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SECURITIES INDUSTRY FIRST-QUARTER PERFORMANCE AND 2004 OUTLOOK

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MONTHLY STATISTICAL REVIEW

Grace Toto

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- 3.....[Securities Industry First-Quarter Performance and 2004 Outlook](#), by Frank A. Fernandez. The securities industry posted strong gains in profits and revenues for the first quarter 2004 from the previous quarter, but indications are that the pace of growth has leveled off. Profits rose 13.4 percent from the fourth quarter of 2003 to reach \$7.58 billion, and gross revenues increased 6.8 percent to reach \$58.68 billion from fourth quarter's \$54.92 billion. This represents a slowing of revenue growth, which expanded 7.6 percent from the third quarter of 2003 to the fourth. Expenses, however, continued their upward climb as firms began increasing their compensation budgets. While the fourth quarter's expenses increased five percent above the third quarter's, the first quarter 2004's \$51.09 billion represents a 5.9 percent increase from the fourth quarter's \$48.23 billion. While expecting revenues and profits to plateau across the course of the year, we predict that full-year 2004 results will show significant gains over 2003. Total revenue for the year should reach \$232.1 billion, a 9.1 percent increase, and profits are expected to reach \$27.8 billion, a 15 percent increase.
- 13.....[Monthly Statistical Review](#), by Grace Toto. In May, the S&P 500 and Nasdaq Composite Index posted gains of 1.2% and 3.5%, respectively, while the DJIA lost 0.4%. Since the start of the year, the S&P 500 has risen 0.8%, the Nasdaq Composite has dropped 0.8%, and the DJIA has fallen 2.5%. Share and dollar volumes on the NYSE and Nasdaq weakened in May, but are still running ahead of 2003 levels. In the primary market, May witnessed a sharp decline in corporate debt issuance that outweighed increased equity issuance.

SECURITIES INDUSTRY FIRST-QUARTER PERFORMANCE AND 2004 OUTLOOK

Summary

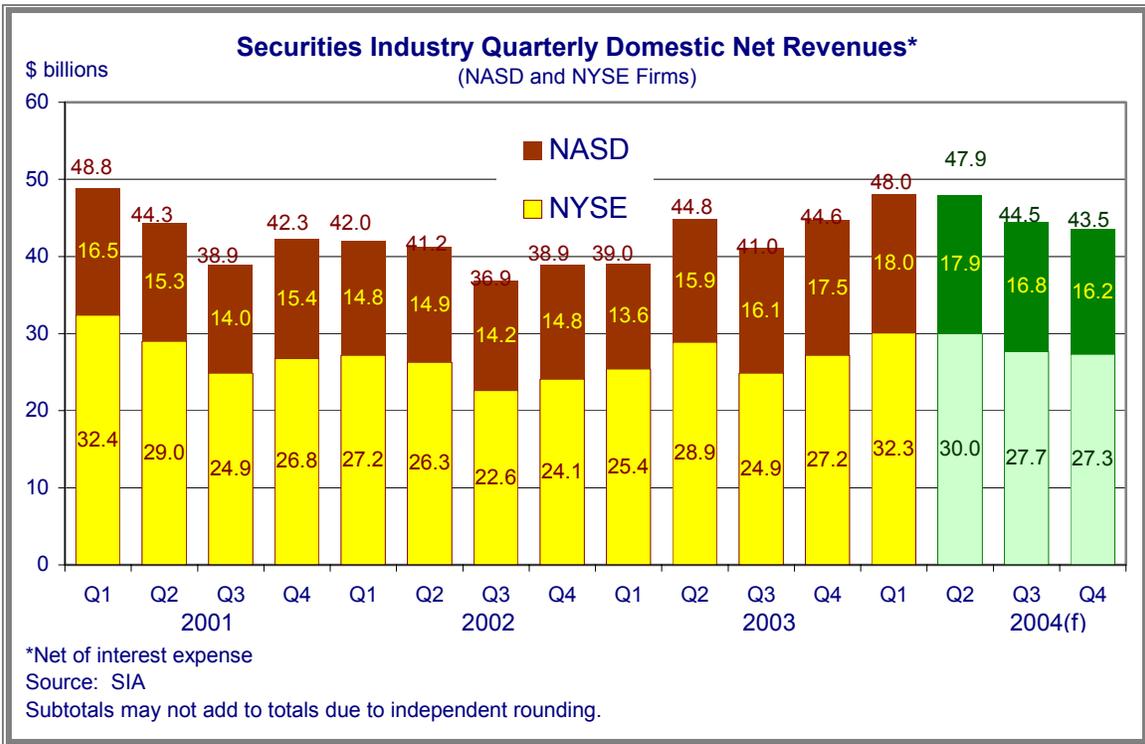
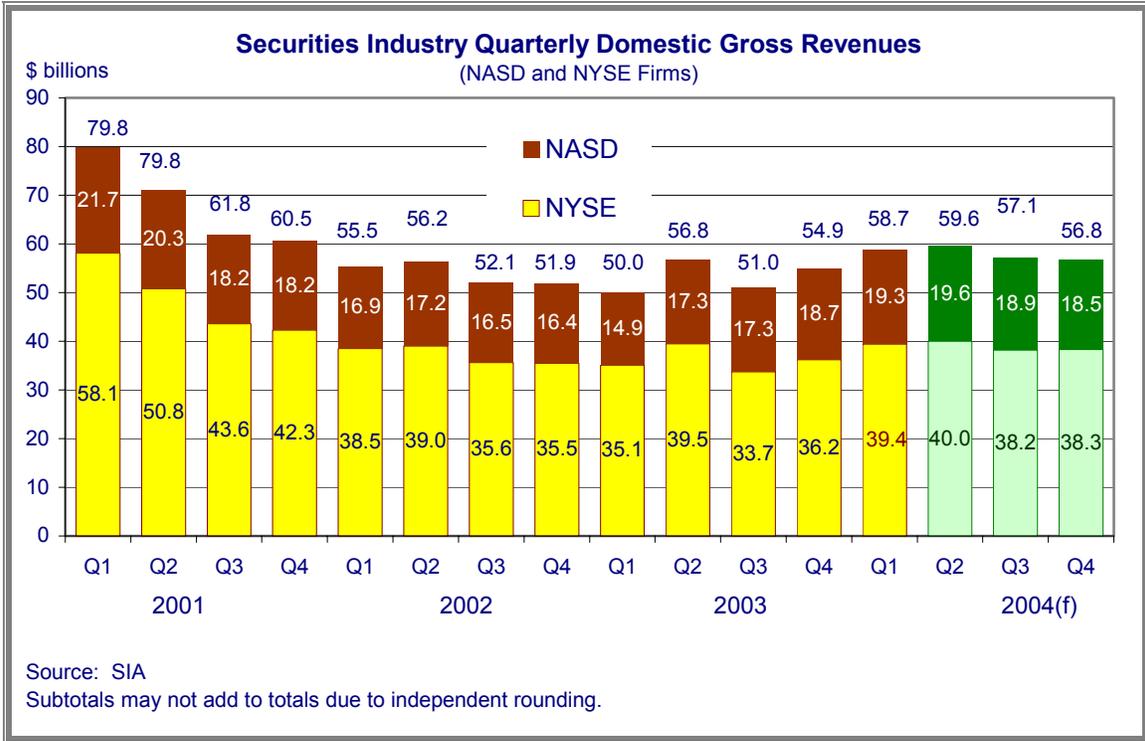
Securities industry profits reached \$7.58 billion in the first quarter of 2004, up 13.4% from the final quarter of 2003, but 65.3% higher than in the same year-earlier period, as the industry's broad-based, robust recovery extended into its second year. However, industry performance appears to be reaching a plateau, with top-line (revenue) growth slowing as the first half of 2004 comes to a close and bottom-line results (profits), while still strong, beginning to drift lower. Expenses, which were slashed in each of the past three years (and reduced in 2003 to levels 43% below the peak of \$331.1 billion reached in 2000), are now rising and expected to increase 15% this year, led by higher compensation and interest expenses. We expect 2Q'04 securities industry profits to total \$6.9 billion, and reach \$27.8 billion for 2004 as a whole, the second-best result in industry history, after the \$31.6 billion of profits earned in 2000.

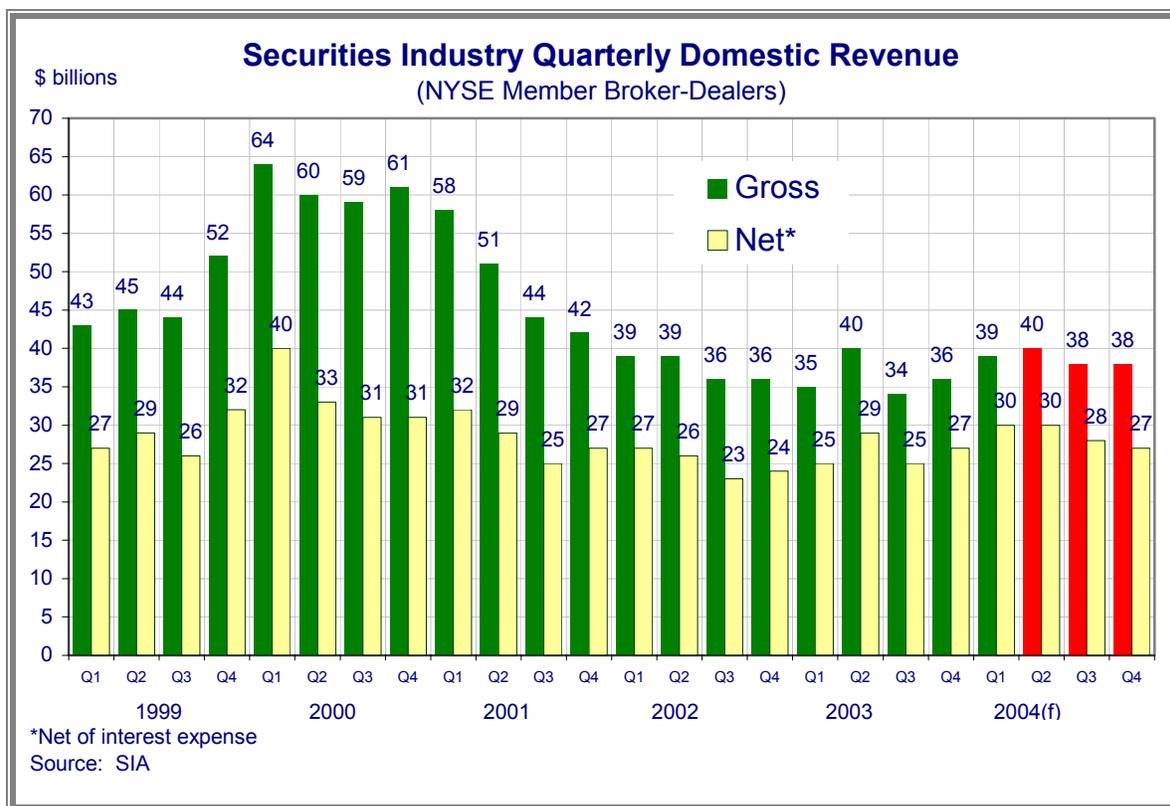
First Quarter Results

Summary – Last week, 1Q'04 financial results were reported for both NYSE-reporting¹ and NASD-reporting² member firms. The combined total showed that, for all broker-dealers doing a public business in the United States, profits (pre-tax net income) reached \$7.58 billion, 65.3% above results obtained in the same year-earlier period and 13.4% above profits recorded in 4Q'03. This nearly matched profits of \$7.69 billion in 2Q'03, making 1Q'04 the second-best quarterly performance the industry has seen since 2Q'00 (just after equity markets and the industry peaked). The results were roughly in line with expectations as revenue growth slowed, while the growth of expenses accelerated, led by a jump in variable compensation. Gross revenues reached \$58.68 billion, up 6.8% over the immediately preceding quarter, and 17.4% over the same period in 2003. Revenues net of interest expense (net revenues) reached \$48.02 billion, up 7.6% from the prior quarter and 23.0% higher than a year earlier. Total expenses in 1Q'04 were \$51.09 billion, 5.9% higher than in the final quarter of last year. The increase was led by a jump in compensation, as interest expense of \$10.66 billion grew modestly (up 3.4% from 4Q'03) and virtually every other expense line item (with the exception of promotional expenses) declined in 1Q'04. Compensation at \$22.16 billion was 16.2% higher than in 4Q'03 and 18.7% above levels seen in 1Q'03.

