# Park Piedmont Advisors LLC

Registered Investment Advisor

**VICTOR LEVINSON** **NICK LEVINSON**

**JANUARY 2005 COMMENTS**

## IMPORTANT NOTICES:

### TAX COST BASIS INFORMATION for 2004 SALES:

For all clients who have had sales in their taxable accounts during 2004, you will receive Form 1099s from our current broker/dealer and custodian, LaSalle Street Securities (LSS) and National Financial Services (NFS), and possibly from our previous broker/dealer and custodian, Balis Lewittes Coleman (BLC) and Bear Stearns (BS). You will receive 1099s from BLC/BS only if sales were made early in 2004 prior to your accounts transferring to LSS/NFS. When you receive these 1099s, if you fax (212-391-2312) or mail (110 West 40th St., NY, NY 10018) a copy to Lynette Carmelli at our NY administrative office, we will supply all the necessary cost basis information to you and/or the person who prepares your tax return. This process should only be needed for the transition year 2004, as we expect to be fully integrated into the LSS/NFS tax reporting system by the end of 2005.

### SEC DISCLOSURE DOCUMENTS: ADV PART II

As a Registered Investment Advisor with the SEC, Park Piedmont Advisors LLC (PPA) has provided each client with a copy of its required SEC Disclosure Document, ADV Part II. Among other matters, the ADV Part II describes PPA's advisory services, fees, and the business and educational backgrounds of its advisors. This is our continuing Notice, required by the SEC, that you can request a copy of PPA's ADV Part II, which we will send to you by return mail. To receive a copy, please contact Lynette Carmelli at 212-391-2323, or lynettec@parkpiedmont.com. You can also access our ADV at any time from our website, at www.parkpiedmont.com.

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*Any recommendation contained in these Comments may not be suitable for all investors. Moreover, although the information contained herein has been obtained from sources believed to be reliable, its accuracy and completeness cannot be guaranteed.*

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## COMMENTS: INDEX RESULTS, period ending JANUARY 31, 2005

| STOCKS | YEAR 1999 | YEAR 2000 | YEAR 2001 | YEAR 2002 | YEAR 2003 | YEAR 2004 | YTD 2005 | CURR. MONTH |
|---|---|---|---|---|---|---|---|---|
| Vanguard Total Stock Market Index Fund (1) | 23.8% | (10.6%) | (11.0%) | (21.0%) | 28.4% | 12.5% | (2.7%) | (2.7%) |
| S&P 500 Index (2) | 19.6% | (10.1%) | (13.0%) | (23.4%) | 26.4% | 9.0% | (2.5%) | (2.5%) |
| Vanguard S&P 500 Growth Index Fund (1) | 28.8% | (22.2%) | (13.0%) | (23.7%) | 25.9% | 7.2% | (3.0%) | (3.0%) |
| Vanguard S&P 500 Value Index Fund (1) | 12.6% | 6.1% | (12.0%) | (20.9%) | 32.2% | 15.3% | (2.0%) | (2.0%) |
| Dow Jones Industrial Average Index (2) | 25.2% | (6.2%) | (7.1%) | (16.8%) | 25.3% | 3.2% | (2.7%) | (2.7%) |
| NASDAQ Composite Index (2) | 85.6% | (39.3%) | (21.0%) | (31.5%) | 50.0% | 8.6% | (5.2%) | (5.2%) |
| Vanguard Midcap US Index Fund (1) | 25.0% | 2.6% | (4.8%) | (16.3%) | 34.1% | 20.4% | (2.9%) | (2.9%) |
| Vanguard Smallcap US Index Fund (1) | 19.6% | (4.2%) | 1.0% | (21.6%) | 45.6% | 19.9% | (3.6%) | (3.6%) |
| Vanguard International Index Fund (EAFE) (1) | 25.3% | (15.2%) | (22.6%) | (17.5%) | 40.3% | 20.8% | (1.7%) | (1.7%) |
| **BONDS** | | | | | | | | |
| Vanguard Total Bond Market Index (1) | (0.8%) | 11.3% | 8.3% | 8.2% | 4.0% | 4.2% | 0.6% | 0.6% |
| Vanguard Interm. Tax-Exempt Index Fund (1) | (2.9%) | 9.2% | 5.0% | 7.9% | 4.4% | 3.2% | 0.6% | 0.6% |
| Vanguard High-Yield | NA | NA | NA | 1.7% | 17.2% | 8.5% | (0.2%) | (0.2%) |

| % | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **1999** | | | | **2000** | | | | **2001** | | |
| **S&P 500** | 4.1 | 7.6 | (7.7) | 15.6 | 2.0 | (3.0) | (1.3) | (7.8) | (12.1) | 4.8 | (13.8) | 8.1 |
| **NASDAQ** | 14.6 | 10.0 | 0.0 | 61.0 | 12.4 | (14.8) | (7.2) | (29.6) | (25.5) | 12.9 | (26.7) | 18.3 |
| **BONDS** Interm. Tax. | 0.0 | (0.5) | 0.4 | (0.7) | 2.4 | 1.5 | 3.1 | 4.3 | 3.2 | 0.8 | 4.3 | 0.0 |
| | | **2002** | | | | **2003** | | | | **2004** | | |
| **S&P 500** | 0.0 | (13.8) | (14.1) | 4.5 | (1.8) | 12.8 | 2.2 | 13.2 | 1.3 | 1.3 | (2.4) | 8.8 |
| **NASDAQ** | (5.5) | (19.5) | (13.5) | 7.0 | 2.5 | 19.2 | 12.1 | 16.2 | (0.5) | 2.7 | (7.5) | 13.9 |
| **BONDS** Interm. Tax. | 0.0 | 2.8 | 3.6 | 1.8 | 0.9 | 2.7 | 0.2 | 0.2 | 2.7 | (2.6) | 3.1 | 1.0 |

1) Results for Vanguard funds include dividends and fund expenses but do not reflect PPA's advisory fee.

2) Results for S&P 500, Dow Jones, and NASDAQ indexes do not reflect dividends or PPA's advisory fee.

## JANUARY 2005 COMMENTS

**STOCK** index prices for January were lower, as Largecap, Midcap, and Smallcap categories all posted similar declines. For the month, the S&P 500 declined -2.5%, the Dow Industrial Average -2.7%, and the NASDAQ Composite -5.2%. YTD figures are the same as January figures. Midcap and Smallcap indexes also declined, by -2.9% and -3.6% respectively, and the Total Stock Market Index, which includes Midcap and Smallcap stocks, declined -2.7%. Within the Large Cap S&P 500, Value and Growth both declined, by -3.0% and -2.0% respectively. The International index, which hedges currency impacts, fell least at -1.7%, while the largest decline went to last year's best performer, the REIT index, down -8.5%.

**BOND** returns (price change plus interest), were positive for the second consecutive month. The importance of a balanced and diversified portfolio is highlighted by the fact that **"for the seven years ending August 31, 2004, U.S. taxable bonds as measured by the Lehman Aggregate Bond Index had an annualized total gain of 7.1%, compared to 4.5% for the S&P 500" (cited in Wall Street Journal article, "Bonds Tortoise Outruns Stocks Hare in 7 Years," dated 10/1/04, pg. C3.)**

The benchmark 10-year US Treasury yield closed January at 4.14%, down from December's 4.22% and November's 4.36%, but higher than October's 4.03%. The highest yield for the past twelve months was reached in mid-May, at 4.85%. January returns (including interest) were as follows: High-quality intermediate-term taxable bonds gained 0.6%, as did high-quality intermediate-term municipal bonds. High Yield ("Junk") taxable bonds, which outperformed high-quality bonds in 2004, declined -0.2% in January.

Stock and bond investment results for January, and for the six years from 1999 to 2004, are set out on page 2. The stock market rally that began decisively in March, 2003 has now raised the S&P 500 by 52% from the October 2002 low. While these gains have made investors believe again that stocks do not go down in perpetuity (a view that was widely held during the depths of the 2000-2002 bear market), the question of whether this recovery will continue is, as always, dependent on unknown future events. (Note also that after a price decline of 50%, it takes a gain of 100% to return to the previous price level. For example, the S&P 500 reached its high of 1,527 in Q1 2000, and then declined to 777 during Q4 2002, a drop of approximately 50%. From 777 to the S&P 500's current level of 1,181, there has been a gain of approx 52%, but the index is still another 346 points, or an additional 45%, from its prior high.)

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In order to keep the current recovery in perspective, we continue to show the chart below, which sets out the extent of the declines measured from the highs of Q1 2000. The chart also puts these declines in the context of results since the end of 1994 (also see the figures on page 10). Note that the three indexes have positive average annual returns ranging from 9.8% to 10.5% for the ten-year and one-month period from the end of 1994 through January 2005, very much in line with long-term stock returns going back to 1926. Further, as these returns converge more and more, the idea of "regression to the mean" seems quite applicable.

