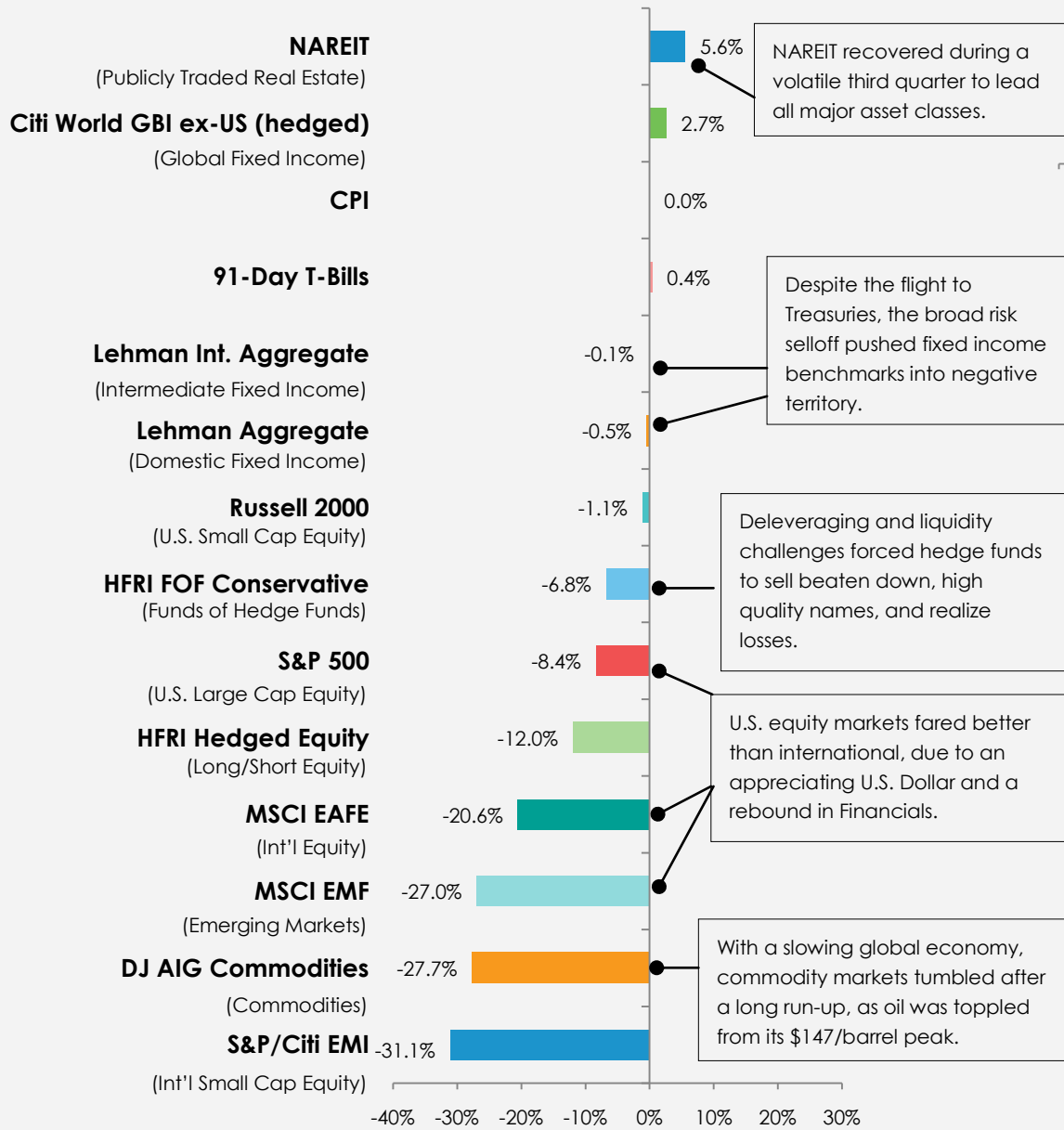
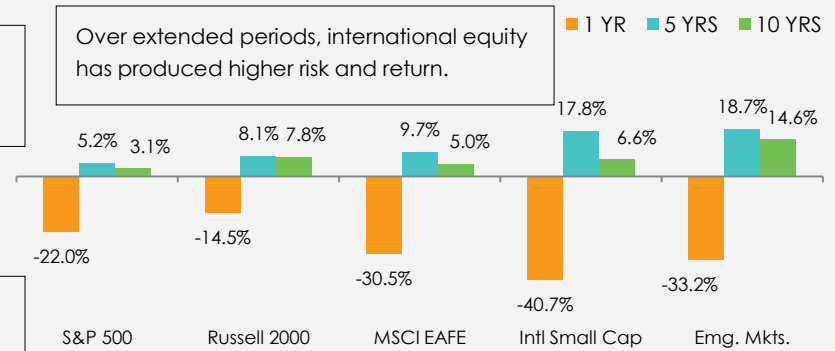


