



# Forté Capital's Selected Statistics

U.S. Equity Indexes	12/31/04	YTD Return
S&P 500	1212	8.99%
Dow Jones Industrials	10783	3.15%
NASDAQ Composite	2175	8.59%
NYSE Composite	7250	12.57%
Wilshire 5000	11971	10.85%
Dow Jones Transports	3798	26.30%
Dow Jones Utilities	335	25.50%

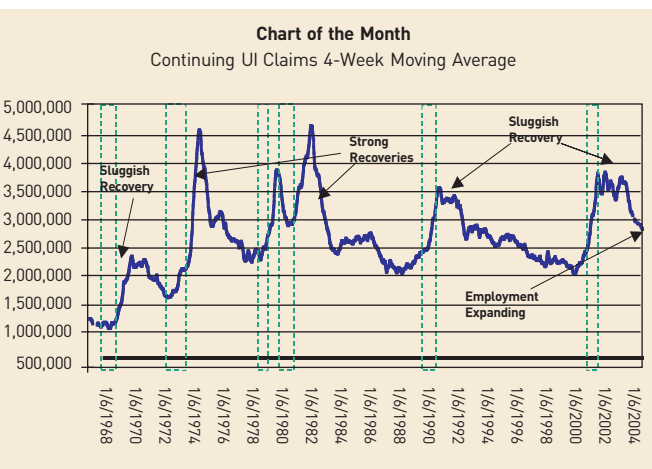
Forté Capital's Proprietary Market Risk Barometer	Bullish Neutral Bearish									
	10	9	8	7	6	5	4	3	2	1
Market Valuation	5									
Monetary Environment	4									
Investor Psychology	3									
Internal Market Technicals	5									
Overall Short-term Outlook	3.12									
Overall Long-term Outlook	4.12									

As of 12/31/04

Selected Interest Rates	12/31/04	11/30/04
Fed Funds Rate	2.25%	1.94%
3-Month Libor	2.56%	2.41%
Prime Rate	5.25%	5.00%
15-Year Mortgage	4.80%	4.81%
30-Year Mortgage	5.37%	5.37%
1-Year ARM	3.43%	3.41%
3-Month Treasury Bill	2.18%	2.20%
5-Year Treasury Note	3.63%	3.72%
10-Year Treasury Bond	4.24%	4.36%
10-Year Inflation Indexed Treas.	1.39%	1.43%

Equity Market Statistics	12/31/2004	11/30/2004
<b>Dow Jones Industrials</b>		
Dividend Yield	2.09%	2.13%
Price/Earnings Ratio (12-Mth Trailing)	17.2	16.64
Price to Book Value	3.34	3.24
<b>S&amp;P 500 Index</b>		
Earnings Yield	4.77%	4.85%
Dividend Yield	1.72%	1.74%
Price/Earnings (12-Mth Trailing as Rpt)	20.99	20.33
Price/Earnings (2004 EPS Est)	18.2	17.7

Key Economic Statistics	Most Recent	Prior Month
<b>National</b>		
Producer Price Index (monthly chg)	0.53%	1.68%
Consumer Price Index (monthly chg)	0.20%	0.60%
Unemployment Rate	5.40%	5.40%
ISM Manufacturing Index	58.60	57.80
ISM Services Index	63.10	61.30
Change in Non-Farm Payroll Emp.	157,000	137,000
<b>New York State</b>		
NY Business Incorporations	6,173	6,361
Consumer Price Index — NY, NJ, CT	3.90%	3.70%
Unemployment Rate	5.00%	5.40%
NYS Index of Coincident Indicators	5.00%	6.30%



### Commentary on Significant Economic Data This Month

Final GDP increased by 4% for the third quarter of 2004. According to the third-quarter GDP report, consumer spending increased by 5.1%, business spending grew by 13%, and residential investment improved by a modest 1.8%. The annualized trade deficit was approximately \$583 billion.

According to the N.Y. Empire State Manufacturing Survey, industry continues to expand robustly in New York. The general business conditions index increased sharply, from 18.9 to 29.9. The new orders index more than doubled, from 16.9 to 40.2, with over 49% of respondents experiencing new orders in the month. Hiring also improved significantly, with over 37% of respondents adding employees (compared to 26% in the prior month). The six-month outlook, however, declined for the third month in a row.

As expected, the Federal Reserve raised the federal funds rate by another 25 basis points, to 2.25%, at the December FOMC meeting. The minutes from the meeting contained a few surprises for the markets, including a reference to "signs of potentially excessive risk-taking in financial markets." The Federal Reserve is expected to continue raising rates at a measured pace in 2005 until the federal funds rate is at a more neutral level.

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