**The long-term investor therefore has a very different view of the stock market's returns than those measuring returns from the highest levels.**

| | S&P 500 (1) | | DOW (1) | | NASDAQ (1) | |
|---|---|---|---|---|---|---|
| 1st Qtr 2000 High | 1,527 | | 11,723 | | 5,048 | |
| Year End 2000 | 1,320 | (13)% | 10,785 | (8)% | 2,470 | (51)% |
| April 10, 2001 Low | 1,103 | (28)% | 9,390 | (20)% | 1,684 | (67)% |
| September 21, 2001 Low | 965 | (37)% | 8,235 | (30)% | 1,425 | (72)% |
| Year End 2001 | 1,148 | (25)% | 10,020 | (17)% | 1,950 | (61)% |
| October 9, 2002 Low | 777 | (49)% | 7,286 | (38)% | 1,114 | (78)% |
| Year End 2002 | 880 | (42)% | 8,342 | (29)% | 1,336 | (73)% |
| Year End 2003 | 1,112 | (27)% | 10,454 | (11)% | 2,003 | (60)% |
| Year End 2004 | 1,212 | (21)% | 10,783 | (8)% | 2,175 | (57)% |
| January 31, 2005 | 1,181 | (23)% | 10,490 | (10)% | 2,062 | (59)% |

Context: Prior Five-Year Gains in Bull Market of 1995 - 1999:

| | S&P 500 (1) | DOW (1) | NASDAQ (1) |
|---|---|---|---|
| End 1994 | 459 | 3,834 | 752 |
| End 1999 | 1,470 | 11,500 | 4,070 |
| Gain | 1,011 | 7,666 | 3,318 |
| Avg. Ann. % Gain, '95-'99; 5 years | 26.2% | 24.6% | 40.2% |
| January 2005 | 1,181 | 10,490 | 2,062 |
| Gain | 722 | 6,656 | 1,310 |
| Avg. Annual %Gain, '95-01/05; 10.1 yrs | 9.8% | 10.5% | 10.5% |

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1) Results for S&P 500, Dow Jones, and NASDAQ indexes do not reflect dividends or PPA's advisory fee.

## I. UPDATE OF KEY ECONOMIC INDICATORS

The strength of the overall U.S. and world economies is one of a number of factors likely to influence the future direction of both stock and bond prices. We, along with many market observers and academics who write about the markets, believe stock and bond prices already reflect consensus expectations of economic growth. Further, we believe that even if you could accurately predict any number of actual economic figures, the market's reaction to those figures is essentially unpredictable. In any event, an understanding of the direction of current economic trends may at times be useful as a context to help understand market conditions. This section of the Comments provides an update of key economic indicators.

(1) Gross Domestic Product (GDP) is the broadest measure of goods and services produced in the U.S. economy. (GDP figures are inflation-adjusted, annualized growth rates). Full-year 2004 GDP grew 4.4%, "the highest annual growth rate since 1999." The Q4 growth rate was 3.1% annualized (Vanguard Economic Week in Review [VEWR], 1/24-28/05).

(2) Employment for December grew by 157,000, following November's upward revised gain of 137,000 jobs. For the full year 2004, "the U.S. economy created 2.23 million jobs, the largest annual gain since 1999 and a number that nearly reverses the 2.4 million jobs lost from 2001-2003" (Wall Street Journal [WSJ], 1/10/05, pg. A2).

(3) Interest Rates declined in January. The benchmark 10-year U.S. Treasury interest rate, which is set by buyers and sellers in the bond market, closed January at 4.13%, down from 4.22% in December and 4.36% in November, and closer to October's closing level of 4.03%. This decline in 10-year interest rates --even after the Federal Reserve raised short term rates in December for the fifth time since June, to 2.25%, and in the face of high oil prices, a declining dollar, higher inflation (see (4) below), and high budget and trade deficits-- continues to be a major surprise in the economic and investment landscape.

(4) Inflation, as measured by the Consumer Price Index (CPI) "core" rate, which excludes the volatile food and energy sectors, rose 0.2% in December, and 2.2% for the year, up from the 1.1% rate of 2003. With food and energy included, the CPI was down 0.1% for the month, but up 3.3% for the year, compared to the 1.9% increase for 2003 (VEWR, 1/17-21/05; WSJ, 1/20/05, pg. A2). Further, the Producer Price Index (PPI) core rate increased 0.1% in December, but declined by 0.7% with food and energy included. For all of 2004, core PPI was up 2.2%, higher than the 1.0% gain for 2003 (VEWR, 1/10-14/05).

