

★ U.S. Economy

The Federal Reserve Open Market committee will meet in mid December for the last meeting of 2006. Most market watchers are not expecting a change in interest rates from 5.25% at this meeting. However, the FOMC's commentary will be reviewed closely to understand their view of the US economy and their likely strategies in early 2007. Lower long term interest rates, more stable inflation indicators and attractive equity valuations have encouraged the flow of money into the stock markets. However, there are concerns about the housing slowdown and recession risk, as well as the inverted interest rate curve.

The U.S. stock market rally has continued through November for the 9th week.. Stocks in different industries and capitalization levels have kept pace with the market. This diverse leadership is generally considered a bullish sign.

★ U.S. Bond Performance

The U.S. Treasury curve continued to invert in November 2006, with a yield increase for 1 month issues and graduating yield decreases from the 3 month to 30 year issues. The one-three month Lehman US Treasury index continued to have positive performance, returning .51% in November 2006. Performance continued to be positive in bonds with the Lehman Global Aggregate and the Lehman U.S. Aggregate, returning 2.44% and 1.16%, respectively. The Lehman Municipal Bond and Lehman High Yield Bond indices returned 0.83% and 1.68%, respectively, during November 2006.

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>
10-31-06	5.18	5.08	4.99	4.57	4.61	4.81	4.72
11-30-06	5.22	5.03	4.94	4.45	4.46	4.66	4.56
Change	0.04	(0.05)	(0.05)	(0.12)	(0.15)	(0.15)	(0.16)
12-30-05	4.01	4.08	4.38	4.35	4.39	4.61	N.A.
11-30-06	5.22	5.03	4.94	4.45	4.46	4.66	4.56
Change	1.21	0.95	0.56	0.10	0.07	0.05	N.A.

Bond Indices - Total Return		
<u>Index</u>	<u>Nov 2006</u>	<u>YTD06</u>
Lehman Global Aggregate	2.44	8.07
Lehman U. S. Aggregate	1.16	4.94
Lehman Municipal Bond	0.83	5.21
Lehman U. S. Treasury 1-3 Year	0.51	3.92
Lehman High Yield Bond	1.68	10.63

The broad indices continued to post strong returns in November 2006 with the NASDAQ returning 2.75% and the other major indices having returns in a tight range from 2.18% to 2.32%. On a year-to-date basis through November 2006, the NASDAQ returned 10.26%, while the other broad indices returned 14.35% to 14.81%.

The three top performing sectors in the S&P 500 during November 2006 were Energy 8.06%, Materials 4.14% and Information Technology 3.16%. The bottom three performers for this period were Consumer Staples -1.08% , Health Care -0.54% and Telecommunications Services -0.33%.

The top three performing S&P 500 sectors on a year-to-date basis through November 2006 were Telecommunications Services 26.37%, Energy 24.58%, and Utilities 15.80%. The bottom three performers for this period were Health Care 4.61%, Information Technology 9.18% and Consumer Staples 9.37%.

In November 2006, almost all indices considered here earned positive returns except the PPCA large-cap core index. The strongest performance was from mid-cap issues, followed by small-cap and then large-cap issues. The highest performing sector was mid-cap growth, while the lowest performing sector was large-cap core.

On a year-to-date basis through November 2006, value issues for large and mid-cap issues have outperformed within core and growth classifications. The highest performing sector is large-cap value, while the lowest performing sector is large-cap growth.

S & P 500 Sector Performance		
Sector	Nov 2006	YTD 06
Energy	8.06	24.58
Materials	4.14	15.22
Industrials	2.15	10.12
Consumer Discretionary	1.00	14.75
Consumer Staples	(1.08)	9.37
Health Care	(0.54)	4.61
Financials	0.23	11.97
Information Technology	3.16	9.18
Telecommunications Srvcs	(0.33)	26.37
Utilities	1.87	15.80

MidCap Stocks		
	Nov 2006	YTD 06
S & P 400	3.22	10.86
Morningstar	3.78	14.31
Growth	3.93	10.88
Value	3.72	17.40
Core	3.69	14.77
PPCA	3.75	15.83
Growth	4.22	13.16
Value	3.54	17.61
Core	3.38	16.94

Broad Markets	Nov 2006	YTD 06
NASDAQ Comp	2.75	10.26
MSCI-U.S. Broad	2.26	14.40
Russell 3000	2.18	14.35
PPCA Total	2.32	14.81
Morningstar	2.25	14.39

