



Changes in Asset Allocation

January 6, 2009

Asset allocations changed significantly during the fourth quarter of 2008, as cash and fixed income positions increased, while equity positions decreased. Rather than being attributable to proactive decisions or rebalancing by advisors, these shifts were due to dramatic changes in the market values of the underlying asset classes, as US equities declined by 14.0% and non-US equities declined by 19.3%. Essentially, advisors kept allocations constant as the equities markets declined, and by default increased their cash and fixed income allocations.

Notable shifts occurred within US equity allocations, as assets shifted out of large and mid-cap and into small cap, as well as out of growth and into value and blend. These shifts, particularly at the style level, reflect changes in classifications due to rapidly changing market dynamics (e.g., more securities and funds held by advisors are now classified as value and blend), and not due to proactive shifts by advisors.

In the fixed income markets, advisors extended maturities in the taxable and municipal markets, decreasing short and medium term holdings and increasing long term holdings.

Here are some of the more significant movements during the quarter:

- Cash positions increased by 1.0%, continuing a trend that has been evident since August of 2007. Since that time, cash holdings have increased from 7.9% to 12.2% of total assets. During the fourth quarter, equity holdings (US and non-US) decreased by 4.4%, while the Dow decreased by 14.0%, from 10,325 to 8,876, and developed non-US markets (based on EFA) declined by 19.3%. Fixed income positions increased by 3.7%, while the benchmark performance (the Lehman AGG) was up 5.2%. If advisors had not rebalanced during the quarter, equity allocations would have decreased by approximately 4.5% and bond positions would have increased by 3.5% due to market movements, and cash would have increased by 0.9%. Since these movements approximate the actual movements, we can infer that, in the aggregate, advisors did not rebalance during the fourth quarter.
- Continuing a trend from the third quarter, assets shifted into US equity and fixed income markets (+0.2%), as non-US positions decreased (-2.0%). This is largely the result of market movements and not due to rebalancing by advisors. Since our analysis began in May of 2007, there has been a



shift in assets out of US markets (from 71.4% to 66.9%) and non-US markets (from 9.8% to 9.1%), as cash positions have increased from 8.4% to 12.2%. As we noted previously, this is largely the result of market movements rather than proactive decisions or rebalancing by advisors.

- Within the US equity markets, there was a shift out of large cap (-4.1%) and into mid cap (+1.7%) and small cap (+2.4%), as well as into value (+9.8%) and blend (+7.4%) and out of growth (-17.4%). Over the past three quarters, allocations to growth have decreased by 25.5%, from 31.0% to 5.5%. This shift in style allocations is not due to market movements, and instead is explained by changes in classifications of funds and individual stock positions (i.e., more stocks and funds are now classified as value than in the previous quarter).
- Within fixed income allocations, muni bond assets decreased by 3.2% and taxable bond assets increased by 0.1%. More significantly, taxable and municipal maturities continued to extend. On the taxable side, maturities lengthened considerably, with short term assets decreasing by 5.5%, medium term assets increasing by 0.1% and long term assets increasing by 5.3%. On the municipal side, short term assets were unchanged, while medium term assets decreased by 3.4%, and long term assets increased by 3.3%. Investment grade taxable bond holdings decreased by 4.1% and medium grade holdings increased by almost the same amount. Municipal bond holdings exhibited the same pattern, with investment grade holdings decreasing by 3.7%, medium grade holdings increasing by 1.7%, and high yield holdings increasing by 1.9%. These changes in quality are mitigated by the fact that ratings are generally being downgraded, so a lack of rebalancing or proactive decisions would have the same effect on allocations.

Methodology

Every quarter we review changes in Asset Allocation in the Advisor Perspectives (AP) Universe. Previous analyses were done:

[October 8, 2008](#)

[July 22, 2008](#)

[May 13, 2008](#)

[February 19, 2008](#)

[November 15, 2007](#)

[August 15, 2007](#)

[May 27, 2007](#)

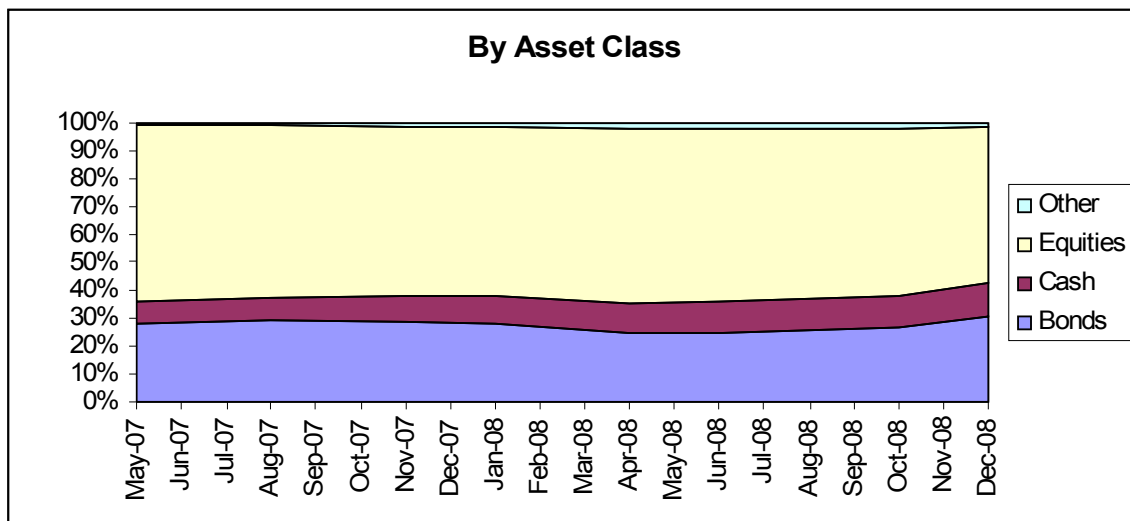


This week we look at changes from October 3, 2008 to December 31, 2009.

Our analysis looks at changes across the entire AP Universe. The AP Universe consists of assets from high net worth (HNW) and ultra-high net worth (UHNW) investors being managed by Registered Investment Advisors (RIAs). The AP Universe is divided into three tiers based on account size. In the tier containing the Largest Accounts, the average account size is approximately \$3.7 million (and this remained constant over the 12 week period). Approximately 94% of the assets (by market value) are in the Largest Accounts, so this analysis is primarily indicative of shifts in this account tier.

The tables below show the complete data for the AP Universe for each of the prior measurement periods. The number in parentheses is the total AUM as of 12/31/08.

By Asset Class (\$43,201,173,440)



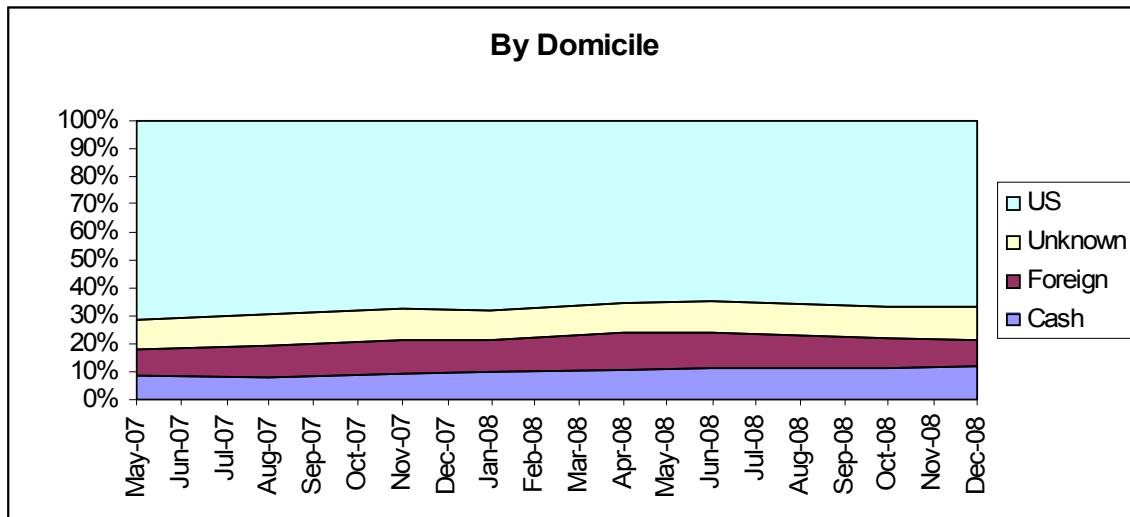
Asset Class	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Bonds	27.7%	29.2%	28.9%	28.1%	24.8%	24.6%	26.7%	30.4%
Cash	8.4%	7.9%	9.0%	9.8%	10.7%	11.1%	11.2%	12.2%
Equities	63.5%	62.1%	60.9%	60.9%	62.7%	62.4%	60.4%	56.0%
Other	0.4%	0.8%	1.2%	1.2%	1.8%	1.9%	1.7%	1.4%

