



Meketa Investment Group

The World Markets Fourth Quarter of 2009

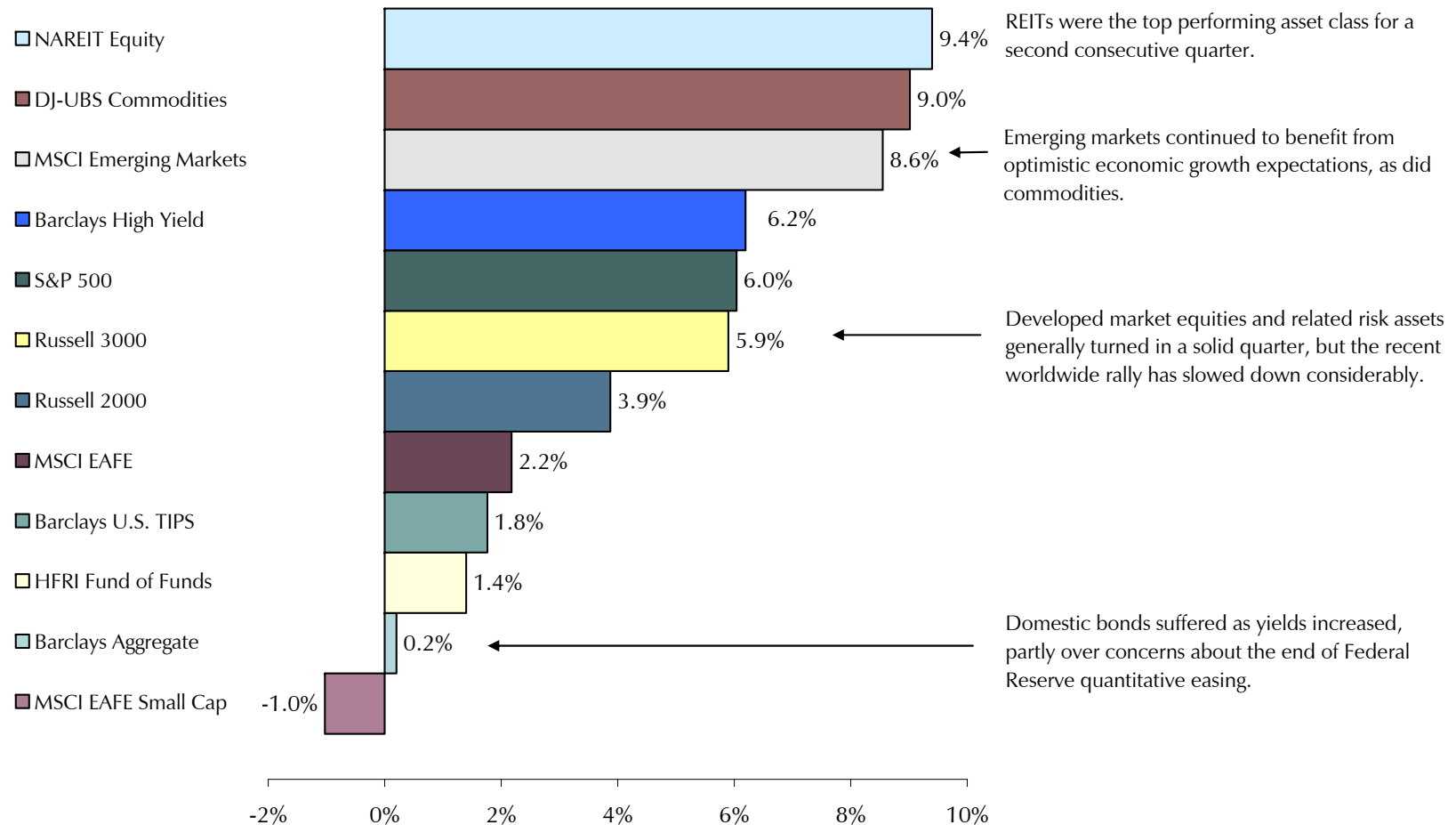
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The World Markets
Fourth Quarter of 2009

