

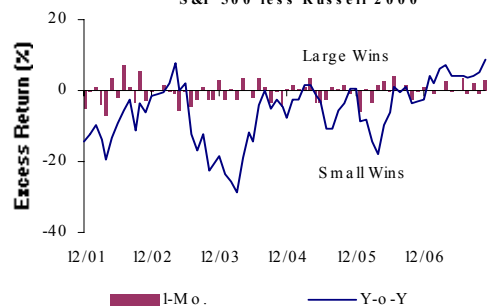
U.S. ECONOMIC BACKGROUND

The same economic themes that have besieged the economy since the beginning of the year continue to impede its growth. Although third quarter GDP was reported at 4.9%, the combination of mortgage-related weakness, skyrocketing energy prices, and tighter lending standards have battered the consumer into finally pulling back, placing a lid on personal spending that increased just 0.20% in the month. Consumer confidence fell to 87.3 in November, as more consumers became concerned with the fact that oil exceed \$98/barrel during the month. While the economy continues to benefit from a narrowing trade deficit and increased exports, signs of weakness were evident in other monthly reports such as personal consumption (2.7%), factory orders (0.20%), and construction spending (-0.80%). In the troubled housing market, the new home sales report (728k) was 24% below the level of demand a year earlier. Inflation remains contained as PPI (0.1%) and CPI (0.3%) monthly increases were within expectations. The ISM Manufacturing Index was still indicative of expansion (50.9) but just barely over the threshold of what is considered to be growth. Unemployment held steady at 4.7%.

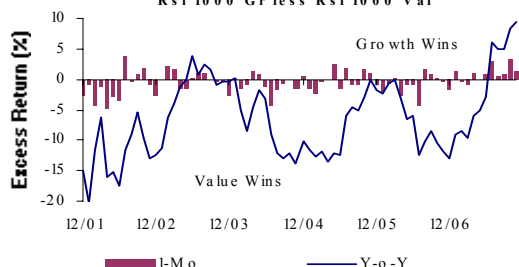
U.S. Equity Returns (%)

	1 Mo.	3 Mos.	12 Mos.
S&P 500	-4.18	0.98	7.72
S&P 400	-5.04	0.04	7.66
Russell 1000 Growth	-3.68	3.77	12.60
Russell 1000 Value	-4.89	-1.62	3.05
Russell 2000	-7.18	-2.87	-1.16
Russell 2000 Growth	-6.91	0.11	6.11
Russell 2000 Value	-7.49	-6.06	-8.21
NASDAQ Composite	-6.84	2.68	10.27

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	-7.74	-7.36	-10.63
Utilities	0.56	11.08	20.40
Energy	-3.75	5.15	22.92
Industrials	-3.53	0.55	13.98
Materials	-4.89	6.79	22.14
Healthcare	1.12	6.18	11.87
Consumer Staples	2.98	9.55	18.12
Consumer Discretionary	-5.51	-6.30	-6.72
Information Tech	-7.99	2.32	13.06
Telecom Svcs	-7.25	-3.82	13.58

