

The Systematic RS Aggressive portfolios underperformed the benchmark during the second quarter, but remain solidly ahead of the benchmark for the year. The quarter began well, but the portfolios underperformed during the decline in the middle of Q2. The overall market began to stabilize near the end of June, and our portfolios began to perform much better.

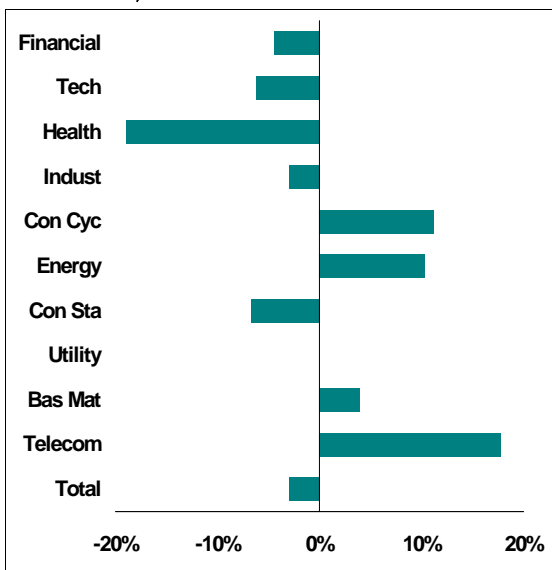
PERFORMANCE				
	Q2 06	YTD	12 Mth	Incept*
RS Aggressive¹	-3.0%	6.4%	25.8%	32.9%
S&P 500 ²	-1.9%	1.8%	6.6%	7.6%

*Composite Inception: 3/31/2005

¹Preliminary Performance

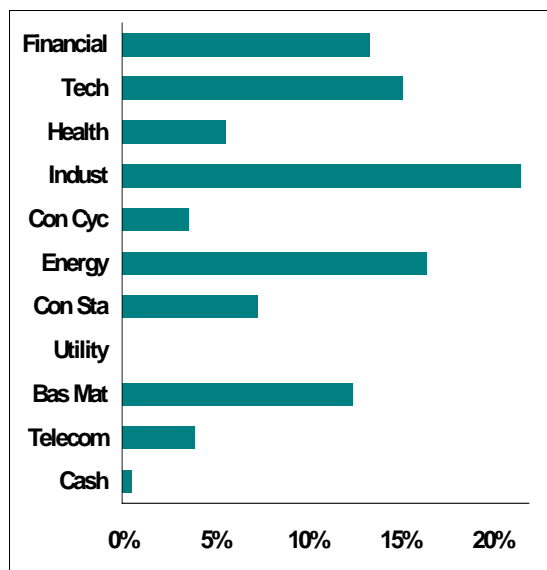
²S&P 500 returns are price returns only

QUARTERLY RETURNS



Returns are based off model returns and not actual account net returns.

WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Valero Energy Corp.
Peabody Energy
Investment Tech Group
Vertex Pharmaceuticals
Precision Castparts
Quanta Services
Granite Construction
Phelps Dodge
Citrix Systems
Monsanto Co.

Holdings are as of quarter end

PORTFOLIO ALLOCATION HIGHLIGHTS

- Our allocation to **Financials** increased during the quarter bringing it up to an equal weight. The entire macro sector picked up relative strength during May and June's weakness.
- Our overall **Technology** allocation remained constant. Heading into the second half of the year our allocation disciplines rank this macro sector unfavorably.
- We reduced our **Healthcare** exposure dramatically during the quarter. We sold two positions from the Healthcare Providers group that had weakening relative strength.
- **Industrials** remain heavily overweighted in the portfolios. Our allocation models continue to favor this area heading into the third quarter.
- While we had good performance from our **Consumer Cyclical** exposure, overall we remain underweighted.
- **Energy** continues to be a large weight, but declined significantly during the quarter. While many of our stocks continue to perform well, we have seen a narrowing of the leadership in this area. With fewer stocks participating, profits have been more difficult to come by in this macro sector.
- Our allocation to **Consumer Staples** increased as this area gained strength during the weak period of the quarter.
- We currently have no exposure to the **Utilities** area.
- Our allocation to **Basic Materials** increased during the second quarter. Despite the weakness during the quarter many of the stocks in this area are still highly ranked.
- **Telecommunications** is an equal weight in the portfolio. Our exposure to this area performed extremely well during the second quarter.

