

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (13557)	1.81%	9.78%	24.67%	19.04%	7.96%
S&P 500 (1523)	1.18%	8.13%	22.97%	15.79%	8.53%
NASDAQ 100 (1897)	-0.07%	8.19%	20.11%	7.28%	7.78%
S&P 500/Citigroup Growth	1.09%	7.16%	20.53%	11.03%	5.89%
S&P 500/Citigroup Value	1.25%	9.09%	25.45%	20.85%	11.18%
S&P MidCap 400/Citigroup Growth	0.90%	12.92%	17.94%	5.90%	9.67%
S&P MidCap 400/Citigroup Value	0.07%	11.50%	20.94%	14.98%	13.86%
S&P SmallCap600/Citigroup Growth	-0.21%	9.00%	13.62%	10.56%	12.18%
S&P SmallCap600/Citigroup Value	-0.79%	6.12%	16.42%	19.66%	11.80%
MSCI EAFE	0.31%	9.77%	24.70%	26.98%	16.73%
MSCI World (ex US)	0.50%	10.29%	25.01%	26.34%	17.12%
MSCI World	0.77%	9.34%	23.96%	20.72%	12.53%
MSCI Emerging Markets	1.61%	10.98%	29.77%	32.20%	25.29%

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 5/18/07.

WEEKLY FUND FLOWS

	Week of 5/16	Previous
Equity Funds	-\$927 M	\$5.1 B
Including ETF activity, Domestic funds reporting net outflows of -\$1.621B and Non-domestic funds reporting net inflows of \$693M.		
Bond Funds	\$2.6 B	\$2.4 B
All sectors report inflows but Government Bond funds.		
Municipal Bond Funds	\$543 M	\$608 M
Money Markets	\$18.717 B	\$18.319 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	1.27%	3.91%	20.37%	18.64%	5.95%
Consumer Staples	1.79%	6.68%	20.10%	14.58%	5.30%
Energy	4.03%	14.75%	31.79%	24.21%	21.00%
Financials	0.33%	3.43%	19.75%	19.23%	9.39%
Health Care	0.96%	10.03%	22.67%	7.53%	5.15%
Industrials	0.63%	8.70%	15.01%	13.29%	9.17%
Information Technology	0.14%	7.58%	21.52%	8.42%	5.29%
Materials	1.52%	15.92%	29.33%	18.98%	13.67%
Telecom Services	2.71%	15.71%	48.25%	36.74%	11.15%
Utilities	1.16%	17.38%	43.63%	20.99%	14.70%

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 5/18/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.35%	1.54%	5.43%	3.51%	3.73%
GNMA 30 Year	-0.36%	1.66%	6.97%	4.62%	4.48%
U.S. Aggregate	-0.46%	1.51%	6.72%	4.33%	5.01%
U.S. Corporate High Yield	0.14%	4.56%	13.05%	11.85%	10.61%
U.S. Corporate Investment Grade	-0.58%	1.53%	7.50%	4.30%	6.13%
Municipal Bond: 22 years +	-0.53%	0.82%	6.81%	6.82%	7.07%
Global Aggregate	-0.56%	1.31%	4.70%	6.64%	7.51%

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 5/18/07.

KEY RATES

As of 5/18

Fed Funds	5.25%	5-YR CD	4.79%
LIBOR (1-month)	5.32%	2-YR Note	4.81%
CPI - Headline	2.60%	5-YR Note	4.72%
CPI - Core	2.30%	10-YR Note	4.80%
Money Market Accts.	3.72%	30-YR T-Bond	4.96%
Money Market Funds	4.71%	30-YR Mortgage	6.20%
6-mo. CD	4.62%	Prime Rate	8.25%
1-YR CD	4.81%	Bond Buyer 40	4.66%

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

FACTOIDS FOR THE WEEK OF MAY 14TH - 18TH

Monday, May 14, 2007 — Dividend-Paying Stocks

The universe of equity income funds, which typically own dividend-paying stocks, has doubled to 267 since 2002, according to Lipper. Inflows to these funds jumped 150% to \$166 billion over that span.

Tuesday, May 15, 2007 — Overseas Investment Products

The China Banking Regulatory Commission ruled last Friday that equities can now account for as much as 50% of the value of overseas-investment products offered by approved Chinese and foreign banks, according to WSJ.com. Prior to Friday, banks were limited to just fixed-income products. It is estimated that some \$2.3 trillion could be in play, according to Dennis Slothower, editor of a newsletter called *On The Money*. He believes that even if a modest fraction of that amount finds its way to the U.S. it could help fuel our rally. The total value of all U.S. publicly traded stocks is approximately \$15.1 trillion, according to Wilshire Associates.

Wednesday, May 16, 2007 — Convertibles Funds

For the 5-year period ended May 15, convertibles funds topped the performance of both moderate allocation funds and target-date funds, but have not garnered anywhere close to as many assets, according to data from Morningstar. Convertibles funds were up an average of 8.95% over that span, vs. 7.52% for moderate allocation funds and 7.78% for the average target-date fund. Convertibles even topped Large Blend funds, which returned 8.04%. Convertibles, however, have amassed just \$16.7 billion in assets, vs. \$635.3 billion for moderate allocation funds and \$144.4 billion for target-date funds.

Thursday, May 17, 2007 — Private Equity Firms

The supply of stock available to investors continues to shrink due to aggressive takeover activity by private equity firms, according to *USA TODAY*. In 2007 alone, 217 U.S.-based publicly traded companies have been taken out, according to Standard & Poor's Capital IQ. Since only 107 U.S.-based companies have launched IPOs this year, that equates to a net loss of 110 stocks. The companies being removed also happen to be considerably larger than the IPOs. S&P reports that 12 companies have already been removed from the S&P 500 in 2007 with another 17 expected to follow once their buyouts are complete.

Friday, May 18, 2007 — Infrastructure Upgrades

A new report just released by the Urban Land Institute and Ernst & Young, "Infrastructure 2007: A Global Perspective," states that the U.S. needs \$1.6 trillion worth of infrastructure upgrades and maintenance — roads, bridges, mass transit, sewers, sidewalks and so forth — over the next five years. The report also estimates that Asian countries, led by China and India, are in need of a \$1 trillion makeover.