



# RCL Advisors, LLC

## First Quarter 2009 Presentation

Monday, April 20<sup>th</sup> @ 2pm EST

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## How To Participate

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In order to listen to the conference call, please follow these instructions:

1. Dial 1-800-214-0694 (For International Calls, dial 1-719-955-1425)
2. Enter pass code: 516661

The call will be in listen-only mode. If you would like to ask a question during the call, please email your questions to [mdalton@rcladvisors.com](mailto:mdalton@rcladvisors.com)

A copy of the presentation along with a replay of the audio will be available on our website at [www.rcladvisors.com](http://www.rcladvisors.com)

## Interview with WestEnd Advisors



1. Do you believe that stocks are cheap, expensive or fairly valued at this time?
2. It seems analysts are all over the map with earnings projections. Where do you see corporate earnings for 2009? When might we see some clarity going forward?
3. What sectors typically lead us out of recessions? Will that hold true this time? Why or why not?
4. Are you worried about deflation, inflation or neither? Why?
5. Do we need to see dramatic improvement in the credit markets before we can be confident this recent rally is for real?
6. What is your view on all of the government stimulus that has come out of Washington and can it work?

### **Robert L. Pharr**

#### *Managing Partner, Chief Investment Officer*

Robert L. Pharr is a Founder of WestEnd Advisors, serves as its Managing Partner, and its Chief Investment Officer. Rob has over a quarter-century of experience in the investment management industry. Rob has served in various capacities in major investment firms. In 1988, Rob Co-Founded Eastover Capital Management, Inc., a registered equity and fixed-income management investment advisory firm. Rob was responsible for all of the investment decisions made for clients' portfolios, as well as directing the day-to-day operations of the firm. From 1995 to 2003 Rob was the President and Founder of Providence Capital Management, Inc., a registered investment advisory firm that is the predecessor to WestEnd Advisors. In 2003 Providence Capital Management changed its name to WestEnd Advisors. Rob is a Member of the Bond Club of North Carolina, and a Director of Community Link, a not-for-profit organization providing services to the homeless. Rob is a graduate of The University of North Carolina at Chapel Hill.

# Asset Class Returns



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	YTD
Best	38.35%	37.04%	35.18%	38.71%	66.42%	31.04%	14.03%	10.27%	56.28%	33.14%	34.54%	35.99%	39.78%	5.24%	5.98%
	37.77%	23.12%	32.85%	27.02%	43.09%	22.83%	12.41%	9.60%	48.54%	25.95%	14.02%	32.59%	11.81%	2.10%	4.22%
	37.19%	22.45%	31.78%	20.34%	33.16%	11.69%	8.43%	3.59%	47.25%	22.25%	13.82%	26.86%	11.63%	-2.47%	1.02%
	31.04%	21.64%	30.49%	15.63%	27.31%	11.63%	5.27%	1.76%	46.03%	20.70%	7.49%	23.48%	10.25%	-21.41%	0.47%
	28.44%	21.37%	22.36%	8.67%	26.47%	7.01%	5.13%	1.02%	39.17%	18.33%	7.05%	22.25%	7.05%	-26.16%	0.12%
	25.75%	16.49%	19.66%	6.48%	21.26%	6.03%	4.45%	-1.37%	36.18%	16.49%	6.27%	18.37%	6.97%	-28.92%	0.03%
	19.17%	14.39%	16.20%	5.36%	20.91%	4.07%	2.80%	-6.00%	30.03%	14.31%	5.26%	15.46%	5.77%	-33.79%	-4.12%
	18.48%	11.35%	12.95%	1.87%	7.35%	-3.02%	2.49%	-11.43%	29.89%	11.40%	4.71%	13.35%	4.91%	-36.85%	-9.74%
	17.46%	11.26%	12.77%	1.23%	4.85%	-5.86%	-2.37%	-15.52%	29.75%	11.14%	4.55%	11.86%	3.36%	-37.60%	-10.45%
	12.24%	6.34%	9.68%	-2.55%	2.39%	-7.79%	-5.59%	-15.66%	28.96%	6.86%	4.15%	10.39%	1.87%	-38.44%	-13.85%
	11.55%	6.04%	9.20%	-5.11%	-0.83%	-13.96%	-9.23%	-20.48%	11.61%	6.30%	3.53%	9.07%	-0.17%	-38.54%	-14.95%
	11.10%	5.25%	5.30%	-6.45%	-1.49%	-22.42%	-12.45%	-21.65%	5.32%	4.47%	2.88%	4.84%	-1.57%	-39.20%	-16.77%
	5.92%	4.44%	2.05%	-17.00%	-2.07%	-22.43%	-20.42%	-27.88%	4.11%	4.34%	2.74%	4.76%	-9.78%	-43.06%	-19.64%
Worst	-5.21%	3.61%	-11.60%	-25.33%	-2.57%	-30.61%	-21.21%	-30.26%	1.10%	1.14%	2.43%	4.34%	-17.56%	-53.18%	-33.92%

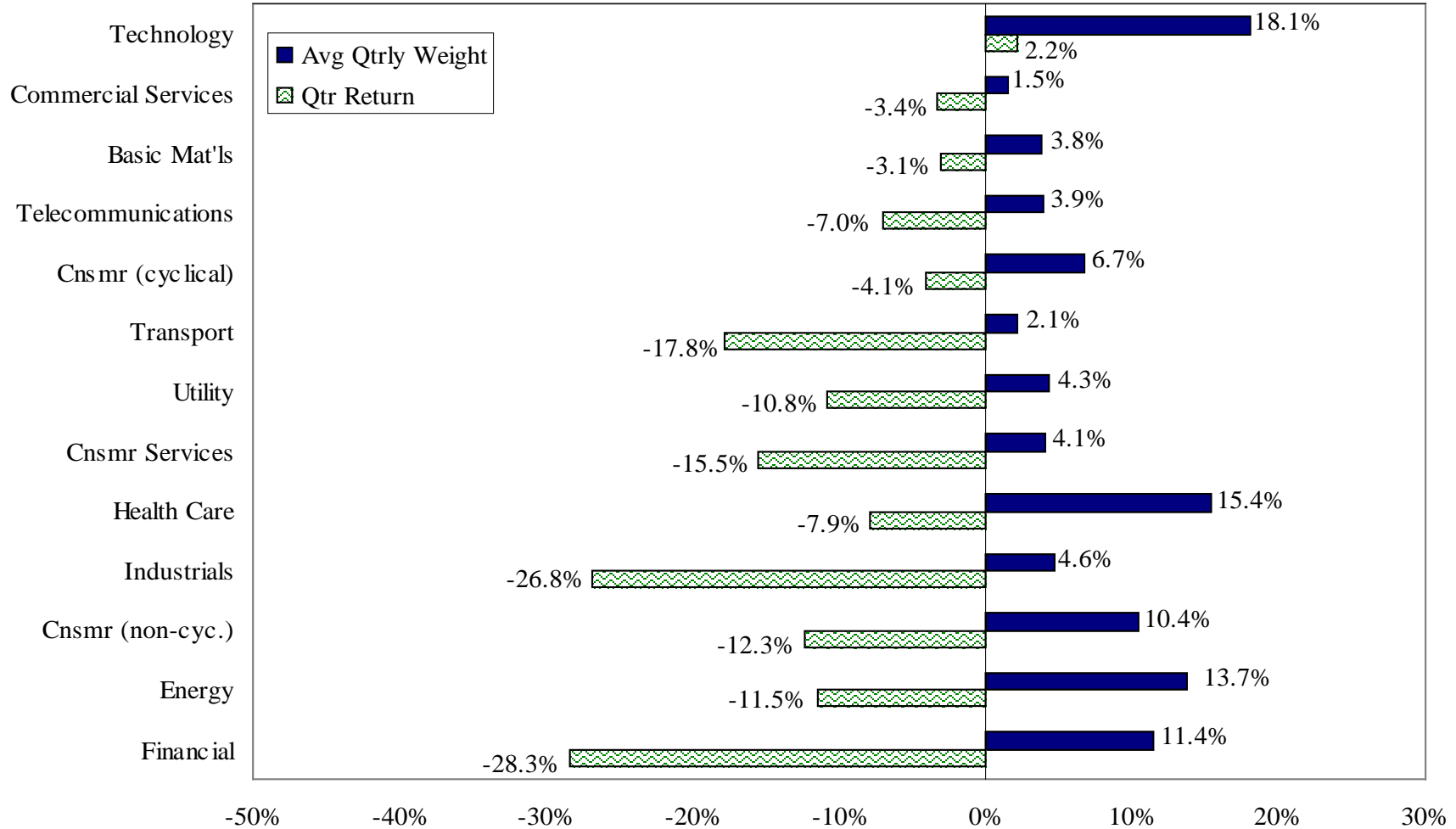
R1000	R1000V	R1000G	R2000	R2000V	R2000G	MSCI EAFE	MSCI Emerging Markets	Barclays Capital Municipal Bond	Barclays Capital Agg	Barclays Capital U.S. Corp: High Yield	HFR1 Fund of Funds Comp	Dow Jones Wilshire REIT	90 Day U.S. Treasury Bill
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# S&P 500 Sector Returns

