

Open-End Net Fund Flows (\$)	5/15	4/15	YTD (May)
Equity	-3.8B	-1.6B	20.8B
Taxable Bond	6.1B	6.4B	37.4B
Municipal Bond	-0.6B	0.4B	8.5B
Hybrid	1.3B	0.2B	10.6B
Taxable Money Market	36.2B	-81.5B	-125.4B

Key Interest Rates	6/30/15	12/31/14	6/30/14
Federal Funds Target Rate	0.25%	0.25%	0.25%
LIBOR (3-Month)	0.28%	0.26%	0.23%
2-Year T-Note	0.65%	0.66%	0.46%
10-Year T-Note	2.35%	2.17%	2.53%
Bond Buyer 40	4.47%	4.27%	4.52%

Commodities/U.S. Dollar	6/15	YTD	12 Mo.
U.S. Dollar Index (DXY)	-1.47%	5.78%	19.69%
TR/CC CRB Commodity Index	1.79%	-1.21%	-26.30%
Crude Oil (Barrel)	-1.38%	11.64%	-43.56%
Natural Gas (per million BTUs)	7.20%	-2.08%	-36.55%
Gold Bullion (Ounce)	-1.48%	-1.04%	-11.36%

Total Return Performance

U.S. Stock Indices	6/15	YTD	12 Mo.
S&P 500	-1.94%	1.23%	7.42%
DJIA	-2.06%	0.03%	7.21%
NASDAQ 100	-2.40%	4.42%	15.58%
S&P 400	-1.32%	4.19%	6.38%
Russell 2000	0.75%	4.75%	6.49%
Russell 3000	-1.67%	1.94%	7.29%

U.S. Styles/Market Caps	6/15	YTD	12 Mo.
S&P 500 Growth	-1.91%	2.80%	10.07%
S&P 500 Value	-1.96%	-0.45%	4.56%
S&P MidCap 400 Growth	-0.92%	6.53%	9.04%
S&P MidCap 400 Value	-1.75%	1.62%	3.49%
Russell 2000 Growth	1.34%	8.74%	12.34%
Russell 2000 Value	0.13%	0.76%	0.77%

Foreign Stock Indices (USD)	6/15	YTD	12 Mo.
MSCI World (Ex-U.S.)	-2.84%	4.34%	-5.28%
MSCI Emerging Markets	-2.60%	2.95%	-5.12%
MSCI Europe	-3.07%	3.82%	-7.65%
MSCI BRIC	-2.86%	8.29%	0.48%
MSCI EM Latin America	0.98%	-6.38%	-23.41%
Nikkei 225	0.08%	14.39%	12.52%

Barclays Bond Indices	6/15	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.41%	0.81%	1.81%
GNMA 30 Year	-0.72%	0.12%	1.90%
Municipal Bond (22+)	-0.32%	-0.04%	4.68%
U.S. Aggregate	-1.09%	-0.10%	1.86%
Intermediate Corporate	-1.02%	0.78%	1.50%
U.S. Corporate High Yield	-1.49%	2.53%	-0.40%
Global Aggregate	-0.44%	-3.08%	-7.09%
EM Hard Currency Aggregate	-1.29%	1.49%	-2.27%

Sources: Bloomberg, Barclays, Investment Company Institute

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Climate

The following three topics caught our attention in June: The Federal Reserve's decision in mid-June to keep the federal funds target rate at 0-0.25%, rising tensions in Greece over whether its government should continue to accept the stringent lending terms (think austerity) tied to loans from the International Monetary Fund (IMF), the European Central Bank and any other creditors, and the sharp sell-off in the equities markets in China the last two weeks of June. Brian Wesbury, Chief Economist at First Trust Advisors L.P., thought there was an outside chance that the Fed would initiate its first interest rate hike in June. Since it did not tighten in June, investors will likely get a breather until the Fed's meeting in mid-September, in our opinion. Greece did default on a loan from the IMF in the last week of June. While the debt crisis in Greece appears to be heading for a showdown of sorts, including Greece's status in the euro area (eurozone), the situation could take some time to reach a resolution, in our opinion. From 3/31/15 through 6/12/15, the Shanghai Composite Index in China posted a total return of 38.05% (USD), according to Bloomberg. This move was notable since Chinese stocks had been lagging many other major global equity indices in the current bull market. From 6/12/15 through 6/30/15, however, the index plunged 16.87% (USD). The sudden, sharp sell-off has Chinese government leaders searching for an explanation, according to CNBC.

