

Financial & Investment Management Advisors, Inc.

Registered Investment Advisor

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\$41,843 invested in the S&P 500 would have accumulated to \$1 million (gross before taxes) over the last 25 calendar years (1980-2004) in a tax-deferred environment.

-- According to BTN Research and Standard and Poor's Corp.

The richest 1% of Americans pays 34% of all federal income taxes in the USA. The bottom 50% of wage earners pay only 4% of the nation's total income tax bill.

-- According to the IRS and the Wall Street Journal

Of the tax returns filed in the USA, 61% of taxable returns show adjusted gross incomes (AGI's) of less than \$50,000. That group pays 14% of federal income taxes collected. Twelve percent of the taxable returns show AGI's of at least \$100,000. That latter group pays 62% of federal income taxes collected.

Source: IRS

Out of the last 250 months through 4/30/05, the S&P 500 has achieved "up months" 62% of the time and been down for the month only 38% of the time.

-- According to BTN Research and Standard and Poor's Corp.

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1ST Quarter Report 2005

INVESTMENT PERFORMANCE REPORTING

Dear Clients and Friends;

Enclosed is your 1st quarter 2005 investment performance for the period beginning January 1, 2005 and ending on March 31, 2005. We apologize for this report being sent to you later than normal.

The NY Times called it "The Quarter When Nothing Worked." Stocks are down, bonds are down. Oil is up. Inflation is up.

It is rare to see such ambiguous economic indicators. Oil is near an all-time high. Interest rates, after bottoming last year, have experienced eight straight one-quarter point increases with more likely to follow. However, unemployment, according to the Department of Labor, represents just 5.2% of the labor force, the lowest it has been since the of Fall 2001, and the country's Gross Domestic Product, reports the Department of Commerce, grew at a 4.4% rate in 2004, its best showing since 1999.

If these economic numbers appear to be contradictory, you're not alone. Obviously, much of the economic picture is being viewed as being in a state of instability and uncertainty. To be sure, the performances of many of the major equity markets have reflected this fact in their first-quarter returns.

During the 1st quarter 2005, the market as measured by major indexes on a total return basis generally lost ground, with the DOW decreasing -2.59%, while S&P 500 lost -2.59% and the NASDAQ dropped -8.10%¹. Small stocks also did poorly during the quarter as represented by the Russell 2000 Index that lost -5.34%². The international stock index EAFE was down 0.40% in the quarter³.

Value generally did better than growth and large companies generally did better than small companies. While our portfolio weightings in value helps us, our weighting to small companies generally hurt us this quarter. This was quite an opposite picture in 2004 as small companies generally outperformed their larger counterparts by a wide margin. Foreign markets generally performed better than domestic markets and our position weightings generally helped the performance of our portfolios.

At the quarters end, it appears that the fear of a return to high inflation, which was spurred on by higher oil and gas prices coupled with the more expensive cost of money as reflected by higher interest rates, weighed heavily on investors' minds and each of the major indices closed below where they began the year.

Gee! This market sounds like a repeat of 2004 all over again. Once again, the markets are clouded with uncertainties. We all know that the financial markets do not like uncertainty or instability. Until the economic picture becomes more transparent, we can expect volatile market

conditions. No one knows when the picture will clear, but we should be prepared for it when it does.

Last year for most of the year I was writing to you in my reports stating you needed to be patient, unlike the chanting of mainstream media and market pundits, I wrote the economy was actually doing very well and that investors would at some point realize this and stock prices would follow the economy. Of course, in the 4th quarter of 2004, the uncertainties began to become clearer as the election was over, the economy irrefutably came in with very strong numbers and investors realized things were not as the media and pundits had been portraying it to be.

Now in 2005, it appears we are "Back to the Future." Suddenly, I'm getting calls from clients asking fearfully, "What's happening with my portfolio?" "I thought the economy was supposed to be doing good." I suppose this leaves me feeling frustrated and confused. However, why wouldn't you be asking these questions? After all, day in and day out you are listening to the news, talk shows, reading newspapers, magazines and even the Internet news. This is a very powerful force that can provide very misleading and misinformation for the purposes of your investment goals and objectives. Most of this type of information is only good for day traders and those attempting to be market timers. Additionally, most of this information they provide is very biased and framed in negative context. Even so, you don't necessarily realize that, as you see, hear and read the constant barrage of information. It becomes information overload, and again it is generally not applicable when it comes to long term investing relating to your goals and objectives. Why one day the news reports state one thing causing the market to move in one direction, then the following day, or maybe even later the same afternoon, whatever it was is interpreted differently and the markets reverse their course and move in the completely opposite direction. Go figure!

