

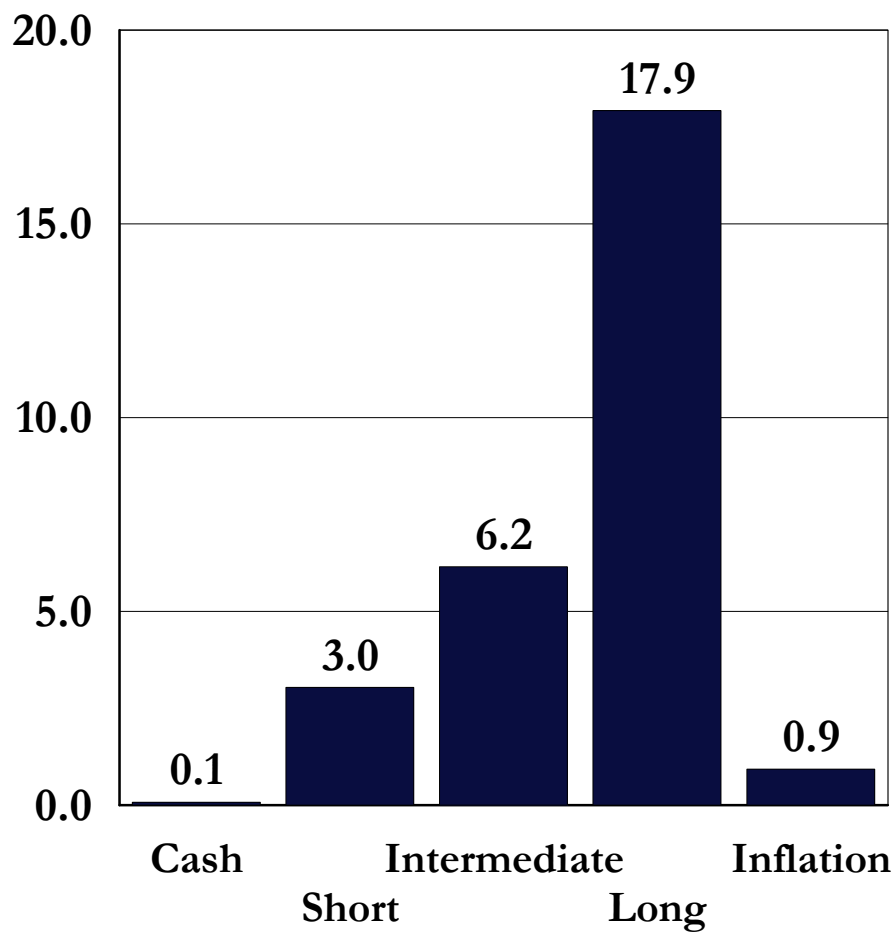
**US Bond Market Review**

**December 31, 2008**

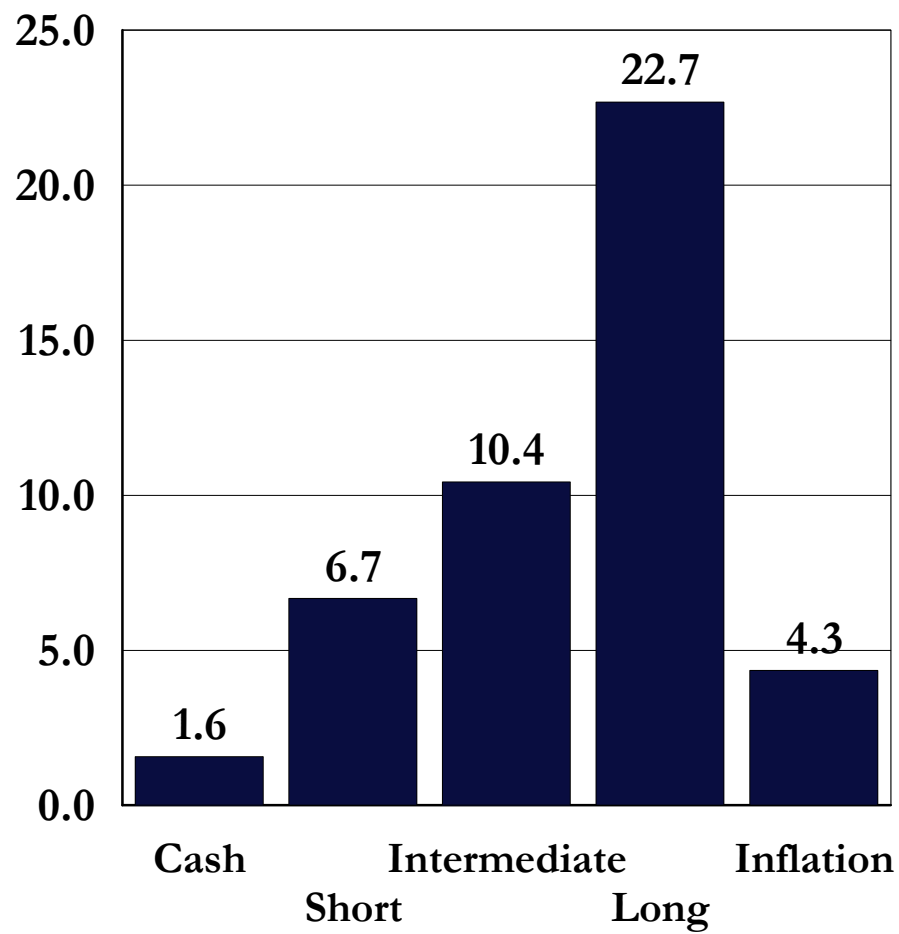
# Bond Market: U.S. Government Bond Returns By Maturity

