

Open-End Net Fund Flows (\$)	3/16	2/16	YTD (Mar)
Equity	-9.61B	8.81B	-5.77B
Taxable Bond	15.93B	-3.56B	2.94B
Municipal Bond	5.47B	4.69B	14.43B
Hybrid	3.17B	-1.46B	-8.93B
Taxable Money Market	-2.88B	45.06B	31.30B

Key Interest Rates	4/29/16	12/31/15	4/30/15
Federal Funds Rate (Upper)	0.50%	0.50%	0.25%
LIBOR (3-Month)	0.64%	0.61%	0.28%
2-Year T-Note	0.78%	1.05%	0.57%
10-Year T-Note	1.83%	2.27%	2.03%
Bond Buyer 40	3.94%	4.21%	4.34%

Commodities/U.S. Dollar	4/16	YTD (Apr)	12 Mo.
U.S. Dollar Index (DXY)	-1.60%	-5.63%	-1.61%
TR/CC CRB Commodity Index	8.26%	4.81%	-19.56%
Crude Oil (Barrel)	19.77%	23.97%	-22.99%
Natural Gas (per million BTUs)	11.22%	-6.84%	-20.73%
Gold Bullion (Ounce)	4.56%	21.72%	9.14%

## Total Return Performance

U.S. Stock Indices	4/16	YTD	12 Mo.
S&P 500	0.39%	1.74%	1.20%
DJIA	0.62%	2.83%	2.25%
NASDAQ 100	-3.12%	-5.12%	-0.41%
S&P 400	1.22%	5.06%	-0.94%
Russell 2000	1.57%	0.02%	-5.95%
Russell 3000	0.62%	1.59%	-0.18%

U.S. Styles/Market Caps	4/16	YTD	12 Mo.
S&P 500 Growth	-1.27%	-0.74%	1.72%
S&P 500 Value	2.11%	4.35%	0.27%
S&P MidCap 400 Growth	0.68%	1.93%	-0.77%
S&P MidCap 400 Value	1.72%	8.19%	-1.46%
Russell 2000 Growth	1.00%	-3.75%	-8.28%
Russell 2000 Value	2.12%	3.85%	-3.71%

Foreign Stock Indices (USD)	4/16	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	3.22%	1.20%	-9.42%
MSCI Emerging Markets NET	0.54%	6.29%	-17.87%
MSCI Europe NET	2.44%	-0.12%	-10.11%
MSCI BRIC NET	2.29%	3.67%	-23.04%
MSCI EM Latin America NET	5.96%	26.25%	-12.71%
Nikkei 225	3.27%	-1.72%	-3.99%

Barclays Bond Indices	4/16	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.03%	2.31%	2.32%
GNMA 30 Year	0.11%	1.87%	2.32%
Municipal Bond (22+)	1.05%	3.31%	7.30%
U.S. Aggregate	0.38%	3.43%	2.72%
Intermediate Corporate	0.84%	3.62%	2.78%
U.S. Corporate High Yield	3.92%	7.40%	-1.12%
Global Aggregate	1.33%	7.31%	4.84%
EM Hard Currency Aggregate	1.78%	6.70%	3.31%

Sources: Bloomberg, Barclays, Investment Company Institute

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## Climate

U.S. GDP growth came in at an annualized 0.5% in Q1'16, according to the Bureau of Economic Analysis. It represented the third consecutive weak showing for the economy in the first quarter of the calendar year. GDP growth was an annualized 0.6% in Q1'15 and -0.9% in Q1'14. The pace of growth, however, accelerated in subsequent quarters in both 2014 and 2015. The 160,000 new jobs created in April, while positive, was the lowest nonfarm payroll number in the last seven months, according to the Bureau of Labor Statistics. As has been the case with first quarter GDP growth rates of late, monthly job creation has also experienced hiccups. In 2015, the number of new jobs created came in below 160,000 in three of the 12 months, yet the full-year average was 228,667 per month. Despite the softer economic data, we still believe there is the potential for the Federal Reserve to raise the federal funds rate as early as June, providing there is a rebound in job growth. The current bull market in stocks (S&P 500 Index), which began after the close on 3/9/09, stood at 2,610 days as of 4/30/16, becoming the second-longest bull market in history, according to data from Bespoke Investment Group. The longest bull market lasted 4,494 days (12/4/87-3/24/00). From 3/9/09-4/29/16, the cumulative total return on the S&P 500 Index was 254.85%, according to Bloomberg. In April 2016, 228 of the 308 companies in the S&P 500 Index that reported earnings for Q1'16 beat their estimate, or a beat rate of 74.0%, according to Bloomberg.

