



**FISHER**  

---

**COLLEGE OF BUSINESS**

**Student Investment Management  
(SIM) Portfolio**

**2006 Annual Report**

## CONTENTS

<b>I</b>	<b>OBJECTIVES AND PHILOSOPHY.....</b>	<b>1</b>
<b>II</b>	<b>INVESTMENT PROCESS.....</b>	<b>1</b>
<b>III</b>	<b>PERFORMANCE REVIEW.....</b>	<b>3</b>
<b>IV</b>	<b>MARKET AND SECTOR OUTLOOK.....</b>	<b>6</b>
<b>V</b>	<b>ACKNOWLEDGEMENTS.....</b>	<b>7</b>

## APPENDICES

- Appendix I:** Portfolio Holding as of June 30, 2006
- Appendix II:** Purchase Transactions from July 1, 2005 to June 30, 2006
- Appendix III:** Sale Transactions from July 1, 2005 to June 30, 2006
- Appendix IV:** Statement of dividends received during the period July 1, 2005 to June 30, 2006
- Appendix V:** Statement of interest received during the period July 1, 2005 to June 30, 2006
- Appendix VI:** Statement of management fees during the period July 1, 2005 to June 30, 2006
- Appendix VII:** Rosenfield Prize for Excellence in Security Analysis, July 1, 2006 to June 30, 2006

## **I OBJECTIVES AND PHILOSOPHY**

The Ohio State University Student Investment Management (SIM) Program has three primary objectives:

- to achieve a total return in excess of the Standard and Poor (S&P) 500 Index;
- to preserve and maintain the real purchasing power of the fund;
- to enhance the educational experience of the students, by providing them an opportunity to apply the investment management skills and knowledge they have acquired.

The SIM program offers the university a unique forum for delivery of a high quality practical education in investment management. The existence of the SIM program also provides students with a unique opportunity to learn how to apply both their knowledge of investment management theory as well as best practices from the industry.

Outside the classroom, the SIM Program concentrates on establishing and maintaining ties with the business community, which, in turn, enhances public relations for both the Fisher College of Business and The Ohio State University. The program sponsors quarterly student trips to major U.S. financial centers, such as Chicago and New York, where they meet with professionals in the securities and investments business. In February, a team of four MBA students participated in the 2006 Rotman International Trading Competition in Toronto, Canada. This is the third straight year SIM has co-sponsored a team in the event. In April, the program also sponsored two MBA students to attend the 2006 Redefining Investment Strategy Education (RISE) Symposium in Dayton, where they had an opportunity to listen to presentations and discussions by leaders in the securities business.

In addition, thanks to a generous donation from OSU alumni Jack and Dan Rosenfield, the SIM program continued a quarterly competition in which the participants are required to prepare a security analysis report on a publicly-traded stock in the SIM investment universe. Each quarter two prizes are awarded: \$2000 for the best report and \$500 for the second best report. Apart from the prize money, the students benefit by gaining competitive advantage for internship and full-time employment opportunities in a variety of fields in finance.

## **II INVESTMENT PROCESS**

The investment strategy of the SIM program is based on the philosophy that frequently, the market is inefficient and that fundamental analysis can be used to identify what securities to purchase. The structure of the SIM program necessitates a focus on large-cap stocks, with an emphasis on portfolio diversification to manage risk.

In the classroom, the students become active portfolio managers of the SIM Portfolio. They are divided into groups and each group is assigned the responsibility of covering one or two related sectors, as well as, the overall economy.

The economic analysis group reviews the economic outlook presentations of the prior classes and revises the outlook on the basis of current information. They attempt to forecast the stage (recovery, overheat, soft landing, hard landing) the economy will be in for the next few months. The students look at a number of factors, such as: GDP, interest

rates, inflation, unemployment rates, consumer demand, business demand, government demand, net foreign demand, and changes in inventory levels.

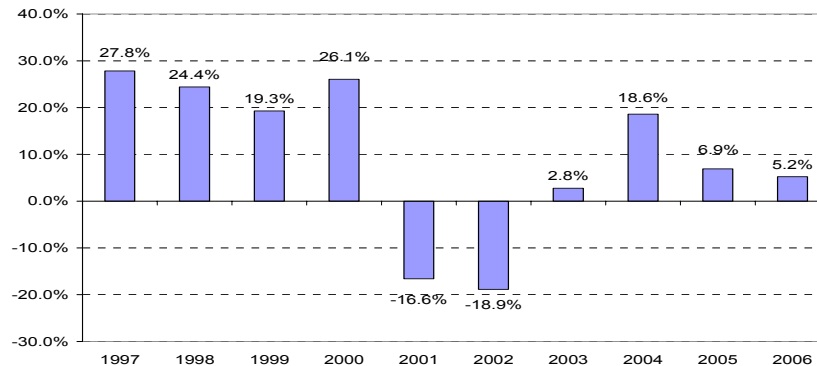
Sector groups review the prior class sector presentations and complete a detailed assessment of current information. The groups present their sector outlooks to the class and recommend an overweight, market-weight, or underweight position in their sectors. Each group then assesses the current SIM portfolio holdings in their sectors and evaluates alternatives within their sectors. Finally the group will make a second and final class presentation, in which they recommend specific stock actions. They may recommend holding the current positions, liquidating specific stocks, or adding new stocks to the SIM portfolio within their sector. After a final round of discussions and voting, the buys and sells for the quarter are finalized and orders are sent to the brokers. The class engages in a group decision-making process and a majority-vote rule applies.

