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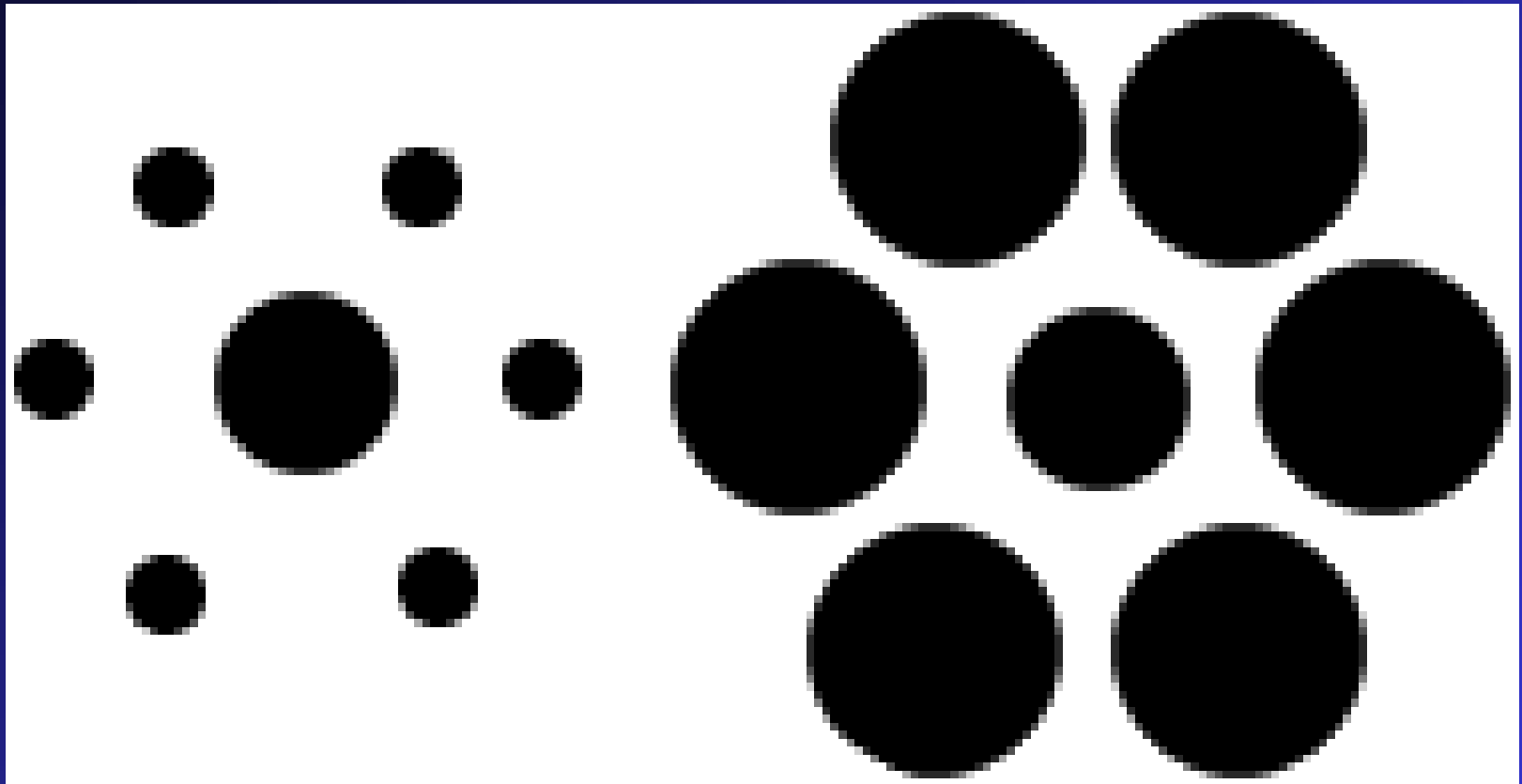
# Fixed Income Management

