



The World Markets

Second Quarter of 2010

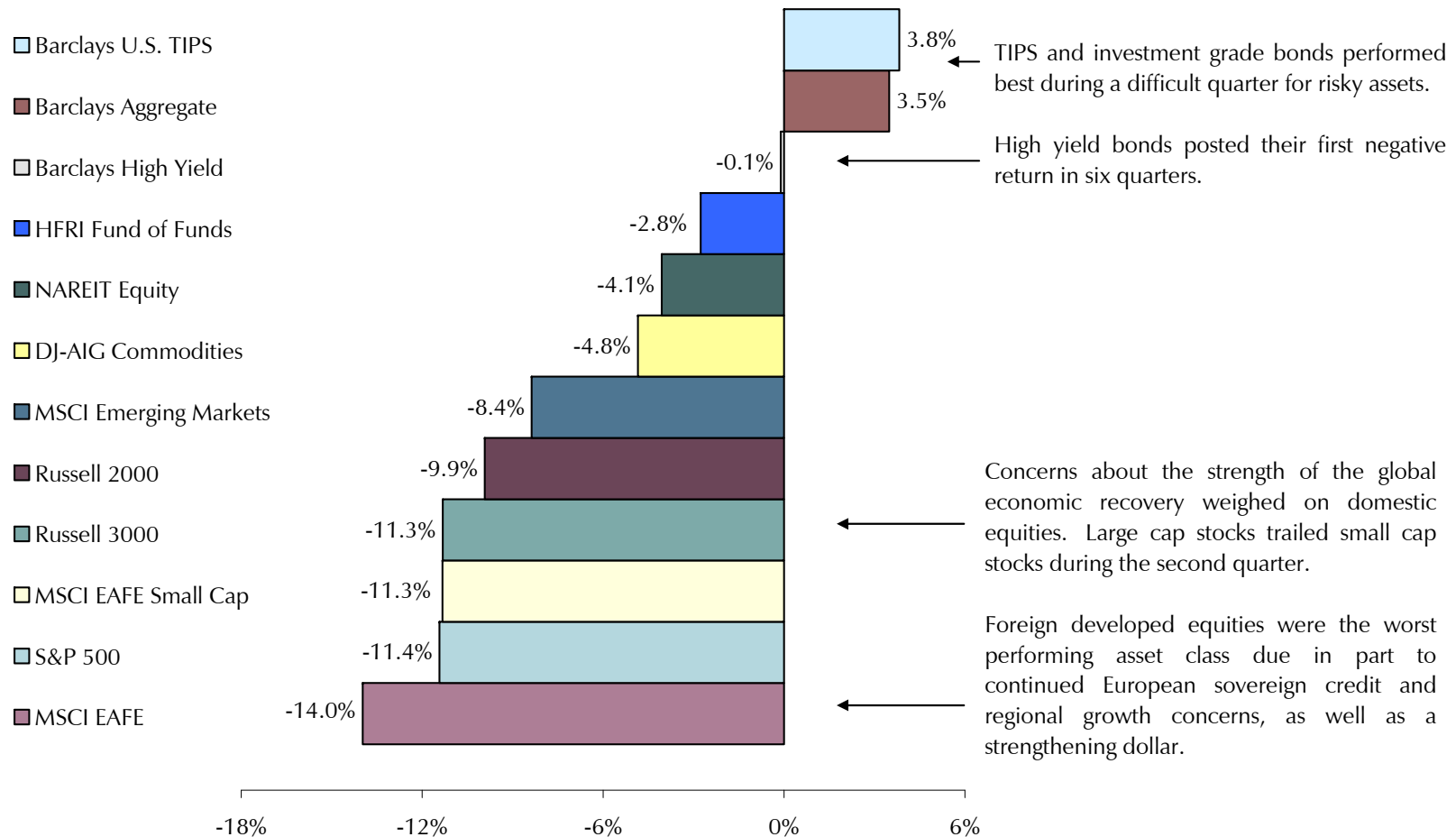
M E K E T A I N V E S T M E N T G R O U P

