

Economic Update

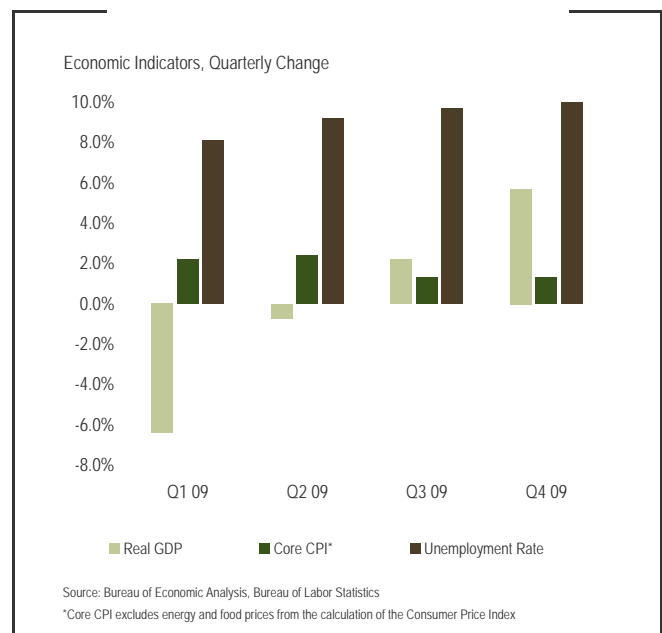
During the month of February, the Pending Home Sales Index rose to 97.6, up 8.2% and 17.3% from the previous month and one year ago, respectively. All regions rose with the exception of the West, which fell 4.8% but is still 14.6% higher than the previous year. The PHSI Midwest surged 21.8%. NAR chief economist Lawrence Yun is hopeful the rise in activity will trigger a second surge in home sales this spring, which is needed to "meaningfully draw down inventory and definitively stabilize home value."

The ISM Non-Manufacturing Index experienced the third month of growth in a row as the index rose to 55.4, up 2.4% from the prior month and well above consensus expectations. A reading above 50 generally indicates expansion. The Non-Manufacturing Business Activity Index rose 5.2% with utilities, information, mining, and retail trade industries leading the growth. Employment activity contracted in the non-manufacturing sector for the 27th consecutive month with a reading 49.8%. Export orders continue to be a boon—a 10% surge is evidence that Asian demand is carrying the global recovery. On Friday, wholesale trade data, which rose by 0.6%, caused the major indexes to reverse and end the week on a gain. The major contributor to the positive data was an increase in durable goods orders, meaning inventories are beginning to be reestablished. According to Bloomberg, wholesale inventories are at the highest level since September 2008.

While many analysts had expected initial jobless claims to continue the downward trend, the Department of Labor released their weekly report indicating the opposite. Initial jobless claims unexpectedly rose to 460,000. The report attributed the volatility to Easter and other regional holidays and issued a warning that seasonal factors may continue to play an important factor for the next several weeks.

Fed chief Ben Bernanke had two speaking engagements this week. He continues to emphasize the crisis is mostly behind us but aid is still necessary; unemployment, rising mortgage delinquencies, and troubled commercial real estate remain of chief concern whereas inflation appears to be stable.

Source: Bureau of Economic Analysis, U.S. Department of Commerce, Federal Reserve Banks, U.S. Department of Labor, U.S. Department of Commerce, The Conference Board, Standard & Poor's, Institute for Supply Management.



Apr. 5 th	ISM Non-Mfg. Index, March	55.4
Apr. 5 th	Pending Home Sales, Feb. Monthly Chg.	8.2%
Apr. 6 th	ICSC-Goldman Same Store Sales, Wkly. Chg.	2.1%
Apr. 7 th	MBA Purchase Applications Index, Wkly. Chg.	0.2%
Apr. 7 th	EIA Petroleum Status Report, Wkly. Chg.	2.0M Barrels
Apr. 7 th	Consumer Credit, March Monthly Change	-11.5B
Apr. 8 th	Initial Jobless Claims (Week ending 4/3)	460,000
Apr. 8 th	EIA Natural Gas Report, Wkly. Chg.	31 bcf
Apr. 9 th	Wholesale Inventories, Feb. Monthly Chg.	0.6%

