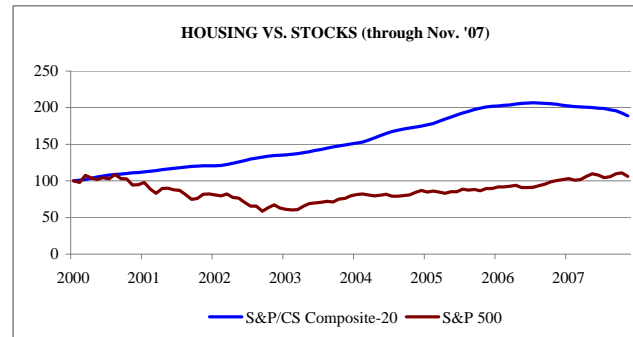
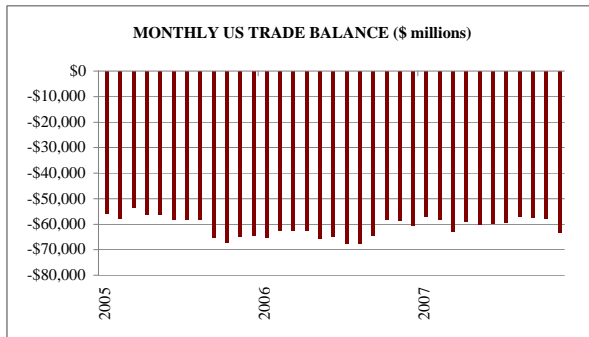
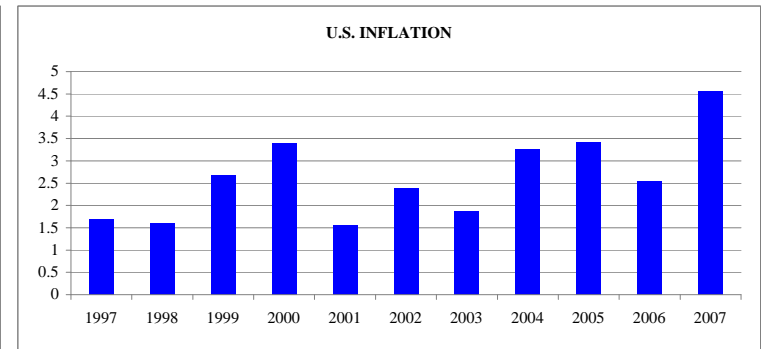
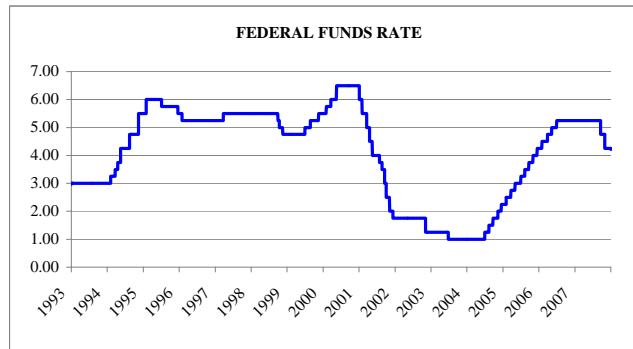
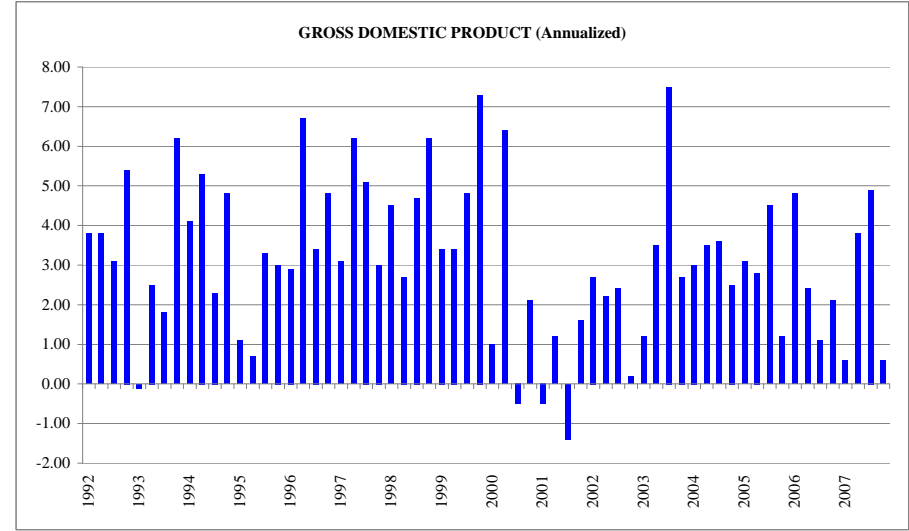


