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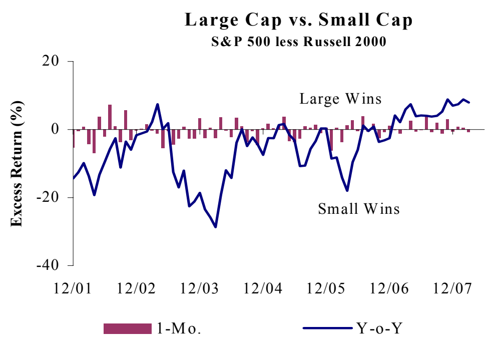
Market Review – 1st Quarter 2008

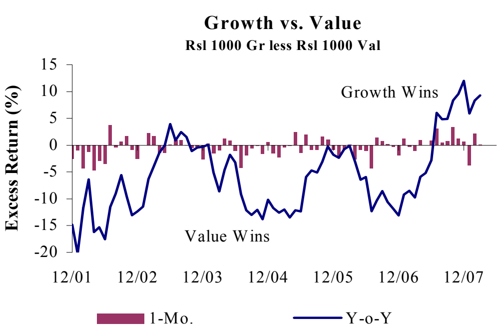
U.S. ECONOMIC BACKGROUND

First quarter economic data revealed continued weakness related to housing, employment, and consumer confidence. The economy was rattled by the news that Bear Stearns was in jeopardy, which spurred the aggressive rescue by JP Morgan and the Fed. The Fed's massive monetary and fiscal stimulus led to waves of volatility that led to continued uncertainty on the part of the American consumer. The ISM Manufacturing Index signaled a manufacturing contraction, while negative factory orders also confirmed the perception that the economy continued to slow in the first quarter. While inflationary fears spread through the economy, the PPI and the Consumer Price Index (ex-energy) both were relatively benign for the quarter, with the exception of up ticks in both indices in February. Consumer confidence hit a fifteen-year low in March, as continued signs of pressure by way of increasing energy prices, jobless claims, and further declines in housing continued to weigh heavily on consumers. Fourth quarter annualized GDP remained at 0.6%. A steady flow of downbeat housing and consumer news fueled recessionary fears and made for a weak quarter for the economy, which further provoked volatility in the equity markets.

U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	-0.43	-9.44	-5.08
S&P 400	-1.02	-8.85	-6.97
Russell 1000 Growth	-0.61	-10.19	-0.75
Russell 1000 Value	-0.75	-8.72	-10.01
Russell 2000	0.42	-9.90	-12.99
Russell 2000 Growth	-0.58	-12.82	-8.94
Russell 2000 Value	1.51	-6.52	-16.87
NASDAQ Composite	0.41	-13.88	-5.12





S&P Sector Returns (%)

	1 Mo.	3 Mos.	12 Mos.
Financial	-2.74	-13.98	-27.96
Utilities	1.65	-9.95	-1.64
Energy	-2.64	-7.20	22.13
Industrials	3.23	-3.96	6.45
Materials	-1.13	-3.05	9.05
Healthcare	-4.91	-11.54	-6.18
Consumer Staples	3.32	-2.24	9.24
Consumer Discretionary	-0.80	-5.90	-17.69
Information Tech	0.94	-15.20	-0.43
Telecom Svcs	4.97	-13.74	-9.99

U.S. EQUITY MARKETS

- The first quarter of 2008 was the market's worst quarterly performance since 2002, as all major equity indexes tumbled to finish in the red. The NASDAQ suffered the worst, finishing down 13.8% for the quarter followed by the S&P 500 (-9.4%); the DJIA fared a bit better to finish the quarter at -7.0%. January was by far the worst month, while February offered somewhat of a pause before March's strong sell-off. To highlight the extreme levels of volatility, the S&P 500 experienced daily swings greater than 1.0% on slightly more than half of the quarter's trading days. The turbulence felt in the market was exacerbated by continued economic weakness, the collapse of Bear Stearns, continued write-downs by financial firms, and skyrocketing energy and commodity prices. Oil and gold continued to reach new highs during the quarter while the dollar set new lows. The ongoing credit crunch was agitated by the Bear Stearns collapse which, combined with tumbling home prices, led to a risk aversion propelled sell-off that caused widespread weakness across the equity markets.

- According to the Russell indices, for the first quarter, value stocks outperformed growth stocks across the market capitalization spectrum. The greatest differential was among small capitalization stocks where the Russell 2000 Value Index outperformed the corresponding Growth Index by 630 basis points (-6.5% versus -12.8%). Mid cap value had a lead of roughly 220 basis points over mid cap growth (-8.7% versus -10.9%) while large value beat large growth by approximately 150 basis points (-8.7% versus -10.2%).