¹ Includes results for 236 New York Stock Exchange-reporting member firms in 1Q'04.

² Includes results for 5,054 NASD-reporting member firms in 1Q'04.





Performance of Product and Services Line Items – The industry’s recovery became increasingly generalized across the course of 2003, and by 1Q’04 nearly every product and service line showed solid, and in some cases, exceptional growth. **Trading gains**, in particular debt trading gains, continued to be a substantial contributor to overall profitability growth. Total trading gains reached \$7.67 billion, 11.8% better than 4Q’03 results, 4.1% above the same year-earlier period, and 4.6% higher than the average for this revenue line item over the previous five quarters of solid gains. Once again, debt trading gains accounted for virtually all the improvement relative to the immediately preceding quarter. Debt trading gains were \$4.96 billion in 1Q’04, up 18.0% from the \$4.20 billion registered in 4Q’03, but 15.1% below the year-earlier levels. Gains from all other types of trading (primarily derivatives and equities) rose fractionally (2.1%) with respect to 4Q’03, but were significantly higher (77.6%) when compared to 1Q’03.

Commissions and fee income, the level of which is largely a reflection of the volume of secondary market trading, grew more rapidly in 1Q’04 than in the prior quarter and reached \$13.15 billion. This represented a 7.6% increase over the \$12.23 billion recorded in 4Q’03, and a 35.2% increase over 1Q’03 results.

Underwriting revenue continued to make a steadily growing contribution to overall revenue growth, once again led by bond issuance activity and aided by a continuing recovery in equity issuance activity from the depressed levels a year ago. Total underwriting revenue reached \$5.16 billion, up 10.7% from the \$4.66 billion in 4Q’03, and 43.6% from the same year-earlier period, largely reflecting surprisingly strong debt issuance activity. Equity underwriting revenue accounted for \$1.09 billion of this total, which was up 8.7% from the \$1.0 billion earned in the immediately preceding quarter and 64.6% higher than the depressed earnings for stock issuance activity seen during 1Q’03.

Mutual fund sales revenue reached \$5.02 billion in 1Q'04, which was 8.7% above 4Q'03 levels and 40.8% over results obtained in 1Q'03. The resumption of strong net inflows into equity mutual funds, which began late last year, continued to drive these results last quarter, reflecting both new investor interest and continuing outflows from money market mutual funds and to a lesser extent, from bond funds.

Income of \$5.04 billion was derived from **asset management fees** during 1Q'04. This result was up 19.3% from 1Q'03, as higher net assets under management (reflecting both the stock market rebound over the course of last year and the resumption of strong net fund inflows) accounted for the increase and more than offset a continued, albeit more gradual, reduction in average rates charged by asset managers. The effect of declining average fees is more apparent when one notes that 1Q'04 asset management fees were only 2.5% higher than during 4Q'03, as only limited price appreciation of assets under management occurred during the first three months of this year.

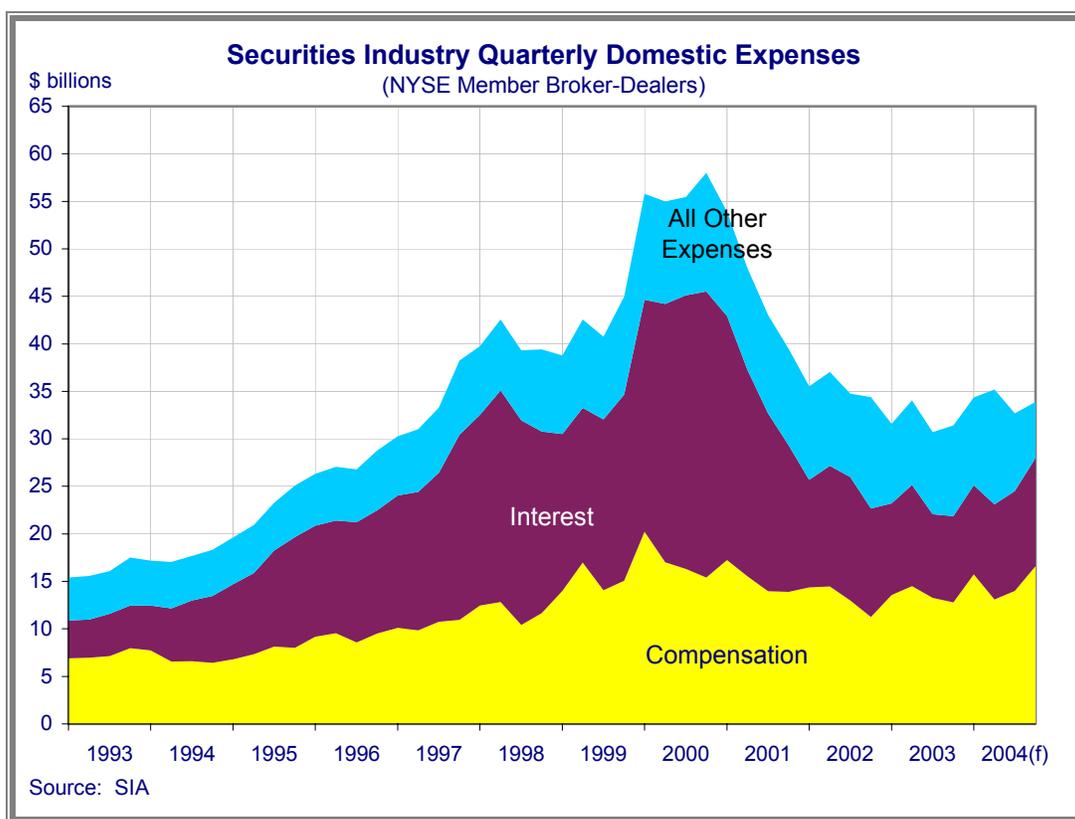
Margin interest earnings rose negligibly to \$1.34 billion, as both the amount of leverage employed by customers and its cost remained relatively unchanged. Margin interest income was up only 0.8% from 4Q'03 levels and 3.7% from 1Q'03. All other sources of revenue totaled \$21.3 billion, up 4.8% from 4Q'04 and 5.4% from the year-earlier period, as commodities revenue rebounded to more normal levels and as mergers and acquisitions (M&A) and other advisory revenues began, with appropriate lags, to recover.

Total expenses of \$51.09 billion were 5.9% above 4Q'03 levels and 12.6% higher than in the first quarter of last year. All major expense line items increased in 4Q'03, but during 1Q'04 only compensation, interest and promotional expenses continued to rise. Other expenses, including: floor costs (-1.0%); communications expenses (-2.6%); occupancy and equipment costs (-11.2%); data processing costs (-3.7%); regulatory fees and expenses (-4.3%); and all other expenses (-2.9%),³ fell relative to the final quarter of 2003, but remained well above levels during 1Q'03.

However, by far the two largest expense items — compensation payments and interest expense — continued to grow. Total **compensation** increased to \$22.16 billion during 1Q'04, representing an increase of 16.2% above the \$19.06 billion paid out in 4Q'03 (as the annual bonus season went into full swing) and an 18.7% rise over the \$18.67 billion compensation level during the same year-earlier period. This increase reflected renewed job growth and sharply higher variable compensation as industry profitability nearly doubled in 2003. Variable compensation is estimated to have risen 29% in the first quarter of this year relative to the same period of 2003 as performance-linked payouts, particularly to bond issuance and bond trading units, rose sharply.

Interest expense, once the industry's largest expense item, increased 3.4% relative to 4Q'03 levels to reach \$10.66 billion, but was still 2.5% below year-earlier levels, as net interest margins remained largely unchanged from one quarter to the next and growth of securities lending volume and margin utilization was limited. Despite the small increase, total interest expense is only one-third of total borrowing costs recorded in 1Q'01, when total interest expense reached \$30.96 billion.

³ These include losses for error accounts and bad debts, non-recurring charges and other expenses.



Performance of Groups of Firms – During 1Q'04 **major firms**⁴ outperformed their smaller competitors. The results are hardly surprising given that growth of underwriting revenues and trading gains led the overall rise in industry revenues, since the major firms dominate these two areas of activity. During 1Q'04, the major firms posted gross and net revenue growth of 12.6% and 16.6%, respectively, relative to 4Q'03, which was well above growth rates of 6.8% and 7.6%, respectively, for these aggregate income measures for the industry as a whole. However, despite stronger revenue growth, major firms' profits grew more slowly than the rest of the industry during 1Q'04 (10.3% versus 13.4%), as variable compensation expenses rose much more rapidly at firms with large investment-banking and proprietary-trading operations than it did at those firms that do not focus on these activities. During 1Q'04, these 15 major firms accounted for 42.7% of total industry net revenue and 50.4% of industry profits.

Clearing firms⁵ posted revenue growth during 1Q'04 that was in line with broad industry trends. Gross revenues rose 6.8% relative to 4Q'03 and 34.4% relative to the same period a year earlier. Net revenues for this group were up 5.8% when compared to the final quarter of 2003 and 48.0% above levels in 1Q'03. Profits for this group reached \$740.9 million in 1Q'04, down slightly (-4.0%) from the prior quarter but up substantially (163.5%) from the same year-earlier period.

⁴ "Major Firms" includes the 15 largest U.S. broker-dealer subsidiaries of global financial holding companies. However, as a result of merger and acquisition within the industry, those 15 broker-dealers, though still reporting separately, are now contained within only 13 corporate entities at the holding company level.

⁵ "Clearing firms" are firms principally engaged in correspondent clearing and for the purpose of this report includes three separate firm groups: NYSE-member clearing firms; exchange member (other than NYSE members) clearing firms; and, NASD-member clearing firms (that is, clearing firms that are members of NASD only).

Discounters⁶ showed results that were in line with industry averages as gross revenues were up 6.8% above the prior quarter and 28.2% vis-à-vis 1Q'03. Net revenue was 7.0% higher than in 4Q'03 and 29.9% above 1Q'03 levels. Profits for discounters as a group were unchanged (up 0.1%) from 4Q'03, but nearly six-fold higher than the dismal results recorded during 1Q'03.

Market makers⁷ as a group reported significantly slower revenue growth in 1Q'04, both relative to the industry average and when compared to growth in earlier quarters. Total revenues were up 31.8% relative to 1Q'03, but only 1.7% higher than in 4Q'03. However, these firms continue to pursue cost-cutting measures and contained compensation expenses. As a result, profits in 1Q'04 for this group of firms were one-third higher than in the final quarter of 2003 and more than double the level seen in the same year-earlier period.

