

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,860)	2.38%	6.26%	14.96%	22.68%	3.55%
S&P 500 (1,149)	2.07%	4.54%	11.55%	26.47%	0.99%
NASDAQ 100 (2,024)	3.48%	9.37%	19.18%	54.63%	5.78%
S&P 500 Growth	2.44%	4.23%	12.99%	31.58%	2.19%
S&P 500 Value	1.69%	4.86%	10.02%	21.17%	-0.29%
S&P MidCap 400 Growth	2.29%	13.35%	21.45%	41.23%	5.26%
S&P MidCap 400 Value	1.69%	8.18%	15.64%	33.77%	2.93%
S&P SmallCap 600 Growth	3.16%	9.49%	16.80%	28.34%	2.52%
S&P SmallCap 600 Value	2.63%	6.99%	12.12%	22.86%	1.49%
MSCI EAFE	2.79%	1.13%	3.40%	31.78%	2.44%
MSCI World (ex US)	2.38%	3.11%	7.30%	41.45%	4.63%
MSCI World	2.35%	2.82%	7.48%	29.99%	1.69%
MSCI Emerging Markets	1.69%	8.44%	18.49%	78.51%	12.97%

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 09/24/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	2.92%	14.28%	26.14%	41.33%	2.41%
Consumer Staples	1.66%	8.11%	14.51%	14.89%	7.23%
Energy	2.54%	-1.97%	4.06%	13.86%	2.69%
Financials	0.10%	2.33%	0.19%	17.24%	-10.68%
Health Care	2.41%	-0.17%	9.78%	19.70%	1.49%
Industrials	2.47%	14.09%	19.63%	20.93%	2.26%
Information Technology	2.84%	0.57%	11.91%	61.72%	3.68%
Materials	1.97%	4.48%	12.76%	48.57%	6.80%
Telecom Services	2.13%	10.69%	19.26%	8.93%	5.26%
Utilities	2.02%	4.62%	12.15%	11.91%	3.13%

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 09/24/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.42%	6.80%	6.38%	-1.41%	5.78%
GNMA 30 Year	0.04%	6.21%	6.73%	5.37%	6.39%
U.S. Aggregate	0.37%	7.51%	7.93%	5.93%	6.04%
U.S. Corporate High Yield	0.22%	10.91%	17.69%	58.21%	8.23%
U.S. Corporate Investment Grade	0.69%	9.93%	11.68%	18.68%	6.22%
Municipal Bond: Long Bond (22+)	0.61%	9.07%	7.58%	23.43%	4.42%
Global Aggregate	1.81%	6.03%	5.52%	6.93%	6.34%

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 09/24/10.

Key Rates

As of 09/24			
Fed Funds	0.00-0.25%	5-yr CD	2.46%
LIBOR (1-month)	0.26%	2-yr T-Note	0.44%
CPI - Headline	1.10%	5-yr T-Note	1.34%
CPI - Core	0.90%	10-yr T-Note	2.60%
Money Market Accts.	0.69%	30-yr T-Bond	3.79%
Money Market Funds	0.04%	30-yr Mortgage	4.49%
6-mo CD	0.80%	Prime Rate	3.25%
1-yr CD	1.22%	Bond Buyer 40	4.87%

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

Market Indicators

As of 09/24	
TED Spread	14 bps
Investment Grade Spread (A2)	194 bps
ML High Yield Master II Index Spread	634 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 09/15/10

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$3.600 Billion	-\$2.235	Billion
Foreign Equity	\$582 Million	\$1.174	Billion
Taxable Bond	\$7.375 Billion	\$4.978	Billion
Municipal Bond	\$375 Million	\$756	Million

Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	-\$6.36 Billion	-\$4.58	Billion
Institutional	-\$4.26 Billion	-\$19.96	Billion

Source: Investment Company Institute

Factoids for the week of September 20th – 24th

Monday, September 20, 2010

Morningstar data shows that investors redeemed \$50.4 billion from actively managed equity funds in the first eight months of 2010, up considerably from the \$19.8 billion in liquidations at this point last year, according to SmartMoney.com. On the flipside, investors funneled \$27.2 billion into passive equity funds (index-based) in the first eight months of 2010, slightly below the \$30.4 billion invested at this point a year ago.

Tuesday, September 21, 2010

Binky Chadha, chief U.S. equities strategist at Deutsche Bank, researched how stocks perform after midterm elections and found that the S&P 500 posted gains in 18 out of the last 19, according to James Pethokoukis at Reuters. The S&P 500 returned 13%, on average, in the six months following those midterm elections and 17% over the following 12 months. The best combination has been a Democrat in the White House with a Republican-controlled Congress.

Wednesday, September 22, 2010

The Q3'10 edition of the *Investment Manager Outlook* (released September 22), a survey of investment managers conducted by Russell Investment Group, found that 57% of those money managers polled believe U.S. equities are undervalued, up from 47% last quarter. Managers noted that valuations have not been this attractive since December 2008. They are most bullish on the following asset classes: Emerging Market Equities (71%), U.S. Large-Cap Growth (66%); U.S. Mid-Cap Growth (57%); and U.S. Large-Cap Value (56%). The asset classes managers are least bullish on are Treasuries (9%) and Cash (10%). The sectors managers are most bullish on are Technology (69%), Energy (51%) and Materials and Processing (48%).

Thursday, September 23, 2010

S&P 500 stock buybacks totaled \$77.64 billion in Q2'10, up 220.8% from the record-low \$24.20 billion executed in Q2'09, but 54.9% lower than the \$172.0 billion (peak) repurchased in Q3'07, according to Standard & Poor's. Buybacks totaled \$55.26 billion in Q1'10. Information Technology accounted for 27.3% of all buybacks in Q2, followed by Health Care at 19.0% and Consumer Staples at 18.7%. Howard Silverblatt, Senior Index Analyst at S&P Indices, expects buybacks to total \$300 billion in 2010, up from \$137.6 billion in 2009.

Friday, September 24, 2010

Dealogic reported that the volume of high yield bonds sold worldwide so far this year totaled a record \$231.9 billion, up 55% from this point last year, according to SmartMoney.com. The volume of investment grade bonds was down 40%.