Asset Class	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Bonds							
Cash							
Equities							
Other							



Bonds	1.5%	-0.3%	-0.8%	-3.4%	-0.2%	2.1%	3.7%
Cash	-0.5%	1.1%	0.8%	0.9%	0.4%	0.1%	1.0%
Equities	-1.4%	-1.2%	0.0%	1.8%	-0.3%	-2.0%	-4.4%
Other	0.4%	0.4%	0.0%	0.6%	0.1%	-0.2%	-0.3%

By Domicile (\$43,201,173,440)

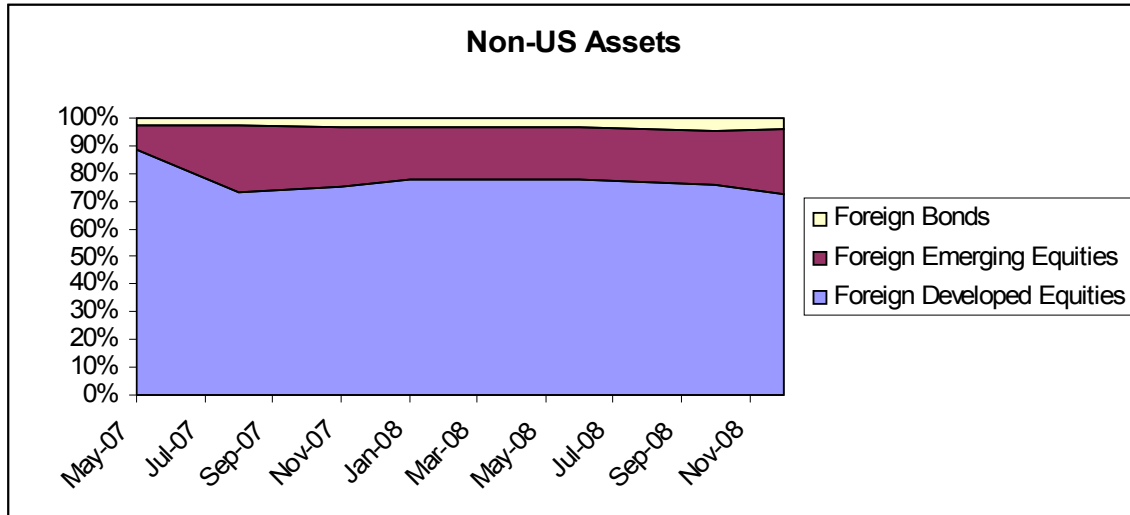


Asset Class	5/27 2007	8/15 2007	11/15 2007	1/31 2008	4/26 2008	6/30 2008	10/3 2008	12/31 2008
Cash	8.4%	7.9%	9.0%	9.8%	10.7%	11.1%	11.2%	12.2%
Foreign	9.8%	11.5%	12.1%	11.7%	13.3%	12.7%	11.1%	9.1%
Unknown	10.4%	11.2%	11.3%	10.6%	10.6%	11.4%	11.1%	11.8%
US	71.4%	69.4%	67.5%	67.9%	65.4%	64.7%	66.7%	66.9%

Asset Class	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Cash	-0.5%	1.1%	0.8%	0.9%	0.4%	0.1%	1.0%
Foreign	1.7%	0.6%	-0.4%	1.6%	-0.6%	-1.6%	-2.0%
Unknown	0.8%	0.1%	-0.7%	0.0%	0.8%	-0.3%	0.7%
US	-2.0%	-1.9%	0.4%	-2.6%	-0.7%	2.0%	0.2%



Non-US Assets (\$3,941,306,491)

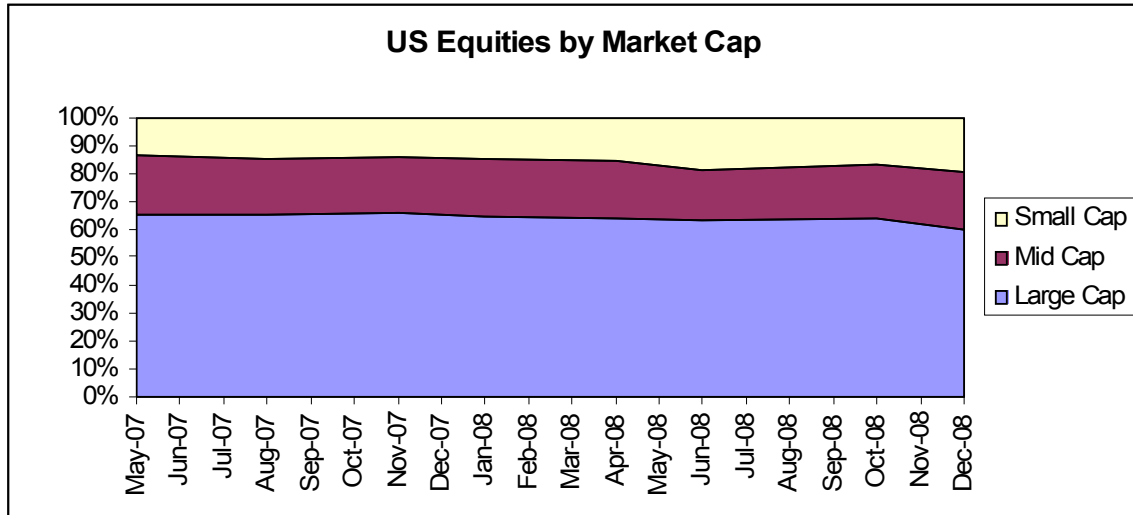


Non-US Assets	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Foreign Developed Equities	88.4%	73.2%	75.1%	78.2%	77.6%	77.9%	75.6%	72.7%
Foreign Emerging Equities	8.7%	23.9%	21.8%	18.6%	18.9%	18.7%	19.8%	23.3%
Foreign Bonds	2.9%	2.9%	3.1%	3.3%	3.5%	3.5%	4.7%	4.0%

Non-US Assets	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Foreign Developed Equities	-15.2%	1.9%	3.1%	-0.5%	0.3%	-2.3%	-2.9%
Foreign Emerging Equities	15.2%	-2.1%	-3.2%	0.3%	-0.2%	1.1%	3.5%
Foreign Bonds	0.0%	0.2%	0.2%	0.2%	-0.1%	1.2%	-0.7%



US Equities by Market Cap (\$18,850,971,817)

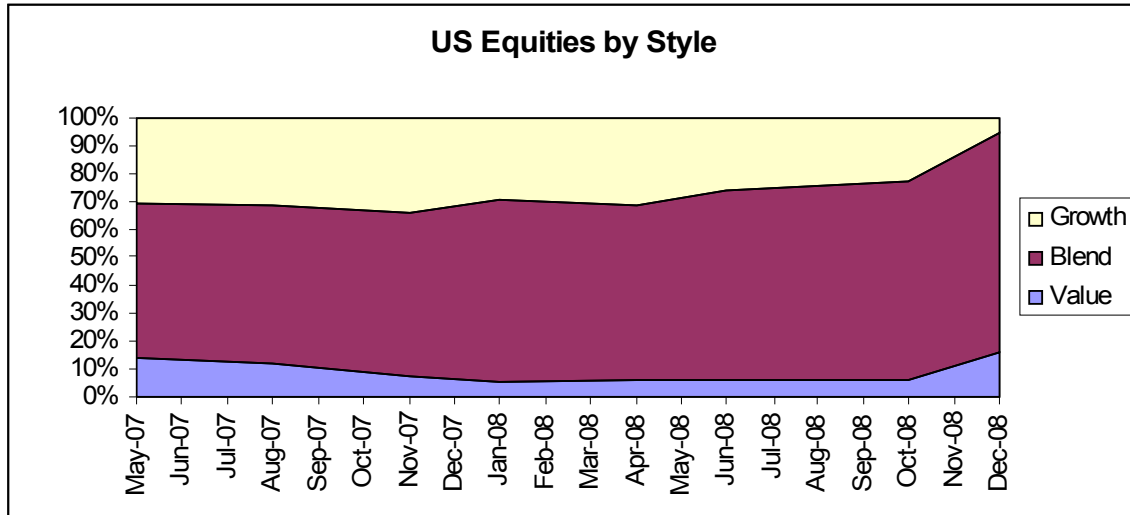


US Equities by Market Cap	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap	65.3%	65.2%	66.0%	65.0%	64.0%	63.3%	64.1%	60.0%
Mid Cap	21.1%	20.2%	20.1%	20.5%	20.4%	18.3%	19.0%	20.7%
Small Cap	13.6%	14.6%	14.0%	14.5%	15.6%	18.4%	16.9%	19.3%

