

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (12487)	-0.62%	0.31%	18.25%	19.04%	7.24%
S&P 500 (1422)	-0.58%	0.35%	13.78%	15.79%	6.52%
NASDAQ 100 (1773)	-1.32%	0.92%	5.37%	7.28%	2.92%
S&P Citigroup Growth (L-C)	-0.92%	0.22%	9.49%	11.03%	3.53%
S&P Citigroup Value (L-C)	-0.24%	0.48%	18.30%	20.85%	9.52%
S&P 400 Citigroup Growth (M-C)	0.00%	2.12%	3.90%	5.90%	8.33%
S&P 400 Citigroup Value (M-C)	0.70%	1.70%	11.22%	14.98%	14.27%
S&P 600 Citigroup Growth (S-C)	0.51%	0.19%	4.51%	10.56%	11.91%
S&P 600 Citigroup Value (S-C)	0.30%	0.47%	11.02%	19.66%	13.41%
MSCI EAFE	-0.40%	0.10%	21.19%	26.98%	16.78%
MSCI World (ex US)	-0.28%	0.03%	20.40%	26.34%	16.97%
MSCI World	-0.41%	0.32%	16.98%	20.72%	11.21%
MSCI Emerging Markets	0.58%	-1.10%	19.33%	32.20%	25.21%

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 1/26/07.

WEEKLY FUND FLOWS

	Week of 1/24	Previous
Equity Funds	\$1.7 B	\$3.3 B
Including ETF activity, Domestic funds reporting net outflows of -\$226M and Non-domestic funds reporting net inflows of \$1.973B.		
Bond Funds	\$2.3 B	\$2.0 B
All sectors report inflows except Government Bond funds investing in Mortgage-backed securities. High Yield Corporate Bond funds report inflows for the fourth consecutive week, \$73M, for the first time since 11/17/04.		
Municipal Bond Funds	\$630 M	\$374 M
The largest inflows to the sector since 2/8/06.		
Money Markets	\$5.637 B	-\$9.291 B

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	-2.00%	1.21%	17.91%	18.64%	6.52%
Consumer Staples	-0.58%	1.47%	16.05%	14.58%	6.78%
Energy	0.45%	-3.59%	8.92%	24.21%	18.54%
Financials	-0.38%	0.14%	17.83%	19.23%	9.36%
Health Care	-1.43%	2.11%	9.03%	7.53%	2.39%
Industrials	-1.54%	-0.17%	13.59%	13.29%	6.65%
Information Technology	-0.31%	0.38%	6.27%	8.42%	0.61%
Materials	0.87%	3.56%	19.16%	18.98%	13.75%
Telecom Services	2.38%	1.55%	33.54%	36.74%	3.44%
Utilities	0.63%	-1.06%	16.92%	20.99%	9.78%

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 1/26/07.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.21%	-0.24%	3.36%	3.51%	3.57%
GNMA 30 Year	-0.38%	-0.31%	4.03%	4.62%	4.53%
U.S. Aggregate	-0.40%	-0.36%	4.03%	4.33%	4.86%
U.S. Corporate High Yield	0.22%	1.12%	11.72%	11.85%	10.13%
U.S. Corporate Inv. Grade	-0.43%	-0.33%	4.29%	4.30%	5.66%
Municipal Bond: 22 years +	-0.26%	-0.47%	6.20%	6.82%	6.85%
Global Aggregate	-0.43%	-1.41%	3.39%	6.64%	7.78%

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 1/26/07.

KEY RATES

As of 1/26

Fed Funds	5.25%	5-YR CD	4.76%
LIBOR (1-month)	5.32%	2-YR Note	4.96%
CPI - Headline	2.50%	5-YR Note	4.86%
CPI - Core	2.60%	10-YR Note	4.87%
Money Market Accts.	3.57%	30-YR T-Bond	4.97%
Money Market Funds	4.73%	30-YR Mortgage	6.18%
6-mo. CD	4.66%	Prime Rate	8.25%
1-YR CD	4.83%	Bond Buyer 40	4.67%

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

FACTOIDS FOR THE WEEK OF JANUARY 22ND - 26TH

Monday, January 22, 2006 — Health Care Mergers

A record 1,009 companies operating in the health care sector were gobbled up in mergers in 2006, up from 923 deals in 2005 and 740 in 2004, according to Dealogic. Their combined value was \$135.9 billion. M&A activity has been fueled to a degree by the \$100 billion in foreign earnings that pharmaceutical companies repatriated following the passing of the American Jobs Creation Act of 2004. Companies were taxed on said earnings at a 5.25% rate as opposed to the standard 35% corporate rate. Health care mergers are also up because companies are cheaper by historical standards. The average price-to-earnings ratio (trailing 12-month earnings) for the companies in the S&P Health Care Index is currently 23.6, vs. 30.2 over the past decade, according to *Money*.

Tuesday, January 23, 2006 — S&P 500 Index

Since 1950, the S&P 500 Index has posted an average gain of 1.4% in January, according to the *Stock Trader's Almanac*. As of yesterday's close, the S&P 500 is up 0.40% in 2007. The last time the stock market declined in the third year of a president's term was 1939, according to *USA TODAY*. Since World War II, the S&P 500 has posted an average total return of 22% in a president's third year in office, according to Jeffrey Kleintop, chief investment strategist at PNC Financial Services Group.

Wednesday, January 24, 2006 — High Yield Corporate Bonds

The spread between high yield corporate bonds and U.S. Treasuries has shrunk to 269 basis points, the smallest gap since 1997, according to Merrill Lynch. The average spread over the past five years was 517 basis points. The supply of high yield corporates has soared to take advantage of strong demand. New issuance has grown from \$62 billion in 2002 to an average of \$127 billion per year from 2003 through 2006, according to *BusinessWeek*. The industry default rate fell for the fifth consecutive year in 2006 and now stands at 1.7%, well below its historical average of 5.0%, according to Moody's Investor Service.

Thursday, January 25, 2006 — S&P 500 Stock Splits

Despite the strong showing in the stock market in 2006, only 37 companies in the S&P 500 split their stock, according to Standard & Poor's. That is roughly 40% below the average number of yearly splits since 1979. The reason for the lack of splits may have something to do with the fact that the market has not experienced a 10% correction in 51 months, according to Ned Davis Research.

Friday, January 26, 2006 — Microsoft Windows Vista

Windows Vista, Microsoft's latest version of its operating system, is scheduled to be launched to the masses on January 30. It has been a little over five years since Windows XP was launched. The company is forecasting sales of 200 million copies worldwide in its first two years, according to *USA TODAY*. Windows XP sold 120 million copies in its first two years, according to IDC. By 2008, more than half of all PCs shipped to businesses worldwide will run on Vista, according to market researcher Gartner.