MainStreet Advisors
Financial Market Update

February 17, 2012

Economic Update

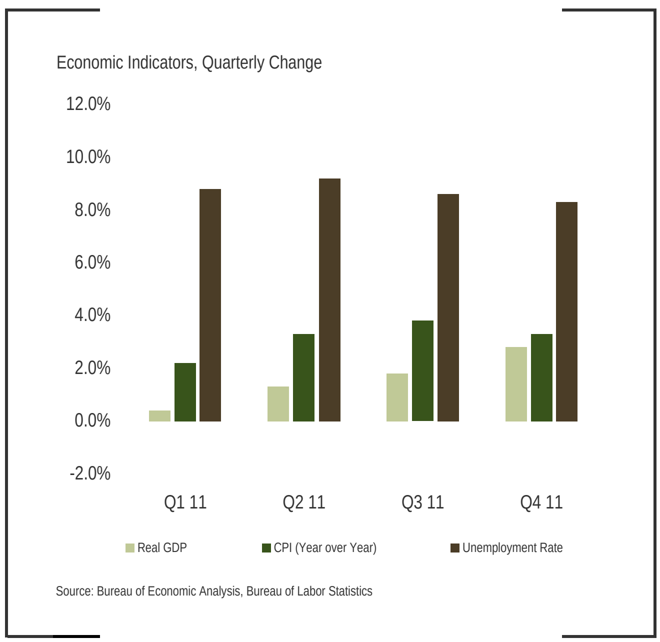
The likelihood of the eurozone economy falling into a recession increased as the 17 nation economy shrank for the first time since the second quarter of 2009. GDP for the eurozone contracted 0.3% for the fourth quarter after anemic growth of 0.1% the previous quarter, according to Eurostat. The Italian and Dutch economies both fell into recession after shrinking 0.7%. Portugal contracted another 1.3% and GDP in Greece fell a staggering 7.0%. The overall number was supported by better than expected numbers out of France and Germany. High unemployment and austere fiscal policies will continue to weigh on the eurozone economy in the near-term.

Things on this side of the pond look much better. The Conference Board's Leading Economic Index showed a 0.4% increase in January following an upwardly revised 0.5% gain the previous month. The fourth consecutive gain in the index reflected broad based strength among its components and point to a stronger U.S. economy in the coming months.

Retail sales grew in January, but at a rate less than markets were expecting. Retail sales were up 0.4% after being flat the previous month, according to the Commerce Department. There was surprising weakness in the auto component which fell 1.1% in conflict with a motor vehicle sales report released earlier in the month that showed unit sales jumped to a 14.2 million annual rate in January. Excluding this oddity, the numbers looked healthy across most other components.

After three months without rising prices, inflation started to pick up again at the consumer level. A report from the Labor Department showed headline inflation was up 0.2% in January. Year-over-year CPI inflation decelerated, though, to 2.9% from 3.0% in December. Inflation at the producer level rebounded 0.1% during January after slipping 0.1% the previous month. The increase was all at the core level as both the energy and food components declined. Overall the numbers look to be within a margin of safety between fears of deflation and worries of excessive inflation.

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.



Feb. 14th	Retail Sales, Jan. Monthly Chg.	0.4%
Feb. 14th	Import Prices, Jan. Monthly Chg.	0.3%
Feb. 14th	Export Prices, Jan. Monthly Chg.	0.2%
Feb. 14th	Business Inventories, Dec. Monthly Chg.	0.4%
Feb. 15th	MBA Purchase Applications Index, Wkly. Chg.	-1.0%
Feb. 15th	Empire State Mfg Survey, February	19.53
Feb. 15th	Frgn Dmnd for LT US Securities, December	17.9B
Feb. 15th	Industrial Production, Jan. Monthly Chg.	0.0%
Feb. 15th	Housing Market Index, February	29.0
Feb. 15th	EIA Petroleum Status Report, Wkly. Chg.	-0.2M Barrels
Feb. 16th	Housing Starts, January	699,000
Feb. 16th	Initial Jobless Claims (week ending 2/11)	348,000
Feb. 16th	Producer Price Index, January Monthly Chg.	0.1%
Feb. 16th	Philidelphia Fed Survey, February	10.2
Feb. 17th	Consumer Price Index, January Monthly Chg.	0.2%
Feb. 17th	Leading Indicators, Jan. Monthly Chg.	0.4%

