MainStreet Advisors
Financial Market Update

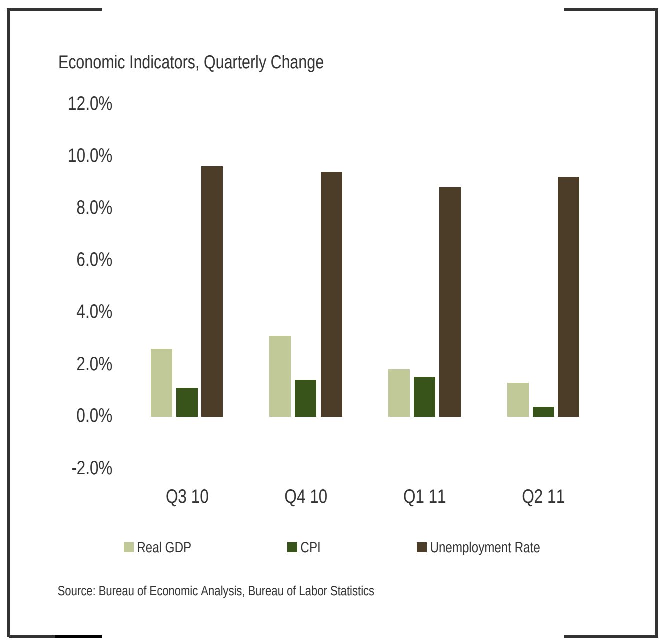
October 7, 2011
[page 1]

Economic Update

The European debt crisis continues to dominate headlines ad nauseam. Further downgrades for Spain and Italy came from rating agency Fitch this week. The firm said the debt crisis "constitutes a significant financial and economic shock which has weakened Italy's sovereign risk profile." Greece still needs to take additional austerity measures to balance its long-term budget, but each measure taken cuts into GDP and leads to higher unemployment and a smaller tax base that's already well known for not paying taxes anyway. It creates a downward spiral that only an outright payment of the country's debt by other members of the eurozone or a debt restructuring can resolve. Despite what pledges various European political leaders have made, a Greece default seems imminent at this point. The question now is when exactly that little domino will fall, and if it will carry enough weight to knock down larger, more powerful dominoes with it.

The Employment Situation report from the Labor Department showed better-than expected job growth in September. Payrolls for the month climbed 103,000 and figures from August and July were both revised up to 57,000 and 127,000 respectively. Once again the job growth was all in the private sector, adding 137,000 jobs, while government payrolls fell 34,000. The unemployment rate remained unchanged at 9.1%. Meanwhile, initial jobless claims for the week ended October 1 rose 6,000 from the previous week to 401,000, but remained below the four-week average of 414,000. The bottom line is that the labor market does not appear to be as weak as earlier believed.

Manufacturing in the U.S. expanded for the 26th consecutive month in September, according to the Institute for Supply Management. The PMI rose to 51.6 with the employment component climbing two points to 53.8, indicating an increase in hiring. Non-manufacturing showed expansion at a higher rate, with the index coming in at 53.0. Despite the pick-up in business activity, hiring was slower in the services sector falling to 48.7, indicating contraction.

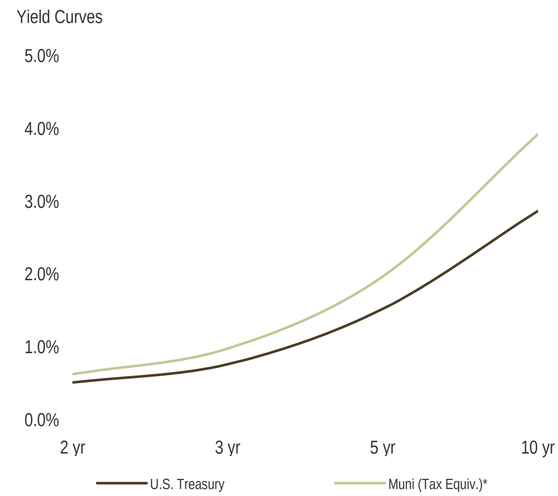


Oct. 3rd	ISM Mfg. Index - Level, September	51.6
Oct. 3rd	Construction Spending, Aug. Monthly Chg.	1.4%
Oct. 4th	ICSC-Goldman Same Store Sales, Wkly. Chg.	0.1%
Oct. 4th	Factory Orders, Aug. Monthly Chg.	-0.2%
Oct. 5th	MBA Purchase Applications Index, Wkly. Chg.	-4.3%
Oct. 5th	ISM Non-Mfg. Index, September	53.0
Oct. 5th	EIA Petroleum Status Report, Wkly. Chg.	-4.7M Barrels
Oct. 6th	Initial Jobless Claims (week ending 10/1)	401,000
Oct. 6th	EIA Natural Gas Report, Wkly. Chg.	97 bcf
Oct. 7th	Unemployment Rate, September	9.1%
Oct. 7th	Wholesale Inventories, Aug. Monthly Chg.	0.4%
Oct. 7th	Consumer Credit, August Monthly Change	-9.5B

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.