I think many investors believe that their investments should go up most of the time when generally, that is not at all the case. The stock market goes sideways and even down many times, especially while there is uncertainty. In many cases, when the uncertainty clears, the market may shoot up very quickly and substantially, only then to return to a sideways or perhaps even downward pattern. It's not unusual for portfolios to have one or two negative quarters in a year and still wind up with a good or very good year.

My job is to filter and interpret what is happening and attempt to determine its effect on the big picture so that we can position your portfolios to take advantage of longer-term trends in the market. Additionally, it is my job to communicate clearly with you what I believe is taking place and what are the possible and probable outcomes from the anticipated scenario(s).

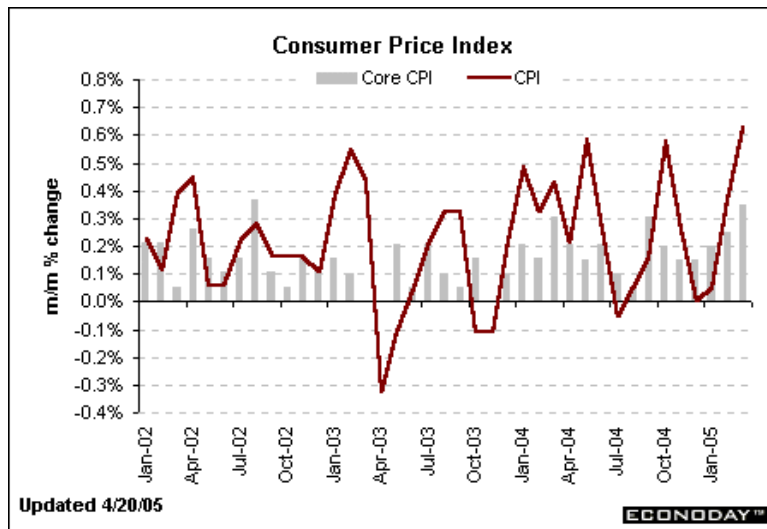
Managing money is not the hardest part of my job; the most difficult part is managing our client's expectations and understanding of the relationship of the market with short-term events vs. long-term results and the realization of long-term goals and objectives. Sometimes it's awfully difficult in this information age for me to compete, with the subliminal, up to the minute barrage of often conflicting media messages.

So how do we see it from here

Generally, while there are some areas of the economy that are worrisome, overall things don't look that bad. I believe the economy is in much better shape than the doomsayers and naysayers cry.

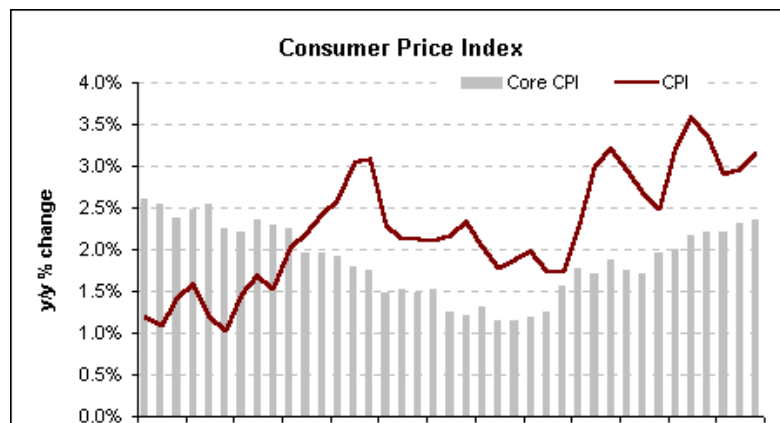
However, you first must understand that I am an optimistic person. While it's not perfect, I believe in America and in our economic and governmental system. We are as people a very innovative, resourceful and persevering lot. I see the economy in surprisingly good shape in an environment that is ripe for long-term sustainable economic growth and prosperity, which translates into higher equity values in the future. Right now, economic conditions are generally better than when compared to the long-term average over the last forty years.