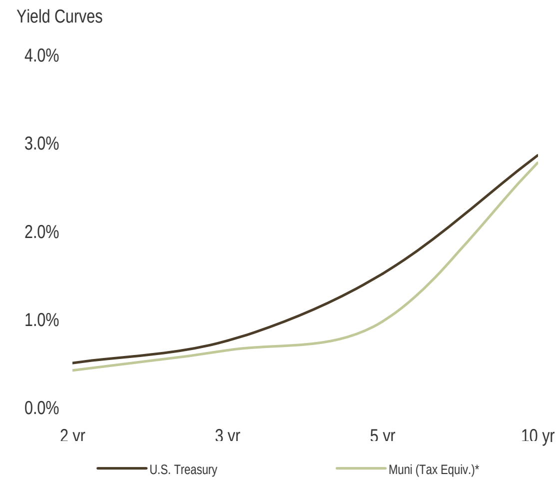
Bond Market Update

For the third straight week, U.S. Treasuries finished lower amid speculation European leaders will soon reach an agreement to provide an additional rescue package for Greece, reducing demand for safe-haven securities. The bond market also faces $99 billion in new government debt sales next week, mostly focused on the intermediate-term portion of the yield curve. All else equal, market makers tend to push down prices before an auction as a way to underwrite bonds at more attractive levels. Meanwhile, analysts at Goldman Sachs, long known as bond market bears, acknowledged that yields have remained lower than they anticipated due to the combined effect of continued uncertainty in the eurozone area and the Federal Reserve's easy monetary policy of keeping short-term interest rates near zero. Although they expect bond yields to tick higher in coming months, they feel "some of the euro-area risk needs to be removed before we can recommend taking short positions" on Treasuries.

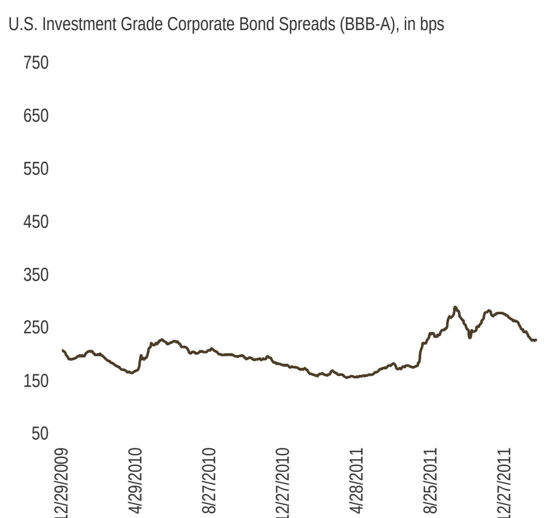
Separately, yields on investment-grade and high yield corporate debt have fallen considerably and spreads have tightened since the beginning of the year, according to Barclays, as investors react to solid corporate earnings, drifting away from the flight-to-safety trade. Reflecting this change in demand, mutual funds and ETFs focused on this sector of the bond market have experienced robust inflows over the past several months.