100 LOWDER BROOK DRIVE SUITE 1100
WESTWOOD MA 02090
781 471 3500 FAX 781 471 3411

www.meketagroup.com

5796 ARMADA DRIVE SUITE 110
CARLSBAD CA 92008
760 795 3450 FAX 760 795 3445

The World Markets
Second Quarter of 2010

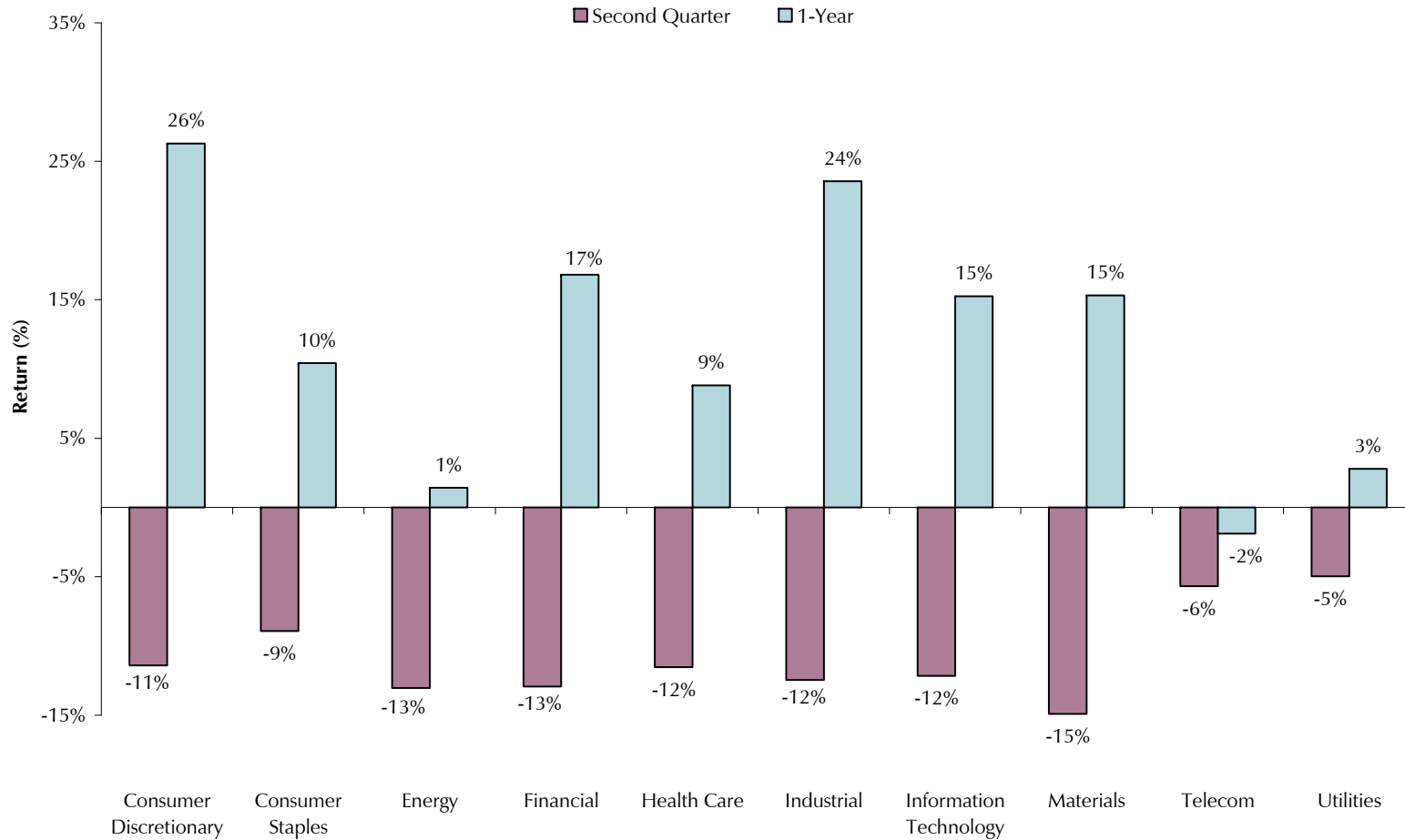


Index Returns

	2Q 10 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity						
Russell 3000	-11.3	-6.0	15.7	-9.5	-0.5	-0.9
Russell 1000 Growth	-11.7	-7.6	13.6	-6.9	0.4	-5.1
Russell 1000	-11.4	-6.4	15.2	-9.5	-0.6	-1.2
Russell 1000 Value	-11.1	-5.1	16.9	-12.3	-1.6	2.4
Russell MidCap Growth	-10.2	-3.3	21.3	-7.5	1.4	-2.0
Russell MidCap	-9.9	-2.1	25.1	-8.2	1.2	4.2
Russell MidCap Value	-9.6	-0.9	28.9	-9.4	0.7	7.6
Russell 2000 Growth	-9.2	-2.3	18.0	-7.5	1.1	-1.7
Russell 2000	-9.9	-2.0	21.5	-8.6	0.4	3.0
Russell 2000 Value	-10.6	-1.6	25.1	-9.8	-0.5	7.5
Foreign Equity						
MSCI ACWI (ex. U.S.)	-12.4	-11.1	10.4	-10.7	3.4	1.9
MSCI EAFE	-14.0	-13.2	5.9	-13.4	0.9	0.2
MSCI EAFE Small Cap	-11.3	-7.1	12.3	-13.1	1.1	5.0
MSCI Emerging Markets	-8.4	-6.2	23.2	-2.5	12.7	10.0
Fixed Income						
Barclays Universal	3.1	5.2	10.6	7.2	5.6	6.6
Barclays Aggregate	3.5	5.3	9.5	7.5	5.5	6.5
Barclays U.S. TIPS	3.8	4.4	9.5	7.6	5.0	7.5
Barclays High Yield	-0.1	4.5	26.8	6.5	7.2	7.3
Other						
NAREIT Equity	-4.1	5.6	53.9	-9.0	0.2	9.9
DJ-UBS Commodities	-4.8	-9.7	2.6	-9.5	-3.5	3.3
HFRI Fund of Funds	-2.8	-1.4	4.5	-4.0	2.3	3.4

