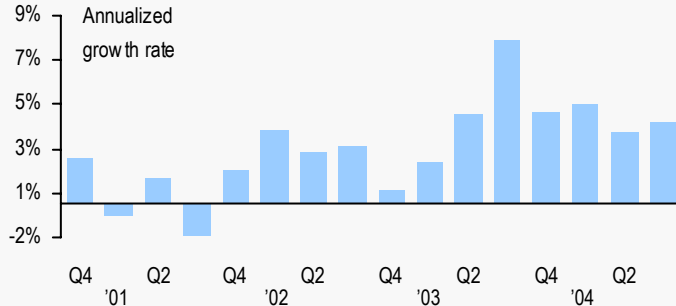


The National Economy

U.S. Real Gross Domestic Product

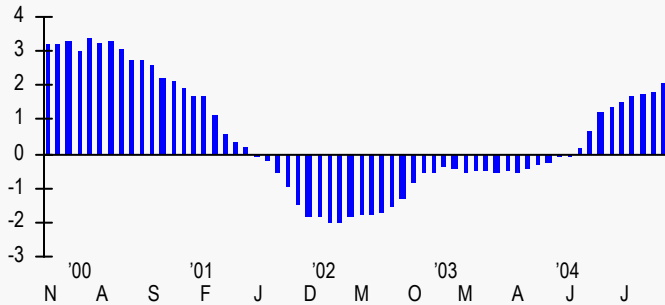


Source: Bureau of Economic Analysis; Wall Street Journal Through 3rd Quarter 2004, released on Oct 29

U.S. GDP growth rebounded well in 2003, increasing by 4.4% and continuing to grow at a healthy pace through the first half of 2004. The consensus GDP forecast from the *Wall Street Journal's* panel of economists predicts average growth of 3.8% over the next 4 quarters.

U.S. Year Over Year Job Creation

Millions of jobs created vs. same month last year

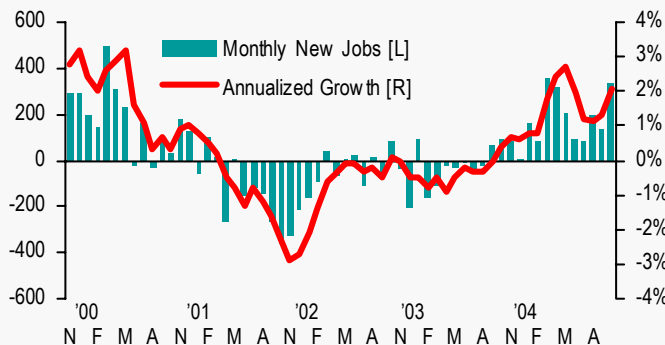


Source: Bureau of Labor Statistics Through October 2004, released on Nov 5

2002 and 2003 both experienced employment levels lower than the previous year. February of 2004 was the first month to show a gain.

Monthly Job Growth

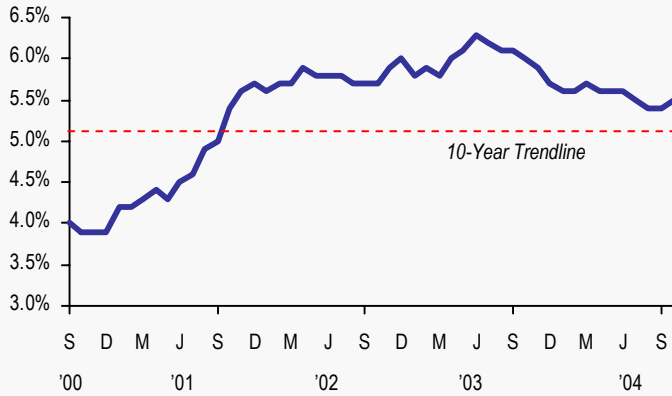
Net new jobs vs. last month



Source: Bureau of Labor Statistics Through October 2004, released on Nov 5

After two years of negative or stagnant monthly job creation, the U.S. economy has enjoyed steady job growth throughout 2004. At its peak, the U.S. created 353,000 jobs in March 2004, while recent months have seen only 100,000 new jobs.

