

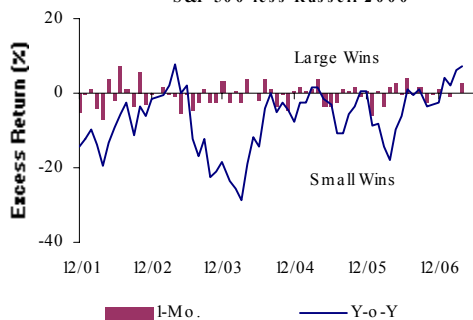
U.S. ECONOMIC BACKGROUND

The U.S job market remained firm with the unemployment rate holding steady at 4.4%. The ISM Manufacturing Index reported a decrease from 52.3 to 50.9, signaling a deceleration in manufacturing. The University of Michigan's Consumer Confidence Index remained on par with the previous reading of 88.4, while the Conference Board reported that consumer confidence fell amid further declines in the housing market and increased gas price volatility. The housing sector continues to be sluggish with new home sales off 23.5% since last year. Higher fuel prices have continued to raise concerns for consumers, and worries are looming about future consumer spending given the upcoming summer driving season. The Producer Price Index pulled back sharply from a previous reading of 1.30 to 1.00; however, PPI excluding food and energy shows no change, confirming the volatility within energy. Finally, economic growth as measured by GDP was reported at 1.3%, its slowest pace in four years.

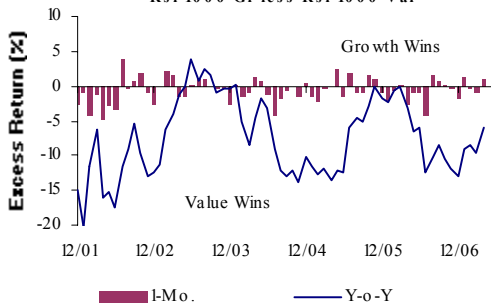
U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	4.43	3.53	15.24
S&P 400	3.04	5.19	10.19
Russell 1000 Growth	4.71	3.30	12.25
Russell 1000 Value	3.69	3.65	18.12
Russell 2000	1.80	2.08	7.82
Russell 2000 Growth	2.62	3.23	4.52
Russell 2000 Value	1.04	1.00	11.23
NASDAQ Composite	4.30	2.67	9.49

Large Cap vs. Small Cap
S&P 500 less Russell 2000



Growth vs. Value
Rsl 1000 Gr less Rsl 1000 Val



S&P Sector Returns (%)

	1 Mo.	3 Mos.	12 Mos.
Financial	4.14	0.29	12.03
Utilities	4.21	14.21	37.18
Energy	5.23	9.48	16.52
Industrials	4.75	4.49	10.00
Materials	1.98	6.23	18.47
Healthcare	7.19	5.06	18.77
Consumer Staples	3.32	3.50	17.93
Consumer Discretionary	2.52	-0.99	15.76
Information Tech	5.42	2.81	9.85
Telecom Svcs	0.79	4.07	32.12

