective. We have just completed the fourth year of the worldwide debt hangover, and we have many more years ahead of us. These are not new or separate crises but steps on the long path to deleverage the world without depressing all of its economies. It is a path fraught with danger, possible missteps, and the ever-present hope that the need for it will just disappear. We have learned from The Depression that pulling away the punch bowl quickly does not work very well. So we are adding punch bowls globally with the hope that confidence will build, risk appetites will be whetted, and growth will reign. Absent some underlying growth, it is likely that the slow path to austerity will just depress the global economy. It is possible that in the end this solution will have the same result as immediately applying the brakes but the United States Federal Reserve and Treasury Secretary are not willing to just succumb. Europe has recently taken a page from our playbook. Regardless of the ultimate outcome, one thing will be different though: the time that everyone had to get ready.

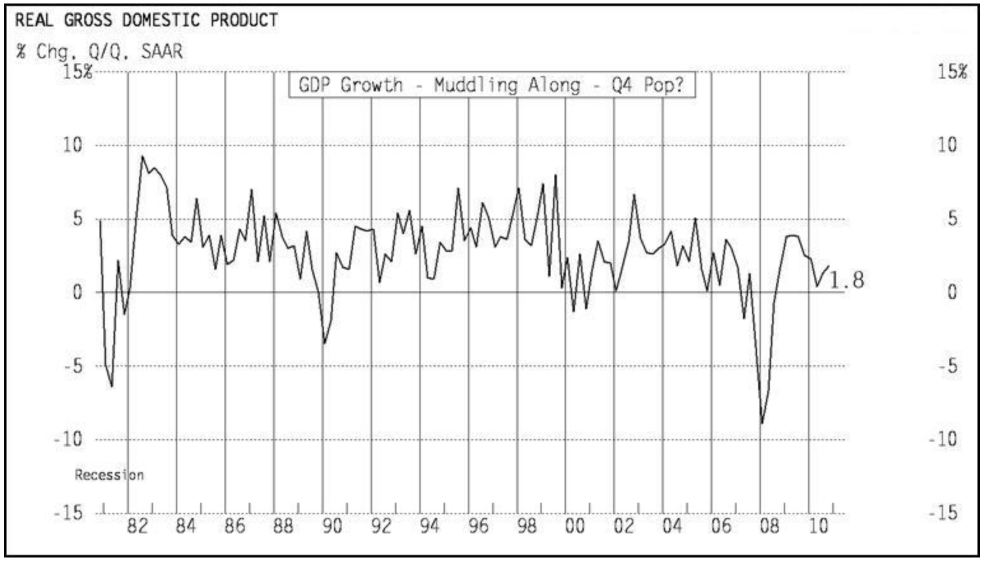
On a more positive note, there is wealth to be conserved and money to be made along the way. World equity markets fell double digits in 2011. U.S. equity markets returned between positive and negative 5% in 2011. However, the three year return on the S&P was 48.59%, on the Barclay Intermediate Govt/Corp bond index was 17.91%, and on the Precious Metals Index was 92.72%. So although safe bonds gave you 5.8% in 2011, would you have foregone equities, precious metals and a host of other asset classes for the three year period? Of course not. That is why reasoned and strategic asset allocation remains the way to go.

Economic & Monetary: December 31, 2011

The U.S. Economy: And the Beat Goes On

2011 was the year that U.S. government stimulus was finally winding down after three years of guarantees, bailouts and acronyms like TALF and TARP. We have been waiting to see exactly what lay beneath the lacquer of multiple stimulus programs and we got that opportunity. The economic data began to weaken even before the large stimulus programs ended. Concurrently, global production was wounded by a pair of tragedies: the Japanese nuclear crisis and the devastating floods which covered two thirds of Thailand. Months later, a euro zone sovereign debt crisis began to bloom. This is a new chapter in the long deleveraging book. Having indebted themselves to bailout their financial systems and support their people, it is the sovereigns themselves who are failing to find a seat on the merry-go-round of global deleveraging victors.

GDP growth was back-end loaded in 2011. Third quarter GDP growth came in at 1.8%, see chart below, and fourth quarter GDP rose 2.8% [Source: Bureau of Economic Analysis (BEA)].



[Source: U.S. Dept. of Commerce; Baseline]

