



Economic Outlook & Stock Market Strategy

Symphonic
FINANCIAL ADVISORS

by Rochdale Investment Management
for Symphonic Financial Advisors & their clients

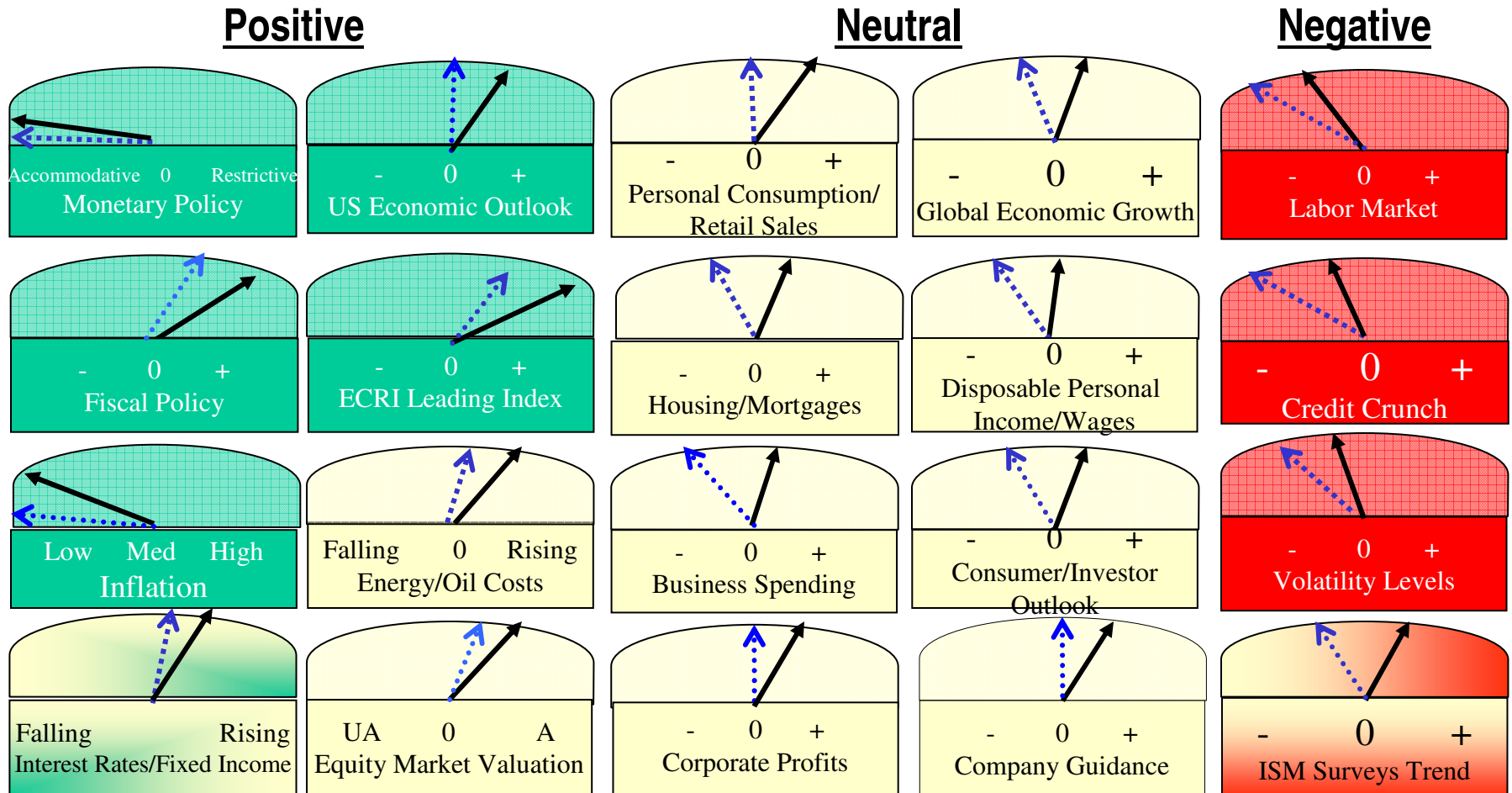
July 2009

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Economic and Financial Indicators

