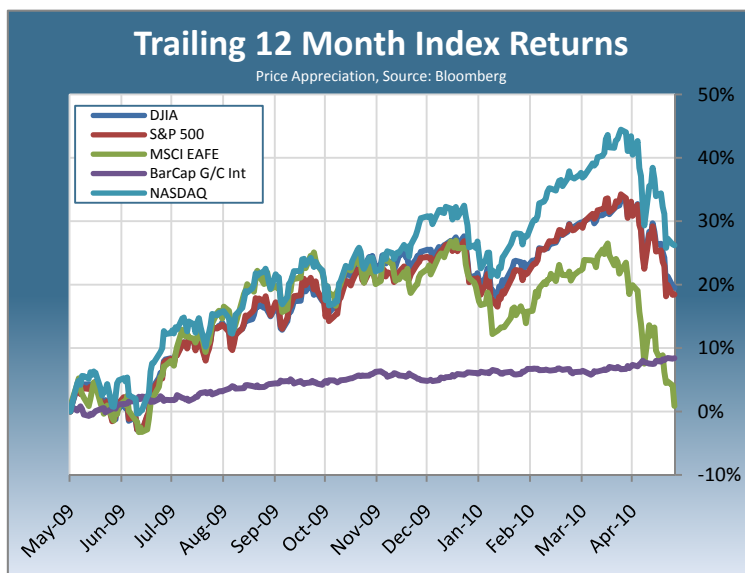


# Monthly Market Recap

C B I Z W E A L T H M A N A G E M E N T

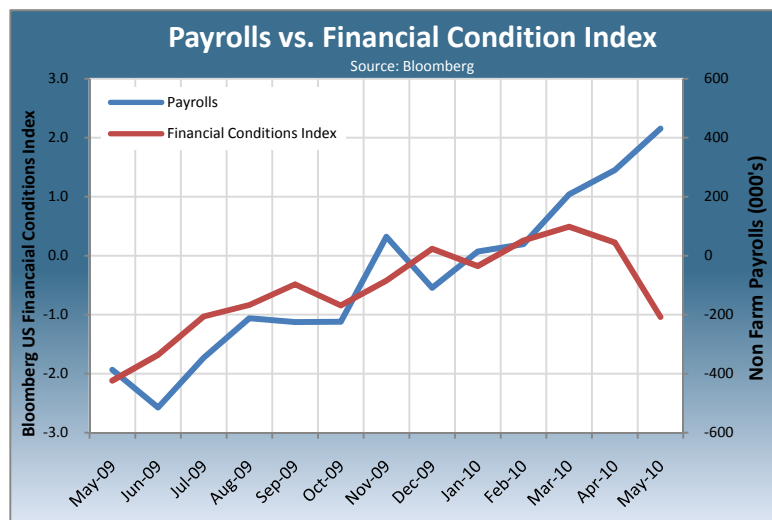
Stock markets moved significantly lower during May as global headlines and investor trepidation trumped improving domestic economic indicators. Foreign stock prices were particularly poor performers as concerns grew surrounding the European debt crisis. During the month it became apparent that Greece would be unable to make interest payments on outstanding debt and investors were apprehensive about buying additional Greek bonds. This left the country unable to finance its national budget. The possibility of Greece defaulting on its loan obligations caused some investors to believe that this would have a “domino effect” on other countries within the European Union and beyond.

The fear was exacerbated by news footage of Greek citizens protesting proposed economic reform. Ultimately, the European Union partnered with the International Monetary Fund to provide nearly \$1 trillion in economic support for Greece. This helped to alleviate the fear of an interrupted global economic recovery. Also unsettling to investors during May was the re-ignition of tension on the Korean peninsula, the Israeli confrontation of an international flotilla bound for Gaza, and the continued environmental disaster unfolding in the Gulf of Mexico.



