

★ U.S. Economy

The recovery of the U.S. Stock market continued strongly in April with the S&P 500 returning 4.43%. International indices had similar performance with the MSCI World Index (ex U.S.) returning 4.55% and the EAFE returning 4.44%.

U.S. market records are being broken in the current environment. The Dow broke the 13,000 barrier on April 25. On May 3, S&P 500 closed at 1502.39 for the first time above 1500 since September 2000.

There are mixed signals in the economy as investors are watching first quarter earnings carefully. There has been a slowdown in job growth with losses in the manufacturing and retail sectors. Consumers have been tightening their belts in an environment of declining home sales and increasing gas prices. The Fed will meet again on May 9 to review short-term rates. Most economists are predicting the current rates will be maintained. However, the comments by the Fed after the March meeting boosted the market at that time and set the potential tone for reducing rates in the upcoming meetings.

★ U.S. Bond Performance

In April 2007, U.S. Treasury yields fell significantly from 27 to 13 basis points at the very short end (1 month-3 months), and fell slightly from 1 to 4 basis points across the maturity spectrum from 1 year to 30 years. Performance continued to be positive for the U.S. bond market with the Lehman Aggregate posting a modest 54 basis point return in April 2007. Performance was stronger in the global markets where the Lehman Global Aggregate returned 1.13%. The Lehman Municipal Bond indice returned 0.30% and the High Yield indice returned 1.30% .

During the first four months of 2007, U.S. Treasury yields rose slightly for 1 month issues and generally declined for issues between 3 months and 20 years with rates falling from 3 to 19 basis points. Thirty year treasuries were back at the 4.81% yield level at the end of April that they were at the end of December 2006. The Lehman U.S. Aggregate indice returned 2.05% and the Global Aggregate indice returned 2.44% on a year to date basis through April. During the same period, the Lehman Municipal Bond indice returned 1.11% and the High Yield indice returned 3.97%.

TREASURY YIELDS

<u>Maturity</u>	<u>1 Mo</u>	<u>3 Mos</u>	<u>1 Yr</u>	<u>5 Yrs</u>	<u>10 Yrs</u>	<u>20 Yrs</u>	<u>30 Yrs</u>
12-29-06	4.75	5.02	5.00	4.70	4.71	4.91	4.81
4-30-07	4.80	4.91	4.89	4.51	4.63	4.88	4.81
Change	0.05	(0.11)	(0.11)	(0.19)	(0.08)	(0.03)	0.00
3-30-07	5.07	5.04	4.90	4.54	4.65	4.92	4.84
4-30-07	4.80	4.91	4.89	4.51	4.63	4.88	4.81
Change	(0.27)	(0.13)	(0.01)	(0.03)	(0.02)	(0.04)	(0.03)

Bond Indices - Total Return

<u>Index</u>	<u>Apr 2007</u>	<u>YTD 2007</u>
Lehman Global Aggregate	1.13	2.44
Lehman U. S. Aggregate	0.54	2.05
Lehman Municipal Bond	0.30	1.11
Lehman U. S. Treasury 1-3 Year	0.35	1.77
Lehman High Yield Bond	1.30	3.97

During the month of April, the broad U.S. market indices made a significant recovery with performance around the 4% level for the month which impacted the year to date performance to levels between 5 and 6%. The domestic market was led by large cap issues in April where the Morningstar indice returned 4.36% and the PPCA indice returned 4.46%. The lowest performance was in small cap issues where Morningstar returned 2.33% and PPCA returned 2.36%.

The top three performing sectors in the S&P 500 with respect to price changes during April were: Health Care 7.10%, Information Technology 5.40% and Energy 5.21%. The bottom three performing sectors during the month were: Telecommunications Services 0.07%, Materials 1.93%, and Consumer Discretionary 2.50%. During the first four months of 2007, the top three performing sectors for the S&P 500 were: Utilities 12.91%, Materials 10.47% and Health Care 7.76%. The bottom three performers were: Financials 0.40%, Consumer Discretionary 1.48%, and Information Technology 4.24%.

