

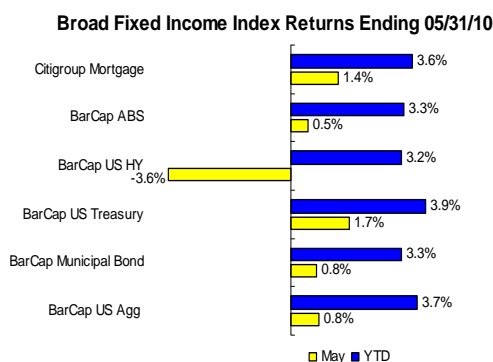
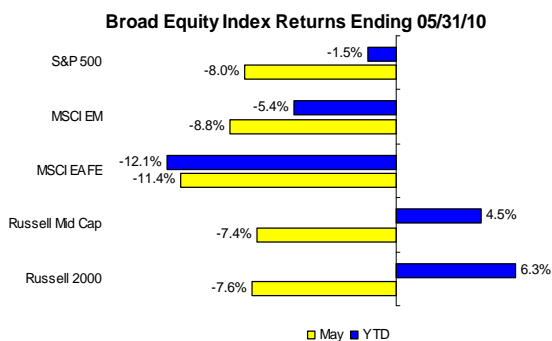
May 2010 Market Commentary

U.S. and overseas equity markets moved lower in May amid fresh Eurozone debt concerns. A downgrade of Spain on the last trading day of the month hit stocks particularly hard, handing key market indices their worst monthly performance since the height of the financial crisis.

For the month, the S&P 500 Index and the Russell 2000 Index of smaller companies each declined 8%. Consumer staples, telecommunications services and utilities were among the top performing sectors, while energy, materials and industrials underperformed. Across all market capitalizations, growth stocks outperformed their value counterparts. Meanwhile, small- and mid-cap companies performed similarly to larger companies.

U.S. fixed income markets posted mostly positive results. Treasuries generated strong returns as investors flocked to safety. Other sectors, including municipal bonds, mortgage-backed securities (MBS) and asset-backed securities (ABS), also advanced during the month. Meanwhile, investment grade corporate securities were among the weaker performers. Lower quality, higher yielding corporate securities also underperformed, with lower quality issues performing particularly poorly.

International markets posted negative results, with the MSCI EAFE declining 11%. Among the largest European markets, France and Germany declined 13% and 10%, respectively. Within the Pacific region, Australia and New Zealand plunged 17% and 13%, respectively. Meanwhile, Japan declined 8%, while Singapore ended down 9%. In the emerging markets, the MSCI EM fell 9% on weakness from select Emerging Asian, Latin American and EMEA (Eastern Europe, Middle East and Africa) countries.



World Market Recap

Economy

- First quarter GDP was revised down to 3% in the second estimate from the 3.2% preliminary estimate. The Commerce Department said personal spending, investment and export activity were fueling the economy. However, the government said these gains were offset by negative contributions from state and local government spending and residential fixed investments.
- The Federal Reserve continues to keep interest rates on hold at the 0% to 0.25% range. The next FOMC meeting is scheduled for June 22nd-23rd.
- On the political front, Senate lawmakers passed the most sweeping regulatory overhaul of the financial system since the Great Depression. Congressional leaders must now work to reconcile the bill with a version passed by the House. Despite differences in the two bills, most lawmakers expect that some type of financial regulatory reform will be finalized this summer.

U.S. Equity

- The more defensive areas such as the healthcare, telecommunications services and utilities sectors were among the best performers during the month of May as investors sold riskier assets and flocked to safety and yield.
- The industrials and materials sectors were areas of severe weakness as companies reduced manufacturing amid a worldwide slowdown in demand as both consumers and businesses retrenched.
- Energy shares plummeted during the month as the prospects for an offshore exploration moratorium hung over the sector in the wake of the Deepwater Horizon disaster in the Gulf of Mexico. According to early estimates, the oil spill has become the worst environmental crisis in U.S. history, far surpassing the 1989 Exxon Valdez disaster.
- The CBOE Volatility Index (VIX) jumped 45% in May, marking its biggest monthly percentage increase since October 2008. Concerns surrounding the Gulf Coast oil spill, European debt crisis and the overall state of the U.S. economy weighed heavily on investor sentiment.

