

Open-End Net Fund Flows (\$)	8/15	7/15	YTD (Aug)
Equity	-9.22B	-10.19B	-1.56B
Taxable Bond	-21.53B	-7.55B	18.08B
Municipal Bond	-1.45B	-0.66B	4.65B
Hybrid	-6.29B	-1.40B	3.23B
Taxable Money Market	6.36B	44.58B	-42.77B

Key Interest Rates	9/30/15	12/31/14	9/30/14
Federal Funds Target Rate	0.25%	0.25%	0.25%
LIBOR (3-Month)	0.33%	0.26%	0.24%
2-Year T-Note	0.63%	0.67%	0.57%
10-Year T-Note	2.04%	2.17%	2.49%
Bond Buyer 40	4.38%	4.27%	4.42%

Commodities/U.S. Dollar	9/15	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.55%	6.74%	12.11%
TR/CC CRB Commodity Index	-4.12%	-15.74%	-30.44%
Crude Oil (Barrel)	-8.35%	-15.36%	-50.54%
Natural Gas (per million BTUs)	-6.32%	-12.80%	-38.83%
Gold Bullion (Ounce)	-1.46%	-5.79%	-7.85%

## Total Return Performance

U.S. Stock Indices	9/15	YTD	12 Mo.
S&P 500	-2.47%	-5.29%	-0.62%
DJIA	-1.35%	-6.95%	-2.11%
NASDAQ 100	-2.14%	-0.41%	4.46%
S&P 400	-3.22%	-4.66%	1.38%
Russell 2000	-4.91%	-7.73%	1.25%
Russell 3000	-2.91%	-5.45%	-0.50%

U.S. Styles/Market Caps	9/15	YTD	12 Mo.
S&P 500 Growth	-2.20%	-2.17%	2.78%
S&P 500 Value	-2.79%	-8.66%	-4.31%
S&P MidCap 400 Growth	-2.71%	-0.88%	4.91%
S&P MidCap 400 Value	-3.78%	-8.68%	-2.40%
Russell 2000 Growth	-6.32%	-5.46%	4.05%
Russell 2000 Value	-3.46%	-10.06%	-1.61%

Foreign Stock Indices (USD)	9/15	YTD	12 Mo.
MSCI World Net (Ex-U.S.)	-5.05%	-6.69%	-10.14%
MSCI Emerging Markets Net	-3.01%	-15.47%	-19.28%
MSCI Europe	-4.67%	-5.20%	-9.33%
MSCI BRIC	-3.25%	-14.57%	-18.06%
MSCI EM Latin America	-7.68%	-29.13%	-38.65%
Nikkei 225	-6.24%	0.92%	0.10%

Barclays Bond Indices	9/15	YTD	12 Mo.
U.S. Treasury: Intermediate	0.77%	2.06%	3.05%
GNMA 30 Year	0.57%	1.23%	2.87%
Municipal Bond (22+)	0.72%	2.03%	4.44%
U.S. Aggregate	0.68%	1.13%	2.94%
Intermediate Corporate	0.74%	1.50%	2.36%
U.S. Corporate High Yield	-2.60%	-2.45%	-3.43%
Global Aggregate	0.51%	-2.25%	-3.26%
EM Hard Currency Aggregate	-1.42%	-0.87%	-2.99%

Sources: Bloomberg, Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

## Climate

Last month, we stated that there were three main issues (Fed monetary policy, crude oil prices and China's economy) currently shaping investor sentiment. We believe that investors are looking for some degree of guidance as to the potential direction of these economic influences moving forward. An update on U.S. crude oil production provided in late September may lend some perspective to the future direction of oil prices, in our opinion. Bespoke Investment Group reported that crude oil production in the U.S. stood at 9.30 million barrels per day in June 2015, down from a multi-decade high of 9.61 million barrels per day in April 2015. That news coupled with the huge drop in the number of active U.S. oil rigs over the past year indicates there is a concerted effort to curb production in an attempt to push oil prices higher. Data from Baker Hughes indicates that the number of active rigs plunged from 1,609 on 10/10/14 to 614 on 10/2/15, according to Bloomberg.