- The quarter ended with modest differentiation across the performance of market capitalization segments. With some advantage as investors sought refuge in larger stocks, the Russell 1000 Index lost 9.5%; the Russell MidCap Index lost 10.0% while the small cap Russell 2000 Index dropped 9.9%.

- All of the S&P 500 Index sectors posted negative returns for the first quarter with Information Technology (-15.2%), Financials (-14.0%), and Telecom Services (-13.7%) suffering the most. Consumer Staples (-2.2%) was the best performing area on a relative basis, followed by Materials (-3.1%) and Industrials (-4.0%). Information Technology had the greatest negative contribution to the Index, followed by Financials. Google (-36.3%) and Microsoft (-20.0%) led the Information Technology sector down while Citigroup (-26.4%) and American International Group (-25.5%) weighed heavily on Financials. Among the latter, however, there were a few bright spots in the struggling sector such as Capital One Financial Corp. (+4.9%) and US Bancorp. (+3.3%). Materials and Industrials continue to benefit from global demand for resources and infrastructure. Materials was lifted by DuPont (+7.0%) and Nucor Corp. (+15.2%), while Caterpillar Inc. (+8.5%) and CSX Corp. (+27.9%) helped to stem further losses among Industrials. Wal-Mart Stores (+11.36%) was a clear standout among Consumer Staples as the retailer exhibited strong results across its domestic and international operations.

U.S. FIXED INCOME MARKETS

- Interest rates declined and the yield curve steepened on a steady flow of negative economic data, investment bank write-offs, investor risk aversion, and multiple rate cuts by the Federal Reserve. During the quarter, the Federal Reserve reduced the target Federal Funds rate by 200 bps to 2.25% citing continued liquidity concerns and a slowing economy. The Federal Reserve also injected liquidity into the market through the Term Auction Facility and the new Primary Dealer Credit Facility, which was introduced in mid March, after the collapse of Bear Stearns, to assist primary dealers with liquidity challenges. During the quarter, the yield on the 3-month, 2-year, 5-year, and 10-year Treasuries declined by 192, 147, 100, and 61 bps, respectively. The 30-year Treasury declined a more modest 16 bps causing the yield curve, as measured by the 3-month to 30-year, to steepen by 177 basis points to a slope of 297 bps. Swap spreads widened, especially on the short end, closing the quarter at 81, 85, and 66 bps for the 2-, 5- and 10-year maturities, respectively.

- The Lehman Brothers Aggregate Index returned 2.17% for the quarter. Fed rate cuts and flight to quality flows out of risky assets caused U.S. Treasuries to outperform all other sectors, returning 4.43%. Agencies returned 3.23% (-68 bps excess over comparable duration Treasuries) while U.S. Credit returned a paltry 0.43% (-427 bps excess). The prospects of a weaker economy, weak equity markets, and investor risk aversion weighed heavily on the credit sector. Higher quality outperformed lower quality. AA rated issues returned 1.63% (-306 bps excess) followed by A rated issues that returned 0.06% (-464 bps). BBB rated issues lagged, returning -1.05% (-583 bps excess). The LB Government/Credit Index returned 2.53% (-191 bps excess).

- The Securitized segment faced significant pressure from forced asset sales, rate volatility, and investor risk aversion returning 1.72% (-174 bps excess). Mortgage Backed Securities (MBS) had the best relative performance in the segment returning 2.43% (-77 bps excess) but faced headwinds on an increase in supply and greater risk of prepayments as rates decline. The Asset Backed Securities (ABS) sector returned -1.92% (-594 bps excess) due to poor collateral performance and forced sales in the Home Equity ABS (subprime) mortgage segment which lost 12.46% (-1,682 bps excess). CMBS was also hard hit as concerns over the commercial real estate market going into an economic slowdown and hedging through CMBX derivative contracts weighed heavily on the cash bond market. CMBS returned -2.57% (-777 bps excess) for the quarter.

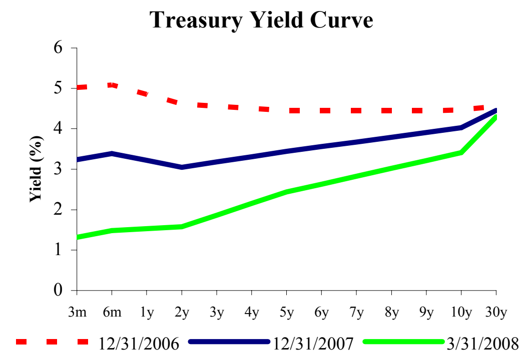
- The Merrill Lynch High Yield Master II Index returned -3.04%. Negative economic data, equity market declines, rising default expectations, and market illiquidity weighed on asset prices. Higher quality issues outperformed lower quality with all segments recognizing losses. BB, B, and CCC rated issues returned -1.56%, -2.94%, and -5.95%, respectively. Printing and publishing was the worst performing industry segment (-19.9%) on concerns over economic growth and its impact on advertising revenue. The option adjusted spread (OAS) for the Index widened by 229 bps to 821 bps, while the yield to worst was 10.89% by the end of March.