ECONOMIC REVIEW

% Change From Preceding Period Seasonally Adjusted Annual Rates	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6
PCE	2.4	3.5	4.1	1.2	4.4	2.4	2.8	3.9	3.7	1.4	2.8	2.0
Durable Goods	2.2	11.3	6.2	(13.0)	16.6	0.8	5.6	3.9	8.8	1.7	4.5	4.2
Nondurable Goods	3.5	3.7	2.5	4.7	4.5	2.3	3.2	4.3	3.0	(0.5)	2.2	1.9
Services	1.9	1.8	4.4	2.6	2.1	2.7	2.0	3.7	3.1	2.3	2.8	1.6
GPDI	5.3	(3.9)	7.0	13.4	4.3	0.6	(4.1)	(14.1)	(8.2)	4.6	5.0	(10.2)
Fixed Investment	4.0	7.9	8.0	2.3	7.9	(1.9)	(4.7)	(7.1)	(4.4)	3.2	(0.7)	(2.6)
Nonresidential	3.3	5.0	8.6	3.4	13.3	4.2	5.1	(1.4)	2.1	11.0	9.3	7.5
Structures	2.1	(1.6)	(6.3)	4.8	15.0	16.4	10.8	7.4	6.4	26.2	16.4	15.8
Equip & software	3.8	7.4	14.5	3.1	13.0	(0.1)	2.9	(4.9)	0.3	4.7	6.2	3.8
Residential	5.3	13.1	6.9	0.5	(0.7)	(11.7)	(20.4)	(17.2)	(16.3)	(11.8)	(20.5)	(23.9)
Exports	6.0	9.5	2.1	10.6	11.5	5.7	5.7	14.3	1.1	7.5	19.1	3.9
Goods	5.8	13.6	1.9	12.6	15.5	6.5	7.4	9.6	0.9	6.6	26.2	2.4
Services	6.5	0.9	2.6	6.3	2.9	3.9	2.0	26.0	1.6	9.6	4.0	7.5
Imports	2.1	0.8	2.1	16.2	6.9	0.9	5.4	1.6	3.9	(2.7)	4.4	0.3
Goods	3.2	1.0	2.5	17.3	6.5	1.1	6.2	(0.6)	4.2	(2.9)	4.8	0.3
Services	(3.5)	(0.5)	0.0	10.3	9.5	(0.1)	1.3	14.2	2.3	(1.7)	1.7	0.5
Government	1.3	1.2	3.2	(1.9)	4.9	1.0	0.8	3.5	(0.5)	4.1	3.8	2.6
Federal	2.8	0.7	8.6	(6.2)	8.4	(1.6)	0.9	7.3	(6.3)	6.0	7.1	0.3
State and Local	0.4	1.5	0.0	0.7	2.9	2.5	0.7	1.3	3.0	3.0	1.9	4.0