As a result of the international uncertainties, foreign stocks were the worst performing asset class for May. The Morgan Stanley Country Index- Europe, Australasia, Far East (MSCI EAFE) declined by -11.37%. Domestic stocks fared only slightly better. The Dow Jones Industrial Average was lower by -7.56%, the Standard and Poor's 500 was down -7.99%, and the technology-driven NASDAQ Composite

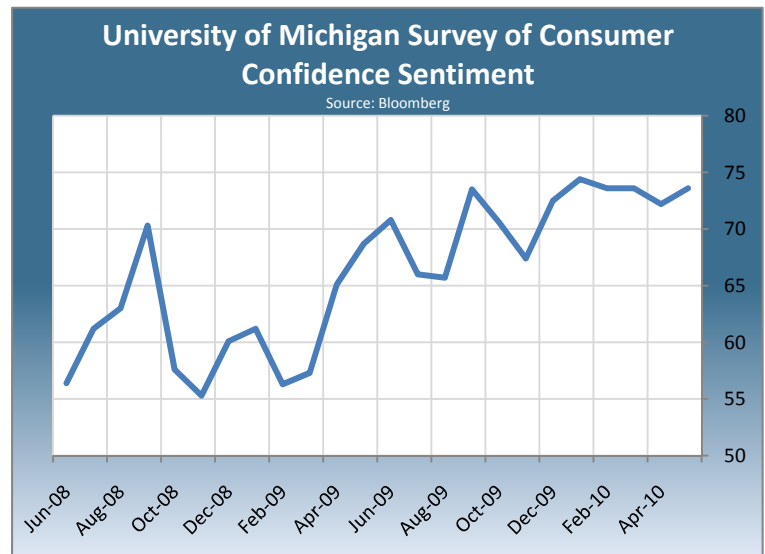
Index lost -8.18%. All thirty stocks within the Dow Jones Industrial Average lost value for the month. The price of commodities also fell during May as oil investors lost over 16% when the cost of a barrel of crude dropped more than \$14 from April 30th to May 31st.



The investments that increased during the month included an ounce of gold (Troy ounce +3.14%), bonds (Barclays Capital US Aggregate Bond Index +0.84%), and the United States Dollar (Deutsche Bank USD Long Dollar Index +5.60%). Bond holders received

principal appreciation as interest rates fell in May. The yield of the U.S. Government 10-year bond fell from 3.65% to 3.29% during the month as investors aggressively purchased new Treasury issues.

The intense coverage of the European Debt crisis masked a remarkable month of improving economic conditions in the United States. As corporate earnings announcements concluded for the first quarter 2010, over 70% of the reporting firms in the S&P 500 generated growth in both revenues and profits from the same period in 2009. Job creation also continued an upward trend with 573,000 new jobs created for the first four months of 2010. The Bloomberg survey of economists indicates that there is an expectation that 500,000 additional jobs will have been created in just the month of May. The intense observation of the U.S. consumer also revealed positive indications. The May 2010 level of the University Of Michigan Survey Of Consumer Confidence Sentiment is also higher versus the same period in 2009 (73.6 versus 68.7).



For many investors the conclusion of May will bring a sigh of relief. However, short-term volatility will always be an element of long-term investing. Fortunately, the prospects of an economic recovery appear to be improving as jobs are materializing, profits are being generated, and borrowing costs remain low.

Name	1 mo	3 mo	6 mo	YTD	1 yr	3 YR	5 yr
<b>DJ Industrial Average</b>	-7.56%	-1.16%	-0.69%	-1.63%	22.66%	-6.77%	2.02%
<b>S&amp;P 500</b>	-7.99%	-0.89%	0.40%	-1.50%	20.99%	-8.69%	0.31%
<b>NASDAQ Composite</b>	-8.18%	1.06%	5.71%	-0.15%	28.35%	-3.83%	
<b>S&amp;P MidCap 400</b>	-7.20%	3.66%	12.18%	5.55%	34.52%	-4.45%	4.08%
<b>Russell 2000 (Small Caps)</b>	-7.59%	5.59%	14.84%	6.29%	33.62%	-6.57%	2.77%
<b>MSCI EAFE (International)</b>	-11.37%	-7.41%	-10.80%	-12.08%	6.84%	-12.61%	1.83%
<b>BarCap US Govt/Credit Int Bonds</b>	0.71%	1.30%	1.65%	3.15%	7.33%	6.50%	5.06%
<b>BarCap Municipal Bonds</b>	0.75%	1.73%	3.60%	3.25%	8.52%	5.30%	4.52%

Source: MORNINGSTAR

Past performance does not guarantee future results.  
All returns are Total Return (dividends reinvested) and were sourced from Bloomberg



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