



# Meketa Investment Group

## The World Markets Fourth Quarter of 2009

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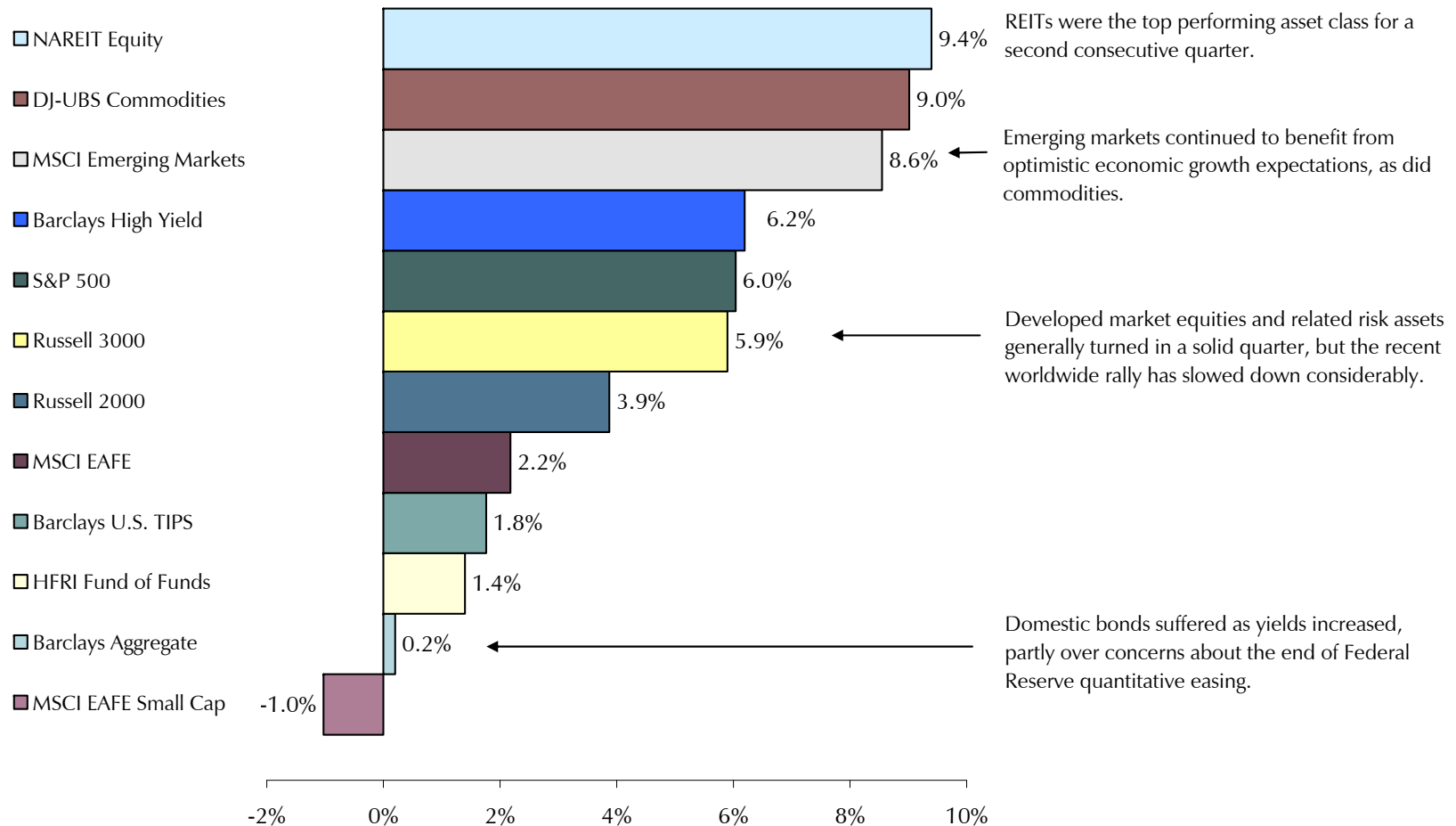
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The World Markets  
Fourth Quarter of 2009

