STANDARD & POOR'S

MarketAttributes Snapshot
S&P 500

MarketAttributes is a snapshot of the U.S. market, as measured by the S&P 500, taken at the end of each month. It seeks to highlight those statistical factors that have impacted market performance over the course of the month, such as stock buybacks, cash levels, and dividend payments.

MarketAttributes is a product of the Standard & Poor's Index Services Group by Senior Index Analyst, Howard Silverblatt.

For additional information covering a wide scope of topics and a complete set of current and historical data that supports analysis summarized in this snapshot, visit: www.marketattributes.standardandpoors.com

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THE MARKET

With a return of -38.49%, 2008 marked the worst year for the S&P 500 since 1937 (-38.59%). Also in 2008, looking at volatility, there have been more 5% moves since September 29, 2008, than in the prior 53 years of the Index. Although the market was up in December, for the year, the S&P 500 lost US$ 5.02 Trillion and US$ 5.95 Trillion since October 2007.

All ten sectors were down double-digits for the year, with Financials performing the worst, down 56.95%. The best performer was Consumer Staples declining 17.66% for the year.

A notable issue in 2008 was XOM, which started the year at 3.86% of the S&P 500 and ended at 5.17%; an event not seen since 1985 (IBM 6.37%). Other notable issues were GM, number one in market value in 1928 with US$ 3.55 Billion, declined to US$ 1.95 Billion 80 years later with a minor -0.7% annual return.

Overall for 2008, 25 issues were positive, with 10 issues up at least 10%; 449 issues down at least 10% (89.8% of the S&P 500); 2 issues up at least 25% (FDO, UST); 362 issues (72.4% of the S&P 500) down at least 25%; 166 issues lost at least half (33.2% of the S&P 500); 33 issues lost at least 75% (7% of the S&P 500); and three declined over 90%.

GLOBAL INDUSTRY CLASSIFICATION: Preliminary Capital Appreciation Contributions to the S&P 500

% CHANGES	DECEMBER 2008	FROM 9/30/2008	1-YEAR (12/31/2007)	2-YEARS (12/29/2006)	FROM 10/09/2002	FROM 03/24/2000	10-YEARS ANNUALIZED
Consumer Discretionary	5.13%	-23.43%	-34.72%	-44.07%	0.90%	-40.64%	-3.47%
Consumer Staples	-0.77%	-13.54%	-17.66%	-8.10%	19.24%	48.14%	-0.11%
Energy	-4.09%	-21.05%	-35.93%	-15.19%	126.39%	84.54%	7.73%
Financials	-0.68%	-37.64%	-56.95%	-65.92%	-32.55%	-49.51%	-6.03%
Health Care	6.61%	-12.72%	-24.48%	-20.41%	3.82%	-3.37%	-1.77%
Industrials	0.57%	-24.66%	-41.52%	-35.78%	22.78%	-24.04%	-0.95%
Information Technology	1.68%	-25.99%	-43.68%	-34.94%	34.09%	-76.36%	-6.47%
Materials	-0.76%	-31.43%	-47.05%	-36.47%	34.16%	0.87%	0.56%
Telecommunication Services	0.88%	-2.86%	-33.61%	-28.00%	36.12%	-64.71%	-8.61%
Utilities	-2.46%	-11.95%	-31.55%	-20.72%	91.45%	0.08%	-0.99%
S&P 500	0.78%	-22.56%	-38.49%	-36.31%	16.28%	-40.87%	-3.03%

BREADTH

For the year, breadth had only 25 issues up since at least 1980. The next worst year was 2002, when 131 issues advanced.

Monthly. *By market value.

