CHILTON
CAPITAL MANAGEMENT

REVIEW & OUTLOOK

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	4th Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception 3/31/1996
CCM Growth	3.1	12.8	14.9	(1.1)	4.7	10.8
Russell 1000 Growth	3.0	5.3	13.2	(3.6)	(2.1)	6.3
S&P 500	2.1	4.9	14.4	0.6	1.8	8.7

Annualized Returns

	4th Qtr	1 Year	3 Year	5 Year	7 Year	Since Inception 6/30/1998
CCM Conservative Growth	1.0	8.3	13.0	(1.3)	4.0	4.8
S&P 500	2.1	4.9	14.4	0.6	1.8	2.9

Annualized Returns

	4th Qtr	1 Year	Since Inception 12/31/2002
CCM High Quality Tax Exempt Bond	0.6	2.2	3.4
Lehman 5 Year Municipal Index	0.3	1.0	2.6

Summary of Investment Results

Chilton Capital Management's *Growth* and *Conservative* strategies ended 2005 with twelve-month returns well above the broad market benchmarks. CCM's *Growth* (+12.8%) and Conservative (+8.3%) composites significantly outpaced both the S&P 500 (+4.9%) and Russell 1000 Growth (+5.3%) Indices.

Although U.S. equity markets in general posted only modest gains for the year, CCM's equity strategies experienced above-market performance across most sectors. We believe our consistent and ongoing commitment to an equity selection process that combines both "top down" and "bottom up" analysis helped us in generating several successful investment ideas for 2005.

Accounts invested in both our *Growth* and *Conservative* strategies benefited in particular from our relatively overweight positions in the energy sector. Outstanding appreciation in energy shares notwithstanding, we still like the sector even though we have taken profits in selected companies. Very simply, we see the energy cycle being driven by two fundamentals: (1) rising global demand driven by economic growth in China and India, and (2) constrained global supply due to years of underinvestment in new fields and wells. We also know that over the next few years, investments will be made with additional wells drilled and supply added. Demand, we suspect, will eventually moderate, although at a higher level. Over the past few months we have reduced our energy weightings to correspond roughly with the market. Our current positions reflect our conviction that we are closer to the middle of the cycle than the beginning.

Successful commitments to energy aside, our portfolios gained significantly from exposure to companies in many industries. Tractor Supply (TSCO) bucked the prevailing retail trend of flat to down on the year, rising 45% from purchase. Within healthcare, medical device companies such as Advanced Neuromodulation Systems (ANSI) and Cyberonics (CYBX)

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performed exceptionally well for us. Eli Lilly (LLY) and Novartis (NVS) both significantly outperformed pharmaceutical rivals Merck (MRK) and Pfizer (PFE). In financials, Goldman Sachs (GS) continued to garner more M&A (merger and acquisition) business than any of its competitors.

Looking Back…

As we pass through the midpoint of this decade we have been reflecting on the past five or six years. We believe that in order to get an idea of what the next few years might hold for the markets (equity, bond, real estate, and commodity) it is important to understand what got them to where they are today. This is a core part of our investment process. A significant portion of the various markets' returns over the past five years can be attributed to the bursting of the stock market bubble and various subsequent events summarized in our most recent *Review & Outlook* (see *Bush's Seven Plagues)*. The U.S. economy benefited significantly from government responses to these *plagues* in the form of accommodative monetary and fiscal policy. In addition, Chinese demand has played a major part in fueling bull markets in both U.S. Treasuries and commodities. It's really been a U.S./China ball game. Other developed economies of the world have contributed relatively little to global economic growth over the past six years.

In our second quarter 2005 *Review & Outlook* we opined that the time had come for growth stocks to outperform value stocks, and that assessment appears to be correct. Growth outperformed value in the second half of 2005 despite the huge performance of energy and utilities (both large components of value indices but of little consequence in growth indices). We think this outperformance has just begun. Growth stock indices are generally comprised of companies that are less dependent on the economy for revenues and earnings growth. Conversely, value indices are more heavily laden with companies that are typically dependent on a growing economy to generate advances in revenues and earnings.

