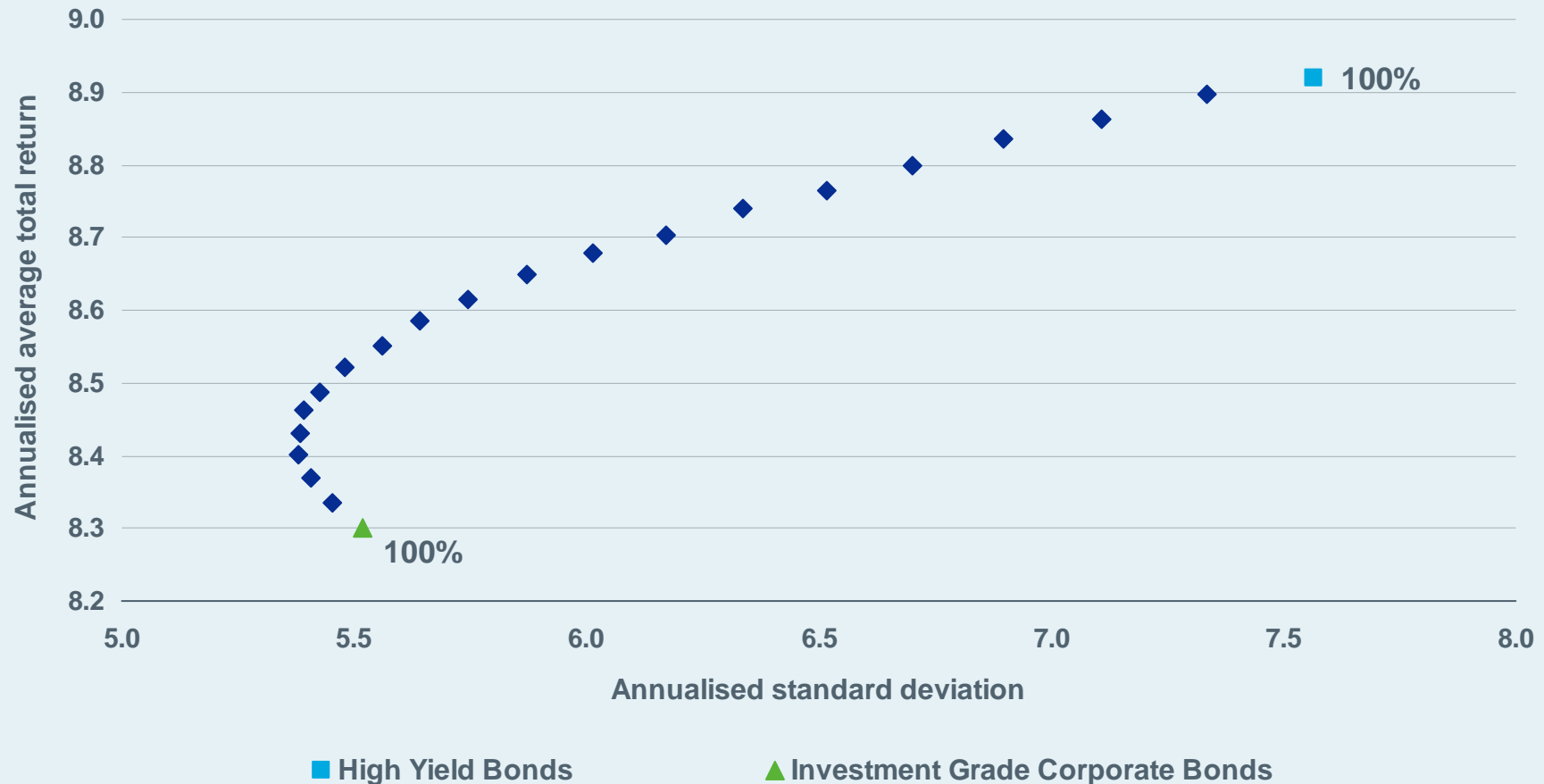




The Power of the Coupon

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