PERIOD	ISSUES UP	ISSUES UNCHANGED	ISSUES DOWN	AVERAGE % CHANGE	TOP 10* % AVG CHANGE	TOP 25* % AVG CHANGE	TOP 50* % AVG CHANGE	S&P 500 % CHANGE
Dec,'08	283	2	215	4.09	-0.81	-0.12	0.81	0.78
Nov,'08	104	3	393	-10.68	-3.59	-5.87	-6.09	-7.49
Oct,'08	28	2	470	-20.89	11.59	-13.96	-12.71	-16.94
Sep,'08	65	3	435	-10.56	-0.35	-2.95	-5.93	-9.08

Yearly. *By market value.

PERIOD	ISSUES UP	ISSUES UNCHANGED	ISSUES DOWN	AVERAGE % CHANGE	TOP 10* % AVG CHANGE	TOP 25* % AVG CHANGE	TOP 50* % AVG CHANGE	S&P 500 % CHANGE
2008	25	5	470	-39.30	-20.12	-28.01	-26.81	-37.00
2007	245	9	246	2.55	20.93	17.29	12.66	3.53
2006	369	11	120	14.39	13.91	17.70	20.02	13.62
2005	286	1	213	7.61	1.52	0.78	5.52	3.00

PENSIONS

In 2007, S&P 500 companies were able to brag of US$ 63 Billion in over funding for their pension funds, while the numbers for 2008 appear ready to set a record for under funding. The positive US$ 63 Billion is expected to turn into US$ 257 billion in under funding. At the root of the under funding are the massive equity losses in the United States where the funds have 85% of the equity investment. There is also concern over fixed income investments, some of which may be a bit less marketable than they were in 2007. Safety, liquidity, price evaluation, and disclosure are therefore now also in the fixed income investment corner. S&P expects most issues to be under funded and many to fall under their required funding limits, which will require them to either sell assets at their depressed levels, or shore up the funds with significant cash infusions. Additionally, S&P expects that many issues will be required to add funding to maintain minimum requirements and that more will voluntarily add funding to take advantage of pension smoothing accounting.

While markets remain extremely volatile with significant losses, within the S&P 500 Industrials (Old), cash and equivalent levels remain near an all time high which would permit companies to contribute to funds. Additionally, most S&P 500 pension funds are insured by the Pension Benefit Guaranty Corporation (PBGC, created under the Employee Retirement Income Security Act of 1974) for up to $51,750 annually (indexed). While overall portfolios are dismal, current on hand resources, on aggregate, appear to be sufficient to cover expenses. The additional cost, however, comes at a time when earnings have deteriorated, available liquidity has declined and corporations have generally been reluctant to make large scale financial commitments. At this point in time, for most issues, the additional expenditure is more of an issue for investor concern than retirees, with the difficulties for future retirees growing quickly.

BUYBACKS

Q3 2008 S&P 500 stock buybacks (US$ 89.71B) are down 48% from Q3 2007 (US$ 171.85B), but slightly up from Q2 2008 (US$ 87.91B). Information Technology continues to account for a quarter of the buybacks. Looking at issues, XOM has spent the most on buybacks (US$ 110B) in the four "boom" years, followed by MSFT (US$ 73.5B), and IBM (US$ 44.5B). Cash for Industrials (Old) continues to remain high at US$ 647.8B – the record high was Q2, 2008 at US$ 648.4B. Given the current economic uncertainty, fewer employee options in the money, and the lack of alternative financing, S&P expects fourth quarter 2008 buybacks to drop from the current level, with the full year posting a 35% decline.

EARNINGS

Forward 2009 S&P 500 earnings estimates have been declining quickly, but still show a second-half recovery. Most of the optimism is due to a belief that liquidity is starting to work its way through the markets, and that additional stimulus and guarantee programs will give consumers confidence; therefore, inspiring corporations to invest and expand.