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(5) Sector Economic Activity Was Mostly Higher

(a) Durable goods orders (industrial and consumer) gained 0.6% in December, following a 1.6% gain in November and October's decline of 0.9%. For all of 2004, the gain in durable goods orders was 10.9%, the largest gain since 1994 (WSJ, 1/28/05, pg. A2).

(b) Industrial production gained 0.8% in December, following a gain of 0.3% in November, and for the year was up 4.4%, the first annual gain in industrial production since 2000. Capacity utilization "grew a more modest 1.2% during the year, and was still below the historical average" (VEWR, 1/10-14/05; see also WSJ, 1/17/05, pg A2).

(c) Retail Sales rose 1.2% in December, and were up 8% for the full year compared to 2003 (not adjusted for inflation). Retail sales include such disparate categories as gasoline sales, auto sales and non-store retailers such as the Internet (WSJ, 1/14/05, pgs. A2 and B1; also VEWR, 1/10-14/05).

(d) Housing sales for existing homes fell 3.3% in December, but were up 9.4% from 2003. Prices were 8% higher than a year earlier (WSJ, 1/26/05, pg. A2). Sales of new homes in December were essentially unchanged from November (WSJ, 2/1/05, pg. A2).

(e) Personal Income was up 0.6% in December, before accounting for the one-time Microsoft dividend, which contributed an additional 3.1% to the gain. The income increase for all of 2004 was 5.4%. Consumer Spending was up 6.1% for 2004, including a 0.8% increase in December. Personal Savings, which excludes capital gains from stocks and homes, was not reported with these figures (WSJ, 2/1/05, pg. A2).

(6) Consumer Confidence, as measured by the Conference Board's Index, rose by a modest 0.7% in December. While the "present situation" index rose, the measure of consumer expectations six months from now declined modestly (WSJ, 1/26/05, pg. A2).

(7) Corporate Profits for the S&P 500 companies are still being reported for Q4 2004. For the years 2003 and 2004, profit gains were substantial, averaging in excess of 20%. A slowdown is expected in 2005. In the WSJ's December 22nd 2004 front page article on the stock market, there is a discussion of corporate earnings forecast for 2005 in the 7-10% range, "close to the historic average."

Overall, the economic news reported in January continued favorable. As for market prices, what we know is that the many factors that influence prices gave rise to a decline in stock prices and a gain for bond prices. What we don't know, as always, is how the unpredictable, unknowable future will impact future market prices for stocks and bonds.

## II. OUR INVESTMENT APPROACH, REVISITED

As a new year begins, we would like to take this opportunity to once again set out PPA's investment approach:
**(1) CONCENTRATE ON ESTABLISHING APPROPRIATE ASSET ALLOCATIONS BASED ON EACH CLIENT'S SPECIFIC CIRCUMSTANCES, and then**
**(2) IMPLEMENT THAT ALLOCATION PRIMARILY WITH INDEXED INVESTMENTS.**

While we can summarize our approach in a single sentence, there are a number of investing principles either explicit or implicit in it that are worth reviewing.

Part I: Establishing an appropriate asset allocation based on each client's specific circumstances

Asset allocation refers to the percentage mix of an investment portfolio invested in the three primary liquid asset classes, namely cash equivalents, bonds, and stocks. Within these primary categories, there are many subsets. For bonds, distinctions can be made based on maturities, the credit quality of the bond issuer, and tax status. There are also alternative securities that focus on high income rather than price appreciation to provide an investment return, such as preferred stocks. For stocks, major distinctions can be made based on the market value of a company (such as "Large Cap," "Mid Cap," and "Small Cap"); and growth or value styles. There are also "sectors" within the stock market, such as technology and healthcare, that span the full range of market values and investing styles. And all of these subsets can apply to the stocks of companies outside the U.S., which are often classified as "International" or "Emerging Markets" depending on the development level of the country where the company is located. These various subsets are discussed in more detail in Part II.