To facilitate continuity, all presentations and individual stock reports are uploaded on the class website and students review prior class presentations and reports prior to beginning their own analysis. Further, each June, a second-year MBA student is appointed as the SIM graduate associate (GA) for one year. The SIM GA is responsible for preparing reports for the Office of the Treasurer, monitoring computer labs, answering questions, and making presentations to each new class on previous portfolios and strategies.

### III PERFORMANCE REVIEW

The SIM portfolio returned 5.23% during the fiscal year ending June 30, 2006, versus the S&P 500 portfolio return of 8.64% for the same period.

**Figure 1: SIM Annual Total Return**



**Table 1: Portfolio Overview as on June 30, 2006**

Inception Date	February 13, 1990
Total Net Assets	\$19,925,658
Number of Equity Positions	30
Average Cap Size	\$109.6 Billion
Average P/E Ratio	16.5
Average P/B Ratio	3.7
Dividend Yield	1.75
Portfolio Beta	0.98

As per the figure above, the market value of the SIM portfolio as of June 30, 2006 was \$19.9 million. The total asset value includes a 1% allocation in cash as of fiscal year end. The portfolio comprised mainly large capitalization, US-based companies, although international exposure increased during the year to 16.2% as of June 30, 2006 from 4.6% in 2005. The portfolio also lowered its overall holdings to 30 stocks during the year from 42 at fiscal year end 2005.

**Table 2: Total Return and Risk Metrics for SIM and S&P 500 Portfolios**

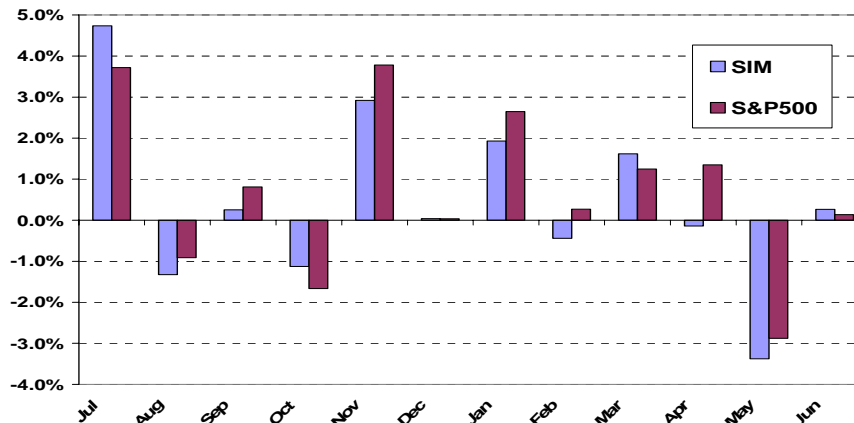
	1-year		3-year		5-year		10-year		Since Inception	
	SIM	S&P 500	SIM	S&P 500	SIM	S&P 500	SIM	S&P 500	SIM	S&P 500
<b>Annualized Total Returns*</b>										
Gross of Fees	5.23%	8.64%	10.08%	11.22%	2.15%	2.49%	8.28%	8.32%	9.59%	10.88%
<b>Measures of Risk</b>										
Standard Deviation	7.36%	7.01%	7.70%	7.74%	13.23%	13.61%	18.46%	15.79%	16.76%	13.80%
Beta	0.99	1.00	0.95	1.00	0.93	1.00	1.07	1.00	1.08	1.00
Tracking Error ( $\sigma_e$ )	2.42%		2.34%		3.97%		7.46%		7.79%	
R <sup>2</sup>	89.22%		90.72%		90.98%		83.66%		78.40%	
Sharpe Ratio	0.71	1.23	1.31	1.45	0.16	0.18	0.45	0.53	0.57	0.79
Information Ratio	(1.41)		(0.48)		(0.09)		(0.00)		(0.17)	

\* Returns include capital gains and dividends, and gross of management fees and other expenses

The above table presents the total returns of the SIM portfolio and S&P 500 in the last one, three, five, and ten years and since inception. The SIM's absolute return during the fiscal year ended June 30, 2006 was a positive 5.23%. Sector bets remained limited during the year, as standard deviation and beta measures mirrored the Index. However, adverse stock selection during the year drove the relative underperformance against the S&P 500, which returned 8.64% during the period.

The table below shows the SIM portfolio outperformed in five of the twelve months relative to the S&P 500, however not by a sufficient margin to outperform on the full year. The months with the greatest underperformance included November, January and April.

