

Capital Markets Commentary

First Quarter 2007

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Investors were briefly reintroduced to the concept of downside risk during the first quarter of 2007. On February 27th, the Chinese stock market fell 9% precipitating a 416 point (3.3%) drop in the Dow. This was the largest one-day drop in the Dow since a dark day in September, 2001. Recognizing that an ill-conceived attempt to manipulate the markets by Chinese bureaucrats was not a particularly good justification for a global stock market meltdown, the world's equity markets quickly rallied to finish the quarter generally in positive territory.

As equities were getting pummeled in late February, investors temporarily sought refuge in high quality bonds and certain commodities. Throughout the tumult, current Federal Reserve Chairman Ben Bernanke made no ominous predictions of recession, and held the Fed Funds rate steady at 5.25%. In fact, his upbeat outlook for the U.S. economy helped rally stocks and cool the bond rally. Concerns about subprime lending hurt equities in the Financial Services sector and some BBB mortgage-backed securities experienced significant losses.

International equities, as measured by the MSCI EAFE, outperformed US equities in the quarter with a gain of 4.2%. Australia and Germany posted some of the largest gains in developed international markets, up 9.6% and 6.9% respectively. Emerging markets made headlines with a steep sell off in late February that began in China. Overall, emerging markets finished higher in the quarter (+2%), but returns varied widely with Latin American equities posting the best overall showing and Asia the weakest.

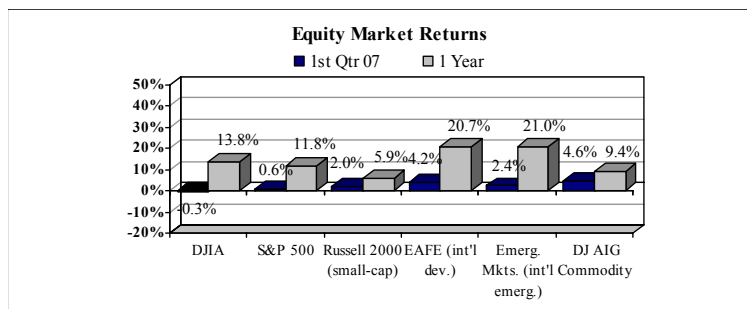
Commodities once again demonstrated their powerful diversification qualities this quarter as these indices actually gained ground while world equity markets rapidly declined in February. The Dow Jones AIG Commodity Index returned 4.59% for the quarter, while the energy-heavy Goldman Sachs Commodity Index gained 5.20%. Concerns over depleting supplies of refined petroleum products and the capture of 15 UK sailors moved oil briefly to over \$68/ bbl. during the quarter.

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Director of
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Average Fund Performance

Despite increased downside volatility, 90% of all equity mutual funds, tracked by Lipper, posted positive results with the average equity fund returning 2.4% in the first quarter. Historically, a slowing U.S. economy has led to outperformance by higher quality funds. That was not the case in the first quarter of 2007 as investors were once gain rewarded for taking risk. Large-cap stock funds continued to lag their smaller, and increasingly more expensive, counterparts. It was also one of those unusual periods in which mid-cap stock funds outperformed both large- and small-cap funds. The “growth” versus “value” battle had no clear winner this quarter and active management generally outperformed passive.

STYLE PERFORMANCE MATRIX 1st Quarter Total Return

	Value	Core	Growth	AVERAGE
Large-Cap	0.84%	0.46%	0.96%	0.73%
Mid-Cap	4.40%	4.49%	4.29%	4.38%
Small-Cap	2.62%	2.78%	3.13%	2.88%
AVERAGE	2.08%	1.91%	2.59%	

Source: Lipper, Inc.

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Near-Term Capital Markets Outlook

U.S. Economy - Not too weak, not too strong

“Goldilocks” economic conditions (solid growth, low inflation) persist in the United States. While economic growth is clearly moderating in the U.S., as evidenced by the recent end to the S&P 500’s 18 quarter double-digit profit growth streak, most of the rest of the world is picking up the slack. U.S. housing and automobile industries remain extremely vulnerable to downside surprises.

Domestic Equities - Neutral

Large-cap equities underwent their first valuation “test” in the past four years late in February and emerged largely unscathed by the end of the first quarter. Large-cap valuations are near historic averages, and about as attractive as we’ve seen in the past ten years. Small-cap equities, despite their higher risk profile, are currently trading at higher multiples than their large-cap brethren, and are in our opinion increasingly vulnerable in the near-term.

International Equities - Overweight

Higher growth rates and lower valuations, particularly in Europe and many emerging economies, and a weakening dollar make international equities attractive for U.S. investors. Continued significant outperformance, while a reasonable expectation, will lead to eventual over valuation and increased risk of market declines. Emerging countries, such as China, India, and South Korea are becoming bigger consumers of imports and are lessening the worldwide importance of the American consumer.

