MainStreet Advisors
Financial Market Update

April 27, 2012
[page 1]

Economic Update

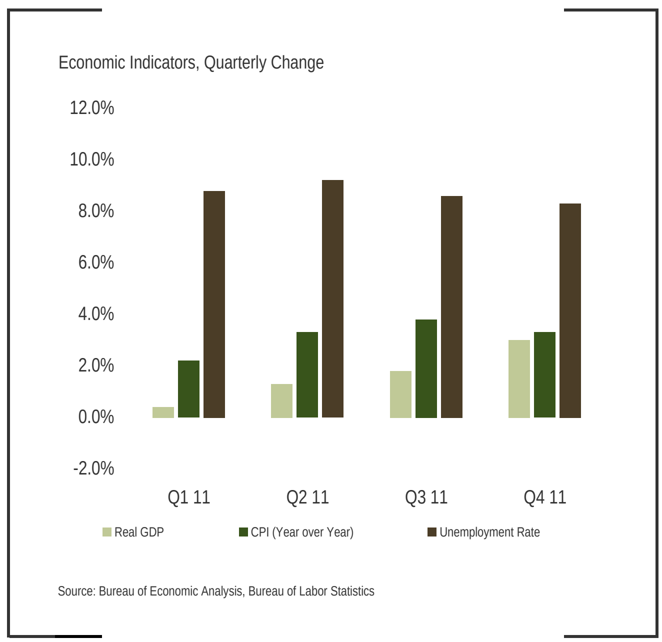
The U.S. economic growth rate decelerated in the first quarter according to the advance estimate from the Commerce Department. GDP growth came in at a 2.2% annualized rate, down from 3.0% in the fourth quarter and below analyst expectations of 2.5%. Weaker government spending at all levels was a drag on the economy, which one could argue is not a bad thing given our nation's fiscal situation. Meanwhile the consumer continued to carry the load with real personal consumption expenditures increasing 2.9%, and the motor vehicle sales component alone accounting for half of the change in growth. Things were not so good across the pond as the initial estimate showed Britain's economy declined for the second straight quarter, technically indicating the country is now in a recession.

The FOMC met this week and the forecasts they released turned slightly more hawkish. Regarding the timing of their next firming in interest rate policy, the range of participant forecasts tightened to no longer include 2016, and by our math the average expected date moved up about 3 months to near the end of the first quarter of 2014. Expectations for this year's economic growth and unemployment rate both improved, while inflation expectations rose. The bottom line is further quantitative easing seems less and less likely while the timing of a move towards tightening is getting nearer.

Durable goods orders for March were weaker than expected, down 4.2% according to the Commerce Department. New orders for the notoriously volatile nondefense aircraft component fell off a cliff plunging 47.6%. Even excluding transportation durables fell 1.1% and declines were broad based. Despite this, strong retail sales figures from last week still point to an improving economy.

Other economic data issued this week gave little insight into the direction of things. Initial jobless claims remain elevated near a four-month high; consumer confidence for April was essentially flat; and the housing sector continued to limp along in March as new home sales and median prices were down slightly, while the S&P Case-Shiller home price index showed mild improvement in February.

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.

