

# Index Financial Advisors LLC

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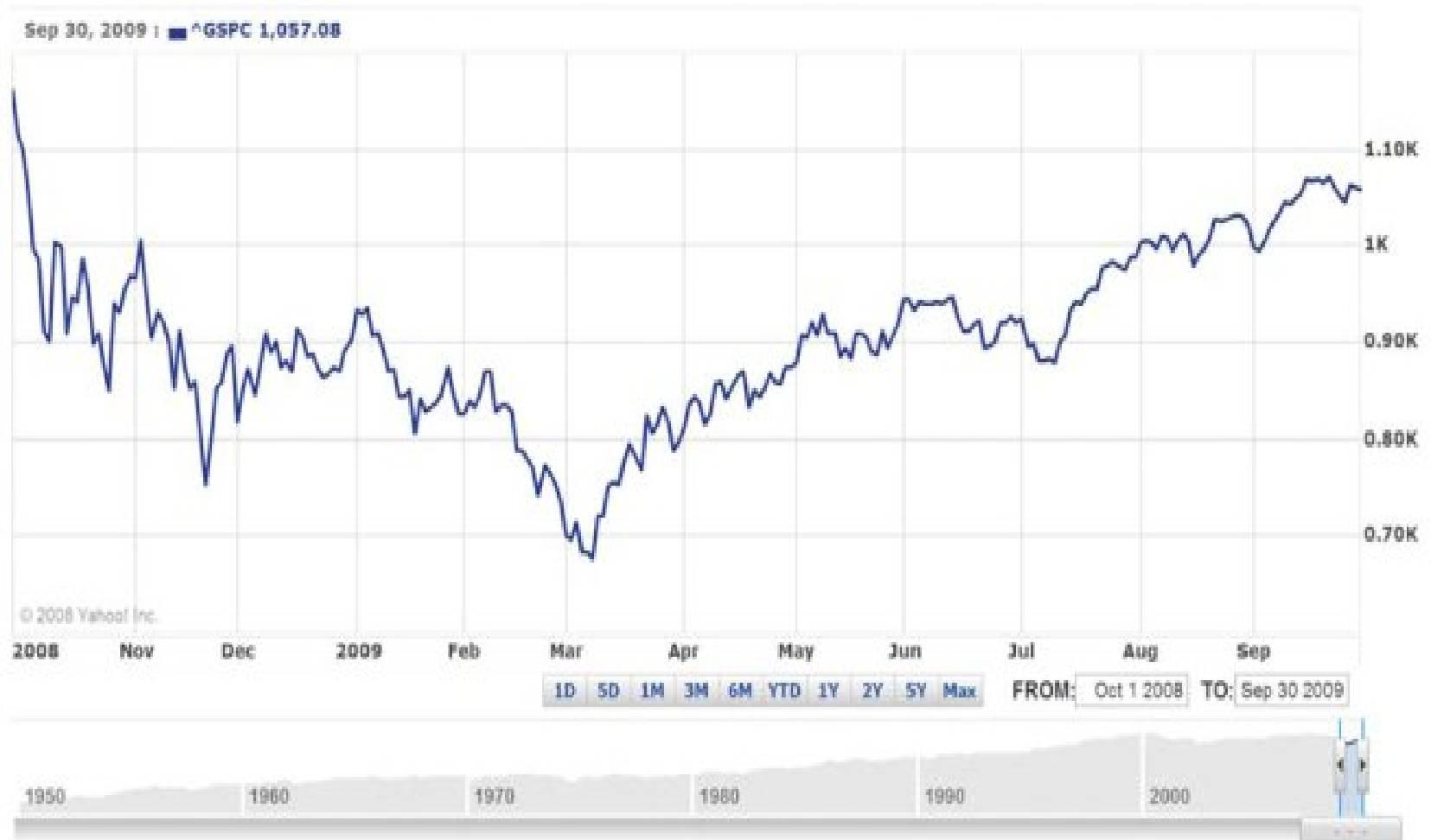
Quarterly Market Analysis  
September 30, 2009