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Total account performance shown is total return net of management fees for all Dorsey, Wright & Associates managed accounts, managed for each complete quarter for each objective, regardless of levels of fixed income and cash in each account. The macro sector returns presented are returns generated by our models, not actual account net performance figures. Information is from sources believed to be reliable, but no guarantee is made to its accuracy. This should not be considered a solicitation to buy or sell any security. Past performance should not be considered indicative of future results.

The Systematic RS Core portfolios underperformed the benchmark during the second quarter, but remain solidly ahead of the benchmark for the year. The quarter began well, but the portfolios underperformed during the decline in the middle of Q2. The overall market began to stabilize near the end of June, and our portfolios began to perform much better.

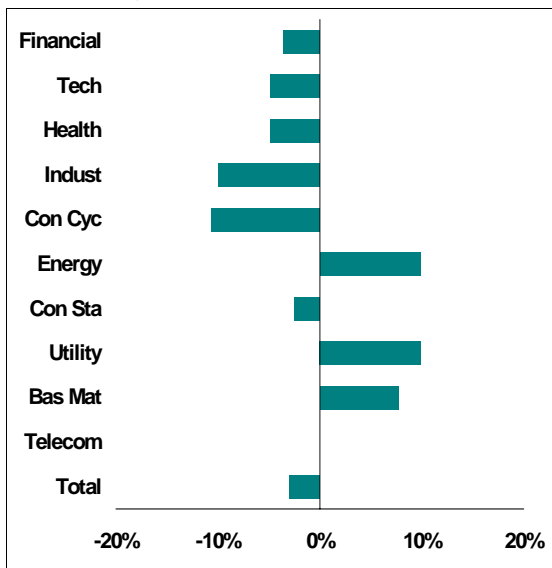
PERFORMANCE				
	Q2 06	YTD	12 Mth	Incept*
RS Core¹	-2.4%	8.8%	20.5%	26.8%
S&P 500 ²	-1.9%	1.8%	6.6%	7.6%

*Composite Inception: 3/31/2005

¹Preliminary Performance

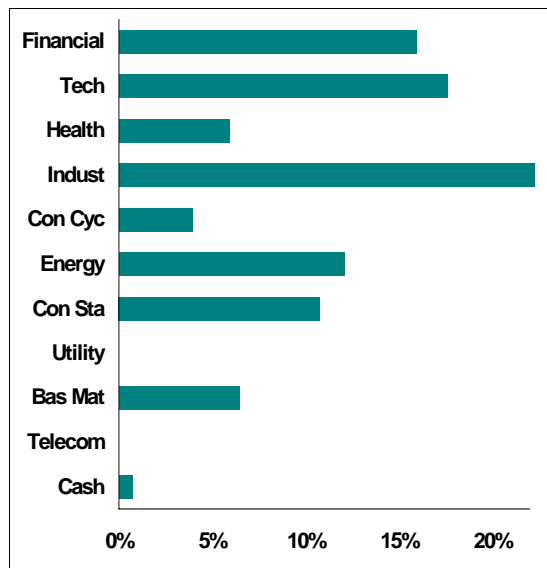
²S&P 500 returns are price returns only

QUARTERLY RETURNS



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WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Allegheny Technologies
Peabody Energy
XTO Energy
Vertex Pharmaceuticals
Precision Castparts
Investment Tech Group
Granite Construction
Burlington Northern
Cognizant Technology
Reynolds American

Holdings are as of quarter end.

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** remain an under weight in the portfolio. We are seeing the best relative strength in the Investment and Insurance related areas at this time.
- Our **Technology** exposure increased to an equal weight during the first part of the quarter.
- The allocation to **Healthcare** was reduced during the second quarter. This was the result of our individual position management discipline rather than an overall weakening of the sector.
- **Industrials** exposure increased during the quarter. The Transportation areas are showing superior relative strength within the larger macro sector.
- The weakness in consumer spending and the housing market caused our remaining **Consumer Cyclical** to be eliminated. This macro sector remains a strong underweight.
- **Energy** continues to be a large weight in the portfolio. We have seen a narrowing of the leadership in this area. With fewer stocks participating, profits have been more difficult to come by in this macro sector, and we would expect our exposure to decline during the coming months.
- Our allocation to **Consumer Staples** increased during the quarter. This area held up well during the May-June decline.
- We currently have no exposure to the **Utilities** area.
- Our allocation to **Basic Materials** decreased during the second quarter. One of our holdings in this area did not fare well in the May-June decline and was sold when its relative strength dropped below an acceptable level.
- We continue to hold no positions in the **Telecommunications** macro sector.

