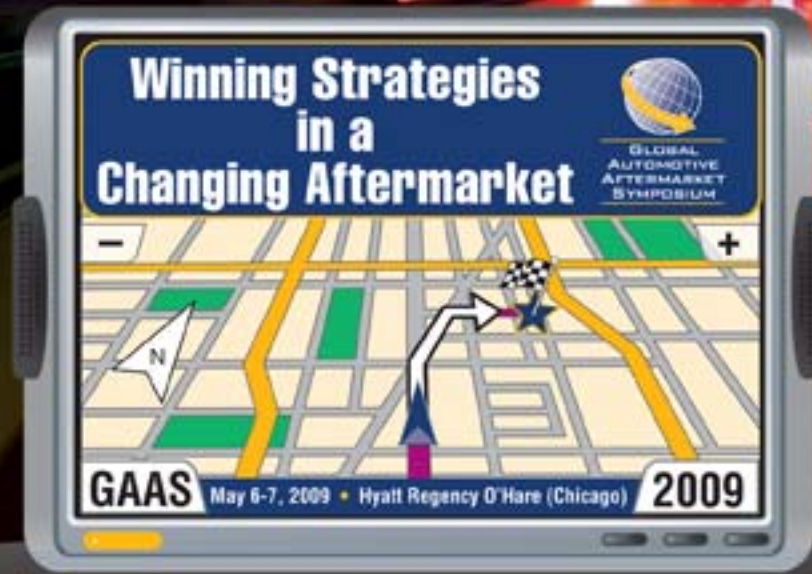


2009 Global Automotive Aftermarket Symposium



Investment Outlook

Jeff Applegate
Chief Investment Officer, Global Wealth Management

May 6, 2009

2009 Outlook

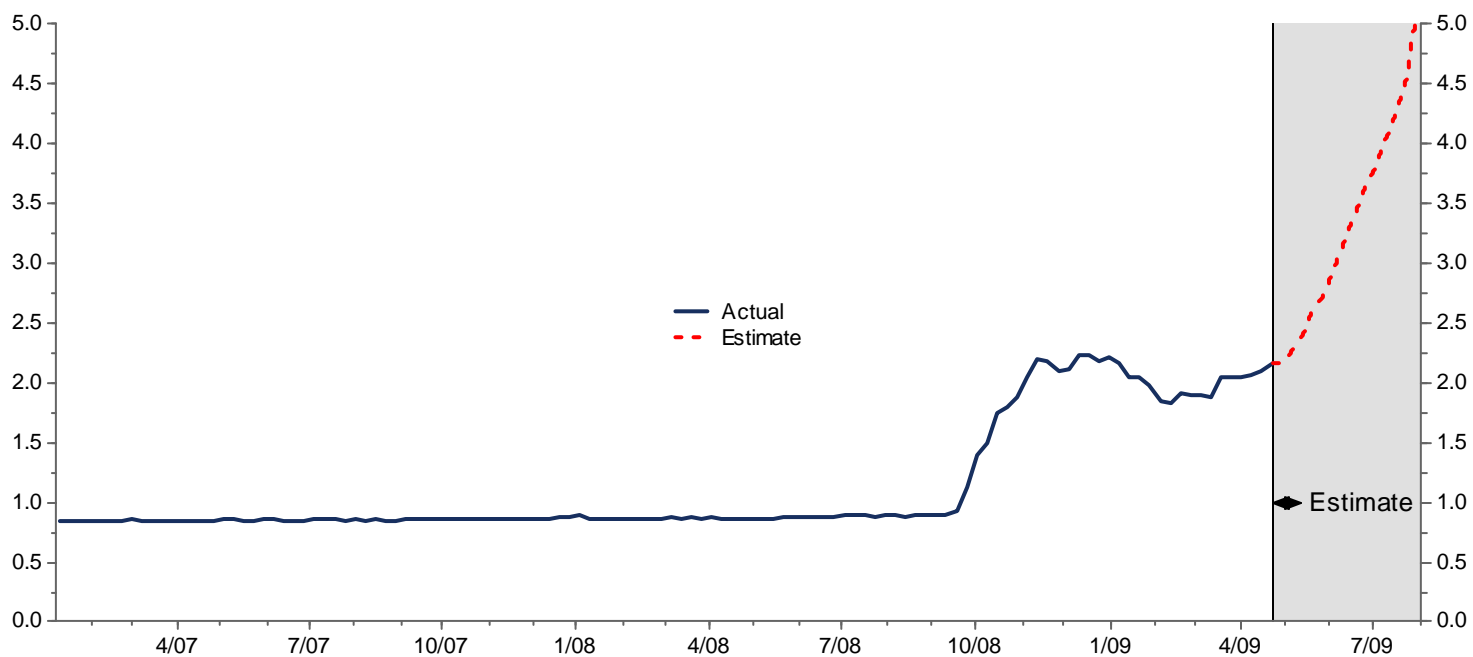
- Developed economies in recession as developing ones slow sharply
- Global GDP contracts -2.0% in 2009; global EPS recession, -50%, is underway
- All major central banks ease interest rates and many embark on quantitative ease alongside major fiscal stimulus packages
- All developed countries adopt measures to fix impaired banking and securitized lending markets
- Modest deflation in developed countries, disinflation in developing; core global inflation subsides, too
- Most dollar appreciation, mainly to euro and sterling, behind us; moderate developed country currency weakness to developing country currencies, especially Asia



