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Volume 11, No. 11

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Total Return Review

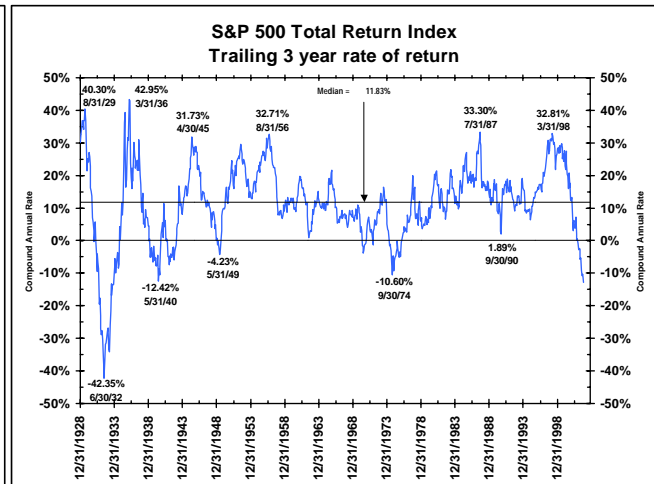
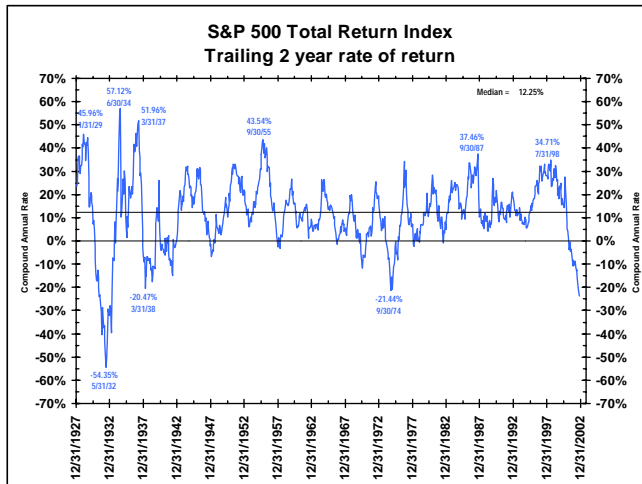
Viewing the Markets from a Total Return Perspective

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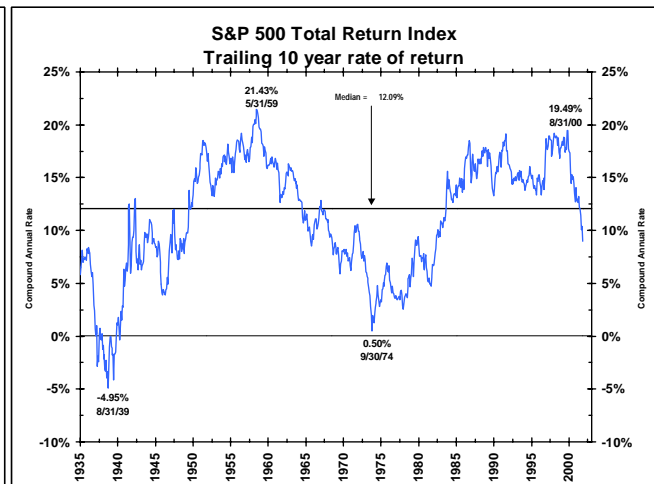
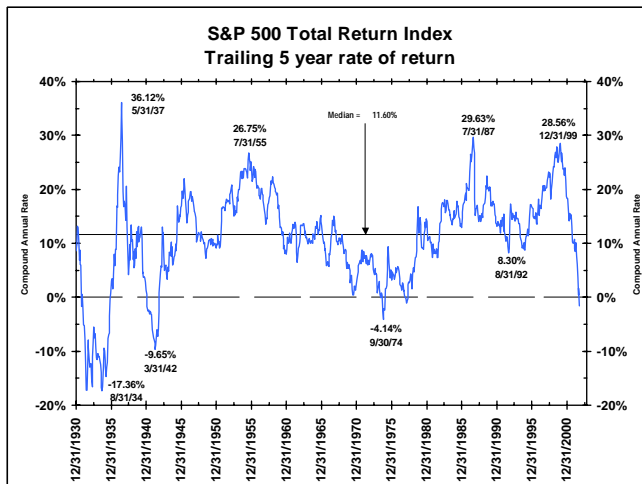
October 4, 2002

How Bad is the Bear Market?