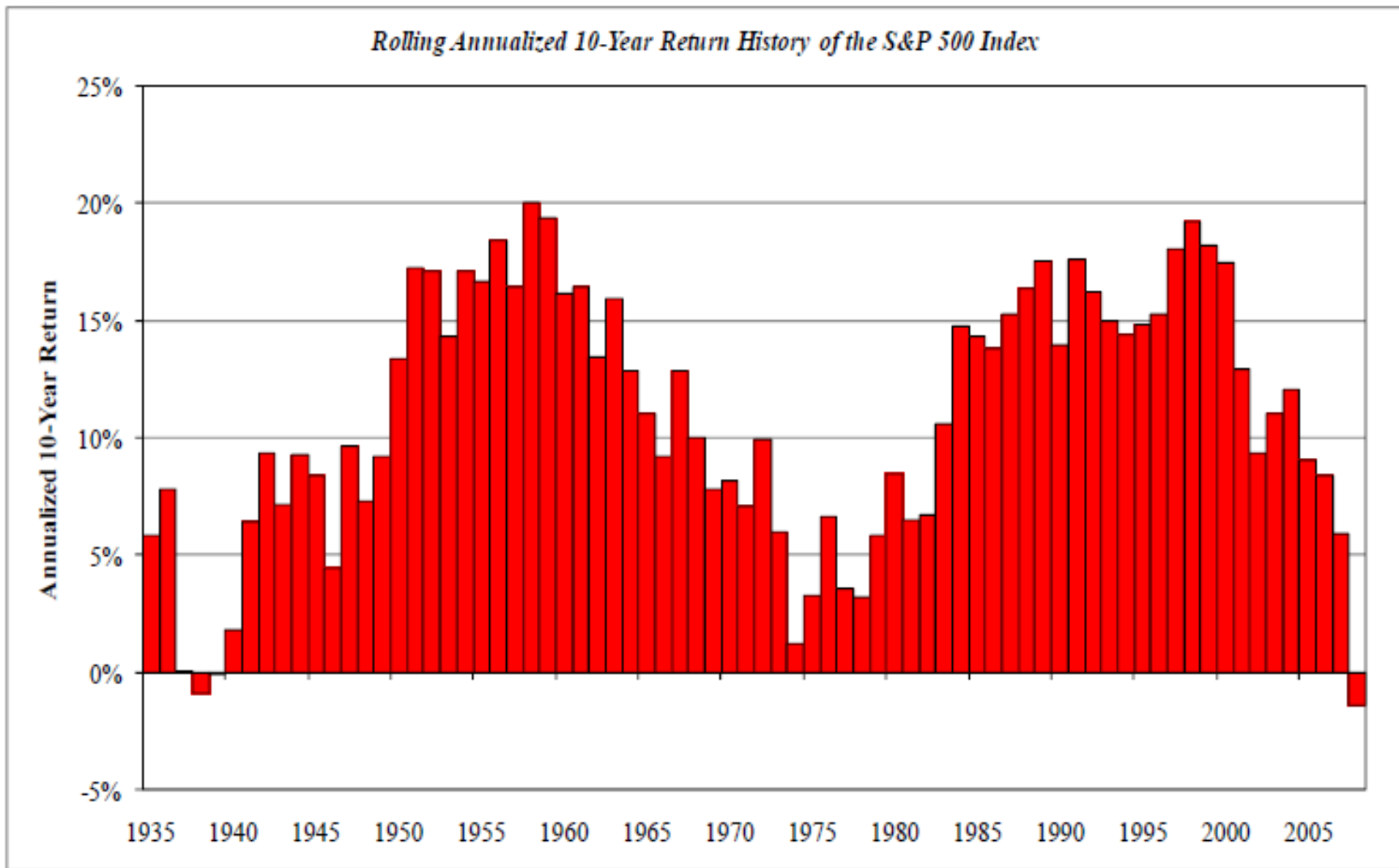


S&P 500 1st Qtr. Return, -11.01%





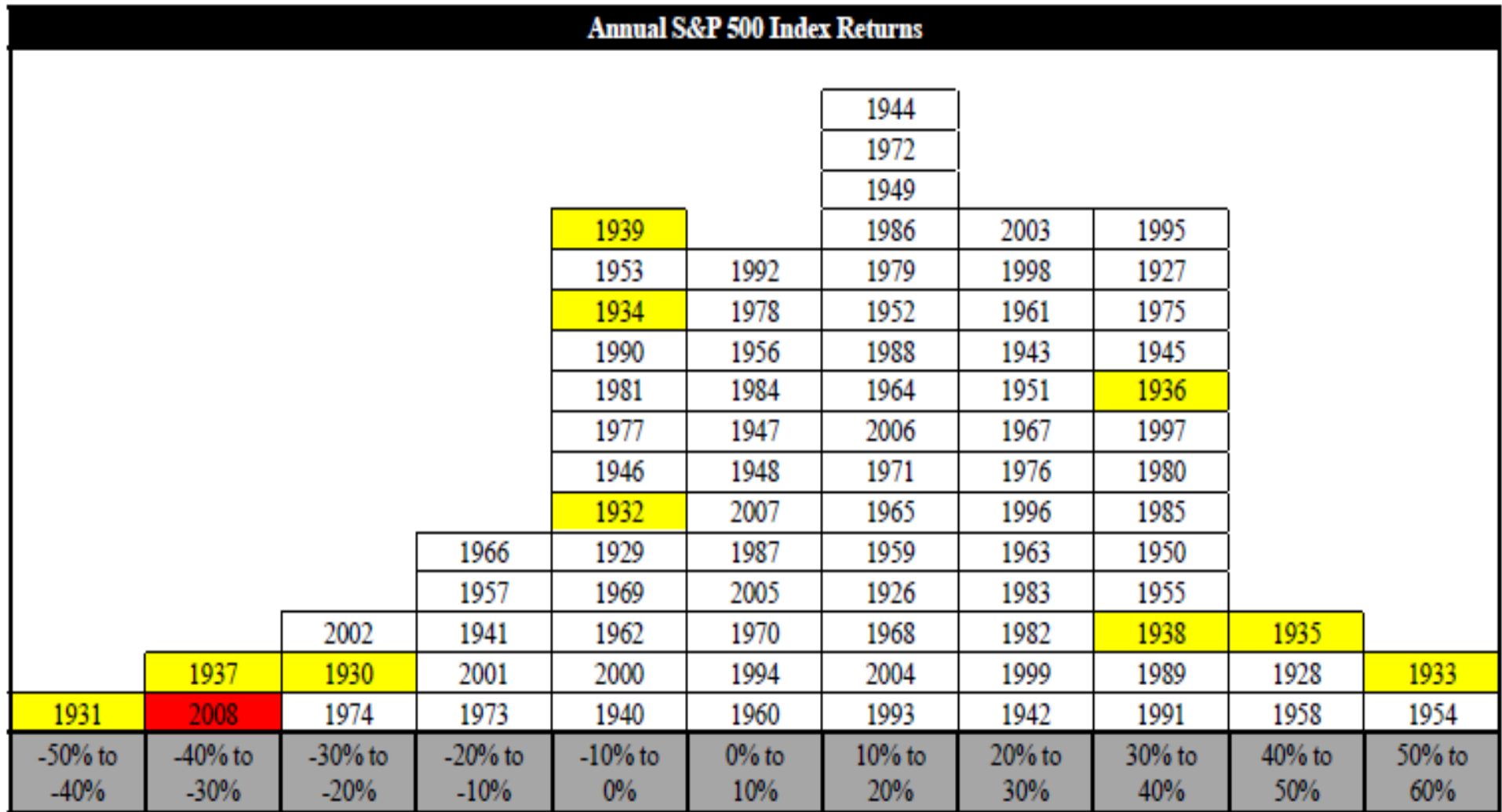
# S&P 500 Rolling Returns



Source: Crawford Investment Counsel, Inc.



# S&P 500 Histogram



**Average Annual Return Since 1929: 11.67%**

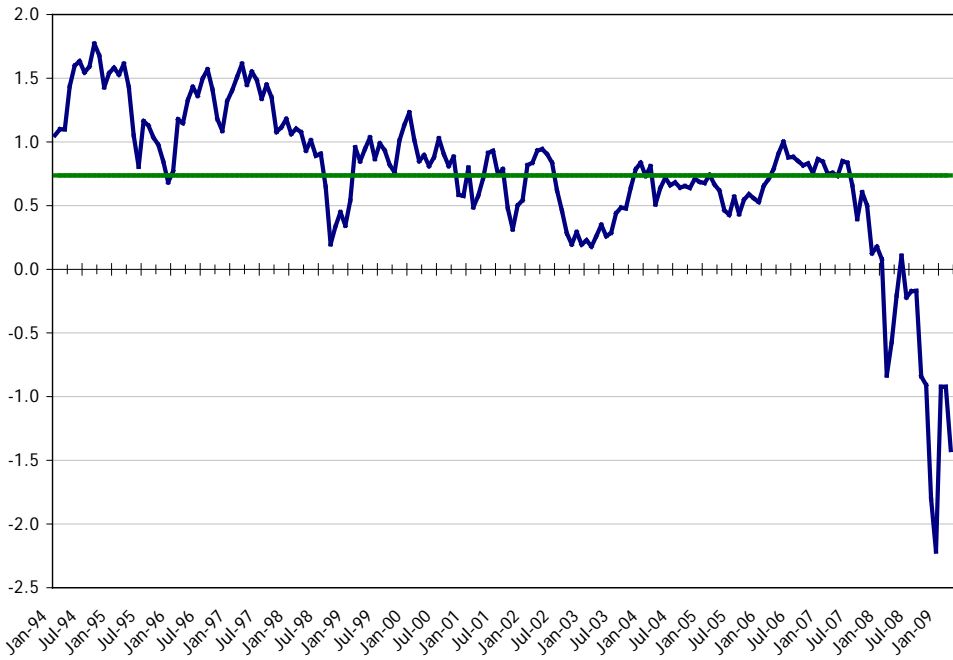
**Standard Deviation of Annual Returns Since 1929: 20.56%**

