

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
DOW JONES 30 (8281)	3.70%	-5.27%	-30.06%	-31.92%	-2.47%
S&P 500 (869)	5.30%	-3.57%	-32.87%	-36.99%	-3.45%
NASDAQ 100 (1277)	8.28%	5.50%	-26.21%	-41.57%	-2.72%
S&P 500/Citigroup Growth	6.19%	0.99%	-25.40%	-34.91%	-3.15%
S&P 500/Citigroup Value	4.29%	-8.39%	-40.13%	-39.19%	-3.90%
S&P MidCap 400/Citigroup Growth	6.97%	0.66%	-30.39%	-37.58%	-1.02%
S&P MidCap 400/Citigroup Value	5.94%	-3.13%	-31.86%	-34.78%	-0.90%
S&P SmallCap600/Citigroup Growth	5.92%	-6.03%	-30.98%	-32.84%	-1.19%
S&P SmallCap600/Citigroup Value	5.91%	-9.00%	-31.57%	-29.50%	-1.57%
MSCI EAFE	2.32%	-7.73%	-41.00%	-43.07%	-0.02%
MSCI World (ex US)	2.44%	-7.12%	-40.95%	-43.26%	0.36%
MSCI World	3.90%	-5.18%	-37.09%	-40.39%	-1.57%
MSCI Emerging Markets	5.29%	-1.65%	-48.47%	-53.49%	6.17%

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 2/6/09.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
Consumer Discretionary	4.93%	-6.15%	-34.15%	-33.49%	-7.44%
Consumer Staples	2.07%	-5.57%	-14.08%	-15.44%	2.57%
Energy	5.67%	2.35%	-21.61%	-34.89%	13.87%
Financials	6.26%	-21.70%	-62.55%	-55.23%	-17.37%
Health Care	4.54%	3.25%	-15.90%	-22.80%	-1.13%
Industrials	2.28%	-10.60%	-42.32%	-39.92%	-4.13%
Information Technology	9.78%	6.43%	-27.15%	-43.14%	-5.13%
Materials	7.60%	-0.11%	-41.51%	-45.64%	-0.63%
Telecom Services	5.39%	-5.06%	-23.27%	-30.47%	1.47%
Utilities	3.86%	3.19%	-20.91%	-28.99%	8.67%

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 2/6/09.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
U.S. Treasury: Intermediate	-0.35%	-1.82%	6.15%	11.35%	4.84%
GNMA 30 Year	0.00%	-0.08%	5.81%	7.87%	5.25%
U.S. Aggregate	-0.30%	-1.18%	2.12%	5.24%	4.18%
U.S. Corporate High Yield	0.87%	6.92%	-19.89%	-26.16%	0.36%
U.S. Corporate Investment Grade	-0.53%	-0.08%	-6.37%	-4.94%	1.85%
Municipal Bond: Long Bond (22+)	2.67%	7.41%	-9.16%	-14.68%	1.95%
Global Aggregate	-0.28%	-3.54%	-1.41%	4.79%	3.91%

Source: Barclays Capital. Returns include reinvested interest. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 2/6/09.

KEY RATES

As of 2/6

Fed Funds	0.25%	5-YR CD	2.81%
LIBOR (1-month)	0.45%	2-YR T-Note	0.98%
CPI - Headline	0.10%	5-YR T-Note	1.96%
CPI - Core	1.80%	10-YR T-Note	2.98%
Money Market Accts.	1.68%	30-YR T-Bond	3.69%
Money Market Funds	0.53%	30-YR Mortgage	5.44%
6-mo. CD	1.80%	Prime Rate	3.25%
1-YR CD	2.25%	Bond Buyer 40	5.66%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

MARKET INDICATORS

As of 2/6

TED Spread:	93 bps
Investment Grade Spread (A2):	499 bps
ML High Yield Master II Index Spread:	1595 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

WEEKLY FUND FLOWS

	Week of 2/4	Previous
Equity Funds	-\$227 M	-\$334 M
Including ETF activity, Domestic funds reporting net outflows of -\$218M and Non-domestic funds reporting net outflows of -\$9M.		
Bond Funds	\$2.4 B	\$1.2 B
Municipal Bond Funds	\$758 M	\$289 M
Money Markets	-\$26.535 B	\$5.034 B

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF FEBRUARY 2ND - FEBRUARY 6TH

Monday, February 2, 2009

Companies that invest in R&D during economic/market downturns may perform better once things rebound, according to a study by *BusinessWeek*. Using data provided by Bloomberg and Capital IQ, it found 177 companies (market caps exceeding \$100 million) that increased their R&D spending by over 10% in the 2001-2002 downturn. The following shows how this group ("Spenders") fared against the S&P 500 and MSCI World Index over the next 1-year, 3-year and 5-year periods: 2003 (Spenders +51% vs. MSCI World +31% vs. S&P 500 +26%); 2003-2005 (Spenders +88% vs. MSCI World +59% vs. S&P 500 +42%); and 2003-2007 (Spenders +136% vs. MSCI World +101% vs. S&P 500 +67%).

Tuesday, February 3, 2009

In January, the dividend-payers (369) in the S&P 500 (equal weight) posted a total return of -9.40%, vs. -3.39% for the non-payers (131), according to Standard & Poor's. For the 12-month period ended January '09, payers fell 42.40%, vs. a decline of 43.85% for the non-payers. The number of dividend increases in January totaled 17. That significantly lagged the 31 increases registered in January 2007. The number of companies that decreased their dividend totaled 10, up from five a year ago. The dividend yield on the S&P 500 was 3.03% on January 30 - 19 basis points higher than the yield on a 10-yr. T-Bond (2.84%).

Wednesday, February 4, 2009

The 1.58% rally in the S&P 500 yesterday marked just the third time since 1990 the index gained over 1.00% on the same day that the financial stocks in the index fell by more than 1.00%, according to Bespoke Investment Group. The S&P Financials Index declined 2.50%. The other two occasions were January 10, 2000, and January 18, 2001.

Thursday, February 5, 2009

A survey just out from the National League of Cities says that 84% of U.S. cities are facing financial difficulties, up from 64% six months ago and the highest percentage since the survey began in 1985, according to CNN. Mayors are hoping to get funding for transportation and infrastructure projects once the economic stimulus package is passed. The mayors have drafted a "Ready to Go" report that lists 18,750 local infrastructure projects spanning 779 cities that can be started as soon as funding is received. The estimated cost of these projects is \$150 billion and mayors believe the spending would create 1.6 million in jobs in 2009 and 2010.

Friday, February 6, 2009

Standard & Poor's Index Services announced today that it expects dividend payouts from the constituents in the S&P 500 to fall by 13.3% in 2009, the worst showing since 1942 when dividends fell 16.9%, according to Standard & Poor's. It expects dividends totaling \$214.7 billion, down from \$247.9 billion in 2008. Data shows that 62 companies decreased their dividends in 2008 and 48 of them were Financials. Over the previous five years (2003-2007), there were just 12 dividend reductions in the Financials sector.