Stock Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Dow Jones Industrial Avg. (15,070)	-1.11%	16.42%	22.34%	10.24%	7.12%
S&P 500 (1,627)	-0.97%	15.21%	25.18%	16.00%	5.98%
NASDAQ 100 (2,944)	-1.53%	11.36%	17.82%	18.35%	9.52%
S&P 500 Growth	-1.03%	13.66%	21.43%	14.71%	6.90%
S&P 500 Value	-0.88%	16.88%	29.82%	17.77%	5.12%
S&P MidCap 400 Growth	-0.87%	14.65%	28.95%	17.62%	8.30%
S&P MidCap 400 Value	-0.56%	16.69%	33.54%	19.10%	7.75%
S&P SmallCap 600 Growth	-0.27%	16.01%	28.34%	15.27%	9.07%
S&P SmallCap 600 Value	-0.71%	16.54%	35.34%	18.88%	8.66%
MSCI EAFE	0.45%	7.23%	27.94%	17.32%	-0.52%
MSCI World (ex US)	-0.34%	2.62%	21.35%	16.83%	-0.75%
MSCI World	-0.39%	10.65%	25.12%	15.83%	2.30%
MSCI Emerging Markets	-2.63%	-8.47%	6.95%	18.22%	-0.76%

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 6/14/13.

S&P Sector Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Consumer Discretionary	-0.84%	19.27%	33.29%	24.14%	14.33%
Consumer Staples	-0.09%	17.33%	21.73%	11.08%	11.03%
Energy	-1.66%	11.23%	22.92%	4.64%	0.41%
Financials	-2.06%	19.79%	40.66%	28.92%	-1.35%
Health Care	0.05%	22.23%	33.91%	17.89%	11.68%
Industrials	-0.98%	14.92%	27.24%	15.42%	5.32%
Information Technology	-1.49%	8.83%	13.13%	14.82%	6.73%
Materials	-0.08%	7.10%	19.59%	15.24%	0.47%
Telecom Services	1.42%	12.17%	15.10%	18.31%	7.83%
Utilities	-0.11%	9.76%	6.60%	1.31%	2.60%

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 6/14/13.

Bond Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
U.S. Treasury: Intermediate	0.19%	-0.33%	0.28%	1.71%	4.36%
GNMA 30 Year	0.31%	-1.44%	-0.70%	2.44%	5.68%
U.S. Aggregate	0.20%	-0.98%	0.94%	4.21%	5.77%
U.S. Corporate High Yield	-0.48%	2.84%	13.00%	15.81%	10.67%
U.S. Corporate Investment Grade	0.13%	-1.22%	4.31%	9.82%	7.90%
Municipal Bond: Long Bond (22+)	-1.23%	-1.46%	3.14%	11.26%	6.38%
Global Aggregate	0.91%	-1.75%	1.50%	4.32%	4.83%

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 6/14/13.

Key Rates

As of 6/14/13

Fed Funds	0.00-0.25%	5-yr CD	1.23%
LIBOR (1-month)	0.19%	2-yr T-Note	0.27%
CPI - Headline	1.10%	5-yr T-Note	1.03%
CPI - Core	1.70%	10-yr T-Note	2.13%
Money Market Accts.	0.47%	30-yr T-Bond	3.30%
Money Market Funds	0.01%	30-yr Mortgage	3.94%
6-mo CD	0.39%	Prime Rate	3.25%
1-yr CD	0.56%	Bond Buyer 40	4.35%

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

Market Indicators

As of 6/14/13

TED Spread	23 bps
Investment Grade Spread (A2)	186 bps
ML High Yield Master II Index Spread	504 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 6/5/13

	Current Week		Previous	
Domestic Equity	-$2.521	Billion	-$1.711	Billion
Foreign Equity	$1.578	Billion	$707	Million
Taxable Bond	-$8.677	Billion	$1.576	Billion
Municipal Bond	-$2.256	Billion	-$216	Million

Change in Money Market Fund Assets for the Week Ended 6/12/13

	Current Week		Previous	
Retail	$11.04	Billion	$2.36	Billion
Institutional	-$10.02	Billion	$1.02	Billion

Source: Investment Company Institute.