Domestic Bonds - Underweight

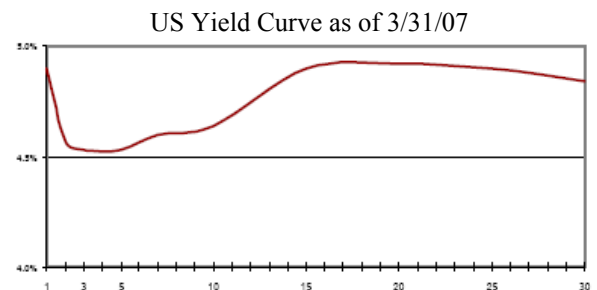
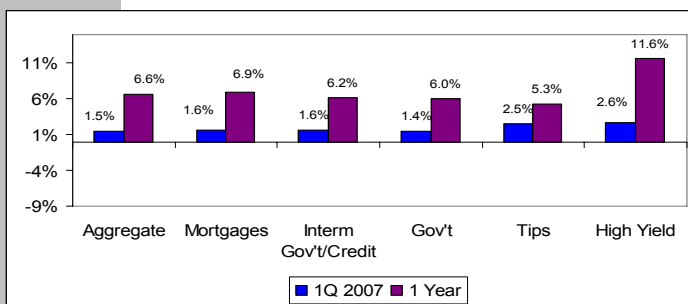
Slowing U.S. profit growth and subprime lending concerns have many credit markets tightening without any help from the Fed. Further rate increases seem unlikely at this time. The yield curve is trending back to its traditional positive slope, indicating an improving outlook for the U.S. economy and potential for near-term weakness in the bond market.

Hard Assets - Neutral

Continued strength in many foreign economies is propelling demand for energy, metals, and agricultural products to heights not seen before. Increased prices, however, are generating increases in production and exploration which should keep a lid on price appreciation. We continue to recommend all equity orientated and inflation sensitive investors maintain a minimum of a 5%-10% exposure to this category.

U.S. Bonds – Multiple Bond Indexes

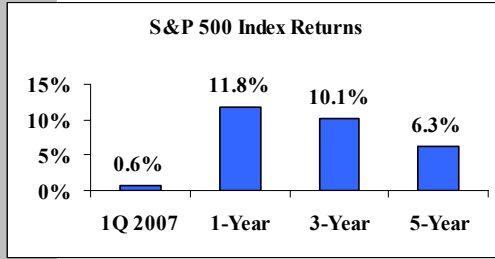
All major domestic bond indices were modestly positive in the first quarter. Former Fed Chairman Alan Greenspan commented in February that the US economy had a 1/3 chance of going into recession by the end of the 2007. The result: a short-term bond rally.



Source – Bloomberg, courtesy Robert W. Baird

While Greenspan talked about a recession, the current Fed Chairman, Ben Bernanke, was much more optimistic. At the conclusion of its March meeting, the Fed once again kept the Fed Funds rate at 5.25%. By the end of the quarter, the yield curve reflected the market’s belief that the Fed will soon cut short-term interest rates, and growing confidence in the prospective growth of the U.S. economy.

