



**Davidson Capital Management, Inc.**

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INDIVIDUALLY MANAGED ACCOUNT SAMPLE PORTFOLIO  
INVESTMENT REVIEW  
DECEMBER 31, 1999

JOHN E. DAVIDSON  
PRESIDENT

W. JEFFREY DAVIDSON  
VICE PRESIDENT

**IT SHOULD BE NOTED THAT ALL THE SECURITIES LISTED IN THIS SAMPLE REPORT ARE  
USED FOR ILLUSTRATIVE PURPOSES ONLY AND MAY OR MAY NOT REFLECT THE  
CURRENT HOLDINGS OF DAVIDSON CAPITAL MANAGEMENT CLIENTS**

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## PERFORMANCE BY ASSET CLASS

### NET OF FEES

### *Sample Portfolio*

*From 09-30-99 To 12-31-99*

	Equities	Mutual Fund	Fixed Income	Other	Cash & Equivalents	Total Portfolio
Market Value on 09-30-99	307,184.50	29,031.90	120,895.80	0.00	90,399.38	547,511.58
Accrued Interest	0.00	0.00	2,576.98	0.00	0.00	2,576.98
Purchases/Contributions	98,363.30	10,728.77	15,158.29	0.00	33,185.54	0.00
Sales/Withdrawals	-56,555.20	-228.77	-2,406.26	0.00	-113,248.61	-15,002.94
Transfers In	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out	0.00	0.00	0.00	0.00	0.00	0.00
Realized Gains	-1,999.22	0.00	0.00	0.00	0.00	-1,999.22
Unrealized Gains	51,413.29	19,277.00	-1,725.05	0.00	0.00	68,965.23
Interest Income	0.00	0.00	2,210.32	0.00	333.44	2,543.76
Dividend Income	735.15	228.77	0.00	0.00	659.18	1,623.10
Change in Accrued Interest	0.00	0.00	74.87	0.00	0.00	74.87
Management Fees	-699.29	-72.05	-306.70	0.00	-153.86	-1,231.90
Portfolio Fees	0.00	0.00	0.00	0.00	0.00	0.00
Market Value on 12-31-99	399,141.81	59,037.66	134,133.10	0.00	10,097.03	602,409.61
Accrued Interest	0.00	0.00	2,651.85	0.00	0.00	2,651.85
Average Capital Base	310,593.37	31,999.29	136,223.13	0.00	68,337.41	547,153.20
Total Fees	-699.29	-72.05	-306.70	0.00	-153.86	-1,231.90
Total Gain after Fees	49,449.92	19,433.72	253.44	0.00	838.76	69,975.84
IRR for 0.25 Years	15.92%	60.73%	0.19%	0.00%	1.23%	12.79%
Annualized IRR	80.57%	567.43%	0.75%	0.00%	5.00%	61.83%

## PERFORMANCE BY ASSET CLASS

### NET OF FEES

### *Sample Portfolio*

*From 12-31-98 To 12-31-99*

	Equities	Mutual Fund	Fixed Income	Other	Cash & Equivalents	Total Portfolio
Market Value on 12-31-98	269,879.37	25,062.79	111,548.00	0.00	118,612.76	525,102.93
Accrued Interest	0.00	0.00	1,765.60	0.00	0.00	1,765.60
Purchases/Contributions	297,027.76	10,728.77	30,677.43	0.00	220,764.58	0.00
Sales/Withdrawals	-238,964.85	-228.77	-7,575.65	0.00	-327,432.21	-15,002.94
Transfers In	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out	0.00	0.00	0.00	0.00	0.00	0.00
Realized Gains	11,134.69	0.00	0.00	0.00	0.00	11,134.69
Unrealized Gains	57,399.65	23,246.10	-7,814.05	0.00	0.00	72,831.71
Interest Income	0.00	0.00	7,297.37	0.00	333.44	7,630.81
Dividend Income	2,665.19	228.77	0.00	0.00	2,799.70	5,693.66
Change in Accrued Interest	0.00	0.00	886.25	0.00	0.00	886.25
Management Fees	-2,862.85	-244.37	-1,199.26	0.00	-674.76	-4,981.24
Portfolio Fees	0.00	0.00	0.00	0.00	0.00	0.00
Market Value on 12-31-99	399,141.81	59,037.66	134,133.10	0.00	10,097.03	602,409.61
Accrued Interest	0.00	0.00	2,651.85	0.00	0.00	2,651.85
Average Capital Base	302,380.46	25,810.74	126,667.92	0.00	71,269.54	526,128.66
Total Fees	-2,862.85	-244.37	-1,199.26	0.00	-674.76	-4,981.24
Total Gain after Fees	68,336.67	23,230.50	-829.69	0.00	2,458.38	93,195.87
IRR for 1.00 Years	22.60%	90.00%	-0.66%	0.00%	3.45%	17.71%
Annualized IRR	22.60%	90.00%	-0.66%	0.00%	3.45%	17.71%

## PERFORMANCE BY ASSET CLASS

### NET OF FEES

### *Sample Portfolio*

*From 08-21-96 To 12-31-99*

	Equities	Mutual Fund	Fixed Income	Other	Cash & Equivalents	Total Portfolio
Market Value on 08-21-96	0.00	379,676.23	0.00	0.00	15,264.35	394,940.58
Accrued Interest	0.00	0.00	0.00	0.00	0.00	0.00
Purchases/Contributions	1,424,101.70	110,555.37	140,355.71	0.00	1,696,678.72	0.00
Sales/Withdrawals	-1,232,706.41	-470,564.81	-19,412.19	0.00	-1,696,858.55	-47,850.46
Transfers In	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out	0.00	0.00	0.00	0.00	0.00	0.00
Realized Gains	104,445.59	11,053.03	0.00	0.00	0.00	115,498.61
Unrealized Gains	91,070.91	26,587.88	-4,190.12	0.00	0.00	113,468.67
Interest Income	0.00	0.00	17,379.70	0.00	333.44	17,713.14
Dividend Income	12,230.03	1,729.96	0.00	0.00	9,041.31	23,001.30
Change in Accrued Interest	0.00	0.00	2,651.85	0.00	0.00	2,651.85
Management Fees	-7,434.28	-1,328.19	-3,132.94	0.00	-2,427.83	-14,323.24
Portfolio Fees	-20.24	-3.62	-8.53	0.00	-6.61	-39.00
Market Value on 12-31-99	399,141.81	59,037.66	134,133.10	0.00	10,097.03	602,409.61
Accrued Interest	0.00	0.00	2,651.85	0.00	0.00	2,651.85
Average Capital Base	193,821.95	34,627.87	81,680.18	0.00	63,296.87	373,426.87
Total Fees	-7,454.52	-1,331.81	-3,141.47	0.00	-2,434.44	-14,362.24
Total Gain after Fees	200,292.00	38,039.06	12,699.96	0.00	6,940.31	257,971.33
IRR for 3.36 Years	103.34%	109.85%	15.55%	0.00%	10.96%	69.08%
Annualized IRR	23.52%	24.68%	4.39%	0.00%	3.14%	16.92%