Presented to QWAFEFW

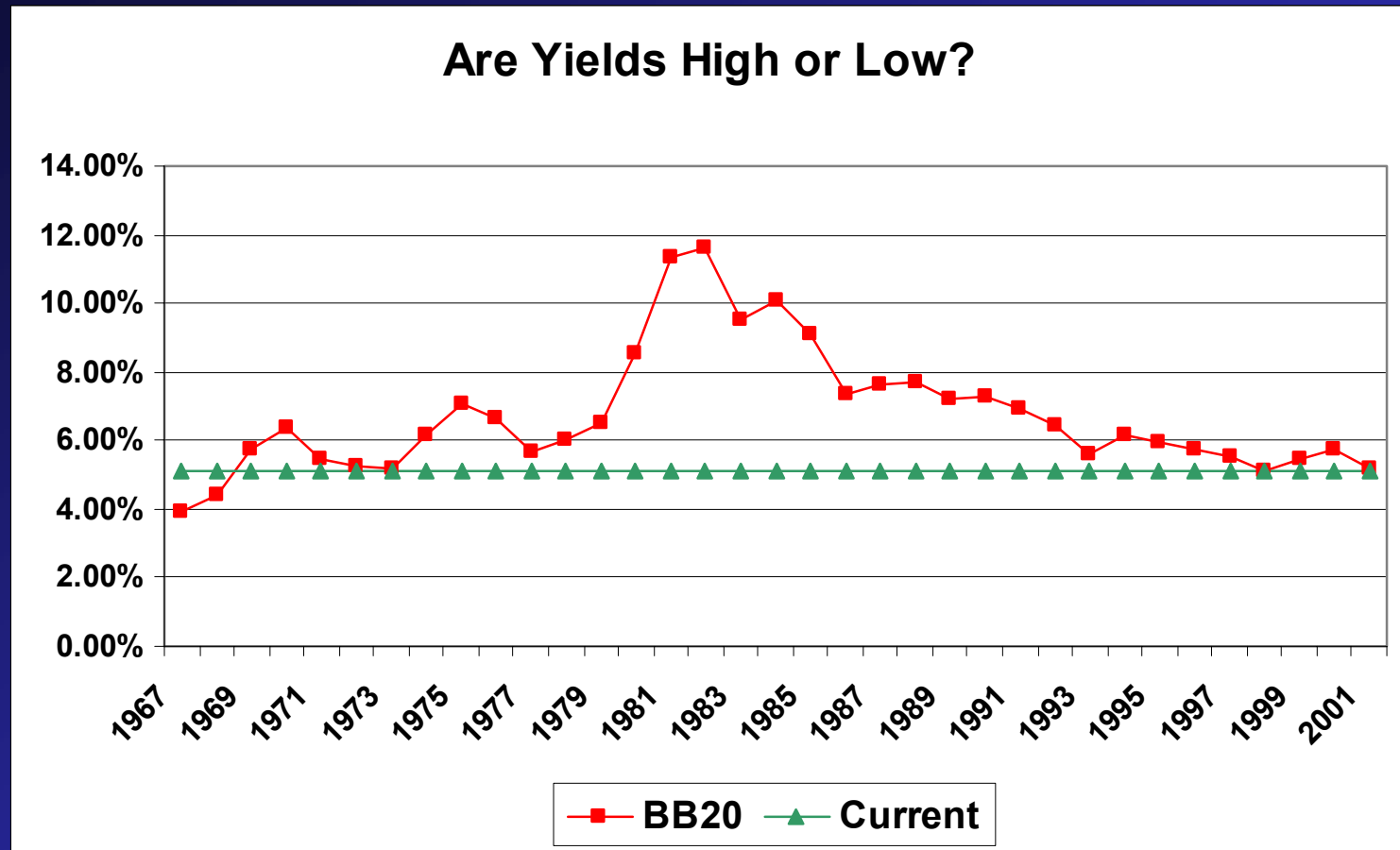
December 5, 2002

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# *Perceptions of Interest Rates*

