

★ U.S. Economy

Domestic and developed international stock markets recovered around 5% in April 2008. In addition there was some strengthening of the U.S. dollar relative to gold and relative to several key foreign currencies such as the euro, the British pound and the Japanese yen. A recent advance estimate of the first quarter 2008 Gross Domestic Product is that the output of goods and services produced by labor and property in the United States have increased at an annual rate of 0.6%. The Federal Open Market Committee once again reduced the federal funds rate at the end of April by .25% to a level of 2.00%. The last time this rate was as low as 2% was on November 10, 2004.

However, there are still significant issues for the U.S. Economy to deal with before it strengthens. The Labor Department reported that for the fourth month in a row there were non-farm job losses. In April 2008, there were 20,000 job losses which was significantly less than the 80,000 job losses reported in March 2008. The monthly U.S. unemployment rate was reduced slightly during April from 5.1% to 5.0%. Energy prices continue to increase significantly as a barrel of oil climbed to \$120 at the end of the month. These oil prices are being driven up by high demand from expanding economies in China and India. At the same time, supplies are tightening with turbulence in the Middle East leading to decreased exports.

The U.S. housing market is still in a downturn with no near term solution in sight. Since home loans are at the core of many current problems in the financial markets, the impact is significant. The ongoing costs of the wars in Iraq and Afghanistan continue to take a toll on the U.S. economy.

★ Impact of April 2008 Equity Market Recovery on Recent Declines

The U.S. stock market made a significant recovery in April 08 after five months of decline. For the key U.S. market indices considered, the returns ranged from 4.87% to 5.87% during April 08. This increase in performance resulted in almost flat returns for the extended 16 month period from January 07 through April 08 as shown in the table below.

Impact of April 08 U.S. Recovery on Recent Market Declines

Key U.S. Market Indices				Jan07-Mar 08		Jan07-Apr 08	
	Jan 07-Oct 07	2007	Nov 07- Mar 08	Unannualized	Apr 08	Nov 07 - Apr 08	Unannualized
NASDAQ Composite	18.35	9.78	(20.28)	(5.65)	5.87	(15.60)	(0.11)
MSCI-US Broad	11.21	5.59	(14.05)	(4.42)	5.01	(9.75)	0.37
Russell 3000	10.77	5.14	(14.12)	(4.87)	5.00	(9.82)	(0.11)
PPCA Total	10.23	7.05	(14.29)	(5.52)	5.25	(9.79)	(0.56)
Morningstar U.S.	11.50	5.92	(14.01)	(4.12)	5.10	(9.63)	0.77
S&P 500	10.87	5.49	(13.83)	(4.46)	4.87	(9.63)	0.19

The major global and international market indices for developed countries recovered in April 08 with returns ranging from 5.26% to 5.47%. The emerging markets posted a higher 8.12% recovery in April 08. The results on performance over the past 16 months is shown below. All of the indices posted positive returns higher than the U.S. equity market returns over the 16 month period. The MSCI emerging markets index returned 34.14% from January 07 through April 08.

Impact of April 08 Global Recovery on Recent Market Declines

Key Global Indices	Jan07-Mar 08				Jan07-Apr 08		
	Jan 07-Oct 07	2007	Nov 07-Mar 08	Unannualized	Apr 08	Nov 07-Apr 08	Unannualized
World Index	15.17	7.09	(14.11)	(1.08)	5.26	(9.59)	4.13
EAFE	17.60	8.62	(14.07)	1.05	5.43	(9.41)	6.54
G7	13.16	5.51	(14.24)	(2.95)	5.47	(9.54)	2.36
Emerging Markets	49.50	39.39	(17.01)	24.06	8.12	(10.28)	34.14

★ Relative Strength of the U.S. Dollar

The U.S. dollar continued to strengthen in April 2008 as the price of gold went down (6.70%). On a year-to-date basis through April 2008, the price of gold has appreciated 4.12% relative to the U.S. dollar.

Appreciation of Gold Relative to USD	
2007	31.59%
YTD08	4.12%
APR-08	(6.70%)

The next table provides key spot exchange rates for 1 U.S. dollar versus several developed country reference currencies. During April 2008, the U.S. dollar strengthened in six of the nine major currencies considered with weakening only against the Canadian, Australian and Singaporean currencies. On a year-to-date basis, the U.S. dollar strengthened only in the currencies of Great Britain and Canada.

The next table translates the changes in spot exchange rates from the first table into FX percent returns. The most significant increase in the U.S. dollar in April 2008 was 4.89% against the Japanese yen. On a year-to-date basis, the most significant decline in the U.S. dollar was (8.11%) against the Swiss franc.