## MARKET INDICES

*December 31, 1999*

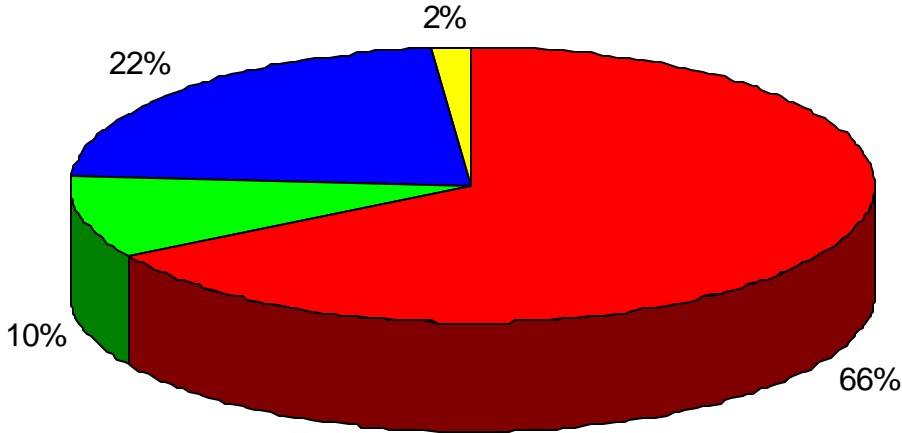
	<u>4th Quarter</u>	<u>1999</u>
Dow Jones Industrial Average	11.6%	27.2%
S&P 500 Average	14.9%	21.0%
Russell 2000 Index	N/A	21.3%
Dow Jones World Index	19.1%	31.5%
Lipper Balanced Index	7.1%	9.0%
Lehman Government/Corporate Intermediate Bond Index	0.1%	0.4%
Lipper General Municipal Index	-1.4%	-4.1%

## MUTUAL FUND PERFORMANCE

*December 31, 1999*

	<u>4th Quarter</u>	<u>1999</u>
International Fund	49.1%	81.3%
Short/Intermediate Government Bond Fund	0.2%	1.9%
Short/Intermediate Municipal Bond Fund	0.4%	2.0%
Corporate Bond Fund	0.0%	-0.3%
International Fund #2	13.9%	23.9%
Small Cap Fund	43.5%	62.1%
International Fund #3	60.6%	86.1%
Large Cap Fund	16.4%	21.0%
Total Bond Market Index Fund	-0.1%	-1.1%
Tax Free Income Fund	-1.7%	-4.1%
Asset Allocation Fund	4.9%	5.2%
Growth Index Fund	20.2%	28.8%

**PORTFOLIO SUMMARY**  
**Sample Portfolio**  
**December 31, 1999**



■ Equities	399,141.81
■ Mutual Fund	59,037.66
■ Fixed Income	134,133.10
■ Cash & Equivalents	10,097.03

## PORTFOLIO SUMMARY

### *Sample Portfolio*

*December 31, 1999*

<u>Security Type</u>	<u>Total Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>Est. Annual Income</u>
<b>Equities</b>					
COMMON STOCKS	308,070.91	399,141.81	66.3	0.8	3,242.56
	308,070.91	399,141.81	66.3	0.8	3,242.56
<b>Mutual Fund</b>					
MUTUAL FUNDS	32,449.78	59,037.66	9.8	0.0	0.00
	32,449.78	59,037.66	9.8	0.0	0.00
<b>Fixed Income</b>					
CORPORATE BONDS	138,323.22	134,133.10	22.3	6.8	9,122.50
	138,323.22	134,133.10	22.3	6.8	9,122.50
<b>Cash &amp; Equivalents</b>					
CASH AND EQUIVALENTS	10,097.03	10,097.03	1.7	5.0	505.86
	10,097.03	10,097.03	1.7	5.0	505.86
<b>TOTAL PORTFOLIO</b>	<b>488,940.94</b>	<b>602,409.61</b>	<b>100.0</b>	<b>2.1</b>	<b>12,870.92</b>

## FUNDAMENTAL DATA

### *Sample Portfolio*

*December 31, 1999*

Security	Price	Annual Dividend	Yield	Latest Annual PE	Latest Annual EPS
<b>COMMON STOCKS</b>					
AT&T Corporation	50.81	0.880	1.7	23.1	2.20
Amazon.com Incorporated	76.12	0.000	0.0	NM	-1.05
America Online Incorporated	75.87	0.000	0.0	446.3	0.17
Carnival Cruise Lines Incorporated	47.81	0.440	0.9	28.8	1.66
Cisco Systems Incorporated	107.12	0.000	0.0	142.8	0.75
Coca-Cola Company	58.25	0.640	1.1	44.8	1.30
Dell Computer Corporation	51.00	0.000	0.0	96.2	0.53
Exxon-Mobil Corporation	80.56	1.640	2.0	33.6	2.40
FedEx Corporation	40.94	0.000	0.0	18.0	2.28
General Electric Company	154.75	2.800	1.8	48.4	3.20
Home Depot Incorporated	68.75	0.240	0.3	96.8	0.71
Honeywell Incorporated	57.69	0.680	1.2	21.4	2.70
Intel Corporation	82.31	0.120	0.1	35.8	2.30
International Business Machines Incorporated	107.87	0.480	0.4	29.6	3.65
Lucent Technologies Incorporated	75.00	0.080	0.1	61.5	1.22
MCI Worldcom Inc.	53.06	0.000	0.0	40.8	1.30
Merck & Company Incorporated	67.19	1.160	1.7	27.4	2.45
Merrill Lynch & Company Incorporated	83.31	1.080	1.3	14.6	5.70
Microsoft Corporation	116.75	0.000	0.0	84.0	1.39
Omnicom Group Incorporated	100.00	0.600	0.6	51.3	1.95
Procter & Gamble Company	109.56	1.280	1.2	42.3	2.59
Southwest Airlines Company	16.12	0.040	0.2	17.9	0.90
Texas Utilities Company	35.56	2.320	6.5	11.3	3.15
Tricon Global Restaurants	38.62	0.000	0.0	15.8	2.45
United Technologies Corp.	65.00	0.800	1.2	22.0	2.95
Wal-Mart Stores Incorporated	69.12	0.200	0.3	69.8	0.99
Walt Disney Holding Company	29.25	0.000	0.0	47.2	0.62
COMMON STOCKS Average			0.8	69.4	1.82
<b>OVERALL AVERAGE</b>			<b>0.8</b>	<b>69.4</b>	<b>1.82</b>