Source: Rogers Casey

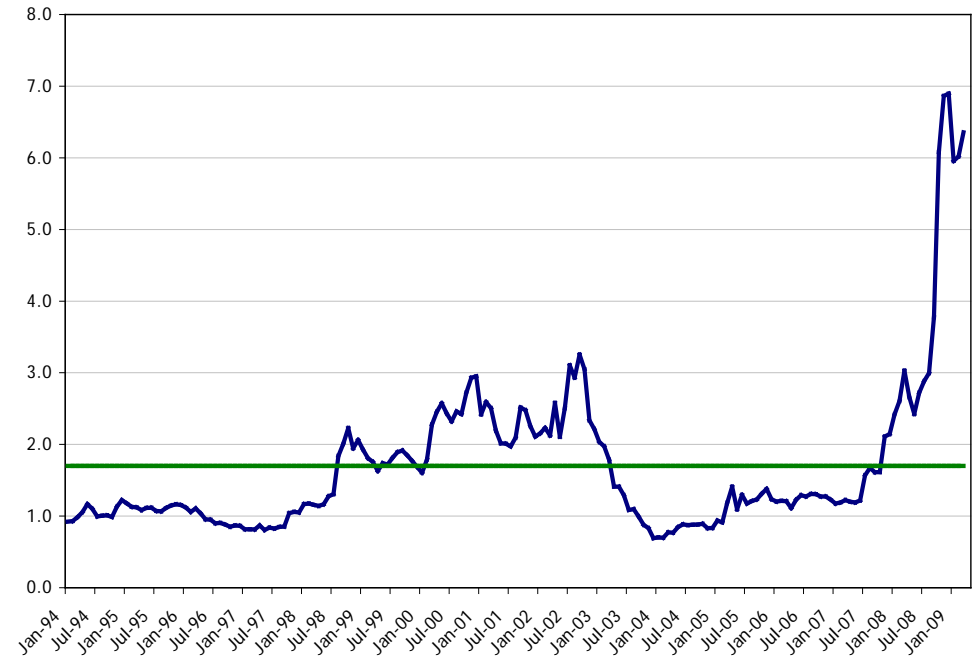
# Spreads



### 10yr Treasury Yield minus 10yr Muni Yield



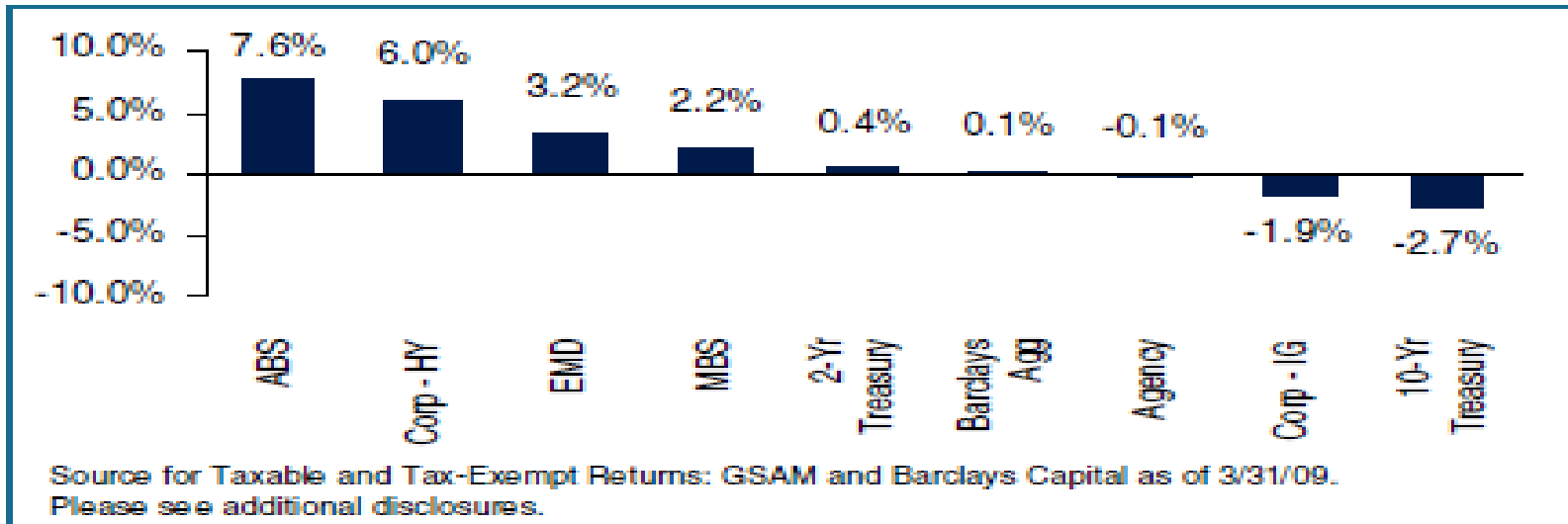
### Baa Credit Yield minus 10yr Treasury Yield



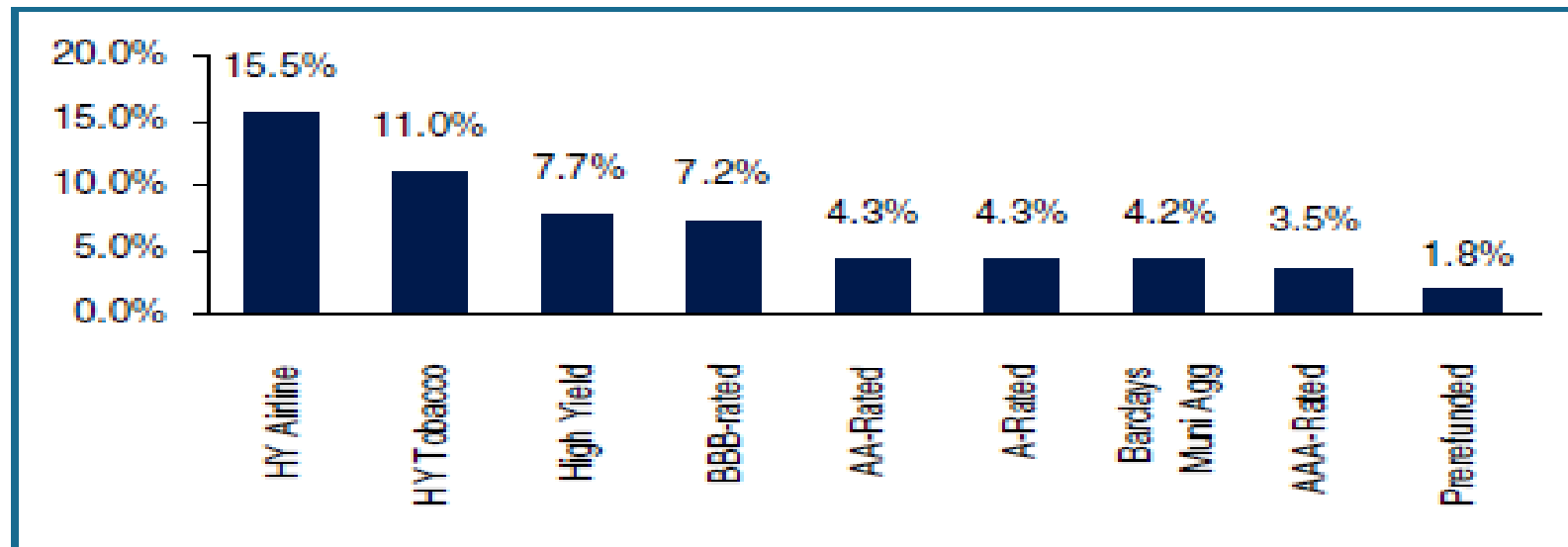


# Bond Sector Returns

## Fixed Income Taxable Sector Returns: Year-to-Date 2009



## Fixed Income Tax-Exempt Returns: Year-to-Date 2009



# American Recovery and Reinvestment Act of 2009



\$787 billion stimulus bill signed into law on February 17, 2009

- \$288 billion tax relief
- \$266 billion spending in education, healthcare, infrastructure and energy
  - \$111 billion infrastructure spending
  - \$59 billion healthcare spending
  - \$53 billion spending on education and training
  - \$43 billion energy spending
- \$144 billion relief for state and local governments
- \$81 billion for “protecting the vulnerable”
- \$8 billion non-economic recovery related items

## American Recovery and Reinvestment Act of 2009



In addition to the outright transfer of nearly \$150 billion from the U S Treasury to state governments, the stimulus act contains three changes intended to create additional demand for municipal bonds:

1. During 2009 and 2010, states may issue municipal bonds that provide a tax credit rather than tax-exempt interest
2. Interest paid on private activity bonds issued in 2009 or 2010 will not be subject to alternative minimum tax
3. Banks will not lose the deduction for interest paid after 2010 on deposits of up to 2% of its assets used to purchase municipal bonds issued in 2009 or 2010

## Actions by Treasury

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### The Public-Private Investment Program

- Designed to restore some measure of normalcy to the banking system
- Provides a means by which banks can remove some of the toxic assets from their balance sheets
- Two key elements to the PPIP program:
  1. A co-investment pledge of the Treasury to partner with investors on a one-to-one basis to invest in select legacy mortgage assets
  2. A non-recourse financing program that will provide leverage to investors
- The government will take on some of the downside risk in order to increase demand
- Objectives of this program is to create liquidity in what is a frozen market
- Key question: How many banks will want to participate in this program

### Bank Stress Testing

- Treasury and the FDIC have begun “stress tests” for the nations banks
- Considered a key factor in restoring confidence in the banking system



## Wealth Transfer Ideas

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- Grantor Retained Annuity Trusts (GRATs)
  - April 2009 rate: 2.6%
  
- April 2009 Applicable Federal Rates (AFRs)
  - 3 years or less
    - » Annual: 0.83%
    - » Monthly: 0.83%
  - More than 3 years and less than 9 years
    - » Annual: 2.15%
    - » Monthly: 2.13%
  - More than 9 years
    - » Annual: 3.67%
    - » Monthly: 3.61%



## Questions

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- E-mail questions now to: [mdalton@rcladvisors.com](mailto:mdalton@rcladvisors.com)
- Call Barb, Bill, or Gary at: 212-452-5900
- Discuss with Barb, Bill, and/or Gary at upcoming meeting



# **Appendix**

## **First Quarter 2009 Presentation**

# Valuation – Historical P/E\* Comparison



	R1000	R1000G	R1000V	R2000	R2000G	R2000V	RMid
All Time High	32.30 (06/99)	67.30 (8/00)	25.30 (4/92)	42.52 (4/02)	128.20 (6/00)	33.55 (6/02)	30.55 (4/02)
Current	14.40	13.10	16.30	25.60	26.20	24.90	18.80
Average (Since 1978)	18.74	24.08	15.59	22.67	32.00	18.24	18.93
All Time Low	6.80 (3/80)	9.10 (3/82)	5.40 (3/80)	6.50 (3/80)	8.80 (12/78)	5.00 (3/80)	6.40 (3/80)

\*Calculated using Russell Index Data Starting in 1978.

# Valuation – Historical P/E\* Comparison



	MSCI EAFE (12/72)	MSCI EAFE Growth (12/74)	MSCI EAFE Value (12/74)	MSCI EAFE Small (3/03)	MSCI EM (9/95)
All Time High	42.92 (12/99)	48.11 (12/99)	43.23 (6/02)	68.75 (3/04)	39.00 (6/99)
Current	10.84	12.89	9.26	10.74	9.07
Average (Since Inception)	19.71	22.24	16.79	30.45	16.05
All Time Low	7.20 (12/74)	8.88 (7/80)	5.75 (12/74)	8.61 (11/08)	7.90 (2/09)

\*Calculated using MSCI Index Data Starting in 1972.



## Overview

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- Overall
  - The domestic equity market finished the quarter in negative territory, despite experiencing a surge late in March. Growth stocks outperformed value stocks across the capitalization spectrum, and mid cap stocks outperformed large and small cap issues. Results were negative throughout the developed international equity market; however, the emerging equity market posted a return of 1.0% for the quarter.
  - The U.S. dollar appreciated against most of the major currencies, most notably the Japanese Yen and EURO.
  - Intermediate and long-term rates trended higher as the yield curve steepened throughout the quarter.
  - Valuation indicators show that equity markets have become undervalued relative to history.
  - Given the impaired state of household balance sheets and the threat of weakening consumer activity, the Fed remained committed to its quantitative easing and reflationary policies.
- Fixed Income
  - 90 day T-bill yields increased from 0.03% to 0.20%.
  - The Federal Reserve Board held the Federal Funds rate at 0.25%.
  - Long-term bonds underperformed their intermediate and short-term counterparts.
  - Plus sectors posted positive results on an absolute basis and outperformed core fixed income.
    - Emerging market debt ended the quarter with a gain of 3.4%, and outperformed core fixed income by over 3%.
    - High yield bonds returned 6.0%, and outperformed core fixed income by over 5%.
  - Corporate bond spreads tightened during the quarter, while Municipal spreads widened.
  - Foreign bonds offered flat results for hedged investors, and negative results on an unhedged basis.

# Overview



- U.S. Equities
  - Mid cap and growth stocks rebounded to outperform their respective counterparts throughout the quarter.
  - As measured by the S&P 500, sector returns were overwhelmingly negative with the financial and industrials sectors posting the quarter's weakest results. Conversely, the technology sector finished the quarter with the strongest performance.
  - Equity market valuations appear undervalued relative to historic averages.
- Non-U.S. Equities
  - Quarterly performance was mixed overseas as developed equities fell by 13.9% and emerging market equities inched higher by 1.0%.
  - Growth stocks outperformed value-oriented securities within the MSCI EAFE Index, while small cap stocks finished the quarter ahead of the broader market.
  - Most major regions fared poorly within the developed equity arena, particularly Japan (-16.6%) and Europe ex U.K. (-16.1%). Emerging market equities offered better results with the Latin American market (+4.9%) surfacing as the strongest performing region.
  - Three year returns: EAFE = -14.1% annualized. Emerging markets = -7.9% annualized.
- Alternatives
  - Domestic REITs ended the quarter with sizeable losses, with the international REIT markets following closely behind.
  - Commodities continued to experience declines; however, the DJ-AIG Commodity Index (-6.31%) outperformed the S&P 500 Index by over 4%.



