

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
Dow Jones Industrial Avg. (9506)	2.16%	10.86%	-13.90%	-31.92%	1.34%
S&P 500 (1026)	2.27%	15.55%	-17.48%	-36.99%	0.71%
NASDAQ 100 (1638)	1.66%	35.85%	-13.48%	-41.57%	4.21%
S&P 500/Citigroup Growth	2.18%	17.87%	-16.08%	-34.91%	1.09%
S&P 500/Citigroup Value	2.37%	13.08%	-18.91%	-39.19%	0.25%
S&P MidCap 400/Citigroup Growth	2.16%	27.35%	-17.52%	-37.58%	4.68%
S&P MidCap 400/Citigroup Value	2.10%	20.69%	-15.97%	-34.78%	3.88%
S&P SmallCap600/Citigroup Growth	2.69%	16.65%	-19.88%	-32.84%	3.65%
S&P SmallCap600/Citigroup Value	3.06%	14.65%	-16.22%	-29.50%	2.73%
MSCI EAFE	1.10%	22.01%	-14.43%	-43.07%	5.61%
MSCI World (ex US)	0.69%	28.32%	-13.82%	-43.26%	7.64%
MSCI World	1.62%	19.50%	-16.54%	-40.39%	3.11%
MSCI Emerging Markets	-0.80%	51.79%	-9.37%	-53.49%	17.14%

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 8/21/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	1.92%	23.75%	-10.39%	-33.49%	-1.56%
Consumer Staples	1.77%	5.49%	-9.96%	-15.44%	4.92%
Energy	3.36%	5.16%	-28.09%	-34.89%	11.67%
Financials	2.24%	17.86%	-24.75%	-55.23%	-9.99%
Health Care	3.00%	9.10%	-10.98%	-22.80%	1.51%
Industrials	2.30%	8.43%	-26.41%	-39.92%	-0.79%
Information Technology	1.82%	39.97%	-10.66%	-43.14%	3.34%
Materials	1.65%	34.38%	-23.55%	-45.64%	4.81%
Telecom Services	1.60%	-0.81%	-12.33%	-30.47%	1.98%
Utilities	2.13%	4.59%	-17.62%	-28.99%	7.55%

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 8/21/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	-0.07%	-2.05%	5.06%	11.35%	4.63%
GNMA 30 Year	-0.07%	3.59%	9.04%	7.87%	5.63%
U.S. Aggregate	-0.14%	3.70%	7.41%	5.24%	4.89%
U.S. Corporate High Yield	-0.65%	39.62%	5.95%	-26.16%	5.22%
U.S. Corporate Investment Grade	-0.42%	13.25%	8.79%	-4.94%	4.17%
Municipal Bond: Long Bond (22+)	0.91%	16.11%	1.01%	-14.68%	3.39%
Global Aggregate	0.25%	4.66%	7.11%	4.79%	5.66%

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 8/21/09.

Key Rates

As of 8/21

Fed Funds	0.00-0.25%	5-yr CD	2.88%
LIBOR (1-month)	0.27%	2-yr T-Note	1.09%
CPI - Headline	-2.10%	5-yr T-Note	2.56%
CPI - Core	1.50%	10-yr T-Note	3.56%
Money Market Accts.	1.17%	30-yr T-Bond	4.37%
Money Market Funds	0.08%	30-yr Mortgage	5.30%
6-mo. CD	1.30%	Prime Rate	3.25%
1-yr CD	1.76%	Bond Buyer 40	5.42%

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

Market Indicators

As of 8/21

TED Spread	21 bps
Investment Grade Spread (A2)	253 bps
ML High Yield Master II Index Spread	914 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 8/12/09

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	\$318	Million	\$2.758	Billion
Foreign Equity	\$2.475	Billion	\$2.727	Billion
Taxable Bond	\$9.860	Billion	\$9.317	Billion
Municipal Bond	\$1.977	Billion	\$2.180	Billion
Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$2.96	Billion	-\$11.43	Billion
Institutional	-\$9.11	Billion	-\$1.40	Billion

Source: Investment Company Institute

Factoids for the week of August 17th – 21st

Monday, August 17, 2009

Municipal bond issuance is down in 2009, while demand for tax-frees has spiked. Municipal issuance totaled \$220.32 billion in the first seven months of this year, down 18% from the \$268.6 billion sold over the same span in 2008, according to Thomson Reuters. Refinancings are down 37.5% to date. Build America Bonds, taxable issues sold by municipalities, have accounted for 14% of municipal sales in the last four months, according to *The Bond Buyer*. Municipal bond funds have taken in a record \$41.8 billion so far this year, according to AMG Data Services.

Tuesday, August 18, 2009

The Federal Reserve has extended the deadline for its Term Asset-Backed Securities Loan Facility (TALF) program designed to bolster demand for commercial mortgage-backed securities and consumer loans from December 31 of this year to June 30, 2010. The program set aside \$200 billion around the start of 2009, but less than \$50 billion has been lent, according to Reuters. So far this year, around \$83 billion of office, retail, industrial and apartment properties have fallen into default, foreclosure or bankruptcy, according to research firm Real Capital Analytics. The default rate for commercial mortgages stood at 2.25% in Q1'09 and is expected to rise to 4.1% by the end of the year, according to Real Estate Econometrics. Overall, commercial property values are down 40% from their 2007 peak, according to Deutsche Bank. Nearly \$1 trillion in short-term commercial mortgages are due to mature by the end of 2010, according to *USA TODAY*.

Wednesday, August 19, 2009

Twenty-one IPOs have been priced so far in 2009, down 50% from the 42 launched by this point a year ago, according to Renaissance Capital's IPOHome.com. The good news is activity accelerated over the past two months. There were only 9 IPOs priced as of mid-June. The 21 IPOs launched raised \$4.8 billion. A total of \$28 billion was raised in 2008. There have been 35 IPO filings this year, down 74.1% from the 135 filings at this point a year ago.

Thursday, August 20, 2009

The percentage of mortgage loans in the foreclosure process stood at 4.30% in Q2'09, up from 3.85% in Q1'09 and 2.75% in Q2'08, according to the Mortgage Bankers Association. When you add the number of mortgage loans in delinquency (at least one payment past due) to those in foreclosure the figure jumps to 13.16% on a non-seasonally adjusted basis, the highest ever recorded in the MBA delinquency survey (since 1972). California, Florida, Arizona and Nevada accounted for 44% of the nation's new foreclosures in Q2.

Friday, August 21, 2009

Cash holdings for the companies in the S&P 500 (excluding financials, utilities and transportation companies since they usually maintain high cash reserves to operate their businesses) increased from \$664.8 billion in Q1'09 to \$701.5 billion in Q2'09, according to Reuters. Technology companies accounted for 34.2% of the total, followed by health care at 29.8%. No other sector reached double-digits.