

October 2009

National Council on Teacher Retirement

Fixed Income Panel

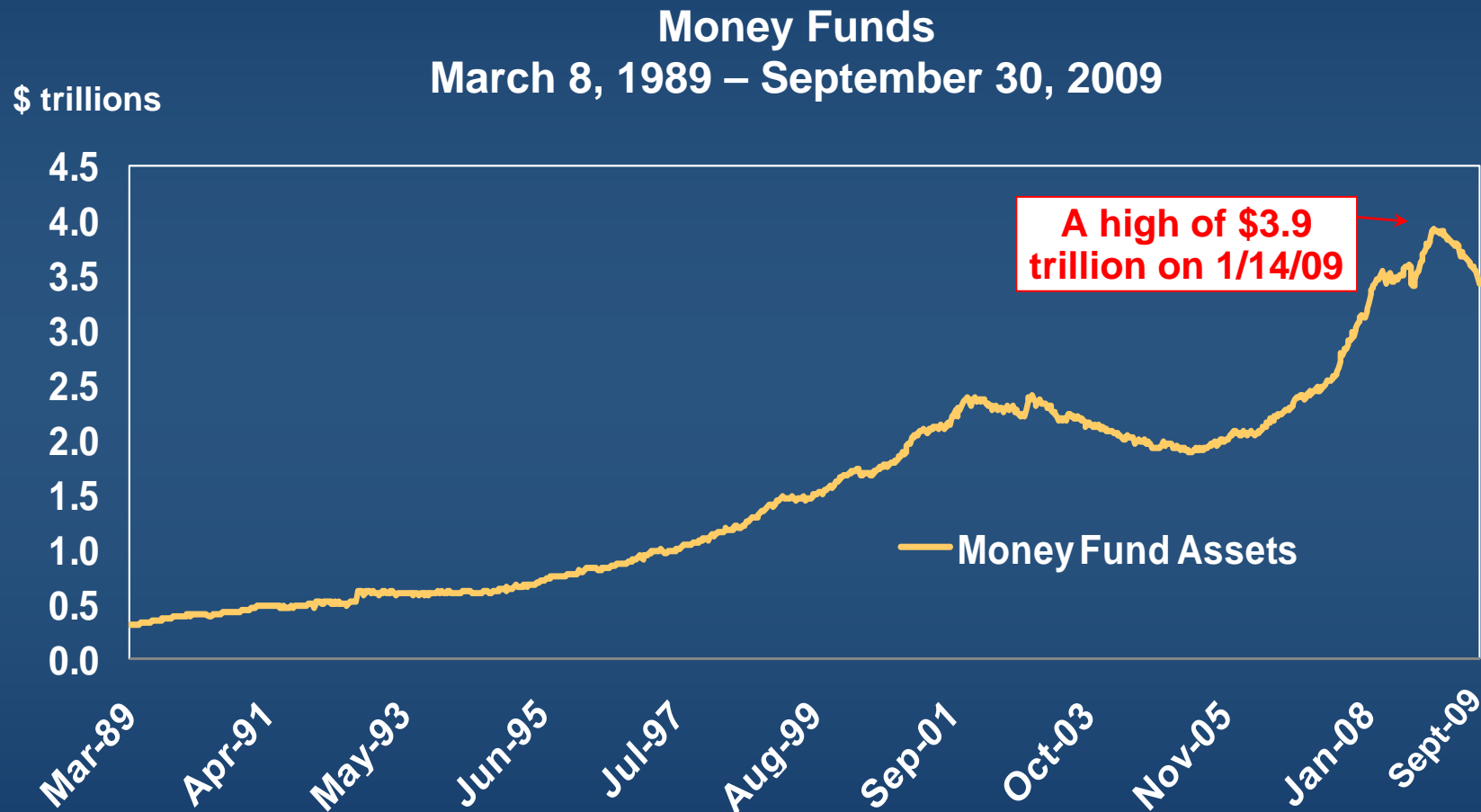
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A Wave of Liquidity Looking for Higher Yields



Source: Bloomberg as of 9/30/09.

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Market Opportunities

- **Structured Product**
 - Intermediate AAA CMBS
 - AA seasoned home equity loans
 - AAA credit cards
 - AAA auto loans
- **Investment Grade Corporates**
 - Long duration
 - BBB
 - Money center banks
- **High Yield**
 - Short maturity
- **Build America Bonds**
 - Long duration

Putting It All Together: Portfolio Construction



Result: Well-Diversified Portfolio of Market Opportunities, Sized Efficiently

Appendix

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