

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,212)	1.02%	8.84%	10.18%	8.41%	4.18%
S&P 500 (1,408)	0.85%	12.59%	8.54%	2.12%	2.01%
NASDAQ 100 (2,755)	0.98%	21.24%	19.02%	3.69%	10.01%
S&P 500 Growth	1.12%	12.27%	11.86%	4.70%	4.82%
S&P 500 Value	0.54%	12.97%	5.26%	-0.48%	-0.82%
S&P MidCap 400 Growth	0.31%	14.08%	2.87%	-0.95%	6.87%
S&P MidCap 400 Value	0.46%	12.87%	1.17%	-2.40%	2.77%
S&P SmallCap 600 Growth	0.46%	11.38%	5.78%	3.67%	5.29%
S&P SmallCap 600 Value	0.42%	12.96%	4.81%	-1.34%	2.29%
MSCI EAFE	0.04%	10.86%	-5.77%	-12.14%	-3.51%
MSCI World (ex US)	-0.02%	11.23%	-7.18%	-13.71%	-1.56%
MSCI World	0.42%	11.56%	0.56%	-5.54%	-0.70%
MSCI Emerging Markets	0.03%	14.08%	-8.80%	-18.42%	4.66%

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 3/30/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.95%	15.96%	17.64%	6.24%	5.29%
Consumer Staples	1.19%	5.54%	17.34%	14.03%	8.34%
Energy	-0.48%	3.88%	-6.87%	4.72%	5.04%
Financials	0.45%	22.05%	-1.74%	-17.07%	-12.95%
Health Care	2.74%	9.06%	16.41%	12.77%	4.39%
Industrials	0.80%	11.31%	1.75%	-0.59%	2.46%
Information Technology	0.98%	21.46%	20.23%	2.43%	8.15%
Materials	0.23%	11.19%	-3.91%	-9.68%	2.21%
Telecom Services	-1.42%	2.08%	3.50%	6.33%	0.39%
Utilities	1.35%	-1.62%	14.82%	20.02%	1.56%

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 3/30/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	0.18%	-0.48%	6.10%	6.57%	5.61%
GNMA 30 Year	0.13%	0.39%	7.72%	7.97%	6.75%
U.S. Aggregate	0.12%	0.30%	7.71%	7.84%	6.25%
U.S. Corporate High Yield	0.09%	5.34%	6.45%	4.98%	8.10%
U.S. Corporate Investment Grade	0.12%	2.08%	9.45%	8.15%	6.94%
Municipal Bond: Long Bond (22+)	0.22%	3.80%	19.97%	14.88%	4.84%
Global Aggregate	0.36%	0.87%	5.26%	5.64%	6.38%

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 3/30/12.

Key Rates

As of 3/30/12

Fed Funds	0.00-0.25%	5-yr CD	1.41%
LIBOR (1-month)	0.24%	2-yr T-Note	0.33%
CPI - Headline	2.90%	5-yr T-Note	1.04%
CPI - Core	2.20%	10-yr T-Note	2.21%
Money Market Accts.	0.46%	30-yr T-Bond	3.34%
Money Market Funds	0.03%	30-yr Mortgage	3.97%
6-mo CD	0.44%	Prime Rate	3.25%
1-yr CD	0.69%	Bond Buyer 40	4.64%

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

Market Indicators

As of 3/30/12

TED Spread	40 bps
Investment Grade Spread (A2)	220 bps
ML High Yield Master II Index Spread	602 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 3/21/12

	Current Week	Previous
Domestic Equity	-\$1.794 Billion	-\$2.878 Billion
Foreign Equity	\$713 Million	\$306 Million
Taxable Bond	\$5.798 Billion	\$7.772 Billion
Municipal Bond	-\$135 Million	\$1.324 Billion

Change in Money Market Fund Assets for the Week Ended 3/28/12

	Current Week	Previous
Retail	-\$6.26 Billion	\$1.81 Billion
Institutional	-\$10.90 Billion	-\$17.30 Billion

Source: Investment Company Institute

Factoids for the week of March 26th – 30th

Monday, March 26, 2012

The S&P 500 is on pace to outperform fixed income, as measured by the Bank of America/Merrill Lynch Government & Corporate Master Index, by more than 1,000 basis points for the second consecutive quarter, according to Bespoke Investment Group. The S&P 500 is up 12.09% in Q1'12 (as of 3/21), compared to 0.93% for the BofA/ML Government & Corporate Master Index. It is the 15<sup>th</sup> widest quarterly margin since 1974. In Q4'11, stocks outperformed by the 17<sup>th</sup> widest margin in 38 years (11.82% vs. 1.16%). The largest margin posted was in Q4'98, when stocks outperformed by 2,107 basis points.

Tuesday, March 27, 2012

Data from the Bureau of Labor Statistics shows that Americans are spending 5.8% of their after-tax income on interest charges on their mortgages, credit cards, car loans and other debt, according to USA TODAY. That is the smallest share since 1977 and well below the record high of 9.1% in 2007. Since 2007, U.S. households have been saving \$3,098 a year (\$8,731 in '07 down to \$5,633 in '11), on average, due to the prolonged period of low interest rates.

Wednesday, March 28, 2012

Stuart Freeman, chief equity strategist at Wells Fargo Advisors, believes investors should not rule out the possibility that the current bull market in equities has a lot more upside after marking its third anniversary on 3/9/12, according to SmartMoney.com. The S&P 500 returned 115.9% in that three-year span. Freeman analyzed bull markets dating back to 1973 and found five that extended beyond 36 months (doesn't include current bull). He wanted to see how stocks performed over the 10-year period following year three. The average 10-year return for the S&P 500 was 147%. The highest return was 194%, while the lowest was 57%.

Thursday, March 29, 2012

From 2006 through 2011, U.S. M&A activity accelerated in the second quarter in five out of the six years, according to the S&P Capital IQ Global Markets Intelligence group. M&A deal volume in the first quarter of calendar years 2006 through 2011 was a combined \$1.38 trillion, 31.9% below the \$1.82 trillion announced in the second quarter. Deal activity in the U.S. in Q1'12 has been the slowest since 2003. With two days remaining, volume has totaled only \$130.4 billion, well below the \$230.4 billion average from 2006-2011. The silver lining is that the last time activity was this sluggish, volume surged 60% the second quarter.

Friday, March 30, 2012

Data from Dealogic shows that sales of high-grade U.S. corporate debt totaled \$300.67 billion in Q1'12 (as of 3/28), the second-highest first quarter volume ever, according to The Wall Street Journal. Volume exceeded \$100 billion in both February and March, the first time that has happened back-to-back in three years. High yield corporate debt issuance hit \$93 billion. Leveraged loan issuance is around \$53 billion. That is about half the volume of Q1'11, but well above the \$30.6 billion sold in Q1'10.