## Stock Market

Following the sharp sell-off in August, the S&P 500 Index declined another 2.47% in September. The only two S&P 500 Index sectors that posted positive total returns in September were Utilities, up 2.92%, and Consumer Staples, up 0.52%, according to Bloomberg. These two sectors tend to be regarded as defensive in nature. Year-to-date through September, the only S&P 500 Index sector with a positive total return was Consumer Discretionary, up 4.08%, according to Bloomberg. The two worst performing sectors year-to-date were Materials and Energy, down 16.48% and 21.28%, respectively. Research from Sam Stovall, U.S. equity strategist at S&P Capital IQ, found that, since 1945, whenever the stock market has declined by more than 5.0% in August, over 80% of the time stocks were either flat or down in the following September, according to *Fortune*. In 2015, the S&P 500 Index was down 6.03% in August and down 2.47% in September, according to Bloomberg. Stovall also noted that September has been one of the more challenging months for equities since 1945, with U.S. stocks declining 55% of the time. Bloomberg's 2015 and 2016 consensus earnings growth estimates for the S&P 500 Index were 4.13% and 10.21%, respectively, as of 9/30/15. The index's price-to-earnings ratio stood at 16.99 on 9/30/15, a bit above its 10-year average of 16.54, according to Bloomberg.

## Bond Market

In September, the yield on the benchmark 10-Year Treasury Note declined 18 basis points to 2.04%, which was 45 basis points lower than a year ago and 25 basis points below its three-year average of 2.29%, according to Bloomberg. The Federal Reserve left interest rates unchanged in September. Brian Wesbury, Chief Economist at First Trust Advisors L.P., commented that the Fed cited low inflation, global economic developments, such as in China, and the recent correction in stock prices as reasons for delaying its first rate hike since June 2006. Wesbury has been a proponent of lifting the federal funds rate from its 0-0.25% target for months. On 9/24, Fed Chairwoman Janet Yellen commented that she can make a case for raising short-term interest rates by year-end, according to *The Wall Street Journal*. The selling pressure in the high yield corporate bond market (primarily energy and mining sectors) that we noted last month continued in September. The yield on the Barclays U.S. Corporate High Yield Index stood at 8.04% on 9/30/15, up 143 basis points from 6.61% on 12/31/14, according to Barclays.

