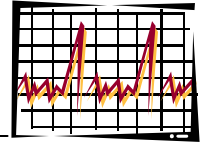


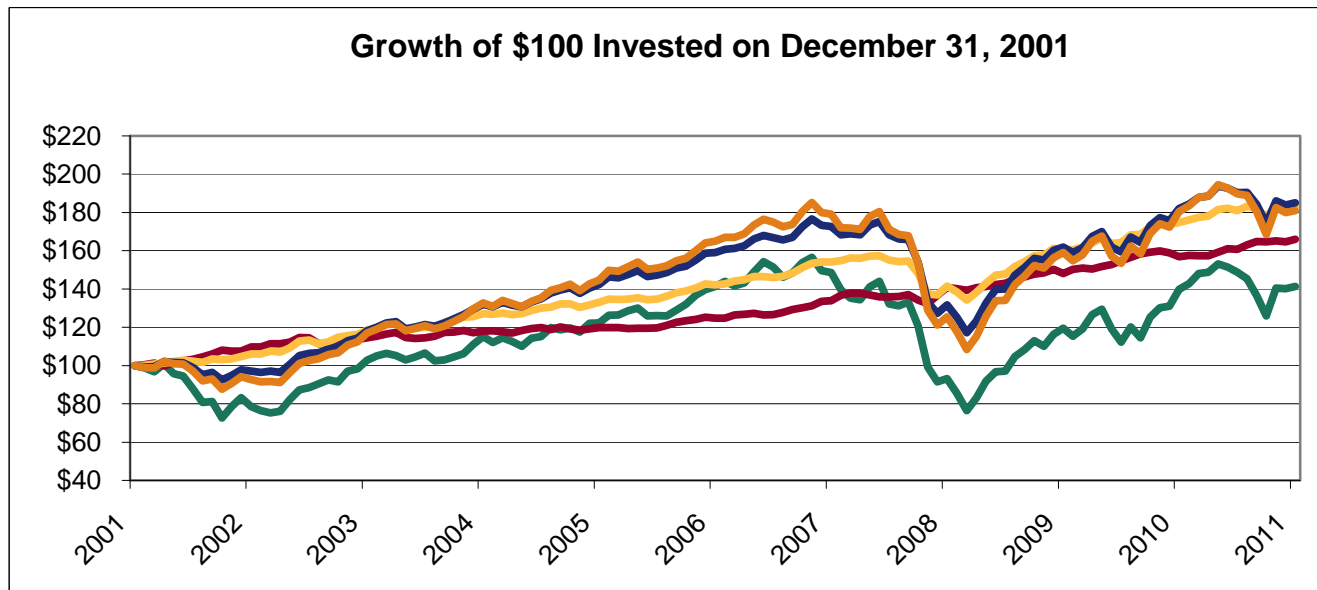
# Investment Market Pulse



December 31, 2011

**Total Return (%) for Period Starting**

	1 Month	3 Month	Fiscal Year	YTD	1 Year	3 Year	5 Year	10 Year
<b>Equity Like Volatility</b>								
	11/30/2011	9/30/2011	6/30/2011	12/31/2010	12/31/2010	12/31/2008	12/31/2006	12/31/2001
Russell 3000 Index	0.82	12.12	-5.01	1.03	1.03	14.88	-0.01	3.51
MSCI EAFE Index	-0.95	3.33	-16.31	-12.14	-12.14	7.65	-4.72	4.67
MSCI Emerging Markets Index	-1.21	4.42	-19.13	-18.42	-18.42	20.07	2.40	13.86
S&P GSCI Commodity Index	-2.11	8.96	-3.78	-1.18	-1.18	6.93	-2.79	5.64
Dow Jones U.S. Select REIT Index	4.70	15.36	-1.41	9.37	9.37	21.63	-2.04	10.12
BofA ML US High Yield Master II Index	2.48	6.18	-0.52	4.38	4.38	23.72	7.34	8.59
<b>Fixed Income Like Volatility</b>								
	11/30/2011	9/30/2011	6/30/2011	12/31/2010	12/31/2010	12/31/2008	12/31/2006	12/31/2001
BofA ML 3-Month U.S. Treasury Bill Index	0.00	0.00	0.02	0.10	0.10	0.15	1.48	1.95
Barclays TIPS Index	0.04	2.69	7.32	13.56	13.56	10.38	7.95	7.57
Barclays Intermediate Govt/Credit Index	0.78	0.84	3.25	5.80	5.80	5.65	5.88	5.20
<b>ESP Portfolios</b>								
	11/30/2011	9/30/2011	6/30/2011	12/31/2010	12/31/2010	12/31/2008	12/31/2006	12/31/2001
Conservative	0.68	3.22	1.22	4.86	4.86	9.01	5.22	6.25
Moderate	0.62	6.19	-2.77	1.69	1.69	12.01	3.07	6.35
Aggressive	0.54	7.43	-4.64	0.23	0.23	12.98	1.86	6.11



