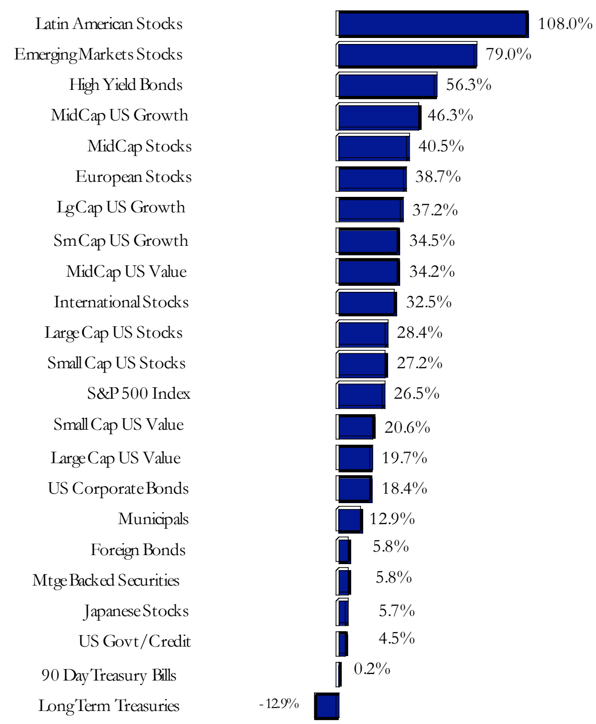
Capital Markets Summary

The overall trend of the equity markets remained positive during the fourth quarter of 2009 with all averages posting positive numbers for the quarter and year. The fixed income markets remained under pressure lead by the Treasury market that was down for the quarter and posted its worst yearly returns since 1978.

Fourth quarter earnings season started on a positive note as Intel and JP Morgan announced better than expected earnings. Closely following were Apple and DuPont's earnings surprises that helped move all three major averages to new highs for the year. Corporations have pared costs and significantly reduced inventories from the start of this recession. Despite overall positive earnings news from 85% of reporting companies, daily market volumes remained low indicating investors are still waiting for conviction before putting their money at risk. Institutional investors will now focus on companies showing top-line growth in the coming quarters. The October GDP numbers (+3.5%) offered some encouragement and showed the first signs of expansion in over a year. Nervousness was evident from traders as volatility returned to the market and brought with it several days of 200+ intraday point movements.

One Year Performance of Asset Classes as of December 31, 2009



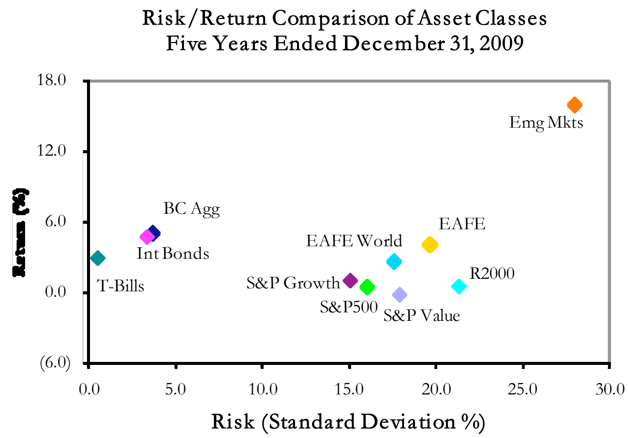
There were signs this quarter that pronouncements of the U.S. economy, dependent on consumer spending, in recovery mode may have been slightly premature. Consumer confidence numbers released in October failed to meet expectations by a wide margin. Unemployment statistics released, and then revised throughout the quarter signaled to investors that many "would-be" consumers are still seeking non-existent jobs. Unemployment numbers, measured by jobless claims, have been decreasing since the middle of the third quarter. Job losses are expected to continue until mid-year 2010, albeit at a much slower pace, as the recovery gains momentum. According to the government's Small Business Administration most job growth comes from the small-business sector and the availability of credit remains difficult for small businesses (further hurt by CIT's bankruptcy filing in November). Investors worried this could further impede an economic recovery.

Data Sources: Zephyr StyleAdvisor , Barclay's Capital, MSCI Barra & Standard & Poor's

Data provided by sources believed to be reliable but no guarantee is made as to its accuracy. Past performance is no guarantee of future performance.

Capital Markets Summary

A series of mixed economic reports kept investors edgy and served to slow the market's advance. The October GDP numbers (+3.5%) offered some encouragement and showed the first signs of expansion in over a year. Industrial production was up, but then stalled. Transportation issues were up, then down, then up again. Durable goods orders were expected to decline, but advanced instead (post-Clunker). New and existing homes sales were up, then down. The same was true for mortgage applications as home sales suffered from an increase in mortgage interest rates.



