

Putting Current Markets Into Perspective

**Corporate Headquarters: The Raymond James Financial Center
880 Carillon Parkway St. Petersburg, FL 33716
727-576-1000 | 800-248-8863**

**©2008 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC.
©2008 Raymond James Financial Services, Inc., member FINRA/SIPC.**

Is the Current Market Environment Unprecedented?

Dow Jones Industrial Average (Since 1928)				
Rank	Peak Day	Trough Day	Approximate Duration	Cumulative Return
1	September 3, 1929	July 8, 1932	34 months	-89.2%
2	October 9, 2007	March 9, 2009	17 months	-53.8%
3	March 10, 1937	March 31, 1938	13 months	-49.1%
4	January 11, 1973	December 6, 1974	22 months	-45.1%
5	January 14, 2000	October 9, 2002	34 months	-37.9%
6	August 25, 1987	October 19, 1987	3 months	-36.1%
S&P 500 Index (Since 1950)				
Rank	Peak Day	Trough Day	Approximate Duration	Cumulative Return
1	October 9, 2007	March 9, 2009	17 Months	-55.3%
2	January 3, 1973	October 3, 1974	22 Months	-48.2%
3	March 24, 2000	October 9, 2002	32 Months	-47.4%
4	May 14, 1969	May 26, 1970	13 months	-34.7%
5	August 25, 1987	October 19, 1987	3 Months	-33.2%
6	November 28, 1980	August 12, 1982	22 Months	-27.1%

Source: Ibbotson Associates, Inc., Bloomberg

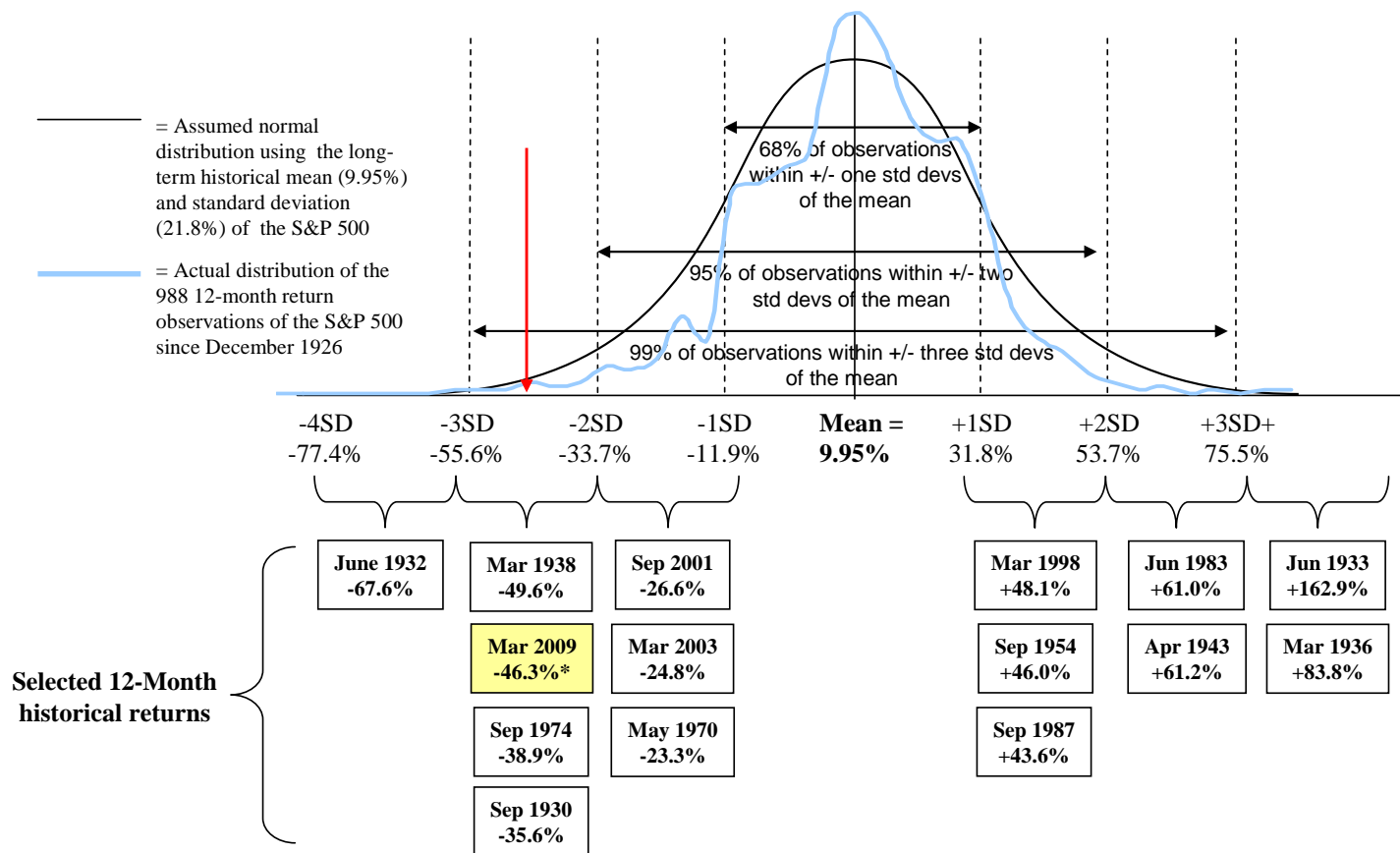
From a historical perspective, the current market environment for domestic large-cap equities, while extreme, is not unprecedented in duration or scope.

Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

Are We Within A Two Standard Deviation Event?

The Normal Distribution



*12-month return as of 03-09-09 which is the date of the lowest S&P 500 Index price (676.53) since the correction beginning on 10-09-07.

Source: Ibbotson Associates, Inc., Bloomberg

From a historical perspective, we are actually between a -2 and -3 standard deviation event.

Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

Looking Back on 988 12-Month Returns for the S&P 500

S&P 500 Index Out of 988 12-month Returns December 1926 - February 2009					
Standard Deviations	From	To	# of 12 Month Periods	%	Expected Based On a Normal Distribution
-3 to -4	-55.6%	-77.4%	3	0.3%	0.5%
-2 to -3	-33.7%	-55.5%	23*	2.3%	2.0%
-1 to -2	-11.9%	-33.6%	86	8.7%	13.5%

*The 12-months ended 02-28-09 represents one of these periods.

Source: Ibbotson Associates, Inc.

Market events have generally fallen in line with what we expect based on a normal distribution of returns.

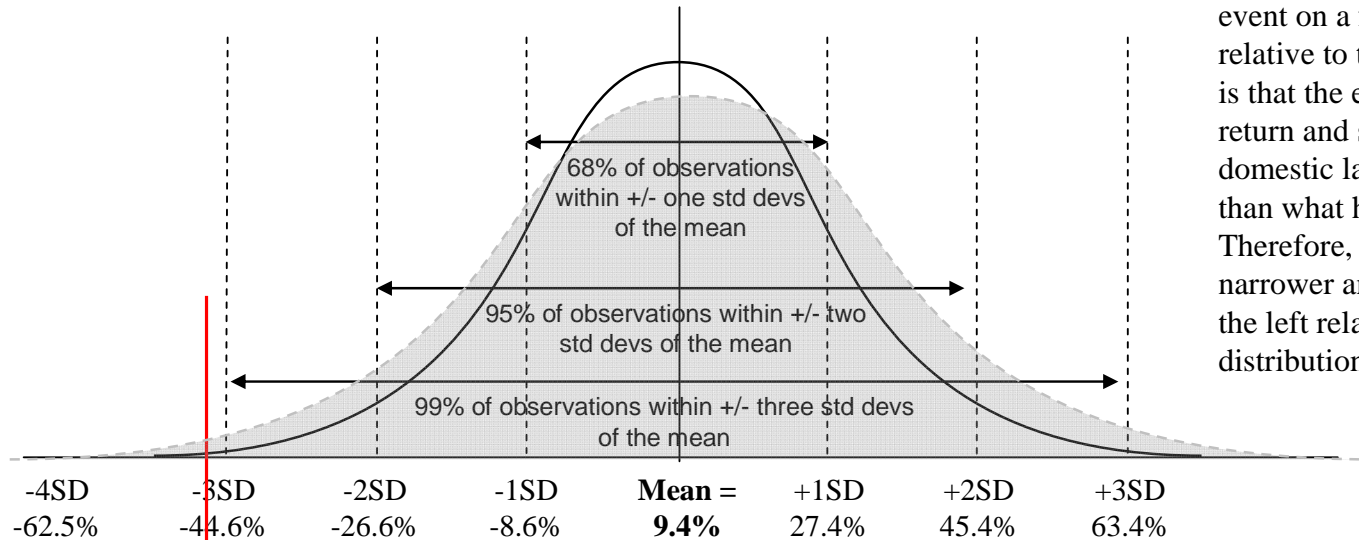
Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

How About From A Forward-Looking Perspective?

