M Financial Wealth Management™

M WEALTH PERSPECTIVE

July 2010

June 2010 Capital Markets Review

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

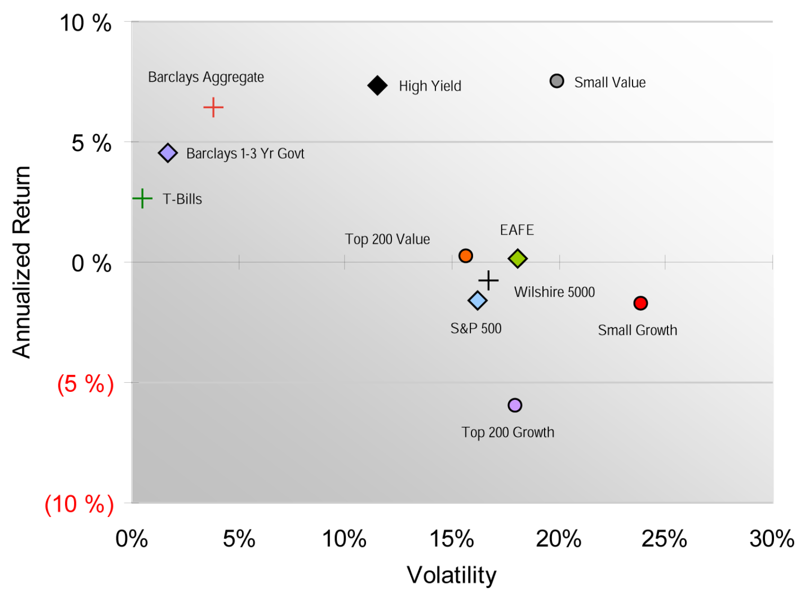
To help Member Firms grow their wealth management businesses, M Wealth offers everything from component solutions and value-added wealth services to turnkey asset management and investment consulting.

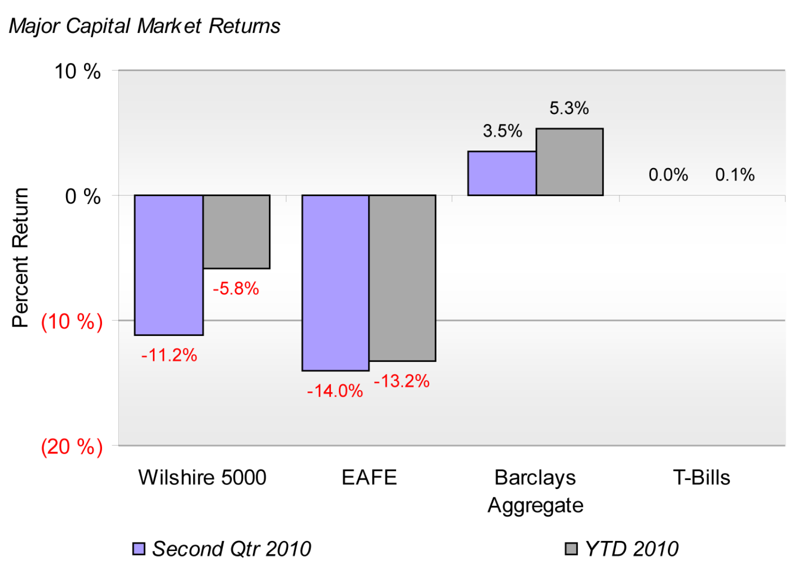
INDEX			PERIOD ENDING JUNE 30, 2010			
BROAD MARKET EQUITY	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
S&P 500 Index	(11.43%)	(6.65%)	14.43%	(9.81%)	(0.79%)	(1.59%)
Russell 1000 Index	(11.45%)	(6.40%)	15.24%	(9.54%)	(0.56%)	(1.22%)
Russell 2000 Index	(9.92%)	(1.95%)	21.49%	(8.60%)	0.37%	3.00%
Russell 2000 Growth Index	(9.22%)	(2.31%)	17.96%	(7.54%)	1.14%	(1.72%)
Russell 2000 Value Index	(10.60%)	(1.64%)	25.07%	(9.85%)	(0.51%)	7.48%
NON-US DEVELOPED MARKETS EQUITY	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
MSCI World Ex U.S.	(13.63%)	(12.47%)	7.03%	(12.61%)	1.48%	0.56%
EMERGING MARKETS EQUITY	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
MSCI Emerging Markets Index	(9.14%)	(7.22%)	20.58%	(4.67%)	10.19%	7.50%
FIXED INCOME	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
90 Day U.S. Treasury Bills	0.04%	0.06%	0.13%	1.28%	2.68%	2.58%
REAL ASSETS / NATURAL RESOURCES	QTR	YTD	1 YR RETURN	3 YR RETURN	5 YR RETURN	10 YR RETURN
Dow Jones U.S. Select REIT	(4.13%)	5.28%	55.68%	(10.33%)	(0.36%)	9.74%
S&P North American Natural Resources Index	(9.76%)	(9.32%)	13.43%	(6.89%)	5.70%	7.65%

Commentary

- The US stock market retreated during the second quarter of 2010 as concerns of a contagion effect from the Euro Zone debt crisis and the uncertainty regarding the speed of the recovery within the US, caused investors to take profits and seek safety of principal. While GDP and corporate profit growth have shown positive signs, unemployment numbers remained historically high and resulted in a significant decline in consumer confidence in June. Furthermore, housing related indicators remained mixed with little indication of when the market will begin to strengthen.
- International equity market performance was primarily dictated by the Euro Zone debt crisis and the associated impact on the viability of the euro as a benchmark currency. During the quarter, the International Monetary Fund and European Union pledged €750 billion to stave off the possibility of default by any European Union member nations, while Greece, Spain, and Portugal each introduced austerity measures to address their respective fiscal conditions. Investors, however, remained skeptical particularly as Greece's debt was downgraded to below-investment-grade status in the quarter.
- In aggregate, emerging market countries, experienced smaller losses than the developed markets in the quarter as investors continued to view these economies as being better positioned to lead a global recovery.

- Driven by the Euro Zone crisis, the value of the US dollar strengthened versus most major currencies during the quarter, with the notable exception of the Japanese yen.
- The aggregate US fixed income market earned a favorable absolute return in the quarter aided by a flight to safety that translated into long-term Treasury returns earning double digit positive returns. High-quality corporate debt also earned positive returns in the quarter as improved corporate profitability and the continued strengthening of balance sheets led to tighter credit spreads.
- The US Federal Reserve continued its policy commitment toward monetary stimulus and maintained the target Fed Funds rate at the historically low range of 0% to 0.25% with language implying that the target could remain at this level for an extended period of time.





For More Information

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