EQUITY MARKETS

- While the last few trading days of the month helped offset losses, all major equity market indices finished in the red. November's volatility produced a 10% decline off October's highs but regained strength towards the end of the month as investors became motivated by the possibility of further rate cuts. Dollar weakness, financial write-offs, and bank capital solvency triggered a market correction in November. Oil prices continued to weigh on the minds of investors, while profit-taking added to the selling pressure as investors took some risk off the table. The DJIA finished the month at 13,371.7 (-3.7%) but still maintained a 9.5% year-to-date gain. The same can be said for the S&P 500 (1,481.1), which ended the month -4.2% but managed to preserve a 6.2% gain for the year. The Nasdaq was hit the hardest, as technology stocks were particularly weak, falling 6.9% to 2,661 albeit still upholding a 10.2% gain for the year. By month's end, investors were lifted by the notion that the Fed would once again cut rates for the third consecutive time, helping to ease the credit crunch, which ultimately created a rally in the last few days of the month.
- Ongoing turmoil in the credit situation has created a winter of discontent for investors, as all domestic equity market indices declined across the capitalization range for November with smaller cap stocks faring the worst. More specifically, value stocks suffered the most across the cap spectrum. The broad market Russell 3000 Value Index now has a negative return year to date (-0.1%) after being up over 8.5% through May. Further down the cap spectrum, the Russell 2000 Value Index experienced a 7.5% loss for the month bringing the year-to-date return to -9.0%, 1540 basis points behind its Small Cap Growth counterpart. November was a volatile period for U.S. stocks as the S&P 500 (-4.2%) witnessed a 9% intra-month move from peak (11/1/07 open) to valley (11/26/07 close).
- Among capitalization segments, mega cap stocks performed best in November, relatively speaking. The Russell Top 200 Index lost 4.1%, compared with the large cap Russell 1000 Index's 4.3% decline, the Russell Midcap Index's 4.8% drop, and the small cap Russell 2000 Index's 7.2% loss. Year to date, mega cap stocks have now overtaken mid cap stocks as the best performing segment: the Russell Top 200 Index is up 6.7% versus 5.9% for the Russell Midcap Index.
- Seven of the ten GICS sectors posted negative returns during the month with Information Technology (-8.0%), Financials (-7.7%), and Telecom Services (-7.3%) suffering the largest declines. Not surprisingly, in a down month for stocks, three classic defensive sectors, Consumer Staples (+3.0%), Health Care (+1.1%), and Utilities (+0.6%) fared best. Financials were the largest detractor to the S&P's monthly performance as investors grew more concerned that trouble for subprime lenders and weaker-than-expected consumer confidence signal trouble for the economy. Federal National Mortgage (-32.6%), Countrywide Financial (-29.5%), Morgan Stanley (-21.6%), and Citigroup (-19.4%) were the largest decliners within the sector. The sharp decline within Financials was a byproduct of the market's increased volatility of late, as investors were sharply divided on whether or not the housing slump, the credit squeeze, the subprime mortgage debacle, and high oil prices would lead to a recession. Within Information Technology, Dell (-19.8%) and Cisco Systems (-15.3%) were among the largest detractors for month-end performance.