# Fixed Income



## Index Returns

Taxable	Month	QTR	YTD	1 Yr	3 Yr	5 Yr
90 Day T-Bills	0.03	0.03	0.03	1.20	3.58	3.11
Barclays Intermediate Aggregate	1.35	0.91	0.91	3.39	5.89	4.15
Barclays Long Gov/Credit	1.78	-6.16	-6.16	0.98	4.87	3.93
Barclays Aggregate	1.39	0.12	0.12	3.13	5.78	4.13
Barclays Government	1.82	-0.99	-0.99	6.95	8.09	5.24
Barclays US Corporates	-0.41	-1.93	-1.93	-6.63	0.95	1.08
Barclays Mortgage Backed	1.42	2.20	2.20	8.09	7.62	5.60
Barclays US Corp: High Yield	3.19	5.98	5.98	-19.31	-4.66	-0.10
J.P. Morgan Non-US WGBI Unhedged	2.35	-5.78	-5.78	-5.45	7.70	4.54
J.P. Morgan Non-US WGBI Hedged	0.61	0.06	0.06	5.74	5.66	5.03
J.P. Morgan Emerging Markets Bond	3.74	3.38	3.38	-8.49	1.95	5.18
<b>Tax Exempt - Municipal Bonds</b>						
Barclays: 1 Yr Municipal	0.35	1.37	1.37	4.20	4.36	3.09
Barclays: 5 Yr Municipal	0.45	2.18	2.18	6.04	5.50	3.76
Barclays: Municipal Bond	0.02	4.22	4.22	2.27	3.19	3.21



## Sector Yields

### US Treasuries

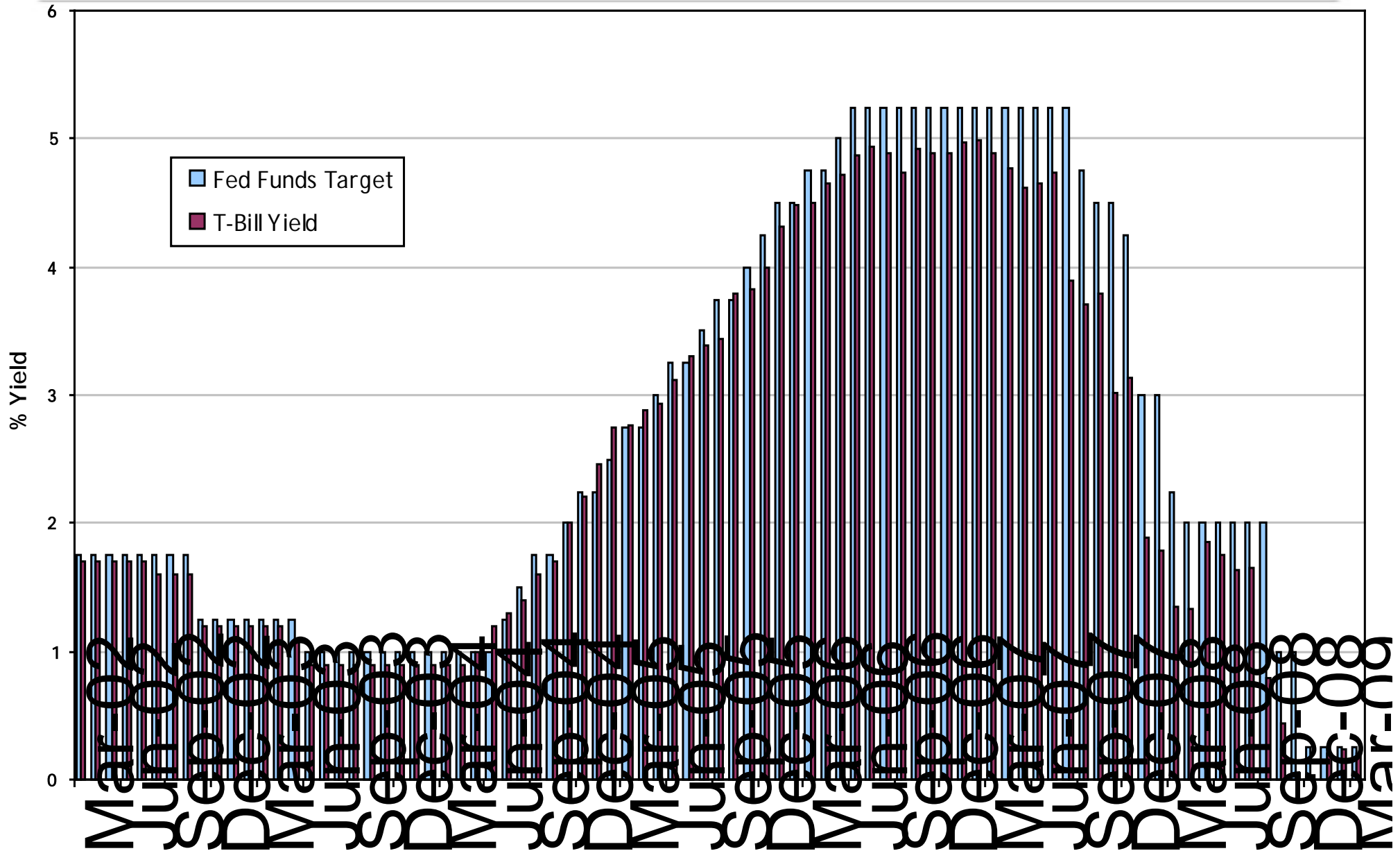
	Yield				Return	
	Dec-06	Dec-07	Dec-08	Mar-09	QTR	1 Yr
2-year	4.8	3.0	0.8	0.8	0.38	4.68
5-year	4.7	3.4	1.5	1.7	0.41	8.59
10-year	4.7	4.0	2.2	2.7	-2.82	10.51
30-year	4.8	4.5	2.7	3.5	-13.36	18.07

### Sector

	Yield				Return	
	Dec-06	Dec-07	Dec-08	Mar-09	QTR	1 Yr
Broad Market	5.3	4.9	4.0	4.1	0.12	3.13
Corporates	5.7	5.8	7.5	7.7	-1.93	-6.63
MBS	5.6	5.4	3.6	3.7	2.20	8.09
High Yield	7.7	9.6	19.4	18.1	5.98	-19.31
Municipals	3.9	4.0	4.5	4.1	4.22	2.27

