



Bonding[®]

May 2009

HENNION & WALSH

It comes down to trust.[®]

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The Smart Investor

An Investment for Today's Tax-Conscious Investor

Tax-exempt municipal bonds are among the most popular types of investments available today, and with good reason. They offer a wide range of benefits, including:

- Attractive current income free from federal and, in some cases, state and local taxes;
- High degree of safety with regard to payment of interest and repayment of principal;
- Predictable stream of income;
- Wide range of choices to fit in with your investment objectives with regard to investment quality, maturity, choice of issuer, type of bond and geographical location; and
- Marketability in the event you must sell before maturity.



Municipal Bond Highlight:

NJ Transportation Trust Fund Authority

4.75 Due 12/15/2037 @96 for a 5.01 ytm

Summary

This AA rated revenue bond is for transportation improvements throughout New Jersey.

- This municipal bond offering is exempt from local, state, and federal taxes for New Jersey residents.
- This bond is callable 12/15/2017 @ 100. The yield-to-call (YTC) is 5.33%

Bonds are subject to interest rate risk. Investors should be aware that bonds will fluctuate in value and may be worth more or less than original value if sold prior to maturity.

Coupon Rate	4.75	Yield to Maturity:	5.01
Maturity:	12/15/2037	Yield to Call:	5.33
Call Date & Call Price:	12/15/2017 @ 100	Current yield:	4.94
Offering Price:	96	S&P Rating	AA-
Quantity:	N/A	Moody Rating	A1

Income Strategies

Hennion & Walsh, Inc. is pleased to provide an extensive list of top income investment strategies. In addition to selected new investment offerings, investors can choose from a wide selection of bonds currently trading in the secondary market.

- Tax-Free Municipal Bonds
- Government Agency Bonds
- Preferred Stocks
- Closed-End Funds
- Mortgage-Backed Securities
- Treasury Securities
- Unit Investment Trusts

Municipal Bonds

Municipal bonds are subject to interest rate risk. Bond values may decline, if interest rates rise.

At Hennion & Walsh, we are one of the nation's leading financial services firms specializing in Municipal Bonds. It's our heritage; it's who we are. Count on us to provide you with the most appropriate, high quality municipal bond for your portfolio. Along with expert advice, you will receive exceptional personal service. That's the hallmark of Hennion & Walsh.

Call Hennion & Walsh to speak to one of our Financial Advisors today:
(800) 836-8240

National Municipal Bonds

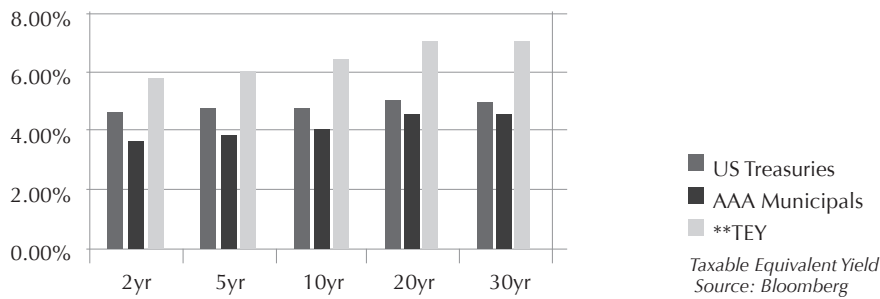
All offerings are subject to market conditions and availability. Not all municipal bonds are State and Federally tax-free. These bonds are representative of our current offerings as of 4/29/09.