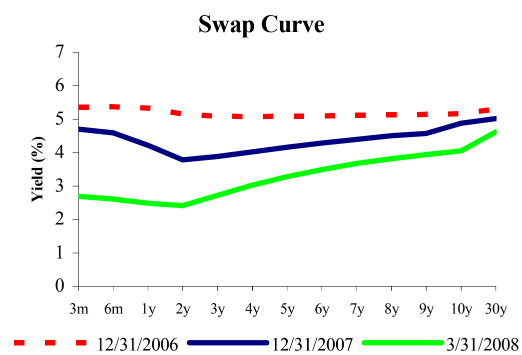
- The Lehman Brothers Municipal Bonds Index returned -0.61% for the quarter. Financial challenges with the bond insurers, disruption in the Auction Rate Securities market, and forced selling by leveraged players pressured the segment. The price declines resulted in municipal bonds yielding substantially more than taxables, bringing out a number of crossover buyers looking to pick up cheap high quality securities.

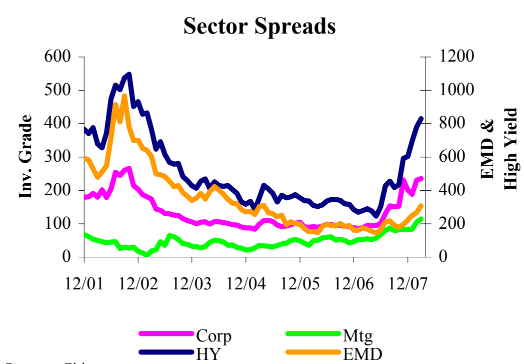
- U.S. TIPS returned 5.18% on strong demand for safety and inflation protection. The yield on the 5-year maturity declined 101 bps to 0.10% (shorter maturities have negative yields) while the 10-year declined to 1.09%. The breakeven rate (a gauge of inflation expectations) on the 10-year was unchanged at 2.32%.

U.S. Fixed Income Returns (%)

	1 Mo.	3 Mos.	12 Mos.
LB Aggregate	0.34	2.17	7.67
LB US Government	0.66	4.05	11.45
LB US Credit	-0.96	0.43	3.99
LB Mortgage Backed	0.56	2.43	7.82
LB Asset Backed	-0.86	-1.92	-1.16
ML US HY Master II	-0.52	-3.04	-3.53







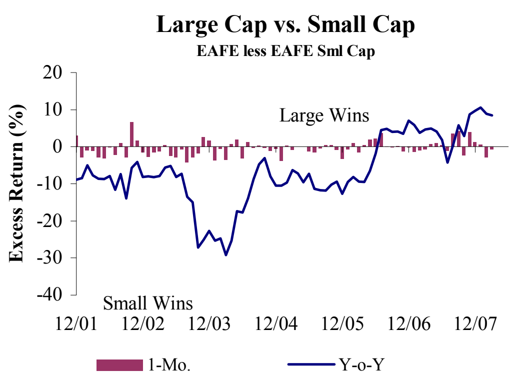
Source: Citigroup

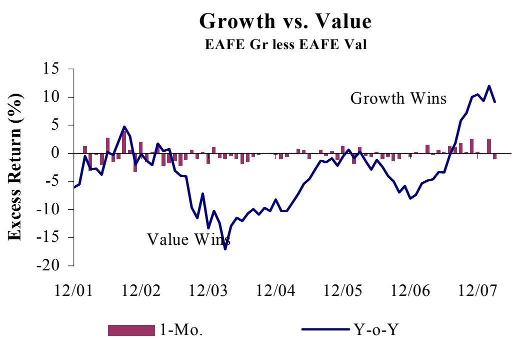
NON-U.S. ECONOMIC BACKGROUND

The global markets have been a rocky ride so far this year with volatility increasing on what seems to be a daily basis. As in the United States, fears of economic slowdown have hit Europe, Japan, and other global markets. Deteriorating credit markets have led several central banks to inject billions of currency into their respective markets to prevent a collapse. However, unlike the United States, the central banks in Europe and Japan kept their main policy rates unchanged while in the United Kingdom rates were only cut 25 basis points because inflationary pressures are a larger concern in these markets. China and Australia, in fact, raised their interest rates a number of times in an effort to combat inflation. The rising euro and Japanese yen currencies continue to hurt exporters in Europe and Japan. The climb in commodity prices persisted as crude oil passed the $100/barrel mark and gold passed the $1,000/troy ounce mark.

