

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (13443)	2.58%	9.60%	19.27%	19.04%	12.60%
S&P 500 (1484)	2.15%	6.04%	14.88%	15.79%	12.80%
NASDAQ 100 (2001)	2.17%	14.25%	23.63%	7.28%	17.10%
S&P 500/Citigroup Growth	2.23%	7.18%	14.82%	11.03%	10.13%
S&P 500/Citigroup Value	2.08%	5.01%	15.07%	20.85%	15.58%
S&P MidCap 400/Citigroup Growth	1.68%	11.56%	18.95%	5.90%	14.66%
S&P MidCap 400/Citigroup Value	0.50%	4.81%	13.28%	14.98%	17.09%
S&P SmallCap600/Citigroup Growth	1.56%	9.52%	17.08%	10.56%	17.15%
S&P SmallCap600/Citigroup Value	0.86%	-0.25%	8.09%	19.66%	16.39%
MSCI EAFE	0.92%	7.60%	20.12%	26.98%	21.26%
MSCI World (ex US)	1.11%	8.66%	21.10%	26.34%	21.78%
MSCI World	1.59%	7.55%	18.24%	20.72%	17.05%
MSCI Emerging Markets	1.81%	23.41%	46.92%	32.20%	33.28%

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 9/14/07.

WEEKLY FUND FLOWS

	Week of 9/12	Previous
Equity Funds	\$2.2 B	-\$5.1 B
Including ETF activity, Domestic funds reporting net inflows of \$2.006B and Non-domestic funds reporting net inflows of \$235M.		
Bond Funds	\$789 M	\$580 M
International & Global Debt funds report net inflows of \$232M.		
Municipal Bond Funds	\$230 M	\$406 M
Money Markets	\$27.274 B	\$36.590 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	2.23%	-3.70%	8.08%	18.64%	9.04%
Consumer Staples	2.48%	6.91%	10.05%	14.58%	7.62%
Energy	3.03%	24.07%	43.18%	24.21%	27.47%
Financials	2.64%	-6.91%	1.60%	19.23%	11.33%
Health Care	1.72%	5.38%	7.15%	7.53%	7.24%
Industrials	2.41%	12.95%	22.39%	13.29%	14.86%
Information Technology	0.67%	11.51%	20.24%	8.42%	13.86%
Materials	2.30%	14.44%	29.97%	18.98%	17.82%
Telecom Services	2.56%	12.84%	24.04%	36.74%	17.24%
Utilities	2.38%	10.17%	21.37%	20.99%	19.17%

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 9/14/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.37%	5.03%	6.60%	3.51%	3.24%
GNMA 30 Year	-0.37%	3.72%	5.85%	4.62%	4.11%
U.S. Aggregate	-0.42%	3.71%	5.92%	4.33%	4.24%
U.S. Corporate High Yield	0.30%	1.30%	6.15%	11.85%	11.74%
U.S. Corporate Investment Grade	-0.68%	1.95%	4.56%	4.30%	5.07%
Municipal Bond: Long Bond (22+)	0.05%	0.14%	2.65%	6.82%	5.46%
Global Aggregate	-0.11%	5.03%	7.42%	6.64%	6.61%

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 9/14/07.

KEY RATES

As of 9/14

Fed Funds	5.25%	5-YR CD	4.85%
LIBOR (1-month)	5.80%	2-YR Note	4.04%
CPI - Headline	2.40%	5-YR Note	4.17%
CPI - Core	2.20%	10-YR Note	4.46%
Money Market Accts.	3.81%	30-YR T-Bond	4.72%
Money Market Funds	4.69%	30-YR Mortgage	6.13%
6-mo. CD	4.56%	Prime Rate	8.25%
1-YR CD	4.81%	Bond Buyer 40	4.82%

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

FACTOIDS FOR THE WEEK OF SEPTEMBER 10TH - 14TH

Monday, September 10, 2007 — Mortgages

Two million adjustable-rate mortgages are expected to reset to higher rate levels over this year and next, according to the Associated Press. Year-to-date through August, \$263 billion worth of adjustable-rate mortgages were reset, according to Banc of America Securities. It expects another \$700 billion by the end of 2008.

Tuesday, September 11, 2007 — U.S. Speculative Grade Rate

The U.S. speculative-grade default rate declined from 1.5% in July to 1.4% in August, according to Moody's. It expects that rate to climb to 4.5% over the next year. Moody's cites higher spreads and diminished liquidity for the added pressure on distressed issuers. The global speculative-grade default rate also fell from 1.5% in July to 1.4% in August. Moody's expects that rate to climb to 4.1% over the next year. The default rate on senior loans stood at 0.42% in August, unchanged from July, according to Standard & Poor's LCD. The senior loan market has had just three defaults over the past 12 months.

Wednesday, September 12, 2007 — China

Retail sales in China grew at the fastest pace in three years in August, according to Bloomberg. Sales rose 17.1% to 711.7 billion yuan (\$95 billion), which topped the 16.5% median estimate of the 23 economists surveyed by Bloomberg. China is making a concerted effort to boost domestic consumption in order to reduce its reliance on exports. In the first half of 2007, disposable incomes for urban and rural households posted gains of 14.2% and 13.3%, respectively, when compared to the same period in 2006.

Thursday, September 13, 2007 — Housing Costs

Census data from 2006 (just released) shows that 37% of U.S. homeowners with mortgages are spending 30% or more of their pre-tax income on housing costs (home loan, property taxes, insurance and utilities) compared to just 27% in 2000, according to *USA TODAY*. The percentage is much higher for homeowners earning \$50,000 or less a year. Data shows that 73% of those homeowners exceed 30%. The government regards spending above the 30% threshold as a signal the home is no longer affordable.

Friday, September 14, 2007 — Gold

Gold hit its low for this decade on February 15, 2001, at \$255.10 per ounce. Gold closed at \$675.80 per ounce on August 31, 2007. From 1/31/01 through 8/31/07, the price of gold surged 165%. Over that same span, the Philadelphia Gold & Silver Index posted a total return of 215%, compared to a 21% gain for the S&P 500. The dollar declined 25% versus a basket of major currencies. The potential for one or more Fed rate cuts in the months ahead increases the prospects for further weakness in the dollar and higher inflation. Curtis Hessler, publisher of Professional Timing Service, which focuses on investing in hard assets, sees gold approaching \$800 per ounce by the end of the first quarter of 2008.