

Capital Markets Monthly Update: August 31, 2011

U.S. Equity Market Indices

	Month	3 Month	YTD	1 Year	5 Year
Standard & Poor's 500	-5.43	-8.90	-1.77	18.50	0.78
Russell 1000 Growth	-5.28	-7.57	0.18	23.96	3.75
Russell 1000 Value	-6.24	-11.21	-3.99	14.37	-1.62
Russell Mid Cap Growth	-6.82	-11.74	-1.71	25.61	4.28
Russell Mid Cap Value	-6.93	-12.50	-4.18	17.51	1.36
Russell 2000 Growth	-8.57	-14.03	-4.60	27.54	3.59
Russell 2000 Value	-8.83	-14.02	-8.52	16.86	-0.62

International Equity Market Indices

	Month	3 Month	YTD	1 Year	5 Year
MSCI EAFE	-9.03	-11.60	-6.02	10.01	-1.48
MSCI ACWI ex-U.S.	-7.30	-10.25	-4.54	13.72	0.62
MSCI Emerging Markets	-8.94	-10.74	-8.55	9.07	8.40

Global Fixed Income Indices

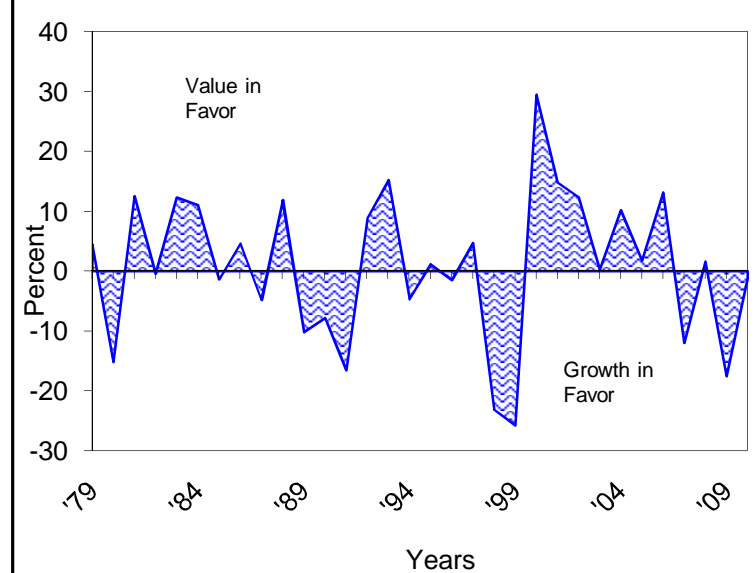
	Month	3 Month	YTD	1 Year	5 Year
Barclays U.S. Treasury	2.78	4.30	6.98	4.17	6.60
Barclays Aggregate	1.46	2.77	5.88	4.63	6.56
Barclays U.S. Corp. High Yield	-4.00	-3.84	1.94	8.38	8.10
Barclays Global Aggregate ex-U.S.	1.19	3.93	9.31	12.11	7.84

Market Valuations: Current P/E vs. 5-Yr Avg. P/E

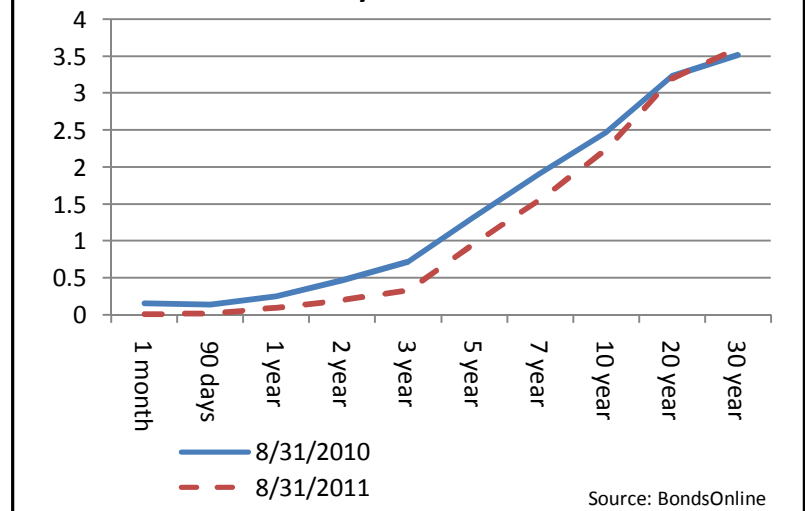
Index	Current	5-Yr Avg
Russell 1000	13.9	15.5
Russell 1000 Growth	15.9	17.5
Russell 1000 Value	12.3	13.6
Russell Mid Cap	15.8	17.0
Russell Mid Cap Growth	18.7	19.0
Russell Mid Cap Value	13.7	15.1
Russell 2000	16.7	17.0
Russell 2000 Growth	19.8	19.3
Russell 2000 Value	14.3	15.0

