GS INVESTMENTS, INC.

MarketView

Second Quarter 2004

GSI Tenants

GS Investments, Inc. represents a logical choice for investment management for the following reasons:

1. A commitment to high-quality, personalized, client service.
2. Utilization of individual securities.
3. Balanced account manager utilizing bonds and stocks, their mix based on account objectives.
4. Use of large-cap growth stocks, adding a mid/small-cap "twist" for superior investment performance.
5. Extensive experience in the management of both individual and institutional investment accounts.
6. A competitive fee schedule.
7. Confidential environment.

Investment Strategy

1. Invest for the long-term.
2. Diversify investments.
3. Use fixed income securities for portfolio risk control and income.
4. Use equities to maximize portfolio return and offset inflation.
5. Manage portfolios according to each owner's risk parameters

3 Rules to investing:

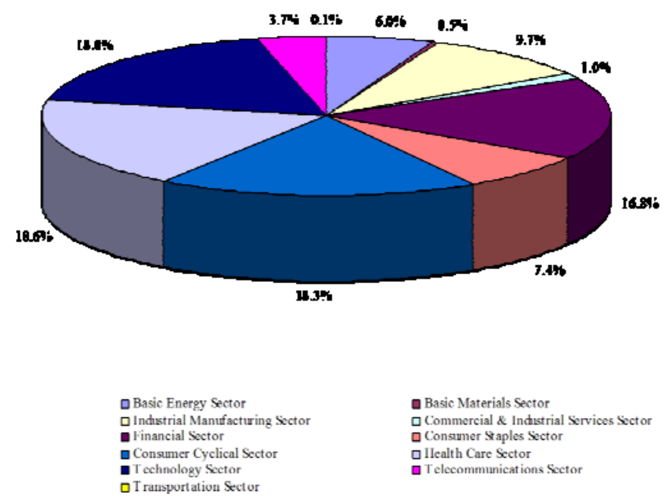
1. Never try to buy at the low point
2. Never try to sell at the high point
3. Pigs get fat but hogs get slaughtered.

Core Equity Portfolio Characteristics

P/E Ratio Forward	19.3
Expected 5Yr. EPS Growth	16.7
Beta	1.01
Turnover	26%

Industry Breakdown

March 31, 2004



Top Ten Holdings (as a percent of Equities)

Wells Fargo	1.91%
Cisco Systems	1.83%
General Electric Company	1.82%
Microsoft Corporation	1.78%
Amgen	1.77%
Pfizer Incorporated	1.74%
3M Company	1.73%
Target Corporation	1.70%
Home Depot Incorporated	1.67%
MBNA Corporation	1.65%

Market Summary

2004 has begun to develop essentially as expected from an economic point of view with exceptions being employment and energy. The political landscape has been difficult to predict and it has affected energy. The conflict in Iraq has been volatile and unpredictable; it is now considered the most important issue in our presidential election. The security markets, amidst this uncertainty, have struggled to make headway this year. Stock returns have been mixed with smaller companies performing better than blue chips. Including interest paid, bond returns have been slightly positive.

The domestic economy continues to expand. It appears now as if Gross Domestic Product (GDP) will rise more than 4% for the first quarter. Additionally, corporate earnings are expected to increase roughly 17%. Employment is improving, but at a rate slower than hoped. Recently, the unemployment rate was reported at 5.6%, showing only modest improvement from a high of 6% reported last year and a low near 4% at the peak of the last business cycle. Positive employment reports, like the one recently reported, may work to drive the current unemployment rate down.

Low short-term interest rates continue to stimulate the economy (the Federal Funds rate remains at 1%), spurring higher consumer and corporate spending. Rising energy prices (oil is now at about $39/bbl.) and the threat of inflation (the Consumer Price Index was recently reported at a 5% annual rate) have acted as a counterforce to this stimulation. However, it appears as if economic growth should continue in the foreseeable future.

The outcome of our presidential election in the fall may influence the direction of the bond and the stock markets. Specifically, a rollback of the 15% tax on dividend income and capital gains, a possibility if Mr. Kerry is elected, would surely be a negative for the stock market and a positive for the bond market. If Mr. Bush is re-elected, the 2001 tax changes would likely stay in place, probably providing a boost for the stock market and serving as a drag on the bond market. With the elections seemingly too close to call, it is hard to forecast tax rates and market advances/declines for 2005 and forward.

No matter how the elections turn out, it appears as if interest rates are on the rise. Already in April the 10-year U.S. Treasury bond rate has jumped to 4.76% from 3.85% at the end of March. 30-year mortgage rates have moved up to 6% from 5.25% quoted earlier this year. Forecasters are expecting the Federal Funds Rate to rise this year to nearly 2%, with movement beginning in late summer or early fall; most suggest a gradual rise. Both the stock and bond markets have behaved as though interest rates had already risen as both have seen recent declines in price. Going forward, the stock market will likely be more sensitive to corporate earnings growth than higher (but reasonable) short-term interest rates. As a note of interest, it should be remembered that at the beginning of the last economic expansion, short-term interest rates were at 3%, and eventually went to 6.5% before the expansion was halted.

The easiest assumption, based on what we know now, is that bond prices will continue to be pressured on the downside. In managing our accounts, we have been reluctant to invest funds in bonds longer term (over 10 years). With short-term interest rates historically low, we have used Stable Value mutual funds and Real Estate Investment Trusts (REITS) as fixed income substitutes. This strategy has worked well; in fact, nearly too well as REITs rose to levels beyond our shorter-term, price expectations. Subsequently, many REITS have moved downward in price. Barring a dramatic rise in short-term interest rates however, our REITs should continue to raise their dividends, augering well for future returns. We will continue to own a number of them in our tax exempt accounts.

If the economy and corporate earnings continue to ratchet higher, stock returns should also move ahead. However, we feel the tax issue mentioned earlier is an important long-term issue. Also, we are cautious due to rising energy prices. In previous writings, we have discussed a correlation between the stock market and energy prices. Finally, the presidential election and Iraq are issues that should not be dismissed.

As we move forward, our stock strategy will continue to emphasize growth stocks, and we will continue to probe the mid-cap area for opportunities. In addition, we are sensitive to the energy issue and consider it as an important sector from a diversification point of view.

The healthcare area has not performed well, in general, especially drug stocks. Recently, the market has looked more favorably on these stocks because of their defensive character. We think a strong position in healthcare is important because of its growth potential. We say this in spite of Medicare issues and the political pressure being placed on pharmaceutical companies. Within the healthcare area, we think some of the best growth prospects are in biotechs. We own two stocks in that area now and are looking to increase our presence there.

Investment performance throughout our account base was strong during the first quarter; this was true for both fixed income securities and stocks, adding to what were solid returns in 2003. As is one of our major objectives, we continue to outpace the major averages, providing additional value to our client accounts.

Finally, we want our friends to know that significant new account additions were achieved in the first quarter. New relationships are the lifeblood of any organization. We continue to grow our client base, further establishing our reputation as a capable money manager.

We are committed to providing our clients with high-quality service and superior performance over the long-term.

Glenn & John Steinke