



2003 Annual Report

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I EXECUTIVE SUMMARY

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; and to enhance the education experience of the students, by providing them with an opportunity to apply the investment management skills and knowledge they have learned.

The SIM program offers the university a unique opportunity to deliver high quality practical education in investment management. The existence of the SIM program provides the students with a unique opportunity to practically apply the technical and theoretical aspects of investment management, that they learn in the SIM and other classes.

Outside of the classroom, the SIM Program concentrates on establishing and maintaining ties with the business community, which in turn, creates positive public relations for both the Fisher College of Business and The Ohio State University. The program sponsors quarterly student trips to New York, where they meet with specialists and brokers at the NYSE, and with professionals in the securities business. In April 2004 the program encouraged and sponsored six students to attend the 2004 Redefining Investment Strategy Education Symposium, where they had an opportunity to listen to presentations and discussions by stalwarts in the securities business. In addition, students further benefit by gaining a competitive advantage for internship and full-time employment opportunities in a variety of financial arenas.

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 buy. Further, given the structure of the SIM program the focus is on large-cap growth stocks, with an additional focus on portfolio diversification to manage risk.

Performance Review

Although the SIM portfolio has outperformed the S&P 500 on an absolute and risk adjusted basis over the last five years, in the last one year the SIM portfolio underperformed the S&P 500 by approximately four percentage points. In the last one year, the SIM portfolio returned 28.24% as compared to 32.44% returned by the S&P 500. It also underperformed the S&P 500 when adjusted for total risk. However when adjusted for systematic risk the SIM Portfolio outperformed the S&P 500 as reflected in the higher treynor's ratio.

In the last ten years the SIM portfolio outperformed the S&P 500 on an absolute return basis by 14 basis points, however when adjusted for total risk it underperformed the S&P 500. In the last five years, the SIM portfolio outperformed the S&P 500 on an absolute return basis by 207 basis points. It also outperformed the S&P 500 on a risk adjusted basis.

Investment Process

In the classroom, the students become active portfolio managers of the SIM Portfolio. The students are divided into six groups of approximately six students each. Each group is assigned one (or two related) sectors, which they are responsible for. One group is assigned to prepare an economic outlook report, which is then used by all the other groups. The sector assigned to the economic group is assigned a market-weight. The students engage in a group decision-making process and a majority vote rule applies.

The students primarily follow the top down investment process, with the economic group making the first class presentation early in the course. Each subsequent group then does a detailed analysis of their sectors and industries within their sectors and recommends the overall weight that should be assigned to their sector. After each recommended sector weight is debated and voted on, each group does a detailed analysis of the stocks within their assigned sectors and makes individual stock recommendations to the class. These individual stock recommendations are again debated in class and voted on.

Market and Sector Outlook

On June 30, 2004, the Federal Open Market Committee ('FOMC') increased its target short term rate from the 46 year low of 1 percent to 1.25 percent. The FOMC stated that it is doing so to ease inflationary pressure and to ensure a controlled recovery. With the good economic recovery in 2003, the big question is: has the economic recovery peaked or has the economy just paused to take a breath.

After the extraordinary performance of the stock markets in calendar year 2003, when the S&P-500 increased by 26.4 percent (as against a decrease of 23.4 percent in 2002), the first half of 2004 has witnessed muted growth (of 2.6 percent). **It is unlikely that the second half of 2004 will witness growth similar to that in 2004 (increase of 14.1 percent)**, due to the following reasons: a likely slow down in corporate earnings growth; heightened uncertainty due to the presidential elections, instability in Iraq, potential attacks on Saudi Arabian oil infrastructure and the global war on terrorism.

Given that we are likely to see a rising interest rate environment and continued (albeit slower) growth, the interest sensitive sector (e.g. banks with high mortgage business and home builders) and the defensive sector (e.g. consumer staples) are likely to under perform. On the other hand, the cyclical sector (e.g. natural resource, capital-goods) and the growth sector (e.g. Technology and Health care) are likely to continue to out perform.

II INVESTMENT PHILOSOPHY

The investment strategy of the SIM program is based on the philosophy that frequently, the market imperfectly absorbs and responds to available information creating inefficiencies. These inefficiencies can be identified by fundamental analysis (Top down/ Bottom up) driven by quantitative analysis and supported by technical analysis. Qualitative factors such as management

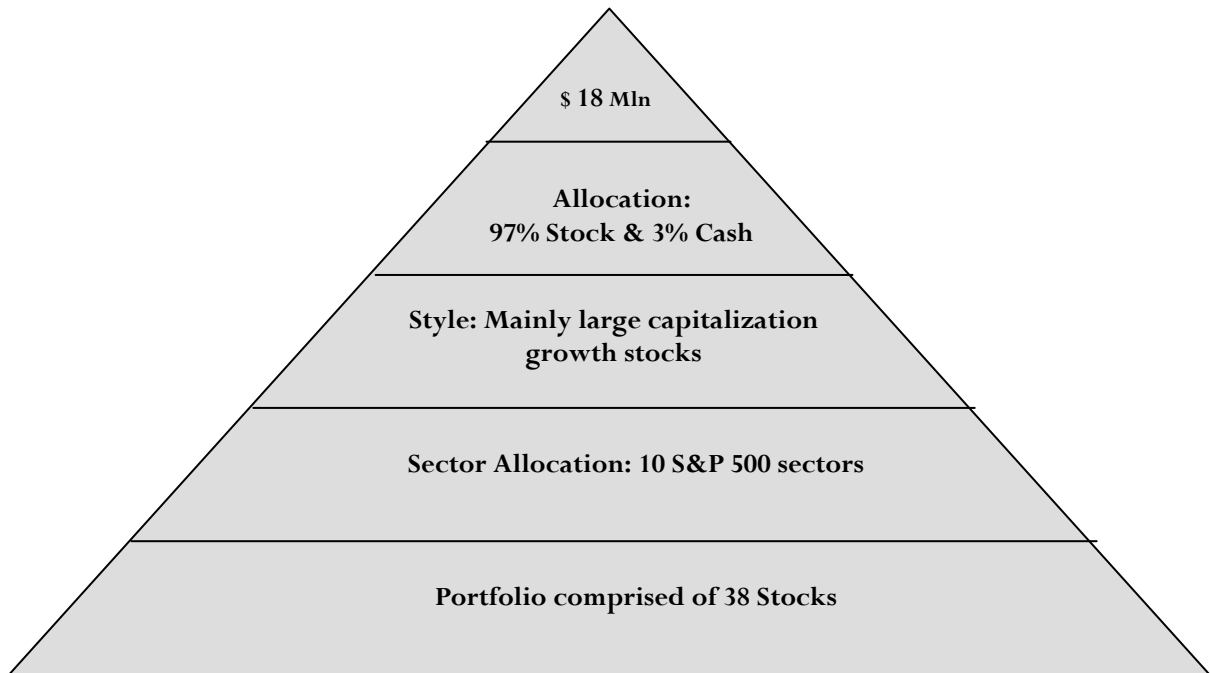
reputation for earnings management, quality of the disclosures in the financial statements etc. are also factored in, before making the final decision.