Bond Market Update

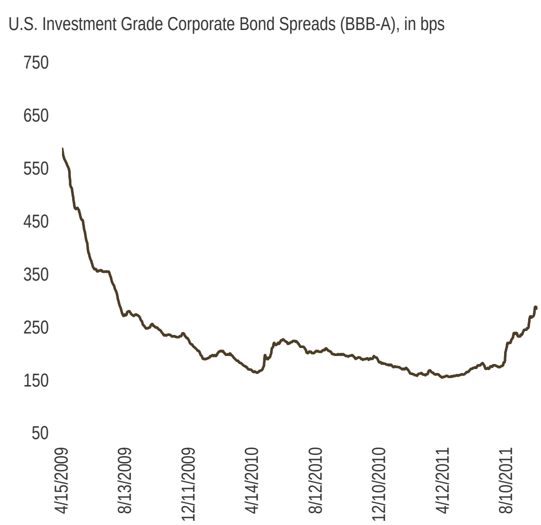
After gains earlier, U.S. Treasuries finished the week mostly unchanged as a slew of better than expected economic releases offset the flight-to-safety trade after Fitch downgraded Spain and Italy, the region's third and fourth biggest economies. Fitch cut Spain's rating to AA- from AA+ noting the deepest austerity measures in three decades have yet to convince investors the country can curtail the surge in its debt burden. Although the ratings cut was not unexpected as Moody's and S&P have already downgraded Italy and placed Spain on "negative watch", the move reignited worries about the eurozone's debt crisis. Looming debt supply also weighed on the bond markets. The Treasury Department is scheduled to sell $66 billion of bonds next week, including $32 billion in three-year notes, $21 billion in 10-year notes and $13 billion in 30-year bonds. All else equal, market makers tend to push bond yields up before auctions as a way to underwrite securities at more attractive levels. Meanwhile, yields for municipals rose the most since July as state and local governments prepare to sell $8.8 billion of debt, the most of 2011. Rates on 10-year tax-exempt bonds rose 0.35% for the week, the largest move in almost one year, and have now eclipsed yields on similar maturity U.S. Treasuries, according to Bloomberg.



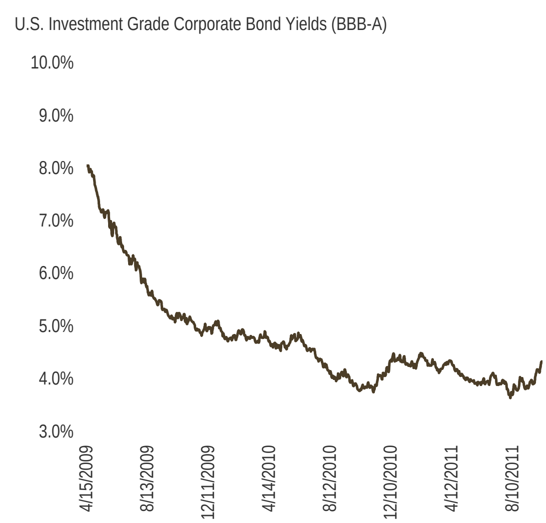
Source: U.S. Department of Treasury, Standard & Poor's, FTN Financial
*Taxable Equivalent rate is calculated by using a 35% tax margin

Issue	9.30.11	10.7.11	Change
3 month T-Bill	0.02%	0.01%	-0.01%
2-Year Treasury	0.27%	0.30%	0.03%
5-Year Treasury	0.98%	1.08%	0.10%
10-Year Treasury	1.99%	2.10%	0.11%
30-Year Treasury	3.03%	3.02%	-0.01%

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



Source: Merrill Lynch



Source: Merrill Lynch

Stock Market Update

The stock market began the week very strong with optimism out of Europe only to give back some of the gains on Friday. The Dow Jones Industrial Average closed at 11103.12, up 189 points for the week, or up 1.74%. The broader S&P 500 Index ended the week up 2.12% to close at 1,155.46, while the NASDAQ Composite finished higher by 64 points, or up 2.65% to close the week out at 2,479.35.