Issue	2.10.12	2.17.12	Change
3 month T-Bill	0.09%	0.09%	0.00%
2-Year Treasury	0.27%	0.29%	0.02%
5-Year Treasury	0.81%	0.88%	0.07%
10-Year Treasury	1.96%	2.01%	0.05%
30-Year Treasury	3.11%	3.16%	0.05%

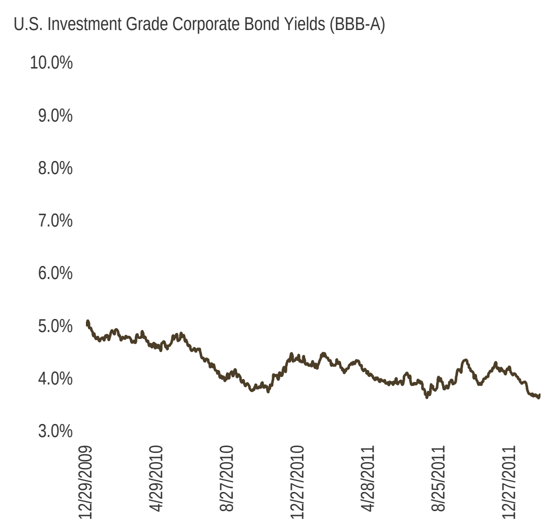
Source: Bloomberg, FTN Financial, The Wall Street Journal, U.S. Department of Treasury.



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



Source: Merrill Lynch



Source: Merrill Lynch

Stock Market Update

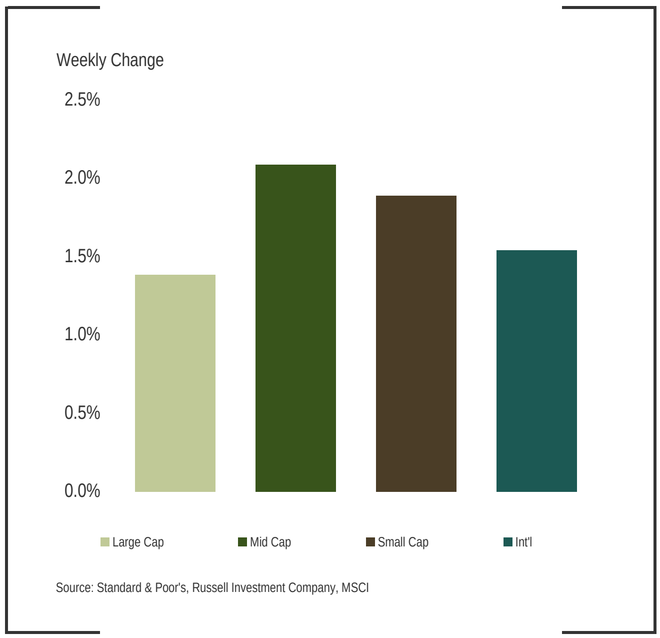
Stocks continued their positive run in 2012 this week with most major markets finishing higher for the five-day trading period. Domestic markets were especially strong Thursday on positive economic data, before settling back on Friday in anticipation of a key vote on a second Greek bailout over the weekend. Of note, the Dow Jones Industrial Average has not had a triple digit decline in the last 35 trading days, the longest streak in over a year. For the week, the Dow increased 1.0% to 12924.87, its highest level since May 19, 2008. The S&P 500 Index closed at 1361.23, up 1.4%, while the NASDAQ rose 1.6% to 2951.78.