The SIM portfolio is focused on large capitalization stocks because of their high degree of liquidity and because of the ease in getting information from public sources. Further, the SIM portfolio is focused on growth stocks primarily because they are relatively easier to analyze than value stocks and because they tend to move towards their expected value faster than value stocks.

Another focus of the SIM Portfolio is diversification as a means to manage risk.

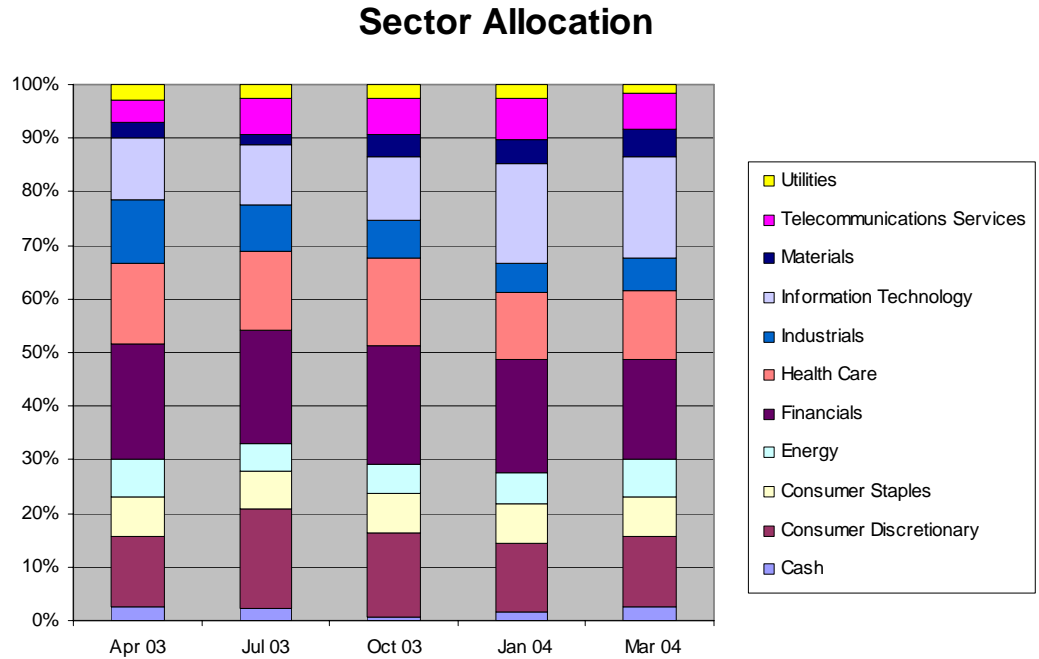
III PORTFOLIO OVERVIEW

Figure 1: Portfolio Overview



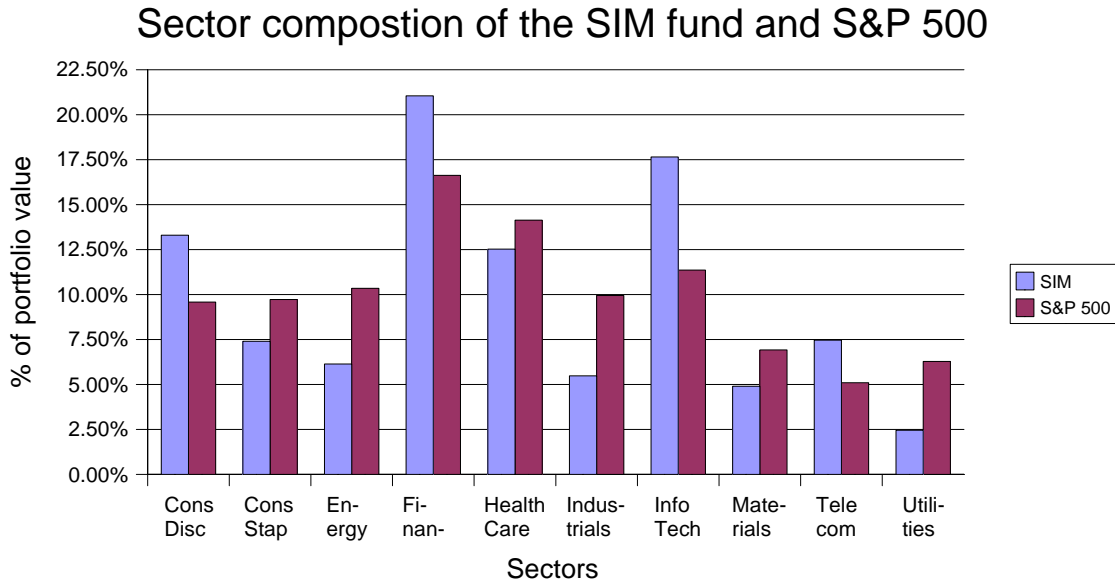
As per the figure above, the market value of the SIM portfolio as of March 31, 2004 was approximately \$ 18 million. The asset allocation was 97% stocks and 3% cash. The portfolio mainly consists of large capitalization growth stocks, although there is a reasonable exposure to value oriented stocks. The portfolio is further divided into ten S&P 500 sectors and a total of 38 stocks were in the portfolio as at March 31, 2004.

