Factoids for the week of May 11-15, 2015

**Monday, May 11, 2015**
Birinyi Associates Inc. reported that U.S. companies announced $141 billion of new stock buyback programs in April, up 121% from the amount announced in April 2014, and the highest monthly total ever recorded, according to The Wall Street Journal. Birinyi notes that buyback announcements are on pace to reach $1.2 trillion in 2015. The all-time high was set in 2007, at $863 billion. Companies that initiate buyback programs are not obligated to max them out. In 2014, companies repurchased $677.5 billion worth of stock, or 81% of their authorized amount.

**Tuesday, May 12, 2015**
The top 25 hedge fund managers, by compensation, took home $11.62 billion in 2014, and 12 of them posted gains in the single digits, according to ThinkAdvisor.com. The S&P 500 posted a total return of 13.69% in 2014. The average pay for the top 25 managers was $467 million, down from $846 million in 2013. Hedge funds, on average, underperformed the broader stock market in each of the past six years. A composite index of 2,200 hedge fund portfolios collected by HFR, which tracks the industry, gained just 3% in 2014.

**Wednesday, May 13, 2015**
Moody’s reported that the global speculative-grade default rate stood at 2.2% in April, down from 2.3% in March, according to its own release. Moody’s is forecasting a default rate of 2.6% for December 2015. The historical average for the default rate on global speculative-grade debt has been 4.5% since 1983. The U.S. speculative-grade default rate stood at 1.7% in April, down from 2.0% in March (revised up from 1.9%). The default rate on senior loans stood at 0.72% in April, up from 0.61% in March, but below the historical average of 2.87%, according to Standard & Poor’s LCD.

**Thursday, May 14, 2015**
From 12/31/13-3/31/15, the FTSE NAREIT All Equity REITs Index posted a total return of 33.12%, well above the 14.77% gain posted by the S&P 500. Equity REITs, however, are down 5.61% since the end of March (as of 5/13). Jeffrey Langbaum, senior REIT analyst at Bloomberg, cited the release of some negative economic indicators in April, including a weak GDP number for Q1'15, as the cause of the recent pullback in REIT prices, according to ThinkAdvisor.com. The S&P 500 posted a total return of 13.69% in 2014. The average pay for the top 25 managers was $467 million, down from $846 million in 2013. Hedge funds, on average, underperformed the broader stock market in each of the past six years. A composite index of 2,200 hedge fund portfolios collected by HFR, which tracks the industry, gained just 3% in 2014.

**Friday, May 15, 2015**
Edition of Dalbar’s Quantitative Analysis of Investor Behavior reveals that equity fund investors, on average, have consistently earned returns significantly below those posted by the S&P 500, according to its own release. The following total returns were cited and were as of the close of 2014 (Equity Fund Investors vs. S&P 500): 1-Yr. (5.50% vs. 13.69%); 3-Yr. Avg. Annual (14.82% vs. 20.41%); 5-Yr. Avg. Annual (10.19% vs. 15.45%); 10-Yr. Avg. Annual (5.26% vs. 7.67%); 20-Yr. Avg. Annual (5.19% vs. 9.85%) and 30-Yr. Avg. Annual (3.79% vs. 11.06%). Dalbar notes that underperformance tends to stem from bad investor decisions at critical points, such as during severe market declines and when the market surges.