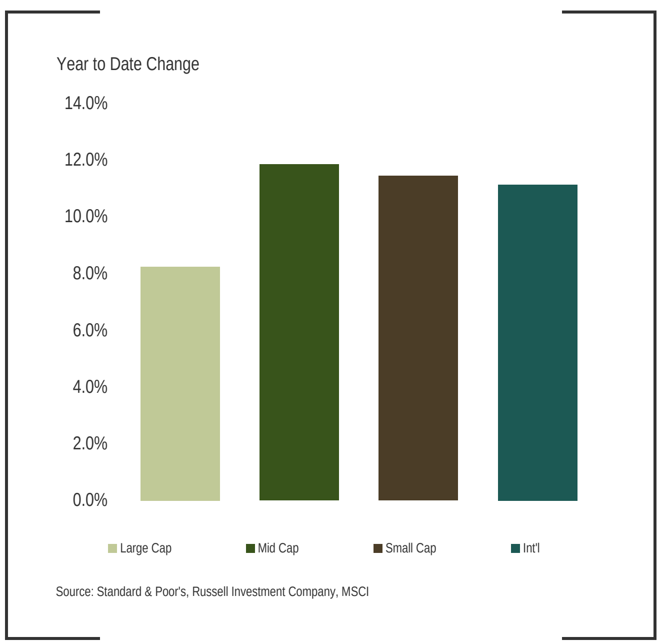
International markets were mostly higher this past week. The Japanese stock market hit its highest level since August of 2011, up 4.9% for the week as the yen reached a four month low. The bank of Japan announced an expansion in its asset purchase program by increasing purchase of Japanese government bonds. The BoJ also announced firm inflation targets. People's Bank of China Governor Zhou Xiaochuan announced plans to expand the country's investment in Europe, saying "we have always been confident in the euro and its future." In Europe, data released on Wednesday showed the eurozone economy contracted slightly less than expected in the fourth quarter of 2011. GDP growth was actually positive in France (+0.2%). The FTSE 100 Index finished up 0.9% for the week while the CAC 40 Index increased 2.0%.

In corporate news, Apple closed over $500 for the first time. Apple stock now represents 17% of the NASDAQ-100 Index. General Motors reported a record profit for 2011. While earnings in the fourth quarter were slightly below expectations, the stock rose 9% on the news. Applied Materials reported strong profits and raised guidance for this fiscal quarter as sales of chip making equipment increased 26%. Kellogg Company agreed to buy Procter & Gamble's Pringles unit.

Issue	2.10.12	2.17.12	Change
Dow Jones	12,801.23	12,949.87	1.16%
S&P 500	1,342.64	1,361.23	1.38%
NASDAQ	2,903.88	2,951.78	1.65%
Russell 1000 Growth	630.56	638.82	1.31%
S&P MidCap 400	964.49	984.6	2.09%
Russell 2000	813.33	828.68	1.89%
MSCI EAFE	1,524.97	1,548.44	1.54%
MSCI Small Cap	1,061.69	1,049.24	0.70%

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.