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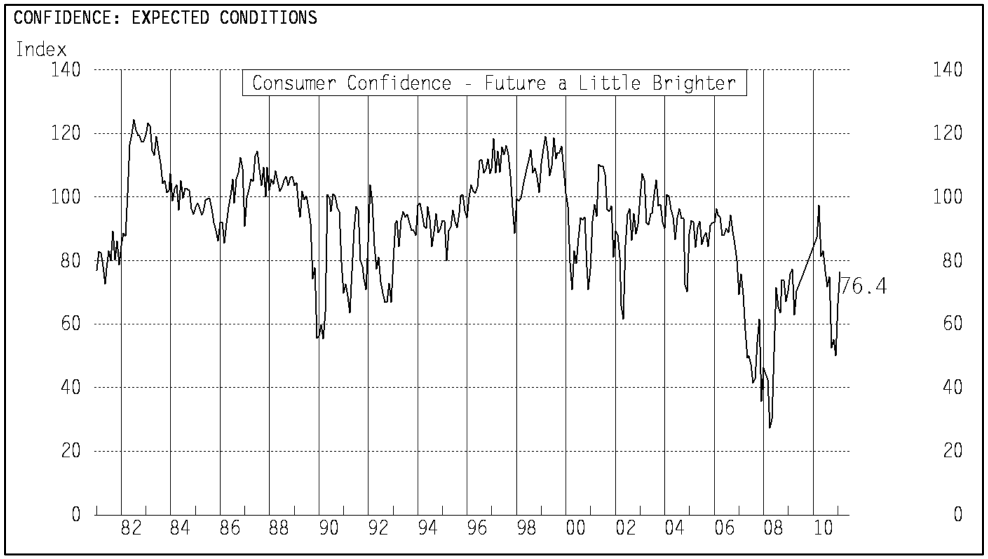
Nonetheless, GDP growth moderated substantially. GDP grew 1.7% for the full year 2011, compared to 3.0% in 2010 [Source: BEA advance estimate, January 27, 2012]. As we had postulated, reduced federal, state and local government spending contributed to the decline. It is difficult to see government spending making a positive GDP contribution for some time.

However, consumer confidence for the future and consumer confidence about current conditions are both trying to base, albeit at levels which brush the series lows. See chart below and chart on page five.



[Source: The Conference Board; Baseline]

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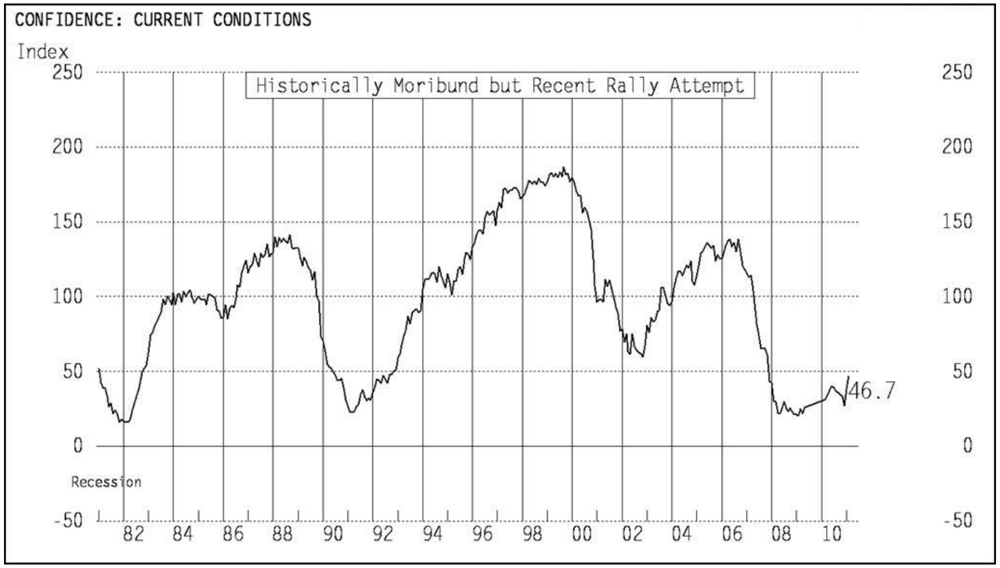

[Source: The Conference Board; Baseline]

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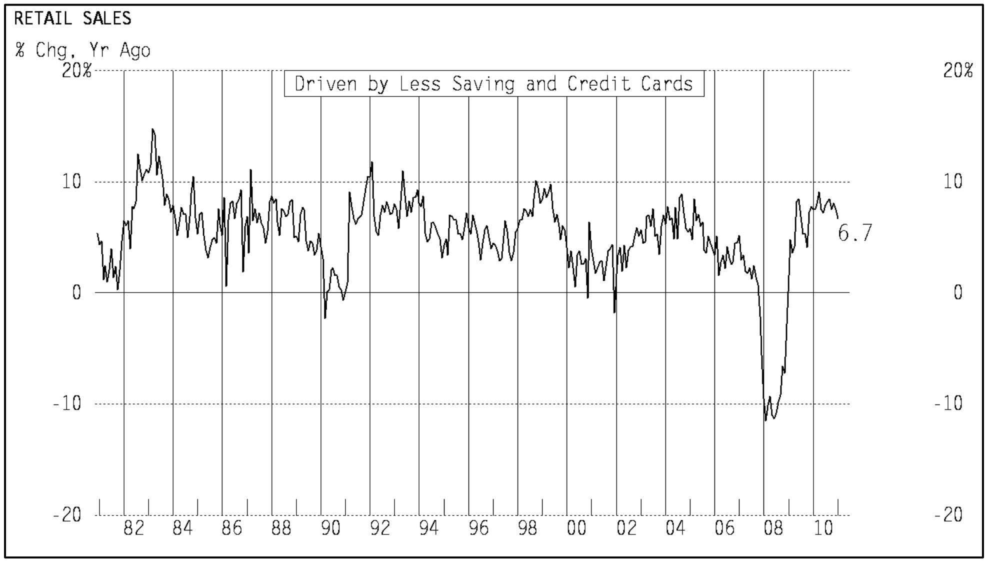
Retail sales have rallied convincingly from the crisis lows but now appear poised to decline somewhat. See chart below.



