

September 30, 2005

# Capital Markets Commentary

Francis Investment Counsel LLC

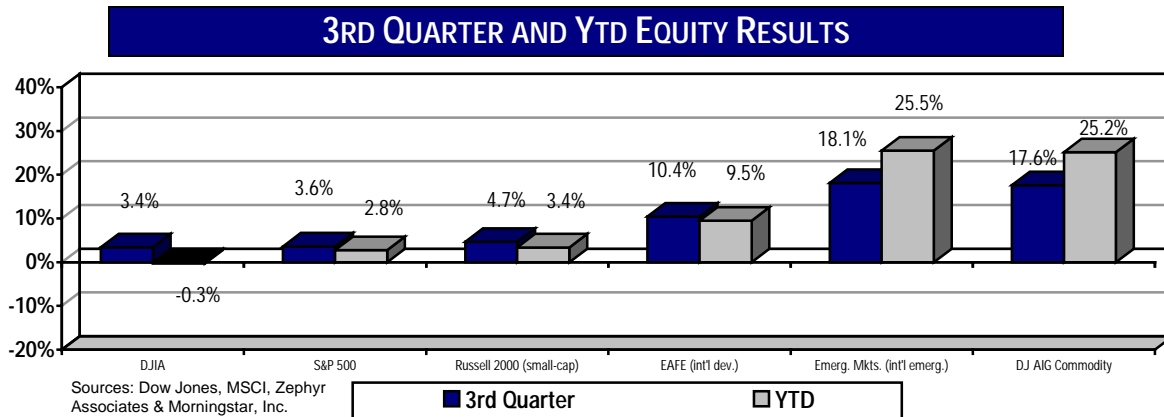
## Third Quarter 2005

U.S. financial markets struggled to find direction in the third quarter, but were pulled higher by a stronger-than-expected U.S. economy. The Federal Reserve raised short-term interest rates for the 10<sup>th</sup> and 11<sup>th</sup> times in the past 16 months in an effort to thwart inflation.

Pulling the markets in the opposite direction during the quarter were more attacks on innocents by Al-Qaeda, this time in London, devastating hurricanes in the Gulf Coast, and sky rocketing oil prices that briefly eclipsed \$70 a barrel; all factors that point to an economic slowdown. When the dust settled, the markets voted with Greenspan and U.S. stocks moved slightly higher while bonds moved slightly lower for the quarter.

Foreign stocks outperformed U.S. equities for the eighth quarter in the last ten. Thanks largely to higher commodity prices, emerging markets saw sizeable gains as their economic fundamentals continued to improve rapidly. While higher for the year, the U.S. dollar weakened slightly in the third quarter against most foreign currencies, giving a boost to returns for U.S. investors overseas.

Another asset class that delivered impressive returns this quarter was hard assets. Led by the 15% surge in oil prices, thanks in part to refinery disruptions, and continued strong worldwide demand for energy (oil & gas) and metals (gold, silver, copper & aluminum), hard assets, as measured by the Dow Jones AIG Commodity Index, surged ahead 17.6% in the third quarter.



## Average Fund Performance & Mutual Fund News

While most U.S. pension, profit sharing, and 401(k) investors are overweight U.S. large-cap equities, the third quarter demonstrated the importance of diversifying equity assets as foreign (especially emerging market), small-cap, and "hard assets" categories meaningfully outperformed.

Emerging trends in the asset management business:

- First-ever recorded decline in industry-wide asset management fees paid by mutual fund investors as competitive pressures from some of the larger fund companies, and fee concessions gained by Elliott Spitzer take effect. According to a recent (9/7/05) Morningstar report, average equity fund management fees have dropped 6% compared with two years ago.
- As bear-market performance from 2000-2002 begins to drop out of rolling three-year periods, fund performance histories are starting to look much more appealing. Investors should be prepared for the inevitable fund performance-marketing onslaught that typically follows.
- It has become increasingly difficult for mutual fund investors to locate high quality small-cap managers that are still accepting new clients. Due to their six-plus years of outperformance to most U.S. large-cap funds, and the need to keep these funds relatively small in order to maintain their style purity, small-cap funds have been closing in record numbers.
- Due to stagnant stock prices and strong earnings growth, many "growth" stocks are becoming increasingly attractive relative to "value" stocks, which have enjoyed a nearly five-year period of outperformance.

## AVERAGE MUTUAL FUND PERFORMANCE

	<i>3<sup>rd</sup> Quarter</i>	<i>YTD</i>	<i>Trailing 12 Months</i>
Average U.S. Interm-Term Bond	-0.59%	1.35%	2.43%
Average Balanced Fund	3.10%	3.60%	10.81%
Average Large-cap Blend Fund	3.70%	2.49%	11.55%
Average Small-cap Blend Fund	5.26%	5.19%	18.87%
Average Large Foreign Blend Fund	11.08%	9.69%	25.15%
Average Emerging Markets Fund	17.52%	23.67%	44.21%
Average Natural Resources Fund	22.51%	42.72%	52.00%

## STYLE PERFORMANCE MATRIX

### *3<sup>rd</sup> Quarter Total Return*

	Value	Core	Growth	<i>AVERAGE</i>
Large-Cap	3.76%	3.69%	4.45%	3.97%
Multi-Cap	3.68%	4.43%	6.73%	4.77%
Mid-Cap	4.66%	5.24%	6.25%	5.62%
Small-Cap	4.37%	5.27%	5.68%	5.27%
<i>AVERAGE</i>	3.99%	4.48%	5.64%	

Source: Lipper, Inc.