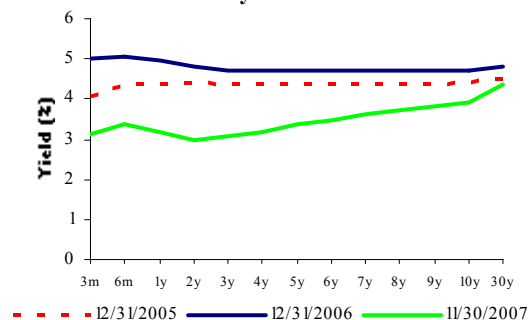
U.S. FIXED INCOME MARKETS

- Interest rates declined and the yield curve steepened on continued weakness in housing and credit market conditions, in addition to heightened concern about the risks to the overall economy. The steady drumbeat of bad news including losses reported by financial firms, asset writedowns, and rating agency downgrades of mortgage related securities weighed heavily on spread sectors. Markets experienced widespread risk aversion resulting in a widening of yield spreads on risk assets and flight to quality flows into Treasuries, particularly on the short end of the curve. During the month, interest rates on the 3-month Treasury declined by 77 bps while rates on the 2-, 5-, 10-, and 30-year Treasuries declined by 95, 78, 53, and 37 bps, respectively. The yield curve steepened by 40 bps to a slope of 123 bps, as measured by the 3-month and 30-year Treasuries. Swap spreads widened, particularly on the short end of the curve. At month end, swap spreads on the 2-, 5- and 10-year maturities were 88 bps, 77 bps, and 64 bps, respectively.
- The Lehman Aggregate Index produced a strong return of 1.80% for the month as interest rates declined. Treasuries were the best performing sector of the market returning 3.07%. U.S. Credit lagged returning 0.85%, underperforming comparable duration Treasuries by 270 bps on negative earnings news and a heavy new issuance calendar. As you would expect in a market gripped by risk aversion, higher quality issues performed better than lower quality while longer maturity issues underperformed intermediate term bonds. AA rated issues returned 1.16% (-221 bps excess) followed by A and BBB rated segments which returned 0.72% (-290 bps excess) and 0.32% (-344 bps excess), respectively. Some of the worst performing sub-sectors included Home Construction and Finance. Other notable laggards were in the Entertainment and Textile industries. U.S. Agency securities returned 2.04% (-47 bps excess) while the U.S. Government/Credit Index returned 1.98% (-118 bps excess).
- Securitized sectors returned 1.58% (-96 bps excess) dragged down by significant illiquidity and spread widening in the mortgage credit segments of the market. Mortgage Backed Securities returned 1.74% (-68 bps excess) on general risk aversion, increased volatility, convexity hedging, and ample supply. Fixed rate conventional mortgages and GNMA issues performed better than hybrid ARMS and other agency segments. The mortgage credit segments (ABS and CMBS) saw significant weakness during the month as investor risk aversion, illiquidity, and hedge fund activity weighed heavily on the market. The Asset Backed Securities segment returned -0.87% (-338 bps excess) dragged down by continued pressure on home equity ABS (subprime mortgages) while Commercial Mortgage Backed Securities (CMBS) returned 0.88% (-250 bps excess).
- The Merrill Lynch High Yield Master II Index returned -2.05% on equity market weakness, persistently negative headlines, the new issue calendar backlog, and the increasing risk of recession. Higher quality performed better than lower quality issues. Specifically, BB rated issues returned -1.2% while B and CCC rated issues returned -2.1% and -3.6%, respectively. Industries that had the worst returns included issuers in the finance and building and construction industries. The yield to worst on the Index increased by 72 bps to 9.41% while the option adjusted spread increased by 139 bps to 575 bps.
- The Lehman Brothers Municipal Bond Index returned a very strong 0.64% as interest rates declined. Higher quality issues performed best as did intermediate duration issues in the 4-12 year part of the municipal curve. The Pre-refunded segment performed best (+1.01%) followed by General Obligation (+0.86%), Insured (+0.62%) and Revenue bonds (+0.28%).
- U.S. TIPS returned 3.97% outperforming nominal Treasuries by 90 bps as real yields declined. The breakeven spread (a gauge of the market's expectation for future inflation) for the 10-year maturity remained largely unchanged at 2.35%.

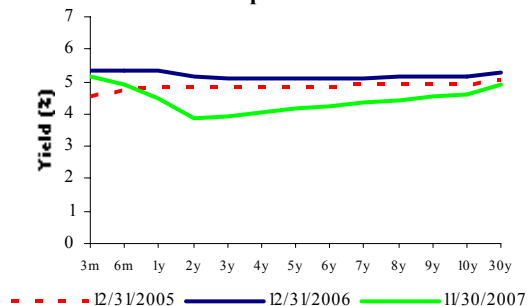
U.S. Fixed Income Returns (%)

	1 Mo.	3 Mos.	12 Mos.
LB Aggregate	1.80	3.49	6.05
LB US Government	2.75	4.16	7.67
LB US Credit	0.85	2.85	4.04
LB Mortgage Backed	1.74	3.56	6.31
LB Asset Backed	-0.87	0.76	2.37
ML US HY Master II	-2.05	0.96	3.02