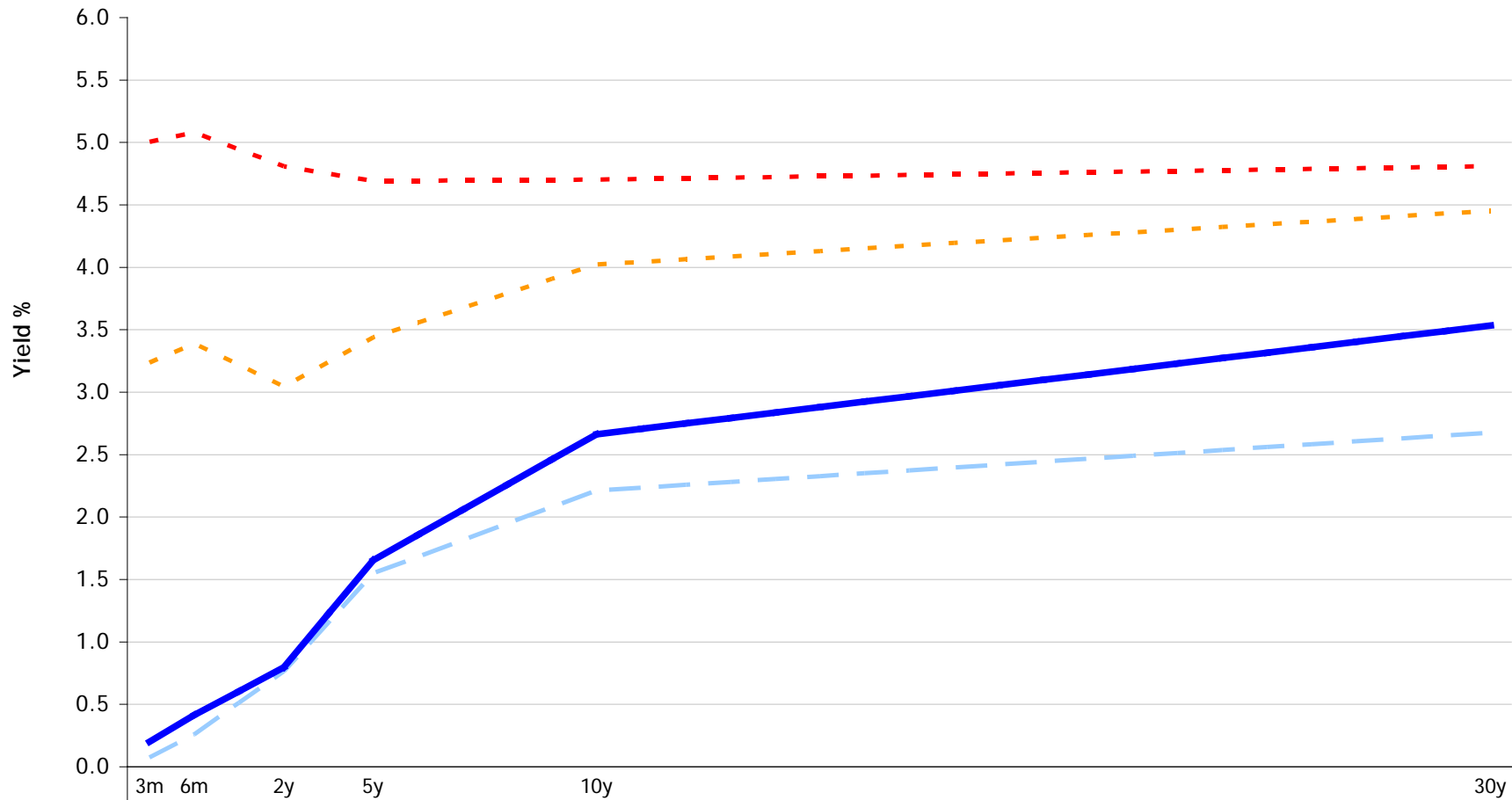


# Where will the Fed Go?





## U.S. Treasury Yield Curve

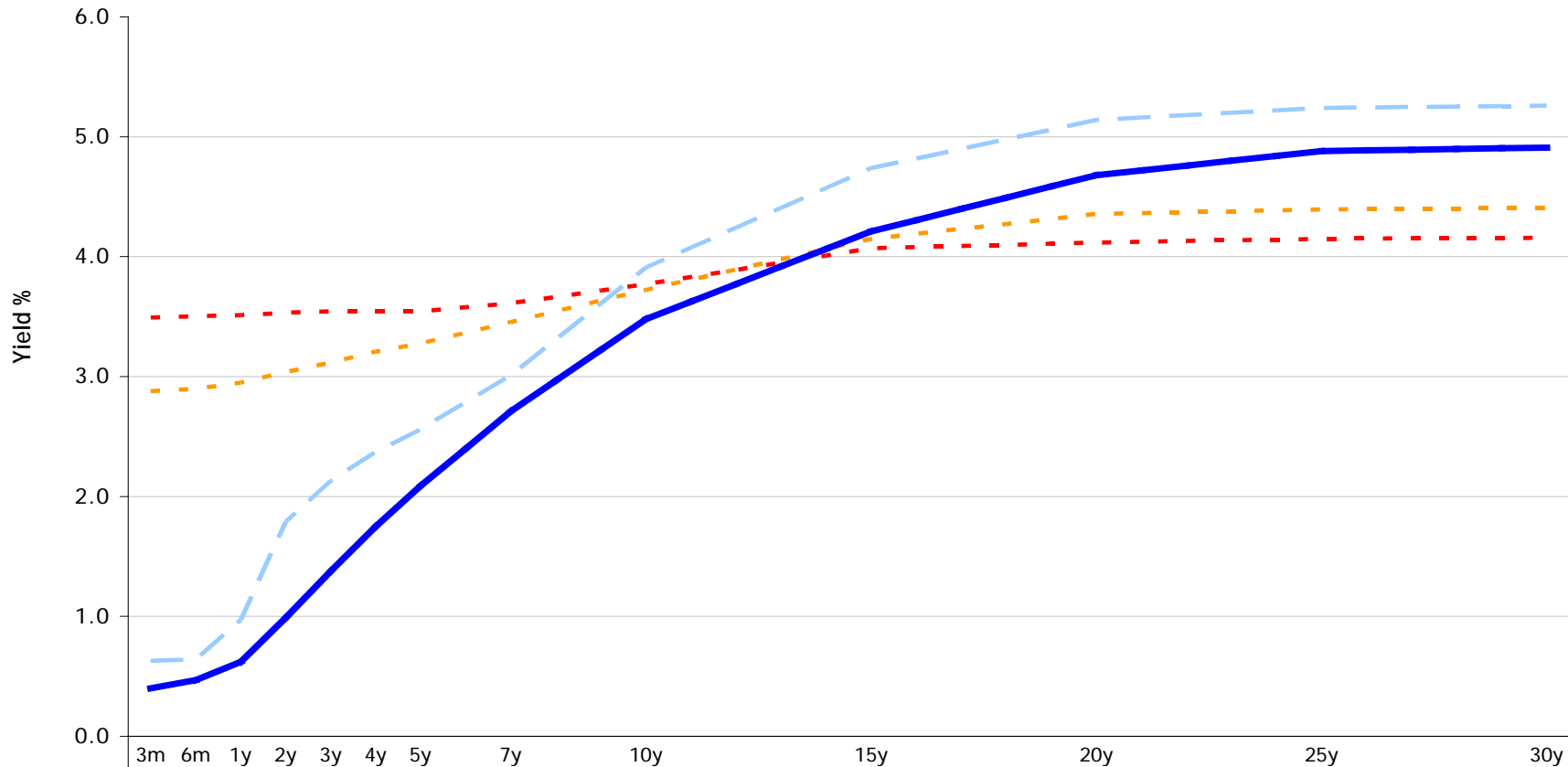


	3m	6m	2y	5y	10y	30y
12/31/2006	5.0	5.1	4.8	4.7	4.7	4.8
12/31/2007	3.2	3.4	3.0	3.4	4.0	4.5
12/31/2008	0.1	0.3	0.8	1.5	2.2	2.7
3/31/2009	0.2	0.4	0.8	1.7	2.7	3.5

- - - 12/31/2006   
 - - - 12/31/2007   
 - - - 12/31/2008   
 — 3/31/2009



## Municipal Yield Curve



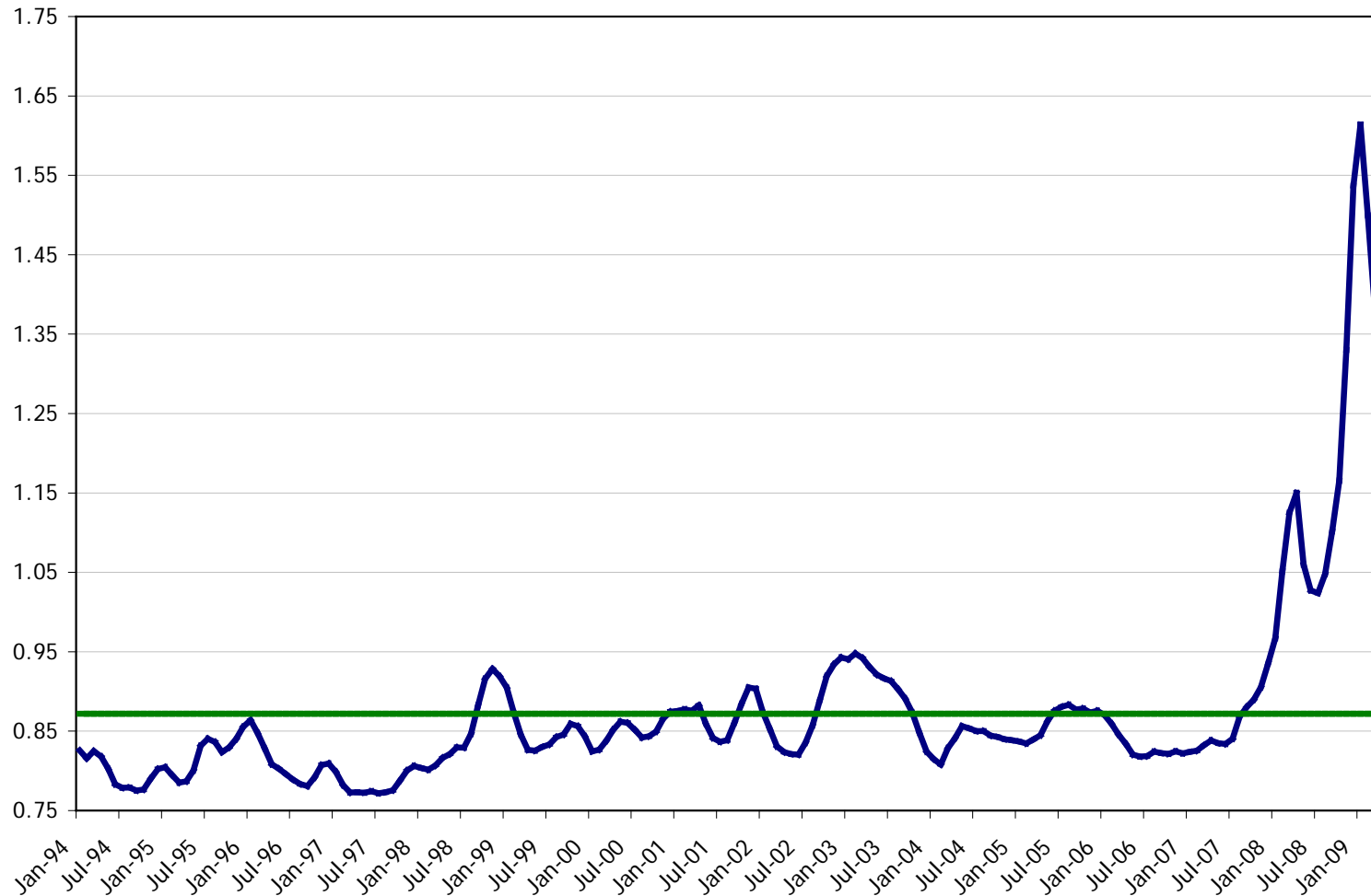
12/31/2006	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.8	4.1	4.1	4.1	4.2
12/31/2007	2.9	2.9	2.9	3.0	3.1	3.2	3.3	3.5	3.7	4.1	4.4	4.4	4.4
12/31/2008	0.6	0.6	1.0	1.8	2.1	2.4	2.6	3.0	3.9	4.7	5.1	5.2	5.3
3/31/2009	0.4	0.5	0.6	1.0	1.4	1.8	2.1	2.7	3.5	4.2	4.7	4.9	4.9

- - - 12/31/2006   
 - - - 12/31/2007   
 - - - 12/31/2008   
 — 3/31/2009

Municipal / Treasury Spread



Barclays 10 Year Muni Yield/10 year Treasury Ratios\*



Theoretically, Municipal yields should equal Treasury yields x (1-tax rate).

\*Based on 3-month moving average.