**Figure 2: SIM Monthly Returns for Fiscal Year 2006**

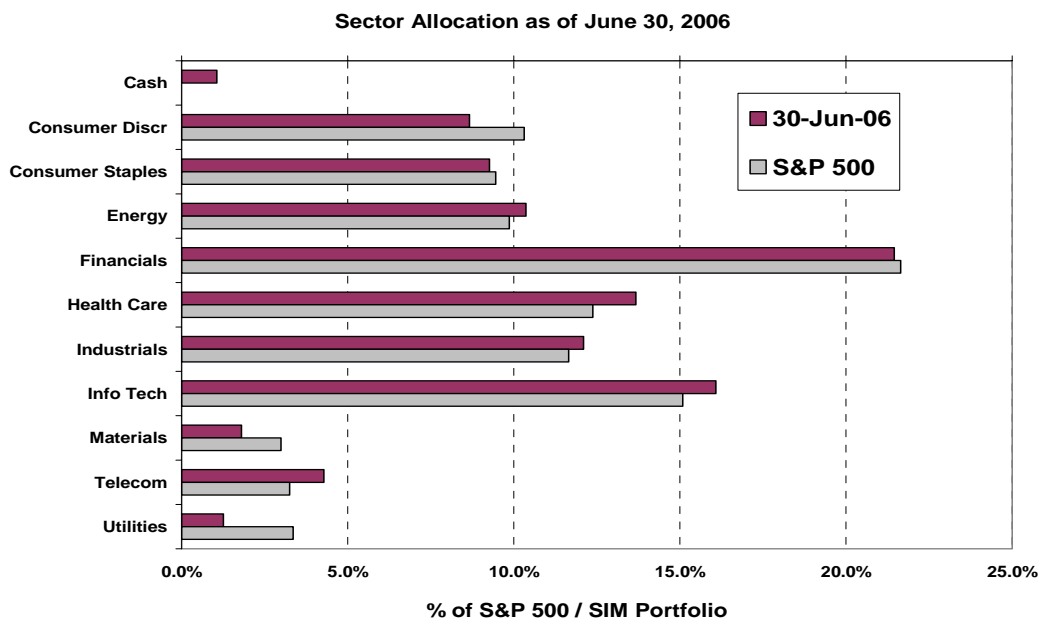


In the last ten years the SIM portfolio earned an annualized return of 8.28% versus 8.32% for the S&P 500 over the same period. The underperformance persisted on a risk adjusted basis. This is reflected in the lower Sharpe ratio of 0.45 for the SIM portfolio as against a corresponding 0.53 for the S&P500.

The SIM portfolio also underperformed the S&P 500 on an absolute and risk adjusted basis during the last five and three year periods. The SIM portfolio achieved an annualized five and three year return of 2.15% and 10.08%, respectively; which compared to 2.49% and 11.22% for the S&P 500.

A closer look at the risk statistics of the last one, three, and five indicates that the systematic risk for the SIM portfolio decreased. The SIM portfolio beta, which averaged 1.07 over the last 10 years, has more closely matched the index over the last one and three years with betas of 0.99 and 0.95, respectively. Similarly, tracking error has declined throughout the multi-year periods.

**Figure 3: Sector Allocation versus the Benchmark as of June 30, 2006**

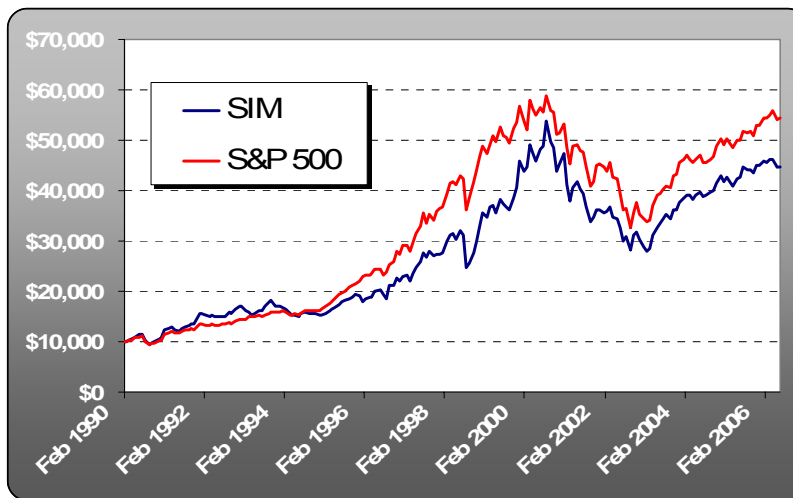


As of fiscal year end, the SIM Portfolio continued to modestly overweight the Health Care and Information Technology sectors by 130 and 100 basis points, respectively. Conversely, the largest underweight sector relative to the Index was Utilities at -210 basis points and Consumer Discretionary at -160 bps. The SIM Portfolio ended the fiscal year with cash position of \$211,132 or 1% of its total value.

**Table 3: Top Ten Holdings of the SIM portfolio as of June 30, 2006**

#	Security	Ticker	Market Value	% of Port.
1	Microsoft	MSFT	\$1,335,090	6.70%
2	Infosys Technologies	INFY	\$1,222,560	6.14%
3	Johnson & Johnson	JNJ	\$1,042,608	5.23%
4	Capital One Financial Corp	COF	\$1,042,490	5.23%
5	Citigroup	C	\$1,042,200	5.23%
6	Merrill Lynch & Co	MER	\$911,236	4.57%
7	Nabors Industries Ltd	NBR	\$905,572	4.54%
8	Exxon Mobil Corp	XOM	\$901,845	4.53%
9	Procter & Gamble Co	PG	\$878,480	4.41%
10	General Electric	GE	\$860,256	4.32%
			\$10,142,337	50.90%

**Figure 4: Dollar value of \$10,000 invested in SIM and S&P 500**



The above graph shows the change in the value of \$10,000 invested in both the SIM portfolio and the S&P 500 from February 13, 1990 (inception) to June 30, 2006. The value of \$10,000 invested in the SIM portfolio would be \$44,796 (capital gains plus dividends), whereas the same value invested in the S&P 500 would end with a value of \$54,313 (dividends re-invested).

#### **IV MARKET AND SECTOR OUTLOOK**

The Federal Reserve continued the rate-hiking campaign that began in June 2003 by raising rates 25 basis points in eight consecutive meetings during fiscal 2006 from 3.25% to 5.25%. Increasing interest rates has been the clear consensus forecast for several quarters now; however, as signs of an economic slowdown materialize in the second half of 2006 the forecast is filled with uncertainty.

Economic data in the second quarter of 2006 began to suggest higher inflation and slower growth. The new data combined with the relatively untested Fed chairman gave markets a reason to pull back for fear of Fed actions that would lead to a recession in the second half of 2006. Adding to the uncertainty of the domestic economy data, is the growing global instability in Iraq, Iran, Israel, and Korea. Investors remain skittish in the current environment and should result in greater market volatility in the intermediate future.