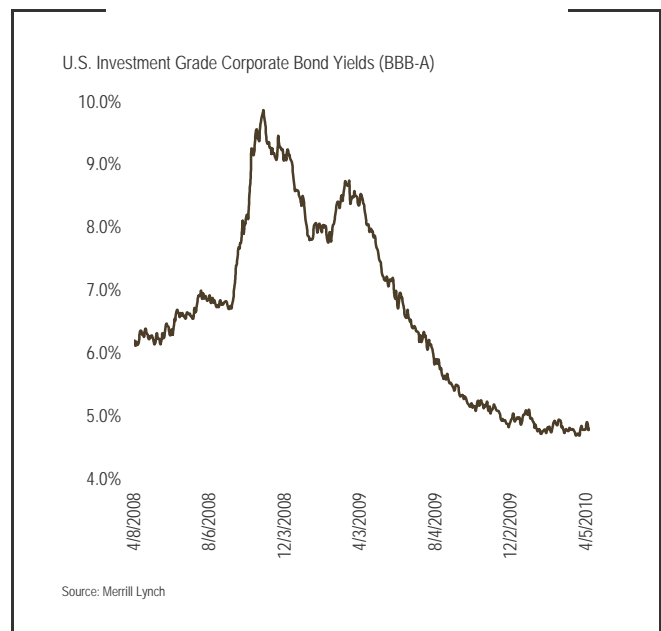
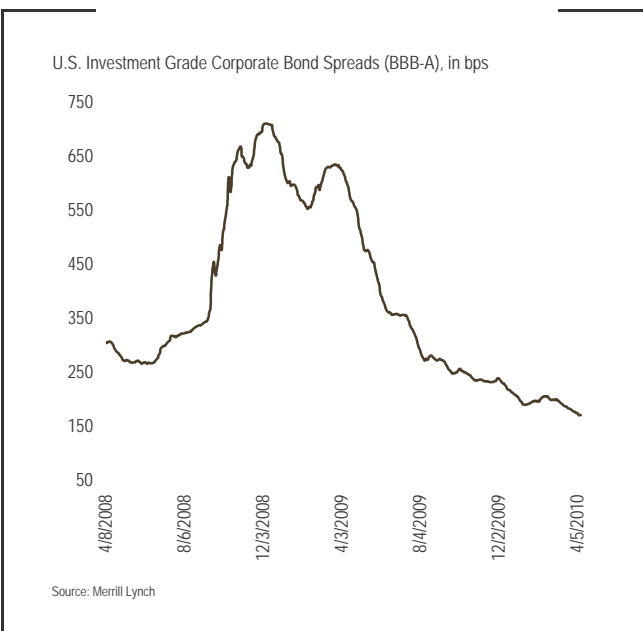
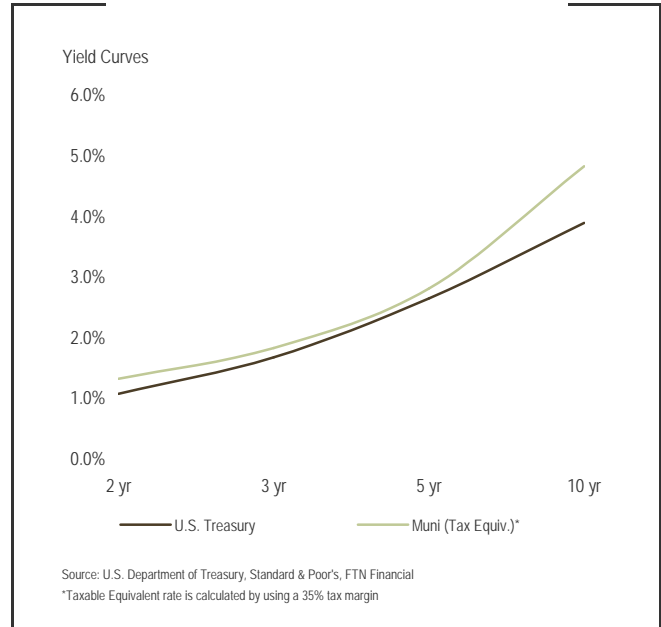
Bond Market Update

After rallying early in the week, U.S. Treasuries finished the week mostly unchanged after traders sold government debt on Friday, as speculation that Greece will avoid default reduced demand for flight-to-safety trade.