# U.S. Equity



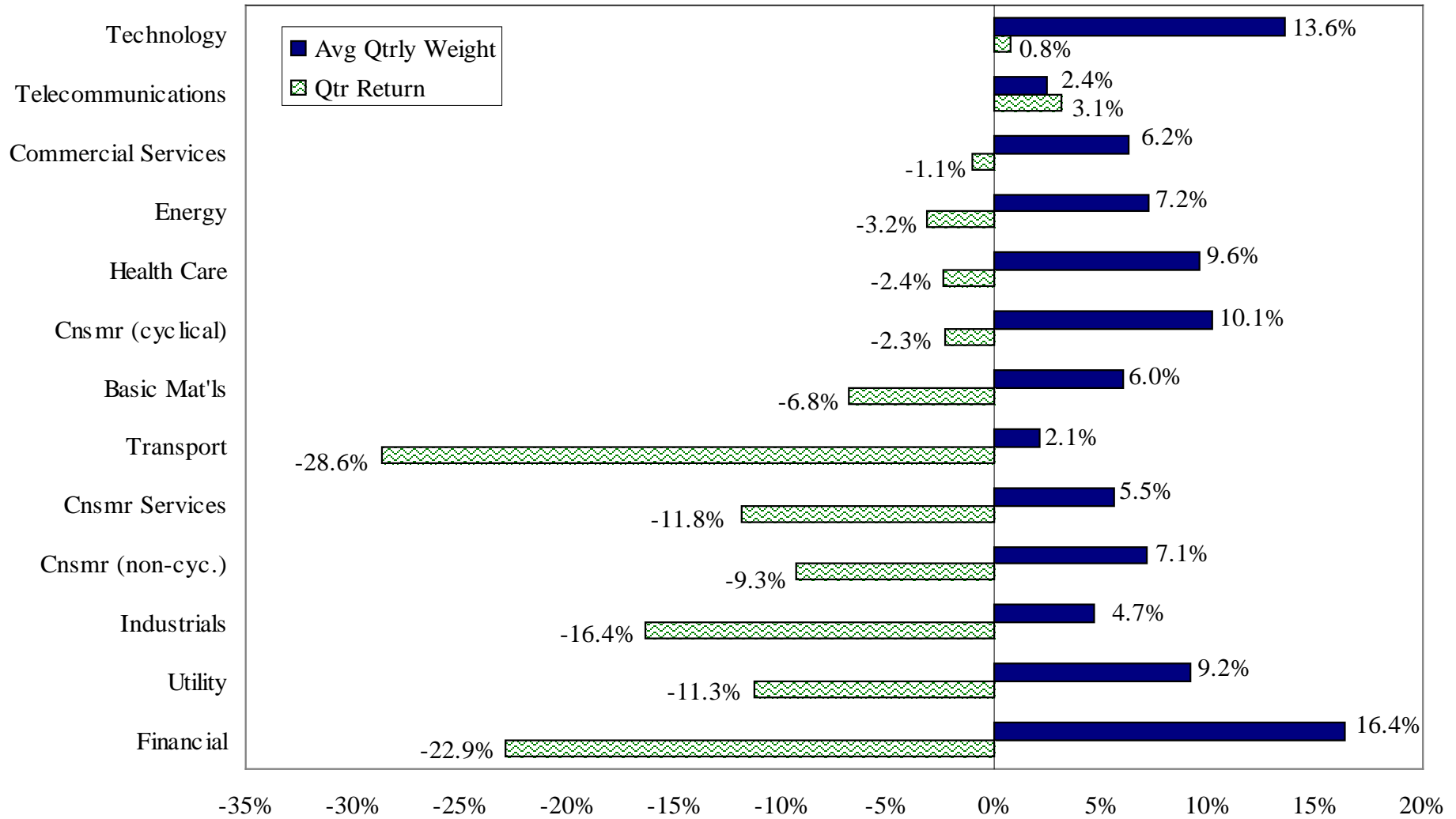
## Index Returns

Equity Indices	Month	QTR	YTD	1 Yr	3 Yr	5 Yr
S&P 500	8.76	-11.01	-11.01	-38.09	-13.06	-4.76
Russell 1000	8.75	-10.45	-10.45	-38.27	-13.24	-4.54
Russell Midcap	9.15	-8.98	-8.98	-40.81	-15.53	-3.53
Russell 2000	8.93	-14.95	-14.95	-37.50	-16.80	-5.24
Russell 1000 Growth	8.92	-4.12	-4.12	-34.28	-11.28	-4.38
Russell 1000 Value	8.55	-16.77	-16.77	-42.42	-15.40	-4.94
Russell Midcap Growth	9.53	-3.36	-3.36	-39.58	-14.89	-3.91
Russell Midcap Value	8.73	-14.68	-14.68	-42.51	-16.68	-3.81
Russell 2000 Growth	8.98	-9.74	-9.74	-36.36	-16.20	-5.37
Russell 2000 Value	8.88	-19.64	-19.64	-38.89	-17.54	-5.30