EQUITY MARKETS

- The DJIA set a new record in April, closing above 13,000 for the first time in its history. Major market indices also advanced as strong earnings reports boosted investor sentiment. Overall, earnings were the key catalyst for what was a record-setting month for the markets. Corporate profits continued to be strong with 66% of the S&P 500 Index companies reporting better-than-anticipated earnings. This set the landscape for the S&P 500 to return 4.43% for the month while the tech-heavy NASDAQ returned 4.30%; both indices hit six-year highs in April. In the face of increasing housing market anxiety, slow growth of GDP, and inflation related to energy prices, the market responded well with most of the major indices showing strength. The data suggest that investors have begun to reward higher quality companies such as those with stronger balance sheets and consistent long-term earnings streams.
- For the month of April, growth stocks outperformed value stocks across the market capitalization spectrum, reversing the results for March. The largest disparity between styles was among small caps where the Russell 2000 Growth outperformed its value counterpart by 158 basis points (+2.62% vs. +1.04%). The competition was tightest among large caps where large growth outperformed large value by just 102 basis points (+4.71% vs. +3.69%), followed by mid growth beating mid value by 125 basis points (+4.39% vs. +3.14%).
- Year to date, mid caps (+8.35%) have led the market while large caps (+5.47%) and small caps (+3.78%) have lagged in comparison. All major equity market indices gained ground in the month of April, continuing last month's rally. According to the Russell indices, large caps (+4.20%) outperformed mid caps (+3.81%) and small caps (+1.80%).
- All ten GIC sectors posted positive gains during the month with the Health Care (+7.19%), Information Technology (+5.42%), and Energy (+5.23%) sectors leading the way. Health Care stocks had the largest positive impact on the monthly S&P 500 return with solid first quarter results underlying the strong performance within pharmaceuticals. Within the sector, biotech company MedImmune was the month's leader with a 55.76% gain following a deal to be acquired by AstraZeneca. Merck's (+16.46%) first quarter numbers came in ahead of the consensus estimate and Johnson & Johnson (+6.57%) added solid numbers of its own. Performing well within Information Technology were some of the larger established names like Intel (+12.39%), IBM (+8.43%), and Microsoft (+7.43%). A sector laggard was chip maker LSI Corp (-18.58%) after a warning that its second-quarter results would be below Wall Street estimates. Energy, aided by the increasing price of oil, performed well as thirty-one of the thirty-three related stocks in the S&P 500 Index posted positive returns. The largest contributors in this space were Exxon Mobil (+5.21%) and Chevron Corp (+5.18%).

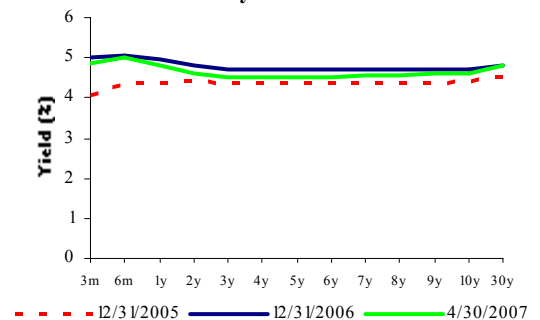
U.S. FIXED INCOME MARKETS

- Interest rates declined in April on lower than expected inflation and weak personal spending. Personal spending rose less than forecasted due to weakness in the housing market and higher gas prices. Interest rates fell across most of the yield curve, though rates on the shortest maturities fell more than longer rates. The 3-month rate fell 19 bps while rates across most other maturities fell 1-4 bps. At month end, the yield curve remained inverted with a slope of -4 bps, as measured by the difference between the 3-month and 30-year Treasury. Swap spreads widened by 2-3 bps on the 5- and 10-year maturities. At month end, swap spreads on the 2-, 5-, 10- and 30-year maturities were 42 bps, 48 bps, 54 bps, and 57 bps, respectively.
- The Lehman Aggregate Index returned 0.54% in April, driven by mixed economic data and cautious investor sentiment. Longer duration securities led returns on a decline in market rates. The Credit sector had the best performance, both on an absolute and relative basis, returning 0.72%, or 17 bps above Treasuries. Credit sector returns were driven by light issuance and positive corporate earnings. The Baa segment was the strongest quality segment generating a return of 0.90%, or 32 bps excess, followed by Aa (0.68%), A (0.65%), and Aaa (0.52%). Financials underperformed on subprime lending concerns and LBO fears. U.S. Agencies returned 0.48%, 1 bp above comparable duration Treasuries, and the U.S. Government/Credit Index returned 0.59%, or 7 bps excess.
- The securitized sectors returned 0.48% during April, or 1 bp over comparable duration Treasuries. Within the segment, Mortgage-Backed Securities (MBS) performed best, returning 0.49%, or 3 bps excess. The MBS sector continues to benefit from low implied volatility, although robust issuance at month end caused some drag on returns. The Commercial Mortgage-Backed Security (CMBS) sector returned 0.38%, or -14 bps versus comparable duration Treasuries, on increased supply. Asset-Backed Securities (ABS) returned 0.42%, in line with comparable duration Treasuries, on demand for high quality ABS securities and as relative stability appeared in the home equity market. This was offset by strong issuance at the end of the month.
- The Merrill Lynch High Yield Master II Index had strong performance in April, returning 1.32% on the equity market rally and strong corporate earnings. Lower quality issues continued to dominate with the CCC-rated segment returning 1.96% while the B and BB segments returned 1.31% and 1.08%, respectively. All industries generated positive returns, led by Real Estate (2.10%) and Food/Beverage/Tobacco (1.84%). Industry laggards included Air Transportation (0.68%) and Broadcasting (0.79%). At the end of April, the Index yield-to-worst was 7.48%.
- The Lehman Brothers Municipal Bond Index returned 0.30% during the month, as defensive selling ahead of the April tax deadline dampened returns. The longer duration Revenue and Insured segments had the best performance, returning 0.32% each, as interest rates declined. Within the remaining bond segments, General Obligation bonds returned 0.30% and the Pre-refunded segment lagged with a return of 0.21%.
- U.S. TIPS returned 0.71% during the month beating nominal Treasuries by 20 bps, despite a very slight increase in real yields and decrease in breakeven spreads. The breakeven spread, or the difference between the nominal Treasury yield and TIPS real yield, is largely a gauge of the market's expectation for future inflation. The breakeven spread on the 10-year maturity remained unchanged during the month at 2.44%.