Broad Markets	Apr 2007	YTD 2007
NASDAQ Comp	4.27	4.54
MSCI-U.S. Broad	4.03	5.46
Russell 3000	3.99	5.32
PPCA Total	4.06	5.79
Morningstar	4.11	5.55

Large Cap Stocks	Apr 2007	YTD 2007
S & P 500	4.43	5.10
Russell 1000	4.20	5.47
Growth	4.71	5.95
Value	3.70	4.98
Morningstar	4.36	4.81
Growth	4.06	5.70
Value	3.82	4.67
Core	5.16	4.22
PPCA	4.46	4.90
Growth	3.60	5.40
Value	4.88	5.31
Core	4.82	3.53

S & P 500 Sector Performance		
	Price Change %	
Sector	Apr 2007	YTD 2007
Energy	5.21	7.02
Materials	1.93	10.47
Industrials	4.71	5.32
Consumer Discretionary	2.50	1.48
Consumer Staples	3.17	4.82
Health Care	7.10	7.76
Financials	3.98	0.40
Information Technology	5.40	4.24
Telecommunications Srvcs	0.07	6.44
Utilities	4.13	12.91
S&P 500	4.33	4.52

MidCap Stocks	Apr 2007	YTD 2007
S & P 400	3.04	9.02
Morningstar	3.80	8.56
Growth	4.57	10.02
Value	3.05	7.37
Core	3.77	8.28
PPCA	3.69	8.55
Growth	3.27	8.42
Value	4.12	8.48
Core	3.61	8.91

Small Cap Stocks	Apr 2007	YTD 2007
S & P 600	2.23	5.51
Russell 2000	1.80	3.78
Growth	2.62	5.16
Value	1.04	2.51
Morningstar	2.33	4.90
Growth	2.68	6.62
Value	1.90	3.23
Core	2.38	4.84
PPCA	2.36	4.62
Growth	2.20	4.19
Value	2.28	3.87
Core	2.68	6.49

For the month of April 2007, the EAFE index was up 4.44%. The top three EAFE country performers were: Sweden 11.30%, Germany 9.46% and Netherlands 9.20%. The bottom three EAFE country performers were: Japan (1.95%), Spain 1.26% and Hong Kong 2.31%. For the performance in the first four months of 2007, the top EAFE country performers were: Finland 20.10%, Netherlands 17.51% and Germany 16.91%. The bottom three EAFE country performers were: Japan 1.50%, Ireland 2.09% and Hong Kong 2.86%.

The MSCI Emerging Markets index was up 4.63% for April 2007. The top three Emerging Market country performers during April were: Peru 15.49%, India 12.12% and Chile 11.52%. The bottom three performers for the period were: Venezuela (17.48%), Sri Lanka (4.13%) and Russia (2.73%). The MSCI Emerging Markets index was up 6.99% on a year to date basis through April. For the same period, the top three Emerging Market country performers were: Peru 44.32%, Morocco 34.03% and Pakistan 27.28%. The bottom three performers for the period were: Venezuela (26.69%), Russia (5.66%) and Sri Lanka (4.78%).

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

During the month of April 2007, the G7 index returned 4.08%. The top three country performers were: Germany 9.49%, France 8.14% and Italy 7.64%. The bottom three country performers were: Japan (1.95%), United States 4.26% and Britain 4.43%. For the first four months of 2007, the G7 index returned 6.13%. The top three country performers in this period were: Germany 16.91%, France 11.19% and Canada 9.39%. The bottom three country performers in this period were: Japan 1.50%, United States 5.19% and Britain 7.58%.

Net Total Return of MSCI Indices (U.S. \$)		
Overseas Markets	Apr 2007	YTD 2007
The World Index	4.41	7.02
The World Index (Ex U.S.)	4.55	8.75
EAFE	4.44	8.70
Europe	6.46	10.57
Far East	(1.40)	2.11
Emerging Markets	4.63	6.99

G7-Developed Country Performance (U.S. \$) MSCI Indices		
Index	Apr 2007	YTD 2007
G7 Index	4.08	6.13
Britain	4.43	7.58
Canada	6.05	9.39
France	8.14	11.19
Germany	9.49	16.91
Italy	7.64	8.59
Japan	(1.95)	1.50
United States	4.26	5.19