- Conservative Portfolio 10% Russell 3000 / 3% MSCI EAFE / 3% MSCI Emerging Markets / 3% Dow Jones U.S Select REIT / 3% GSCI Commodity / 3% Bank of America Merrill Lynch High Yield Master II / 10% Barclays TIPS / 65% Barclays Intrn. Govt./Credit
- Moderate Portfolio 30% Russell 3000 / 10% MSCI EAFE / 5% MSCI Emerging Markets / 5% Dow Jones U.S. Select REIT / 5% GSCI Commodity / 5% Bank of America Merrill Lynch High Yield Master II / 5% Barclays TIPS / 35% Barclays Intrn. Govt./Credit
- Aggressive Portfolio 40% Russell 3000 / 15% MSCI EAFE / 5% MSCI Emerging Markets / 5% Dow Jones U.S. Select REIT / 5% GSCI Commodity / 5% Bank of America Merrill Lynch High Yield Master II / 5% Barclays TIPS / 20% Barclays Intrn. Govt./Credit

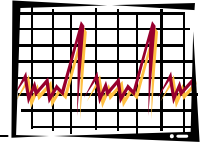
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# Investment Market Pulse



**Stock Returns Were Mixed...** Stock returns were mixed in December, as stocks in the U.S. were up slightly while those outside of the U.S. were down (all returns and commentary included within refer to the month of December 2011). The Russell 3000 Index rose nearly 1%, with value outperforming growth by 230 basis points (1 basis point equals 1/100<sup>th</sup> of 1%); however, there was virtually no difference in returns between large cap and small cap. Seven of the ten sectors realized a positive return, led by telecommunication services, which gained almost 4%. Conversely, the worst performing sector was materials, which declined nearly 2%. The MSCI EAFE Index, which is comprised of stocks located in 22 developed market countries, lost almost 1%, as value outperformed growth by 70 basis points. Five of the ten sectors in the index increased, with health care the best performer, up more than 3%. The worst performing sector was materials, which fell almost 5%. Ireland was the best performing country, up about 7%, and was one of only seven countries with a positive return, while Finland was the worst performing country, down more than 8%. The MSCI Emerging Markets Index fell more than 1% and there was no difference in returns between growth and value. Seven of the ten sectors in the index declined, with energy the worst performer, losing close to 5%. Information technology was the best performing sector, rising over 2%. In terms of countries, Egypt, Hungary, and Russia were the worst performers, each falling more than 10%, while Malaysia was the best performer, gaining about 4%.

**Falling Yields Help Bonds...** Treasury yields fell for maturities ranging from 2 years to 30 years; as a result, bond returns were positive in December. The Barclays Capital Intermediate Government / Credit Index gained about 80 basis points due in large part to investment grade corporate bonds, which rose more than 1%. Despite falling yields, Treasury Inflation-Protected Securities (TIPS) generated little return, with the Barclays Capital U.S. TIPS Index rising less than 10 basis points. The BofA Merrill Lynch U.S. High Yield Master II Index, which tracks the non-investment grade fixed income market, gained more than 2%, as high yield bonds rated CCC and lower outperformed those rated BB by about 90 basis points. The Federal Open Market Committee left the target fed funds rate unchanged at 0-0.25%; therefore, cash continued to generate little return, as evidenced by a 0% return for the BofA Merrill Lynch 3-Month U.S. Treasury Bill Index.

**REITs Gain, Commodities Decline...** Real Estate Investment Trusts (REITs) were up sharply in December, as the Dow Jones U.S. Select REIT Index gained almost 5%. All eight sectors in the index generated a positive return, with health care the best, up nearly 7%, and self-storage the worst, up close to 3%. Alternatively, commodities declined for the month, with the S&P Goldman Sachs Commodity Index (GSCI) falling more than 2%. A stronger U.S. dollar, as evidenced by a 2.3% gain in the U.S. Dollar Index, negatively impacted commodities, many of which are priced in U.S. dollars and become more expensive to foreign buyers when the U.S. dollar strengthens. The precious metals sector declined more 11% and was the worst performer due to steep declines in both gold and silver, each of which fell more than 10%. Agriculture was the lone commodity sector with a positive return, gaining almost 4%.