[Source: U.S. Dept. of Commerce; Baseline]

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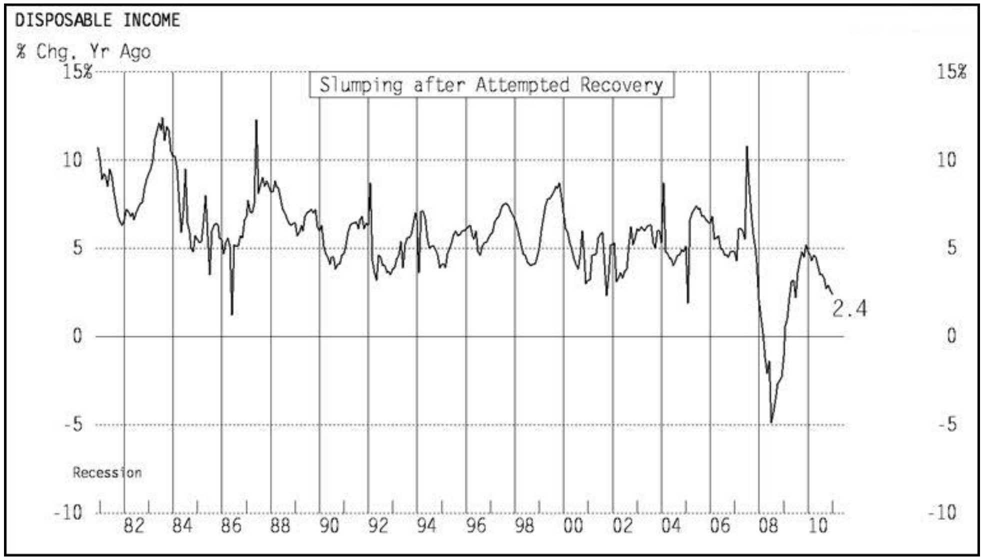
Disposable income has resumed a downtrend after its post crisis ascent, see chart below.



[Source: The Conference Board; Baseline]

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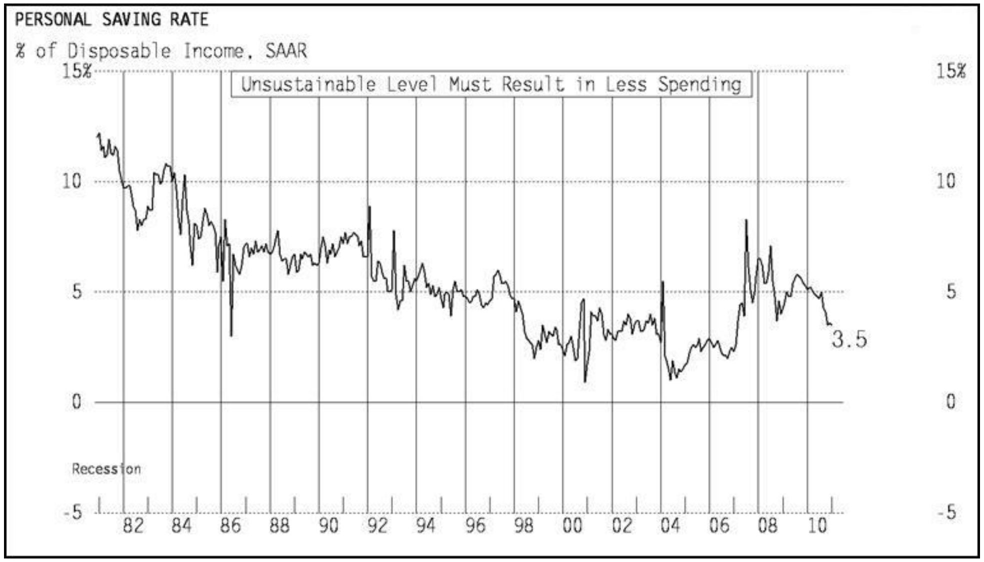
Additionally, the personal savings rate has reached a post-crisis nadir of 3.5%. See chart below.



[Source: U.S. Dept. of Commerce; Baseline]

It is clear that retail sales were partially fueled by savings. Since this is unsustainable, retail sales will likely moderate in coming months absent some other catalyst.

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Inventory restocking contributed almost half of the fourth quarter GDP number. Since it is unlikely that a more confident consumer with less money to spend will help to ramp up retail sales, it is likely that less inventory will need to be purchased next quarter, further moderating GDP growth. The unemployment rate has been inching down. See chart below.