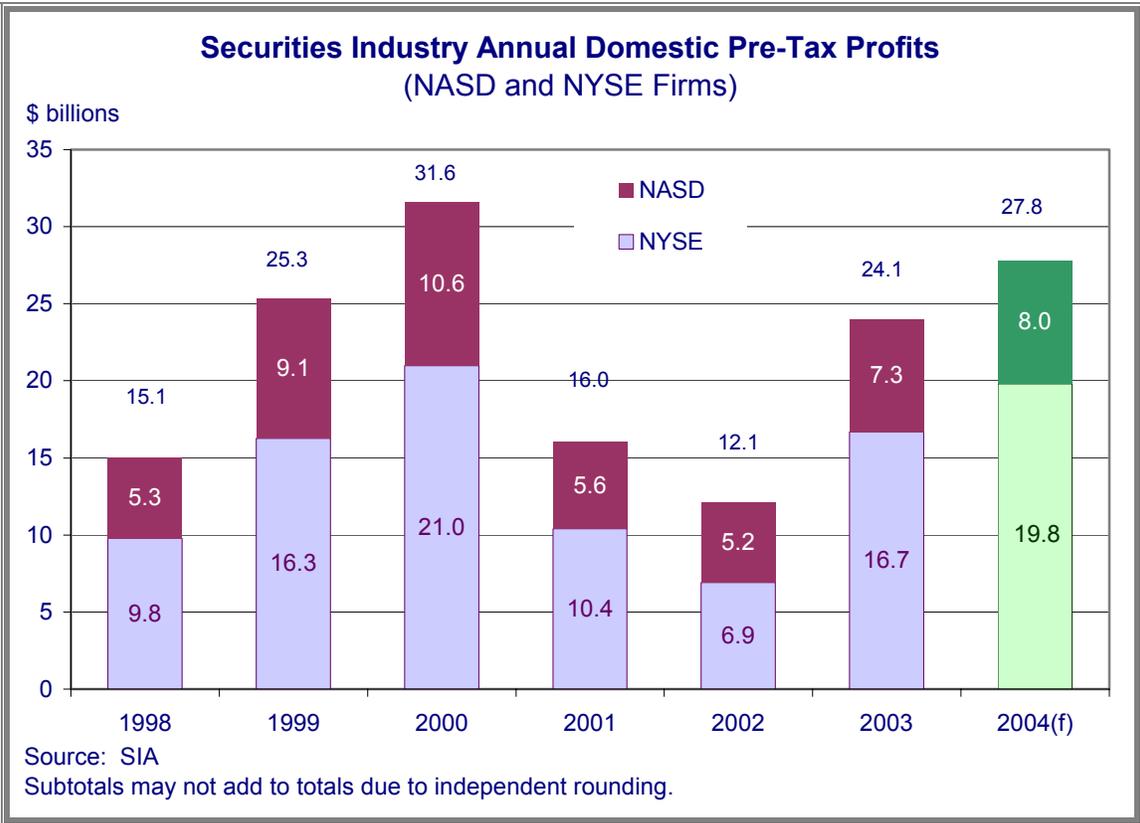
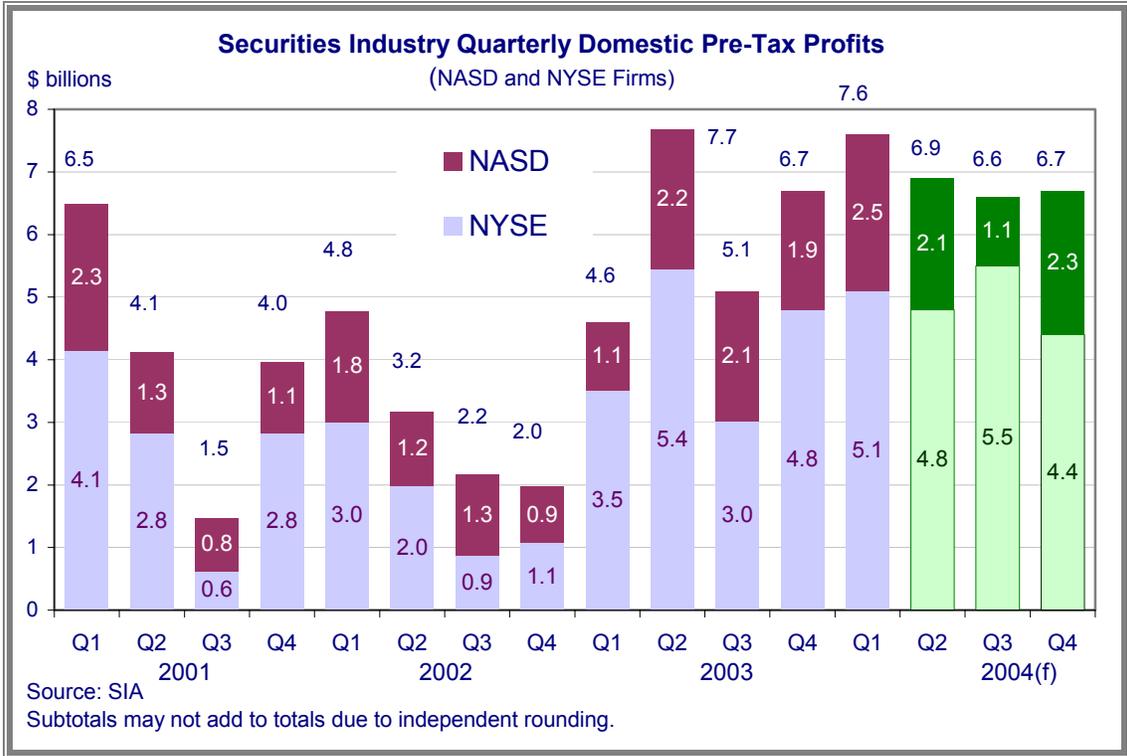
Regional firms⁸ fared less well during 1Q'04 as gross and net revenues both fell 1.9% from 4Q'03 levels and stood 30.0% higher than in 1Q'03. Slower revenue growth and rising expense ratios cut into profitability. Pre-tax net income (profits) of this group during 1Q'04 was 21.5% below 4Q'03 levels, but still up 244.9% from 1Q'03.

More detail on these and other categories of broker-dealers and an assessment of their performance is available from SIA's Securities Industry Databank and Expanded Industry Databank and will appear in the forthcoming issue of SIA's *Securities Industry Trends*.

⁶ "Discounters" are broker-dealers that hold themselves out as, and are primarily engaged in, the discount brokerage business. Commissions, mainly retail, are their primary revenue source. This group includes both self-clearing and introducing discounters and their clearing subsidiaries. It does not include multi-business line firms that offer discount commissions as just one business line.

⁷ "Market makers" includes exchange member firms (other than NYSE members) primarily engaged as market makers, dealers, and in principal trading and NASD-reporting member firms (that is, firms that are members of NASD only) that are fully disclosed market makers, dealers, and principal trading firms.

⁸ "Regional firms" are the largest (non-major, non-NYC based) full-service broker-dealers, usually self-clearing with regional branch network systems providing financial products and services to both retail and institutional firms.



Second Quarter Estimates and Second Half 2004 Forecasts

As the current quarter draws to a close, we have drawn on primary and secondary market indicators and the results of securities firms that have reported financial results for the quarter ending May 31, 2004, in order to form preliminary estimates for industry performance for the second calendar quarter of 2004. Recent and expected trends point to a slowing of top line (revenue) growth, leading to a narrowing of the bottom line (lower profits) for the remainder of this year. We expect revenues and profits to plateau across the course of the year on a sequential quarterly basis. However, full-year results for 2004 will show significant gains compared to last year.

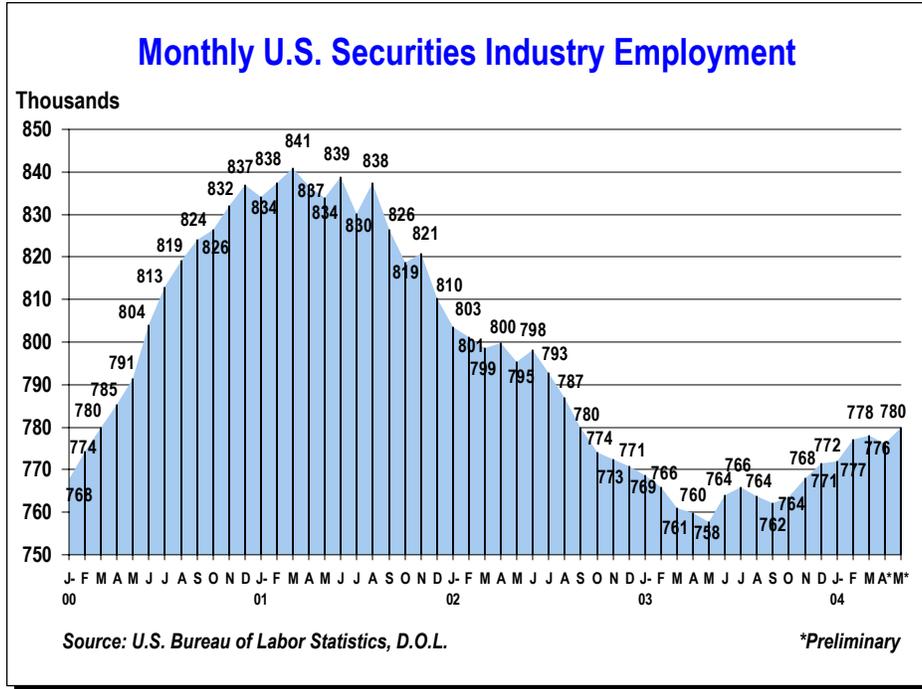
During 2Q'04 we estimate that total revenues increased slightly less than 2% over 1Q'04 levels and nearly 5% over the same year-earlier period, while revenues net of interest expense should show a small outright decline. Total expenses are expected to rise roughly 3.3%, reflecting seasonal factors, increased employment, and higher spending on communications and information technology equipment and software, which is only partially offset by unchanged levels or slight declines on other major expense categories. Overall we expect total industry profits to decline to \$6.9 billion in 2Q'04, which would be below both the \$7.6 billion enjoyed in 1Q'04 and the \$7.7 billion recorded in 2Q'03.

Trading gains (or more properly trading gains or losses), while difficult to predict, are anything but random. Most of the difficulty in estimating this income source arises because reported trading gains include revenue from a number of disparate activities, including gains from over-the-counter market-making, debt trading, market-making in listed options, trading in other products (primarily derivatives and foreign exchange), the effects of securities inventory revaluation and some profits generated from securities origination. However, based on partial data through mid-June, it would appear that trading gains declined during 2Q'04, particularly during April and specifically on equity arbitrage trading and specific types of debt trading, such as high-yield debt instruments.

Commission and fee income is estimated to have declined in 2Q'04, as the value of secondary trading activity dropped an estimated 5.5% and average rates earned on trades declined fractionally. Earnings from underwriting activities should also decline during 2Q'04, but only modestly as lower levels of bond issuance more than offsets higher earnings from increased equity underwriting. Corporate bond underwriting in the first five months of 2004 is 11.1% below levels for the comparable period of 2003, and the value of corporate bond issuance in 2Q'04 could be down as much as 30% from 1Q'04 levels. Partially offsetting this is the continuing growth in revenue generated by equity capital market activity. The value of all equity issuance (including IPOs, follow-ons, and convertibles) year-to-date⁹ has reached \$151.46 billion, up 64.2% from the same period in 2003, with deal flow accelerating and the pipeline filling up across the course of the first half of this year. The backlog of planned equity issuances at the start of this month included 268 deals (207 of which are IPOs) worth an estimated \$57.1 billion. This bodes well for equity underwriting revenues in the second half of the year.

Continued, albeit slowing, growth in mutual fund sales revenue is expected, but a small decline in the value of asset management fees appears likely. Other revenues, on balance, are expected to show small gains, boosted by rising revenues from M&A, leveraged buyouts and other investment advisory work.

⁹ Through June 21, 2004.



For 2004 as a whole, we expect total revenue to reach \$232.2 billion, a 9.1% increase over last year's result. Revenue net of interest expense is expected to show a smaller, 8.6% increase as interest rates begin to rise from 46-year lows. Total interest expense in 2004 is expected to reach \$48.7 billion, a 12.5% increase over last year. Compensation expense is expected to reach \$85.6 billion, an 11.6% increase over 2003, reflecting an expected 3.5% rise in employment and a 7.8% rise in average compensation per employee. Profits for the industry this year are expected to reach \$27.8 billion, a 15% increase from the \$24.1 billion in profits reported in 2003 and the second best performance in industry history, after the \$31.6 billion result in 2000.

