

MISI AT A GLIMPSE

November 1 to November 30, 2008

The Massachusetts Investor Sentiment Index

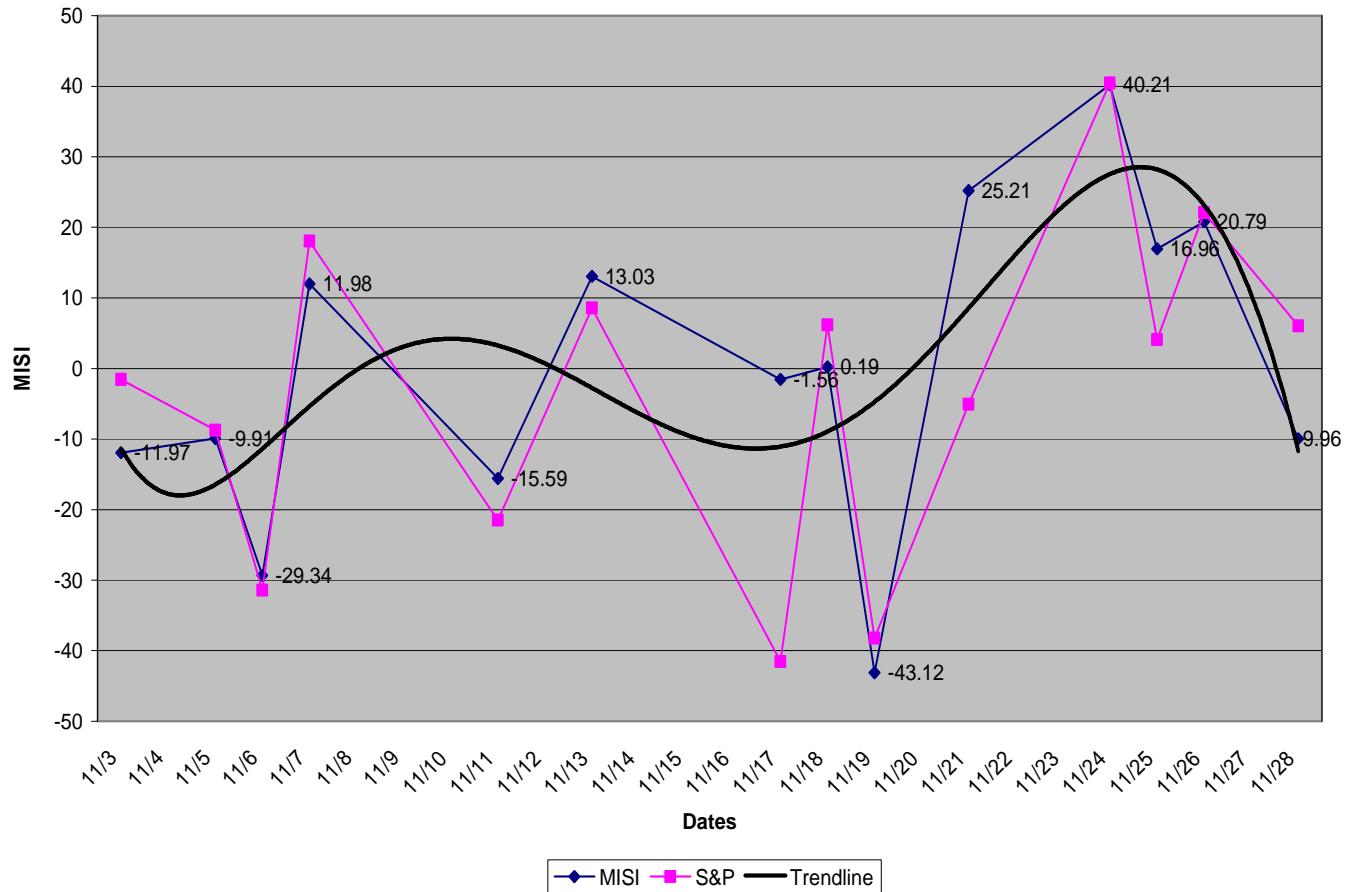
The Massachusetts Investment Sentiment Index (MISI) is a market-based measure of investor sentiment for firms that either are headquartered in Massachusetts or have a significant presence in the state. The MISI is constructed using firms that are in the [Massachusetts Bloomberg Index \(BBMX\)](#), which 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 November 1 2008 to November 30, 2008.

