

Annual Returns of Key Fixed Income Indices

(1990-2009)

Investment Facts

RANK	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Citigroup WGBI Unhedged 11.98%	Merrill Lynch HY Cash Pay 34.58%	Merrill Lynch HY Cash Pay 18.16%	Merrill Lynch HY Cash Pay 17.18%	JPM ELMI + (USD) 5.95%	JPM EMBI + (USD) 26.77%	JPM EMBI + (USD) 39.31%	JPM EMBI + (USD) 13.03%	JPM ELMI + (USD) 18.39%	JPM EMBI + (USD) 25.99%	JPM EMBI + (USD) 15.65%	Barclays U.S. Agg 8.44%	Citigroup WGBI Unhedged 19.49%	JPM EMBI + (USD) 28.82%	JPM ELMI + (USD) 14.79%	JPM EMBI + (USD) 11.86%	JPM ELMI + (USD) 12.30%	JPM ELMI + (USD) 16.04%	Citigroup WGBI Unhedged 10.89%	Merrill Lynch HY Cash Pay 56.28%
2	Barclays U.S. Agg 8.96%	Barclays Global Agg Unhedged 16.04%	Citigroup WGBI Hedged 7.86%	Citigroup WGBI Unhedged 13.27%	Citigroup WGBI Unhedged 2.34%	Merrill Lynch HY Cash Pay 19.91%	Merrill Lynch HY Cash Pay 11.06%	Merrill Lynch HY Cash Pay 12.83%	Citigroup WGBI Unhedged 15.30%	JPM ELMI + (USD) 12.47%	Barclays U.S. Agg 11.63%	Barclays Global Agg Hedged 7.24%	Barclays Global Agg Unhedged 16.52%	Merrill Lynch HY Cash Pay 27.23%	JPM EMBI + (USD) 11.77%	Citigroup WGBI Hedged 5.10%	Merrill Lynch HY Cash Pay 11.64%	Citigroup WGBI Unhedged 10.95%	Citigroup WGBI Hedged 9.21%	JPM EMBI + (USD) 25.95%
3	Citigroup WGBI Hedged 5.89%	Barclays U.S. Agg 16.00%	Barclays U.S. Agg 7.40%	Citigroup WGBI Hedged 12.40%	Barclays Global Agg Unhedged 0.23%	Barclays Global Agg Unhedged 19.66%	JPM ELMI + (USD) 10.37%	Citigroup WGBI Hedged 10.58%	Barclays Global Agg Unhedged 13.71%	Merrill Lynch HY Cash Pay 1.57%	Citigroup WGBI Hedged 10.67%	Citigroup WGBI Hedged 6.27%	JPM EMBI + (USD) 14.24%	JPM ELMI + (USD) 15.80%	Merrill Lynch HY Cash Pay 10.76%	Barclays Global Agg Hedged 4.28%	JPM EMBI + (USD) 10.49%	Barclays Global Agg Unhedged 9.48%	Barclays Global Agg Hedged 5.58%	JPM ELMI + (USD) 11.69%
4	Merrill Lynch HY Cash Pay -4.35%	Citigroup WGBI Unhedged 15.81%	Barclays Global Agg Hedged 7.11%	Barclays Global Agg Hedged 11.25%	Merrill Lynch HY Cash Pay -1.17%	Citigroup WGBI Unhedged 19.04%	Citigroup WGBI Hedged 8.69%	Barclays Global Agg Hedged 10.17%	Citigroup WGBI Hedged 11.03%	Citigroup WGBI Hedged 1.31%	Barclays Global Agg Hedged 10.34%	Merrill Lynch HY Cash Pay 6.21%	JPM ELMI + (USD) 11.38%	Citigroup WGBI Unhedged 14.91%	Citigroup WGBI Unhedged 10.35%	JPM ELMI + (USD) 3.21%	Barclays Global Agg Unhedged 6.64%	Barclays U.S. Agg 6.97%	Barclays U.S. Agg 5.24%	Barclays Global Agg Unhedged 6.93%
5	Barclays Global Agg Hedged 14.23%	Barclays Global Agg Unhedged 5.80%	Barclays Global Agg Unhedged 11.08%	Barclays U.S. Agg -2.92%	Barclays U.S. Agg 18.47%	Barclays Global Agg Hedged 7.07%	Barclays U.S. Agg 9.65%	Barclays U.S. Agg 9.77%	Barclays Global Agg Hedged 0.79%	Barclays Global Agg Unhedged 3.17%	JPM ELMI + (USD) 3.21%	Barclays U.S. Agg 10.25%	Barclays Global Agg Unhedged 12.51%	Barclays Global Agg Unhedged 9.27%	Merrill Lynch HY Cash Pay 2.83%	Citigroup WGBI Unhedged 6.12%	JPM EMBI + (USD) 6.45%	Barclays Global Agg Unhedged 4.79%	Barclays U.S. Agg 5.93%	
6	Citigroup WGBI Hedged 13.20%	Citigroup WGBI Unhedged 5.53%	Barclays U.S. Agg 9.75%	Barclays Global Agg Hedged -3.58%	Citigroup WGBI Hedged 18.06%	Barclays Global Agg Unhedged 4.91%	Barclays Global Agg Unhedged 3.78%	Barclays U.S. Agg 8.69%	Barclays U.S. Agg -0.82%	JPM ELMI + (USD) 2.00%	Barclays Global Agg Unhedged 1.57%	Barclays Global Agg Hedged 8.45%	Barclays U.S. Agg 4.10%	Barclays Global Agg Hedged 4.89%	Barclays U.S. Agg 2.43%	Barclays U.S. Agg 4.33%	Citigroup WGBI Hedged 5.71%	JPM ELMI + (USD) -3.85%	Barclays Global Agg Hedged 5.09%	
7	Citigroup WGBI Hedged -3.73%	Barclays Global Agg Hedged 18.01%	Barclays U.S. Agg 3.63%	Citigroup WGBI Unhedged 0.23%	Merrill Lynch HY Cash Pay 3.66%	Citigroup WGBI Unhedged -4.27%	Citigroup WGBI Unhedged 1.59%	JPM EMBI + (USD) -0.79%	Citigroup WGBI Hedged 7.97%	Barclays Global Agg Hedged 3.11%	Citigroup WGBI Hedged 4.84%	Barclays Global Agg Hedged -4.49%	Barclays Global Agg Hedged 3.64%	Barclays Global Agg Hedged 5.33%	JPM EMBI + (USD) -9.70%	Citigroup WGBI Unhedged 2.55%				
8	JPM EMBI + (USD) -18.93%	JPM ELMI + (USD) 11.09%	Citigroup WGBI Unhedged 3.62%	JPM ELMI + (USD) -7.38%	JPM EMBI + (USD) -14.35%	Barclays Global Agg Unhedged -5.17%	Merrill Lynch HY Cash Pay -3.79%	Citigroup WGBI Unhedged -0.99%	Merrill Lynch HY Cash Pay -1.14%	Citigroup WGBI Hedged 1.97%	Barclays U.S. Agg 4.34%	Citigroup WGBI Unhedged -6.88%	Citigroup WGBI Hedged 3.10%	Merrill Lynch HY Cash Pay 2.17%	Merrill Lynch HY Cash Pay -26.21%	Citigroup WGBI Hedged 1.01%				

