

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
DOW JONES 30 (7278)	0.75%	-16.31%	-39.22%	-31.92%	-4.17%
S&P 500 (769)	1.59%	-14.32%	-40.68%	-36.99%	-5.20%
NASDAQ 100 (1187)	1.60%	-1.82%	-31.81%	-41.57%	-2.77%
S&P 500/Citigroup Growth	1.44%	-9.56%	-34.23%	-34.91%	-4.30%
S&P 500/Citigroup Value	1.78%	-19.34%	-47.03%	-39.19%	-6.24%
S&P MidCap 400/Citigroup Growth	1.81%	-9.84%	-36.95%	-37.58%	-2.91%
S&P MidCap 400/Citigroup Value	1.58%	-16.71%	-40.09%	-34.78%	-3.84%
S&P SmallCap600/Citigroup Growth	1.16%	-19.81%	-40.29%	-32.84%	-3.88%
S&P SmallCap600/Citigroup Value	1.87%	-23.06%	-42.07%	-29.50%	-4.84%
MSCI EAFE	7.60%	-14.33%	-43.88%	-43.07%	-1.47%
MSCI World (ex US)	7.42%	-13.57%	-43.69%	-43.26%	-1.03%
MSCI World	4.46%	-13.66%	-42.10%	-40.39%	-3.08%
MSCI Emerging Markets	4.76%	-2.12%	-45.79%	-53.49%	5.51%

**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 3/20/09.

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
Consumer Discretionary	2.36%	-13.32%	-39.70%	-33.49%	-8.67%
Consumer Staples	0.87%	-12.41%	-23.46%	-15.44%	0.88%
Energy	2.73%	-11.73%	-36.02%	-34.89%	9.57%
Financials	0.35%	-34.37%	-67.96%	-55.23%	-20.23%
Health Care	-1.79%	-10.67%	-22.83%	-22.80%	-2.64%
Industrials	1.61%	-25.59%	-53.06%	-39.92%	-6.67%
Information Technology	2.27%	-0.55%	-33.59%	-43.14%	-4.79%
Materials	4.03%	-6.42%	-45.05%	-45.64%	-1.70%
Telecom Services	3.43%	-7.81%	-23.76%	-30.47%	1.12%
Utilities	8.20%	-11.88%	-29.88%	-28.99%	4.64%

**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 3/20/09.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
U.S. Treasury: Intermediate	1.01%	-0.35%	5.75%	11.35%	4.86%
GNMA 30 Year	0.55%	1.91%	6.94%	7.87%	5.46%
U.S. Aggregate	0.84%	-0.21%	2.56%	5.24%	4.03%
U.S. Corporate High Yield	2.03%	3.31%	-20.54%	-26.16%	-0.58%
U.S. Corporate Investment Grade	1.16%	-2.06%	-7.19%	-4.94%	1.02%
Municipal Bond: Long Bond (22+)	0.29%	6.85%	-4.90%	-14.68%	1.47%
Global Aggregate	3.33%	-1.69%	-2.74%	4.79%	4.30%

**Source: Barclays Capital.** Returns include reinvested interest. *The 5-yr. return is an average annual.*  
One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 3/20/09.

## KEY RATES

As of 3/20

Fed Funds	0.25%	5-YR CD	2.64%
LIBOR (1-month)	0.56%	2-YR T-Note	0.86%
CPI - Headline	0.20%	5-YR T-Note	1.64%
CPI - Core	1.80%	10-YR T-Note	2.63%
Money Market Accts.	1.38%	30-YR T-Bond	3.66%
Money Market Funds	0.30%	30-YR Mortgage	5.08%
6-mo. CD	1.57%	Prime Rate	3.25%
1-YR CD	2.06%	Bond Buyer 40	5.56%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

## MARKET INDICATORS

As of 3/20

TED Spread:	100 bps
Investment Grade Spread (A2):	570 bps
ML High Yield Master II Index Spread:	1772 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

## WEEKLY FUND FLOWS

### Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$14.339 Billion	-\$13.343 Billion
Foreign Equity	-\$7.724 Billion	-\$6.412 Billion
Taxable Bond	\$277 Million	\$767 Million
Municipal Bond	\$624 Million	\$796 Million

### Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$3.78 Billion	\$10.67 Billion
Institutional	-\$39.11 Billion	-\$10.21 Billion

Source: Investment Company Institute

## FACTOIDS FOR THE WEEK OF MARCH 16<sup>TH</sup> - MARCH 20<sup>TH</sup>

### Monday, March 16, 2009

Equity REITs declined 54.9% in the 12-month period ended March 13, 2009, as measured by the FTSE NAREIT Equity REITs Index. The index lagged the S&P 500 (-41.0%) but outperformed the S&P Financials Index (-65.7%) and the S&P Banks Index (-68.2%). While the index's dividend yield is an enticing 12.36% (yield was below 4.00% in 2006) it may still be too early to buy in. Vacancy rates are influenced by unemployment rates. Over the last 25 years, the national retail vacancy rate has tracked 250 basis points, on average, above the U.S. unemployment rate, according to *U.S. News & World Report*. During the S&L crisis in 1991, the spread between the retail vacancy rate and unemployment grew to over 400 basis points. The U.S. unemployment rate reached 8.1% in February 2009. The average total vacancy rate for retail property was 6.7% at the close of 2008, but the rate was much higher for shopping center vacancies (9.7%), according to CoStar's Year-End National Retail Market Report.

### Tuesday, March 17, 2009

Poor performance and investor redemptions may force half of all hedge fund managers and buyout firms to close their doors or merge at some point in the next two years, according to Mohamed El-Erian, the chief executive officer of Pacific Investment Management Co. A reported 920 hedge funds, or 12% of the industry, closed in 2008, according to Hedge Fund Research Inc. The number of private equity deals announced in 2008 declined by more than 60% to \$211 billion, according to Bloomberg.

### Wednesday, March 18, 2009

Close to 10% (47) of the companies in the S&P 500 traded for less than \$5.00 per share at some point last week (three were below \$1.00), according to *BusinessWeek*. Some of these companies could initiate reverse stock splits (reduces the number of outstanding shares) to artificially boost their share price. A 2008 study of 1,600 companies that had executed reverse splits revealed that a typical company's stock price underperformed the broader market by 50% (risk-adjusted basis) during the three-year period after the action.

### Thursday, March 19, 2009

Foreign dividend-paying stocks have been beaten down just as far as U.S. dividend-payers over the past year, according to *BusinessWeek*. The universe of international funds and ETFs with "dividend" in their names fell an average of 54% for the 12-month period ended March 6, 2009, according to Morningstar. For the 12-month period ended February 27, the dividend-payers in the S&P 500 (equal weight) were down 52.7%, according to Standard & Poor's. Historically, dividends have accounted for 30% of the total return from global equities, according to Citi Investment Research. In the U.S., dividends account for 45%, according to Ibbotson Associates.

### Friday, March 20, 2009

The biotechnology industry as a whole posted its first profitable year ever in 2008 by generating \$9.4 billion in total profits, according to venture capital group Burrill & Co. Only 67 of the 370 publicly traded companies turned a profit. The industry continues to be dominated by the most established firms. In fact, Amgen, Genentech and Gilead Sciences were responsible for \$8 billion of the \$9.4 billion total. U.S. drugmakers spent \$65.2 billion on R&D in 2008, up from \$36 billion in 2002.