	2000	2001	2002	2003	2004	2005	2006	2007
Food and Beverages	2.8	2.8	1.5	3.5	2.6	2.3	2.2	4.8
Housing	4.3	2.9	2.4	2.2	3.0	4.0	3.3	3.0
Apparel	(1.8)	(3.2)	(1.8)	(2.1)	(0.2)	(1.1)	0.9	(0.3)
Transportation	4.1	(3.8)	3.8	0.3	6.5	4.8	1.6	8.3
Medical Care	4.2	4.7	5.0	3.7	4.2	4.3	3.6	5.2
Recreation	1.7	1.5	1.1	1.1	0.7	1.1	1.0	0.8
Education & Communication	1.3	3.2	2.2	1.6	1.5	2.4	2.3	3.0
Other Goods and Services	4.2	4.5	3.3	1.5	2.5	3.1	3.0	3.3
Energy Commodities	15.7	(24.5)	23.7	6.9	26.7	16.7	6.1	29.4
Energy Services	12.7	(1.5)	0.4	6.9	6.8	17.6	(0.6)	3.4
Food	2.8	2.8	1.5	3.6	2.7	2.3	2.1	4.9

DOMESTIC EQUITY MARKET PERFORMANCE

Trailing Performance as of: December 31, 2007

(As exhibited by the Russell 1000, MidCap and 2000 stylized indices)

		Quarter		
Large		-5.80	-3.23	-0.77
Mid		-5.97	-3.55	-1.70
Small		-7.28	-4.58	-2.10
		Value	Blend	Growth

		Year To Date		
Large		-0.17	5.77	11.81
Mid		-1.42	5.60	11.43
Small		-9.78	-1.57	7.05
		Value	Blend	Growth

		1 Year		
Large		-0.17	5.77	11.81
Mid		-1.42	5.60	11.43
Small		-9.78	-1.57	7.05
		Value	Blend	Growth

		3 Years		
Large		9.32	9.08	8.68
Mid		10.11	11.09	11.39
Small		5.27	6.80	8.11
		Value	Blend	Growth

		5 Years		
Large		14.63	13.43	12.11
Mid		17.92	18.21	17.90
Small		15.80	16.25	16.50
		Value	Blend	Growth

		10 Years		
Large		7.68	6.20	3.83
Mid		10.18	9.91	7.59
Small		9.06	7.08	4.32
		Value	Blend	Growth

		15 Years		
Large		12.07	10.58	8.48
Mid		13.30	12.62	10.31
Small		12.48	10.10	7.05
		Value	Blend	Growth

		20 Years		
Large		12.79	11.98	10.66
Mid		14.11	13.73	12.10
Small		13.31	11.33	8.81
		Value	Blend	Growth

Top 3 performers

Bottom 3 performers

Sector Performance as of: December 31, 2007

Sector	Weight	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
Software	3.9	9.61	15.83	15.83	9.87	12.57	6.04
Utilities	3.7	7.47	18.16	18.16	19.17	21.15	9.34
Energy	11.4	6.21	37.23	37.23	31.41	30.53	15.05
Business Services	4.5	2.45	13.75	13.75	14.34	16.98	5.47
Consumer Goods	9.3	1.31	11.28	11.28	10.14	12.81	6.40
Healthcare	12.4	1.26	9.57	9.57	8.53	9.62	7.11
Industrial Materials	12.8	-1.02	20.52	20.52	13.41	18.69	7.95
Hardware	10.1	-3.22	16.94	16.94	9.36	15.78	5.33
S&P 500 Index	-	-3.33	5.49	5.49	8.62	12.83	5.91
Telecommunications	3.5	-5.39	11.21	11.21	13.76	13.63	0.62
Consumer Services	7.0	-5.74	-5.23	-5.23	2.35	11.24	7.47
Media	3.1	-9.56	-12.89	-12.89	-1.81	5.56	1.70
Financial Services	18.4	-11.31	-15.92	-15.92	2.92	10.51	6.60