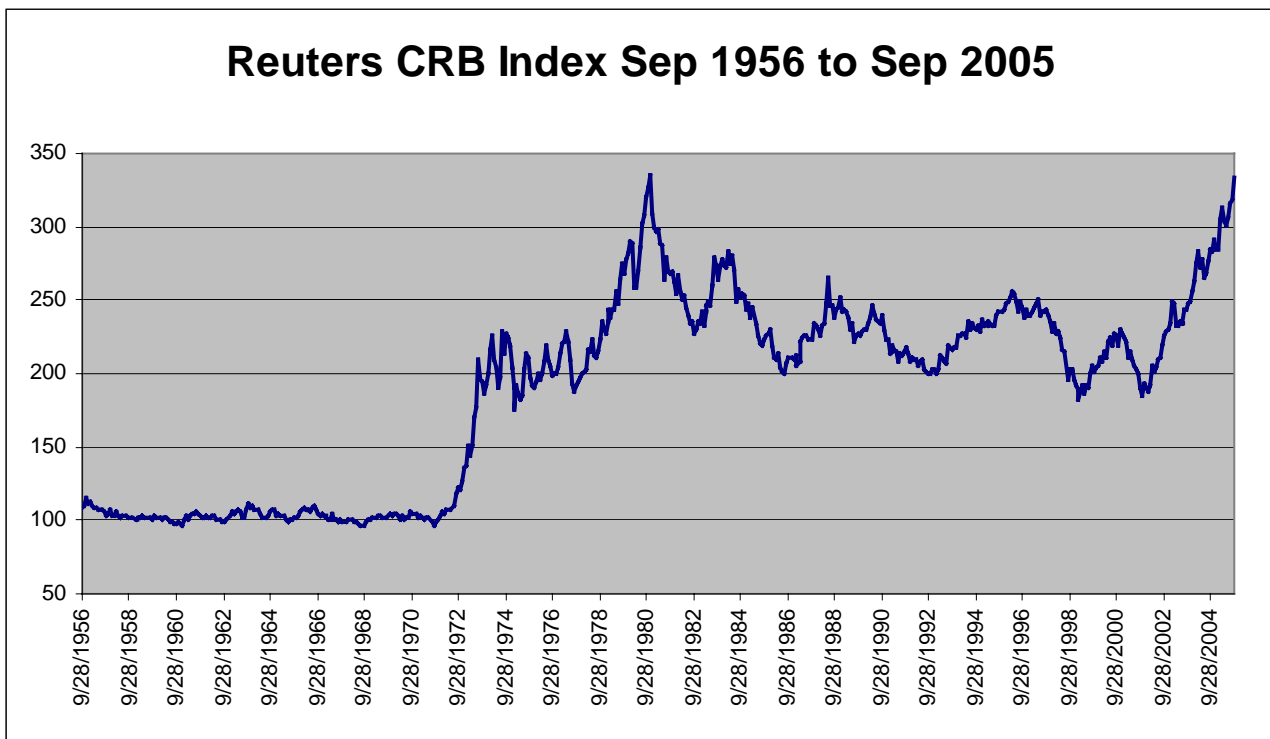
## Near-term Market Outlook – Improving

Last quarter we changed our outlook from “cautious” to “improving.” Had we known the United States was about to be hit by its largest natural disaster in history (Hurricane Katrina), record breaking oil prices (+ \$70/barrel), and two more Fed rate increases, we probably would have held off upgrading our outlook. Yet, despite all the bad news, U.S. equity markets advanced at a respectable pace, 4% as measured by the Wilshire 5000, during the third quarter. This resiliency suggests strong underlying support for current U.S. equity prices, continued liquidity, and supports our “improving” outlook.

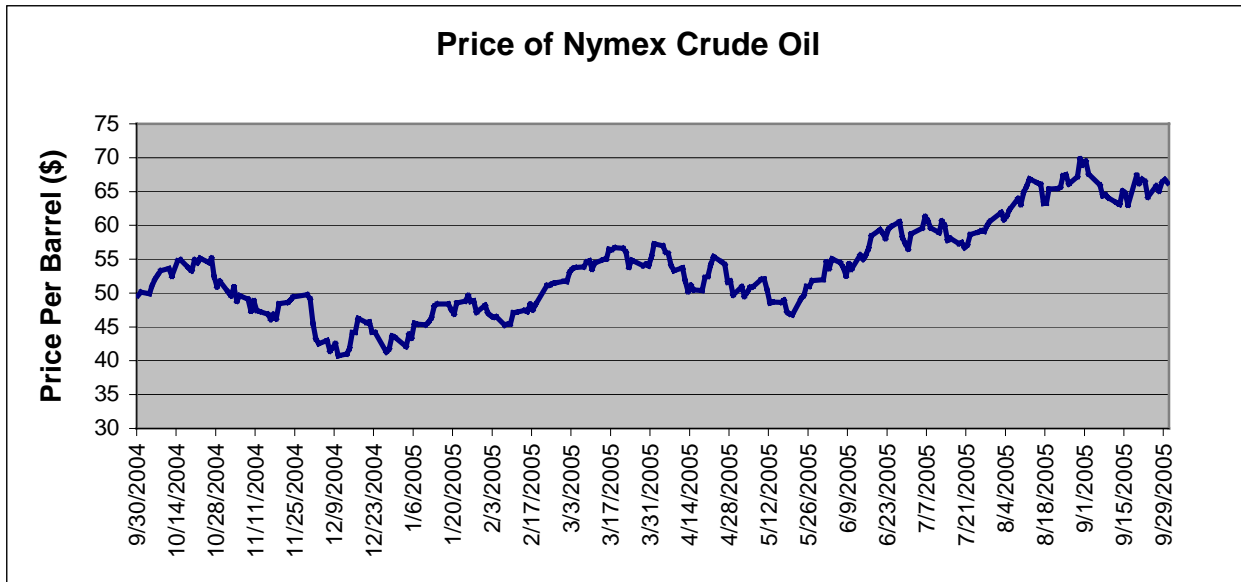
Throughout the quarter, U.S. stock market investors seemed to take their cue from oil prices. As oil prices shot up on fears of significant refinery damage, U.S. equity prices retreated. Katrina indeed negatively impacted refinery production, but the President’s decision to release some of the Strategic Petroleum Reserve (SPR) brought relief to oil prices which led to a recovery in equity markets from their drop in August.

