VTL Associates, LLC
Economic Report

April 2006

Presented by

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The VTL Revenue-Weighted Large-Cap Index™ (“RWLCI™”), VTL Revenue-Weighted Mid-Cap Index™ (“RWMCI™”), and VTL Revenue-Weighted Small-Cap Index™ (“RWSCI™”) (collectively, “RW Indices™” or “TIGERS”) are **hypothetical** equity indices developed by VTL Associates, LLC (“VTL”). **The historical returns contained in this report for the RW Indices™ are hypothetical and do not represent actual returns for any client account or portfolio.**

The hypothetical performance studies contained in this report were conducted for the periods ranging from January 3, 1995 through September 23, 2005 for the RWLCI™, and from January 2, 1998 through September 30, 2005 for the RWMCI™ and RWSCI™.

The RWLCI™, RWMCI™, and RWSCI™ are comprised of the constituent securities underlying the S&P 500® (“S&P 500®”), S&P MidCap 400™ (“S&P 400 ™”), and S&P SmallCap 600™ (“S&P 600 ™”), respectively, (collectively, “S&P Indices”). Each underlying security of the RW Indices™ is assigned a percentage weighting according to each corresponding company’s annualized revenue. The constituent securities underlying the RW Indices™ for each calendar year throughout the study periods are based upon those securities underlying the corresponding S&P Index as of December 31st of each preceding calendar year.

VTL utilized Bloomberg Professional® service (“Bloomberg”) to gather all revenue data. VTL retained the services of Standard & Poor’s®, which was responsible for calculating daily valuations of the RW Indices™, with daily re-investment of dividends, throughout the study periods. VTL utilized Wilshire® Cooperative Service to prepare hypothetical performance measurement reports from the daily valuations calculated by Standard & Poor’s®. Zephyr StyleADVISOR® was utilized to perform various risk-return and relative return analyses.

During each calendar year throughout the study periods, the constituent securities underlying the RW Indices™ were adjusted by Standard & Poor’s® to reflect corporate activity among member companies underlying the respective S&P® indices. At the end of each calendar year, the RW Indices™ were reconstituted to reflect the then-current membership of each respective S&P® index and rebalanced to reflect changes to each corresponding company’s annualized revenues.

An average of more than 97% of the securities underlying the S&P 500® were included in the RWLCI™ throughout the study period. An average of 98.8% of the securities underlying the S&P 400™ were included in the RWMCI™ throughout the study period. An average of more than 98.5% of the securities underlying the S&P 600™ were included in the RWSCI™ index throughout the study period.

The hypothetical historical returns contained in this report are for informational purposes only and are not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or portfolio of securities, or a recommendation of the services supplied by any money management organization or other financial institutions.

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performing this study. However, reasonable care has been taken by VTL to ensure that the data and information conveyed by the studies are accurate and complete.

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April 2006

Capital Markets Overview

THE U.S. ECONOMY

- Economic growth has been surging ahead at what appears to be close to a 5% annual growth rate in the first quarter of 2006.
- Initial jobless claims came in at 303,000, for the week of April 15, versus a 309,000 survey expectation and claims were down by 10,000 from the week of April 8.
- Production at U.S. factories, mines and utilities grew at a faster pace last month and manufacturers were the busiest in more than five years, according to the Federal Reserve.
- Housing starts declined 7.8% to an annual rate of 1.96 million. This was more than economists expected. Mortgage applications fell 1.7% for a second week in a row.
- The smaller than expected rise in core producer prices may push down yields of U.S. Treasury rates because it suggests little pass-through of raw materials.
- The general index of the Federal Reserve Bank of Philadelphia for April rose 13.2%, up from 12.3% in March. The index averaged 11.1% during the previous 12 months.
- The Consumer Price Index rose .4% in March, up from .1% in February. The rise was led by higher gasoline prices and home rental increases.
- The U.S. trade deficit narrowed more in February than economists expected to $65.7 billion, which was led by a decline in Chinese imports. Many economists believe the decline in Chinese imports is temporary.
- Americans grew more confident for a second month in April as rising wages and job growth offset rising gasoline prices.
- Crude oil prices jumped roughly 10% during the quarter.
- Natural gas prices plummeted from $11.23 (per million BTU) to $7.48 thanks to a plentiful supply and a relatively mild winter in the U.S.
- The University of Michigan's preliminary index of consumer sentiment rose to 89.2%, up from 88.9% in March.

- The U.S. dollar strengthened somewhat relative to developed Pacific region currencies, but weakened sharply relative to emerging markets and European currencies.

- The balance between FOMC has indicated that further policy firming may be needed in order to maintain economic growth and price stability. Recent Fed minutes have led many to believe the equilibrium is close at hand.