US Equities by Market Cap	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap	-0.1%	0.8%	-1.0%	-1.0%	-0.7%	0.8%	-4.1%
Mid Cap	-0.9%	-0.1%	0.4%	-0.1%	-2.1%	0.7%	1.7%
Small Cap	1.0%	-0.6%	0.5%	1.1%	2.8%	-1.5%	2.4%



US Equities by Style (\$18,850,971,817)

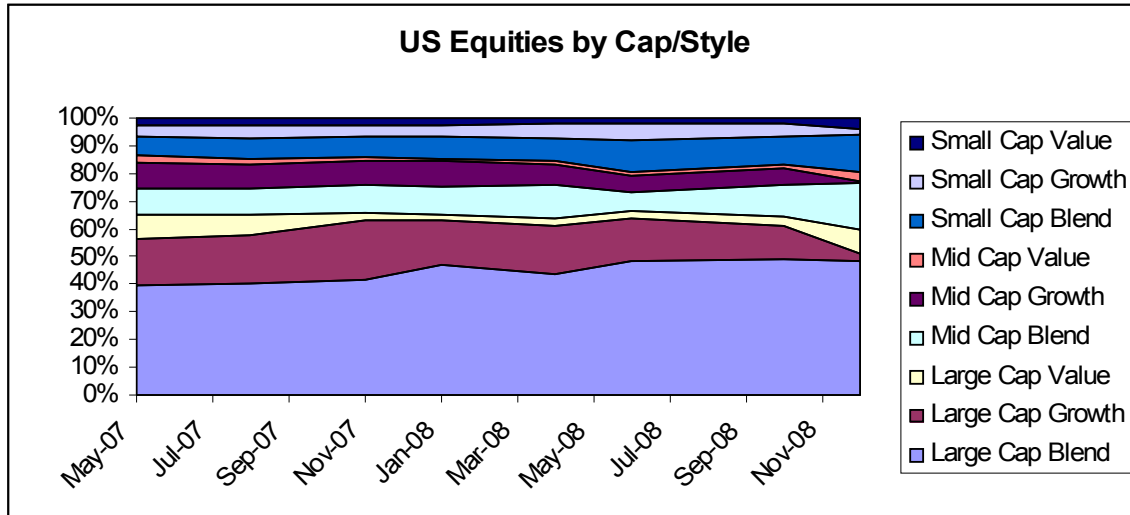


US Equities by Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Value	13.8%	12.0%	7.1%	5.2%	5.7%	5.8%	6.3%	16.1%
Blend	55.7%	57.0%	58.9%	65.4%	63.3%	67.9%	70.9%	78.3%
Growth	30.5%	31.0%	34.1%	29.4%	31.0%	26.3%	22.9%	5.5%

US Equities by Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Value	-1.8%	-4.9%	-1.9%	0.5%	0.1%	0.5%	9.8%
Blend	1.3%	1.9%	6.5%	-2.1%	4.6%	3.0%	7.4%
Growth	0.5%	3.1%	-4.7%	1.6%	-4.7%	-3.4%	-17.4%



US Equities by Market Cap/Style (\$18,850,971,817)



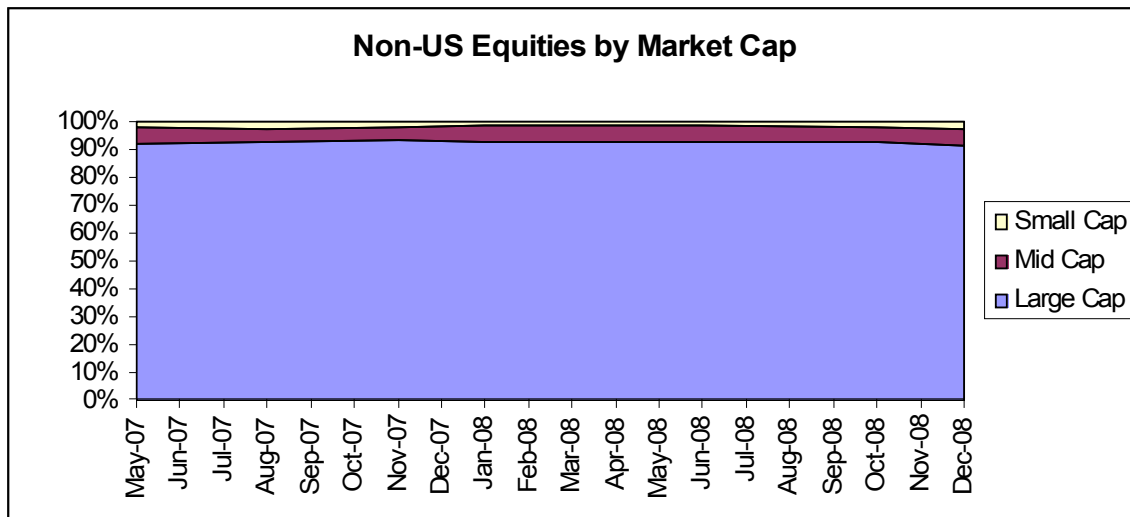
US Equities by Cap/Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap Blend	39.4%	40.5%	41.7%	47.3%	43.3%	46.2%	49.0%	48.3%
Large Cap Growth	17.3%	17.3%	21.4%	16.0%	18.1%	14.5%	12.1%	2.6%
Large Cap Value	8.6%	7.4%	2.8%	1.7%	2.6%	2.6%	2.9%	9.0%
Mid Cap Blend	9.5%	9.5%	10.1%	10.0%	11.6%	6.2%	11.9%	16.4%
Mid Cap Growth	9.3%	8.8%	8.4%	9.6%	7.7%	6.2%	5.7%	0.9%
Mid Cap Value	2.3%	1.9%	1.5%	1.0%	1.1%	1.2%	1.3%	3.4%
Small Cap Blend	6.8%	7.0%	7.0%	8.1%	8.5%	10.8%	9.9%	13.6%
Small Cap Growth	3.9%	4.9%	4.2%	3.9%	5.1%	5.6%	5.0%	2.0%
Small Cap Value	2.9%	2.7%	2.8%	2.6%	2.0%	2.0%	2.0%	3.8%

US Equities by Cap/Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap Blend	1.1%	1.2%	5.6%	-4.0%	2.9%	2.8%	-0.7%
Large Cap Growth	0.0%	4.1%	-5.4%	2.1%	-3.6%	-2.4%	-9.5%
Large Cap Value	-1.2%	-4.6%	-1.1%	0.9%	0.0%	0.3%	6.1%



Mid Cap Blend	0.0%	0.6%	-0.1%	1.6%	-5.4%	5.7%	4.5%
Mid Cap Growth	-0.5%	-0.4%	1.2%	-1.8%	-1.5%	-0.5%	-4.8%
Mid Cap Value	-0.4%	-0.4%	-0.5%	0.2%	0.1%	0.1%	2.1%
Small Cap Blend	0.2%	0.0%	1.1%	0.4%	2.3%	-0.9%	3.7%
Small Cap Growth	1.0%	-0.7%	-0.3%	1.2%	0.5%	-0.6%	-3.0%
Small Cap Value	-0.2%	0.1%	-0.2%	-0.6%	0.0%	0.0%	1.8%

Foreign Developed Equities by Market Cap (\$2,864,719,516)



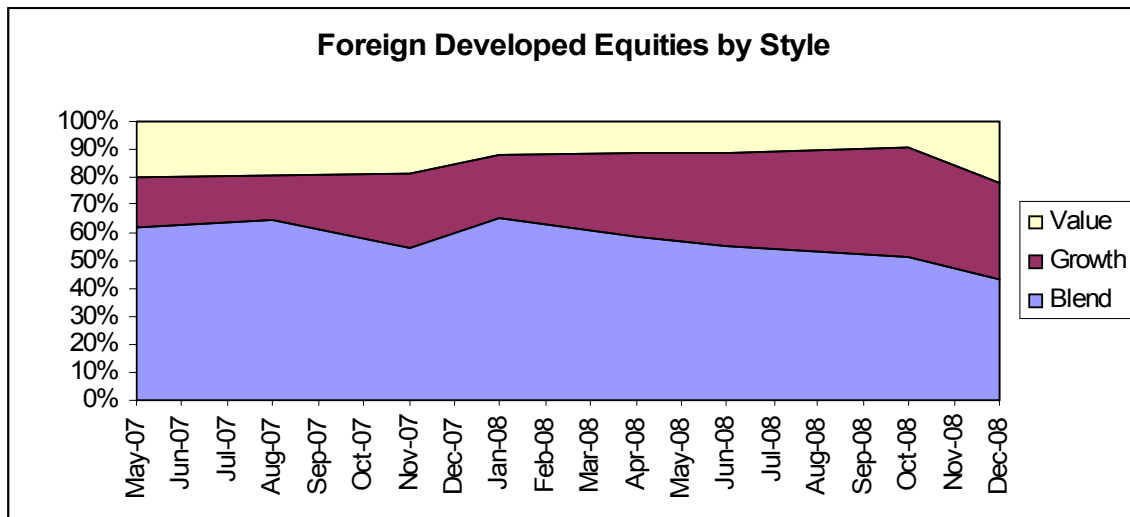
Non-US Equities by Cap	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap	92.0%	92.8%	93.2%	92.7%	92.7%	92.6%	93.0%	91.5%
Mid Cap	5.7%	4.4%	4.6%	5.9%	5.7%	5.8%	5.3%	5.9%
Small Cap	2.2%	2.7%	2.2%	1.5%	1.6%	1.6%	1.7%	2.6%