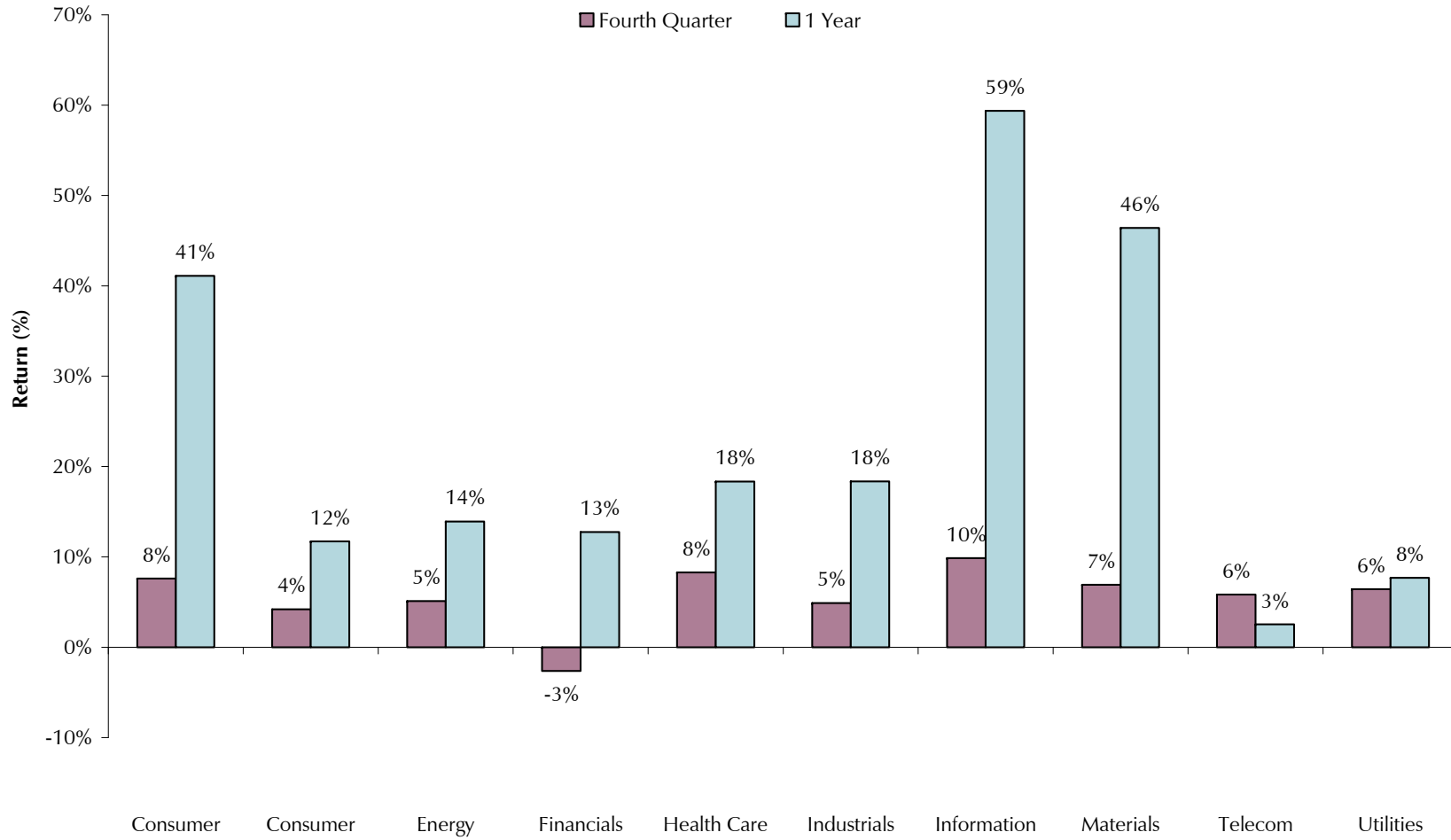


Index Returns

| | 4Q 09 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|------------------------|--------------|-------------|-------------|-------------|--------------|
| Domestic Equity | | | | | |
| Russell 3000 | 5.9 | 28.3 | -5.4 | 0.8 | -0.2 |
| Russell 1000 Growth | 7.9 | 37.2 | -1.9 | 1.6 | -4.0 |
| Russell 1000 | 6.1 | 28.4 | -5.4 | 0.8 | -0.5 |
| Russell 1000 Value | 4.2 | 19.7 | -9.0 | -0.3 | 2.5 |
| Russell MidCap Growth | 6.7 | 46.3 | -3.2 | 2.4 | -0.5 |
| Russell MidCap | 5.9 | 40.5 | -4.6 | 2.4 | 5.0 |
| Russell MidCap Value | 5.2 | 34.2 | -6.6 | 2.0 | 7.6 |
| Russell 2000 Growth | 4.1 | 34.5 | -4.0 | 0.9 | -1.4 |
| Russell 2000 | 3.9 | 27.2 | -6.1 | 0.5 | 3.5 |
| Russell 2000 Value | 3.6 | 20.6 | -8.2 | 0.0 | 8.3 |
| Foreign Equity | | | | | |
| MSCI ACWI (ex. U.S.) | 3.7 | 41.5 | -3.5 | 5.8 | 2.7 |
| MSCI EAFE | 2.2 | 31.8 | -6.0 | 3.5 | 1.2 |
| MSCI EAFE Small Cap | -1.0 | 46.8 | -7.6 | 3.5 | 6.5 |
| MSCI Emerging Markets | 8.6 | 78.5 | 5.1 | 15.5 | 9.8 |
| Fixed Income | | | | | |
| Barclays Universal | 0.6 | 8.6 | 5.8 | 5.0 | 6.4 |
| Barclays Aggregate | 0.2 | 5.9 | 6.0 | 5.0 | 6.3 |
| Barclays U.S. TIPS | 1.8 | 11.4 | 6.7 | 4.6 | 7.8 |
| Barclays High Yield | 6.2 | 58.2 | 6.0 | 6.5 | 6.7 |

