

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (14066)	1.30%	14.79%	21.22%	19.04%	15.91%
S&P 500 (1558)	2.07%	11.39%	17.26%	15.79%	16.32%
NASDAQ 100 (2150)	2.80%	22.75%	27.84%	7.28%	21.79%
S&P 500/Citigroup Growth	1.55%	12.30%	17.10%	11.03%	13.30%
S&P 500/Citigroup Value	2.58%	10.59%	17.56%	20.85%	19.50%
S&P MidCap 400/Citigroup Growth	3.26%	18.22%	22.88%	5.90%	18.54%
S&P MidCap 400/Citigroup Value	3.31%	11.19%	17.78%	14.98%	21.49%
S&P SmallCap600/Citigroup Growth	4.30%	17.17%	23.56%	10.56%	21.18%
S&P SmallCap600/Citigroup Value	4.65%	6.55%	12.85%	19.66%	20.44%
MSCI EAFE	1.58%	15.49%	25.84%	26.98%	24.74%
MSCI World (ex US)	1.66%	16.74%	27.15%	26.34%	25.33%
MSCI World	1.87%	14.36%	22.51%	20.72%	20.68%
MSCI Emerging Markets	3.42%	38.92%	61.95%	32.20%	38.70%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/5/07.

WEEKLY FUND FLOWS

	Week of 10/3	Previous
Equity Funds	\$4.5 B	-\$6.8 B
Including ETF activity, Domestic funds reporting net inflows of \$1.191B and Non-domestic funds reporting net inflows of \$3.332B.		
Bond Funds	\$1.8 B	\$1.7 B
Inflows were reported to all sectors except Government Bond funds investing in Mortgage-backed securities, -\$98M. The two week net inflow total to High Yield Corporate Bond funds, \$676M; xETFs, is the largest two-week total reported to the sector since 6/8/05.		
Municipal Bond Funds	\$291 M	\$270 M
Money Markets	\$27.273 B	\$26.781 B
This brings the total assets in the sector to a record \$2.84T.		

Source: AMG Data Services

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	3.48%	-0.22%	6.86%	18.64%	12.27%
Consumer Staples	0.09%	10.23%	13.91%	14.58%	9.64%
Energy	-0.25%	28.40%	44.78%	24.21%	29.34%
Financials	4.52%	-0.64%	4.39%	19.23%	16.05%
Health Care	2.16%	9.67%	10.61%	7.53%	9.09%
Industrials	1.39%	19.09%	22.29%	13.29%	18.45%
Information Technology	1.66%	18.15%	23.37%	8.42%	19.52%
Materials	1.79%	24.63%	38.47%	18.98%	22.61%
Telecom Services	1.20%	19.29%	29.32%	36.74%	19.94%
Utilities	2.69%	13.98%	22.83%	20.99%	22.95%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/5/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.29%	4.81%	5.43%	3.51%	3.00%
GNMA 30 Year	-0.03%	3.61%	4.91%	4.62%	4.03%
U.S. Aggregate	-0.10%	3.74%	4.79%	4.33%	4.16%
U.S. Corporate High Yield	0.54%	3.77%	7.76%	11.85%	12.85%
U.S. Corporate Investment Grade	0.11%	2.66%	3.86%	4.30%	5.20%
Municipal Bond: Long Bond (22+)	0.00%	0.04%	1.76%	6.82%	5.17%
Global Aggregate	-0.38%	5.62%	7.58%	6.64%	6.71%

Source: Lehman Bros. Returns include reinvested interest. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/5/07.

KEY RATES

As of 10/5

Fed Funds	4.75%	5-YR CD	4.67%
LIBOR (1-month)	5.13%	2-YR Note	4.07%
CPI - Headline	2.00%	5-YR Note	4.33%
CPI - Core	2.10%	10-YR Note	4.63%
Money Market Accts.	3.78%	30-YR T-Bond	4.86%
Money Market Funds	4.52%	30-YR Mortgage	6.31%
6-mo. CD	4.55%	Prime Rate	7.75%
1-YR CD	4.65%	Bond Buyer 40	4.78%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

FACTOIDS FOR THE WEEK OF OCTOBER 1ST - 5TH

Monday, October 1, 2007 — S&P 500 Index

In the past 15 years, the S&P 500 declined in value in the fourth quarter just twice. The average gain for the index over the 13 quarters when the index was up was 6.3%, according to Bespoke Investment Group. Over the past decade, the index declined once (2000) and posted an average gain of 7.6%.

Tuesday, October 2, 2007 — Dividend Payers vs. Non-Dividend Payers

In September, the dividend-payers (388) in the S&P 500 (equal weight) posted a total return of 2.34%, vs. 2.84% for the non-payers (112), according to Standard & Poor's. Year-to-date, the payers gained 6.01%, vs. 7.13% for the non-payers. For the 12-month period ended September 2007, payers gained 13.52%, vs. 14.31% for the non-payers. The number of dividend increases (S&P 500) year-to-date totaled 224. That topped the 222 increases over the same period in 2006, but lagged the 232 increases registered in 2005. The dividend yield on the index was 1.85% at the close of September.

Wednesday, October 3, 2007 — Global M&A

Global M&A deal volume totaled \$3.87 trillion through the first three quarters of 2007, falling just short of the record \$3.91 trillion for the same period in 2006, according to Dealogic. In the U.S., deal volume topped \$1.3 trillion through the third quarter, up from \$1.1 trillion last year and on pace to surpass the \$1.5 trillion total for all of 2006. The number of deals announced in the third quarter fell 11% (y-o-y) due, in part, to fears over a potential credit crunch. Foreign buyers were responsible for 21% of U.S. activity, according to Richard Peterson at Thomson Financial.

Thursday, October 4, 2007 — Credit Crisis

Brad Hintz, an analyst at Sanford Bernstein who covers investment banks, believes the credit crisis is playing out roughly in line with the five previous ones, according to SmartMoney.com. Hintz says, on average, re-pricing cycles are completed in around 4.8 months; fixed-income trading falls 21% and fixed-income revenues take two quarters to recover. The current re-pricing cycle may have cut a little deeper than the average one, but Hintz believes the bond market is adjusting a little faster to the new credit climate than in previous cycles.

Friday, October 5, 2007 — Outflows of Stock Funds and the S&P 500

With the exception of protracted bear markets, such as the one at the start of this decade, equity fund investors have usually done themselves a disservice by liquidating shares during turbulent times in the market, according to John Waggoner at USA TODAY. Here is how the S&P 500 has fared in the 12 months following the largest outflows from stock funds dating back to 1984 (**net outflow as % of total assets**: S&P 500 return): October 1987 (-4.1%; 18.8%); July 2002 (-1.9%; 10.0%); November 1988 (-1.6%; 27.3%); August 1988 (-1.6%; 28.4%); and August 1990 (-1.2%; 26.1%).