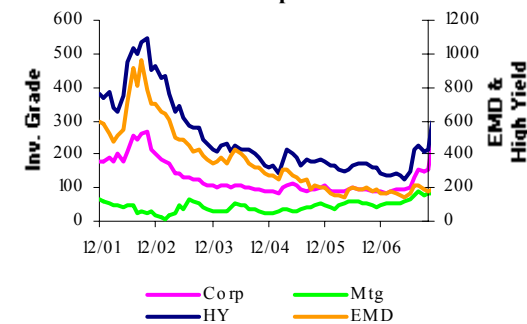
Treasury Yield Curve



Swap Curve



Sector Spreads



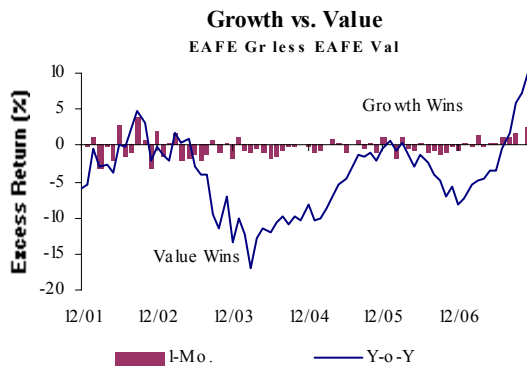
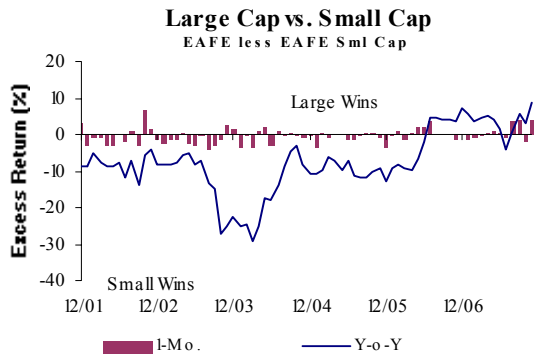
Source: Citigroup

NON-U.S. ECONOMIC BACKGROUND

Overseas markets experienced declines in November, a reverse from October's gains. The global impact of the credit crisis and a slowdown in the U.S. economy caused the markets to drop and increase their volatility, especially in countries heavily dependent on U.S. exports. Major global financial institutions continued to report large write-downs of fixed income assets as global securitized debt markets were negatively impacted. Amid renewed fears that liquidity was again tightening in the credit markets, the European Central Bank announced that it would inject capital into the markets. The OECD revised its 2008 growth forecast of the 30 wealthiest nations to 2.3% from 2.7% forecast earlier in the year. During the month, Eurozone CPI increased 3.0%, largely driven by rising energy prices. In Japan, despite improving GDP growth, the equity market fell due to the continued appreciation of the yen and slowing U.S. demand for products. Emerging markets equity also fell with China down dramatically due to fears of overvaluation and a slowdown caused by the government's monetary and investment spending policies. In currency markets, the dollar fell to record lows against the euro and hit its weakest levels in 2 ½ years against the yen as speculation mounted that the Federal Reserve would cut U.S. interest rates.

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

	1 Mo.	3 Mos.	12 Mos.
EAFE	-3.29	5.89	17.30
AC World Free Ex-US	-4.49	7.51	22.54
Japan	-1.83	0.05	2.19
Pacific Ex-Japan	-6.65	15.26	39.54
United Kingdom	-5.38	3.94	14.19
Europe Ex-UK	-2.12	7.67	22.42



MSCI EAFE Sector Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
Financial	-5.97	2.62	5.69
Utilities	3.37	15.41	29.91
Energy	-3.76	8.45	20.14
Industrials	-4.79	3.40	26.24
Materials	-3.25	9.06	40.38
Healthcare	3.65	5.82	6.05
Consumer Staples	1.13	10.37	28.71
Consumer Discretionary	-5.95	2.54	11.37
Information Tech	-3.56	-0.12	14.09
Telecom Svcs	-0.45	17.40	36.44

