MainStreet Advisors
Financial Market Update

March 11, 2011
[page 1]

Economic Update

The U.S. Department of Commerce announced on Thursday that the U.S. trade deficit increased substantially in January, widening 14.9% to a gap of $46.3 billion, a seven-month high. Imports for the month posted a larger than expected 5.2% increase after rising 2.6% in December, coming in at a 29-month high $214.1 billion on strong demand for industrial supplies and materials and automotive components. The strength in imports overshadowed a record level of exports, which gained 2.7% to reach an all-time high of $167.7 billion. According to the Wall Street Journal, many economists are encouraged by the healthy demand reflected in the surging import statistics, but caution that the deficit could weigh on U.S. growth during the first quarter and potentially throughout the remainder of the year.

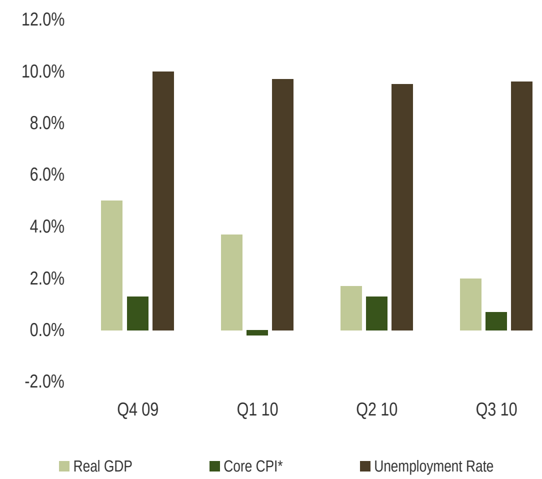
Initial jobless claims released by the U.S. Department of Labor on Thursday showed a 26,000 increase in claims for unemployment compensation to 397,000, reversing the downward trend that had formed over the previous three consecutive weeks. The rise in claims could partially be attributed to the timing of holidays in certain areas leading to some skewed filings. The overall trend remains downward, providing hope that the declining layoffs will lead to stronger hiring in the near-term.

Retail sales in the U.S. rose 1.0% in February according to a report issued by the U.S. Department of Commerce on Friday, marking the eighth consecutive monthly gain and the fastest rate in four months. A majority of the components posted strong results, led by a 2.3% increase in vehicle sales and a 1.4% jump in gasoline sales. Some economists are concerned that rising oil prices, the primary source of the spike in gasoline sales, could soon weigh down consumer spending.

Japan was hit by the largest earthquake in the country's history this week, an 8.9-magnitude tremor that caused devastating infrastructure damage and produced a 30-foot tsunami that blanketed the northern coast and took hundreds of casualties. Japan's economy will be tested as the country seeks to recover from the large-scale natural disaster, especially considering that the country was already struggling with deflationary pressures and low government borrowing power.

Source: Bureau of Economic Analysis, U.S. Department of Commerce, Federal Reserve Banks, U.S. Department of Labor, U.S. Department of Commerce, The Conference Board, the National Association of Realtors, the National Association of Home Builders, the European Central Bank.

Economic Indicators, Quarterly Change



Source: Bureau of Economic Analysis, Bureau of Labor Statistics
*Core CPI excludes energy and food prices from the calculation of the Consumer Price Index

Mar. 7th	Consumer Credit, Jan. Monthly Change	5.0B
Mar. 8th	ICSC-Goldman Same Store Sales, Wkly. Chg.	2.3%
Mar. 8th	MBA Purchase Applications Index, Wkly. Chg.	12.5%
Mar. 9th	Wholesale Inventories, Jan. Monthly Chg.	1.1%
Mar. 9th	EIA Petroleum Status Report, Wkly. Chg.	2.5M Barrels
Mar. 9th	International Trade Balance Level, January	-46.3B
Mar. 10th	Initial Jobless Claims (Week ending 3/5)	397,000
Mar. 10th	EIA Natural Gas Report, Wkly. Chg.	-71 bcf
Mar. 11th	Retail Sales, Feb. Monthly Chg.	1.0%
Mar. 11th	Consumer Sentiment Index, March	68.2
Mar. 11th	Business Inventories, Jan. Monthly Chg.	0.9%