Benchmark interest rates remained unchanged for the quarter as the Fed minimized inflationary concerns. However, statements by Federal Reserve President Yellen and others made last quarter stating interest rates will remain stable for an "extended period" will be challenged should the economy and Gross Domestic Product (GDP) continue to accelerate. An industry survey indicates economists now expect an interest rate increase will be necessary by mid-2010 to keep inflation under control. There seems to be no lack of appetite for U.S. government debt and the Treasury continues to auction record amounts of notes and bonds.

Oil was higher early in the quarter, then retreated to its 4Q09 starting point, only to accelerate into the final weeks based on unusually cold weather in the Mid-west that increased demand for heating oil. Demand for gasoline is down in the U.S. and refiners are producing less. Lower production ahead of holiday travel and the unexpected demand for heating oil did cause some supplies to dwindle resulting in higher prices at the pump – just ahead of the holiday spending season.

The European economy continues to show signs of improvement. Overseas markets, lead by France, Germany, and then Great Britain posted strong gains for the quarter and ended the year with solid returns. Asian markets, lead by China, also posted significant gains for the year, however through government controlled banking policy, China began to tighten consumer lending as a preemptive control measure against increased debt and inflation. China now fears that money lent for consumer spending was not fueling the economy, but actually being used for speculation in the markets. Japan's Nikkei market rebounded sharply in December and posted a solid gain for the year. Greece's credit downgrade added it to the list of countries having financial troubles.

Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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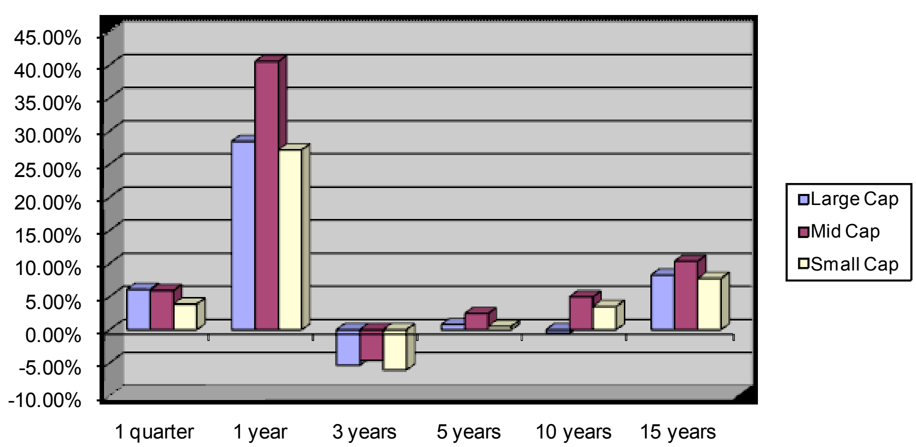
Domestic Equity

As 2009 drew to a close, a strong November return helped cap the best percentage return for the major indices since 2003. Modest changes in October and December bookended that strong November showing as all the major averages ended the year higher. The year's big winner was the NASDAQ Composite as it rose 7.19% for the quarter and finished 2009 up 45.57%. The DJIA rose 8.10% for the quarter and ended 2009 up 22.68%. The S&P 500 reported a 6.04% gain for the quarter and a 26.46% gain for the year. The Russell 3000 rose 5.90% in the fourth quarter and ended 2009 up 28.34%.

In comparing capitalizations, mega caps were the strongest performers of the quarter as the Russell Top 200 rode a solid November gain (6.29%) to eke out the top return. For the quarter, the index was up 6.12%. Other caps that followed closely behind in the quarter were the Russell 1000 which rose 6.07% and the Russell Midcap which was up 5.92%. Trailing for the quarter was the Russell 2000 with a 3.87% gain. For 2009, the Russell Midcap was able to ride the strength of previous quarters to win the year with a 40.48% gain. Trailing in a distant second, the Russell 1000 rose 28.43% and the Russell 2000 rose 27.17%. Despite its strong fourth quarter showing, the Russell Top 200 came up last with a 24.21% gain in 2009.

Broad Domestic Equity Market Performance Periods Ending December 31, 2009



Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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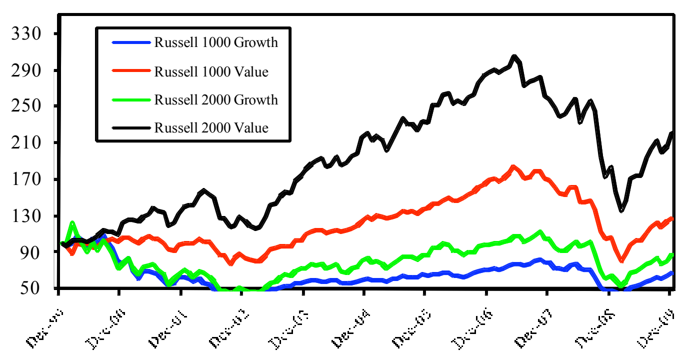
Domestic Equity

In comparing styles, growth stocks continued to have the hot hand. For the fourth quarter, the Russell 1000 Growth (up 7.94%) nearly doubled the return of the Russell 1000 Value (up 4.21%). This outperformance was reflected in the year's performance as well as the Russell 1000 Growth was up 37.21% in 2009 as it easily outpaced the Russell 1000 Value's gain of 19.69%. Similarly in small caps in 2009, the Russell 2000 Growth (up 34.47%) outpaced the Russell 2000 Value (up 20.58%). For the quarter, Russell 2000 Growth actually trailed its value counterpart in October and November, but used a strong December to end the quarter up 4.14% against a 3.63% gain in the Russell 2000 Value.