A NM in the PE column indicates that a PE is not meaningful.

## FIXED INCOME PORTFOLIO

### *Sample Portfolio*

*December 31, 1999*

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value +Accr.Int.	Pct. Assets	Yield To Mat.	Dura- tion
<b>CORPORATE BONDS</b>										
15,000	Ford Motor Credit Company Unsecured Note 6.250% Due 11-08-00	97.45	14,617.65	99.74	14,961.00	138.02	15,099.02	11.0	6.5	0.8
15,000	Xerox Corporation Medium Term Note 6.625% Due 04-16-01	98.57	14,785.80	99.71	14,956.50	207.03	15,163.53	11.1	6.8	1.2
15,000	Philip Morris Company Incorporated Notes 7.500% Due 01-15-02	100.59	15,088.35	99.35	14,902.50	518.75	15,421.25	11.3	7.8	1.8
15,000	General Motors Note 7.000% Due 06-15-03	101.11	15,166.50	99.90	14,985.00	46.67	15,031.67	11.0	7.0	3.0
18,000	Associates Corporation NA Senior Note 5.750% Due 10-15-03	102.75	18,495.72	95.45	17,181.00	218.50	17,399.50	12.7	7.1	3.3
16,000	Southwestern Public Service 1st Mortgage 7.250% Due 07-15-04	102.55	16,408.00	100.07	16,011.20	534.89	16,546.09	12.1	7.2	3.7
13,000	U.S. West Communication Notes 6.125% Due 11-15-05	102.78	13,362.05	93.38	12,139.40	101.74	12,241.14	8.9	7.5	4.8
15,000	Citicorp Subordinated Notes 6.375% Due 01-15-06	102.91	15,436.80	94.71	14,206.50	440.94	14,647.44	10.7	7.5	4.7
15,000	Chase Manhattan Bank Subordinated Note 7.125% Due 02-01-07	99.75	14,962.35	98.60	14,790.00	445.31	15,235.31	11.1	7.4	5.3
	<b>CORPORATE BONDS Total</b>		138,323.22		134,133.10	2,651.85	136,784.95	100.0	7.2	3.1
<b>TOTAL PORTFOLIO</b>			<b>138,323.22</b>		<b>134,133.10</b>	<b>2,651.85</b>	<b>136,784.95</b>	<b>100.0</b>	<b>7.2</b>	<b>3.1</b>

# FIXED INCOME DISTRIBUTION

## *Sample Portfolio*

*December 31, 1999*

### Summary Information

Totals		Weighted Averages	
Par Value	137,000	Average YTM	6.8
Market Value	134,133.10	Average Maturity (yrs)	3.8
Total Cost	138,323.22	Average Coupon (%)	6.668
Net Gain/Loss	-4,190.12	Average Duration	3.1
Annual Income	9,122.50		
Number of Issues	9		

### Distribution by Maturity

Maturity	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Year	1	14,961.00	11.2	6.3	6.250%	0.8
1 - 3 Years	2	29,859.00	22.3	7.1	7.062%	1.5
3 - 5 Years	3	48,177.20	35.9	6.7	6.637%	3.3
5 - 7 Years	2	26,345.90	19.6	6.7	6.260%	4.8
7 - 10 Years	1	14,790.00	11.0	7.2	7.125%	5.3

### Distribution by Coupon

Coupon %	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
5 - 7	5	73,444.40	54.8	6.4	6.213%	2.9
7 - 10	4	60,688.70	45.2	7.3	7.219%	3.5

### Distribution by Duration

Duration	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1	1	14,961.00	11.2	6.3	6.250%	0.8
1 - 3	2	29,859.00	22.3	7.1	7.062%	1.5
3 - 5	5	74,523.10	55.6	6.7	6.504%	3.8
5 - 7	1	14,790.00	11.0	7.2	7.125%	5.3

