

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (11497)	3.63%	-12.12%	-15.34%	8.88%	6.99%
S&P 500 (1261)	1.73%	-13.15%	-16.78%	5.49%	6.84%
NASDAQ 100 (1823)	0.68%	-12.34%	-10.08%	19.24%	8.09%
S&P 500/Citigroup Growth	0.18%	-10.71%	-11.48%	9.25%	5.77%
S&P 500/Citigroup Value	3.56%	-15.77%	-21.96%	2.03%	7.87%
S&P MidCap 400/Citigroup Growth	0.82%	-3.99%	-6.52%	13.55%	10.93%
S&P MidCap 400/Citigroup Value	2.42%	-7.89%	-16.69%	2.84%	11.99%
S&P SmallCap600/Citigroup Growth	2.20%	-6.41%	-12.60%	5.66%	11.53%
S&P SmallCap600/Citigroup Value	3.15%	-8.34%	-20.44%	-5.19%	10.32%
MSCI EAFE	1.21%	-13.63%	-14.91%	11.76%	16.35%
MSCI World (ex US)	1.02%	-12.67%	-13.71%	13.04%	16.98%
MSCI World	1.28%	-12.68%	-14.83%	9.69%	11.69%
MSCI Emerging Markets	-1.84%	-16.86%	-7.57%	39.23%	26.93%

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 07/18/08.

WEEKLY FUND FLOWS

	Week of 07/16	Previous
Equity Funds	\$1.7 B	\$1.6 B
Including ETF activity, Domestic funds reporting net inflows of \$3.614 B and Non-domestic funds reporting net outflows of -\$1.945 B.		
Bond Funds	-\$972 M	-\$351 M
Municipal Bond Funds	\$251 M	\$272 M.
Money Markets	\$1.099 B	\$38.462 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	6.54%	-12.58%	-27.30%	-13.21%	1.73%
Consumer Staples	0.03%	-5.85%	1.02%	14.36%	8.46%
Energy	-5.55%	-4.32%	2.34%	34.41%	26.44%
Financials	11.45%	-27.08%	-40.31%	-18.52%	-1.43%
Health Care	2.09%	-9.33%	-9.64%	7.32%	3.11%
Industrials	2.34%	-13.18%	-16.97%	12.04%	9.57%
Information Technology	1.21%	-14.22%	-12.88%	16.30%	5.97%
Materials	-0.79%	-4.53%	-6.01%	22.53%	16.32%
Telecom Services	-0.18%	-19.49%	-21.60%	11.88%	8.35%
Utilities	-4.39%	-7.55%	-1.32%	19.38%	17.04%

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 07/18/08.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	-0.30%	2.33%	9.34%	8.83%	3.76%
GNMA 30 Year	-1.60%	0.55%	6.47%	6.97%	4.29%
U.S. Aggregate	-1.15%	0.19%	5.92%	6.97%	3.92%
U.S. Corporate High Yield	0.42%	-2.49%	-2.82%	1.88%	6.51%
U.S. Corporate Investment Grade	-1.38%	-2.36%	1.29%	4.56%	3.11%
Municipal Bond: Long Bond (22+)	-1.97%	-2.64%	-1.92%	0.46%	4.16%
Global Aggregate	-0.85%	3.60%	11.47%	9.48%	6.28%

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 07/18/08.

KEY RATES

As of 07/18

Fed Funds	2.00%	5-YR CD	4.04%
LIBOR (1-month)	2.46%	2-YR Note	2.65%
CPI - Headline	5.00%	5-YR Note	3.42%
CPI - Core	2.40%	10-YR Note	4.09%
Money Market Accts.	2.38%	30-YR T-Bond	4.65%
Money Market Funds	1.87%	30-YR Mortgage	6.08%
6-mo. CD	3.06%	Prime Rate	5.00%
1-YR CD	3.47%	Bond Buyer 40	5.29%

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

FACTOIDS FOR THE WEEK OF JULY 14TH - JULY 18TH

Monday, July 14, 2008

Researcher Reis Inc. reported that the average vacancy rate at neighborhood (up to 150,000 square feet and anchored by a supermarket) and community (up to 350,000 square feet and open-air) malls rose to 8.2% in Q2'08, up from 7.3% a year ago and the highest level since 1995, according to Bloomberg. Vacancies increased to 6.3% at regional (up to 800,000 square feet and anchored by at least two department stores) and super-regional (800,000+ square feet) malls, up from 5.6% a year ago and the highest since Q1'02.

Tuesday, July 15, 2008

Financial institutions in need of securing capital have tapped the preferred securities market aggressively in 2008. Preferred stock issuance totaled \$73.1 billion in the first six months of 2008, up 271% from the \$19.7 billion issued in the first half of 2007, according to data from Thomson Financial. If you add November and December of 2007 to this year's \$73.1 billion take, the total jumps to \$100.5 billion. Prior to 2007 (\$60.0 billion), the largest calendar year for new issues was \$41.3 billion in 2001.

Wednesday, July 16, 2008

With Brazil's economy prospering from the boom in natural resources and agriculture it makes sense that a surge in domestic consumption would follow. Retail, supermarket and grocery store sales increased more than 10% in four of the first six months of 2008, according to Bloomberg. No less than 30 malls are under development after sales jumped 16% to \$58 billion reais at the country's 387 shopping centers in 2007, according to Marcelo Carvalho, president of Brazil's Association of Shopping Centers.

Thursday, July 17, 2008

Worldwide PC shipments grew 15.3% (y-o-y) in the second quarter of 2008, according to IDC's Worldwide Quarterly PC Tracker. Shipments grew by 14.9% in Q1'08. Total units sold approached 72 million in Q2. HP remains the top vendor by market share followed by Dell. Dell, however, posted a higher Q2 growth rate (+21.4%) than HP (+16.8%). Demand was strongest in Europe, the Middle East and Africa.

Friday, July 18, 2008

There are 44 actively managed mutual funds with \$6.62 billion in total assets targeting just financial stocks, according to Morningstar. Over the past three months, this group of funds posted an average loss of 20.14%, over seven percentage points worse than real estate, which was the second worst performing group in the industry. The S&P Financials Index was off 47% from its 2007 high at the beginning of this week. The silver lining is there is opportunity for the taking. Banks, for example, currently trade at 0.8 to 0.9 times book value, vs. their normal range of 1.5 to 2.0, according to *Forbes*.