

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2011 | 5-yr. |
|------------------------------------|--------|--------|---------|---------|--------|
| Dow Jones Industrial Avg. (13,228) | 1.56% | 9.13% | 7.09% | 8.41% | 2.96% |
| S&P 500 (1,403) | 1.83% | 12.31% | 5.79% | 2.12% | 0.92% |
| NASDAQ 100 (2,741) | 2.45% | 20.68% | 14.79% | 3.69% | 8.49% |
| S&P 500 Growth | 2.00% | 12.72% | 9.21% | 4.70% | 3.77% |
| S&P 500 Value | 1.62% | 11.83% | 2.30% | -0.48% | -1.97% |
| S&P MidCap 400 Growth | 2.22% | 14.87% | 0.58% | -0.95% | 6.04% |
| S&P MidCap 400 Value | 2.58% | 13.40% | 0.06% | -2.40% | 1.99% |
| S&P SmallCap 600 Growth | 2.75% | 11.55% | 2.21% | 3.67% | 4.45% |
| S&P SmallCap 600 Value | 2.47% | 12.28% | 3.45% | -1.34% | 1.40% |
| MSCI EAFE | 0.85% | 8.99% | -10.81% | -12.14% | -4.64% |
| MSCI World (ex US) | 0.69% | 9.53% | -11.52% | -13.71% | -2.75% |
| MSCI World | 1.41% | 10.67% | -3.08% | -5.54% | -1.78% |
| MSCI Emerging Markets | -0.14% | 11.96% | -13.04% | -18.42% | 3.21% |

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 4/27/12.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2011 | 5-yr. |
|------------------------|--------|--------|--------|---------|---------|
| Consumer Discretionary | 2.78% | 18.05% | 15.66% | 6.24% | 4.87% |
| Consumer Staples | -0.09% | 6.15% | 13.26% | 14.03% | 7.68% |
| Energy | 2.21% | 2.36% | -8.35% | 4.72% | 3.42% |
| Financials | 2.14% | 19.85% | -2.94% | -17.07% | -14.08% |
| Health Care | 0.73% | 8.91% | 9.63% | 12.77% | 2.84% |
| Industrials | 1.62% | 11.05% | -0.56% | -0.59% | 1.29% |
| Information Technology | 2.44% | 20.21% | 15.69% | 2.43% | 6.59% |
| Materials | 1.00% | 11.01% | -5.62% | -9.68% | 1.46% |
| Telecom Services | 4.37% | 6.93% | 6.07% | 6.33% | 1.21% |
| Utilities | 1.71% | 0.00% | 13.39% | 20.02% | 0.88% |

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 4/27/12.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2011 | 5-yr. |
|---------------------------------|--------|-------|--------|--------|-------|
| U.S. Treasury: Intermediate | 0.15% | 0.43% | 6.31% | 6.57% | 5.76% |
| GNMA 30 Year | -0.05% | 1.01% | 7.50% | 7.97% | 6.81% |
| U.S. Aggregate | 0.13% | 1.33% | 7.86% | 7.84% | 6.42% |
| U.S. Corporate High Yield | 0.73% | 6.28% | 6.01% | 4.98% | 8.02% |
| U.S. Corporate Investment Grade | 0.24% | 3.35% | 9.42% | 8.15% | 7.14% |
| Municipal Bond: Long Bond (22+) | 0.26% | 5.11% | 18.89% | 14.88% | 5.06% |
| Global Aggregate | 0.69% | 1.85% | 4.34% | 5.64% | 6.40% |

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 4/27/12.