# UNREALIZED GAINS AND LOSSES

## *Sample Portfolio*

*December 31, 1999*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Unrealized Gain/Loss</u>	<u>% G/L</u>
<b>COMMON STOCKS</b>								
08-04-98	262	AT&T Corporation	39.63	10,381.78	50.81	13,312.87	2,931.09	28.2
12-09-99	125	Amazon.com Incorporated	106.73	13,341.21	76.12	9,515.62	-3,825.58	-28.7
01-07-99	250	America Online Incorporated	40.95	10,236.88	75.87	18,968.75	8,731.87	85.3
07-09-99	275	Carnival Cruise Lines Incorporated	49.23	13,539.38	47.81	13,148.44	-390.94	-2.9
06-01-98	200	Cisco Systems Incorporated	25.86	5,172.37	107.12	21,425.00	16,252.63	314.2
11-24-97	175	Coca-Cola Company	62.17	10,880.00	58.25	10,193.75	-686.25	-6.3
04-09-99	350	Dell Computer Corporation	45.71	15,999.17	51.00	17,850.00	1,850.83	11.6
03-12-98	175	Exxon-Mobil Corporation	62.73	10,978.44	80.56	14,098.44	3,120.00	28.4
03-23-99	250	FedEx Corporation	48.24	12,061.25	40.94	10,234.37	-1,826.87	-15.1
10-29-97	125	General Electric Company	65.77	8,221.87	154.75	19,343.75	11,121.87	135.3
01-29-99	300	Home Depot Incorporated	39.64	11,892.50	68.75	20,625.00	8,732.50	73.4
06-24-99	200	Honeywell Incorporated	68.46	13,692.50	57.69	11,537.50	-2,155.00	-15.7
03-09-98	200	Intel Corporation	44.80	8,960.96	82.31	16,462.50	7,501.54	83.7
09-05-97	150	International Business Machines	72.16	10,824.38	107.87	16,181.25	5,356.87	49.5
07-28-99	175	Lucent Technologies Incorporated	68.42	11,973.75	75.00	13,125.00	1,151.25	9.6
11-24-97	262	MCI Worldcom Inc.	27.08	7,095.98	53.06	13,902.37	6,806.39	95.9
01-07-99	200	Merck & Company Incorporated	73.08	14,616.26	67.19	13,437.50	-1,178.76	-8.1
03-13-98	150	Merrill Lynch & Company Incorporated	78.06	11,709.38	83.31	12,496.87	787.49	6.7
02-20-98	150	Microsoft Corporation	53.07	7,960.31	116.75	17,512.50	9,552.19	120.0
12-08-99	150	Omnicom Group Incorporated	91.89	13,783.13	100.00	15,000.00	1,216.87	8.8
02-27-98	125	Procter & Gamble Company	82.99	10,373.75	109.56	13,695.31	3,321.56	32.0
01-07-99	800	Southwest Airlines Company	15.36	12,291.50	16.12	12,900.00	608.50	5.0
12-06-99	400	Texas Utilities Company	36.70	14,680.00	35.56	14,225.00	-455.00	-3.1
11-22-99	300	Tricon Global Restaurants	42.60	12,779.95	38.62	11,587.50	-1,192.45	-9.3
12-27-99	200	United Technologies Corp.	60.82	12,163.07	65.00	13,000.00	836.93	6.9
02-23-98	300	Wal-Mart Stores Incorporated	22.65	6,796.13	69.12	20,737.50	13,941.37	205.1
12-04-98	500	Walt Disney Holding Company	31.33	15,665.00	29.25	14,625.00	-1,040.00	-6.6
				308,070.91		399,141.81	91,070.91	29.6
<b>CORPORATE BONDS</b>								
09-13-96	15,000	Ford Motor Credit	97.45	14,617.65	99.74	14,961.00	343.35	2.3

## UNREALIZED GAINS AND LOSSES

### *Sample Portfolio*

*December 31, 1999*

<u>Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Unrealized Gain/Loss</u>	<u>% G/L</u>
01-17-97	15,000	General Motors Note 7.000% Due 06-15-03	101.11	15,166.50	99.90	14,985.00	-181.50	-1.2
09-29-98	18,000	Associates Corporation NA Senior Note 5.750% Due 10-15-03	102.75	18,495.72	95.45	17,181.00	-1,314.72	-7.1
01-17-97	16,000	Southwestern Public Service 1st Mortgage 7.250% Due 07-15-04	102.55	16,408.00	100.07	16,011.20	-396.80	-2.4
09-16-98	13,000	U.S. West Communication Notes 6.125% Due 11-15-05	102.78	13,362.05	93.38	12,139.40	-1,222.65	-9.2
02-16-99	15,000	Citicorp Subordinated Notes 6.375% Due 01-15-06	102.91	15,436.80	94.71	14,206.50	-1,230.30	-8.0
10-07-99	15,000	Chase Manhattan Bank Subordinated Note 7.125% Due 02-01-07	99.75	14,962.35	98.60	14,790.00	-172.35	-1.2
				138,323.22		134,133.10	-4,190.12	-3.0
<b>CASH AND EQUIVALENTS</b>								
		Cash & Equivalents		10,097.03		10,097.03		
				10,097.03		10,097.03		
<b>TOTAL PORTFOLIO</b>				<b>456,491.16</b>		<b>543,371.94</b>	<b>86,880.79</b>	<b>19.0</b>

# REALIZED GAINS AND LOSSES

## Sample Portfolio

From 01-01-99 Through 12-31-99

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss			
						Short Term	Long Term		
03-09-98	01-07-99	50	Intel Corporation	4,480.48	5,969.80	1,489.32			
06-01-98	01-07-99	37	Cisco Systems Incorporated	1,913.78	3,471.01	1,557.23			
10-20-97	01-15-99	175	Rambus Incorporated	10,086.29	17,065.27		6,978.98		
03-12-98	01-20-99	100	Pfizer Inc.	8,724.00	11,432.11	2,708.11			
12-04-97	02-26-99	150	Compaq Computer Corp.	4,981.61	6,509.78		1,528.17		
05-05-98	02-26-99	150	Compaq Computer Corp.	4,183.13	6,509.78	2,326.65			
03-09-98	03-15-99	25	Intel Corporation	2,240.24	2,901.15		660.91		
05-07-98	03-26-99	50	Halliburton Company	2,788.61	1,851.18	-937.43			
02-20-98	03-30-99	25	Microsoft Corporation	1,968.28	4,321.41		2,353.13		
11-24-97	03-30-99	25	MCI Worldcom Inc.	788.25	2,207.42		1,419.17		
01-07-99	03-30-99	125	Southwest Airlines Company	2,812.19	4,040.17	1,227.98			
08-06-98	03-30-99	25	American International Group	2,512.19	2,932.40	420.21			
01-07-99	04-07-99	25	America Online Incorporated	1,946.56	3,769.87	1,823.31			
02-05-99	04-07-99	200	Atlantic Richfield	11,789.58	14,569.51	2,779.93			
10-24-97	04-07-99	50	Citigroup Inc.	2,509.17	3,194.89		685.72		
06-01-98	04-07-99	25	Cisco Systems Incorporated	1,293.09	2,732.40	1,439.31			
12-04-97	04-20-99	100	Bank of America Corp.	6,123.39	7,185.70		1,062.31		
03-24-98	04-20-99	75	Bank of America Corp.	5,486.25	5,389.28		-96.97		
03-10-99	05-19-99	175	Federal National Mortgage Association	12,433.13	12,285.21	-147.92			
05-07-98	05-19-99	225	Halliburton Company	12,548.77	9,222.82		-3,325.95		
09-05-97	05-19-99	25	International Business Machines	2,606.56	5,983.85		3,377.29		
10-24-97	08-11-99	225	Citigroup Inc.	7,527.50	9,737.44		2,209.94		
01-07-99	08-11-99	75	Citigroup Inc.	2,536.25	3,245.82	709.57			
06-01-98	08-11-99	50	Cisco Systems Incorporated	1,293.09	3,041.47		1,748.38		
03-09-98	08-11-99	50	Intel Corporation	2,240.24	3,504.26		1,264.02		
02-20-98	08-11-99	50	Microsoft Corporation	1,968.28	4,269.85		2,301.57		
03-18-99	09-24-99	400	Fox Entertainment Group A	11,830.00	9,113.21	-2,716.79			
08-06-98	09-28-99	94	American International Group	7,536.56	8,373.36		836.80		
01-07-99	09-28-99	62	American International Group	4,880.89	5,597.17	716.28			
05-22-98	10-20-99	200	Bristol-Myers Squibb Co.	11,204.36	14,144.52		2,940.16		
01-07-99	11-29-99	250	Gillette Incorporated	12,108.13	9,750.97	-2,357.16			
03-17-99	12-27-99	300	Lockheed Martin Corporation	11,885.43	5,894.85	-5,990.58			
11-24-97	12-31-99	0	MCI Worldcom Inc.	10.51	25.02		14.51		
TOTAL GAINS							17,197.90	29,381.06	
TOTAL LOSSES							-12,149.88	-3,422.92	
						179,236.79	210,242.95	5,048.02	25,958.14
TOTAL REALIZED GAIN/LOSS		31,006.16							
CAPITAL GAIN DISTRIBUTIONS									
12-10-99		Janus Overseas Fund						228.77	
TOTAL DISTRIBUTIONS		228.77						0.00	228.77
TOTAL GAIN/LOSS							<b>5,048.02</b>	<b>26,186.91</b>	
TOTAL GAIN/LOSS		31,234.93							

