

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2012 | 5-yr. |
|------------------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrial Avg. (13,993) | -0.03% | 7.02% | 11.57% | 10.24% | 5.75% |
| S&P 500 (1,518) | 0.38% | 6.64% | 15.02% | 16.00% | 4.97% |
| NASDAQ 100 (2,776) | 0.55% | 4.45% | 10.51% | 18.35% | 10.33% |
| S&P 500 Growth | 0.57% | 5.55% | 13.49% | 14.71% | 7.01% |
| S&P 500 Value | 0.18% | 7.81% | 16.92% | 17.77% | 2.93% |
| S&P MidCap 400 Growth | 0.52% | 8.41% | 14.73% | 17.62% | 9.63% |
| S&P MidCap 400 Value | 0.90% | 9.19% | 17.73% | 19.10% | 7.78% |
| S&P SmallCap 600 Growth | 0.57% | 7.84% | 13.36% | 15.27% | 9.01% |
| S&P SmallCap 600 Value | 0.58% | 7.28% | 12.73% | 18.88% | 7.61% |
| MSCI EAFE | -1.44% | 4.38% | 11.90% | 17.32% | -0.15% |
| MSCI World (ex US) | -1.25% | 3.33% | 8.99% | 16.83% | 0.34% |
| MSCI World | -0.42% | 5.50% | 12.66% | 15.83% | 2.20% |
| MSCI Emerging Markets | -1.10% | 0.63% | 2.66% | 18.22% | 1.75% |

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 2/8/13.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2012 | 5-yr. |
|------------------------|--------|-------|--------|--------|--------|
| Consumer Discretionary | 0.57% | 6.93% | 21.98% | 24.14% | 12.08% |
| Consumer Staples | 0.86% | 7.58% | 19.56% | 11.08% | 10.02% |
| Energy | 0.27% | 8.92% | 7.91% | 4.64% | 4.09% |
| Financials | -0.01% | 7.45% | 21.86% | 28.92% | -6.15% |
| Health Care | 0.31% | 8.70% | 23.10% | 17.89% | 7.91% |
| Industrials | 0.24% | 7.06% | 12.38% | 15.42% | 4.04% |
| Information Technology | 0.84% | 3.38% | 6.35% | 14.82% | 7.97% |
| Materials | -0.26% | 4.84% | 7.18% | 15.24% | 2.54% |
| Telecom Services | -0.38% | 4.77% | 25.10% | 18.31% | 6.74% |
| Utilities | 0.02% | 5.11% | 9.57% | 1.31% | 3.13% |

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 2/8/13.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2012 | 5-yr. |
|---------------------------------|--------|--------|--------|--------|--------|
| U.S. Treasury: Intermediate | 0.17% | -0.27% | 1.35% | 1.71% | 3.95% |
| GNMA 30 Year | -0.04% | -0.63% | 1.47% | 2.44% | 5.54% |
| U.S. Aggregate | 0.18% | -0.61% | 3.01% | 4.21% | 5.49% |
| U.S. Corporate High Yield | -0.38% | 1.01% | 12.43% | 15.81% | 11.05% |
| U.S. Corporate Investment Grade | 0.35% | -0.73% | 6.73% | 9.82% | 7.48% |
| Municipal Bond: Long Bond (22+) | 0.12% | 0.99% | 8.65% | 11.26% | 6.45% |
| Global Aggregate | -0.56% | -1.57% | 0.93% | 4.32% | 4.69% |

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 2/8/13.

