

Open-End Net Fund Flows (\$)	3/15	2/15	YTD (Mar)
Equity	4.2B	8.7B	25.3B
Taxable Bond	4.7B	14.6B	24.8B
Municipal Bond	1.5B	2.6B	8.7B
Hybrid	3.1B	3.3B	9.0B
Taxable Money Market	-30.7B	-13.7B	-76.2B

Key Interest Rates	4/30/15	12/31/14	4/30/14
Federal Funds Target Rate	0.25%	0.25%	0.25%
LIBOR (3-Month)	0.28%	0.26%	0.22%
2-Year T-Note	0.57%	0.67%	0.41%
10-Year T-Note	2.03%	2.17%	2.65%
Bond Buyer 40	4.34%	4.27%	4.63%

Commodities/U.S. Dollar	4/15	YTD	12 Mo.
U.S. Dollar Index (DXY)	-3.82%	4.80%	19.04%
TR/CC CRB Commodity Index	8.32%	-0.21%	-25.86%
Crude Oil (Barrel)	25.27%	11.94%	-40.21%
Natural Gas (per million BTUs)	4.17%	-4.84%	-42.95%
Gold Bullion (Ounce)	-0.06%	-0.14%	-8.76%

Total Return Performance

U.S. Stock Indices	4/15	YTD	12 Mo.
S&P 500	0.96%	1.92%	12.97%
DJIA	0.45%	0.78%	10.11%
NASDAQ 100	1.89%	4.56%	24.75%
S&P 400	-1.49%	3.74%	12.25%
Russell 2000	-2.55%	1.66%	9.71%
Russell 3000	0.45%	2.26%	12.73%

U.S. Styles/Market Caps	4/15	YTD	12 Mo.
S&P 500 Growth	0.48%	2.96%	16.31%
S&P 500 Value	1.50%	0.80%	9.42%
S&P MidCap 400 Growth	-2.56%	4.79%	13.58%
S&P MidCap 400 Value	-0.34%	2.48%	10.70%
Russell 2000 Growth	-2.94%	3.49%	14.65%
Russell 2000 Value	-2.14%	-0.20%	4.89%

Foreign Stock Indices (USD)	4/15	YTD	12 Mo.
MSCI World (Ex-U.S.)	4.33%	8.33%	1.28%
MSCI Emerging Markets	7.69%	10.10%	7.80%
MSCI Europe	4.34%	7.94%	-3.23%
MSCI BRIC	12.58%	16.58%	17.86%
MSCI EM Latin America	10.28%	-0.26%	-15.08%
Nikkei 225	1.88%	12.48%	18.36%

Barclays Bond Indices	4/15	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.10%	1.18%	2.74%
GNMA 30 Year	0.21%	0.96%	4.19%
Municipal Bond (22+)	-0.94%	0.63%	7.99%
U.S. Aggregate	-0.36%	1.24%	4.46%
Intermediate Corporate	0.01%	1.90%	3.70%
U.S. Corporate High Yield	1.21%	3.76%	2.58%
Global Aggregate	1.06%	-0.88%	-3.73%
EM Hard Currency Aggregate	2.18%	3.09%	2.32%

Sources: Bloomberg, Barclays, Investment Company Institute

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Climate

After appreciating for nine consecutive months, the U.S. Dollar Index (DXY) declined by 3.82% in April, according to Bloomberg. The sell-off in the dollar was accompanied by a spike in the price of crude oil. Crude oil rose from \$47.60 per barrel on 3/31/15 to \$59.63 on 4/30/15, or a gain of 25.32%. We have noted on more than one occasion that the rally in the dollar, which commenced at the start of July 2014, was likely the primary catalyst behind the plunge in the price of crude oil, even more so than any imbalance between supply and demand, in our opinion. Remember, crude oil began its slide after setting a 2014 high of \$107.26 per barrel on 6/20. OPEC reported that its supply of crude oil stood at a two-year high in April 2015, according to CNBC. U.S. oil producers were pumping out 9.41 million barrels of crude oil a day in early April, 31% more than the same period in 2014, according to CNNMoney. The price of crude oil spiked in April despite elevated production levels. It appears that retail investors are still attracted to the energy sector. Net inflows to Energy open-end equity mutual funds and exchange traded funds (ETFs) totaled \$5.8 billion in Q1'15, according to Morningstar. Net inflows totaled \$11.2 billion for the 12-month period ended March 2015.

