

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,654)	1.90%	3.80%	18.28%	22.68%	2.88%
S&P 500 (1,122)	1.87%	1.76%	14.79%	26.47%	0.32%
NASDAQ 100 (1,903)	2.13%	2.73%	19.73%	54.63%	4.08%
S&P 500 Growth	2.12%	0.48%	15.11%	31.58%	1.23%
S&P 500 Value	1.63%	3.06%	14.36%	21.17%	-0.68%
S&P MidCap 400 Growth	1.89%	8.18%	24.28%	41.23%	3.98%
S&P MidCap 400 Value	1.26%	6.08%	21.31%	33.77%	2.47%
S&P SmallCap 600 Growth	-0.43%	5.37%	20.01%	28.34%	1.72%
S&P SmallCap 600 Value	-0.16%	4.91%	17.36%	22.86%	0.76%
MSCI EAFE	3.30%	-1.87%	7.63%	31.78%	2.61%
MSCI World (ex US)	2.81%	-0.30%	10.83%	41.45%	4.79%
MSCI World	2.49%	-0.10%	10.97%	29.99%	1.43%
MSCI Emerging Markets	2.03%	3.71%	20.65%	78.51%	12.95%

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 08/06/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	2.04%	8.30%	26.88%	41.33%	0.23%
Consumer Staples	0.64%	3.74%	15.77%	14.89%	6.07%
Energy	3.18%	-2.09%	8.83%	13.86%	4.40%
Financials	0.52%	3.29%	7.04%	17.24%	-10.62%
Health Care	4.10%	-3.77%	10.37%	19.70%	0.75%
Industrials	1.89%	11.47%	27.85%	20.93%	1.69%
Information Technology	1.62%	-2.59%	15.73%	61.72%	2.52%
Materials	1.74%	-0.42%	10.68%	48.57%	4.80%
Telecom Services	1.71%	1.94%	13.30%	8.93%	2.62%
Utilities	2.06%	1.93%	12.93%	11.91%	3.27%

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 08/06/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.35%	5.93%	7.35%	-1.41%	5.81%
GNMA 30 Year	0.14%	6.65%	9.21%	5.37%	6.66%
U.S. Aggregate	0.28%	6.76%	9.86%	5.93%	6.10%
U.S. Corporate High Yield	0.51%	8.78%	22.46%	58.21%	7.75%
U.S. Corporate Investment Grade	0.51%	8.42%	14.54%	18.68%	6.14%
Municipal Bond: Long Bond (22+)	0.42%	6.09%	15.15%	23.43%	4.05%
Global Aggregate	1.50%	4.62%	7.62%	6.93%	6.19%

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 08/06/10.

Key Rates

As of 08/06			
Fed Funds	0.00-0.25%	5-yr CD	2.70%
LIBOR (1-month)	0.30%	2-yr T-Note	0.49%
CPI - Headline	1.10%	5-yr T-Note	1.50%
CPI - Core	0.90%	10-yr T-Note	2.81%
Money Market Accts.	0.73%	30-yr T-Bond	3.99%
Money Market Funds	0.04%	30-yr Mortgage	4.56%
6-mo CD	0.88%	Prime Rate	3.25%
1-yr CD	1.33%	Bond Buyer 40	5.06%

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

Market Indicators

As of 08/06	
TED Spread	25 bps
Investment Grade Spread (A2)	193 bps
ML High Yield Master II Index Spread	658 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 07/28/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$4.099	Billion	-\$1.525	Billion
Foreign Equity	\$255	Million	\$204	Million
Taxable Bond	\$6.128	Billion	\$6.865	Billion
Municipal Bond	\$987	Million	\$992	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$0.83	Billion	-\$2.37	Billion
Institutional	\$20.04	Billion	\$5.94	Billion

Source: Investment Company Institute

Factoids for the week of August 2nd – 6th

Monday, August 2, 2010

Mounting foreclosures and a slightly improving job market is boosting demand for apartments, according to *Bloomberg BusinessWeek*. The number of occupied apartments grew by 215,000 in the 64 largest U.S. markets in the first half of 2010, according to MPF Research. That is nearly double the units added in all of 2009 and the most since MPF began tracking the data in 1992. While the FTSE NAREIT Equity REIT Index posted an impressive gain of 15.6% year-to-date through July (S&P 500 returned -0.1%), the apartment REITs in the index were up 28.8% – the best showing of all the equity REIT sectors.

Tuesday, August 3, 2010

In July, the dividend-payers (368) in the S&P 500 (equal weight) posted a total return of 7.65%, vs. 6.15% for the non-payers (132), according to Standard & Poor's. Year-to-date, the payers were up 4.53%, vs. a gain of 1.46% for the non-payers. For the 12-month period ended July, payers were up 23.39%, vs. a gain of 22.81% for the non-payers. The number of dividend increases year-to-date totaled 150, up from 93 increases a year ago. Two companies decreased their dividends, down from 61 a year ago. One company suspended its dividend, down from 10 a year ago.

Wednesday, August 4, 2010

Variable annuity sales in the U.S. rose 5.5% (y-o-y) to \$32.4 billion in Q1'10, according to Limra International. Sales were driven higher by the 100%-plus gain at Prudential Financial Inc. Insurers sold \$127 billion worth of variable annuities in 2009, down from \$155.6 billion in 2008. Fixed annuity sales plummeted 51.9% (y-o-y) to \$16.7 billion in Q1'10, according to the Insured Retirement Institute.

Thursday, August 5, 2010

The National Council of Real Estate Investment Fiduciaries (NCREIF) reported that for the first time in two years all commercial real estate sectors posted positive total returns in Q2'10, according to REIT.com. The NCREIF Property Index returned 3.31%, including an income return of 1.70% and a 1.61% capital return. The index returned 0.76% in Q1'10. Apartments were the top performing property sector in Q2, up 4.44%.

Friday, August 6, 2010

Moody's reported that the *global speculative-grade* default rate stood at 5.5% in July, down from 6.1% in June, according to iMarketNews.com. The *U.S. speculative-grade* default rate stood at 5.4%, down from 6.4% (revised up from 6.3%) in June. Moody's is now forecasting a default rate of 2.7% by December 2010 and 2.1% by July 2011. The default rate on *senior loans* stood at 4.91% in July, down from 5.73% in June, according to Standard & Poor's LCD. The default rate is expected to fall to around 4.1% by year-end.