

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|------------------------------------|--------|--------|--------|--------|--------|
| Dow Jones Industrial Avg. (10,830) | -0.26% | 5.98% | 17.01% | 22.68% | 3.20% |
| S&P 500 (1,146) | -0.18% | 4.35% | 13.58% | 26.47% | 0.73% |
| NASDAQ 100 (1,997) | -1.35% | 7.89% | 20.64% | 54.63% | 5.10% |
| S&P 500 Growth | -0.27% | 3.95% | 14.82% | 31.58% | 1.93% |
| S&P 500 Value | -0.09% | 4.76% | 12.25% | 21.17% | -0.56% |
| S&P MidCap 400 Growth | 0.70% | 14.15% | 24.24% | 41.23% | 4.91% |
| S&P MidCap 400 Value | 1.32% | 9.61% | 19.58% | 33.77% | 2.78% |
| S&P SmallCap 600 Growth | 0.77% | 10.34% | 20.20% | 28.34% | 2.23% |
| S&P SmallCap 600 Value | 1.02% | 8.08% | 16.80% | 22.86% | 1.29% |
| MSCI EAFE | 0.37% | 1.51% | 5.63% | 31.78% | 2.06% |
| MSCI World (ex US) | 1.11% | 4.25% | 9.86% | 41.45% | 4.36% |
| MSCI World | 0.20% | 3.02% | 9.64% | 29.99% | 1.38% |
| MSCI Emerging Markets | 3.14% | 11.84% | 21.75% | 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 10/01/10.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|------------------------|--------|--------|--------|--------|---------|
| Consumer Discretionary | -0.70% | 13.48% | 26.73% | 41.33% | 2.13% |
| Consumer Staples | -0.25% | 7.84% | 14.32% | 14.89% | 6.63% |
| Energy | 2.48% | 0.46% | 9.13% | 13.86% | 2.88% |
| Financials | -0.74% | 1.57% | 2.70% | 17.24% | -10.94% |
| Health Care | -0.49% | -0.66% | 10.19% | 19.70% | 1.44% |
| Industrials | -0.52% | 13.50% | 22.78% | 20.93% | 1.91% |
| Information Technology | -0.73% | -0.16% | 13.79% | 61.72% | 3.19% |
| Materials | -0.56% | 3.90% | 16.01% | 48.57% | 6.37% |
| Telecom Services | 0.98% | 11.78% | 22.01% | 8.93% | 5.34% |
| Utilities | 0.36% | 5.00% | 14.67% | 11.91% | 2.64% |

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 10/01/10.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2009 | 5-yr |
|---------------------------------|-------|--------|--------|--------|-------|
| U.S. Treasury: Intermediate | 0.37% | 7.19% | 6.07% | -1.41% | 5.93% |
| GNMA 30 Year | 0.26% | 6.49% | 6.58% | 5.37% | 6.48% |
| U.S. Aggregate | 0.41% | 7.95% | 7.76% | 5.93% | 6.20% |
| U.S. Corporate High Yield | 0.79% | 11.79% | 18.91% | 58.21% | 8.41% |
| U.S. Corporate Investment Grade | 0.72% | 10.72% | 11.73% | 18.68% | 6.46% |
| Municipal Bond: Long Bond (22+) | 0.02% | 9.09% | 6.01% | 23.43% | 4.48% |
| Global Aggregate | 1.16% | 7.26% | 6.29% | 6.93% | 6.74% |

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 10/01/10.

Key Rates

As of 10/01

| | | | |
|---------------------|------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 2.40% |
| LIBOR (1-month) | 0.26% | 2-yr T-Note | 0.41% |
| CPI - Headline | 1.10% | 5-yr T-Note | 1.25% |
| CPI - Core | 0.90% | 10-yr T-Note | 2.51% |
| Money Market Accts. | 0.70% | 30-yr T-Bond | 3.71% |
| Money Market Funds | 0.04% | 30-yr Mortgage | 4.47% |
| 6-mo CD | 0.78% | Prime Rate | 3.25% |
| 1-yr CD | 1.17% | Bond Buyer 40 | 4.87% |