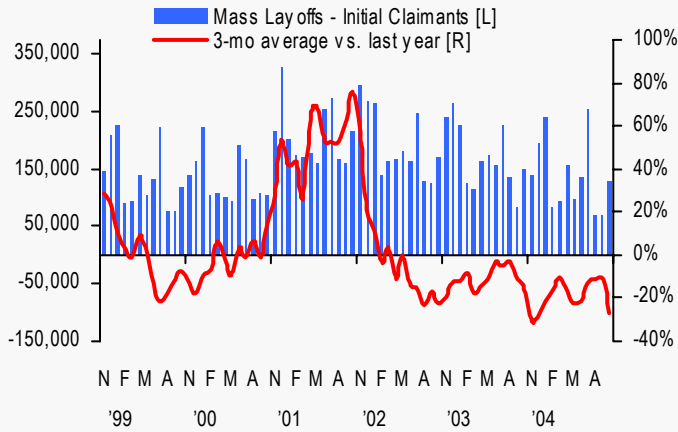
Unemployment Rate



Source: Bureau of Labor Statistics
Through October 2004, released on Nov 5

The unemployment rate is currently at 5.5%. After a dramatic increase of nearly 50% since the early days of the recession, the unemployment rate is now steadily declining toward its 10-year average (5.1%).

Mass Layoffs

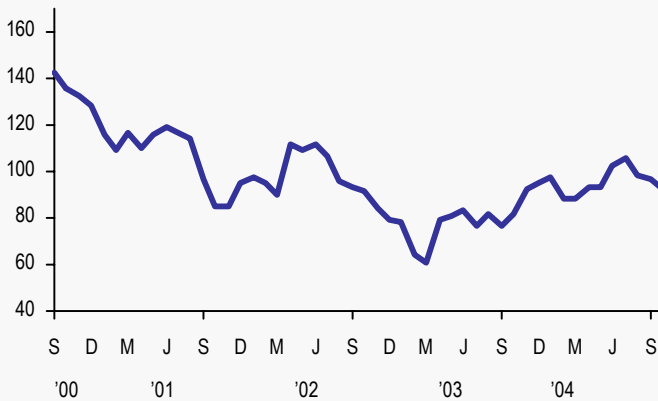


Source: Bureau of Labor Statistics
Through October 2004, released on Nov 24

Mass layoffs have been in decline year-over-year since late 2002. Monthly mass layoffs peaked in late 2000 at 326,000. The number of mass layoffs is presently at a four year low.

"Mass layoffs" is defined as the total number of claimants from layoff events recorded when 50 or more percent file for unemployment insurance from the same establishment within a given month.

