

Sample Client

INVESTMENT REPORT

as of
9/30/2004

prepared by

Grossman *F*inancial *M*anagement

**940 Adams Street, Suite L
Benicia, CA 94510
707/745-8756**

November 5, 2004

Grossman Financial Management

Rate of Return Investment Report

Sample Client IRA - Contributory Acct #: 12345678

<u>Description</u>	<u>This Year (04)</u>	<u>Last Year (03)</u>
Beginning Value	139,926	7,521
Contributions	0	118,159
Withdrawals	0	0
Ending Value	<u>146,584</u>	<u>139,926</u>
Investment Gain	6,658	14,247
Internal Rate of Return (net)	4.8	12.3
S&P500	3.4	28.9
Stocks=50%, Bonds=50%	1.6	15.1
High Grade Bonds	-0.2	2.1
CPI	2.9	1.8
Difference	1.8	10.5

All returns net of fees

November 5, 2004

Grossman Financial Management

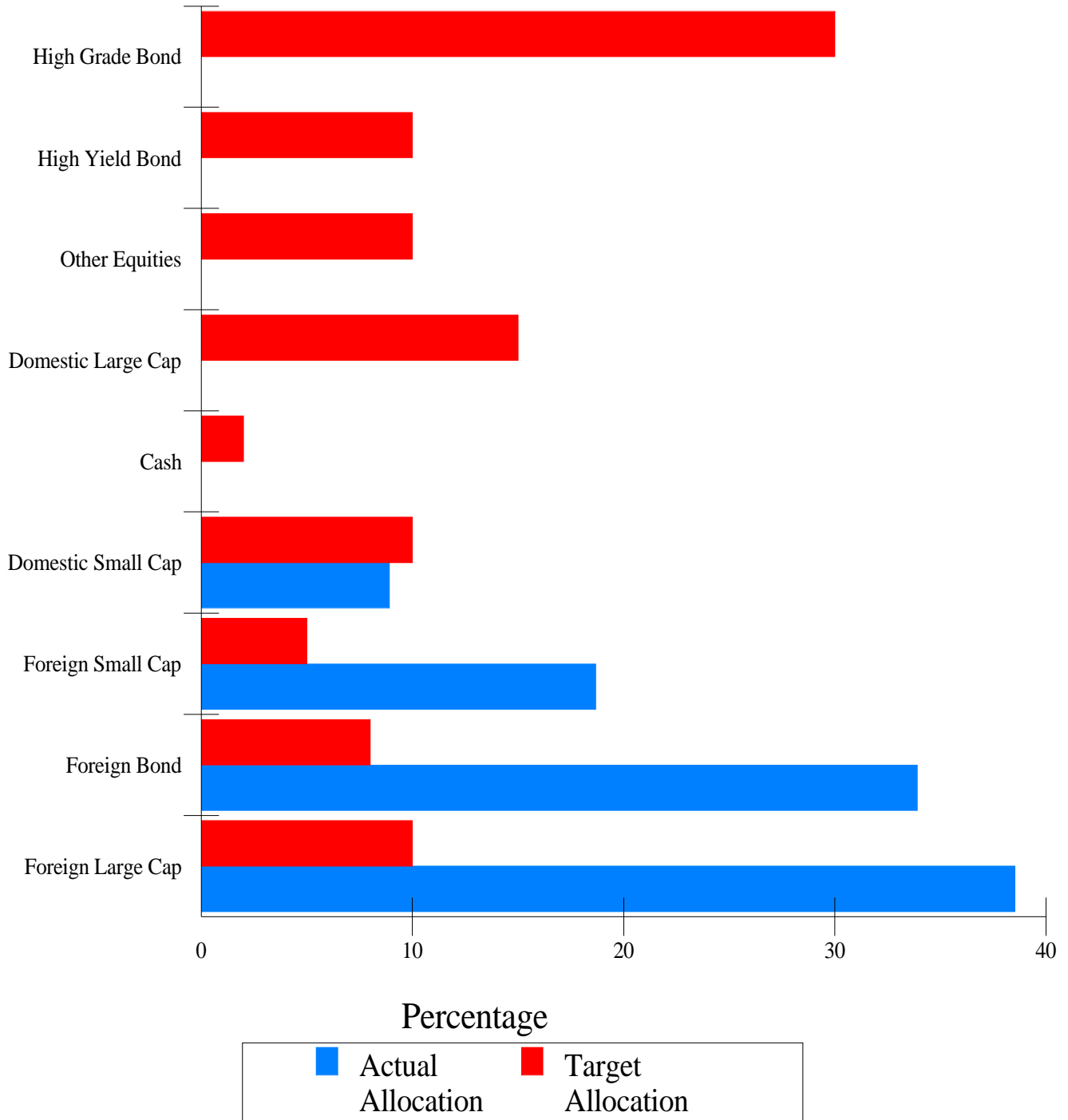
Asset Allocation
As of 06/30/2004
50% Stock, 50% Bond

