

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (12099)	-3.98%	-8.66%	-1.50%	8.88%	9.56%
S&P 500 (1325)	-5.40%	-9.67%	-5.32%	5.49%	9.99%
NASDAQ 100 (1844)	-3.59%	-11.55%	3.31%	19.24%	13.03%
S&P 500/Citigroup Growth	-5.16%	-9.77%	-2.21%	9.25%	8.30%
S&P 500/Citigroup Value	-5.64%	-9.56%	-8.18%	2.03%	11.73%
S&P MidCap 400/Citigroup Growth	-5.05%	-11.59%	1.11%	13.55%	12.29%
S&P MidCap 400/Citigroup Value	-4.97%	-12.08%	-9.83%	2.84%	14.01%
S&P SmallCap600/Citigroup Growth	-3.58%	-10.19%	-4.11%	5.66%	13.87%
S&P SmallCap600/Citigroup Value	-4.05%	-12.18%	-16.17%	-5.19%	12.80%
MSCI EAFE	-10.81%	-14.03%	-4.40%	11.76%	18.66%
MSCI World (ex US)	-10.96%	-14.18%	-3.29%	13.04%	19.08%
MSCI World	-8.81%	-12.11%	-4.29%	9.69%	14.47%
MSCI Emerging Markets	-12.15%	-14.05%	21.71%	39.23%	31.78%

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 01/18/08.

## WEEKLY FUND FLOWS

	Week of 01/16	Previous
<b>Equity Funds</b>	<b>-\$7.3 B</b>	<b>-\$8.4B</b>
Including ETF activity, Domestic funds reporting net inflows of \$7.127 B and Non-domestic funds reporting net inflows of \$204 M.		
<b>Bond Funds</b>	<b>\$1.7 B</b>	<b>\$2.5B</b>
International & Global Debt funds report net inflows of \$672 million (0.92% Assets) and the fourth largest net inflow to the sector on record.		
<b>Municipal Bond Funds</b>	<b>\$324 M</b>	<b>\$183 M</b>
This is the largest net inflow to the sector since 9/5/07.		
<b>Money Markets</b>	<b>\$11.558 B</b>	<b>\$47.779 B</b>

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	-1.88%	-9.68%	-24.10%	-13.21%	5.75%
Consumer Staples	-4.02%	-5.22%	6.30%	14.36%	8.56%
Energy	-8.37%	-12.36%	25.79%	34.41%	26.07%
Financials	-7.76%	-12.64%	-29.02%	-18.52%	4.60%
Health Care	-4.85%	-1.52%	2.11%	7.32%	6.78%
Industrials	-4.04%	-10.41%	-1.60%	12.04%	12.52%
Information Technology	-3.13%	-12.35%	1.21%	16.30%	10.30%
Materials	-6.39%	-10.02%	9.03%	22.53%	16.14%
Telecom Services	-8.11%	-13.67%	-2.68%	11.88%	9.47%
Utilities	-7.75%	-6.11%	14.46%	19.38%	19.45%

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 01/18/08.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.77%	2.15%	11.13%	8.83%	4.11%
GNMA 30 Year	0.34%	1.61%	8.57%	6.97%	4.69%
U.S. Aggregate	0.49%	1.68%	8.65%	6.96%	4.81%
U.S. Corporate High Yield	-0.78%	-2.46%	-1.51%	1.87%	9.60%
U.S. Corporate Investment Grade	0.45%	1.11%	5.51%	4.56%	5.04%
Municipal Bond: Long Bond (22+)	0.44%	1.97%	2.57%	0.45%	5.88%
Global Aggregate	0.38%	2.03%	12.86%	9.48%	6.76%

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 01/18/08.

## KEY RATES

As of 01/18

Fed Funds	4.25%	5-YR CD	4.04%
LIBOR (1-month)	4.02%	2-YR Note	2.34%
CPI - Headline	4.10%	5-YR Note	2.86%
CPI - Core	2.40%	10-YR Note	3.63%
Money Market Accts.	3.21%	30-YR T-Bond	4.28%
Money Market Funds	3.98%	30-YR Mortgage	5.53%
6-mo. CD	4.00%	Prime Rate	7.25%
1-YR CD	4.12%	Bond Buyer 40	4.73%

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

## FACTOIDS FOR THE WEEK OF JANUARY 14<sup>TH</sup> - 18<sup>TH</sup>

### Monday, January 14, 2008 — U.S. speculative-grade default rate

The U.S. speculative-grade default rate stood at 0.9% in December, down from 1.7% at the close of 2006, according to Moody's. The default rate has been lower but you would have to go all the way back to December 1981 when it came in at 0.7%. The global speculative-grade default rate also closed December at 0.9%, its lowest level since December 1981. Moody's had predicted that defaults would reach 2.7% by the close of 2007. It is now forecasting a spike to 4.8% by December 2008. The default rate on senior loans was a record-low 0.26% in December, unchanged from November, according to Standard & Poor's LCD. In 2007, leveraged loan volume increased 11% to a record \$535 billion.

### Tuesday, January 15, 2008 — Gold

While the price of gold continues to trend higher largely on inflation fears the spread between the 10-year T-Note and the 10-year TIPs has yet to confirm those fears, according to MarketWatch.com. The price of gold has risen 44% to \$903.40 per ounce over the past year, while the TIPs spread is essentially unchanged at 2.26 percentage points (3.82% vs. 1.56%). The spread represents the bond market's estimate for the average rate of inflation over the next 10 years. It was 2.28 percentage points a year ago and 2.39 two years ago. If bond investors feared inflation that spread would be widening.

### Wednesday, January 16, 2008 — Pharmaceutical industry

The number of sales representatives in the pharmaceutical industry has increased from 35,000 in 1995 to around 100,000 today, according to human resources consultant the Hay Group. While there is one office-based physician for every 975 people living in the U.S., there is roughly one drug representative for every three physicians, according to SmartMoney.com.

### Thursday, January 17, 2008 — PC shipments

Worldwide PC shipments grew 15.5% (y-o-y) in the fourth quarter of 2007, according to IDC's Worldwide Quarterly PC Tracker. Total shipments in 2007 rose 14.5% to 269 million units. HP was the top vendor at 55 million units followed by Dell's 40 million.

### Friday, January 18, 2008 — Mortgage Loans

The amount of mortgage loans at some point in the foreclosure process reached 1.69% in the third quarter of 2007, up from 1.40% in the second quarter and 1.05% a year ago, according to the Mortgage Bankers Association (MBA). The MBA is forecasting 1.5 million foreclosure starts for all of 2007, up from 960,000 in 2006 and 704,000 in 2005. In an effort to slow foreclosures, lenders modified an estimated 54,000 mortgage loans during the third quarter and set up repayment plans with nearly 183,000 struggling borrowers.