# TRANSACTION SUMMARY

## *Sample Portfolio*

*From 10-01-99 To 12-31-99*

<u>Tran Code</u>	<u>Security</u>	<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Close Meth.</u>	<u>S/D Type</u>	<u>S/D Symbol</u>	<u>Trade Amount</u>	<u>Lot</u>
dv	Merck & Company Incorporated	10-01-99	10-01-99			caus	cash	58.00	
dv	Coca-Cola Company	10-01-99	10-01-99			caus	cash	28.00	
dp	Davidson Capital Management, Inc. Fee	10-04-99	10-04-99			caus	cash	1,231.90	
by	Chase Manhattan Bank Subordinated Note 7.125% Due 02-01-07	10-07-99	10-07-99	15,000		caus	cash	14,962.35	1
pa	Chase Manhattan Bank Subordinated Note 7.125% Due 02-01-07	10-07-99	10-07-99			caus	cash	195.94	
dv	Wal-Mart Stores Incorporated	10-12-99	10-12-99			caus	cash	15.00	
in	Associates Corporation NA Senior Note 5.750% Due 10-15-03	10-15-99	10-15-99			caus	cash	517.50	
dv	Cash & Equivalents	10-15-99	10-15-99			caus	cash	295.74	
in	Xerox Corporation Medium Term Note 6.625% Due 04-16-01	10-18-99	10-18-99			caus	cash	496.88	
sl	Bristol-Myers Squibb Co.	10-20-99	10-20-99	200		caus	cash	14,144.52	1
dv	General Electric Company	10-25-99	10-25-99			caus	cash	43.75	
dv	Bristol-Myers Squibb Co.	11-01-99	11-01-99			caus	cash	43.00	
dv	AT&T Corporation	11-01-99	11-01-99			caus	cash	57.64	
in	Ford Motor Credit Company Unsecured Note 6.250% Due 11-08-00	11-08-99	11-08-99			caus	cash	468.75	
in	U.S. West Communication Notes 6.125% Due 11-15-05	11-15-99	11-15-99			caus	cash	398.13	
dv	Procter & Gamble Company	11-15-99	11-15-99			caus	cash	40.00	
dv	Cash & Equivalents	11-15-99	11-15-99			caus	cash	363.44	
by	Tricon Global Restaurants America Online Incorporated split on 11-23-99 with a factor of 2	11-22-99	11-22-99	300		caus	cash	12,779.95	1
dv	Merrill Lynch & Company Incorporated	11-24-99	11-24-99			caus	cash	40.50	
sl	Gillette Incorporated	11-29-99	11-29-99	250		caus	cash	9,750.97	1
dv	Intel Corporation	12-01-99	12-01-99			caus	cash	6.00	
dv	Lucent Technologies Incorporated	12-01-99	12-01-99			caus	cash	3.50	
lo	Exxon Corporation	12-01-99	12-01-99	175 f		awus	client	13,879.69	1
li	Exxon-Mobil Corporation	12-01-99	12-01-99	175		awus	client	13,879.69	1
lo	AlliedSignal Incorporated	12-02-99	12-02-99	200 f		awus	client	12,125.00	2
li	Honeywell Incorporated	12-02-99	12-02-99	200		awus	client	12,125.00	1
dv	Gillette Incorporated	12-03-99	12-03-99			caus	cash	36.88	
by	Janus Overseas Fund	12-06-99	12-06-99	331.963		caus	cash	10,500.00	4
by	Texas Utilities Company	12-06-99	12-09-99	400		caus	cash	14,680.00	2
by	International Business Machines	12-08-99	12-08-99	50		caus	cash	5,611.25	4
by	Omnicom Group Incorporated	12-08-99	12-08-99	150		caus	cash	13,783.13	1
wd	Cash & Equivalents	12-09-99	12-09-99			caus	cash	14,680.00	

