

★ U.S. Economy

At the end of October 2007, the broad market U.S. stock indices were returning around 11% on a year-to-date basis. In November these indices received a downward adjustment of just under 5% with the potential for double-digit 2007 U.S. equity returns becoming a difficult objective. Performance in the U.S. stock market was down across the board in November, but the most significant declines occurred in the Financial, Information Technology, and Telecommunication Services sectors. On a year-to-date basis Energy, Materials, Utilities and Consumer Staples have provided strong performance, while Financials, Consumer Discretionary and Telecommunications Services have provided weak performance. Much of the stronger year-to-date growth has been positively driven by the strong growth in the emerging markets abroad, while the largest decline in the Financial arena is attributed to a large degree by credit issues including sub-prime lending.

On a year-to-date global basis, the U.S. market with an MSCI return of 4.9% has fallen behind the developed EAFE country returns averaging just over 11%. The MSCI Emerging Markets index has been a top performer this year despite a 7% downward correction in November. The MSCI Emerging Markets index has returned above 38% thus far in 2007. Significant emerging market industrial powers such as China, India and Indonesia have returned 74%, 61% and 52%, respectively on a year-to-date basis.

Ben Bernanke in his November 8 presentation before the Joint Economic Committee of the U.S. Congress, commented on a reasonably strong U.S. economy, but cautioned on the continued decline of structured mortgage products and the inflation potential from rising energy prices.

Despite rising energy prices, continued unrest in the Middle East and credit issues, there is a case for bullish sentiment. There has recently been positive U.S. economic news from the third quarter with respect to job additions, increased factory orders and labor productivity increases. While the third quarter economic numbers were strong, there is a widespread concern about sustaining this growth into the fourth quarter. As was anticipated by many economists, the Federal Reserve Open Market Committee enacted a .25% rate reduction on December 11. In addition, President Bush announced a plan to temporarily hold interest rates steady for a qualified subset of sub-prime lenders in an effort to stem U.S. home foreclosures.

★ Relative Strength of the U.S. Dollar

The U.S. dollar continues to fluctuate in value with respect to purchasing gold. As shown on the table below, the London spot price of gold in the U.S. market depreciated (0.76%) in November 2007 and appreciated 23.25% on a year-to-date basis through November 2007.

Appreciation of Gold Relative to USD	
YTD 2007	23.25%
Nov-07	(0.76%)

The next table provides key spot exchange rates for 1 U.S. dollar versus several developed-country reference currencies. The decline of the dollar relative to nine other selected major developed country currencies leveled off in November with some appreciation relative to four currencies (GBP, CAD, AUD and HKD) and depreciation relative to five currencies (EUR, JPY, CHF, NZD and SGD). The most extreme U.S. dollar decline on a year-to-date basis is shown against Canadian dollar where the U.S. dollar could purchase 1.1643 Canadian dollars at the start of 2007 and only 0.9944 Canadian dollars on the last day of November 2007.

Exchange Rate Tables 1 USD buying reference currency			
Reference Currency	12/31/06	10/31/07	11/30/07
EUR Europe	0.7579	0.6933	0.6769
GBP Great Britain	0.5111	0.4839	0.4849
JPY Japan	119.06	114.71	109.61
CHF Swiss	1.2182	1.1610	1.1164
CAD Canada	1.1643	0.9535	0.9944
AUD Australia	1.2686	1.0883	1.1364
NZD New Zealand	1.4194	1.3056	1.3005
HKD Hong Kong	7.7775	7.7502	7.7871
SGD Singapore	1.5334	1.4507	1.4489

The next table translates the changes in spot exchange rates from the first table into FX percent returns. As expected, the U.S. dollar showed negative performance relative to all nine major currencies except for Hong Kong on a year-to-date basis. The most extreme decline of the U.S. dollar on a year-to-date basis was against the Canadian dollar and was (14.60%).