- November saw a pullback in the non-U.S. equity markets with the MSCI EAFE Index losing 3.3% in U.S. dollars and 4.1% in local currencies, the largest monthly decline since May 2006. Despite the retreat, the EAFE Index is still up 13.7% year-to-date (+4.8% locally), effectively doubling the U.S. market gains thus far this year. Unlike the strong October, international currencies were mixed against the U.S. dollar. The euro reached another all-time high of 1.4873 before settling with a gain at 1.4633 at month's end. The pound sterling rose to as high as 2.1074, but ended down for the month at 2.0564. The Japanese yen showed some strength against the U.S. dollar, falling to as low as 107.41 and finishing the month at 111.23. The Canadian dollar depreciated steadily against the U.S. dollar throughout November, closing at 0.9985 after finishing October at 0.9431.
- Mega capitalization stocks held up the best in November, posting a loss of only 0.8% versus losses of 3.6% for large caps, 2.0% and 4.7% for the two mid capitalization size quintiles of the EAFE Index, respectively, and 5.3% for small caps. The MSCI EAFE Small Cap Index continues to lag the broader EAFE Index, with a November decline of 7.2% and a modest year-to-date gain of 5.1%.
- Growth stocks continue to show their strength against value stocks with the MSCI EAFE Growth Index posting a decline of 2.1% in November versus a 4.6% fall for the MSCI EAFE Value Index. This is further reinforced by the year-to-date performance of 19.0% for the EAFE Growth versus 8.5% for EAFE Value, an out-performance of 1045 basis points. This marks the seventh consecutive month of EAFE Growth beating EAFE Value.
- Most sectors experienced the November market downturn, with the Financials (-6.0%) and Consumer Discretionary (-5.9%) sectors hit the hardest. Health Care (+3.7%) and Utilities (+3.4%) fared well despite the overall markets.
- The European region performed on par with the broader EAFE Index, posting a loss of 3.2% (-3.8% locally). The majority of European markets fell due to the sharp drop in Financials (-7.2%), resulting from substantial write-downs on investments tied to subprime mortgages. Consumer Discretionary stocks turned in equally poor performance, plummeting 9.7%. In contrast, Health Care (+4.2%) and Utilities (+2.5%) showed strength. The Health Care sector was boosted by the Swiss companies Roche Holdings (+11.9%) and Novartis (+7.2%), as well as the French company Sanofi-Aventis (+8.9%). Within the Utilities sector, the key drivers were E.On (+4.8%) in Germany, Telefonica (+3.6%) in Spain and EDP Energias (+5.3%) in Portugal.
- The Pacific region also performed in line with the broader EAFE Index, posting a loss of 3.5% (-4.9% locally). Japan fared better than most countries, only declining by 1.8% (-5.6% locally). Positive contributors were Sony (+10.7%), Sumitomo (+5.8%), and Canon (+5.0%). Given the sharp falloff in China, Hong Kong performed better than expected with a decline of just 3.7%. Singapore and Australia fell by 7.6% and 7.4%, respectively. BHP Billiton's (-11.0%) plan to acquire Rio Tinto (+26.0%) failed, highlighting the overvaluation in the Australian mining companies.

EMERGING EQUITY MARKETS

- After a surge in the emerging markets in October, the MSCI Emerging Markets Index fell in November with declines of 7.1% in U.S. dollars and 6.2% in local currencies. The Industrials (-11.6%), Financials (-9.3%), and Information Technology (-9.8%) sectors experienced the largest decreases, while Energy (-2.6%) and Health Care (-0.9%) showed the best performance among sectors in November.
- Latin America declined by 5.7% in dollar terms and 3.9% in local currencies. Peru (-13.7%), Argentina (-9.7%), and Chile (-9.4%) had the biggest declines, while Colombia was the best-performing country (+2.6%) in this region. Peru was negatively impacted by holdings in the Materials sector such as Southern Copper (-19.5%). Tenaris (-18.5%), an energy company, and several financial holdings hurt Argentina; Chile fell primarily due to utilities.
- Emerging Asia fell by 9.4% in U.S. dollars and by 8.6% in local currencies. China (-13.5%) and Taiwan (-11.2%) had the sharpest declines. Despite PetroChina surpassing US\$1 trillion market cap and passing ExxonMobil as the world's largest company, its -22.9% return contributed heavily to the negative performance in China. Information Technology companies Hon Hai Precision (-15.9%) and Mediatek (-33.4%) factored into Taiwan's negative performance.
- The MSCI Emerging Europe and Middle East Index performed relatively better versus the other emerging markets with a -1.1% return in U.S. dollars and -2.0% return in local currencies. Russia was the best performing country (+2.0%) with energy company GazProm as a main contributor (+6.5%).