Style Performance
10 Year Growth of $100



Breaking the S&P 500 down into broad sectors, a solid fourth quarter helped three sectors to outperform the broader index for the year. Taking home the gold in 2009, Information Technology posted a 61.72% gain for the year. IT also led the fourth quarter as the only double digit gainer after posting a 10.70% gain. Materials earned the silver in 2009 achieving a 48.59% return for the year and 7.36% return for the quarter. Third place in the quarter and 2009 went to Consumer Discretionary as it posted a fourth quarter gain of 9.07% and a 41.30% gain for the year. Sectors that trailed the overall S&P 500 in 2009, but outpaced the broader index in the fourth quarter were Health Care (up 9.09% in the quarter and 19.70% for the year), Utilities (up 7.26% quarter; 11.91% 2009), and Telecom, which despite a 7.43% return for the fourth quarter, ended the year in last place among the sectors with an 8.93% gain. Trailing the overall S&P 500 for the quarter and year were Energy (up 5.58% quarter; 13.82% 2009), Industrials (up 5.39% quarter; 20.93% 2009), and Consumer Staples (up 5.02% quarter; 14.89% 2009). Financials posted a decline in the fourth quarter as they slid 3.32% and ended the year up 17.22%. However, since the market low on March 9, 2009, Financials have considerably outperformed the overall S&P 500 and all other sectors by gaining over 130%.

Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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Domestic Equity

Over on the Nasdaq, Diedrich Coffee rose 9,597.22% to take home top performer for the year. Tremendous growth in sales of its coffee packs for single-cup brewing system subsequently caused a bidding war that Green Mountain (GMCR) won over Peet's (PEET) for the California wholesaler. The deal is set to close in the first quarter of 2010. The biggest loser of the year was Repros Therapeutics (RPRX) which fell 92.3% in 2009 after its trials for Proellex were stopped in August amidst liver damage concerns.

In individual stocks in 2009, American Express (up 118.4%), Microsoft (up 56.8%), and IBM (up 55.5%) led the Dow while the biggest losers on the index were Exxon Mobil (down 12.5%) and General Electric (down 2.8%). Over on the S&P 500, XL Capital (XL) rebounded from being the second worst performer in the index in 2008 to the top performer in 2009 with a 397.57% return. Following XL Capital in 2009 was Tenet Healthcare (THC) which ended the year up 352.17% after trading as low as $1 at the beginning of the second quarter. The biggest loser in 2009 for the S&P was Marshall & Illsley (MI) which dropped 60.19% as the regional bank has struggled with its exposure to commercial loans. Next to last was Huntington Bancshares (HBAN) which fell 51.96% in 2009 as it was another regional bank that struggled to cover its loan losses.

Subsector Scorecard - Fourth Quarter 2009

Gainers			Losers	
Internet Retail	42.2%	1	Tires & Rubber	-17.2%
Automobile Manufacturers	38.7%	2	Diversified Support Services	-14.4%
Health Care Technology	37.4%	3	Casinos & Gaming	-12.5%
Electronic Components	25.7%	4	Education Services	-12.3%
Household Appliances	24.5%	5	Construction & Engineering	-12.0%

Subsector Scorecard - 2009

Gainers			Losers	
Health Care Facilities	368.7%	1	Photographic Products	-35.9%
Automobile Manufacturers	229.5%	2	Oil & Gas Refining & Marketing	-22.5%
Diversified Metals & Mining	215.0%	3	Construction Materials	-21.7%
Real Estate Services	214.1%	4	Education Services	-14.2%
Internet Retail	173.5%	5	Insurance Brokers	-10.2%

Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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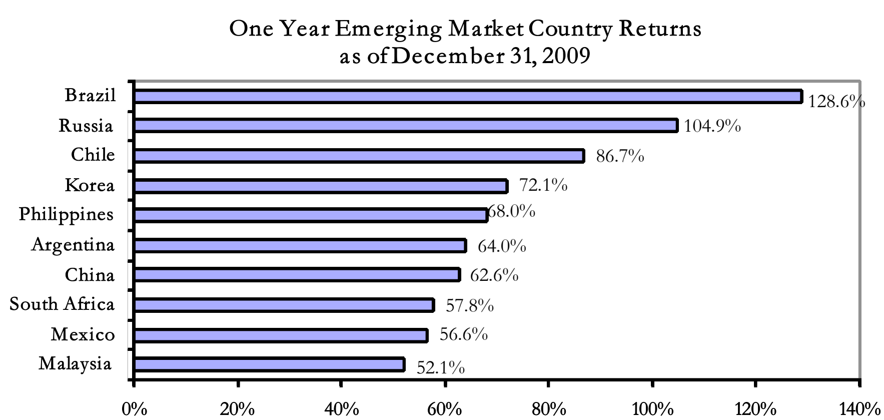
International Markets

International stocks rose 2.22% as measured by the MSCI EAFE in the fourth quarter 2009. Foreign issues lagged domestic stocks by nearly 4% for the quarter, the third consecutive quarter of gains brought the index up 32.46% for 2009, 6% higher on the year than the S&P 500.