Non-US Equities by Cap	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap	0.8%	0.4%	-0.5%	0.0%	-0.1%	0.4%	-1.5%



Mid Cap	-1.3%	0.2%	1.3%	-0.2%	0.1%	-0.5%	0.6%
Small Cap	0.5%	-0.5%	-0.7%	0.1%	0.0%	0.1%	0.9%

Foreign Developed Equities by Style (\$2,864,719,516)

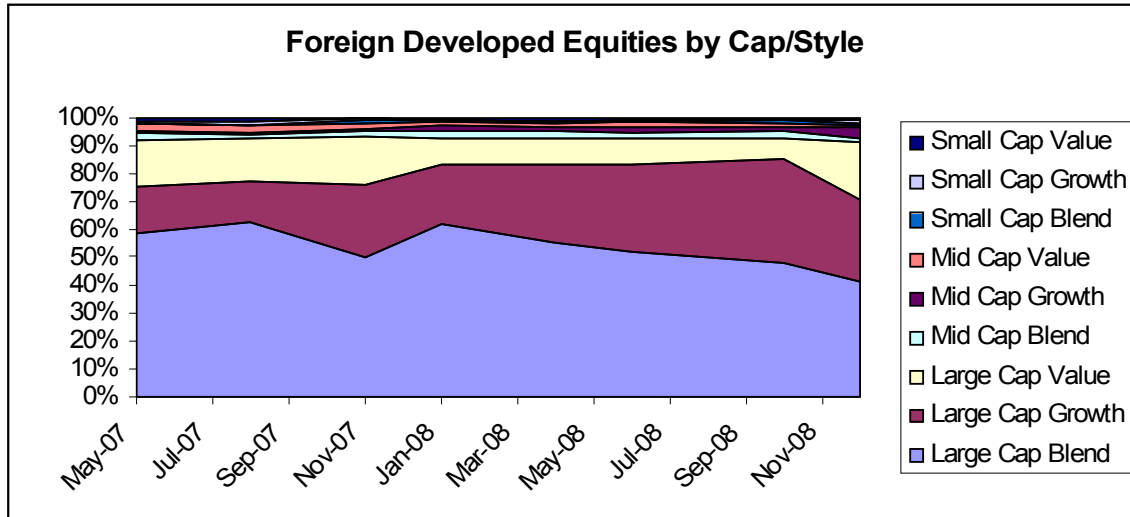


Foreign Developed Equities by Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Blend	61.9%	64.4%	54.4%	65.3%	58.7%	55.0%	51.3%	43.6%
Growth	17.9%	16.4%	27.1%	23.1%	29.8%	33.5%	39.4%	34.2%
Value	20.2%	19.2%	18.5%	11.7%	11.5%	11.5%	9.3%	22.1%

Foreign Developed Equities by Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Blend	2.5%	-10.0%	10.9%	-6.6%	-3.7%	-3.7%	-7.7%
Growth	-1.5%	10.7%	-4.0%	6.7%	3.7%	5.9%	-5.2%
Value	-1.0%	-0.7%	-6.8%	-0.1%	0.0%	-2.2%	12.8%



Foreign Developed Equities by Market Cap/Style (\$2,864,719,516)



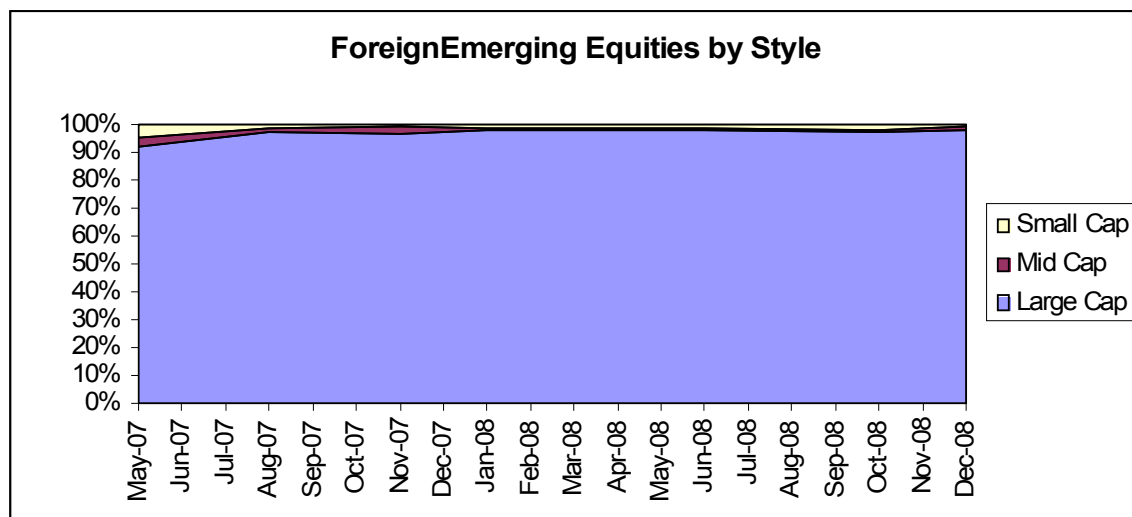
Foreign Developed Equities by Cap/Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap Blend	59.0%	62.6%	50.1%	62.0%	55.6%	52.0%	47.8%	41.3%
Large Cap Growth	16.3%	14.7%	26.2%	21.2%	27.9%	31.5%	37.8%	29.4%
Large Cap Value	16.8%	15.5%	16.9%	9.5%	9.3%	9.1%	7.3%	20.9%
Mid Cap Blend	2.6%	1.4%	2.5%	2.6%	2.7%	2.4%	2.2%	1.5%
Mid Cap Growth	0.9%	0.8%	0.7%	1.8%	1.7%	1.9%	1.5%	3.7%
Mid Cap Value	2.2%	2.3%	1.4%	1.5%	1.3%	1.5%	1.6%	0.7%
Small Cap Blend	0.3%	0.4%	1.9%	0.7%	0.4%	0.6%	1.3%	0.9%
Small Cap Growth	0.7%	0.9%	0.2%	0.1%	0.2%	0.1%	0.1%	1.2%
Small Cap Value	1.3%	1.5%	0.2%	0.7%	1.3%	0.9%	0.4%	0.5%

Foreign Developed Equities by Cap/Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap Blend	3.6%	-12.5%	11.9%	-6.5%	-3.6%	-4.2%	-6.5%
Large Cap Growth	-1.6%	11.5%	-5.0%	6.7%	3.6%	6.3%	-8.4%



Large Cap Value	-1.3%	1.4%	-7.4%	-0.2%	-0.2%	-1.8%	13.6%
Mid Cap Blend	-1.2%	1.1%	0.1%	0.1%	-0.3%	-0.2%	-0.7%
Mid Cap Growth	-0.1%	-0.1%	1.1%	-0.1%	0.2%	-0.4%	2.2%
Mid Cap Value	0.1%	-0.9%	0.1%	-0.2%	0.2%	0.1%	-0.9%
Small Cap Blend	0.1%	1.5%	-1.2%	-0.3%	0.2%	0.7%	-0.4%
Small Cap Growth	0.2%	-0.7%	-0.1%	0.1%	-0.1%	0.0%	1.1%
Small Cap Value	0.2%	-1.3%	0.5%	0.6%	-0.4%	3.1%	0.1%

Foreign Emerging Equities by Market Cap (\$918,755,808)

