

## STOCK INDEX PERFORMANCE

| Index                            | Week   | YTD     | 12-mo.  | 2007   | 5-yr.  |
|----------------------------------|--------|---------|---------|--------|--------|
| DOW JONES 30 (11734)             | 3.71%  | -10.18% | -11.92% | 8.88%  | 7.44%  |
| S&P 500 (1296)                   | 2.93%  | -10.60% | -11.64% | 5.49%  | 7.79%  |
| NASDAQ 100 (1926)                | 5.49%  | -7.35%  | -2.58%  | 19.24% | 10.23% |
| S&P 500/Citigroup Growth         | 2.86%  | -8.66%  | -7.26%  | 9.25%  | 6.69%  |
| S&P 500/Citigroup Value          | 3.00%  | -12.67% | -15.98% | 2.03%  | 8.86%  |
| S&P MidCap 400/Citigroup Growth  | 0.92%  | -3.75%  | -2.52%  | 13.55% | 11.52% |
| S&P MidCap 400/Citigroup Value   | 2.38%  | -4.80%  | -7.58%  | 2.84%  | 13.09% |
| S&P SmallCap600/Citigroup Growth | 3.47%  | -1.18%  | -4.48%  | 5.66%  | 12.93% |
| S&P SmallCap600/Citigroup Value  | 3.79%  | -1.93%  | -7.19%  | -5.19% | 12.26% |
| MSCI EAFE                        | -1.19% | -15.77% | -14.36% | 11.76% | 15.46% |
| MSCI World (ex US)               | -1.52% | -15.20% | -13.33% | 13.04% | 15.96% |
| MSCI World                       | 0.50%  | -12.89% | -12.23% | 9.69%  | 11.69% |
| MSCI Emerging Markets            | -3.82% | -19.31% | -7.31%  | 39.23% | 25.78% |

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 08/08/08.

## WEEKLY FUND FLOWS

|  | Week of 08/06     | Previous          |
|--|-------------------|-------------------|
| <b>Equity Funds</b>  | <b>\$4.7 B</b>    | <b>\$2.7 B</b>    |
| Including ETF activity, Domestic funds reporting net inflows of \$4.847 B and Non-domestic funds reporting net outflows of -\$126 M. |                   |                   |
| <b>Bond Funds</b>  | <b>\$821 M</b>    | <b>-\$7.0 M</b>   |
| <b>Municipal Bond Funds</b>  | <b>\$375 M</b>    | <b>\$255 M</b>    |
| <b>Money Markets</b>   | <b>\$32.021 B</b> | <b>-\$8.816 B</b> |
| Total net assets rise to the highest level on record, 3.473 T, having risen by over \$1 T since May, 2007.                           |                   |                   |

Source: **AMG Data Services**

## S&P SECTOR PERFORMANCE

| Index                  | Week   | YTD     | 12-mo.  | 2007    | 5-yr.  |
|------------------------|--------|---------|---------|---------|--------|
| Consumer Discretionary | 7.73%  | -6.55%  | -17.46% | -13.21% | 3.28%  |
| Consumer Staples       | 4.23%  | -0.25%  | 5.82%   | 14.36%  | 9.88%  |
| Energy                 | -3.98% | -10.36% | 1.31%   | 34.41%  | 24.65% |
| Financials             | 1.10%  | -23.39% | -34.77% | -18.52% | -0.19% |
| Health Care            | 5.29%  | -4.29%  | -2.52%  | 7.32%   | 4.90%  |
| Industrials            | 4.41%  | -8.81%  | -10.29% | 12.04%  | 10.57% |
| Information Technology | 6.06%  | -9.54%  | -6.00%  | 16.30%  | 7.93%  |
| Materials              | -1.94% | -7.16%  | -1.72%  | 22.53%  | 14.58% |
| Telecom Services       | 2.38%  | -20.98% | -22.66% | 11.88%  | 8.56%  |
| Utilities              | 1.18%  | -10.72% | -4.58%  | 19.38%  | 16.58% |

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 08/08/08.