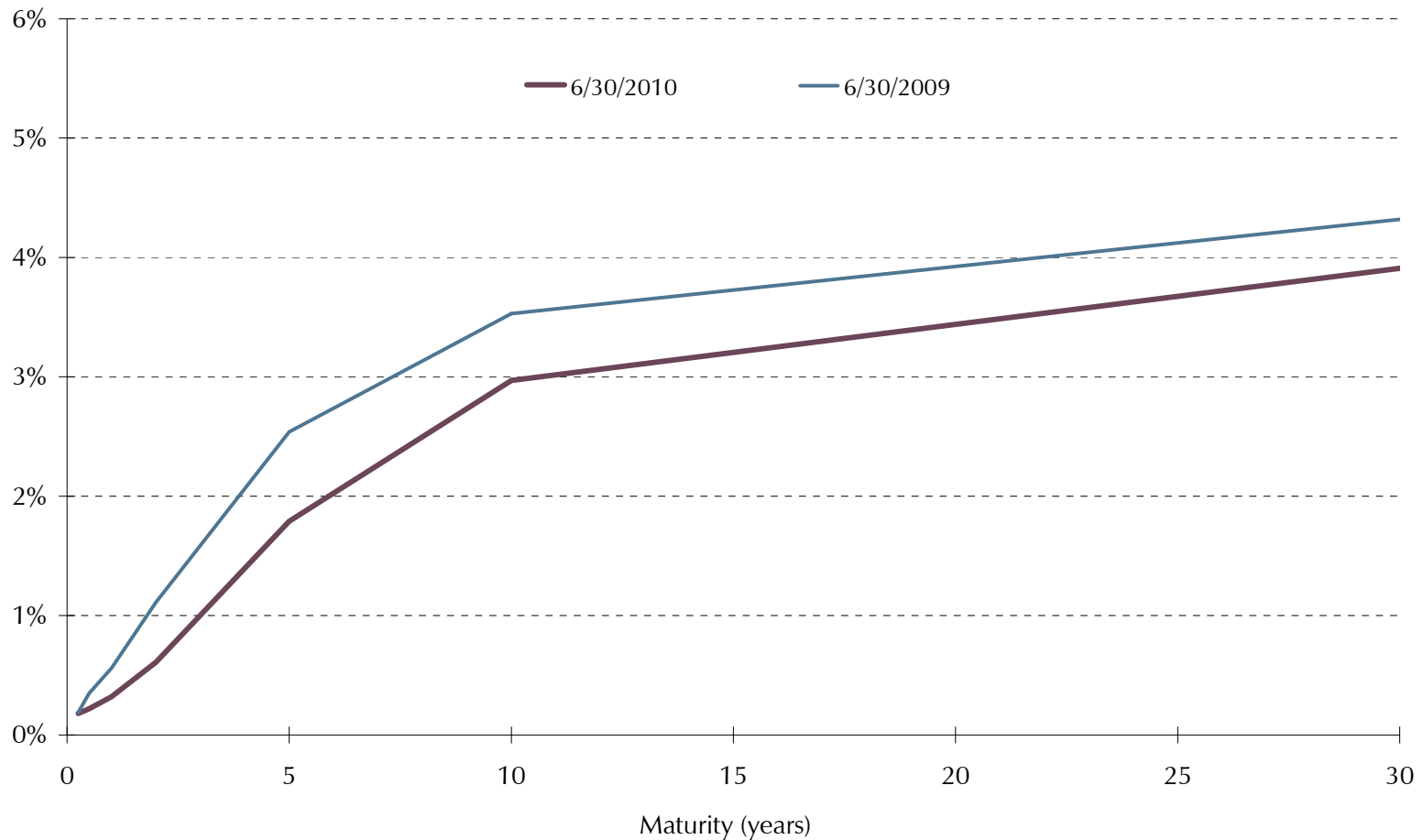
S&P Sector Returns

All sectors in the S&P 1500 Index experienced negative returns during the quarter, with seven of ten sectors down more than 10%. Still, over the trailing one-year period, all sectors experienced positive returns, with the exception of the telecom sector.