The Normal Distribution



Note: The reason this registers as a more significant negative event on a forward-looking basis relative to the historical distribution is that the expected forward-looking return and standard deviation for domestic large-cap equities is lower than what has occurred historically. Therefore, the bell curve is narrower and has shifted slightly to the left relative to the historical distribution shown in grey.

Mar 2009
-46.3%*

*12-month return as of 03-09-09 which is the date of the lowest S&P 500 Index price (676.53) since the correction beginning on 10-09-07.

Source: Mercer Investment Consulting, AMS Institutional Research, Ibbotson Associates, Inc., Bloomberg

— = Assumed normal distribution using the long-term expected mean (9.4%) and standard deviation (18.0%) of domestic large-cap equities

Based on our current long-term forward-looking expectations for domestic large-cap equities, we are at a full -3 standard deviation event, but generally in line with history.

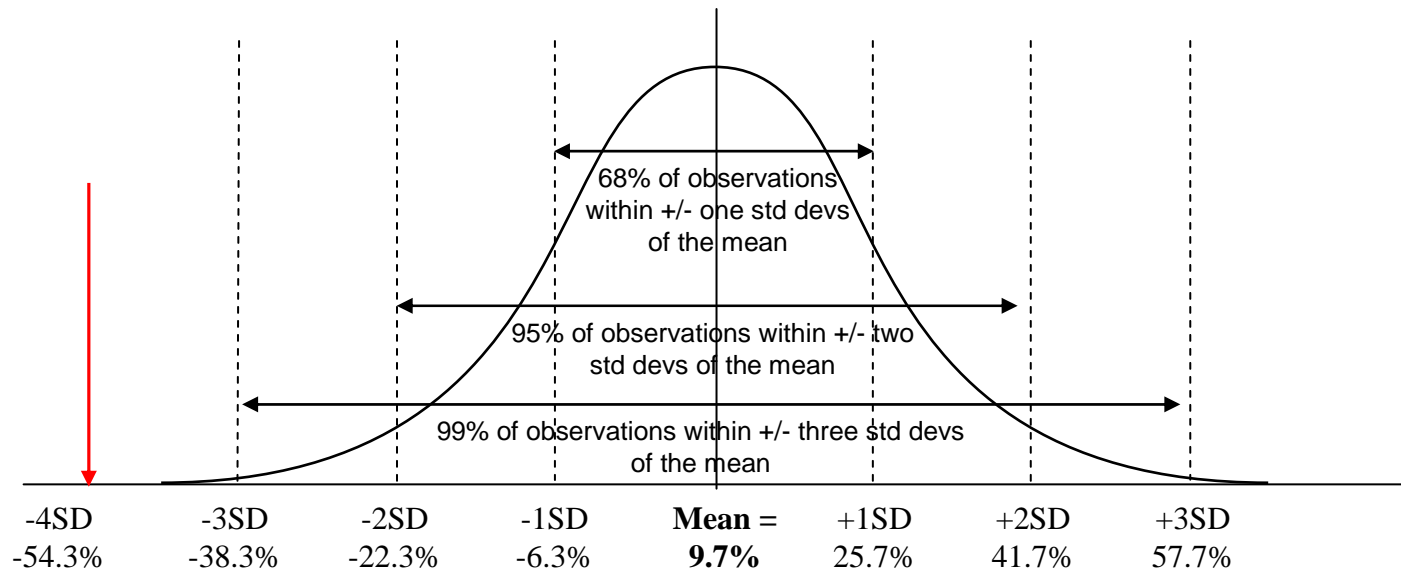
Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

How About From A Diversified Portfolio Perspective?

The Normal Distribution



Mar 2009
-50.0%*

*Approximate 12-month return as of 03-09-09 using holdings from FactSet Research Systems, Inc.

— = Assumed normal distribution using the long-term expected mean (9.7%) and standard deviation (16.0%) of a diversified equity portfolio

Source: Mercer Investment Consulting, AMS Institutional Research

Different story. Based on our expectations for a diversified portfolio, we are experiencing nearly a -4 standard deviation event!

Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

What Happened to Low Correlations and Downside Protection?

	As of 3-09-09
Index	12-Month Return
S&P 500	-46.9%
Russell 2000 Index	-47.1%
MSCI EAFE	-52.8%
MSCI Emerging Markets	-55.3%
DJ Wilshire REITs	-61.9%
Barclays Capital Aggregate Index	3.3%
Barclays Capital High Yield Index	-24.8%
DJ AIG Commodity Index	-50.8%

Source: FactSet Research Systems, Inc., Frank Russell, Standard and Poor's, Barclays, Dow Jones, MSCI Barra

There are specific periods (although rare) when there is so much systemic stress on the global capital markets that correlation among asset classes essentially moves close to +1.0. In these short-run periods, the benefits of diversification are temporarily marginalized.

Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

How Do We Expect Asset Classes to Behave in Typical Corrections?

Asset Class	Cumulative Returns For the 3 Years Ending March 31, 2003	Cumulative Returns For the Year Ending September 30, 1988	Cumulative Returns For the Year Ending March 31, 1982
Domestic Large Cap Equity	-40.9%	-12.4%	-13.1%
Domestic Small Cap Equity	-29.5%	-10.7%	-4.7%
International Equity	-47.9%	-0.8%	-14.2%
Real Estate (REITs)	49.8%	4.8%	-2.5%
Domestic Fixed Income	32.4%	13.3%	9.8%
High Yield Fixed Income	7.7%	12.1%	7.7%
Commodities	27.0%	n/a	n/a

Source: Ibbotson Associates, Inc., Callan Associates

When equity markets break down, we expect other asset classes to hold their own.

Past performance is not a guarantee of future results.

Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

What is Another Example of Correlation Breakdowns?

Asset Class	Cumulative Returns For the 2 Years Ending December 31, 1974
Domestic Large Cap Equity	-37.3%
Domestic Small Cap Equity	-44.7%
International Equity	-34.7%
Real Estate (REITs)	-58.0%
Domestic Fixed Income	10.4%
High Yield Fixed Income	-11.6%
Commodities	n/a

Source: Ibbotson Associates, Inc., Callan Associates

Correlations didn't hold up in 1973-1974 either.

Past performance is not a guarantee of future results. Diversification does not ensure a profit or protect against a loss. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

What Does This Mean Going Forward?

Example:

Portfolio A (Broad): 65% S&P 500 / 35% Barclays Capital Aggregate Index

Portfolio B (Diversified): Same equity to fixed income ratio (65% / 35%), but using diversified asset classes such as small cap equity, international equity, REITs and high yield fixed income

Portfolio	Cumulative Returns For the 2 Years Ending December 31, 1974
Portfolio A (Broad)	-22.4%
Portfolio B (Diversified)	-27.1%
Difference	-4.7%

Source: Ibbotson Associates, Inc., Callan Associates

Past performance is not a guarantee of future results. Diversification does not ensure a profit or protect against a loss. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

How About the Next Five Years Ended 1979?

Portfolio	Cumulative Returns For the 1 Year Ending December 31, 1975	Cumulative Returns For the 3 Years Ending December 31, 1977	Cumulative Returns For the 5 Years Ending December 31, 1979
Portfolio A (Broad)	27.0%	48.2%	75.1%
Portfolio B (Diversified)	29.2%	70.9%	112.3%
Difference	+2.2%	+22.7%	+37.2%

