Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,091)	-0.45%	9.19%	15.81%	8.41%	2.44%
S&P 500 (1,407)	-0.28%	13.51%	17.95%	2.12%	1.28%
NASDAQ 100 (2,772)	-0.20%	22.66%	25.04%	3.69%	7.72%
S&P 500 Growth	-0.29%	14.55%	18.52%	4.70%	4.02%
S&P 500 Value	-0.26%	12.26%	17.29%	-0.48%	-1.56%
S&P MidCap 400 Growth	0.21%	12.33%	11.26%	-0.95%	5.64%
S&P MidCap 400 Value	0.18%	11.22%	14.63%	-2.40%	2.45%
S&P SmallCap 600 Growth	0.53%	11.62%	16.58%	3.67%	4.36%
S&P SmallCap 600 Value	0.42%	11.25%	17.76%	-1.34%	2.11%
MSCI EAFE	-0.78%	6.92%	-0.04%	-12.14%	-4.81%
MSCI World (ex US)	-0.99%	6.40%	-1.92%	-13.71%	-3.59%
MSCI World	-0.48%	9.99%	8.12%	-5.54%	-1.77%
MSCI Emerging Markets	-1.84%	5.61%	-5.80%	-18.42%	-0.37%

Source: Bloomberg. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 8/31/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.35%	17.62%	23.39%	6.24%	6.01%
Consumer Staples	-0.29%	11.05%	18.31%	14.03%	8.77%
Energy	-0.73%	4.06%	7.55%	4.72%	1.90%
Financials	0.03%	17.58%	15.38%	-17.07%	-12.83%
Health Care	0.10%	13.31%	19.04%	12.77%	4.57%
Industrials	-0.98%	9.33%	15.61%	-0.59%	0.01%
Information Technology	-0.29%	20.30%	26.29%	2.43%	5.33%
Materials	-0.45%	7.84%	4.06%	-9.68%	0.76%
Telecom Services	-0.52%	21.01%	29.07%	6.33%	2.83%
Utilities	-0.74%	3.06%	11.77%	20.02%	2.90%

Source: Bloomberg. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 8/31/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	0.40%	1.73%	2.78%	6.57%	5.48%
GNMA 30 Year	0.25%	2.63%	4.13%	7.97%	6.92%
U.S. Aggregate	0.50%	3.85%	5.78%	7.84%	6.66%
U.S. Corporate High Yield	0.24%	10.59%	13.89%	4.98%	9.60%
U.S. Corporate Investment Grade	0.76%	7.91%	10.26%	8.15%	8.08%
Municipal Bond: Long Bond (22+)	0.26%	9.27%	14.52%	14.88%	6.56%
Global Aggregate	0.52%	3.56%	1.40%	5.64%	6.44%

Source: Barclays Capital. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 8/31/12.

Key Rates

As of 8/31/12

Fed Funds	0.00-0.25%	5-yr CD	1.36%
LIBOR (1-month)	0.23%	2-yr T-Note	0.22%
CPI - Headline	1.40%	5-yr T-Note	0.59%
CPI - Core	2.10%	10-yr T-Note	1.55%
Money Market Accts.	0.49%	30-yr T-Bond	2.67%
Money Market Funds	0.02%	30-yr Mortgage	3.53%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.71%	Bond Buyer 40	4.21%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 8/31/12

TED Spread	31 bps
Investment Grade Spread (A2)	214 bps
ML High Yield Master II Index Spread	598 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 8/22/12

	Current Week		Previous	
Domestic Equity	-$4.475	Billion	-$2.671	Billion
Foreign Equity	-$1.403	Billion	-$556	Million
Taxable Bond	$5.914	Billion	$6.014	Billion
Municipal Bond	$921	Million	$1.592	Billion

Change in Money Market Fund Assets for the Week Ended 8/29/12

	Current Week		Previous	
Retail	-$0.85	Billion	$1.12	Billion
Institutional	-$1.70	Billion	-$1.06	Billion

Source: Investment Company Institute

Factoids for the week of August 27th – 31st

Monday, August 27, 2012

A Bloomberg survey of traders and analysts revealed a median year-end price target of $1,800 per ounce for gold bullion, up from around $1,670 today, according to its own release. If it reaches the $1,800 target, it would represent about a 15% gain for 2012, the best since the 30% surge in 2010. Talk of the potential for further stimulus in the U.S. (QE3) and China is helping to fuel some of the bullish sentiments. Central banks are expected to buy 500 tons of gold this year (purchased 254.2 tons in first half of 2012), according to the World Gold Council. They have been net buyers since 2009. Gold mining stocks have lagged the broader market this year. The Philadelphia Gold & Silver Index is down 5.63% through 8/24, compared to a gain of 13.83% for the S&P 500.

Tuesday, August 28, 2012

Data from the Federal Deposit Insurance Corporation (FDIC) revealed that U.S. banks saw their earnings rise 21% (y-o-y) in Q2'12, according to Bloomberg. Net income totaled $34.5 billion, down slightly from $34.8 billion in Q1'12. Industry profits increased for the 12th consecutive quarter, with 89% of banks posting gains. The $20.5 billion in charge-offs was the lowest total in over four years. The number of banks on the FDIC's list of "problem" banks fell for the fifth straight quarter from 772 to 732. To date, a total of 40 banks have failed this year, down from 68 at this point last year.

Wednesday, August 29, 2012

Data released in August from the Building Owners and Managers Association revealed that office rents rose in major markets across the U.S. in 2011, a sign of strength for the economy and REITs, according to REIT.com. Rental growth was even present in the least expensive markets, such as Shreveport, La., which saw its average rental income rise 13.8% in 2011 to $11.76 per square foot. New York is the most expensive at $45.15 per square foot. Office REITs were up 14.23% year-to-date through 8/28, as measured by the FTSE NAREIT Equity REITs Index.

Thursday, August 30, 2012

A report from AARP revealed that Americans age 50 and above experienced the biggest rise in home foreclosures from 2007 through 2011, according to MarketWatch.com. A total of 1.5 million of them lost their homes over those five years. Within that demographic group, the highest foreclosure rate in 2011 (3.2%) belonged to Americans age 75 and above, and it was way up from 0.33% in 2007. The rate for Americans age 50 and above was 2.9%, up from 0.30% in 2007. This dilemma appears to have been caused by a dramatic increase in the number of older Americans utilizing mortgage debt. In 1989, only 6% of households headed by a person 75 or older had mortgage debt, compared to 24% in 2010.

Friday, August 31, 2012

U.S. asset-backed securities issuance is on pace to post its best showing since 2007, according to data provided by the Securities Industry and Financial Markets Association (SIFMA). The most active markets have been auto loans ($58.8 billion), credit cards ($22.5 billion) and student loans ($13.5 billion). The home equity loan market is still dormant at $891.9 million of new issuance. That market peaked at $483.9 billion in 2006. The rebound in issuance is somewhat reflective (improved confidence levels) of the work that many consumers have done to get their fiscal houses in order.