Inflation is generally below average



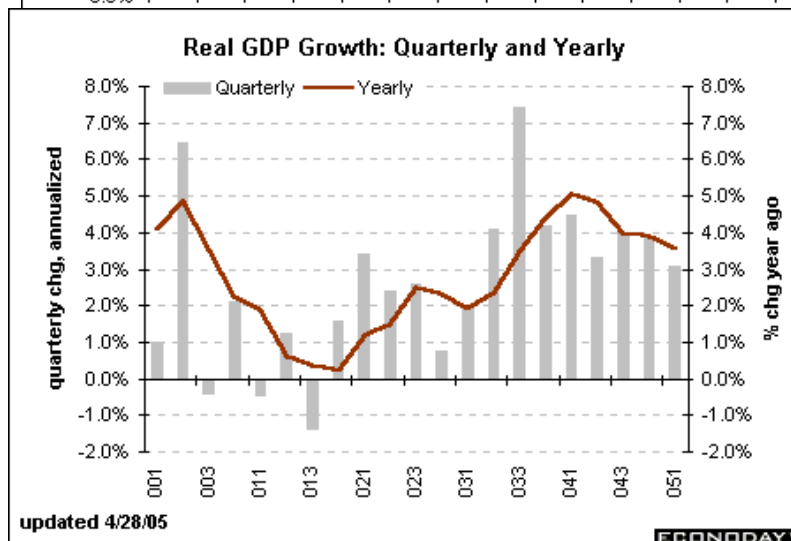
Inflation, as measured by the overall consumer price index, has been 3.2% in the year ended in March 2005 compared with average year-over-year inflation of 4.7% over the past 40 years. While inflation was up +3.3% in 2004, 25 years earlier (1979) inflation was up +13.3%, the highest level of inflation recorded in the USA since 1950⁴. While inflation ticked up in March, sometimes it is better looking at a yearly change shown in the next

chart, which tends to smooth out the fluctuations.



Core inflation is below average

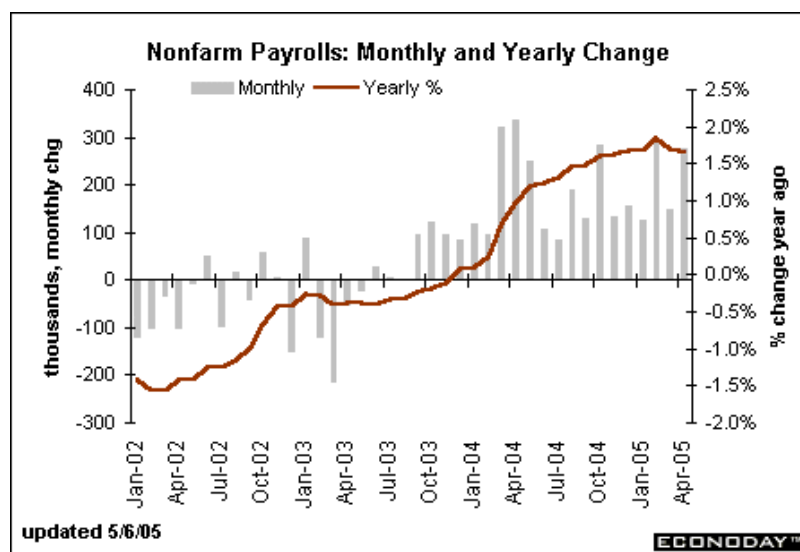
Core inflation, as measured by the consumer price index excluding food and energy, has been 2.4% in the year ended in March compared with average year-over-year inflation of 4.7% over the past 40 years⁵. The annual core consumer price inflation rate (excluding food and energy) has risen from 1.1% at the end of 2003 to 2.4% currently.



GDP growth is a little higher than average

Gross Domestic Product (GDP) grew by 3.8% over the year 2004 ending in the fourth quarter compared with average year-over-year growth of 3.3% over the past 40 years⁶. First-quarter GDP proved a disappointment, up 3.1%

vs. a fourth-quarter growth rate of 3.8%. It is normal that after the initial stages of an expansion, the economy would slow down. No doubt, the rising price of oil year to date has also had a negative effect on economic growth. In any event, the economy appears to be resilient as it is still showing growth in excess of long-term averages on a year over year basis.



Job growth is a little below average

Payroll employment rose by 1.6% in the year ending in March compared with average year-over-year growth of 2.1% over the past 40 years⁷. However, April's stronger than expected report from the Dept. of Labor shows U.S. non-farm payroll employment increased by 274,000 workers. The Labor Department also in this report revised higher March payroll

growth to 146,000 from 110,000 as previously reported. In all, payrolls were revised up in February and March by 93,000. Payrolls increased by 300,000 in February. Year to date the average number of additions to payroll each month has been 211,000. Should this rate of job creation continue, 2005 would create over 2,500,000 new jobs, an improvement over 2004.