Frank A. Fernandez

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NYSE and NASD Reporting Firms Income Statement
(\$ millions)

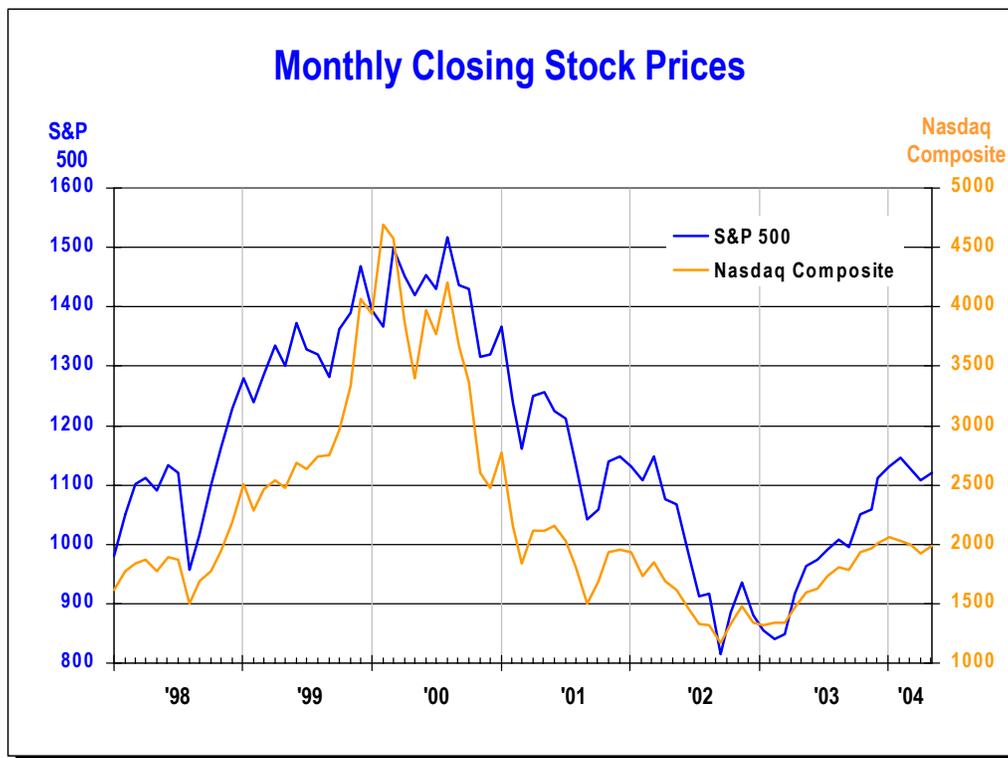
	2002				2003				2004				Percent Change		% Chg. 2003 vs. 2002
	Q1	Q2	Q3	Q4	Q2	Q3	Q4	Q1	04:Q1 vs.		2002	2003			
									03:Q4	03:Q1					
Commissions	11,148.7	11,329.3	10,817.8	11,175.1	9,728.1	11,473.6	11,629.8	12,229.2	13,154.6	7.6%	35.2%	44,470.8	45,060.7	1.3%	
–Listed Equity on an Exchange	5,353.4	5,290.8	5,272.6	5,166.9	4,375.7	5,042.0	4,819.2	4,920.5	5,372.3	9.2%	22.8%	21,083.6	19,157.4	-9.1%	
–Listed Equity OTC	605.5	629.8	589.2	559.9	490.4	665.5	710.1	774.4	871.0	12.5%	77.6%	2,384.4	2,640.5	10.7%	
–Listed Options	451.1	430.4	407.9	407.2	374.9	461.3	459.2	470.8	611.9	30.0%	63.2%	1,696.7	1,766.1	4.1%	
–All Other	4,738.7	4,978.3	4,548.0	5,041.0	4,487.0	5,304.9	5,641.2	6,063.5	6,299.2	3.9%	40.4%	19,306.0	21,496.7	11.3%	
Trading Gain (Loss)	7,422.1	3,468.7	2,379.6	5,892.9	7,367.9	10,646.3	5,871.1	6,854.8	7,667.0	11.8%	4.1%	19,163.3	30,740.1	60.4%	
–OTC Market Making	566.1	327.6	238.9	257.8	236.6	477.9	226.3	113.0	468.3	314.4%	97.9%	1,390.5	1,053.7	-24.2%	
–OTC Market Making in Listed Equity	33.0	-6.1	1.1	0.0	-2.5	-4.5	1.5	3.9	8.0	105.1%	-420.0%	28.0	-1.6	-105.7%	
–Debt Trading	4,523.8	4,319.5	3,177.6	3,858.4	5,843.9	6,506.9	3,186.1	4,203.7	4,960.0	18.0%	-15.1%	15,879.3	19,740.6	24.3%	
–Listed Options Market Making	-19.6	100.8	-70.2	-225.9	-188.4	71.4	-123.0	124.0	-29.7	NM	NM	-214.9	-116.0	NM	
–All Other Trading	2,351.8	-1,279.1	-966.7	2,002.5	1,475.8	3,590.2	2,581.7	2,414.0	2,268.4	-6.0%	53.7%	2,108.5	10,061.7	377.2%	
Investment Account Gain (Loss)	444.8	-117.1	-52.0	829.9	244.4	1,479.7	579.9	716.4	751.4	4.9%	207.4%	1,105.6	3,020.3	173.2%	
–Realized	119.1	123.3	159.1	180.1	163.1	230.4	89.3	135.3	984.9	627.9%	503.9%	581.6	618.1	6.3%	
–Unrealized	140.9	-438.5	-256.5	321.3	-6.7	901.8	319.3	413.9	-530.1	NM	NM	-232.8	1,628.4	NM	
Underwriting	4,050.0	4,348.7	2,895.2	3,418.4	3,591.9	4,906.1	4,045.5	4,660.9	5,159.7	10.7%	43.6%	14,712.2	17,204.4	16.9%	
–Equity Underwriting	1,005.2	894.0	623.2	717.7	660.6	1,090.3	963.9	1,000.5	1,087.3	8.7%	64.6%	3,240.2	3,715.3	14.7%	
Margin Interest	1,793.9	1,734.6	1,540.6	1,408.8	1,290.2	1,329.1	1,285.0	1,326.7	1,337.3	0.8%	3.7%	6,477.9	5,231.0	-19.2%	
Mutual Fund Sale Revenue	4,198.0	4,247.2	3,699.6	3,685.2	3,568.6	3,927.0	4,080.6	4,621.2	5,024.9	8.7%	40.8%	15,830.1	16,197.4	2.3%	
Fees, Asset Management	4,720.8	4,704.9	4,507.2	4,254.1	4,227.9	4,322.8	4,469.3	4,917.6	5,042.1	2.5%	19.3%	18,187.1	17,937.6	-1.4%	
Research	35.9	64.1	26.5	31.8	33.1	40.2	41.7	57.0	59.4	4.2%	79.5%	158.3	172.0	8.7%	
Commodities	421.0	3,146.8	3,156.1	-576.8	942.0	-2,095.2	245.5	-950.8	382.8	NM	-59.4%	6,147.1	-1,858.4	-130.2%	
Other (Related to Securities Bus.)	15,065.0	17,035.1	16,868.2	15,179.4	12,940.4	14,673.8	12,843.1	13,837.4	13,695.7	-1.0%	5.8%	64,147.7	54,294.7	-15.4%	
Other	6,182.4	6,260.6	6,272.1	6,610.7	6,050.9	6,077.6	5,945.8	6,652.0	6,402.8	-3.7%	5.8%	25,325.7	24,726.3	-2.4%	
TOTAL REVENUE	55,482.5	56,223.0	52,110.9	51,909.3	49,985.3	56,781.1	51,037.2	54,922.5	58,677.7	6.8%	17.4%	215,725.7	212,726.1	-1.4%	
NET REVENUE	42,044.4	41,167.7	36,878.6	38,902.6	39,049.5	44,795.8	40,992.3	44,615.4	48,017.2	7.6%	23.0%	158,993.3	169,453.0	6.6%	

	02:Q1	02:Q2	02:Q3	02:Q4	03:Q1	03:Q2	03:Q3	03:Q4	Q1	03:Q4	03:Q1	2002	2003	2002
	Compensation	19,658.2	19,848.7	18,105.1	16,511.1	18,667.8	20,101.2	18,895.2	19,064.5	22,158.4	16.2%	18.7%	74,123.1	76,728.6
–Registered Representative	7,259.8	7,353.7	6,788.2	6,355.1	6,695.0	7,406.9	7,317.4	7,301.8	7,906.7	8.3%	18.1%	27,756.8	28,721.1	3.5%
–Clerical Employee	8,501.1	8,666.6	7,667.7	6,714.1	8,463.6	8,841.3	7,622.5	7,241.4	10,035.8	38.6%	18.6%	31,549.6	32,168.8	2.0%
–Voting Officer	1,170.8	1,002.5	986.0	651.6	922.5	962.6	935.7	1,291.2	902.2	-30.1%	-2.2%	3,810.8	4,111.9	7.9%
–Other Employee (FOCUS IIA Only)	2,726.6	2,825.9	2,663.2	2,790.2	2,586.7	2,890.5	3,019.7	3,230.0	3,313.5	2.6%	28.1%	11,005.9	11,726.8	6.6%
Floor Costs	3,340.9	3,675.3	3,483.0	3,805.6	3,421.6	3,867.6	3,960.4	4,361.9	4,319.2	-1.0%	26.2%	14,304.8	15,611.4	9.1%
–Floor Brokerage Paid to Brokers	363.8	367.6	390.7	385.0	318.7	335.2	333.0	341.8	373.2	9.2%	17.1%	1,507.1	1,328.6	-11.8%
–Commissions/Clearance Paid Other Brokers	746.1	850.7	808.8	824.9	837.5	960.3	978.0	980.9	995.5	1.5%	18.9%	3,230.5	3,756.7	16.3%
–Clearance Paid to Non-Brokers	300.8	307.1	320.5	305.9	266.5	298.6	294.3	303.3	287.7	-5.1%	8.0%	1,234.4	1,162.6	-5.8%
–Commissions Paid Broker-Dealers (FOCUS IIA Only)	1,930.2	2,149.9	1,963.0	2,289.8	1,998.9	2,273.5	2,355.1	2,735.9	2,662.7	-2.7%	33.2%	8,332.8	9,363.4	12.4%
Communications Expense	1,298.3	1,272.7	1,203.9	1,224.8	1,119.2	1,094.9	1,068.1	1,093.4	1,065.1	-2.6%	-4.8%	4,999.8	4,375.6	-12.5%
Occupancy & Equipment Costs	1,837.3	1,783.8	1,769.7	1,869.2	1,694.7	1,664.2	1,685.9	1,748.2	1,552.4	-11.2%	-8.4%	7,260.0	6,793.0	-6.4%
Promotional Costs	653.9	671.3	573.7	589.0	532.6	502.3	442.0	557.8	572.0	2.5%	7.4%	2,487.9	2,034.7	-18.2%
Interest Expense	13,438.1	15,055.3	15,232.4	13,006.7	10,935.9	11,985.3	10,044.9	10,307.1	10,660.5	3.4%	-2.5%	56,732.5	43,273.2	-23.7%
Error Accounts & Bad Debts	117.2	115.1	130.2	149.3	11.0	117.2	106.6	120.8	87.6	-27.5%	696.4%	511.8	355.6	-30.5%
Data Processing Costs	809.9	882.8	773.5	809.1	662.5	784.8	738.8	849.2	817.6	-3.7%	23.4%	3,275.2	3,035.3	-7.3%
Regulatory Fees & Expenses	284.1	322.2	289.2	310.5	280.9	331.1	339.2	345.5	330.7	-4.3%	17.7%	1,206.0	1,296.8	7.5%
Non-Recurring Charges	37.4	635.2	-68.7	123.6	77.5	23.2	69.4	103.7	107.3	3.5%	38.5%	727.5	273.9	-62.4%
Other Expenses	9,228.3	8,788.4	8,448.5	11,539.6	7,991.8	8,622.6	8,597.4	9,682.0	9,422.0	-2.7%	17.9%	38,004.8	34,893.8	-8.2%
TOTAL EXPENSES	50,703.6	53,050.8	49,940.6	49,938.5	45,395.5	49,094.4	45,948.0	48,234.0	51,092.8	5.9%	12.6%	203,633.5	188,671.9	-7.3%
PRE-TAX NET INCOME	4,778.9	3,172.2	2,170.3	1,970.8	4,589.8	7,686.7	5,089.2	6,688.5	7,584.9	13.4%	65.3%	12,092.3	24,054.2	98.9%

MONTHLY STATISTICAL REVIEW

U.S. Equity Market Activity

Stock Prices – U.S. stocks declined through mid-May to new lows for the year to date as investors focused on negative news rather than positive earnings results. Stock prices were pushed down as crude oil prices shot above \$40 a barrel for the first time ever and 10-year Treasury bond yields hit a recent high of 4.85%. The rise in energy prices and interest rates, along with heightened terrorist concerns and the looming prospect of Federal Reserve tightening, overshadowed solid corporate profit growth, which rose by an estimated 27.5% in the first quarter. Second-quarter profits for companies in the S&P 500 are now expected to increase 20.3% over last year, according to Thomson First Call. That estimate is up from 13.6% at the start of the year.