Source: Russell Investments

Large Cap Value vs. Large Cap Growth



Treasury Yield Curve



Source: BondsOnline

U.S. Economic Monthly Update: July 2011

Economic Growth	Indicator	Most Recent	Prior Month	1-Yr Change	Comments
Real GDP (Quarter/Quarter change) ¹	Coincident	1.0%	1.3%	1.5%	Second estimate for 2Q was nudged downward
Employment					
Unemployment Rate	Lagging	9.1%	9.2%	-0.4%	July dip primarily due to a decline in the labor force
Total Non-Farm Payrolls	Lagging	131,132	131,047	0.9%	+85k M/M change revised downward from +117k
4 Week Avg. Initial Jobless Claims ²	Leading	410,250	413,750	-13.8%	Four week average continues its downward trend
Consumer					
Retail Store Sales (M/M change)	Coincident	0.5%	0.1%	8.5%	Missed analysts' forecast of .6%
Consumer Confidence	Lagging	59.5	58.5	18.1%	80 is consistent with strong economic conditions
Personal Savings Rate (% of disposable income)	Lagging	5.0%	5.5%	-0.7%	The all time high of 14.6% was recorded in May 1975
Housing					
New Housing Permits (thousands, units)	Leading	597	624	3.8%	Below analysts' forecast of 606
New Housing Starts (thousands, units)	Leading	604	629	9.8%	Below analysts' forecast of 600
New Home Sales (thousands, units)	Leading	298	312	6.8%	Below analysts' forecast of 313
S&P Case-Shiller Housing Price Index (20 City)	Lagging	141.30	139.75	-4.5%	Increased for third consecutive month
Manufacturing					
Capacity Utilization	Lagging	77.5%	76.9%	2.2%	Pre-recession peak: 81.6%, May 2007
Industrial Production Index	Coincident	94.15	93.31	3.7%	Pre-recession peak: 100.7, September 2007
ISM Manufacturing Composite Index	Leading	50.9	55.3	-7.6%	Above 50 indicates an expanding factory sector
Inflation Indicators					
Consumer Price Index (Month/Month change)	Leading	0.5%	-	3.6%	Energy up 2.8%, Food up .4%
Producer Price Index	Leading	0.2%	-	7.2%	Energy down .6%, Food up .6%
Commodities (as of August 31st)					
Thomson/Reuters CRB Index value (Commodities)	Leading	342.57	342.08	27.9%	5-Year High: 473.52, 5-Year Low: 200.17
Oil (\$ per barrel)	Leading	\$88.72	\$95.86	23.8%	Down 2.84% year-to-date
Gold	Leading	\$1,824	\$1,626	46.1%	Up 29.7% year-to-date
Federal Government					
Total Public Debt (trillion) ³	-	\$14.3	\$14.0	11.7%	148% increase over the last 10 years
Treasury Budget (billion) (Deficit)/Surplus	-	(\$129.4)	(\$43.1)	-21.6%	Fiscal YTD deficit is \$1.1 trillion, down 5.9% Y/Y
Exchange Rates (as of August 31st)					
U.S. Dollar/Euro (U.S. \$ = 1 Euro)	-	1.4333	1.4275	-17.3%	
U.S. Dollar/British Pound (U.S. \$ = 1 Pound)	-	1.6356	1.6158	-10.8%	
Canadian Dollar/U.S. Dollar (Canadian \$ = 1\$ U.S.)	-	0.9817	0.9553	-5.4%	
Japanese Yen/U.S. Dollar (JPY = \$1 U.S.)	-	76.9657	79.2425	-10.1%	
Chinese Yuan/U.S. Dollar (Yuan = \$1 U.S.)	-	6.4036	6.4575	-6.1%	
Mexican Pesos/U.S. Dollar (Pesos = \$1 U.S.)	-	12.2366	11.6741	-4.1%	

¹ Prior quarter ² Prior week ³ Prior quarter

Sources: Bloomberg, Econoday, Federal Reserve Bank of St. Louis, Financial Times