Figure 2: Sector Allocation



The above figure presents the sector allocation of the SIM portfolio in the last one year. As can be seen from the figure, the fund has considerable exposure to the consumer discretionary, financials, healthcare and the information technology sectors. During the past year, the SIM class took tactical sector allocation decisions to go overweight on sectors that perform well and underweight on sectors that did not perform well during times of economic recovery. For example the SIM class significantly increased its exposure to the information technology sector and reduced its exposure to the healthcare and utilities sector. The portfolio is widely diversified among the ten S&P sectors.

Figure 3: Sector composition of the SIM portfolio and S&P 500



The above figure shows the composition of the SIM portfolio and the S&P 500 as of Feb 2004. The SIM portfolio took an overweight position in the consumer discretionary, financial, information technology, and telecom sectors. The SIM portfolio was underweight in the consumer staples, energy, healthcare, industrials, materials, and utilities sector.

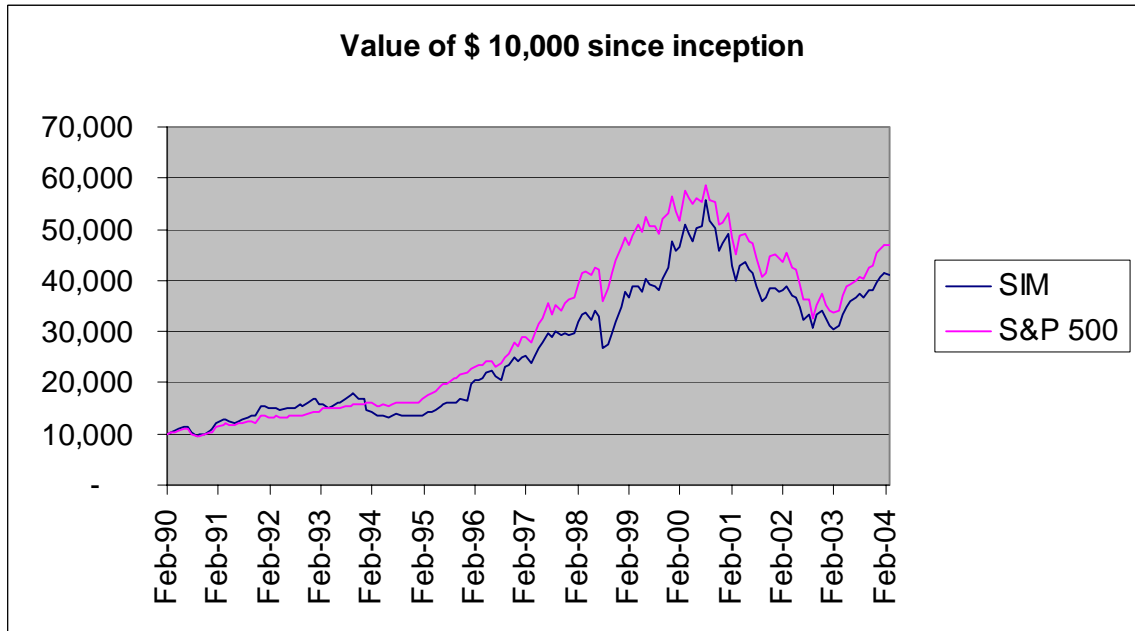
Table 1: Top Ten Holdings of the SIM portfolio:

The figure below presents the top ten holdings of the SIM portfolio as on March 2004.

Top Ten Holdings	Ticker	% of SIM Portfolio
Microsoft	MSFT	5.76 %
Exxon-Mobil	XOM	5.00 %
L 3 Communications Holding Corp.	LLL	4.73 %
Citigroup	C	4.51 %
Masco	MAS	4.27 %
J P Morgan	JPM	4.03 %
Pfizer Inc	PFI	3.85 %
Intel Corp.	INTC	3.71 %
International Business Machines	IBM	3.65 %
Anheuser Busch	BUD	3.63 %
Total		43.12 %

IV PERFORMANCE REVIEW

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 1990 to February 2004. The value of \$ 10,000 invested in the SIM portfolio would be \$ 40,938 (capital gains plus dividends), whereas the same value invested in the S&P 500 would end with a value of 46,742.

