

Open-End Net Fund Flows (\$)	6/21	5/21	YTD (Jun)
Equity	-68.55B	-16.03B	-232.75B
Taxable Bond	29.49B	17.06B	238.01B
Municipal Bond	9.16B	5.48B	49.61B
Hybrid	-0.84B	-1.15B	-5.13B
Taxable Money Market	-73.95B	82.35B	213.09B

Key Interest Rates	7/30/21	12/31/20	7/31/20
Federal Funds Target Rate	0.25%	0.25%	0.25%
ICE LIBOR (3-Month)	0.12%	0.24%	0.25%
2-Year T-Note	0.19%	0.12%	0.11%
10-Year T-Note	1.22%	0.92%	0.53%
Bond Buyer 40	3.37%	3.46%	3.53%

Commodities/U.S. Dollar	7/21	YTD	12 Mo.
U.S. Dollar Index (DXY)	-0.29%	2.48%	-1.26%
Refinitiv/CC CRB Excess Ret.	2.20%	29.97%	51.77%
Crude Oil/WTI (per Barrel)	0.65%	52.41%	83.64%
Natural Gas (per million BTUs)	7.12%	53.94%	117.22%
Gold Bullion (Ounce)	2.31%	-4.35%	-7.65%

Total Return Performance

U.S. Stock Indices	7/21	YTD	12 Mo.
S&P 500	2.38%	17.98%	36.43%
DJIA	1.34%	15.31%	34.79%
NASDAQ 100	2.82%	16.53%	38.19%
S&P MidCap 400	0.35%	18.00%	46.97%
Russell 2000	-3.61%	13.29%	51.94%
Russell 3000	1.69%	17.05%	38.71%

U.S. Styles/Market Caps	7/21	YTD	12 Mo.
S&P 500 Growth	3.79%	18.63%	37.11%
S&P 500 Value	0.79%	17.21%	35.65%
S&P MidCap 400 Growth	0.96%	13.36%	38.36%
S&P MidCap 400 Value	-0.19%	22.74%	56.82%
Russell 2000 Growth	-3.64%	5.01%	40.99%
Russell 2000 Value	-3.58%	22.15%	63.66%

Foreign Stock Indices (USD)	7/21	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	0.66%	10.65%	31.00%
MSCI Emerging Markets NET	-6.73%	0.22%	20.64%
MSCI Europe NET	1.85%	13.87%	32.50%
MSCI BRIC NET	-9.73%	-4.95%	10.34%
MSCI EM Latin America NET	-4.07%	4.46%	25.31%
Nikkei 225	-4.11%	-5.76%	23.13%

Bloomberg Barclays Bond Ind.	7/21	YTD	12 Mo.
U.S. Treasury: Intermediate	0.78%	-0.38%	-0.74%
GNMA 30 Year	0.30%	-0.71%	-0.42%
Municipal Bond (22+)	1.06%	3.42%	5.56%
U.S. Aggregate	1.12%	-0.50%	-0.70%
Intermediate Corporate	0.79%	0.26%	1.85%
U.S. Corporate High Yield	0.38%	4.01%	10.62%
Global Aggregate	1.33%	-1.92%	0.78%
EM Hard Currency Aggregate	0.19%	-0.78%	3.47%

Sources: Bloomberg, 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

We learned in July that U.S. economic growth, while strong, has not been quite as robust as previously thought. Real GDP growth in Q2'21 came in at annualized rate of 6.5%, according to the Bureau of Economic Analysis. That was well below the consensus estimate of 8.4%. Last month, we noted that 27 of the largest banks in the U.S. passed their latest Federal Reserve stress tests. This month, we would like to highlight the fact that the 12 largest banks in the U.S. and Europe earned a record high \$170 billion in combined profits for the 12-month period ended 6/30/21, according to Bloomberg. The banks, which were at the epicenter of the 2008-2009 financial crisis, appear to be as solid as they have ever been, in our opinion. While we need to monitor the status of the moratoriums on renter evictions and home foreclosures stemming from the COVID-19 pandemic, we can at least say that consumers are doing a better-than-average job of paying their bills. The S&P/Experian Consumer Credit Default Composite Index stood at 0.41% in June 2021, down from 0.66% in June 2020 and well below its 1.73% average since inception (7/31/04), according to S&P Dow Jones Indices.