Fixed Income

- U.S. Treasuries ended solidly higher in the month of May as yields fell the most since the height of the financial crisis as escalating sovereign debt worries in Europe fueled a shift to the relative safety of U.S. debt.
- Municipal bonds ended the month with gains, but failed to keep pace with the powerful flight-to-quality rally in U.S. Treasuries. Bond flows improved as demand from the household sector increased amid a heavy new-issue calendar.
- Other fixed income sectors, including mortgage-backed securities (MBS) and asset-backed securities (ABS) also advanced during the month.
- Gains within the investment grade corporate securities sector were limited, with lower quality issues posting declines. BBB-rated issues declined 1%, which was worse than the 0% return for AA-rated issues and the 1% gain for AAA-rated issues.
- Lower quality, higher yielding corporate securities underperformed, with lower quality issues performing particularly poorly. BB-rated issues declined 3%, while CCC-rated issues fell 6%.

International Developed Markets

- Canada declined 7%. Following month end, the Bank of Canada raised interest rates by 25 basis points to 0.5% making Canada the first in the Group of Seven (G7) to raise rates since the onset of the global economic crisis. However, central bank officials remain cautious, suggesting there could be pauses ahead in the rate-increase cycle.
- The United Kingdom declined 11% as the Bank of England left rates unchanged at a historic low of 0.5%. On the political front, conservative leader David Cameron became the United Kingdom's new prime minister after the resignation of Gordon Brown, marking the end of a Labour Party era.
- The European Central Bank left interest rates unchanged at 1% as the central bank remains on hold as questions surrounding a Eurozone recovery loom. Among the PIIGS countries (Portugal, Italy, Ireland, Greece and Spain), Spain's credit rating was downgraded on concerns the country's efforts to cut its debt will affect its rate of economic growth.



DIMEO
SCHNEIDER
& ASSOCIATES, L.L.C.

- Within the Pacific region, Australia and New Zealand plunged 17% and 13%, respectively. Meanwhile, Japan declined 8%, while Singapore ended down 9%. On the political front, Prime Minister Yukio Hatoyama of the Democratic Party of Japan resigned just months after taking office amid broken campaign promises and a political funding scandal. Hatoyama is Japan's fourth prime minister to resign in four years.

International Emerging Markets

- In Asia, South Korea declined 13% as government officials took aggressive steps to stabilize the won amid escalating tensions with North Korea. The markets of China, India and Taiwan fared slightly better, declining 5%, 8% and 10%, respectively.
- Within Latin America, Brazil declined 11% and posted the worst monthly performance since October 2008. Mexico's stock market also came under pressure, ending down 7%. Meanwhile, the smaller markets of Colombia and Chile each declined 2%. Peru was the standout among emerging markets, rising 3%.
- Among EMEA countries, South Africa ended down 7%. In the Middle East, Turkey fell 11%, while Egypt lost 13%. Within Eastern Europe, Russia, the Czech Republic and Poland declined 11%, 12% and 15%, respectively. Hungary was among the worst performers, plummeting 23%.

*All indices are unmanaged and investors can not actually invest directly into an index. Past performance is not indicative of future results.

The S&P 500 Index is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's.

Russell 2000 Index measures the performance of the small-cap stocks.

MSCI EAFE is a market-cap weighted index representing 20 of the developed markets outside North America. These 20 countries include 14 European countries and 6 Pacific countries.

MSCI Emerging Markets is a market-cap weighted index representing 26 of the emerging countries in the world.

Note: The information contained in this correspondence was taken from sources which we deem reliable. We do not represent that it is accurate nor complete and it should not be relied upon as such. Any opinions expressed herein reflect our judgment at this date and are subject to change.