The **J.P. Morgan Emerging Markets Bond Index Plus (JPM EMBI+)** tracks total returns for U.S.-dollar-denominated debt instruments of the emerging markets: Brady bonds, loans, Eurobonds. The EMBI+ currently covers instruments across 22 countries. The **J.P. Morgan Emerging Local Markets Index Plus (JPM ELMI+)** tracks total returns for local-currency-denominated money market instruments in 29 emerging markets. The **Citigroup World Government Bond Index Unhedged (WGBI Unhedged)** covers the most significant and liquid government bond markets, currently including 23 government bond markets, worldwide. The **Citigroup World Government Bond Index Hedged (WGBI Hedged)** covers the most significant and liquid government bond markets, currently including 23 government bond markets, worldwide and is hedged back to the U.S. dollar. The **Barclays Capital U.S. Aggregate Bond Index (Barclays U.S. Agg)** includes the U.S. government, corporate, and mortgage-backed and asset-backed securities with maturities up to 30 years. The **Barclays Capital Global Aggregate Index Unhedged (Barclays Global Agg Unhedged)** provides a broad-based measure of global investment-grade fixed-income debt markets, including government-related debt, corporate debt, securitized debt, and global Treasury. The **Barclays Capital Global Aggregate Index Hedged (Barclays Global Agg Hedged)** provides a broad-based measure of global investment-grade fixed-income debt markets, including government-related debt, corporate debt, securitized debt, and global Treasury, and it is hedged back to the U.S. dollar. The **Merrill Lynch High Yield, Cash Pay Index (Merrill Lynch HY Cash Pay)** is constructed to mirror the public high yield corporate debt market and is a subset of the Merrill Lynch High Yield Master II Index. (The Merrill Lynch U.S. High Yield Master II Index is a broad-based index consisting of all U.S.-dollar-denominated high-yield corporate bonds with a minimum outstanding amount of \$100 million and maturity of no less than one year.)

Credit: Callan Associates Inc. and the Callan Periodic Table of Investment Returns

Data Sources: J.P. Morgan, Citigroup, Barclays Capital, Merrill Lynch, Russell/Mellon Analytical Series.

An investment cannot be made directly in an index. Indices are unmanaged and have no fees.

The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

An investment in bonds carries risk. If interest rates rise, bond prices usually decline. The longer a bond's maturity, the greater the impact a change in interest rates can have on its price. If you do not hold a bond until maturity, you may experience a gain or loss when you sell. Bonds also carry the risk of default, which is the risk that the issuer is unable to make further income and principal payments. Other risks, including inflation risk, call risk, and pre-payment risk, also apply. High yield securities (also referred to as "junk bonds") inherently have a higher degree of market risk, default risk, and credit risk. Securities in certain non-domestic countries may be less liquid, more volatile, and less subject to governmental supervision than in one's home market. The values of these securities may be affected by changes in currency rates, application of a country's specific tax laws, changes in government administration, and economic and monetary policy.

© 2010 Lazard Asset Management LLC. **Australia:** Issued by Lazard Asset Management Pacific Co., Level 39 Gateway, 1 Macquarie Place, Sydney NSW 2000. **Germany:** Issued by Lazard Asset Management (Deutschland) GmbH, Alte Mainzer Gasse 37, 60311 Frankfurt am Main. **Japan:** Issued by Lazard Japan Asset Management K.K., ATT Annex 7th Floor, 2-11-7 Akasaka, Minato-ku, Tokyo 107-0052. **Korea:** Issued by Lazard Korea Asset Management Co. Ltd., 10F Seoul Finance Center, Taepyeongno-1ga, Jung-gu, Seoul, 100-768. **United Kingdom:** For Professional Investors Only. Issued by Lazard Asset Management Ltd., 50 Stratton Street, London W1J 8LL. Registered in England Number 525667. Authorised and regulated by the Financial Services Authority (FSA). **United States:** Issued by Lazard Asset Management LLC, 30 Rockefeller Plaza, New York, NY 10112.