

Open-End Net Fund Flows (\$)	7/15	6/15	YTD (Jul)
Equity	-9.07B	-2.99B	8.79B
Taxable Bond	-7.77B	9.97B	39.39B
Municipal Bond	-0.66B	-1.73B	6.08B
Hybrid	-1.47B	0.02B	9.44B
Taxable Money Market	44.51B	15.09B	-49.20B

Key Interest Rates	8/31/15	12/31/14	8/29/14
Federal Funds Target Rate	0.25%	0.25%	0.25%
LIBOR (3-Month)	0.33%	0.26%	0.23%
2-Year T-Note	0.74%	0.66%	0.49%
10-Year T-Note	2.22%	2.17%	2.34%
Bond Buyer 40	4.42%	4.27%	4.40%

Commodities/U.S. Dollar	8/15	YTD	12 Mo.
U.S. Dollar Index (DXY)	-1.56%	6.15%	15.79%
TR/CC CRB Commodity Index	-0.24%	-12.12%	-30.97%
Crude Oil (Barrel)	4.41%	-7.64%	-48.73%
Natural Gas (per million BTUs)	-1.10%	-6.92%	-33.91%
Gold Bullion (Ounce)	3.39%	-4.40%	-12.01%

Total Return Performance

U.S. Stock Indices	8/15	YTD	12 Mo.
S&P 500	-6.03%	-2.88%	0.47%
DJIA	-6.20%	-5.68%	-1.00%
NASDAQ 100	-6.66%	1.77%	5.95%
S&P 400	-5.58%	-1.49%	-0.01%
Russell 2000	-6.28%	-2.97%	0.03%
Russell 3000	-6.04%	-2.61%	0.35%

U.S. Styles/Market Caps	8/15	YTD	12 Mo.
S&P 500 Growth	-6.08%	0.03%	3.94%
S&P 500 Value	-5.98%	-6.04%	-3.28%
S&P MidCap 400 Growth	-6.55%	1.89%	3.78%
S&P MidCap 400 Value	-4.49%	-5.09%	-4.00%
Russell 2000 Growth	-7.58%	0.91%	5.11%
Russell 2000 Value	-4.91%	-6.83%	-4.95%

Foreign Stock Indices (USD)	8/15	YTD	12 Mo.
MSCI World (Ex-U.S.)	-7.28%	-1.73%	-9.24%
MSCI Emerging Markets	-9.04%	-12.85%	-22.95%
MSCI Europe	-7.12%	-0.56%	-8.46%
MSCI BRIC	-11.01%	-11.70%	-23.05%
MSCI EM Latin America	-10.52%	-23.23%	-42.42%
Nikkei 225	-6.12%	7.63%	6.82%

Barclays Bond Indices	8/15	YTD	12 Mo.
U.S. Treasury: Intermediate	0.05%	1.28%	1.90%
GNMA 30 Year	-0.02%	0.66%	2.15%
Municipal Bond (22+)	0.27%	1.30%	4.02%
U.S. Aggregate	-0.14%	0.45%	1.56%
Intermediate Corporate	-0.32%	0.75%	0.76%
U.S. Corporate High Yield	-1.74%	0.15%	-2.93%
Global Aggregate	0.12%	-2.75%	-6.44%
EM Hard Currency Aggregate	-1.02%	0.56%	-3.36%

Sources: Bloomberg, Barclays, Investment Company Institute

Climate

In the current climate, investor sentiment is largely being shaped by three looming factors, in our opinion. They are as follows: slower economic growth/stock market sell-off in China, uncertainty over the near-term direction of oil prices and the Federal Reserve's timetable for initiating its first increase of the federal funds target rate since June 2006. It has stood at 0-0.25% since December 2008. In response to these factors, as well as to any other potential headwinds, U.S. equities endured significantly higher levels of volatility in August. The VIX Index, which measures volatility levels in the S&P 500 Index, surged over the last two weeks of August 2015. The VIX spiked from an index reading of 12.83 on 8/14/15 to a monthly high of 40.74 on 8/24/15, a level not seen since October 2011, according to Bloomberg. The October 2011 date is noteworthy because it was right after a correction (August 2011) in U.S. equities. For the 20-year period ended August 2015, the VIX Index averaged 20.88.

