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Quarterly Commentary
 January 3, 2005

Happy New Year! We hope that you enjoyed the holiday season and wish you a safe, healthy and prosperous 2005. Looking back on 2004, the market overcame higher oil prices, rising interest rates, and a weakening dollar to finish the year on a very strong note. For the year, the NASDAQ composite index returned 8.59% after rallying 14.69% in the fourth quarter. The DJIA climbed 3.15% after spending much of the year in negative territory and the S&P 500, our primary benchmark, rose 8.99%. We are quite pleased with the overall performance of your investment portfolios and feel that they remain well positioned for the year ahead.

As you know we are not in the business of predicting the direction of the market and warn you that most predictions are not worth the paper they are printed on. Our crystal ball remains cloudy, but we do have strong conviction regarding how we will continue to position your portfolios. Blue Chip, high-dividend paying securities will remain our primary focus. Corporate balance sheets are flush with cash, and managements will need to put these reserves to work. With investment opportunities scarce, corporations have begun to realize the value in redistributing this accumulated capital to their shareholders. Microsoft is the most stunning example, returning \$33 billion of its \$64 billion cash hoard to shareholders in the form of a special dividend.

Microsoft was certainly not alone: According to data compiled by Standard & Poor's, of the 7,000 publicly owned companies that report dividends to S&P, there were 1,745 dividend increases this year, a 7.1% increase from 2003. The companies in your portfolio were leaders in this respect. An astounding 71% of companies on our "Buy List" increased their dividends in 2004 versus the payout in 2003. Further, among these companies, the average dividend increase was 40% over the prior-year payout.

Dividend Changes Among Buy List Companies (2004 vs. 2003)

	<u>Dividend Increases</u>	<u>Dividend Decreases</u>	<u>No Change</u>	<u>No Dividend</u>
Percent of Golub Group Buy List	71%	3%	17%	9%
Percent Change in Dividends Paid (avg.)	40%	-9%	0%	N.A.

Since the companies in your portfolio generally have the capacity to increase their dividends, we expect the trend to continue. As dividends increase, we think capital will continue to flow towards these businesses as investors, baby-boomers in particular, search for higher income in today's current low interest rate environment. Healthy

dividend increases, coupled with solid fundamentals, a steady economy and reasonable valuations has us optimistic about the outlook for 2005.

As we grow our business through our marketing efforts and your referrals (thank you!), we continue to add staff to take care of our clients needs. We are pleased to introduce the newest member of our team, Deanna Caprini. Deanna joins us from Wells Fargo and will be assisting Joe and Claire with client service. Next time you call, please say hello. Also, to improve our service to you, we will be mailing a client service questionnaire towards the end of the month and would greatly appreciate your response.

Included with this commentary are your 2004 performance figures, management fee invoice(s), and a privacy policy statement. We are required to provide the privacy notice to you annually as well as to offer you a copy of our latest ADV (SEC registration statement); if you are interested in receiving this, contact us and we will send you a copy. Please remember to visit us at www.golubgroup.com and if you know of someone who would benefit from our service please don't hesitate to make the introduction.

With Best Wishes,

The Golub Group

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