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

	1 Mo.	3 Mos.	12 Mos.
EAFE	-1.05	-8.91	-2.70
AC World Free Ex-US	-2.16	-9.06	2.58
Japan	-4.06	-7.81	-14.71
Pacific Ex-Japan	-4.90	-13.02	5.92
United Kingdom	-2.15	-10.52	-5.87
Europe Ex-UK	1.60	-7.75	3.17





MSCI EAFE Sector Returns ($)

	1 Mo.	3 Mos.	12 Mos.
Financial	1.46	-10.46	-13.56
Utilities	-0.40	-6.96	10.57
Energy	-3.53	-10.66	9.86
Industrials	-1.20	-7.97	-0.62
Materials	-3.08	-3.53	15.40
Healthcare	-1.19	-5.61	-6.14
Consumer Staples	2.70	-3.70	10.73
Consumer Discretionary	-1.12	-9.86	-10.03
Information Tech	-5.72	-13.57	-7.23
Telecom Svcs	-5.37	-15.41	7.50

NON-U.S. EQUITY MARKETS

- The first quarter of 2008 brought significant losses to all developed market countries, as the MSCI EAFE Index dropped 8.9% in U.S. dollars, or fell 15.0% in local currencies. The U.S. dollar continued its tumble versus foreign currencies. The euro again reached a record high against the U.S. dollar, closing the quarter at 1.579. The Japanese yen sustained its appreciation versus the U.S. dollar, breaking the 100-yen barrier for the first time in 12 years and finishing the quarter at 99.69. The Pound sterling, though quite volatile, finished the quarter where it started at 1.98. The Canadian dollar continued its parity with the U.S. dollar closing the quarter slightly lower at 1.025.

- Small and mid-size capitalization stocks proved to be safer havens so far this year as opposed to large capitalization stocks, which is a turnaround from last year when large cap stocks outperformed smaller cap stocks by a wide margin. During the first quarter, the MSCI EAFE Small Cap Index and MSCI EAFE Mid Cap Index had smaller U.S. dollar losses of 6.4% each, while the MSCI EAFE Large Cap Index suffered a decline of 9.4% in U.S. dollars.

- In terms of style, growth stocks continued their outperformance versus value stocks, which is similar to last year. The MSCI EAFE Growth Index lost 8.2%, but was still better than the 9.7% decline of the MSCI EAFE Value Index. This continues the trend from last year where growth stocks returned to favor following a long run by value stocks from 2000 to 2006.

- While all sectors declined in the first quarter, the magnitude of the decline differed markedly among the various sectors. Proving resilient were defensive sectors such as Consumer Staples (-3.7%) and Health Care (-5.6%), as well as the Materials sector (-3.5%). Reflecting the fears of recession in the U.S. and economic slowdown across the globe were sectors such as Telecom (-15.4%), Information Technology (-13.6%), and Energy (-10.7%). Financials also performed poorly (-10.5%) amid further asset write downs by the major banks and continued liquidity issues in the credit markets.

- The European developed markets performed on par with the overall non-U.S. developed markets losing 8.6% in U.S. dollars, or falling 13.9% in local currencies. Denmark was the sole European country to register a positive return, though it was very slight at 0.04%. Countries such as Switzerland (-2.1%), Belgium (-3.1%), and Spain (-5.6%) held up better than other European countries such as the U.K. (-10.5%), Germany (-11.7%), and Italy (-11.7%). The European Materials sector was the best performer, posting a -0.03% return due to positive returns from Arcelormittal (+6.2%), Syngenta (+15.4%), and K&S (+38.0%). The European Telecom (-16.8%) and Information Technology (-15.9%) sectors suffered heavy losses mainly due to declines by Vodafone (-19.8%) and Nokia (-18.1%). Financials fell by -8.8% due to the deepening credit crisis.

- In the Pacific developed markets, struggles that started in the fourth quarter of 2007 continued into this year. The MSCI Pacific Index dropped 9.6% in U.S. dollars, falling 17.1% in local currencies. The continued appreciation of the Japanese yen is the main reason for the wide disparity in U.S. dollar and local currency returns. Japan lagged again, posting a -7.8% (-17.9% local) first quarter loss as its economy plods along and its central bank remains without a leader. The Pacific Utilities sector (+3.4%) was the lone area to show positive performance in the first quarter due to gains by CLP Holdings (+20.5%) and Tokyo Electric Power (+4.7%). Financials (-14.1%) were the hardest hit Pacific sector primarily due to significant stock price declines by the Commonwealth Bank of Australia (-24.6%), the Hong Kong Exchange (-39.5%), and the National Australian Bank (-17.1%).