Bond Market Update

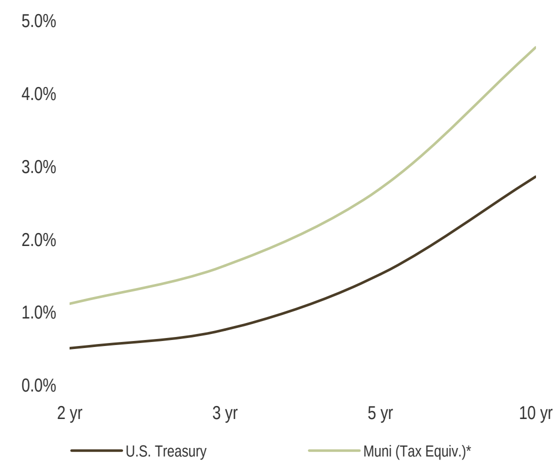
U.S. Treasuries rose modestly for the week amid a flight to safety trade as geopolitical risk escalated in the Middle East and North Africa. A record magnitude earthquake and tsunami in Japan also bolstered demand for the relative safety of U.S. government debt, with yields on the 10-year declining to their lowest levels since January. Meanwhile, Bill Gross of PIMCO recently eliminated all government related debt from the firm's Total Return Fund, stating that investors are not being compensated enough for owning Treasuries. While the U.S. will retain its AAA credit rating for some time, yields are about 1.50% lower than normal due to the central government's policies to stimulate economic growth by keeping rates low, Gross said.

Investment grade corporate bonds may be at risk as rising oil and gas prices could lead to reduced levels of consumer consumption along with weaker business confidence. However, historical evidence on the impact of higher oil prices on Treasury bonds is mixed. Although higher inflation will always have a negative affect on bond prices, the impact on Treasuries may be offset by other factors including a flight-to-quality trade and historical evidence that oil-producing nations typically re-invest higher revenues into U.S. government debt. Separately, the risk of elevated oil prices suggests investors should continue to target TIPS as a hedge against unexpected inflation.

Issue	3.4.11	3.11.11	Change
3 month T-Bill	0.13%	0.08%	-0.05%
2-Year Treasury	0.79%	0.65%	-0.14%
5-Year Treasury	2.30%	2.05%	-0.25%
10-Year Treasury	3.58%	3.46%	-0.12%
30-Year Treasury	4.64%	4.53%	-0.11%

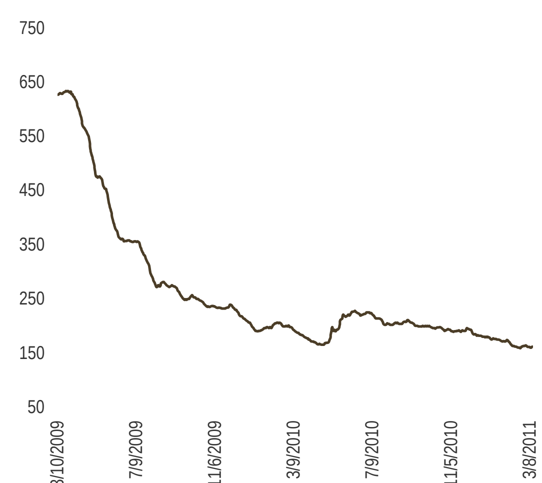
Source: Bloomberg, FTN Financial, The Wall Street Journal, U.S. Department of Treasury.

Yield Curves



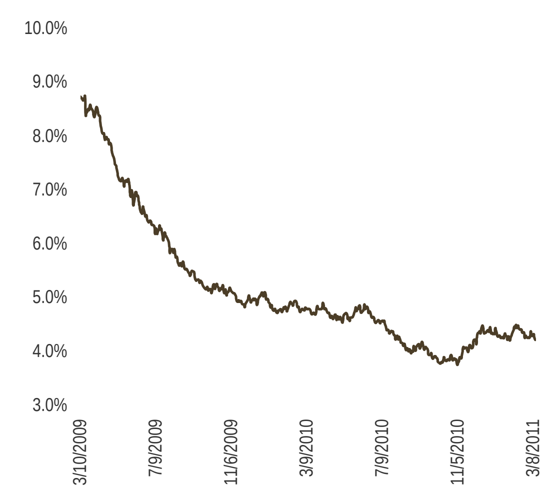
Source: U.S. Department of Treasury, Standard & Poor's, FTN Financial
*Taxable Equivalent rate is calculated by using a 35% tax margin

U.S. Investment Grade Corporate Bond Spreads (BBB-A), in bps



Source: Merrill Lynch

U.S. Investment Grade Corporate Bond Yields (BBB-A)



Source: Merrill Lynch

Stock Market Update

Stocks dropped this week with the Dow Jones Industrial Average closing Friday at 12,044.40, a decrease of 1.03% for the week. The broader S&P 500 ended the week 16.87 points, or 1.28%, lower to close at 1,304.28, while the NASDAQ Composite Index shed 2.48%.