Key Rates

As of 2/8/13

| | | | |
|---------------------|------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 1.30% |
| LIBOR (1-month) | 0.20% | 2-yr T-Note | 0.25% |
| CPI - Headline | 1.70% | 5-yr T-Note | 0.83% |
| CPI - Core | 1.90% | 10-yr T-Note | 1.95% |
| Money Market Accts. | 0.50% | 30-yr T-Bond | 3.16% |
| Money Market Funds | 0.02% | 30-yr Mortgage | 3.59% |
| 6-mo CD | 0.41% | Prime Rate | 3.25% |
| 1-yr CD | 0.61% | Bond Buyer 40 | 4.02% |

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

Market Indicators

As of 2/8/13

| | |
|--------------------------------------|---------|
| TED Spread | 22 bps |
| Investment Grade Spread (A2) | 173 bps |
| ML High Yield Master II Index Spread | 508 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 1/30/13

| | Current Week | Previous |
|-----------------|-----------------|-----------------|
| Domestic Equity | \$3.518 Billion | \$3.485 Billion |
| Foreign Equity | \$4.666 Billion | \$2.864 Billion |
| Taxable Bond | \$2.630 Billion | \$6.621 Billion |
| Municipal Bond | \$874 Million | \$1.413 Billion |

Change in Money Market Fund Assets for the Week Ended 2/6/13

| | Current Week | Previous |
|---------------|-----------------|-----------------|
| Retail | \$0.07 Billion | -\$8.31 Billion |
| Institutional | -\$3.74 Billion | \$7.54 Billion |

Source: Investment Company Institute

Factoids for the week of February 4 - 8, 2013

Monday, February 4, 2013

In January, the dividend-payers (404) in the S&P 500 (equal weight) posted a total return of 6.11%, vs. 7.94% for the non-payers (96), according to Standard & Poor's. For the 12-month period ended January, payers were up 17.50%, vs. a gain of 18.93% for the non-payers. The number of dividend increases in January totaled 30, down from 32 increases a year ago. There were three decreases, up from zero a year ago. One company initiated a dividend, which matched the one initiated in 1/12.

Tuesday, February 5, 2013

Data from TrimTabs showed that investors poured a record \$77.4 billion into traditional stock mutual funds and equity ETFs in January, according to USA TODAY. January's total was \$23.7 billion higher than the previous record, set in February 2000. Investors, however, had liquidated \$289 billion from traditional open-ended equity funds from March 2009 through December 2012, while funneling \$1 trillion into bond funds, according to data from the Investment Company Institute. In January 2013, 48% of people polled by the American Association of Individual Investors were bullish on stocks, compared to just 22% in July 2012. The highest level of bullishness recorded was 75% in January 2000.

Wednesday, February 6, 2013

As of yesterday, 64% of U.S. companies that have reported Q4'12 earnings have topped their estimates, while 63% have beaten their revenue estimates, according to Bespoke investment Group. Both are considered strong showings by Bespoke. The sectors with the best beat rates so far are as follows (earnings/revenues): Information Technology (72%/68%); Consumer Staples (69%/65%); Health Care (68%/71%); Energy (67%/68%); and Industrials (65%/58%).

Thursday, February 7, 2013

Data from the Georgetown University Center on Education and the Workforce shows that nearly 30 million jobs in the U.S. pay \$35,000 or more and do not require a bachelor's degree, according to Kiplinger. Most middle wage jobs (\$35,000-\$75,000), however, do require some form of post-high school certification, especially in high demand fields, such as health care and information technology. Today, the unemployment rate for people between the ages of 20 and 24 with a bachelor's degree is 5.9%, while the rate of unemployment for recent high school graduates is 27.0%. Nearly four of every five jobs lost in the recession were held by workers with a high school diploma or no diploma at all.

Friday, February 8, 2013

Moody's reported that the global speculative-grade default rate stood at 2.5% in January, down slightly from 2.6% in December, according to FTSE Global Markets. The rate was 2.0% a year ago. Moody's is forecasting a default rate of 2.7% for December 2013. The historical average for the default rate on speculative-grade debt has been approximately 4.8% since 1983. The U.S. speculative-grade default rate stood at 3.0% in January, down from 3.3% (revised up from 3.2%) in December. The rate was 2.3% a year ago. Moody's is forecasting a U.S. default rate of 2.7% for December 2013. The default rate on senior loans stood at 1.66% in January, up from 1.36% in December, but below the historical average of 3.14%, according to Standard & Poor's LCD.