

The Guild This Month

December 2007

If you have any questions or comments, please contact:

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Important Dates:

ALL Transactions *must* be received by 10:00 am.

Transfers or Terminations:

Monday, December 24,
2007

Contributions:

Friday, December 28,
2007

Annual Meeting

Carmel-by-the-Sea

April 10-13

Invitations Coming Soon!



Update: CDG REIT Fund

December 2007, Contributed by Munder Capital Management

The REIT market has experienced unprecedented volatility this year. The woes of the sub-prime mortgage industry created collateral damage in other parts of the financial sector, including the REIT market. Investors' concerns about sub-prime residential exposure negatively impacted all real estate and credit-related stocks in the market, regardless of their actual exposure to residential mortgage credit. As a result, your REIT Fund has experienced negative performance. We believe that the market has misunderstood many of these companies and that the stocks will recover. It should be noted that none of the REITs in the Fund hold sub-prime mortgages.

The most notable event happened during the July and August time frame when the liquidity crisis reached severe levels. Credit actually seized up for a period of time and short term li-

quidity dried up. Residential mortgage REITs such as American Home Mortgage, Novastar, Thornburg Mortgage, and Luminant Capital either declared bankruptcy or suffered liquidity-related meltdowns. Your REIT Fund did not own any of these stocks, or any residential mortgage REITs at all, but many holdings in the Fund experienced negative performance due to sentiment. While we cannot predict immediate recovery of those stocks, we view their fundamentals and valuations as attractive.

As a result of the liquidity crisis, the velocity of commercial real estate transactions has slowed, with widening credit spreads making debt financing less attractive. We anticipate that private real estate prices will soften, since marginal buyers are not able to finance deals as aggressively as before the liquidity crisis. This is not a negative development for the REIT hold-

ings in your Fund. These are companies with solid balance sheets and ample liquidity. We believe that the companies best positioned to outperform are those that rely primarily on internally generated growth derived from solid market fundamentals and prudent capital structures. These companies tend to be higher quality companies with strong dividend growth potential.

While not immune to a slowing economy, REIT fundamentals are still solid. Occupancies are still high for most property types and rent growth is still positive. The REIT market should exhibit stable earnings growth in 2008, as long term leases give most companies good visibility. While the volatility in the credit markets may continue to move REIT stocks over the short term, the long term fundamentals of the REIT market remain intact.

Major Index Close: November 30, 2007
DJIA = 13,372 SPX = 1481 Nasdaq = 2661

Major Index Close: October 31, 2007
DJIA = 13,930 SPX = 1549 Nasdaq = 2859

QUALIFIED PLAN **As of 11/30/07**

Fund	Unit Value	Asset Value
TKF	2.4466	3,002,833
HBF	13.9340	1,824,531
SIF	23.8166	3,320,544
FEF	32.1565	9,582,941
MIF	30.6443	6,139,024
LGF	8.0934	2,092,977
LVF	13.6064	2,096,101
SRF	12.2616	716,190
SPF	11.3490	3,990,627
VEF	476.5191	36,950,801
REF	25.9734	2,887,392
AAF	190.0770	8,412,851
BIF	16.1396	3,586,524
GMF	12.1639	769,805
SAF	1.0000	5,385,931
CDF	1.0000	4,859,902
D15	10.5761	2,039,575
D25	11.4995	418,197
D35	11.2736	263,363
D45	11.5120	862,136
Total Qualified Retirement:		\$99,202,245

IRA PLAN **As of 11/30/07**

<i>Fund</i>	<i>Unit Value</i>	<i>Asset Value</i>
ITK	2.4297	360,785
IHB	12.3062	274,182
ISC	48.3980	2,403,975
ILG	8.0442	702,579
ISP	20.1107	1,617,021
ILV	15.5095	536,576
IRE	19.9112	328,091
IBP	32.5347	1,914,857
IBF	10.8866	374,094
ISA	1.0000	2,029,029
Total IRA Retirement:		\$10,541,189

Total Guild: \$ 109,743,434