- Down 23.62% over the past two years on an annualized total return basis. This is its lowest level since March 1933.

- Down 12.89% over the past 3 years on an annualized total return basis, its lowest level since October 1933.



- Down 1.63% over the past 5 years on an annualized total return basis, its lowest level since December 1974.

- Up 9.00% over the past 10 years on an annualized total return basis, its lowest level since October 1983.

U. S. Fixed-Income Total Returns

	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Treasury Cash:	0.17%	0.46%	1.42%	2.04%	4.60%	4.77%	4.90%
3 Month	0.17%	0.45%	1.48%	2.08%	4.47%	4.70%	4.77%
6 Month	0.19%	0.51%	1.88%	2.52%	4.72%	4.79%	4.87%
Treasury Coupons:	3.25%	7.96%	11.96%	11.41%	9.81%	7.79%	7.06%
2 Year	1.10%	3.28%	5.92%	6.59%	7.22%	6.22%	5.83%
5 Year	3.04%	8.00%	12.08%	10.66%	9.99%	7.92%	6.95%
10 Year	4.61%	11.69%	16.28%	13.72%	10.74%	8.39%	7.43%
30 Year	4.45%	14.73%	16.92%	17.73%	12.05%	9.49%	8.71%
Treasury Strips:	5.27%	16.18%	20.03%	17.84%	14.74%	11.53%	10.93%
5 Year	3.46%	8.75%	14.51%	13.06%	11.90%	9.37%	7.86%
10 Year	5.69%	13.82%	21.05%	16.80%	14.67%	11.29%	10.08%
15 Year	5.98%	16.95%	23.96%	19.44%	15.80%	11.81%	11.37%
20 Year	5.26%	18.08%	22.24%	19.27%	15.93%	12.14%	12.63%
25 Year	6.38%	22.30%	23.89%	20.29%	15.78%	12.43%	13.24%
Broad Indices							
Salomon "BIG"	1.59%	4.60%	8.37%	8.39%	9.42%	7.81%	7.39%
Lehman Aggregate	1.62%	4.59%	8.56%	8.60%	9.49%	7.83%	7.37%
Lehman Government/Credit	2.15%	5.69%	9.14%	9.20%	9.67%	7.92%	7.44%
Government Indices							
Lehman Government	2.34%	6.66%	10.69%	10.04%	10.13%	8.32%	7.48%
Lehman Treasury	2.70%	7.40%	11.28%	10.44%	10.21%	8.37%	7.50%
Lehman Agency	1.74%	5.40%	9.70%	9.37%	9.99%	8.19%	7.51%
Agency Benchmarks							
2 Year	0.82%	2.56%	6.14%	7.21%	N/A	N/A	N/A
5 Year	2.27%	6.59%	11.73%	10.56%	10.88%	N/A	N/A
10 Year	3.03%	8.49%	14.66%	12.19%	11.61%	N/A	N/A
30 Year	3.25%	12.72%	17.22%	17.05%	13.77%	N/A	N/A
Other Indices							
Merrill Corporate	1.94%	4.69%	6.77%	7.58%	8.89%	7.18%	7.60%
Lehman Mortgage	2.46%	7.01%	12.76%	12.84%	10.84%	8.63%	7.74%
Lehman Inflation Notes ("TIPS")	2.52%	7.94%	15.95%	14.69%	12.29%	9.26%	N/A
Merrill High Yield	-1.49%	-2.95%	-8.16%	-2.66%	-1.78%	0.25%	5.71%
Merrill Municipal	3.05%	6.43%	11.22%	10.08%	10.04%	7.14%	7.13%

Treasury Cash: Equal-weighted total-return avg. of the Treasury yield curve from 3 to 12 month maturities.