Federal Reserve Balance Sheet

The Fed's Balance Sheet is Headed to \$5 Trillion

Reserve Bank Credit Outstanding (Avg. Mil. \$)



Source: Federal Reserve

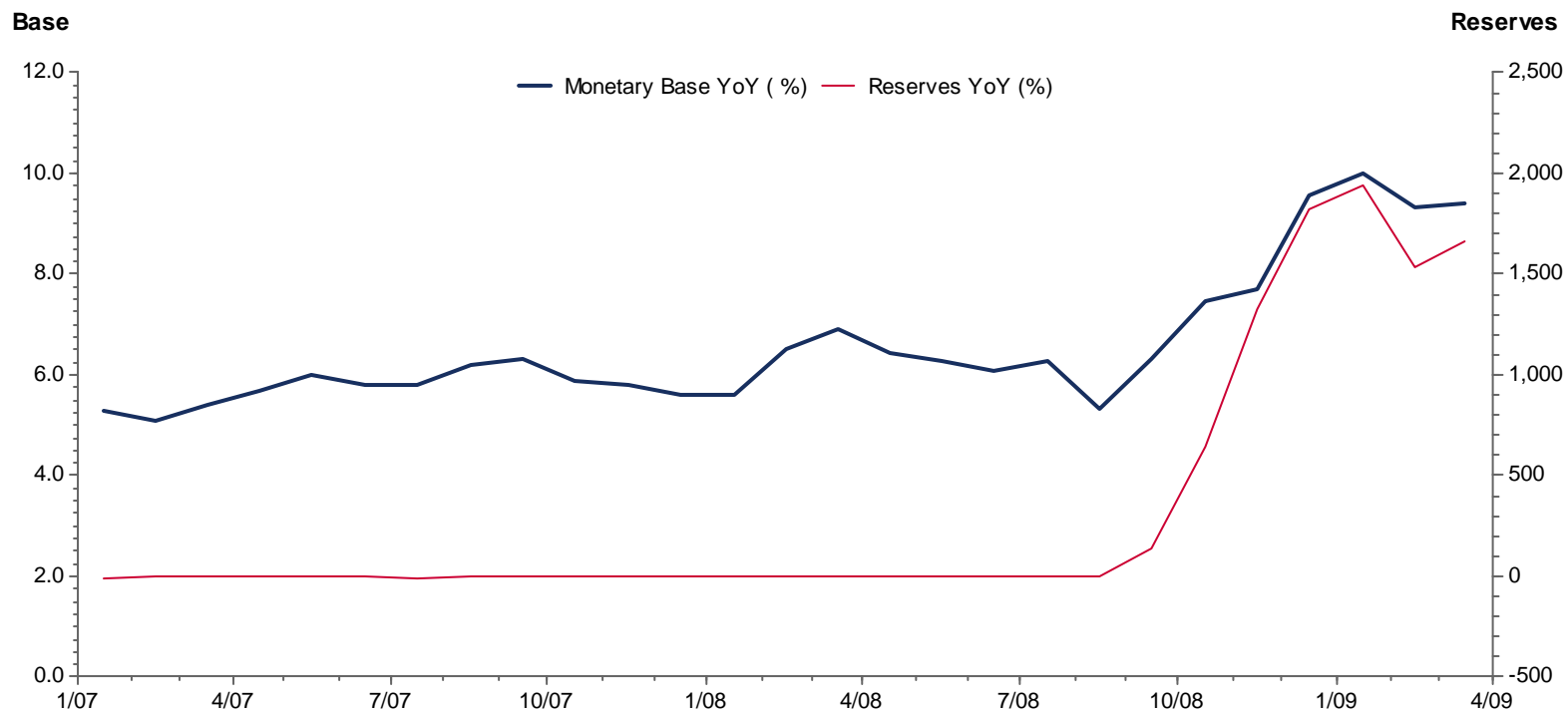
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Inflation Worry

