MarketView

GS INVESTMENTS, INC.

Third Quarter 2005

GSI Tenets

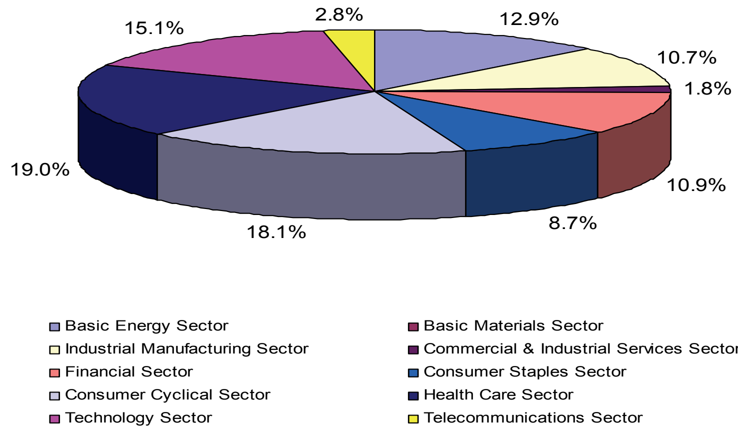
GS Investments, Inc. represents a logical choice for investment management for the following reasons:

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—June 30, 2005



Top Ten Holdings (as a percent of Equities)

Wells Fargo	1.88%
General Electric Company	1.84%
Exxon Mobil	1.72%
Proctor and Gamble Company	1.66%
Amgen	1.59%
Target Corporation	1.58%
Best Buy Incorporated	1.57%
Dell Computer	1.52%
PepsiCo	1.50%
Microsoft Corporation	1.43%

Market Summary

The economy, like *"The Little Engine That Could"* keeps chugging along, but certain obstacles are challenging its progress, and they could cause it to take a breath before going higher. Many factors constitute strengthening headwinds. *Most we think are short-term in nature, and will not stop the United States growth engine from making forward progress.*

The energy issue has become an increasing problem with prices recently blowing through $60/bbl. *Stopping to fill up the family car has become a $30-$40 bill rather than a $20-$30 charge.* Many now turn away from watching pump prices ratchet up, as they did in similar fashion hesitating to look at their monthly statements of stock valuations in the early years of this decade. *Perhaps we will learn in the years ahead that energy will have a ceiling, as we found that, in the early years of this decade, stock prices had a floor.*

Interest rates and the yield curve are dogging the markets, as well. Following the Federal Reserve's June 30 federal funds rate increase to 3 ¼%, the 10-year Treasury bond was priced today to yield 4.17%, up from 3.91% prior to that increase. The upward move in longer-term rates maintains a positively sloped yield curve. *There are all kinds of forecasts by economists suggesting the peak rate where the Fed will stop their increase.*

At this point, the Fed itself probably does not know what that level will be, *but it is fair to say that more increases are on the way.* Fed Chairman Greenspan has talked about a "frothy" housing market, and it would seem that his objective would be to slow down the speculation that still exists in housing prices. *We are not yet in the "bubble" camp although we think there is still strong demand for housing, but we do think that by raising rates speculation will moderate and slow down the froth in prices.*

The yield curve has flattened and that historically has slowed the economy; if it gets inverted, the danger of a recession increases. An inverted yield curve simply means that short-term interest rates are higher than long-term interest rates. The extreme example of such a yield curve was in the 1980's when then Fed Chairman Paul Volker raised short-term interest rates to roughly 20% to choke off inflation. *We don't think inflation is a problem now. It seems to be contained.* Although commodity prices have gone up, wages remain under control. Productivity continues to assist on the inflation front.

The index of leading indicators for the economy has gone negative in recent months, and this also supports a possible economic slowdown. History tells us here that when the leads go negative, a slowdown or a recession may occur.

We have found that one economic forecasting firm we follow, International Strategy and Investment Group (ISI), has an especially good record. Their outlook was reviewed in a recent issue of Barron's, and we thought our readers might find it of interest. A chart showing their estimates is reproduced below: [1]

The Coming Pause

ISI's latest forecast sees growth in U.S. gross domestic product showing a decline beginning this quarter and continuing through the first half of next year, with inflationary pressure, measured by the GDP price deflator, easing.

	1Q'05	2Q'05	3Q'05	4Q'05	1Q'06	2Q'06	3Q'06
Real GDP	3.5%	3.0%	2.5%	2.0%	2.0%	2.0%	3.0%
GDP Price Deflator	3.1	2.0	2.0	2.0	2.0	2.0	2.0
Nominal GDP	6.7	5.0	4.5	4.0	4.0	4.0	5.0
10-Year Bond Yield*	4.5	4.1	4.0	3.8	3.6	3.6	3.8
Fed-Funds Rate*	2.7	3.2	3.7	3.7	3.7	3.5	3.5

*End of quarter

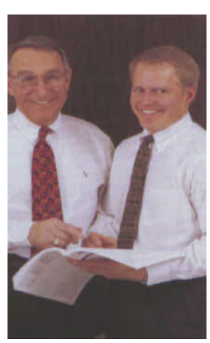
Source: ISI Group

1 Barron's, June 27, 2005

It could be that the reluctance of long-term interest rates to move sharply higher in spite of the increases in short-term interest rates will continue to be a conundrum (Mr. Greenspan's language). *Corporations are awash with liquidity and foreign nations continue to buy U.S. Treasury bonds.* Also, savings of foreigners are substantial, so the demand for our bonds continues high. *These factors along with continued low inflation could keep long rates unusually low.* That is the view of three investment experts interviewed in Barron's.[2] *They have been "bond bulls" for some time, and they have been right in taking a contrarian point of view.* On the other hand the consensus has been wrong. We think there is merit to the reasoning of the bond bulls. We have made commitments to bonds during the past quarter.

The domestic stock market has moved into positive territory since June 30 and is now up slightly for the year. Growth stocks are getting more favorable comments from the prognosticators. *We think the stock market is reasonably valued, but expect that corporate earnings will experience a growth slowdown throughout the remainder of the year.* So, we are cautious about market progress at this time. However, there are areas that appeal. *Technology stocks seem to be poised to achieve higher prices*, especially as we look ahead to 2006. *Health care still looks good to us* and specialty retail continues to have positive trends. *Energy shares remain a good bet*, but this is an area that will bear watching, because developments could begin to occur that would moderate their attractiveness. *Overall, the stock market could move slightly higher by year-end.*

2 Barron's, July 11, 2005



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

Glenn & John Steinke