



Manager's Pulse on the Market

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Weekly Market Review – March 8, 2010

- Donald Kohn announced his intention to retire from the Fed.
- Australia raises interest rates from 3.75% to 4.00%.
- Prudential bought AIG's life insurance group.
- Greece continues to be in a state of turmoil, with strikes and riots.
- Personal Income rose 1.1% year over year in January.
- Personal Spending rose 3.5% year over year in January.
- ISM Manufacturing index came in at 56.5 for February.
- Productivity grew at 6.9% in the fourth quarter of 2009.
- Unemployment remains at 9.7%
- Index changes this week:
 - DJIA +2.33%
 - NASDAQ 100 +3.84%
 - S&P 500 +3.10%
 - S&P 400 +4.35%
 - S&P 600 +5.43%
- Consumer Interest Rates:
 - 6 month C/Ds flat at 0.30%.
 - 30 year mortgages down to 4.95% from 5.03%.
 - Prime Rate flat at 3.25%
- Commodities:
 - Gold up to \$1,131.65 from \$1,116.10.
 - Crude Oil up to \$81.47 from 79.72.
 - Gasoline up to \$2.70 from \$2.66.
- Sectors:
 - This week all sectors were positive with Materials, Consumer Discretionary and Financials being strongest.
 - Year to date Industrials, Consumer Discretionary and Financials are strongest, with Telecom, Utilities and Technology being the weakest and in negative territory.

Changes in the Portfolios

Fixed Income Portfolios had no changes this week.

In our Equity Portfolios we reduced our exposure to QQQs. We sold our holdings in MorningStar's Large Growth ETF. We increased our positions in the Russell 3000 Growth, Russell MidCap Growth, S&P 500 Value and Vanguard's Large Cap ETFs.

Our Balanced Portfolios had a slight increase in MidCap Total Return Fixed Income Positions and made some changes in the allocation table for equities. Fixed Income positions were slightly reduced to 55% of the portfolio, down from 56% of the total.

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