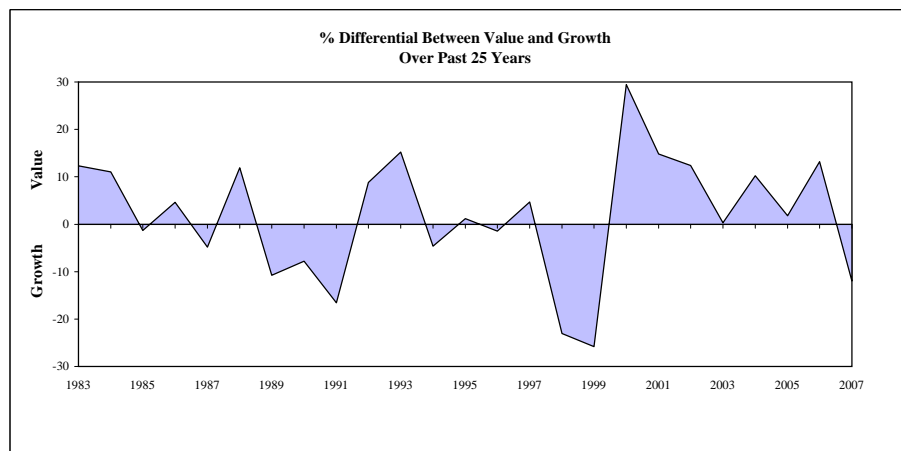
Other Market Indices Performance as of: December 31, 2007

Index	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 Index	-3.33	5.49	5.49	8.62	12.83	5.91
NASDAQ Composite Index	-1.82	9.81	9.81	6.83	14.71	5.38
Dow Jones Wilshire 5000 Index	-3.08	5.73	5.73	9.21	14.07	6.34
NAREIT - Equity	-12.67	-15.69	-15.69	8.50	18.17	10.49
Dow Jones Industrial Average	-3.91	8.88	8.88	9.66	12.24	7.43

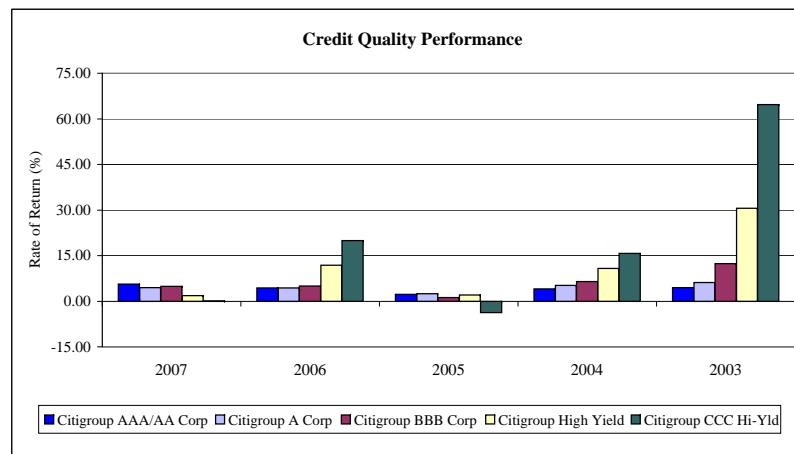
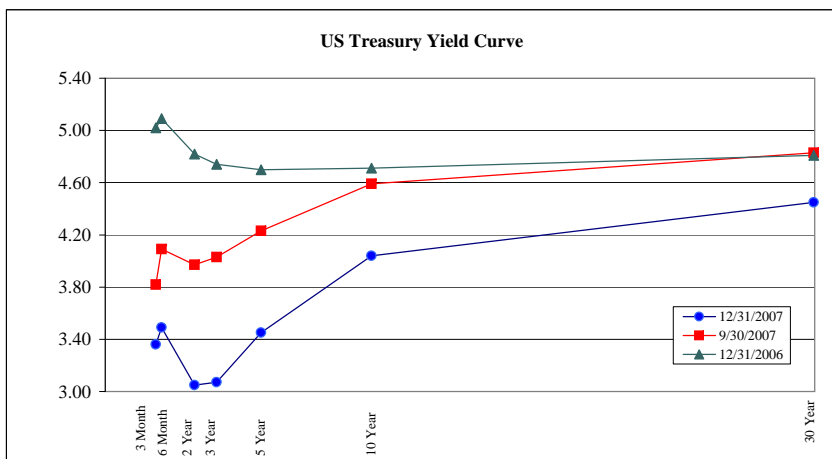
Calendar Year Performance By Style Within Capitalization Category