Sample Client IRA - Contributory Acct #: 12345678

<u>Description</u>	<u>Current Value</u>	<u>Target Value</u>	<u>Variance Value</u>	<u>Current Percent</u>	<u>Target Percent</u>	<u>Variance Percent</u>
Domestic Large Cap	0	21,988	21,988	0.0%	15.0	15.0
Domestic Small Cap	13,051	14,658	1,607	8.9%	10.0	1.1
Foreign Large Cap	56,465	14,658	-41,806	38.5%	10.0	-28.5
Foreign Small Cap	27,367	7,329	-20,038	18.7%	5.0	-13.7
Other Equities	0	14,658	14,658	0.0%	10.0	10.0
Foreign Bond	49,700	11,727	-37,973	33.9%	8.0	-25.9
High Yield Bond	0	14,658	14,658	0.0%	10.0	10.0
High Grade Bond	0	43,975	43,975	0.0%	30.0	30.0
Cash	1	2,932	2,931	0.0%	2.0	2.0
	<u>146,584</u>	<u>146,584</u>		<u>100.0%</u>	<u>100.0</u>	

Asset Allocation
As of 06/30/2004
50% Stock, 50% Bond

Sample Client IRA - Contributory Acct #: 12345678



November 5, 2004

Grossman Financial Management

Position Performance Summary

From 12/28/2000 to 09/30/2004

Sample Client IRA - Contributory Acct #: 12345678

<u>Description</u>	<u>12/28/2000 Value</u>	<u>Additions Purchases</u>	<u>Withdrawals Sales</u>	<u>09/30/2004 Value</u>	<u>Investment Gain</u>	<u>Actual Net (IRR)</u>
Individual Stocks						
Wind River Systems Inc	0	5,972	(4,029)	0	(1,943)	-32.53
Domestic Small Cap						
Eclipse Small Cap Value	0	11,560	(11,213)	0	(348)	-3.01
Nb Genesis Fund Investor	0	17,022	(16,220)	0	(802)	-4.71
Third Avenue Value Fund	0	6,000	(7,637)	0	1,637	27.29
Vanguard Small-Cap Value	0	12,656	0	13,198	543	4.29
	0	47,238	(35,070)	13,198	1,030	
Foreign Large Cap						
American Century Interna	0	6,514	(5,417)	0	(1,097)	-16.83
Deutsche International	0	4,913	(4,385)	0	(528)	-10.75
Dfa International Value	0	5,417	(4,695)	0	(722)	-13.33
Dfa International Value	0	22,500	0	30,383	7,883	37.85
Mercury Hw International	0	11,715	(9,246)	0	(2,469)	-21.07
Templeton Foreign Fund	0	4,385	(3,639)	0	(745)	-17.00
Templeton Foreign Fund	0	22,500	0	26,513	4,013	19.22
	0	77,943	(27,382)	56,896	6,336	
Foreign Small Cap						
Dfa Intl Small Cap Value	0	11,988	(11,015)	0	(973)	-8.12
Dfa Intl Small Cap Value	0	10,000	0	14,499	4,499	44.99
Oakmark Intl Small Cap	0	9,909	0	13,389	3,480	35.12
	0	31,896	(11,015)	27,887	7,006	
Other Equities						
Cohen & Steers Realty Sh	0	13,116	(13,225)	0	110	0.84
Columbia Real Estate Equ	0	12,976	(12,996)	0	20	-1.09
Japan Fund Scudder Funds	0	14,763	(10,152)	0	(4,611)	-31.23
	0	40,855	(36,374)	0	(4,480)	
Foreign Bond						
Dfa Five-Year Global Fix	0	31,000	0	31,987	987	3.18
Pimco Foreign Bond Fund	0	31,000	(31,143)	0	143	0.50
Pimco Foreign Bond Fund Inst	0	18,500	0	18,950	450	2.43
	0	80,500	(31,143)	50,937	1,580	
High Yield Bond						
Eaton Vance Income Fund	0	9,389	(8,768)	0	(621)	-6.62
Cash						
Schwab Money Market Fund	0	273,294	(273,866)	1	573	
	0	567,087	(427,648)	148,920	9,480	