Stock market P/E ratios are back to average levels

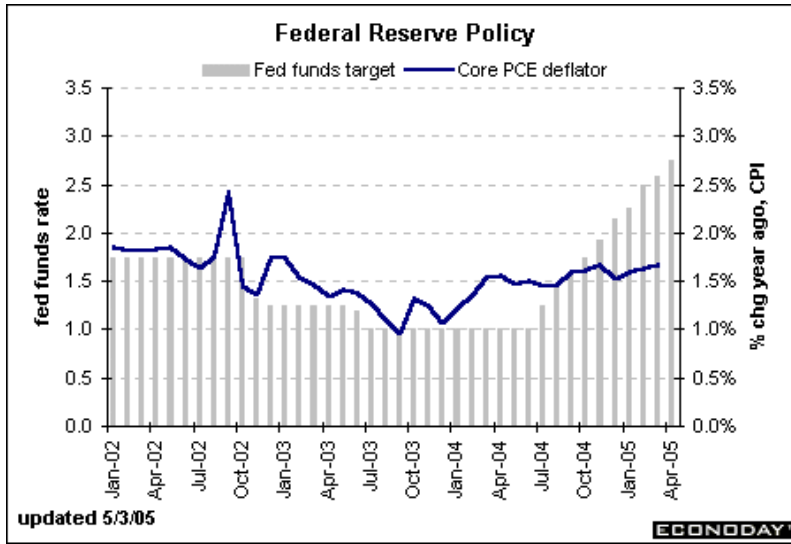
According to economist Dr. David Kelly, the price of all U.S. corporate equity was priced at an estimated 14.5 times the adjusted after-tax profits of all U.S. corporations for the last four quarters compared with a 40-year average of 14.0 times⁸. According to economist Lawrence Kudlow, an S&P 500 index at 1153, is 15.4 times analysts consensus 2005 earnings of \$75 per share. That 15.4 P/E ratio inverts to a 6.5% forward earnings yield. Kudlow further asserts, compared to the market-derived year-ahead 10-year Treasury bond rate of 4.60%, which leaves stocks 29% undervalued.

Corporate Profit growth is still above average

Adjusted after-tax corporate profits rose by 11% over the year ending in the fourth quarter compared with an average of 8.6% over the past 40 years⁹. Through 4/18/2005, 73 or 14.6% of reporting companies showed a 22.8% share-weighted increase in profits versus a year ago, or 16% percent on a market cap-weighted basis¹⁰. Analyst's consensus earnings of \$75 per share are 10 percent above a year ago. By either measure, so far this year, profits are already coming in stronger than expected and could exceed \$75 per share. Stock prices should ultimately follow corporate earnings and the economy.

The profit share of GDP is higher than at any time in the last 40 years

Adjusted after-tax corporate profits reached 9.2% of national income in the fourth quarter of 2004 compared with an average of 6.5% over the past 40 years¹¹.



The federal funds rate is below average

At the end of the 1st quarter, the federal funds rate was 2.75% compared with a 40-year average of 6.6%¹². Even with the recent rate increase in May to 3%, rates are still historically low. It's widely expected that the Federal Reserve will continue their measured rate increase policy.

yield is below average

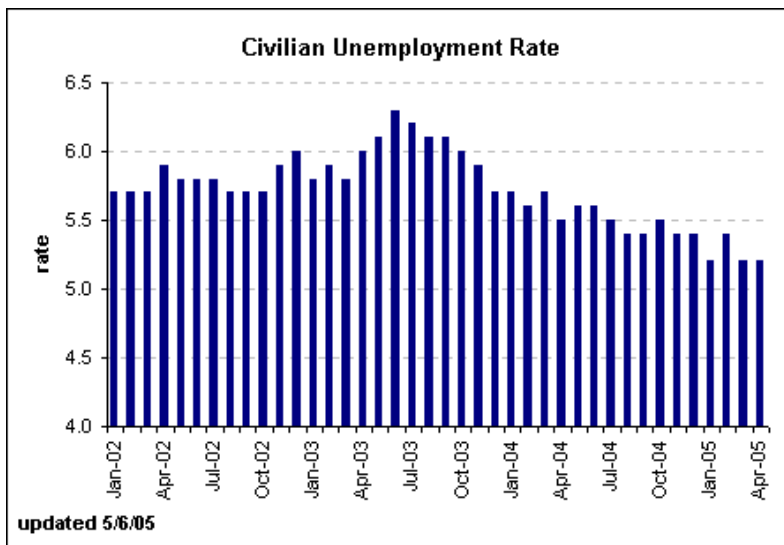
The 10-year Treasury yield was 4.3% compared with a 40-year average of 7.5%, according to the Federal Reserve Board as of 4/25/05.

The 10-year Treasury

Tax Rates for investors are historically below average

Long-term capital gains and qualifying dividends are currently taxed at a maximum rate of 15%. Taxation on capital gains hasn't been this low since 1933 or 71 years ago. Dividends haven't been taxed at a lower rate since 1916 or 88 years ago¹³.

The unemployment rate is below average



The unemployment rate was 5.2% in March compared with a 40-year average of 5.9%.

