

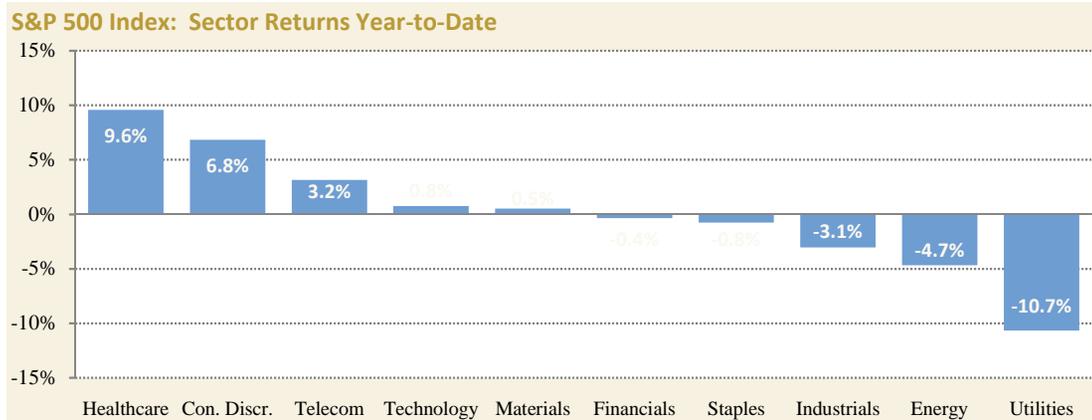
Capital Markets Commentary: June 2015

U.S. stocks produced mixed results in the 2nd quarter, as the Dow Jones Industrial Average posted a slight loss and the S&P 500 managed a gain of just 0.3%. Concerns about a likely Fed Rate hike and a possible Greek exit from the Euro weighed on stocks throughout the quarter. Growth stocks continued to outperform value stocks, again pushing the NASDAQ Composite into record territory.

Small Cap and International stocks slightly outperformed Large Cap domestic stocks during the quarter. The Russell 2000 Small Cap Stock Index gained 0.4% in the 2nd quarter, while the MSCI EAFE International Stock Index gained 0.8%.

Interest rates reversed course and moved higher during the 2nd quarter, as improving economic data increased the likelihood of a Fed rate hike before year end. The U.S. 10 year Treasury note yield began the quarter at 1.92%, but rose to 2.36% at quarter end. Bond prices suffered from the move higher in rates, with the Barclays Aggregate Bond Index losing 1.7% in the 2nd quarter.

Healthcare and Consumer Discretionary were the two best performing sectors in the stock market during the quarter, while the Utility sector performed worst. Continued strength in biotech stocks led the Healthcare sector higher, while the Consumer Discretionary sector was led by strong gains in Amazon.com and Netflix. Higher interest rates pressured higher yielding areas of the market like Utilities and REITs.



Source: Morningstar