Table 2: Absolute and risk adjusted returns of the SIM and S&P 500

	Last 10 Years*		Last 5 Years*		Last 1 Year*	
	SIM	S&P 500	SIM	S&P 500	SIM	S&P 500
Annualized Returns	12.63%	12.49%	2.62%	0.55%	28.24%	32.44%
Jensen's Alpha	0.02%		0.18%		0.05%	
Measures of Risk:						
Standard Deviation	18.15%	15.70%	17.57%	17.16%	8.68%	9.52%
Beta	1.00		0.94		0.85	
Tracking Error	2.63%		2.01%		0.90%	
Risk Adj Returns:						
Sharpe Ratio	0.70	0.80	0.15	0.03	3.25	3.41
Treynor's Ratio	12.68%	12.49%	2.78%	0.55%	33.16%	32.44%
Appraisal Ratio	0.01		0.09		0.06	
Information Ratio	0.05		1.03		(4.67)	

* Periods ending 1Q of the year [Arithmetic returns]

The above table presents the absolute and risk adjusted returns of the SIM portfolio and S&P 500 in the last ten, five and one years. In the last ten years the SIM portfolio returned an annualized

return of 12.63% whereas the S&P 500 returned 12.49%. When adjusted for total risk the SIM portfolio seems to have underperformed the S&P 500 as reflected in the lower Sharpe ratio of 0.70 as compared to 0.80 of the S&P500. However when adjusted for systematic risk the SIM portfolio outperformed the S&P 500 as reflected in the treynor's ratio of 12.68% compared to 12.49% of the S&P 500.

In the last five years, the SIM portfolio outperformed the S&P 500 on an absolute and risk adjusted basis. The SIM portfolio achieved an annualized return of 2.62%, which is significantly higher than 0.55% of the S&P 500. The higher Sharpe and treynor's ratios for the SIM portfolio also indicate out performance on a risk adjusted basis.

However in the last one year the SIM portfolio underperformed the S&P 500 by as much as four percentage points. The SIM portfolio returned 28.24% as compared to 32.44% returned by the S&P 500. The lower Sharpe ratio indicates underperformance when adjusted for total risk. However when adjusted for systematic risk the SIM portfolio outperformed the S&P 500 as reflected by the higher treynor's ratio.

A closer look at the statistics of the last ten, five and one years indicates that the systematic and unsystematic risk of the SIM portfolio has decreased. The beta of the portfolio was 0.996 in the last ten years, which decreased to 0.94 in the last five years and 0.85 in the last one year. The tracking error of the fund also decreased from 2.63% in the last ten years to 0.90 % in the last one year.

The returns have been averaged using the arithmetic average method. Returns include capital gains and dividends but are gross of management fees and other expenses i.e. Management fees and expenses have been ignored for the above calculations.

V INVESTMENT PROCESS

Stocks for the SIM portfolio are selected primarily by the Top-Down approach, with the Bottom-Up approach used for special circumstances. The students are divided into six groups of approximately six students each. Each group is assigned one (or two related) sectors, which they are responsible for, with each student being responsible to constantly monitor one or two individual stocks, which are currently in the SIM portfolio and which are within his/ her sector group. One group is assigned to prepare an economic outlook report, which is then used by all the other groups. The sector assigned to the economic group is assigned a market-weight. The students engage in a group decision-making process and a majority vote rule applies.

As per the Top-Down investment process, the first class presentation is by the economic analysis group. The economic analysis group reviews the economic outlook presentations of the prior classes and revises the outlook on the basis of current information. They undertake an economic analysis and forecast what stage (recovery, overheat, soft landing, hard landing) the economy will be in for the next few months. To undertake the economic analysis, 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, change in inventory levels etc.

After the economic analysis is debated and agreed upon, each group reviews the prior class sector presentations and also does a detailed assessment using current information. They present their sector outlook to the class and recommend an overweight, market-weight, or underweight position in that sector. Based on the debate and voting on the sector presentations, each group re-assesses the current SIM portfolio holdings in their sectors and also evaluates other S&P 500 stocks within their sectors. Each group makes its second and final class presentation, in which they make specific stock recommendations. They may recommend changing or liquidating specific stock positions (within their sectors), or they may recommend adding new stocks to the SIM portfolio. After a final round of discussions and voting, the buys and sells for the quarter are finalized and orders are sent to the brokers.

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 and answering questions, making presentations to each new class on previous portfolios and strategies.

VI Market and Sector Outlook

On June 30, 2004, the Federal Open Market Committee ('FOMC') increased its target short term rate from the 46 year low of 1 percent to 1.25 percent. The FOMC stated that it is doing so to ease inflationary pressure and to ensure a controlled recovery. The FOMC has stated that it would continue to gradually increase its target short term rate, which it increased for the first time in four years. The Federal Reserve chairman prepared the markets for this increase and thus there was no significant impact on the day the change was announced. With the good economic recovery in 2003, the big question is: has the economic recovery peaked or has the economy just paused to take a breath, before rising sharply again? Another possibility is that the high growth period of this recovery is over and that economy will continue to grow for a while, but at a steady and normal growth rate.

After the extraordinary performance of the stock markets in calendar year 2003, when the S&P 500 increased by 26.4 percent (as against a decrease of 23.4 percent in 2002), the first half of 2004 has witnessed muted growth. In the first half of 2004, the S&P 500 increased by 2.6 percent, which is significantly lower than the 10.8 percent increase in the first half of 2003. **It is unlikely that the second half of 2004 will witness growth similar to that in 2004 (increase of 14.1 percent)**, due to the following reasons: a likely slow down in corporate earnings growth; heightened uncertainty due to the presidential elections, instability in Iraq, potential attacks on Saudi Arabian oil infrastructure and the global war on terrorism.

Although the second quarter corporate earnings announcements are expected to be strong (a 24 percent increase over Q2 2003), continuing the trend from the last four quarters, corporate earnings growth is expected to slow down over the next few quarters. Crude oil prices, which last month hit a 21 year high of more than \$40 a barrel have since eased. However, due to the uncertainty in Saudi Arabia and Iraq, and due to rising global demand for oil, it is difficult to say that prices will not sharply rise again soon.

Given that we are likely to see a rising interest rate environment and continued (albeit slower) growth, the interest sensitive sector (e.g. banks with high mortgage business and home builders) and the defensive sector (e.g. consumer staples) is likely to under perform. On the other hand, the cyclical sector (e.g. natural resource, capital-goods) and the growth sectors (e.g. Technology and Health care) is likely to continue to out perform.