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The Systematic RS Conservative portfolios underperformed the benchmark during the second quarter, but remain solidly ahead of the benchmark for the year. The quarter began well, but the portfolios underperformed during the decline in the middle of Q2. The fixed income component in all of the portfolios substantially reduced the volatility we experienced during the May-June decline.

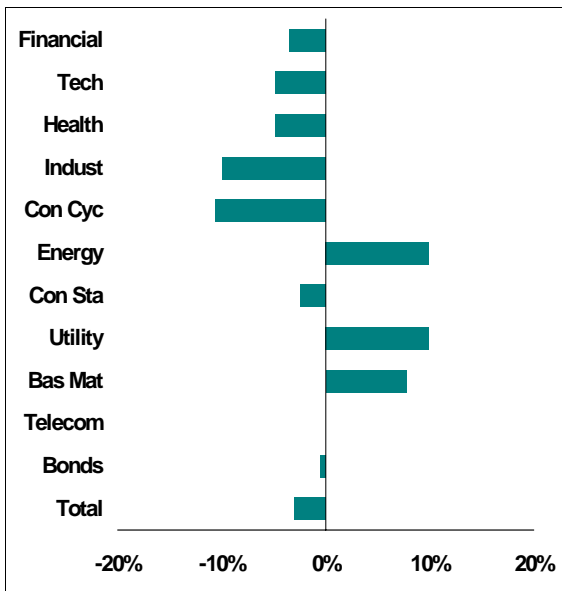
PERFORMANCE				
	Q2 06	YTD	12 Mth	Incept*
RS Conservative¹	-2.2%	4.4%	10.0%	10.0%
S&P 500 ²	-1.9%	1.8%	6.6%	6.6%

*Composite Inception: 6/30/2005

¹Preliminary Performance

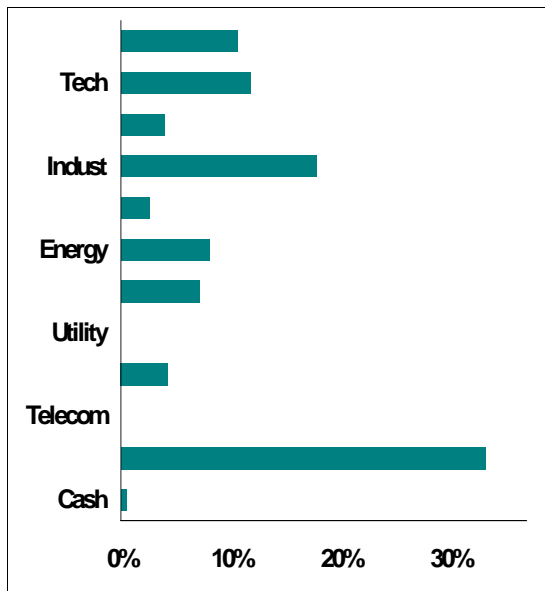
²S&P 500 returns are price returns only

QUARTERLY RETURNS



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WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Intermediate Bonds
Allegheny Technologies
Peabody Energy
XTO Energy
Vertex Pharmaceuticals
Precision Castparts
Investment Tech Group
Granite Construction
Burlington Northern
Cognizant Technology

Holdings are as of quarter end.

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** remain an under weight in the portfolio. We are seeing the best relative strength in the Investment and Insurance related areas at this time.
- Our **Technology** exposure increased to an equal weight during the first part of the quarter.
- The allocation to **Healthcare** was reduced during the second quarter. This was the result of our individual position management discipline rather than an overall weakening of the sector.
- **Industrials** exposure increased during the quarter. The Transportation areas are showing superior relative strength within the larger macro sector.
- The weakness in consumer spending and the housing market caused our remaining **Consumer Cyclical** to be eliminated. This macro sector remains a strong underweight.
- **Energy** continues to be a large weight in the portfolio. We have seen a narrowing of the leadership in this area. With fewer stocks participating, profits have been more difficult to come by in this macro sector, and we would expect our exposure to decline during the coming months.
- Our allocation to **Consumer Staples** increased during the quarter. This area held up well during the May-June decline.
- We currently have no exposure to the **Utilities** area.
- Our allocation to **Basic Materials** decreased during the second quarter.
- We continue to hold no positions in the **Telecommunications** macro sector.
- The **Fixed Income** allocation was not changed during the quarter.

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