

The RS Aggressive portfolios underperformed during the quarter, but remain well ahead of the benchmark for the year. While no bull market is ever "perfect," we feel the positives outweigh the negatives. Uncertainty about inflation and interest rates are grabbing all of the headlines. However, equity valuations remain supportive of higher prices. Investor sentiment measures are also showing a healthy dose of fear. From a contrarian standpoint, this is very healthy for equities.

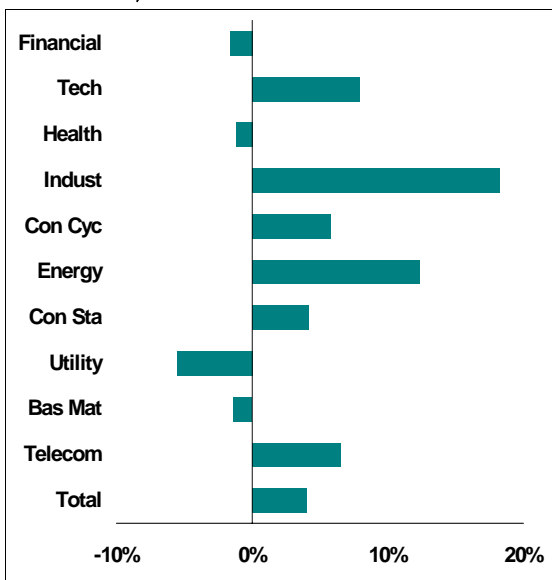
PERFORMANCE				
	Q2 07	YTD	12 Mth	Incept*
RS Aggressive¹	3.8%	15.0%	11.8%	48.6%
S&P 500 TR ²	6.3%	7.0%	20.6%	32.8%

*Composite Inception: 3/31/2005

¹Preliminary Performance

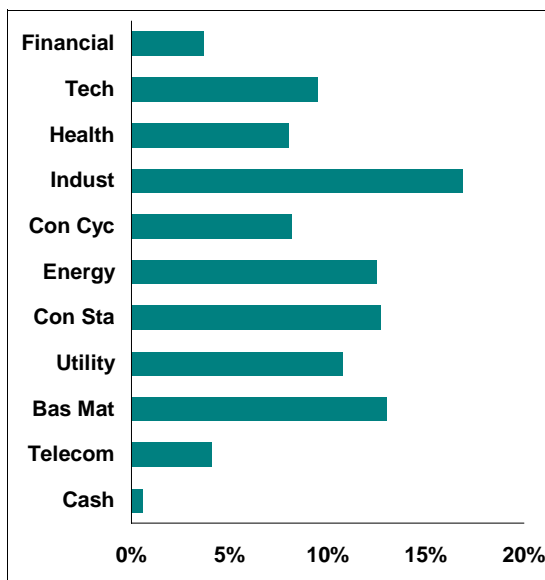
²S&P 500 Index results assume the reinvestment of dividends

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

Precision Castparts
Quanta Services
Allegheny Technologies
MEMC Electronic Mat
Sotheby's Holdings
National Oilwell Varco
CommScope, Inc.
Goodyear Tire & Rubber
Noble Energy, Inc.
AT&T Corp

Holdings are as of quarter end

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** continue to weaken. Real Estate has been a particularly strong group for many years, but was hit hard during Q2. Our allocation in this area has been shrinking.
- Our **Technology** allocation declined slightly during the quarter. Certain issues continue to perform well, but we have not seen a large macro-sector move in this area in quite some time.
- We made one swap in the **Healthcare** sector. Our holdings in this area underperformed during Q2.
- **Industrials** remained a large weight in the portfolio. As investors worry about the impact of higher interest rates on the consumer, industrial stocks are benefiting from the rotation.
- Our allocation to **Consumer Cyclical**s decreased during Q2. The interest rate increases may finally be having an effect on consumer related stocks.
- Strength in the **Energy** markets caused us to increase our allocation to an overweight from equal weight. Crude prices have remained stubbornly high as we head into hurricane season.
- We reduced our exposure to the **Consumer Staples** sector during the quarter. The more traditional staples stocks have not performed well of late.
- **Utilities** continue to be a large weight in the portfolio. Rising rates caused out holdings in this sector to underperform during Q2.
- Our allocation to **Basic Materials** remained steady during Q2. Metals stocks consolidated their gains during the quarter after posting substantial gains in the first quarter.
- Our **Telecommunications** allocation remained the same, and our holdings were market performers during the quarter.

