

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (12,004)	0.53%	4.97%	18.10%	14.06%	4.51%
S&P 500 (1,272)	0.10%	2.03%	16.21%	15.06%	2.47%
NASDAQ 100 (2,193)	-1.26%	-0.75%	15.68%	20.15%	7.69%
S&P 500 Growth	-0.16%	2.06%	17.75%	15.09%	4.45%
S&P 500 Value	0.38%	2.03%	14.81%	15.13%	0.42%
S&P MidCap 400 Growth	-0.17%	4.64%	26.69%	30.65%	8.08%
S&P MidCap 400 Value	0.44%	2.26%	17.58%	22.80%	4.53%
S&P SmallCap 600 Growth	0.25%	4.97%	25.52%	28.43%	5.82%
S&P SmallCap 600 Value	1.31%	-1.15%	15.48%	25.01%	2.88%
MSCI EAFE	-0.96%	1.15%	19.71%	7.75%	1.73%
MSCI World (ex US)	-1.36%	-0.17%	19.02%	11.15%	3.90%
MSCI World	-0.59%	1.24%	17.47%	11.76%	2.15%
MSCI Emerging Markets	-2.16%	-2.98%	19.23%	18.88%	11.82%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 06/17/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	0.63%	2.20%	18.74%	27.85%	4.46%
Consumer Staples	1.36%	7.39%	20.31%	14.12%	8.67%
Energy	-1.64%	6.36%	31.44%	20.46%	8.18%
Financials	0.84%	-5.94%	2.35%	12.18%	-11.94%
Health Care	0.38%	11.53%	19.50%	2.90%	4.86%
Industrials	1.22%	2.98%	20.88%	26.74%	2.64%
Information Technology	-1.14%	-3.20%	8.26%	10.22%	5.70%
Materials	-1.92%	-3.50%	24.89%	22.34%	6.33%
Telecom Services	0.87%	3.82%	28.32%	18.97%	4.87%
Utilities	1.03%	7.49%	14.73%	5.46%	4.61%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 06/17/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.14%	2.83%	4.27%	5.29%	6.08%
GNMA 30 Year	-0.19%	3.44%	5.17%	6.71%	7.13%
U.S. Aggregate	0.00%	3.30%	5.38%	6.54%	6.67%
U.S. Corporate High Yield	-0.69%	4.45%	15.29%	15.12%	9.22%
U.S. Corporate Investment Grade	0.02%	4.19%	8.96%	9.00%	7.29%
Municipal Bond: Long Bond (22+)	0.36%	6.21%	3.13%	1.12%	3.76%
Global Aggregate	-0.16%	4.49%	11.60%	5.55%	7.16%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 06/17/11.

Key Rates

As of 06/17/11			
Fed Funds	0.00-0.25%	5-yr CD	1.86%
LIBOR (1-month)	0.19%	2-yr T-Note	0.37%
CPI - Headline	3.60%	5-yr T-Note	1.51%
CPI - Core	1.50%	10-yr T-Note	2.93%
Money Market Accts.	0.62%	30-yr T-Bond	4.19%
Money Market Funds	0.02%	30-yr Mortgage	4.49%
6-mo CD	0.54%	Prime Rate	3.25%
1-yr CD	0.89%	Bond Buyer 40	5.17%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 06/17/11	
TED Spread	21 bps
Investment Grade Spread (A2)	185 bps
ML High Yield Master II Index Spread	565 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 6/08/11

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$5.458 Billion	-\$1.091	Billion
Foreign Equity	-\$291 Million	\$504	Million
Taxable Bond	\$5.092 Billion	\$3.057	Billion
Municipal Bond	\$298 Million	\$20	Million

Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	\$3.04 Billion	\$5.06	Billion
Institutional	-\$37.41 Billion	\$10.81	Billion

Source: Investment Company Institute

Factoids for the week of June 13th – 17th

Monday, June 13, 2011

Data provided by Brightscope revealed that the percentage of 401(k) plans offering a commodities fund nearly doubled to just under 9% from 2007 to 2009, according to SmartMoney.com. Providers note that commodities funds offer much-needed diversification because their returns are typically not closely correlated with stocks, and are especially useful during inflationary periods. Mercer, a human resources consulting firm, surveyed 227 large retirement plan sponsors and found that 10% intend to add some kind of inflation protection option over the next 12 months.

Tuesday, June 14, 2011

PricewaterhouseCoopers reported that spending on U.S. entertainment and media rose 3% (y-o-y) in 2010 to \$433 billion, the first increase in three years, according to USA TODAY. Spending is expected to rise by 3.5% this year. Global entertainment and media spending rose 4.6% to \$1.4 trillion. It is expected to increase to \$1.9 trillion by 2015. Two of the key drivers of growth are increased spending on the Internet, including advertising, and TV subscriptions. Niches such as video games, recorded music and newspapers remain soft. While the film industry was flat in 2010 at \$35.2 billion, it is expected to reach an estimated \$45.7 billion by 2015.

Wednesday, June 15, 2011

The biotechnology industry's established centers (Australia, Canada, Europe & U.S.) posted a record-breaking net profit of \$4.7 billion in 2010, a 30% increase from 2009, according to Ernst & Young's 25th edition of "Beyond borders: global biotechnology report 2011." Capital funding continues to favor established companies over pre-commercial stage. In the U.S., 82.6% of funding went to just 20% of the biotech universe. Strategic alliances remained strong in 2010, totaling more than \$40 billion.

Thursday, June 16, 2011

U.S. foreign M&A activity provides evidence that Corporate America has confidence in the current recovery, according to Standard & Poor's. The dollar volume of foreign acquisitions announced this year (as of 6/14) was \$92.8 billion (828 deals), up from \$45.9 billion (648 deals) at this point last year and significantly higher than the \$15.2 billion (424 deals) registered in 2009, according to Capital IQ. Europe has been the primary target by far with 376 deals. The most active sectors have been Information Technology (194), Industrials (141) and Consumer Discretionary (110).

Friday, June 17, 2011

The FTSE NAREIT Equity REITs Index posted a total return of 7.02% y-t-d through last night's close, compared to 1.72% for the S&P 500, according to Bloomberg. One of the reasons cited for why REITs are popular with investors is their ability to raise capital. SNL Financial reported that REITs have raised \$22.78 billion (\$11.57 billion from common equity offerings) so far this year, up from \$18.38 billion (\$8.31 billion common equity offerings) at this point last year, according to REIT.com. The bulk of the capital raised is earmarked for acquisitions, but some is being used to shore up balance sheets.