

MISI AT A GLIMPSE

December 1 to December 31, 2008

The Massachusetts Investor Sentiment Index

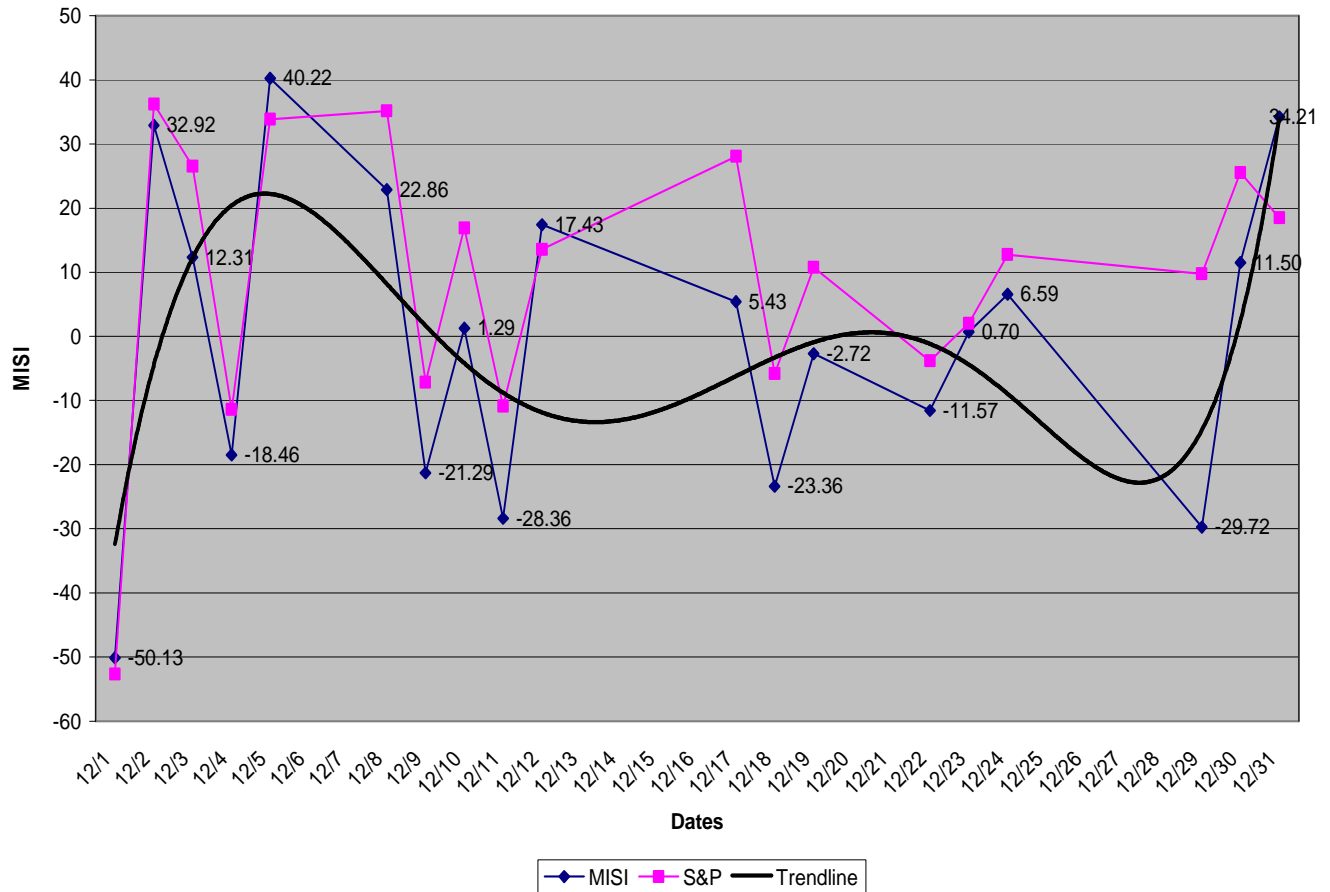
The Massachusetts Investment Sentiment Index (MISI) is a market-based measure of investor sentiment for firms that either are headquartered in Massachusetts or have a significant presence in the state. The MISI is constructed using firms that are in the [Massachusetts Bloomberg Index \(BBMX\)](#), which follows 240-250 firms which span more than 50 industries and range in size from \$2 million to \$42 billion in market capitalization. Daily returns for each of the securities in the BBMX and the average standard deviation of daily returns over the previous five days (the "historic volatility") are computed. The MISI is constructed every day using a correlation of the daily returns and the historic volatility.

The MISI can range from a low of -100 to a high of +100. For values between -10 to +10 the market is classified as risk-neutral, for values between -10 and -30 the market is labeled moderately risk-averse, and for values less than -30 the market is considered highly risk-averse. Similarly, if MISI falls between +10 and +30, the market is labeled moderately risk-seeking, and if the index exceeds +30, the market is considered highly risk-seeking.

