

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (13424)	-1.75%	8.79%	25.59%	19.04%	9.39%
S&P 500 (1508)	-1.83%	7.17%	22.12%	15.79%	9.94%
NASDAQ 100 (1906)	-1.14%	8.73%	22.65%	7.28%	11.18%
S&P 500/Citigroup Growth	-1.61%	6.59%	20.41%	11.03%	7.54%
S&P 500/Citigroup Value	-2.03%	7.77%	23.88%	20.85%	12.35%
S&P MidCap 400/Citigroup Growth	-2.24%	13.63%	21.66%	5.90%	11.61%
S&P MidCap 400/Citigroup Value	-2.62%	11.19%	22.26%	14.98%	15.07%
S&P SmallCap600/Citigroup Growth	-2.27%	10.12%	17.66%	10.56%	14.18%
S&P SmallCap600/Citigroup Value	-2.68%	7.17%	19.64%	19.66%	13.68%
MSCI EAFE	-2.85%	8.51%	32.36%	26.98%	17.53%
MSCI World (ex US)	-2.78%	9.14%	32.31%	26.34%	17.94%
MSCI World	-2.34%	8.33%	27.26%	20.72%	13.73%
MSCI Emerging Markets	-2.29%	11.31%	47.56%	32.20%	26.70%

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 6/8/07.

WEEKLY FUND FLOWS

	Week of 5/16	Previous
Equity Funds	\$3.3 B	-\$4 B
Including ETF activity, Domestic funds reporting net inflows of \$1.929B and Non-domestic funds reporting net inflows of \$1.334B.		
Bond Funds	\$2.7 B	\$1.6 B
Municipal Bond Funds	\$496 M	\$833 M
Money Markets	\$29.134 B	-\$10.347 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	-2.15%	2.97%	19.95%	18.64%	7.37%
Consumer Staples	-1.61%	6.31%	18.79%	14.58%	5.65%
Energy	-1.39%	14.84%	32.78%	24.21%	21.80%
Financials	-2.08%	1.72%	16.36%	19.23%	10.56%
Health Care	-2.37%	7.82%	19.25%	7.53%	6.03%
Industrials	-1.22%	9.66%	18.03%	13.29%	11.15%
Information Technology	-1.00%	7.70%	25.23%	8.42%	8.50%
Materials	-2.42%	15.89%	34.53%	18.98%	14.64%
Telecom Services	-0.95%	15.97%	43.94%	36.74%	12.38%
Utilities	-5.27%	8.01%	26.30%	20.99%	14.14%

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 6/8/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.31%	0.83%	4.31%	3.51%	3.38%
GNMA 30 Year	-0.77%	0.43%	5.07%	4.62%	4.11%
U.S. Aggregate	-0.66%	0.33%	4.96%	4.33%	4.53%
U.S. Corporate High Yield	-0.84%	3.83%	12.26%	11.85%	10.46%
U.S. Corporate Investment Grade	-0.94%	-0.09%	5.18%	4.30%	5.44%
Municipal Bond: 22 years +	-1.01%	-0.77%	4.22%	6.82%	6.41%
Global Aggregate	-0.73%	-0.22%	3.99%	6.64%	6.80%

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 6/8/07.

KEY RATES

As of 6/8

Fed Funds	5.25%	5-YR CD	4.84%
LIBOR (1-month)	5.32%	2-YR Note	4.99%
CPI - Headline	2.60%	5-YR Note	5.04%
CPI - Core	2.30%	10-YR Note	5.10%
Money Market Accts.	3.61%	30-YR T-Bond	5.21%
Money Market Funds	4.72%	30-YR Mortgage	6.47%
6-mo. CD	4.63%	Prime Rate	8.25%
1-YR CD	4.84%	Bond Buyer 40	4.86%

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

FACTOIDS FOR THE WEEK OF JUNE 4TH - JUNE 8TH

Monday, June 4, 2007 — Dividend-Payers vs. Non-Dividend Payers

In May, the dividend-payers (387) in the S&P 500 (equal weight) posted a total return of 3.41%, vs. 2.96% for the non-payers (113), according to Standard & Poor's. Year-to-date, the payers gained 10.59%, vs. 10.61% for the non-payers. For the 12-month period ended May 2007, payers gained 23.75%, vs. 20.49% for the non-payers. The number of dividend increases (S&P 500) year-to-date totaled 153, lagging the 162 and 163 increases registered over the same period in 2006 and 2005. The dip in dividend increases is most likely a continuation of the use of buybacks. The amount of stock buybacks announced in Q1'07 was \$110 billion, on pace to match last year's record of nearly \$432 billion, according to S&P. The dividend yield on the index was 1.80% at the close of May.

Tuesday, June 5, 2007 — Oil Exploration & Production Expenditures

The estimated growth rate for worldwide oil exploration and production expenditures (E&P) for 2007 was adjusted higher from 9.0% (\$291 billion) at the end of 2006 to 13% (\$308 billion) at the start of June, according to the Lehman Brothers Original E&P Spending Survey. An increase in international spending (ex-Canada) accounted for all of the upward adjustment. International spending was expected to grow by an estimated 13% at the start of the year, but that figure has been bumped up to 20%. Lehman Brothers has set its price target expectations at \$56.90 for oil and \$6.74 for natural gas.

Wednesday, June 6, 2007 — Stocks vs. Real Estate

A new study out by Ken Winans, president of investment research firm Winans International, found that stocks are "superior" investments to real estate over the long term, according to *USA TODAY*. From 1920 through 2006, the average new home appreciated from \$4,030 to \$276,400, or a gain of 6,759%. Over that 86-year span, the DJIA returned 17,210%, and that figure does not include dividends. Over the past 20 years, the average new home appreciated 268%, vs. a gain of 1,193% for the DJIA.

Thursday, June 7, 2007 — Correlations in the Markets

There is currently about an 85% correlation between the movements of the MSCI EAFE Index and the S&P 500, according to *The New York Times*. Asian markets are less correlated to U.S. stocks. Here are a few of those correlations: South Korea (67%); Hong Kong (55%); India (43%); and Japan (29%). Many of the major European markets are better than 80% correlated to the S&P 500. Mexican stocks are at 74%.

Friday, June 8, 2007 — Default Rates

The U.S. speculative-grade default rate was 1.5% in May, unchanged from its revised level in April, according to Moody's. The global speculative-grade default rate fell from April's upwardly revised 1.6% to 1.4% in May. The default rate was 1.8% a year ago. The default rate on senior loans fell from 0.44% in April to a new all-time low of 0.29% in May, according to Standard & Poor's LCD. The historical average is 3.2%. The senior loan market has been default-free for six months.