# TRANSACTION SUMMARY

## *Sample Portfolio*

*From 10-01-99 To 12-31-99*

<u>Tran Code</u>	<u>Security</u>	<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Close Meth.</u>	<u>S/D Type</u>	<u>S/D Symbol</u>	<u>Trade Amount</u>	<u>Lot</u>
by	Amazon.com Incorporated	12-09-99	12-14-99	125		caus	cash	13,341.21	1
dv	Exxon-Mobil Corporation	12-10-99	12-10-99			caus	cash	77.00	
dv	International Business Machines	12-10-99	12-10-99			caus	cash	12.00	
dv	Honeywell Incorporated	12-10-99	12-10-99			caus	cash	34.00	
dv	Janus Overseas Fund	12-10-99	12-10-99			caus	dvlong	228.77	
by	Janus Overseas Fund	12-10-99	12-10-99	6.924		caus	dvlong	228.77	5
lo	Cash & Equivalents	12-14-99	12-14-99			awus	client	15,002.94	
dv	Carnival Cruise Lines Incorporated	12-14-99	12-14-99			caus	cash	28.88	
in	General Motors Note 7.000% Due 06-15-03	12-15-99	12-15-99			caus	cash	525.00	
dv	Coca-Cola Company	12-15-99	12-15-99			caus	cash	28.00	
dv	Home Depot Incorporated	12-16-99	12-16-99			caus	cash	12.00	
dv	Walt Disney Holding Company	12-17-99	12-17-99			caus	cash	105.00	
by	United Technologies Corp.	12-27-99	12-30-99	200		caus	cash	12,163.07	2
sl	Lockheed Martin Corporation	12-27-99	12-30-99	300	f	caus	cash	5,894.85	3
	Home Depot Incorporated split on 12-31-99 with a factor of 1.5								
	MCI Worldcom Inc. split on 12-31-99 with a factor of 1.5								
in	Cash & Equivalents	12-31-99	12-31-99			caus	cash	333.44	
dv	Lockheed Martin Corporation	12-31-99	12-31-99			caus	cash	66.00	
sl	MCI Worldcom Inc.	12-31-99	12-31-99	0	f	caus	cash	25.02	2

## MARKET COMMENTS

“World-Wide The Bug Had Little Bite” read the headline in the Wall Street Journal. With only a few minor glitches, the much feared millennium computer bug was a big “non-event”. Financial markets functioned well, power grids stayed up, and airplanes did not fall from the sky.

Looking back on the whole Y2K story, it is now apparent that it was a net plus for the U.S. economy – in fact, a large net plus. Very little in recent history has so focused the corporate mind as the potential catastrophe resulting from Y2K. Businesses large and small increased their expenditures buying new equipment and systems updating that modernized their technology. It is estimated that \$200 billion was spent over the last two years contributing about one-fourth of the increase in domestic growth. Were it not for the rush to combat Y2K, real growth in 1998 and 1999 would have averaged 3.5% annually instead of the actual 4.5% pace.

Of all the parties at the end of the millennium, the stock market might have been the best, especially the NASDAQ Composite Index. This index, which is meant to reflect the entire NASDAQ stock market, but is in fact driven by technology companies, finished the year up a record 85.6%. The more established Dow Jones Industrial Average and Standard & Poor’s 500 Stock Index also finished at record levels. The Dow Jones Industrials increased 25.2% and the S&P 500 rose 19.5%, the fifth consecutive year of double digit gains.

To the bulls the market is symbolized by the Internet, which is still in its infancy. To the bears the remarkable gains of the last five years indicate a stock mania that could end badly. Whoever is right, even bullish analysts expect another volatile year. Historically election years have been kind to financial markets, with bear markets appearing in year one of new presidential terms. We expect a higher stock market this year with the Dow Jones Industrial Average above 13,000 by July 1<sup>st</sup>.

A year of rising interest rates, inflation concerns and worries about Y2K sent bond prices sliding in 1999. The bond market suffered its worse year since 1994 and the second worst in my investment career that began in 1973. Long bond holdings suffered their worst declines since the 1920’s. Despite expectations of the Federal Reserve raising interest rates early this year, we expect the bond market to stage a recovery as the economy slows. Once the bond market anticipates the final rate hike, we expect a rally with bond prices increasing.

The market advance in the fourth quarter made the year for most stock mutual funds whether domestic or foreign. Bond funds, however, continued to suffer as the result of continuously higher interest rates. According to Lipper Analytical Service, the average U.S. stock fund was +27.11% for the year, the average U.S. bond fund +0.35% and the average balanced fund +8.98%. We were only disappointed in the performance of our balanced fund, resulting in portfolio adjustments in early 2000.

