

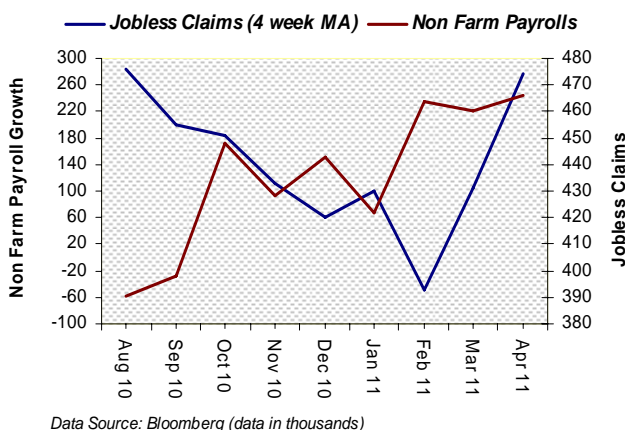
MONTHLY MARKET REVIEW

April 2011

U.S. Economy

The U.S. economy continued to grow in the first quarter and into April, but recent data has been mixed, causing some economists to lower their forward growth expectations. The U.S. economy grew at an annualized 1.8% rate in the first quarter, down from 3.1% in the fourth quarter. The decline was led by a sharp decline in federal government spending, a trend likely to continue given growing consensus on the need to reign in spending, while personal spending fell to 2.7% from the fourth quarter's 4.0%.

Data on the labor market was mixed in April. New claims for state jobless benefits rose to an eight-month high of 474,000, stoked by auto shutdowns caused by the Japan earthquake and other unusual events such as a spring break holiday in New York and a new emergency benefits program in Oregon. Jobless claims have spiked upwards over the last two months. However, non-farm payrolls increased by 244,000 in April, marking the seventh straight month of gains and the highest since May 2010. The recent divergence in these two measures is seen in the accompanying chart.



Data Source: Bloomberg (data in thousands)

The Institute for Supply Management's (ISM) U.S. activity indices was also mixed in April. The ISM manufacturing index declined only slightly to 60.4 from 61.2 in March, indicating continued strong expansion in the U.S. manufacturing sector (readings above 50 indicate growth). Conversely, the ISM service sector index, which tracks activity in approximately 80% of the economy, declined sharply to 52.8 from 57.3 in March. The service-sector reading indicates the slowest rate of expansion since last August.

The Federal Reserve lowered its 2011 U.S. GDP growth estimate to a range of 3.1% to 3.3% from a previous forecast of 3.4% to 3.9%. Similarly, the IMF cut its U.S. growth forecast for 2011 to 2.8%, down from a previous forecast of 3.0%.

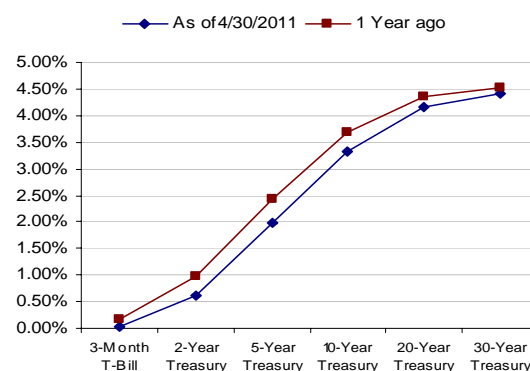
Both April's mixed data and declining GDP growth expectations highlight the fact that the economic growth in recent quarters has been propped up by unprecedented amounts of fiscal and monetary stimulus that cannot last forever. Fiscal stimulus has already passed its peak, while the Federal Reserve is under pressure to begin winding down its quantitative easing once the current Treasury buying program ends in June. Thus, while the economy does not appear to be in any danger of returning to recession, growth may not be as robust moving forward as earlier data had suggested.

