



Forté Capital's Selected Statistics

U.S. Equity Indexes	12/29/06	YTD Return
S&P 500	1418	13.60%
Dow Jones Industrials	12463	16.30%
NASDAQ Composite	2415	9.50%
NYSE Composite	9139	17.90%
Wilshire 5000	14258	13.90%
Dow Jones Transports	4560	8.70%
Dow Jones Utilities	457	12.80%

Selected Interest Rates	12/29/06	11/30/06
Fed Funds Rate	5.25%	5.25%
3-Month Libor	5.36%	5.35%
Prime Rate	8.25%	8.25%
15-Year Mortgage	5.50%	5.39%
30-Year Mortgage	5.75%	5.61%
1-Year ARM	5.31%	5.30%
3-Month Treasury Bill	4.89%	4.90%
5-Year Treasury Note	4.70%	4.45%
10-Year Treasury Bond	4.71%	4.46%
10-Year Inflation-Indexed Treas.	2.39%	2.16%

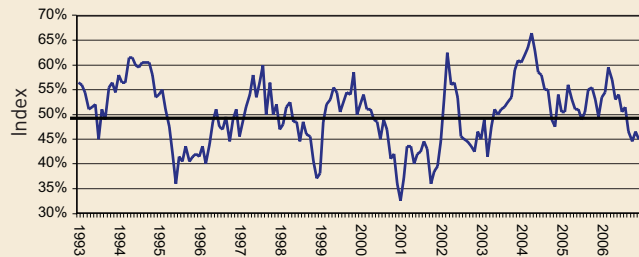
Key Economic Statistics	Most Recent	Prior Month
National		
Producer Price Index (monthly chg)	2.00%	-1.60%
Consumer Price Index (monthly chg)	0.00%	-0.50%
Unemployment Rate	4.50%	4.50%
ISM Manufacturing Index	51.40	49.50
ISM Services Index	57.10	58.90
Change in Non-Farm Payroll Emp.	167,000	154,000
New York State		
Value of Construction Projects in 000's	\$3,236,200	\$1,667,556
Consumer Price Index—NY, NJ, CT	2.60%	2.40%
Unemployment Rate	4.00%	3.80%
NYS Index of Coincident Indicators	0.50%	0.00%

Forté Capital's Proprietary Market Risk Barometer	Bullish	Neutral	Bearish
	10	9	8
	7	6	5
	4	3	2
	1		
Market Valuation	5		
Monetary Environment	4		
Investor Psychology	4		
Internal Market Technicals	5		
Overall Short-Term Outlook	4.88		
Overall Long-Term Outlook	5.00		
	As of 12/29/06		

Equity Market Statistics	12/29/2006	11/30/2006
Dow Jones Industrials		
Dividend Yield	2.24%	2.24%
Price-to-Earnings Ratio (12-Mth Trailing)	16.96	16.64
Price-to-Book Value	3.27	3.20
S&P 500 Index		
Earnings Yield	5.54%	5.32%
Dividend Yield	1.78%	1.79%
Price/Earnings (12-Mth Trailing as Rpt)	17.76	17.82
Price/Earnings (2006 EPS Est as Rpt)	17.43	17.34

Chart of the Month

ISM Manufacturing Vendor Backlog



Commentary on Significant Economic Data This Month

According to the International Council of Shopping Centers (ICSC) chain store index, chain store sales increased 3.1% in December 2006, compared to a 2.5% rise in November. Overall, retailers were disappointed. Luxury stores, drug stores, and wholesale clubs experienced growth, while furniture stores and apparel stores posted declines. Warm, wet weather was blamed for disappointing apparel sales. The November–December holiday season as a whole was reasonable but not as good as the previous year.

Existing home sales increased by a modest 0.6% in November, to 6.28 million units. Most of the increase this past month was due to the 6% existing home sales increase in the Northeast. Compared to 2006, however, home sales were down 10.7% while the median sales price fell by 3.1%. The Midwest saw the largest median sales price decline of 3.5%, while the West saw the smallest, 0.8%. Inventories of unsold homes appear to be stabilizing; in November, inventory stood at 7.3 months of supply, compared to the 12-month average of 6.4 months of supply.

According to TrimTabs Investment Research, dividends and stock buybacks for the S&P 500 totaled a record \$661 billion in 2006, representing approximately 5.1% of the total market capitalization of the S&P 500. In addition, over 77% of the inflow into equity mutual funds and equity ETFs in 2006 was directed offshore, the highest percentage ever. A reversal of this trend could bode well for the U.S. markets in 2007.

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