# Market Commentary (3Q2009)

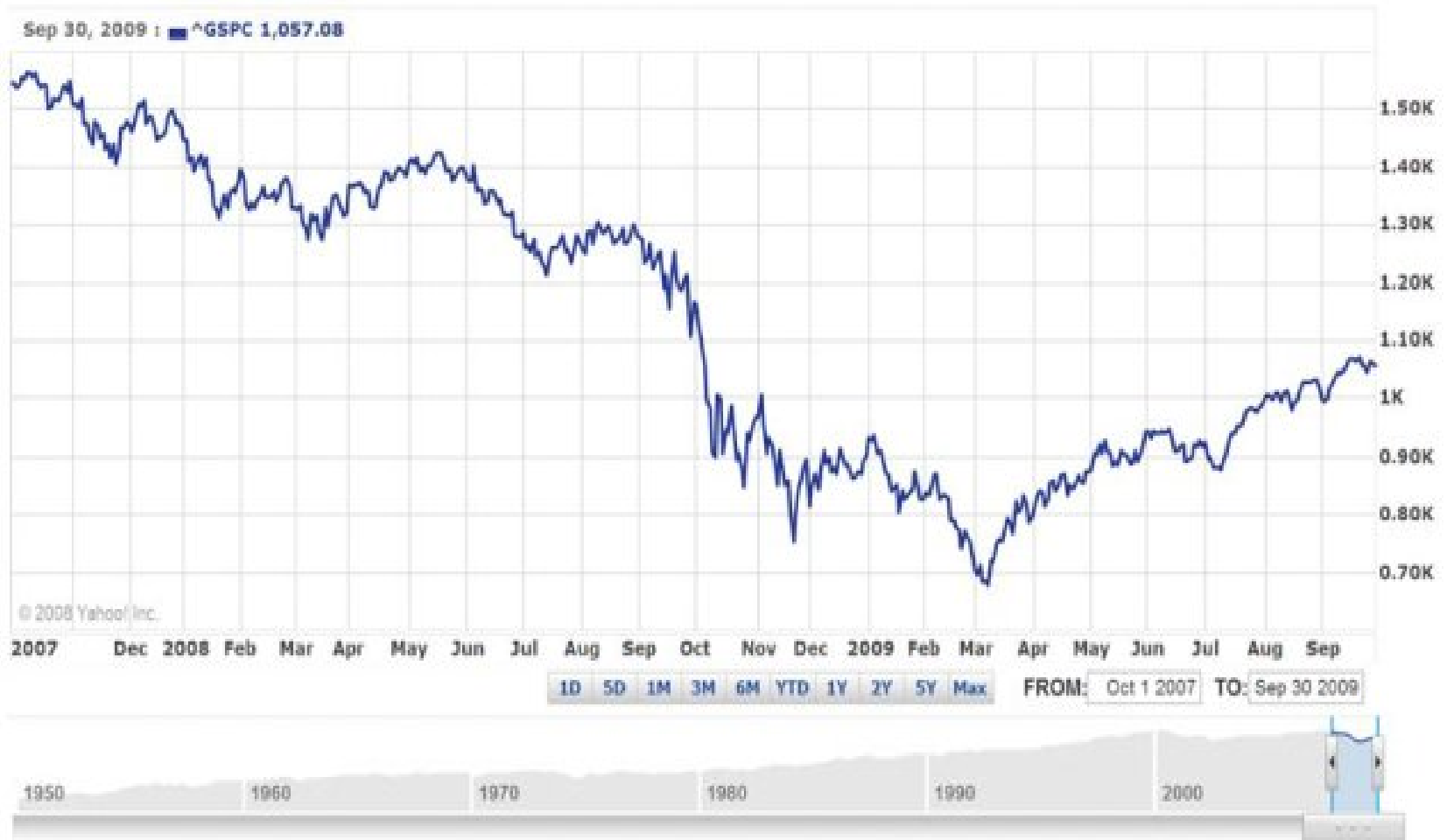
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- Stock markets continue to bounce back from bottom in March
- Unemployment rate grows to 9.8%, but w/ slower pace of job losses
- Capacity utilization rate remains very low at 70%, but up slightly
- General inflation not a factor despite monetary, fiscal stimulus
- Index of leading economic indicators continues to move higher
- Recession ends with strong growth predicted for second half of 2009
- Corporate earnings increase and exceed conservative expectations
- Dollar weakens, losing status as safe haven, reserve currency
- Commodity prices rebound on expectations for increased demand
- Emerging markets expected to grow rapidly, despite political risks
- Long term growth rate in mature, developed markets will be slow
- Interest rates likely to increase as Fed reduces monetary stimulus
- Significant amounts of cash are still on sideline at low interest rates
- Stock markets should continue to rebound as economy recovers