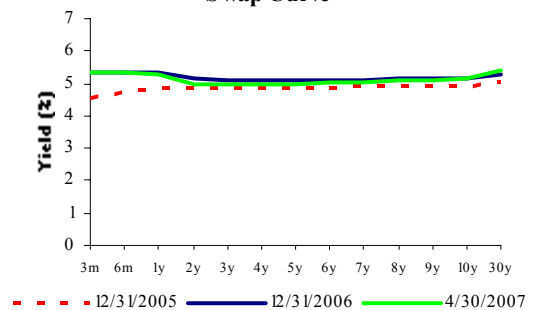
U.S. Fixed Income Returns (%)

	1 Mo.	3 Mos.	12 Mos.
LB Aggregate	0.54	2.09	7.36
LB US Government	0.50	2.07	6.76
LB US Credit	0.72	2.26	8.25
LB Mortgage Backed	0.49	2.00	7.46
LB Asset Backed	0.42	1.81	6.08
ML US HY Master II	1.32	2.97	12.37

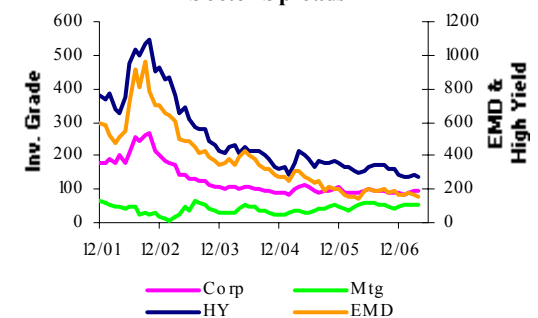
Treasury Yield Curve



Swap Curve



Sector Spreads



Source: Citigroup

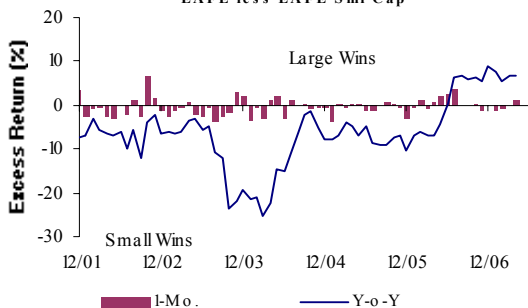
NON-U.S. ECONOMIC BACKGROUND

The overall economic background remains generally robust in most areas of the globe despite concerns in the U.S. Japan continues to struggle with price inflation and consumer spending, but China remains an engine of growth and countries like Germany are now starting to carry some of the load. Elections in France ended in early May with a victory by former Finance Minister Nicolas Sarkozy who is vowing to liberalize the economy and strengthen ties with the U.K. and U.S. Inflation remains an issue in most parts of the world as evidenced by surging real estate prices, but the price of crude oil traded in a fairly narrow range. Although the major central banks were on hold in April, future rate increases are likely in coming months. Finally, the dollar's secular bear market was very much intact in April as the greenback weakened against all major currencies. During the month, the euro hit an all time high of \$1.365 while the pound sterling broke \$2.00, the highest level since 1992.