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3 Months Ending 12/31/2008

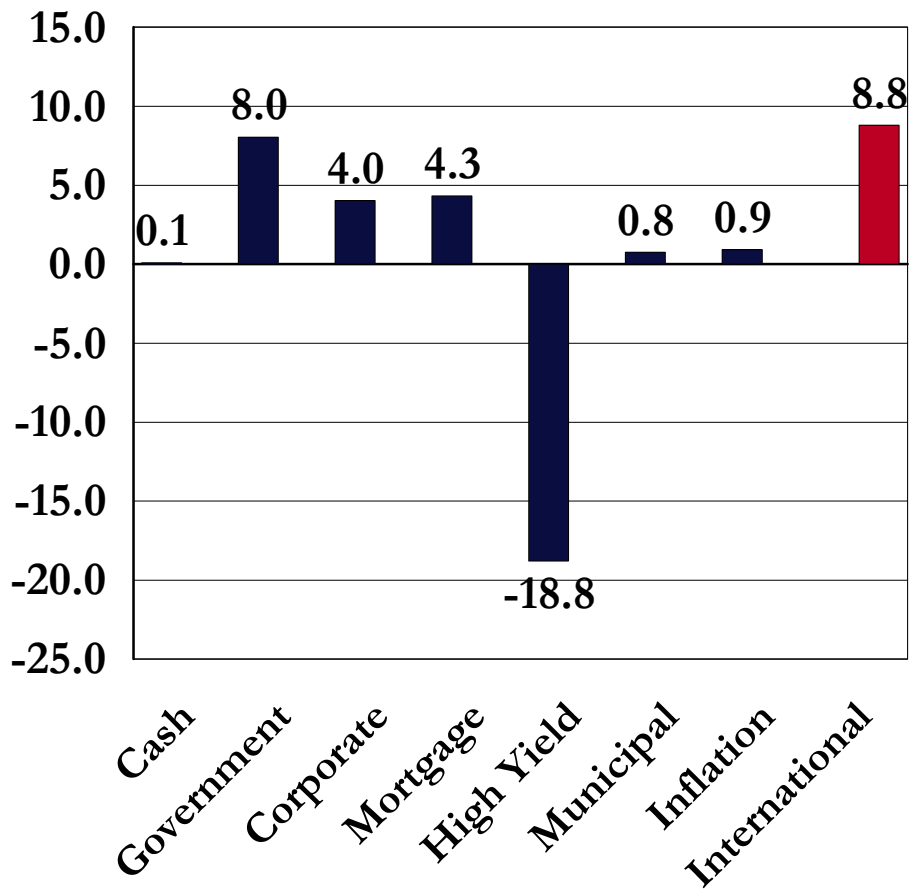


1 Year Ending 12/31/2008

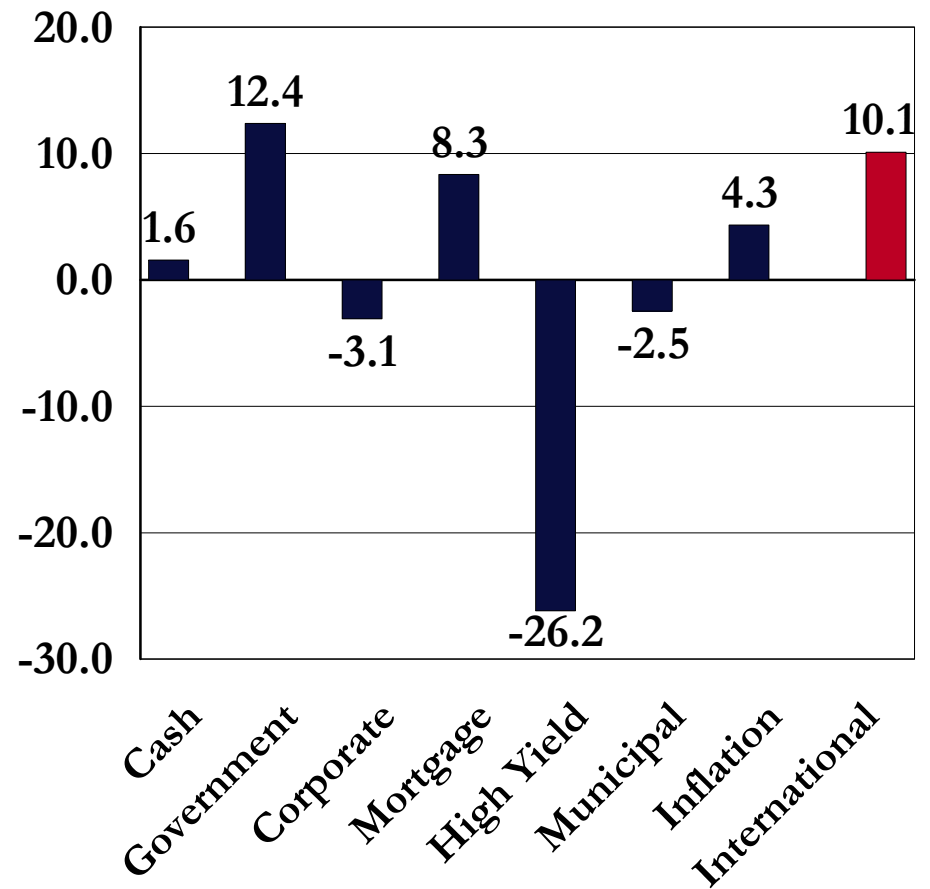