Stock Market

The S&P 500 Index ("index") closed at 4,395.26 on 7/30/21, 0.61% below its all-time closing high of 4,422.30 on 7/26/21, according to Bloomberg. A Bloomberg survey of 22 equity strategists found that their average 2021 year-end price target for the S&P 500 Index was 4,242 as of 7/16/21, up from 4,213 on 6/16/21, according to its own release. The highest and lowest estimates were 4,601 (up slightly from 4,600) and 3,800 (unchanged), respectively. The index posted a total return of 2.38% in July. Nine of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Health Care, up 4.90%, while the worst showing came from Energy, down 8.27%. The S&P 500 Index posted a total return of 17.98% over the first seven months of 2021. Keep in mind that, from 1926-2020, the index posted an average annual total return of 10.28%, according to Morningstar/Ibbotson Associates. All 11 major sectors were up on a total return basis. The top-performer was Energy, up 33.57%, while the worst showing came from Utilities, up 6.82%. The index has posted a positive total return for six consecutive months following its 1.01% decline in January 2021. The dividend yield on the S&P 500 Index stood at 1.33% on 7/30/21, its lowest level in 20 years, according to 24/7 Wall St. As of 7/30/21, 388 companies in the index were distributing a dividend, down from 423 at the end of 2019, just prior to the onset of the COVID-19 pandemic, according to data from S&P Dow Jones Indices. The dividend yield on the index stood at 1.86% on 12/31/19. Despite lower dividend yields, the outlook for corporate earnings remains encouraging, in our opinion. Bloomberg's consensus year-over-year earnings growth rate estimates for the S&P 500 Index for 2021, 2022 and 2023 were 43.11%, 9.33% and 10.05%, respectively, as of 7/30/21.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 7/30/21 at 1.22%, down 25 basis points (bps) from its 1.47% close on 6/30/21, according to Bloomberg. Year-to-date, its closing high was 1.74% on 3/31/21. The 1.22% yield stood 84 bps below its 2.06% average for the 10-year period ended 7/30/21. Despite the recent spike in inflation, 10-year government bond yields have declined globally due in large part to the spread of COVID-19 variants and the ongoing support from major central banks, according to Bloomberg. Total negative-yielding debt in Europe stood near a six-month high of \$8.9 trillion at the end of July. German 10-year bond yields went from flirting with zero for the first time in two years to -0.46%.

Takeaway

A recent survey by Personal Capital, a financial services company, revealed that the average American claims they would need \$500,000 in savings to feel financially secure, according to CNBC. Approximately 20% of those polled say they would need more than \$1 million. The findings of a recent survey by Bankrate.com, however, paints a sobering picture. It learned that 51% of Americans have less than three months' worth of emergency savings, while 25% have no emergency savings at all, according to its own release. Data just released by Fidelity revealed that the average 401(k) balance for accounts it oversees was \$160,000 for those 50-59 years old and \$182,111 for those 60-69 as of 12/31/20, according to GOBankingRates. With interest rates still at historically low levels, investment-grade bonds offering paltry yields, plus rising inflation, where can an investor turn for opportunities to grow their capital? With current income alternatives falling short these days, perhaps investors could begin their search with equities. Stocks have historically been one of the best avenues for building wealth over time.

