

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
Dow Jones Industrial Avg. (10,520)	1.86%	23.74%	28.93%	-31.92%	2.03%
S&P 500 (1,126)	2.20%	27.70%	33.66%	-36.99%	0.65%
NASDAQ 100 (1,870)	3.47%	55.42%	58.96%	-41.57%	3.52%
S&P 500/Citigroup Growth	2.62%	32.80%	38.46%	-34.91%	1.71%
S&P 500/Citigroup Value	1.79%	22.43%	28.69%	-39.19%	-0.50%
S&P MidCap 400/Citigroup Growth	3.41%	43.38%	52.67%	-37.58%	4.23%
S&P MidCap 400/Citigroup Value	3.57%	36.41%	44.78%	-34.78%	3.40%
S&P SmallCap 600/Citigroup Growth	4.29%	30.08%	38.46%	-32.84%	2.30%
S&P SmallCap 600/Citigroup Value	3.64%	24.64%	33.44%	-29.50%	1.24%
MSCI EAFE	2.55%	31.23%	34.32%	-43.07%	3.75%
MSCI World (ex US)	2.68%	40.53%	44.12%	-43.26%	6.04%
MSCI World	2.47%	30.36%	35.12%	-40.39%	2.24%
MSCI Emerging Markets	2.52%	75.66%	79.39%	-53.49%	15.67%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/24/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	1.95%	43.05%	50.19%	-33.49%	-1.45%
Consumer Staples	1.74%	15.88%	19.48%	-15.44%	5.94%
Energy	2.50%	15.24%	23.49%	-34.89%	10.31%
Financials	2.34%	18.41%	28.14%	-55.23%	-11.31%
Health Care	1.35%	20.88%	24.31%	-22.80%	2.94%
Industrials	1.37%	22.73%	28.65%	-39.92%	-0.97%
Information Technology	3.27%	62.57%	67.26%	-43.14%	3.32%
Materials	4.17%	50.06%	56.36%	-45.64%	4.42%
Telecom Services	2.45%	9.47%	13.27%	-30.47%	1.84%
Utilities	0.58%	13.41%	18.65%	-28.99%	6.24%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/24/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	-0.89%	-1.16%	-1.17%	11.35%	4.71%
GNMA 30 Year	-0.90%	5.45%	5.90%	7.87%	5.65%
U.S. Aggregate	-0.95%	5.95%	6.23%	5.24%	4.99%
U.S. Corporate High Yield	0.33%	57.55%	66.08%	-26.16%	6.40%
U.S. Corporate Investment Grade	-1.15%	18.35%	18.96%	-4.94%	4.53%
Municipal Bond: Long Bond (22+)	-0.05%	23.64%	25.43%	-14.68%	3.96%
Global Aggregate	-0.68%	7.22%	7.15%	4.79%	4.70%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/24/09.

Key Rates

As of 12/24

Fed Funds	0.00-0.25%	5-yr CD	2.92%
LIBOR (1-month)	0.23%	2-yr T-Note	0.96%
CPI - Headline	1.80%	5-yr T-Note	2.53%
CPI - Core	1.70%	10-yr T-Note	3.80%
Money Market Accts.	0.90%	30-yr T-Bond	4.68%
Money Market Funds	0.03%	30-yr Mortgage	5.28%
6-mo. CD	1.17%	Prime Rate	3.25%
1-yr CD	1.64%	Bond Buyer 40	5.40%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 12/24

TED Spread	19 bps
Investment Grade Spread (A2)	199 bps
ML High Yield Master II Index Spread	656 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 12/16/09

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$1.169 Billion	-\$372	Million
Foreign Equity	\$1.458 Billion	-\$1.159	Billion
Taxable Bond	\$8.936 Billion	\$4.286	Billion
Municipal Bond	\$1.070 Billion	\$1.402	Billion
Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	-\$1.91 Billion	-\$3.76	Billion
Institutional	\$4.49 Billion	-\$47.37	Billion

Source: Investment Company Institute

Factoids for the week of December 21st – 25th

Monday, December 21, 2009

The International Monetary Fund sees developing economies expanding 5.1% in 2010, vs. 1.3% for advanced nations, according to Bloomberg. Foreign direct investment in China jumped 32% (y-o-y) to \$7.02 billion in November, the best showing in 16 months, according to China's Ministry of Commerce. It is expected to remain within the \$7 billion to \$8 billion monthly range over the next few months. Thomas Deng, head of China strategy at Goldman Sachs Group in Hong Kong, believes fast-growing developing nations will lure capital away from advanced economies over the next 10-20 years.

Tuesday, December 22, 2009

Despite the loss of 8 million jobs since the start of the recession, more than 60% of businesses claim it is difficult to find qualified workers, according to Kiplinger. About 31% of all jobs now require a post secondary degree. From 2004 to 2014, occupations in science and engineering are expected to grow at nearly double the rate for all occupations. In 2005, over 50% of the U.S. doctorates awarded in science and math went to students with temporary visas. This problem could worsen when the baby boomers (born between 1946-1964) retire in greater numbers. They represent close to 40% of the labor force. Nearly 58% of boomers have some college education, vs. 55% for those born between 1965 and 1988.

Wednesday, December 23, 2009

While the securities markets have enjoyed a great run since the lows registered in early March, hedge funds and private equity funds have struggled to grow their assets, according to Bloomberg BusinessWeek. In the first nine months of this year, total hedge fund assets shrank by \$300 billion to \$1.5 trillion, according to Hedge Fund Research. A total of 2,329 hedge funds have folded since the start of 2008. Private equity funds have raised just \$187 billion over the first three-quarters of 2009, well below the \$478 billion collected over the same span in 2008.

Thursday, December 24, 2009

Morningstar reported that net inflows to bond ETFs totaled over \$32 billion in the first 11 months of 2009, the most among the major asset classes, according to MarketWatch.com. Overall, investors favored ETFs owning corporate bonds, emerging markets and those with a bearish bias. As of November 30, there were 802 ETFs trading in the U.S. holding a record \$739 billion in assets. Seventy-nine were fixed-income ETFs holding close to \$100 billion in assets.

Friday, December 25, 2009

Christmas Day, Markets Closed.