Payroll employment totaled 133.3 million in April¹⁴. From the beginning of 2004 through April of 2005, 3,000,000 new jobs have been added to the payrolls. It's also interesting to note that some 3,500,000 new jobs were created since May of 2003, which incidentally is since the supply side tax cuts were effective. Source: U.S. Dept

Overall the environment looks promising

While there are certainly still some problems and the U.S. economy is certainly not perfect, compared to historic benchmarks, we are doing better than average.

of Labor, Bureau of Labor Statistics

This type of environment should be positive for stocks, and I believe that the rough ride that stocks have had so far this year reflects weak investor psychology rather than weak economic fundamentals.

Negative psychology, not fed by a lack of bad economic news, should fade away over time. I continue to believe this is a good time to be invested in long-term assets and particularly stocks. I believe this not because of my optimistic view of the future but because of a realistic view of the present relative to historical economic benchmarks.

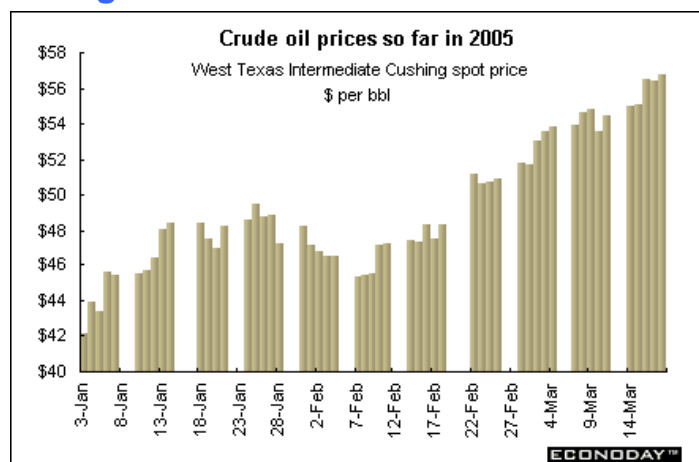
What are the major investor worries at this time?

Wall Street and investors seem always to be worrying about something. However, there is an old saying when it comes to Wall Street, "The Bull climbs a wall of worry". There are more than enough worries to go around, as usual. Rising interest rates, rising oil prices, fear of runaway inflation, the trade deficit, the budget deficit, social security, nuclear threats, terrorism threats are all on the short list and of course there are others. All of these worries tend to produce uncertainty in the minds of investors and distract them from what's really going on around them in the economy. Once some of these uncertainties become clearer in perspective and fade away, investors then tend to focus on the fundamentals. Fundamentally, stock prices should follow the direction of the economy and corporate earnings.

While I can't address nuclear threats, terrorism threats or the geopolitical climate, I can say that we have a President and a Congress along with the military and security forces that aren't asleep at the wheel. I don't think we have to be as concerned about the things we know about as much as the things we don't know about. Remember Y2K? The media and doomsayers had many shaking in their shoes. At that time, I wrote in my quarterly reports that I believed the perceived problem was very overblown, since everyone knew of the potential problem and had spent countless hours, resources and dollars to address the problem.

I can speak towards some of the other worries such oil, interest rates, and inflation.

Rising Oil Prices

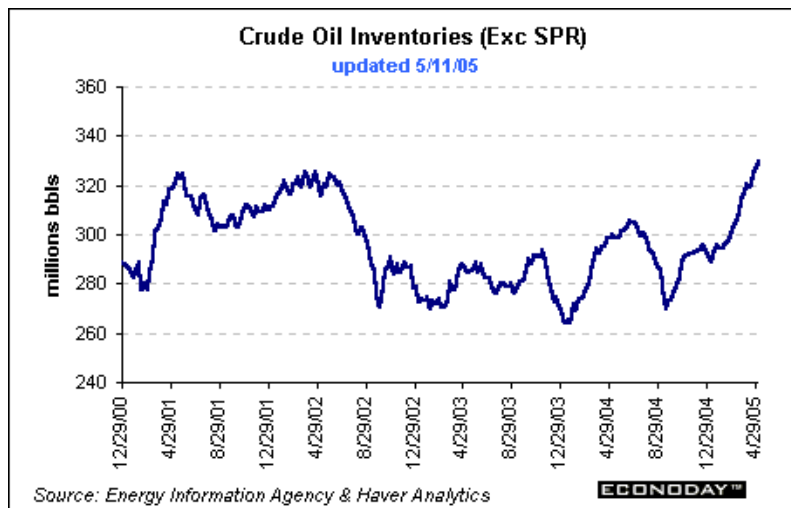


It's no secret that crude oil prices have been on the rise this year. Continuing what started in 2004, crude prices jumped to a high price of nearly \$60 a barrel year to date. You didn't have to be a rocket scientist to know that prices for oil and gas were on the rise during the quarter. Gasoline prices are perhaps the most widely published price available, as the price is posted predominately at every gas station and convenience store. As of this writing, prices have backed down to