# ECONOMIC STATISTICS

## INDICIES

### Leading Indicators

June	0.3
July	0.3
Aug	0.0
Sept	0.0
Oct	0.1
Nov	0.3

### Producer Prices

June	-0.1
July	0.2
Aug	0.5
Sept	0.8
Oct	-0.1
Nov	0.2

### Consumer Prices

June	0.0
July	0.3
Aug	0.3
Sept	0.4
Oct	0.2
Nov	0.1

### Unemployment

June	4.3
July	4.3
Aug	4.2
Sept	4.2
Oct	4.1
Nov	4.1

## INDUSTRY

### Construction Spending

June	-0.1
July	-0.5
Aug	-0.8
Sept	0.0
Oct	-0.1
Nov	2.6

### Factory Orders

June	0.8
July	2.5
Aug	1.3
Sept	-0.9
Oct	-0.2
Nov	1.2

### Industrial Production

June	0.1
July	0.7
Aug	0.3
Sept	-0.1
Oct	0.8
Nov	0.3

### Merchandise Trade

June	-24.6
July	-24.9
Aug	-23.6
Sept	-24.1
Oct	-25.9
Nov	N/A

## CONSUMER

### Retail Sales

June	-0.1
July	1.0
Aug	1.5
Sept	0.1
Oct	0.3
Nov	0.9

### Housing Starts

June	-5.6
July	5.7
Aug	0.4
Sept	0.4
Oct	0.1
Nov	-2.0

### Personal Income

June	0.8
July	0.3
Aug	0.4
Sept	0.0
Oct	1.3
Nov	0.4

### Durable Goods

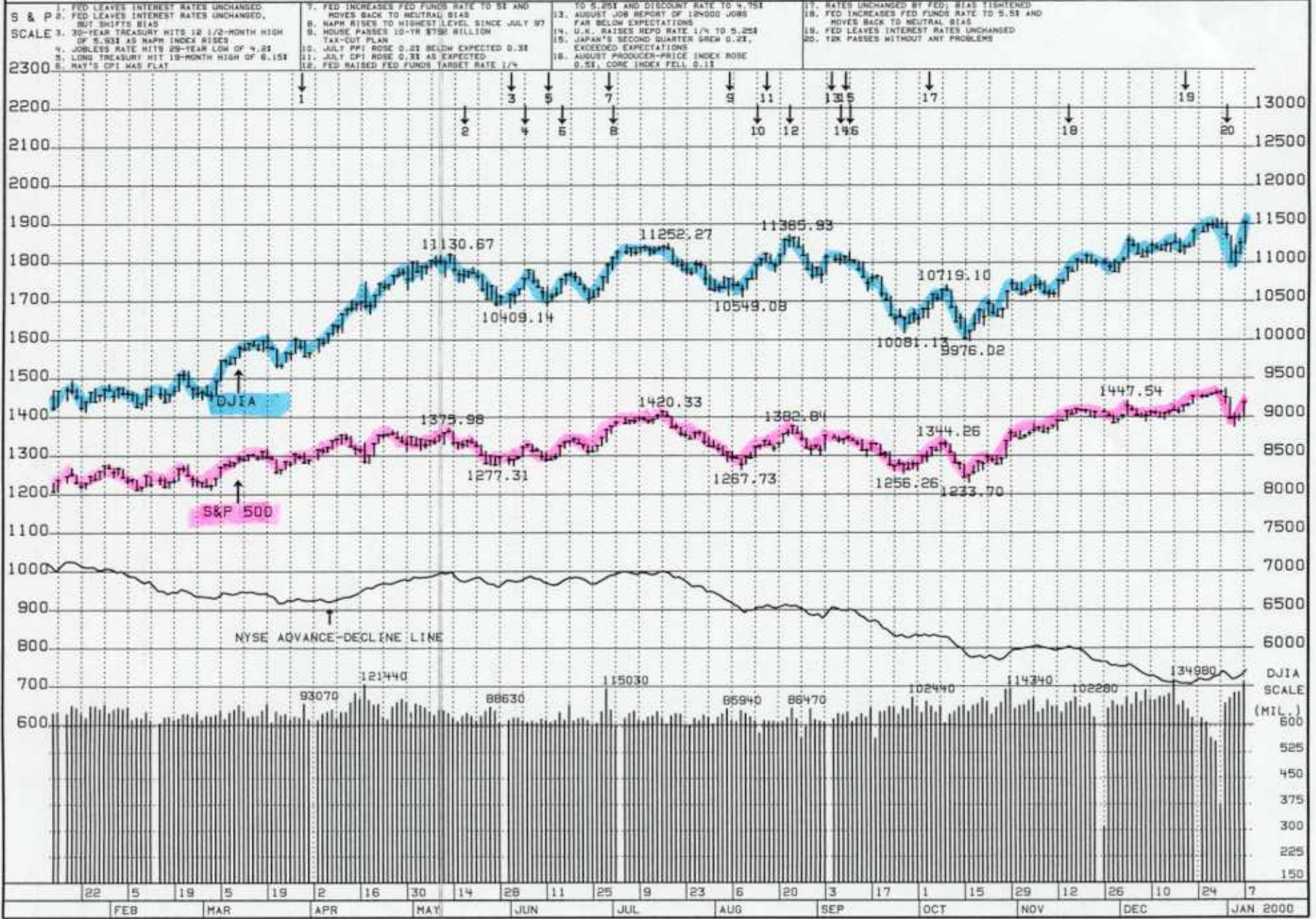
June	0.8
July	4.0
Aug	1.0
Sept	-1.9
Oct	-1.3
Nov	0.9

## KEY INTEREST RATES

*December 31, 1999*

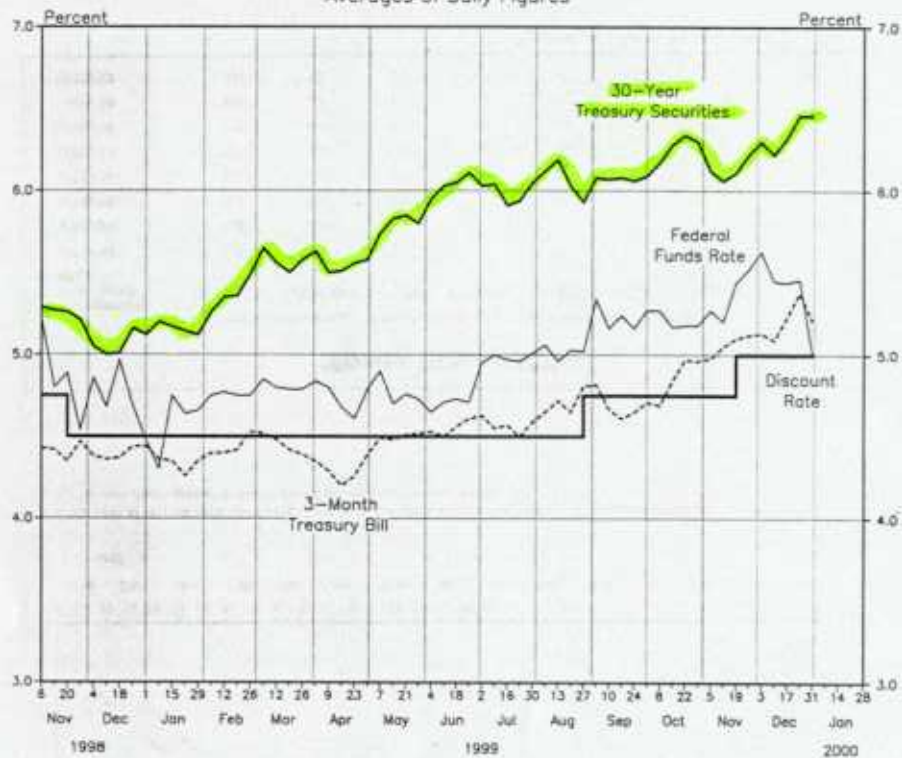
Week Ending	T-Bill 90 Day	CP 90 Day	CD 90 Day	FF Over	Euro \$	TB 1 yr	TN 3yr	TN 10 yr	TB 30 yr
10/1	4.71	5.30	5.32	5.27	5.74	5.24	5.73	5.92	6.09
10/8	4.69	5.90	5.93	5.27	6.06	5.34	5.87	6.02	6.17
10/15	4.84	5.87	5.95	5.17	6.09	5.42	5.92	6.11	6.28
10/22	4.97	5.96	5.99	5.18	6.14	5.47	5.99	6.18	6.34
10/29	4.96	5.90	5.97	5.18	6.12	5.51	6.01	6.16	6.30
11/5	4.98	5.88	5.92	5.27	6.04	5.45	5.87	6.00	6.12
11/12	5.05	5.78	5.82	5.20	5.94	5.50	5.83	5.96	6.06
11/19	5.10	5.79	5.83	5.44	5.94	5.56	5.91	6.02	6.11
11/26	5.12	5.78	5.82	5.52	5.95	5.65	6.00	6.10	6.22
12/3	5.13	5.83	5.88	5.63	6.05	5.73	6.08	6.20	6.30
12/10	5.09	5.84	5.90	5.45	6.04	5.69	6.00	6.13	6.22
12/17	5.23	5.89	5.98	5.44	6.05	5.85	6.11	6.24	6.32
12/24	5.38	6.00	6.04	5.46	6.14	5.97	6.26	6.39	6.46
12/31	<u>5.17</u>	<u>5.78</u>	<u>5.83</u>	<u>5.01</u>	<u>6.02</u>	<u>5.95</u>	<u>6.26</u>	<u>6.41</u>	<u>6.46</u>
<b>Net Change</b>	<b>+0.46</b>	<b>+0.48</b>	<b>+0.51</b>	<b>-0.26</b>	<b>+0.28</b>	<b>+0.71</b>	<b>+0.53</b>	<b>+0.49</b>	<b>+0.37</b>