Stock Market

The S&P 500 posted a total return of -1.94% in June, but was up 1.23% in the first half of 2015. The U.S. Dollar Index (DXY) declined 1.47% in June, according to Bloomberg. Despite the dip in DXY, which tracks the U.S. dollar's value versus a basket of major currencies, some major foreign stock indices were down by more than 2.50% in June (see chart for returns). Most major foreign stock indices, however, did outperform the S&P 500 in the first half of 2015, despite DXY being up 5.78% over the same period. The only major S&P 500 sector in positive territory in June was Consumer Discretionary, with a total return of 0.63%, according to Bloomberg. The top performing sector in the first half of 2015 was Health Care, with a total return of 9.56%. In June, 33 out of 131 S&P 500 subsectors were up, or 25.2%, according to S&P Dow Jones Indices. In the first half of 2015, 61 out of 131 S&P 500 subsectors were up, or 46.6%. In June, the dividend-payers (421) in the S&P 500 (equal weight) posted a total return of -2.48%, vs. -1.12% for the non-payers (81), according to S&P Dow Jones Indices. There are currently 502 stocks in the index. In the first half of 2015, the payers were down 0.03%, vs. a gain of 6.53% for the non-payers, an indication that growth stocks outpaced value stocks.

Bond Market

In June, the yield on the benchmark 10-Year Treasury Note rose 23 basis points to 2.35%, according to Bloomberg. It was up 71 basis points, however, from its 2015-low of 1.64% on 1/30/15. All of the major bond indices featured in the chart were down in June. High yield corporate and emerging market bonds posted the highest total returns in the first half of 2015 (see chart). As of 6/30/15, the yields on the Barclays U.S. Corporate High Yield and EM Hard Currency Aggregate indices were 6.57% and 4.96%, respectively, well above the yields on most taxable bond categories. Investors continue to pour capital into bond mutual funds and exchange traded funds (ETFs). For the 12-month period ended May 2015, taxable bond funds/ETFs reported net inflows totaling \$92.53 billion, while municipal bond funds/ETFs took in a net \$33.44 billion, according to Morningstar.