## Stock Market

The S&P 500 Index closed at 2,065.30 on 4/29/16, which was 3.07% below its all-time high of 2,130.82 set on 5/21/15, according to Bloomberg. In April, the top three performing major sectors that comprise the S&P 500 Index were Energy, Materials and Financials, up 8.70%, 4.95% and 3.40%, respectively, on a total return basis. The two worst performers were Information Technology and Utilities, down 5.39% and 2.41%, respectively. The top three performing S&P 500 Index subsectors in April were Diversified Metals & Mining, Gold and Oil & Gas Exploration and Production, up 35.40%, 31.57% and 17.04%, respectively, according to Bloomberg. The two worst performers were Specialized Consumer Services and Human Resources and Employment Services, down 23.39% and 17.75%, respectively. Year-to-date through April, the top performing sector was Telecommunication Services, up 14.15%, while the top subsector was Diversified Metals & Mining, up 106.79%. One of the concerns in 2015 was that a relatively small number of large-capitalization companies drove the S&P 500 Index higher. That is not the case so far in 2016. The breadth of the rally in stocks since 2/11/16 (the low for the S&P 500 Index in 2016) has been strong, according to Bespoke Investment Group. The smallest companies within the S&P 500 Index have been the best performing stocks. Bespoke broke down the S&P 500 Index into deciles by market capitalization. It found that the 50 smallest companies in the index were up an average of 42.5% through 4/28/16, while the 50 largest companies were up an average of 11.7%, the lowest return of any decile.

## Bond Market

In April, the yield on the benchmark 10-Year Treasury Note rose six basis points to 1.83%, which was 20 basis points below its 2.03% yield on 4/30/15 and 50 basis points below its three-year average of 2.33%, according to Bloomberg. Fitch Ratings reported that negative-yield bonds issued by governments around the world result in bondholder losses of approximately \$24 billion a year, according to MarketWatch. Lenders are essentially paying borrowers to take their capital. As of 4/25/16, the amount of negative-yield bonds outstanding was \$9.9 trillion. Japan accounts for 66% (\$6.5 trillion).

## Takeaway

While we acknowledge there are many headwinds challenging the markets these days, we still like to emphasize the positive. RealtyTrac recently reported that housing foreclosures in the U.S. fell to their lowest level in nine years in Q1'16, according to MarketWatch.com. The S&P/Experian First Mortgage Default Index stood at just 0.77% on 4/29/16, well below its all-time high (inception was 4/1/04) of 5.67% on 5/1/09, according to Bloomberg.