Dorsey, Wright Money Management
595 E. Colorado Blvd, Suite 518 Pasadena, CA 91101
(626) 535-0630 moneymanagement@dorseywright.com

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The RS Core portfolios underperformed the market during the quarter, but remain well ahead of the benchmark for the year. While no bull market is ever "perfect," we feel the positives outweigh the negatives. Uncertainty about inflation and interest rates are grabbing all of the headlines. However, equity valuations remain supportive of higher prices. Investor sentiment measures are also showing a healthy dose of fear. From a contrarian standpoint, this is very healthy for equities.

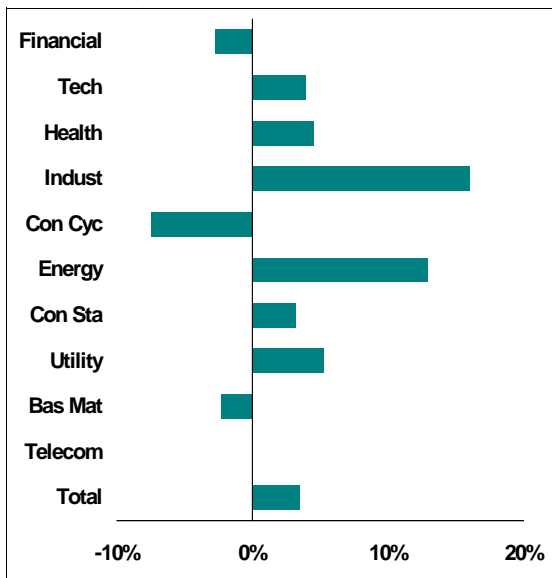
PERFORMANCE				
	Q2 07	YTD	12 Mth	Incept*
RS Core¹	3.5%	11.3%	10.9%	40.6%
S&P 500 TR ²	6.3%	7.0%	20.6%	32.8%

*Composite Inception: 3/31/2005

¹Preliminary Performance

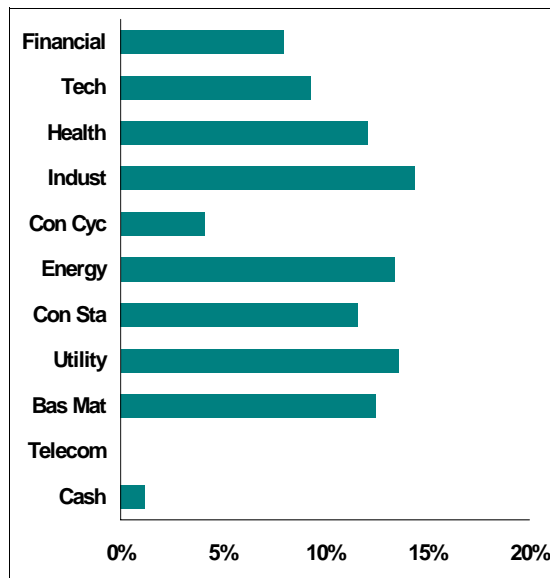
²S&P 500 Index results assume the reinvestment of dividends

QUARTERLY RETURNS



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WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Allegheny Technologies
Precision Castparts
Granite Construction
Apple Computer
Allegheny Energy
Cameron International
Marathon Oil
ONEOK, Inc.
National Fuel Gas
Unum Group

Holdings are as of quarter end.

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** continue to weaken. Real Estate has been a particularly strong group for many years, but was hit hard during Q2. Our allocation in this area has been shrinking.
- Our **Technology** allocation declined slightly during the quarter. Certain issues continue to perform well, but we have not seen a large macro-sector move in this area in quite some time.
- Our allocation to **Healthcare** increased during Q2. Our holdings in this macro-sector performed in line with the market.
- **Industrials** remained a large weight in the portfolio. As investors worry about the impact of higher interest rates on the consumer, industrial stocks are benefiting from the rotation.
- Our allocation to **Consumer Cyclical**s decreased during Q2. The interest rate increases may finally be having an effect on consumer related stocks.
- Strength in the **Energy** markets caused us to increase our allocation to an overweight from equal weight. Crude prices have remained stubbornly high as we head into hurricane season.
- We have seen strength in more specialty oriented **Consumer Staples** stocks. The more traditional issues are not performing as well as the smaller niche players.
- **Utilities** continue to be a large weight in the portfolio. Despite rising interest rates, our holdings have performed well in this area.
- Our allocation to **Basic Materials** remained steady during Q2. Metals stocks consolidated their gains during the quarter after posting substantial gains in the first quarter.
- We currently have no positions in the **Telecommunications** macro-sector.