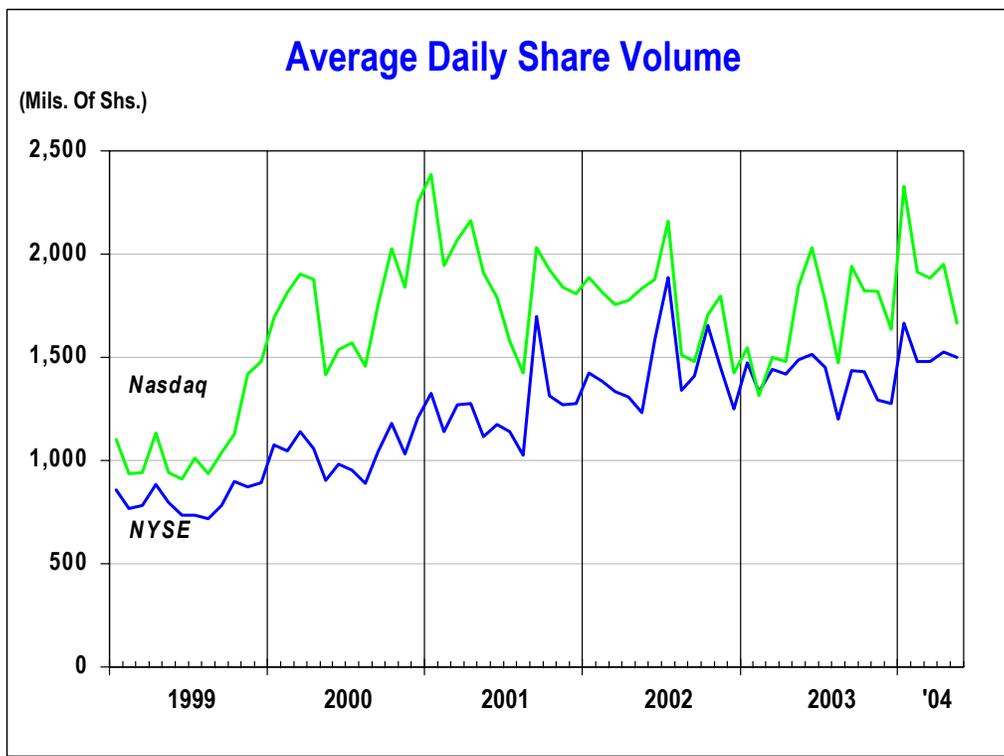


The broad market bounced back in late May in reaction to lower oil prices, a downtick in interest rates and revised GDP data that showed the economy grew at a 4.4% annualized rate in the first quarter of 2004 (subsequently revised lower to 3.9%). As a result, the S&P 500 and Nasdaq Composite Index (Nasdaq) ended the month with gains of 1.2% and 3.5%, respectively. Meanwhile, the blue-chip Dow Jones Industrial Average (DJIA), which briefly slipped below the 10,000 mark for the first time this year, fell 0.4% to close at 10,188.45.

For the year so far, stock market performance has been mixed. The S&P 500 has risen 0.8%, the Nasdaq has dropped 0.8%, and the DJIA has fallen 2.5% since the start of the year.

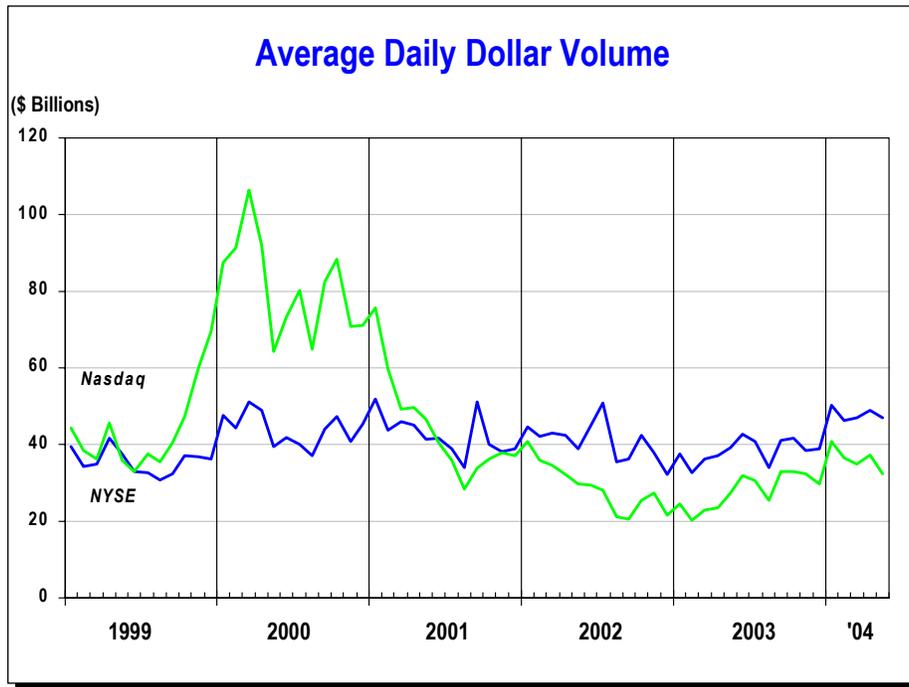
Share Volume – Overall trading activity weakened in May. Nasdaq average daily volume sank to its lowest level of the year, retreating 14.9% from April’s level to 1.66 billion shares in May. Despite May’s showing, Nasdaq daily average volume of approximately 1.95 billion shares through the first five months of 2004 exceeds 2003’s daily average of 1.69 billion shares by 15.4%.

Average daily share volume on the New York Stock Exchange eased 1.3% in May to 1.50 billion shares, yet remained above February-March 2004 levels. Year-to-date, NYSE average daily volume is up 9.3% to 1.53 billion shares from 1.40 billion in 2003.

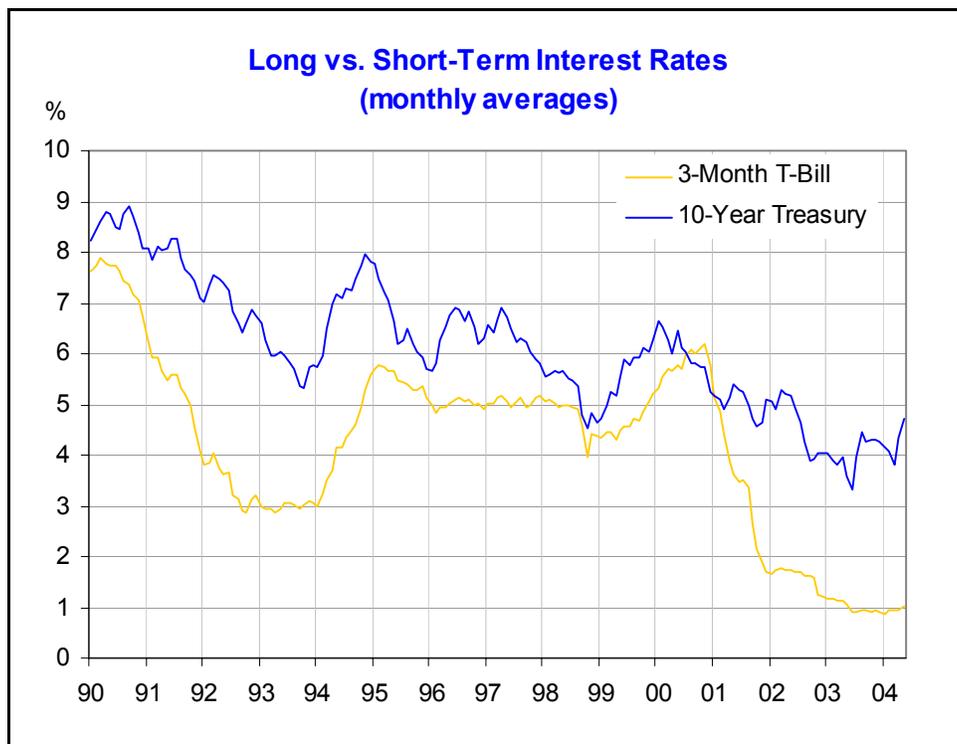


Dollar Volume – After posting monthly gains in April, dollar volume on the major exchanges declined in May. Nasdaq average daily dollar volume dropped 13.4% in May to \$32.3 billion from \$37.3 billion in April, marking a new monthly low for the year. Despite the monthly decline, Nasdaq average daily dollar volume year-to-date, at \$36.3 billion daily, is up 29.6% over 2003’s \$28.0 billion.

The average daily value of trading in NYSE stocks dipped 4.3% in May from April’s level to \$46.9 billion. That brought the year-to-date average daily value to \$47.9 billion, still 24.4% above the \$38.5 billion pace in 2003.