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	2065.30	-3.07%	1.74%	2.19%
S&P 500 Growth	1199.09	11/3/2015	363.99	3/9/2009	1149.33	-4.15%	-0.74%	1.68%
S&P 500 Value	944.41	5/21/2015	307.16	3/9/2009	906.24	-4.04%	4.35%	2.70%
S&P MidCap 400	1549.44	6/23/2015	404.62	3/9/2009	1461.65	-5.67%	5.06%	1.79%
S&P MidCap 400 Growth	707.04	8/17/2015	174.44	11/20/2008	663.38	-6.17%	1.93%	1.25%
S&P MidCap 400 Value	533.88	6/23/2015	144.98	3/9/2009	503.54	-5.68%	8.19%	2.29%
S&P 100	945.61	7/20/2015	322.13	3/9/2009	915.02	-3.23%	1.16%	2.30%
DJIA	18312.39	5/19/2015	6547.05	3/9/2009	17773.64	-2.94%	2.83%	2.56%
NASDAQ 100	4719.05	11/3/2015	1036.51	11/20/2008	4341.30	-8.00%	-5.12%	1.31%
Russell 2000	1295.80	6/23/2015	343.26	3/9/2009	1130.85	-12.73%	0.02%	1.59%
Russell 2000 Growth	808.08	6/23/2015	190.73	3/9/2009	679.20	-15.95%	-3.75%	0.84%
Russell 2000 Value	1572.13	6/23/2015	469.32	3/9/2009	1424.16	-9.41%	3.85%	2.31%
Russell 3000	1273.39	6/23/2015	389.61	3/9/2009	1217.37	-4.40%	1.59%	2.10%
MSCI World Net (ex U.S.) (USD)	5496.51	7/3/2014	2131.84	3/9/2009	4841.60	-11.92%	1.20%	3.39%
MSCI Emerging Markets Net (USD)	473.36	10/29/2007	164.51	10/27/2008	363.11	-23.29%	6.29%	2.93%
Ibovespa/Brazil (USD)	44638.24	5/19/2008	9077.09	1/21/2016	15625.33	-65.00%	40.73%	3.25%
RTS/Russia (USD)	2487.92	5/19/2008	498.20	1/23/2009	951.11	-61.77%	25.95%	4.42%
S&P BSE 500/India (USD)	226.04	1/7/2008	57.52	3/9/2009	156.65	-30.70%	-2.02%	1.51%
Shanghai Composite/China (USD)	832.07	6/12/2015	186.97	5/8/2006	453.86	-45.45%	-16.78%	2.09%
KOSPI/South Korea (USD)	2.29	10/31/2007	0.63	11/20/2008	1.74	-23.90%	4.50%	1.68%
Hang Seng (USD)	4082.25	10/30/2007	1420.72	10/27/2008	2715.81	-33.47%	-3.44%	4.00%
MSCI Euro (USD)	1985.51	10/31/2007	682.47	3/9/2009	1148.79	-42.14%	-0.70%	3.64%
S&P 500 Consumer Discretionary	648.09	11/25/2015	125.72	3/9/2009	628.76	-2.98%	1.74%	1.61%
S&P 500 Consumer Staples	550.37	4/1/2016	199.80	3/9/2009	535.63	-2.68%	4.22%	2.59%
S&P 500 Energy	737.09	6/23/2014	304.81	3/5/2009	502.42	-31.84%	13.07%	3.19%
S&P 500 Utilities	252.91	4/1/2016	113.81	3/9/2009	245.76	-2.83%	12.77%	3.42%
S&P 500 Financials	509.55	2/20/2007	81.74	3/6/2009	313.64	-38.45%	-1.83%	2.30%
S&P 500 Banks	414.38	2/20/2007	49.02	3/5/2009	216.87	-47.66%	-6.67%	2.22%
FTSE NAREIT All Equity REITs	685.39	1/26/2015	163.57	3/6/2009	642.03	-6.33%	4.07%	4.33%
S&P 500 Health Care	892.26	7/20/2015	252.84	3/5/2009	806.34	-9.63%	-2.73%	1.67%
S&P 500 Pharmaceuticals	639.79	7/20/2015	214.50	3/3/2009	585.99	-8.41%	-2.04%	2.48%
NYSE Arca Biotechnology	4431.87	7/17/2015	541.77	3/9/2009	3084.36	-30.41%	-19.08%	0.26%
S&P 500 Information Technology	750.26	12/4/2015	198.51	11/20/2008	696.81	-7.12%	-2.93%	1.69%
Philadelphia Semiconductor	746.08	6/1/2015	171.32	11/20/2008	645.34	-13.50%	-2.18%	2.01%
S&P 500 Telecom Services	181.06	5/31/2007	88.10	3/9/2009	167.13	-7.69%	14.15%	4.64%
S&P 500 Industrials	498.14	2/20/2015	132.83	3/9/2009	487.65	-2.11%	5.93%	2.25%
S&P 500 Materials	326.60	2/24/2015	108.33	3/2/2009	295.62	-9.48%	8.74%	2.18%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	92.85	-59.45%	105.41%	0.68%
TR/CC CRB Commodity	473.52	7/2/2008	155.01	2/11/2016	184.61	-61.01%	4.81%	N/A
BofA ML Perpetual Preferred	230.81	4/29/2016	51.79	3/9/2009	230.81	0.00%	2.45%	5.25%
BofA ML U.S. High Yield Constrained	360.88	5/31/2015	130.37	12/12/2008	355.05	-1.62%	7.35%	7.83%

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