Stock Market

With one-third of 2015 already in the books, the bull market is still intact. Perhaps the most notable change in 2015 is the strong performance emanating from most major foreign equities markets. The total returns referenced in the charts indicate that foreign stocks are up four-fold or better compared to the year-to-date gain posted by the S&P 500. That is a welcome shift, in our opinion, considering the dominance that the S&P 500 has had over the broad foreign stock market indices since the close of 2010. From 12/31/10-4/30/15, the cumulative total return on the S&P 500 was 81.71%, compared to 28.20% (USD) for the MSCI World (ex U.S.) Index and 1.16% (USD) for the MSCI Emerging Markets Index, according to Bloomberg. The relative returns on foreign equities were better for several years leading up to 2011. From 12/31/03-12/31/10, the cumulative total returns on the MSCI Emerging Markets Index and MSCI World (ex U.S.) Index were 206.94% (USD) and 60.10% (USD), respectively, compared to 30.28% for the S&P 500, according to Bloomberg. Investors favored foreign equity funds over domestic equity funds for the 12-month period ended March 2015. Net inflows to International equity mutual funds and ETFs totaled \$165.0 billion, compared to \$106.7 billion for U.S. Equity and Sector Equity funds.

Bond Market

The bond market was mixed in April, with speculative-grade and foreign bonds outperforming U.S. investment-grade bonds. The yield on the benchmark 10-Year T-Note rose 11 basis points to 2.03% in April, but stood below its 5-year average of 2.41%, according to Bloomberg. Morgan Stanley reported that net leverage (debt less cash as a multiple of annual earnings) for highly rated U.S. nonfinancial companies was 1.88 times at the close of 2014, compared to 1.63 times at the close of 2007, just prior to the financial crisis, according to *The Wall Street Journal*. The silver lining is that Morgan Stanley data shows the ratio of companies' earnings to their annual interest expense was 11.02 times, up from 9.43 times at the end of 2007, an indication that companies have the capacity to service their debt.

Takeaway

The U.S. economy posted a weak GDP result in Q1'15. Real U.S. GDP growth came in at an initial rate of just 0.2% (annualized), according to the Bureau of Economic Analysis. While a 0.2% annualized growth rate is disappointing, it was significantly better than the -2.1% (annualized) real GDP growth rate in Q1'14. From 12/31/13-4/30/14, the S&P 500 posted a total return of 2.56%, despite the decline in real GDP growth in Q1'14. In 2014, the S&P 500 posted a total return of 13.69%. The index is up 1.92% through the first four months of 2015. Investors should try their best to not be swayed by short-term fluctuations in economic data, in our opinion. In the current economic climate, it seems like any time major economic indicators turn soft it fuels speculation over when the Federal Reserve might begin to raise interest rates. Until that day arrives, we encourage investors to stay focused on the fundamentals.