Stock Market

The all-time high for the S&P 500 Index was established on 5/21/15 at 2130.82. The index posted its first correction in four years in August. The index closed at 1867.61 on 8/25/15, down 12.35% from the all-time high. The S&P 500 Index typically experiences a 10% or more correction every 18 months, on average, according to Sam Stovall, chief stock strategist at S&P Capital IQ. We believe that corrections are healthy part of any bull market. All 10 of the sectors in the S&P 500 Index posted negative total returns in August, with Health Care down the most (-7.88%). Health Care had been the best performing sector (+12.63%) over the first seven months of 2015. The two best performing sectors in 2015 (thru August) were Consumer Discretionary (+4.73%) and Health Care (+3.75%). From a style perspective, investors have favored growth over value so far in 2015. Y-T-D through August, the S&P 500 Growth Index posted a total return of 0.03%, compared to -6.04% for the S&P 500 Value Index. With 496 S&P 500 Index companies having reported their Q2'15 earnings results as of 9/3/15, the beat rate stood at 68.3%, in line with the 67.8% average from Q1'12-Q4'14, according to Bloomberg. Y-T-D, 189 of the companies in the S&P 500 Index were up, four were unchanged and 309 were down, according to S&P Dow Jones Indices. The index has 502 stocks.

Bond Market

In August, the yield on the benchmark 10-Year Treasury Note rose four basis points to 2.22%, which was 12 basis points lower than a year ago and six basis points below its three-year average of 2.28%, according to Bloomberg. Like all investors, bond investors continue to be on "Fed Watch," in our opinion. In August, U.S. high yield corporate bonds experienced the most selling pressure, particularly those issues tied to the energy sector, which have been negatively impacted by the plunge in the price of oil over the past year or so. Energy-related bonds account for roughly 14% of the high yield corporate bond market, according to Charles Schwab. Despite the concerns about energy, the global speculative-grade default rate stood at 2.4% in July, well below the historical average of 4.5% since 1983, according to Moody's. It is forecasting a default rate of 2.8% by July 2016.

Takeaway

The U.S. Dollar Index, which tracks the value of the dollar relative to other major world currencies, stood at a reading of 95.82 on 8/31/15, according to Bloomberg. Despite the recent surge in volatility in the U.S. and global markets, the U.S. Dollar Index sits below its two-year high of 100.33 on 3/13/15. As we noted, markets experience corrections over time, and they can alter the metrics. When the price of crude oil peaked in 2008 at closing price of \$145.29 per barrel the energy stocks in the S&P 500 represented more than 15.0% of the index, according to Bespoke Investment Group. As of 9/2/15, energy stocks accounted for 7.2% of the index, down by more than half from the peak in 2008 and well below their 9.5% average weighting since 1990. Energy's influence on the S&P 500 has already been mitigated.

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.