US Monetary Base and Banking System Reserves



Source: Board of Governors of the Federal Reserve System

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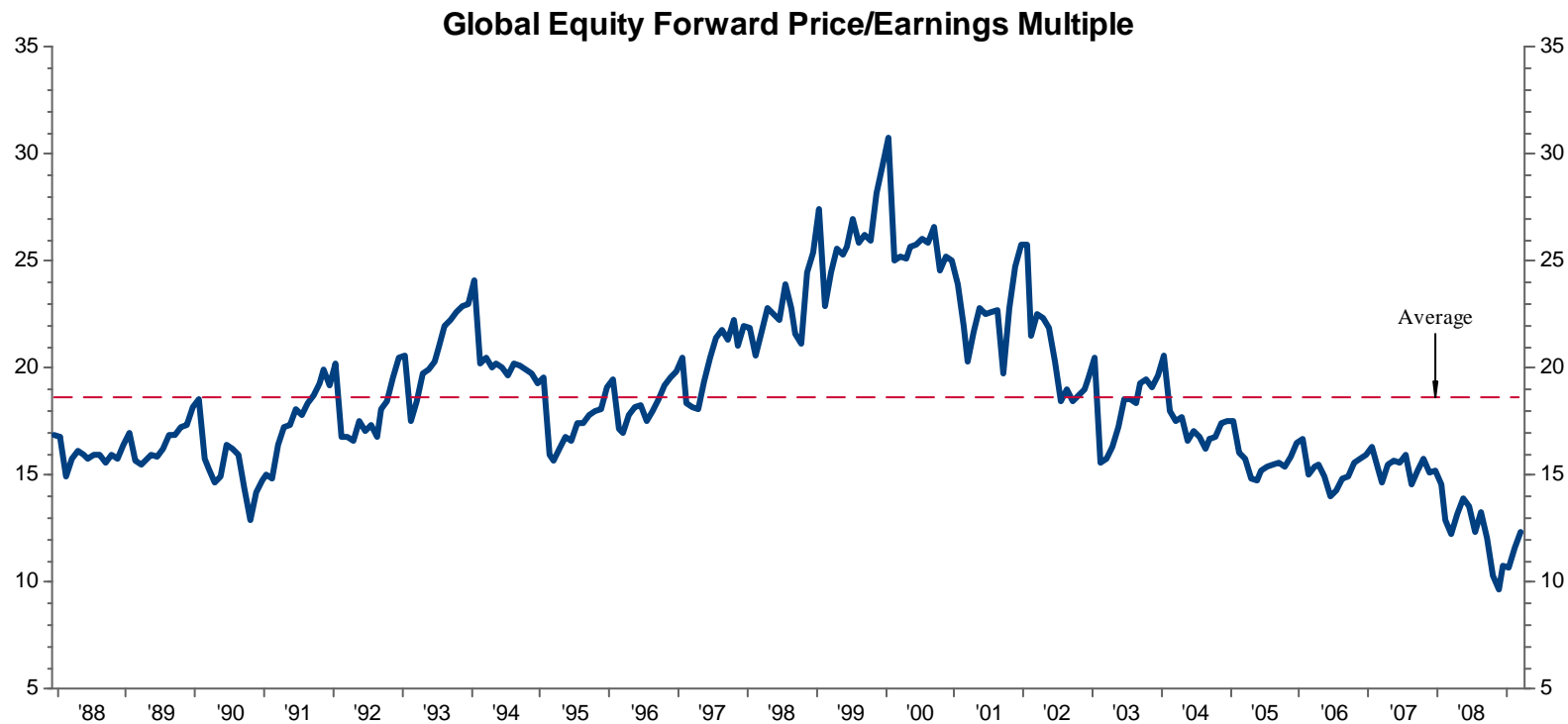