July 2009



↖ This Month ↗ Last Month

Indicators Reflect Forecasts of a 3-6 Month Time Horizon

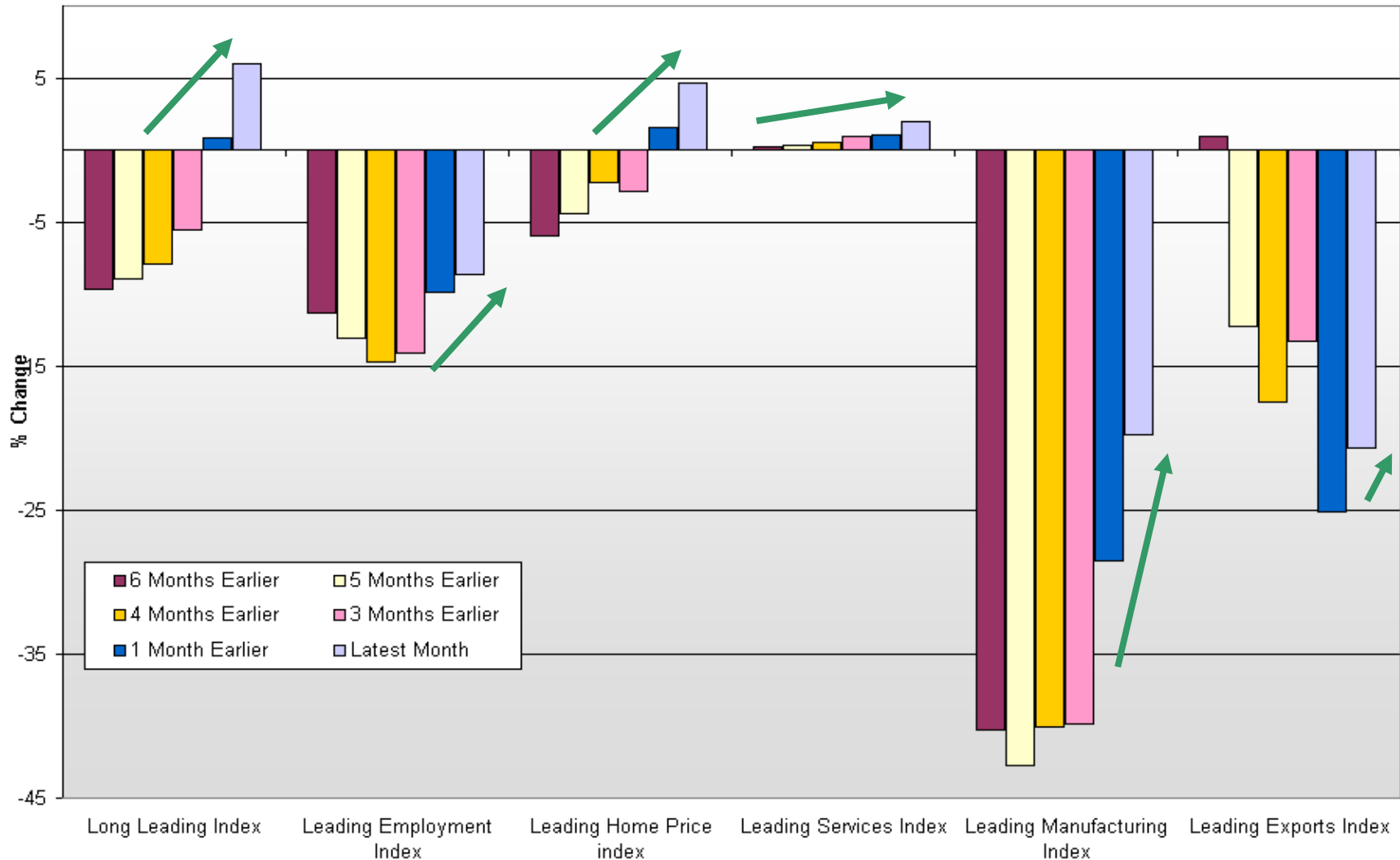


Sources: Wall Street Journal, Conference Board, Federal Reserve, Rochdale Investment Management 7/07/09

