

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (12768)	1.55%	2.76%	17.51%	19.04%	7.59%
S&P 500 (1455)	1.28%	2.88%	15.04%	15.79%	7.58%
NASDAQ 100 (1821)	2.06%	3.76%	8.37%	7.28%	5.18%
S&P Citigroup Growth (L-C)	1.08%	2.35%	10.72%	11.03%	4.24%
S&P Citigroup Value (L-C)	1.46%	3.38%	19.53%	20.85%	10.95%
S&P 400 Citigroup Growth (M-C)	1.78%	6.85%	8.74%	5.90%	9.83%
S&P 400 Citigroup Value (M-C)	1.54%	6.98%	15.76%	14.98%	15.51%
S&P 600 Citigroup Growth (S-C)	1.59%	4.84%	9.21%	10.56%	13.14%
S&P 600 Citigroup Value (S-C)	1.26%	4.06%	14.21%	19.66%	14.39%
MSCI EAFE	1.73%	4.31%	27.16%	26.98%	17.78%
MSCI World (ex US)	1.80%	4.26%	26.37%	26.34%	18.00%
MSCI World	1.55%	3.77%	20.68%	20.72%	12.33%
MSCI Emerging Markets	1.42%	2.77%	24.62%	32.20%	25.71%

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 2/16/07.

WEEKLY FUND FLOWS

	Week of 2/14	Previous
Equity Funds	\$547 M	\$10.8 B
Including ETF activity, Domestic funds reporting net outflows of -\$1.472B and Non-domestic funds reporting net inflows of \$2.018B.		
Bond Funds	\$1.7 B	\$2.4 B
Municipal Bond Funds	\$354 M	\$673 M
Money Markets	\$12.077 B	\$29.240 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	1.15%	3.96%	19.16%	18.64%	6.61%
Consumer Staples	1.42%	2.78%	15.77%	14.58%	6.36%
Energy	-0.68%	-1.59%	15.75%	24.21%	19.10%
Financials	1.60%	2.74%	19.18%	19.23%	11.05%
Health Care	0.72%	3.76%	8.09%	7.53%	2.58%
Industrials	2.13%	3.65%	14.81%	13.29%	8.09%
Information Technology	1.43%	2.22%	6.32%	8.42%	2.51%
Materials	3.60%	9.04%	24.02%	18.98%	13.86%
Telecom Services	2.07%	4.53%	26.71%	36.74%	6.32%
Utilities	0.43%	4.09%	23.72%	20.99%	11.98%

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 2/16/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	0.40%	0.63%	4.52%	3.51%	3.58%
GNMA 30 Year	0.35%	0.74%	5.23%	4.62%	4.51%
U.S. Aggregate	0.50%	0.81%	5.35%	4.33%	4.90%
U.S. Corporate High Yield	0.55%	2.49%	12.52%	11.85%	10.65%
U.S. Corporate Inv. Grade	0.69%	1.17%	5.87%	4.30%	5.87%
Municipal Bond: 22 years +	0.52%	0.75%	6.59%	6.82%	6.95%
Global Aggregate	0.99%	0.14%	6.61%	6.64%	7.84%

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 2/16/07.

KEY RATES

As of 2/16

Fed Funds	5.25%	5-YR CD	4.80%
LIBOR (1-month)	5.32%	2-YR Note	4.82%
CPI - Headline	2.50%	5-YR Note	4.67%
CPI - Core	2.60%	10-YR Note	4.68%
Money Market Accts.	3.59%	30-YR T-Bond	4.78%
Money Market Funds	4.73%	30-YR Mortgage	6.22%
6-mo. CD	4.68%	Prime Rate	8.25%
1-YR CD	4.86%	Bond Buyer 40	4.56%

Sources: **Bankrate.com, iMoneyNet.com and Bloomberg**

FACTOIDS FOR THE WEEK OF FEBRUARY 12TH - 16TH

Monday, February 12, 2007 — Market-Timing Strategies

Mark Hulbert of the *Hulbert Financial Digest* tracks the performance of investment newsletters. Hulbert recently calculated the returns on 103 market-timing strategies over the past 10 years and found that only 10 of them beat the 8.3% average annual gain posted by the S&P 500, according to *BusinessWeek*. Timing the market is an appealing concept due to the allure of maximizing returns, but it is easier said than done. *BusinessWeek* asked Ibbotson Associates to see how much a \$1,000 investment in 1926 would be worth today if the money had been invested in a broad portfolio of stocks during those months when the market was up and T-bills when the market was down, with dividends and interest reinvested. Ibbotson said the \$1,000 investment would be worth \$30 trillion today, compared to \$3 million if stocks were bought and then held for the duration of the period.

Tuesday, February 13, 2007 — Private Equity Funds

With so much money pouring into private equity funds in search of higher returns, competition for deals is heating up. Private equity funds took in a reported \$406 billion globally in 2006, according to Private Equity Intelligence, a market research firm in London. In 2005, just 4% of private equity buyouts involved multiple bidders, according to Dealogic. That figure jumped to 29% in 2006 and has surged to 70% in the first few weeks of 2007.

Wednesday, February 14, 2007 — Commercial Real Estate Purchases

Foreign investors purchased \$19.96 billion worth of U.S. commercial real estate in 2006, essentially no change from the amount spent in 2005, but five times as much as was spent in 2001, according to Real Capital Analytics (RCA). That amount represented about 5% of the record \$336 billion spent last year on office towers, apartment complexes, retail centers, and industrial buildings, according to *BusinessWeek*. Middle Easterners invested the most (\$5.29 billion) followed by Australians (\$3.78 billion).

Thursday, February 15, 2007 — Taxes

The IRS claims that Americans fail to pay an estimated \$345 billion a year in taxes, according to *Money*. That amount is in the ballpark of some of our recent fiscal budget deficits. Some 12% of Americans think it is okay to cheat on their taxes, according to *Money*. To combat this problem the IRS has once again stepped-up its enforcement efforts. Last year, 1.3 million returns were audited, up 6% from 2005 and the most since 1998. Audits for people earning \$100,000 or more are up 57% since 1998. On average, one out of every 100 taxpayers gets audited, according to the IRS. A TD Ameritrade survey found that 11% of taxpayers wait until April 15th to file.

Friday, February 16, 2007 — Raising Capital

A combination of low interest rates, more efficient financial markets, and globalization has made it easier for borrowers to raise capital. Emerging markets, such as China, have become key suppliers of capital, even to developed countries. Since 1990, cross-border capital flows have been growing at a 10.7% annual rate, adjusted for inflation and exchange rate fluctuations, according to the McKinsey Global Institute. That figure is up from 4.3% from 1980 to 1990.