

BEGINNINGS | ASSET ALLOCATION

ECONOMIC AND FINANCIAL MARKET FORECAST

Below is a comparison of current economic and financial data with the panel's composite forecast for the next six months. (Through February 2010)

| | Current Level ¹ | Strategists' Predictions |
|--------------------------------------------------|----------------------------|--------------------------|
| STOCK MARKET (Dow Jones Industrials) | 8332 | 8808 |
| BOND MARKET (10-Year Treasury Note) | 3.3% | 3.6% |
| ECONOMIC GROWTH (Annual Growth of Real GDP) | -5.5% | 0.3% |
| INFLATION (Annual Increase in CPI) | 0.3% | 1.0% |
| SHORT-TERM RATES (Three-Month Treasury Bills) | 0.18% | 0.6% |

(1) As of 7/13/09

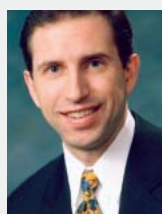
RECOMMENDED ALLOCATIONS FOR A BALANCED PORTFOLIO

The statistics below are a composite of results from our monthly poll of leading portfolio strategists and are designed for a balanced growth investor.

| CURRENT COMPOSITE ALLOCATION | | | CHANGE FROM PRIOR MONTH'S ALLOCATION | | |
|------------------------------|-------|-------|--------------------------------------|-------|-------|
| STOCKS | BONDS | CASH | STOCKS | BONDS | CASH |
| 55.0% | 31.3% | 13.7% | -1.3% | +1.8% | -1.1% |

| RANGE OF CURRENT ALLOCATIONS | | | 12-MONTH TRENDS IN COMPOSITE ALLOCATIONS | | | |
|------------------------------|-----|------|------------------------------------------|-------|-------|---------|
| | LOW | HIGH | | LOW | HIGH | CURRENT |
| STOCKS | 10% | 70% | STOCKS | 55.0% | 57.4% | 55.0% |
| BONDS | 15% | 50% | BONDS | 31.3% | 34.9% | 31.3% |
| CASH | 1% | 40% | CASH | 8.9% | 14.8% | 13.7% |

Behind the Numbers, with Mark Balasa



ALTHOUGH RISK REMAINS, Balasa says that he and his colleagues in the Alpha Group have "a growing optimism around some of the opportunities in some parts of the market." On the fixed income side, while inflation remains a concern, high-yield bonds and some and other instruments have had some great recent returns. "That's a theme that we're paying close attention to—whether we should venture

farther out on the yield curve and put some more corporate bonds in the mix, instead of just government bonds and agencies." As far as stocks, Balasa still favors overweighting growth stocks because they're undervalued relative to value stocks. "The real conundrum is, what do you do with the domestic vs. international allocation? Emerging markets is a great story. India, maybe China, is a great story, but you can't put a third of the portfolio there, so you come back to this inevitable position of how much is too much?" — **Robert F. Keane**



GARY SHILLING

A. Gary Shilling & Co.

| | | |
|--------|-----|----------|
| STOCKS | 10% | |
| BONDS | 50% | up 20% |
| CASH | 40% | down 20% |



GAIL DUDACK

Dudack Research Group

| | |
|-------------|-----|
| STOCKS | 70% |
| BONDS | 15% |
| CASH | 15% |
| (no change) | |



SAM STOVALL

Standard & Poor's

| | |
|-------------|-----|
| STOCKS | 60% |
| BONDS | 25% |
| CASH | 15% |
| (no change) | |

CASH HOLDINGS BELOW PANEL AVERAGE



DAVID KELLY

JPMorgan Funds

| | |
|-------------|-----|
| STOCKS | 60% |
| BONDS | 30% |
| CASH | 10% |
| (no change) | |



JEFFREY KLEINTOP

LPL Financial

| | |
|-------------|-----|
| STOCKS | 65% |
| BONDS | 30% |
| CASH | 5% |
| (no change) | |



MARK BALASA

The Alpha Group

| | |
|-------------|-----|
| STOCKS | 60% |
| BONDS | 39% |
| CASH | 1% |
| (no change) | |

Portfolio strategists polled 6/29/09-7/3/09