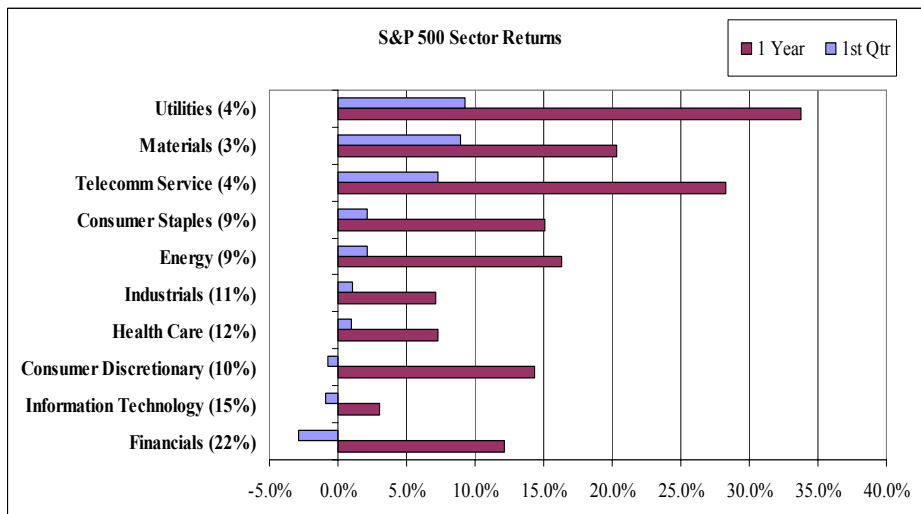
Large-Cap Equities – S&P 500



Source - StyleAdvisor

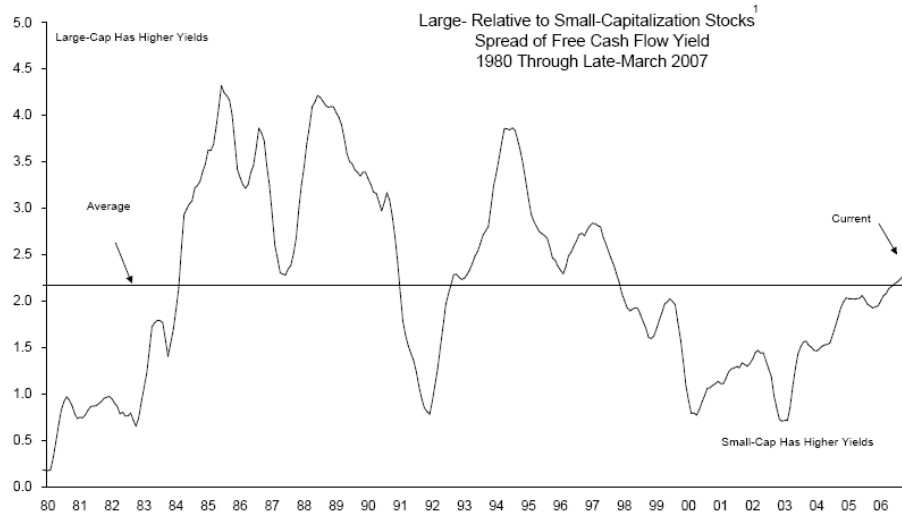
Overall, the S&P 500's return of 0.64% in the first quarter certainly does not tell the whole story, unless you're an index investor. When we look under the hood, the S&P 500's two largest sectors, Financial Services and Technology, were its biggest detractors. Concerns about deteriorating credit quality, and in particular those engaged in subprime lending, weighed on many companies in the Financial Services sector. Weaker than expected capital expenditures left investors concerned about the near-term prospects of many Technology companies. Collectively, these two sectors represent more than a third of the S&P 500. However, investors in other areas of the S&P 500, such as Utilities (+9%), Telecommunications (+7%), and

Materials (+9%) saw impressive gains. Utilities rose to the top this quarter based on a favorable regulatory environment in many states which is helping preserve stronger forward pricing, or in other words utilities have successfully sold to regulators the need to keep increasing usage rates. Just after quarter end, S&P reported that double-digit operating earnings growth officially ended at the end of 2006, a streak which stood at 18 consecutive quarters. While operating earnings in the index have slowed as a whole, it is worth pointing out that Materials and Telecommunications had increases of over 40% each; these two sectors enjoyed nice returns this quarter and in the past year. Furthermore, earnings are projected to continue to be positive for the S&P. In terms of valuations, we note that US domestic stocks look positioned to continue moving higher when looking at the Fed Stock model, which postulates that stocks are attractive when the current earnings yield (forward P/E ratio divided by 1) is greater than the 10-year government bond yield. As of the end of March 2007, the earnings yield for the S&P was 6.5% (based on leading P/E) and the yield on the 10-year government bond was 4.64%. Also, we note that large-cap stocks, on a "free-cash yield" are relatively more attractive than small-cap stocks, the first time in over 8 years. (See chart on following page). Combine reasonable valuations, with slowing earnings growth, and more anticipated share buybacks and dividend increases, and you have a decent environment for large-cap U.S. equities.



Telecommunications and Utilities were notably in favor for the last 12-months. The Materials sector was also especially strong as prices of raw materials skyrocketed in 2006 and moved higher in 2007.

Source – Vestek Systems

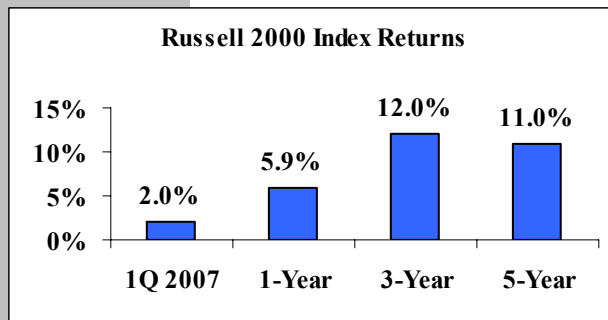


Source: Corporate Reports, Empirical Research Partners Analysis.
¹ Largest 750 issues versus the next 2000; capitalization-weighted data smoothed on a trailing six-month basis.

Chart Courtesy Denver Investment Advisers

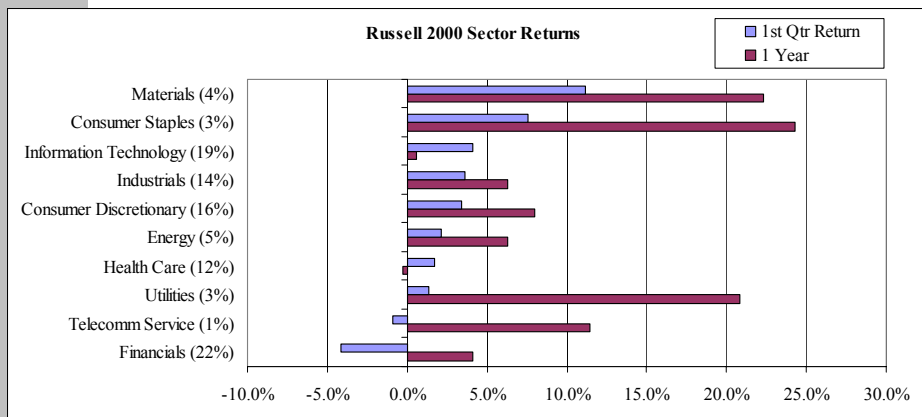
Free Cash Flow is generally defined as cash flow from operations minus capital expenditures. "Free Cash Flow Yield" relates that number to the current prices of equities and is calculated as price per share/free cash flow per share. In practice, free cash flow has several different definitions.