Citi GDP Growth Forecast

Global GDP and CPI Forecast			
	2008F	2009F	2010F
Global GDP (YoY%)	2.2	-2.1	2.1
Developed Economies	0.7	-3.8	0.8
U.S.	1.1	-2.8	1.8
Euro Area	0.7	-4.3	0.1
U.K.	0.7	-4.5	-1.1
Japan	-0.6	-7.3	0.2
Developing Economies	5.3	1.2	4.4
Brazil	5.1	-0.8	4.0
Russia	5.6	-3.0	1.8
India	7.1	5.5	6.6
China	9.0	7.6	8.3
Global Consumer Prices (YoY%)			
Global Inflation	4.9	1.7	2.4
Developed Economies	3.2	-0.1	0.7
Developing Economies	8.5	5.2	5.7
U.S. Core	2.3	1.2	0.0
U.S. CPI	3.8	-0.7	0.2

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Equity Valuation



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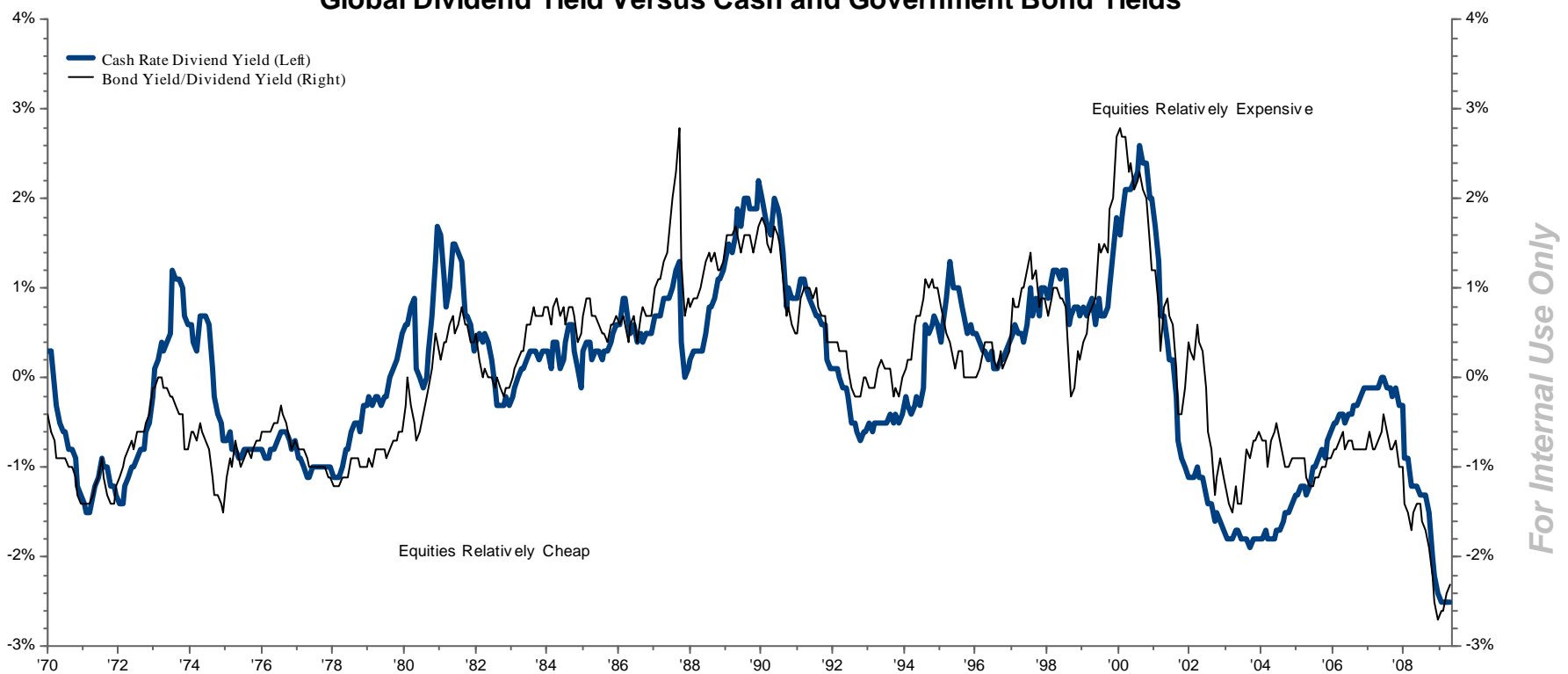
Source: MSCI, Thomson Financial and Citi Global Wealth Management

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Stocks vs. Bonds and Cash

Global Dividend Yield Versus Cash and Government Bond Yields



Source: MSCI and Thomson Financial

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Severe US Equity Bear Markets and Forward Returns