VII ACKNOWLEDGEMENTS

Professor Andrew Karolyi administers the SIM program. Adjunct professors Kevin Spellman and Royce West have been the instructors during the last one year.

The program depends on the assistance received from 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.

Brian Creek has been the SIM GA for the past year.

Veronica Hairston, Chris Hennaforth, Aasim Khwaja and Bhavik Kothari prepared and delivered the annual SIM performance presentation, under the supervision of Professor Kevin Spellman. Aasim Khwaja and Bhavik Kothari prepared this annual report, under the supervision of Professor Andrew Karolyi.

Appendix I: Purchase Transactions from July, 01 2003 to June, 30 2004

TRADE DATE	SETTLEMENT DATE	NO OF SHARES	SECURITY NAME	UNIT PRICE	TRANSACTION VALUE
17-Dec-2003	22-Dec-2003	1,300	Anheuser-Busch Companies, Inc.	52.45	68,189.03
7-Jun-2004	10-Jun-2004	400	Anheuser-Busch Companies, Inc.	54.08	21,632.00
29-Aug-2003	4-Sep-2003	7,300	Ball Corp.	51.58	376,510.64
17-Dec-2003	22-Dec-2003	900	Ball Corp.	58.46	52,614.00
29-Aug-2003	4-Sep-2003	6,100	Boeing Co.	36.97	225,517.00
7-Jun-2004	10-Jun-2004	3,900	Boston Private Financial Holding	23.28	90,781.86
29-Aug-2003	4-Sep-2003	3,500	Capital One Financial Corp.	52.70	184,453.15
17-Dec-2003	22-Dec-2003	800	ConocoPhillips	61.00	48,800.00
11-Mar-2004	16-Mar-2004	8,100	Dell Inc.	32.18	260,656.50
7-Jun-2004	10-Jun-2004	3,200	Dell Inc.	35.10	112,329.92
11-Mar-2004	16-Mar-2004	5,200	Dow Chemical Co.	40.13	208,676.00
29-Aug-2003	4-Sep-2003	2,000	Exxon Mobil Corp.	37.46	74,920.00

11-Mar-2004	16-Mar-2004	300	FPL Group, Inc.	66.99	20,097.00
17-Dec-2003	22-Dec-2003	500	Fifth Third Bancorp	57.32	28,660.00
11-Mar-2004	16-Mar-2004	2,800	Fifth Third Bancorp	55.40	155,130.00
11-Mar-2004	16-Mar-2004	2,800	Forest Labs, Inc.	72.46	202,888.00
11-Mar-2004	16-Mar-2004	1,000	General Electric Co.	30.84	30,840.00
29-Aug-2003	4-Sep-2003	3,800	Harley-Davidson, Inc.	49.92	189,696.00
17-Dec-2003	22-Dec-2003	1,300	Harley-Davidson, Inc.	46.30	60,190.00
11-Mar-2004	16-Mar-2004	3,500	Harley-Davidson, Inc.	50.75	177,623.95
7-Jun-2004	10-Jun-2004	23,000	Hewlett-Packard Co.	21.54	495,420.00
17-Dec-2003	22-Dec-2003	1,900	Int'l Business Machines Corp.	93.68	177,992.00
17-Dec-2003	22-Dec-2003	2,700	Intel Corp.	30.24	81,648.00
11-Mar-2004	16-Mar-2004	3,100	Intel Corp.	27.47	85,157.00
11-Mar-2004	16-Mar-2004	11,500	J.P. Morgan, Chase & Co.	41.84	481,125.50
7-Jun-2004	10-Jun-2004	4,100	Johnson & Johnson	56.51	231,691.00
17-Dec-2003	22-Dec-2003	1,200	Kohl's Corp.	44.76	53,712.00
11-Mar-2004	16-Mar-2004	500	Kohl's Corp.	50.98	25,490.00
17-Dec-2003	22-Dec-2003	3,000	L-3 Communications Holdings, Inc.	47.68	143,049.00
11-Mar-2004	16-Mar-2004	200	Lowe's Companies, Inc.	53.28	10,656.00
7-Jun-2004	10-Jun-2004	1,400	Masco Corp.	29.06	40,685.96
17-Dec-2003	22-Dec-2003	5,000	Microsoft Corp.	27.02	135,120.00
11-Mar-2004	16-Mar-2004	2,500	Microsoft Corp.	25.52	63,800.00
17-Dec-2003	22-Dec-2003	16,400	Network Appliance, Inc.	19.02	311,928.00
29-Aug-2003	4-Sep-2003	9,000	Nextel Communications, Inc.	18.55	166,950.00
17-Dec-2003	22-Dec-2003	1,200	Nextel Communications, Inc.	25.47	30,569.16
7-Jun-2004	10-Jun-2004	7,400	Nextel Communications, Inc.	23.21	171,754.00
29-Aug-2003	4-Sep-2003	19,900	Pfizer, Inc.	29.94	595,806.00
7-Jun-2004	10-Jun-2004	4,300	Proctor & Gamble Co.	108.20	465,260.00
11-Mar-2004	16-Mar-2004	3,000	Schlumberger Ltd.	63.00	189,000.00
11-Mar-2004	16-Mar-2004	18,400	Staples, Inc.	25.46	468,397.76
17-Dec-2003	22-Dec-2003	12,200	Symantec Corp.	32.11	391,801.78
17-Dec-2003	22-Dec-2003	600	Verizon Communications, Inc.	34.02	20,412.00
7-Jun-2004	10-Jun-2004	3,200	Verizon Communications, Inc.	35.26	112,832.00
11-Mar-2004	16-Mar-2004	600	Walgreen Co.	34.21	20,526.00
			TOTAL TRANSACTION VALUE		7,560,988.21