Issuer	Coupon	Maturity	Price	*YTM/YTC	RATING S&P/Moody's
New Jersey Health Care Facility	4.25	7/1/2017	107.103	3.25	BBB+/A3
Trenton NJ Parking Auth Callable 10/1/2013 @100	4.10	10/1/2018	95.25	4.73/5.32	/Baa2
New Jersey Sports and Exposition Auth Callable 9/1/2018 @100	4.50	9/1/2024	99.50	4.54/4.56	AA-/A3
Centerport NY Fire District Callable 1/15/2013 @100	3.75	1/15/2018	98.127	4.00/4.28	/A
New York City GO Callable 6/1/2012 @100	5.125	6/1/2018	106.00	4.31/3.07	AA/Aa3
New York City GO 30 Day Call @101	5.00	8/1/2022	101.125	4.88 /3.28	AA/Aa3
Dutchess Cnty NY Resource Auth	4.50	1/1/2027	82.375	6.14	AA/Baa1
Long Island Power Authority	5.00	9/1/2035	97.00	5.21	AA-/A1
Scranton PA Sewer Authority	4.75	12/1/2032	96.625	4.99	AAA/Aa3
California St GO Variable Purpose	5.00	2/1/2032	96.50	5.26	A/A2
Coral Springs FLA Franchise Rev	3.50	9/1/2017	98.50	3.71	AA/Aa2
Virginia College Building Authority Callable 9/1/2013 @100	4.625	9/1/2024	103.75	4.28/368	AA/Aa1
Lorain Cnty OH Hosp Rev	5.00	4/1/2033	99.50	5.03	AAA/Aa3



Tax-Free Yield Calculator

Fed Rate	State Rate	Total Rate	Tax Free Return					
			2.0%	3.0%	3.5%	4.0%	4.5%	5.0%
25.0%	0.0%	25.0%	2.66%	4.00%	4.66%	5.33%	6.00%	6.66%
28.0%	0.0%	28.0%	2.77%	4.16%	4.86%	5.55%	6.25%	6.94%
33.0%	0.0%	33.0%	2.98%	4.47%	5.22%	5.97%	6.71%	7.46%
35.0%	0.0%	35.0%	3.07%	4.61%	5.38%	6.15%	6.92%	7.69%
Tax Brackets			Taxable Equivalent Yields					



Government Sponsored Offerings

Government Sponsored Enterprises, known as GSEs, are privately owned corporations created by Congress to provide funding and to help reduce the cost of capital for certain borrowing sectors of the economy such as homeowners, students, and farmers. GSE securities are generally perceived to carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government.

Government Agency Bonds

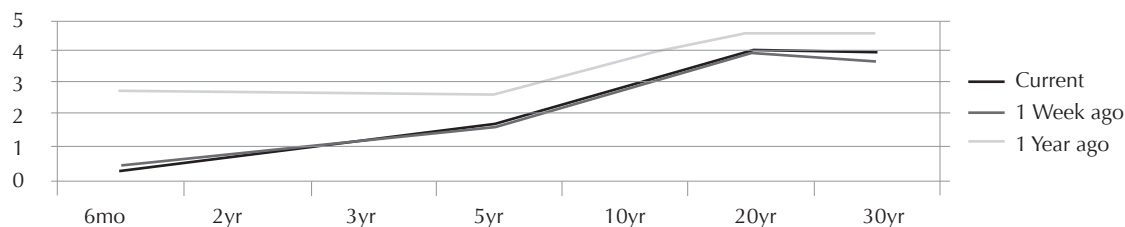
FNMA Notes

Issuer	Coupon	Maturity	Price	YTM/YTC	RATING S&P/Moody's
Federal Home Loan Mtg.Corp <i>callable 3/15/2010</i>	3.00	3/15/2014	100.00	3.00/3.00	Aaa/AAA
Federal Farm Credit bank <i>callable 6/04/2009</i>	4.75	3/4/2019	100.00	4.75/4.75	Aaa/AAA
Federal Home Loan Mtg.Corp. <i>callable 3/4/2010</i>	5.00	3/4/2024	100.00	5.00/5.00	Aaa/AAA
Federal Na Mtg. Association <i>callable 9/11/2009</i>	5.15	3/11/2024	100.00	5.15/5.15	Aaa/AAA

All bonds are subject to interest rate risk. Investors should be aware that bond values will fluctuate and the value may be more or less if sold prior to maturity. All offerings as of 4/29/09 and are subject to market conditions and availability.

