

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2013 | 5-yr. |
|------------------------------------|-------|--------|--------|--------|--------|
| Dow Jones Industrial Avg. (18,054) | 1.40% | 11.47% | 12.12% | 29.65% | 14.30% |
| S&P 500 (2,089) | 0.89% | 15.30% | 15.73% | 32.38% | 15.52% |
| NASDAQ 100 (4,314) | 0.76% | 21.68% | 21.95% | 36.94% | 19.62% |
| S&P 500 Growth | 0.80% | 16.70% | 17.05% | 32.75% | 16.16% |
| S&P 500 Value | 1.00% | 13.75% | 14.28% | 31.97% | 14.87% |
| S&P MidCap 400 Growth | 1.20% | 8.79% | 9.43% | 32.68% | 16.58% |
| S&P MidCap 400 Value | 1.32% | 13.02% | 13.68% | 34.25% | 16.08% |
| S&P SmallCap 600 Growth | 2.21% | 4.69% | 4.39% | 42.68% | 17.45% |
| S&P SmallCap 600 Value | 2.01% | 8.05% | 8.24% | 39.98% | 16.70% |
| MSCI EAFE | 0.46% | -4.11% | -2.56% | 22.78% | 5.62% |
| MSCI World (ex US) | 0.60% | -3.44% | -2.06% | 15.29% | 4.67% |
| MSCI World | 0.74% | 6.13% | 7.10% | 26.68% | 10.39% |
| MSCI Emerging Markets | 0.87% | -2.70% | -1.77% | -2.60% | 1.99% |

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 12/26/14.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2013 | 5-yr. |
|------------------------|--------|--------|--------|--------|--------|
| Consumer Discretionary | 1.92% | 9.75% | 10.24% | 43.08% | 21.06% |
| Consumer Staples | 1.72% | 18.30% | 18.92% | 26.14% | 16.31% |
| Energy | -0.61% | -6.76% | -6.20% | 25.05% | 8.71% |
| Financials | 1.00% | 16.28% | 16.55% | 35.59% | 13.30% |
| Health Care | -1.95% | 26.70% | 26.77% | 41.46% | 19.37% |
| Industrials | 1.43% | 11.43% | 11.83% | 40.64% | 17.50% |
| Information Technology | 1.68% | 23.02% | 23.53% | 28.43% | 15.26% |
| Materials | 0.90% | 8.30% | 9.00% | 25.60% | 11.28% |
| Telecom Services | 1.87% | 5.09% | 5.09% | 11.47% | 11.74% |
| Utilities | 3.69% | 32.65% | 33.71% | 13.21% | 13.66% |

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 12/26/14.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2013 | 5-yr. |
|---------------------------------|--------|--------|--------|--------|-------|
| U.S. Treasury: Intermediate | -0.24% | 2.24% | 2.28% | -1.34% | 2.84% |
| GNMA 30 Year | -0.09% | 5.78% | 6.03% | -2.17% | 4.10% |
| U.S. Aggregate | -0.19% | 5.58% | 5.66% | -2.02% | 4.40% |
| U.S. Corporate High Yield | 0.48% | 2.35% | 2.49% | 7.44% | 9.08% |
| U.S. Corporate Investment Grade | -0.20% | 6.97% | 7.05% | -1.53% | 6.48% |
| Municipal Bond: Long Bond (22+) | -0.07% | 14.87% | 14.93% | -6.01% | 6.88% |
| Global Aggregate | -0.38% | 0.32% | 0.57% | -2.60% | 2.55% |

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 12/26/14.

Key Rates

As of 12/26/14

| | | | |
|---------------------|------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 1.50% |
| LIBOR (1-month) | 0.16% | 2-yr T-Note | 0.74% |
| CPI - Headline | 1.30% | 5-yr T-Note | 1.76% |
| CPI - Core | 1.70% | 10-yr T-Note | 2.25% |
| Money Market Accts. | 0.48% | 30-yr T-Bond | 2.81% |
| Money Market Funds | 0.01% | 30-yr Mortgage | 3.97% |
| 6-mo CD | 0.38% | Prime Rate | 3.25% |
| 1-yr CD | 0.70% | Bond Buyer 40 | 4.31% |