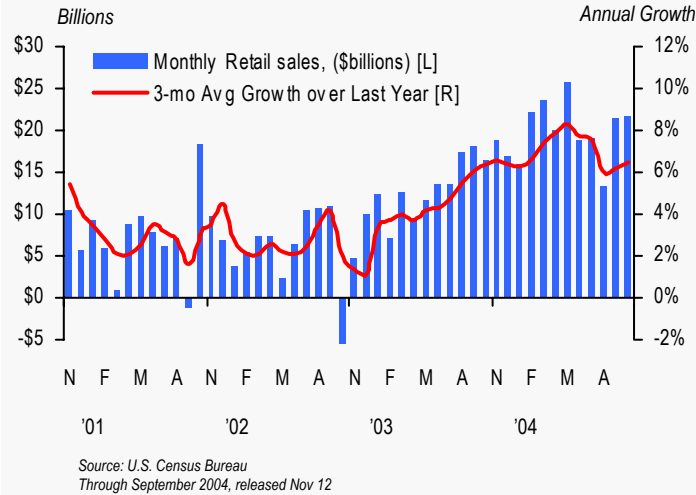
Consumer Confidence Index



Source: The Conference Board
Through November 2004, released on Nov 30

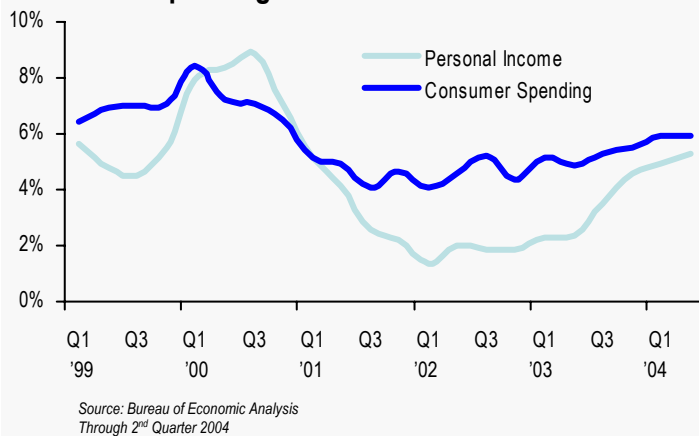
Consumer confidence has rebounded from its historic low in early 2003 and now stands at 92.8. We anticipate that the end of the public relations turmoil of the election's final months will result in continued gains into 2005.

Retail Sales



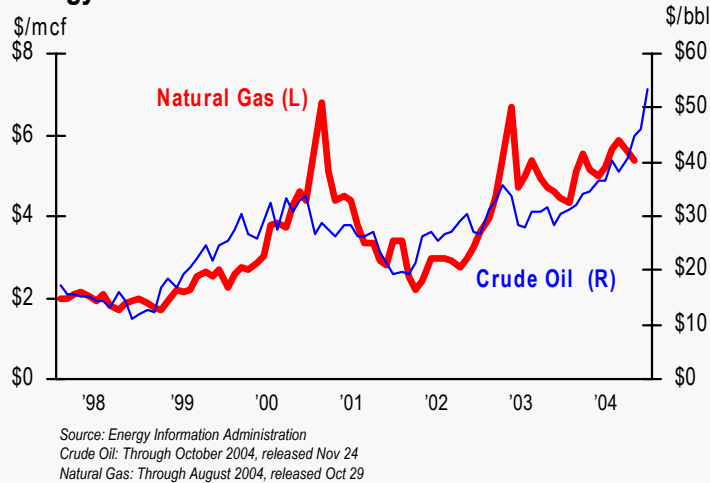
Retail sales has seen a steady rise over the last two years after suffering flat to negative growth after adjusting for inflation. September's sales reached \$309 billion, \$22 billion higher than the same month's sales last year.

Consumer Spending



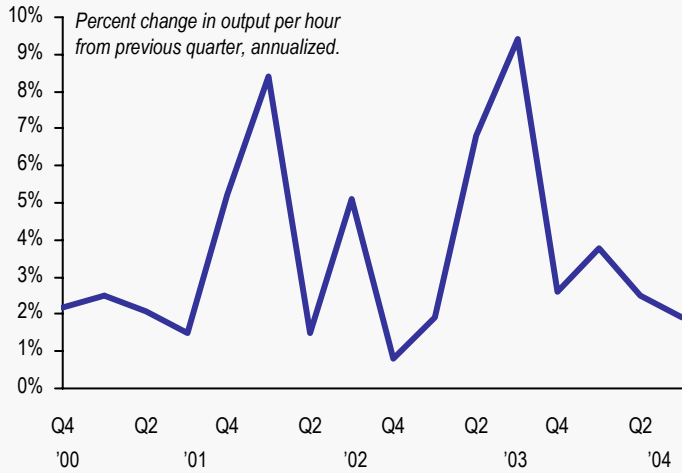
Personal income experienced a sharp drop from 2000 through the beginning of 2002, but has been improving since then. Consumer spending has held steady throughout the slowed economy, despite this drop in income. Personal incomes are now growing at the same rate as consumer spending.

Energy Prices



The price of crude oil has been increasing since late 1999, and despite a decline from 2001-2002, is currently at a record high. The price of natural gas peaked in mid-2001 and 2003, but has yet to return to those levels. However, it is almost twice as expensive as it was five years ago.