below \$50 a barrel. There's no doubt that investors worry about oil prices because in addition to acting as a big tax, slowing down the economy, it sparks fear in investors, these price increases will permeate through the economy causing all prices to increase and as a result wholesale

runaway inflation like we experienced in the 1970's. Not to mention, it hits everyone right where it hurts, in the pocketbook. A one-penny increase in the price of a gallon of gasoline at the pump equals \$4 million of additional cost to Americans each day. Forty-five percent of the nearly 21 million barrels of oil that Americans consume each day is taken up by the gasoline demands of our autos and trucks¹⁵.

In my opinion, I do not think oil prices will remain above \$50 a barrel for an extended period of time at this juncture given the current environment. There are several reasons for this; it's not just my gut feeling. First, global demand will slow as the world economies slow due to high-energy prices and with normal slowing that occurs after the rapid expansion in the early stages of an economic recovery. Second, more supply will be brought to the market as energy producers find it now profitable to open shut in wells, stripper wells, and develop new exploration not to mention that oil produced from oil shale becomes profitable. Third, with high prices alternative forms of energy become economically viable, such as wind, thermal, hydrogen fuel cell technology, ethanol, which further reduces demand of oil and gas. Fourth, everyone begins to conserve energy to save costs, through increased use of hybrid autos, fewer family road trip vacations, etc. President Bush has proposed federal spending of \$1.2 billion over a 5-year period for the development of hydrogen-powered cars in order to reduce our nation's dependence on oil¹⁶. Let's see; decreased demand and increased supply, Economics 101, I see lower prices coming. I don't see prices going back down to \$20-25 barrel oil; however, \$30-40 barrel oil may be where it levels out.



Crude oil inventories have been on the rise since July of 2004, as seen in the chart provided. So you want a second opinion, well here's what Federal Reserve Chairman Alan Greenspan had to say in a prepared speech to the National Petrochemical and Refiners Association. Greenspan said the current spike in oil prices may not be long-lived. Greenspan noted that futures prices for delivery of oil for summer delivery

exceed spot prices. "That will likely support increased inventories of crude oil. If sustained, these market technicals could encourage enough of an inventory buffer to damp the current price frenzy," said Greenspan. I think should oil prices drop significantly, we may see a sharp rise in stock prices.

Rising Interest Rates

The Fed's third meeting of 2005 (held 5/03/05) resulted in an 8th straight rate hike (all have been +0.25%). The short-term Fed funds rate has now gone from 1.0% (6/30/04) to its current level of 3.0%. Numerous banks raised their prime-lending rate for their best creditworthy corporate customers to 6.0% as a result of the Fed's action¹⁷. According to economists Ethan S Harris and Lawrence Kudlow, the Fed will likely complete this rate tightening cycle in 2005 ending with the Fed Funds rate at somewhere around 3.5 to 3.75%. Given the current and then expected

environment for inflation and economic growth rate, this level of fed funds rate would we considered a normal level of interest rates or neutral monetary policy.

My fear is that the Fed fails to stop tightening soon enough and its rate policy becomes too restrictive, negatively affecting the economy and killing economic growth. More often than not, the Fed historically, has had a tendency to overshoot its objective, which can cause an economic contraction or recession. Normally, Fed overshooting happens when the economy is overheating and inflation is getting out of control. The good news is neither of these conditions appears to be evident at this point. Still there is the risk the Fed becomes a little too over zealous in its crusade against inflation.

Inflation Fears

While there is growing evidence of accelerating inflation, according to economists James W. Paulsen, Ph.D., a major part of the "inflation story" in this recovery may be more about the "end of deflation." What happened to the uncontrollable deflation spiral scare of 2003? It seems like overnight, some on Wall Street and of course the media, went from worrying about a crippling deflationary spiral to now, uncontrollable soaring inflation. See, there's no pleasing them. Bottom line, I think inflation fears are overblown, as the Fed has proved itself a vigilant warrior in the fight against inflation and won't let it get out of control. Again, I have a greater fear the Fed will be too diligent and in doing so may choke economic growth.

Other Positive Developments

Meaningful Tax Reform

The current version of the Federal Tax Code is 17,000 pages long. The 1040EZ form (aka the 1040 "short form") is only 1-page long but has 36 pages of instructions¹⁸. According to The White House, President Bush has named a 10-person panel to study the US tax code and recommend changes to simplify the system. The panel's work is to be delivered to the White House by 7/31/05.