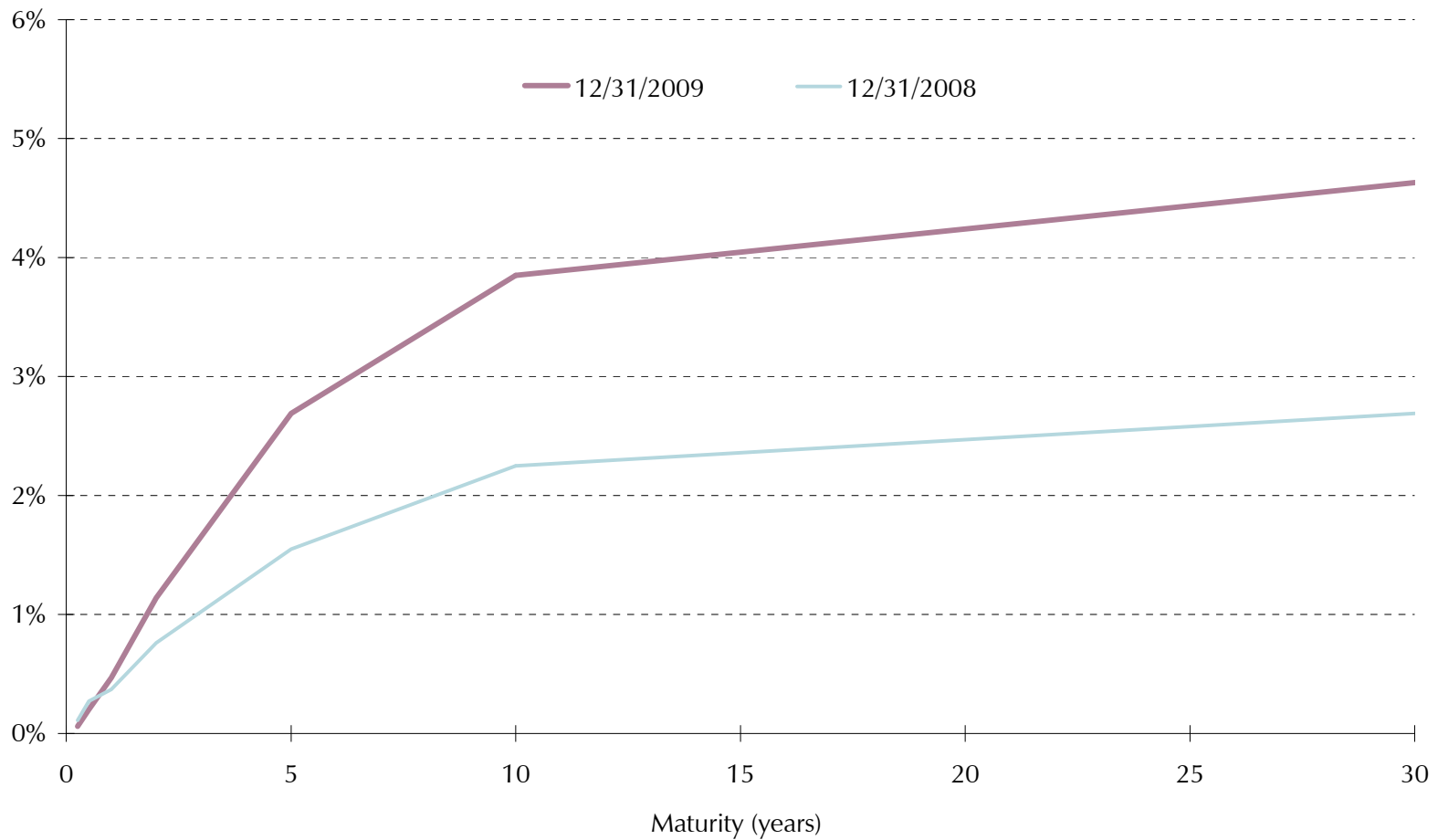
S&P Sector Returns

Only financials experienced negative returns in the fourth quarter. All sectors—including financials—experienced annual gains, led by the information technology, materials, and consumer discretionary sectors.