S&P 500 OPERATING EARNINGS PER SHARE: (By Year)

	2004 P/E	2005 P/E	2006 P/E	2007 P/E	2008 P/E	2009 P/E
Consumer Discretionary	20.50	19.64	19.19	19.51	19.87	15.47
Consumer Staples	18.52	17.85	18.91	19.18	14.24	13.04
Energy	11.85	10.66	10.44	13.03	6.69	8.18
Financials	13.31	13.32	13.17	17.20	-23.23	10.14
Health Care	20.45	19.70	19.33	17.58	12.23	10.89
Industrials	22.11	17.74	16.95	16.65	9.83	10.49
Information Technology	26.17	22.16	23.56	23.72	13.03	12.61
Materials	18.16	15.62	14.20	16.27	9.63	11.83
Telecommunication Services	18.88	16.20	19.48	20.35	12.82	11.43
Utilities	16.50	16.40	16.23	18.53	11.90	11.26
S&P 500	17.93	16.33	16.17	17.79	13.73	11.04

S&P 500 OPERATING EARNINGS PER SHARE: (By Year)

	Q1 2008 OVER Q1 2007	Q2 2008 OVER Q2 2007	Q3 2008 OVER Q3 2007	Q4 2008 OVER Q4 2007	2008 OVER 2007
Consumer Discretionary	-20.11%	-56.64%	-48.57%	-18.28%	-35.91%
Consumer Staples	17.98%	8.73%	12.65%	5.32%	10.89%
Energy	23.83%	5.33%	89.11%	-10.61%	24.76%
Financials	-107.71%	-109.87%	-192.76%	100.99%	-131.88%
Health Care	2.49%	10.00%	4.38%	18.17%	8.52%
Industrials	7.19%	12.65%	0.98%	-21.75%	-0.92%
Information Technology	12.02%	21.92%	1.18%	-17.09%	2.54%
Materials	6.43%	4.14%	-12.04%	-50.34%	-10.48%
Telecommunication Services	17.39%	9.55%	-10.12%	7.19%	5.38%
Utilities	14.92%	15.12%	-4.80%	8.50%	6.55%
S&P 500	-25.75%	-29.26%	-23.53%	6.34%	-20.29%

DIVIDENDS

2008 marks the worst dividend year in the history of the S&P 500. Decreases continue to increase, while increases continue to decline. S&P 500 Q4,'08 dividend payment declined -6.1% from the Q4,07 payment, but the November,'08 and December,'08 payment declined 9.4%. For the full year, 2008 posted a 2.4% gain over 2007. Before the credit crisis, Financials contributed 34% of the dividend income, now the sector contributes under 20%.

December was the worst December for dividends since Standard & Poor's started keeping dividend records in 1956. The last three months of 2008, were the worst months in the Index's history, with 288 decreases compared to 52 decreases for 2007. There was a mere 475 issues with increases for the quarter versus 792 issues for the same period in 2007.

December continued the downward slide of dividends. For the month, 11 issues increased, 0 initiated, 3 decreased and 4 suspended versus 22 increases, 3 initiations, 2 decreases, 0 suspensions for the same period in 2007 and 32 increases, 1 initiations, 0 decreases, 0 suspensions for December 2006. For the year, increases are down to 241 versus 298 for 2007, with decreases up 62 versus 12. Payers outperformed non-payers in both December and for the year: the month posted -4.41% for payers versus a 3.88% loss for non-payers, and 2008 posted -39.01% versus -45.35%.

ISSUE INDICATED DIVIDEND RATE CHANGE

Month of December

PERIOD	INCREASES	INITIALS	DECREASES	SUSPENSIONS
2008	11	0	3	4
2007	22	3	2	0
2006	32	1	0	0
2005	29	0	1	0

By Year

PERIOD	INCREASES	INITIALS	DECREASES	SUSPENSIONS
2008	236	5	40	22
2007	287	11	8	4
2006	299	6	7	3
2005	306	10	9	2

DIVIDEND TOTAL RETURN PERFORMANCE

PERIOD	AVERAGE S&P 500 PAYERS	AVERAGE S&P 500 NON-PAYERS
Month – Average Change	4.41%	3.88%
12-Months	-39.01%	-45.35%
Average Yield	3.73%	