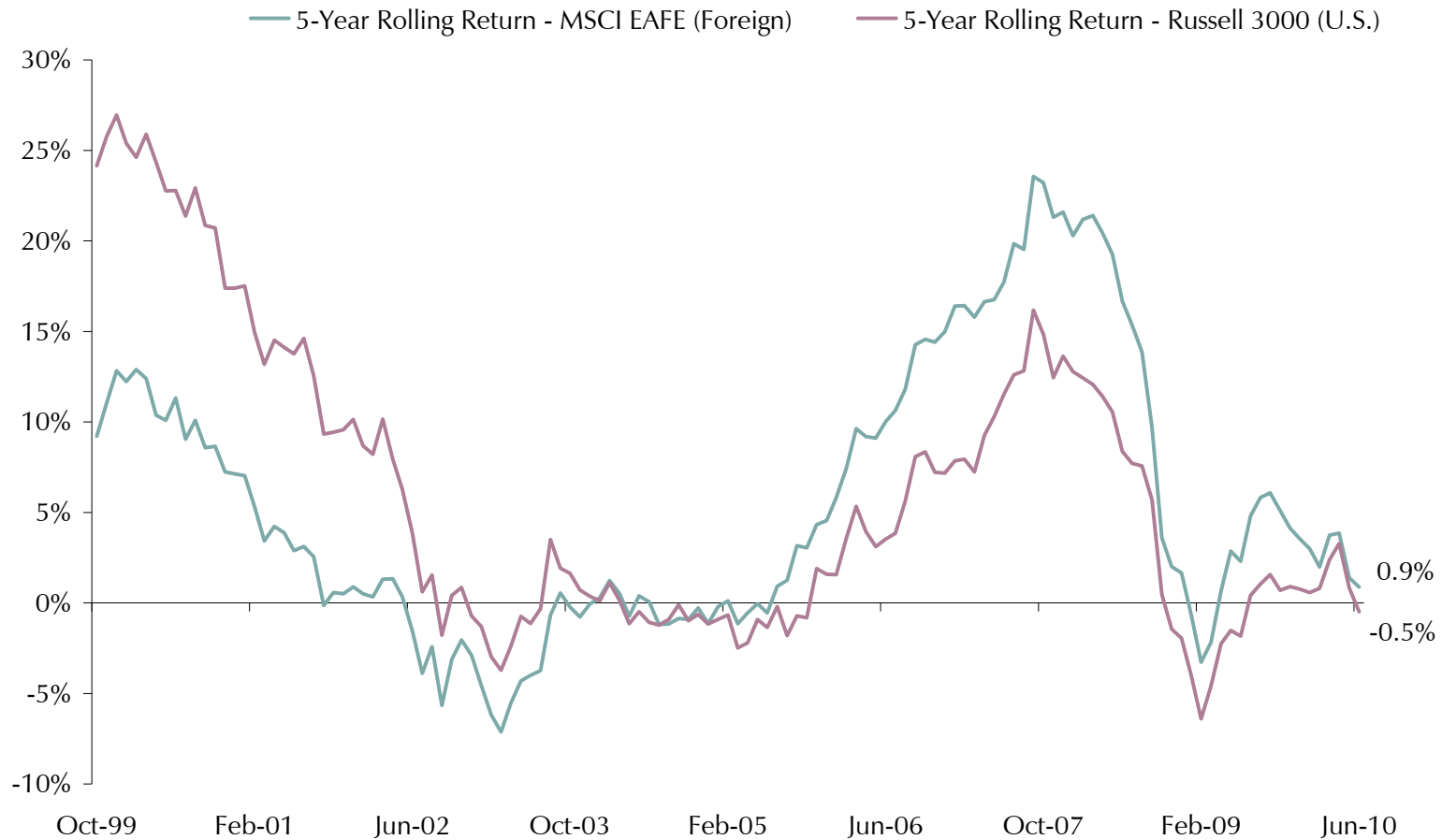
Treasury Yields

As the European debt crisis and concerns over the strength of the global recovery continued to weigh on growth expectations, investors sought the safety of U.S. Treasuries. As a result, the yield on the ten-year Treasury fell to slightly below 3.0% at quarter-end.



