

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
DOW JONES 30 (7063)	-4.06%	-18.92%	-40.58%	-31.92%	-5.48%
S&P 500 (735)	-4.49%	-18.18%	-43.32%	-36.99%	-6.63%
NASDAQ 100 (1117)	-4.71%	-7.65%	-35.61%	-41.57%	-4.91%
S&P 500/Citigroup Growth	-5.09%	-13.00%	-37.38%	-34.91%	-5.85%
S&P 500/Citigroup Value	-3.76%	-23.64%	-49.26%	-39.19%	-7.60%
S&P MidCap 400/Citigroup Growth	-3.72%	-13.49%	-41.52%	-37.58%	-4.13%
S&P MidCap 400/Citigroup Value	-3.53%	-18.91%	-42.41%	-34.78%	-4.67%
S&P SmallCap600/Citigroup Growth	-5.48%	-21.24%	-42.44%	-32.84%	-4.70%
S&P SmallCap600/Citigroup Value	-5.10%	-25.01%	-42.88%	-29.50%	-5.57%
MSCI EAFE	-1.40%	-19.08%	-50.03%	-43.07%	-2.79%
MSCI World (ex US)	-1.13%	-18.52%	-50.15%	-43.26%	-2.41%
MSCI World	-2.76%	-18.05%	-46.86%	-40.39%	-4.50%
MSCI Emerging Markets	-0.61%	-11.74%	-56.17%	-53.49%	3.35%

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 2/27/09.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
Consumer Discretionary	-1.34%	-18.14%	-42.61%	-33.49%	-10.10%
Consumer Staples	-4.05%	-14.10%	-23.23%	-15.44%	0.13%
Energy	-3.47%	-14.80%	-41.78%	-34.89%	8.62%
Financials	2.01%	-39.63%	-69.47%	-55.23%	-21.78%
Health Care	-11.41%	-13.58%	-28.30%	-22.80%	-4.27%
Industrials	-8.20%	-27.61%	-53.26%	-39.92%	-7.84%
Information Technology	-2.87%	-6.99%	-37.04%	-43.14%	-7.15%
Materials	-5.62%	-15.02%	-52.91%	-45.64%	-4.44%
Telecom Services	0.47%	-12.43%	-25.91%	-30.47%	-0.16%
Utilities	-3.21%	-12.98%	-30.24%	-28.99%	4.47%

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 2/27/09.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
U.S. Treasury: Intermediate	-0.68%	-1.88%	5.18%	11.35%	4.69%
GNMA 30 Year	0.00%	0.52%	6.12%	7.87%	5.27%
U.S. Aggregate	-0.69%	-1.26%	2.06%	5.24%	4.00%
U.S. Corporate High Yield	-2.26%	2.71%	-22.07%	-26.16%	-0.60%
U.S. Corporate Investment Grade	-1.69%	-1.52%	-7.43%	-4.94%	1.35%
Municipal Bond: Long Bond (22+)	-0.26%	7.46%	-0.61%	-14.68%	1.78%
Global Aggregate	-1.15%	-5.43%	-5.17%	4.79%	3.66%

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 2/27/09.

KEY RATES

As of 2/27

Fed Funds	0.25%	5-YR CD	2.67%
LIBOR (1-month)	0.48%	2-YR T-Note	0.97%
CPI - Headline	0.10%	5-YR T-Note	1.98%
CPI - Core	1.70%	10-YR T-Note	3.01%
Money Market Accts.	1.50%	30-YR T-Bond	3.71%
Money Market Funds	0.39%	30-YR Mortgage	5.25%
6-mo. CD	1.65%	Prime Rate	3.25%
1-YR CD	2.14%	Bond Buyer 40	5.57%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

MARKET INDICATORS

As of 2/27

TED Spread:	100 bps
Investment Grade Spread (A2):	524 bps
ML High Yield Master II Index Spread:	1726 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

WEEKLY FUND FLOWS

	Week of 2/25	Previous
Equity Funds	-\$6.6 B	-\$6.2 B
Including ETF activity, Domestic funds reporting net outflows of -\$3.676 B and Non-domestic funds reporting net outflows of -\$2.911 B.		
Bond Funds	-\$388 M	\$440 M
Municipal Bond Funds	\$470 M	\$540 M
Money Markets	\$7.908 B	-\$15.861 B

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF FEBRUARY 23TH - FEBRUARY 27TH

Monday, February 23, 2009

Utilities are cutting spending on plants and wires due to the severity of the recession. Utilities and independent power suppliers plan to reduce capital budgets by 10% in 2009 and 2010, according to Edison Electric Institute, an industry trade group. Daniel Scott, Senior Utility Analyst at Whitehall Financial Advisors LLC, believes the U.S. electric utility industry will grow by 0.2% in 2009, but could experience negative growth for the first time since the 1950s. The S&P Utilities Index is down 36.8% from its peak on December 10, 2007. During the bull market in utility stocks (2/03-12/07), the S&P Utilities Index posted a cumulative total return of 198%, a little more than double the 96% gain for the S&P 500. The dividend yield on the S&P Utilities Index now stands at 4.98%.

Tuesday, February 24, 2009

The S&P Financials Index has declined 81% from its peak in February 2007. At their peak, Financials accounted for over 20% of the S&P 500, vs. 9.2% today. The relative weighting of just the Banks to the S&P 500 has plunged to its lowest level (1.8%) since 1940, according to Bespoke Investment Group. Here are four of the largest percentage declines from peaks this decade: Homebuilders (-87%); Financials (-81%); NASDAQ (-78%); and Oil (-77%).

Wednesday, February 25, 2009

The global economic recession caused the first year-over-year decline in semiconductor sales since 2001, according to the Semiconductor Industry Association. Worldwide sales totaled \$248.6 billion in 2008, down 2.74% from the \$255.6 billion sold in 2007. Sales held up reasonably well in the first nine months but plunged in the fourth quarter (-22% in December), which is normally a strong quarter due to the holiday shopping season. Better than 50% of semiconductor sales are driven by consumer demand. One bright spot on the horizon is demand for semiconductors employed by alternative energy technologies, such as solar, is expected to grow from \$800 million in 2008 to nearly \$2 billion in 2012, according to SeekingAlpha.com.

Thursday, February 26, 2009

The S&P 500 continues to trade more than 20% below its 40-week average, which indicates it may be poised for a snapback rally, according to Nick Kalivas, an equity futures analyst at MF Global Inc. Stocks have been trading this way since October 10, 2008, thanks to an 18% plunge in the S&P 500 – the worst week in 75 years, according to Bloomberg. This has only happened on three other occasions in the past 25 years and the results were as follows: Q4'87 (multi-year bull market); Q3'01 (three-month rally); and Q3'02 (multi-year bull market).

Friday, February 27, 2009

U.S. banks posted a net loss of \$26.2 billion in Q4'08, their worst showing since 1990, according to the Federal Deposit Insurance Corporation (FDIC). The number of commercial banks and savings institutions deemed problem banks rose from 171 in Q3'08 to 252 in Q4'08. These problem banks oversee assets totaling \$159 billion, up from \$116 billion in Q3'08. The FDIC closed 25 banks in 2008 and another 14 so far in 2009. Banks charged off nearly \$38 billion in bad loans in Q4'08, more than double the amount a year ago. Banks did boost reserves to \$69.3 billion to cover future loan losses.