Treasury Coupons: Equal-weighted total-return avg. of the Treasury yield curve from 2 to 30 year maturities.

Treasury Strips: Equal-weighted total-return average of Treasury Strips from 1 year to 30 years.

Sources: Bloomberg, Ryan Labs, Lehman Brothers, Merrill Lynch, Salomon Smith Barney and Arbor Research & Trading

Total Return Comparisons: The "Bullet" versus "Barbells"

Portfolio Type*	As of 9/30/02					
	MTD	Diff.	QTD	Diff.	YTD	Diff.
Bullet (4.95 Duration)	3.46%		8.75%		14.51%	
5 yr and 10 yr	3.30%	-0.16%	8.61%	-0.14%	12.77%	-1.74%
5 yr and 30 yr	3.12%	-0.34%	8.37%	-0.38%	12.34%	-2.17%
2 yr and 10 yr	2.90%	-0.56%	7.60%	-1.15%	11.24%	-3.27%
2 yr and 30 yr	1.89%	-1.57%	5.98%	-2.76%	8.51%	-6.00%
Cash and 10 yr	2.93%	-0.53%	7.43%	-1.32%	10.67%	-3.84%
Cash and 30 yr	1.56%	-1.90%	5.07%	-3.67%	6.48%	-8.03%
Cash and 25 yr Strips	1.41%	-2.05%	4.78%	-3.96%	5.93%	-8.58%

*This analysis compares the total return of the 5-Year Strip or the "bullet" to cash neutral, duration neutral barbells.

Its purpose is to quantify the effect of the yield curve on total return.

Sources: Bloomberg and Ryan Labs

World Fixed-Income Total Returns (in U.S. Dollars)

	in U.S. Dollars						
	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
J. P. Morgan Government Bond Indices							
Country							
Canada	-0.31%	0.23%	7.01%	7.60%	4.97%	3.90%	5.89%
France	2.75%	4.94%	19.33%	17.32%	4.02%	3.88%	4.97%
Germany	2.81%	5.00%	19.37%	17.20%	3.94%	3.68%	3.96%
Italy	2.63%	4.79%	19.17%	17.84%	4.33%	4.24%	6.93%
Japan	-2.67%	-0.62%	10.02%	0.33%	-1.66%	2.87%	5.14%
United Kingdom	3.57%	9.18%	17.18%	17.02%	6.14%	7.67%	8.37%
United States	2.77%	7.75%	11.75%	10.74%	10.42%	8.49%	7.50%
Region							
Europe	2.86%	5.44%	19.13%	17.59%	4.49%	4.48%	5.51%
Global	1.18%	4.17%	14.21%	10.58%	4.50%	5.05%	5.83%
Global Non-United States	0.61%	2.90%	15.13%	10.50%	2.01%	3.54%	5.14%
J. P. Morgan Emerging Markets Bond Indices							
EMBI Plus	-3.73%	-1.10%	-0.29%	-1.14%	8.81%	3.43%	N/A
Region							
Latin	-6.93%	-4.48%	-9.65%	-16.48%	-1.09%	-0.66%	N/A
Non-Latin	0.99%	3.64%	14.87%	30.94%	34.29%	9.91%	N/A