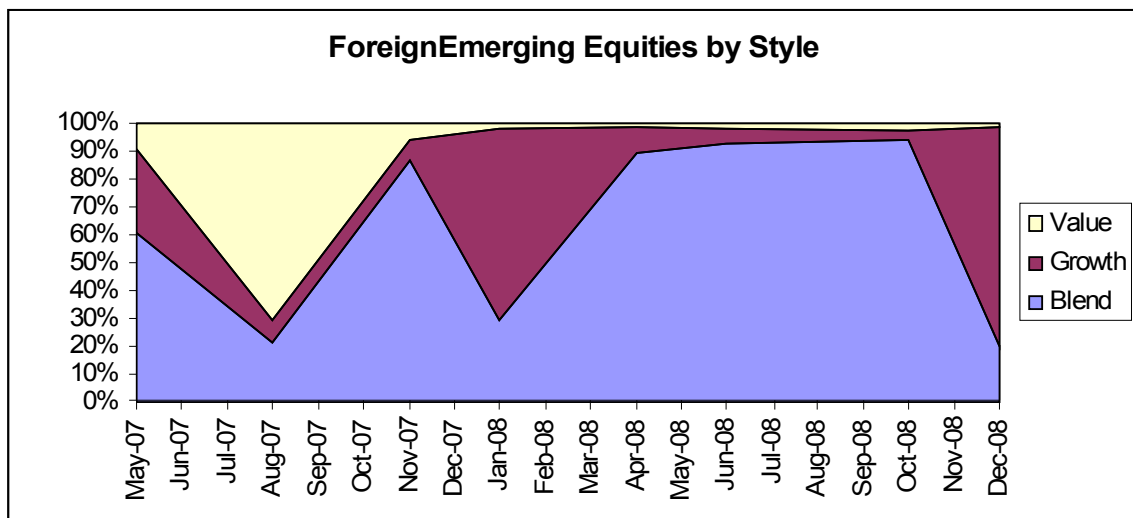


Foreign Emerging Equities by Market Cap	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap	92.4%	97.4%	96.9%	97.9%	98.1%	98.2%	97.3%	98.3%
Mid Cap	3.1%	1.4%	2.2%	0.8%	0.7%	0.6%	0.9%	0.9%
Small Cap	4.6%	1.2%	1.0%	1.3%	1.2%	1.2%	1.8%	0.8%



Foreign Emerging Equities by Market Cap	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap	5.0%	-0.5%	1.0%	0.2%	0.1%	-0.9%	1.0%
Mid Cap	-1.7%	0.8%	-1.4%	-0.2%	-0.1%	0.3%	0.0%
Small Cap	-3.4%	-0.2%	0.3%	0.0%	0.0%	0.6%	-1.0%

Foreign Emerging Equities by Style (\$918,755,808)

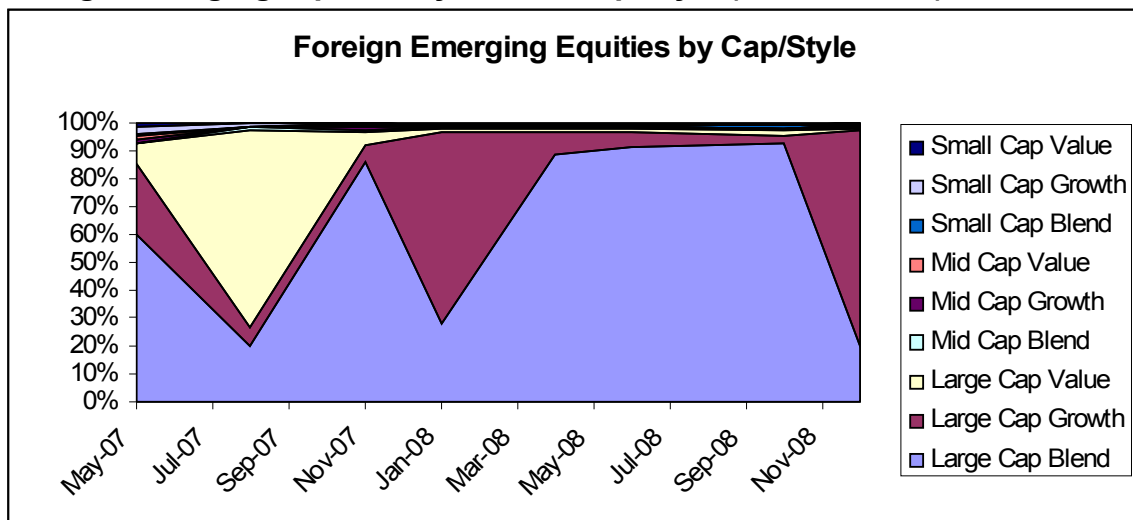


Foreign Emerging Equities by Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Blend	60.4%	21.5%	86.6%	29.4%	89.5%	92.4%	94.2%	20.2%
Growth	30.0%	7.8%	7.6%	68.7%	8.8%	5.5%	3.3%	78.4%
Value	9.6%	70.8%	5.9%	1.8%	1.6%	2.1%	2.5%	1.4%



Foreign Emerging Equities by Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Blend	-38.9%	65.1%	-57.2%	60.1%	2.9%	1.8%	-74.0%
Growth	5.5%	-0.2%	61.1%	-59.9%	-3.3%	-2.2%	75.1%
Value	61.2%	-64.9%	-4.1%	-0.2%	0.5%	0.4%	-1.1%

Foreign Emerging Equities by Market Cap/Style (\$918,755,808)

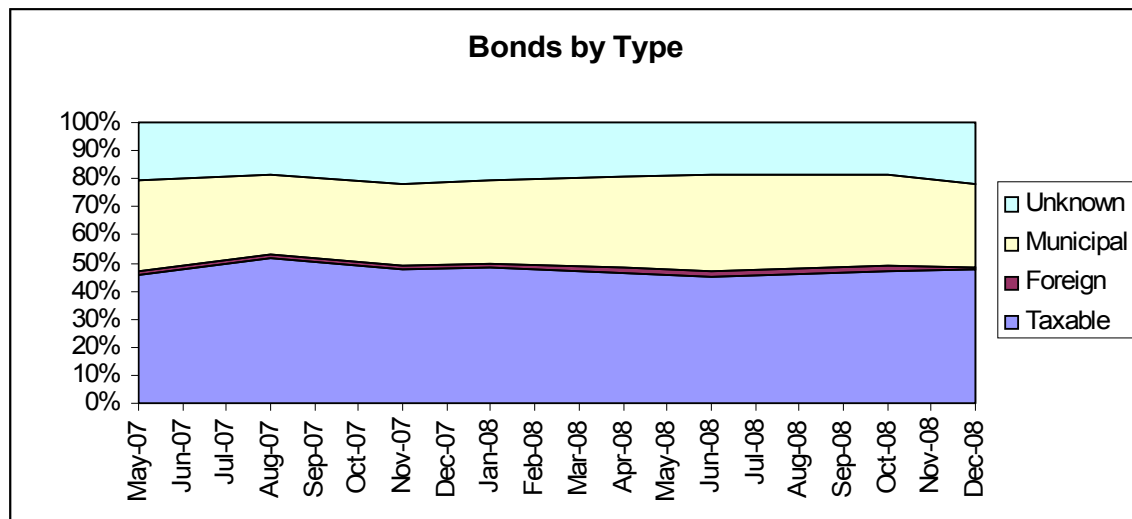


Foreign Emerging Equities by Cap/Style	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Large Cap Blend	59.8%	20.3%	85.7%	28.0%	88.3%	91.1%	92.4%	19.8%
Large Cap Growth	25.4%	6.7%	6.0%	68.5%	8.6%	5.4%	3.0%	77.4%
Large Cap Value	7.2%	70.3%	5.2%	1.4%	1.1%	1.7%	1.9%	1.1%
Mid Cap Blend	0.5%	1.1%	0.3%	0.6%	0.4%	0.4%	0.8%	0.4%
Mid Cap Growth	1.3%	0.3%	1.6%	0.1%	0.2%	0.1%	0.0%	0.5%
Mid Cap Value	1.3%	0.1%	0.3%	0.1%	0.1%	0.0%	0.2%	0.0%
Small Cap Blend	0.2%	0.1%	0.6%	0.8%	0.8%	0.9%	1.0%	0.0%
Small Cap Growth	3.3%	0.8%	0.0%	0.1%	0.0%	0.0%	0.3%	0.5%
Small Cap Value	1.0%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.3%



Foreign Emerging Equities by Cap/Style	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Large Cap Blend	-39.5%	65.4%	-57.7%	60.3%	2.8%	1.3%	-72.6%
Large Cap Growth	-18.7%	-0.7%	62.5%	-59.9%	-3.2%	-2.4%	74.4%
Large Cap Value	63.1%	-65.1%	-3.9%	-0.2%	0.6%	0.2%	-0.8%
Mid Cap Blend	0.6%	-0.8%	0.3%	-0.2%	0.0%	0.4%	-0.4%
Mid Cap Growth	-1.0%	1.3%	-1.5%	0.0%	-0.1%	-0.1%	0.5%
Mid Cap Value	-1.2%	0.2%	-0.2%	0.0%	-0.1%	0.2%	-0.2%
Small Cap Blend	-0.1%	0.5%	0.2%	0.0%	0.1%	0.1%	-1.0%
Small Cap Growth	-2.5%	-0.8%	0.1%	0.0%	0.0%	0.3%	0.2%
Small Cap Value	-0.7%	0.0%	0.1%	0.0%	0.0%	0.0%	-0.1%

Bonds by Type (\$13,143,532,430)



