Forté Capital's Selected Statistics

U.S. Equity Indexes	01/31/08	YTD Return
S&P 500	1379	–6.10%
Dow Jones Industrials	12650	–4.60%
NASDAQ Composite	2390	–9.90%
NYSE Composite	9126	–6.30%
Wilshire 5000	13897	–6.20%
Dow Jones Transports	4752	4.00%
Dow Jones Utilities	503	–5.60%

Forté Capital's Proprietary Market Risk Barometer	Bullish 10	9	8	7	6	Neutral 5	4	Bearish 3	2	1
Market Valuation					6					
Monetary Environment			8							
Investor Psychology				7						
Internal Market Technicals					6					
Overall Short-Term Outlook	6.18									
Overall Long-Term Outlook	7.08									

As of 01/31/08

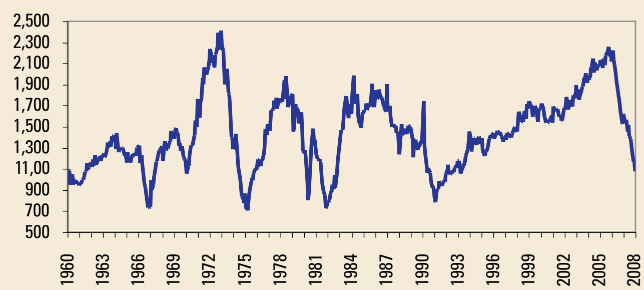
Selected Interest Rates	01/31/08	12/31/07
Fed Funds Rate	3.00%	4.25%
3-Month Libor	3.11%	4.70%
Prime Rate	6.00%	7.25%
15-Year Mortgage	4.97%	5.38%
30-Year Mortgage	5.49%	5.84%
1-Year ARM	5.12%	5.45%
3-Month Treasury Bill	1.92%	3.29%
5-Year Treasury Note	2.82%	3.45%
10-Year Treasury Bond	3.67%	4.04%
10-Year Inflation-Indexed Treas.	1.33%	1.73%

Equity Market Statistics	01/31/08	12/31/07
Dow Jones Industrials		
Dividend Yield	2.41%	2.35%
Price-to-Earnings Ratio (12-Mth Trailing)	15.19	15.71
Price-to-Book Value	3.96	4.22
S&P 500 Index		
Earnings Yield	5.70%	5.35%
Dividend Yield	2.09%	1.96%
Price/Earnings (12-Mth Trailing as Rpt)	17.54	18.65
Price/Earnings (2008 EPS Est as Rpt)	18.92	19.16

Key Economic Statistics	Most Recent	Prior Month
National		
Producer Price Index (monthly chg)	–0.10%	3.20%
Consumer Price Index (monthly chg)	0.30%	0.80%
Unemployment Rate	4.90%	5.00%
ISM Manufacturing Index	50.70	48.40
ISM Services Index	41.90	54.40
Change in Non-Farm Payroll Emp.	–17,000	82,000
New York State		
Value of Construction Projects in 000's	2,206,360	2,171,139
Consumer Price Index–NY, NJ, CT	3.70%	3.90%
Unemployment Rate	4.70%	4.40%
NYS Index of Coincident Indicators	0.10%	0.30%

Chart of the Month

New Private Housing Units Authorized by Building Permit



Source: Federal Reserve

Commentary on Significant Economic Data This Month

In response to deteriorating financial conditions and stress in credit markets, the Federal Open Markets Committee issued an inter-meeting cut of 75 basis points on the federal funds rate on January 21, followed by a further cut of 50 basis points cut at its scheduled meeting on January 30. A "deepening of the housing contraction" and a "softening in labor markets" were also cited as reasons to lower its target rate. The Federal Reserve stated that "downside risks to growth remain," leaving open the possibility for further rate cuts if conditions do not improve.

The advance estimate for fourth-quarter GDP growth was 0.6% annualized, half the consensus expectation of 1.3%. For all of 2007, GDP growth was 2.2%, making 2007 the weakest year of growth since 2002. Housing has been cited as a major drag on growth, as residential investment fell 24% in the fourth quarter, the eighth straight quarter of decline. Private business inventories fell by $3.4 billion in the fourth quarter, after a $30.6 billion increase in the third quarter, taking 1.25 percentage points off overall growth.

The housing market continued to struggle in December: New home sales were down 4.7% month over month and 40.7% year over year, the largest decline since 1981. Median new home prices were also down 11.82% month over month, making 2007 the first year this figure has declined since 1991. Housing starts declined 14.2% month over month, down 38.2% on a year-over-year basis.