MSCI Emerging Market Equity Returns (\$)

	1 Mo.	3 Mos.	12 Mos.
EM	-7.08	14.70	45.56
Latin America	-5.70	18.78	59.10
Asia	-9.38	12.57	47.61
Europe & M. East	-1.13	17.57	30.86
South Africa	-7.54	12.54	32.00

NON-U.S. FIXED INCOME MARKETS

- The U.K. yield curve steepened and became less inverted as short rates declined. While the Bank of England left the target rate unchanged at its policy meeting, continued credit market turmoil and heightened concern over economic growth resulted in short rate declines. During the month, yields on the 2- and 5-year maturities declined by 55 and 38 bps, respectively, while farther out the curve yield declines were more modest ranging from 6-29 bps. In Europe, the ECB left their target rate unchanged while the euro yield curve steepened slightly on flight to quality flows and concerns over the economic impact of dysfunctional credit markets. Interest rates on the 2-year declined by 23 bps while rates farther out on the yield curve declined by a more modest amount. The euro yield curve slope increased by 3 bps to 55 bps as measured by the difference between the 3-month and 30-year maturity. The Bank of Japan (BOJ) also held rates steady at 0.50%. Rates declined by 2-14 bps across the curve on flight to quality flows and heightened concern over economic growth. The yield curve flattened by 11 bps to a slope of 173 bps as measured by the 3-month and 30-year maturity.
- The Citigroup World Government Bond Index (WGBI) posted a very robust return of 2.77% for the month on an unhedged basis as global yields declined on flight to quality flows and heightened concern over economic growth prospects. U.S. dollar weakness versus most currencies also augmented returns. The best performing bond markets for the month were Japan (+4.65%), Switzerland (+3.56%) and the U.S. (+3.04%) while the laggards included Australia (-3.18%) and Canada (-2.59%) as their currencies weakened on a reversal of riskier carry trades.
- The J.P. Morgan EMBI+ Index returned -0.48% as risk aversion returned to the market. During November, the worst performers were the high beta names such as Venezuela (-7.89%) and Argentina (-5.05%). The larger countries in the Index including Brazil, Russia, Mexico, and Turkey had more modest returns ranging from -0.25% to 1.30% for the month. Russia, a major oil exporter, was the best performer at 1.30%. The EMLI+ Index, which measures returns in local currency, posted a positive return of 0.38% for the month.

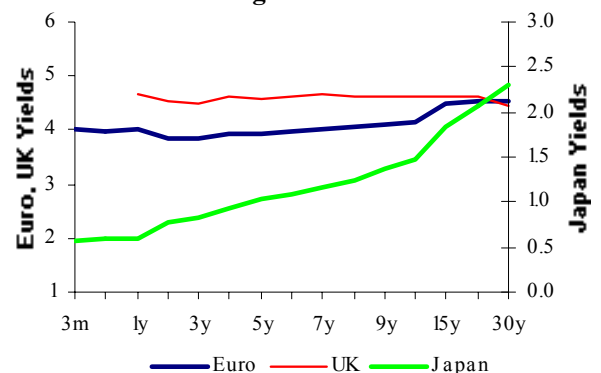
Crude Oil



Global Fixed Income Returns (unhedged, \$)

	1 Mo.	3 Mos.	12 Mos.
WGBI	2.77	7.01	9.44
United States	3.04	4.45	8.03
Europe	1.94	8.73	11.10
Japan	4.65	5.68	6.92
United Kingdom	0.76	4.68	6.62
World BIG Ex-US	2.39	7.77	10.06
WGBI Non-U.S.	2.71	7.67	9.81
Agencies Ex-US	1.96	8.89	11.47
Collateralized Ex-US	1.70	8.47	11.49
Corporates Ex-US	0.96	7.21	9.74
EMBI+	-0.48	4.52	6.58