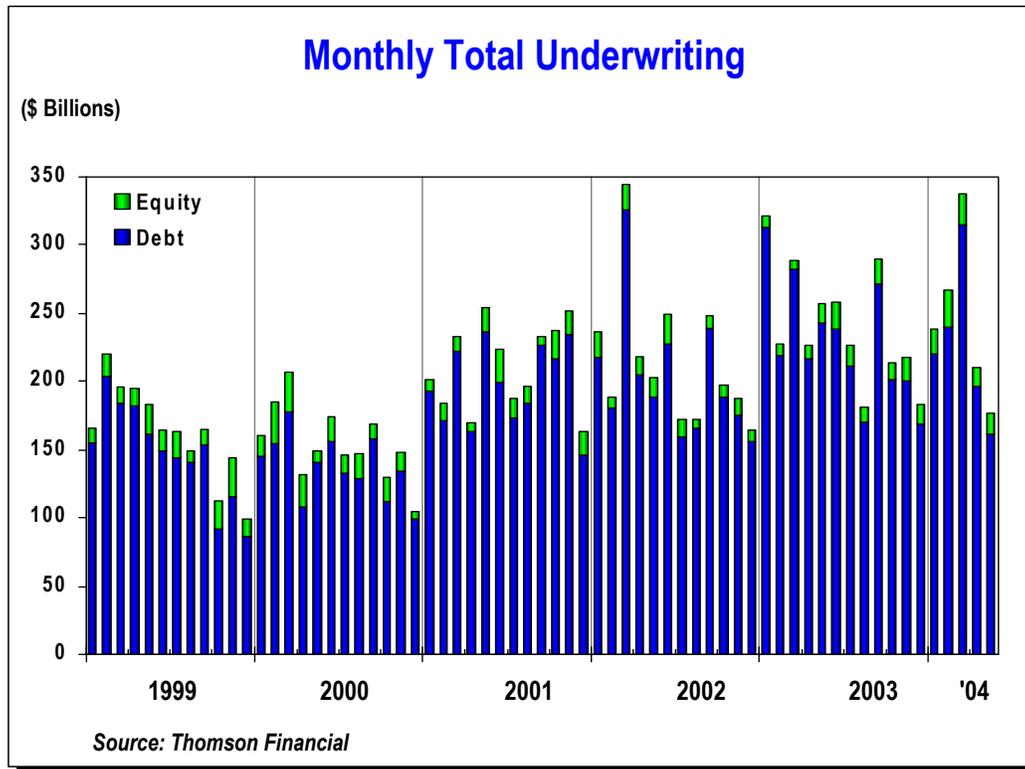


Interest Rates – The Federal Reserve left its fed-funds target rate unchanged at 1% on May 4, as was widely expected. But signs of faster inflation and improving job growth led investors to conclude that the Federal Open Markets Committee will begin a series of interest rate hikes when it meets at the end of June. In anticipation, the 10-year Treasury yield climbed to a near two-year high monthly average of 4.72% in May, up 37 basis points (bps) from April’s average and 115 bps above its year-earlier level. Meanwhile, yields on three-month T-bills inched up to 1.02%, 8 bps higher than April’s average, yet 5 bps below where it stood a year ago. As a result, the yield spread between short-and long-term interest rates widened to 370 bps, the largest gap recorded since November 1992 and well above the 144 bps average over the prior 10 years.

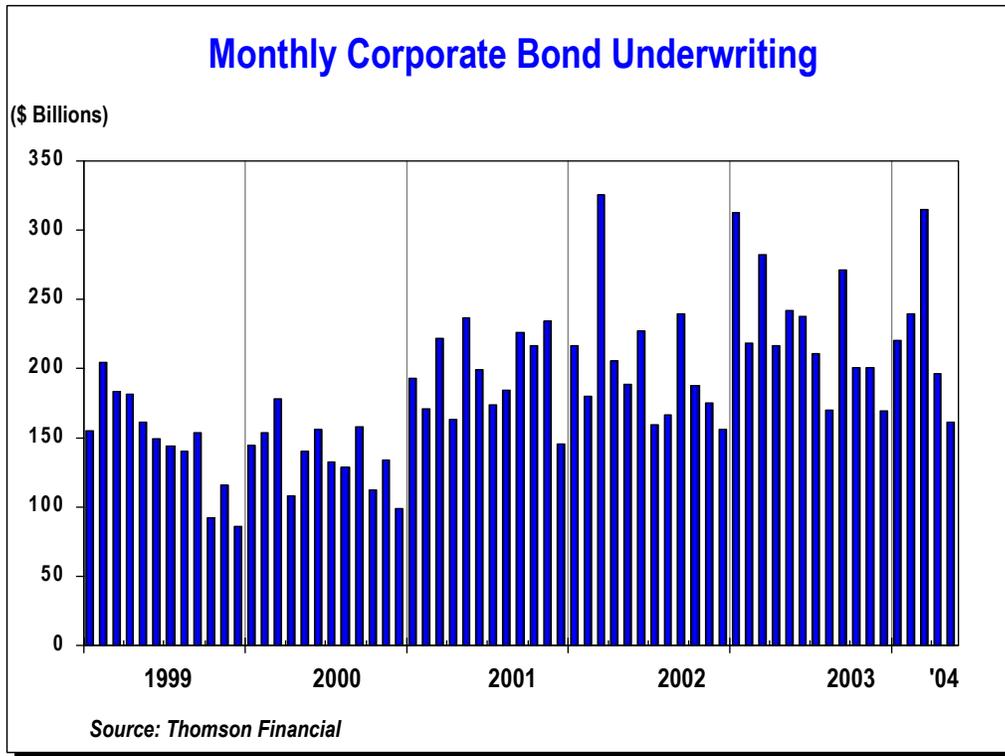


U.S. Underwriting Activity

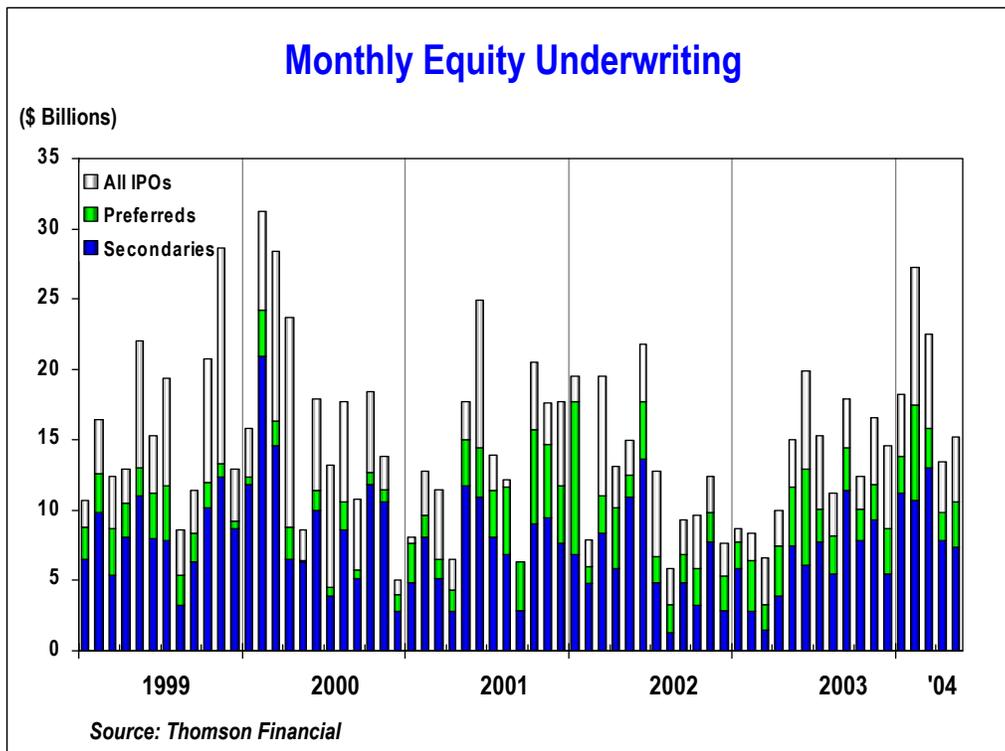
Total Underwriting – Continued turmoil in the bond market took its toll on the new issue market in May, resulting in a sharp decline in corporate debt issuance that outweighed increased equity issuance. In total, underwriting volume sank for the second straight month to \$176.6 billion in May, 15.8% below April's results and 47.6% below March's elevated level of \$337.1 billion. Year-to-date, new issuance activity is down 7.0% to \$1.23 trillion from \$1.32 trillion in the same period a year ago.



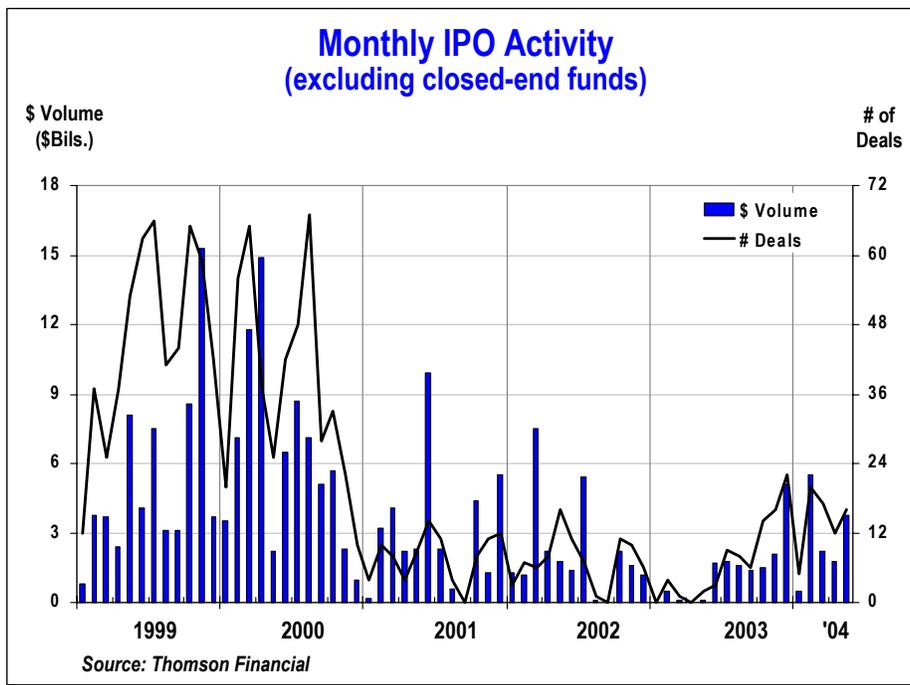
Corporate Bond Underwriting – Underwriting of corporate debt issues slumped during the month of May as the rising interest rate environment dampened investor enthusiasm. Total corporate bond underwriting activity declined 17.8% in May to a 2004 monthly low of \$161.4 billion. For the year-to-date through May, new issuance of corporate bonds was down 11.1% to \$1.13 trillion from \$1.27 trillion in last year's comparable period.



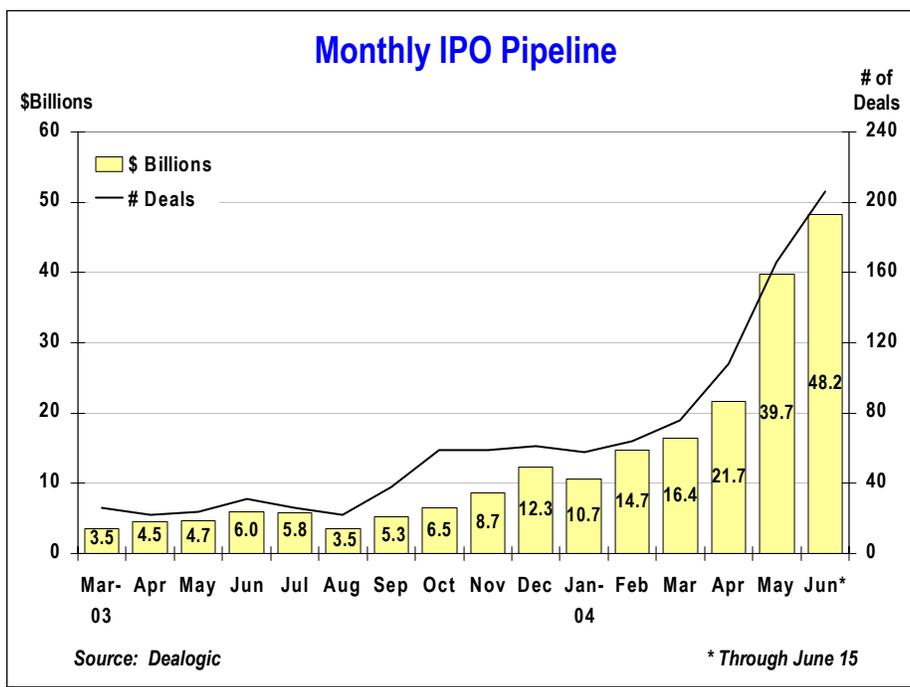
Equity Underwriting – After sinking to a six-month low of \$13.5 billion in April, new issuance of common and preferred stocks rose 11.9% to \$15.1 billion in May. Equity issuance year-to-date is nearly double last year’s level, with \$96.6 billion raised to date compared with \$48.6 billion raised in the same period last year.



