



March 2010 Capital Markets Review

M Wealth provides Member Firms with exceptional fee-based wealth management solutions for their clients.

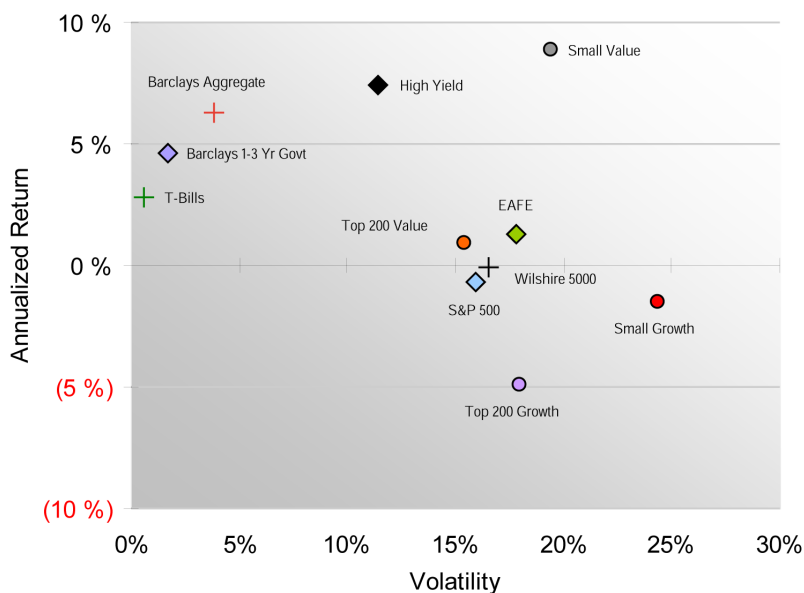
To help Member Firms grow their wealth management businesses, M Wealth offers everything from component solutions and value-added wealth services to turnkey asset management and investment consulting.

INDEX	PERIOD ENDING MARCH 31, 2010					
	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
BROAD MARKET EQUITY						
S&P 500 Index	5.39%	5.39%	49.77%	(4.17%)	1.92%	(0.65%)
Russell 1000 Index	5.70%	5.70%	51.60%	(3.98%)	2.31%	(0.36%)
Russell 2000 Index	8.85%	8.85%	62.77%	(3.99%)	3.36%	3.68%
Russell 2000 Growth Index	7.61%	7.61%	60.32%	(2.42%)	3.82%	(1.53%)
Russell 2000 Value Index	10.02%	10.02%	65.07%	(5.71%)	2.75%	8.90%
NON-US DEVELOPED MARKETS EQUITY						
MSCI World Ex U.S.	1.35%	1.35%	55.96%	(6.15%)	4.33%	1.70%
EMERGING MARKETS EQUITY						
MSCI Emerging Markets Index	2.11%	2.11%	77.26%	2.84%	12.99%	7.30%
FIXED INCOME						
90 Day U.S. Treasury Bills	0.03%	0.03%	0.13%	1.69%	2.82%	2.74%
REAL ASSETS / COMMODITIES						
Dow Jones U.S. Select REIT	9.81%	9.81%	113.47%	(11.99%)	3.38%	11.38%

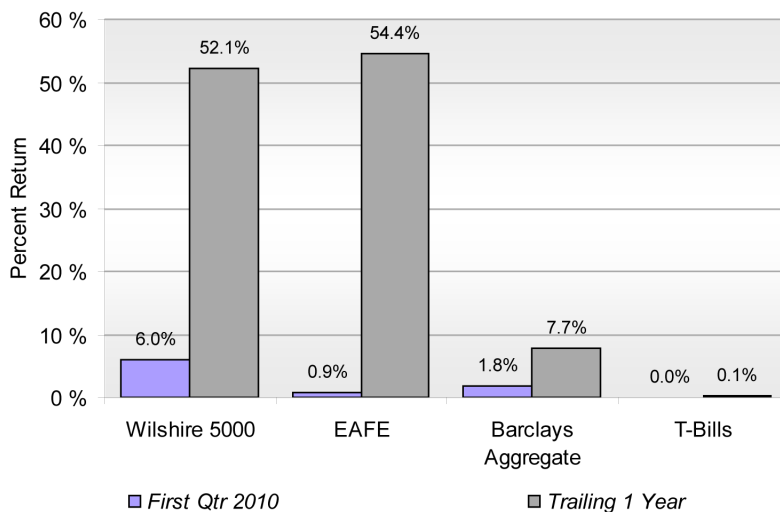
Commentary

- ❖ The U.S. stock market posted its fourth consecutive positive quarterly return as the U.S. economy continued to show evidence of a recovery. The quarter brought continued volatility and diverse results across the various investment sectors and styles. The quarter started off on a down note due to investors' concerns over the speed of the economic recovery, continued high unemployment, and the global impact of questions involving Greece's ability to service its debt. U.S. stocks, however, recovered strongly in both February and March as investors were encouraged by continued signs of a sustainable recovery, above expectations corporate earnings, improvement in the housing market, and signs that employment may be improving. Small-and mid-cap stocks were the strongest performers within the U.S. market in the quarter as risk appetites continued to improve.
- ❖ In aggregate, international stock markets trailed their U.S. counterparts in the quarter due to the weak results of the European markets, which was primarily due to the strength of the U.S. dollar relative to the value of the Euro. Early in the quarter, investors' concerns regarding the impact of the financial health of Greece and Portugal negatively impacted the returns, but the news that the European Union would aid Greece alleviated investors' concerns leading to a strong rebound in March. The emerging markets earned a positive return for the quarter although tempered relative to the stellar results of the previous three quarters.

- ❖ Value stocks outperformed growth stocks, while small-and mid-cap stock returns exceeded large-cap stocks in the quarter.
- ❖ The U.S. fixed income markets posted positive results across all segments with investment-grade corporate and high-yield credits earning the strongest returns. In the quarter, the yield curve declined modestly across all but the longest maturities as the Federal Reserve reinforced its commitment to maintain its low interest rate posture signaling they understand the importance this policy has on continuing the economic recovery.
- ❖ Corporate issues outperformed Treasuries in the quarter due to the higher yield on corporate securities. Lower-quality investment-grade securities outperformed higher quality issues due to their higher yield component. Investment grade commercial mortgage-backed securities were among the top performing segments of the broad mortgage market, returning +9.1% in the quarter.



Major Capital Market Returns



For More Information

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