

MISI AT A GLIMPSE

October 1 to October 31, 2008



The Massachusetts Investor Sentiment Index

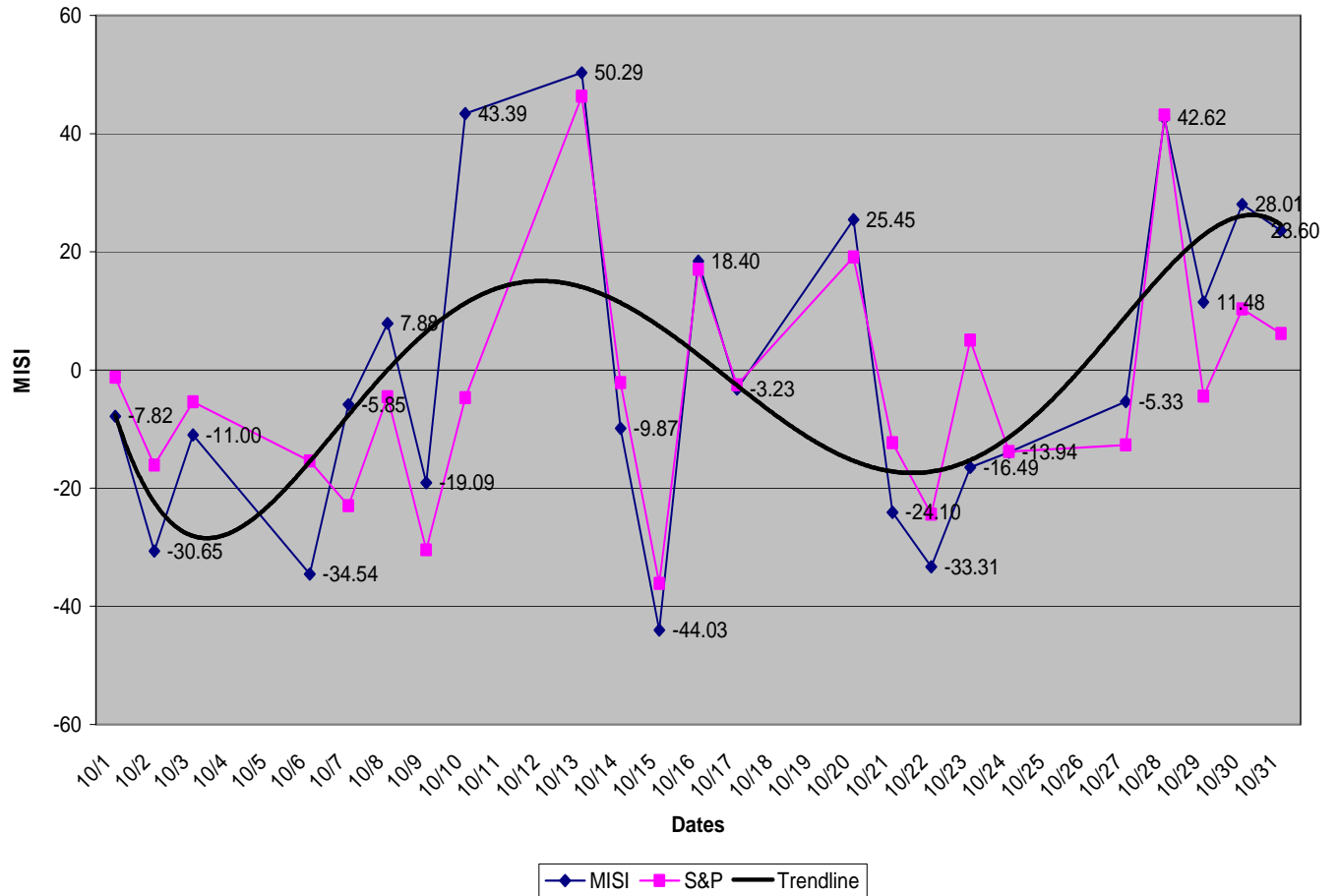
The Massachusetts Investment Sentiment Index (MISI) is a market-based measure of investor sentiment for firms that either are headquartered in Massachusetts or have a significant presence in the state. The MISI is constructed using firms that are in the [Massachusetts Bloomberg Index \(BBMX\)](#), which 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 October 1 to October 31, 2008