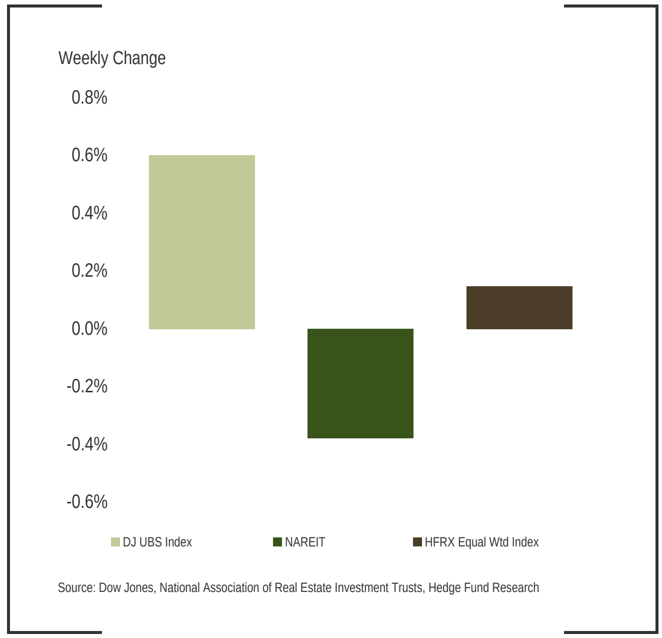
Alternative Investments Market Update

Due to fears of supply disruptions in Iran and rising confidence that Greece will finally secure a debt bailout deal by Monday, crude oil ended the week up 4.57%, settling at $103.57 a barrel, its second consecutive weekly gain. Iran's top oil customers in Europe have already been making substantial cuts in their imports ahead of the European Union sanctions, which take effect in July, reducing flows to the continent in March by more than a third. In contrast, gold closed lower Friday as the precious metal lost some of its allure amid the speculation that European leaders would agree to oil sanctions. Gold ended the week pretty much flat, settling at $1,723.80 an ounce, up 0.06%. Despite a less than stellar week for the metal, data from the World Gold Council revealed record investment demand lifted global gold demand to an all-time high last year, with China and India generating nearly 49% of demand. Those two countries also accounted for 55% of global jewelry demand for gold last year. Many analysts predict that China will emerge as the largest gold market in the world for the first time this year.

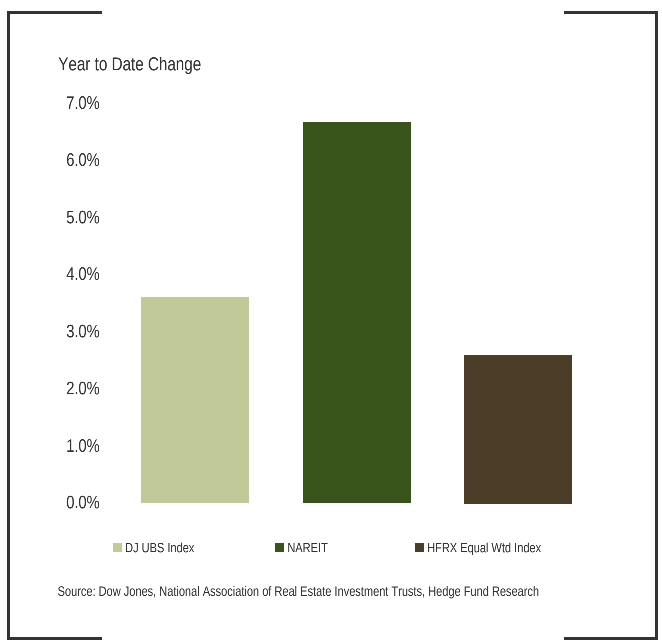
Unable to keep up with markets shaken by the eurozone debt crisis, a series of bad bets by hedge funds pushed the industry as a whole down 5.2% last year. According to Hedge Fund Research, 2011 marked the second year of losses in four for an industry that is used to chasing rapid gains from takeovers, and restructurings looked especially bad as the S&P 500 finished flat. Many experts attribute this to funds being too focused on the “medium term and not enough on price action.” For example, some commodity funds that did not perform well last year were focused on the fundamentals, even when the short-term macro environment was not especially positive. Among those that fared the worst were long-short equity funds, which buy shares they expect to rise and sell short those expected to do worse, losing 8.3% last year. Hedge funds kicked off 2012 on the right foot, posting gains of 1.78% in January, but still significantly trailed the S&P 500, which was up 4.36% last month.

Issue	Previous Week	Current[1]	Change
Gold	1,722.70	1,723.80	0.06%
Crude Oil Futures	99.04	103.57	4.57%
Copper	385.65	372.05	-3.53%
Sugar	23.25	23.77	2.24%
HFRX Equal Wtd. Strat. Index	1,124.19	1,125.83	0.15%
HFRX Equity Hedge Index	1,033.22	1,034.43	0.12%
HFRX Equity Market Neutral	985.49	983.58	-0.19%
HFRX Event Driven	1,363.12	1,363.11	0.00%
HFRX Merger Arbitrage	1,506.88	1,513.16	0.42%
Dow Jones UBS Commodity Index	144.89	145.76	0.60%
FTSE/NAREIT All REIT	148.00	147.44	-0.38%

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.



Source: Dow Jones, National Association of Real Estate Investment Trusts, Hedge Fund Research



Source: Dow Jones, National Association of Real Estate Investment Trusts, Hedge Fund Research

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