FX Return of \$1 USD Relative to Reference Currency		
Reference Currency	YTD 2007	NOV 2007
EUR Europe	(10.68%)	(2.36%)
GBP Great Britain	(5.11%)	0.23%
JPY Japan	(7.94%)	(4.44%)
CHF Swiss	(8.36%)	(3.84%)
CAD Canada	(14.60%)	4.28%
AUD Australia	(10.42%)	4.42%
NZD New Zealand	(8.38%)	(0.39%)
HKD Hong Kong	0.12%	0.48%
SGD Singapore	(5.51%)	(0.12%)

★ U.S. Bond Performance

During November 2007, the U.S. Treasury curve declined across the maturity spectrum with the largest declines in the short to intermediate term range. On a year-to-date basis, the U.S. Treasury curve fell across the maturity spectrum with the largest declines between 1 month and 5 year maturity issues.

In November 2007, the Lehman U.S. Aggregate and Lehman Global Aggregate returned 1.80% and 1.91%, respectively. Also in November, the Lehman municipal bond index and the high yield bond index returned 64 basis points and minus 217 basis points, respectively.

On a year-to-date basis, the Lehman U.S. Aggregate and Lehman Global Aggregate returned 6.67% and 9.81%, respectively. Also in this period, the Lehman municipal bond index and the high yield bond index returned 3.07% and 1.58%, respectively.

TREASURY YIELDS							
Maturity	1 Mo	3 Mos	1 Yr	5 Yrs	10 Yrs	20 Yrs	30 Yrs
12/29/2006	4.75	5.02	5.00	4.70	4.71	4.91	4.81
11/30/2007	3.63	3.15	3.26	3.41	3.97	4.44	4.40
Change	(1.12)	(1.87)	(1.74)	(1.29)	(0.74)	(0.47)	(0.41)
10/31/2007	4.01	3.94	4.04	4.16	4.48	4.79	4.74
11/30/2007	3.63	3.15	3.26	3.41	3.97	4.44	4.40
Change	(0.38)	(0.79)	(0.78)	(0.75)	(0.51)	(0.35)	(0.34)

Bond Indices - Total Return		
Index	NOV 2007	YTD 2007
Lehman Global Aggregate	1.91	9.81
Lehman U. S. Aggregate	1.80	6.67
Lehman Municipal Bond	0.64	3.07
Lehman U. S. Treasury 1-3 Year	1.73	7.05
Lehman High Yield Bond	(2.17)	1.58

★ U.S. Stock Market

The U.S. Equity market indices were down across the board during November 2007. In November 2007, the NASDAQ Composite returned (6.93%), while the broad U.S. market indices returned from (4.41%) to (4.96%). On a year-to-date basis, the NASDAQ composite returned 10.15%, while the broad U.S. market indices returned between 5.78% and 7.46%.

The S&P 500 return based on price change was (4.40%) in November 2007. The top three performing S&P 500 sectors based on price change in the month were: Consumer Staples 2.86%, Health Care 0.86% and Utilities 0.10%. The seven remaining sectors all posted negative returns in November 2007. The bottom three sector performers for the month were: Information Technology (8.09%), Financials (8.05%) and Telecommunication Services (7.25%).

The S&P 500 appreciation on a year-to-date basis through November was 4.43%. The top three performing S&P 500 sectors based on price change during this period were: Energy 23.40%, Materials 18.95% and Utilities 15.77%. The bottom three sector performers during this period were: Financials (16.04%), Consumer Discretionary (9.87%) and Telecommunication Services 5.21%.

During November 2007, the ranking of the performance from low to high on a relative basis based on capitalization was small-cap, mid-cap and large-cap. Large-cap core issues performed the strongest overall, while weakest performance was from small-cap growth or core, depending on which index was considered.

Broad Market Indices & the NASDAQ Comp	NOV 2007	YTD 2007
NASDAQ Comp	(6.93)	10.15
MSCI-U.S. Broad	(4.47)	6.25
Russell 3000	(4.50)	5.78
PPCA Total	(4.96)	7.46
Morningstar	(4.41)	6.58

Large-Cap Stocks	NOV 2007	YTD 2007
S & P 500	(4.18)	6.23
Russell 1000	(4.26)	6.47
Growth	(3.68)	12.22
Value	(4.89)	0.80
Morningstar	(3.99)	7.47
Growth	(4.75)	13.06
Value	(5.08)	0.17
Core	(2.26)	9.63
PPCA	(4.39)	9.07
Growth	(5.13)	14.00
Value	(4.73)	4.89
Core	(2.30)	12.18