## Takeaway

The U.S. economy continues to be a better story than the global economy, in our opinion. Foreign investors held \$6.2 trillion of U.S. government debt at the close of June, an all-time high, according to CNNMoney. Foreign investors held \$5.9 trillion of U.S. equities, just below the \$6.0 trillion all-time high registered in Q1'15. Joseph Quinlan, chief market strategist at U.S. Trust, believes the U.S. has clearly emerged as the most competitive and innovative economy in the world. While foreign investors currently hold approximately 20% of U.S. stocks, Quinlan sees that share increasing to 33% over the next five to 10 years.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	2130.82	5/21/2015	676.53	3/9/2009	1920.03	-9.89%	-5.29%	2.25%
S&P 500 Growth	1195.28	7/20/2015	363.99	3/9/2009	1083.67	-9.34%	-2.17%	1.77%
S&P 500 Value	944.41	5/21/2015	307.16	3/9/2009	831.71	-11.93%	-8.66%	2.80%
S&P MidCap 400	1549.44	6/23/2015	404.62	3/9/2009	1368.91	-11.65%	-4.66%	1.78%
S&P MidCap 400 Growth	707.04	8/17/2015	174.44	11/20/2008	636.86	-9.93%	-0.88%	1.41%
S&P MidCap 400 Value	533.88	6/23/2015	144.98	3/9/2009	460.82	-13.68%	-8.68%	2.20%
S&P 100	945.61	7/20/2015	322.13	3/9/2009	848.26	-10.29%	-5.03%	2.39%
DJIA	18312.39	5/19/2015	6547.05	3/9/2009	16284.70	-11.07%	-6.95%	2.63%
NASDAQ 100	4679.67	7/20/2015	1036.51	11/20/2008	4181.06	-10.65%	-0.41%	1.32%
Russell 2000	1295.80	6/23/2015	343.26	3/9/2009	1100.69	-15.06%	-7.73%	1.65%
Russell 2000 Growth	808.08	6/23/2015	190.73	3/9/2009	679.37	-15.93%	-5.46%	0.91%
Russell 2000 Value	1572.13	6/23/2015	469.32	3/9/2009	1349.75	-14.14%	-10.06%	2.40%
Russell 3000	1273.39	6/23/2015	389.61	3/9/2009	1140.82	-10.41%	-5.45%	2.13%
MSCI World Net (ex U.S.) (USD)	5496.51	7/3/2014	2131.84	3/9/2009	4603.87	-16.24%	-6.69%	3.43%
MSCI Emerging Markets Net (USD)	473.36	10/29/2007	164.51	10/27/2008	339.39	-28.30%	-15.47%	3.14%
Ibovespa/Brazil (USD)	44638.24	5/19/2008	10720.71	9/29/2015	11343.67	-74.59%	-39.76%	4.41%
RTS/Russia (USD)	2487.92	5/19/2008	498.20	1/23/2009	789.73	-68.26%	3.86%	5.07%
S&P BSE 500/India (USD)	226.04	1/7/2008	57.52	3/9/2009	160.21	-29.12%	-4.46%	1.31%
Shanghai Composite/China (USD)	832.07	6/12/2015	133.55	12/5/2005	480.16	-42.29%	-6.43%	2.01%
KOSPI/South Korea (USD)	2.29	10/31/2007	0.63	11/20/2008	1.66	-27.57%	-5.13%	1.36%
Hang Seng (USD)	4082.25	10/30/2007	1420.72	10/27/2008	2689.74	-34.11%	-8.82%	4.11%
MSCI Euro (USD)	1985.51	10/31/2007	682.47	3/9/2009	1134.65	-42.85%	-5.02%	3.78%
S&P 500 Consumer Discretionary	636.24	8/4/2015	125.72	3/9/2009	589.37	-7.37%	4.08%	1.58%
S&P 500 Consumer Staples	520.94	8/5/2015	199.80	3/9/2009	484.91	-6.92%	-0.97%	2.82%
S&P 500 Energy	737.09	6/23/2014	304.81	3/5/2009	451.33	-38.77%	-21.28%	3.71%
S&P 500 Utilities	251.40	1/29/2015	113.81	3/9/2009	219.82	-12.56%	-5.85%	3.80%
S&P 500 Financials	509.55	2/20/2007	81.74	3/6/2009	305.33	-40.08%	-7.06%	2.12%
S&P 500 Banks	414.38	2/20/2007	49.02	3/5/2009	220.34	-46.83%	-5.63%	2.07%
FTSE NAREIT All Equity REITs	685.39	1/26/2015	163.57	3/6/2009	585.08	-14.64%	-4.51%	4.12%
S&P 500 Health Care	892.26	7/20/2015	252.84	3/5/2009	766.06	-14.14%	-2.13%	1.67%
S&P 500 Pharmaceuticals	639.79	7/20/2015	214.50	3/3/2009	555.78	-13.13%	-2.95%	2.56%
NYSE Arca Biotechnology	4431.87	7/17/2015	541.77	3/9/2009	3420.85	-22.81%	-0.17%	0.66%
S&P 500 Information Technology	731.61	7/20/2015	198.51	11/20/2008	663.55	-9.30%	-2.97%	1.68%
Philadelphia Semiconductor	746.08	6/1/2015	171.32	11/20/2008	602.73	-19.21%	-11.01%	2.97%
S&P 500 Telecom Services	181.06	5/31/2007	88.10	3/9/2009	141.19	-22.02%	-3.91%	5.41%
S&P 500 Industrials	498.14	2/20/2015	132.83	3/9/2009	431.78	-13.32%	-9.75%	2.42%
S&P 500 Materials	326.60	2/24/2015	108.33	3/2/2009	250.90	-23.18%	-16.48%	2.56%
Philadelphia Gold & Silver	228.95	4/8/2011	43.97	8/26/2015	46.25	-79.80%	-32.16%	1.96%
TR/CC CRB Commodity	473.52	7/2/2008	185.28	8/26/2015	193.76	-59.08%	-15.74%	N/A
BofA ML Perpetual Preferred	218.92	9/23/2015	51.79	3/9/2009	217.58	-0.62%	3.91%	5.42%
BofA ML U.S. High Yield Constrained	360.88	5/31/2015	130.37	12/12/2008	338.06	-6.32%	-2.50%	8.22%

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