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

Market Indicators

As of 10/01

| | |
|--------------------------------------|---------|
| TED Spread | 13 bps |
| Investment Grade Spread (A2) | 195 bps |
| ML High Yield Master II Index Spread | 625 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 09/22/10

Estimated Flows to Long-Term Mutual Funds

| | Current Week | Previous |
|-----------------|------------------|------------------|
| Domestic Equity | -\$2.524 Billion | -\$3.600 Billion |
| Foreign Equity | \$616 Million | \$582 Million |
| Taxable Bond | \$6.295 Billion | \$7.375 Billion |
| Municipal Bond | \$619 Million | \$375 Million |

Change in Money Market Fund Assets

| | Current Week | Previous |
|---------------|-----------------|-----------------|
| Retail | -\$5.03 Billion | -\$6.36 Billion |
| Institutional | \$6.86 Billion | -\$4.26 Billion |

Source: Investment Company Institute

Factoids for the week of September 27th – October 1st

Monday, September 27, 2010

SNL Financial data shows that U.S. REITs have raised \$11.8 billion in secondary stock offerings so far in 2010, according to Bloomberg. They raised \$21.2 billion in secondary sales in 2009, the most since 1992, according to the National Association of Real Estate Investment Trusts. The bulk of the capital raised this year is expected to be earmarked for acquisitions, while last year's take was used to reduce debt and cover dividends. REIT property purchases could reach \$16 billion in 2010, up from \$4 billion in 2009, according to Jordan Sadler, senior REIT analyst at KeyBanc Capital Markets Inc. Sales of commercial real estate in the U.S. totaled \$36.2 billion in the first half of 2010, up 67% from the same period in 2009, according to Real Capital Analytics Inc.

Tuesday, September 28, 2010

While today's Consumer Confidence Index release stated that the number of consumers calling business conditions "bad" outweighed the "good" by nearly 6 to 1 there is some evidence that shows wealthier Americans are boosting their spending, according to a new report (Business Insights Spend Trends) from American Express. In Q2'10, affluent consumers increased their purchases of apparel, jewelry and home furnishings by 9% (y-o-y). They spent 12% more on fine dining and 24% more at quick-service restaurants. Business-class air travel surged 114%.

Wednesday, September 29, 2010

M&A activity in Q3'10 was the most robust in two years, according to Bloomberg. Announced transactions totaled \$562.6 billion worldwide, up 59% from Q3'09. The number of transactions that exceeded \$3 billion doubled from a year ago. Transactions totaled \$1.48 trillion in the first nine months of 2010. The total for all of 2009 was \$1.76 trillion. Activity is expected to remain robust. The 1,000 largest non-financial companies (worldwide) by market value are sitting on \$2.87 trillion in cash and equivalents. Peter Weinberg, partner and co-founder of Perella Weinberg Partners, believes activity will be brisk in financial-services, technology and natural resources.

Thursday, September 30, 2010

While the price of an ounce of gold bullion is up an impressive 19.4% this year through yesterday's close, a total of 29 stocks in the Nasdaq 100 Index have posted higher returns, according to Bespoke Investment Group. Bespoke just announced that Q3'10 earnings growth for the S&P 500 is expected to be up 23.6% over Q3'09. The following lists the earnings growth expectations for the 10 major sectors in the index: Financials (+48.0%); Industrials (+38.4%); Technology (+37.8%); Energy (+36.2%); Materials (+34.1%); Consumer Discretionary (+22.5%); Utilities (+4.7%); Health Care (+3.8%); Consumer Staples (+3.3%); and Telecommunication Services (-6.9%).

Friday, October 1, 2010

Equity sales in the U.S. are running at a five-year low, according to Bloomberg. Wall Street underwriters earned \$3.73 billion from IPOs and other equity offerings in the first three quarters of 2010, down 17% from a year ago. Equity offerings totaled \$88.6 billion, compared to \$861 billion in bond sales. Companies registered more than \$125 billion in bond sales in September, the biggest monthly take this year. Investors are buying up corporate debt despite the fact that the Barclays Capital U.S. Corporate Bond Index closed September yielding below 5.3%, the lowest since 1993.