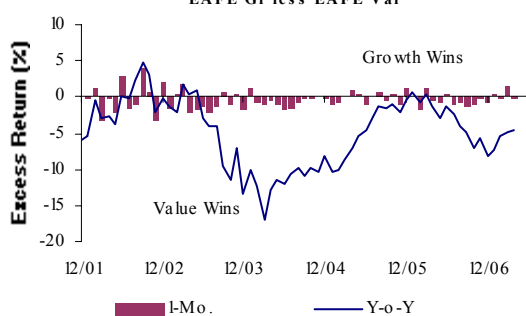
MSCI Non-U.S. Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EAFE	4.44	7.97	19.81
AC World Free Ex-US	4.64	8.24	19.70
Japan	-1.95	0.65	-1.86
Pacific Ex-Japan	5.07	11.76	29.49
United Kingdom	4.43	7.74	22.49
Europe Ex-UK	7.48	11.01	29.32

Large Cap vs. Small Cap
EAFE less EAFE Sm1 Cap



Growth vs. Value
EAFE Gr less EAFE Val



MSCI EAFE Sector Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
Financial	5.16	6.16	19.55
Utilities	3.85	8.22	40.15
Energy	4.44	8.70	5.65
Industrials	5.86	11.53	24.06
Materials	2.91	12.82	24.49
Healthcare	4.27	5.69	11.89
Consumer Staples	4.69	12.46	33.03
Consumer Discretionary	2.90	7.21	17.48
Information Tech	4.91	6.31	5.75
Telecom Svcs	5.28	4.86	30.32

NON-U.S. EQUITY MARKETS

- Non-U.S. developed equity markets rallied in April as the MSCI EAFE Index gained 4.4% in U.S. dollar terms and 2.9% on a local currency basis. Despite a volatile period in late February and early March, the Index ended the first four months of the year with a gain of 8.7% (+6.3% locally), including a gain of 10.4% since the market bottomed on March 14th. Within the broad index, value stocks outperformed growth by a narrow margin as the MSCI EAFE Value Index gained 4.6% (+3.1% locally) while the EAFE Growth Index gained 4.3% (+2.7% locally). The value index was bolstered by gains in the Financials sector, which makes up more than 40% of that index. In terms of market capitalization, stocks at the higher end of the cap spectrum within the EAFE Index generated returns nearly 200 bps better than those at the lower end. Similarly, the MSCI EAFE Small Cap Index lagged the larger cap index with a gain of only 3.7% (+2.4% locally). However, year to date, the small cap index is still ahead with a gain of 11.1% (+8.8% locally). From a sector standpoint, all sectors generated positive returns during the month and were led by Industrials (+5.9%), Telecom (+5.3%), Financials (+5.2%), and Info Tech (+4.9%). Laggards during the month included Materials and Consumer Discretionary, which each gained only 2.9%.

- The European region far outpaced the Pacific region during the month as the MSCI Europe Index gained 6.5% in dollar terms and 4.1% in local currencies. Solid gains were registered by France, Germany and Switzerland along with various smaller countries; however, these were somewhat offset by the U.K. Sweden (+11.3%) was the top performing market in the region. Although stocks gained a respectable 6.4%, the Swedish krona jumped nearly 5% against the dollar on expectations the Riksbank would raise rates. Germany was the best performing of the large developed market countries as stocks there surged 9.5% (+6.8% locally). Although further gains in the euro helped push dollar-based returns higher, German banks Allianz (+11.2%) and Deutsche Bank (+15.2%) along with utility company E.ON (+11.1%) helped push the Index higher. Not to be outdone, France increased 8.1% (+5.5% locally) amid presidential elections that ended in early May with a victory by conservative Nicolas Sarkozy. Sarkozy, the former French Finance Minister, is against the mandatory 35-hour work week and ran on a platform of economic liberalization. Switzerland gained 7.1% (+5.8% locally) amid gains by Swiss banks UBS (+14.2%) and Credit Suisse (+10.7%). Stocks in the U.K. were somewhat muted as the market increased only 4.4% (+2.4% locally). Top performing stocks in the U.K. included Vodafone (+8.0%), Rio Tinto (+8.0%), and Alliance Boots (+11.4%) amid a buyout offer from a private equity group.