Small-Cap Equities – Russell 2000 Index



Source - StyleAdvisor

The Russell 2000 returned a modest 2.0% in the first quarter. Readers of this publication will recognize a common refrain to this section of the capital markets commentary over some of the last quarters: Small-caps outperformed large-caps, although we recommend an underweight position. While it is true they outperformed large-caps again this quarter, during the last year large-caps have beaten small-caps 11.0% vs. 5.9%. We haven't changed our recommendation to underweight small-caps and view the current small-cap environment as overextended. Like large-caps, financials as a whole suffered the most. In particular, subprime lending came into the spot light and with it some punishing returns for industries such as mortgages & thrifts (-13%) and consumer finance (-10%). During the quarter, "growth" stocks slightly outperformed "value" 2.48% vs. 1.46%. Finally, as noted above, free-cash yields for small-cap versus large-cap have moved in favor of large-caps, the first time in over 8 years.



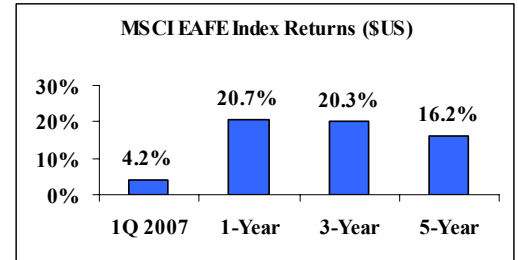
Source – Vestek Systems

Materials and Consumer Staples equities saw the largest gains in an otherwise lukewarm environment dominated by concerns in the financials sector over sub prime lending.

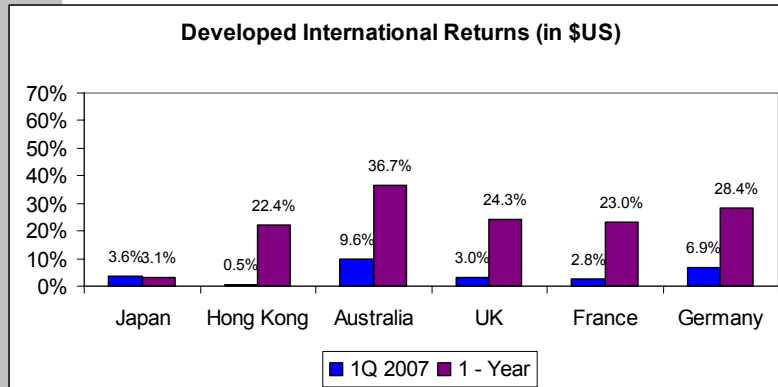
International Equities – MSCI EAFE Index

International equities, as measured by the MSCI EAFE, outperformed US equities in the quarter with a gain of 4.2%. Australia and Germany posted some of the largest gains in developed international markets, up 9.6% and 6.9% respectively. The materials boom continued to benefit Australia with companies such as BHP Billiton (+22%) posting strong returns. German exports were strong in the fourth quarter of 2006 and the result was an unexpected acceleration of the German

economy, the best it had seen since 2000. The strength of the German economy was evident through out as hiring, spending, and consumer confidence all moved in a positive direction. Japanese equities were positive but have still disappointed investors over the last year. In the middle of 4th quarter 2006, Japanese companies were forecasting earnings that were lower than forecasted by analysts; however, some of the bearish sentiment turned into more optimism in the first quarter as household spending was up, industrial production was slightly down but less than expected, and there were more upbeat prospects for the housing market. Japanese GDP has been growing at 2.4% in the last three years, unemployment is low at 4.0%, but wage rates have been stagnant making the overall economy susceptible to higher energy prices and weak consumer demand. In terms of valuation, the international markets are trading at around 14 times forward earnings. We believe that international equity markets should continue to outperform US equities, but see that momentum diminishing as the discount to US equities disappears. Currently, it is less than 8% in aggregate.



Source - StyleAdvisor



Source – StyleAdvisor

Australia has been a beneficiary of the commodities boom, especially in the metals & mining arena. The European markets have rewarded investors in the past 12-months.

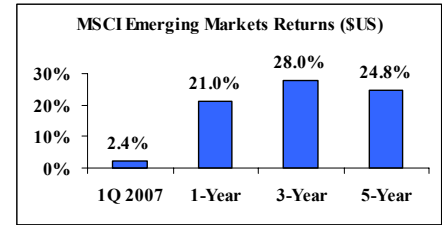


Source – StyleAdvisor

Performance in emerging markets was mixed this quarter. Latin America as a whole returned 6.1% while Asia, the Far East, and European emerging markets struggled. They returned 0.3%, 0.7% and 0.4% respectively.