The top performing developed country of the fourth quarter in the EAFE was Norway, up 14.93% in US Dollars while Greece was the laggard with a -22.93% return. In December, credit rating agency Moody's lowered Greece's debt rating from A1 to A2. This move leaves the Moody's rating two notches higher than the ratings by Standard and Poor's and Fitch which had each downgraded Greek government debt from A- to BBB+ earlier in the month.

The MSCI China Index gained 7.86% in the third quarter. The International Monetary Fund (IMF) has increased its forecast for growth in China's economy in 2010 from 8.5% to 9%. Chinese officials were upset with the United States government in September when the United States imposed a 35% tariff on Chinese made automobile tires. Although this move is not expected to have a large impact on China's growth prospects, it has been criticized by some as protectionist. Eurostar, operator of train service between Paris and London, made headlines in December as the popular rail route through the Channel Tunnel had to be shut down temporarily. On December 18th, over 2000 passengers had to be evacuated from the tunnel when five different trains were unable to make it through. The technical problems were later attributed to temperature differences between the inside and outside of the tunnel. The timing of the incident coincided with the holiday travel season, causing many travelers to alter plans.

Emerging markets equities outpaced domestic stocks and international developed stocks for the fourth quarter in a row as the MSCI Emerging Markets Index rose 8.58% for the three months ending December 31. This brings emerging markets up an astounding 79.02% for 2009. Despite the large gains, 2009 still does not make up for the 53.18% that the index lost in 2008. Leading the way in the fourth quarter was Latin America with a 12.52% gain.



Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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International Markets

Dubai's status as a burgeoning financial center was called into question in November as government owned Dubai World announced that it would default on debt payments. Dubai's financial problems threatened to overshadow the opening of the Burj Dubai (later renamed Burj Khalifa) as its neighbor Abu Dhabi pumped billions of dollars of bailout money into Dubai World. After falling for 13 straight months, Chinese exports finally increased again in December as China passed Germany to become the world's biggest exporter. Despite this fact, China's trade surplus fell 34% in 2009 to $196 billion. This marked the first decline in China's trade surplus since 2003.

Fixed Income

Broad fixed income markets were generally flat this quarter, with the longer maturity indexes showing sharp declines due to steep losses in December. The Barclays Capital US Aggregate index was up only 0.20% this quarter, on the back of monthly returns of 0.49%, 1.29%, and -1.56% for October, November, and December respectively. The Barclays Capital Intermediate Gov-Credit index was only up 0.30% while the US Long Gov-Credit index was down -2.64%. The Barclays Capital Treasury indexes followed the same pattern, with the 1-3 Year index being up 0.02%, the 7-10 index being down -2.34%, and the Long Treasury index being down -5.33%. Finally, the Barclays US Municipal Bond index was down -0.95% for the fourth quarter.

Most of the major fixed income news for the quarter continued to be dominated by 2009's main themes: the housing markets and the lingering effects of the recession. On the housing front, the government made the decision to tighten FHA lending standards, forcing borrowers of FHA-backed loans to increase their down payments. Higher premiums are also being charged to borrowers. The move will hopefully replenish FHA's reserves back above their congressionally mandated 2% level.

Housing prices in general are still declining in most markets, but not nearly as sharply as in previous quarters. The S&P/Case-Shiller Home Price 20-City Composite showed an October/September change of roughly 0%. Some markets did show improvements through October—the most recent data available—in cities such as Phoenix (1.3% gain), San Francisco (1.2% gain), and San Diego (0.4% gain).

On the Treasury bond front, the government became increasingly concerned this quarter as short-term, low-interest debt started maturing. Given steadily increasing interest rates on new bond issuances, the projected interest costs of our nation's debt are forecasted to increase from roughly $200 Billion a year now, up to possibly $700 Billion a year in 2019 based on conservative estimates. For the current year, however, given the historically low interest rate environment, the government actually paid less in interest in 2009 than it did in 2008, despite adding more than $2 Trillion to the deficit.