Natural disasters, while traumatic, historically do not change the fundamental direction of the economy. Short-term disruptions in supply, and frantic relief efforts, historically, have had an insignificant impact on long-term output and demand.

Since 2001, commodity prices have moved sharply higher. In fact when adjusted for inflation, commodity prices are threatening to move above their all-time highs, as measured by Commodity Research Bureau Index (CRB), which were set in 1980. (See graph below) This graph demonstrates a few important points: 1) we have enjoyed a 20-year period of stable or falling commodity prices, thanks largely to increases in global competition; 2) the recent move up in commodities prices is unlike any other we’ve experienced in the past 20 years; and 3) inflationary periods, such as 1970-1981, demonstrate the potential for much larger moves in commodity prices than we’ve experienced in the past three years.

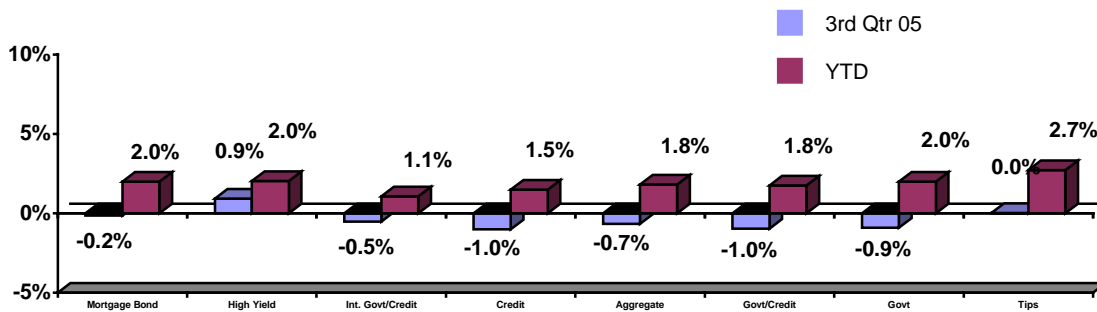


Source: Commodity Research Bureau



Source: US Department of Energy

## U.S. Bonds – Multiple Bond Indexes



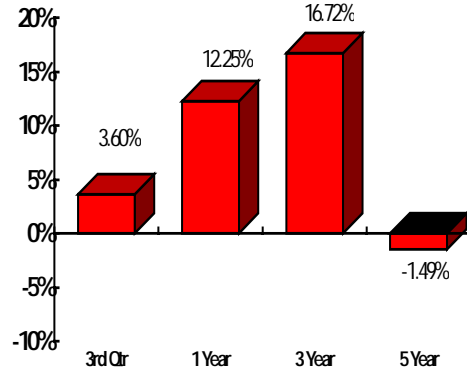
Source – Lehman Bros, Zephyr & Associates

The Federal Reserve raised interest rates twice in the quarter bringing the Federal Funds rate to 3.75%. The latest increase (September 20<sup>th</sup>) came in the wake of Hurricane Katrina and record-setting crude oil prices (see chart above). While the Fed acknowledged events surrounding Katrina were tragic, they maintained it would do little to damage current U.S. economic growth. Once again, as short-term rates increased, long-term rates fell resulting in a further flattening of the yield-curve. In fact, the spread between 1-year and 10-year maturities has narrowed from 3.28% in June 2004 to 0.47% at quarter-end. There continues to be a healthy appetite for U.S. Treasuries by foreigners who hold about 45% of all public U.S. Treasury debt<sup>1</sup>. The Federal Reserve Board released a new study in September<sup>2</sup>, which suggests if foreign central banks reduced purchases of US treasuries, it would likely increase the yield on the 10-year treasury by 0.60%. Despite rising short-term rates, which have traditionally shifted investment from emerging markets debt to U.S. treasuries, emerging market debt spreads reached their narrowest margins to comparable U.S. treasuries.

<sup>1&2</sup> Warnock & Warnock, International Capital Flows and U.S. Interest Rates, Federal Reserve Board, September 2005.