Factoids for the week of June 10 - 14, 2013

Monday, June 10, 2013
Chief Executive's ninth annual report on the best and worst states in which to do business was recently released for 2013 and Texas was ranked #1 for the ninth time, according to ChiefExecutive.net. The survey garnered feedback from 736 CEOs – the highest response on record. Some of the more critical issues measured by the study are taxation, regulation, quality of workforce and living environment. Nine states have no income tax and two (Oklahoma and Kansas) have lowered theirs. Many states, such as Louisiana, are making big strides in creating more favorable business climates. Louisiana's ranking has jumped from 47th in 2006 to 11th in 2013. Michigan became the 24th right-to-work state. California grabbed the 50th slot (worst state) for the ninth time. The top five are as follows (no change from 2012): Texas; Florida; North Carolina; Tennessee; and Indiana. The bottom five are as follows: Michigan; Massachusetts; Illinois; New York; and California.

Tuesday, June 11, 2013
Moody's reported that the global speculative-grade default rate stood at 2.8% in May, up from 2.6% in April, according to its own release. Moody's is forecasting a default rate of 3.1% for December 2013. The rate stood at 3.0% a year ago. The historical average for the default rate on speculative-grade debt has been approximately 4.7% since 1983. The U.S. speculative-grade default rate stood at 2.9% in May, down from 3.1% in April. The rate stood at 3.1% a year ago. The default rate on senior loans stood at 1.50% in May, down from 1.67% in April, according to Standard & Poor's LCD. Leveraged loan managers expect the default rate to be in the vicinity of 1.9% in December and 2.2% in March 2014. Leveraged loan mutual funds and ETFs have reported weekly net inflows ranging from $800 million to $1.2 billion in recent months, according to Lipper data provided by MarketRealist.com.

Wednesday, June 12, 2013
Since 1994, there have been seven instances, including 5/21/13-6/11/13, where fears of rising interest rates caused REITs to decline by an average of 12%, according to Jonathan Litt, founder and CEO of LandandBuildings, a registered investment advisor specializing in publically traded real estate and real estate related securities. The current sell-off (5/21/13-6/11/13) has produced a decline of 11.54%, as measured by the FTSE NAREIT Equity REITs Index. In the previous six occurrences, average returns subsequent to the declines over the next 30 days, 90 days and 12 months were 6.8%, 9.2%, and 28.7%, respectively. The rationale for the strong rebound in returns is linked to the inflation hedge characteristics real estate has traditionally offered.

Thursday, June 13, 2013
The recent rise in interest rates (10-Year T-Note up approximately 50 bps. since end of April) has some pundits concerned that higher borrowing costs could potentially slow the pace of merger and acquisition (M&A) activity, according to a release by S&P Capital IQ Global Markets Intelligence group. U.S. M&A volume, based on announced deals, has already topped $480 billion in 2013. S&P identified five periods dating back to the early 1980s where the yield on the 10-Year T-Note rose anywhere from 177 bps. to 357 bps. S&P compared the volume of announced U.S. M&A deals during those periods when rates rose to the volume posted in the preceding period. In all five instances volume rose anywhere from 0.9% to 412.0%.

Friday, June 14, 2013
The Barclays Capital "Original E&P Spending Survey" (conducted semiannually) estimates that worldwide E&P expenditures will increase by over 10.0% (revised up from 6.6% heading into this year) in 2013, according to Barclays Capital. Spending is expected to reach a record $678.0 billion. It represents the fourth consecutive year of double-digit worldwide spending gains since the 2009 downturn. E&P companies are basing their 2013 budgets on an average price estimate of $86.50 per barrel for WTI crude oil and $101.0 for Brent. Here is the global breakdown of the 2013 estimates compared to 2012: U.S. ($140.9 billion in '12 vs. $145.6 billion in '13); Canada ($43.2 billion in '12 vs. $42.2 billion in '13); and International ($428.0 billion in '12 vs. $490.3 billion in '13).