Grossman Financial Management

Portfolio Statement

As of 06/30/2004

Sample Client IRA - Contributory Acct #: 12345678

<u>Description</u>	<u>Current Value</u>	<u>Weight</u>	<u>Symbol</u>	<u>Quantity</u>
EQUITIES				
Domestic Small Cap				
Vanguard Small-Cap Value	13,051	8.9%	VISVX	1,050.813
Foreign Large Cap				
Dfa International Value	30,192	20.6%	DFIVX	2,141.297
Templeton Foreign Fund	26,272	17.9%	TFF1X	2,405.891
	<u>56,465</u>	<u>38.5%</u>		
Foreign Small Cap				
Dfa Intl Small Cap Value	14,455	9.9%	DISVX	1,069.948
Oakmark Intl Small Cap	12,912	8.8%	OAKEX	733.226
	<u>27,367</u>	<u>18.7%</u>		
	<u>96,883</u>	<u>66.1%</u>		
FIXED INCOME				
Foreign Bond				
Dfa Five-Year Global Fix	31,079	21.2%	DFGBX	3,014.435
Pimco Foreign Bond Fund Inst	18,621	12.7%	PFORX	1,787.067
	<u>49,700</u>	<u>33.9%</u>		
CASH				
Cash				
Schwab Money Market Fund	1	0.0%	MMF	
	<u>146,584</u>	<u>100.0%</u>		

BENCHMARK MARKET INDICES
TOTAL RETURNS

June 30, 2004

Returns are based on market indices and DO NOT reflect any transaction or management fees

	YEAR								COMPOUND AVERAGE
	2004 YTD	2003	2002	2001	2000	1999	1998	1997	
EQUITIES									
Standard & Poor's 500 (Domestic Large Cap)	3.4%	28.7%	-22.1%	-11.9%	-9.1%	21.0%	28.6%	33.4%	7.0%
Russell 2000 (Domestic Small Cap)	6.8%	47.3%	-20.5%	2.5%	-3.0%	21.3%	-2.6%	22.4%	7.6%
MSCI EAFE ND (Foreign Equities)	4.6%	38.6%	-15.9%	-21.4%	-14.2%	27.0%	20.0%	1.8%	3.1%
FIXED INCOME									
High Yield Bond category (High Yield Bond)	1.1%	24.1%	-1.5%	2.4%	-7.2%	4.5%	0.2%	13.1%	4.2%
Lehman Brothers Intermediate Treasuries (High Grade Bond)	-0.2%	2.3%	9.6%	8.4%	10.5%	0.4%	8.5%	7.7%	5.8%
INFLATION									
Consumer Price Index	2.6%	2.0%	2.4%	1.6%	3.4%	2.7%	1.6%	1.7%	2.2%
BENCHMARK PORTFOLIOS									
100% equity, 0% fixed income	4.7%	37.3%	-18.7%	-13.8%	-10.4%	24.0%	18.1%	15.4%	5.4%
75% equity, 25% fixed income	3.5%	29.3%	-12.0%	-8.4%	-5.8%	18.3%	15.4%	13.6%	5.9%
50% equity, 50% fixed income	2.3%	21.2%	-5.3%	-3.1%	-1.1%	12.5%	12.7%	11.9%	6.0%
25% equity, 75% fixed income	1.2%	13.2%	1.5%	2.3%	3.5%	6.7%	10.1%	10.1%	6.0%
0% equity, 100% fixed income	0.0%	5.1%	8.2%	7.6%	8.2%	0.9%	7.4%	8.4%	5.7%