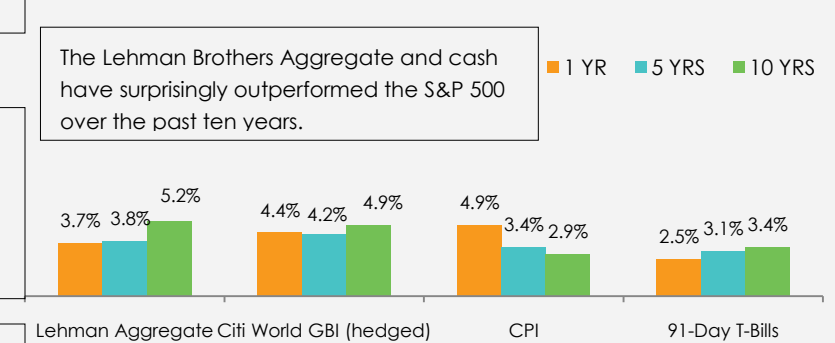
3rd Quarter 2008 Performance



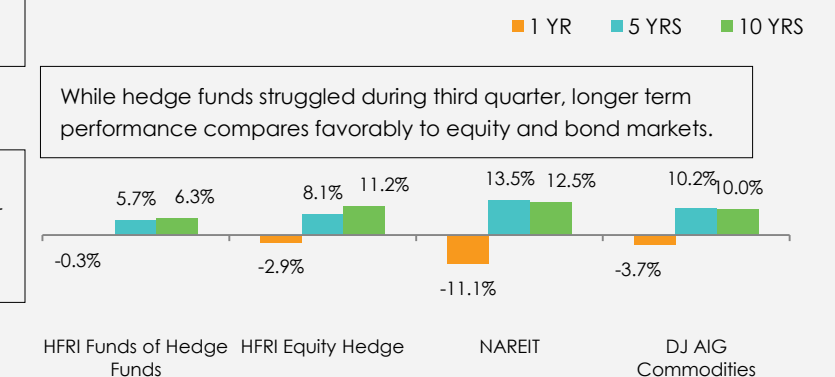
Equity Performance



Fixed Income Performance

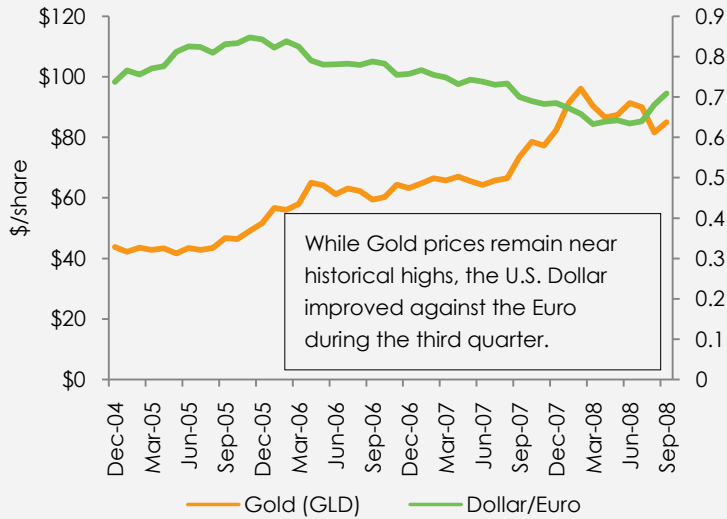


Alternative Investments

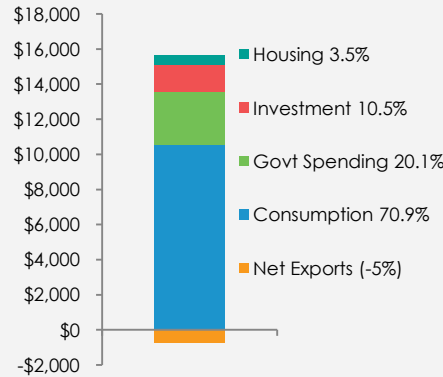


Economic Environment

Gold versus Dollar/Euro

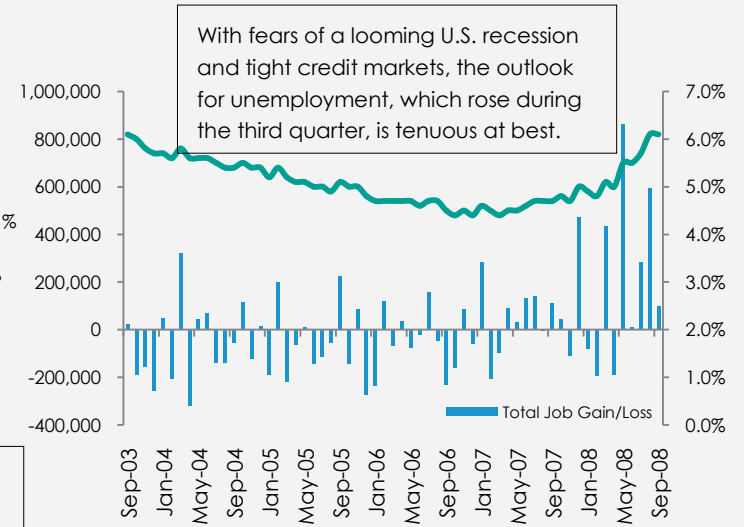


Components of GDP
(\$billions)



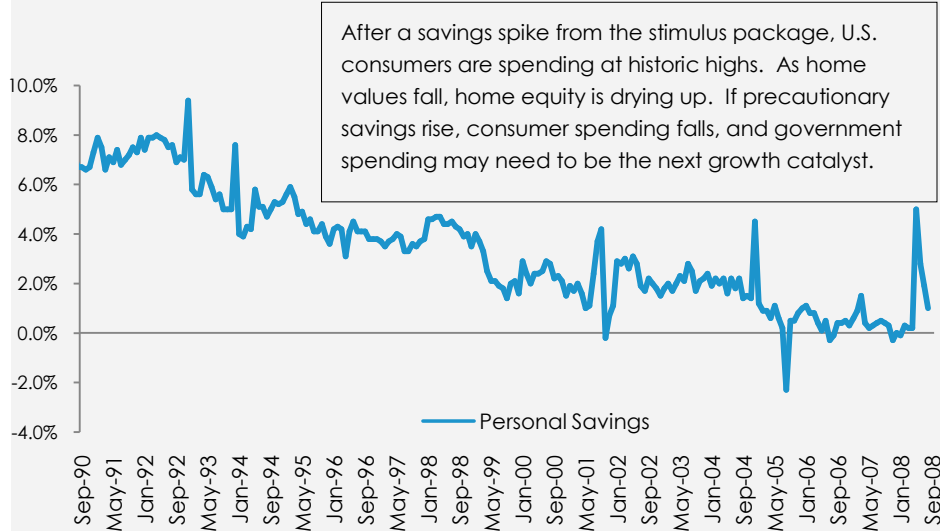
As the housing market continues to sputter, GDP relies more heavily on the U.S. consumer and government spending.