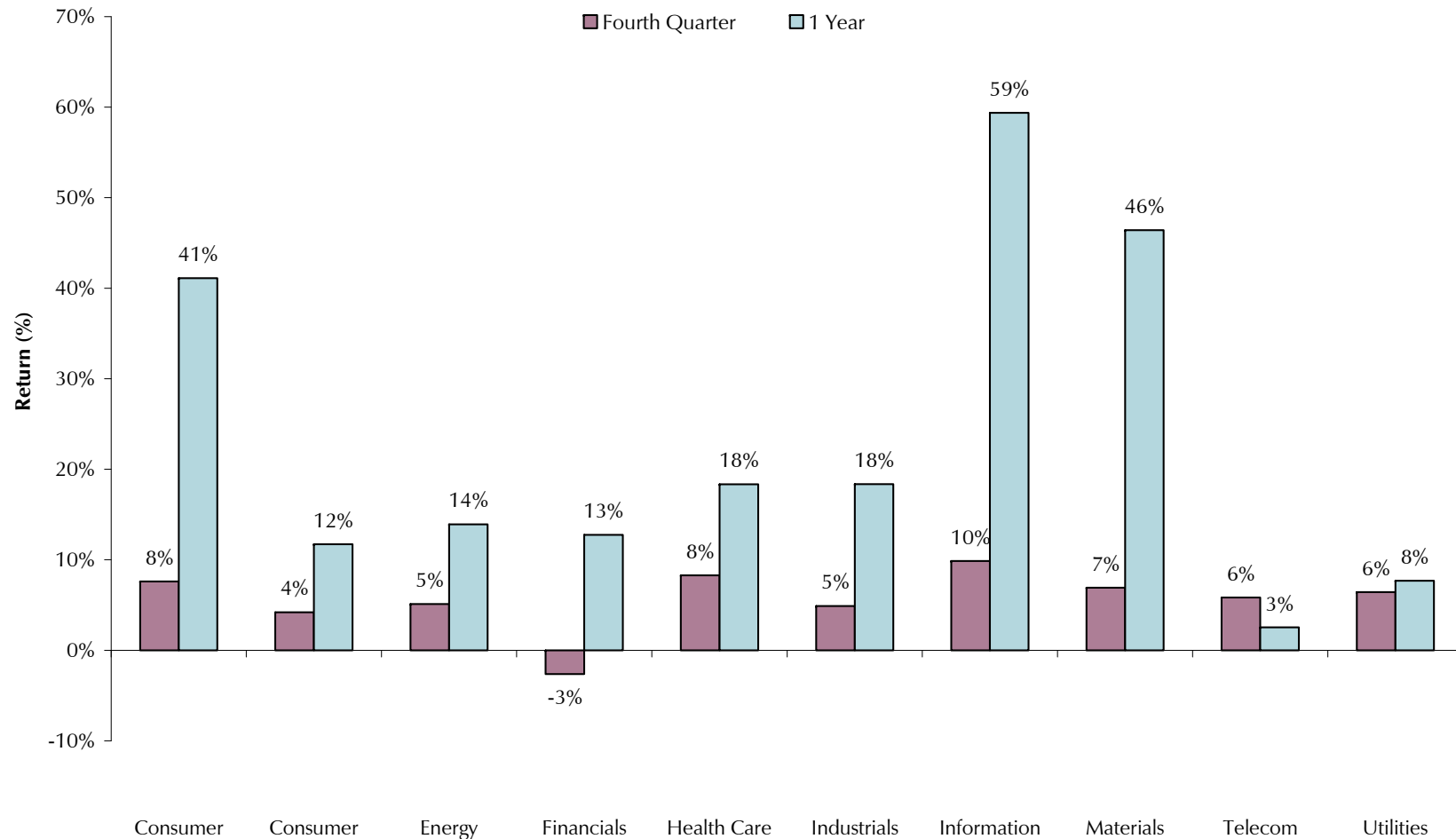


## Index Returns

	4Q 09 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Domestic Equity</b>					
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
<b>Foreign Equity</b>					
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
<b>Fixed Income</b>					
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