Takeaway

While the U.S. economy continues to grow at a modest pace, the recovery in the labor market is particularly encouraging, in our opinion. One statistic that does not garner a lot of attention is the monthly Job Openings and Labor Turnover Survey (JOLTS). While most people likely focus on the number of new jobs created or the unemployment rate, the JOLTS release tracks job openings in the U.S. As of April 2015, that number stood at 5.38 million, the highest in a decade and more than twice the 10-year low of 2.15 million set in July 2009, according to Bloomberg.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	2130.82	05/21/15	676.53	03/09/09	2063.11	-3.18%	1.23%	2.05%
S&P 500 Growth	1179.05	05/18/15	363.99	03/09/09	1143.56	-3.01%	2.80%	1.63%
S&P 500 Value	944.41	05/21/15	307.16	03/09/09	912.4	-3.39%	-0.45%	2.52%
S&P MidCap 400	1549.44	06/23/15	404.62	03/09/09	1502.17	-3.05%	4.19%	1.56%
S&P MidCap 400 Growth	705.76	06/22/15	174.44	11/20/08	686.65	-2.71%	6.53%	1.25%
S&P MidCap 400 Value	533.88	06/23/15	144.98	03/09/09	515.37	-3.47%	1.62%	1.89%
S&P 100	936.8	05/21/15	322.13	03/09/09	908.26	-3.05%	1.11%	2.18%
DJIA	18312.39	05/19/15	6547.05	03/09/09	17619.51	-3.78%	0.03%	2.37%
NASDAQ 100	4548.74	06/23/15	1036.51	11/20/08	4396.76	-3.34%	4.42%	1.23%
Russell 2000	1295.8	06/23/15	343.26	03/09/09	1253.95	-3.23%	4.75%	1.41%
Russell 2000 Growth	808.08	06/23/15	190.73	03/09/09	782.76	-3.13%	8.74%	0.75%
Russell 2000 Value	1572.13	06/23/15	469.32	03/09/09	1520.08	-3.31%	0.76%	2.09%
Russell 3000	1273.39	06/23/15	389.61	03/09/09	1236.12	-2.93%	1.94%	1.91%
MSCI World (ex U.S.) (USD)	5496.51	07/03/14	2131.84	03/09/09	5147.97	-6.34%	4.34%	3.13%
MSCI Emerging Markets (USD)	473.36	10/29/07	164.51	10/27/08	413.36	-12.67%	2.95%	2.63%
Ibovespa/Brazil (USD)	44638.24	05/19/08	10089.45	07/26/05	17112.38	-61.66%	-9.13%	3.76%
RTS/Russia (USD)	2487.92	05/19/08	498.2	01/23/09	939.93	-62.22%	20.14%	4.41%
S&P BSE 500/India (USD)	226.04	01/07/08	57.52	03/09/09	171.41	-24.17%	1.69%	1.34%
Shanghai Composite/China (USD)	832.07	06/12/15	122.21	07/11/05	690.04	-17.07%	33.12%	1.56%
KOSPI/South Korea (USD)	2.29	10/31/07	0.63	11/20/08	1.86	-18.82%	6.24%	1.26%
Hang Seng (USD)	4082.25	10/30/07	1420.72	10/27/08	3386.23	-17.05%	13.71%	3.13%
MSCI Euro (USD)	1985.51	10/31/07	682.47	03/09/09	1247.55	-37.17%	4.14%	3.43%
S&P 500 Consumer Discretionary	620.82	06/23/15	125.72	03/09/09	607.21	-2.19%	6.81%	1.47%
S&P 500 Consumer Staples	516.45	01/22/15	199.8	03/09/09	489.27	-5.26%	-0.77%	2.79%
S&P 500 Energy	737.09	06/23/14	304.81	03/05/09	551.11	-25.23%	-4.68%	3.04%
S&P 500 Utilities	251.4	01/29/15	113.81	03/09/09	210.56	-16.25%	-10.67%	3.87%
S&P 500 Financials	509.55	02/20/07	81.74	03/06/09	328.94	-35.45%	-0.37%	1.91%
S&P 500 Banks	414.38	02/20/07	49.02	03/05/09	242.22	-41.55%	3.23%	1.84%
FTSE NAREIT All Equity REITs	685.39	01/26/15	163.57	03/06/09	585.18	-14.62%	-5.44%	4.08%
S&P 500 Health Care	883.96	06/23/15	252.84	03/05/09	861.19	-2.58%	9.56%	1.43%
S&P 500 Pharmaceuticals	631.05	06/23/15	214.5	03/03/09	614.52	-2.62%	6.59%	2.30%
NYSE Arca Biotechnology	4320.38	06/23/15	541.77	03/09/09	4181.97	-3.20%	21.88%	0.44%
S&P 500 Information Technology	729.65	05/27/15	198.51	11/20/08	691.8	-5.19%	0.76%	1.60%
Philadelphia Semiconductor	746.08	06/01/15	171.32	11/20/08	680.54	-8.78%	0.01%	2.41%
S&P 500 Telecom Services	181.06	05/31/07	88.1	03/09/09	153.47	-15.24%	3.15%	4.91%
S&P 500 Industrials	498.14	02/20/15	132.83	03/09/09	466.37	-6.38%	-3.06%	2.21%
S&P 500 Materials	326.6	02/24/15	108.33	03/02/09	303.52	-7.07%	0.50%	2.14%
Philadelphia Gold & Silver	228.95	04/08/11	61.63	11/05/14	63.14	-72.42%	-7.67%	1.55%
TR/CC CRB Commodity	473.52	07/02/08	200.34	03/02/09	227.17	-52.03%	-1.21%	N/A
BofA ML Perpetual Preferred	217.97	04/15/15	51.79	03/09/09	214.3	-1.69%	2.35%	5.39%
BofA ML U.S. High Yield Constrained	360.88	05/31/15	130.37	12/12/08	355.38	-1.52%	2.49%	6.94%

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