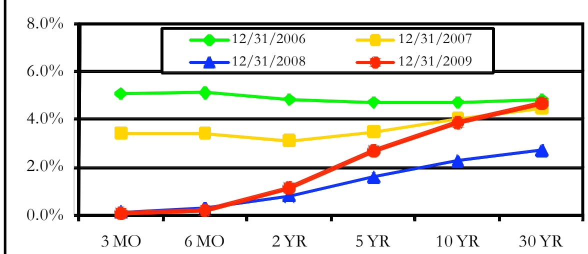
Data Sources: Zephyr StyleAdvisor , Barclay's Capital

Fixed Income

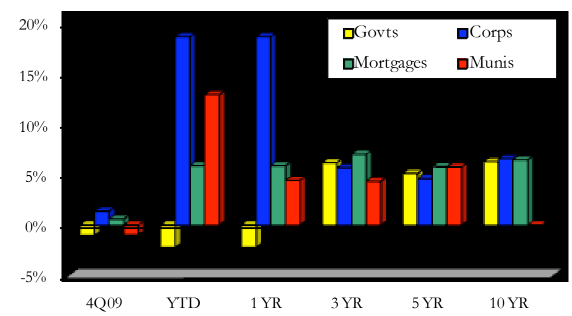
By far, the largest issue in the corporate debt world was the $71 Billion bankruptcy of CIT, a large lender to small and medium-sized businesses, in early November. The Chapter 11 filing immediately stunted small business lending, exacerbating an already tight credit market for most of the nation's small businesses. The prepackaged filing had the support of the majority of CIT's bondholders, as well as influential investor Carl Icahn. After only thirty-eight days in bankruptcy, the firm re-emerged on December 9th after shedding $10.5 Billion in debt. Existing bondholders were issued new paper worth about seventy cents on the dollar from their old notes. Shareholder equity was completely wiped out as part of the filing, and $5.4 Billion in new equity was available for trading on Thursday, December 10th.

It wasn't all bad news in the corporate debt space, however. Many firms still came to the market searching to tap wide investor appetite for corporate debt. Ford Motor Credit was one of the major speculative-grade borrowers to issue junk bonds during the quarter. BlackRock Inc. also sold its first debt in more than two years in December. Signs of an economic recovery have led many corporations to try to tap into increased investor confidence in the corporate debt space, especially on the speculative end of the spectrum. More than 20% of junk bonds in November were sold by CCC rated companies—those with the greatest risk of default. Only 11.5% were sold by CCC rated companies in October, with only 10.5% in September.

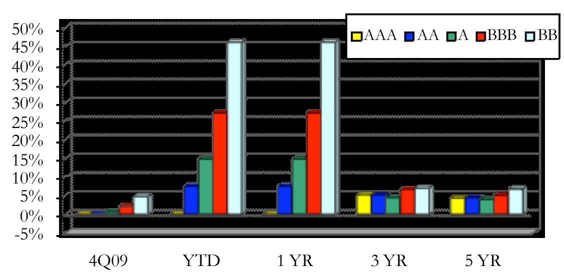
Treasury Yield Curve



Sector Performance



Credit Performance



In municipal debt news, the quarter opened on the decline as interest in California's $4 Billion debt issuance was weaker than expected. The lingering concerns over California's budget issues—both at the state and local level—have continued to sting the California debt market. The state's revenue shortfalls and the lowest debt rating of any state certainly didn't help matters, either.

Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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Commodities

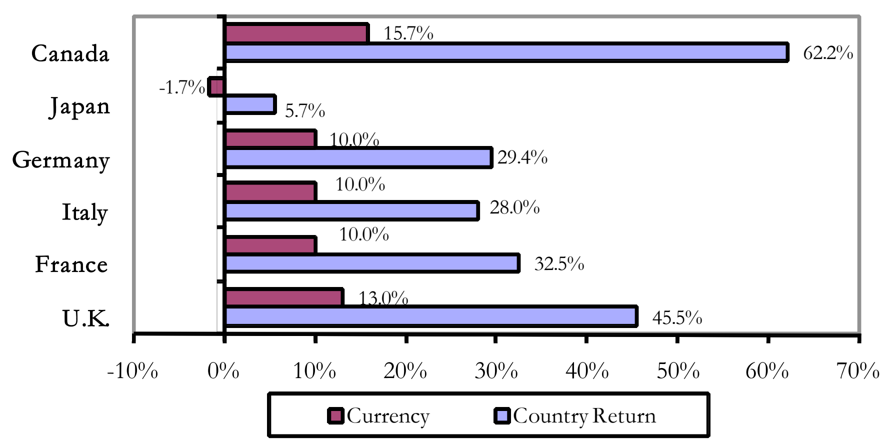
The declining dollar drove commodity prices higher again this quarter. The price per barrel of crude oil traded in a narrow price range for most of the 3rd quarter ($70), but advanced sharply in reaching just over $80 per barrel by the end of December. Oil was up 74.28% for the year. Higher demand for heating oil in the Midwest and China's increased demands for gasoline were cited as the reason for the rise in oil prices.

Metals, both precious and industrial were also up for the year. Copper was up 134%, platinum was up 59%, nickel was up 58%, silver was up 47% and gold advanced 27%. Gold began a consolidation phase after reaching new highs earlier in the quarter and then resumed its advance into the quarter end. Long-term Investors continue to purchase gold in anticipation of increased inflation in 2010. Short-term investors are using gold to offset the Dollar's weakness. Industrial metals were supported by the expectation of continued, although slower, industrial growth in China.