Consistent with significant uncertainty in the market place, the SIM portfolio has pared larger sector bets and relied on stock selection.

## **V ACKNOWLEDGEMENTS**

Professor Andrew Karolyi is the director of the SIM program and administers long term functioning. Royce West has been the instructor during the last year.

The program depends on the assistance received from the personnel at the Treasurer's Office and Treasurer Jim Nichols. Al Rodack, Jim Nichols, Tim Michel and Gary Leimbach have made numerous presentations to the class, while other staff members of the Treasurer's Office and local brokerage firms have helped this program succeed.

Rafael Canario has been the SIM Graduate Assistant for the academic year ended June 30, 2006.

Jeremy Sell prepared this annual report, under the supervision of Professor Andrew Karolyi.

**Appendix I: Holdings as of June 30, 2006**

Quantity	Security	Unit Cost	Total Cost	Cur. Price	Market Value	Pct. Assets	Cur. Yield
<b>Common Stock</b>							
3,500	Alltel Corp.	56.53	197,842	63.83	223,405	1.1	2.4
5,800	American Movil S.A.	29.16	169,128	33.26	192,908	1.0	-
13,500	Anheuser-Busch Companies, Inc.	44.41	599,549	45.59	615,465	3.1	1.9
21,500	Boston Scientific Corp.	28.02	602,329	16.84	362,060	1.8	-
12,200	Capital One Financial Corp.	67.05	818,061	85.45	1,042,490	5.2	0.1
19,100	Cintas Corp.	41.05	784,087	39.76	759,416	3.8	0.8
21,600	Citigroup, Inc.	41.48	895,930	48.25	1,042,200	5.2	3.6
5,900	Deutsche Bank AG-Registered	107.07	631,713	112.5	663,750	3.3	2.6
9,200	Dow Chemical Co.	40.53	372,840	39.03	359,076	1.8	3.4
14,700	Exxon Mobil Corp.	47.39	696,584	61.35	901,845	4.5	2.1
14,200	Federated Department Stores, Inc.	35.77	507,904	36.6	519,720	2.6	1.5
26,100	General Electric Co.	33.50	874,302	32.96	860,256	4.3	2.7
20,400	Hewlett-Packard Co.	24.81	506,158	31.68	646,272	3.2	1.0
17,800	Home Depot, Inc.	36.47	649,203	35.79	637,062	3.2	1.1
16,000	Infosys Technologies	68.88	1,102,023	76.41	1,222,560	6.1	0.2
17,400	Johnson & Johnson	60.22	1,047,814	59.92	1,042,608	5.2	2.2
3,712	Kerr-McGee Corp.	41.87	155,416	69.35	257,427	1.3	2.6
10,500	L-3 Communications Holdings, Inc.	44.30	465,110	75.42	791,910	4.0	0.7
12,800	Mastercard, Cl. A	47.10	602,865	48	614,400	3.1	-
13,100	Merrill Lynch & Company, Inc.	62.00	812,255	69.56	911,236	4.6	1.2
57,300	Microsoft Corp.	27.24	1,560,788	23.3	1,335,090	6.7	1.4
26,800	Nabors Industries, Inc.	31.12	833,933	33.79	905,572	4.5	-
29,700	Pfizer, Inc.	30.57	908,007	23.47	697,059	3.5	3.2
15,800	Procter & Gamble Co.	50.81	802,757	55.6	878,480	4.4	2.0
9,300	Sprint Nextel Corp	21.04	195,672	19.99	185,907	0.9	2.5
14,800	Stryker Corp.	43.78	647,920	42.11	623,228	3.1	0.3
6,000	Suez-ADR	30.09	180,513	41.75	250,500	1.3	1.8
7,500	Verizon Communications, Inc.	34.34	257,540	33.49	251,175	1.3	4.8
15,850	Viacom Inc., Cl. A	41.48	657,483	35.95	569,808	2.9	-
7,300	Wal-Mart Stores, Inc.	47.96	350,083	48.17	351,641	1.8	0.6
			-----		-----	-----	-----
			18,885,809		19,714,526	98.9	1.5
<b>Cash &amp; Equivalents</b>							
	Student Portfolio-SSGA Gov't Fund		211,133		211,133	1.1	4.6
			-----		-----	-----	-----
<b>Total Portfolio</b>							
			19,096,942		19,925,658	100.0	1.5