# Bond Market: Returns By Sector

## 3 Months Ending 12/31/2008

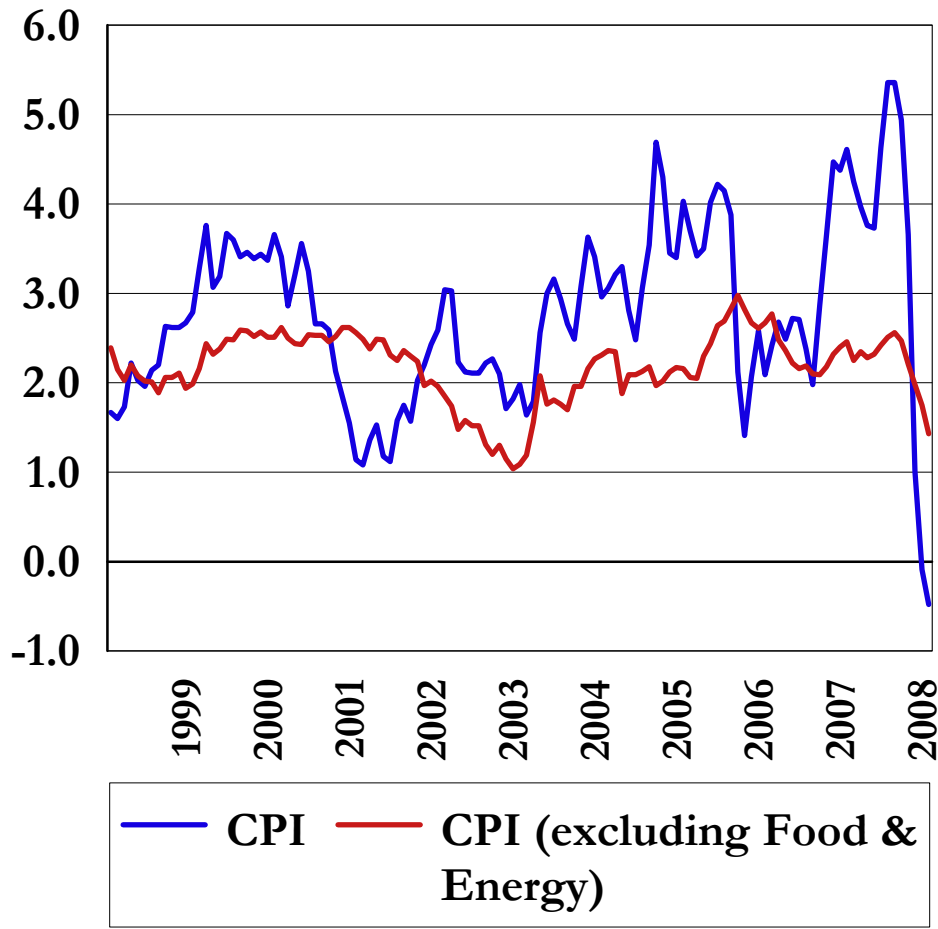


## 1 Year Ending 12/31/2008

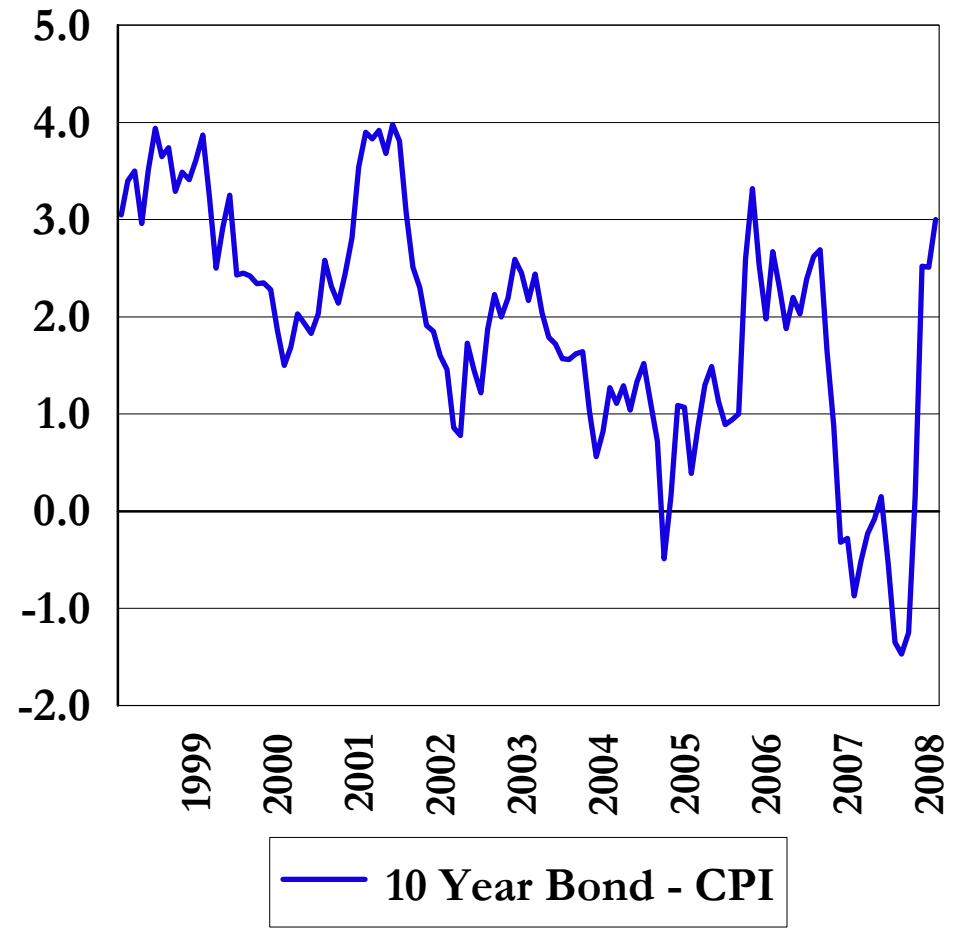


