Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,012)	-0.49%	-3.80%	28.06%	22.68%	1.25%
S&P 500 (1,066)	-0.68%	-4.25%	29.01%	26.47%	-0.33%
NASDAQ 100 (1,746)	0.31%	-6.10%	41.21%	54.63%	3.15%
S&P 500 Growth	-0.27%	-5.41%	26.00%	31.58%	0.54%
S&P 500 Value	-1.08%	-3.07%	32.45%	21.17%	-1.29%
S&P MidCap 400 Growth	-0.80%	-4.66%	38.80%	41.23%	2.77%
S&P MidCap 400 Value	-0.77%	-3.29%	38.74%	33.77%	2.22%
S&P SmallCap 600 Growth	-1.92%	-5.92%	32.49%	28.34%	0.34%
S&P SmallCap 600 Value	-1.68%	-4.30%	34.50%	22.86%	0.21%
MSCI EAFE	-3.87%	-8.10%	33.25%	31.78%	2.00%
MSCI World (ex US)	-3.52%	-8.23%	40.93%	41.45%	4.20%
MSCI World	-2.12%	-6.16%	31.39%	29.99%	0.90%
MSCI Emerging Markets	-3.80%	-9.17%	71.04%	78.51%	12.93%

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 02/05/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-0.67%	-3.53%	49.71%	41.33%	-2.02%
Consumer Staples	-0.87%	-1.94%	21.30%	14.89%	4.66%
Energy	-0.54%	-5.01%	7.46%	13.86%	7.45%
Financials	-1.63%	-3.00%	57.07%	17.24%	-11.99%
Health Care	-1.58%	-1.09%	15.72%	19.70%	2.59%
Industrials	-0.65%	-1.80%	35.75%	20.93%	-1.12%
Information Technology	0.77%	-7.73%	45.08%	61.72%	2.39%
Materials	0.85%	-7.83%	40.88%	48.57%	2.72%
Telecom Services	-1.04%	-9.16%	7.14%	8.93%	0.70%
Utilities	-2.07%	-6.89%	2.01%	11.91%	3.58%

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 02/05/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.40%	1.82%	2.00%	-1.41%	4.98%
GNMA 30 Year	0.40%	1.66%	7.17%	5.37%	5.78%
U.S. Aggregate	0.30%	1.83%	8.95%	5.93%	5.15%
U.S. Corporate High Yield	-0.65%	0.61%	49.02%	58.21%	6.45%
U.S. Corporate Investment Grade	-0.04%	1.59%	20.38%	18.68%	4.63%
Municipal Bond: Long Bond (22+)	0.74%	1.22%	16.47%	23.43%	3.57%
Global Aggregate	-0.25%	0.17%	10.72%	6.93%	4.82%

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 02/05/10.

Key Rates

As of 02/05

Fed Funds	0.00-0.25%	5-yr CD	2.95%
LIBOR (1-month)	0.23%	2-yr T-Note	0.76%
CPI - Headline	2.70%	5-yr T-Note	2.23%
CPI - Core	1.80%	10-yr T-Note	3.56%
Money Market Accts.	0.88%	30-yr T-Bond	4.51%
Money Market Funds	0.03%	30-yr Mortgage	5.04%
6-mo. CD	1.06%	Prime Rate	3.25%
1-yr CD	1.50%	Bond Buyer 40	5.31%

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

Market Indicators

As of 02/05

TED Spread	14 bps
Investment Grade Spread (A2)	199 bps
ML High Yield Master II Index Spread	680 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 01/27/10

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	-$370	Million	$1.267	Billion
Foreign Equity	$1.180	Billion	$2.679	Billion
Taxable Bond	$6.053	Billion	$6.733	Billion
Municipal Bond	$1.429	Billion	$1.230	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	$2.04	Billion	-$8.09	Billion
Institutional	-$15.59	Billion	-$13.84	Billion

Source: Investment Company Institute

Factoids for the week of February 1st – 5th

Monday, February 1, 2010
The S&P 500 closed Friday's trading session at 1073.87, 6.6% below its recent high of 1150.23 on January 19, 2010. The pullback has some wondering if a correction is underway. A correction is a decline of at least 10%. A bear market is a drop of 20% or more. The S&P 500 has rallied 70% over the 326 calendar days since its March 9 bear market low. Ned Davis Research reported that there have been 93 corrections since 1928, according to *USA TODAY*. They have occurred, on average, every 322 calendar days. In the previous bull market that ended October 9, 2007, the S&P 500 lasted 1,673 calendar days without a correction – the second longest streak in history. The longest was 2,553 calendar days (10/11/90-10/9/97).

Tuesday, February 2, 2010
In January, the dividend-payers (366) in the S&P 500 (equal weight) posted a total return of -2.48%, vs. -4.75% for the non-payers (134), according to Standard & Poor's. For the 12-month period ended January 2010, payers were up 35.82%, vs. a gain of 62.99% for the non-payers. The number of dividend increases in January totaled 15. That lagged the 17 increases registered in January 2009. One company decreased its dividend, down from 10 a year ago.

Wednesday, February 3, 2010
From 2008 through 2009, which covers the span of the recession, investors poured a net $401.7 billion into bond funds, compared to $242.7 billion in net outflows from equity funds, according to the Investment Company Institute. Citigroup research, citing data from the Census Bureau, notes that only 14% of people 65 or older are willing to take "substantial" or "above-average" risk to earn bigger investment gains, compared to 33% of people 40 to 64, according to *USA TODAY*. In the 2000s, bonds outpaced stocks by an average of 7.28 percentage points per year (6.33% avg. for Barclays Capital U.S. Aggregate Index vs. -0.95% avg. for the S&P 500). The only other times bonds outpaced stocks for an entire decade were the 1930s and 1970s. In both instances, stocks rebounded in the following decades, outperforming bonds by an average of 10 percentage points a year, according to *USA TODAY*.

Thursday, February 4, 2010
A report released yesterday by TransUnion noted that a growing number of consumers are opting to pay their credit-card bills before their mortgage payments, according to CNNMoney.com. In Q3'09, 6.6% of consumers were delinquent on their mortgages, but current on their credit cards. In Florida, 12.4% were behind on their mortgages, but current on their credit cards. That figure was 10.2% in California. Some consumers are simply giving up on the idea of keeping their home. Approximately 4.5 million homeowners in the U.S. are carrying houses worth less than 75% of their mortgage balance, according to *The New York Times*.

Friday, February 5, 2010
The Centers for Medicare and Medicaid Services (CMS) estimates that the health care sector's share of GDP made its biggest one-year gain ever in 2009, according to MarketWatch.com. It jumped from 16.2% in 2008 to 17.3%. CMS estimates that health care spending rose 5.7% to $2.5 trillion. Spending from public programs, such as Medicare and Medicaid, rose 8.7% to $1.2 trillion, while spending from insurers and private payers rose 3.0% to $1.3 trillion. It expects spending to rise to $4.5 trillion by 2019. Since the recession began in December 2007, the health care sector added 631,000 jobs, according to BNET.com. Nonfarm payrolls in the U.S. shrank by more than 7 million over that same span.