[Source: U.S. Bureau of Labor Statistics; Baseline]

It is good that more people are finding work (the numerator of the unemployment rate fraction) but the other reason for the decline is that more people have given up looking (the denominator of the unemployment rate fraction).

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Single family home prices are trying to find a bottom. See chart below.

[Source: National Association of Realtors; Baseline]

Since supply and demand remain unbalanced, prices will have to decline somewhat more. Absent an inflationary bubble caused by too much money being printed, we think that the bottoming process could take years. Without significant inflation, a home is not a very good investment (financially speaking). There are continuous outflows, recurring and extraordinary, with no continuing income to offset these expenses. The negative cash flow aspect of housing is beginning to dawn on the masses and may retard the desire for second and third homes for a long time (at least until residential real estate begins to appreciate again).

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A spate of releases during January were mostly positive for the U.S. economy and markets. The Federal Open Market Committee (FOMC) decided to keep the target range for federal funds between 0% and 0.25% through at least late 2014 [Source: Federal Reserve]. This decision assures investors that the monetary spigot remains wide open to aid recovery. On the same day, Chairman Bernanke declared that the Federal Reserve could engage in a fresh round of bond purchases to keep rates low and stimulate the economy [Source: Bloomberg]. New orders for durable goods climbed 3% in December [Source: Commerce Department]. As well, sales of existing homes rose somewhat in December providing "early signs of what may be a sustained recovery," according to Lawrence Yun, Chief Economist, National Association of Realtors. Payrolls swelled by 243,000 people in January. This jump exceeded consensus forecasts by a wide margin and caused the unemployment rate to ratchet down to 8.3%.

Our Federal Reserve is committed to pumping this economy until nascent confidence blooms into self sustaining growth. We applaud the goal but wonder if we will now be crippled in the face of some future shock. Only time will tell. Across the pond, they are now following the U.S. quantitative easing lead and markets across the globe have responded with alacrity.

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The Global Economy – Supported by Emerging Markets

The European debt crisis continued to expand. Debt laden sovereigns in the euro zone are constrained in their ability to start the presses or load up their balance sheets without reference to the collective. This is a great burden for the strong and efficient members and an ultimate noose for the profligate. Yet the creation of an efficient global trading block similar to the United States had huge economic appeal. It is likely that long term failure to adhere to the financial limitations imposed by the original agreement contributed significantly to the current problems.

Recently, the European Central Bank (ECB) emulated the U.S. Federal Reserve and flooded the coffers of 523 euro area banks with 639 billion dollars of fresh, low cost capital sporting a generous three year payback. Dubbed the Long Term Refinancing Operation (LTRO), this exercise helped to shore up the liquidity of these institutions as the interbank funding market had virtually dried up. As in the U.S., the magnanimous gesture helped to foster more initial confidence. As in the U.S., only time will tell if the additional debt incurred was a magic elixir or the seed of our financial destruction.

Coming into the fourth quarter, the developed world was growing modestly and the developing world was expanding briskly in the face of global deleveraging and systemic problems. However, "[t]he global recovery is threatened by the intensifying strains in the euro area and fragilities elsewhere. [Global] financial conditions have deteriorated, growth prospects have dimmed, and downside risks have escalated," according to the International Monetary Fund's World Economic Outlook Update of January 24, 2012. The IMF has reduced its world growth forecast by 0.6% to a still comfortable 3.3% for 2012 and 3.9% for 2013. These projections have been inching down for some time as recently capital starved euro area banks have reduced lending in the healthier emerging markets. "Capital flows to emerging economies fell sharply," according to the IMF [Source: WEO Update, January, 2012].

In general, the IMF now expects growth in advanced economies to average 1.5% in 2012-2013. This estimate is predicated upon a mild euro zone recession, modest growth in developed economies and strong but slightly moderating growth in the developing world [Source: WEO Update, January 2012]. We subscribe to these forecasts but are mindful of the unprecedented systemic and financial risks overhanging the interconnected globe.

Conclusion

The Outlook for 2012

We see significant value in emerging markets. Credit and equity remain attractively priced for the better-than-developed-world growth that we expect. Many of these countries now have significant domestic demand profiles so that further economic weakening across the globe will impact them less than pure exporters. However, since capital markets infrastructure and the rule of law are immature, these markets pose more substantial 'flow' and operational risks. We continue to like higher dividend paying multinational companies as well, but they are not a bond substitute. High yield stocks can fall as much as no or low yield stocks. However, the favorable tax treatment of capital gains and qualified dividends, the substantial income pickup over safe fixed income, and the financial strength of these companies continues to favor a dedicated allocation which sub-allocation needs to be made from the greater equity allocation.

We continue to favor high quality corporate notes/bonds. As we posited several years ago, corporations with billions in cash have become more frequent winners of our balance sheet beauty contests than many countries and the spread widens as more sovereigns print money to resurrect confidence. The Federal Reserve's zero interest rate policy is designed to bailout the profligate and force the circumspect to take more risk. In this environment, higher yielding debt becomes more attractive but should be accomplished, if at all, in the most liquid way possible. The Federal Reserve only controls the federal funds rate. Should the world turn its laser focus on the United States' indebtedness with the same ferocity it turned on Europe, rates here could climb just as precipitously, causing capital losses far exceeding the yield pickup. We assign a high probability to this 'fat tail' outcome but have no sense of when it might occur.

