GS INVESTMENTS, INC.

MarketView

Second Quarter 2005

GSI Tenets

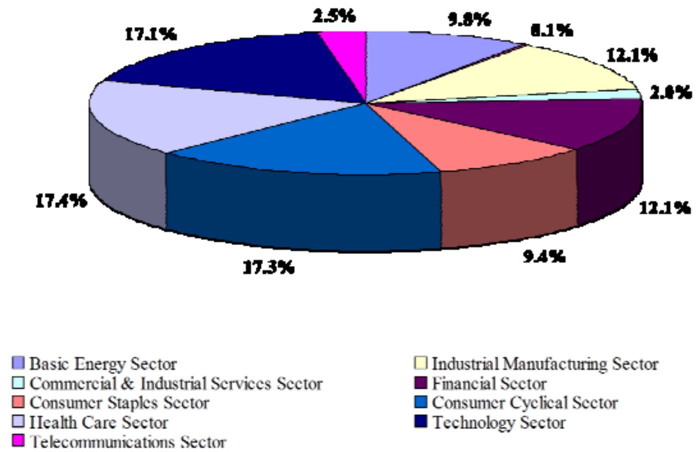
GS Investments, Inc. represents a logical choice for investment management for the following reasons:

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

Industry Breakdown—March 31, 2005



Top Ten Holdings (as a percent of Equities)

Wells Fargo	2.08%
Exxon Mobil	2.08%
General Electric Company	2.01%
Target Corporation	1.75%
3M Company	1.75%
PepsiCo	1.66%
Honeywell Corporation	1.66%
Amgen	1.65%
Home Depot	1.65%
Dell Computer	1.61%
3M Company	1.68%

Market Summary

Inflation has begun to creep up and the Federal Reserve is determined to keep it from getting out of control. Commodity price increases (especially oil) have been the main culprit although our trade deficit and dollar decline must be factored in. So far, *labor costs have remained under control and productivity has been strong*.

On June 30, 2004 the Federal Reserve began raising short-term interest rates periodically ¼% each time. At that time, the rate was moved up to 1½% from 1% and has since been increased to 2¾%. *Expectations are now that this rate could rise to 4% or possibly 5%*. When last raising short-term interest rates, the Federal Reserve peaked them at 6½%. What followed was a sharp decline in the stock market causing fear in the minds of many investors.

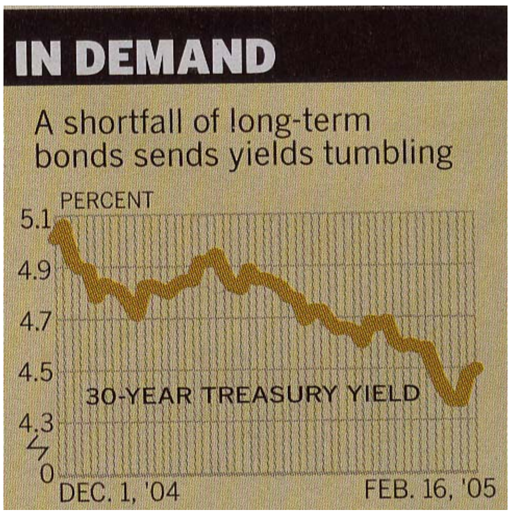
Circumstances are not the same this time. We now have a higher level of unemployment, although that is gradually improving. *Our economy is strong*, but not racing ahead. *Interest rates remain reasonable*. The 10 year Treasury rate is currently 4.22%---it was higher this year. *The stock market appears to be reasonably valued*. Finally, *commodity prices may be peaking*.

In spite of this however, *the trend toward higher interest rates, a slowing economy and higher inflation are driving market prices*. Couple these with *hedge funds demonizing the markets* (they account for about 1/3 of the daily activity on the NYSE) *and individual investors find themselves upset and uncertain*.

Market Summary (Cont)

The longer term bond market has not acted as most investors would expect. Since the time the Fed began raising rates last year, investment professionals expected fairly sharp declines in bond prices to account for the higher rates. *Bonds did move somewhat lower but nowhere near what was expected.* Alan Greenspan, Chairman of the Federal Reserve noted recently in congressional testimony that this was a "conundrum".

He, too, was expecting long-term rates to move higher and bond prices to fall. *Recently, Business Week noted that this may be due to a shortage of long-term bonds.*[1] The nearby chart on 30-year Treasury bond yields bears this out.



Another factor that may be responsible for this long-term bond shortage is corporations are flush with cash. Add to this the fact that U.S multinationals have a 2005 tax incentive to repatriate foreign earnings and what you have are even healthier corporate balance sheets! This should provide for *increased dividend payments, stock buybacks and/or greater capital investment*. All three are being used currently by corporations.

Capital investment continues to be a strong driver for our economy. Consumption spending has been strong of late and it multiplies its effect on the economy. Capital spending does more. *So, if consumption spending slows, capital spending will probably pick up the slack.*

Corporate earnings increases may be slowing, but that does not mean they will decline. After a strong increase in '04, *earnings in '05 may increase between 5% and 10%*. Our best guess is that many companies may report earnings in the upper end of this range. Some sectors will perform poorly. *Autos are an example.* Both Ford and General Motors have reported for the first quarter; GM reported a significant loss while Ford earnings declined sharply.

On the other hand, good reports were made by several sectors. *Technology has been improving*; reports from *Intel and EMC* were above expectations and their outlook is strong. *Healthcare has experienced mostly good reports* and they should continue. Energy companies have reported outstanding earnings and they should continue. *Manufacturing companies such as GE and Caterpillar reported excellent results and strong outlooks.*

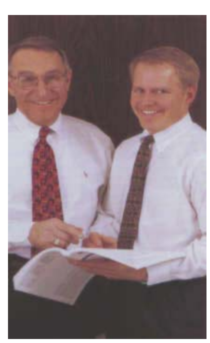
It is in the area of consumer cyclicals that there is concern, because of the potential for rising inflation and the feeling that consumers may be becoming tapped out. *We have experienced strong results from these stocks, but we have reduced positions as they have become overweighted.* We will remain cautious with these consumer stocks keeping a close eye on inflation and its effect on the consumer.

The Federal Reserve will probably continue *to raise short-term interest rates* until it feels confident that inflation will not get out of control. We believe this action will force up long-term interest rates; a reasonable expectation is that the 10 year Treasury will go to 5% this year. *Economic growth will probably slow to the 3% to 3 ½% range as the year progresses.*

We think that energy prices will stabilize and possibly decline somewhat. In our minds the energy problem is more a near-term issue; over the longer-term we believe we will solve the energy problem with new sources and new technology. One area that we find most interesting is Gas to Liquid (GTL) production. Facilities are now being built for this new fuel. From what we read, this fuel is clean burning and can immediately be used in current diesel engines (50% of European engines use diesel fuel).

During the first quarter of the year we built up cash for future fixed income investments in balanced accounts looking for higher interest rates. *In the common stock sector we increased our weighting somewhat in energy stocks and shaved positions in consumer cyclicals.* Also, in some accounts with a shorter-term outlook we reduced our weightings modestly in common stocks.

1 The Fed's Magical Mystery Number, Business Week, February 28, 2005.



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

Glenn & John Steinke