

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
DOW JONES 30 (13409)	0.36%	7.59%	19.82%	19.04%	7.71%
S&P 500 (1503)	0.08%	6.96%	20.34%	15.79%	10.69%
NASDAQ 100 (1934)	0.63%	10.32%	22.57%	7.28%	13.33%
S&P 500/Citigroup Growth	0.17%	6.55%	19.03%	11.03%	8.57%
S&P 500/Citigroup Value	-0.01%	7.38%	21.69%	20.85%	12.84%
S&P MidCap 400/Citigroup Growth	-0.03%	13.62%	18.92%	5.90%	12.87%
S&P MidCap 400/Citigroup Value	-0.13%	10.41%	19.31%	14.98%	15.45%
S&P SmallCap600/Citigroup Growth	0.01%	10.86%	16.98%	10.56%	15.02%
S&P SmallCap600/Citigroup Value	-0.13%	6.82%	17.34%	19.66%	13.73%
MSCI EAFE	0.60%	11.20%	32.29%	26.98%	18.30%
MSCI World (ex US)	0.55%	11.72%	32.12%	26.34%	18.71%
MSCI World	0.30%	9.55%	26.28%	20.72%	14.59%
MSCI Emerging Markets	-0.39%	17.28%	49.59%	32.20%	29.63%

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 6/29/07.

WEEKLY FUND FLOWS

	Week of 6/27	Previous
Equity Funds	-\$6.5 B	-\$3.3 B
Including ETF activity, Domestic funds reporting net outflows of -\$7.937B and Non-domestic funds reporting net inflows of \$1.408B.		
Bond Funds	\$537 M	\$1.0 B
Inflows were reported in all sectors except High Yield Corporate Bond funds, -\$439M, and Government Bond funds investing in Mortgage-backed securities, -\$166M). High Yield Corporate Bond funds have reported three consecutive weeks of net outflows for the first time YTD.		
Municipal Bond Funds	\$236 M	\$155 M
Money Markets	\$3.650 B	\$2.803 B
Total net assets invested in the sector to a record \$2.492 trillion.		

Source: **AMG Data Services**

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
Consumer Discretionary	0.02%	2.89%	19.24%	18.64%	8.51%
Consumer Staples	0.45%	5.08%	14.56%	14.58%	6.39%
Energy	-0.58%	17.22%	27.77%	24.21%	21.90%
Financials	-0.78%	-0.79%	14.20%	19.23%	10.28%
Health Care	0.83%	6.24%	19.34%	7.53%	6.75%
Industrials	-0.18%	10.96%	17.29%	13.29%	11.78%
Information Technology	0.41%	9.33%	24.71%	8.42%	10.54%
Materials	-0.86%	16.72%	30.27%	18.98%	14.61%
Telecom Services	2.34%	15.42%	39.51%	36.74%	14.30%
Utilities	1.80%	8.87%	26.44%	20.99%	14.49%

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 6/29/07.

FACTOIDS FOR THE WEEK OF JUNE 25TH - 29TH

Monday, June 25, 2007 — Closed-End Funds

Managers of closed-end funds have launched 17 IPOs so far in 2007. The average fund offering raised \$820 million, up 62% from last year's pace, according to *BusinessWeek*. Some of the funds were a hit because they offered initial yields in the 9% to 10% range, while others attracted capital by investing in "exotic" investments more commonly used by hedge funds and institutional investors. The Investment Company Institute reports that there are 647 closed-end funds trading today with combined assets of approximately \$312 billion, according to SmartMoney.com.

Tuesday, June 26, 2007 — The Yield Curve

Research from Birinyi Associates found that stocks tend to perform well once the yield curve is no longer inverted, according to Bloomberg. The yield curve has been inverted seven times over the past four decades. The S&P 500 index posted an average 12-month gain of 9.3% following their demise. That return is appealing when you consider that the index declined an average of 3.8% in the first month.

Wednesday, June 27, 2007 — Gold

The price of gold bullion has dropped about \$50 per ounce, or over 7.0%, from its 12-month closing high of \$692 on April 20, 2007. One of the explanations for the pullback is a broader acceptance of the hawkish stance by the world's central banks and the likelihood of rates moving higher. The yield on the 10-Yr. T-Note has increased from 4.62% on April 30 to 5.06% as of yesterday's close. It reached a 12-month high of 5.30% on June 12. Steven Jon Kaplan, a senior editor at TrueContrarian.com, sees another couple of months of weaker demand and expects the price gold to fall below \$600 per ounce over that span.

Thursday, June 28, 2007 — Large-Cap Growth Stocks

The Q2'07 edition of the *Investment Manager Outlook*, a survey of investment managers conducted by Russell Investment Group, says that money managers continue to be most bullish on large-cap growth stocks over all other asset classes. Seventy-four percent of those managers polled are bullish, down slightly from 78% in Q1'07. Non-U.S. developed markets came in second at 62% followed by mid-cap growth stocks at 60%. The sectors that managers are most bullish on are health care (70%) and technology (62%). Managers believe that multi-nationals in the large-cap growth space are most attractive at this stage of the global growth cycle. Currently, 29% of the world's economies are growing at a real rate of more than 5%, according to Ed Hyman, chief economist at International Strategy & Investment Group.

Friday, June 29, 2007 — Variable Annuities

U.S. variable annuity net assets grew 8.6% (y-o-y) to \$1.39 trillion in the first quarter of 2007, according to the National Association for Variable Annuities. First quarter sales totaled \$40.9 billion, up from \$38.6 billion a year ago. The following shows where the assets were invested at the end of Q1'07: Equities (60.0%); Fixed Accounts (18.6%); Balanced (10.6%); Bonds (8.2%); and Money Market (2.6%).

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2006	5-yr.
U.S. Treasury: Intermediate	0.41%	1.52%	5.29%	3.51%	3.30%
GNMA 30 Year	0.42%	0.87%	6.12%	4.62%	4.03%
U.S. Aggregate	0.52%	0.98%	6.12%	4.33%	4.48%
U.S. Corporate High Yield	-0.41%	2.87%	11.55%	11.85%	11.91%
U.S. Corporate Investment Grade	0.74%	0.71%	6.71%	4.30%	5.57%
Municipal Bond: 22 years +	0.67%	-0.58%	5.56%	6.82%	6.30%
Global Aggregate	0.74%	0.39%	4.67%	6.64%	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 6/29/07.

KEY RATES

As of 6/29

Fed Funds	5.25%	5-YR CD	4.95%
LIBOR (1-month)	5.32%	2-YR Note	4.86%
CPI - Headline	2.70%	5-YR Note	4.93%
CPI - Core	2.20%	10-YR Note	5.02%
Money Market Accts.	3.61%	30-YR T-Bond	5.12%
Money Market Funds	4.70%	30-YR Mortgage	6.61%
6-mo. CD	4.64%	Prime Rate	8.25%
1-YR CD	4.88%	Bond Buyer 40	4.83%

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