Late last week, Greece agreed to a rescue plan comprised of a combination of IMF aid and EU bilateral loans, which would be triggered if Greece ran out of fund-raising options. The Greek Finance Minister welcomed the plan indicating the government would soon announce details of a program to sell assets to narrow the country's deficit. Soon thereafter, news agency Market News International said Greece wanted to bypass IMF involvement in the agreement should it require aid because the terms would be too stringent. This confusion and lack of clarity coupled with a still large budget deficit prompted Fitch Ratings to downgrade the sovereign debt to BBB- with a negative outlook from BBB+ on Thursday. On Friday, Greece's bonds rose the most since February amid comments from the EU indicating that they are prepared to rescue the country if necessary. Although the country represents a very small portion of the Eurozone, this bedlam has had and will have a considerable impact on the markets, particularly the Euro, given the implications for the investment landscape of other nations with large budget deficits.

Issue	4.2.10	4.9.10	Change
3 month T-Bill	0.16%	0.16%	0.00%
2-Year Treasury	1.05%	1.08%	0.03%
5-Year Treasury	2.59%	2.65%	0.06%
10-Year Treasury	3.89%	3.90%	0.01%
30-Year Treasury	4.74%	4.74%	0.00%

Source: Bloomberg, FTN Financial, The Wall Street Journal, U.S. Department of Treasury.



Stock Market Update

Stocks rose for the sixth consecutive weekly gain with the Dow Jones Industrial Average (DJIA) closing just shy of the 11,000 mark. For the week, the DJIA added 70.28 points, or 0.64% to close Friday at 10,967.95, while the broader S&P 500 closed at 1,194.37, 1.38% higher. The technology-heavy NASDAQ Composite Index closed at 2,454.05, up 2.14% this week.

Airlines stocks jumped 3.33% on Thursday when United Airlines (UAL) announced that it had resumed merger talks with US Airways (LCC). The two companies have discussed a merger a number of times over the past decade. Talks were derailed in 2001 by union protests and antitrust objections and failed again in 2008 when United chose instead to enter into a marketing agreement with Continental Airlines, according to the Wall Street Journal.

International Speedway Corp. (ISCA) reported first quarter earnings on Thursday missing analyst estimates. A gain on tax settlements contributed to a small increase in profit; however, on an adjusted basis, low revenues hurt earnings in comparison to the prior year. The decline was attributed to a NASCAR Camping World Truck Series event that was held in Q1 2009 but discontinued in 2010.