Exchange Rate Tables 1 USD buying reference currency				
Reference Currency	12/31/06	12/31/07	3/31/08	04/30/08
EUR Europe	0.7579	0.6783	0.6329	0.6407
GBP Great Britain	0.5111	0.5008	0.5012	0.5045
JPY Japan	119.06	112.27	99.19	104.04
CHF Swiss	1.2182	1.1269	0.9943	1.0355
CAD Canada	1.1643	0.9804	1.0222	1.0131
AUD Australia	1.2686	1.1444	1.0896	1.0694
NZD New Zealand	1.4194	1.2942	1.2536	1.2832
HKD Hong Kong	7.7775	7.8046	7.7821	7.7912
SGD Singapore	1.5334	1.4459	1.3799	1.3605

FX Return of \$1 USD Relative to Reference Currency			
Reference Currency	2007	YTD08	APR 2008
EUR Europe	(10.50%)	(5.55%)	1.23%
GBP Great Britain	(2.00%)	0.74%	0.66%
JPY Japan	(5.70%)	(7.33%)	4.89%
CHF Swiss	(7.49%)	(8.11%)	4.14%
CAD Canada	(15.79%)	3.33%	(0.89%)
AUD Australia	(9.78%)	(6.55%)	(1.85%)
NZD New Zealand	(8.83%)	(0.84%)	2.36%
HKD Hong Kong	0.35%	(0.17%)	0.12%
SGD Singapore	(5.71%)	(5.90%)	(1.40%)



U.S. Bond Performance

During April 2008, yields declined by 82 basis points for 1 month treasuries and rose across the spectrum from 3 months through 30 years. The most significant increase shown on the table is a 57 basis point increase for 5 year issues. On a year-to-date basis, treasury yields declined across the maturity spectrum from 1 month through 20 year maturities, while 30 year issues were up 4 basis points.

In April 2008, the Lehman U.S. Aggregate and Lehman Global Aggregate posted returns of (0.21%) and (1.91%), respectively. Also in April, the Lehman municipal bond index and the Lehman high yield bond index returned 1.17% and 4.31%, respectively.

On a year-to-date basis through April 2008, the Lehman U.S. Aggregate and Lehman Global Aggregate returned 1.95% and 4.47%, respectively. During the same period the Lehman municipal bond index and the Lehman high yield bond index returned 0.55% and 1.16%, respectively.



U.S. Stock Market

In April 2008, the NASDAQ Composite index returned a significant 5.87%. Also during April, the four broad U.S. stock indices considered posted strong returns in a range between 5.00% and 5.25%.

On a year-to-date basis the NASDAQ Composite index return was negative at (9.01%). The broad U.S. stock market indices posted negative returns ranging from (4.72%) to (4.99%) on a year-to-date basis.

During April 2008, the strongest domestic equity performance was in the mid and large cap growth styles, while the weakest performance was generally in small cap issues. On a year-to-date basis, mid cap core issues had the strongest performance, while small cap growth issues had the weakest performance.

The S&P 500 return based on price change was 4.75% in April 2008. The top three performing sectors were: Energy 10.87%, Information Technology 6.91% and Financials 6.34%. The bottom three sector performers during the month were: Consumer Staples (0.38%), Industrials 1.34% and Health Care 1.42%.

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>
12/31/2007	2.76	3.36	3.34	3.45	4.04	4.50	4.45
4/30/08	1.17	1.43	1.85	3.03	3.77	4.49	4.49
Change	(1.59)	(1.93)	(1.49)	(0.42)	(0.27)	(0.01)	0.04
3/31/2008	1.99	1.38	1.55	2.46	3.45	4.30	4.30
4/30/08	1.17	1.43	1.85	3.03	3.77	4.49	4.49
Change	(0.82)	0.05	0.30	0.57	0.32	0.19	0.19

Bond Indices - Total Return

<u>Index</u>	<u>APR 2008</u>	<u>YTD08</u>
Lehman Global Aggregate	(1.91)	4.47
Lehman U. S. Aggregate	(0.21)	1.95
Lehman Municipal Bond	1.17	0.55
Lehman U. S. Treasury 1-3 Year	(0.89)	2.15
Lehman High Yield Bond	4.31	1.16

<u>Broad Market Indices & the NASDAQ Comp</u>	<u>APR 2008</u>	<u>YTD 2008</u>
NASDAQ Comp	5.87	(9.01)
MSCI-U.S. Broad	5.01	(4.94)
Russell 3000	5.00	(4.99)
PPCA Total	5.25	(4.72)
Morningstar	5.10	(4.87)