MISI and S&P Performance



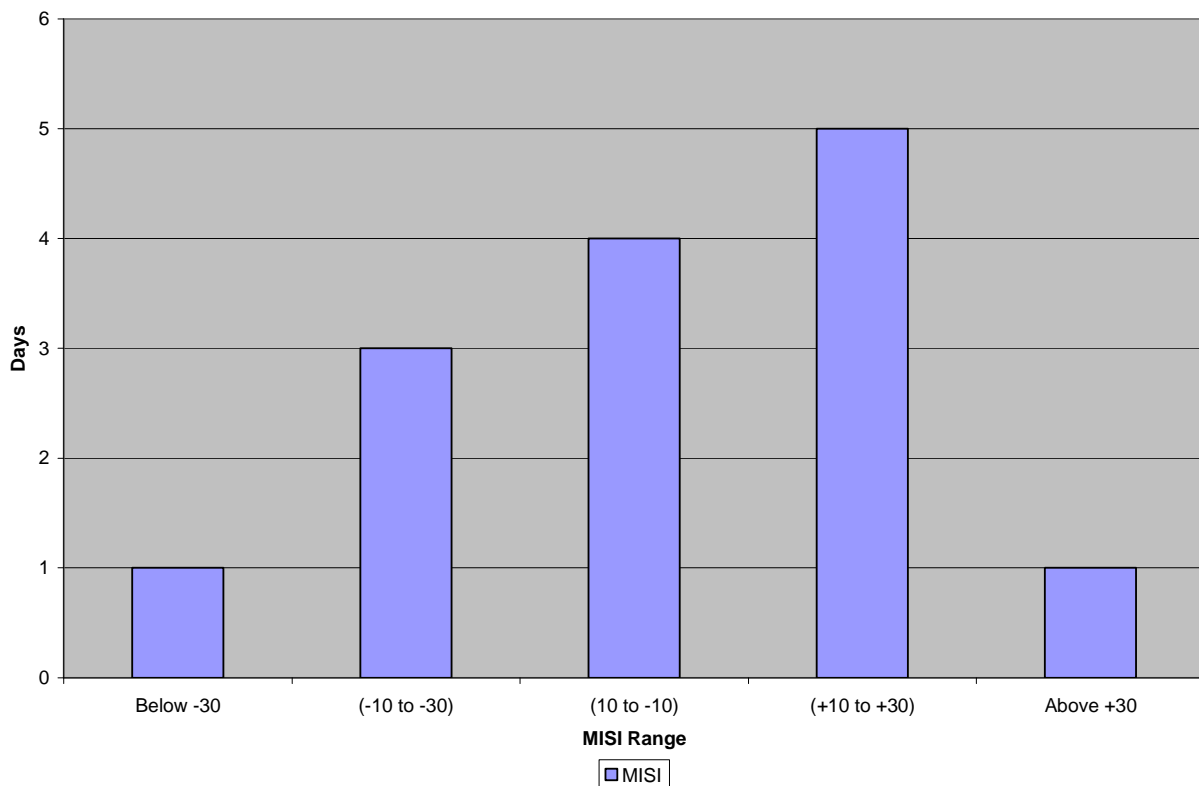
EXECUTIVE SUMMARY

Analysis based on Massachusetts Investor Sentiment Index (MISI) and the S&P Index from November 1 to November 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 31 days the market sentiment was:

MISI Performance



High:

- One day or 7% of the days the investors were highly risk seeking with an average of 40.21.
- One day or 7% of the days, the market was highly risk-averse with an average score of -43.12.

Moderate:

- Five days or 36% of the days, it was moderately risk-seeking with an average score of 17.59.
- Three days or 21% of the days, it was of moderately risk-averse with an average score of -18.96.

Neutral:

- Four days or 29% of the days, the market's sentiment was risk-neutral with an average score of -5.31.

Conclusion:

- Daily price movements in MBI and S&P Index are significantly related to investor sentiment.
- From the market sentiment point of view this month can be divided in two parts. In the first half of the month investors have been mostly risk averse. This trend completely changed in the second half when the market experienced some constant risk seeking days.
- The overall market sentiment has been positive and risk seeking, a very welcoming change as compared to the trend in the last few months.
- Despite the rising trend in the last few days of the month, the Trend line denotes a decrease in the market sentiment.
- During the period from November 18 to 25, the market has been extremely volatile. It dropped from MISI 0.1921 to -43.117 and then ascended to +40.2114, denoting a drastic fluctuation from highly risk averse to highly risk seeking.