

MB INTERNATIONAL EQUITY

Returns ending June 30, 2007

	1 Year	3 Years	5 Years	7 Years	10 Years
MB International Equity	23.0	19.0	16.0	5.3	9.4
MSCI EAFE	27.5	22.7	18.2	7.0	8.0

Q2 2007 Activity

NEW STOCKS: Increased exposure to consumer goods and utilities

Bulgari Group is a luxury goods maker of high-end jewellery, watches, perfumes, and accessories. The company has been taking its production in-house, streamlining its distribution channels and broadening its product line to increase profitability. Bulgari should benefit from increasing their brand recognition with the rising number of wealthy individuals outside of Europe.

C&C Group is one of the largest manufacturers of branded beverages in Ireland and exports spirits and liqueurs to more than 80 overseas markets. C&C recently sold its soft drinks business to focus on the fast growing cider market. The company should benefit from its recent Magners brand roll out and marketing efforts in the United Kingdom.

Fortum is a Nordic utility company offering electricity and heat along with the operation and maintenance of power plants. The company should benefit from the convergence of power prices in the euro-zone versus its local market, ongoing consolidation in the region, as well as growth opportunities in the Russian market.

STOCK INCREASES: Consolidated automotive holdings

Toyota's target weight was increased from 2.5% to 4% and funded through the sale of Denso, their major automobile parts supplier.

DELETED STOCKS:

Denso, Gold Fields and **Tomkins** were eliminated and used to fund opportunities with higher return potential.

STOCK DECREASES:

Ibiden's target weight was reduced from 2.5% to 1% during the quarter as the rise of its stock price resulted in a lower return expectation.

Industry Sector	Portfolio Distribution		MSCI EAFE Distribution		Diff. Port. vs. Index		Top 10 holdings	% of International Equity Fund
	31/03/07 (%)	30/06/07 (%)	31/03/07 (%)	30/06/07 (%)	Q1 (%)	Q2 (%)		
Information Technology	13.4	13.2	5.4	5.6	8.0	7.7		
Health Care	8.2	8.0	6.8	6.3	1.4	1.6	Issuer	
Industrials	13.7	13.6	11.6	12.1	2.0	1.5	BP	4.20
Energy	7.9	8.5	6.9	7.6	1.2	0.9	TOYOTA MOTOR CORPORATION	3.93
Consumer Staples	8.7	8.6	8.2	7.8	0.5	0.9	UBS AG	3.74
Telecommunication Services	5.2	4.8	5.4	5.4	-0.2	-0.6	ROCHE HOLDING LTD	3.70
Consumer Discretionary	9.2	10.8	12.0	11.8	-2.7	-1.0	DEUTSCHE BANK AG	3.46
Utilities	0.9	2.4	5.6	5.3	-4.7	-2.9	ERICSSON(LM) TEL	3.11
Materials	5.3	4.5	8.8	9.5	-3.5	-5.0	ROYAL BANK OF SCOTLAND GROUP	2.97
Financials	24.6	23.0	29.5	28.8	-4.9	-5.7	NOVARTIS AG	2.91
Cash	2.9	2.6	0.0	0.0	2.9	2.6	HSBC HOLDINGS PLC	2.86
							BG PLC	2.64
	100.0	100.0	100.0	100.0	0.0	0.0		33.52