Emerging Market Equities - MSCI EM Index

Emerging Markets (EM) as a whole gained 2.4% in the first quarter, but depending on where you were invested, you could have seen a much larger gain, or even experienced a loss. A strong start to the year gave way after Japan raised its benchmark interest rate another 25 bps to 0.50% and a nearly 10% drop in the Chinese stock market in late February. The Chinese government

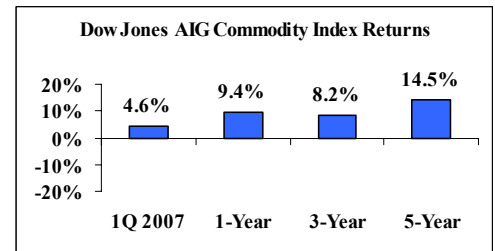


Source - StyleAdvisor

announced it was going to examine more closely the use of speculative loans for investment (margin buying) and take other measures to prevent the Chinese economy from overheating. Sharp sell offs continued later in the quarter amid concerns about a worldwide economic slowdown. The selling in the market was brisk at times and was even referred to as a panic situation. When the dust settled, Latin American stocks held-up better than other parts of the EM world, but they were mixed. Thanks to a rise in commodity prices (energy and metals), markets in Mexico and Brazil were higher. That said, the Venezuelan market was hammered when Hugo Chavez moved to nationalize the country's telephone, oil, and power industries. Shortly after Chavez took that course of action, and refused to pay shareholders fair market value for a telephone company he took over, the market plummeted and finished the quarter down 11%. In contrast, some of the strongest returns in EM came from places like Peru (+23%), Morocco (+25%), and Malaysia (+18%). In terms of valuation, the forward price-to-earnings ratio (P/E) of the index for EM is 12.52, according to Morgan Stanley, which means that generally speaking EM equities are trading around an 18% discount to US equities (forward P/E of 15.29 for S&P 500 Index). This spread actually widened slightly from 16% since the end of 2006.

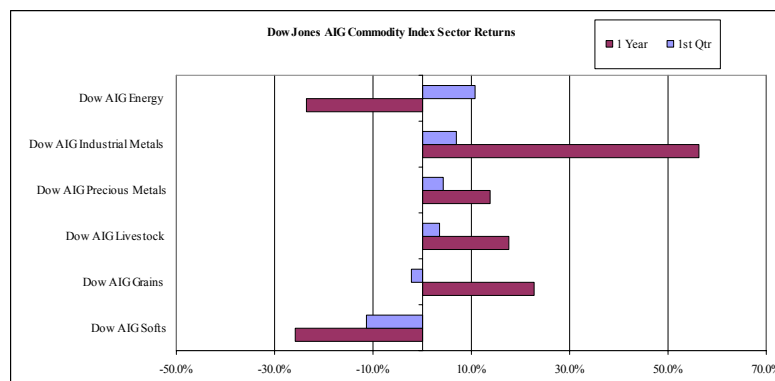
Hard Assets – Dow Jones Commodity Index

“Hard Assets,” as measured by the Dow Jones AIG Commodity Index, gained 4.6% thanks to the sharp rise in energy prices (+11%) and solid gains from industrial metals (+7%). Precious metals (gold, silver) were positive in the quarter (+4%), but contracts for commodities like sugar, cotton, and coffee all moved lower. Energy prices were lifted by concerns over depleting supplies of gasoline and



Source - StyleAdvisor

the much publicized capture of 15 UK sailors by the Iranians for alleged trespassing. The markets were highly reflexive to rumors surrounding the crisis and the price of crude oil spiked to over \$68 bbl before retreating. In industrial metals, nickel prices soared over 42% in the quarter as global supplies continued to be tight and copper advanced 9% on strong Asian demand. As of 3/31/07, the index was comprised of energy (35%), livestock (9%), grains (17%), basic metals (19%), precious metals (9%), softs (i.e. sugar, cotton, coffee 8%), and vegetable oil (3%). In January of 2007, the index was rebalanced to approximately 1/3 energy, 1/3 raw materials, and 1/3 agriculture. This rebalancing occurs once a year and meaningfully replenished exposure to energy and reduced exposure to grains.

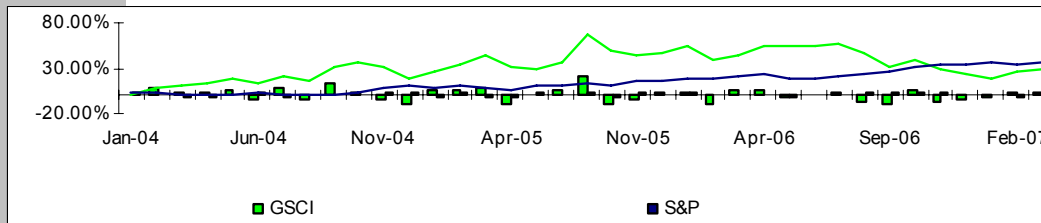


This quarter energy took the lead in the Dow Jones AIG Commodity Index. Grains and softs (cotton, sugar) were sharply lower in the quarter.