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The RS Conservative portfolios underperformed the market during the quarter, but remain well ahead of the benchmark for the year. While no bull market is ever "perfect," we feel the positives outweigh the negatives. Uncertainty about inflation and interest rates are grabbing all of the headlines. However, equity valuations remain supportive of higher prices. Investor sentiment measures are also showing a healthy dose of fear. From a contrarian standpoint, this is very healthy for equities.

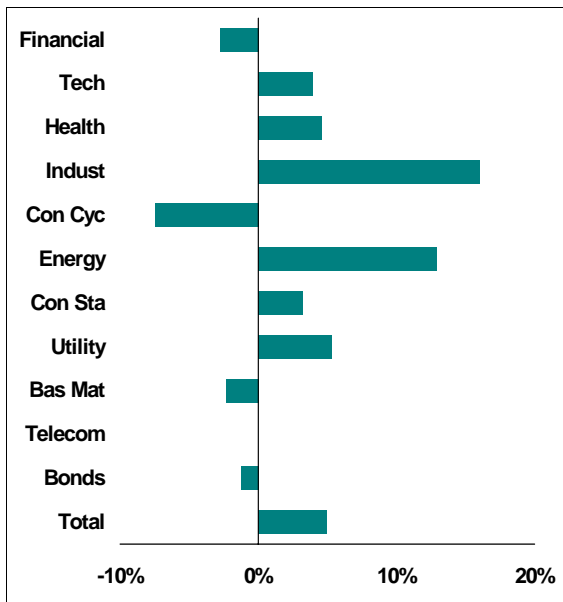
PERFORMANCE				
	Q2 07	YTD	12 Mth	Incept*
RS Conservative¹	1.7%	6.8%	8.4%	19.4%
S&P 500 TR ²	6.3%	7.0%	20.6%	31.0%

*Composite Inception: 6/30/2005

¹Preliminary Performance

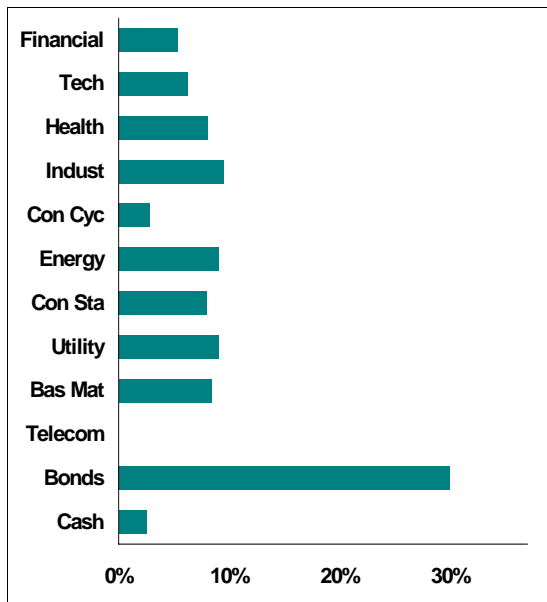
²S&P 500 Index results assume the reinvestment of dividends

QUARTERLY RETURNS



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WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Intermediate Bonds
Allegheny Technologies
Precision Castparts
Granite Construction
Apple Computer
Allegheny Energy
Cameron International
Marathon Oil
ONEOK, Inc.
National Fuel Gas

Holdings are as of quarter end.

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** continue to weaken. Real Estate has been a particularly strong group for many years, but was hit hard during Q2. Our allocation in this area has been shrinking.
- Our **Technology** allocation declined slightly during the quarter. Certain issues continue to perform well, but we have not seen a large macro-sector move in this area in quite some time.
- Our allocation to **Healthcare** increased during Q2. Our holdings in this macro-sector performed in line with the market.
- **Industrials** remained a large weight in the portfolio. As investors worry about the impact of higher interest rates on the consumer, industrial stocks are benefiting from the rotation.
- Our allocation to **Consumer Cyclical**s decreased during Q2. The interest rate increases may finally be having an effect on consumer related stocks.
- Strength in the **Energy** markets caused us to increase our allocation to an overweight from equal weight.
- We have seen strength in more specialty oriented **Consumer Staples** stocks. The more traditional issues are not performing as well as the smaller niche players.
- **Utilities** continue to be a large weight in the portfolio. Despite rising interest rates, our holdings have performed well in this area.
- Our allocation to **Basic Materials** remained steady during Q2. Metals stocks consolidated their gains during the quarter after posting substantial gains in the first quarter.
- We currently have no positions in the **Telecommunications** macro-sector.
- The **Fixed Income** allocation was not changed during Q2