Stocks rose Friday on speculation that clean-up efforts after a massive earthquake in Japan would increase the demand for raw materials and capital equipment. However, the rally was not enough to overcome Thursday's sell off, which was sparked by escalating tension in Libya, weak economic news out of China, and a downgrade of Spain's sovereign debt by Moody's Investor Services. Thursday's 228.48 point drop in the Dow is the biggest one-day drop since August.

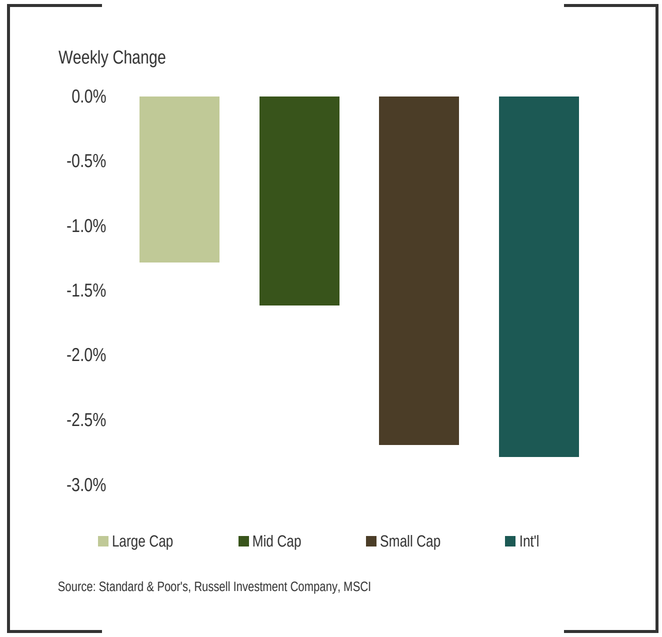
Industrial and material stocks posted strong gains on Friday, adding 1.17% and 1.49%, respectively, on news of the magnitude 8.9 earthquake off the coast of Japan. Notable Dow-component gainers were 3M (MMM) (+1.78%), Caterpillar (CAT) (+1.66%), and Alcoa (AA) (+1.46%). However, the sector with the largest move this week was the energy sector, which lost 4.12% as oil prices retreated off recent highs.

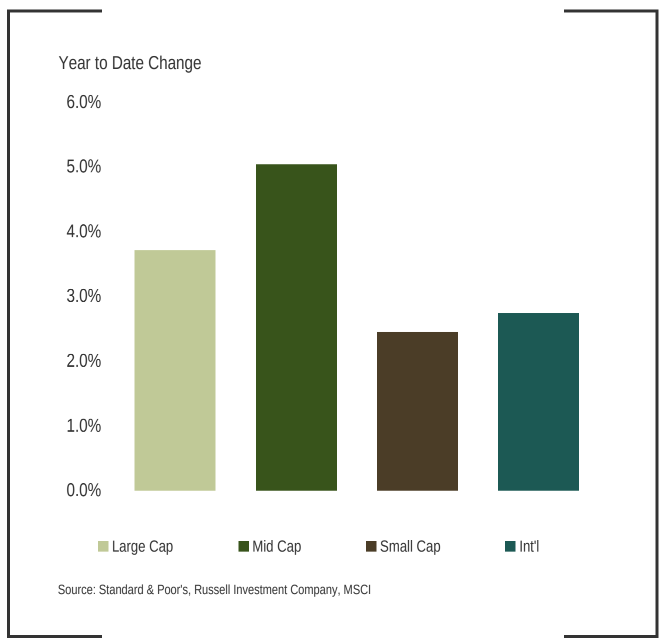
Stocks in Japan sold off due to the earthquake as investors worried that the disaster would derail Japan's still tenuous economic recovery. The Nikkei 225 Index lost 1.72% on Friday while U.S.-listed ADR shares Honda Motor (HMC), Toyota Motor (TM) and Sony Corp (SNE) lost 2.43, 2.14%, and 2.36%, respectively, on investor fears that earthquake damage would interfere with manufacturing operations.

Stocks in Europe finished sharply lower this week as concern debt downgrades of Spain and Greece renewed investor concern over the future growth of the region. The Euro Stoxx 50 Index lost 2.22%, while the FTSE 100 Index shed 2.70%.