EMERGING EQUITY MARKETS

- Volatility was again a major theme in the emerging markets during the first quarter with a sharp decline in January, a moderate recovery in February, followed by a decline in March. For the quarter, the MSCI Emerging Markets Index finished down 10.9% in both U.S. dollars and local currencies. Energy (-14.5%), Industrials (-16.6%), and Financials (-16.7%) were the hardest hit sectors with stocks such as Gazprom (-10.0%), China Life Insurance (-33.6%), and Posco (-20.7%) leading the decline. The Materials sector (-2.2%) had the best first quarter performance due to strong returns from Impala Platinum (+12.0%), Sider Nacional (+21.2%), and ArcelorMittal (+45.8%).

- Latin America was the strongest region in the emerging markets during the first quarter, experiencing a slight decline of 1.4% in U.S. dollars (-4.0% local). The majority of the Latin American countries saw positive performance, but Brazil fell 5.0% as share prices for its Energy and Industrial companies pulled back on fears of slowing global demand. The region was buoyed by gains in the Materials sector (+6.1%) where global demand for resources remained strong, as well as in Consumer Staples (+7.4%) where Wal-Mart De Mexico rose 22.3%.

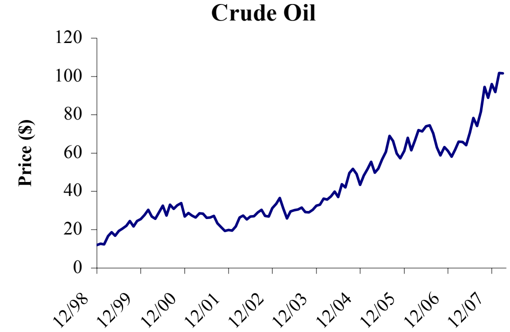
- The MSCI Emerging Markets Asia Index slid 14.1% in U.S. dollar and fell 14.2% in local currencies during the first quarter. Within the emerging countries of Asia, two of 2007's strongest performers, India and China, saw dramatic falls in the first quarter with declines of 27.0% and 23.7%, respectively. Fears are mounting that these two fast growing economies will not be able to maintain their recent rapid expansions due to a lack of infrastructure and escalating inflationary pressures. The Korean market also fell (-12.7%) despite gains by Samsung Electronics (+7.4%) and Taiwan Semiconductor (+8.7%). On the positive side, the Taiwan market rose 5.3% (-1.4% local) in the first quarter after a newly elected government promised to strengthen ties with China.

- Europe and Middle East emerging markets also struggled in the first quarter with a loss of 12.1% (-14.2% local). Russian energy company Gazprom was the largest detractor in the region. Turkey (-38.3%) suffered the worst setback of all the emerging countries as political uncertainty and a large deficit scared away many potential investors.

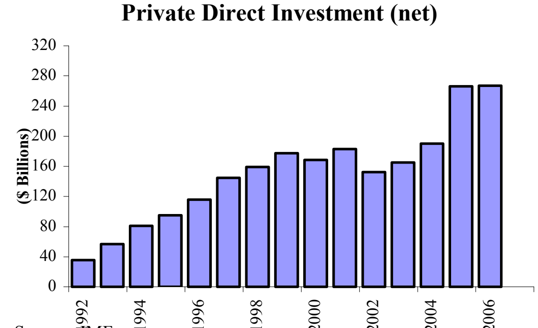
MSCI Emerging Market Equity Returns ($)

	1 Mo.	3 Mos.	12 Mos.
EM	-5.28	-10.92	21.65
Latin America	-3.39	-1.39	40.07
Asia	-6.72	-14.11	21.30
Europe & M. East	-2.92	-12.13	13.57
South Africa	-7.48	-14.96	-6.20

Crude Oil



Emerging Market
Private Direct Investment (net)