Date of Peak	Date of Trough	Decline (%)	Duration (Days)	1 Year Forward Return (%)	Days to Prior Cycle Peak
9/16/1929	7/8/1932	-86	705	171	6257
3/10/1937	4/28/1942	-60	1285	54	2223
10/9/2007	3/9/2009	-55	356	?	?
1/19/1906	11/15/1907	-49	461	67	2600
1/11/1973	10/3/1974	-48	437	38	1895
3/24/2000	10/9/2002	-47	638	36	1804
11/19/1909	12/24/1914	-47	1189	85	1629
6/17/1901	11/9/1903	-46	603	57	948
11/3/1919	12/21/1920	-44	282	18	1650
11/21/1916	12/19/1917	-40	269	25	651
Mean 1 Year Forward Return from Trough				61	
Median 1 Year Forward Return from Trough				54	

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Source: Bloomberg

Note: Returns are price only prior to 1988, total return post. Days refer to trading days.

Equity Strategy

- Equities to outperform, but with higher volatility
- Multiples to expand on falling inflation and recession ending
- Overweight Emerging Markets
- Neutral U.S.
- Underweight Europe and Asia
- Within U.S., overweight small caps and growth

Fixed Income Strategy

- Bonds to underperform
- Modest yield curve steepening in Europe and the U.K.
- Overweight global investment grade corporates, agencies and government-rated
- Underweight global developed market sovereign, high yield, and emerging market debt



Portfolio Diversification

		S&P 500 Index (%)		Ibbotson Intermediate Govt (%)		Ibbotson Long Corporate (%)	
		Nominal	Real	Nominal	Real	Nominal	Real
Annualized Return		9.3	6.1	5.4	2.3	5.7	2.6
1Month*	Standard Deviation	19.2	19.3	4.40	4.80	7.40	7.70
	Percent>0	61.5	59.2	70.9	56.4	66.6	59.6
1Year	Standard Deviation	20.5	20.7	5.2	6.3	8.0	9.1
	Percent>0	72.7	67.8	89.9	63.8	80.9	64.9
5Year*	Standard Deviation	8.8	8.3	3.4	4.0	4.4	5.4
	Percent>0	87.0	76.8	100.0	70.5	95.7	60.2
10 Year*	Standard Deviation	5.4	5.4	3.1	3.2	3.7	4.2
	Percent>0	96.0	86.5	100.0	70.9	100.0	61.0
20 Year*	Standard Deviation	3.4	3.6	2.9	2.3	3.3	3.0
	Percent>0	100.0	100.0	100.0	72.6	100.0	58.9

*Annualized, based on rolling time periods.

Data Source: Standard & Poor's, Ibbotson Associates, Citi Global Investment Committee as of February 27, 2009

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Portfolio Diversification

US Stocks vs. 50-50 Blended Stock-Bond Portfolios During Equity Bear Markets and Recoveries

S&P 500			S&P 500 Peak-to-Trough	Blend Interm. Govt	Blend Long Corp.	S&P versus Blends' Performance from Peak to Recovery (%)		
Peak	Trough	Recovery	Decline (%)	Decline (%)	Decline (%)	S&P 500	Interm. Govt.	Long Corp
Aug-29	Jun-32	Jan-45	-83.4	-53.8	-54.7	0.6	63.9	87.2
Aug-00	Sep-02	Oct-06	-44.7	-14.8	-12.7	05	21.5	34.5
Dec-72	Sep-74	Jun-76	-42.6	-21.8	-27.7	1.5	13.8	10.6
Oct-07	Feb-09	N/A	-50.9	-23.7	-30.4	N/A	N/A	N/A
Aug-87	Nov-87	May-89	-29.5	-14.2	-14.3	3.5	10.8	14.7
Nov-68	Jun-70	Mar-71	-29.2	-14.4	-19.7	0.2	10.6	5.8
Dec-61	Jun-62	Apr-63	-22.3	-10.5	-9.8	1.9	4.5	5.8
May-46	Nov-46	Oct-49	-21.8	-11.2	-11.9	1.6	4.6	4.9
Nov-80	Jul-82	Oct-82	-16.9	1.4	-2.6	5.3	22.0	22.1
Jan-66	Sep-66	Mar-67	-15.6	-7.4	-10.1	1.2	4.6	2.5
Mean			-35	-17	-19	2	17	21
Median			-29	-14	-14	1	11	11

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Source: Standard & Poor's, Ibbotson Associates, Citi Global Investment Committee as of February 27, 2009

Note: Based on monthly returns