

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|------------------------------------|--------|--------|--------|--------|--------|
| Dow Jones Industrial Avg. (10,742) | 1.11% | 3.68% | 49.46% | 22.68% | 2.86% |
| S&P 500 (1,160) | 0.87% | 4.48% | 51.18% | 26.47% | 1.59% |
| NASDAQ 100 (1,932) | 0.42% | 4.04% | 61.54% | 54.63% | 5.97% |
| S&P 500 Growth | 0.48% | 2.91% | 47.20% | 31.58% | 2.40% |
| S&P 500 Value | 1.25% | 6.07% | 55.67% | 21.17% | 0.69% |
| S&P MidCap 400 Growth | -0.13% | 8.47% | 65.35% | 41.23% | 5.36% |
| S&P MidCap 400 Value | 0.50% | 8.30% | 68.43% | 33.77% | 4.48% |
| S&P SmallCap 600 Growth | -0.06% | 6.62% | 65.31% | 28.34% | 3.25% |
| S&P SmallCap 600 Value | 0.37% | 10.02% | 69.96% | 22.86% | 3.08% |
| MSCI EAFE | -0.11% | -0.14% | 51.71% | 31.78% | 3.04% |
| MSCI World (ex US) | 0.02% | 0.51% | 58.83% | 41.45% | 5.38% |
| MSCI World | 0.30% | 2.27% | 51.56% | 29.99% | 2.40% |
| MSCI Emerging Markets | 0.56% | 1.12% | 82.94% | 78.51% | 14.72% |

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 03/19/10.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|------------------------|--------|--------|--------|--------|--------|
| Consumer Discretionary | 0.60% | 8.72% | 73.47% | 41.33% | 0.74% |
| Consumer Staples | 1.63% | 5.16% | 38.12% | 14.89% | 6.62% |
| Energy | -1.12% | 0.43% | 24.83% | 13.86% | 6.16% |
| Financials | 1.09% | 9.27% | 84.85% | 17.24% | -9.10% |
| Health Care | 1.50% | 3.85% | 39.42% | 19.70% | 3.65% |
| Industrials | 2.17% | 11.54% | 75.31% | 20.93% | 1.21% |
| Information Technology | 0.25% | 0.71% | 61.08% | 61.72% | 5.00% |
| Materials | 0.21% | 1.13% | 57.49% | 48.57% | 3.61% |
| Telecom Services | 2.38% | -4.11% | 11.41% | 8.93% | 2.86% |
| Utilities | 1.29% | -2.65% | 22.85% | 11.91% | 4.33% |

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 03/19/10.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|---------------------------------|--------|-------|--------|--------|-------|
| U.S. Treasury: Intermediate | -0.03% | 1.37% | 0.26% | -1.41% | 5.12% |
| GNMA 30 Year | 0.02% | 2.15% | 5.58% | 5.37% | 6.05% |
| U.S. Aggregate | 0.18% | 2.14% | 8.33% | 5.93% | 5.51% |
| U.S. Corporate High Yield | 0.51% | 4.14% | 59.70% | 58.21% | 7.25% |
| U.S. Corporate Investment Grade | 0.51% | 2.59% | 24.18% | 18.68% | 5.26% |
| Municipal Bond: Long Bond (22+) | 0.23% | 2.18% | 18.13% | 23.43% | 3.95% |
| Global Aggregate | -0.32% | 0.23% | 8.64% | 6.93% | 4.84% |

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 03/19/10.

Key Rates

As of 03/19

| | | | |
|---------------------|------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 2.86% |
| LIBOR (1-month) | 0.24% | 2-yr T-Note | 0.98% |
| CPI - Headline | 2.10% | 5-yr T-Note | 2.45% |
| CPI - Core | 1.30% | 10-yr T-Note | 3.69% |
| Money Market Accts. | 0.82% | 30-yr T-Bond | 4.57% |
| Money Market Funds | 0.02% | 30-yr Mortgage | 5.02% |
| 6-mo. CD | 0.98% | Prime Rate | 3.25% |
| 1-yr CD | 1.36% | Bond Buyer 40 | 5.27% |

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

Market Indicators

As of 03/19

| | |
|--------------------------------------|---------|
| TED Spread | 12 bps |
| Investment Grade Spread (A2) | 177 bps |
| ML High Yield Master II Index Spread | 599 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 03/10/10

Estimated Flows to Long-Term Mutual Funds

| | Current Week | Previous |
|-----------------|-----------------|------------------|
| Domestic Equity | \$1.414 Billion | -\$1.540 Billion |
| Foreign Equity | \$2.114 Billion | \$3.311 Billion |
| Taxable Bond | \$7.627 Billion | \$8.732 Billion |
| Municipal Bond | \$1.224 Billion | \$1.344 Billion |

Change in Money Market Fund Assets

| | Current Week | Previous |
|---------------|------------------|------------------|
| Retail | -\$6.47 Billion | -\$9.87 Billion |
| Institutional | -\$67.24 Billion | -\$26.35 Billion |

Source: Investment Company Institute

Factoids for the week of March 15th – 19th

Monday, March 15, 2010

Developing nations have raised \$28.9 billion from global bond sales so far this year, their best showing since 2005, according to Bloomberg. Emerging market and high yield bond funds each took in more than \$1 billion in the week ended March 10, according to EPFR Global. That is the highest weekly take since the research firm began tracking flows a decade ago. Year-to-date, bond funds worldwide have taken in \$47.7 billion, vs. \$2.74 billion for equity funds, according to EPFR Global.

Tuesday, March 16, 2010

Moody's Economy.com estimates that lenders will make approximately \$36 billion in new home equity loans in the next 12 months, according to BusinessWeek. That will increase outstanding balances of such loans by 4.2% to \$903.5 billion, up from a two-year low of \$867.3 billion in Q1'10. Consumers spent \$677.3 billion from home equity loans on purchases of cars and other consumer products/luxuries during the 2000-2005 real estate boom, according to a 2007 paper by Alan Greenspan and Fed economist James Kennedy. Another \$376.2 billion went toward home renovations. Borrowers are less likely now to use their home equity for luxury purchases, according to Frank Nothaft, chief economist at Freddie Mac.

Wednesday, March 17, 2010

Platinum's ratio to gold climbed to the highest level since September 2008 at the beginning of this week. An ounce of platinum purchased 1.4642 ounces of gold during Monday's trading session, according to Bloomberg. The ratio averaged 1.24 in 2009, but stood at 2.38 in May 2008. The metal is primarily used in catalytic converters. The price of platinum is being pushed higher by the potential for higher auto sales due to the economic recovery as well as investor demand from new ETFs linked to platinum. New car registrations in the European Union rose 3% in February.

Thursday, March 18, 2010

Zogby International has been pursuing the public's sentiments about the ability to achieve the American Dream for more than a decade, according to Forbes. The most recent survey found that only 57% of those polled said it is still possible to achieve it. That represented a 10-point decline from the survey conducted right after the 2008 elections. It is also well below the 76% response rate in July 2001, less than two months before the September 11 attacks.

Friday, March 19, 2010

The companies in the S&P 500 (excluding financials, utilities and transportation companies – which maintain high cash positions to operate) are holding an estimated \$832.4 billion in cash and equivalents, according to a recent estimate by Standard & Poor's. Not only is that a record amount it is 36.5% higher than where it stood at the start of the recession in December 2007, according to BusinessWeek. These same companies held \$352.4 billion at the close of 2001, which marked the end of the previous recession, according to data from S&P.