# Bond Market: Fundamentals

## Inflation: Rolling 12 Months

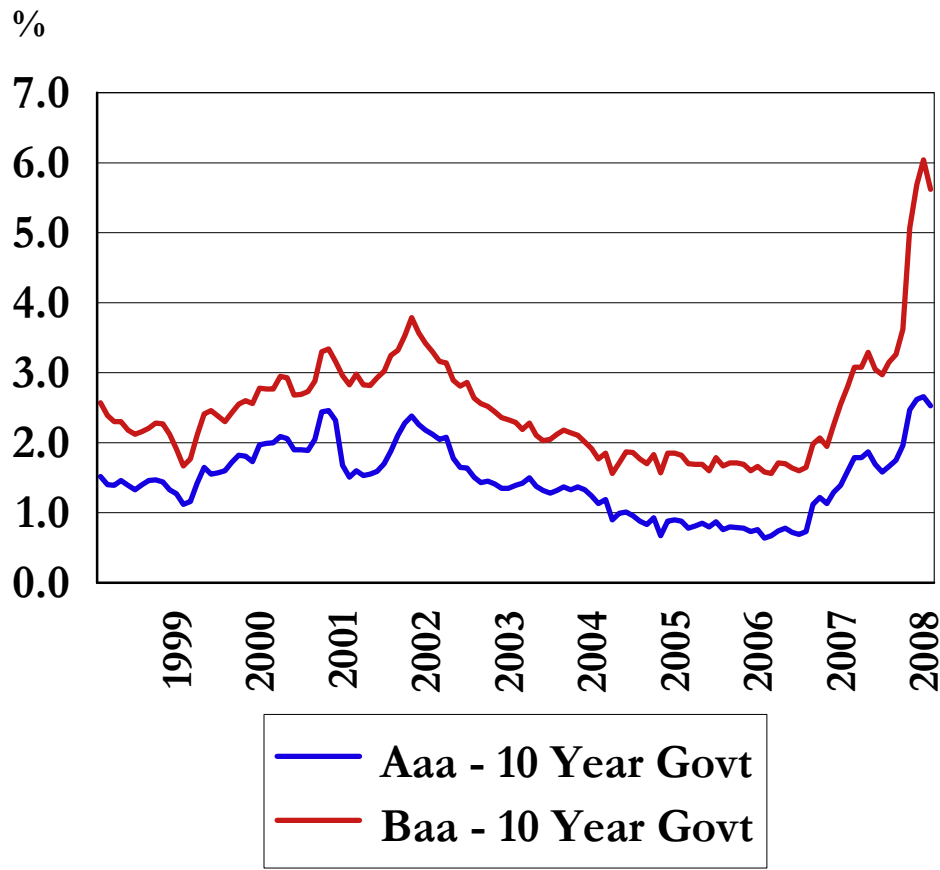


## Real Interest Rates

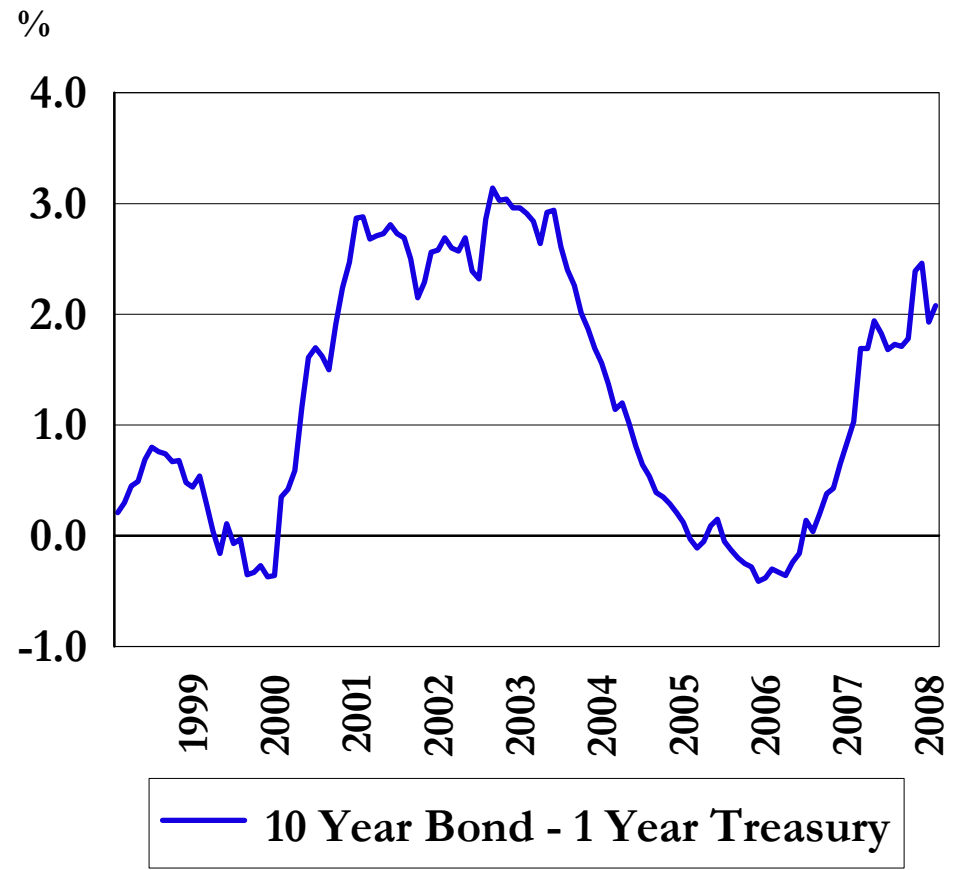