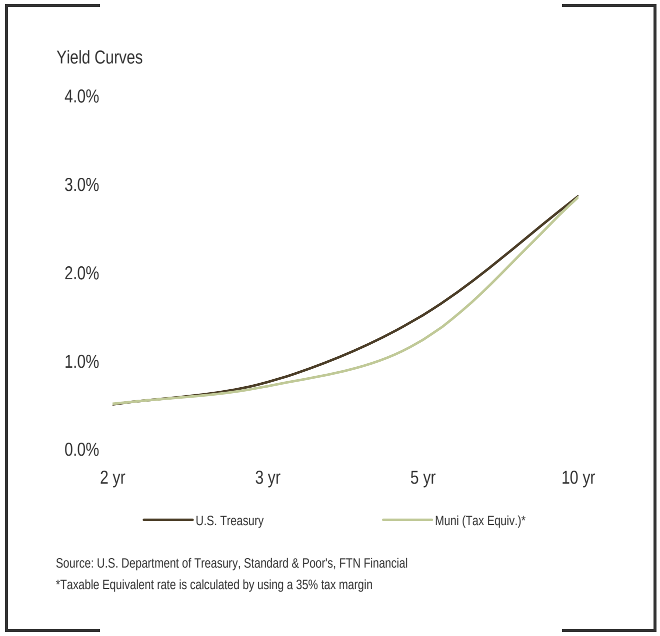


Apr. 24th	ICSC-Goldman Same Store Sales, Wkly. Chg.	0.8%
Apr. 24th	S&P/Case-Shiller 20-city Index, Feb. Monthly Chg.	0.2%
Apr. 24th	New Home Sales, March	328,000
Apr. 24th	Consumer Confidence Index, April	69.2
Apr. 24th	State Street Investor Confidence Index, April	87.7
Apr. 25th	MBA Purchase Applications Index, Wkly. Chg.	-3.8%
Apr. 25th	Durable Goods New Orders, March Monthly Chg.	-4.2%
Apr. 25th	EIA Petroleum Status Report, Wkly. Chg.	4.0M Barrels
Apr. 26th	Initial Jobless Claims (week ending 4/21)	388,000
Apr. 26th	Pending Home Sales, March Monthly Chg.	4.1%
Apr. 26th	EIA Natural Gas Report, Wkly. Chg.	47 bcf
Apr. 27th	Real GDP, Q1a Quarterly Change SAAR*	2.2%
Apr. 27th	GDP Price Index, Q1a Quarterly Change SAAR*	1.5%
Apr. 27th	Employment Cost Index, Q1 Quarterly Change	0.4%
Apr. 27th	Consumer Sentiment Index, April	76.4

Bond Market Update

After vacillating between gains and losses throughout the week, U.S. Treasuries finished modestly higher. Buyers who are wary of the crisis in Europe and the potential slowdown of the U.S. economy drove prices higher toward the end of the week, while sellers who took the Federal Reserve's recent policy update as a sign that additional quantitative easing is unlikely led the decline earlier. From a demand perspective, the Treasury department managed to sell $29 billion of seven-year notes at an all-time low yield of 1.347%, drawing solid interest with a bid-to-cover ratio of 2.83. Separately, Standard & Poor's said Thursday it downgraded Spain's sovereign debt rating by two notches citing "a challenging fiscal outlook" amid concerns of an unsuccessful austerity program.

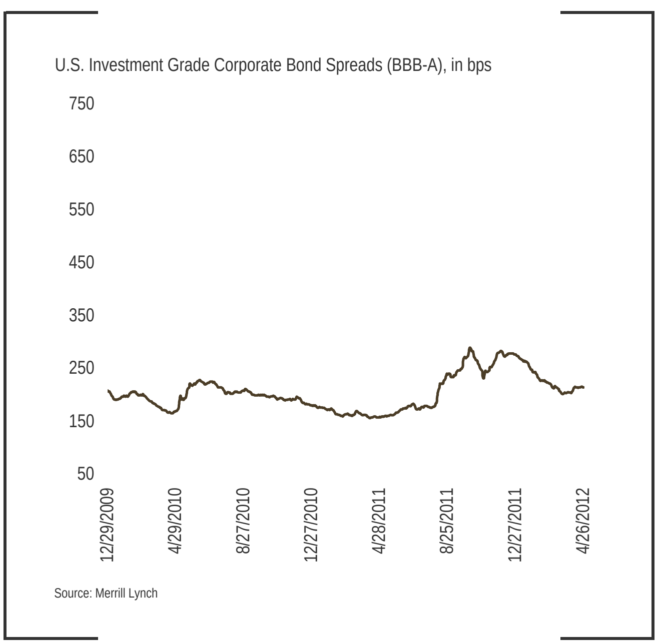
Meanwhile, global corporate bond issuance is poised for the slowest April in six years as companies reduce their reliance on debt markets due to cash reserves that near record-high levels. Company bond sales worldwide have declined 53% to $190 billion through yesterday, according to Bloomberg. The slowdown follows a record $1.17 trillion of deals in the first quarter, when anxieties about Europe's debt crisis eased and companies borrowed at interest rates that approached the lowest ever.



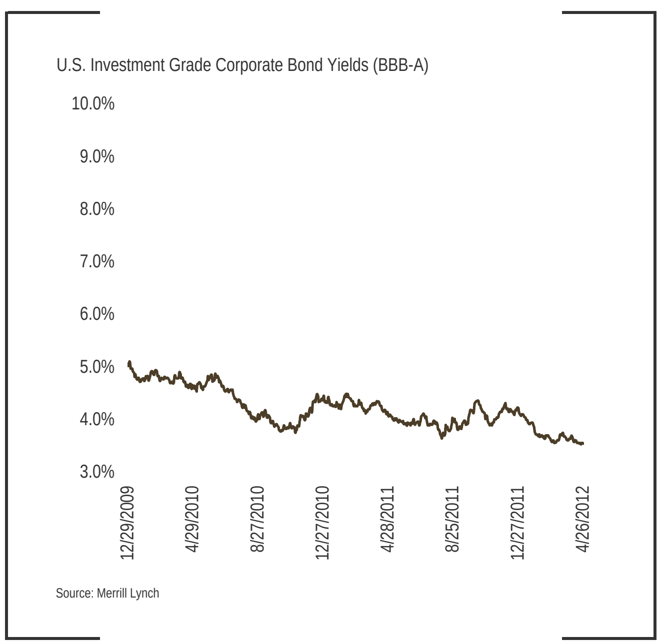
Source: U.S. Department of Treasury, Standard & Poor's, FTN Financial
*Taxable Equivalent rate is calculated by using a 35% tax margin

