VICTOR LEVINSON **NICK LEVINSON**

MARCH 2004 COMMENTS

IMPORTANT NOTES

By the end of March, most clients will be receiving their new statements from LaSalle Street Securities (LSS)/National Financial Services (NFS). Either of us can answer any questions you may have regarding these statements. (Vic will be returning to New York in early April, and can be reached at his regular NY number, 212-588-0015. Lynette can be reached at our West 40th Street admin. office, 212-391-2323. Nick remains at his post in Piedmont, 510-601-6662).

For client accounts that have not yet transferred to LSS/NFS, you will continue to receive Balis/Bear Stearns statements until such time as the transfers are completed. There are still some accounts that need to be transferred during April, mostly as the result of new requirements regarding submitting actual legal documents when opening trust accounts. We thank you for your patience during this transitional period.

You will note the new statements have columns for cost basis information for taxable accounts (but not for retirement accounts, where cost basis is not relevant). We will be working towards providing this information to you before year end 2004.

The new statements also provide added asset allocation information by dividing the mutual fund category into stock funds and bond funds. While this is extremely useful, there are certain investments that we may treat differently for allocation purposes, and therefore we continue to refer you to our quarterly billing report and its asset allocation information.

CONTENTS

Page 1: What's in This Edition
Pages 2-4: Index Results for March, 2004 and Year-to-Date 2004;
Also Years 1999 – 2003, and Various Other Longer Time Periods
Pages 5-9: Investment Concepts:
Pages 5-6: I. Update of Key Economic Indicators
Pages 7-9: II. The Fallacy of Attributing Causation to Price Movements
Page 10: Investment Returns from 2000 to Present, and 1995 to Present

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.

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

COMMENTS: INDEX RESULTS, period ending March 31, 2004

STOCKS	YEAR 1999	YEAR 2000	YEAR 2001	YEAR 2002	YEAR 2003	YTD 2004	CURRENT MONTH
Vanguard Total Stock Market Index Fund (1)	23.8%	(10.6)%	(11.0)%	(21.0)%	28.4%	2.6%	(1.1)%
S&P 500 Index (2)	19.6%	(10.1)%	(13.0)%	(23.4)%	26.4%	1.3%	(1.7)%
Vanguard S&P 500 Growth Index Fund (1)	28.8%	(22.2)%	(13.0)%	(23.7)%	25.9%	1.5%	(1.6)%
Vanguard S&P 500 Value Index Fund (1)	12.6%	6.1%	(12.0)%	(20.9)%	32.2%	2.1%	(1.4)%
Dow Jones Industrial Average Index (2)	25.2%	(6.2)%	(7.1)%	(16.8)%	25.3%	(0.9)%	(2.1)%
NASDAQ Composite Index (2)	85.6%	(39.3)%	(21.0)%	(31.5)%	50.0%	(0.5)%	(1.8)%
Vanguard Mid Cap US Index Fund (1)	25.0%	2.6%	(4.8)%	(16.3)%	34.1%	4.6%	(0.3)%
Vanguard Small Cap US Index Fund (1)	19.6%	(4.2)%	1.0%	(21.6)%	45.6%	6.6%	1.2%
Vanguard International (EAFE) Index Fund (1)	25.3%	(15.2)%	(22.6)%	(17.5)%	40.3%	4.1%	2.5%
BONDS:							
Vanguard Total Bond Market Index (1)	(0.8)%	11.3%	8.3%	8.2%	4.0%	2.7%	0.8%
Vanguard Interm. Tax-Exempt Bond Index (1)	(2.9)%	9.2%	5.0%	7.9%	4.4%	1.2%	(0.7)%
Vanguard High Yield Taxable Bond Fund (1)	NA	NA	NA	1.7%	17.2%	2.0%	0.9%

%	1999 1Q	1999 2Q	1999 3Q	1999 4Q	2000 1Q	2000 2Q	2000 3Q	2000 4Q	2001 1Q	2001 2Q	2001 3Q	2001 4Q
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 COMP	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. Taxable	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 1Q	2002 2Q	2002 3Q	2002 4Q	2003 1Q	2003 2Q	2003 3Q	2003 4Q	2004 1Q	2004 2Q	2004 3Q	2004 4Q
S&P 500	0.0	(13.8)	(14.1)	4.5	(1.8)	12.8	2.2	13.2	1.3			
NASDAQ COMP	(5.5)	(19.5)	(13.5)	7.0	2.5	19.2	12.1	16.2	(0.5)			
BONDS Interm. Taxable	0.0	2.8	3.6	1.8	0.9	2.7	0.2	0.2	2.7			

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.