## U.S. Large-Cap Equities - S&P 500 Index

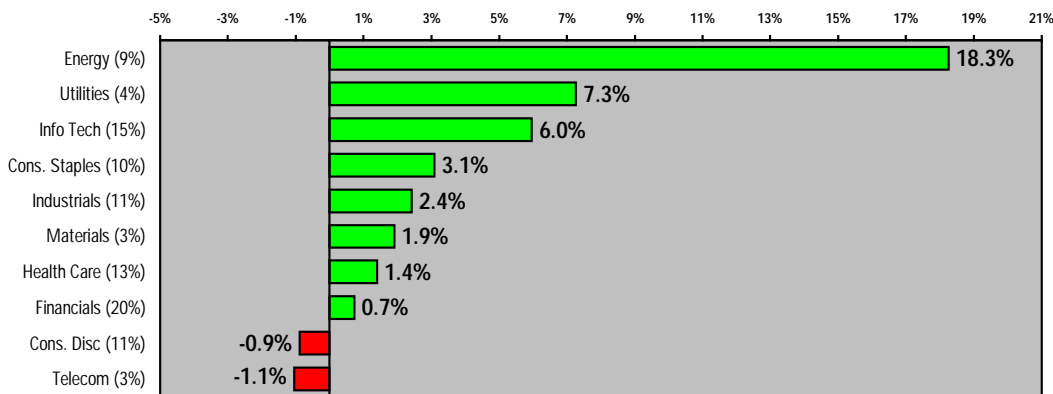
The third quarter rise in the S&P 500 Index came mainly as a result of the strength of the energy sector as well as the positive gains made in the utilities, information technology, and consumer staples sectors. In July, the Index jumped 3.72%, but moved sideways in the remaining two months to finish with a gain of 3.60%. Hurricane Katrina devastated Gulf Coast areas with loss of life and considerable property damage, but the Federal Reserve and many economists deemed the resulting impact to the U.S. economy to be marginal. However, the disruption in the petroleum markets in the aftermath of Hurricane Katrina pushed crude oil prices briefly over \$70 bbl. As such, energy stocks once again surged forward with companies like Occidental Petroleum (+12%), ExxonMobil (+11%), and Chevron (+17%) producing solid gains. Despite the higher energy prices, which tend to increase the operating costs at utilities and lower future profits, the utilities sector returned over 7% in the third quarter. Information Technology got a boost from unexpectedly strong results in the communications equipment and electronic instruments industries. Financials, the largest component of the S&P 500 Index, were essentially flat this quarter, hindered by the decline in insurance companies as uncertainty mounted over the full impact of claims resulting from the damage caused by hurricanes Katrina and Rita. Apple Computers moved sharply higher this quarter with a return of 46% and has given investors a 12-month return of 177%. Although not currently part of the S&P 500, Internet company Google cooled off somewhat this quarter with a return of nearly 8%, but over the past twelve months the stock has returned an impressive 144%.



Source: Zephyr Associates & Morningstar, Inc.

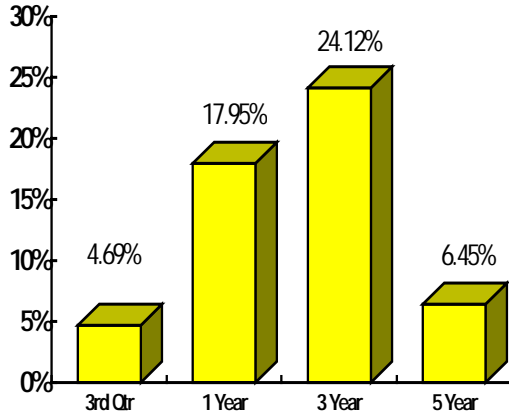
## S&P 500 Economic Sectors

Third Quarter 2005



Source: Thomson Vestek

## Small-Cap Equities – Russell 2000 Index

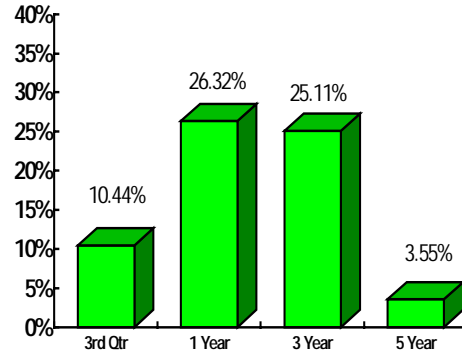


Source: Style Advisor, Russell

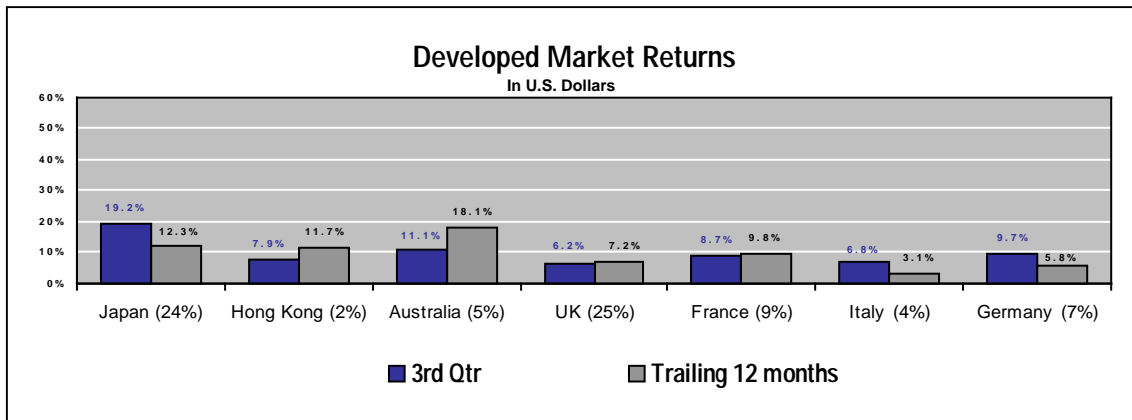
Small-cap equities continued to move ahead in the third quarter and posted another solid quarterly gain of 4.69%. Small-cap stocks narrowly outperformed large-caps this quarter but continued to assert themselves over this category with a one-year return of 17.95% versus 12.25% in the S&P 500 Index. Small-cap growth meaningfully outperformed value 6.32% versus 3.09%. Like their large-cap brethren, small-cap equity returns were lifted by a 29% return in the energy sector followed by gains of 10% in materials and 9% in industrials. Some of the lagging industries included transportation infrastructure (-14%), tobacco (-13%), and hotels, restaurants & leisure (-9%). Going forward, small-cap stocks will face stiffer headwinds, as the increases in commodity prices will make it more difficult for smaller companies to generate future profits.