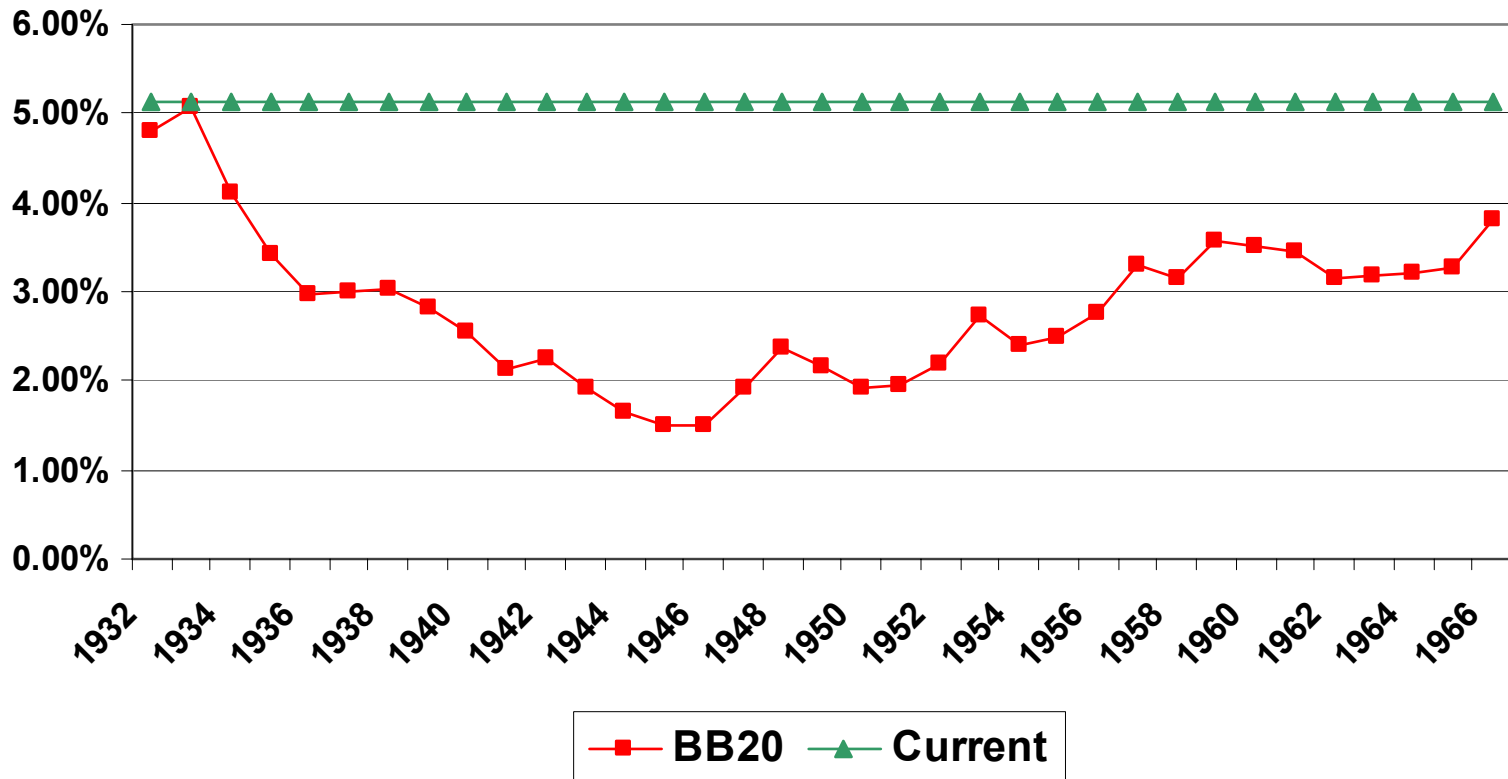


# Perceptions of Interest Rates

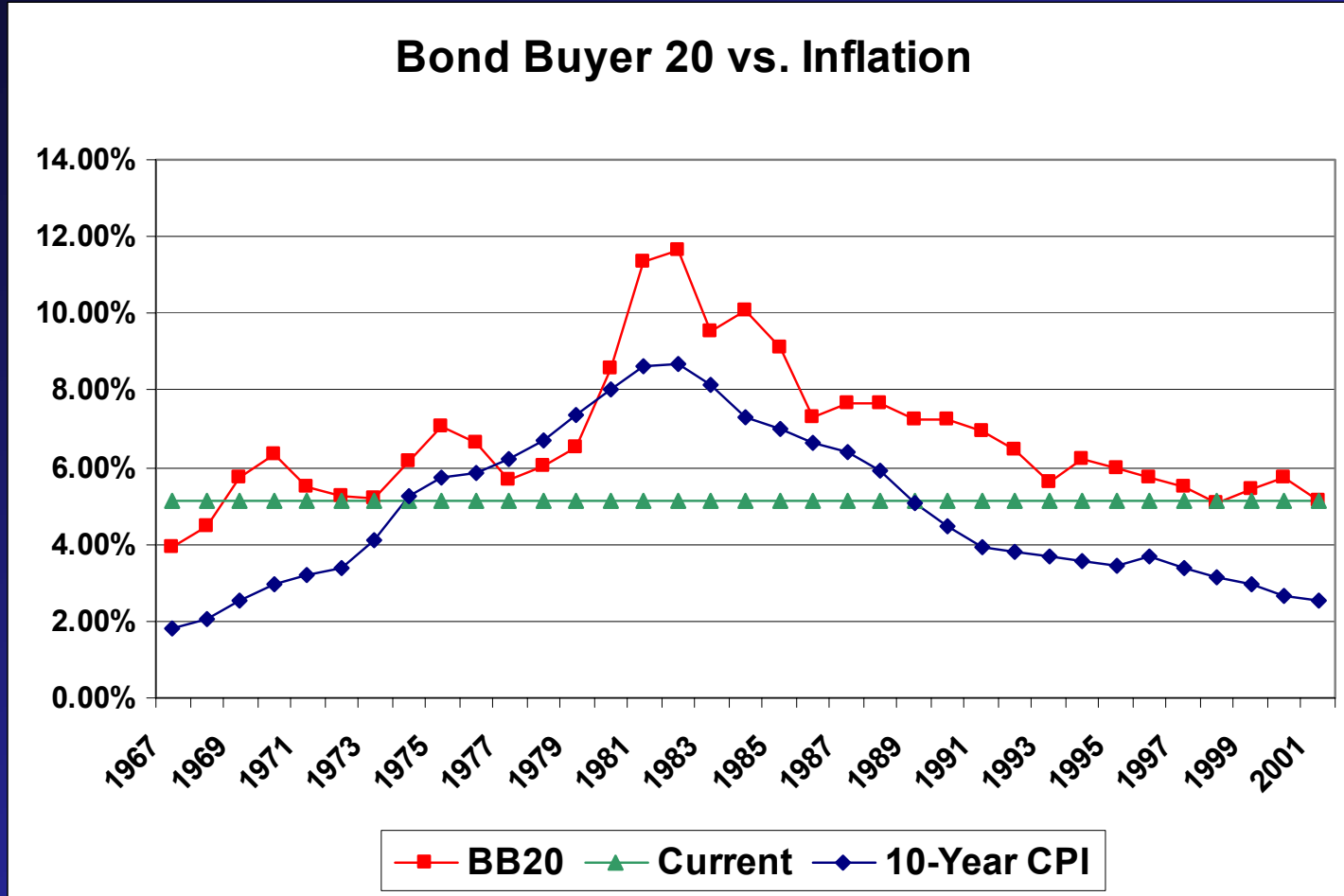


# Perceptions of Interest Rates

## Are Yields High or Low?



# Perceptions of Interest Rates



# Perceptions of Interest Rates

	Last 3 Months	November	October	September
PRE/ETM	0.37%	-0.14%	-0.90%	1.42%
INSURED	0.07%	-0.53%	-2.03%	2.68%
GO	-0.12%	-0.47%	-1.67%	2.06%
COP	0.01%	-0.33%	-1.68%	2.05%
EDUCATION	-0.02%	-0.52%	-1.87%	2.41%
HEALTHCARE	0.12%	-0.34%	-1.39%	1.87%
HOUSING	0.57%	0.08%	-0.62%	1.12%
TRANS	-1.93%	0.95%	-3.34%	0.50%
UTIL	0.19%	-0.33%	-1.41%	1.95%
IDR/PCR	-0.61%	0.62%	-1.74%	0.53%
OTHER	0.13%	-0.18%	-1.78%	2.12%
Total	0.02%	-0.30%	-1.74%	2.10%
StDev.	0.61%	0.44%	0.63%	0.67%

# Perceptions of Interest Rates

Rating	Last 3			
	Months	November	October	September