Unemployment



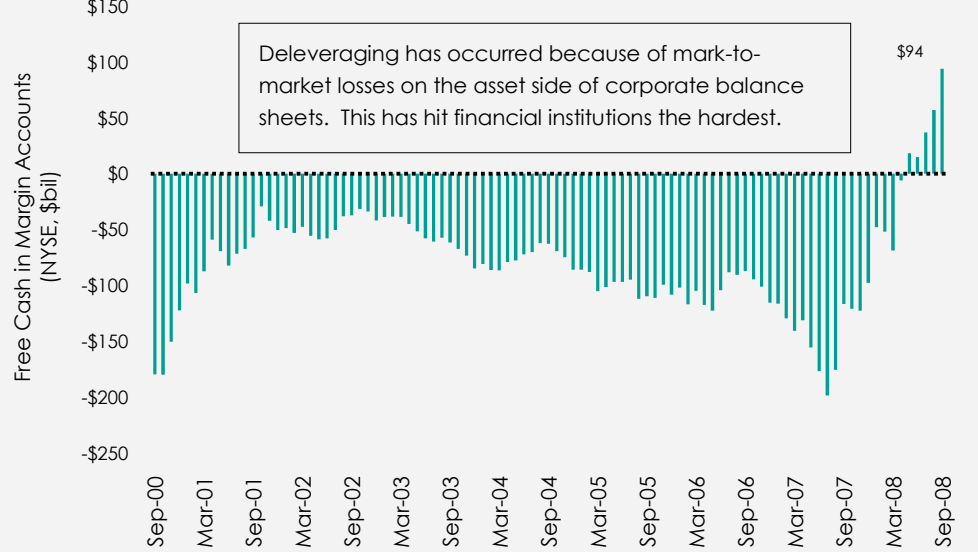
Source: BEA and JP Morgan

U.S. Personal Savings Rate



Source: BEA and Federal Reserve

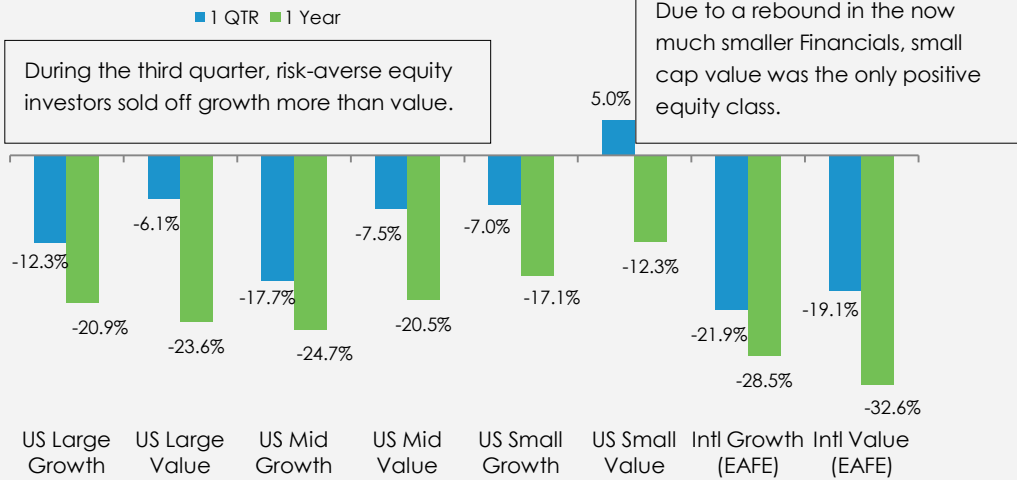
Cash Balances in Margin Accounts



Source: NYSE

Global Equity

Value versus Growth / Large versus Small



Mutual Fund Flows

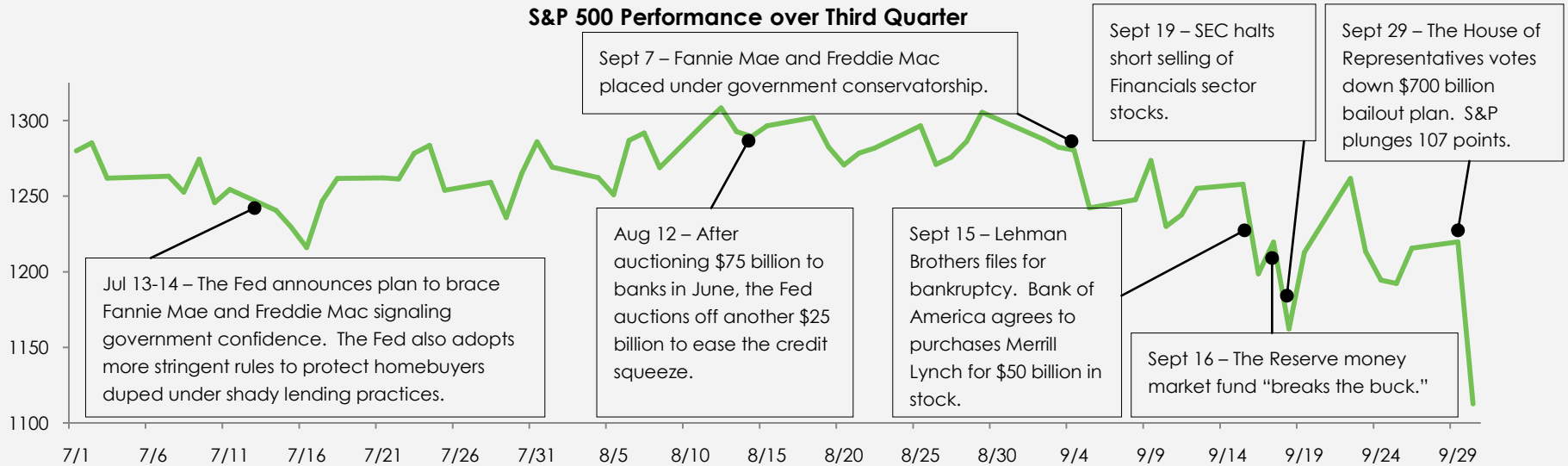
(Does not include Funds classified as Equity Income, Long/Short, or Market Neutral)

Investors have sought perceived safety during 2008, fleeing riskier equities primarily for fixed income.

