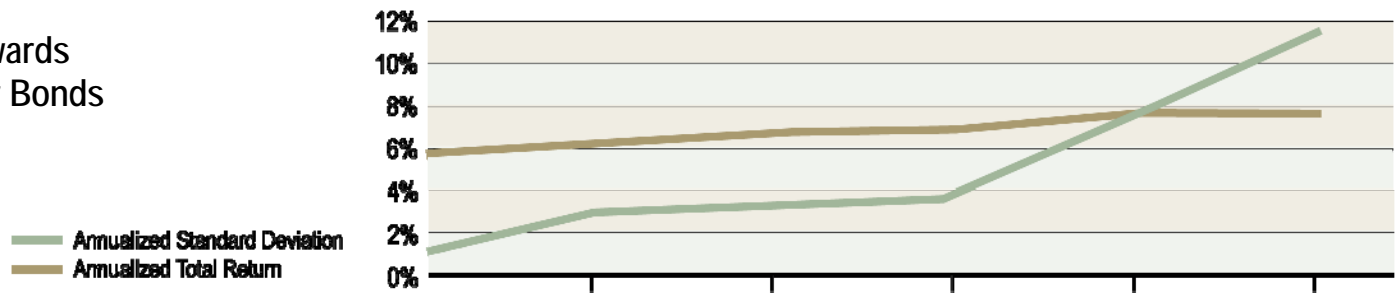




Invest in High-Quality, Short-Term Fixed Income

- Generally, longer maturity bonds entail more risk
- Investors are typically not properly compensated for that additional risk
- Higher-quality, shorter maturities can help dampen portfolio volatility

Risk and Rewards Examined for Bonds 1964 - 2007



Maturity	One-Month U.S. Treasury Bills	Six-Month U.S. Treasury Bills	One-Year U.S. Treasury Notes	Five-Year U.S. Treasury Notes	Twenty-Year U.S. Government Bonds
Annualized Compound Return (%)	5.78	6.53	6.71	7.38	7.49
Annualized Standard Deviation (%)	1.32	1.71	2.33	6.18	10.84

Source: One-Month US Treasury Bills, Five-Year US Treasury Notes, and Twenty-Year (Long-Term) US Government Bonds provided by Ibbotson Associates. Six-Month US Treasury Bills provided by CRSP (1964-1977) and Merrill Lynch (1978-present). One-Year US Treasury Notes provided by the Center for Research in Security Prices (1964-May 1991) and Merrill Lynch (June 1991-present). Ibbotson data © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates. The Merrill Lynch Indices are used with permission; copyright 2007 Merrill Lynch, Pierce, Fenner & Smith Incorporated; all rights reserved. Assumes reinvestment of dividends. Past performance is not indicative of future results. All investments involve risk. Standard deviation annualized from quarterly data. Standard deviation is a statistical measurement of how far the return of a security (or index) moves above or below its average value. The greater the standard deviation, the riskier an investment is considered to be.