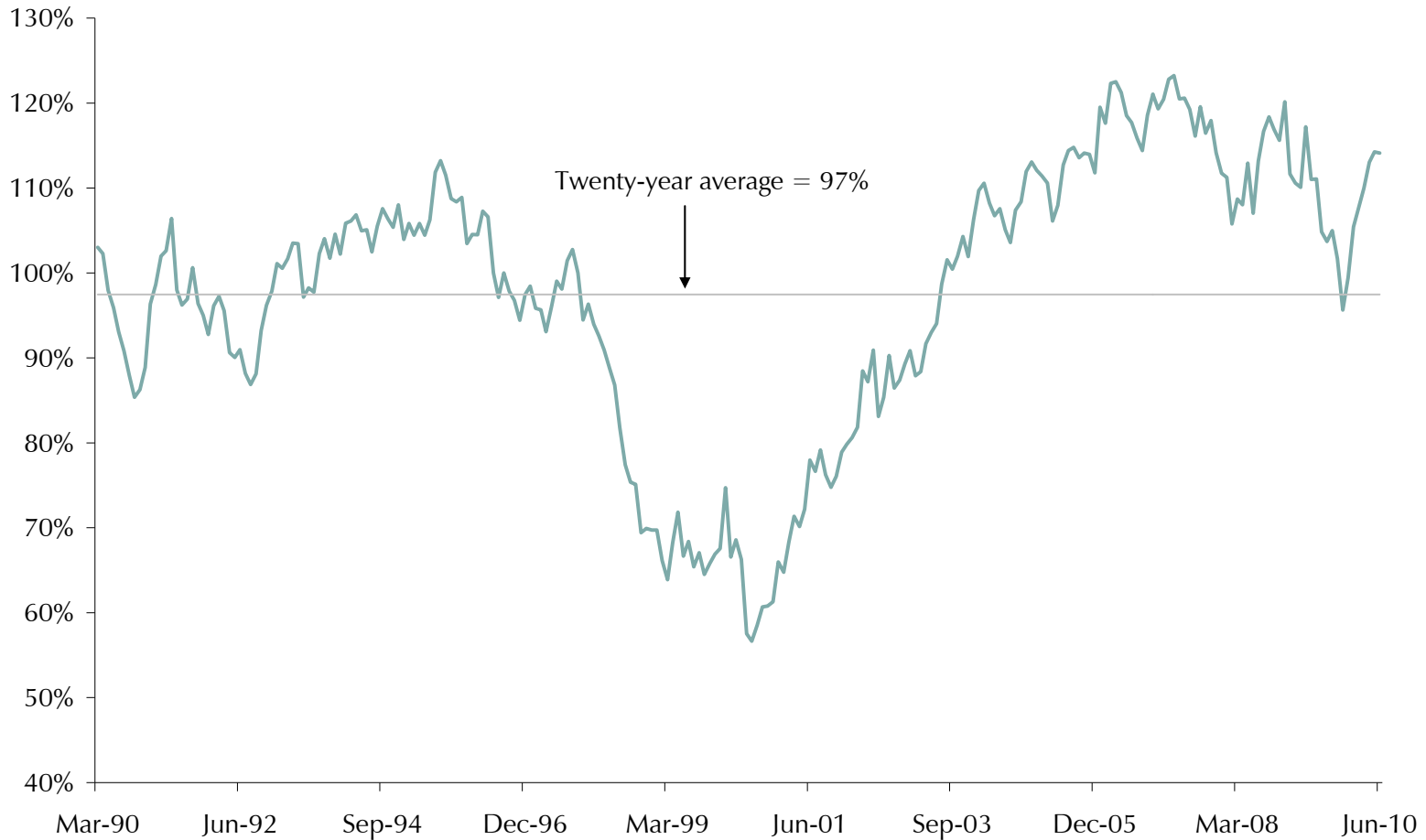
Equity Markets

With the sharp pullback in stocks during the second quarter, the trailing five-year return of the broad domestic equity market turned slightly negative. Despite underperforming the domestic equity market by 980 basis points over the last twelve months, the developed international equity market has outperformed by 1.4% over the past five years.