## International Equities – MSCI EAFE Index

International equities, those aggregated in the MSCI EAFE Index, rebounded for investors by advancing 10.44% in the third quarter. One of the highlights this quarter was the strong return of the Japanese market (+19%). The Bank of Japan reported that strong corporate profits and improving business sentiment (stronger corporate spending) have contributed to the economic recovery. Hong Kong finished higher at 7.9% but dipped in August on an unexpected drop in retail sales as the number of visitors from Mainland China declined, but the market rebounded in September on the hopes newly developed Hong Kong Disneyland would draw people in. Australia (fueled by commodities exports) continued to turn in impressive returns for U.S. investors at 11%.

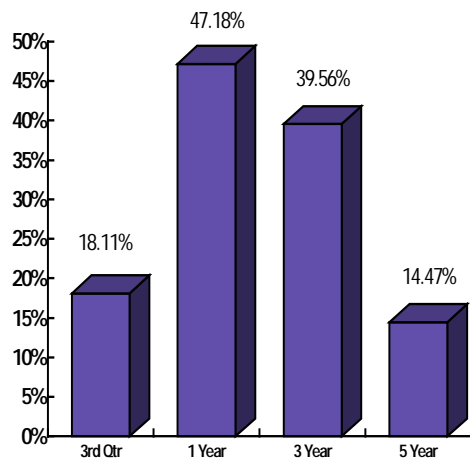


Source: StyleAdvisor, MSCI



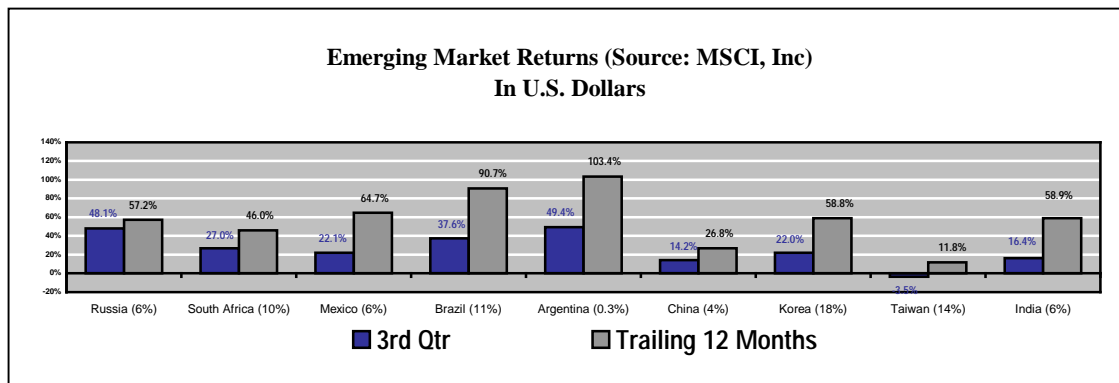
Source: Morgan Stanley Capital Inc., Zephyr & Associates.

## Emerging Markets Equities – MSCI Emerging Markets Index



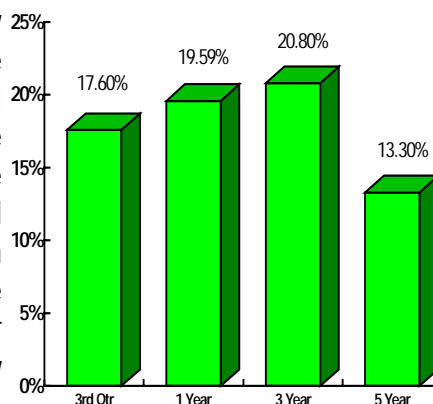
Source: StyleAdvisor, MSCI

Emerging Markets (EM) posted sharply higher returns (+18%) during the quarter. Solid fundamentals in many EM nations continue to encourage foreign direct investment and have given the asset class resilience even in an economic environment of higher short-term interest rates, which traditionally preceded a decline for emerging market equities. Over the past year, Argentina (+103%), Brazil (+91%), and Mexico (+64%) have delivered stellar returns for investors. Brazil and Mexico were helped by exports in commodities like oil and iron ore, and Argentina continued to resolve its defaulted debt. Also, the International Monetary Fund estimates that the Argentinean economy will continue to grow at 7.5% this year and 4.2% in 2006. Like the U.S. economic boom, Argentina's has been aided by low-interest rates. This asset class has gathered considerable steam, and we note that the discount of emerging market equities to the S&P 500 Index (forward P/E) has narrowed from 36% (at the end of the second quarter) to about 30% this quarter.



