



Conference Call Summary

Announced: 8/19/08

Completed: 8/22/08

Fannie Mae & Freddie Mac: NO BAILOUT Continued Credit Spread Expansion

Market

- Fannie Mae & Freddie Mac Potential Outcomes:
 - Insolvency
 - FNM and FRE merge
 - Government buys out FNM and FRE
- Put a 10% chance on insolvency and 90% chance that a merger or buyout occurs and a reformation with Ginnie Mae
- Crude oil target has been 80% achieved

Looking Ahead

- Oil target of \$145-155 over next 90 days
- Reiterate DOW Jones target of 8,800 by end of October
- Reiterate fed funds target rate of 7-8% over next 24 months
- U.S. Dollar to reach new lows by end of December 2008