Source: Ibbotson Associates, Inc., Callan Associates

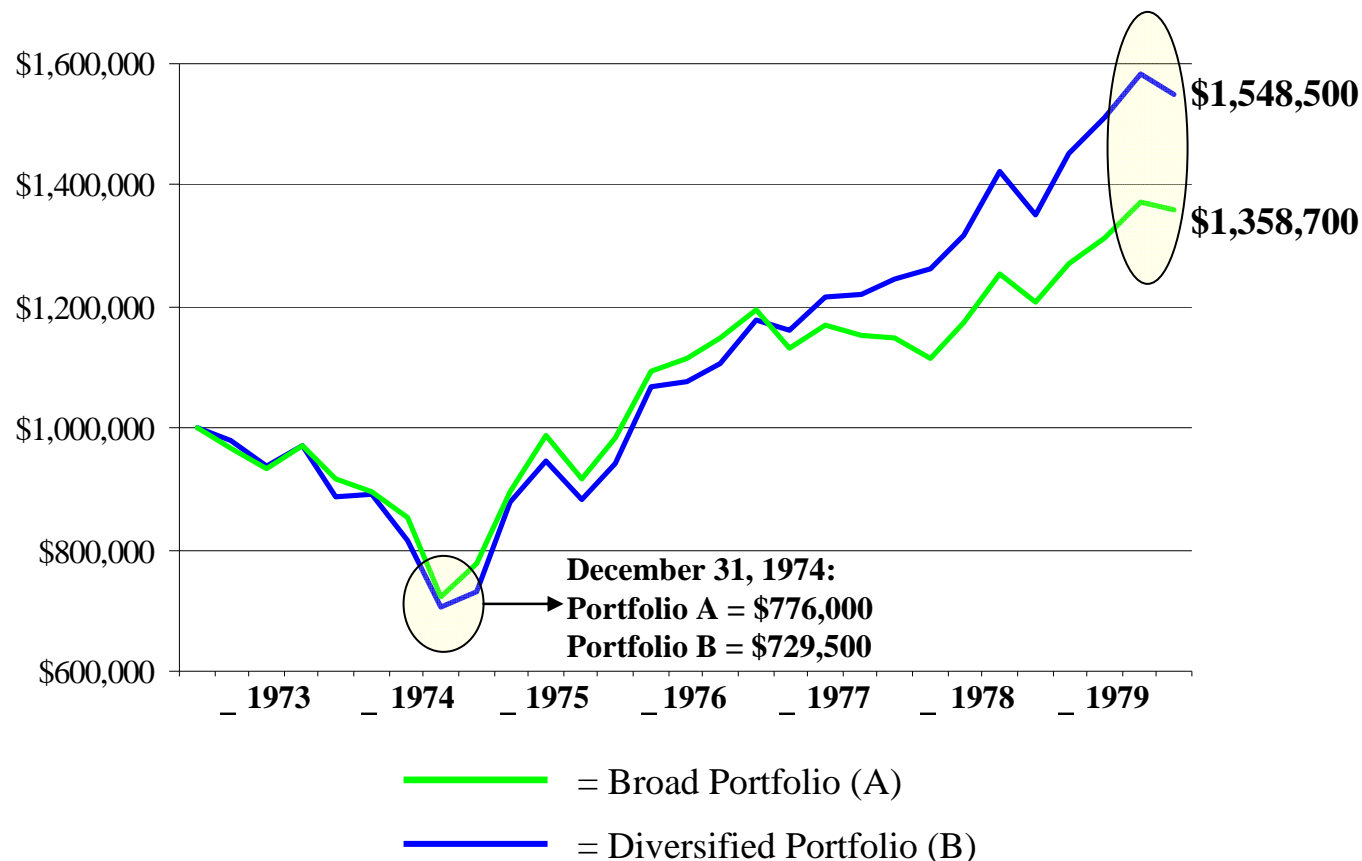
While the diversified portfolio did not work in the short-run due to correlation breakdowns, it made up for it over the long-term. In the next five years, the diversified portfolio outperformed the broad portfolio by a cumulative 37.2%, or 4.4% annually.

Past performance is not a guarantee of future results. Diversification does not ensure a profit or protect against a loss. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

What Does That Mean In Terms of Asset Growth?

Investing \$1,000,000 in both portfolios on December 31, 1972:



Source: Ibbotson Associates, Inc., Callan Associates

Past performance is not a guarantee of future results. Diversification does not ensure a profit or protect against a loss. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

RAYMOND JAMES®

What Does This Mean Going Forward?

- While the past cannot guarantee the future we believe that investors who commit new capital at these levels, or even rebalance back to their long-term strategic allocations may have opportunities for significant portfolio growth over the coming years.
- Depending on risk, time, objective, clients may be better served by remaining invested rather than liquidating or giving into fear.
- No strategy guarantees success, but we believe that once the current issues work through the system, asset classes will behave as expected, active managers performance will improve and diversified portfolios will begin to perform going forward as they have historically over the long-term.
- This already appears to be the case when we look at the few large one-day surges that the market has experienced over recent weeks.

All investing involves risk and you may incur a profit or a loss.