MISI and S&P Performance

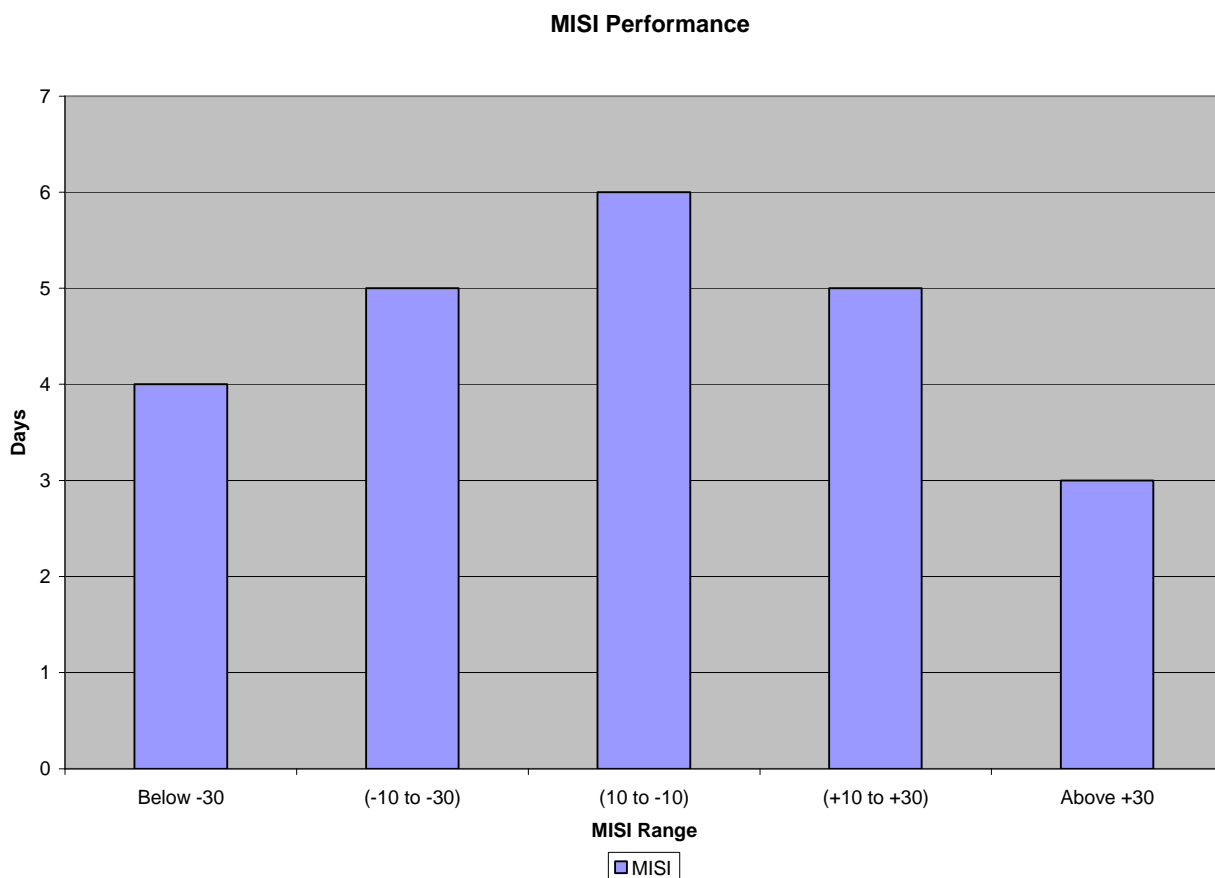


EXECUTIVE SUMMARY

Analysis based on Massachusetts Investor Sentiment Index (MISI) and the S&P Index from October 1 to October 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:



High:

- Three days or 13% of the days the investors were highly risk seeking with an average of 45.43.
- Four days or 17% of the days, the market was highly risk-averse with an average score of -35.63.

Moderate:

- Five days or 22% of the days, it was moderately risk-seeking with an average score of 21.39.
- Five days or 22% of the days, it was of moderately risk-averse with an average score of -16.92.

Neutral:

- Six days or 26% of the days, the market's sentiment was risk-neutral with an average score of -4.04.

Conclusion:

- Daily price movements in MBI and S&P Index are significantly related to investor sentiment.
- This month there has been equal number of days when the investor's have been moderate risk seeking and moderate risk averse. But maximum number of days the market has been neutral with an average score of -4.04.
- October has also had the highest MISI scores for highly risk seeking day reading 50.29 and highly risk averse day with -44.03.
- The volatility in the market continued with some extreme movements seen during October 8 to October 17, 2008.
- The last week of the month shows some positive scores indicating the gradual movement of the market towards being risk seeking.
- The overall market sentiment throughout the month has been an almost equal combination of neutral, moderate risk seeking and moderate risk averse. This, along with days of extreme rise and fall in investor's sentiments, denotes uncertainty in the market.
- The Trend line denotes a decrease in the market sentiment.