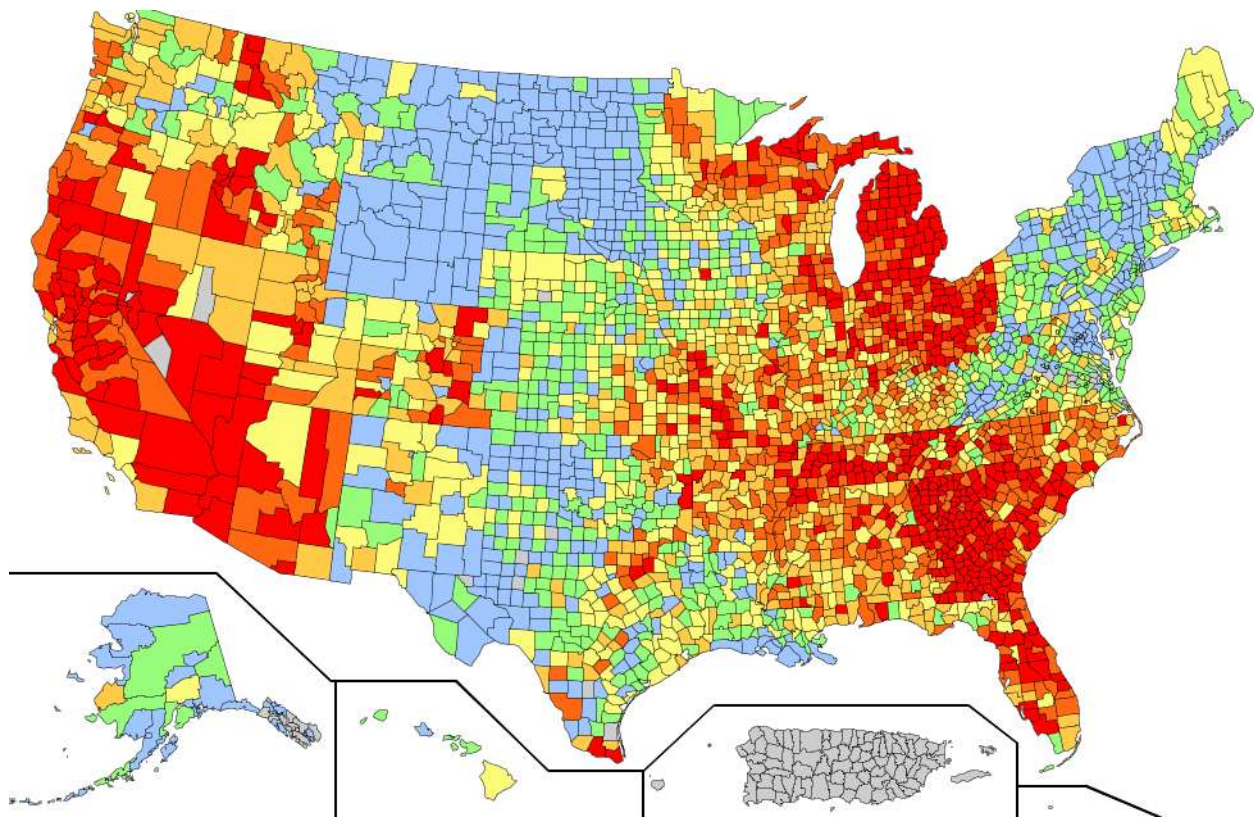


Where are the Best and Worst Regional Economies in the Country?

Muni Investment Professionals have the unique burden of tracking regional economic changes across the country down to the county level and below. Even in areas where the States themselves are fiscally healthy, individual areas experiencing stress can hit a portfolio hard.

At Lumesis, we launched DIVER last year to give our clients a leg up on the market. We do the heavy lifting of aggregating and normalizing both publicly available and private data sets to ensure a full picture of fiscal health. Examples include unemployment, foreclosure rates, tax rates and county assessed values. DIVER Users also are able to receive daily updates of material events on their specific portfolio positions, allowing them to move ahead of the inefficient broader market.

We have recently received requests to create a baseline system for ranking individual areas in terms of expected impact on local government tax revenues and the demand for its services. As a result, Lumesis has created its own county level Muni Index.



In all maps presented herein, counties with the worst ranking are red, while counties with the best are blue. The index includes four indicators of local economic health: unemployment, wages, foreclosure rates and housing prices. These measures are combined into a single metric to give a picture of how different sub-markets compare on a relative basis.