### DAILY MARKET AVERAGES WITH NEWS ANNOUNCEMENTS



## Selected Interest Rates

Averages of Daily Figures



1999	Federal Funds **	3-Month Treasury Bill	1-Year Treasury Bill	5-Year Treasury Securities	10-Year Treasury Securities	30-Year Treasury Securities
Oct 8	5.27	4.89	5.03	5.95	6.02	6.17
15	5.17	4.84	5.11	6.03	6.11	6.28
22	5.18	4.97	5.16	6.09	6.18	6.34
29	5.18	4.96	5.20	6.09	6.16	6.30
Nov 5	5.27	4.98	5.15	5.95	6.00	6.12
12	5.20	5.05	5.19	5.88	5.96	6.06
19	5.44	5.10	5.25	5.95	6.02	6.11
26	5.52	5.12	5.33	6.03	6.10	6.22
Dec 3	5.63	5.13	5.39	6.13	6.20	6.30
10	5.45	5.09	5.37	6.03	6.13	6.22
17	5.44	5.23	5.51	6.14	6.24	6.32
24	5.46	5.38	5.62	6.30	6.39	6.46
31 *	5.01	5.21	5.60	6.33	6.41	6.46

Current data appear in the Federal Reserve Board's H.15 release.

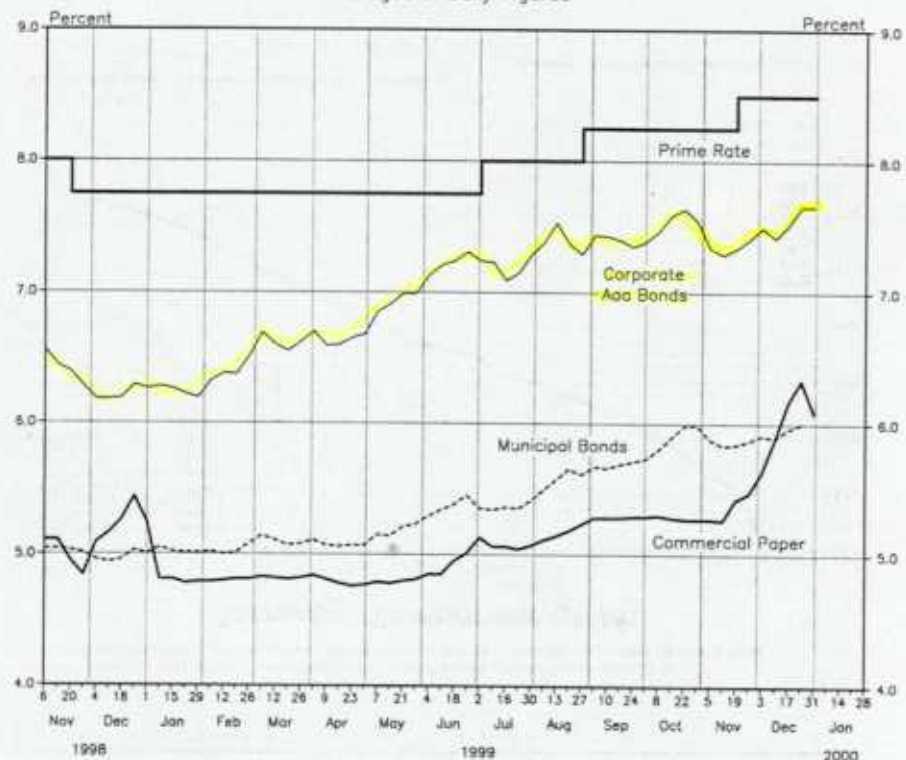
\* Averages of rates available

\*\* Seven-day averages for week ending two days earlier than date shown

Prepared by Federal Reserve Bank of St. Louis

## Yields on Selected Securities

Averages of Daily Figures



1999	30-Day Commercial Paper	90-Day CDs	90-Day Bankers' Acceptances	Corporate Aaa Bonds	Corporate Baa Bonds	Municipal Bonds **
Oct 8	5.30	6.10	6.00	7.47	8.28	5.80
15	5.28	6.13	6.00	7.59	8.40	5.89
22	5.27	6.15	6.01	7.64	8.44	5.98
29	5.27	6.14	6.06	7.55	8.42	5.99
Nov 5	5.27	6.07	6.04	7.34	8.27	5.88
12	5.26	5.96	5.88	7.29	8.13	5.83
19	5.42	5.97	5.91	7.34	8.06	5.84
26	5.47	5.96	5.91	7.41	8.12	5.87
Dec 3	5.63	6.00	5.92	7.50	8.17	5.91
10	5.88	6.03	5.99	7.42	8.08	5.89
17	6.16	6.08	5.98	7.52	8.17	5.96
24	6.33	6.16	6.08	7.66	8.29	6.00
31	6.08	6.06	6.08	7.66	8.27	N.A.

Current data are from the Federal Reserve Board's H.15 release, and are averages of rates available for the week ending on December 31, 1999. Beginning September 2, 1997, the commercial paper rate reflects new source data, which is currently available only back to the first of the year.

\*\* Bond Buyer's Average Index of 20 municipal bonds, Thursday data

Prepared by Federal Reserve Bank of St. Louis