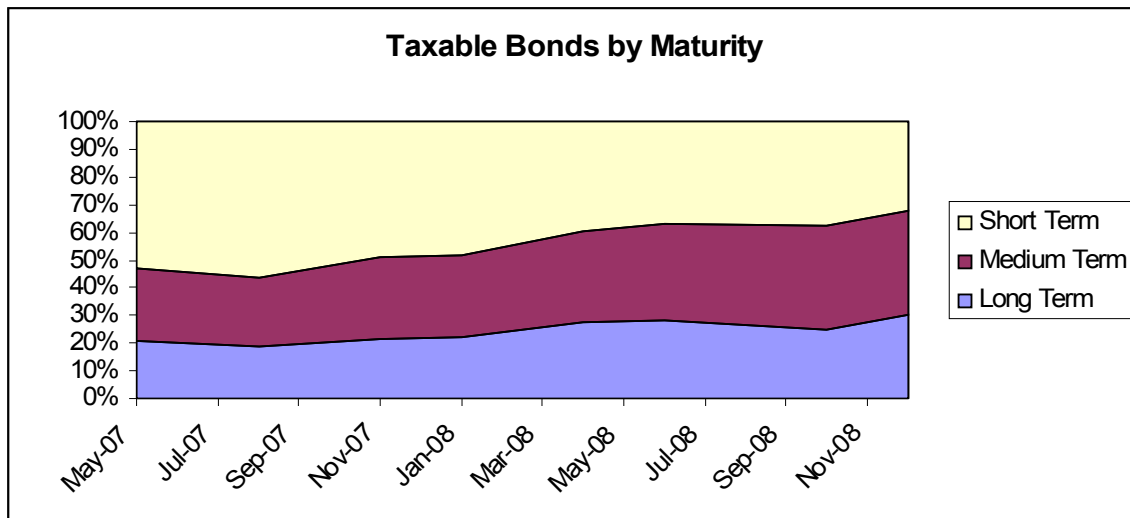
Bonds by Type	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Taxable	45.8%	51.9%	47.5%	48.2%	46.2%	45.1%	47.3%	47.4%
Foreign	1.0%	1.1%	1.3%	1.4%	1.9%	1.8%	1.7%	1.2%
Municipal	32.4%	28.4%	29.1%	29.7%	32.8%	34.3%	32.4%	29.2%



Unknown	20.8%	18.6%	22.2%	20.7%	19.1%	18.8%	18.7%	22.2%
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Bonds by Type	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Taxable	6.1%	-4.4%	0.7%	-2.0%	-1.1%	2.2%	0.1%
Foreign	0.1%	0.2%	0.1%	0.5%	-0.1%	-0.1%	-0.5%
Municipal	-4.0%	0.7%	0.6%	3.1%	1.5%	-1.9%	-3.2%
Unknown	-2.2%	3.6%	-1.5%	-1.6%	-0.3%	-0.1%	3.5%

Taxable Bonds by Maturity (\$6,234,939,229)



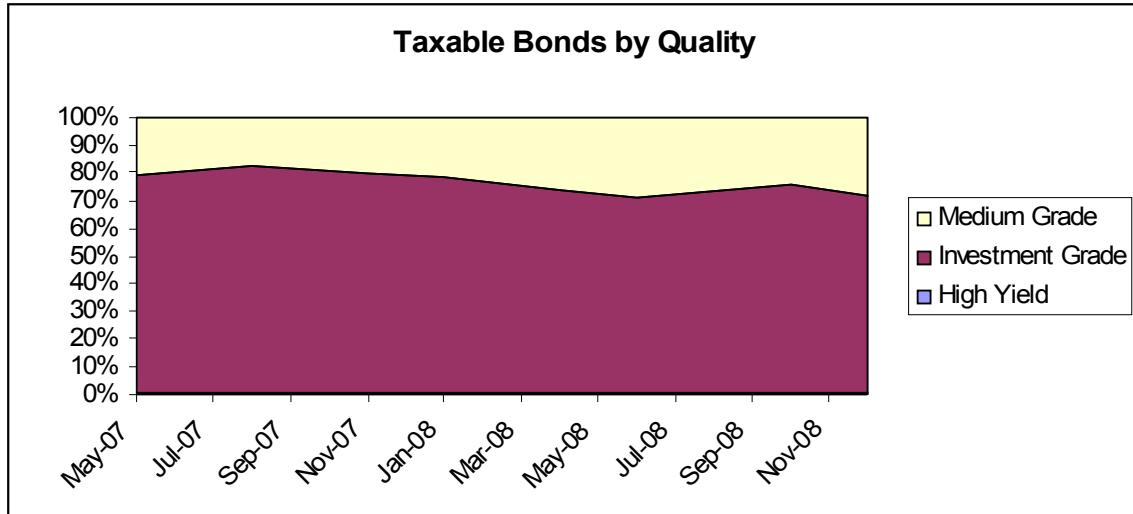
Taxable Bonds by Maturity	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term	20.8%	18.6%	21.3%	22.2%	27.4%	28.2%	24.9%	30.4%
Medium Term	26.2%	25.0%	30.0%	29.6%	32.7%	35.2%	37.6%	37.5%
Short Term	53.0%	56.4%	48.7%	48.2%	39.9%	36.6%	37.4%	32.1%

Taxable Bonds by Maturity	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term	-2.2%	2.7%	0.9%	5.2%	0.8%	-3.3%	5.5%
Medium	-1.2%	5.0%	-0.4%	3.1%	2.5%	2.4%	-0.1%



Term							
Short Term	3.4%	-7.7%	-0.5%	-8.3%	-3.3%	0.8%	-5.3%

Taxable Bonds by Quality (\$6,234,939,229)

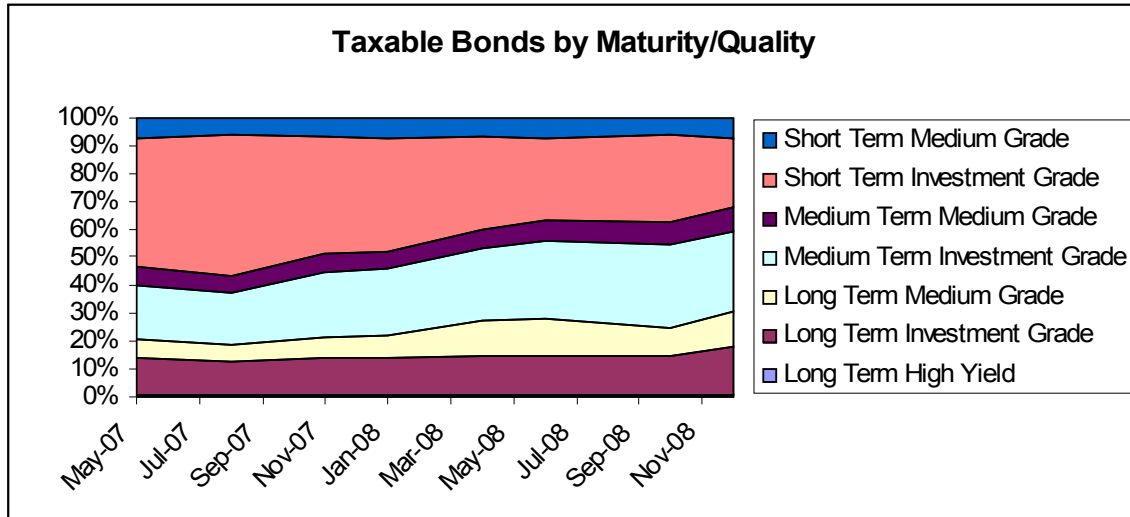


Taxable Bonds by Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
High Yield	0.8%	0.6%	0.6%	0.7%	0.6%	0.6%	0.5%	0.6%
Investment Grade	78.1%	81.7%	79.1%	77.9%	73.5%	70.5%	75.2%	71.1%
Medium Grade	21.1%	17.6%	20.4%	21.4%	25.9%	29.0%	24.3%	28.3%

Taxable Bonds by Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
High Yield	-0.2%	0.0%	0.1%	0.0%	0.0%	-0.1%	0.1%
Investment Grade	3.6%	-2.6%	-1.2%	-4.5%	-3.0%	4.7%	-4.1%
Medium Grade	-3.5%	2.8%	1.0%	4.5%	3.1%	-4.7%	4.0%



Taxable Bonds by Maturity/Quality (\$6,234,939,229)



Taxable Bonds by Maturity/Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term High Yield	0.8%	0.6%	0.6%	0.7%	0.6%	0.6%	0.5%	0.6%
Long Term Investment Grade	13.2%	12.3%	13.3%	13.2%	14.2%	13.8%	14.2%	17.3%
Long Term Medium Grade	6.8%	5.7%	7.4%	8.4%	12.6%	13.8%	10.2%	12.5%
Medium Term Investment Grade	19.0%	18.8%	23.5%	23.6%	26.0%	27.5%	29.7%	29.1%
Medium Term Medium Grade	7.2%	6.2%	6.5%	6.0%	6.6%	7.7%	7.9%	8.4%
Short Term Investment Grade	45.9%	50.6%	42.2%	41.2%	33.2%	29.1%	31.2%	24.7%
Short Term Medium Grade	7.1%	5.8%	6.5%	7.1%	6.6%	7.5%	6.2%	7.4%