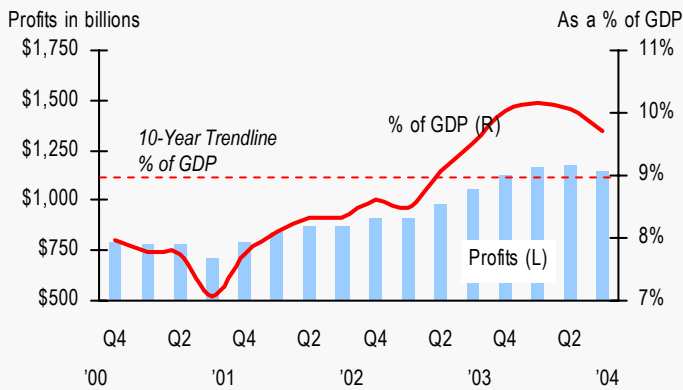
Productivity



Source: Bureau of Labor Statistics
Through 3rd Quarter 2004, released on Nov 4

Productivity saw a sharp rise in the first quarter of 2003, but towards the end of the year it quickly returned to the previous level. Productivity growth has been lauded as a key factor in preventing a deeper recession. Firms were able to cut costs and maintain output in order to boost profits.

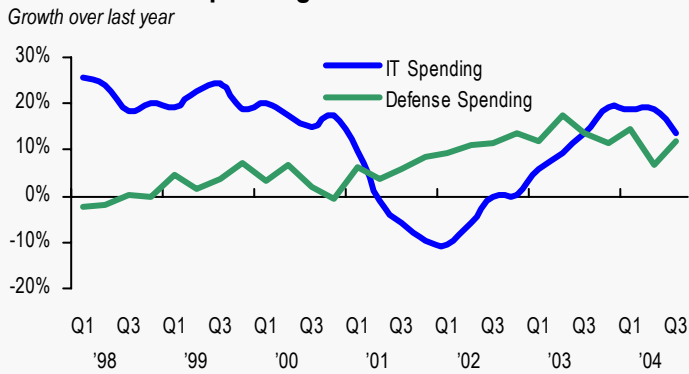
Corporate Profits



Source: Bureau of Economic Analysis
Through 3rd Quarter 2004, released on Nov 30

Corporate profits have been sustained surprisingly well through the recession, falling to a low of 7% of GDP, and surpassing the 10-year trendline in mid-2003. Corporate profits reached a record high of \$1.2 trillion in 2004 and hit a near record 10% of U.S. GDP.

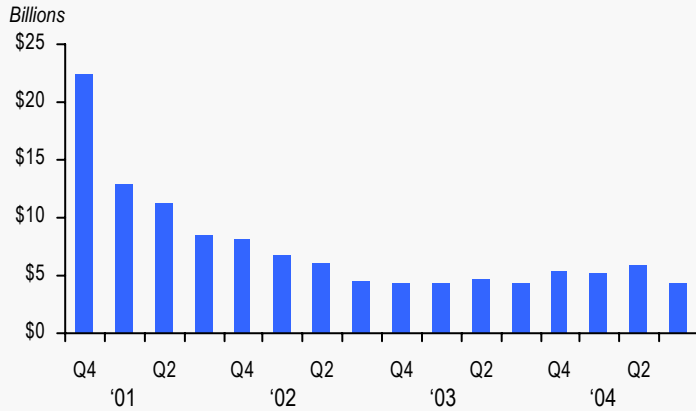
IT vs. Defense Spending



Source: Bureau of Economic Analysis

After nearly two years of recession and slow growth in 2003, spending on information technology returned to double-digit growth in 2004. Defense spending reached double-digit growth in early 2002.

