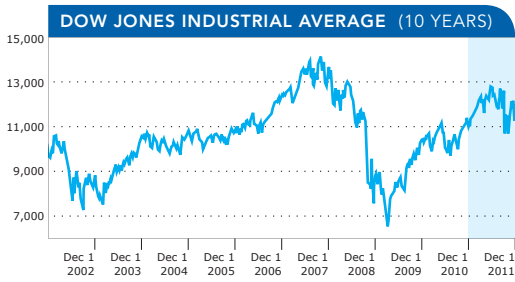
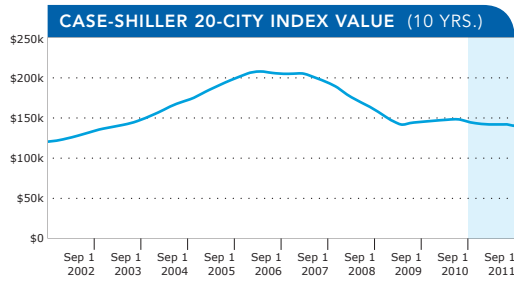


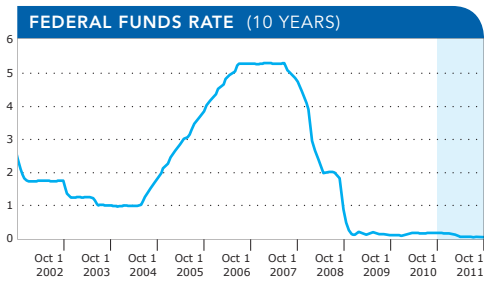
DECEMBER 2011 ECONOMIC INDICATORS
 USING DATA AVAILABLE SEPTEMBER 1 – DECEMBER 1



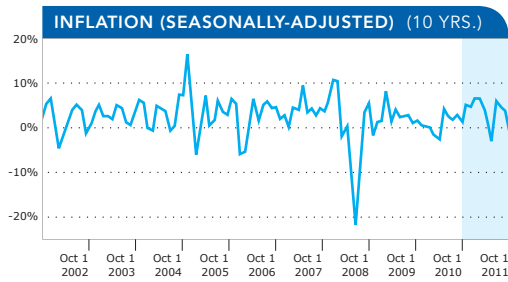
MONTHLY ANALYSIS The Dow moves daily based on minimal amounts of information, with most people focused on the resolution of problems in Europe as the key policy issue requiring attention. Domestic matters, such as the holiday spending at retailers, are of concern as well, but are taking a back seat for the moment. The Dow Jones Industrial Average is comprised of 30 large, publicly owned companies based in the United States and is a good indicator of overall health of the market.



MONTHLY ANALYSIS As mentioned in the introduction, housing remains the biggest drag on the economy. Home prices continue to either fail to grow or fall slightly, leading to further stress on the balance sheets of individuals and banks. While foreclosures were lower for a time, we have seen an increase in foreclosure activity, which hopefully means, at the very least, that some resolution will finally be reached. The Case-Shiller 20-City Index tracks home prices in 20 major metropolitan areas in the United States.



MONTHLY ANALYSIS While the Federal Reserve made headlines in the first week of December for its participation with other global central banks to boost economic performance, they continued to keep domestic rates at historic lows. Despite this extraordinary monetary stimulus, concerns about the economic outlook keep demand slack, and have not resulted in serious inflation risks yet. The Federal Funds Rate is the interest rate banks charge each other for loans.

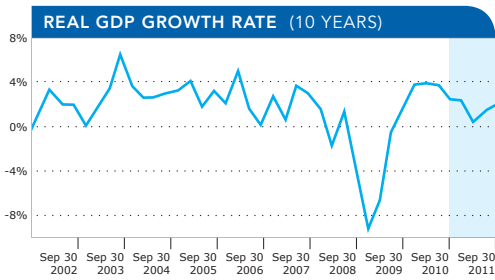


MONTHLY ANALYSIS Inflation remains under control despite massive amounts of monetary stimulus injected by the Federal Reserve and other central banks around the world. This is another symptom of deficient demand in the U.S. economy. Inflation is the rise in the price of goods and services, and is measured by annualized monthly percentage changes in the consumer price index (CPI).

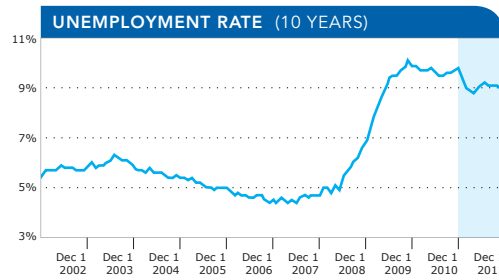


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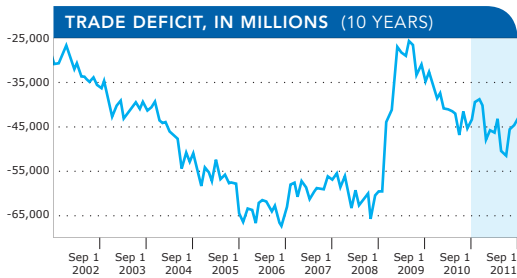
DECEMBER 2011 ECONOMIC INDICATORS
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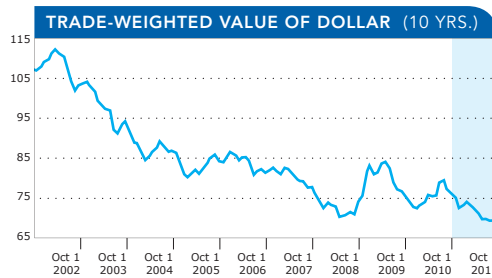
MONTHLY ANALYSIS Downward revisions of GDP — when the initial numbers display tepid growth at best — is hardly encouraging. A slow, uneven recovery with little signs of traction is hardly the news you like to hear halfway through the fourth quarter of the year. Real gross domestic product is an inflation-adjusted measure that reflects the value of all goods and services produced in a given year.



MONTHLY ANALYSIS On balance, the positive factors in the economy have not been enough to generate significant improvement in the unemployment rate. Slight economic growth, improvements in foreign trade, and incredibly low interest rates have not encouraged businesses to hire, and the longer this persists the harder it is for the unemployed to find jobs. The standard unemployment rate tracks people who have looked for work in the last 4 weeks.



MONTHLY ANALYSIS The trade deficit continued improving over the last month. The Chinese and European economies are experiencing significant turmoil, creating opportunities for U.S. companies. U.S. consumers are also curtailing purchases, both foreign and domestic, contributing to the improvement of the trade deficit. The balance of trade measures the nation's imports and exports. A negative balance is referred to as a trade deficit; this occurs when we import more than we export.



MONTHLY ANALYSIS The trade-weighted value of the dollar saw a slight reversal in the last couple of months. Unfortunately, this is not likely due to inherent improvements in the U.S. economy, rather, we can credit it to the fact that, when compared to the news coming out of China and Europe, the U.S. situation looks relatively good. The trade-weighted U.S. dollar index is a measure of the value of the U.S. dollar relative to other world currencies.

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