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	1972.18	-7.45%	-2.88%	2.18%
S&P 500 Growth	1195.28	7/20/2015	363.99	3/9/2009	1109.73	-7.16%	0.03%	1.72%
S&P 500 Value	944.41	5/21/2015	307.16	3/9/2009	857.31	-9.22%	-6.04%	2.71%
S&P MidCap 400	1549.44	6/23/2015	404.62	3/9/2009	1416.75	-8.56%	-1.49%	1.70%
S&P MidCap 400 Growth	707.04	8/17/2015	174.44	11/20/2008	655.50	-7.29%	1.89%	1.35%
S&P MidCap 400 Value	533.88	6/23/2015	144.98	3/9/2009	479.81	-10.13%	-5.09%	2.10%
S&P 100	945.61	7/20/2015	322.13	3/9/2009	868.22	-8.18%	-2.94%	2.32%
DJIA	18312.39	5/19/2015	6547.05	3/9/2009	16528.03	-9.74%	-5.68%	2.57%
NASDAQ 100	4679.67	7/20/2015	1036.51	11/20/2008	4274.58	-8.66%	1.77%	1.28%
Russell 2000	1295.80	6/23/2015	343.26	3/9/2009	1159.46	-10.52%	-2.97%	1.55%
Russell 2000 Growth	808.08	6/23/2015	190.73	3/9/2009	725.69	-10.20%	0.91%	0.84%
Russell 2000 Value	1572.13	6/23/2015	469.32	3/9/2009	1401.94	-10.82%	-6.83%	2.29%
Russell 3000	1273.39	6/23/2015	389.61	3/9/2009	1177.13	-7.56%	-2.61%	2.05%
MSCI World (ex U.S.) (USD)	5496.51	7/3/2014	2131.84	3/9/2009	4848.64	-11.79%	-1.73%	3.28%
MSCI Emerging Markets (USD)	473.36	10/29/2007	164.51	10/27/2008	349.91	-26.08%	-12.85%	3.02%
Ibovespa/Brazil (USD)	44638.24	5/19/2008	11840.86	9/1/2005	12787.78	-71.35%	-32.09%	4.19%
RTS/Russia (USD)	2487.92	5/19/2008	498.20	1/23/2009	833.60	-66.49%	9.38%	4.72%
S&P BSE 500/India (USD)	226.04	1/7/2008	57.52	3/9/2009	158.69	-29.79%	-5.48%	1.31%
Shanghai Composite/China (USD)	832.07	6/12/2015	133.55	12/5/2005	502.29	-39.63%	-2.21%	2.01%
KOSPI/South Korea (USD)	2.29	10/31/2007	0.63	11/20/2008	1.64	-28.17%	-5.92%	1.38%
Hang Seng (USD)	4082.25	10/30/2007	1420.72	10/27/2008	2796.17	-31.50%	-5.85%	3.82%
MSCI Euro (USD)	1985.51	10/31/2007	682.47	3/9/2009	1196.76	-39.73%	0.07%	3.59%
S&P 500 Consumer Discretionary	636.24	8/4/2015	125.72	3/9/2009	594.07	-6.63%	4.73%	1.55%
S&P 500 Consumer Staples	520.94	8/5/2015	199.80	3/9/2009	484.29	-7.04%	-1.48%	2.80%
S&P 500 Energy	737.09	6/23/2014	304.81	3/5/2009	484.21	-34.31%	-15.65%	3.45%
S&P 500 Utilities	251.40	1/29/2015	113.81	3/9/2009	214.28	-14.77%	-8.52%	3.89%
S&P 500 Financials	509.55	2/20/2007	81.74	3/6/2009	315.31	-38.12%	-4.21%	2.04%
S&P 500 Banks	414.38	2/20/2007	49.02	3/5/2009	230.65	-44.34%	-1.33%	1.97%
FTSE NAREIT All Equity REITs	685.39	1/26/2015	163.57	3/6/2009	576.33	-15.91%	-6.50%	4.15%
S&P 500 Health Care	892.26	7/20/2015	252.84	3/5/2009	813.51	-8.83%	3.75%	1.54%
S&P 500 Pharmaceuticals	639.79	7/20/2015	214.50	3/3/2009	583.05	-8.87%	1.63%	2.47%
NYSE Arca Biotechnology	4431.87	7/17/2015	541.77	3/9/2009	3798.19	-14.30%	10.73%	0.58%
S&P 500 Information Technology	731.61	7/20/2015	198.51	11/20/2008	670.62	-8.34%	-1.98%	1.68%
Philadelphia Semiconductor	746.08	6/1/2015	171.32	11/20/2008	611.04	-18.10%	-9.85%	2.73%
S&P 500 Telecom Services	181.06	5/31/2007	88.10	3/9/2009	146.61	-19.03%	-0.32%	5.20%
S&P 500 Industrials	498.14	2/20/2015	132.83	3/9/2009	440.68	-11.54%	-8.07%	2.39%
S&P 500 Materials	326.60	2/24/2015	108.33	3/2/2009	271.59	-16.84%	-9.84%	2.33%
Philadelphia Gold & Silver	228.95	4/8/2011	43.97	8/26/2015	48.43	-78.85%	-29.03%	1.85%
TR/CC CRB Commodity	473.52	7/2/2008	185.28	8/26/2015	202.09	-57.32%	-12.12%	N/A
BofA ML Perpetual Preferred	218.30	08/14/2015	51.79	3/9/2009	217.36	-0.43%	3.81%	5.39%
BofA ML U.S. High Yield Constrained	360.88	05/31/2015	130.37	12/12/2008	346.95	-3.86%	0.06%	7.55%

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