

## STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (12743)	4.41%	-3.78%	2.85%	8.88%	12.12%
S&P 500 (1395)	4.90%	-4.85%	-1.67%	5.49%	12.29%
NASDAQ 100 (1855)	3.70%	-11.01%	4.06%	19.24%	13.95%
S&P 500/Citigroup Growth	3.43%	-7.57%	-0.81%	9.25%	9.78%
S&P 500/Citigroup Value	6.41%	-1.97%	-2.27%	2.03%	14.92%
S&P MidCap 400/Citigroup Growth	5.85%	-5.08%	2.84%	13.55%	14.66%
S&P MidCap 400/Citigroup Value	7.55%	-2.87%	-4.34%	2.84%	17.22%
S&P SmallCap600/Citigroup Growth	5.75%	-3.65%	-1.49%	5.66%	16.20%
S&P SmallCap600/Citigroup Value	7.93%	-1.40%	-9.31%	-5.19%	16.45%
MSCI EAFE	1.85%	-7.79%	1.02%	11.76%	21.23%
MSCI World (ex US)	2.02%	-7.52%	2.54%	13.04%	21.74%
MSCI World	3.40%	-6.27%	0.65%	9.69%	16.77%
MSCI Emerging Markets	0.80%	-10.02%	25.20%	39.23%	33.69%

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 02/01/08.

## WEEKLY FUND FLOWS

	Week of 01/30	Previous
<b>Equity Funds</b>	<b>-\$7.5 B</b>	<b>-\$13.6B</b>
Including ETF activity, Domestic funds reporting net outflows of -\$6.315 B and Non-domestic funds reporting net outflows of -\$1.209 M.		
<b>Bond Funds</b>	<b>\$628 M</b>	<b>\$1.6B</b>
<b>Municipal Bond Funds</b>	<b>\$468 M</b>	<b>\$513 M</b>
This is the fourth consecutive week of net inflows to the sector.		
<b>Money Markets</b>	<b>\$30.531 B</b>	<b>\$57.602 B</b>
The total assets in the sector are a record \$3.3 Trillion.		

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	6.70%	0.17%	-15.75%	-13.21%	9.21%
Consumer Staples	2.97%	-4.34%	6.61%	14.36%	10.17%
Energy	2.92%	-10.31%	21.48%	34.41%	27.22%
Financials	8.58%	1.57%	-18.48%	-18.52%	9.19%
Health Care	2.96%	-3.85%	-0.72%	7.32%	6.76%
Industrials	5.56%	-2.93%	6.07%	12.04%	15.62%
Information Technology	2.73%	-11.75%	1.44%	16.30%	11.52%
Materials	6.28%	-1.82%	14.24%	22.53%	19.77%
Telecom Services	6.87%	-9.35%	-2.26%	11.88%	12.46%
Utilities	5.49%	-5.36%	12.31%	19.38%	20.90%

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 02/01/08.

## BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.19%	2.75%	11.87%	8.83%	4.19%
GNMA 30 Year	0.14%	1.82%	8.90%	6.97%	4.73%
U.S. Aggregate	0.03%	1.89%	9.06%	6.97%	4.79%
U.S. Corporate High Yield	0.55%	-1.18%	-0.57%	1.88%	9.91%
U.S. Corporate Investment Grade	-0.04%	1.39%	6.04%	4.56%	5.01%
Municipal Bond: Long Bond (22+)	-0.17%	0.48%	1.19%	0.46%	5.52%
Global Aggregate	0.72%	2.95%	13.62%	9.48%	6.89%

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 02/01/08.

## KEY RATES

As of 02/01

Fed Funds	3.00%	5-YR CD	3.39%
LIBOR (1-month)	3.27%	2-YR Note	2.06%
CPI - Headline	4.10%	5-YR Note	2.73%
CPI - Core	2.40%	10-YR Note	3.58%
Money Market Accts.	2.79%	30-YR T-Bond	4.30%
Money Market Funds	3.78%	30-YR Mortgage	5.50%
6-mo. CD	3.33%	Prime Rate	6.00%
1-YR CD	3.37%	Bond Buyer 40	4.81%

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

## FACTOIDS FOR THE WEEK OF JANUARY 28<sup>TH</sup> - FEBRUARY 1<sup>ST</sup>

### Monday, January 28, 2008 — S&P 500

Since its peak last October, the S&P 500 has declined 14.5% – reducing shareholder wealth by around \$3 trillion, according to *USA TODAY*. Close to \$1.7 trillion of that erosion occurred in 2008. On a global scale, investors have lost around \$5 trillion so far this year, according to *BusinessWeek*. Only 11 of the 130 industries comprising the S&P 500 have posted gains in 2008. The top performing industry so far has been Homebuilding (+10.2%).

### Tuesday, January 29, 2008 — BRICs

Investors poured \$25.92 billion into emerging markets equity funds in 2007, up from \$16.23 billion in 2006, according to Strategic Insight. One of the more popular emerging themes has been the BRIC countries. While each of the four countries is capable of generating rapid economic growth over the next couple of decades, they are not on the same page with respect to taxation. According to *The Wall Street Journal*, both Brazil's and Russia's tax burden as a percentage of GDP vs. average growth rate has fallen between 30-35% since 1995, compared with just 15-20% for India and China. A study by the World Bank found that it takes a Brazilian company 2,600 hours to fully comply with its tax system, vs. 271 hours for a company in India

### Wednesday, January 30, 2008 — Technology Stocks

Technology stocks have posted the highest Q4'07 earnings growth rate of any sector to date. Nearly half of all tech companies have reported with earnings up an average of 25% (y-o-y), according to Thomson Financial. If this pace holds, it will mark the best quarter since Q3'04, when earnings grew 39%. Of those companies that had reported as of January 22, 86% topped their Wall Street estimates. Thomson estimates that tech earnings will grow by 17% in 2008.

### Thursday, January 31, 2008 — China

China's Shanghai Composite has been in a bear market for 108 days, according to SeekingAlpha.com. The index has declined 28.0% since its peak on October 16, 2007, or -24.7% (USD). The index was up an eye-popping 502% during its latest bull market. There have been nine bear markets since 1995. The average length was 158 days with an average decline of 30.47%.

### Friday, February 1, 2008 — Mortgage Situation

A recent survey by Freddie Mac/Rober found that 58% of delinquent homeowners were unaware that their lenders offered ways to help them keep their homes, according to *USA TODAY*. One in four never even contacted the lender. Only a little over half of those surveyed knew that a missed payment could be added to their loan balance. Mortgage originations declined 14% in 2007 and are expected to fall another 34% to \$1.55 trillion in 2008, according to the Mortgage Bankers Association.