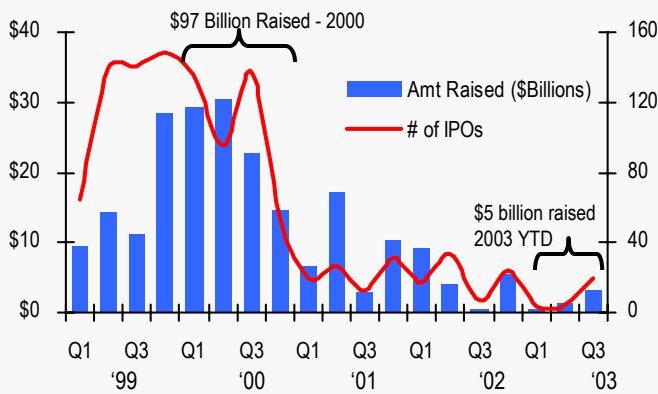
Venture Capital



Source: Bureau of Economic Analysis
Through 3rd Quarter 2004, released Oct 20

Venture Capital spending dropped by over 50% from 2000 to 2001 and continued to decline in 2002. It has stayed relatively level over the last couple of years.

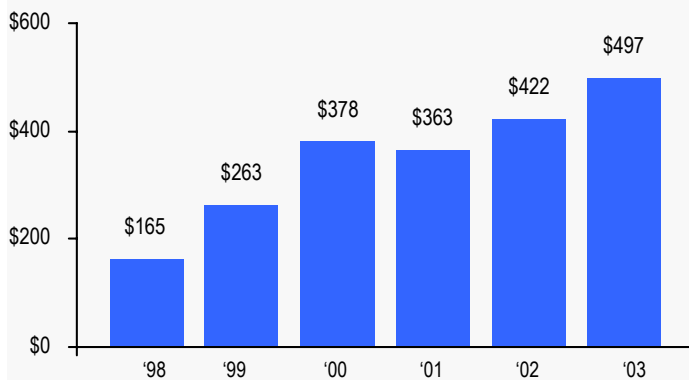
U.S. IPO Market



Source: IPO Monitor
Through 3rd Quarter 2003

In 2000 the U.S. IPO market raised an impressive \$97 billion. But the money raised and the number of IPO's have been falling since the 2nd quarter of 2000. In 2003, only \$5 billion was raised.

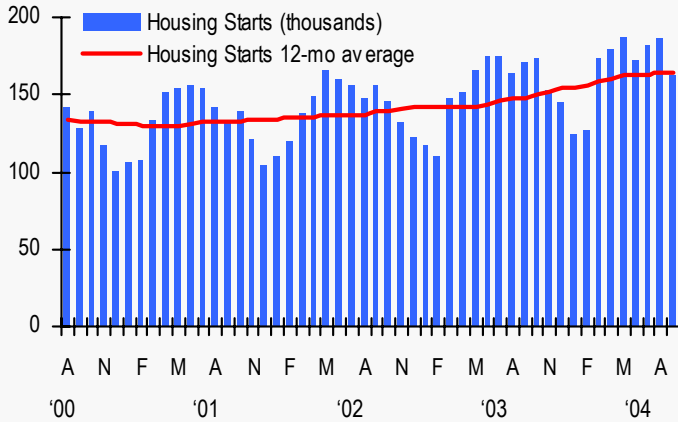
U.S. Trade Deficit



Source: Bureau of Economic Analysis
Through 2003

The U.S. trade deficit has been steadily increasing over the last five years. It reached \$497 billion in 2003.

Housing Starts

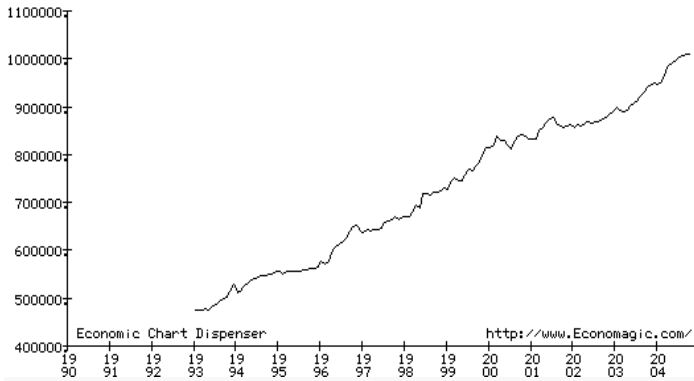


Source: U.S. Census Bureau
Through October 2004, released Nov 17

Housing starts reached a four year high in May 2004 of 187.6 thousand units. Though gradually increasing over the last four years, it fell by 21 thousand units from August to September.