- The MSCI Pacific Index ended the month up 0.02% (+0.3% locally) as Japan weighed heavily on the Index. Japan was the only developed market country to suffer a decline as stocks fell 1.9% (-0.8% locally). Japanese banks, like Mitsubishi UFJ (-7.1%) and Mizuho Financial (-5.8%), helped push the Index lower, as did Toyota (-4.2%). These losses were somewhat offset by gains in the Info Tech and Consumer Discretionary sectors. In other parts of the region, Australia gained 6.0% (+2.9% locally) amid a rally by the Aussie dollar and gains by Australian banks, while New Zealand (+6.2%) also experienced sizeable currency returns. Singapore increased 4.3% while Hong Kong rose 2.3%.

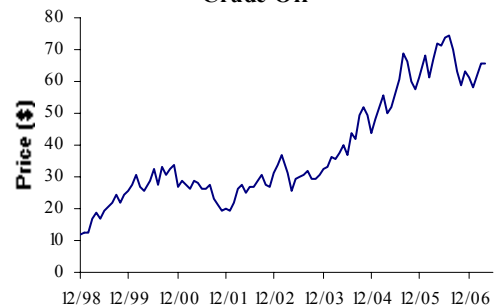
EMERGING EQUITY MARKETS

- The MSCI Emerging Markets Index gained 4.6% (+3.4% locally) in April and is up 7% year to date. Since bottoming in early March, the Emerging Markets Index has rallied 15.4% and is now more than 3% above where it was before the sell off in February/March. During April, all sectors were positive on a U.S. dollar basis, but Energy stocks fell on a local currency basis. Leading sectors during the month were Industrials (+10.7%), Utilities (+8.3%), and Consumer Staples (+7.1%) while Energy rose only 0.08% (-1.4% locally).
- Emerging Asia marginally outpaced the broader Index with a gain of 4.8% (+3.9% locally). China gained 3.8% although weakness by China Mobile (+0.5%) weighed on the Index. However, it was India (+12.1%) that helped push the region higher. Although stocks gained 6.2% locally, the Indian Rupee surged almost 6% amid strong capital inflows. Elsewhere, Korea and Thailand each gained about 6% while Taiwan lost 0.2% amid weakness in the Info Tech sector.
- The MSCI Emerging Europe and Middle East Index lagged the broader Index with a gain of only 2.0% (+0.7% locally). Russia was the primary detractor with a loss of 1.7% due to declines in the Energy sector. Other countries in the region posted gains above the broader Index, including Hungary (11.0%), the Czech Republic (+9.5%), and Poland (+6.4%). Elsewhere, Israel gained 6.9% while South Africa rose 8.2%, including more than a 3% increase in the rand.
- Latin America generated a gain of 5.4% (+4.5% locally) as Brazil increased 6.3% amid gains in the banking sector and by CVRD (+11.7%). Despite a 9.7% gain by America Moviles, Mexico increased only 1.8% due to losses by Wal-Mart de Mexico (-7.2%) and Cemex (-1.0%). Elsewhere, Peru gained 15.5% and Chile rose 11.2%.

MSCI Emerging Market Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EM	4.64	8.22	18.21
Latin America	5.43	9.93	28.46
Asia	4.87	7.33	19.37
Europe & M. East	1.48	5.20	7.21
South Africa	8.22	15.57	14.04