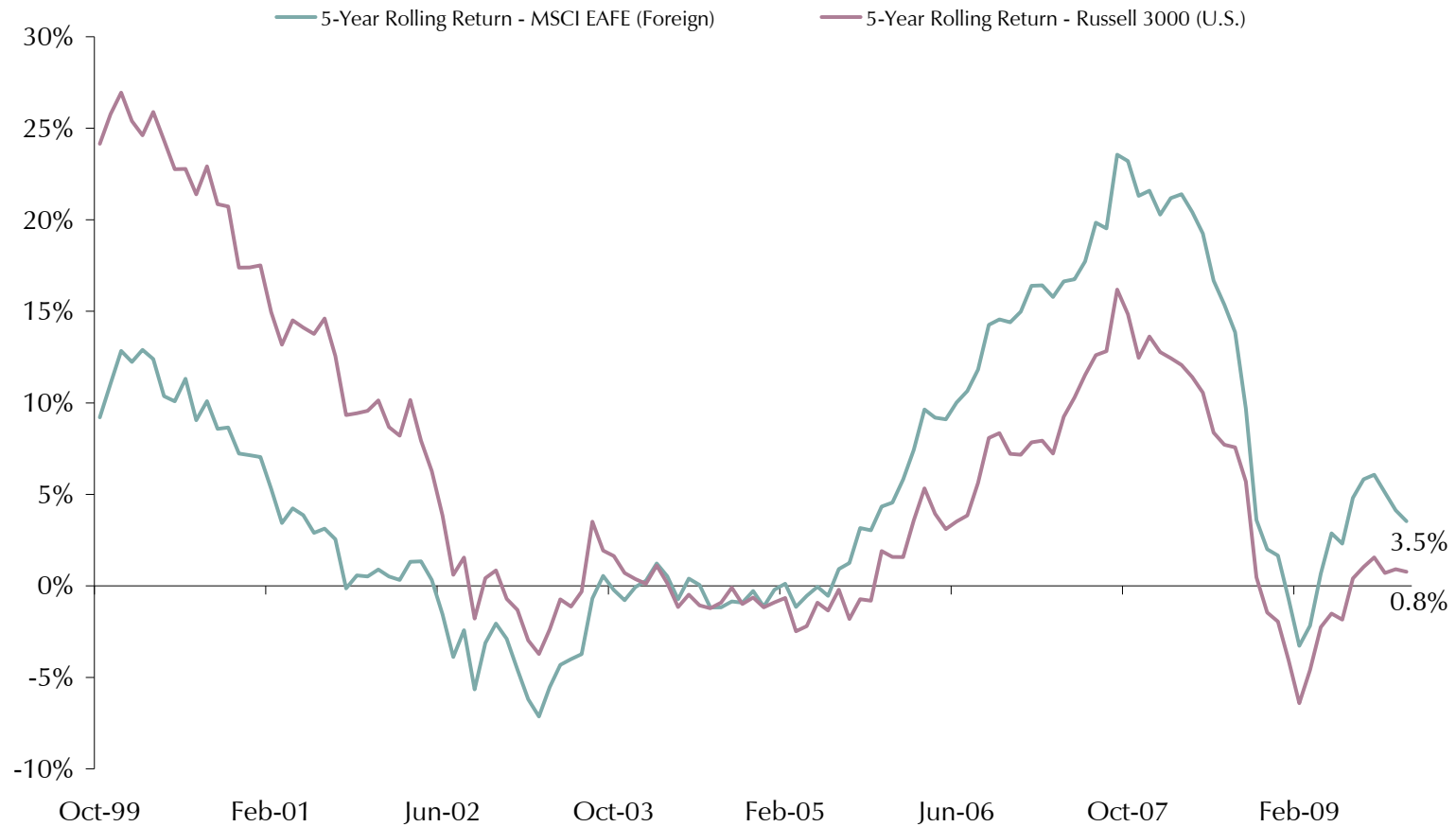
Treasury Yields

At quarter-end, the yield curve was extremely steep by historical standards. The steepness was attributed to the central bank's suppression of short-term rates, combined with strong growth expectations and a large anticipated supply of Treasuries.



Equity Markets

Over the most recent five-year period, the developed international equity market outpaced the broad domestic equity market by 2.7%.

