



HANLON
INVESTMENT MANAGEMENT, INC.

Market Commentary

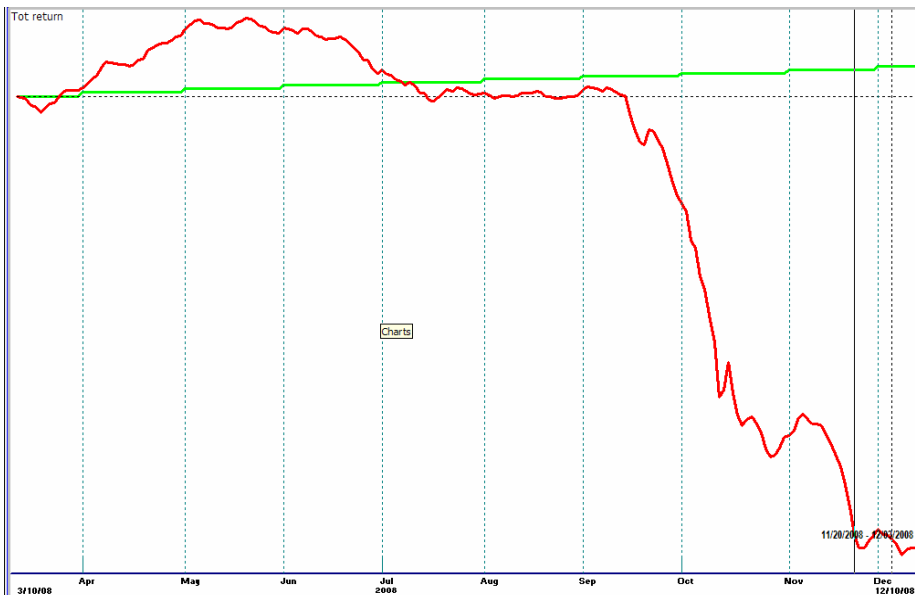


Sean Hanlon, CFP®
Chairman, CEO and
Chief Investment Officer

We still prefer stable Money Market Funds versus Corporate Bond Funds

Many investors are getting “antsy” with remaining in money markets and we fully understand the investor’s psychology about that. They have a need to “do something”! Our response to that is that we are doing something, selecting safe, stable money market funds as opposed to corporate bond funds for the time being. Why, you ask? Well, as usual, a picture speaks a thousand words. Below please find a graph showing the performance of a High Yield Corporate Bond Fund Average that we create and monitor daily and a typical Money Market Fund. Maybe the High Yield Corporate Bond Fund market is bottoming?

**HIGH YIELD CORPORATE BOND FUND AVERAGE vs. MONEY MARKET FUND
TOTAL RETURN GRAPH – March 2008 to December 2008**



Money Market Fund
You are invested here ☺

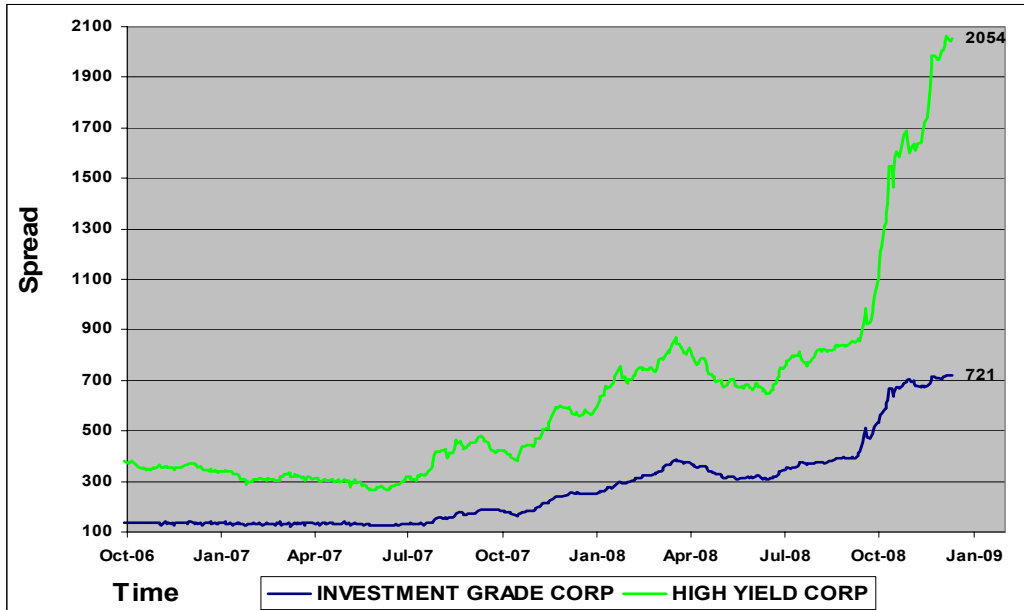
High Yield Corporate Bond Fund Average –
down over 25% in 2008! **Not invested here ☺**

On the next page please find another view of what is happening in the domestic bond market. In this graph we subtract the interest rates available on US Treasury Bonds from the interest rates available on Investment Grade Corporate Bonds and High Yield Corporate Bonds, to generate a graph called “The Spread”. This graph clearly demonstrates that the interest rates on corporate bonds have not begun to “contract”, a preferable sign that the “trend” is improving and an indication that it may be safe to go back into the water (corporate bonds). We would like to see both of those lines begin to fall, which would indicate a flight away from US Treasury bonds and back into corporate bonds.



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US TREASURY INTEREST RATES subtracted from HIGH YIELD CORPORATE BOND RATES and INVESTMENT GRADE BOND RATES October 2006 to December 2008



We examine both of these graphs every day for our clients. We think the risk in the bond markets remains high. We are currently 100% invested in money market funds. Patience should be rewarded nicely.

Thank you,

Sean Hanlon, CFP®
CEO and CIO

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