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	2117.69	04/24/15	676.53	03/09/09	2085.51	-1.52%	1.92%	1.99%
S&P 500 Growth	1176.57	04/24/15	363.99	03/09/09	1149.32	-2.32%	2.96%	1.59%
S&P 500 Value	941.10	12/29/14	307.16	03/09/09	928.27	-1.36%	0.80%	2.44%
S&P MidCap 400	1540.20	04/23/15	404.62	03/09/09	1500.19	-2.60%	3.74%	1.56%
S&P MidCap 400 Growth	702.77	03/20/15	174.44	11/20/08	676.98	-3.67%	4.79%	1.25%
S&P MidCap 400 Value	533.19	04/15/15	144.98	03/09/09	521.72	-2.15%	2.48%	1.88%
S&P 100	931.75	03/02/15	322.13	03/09/09	916.29	-1.66%	1.57%	2.11%
DJIA	18288.63	03/02/15	6547.05	03/09/09	17840.52	-2.45%	0.78%	2.28%
NASDAQ 100	4536.78	04/24/15	1036.51	11/20/08	4414.25	-2.70%	4.56%	1.20%
Russell 2000	1275.35	04/15/15	343.26	03/09/09	1220.13	-4.33%	1.66%	1.40%
Russell 2000 Growth	786.52	04/15/15	190.73	03/09/09	745.97	-5.16%	3.49%	0.73%
Russell 2000 Value	1565.93	04/15/15	469.32	03/09/09	1511.92	-3.45%	-0.20%	2.10%
Russell 3000	1267.35	04/24/15	389.61	03/09/09	1244.72	-1.79%	2.26%	1.88%
MSCI World (ex U.S.) (USD)	5496.51	07/03/14	2131.84	03/09/09	5344.99	-2.76%	8.33%	2.97%
MSCI Emerging Markets (USD)	473.36	10/29/07	164.51	10/27/08	442.09	-6.61%	10.10%	2.51%
Ibovespa/Brazil (USD)	44638.24	05/19/08	9666.72	05/13/05	18786.96	-57.91%	-0.23%	3.83%
RTS/Russia (USD)	2487.92	05/19/08	498.20	01/23/09	1029.31	-58.63%	30.33%	4.48%
S&P BSE 500/India (USD)	226.04	01/07/08	57.52	03/09/09	168.14	-25.61%	-0.66%	1.29%
Shanghai Composite/China (USD)	810.67	10/16/07	122.21	07/11/05	716.42	-11.63%	37.54%	1.48%
KOSPI/South Korea (USD)	2.29	10/31/07	0.63	11/20/08	1.97	-13.64%	13.02%	1.23%
Hang Seng (USD)	4082.25	10/30/07	1420.72	10/27/08	3629.41	-11.09%	19.87%	3.21%
MSCI Euro (USD)	1985.51	10/31/07	682.47	03/09/09	1319.76	-33.53%	8.40%	3.14%
S&P 500 Consumer Discretionary	615.58	04/24/15	125.72	03/09/09	597.30	-2.97%	4.76%	1.46%
S&P 500 Consumer Staples	516.45	01/22/15	199.80	03/09/09	496.49	-3.87%	0.22%	2.72%
S&P 500 Energy	737.09	06/23/14	302.96	05/16/05	602.89	-18.21%	3.61%	2.76%
S&P 500 Utilities	251.40	01/29/15	113.81	03/09/09	224.58	-10.67%	-5.60%	3.60%
S&P 500 Financials	509.55	02/20/07	81.74	03/06/09	325.20	-36.18%	-1.87%	1.87%
S&P 500 Banks	414.38	02/20/07	49.02	03/05/09	231.65	-44.10%	-1.59%	1.85%
FTSE NAREIT All Equity REITs	685.39	01/26/15	163.57	03/06/09	616.75	-10.01%	-1.17%	3.79%
S&P 500 Health Care	866.47	03/20/15	252.84	03/05/09	828.85	-4.34%	5.10%	1.43%
S&P 500 Pharmaceuticals	623.12	03/23/15	214.50	03/03/09	607.33	-2.53%	4.85%	2.31%
NYSE Arca Biotechnology	4242.85	03/19/15	514.51	05/02/05	3763.38	-11.30%	9.53%	0.46%
S&P 500 Information Technology	724.39	03/02/15	198.51	11/20/08	708.92	-2.14%	2.92%	1.54%
Philadelphia Semiconductor	734.51	03/02/15	171.32	11/20/08	686.29	-6.57%	0.39%	2.25%
S&P 500 Telecom Services	181.06	05/31/07	88.10	03/09/09	160.09	-11.58%	7.50%	4.70%
S&P 500 Industrials	498.14	02/20/15	132.83	03/09/09	479.26	-3.79%	-0.87%	2.10%
S&P 500 Materials	326.60	02/24/15	108.33	03/02/09	315.93	-3.27%	4.10%	2.01%
Philadelphia Gold & Silver	228.95	04/08/11	61.63	11/05/14	72.87	-68.17%	6.36%	1.34%
TR/CC CRB Commodity	473.52	07/02/08	200.34	03/02/09	229.49	-51.54%	-0.21%	N/A
Merrill Lynch Perpetual Preferred	217.97	04/15/15	51.79	03/09/09	216.31	-0.76%	3.31%	5.30%
Merrill Lynch High Yield Constrained	360.43	04/27/15	130.37	12/12/08	359.82	-0.17%	3.77%	6.45%

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