Issue	3.4.11	3.11.11	Change
Dow Jones	12,169.88	12,044.40	-1.03%
S&P 500	1,321.15	1,304.28	-1.28%
NASDAQ	2,784.67	2,715.61	-2.48%
Russell 1000 Growth	606.17	594.89	-1.86%
S&P MidCap 400	968.55	952.94	-1.61%
Russell 2000	824.99	802.83	-2.69%
MSCI EAFE	1,743.22	1,694.76	-2.78%
MSCI EM	1,127.45	1,115.69	-1.04%
MSCI Small Cap	175.42	171.55	-2.20%

Prices reflect most recent data available at the time of publication
Source: Bloomberg, Russell Investment Company, Standard & Poor's, Morgan Stanley Capital International, The Wall Street Journal, MarketWatch.





Alternative Investments Market Update

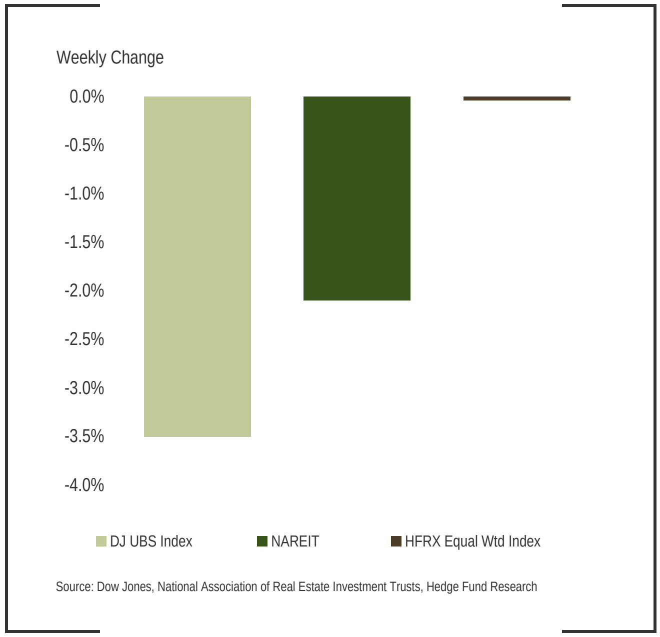
After Japan's strongest earthquake on record shut refineries in the world's third-largest oil-consuming country, crude fell 1.92% for the first weekly drop in a month. The disaster and aftershocks set Cosmo Oil Company, a 220,000 barrel-a-day refinery, on fire near Tokyo and closed at least three others, temporarily curbing demand for crude. Despite the earthquake and the ongoing turmoil in the Middle East, however, crude oil was still above $100, at $100.73 a barrel. In spite of precautionary warnings of some experts that the recent surge in gold may be misleading, gold futures edged up on Friday to $1,417.80 – a 2.38% increase – as investors search for an alternative that provides them with some kind of protection against political uncertainty.

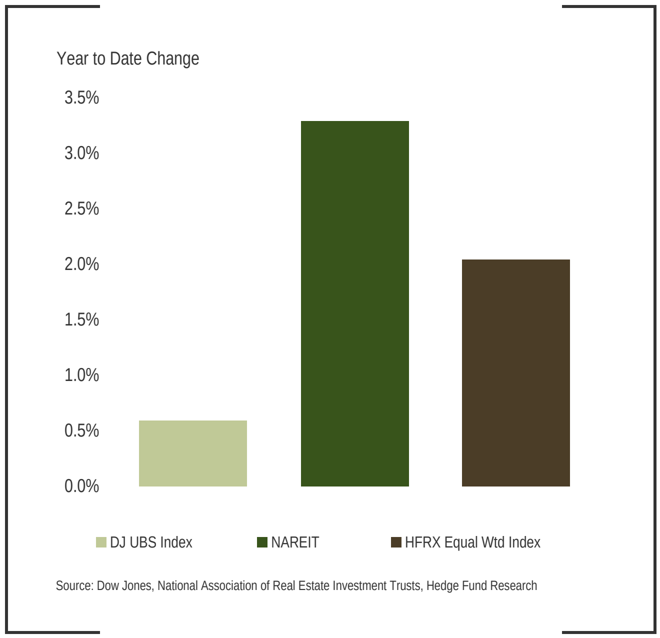
According to Bloomberg, roughly one in four hedge funds are beginning to clear their over-the-counter (OTC) derivative trades – up from none in October – before new rules require changes later this year. Under the new regulations, most interest-rate swaps, credit-default swaps and other swaps transactions will need to be processed by a clearinghouse. Congress last year mandated that most OTC derivatives trade on exchanges or similar electronic systems and be processed by clearinghouses after credit-default swaps played a major role in contributing to the financial crisis. Clearinghouses increase stability in OTC derivatives markets and add transparency for regulators.