Appendix II: Sale Transactions from July, 01 2003 to June, 30 2004

TRADE DATE	SETTLEMENT DATE	NO OF SHARES	SECURITY NAME	UNIT PRICE	TRANSACTION VALUE
29-Aug-2003	4-Sep-2003	19,900	AT&T Wireless	8.50	169,142.02
17-Dec-2003	22-Dec-2003	4,900	Alltel Corp.	45.57	223,282.53
29-Aug-2003	4-Sep-2003	5,400	Altria Group Inc.	40.87	220,687.65
11-Mar-2004	16-Mar-2004	2,700	Amerisourcebergen Corp.	55.20	149,034.18
17-Dec-2003	22-Dec-2003	14,100	Annaly Mortgage Management, Inc.	17.35	244,629.15
7-Jun-2004	10-Jun-2004	500	Ball Corp.	68.95	34,475.19
17-Dec-2003	22-Dec-2003	6,100	Boeing Co.	40.11	244,659.53
11-Mar-2004	16-Mar-2004	2,700	Capital One Financial Corp.	72.85	196,687.32
17-Dec-2003	22-Dec-2003	6,500	Cardinal Health, Inc.	62.67	407,335.91
7-Jun-2004	10-Jun-2004	3,400	Cardinal Health, Inc.	68.75	233,744.52
11-Mar-2004	16-Mar-2004	13,000	Charter One Financial, Inc.	36.35	472,489.94
7-Jun-2004	10-Jun-2004	500	Dow Chemical Co.	39.51	19,754.53
11-Mar-2004	16-Mar-2004	3,200	Entergy Corp.	58.44	187,000.69

29-Aug-2003	4-Sep-2003	17,000	General Electric Co.	29.44	500,505.82
7-Jun-2004	10-Jun-2004	800	General Electric Co.	31.47	25,175.40
7-Jun-2004	10-Jun-2004	7,200	Int'l Business Machines Corp.	88.04	633,886.83
7-Jun-2004	10-Jun-2004	2,400	J.P. Morgan, Chase & Co.	37.64	90,345.88
29-Aug-2003	4-Sep-2003	5,200	Johnson & Johnson	48.96	254,580.07
17-Dec-2003	22-Dec-2003	5,200	Johnson & Johnson	49.35	256,607.97
7-Jun-2004	10-Jun-2004	2,100	Kohl's Corp.	47.54	99,842.58
11-Mar-2004	16-Mar-2004	200	L-3 Communications Holdings, Inc.	53.11	10,621.50
7-Jun-2004	10-Jun-2004	800	L-3 Communications Holdings, Inc.	65.75	52,601.80
17-Dec-2003	22-Dec-2003	4,400	MBNA Corp.	23.98	105,499.13
11-Mar-2004	16-Mar-2004	18,500	MBNA Corp.	27.24	503,920.30
29-Aug-2003	4-Sep-2003	14,000	McDonald's Corp.	22.11	309,525.48
29-Aug-2003	4-Sep-2003	4,000	McDonald's Corp.	22.09	88,377.05
17-Dec-2003	22-Dec-2003	13,800	McDonald's Corp.	24.58	339,210.16
11-Mar-2004	16-Mar-2004	15,100	McDonald's Corp.	29.24	441,506.74
11-Mar-2004	16-Mar-2004	2,300	Nextel Communications, Inc.	24.73	56,876.77
11-Mar-2004	16-Mar-2004	7,000	Panera Bread Co., Cl. A	36.51	255,551.71
7-Jun-2004	10-Jun-2004	5,900	Panera Bread Co., Cl. A	34.91	205,948.82
7-Jun-2004	10-Jun-2004	1,000	Panera Bread Co., Cl. A	34.91	34,909.19
11-Mar-2004	16-Mar-2004	2,500	Symantec Corp.	41.69	104,235.92
11-Mar-2004	16-Mar-2004	500	Verizon Communications, Inc.	37.66	18,829.11
11-Mar-2004	16-Mar-2004	9,900	Worthington Industries, Inc.	17.14	169,678.03
			TOTAL TRANSACTION VALUE		7,361,159.42

Appendix III: Statement of dividends received during the period July, 01 2003 to June, 30 2004

EX DIVIDEND DATE	PAYMENT DATE	SECURITY NAME	AMOUNT
1-Jul-2003	1-Jul-2003	MBNA Corp.	3,128.00
3-Jul-2003	3-Jul-2003	Alltel Corp.	2,310.00
8-Jul-2003	8-Jul-2003	Altria Group Inc.	3,456.00
15-Jul-2003	15-Jul-2003	Cardinal Health, Inc.	396.00
15-Jul-2003	15-Jul-2003	Fifth Third Bancorp	986.00
15-Jul-2003	15-Jul-2003	Sempra Energy	1,475.00
25-Jul-2003	25-Jul-2003	General Electric Co.	4,921.00
25-Jul-2003	25-Jul-2003	Medtronic, Inc.	514.75
30-Jul-2003	30-Jul-2003	Dow Chemical Co.	1,507.50
31-Jul-2003	31-Jul-2003	J.P. Morgan, Chase & Co.	2,006.00
31-Jul-2003	31-Jul-2003	Annaly Mortgage Management, Inc.	8,460.00
1-Aug-2003	1-Aug-2003	Lowe's Companies, Inc.	282.50
1-Aug-2003	1-Aug-2003	Verizon Communications, Inc.	1,655.50

