Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,428)	-0.85%	22.68%	22.68%	22.68%	1.94%
S&P 500 (1,115)	-0.97%	26.47%	26.47%	26.47%	0.42%
NASDAQ 100 (1,860)	-0.51%	54.63%	54.63%	54.63%	3.32%
S&P 500/Citigroup Growth	-0.92%	31.58%	31.58%	31.58%	1.54%
S&P 500/Citigroup Value	-1.02%	21.17%	21.17%	21.17%	-0.79%
S&P MidCap 400/Citigroup Growth	-1.50%	41.23%	41.23%	41.23%	3.78%
S&P MidCap 400/Citigroup Value	-1.94%	33.77%	33.77%	33.77%	2.82%
S&P SmallCap 600/Citigroup Growth	-1.33%	28.34%	28.34%	28.34%	1.93%
S&P SmallCap 600/Citigroup Value	-1.43%	22.86%	22.86%	22.86%	0.87%
MSCI EAFE	0.42%	31.78%	31.78%	31.78%	3.54%
MSCI World (ex US)	0.66%	41.45%	41.45%	41.45%	5.83%
MSCI World	-0.29%	29.99%	29.99%	29.99%	2.01%
MSCI Emerging Markets	1.62%	78.51%	78.51%	78.51%	15.51%

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 12/31/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-1.20%	41.33%	41.33%	41.33%	-1.95%
Consumer Staples	-0.85%	14.89%	14.89%	14.89%	5.69%
Energy	-1.20%	13.86%	13.86%	13.86%	10.21%
Financials	-0.99%	17.24%	17.24%	17.24%	-11.51%
Health Care	-0.98%	19.70%	19.70%	19.70%	2.57%
Industrials	-1.46%	20.93%	20.93%	20.93%	-1.15%
Information Technology	-0.52%	61.72%	61.72%	61.72%	3.21%
Materials	-0.99%	48.57%	48.57%	48.57%	4.26%
Telecom Services	-0.50%	8.93%	8.93%	8.93%	1.86%
Utilities	-1.32%	11.91%	11.91%	11.91%	6.04%

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 12/31/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.26%	-1.41%	-1.41%	-1.41%	4.66%
GNMA 30 Year	-0.08%	5.37%	5.37%	5.37%	5.61%
U.S. Aggregate	-0.02%	5.93%	5.93%	5.93%	4.97%
U.S. Corporate High Yield	0.42%	58.21%	58.21%	58.21%	6.46%
U.S. Corporate Investment Grade	0.28%	18.68%	18.68%	18.68%	4.58%
Municipal Bond: Long Bond (22+)	-0.16%	23.43%	23.43%	23.43%	3.88%
Global Aggregate	-0.28%	6.93%	6.93%	6.93%	4.56%

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 12/31/09.

Key Rates

As of 12/31

Fed Funds	0.00-0.25%	5-yr CD	2.91%
LIBOR (1-month)	0.23%	2-yr T-Note	1.13%
CPI - Headline	1.80%	5-yr T-Note	2.67%
CPI - Core	1.70%	10-yr T-Note	3.83%
Money Market Accts.	0.92%	30-yr T-Bond	4.63%
Money Market Funds	0.03%	30-yr Mortgage	5.34%
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 12/31

TED Spread	17 bps
Investment Grade Spread (A2)	195 bps
ML High Yield Master II Index Spread	640 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 12/23/09

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	$801	Million	-$1.169	Billion
Foreign Equity	$2.297	Billion	$1.458	Billion
Taxable Bond	$7.116	Billion	$8.936	Billion
Municipal Bond	$1.033	Billion	$1.070	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$2.88	Billion	-$1.91	Billion
Institutional	$24.61	Billion	$4.49	Billion

Source: Investment Company Institute

Factoids for the week of December 28th – January 1st

Monday, December 28, 2009
In the debate over how much foreign equity exposure U.S. investors should have in their investment portfolios, one school of thought suggests that Americans' ownership of U.S. stocks should be no higher than the nation's share of global market capitalization, according to *BusinessWeek*. That share has slid from 70% in 1970 to 48% in 2009, according to MSCI Barra. An online investors' survey for *Bloomberg BusinessWeek* this month found that 40% of American investors plan to increase their exposure to foreign stocks over the next five years, up from 22% a year ago.

Tuesday, December 29, 2009
At the peak of the housing boom in 2006, banks provided $430 billion in home equity loans/lines of credit, according to the trade publication Inside Mortgage Finance. In 2007, the outstanding balance on home equity loans peaked at $1.13 trillion, according to data from First American CoreLogic. Over the first nine months of 2009, banks lent just $40 billion. Today, the outstanding balance for over 20 million home equity loans/lines of credit is $1.05 trillion, according to the Federal Reserve. Delinquencies hit record highs in Q2'09. Nearly 4% of home equity loans and 2% of credit lines were 30 days or more overdue, according to the American Bankers Association.

Wednesday, December 30, 2009
Bank of America Merrill Lynch analyst Jeffrey Rosenberg believes that high yield corporate bonds ("junk bonds") will outperform investment-grade securities in 2010, according to Bloomberg. With defaults slowing and the economy strengthening, he sees high yield debt returning around 10%, vs. 2-3% for investment-grade debt.

Thursday, December 31, 2009
As of yesterday's close, the Standard & Poor's/LSTA U.S. Leveraged Loan 100 Index had posted a total return of 52.03% for 2009, according to *Bloomberg BusinessWeek*. The index closed at 87.59 cents, up from a low of 59.20 cents on December 17, 2008. Demand for senior loans was boosted by the recovery and the extremely low payouts on savings vehicles. New issuance has totaled $157.4 billion, down 47% from last year's take and well below the $919 billion floated in 2007.

Friday, January 1, 2010
New Year's Day, Markets Closed.