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

MARCH 2004 COMMENTS

During the month of March 2004, **STOCK PRICES** as represented by most indexes showed modest declines. In the first down month for stocks since September, 2003, the S&P 500 declined (1.7)%, the Dow Industrials declined (2.1)%, and the NASDAQ Composite declined (1.8%). Year-to-date, the S&P 500 is up 1.3%, the Dow is down (0.9)%, and the NASDAQ is down (0.5)%. Note that the mid cap and small cap indexes outperformed the three major indexes during the first three months of the year, so the Total Stock Market Index has outperformed these indexes as well. The International index also outperformed the large cap US stock market indexes.

Given the magnitude of the stock market rally since March 2003, some decline in stock prices was not unexpected. Indeed, in the face of the events of March 2004, it is probably fair to say stocks prices fared reasonably well, with just modest declines. Two apparent negatives for the stock market during March were the terrorist attack in Spain and a much weaker than expected employment report. Whether these events "caused" the price declines is, in part, the subject of our detailed commentary starting on page 7. (Note also that the April employment report came in much higher than expected.)

BOND RETURNS (price change plus interest) were positive again for March, except for a decline in the municipal bond market. For the month, high quality intermediate-term taxable bonds had returns of +0.8%, while intermediate-term munis declined by (0.7) %. Year-to-date, both categories were higher, at 2.7% and 1.2% respectively. High Yield ("Junk") bonds were also higher for the month and year-to-date, at 0.9% and 2.0% respectively.

While the 2003–early 2004 percentage increases for Stocks continue to be considerable, it should be remembered that after a decline of a certain percentage, the percentage increase required to return to the starting point is a much higher number, as indicated below:

	High (3/00)	Low (10/02)	% Decline	% Gain Needed
S&P 500 (1)	1,527	777	(49%)	97%
NASDAQ Comp. (1)	5,048	1,114	(78%)	353%

History suggests these indexes are likely at some point in time to reach and surpass their prior highs. The more significant question is in what time frame such a recovery takes place. For instance, if the S&P 500 increases from its current 1,126 back to 1,527 over the next five years, the annualized investment return would be 6.3%, well within historic long-term returns for the stock market. But if it takes 10 years, the annualized return would be only 3.1%, which is lower than returns associated with bonds. The NASDAQ recovery would be far more dramatic; to regain prior highs in five years from the current 1,994, the annualized return would have to be 20.4%; over ten years, a more normal 9.7%.

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

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

Stock and bond investment results for the March 2004 period, 2004 year-to-date, and the five full years 1999–2003 are set out on page 2. The stock market rally of 2003, which began in March, has now raised the S&P 500 45% from the 2002 low, even with the March decline. While this is an impressive figure, and has certainly made investors believe that the stock market is not likely to go down in perpetuity (a view that was widely held during the depths of the bear market), the question of whether this recovery turns into a new, sustained bull market continues to be dependent on future events, as of now unknown.

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 (see also the figures on page 9). Note that the three indexes have positive average annual returns ranging from 10.2% to 11.3% for the 9 1/4 year period from the end of 1994 through March 2004, 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)%
March 31, 2004	1,126	(26)%	10,358	(12)%	1,994	(60)%

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%
March 2004	1,126	10,358	1,994
Gain	667	6,524	1,242
Avg. Ann %Gain, '95-3/04; 9.25 yrs	10.2%	11.3%	11.1%

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

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

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. (Note: 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). In any event, an understanding of the direction of current economic trends is 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. There was no new news on this figure during March, as this figure is reported quarterly. During February, the revised, inflation-adjusted annualized rate of growth of GDP for the quarter ended December 2003 was 4.1%, up slightly from the initial estimate of 4.0%.