*Housing starts in thousands of units, not seasonally adjusted

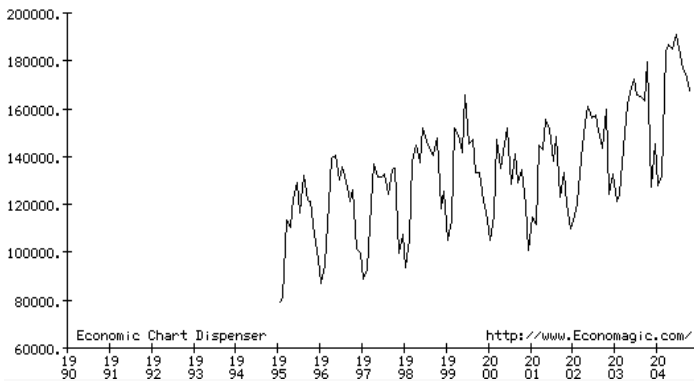
Total Construction; Value of construction put in place; Millions of dollar



Over the last ten years, total construction has risen continuously.

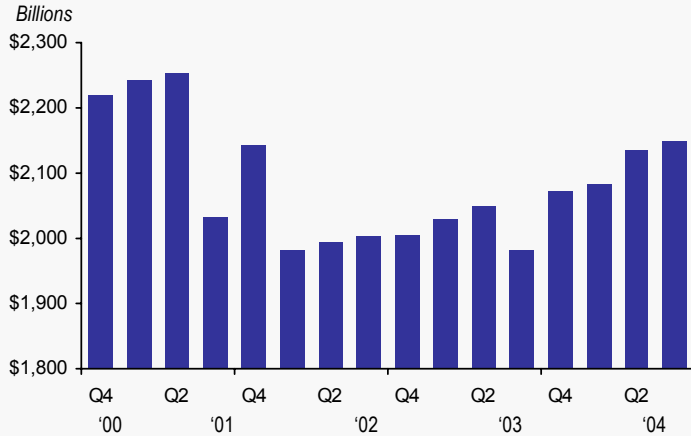
*Value of Total Construction put in place; in millions of dollars; seasonally adjusted

Number of Building Permits; United States; Total



The number of building permits has been rising over the last ten years, but recently experienced a drop.

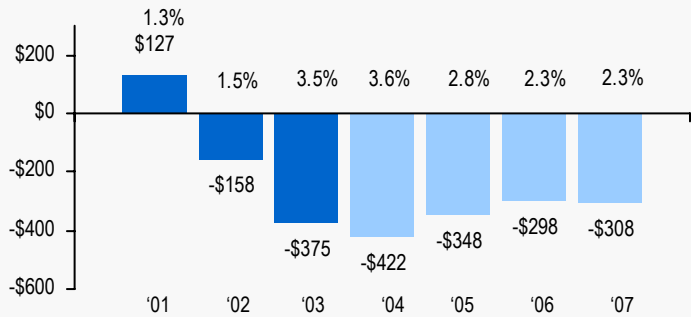
Fed Government Tax Receipts



Source: Bureau of Economic Analysis
Through 3rd Quarter, released Nov 30

The first quarter of 2001 saw a major cut in Federal Tax Receipts, which continued through 2002. It has been increasing since 2002, but is currently \$121 billion less than the 2nd quarter of 2001.