Appropriate allocations are based on each client's specific goals, objectives, and risk tolerances. While this may seem obvious, it is totally different from the approach taken by those advisors and managers who attempt to predict the price movements of the markets, and invest based on those predictions rather than the client's circumstances. When Wall Street firms come out with their predictions for future investment returns from stocks and bonds, and the various subsets within these broad categories, they invest clients' money based on those predictions, moving from one subset to another and sometimes even from one asset class to another. This is essentially an effort to TIME the markets; to be invested in the categories they anticipate will perform better and out of the categories they anticipate will perform worse

PPA DOES NOT ATTEMPT THIS MARKET TIMING ACTIVITY. Instead, we concentrate on the investment objectives and risk tolerances of our clients, and develop allocations accordingly, without regard to the many conflicting predictions about which categories are likely to outperform. We, along with most academics who write on investing (sources available on request), believe that efforts to predict the future, and to time market price movements, actually produce lower returns. This is due primarily to the costs associated with the process of making event and market predictions, and the frequent movement of money from one investment category to another based on such predictions.

Our approach does not, however, mean that initial allocations must remain static over time. Allocation changes may arise due to: (a) changes in a client's circumstances; (b) the availability of new investment vehicles that capture different parts of the overall markets; and (c) periodic rebalancing, which occurs after a particular starting allocation changes significantly enough due to changes in market prices to call for a return to the original allocation. This is not market timing; rather, it is a disciplined methodology that calls for selling portions of the investments that have performed well recently, and buying the investments that have performed poorly, thereby selling high and buying low. The underlying investment rationale for rebalancing is "regression to the mean," but the real purpose of rebalancing is to ensure that an original, appropriate allocation not get too far out of balance as a result of changes in market prices.

## Part II. Implementing the Allocation with Indexed Investments

In implementing investment portfolios we favor indexed investments, which provide the following advantages (a) more diversification than most comparable mutual funds; (b) low cost; (c) tax efficiencies; (d) precise exposure to any part of the market; and (e) investment results equal to the performance of that part of the market selected, without the risk of underperformance (or, for that matter, outperformance; see page 9 for additional discussion of this issue). In his January 12, 2005 WSJ article (pg. D1), Jonathan Clement writes that "a low cost index fund will always outperform the collective performance of active investors in the same market sector. Before costs, these active investors will --- as a group --- match the sector's performance. After costs, they will fall behind. That's where index funds get their edge. They also earn the sector's performance, but they incur far lower costs."

Indexed investments have become so widespread that they can be used for almost any investment choice. There are now two ways to own indexed investments: open-end mutual funds, of which Vanguard is the leading low cost provider, and exchange traded funds (ETFs), which can be bought and sold like stocks.

We use the following classifications to describe the indexed choices:

1) Broad-based U.S. stock market indexes:

a) Total Stock Market, which includes almost all Large, Medium and Small "Cap" stocks in one investment (these indexes may own between 3,000 and 5,000 stocks). "Cap" refers to market capitalization, or value, which is arrived at by multiplying a stock's market price per share times the number of shares outstanding.

b) S&P 500 index, which includes the 500 largest companies by market cap.

c) Midcap and Smallcap indexes, which include hundreds, even thousands of companies, whose market values meet the criteria for midcap or smallcap stocks.

d) Growth and/or value styles for any or all of the largecap, midcap, or smallcap indexes. Briefly stated, a growth style emphasizes the stocks of companies with high price to earnings ratios (P/Es), and a value style emphasizes stocks of companies with low P/Es. The growth style investor expects that rapidly expanding earnings will drive the stock price higher, even if the current price seems high. The value investor looks to buy stocks at reasonable current prices, without relying on anticipated future earnings growth to raise the price.

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2) Sector Stock Market Indexes. Sectors refer to more narrowly defined parts of the overall stock market:

a) Industry sectors well represented in the broad-based indexes, such as healthcare, financial, technology, energy, and others. This allows investors to concentrate on sectors they favor, and own more of a particular industry than would be owned in the broad-based indexes.

b) Industry sectors not well represented in the broad-based indexes, such as biotech, Real Estate Investment Trusts (REITs), and gold.

c) International Stocks. We view international investing as a sector rather than a broad-based index, primarily because we are most familiar and comfortable with U.S.-based stock investing, and therefore believe that U.S. companies should form the core of any of our client's stock portfolios. However, there are a number of international stock indexes that could well be placed in the broad-based category.

3) Bond Indexes. There are a number of bond indexes, which make distinctions based on the credit quality of the bond issuer, the bonds' maturities, and the tax status of the bonds. There are many other bond funds, both taxable and tax-exempt, that, while not strictly index funds because they are not set up to track an index, have the precise parameters, diversification, and low costs associated with index funds.

