Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (16,322)	1.42%	-1.07%	19.01%	29.65%	21.45%
S&P 500 (1,859)	1.30%	0.96%	25.36%	32.38%	22.97%
NASDAQ 100 (3,696)	0.92%	3.16%	36.93%	36.94%	28.45%
S&P 500 Growth	1.32%	2.14%	28.71%	32.75%	23.09%
S&P 500 Value	1.28%	-0.31%	21.87%	31.97%	22.95%
S&P MidCap 400 Growth	1.40%	2.61%	26.79%	32.68%	27.45%
S&P MidCap 400 Value	1.47%	2.71%	26.24%	34.25%	26.34%
S&P SmallCap 600 Growth	1.58%	-0.01%	32.98%	42.68%	28.66%
S&P SmallCap 600 Value	2.21%	0.84%	31.62%	39.98%	27.40%
MSCI EAFE	0.65%	1.31%	19.28%	22.78%	17.58%
MSCI World (ex US)	0.66%	0.25%	12.25%	15.29%	17.23%
MSCI World	0.99%	1.12%	21.68%	26.68%	19.95%
MSCI Emerging Markets	0.76%	-3.40%	-6.01%	-2.60%	16.86%

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 2/28/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	2.48%	-0.04%	33.79%	43.08%	32.85%
Consumer Staples	1.78%	-1.75%	13.46%	26.14%	19.00%
Energy	1.36%	-1.55%	13.90%	25.05%	16.72%
Financials	1.19%	-0.59%	25.61%	35.59%	25.63%
Health Care	1.04%	7.17%	39.26%	41.46%	23.46%
Industrials	1.35%	-0.73%	28.91%	40.64%	27.60%
Information Technology	0.89%	2.00%	28.37%	28.43%	24.13%
Materials	1.81%	2.03%	25.27%	25.60%	23.19%
Telecom Services	-0.47%	-4.15%	0.92%	11.47%	14.71%
Utilities	-0.34%	6.50%	12.46%	13.21%	14.70%

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 2/28/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	0.18%	1.06%	-0.31%	-1.34%	2.72%
GNMA 30 Year	0.51%	2.19%	0.31%	-2.17%	4.34%
U.S. Aggregate	0.48%	2.02%	0.15%	-2.02%	5.13%
U.S. Corporate High Yield	0.69%	2.74%	8.38%	7.44%	18.94%
U.S. Corporate Investment Grade	0.70%	2.87%	1.42%	-1.53%	9.58%
Municipal Bond: Long Bond (22+)	1.01%	4.93%	-2.48%	-6.01%	7.92%
Global Aggregate	0.69%	2.47%	1.69%	-2.60%	5.59%

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 2/28/14.

Key Rates

As of 2/28/14

Fed Funds	0.00-0.25%	5-yr CD	1.33%
LIBOR (1-month)	0.15%	2-yr T-Note	0.32%
CPI - Headline	1.60%	5-yr T-Note	1.50%
CPI - Core	1.60%	10-yr T-Note	2.65%
Money Market Accts.	0.46%	30-yr T-Bond	3.58%
Money Market Funds	0.01%	30-yr Mortgage	4.31%
6-mo CD	0.40%	Prime Rate	3.25%
1-yr CD	0.67%	Bond Buyer 40	4.80%

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

Market Indicators

As of 2/28/14

TED Spread	18 bps
Investment Grade Spread (A2)	148 bps
ML High Yield Master II Index Spread	381 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/19/14

	Current Week		Previous	
Domestic Equity	$4.145	Billion	$4.159	Billion
Foreign Equity	$1.735	Billion	$3.097	Billion
Taxable Bond	$2.467	Billion	$968	Million
Municipal Bond	$422	Million	$162	Million

Change in Money Market Fund Assets for the Week Ended 2/26/14

	Current Week		Previous	
Retail	-$4.16	Billion	-$2.50	Billion
Institutional	$24.11	Billion	-$46.66	Billion

Source: Investment Company Institute.

Factoids for the week of February 24 - 28, 2014

Monday, February 24, 2014

The S&P 500 Old Industrials (Excludes Financials, Utilities and Transportation Companies) posted their sixth consecutive quarter of record cash holdings in Q4'13, according to S&P Capital IQ. Cash and equivalents rose from $1.24 trillion in Q3'13 to $1.29 trillion in Q4'13. The $1.29 trillion was about $200 billion more than the amount held in cash a year ago and around $459 billion more than in Q4'09.

Tuesday, February 25, 2014

The estimated amount of insured losses so far in 2014 from winter storms and the prolonged extreme cold is $1.5 billion, according to the Insurance Information Institute. Year-to-date through 2/21/14, over 175,000 claims have been paid to policyholders, according to PCS, a division of Verisk Analytics. Winter storms produced $2.0 billion worth of insured losses in 2013, up significantly from $38 million in 2012, according to data from Munich Re. From 1993 to 2012, winter storms resulted in approximately $28.0 billion in insured losses (in 2012 dollars), or an average of $1.4 billion per year, according to PCS.

Wednesday, February 26, 2014

The current bull market in the U.S. has lasted 1,814 calendar days (3/9/09-2/25/14), as measured by the S&P 500. It ranks as the seventh longest bull market dating back to 1928, according to Bespoke Investment Group. If it does not experience a 20% sell-off in the next 26 days it will become the sixth longest ever, surpassing the bull market from 8/12/82 through 8/25/87. The longest bull market lasted 4,494 days, from 12/4/87 through 3/24/00. It produced a price-only cumulative return of 582.15%. The current bull's price-only cumulative return was 172.73% as of 2/25/14.

Thursday, February 27, 2014

The Federal Deposit Insurance Corporation (FDIC) reported that the commercial banks and savings institutions it insures posted aggregate net income of $40.3 billion in Q4'14, up from $34.4 billion in Q4'12, according to its own release. It was the 17th time in the last 18 quarters that earnings registered a year-over-year increase. Over half (53%) of the 6,812 insured institutions reported an increase in earnings. The proportion of banks that were unprofitable stood at 12.2%, down from 15.0% in Q4'12. Earnings were boosted by a notable decline in loan-loss provisions. The positives in the quarter included an improvement in asset quality, higher loan balances and fewer troubled institutions, according to FDIC Chairman Martin J. Gruenberg. Narrow margins and a decline in mortgage refinancing activity tempered profitability.

Friday, February 28, 2014

Fitch Ratings reported that conservative balance sheets and limited exposure to short-term and floating-rate debt suggest that REITs are well-positioned to withstand higher interest rates, providing rates rise in response to stronger economic growth, according to REIT.com. Floating-rate debt constituted 14% of total debt, on a weighted-average basis, for equity REITs as of 9/30/13, below the average of 17.7% between 2003 and 2012. Stephen Boyd, analyst at Fitch, believes that REITs, in general, have well-balanced debt maturity levels, which Fitch views as a positive for the sector. Year-to-date through 2/27, the FTSE NAREIT Equity REITs Index posted a total return of 7.35%, compared to 0.68% for the S&P 500.