

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2008 | 5-yr |
|----------------------------------|-------|--------|---------|---------|--------|
| DOW JONES 30 (8131) | 0.64% | -6.33% | -33.47% | -31.92% | -2.51% |
| S&P 500 (870) | 1.54% | -2.90% | -34.62% | -36.99% | -3.24% |
| NASDAQ 100 (1354) | 1.02% | 12.00% | -25.98% | -41.57% | -0.88% |
| S&P 500/Citigroup Growth | 0.68% | 0.25% | -30.63% | -34.91% | -3.03% |
| S&P 500/Citigroup Value | 2.53% | -6.21% | -38.72% | -39.19% | -3.57% |
| S&P MidCap 400/Citigroup Growth | 2.73% | 6.34% | -31.13% | -37.58% | -0.26% |
| S&P MidCap 400/Citigroup Value | 2.44% | -0.55% | -32.43% | -34.78% | -0.54% |
| S&P SmallCap600/Citigroup Growth | 2.83% | -3.41% | -30.95% | -32.84% | -0.81% |
| S&P SmallCap600/Citigroup Value | 2.69% | -5.84% | -30.76% | -29.50% | -1.41% |
| MSCI EAFE | 2.95% | -5.47% | -43.09% | -43.07% | 0.14% |
| MSCI World (ex US) | 3.00% | -4.38% | -42.94% | -43.26% | 0.64% |
| MSCI World | 2.26% | -3.41% | -39.05% | -40.39% | -1.28% |
| MSCI Emerging Markets | 1.26% | 14.17% | -43.77% | -53.49% | 8.49% |

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 4/17/09.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2008 | 5-yr |
|------------------------|--------|---------|---------|---------|---------|
| Consumer Discretionary | 2.54% | 5.52% | -26.83% | -33.49% | -5.44% |
| Consumer Staples | 1.33% | -6.76% | -19.44% | -15.44% | 1.63% |
| Energy | -0.87% | -7.30% | -41.18% | -34.89% | 9.64% |
| Financials | 4.11% | -10.64% | -55.47% | -55.23% | -14.93% |
| Health Care | 2.07% | -6.50% | -19.14% | -22.80% | -2.95% |
| Industrials | 3.37% | -9.21% | -42.66% | -39.92% | -3.75% |
| Information Technology | 0.82% | 13.71% | -26.21% | -43.14% | -2.72% |
| Materials | 1.74% | 7.81% | -44.49% | -45.64% | 0.33% |
| Telecom Services | -1.10% | -2.04% | -20.38% | -30.47% | 2.53% |
| Utilities | -1.01% | -10.20% | -33.54% | -28.99% | 5.58% |

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 4/17/09.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2008 | 5-yr |
|---------------------------------|--------|--------|---------|---------|-------|
| U.S. Treasury: Intermediate | 0.03% | -1.06% | 6.88% | 11.35% | 5.06% |
| GNMA 30 Year | -0.12% | 2.39% | 8.52% | 7.87% | 5.76% |
| U.S. Aggregate | 0.39% | 0.38% | 4.34% | 5.24% | 4.57% |
| U.S. Corporate High Yield | 4.35% | 13.76% | -15.26% | -26.16% | 1.38% |
| U.S. Corporate Investment Grade | 1.85% | 0.14% | -4.36% | -4.94% | 1.99% |
| Municipal Bond: Long Bond (22+) | 2.44% | 10.49% | -4.85% | -14.68% | 2.81% |
| Global Aggregate | 0.22% | -3.57% | -4.21% | 4.79% | 4.39% |

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 4/17/09.