Social Security or should I say "Social Insecurity"

The Social Security program in the USA was implemented in 1935, or 70 years ago. The 1st country to establish a Social Security program for its citizens was Germany in 1889. In the US in 1960, there were 5 workers paying taxes into Social Security for every 1 recipient. The ratio is 3.3 workers per recipient today. By the year 2040, the ratio will be 2 to 1. Additionally, 1 out of every 6 Americans currently collects as a monthly retiree, a disabled individual, or a survivor of a recipient¹⁹.

Social Security is a pay as you go system. Payroll taxes from those workers working today fund the benefits of those receiving social security checks. If anyone besides the government created a system like social security, they would be arrested for operating an illegal Ponzi scheme. As the system is designed, the last people in the system may not get their promised benefits.

Social Security will continue to generate an annual surplus (i.e., taxes collected in excess of benefits (paid out) until the year 2017 when the annual benefits paid will exceed taxes collected. The \$1.7 trillion trust fund of today will be zero in 2041 unless changes are made to the system. If the trust fund went to zero then individuals receiving Social Security checks would begin to receive

only 73% of their currently promised benefits in 2041. Actuaries have assumed future GDP growth of +1.9% per year in their calculations²⁰. The projected shortfall today (i.e., a present value number) between taxes anticipated to be collected and benefits to be paid out over the next 75 years is \$3.7 trillion according to the 2004 annual report of the Social Security trustees. The OMB has projected the shortfall to be \$2.6 trillion²¹.

The last time the nation's Social Security program underwent major reform was 1983. The changes implemented at that time included 1) increased payroll taxes, 2) a rise in the retirement age in stages from 65 to 67, and 3) the partial taxation of benefits depending upon a recipient's income level. The chair of the National Commission on Social Security Reform in 1983 was Alan Greenspan²².

According to the AARP, a potential solution offered is raising the Social Security wage base to \$140,000 (from its current level of \$90,000) over the next 10 years and the program's full retirement age is increased from 67 to 70 by 2083, 81% of the anticipated \$3.7 trillion shortfall would be eliminated²³. It still does not solve the problem completely and amounts to raising taxes, something the President has said he does not want to do. He has stated his belief that higher taxes stifle economic growth.

President Bush wants to have private accounts available as an alternative within the Social Security system in 2009. Individuals born after 1949 would have the choice of using private accounts but would not be required to do so. People born before 1950 are not impacted by the proposed changes. The President's plan for private accounts for a portion of an individual Social Security dollars (4% of wages annually up to a maximum \$1,000 initially) would produce a greater retirement benefit if the personal account generates at least a +3% rate of return after inflation and after expenses. Modeling done to support the President's plan suggests a 50/50 stock/bond mix would return +4.6% after inflation and expenses. An individual employee would be able to invest a maximum 4% of wages (of the 12.4% he/she currently pays along with his/her employer's contribution) up to \$1,000 annually into a private savings account in which the individual would pick from 5 mutual funds to invest in²⁴. Essentially, the Congress and all government employees have this type of plan now and it has worked very well for them.

The AARP has spent more than \$10 million in newspaper ads so far this year to influence public opinion against President Bush's plan for private accounts within Social Security. President Bush has traveled to many different US states to promote his plan since the idea was first presented in his 2/02/05 State of the Union address²⁵. The AARP's opposition seems very strange to me since most of their members would not be affected.

The White House projects that if an individual is able to achieve at least a +3.0% real rate of return (i.e., after inflation), then the combination of the private account plus Social Security beats the current Social Security arrangement. Social Security actuaries project that a +4.93% real rate of return can be achieved with a 60% stock, 40% bond allocation. Social Security actuaries have based their private account calculations upon the assumption that stocks will generate a real (after inflation) return of +6.5%, government bonds will return +3.0% and corporate bonds will return +3.5%²⁶. According to the Wall Street Journal, the expenses for administration of the management of the private accounts are expected to be 30 basis points, or \$3 annually per \$1,000 market value.

A concern of those who oppose private accounts within Social Security are the anticipated transition costs, estimated to be \$4.9 trillion over 20 years by the Democrats, far more than the White House projection of a \$754 billion cost over 10 years²⁷. How could there be a \$4 trillion dollar difference? The Republicans believe that once the private accounts are in place, \$10 trillion in future Social Security obligations will be eliminated²⁸.

The establishment of private accounts with a portion of Social Security dollars as suggested by President Bush would result in \$65 billion of annual contributions to these accounts. This compares with \$178 billion that was invested into stock mutual funds in 2004²⁹. Why should you care? It's your money! Moreover, it's part of your future and/or your children and grand children's future.