**Appendix II: Purchase Transactions from July 1, 2005 to June 30, 2006**

Trade Date	Settlement Date	Quantity	Security	Unit Price	Amount
<b>Fall Quarter</b>					
18-Aug-05	23-Aug-05	15,000	Anheuser-Busch Companies, Inc.	44.55	668,281.50
18-Aug-05	23-Aug-05	10,000	Armor Holdings	42.29	422,946.00
18-Aug-05	23-Aug-05	4,000	Boston Scientific Corp.	27.57	110,299.20
18-Aug-05	23-Aug-05	2,200	Capital One Financial Corp.	84.75	186,446.92
18-Aug-05	23-Aug-05	4,600	Cintas Corp.	42.24	194,285.60
18-Aug-05	23-Aug-05	17,500	Dell Inc.	37.01	647,675.00
18-Aug-05	23-Aug-05	1,000	Fifth Third Bancorp	43.25	43,250.00
18-Aug-05	23-Aug-05	2,000	International Paper Co.	31.36	62,720.00
18-Aug-05	23-Aug-05	3,400	Johnson & Johnson	63.77	216,830.92
18-Aug-05	23-Aug-05	4,400	Magna Int'l - CL A	75.61	332,684.00
18-Aug-05	23-Aug-05	9,900	Merck & Company, Inc.	30.66	303,534.00
18-Aug-05	23-Aug-05	7,400	Merrill Lynch & Company, Inc.	57.69	426,892.68
18-Aug-05	23-Aug-05	3,500	Pepsico, Inc.	54.74	191,592.10
18-Aug-05	23-Aug-05	4,600	Tyco International, Ltd.	28.28	130,088.00
18-Aug-05	23-Aug-05	1,500	Verizon Communications, Inc.	33.07	49,605.00
<b>Winter Quarter</b>					
2-Dec-05	7-Dec-05	2,900	American Int'l Group, Inc.	67.02	194,355.97
2-Dec-05	7-Dec-05	3,300	Anheuser-Busch Companies, Inc.	43.77	144,441.00
2-Dec-05	7-Dec-05	1,800	Capital One Financial Corp.	84.23	151,608.96
2-Dec-05	7-Dec-05	14,900	Dell Inc.	30.85	459,665.00
2-Dec-05	7-Dec-05	1,300	Dominion Resources, Inc.	76.13	98,969.00
2-Dec-05	7-Dec-05	5,100	Exxon Mobil Corp.	59.24	302,114.82
2-Dec-05	7-Dec-05	4,000	Hewlett-Packard Co.	29.28	117,120.00
2-Dec-05	7-Dec-05	4,500	Johnson & Johnson	61.48	276,660.00
2-Dec-05	7-Dec-05	500	Kerr-McGee Corp.	90.10	45,050.00
2-Dec-05	7-Dec-05	20,000	Merck & Company, Inc.	30.03	600,516.00
2-Dec-05	7-Dec-05	5,600	Microsoft Corp.	28.04	157,024.00
2-Dec-05	7-Dec-05	3,000	Nabors Industries, Inc.	71.80	215,391.00
2-Dec-05	7-Dec-05	13,300	Tyco International, Ltd.	29.15	387,647.12
2-Dec-05	7-Dec-05	4,500	Verizon Communications, Inc.	31.82	143,190.00
2-Dec-05	7-Dec-05	8,700	Viacom Inc., Cl. A	34.35	298,804.98
2-Dec-05	7-Dec-05	8,200	Wal-Mart Stores, Inc.	47.96	393,244.12
<b>Spring Quarter</b>					
9-Mar-06	14-Mar-06	3,800	Deutsche Bank AG-Registered	107.89	409,980.10
9-Mar-06	14-Mar-06	700	Dow Chemical Co.	42.92	30,044.00
9-Mar-06	14-Mar-06	7,100	Federated Department Stores, Inc.	71.54	507,904.18
9-Mar-06	14-Mar-06	16,000	Fifth Third Bancorp	38.01	608,160.00
9-Mar-06	14-Mar-06	4,100	Harley-Davidson, Inc.	50.95	208,883.93
9-Mar-06	14-Mar-06	13,300	Infosys Technologies	69.19	920,285.52
9-Mar-06	14-Mar-06	3,400	Johnson & Johnson	58.68	199,512.00
9-Mar-06	14-Mar-06	1,200	Kerr-McGee Corp.	94.14	112,974.00
9-Mar-06	14-Mar-06	2,600	Merrill Lynch & Company, Inc.	77.63	201,841.90
9-Mar-06	14-Mar-06	2,600	Nabors Industries, Inc.	64.03	166,481.90
9-Mar-06	14-Mar-06	5,400	Viacom Inc., Cl. A	38.18	206,189.82
21-Mar-06	21-Mar-06	10,450	CBS Corp-Class B	0.10	999.43
<b>Summer Quarter</b>					
12-Jun-06	15-Jun-06	5,800	American Movil S.A.	29.16	169,128.00
12-Jun-06	15-Jun-06	9,100	Cintas Corp.	41.35	376,285.00
12-Jun-06	15-Jun-06	2,100	Deutsche Bank AG-Registered	105.59	221,732.91
12-Jun-06	15-Jun-06	200	Dow Chemical Co.	38.10	7,620.00
12-Jun-06	15-Jun-06	800	Exxon Mobil Corp.	58.46	46,768.00
12-Jun-06	15-Jun-06	12,900	General Electric Co.	34.08	439,632.00
12-Jun-06	15-Jun-06	6,500	Hewlett-Packard Co.	30.04	195,260.00
12-Jun-06	15-Jun-06	17,800	Home Depot, Inc.	36.47	649,203.38
12-Jun-06	15-Jun-06	2,700	Infosys Technologies	67.31	181,737.00
12-Jun-06	15-Jun-06	2,000	Johnson & Johnson	61.56	123,120.00
12-Jun-06	15-Jun-06	12,800	Mastercard, Cl. A	47.10	602,864.64
12-Jun-06	15-Jun-06	17,300	Microsoft Corp.	21.90	378,833.67
12-Jun-06	15-Jun-06	2,800	Nabors Industries, Inc.	31.37	87,836.00
12-Jun-06	15-Jun-06	1,900	Procter & Gamble Co.	54.55	103,645.00
12-Jun-06	15-Jun-06	9,300	Sprint Nextel Corp	21.04	195,672.00
12-Jun-06	15-Jun-06	14,800	Stryker Corp.	43.78	647,920.32
12-Jun-06	15-Jun-06	2,500	Suez-ADR	38.54	96,350.00