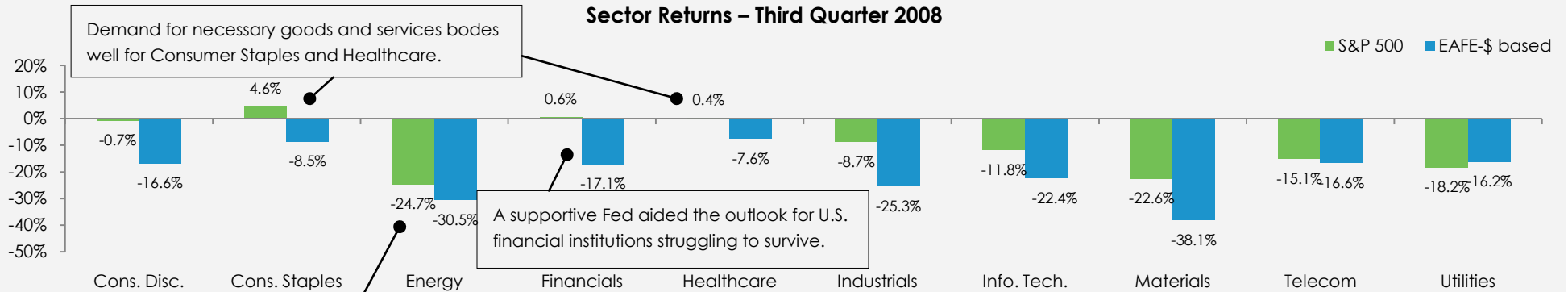
| \$billions | AUM | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|-------------------------------|-------|------|------|------|------|------|------|
| US Equity | 4,917 | (40) | 44 | 52 | 25 | 171 | 159 |
| Intl/Global Eq. | 1,472 | (31) | 156 | 158 | 126 | 88 | 38 |
| Emerging Mkts | 274 | (8) | 40 | 28 | 23 | 5 | 8 |
| Asset Allocation Funds | 1,380 | 58 | 138 | 102 | 103 | 109 | 69 |
| Fixed Income | 1,892 | 104 | 131 | 75 | 21 | (12) | 32 |
| Real Estate | 94 | 7 | (4) | 11 | 2 | 9 | 7 |
| Gold/Real Assets | 153 | 3 | 12 | 11 | 21 | 12 | 5 |

