



Annual Total Returns of U.S. Fixed Income Sectors (%)

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Treasury 10.03	High Yield 2.39	Treasury 13.52	Corporate 10.31	CMBS 15.32	High Yield 28.97	High Yield 11.13	Treasury 2.79	High Yield 11.85	Treasury 9.01	Treasury 13.74
Agency 8.85	Agency MBS 1.86	CMBS 13.47	ABS 9.81	Treasury 11.79	Corporate 8.24	Corporate 5.39	High Yield 2.74	Agency MBS 5.22	Agency 7.90	Agency 9.08
Corporate 8.57	ABS 1.81	Agency 12.18	CMBS 9.44	Agency 11.01	CMBS 4.66	Agency MBS 4.70	Agency MBS 2.61	CMBS 4.73	Agency MBS 6.90	Agency MBS 8.34
ABS 7.77	CMBS 0.49	Agency MBS 11.16	Agency 8.31	Corporate 10.12	ABS 4.01	CMBS 4.10	Agency 2.33	ABS 4.70	CMBS 5.57	Corporate -4.94
Agency MBS 6.96	Agency -0.94	ABS 10.84	Agency MBS 8.22	Agency MBS 8.75	Agency MBS 3.07	Treasury 3.54	ABS 2.09	Agency 4.37	Corporate 4.56	ABS -12.72
High Yield 1.87	Corporate -1.96	Corporate 9.08	Treasury 6.75	ABS 8.55	Agency 2.59	Agency 3.33	CMBS 1.82	Corporate 4.30	ABS 2.21	CMBS -20.52
	Treasury -2.56	High Yield -5.86	High Yield 5.28	High Yield -1.41	Treasury 2.24	ABS 3.00	Corporate 1.68	Treasury 3.08	High Yield 1.87	High Yield -26.16

Source: Barclays Capital

Index Definitions: **Agency Index**, Publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government (such as USAID securities). The largest issues are Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (FHLB). The index includes both callable and noncallable agency securities.

Agency MBS: The MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates. These aggregates are defined according to the following parameters: Agency (GNMA, FNMA, FHLMC), Program (30-year, 15-year, balloon, GPM), Pass-through coupon (6.0%, 6.5%, . . . , etc.), Origination year (1987, 1988, . . . , etc.). **Treasury:** Public obligations of the U.S. Treasury with a remaining maturity of one year or more. **Corporate:** Publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered. Subordinated issues, provided that other specified criteria are met. Securities with normal call and put provisions and sinking funds. Medium-term notes (if they are publicly underwritten), 144A securities (if they have registration rights), Global issues that are SEC-registered.

CMBS: The Lehman Brothers CMBS Index has been designed to measure the performance of the commercial mortgage-backed securities (CMBS) market. The original aggregate transaction must have a minimum deal size of \$500 million. For the Erisa-Eligible index, the transaction must have a minimum tranche size of \$25 million. The aggregate outstanding transaction sizes must be at least \$300 million to remain in the index. Collateral for each transaction must be new origination, originated specifically for securitization. Transactions must be private label; agency transactions are excluded. Certificates must have an expected life of at least one year. Certificates must be either fixed-rate weighted average coupon (WAC) or capped WAC securities; floating-rate certificates are excluded. For the Erisa-Eligible index, 144A securities are not included. **ABS:** The Asset-Backed Securities (ABS) Index has five subsectors: Credit and charge cards, Autos, Home equity loans, Utility, Manufactured Housing. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

High Yield: The Lehman Brothers High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. The Yankee sector has been discontinued as of 7/1/00. The bonds in the former Yankee sector have not been removed from the index, but have been reclassified into other sectors.

Data in this report has been obtained from sources Macquarie Allegiance Capital believes to be reliable, however we cannot guarantee its accuracy, as such, information may be incomplete or condensed. It is not a direct offer or solicitation with respect to the purchase or sale of securities. Past performance is not indicative of future results. Indexes are unmanaged and unavailable for investment.