Source: IMF

NON-U.S. FIXED INCOME MARKETS

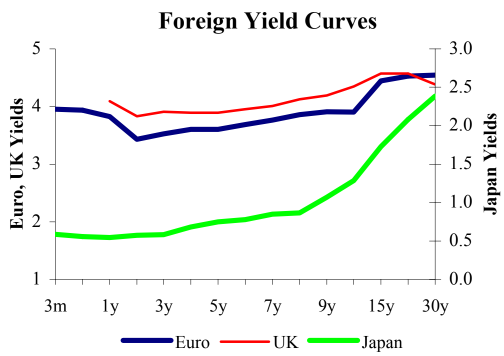
- During the quarter, the Bank of England cut their target rate to 5.25%, as they tried to balance the risk of above target inflation with the likely slowing of the U.K. economy. The BOE cites a growing threat of inflation due to rising commodity prices, but also a weakening labor market and slowing consumer demand, as the chief economic threats. The U.K. yield curve steepened as the 2- and 5-year maturities declined by 53 and 51 bps, respectively, while yields farther out the curve increased by 8 bps. Elsewhere, the European Central Bank kept their target rate steady at 4.00% citing inflation as a primary concern. The European yield curve flattened by 14 bps over the quarter to 59 bps (as measured by the 3-month and 30-year maturities) as the largest yield declines were in the belly of the curve. The 2- and 5-year yields declined by 53 and 52 bps, respectively, amid fears of a global economic slowing. The Bank of Japan held their rates steady at 0.50%. The yield curve steepened by 5 bps to a slope of 180 bps, as rates in the belly of the curve declined by 17-35 bps on fears of a U.S. led global recession.

- The Citigroup Word Government Bond Index (WGBI) had a very strong quarter returning 9.66% on an unhedged basis as a global flight to quality led investors towards sovereign issuers and a weak dollar helped to boost unhedged returns. Switzerland, Japan, and Poland were the best performers returning 16.23%, 13.78%, and 12.16%, respectively on currency strength against the dollar. The worst performing country was Canada, returning -2.96% on currency weakness versus the dollar.

- The J.P.Morgan EMBI+ Index returned 0.47% as investors sought the protection of issuers less sensitive to commodities. The prospects for a weaker U.S. economy weighed heavily on the segment with the highest beta names such as Venezuela (-2.44%) and Argentina (-12.68%) lagging the most. The best performing country was Mexico, which returned 3.99%, followed by Ecuador which returned 2.86%.

Global Fixed Income Returns (unhedged, $)

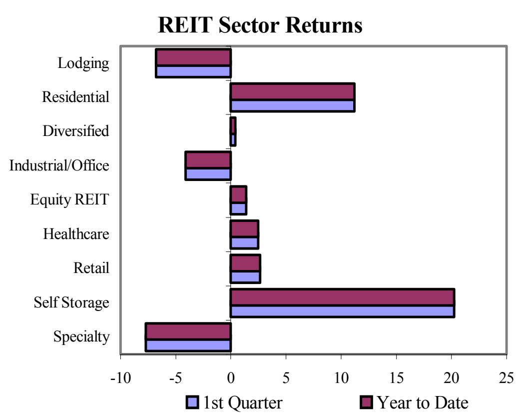
	1 Mo.	3 Mos.	12 Mos.
WGBI	3.22	9.66	20.29
United States	0.71	4.43	12.24
Europe	3.43	9.82	22.18
Japan	5.01	13.78	22.76
United Kingdom	0.69	1.73	9.05
World BIG Ex-US	3.62	10.41	21.69
WGBI Non-U.S.	3.81	10.93	22.31
Agencies Ex-US	3.65	10.88	23.44
Collateralized Ex-US	3.60	10.16	22.12
Corporates Ex-US	2.35	7.17	16.32
EMBI+	0.06	0.47	4.33



REAL ESTATE (REITs)

- The U.S. REIT market, as represented by the FTSE/NAREIT Equity REIT Index, experienced a modest gain (+1.4%) during the first quarter of 2008 after suffering one of its worst declines in the fourth quarter of last year (-12.7%). Volatility in the U.S. REIT sector is expected to continue in the near term due to continued market uncertainty, and the lack of private real estate deal activity has prolonged the uncertainty over valuations. REITs, in the aggregate, are currently trading at a discount to estimated net asset value. However, given the weaker economic environment, aggregate net operating income assumptions should adjust lower over time, thus resetting net asset values.

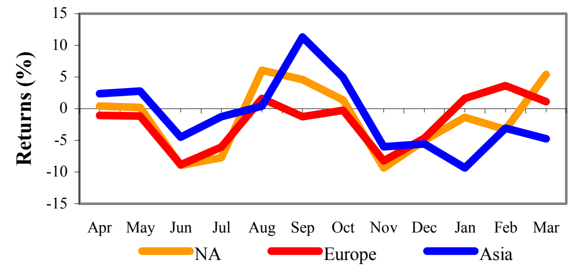
- During the quarter, Index performance primarily was driven by the Residential (+11.2%) and Self Storage (+20.2%) sectors, both currently benefiting from the housing market woes as inflated mortgages have distressed homeowners downsizing and seeking rental space in many areas of the country. In contrast, the weakening economy negatively impacted Industrial/Office (-4.1%) and Lodging (-6.8%). Although currently experiencing healthy income levels from several years of rental growth, Office vacancy rates are expected to increase the most as this sector is highly correlated with the state of the economy. The Lodging sector declined amid concerns that a slowing economy could curtail corporate business travel and leisure vacationing. The Retail sector added to the Index during the quarter, up 2.65%, driven by strong performance from shopping center REITs (+4.9%); this sector, however, may also feel the effects of a slowing economy as consumer confidence fades. The dividend yield for the U.S. REIT Index as of quarter end stood at 5.0%.