(2) Employment levels for February (reported the first week in March) showed a very modest, and highly disappointing gain of 21,000 new jobs. This news was rendered totally outdated by the March figures, released Friday April 2nd, that showed a far higher than anticipated employment growth in jobs. As reported in the April 5th Wall Street Journal (WSJ, pg. A2), " ….Employers …added 308,000 jobs last month in a sign that hiring is catching up with recent growth in the economy. But it reflected some one time factors, and elements of the report….suggest little pent-up demand for labor. Continued rapid gains in output per worker (productivity gains) and the fading impact of tax cuts could continue to mute employment growth by the standards of previous economic recoveries. All that, plus the still-significant pool of unemployed workers, signal persistent downward pressure on wages and insecurity among workers. It also means (emphasis added) THE FEDERAL RESERVE IS LIKELY TO REMAIN PATIENT ABOUT RAISING INTEREST RATES" (Our Note: While this is the Journal's opinion, it is a highly significant point of view in terms of the impact of this news on market interest rates; see (3) below.) In its report on these gains, Vanguard's Economic Week in Review (VEWR, 3/29-4/02/04) states that the employment gains "were roughly three times what analysts expected." (Our question: exactly what value do these analysts serve???)

(3) Interest Rates declined again during March. The benchmark 10-Year US Treasury bond yield closed March at 3.9%, at the low end of a range of recent yields as low as 3.9% (in September 2003) and as high as 4.45% (in August 2003). After the most recent employment report (see (2) above), the 10-year Treasury yield jumped to 4.14%.

(4) Inflation remains low as measured by the Consumer Price Index ("CPI") "core" rate, which excludes the volatile food and energy sectors. This core rate increased 0.2% in February, and for the most recent twelve months the increase was 1.2%, "still well below historical averages" (VEWR, 3/15-19/04). The Producer Price Index (PPI) core rate was up 0.3% in January (the report was delayed), and up a mere 0.9% for the year. However, there is now scattered news of sharply higher prices in certain basic items such as steel, and oil prices have reached levels not seen since the 1970s (VEWR, 3/15-19/04).

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

(5) Sector Economic Activity was Mixed

(a) Durable goods orders rose a higher-than-expected 2.5% in February, but actually declined slightly if transportation was excluded from the figures. This same figure showed a decline of 2.7% in January (VEWR, 3/22-26/04).
(b) Industrial production was higher in February, following a higher January. Capacity utilization also rose again, but the figure remains well below the average capacity rate over the last 30 years, "a sign that there is room for increased production without fear of inflation."(VEWR, 3/15-19/04).
(c) Retail Sales rose in February, attributable to strong auto sales; excluding auto sales, other retail sales were unchanged. "Some economists are concerned that consumers could turn cautious if the lackluster job market doesn't turn around. Because consumer spending is the essential engine of the US economy, the labor market and wage levels will continue to draw a lot of attention" (VEWR, 3/8-12/04).
(d) Housing sales for new homes and for existing homes rose sharply in February, aided by falling mortgage interest rates (VEWR, 3/23-26/04).
(e) Personal Income rose 0.4% in February following a rise in January, while personal spending, which accounts for two-thirds of U.S. economic activity, also grew in both months (VEWR, 3/22-26/04).

(6) Consumer Confidence, as measured by the Conference Board's Index of Consumer Confidence, was flat in March. The "present situation index," a measure of consumers' assessment of current economic conditions, improved slightly, while the "index of consumer expectations" for the state of economic activity over the next six months declined. The Vanguard report notes that "actual spending patterns often deviate from surveys of sentiment" (VEWR, 3/29-4/2/04).

(7) Corporate Profits for the first quarter of 2004 will begin to be reported in early April. A WSJ article dated March 22nd cites expectations of a 15% rise in first quarter profits, following actual earnings gains of 28% for S&P 500 companies for the fourth quarter of 2003 (these profit results are comparisons with the year earlier calendar quarter). These results are obviously strong, but the same article points out that this is the last quarter in which year-to-year comparisons will be made with depressed earnings levels. The article then goes on to question whether these favorable earnings can support stock prices that are approximately 18-20 times the full 2004 anticipated earnings. In its March 26th article on the impressive growth of corporate profitability, the WSJ cites as reasons: (a) productivity gains allowing companies to produce more without adding labor costs; (b) low interest rates; and (c) increasing demand.

While most of the economic news for March was favorable, the ever-present question (discussed in the March 22 WSJ article referred to in (7) above) is whether stock prices are likely to respond, or have already responded, to all this news. Further, there is the fundamental uncertainty as to the substance of future news developments. As usual, only the unfolding of the actual events will determine the course of future price movements.