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Synchronized Surge in Leading Indexes Indicate Recovery is on Hand






There are now pronounced, pervasive and persistent upturns in a succession of leading indicators of economic revival -the most powerful predictor of a business cycle recovery.



Rochdale Recession Monitor

Recession Risk Falls to Low with Economic Recovery Expected in 2nd Half of 2009!

Indicator		Weight	Status	Recession Level Risk													
1	ECRI Leading Indicators	10%	Leading Indexes signal recovery likely to begin as early as late summer	Low	10%												
2	Labor Market	10%	Lingering weakness with negative implications for consumer income and spending.	Med	35%												
3	Monetary Policy	10%	Fed at essentially 0% key rate for at least next year. Use of balance sheet now at center of policy.	Low	0%												
4	Consumer	9%	Spending has hit a bottom. Growth in 2nd half 2009, though sub-historic retrenching trend remains in place.	Low	30%												
5	ISM Services	9%	Stabilization with outlook for modest growth in 2nd half of 2009.	Low	30%												
6	Consumer Credit Availability	9%	Recent improvement, particularly mortgage rates, though credit access to remain broadly tight.	Med	45%												
7	Bank Credit/Business	9%	Stabilization in housing will increase confidence & help unleash full power of Fed easing.	Med	45%												
8	Global Economic Growth	8%	Longer term prospects for global growth brightening, but negative feedback thru exports to continue.	Low	30%												
9	Housing	7%	Home price upturn will resolve significant part of uncertainty fueling credit crisis & help bolster the economy.	Med	40%												
10	Business Outlook/Capital Spending	7%	Significantly below average capex spending as profit growth materially slower along with recovery.	Med	40%												
11	ISM Manufacturing	6%	Recent improvement indicates turnaround on horizon in one of more severe deadweights on the economy.	Med	50%												
12	Energy	6%	Energy demand to build with global recovery.	Med	40%												
		100%		Total	30%												
			High Recession Risk (65-100%)														
			Medium Recession Risk (35-65%)														
			Low Recession Risk (0-35%)														
				<table border="1"> <thead> <tr> <th colspan="2">Risk Level</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Current</td> <td>30%</td> <td>Jul-09</td> </tr> <tr> <td>High</td> <td>86%</td> <td>Mar-09</td> </tr> <tr> <td>Low</td> <td>35%</td> <td>Aug-07</td> </tr> </tbody> </table>		Risk Level		Date	Current	30%	Jul-09	High	86%	Mar-09	Low	35%	Aug-07
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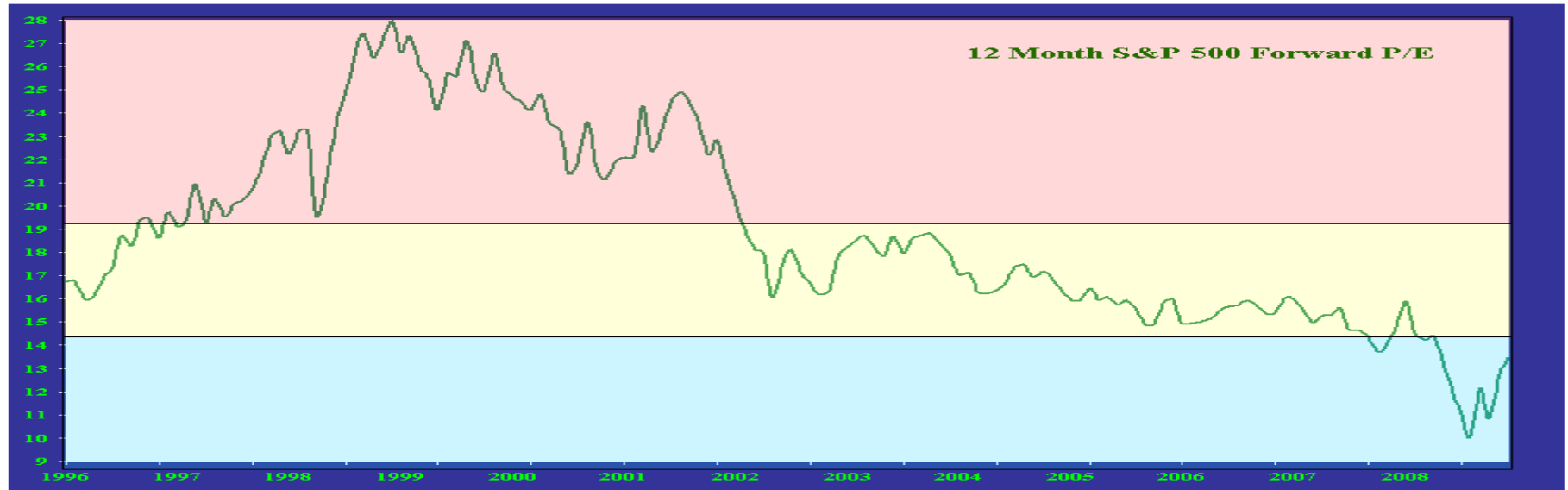
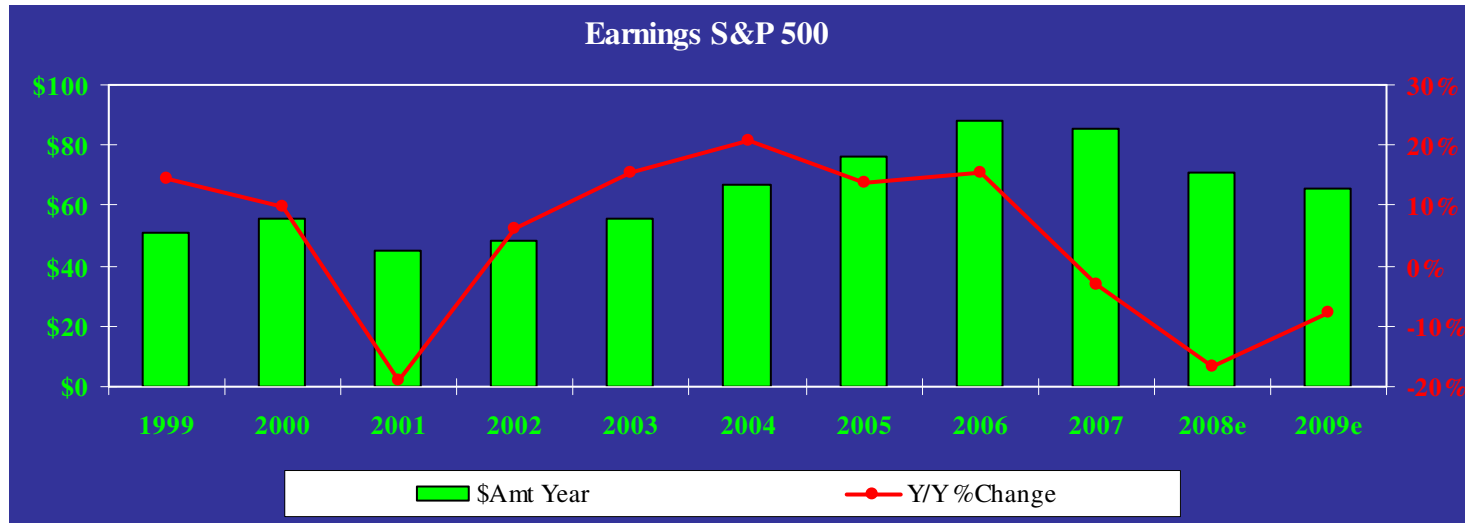
Indicators Reflect Forecasts of a 3-6 Month Time Horizon