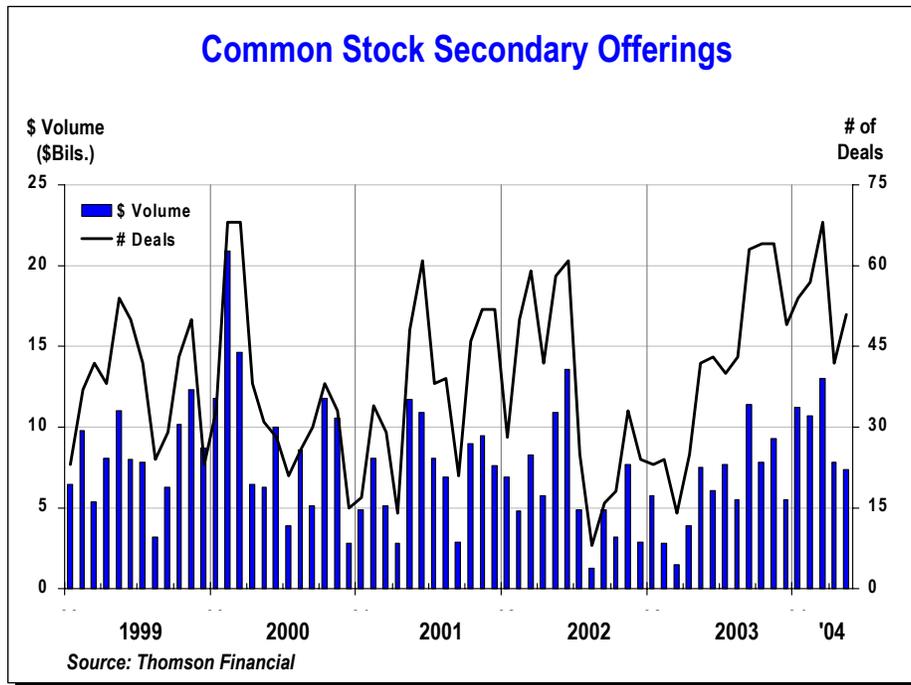
Initial Public Offerings (IPOs) – IPO volume more than doubled in May from April’s level to \$3.8 billion, its second best monthly showing this year behind February’s \$5.5 billion. Through the first five months of 2004, 70 deals raised \$13.7 billion [for new companies] via IPOs. By contrast, at this point last year, just seven deals raised a more \$746 million.



Looking ahead, an improving IPO pipeline is expected to lead to an acceleration of IPO offerings in the coming months.



Common stock secondary offerings followed a different path in May, as volume slipped 5.1% to \$7.4 billion, the lowest amount raised in any month so far this year. Still, secondary common stock issuance year-to-date, at \$50.0 billion, is running well ahead of last year's \$21.5 billion pace.



U.S. CORPORATE UNDERWRITING ACTIVITY

(In \$ Billions)

	Straight Corporate Debt	Con- vertible Debt	Asset- Backed Debt	TOTAL DEBT	Common Stock	Preferred Stock	TOTAL EQUITY	All IPOs	"True" IPOs	Secondaries	TOTAL UNDER- WRITINGS
1985	76.4	7.5	20.8	104.7	24.7	8.6	33.3	8.5	8.4	16.2	138.0
1986	149.8	10.1	67.8	227.7	43.2	13.9	57.1	22.3	18.1	20.9	284.8
1987	117.8	9.9	91.7	219.4	41.5	11.4	52.9	24.0	14.3	17.5	272.3
1988	120.3	3.1	113.8	237.2	29.7	7.6	37.3	23.6	5.7	6.1	274.5
1989	134.1	5.5	135.3	274.9	22.9	7.7	30.6	13.7	6.1	9.2	305.5
1990	107.7	4.7	176.1	288.4	19.2	4.7	23.9	10.1	4.5	9.0	312.3
1991	203.6	7.8	300.0	511.5	56.0	19.9	75.9	25.1	16.4	30.9	587.4
1992	319.8	7.1	427.0	753.8	72.5	29.3	101.8	39.6	24.1	32.9	855.7
1993	448.4	9.3	474.8	932.5	102.4	28.4	130.8	57.4	41.3	45.0	1,063.4
1994	381.2	4.8	253.5	639.5	61.4	15.5	76.9	33.7	28.3	27.7	716.4
1995	466.0	6.9	152.4	625.3	82.0	15.1	97.1	30.2	30.0	51.8	722.4
1996	564.8	9.3	252.9	827.0	115.5	36.5	151.9	50.0	49.9	65.5	979.0
1997	769.8	8.5	385.6	1,163.9	120.2	33.3	153.4	44.2	43.2	75.9	1,317.3
1998	1,142.5	6.3	566.8	1,715.6	115.0	37.8	152.7	43.7	36.6	71.2	1,868.3
1999	1,264.8	16.1	487.1	1,768.0	164.3	27.5	191.7	66.8	64.3	97.5	1,959.8
2000	1,236.2	17.0	393.4	1,646.6	189.1	15.4	204.5	76.1	75.8	112.9	1,851.0
2001	1,511.2	21.6	832.5	2,365.4	128.4	41.3	169.7	40.8	36.0	87.6	2,535.1
2002	1,303.2	8.6	1,115.4	2,427.2	116.4	37.6	154.0	41.2	25.8	75.2	2,581.1
2003	1,370.7	10.6	1,352.3	2,733.6	118.5	37.8	156.3	43.7	15.9	74.8	2,889.9
2003											
Jan	150.3	0.0	162.5	312.7	6.8	1.9	8.8	1.0	0.0	5.8	321.5
Feb	114.7	0.0	104.1	218.8	4.7	3.6	8.3	1.9	0.5	2.8	227.1
Mar	141.9	0.1	140.2	282.3	4.8	1.8	6.5	3.3	0.1	1.5	288.8
Apr	101.5	1.3	113.6	216.5	6.4	3.6	10.0	2.5	0.0	3.9	226.5
May	120.7	3.0	118.7	242.4	10.9	4.1	15.0	3.4	0.1	7.5	257.4
June	118.0	5.1	114.7	237.9	13.1	6.8	19.9	7.0	1.7	6.1	257.8
July	96.4	0.4	114.0	210.8	12.9	2.4	15.3	5.2	1.8	7.7	226.1
Aug	72.7	0.0	97.5	170.3	8.4	2.7	11.1	3.0	1.6	5.5	181.4
Sept	137.4	0.0	133.9	271.3	14.9	3.0	17.9	3.5	1.4	11.4	289.2
Oct	110.5	0.1	90.6	201.2	10.2	2.3	12.4	2.3	1.5	7.8	213.6
Nov	97.4	0.0	103.1	200.6	14.0	2.5	16.6	4.8	2.1	9.3	217.1
Dec	109.1	0.6	59.3	169.0	11.3	3.2	14.5	5.9	5.1	5.5	183.5
2004											
Jan	138.5	1.4	79.9	219.8	15.6	2.6	18.2	4.4	0.5	11.2	238.0
Feb	130.8	0.3	108.4	239.5	20.4	6.8	27.2	9.8	5.5	10.7	266.7
Mar	169.2	0.6	144.7	314.5	19.7	2.8	22.6	6.7	2.2	13.0	337.1
Apr	98.1	0.3	97.8	196.3	11.5	2.0	13.5	3.7	1.8	7.8	209.8
May	78.4	0.1	82.9	161.4	11.9	3.2	15.1	4.6	3.8	7.4	176.6
June											
July											
Aug											
Sept											
Oct											
Nov											
Dec											
YTD '03	629.1	4.5	639.1	1,272.7	33.6	15.0	48.6	12.1	0.7	21.5	1,321.3
YTD '04	615.1	2.7	513.7	1,131.6	79.2	17.4	96.6	29.2	13.7	50.0	1,228.1
% Change	-2.2%	-39.0%	-19.6%	-11.1%	135.9%	15.8%	98.8%	141.5%	1740.3%	132.8%	-7.0%

Note: IPOs and secondaries are subsets of common stock. "True" IPOs exclude closed-end funds.

Source: Thomson Financial

MUNICIPAL BOND UNDERWRITINGS

(In \$ Billions)

INTEREST RATES

(Averages)

	Compet. Rev. Bonds	Nego. Rev. Bonds	TOTAL REVENUE BONDS	Compet. G.O.s	Nego. G.O.s	TOTAL G.O.s	TOTAL MUNICIPAL BONDS	3-Mo. T Bills	10-Year Treasuries	SPREAD
1985	10.2	150.8	161.0	17.6	22.8	40.4	201.4	7.47	10.62	3.15
1986	10.0	92.6	102.6	23.1	22.6	45.7	148.3	5.97	7.68	1.71
1987	7.1	64.4	71.5	16.3	14.2	30.5	102.0	5.78	8.39	2.61
1988	7.6	78.1	85.7	19.2	12.7	31.9	117.6	6.67	8.85	2.18
1989	9.2	75.8	85.0	20.7	17.2	37.9	122.9	8.11	8.49	0.38
1990	7.6	78.4	86.0	22.7	17.5	40.2	126.2	7.50	8.55	1.05
1991	11.0	102.1	113.1	29.8	28.1	57.9	171.0	5.38	7.86	2.48
1992	12.5	139.0	151.6	32.5	49.0	81.5	233.1	3.43	7.01	3.58
1993	20.0	175.6	195.6	35.6	56.7	92.4	287.9	3.00	5.87	2.87
1994	15.0	89.2	104.2	34.5	23.2	57.7	161.9	4.25	7.09	2.84
1995	13.5	81.7	95.2	27.6	32.2	59.8	155.0	5.49	6.57	1.08
1996	15.6	100.1	115.7	31.3	33.2	64.5	180.2	5.01	6.44	1.43
1997	12.3	130.2	142.6	35.5	36.5	72.0	214.6	5.06	6.35	1.29
1998	21.4	165.6	187.0	43.7	49.0	92.8	279.8	4.78	5.26	0.48
1999	14.3	134.9	149.2	38.5	31.3	69.8	219.0	4.64	5.65	1.01
2000	13.6	116.2	129.7	35.0	29.3	64.3	194.0	5.82	6.03	0.21
2001	17.6	164.2	181.8	45.5	56.3	101.8	283.5	3.39	5.02	1.63
2002	19.5	210.5	230.0	52.3	73.1	125.4	355.4	1.60	4.61	3.01
2003	21.1	215.8	236.9	54.7	87.7	142.4	379.3	1.01	4.02	3.00
<u>2003</u>										
Jan	1.4	16.8	18.2	4.4	4.3	8.8	27.0	1.17	4.05	2.88
Feb	1.8	15.6	17.4	5.1	7.6	12.8	30.2	1.17	3.90	2.73
Mar	2.0	16.4	18.4	4.2	5.5	9.7	28.1	1.13	3.81	2.68
Apr	1.6	18.4	20.1	4.6	10.2	14.8	34.9	1.13	3.96	2.83
May	3.0	20.3	23.3	5.5	7.1	12.6	35.8	1.07	3.57	2.50
June	2.1	22.6	24.7	6.6	17.1	23.7	48.4	0.92	3.33	2.41
July	2.2	18.5	20.6	6.5	6.1	12.6	33.3	0.90	3.98	3.08
Aug	1.1	17.6	18.7	3.9	3.4	7.2	25.9	0.95	4.45	3.50
Sept	1.4	17.6	18.9	3.6	3.2	6.8	25.7	0.94	4.27	3.33
Oct	1.6	16.7	18.4	3.8	12.2	16.0	34.3	0.92	4.29	3.37
Nov	1.3	16.2	17.5	4.1	4.2	8.3	25.8	0.93	4.30	3.37
Dec	1.7	19.1	20.7	2.3	6.8	9.1	29.8	0.90	4.27	3.37
<u>2004</u>										
Jan	0.7	11.0	11.7	3.6	5.6	9.2	20.8	0.88	4.15	3.27
Feb	1.0	11.2	12.3	5.6	8.4	14.0	26.3	0.93	4.08	3.15
Mar	2.7	19.6	22.4	4.9	10.6	15.5	37.8	0.94	3.83	2.89
Apr	1.0	16.4	17.4	3.5	7.9	11.3	28.7	0.94	4.35	3.41
May	1.4	25.2	26.5	2.9	5.6	8.6	35.1	1.02	4.72	3.70
June										
July										
Aug										
Sept										
Oct										
Nov										
Dec										
YTD '03	9.8	87.6	97.4	23.9	34.8	58.7	156.0	1.13	3.86	2.72
YTD '04	6.8	83.5	90.2	20.5	38.1	58.5	148.7	0.94	4.23	3.28
% Change	-31.1%	-4.7%	-7.4%	-14.3%	9.4%	-0.2%	-4.7%	-16.9%	9.5%	20.6%

Sources: Thomson Financial; Federal Reserve

STOCK MARKET PERFORMANCE INDICES

(End of Period)

STOCK MARKET VOLUME

(Daily Avg., Mils. of Shs.)

