

US Equity	May '10	Y-T-D	2009	
Large Cap Stock				
Dow Jones Industrial Average	-7.56%	-1.63%	22.68%	<p>May is a month with many events and celebrations, from the Kentucky Derby to the Indianapolis 500 to Cinco de Mayo, an event that traces back to a major problem we see today - too much debt. In late 1861, the French emperor, Napoleon III, sent troops (along with English and Spanish forces) to Mexico to collect the debts owed by a previous Mexican government, but the new president of Mexico annulled the debts and vowed to pay nothing to the European countries. The English and Spanish quickly established a truce, but the French stayed until the Battle of the Puebla on May 5, 1862. The Mexicans were victorious due to mistakes by the French leaders, but today Cinco de May is not recognized as a federal holiday in Mexico. It seems the roles reversed today with Euro countries facing too much debt, causing much volatility throughout the month. In a sense, Mexico could claim victory again this month, off only 1.3% in peso terms, while most international markets fell in the high single digits in local currency. US equities were collateral damage as we again witnessed the interconnectedness of the global financial system.</p>
S&P 500	-7.99%	-1.50%	26.46%	
Russell 1000	-7.93%	-0.88%	28.43%	
Russell 1000 Value	-8.22%	0.54%	19.69%	
Russell 1000 Growth	-7.63%	-2.26%	37.21%	
Small & Mid Cap Stock				
Russell Mid Cap	-7.35%	4.46%	40.48%	
Russell Mid Cap Value	-7.81%	5.61%	34.21%	
Russell Mid Cap Growth	-6.86%	3.26%	46.29%	
Russell 2000	-7.59%	6.29%	27.17%	
Russell 2000 Value	-8.45%	7.77%	20.58%	
Russell 2000 Growth	-6.61%	4.72%	34.47%	
International Equity				
MSCI EAFE	-11.37%	-12.08%	32.46%	<p>Fears of contagion from Greece's debt problems along with high frequency trading systems, caused the "flash crash" in the US, dropping stocks 8% intraday. The European Union and IMF agreed on a nearly \$1 trillion bailout package for troubled countries. European stocks dropped 18% at one point during the month, but rallied back to finish still with the worst monthly return on record. The Euro dropped 8% during the month against the US dollar, a gigantic move for currency markets, bringing the year-to-date drop to 14% (and detracting from returns for US investors). *</p>
MSCI EAFE Value	-11.86%	-13.68%	35.06%	
MSCI EAFE Growth	-10.89%	-10.49%	29.91%	
MSCI Europe	-11.96%	-15.70%	36.81%	
MSCI Japan	-8.09%	-0.66%	6.39%	
MSCI Emerging Markets	-8.75%	-5.36%	79.02%	
Alternative Assets				
Dow AIG Commodity	-6.92%	-9.89%	18.91%	<p>Despite the broad equity sell-off, REITs held up better with strong relative performance on the month and on a year-to-date basis (although many names in the index tend to fall in the small cap value category, which is the top domestic equity category year-to-date).</p>
Wilshire REIT	-5.34%	11.17%	28.60%	
Hedge Fund of Funds	-2.84%	-0.55%	11.46%	
Fixed Income				
Barclays Gov't/Credit Bond	0.81%	3.62%	4.53%	<p>The market recognized sovereign debt issues and punished bonds during May, selling without abandon. The Greece ten-year traded around 5% for the second part of 2009 and yields marched steadily higher and spiked to over 12% last month. Portugal also felt pain as its ten-year traded around 4% in 2009, but spiked to over 6% in May. Still, this was a boon to US treasuries, which rallied over 2%. The ten-year dropped from 3.69% to 3.31% and the two-year dropped from 0.97% to 0.76%. Credit markets sold off with high yield registering its worst month since November 2008.</p>
Barclays Corporate Bond	-0.55%	3.59%	18.67%	
Barclays High Yield Bond	-3.50%	2.97%	55.71%	
Barclays US Aggregate Bond	0.84%	3.71%	5.93%	
Barclays Global ex. US Tres.	-2.05%	-4.28%	4.36%	
Barclays Municipal Bond	0.75%	3.25%	12.91%	

MSCI indices returns are in US dollars. Hedge Fund of Funds is the HFRI Fund of Funds Composite *Morgan Stanley Research

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