Source - StyleAdvisor

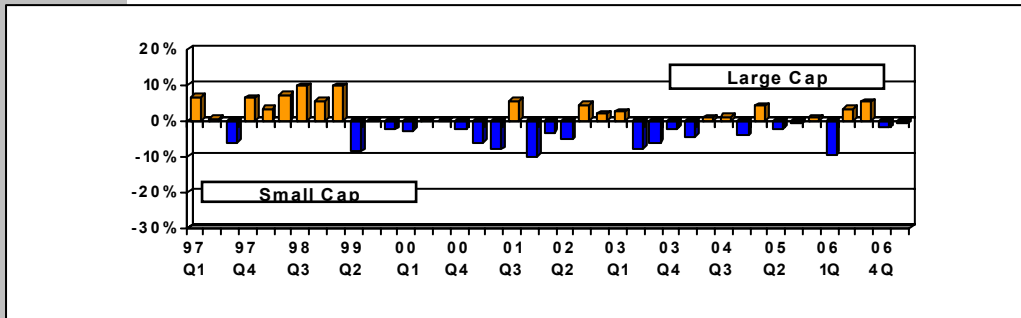


S&P 500 vs. Commodity Returns (S&P 500 Index and GSCI)



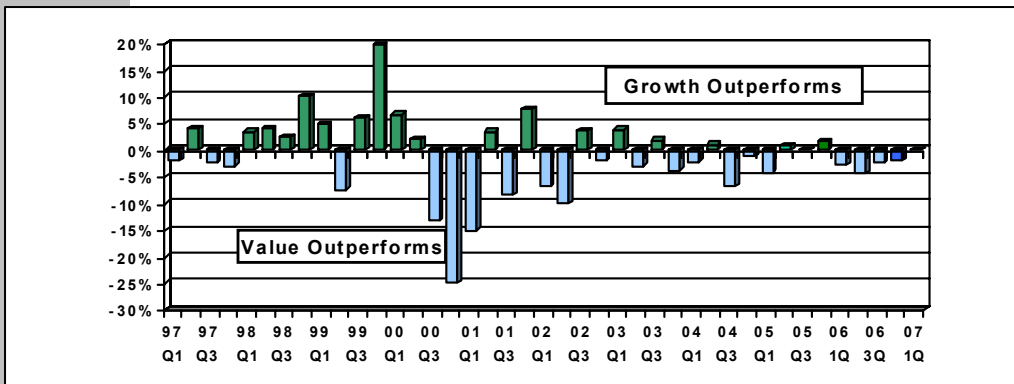
Commodities outperformed US equities this quarter.

Large-Cap vs. Small-Cap (Russell 1000 minus Russell 2000)



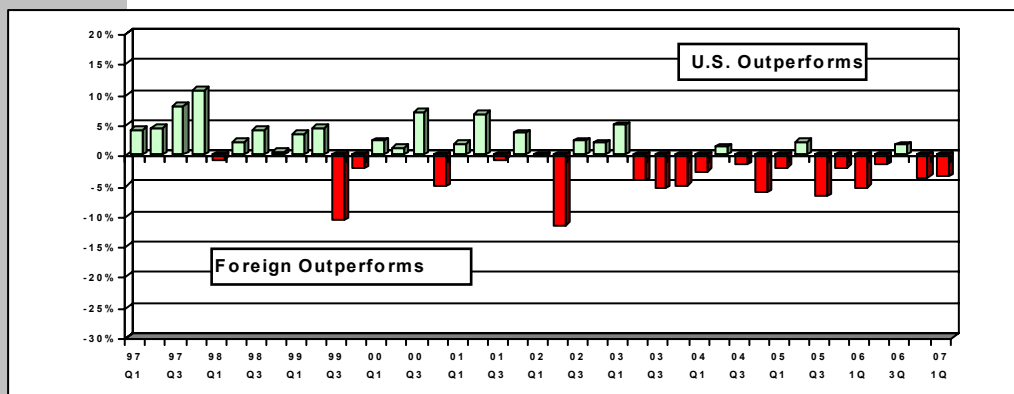
Small-cap stocks outperformed large-cap for the quarter.

Growth vs. Value (Russell 1000 Growth minus Russell 1000 Value)



Growth and value stocks were deadlocked this quarter, but value continues to outperform over the last several years.

Domestic vs. International (S&P 500 minus MSCI EAFE Index)



We continue to recommend an overweight to international equities despite the recent outperformance of US equities over international.

PASSIVE INDEX DEFINITIONS

Indices used to answer the question, "Has the manager added value through skilled security selection?"

90-DAY TREASURY BILL INDEX - This index is comprised solely of Treasury Bills and will always have an average maturity of 90 days.

RYAN LABS 3-YEAR GIC INDEX - This index is the arithmetic mean of the ten highest quotes from a representative universe of three-year high quality GIC issues as measured by Ryan Labs, Inc.

LEHMAN BROTHERS AGGREGATE BOND INDEX - This index is composed of approximately 25% U.S. Treasuries, 50% Agencies/Mortgages, and 25% Corporates, with an average duration of approximately 4.5 years.

LEHMAN BROTHERS INT. GOVT/CREDIT BOND INDEX - This index is composed of approximately 35% U.S. Treasuries, 25% Agencies, and 40% Corporates, with an average duration of approximately 3.5 years.

LEHMAN BROTHERS GOVT/CREDIT BOND INDEX - This index is composed of approximately 40% U.S. Treasuries, 20% Agencies, and 40% Corporates, with an average duration of approximately 5.0 years.