Currency

The dollar's safety premium further eroded this quarter as world economies continue to recover. The dollar exceeded a 14 month low as the Euro traded to $1.50 in Mid-October. For the year, the Dollar lost ground to all other major currencies. The Dollar was down 11.14% to the GB Pound, 1.82% to the Euro, 2.97% to the Yen, and .07% to the Yuan.

1 Year Country and Currency Returns
G-7 Excluding U.S. as of December 31, 2009



Data Sources: Zephyr StyleAdvisor , Barclay's Capital

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CAPITAL MARKET INDEX RETURNS

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
BEST	Barclay Agg Bond 8.96%	Russell 2000 Value 41.70%	Russell 2000 Value 29.15%	MSCI EAFE 32.94%	MSCI EAFE 8.06%	Russell 1000 Value 38.35%	DJ Wilshire REIT 37.04%	Russell 1000 Value 35.18%	Russell 1000 Growth 38.71%	Russell 2000 Growth 43.09%
	Russell 1000 Growth -0.26%	Russell 1000 Growth 41.16%	DJ Wilshire REIT 15.13%	Russell 2000 Value 23.84%	Russell 1000 Growth 2.66%	S&P 500 37.53%	Russell 1000 Growth 23.12%	S&P 500 33.35%	S&P 500 28.57%	Russell 1000 Growth 33.16%
	S&P 500 -3.12%	DJ Wilshire REIT 23.84%	Russell 1000 Value 13.81%	Russell 1000 Value 18.12%	DJ Wilshire REIT 2.66%	Russell 1000 Growth 37.19%	S&P 500 22.94%	Russell 2000 Value 31.78%	MSCI EAFE 20.33%	MSCI EAFE 27.30%
	Russell 1000 Value -8.08%	Russell 2000 Growth 21.18%	Russell 2000 Growth 7.77%	DJ Wilshire REIT 15.14%	S&P 500 1.31%	Russell 2000 Growth 31.04%	Russell 1000 Value 21.64%	Russell 1000 Growth 30.49%	Russell 1000 Value 15.63%	S&P 500 21.04%
	Russell 2000 Growth -17.42%	S&P 500 30.48%	S&P 500 7.62%	Russell 2000 Growth 13.37%	Russell 2000 Value -1.55%	Russell 2000 Value 25.75%	Russell 2000 Value 21.37%	DJ Wilshire REIT 19.67%	Barclay Agg Bond 8.67%	Russell 1000 Value 7.35%
	Russell 2000 Value -21.77%	Russell 1000 Value 24.61%	Barclay Agg Bond 7.40%	S&P 500 10.06%	Russell 1000 Value -1.99%	Barclay Agg Bond 18.48%	Russell 2000 Growth 11.26%	Russell 2000 Growth 12.95%	Russell 2000 Growth 1.23%	DJ Wilshire REIT -2.57%
	MSCI EAFE -23.19%	Barclay Agg Bond 16.00%	Russell 1000 Growth 5.00%	Barclay Agg Bond 9.75%	Russell 2000 Growth -2.44%	DJ Wilshire REIT 12.24%	MSCI EAFE 6.36%	Barclay Agg Bond 9.68%	Russell 2000 Value -6.46%	Barclay Agg Bond -0.83%
WORST	DJ Wilshire REIT -23.44%	MSCI EAFE 12.49%	MSCI EAFE -11.85%	Russell 1000 Growth 2.90%	Barclay Agg Bond -2.92%	MSCI EAFE 11.55%	Barclay Agg Bond 3.61%	MSCI EAFE 2.06%	DJ Wilshire REIT -17.00%	Russell 2000 Value -1.49%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
BEST	DJ Wilshire REIT 31.04%	Russell 2000 Value 13.96%	Barclay Agg Bond 10.27%	Russell 2000 Growth 48.53%	DJ Wilshire REIT 33.14%	DJ Wilshire REIT 14.00%	DJ Wilshire REIT 36.13%	Russell 1000 Growth 11.81%	Barclay Agg Bond 5.24%	Russell 1000 Growth 37.21%
	Russell 2000 Value 22.83%	DJ Wilshire REIT 12.36%	DJ Wilshire REIT 3.60%	Russell 2000 Value 46.02%	Russell 2000 Value 22.25%	MSCI EAFE 13.54%	MSCI EAFE 26.34%	MSCI EAFE 11.17%	Russell 2000 Value -28.92%	Russell 2000 Growth 34.47%
	Barclay Agg Bond 11.63%	Barclay Agg Bond 8.44%	Russell 2000 Value -11.42%	MSCI EAFE 39.16%	MSCI EAFE 20.25%	Russell 1000 Value 7.05%	Russell 2000 Value 23.48%	Russell 2000 Growth 7.05%	Russell 1000 Value -36.85%	MSCI EAFE 31.78%
	Russell 1000 Value 7.01%	Russell 1000 Value -5.59%	Russell 1000 Value -15.52%	DJ Wilshire REIT 36.06%	Russell 1000 Value 16.49%	Russell 1000 Growth 5.26%	Russell 1000 Value 22.25%	Barclay Agg Bond 6.97%	S&P 500 -37.00%	DJ Wilshire REIT 28.46%
	S&P 500 -9.10%	Russell 2000 Growth -9.22%	MSCI EAFE -15.94%	Russell 1000 Value 30.03%	Russell 2000 Growth 14.31%	S&P 500 4.91%	S&P 500 15.79%	S&P 500 5.49%	Russell 1000 Growth -38.44%	S&P 500 26.46%
	MSCI EAFE -13.96%	S&P 500 -11.88%	S&P 500 -22.09%	Russell 1000 Growth 29.76%	S&P 500 10.87%	Russell 2000 Value 4.71%	Russell 2000 Growth 13.35%	Russell 1000 Value -0.17%	Russell 2000 Growth -38.54%	Russell 2000 Value 20.58%
	Russell 1000 Growth -22.42%	Russell 1000 Growth -20.42%	Russell 1000 Growth -27.89%	S&P 500 28.67%	Russell 1000 Growth 6.30%	Russell 2000 Growth 4.15%	Russell 1000 Growth 9.07%	Russell 2000 Value -9.78%	DJ Wilshire REIT -39.20%	Russell 1000 Value 19.69%
WORST	Russell 2000 Growth -22.43%	MSCI EAFE -22.00%	Russell 2000 Growth -30.27%	Barclay Agg Bond 4.11%	Barclay Agg Bond 4.34%	Barclay Agg Bond 2.43%	Barclay Agg Bond 4.33%	DJ Wilshire REIT -17.56%	MSCI EAFE -45.09%	Barclay Agg Bond 5.93%