Key Rates

As of 4/27/12

| | | | |
|---------------------|------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 1.36% |
| LIBOR (1-month) | 0.24% | 2-yr T-Note | 0.26% |
| CPI - Headline | 2.70% | 5-yr T-Note | 0.82% |
| CPI - Core | 2.30% | 10-yr T-Note | 1.93% |
| Money Market Accts. | 0.46% | 30-yr T-Bond | 3.12% |
| Money Market Funds | 0.03% | 30-yr Mortgage | 3.82% |
| 6-mo CD | 0.45% | Prime Rate | 3.25% |
| 1-yr CD | 0.69% | Bond Buyer 40 | 4.52% |

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

Market Indicators

As of 4/27/12

| | |
|--------------------------------------|---------|
| TED Spread | 37 bps |
| Investment Grade Spread (A2) | 230 bps |
| ML High Yield Master II Index Spread | 605 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 4/18/12

| | Current Week | Previous |
|-----------------|------------------|------------------|
| Domestic Equity | -\$8.677 Billion | -\$1.534 Billion |
| Foreign Equity | \$8.725 Billion | \$617 Million |
| Taxable Bond | \$4.855 Billion | \$3.886 Billion |
| Municipal Bond | \$399 Million | \$267 Million |

Change in Money Market Fund Assets for the Week Ended 4/26/12

| | Current Week | Previous |
|---------------|------------------|-----------------|
| Retail | -\$10.11 Billion | -\$1.10 Billion |
| Institutional | \$9.60 Billion | \$1.46 Billion |

Source: Investment Company Institute

Factoids for the week of April 23rd – 27th

Monday, April 23, 2012

Close to 180 companies in the S&P 500 are due to report Q1'12 earnings this week. To date, 23% of the companies in the index have reported and over 80% have beaten their expectations, according to Thomson Reuters. When you broaden out beyond the S&P 500, 245 companies have reported so far and 72% of them have topped estimates, according to the Bespoke Investment Group. Since 2000, the highest beat rate posted for all stocks at the close of a quarterly earnings season was 73% in Q1'06. With respect to revenue estimates, 70% of all companies that have reported have beaten expectations.

Tuesday, April 24, 2012

Mutual fund assets totaled \$12.39 trillion as of February 2012, according to the Investment Company Institute. If you exclude money market funds, total assets were approximately \$9.75 trillion. The top 100 funds, by assets under management, hold nearly \$3.5 trillion, according to SmartMoney.com. That means roughly 1.0% of all funds control over 30% of the capital. The average size of a top-100 fund has increased by 62% since 2008, to \$35 billion. While most funds grow to be this large because they have outperformed their peers over time, they tend to struggle once they become "megafunds." The average megafund was no better than about 40% of its peers over the past three years, according to SmartMoney.com.

Wednesday, April 25, 2012

In addition to having the highest 2012 estimated earnings growth rate (17.5% according to S&P) of the 10 major sectors in the S&P 500, the technology sector now contributes the second-highest amount of dividends (13.7%) next to consumer staples companies (14.8%), according to SmartMoney.com. In 2004, the technology sector accounted for just 5% of cash payments to stockholders. Technology currently carries a 20.1% weighting in the S&P 500. The sector with the second-biggest weighting is Financials at 14.8%.

Thursday, April 26, 2012

A new study authored by the Center for Retirement Research at Boston College for the MetLife Mature Market Institute revealed that Baby Boomers will inherit an estimated \$8.4 trillion over their lifetimes. The study was based on data from 2007. An estimated \$2.4 trillion of wealth has already been transferred, leaving \$6.0 trillion. The value of the assets waiting to be passed on will obviously be subject to fluctuations over time. The study believes that 67% of Boomer households will receive some inheritance, with a median amount of \$64,000. Those in the top decile of household wealth, on average, can expect to receive \$1.5 million, while those in the bottom decile are looking at an average of about \$27,000.

Friday, April 27, 2012

Some drug companies are in such need of acquiring the latest experimental therapies that they have been willing to pay premiums 71%, on average, above a biotechnology company's average 20-day stock price (deals > \$500 million in 2012), according to data compiled by Bloomberg. The all-time high was 66% in 2006. The world's 10 largest drug companies are facing significant patent expirations and stiffer competition from generics. Of the 104 drugs with U.S. patent protection expiring between 2012 and 2016, 44% will lose exclusivity by the end of 2013.