**Appendix III: Sell Transactions from July 1, 2005 to June 30, 2006**

Trade Date	Settlement Date	Quantity	Security	Unit Price	Amount
<b>Fall Quarter</b>					
18-Aug-05	23-Aug-05	5,400	Amgen, Inc.	78.89	425,988.18
18-Aug-05	23-Aug-05	20,000	CVS Corp.	28.82	576,319.86
18-Aug-05	23-Aug-05	51,800	EMC Corp.	13.26	686,839.18
18-Aug-05	23-Aug-05	6,500	FDX Corp.	84.41	548,642.05
18-Aug-05	23-Aug-05	5,400	Lowe's Companies, Inc.	64.99	350,931.31
18-Aug-05	23-Aug-05	11,100	Morgan Stanley Group, Inc.	52.15	578,840.78
18-Aug-05	23-Aug-05	10,500	Omnicare, Inc.	48.65	510,803.62
19-Aug-05	24-Aug-05	1,000	Pfizer, Inc.	25.66	25,658.92
<b>Winter Quarter</b>					
2-Dec-05	7-Dec-05	5,600	Amgen, Inc.	80.41	450,303.48
2-Dec-05	7-Dec-05	10,000	Armor Holdings	45.15	451,542.10
2-Dec-05	7-Dec-05	9,100	Fifth Third Bancorp	40.03	364,274.13
2-Dec-05	7-Dec-05	3,000	FPL Group, Inc.	42.50	127,506.66
2-Dec-05	7-Dec-05	5,300	International Paper Co.	33.35	176,753.43
2-Dec-05	7-Dec-05	9,000	Pepsico, Inc.	59.93	539,362.73
2-Dec-05	7-Dec-05	5,000	Schlumberger Ltd.	99.21	496,049.25
2-Dec-05	7-Dec-05	18,000	Scientific Atlanta, Inc.	42.22	759,928.19
2-Dec-05	7-Dec-05	20,100	Staples, Inc.	22.97	461,597.26
2-Dec-05	7-Dec-05	3,100	Suez-ADR	28.81	89,309.12
2-Dec-05	7-Dec-05	3,800	UnitedHealth Group, Inc.	61.97	235,476.14
<b>Spring Quarter</b>					
9-Mar-06	14-Mar-06	2,300	Alltel Corp.	65.83	151,404.34
9-Mar-06	14-Mar-06	15,600	American Int'l Group, Inc.	66.67	1,040,065.28
9-Mar-06	14-Mar-06	2,600	Anheuser-Busch Companies, Inc.	42.48	110,444.60
9-Mar-06	14-Mar-06	14,100	Hewlett-Packard Co.	32.80	462,465.78
9-Mar-06	14-Mar-06	1,000	International Paper Co.	33.31	33,308.97
9-Mar-06	14-Mar-06	9,000	Magna Int'l - CL A	72.98	656,854.72
9-Mar-06	14-Mar-06	28,000	Symantec Corp.	15.89	444,906.29
9-Mar-06	14-Mar-06	1,600	Sysco Corp.	30.10	48,159.79
9-Mar-06	14-Mar-06	3,800	UnitedHealth Group, Inc.	56.91	216,257.43
9-Mar-06	14-Mar-06	900	Wal-Mart Stores, Inc.	45.27	40,743.18
10-Mar-06	15-Mar-06	10,450	CBS Corp., Cl. A	24.05	251,303.27
21-Mar-06	21-Mar-06	10,450	CBS Corp-Class B	-	0.01
26-Apr-06	26-Apr-06	1	Tronox Inc. Cl. B	18.13	9.81
<b>Summer Quarter</b>					
12-Jun-06	15-Jun-06	2,200	Anheuser-Busch Companies, Inc.	45.20	99,436.94
12-Jun-06	15-Jun-06	32,400	Dell Inc.	24.96	808,646.72
12-Jun-06	15-Jun-06	1,300	Dominion Resources, Inc.	72.92	94,801.14
12-Jun-06	15-Jun-06	16,000	Fifth Third Bancorp	38.39	614,169.91
12-Jun-06	15-Jun-06	13,400	Harley-Davidson, Inc.	49.27	660,191.01
12-Jun-06	15-Jun-06	1,400	Kerr-McGee Corp.	101.74	142,431.62
12-Jun-06	15-Jun-06	33,400	Merck & Company, Inc.	33.65	1,124,029.07
12-Jun-06	15-Jun-06	12,200	Sysco Corp.	30.29	369,535.17
12-Jun-06	15-Jun-06	656	Tronox Inc. Cl. B	12.47	8,180.06
12-Jun-06	15-Jun-06	27,900	Tyco International, Ltd.	26.56	740,962.14