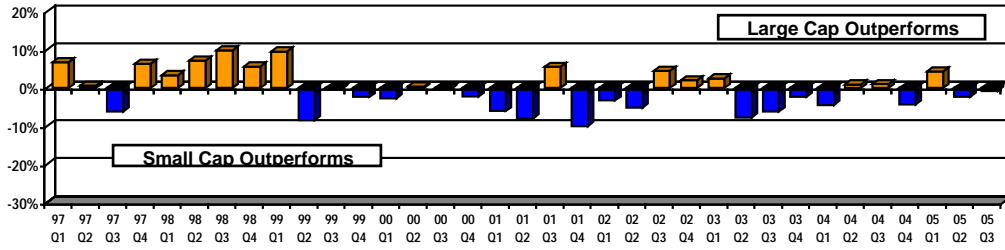
## Hard Assets – Dow Jones AIG Commodity Index

"Hard assets," as measured by the Dow Jones AIG Commodity Index, skyrocketed 17.6% in the third quarter. The price of crude oil hit a record high during the quarter (\$70.85), but retreated slightly before finishing at \$66.24 bbl, a 15% increase over the previous quarter-end. So far in 2005, crude oil prices have increased over 59%, but natural gas, unleaded gas, and heating oil have moved even higher during the same time period an astounding 113%, 85%, and 85% respectively. Other notable increases this year have occurred in copper (+34%) and sugar (+24%). As of 9/30/05, the Index was comprised of energy (45%), livestock (8%), grains (15%), industrial metals (15%), precious metals (7%), softs (sugar, cotton, coffee, 8%), and vegetable oil (2%).



## Large-Cap vs. Small-Cap

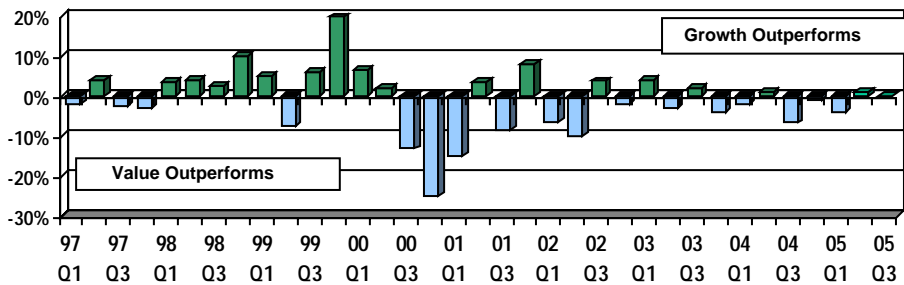
Returns on Russell 1000 minus Russell 2000



Source: Morgan Stanley Capital International (MSCI), Inc.

## Value vs. Growth

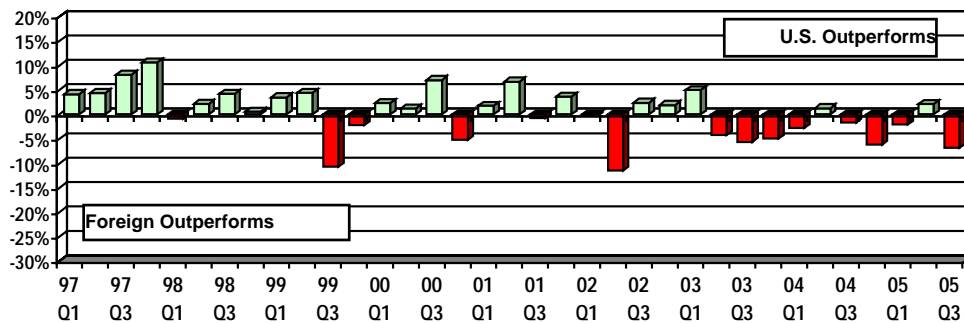
Returns on Russell 1000 Growth minus Russell 1000 Value



Source: Russell, Inc.

## Domestic vs. Foreign

Returns on S&P 500 Index minus MSCI EAFE



Source: Russell, Inc. and MSCI, Inc.

### *Has the manager added value through skilled security selection?*

**90-DAY TREASURY BILL INDEX** - This index is comprised solely of Treasury Bills and will always have an average maturity of 90 days.

**MORLEY 3-YEAR GIC INDEX** - This index is the arithmetic mean of the ten highest quotes from a representative universe of three-year high quality GIC issues as measured by Morley Capital Management.

**LEHMAN BROTHERS AGGREGATE BOND INDEX** - This index is composed of approximately 25% U.S. Treasuries, 50% Agencies/Mortgages, and 25% Corporates, with an average duration of 4.5 years.

**LEHMAN BROTHERS INT. GOVT/CREDIT BOND INDEX** - This index is composed of approximately 35% U.S. Treasuries, 25% Agencies, and 40% Corporates, with an average duration of 3.7 years.

**LEHMAN BROTHERS GOVT/CREDIT BOND INDEX** - This index is composed of approximately 40% U.S. Treasuries, 20% Agencies, and 40% Corporates, with an average duration of 5.5 years.

**DOW JONES INDUSTRIAL AVERAGE (DJIA)** - Price weighted average of 30 industrial stocks, chosen to represent the U.S. stock market because they are larger, more actively traded issues, and leaders of American industry.

**STANDARD & POORS 500 INDEX (S&P 500)** - Composite index including 400 industrial, 20 transportation, 40 financial and 40 utility issues adjusted for income. Each stock is weighted according to the aggregate value of the shares outstanding.

**WILSHIRE 5000 INDEX** – Measures the performance of virtually all U.S. headquartered equity securities with readily available price data. Currently composed of over 6,500 capitalization weighted securities, with additions/deletions to the index made monthly and represents virtually 100% of U.S. equity market.

**RUSSELL 3000 INDEX** – Composed of the 3,030 largest U.S. companies based on total market capitalization, which represents approximately 98% of the U.S. equity market. As of the latest reconstitution (3/31/05), the average market cap was approximately \$4.6 billion; the median market cap was approximately \$890 million.

**RUSSELL 1000 INDEX** – Composed of the 991 largest companies in the Russell 3000 Index, which represents approximately 91% of the U.S. equity market. As of the latest reconstitution (3/31/05), the average market cap was approximately \$12.5 billion; the median market cap was approximately \$4.3 billion.