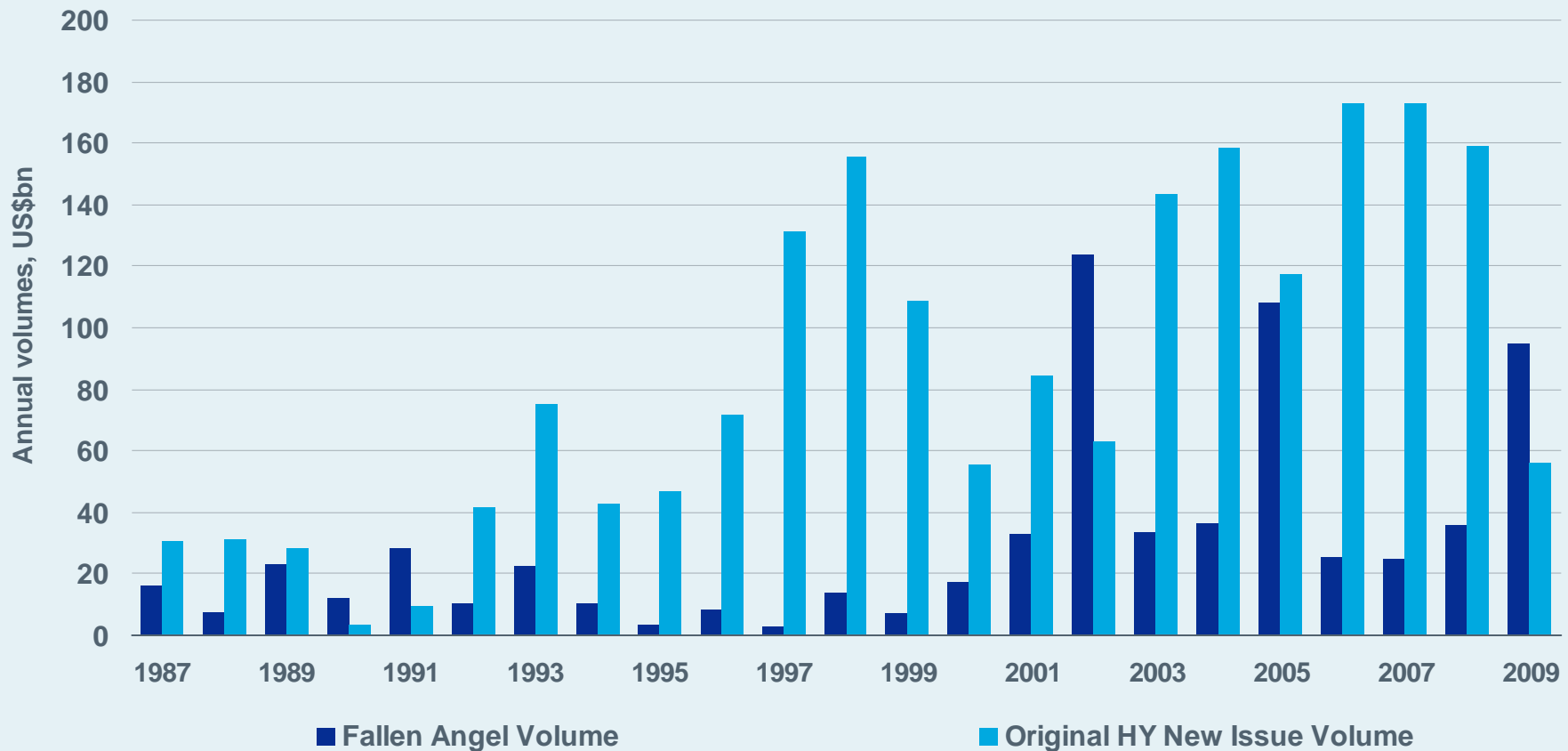
High yield bonds and investment grade bonds



Source: Merrill Lynch. 1985 - December 2008.