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

Market Indicators

As of 12/26/14

| | |
|--------------------------------------|---------|
| TED Spread | 24 bps |
| Investment Grade Spread (A2) | 161 bps |
| ML High Yield Master II Index Spread | 493 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/17/14

| | Current Week | Previous |
|-----------------|-------------------|------------------|
| Domestic Equity | -\$4.179 Billion | -\$4.969 Billion |
| Foreign Equity | -\$2.390 Billion | \$1.685 Billion |
| Taxable Bond | -\$10.346 Billion | -\$4.401 Billion |
| Municipal Bond | \$950 Million | \$1.105 Billion |

Change in Money Market Fund Assets for the Week Ended 12/22/14

| | Current Week | Previous |
|---------------|-----------------|------------------|
| Retail | \$2.46 Billion | \$7.82 Billion |
| Institutional | \$18.10 Billion | -\$21.23 Billion |

Source: Investment Company Institute.

Factoids for the week of December 22 - 26, 2014

Monday, December 22, 2014

The Federal Deposit Insurance Corporation (FDIC) announced that U.S. commercial banks reported aggregate net income of \$38.7 billion in Q3'14, up \$2.6 billion, or 7.2%, from the \$36.1 billion posted in Q3'13, according to its own release. Of the 6,589 institutions that reported, 62.9% posted year-over-year growth in earnings. Total loan and lease balances rose by \$50.9 billion to \$8.2 trillion. The number of institutions on the FDIC's list of "problem banks" stood at 329 in Q3'14, down from 354 in Q2'14. The post-crisis high for the list was 888 in Q1'11. Two FDIC-insured institutions failed in Q3'14, down from six in Q3'13. Only 18 banks have failed year-to-date. There were 24 failures in 2013.

Tuesday, December 23, 2014

The Insured Retirement Institute (IRI) reported that variable annuity (VA) sales in the U.S. totaled \$35.2 billion in Q3'14, according to its own release. The IRI uses data provided by Beacon Research and Morningstar. The \$35.2 billion was in line with the \$35.6 billion in VA sales in Q2'14 and the \$35.1 billion posted in Q3'13. After rising to their highest level in five years, fixed annuity (FA) sales cooled in the most recent quarter. Fixed annuity sales totaled \$21.7 billion in Q3'14, down 10.7% from the \$24.3 billion in FA sales in Q2'14 and down 3.6% from the \$22.5 billion posted in Q3'13.

Wednesday, December 24, 2014

S&P 500 stock buybacks totaled \$145.2 billion in Q3'14, up 13.3% from the \$128.2 billion executed in Q3'13, according to S&P Dow Jones Indices. Buyback volume spiked 25.0% between Q2'14 (\$116.2 billion) and Q3'14 (\$145.2 billion). For the 12-month period ended September 30, 2014, buyback expenditures totaled \$550.1 billion, up 23.5% from the \$445.3 billion spent over the same period a year ago. The 12-month peak for buybacks was set in 2007 (\$589.1 billion). The low point was set in 2009 (\$137.6 billion). Information Technology accounted for 29.6% of all buyback expenditures in Q3'14. Consumer Discretionary and Financials were the second and third most active sectors at 14.7% and 14.1%, respectively. In Q3'14, S&P 500 companies distributed \$89.0 billion in stock dividends, up 12.2% from the \$79.3 billion paid out in Q3'13. The \$89.0 billion was up 2.7% from the \$86.7 billion distributed in Q2'14.

Thursday, December 25, 2014

No Factoid. Christmas Day.

Friday, December 26, 2014

U.S. auto sales reached an annualized 17.08 million vehicles in November, up from 16.31 million (annualized) a year ago, according to Bloomberg. It was the second month this year in which sales eclipsed the 17 million mark. The last time sales were this brisk was July 2006 (17.17 million annualized). While December isn't usually the top month for auto sales, data from Edmunds.com shows that December has been the best month for luxury auto sales in seven of the past 12 years, according to Kiplinger. This year, Edmunds.com expects total auto sales to be 78% higher the week following Christmas than the weekly average posted from 12/1-12/25. One of the factors expected to fuel sales is car leases coming due at year-end.