Large Cap Stocks	Nov 2006	YTD 06
S & P 500	1.90	14.19
Russell 1000	2.13	14.00
Growth	1.99	8.71
Value	2.28	19.56
Morningstar	1.81	14.15
Growth	2.90	6.18
Value	2.19	22.49
Core	0.58	13.18
PPCA	1.70	13.98
Growth	2.46	8.28
Value	2.19	21.05
Core	(0.42)	8.22

Small Cap Stocks	Nov 2006	YTD 06
S & P 600	2.77	15.14
Russell 2000	2.63	17.97
Growth	2.39	13.62
Value	2.85	22.41
Morningstar	2.68	16.97
Growth	1.85	10.71
Value	3.07	18.87
Core	3.10	21.31
PPCA	2.85	17.10
Growth	3.55	13.25
Value	2.75	19.18
Core	2.13	18.09

For the month of November 2006, the EAFE index returned 2.99%. All developed countries in the EAFE index posted positive returns. The strongest regional performance continues to be in Europe, which returned 3.56% during November 2006. The top three country performers include: Norway 9.23%, Singapore 7.14% and Denmark 6.53%. The bottom three country performers in EAFE for this period include: Japan 0.71%, Belgium 1.98% and Britain 2.43%.

On a year-to-date basis for the eleven months through November 2006, the EAFE index returned 22.50%. This EAFE return was powered by the strong year-to-date performance in Europe of 29.56%. The three top country performers include: Spain 46.94%, Portugal 40.82% and Singapore 38.07%. The bottom three country performers include: Japan 3.67%, New Zealand 7.64% and Canada 18.64%.

The MSCI Emerging Markets index returned 7.43% during November 2006. The top three performing countries were Sri Lanka 19.62%, Argentina 15.90% and Malaysia 11.10%. The bottom three performing countries for this period Jordan (8.52%), Turkey (6.97%) and Pakistan (5.02%).

On a year-to-date basis, the MSCI Emerging Markets index returned 26.48%. The top three country performers include: Indonesia 65.10%, Morocco 62.73% and Venezuela 60.02%. The bottom three country performers for this period include: Jordan (29.78%), Turkey (11.99%) and Israel (3.91%).

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 November 2006, the G7 index returned 2.16%. The top three country performers are Italy 5.51%, Germany 4.60% and France 3.91%. The bottom three country performers are Japan 0.71%, United States 1.91% and Britain 2.43%.

On a year-to-date basis through November 2006, the G7 index returned 15.70%. The top three country performers were Germany 30.59%, France 29.89% and Italy 29.85%. The bottom three country performers for this period were Japan 3.67%, United States 13.35% and Canada 18.64%.

Net Total Return of MSCI Indices (U.S. \$)		
Overseas Markets	Nov 2006	YTD06
The World Index	2.45	17.67
The World Index (Ex U.S.)	2.98	22.21
EAFE	2.99	22.50
Europe	3.56	29.56
Far East	1.25	5.74
Emerging Markets	7.43	26.48

G7-Developed Country Performance (U.S. \$) MSCI Indices		
Index	Nov 2006	YTD06
G7 Index	2.16	15.70
Britain	2.43	27.37
Canada	2.85	18.64
France	3.91	29.89
Germany	4.60	30.59
Italy	5.51	29.85
Japan	0.71	3.67
United States	1.91	13.35

The indices listed under Broad Market indices have the following coverage:

NASDAQ Composite – Lists all NASDAQ domestic and international-based common type stocks, listed exclusively on the NASDAQ Stock Market. The index currently includes over 3,000 issues. The NASDAQ over-the-counter market is heavily weighted in technology and internet stocks. Companies on NASDAQ tend to be more speculative and risky than those on the New York Stock Exchange (NYSE).

MSCI – U.S. Broad – The MSCI U.S. Broad Market index represents approximately 99.5% of the U.S. equity market, including large-cap, mid-cap, small-cap and micro-cap issues. This index includes approximately 3,900 companies.

Russell 3000 – The Russell 3000 index represents approximately 98% of the U.S. market. The index is made up of 3,000 of the largest and most liquid stocks based and traded in the U.S.

PPCA Total – This index includes all U.S. compustat issues which are currently 5,800 stocks. This covers over 99.5% of the U.S. market by capitalization.

Morningstar U.S. Market – This index covers 97% of the U.S. market capitalization and currently consists of 2,118 holdings.

All of the above indices are market value weighted.