Based on the September index, the five weakest counties (in alphabetical order) are the following:

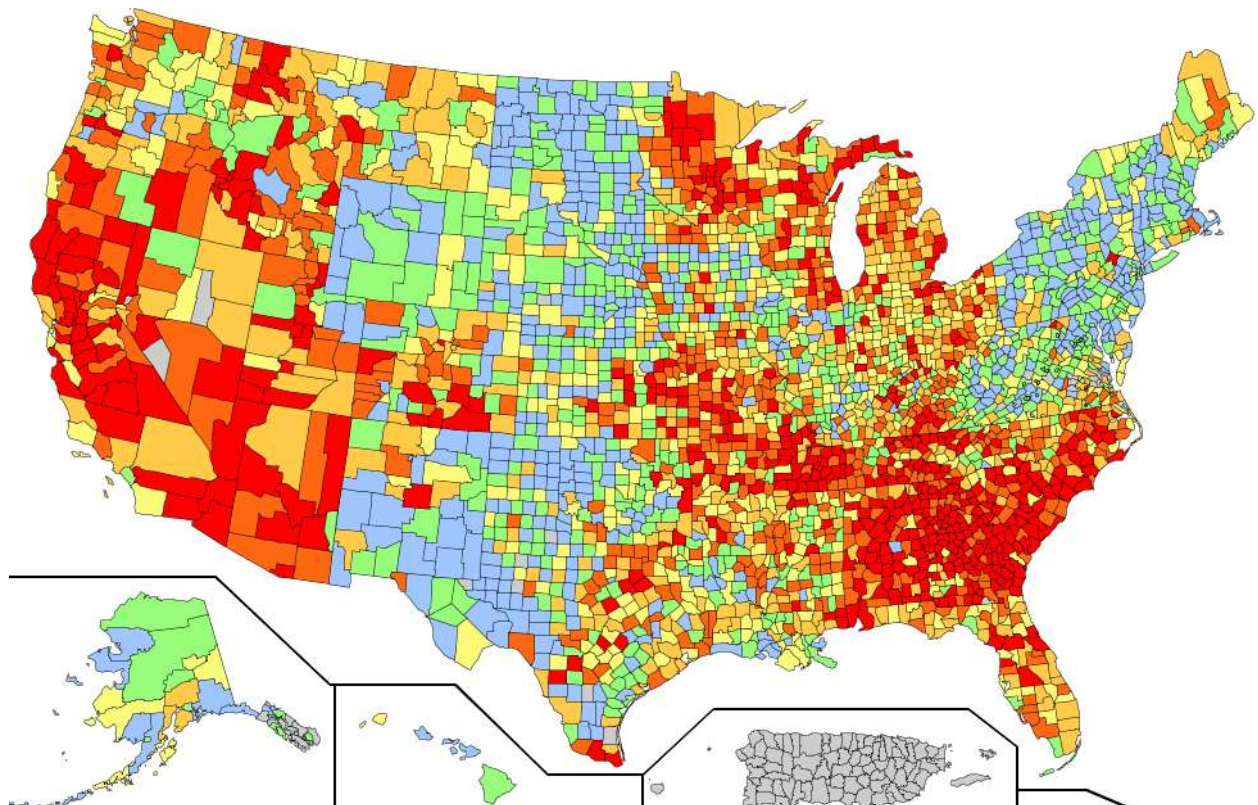
Arenac, Michigan
Butts, Georgia
Dawson, Georgia
Lamar, Georgia
Meriwether, Georgia

All of these counties are likely to see this stress trickle into their tax revenues: Dawson County prudently closed an administrative office in September.

We have put together a similar list for the 5 highest rated counties as well: all are oil producing counties in North Dakota.