Sources: Rochdale Investment Management, Blue Chip Financial Forecast, Blue Chip Economic Indicators, ECRI, Wall Street Journal, Conference Board, ISM Federal Reserve July 2009

Corporate Earnings & Market Valuation

“Corporate Profit Growth Set to Improve for 1st Time in 3 Years”



Attractively Valued
 Fairly Valued
 Overvalued

Source: Rochdale, Thomson Financial, Baseline, 6/05/09
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Sector/Industry Outlook

	Industry Group	Sector	Rank	Value	Growth	Quality	Technical	Economic
ATTRACTIVE	Retailing	Consumer Discretionary	1	=	+	=	+	+
	Consumer Services	Consumer Discretionary	2	-	+	+	+	+
	Semiconductors & Semiconductor Equipment	Information Technology	3	-	+	=	+	+
	Health Care Equipment & Services	Health Care	4	+	=	=	=	=
	Automobiles & Components	Consumer Discretionary	5	-	+	-	+	+
	Telecommunication Services	Telecommunication Services	6	+	=	=	=	=
NEUTRAL	Food Beverage & Tobacco	Consumer Staples	7	-	+	+	=	=
	Commercial & Professional Services	Industrials	8	=	=	+	=	=
	Technology Hardware & Equipment	Information Technology	9	-	+	=	+	=
	Food & Staples Retailing	Consumer Staples	10	+	=	+	=	=
	Household & Personal Products	Consumer Staples	11	=	-	+	-	+
	Materials	Materials	12	-	=	-	=	+
	Software & Services	Information Technology	13	-	=	=	+	=
	Banks	Financials	14	=	=	-	-	+
	Media	Consumer Discretionary	15	=	=	=	=	=
	Diversified Financials	Financials	16	=	=	-	-	=
	Utilities	Utilities	17	+	-	=	=	-
	Capital Goods	Industrials	18	+	-	=	-	-
UNATTRACTIVE	Consumer Durables & Apparel	Consumer Discretionary	19	=	-	-	-	=
	Transportation	Industrials	20	=	-	=	=	=
	Pharmaceuticals Biotechnology & Life Sciences	Health Care	21	=	-	=	=	-
	Energy	Energy	22	+	=	=	=	-
	Real Estate	Financials	23	=	=	-	-	-
	Insurance	Financials	24	=	-	-	-	-

Value: Indicators consider industry group (IG) valuation level using a combination of ratios, such as Price to Book Value and Price to Earnings, where discounted IGs are preferred.

Growth: Indicators attempt to capture industry groups with improving growth prospects to identify growth that is not reflected in the current price.

Quality: Indicators reflect an industry group's prospective future operating performance via a combination of factors that value higher cash flow returns from investments made.