Source: NAREIT Equity Index

- The FTSE EPRA/NAREIT Global Real Estate Index (in USD) fell for a second straight quarter, down 5.63%, underperforming primarily due to weak performance in the Asia-Pacific region (-16.4%). Most sectors throughout Asia felt the effects of the global capital markets crisis during the quarter, although some of the decline in the REIT sector can be attributed to profit-taking in certain markets. Asian property market fundamentals nonetheless remain favorable. The European region drove performance, up a strong 6.5% for the quarter, after being a drag on the Index for the past year. Europe currently is trading at heavy discounts to net asset value. North America had a marginally positive quarter with a 0.6% total return. The North American region needed the 5.4% return in March to push it into positive territory after a poor start to the year in January and February. The dividend yield for the global REIT Index as of quarter end stood at 4.2%.

Global REIT Monthly Returns by Region

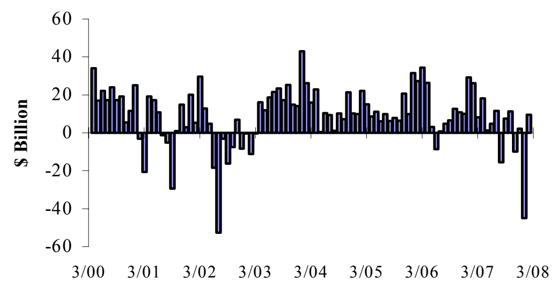


Source: FTSE EPRA/NAREIT Global Real Estate Index

MUTUAL FUNDS

- The combined assets of U.S. mutual funds decreased by $289 billion, to $11.74 trillion, in January and February of 2008. Stock funds posted an outflow of $35 billion. Among stock funds, world equity funds (U.S. funds that invest primarily overseas) posted an outflow of $3.3 billion, while domestic funds had an outflow of $32 billion. Hybrid funds witnessed inflows of roughly $1.8 billion while taxable bonds had inflows of $39 billion. Municipal bonds added $3.7 billion and money market funds added $253 billion.

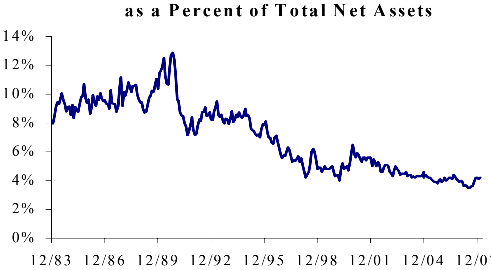
Equity Mutual Fund Net Flows



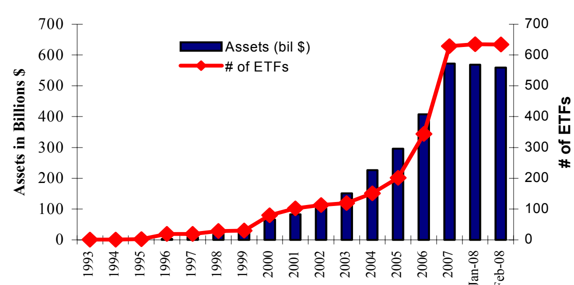
EXCHANGE TRADED FUNDS

- Total assets for exchange-traded funds (ETFs) were $559 billion as of the end of February 2008, according to Investment Company Institute (ICI). At this date, there were 634 ETFs – 415 domestic equity index, 160 international equity index, 53 bond index, and 6 hybrid index funds.

Equity Funds Cash
as a Percent of Total Net Assets



ETF Asset Growth



Source: Investment Company Institute

Sources: Lehman Brothers, J.P. Morgan, Standard & Poor's, Morgan Stanley Capital International, Merrill Lynch, Bloomberg, Frank Russell Company, Salomon Smith Barney, NASDAQ, IMF, NAREIT, EPRA/NAREIT, Investment Company Institute.