April 2006

Capital Markets Overview

THE U.S. BOND MARKET

- The Treasury market reversed course and steepend dramatically during the month of March.
- The yield curve, as measured from the 3-month bill out to the 30-year bond, rose 40 basis points.
- The dollar swap spreads were two to four basis points wider across the curve.
- The agency sectors of the fixed income universe produced the best relative return during March.
- Various corporate credit grades were close behind agencies, while Treasuries lagged. Being long spread product-dominated performance for the first quarter.
- Lower duration mortgages and asset backed indexes produced total returns of -.85% and .08%, respectively. The TIPS market index declined 2.24%.
- Fed funds are yielding 4 ¾% with the five-year treasury at 4.91%, the ten-year at 5.03% and the 30-year at 5.14%.
- Recent indicators from housing starts to home completions to the NAHB survey have come in below expectations.
- VTL Associates believes that the short-term fed increases are very near the end. Housing has slowed and the auto industry is weak. As of this commentary, productivity is still positive. All of these factors are reasons for the Fed to slow or eliminate any further rate increases.

April 2006

Capital Markets Overview

THE U.S. STOCK MARKET

- After a lackluster 2005, the equity markets have staged a strong start in 2006, as the three major indexes all posted better than 4% returns for the first quarter of the year.
- The Nasdaq composite did especially well, posting a total return of 6.4%
- The New Year has a healthy start, especially from the small-cap space with the Russell 2000 up nearly 14% in the first quarter alone!
- The US stock market advanced during the first quarter in the face of two more Fed rate increases.
- With regard to size, small cap stocks performed the best, followed by mid caps.
- The best-performing class of US public equity in the first quarter was real estate securities; the Dow Jones Wilshire Real Estate Securities index led all other broad benchmarks with a stunning 15.38% return.
- Turning to a sector breakdown of the S&P500 (Wilshire classification), the strongest performance came from Transportation stocks (11.41%).
- Given the high cost of crude oil, Energy stocks, especially those of oil exploration and production companies, were the second-best sector (9.14%)
- Lackluster consumer sales made Consumer Non-Durables the worst-performing sector of the S&P 500 at 2.01%.
- The S&P 500's strong 4.20% return for the quarter was handily beaten by the Dow Jones Wilshire 5000 Composite's 5.44%
- In the first quarter, growth was favored strongly over value among small-cap stocks; among larger-cap issuance, value was favored over growth.

The Market Environment
March 31, 2006

	Last Quarter	Last 2 Quarters	Last 3 Quarters	Last Year	Last 5 Years
MARKET INDEX RETURNS					
Standard & Poors 500	4.20	6.38	10.21	11.71	3.96
Wilshire 5000	5.44	7.78	12.12	14.72	5.95
Dow Jones Industrial	4.24	6.39	10.05	8.26	4.60
SB Broad Inv Grade	-0.67	-0.02	-0.70	2.40	5.15
LB Govt/Credit	-1.01	-0.43	-1.39	2.00	5.23
MSCI EAFE (Net)	9.39	13.86	25.67	24.40	9.63
S B World Govt Bond	-0.42	-2.33	-3.43	-4.80	7.50
91-Day Treasury Bill	1.03	1.95	2.79	3.53	2.24
Consumer Price Index	1.52	0.50	2.72	3.35	2.42
S & P 500 SECTOR PERFORMANCE					
Consumer Non Durables	2.01	3.19	3.51	3.86	2.09
Consumer Durables	7.98	3.66	-2.24	1.18	1.10
Materials and Services	3.83	9.57	13.38	8.83	8.12
Capital Goods	3.39	7.77	9.34	3.99	3.22
Technology	5.00	6.43	13.25	16.27	2.04
Energy	9.14	1.17	19.77	22.06	13.32
Transportation	11.41	25.31	35.45	25.25	8.07
Utilities	6.16	2.83	7.01	13.65	-2.15
Finance	3.34	11.74	12.66	17.69	6.84

VTL Revenue Weighted Indexes vs. the S&P Indexes

	Last Quarter (%) 12/31/2005	One Year (%)	Three Year (Annualized %)	Five Year (Annualized %)
VTL Tiger 500	0.19	6.96	17.98	5.09
S&P 500	2.08	4.91	14.38	0.54
S&P 500 Index Funds	2.08	4.77	14.2	0.38
Large Cap Blend Funds	2.77	5.79	13.4	0.06
VTL Tiger 400	3.08	12.79	24.82	14.89
S&P 400	3.34	12.55	21.13	8.6
S&P MidCap 400 Index Funds	3.02	1.92	20.48	8.17
Mid Cap Blend Funds	1.93	7.93	19.23	3.58
VTL Tiger 600	5.19	23.24	29.31	19.88
S&P SmallCap 600	0.39	7.68	22.38	10.76
S&P SmallCap 600 Index Funds	0.21	7.17	21.73	10.07
Small Cap Blend Funds	1.73	6.6	21.82	7.74