A combination of high yield and investment grade bonds is optimal

Fallen angels



Source: Bank of America Securities - Merrill Lynch

Fallen angels represent \$1 in \$4 of outstanding high yield bonds

An encouraging 2009

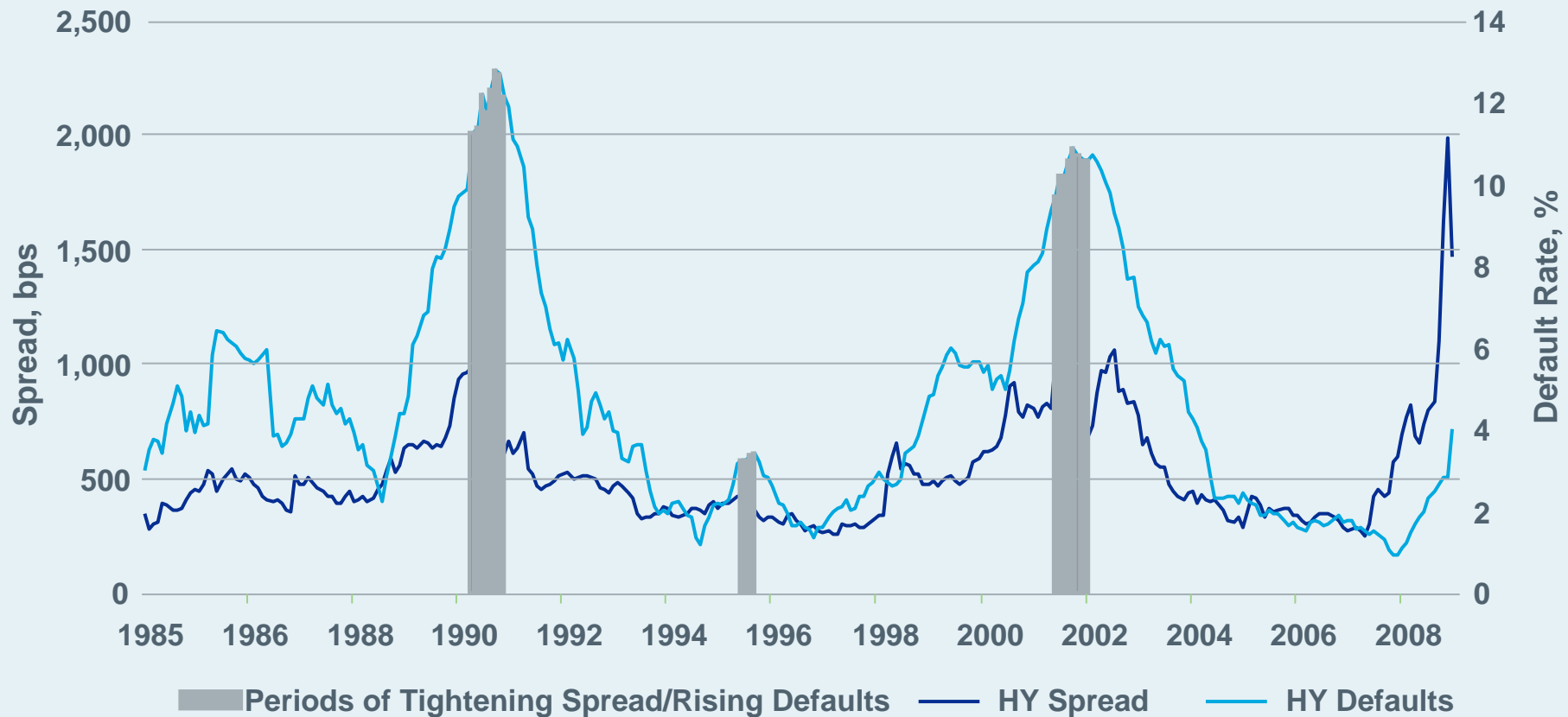
	Total rate of return	
	2008	YTD 15 April
S&P 500	-37.0%	-4.9%
MSCI EAFE	-43.4%	-7.4%
U.S. Treasury Notes	13.7%	-2.5%
Global Investment Grade Corporate Bonds	-5.1%	-0.2%
Global High Yield	-26.5%	13.4%

Source: Barclays Capital, Bloomberg

Note: All returns are hedged to USD as of 15 April 2009.

High yield bonds are leading us out of the credit crisis

Spreads have led default rates



Source: Moody's Investors Service, Merrill Lynch. As of 31 December 2008.