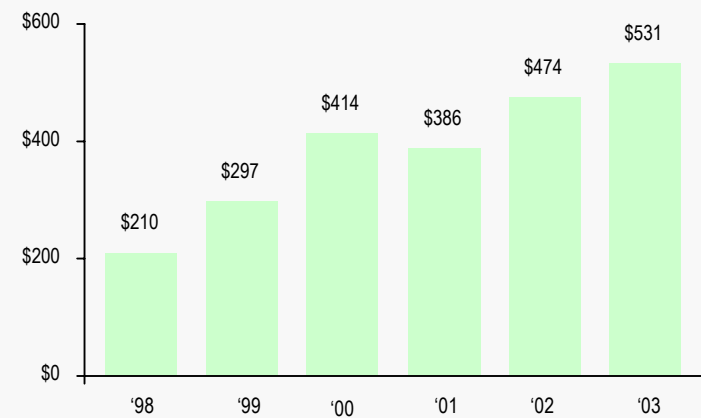
Federal Budget Deficit



Source: Congressional Budget Office
Through 2007, released Sep 7

The Federal Budget Deficit grew by \$295 billion dollars over the last three years, resulting in a record level of \$422 billion. The Congressional Budget Office projects the deficit to decrease over the next few years, but still remain quite large.

Current Account Deficit



Source: Bureau of Economic Analysis
Through 2003, released Aug 5

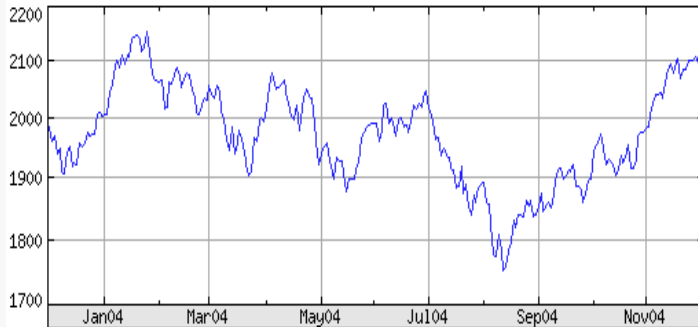
The current account deficit is the largest it has ever been. It grew to \$531 billion in 2003, up \$57 billion from the previous year.

Stock Indices and Financial Data

NASDAQ Composite

Past 12 months

as of 1-Dec-2004



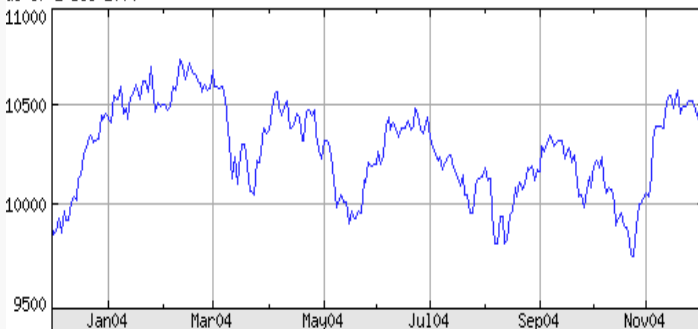
Source: Yahoo.com Finance

Despite a major downturn this summer, the NASDAQ has showed consistent improvement since mid-August and is currently at a higher point than at this time last year.

Dow Jones Industrial Average

Past 12 months

as of 1-Dec-2004



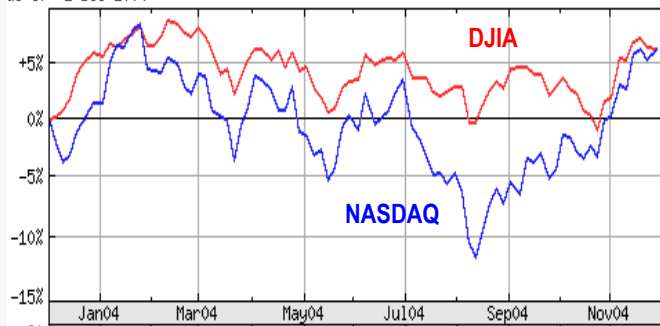
Source: Yahoo.com Finance

The Dow Jones Industrial Average has been slowly declining since Spring 2004, reaching an eleven month low in October. A November rebound has pushed the index above its January 1 level.

