

NPH Due Diligence

MARKET DATA				
	Jan.	3 Mo.	YTD	1 Year
S&P 500	4.25%	4.91%	4.25%	1.81%
Russell 2000	5.61%	9.28%	5.61%	0.96%
NASDAQ	5.89%	7.92%	5.89%	3.54%
MSCI EAFE	5.25%	-1.21%	5.25%	-12.36%
UK (FTSE)	1.96%	2.48%	1.96%	-3.09%
Germany (DAX)	9.46%	8.82%	9.46%	-9.46%
Japan (NIKKEI)	2.96%	-0.88%	2.96%	-14.39%
MSCI Emerging Markets	11.24%	2.39%	11.24%	-8.91%
Barclays Aggregate	0.84%	1.34%	0.84%	8.87%

Source: Wall Street Journal. All market data as of the end of January 2012.

U.S. ECONOMIC DATA				
	Jan.	Prior Month	Beginning of Year	Prior Year
Unemployment (one month lag)	8.5%	8.7%	8.5%	9.4%
Conference Board Consumer Confidence	61.1	64.8	64.8	60.6
ISM (one month lag)	54.1	53.1	53.1	59.9
GDP	2.8% (4Q 2011)	1.8% (3Q 2011)	1.8% (3Q 2011)	2.3% (4Q 2010)
Retail Sales (one month lag)	\$400.6B	\$400.3B	\$400.3B	\$376.2B
10 year Treasury	1.83%	1.89%	1.89%	3.42%
Federal Funds Rate	0-0.25%	0-0.25%	0-0.25%	0-0.25%
Gold	1735	1531	1531	1373
Oil	98.28	98.83	98.83	90.99
VIX Index	19.44	22.95	22.95	18.59

Source: Wall Street Journal. All economic and market data as of the end of January 2012.

Recent Events

The first month of 2012 started with a positive note with the S&P 500 rising 4.25%, which is the strongest January performance since 1997. Small cap equity outpaced large cap stocks, rising 5.61% through the first month of the year. On a sector level we saw a rotation out of defensive sectors (Utilities, Health Care, Telecom) and into sectors such as Materials, Financials and Information Technology. In January the best performing sector was materials which rose 12.1%, while utilities were the worst performing sectors with a 3.1% decline. An interesting statistic is since 1970 there have been 13 times that the S&P 500 increased by 3.75% or more in January.

In each of these years the S&P 500 ended the year positive. After a difficult 2011, international markets are showing resiliency as developed markets rose more than 5% and emerging markets were up more than 11%.

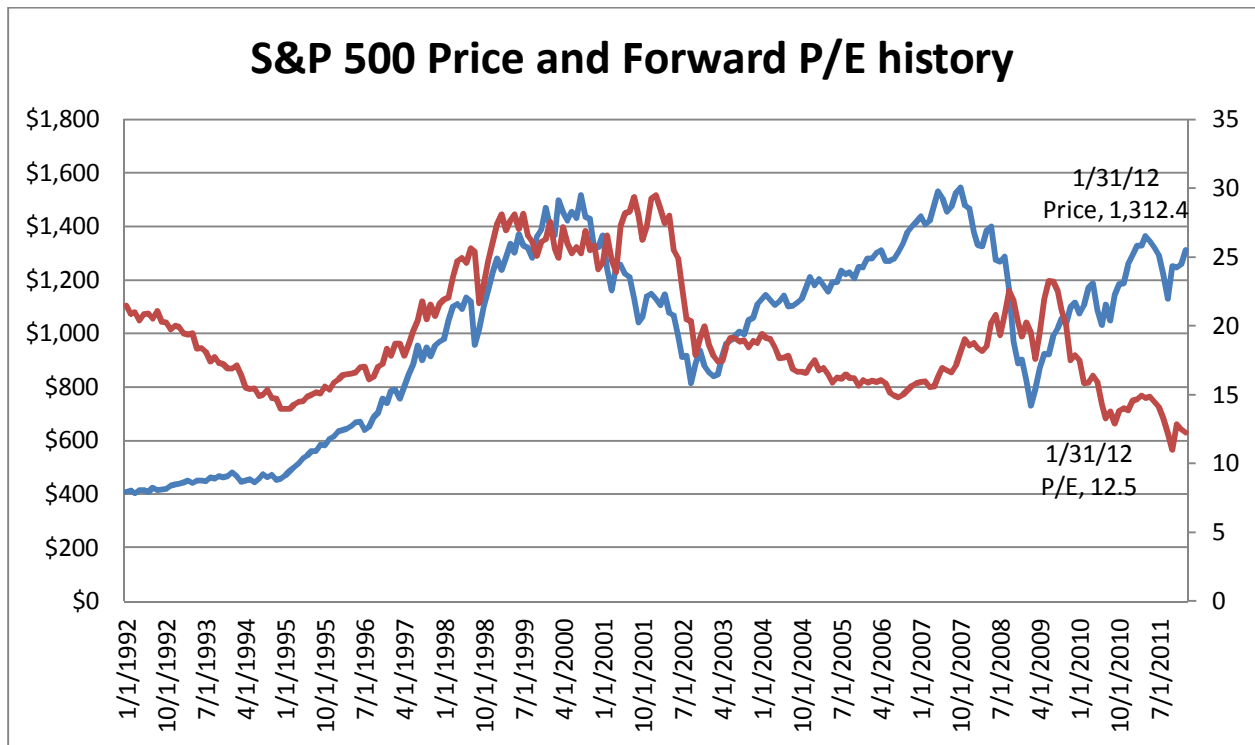
Bonds markets were relatively flat with the broad fixed income market Barclays Aggregate bond index rising 0.84%. Since the beginning of the year treasury yields were relatively unchanged with the 10 year treasury decreasing .01% to 1.87% and the 30 year increasing .03% to 3.01%.