Issue	4.20.12	4.27.12	Change
3 month T-Bill	0.08%	0.09%	0.01%
2-Year Treasury	0.29%	0.26%	-0.03%
5-Year Treasury	0.86%	0.82%	-0.04%
10-Year Treasury	1.99%	1.96%	-0.03%
30-Year Treasury	3.12%	3.12%	0.00%

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



Source: Merrill Lynch



Source: Merrill Lynch

Stock Market Update

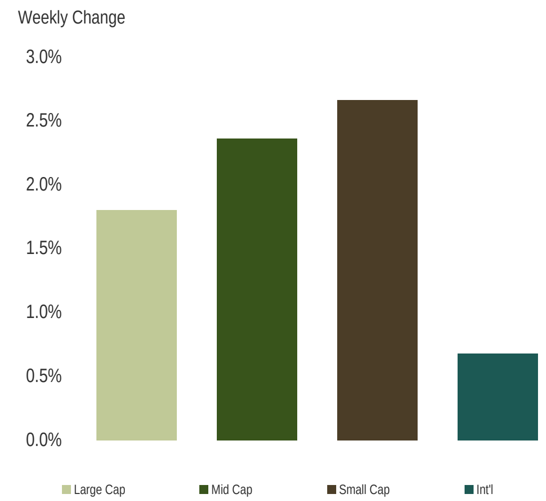
Most major stock markets were positive for the second week in a row, rebounding from heavy selling on Monday. Friday's gains were aided by Amazon's strong earnings results despite the Commerce Department's report of less than expected GDP growth in the first quarter. The DJIA finished the week at 13228.31, up 1.5%. The S&P 500 Index closed at 1403.36, up 1.8% for the five-day trading period. The NASDAQ Composite Index ended the week up 2.3% to 3069.20. According to Thompson Reuters, of the 57% of S&P 500 companies that have reported earnings so far, 73% have been above analysts' expectations.

International markets were mixed this week with decreases of less than 1% for the Nikkei Index and the Shanghai Composite index. The CAC 40 Index in France climbed 2.4% while Germany's DAX Index and England's FTSE 100 Index both increased less than 1%. Political and economic news in Europe led to volatile markets this week. The Dutch coalition government collapsed making the Prime Minister one of nearly six European leaders to lose their job in the wake of the financial crisis. In England the Office for National Statistics reported that the country slipped back into recession last quarter as GDP slipped 0.2% due mainly to weakness in industrial production and slowing construction spending.

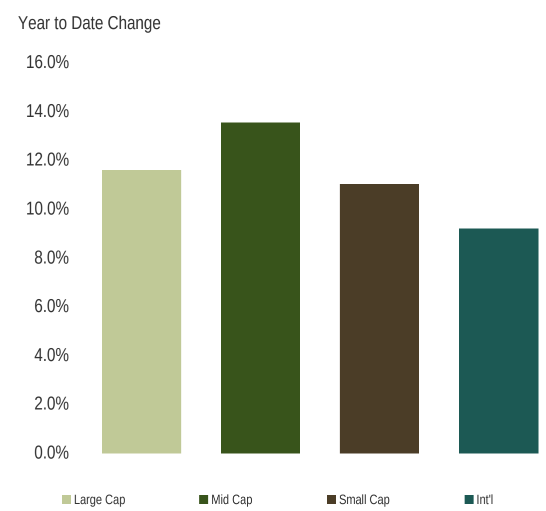
After declining over 13% in the two weeks prior to Thursday, Apple stock rebounded nicely on better than expected earnings results. The company reported quarterly revenue of $39.2 billion, up 59% year-over-year, and EPS of $12.30, compared to consensus estimates of $36.8 billion and $10.06 in EPS on strong sales of iPads and iPhones. Revenue in China grew 300% to $8 billion. Gross margin improved 600 basis points over last year to 47.4%. 3M also reported earnings ahead of expectations; acquisitions and selling price increases aided the 2% constant currency revenue improvement. Strength in the U.S. and emerging markets offset weakness in Europe.

Issue	4.20.12	4.27.12	Change
Dow Jones	13,029.26	13,228.31	1.53%
S&P 500	1,378.53	1,403.36	1.80%
NASDAQ	3,000.45	3,069.20	2.29%
Russell 1000 Growth	652.54	665.50	1.99%
S&P MidCap 400	976.35	999.4	2.36%
Russell 2000	804.05	825.47	2.66%
MSCI EAFE	1,511.15	1,521.38	0.68%
MSCI Small Cap	1,023.49	1,015.94	0.80%

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.