*State: Local Tax Exempt

US Treasury Securities



Period	6 mo	2 yr	3 yr	5 yr	10 yr	20 yr	30 yr
Current	0.29	0.93	1.36	1.96	3.01	4.00	3.95
1 Week Ago	0.40	0.90	1.30	1.86	2.90	3.86	3.74
1 year Ago	2.80	2.65	2.55	2.68	3.89	4.65	4.65

For illustration purposes only. Past performance is no indication of future results. Source U.S. Department of the Treasury 4/29/09

US Treasuries

Issuer	Coupon	Maturity	Price	YTM/YTC
U.S. Treasury—N/C	0.875	4/30/2011	99.875	0.93
U.S. Treasury—N/C	1.875	4/30/2014	99.625	1.95
U.S. Treasury—N/C	2.75	2/15/2019	97.82	3.01
U.S. Treasury—N/C	3.50	2/15/2039	92.25	3.95

US Treasury Zero Coupon

U.S. Treasury Strip—N/C	11/15/2009	99.67	0.57
U.S. Treasury Strip—N/C	8/15/2014	87.30	2.50
U.S. Treasury Strip—N/C	5/15/2019	69.80	3.55
U.S. Treasury Strip—N/C	8/15/2024	54.50	3.96

All offerings as of 4/29/09 and are subject to market conditions and availability. U.S. Treasuries are subject to interest rate risk. Investors should be aware that bonds will fluctuate in value and may be worth more or less than original value if sold prior to maturity.



DANs-Direct Access Notes

DANs are new issue Corporate bonds—subject to both interest rate and credit risk. If sold prior to maturity, they may be worth more or less than their original cost. All DANs are offered by Prospectus or Offering Circular only. For a Prospectus please call your Investment Professional.

FreddieNotes® *FreddieNotes® are unsecured senior debt offered on a best efforts basis once a week. All of Freddie Mac's rated senior unsecured debt has been given the highest possible credit ratings by Standard & Poor's and Moody's Investor Service of A1+/P1 for short-term obligations and AAA/Aaa for longer-term debt. Source: InterNotes As of 2/25/09*

Issuer	Coupon	Maturity	Price	YTM/YTC	RATING S&P/Moody's
FHLMC FreddieNotes	2.00	11/15/2012	100.00	2.00	AAA/Aaa
FHLMC FreddieNotes	3.00	5/15/2015	100.00	3.00	AAA/Aaa
FHLMC Freddienotes	4.15	5/15/2024	100.00	4.15	AAA/AAA
FHLMC Freddienotes	4.25	5/15/2029	100.00	4.25	AAA/AA

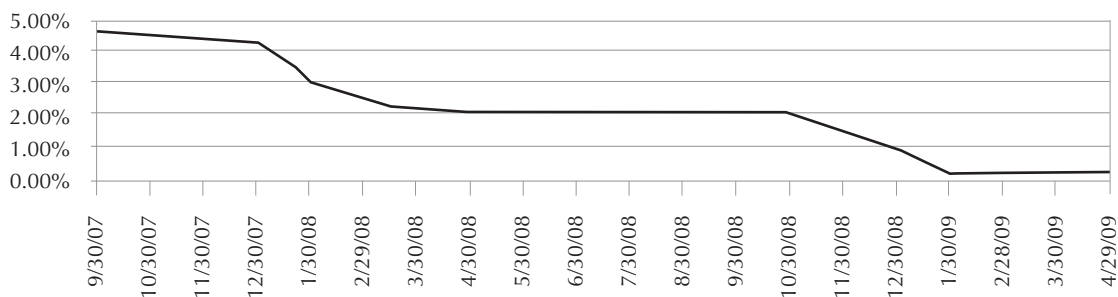
Federal Reserve

When will the Fed start to raise rates again?