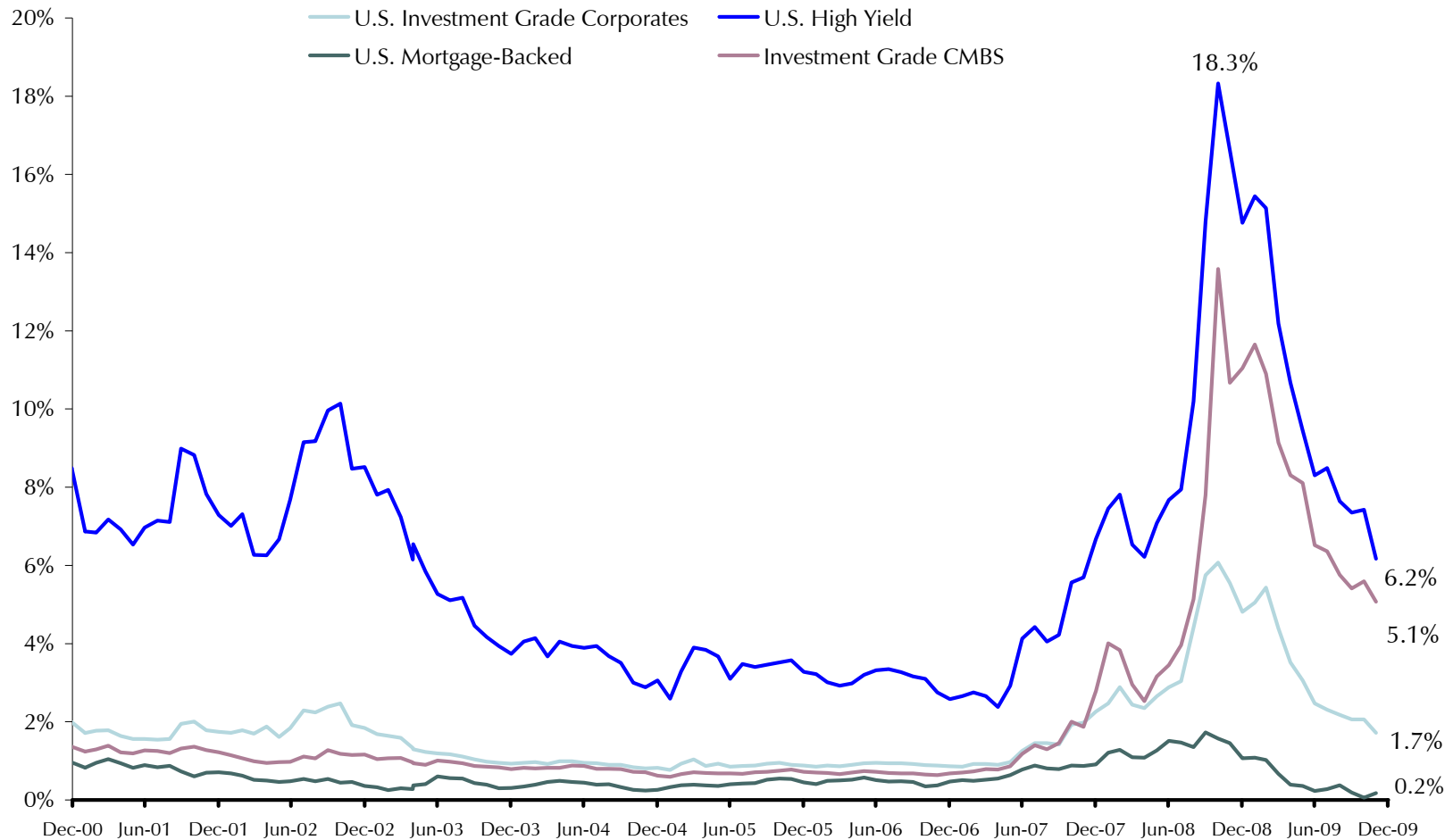


U.S. Fixed Income Markets

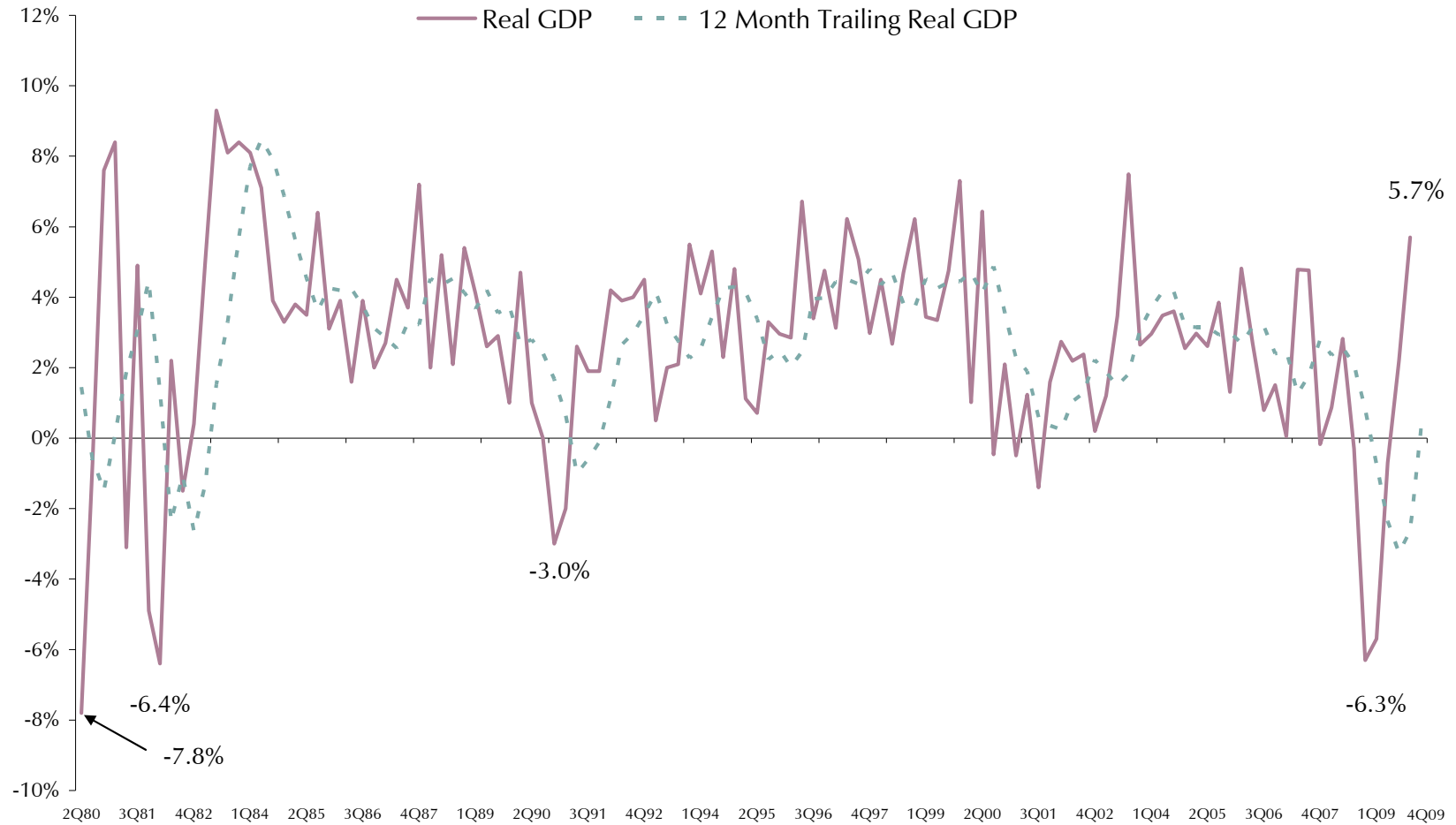


Credit Spreads vs. U.S. Treasury Bonds

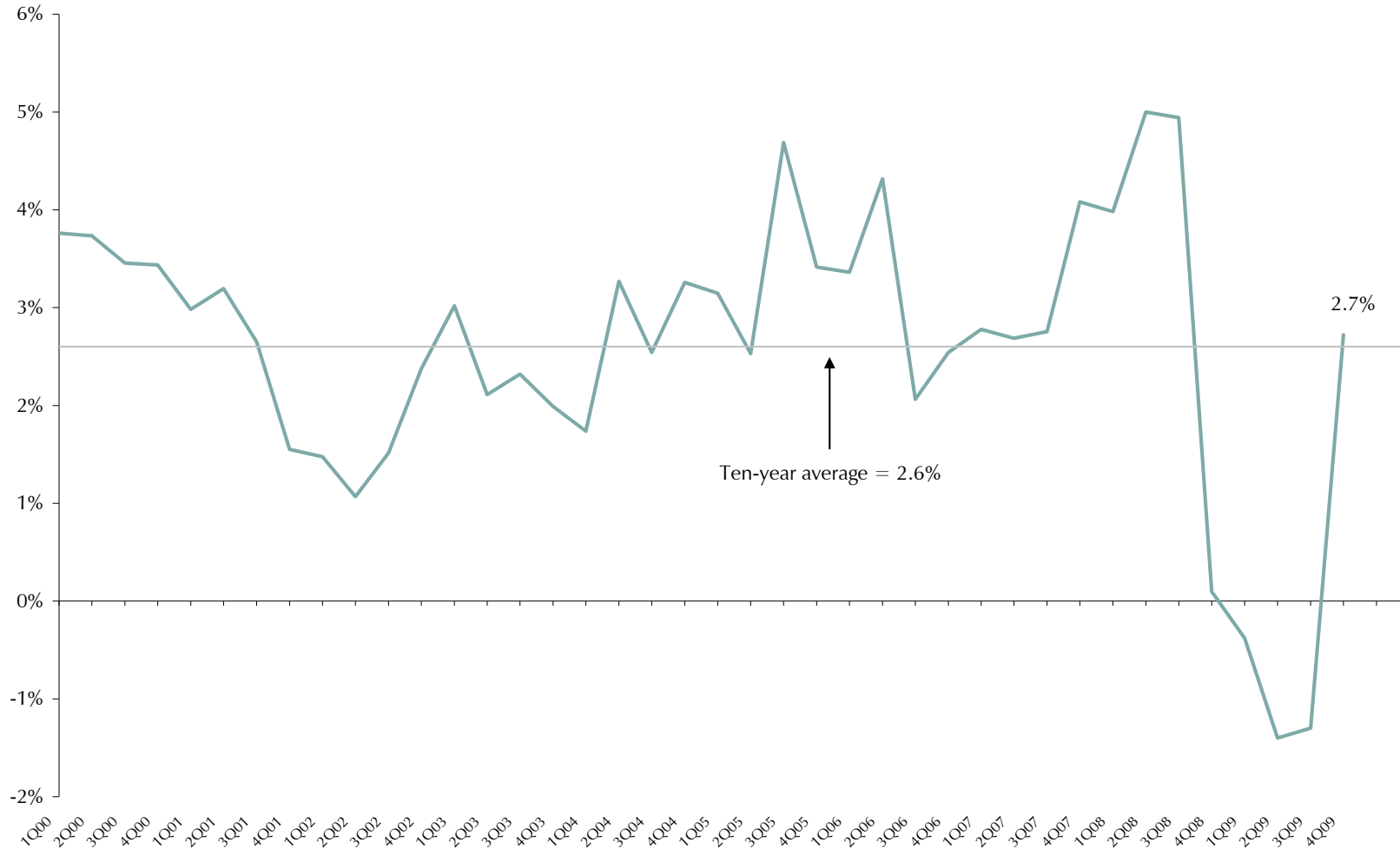
Credit spreads compressed further in the fourth quarter. High yield spreads declined by 1.4% during the quarter to end at 6.2%, roughly equal to their ten-year average.



Real Gross Domestic Product (GDP) Growth



**U.S. Inflation (CPI)
Trailing Twelve Months**



¹ The ten-year average annualized inflation rate was 2.6%.



Unemployment

The unemployment rate continued to rise and finished the year at 10.0%.