**RUSSELL 1000 VALUE INDEX** – Composed of stocks with lower price-to-book ratios and lower forecasted growth values among the largest 1000 companies in the Russell 3000 Index. As of the latest reconstitution (3/31/05), the index held 697 stocks.

**RUSSELL 1000 GROWTH INDEX** – Composed of stocks with higher price-to-book ratios and higher forecasted growth values among the largest 1000 companies in the Russell 3000 Index. As of the latest reconstitution (3/31/05), the index held 624 stocks.

**RUSSELL MID-CAP INDEX** – Composed of the smallest 792 stocks in the Russell 1000 Index, which represent approximately 26% of the total market capitalization of the Russell 1000 Index. As of the latest reconstitution (3/31/05), the average market cap was approximately \$4.7 billion; the median market cap was approximately \$3.5 billion. The largest company in the index had an approximate market cap of \$9.8 billion.

**RUSSELL 2000 INDEX** – Composed of the 2,039 smallest companies in the Russell 3000 Index, which represents approximately 8% of the U.S. equity market. As of the latest reconstitution (3/31/05), the average market cap was approximately \$669 million; the median market cap was approximately \$522 million.

**RUSSELL 2000 VALUE INDEX** – Composed of stocks with lower price-to-book ratios and lower forecasted growth values among the smallest 2000 companies in the Russell 3000 Index. As of the latest reconstitution (3/31/05), the index held 1,348 stocks.

**RUSSELL 2000 GROWTH INDEX** – Composed of stocks with higher price-to-book ratios and higher forecasted growth values among the smallest 2000 companies in the Russell 3000 Index. As of the latest reconstitution (3/31/05), the index held 1,408 stocks.

**MSCI ALL-COUNTRY WORLD EX-US INDEX** - An arithmetic average of over 1,700 securities listed on the stock exchanges of the countries from around the world, with approximately 10% of index listed in emerging market stocks. The index is calculated on a total return basis, which includes reinvestment of gross dividends before deduction of withholding taxes.

**NASDAQ COMPOSITE INDEX** – Composed of the return of stocks listed on the NASDAQ over-the-counter stock exchange. Typically, the index is comprised of technology and emerging company stocks.

### **ACTIVE INDEX DEFINITIONS**

*How does the manager compare to other managers with a similar investment style?*

**LIPPER INTERMEDIATE INVESTMENT GRADE BOND FUND INDEX** – A peer group index comprised of fixed-income funds with an average duration consistent with intermediate range (3-5 years) and average credit quality of at least investment grade (AAA, AA, A, or BBB).

**LIPPER CORPORATE DEBT A BOND FUND INDEX** – A peer group index comprised of fixed-income funds focused on corporate-issued debt with an average credit quality of A.

**LIPPER BALANCED FUND INDEX** – A peer group index comprised of funds within the balanced fund investment objective (approximately 800 mutual funds), with an approximate range of equities and bonds between 25% and 75% each.

**LIPPER LARGE-CAP VALUE FUND INDEX** – A peer group index comprised of the universe (approximately 900 mutual funds) of large-cap value oriented mutual funds classified by Lipper Analytics, Inc.

**LIPPER LARGE-CAP CORE FUND INDEX** – A peer group index comprised of the universe (approximately 1,300 mutual funds) of large-cap core oriented mutual funds classified by Lipper Analytics, Inc.

**LIPPER LARGE-CAP GROWTH FUND INDEX** – A peer group index comprised of the universe (approximately 1,000 mutual funds) of large-cap growth oriented mutual funds classified by Lipper Analytics, Inc.

**LIPPER INTERNATIONAL FUND INDEX** – A peer group index comprised of the universe (approximately 900 mutual funds) of international mutual funds classified by Lipper Analytics, Inc.

**LIPPER SMALL CO. AVERAGE FUND INDEX** – A peer group index comprised of the universe (approximately 1,000 mutual funds) of small-cap mutual funds classified by Lipper Analytics, Inc.

**MORNINGSTAR WORLD ALLOCATION UNIVERSE** – A peer group of tactical asset allocation products comprised of a universe of 65 Funds.

## ECONOMIC SECTOR & INDUSTRY DEFINITIONS

### CONSUMER DISCRETIONARY

Auto Components (Delphi Corp., Johnson Controls, Goodyear Tire & Rubber)  
 Automobiles (Harley Davidson, Ford, General Motors)  
 Household Durables (Tupperware, Whirlpool, Maytag, Snap-On, Black & Decker, Stanley Works, Newell Rubbermaid)  
 Leisure Equipment & Products (Eastman Kodak, Mattel, Hasbro, Brunswick)  
 Text, Apparel & Luxury Goods (Liz Claiborne, Nike, Reebok, Jones Apparel)  
 Hotels, Restaurants & Leisure (McDonalds, Starbucks, Carnival, Hilton Hotels, Wendys, Marriott, Yum Brands, Harrahs)  
 Media (Walt Disney, Tribune, AOL Time Warner, Viacom, Dow Jones, Gannett, NY Times, McGraw Hill, Clear Channel)  
 Distributors (Genuine Parts)  
 Internet & Catalog Retailing (eBay)  
 Multi-Line Retail (Costco, Target, Kohls, Sears, Wal-Mart, JC Penney, Nordstrom, Federated, Dillards, May Dept.)  
 Specialty Retail (Tiffany, Staples, Gap, Best Buy, Home Depot, Sherwin Williams, Toys R Us, Circuit City, Lowes)