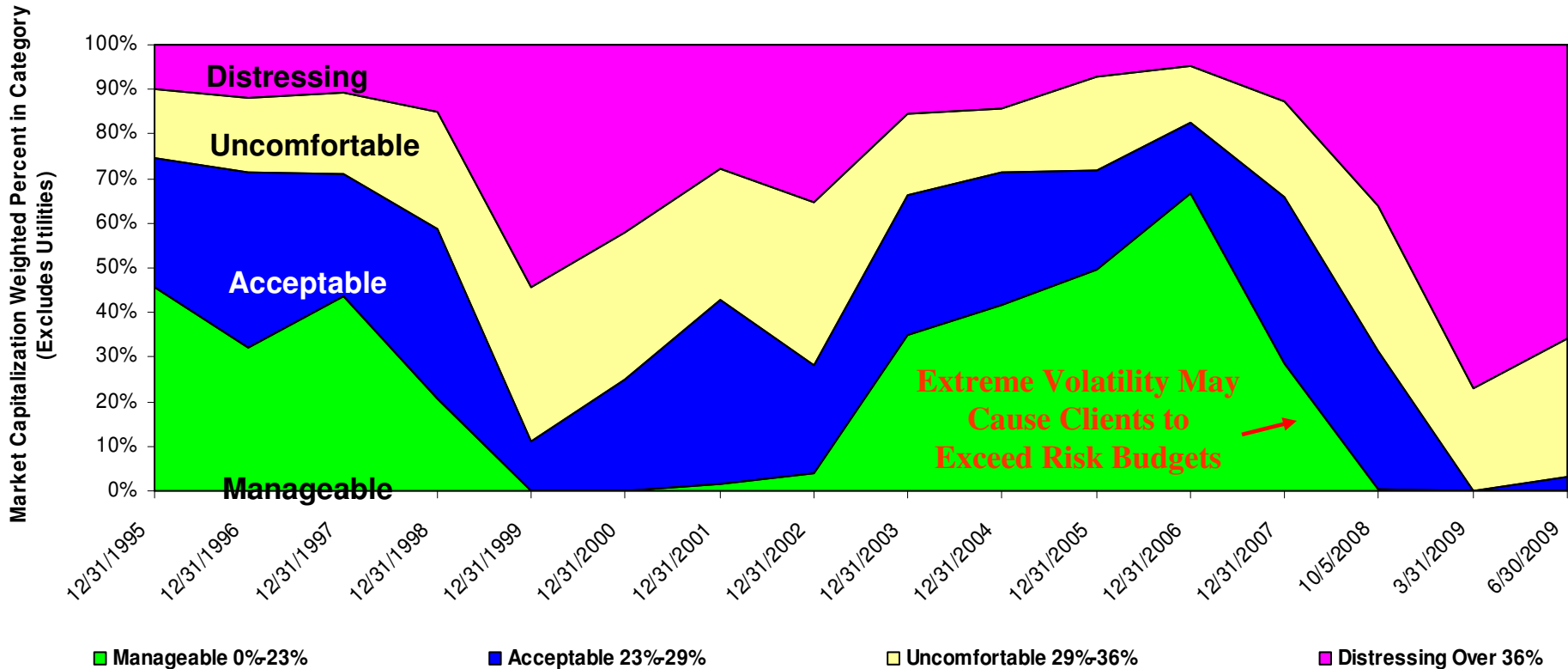
Technical: Indicators are based on an industry group's performance momentum relative to the market.

Economic: Indicators forecast industry groups' relative performance using broad macro-economic indicators, such as: Industrial Production, Inflation, Oil Price, and the Dollar Exchange Rate.



S&P 500 Volatility Zones - 1995 to 2009

Extreme, Not Just Excessive Risk



Persistent, heightened volatility requires investors to revisit portfolio allocations and rethink approach to equity investing. An adjustment to the portfolio's equity allocation may be necessary to meet risk tolerance.