Precious metals remain a bulwark against currency debasement. We believe that competitive currency devaluation has become more of a risk as our cheap dollar policy produces substantial pain in Japan, Europe and elsewhere. Volatility provides opportunity to trade around a constant core position. Energy products serve the same purpose but are subject to many more political vagaries. We believe that currencies are also a 'must have' in any diversified portfolio. Again, the purpose is simply to maintain purchasing power.

Conclusion

Unfortunately the backdrop remains conflicted and tenuous. We have posited since 2008 that the two highest probability outcomes are diametrically opposed: deflation and inflation. They also require completely different investment plans. Some have recently referred to the dichotomy as the ascension of the 'fat tail.' The typical bell curve distribution features a slim beginning, a large and rising middle and a slim end. Essentially our probability forecast is that the 'outliers' or 'fat tails' are increasingly likely outcomes. Hence, methods of protecting against both need to be incorporated into any investment plan because the risk of planning for neither, or the wrong one, is simply too high.

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Fourth Quarter 2011 Returns

The fourth quarter bull run was a complete reversal of the third quarter's precipitous decline in the United States. Indeed, the last were first as the hardest hit in the third quarter were the best performers in the fourth. See third and fourth quarter side-by-side returns on pages 16 and 17.

Small cap U.S. value stocks as measured by the Russell 2000 Value Index rose 15.97% in the fourth quarter after falling 21.47% in the third quarter. Large cap U.S. stocks, as measured by the S&P 500, rose 11.82% in the fourth quarter after falling 13.87% in the third quarter. While foreign bourses rose as well, their fourth quarter gains were paltry in comparison to their third quarter declines. International markets, as measured by the MSCI EAFE plus Canada Index, rose 3.03% in the fourth quarter, hardly denting the 19.58% loss experienced in the third quarter. The BRIC markets saw a 3.95% fourth quarter gain which again, barely moderated the third quarter's 26.31% descent. And so it was, across the world's equity markets except the United States.

U.S. fixed income saw moderate positive returns in both quarters with the third quarter experiencing inflows from equity sales. High yield and much global debt fell significantly in the third quarter as euro funding issues dominated the headlines but both snapped three quarters of the way back in the closing quarter. Petroleum products gained more in the fourth quarter than they lost in the third while real estate clawed back to even over the two quarters. Precious metals, which served their safe haven purpose, had risen modestly during the global third quarter meltdown and actually fell 4.37% during the fourth quarter meltup. Hedge fund returns generally fell in the third quarter and moderated during the fourth quarter.

The Markets: December 31, 2011

QUARTER-TO-DATE RETURNS

Equity Indices – U.S.	3Q	4Q
Standard & Poor's 500 Index	-13.87%	11.82%
Dow Jones Industrial Average	-11.49%	12.78%
NASDAQ	-12.91%	7.86%
Russell 2000 Growth Index	-22.25%	14.99%
Russell 2000 Value Index	-21.47%	15.97%
Russell 3000 Value Index	-16.63%	13.33%
Lipper Small Cap Core Funds Index	-21.33%	15.15%
Equity Indices – Foreign		
MSCI EAFE + Canada Index[1]	-19.58%	3.03%
MSCI Emerging Markets Index	-23.19%	4.08%
MSCI Europe Index	-23.00%	4.88%
MSCI Latin America Index	-25.13%	7.79%
MSCI BRIC Index	-26.31%	3.95%
Hard Asset/Other Indices		
Dow Jones AIG Comm. Futures Index	-11.34%	0.34%
Dow Jones AIG Petroleum Index	-14.47%	17.41%
Dow Jones AIG Precious Metals Index	2.32%	-4.37%
Lipper Real Estate Funds Index	-14.64%	14.65%

Source: IDC, MSCI Barra, Lipper

[1] MSCI EAFE + Canada Index return does not include reinvested dividends.

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QUARTER-TO-DATE RETURNS

Alternative Strategy Indices	3Q	4Q
HFRX Fund of Funds Index	-6.45%	-0.54%
Dow Jones Credit Suisse Hedge Fund Index	-4.78%	0.71%
Dow Jones Credit Suisse Convertible Arbitrage	-3.61%	1.20%
Dow Jones Credit Suisse Dedicated Short Bias	19.04%	-8.25%
Dow Jones Credit Suisse Equity Market Neutral	-3.27%	2.35%
Dow Jones Credit Suisse Global Macro	4.41%	0.58%
Dow Jones Credit Suisse Distressed	-7.78%	0.71%
Dow Jones Credit Suisse Multi-Strategy	-12.71%	0.63%