## BOND INDEX PERFORMANCE

| Index                           | Week   | YTD    | 12-mo. | 2007  | 5-yr. |
|---------------------------------|--------|--------|--------|-------|-------|
| U.S. Treasury: Intermediate     | 0.11%  | 3.18%  | 9.35%  | 8.83% | 4.07% |
| GNMA 30 Year                    | -0.18% | 1.68%  | 6.64%  | 6.97% | 4.61% |
| U.S. Aggregate                  | -0.03% | 1.10%  | 6.31%  | 6.97% | 4.33% |
| U.S. Corporate High Yield       | 0.14%  | -2.96% | -1.59% | 1.88% | 6.99% |
| U.S. Corporate Investment Grade | 0.25%  | -1.13% | 2.65%  | 4.56% | 3.73% |
| Municipal Bond: Long Bond (22+) | 0.10%  | -2.92% | -1.01% | 0.46% | 4.59% |
| Global Aggregate                | -1.50% | 2.11%  | 8.92%  | 9.48% | 5.97% |

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 08/08/08.

## KEY RATES

As of 08/08

|                     |       |                |       |
|---------------------|-------|----------------|-------|
| Fed Funds           | 2.00% | 5-YR CD        | 4.17% |
| LIBOR (1-month)     | 2.46% | 2-YR Note      | 2.49% |
| CPI - Headline      | 5.00% | 5-YR Note      | 3.19% |
| CPI - Core          | 2.40% | 10-YR T-Bond   | 3.93% |
| Money Market Accts. | 2.44% | 30-YR T-Bond   | 4.53% |
| Money Market Funds  | 1.86% | 30-YR Mortgage | 6.39% |
| 6-mo. CD            | 3.13% | Prime Rate     | 5.00% |
| 1-YR CD             | 3.61% | Bond Buyer 40  | 5.32% |

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

## FACTOIDS FOR THE WEEK OF AUGUST 4<sup>TH</sup> - AUGUST 8<sup>TH</sup>

### Monday, August 4, 2008

In July, the dividend-payers (384) in the S&P 500 (equal weight) posted a total return of -0.56%, vs. -0.21% for the non-payers (116), according to Standard & Poor's. Year-to-date, the payers declined 11.88%, vs. a loss of 11.46% for the non-payers. For the 12-month period ended July '08, payers fell 14.14%, vs. a decline of 16.16% for the non-payers. The number of dividend increases (S&P 500) year-to-date totaled 181. That lagged the 193 increases over the same period in 2007 and 200 increases registered in 2006. The dividend yield on the index stood at 2.26% at the end of July.

### Tuesday, August 5, 2008

The high price of gasoline has inspired more companies to ship by rail. While the average price of a gallon of gas for most drivers fell to \$3.88 yesterday, the average price of diesel fuel used by truckers was \$4.53 a gallon, according to eTrucker.com. Today, locomotives get 80% more mileage/gallon than they did 30 years ago, according to Barron's. The high price of oil has boosted coal shipments, which account for 45% of total U.S. tonnage. Rail shipments also stand to grow once the housing market rebounds and the demand for timber rises. All in all, the U.S. Chamber of Commerce estimates that freight railroad usage will expand by 88% over the next 25 years.

### Wednesday, August 6, 2008

The rent-to-price ratio is a metric used to determine whether it makes more fiscal sense to rent than to own a home. From 1960-1995, the rent-to-price ratio averaged 5.29%, according to economists Morris Davis, Andreas Lehnert and Robert Martin. From 1995-2006, the ratio dropped to an all-time low of 3.50% due to the surge in housing prices. The decline in home values over the past two years pushed the ratio up to 3.93% as of Q1'08. For the ratio to trend back near its historical average home prices would need to fall another 10%, according to *BusinessWeek*.

### Thursday, August 7, 2008

Hedge Fund Research (HFR) reported that hedge fund managers posted their worst first-half performance since 1990 due to the credit crunch, according to MarketWatch.com. HFR's hedge fund index fell 0.75% in the first six months of 2008. This is the first time in 18 years hedge funds have not posted a gain in the first half of a calendar year. Inflows to hedge funds totaled just \$29 billion in the first half of 2008, down from \$118 billion for the same period last year.

### Friday, August 8, 2008

Domestic equity funds have topped international equity funds in six of the past nine months – the best run since an 8 out of 10 month stretch beginning in August 2002, according to Lipper and MarketWatch.com. Lipper cited slower global economic growth and higher inflation for the downturn in the performance of foreign stock funds. In 2006, the top 10 performing equity funds were all international. In 2007, that number dropped to 8. Today, there are no international equity funds in the top 10.