**Appendix IV: Dividends received during the period July 1, 2005 to June 30, 2006**

Ex-Date	Payment Date	Security	Amount
1-Jul-05	1-Jul-05	FDX Corp.	520.00
1-Jul-05	1-Jul-05	Kerr-McGee Corp.	112.80
1-Jul-05	1-Jul-05	Merck & Company, Inc.	1,330.00
1-Jul-05	1-Jul-05	Viacom Inc., Cl. A	854.00
5-Jul-05	5-Jul-05	Alltel Corp.	1,634.00
6-Jul-05	6-Jul-05	Hewlett-Packard Co.	1,920.00
8-Jul-05	8-Jul-05	Schlumberger Ltd.	630.00
14-Jul-05	14-Jul-05	Fifth Third Bancorp	2,835.00
22-Jul-05	22-Jul-05	Sysco Corp.	2,070.00
25-Jul-05	25-Jul-05	General Electric Co.	2,904.00
29-Jul-05	29-Jul-05	Dow Chemical Co.	2,780.50
29-Jul-05	29-Jul-05	Lowe's Companies, Inc.	324.00
29-Jul-05	29-Jul-05	Morgan Stanley Group, Inc.	2,997.00
1-Aug-05	1-Aug-05	CVS Corp.	725.00
1-Aug-05	1-Aug-05	Verizon Communications, Inc.	607.50
2-Aug-05	2-Aug-05	Tyco International, Ltd.	1,000.00
15-Aug-05	15-Aug-05	Procter & Gamble Co.	3,892.00
22-Aug-05	22-Aug-05	Capital One Financial Corp.	218.67
24-Aug-05	24-Aug-05	Merrill Lynch & Company, Inc.	620.00
26-Aug-05	26-Aug-05	Citigroup, Inc.	9,504.00
6-Sep-05	6-Sep-05	Pfizer, Inc.	5,833.00
8-Sep-05	8-Sep-05	Microsoft Corp.	2,752.00
9-Sep-05	9-Sep-05	Exxon Mobil Corp.	2,552.00
13-Sep-05	13-Sep-05	Johnson & Johnson	2,475.00
14-Sep-05	14-Sep-05	Scientific Atlanta, Inc.	180.00
15-Sep-05	15-Sep-05	FPL Group, Inc.	1,065.00
15-Sep-05	15-Sep-05	International Paper Co.	1,075.00
15-Sep-05	15-Sep-05	L-3 Communications Holdings, Inc.	1,312.50
15-Sep-05	15-Sep-05	Magna Int'l - CL A	3,420.00
16-Sep-05	16-Sep-05	American Int'l Group, Inc.	1,905.00
30-Sep-05	30-Sep-05	Pepsico, Inc.	2,340.00
3-Oct-05	3-Oct-05	Alltel Corp.	2,204.00
3-Oct-05	3-Oct-05	Kerr-McGee Corp.	77.80
3-Oct-05	3-Oct-05	Merck & Company, Inc.	5,092.00
3-Oct-05	3-Oct-05	Viacom Inc., Cl. A	854.00
5-Oct-05	5-Oct-05	Hewlett-Packard Co.	1,920.00
7-Oct-05	7-Oct-05	Schlumberger Ltd.	1,050.00
11-Oct-05	11-Oct-05	Harley-Davidson, Inc.	1,488.00
18-Oct-05	18-Oct-05	Fifth Third Bancorp	3,458.00
25-Oct-05	25-Oct-05	General Electric Co.	2,904.00
28-Oct-05	28-Oct-05	Dow Chemical Co.	2,780.50
28-Oct-05	28-Oct-05	Sysco Corp.	2,070.00
1-Nov-05	1-Nov-05	Tyco International, Ltd.	1,460.00
1-Nov-05	1-Nov-05	Verizon Communications, Inc.	1,215.00
15-Nov-05	15-Nov-05	Procter & Gamble Co.	3,892.00
21-Nov-05	21-Nov-05	Capital One Financial Corp.	277.33
23-Nov-05	23-Nov-05	Citigroup, Inc.	9,504.00
23-Nov-05	23-Nov-05	Merrill Lynch & Company, Inc.	2,100.00
6-Dec-05	6-Dec-05	Pfizer, Inc.	5,643.00
8-Dec-05	8-Dec-05	Microsoft Corp.	2,752.00
9-Dec-05	9-Dec-05	Anheuser-Busch Companies, Inc.	4,050.00
9-Dec-05	9-Dec-05	Exxon Mobil Corp.	2,552.00
13-Dec-05	13-Dec-05	Johnson & Johnson	2,475.00
14-Dec-05	14-Dec-05	Scientific Atlanta, Inc.	180.00
15-Dec-05	15-Dec-05	FPL Group, Inc.	1,065.00
15-Dec-05	15-Dec-05	International Paper Co.	1,575.00
15-Dec-05	15-Dec-05	L-3 Communications Holdings, Inc.	1,312.50

