



## Average, Actual Performance Of All Clients In Each *Risk-Adjusted* Portfolio

All Time Periods Ending Aug 31, 2004

Portfolios	Accts <sup>2</sup>	RFG Risk <sup>3</sup>	YTD (8 Months)			Aug (1 Month)			3 Months			1 Year <sup>1</sup>		
			Benchmark Return <sup>4</sup>	Actual Return <sup>5</sup>	Value Added <sup>6</sup>	Benchmark Return <sup>4</sup>	Actual Return <sup>5</sup>	Value Added <sup>6</sup>	Benchmark Return <sup>4</sup>	Actual Return <sup>5</sup>	Value Added <sup>6</sup>	Benchmark Return <sup>4</sup>	Actual Return <sup>5</sup>	Value Added <sup>6</sup>
Income-Plus	1	20.0%	-0.14	-1.68	-1.54	0.05	0.26	0.21	-0.29	-0.59	-0.30	1.91	4.20	2.29
Income-Plus NTF <sup>7</sup>	4	20.0%	-0.14	-1.24	-1.10	0.05	0.24	0.19	-0.29	-0.46	-0.17	1.91	4.81	2.90
Conservative	6	37.5%	-0.26	0.01	0.27	0.09	0.58	0.49	-0.55	0.53	1.08	3.58	8.39	4.81
Conservative NTF <sup>7</sup>	38	37.5%	-0.26	-0.45	-0.19	0.09	0.25	0.16	-0.55	-0.42	0.13	3.58	7.66	4.08
Mid-Point	0	50.0%	-0.35	NA	NA	0.12	NA	NA	-0.74	NA	NA	4.78	NA	NA
Mid-Point NTF <sup>7</sup>	33	50.0%	-0.35	0.21	0.56	0.12	0.24	0.13	-0.74	-0.70	0.04	4.78	8.60	3.83
Moderate	16	67.5%	-0.47	0.58	1.05	0.16	0.08	-0.08	-0.99	-0.66	0.33	6.45	10.25	3.80
Moderate NTF <sup>7</sup>	116	67.5%	-0.47	2.77	3.24	0.16	0.02	-0.14	-0.99	0.78	1.77	6.45	12.71	6.26
Opportunity	6	80.0%	-0.55	-0.14	0.41	0.18	-0.82	-1.00	-1.18	-1.65	-0.47	7.64	11.82	4.18
Opportunity NTF <sup>7</sup>	11	80.0%	-0.55	-0.26	0.29	0.18	-0.65	-0.83	-1.18	-1.40	-0.22	7.64	10.13	2.49
Market Equiv	2	100.0%	-0.69	-1.17	-0.48	0.23	-0.29	-0.52	-1.47	-2.78	-1.31	9.55	9.67	0.12
Market Plus	1	115.0%	-0.79	-2.50	-1.71	0.26	-1.25	-1.51	-1.69	-4.34	-2.65	10.98	7.97	-3.01
S&P 500 Index		100.0%	-0.69	-0.69		0.23	0.23		-1.47	-1.47		9.55	9.55	

Past performance is no guarantee of future results.

<sup>1</sup> 1 Year - Returns prior to 03/31/2003 aren't reported because Risk-Adjusted Portfolios represented only a fraction of our managed accounts prior to 2003.

<sup>2</sup> Accts - The number of accounts in each portfolio. Currently the total number of accounts invested in Risk Adjusted Portfolios : **234**

<sup>3</sup> RFG Risk - is a relative number determined by a proprietary computation, using the 3-year values of each portfolio's standard deviation and beta as reported by the Morningstar Advisor Workstation database.

<sup>4</sup> Benchmark Returns - are based on the risk level of each portfolio. For example, the *Moderate* portfolio maintains an "RFG Risk" score of approximately 67.5% of the S&P 500 Index, thus one might expect it to move up or down about 67.5% as much as the S&P 500. The same logic is used with each portfolio.

<sup>5</sup> Actual Returns (Returns are net of all expenses, including portfolio expenses and investment advisory fees) - are the actual size-weighted average return of all the accounts in a given portfolio at the end of the reporting period. Client portfolios which transfer into a portfolio during the period are counted as though having been in the portfolio for the entire period. This may tend to skew the average return for the portfolio either up or down from what the returns may have been without the transfers. We believe that, in general there are insufficient transfers into or out of each portfolio to have a substantial impact. If at any point we do find that a substantial amount of capital transfer into or out of a portfolio has occurred, we will comment on it here.

<sup>6</sup> Value Added - is the extra performance our portfolios may achieve, year to date, when compared to their "Benchmark Returns." During any given month a portfolio may lag behind its "Benchmark Return," but as a year progresses positive value is nearly always added.

<sup>7</sup> NTF - These portfolios invest only in funds with No Transaction Fees.