Market Data

Change in Price

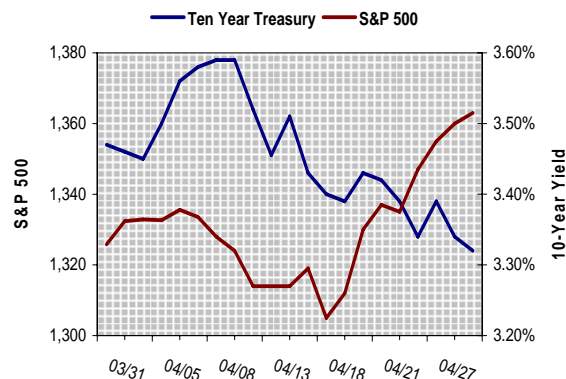
Equity Indices	4.30.11 Close	1-Month		YTD		1-Year	
		Pts.	%	Pts.	%	Pts.	%
Dow Jones Ind. Avg	12810.50	490.80	3.98%	1233.00	10.65%	1801.90	16.37%
S&P 500	1363.61	37.78	2.85%	105.97	8.43%	176.92	14.91%
Nasdaq Composite	2873.54	92.47	3.32%	220.67	8.32%	412.35	16.75%
Commodities							
Oil: \$ Per Barrel	113.93	7.21	6.76%	22.55	24.68%	27.78	32.25%
Gold: \$ Per Ounce	1556.40	117.50	8.17%	135.00	9.50%	375.70	31.82%
Currencies							
\$ per € (euro)	1.48	0.06	4.58%	0.14	10.60%	0.15	11.37%
¥ (yen) per \$	81.20	-1.93	-2.32%	0.04	0.05%	-12.65	-13.48%
\$ per £ (pound)	1.67	0.07	4.24%	0.11	7.01%	0.14	9.38%

U.S. Treasury Yields:



Term	Yield at month end	One-Month Change	One-Year Change
3 Months	0.04%	-0.05%	-0.12%
2 Years	0.61%	-0.19%	-0.36%
5 Years	1.97%	-0.27%	-0.46%
10 Years	3.32%	-0.15%	-0.37%
20 Years	4.15%	-0.14%	-0.21%
30 Years	4.40%	-0.11%	-0.13%

Intra-Month Markets

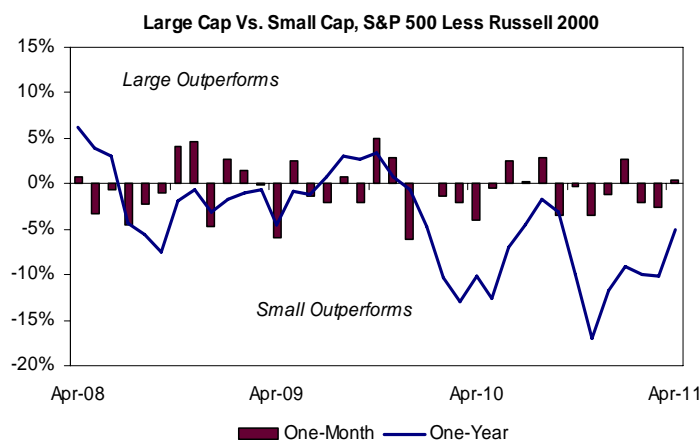
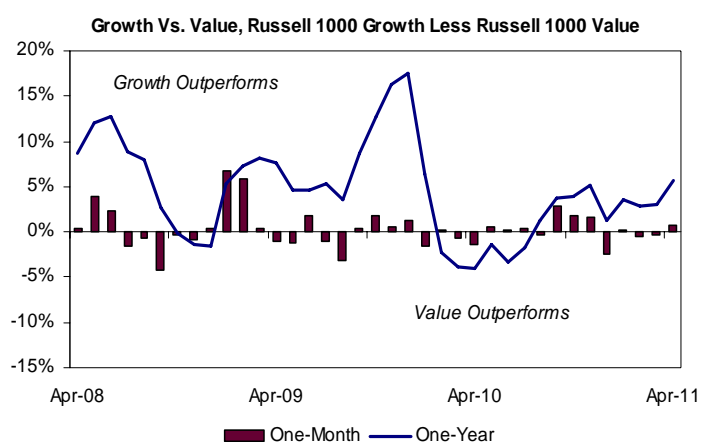


U.S. Equities

The S&P 500 index rose for the eighth straight month in April with a return of 2.96%. The index has now gained 9.06% year-to-date and is up 17.22% over the last 12 months. Small cap stocks mildly underperformed their larger counterparts in April as the Russell 2000 index gained 2.64%. The index is ahead of large caps year-to-date with a return of 10.79% and over the last 12 months with a gain of 22.20%. REITS outperformed with a 4.80% return in April and are up 12.13% year-to-date.

Growth stocks outperformed value stocks in April with the Russell 1000 Growth index gaining 3.35% versus 2.66% for the Russell 1000 Value index. The divergence in returns is much wider over a one-year period as the growth index has returned 20.87% versus 15.24% for the value index. In the small-cap segment of the market, growth stocks have also outperformed with the Russell 2000 Growth index up 3.60% in April versus 1.62% for the Russell 2000 Value index. The small growth index has gained 30.29% over 12 months versus only 14.57% for the small value index.

The charts below illustrate the relative rolling returns of growth vs. value stocks and large-cap vs. small-cap stocks.



