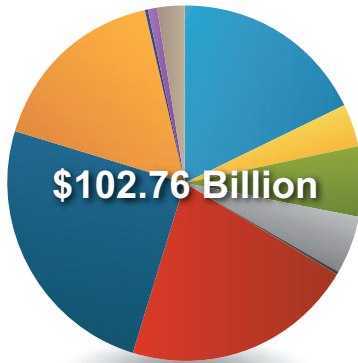


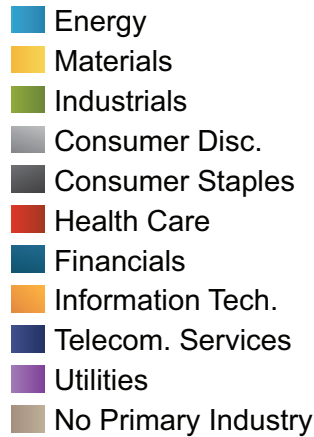
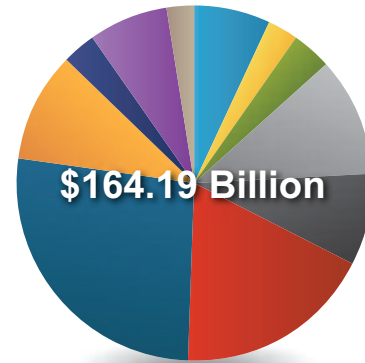
Ladies & Gentlemen, Start Your Engines!

U.S. Mergers & Acquisitions Volume

Pre-Taper Comments
(3/20/13 to 5/21/13)



Post-Taper Comments
(5/22/13 to 7/23/13)



Source: S&P Capital IQ

View from the Observation Deck

1. Wouldn't it be kind of cool to start each day's trading session with that introduction?
2. Well, we believe that was the message that Fed Chairman Ben Bernanke was sending the markets in May when he discussed the possibility of tapering stimulus sooner than expected.
3. The pie charts show U.S. M&A activity in the two months leading up to Bernanke's comments and the two months after his comments.
4. Total M&A dollar volume jumped by \$61.43 billion (\$102.76 billion vs. \$164.19 billion) from 5/22/13-7/23/13. Higher interest rates make deals employing debt financing more expensive.
5. Average deal size nearly mirrored the rise in total dollar volume: \$103.6 million (3/20/13-5/21/13) vs. \$161.8 million (5/22/13-7/23/13).
6. 50% of the 54 economists polled by Bloomberg the week of July 23rd believe the Fed will announce its intention to begin tapering its bond-buying at the next FOMC meeting (September 17-18).
7. Brian Wesbury, Chief Economist at First Trust Advisors L.P., has been steadfast in saying that U.S. economic activity has a better chance of accelerating once the Fed stops its stimulus efforts.

This chart is for illustrative purposes only and not indicative of any actual investment.