

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (12,583)	5.48%	10.07%	32.06%	14.06%	5.24%
S&P 500 (1,340)	5.67%	7.57%	32.49%	15.06%	3.24%
NASDAQ 100 (2,361)	6.52%	6.88%	36.74%	20.15%	9.12%
S&P 500 Growth	5.96%	8.38%	35.46%	15.09%	5.49%
S&P 500 Value	5.36%	6.75%	29.68%	15.13%	0.93%
S&P MidCap 400 Growth	5.39%	12.49%	47.82%	30.65%	8.91%
S&P MidCap 400 Value	5.06%	8.35%	35.65%	22.80%	5.06%
S&P SmallCap 600 Growth	5.64%	12.98%	45.21%	28.43%	6.69%
S&P SmallCap 600 Value	5.85%	5.80%	34.16%	25.01%	3.45%
MSCI EAFE	5.10%	5.50%	31.00%	7.75%	1.58%
MSCI World (ex US)	4.82%	4.40%	30.48%	11.15%	3.79%
MSCI World	5.39%	6.29%	31.76%	11.76%	2.48%
MSCI Emerging Markets	3.78%	1.81%	28.98%	18.88%	11.63%

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 07/01/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	6.59%	10.51%	43.38%	27.85%	5.93%
Consumer Staples	2.92%	8.71%	27.55%	14.12%	8.59%
Energy	7.18%	12.45%	54.11%	20.46%	8.07%
Financials	5.99%	-1.31%	14.88%	12.18%	-11.36%
Health Care	3.78%	15.38%	30.08%	2.90%	5.64%
Industrials	6.45%	9.92%	40.39%	26.74%	3.71%
Information Technology	6.79%	3.84%	27.89%	10.22%	7.10%
Materials	5.97%	4.68%	46.83%	22.34%	7.06%
Telecom Services	4.62%	8.45%	40.68%	18.97%	5.60%
Utilities	3.39%	10.44%	25.35%	5.46%	5.05%

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 07/01/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	-1.17%	2.03%	2.54%	5.29%	5.88%
GNMA 30 Year	-0.35%	3.47%	4.88%	6.71%	7.14%
U.S. Aggregate	-1.01%	2.60%	3.71%	6.54%	6.49%
U.S. Corporate High Yield	0.73%	5.13%	15.88%	15.12%	9.32%
U.S. Corporate Investment Grade	-1.32%	3.07%	6.00%	9.00%	7.02%
Municipal Bond: Long Bond (22+)	-0.78%	5.81%	2.30%	1.12%	3.74%
Global Aggregate	0.03%	4.29%	9.45%	5.55%	7.07%

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 07/01/11.

Key Rates

As of 07/01/11			
Fed Funds	0.00-0.25%	5-yr CD	1.89%
LIBOR (1-month)	0.19%	2-yr T-Note	0.47%
CPI - Headline	3.60%	5-yr T-Note	1.78%
CPI - Core	1.50%	10-yr T-Note	3.18%
Money Market Accts.	0.62%	30-yr T-Bond	4.39%
Money Market Funds	0.02%	30-yr Mortgage	4.59%
6-mo CD	0.56%	Prime Rate	3.25%
1-yr CD	0.90%	Bond Buyer 40	5.26%

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

Market Indicators

As of 07/01/11	
TED Spread	23 bps
Investment Grade Spread (A2)	177 bps
ML High Yield Master II Index Spread	534 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 6/22/11

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$4.259	Billion	-\$6.862	Billion
Foreign Equity	\$255	Million	-\$463	Million
Taxable Bond	\$1.480	Billion	\$2.410	Billion
Municipal Bond	\$403	Million	\$75	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$4.33	Billion	\$4.77	Billion
Institutional	-\$12.53	Billion	-\$12.93	Billion

Source: Investment Company Institute

Factoids for the week of June 27th – July 1st

Monday, June 27, 2011

Limra data shows that U.S. insurer's sales of variable annuities jumped 23.6% from \$32.2 billion in Q1'10 to \$39.8 billion in Q1'11, according to *Bloomberg Businessweek*. The lion's share of the sales targeted VAs offering lifetime income. Close to 96% of Prudential Financial's record \$6.8 billion in sales in Q1 included riders guaranteeing lifetime income. The rider accounted for 80% of MetLife's Q1 sales (\$5.7 billion).

Tuesday, June 28, 2011

Gold miners are raising their dividend payouts in an effort to attract investors away from ETFs that are bullion-backed, according to SmartMoney.com. Gold ETFs, first launched in 2003, now have assets in the vicinity of \$70 billion. Thirteen leading gold producers are expected to dole out \$2 billion in dividends this year, the biggest payout in history, according to researcher MineFund. From 2006 to 2010, the industry paid an annual dividend of 0.7%, on average, according to Dow Jones Indices. The industry's dividend yield has already increased from 0.8% to 1.1% this year, and is expected to push toward 2.0% by year-end.

Wednesday, June 29, 2011

S&P 500 stock buybacks totaled \$89.84 billion in Q1'11, up 62.6% from the \$55.26 billion executed in Q1'10, according to Standard & Poor's. It was the seventh consecutive quarter companies increased their buyback activity. Buybacks were up 4% over the \$86.36 billion repurchased in Q4'10. Buybacks peaked at \$172.0 billion in Q2'07. For the 12-month period ended March 2011, S&P 500 companies spent \$333 billion on stock buybacks, compared to \$213 billion on common stock dividends.

Thursday, June 30, 2011

The Q2'11 edition of the *Investment Manager Outlook* (released 6/29), a survey of investment managers conducted by Russell Investment Group, found that 75% of managers do not expect any market impact or negative effects after the Fed terminates its QE2 program in June. Russell does not believe the Fed will raise the federal funds target rate in 2011. Managers are most bullish on the following asset classes (Q2'11/Q1'11): Large-Cap Growth (60%/70%); Emerging Markets (59%/51%); Non-U.S. Developed Market Equities (53%/49%); U.S. Mid-Cap Growth (52%/58%); and U.S. Large-Cap Value (49%/57%). The sectors managers are most bullish on are Technology (65%/74%), Health Care (59%/58%); Energy (55%/69%) and Materials and Processing (46%/52%).

Friday, July 1, 2011

In June, the dividend-payers (386) in the S&P 500 (equal weight) posted a total return of -1.61%, vs. -3.09% for the non-payers (114), according to Standard & Poor's. Y-T-D through June, the payers were up 7.83%, vs. a gain of 7.35% for the non-payers. For the 12-month period ended June '11, payers were up 31.87%, vs. a gain of 30.55% for the non-payers. The number of dividend increases y-t-d totaled 192, up from 130 increases a year ago. Thirteen companies initiated dividends, up from 10 a year ago. Two dividends were cut, up from one a year ago.