Index	Asset Class	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	All-Cap Core	2.90	6.91	9.07	18.39	3.17	3.68	4.11
S&P 500	Large-Cap Core	2.96	6.53	9.06	17.22	1.73	2.95	2.82
S&P 500/Citigroup Growth	Large-Cap Growth	3.38	6.98	8.63	18.99	3.89	4.80	1.61
S&P 500/Citigroup Value	Large-Cap Value	2.53	6.08	9.51	15.52	(0.58)	1.00	3.86
S&P 400	Mid-Cap Core	2.72	10.13	12.33	25.07	8.28	6.35	8.51
S&P 600	Small-Cap Core	2.60	10.34	10.51	21.42	7.87	4.21	8.68
Russell 1000	Large-Cap Core	3.01	6.87	9.44	18.02	2.30	3.30	3.34
Russell 1000 Growth	Large-Cap Growth	3.35	6.86	9.58	20.87	4.55	5.06	2.11
Russell 1000 Value	Large-Cap Value	2.66	6.87	9.29	15.24	(0.11)	1.40	4.31
Russell Midcap	Mid-Cap Core	2.99	8.54	10.85	23.36	5.97	5.14	7.96
Russell Midcap Growth	Mid-Cap Growth	3.62	9.57	11.75	27.40	6.40	5.59	5.68
Russell Midcap Value	Mid-Cap Value	2.43	7.62	10.04	19.84	5.37	4.34	8.91
Russell 2500	SMID-Cap Core	2.89	10.36	11.84	23.89	8.02	4.91	8.24
Russell 2500 Growth	SMID-Cap Growth	3.49	12.40	13.67	30.07	8.79	5.91	6.39
Russell 2500 Value	SMID-Cap Value	2.33	8.53	10.19	18.63	7.16	3.71	9.20
Russell 2000	Small-Cap Core	2.64	11.08	10.79	22.20	8.03	3.89	7.34
Russell 2000 Growth	Small-Cap Growth	3.60	13.81	13.18	30.29	9.62	5.14	5.59
Russell 2000 Value	Small-Cap Value	1.62	8.27	8.33	14.57	6.23	2.50	8.69
Russell Micro Cap	Micro Cap Core	1.51	9.57	8.42	17.26	6.25	0.27	7.48
NAREIT Composite Index	REITS	4.80	8.02	12.13	22.59	2.48	2.54	11.11

U.S. Fixed Income

In mid-April, S&P placed the U.S. sovereign debt rating on Negative Outlook due to large budget deficits and rising debt levels, leaving the possibility that the U.S. AAA debt rating could be cut in the next two years. Treasuries still rallied during the month as the Barclays U.S. Treasury index gained 1.15% and yields declined across the yield curve. (cont'd on page 3)

U.S. Fixed Income (cont'd)

The Barclays Aggregate index returned 1.27% in April. Spread sectors continued to perform well in April as they have for most of 2011. The CMBS sector added 1.32% of excess returns versus comparable Treasuries. Corporate bonds also outperformed as the credit index added 0.42% of excess return. Agencies, MBS, and ABS added small gains over Treasuries as well.

The Barclays Muni index gained 1.79% in April despite continued municipal mutual fund outflows. The rally was very strong in longer duration bonds which had sold off sharply in late 2010 and early 2011. The index is now up 2.31% year-to-date.

Index	Asset Class	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Citigroup 3-Month T-Bill	Cash	0.01	0.03	0.05	0.15	0.43	2.02	2.08
Barclays 1-3 Year U.S. Treasury	Short Treasuries	0.44	0.30	0.46	1.87	2.69	4.15	3.68
Barclays 1-3 Yr Govt/Credit	Short Govt/Credit Bonds	0.49	0.46	0.67	2.27	3.36	4.51	4.07
Barclays Intern. Aggregate	Intern. Core Bonds	1.15	1.32	1.63	5.11	5.66	6.20	5.51
Barclays Intern. Govt/Credit	Intern. Govt/Credit Bonds	1.13	1.08	1.48	4.91	5.14	5.91	5.34
Barclays Aggregate	Core Bonds	1.27	1.58	1.70	5.36	5.81	6.33	5.74
Barclays Long Govt/Credit	Long Govt/Credit Bonds	2.21	3.66	2.19	7.60	7.28	7.49	7.27
Barclays Government	Government Bonds	1.09	1.00	1.00	4.42	4.52	5.92	5.37
Barclays Credit	Corporate Bonds	1.69	2.39	2.60	7.03	7.41	6.85	6.41
Barclays Mortgage	Mortgage-Backed Bonds	1.10	1.63	1.69	4.89	6.23	6.71	5.77
Barclays US TIPS	TIPS	2.51	4.44	4.64	8.06	5.54	6.79	6.95
Barclays Municipals	Municipal Bonds	1.79	3.07	2.31	2.20	4.68	4.52	4.96
Barclays High Yield	High Yield Bonds	1.55	3.21	5.49	13.42	11.94	9.32	8.93
Merrill Lynch All U.S. Convertible	Convertible Securities	1.88	4.87	7.05	15.87	6.46	5.88	5.65

International

The MSCI EAFE index gained 6.08% in April as a weak U.S. dollar added nearly 4.00% to the return of a U.S. investor with the Euro gaining 4.6% and the Yen 2.3% versus the dollar.

Japan's earthquake and tsunami caused factory output to decline the most since 1953 as output fell 15.3% in March and household spending fell 8.5% from a year earlier. The Bank of Japan cut its growth estimate for the year ending March 2012 to 0.6% from a pre-earthquake prediction of 1.6%. Japan's sovereign-rating outlook was cut to negative by S&P as the nation faces the task of dealing with a large debt load (200% of GDP) along with attempting to finance rebuilding and supporting an economic recovery. According to a Bloomberg survey, economists estimate Japan's GDP will contract 3% during the second quarter, before expanding over the second half of the year.

European manufacturing growth accelerated more than expected, according to Markit Economics, as its manufacturing gauge rose to 58.0 from 57.5 in March. A reading above 50 indicates growth. The increased output is largely coming from Germany and France and is being driven by demand from China. German unemployment fell below three million for the first time in nearly 20 years and its unemployment rate stands at 7.1%, down from 7.8% a year ago. The average unemployment rate in the euro zone was 9.9%, with countries such as Ireland and Spain at near 20% unemployment rates.

The MSCI Emerging Markets index picked up 3.12% in April. The weak U.S. dollar added just over 2.00% to the return of a U.S. investor.

Brazil's central bank continued to increase its key borrowing rate, but at a slower pace "because of uncertainty over the global recovery and Brazil's domestic slowdown." Brazil's benchmark rate stands at 12%, consumer prices have risen about 6.5% this year, and its jobless rate has fallen to 6.5%. China posted a robust trade surplus in April of \$11.4 billion on record exports after running a small and rare trade deficit in the first quarter.

Index	Asset Class	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr
International Equities								
MSCI World	Global Developed Mkt Equity	4.31	6.99	9.44	18.87	0.01	2.89	4.43
MSCI EAFE	Intl Developed Market Equity	6.08	7.19	9.74	19.70	(2.37)	2.02	5.74
MSCI Europe	European Equity	8.15	10.86	15.25	25.77	(2.47)	3.20	6.30
MSCI Japan	Japanese Equity	0.37	(4.63)	(4.51)	2.13	(5.60)	(5.05)	0.89
MSCI Pacific	Pacific Equity	2.25	0.59	0.23	9.58	(1.75)	(0.26)	4.62
MSCI Emerging Markets	Emerging Market Equity	3.12	8.20	5.29	21.00	2.98	10.17	16.92
International Fixed Income								
Barclays Global Aggregate	Global Invest. Grade Bonds	3.10	4.20	4.38	10.45	5.68	7.20	7.36
Citigroup World Government Bond	Intl Developed Market Bonds	3.24	3.93	3.92	11.16	5.41	7.49	7.78
JP Morgan EMBI+	Emerging Market Bonds	1.38	2.74	2.13	9.50	8.50	8.48	10.65

Alternative Investments

Index	Asset Class	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Goldman Sachs Commodity Ind.	Commodities	4.41	13.04	16.49	24.68	(13.38)	(3.69)	3.92
HFRI Equity Hedge	HF - Equity Long/Short	1.21	3.05	3.48	9.90	2.73	3.50	5.86
HFRI Equity Mkt Neutral	HF - Equity Market Neutral	0.55	1.38	2.12	4.25	0.08	1.73	3.06
HFRI Convert Arb	HF - Convertible Arbitrage	(0.89)	0.12	1.80	9.87	8.84	6.56	6.11
HFRI Distressed Sec	HF - Distressed Securities	1.09	2.81	4.48	9.18	5.15	4.98	10.13
HFRI Event Driven	HF - Event Driven Strategies	1.15	2.97	4.71	10.08	5.53	5.32	8.31
HFRI Fixed Income	HF - Fixed Income Strategies	0.50	1.26	2.25	8.12	5.80	4.26	6.20
HFRI Macro	HF - Macro Strategies	3.36	3.52	2.76	10.40	5.30	6.62	8.44