# Bond Market: Fundamentals

**Quality Spread:  
(Aaa & Baa - 10 Year Government)**



**Yield Curve Spread  
December, 2008**

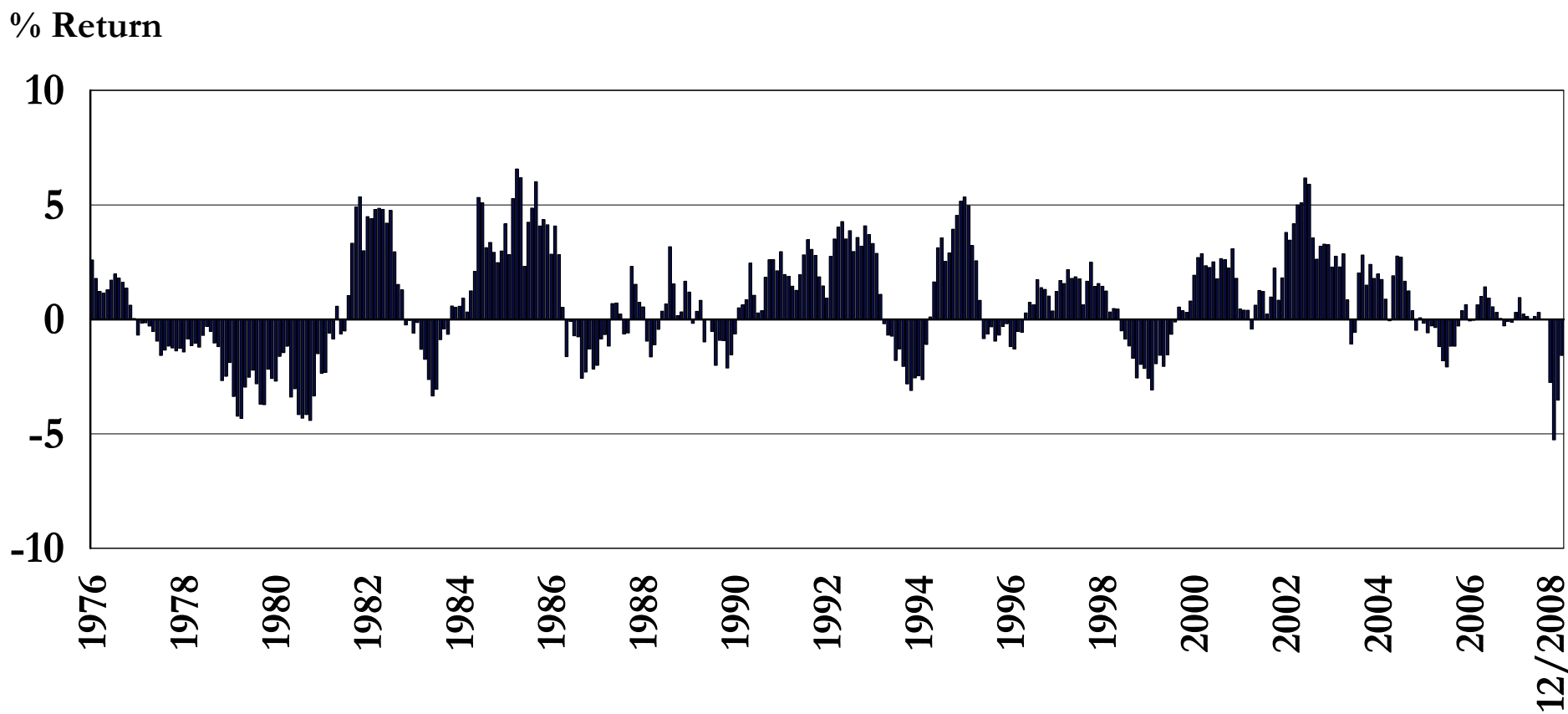


# Bond Market: Technical Analysis

## Rolling 12-Month Return Difference

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### Return of Intermediate-Term - Short-term Bonds (LB IT Gov - LB 1-3 Government)