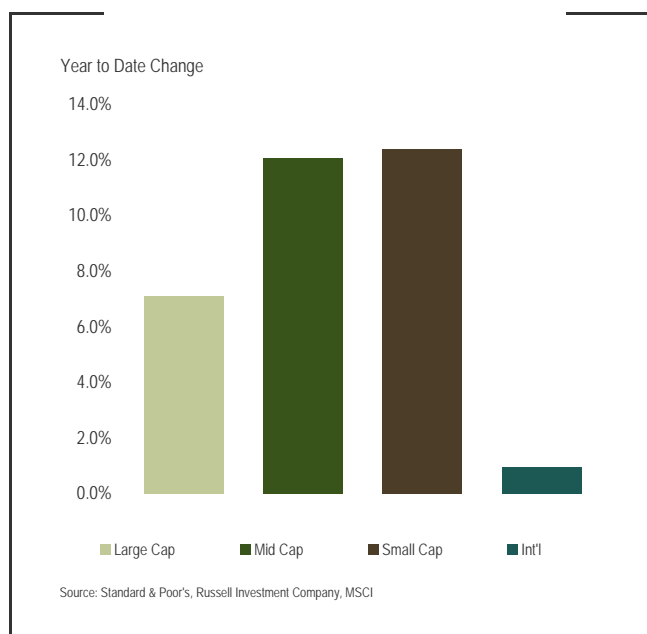
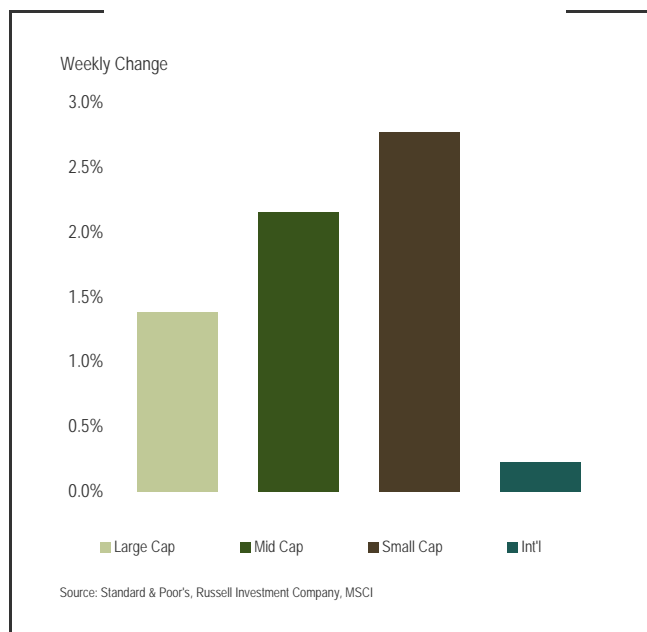
Financial and consumer discretionary stocks provided sector leadership this week, up 2.87% and 2.72%, respectively. The traditionally defensive sectors of consumer staples and health care lost 0.25% and 0.71%, respectively.

On Friday, stocks rallied in Europe to end the week with a slight gain after concerns over the Greek debt crisis and disappointing U.S. jobs data dragged shares down early in the week. The Stoxx Euro 600 Index gained 1.30% on Friday to leave the index 0.13% higher than last week.

Issue	4.2.10	4.9.10	Change
Dow Jones	10,927.07	10,997.35	0.64%
S&P 500	1,178.10	1,194.37	1.38%
NASDAQ	2,402.58	2,454.05	2.14%
Russell 1000 Growth	524.13	530.03	1.13%
S&P MidCap 400	797.29	814.48	2.16%
Russell 2000	683.98	702.95	2.77%
MSCI EAFE	1,584.28	1,587.85	0.23%
MSCI EM	1,010.33	1,036.31	2.57%
MSCI Small Cap	148.42	150.96	1.71%

Prices reflect most recent data available at the time of publication

Source: Bloomberg, Russell Investment Company, Standard & Poor's, Morgan Stanley Capital International, The Wall Street Journal, MarketWatch.