Spreads pricing in significant increase in defaults

There are signs of economic recovery

Economists See a Rebound in September

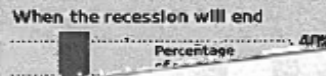
BY PHIL IZZO

Economists in the latest Wall Street Journal forecasting survey expect the recession to end in September, though most say it won't be until the second half of 2010 that the economy recovers enough to bring down unemployment.

Gross domestic product was predicted to contract in the first and second quarters of this year by 5.0% and 1.8%, respectively, on a seasonally adjusted annualized rate. A return to growth of a modest 0.4%—isn't expected until the third quarter of 2010.

Jobs Lag Recovery

Economists in the latest Wall Street Journal survey expect the recession to end this year but foresee a slower recovery in the job market.



1992, the economy had been out of a recession for more than a year, but the unemployment rate didn't peak until June, and there was slow growth through the election.

Even when the economy stops shedding jobs, the unemployment rate is expected to remain high.

need to be restocked, even if at lower levels than before.

The economy also is set to get the benefits of monetary and fiscal policy, as the stimulus begins to hit and Treasury and Federal Reserve prepare to raise rates.

Risk Appetite Returns for Junk Bonds

Issuance of Nearly \$4 Billion Is the Most Raised in One Week Since June

BY MICHAEL ANRIRO

Junk-bond investors snapped up nearly \$4 billion of new issuance this week and pushed prices higher when the bonds traded, marking one of the best weeks in this market since last year.

This is the most raised in one week since June 2008, according to provider Dealog.

trading higher at 99.25 cents on the dollar in the secondary market on Friday.

Seagate wasn't alone tapping the market this week. There were two billion-dollar deals that came Wednesday, the first of that size in more than six months. At the same time, valuations in general have been moving higher.

The high-yield market has moved higher in the past month.

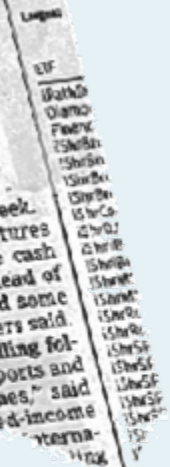
Both of those issues have since traded higher. On Friday, HCA's notes were quoted at 99.25 cents on the dollar, while Crown Castle's climbed to par, Mr. Hopper said.

Crown Castle and HCA benefited from being large companies and familiar names to junk-bond investors. Such companies have complete large of

porate-bond supply next week.

Selling in Treasury futures also spilled over into the cash market. Light trading ahead of the weekend exaggerated some of the price moves, traders said.

"There was some selling following the earnings reports and some technical breaches," said Sean Honey, a fixed-income manager at



