



# Forté Capital's Selected Statistics

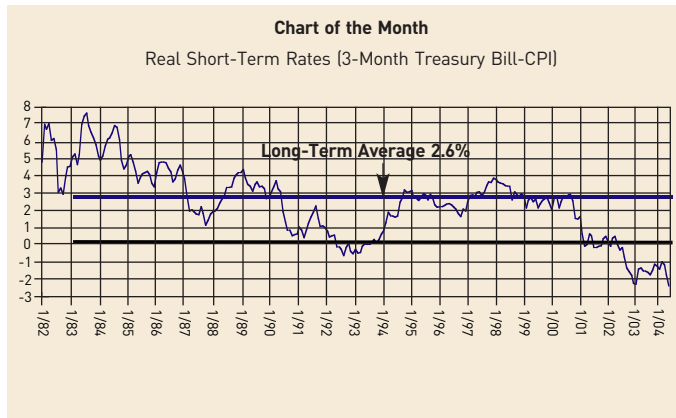
U.S. Equity Indexes	06/30/2004	YTD Return
S&P 500	1141	2.60%
Dow Jones Industrials	10435	-0.18%
NASDAQ Composite	2048	2.22%
NYSE Composite	6603	2.53%
Wilshire 5000	11139	3.14%
Dow Jones Transports	3204	6.56%
Dow Jones Utilities	278	4.12%

Forté Capital's Proprietary Market Risk Barometer	Bullish	Neutral	Bearish
	10	9	8
	7	6	5
	4	3	2
	1		
Market Valuation	4		
Monetary Environment	4		
Investor Psychology	5		
Internal Market Technicals	4		
Overall Short-Term Outlook	4.68		
Overall Long-Term Outlook	4.19	As of 6/30/04	

Selected Interest Rates	06/30/04	05/28/04
Fed Funds Rate	1.38%	1.00%
3-Month Libor	1.61%	1.32%
Prime Rate	4.00%	4.00%
15-Year Mortgage	5.32%	5.27%
30-Year Mortgage	5.92%	5.90%
1-Year ARM	3.45%	3.43%
3-Month Treasury Bill	1.31%	1.06%
5-Year Treasury Note	3.81%	3.81%
10-Year Treasury Bond	4.62%	4.66%
10-Year Inflation Indexed Treas.	1.92%	1.83%

Equity Market Statistics	6/30/2004	5/28/2004
<b>Dow Jones Industrials</b>		
Dividend Yield	2.06%	2.09%
Price/Earnings Ratio (12-Mth Trailing)	18.31	18.05
Price to Book Value	3.47	3.46
<b>S&amp;P 500 Index</b>		
Earnings Yield	4.62%	4.35%
Dividend Yield	1.70%	1.71%
Price/Earnings (12-Mth Trailing)	21.93	22.99
Price/Earnings (2004 EPS Est)	17.3	17.1

Key Economic Statistics	Most Recent	Prior Month
<b>National</b>		
Producer Price Index (monthly chg)	0.80%	0.68%
Consumer Price Index (monthly chg)	0.60%	0.20%
Unemployment Rate	5.60%	5.60%
ISM Manufacturing Index	61.10	62.80
ISM Services Index	59.90	65.20
Change in Non-Farm Payroll Employment	112,000	235,000
<b>New York State</b>		
NY Business Incorporations	6,474	7,199
Consumer Price Index - NY, NJ, CT	3.90%	3.70%
Unemployment Rate	5.50%	6.10%
NYS Index of Coincident indicators	3.10%	0.00%



### Commentary on Significant Economic Data This Month

The final GDP report for the first quarter of 2004 was revised downward from 4.4% to 3.9%. Most of the revision was caused by an increase in the final trade deficit to \$535.6 billion, from the earlier estimate of \$525.2 billion. The PCE deflator, a measure of inflation, was revised upward to 2%, from an earlier estimate of 1.7%.

As expected, the Federal Reserve increased the Fed Funds and Discount rates by .25% each at the most recent FOMC meeting, in June. In their statement, the FOMC indicated that "policy accommodation can be removed at a pace that is likely to be measured. Nonetheless, the committee will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability."

The June monthly payroll employment report showed an increase of 112,000 jobs, surprising market participants and economists, which had expected an increase of more than twice this amount. Despite the disappointment, the June increase was the tenth straight gain in payrolls. Manufacturing sector employment actually dropped unexpectedly by 11,000.

In general, various data points over the past few weeks show the rate of growth moderating as the economic recovery continues.

The information herein was obtained from various sources believed to be accurate; however, Forté Capital does not guarantee its accuracy or completeness. This report was prepared for general information purposes only. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities, options, or futures contracts. Forté Capital's Proprietary Market Risk Barometer is a summary of 30 indicators and is copyrighted by Forté Capital LLC. See [www.forte-capital.com](http://www.forte-capital.com) for further information.