Source: Lipper and JP Morgan

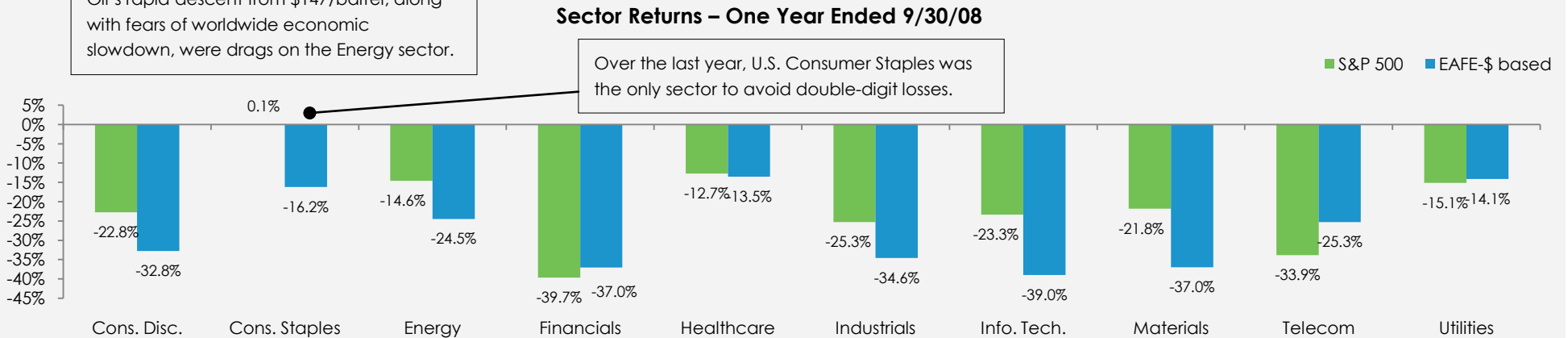
S&P 500 Performance over Third Quarter



Sector Returns – Third Quarter 2008

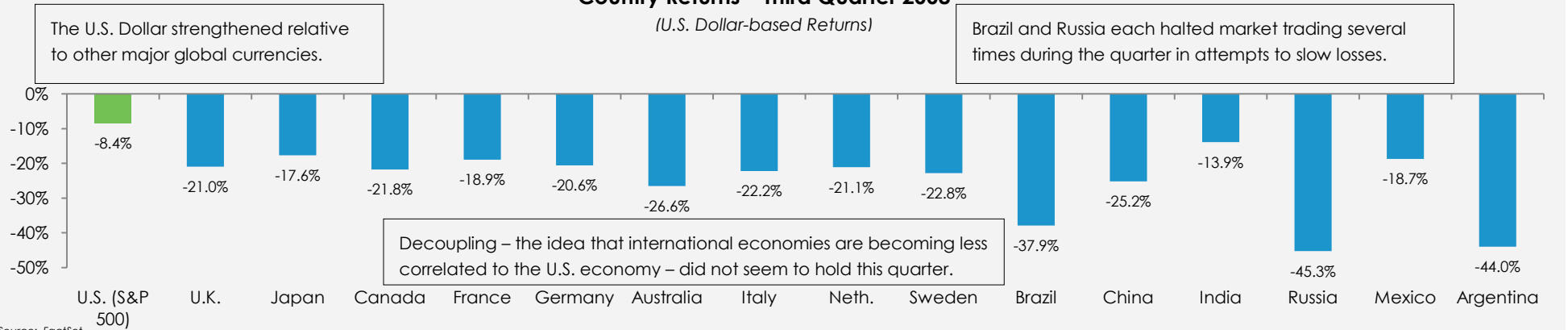


Sector Returns – One Year Ended 9/30/08



Country Returns – Third Quarter 2008

(U.S. Dollar-based Returns)

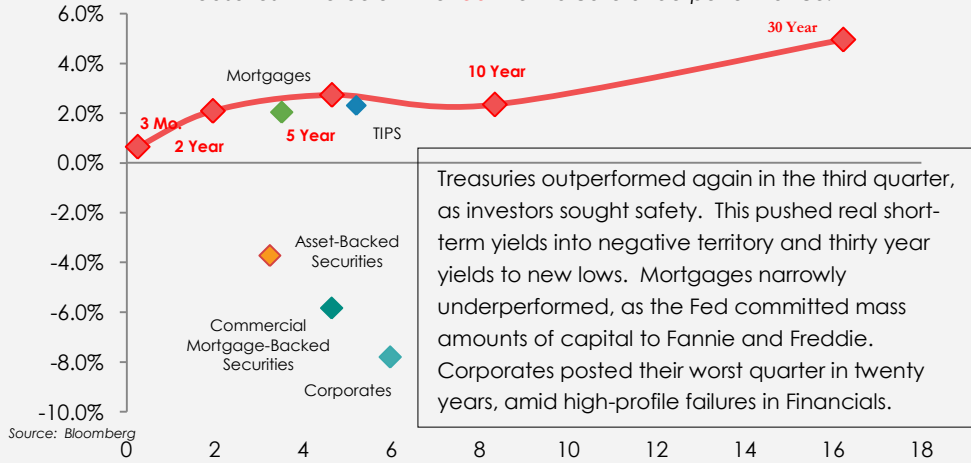


Source: FactSet

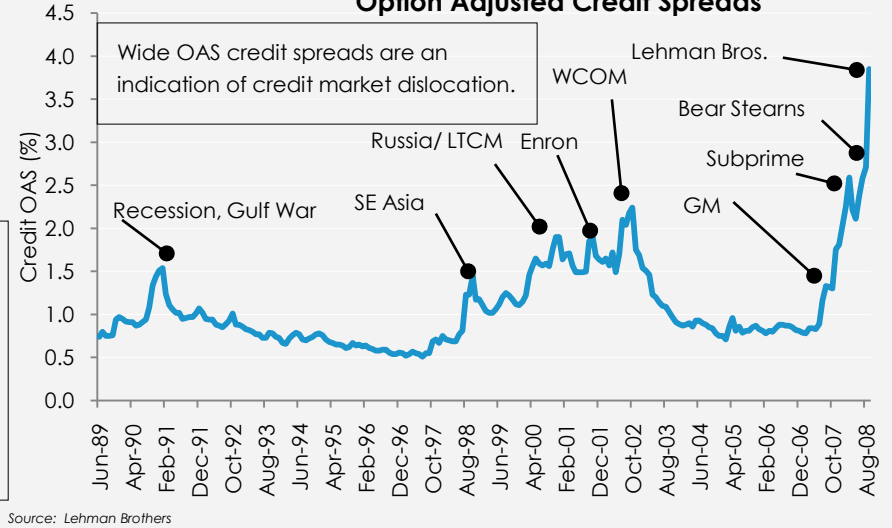
Fixed Income

Spread Sector Performance vs. Treasuries

Plots above the red line indicate spread sectors outperformed Treasuries while below the red line indicate underperformance.