STATISTICAL SUMMARY

As of March 31, 2008

EQUITY MARKETS

US Markets	Total Return Month	3 Mos	YTD
S&P 500	-0.43	-9.44	-9.44
S&P 500/CG Growth	-0.39	-9.92	-9.92
S&P 500/CG Value	-0.47	-8.94	-8.94
S&P 400	-1.02	-8.85	-8.85
Russell 1000	-0.68	-9.50	-9.50
Russell 1000 Growth	-0.61	-10.19	-10.19
Russell 1000 Value	-0.75	-8.72	-8.72
Russell 2000	0.42	-9.90	-9.90
Russell 2000 Growth	-0.58	-12.82	-12.82
Russell 2000 Value	1.51	-6.52	-6.52
NASDAQ Composite	0.41	-13.88	-13.88

S&P 500 Sectors	Total Return Month	3 Mos	YTD
Financial	-2.74	-13.98	-13.98
Utilities	1.65	-9.95	-9.95
Energy	-2.64	-7.20	-7.20
Industrials	3.23	-3.96	-3.96
Materials	-1.13	-3.05	-3.05
Healthcare	-4.91	-11.54	-11.54
Consumer Staples	3.32	-2.24	-2.24
Consumer Discretionary	-0.80	-5.90	-5.90
Information Technology	0.94	-15.20	-15.20
Telecommunication Svcs	4.97	-13.74	-13.74

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

Non-US Markets	Total Return Month	3 Mos	YTD
EAFE	-1.05	-8.91	-8.91
EAFE Growth	-1.53	-8.16	-8.16
EAFE Value	-0.55	-9.66	-9.66
AC World Free Ex-US	-2.16	-9.06	-9.06
Japan	-4.06	-7.81	-7.81
Pacific Ex-Japan	-4.90	-13.02	-13.02
United Kingdom	-2.15	-10.52	-10.52
Europe Ex-UK	1.60	-7.75	-7.75
Emerging Markets	-5.28	-10.92	-10.92

MSCI EAFE Sectors	Total Return Month	3 Mos	YTD
Financials	1.46	-10.46	-10.46
Utilities	-0.40	-6.96	-6.96
Energy	-3.53	-10.66	-10.66
Industrials	-1.20	-7.97	-7.97
Materials	-3.08	-3.53	-3.53
Healthcare	-1.19	-5.61	-5.61
Consumer Staples	2.70	-3.70	-3.70
Consumer Discretionary	-1.12	-9.86	-9.86
Information Technology	-5.72	-13.57	-13.57
Telecommunication Svcs	-5.37	-15.41	-15.41

Sources: MSCI, Bloomberg, Vestek

FIXED INCOME MARKETS

Key Rates	U. S. Yields 1/31/2008	2/29/2008	3/31/2008	Euro 3/31/2008	Japan 3/31/2008	U.K. 3/31/2008
Overnight	3.00	3.00	2.25	4.00	0.50	5.25
3- Month	1.95	1.85	1.33	3.95	0.59	4.90
2- Year	2.10	1.62	1.59	3.43	0.58	3.83
5- Year	2.76	2.48	2.44	3.60	0.75	3.89
10-Year	3.60	3.51	3.41	3.90	1.28	4.35

Sources: Merrill Lynch, Bloomberg

Sectors	Total Return % Month	3 Mos.	YTD	Mod.Adj. Duration	Weighting Basis Duration	MktVal
LB Universal	0.21	1.66	1.66	4.45	--	--
LB Aggregate	0.34	2.17	2.17	4.38	100.00%	100.00%
LB U.S. Government	0.66	4.05	4.05	4.79	35.40%	32.40%
LB U.S. Credit	-0.96	0.43	0.43	6.21	32.10%	22.70%
LB Mortgage Backed	0.56	2.43	2.43	2.91	25.90%	38.90%
LB Municipal Bond	2.86	-0.61	-0.61	8.04	--	--
LB U.S. TIPS	-0.06	5.18	5.18	6.82	--	--
ML US HY Master II	-0.52	-3.04	-3.04	4.75	--	--

Sources: Lehman Brothers, Salomon Smith Barney, Bloomberg

Markets/Regions	U.S. Dollars % Month	3-Months	YTD	Local Currency % Month	3-Months	YTD
United States	0.71	4.43	4.43	---	---	---
WGBI	3.22	9.66	9.66	0.08	2.44	2.44
WGBI Non-US	3.81	10.93	10.93	-0.06	1.97	1.97
EMBI+	0.06	0.47	0.47	---	---	---
EMLI+ (local currency index)	1.32	4.70	4.70	0.45	1.53	1.53
Euro Zone	3.74	10.84	10.84	-0.41	2.20	2.20
United Kingdom	0.69	1.73	1.73	0.78	1.89	1.89
Japan	5.01	13.78	13.78	0.40	1.37	1.37

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