

Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (17,281)	-3.69%	6.69%	12.37%	29.65%	13.42%
S&P 500 (2,002)	-3.47%	10.48%	15.10%	32.38%	14.97%
NASDAQ 100 (4,199)	-2.59%	18.42%	22.98%	36.94%	20.01%
S&P 500 Growth	-3.22%	12.35%	17.06%	32.75%	15.85%
S&P 500 Value	-3.76%	8.42%	12.94%	31.97%	14.07%
S&P MidCap 400 Growth	-3.03%	4.09%	9.01%	32.68%	16.58%
S&P MidCap 400 Value	-2.71%	7.75%	12.44%	34.25%	16.15%
S&P SmallCap 600 Growth	-2.64%	-0.93%	3.88%	42.68%	17.79%
S&P SmallCap 600 Value	-2.69%	2.73%	7.92%	39.98%	16.82%
MSCI EAFE	-3.54%	-5.36%	-0.48%	22.78%	5.47%
MSCI World (ex US)	-4.00%	-5.07%	-1.03%	15.29%	4.47%
MSCI World	-3.62%	2.76%	7.50%	26.68%	9.99%
MSCI Emerging Markets	-4.78%	-4.20%	-3.06%	-2.60%	1.71%

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 12/12/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	-2.17%	5.88%	10.54%	43.08%	20.69%
Consumer Staples	-1.98%	13.86%	16.35%	26.14%	15.36%
Energy	-7.98%	-14.51%	-10.96%	25.05%	7.44%
Financials	-2.88%	11.88%	16.32%	35.59%	12.75%
Health Care	-2.93%	25.43%	29.85%	41.46%	19.40%
Industrials	-4.24%	5.82%	11.99%	40.64%	16.48%
Information Technology	-3.40%	17.51%	23.32%	28.43%	15.20%
Materials	-6.18%	2.23%	8.46%	25.60%	10.71%
Telecom Services	-5.75%	-0.59%	2.21%	11.47%	10.53%
Utilities	0.18%	24.38%	27.08%	13.21%	12.23%

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 12/12/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	0.57%	2.88%	2.49%	-1.34%	2.74%
GNMA 30 Year	0.36%	6.02%	6.10%	-2.17%	3.90%
U.S. Aggregate	0.72%	6.06%	5.93%	-2.02%	4.29%
U.S. Corporate High Yield	-2.11%	0.78%	1.15%	7.44%	9.03%
U.S. Corporate Investment Grade	0.87%	7.51%	7.71%	-1.53%	6.45%
Municipal Bond: Long Bond (22+)	0.66%	15.17%	15.08%	-6.01%	6.97%
Global Aggregate	1.27%	1.37%	1.01%	-2.60%	2.44%

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 12/12/14.

Key Rates

As of 12/12/14

Fed Funds	0.00-0.25%	5-yr CD	1.51%
LIBOR (1-month)	0.16%	2-yr T-Note	0.57%
CPI - Headline	1.70%	5-yr T-Note	1.68%
CPI - Core	1.80%	10-yr T-Note	2.13%
Money Market Accts.	0.48%	30-yr T-Bond	2.78%
Money Market Funds	0.01%	30-yr Mortgage	4.09%
6-mo CD	0.38%	Prime Rate	3.25%
1-yr CD	0.70%	Bond Buyer 40	4.29%

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

Market Indicators

As of 12/12/14

TED Spread	22 bps
Investment Grade Spread (A2)	166 bps
ML High Yield Master II Index Spread	547 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/3/14

	Current Week	Previous
Domestic Equity	-\$2.953 Billion	-\$2.044 Billion
Foreign Equity	\$271 Million	\$869 Million
Taxable Bond	-\$667 Million	\$1.821 Billion
Municipal Bond	\$841 Million	\$769 Million

Change in Money Market Fund Assets for the Week Ended 12/10/14

	Current Week	Previous
Retail	-\$2.65 Billion	\$3.20 Billion
Institutional	\$21.12 Billion	\$22.38 Billion

Source: Investment Company Institute.

Factoids for the week of December 8 - 12, 2014

Monday, December 8, 2014

Census data shows that, from 1998 to 2012, the number of self-storage establishments in the U.S. more than doubled, according to *Businessweek*. In 2013, the U.S. had 48,500 mini-warehouse facilities, with a combined 2.3 billion square feet of space for lease, according to the Self-Storage Association (SSA). The trade group noted that it was enough space to warehouse every man, woman and child in the country. Self-storage companies generated \$24 billion in revenue in 2013, according to the SSA.

Tuesday, December 9, 2014

Data from Renaissance Capital shows that we have had 100 health care IPOs launched so far in 2014, with most of them involving biotech startups, according to *FierceBiotech*. That is nearly twice the number of health care IPOs launched in 2013 and more than double the number of technology IPOs brought to market this year. The 100 IPOs raised \$8.7 billion. The average return on these IPOs has been about 21%. Year-to-date through 12/8, the top performing major sector in the S&P 500 was health care, with a total return of 29.64%, as measured by the S&P 500 Health Care Index. The NYSE Arca Biotechnology Index posted a total return of 51.55% over the same period.

Wednesday, December 10, 2014

A new report from technology researcher Canalis revealed that the demand for 3D printers is on the rise due to improvements in technology and affordability, according to MarketWatch.com. Worldwide shipments of 3D printers reached 33,000 units in Q3'14, up 4% from Q2'14 and up 16% from Q3'13. The report stated that 73% of the devices shipped in Q3 had a price tag of \$10,000 or less, an indication that 3D printers are becoming more affordable for consumers.

Thursday, December 11, 2014

Lipper data shows that Bank Loan (senior loan/leveraged loan) funds have experienced 21 consecutive weeks of net outflows, according to *Barron's*. The amount of outflows, however, has been slowing of late. Earlier this year, these same funds finished up a streak of net inflows that reached 95 consecutive weeks. Unlike fixed-rate bonds, yields on senior loans float. Yields are tied to short-term lending rates. While the Federal Reserve has kept the federal funds target rate at 0-0.25% since December 2008, there is some expectation in the market that the Fed could begin to tighten in 2015. If so, it could influence other central banks to do the same. The average leveraged loan yields close to 5% today, according to *Barron's*. From 8/10/14-12/10/14, the closing value on the S&P/LSTA U.S. Leveraged Loan 100 Index moved from a 2% discount to par value to a 4.0% discount to par value.

Friday, December 12, 2014

Moody's reported that the global speculative-grade default rate stood at 2.2% in November, down from 2.3% in October, according to its own release. The rate was 2.9% a year ago. Moody's is forecasting a default rate of 2.2% for December 2014 and 2.6% by November 2015. 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 1.9% in November, no change from October's rate. The rate was 2.5% a year ago. The default rate on senior loans stood at 0.75% in November, up from 0.64% in October, according to Standard & Poor's LCD. The historical average has been 2.93% since 2001.