# Market Rebound Continues...



# ...But Still Far From Peak



# Unemployment Remains a Problem

Chart 1. Unemployment rate, seasonally adjusted, September 2007 – September 2009

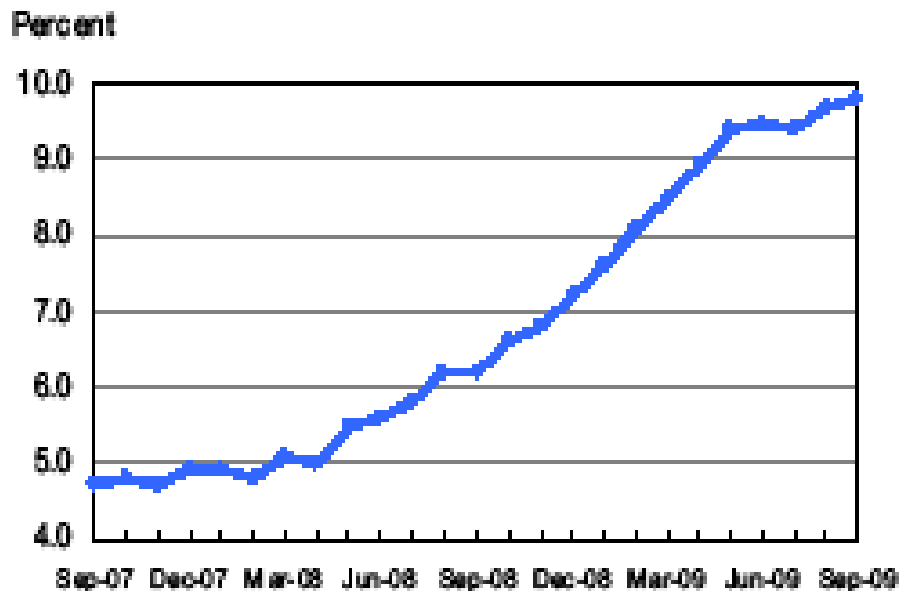
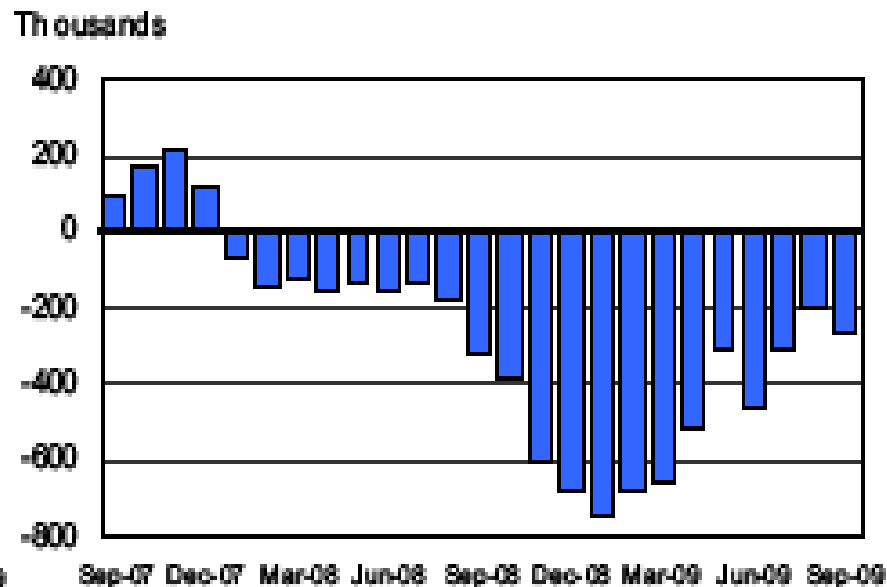


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2007 – September 2009



# Leading Economic Indicators Rise

Composite Index of 10 Leading Indicators  
3-Month % Change (Annualized) and Year-Year % Change  
August 1999 – August 2009



Source: The Conference Board, Haver Analytics, as of 10/1/09.

