

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (12581)	-0.49%	1.20%	18.33%	19.04%	7.63%
S&P 500 (1438)	-0.66%	1.58%	15.96%	15.79%	7.47%
NASDAQ 100 (1786)	-0.68%	1.66%	8.44%	7.28%	4.53%
S&P Citigroup Growth (L-C)	-0.72%	1.26%	11.47%	11.03%	4.20%
S&P Citigroup Value (L-C)	-0.60%	1.89%	20.67%	20.85%	10.77%
S&P 400 Citigroup Growth (M-C)	-0.14%	4.98%	7.81%	5.90%	9.54%
S&P 400 Citigroup Value (M-C)	0.69%	5.35%	15.87%	14.98%	15.50%
S&P 600 Citigroup Growth (S-C)	-0.49%	3.20%	9.26%	10.56%	13.06%
S&P 600 Citigroup Value (S-C)	-0.47%	2.76%	15.09%	19.66%	14.36%
MSCI EAFE	0.42%	2.54%	24.44%	26.98%	17.95%
MSCI World (ex US)	0.43%	2.41%	23.52%	26.34%	18.13%
MSCI World	-0.08%	2.18%	19.74%	20.72%	12.29%
MSCI Emerging Markets	0.50%	1.33%	22.83%	32.20%	26.09%

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 2/9/07.

## WEEKLY FUND FLOWS

	Week of 2/7	Previous
<b>Equity Funds</b>	<b>\$10.8 B</b>	<b>-\$1.6 B</b>
Including ETF activity, Domestic funds reporting net inflows of \$8.486B and Non-domestic funds reporting net inflows of \$2.270B.		
<b>Bond Funds</b>	<b>\$2.4 B</b>	<b>\$1.7 B</b>
<b>Municipal Bond Funds</b>	<b>\$673 M</b>	<b>\$470 M</b>
<b>Money Markets</b>	<b>\$29.240 B</b>	<b>-\$35.720 B</b>

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	-0.63%	2.77%	20.14%	18.64%	6.69%
Consumer Staples	-1.07%	1.33%	16.54%	14.58%	6.61%
Energy	-0.49%	-0.92%	16.58%	24.21%	19.78%
Financials	-0.62%	1.11%	20.32%	19.23%	10.72%
Health Care	-0.71%	3.02%	9.41%	7.53%	2.83%
Industrials	-1.27%	1.49%	15.04%	13.29%	7.84%
Information Technology	-0.68%	0.78%	7.14%	8.42%	2.02%
Materials	0.07%	5.26%	22.59%	18.98%	13.88%
Telecom Services	-1.82%	2.41%	31.20%	36.74%	5.25%
Utilities	2.60%	3.64%	24.09%	20.99%	12.04%

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 2/9/07.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	0.22%	0.23%	4.05%	3.51%	3.50%
GNMA 30 Year	0.21%	0.38%	4.77%	4.62%	4.48%
U.S. Aggregate	0.27%	0.31%	4.74%	4.33%	4.84%
U.S. Corporate High Yield	0.60%	1.92%	12.21%	11.85%	10.53%
U.S. Corporate Inv. Grade	0.42%	0.49%	5.09%	4.30%	5.80%
Municipal Bond: 22 years +	0.38%	0.23%	6.21%	6.82%	6.86%
Global Aggregate	0.10%	-0.84%	5.38%	6.64%	7.74%

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 2/9/07.

## KEY RATES

As of 2/9

Fed Funds	5.25%	5-YR CD	4.80%
LIBOR (1-month)	5.32%	2-YR Note	4.89%
CPI - Headline	2.50%	5-YR Note	4.77%
CPI - Core	2.60%	10-YR Note	4.78%
Money Market Accts.	3.58%	30-YR T-Bond	4.86%
Money Market Funds	4.73%	30-YR Mortgage	6.20%
6-mo. CD	4.67%	Prime Rate	8.25%
1-YR CD	4.86%	Bond Buyer 40	4.61%

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

## FACTOIDS FOR THE WEEK OF FEBRUARY 5<sup>TH</sup> - 9<sup>TH</sup>

### Monday, February 5, 2007 — S&P 500 Dividend-Paying Stocks

In January, the dividend-payers (384) in the S&P 500 (equal weight) posted a total return of 2.41%, vs. 1.96% for the non-payers (116), according to Standard & Poor's. For the 12-month period ended January 2007, payers gained 15.85%, vs. 7.78% for the non-payers. The number of dividend increases (S&P 500) in January totaled 28, well below the 40 registered over the same period in 2006, and also below the 32 increases registered in 2004. The dividend yield on the S&P 500 was 1.81% at the end of January.

### Tuesday, February 6, 2007 — Housing Market

The recent weakness in the housing market has been a boon for apartment landlords. From 2000-2004, it was difficult for landlords to raise rents because so many people were shopping for houses. A report due out today from Marcus & Millichap says that rents are due to rise 5% in 2007, according to *USA TODAY*. If so, by the end of 2007, rents will be 14% higher on average than at the end of 2004. Paychecks, however, will have grown by just 4%, adjusted for inflation, over that same period. The spread between rental costs and mortgage payments remains wide. In 2007, the national median rent will be \$943 a month, vs. \$1,566 for the median mortgage payment.

### Wednesday, February 7, 2007 — 2007 M&A Deals

M&A activity in the asset management industry is off to a strong start in 2007 with 15 deals involving \$350 billion in assets already announced, according to MarketWatch.com. In 2006, 189 deals involving \$2.6 trillion in assets were consummated, according to Putnam Lovell NBF Securities Inc. These deals cost the acquirers a grand total of \$44 billion.

### Thursday, February 8, 2007 — M&A Activity

Private equity funds accounted for close to 20% of all global M&A activity in 2006, compared to only 4% in 2000, the last time M&A activity peaked, according to *BusinessWeek*. So far in 2007, stock-only transactions have accounted for 25% of total deal volume, up from 14% at this point last year and 15% for all of 2006. The number of announced deals this year is off 25% from last year's pace, but the aggregate value of this year's deals (\$388.2 billion) is up 20% over last year at this time, according to Dealogic.

### Friday, February 9, 2007 — Earnings Growth

With earnings season drawing to a close, it appears that the S&P 500's string of 18-consecutive quarters of double-digit earnings growth may be coming to an end. S&P is forecasting 9.8% earnings growth for Q4'06, according to SmartMoney.com. Regardless of the streak, U.S. equities are currently trading 8% to 10% below fair value, according to Binky Chadha, chief U.S. equities strategist at Deutsche Bank. With credit spreads near 20-year lows, he believes that bonds, particularly government bonds, are expensive. Chadha is forecasting earnings growth of 9.0% for 2007. He believes that the dollar is likely to weaken further. Roughly 25% of S&P 500 earnings flow from abroad.