Because there appear to be so many advantages to indexed investments, the question needs to be asked as to why this approach is not used by many more investors and/or their advisors. The answer, we believe, is that people continue to hope that the "active" investor/manager will outperform the results of the indexes. Active investing refers to the methodology of picking and choosing certain stocks and/or bonds (and/or stock and bond funds) to the exclusion of others; whereas indexed investments include all of the stocks and/or bonds that fall within the definition of the particular index. Active management therefore offers the possibility of earning better results than the index, but also the chance of having worse results. Most of the academic literature (sources available on request) take the position that, while there are always a certain number of active investors who outperform, major problems exist for those investors seeking to outperform the indexes, namely: (a) outperformance tends not to persist over time; (b) identifying future outperformers, in advance, is highly unlikely, particularly since past performance is not a reliable indicator of future performance; (c) all investment returns must equal the average return, and costs (including the tax liabilities generated by high turnover) then reduce the return from active investments to a below average result; (d) the difficulty of accurately predicting future events and the market's reactions to these events. Returning to the Clements article, and the idea that there are always some in any time frame who beat the index, the author says that "with thousands of funds on offer, it was no great statistical surprise that one manager had a dazzling record….still, today's purchasers cannot buy a fund's past performance. What matters is the future."

For all of these reasons, we continue to advocate our basic investment approach of developing an appropriate asset allocation based on each client's particular circumstances, and then implementing that allocation with indexed investments. We want all our current and prospective clients to clearly understand this approach, so that your expectations coincide with our work on your behalf.

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1) Results for S&P 500, Dow Jones, and NASDAQ indexes do not reflect dividends or PPA's advisory fee.

**I. Figures From Period Starting 2000 (% Figures Are Cumulative Declines From 1/01/00)**

| | S&P 500 (1) | | DOW JONES (1) | | NASDAQ (1) | |
|---|---|---|---|---|---|---|
| **Start of 2000** | 1,470 | | 11,500 | | 4,070 | |
| **End of 2000** | 1,320 | (10.1)% | 10,785 | (6.2)% | 2,470 | (39.3)% |
| **Sept. 21, 2001 Low** | 965 | (34.3)% | 8,235 | (28.4)% | 1,425 | (65.0)% |
| **End of 2001** | 1,148 | (21.9)% | 10,020 | (12.9)% | 1,950 | (52.0)% |
| **Oct. 9, 2002 Low** | 777 | (47.1)% | 7,286 | (36.6)% | 1,114 | (72.6)% |
| **End of 2002** | 880 | (40.1)% | 8,342 | (27.5)% | 1,336 | (67.2)% |
| **End of 2003** | 1,112 | (24.3)% | 10,454 | (9.1)% | 2,003 | (50.8)% |
| **End of 2004** | 1,212 | (17.5)% | 10,783 | (6.2)% | 2,175 | (46.5)% |
| **Jan 31, 2005** | 1,181 | (19.7)% | 10,490 | (8.8)% | 2,062 | (49.3)% |

**II. Figures From Period Starting 1995 (% Figures Are Gains From 1/01/95)**

| | S&P 500 (1) | | DOW JONES (1) | | NASDAQ (1) | |
|---|---|---|---|---|---|---|
| **Start of 1995** | 459 | | 3,834 | | 752 | |
| **End of 1999** | 1,470 | | 11,500 | | 4,070 | |
| **5 Year Gain; Annualized %** | 1,011 | 26.1% | 7,666 | 24.6% | 3,318 | 40.2% |
| **End of 2001** | 1,148 | | 10,020 | | 1,950 | |
| **7 Year Gain; Annualized %** | 689 | 14.0% | 6,186 | 14.7% | 1,198 | 14.6% |
| **End of 2002** | 880 | | 8,342 | | 1,336 | |
| **8 Year Gain; Annualized %** | 421 | 8.5% | 4,508 | 10.2% | 584 | 7.5% |
| **End of 2003** | 1,112 | | 10,454 | | 2,003 | |
| **9 Year Gain; Annualized %** | 653 | 10.3% | 6,620 | 11.8% | 1,251 | 11.5.% |
| **End of 2004** | 1,212 | | 10,783 | | 2,175 | |
| **10.0 Year Gain; Annualized %** | 753 | 10.2% | 6,949 | 10.9% | 1,423 | 11.2% |
| **January 31, 2005** | 1,181 | | 10,490 | | 2,062 | |
| **10.1 Year Gain; Annualized %** | 722 | 9.8% | 6,656 | 10.5% | 1,310 | 10.5% |

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