# History Predicts Strong Recovery

	Recession dates	Size of contraction	Recovery over first 2 quarters	Recovery over first year
Mild	1990-91	-1.4%	2.2%	2.6%
	2001	0.1%	2.4%	2.3%
	<b>Average</b>	<b>-0.7%</b>	<b>2.3%</b>	<b>2.5%</b>
Severe	1953-54	-2.5%	6.4%	7.9%
	1957-58	-3.7%	6.0%	7.5%
	1973-75	-3.2%	5.0%	6.2%
	1981-82	-2.7%	7.2%	7.7%
	<b>Average</b>	<b>-3.0%</b>	<b>6.2%</b>	<b>7.3%</b>
Great Depression	1929-33	-26.6%		10.8%
Today's estimates	<b>2007-09</b>	<b>-3.7%</b>	<b>2.3%</b>	<b>2.4%</b>

Contraction size reflects peak-to-trough GDP contraction in chained 2005 dollars.  
 Source: Bureau of Economic Analysis, Wall Street Journal, Haver Analytics, FMRCo (MARE) as of 8/31/09.

# Corporate Earnings Increase

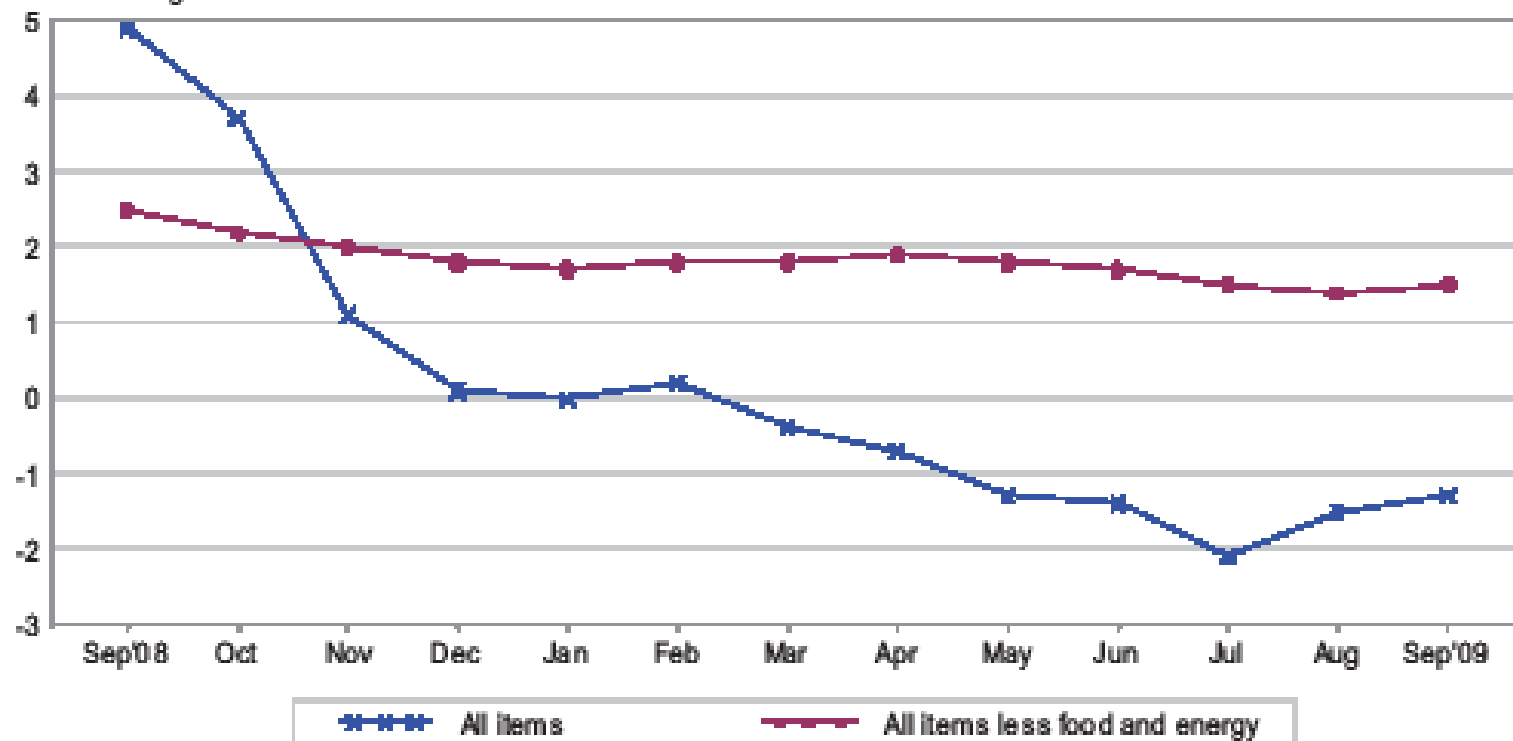




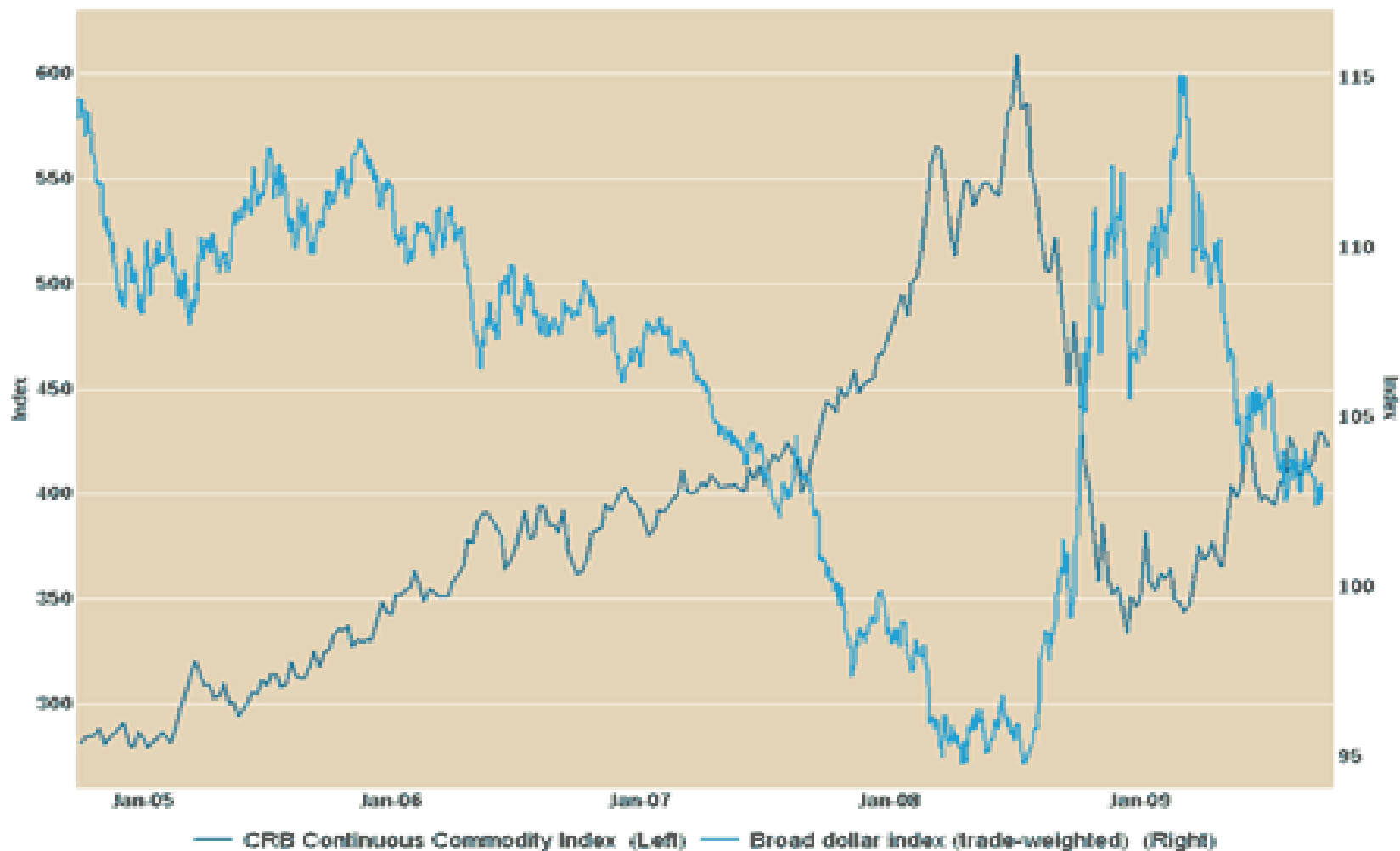
# General Inflation Not a Problem Yet

Chart 2. 12-month percent change in CPI for All Urban Consumers (CPI-U), not seasonally adjusted, Sep. 2008 - Sep. 2009