Diversification does not ensure a profit or protect against a loss.

RAYMOND JAMES®

Strategies At This Point?

- Reassess your risk tolerance
- Rebalance portfolios to their long-term strategic allocations if appropriate
- If your willingness and capacity to take on more risk permits, consider allocating more to equities and alternative investments.

Risk Disclosures

The thoughts and opinions expressed within are those of Raymond James Asset Management and are subject to change without notice. The information within should not be construed as a recommendation of any security outside of a managed account.

- International investing involves special risks, including currency fluctuations, different financial accounting standards and possible political and economic volatility.
- Investing in small- and mid -cap stocks generally involves greater risks, and therefore may not be appropriate for every investor.
- Commodities trading is generally considered speculative because of the significant potential for investment loss. Commodities are volatile investments and should only form a small part of a diversified portfolio.
- Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments.
- Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

Index Definitions

- **Dow Jones Industrial Average:** The Dow Jones Industrial Average is a composite of 30 stocks spread among a wide variety of industries, such as financial services, technology, retail, entertainment and consumer goods. The index represents approximately 23.8% of the US market, and is price weighted (component weightings are affected by changes in the stocks' prices).
- **Standard & Poor's 500 (S&P 500):** Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividend reinvested. The S&P 500 represents approximately 75% of the investable US equity market.
- **Russell 2000:** Based on a combination of their market cap and current index membership, this index is comprised of approximately 2,000 of the smallest securities in the Russell 3000 Index. Represents approximately 10% of the total market capitalization of the Russell 3000 Index.
- **MSCI EAFE (Europe, Australasia, Far East):** A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States & Canada. As of June 2007 the MSCI EAFE Index consisted of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.
- **MSCI Emerging Markets:** A free float-adjusted market capitalization index that is designed to measure the equity market performance of emerging markets. As of June 2007 the MSCI Emerging Markets Index consisted of the following 25 emerging market countries: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
- **Dow Jones Wilshire REIT:** The Dow Jones Wilshire Real Estate Investment Trust (REIT) Index is a subset on the Dow Jones Wilshire Real Estate Security Index (RESI) and includes only those REIT components of the DJW RES. The Dow Jones Wilshire Real Estate Investment Trust (REIT) Index is designed to serve as a proxy for real estate investment by institutions. The Dow Jones Wilshire Real Estate Indexes are designed to provide measures of real estate securities that serve as proxies for direct real estate investing, and measure the performance of the publicly traded real estate securities with readily available prices. To be included, a company must be both an equity owner and operator of commercial and/or residential real estate, have a minimum total market capitalization of at least \$200 million at the time of its inclusion, and at least 75% of the company's total revenue must be derived from the ownership and operation of real estate assets. The real estate indexes are weighted by float-adjusted market capitalization.
- **Barclays Capital US Aggregate:** Covers the US investment grade fixed rate bond market and consists of components for government and corporate, mortgage pass-through, and asset-backed securities. Must be rated investment grade or higher by at least two of the following: Moody's, S&P, or Fitch, have at least 1 year left to maturity and an outstanding par value of at least \$250 million. Security representation would be those that are SEC-registered, taxable, dollar denominated, non-convertible, and fixed rate.
- **Barclays Capital High Yield US Corporate:** Covers the universe of fixed rate, non-investment grade debt, which includes corporate (Industrial, Utility, and Finance, which include both US and non-US corporations), and non-corporate sectors. Also includes, Canadian and Global Bonds-(SEC registered, and issuers in non emerging market countries), original issue zeroes, step-up coupon structures, and 144-As. Exclusions are Pay-in-kind bonds, Eurobonds, debt issues from emerging market countries, structured notes with embedded swaps or other special features, private placements, and floating rate securities. Must be publicly issued, dollar denominated, non-convertible, rated high-yield or lower by at least two of the following: Moody's, S&P, or Fitch. Unrated bonds, although a small number, are included but must have previously held a high yield rating or been associated with a high yield issuer, and must trade accordingly. As well, there must be at least 1 year left to maturity, and an outstanding par value of at least \$150 million.
- **Dow Jones AIG Commodity:** The Dow Jones AIG Commodity Index is composed of futures contracts on 19 physical commodities (including precious metals, energy and livestock) traded on US exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME). The index serves as a diversified and highly liquid benchmark for the commodity futures market.