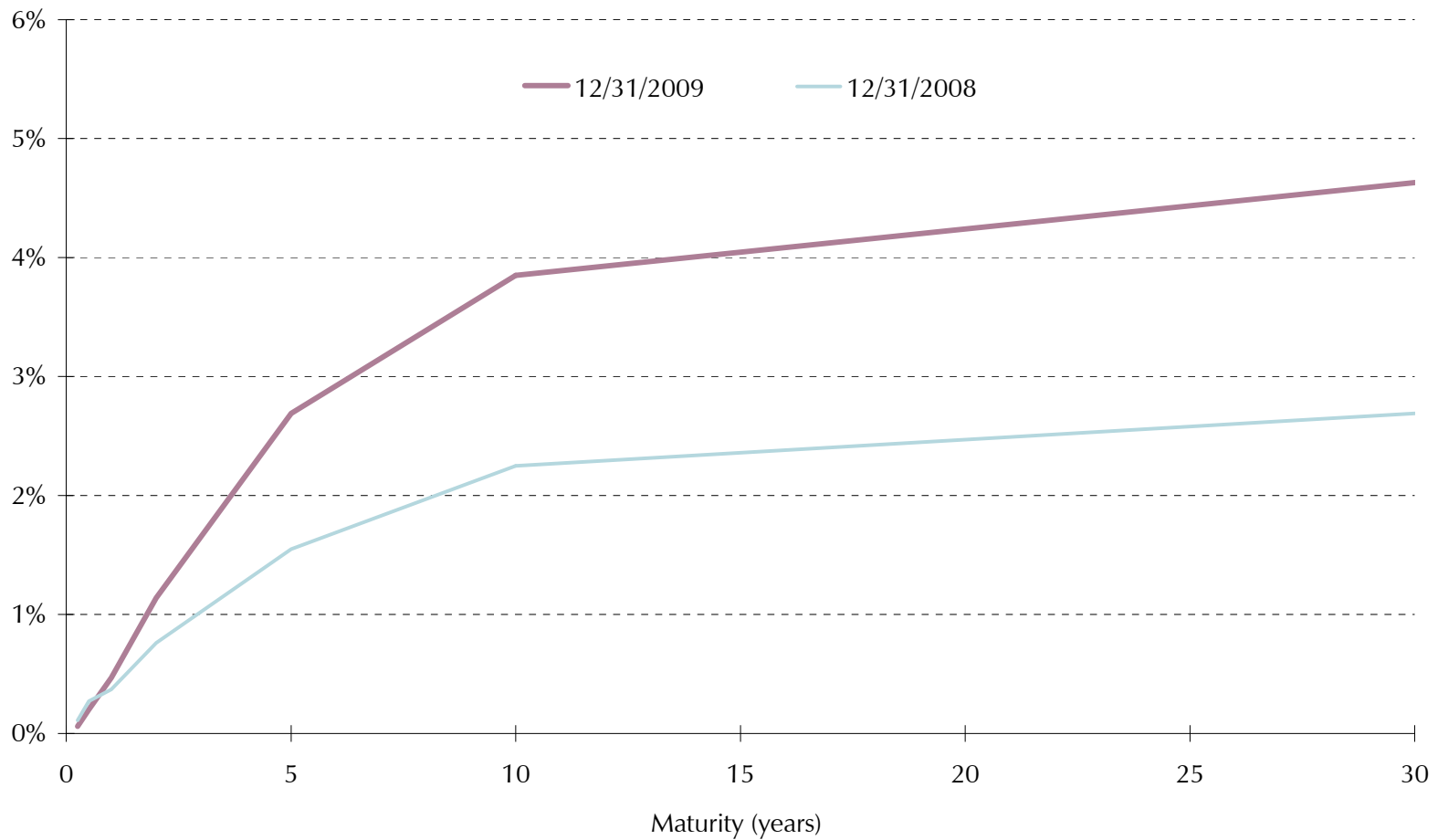
S&P Sector Returns

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.