World Fixed-Income Total Returns (in Local Currency)

	in Local Currency						
	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
J. P. Morgan Government Bond Indices							
Country							
Canada	1.37%	4.54%	6.34%	8.04%	7.67%	6.79%	8.46%
France	1.97%	4.87%	7.51%	8.12%	6.64%	6.24%	8.43%
Germany	2.03%	4.92%	7.55%	8.01%	6.56%	6.07%	7.49%
Italy	1.84%	4.72%	7.37%	8.59%	6.96%	6.92%	11.87%
Japan	-0.06%	0.94%	2.20%	2.53%	2.83%	3.04%	5.28%
United Kingdom	1.88%	5.82%	8.45%	9.36%	7.79%	8.25%	9.70%
United States	2.77%	7.75%	11.75%	10.74%	10.42%	8.49%	7.50%
Region							
Europe	1.95%	5.00%	7.65%	8.43%	6.97%	6.70%	9.05%
Global	1.58%	4.55%	7.16%	7.33%	6.86%	6.39%	7.54%
Global Non-United States	1.16%	3.42%	5.52%	6.12%	5.47%	5.53%	N/A

Sources: Bloomberg and J. P. Morgan & Co. Incorporated (<http://www.jpmorgan.com/>)

U. S. Equity Total Returns

	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Broad Market							
Dow Jones Industrials ²	-12.24%	-17.43%	-23.14%	-12.51%	-8.22%	0.81%	11.20%
NASDAQ Composite ¹	-10.24%	-19.25%	-39.26%	-20.87%	-23.94%	-7.80%	7.09%
NASDAQ 100 ²	-11.66%	-20.80%	-47.18%	-28.69%	-29.78%	-5.30%	N/A
NYSE Composite ²	-9.95%	-16.02%	-23.42%	-16.40%	-7.46%	-0.46%	N/A
Russell 2000 ⁴	-7.18%	-21.40%	-25.10%	-9.30%	-4.11%	-3.19%	8.01%
S&P 500 (Capitalization Weighted) ³	-10.87%	-17.28%	-28.16%	-20.49%	-12.89%	-1.63%	9.00%
S&P 500 (Equal Weighted) ¹	-11.50%	-20.38%	-27.04%	-13.85%	-4.86%	0.66%	10.66%
S&P 400 MidCap ³	-8.06%	-16.55%	-19.23%	-4.70%	3.40%	5.39%	12.57%
S&P 600 SmallCap ³	-6.12%	-18.61%	-18.63%	-1.79%	2.92%	0.83%	N/A
Wilshire 5000 ¹	-10.03%	-16.80%	-26.60%	-17.52%	-11.69%	-2.02%	8.69%
Interest Rate Sensitive							
PSE Electric Utility Index ²	-10.02%	-18.65%	-21.05%	-16.49%	-1.75%	3.56%	N/A
KBW Bank Stock Index ²	-11.13%	-15.36%	-17.36%	-9.77%	-0.03%	1.85%	N/A
NYSE Financial Index ²	-10.51%	-15.09%	-17.22%	-9.95%	2.70%	2.97%	N/A
Other Indices							
Morgan Stanley Consumer Index ²	-6.66%	-12.95%	-15.79%	-9.43%	-0.18%	4.63%	N/A
Morgan Stanley Cyclical Index ²	-14.16%	-24.73%	-21.30%	-6.85%	-6.03%	-2.21%	N/A
S&P 500/Barra Growth ³	-10.35%	-14.12%	-28.66%	-19.36%	-16.56%	-1.75%	8.71%
S&P 500/Barra Value ³	-11.43%	-20.46%	-27.98%	-22.25%	-9.75%	-2.28%	8.76%
Gold/Silver Stock Index ²	0.42%	-1.63%	30.09%	22.90%	-2.75%	-7.08%	N/A

Sources: ¹ Wilshire Associates Incorporated (<http://www.wilshire.com>) and Ryan Labs Inc.

² Bloomberg L.P. and Ryan Labs Inc.