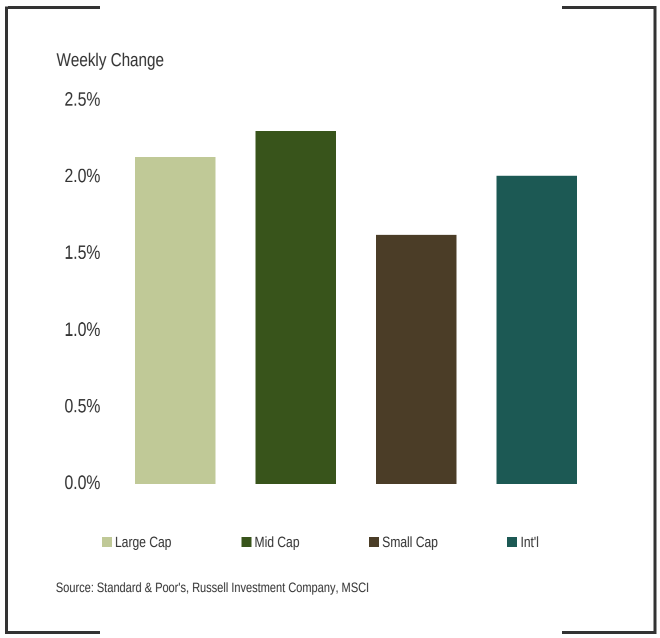
The biggest news headline this week was the passing of Apple's co-founder and visionary, Steve Jobs. He will go down as one of the great visionaries, innovators and leaders of our time. Apple (AAPL) has become the world's highest valued technology company on the stock exchange over the past couple years with products such as the i-pod and i-phone. In recent times, Jobs has been grooming Tim Cook and other executives to make a smooth transition when he recently stepped down as the company's chairman in August of this year.

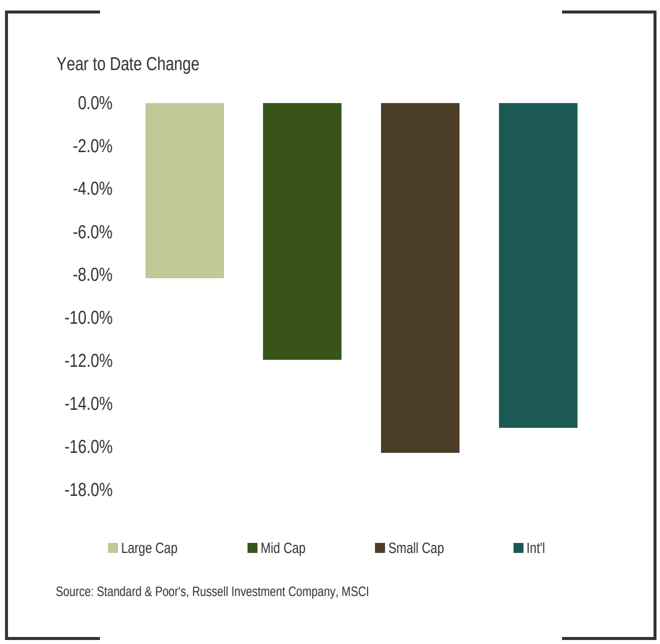
Shares of Sprint Nextel Communications Corp. (S) had the wildest ride on Friday as the stock opened up over 5% on news they will begin accepting orders for the new Apple i-phone 4S. This was followed by an additional statement the company will need to raise capital to complete the build out of its wireless network to accommodate the 4G wireless network in the coming years. The stock was halted on the news and, after being up almost 10% on the day, closed down 19.93% to finish at $2.41.

The upbeat jobs data that came out Friday before the open was overshadowed by the downgrade of the credit rating for Spain and Italy by Fitch. Fitch downgraded Italy's long term default rating to A+ saying "the intensifying Eurozone debt crisis constitutes a significant financial and economic shock which has weakened Italy's sovereign risk profile." Spain had its credit rating dropped two points to AA+ citing the Spain's fiscal economic position and dim economic outlook, as well as the broader debt crisis.

Issue	9.30.11	10.7.11	Change
Dow Jones	10,913.38	11,103.12	1.74%
S&P 500	1,131.42	1,155.46	2.12%
NASDAQ	2,415.40	2,479.35	2.65%
Russell 1000 Growth	527.91	540.33	2.35%
S&P MidCap 400	781.26	799.18	2.29%
Russell 2000	645.75	656.21	1.62%
MSCI EAFE	1,373.33	1,400.85	2.00%
MSCI Small Cap	849.48	864.08	0.14%

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.