### CONSUMER STAPLES

Food & Staples Retailing (Walgreen, Kroger, Safeway, Sysco, Albertsons, Supervalu, CVS, Winn Dixie)  
 Beverages (Coca Cola, PepsiCo, Adolph Coors, Anheuser Busch, Brown Forman)  
 Food Products (HJ Heinz, Hershey, Kellogg, Sara Lee, Wrigley, Campbell, General Mills, ADM, ConAgra)  
 Tobacco (Altria Group, RJ Reynolds, UST)  
 Household Products (Kimberly Clark, Colgate Palmolive, Proctor & Gamble, Clorox)  
 Personal Products (Avon Products, Gillette, Alberto Culver)

### ENERGY

Energy Equipment & Services (Halliburton, Schlumberger, Noble, Baker Hughes, Nabors, Transocean, Rowan)  
 Oil & Gas (Exxon Mobil, ChevronTexaco, ConocoPhillips, Sunoco, Occidental Petroleum, Amerada Hess, Kerr McGee)

### FINANCIAL SERVICES

Commercial Banks (Bank of America, Wells Fargo, US Bancorp, JP Morgan Chase, Marshall & Ilsley, Northern Trust, PNC)  
 Diversified Financial Services (Citigroup, JP Morgan Chase, Merrill Lynch, Sallie Mae, American Express, MBNA)  
 Insurance (Loews, Allstate, MGIC, Prudential, AIG, Aflac, Marsh & McLennan, Safeco, Metlife, Travelers, St. Paul Cos)  
 Real Estate (Equity Office Properties, Plum Creek Timber, Equity Residential, Simon Property)

### HEALTH CARE

Health Care Equipment & Supplies (Baxter, Medtronic, Guidant, Bausch & Lomb, Boston Scientific, Stryker, St. Jude)  
 Health Care Providers & Services (Tenet, UnitedHealth, Aetna, Cardinal Health, Humana, Cigna, Wellpoint, HCA)  
 Biotechnology (Amgen, Biogen, Chiron, Genzyme, Medimmune)  
 Pharmaceuticals (Pfizer, Merck, Lilly, Abbott, Wyeth, Pharmacia, Bristol Myers Squibb, Johnson & Johnson, Forest Lab)

### INDUSTRIALS

Aerospace & Defense (Boeing, Northrop Grumman, Honeywell, Raytheon, United Technologies, Rockwell Collins)  
 Building Products (Masco, American Standard Cos.)  
 Construction & Engineering (Fluor, McDermott)  
 Electrical Equipment (Rockwell Automation, Emerson Elec., Cooper Inds., American Power Conversion)  
 Industrial Conglomerates (3M, General Electric, Tyco International, Textron)  
 Machinery (Deere & Co., Caterpillar, Navistar, ITW, Cummins, Ingersoll-Rand, Paccar, Eaton, Danaher)  
 Trading Companies & Distribution (Grainger WW)  
 Commercial Services & Supplies (HR Block, Fiserv, Waste Mgmt, Paychex, Cendant, ADP, RR Donnelley, First Data)  
 Air Freight & Logistics (United Parcel Service, Fedex, Ryder)  
 Airlines (Southwest, AMR, Delta)  
 Road & Rail (Union Pacific, CSX, Burlington Northern, Norfolk Southern)

### INFORMATION TECHNOLOGY

Internet Software & Services (Yahoo)  
 IT Services (Unisys, Sungard Data, Computer Sciences, Electronic Data Systems)  
 Software (Microsoft, Oracle, Electronic Arts, BMC, Computer Associates, Siebel, Adobe, Novell, Peoplesoft, Intuit)  
 Communications Equipment (Cisco, Motorola, Qualcomm, Corning, Lucent, Tellabs, Avaya, JDS Uniphase, Ciena)  
 Computers & Peripherals (Dell, Apple, EMC, Sun Microsystems, Hewlett Packard, IBM, Gateway, Lexmark, NCR)  
 Electronic Equipment & Instruments (Tektronix, Solectron, Waters Corp., Sanmina, Agilent, Jabil Circuit)  
 Office Electronics (Xerox)  
 Semiconductors & Semi Equipment (Intel, Texas Instruments, PMC Sierra, Applied Materials, Xilinx, Maxim, Analog)

### MATERIALS

Chemicals (Du Pont, Sigma Aldrich, Great Lakes Chem, Ecolab, Praxair, Rohm & Haas, Monsanto, Dow Chemical)  
 Construction Materials (Vulcan Materials)  
 Containers & Packaging (Sealer Air, Pactiv, Ball, Temple Inland, Bemis)  
 Metals & Mining (Alcoa, US Steel, Newmont Mining, Freeport-McMoran, Nucor, Phelps Dodge, Worthington)  
 Paper & Forest Products (Intl Paper, Meadwestvaco, Weyerhaeuser, Boise Cascade, Georgia Pacific, Louisiana Pacific)

### TELECOMMUNICATION SERVICES

Diversified Telecom Services (AT&T, Sprint, SBC, Bellsouth, Verizon, Qwest, Alltel, CenturyTel)  
 Wireless Telecom Services (Nextel, Sprint PCS, AT&T Wireless)

### UTILITIES

Electric Utilities (Southern Co., Dominion, Exelon, Con Ed, TXU, Cinergy, PG&E, Xcel, American Electric Power, FPL)  
 Gas Utilities (Nisource, Keyspan, Nicor, Sempra, Kinder Morgan, Peoples Energy)  
 Multi-Utilities & Unreg. Power (Duke Energy, Williams Cos., AES, Calpine, El Paso, Dynegy, Mirant)

## 2005: Domestic Equity vs. Commodities Monthly Results

S&P 500 Index Returns vs. Goldman Sachs Commodity Index Returns

