LPL Financial Research

Current Conditions Index

June 17, 2009

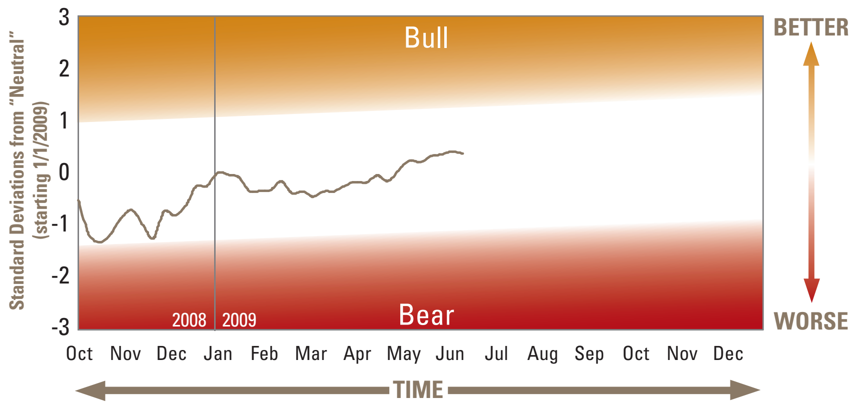
Overview

The LPL Financial Current Conditions Index is a weekly measure of the conditions that underpin our outlook for the markets and economy in 2009. We will publish this weekly index over the course of 2009 to provide real-time context and insight into the trends that shape our recommended actions to manage portfolios. We expect this index will become a useful tool to describe the conditions most relevant to investment decision making in 2009.

This weekly index is not intended to be a leading index or predictive of where conditions are headed, but merely 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 how conditions are aligned with the expectations embedded in our investment recommendations.

The LPL Financial Current Conditions Index held at 0.4 for the third week reflecting slowing momentum to the improvement that has taken place since the beginning of March. The positive trend measured by the CCI in recent months drove up mortgage rates and gasoline prices which have started to have a negative impact. This has resulted in a more balanced backdrop for the financial markets than what had prevailed during the 40% rally in the S&P 500 from the lows of early March. The index reflects current conditions aligned with our base case outlook for modest gains in the stock and bond market in 2009.

LPL Research Current Conditions Index



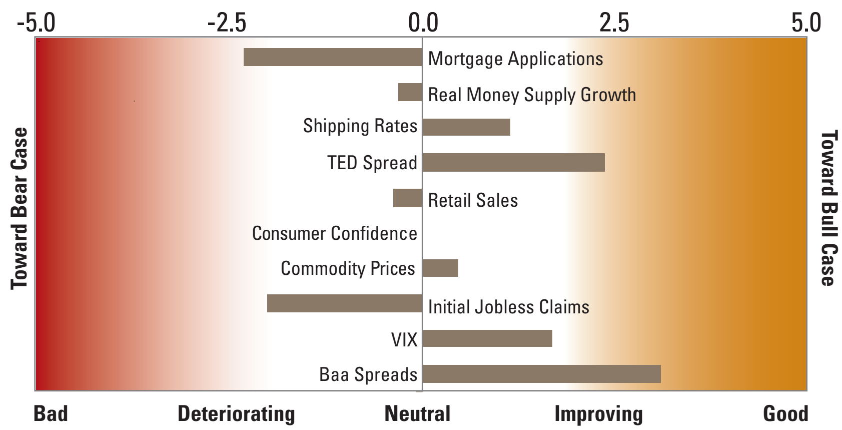
Source: LPL Financial

Most of the 10 components of the index are in positive territory for the year. The components that most closely gauge risk appetite, the VIX* and Baa spreads, continued to improve in the past week. However, Retail sales and Mortgage applications have shown some weakness as gasoline and mortgage rates have moved higher.

*The VIX is a measure of the volatility implied in the prices of options contracts for the S&P 500. It is a market based estimate of future volatility. While this is not necessarily predictive it does measure the current degree of fear present in the stock market.

LPL 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	3.1	3.0	1.4
VIX	1.7	1.5	0.9
Initial Jobless Claims	-2.0	-2.0	-2.2
Commodities	0.5	0.4	0.0
Confidence	0.0	0.1	0.2
Retail Sales	-0.4	0.0	0.3
TED Spread	2.4	2.3	1.8
Shipping Rates	1.1	1.2	0.7
Real Money Supply Growth	-0.3	-0.3	-0.3
Mortgage Applications	-2.3	-2.0	-0.8
CCI	0.4	0.4	0.2

Source: LPL Financial

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