

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (13240)	0.52%	7.65%	21.73%	19.04%	11.14%
S&P 500 (1454)	1.50%	3.62%	16.43%	15.79%	11.85%
NASDAQ 100 (1925)	0.68%	10.20%	29.68%	7.28%	15.93%
S&P 500/Citigroup Growth	1.70%	4.71%	16.98%	11.03%	9.29%
S&P 500/Citigroup Value	1.29%	2.63%	16.00%	20.85%	14.51%
S&P MidCap 400/Citigroup Growth	1.39%	9.35%	20.12%	5.90%	14.46%
S&P MidCap 400/Citigroup Value	1.26%	3.93%	15.73%	14.98%	16.82%
S&P SmallCap600/Citigroup Growth	2.72%	7.88%	19.55%	10.56%	17.43%
S&P SmallCap600/Citigroup Value	3.73%	0.70%	15.09%	19.66%	16.49%
MSCI EAFE	-2.70%	5.02%	19.76%	26.98%	19.38%
MSCI World (ex US)	-2.54%	5.81%	20.06%	26.34%	19.87%
MSCI World	-0.62%	4.92%	18.58%	20.72%	15.63%
MSCI Emerging Markets	-3.36%	15.94%	38.57%	32.20%	31.61%

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 8/10/07.

WEEKLY FUND FLOWS

	Week of 8/8	Previous
Equity Funds	\$9.8 B	\$1.8 B
Including ETF activity, Domestic funds reporting net inflows of \$10.636B and Non-domestic funds reporting net outflows of -\$839M.		
Bond Funds	\$64 M	-\$866 M
High Yield Corporate Bond funds reported outflows for the ninth consecutive week, -\$439M, and Investment Grade Corporate Bond funds reported outflows for the first time since 7/26/06, -\$494M.		
Municipal Bond Funds	-\$177 M	\$105 M
The largest net outflow from Municipals since 12/17/05.		
Money Markets	\$36.229 B	\$16.796 B
The largest inflows to the MM sector since 12/7/05.		

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	0.42%	-4.34%	15.33%	18.64%	10.60%
Consumer Staples	2.23%	5.51%	11.96%	14.58%	6.92%
Energy	3.04%	16.42%	20.92%	24.21%	25.26%
Financials	3.81%	-8.00%	4.87%	19.23%	10.08%
Health Care	1.04%	2.78%	9.25%	7.53%	6.24%
Industrials	-0.92%	10.19%	24.87%	13.29%	12.64%
Information Technology	0.43%	8.87%	29.42%	8.42%	12.83%
Materials	1.12%	12.29%	28.48%	18.98%	16.15%
Telecom Services	-2.31%	10.10%	28.02%	36.74%	17.42%
Utilities	3.68%	8.23%	19.13%	20.99%	17.63%

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 8/10/07.

FACTOIDS FOR THE WEEK OF AUGUST 6TH - 10TH
Monday, August 6, 2007 — S&P 500

The S&P 500 closed Friday's session at 1433.06 and is now 7.72% below the all-time high of 1553.08 established on July 19, 2007. It also begins today's trading below the high of 1527.46 set on March 24, 2000 – right before the bubble burst. The glaring distinction between today and March 24, 2000, is that the annual aggregate earnings for the S&P 500 stand at \$820 billion today, vs. \$479 billion seven years ago, according to SmartMoney.com. So earnings have increased 71% since 2000 yet large-cap stock prices have not budged from 2000 levels.

Tuesday, August 7, 2007 — Global Speculative-Grade Default Rate

The global speculative-grade default rate inched higher from 1.4% in June to 1.5% in July, according to Moody's. Its forecasting model predicts that global defaults will rise to 3.5% by July 2008. U.S. speculative-grade defaults will rise from 1.4% in June 2007 to 4.0% by July 2008. In August 2006, Moody's predicted that the global default rate would rise to 2.4% by August of this year, which doesn't seem likely considering it stands at 1.5% with one month to go. The debt expected to default in the months ahead are weaker credits that have been kept afloat by substantial liquidity that is in the process of drying up.

Wednesday, August 8, 2007 — Home Sales

In its August 8th press release, the National Association of Realtors estimated that existing-home sales will total 6.04 million in 2007 and then rise to 6.38 million in 2008. Sales totaled 6.48 million in 2006. The median price is expected to fall 1.2% in 2007 and then rise by 2.0% in 2008. New-home sales are expected to total 852,000 in 2007 and then dip to 848,000 in 2008. Sales totaled 1.05 million in 2006. The median price is expected to fall 2.3% in 2007 and then rise by 2.3% in 2008.

Thursday, August 9, 2007 — Mortgages

Nearly 40% of all homeowners have no mortgage, according to the Bureau of Labor Statistics. Currently, Americans 62 and older are sitting on an estimated \$4.3 trillion worth of home equity, according to the National Reverse Mortgage Lenders Association. In 2006, over 76,000 seniors took out a federally insured reverse mortgage, up from 6,637 in 2000. So far in 2007, 69,833 seniors have taken out a reverse mortgage, according to the Department of Housing and Urban Development.

Friday, August 10, 2007 — U.S. & Global REITs

Both U.S. and global REITs have experienced some profit taking since the end of the first quarter. The S&P/Citigroup Global Property Index fell 4.5% in the second quarter, while the S&P REITs Index fell 10.0%, according to S&P. Some global REIT markets have only been in existence for a couple of years. Y-T-D through August 9, the NAREIT Equity REIT Index is down 8.09% and now sports a yield of 4.29%, up from 3.69% at the end of 2006. Here are the annual returns for the index since the start of this decade: 26.37% ('00); 13.93% ('01); 3.82% ('02); 37.13% ('03); 31.58% ('04); 12.16% ('05); and 35.06% ('06).

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.10%	3.15%	5.55%	3.51%	3.06%
GNMA 30 Year	-0.18%	2.06%	5.31%	4.62%	3.93%
U.S. Aggregate	-0.29%	1.92%	5.25%	4.33%	4.25%
U.S. Corporate High Yield	0.50%	0.13%	6.89%	11.85%	12.26%
U.S. Corporate Investment Grade	-0.47%	0.92%	4.98%	4.30%	5.53%
Municipal Bond: 22 years +	-1.17%	-1.44%	2.41%	6.82%	5.65%
Global Aggregate	-0.30%	2.73%	5.87%	6.64%	6.49%

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 8/10/07.

KEY RATES

As of 8/10

Fed Funds	5.25%	5-YR CD	4.93%
LIBOR (1-month)	5.33%	2-YR Note	4.45%
CPI - Headline	2.70%	5-YR Note	4.58%
CPI - Core	2.20%	10-YR Note	4.79%
Money Market Accts.	3.70%	30-YR T-Bond	5.02%
Money Market Funds	4.73%	30-YR Mortgage	6.49%
6-mo. CD	4.54%	Prime Rate	8.25%
1-YR CD	4.84%	Bond Buyer 40	4.87%

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