Taxable Bonds by Maturity/Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term High Yield	-0.2%	0.0%	0.1%	0.0%	0.0%	-0.1%	0.1%
Long Term Investment	-0.9%	1.0%	-0.1%	1.0%	-0.4%	0.4%	3.1%



Grade							
Long Term Medium Grade	-1.1%	1.7%	1.0%	4.3%	1.2%	-3.6%	2.3%
Medium Term Investment Grade	-0.2%	4.7%	0.1%	2.4%	1.5%	2.2%	-0.6%
Medium Term Medium Grade	-1.0%	0.3%	-0.5%	0.7%	1.1%	0.2%	0.5%
Short Term Investment Grade	4.7%	-8.4%	-1.1%	-7.9%	-4.1%	2.1%	-6.5%
Short Term Medium Grade	-1.3%	0.7%	0.6%	-0.4%	0.9%	-1.3%	1.2%

Muni Bonds by Maturity (\$3,835,792,531)



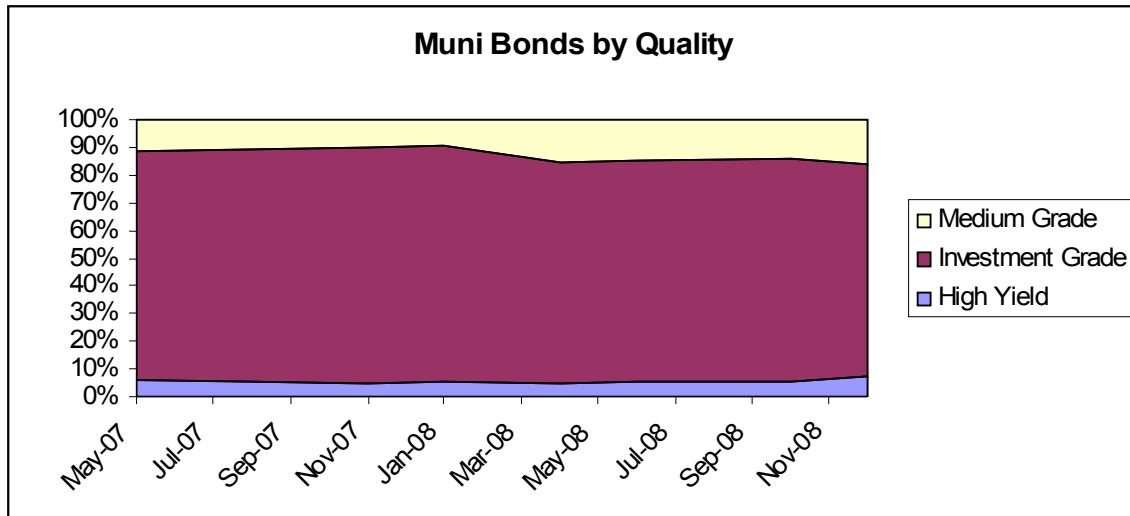
Muni Bonds by Maturity	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term	41.9%	41.2%	40.5%	40.9%	40.4%	39.4%	38.0%	41.3%
Medium Term	30.2%	30.6%	29.5%	29.3%	28.3%	28.6%	28.2%	24.8%
Short Term	27.8%	28.2%	30.0%	29.9%	31.3%	32.0%	33.8%	33.8%

Muni Bonds by Maturity	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term	-0.7%	-0.7%	0.4%	-0.5%	-1.0%	-1.4%	3.3%



Medium Term	0.4%	-1.1%	-0.2%	-0.9%	0.3%	-0.4%	-3.4%
Short Term	0.4%	1.8%	-0.1%	1.4%	0.7%	1.8%	0.0%

Muni Bonds by Quality (\$3,835,792,531)

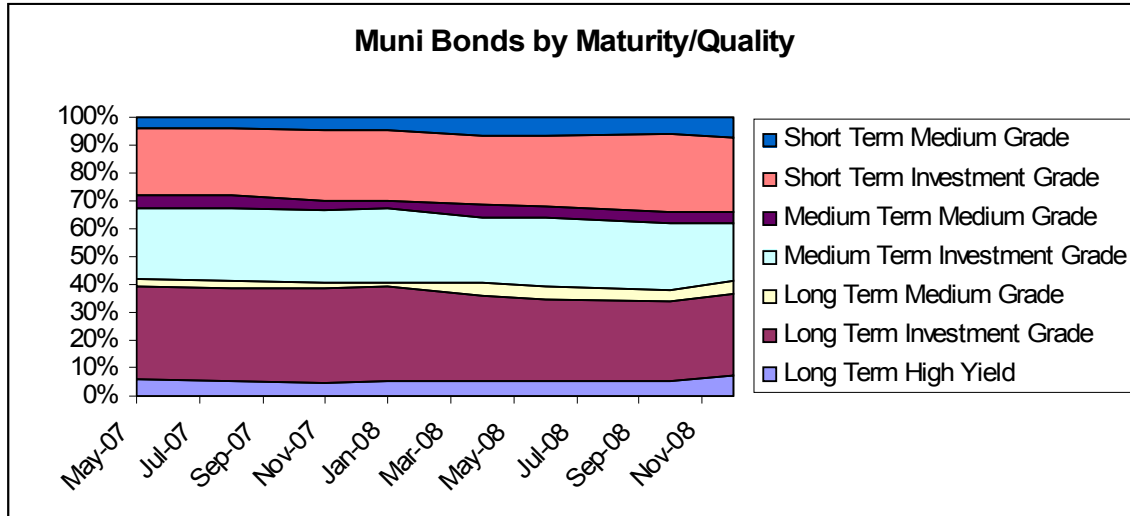


Muni Bonds by Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
High Yield	6.3%	5.6%	4.5%	5.5%	5.0%	5.2%	5.4%	7.3%
Investment Grade	82.0%	83.7%	85.5%	85.0%	79.5%	79.8%	80.3%	76.6%
Medium Grade	11.7%	10.7%	10.0%	9.5%	15.5%	15.0%	14.3%	16.0%

Muni Bonds by Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
High Yield	-0.7%	-1.1%	1.0%	-0.5%	0.2%	0.2%	1.9%
Investment Grade	1.7%	1.8%	-0.5%	-5.5%	0.3%	0.5%	-3.7%
Medium Grade	-1.0%	-0.7%	-0.5%	6.0%	-0.5%	-0.7%	1.7%



Muni Bonds by Maturity/Quality (\$3,835,792,531)



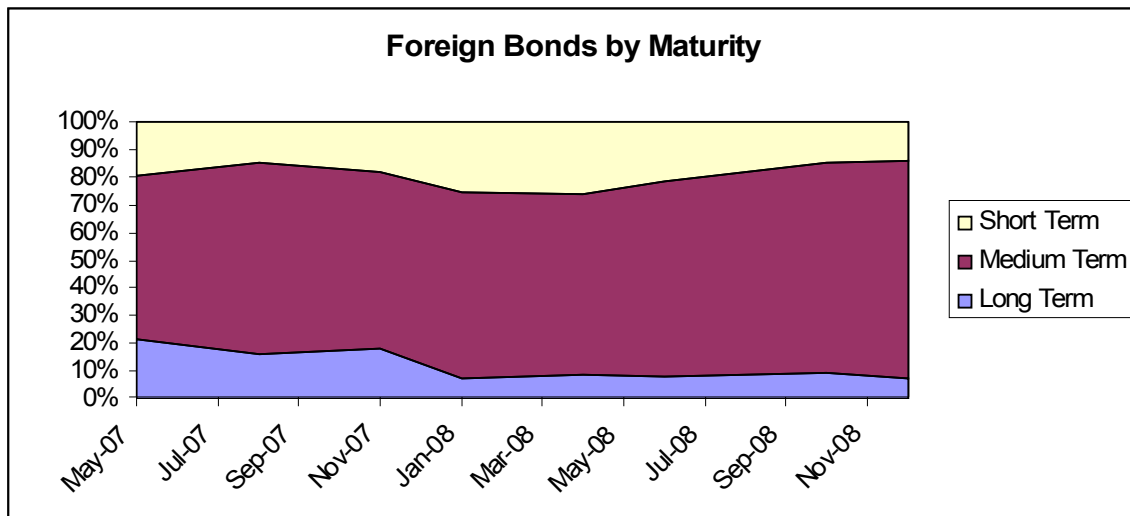
Muni Bonds by Maturity/Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term High Yield	6.3%	5.6%	4.5%	5.5%	5.0%	5.2%	5.4%	7.3%
Long Term Investment Grade	32.8%	33.2%	34.0%	33.6%	31.0%	29.8%	28.6%	29.2%
Long Term Medium Grade	2.9%	2.4%	2.0%	1.7%	4.4%	4.4%	4.0%	4.8%
Medium Term Investment Grade	25.6%	26.4%	26.5%	26.2%	23.8%	24.4%	24.2%	21.0%
Medium Term Medium Grade	4.6%	4.2%	3.0%	3.0%	4.5%	4.1%	3.9%	3.8%
Short Term Investment Grade	23.6%	24.1%	25.1%	25.1%	24.6%	25.6%	27.5%	26.4%
Short Term Medium Grade	4.2%	4.2%	5.0%	4.7%	6.6%	6.5%	6.3%	7.4%