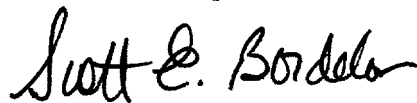
In conclusion, we are in the process of making some changes to some of your investment portfolios we manage. We managed to make some changes to a few portfolios during the 1st quarter, as it was difficult to do with the volatility of the markets. You may notice some changes in your portfolio as we may replace some investment positions and modify your portfolio allocation.

We appreciate the confidence and trust you have placed in us to manage your investments. We take this charge very seriously.

Please feel free to call us if you have any questions regarding this report, your investment portfolio or its performance. Please do not hesitate to call your advisor if you would like to schedule an appointment or telephone appointment. Regular consultations with you are an important part of the service your advisor provides.

I hope you are doing well and are enjoying the spring. With spring already here, summer is just around the corner. Your 2nd quarter investment performance report should be sent to you around the middle of July 2005 or sooner if possible. I hope that I will have good news to report.

I remain sincerely,



Scott E. Bordelon, CFP[®], AAMS

Enclosures

** Please note; this information has been prepared from sources and data believed to be reliable but is not guaranteed by Scott E. Bordelon, CFP[®], AAMS, Financial & Investment Management Advisors, Inc., or Mutual Service Corporation. While considerable effort has been expended to produce an accurate accounting of your investment activity, neither representation nor guarantee is made of its accuracy or completeness. This report is provided for information purposes only and is not to be construed as an offer to buy or sell any securities mentioned herein. The preceding is the economic commentary and views of Scott E. Bordelon, CFP[®], AAMS and President of Financial & Investment Management Advisors, Inc., a Registered Investment Advisor with the U.S. Securities and Exchange Commission, and should not be construed as investment or economic advice. For specific advice, please contact us*

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- ◆ The S&P 500 is made up of 500 common stocks representing major US industry sectors
- ◆ The Dow Jones Industrial Average is an index of 30 blue chip US Stocks
- ◆ The Russell 2000 is a small cap index which tracks the returns of the smallest 2000 firms in the Russell 3000 Index, which is composed of the 3000 largest companies in the United States, as measured by Market Capitalization
- ◆ The NASDAQ Index is a measure of the combined value of roughly 5000 stocks traded on the National Association of Securities Dealers Exchange
- ◆ Lehman Brothers Aggregate Bond Index is a broad based bond index composed of U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities, and commercial mortgage-based securities.
- ◆ NAREIT Equity Index. NAREIT share price equity index measures the performance of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market system.
- ◆ Lehman Brothers High Yield Index is an index comprised of the universe of fixed-rate, non-investment-grade debt.
- ◆ One cannot invest directly in an index.
- ◆ Investments are not guaranteed and may lose value.
- ◆ Past performance in no way guarantees future results.
- ◆ Diversification does not assure against market loss.
- ◆ Russell1000® Index – measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$13 billion; the median market capitalization was approximately \$3.8 billion. The smallest company in the index had an approximate market capitalization of \$1.4 billion.

Endnotes:

¹ According to Internal Rate of Return calculations as calculated by dbCAMS+

² Bloomberg and Fidelity Investments

³ Source: MSCI

⁴ Source: U.S. Dept. of Labor, Bureau of Labor Statistics as of 4/25/05

⁵ Source: Bureau of Labor Statistics as of 4/25/05

⁶ Source: Bureau of Economic Analysis as of 4/25/05

⁷ Source: Bureau of Labor Statistics as of 4/25/05

⁸ Source: Bureau of Economic Analysis, Federal Reserve Board; 2005 data are estimates from economist Dr. David Kelly as of 4/25/05

⁹ Source: Bureau of Economic Analysis as of 4/25/05

¹⁰ Source: First Call

¹¹ Source: Bureau of Economic Analysis as of 4/25/05

¹² Source: Federal Reserve Board as of 4/25/05

¹³ Forbes, Smith & Crouch CPAs, from 11/22/04 issue

¹⁴ Source: Bureau of Labor Statistics as of 4/25/05

¹⁵ Source: Energy Information Administration

¹⁶ Source: USA Today

¹⁷ Source: Federal Reserve, Associated Press

¹⁸ Source: Barron's, President's Advisory Panel on Federal Tax Reform

¹⁹ Source: Social Security Administration, Census Bureau

²⁰ Source: Social Security Administration

²¹ Source: SSA, OMB

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- ²² Source: Federal Reserve
²³ Source: AARP
²⁴ Source: The White House
²⁵ Source: Washington Post
²⁶ Source: SSA
²⁷ Source: WSJ, Treasury Department, Washington Post
²⁸ Source: National Review
²⁹ Source: MFS Funds, Investment Company Institute