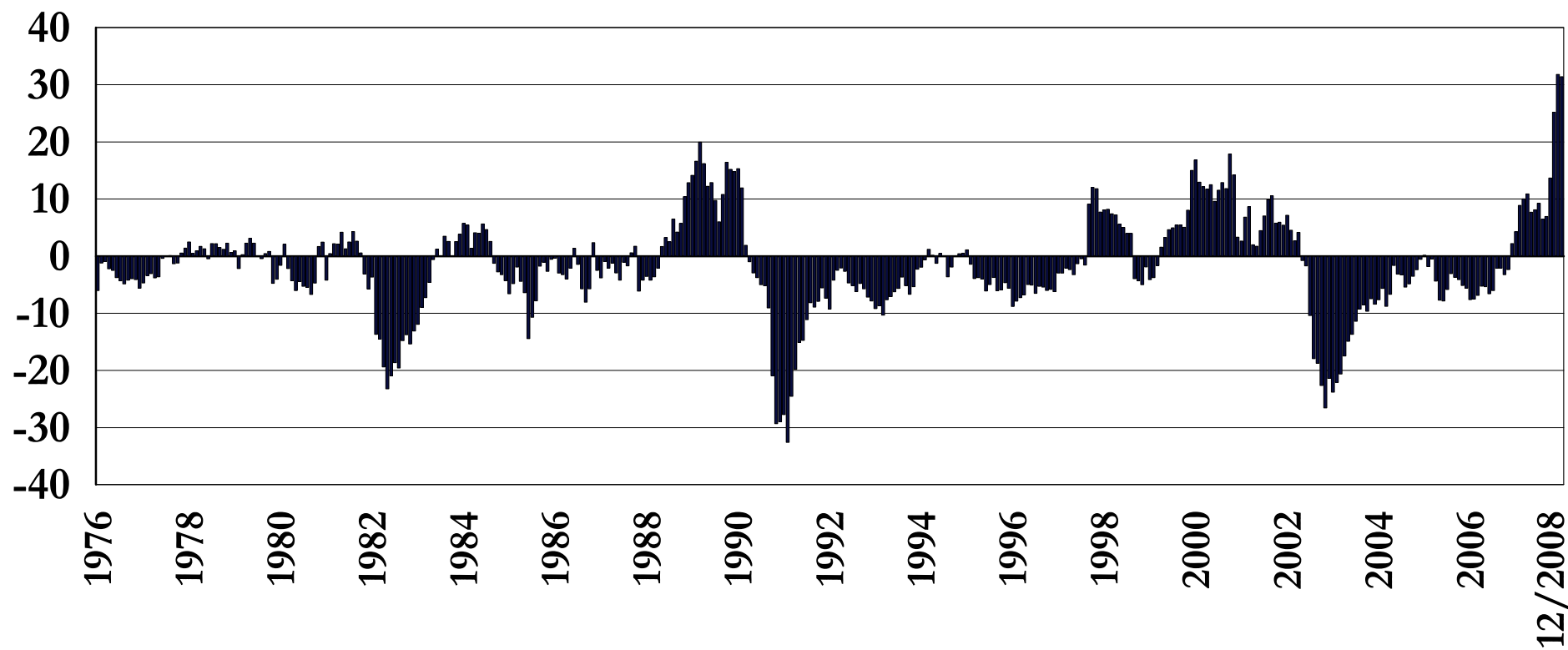
# Bond Market: Technical Analysis

## Rolling 12-Month Return Difference

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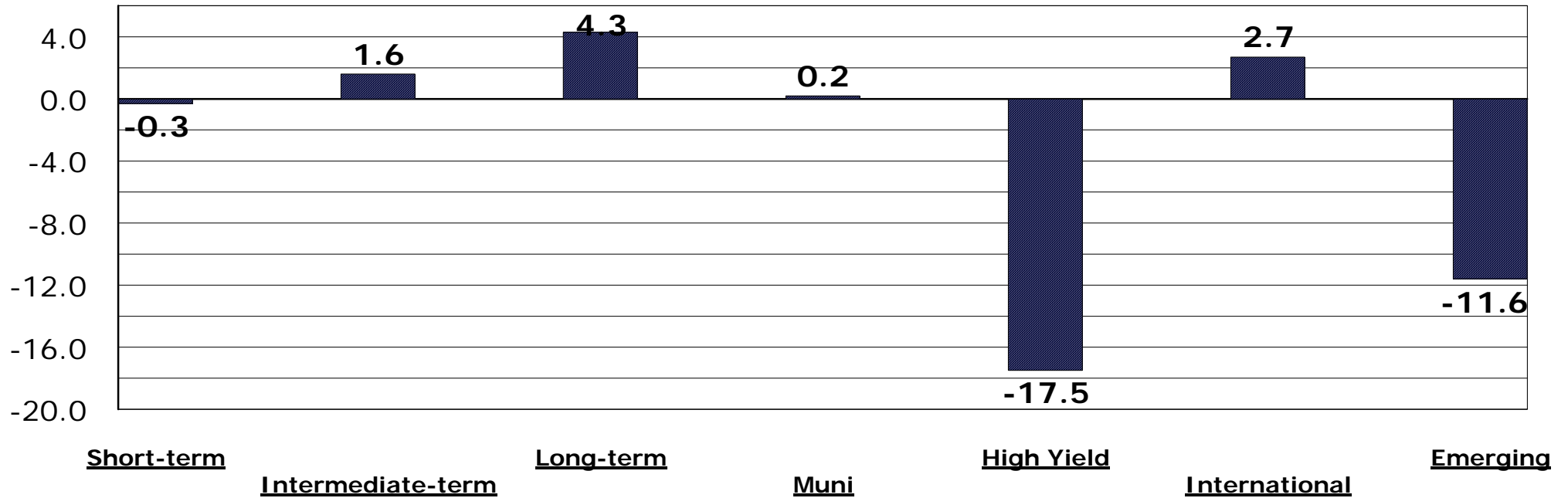
### Return of Investment Grade - High Yield Bonds (LB Agg - FB High Yield)