# Russell Mid Cap Sector Returns



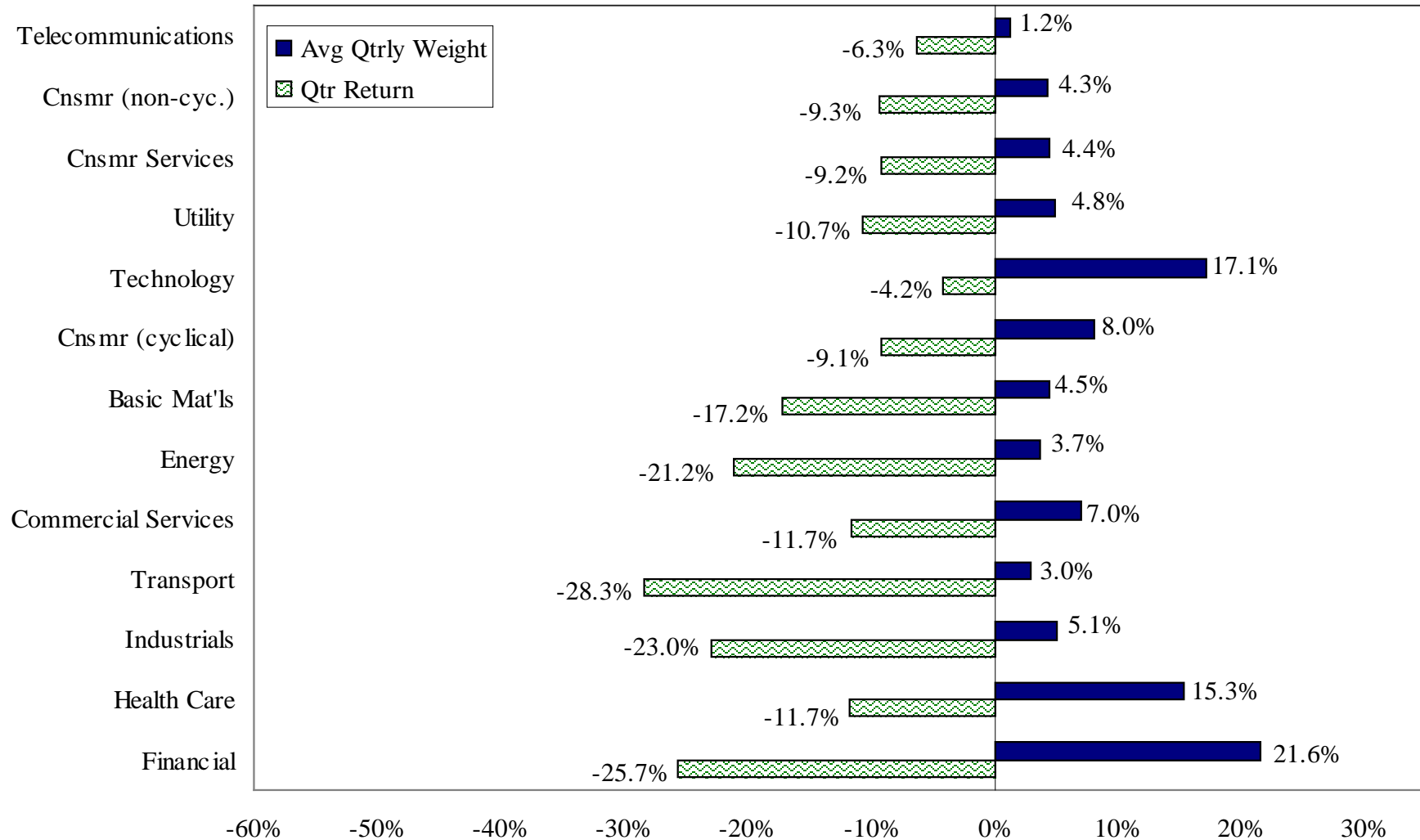
Russell Mid Cap 1st Qtr. Return, -8.98%



# Russell 2000 Sector Returns



Russell 2000 1st Qtr. Return, -14.95%

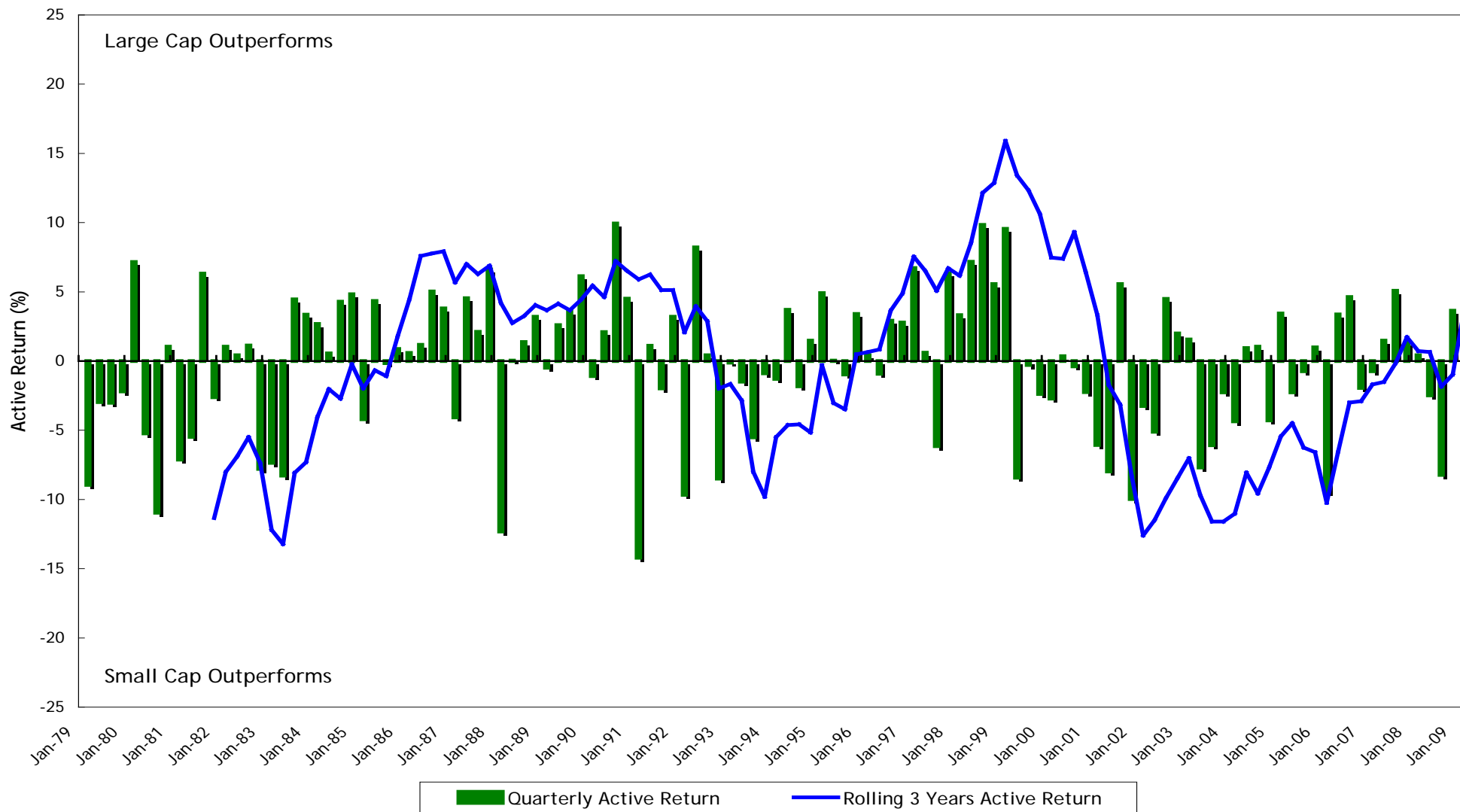


# Capitalization – Large Cap vs. Small Cap



## U.S. Equity

### Russell 1000 Index vs. Russell 2000 Index

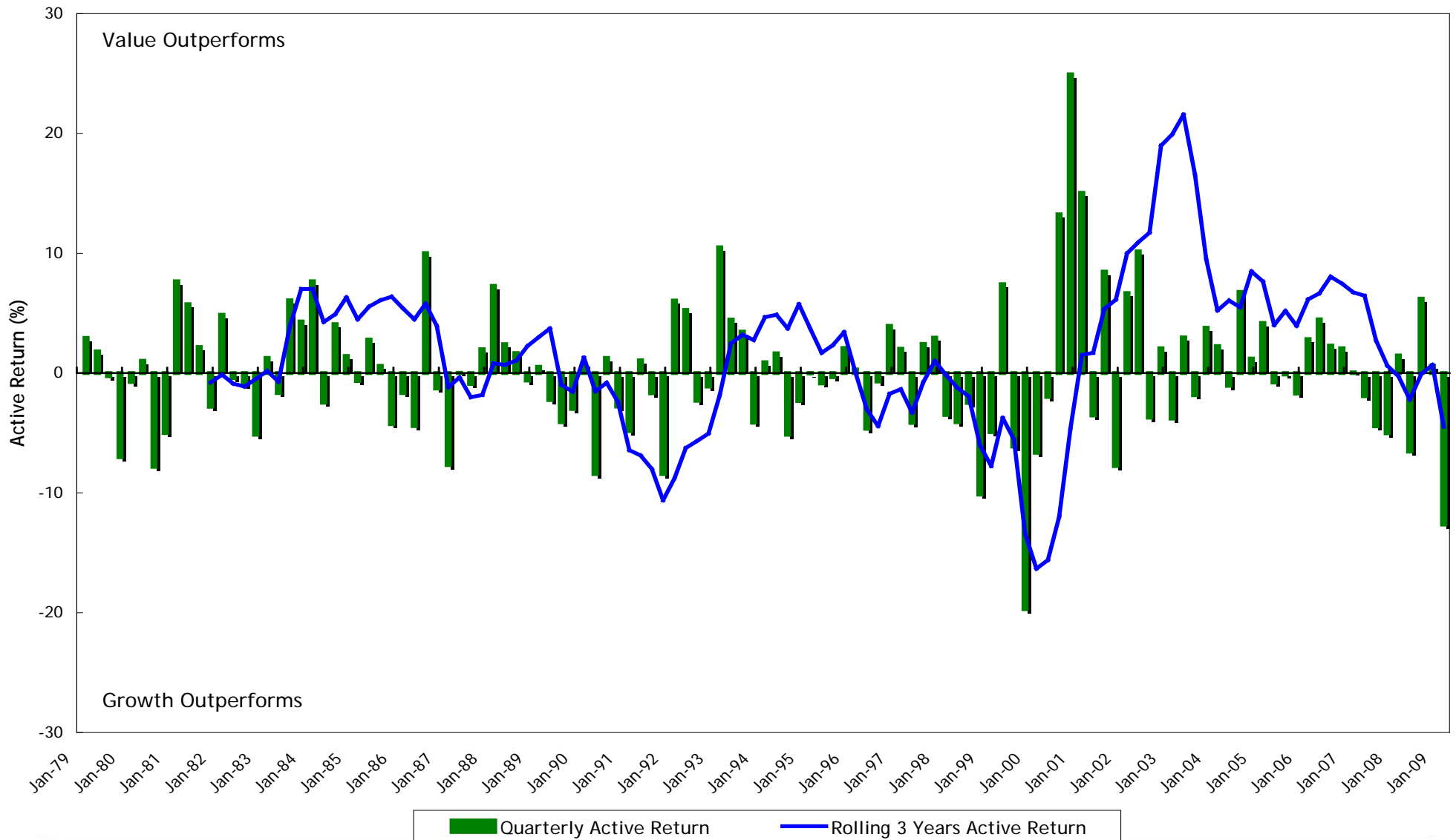


# Style – Large Value vs. Large Growth



## U.S. Equity

Russell 1000 Value Index vs. Russell 1000 Growth Index

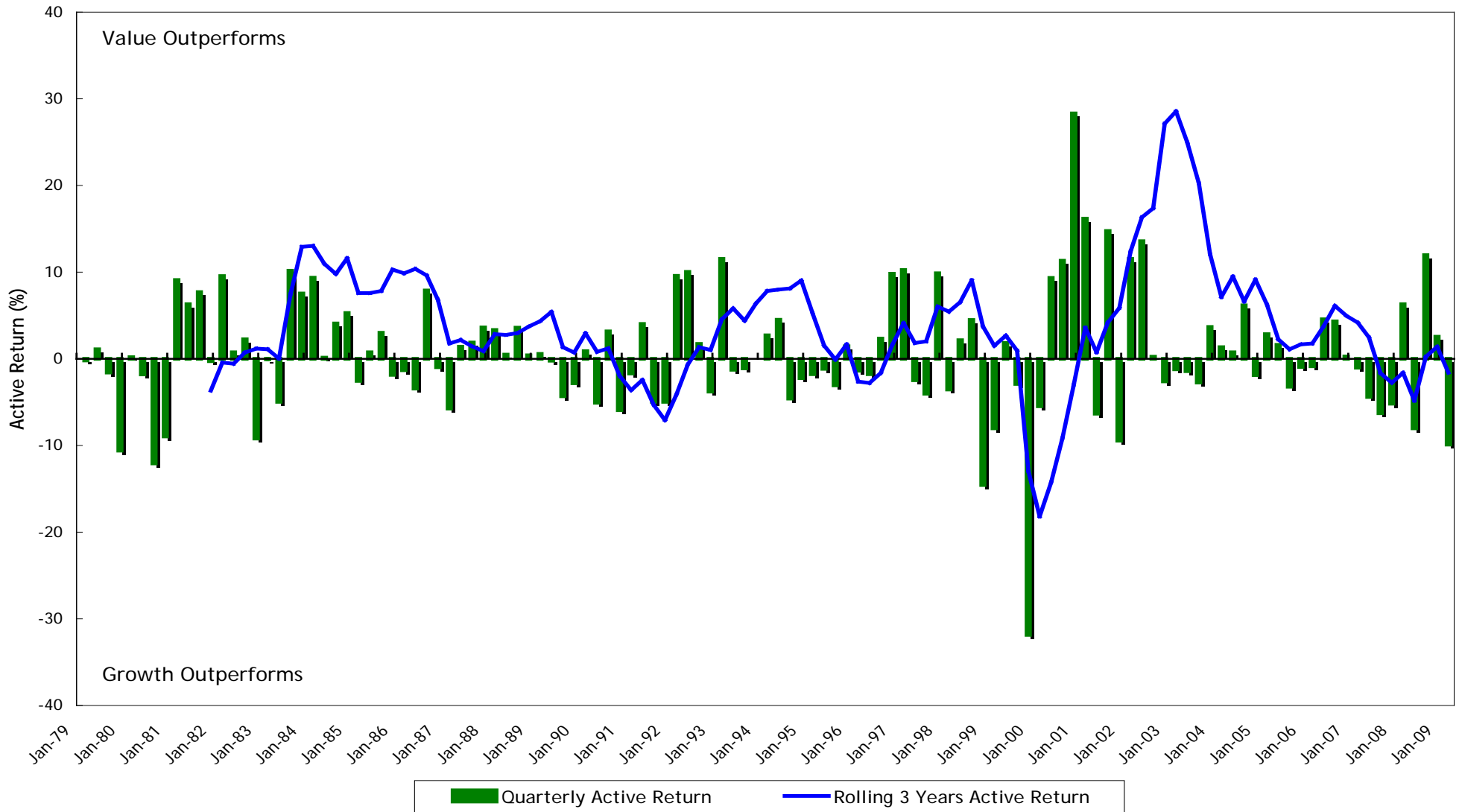


# Style – Small Value vs. Small Growth



## U.S. Equity

Russell 2000 Value Index vs. Russell 2000 Growth Index



# Valuation – Relative P/E\* Comparison



## U.S. Equity

Relative P/E Ratios\*

	<u>R2000</u> R1000	<u>R1000V</u> R1000G	<u>R2000V</u> R2000G
High	1.78	1.24	1.04
Current	1.78	1.24	0.95
Average	1.24	0.69	0.63
Low	0.80	0.29	0.11

Relative P/E Ratios\*  
(Excluding Negative Earnings)

	<u>R2000</u> R1000	<u>R1000V</u> R1000G	<u>R2000V</u> R2000G
High	1.29	0.85	0.92
Current	1.11	0.85	0.88
Average (5 Yr.)	1.10	0.79	0.80
Low	0.57	0.35	0.44

\*Calculated Using Russell Index Data Since 1978.

## Best & Worst Days in the S&P 500 Index



<i>10 years ending 3/31/2009</i>	<i>Annualized Returns for the S&amp;P 500</i>
Fully Invested	-3.00
Excluding 10 best days	-9.51
Excluding 20 best days	-13.49
Excluding 30 best days	-16.82
Excluding 10 worst days	4.32
Excluding 20 worst days	9.60
Excluding 30 worst days	14.03

Source: Bloomberg Data collected through 3/31/2009



# International Equity



## Index Returns

Broad Indices	Month	QTR	YTD	1 Yr	3 Yr	5 Yr
EAFE	6.39	-13.85	-13.85	-46.20	-14.07	-1.75
EAFE Growth	5.71	-12.32	-12.32	-45.12	-12.80	-1.65
EAFE Value	7.13	-15.46	-15.46	-47.35	-15.43	-1.96
S&P/Citi EPAC-EMI (Small Cap)	6.53	-11.36	-11.36	-49.25	-16.44	-1.29
Emerging Markets	14.38	1.02	1.02	-46.90	-7.88	6.25
<b>Regional</b>						
Europe ex UK	8.53	-16.10	-16.10	-50.07	-13.02	0.04
UK	3.72	-10.68	-10.68	-48.42	-15.49	-3.79
Pacific ex Japan	13.41	-2.18	-2.18	-43.95	-7.02	3.72
Japan	2.17	-16.57	-16.57	-35.89	-17.36	-5.28
Asian Emerging Markets	15.93	1.66	1.66	-44.10	-6.18	4.18
Latin America Emerging Markets	10.98	4.94	4.94	-48.16	-1.51	16.73
Australia	17.79	-1.52	-1.52	-44.39	-7.25	4.35
Canada	9.44	-3.41	-3.41	-43.65	-9.04	4.67

