

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (11422)	1.83%	-12.24%	-11.83%	8.88%	6.24%
S&P 500 (1252)	0.81%	-13.44%	-13.14%	5.49%	6.17%
NASDAQ 100 (1767)	-0.06%	-14.95%	-10.71%	19.24%	5.85%
S&P 500/Citigroup Growth	0.98%	-12.12%	-9.83%	9.25%	4.75%
S&P 500/Citigroup Value	0.63%	-14.84%	-16.44%	2.03%	7.59%
S&P MidCap 400/Citigroup Growth	-0.15%	-7.49%	-5.09%	13.55%	9.06%
S&P MidCap 400/Citigroup Value	0.95%	-6.77%	-8.20%	2.84%	10.88%
S&P SmallCap600/Citigroup Growth	0.03%	-4.01%	-6.74%	5.66%	10.24%
S&P SmallCap600/Citigroup Value	1.85%	-1.67%	-5.89%	-5.19%	10.28%
MSCI EAFE	1.67%	-22.10%	-19.10%	11.76%	12.22%
MSCI World (ex US)	1.54%	-21.27%	-18.03%	13.04%	12.78%
MSCI World	1.13%	-17.50%	-15.47%	9.69%	9.35%
MSCI Emerging Markets	-1.96%	-30.08%	-19.65%	39.23%	19.91%

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 09/12/08.

## WEEKLY FUND FLOWS

	Week of 09/11	Previous
<b>Equity Funds</b>	<b>\$410 M</b>	<b>\$4.7 B</b>
Including ETF activity, Domestic funds reporting net inflows of \$7.823 B and Non-domestic funds reporting net outflows of -\$7.413 B.		
<b>Bond Funds</b>	<b>\$10.4 B</b>	<b>\$1.7 B</b>
<b>Municipal Bond Funds</b>	<b>\$3.163 B</b>	<b>\$252 M</b>
This is the eighth consecutive month of inflows to the sector.		
<b>Money Markets</b>	<b>\$44.443 B</b>	<b>\$19.323 B</b>
This brings assets in the sector to \$3.5 T.		

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	2.49%	-4.85%	-12.70%	-13.21%	2.93%
Consumer Staples	3.11%	2.24%	9.89%	14.36%	9.99%
Energy	0.69%	-13.11%	-4.89%	34.41%	23.10%
Financials	-2.48%	-26.09%	-34.29%	-18.52%	-0.98%
Health Care	1.67%	-7.39%	-5.49%	7.32%	3.90%
Industrials	0.67%	-13.31%	-13.15%	12.04%	8.14%
Information Technology	0.47%	-17.58%	-14.25%	16.30%	3.22%
Materials	2.17%	-8.97%	-0.53%	22.53%	12.98%
Telecom Services	-0.16%	-21.55%	-21.48%	11.88%	7.87%
Utilities	2.67%	-13.05%	-5.12%	19.38%	14.82%

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 09/12/08.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	-0.13%	4.41%	7.96%	8.83%	4.20%
GNMA 30 Year	0.77%	4.47%	7.68%	6.97%	5.09%
U.S. Aggregate	0.28%	2.91%	5.94%	6.97%	4.57%
U.S. Corporate High Yield	0.10%	-2.32%	-1.55%	1.88%	6.36%
U.S. Corporate Investment Grade	-1.06%	-1.34%	0.81%	4.56%	3.47%
Municipal Bond: Long Bond (22+)	0.26%	-0.78%	-0.81%	0.46%	4.90%
Global Aggregate	-0.56%	0.89%	4.81%	9.48%	5.71%

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 09/12/08.

## KEY RATES

As of 09/12

Fed Funds	2.00%	5-YR CD	4.19%
LIBOR (1-month)	2.49%	2-YR Note	2.20%
CPI - Headline	5.60%	5-YR Note	2.94%
CPI - Core	2.50%	10-YR T-Bond	3.71%
Money Market Accts.	2.39%	30-YR T-Bond	4.31%
Money Market Funds	1.87%	30-YR Mortgage	5.60%
6-mo. CD	3.17%	Prime Rate	5.00%
1-YR CD	3.69%	Bond Buyer 40	5.37%

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

## FACTOIDS FOR THE WEEK OF SEPTEMBER 8<sup>TH</sup> - SEPTEMBER 12<sup>TH</sup>

### Monday, September 8, 2008

Real Capital Analytics estimates that commercial real estate transactions worldwide totaled \$306 billion in the first half of 2008, down 60% from the first half of 2007, according to *BusinessWeek*. The value of office building transactions declined the most in the U.S. and Europe. Sales in Germany, the U.S., Britain, and France were down 80%, 69%, 64%, and 51%, respectively. In London, only 3 of the 19 major office projects announced since 2004 have progressed as planned.

### Tuesday, September 9, 2008

The global speculative-grade default rate stood at 2.7% in August, up from 2.5% in July, according to Moody's. The rate was 1.4% a year ago. Moody's is now forecasting the rate will rise to 7.4% by August 2009. The U.S. speculative-grade default rate stood at 3.3% in August, up from 3.0% in July. The rate was 1.4% a year ago. The default rate on senior loans rose from 2.92% in July to a five-year high of 3.27% in August, according to Standard & Poor's LCD. The rate was 0.26% (record-low) at the end of 2007.

### Wednesday, September 10, 2008

Brazil's economy grew by an annualized 6.1% (y-o-y) in the second quarter, topping market expectations calling for a GDP growth rate of 5.5%, according to the Brazilian Statistics Institute. The GDP growth rate was 5.9% in the first quarter. Brazilian Finance Minister Guido Mantega commented that economic growth is sustainable and there is no concern over inflation heating up. Investments in Brazil are growing at a rate of 15%. Mantega estimates that revenues from the newly-discovered pre-salt layer oil fields could double or triple Brazil's foreign exchange reserves, which currently stand at 206.5 billion U.S. dollars.

### Thursday, September 11, 2008

The price of gold is trading at \$743.00 per ounce this morning, down \$17 from yesterday's closing price, according to Bloomberg. This is the cheapest gold has been since October 9, 2007, which just so happens to be the same day the 5-year bull market in the S&P 500 ended. The high for gold was \$1,004.30 an ounce on March 18, 2008. The Reuters/Jefferies CRB Index of 19 raw materials has declined for nine consecutive trading sessions and is off roughly 24% from its peak in July. With commodity prices falling and inflation fears easing somewhat, both hedge funds and ETFs that buy bullion have been big sellers of late, according to Bloomberg.

### Friday, September 12, 2008

Companies that initiate stock buybacks in theory do so in an attempt to reduce outstanding share count in order to boost earnings-per-share and share price. A new study out by Standard & Poor's analysts Stewart Glickman and Todd Rosenbluth found that this strategy did not prove that effective from January 2006 through June 2007, according to John Waggoner at *USA TODAY*. The study noted that 33% of all companies that bought stock back sustained losses, while 75% that did lagged the S&P 500 over that span.