Muni Bonds by Maturity/Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term High Yield	-0.7%	-1.1%	1.0%	-0.5%	0.2%	0.2%	1.9%
Long Term Investment Grade	0.4%	0.8%	-0.4%	-2.6%	-1.2%	-1.2%	0.6%
Long Term	-0.5%	-0.4%	-0.3%	2.6%	0.0%	-0.4%	0.8%



Medium Grade							
Medium Term Investment Grade	0.8%	0.1%	-0.3%	-2.4%	0.6%	-0.2%	-3.2%
Medium Term Medium Grade	-0.4%	-1.2%	0.0%	1.5%	-0.4%	-0.2%	-0.1%
Short Term Investment Grade	0.5%	1.0%	0.0%	-0.5%	1.0%	1.9%	-1.1%
Short Term Medium Grade	0.0%	0.8%	-0.3%	1.9%	-0.1%	-0.2%	1.1%

Foreign Bonds by Maturity (\$157,831,167)



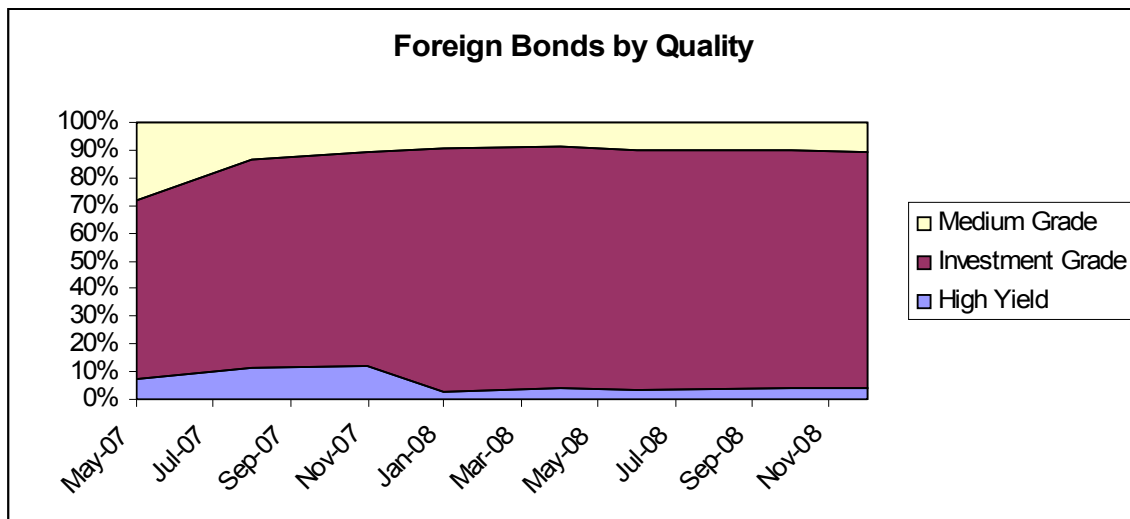
Foreign Bonds by Maturity	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term	21.6%	16.4%	18.4%	7.3%	8.4%	8.0%	9.4%	7.1%
Medium Term	59.2%	68.8%	63.5%	67.5%	65.6%	70.4%	76.0%	79.1%
Short Term	19.2%	14.8%	18.1%	25.3%	25.9%	21.6%	14.6%	13.9%

Foreign Bonds by Maturity	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term	-5.2%	2.0%	-11.1%	1.1%	-0.4%	1.4%	-2.3%
Medium	9.6%	-5.3%	4.0%	-1.8%	4.8%	5.6%	3.1%



Term							
Short Term	-4.4%	3.3%	7.2%	0.7%	-4.3%	-7.0%	-0.7%

Foreign Bonds by Quality (\$157,831,167)

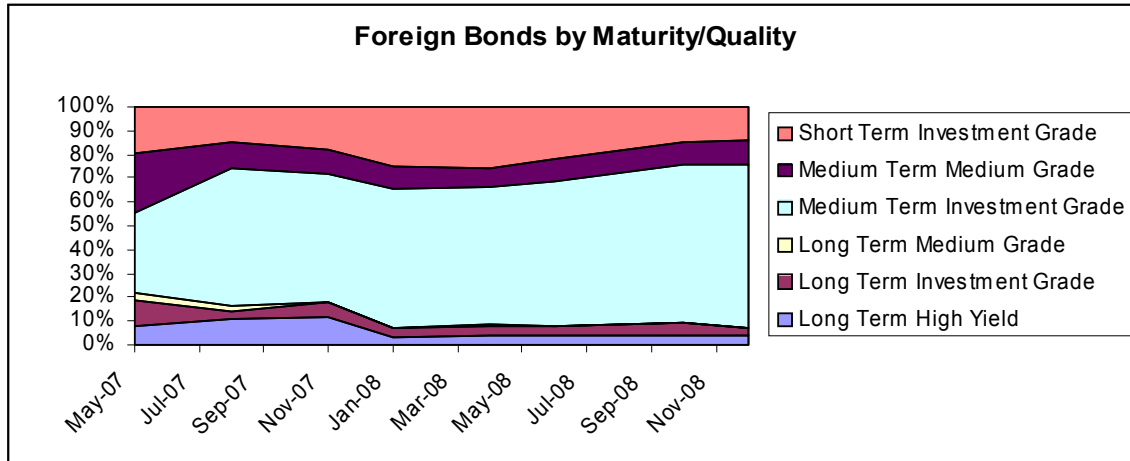


Foreign Bonds by Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
High Yield	7.5%	11.3%	12.0%	2.9%	3.8%	3.6%	4.1%	3.8%
Investment Grade	64.1%	75.4%	77.5%	87.7%	87.9%	86.6%	85.7%	85.3%
Medium Grade	28.4%	13.4%	10.4%	9.4%	8.4%	9.9%	10.2%	10.9%

Foreign Bonds by Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
High Yield	3.8%	0.7%	-9.2%	0.9%	-0.2%	0.5%	-0.3%
Investment Grade	11.3%	2.1%	10.2%	0.1%	-1.3%	-0.9%	-0.4%
Medium Grade	-15.0%	-3.0%	-1.0%	-1.0%	1.5%	0.3%	0.7%



Foreign Bonds by Maturity/Quality (\$157,831,167)



Foreign Bonds by Maturity/Quality	5/27/07	8/15/07	11/15/07	1/31/08	4/26/08	6/30/08	10/3/08	12/31/08
Long Term High Yield	7.5%	11.3%	12.0%	2.9%	3.8%	3.6%	4.1%	3.8%
Long Term Investment Grade	11.1%	3.0%	6.2%	4.1%	4.2%	4.2%	5.0%	3.1%
Long Term Medium Grade	2.9%	2.2%	0.1%	0.3%	0.4%	0.2%	0.2%	0.2%
Medium Term Investment Grade	33.7%	57.5%	53.1%	58.4%	57.7%	60.8%	66.1%	68.3%
Medium Term Medium Grade	25.4%	11.2%	10.3%	9.1%	7.9%	9.6%	10.0%	10.7%
Short Term Investment Grade	19.2%	14.8%	18.1%	25.3%	25.9%	21.6%	14.6%	13.9%

Foreign Bonds by Maturity/Quality	Change From						
	5/27 to 8/15	8/15 to 11/15	11/15 to 1/31	1/31 to 4/26	4/26 to 6/30	6/30 to 10/3	10/3 to 12/31
Long Term High Yield	3.8%	0.7%	-9.2%	0.9%	-0.2%	0.5%	-0.3%
Long Term Investment Grade	-8.1%	3.2%	-2.1%	0.1%	0.0%	0.8%	-1.9%
Long Term Medium Grade	-0.7%	-2.1%	0.2%	0.2%	-0.2%	0.0%	0.0%
Medium Term Investment	23.8%	-4.4%	5.3%	-0.6%	3.1%	5.3%	2.2%



Grade							
Medium Term Medium Grade	-14.2%	-0.9%	-1.2%	-1.2%	1.7%	0.4%	0.7%
Short Term Investment Grade	-4.4%	3.3%	7.2%	0.7%	-4.3%	-7.0%	-0.7%

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