Logan	ETF
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15W00	15W00

Valuations have typically led fundamentals

Massive available buying power

US Cash to Gross Domestic Product (GDP) Ratio

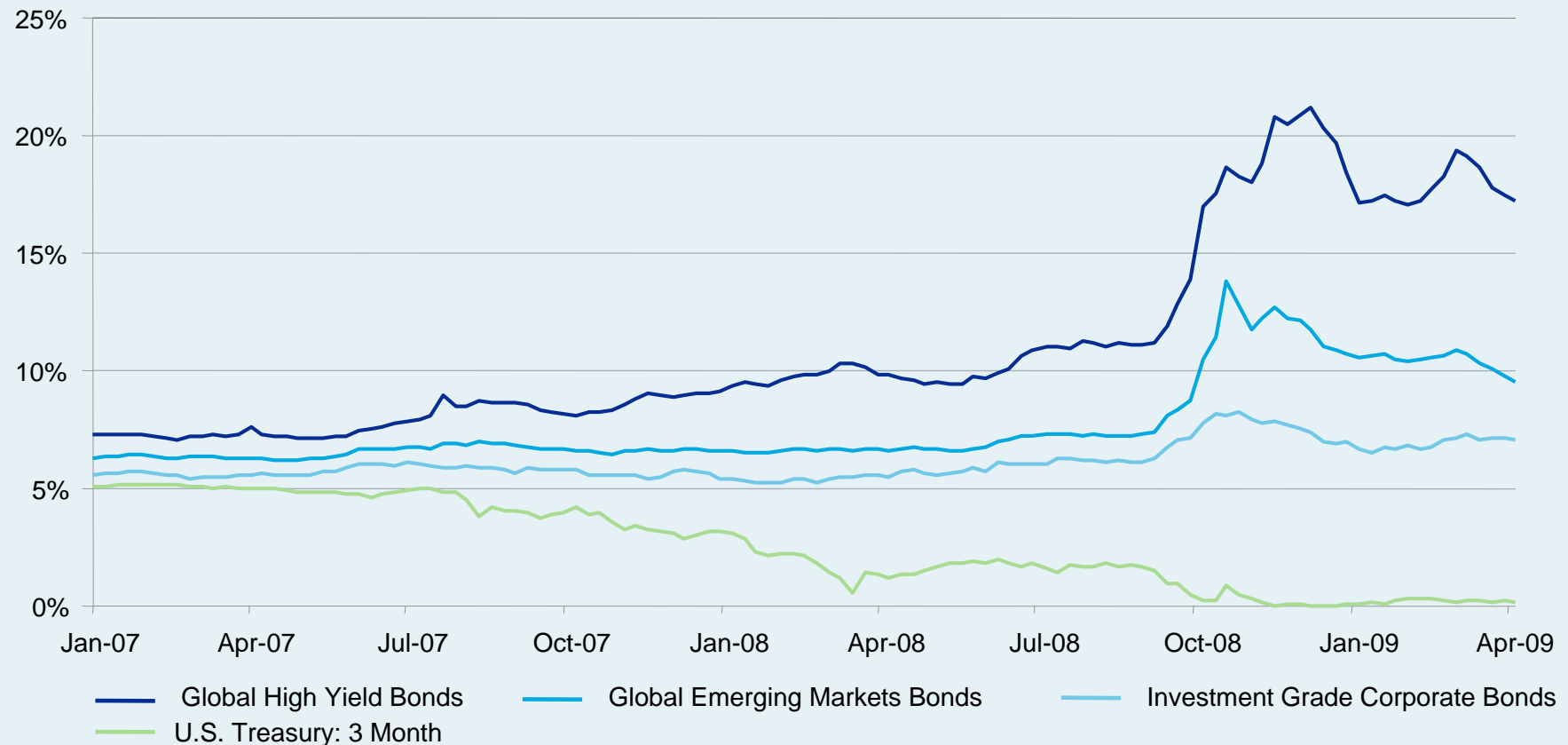


* Sum of Cash holdings from Households, Non-Financial Corporations and Non-Corporate Businesses as a Percent of Nominal GDP. Source: Tables B.100, B.102 and B.103 of Federal Reserve Flow of Funds Report (Z.1)

Businesses and households hold record levels of cash

An opportunity in global high yield bonds

Yield comparison



Source: Barclays Capital; as of 15 April 2009.

High yield bonds present a much higher yield than other investments.

Average annual default rate by rating tier

Aaa	0.00%
Aa	0.02%
A	0.01%
Baa	0.19%
Ba	1.16%
B	5.71%
Caa - C	23.95%

Source: Moody's; 1983 – 2007

Triple-C and lower rated bonds are nearly 6 times more likely to default than the high yield market

Where can high yield bonds go from here?

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Default Rate	20%	15%	15%	10%
Expected Recovery	25%	30%	30%	30%
Spread Change, bps	100	0	-200	-300
% Change from Spreads	-4.1%	0.0%	8.1%	12.2%
% Change from Defaults	-11.3%	-7.3%	-7.3%	-4.9%
Expected Coupon Return	11.6%	11.9%	11.9%	12.2%
Forecast Return	-3.8%	4.6%	12.7%	19.5%

Source: Barclays Capital Global High Yield Index as of 3/31/09. Coupon yield is commonly referred to as Current Yield.

The scenarios set out herein are hypothetical cases intended solely to illustrate possible returns arising from changes in default rates, recovery rates, and market spreads. No scenario can project with accuracy all potential changes in rates, investor behaviors, or economic conditions, or how such changes might affect the value of or return on investments. Such changes could significantly alter the returns set forth on this page; past performance is not indicative of future performance.

Today's coupon yield can provide a significant contribution to total return

Important information



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