

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (14093)	0.19%	15.01%	20.63%	19.04%	14.98%
S&P 500 (1562)	0.29%	11.71%	16.75%	15.79%	15.39%
NASDAQ 100 (2178)	1.32%	24.37%	27.32%	7.28%	19.98%
S&P 500/Citigroup Growth	0.77%	13.17%	17.40%	11.03%	12.37%
S&P 500/Citigroup Value	-0.19%	10.38%	16.26%	20.85%	18.58%
S&P MidCap 400/Citigroup Growth	0.03%	18.26%	21.09%	5.90%	17.48%
S&P MidCap 400/Citigroup Value	-0.36%	10.79%	15.45%	14.98%	21.02%
S&P SmallCap600/Citigroup Growth	-0.69%	16.36%	20.59%	10.56%	20.67%
S&P SmallCap600/Citigroup Value	-0.94%	5.55%	9.59%	19.66%	20.76%
MSCI EAFE	1.05%	16.70%	27.18%	26.98%	24.70%
MSCI World (ex US)	1.05%	17.96%	28.61%	26.34%	25.29%
MSCI World	0.71%	15.18%	22.97%	20.72%	20.13%
MSCI Emerging Markets	2.48%	42.37%	64.73%	32.20%	40.83%

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 10/12/07.

## WEEKLY FUND FLOWS

	Week of 10/10	Previous
<b>Equity Funds</b>	<b>-\$812 M</b>	<b>\$4.5 B</b>
Including ETF activity, Domestic funds reporting net outflows of -\$3.768B and Non-domestic funds reporting net inflows of \$2.956B.		
<b>Bond Funds</b>	<b>\$1.9 B</b>	<b>\$1.8 B</b>
<b>Municipal Bond Funds</b>	<b>-\$30 M</b>	<b>\$291 M</b>
<b>Money Markets</b>	<b>\$20.802 B</b>	<b>\$27.273 B</b>

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	0.51%	-0.73%	4.17%	18.64%	11.70%
Consumer Staples	0.90%	11.22%	15.46%	14.58%	9.23%
Energy	2.61%	31.74%	47.36%	24.21%	29.64%
Financials	-1.23%	-1.86%	2.91%	19.23%	14.26%
Health Care	0.02%	9.70%	11.02%	7.53%	8.22%
Industrials	-0.78%	18.16%	20.75%	13.29%	17.60%
Information Technology	1.42%	19.82%	22.99%	8.42%	17.64%
Materials	1.12%	26.03%	37.18%	18.98%	22.01%
Telecom Services	-0.47%	18.73%	25.46%	36.74%	18.54%
Utilities	1.11%	15.25%	23.62%	20.99%	24.56%

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 10/12/07.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	-0.20%	4.61%	5.80%	3.51%	2.99%
GNMA 30 Year	0.09%	3.70%	5.60%	4.62%	4.03%
U.S. Aggregate	-0.03%	3.71%	5.51%	4.33%	4.25%
U.S. Corporate High Yield	0.67%	4.47%	8.33%	11.85%	13.43%
U.S. Corporate Investment Grade	0.07%	2.73%	4.84%	4.30%	5.54%
Municipal Bond: Long Bond (22+)	0.02%	0.06%	2.22%	6.82%	5.25%
Global Aggregate	-0.17%	5.44%	8.68%	6.64%	6.75%

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 10/12/07.

## KEY RATES

As of 10/12

Fed Funds	4.75%	5-YR CD	4.66%
LIBOR (1-month)	5.12%	2-YR Note	4.21%
CPI - Headline	2.00%	5-YR Note	4.41%
CPI - Core	2.10%	10-YR Note	4.68%
Money Market Accts.	3.66%	30-YR T-Bond	4.89%
Money Market Funds	4.56%	30-YR Mortgage	6.35%
6-mo. CD	4.54%	Prime Rate	7.75%
1-YR CD	4.68%	Bond Buyer 40	4.78%

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

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

### Monday, October 8, 2007 — Dividend Distributions

Approximately 7,000 publicly owned companies report dividend information to Standard & Poor's Dividend Record. In Q3 '07, 439 companies increased their dividend distributions ? a 7.6% decline from the 475 increases registered in Q3 '06, according to S&P. S&P continues to cite corporate stock buybacks as the primary reason for the slower y-o-y dividend growth. One-time/special dividend distributions fell 6.8% from 88 in Q3 '06 to 82 in Q3 '07.

### Tuesday, October 9, 2007 — US Speculative-Grade Default Rate

The U.S. speculative-grade default rate stood at 1.2% in September, down from 2.0% in September 2006, according to Moody's. The rate has not been this low since March 1982, when it hit 1.0%. Moody's is forecasting a rise to 3.9% by September 2008. The global speculative-grade default rate stood at 1.3% in September. The rate has not been this low since March 1995, when it hit 1.1%. The default rate on senior loans increased slightly from 0.42% in August to 0.55% in September, according to Standard & Poor's LCD. The senior loan market has experienced just four defaults over the past 12 months.

### Wednesday, October 10, 2007 — Bull Market

The current bull market turned five years old yesterday. While it ranks as the fifth-longest since World War II, its 99.9% gain is well below the average bull market gain of 139%, according to InvesTech Research. Here are the four bull markets longer than this one: 10/11/90-3/24/00 (+417.0%); 6/13/49-8/2/56 (+267.1%); 10/3/74-11/28/80 (+126.5%); and 8/12/82-8/25/87 (+228.4%).

### Thursday, October 11, 2007 — Alternative Motor Fuels

To lessen our dependence on foreign oil, President Bush has called for the production of 35 billion gallons a year of alternative motor fuels, including ethanol, by 2017, according to *USA TODAY*. It is estimated the U.S. will produce around 7 billion gallons of ethanol this year. There is at least one potential downside to ethanol. Corn ethanol requires vast amounts of water for irrigation, which could strain our drinking water supplies in some parts of the country. The Ogallala aquifer, which extends from west Texas up into Wyoming and South Dakota, already has areas where water levels have declined by 100 feet or more.

### Friday, October 12, 2007 — US Variable Annuity Net Assets

U.S. variable annuity net assets grew 15.3% (y-o-y) to \$1.45 trillion in the second quarter of 2007, according to the National Association for Variable Annuities. Second quarter sales totaled \$47.3 billion, up 13.4% from \$41.7 billion a year ago. The following shows where the assets were invested at the end of Q2'07: Equities (60.9%); Fixed Accounts (17.7%); Balanced (11.0%); Bonds (7.9%); and Money Market (2.5%).