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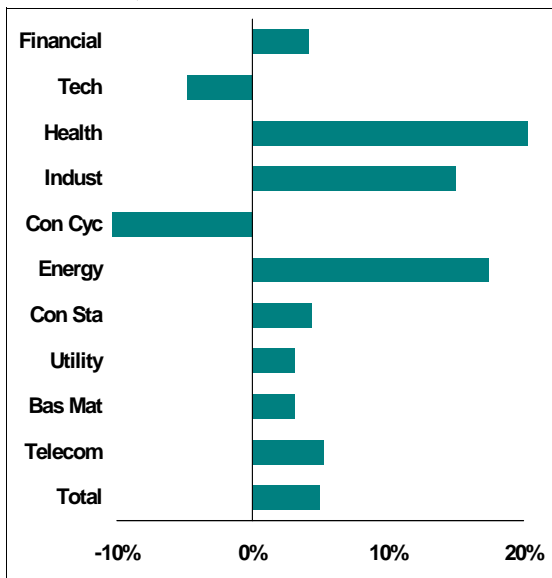
PERFORMANCE				
	Q2 07	YTD	12 Mth	Incept*
RS SRI ¹	5.0%			5.0%
S&P 500 TR ²	6.3%			6.3%

*Composite Inception: 3/31/2007

¹Preliminary Performance

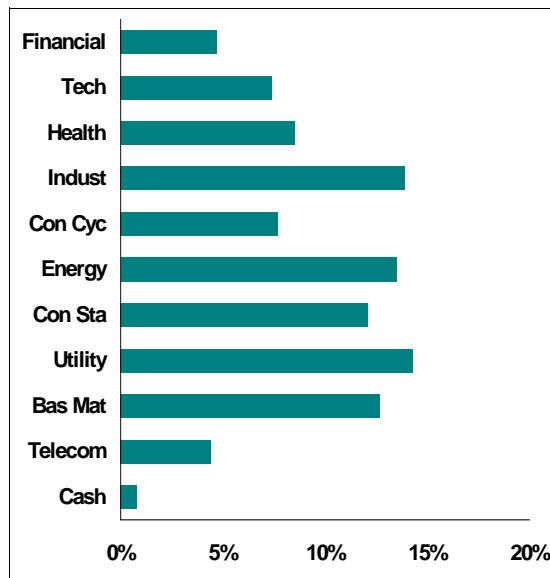
²S&P 500 Index results assume the reinvestment of dividends

QUARTERLY RETURNS



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WEIGHTINGS



Weights are as of the end of the quarter

TOP HOLDINGS

Cummins, Inc.
AES Corp.
Cameron International
Global Industries
Nationwide Financial
Energen Corp
Airgas, Inc.
Wellcare Health Plans
National Fuel Gas
AT&T

Holdings are as of quarter end.

PORTFOLIO ALLOCATION HIGHLIGHTS

- **Financials** continue to weaken. Real Estate has been a particularly strong group for many years, but was hit hard during Q2. Our allocation in this area has been shrinking.
- Our **Technology** allocation underperformed during the quarter. Certain issues continue to perform well, but we have not seen a large macro-sector move in this area in quite some time.
- Our allocation to **Healthcare** remained the same during Q2, although we did make one swap. Our holdings in this macro-sector performed much better than the market.
- **Industrials** remained a large weight in the portfolio. As investors worry about the impact of higher interest rates on the consumer, industrial stocks are benefiting from the rotation.
- We saw a lot of activity in the **Consumer Cyclicals** macro-sector, but the overall allocation remained the same.
- Strength in the **Energy** markets caused us to increase our allocation to an overweight from equal weight. Crude prices have remained stubbornly high as we head into hurricane season.
- We have seen strength in more specialty oriented **Consumer Staples** stocks. The more traditional issues are not performing as well as the smaller niche players.
- **Utilities** continue to be a large weight in the portfolio. Despite rising interest rates, our holdings have performed well in this area.
- Our allocation to **Basic Materials** increased during Q2. Metals stocks consolidated their gains during the quarter after posting substantial gains in the first quarter.
- Our **Telecommunications** allocation remained the same, and our holdings were market performers during the quarter.

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