(As exhibited by the Russell 1000, MidCap and 2000 stylized indices)

	LARGE CAP		MID CAP		SMALL CAP		LARGE	MID	SMALL
	Russell 1000 V	Russell 1000 G	Russell MCV	Russell MCG	Russell 2000 V	Russell 2000 G			
1983	28.28	15.98	-	-	38.64	20.13	22.13	23.82	29.13
1984	10.10	-0.95	-	-	2.27	-15.83	4.75	1.43	-7.30
1985	31.51	32.85	-	-	31.01	30.97	32.27	32.01	31.05
1986	19.98	15.36	17.87	17.55	7.41	3.58	17.87	18.20	5.68
1987	0.50	5.31	-2.19	2.76	-7.11	-10.48	2.94	0.23	-8.77
1988	23.16	11.27	24.61	12.92	29.47	20.37	17.23	19.80	24.89
1989	25.19	35.92	22.70	31.48	12.43	20.17	30.42	26.27	16.24
1990	-8.08	-0.26	-16.08	-5.13	-21.77	-17.41	-4.16	-11.50	-19.51
1991	24.61	41.16	37.92	47.03	41.70	51.19	33.03	41.51	46.05
1992	13.81	5.00	21.68	8.71	29.14	7.77	9.04	16.34	18.41
1993	18.12	2.90	15.62	11.19	23.84	13.36	10.15	14.30	18.91
1994	-1.99	2.66	-2.13	-2.16	-1.55	-2.43	0.38	-2.09	-1.82
1995	38.35	37.19	34.93	33.98	25.75	31.04	37.77	34.45	28.44
1996	21.64	23.12	20.26	17.48	21.37	11.26	22.45	19.00	16.49
1997	35.18	30.49	34.37	22.54	31.78	12.95	32.85	29.01	22.36
1998	15.63	38.71	5.08	17.86	-6.45	1.23	27.02	10.10	-2.55
1999	7.35	33.16	-0.11	51.29	-1.49	43.09	20.91	18.23	21.26
2000	7.01	-22.42	19.18	-11.75	22.83	-22.43	-7.79	8.25	-3.02
2001	-5.59	-20.42	2.33	-20.15	14.03	-9.23	-12.45	-5.62	2.49
2002	-15.52	-27.89	-9.65	-27.41	-11.43	-30.26	-21.65	-16.18	-20.48
2003	30.03	29.75	38.07	42.71	46.03	48.54	29.89	40.06	47.25
2004	16.49	6.30	23.71	15.48	22.25	14.31	11.40	20.22	18.33
2005	7.05	5.26	12.65	12.10	4.71	4.15	6.27	12.65	4.55
2006	22.25	9.07	20.22	10.66	23.48	13.35	15.46	15.26	18.37
2007	-0.17	11.81	-1.42	11.43	-9.78	7.05	5.77	5.60	-1.57



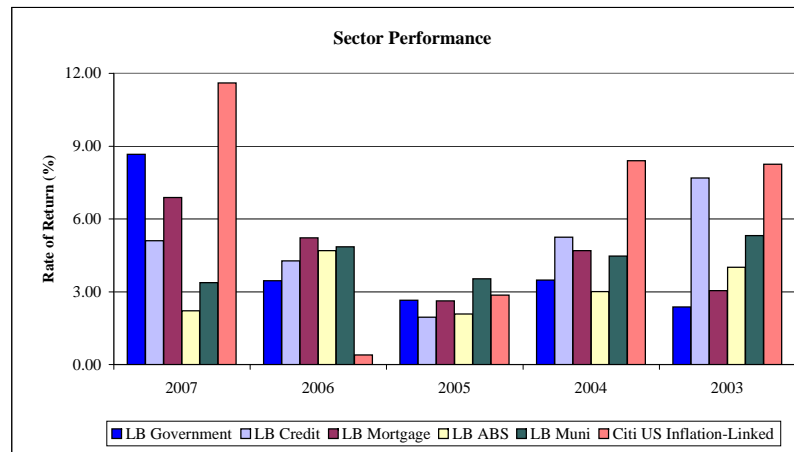
DOMESTIC FIXED INCOME MARKET PERFORMANCE