DOW JONES INDUSTRIAL AVERAGE (DJIA) - This index consists of the 30 largest and most widely held public companies in the United States which have been chosen to represent the U.S. stock market because they are larger, more actively traded issues, and leaders of American industry.

STANDARD & POORS 500 INDEX (S&P 500) - A basket of 500 stocks that are considered to be widely held. The S&P 500 index is weighted by market value, and its performance is thought to be representative of the U.S. equity market as a whole.

WILSHIRE 5000 INDEX – Measures the performance of virtually all U.S. headquartered equity securities with readily available price data. Composed of approximately 7,300 capitalization weighted securities, with additions/deletions to the index made monthly and represents virtually 100% of U.S. equity market.

RUSSELL 3000 INDEX – Composed of approximately 3,000 of the largest U.S. companies based on total market capitalization, which represents approximately 98% of the U.S. equity market.

RUSSELL 1000 INDEX – Composed of approximately 1,000 of the largest companies in the Russell 3000 Index, which represents the large-cap segment of the U.S. equity market.

RUSSELL 1000 VALUE INDEX – Composed of stocks with lower price-to-book ratios and lower forecasted growth values among the largest 1000 companies in the Russell 3000 Index.

RUSSELL 1000 GROWTH INDEX – Composed of stocks with higher price-to-book ratios and higher forecasted growth values among the largest 1000 companies in the Russell 3000 Index.



RUSSELL MID-CAP INDEX – Composed of the smallest 800 stocks in the Russell 1000 Index, which represent the mid-cap segment of the U. S. equity market.

RUSSELL 2000 INDEX – Composed of approximately 2,000 of the smallest companies in the Russell 3000 Index, which represents the small-cap segment of the U.S. equity market.

RUSSELL 2000 VALUE INDEX – Composed of stocks with lower price-to-book ratios and lower forecasted growth values among the smallest 2,000 companies in the Russell 3000 Index.

RUSSELL 2000 GROWTH INDEX – Composed of stocks with higher price-to-book ratios and higher forecasted growth values among the smallest 2,000 companies in the Russell 3000 Index.

MSCI ALL-COUNTRY WORLD EX-US INDEX - An arithmetic average of over 2,000 securities listed on the stock exchanges of the countries outside the United States, and includes exposure to emerging markets.

NASDAQ COMPOSITE INDEX – Composed of the return of stocks listed on the NASDAQ over-the-counter stock exchange. Typically, the index is comprised of mainly technology and emerging company stocks.

ACTIVE INDEX DEFINITIONS

Indices used to answer the question, "How does the manager compare to other managers with a similar investment style?"

LIPPER INTERMEDIATE INVESTMENT GRADE BOND FUND INDEX – A peer group index comprised of fixed-income funds with an average duration consistent with intermediate range (3-5 years) and average credit quality of at least investment grade (AAA, AA, A, or BBB).

LIPPER CORPORATE DEBT A BOND FUND INDEX – A peer group index comprised of fixed-income funds focused on corporate-issued debt with an average credit quality of A.

LIPPER BALANCED FUND INDEX – Funds whose primary aim is to conserve principal by maintaining at all times a balanced portfolio of equities and bonds, with at least 50% in equity securities and at least 25% in fixed income securities. Typically, the equity/bond ratio is approximately 60%/40%.

LIPPER SMALL CO. AVERAGE FUND INDEX – Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) less than 250% of the dollar-weighted median of the smallest 500 of the middle 1,000 securities of the S&P SuperComposite 1500 Index.

MORNINGSTAR WORLD ALLOCATION UNIVERSE – A peer group of tactical asset allocation products.

LIPPER LARGE-CAP VALUE FUND INDEX – Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index.

LIPPER LARGE-CAP CORE FUND INDEX – Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index.

LIPPER LARGE-CAP GROWTH FUND INDEX – Funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index.

LIPPER INTERNATIONAL FUND INDEX – A peer group index comprised of the universe (approximately 900 mutual funds) of international mutual funds classified by Lipper Analytics, Inc.

ECONOMIC SECTOR & INDUSTRY DEFINITIONS

CONSUMER DISCRETIONARY

Auto Components (Johnson Controls, Goodyear Tire & Rubber)
Automobiles (Harley Davidson, Ford, General Motors)
Household Durables (Whirlpool, Maytag, Snap-On, Black & Decker, Stanley Works, Newell Rubbermaid)
Leisure Equipment & Products (Eastman Kodak, Mattel, Hasbro, Brunswick)
Text, Apparel & Luxury Goods (Liz Claiborne, Nike, Jones Apparel)
Hotels, Restaurants & Leisure (McDonalds, Starbucks, Carnival, Hilton Hotels, Wendy's, Marriott, Yum Brands, Harrahs)
Media (Walt Disney, Tribune, AOL Time Warner, Viacom, Dow Jones, Gannett, NY Times, McGraw Hill, Clear Channel)
Distributors (Genuine Parts)
Internet & Catalog Retailing (eBay)
Multi-Line Retail (Costco, Target, Kohls, Sears, Wal-Mart, JC Penney, Nordstrom, Federated, Dillards)
Specialty Retail (Tiffany, Staples, Gap, Best Buy, Home Depot, Sherwin Williams, Toys R Us, Circuit City, Lowes)