Russell 1000 Value contains those Russell 1000 (larger capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth rates.

Russell 1000 Growth contains those Russell 1000 (larger capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates.

Russell 2000 Value contains those Russell 2000 (smaller capitalization) securities with a less-than-average growth orientation. Securities in this index generally have lower price-to-book and price-to-earnings ratios than those in the Russell 2000 Growth Index.

Russell 2000 Growth contains those Russell 2000 (smaller capitalization) securities with a greater-than-average growth orientation. Securities in this index generally have higher price-to-book and price-to-earnings ratios than those in the Russell 2000 Value Index.

MSCI EAFE is the Morgan Stanley Capital International Europe, Australia, Far East Index designed to measure the performance of developed stock markets in these areas.

Barclays Agg Bond is the Lehman Brothers Aggregate Bond Index. This index includes U.S. government, corporate and mortgage-backed securities rated investment grade or higher with maturities up to 30 years.

S&P 500 is a representative sample of 500 leading companies in leading industries of the U.S. economy.

DJ Wilshire REIT is intended as a broad measure of the performance of publicly traded real estate equity. The index is comprised of companies whose charter is the equity ownership and operation of commercial real estate.

Data Source: Morningstar

Data provided by sources believed to be reliable but no guarantee is made as to its accuracy. Past performance is no guarantee of future performance.

GENERAL DISCLOSURE STATEMENT

Statement Of Opinion: This and/or the accompanying information was prepared by or obtained from sources which Wells Fargo Advisors believes to be reliable but does not guarantee its accuracy. Any opinions expressed or implied herein are not necessarily the same as those of Wells Fargo Advisors or its affiliates and are subject to change without notice. The report herein is not a complete analysis of every material fact in respect to any company, industry or security. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

Asset Class Suitability: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

Past Performance: Past performance is not an indication of future results.

Asset Class Performance Representations: Long Term Treasuries = BC Treasury Long; Municipals = BC Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = BC Govt/Credit; Mtge Backed Securities = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin America BMI; Sm Cap US Growth = RU 2000 Growth

Broad Equity Market & Sector Performance Representations: Large-Cap = S&P 500 or Russell 1000; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

Data Sources: Information found in this document was derived from the following sources: Zephyr Associates StyleAdvisor, Informa M-Watch, Investor Force, Barclays Capital, MSCI Barra, and Standard & Poor's.

Dow Jones Industrial Average - This index is comprised of 30 "blue-chip" US stocks selected for their history of successful growth and wide interest among investors. The DJIA represents about 20% of the total market value of all US stocks and about 25% of the NYSE market capitalization. It is a price-weighted arithmetic average, with the divisor adjusted to reflect stock splits and the occasional stock switches in the index.

NASDAQ Composite - A cap-weighted index comprised of all common stocks that are listed on the NASDAQ Stock Market (National Association of Securities Dealers Automated Quotation system).