## Index Returns – Local Currency



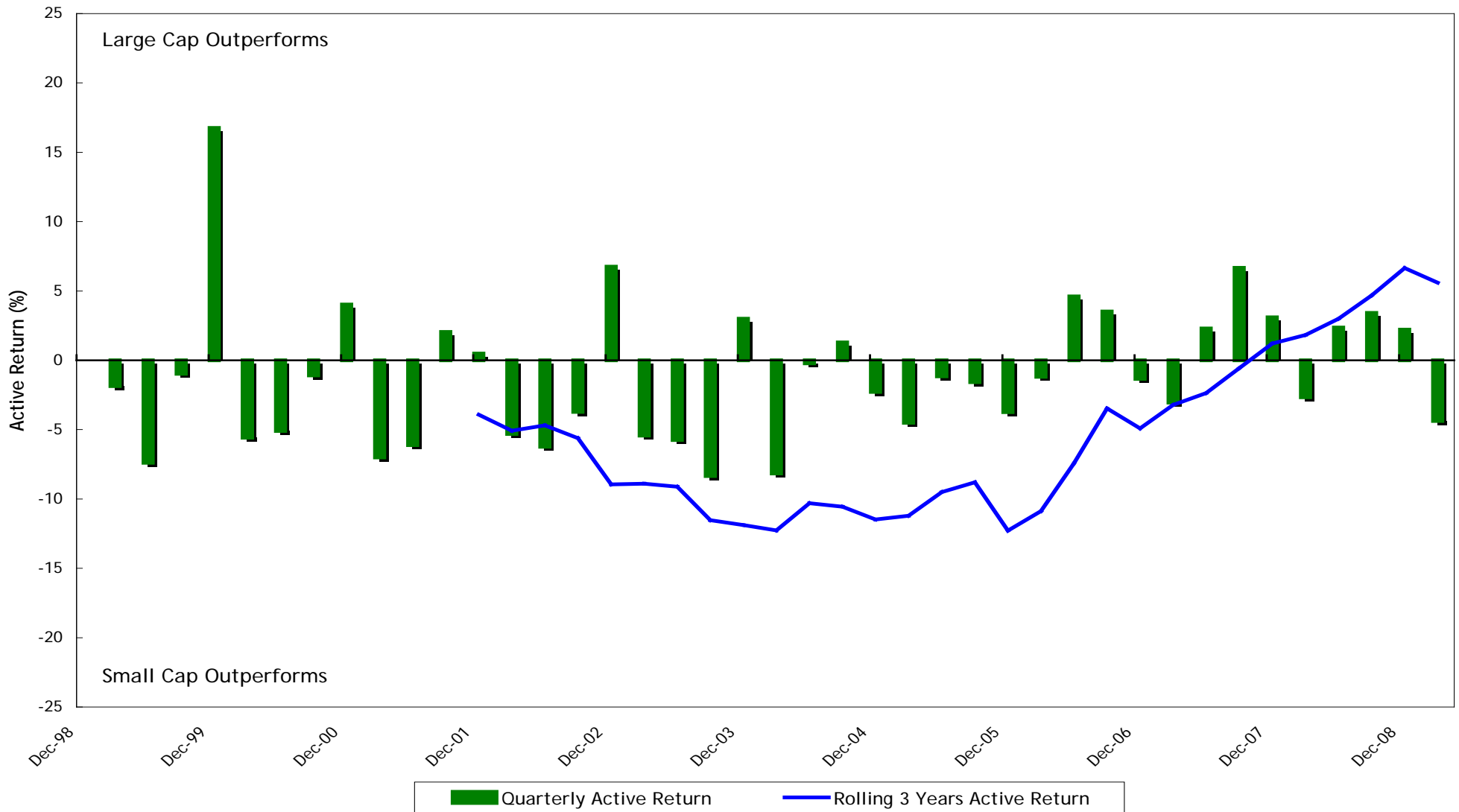
Broad Indices	Month	QTR	YTD	1 Yr	3 Yr	5 Yr
EAFE	3.86	-10.01	-10.01	-36.50	-15.33	-1.55
<b>Regional</b>						
Europe Ex UK	3.98	-11.95	-11.95	-40.33	-15.67	-1.45
UK	3.14	-10.40	-10.40	-28.48	-9.94	1.12
Pacific Ex Japan	7.03	-1.36	-1.36	-31.93	-6.72	4.78
Japan	3.13	-9.09	-9.09	-36.38	-22.12	-6.26
Asian Emerging Markets	12.11	5.72	5.72	-34.78	-2.46	5.42
Latin America Emerging Markets	6.99	4.27	4.27	-32.28	2.61	15.44
Australia	8.31	-1.18	-1.18	-26.94	-6.45	6.33
Canada	8.52	-1.56	-1.56	-30.91	-6.72	3.76

# Capitalization – Large Cap vs. Small Cap



## Non-U.S. Equity

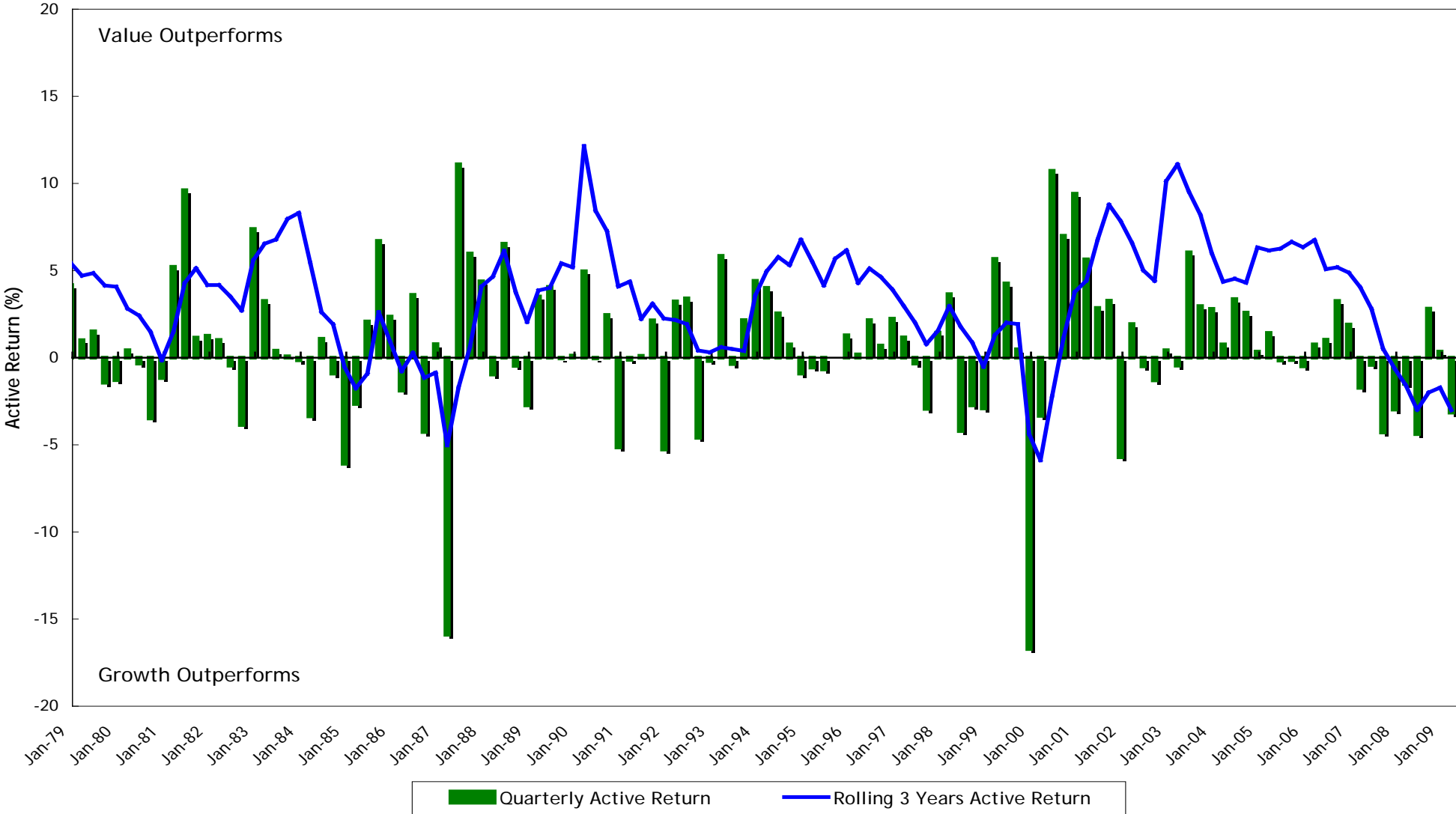
MSCI EAFE Index vs. MSCI EAFE Small Cap



# Style – Value vs. Growth



MSCI EAFE Value Index vs. MSCI EAFE Growth Index



# Valuation – Relative P/E\* Comparison



## Non-U.S. Equity

	<u>EAFE Small</u> EAFE	<u>EAFE V</u> EAFE G
High	3.78	2.35
Current	0.99	0.72
Average	1.78	0.76
Low	0.99	0.54

\*Calculated using MSCI Index Data Since 1974 for the EAFE Value and Growth, and since 2003 for the EAFE Small.



# Alternatives & Currency



## Index Returns

Alternatives	Month	QTR	YTD	1 Yr	3 Yr	5 Yr
DJ Wilshire Real Estate Securities	3.24	-33.85	-33.85	-61.02	-27.23	-9.46
S&P Developed Property	7.14	-22.22	-22.22	-56.60	-22.37	-5.97
DJ-AIG Commodity Index	3.60	-6.31	-6.31	-44.99	-9.84	-3.25
% Change Relative to USD						
Japanese Yen	-0.94	-8.22	-8.22	0.77	6.11	1.04
EURO	4.54	-4.48	-4.48	-16.21	3.14	1.56
British Pound	0.56	-0.32	-0.32	-27.90	-6.17	-4.85
Canadian Dollar	0.85	-1.88	-1.88	-18.45	-2.48	0.88
Australian Dollar	8.75	-0.34	-0.34	-23.89	-0.86	-1.87



## Index Returns

### Comparative Performance As of March 31, 2009

	1 Month	1 Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
HFRI RV: Fixed Income - Convertible Arbitrage	3.51	11.48	11.48	-21.18	-5.87	-3.18	0.26	4.04
HFRI ED: Distressed/Restructuring	0.29	-0.44	-0.44	-22.51	-4.83	2.18	6.55	7.69
HFRI Emerging Markets (Total)	4.63	1.32	1.32	-31.51	-3.60	5.22	9.44	11.26
HFRI Emerging Markets: Asia ex-Japan	5.52	2.72	2.72	-22.69	1.37	6.59	10.63	9.95
HFRI Emerging Markets: Russia/Eastern Europe	8.97	-1.38	-1.38	-57.30	-15.74	3.01	11.35	19.43
HFRI Emerging Markets: Global Index	2.43	0.73	0.73	-27.41	-2.44	4.08	7.04	8.85
HFRI Emerging Markets: Latin America Index	1.78	1.95	1.95	-25.86	-2.97	4.10	6.32	7.07
HFRI Equity Hedge (Total)	3.40	0.35	0.35	-21.71	-5.20	0.90	2.96	6.30
HFRI EH: Equity Market Neutral	1.01	0.23	0.23	-5.57	1.24	2.92	2.78	4.99
HFRI EH: Quantitative Directional	3.69	-3.15	-3.15	-21.25	-3.52	2.95	5.79	6.87
HFRI Event-Driven (Total)	1.63	0.52	0.52	-18.53	-3.30	2.76	5.05	7.51
HFRI RV: Multi-Strategy	1.81	4.82	4.82	-13.10	-3.25	0.72	2.93	4.44
HFRI RV: Fixed Income - Corporate	0.63	1.41	1.41	-17.95	-6.43	-0.87	2.88	3.03
HFRI RV: Fixed Income - Asset Backed	2.52	4.30	4.30	1.60	2.72	5.27	5.65	7.11
HFRI Fund of Funds Composite Index	-0.01	0.47	0.47	-17.54	-2.91	1.36	3.03	5.01
HFRI Fund Weighted Composite Index	1.80	0.52	0.52	-15.69	-1.57	3.03	4.88	7.00
HFRI Macro (Total)	-1.21	-1.47	-1.47	-0.74	6.39	5.96	8.64	8.71
HFRI Macro: Systematic Diversified	-2.11	-2.79	-2.79	5.65	10.90	12.16	10.36	10.77
HFRI ED: Merger Arbitrage	1.18	1.92	1.92	-1.54	3.60	5.16	4.70	6.60
HFRI ED: Private Issue/Regulation D	1.13	0.90	0.90	-10.01	-1.55	3.30	4.97	7.20
HFRI Relative Value (Total)	2.03	4.70	4.70	-11.21	0.27	2.84	4.24	6.44
HFRI EH: Energy/Basic Materials	5.07	5.70	5.70	-32.19	-6.41	6.40	8.86	13.98
HFRI RV: Yield Alternatives	3.39	7.06	7.06	-17.96	-5.08	1.00	4.36	5.88
HFRI EH: Technology/Healthcare	2.98	2.83	2.83	-7.85	0.94	3.96	4.79	6.28
HFRI EH: Short Bias	-4.67	1.76	1.76	20.13	10.70	7.12	4.31	4.35

\* Preliminary returns subject to change.

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