Source: Standard & Poor's, Russell Investment Company, MSCI



Source: Standard & Poor's, Russell Investment Company, MSCI

Alternative Investments Market Update

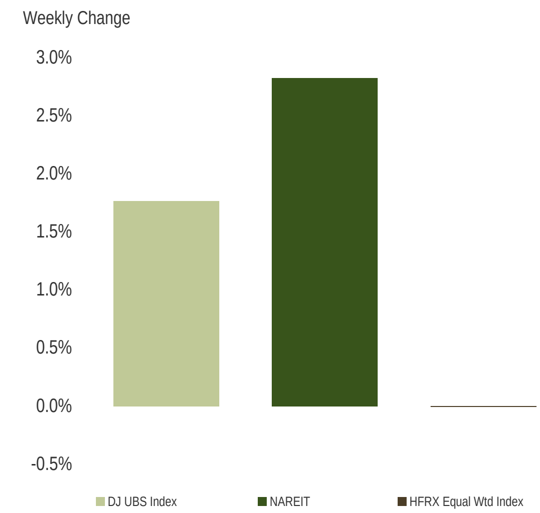
Global oil inventories grew over the last two months despite the loss of further supplies from Iran, according to a U.S. report, giving the Obama administration the green-light to press ahead with sanctions on the OPEC nation. The Energy Information Administration report, required every 60 days by the Iran sanctions law President Barack Obama signed in December, gave a mostly positive assessment of global oil supplies, which typically build at this time of year. Crude ended the week relatively flat though, settling at $104.73 a barrel. Gold ended the week up 1.26%, closing at $1,663.40 an ounce, setting a two-week high, as investors sought the precious metal as an alternative to the dollar after a weaker-than-expected reading on the health of the U.S. economy.

Banks seeking high-quality commercial loans and a volatile bond market have driven a surge in lending to U.S. real estate investment trusts (REITs). According to Bloomberg, the volume of new REIT unsecured term loans originated through mid-April has already surpassed all of last year's record. The pace of borrowing among REITs has picked up since last summer as investors are becoming more comfortable lending to a portfolio of assets rather than against individual properties. Analysts believe unsecured loans may become a more prevalent source of financing for smaller trusts and weaker credits because the debt is cheaper than bonds and has more flexible terms.

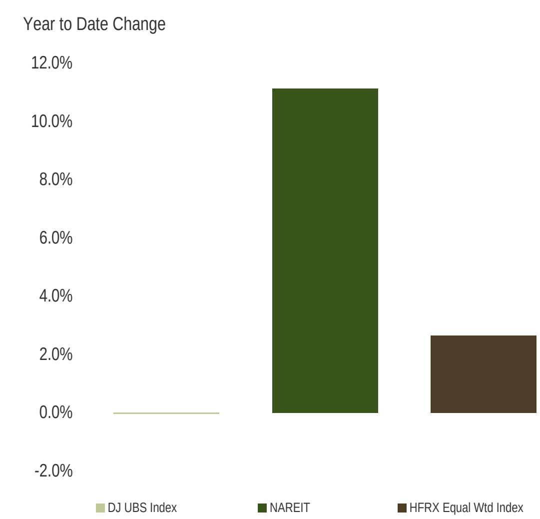
While most would avoid the chaos that has been overwhelming Spain, hedge funds are taking it head on spotting money-making opportunities within the European country, betting market fears over its debt crisis have made assets cheap and attractive relative to other securities. In a report from Reuters, hedge fund managers have been exploiting what they believe is the "mispricing of credit default swaps (CDS), government and corporate bonds and stocks", after months of growing market concern that Spain might need an international bailout, using relative value trades, betting on one security versus another. This philosophy echoes the earlier stages of the eurozone crisis, when hedge funds bought CDS, which were designed to pay out in the event of a default, on Greece and other weaker eurozone countries.

Issue	Previous Week	Current[1]	Change
Gold	1,642.70	1,663.40	1.26%
Crude Oil Futures	104.03	104.73	0.67%
Copper	369.85	382.70	3.47%
Sugar	21.55	21.21	-1.58%
HFRX Equal Wtd. Strat. Index	1,126.41	1,126.36	0.00%
HFRX Equity Hedge Index	1,038.04	1,038.46	0.04%
HFRX Equity Market Neutral	961.37	958.71	-0.28%
HFRX Event Driven	1,374.34	1,373.10	-0.09%
HFRX Merger Arbitrage	1,521.22	1,520.46	-0.05%
Dow Jones UBS Commodity Index	138.20	140.63	1.76%
FTSE/NAREIT All REIT	149.39	153.61	2.82%

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