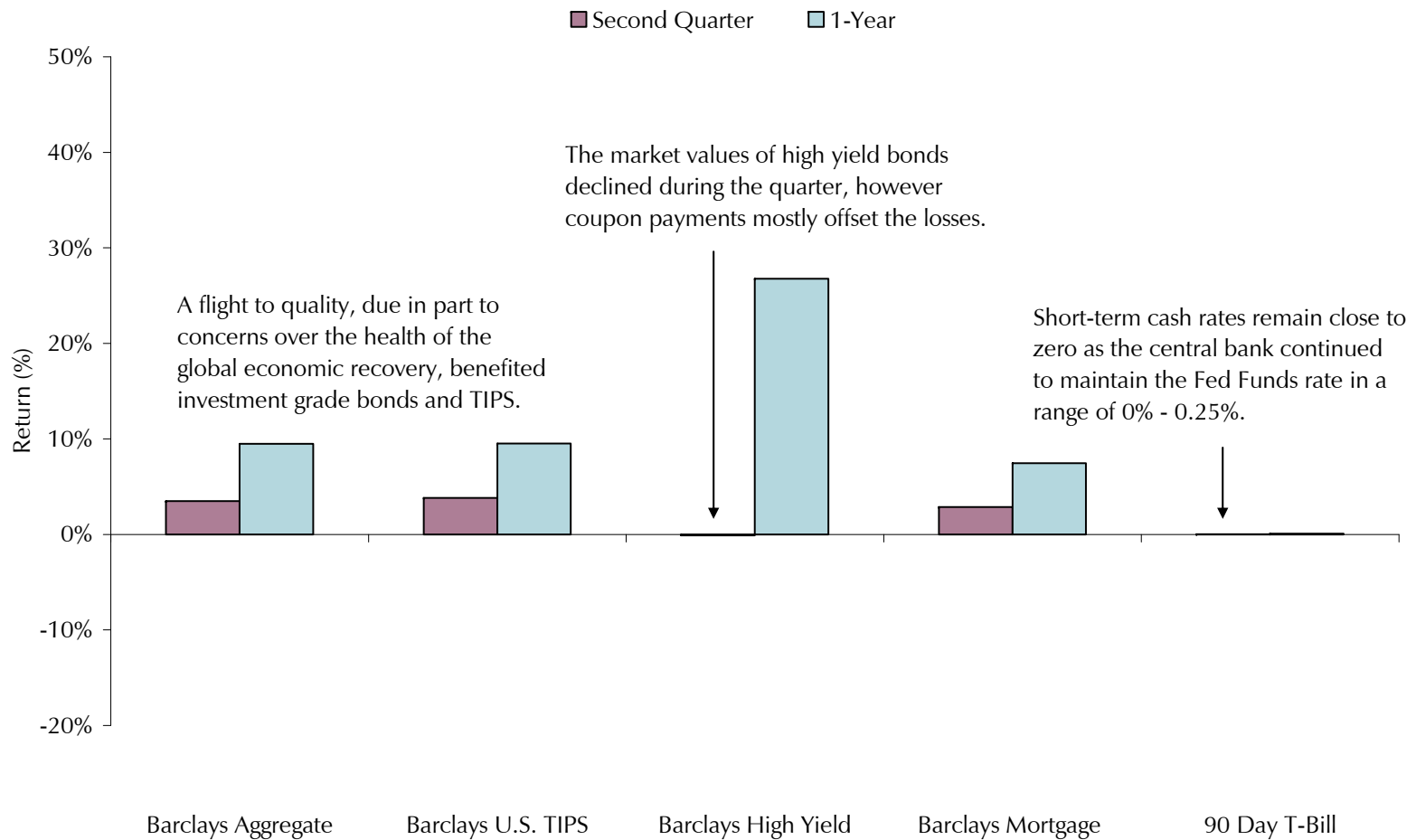


Russell 2000 P/E (Small Cap) vs. Russell 1000 P/E (Large Cap)

The ratio of small cap (Russell 2000) P/Es to large cap (Russell 1000) P/Es declined in 2009, reaching their long-term average by year-end. During the first half of 2010, the ratio increased to a level approximately 18% above its long-term average.

