

## Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (12,772)	-0.75%	6.03%	3.98%	8.41%	1.53%
S&P 500 (1,355)	-0.48%	8.96%	3.43%	2.12%	-0.25%
NASDAQ 100 (2,612)	-0.11%	15.30%	11.02%	3.69%	6.42%
S&P 500 Growth	-0.06%	9.90%	5.61%	4.70%	2.64%
S&P 500 Value	-1.00%	7.83%	1.07%	-0.48%	-3.20%
S&P MidCap 400 Growth	0.40%	8.16%	-5.80%	-0.95%	3.80%
S&P MidCap 400 Value	0.85%	9.36%	-1.71%	-2.40%	0.77%
S&P SmallCap 600 Growth	0.34%	9.25%	-0.58%	3.67%	3.24%
S&P SmallCap 600 Value	1.18%	8.77%	0.99%	-1.34%	0.26%
MSCI EAFE	-0.65%	2.29%	-14.54%	-12.14%	-6.53%
MSCI World (ex US)	-0.15%	2.61%	-15.10%	-13.71%	-5.06%
MSCI World	-0.48%	5.40%	-6.22%	-5.54%	-3.40%
MSCI Emerging Markets	1.05%	5.02%	-16.20%	-18.42%	-0.74%

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 7/6/12.

## S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.11%	13.07%	8.57%	6.24%	3.55%
Consumer Staples	0.58%	9.20%	13.91%	14.03%	8.27%
Energy	-0.35%	-2.69%	-9.64%	4.72%	0.22%
Financials	-1.15%	12.40%	-4.18%	-17.07%	-14.97%
Health Care	-1.00%	9.85%	7.36%	12.77%	3.28%
Industrials	-1.36%	5.89%	-4.17%	-0.59%	-0.76%
Information Technology	-0.47%	12.81%	10.54%	2.43%	3.95%
Materials	-0.35%	6.15%	-8.84%	-9.68%	-0.62%
Telecom Services	0.81%	17.45%	15.02%	6.33%	1.61%
Utilities	-0.45%	4.36%	13.80%	20.02%	2.63%

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 7/6/12.

## Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	0.33%	1.41%	5.41%	6.57%	6.10%
GNMA 30 Year	0.34%	2.00%	6.30%	7.97%	7.33%
U.S. Aggregate	0.52%	2.91%	7.71%	7.84%	7.03%
U.S. Corporate High Yield	0.56%	7.87%	7.36%	4.98%	8.61%
U.S. Corporate Investment Grade	0.90%	5.59%	10.04%	8.15%	8.01%
Municipal Bond: Long Bond (22+)	0.32%	6.90%	15.99%	14.88%	5.86%
Global Aggregate	-0.23%	1.27%	2.77%	5.64%	6.66%

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 7/6/12.

## Key Rates

As of 7/6/12

Fed Funds	0.00-0.25%	5-yr CD	1.36%
LIBOR (1-month)	0.25%	2-yr T-Note	0.27%
CPI - Headline	1.70%	5-yr T-Note	0.65%
CPI - Core	2.30%	10-yr T-Note	1.55%
Money Market Accts.	0.46%	30-yr T-Bond	2.67%
Money Market Funds	0.03%	30-yr Mortgage	3.62%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.69%	Bond Buyer 40	4.43%

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

## Market Indicators

As of 7/6/12

TED Spread	38 bps
Investment Grade Spread (A2)	240 bps
ML High Yield Master II Index Spread	644 bps

Sources: **Bloomberg and Merrill Lynch via Bloomberg**.

## Weekly Fund Flows

### Estimated Flows to Long-Term Mutual Funds for the Week Ended 6/27/12

	Current Week	Previous
Domestic Equity	-\$1.459 Billion	-\$1.845 Billion
Foreign Equity	\$362 Million	\$327 Million
Taxable Bond	\$3.260 Billion	\$4.031 Billion
Municipal Bond	\$1.077 Billion	\$860 Million

### Change in Money Market Fund Assets for the Week Ended 7/3/12

	Current Week	Previous
Retail	\$3.80 Billion	-\$8.50 Billion
Institutional	-\$9.11 Billion	\$11.93 Billion

Source: **Investment Company Institute**

## Factoids for the week of July 2nd – 6th

### Monday, July 2, 2012

The Q2'12 edition of the *Investment Manager Outlook* (released 6/28), a survey of investment managers conducted by Russell Investment Group, revealed that 48% of money managers believe the U.S. equity market is undervalued, up five percentage points from the survey in March. Managers have greater confidence in the U.S. equity market than foreign markets. The potential negative fallout from Europe and the impending "fiscal cliff" in the U.S. are real concerns heading into the second half of 2012. Managers are most bullish on the following asset classes (Q2'12/Q1'11): U.S. Large-Cap Growth (57%/69%); U.S. Large-Cap Value (51%/63%); U.S. Mid-Cap Growth (51%/64%); and Emerging Markets (48%/66%). The sectors managers are most bullish on are Technology (65%/81%); Health Care (58%/49%); and Consumer Discretionary (55%/53%). Seventy-two percent of managers were bearish on U.S. Treasuries, down from 80% in Q1'12.

### Tuesday, July 3, 2012

In June, the dividend-payers (399) in the S&P 500 (equal weight) posted a total return of 3.51%, vs. 4.86% for the non-payers (101), according to Standard & Poor's. Year-to-date through June, the payers were up 2.17%, vs. a loss of 0.28% for the non-payers. For the 12-month period ended June, payers were up 0.76%, vs. a loss of 7.14% for the non-payers. The number of dividend increases y-t-d totaled 200, up from 192 a year ago and the largest number of increases in the first half of a calendar year since at least 2004. Four dividends were cut, up from two a year ago. Nine companies initiated a dividend, down from 13 a year ago.

### Wednesday, July 4, 2012

Independence Day Holiday, Markets Closed

### Thursday, July 5, 2012

The McGraw-Hill Companies and CME Group announced the launch of the S&P Dow Jones Indices this past Monday. The following day the S&P Dow Jones Indices announced that Q2 dividend net increases from approximately 10,000 U.S. traded issues totaled a record \$12 billion. In Q2, 505 companies increased their dividend payouts, up 13.7% over the 444 increases in Q2'11. The number of companies decreasing their dividend payouts rose from 21 in Q2'11 to 37. The dividend payout rate, which has historically averaged 52%, remained low, at 31%.

### Friday, July 6, 2012

Lipper data shows that retail investors, despite the fact that the S&P 500 was up 10.5%, liquidated \$3.1 billion from U.S. stock mutual funds year-to-date through 7/4, according to SmartMoney.com. Taxable bond mutual funds, dividend stock mutual funds and foreign stock mutual funds reported inflows totaling \$125.8 billion, \$12.0 billion and \$21.6 billion, respectively, over the same period. ETFs, which provide a gauge for institutional activity, took in \$35.2 billion. Cameron Brandt, a global markets analyst for EPFR Global, believes the majority of retail investors have "dumped" their stocks.