Key Rates

As of 4/17

| | | | |
|---------------------|--------|----------------|-------|
| Fed Funds | 0.25% | 5-YR CD | 3.07% |
| LIBOR (1-month) | 0.45% | 2-YR T-Note | 0.96% |
| CPI - Headline | -0.40% | 5-YR T-Note | 1.89% |
| CPI - Core | 1.80% | 10-YR T-Note | 2.94% |
| Money Market Accts. | 1.31% | 30-YR T-Bond | 3.79% |
| Money Market Funds | 0.23% | 30-YR Mortgage | 4.88% |
| 6-mo. CD | 1.75% | Prime Rate | 3.25% |
| 1-YR CD | 2.34% | Bond Buyer 40 | 5.44% |

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

Market Indicators

As of 4/17

| | |
|--------------------------------------|----------|
| TED Spread | 96 bps |
| Investment Grade Spread (A2) | 520 bps |
| ML High Yield Master II Index Spread | 1500 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 4/8/09

| Estimated Flows to Long-Term Mutual Funds | | | |
|---|------------------|--|-----------------|
| | Current Week | | Previous |
| Domestic Equity | \$3.273 Billion | | \$2.681 Billion |
| Foreign Equity | \$563 Million | | \$287 Million |
| Taxable Bond | \$5.792 Billion | | \$5.743 Billion |
| Municipal Bond | \$864 Million | | \$1.088 Billion |
| Change in Money Market Fund Assets | | | |
| | Current Week | | Previous |
| Retail | -\$7.24 Billion | | -\$5.07 Billion |
| Institutional | -\$21.25 Billion | | \$17.28 Billion |

Source: Investment Company Institute

Factoids for the week of April 13th – April 17th

Monday, April 13, 2009

There have only been two IPOs priced in the U.S. so far in 2009, down 90.5% over the same period a year ago, according to Renaissance Capital's IPOHome.com. The two combined raised \$800 million. Only four IPOs have been filed, down 94.3% over the same period a year ago. The number of IPOs priced in 2008 totaled 43 (\$28.0 billion), down from 272 (\$59.7 billion) in 2007. There were 486 priced in 1999 (\$92.6 billion).

Tuesday, April 14, 2009

Tax refund checks are taking approximately six weeks from the time the IRS receives a paper return, and three weeks for those filing electronically, according to Kiplinger. The average refund so far is nearly \$2,700, which is 11% higher than last year's take. An Associated Press-GfK poll released yesterday found that 54% of those receiving refunds intend to pay off credit card, utility, housing and other bills, up from 35% a year ago, according to newsobserver.com. The survey also revealed that 38% of those getting money back plan to spend at least a part of it.

Wednesday, April 15, 2009

With another nine months of default announcements looming in the high yield corporate bond market and Treasuries yielding so little, investors seeking current income should consider a short-term, high-quality corporate bond fund, according to John Waggoner, personal finance columnist for USA TODAY. Surrendering a little yield for less volatility isn't as painful when there is an absence of inflation. The CPI posted its first 12-month decline in March (-0.4%) since August 1955, according to the Labor Department.

Thursday, April 16, 2009

China's economy grew at an annualized rate of 6.1% in Q1'09, down from 6.8% in Q4'08, but slightly above the 6.0% median forecast, according to MarketWatch.com. Fixed-asset investment expanded 30.3% in March (y-o-y) and retail sales jumped 15% during the quarter. One of the biggest concerns is surging unemployment. Export-related labor reductions totaled an estimated 20-25 million (out of 140 million) in Q1. The Shanghai SE Composite Index is up 39.2% (USD) so far this year. The Hang Seng Index (Hong Kong) is up a more modest 8.3% (USD).

Friday, April 17, 2009

The rally in stocks since the March 9th low in the S&P 500 has clearly been boosted by short-covering, according to Bespoke Investment Group. Bespoke grouped the stocks in the S&P 500 into deciles based on their short interest as a percentage of float as of February 27. The five deciles with the highest short interest on that day all ended up outperforming the 41.2% average gain (3/9-4/13) posted by the index (constituents equally weighted), while the five deciles with the least amount of short interest lagged the average. The top performing decile was number three with an average gain of 58.3%, while the worst was decile ten at 22.1%.