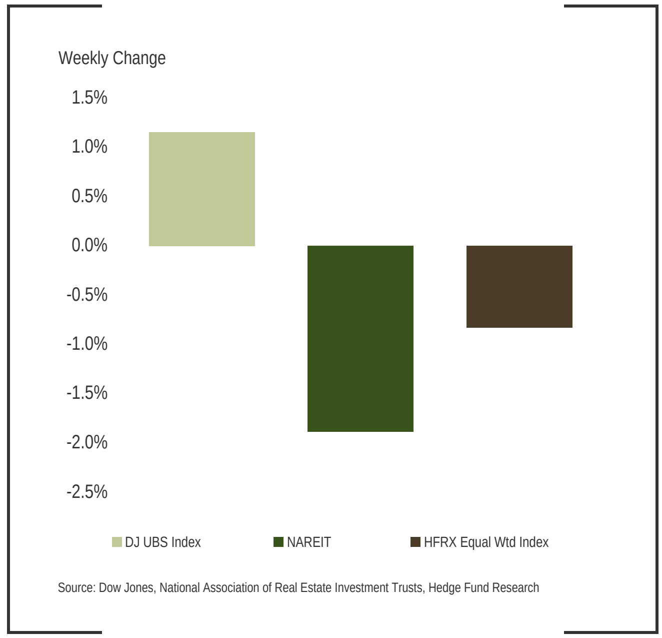
Alternative Investments Market Update

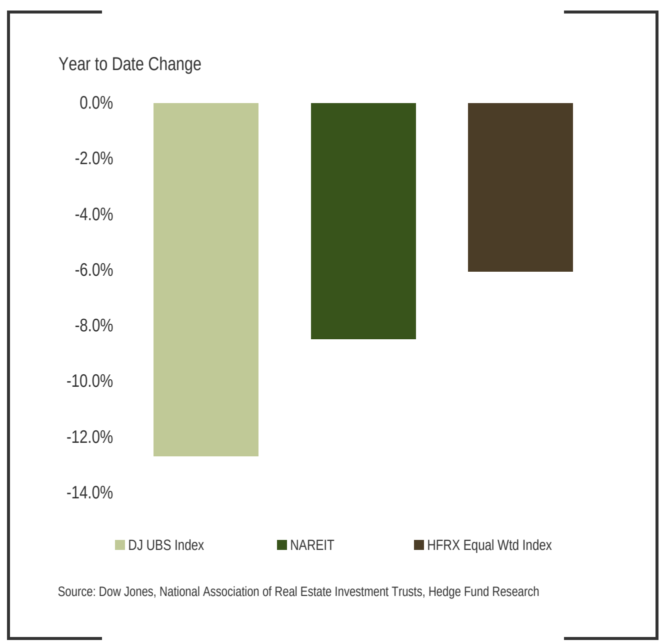
Gold closed the week up 1.2%, settling at $1,639.80 an ounce, its first weekly gain in a month. According to Morgan Stanley, the precious metal will perform best among commodities in the upcoming year and may rally to record highs as investors continue safeguarding their wealth against slowing economic growth. Oil finished the week up 5.18%, closing at $82.92 a barrel, thanks in large part to the optimism surrounding a surprise rise in U.S. employment. The weak employment situation has been a major cause of worry for oil investors in recent months, as traders fear that weakness in the broader economy will keep drivers off the roads and pressure manufacturing and other industrial sectors. Crude dropped under $75 a barrel earlier in the week, falling to its lowest level in more than a year, as pessimistic economic outlook and continued worries over Greece prompted traders to flee risky assets.

Hedge funds closed out one of their worst quarters ever – the average fund lost roughly 5% in Q3 – with one of their worst months ever. Many in the industry thought the worst was behind them after three-year lows in August; however, this was not the case. The Dow Jones Credit Suisse Core Hedge Fund Index dropped 4.23% in September, adding to the 2.88% loss from market volatility in August and the index is down 7.84% on the year. Despite these declines, hedge funds still outperformed the S&P 500, which lost 5.6% last month. According to FinAlternatives, hedge fund managers continue seeking market transparency and stabilization before getting reinvested, which is why their “reactive cash and net exposures present relative ‘whiplash’ performance risk should there be a sharp equity rally in the fourth quarter." Oliver Schupp, the president of the Credit Suisse Index Co. noted that “compared to the year to-date drop of 15.36% for the Dow Jones Global Index, hedge funds have provided some level of capital preservation this year, however, all strategies appear to be feeling the pain with market uncertainty at an all-time high.” On a strategy basis, managers who specialize in going long and short on stocks were hit the hardest, with those funds registering an average decline of 4.76%.

Issue	Previous Week	Current[1]	Change
Gold	1,620.30	1,639.80	1.20%
Crude Oil Futures	78.84	82.92	5.18%
Copper	312.20	329.45	5.53%
Sugar	25.29	25.16	-0.51%
HFRX Equal Wtd. Strat. Index	1,105.84	1,096.70	-0.83%
HFRX Equity Hedge Index	1,009.97	1,007.61	-0.23%
HFRX Equity Market Neutral	978.36	978.91	0.06%
HFRX Event Driven	1,307.49	1,291.60	-1.22%
HFRX Merger Arbitrage	1,483.87	1,477.49	-0.43%
Dow Jones UBS Commodity Index	140.20	141.81	1.15%
FTSE/NAREIT All REIT	125.37	123.01	-1.88%

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