

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,625)	0.68%	2.54%	52.58%	22.68%	2.36%
S&P 500 (1,150)	1.06%	3.58%	56.54%	26.47%	1.24%
NASDAQ 100 (1,924)	1.92%	3.61%	66.32%	54.63%	5.59%
S&P 500 Growth	1.08%	2.42%	51.80%	31.58%	2.11%
S&P 500 Value	1.05%	4.76%	62.10%	21.17%	0.29%
S&P MidCap 400 Growth	1.87%	8.62%	74.08%	41.23%	5.21%
S&P MidCap 400 Value	1.71%	7.76%	76.50%	33.77%	4.23%
S&P SmallCap 600 Growth	1.76%	6.68%	74.64%	28.34%	3.17%
S&P SmallCap 600 Value	1.75%	9.61%	79.82%	22.86%	2.94%
MSCI EAFE	1.94%	-0.03%	69.27%	31.78%	2.80%
MSCI World (ex US)	1.88%	0.50%	75.78%	41.45%	5.07%
MSCI World	1.49%	1.96%	62.83%	29.99%	2.13%
MSCI Emerging Markets	1.85%	0.56%	96.62%	78.51%	13.78%

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 03/12/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	1.48%	8.07%	81.83%	41.33%	0.51%
Consumer Staples	-0.44%	3.48%	39.31%	14.89%	6.19%
Energy	0.50%	1.57%	33.64%	13.86%	6.95%
Financials	2.11%	8.10%	94.37%	17.24%	-9.59%
Health Care	-0.33%	2.32%	39.12%	19.70%	3.07%
Industrials	1.72%	9.17%	79.33%	20.93%	0.65%
Information Technology	1.96%	0.46%	66.87%	61.72%	4.49%
Materials	0.38%	0.92%	68.07%	48.57%	3.32%
Telecom Services	2.50%	-6.35%	15.02%	8.93%	1.91%
Utilities	-0.52%	-3.88%	33.90%	11.91%	4.22%

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 03/12/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.17%	1.39%	1.45%	-1.41%	5.16%
GNMA 30 Year	0.28%	2.13%	6.22%	5.37%	6.08%
U.S. Aggregate	0.13%	1.96%	9.14%	5.93%	5.49%
U.S. Corporate High Yield	0.97%	3.62%	63.02%	58.21%	6.98%
U.S. Corporate Investment Grade	0.26%	2.07%	24.99%	18.68%	5.12%
Municipal Bond: Long Bond (22+)	0.21%	1.95%	18.07%	23.43%	3.96%
Global Aggregate	0.43%	0.56%	13.35%	6.93%	4.80%

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 03/12/10.

Key Rates

As of 03/12

Fed Funds	0.00-0.25%	5-yr CD	2.88%
LIBOR (1-month)	0.23%	2-yr T-Note	0.95%
CPI - Headline	2.60%	5-yr T-Note	2.40%
CPI - Core	1.60%	10-yr T-Note	3.69%
Money Market Accts.	0.81%	30-yr T-Bond	4.62%
Money Market Funds	0.02%	30-yr Mortgage	5.07%
6-mo. CD	0.99%	Prime Rate	3.25%
1-yr CD	1.44%	Bond Buyer 40	5.27%

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

Market Indicators

As of 03/12

TED Spread	10 bps
Investment Grade Spread (A2)	183 bps
ML High Yield Master II Index Spread	612 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 03/03/10

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$1.540 Billion	\$151 Million
Foreign Equity	\$3.311 Billion	\$1.817 Billion
Taxable Bond	\$8.732 Billion	\$6.815 Billion
Municipal Bond	\$1.344 Billion	\$1.073 Billion

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$9.87 Billion	-\$6.04 Billion
Institutional	-\$26.35 Billion	-\$33.66 Billion

Source: Investment Company Institute

Factoids for the week of March 8th – 12th

Monday, March 8, 2010

Ernst & Young's *Global technology M&A update* found that the number of deals done in the technology sector totaled 553 in Q4'09, up 32% from the 418 deals done in Q4'08. Total deal value nearly quadrupled from \$9.2 billion in Q4'08 to \$35.4 billion in Q4'09. One of the top themes driving deals was the expansion/upgrading of mobile infrastructure capabilities. U.S. companies completed the most deals (222) in Q4'09.

Tuesday, March 9, 2010

According to *Kiplinger*, the average tax refund in 2009 was \$2,800. History suggests that 2010 refunds should be slightly higher. This means, on average, taxpayers who are receiving refunds are letting the IRS take at least \$233 more out of their paychecks than what the government is due. *Kiplinger* says a way to fix this problem would be to file a revised W-4 with your employer. Claiming more "allowances" on your W-4 leads to less tax being withheld from your paycheck.

Wednesday, March 10, 2010

The *global speculative-grade* default rate stood at 11.6% in February, down from 12.5% in January, according to Moody's. Moody's is now forecasting a default rate of 2.9% by December 2010. The *U.S. speculative-grade* default rate stood at 12.7% in February, down from 13.6% in January. Moody's is now forecasting a default rate of 3.3% by December 2010. The default rate on *senior loans* stood at 7.82% in February, down from 8.18% in January, according to Standard & Poor's LCD. The historical average is 3.7%. The default rate is expected to fall to 5.25% by yearend.

Thursday, March 11, 2010

The Employee Benefit Research Institute (EBRI) just released the results of its annual "Retirement Confidence Survey" and one of the more startling findings was that 27% of working Americans say they have less than \$1,000 in retirement savings, up from 20% a year ago, according to *FOXBusiness.com*. For the second consecutive year, nearly 50% of those polled said they are pessimistic about having enough money to "live comfortably" throughout their retirement years, up 33% from 2002's survey results. At that time the previous recession had just ended and the bear market was still more than six months away from bottoming.

Friday, March 12, 2010

At the present time, foreign investors account for just 10% of U.S. commercial real estate purchases, according to Dan Fasulo, managing director of Real Capital Analytics. The primary reason for the low level of activity is the U.S. requires (Foreign Investment Real Estate Property Tax of 1980) foreign investors to pay as much as a 55% tax on capital gains from the sale of U.S. real estate, REITs and real estate operating companies, according to *CNNMoney.com*. Such a tax does not exist in the UK. Over half of the capital flowing into its commercial real estate comes from foreigners. Joseph Crowley, a congressman from New York, introduced a bill (Real Estate Revitalization Act of 2010) in January that, if passed, would eliminate some of the current tax burden.