Foreign Yield Curves



STATISTICAL SUMMARY
As of November 30, 2007

EQUITY MARKETS

US Markets	Total Return			S&P 500 Sectors	Total Return		
	Month	3 Mos	YTD		Month	3 Mos	YTD
S&P 500	-4.18	0.98	6.23	Financial	-7.74	-7.36	-13.96
S&P 500/CG Growth	-3.50	2.89	8.94	Utilities	0.56	11.08	19.04
S&P 500/CG Value	-4.86	-0.87	3.63	Energy	-3.75	5.15	25.24
S&P 400	-5.04	0.04	8.19	Industrials	-3.53	0.55	12.72
Russell 1000	-4.26	1.13	6.47	Materials	-4.89	6.79	21.24
Russell 1000 Growth	-3.68	3.77	12.22	Healthcare	1.12	6.18	10.52
Russell 1000 Value	-4.89	-1.62	0.80	Consumer Staples	2.98	9.55	15.25
Russell 2000	-7.18	-2.87	-1.49	Consumer Discretionary	-5.51	-6.30	-8.81
Russell 2000 Growth	-6.91	0.11	6.37	Information Technology	-7.99	2.32	14.57
Russell 2000 Value	-7.49	-6.06	-9.00	Telecommunication Svcs	-7.25	-3.82	8.52
NASDAQ Composite	-6.84	2.68	10.95				

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

Non-US Markets	Total Return			MSCI EAFE Sectors	Total Return		
	Month	3 Mos	YTD		Month	3 Mos	YTD
EAFE	-3.29	5.89	13.73	Financial	-5.97	2.62	2.42
EAFE Growth	-2.05	8.23	18.98	Utilities	3.37	15.41	25.08
EAFE Value	-4.60	3.46	8.53	Energy	-3.76	8.45	19.89
AC World Ex-US	-4.49	7.51	18.84	Industrials	-4.79	3.40	21.06
Japan	-1.83	0.05	-0.29	Materials	-3.25	9.06	34.53
Pacific Ex-Japan	-6.65	15.26	33.75	Healthcare	3.65	5.82	5.58
United Kingdom	-5.38	3.94	11.36	Consumer Staples	1.13	10.37	25.34
Europe Ex-UK	-2.12	7.67	18.21	Consumer Discretionary	-5.95	2.54	6.88
Emerging Markets	-7.08	14.70	39.28	Information Technology	-3.56	-0.12	10.63
				Telecommunication Svcs	-0.45	17.40	31.10

Sources: MSCI, Bloomberg, Vestek

FIXED INCOME MARKETS

Key Rates	U. S. Yields			Euro	Japan	U.K.
	9/30/07	10/31/07	11/30/07			
Overnight	4.75	4.50	4.50	4.00	0.50	5.75
3- Month	3.81	3.92	3.16	4.01	0.57	5.42
2- Year	3.99	3.95	3.00	3.83	0.77	4.52
5- Year	4.25	4.17	3.39	3.91	1.04	4.59
10-Year	4.59	4.48	3.94	4.13	1.48	4.64

Sources: Merrill Lynch, Bloomberg

Sectors	Total Return %			Mod.Adj. Duration	Weighting Basis	
	Month	3 Mos.	YTD		Duration	MktVal
LB Universal	1.45	3.29	6.19	4.46	--	--
LB Aggregate	1.80	3.49	6.67	4.37	100.0%	100.0%
LB US Government	2.75	4.16	8.42	4.75	35.1%	32.3%
LB US Credit	0.85	2.85	4.95	6.21	32.1%	22.6%
LB Mortgage Backed	1.74	3.56	6.60	2.90	25.6%	38.6%
LB Municipal Bond	0.64	2.58	3.07	7.21	--	--
LB US TIPS	3.97	6.54	11.81	6.83	--	--
ML US HY Master II	-2.05	0.96	1.89	4.65	--	--

Sources: Lehman Brothers, Citigroup, Bloomberg

Markets/Regions	U.S. Dollars %			Local Currency %		
	Month	3 Mos.	YTD	Month	3 Mos.	YTD
United States	3.04	4.45	8.91	---	---	---
WGBI	2.77	7.01	11.51	1.26	2.06	3.70
WGBI Non-US	2.71	7.67	12.18	0.81	1.47	2.39
EMBI+	-0.48	4.52	5.82	---	---	---
EMLI+ (local currency index)	0.38	8.03	15.41	0.54	1.79	6.30
Euro Zone	1.94	8.72	13.01	0.81	1.57	2.24
United Kingdom	0.76	4.68	8.56	1.80	2.69	3.34
Japan	4.65	5.68	10.05	0.69	1.13	2.45

Sources: Citigroup, JP Morgan, Bloomberg

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