Commodity markets in January rebounded on improving economic outlooks. Oil started the year at \$98.83 and rose to \$103.22 in early January before settling slightly lower. A combination of stronger economic numbers and increased concerns of Middle East tensions with Iran contributed to the price changes in oil. Gold regained some of its luster finishing the month up more than \$200/ounce to finish the month at \$1735 per ounce.

January Sector performance			
	Value	Blend	Growth
Large Cap	2.26%	4.62%	6.28%
Mid Cap	5.08%	7.07%	7.66%
Small Cap	5.96%	6.77%	6.42%

Source: Wall Street Journal. All market data as of the end of January 2012.

Chart of the Month



Source: Standard & Poor's. All market data as of the end of January 2012.

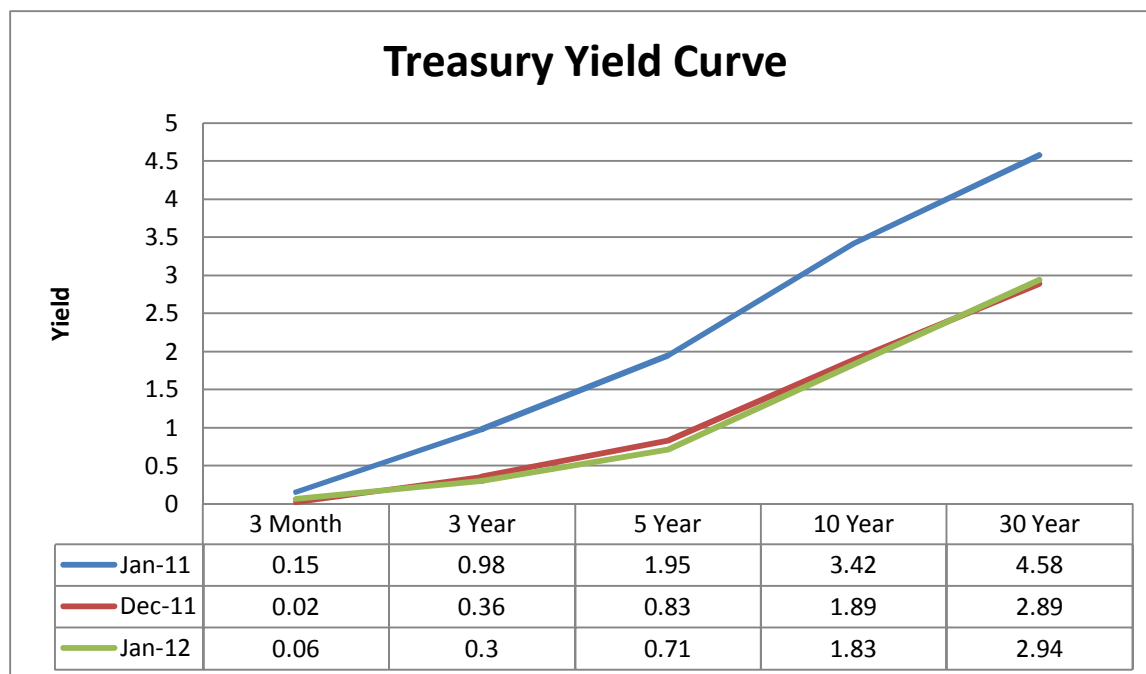
Market valuation based on price to forward earnings estimates continues to look attractive relative to historical averages. Current bottom up earnings estimates for the S&P 500 are