³ BARRA, Inc. (<http://www.barra.com>) and Standard & Poors (<http://www.spglobal.com>)

⁴ Frank Russell Company (<http://www.russell.com>)

Commodity Total Returns

	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Commodity Total Return Indices							
Bridge/CRB ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Goldman Sachs Commodity ²	4.57%	11.53%	27.99%	13.49%	10.29%	0.40%	3.86%
Rogers International Commodities ³	2.88%	8.71%	28.94%	21.10%	11.20%	4.21%	8.83%
S&P Commodity ⁴	3.83%	8.40%	20.84%	13.75%	4.18%	-2.72%	3.74%

Sources: ¹ Bridge/CRB (<http://www.crbindex.com/crbindex/>)

² Goldman Sachs (<http://www.gs.com/gsci/>)

³ Beeland Management Co., L.L.C.

⁴ Standard & Poor's (http://www.spglobal.com/indexmaincommodity_data.html)

World Equity Total Returns (in U.S. Dollars)

	in U.S. Dollars						
	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Morgan Stanley Capital International Indices							
Country							
Canada	-8.02%	-17.31%	-19.44%	-10.48%	-4.71%	-1.26%	7.22%
France	-15.34%	-27.83%	-30.88%	-22.89%	-14.37%	-1.23%	4.85%
Germany	-24.35%	-36.57%	-39.65%	-29.37%	-20.28%	-8.93%	3.13%
Italy	-13.78%	-21.42%	-19.68%	-14.49%	-12.51%	-1.34%	8.43%
Japan	-4.40%	-11.98%	-4.70%	-10.35%	-17.57%	-7.90%	-2.28%
United Kingdom	-10.35%	-17.26%	-22.01%	-16.84%	-13.24%	-4.65%	5.88%
United States	-11.28%	-17.27%	-28.87%	-21.77%	-13.95%	-1.94%	9.03%
Region							
World Index	-10.98%	-18.30%	-25.33%	-18.86%	-14.05%	-3.68%	5.89%
World Index (Free)	-10.98%	-18.30%	-25.33%	-18.86%	-14.05%	-3.69%	5.88%
EAFE	-10.71%	-19.69%	-20.79%	-15.26%	-14.34%	-5.37%	3.25%
EAFE (Free)	-10.71%	-19.69%	-20.79%	-15.26%	-14.34%	-5.40%	3.23%
Emerging Markets (Free)	-10.79%	-16.30%	-14.57%	8.15%	-10.13%	-9.92%	1.06%

World Equity Total Returns (in Local Currency)

	in Local Currency						
	As of 9/30/02			Annualized Ending 9/30/02			
	MTD	QTD	YTD	1 Year	3 Years	5 Years	10 Years
Morgan Stanley Capital International Indices							
Country							
Canada	-6.47%	-13.76%	-19.95%	-10.12%	-2.26%	1.49%	9.79%
France	-15.98%	-27.88%	-37.72%	-28.94%	-12.21%	1.01%	8.35%
Germany	-24.93%	-36.61%	-45.63%	-34.92%	-18.27%	-6.84%	6.67%
Italy	-14.44%	-21.48%	-27.63%	-21.20%	-10.31%	1.20%	13.50%
Japan	-1.84%	-10.60%	-11.48%	-8.39%	-13.80%	-7.75%	-2.13%
United Kingdom	-11.82%	-19.80%	-27.82%	-22.28%	-11.89%	-4.14%	7.17%
United States	-11.28%	-17.27%	-28.87%	-21.77%	-13.95%	-1.94%	9.03%
Region							
World Index	-11.01%	-18.34%	-28.06%	-20.73%	-12.89%	-2.94%	6.73%
World Index (Free)	-11.01%	-18.34%	-28.06%	-20.73%	-12.89%	-2.96%	6.71%
EAFE	-10.88%	-19.99%	-27.45%	-19.87%	-12.25%	-4.11%	4.82%
EAFE (Free)	-10.88%	-19.99%	-27.45%	-19.87%	-12.25%	-4.13%	4.79%
Emerging Markets (Free)	-8.16%	-13.02%	-11.72%	13.32%	-4.07%	-1.86%	18.01%

Sources: Bloomberg and Morgan Stanley Capital International (<http://www.msdata.com/>)

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