



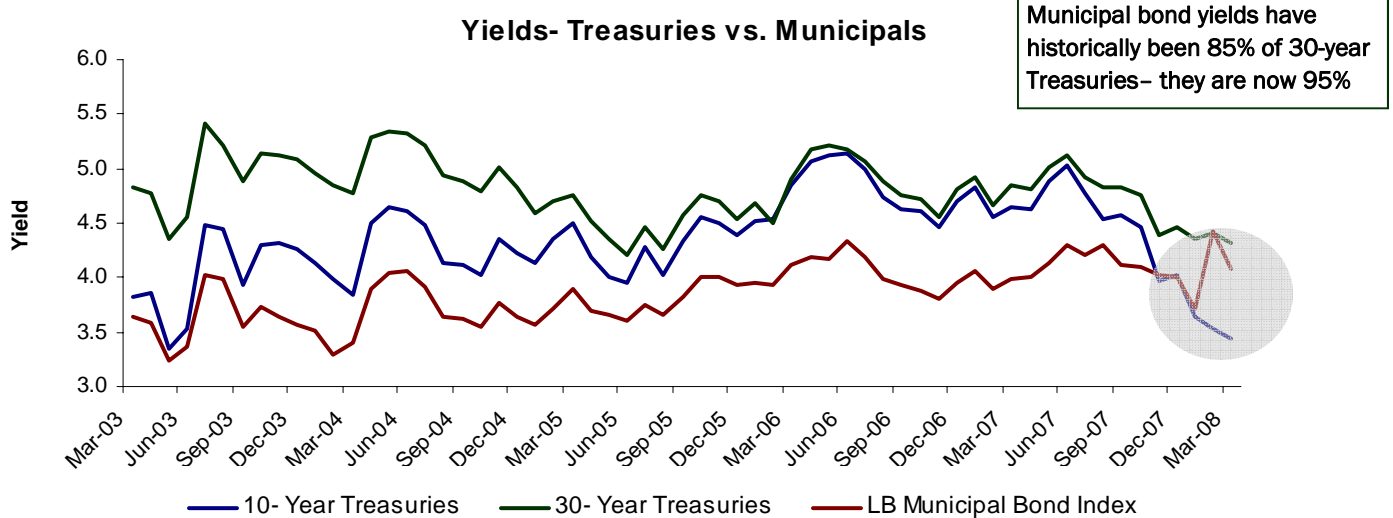
**JOHNSON
BENDER & CO**
WEALTH MANAGEMENT

INVESTMENT INSIGHTS

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Is Now the Time to Invest in Municipal Bonds?

Based on the history of bond markets, it could be said that this is an ideal time to buy municipal bonds. Treasury bonds are yielding record lows while tax-free municipals are seeing record highs. As the chart below shows, municipal bonds recently had pre-tax yields that have surpassed those of treasuries. When you consider the after-tax yields, the numbers are even more impressive. As a result of the credit crisis in the financial markets, municipal bonds are selling at a discount. Once the markets stabilize, there is an opportunity for substantial price appreciation in addition to the increased yield.



Now consider these yields after taxes.

Yields at 2/29/08

	Pre-Tax	After Tax
Lehman Brothers Municipal Bond Index	4.08%	4.43%
30-Year Treasury	4.31%	2.81%
10-Year Treasury	3.43%	2.22%

Assumes maximum federal tax rate of 35%. No state or local taxes taken into account.

Municipal Bonds Have Historically Offered:

- Strong performance vs. other fixed income asset classes
- Low historical default rates from 0.5% to 1%
- Low correlation to fixed income and

The outlook for municipal bonds is attractive: the economy is slowing, the Federal Reserve is predicted to make more interest rate cuts- boosting bond prices, and a Democratic win in November would probably lead to higher taxes on the rich, thereby enhancing the tax advantages. When you consider the low default rates of municipal bonds, they can be an ideal investment when you are weary of the stock market roller coaster.

Source: US Treasury, Lehman Brothers

Disclosures

- Investors should understand the relationship between bonds and interest rates. If interest rates increase the value of bonds will subsequently decrease.
- The Lehman Brothers Municipal Bond Index is an unmanaged index that represents the USD-denominated long-term tax-exempt bond market. Individuals cannot invest directly in an index. Past performance is no guarantee of future results. Lower-rated bonds involve a higher degree of risk than investment grade bonds in return for higher yield. Material discussed herewith is meant for general illustration and/or informational purposes only. Please note that individual situations can vary. Therefore, the information should be relied upon when coordinated with individual professional advice.