

US Equity	Dec. '10	Y-T-D	2009	
Large Cap Stock				While probably unintentional, every year 1,000 people injury themselves from a Christmas tree falling on them. Another group with self-inflicted (portfolio) wounds were short sellers in December. The rapid market rise in December left shorts at the lowest level in the past year. Strong returns pushed the gains into double digits for 2010 for large caps. Overall, the the leaders of the year were small caps and growth stocks. Markets reacted positively to Obama's extension of the Bush tax cuts. The holiday shopping season was quite positive with Mastercard showing a 5.5% gain. The government sold its stake in Citigroup for reported profits of \$12 billion. On the downside, it is clear housing prices continue deteriorating without the help of the home buyer credit. The high inventory and rising interest rates also pressure pricing, especially in the frothiest area of the real estate boom. This could be a continuing story going into 2011.
Dow Jones Industrial Average	5.33%	14.06%	22.68%	
S&P 500	6.68%	15.06%	26.46%	
Russell 1000	6.68%	16.10%	28.43%	
Russell 1000 Value	7.89%	15.51%	19.69%	
Russell 1000 Growth	5.51%	16.71%	37.21%	
Small & Mid Cap Stock				
Russell Mid Cap	6.92%	25.48%	40.48%	
Russell Mid Cap Value	7.55%	24.75%	34.21%	
Russell Mid Cap Growth	6.24%	26.38%	46.29%	
Russell 2000	7.94%	26.86%	27.17%	
Russell 2000 Value	8.31%	24.50%	20.58%	
Russell 2000 Growth	7.59%	29.09%	34.47%	
International Equity	Dec. '10	Y-T-D	2009	
MSCI EAFE	8.11%	8.21%	32.46%	Manufacturing data across the globe surprised to the upside with the Eurozone data at a 4-month high and a 16-year high in the U.K. The European Central Bank stepped up its purchases of sovereign bonds during the month with solvency concerns returning. After growth rising to 9% last quarter in India, the prime minister forecasted an acceleration up to 10%, though inflation fears perked up. China is in a similar boat with growth hovering around double digits the last inflation reading came in at 5%, prompting the second interest rate hike since October.
MSCI EAFE Value	8.37%	3.81%	35.06%	
MSCI EAFE Growth	7.86%	12.60%	29.91%	
MSCI Europe	8.40%	4.49%	36.81%	
MSCI Japan	7.62%	15.59%	6.39%	
MSCI Emerging Markets	7.15%	19.20%	79.02%	
Alternative Assets	Dec. '10	Y-T-D	2009	
Dow AIG Commodity	10.69%	16.83%	18.91%	Commodities soared during Decemeber with cotton +28%, sugar +18%, and coffee +12%. The typical headlines of dollar depreciation and demand from emerging markets helped the gains. Hedge funds performed well with the HFRX Equity Hedge Index posting its largest gain since February 2000, +5.2%.
Wilshire REIT	4.74%	28.60%	28.60%	
Hedge Fund of Funds	1.97%	5.46%	11.46%	
Fixed Income	Dec. '10	Y-T-D	2009	
Barclays Gov't/Credit Bond	-1.40%	6.59%	4.53%	The ten-year Treasury yield rose from 2.80% at the beginning of the month to close at 3.31%, detracting from returns on fixed income. Liquidation of municipal bonds due to fears of future defaults paired the gains for 2010. High yield was a bright spot, with continued confidence in an economic recovery, credit spreads compressed. The outperformance of foreign currencies along with fears alleviating from the Irish bailout in November allowed global bonds to recover.
Barclays Corporate Bond	-0.92%	9.00%	18.67%	
Barclays High Yield Bond	1.91%	14.47%	55.71%	
Barclays US Aggregate Bond	-1.08%	6.56%	5.93%	
Barclays Global ex. US Tres.	3.06%	6.11%	4.36%	
Barclays Municipal Bond	-1.94%	2.37%	12.91%	

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

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