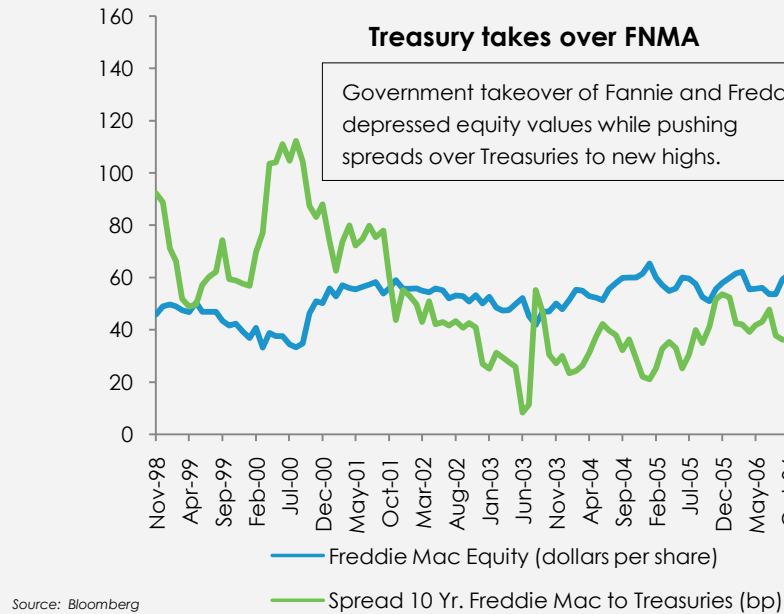


Option Adjusted Credit Spreads



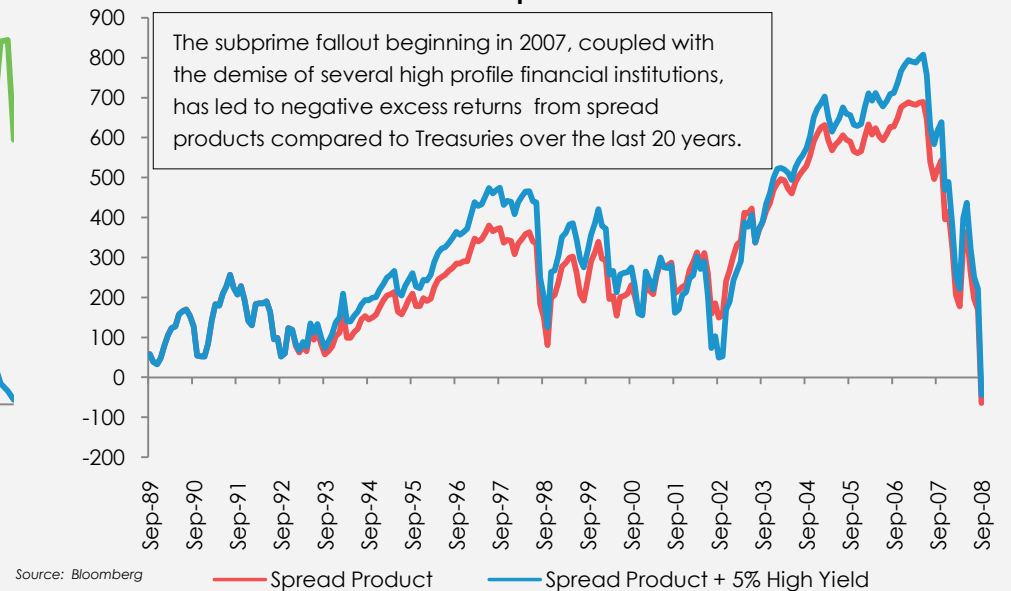
Treasury takes over FNMA

Government takeover of Fannie and Freddie depressed equity values while pushing spreads over Treasuries to new highs.



Cumulative Excess Return: Spread Products versus Treasuries

The subprime fallout beginning in 2007, coupled with the demise of several high profile financial institutions, has led to negative excess returns from spread products compared to Treasuries over the last 20 years.



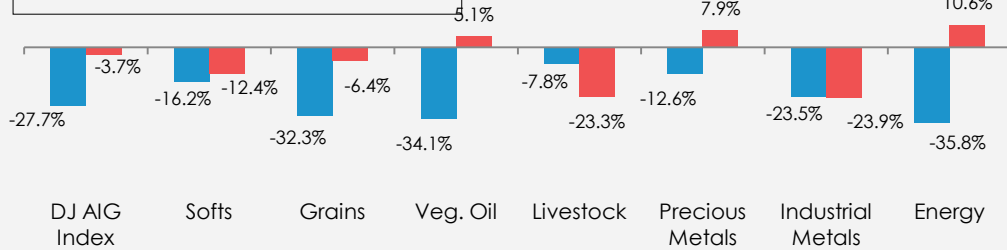
Real Assets / Private Equity

Commodities

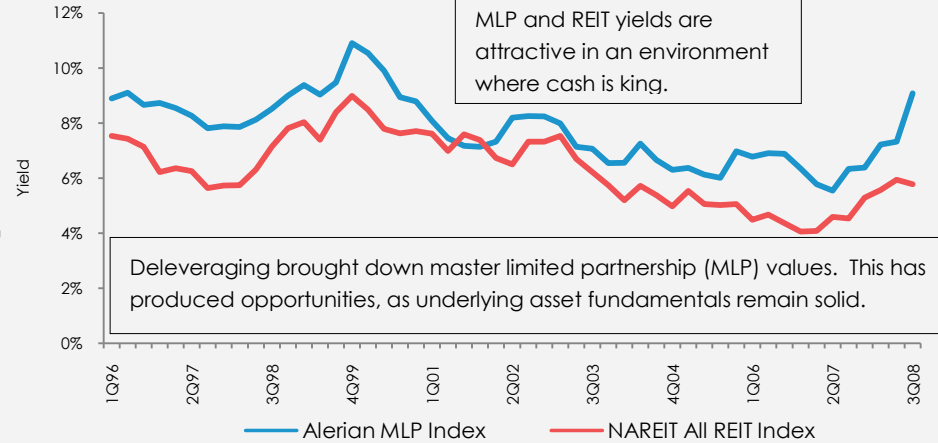
■ 1 QTR ■ 1 Year

The combined effect of lower demand, increased supplies, a stronger Dollar, deleveraging, and worries about global growth, hampered commodities for the quarter.

Energy prices fell, as investors' focus shifted from tight supplies to a sudden decrease in demand, stemming from deteriorating global economic growth.