Earlier this week, Hospital operator HCA was slated to become the largest-ever private equity-backed initial public offering (IPO). If shares are priced at the midpoint of the proposed range and underwriters exercise their overallotment option in full, HCA is expected to raise $4.06 billion. One of the private-equity firms behind HCA, Bain Capital, put down about $64 million, or 6% of the money in its buyout fund that invested in HCA in 2006. After five years, Bain has collected roughly $750 million – including fees and commissions – totaling a cash return of more than 10 times its investment.

Issue	Previous Week	Current[1]	Change
Gold	1,429.30	1,417.60	-0.82%
Crude Oil Futures	104.70	100.73	-3.79%
Copper	449.15	423.50	-5.71%
Sugar	29.88	28.86	-3.41%
HFRX Equal Wtd. Strat. Index	1,191.44	1,191.06	-0.03%
HFRX Equity Hedge Index	1,234.23	1,226.02	-0.67%
HFRX Equity Market Neutral	1,026.11	1,028.77	0.26%
HFRX Event Driven	1,407.20	1,410.88	0.26%
HFRX Merger Arbitrage	1,549.56	1,548.68	-0.06%
Dow Jones UBS Commodity Index	169.28	163.35	-3.50%
FTSE/NAREIT All REIT	141.78	138.81	-2.09%

1 Prices reflect most recent data available at the time of publication
Source: Dow Jones, National Association of Real Estate Investment Trusts, Hedge Fund Research, Bloomberg, The Wall Street Journal, The International Monetary Fund.





MainStreet Advisors performance results reflect time-weighted rates of returns based upon MainStreet Advisors proprietary trading strategies. Performance results reflect the reinvestment of dividends and other earnings as well as the deduction of management and transaction fees. Performance does not reflect additional fees charged by institutions MainStreet Advisors provides investment services. In some cases, performance reflects the quarterly rebalancing of assets based upon MainStreet Advisors Tactical Asset Allocation Models.

Past performance may not be indicative of future results, and the performance of a specific individual account may vary substantially from performance presented herein. Therefore, no current or prospective client should assume that future performance will be profitable or equal the performance results reflected herein. In calculating account performance, MainStreet Advisors has relied upon information provided by various sources believed to be accurate and reliable but cannot be guaranteed. All past recommendations are available upon request. Investments in equities, fixed income, mutual funds, and exchange traded funds involve risk and may lose value.

Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be profitable. MainStreet Advisors investment strategies may involve portfolio turnover, which could negatively impact the next after-tax gain experienced by an individual client.

MainStreet Advisors displays its performance results in addition to the market index that it believes represents a similar strategy in terms of asset allocation (stocks, bonds), generally accepted investment objectives (growth, income, or balanced), style benchmarks (growth, value, or core), geographic allocations (US, Foreign, or Global), sector allocation potential, and cap size objective (small cap, mid cap, or large cap). The index is shown in order for clients to make a comparison of performance for the designated time period. However, the indices shown above may not completely reflect the risk or volatility of the overall market or of the risk taken by the MainStreet Advisors program. The indices shown are not intended to be an absolute benchmark for the MainStreet Advisors program due to the fact that clients may not be able to duplicate exact holdings in the indices shown. MainStreet Advisors programs may reallocate some or all assets in the program to cash in response to market conditions, and MainStreet Advisors programs utilize a flexible management strategy with regard to equity selection, cap size, style, and asset allocation. It should be noted that market indices are always fully invested and holdings are limited to the index charter. The market index used for comparison is an unmanaged index and is a common measure of performance of the relevant stock markets. They are not available for direct investment.

Any investments purchased or sold are not deposit accounts and are not endorsed by or insured by the Federal Deposit Insurance Corporation (FDIC), are not obligations of the Bank, are not guaranteed by the Bank or any other entity, and involve investment risk, including possible loss of principal. MainStreet Advisors and Bank are independently owned and operated. MainStreet Advisors is an SEC registered investment advisor. Form ADV Part II is available upon request.

MAINSTREET ADVISORS™

120 North LaSalle Street, 37th Floor
Chicago, Illinois 60602
312.223.0270 direct
312.223.0276 fax
www.mainstreetadv.com