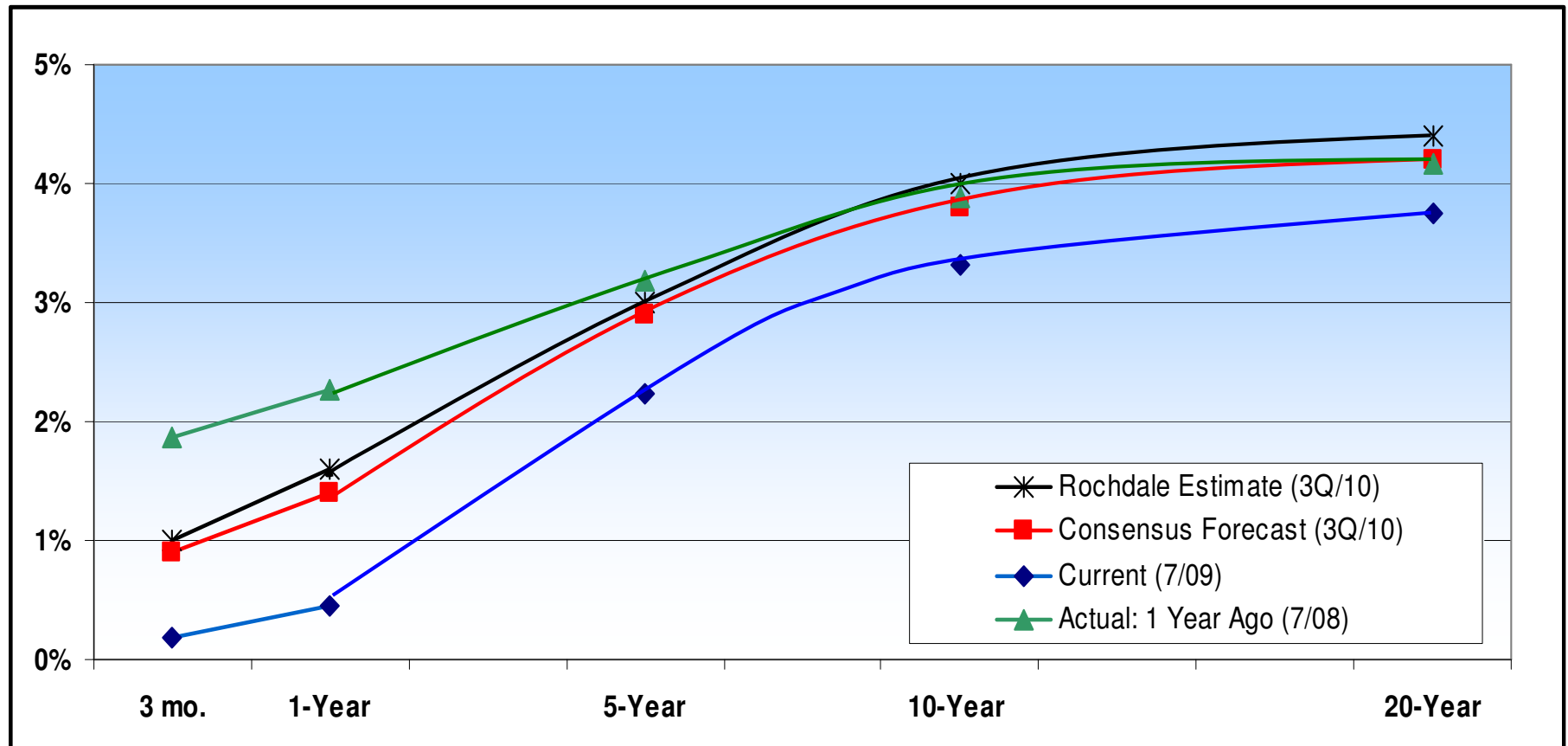


As of June 30, 2009. Rochdale Investment Management uses Barra Inc.'s Aegis System™ 'Total Risk' data as a measure of volatility. Barra Inc.'s Aegis System™ is a third party equity risk management software package used to help assess risk/return trade offs.

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Treasury Yield Curve



NOTE: 20-Year is an estimate

Source: Thomson Baseline, Blue Chip Financial Forecasts, July 2009

Capital Market Assumptions

Average Normalized Expectations

Asset Class	Near Term Trend	Intermediate Term Expectations*	Historical Longer Term Average	Annualized Risk (%) (1)	Downside Exposure (%) (2)
Large Cap	Positive	8 - 10	9 - 10	15 - 17	25 - 40
Small/Mid Cap	Positive	9 - 12	11 - 12	21	35 - 50
International	Positive	10 - 15	10 - 13	23	30 - 50
Dividend and Income	Positive	8 - 10	8	15	20 - 35
Fixed Income (Investment Grade)	Positive	5 - 6	5	5 - 7	5 - 10
FIOF (High Yield Fixed Income)	Positive	8 - 10	8 - 9	12 - 15	25
RITFI (International Trade Finance)	Positive	3 - 5	5	2 - 5	5
RCAS (Low Volatility Alternative Strategy)	Positive	6 - 8	7 - 8	5 - 10	10 - 15
Cash	Neutral	1	2.5 - 3	0	0

(1) Expect 1 out of every 4-5 years (2) Expect 1 out of every 10-15 years

***Subject to oil, interest rates and housing staying within forecasted ranges**

Annualized Return is the average expected annual change of an asset class value estimated over a long-term period.

