

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (10,992)	-2.18%	-3.29%	8.33%	14.06%	2.02%
S&P 500 (1,154)	-1.65%	-6.94%	6.63%	15.06%	-0.23%
NASDAQ 100 (2,164)	-0.18%	-1.86%	15.70%	20.15%	7.26%
S&P 500 Growth	-1.39%	-3.63%	11.97%	15.09%	2.42%
S&P 500 Value	-1.94%	-10.37%	1.37%	15.13%	-2.96%
S&P MidCap 400 Growth	-0.97%	-5.55%	14.91%	30.65%	6.08%
S&P MidCap 400 Value	-1.32%	-11.22%	4.49%	22.80%	1.39%
S&P SmallCap 600 Growth	-1.27%	-7.07%	15.76%	28.43%	3.53%
S&P SmallCap 600 Value	-1.24%	-13.78%	5.44%	25.01%	-0.36%
MSCI EAFE	-5.45%	-13.21%	-3.52%	7.75%	-2.72%
MSCI World (ex US)	-4.62%	-12.47%	-1.71%	11.15%	-0.25%
MSCI World	-3.41%	-9.93%	1.95%	11.76%	-1.28%
MSCI Emerging Markets	-2.79%	-12.06%	0.71%	18.88%	7.62%

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 09/09/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	-1.87%	-4.65%	12.75%	27.85%	2.91%
Consumer Staples	-1.27%	3.78%	12.83%	14.12%	6.35%
Energy	-2.04%	-4.12%	21.11%	20.46%	5.03%
Financials	-2.53%	-22.80%	-14.56%	12.18%	-16.21%
Health Care	-1.42%	2.64%	10.58%	2.90%	1.57%
Industrials	-2.37%	-12.48%	1.90%	26.74%	-0.05%
Information Technology	-0.49%	-6.37%	10.22%	10.22%	4.16%
Materials	-2.39%	-11.94%	7.82%	22.34%	3.63%
Telecom Services	-1.59%	-3.86%	7.59%	18.97%	1.78%
Utilities	-1.56%	6.94%	8.51%	5.46%	3.09%

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 09/09/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.23%	6.17%	5.47%	5.29%	6.26%
GNMA 30 Year	0.23%	7.10%	7.53%	6.71%	7.20%
U.S. Aggregate	0.18%	6.88%	6.49%	6.54%	6.74%
U.S. Corporate High Yield	-0.34%	1.95%	7.29%	15.12%	7.99%
U.S. Corporate Investment Grade	0.00%	7.20%	7.27%	9.00%	7.17%
Municipal Bond: Long Bond (22+)	0.82%	11.25%	3.70%	1.12%	4.08%
Global Aggregate	-1.15%	6.70%	8.31%	5.55%	7.20%

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 09/09/11.

Key Rates

As of 09/09/11

Fed Funds	0.00-0.25%	5-yr CD	1.70%
LIBOR (1-month)	0.23%	2-yr T-Note	0.17%
CPI - Headline	3.60%	5-yr T-Note	0.80%
CPI - Core	1.80%	10-yr T-Note	1.92%
Money Market Accts.	0.55%	30-yr T-Bond	3.25%
Money Market Funds	0.02%	30-yr Mortgage	4.16%
6-mo CD	0.53%	Prime Rate	3.25%
1-yr CD	0.83%	Bond Buyer 40	5.01%

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

Market Indicators

As of 09/09/11

TED Spread	34 bps
Investment Grade Spread (A2)	243 bps
ML High Yield Master II Index Spread	752 bps

Sources: **Bloomberg and Merrill Lynch via Bloomberg**.

Weekly Fund Flows for the Week Ended 8/31/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$748 Million	-\$2.596 Billion
Foreign Equity	\$617 Million	-\$610 Million
Taxable Bond	-\$303 Million	\$287 Million
Municipal Bond	\$227 Million	\$8 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$1.23 Billion	\$0.03 Billion
Institutional	\$8.10 Billion	\$7.92 Billion

Source: **Investment Company Institute**

Factoids for the week of September 5th – 9th

Monday, September 5, 2011

Labor Day Holiday, Markets Closed

Tuesday, September 6, 2011

Short sales represented 12% of home sales in the U.S. in Q2'11, up from 10% in Q1'11, according to RealtyTrac. Short sales peaked at 16% in early 2009. California's rate (25%) was over twice the national rate. The sales in Q2 took an average of 245 days to close. The homes sold at a 21% discount, on average, to non-foreclosure homes.

Wednesday, September 7, 2011

A study by GTM Research found that the U.S. was a net exporter of solar energy products in 2010 thanks to strong demand from China, Japan and Germany, according to Reuters. U.S. exports totaled \$5.6 billion, versus imports totaling \$3.7 billion. The two biggest contributors to exports were polysilicon (key raw material) and capital equipment. The cost of solar panels is down about 30% (y-o-y), according to Monique Hanis, spokeswoman for the Solar Industries Association. The cost of buying and installing solar panels for an average home is currently between \$25,000 and \$35,000. The industry is striving to bring costs down to the point where solar is on par with traditional energy costs by 2016 – without the aid of government tax incentives.

Thursday, September 8, 2011

Limra data shows that U.S. insurer's sales of variable annuities rose 19.0% (y-o-y) to \$80.7 billion in the first half of 2011, according to Bloomberg. The top five companies accounted for 56% of total VA sales, up from 42% in 2008. The top 20 firms accounted for 92% of sales. The top two sellers were MetLife and Prudential Annuities at \$12.65 billion and \$11.35 billion, respectively. Fixed-annuity sales totaled \$41.7 billion. The top 20 firms accounted for 75% of sales. The top two sellers were AIG and New York Life at \$5.20 billion and \$3.77 billion, respectively.

Friday, September 9, 2011

Moody's reported that the *global speculative-grade* default rate stood at 1.8% in August, down from 1.9% in July, according to *The Wall Street Journal*. The rate was 5.1% a year ago. Moody's is still forecasting a default rate of 1.5% for December 2011. A total of 16 issuers have defaulted in 2011, well below the 38 defaults registered at this point last year. The *U.S. speculative-grade* default rate stood at 2.1% in August, down from 2.3% in July. The rate was 5.1% a year ago. The default rate on senior loans stood at 1.05% in August, down from 1.21% in July, according to Standard & Poor's LCD. At this pace, the default rate could fall to 0.7% by yearend. The historical average is 3.38%.