around \$105. On this basis, the forward P/E is approximately 12.5X compared to a historical average of 16.3X (source: JP Morgan Guide to the Markets). In the third quarter 2011, S&P 500 corporate earnings per share exceeded the pre-recession earnings peak established in the second quarter of 2007. Concerns about future earnings are centered on top line growth as much of the earnings recovery since the recession has been through cost cutting. Between third quarter 2010 and third quarter 2011 S&P 500 earnings per share grew 17.3% while top line revenue per share grew 10.4%.

Eye on The Fed

On January 25th the Federal Reserve took the unprecedented step of announcing to the market its intention to keep short term rates near zero until at least late 2014, beyond the previous expectation of mid 2013. In their announcement, the Fed noted the below trend economic growth, a depressed housing market and continued problems in the employment market as primary considerations. The Fed also announced that they will continue to reinvest principal from agency debt and mortgage backed securities. The Fed forecast growth of up to 2.7% in 2011, accelerating to 3.2% in 2012 and 4.0% in 2013. However, the Fed projects that by 2014 the recovery will be incomplete with unemployment elevated and spending constrained. Later in the day, the Federal Reserve released for the first time its individual interest rate projections of the Federal Reserve Presidents and Board members. Among the 17 participants at the Fed participating in the survey, 6 participants did not believe a federal funds rate increase would occur until at least 2015 while only 6 members anticipated a move higher in the fed funds rates prior to the Fed's new expectation of late 2014.

Across the yield curve, rates remain at historic lows. In the past year the Fed has implemented operation twist in an effort to bring down rates on the long end of the yield curve. This, combined with market money flows into treasuries has led to a flattening of the yield curve, as seen in the chart below. The Fed's accommodative policy actions continue to offer support to the economy in general.



Globally, central banks have also remained generally accommodative in their monetary policy. The majority of central banks have left their benchmark interest rates at historically very low levels as can be seen in the table below. In developed markets, the majority of countries have left benchmark interest rates unchanged over the past year with the exceptions of the European Central Bank (ECB) and Australia. The ECB increased interest rates to 1.50% in July 2011 from a starting level in 2011 of 1.0% due to inflationary concerns; however, the benchmark interest rate was lowered back to 1.0% in December 2011 due to concerns over the pace of economic growth. In Australia, the benchmark interest rate was lowered from 4.75% to 4.25% over concerns over slowing economic growth in the country. In emerging markets, India has seen the most notable monetary policy change increasing the benchmark interest rate by 3.25% to 8.50% due to concerns over unrest from rising levels of inflation.

<u>Country or Region</u>	<u>Central Bank Rate as of 12/31/07</u>	<u>Central Bank Rate as of 12/31/08</u>	<u>Central Bank Rate as of 12/31/09</u>	<u>Central Bank Rate as of 12/31/10</u>	<u>Central Bank Rate as of 1/31/12</u>
Developed Markets:					
United States	4.25%	0-0.25%	0-0.25%	0-0.25%	0-0.25%
European Central Bank	4.00%	2.50%	1.00%	1.00%	1.00%
United Kingdom	5.50%	2.00%	0.50%	0.50%	0.50%
Japan	0.50%	0.10%	0.10%	0.00%	0.00%
Canada	4.25%	1.50%	0.25%	1.00%	1.00%
Switzerland	2.75%	0.50%	0.25%	0.25%	0.00%
Australia	6.75%	4.25%	3.75%	4.75%	4.25%
Emerging Markets:					
China	7.47%	5.45%	5.31%	5.81%	6.56%
Brazil	11.25%	13.75%	8.75%	10.75%	10.50%
India	6.00%	5.50%	3.25%	5.25%	8.50%
Mexico	7.50%	8.25%	4.50%	4.50%	4.50%

Upcoming Events

- February 9** Bank of England (BOE) and European Central Bank (ECB) Monetary Policy Meetings
- February 14** January retail sales (US Department of Commerce)
- February 15** FOMC Minutes from 1/25/12 Federal Reserve meeting
- February 16** January Producer Price Index (US Bureau of Labor Statistics-BLS)
- February 17** January Consumer Price Index (BLS)
- February 28** December S&P/Case-Shiller Home Price Index
- February 28** February Consumer Confidence (Conference Board)
- March 2** February Employment Report (BLS)

IMPORTANT DISCLOSURES:

The Market Update has been prepared by National Planning Holdings, Inc. (NPH), for use by its affiliated broker-dealers which includes <INVEST Financial Corporation>, member FINRA, SIPC. This Update is for informational purposes only – any mention of any security, index, corporation is not meant as a solicitation to buy or sell any security, or any investment related to any corporation mentioned in this Update.