Federal Funds Rate

Definition: The federal funds rate is the interest rate at which a depository institution lends immediately available funds (balances at the Federal Reserve) to another depository institution overnight. The rate may vary from depository institution to depository institution and from day to day.

Federal Funds Rate History



Source Federal Reserve Bank of New York 4/29/09

Federal Open Market Committee

The Federal Open Market Committee consists of twelve members: the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and, for the remaining four memberships, which carry a one-year term, a rotating selection of the presidents of the eleven other Reserve Banks. The FOMC holds eight regular scheduled meetings per year to direct the conduct of open market operations by the Federal Reserve Bank of New York in a manner designed to foster the long-run objectives of price stability and sustainable economic growth. The FOMC also establishes policy relating to System operations in the foreign exchange markets. Meetings are usually scheduled for Tuesdays. At the first and fourth meetings of the year, which are scheduled for two-day periods, the FOMC considers its long-run objectives for the money and debt aggregates as well as the current conduct of open market operations. The minutes of each meeting are made available three weeks after the meeting.

Money In Your Pocket[©] Tip of the Month

Understanding Market Risk

While the interest payment, also known as the coupon rate, cannot be changed during the life of a bond (unless, of course, it is a variable-rate security), the market price of a security changes as market conditions change. If you sell your municipal bonds prior to maturity, you will receive the current market price, which may be more or less than their original price. Consequently it is important to understand how the direction of interest rates might affect the value of your holdings. As with other fixed-income securities, municipal bond prices fluctuate in response to changing interest rates: Prices increase when interest rates decline, and prices decline when interest rates rise.

It's easy to understand the reasons:

- When interest rates fall, new issues come to market with lower yields than older securities, making the older securities worth more; hence the increase in price.
- When interest rates rise, new issues come to market with higher yields than older securities, making the older ones worth less; hence the decline in price.



Economic Indicators

Major Economic Indicators	When	Description
Non-Farm Payrolls	Monthly–1st Friday	Shows how many jobs were created in the last month
Unemployment Rate	Monthly–1st Friday	This indicator is considered a wage inflation barometer
ECI–Employment Cost Index	Quarterly	This indicator measures wage increases
CPI–Consumer Price Index	Monthly–15th to 21st	Considered the most important measure of U.S. Inflation
PPI–Producer Price Index	Monthly–9th to 16th	Measures wholesale inflation. Tracks 3,500 commodities
ISM Index	Monthly–1st Bus. Day	Survey of 250 purchasing managers for economic trends
GDP–Gross Domestic Product	Quarterly/Monthly Update	Most important broad indicator of economic growth
Retail Sales	Monthly–11th to 14th	Measures consumer spending which is two-thirds of GDP
Consumer Confidence	Monthly–Last Tuesday	Survey of 5,000 households to gauge consumer spending
LEI–Leading Economic Indicators	Monthly	Composite of 12 economic indicators to forecast economy

Certificates of Deposit

All CDs are FDIC Insured

Issuer	Coupon	Maturity	Price	YTM/YTC
Western Bank P.R	1.00	2/8/2010	100.00	1.00
Western Bank P.R	1.35	5/6/2010	100.00	1.35
Midfirst Bank	1.50	11/8/2010	100.00	1.50
Western Bank P.R	2.20	11/8/2010	100.00	2.20
Western Bank P.R.	2.75	5/6/2011	100.00	2.75
Western Bank P.r	3.25	5/7/2012	100.00	3.25
Goldman Sachs Bank	3.15	5/6/2014	100.00	3.15
Goldman Sachs Bank	3.50	5/6/2016	100.00	3.50
Goldman Sachs Bank	3.75	5/7/2019	100.00	3.75

*All offerings as of 4/29/09 and are subject to market conditions and availability.
YTM= Yield to Maturity, YTC= Yield to Call*