Data as of 7/30/21

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	4422.30	7/26/2021	1099.23	10/3/2011	4395.26	-0.61%	17.98%	1.33%
S&P 500 Growth	3081.70	7/26/2021	598.65	10/3/2011	3044.36	-1.21%	18.63%	0.69%
S&P 500 Value	1490.97	6/4/2021	494.97	10/3/2011	1466.86	-1.62%	17.21%	2.06%
S&P MidCap 400	2770.27	5/7/2021	744.98	10/3/2011	2703.67	-2.40%	18.00%	1.29%
S&P MidCap 400 Growth	1353.31	4/26/2021	345.40	10/3/2011	1325.40	-2.06%	13.36%	0.74%
S&P MidCap 400 Value	882.65	5/7/2021	252.35	10/3/2011	842.13	-4.59%	22.74%	1.79%
S&P 100	2038.49	7/26/2021	500.09	10/3/2011	2011.75	-1.31%	17.92%	1.34%
DJIA	35144.31	7/26/2021	10655.30	10/3/2011	34935.47	-0.59%	15.31%	1.73%
NASDAQ 100	15125.95	7/26/2021	2038.22	8/19/2011	14959.90	-1.10%	16.53%	0.68%
Russell 2000	2360.17	3/15/2021	609.49	10/3/2011	2226.25	-5.67%	13.29%	1.11%
Russell 2000 Growth	1709.62	2/9/2021	350.15	10/3/2011	1525.20	-10.79%	5.01%	0.43%
Russell 2000 Value	2600.57	6/8/2021	804.33	10/3/2011	2390.37	-8.08%	22.15%	1.82%
Russell 3000	2626.82	7/29/2021	644.45	10/3/2011	2611.83	-0.57%	17.05%	1.26%
MSCI World Net (ex U.S.) (USD)	7837.57	6/16/2021	3369.63	10/4/2011	7648.25	-2.42%	10.65%	2.44%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	625.49	-10.55%	0.22%	2.15%
Ibovespa/Brazil (USD)	39318.75	3/2/2012	9077.09	1/21/2016	23783.18	-39.51%	3.84%	3.33%
RTS/Russia (USD)	1985.78	8/1/2011	628.41	1/20/2016	1625.76	-18.13%	21.91%	4.81%
S&P BSE 500/India (USD)	295.43	6/15/2021	95.89	9/3/2013	292.58	-0.97%	17.70%	1.05%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	525.78	-36.81%	0.68%	2.12%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.78	-5.16%	5.71%	1.91%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3339.94	-21.25%	-3.11%	2.43%
MSCI Euro (USD)	1695.19	6/16/2021	814.62	6/1/2012	1645.33	-2.94%	14.77%	2.23%
S&P 500 Consumer Discretionary	1487.96	7/26/2021	267.58	10/3/2011	1438.71	-3.31%	10.82%	0.56%
S&P 500 Consumer Staples	740.06	7/27/2021	293.02	8/10/2011	738.72	-0.18%	7.70%	2.71%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	372.99	-49.40%	33.57%	4.47%
S&P 500 Utilities	359.13	2/18/2020	152.93	8/8/2011	335.12	-6.69%	6.82%	3.13%
S&P 500 Financials	637.75	6/4/2021	151.85	10/3/2011	606.90	-4.84%	25.04%	1.72%
S&P 500 Banks	431.28	6/1/2021	105.73	8/22/2011	390.55	-9.44%	25.39%	2.26%
FTSE NAREIT All Equity REITs	893.87	7/27/2021	371.48	10/3/2011	889.99	-0.43%	26.64%	2.74%
S&P 500 Health Care	1538.58	7/30/2021	346.38	8/10/2011	1538.58	0.00%	17.33%	1.44%
S&P 500 Pharmaceuticals	886.08	7/28/2021	282.86	8/10/2011	878.73	-0.83%	14.37%	2.42%
NYSE Arca Biotechnology	6319.77	2/8/2021	1001.60	11/25/2011	5747.18	-9.06%	0.35%	0.37%
S&P 500 Information Technology	2713.40	7/23/2021	357.71	8/19/2011	2693.55	-0.73%	18.15%	0.81%
Philadelphia Semiconductor	3356.53	7/30/2021	326.32	8/19/2011	3356.53	0.00%	20.85%	1.10%
S&P 500 Telecom Services	277.91	7/26/2021	115.22	8/8/2011	273.30	-1.66%	23.95%	0.79%
S&P 500 Industrials	891.14	5/10/2021	245.04	10/3/2011	873.59	-1.97%	17.44%	1.33%
S&P 500 Materials	556.90	5/17/2021	179.78	10/3/2011	527.35	-5.31%	16.83%	1.69%
Philadelphia Gold & Silver	227.03	9/8/2011	38.84	1/19/2016	143.77	-36.67%	0.55%	1.36%
Refinitiv/CC CRB Excess Return	342.57	8/31/2011	106.29	4/21/2020	218.08	-36.34%	29.97%	N/A
ICE BofA Perpetual Preferred	317.10	7/12/2021	146.25	8/8/2011	316.68	-0.13%	2.50%	3.94%
ICE BofA U.S. High Yield Constrained	515.89	7/7/2021	250.64	10/4/2011	515.51	-0.07%	4.06%	4.59%

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