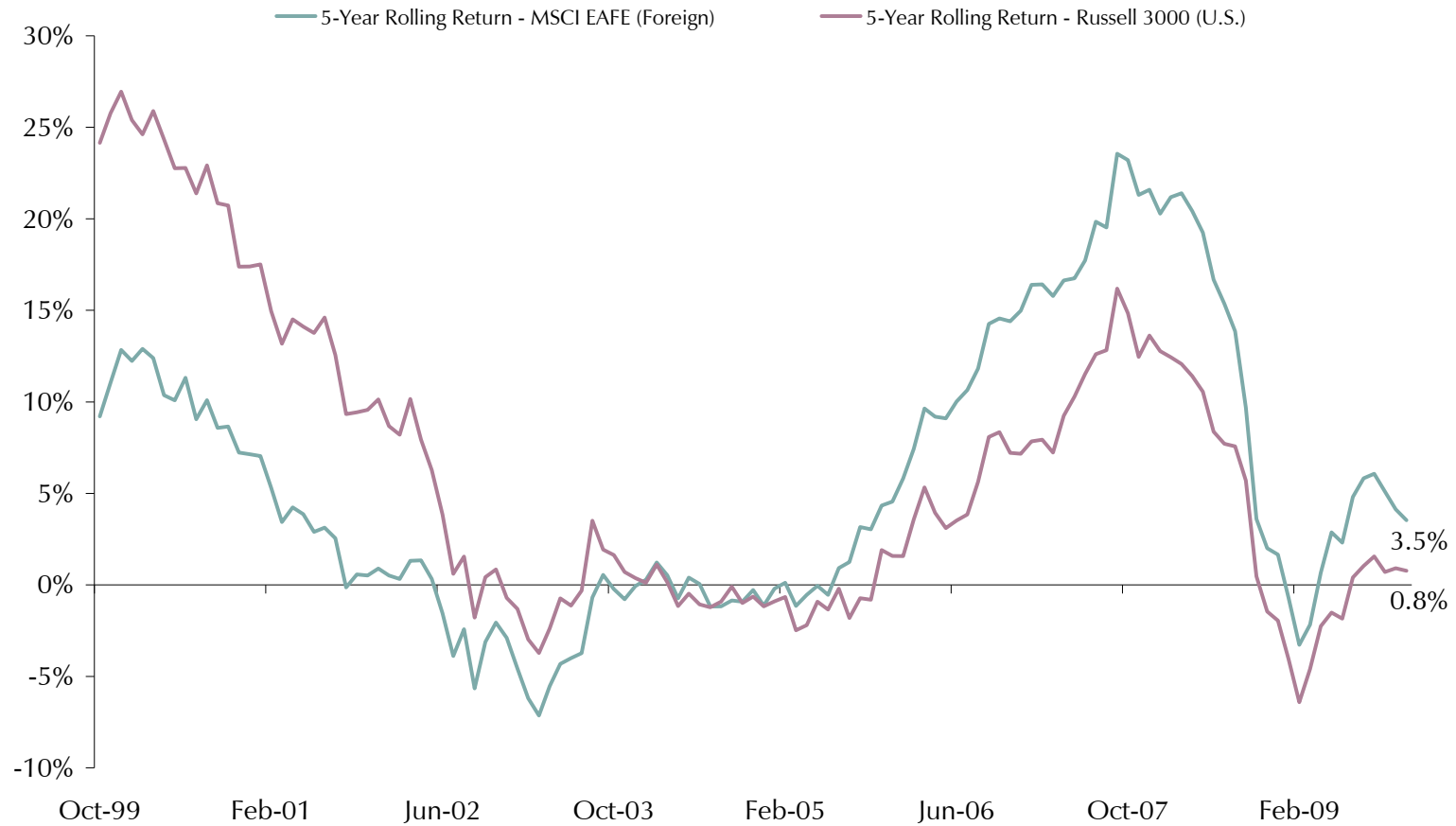
### Treasury Yields

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%.