Bond Ratings

Standard & Poor's Corp	
AAA	Highest Quality; principal & interest well protected.
AA	High Quality; marginally higher long-term risk than AAA.
A	Good Quality; somewhat more susceptible to adverse conditions over the long term.
BBB	Adequate; adverse conditions could threaten principal or interest payments.
BB	Questionable; faces major uncertainties. Adverse conditions could jeopardize prin/int payments.
B	Speculative; adverse conditions would likely impair ability to pay interest or repay principal.
CCC	Risky; has been identified as being vulnerable to default.
D	In default
Moody's Investor's Service, Inc.	
Aaa	Highest quality; principal is well protected and interest payments are virtually assured.
Aa	High Quality; marginally higher long-term risk than AAA
A	Good Quality; many favorable investment aspects. Suggestion credit risk could increase over time.
Baa	Medium Grade; neither highly protected nor poorly secured: may be regarded as somewhat speculative.
Ba	Lack characteristics of desirable investment; protection of prin/int payments over long term is small.
B	Speculative; with only moderate protection of principal and interest payments.
Caa	Poor Quality; may be in default and protection of principal is questionable.
Ca	Highly speculative; issues may be in default or have other large shortcomings.
C	Lowest rated; extremely poor chances of ever attaining investment standing.

All offerings are available as of 4/29/09 and are subject to market conditions and availability. This information is obtained from sources that are believed to be reliable, however, no guarantee of its accuracy can be made. For certain investors, the income from bonds designated Alternative Minimum Tax (AMT) may be subject to the alternative tax. Discount bonds may be subject to capital gains tax. Minimum purchase amounts may apply. Not all municipal bonds are free from both state and federal taxes. If bonds are insured, no representation is made as to the insurer's ability to meet its commitments. Insurance does not remove market risk. CDs carry interest rate and principal risk, and may be subject to transaction costs not associated with bank CDs. Due to fluctuating market conditions, yield/principal value may be higher or lower if CD is sold prior to maturity. All bond ratings are from S&P or Moody's. Hennion & Walsh Bonding© is a condensed profile of various investment opportunities. Due to the brevity of the information, further research may be prudent before making an investment decision.



Business 101

It's Time to Get a Second Opinion! Free Portfolio Checkup

There is no denying that it is hard to predict what will happen in the markets. For most investors the current environment is unprecedented and unnerving. Even though it is easier said than done, we cannot let our emotions and fear dictate our actions especially when it comes to investing. Most of our clients take solace in the foundation they have built with municipal bonds. Although there have been price fluctuations in their portfolios over these past few weeks, our clients generally believe that municipal bonds will provide the income and stability their portfolio needs. Though many of you do not use Hennion & Walsh for equity and growth investing, we urge you to keep a similar long term view with all of your investments. Although no one can predict what the markets will do next, we urge you to use this opportunity to examine your investment strategy and portfolio asset allocation to make sure you are still on track to meeting your long term goals and objectives.

Why not use these uncertain times to call Hennion & Walsh and **get a second opinion on all of your bond and equity holdings held at other brokerage firms?** Allow us to help you examine your entire portfolio and help guide you towards the creation of an investment strategy that will help you reach your long term goals and objectives.

Included in your Free Portfolio Checkup:

- Review of Your Current Situation, Financial Objectives, Tolerance for Risk and Investment Timeframe
- Free Portfolio Diagnostic Report
- Customized Portfolio Management Solution Recommendation

In closing, we would like to remind you that history has proven bear markets are part of the investing process. The market is not good or bad, it's only the market. The market has shown to be a process of permanent advances punctuated by relatively temporary declines. Bear markets can provide tremendous opportunities for long term investors. So use this bear market as an opportunity to work with us to ensure that you have the investment strategy and portfolio asset allocation in place to help you reach your long term goals and objectives.

Hennion & Walsh is an independent firm. We do not answer to stockholders, investment bankers, or parent companies. We answer to you, the individual investor. We are, and always will be, an advocate to the individual investor. It is our pleasure to serve you.

Call your today at (800) 836-8240 and get a second opinion on the assets you have at other firms. Schedule your Free Portfolio Checkup today!

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