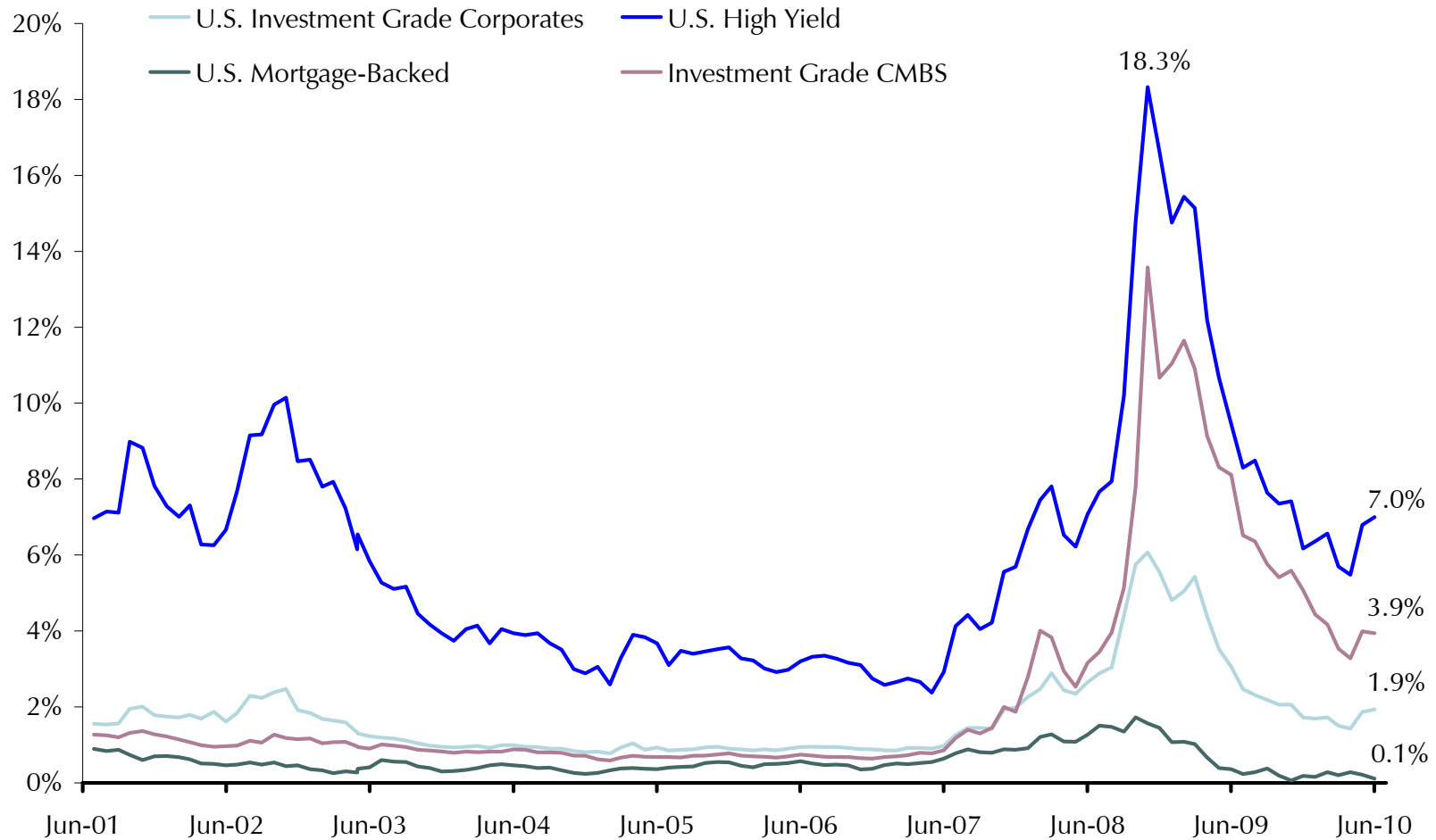


U.S. Fixed Income Markets

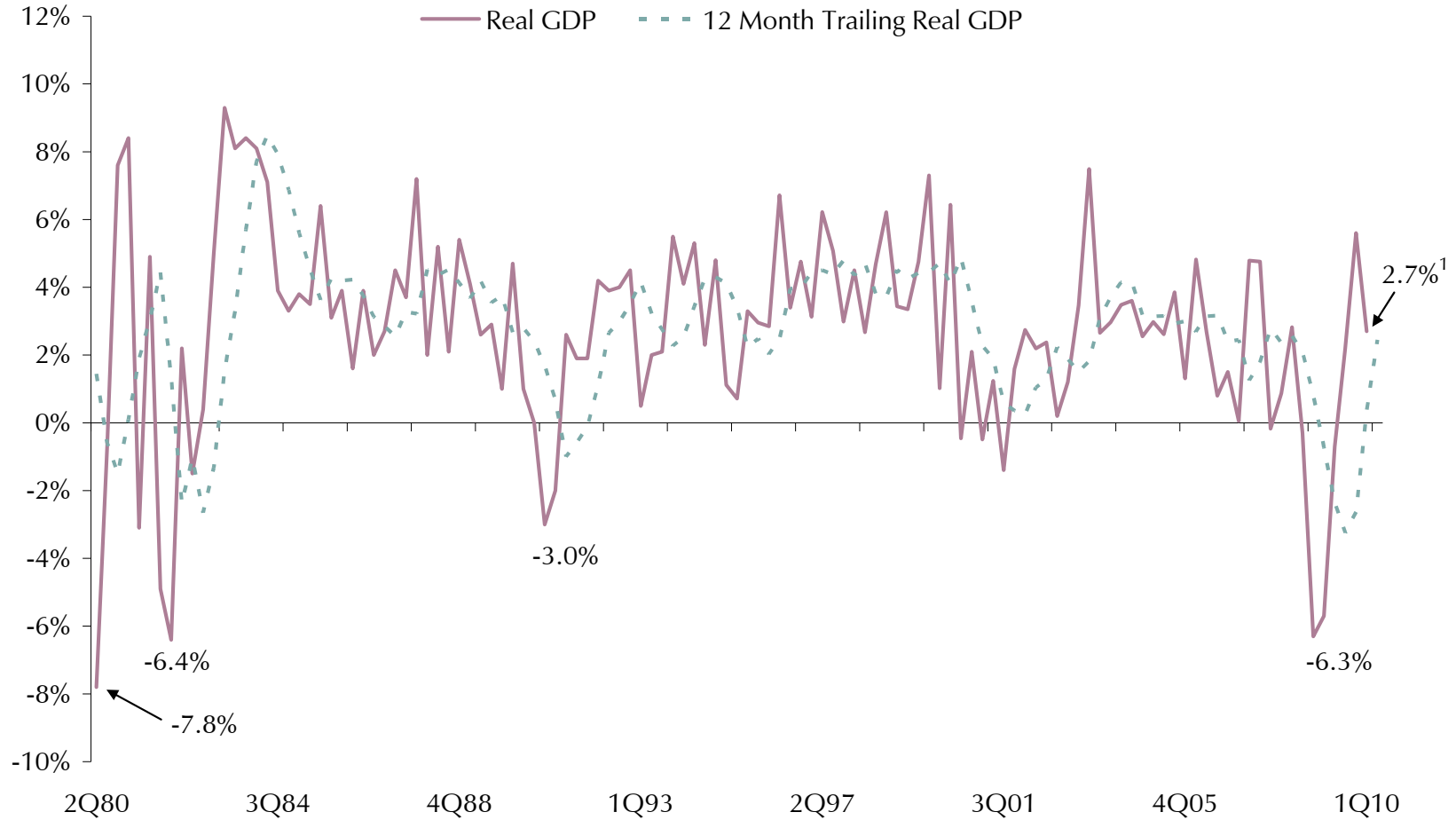


Credit Spreads vs. U.S. Treasury Bonds

Credit spreads over Treasuries expanded during the second quarter, as a flight to quality returned. High yield bond spreads increased by 1.3% to 7.0%, 80 basis points above the trailing ten-year average of 6.2%.



