Market Watch

Week of March 30th

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
DOW JONES 30 (7776)	6.87%	-10.56%	-34.74%	-31.92%	-2.94%
S&P 500 (815)	6.21%	-9.00%	-36.83%	-36.99%	-4.02%
NASDAQ 100 (1251)	5.42%	3.51%	-29.16%	-41.57%	-1.97%
S&P 500/Citigroup Growth	5.67%	-4.43%	-31.01%	-34.91%	-3.33%
S&P 500/Citigroup Value	6.85%	-13.82%	-42.67%	-39.19%	-4.86%
S&P MidCap 400/Citigroup Growth	7.38%	-3.19%	-33.58%	-37.58%	-1.63%
S&P MidCap 400/Citigroup Value	7.57%	-10.41%	-35.98%	-34.78%	-2.30%
S&P SmallCap600/Citigroup Growth	7.69%	-13.64%	-36.94%	-32.84%	-2.58%
S&P SmallCap600/Citigroup Value	7.16%	-17.55%	-38.04%	-29.50%	-3.52%
MSCI EAFE	3.03%	-11.73%	-45.25%	-43.07%	-0.78%
MSCI World (ex US)	3.09%	-10.90%	-45.07%	-43.26%	-0.34%
MSCI World	4.55%	-9.73%	-41.18%	-40.39%	-2.16%
MSCI Emerging Markets	6.95%	4.69%	-45.21%	-53.49%	7.39%

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 3/27/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	8.77%	-5.72%	-33.91%	-33.49%	-7.20%
Consumer Staples	4.66%	-8.33%	-20.51%	-15.44%	1.84%
Energy	4.10%	-8.11%	-35.51%	-34.89%	11.06%
Financials	12.22%	-26.35%	-62.16%	-55.23%	-18.20%
Health Care	3.17%	-7.84%	-20.46%	-22.80%	-1.88%
Industrials	10.51%	-17.77%	-48.32%	-39.92%	-4.84%
Information Technology	5.87%	5.29%	-29.24%	-43.14%	-4.12%
Materials	8.53%	1.56%	-43.18%	-45.64%	-0.19%
Telecom Services	3.75%	-4.35%	-21.90%	-30.47%	2.29%
Utilities	1.60%	-10.47%	-29.31%	-28.99%	5.15%

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 3/27/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	-0.34%	-0.70%	6.19%	11.35%	4.80%
GNMA 30 Year	0.14%	2.04%	7.86%	7.87%	5.51%
U.S. Aggregate	0.09%	-0.12%	3.37%	5.24%	4.09%
U.S. Corporate High Yield	3.03%	6.44%	-19.12%	-26.16%	0.02%
U.S. Corporate Investment Grade	-0.06%	-2.11%	-6.45%	-4.94%	1.05%
Municipal Bond: Long Bond (22+)	-0.04%	6.80%	-4.00%	-14.68%	1.62%
Global Aggregate	-1.53%	-3.20%	-4.54%	4.79%	4.09%

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 3/27/09.

Key Rates

As of 3/27

Fed Funds	0.25%	5-YR CD	2.61%
LIBOR (1-month)	0.52%	2-YR T-Note	0.90%
CPI - Headline	0.20%	5-YR T-Note	1.79%
CPI - Core	1.80%	10-YR T-Note	2.75%
Money Market Accts.	1.35%	30-YR T-Bond	3.61%
Money Market Funds	0.27%	30-YR Mortgage	4.93%
6-mo. CD	1.52%	Prime Rate	3.25%
1-YR CD	1.99%	Bond Buyer 40	5.59%

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

Market Indicators

As of 3/27

TED Spread	108 bps
Investment Grade Spread (A2)	573 bps
ML High Yield Master II Index Spread	1675 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 3/18/09

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	$131	Million	-$14.339	Billion
Foreign Equity	-$364	Million	-$7.724	Billion
Taxable Bond	$4.757	Billion	$277	Million
Municipal Bond	$887	Million	$624	Million

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$12.90	Billion	-$3.78	Billion
Institutional	$8.84	Billion	-$39.11	Billion

Source: Investment Company Institute

Factoids for the week of March 23rd – March 27th

Monday, March 23, 2009
The University of Maryland's Robert H. Smith School of Business just launched the Small Business Success Index to track the overall health of 1,000 small businesses in the U.S. The survey was conducted in January 2009 and it revealed that 69% of small businesses were profitable in 2008, while another 7% broke even. It found that 48% of small businesses expect the economy to soften further in 2009, yet 42% plan to maintain current spending levels. The two areas targeted for capital investment are Internet marketing (including online advertising and Web site development) and the professional development of employees.

Tuesday, March 24, 2009
The average college student's debt level jumped from $18,796 in 2006 to $20,098 in 2007, according to the Project on Student Debt. There is $544 billion in outstanding federal loans for fiscal year 2009, up from $502 billion in 2008, according to the Education Department. There was nearly $131 billion in outstanding private loans in 2008, according to FinAid.org.

Wednesday, March 25, 2009
The Federal Reserve's recent announcement outlining the Treasury bond and mortgage-backed securities purchase programs helped push mortgage rates down to levels not seen in six decades, according to the Mortgage Bankers Association (MBA). The average contract interest rate for 30-year fixed rate mortgages fell from 4.89% (1.23 points) to 4.63% (1.13 points) in one week. Last week's refinance share of mortgage activity (total applications) was 78.5%. MBA just increased its forecast for 2009 mortgage originations by over $800 billion to $2.78 trillion – fourth highest on record behind 2002, 2003 and 2005.

Thursday, March 26, 2009
The Q1'09 edition of the Investment Manager Outlook (released March 25th), a survey of investment managers conducted by Russell Investment Group, says that money managers are most bullish on Corporate Bonds (67%) and High Yield Bonds (61%). The universe includes all major asset classes both domestic and foreign. With respect to equities, managers are most bullish on U.S. Large-Cap Growth (57%), U.S. Mid-Cap Growth (54%) and U.S. Small-Cap Growth (50%). Managers are least bullish on Real Estate and U.S. Treasuries. The sectors managers are most bullish on are Technology (62%), Health Care (51%), Other Energy (51%) and Integrated Oils (42%).

Friday, March 27, 2009
S&P 500 stock buyback activity for Q4'08 totaled $48.12 billion, a decline of 66.0% from the $141.71 billion spent in Q4'07, according to Standard & Poor's. The highest on record was the $171.95 billion spent in Q3'07. For 2008, buybacks totaled $339.65 billion, down 42.3% from the record setting $589.11 spent in 2007. Since the buyback boom began in Q4'04, companies have spent approximately $1.78 trillion on buybacks, versus $2.03 trillion on capital expenditures and $970 billion on dividends.