Alternative Investments Market Update

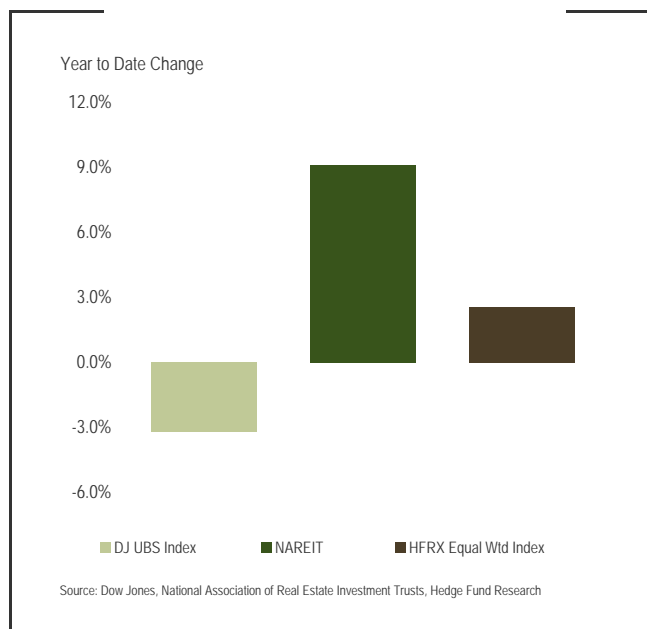
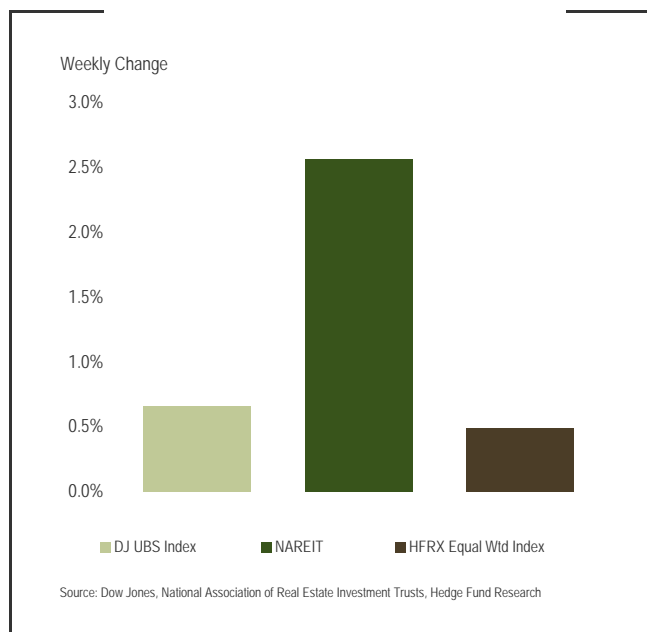
According to the Wall St. Journal, private equity firms KKR & Co. and Bain Capital Partners are planning for initial public offerings of several companies acquired through leveraged buyouts during the boom days of private equity, 2005-2007. Toy's R Us, HCA Inc., and NXP Semiconductors were reported to be the companies involved in preparation for IPO later this year. Such a move by these private equity firms would give market observers a rare opportunity to validate the value proposition of a full transaction in private equity, from LBO to restructuring and eventual sale.

On continued concern over Greece, gold buying in Euros outweighed worldwide trading of gold in US dollars. Though the price of the most actively traded nearby gold futures contract, June, rose to a four month high of \$1,166, the price of gold in Euros made an all time high of €863.38 on Thursday—gold had risen 12.8% year to date priced in Euros, but only 5.2% in US dollars. For the week, June gold futures rose \$35 to close at \$1,160.5.

Natural gas remained near the \$4 million Btu level, thought to be the breakeven point for many producers; the commodity did trade below \$4, hitting a low of \$3.857 on news that weekly inventories rose by 31 billion cubic feet—nearly triple the weekly average for the past five years. Oil spiked to over \$87 per barrel at the onset of the week, but the rally fizzled and it closed just below \$85.

Issue	Previous Week	Current ¹	Change
Gold	1,126.50	1,161.50	3.11%
Crude Oil Futures	85.10	84.91	-0.22%
Copper	358.40	359.35	0.27%
Sugar	16.70	16.39	-1.86%
HFRX Equal Wtd. Strat. Index	1,134.29	1,139.80	0.49%
HFRX Equity Hedge Index	1,138.70	1,156.58	1.57%
HFRX Equity Market Neutral	998.05	998.99	0.09%
HFRX Event Driven	1,379.31	1,384.15	0.35%
HFRX Merger Arbitrage	1,471.87	1,469.99	-0.13%
Dow Jones UBS Commodity Index	133.86	134.73	0.65%
FTSE/NAREIT All REIT	119.50	122.56	2.56%

¹ Prices reflect most recent data available at the time of publication
Source: Dow Jones, National Association of Real Estate Investment Trusts, Hedge Fund Research, Bloomberg, The Wall Street Journal, The International Monetary Fund.



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MAINSTREET ADVISORS™

120 North LaSalle Street Suite 3750
Chicago, Illinois 60602
312.223.0270 direct
312.223.0276 fax
www.mainstreetadv.com