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

II. The Fallacy of Attributing Causation to Price Movements

The question of whether there are "causes" for the short term movement of stock and bond prices, or whether these movements are essentially random, has been discussed in previous Monthly Comments, mostly by references to a number of the academic authors who write on this subject (1). We now discuss this question in the context of current topics that are regularly cited by the media, and the Wall Street analysts quoted in the media, as the "cause" for the day's, or week's, or month's price activity. In our view, any effort to attribute particular "causes" is not useful, and in fact can be misleading for investors looking for some simple or comforting answer to market price swings. Rather, we believe the factors that affect price movements are so complex, and so interrelated, and have so many different impacts, that the actual price changes are random. To accept this view means that even if someone knew what was going to take place in the future with any particular factor, or set of factors, the impact on the actual price changes that occur would often still remain unpredictable. Further, to accept this view would put to rest the need to continually seek out reasons for actions (in this case short term market price changes) that are essentially random.

Example: Fears of Terrorism Cause Market to Decline: After the March 11th terrorist attack in Spain, the media and the analysts it quotes were quick to attribute subsequent stock price declines to fears of further terrorist attacks, or terrorists emboldened by their ability to sway an election ("WSJ" Tuesday, March 23, pg C1, headline "Geopolitical Fears Sink Stocks"). The article cited the prior day's trading as bringing the Dow Jones Industrial Average (DJIA) down to 10,065, its lowest level since December 15, 2003, and down 6.3% from the 10,738 figure that has been the high price point in the DJIA's rally that began in October 2002 with the index at 7,286.

Our questions: 1) if the terrorism created such fear, why did the decline stop at 10,065? Indeed, at the end of March, a mere seven business days after that Monday's trading, the DJIA had rebounded to 10,358; we know these terrorist fears have not been eliminated a mere seven days later? 2) Even the recent history of the stock market's reaction to terrorism makes the effort to link stock declines and terrorism questionable. The DJIA closed at 8,235 the week after the 9/11/01 attacks on the World Trade Center. By the end of 2001, just fourteen weeks later, the DJIA closed at 10,020, a gain of over 20% from the most immediate stock market reaction to 9/11. Given that history, why would the media even try to attribute stock price declines to the "cause" of fear of terrorism? As with much that appears in the media, we believe these efforts to provide "causes" should be treated as little more than "filler."

(1) Burton Malkiel, "Random Walk Down Wall Street;" John Bogle, "Common Sense on Mutual Funds;" Peter Bernstein, "Against the Gods: the Remarkable Story of Risk;" Nassim Nicholas Taleb, "Fooled by Randomness;" John Allen Paulos, "A Mathematician Plays the Stock Market."

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

Example: Outsourcing Of U.S. Jobs Hurting Economic Recovery: A New York Times article dated Saturday March 6th (pages B1 and 2), discussed the ambivalence towards outsourcing. While it makes US companies' products less expensive and therefore more competitive, it also holds down US employment growth, which in turn adversely affects overall demand in the economy. Even if all these impacts are correct, the question of their influence on stock prices is highly debatable. For instance, the fact that recent monthly employment reports (at least before the March report) have not shown robust job growth, even as the overall economic picture has improved, has been cited as a major reason why the Federal Reserve has been reluctant to raise interest rates from their current historically low levels. And this reluctance has been cited often as an important reason for the recovery of stock prices, and the ongoing rally in bond prices. If employment growth were more robust, the economy would be even stronger because the additional employed would have more money to either spend or invest in the economy, and this stronger growth would likely lead the Federal Reserve to raise interest rates with an eye towards limiting future inflationary pressures. This could well lead to a decline in stock prices. In this set of arguments it should be clear that there are many potential impacts that can arise from a set of factors, and that the ultimate impact on market prices is both unpredictable and, in the short term, random.