VALUE TRADED

(Daily Avg., \$ Bils.)

	Dow Jones Industrial Average	S&P 500	NYSE Composite	Nasdaq Composite	NYSE	AMEX	Nasdaq	NYSE	Nasdaq
1985	1,546.67	211.28	1,285.66	324.93	109.2	8.3	82.1	3.9	0.9
1986	1,895.95	242.17	1,465.31	348.83	141.0	11.8	113.6	5.4	1.5
1987	1,938.83	247.08	1,461.61	330.47	188.9	13.9	149.8	7.4	2.0
1988	2,168.57	277.72	1,652.25	381.38	161.5	9.9	122.8	5.4	1.4
1989	2,753.20	353.40	2,062.30	454.82	165.5	12.4	133.1	6.1	1.7
1990	2,633.66	330.22	1,908.45	373.84	156.8	13.2	131.9	5.2	1.8
1991	3,168.83	417.09	2,426.04	586.34	178.9	13.3	163.3	6.0	2.7
1992	3,301.11	435.71	2,539.92	676.95	202.3	14.2	190.8	6.9	3.5
1993	3,754.09	466.45	2,739.44	776.80	264.5	18.1	263.0	9.0	5.3
1994	3,834.44	459.27	2,653.37	751.96	291.4	17.9	295.1	9.7	5.8
1995	5,117.12	615.93	3,484.15	1,052.13	346.1	20.1	401.4	12.2	9.5
1996	6,448.27	740.74	4,148.07	1,291.03	412.0	22.1	543.7	16.0	13.0
1997	7,908.25	970.43	5,405.19	1,570.35	526.9	24.4	647.8	22.8	17.7
1998	9,181.43	1,229.23	6,299.93	2,192.69	673.6	28.9	801.7	29.0	22.9
1999	11,497.12	1,469.25	6,876.10	4,069.31	808.9	32.7	1,081.8	35.5	43.7
2000	10,786.85	1,320.28	6,945.57	2,470.52	1,041.6	52.9	1,757.0	43.9	80.9
2001	10,021.50	1,148.08	6,236.39	1,950.40	1,240.0	65.8	1,900.1	42.3	44.1
2002	8,341.63	879.82	5,000.00	1,335.51	1,441.0	63.7	1,752.8	40.9	28.8
2003	10,453.92	1,111.92	6,440.30	2,003.37	1,398.4	67.1	1,685.5	38.5	28.0
<u>2003</u>									
Jan	8,053.81	855.70	4,868.68	1,320.91	1,474.7	62.9	1,547.6	37.5	24.7
Feb	7,891.08	841.15	4,716.07	1,337.52	1,336.4	53.6	1,311.4	32.8	20.4
Mar	7,992.13	848.18	4,730.21	1,341.17	1,439.3	64.7	1,499.9	36.3	23.0
Apr	8,480.09	916.92	5,131.56	1,464.31	1,422.7	54.7	1,478.2	37.1	23.5
May	8,850.26	963.59	5,435.37	1,595.91	1,488.6	69.6	1,847.9	39.2	27.4
June	8,985.44	974.50	5,505.17	1,622.80	1,516.3	79.5	2,032.2	42.7	32.0
July	9,233.80	990.31	5,558.99	1,735.02	1,451.1	67.4	1,771.7	40.7	30.5
Aug	9,415.82	1,008.01	5,660.16	1,810.45	1,200.3	57.7	1,470.8	34.1	25.3
Sept	9,275.06	995.97	5,644.03	1,786.94	1,436.7	83.9	1,943.2	41.1	33.0
Oct	9,801.12	1,050.71	5,959.01	1,932.21	1,430.0	68.6	1,827.1	41.7	33.1
Nov	9,782.46	1,058.20	6,073.02	1,960.26	1,293.3	71.7	1,821.0	38.5	32.4
Dec	10,453.92	1,111.92	6,440.30	2,003.37	1,275.7	70.4	1,637.0	38.9	29.7
<u>2004</u>									
Jan	10,488.07	1,131.13	6,551.63	2,066.15	1,663.1	79.8	2,331.7	50.3	40.9
Feb	10,583.92	1,144.94	6,692.37	2,029.82	1,481.2	75.5	1,917.2	46.3	36.5
Mar	10,357.70	1,126.21	6,599.06	1,994.22	1,477.5	76.7	1,880.6	47.1	34.9
Apr	10,225.57	1,107.30	6,439.42	1,920.15	1,524.7	78.3	1,950.8	49.0	37.3
May	10,188.45	1,120.68	6,484.72	1,986.74	1,500.0	72.1	1,663.6	46.9	32.3
June									
July									
Aug									
Sept									
Oct									
Nov									
Dec									
YTD '03	8,850.26	963.59	5,435.37	1,595.91	1,434.2	61.2	1,541.4	36.6	23.9
YTD '04	10,188.45	1,120.68	6,484.72	1,986.74	1,528.2	76.5	1,947.1	47.9	36.3
% Change	15.1%	16.3%	19.3%	24.5%	6.6%	24.9%	26.3%	30.8%	52.1%

MUTUAL FUND ASSETS

(\$ Billions)

MUTUAL FUND NET NEW CASH FLOW*

(\$ Billions)

	Equity	Hybrid	Bond	Money Market	TOTAL ASSETS	Equity	Hybrid	Bond	Money Market	TOTAL	Total Long- Term Funds
1985	116.9	12.0	122.6	243.8	495.4	8.5	1.9	63.2	-5.4	68.2	73.6
1986	161.4	18.8	243.3	292.2	715.7	21.7	5.6	102.6	33.9	163.8	129.9
1987	180.5	24.2	248.4	316.1	769.2	19.0	4.0	6.8	10.2	40.0	29.8
1988	194.7	21.1	255.7	338.0	809.4	-16.1	-2.5	-4.5	0.1	-23.0	-23.1
1989	248.8	31.8	271.9	428.1	980.7	5.8	4.2	-1.2	64.1	72.8	8.8
1990	239.5	36.1	291.3	498.3	1,065.2	12.8	2.2	6.2	23.2	44.4	21.2
1991	404.7	52.2	393.8	542.5	1,393.2	39.4	8.0	58.9	5.5	111.8	106.3
1992	514.1	78.0	504.2	546.2	1,642.5	78.9	21.8	71.0	-16.3	155.4	171.7
1993	740.7	144.5	619.5	565.3	2,070.0	129.4	39.4	73.3	-14.1	228.0	242.1
1994	852.8	164.5	527.1	611.0	2,155.4	118.9	20.9	-64.6	8.8	84.1	75.2
1995	1,249.1	210.5	598.9	753.0	2,811.5	127.6	5.3	-10.5	89.4	211.8	122.4
1996	1,726.1	252.9	645.4	901.8	3,526.3	216.9	12.3	2.8	89.4	321.3	232.0
1997	2,368.0	317.1	724.2	1,058.9	4,468.2	227.1	16.5	28.4	102.1	374.1	272.0
1998	2,978.2	364.7	830.6	1,351.7	5,525.2	157.0	10.2	74.6	235.3	477.1	241.8
1999	4,041.9	383.2	808.1	1,613.1	6,846.3	187.7	-12.4	-5.5	193.6	363.4	169.8
2000	3,962.0	346.3	811.1	1,845.2	6,964.7	309.4	-30.7	-49.8	159.6	388.6	228.9
2001	3,418.2	346.3	925.1	2,285.3	6,975.0	31.9	9.5	87.7	375.6	504.8	129.2
2002	2,667.0	327.4	1,124.9	2,272.0	6,391.3	-27.7	8.6	140.3	-46.7	74.5	121.2
2003	3,684.8	436.7	1,240.9	2,051.7	7,414.1	151.4	33.3	31.3	-258.5	-42.5	216.1
<u>2003</u>											
Jan	2,597.7	324.7	1,138.2	2,273.6	6,334.2	-0.3	1.1	12.9	-1.1	12.6	13.7
Feb	2,537.8	322.9	1,171.1	2,236.2	6,268.0	-10.9	0.1	19.6	-39.5	-30.7	8.8
Mar	2,551.3	325.3	1,183.3	2,204.7	6,264.6	0.0	0.9	10.5	-32.3	-20.9	11.4
Apr	2,770.3	346.8	1,210.5	2,157.7	6,485.3	16.1	2.7	10.5	-53.8	-24.5	29.3
May	2,958.5	365.8	1,238.7	2,140.6	6,703.6	11.9	3.1	8.9	-17.8	6.1	23.9
June	3,031.1	373.6	1,248.4	2,164.4	6,817.5	18.6	4.0	5.1	22.1	49.9	27.7
July	3,126.0	376.4	1,212.1	2,152.5	6,867.0	21.4	3.5	-10.8	-12.9	1.2	14.1
Aug	3,238.5	382.3	1,209.4	2,141.0	6,971.2	23.4	3.3	-12.6	-20.3	-6.1	14.2
Sept	3,228.5	388.2	1,231.3	2,100.0	6,948.0	17.3	3.7	-5.9	-50.5	-35.3	15.1
Oct	3,440.4	405.9	1,226.6	2,080.1	7,153.0	25.3	4.1	-1.3	-22.1	6.0	28.1
Nov	3,513.3	416.4	1,232.7	2,071.7	7,234.1	14.9	3.0	-2.6	-7.6	7.8	15.3
Dec	3,684.8	436.7	1,240.9	2,051.7	7,414.1	14.2	3.6	-3.3	-22.6	-8.1	14.6
<u>2004</u>											
Jan	3,805.1	447.8	1,249.9	2,034.3	7,537.1	43.0	5.5	-0.3	-19.8	28.4	48.2
Feb	3,896.3	458.6	1,262.4	2,016.6	7,633.9	26.2	5.0	1.5	-21.0	11.8	32.8
Mar	3,887.5	456.3	1,278.9	2,006.6	7,629.3	16.0	4.8	7.8	-10.3	18.3	28.6
Apr	3,813.7	453.2	1,246.8	1,962.2	7,475.9	23.3	4.6	-7.8	-46.2	-26.1	20.1
May											
June											
July											
Aug											
Sept											
Oct											
Nov											
Dec											
YTD '03	2,770.3	346.8	1,210.5	2,157.7	6,485.3	5.0	4.7	53.5	-126.7	-63.5	63.3
YTD '04	3,813.7	453.2	1,246.8	1,962.2	7,475.9	108.4	20.0	1.2	-97.3	32.4	129.6
% Change	37.7%	30.7%	3.0%	-9.1%	15.3%	2064.9%	323.7%	-97.7%	NM	NM	104.9%

* New sales (excluding reinvested dividends) minus redemptions, combined with net exchanges

Source: Investment Company Institute



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