Fixed Income Indices		
Barclays Capital Intermediate Gov/Cr Index	2.39%	0.84%
Barclays Capital 5 Year Muni Bond Index	1.97%	1.45%
Merrill Lynch Muni 1-3 Year Index	0.48%	0.32%
Merrill Lynch Muni 3-7 Year Index	1.94%	1.40%
Lipper High Yield Taxable Funds Index	-6.63%	5.58%
Lipper Mortgage Funds Index	2.17%	0.84%
Lipper World Bond Funds Index	-3.54%	1.39%

Source: Dow Jones Credit Suisse, IDC, Lipper

The Markets: December 31, 2011

Full Year 2011 Returns

The market year of 2011 resembled the market year of 2008 across most of the globe. Most equity markets closed up nicely for the first quarter in a synchronized rally. Things got a little choppier during the second quarter with world markets closing both up and down marginally. The third quarter was a bloodbath for equities, most commodities, and real estate but a good one for U.S. fixed income. However, world equity markets, except the United States, could not ameliorate the dizzying losses of the third quarter. Unlike 2008, the fourth quarter mostly overcame the losses of the third in the United States. As a result, only large cap U.S. stocks and the Philippines equity markets closed the year in mildly positive territory while global bourses closed the year with mid-teen to mid-twenties declines. U.S. long term government bonds and municipal bonds appreciated the most. All major fixed income categories closed the year with positive performance, but as in 2008, U.S. long-dated Treasuries were the performance king. Unlike 2008, U.S. long dated municipal securities followed closely.

Investors became frustrated with the volatility as they did in 2008. Selection was not rewarded in 2011 as the tight synchronization of markets and significant volatility rendered careful analysis useless in enhancing shorter term performance. Many left or reduced exposure in the teeth of the decline. We expect, and have seen in January 2012, that past will be prologue. We expect that the last will become first in early 2012, selection will be rewarded, and correlations will widen based upon fundamentals. This process will be enhanced by the additional liquidity being unleashed by central banks. Our long term plan continues to provide the best antidote for volatile markets as their occurrence was favored into the plan.

The Markets: December 31, 2011

YEAR-TO-DATE RETURNS

Equity Indices – United States

Standard & Poor's 500 Index	2.11%
Dow Jones Industrial Average	8.38%
NASDAQ	-1.80%
Russell 2000 Growth Index	-2.91%
Russell 2000 Value Index	-5.50%
Russell 3000 Value Index	-0.10%
Lipper Small Cap Core Funds Index	-3.41%

Equity Indices – Foreign

MSCI EAFE + Canada Index[1]	-14.77%
MSCI Emerging Markets Index	-20.41%
MSCI Europe Index	-13.82%
MSCI Latin America Index	-21.92%
MSCI BRIC Index	-24.85%

Hard Asset/Other Indices

Dow Jones AIG Comm. Futures Index	-13.37%
Dow Jones AIG Petroleum Index	1.71%
Dow Jones AIG Precious Metals Index	4.56%
Lipper Real Estate Funds Index	7.64%

Alternative Strategy Indices

HFRX Fund of Funds Index	-8.92%
DJ Credit Suisse Hedge Fund Index	-2.52%
DJ Credit Suisse Convertible Arbitrage	1.13%
DJ Credit Suisse Dedicated Short Bias	3.85%
DJ Credit Suisse Equity Market Neutral	4.49%
DJ Credit Suisse Global Macro	6.44%
DJ Credit Suisse Distressed	-4.24%
DJ Credit Suisse Multi-Strategy	-11.96%

Fixed Income Indices

Barclays Capital Intermed Gov/Cr Index	5.80%
Barclays Capital 5 Year Muni Bond Index	6.93%
Merrill Lynch Muni 1-3 Year Index	2.36%
Merrill Lynch Muni 3-7 Year Index	6.89%
Lipper High Yield Taxable Funds Index	2.80%
Lipper Mortgage Funds Index	6.07%
Lipper World Bond Funds Index	2.17%

Source: Dow Jones Credit Suisse, IDC, MSCI Barra, Lipper

[1] MSCI EAFE + Canada Index return does not include reinvested dividends.