Consider another facet of the current outsourcing debate. By having certain functions performed in low wage countries, U.S. companies are able to be competitive in a global marketplace; reduce prices, which benefits all consumers; and maintain high levels of profitability, which allow the companies to invest more to grow their businesses and potentially employ even more people. Indeed, this virtuous cycle --in which labor-saving developments create even more productivity and a higher standard of living-- has been occurring in the US and other industrialized countries for hundreds of years. So even if there are fewer new jobs created as a result of outsourcing (again, a debatable proposition, see WSJ article of 3/15/04, pg 2, stating that the overall impact of outsourcing is to create jobs in the U.S.), the idea that this slower job growth leads to a weaker economy and lower stock prices is based on only one of a number of scenarios that can be developed from the same set of facts. Therefore, attributing particular price movements to one factor that has so many potentially differing impacts seems highly questionable.

Example: Higher Corporate Profits Lead to Higher Stock Prices: Taken alone, this appears to be a sensible proposition, since the level of corporate earnings does eventually have an important bearing on stock prices. But in the short-term, Wall Street analysts are constantly make estimates of earnings, and these estimates are known to market participants, so why should stock prices have declined for the six weeks prior to last week if the earnings estimates were so favorable? This question begets the next, critically important question: What is the appropriate level of stock prices given a particular level of corporate earnings? For example, current projections of earnings for the S&P 500 stocks range from $60-65 per share; if the appropriate multiple for these earnings is 15 times (often cited as the long term historical price/earnings (P/E) ratio for the stock market), then the S&P 500 should trade in a range of 900 to 975, well below its current level in excess of 1,100. But what if the P/E should be 20? Then the same earnings would produce an S&P level of 1,200 to 1,300, and further gains could be expected.

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

The appropriate P/E for individual company stocks, and the stock market in general, is constantly being debated. Some argue that lower interest rates, as exemplified by US Treasury yields, should support higher P/Es; others maintain that projected future profit growth cannot support even the current level of P/Es because the economy is not uniformly strong, basing their argument on excess production capacity and lackluster job growth. And remember, if the economy picks up strength, the next set of headlines will bring up the specter of the Federal Reserve raising interest rates, which in turn will adversely affect stock prices, and on and on. (The previously cited WSJ articles of March 22 and 26 raise many of these points). We are presenting these complexities and crosscurrents to support our view that media attempts to present a cause for short term price movements is not useful given the many factors constantly affecting prices.

Example: <u>Higher Oil Prices Will Slow Economy, Hurt Stock Prices</u>: Here again, there is a certain appeal to this argument. For most companies and consumers, oil is a cost, so the higher the cost, the less money will be available to spend on other goods and services, or to invest. (A three page Internet summary of a new book, "The Oil Factor" by Dr. Stephen Leeb and his wife Donna Leeb, presented by Investment Advisor Magazine [Investment Advisor.com_U.S.Global]) discusses the impact of energy prices on the economy and stock and bond prices). But oil prices were relatively high for all of 2003, and the stock market soared. And why should the price of oil be singled out, if the general level of inflation remains low? Relative to the inflation-adjusted all-time high US oil prices reached in the early 1980s, oil prices are far lower today than they were back then. (The April 4th NYTimes Sunday News of the Week front page article on oil prices cites an inflation adjusted price high of $2.80 per gallon reached in 1981 compared to the current national average price of $1.76; further, gas prices in Europe and Japan are two and three times higher today than US prices.) As with all efforts to identify a particular factor as the "cause" for market price movements, focusing on the level of oil prices is simply too narrow in a world of highly complex and interrelated factors.

Based on the long-term history of increasing stock prices, we believe that broad-based economic growth is the one factor likely to eventually lead to rising stock prices. This rather common sense proposition is no help at all in trying to divine short-term price changes, however. And even with history on its side, the proposition is based on the future looking like the past, which we all know may or may not be the case. So we are unfortunately left without a comforting position on the movement of market prices, especially over the short term. We therefore base our investment approach on minimizing our clients' portfolio risks with asset allocations that also provide each of you the opportunity to achieve your reasonable long term financial goals.

Vic's Home Office Phone: 212-588-0015
Vic's Home Office Fax: 212-588-9032
Nick's Office Phone: 510-601-6662

	S&P 500 (1)		**DOW JONES (1)**		**NASDAQ (1)**	

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)%
March 2004	1,126	(23.4)%	10,358	(9.9)%	1,994	(51.0)%

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.%
March 2004	1,126		10,358		1,994	
9.25 Year Gain; Annualized %	667	10.2%	6,524	11.3%	1,242	11.1%

Victor Levinson **Nicholas Levinson**