<u>S & P 500 Sector Performance</u>		
<u>Price Change %</u>		
<u>Sector</u>	<u>APR 2008</u>	<u>YTD 2008</u>
Energy	10.87	2.52
Materials	5.33	1.59
Industrials	1.34	(3.19)
Consumer Discretionary	4.23	(2.29)
Consumer Staples	(0.38)	(3.15)
Health Care	1.42	(10.69)
Financials	6.34	(9.20)
Information Technology	6.91	(9.52)
Telecommunication Svcs	3.86	(11.24)
Utilities	5.21	(6.02)
S&P 500	4.75	(5.64)

On a year-to-date basis through April 2008, the S&P 500 return based on price change was (5.64%). The top three performing sectors in this period were: Energy 2.52%, Materials 1.59% and Consumer Discretionary (2.29%). The bottom three performing sectors in this period were: Telecommunication Services (11.24%), Health Care (10.69%) and Information Technology (9.52%).

Small-Cap Stocks	APR 2008	YTD 2008	Mid-Cap Stocks	APR 2008	YTD 2008	Large-Cap Stocks	APR 2008	YTD 2008
S & P 600	4.01	(3.75)	S & P 400	7.71	(1.83)	S & P 500	4.87	(4.27)
Russell 2000	4.19	(6.12)	Morningstar	6.79	(3.70)	Russell 1000	5.07	(4.89)
Growth	5.14	(8.35)	Growth	9.57	(4.54)	Growth	5.25	(5.46)
Value	3.16	(3.57)	Value	3.78	(5.23)	Value	4.87	(4.27)
Morningstar	4.10	(5.36)	Core	6.75	(1.46)	Morningstar	4.74	(5.14)
Growth	4.39	(10.64)	PPCA	6.05	(4.54)	Growth	6.44	(5.80)
Value	5.27	(2.18)	Growth	6.37	(7.14)	Value	6.15	(4.42)
Core	4.61	(2.63)	Value	5.15	(3.63)	Core	2.14	(5.13)
PPCA	3.67	(6.82)	Core	7.13	(1.76)	PPCA	5.18	(4.46)
Growth	2.37	(14.42)				Growth	7.31	(7.40)
Value	3.83	(1.82)				Value	4.19	(3.59)
Core	4.68	(7.67)				Core	3.97	(0.31)

★ Global Markets

For the month of April 2008, the EAFE index returned 5.43%. The top three EAFE country performers were: Norway 12.92%, Austria 11.64% and Australia 8.45%. The bottom three country performers were: Finland (1.49%), Denmark (0.65%) and Switzerland 0.08%.

On a year-to-date basis through April 2008, the EAFE index returned (3.96%). The top three country performers were: Belgium 1.83%, Norway 1.11% and Austria 0.59%. The bottom three country performers were: New Zealand (12.47%), Hong Kong (12.28%) and Greece (11.99%).

The MSCI Emerging Markets index returned 8.12% during April 2008. The top three country performers were: Columbia 18.61%, Turkey 16.49% and China 15.61%. The bottom three country performers were: Philippines (9.69%), Indonesia (5.87%) and Pakistan (4.13%).

On a year-to-date basis through April 2008, the MSCI Emerging Markets index returned (3.77%). top three country performers were: Morocco 29.88%, Egypt 13.85%, and Columbia 13.38%. The bottom three country performers in this period were: Turkey (28.22%), Philippines (25.48%) and India (18.90%).

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 April 2008, the MSCI G7 index returned 5.47%. The top three G7 performing countries were: Japan 7.27%, Canada 7.05% and the United Kingdom 6.47%. The bottom three G7 performing countries were: Germany 4.38%, France 4.43% and the United States 4.92%.

On a year-to-date basis through April 2008, the MSCI G7 index returned (4.39%). The top three performing G7 countries were: Canada 0.51%, Japan (1.11%) and France (4.29%). The bottom three G7 performing countries were: Germany (7.88%), Italy (6.33%) and the United States (5.01%).

Net Total Return of MSCI Indices (U.S. \$)		
Overseas Markets	APR 2008	YTD 2008
The World Index	5.26	(4.28)
The World Index (Ex U.S.)	5.56	(3.61)
G7 Index	5.47	(4.39)
EAFE	5.43	(3.96)
Europe	4.53	(4.48)
Far East	7.31	(2.28)
Emerging Markets	8.12	(3.77)