11-Aug-2003	11-Aug-2003	Masco Corp.	3,556.00
15-Aug-2003	15-Aug-2003	Proctor & Gamble Co.	1,456.00
20-Aug-2003	20-Aug-2003	Charter One Financial, Inc.	3,380.00
21-Aug-2003	21-Aug-2003	Capital One Financial Corp.	122.66
22-Aug-2003	22-Aug-2003	Citigroup, Inc.	5,530.00
2-Sep-2003	2-Sep-2003	Amerisourcebergen Corp.	67.50
2-Sep-2003	2-Sep-2003	ConocoPhillips	857.60
2-Sep-2003	2-Sep-2003	Entergy Corp.	1,440.00
2-Sep-2003	2-Sep-2003	Intel Corp.	378.00
9-Sep-2003	9-Sep-2003	Anheuser-Busch Companies, Inc.	2,552.00
9-Sep-2003	9-Sep-2003	Johnson & Johnson	2,496.00
10-Sep-2003	10-Sep-2003	Int'l Business Machines Corp.	848.00
10-Sep-2003	10-Sep-2003	Exxon Mobil Corp.	4,950.00
12-Sep-2003	12-Sep-2003	Walgreen Co.	409.69
15-Sep-2003	15-Sep-2003	FPL Group, Inc.	660.00
19-Sep-2003	19-Sep-2003	American Int'l Group, Inc.	526.50
29-Sep-2003	29-Sep-2003	Worthington Industries, Inc.	1,584.00
30-Sep-2003	30-Sep-2003	Harley-Davidson, Inc.	152.00
1-Oct-2003	1-Oct-2003	MBNA Corp.	3,910.00
3-Oct-2003	3-Oct-2003	Alltel Corp.	1,715.00
14-Oct-2003	14-Oct-2003	Fifth Third Bancorp	986.00
15-Oct-2003	15-Oct-2003	Cardinal Health, Inc.	396.00
15-Oct-2003	15-Oct-2003	Sempra Energy	1,475.00
24-Oct-2003	24-Oct-2003	Medtronic, Inc.	514.75
27-Oct-2003	27-Oct-2003	General Electric Co.	1,691.00
29-Oct-2003	29-Oct-2003	Annaly Mortgage Management, Inc.	3,948.00
30-Oct-2003	30-Oct-2003	Dow Chemical Co.	1,507.50
31-Oct-2003	31-Oct-2003	J.P. Morgan, Chase & Co.	2,006.00
31-Oct-2003	31-Oct-2003	Lowe's Companies, Inc.	339.00
3-Nov-2003	3-Nov-2003	Verizon Communications, Inc.	1,655.50
7-Nov-2003	7-Nov-2003	Microsoft Corp.	5,504.00
10-Nov-2003	10-Nov-2003	Masco Corp.	4,064.00
14-Nov-2003	14-Nov-2003	Proctor & Gamble Co.	1,456.00
20-Nov-2003	20-Nov-2003	Charter One Financial, Inc.	3,380.00
21-Nov-2003	21-Nov-2003	Capital One Financial Corp.	215.99
21-Nov-2003	21-Nov-2003	Capital One Financial Corp.	(215.99)
EX DIVIDEND DATE	PAYMENT DATE	SECURITY NAME	AMOUNT
21-Nov-2003	21-Nov-2003	Capital One Financial Corp.	215.99
26-Nov-2003	26-Nov-2003	Citigroup, Inc.	5,530.00
1-Dec-2003	1-Dec-2003	Amerisourcebergen Corp.	67.50
1-Dec-2003	1-Dec-2003	ConocoPhillips	921.92
1-Dec-2003	1-Dec-2003	Entergy Corp.	1,440.00
1-Dec-2003	1-Dec-2003	Intel Corp.	378.00
1-Dec-2003	1-Dec-2003	McDonald's Corp.	11,560.00
4-Dec-2003	4-Dec-2003	Pfizer, Inc.	2,985.00
5-Dec-2003	5-Dec-2003	Boeing Co.	1,037.00
9-Dec-2003	9-Dec-2003	Anheuser-Busch Companies, Inc.	2,552.00
9-Dec-2003	9-Dec-2003	Johnson & Johnson	1,248.00
10-Dec-2003	10-Dec-2003	Int'l Business Machines Corp.	848.00
10-Dec-2003	10-Dec-2003	Exxon Mobil Corp.	5,450.00
12-Dec-2003	12-Dec-2003	Walgreen Co.	409.69
15-Dec-2003	15-Dec-2003	Ball Corp.	1,095.00
15-Dec-2003	15-Dec-2003	FPL Group, Inc.	660.00