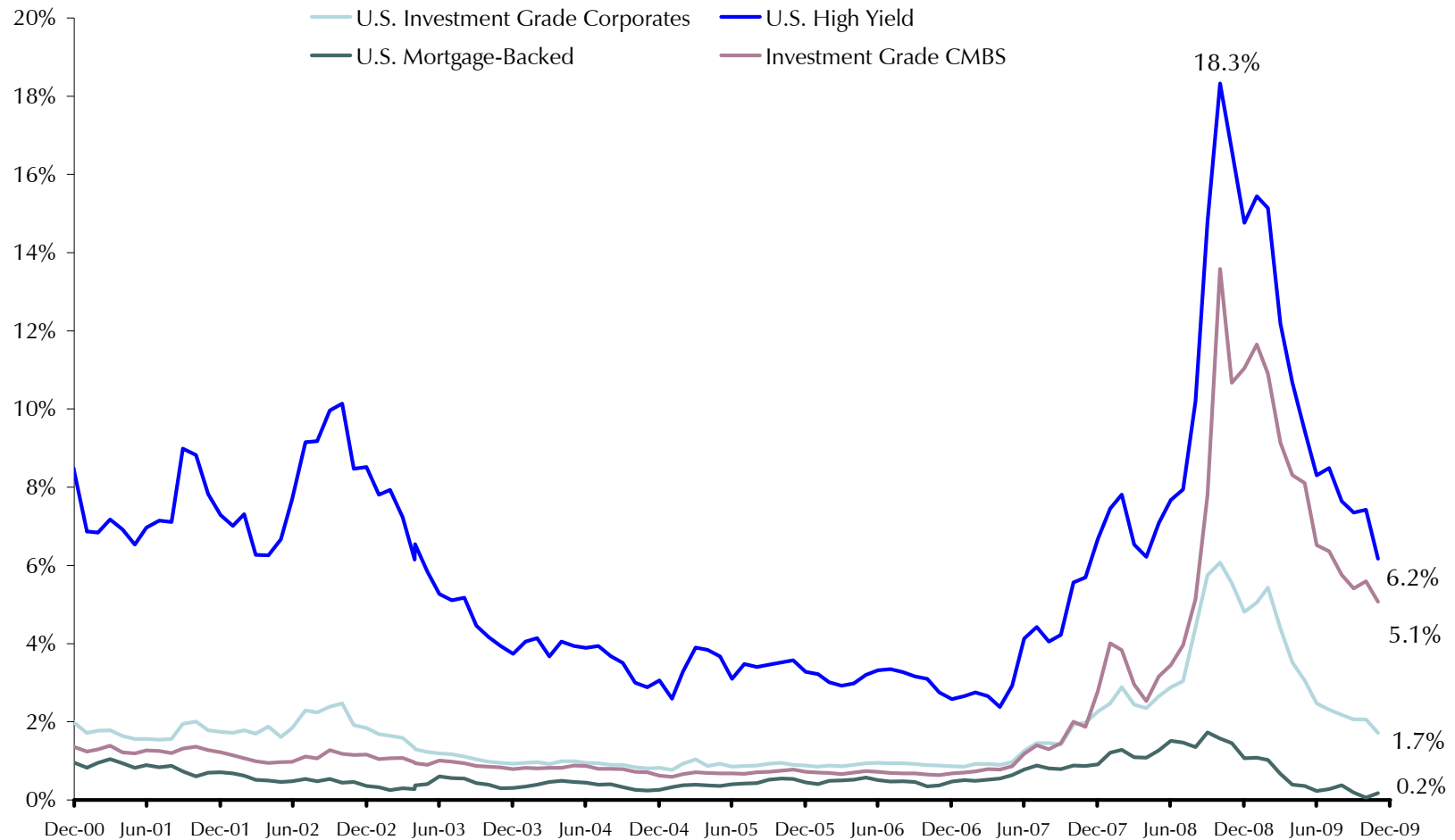


U.S. Fixed Income Markets

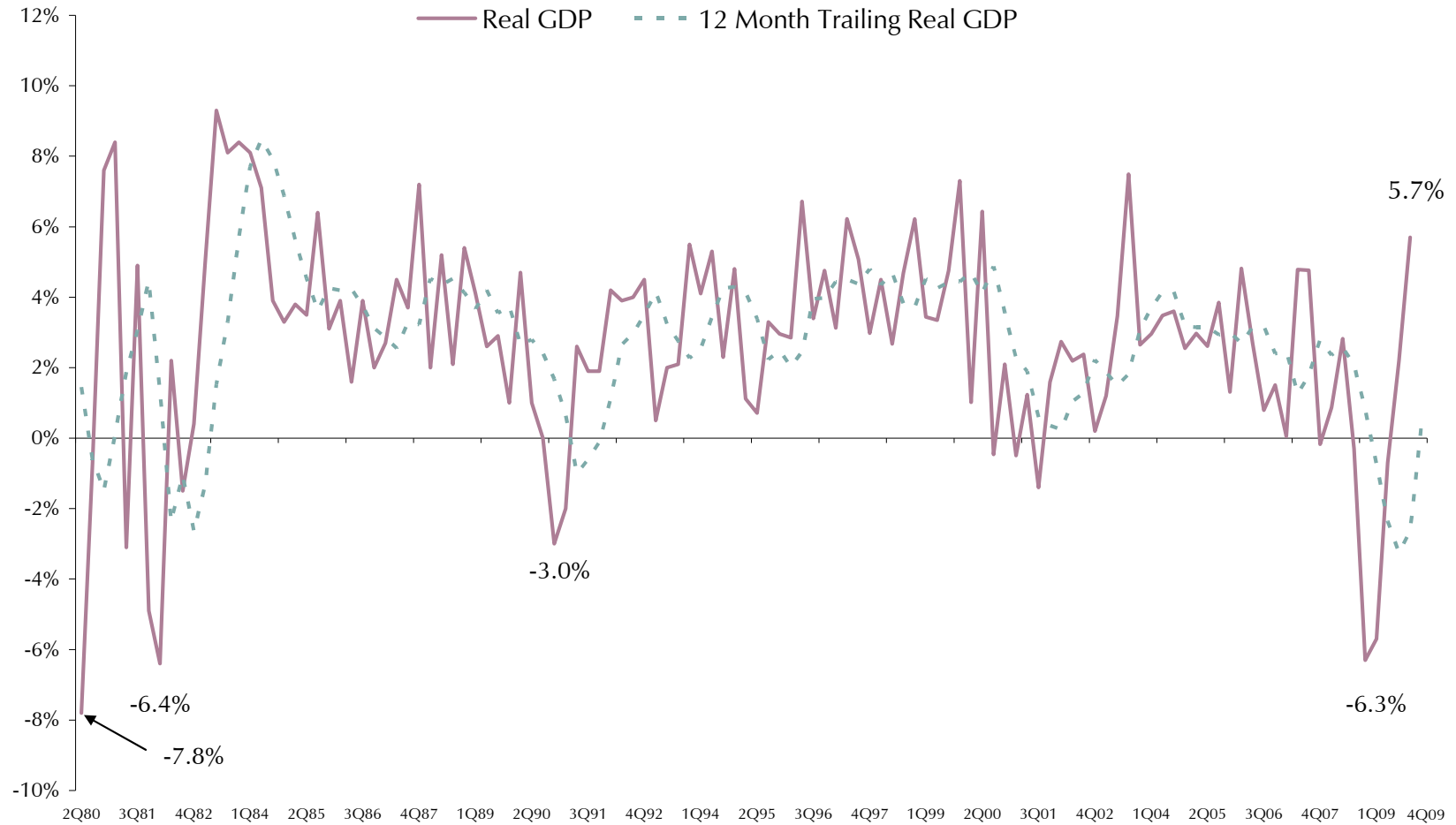


**Credit Spreads vs. U.S. Treasury Bonds**

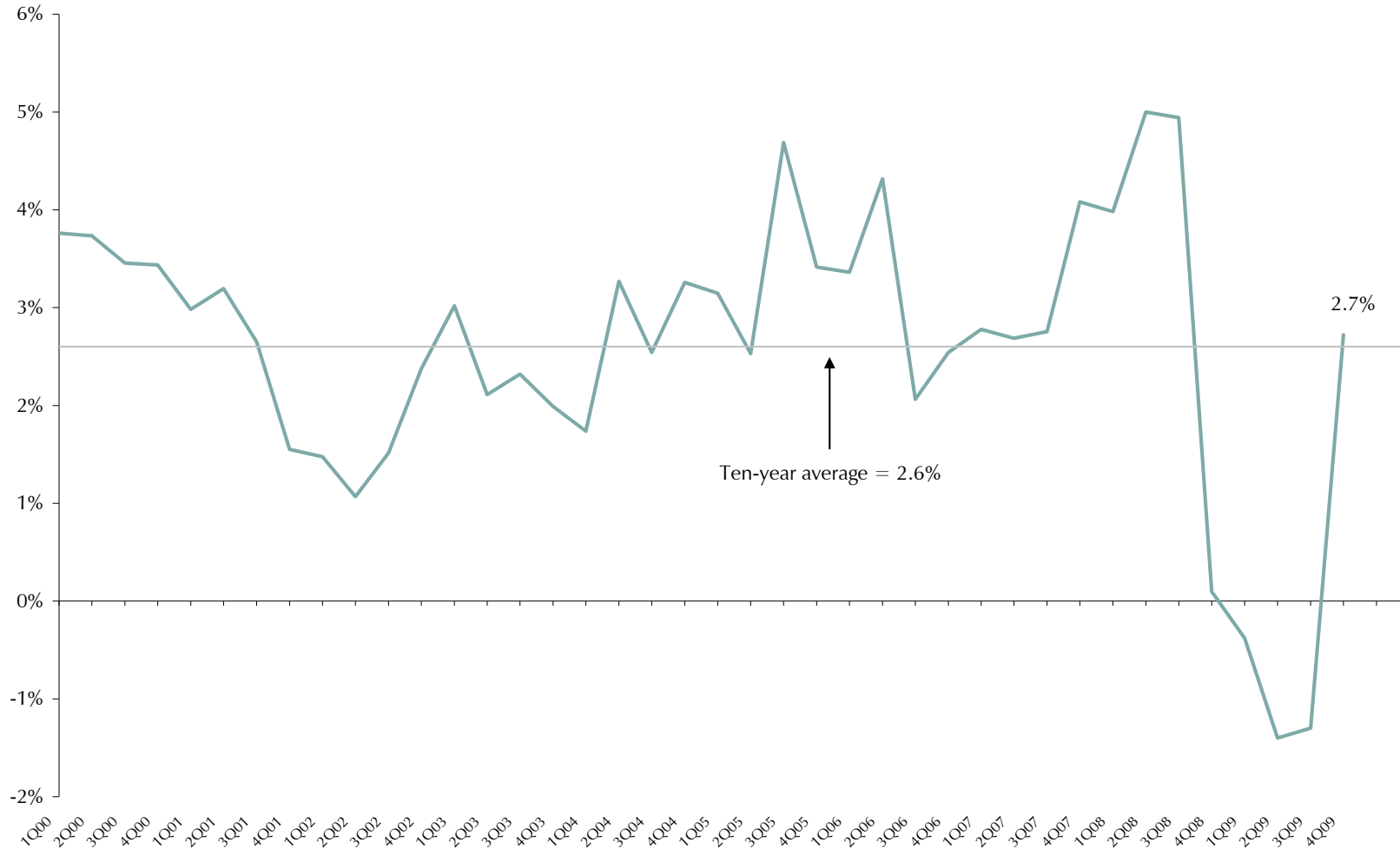
Credit spreads compressed further in the fourth quarter. High yield spreads declined by 1.4% during the quarter to end at 6.2%, roughly equal to their ten-year average.



Real Gross Domestic Product (GDP) Growth



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



<sup>1</sup> The ten-year average annualized inflation rate was 2.6%.



### Unemployment

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

