LPL Financial Research

Current Conditions Index

January 6, 2010

Overview

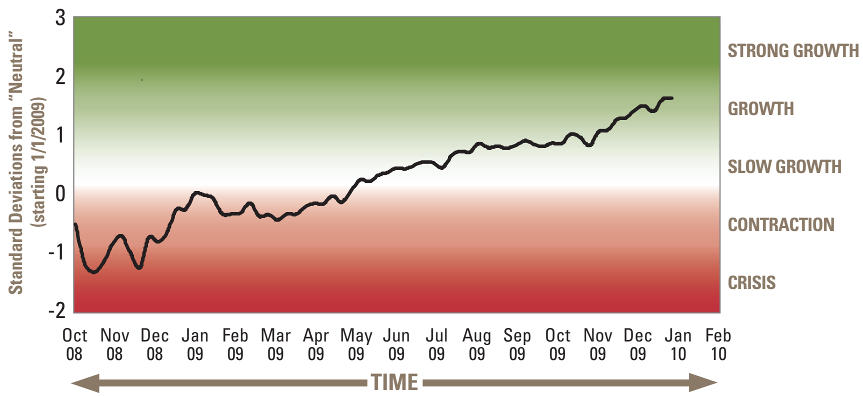
The LPL Financial Current Conditions Index is a weekly measure of the conditions that underline our outlook for the markets and economy. The CCI provides real-time context and insight into the trends that shape our recommended actions to manage portfolios. This index has proven to be a useful tool for investment decision making.

This weekly index is not intended to be a leading index or predictive of where conditions are headed, but a coincident measure of where they are right now. We want to track the conditions in real-time to aid in investment decision making. There are thousands of indicators-some lead the economy, some lag, while others merely offer a lot of statistical noise. We chose to create our own index tailored to the current environment to provide the clearest and most useful way to track conditions. The components of the CCI are periodically changed to retune the index to those factors most critical to the markets and economy so it may continue to be a valuable investment decision-making tool.

You may have noticed the LPL Financial Current Conditions Index has a new look this week. The index itself has not changed in terms of the level or the constituents. Instead, we have refined the context of the index. When it was originally designed, the CCI was defined relative to our base, bull, and bear case outlooks for 2009 and intended to track how market and economic conditions were evolving relative to our outlook for that extraordinary year. With the start of a new year, we have redefined the CCI relative to a range of market and economic conditions rather than our expectations. These conditions range from Strong Growth on the positive side to Crisis on the negative side.

Over the past week, the LPL Financial Current Conditions Index was unchanged at 1.6. The level of the current conditions index indicates an environment fostering trend-like growth in the economy and markets. We expect that the CCI may weaken in the latter half of 2010 to reflect an environment of slow growth. We will be watching current conditions closely as the global tailwinds for growth fade or even give rise to headwinds as we make investment recommendations in 2010.

LPL Financial Research Current Conditions Index



Source: LPL Financial

The component that demonstrated the biggest improvement was Shipping Traffic. The component that was the biggest detractor for the past week was the Fed Spread, which reflected a slightly increased likelihood of a Fed rate hike by mid-year. Mortgage Applications remain the weakest component and have slid as the national average 30-year mortgage rate has risen to the highest level in months along with the 0.5 percentage point run up in the yield on the 10-year Treasury note in December.

IMPORTANT DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide or be construed as providing specific investment advice or recommendations for any individual. To determine which investments may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price.

Stock investing involves risk including loss of principal.

High Yield/Junk Bonds are not investment grade securities, involve substantial risks and generally should be part of the diversified portfolio of sophisticated investors.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

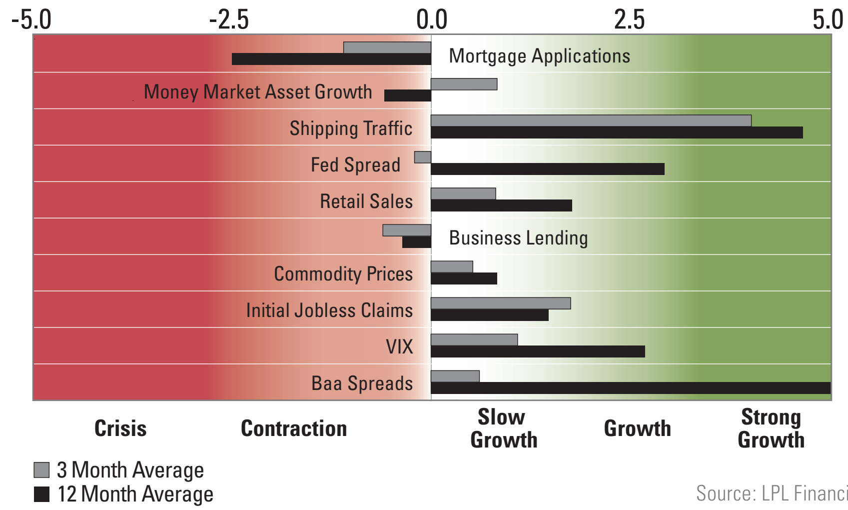
The Barclays Aggregate Bond Index is made up of the Barclays Government/Credit Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million.

An investment in money market funds is not insured or guaranteed by the Federal Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the Fund.

The fast price swings of commodities will result in significant volatility in and investor's holdings.

LPL FINANCIAL RESEARCH CURRENT CONDITIONS INDEX COMPONENTS

STANDARD DEVIATIONS FROM "NEUTRAL" SINCE 1/1/2009



Source: LPL Financial

CURRENT SNAPSHOT

Component of CCI Index	This Week	One Week Ago	Four Weeks Ago
BAA Spreads	5.4	5.3	5.0
VIX	2.7	3.0	2.8
Initial Jobless Claims	1.5	1.5	1.2
Commodities	0.8	0.8	0.7
Business Lending	-0.4	-0.4	-0.4
Retail Sales	1.8	1.7	1.8
Fed Spread	2.9	3.2	3.2
Shipping Traffic	4.7	4.1	2.7
Money Market Fund Assets	-0.6	-0.6	-0.8
Mortgage Applications	-2.5	-2.5	-1.8
CCI	1.6	1.6	1.4

Source: LPL Financial

This research material has been prepared by LPL Financial.

The LPL Financial family of affiliated companies includes LPL Financial and UVEST Financial Services Group, Inc., each of which is a member of FINRA/SIPC.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and make no representation with respect to such entity.

Not FDIC or NCUA/NCUSIF Insured | No Bank or Credit Union Guarantee | May Lose Value | Not Guaranteed by any Government Agency | Not a Bank/Credit Union Deposit

LPL Financial