Annualized Risk is defined as an annual standard deviation of return or a degree of uncertainty of annual return estimated over a long-term period.

Downside Exposure represents the longest continuous decline in an asset class extending one or more years.

Past performance is not indicative of future results. There can be no guarantee of future performance.



Portfolio Strategy

Asset Class	Short Term	Long Term
US Stocks	BUY (Underweight) Monetary & Fiscal Policy Actions Support Economic Recovery Recovery Likely by Late 2009 All Leading Indicators Positive Volatility Likely to Continue for Several Months or Longer	BUY* Reasonable Valuations Once Past Recession Slower Economic Growth Than in Prior Recoveries (Square Root Recovery)
HDI Stocks	BUY (Overweight) Very Attractive Valuations Yields Attractive in Current Low Inflation Environment Profitable in Slow Growth Environment	BUY Stable and Predictable Cash Flow Yields Higher Current Cash Flow than Common Stocks and Fixed Income Growing Dividend Income Mitigates Effects of Inflation & Rising Interest Rates Potential for Moderate Capital Appreciation
International Stocks	BUY (Overweight) Long Leading Indexes Predicting Positive Growth for Non-Japan Asia Eurozone & Japan Expected to Lag US & Asia Focus on Select Emerging Markets	BUY Asia in Better Fiscal Condition & Better Secular Growth vs. US Productive Stimulus Impact Stronger Demographics vs. US Reasonable Valuations
Bonds	BUY (Neutral Weight) Treasuries: Overvalued (Possible Short Sale) Investment Grade: Interest Rates Reasonable, Stay Short & Intermediate Term. Return of the "risk premium".	HOLD Inflation & Interest Rate Risk Stay Short to Intermediate
High Yield (Bonds & Loans)	BUY (Overweight) Very Attractive Valuations, High Yields Unique Opportunity For Capital Appreciation Senior Bank Loan Market Opportunities Steep Price Discounts Overcompensate for Expected Defaults Profitable in Slow Growth Recovery	BUY Higher in Capital Structure Than Common and Preferred Total Returns: 8-10% Capital appreciation potential due to liquidity premium Some Floating Rate Offers Inflation Risk Mitigation Dislocation in market is temporary as credit markets thaw over 6-18 months
Private Trade Financed Fixed Income (Senior Secured Loans)	BUY Very Attractive Yield Spreads Floating Yields Spreads Offer Inflation Mitigation Hard Asset Collateralized Loans Principal and Interest Cash Flow Generation Short Term Maturities	BUY (Intermediate Term) Well Collateralized, Low Default Risk Floating Rate Offers Inflation Risk Mitigation Dislocation in Market Creates Attractive Opportunities Rigorous Underwriting of Pricing & Structure
Alternative Low Volatility Strategies	BUY (Overweight) Good Quality/Lower Volatility/ Diversifier for Equities Brings Low Correlation Portfolio Benefits Diversification Benefits/ Return Enhancer For Fixed Income	BUY Hedged Strategies Generate Favorable Upside vs. Downside Over Equities Low Correlation with Equities Takes Advantage of Volatility Across Markets
AI: High Volatility, High Leverage	AVOID Very Risky & Illiquid Forced Deleveraging	HOLD Lower Returns Due to Lingering Credit Tightness Liquidity Issues



Sources: Rochdale Investment Management,
Blue Chip Economic Indicators,
Wall Street Journal, Conference Board, Federal Reserve
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Important Disclosures

The Standard & Poor's 500 represents 500 large U.S. companies.

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