Percent change

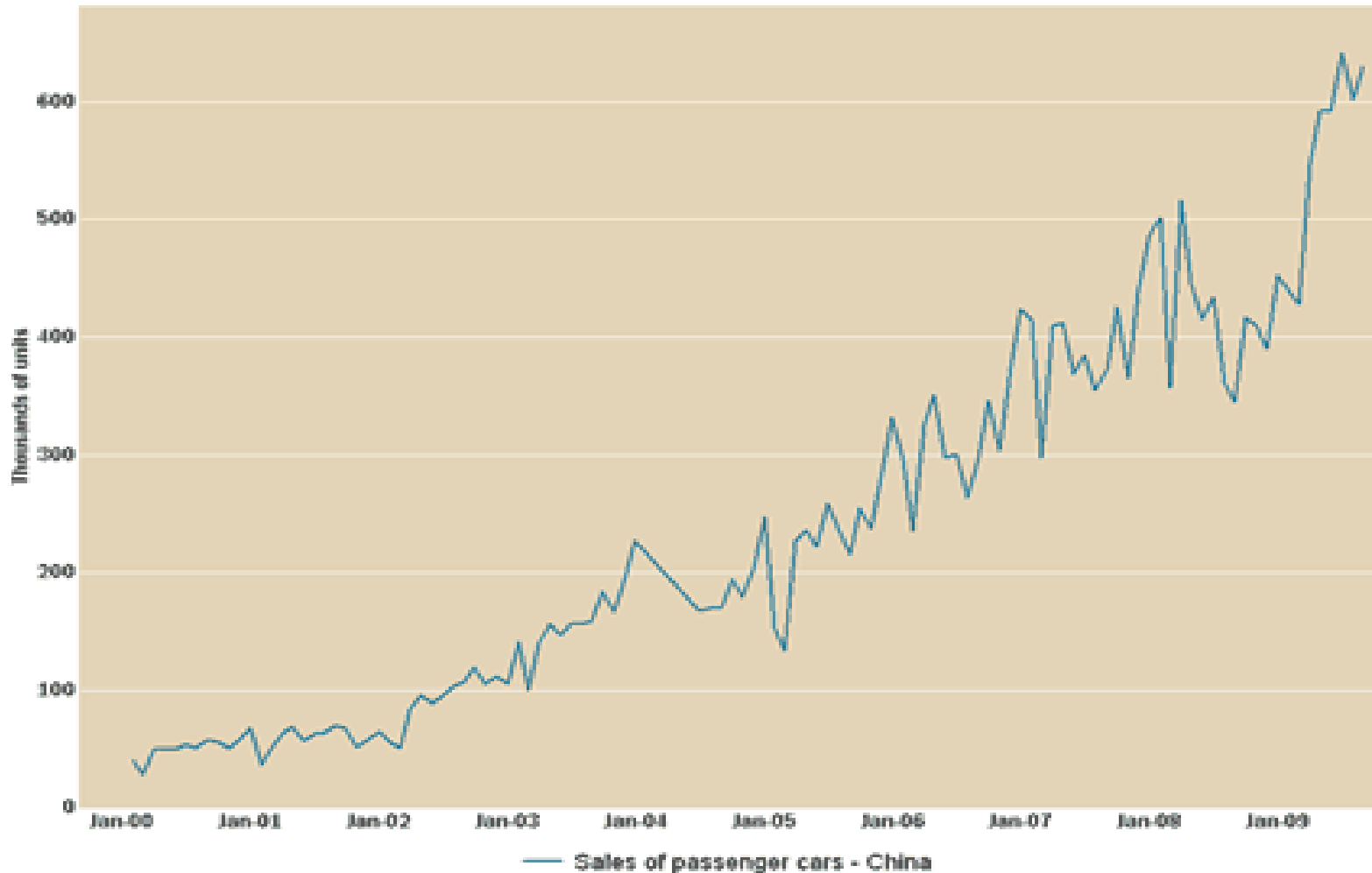


# Dollar Weakens, Commodities Rise

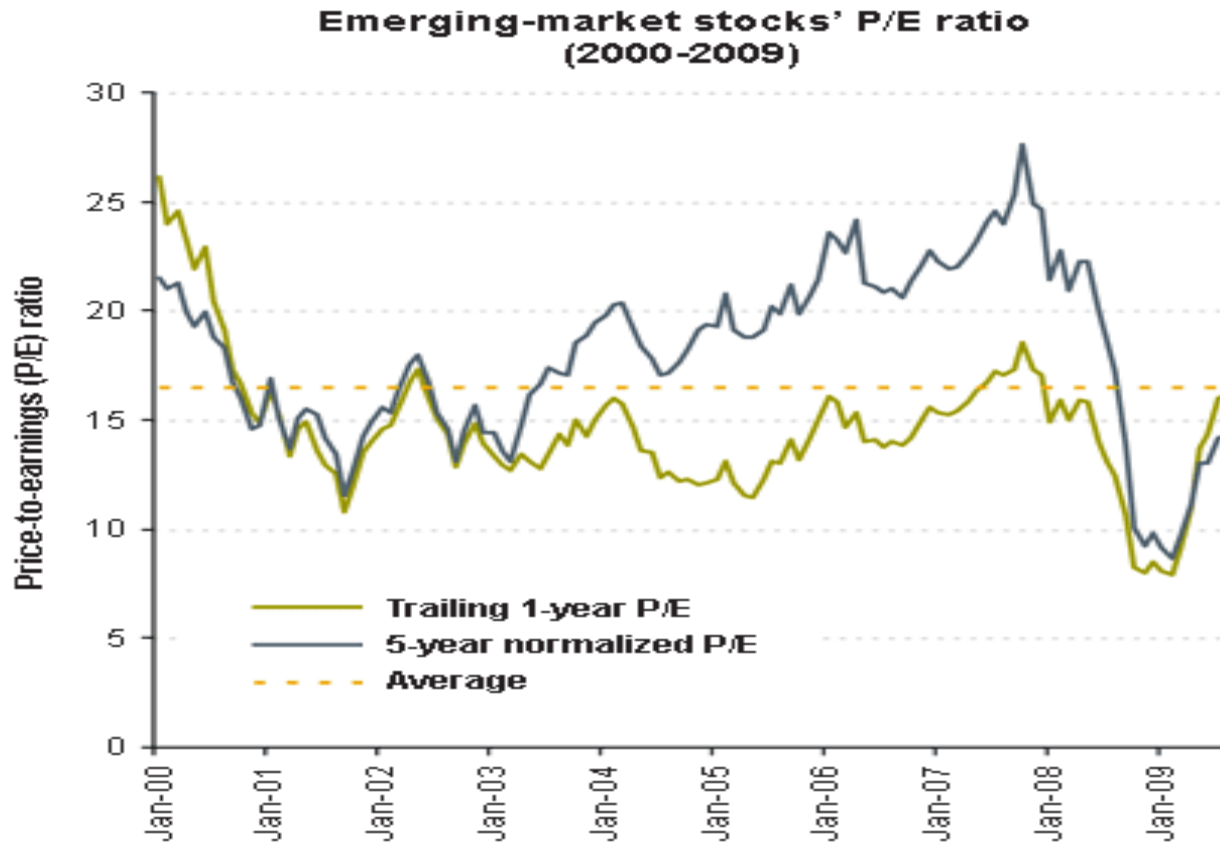


# Growth in Emerging Markets

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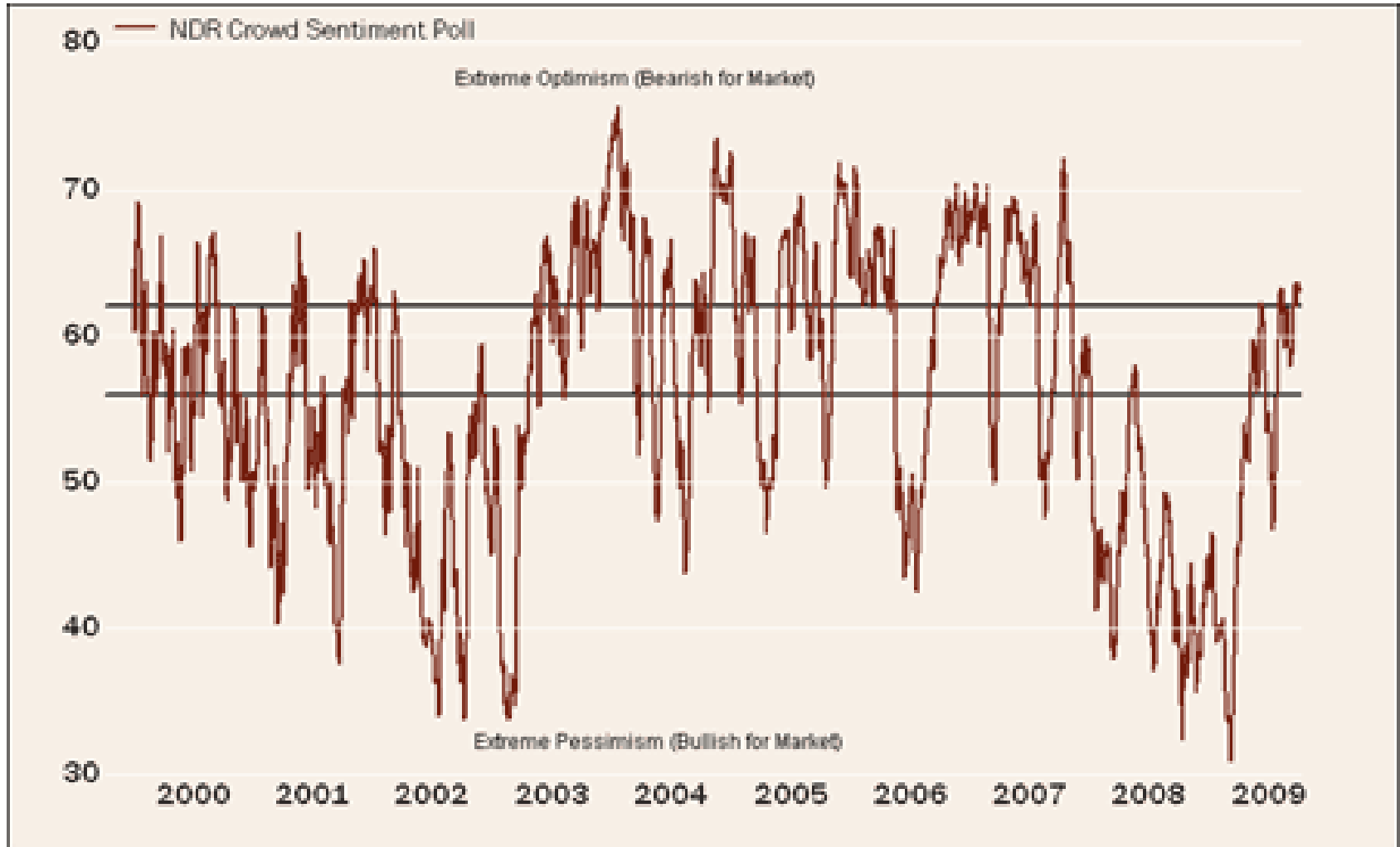
# Emerging Market Valuations



Past performance is no guarantee of future results. You cannot invest directly in an index. Please refer to the appendix for important index information. Average calculated using data from 1988-2009. Emerging-Market Stocks represented by MSCI Emerging Markets (EM) Index.

Source: FactSet, FMRCo (MARE) as of 8/31/09.

# Investor Sentiment Improves



# Some Cash Remains on Sidelines



# Market Index Returns (3Q2009)