Crude Oil



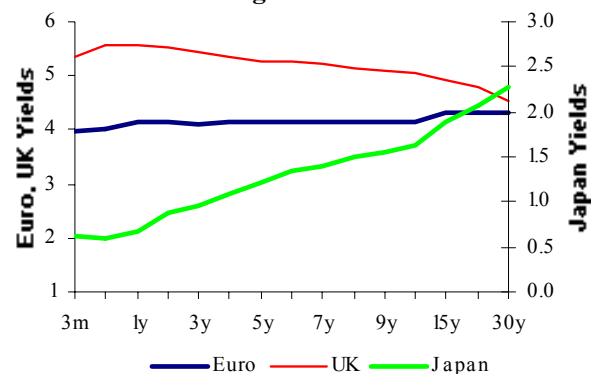
NON-U.S. FIXED INCOME MARKETS

- The Bank of England held rates at 5.25% in April for the third consecutive time, waiting for more signs of inflation pressures before raising rates again. A rate hike is widely expected in May as two BOE members voted for a hike in April and inflation quickened to more than a full percentage point above the BOE's target. As a result, rates rose by 6-9 bps during the month and the yield curve steepened to a slope of -84 bps. Elsewhere, the European Central Bank (ECB) held rates at 3.75% in April, but signaled it would raise rates to 4% in June in order to contain inflation. Unexpected money supply growth and excessive borrowing have fueled the ECB's fears of increasing inflation. During April, rates on each end of the curve rose by 4-9 bps while rates in the middle of the curve rose 10-12 bps. The euro yield curve steepened by 4 bps to a slope of 35 bps. The Bank of Japan (BOJ) held rates at 0.50% in April as consumer prices fell at the fastest pace in two years. Long rates fell by 1-10 bps during the month while rates along the rest of the curve rose by 1-8 bps. The yield curve ended the month with a slope of 167 bps.
- The Citigroup World Government Bond Index (WGBI) returned 1.10% for the month on an unhedged basis. Most of this return was a result of U.S. dollar weakness, as global interest rates rose during the month. Global bond markets posted positive returns for the month, due to U.S. dollar weakness, with Canada (+4.58%), Poland (+4.56%) and Sweden (+4.20%) leading performance. Only Japan showed negative performance, returning -1.04%, as the U.S. dollar strengthened versus the yen. The U.S. dollar weakened versus most major currencies during the month on weaker than expected GDP growth.
- The J.P. Morgan EMBI+ Index returned 0.85% for the month as the U.S. equity market rally improved investor risk appetite. All regions had positive returns, led by Latin America at 0.89%, as Brazil's central bank lowered the benchmark rate to a record low. Asia, Europe, and Africa returned 0.86%, 0.78%, and 0.48%, respectively. The largest Index components at month end were Brazil (22%), Russia (16%), Mexico (14%), and Turkey (12%).

Global Fixed Income Returns (unhedged, \$)

	1 Mo.	3 Mos.	12 Mos.
WGBI	1.10	3.67	6.40
United States	0.53	2.13	6.86
Europe	2.35	5.13	11.10
Japan	-1.04	1.79	-1.69
United Kingdom	1.62	2.46	11.58
World BIG Ex-US	1.55	4.41	7.51
WGBI Non-U.S.	1.25	4.08	6.33
Agencies Ex-US	2.38	5.43	10.80
Collateralized Ex-US	2.44	5.53	11.14
Corporates Ex-US	2.38	5.22	11.51
EMBI+	0.85	3.83	12.32

Foreign Yield Curves



STATISTICAL SUMMARY

As of April 30, 2007

EQUITY MARKETS

<u>US Markets</u>	<u>Total Return</u>			<u>S&P 500 Sectors</u>	<u>Total Return</u>		
	<u>Month</u>	<u>3 Mos</u>	<u>YTD</u>		<u>Month</u>	<u>3 Mos</u>	<u>YTD</u>
S&P 500	4.43	3.53	5.10	Financial	4.14	0.29	1.18
S&P 500/CG Growth	4.68	3.29	4.58	Utilities	4.21	14.21	13.86
S&P 500/CG Value	4.20	3.76	5.59	Energy	5.23	9.48	7.48
S&P 400	3.04	5.19	9.02	Industrials	4.75	4.49	5.90
Russell 1000	4.20	3.47	5.47	Materials	1.98	6.23	11.12
Russell 1000 Growth	4.71	3.30	5.95	Healthcare	7.19	5.06	8.32
Russell 1000 Value	3.69	3.65	4.98	Consumer Staples	3.32	3.50	5.55
Russell 2000	1.80	2.08	3.78	Consumer Discretionary	2.52	-0.99	1.77
Russell 2000 Growth	2.62	3.23	5.15	Information Technology	5.42	2.81	4.43
Russell 2000 Value	1.04	1.00	2.52	Telecommunication Svcs	0.79	4.07	8.13
NASDAQ Composite	4.30	2.67	4.76				