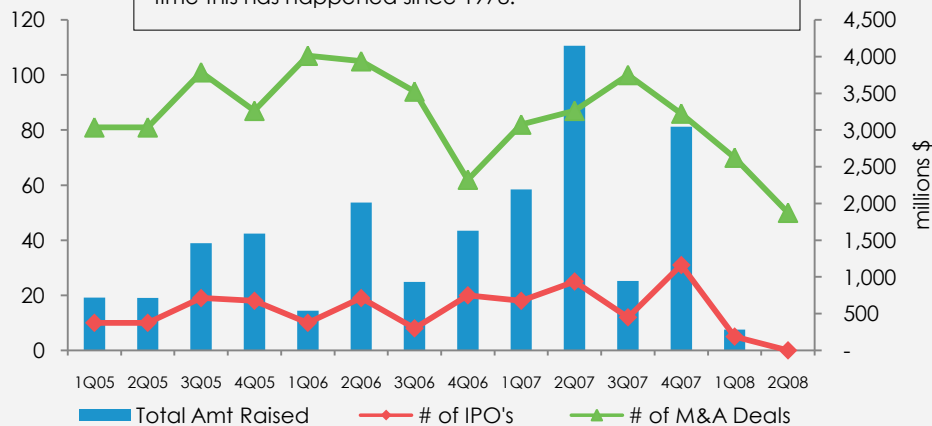


MLP & NAREIT Index Dividend Yields



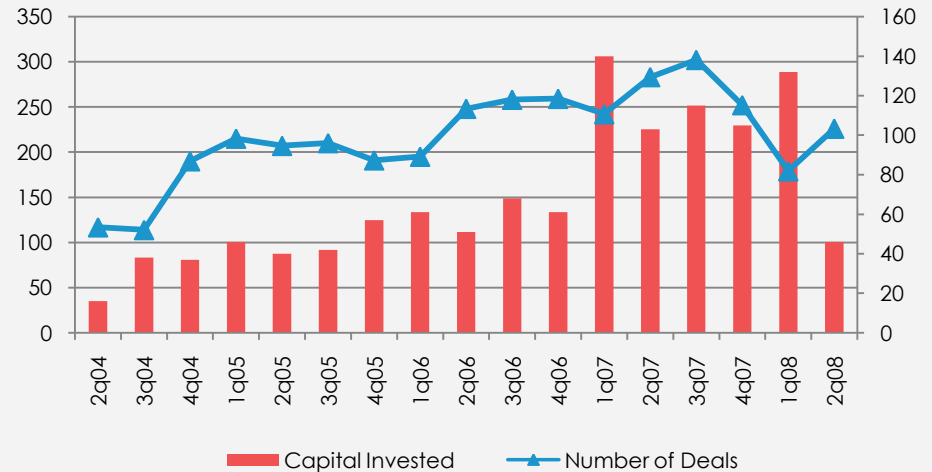
Venture-Backed Exit Environment

Private Equity is grinding to a halt. There were zero IPO exits for venture capital during the second quarter. This is the first time this has happened since 1978.



U.S.-Based Buyout Deal Volume by Quarter

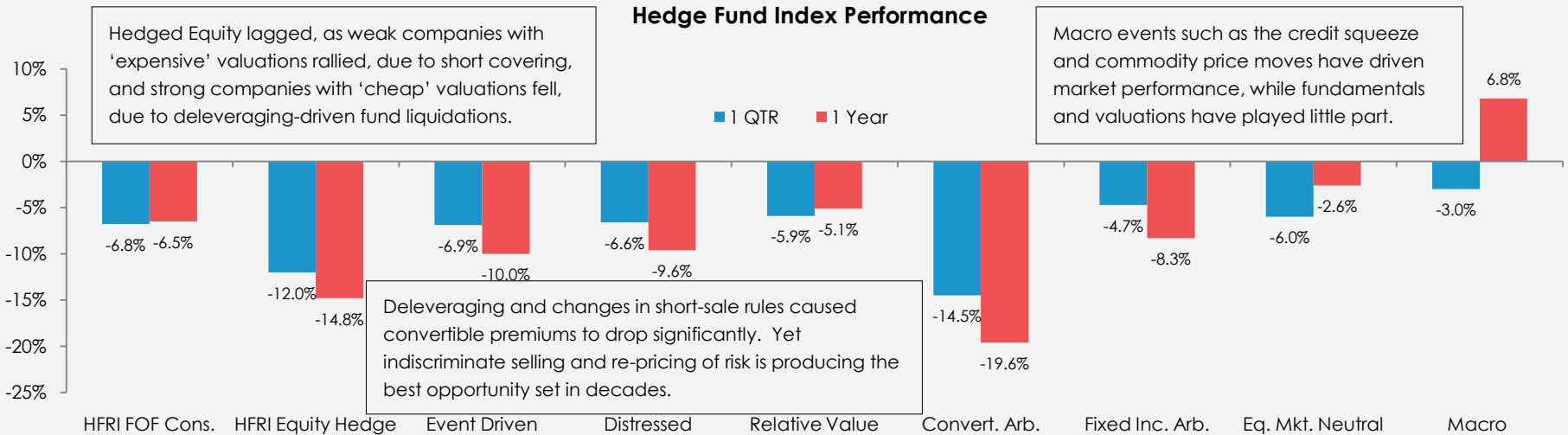
After record numbers were raised in late 2006 and 2007, deal flow has remained steady, but the size of the deals has slowed significantly.