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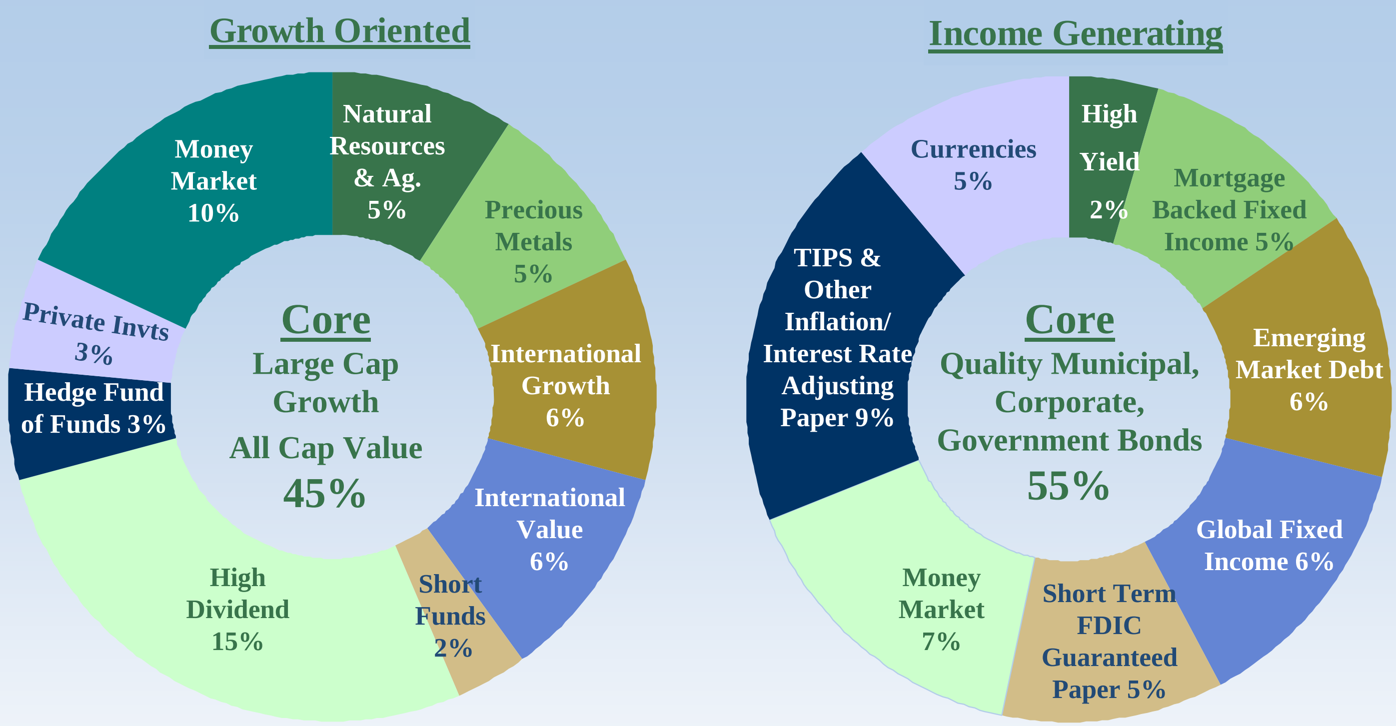
Asset Allocation

DIVERSIFIED ALLOCATION EXAMPLE December 31, 2011



These Asset Allocation Wheels are examples of allocations that may be appropriate for some investors. An investor's particular goals, circumstances, and risk tolerance will dictate the appropriate allocation for that investor. The Allocation Wheels are presented here only to reflect how diversification may look under a given set of circumstances. All investments have some risk. Some of these strategies have more risk than traditional investments.

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Updated 2/8/2012

Twenty Year View of Asset Class Returns

Annual Returns of Key Indices (1992-2011) Ranked in Order of Performance (Best to Worst)

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Small Cap Value 29.14%	Int'l 32.56%	Commdty 11.73%	Large Cap Growth 38.13%	Real Estate 37.05%	Large Cap Growth 36.52%	Large Cap Growth 42.15%	Small Cap Growth 43.09%	Real Estate 31.04%	Small Cap Value 14.03%
Real Estate 15.13%	Small Cap Value 23.84%	Int'l 7.78%	Large Cap Core 37.58%	Large Cap Growth 23.98%	Large Cap Core 33.36%	Large Cap Core 28.58%	Large Cap Growth 28.25%	Commdty 24.21%	Real Estate 12.35%
Large Cap Value 10.53%	Large Cap Value 18.60%	Large Cap Growth 3.13%	Large Cap Value 37.00%	Large Cap Core 22.96%	Small Cap Value 31.78%	Int'l 20.00%	Int'l 26.96%	Small Cap Value 22.83%	Fixed Income 8.44%
Small Cap Growth 7.77%	Real Estate 15.14%	Real Estate 2.66%	Small Cap Growth 31.04%	Large Cap Value 21.99%	Large Cap Value 29.99%	Large Cap Value 14.68%	Large Cap Core 21.04%	Fixed Income 11.63%	Small Cap Growth -9.23%
Large Cap Core 7.62%	Small Cap Growth 13.36%	Large Cap Core 1.32%	Small Cap Value 25.75%	Small Cap Value 21.37%	Real Estate 19.66%	Fixed Income 8.69%	Commdty 18.60%	Large Cap Value 6.08%	Large Cap Value -11.71%
Fixed Income 7.40%	Large Cap Core 10.08%	Large Cap Value -0.63%	Fixed Income 18.47%	Commdty 16.99%	Small Cap Growth 12.95%	Small Cap Growth 1.23%	Large Cap Value 12.72%	Large Cap Core -9.11%	Large Cap Core -11.88%
Large Cap Growth 5.07%	Fixed Income 9.75%	Small Cap Value -1.55%	Real Estate 12.24%	Small Cap Growth 11.26%	Fixed Income 9.65%	Small Cap Value -6.45%	Fixed Income -0.82%	Int'l -14.17%	Large Cap Growth -12.73%
Commdty 0.13%	Large Cap Growth 1.68%	Small Cap Growth -2.43%	Int'l 11.21%	Int'l 6.05%	Int'l 1.78%	Real Estate -17.01%	Small Cap Value -1.49%	Large Cap Growth -22.08%	Int'l -21.44%
Int'l -12.17%	Commdty -4.04%	Fixed Income -2.92%	Commdty 8.93%	Fixed Income 3.63%	Commdty -8.24%	Commdty -30.52%	Real Estate -2.58%	Small Cap Growth -22.43%	Commdty -22.32%