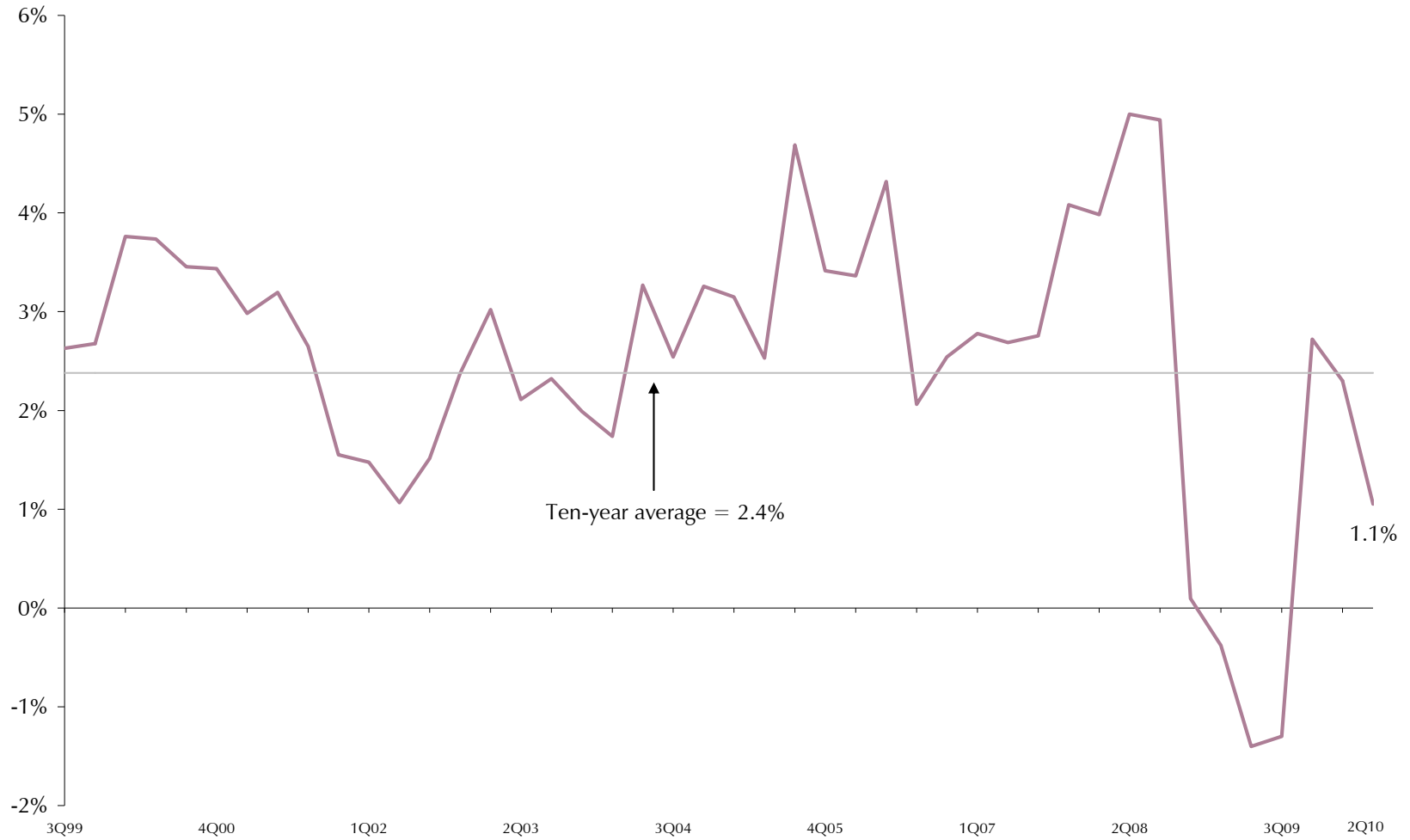
Real Gross Domestic Product (GDP) Growth



¹ Q1 reported data. Q2 data is not yet available.



**U.S. Inflation (CPI)
Trailing Twelve Months**



¹ The ten-year average annualized inflation rate was 2.4%.

U.S. Unemployment

The unemployment rate declined to 9.5% in the second quarter. Although the unemployment rate has dropped 0.5% since its peak of 10% at the end of 2009, it still remains well above its historical average.

