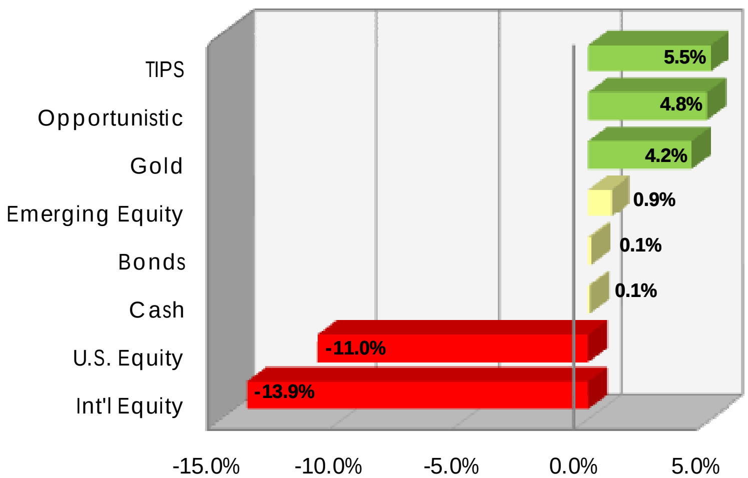
Miracle Mile ADVISORS

*Providing Global Opportunities for the Risk-Aware Investor*

# Market Monitor – First Quarter, 2009

**Performance By Asset Class, 1Q09**

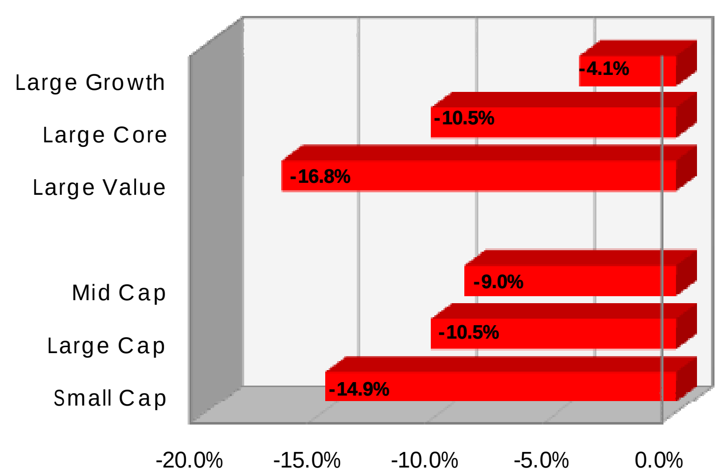



The first quarter of 2009 was a mixed bag for the markets. The global market sell-off continued through January and into February as equities hit new lows on March 9th. After that date, Financials led equities higher on news from Citigroup and JPMorgan Chase that the banks were profitable in January and February. A few days later, details from the Treasury Department on the plan to remove toxic, or “legacy”, assets from banks’ balance sheets extended the rally. By the end of March, the S&P 500 had risen almost 20% from its March low. Despite the rally, equities in the U.S. and developed Europe and Asia fell for the quarter. The S&P 500 was down -11.0% in 1Q09, while the international MSCI EAFE index fell -13.9%. For dollar-based investors international losses were exacerbated by a strengthening dollar. Conversely, Emerging Markets outperformed their developed market counterparts in the first quarter of 2009. The MSCI Emerging Market index rose 0.9%, propelled by the Opportunistic BRIC index, which was up 4.8% on the back of double-digit gains in Brazil.

The broad fixed income market was flat for the quarter, with the Barclays U.S. Aggregate Index gaining just 0.1%. U.S. Treasurys, particularly at the long end of the curve, continued to reverse more of last year’s advances, while municipal bonds posted strong gains. The Barclays U.S. TIPS index gained more than 5.5%, our best performing asset class, as these bonds priced in a lower chance of deflation ahead. Gold advanced early in the quarter as a safe-haven and alternative currency trade, but reversed course on gains in the equity markets in March. Overall for the quarter, the metal was up more than 4.2%.

Within the U.S. equity market, there was nowhere to hide from losses. Across the style spectrum, Value fared much worse than Growth, with Financials down almost -30.0% for the quarter despite the March rally. Information Technology, the only positive sector in the quarter, gained almost 4.0% and boosted the Growth index. Across capitalization ranges, Mid-Caps fared slightly better than Large-Caps and Small-Caps.

**Performance By U.S. Style and Size, 1Q09**




*Sources: Barclays Capital, Dow Jones-AIG, Standard & Poor's, MSCI Barra, Russell*