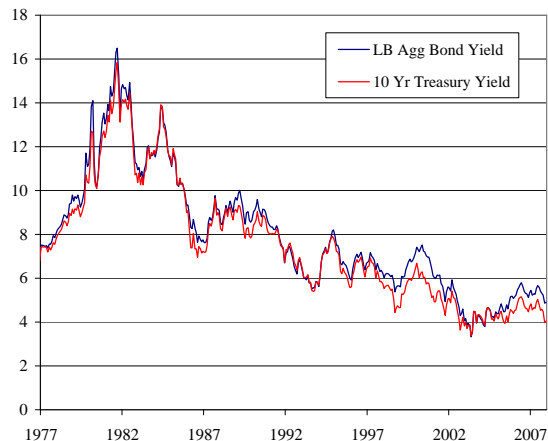
US Treasury Curve Yield Change (bps)							
	3 Mos.	6 Mos.	2 Year	3 Year	5 Years	10 Years	30 Years
Trailing 3 Months	-46	-60	-92	-96	-78	-55	-38
Trailing 12-Months	-166	-160	-177	-167	-125	-67	-36

TRAILING PERFORMANCE as of 12/31/2007							
Credit Quality	3 Mos.	6 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
Citigroup AAA/AA Corp	2.28	4.87	5.66	5.66	4.12	4.18	6.11
Citigroup A Corp	2.02	4.17	4.47	4.47	3.76	4.53	6.27
Citigroup BBB Corp	1.91	3.81	4.85	4.85	3.66	5.91	5.98
Citigroup High Yield	-1.28	-0.80	1.84	1.84	5.15	10.97	5.68
Citigroup CCC Hi-Yld	-3.58	-5.06	0.09	0.09	4.95	17.11	5.55

TRAILING PERFORMANCE as of 12/31/2007							
	3 Mos.	6 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
Citigroup US 3-Month T-Bill	0.99	2.19	4.74	4.74	4.16	2.95	3.62
ML 1-3 Year Treasury	2.36	5.09	7.32	7.32	4.29	3.12	4.75
LB Aggregate Bond Index	3.00	5.94	6.96	6.96	4.56	4.42	5.97
LBGC Intermediate	2.91	5.87	7.40	7.40	4.32	4.06	5.75
LBGC	3.10	6.21	7.25	7.25	4.44	4.44	6.01
LBGC Long-Term	3.87	7.55	6.60	6.60	4.88	5.80	6.95



LB Aggregate Bond Yield vs. 10 Yr. Treasury Yield (%)



LB Aggregate Bond Index Composition (%)	
US Treasury	22.35
US Agency	9.70
Total Government	32.05
Industrial	9.17
Utility	1.90
Finance	8.50
Non-Corporate	3.28
Total Credit	22.85
GNMA	3.55
FNMA	18.12
FHLMC	13.30
Total MBS	34.97
Credit Card	0.37
Auto	0.19
Home	0.19
Utility	0.12
Manufactured Housing	0.00
Total ABS	0.87
CMBS	5.66
Hybrid Arm	3.60

TRAILING PERFORMANCE as of 12/31/2007							
Sector	3 Mos.	6 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
LB Government	3.73	7.47	8.67	8.67	4.89	4.10	5.92
LB Credit	2.18	4.30	5.10	5.10	3.76	4.83	6.05
LB Mortgage	3.06	5.79	6.89	6.89	4.90	4.49	5.90
LB ABS	-0.76	0.65	2.21	2.21	2.99	3.20	5.43
LB Muni	1.38	3.22	3.37	3.37	3.91	4.30	5.17
Citi US Inflation-Linked	4.99	9.79	11.60	11.60	4.85	6.23	7.44