S&P 500 - A broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. This index does not contain the 500 largest companies nor the most expensive stocks traded in the U.S. While many of the stocks are among the largest, this index also includes many relatively small companies. This index consists of approximately 380 industrial, 40 utility, 10 transportation and 70 financial companies listed on U.S. market exchanges. It is a capitalization-weighted index (stock price times number of shares outstanding), calculated on a total return basis with dividends reinvested.

S&P 500/Citigroup Growth - The S&P/Citigroup Growth tracks the performance of those stocks in the S&P 500 with lower book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually, based on its price-to-book ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index is more heavily weighted in the consumer non-cyclical, health care, and technology sectors than the S&P 500.

S&P 500/Citigroup Value - The S&P Citigroup/Value tracks the performance of those stocks in the S&P 500 with higher book-to-price ratios. A cap-weighted index, it is rebalanced semi-annually on January 1 and July 1, based on its book-to-price ratios and market capitalizations at the close of trading one month prior. The index is adjusted each month to reflect changes in the S&P 500. This index tends to be more heavily concentrated in the energy and financial sectors than the S&P 500.

Russell 1000 - The 1000 largest companies in the Russell 3000 index, based on market capitalization.

Russell 1000 Growth - A segment of the Russell 1000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 1000 Value index.

Russell 1000 Value - Represents a segment of the Russell 1000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 1000 Growth Index.

Russell Mid Cap - The index consisting of the bottom 800 securities in the Russell 1000 as ranked by total market capitalization, and it represents over 35% of the Russell 1000 total market cap.

Russell 2000 - The 2000 smallest companies in the Russell 3000 index.

Russell 2000 Growth - A segment of the Russell 2000 with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Russell 2000 Value index.

Russell 2000 Value - A segment of the Russell 2000 with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Russell 2000 Growth index.

Russell 2500 - The index consisting of the bottom 500 stocks in the Russell 1000(as ranked by market capitalization) and all of the stocks in the Russell 2000. This index is intended to be used as a measure of small to medium/small stock performance, and it represents over 22% of the Russell 3000 total market cap.

MSCI EAFE - A market capitalization-weighted index representing all of the MSCI developed markets outside North America. It comprises 20 of the 22 countries in the MSCI World. These 20 countries include the 14 European countries in the MSCI Europe and the 6 Pacific countries in the MSCI Pacific. This index is created by aggregating the 20 different country indexes, all if which are created separately.

MSCI World - This market capitalization-weighted index represents all 22 of the MSCI developed markets in the world. It is created by aggregating the 22 different country indexes, all if which are created separately.

MSCI Emerging Markets Free (EMF) - A market capitalization-weighted index representing 26 of the emerging markets in the world. Several factors are used to designate whether a country is considered to be emerging vs. developed, the most common of which is Gross Domestic Product Per Capita. The "Free" aspect indicates that this index includes only securities that are allowed to be purchased by global investors. This index is created by aggregating the 26 different country indexes, all if which are created separately.

Barclays Capital Government/Credit - This index includes all bonds that are in the Barclays Capital Government Bond and the Barclays Capital Credit Bond indices.

Barclays Capital Government Intermediate - All bonds covered by the Barclays Capital Government Bond index with maturities of 1 and 10 years.

Barclays Capital Aggregate Bond - This index is made up of the Barclays Capital Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. All issues in the index are rated investment grade or higher, have at least one year to maturity, and have an outstanding par value of at least $100 million.

Barclays Capital Government Long Term - All bonds covered by the Barclays Capital Government Bond index with maturities of 10 years or greater.

Barclays Capital Municipal Bond - This market cap weighted index includes investment grade tax-exempt bonds and is classified into four main sectors: General Obligation, Revenue, Insured, and Pre-refunded. To be included in this index, the original transaction size of a bond must have been greater than $50 million.

Merrill Lynch Convertibles - The convertible securities used in this index span all corporate sectors and must have a par amount outstanding of $25 million or more. The maturity must be at least one year. The coupon range must be equal to or greater than zero and all quality of bonds are included. Excluded from this index are preferred equity redemption stocks. When the component bonds of this index convert into common stock, the converted securities are dropped from the index.

Merrill Lynch High Yield Master - Market-cap weighted index providing a broad-based measure of bonds in the US domestic bond market rated below investment grade but not in default. Includes only issues with a credit rating of BB1 or below as rated by Moody's and/or S&P, at least $100 million in face value outstanding and a remaining term to final maturity equal to or greater than one year.

Dow Jones Wilshire REIT Index - A measurement of equity REITs and Real Estate Operating Companies. No special-purpose or health care REITs are included. It is a market capitalization-weighted index for which returns are calculated monthly using buy and hold methodology; it is rebalanced monthly.

Citigroup 3 Month Treasury Bill - Representing the monthly return equivalents of yield averages that are not marked to market, this index is an average of the last three three-month Treasury bill issues.

50/50 Blend (S&P 500/BCIGC) – A blended benchmark consisting of 50% S&P 500 and 50% Barclays Capital Government/Credit Intermediate indices.