S & P 500 Sector Performance		
	Price Change %	
Sector	NOV 2007	YTD 2007
Energy	(3.99)	23.40
Materials	(5.10)	18.95
Industrials	(3.73)	10.80
Consumer Discretionary	(5.84)	(9.87)
Consumer Staples	2.86	13.01
Health Care	0.86	8.76
Financials	(8.05)	(16.04)
Information Technology	(8.09)	13.86
Telecommunication Svcs	(7.25)	5.21
Utilities	0.10	15.77
S&P 500	(4.40)	4.43

Mid-Cap Stocks	NOV 2007	YTD 2007
S & P 400	(5.04)	8.19
Morningstar	(5.25)	5.54
Growth	(4.92)	17.79
Value	(4.82)	(3.83)
Core	(6.01)	3.03
PPCA	(5.19)	7.56
Growth	(5.59)	13.35
Value	(4.90)	2.68
Core	(5.02)	7.08

Small-Cap Stocks	NOV 2007	YTD 2007
S & P 600	(7.42)	0.50
Russell 2000	(7.18)	(1.50)
Growth	(6.91)	6.38
Value	(7.49)	(9.01)
Morningstar	(6.77)	(0.35)
Growth	(6.65)	10.07
Value	(6.01)	(7.71)
Core	(7.65)	(3.90)
PPCA	(8.09)	(3.32)
Growth	(10.92)	(7.27)
Value	(6.87)	(5.58)
Core	(7.32)	5.33

For the month of November 2007, the EAFE index returned (3.45%). Only two EAFE countries posted positive returns and these returns were very modest. The top three EAFE performers were: Portugal 0.17%, Switzerland 0.13% and Spain (0.15%). The bottom three country performers in this period were: Ireland (8.77%), Belgium (8.39%) and Sweden (8.08%).

On a year-to-date basis, the EAFE returned 11.17% with only the three bottom countries returning a negative return (Belgium, Ireland and Japan). The top three country performers in this period were: Finland 50.02%, Hong Kong 37.23% and Germany 30.34%. The bottom three country performers were: Ireland (17.49%), Belgium (3.48%) and Japan (1.47%).

The MSCI Emerging Markets index returned (7.09%) in November 2007 with almost all countries posting negative returns. The top three country performers in this period were: Egypt 2.98%, Jordan 2.86% and Columbia 2.57%. The bottom three country performers in this period were: Peru (13.70%), China (13.51%) and Taiwan (11.22%).

On a year-to-date basis, the MSCI Emerging Markets index returned 38.90% with all countries except Sri Lanka posting positive returns. The top three countries were: Peru 98.37%, Brazil 74.49% and China 73.97%. The bottom three country performers include: Sri Lanka (14.97%), Argentina 0.89% and Venezuela 4.84%.

The MSCI G7 index measures the performance of the world's seven most wealthy countries and includes the following, along with their respective estimated percentage weighting: Canada (15%), U.S. (30%), Japan (20%), Germany (10%), France (10%), Britain (10%) and Italy (5%).

During November of 2007, the G7 returned (4.27%) with all seven countries posting negative returns. The top three country performers for this period were: Germany (1.24%), France (1.80%) and Japan (1.85%). The bottom three country performers in this period were: Canada (11.24%), Britain (5.68%) and the United States (4.44%).

On a year-to-date basis through November of 2007, the G7 index returned 6.76%. The top performing countries in this period were Germany 30.34%, Canada 24.43% and France 12.50%. The bottom three performers were: Japan (1.47%), Italy 4.19% and the United States 4.86%.

G7-Developed Country Performance (U.S. \$) MSCI Indices		
Index	NOV 2007	YTD 2007
G7 Index	(4.27)	6.76
Britain	(5.68)	7.70
Canada	(11.24)	24.43
France	(1.80)	12.50
Germany	(1.24)	30.34
Italy	(1.87)	4.19
Japan	(1.85)	(1.47)
United States	(4.44)	4.86

Net Total Return of MSCI Indices (U.S. \$)		
Overseas Markets	NOV 2007	YTD 2007
The World Index	(4.24)	8.58
The World Index (Ex U.S.)	(4.07)	12.09
EAFE	(3.45)	11.17
Europe	(3.38)	12.97
Far East	(2.35)	2.25
Emerging Markets	(7.09)	38.90