CONSUMER STAPLES

Food & Staples Retailing (Walgreen, Kroger, Safeway, Sysco, Supervalu, CVS)
Beverages (Coca Cola, PepsiCo, Adolph Coors, Anheuser Busch, Brown Forman)
Food Products (HJ Heinz, Hershey, Kellogg, Sara Lee, Wrigley, Campbell, General Mills, ADM, ConAgra)
Tobacco (Altria Group, RJ Reynolds, UST)
Household Products (Kimberly Clark, Colgate Palmolive, Proctor & Gamble, Clorox)
Personal Products (Avon Products)

ENERGY

Energy Equipment & Services (Halliburton, Schlumberger, Noble, Baker Hughes, Nabors, Transocean, Rowan)
Oil & Gas (Exxon Mobil, ChevronTexaco, ConocoPhillips, Sunoco, Occidental Petroleum, Amerada Hess)

FINANCIAL SERVICES

Capital Markets (Northern Trust, Merrill Lynch)
Commercial Banks (Bank of America, Wells Fargo, US Bancorp, JP Morgan Chase, Marshall & Ilsley, PNC)
Diversified Financial Services (Citigroup, JP Morgan Chase, American Express)
Insurance (Loews, Allstate, MGIC, Prudential, AIG, Aflac, Marsh & McLennan, Safeco, Metlife, Travelers)
Real Estate (Equity Office Properties, Plum Creek Timber, Equity Residential, Simon Property)

HEALTH CARE

Health Care Equipment & Supplies (Baxter, Medtronic, Bausch & Lomb, Boston Scientific, Stryker, St. Jude)
Health Care Providers & Services (Tenet, UnitedHealth, Aetna, Cardinal Health, Humana, Cigna, Wellpoint)
Biotechnology (Amgen, Biogen, Genzyme, Medimmune)
Pharmaceuticals (Pfizer, Merck, Eli Lilly, Abbott, Wyeth, Bristol Myers Squibb, Johnson & Johnson, Forest Lab)



INDUSTRIALS

Aerospace & Defense (Boeing, Northrop Grumman, Honeywell, Raytheon, United Technologies, Rockwell Collins)
Building Products (Masco, American Standard Cos.)
Construction & Engineering (Fluor)
Electrical Equipment (Rockwell Automation, Emerson Elec., Cooper Inds., American Power Conversion)
Industrial Conglomerates (3M, General Electric, Tyco International, Textron)
Machinery (Deere & Co., Caterpillar, ITW, Cummins, Ingersoll-Rand, Paccar, Eaton, Danaher)
Trading Companies & Distribution (Grainger WW)
Commercial Services & Supplies (HR Block, Waste Mgmt, ADP, RR Donnelley, First Data)
Air Freight & Logistics (United Parcel Service, Fedex, Ryder)
Airlines (Southwest)
Road & Rail (Union Pacific, CSX, Burlington Northern, Norfolk Southern, Ryder)

INFORMATION TECHNOLOGY

Internet Software & Services (Yahoo)
IT Services (Unisys, Computer Sciences, Electronic Data Systems, First Data, Fiserv, Paychex, ADP)
Software (Microsoft, Oracle, Electronic Arts, BMC, Computer Associates, Adobe, Novell, Intuit)
Communications Equipment (Cisco, Motorola, Qualcomm, Corning, Tellabs, Avaya, JDS Uniphase, Ciena)
Computers & Peripherals (Dell, Apple, EMC, Sun Microsystems, Hewlett Packard, IBM, Lexmark, NCR)
Electronic Equipment & Instruments (Tektronix, Solectron, Waters Corp., Sanmina, Agilent, Jabil Circuit)
Office Electronics (Xerox)
Semiconductors & Semi Equipment (Intel, Texas Instruments, PMC Sierra, Applied Materials, Xilinx, Maxim, Analog)

MATERIALS

Chemicals (Du Pont, Sigma Aldrich, Ecolab, Praxair, Rohm & Haas, Monsanto, Dow Chemical)
Construction Materials (Vulcan Materials)
Containers & Packaging (Sealer Air, Pactiv, Ball, Temple Inland, Bemis)
Metals & Mining (Alcoa, US Steel, Newmont Mining, Freeport-McMoran, Nucor, Phelps Dodge)
Paper & Forest Products (Intl Paper, Mead, Westvaco)

TELECOMMUNICATION SERVICES

Diversified Telecom Services (AT&T, Verizon, Qwest, CenturyTel)
Wireless Telecom Services (Sprint Nextel, Alltel)

UTILITIES

Electric Utilities (Southern Co., Dominion, Exelon, TXU, PG&E, Xcel, American Electric Power, FPL)
Gas Utilities (Nisource, Keyspan, Nicor, Sempra, Kinder Morgan, Peoples Energy)
Multi-Utilities & Unreg. Power (Duke Energy, Williams Cos., AES, El Paso, Dynegy)

Companies represented in the industries were selected from the S&P 500 Index as of 3/31/07.