INTERNATIONAL EQUITY MARKET PERFORMANCE

As of 12/31/07 (\$)	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
BROAD INDEXES						
MSCI AC World	-1.70	12.18	12.18	14.94	18.80	7.94
MSCI AC World x US	-0.62	17.12	17.12	20.37	24.52	10.09
MSCI EAFE	-1.71	11.63	11.63	17.32	22.08	9.04
MSCI EAFE Growth	-0.26	16.84	16.84	17.66	20.25	6.75
MSCI EAFE Value	-3.24	6.49	6.49	16.87	23.82	11.12
MSCI EAFE Small Cap	-4.80	1.79	1.79	15.55	26.84	-
MSCI Emerging Markets	3.66	39.78	39.78	35.60	37.46	14.53
REGIONAL INDEXES						
MSCI Europe	-0.43	14.39	14.39	19.10	23.33	9.96
MSCI Europe x UK	0.52	17.46	17.46	21.28	25.68	11.13
MSCI Pacific Free	-4.58	5.61	5.61	13.48	19.37	7.08
MSCI Pacific Free x Japan	-1.52	31.73	31.73	26.29	30.85	13.84
MSCI EM Latin America	7.01	50.67	50.67	48.15	51.13	18.01
MSCI EM Europe	12.54	30.36	30.36	39.10	44.24	17.46
MSCI EM Asia	0.20	41.58	41.58	33.97	33.16	14.03
MSCI BRIC	9.13	56.12	56.12	49.43	47.51	13.57

DEVELOPED MARKETS	MSCI EAFE WEIGHT	3 Mos.	YTD	1 Year	3 Years	5 Years	10 Years
MSCI U.K.	22.2%	-0.09	6.57	6.57	13.62	14.20	5.42
MSCI Japan	19.9%	-8.77	-10.13	-10.13	11.76	13.73	3.06
MSCI France	10.8%	-1.98	2.84	2.84	16.66	15.56	8.85
MSCI Germany	9.4%	2.22	22.60	22.60	24.08	23.18	7.39
MSCI Switzerland	6.7%	-4.95	-1.63	-1.63	16.62	15.28	5.39
MSCI Australia	6.5%	-3.19	16.51	16.51	21.75	20.96	13.48
MSCI Spain	4.4%	5.44	12.46	12.46	22.24	23.80	11.86
MSCI Italy	4.0%	-2.00	-3.26	-3.26	11.29	14.64	8.10
MSCI Netherlands	2.8%	-4.42	9.26	9.26	19.69	14.16	4.88
MSCI Hong Kong	2.4%	7.53	41.57	41.57	26.02	28.05	11.84
MSCI Sweden	2.3%	-12.83	-4.15	-4.15	16.68	22.53	9.76
MSCI Finland	1.9%	-4.77	35.37	35.37	29.14	16.49	16.78
MSCI Belgium	1.2%	-8.51	-11.49	-11.49	11.48	16.23	7.53
MSCI Singapore	1.1%	-6.30	20.44	20.44	23.88	24.66	10.24
MSCI Norway	1.1%	-0.38	15.50	15.50	29.74	34.56	12.23
MSCI Denmark	0.9%	-2.53	13.79	13.79	27.14	25.73	11.59
MSCI Greece	0.8%	3.41	19.87	19.87	24.66	29.93	13.25
MSCI Ireland	0.6%	-13.52	-27.52	-27.52	2.58	11.39	3.11
MSCI Austria	0.6%	-2.23	-7.42	-7.42	17.89	28.02	12.46
MSCI Portugal	0.4%	4.53	12.51	12.51	19.44	18.99	5.93
MSCI New Zealand	0.1%	-5.29	0.59	0.59	7.79	14.50	6.13

MSCI EAFE SECTORS	3 Mos.	YTD	1 Year
Utilities	8.28	24.17	24.17
Telecomm Services	6.85	28.95	28.95
Consumer Staples	5.32	24.30	24.30
Energy	3.35	22.36	22.36
Healthcare	-2.55	0.95	0.95
Materials	-3.50	32.14	32.14
Consumer Discretionary	-3.55	4.57	4.57
Industrials	-3.73	17.66	17.66
Financial	-5.14	-1.23	-1.23
Information Technology	-7.55	7.07	7.07