% Return



# JIC Fixed Income Style Peer Group Returns 3 Months Ending December 31, 2008

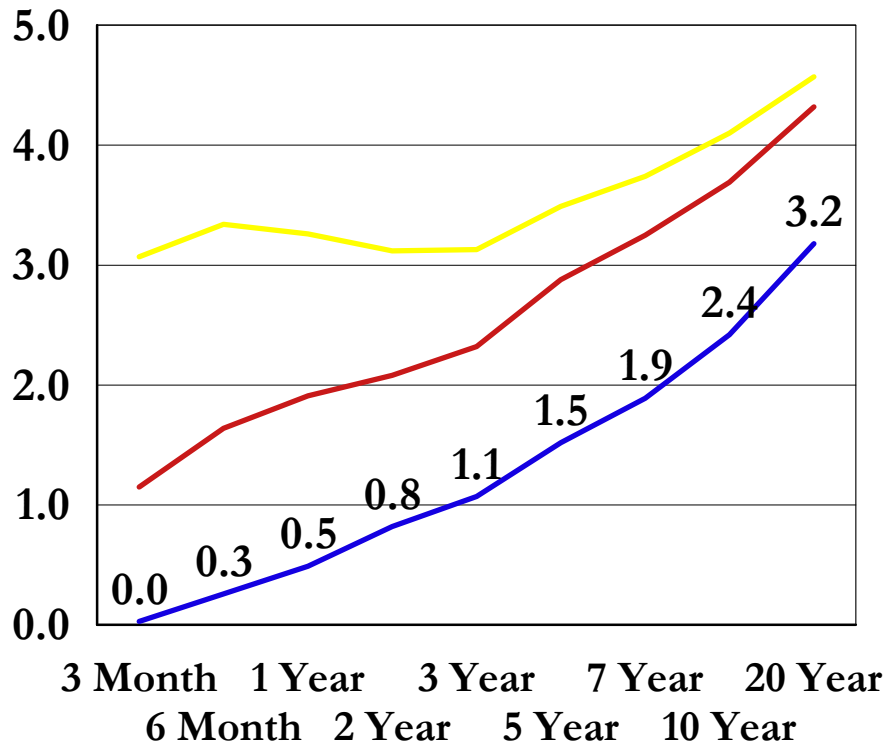
## Peer Group Medians



	<u>Short-term</u>	<u>Intermediate-term</u>	<u>Long-term</u>	<u>Muni</u>	<u>High Yield</u>	<u>International</u>	<u>Emerging</u>
5th	4.3	6.8	43.1	3.7	-8.9	9.2	-3.6
25th	1.6	4.0	13.0	1.6	-14.3	5.5	-7.3
50th	-0.3	1.6	4.3	0.2	-17.5	2.7	-11.6
75th	-2.8	-1.4	-1.4	-2.7	-20.3	-0.7	-13.2
95th	-10.1	-6.1	-7.3	-9.3	-27.8	-11.1	-20.8

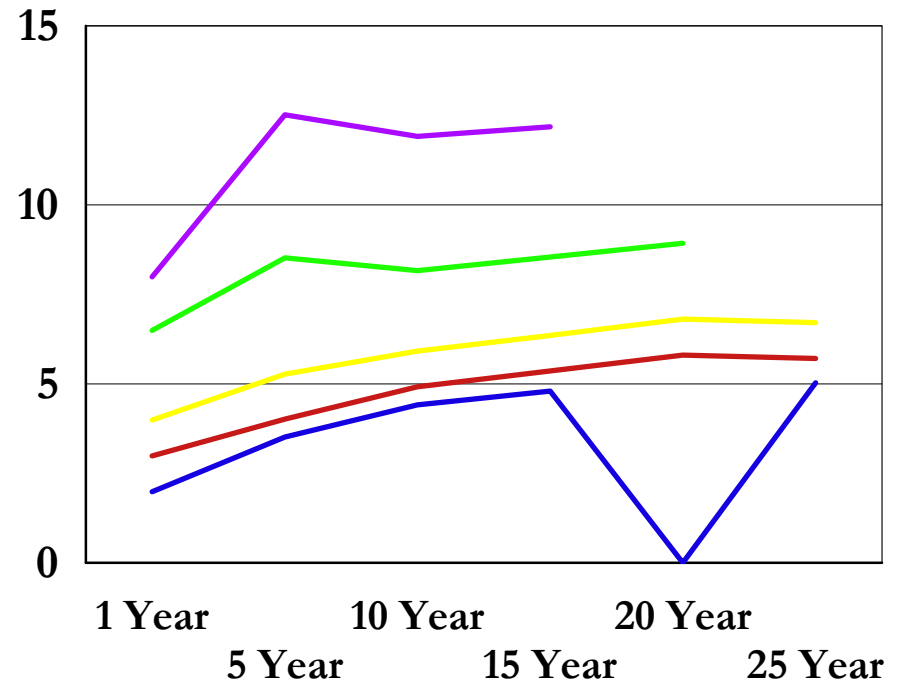
# Bond Market: Yield Curves

## Government Bond Yield Curve



— December, 2008    — December, 2007  
— September, 2008

## Corporate Bond Yield Curve By Quality December, 2008



— AAA    — A    — BBB    — BB  
— AA