

MISI AT A GLIMPSE

June 1 to June 30, 2008

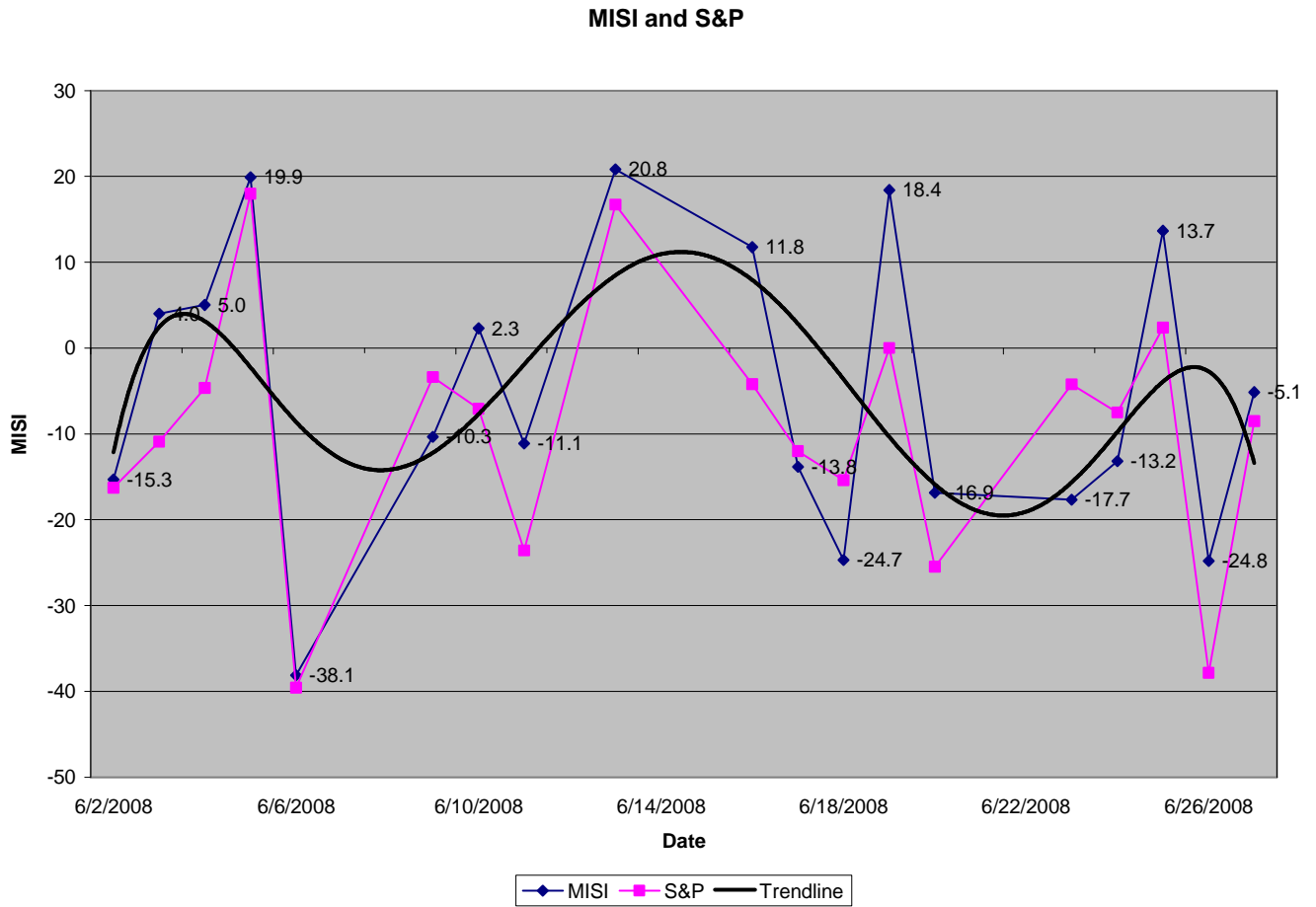
The Massachusetts Investor Sentiment Index

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 June 1, 2008 to June 30, 2008.