15-Dec-05	15-Dec-05	Magna Int'l - CL A	3,420.00
16-Dec-05	16-Dec-05	American Int'l Group, Inc.	1,905.00
28-Dec-05	28-Dec-05	Harley-Davidson, Inc.	1,674.00
3-Jan-06	3-Jan-06	Alltel Corp.	2,233.00
3-Jan-06	3-Jan-06	Kerr-McGee Corp.	77.80
3-Jan-06	3-Jan-06	Merck & Company, Inc.	5,092.00
3-Jan-06	3-Jan-06	Viacom Inc., Cl. A	854.00
3-Jan-06	3-Jan-06	Wal-Mart Stores, Inc.	1,230.00
4-Jan-06	4-Jan-06	Hewlett-Packard Co.	2,240.00
25-Jan-06	25-Jan-06	General Electric Co.	3,300.00
27-Jan-06	27-Jan-06	Sysco Corp.	2,346.00
30-Jan-06	30-Jan-06	Dow Chemical Co.	2,780.50
1-Feb-06	1-Feb-06	Verizon Communications, Inc.	3,037.50
2-Feb-06	2-Feb-06	Tyco International, Ltd.	2,790.00
15-Feb-06	15-Feb-06	Procter & Gamble Co.	3,892.00
21-Feb-06	21-Feb-06	Capital One Financial Corp.	325.33
24-Feb-06	24-Feb-06	Citigroup, Inc.	10,584.00
28-Feb-06	28-Feb-06	Merrill Lynch & Company, Inc.	2,625.00
7-Mar-06	7-Mar-06	Pfizer, Inc.	7,128.00
9-Mar-06	9-Mar-06	Anheuser-Busch Companies, Inc.	4,941.00
9-Mar-06	9-Mar-06	Microsoft Corp.	3,600.00
10-Mar-06	10-Mar-06	Exxon Mobil Corp.	4,448.00
14-Mar-06	14-Mar-06	Cintas Corp.	3,500.00
14-Mar-06	14-Mar-06	Johnson & Johnson	3,960.00
15-Mar-06	15-Mar-06	International Paper Co.	250.00
15-Mar-06	15-Mar-06	L-3 Communications Holdings, Inc.	1,968.75
17-Mar-06	17-Mar-06	American Int'l Group, Inc.	2,340.00
20-Mar-06	20-Mar-06	Dominion Resources, Inc.	897.00
24-Mar-06	24-Mar-06	Harley-Davidson, Inc.	1,674.00
24-Mar-06	24-Mar-06	Magna Int'l - CL A	3,420.00
3-Apr-06	3-Apr-06	Alltel Corp.	2,233.00
3-Apr-06	3-Apr-06	CBS Corp-Class B	1,672.00
3-Apr-06	3-Apr-06	Federated Department Stores, Inc.	1,775.00
3-Apr-06	3-Apr-06	Kerr-McGee Corp.	102.80
3-Apr-06	3-Apr-06	Merck & Company, Inc.	12,692.00
3-Apr-06	3-Apr-06	Wal-Mart Stores, Inc.	1,222.75
5-Apr-06	5-Apr-06	Hewlett-Packard Co.	1,112.00
18-Apr-06	18-Apr-06	Fifth Third Bancorp	6,080.00
25-Apr-06	25-Apr-06	General Electric Co.	3,300.00
28-Apr-06	28-Apr-06	Dow Chemical Co.	3,375.00
28-Apr-06	28-Apr-06	Sysco Corp.	2,074.00
1-May-06	1-May-06	Verizon Communications, Inc.	3,037.50
3-May-06	3-May-06	Tyco International, Ltd.	2,790.00
15-May-06	15-May-06	Procter & Gamble Co.	4,309.00
23-May-06	23-May-06	Capital One Financial Corp.	325.33
23-May-06	23-May-06	Suez-ADR	3,792.48
24-May-06	24-May-06	Merrill Lynch & Company, Inc.	3,275.00
26-May-06	26-May-06	Citigroup, Inc.	10,584.00
2-Jun-06	2-Jun-06	Deutsche Bank AG-Registered	9,597.28
5-Jun-06	5-Jun-06	Wal-Mart Stores, Inc.	1,222.75
6-Jun-06	6-Jun-06	Pfizer, Inc.	7,128.00
8-Jun-06	8-Jun-06	Microsoft Corp.	3,600.00
9-Jun-06	9-Jun-06	Anheuser-Busch Companies, Inc.	4,239.00
9-Jun-06	9-Jun-06	Exxon Mobil Corp.	4,448.00
13-Jun-06	13-Jun-06	Johnson & Johnson	5,775.00
14-Jun-06	14-Jun-06	Infosys Technologies	10,886.05
15-Jun-06	15-Jun-06	L-3 Communications Holdings, Inc.	1,968.75
20-Jun-06	20-Jun-06	Dominion Resources, Inc.	897.00
26-Jun-06	26-Jun-06	Harley-Davidson, Inc.	2,814.00
-----			
<b>Total Dividends Received</b>			<b>331,199.67</b>

**Appendix V: Interest received during the period July 1, 2005 to June 30, 2006**

Payment Date	Security Name	Amount
7/1/2005	SSGA Gov't Fund Money Market	811.41
8/1/2005	SSGA Gov't Fund Money Market	767.81
9/1/2005	SSGA Gov't Fund Money Market	582.02
10/3/2005	SSGA Gov't Fund Money Market	58.87
11/1/2005	SSGA Gov't Fund Money Market	72.53
12/1/2005	SSGA Gov't Fund Money Market	70.40
1/3/2006	SSGA Gov't Fund Money Market	34.17
1/3/2006	SSGA Prime Money Market Fund	514.88
2/2/2006	SSGA Prime Money Market Fund	683.81
3/1/2006	SSGA Prime Money Market Fund	638.83
4/3/2006	SSGA Prime Money Market Fund	925.17
5/1/2006	SSGA Prime Money Market Fund	286.83
6/1/2006	SSGA Prime Money Market Fund	304.68
<b>Total Interest Received</b>		5,751.41

**Appendix VI: Statement of management fees during the period July 1, 2005 to June 30, 2006**

Date	Fee Amount
30-Sep-05	24,850.72
31-Dec-05	25,333.96
31-Mar-06	25,893.57
6/30/2006	24,907.07
-----	
100,985.32	

**Appendix VII: Rosenfield Prize for Excellence in Security Analysis, July 1, 2005 to June 30, 2006**

Quarter	Winners and Reports
Summer 2005	Winner: Shaoyang Wang (Lowe's)
	Runner up: Josh Siler (Harley Davidson)
Fall 2005	Winner: David Blocksom (Staples)
	Runner up: Sara Smith (Alltel)
Winter 2006	Winner: Ryan Hummer (Walmart)
	Runner up: Ping-Lang Chu (General Electric)
Spring 2006	Winner: Timothy M. Hanley (Verizon Comm)
	Runner up: Lane Flood (Exxon Mobile)

*Participating judges: Professor Andrew Karolyi, Jack Rosenfield, Dan Rosenfield, Shawn Browning, Chris Henneforth, Bhavik Kothari, Jason Downey, Tom Dent and Royce West.*