

Flash Report January 2012 Country Indices

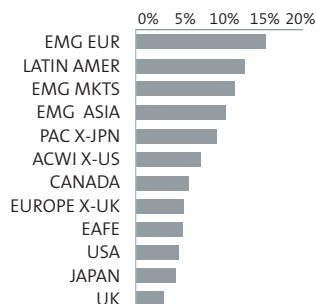
COMMENTARY*

- Animal spirits released in December by the ECB's Long-Term Refinancing Operations continued to support global markets in the new year. All is not roses in Europe though: Portuguese yields are hitting frightening levels and the month-end summit clarified little.
- Emerging markets, the proverbial baby thrown out with 2011's Western European bathwater, showed strong beta to the upside, more than doubling EAFE's 5.3% return in January.
- Eastern European markets soared during the month. The Turkish Lira was supported by improving trade figures while Poland's bank-heavy exchange enjoyed increased liquidity from Western Europe.
- Japan has successfully held Yen appreciation in check. The currency probably needs to move down versus the dollar to spark global investor interest.

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COUNTRY/REGIONAL SNAPSHOT

JANUARY 2012 TOTAL RETURN (MSCI INDICES)*
US\$ TERMS WITH NET DIVIDENDS



TOTAL RETURN FOR SELECTED MSCI INDICES, US\$ TERMS WITH NET DIVIDENDS* (FOR PERIODS ENDED 01/31/2012)

COUNTRY/REGION	1 MONTH	3 MOS.	2012 YTD	12 MOS.	CAL 2011
USA	4.7%	5.25%	4.7%	3.6%	1.4%
ALL COUNTRY WORLD EX-USA (ACWI X-US)	6.8%	0.2%	6.8%	-8.8%	-13.7%
Canada	5.9%	0.7%	5.9%	-7.9%	-12.7%
EAFE (Europe, Aus, Far East)	5.3%	-0.7%	5.8%	-9.6%	-12.1%
Japan	4.5%	0.7%	4.5%	-10.6%	-14.3%
UK	3.5%	0.8%	3.5%	-1.1%	-2.6%
PACIFIC EX-JAPAN	9.7%	1.0%	9.7%	-3.3%	-12.8%
Australia	8.8%	-0.1%	8.8%	-0.8%	-11.0%
Hong Kong	9.5%	3.4%	9.5%	-9.6%	-16.0%
Singapore	14.5%	2.5%	14.5%	-5.8%	-17.9%
EUROPE EX-UK	5.3%	-2.9%	5.3%	-14.9%	-15.3%
France	5.5%	-4.0%	5.5%	-18.0%	-16.9%
Germany	10.6%	-1.0%	10.6%	-13.2%	-18.1%
Netherlands	3.2%	-2.7%	3.2%	-13.1%	-12.1%
Belgium	3.9%	0.7%	3.9%	-8.9%	-10.6%
Finland	7.2%	-8.0%	7.2%	-30.1%	-31.9%
Austria	10.3%	-1.8%	10.3%	-32.0%	-36.4%
Portugal	-3.5%	-15.9%	-3.5%	-29.8%	-23.1%
Italy	6.4%	-5.6%	6.4%	-26.5%	-23.2%
Greece	24.7%	-5.7%	24.7%	-60.6%	-62.8%
Spain	1.1%	-9.1%	1.1%	-21.9%	-12.3%
Denmark	4.4%	5.2%	4.4%	-14.0%	-16.0%
Norway	3.5%	-3.7%	3.5%	-5.1%	-10.0%
Sweden	5.8%	-0.6%	5.8%	-14.2%	-16.0%
Switzerland	2.5%	-1.5%	2.5%	-4.1%	-6.8%
Israel	9.1%	1.0%	9.1%	-19.2%	-28.0%
EMERGING MARKETS	11.3%	2.7%	11.3%	-6.6%	-18.4%
South Africa	7.8%	5.8%	7.8%	5.2%	-14.4%
EMERGING EUROPE	15.2%	1.1%	15.2%	-13.8%	-23.7%
Poland	15.1%	-4.8%	15.1%	-20.7%	-30.1%
Russia	14.8%	2.3%	14.8%	-11.2%	-19.6%
Turkey	18.6%	2.4%	18.6%	-15.0%	-35.4%
LATIN AMERICA	12.6%	4.2%	12.6%	-5.0%	-19.4%
Brazil	15.2%	5.0%	15.2%	-6.0%	-21.8%
Chile	7.4%	-1.8%	7.4%	-5.9%	-20.4%
Mexico	7.4%	3.2%	7.4%	-2.8%	-12.1%
EMERGING ASIA	10.6%	1.9%	10.6%	-7.3%	-17.4%
China	10.8%	4.0%	10.8%	-9.1%	-18.4%
India	21.0%	-4.4%	21.0%	-12.6%	-37.2%
Indonesia	3.9%	1.3%	3.9%	22.3%	6.0%
Korea	10.5%	1.7%	10.5%	-5.2%	-12.0%
Malaysia	4.4%	3.8%	4.4%	3.7%	0.1%
Taiwan	9.0%	1.6%	9.0%	-16.5%	-20.9%
Thailand	8.3%	7.3%	8.3%	15.5%	-2.7%

CURRENCY RETURN VS. USD	1 MONTH	3 MOS.	2012 YTD	12 MOS.	CAL 2011
Australian Dollar	3.7%	0.2%	3.7%	6.6%	0.0%
Canadian Dollar	1.5%	-1.0%	1.5%	-0.3%	-2.4%
Euro	0.8%	-6.1%	0.8%	-4.5%	-3.2%
Yen	0.9%	2.3%	0.9%	7.4%	5.4%
Swiss Franc	1.7%	-5.3%	1.7%	2.2%	-0.3%
British Pound	1.5%	-2.2%	1.5%	-1.5%	-0.7%

Sources: Bailard, MSCI/Datastream.

* Past performance is no indication of future results. All investments involve the risk of loss. Please see reverse for important disclosures.

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