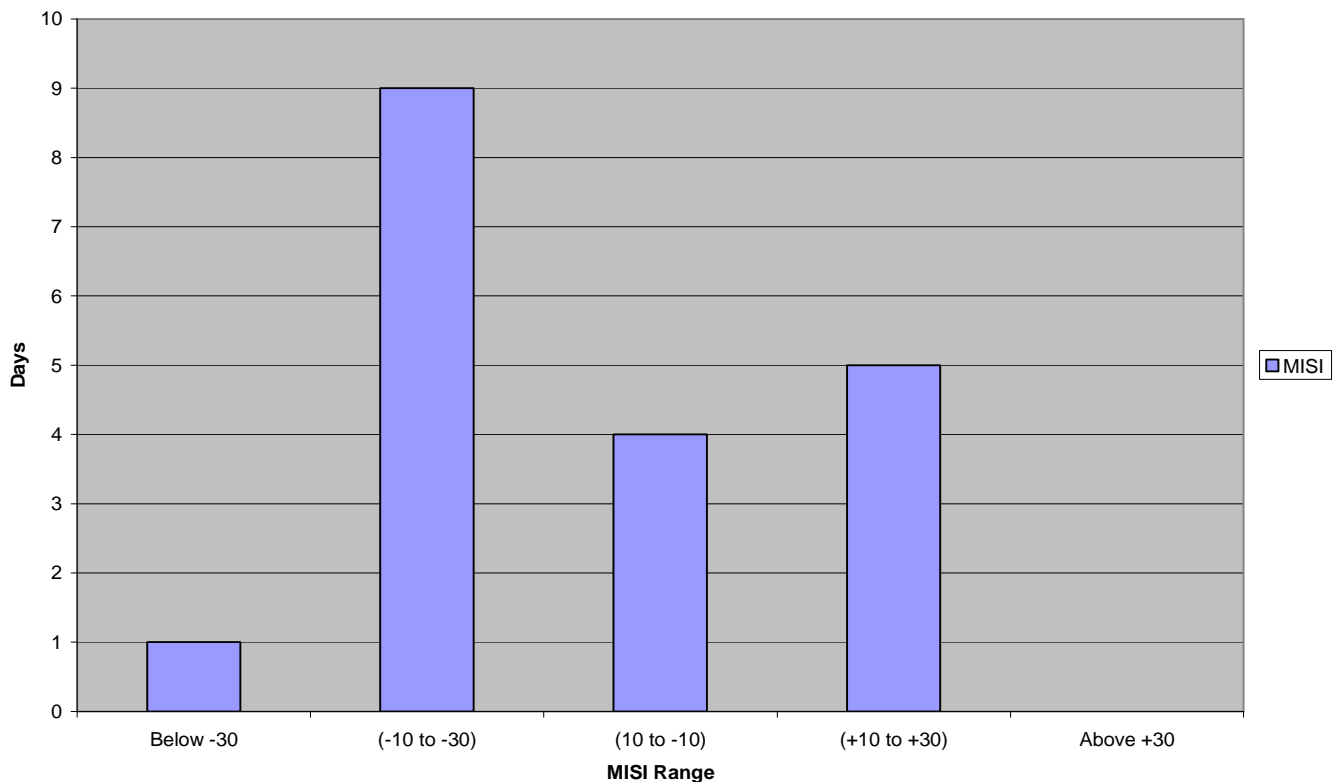
EXECUTIVE SUMMARY

Analysis based on Massachusetts Investor Sentiment Index (MISI) and the S&P Index from June 1, 2008 to June 30, 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 30 days the market sentiment was:

MISI Performance



High:

- This month, similar to the last month, did not have a single day when the investors have been highly risk seeking.
- One day, or 5% of the days, it was highly risk-averse with an average score of -38.14.

Moderate:

- Five days, or 26% of the days, it was moderately risk-seeking with an average score of 16.92.
- Nine days, or 47% of the days, it was of moderately risk-averse with an average score of -16.42.

Neutral:

- Four days, or 21% of the days, the market's sentiment was risk-neutral with an average score of 1.54.

Conclusion:

- Daily price movements in MBI & S&P Index are significantly related to investor sentiment.
- Similar to the month of May, the risk-averse sentiment continued to prevail amongst investors. With the exception of a few days, when the market did try to be moderate risk seeking, overall the investor's sentiment has mostly been moderate risk-averse throughout the month.
- The beginning of the month, on June 6th, there was a sharp decline or a highly risk-averse market.
- In the entire month, the market has never been highly risk-seeking.
- The Trend line denotes a decrease in the market sentiment.