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Commdty 23.86%	Small Cap Growth 48.53%	Real Estate 33.16%	Commdty 17.54%	Real Estate 39.97%	Large Cap Growth 11.81%	Fixed Income 5.24%	Large Cap Growth 37.21%	Small Cap Growth 29.09%	Real Estate 9.24%
Fixed Income 10.26%	Small Cap Value 46.02%	Small Cap Value 22.25%	Real Estate 13.82%	Small Cap Value 23.48%	Commdty 11.08%	Small Cap Value -28.92%	Small Cap Growth 34.47%	Real Estate 28.60%	Fixed Income 7.84%
Real Estate 3.58%	Int'l 39.17%	Int'l 20.69%	Int'l 13.50%	Int'l 23.47%	Int'l 8.62%	Commdty -36.61%	Real Estate 28.60%	Small Cap Value 24.50%	Large Cap Growth 2.64%
Small Cap Value -11.43%	Real Estate 36.18%	Large Cap Value 15.71%	Large Cap Value 7.10%	Large Cap Value 22.24%	Small Cap Growth 7.05%	Large Cap Value -36.85%	Int'l 27.75%	Large Cap Growth 16.71%	Large Cap Core 2.11%
Int'l -15.94%	Large Cap Value 31.77%	Small Cap Growth 14.31%	Large Cap Growth 5.26%	Large Cap Core 15.77%	Fixed Income 6.97%	Large Cap Core -37.03%	Large Cap Core 26.50%	Commdty 16.67%	Large Cap Value 0.39%
Large Cap Value -20.85%	Large Cap Core 28.67%	Large Cap Core 10.88%	Large Cap Core 4.88%	Small Cap Growth 13.35%	Large Cap Core 5.48%	Large Cap Growth -38.44%	Small Cap Value 20.58%	Large Cap Value 15.51%	Small Cap Growth -2.91%
Large Cap Core -22.10%	Large Cap Growth 25.65%	Commdty 7.64%	Small Cap Value 4.71%	Large Cap Growth 9.07%	Large Cap Value -0.17%	Small Cap Growth -38.54%	Large Cap Value 19.69%	Large Cap Core 15.06%	Small Cap Value -6.50%
Large Cap Growth -23.59%	Commdty 22.66%	Large Cap Growth 6.13%	Small Cap Growth 4.15%	Fixed Income 4.33%	Small Cap Value -9.78%	Real Estate -39.20%	Commdty 18.72%	Fixed Income 6.54%	Commdty -13.37%
Small Cap Growth -30.26%	Fixed Income 4.11%	Fixed Income 4.33%	Fixed Income 2.43%	Commdty -2.71%	Real Estate -17.55%	Int'l -43.38%	Fixed Income 5.93%	Int'l 4.90%	Int'l -14.82%

Index Descriptions

The Barclays US Aggregate Bond Index is what was formerly known as the Lehman Brothers Aggregate Bond Index, an unmanaged market-weighted index that consists of U.S. Government and agency securities, mortgage-backed securities issued by the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association and investment-grade (rated BBB or better) corporate bonds, all of which will mature within 30 years.

The Morgan Stanley Capital International (MSCI) EAFE Index is an unmanaged index that measures the total returns of developed foreign stock markets in Europe, Asia, and the Far East.

The Russell 2000 Growth Index consists of those small-cap companies that have higher price-to-book ratios and higher forecasted growth value.

The Russell 2000 Value Index consists of those small-cap companies that have lower price-to-book ratios and lower forecasted growth values.

The S&P 500 Index is an unmanaged index that consists of the common stocks of 500 large-capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange.

The Russell 1000 Growth Index consists of companie that have higher price-to-book ratios and earnings potential. *

The Russell 1000 Value Index consists of companies that have lower price-to-book ratios and earnings potential. *

The Dow Jones UBS Commodity Index reflects the return of underlying futures prices of 19 physical commodities.

The Wilshire U.S. REIT Index measures U.S. publicly traded Real Estate Investment Trusts.

* As of 1/1/05, the Russell 1000 Growth and the Russell 1000 Value replaced the S&P/Barra Growth and the S&P/Barra Value respectively. Through 2004 on this chart, the S&P/Barra indices were used for Large Cap Growth and Large Cap Value.

Source: IDC; Morgan Stanley; Russell; Standard & Poor's; Dow Jones; Wilshire

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