Movements in the MISI capture both positive and negative news concerning Massachusetts firms and the region's economy. Also, changes in the MISI closely replicate changes in the BBMX. The MISI and the BBMX return for the same trading day has, on average, a significant correlation coefficient of about seventy-five percent.

Massachusetts Investor Sentiment Index (MISI) and the S&P Index from December 1 to December 31, 2008.

MISI and S&P Performance



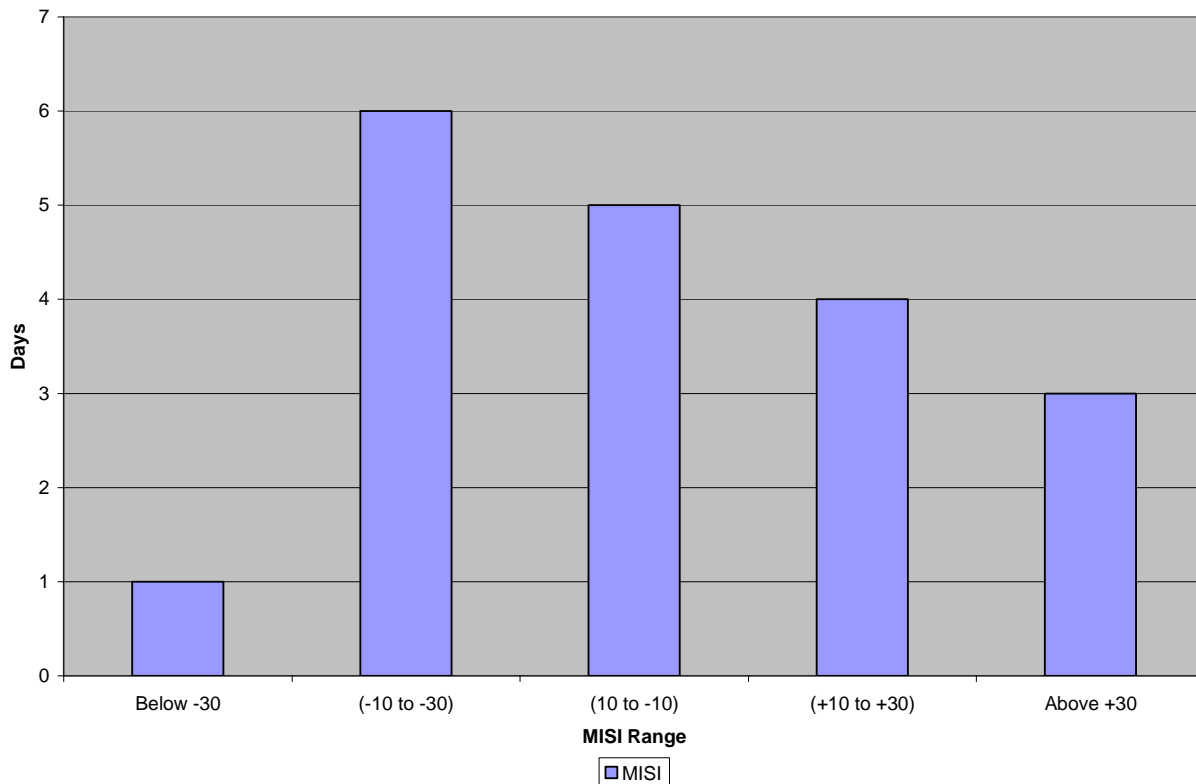
EXECUTIVE SUMMARY

Analysis based on Massachusetts Investor Sentiment Index (MISI) and the S&P Index from December 1 to December 31, 2008.

- The Massachusetts Investment Sentiment Index (MISI) is a market based measure of investor sentiment for firms that are either headquartered in Massachusetts or have a significant presence in the state.
- The MISI is constructed using firms that are in the Massachusetts Bloomberg Index (MBI).

In the last 31 days the market sentiment was:

MISI Performance



High:

- Three days or 16% of the days the market was never been highly risk seeking with an average score of 35.78.
- One day or 5% of the days, the market was highly risk-averse with an average score of -50.13.

Moderate:

- Four days or 21% of the days, it was moderately risk-seeking with an average score of 16.02.
- Six days or 32% of the days, it was of moderately risk-averse with an average score of -22.13.

Neutral:

- Five days or 26% of the days, the market's sentiment was risk-neutral with an average score of 2.26.

Conclusion:

- Daily price movements in MBI and S&P Index are significantly related to investor sentiment.
- December started with investors being highly risk averse. However, the market sentiment improved in the succeeding days but the first half of the month has been mostly volatile.
- In the second half of the month, investors have been moderately risk averse.
- Overall, in December, the market sentiment has been mostly risk averse in spite of a few days when investors have highly risk seeking.
- Trend line denotes the market sentiment to be risk seeking future.