Opinions, Forecasts and Statistical Information. All expressions of opinions and forecasts expressed in this Market Update are based on assumptions we feel are reasonable. However, these opinions and forecasts may or may not actually come to pass. This information is subject to change at any time, based on market or other conditions and should not be construed as a recommendation. Undue reliance should not be placed on forward-looking statements because, by their nature, they are subject to known and unknown risks and uncertainties. Past performance does not guarantee future results. NPH, its affiliates, officers, directors or their employees may in the normal course of business, have a position in any securities mentioned in this report. This Update also contains statistical information related to the performance of certain indices which are presented for illustrative purposes only as factors that may have an impact on today's economic environments. Keep in mind individuals cannot invest directly in any index, and index performance does not include transaction cost or other fees, which will affect actual investment performance. Individual investor's results will vary. See the table below for a description of the indices used in this Update.

Risks of Investing. Both stock and bond investing are subject to risks, including the possibility you may lose money and include credit, interest rate and inflation risk. Stock or bond market investing may not be suitable for all investors. Certain investments including international investments, global or emerging markets, securities of small to middle sized companies, companies with low quality industry ratings, commodities, foreign currencies are subject to a higher degree of risk than more conservative investments and thus may only be suitable for the more speculative investor. International investments are subject to special risks, such as political unrest, economic instability, and currency fluctuations.

Securities products are **Not FDIC/NCUA Insured; Are Not Guaranteed By Any Bank or Credit Union, and May Lose Value. INVEST is not affiliated with any bank or credit union.**

Affiliate Disclosure. Please note that NPH and <INVEST Financial Corporation> are affiliates of Jackson National Life Insurance Company and Curian Capital LLC.

INDEX	DESCRIPTION
Dow Jones Industrial Average (DJIA)	An unmanaged index of 30 widely held securities.
S & P 500	An unmanaged index of 500 widely held stocks.
Russell 2000	An unmanaged index of small cap securities.
NASDAQ	An unmanaged index of all stocks traded on the NASDAQ over-the-counter market.
MSCI EAFE	A widely accepted benchmark of foreign stocks. It comprises 21 MSCI country indices, representing the developed markets outside North America: Europe, Australasia and the Far East.
FTSE (UK)	An capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.
DAX (Germany)	An total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.
Nikkei (Japan)	An unmanaged price-weighted index of 225 widely held stocks listed in Japan.
MSCI Emerging Markets	A widely accepted benchmark of emerging markets stocks. It is a float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets.
Barclays Capital Aggregate Bond Index	A broad based index used to represent performance of investment grade bonds traded in the United States. The index includes Treasury securities, government related and corporate securities, mortgage-backed securities and asset-backed securities.
Unemployment	A measure of unemployment compiled monthly by the US Bureau of Labor Statistics.
Conference Board Consumer Confidence	A indicator used to measure consumer confidence in the economy produced by the Conference Board on a monthly basis based upon a survey of 5,000 households.
ISM	A measure of manufacturing activity reported by the Institute of Supply Management each month. A reading over 50 signifies growth in manufacturing during the month.
GDP	A measure of broad economic output in the United States produced by the US Bureau of Economic Analysis on a quarterly basis with revisions made monthly.
Retail Sales	A measure of retail sales compiled monthly by the US Department of Commerce
10 Year Treasury	The closing yield on 10-year Treasury notes calculated on a daily basis. Data sourced from the Federal Reserve.
Federal Funds Rate	Targeted interest rate at which depository institutions lend to each other overnight. The rate is targeted by the Federal Open Market Committee (FOMC).
Gold	Value of gold based upon the afternoon fix (15:00 GMT) in London each afternoon.
Oil	Closing value of light, sweet crude oil futures in the near month.
VIX Index	Measure of market expectations of near-term volatility based on S&P 500 stock option prices.