

Conference Call Summary 9/26/07

- Unemployment to increase
 - 400,000 jobless claims (announced 9/27/07)
- GDP at 1.8 (announced 9/27/07)
- DOW to 11500 by year-end
- Higher Dollar fueled by:
 - Foreign currency selling
 - Housing market-flight to quality
 - Inflation will decrease (short term)
- Dollar will go higher as a result of treasury buyers
- Spreads to widen- see graph

Recommendation:

- Buy treasuries-next 30 days.
- Sell floating rates.
- Sell emerging market bond funds.
- Sell Equities- As the dollar rises, repatriation will be negative.
- Sell commodities/gold.