US/Cash	0.00%	0.00%	0.00%	0.00%
AAA/Aaa	0.12%	-0.45%	-1.80%	2.41%
AA/Aa	0.07%	-0.42%	-1.48%	2.01%
A/A	-0.12%	-0.32%	-1.76%	2.00%
BBB/Baa	0.29%	-0.01%	-1.33%	1.65%
BB/Ba	-9.23%	5.61%	-8.98%	-5.57%
B/B	-3.99%	4.14%	-2.62%	-5.33%
CCC/Caa	5.66%	9.27%	-3.25%	-0.06%
CC/Ca	-7.86%	13.34%	-11.03%	-8.63%
Total	0.02%	-0.30%	-1.74%	2.10%
StDev	0.14%	0.20%	0.66%	0.84%

# Perceptions of Interest Rates

Duration	Last 3			
	Months	November	October	September
0.000 - 2.000	0.64%	0.29%	-0.04%	0.39%
2.001 - 4.000	0.68%	0.19%	-0.92%	1.42%
4.001 - 6.000	0.23%	-0.26%	-1.73%	2.26%
6.001 - 8.000	-0.18%	-0.53%	-2.41%	2.83%
8.001 - 10.000	-2.04%	-0.62%	-3.25%	1.88%
10.001 - 12.000	-1.54%	-0.75%	-2.94%	2.21%
12.001+	-1.42%	-1.00%	-4.22%	3.96%
Total	0.02%	-0.30%	-1.74%	2.10%
StDev	1.04%	0.45%	1.33%	1.03%