

July 2003

Dear Clients,

We have just finished the first six months of 2003, which has included some changes for our company. We are pleased that many of you have had the opportunity to meet Ben Baldwin, our new partner who is proving to be a great addition to our team. Another change this year has been the upward trend in the market, the year we have referred to in the past as the 20-20 year. That term has nothing to do with good vision, rather, at the time we felt the market was so fickle it could end the year either up or down 20%.

At the halfway point, June 30<sup>th</sup>, the S&P was already up 10.76%. However, we must remind you what SEC requires us to say; "*Past performance is no guarantee of future results.*"

Enclosed with this letter are your portfolio reports, one showing your holdings and the other a performance report, both as of June 30, 2003. During the past year more and more of you have seen improved performance as you have adopted one of our *Risk-Adjusted* portfolios. Most of you have beaten your risk target.

Where are we today? We are not market timers, but see economic conditions that cause us concern. When we look at unemployment at 6.4%, a 9-year high, the continuing expense of the international conflicts, factory utilization at little more than 75%, the govt talking about deflation and reducing interest rates to a 45-year low, it is hard for us to be raging bulls. On the other hand, the government has done many of the right things both fiscally and monetarily. Given this condition, businesses usually find ways to succeed, causing the market to rise.

Where from here? Now is a good time to ensure your risk level appropriately reflects your comfort level and your long-term goals. As you evaluate these issues, it is a good time to come in, visit with our team and update your *Life Plan*. After all, your reason for investing in the first place is to provide for the future needs of your family and your own retirement. Why not check up on your progress and review with us your ongoing investment strategy?

All of us here at RFG are enthusiastic about the future and the opportunity to work with each of you to help you achieve your personal and financial goals. We want to thank you for allowing us to serve you and we look forward to your visit or your phone call.

Sincerely,

*John & Ben*

John, Ben and the Team

Enclosures: