INNOVEST MONTHLY MARKET COMMENTARY

April 2009

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LATEST PERFORMANCE					
	Apr-09	Y-T-D	1 Year	3 Year	5 Year
EQUITY					
S&P 500	9.57%	-2.49%	-35.31%	-10.76%	-2.70%
S&P 400	14.87%	4.93%	-31.84%	-9.95%	0.56%
S&P 600	17.46%	-2.32%	-30.05%	-11.85%	-0.13%
MSCI EAFE	12.80%	-2.92%	-42.76%	-12.34%	0.66%
MSCI Emerging Markets	16.64%	17.75%	-42.90%	-5.51%	11.10%
FIXED INCOME					
Barclays Aggregate	0.48%	0.60%	3.84%	6.01%	4.78%
Barclays Muni Bond 1-10 Yr	1.03%	3.51%	6.19%	5.43%	4.34%
Barclays High Yield	12.10%	18.80%	-13.29%	-1.15%	2.35%
Barclays Global Aggregate	0.90%	-2.38%	-2.20%	5.48%	4.88%
CSFB Bank Loan	8.00%	15.79%	-15.31%	-4.21%	-0.31%
OTHER					
DJ-AIG Commodity	0.73%	-5.63%	-46.49%	-11.57%	-2.76%
DJ-Wilshire US REIT	32.81%	-12.24%	-50.79%	-18.75%	-1.06%
S&P-Citi World Property	20.47%	-6.31%	-50.55%	-17.26%	-0.19%
Red Rocks Domestic LPE	24.95%	-0.34%	-61.03%	-29.14%	-12.32%
Red Rocks Global LPE	28.15%	1.38%	-60.62%	-22.58%	-2.61%
HFRI Fund of Funds	0.66%	1.13%	-17.79%	-3.24%	1.69%
3-Month T-Bills	0.03%	0.07%	1.13%	3.51%	3.20%

Returns provided by outside vendor. Innovest is not responsible for accuracy of numbers presented.

Economy and the Markets

Investors looked through the gloom -- a historic bankruptcy by Chrysler, a potential flu-pandemic, and the worst U.S. economic growth reports in decades -- and focused on indications that the deep economic contraction around the world is lessening, banks are stabilizing and credit markets are easing.

April marked a second consecutive month of strong gains for riskier assets as the global economy showed more signs of stabilization. The S&P 500 Index rallied by 9.6%, while mid caps and small caps were even higher at +14.9% and +17.5%, respectively. Financial stocks led large caps higher, with industrials and materials not far behind, as cyclical sectors broadly outperformed defensives by a wide margin. International stocks joined the party with gains of 12.8%. Following a first-quarter drubbing of -33.9%, U.S. REITs soared a stunning 32.8% in April.

Although it remained in contraction territory, the U.S. ISM manufacturing index increased sharply during the month and outstripped expectations. Two-thirds of S&P 500 companies had reported first quarter earnings by the end of April, with only the financials sector missing estimates on a net basis. Meanwhile, estimates for the remainder of the year continued to be pared back, dragging down the full year 2009 forecast.

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Also on the economic front, rates on 30-year mortgages tied a record low, spurring refinancing activity as the troubled housing market moves closer to possibly hitting bottom. Average rates on 30-year fixed-rate mortgages slid to 4.78 percent, more than a point lower than a year ago.

Credit market stresses eased further, and spreads contracted on corporate bonds. While the Barclays Aggregate Bond Index moved slightly higher (+0.5%), lower quality bonds continued to rally. Bank loans and high yield corporate bonds jumped, with the latter rising 12.1% in the month on renewed hopes of an economic recovery later in the year.

Outlook

With the economic news fluctuating daily between negative and optimistic reports, the markets are likely to remain volatile. Despite the welcomed rally in the markets, investors should not grow complacent. Economic growth may well stay below trend for several more quarters, weighing on profit margins and job growth. Prudent asset allocation and diversification remain irreplaceable elements of a successful, long-term investment plan.

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