

December 2013

Viewpoint

Baird Investment Management (BIM) manages high-quality portfolios for high-net-worth individuals and institutional clients.

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“It’s amazing that the amount of news that happens in the world every day always just exactly fits the newspaper.”

– Jerry Seinfeld

2013 Year in Review

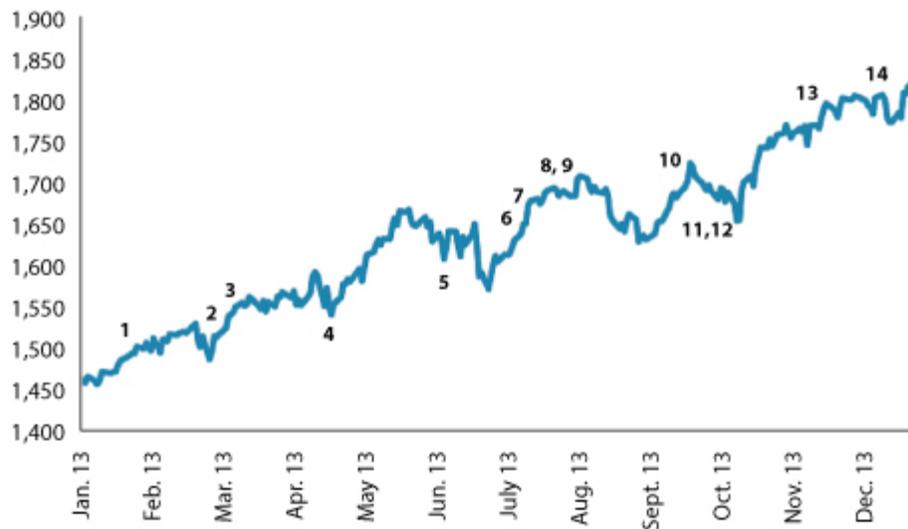
There were no themes that dominated the news in 2013 like there were the previous two years. In fact, when we review the major news events of the year, we feel the events on a whole were pretty somber. But that didn’t stop the markets from having one of its strongest years in the last decade. This year, the market climbed the proverbial wall of worry to one of the best returns in the last ten years.

The year also had its fair share of scoundrels. Early in January, Lance Armstrong finally admitted that he had been doping for the last decade while winning cycling championships. In April, two brothers detonated multiple bombs at the Boston Marathon, killing three and injuring 141. They were quickly identified, which led to the death of one brother and the capture of the other. In June, a former National Security Agency systems analyst named Edward Snowden disclosed top-secret government files and fled to Russia. Throughout the year, politicians in both parties and through all branches of government earned the ire of the people that elected them. The most grievous political events were the October government shutdown and the shockingly incompetent rollout of President Obama’s signature policy, The Affordable Care Act.

In addition, we bid farewell to a number of faces in 2013. On Feb. 28, Pope Benedict XVI became the first Pope to resign since 1415. Five days later, longtime U.S. antagonist and Venezuelan President Hugo Chavez died from cancer. And in December, the world said goodbye to Nelson Mandela, who died at the age of 95.

From an investment standpoint, this review is always a reminder that every piece of news does not move the market and it is important to keep an eye on the big picture. We believe our approach of focusing on the fundamentals of the business models represented in our clients’ portfolios has served us well, and we will continue to trust this philosophy in the coming year.

S&P 500



1. Jan. 17: Lance Armstrong admits to doping for the last decade.
2. Feb. 28: Benedict XVI resigns as pope, becoming the first to do so since Gregory XII in 1415.
3. March 5: Venezuelan President Hugo Chavez dies.
4. April 15: Multiple bombs explode during the Boston Marathon in Boston, Mass., resulting in three dead and 141 injured.
5. June 6: Edward Snowden, former National Security Agency systems analyst, discloses operations engaged by a U.S. government mass surveillance program to news publications and flees the country.
6. June 26: The U.S. Supreme Court strikes down the Defense of Marriage Act.
7. July 3: Egypt's President Mohamed Morsi is deposed in a military coup d'état.
8. July 18: After many years of population losses and mounting debt, Detroit files for the largest municipal bankruptcy in U.S history.
9. July 22: Prince William and Kate Middleton welcome baby boy Prince George Alexander Louis.
10. Sept. 12: Dell shareholders approve plan to go private.
11. Oct. 1: Technical glitches, high demand and faulty coding render healthcare.gov barely usable on its launch date.
12. Oct. 1: U.S. government shuts down as Congress can't agree on spending bill.
13. Nov. 7: Twitter, the micro-blogging company, goes public at \$45/share – 73% higher than its initial IPO price.
14. Dec. 5: Nelson Mandela, South Africa's first black president, dies at the age of 95.

To learn more about Baird Investment Management (BIM) and our products, please contact us at 800-792-4011 or 414-765-7246. Visit us online at bairdinvestmentmanagement.com.

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