19-Dec-2003	19-Dec-2003	American Int'l Group, Inc.	526.50
29-Dec-2003	29-Dec-2003	Harley-Davidson, Inc.	304.00
29-Dec-2003	29-Dec-2003	Worthington Industries, Inc.	1,584.00
2-Jan-2004	2-Jan-2004	MBNA Corp.	3,910.00
5-Jan-2004	5-Jan-2004	Alltel Corp.	1,813.00
15-Jan-2004	15-Jan-2004	Cardinal Health, Inc.	201.00
15-Jan-2004	15-Jan-2004	Fifth Third Bancorp	1,131.00
15-Jan-2004	15-Jan-2004	Sempra Energy	1,475.00
23-Jan-2004	23-Jan-2004	Medtronic, Inc.	514.75
26-Jan-2004	26-Jan-2004	General Electric Co.	1,780.00
30-Jan-2004	30-Jan-2004	Dow Chemical Co.	1,507.50
30-Jan-2004	30-Jan-2004	Lowe's Companies, Inc.	339.00
2-Feb-2004	2-Feb-2004	J.P. Morgan, Chase & Co.	2,006.00
2-Feb-2004	2-Feb-2004	Verizon Communications, Inc.	1,886.50
9-Feb-2004	9-Feb-2004	Masco Corp.	4,064.00
17-Feb-2004	17-Feb-2004	Proctor & Gamble Co.	1,456.00
20-Feb-2004	20-Feb-2004	Charter One Financial, Inc.	3,380.00
23-Feb-2004	23-Feb-2004	Capital One Financial Corp.	215.99
27-Feb-2004	27-Feb-2004	Citigroup, Inc.	6,320.00
1-Mar-2004	1-Mar-2004	Amerisourcebergen Corp.	67.50
1-Mar-2004	1-Mar-2004	ConocoPhillips	1,265.92
1-Mar-2004	1-Mar-2004	Entergy Corp.	1,440.00
1-Mar-2004	1-Mar-2004	Intel Corp.	864.00
5-Mar-2004	5-Mar-2004	Pfizer, Inc.	3,383.00
9-Mar-2004	9-Mar-2004	Anheuser-Busch Companies, Inc.	2,838.00
10-Mar-2004	10-Mar-2004	Int'l Business Machines Corp.	1,152.00
10-Mar-2004	10-Mar-2004	Exxon Mobil Corp.	5,450.00
12-Mar-2004	12-Mar-2004	Walgreen Co.	409.69
15-Mar-2004	15-Mar-2004	Ball Corp.	1,230.00
15-Mar-2004	15-Mar-2004	FPL Group, Inc.	682.00
15-Mar-2004	15-Mar-2004	L-3 Communications Holdings, Inc.	1,460.00
19-Mar-2004	19-Mar-2004	American Int'l Group, Inc.	526.50
25-Mar-2004	25-Mar-2004	Harley-Davidson, Inc.	408.00
29-Mar-2004	29-Mar-2004	Worthington Industries, Inc.	1,584.00
1-Apr-2004	1-Apr-2004	MBNA Corp.	4,164.00
15-Apr-2004	15-Apr-2004	Cardinal Health, Inc.	201.00
EX DIVIDEND DATE	PAYMENT DATE	SECURITY NAME	AMOUNT
15-Apr-2004	15-Apr-2004	Fifth Third Bancorp	2,144.00
15-Apr-2004	15-Apr-2004	Sempra Energy	1,475.00
16-Apr-2004	16-Apr-2004	UnitedHealth Group, Inc.	180.00
26-Apr-2004	26-Apr-2004	General Electric Co.	1,780.00
30-Apr-2004	30-Apr-2004	Dow Chemical Co.	3,249.50
30-Apr-2004	30-Apr-2004	J.P. Morgan, Chase & Co.	5,916.00
30-Apr-2004	30-Apr-2004	Lowe's Companies, Inc.	345.00
30-Apr-2004	30-Apr-2004	Lowe's Companies, Inc.	5.75
30-Apr-2004	30-Apr-2004	Medtronic, Inc.	514.75
3-May-2004	3-May-2004	Verizon Communications, Inc.	1,694.00
10-May-2004	10-May-2004	Masco Corp.	4,064.00
14-May-2004	14-May-2004	Proctor & Gamble Co.	1,600.00
17-May-2004	17-May-2004	Staples, Inc.	3,680.00
21-May-2004	21-May-2004	Capital One Financial Corp.	144.00
28-May-2004	28-May-2004	Citigroup, Inc.	6,320.00
1-Jun-2004	1-Jun-2004	ConocoPhillips	1,265.92

1-Jun-2004	1-Jun-2004	Intel Corp.	988.00
4-Jun-2004	4-Jun-2004	Pfizer, Inc.	3,383.00
9-Jun-2004	9-Jun-2004	Anheuser-Busch Companies, Inc.	2,838.00
10-Jun-2004	10-Jun-2004	Int'l Business Machines Corp.	1,296.00
10-Jun-2004	10-Jun-2004	Exxon Mobil Corp.	5,886.00
14-Jun-2004	14-Jun-2004	Walgreen Co.	435.56
15-Jun-2004	15-Jun-2004	Ball Corp.	1,230.00
15-Jun-2004	15-Jun-2004	FPL Group, Inc.	868.00
15-Jun-2004	15-Jun-2004	L-3 Communications Holdings, Inc.	1,440.00
18-Jun-2004	18-Jun-2004	American Int'l Group, Inc.	526.50
24-Jun-2004	24-Jun-2004	Harley-Davidson, Inc.	860.00
		TOTAL VALUE	248,678.88

Appendix IV: Statement of interest received during the period July, 01 2003 to June, 30 2004

LAST ACCRUED DATE	PAYMENT DATE	SECURITY NAME	AMOUNT
1-Jul-2003	1-Jul-2003	SSGA Gov't Fund Money Market	234.76
1-Aug-2003	1-Aug-2003	SSGA Gov't Fund Money Market	201.42
2-Sep-2003	2-Sep-2003	SSGA Gov't Fund Money Market	195.86
1-Oct-2003	1-Oct-2003	SSGA Gov't Fund Money Market	58.88
3-Nov-2003	3-Nov-2003	SSGA Gov't Fund Money Market	45.62
1-Dec-2003	1-Dec-2003	SSGA Gov't Fund Money Market	44.51
2-Jan-2004	2-Jan-2004	SSGA Gov't Fund Money Market	85.55
2-Feb-2004	2-Feb-2004	SSGA Gov't Fund Money Market	162.69
1-Mar-2004	1-Mar-2004	SSGA Gov't Fund Money Market	151.93
1-Apr-2004	1-Apr-2004	SSGA Gov't Fund Money Market	203.99
1-Apr-2004	1-Apr-2004	SSGA Gov't Fund Money Market	(25.89)

3-May-2004	3-May-2004	SSGA Gov't Fund Money Market	238.56
1-Jun-2004	1-Jun-2004	SSGA Gov't Fund Money Market	245.16
		TOTAL VALUE	1,843.04

Appendix V: Statement of management fees during the period July, 01 2003 to June, 30 2004

DATE	FEE AMOUNT
30-Sep-2003	20,129.00
31-Dec-2003	21,805.00
31-Mar-2004	22,658.00
30-Jun-2004	22,966.35