NASDAQ vs. Dow Jones

Past 12 months

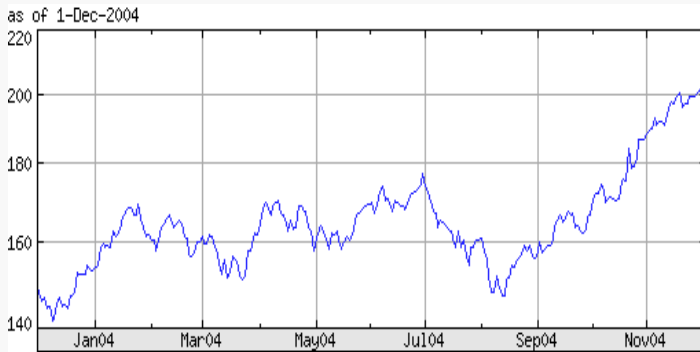
as of 1-Dec-2004



Source: Yahoo.com Finance

After 12 months of trailing the Dow, the tech-heavy NASDAQ has now reached parity with the Dow. Both indices are about 5% higher than 12 months ago.

Thestreet.com Internet Index



Source: Yahoo.com Finance
Release date: November 30, 2004

The Internet index has been increasing since November of last year. It dropped to a seven month low in August, but bounced back and is now at a record high.

NNZ



Copyright 2004 Yahoo! Inc. <http://finance.yahoo.com/>
Source: Yahoo.com Finance
Release date: November 30, 2004

The NNZ index has been gradually declining since last April, but began to level off around August/September.

Philadelphia Semiconductor Index

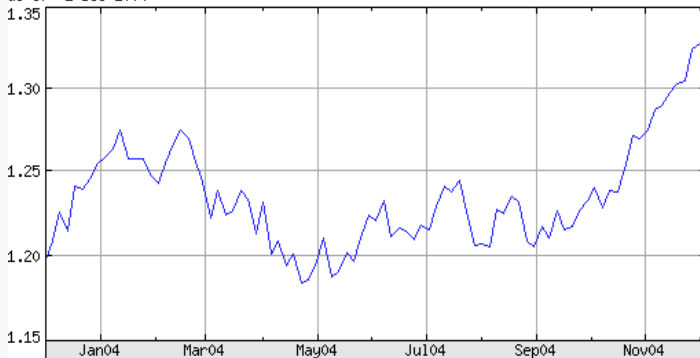


Source: Yahoo.com Finance
Release date: November 30, 2004

The Philadelphia Semiconductor Index has shown a positive trend since September 2004, when it reached its lowest point in over a year.

Dollars per Euro

as of 1-Dec-2004



Source: Yahoo.com Finance
Release date: November 30, 2004

The U.S. dollar is currently at a record low against the euro. It is about 11% lower than at this time last year.

Yen per Dollar

as of 1-Dec-2004



Source: Yahoo.com Finance
Release date: November 30, 2004

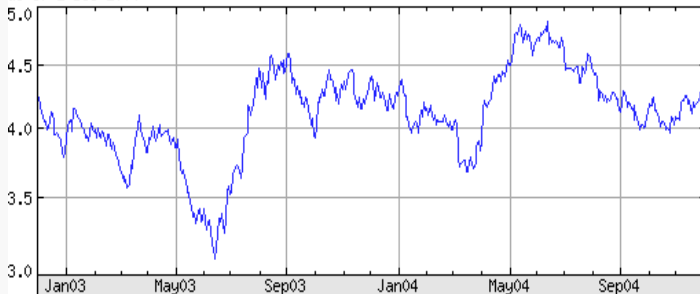
Despite improvement over the last three months, the U.S. dollar hit a six month low against the yen.

10-Year U.S. Treasury

(Tracks 30-year mortgage)

CBDE 10-YEAR YIELD

as of 1-Dec-2004



Copyright 2004 Yahoo! Inc. <http://finance.yahoo.com/>

Source: Yahoo.com Finance
Release date: November 30, 2004

Since its early summer peak near 5%, the U.S. Treasury has fallen and stabilized between 4 and 4.5 percent.