Mountrail, North Dakota
Oliver, North Dakota
Slope, North Dakota
McKenzie, North Dakota
Williams, North Dakota

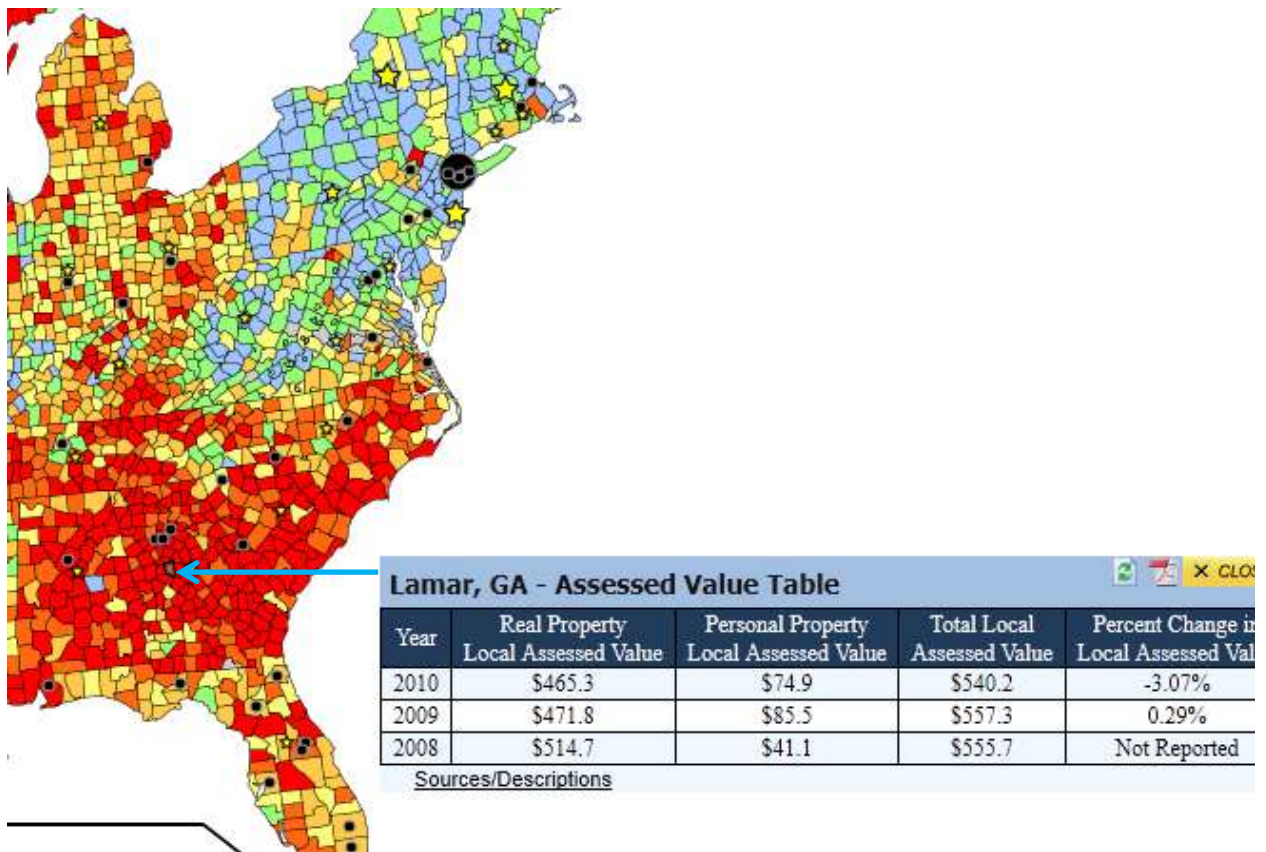
Potentially even more valuable, Lumesis combines the current economic indicators map shown above with the year-over-year change in these indicators, along with the change in labor force to create an index that considers not only the current situation but whether the area is improving or declining. This map perhaps tells a richer story.



Here we see that although the upper mid-west is still struggling, the region has been improving at an impressive rate. Partially, that's a testament to how bad things got in Michigan and Ohio, but it's also consistent with the rebound in American manufacturing. In contrast, the southeast States of Tennessee, Alabama, Georgia and the Carolinas have relatively poor current conditions which are not improving.

In addition, comparing the first map to the second, finer distinctions between counties within a given State can be seen in California, Texas and Florida as well as many other States across the country. Recognizing these distinctions is imperative to credit analysis and portfolio management, particularly for Private Wealth Managers that tend to have concentrations in individual States.

DIVER Users curious about the state of various areas can click through the map or access data for any State or county using our Search page in order to get further detail about any county in the country. Users can also map their portfolio against our data. Below we click on Lamar County in order to see how its' Assessed Values have changed in recent years.



This and much more is available through DIVER.

For more information about DIVER, please visit www.Lumesis.com or contact us at 203.274.8615.