source: Morningstar

MUTUAL FUND PERFORMANCE REPORT
SOURCE: MORNINGSTAR

Fund Name	Morningstar Category	Mstar Rating	Tot Ret 12 Mo	Tot Ret Annlzd 3 Yr	Tot Ret Annlzd 5 Yr	% Rank Cat 12 Mo	% Rank Cat 3 Yr	% Rank Cat 5 Yr	Expense Ratio
Dodge & Cox Stock	Large Value	*****	20.49	12.09	11.38	13.00	2.00	2.00	0.54
Vanguard Val Idx	Large Value	***	19.63	5.82	2.27	19.00	43.00	61.00	0.23
Dimensional US SmCpVal	Small Value	****	31.50	23.63	17.60	10.00	7.00	16.00	0.56
Vanguard REIT Index	Specialty-Real Estate	***	24.19	18.76	17.64	64.00	59.00	47.00	0.24
Dimensional Real Est Secs	Specialty-Real Estate	***	24.65	19.03	18.58	56.00	49.00	24.00	0.41
Oppenheimer Develop MktA	Diversified Emerging Mkts	*****	33.83	30.10	17.19	9.00	10.00	1.00	1.76
Dimensional Emerg Mkts I	Diversified Emerging Mkts	***	28.69	24.96	6.44	22.00	40.00	50.00	0.78
Dimensional Intl Val	Foreign Large Value	****	30.23	16.33	5.77	6.00	13.00	35.00	0.30
Templeton Foreign A	Foreign Large Value	***	15.81	11.20	4.53	95.00	65.00	48.00	1.16
Oakmark Intl Small Cap I	Foreign Small/Mid Value	****	33.94	25.14	12.17	3.00	3.00	16.00	1.57
Dimensional Intl SmCpVal	Foreign Small/Mid Value	****	28.79	26.97	12.44	29.00	1.00	12.00	0.81
PIMCO Real Ret Inst	Long Government	*****	7.69	9.98	10.78	11.00	3.00	12.00	0.45
Vanguard Infl-Prot Secs	Intermediate Government	*****	7.29	9.60		1.00	1.00		0.18
AmCent Inf-Adj Bond Inv	Intermediate Government	*****	6.68	8.81	9.44	4.00	2.00	1.00	0.50
PIMCO Low Duration Instl	Short-term Bond	*****	2.04	4.15	5.82	17.00	12.00	14.00	0.43
Dimensional FiveYrGlbF/I	Short-term Bond	*****	2.03	5.27	5.80	18.00	1.00	16.00	0.37
Vanguard Hi-Yld Corp	High Yield Bond	****	10.21	9.21	5.59	71.00	76.00	38.00	0.23
PIMCO High-Yield Instl	High Yield Bond	****	10.89	10.19	6.51	54.00	64.00	20.00	0.50
Amer Funds Amer H/I A	High Yield Bond	****	10.63	11.80	7.29	61.00	31.00	11.00	0.75
PIMCO Foreign Bond Instl	World Bond	****	3.77	5.48	7.00	76.00	78.00	32.00	0.51
Vanguard CA IT T/E Inv	Muni California Int/Sh	*****	3.17	4.77	6.00	32.00	12.00	10.00	0.17
PIMCO CA Intm Muni Instl	Muni California Int/Sh	****	3.81	3.50	5.47	16.00	73.00	42.00	0.47
AmCent CA Int T/F Inv	Muni California Int/Sh	****	2.65	4.41	5.52	54.00	29.00	35.00	0.51