Sources: Standard & Poor's, Frank Russell Company, Bloomberg, Vestek

<u>Non-US Markets</u>	<u>Total Return</u>			<u>MSCI EAFE Sectors</u>	<u>Total Return</u>		
	<u>Month</u>	<u>3 Mos</u>	<u>YTD</u>		<u>Month</u>	<u>3 Mos</u>	<u>YTD</u>
EAFE	4.44	7.97	8.70	Financial	5.16	6.16	7.59
EAFE Growth	4.30	8.59	9.46	Utilities	3.85	8.22	8.50
EAFE Value	4.58	7.35	7.94	Energy	4.44	8.70	3.92
AC World Ex-US	4.64	8.24	8.65	Industrials	5.86	11.53	15.34
Japan	-1.95	0.65	1.50	Materials	2.91	12.82	13.68
Pacific Ex-Japan	5.07	11.76	12.80	Healthcare	4.27	5.69	5.85
United Kingdom	4.43	7.74	7.58	Consumer Staples	4.69	12.46	13.17
Europe Ex-UK	7.48	11.01	12.10	Consumer Discretionary	2.90	7.21	7.81
Emerging Markets	4.64	8.22	7.10	Information Technology	4.91	6.31	4.64
				Telecommunication Svcs	5.28	4.86	6.82

Sources: MSCI, Bloomberg, Vestek

FIXED INCOME MARKETS

<u>Key Rates</u>	<u>U. S. Yields</u>			<u>Euro</u>	<u>Japan</u>	<u>U.K.</u>
	<u>2/28/07</u>	<u>3/31/07</u>	<u>4/30/07</u>	<u>4/30/07</u>	<u>4/30/07</u>	<u>4/30/07</u>
Overnight	5.25	5.25	5.25	3.75	0.50	5.25
3- Month	5.11	5.13	4.85	3.97	0.62	5.35
2- Year	4.93	4.65	4.60	4.13	0.87	5.51
5- Year	4.80	4.52	4.51	4.13	1.21	5.28
10-Year	4.81	4.57	4.63	4.15	1.63	5.04

Sources: Merrill Lynch, Bloomberg

<u>Sectors</u>	<u>Total Return %</u>			<u>Mod.Adj. Duration</u>	<u>Weighting Basis</u>	
	<u>Month</u>	<u>3 Mos.</u>	<u>YTD</u>		<u>Duration</u>	<u>MktVal</u>
LB Universal	0.59	2.17	2.20	4.54	--	--
LB Aggregate	0.54	2.09	2.05	4.49	100.0%	100.0%
LB US Government	0.50	2.07	1.95	4.45	33.8%	34.1%
LB US Credit	0.72	2.26	2.24	6.11	29.9%	22.0%
LB Mortgage Backed	0.49	2.00	2.07	3.56	29.8%	37.6%
LB Municipal Bond	0.30	1.37	1.11	6.24	--	--
LB US TIPS	0.71	3.10	3.24	6.17	--	--
ML US HY Master II	1.32	2.97	4.08	4.38	--	--

Sources: Lehman Brothers, Citigroup, Bloomberg

<u>Markets/Regions</u>	<u>U.S. Dollars %</u>			<u>Local Currency %</u>		
	<u>Month</u>	<u>3 Mos.</u>	<u>YTD</u>	<u>Month</u>	<u>3 Mos.</u>	<u>YTD</u>
United States	0.53	2.13	1.95	---	---	---
WGBI	1.10	3.67	2.26	0.09	0.84	0.58
WGBI Non-US	1.25	4.08	2.35	-0.03	0.50	0.22
EMBI+	0.85	3.83	3.37	---	---	---
Euro Zone	2.35	5.13	3.19	-0.15	0.41	-0.12
United Kingdom	1.62	2.46	0.96	-0.33	0.29	-1.19
Japan	-1.04	1.79	0.41	0.16	0.57	0.70

Sources: Citigroup, JP Morgan, Bloomberg