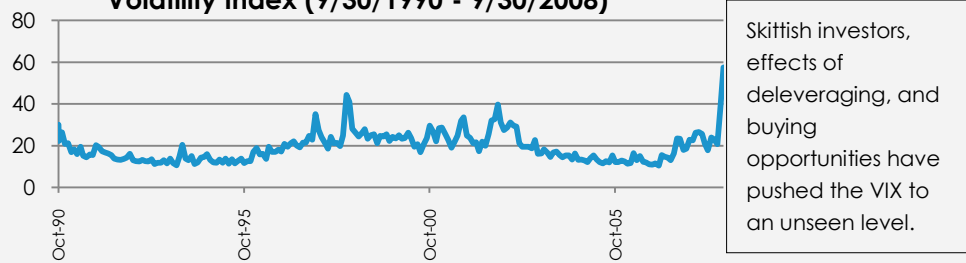
Source: Thomson Reuters & NVCA

Hedge Funds

Hedge Fund Index Performance



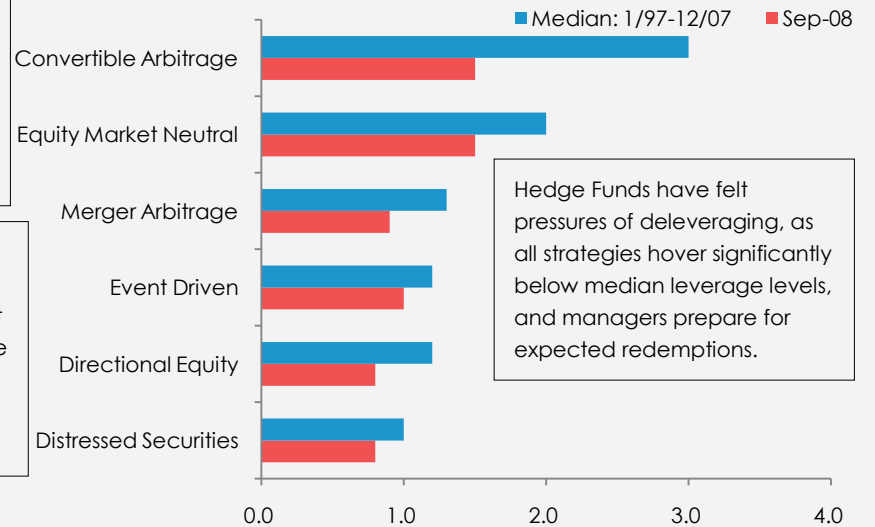
Volatility Index (9/30/1990 - 9/30/2008)



5- Year US CDX high-yield



Hedge Fund Strategy Leverage



| *Annualized | Third Quarter | One Year | Two Years* | Three Years* | Five Years* | Ten Years* |
|---|----------------------|-----------------|-------------------|---------------------|--------------------|-------------------|
| U.S. Markets | | | | | | |
| CPI | 0.0 | 4.9 | 3.8 | 3.2 | 3.4 | 2.9 |
| Dow Jones Industrial Average | -3.7 | -19.8 | -1.2 | 3.3 | 5.6 | 5.4 |
| Russell 3000 Index | -8.7 | -21.5 | -4.4 | 0.3 | 5.7 | 3.8 |
| NASDAQ Index | -9.0 | -22.1 | -3.1 | -0.2 | 3.9 | 2.8 |
| S&P 500 Index | -8.4 | -22.0 | -4.7 | 0.2 | 5.2 | 3.1 |
| Russell 1000 Index | -9.4 | -22.1 | -4.6 | 0.1 | 5.5 | 3.5 |
| Russell 1000 Value Index | -6.1 | -23.6 | -6.5 | 0.1 | 7.1 | 5.5 |
| Russell 1000 Growth Index | -12.3 | -20.9 | -2.8 | 0.1 | 3.7 | 0.6 |
| Russell Mid Cap Index | -12.9 | -22.4 | -4.3 | 0.1 | 8.6 | 8.3 |
| Russell Mid Cap Value Index | -7.5 | -20.5 | -4.9 | 0.5 | 10.0 | 9.2 |
| Russell Mid Cap Growth Index | -12.8 | -24.6 | -4.4 | -0.8 | 6.5 | 5.5 |
| Russell 2000 Index | -1.2 | -14.5 | -2.0 | 1.8 | 8.1 | 7.8 |
| Russell 2000 Value Index | 5.0 | -12.3 | -3.5 | 2.0 | 9.4 | 10.1 |
| Russell 2000 Growth Index | -7.0 | -17.1 | -0.7 | 1.5 | 6.6 | 4.7 |
| 91-Day T-Bills Index | 0.4 | 2.6 | 3.8 | 4.0 | 3.1 | 3.4 |
| Lehman Aggregate Bond Index | -0.5 | 3.7 | 4.4 | 4.2 | 3.8 | 5.2 |
| Lehman Intermediate Aggregate Bond Index | -0.1 | 4.2 | 4.7 | 4.4 | 3.8 | 5.2 |
| Lehman Gov't/Credit Index | -1.6 | 2.4 | 3.7 | 3.6 | 3.3 | 5.0 |
| Lehman Intermediate Gov't/Credit Index | -1.2 | 3.2 | 4.3 | 4.0 | 3.2 | 5.0 |
| ML 1-3 year Treasury Index | 1.7 | 6.3 | 6.0 | 5.3 | 3.5 | 4.5 |
| Dow Jones AIG Commodity Index | -27.7 | -3.7 | 6.2 | 1.9 | 10.2 | 10.0 |
| HFRI Fund of Funds Conservative Index | -6.8 | -6.5 | 1.5 | 3.2 | 4.3 | 5.9 |
| HFRI Equity Hedge Index | -12.0 | -14.8 | -0.8 | 2.3 | 5.7 | 9.7 |
| NAREIT Equity Index | -5.6 | -20.5 | -8.3 | 1.7 | 11.0 | 11.3 |
| Non-U.S. Markets | | | | | | |
| MSCI EAFE Index | -20.6 | -30.5 | -6.8 | 1.1 | 9.7 | 5.0 |
| MSCI EAFE Growth Index | -21.9 | -28.5 | -4.4 | 2.2 | 9.2 | 3.0 |
| MSCI EAFE Value Index | -19.1 | -32.6 | -9.3 | 0.0 | 10.0 | 6.8 |
| S&P/Citigroup EMI World ex-U.S. Index | -23.7 | -34.5 | -8.8 | 0.6 | 11.6 | 8.5 |
| MSCI Emerging Markets Index | -27.0 | -33.2 | 2.8 | 8.4 | 18.7 | 14.6 |
| S&P/Citigroup -World Broad Investment Grade Bond ex-U.S. Index (unhedged) | 2.7 | 4.4 | 3.9 | 3.7 | 4.2 | 4.8 |