Looking Forward…

While we believe the industrial sector will continue to strengthen, we think the global economy, as well as the U.S. economy, may be entering an extended period of below-trend economic growth. There are signs that China may need to slow its growth rate in order to preserve social order. More than anything else, Chinese leaders do not want to let social order to get out of hand.

We see several signs that the 70% of the U.S. economy that is consumer-driven is starting to slow. The reasons are:

1. Absolute debt and debt service levels among U.S. consumers are very high. The U.S. consumer is arguably "dis-saving." We believe the era of using one's home as an ATM is waning as interest rates rise and the growth in home prices peaks.
2. The brief three year period (2002-2004) of extremely low short-term interest rates - a crisis response to stimulate consumption - is over. We do not think the Fed will lower rates to those levels again.
3. The long period (1981-2005) of the greatest decline of both short and long-term interest rates in U.S. history is behind us. This was a huge economic stimulus in many respects.
4. The graying of the baby boomers will likely cause overall patterns of consumption and saving in the U.S. to change.
5. Pensions and post-employment benefits for corporate, state and local employees and retirees are not adequately funded. Many retirees will have their long-expected retirement benefits cut which will translate to less disposable income for a meaningful segment of the population.
6. Many good paying US jobs have been and will continue to be outsourced to China and India.
7. Energy prices have recently declined from record highs, but most experts believe they will remain high, perhaps moving higher over the next couple of years. For consumers, this is a like a tax—except that the money leaves the country.

While it may appear otherwise, we do not believe this is necessarily a gloomy outlook. We think it merely calls for proper sector weighting and good stock selection. The economic slowdown should be gradual unless an exogenous event precipitates a major disruption. Rising geopolitical polarity, spreading terrorism, and the possibility of an Avian Flu pandemic are three risks to the welfare of the world economy and stability of the markets.

We wrote not long ago that the U.S. public equity market is arguably the most efficiently priced it has ever been, given the huge sums of hedge fund money searching for overvalued stocks to short. We think this makes the stock market a reasonably good bet for investors with a long-term investment objective, despite the intense short-term trading by these funds. This is especially true when risk/reward attributes of stocks are compared to those of other asset classes such as bonds and real estate which have performed well for the past five years.

The tremendous proliferation of hedge funds over the past five years has created a surplus of investment capital searching for opportunities to outperform traditional public company equity investing. As a result, many hedge funds have become venture capitalists and private equity investors. Institutions of all kinds, pensions, foundations, etc., have committed significantly more money to alternative investment strategies. We believe this has created an inflation of prices in the areas of investing most favored by such funds and fund managers. Ironically, one of the few areas that hedge funds and alternative investments have *not* poured money into is one of the few that still appears to have an excellent risk/reward scenario. That area happens to be one of our favorites… growth stocks.

Finding Growth Stocks

Our investment process is driven by the belief that long-term performance will be propelled by future revenue and earnings growth. This is, of course, a forward-looking exercise, and as with all forecasting, is often prone to error. To keep our proverbial crystal ball from clouding over, we employ several disciplines to minimize risk. Companies must meet several qualitative screens to be selected for purchase in CCM portfolios. First and foremost is the prospect for revenue and earnings growth. Additionally, sound management, reasonable accounting practices, unique competitive advantages and some degree of pricing power are other criteria that must be met to be added to the portfolio. Since none of this occurs in a valuation vacuum, we also look at current and historical valuations and multiples as a reality check. Although we eschew labels as to our investment "style", we are emphatically "GARP" (growth at a reasonable price) in our temperament and philosophy.

We have found that stocks that have performed well in the past are not always present or future leaders. In fact, it is frequently the opposite - much to the chagrin of the investor looking in the rear-view mirror. Competitive forces and economic cycles often create waves of creative destruction, resulting in changing leadership in the stock market. This is why we are constantly looking for well-managed companies with innovative new products and a wide "moat" of competitive advantage. We will also continue to favor companies which invest in R&D and create organic revenue growth via innovation. For the best-managed companies this should generate the highest valued form of earnings growth, translating into superior long-term stock performance.

"We have found that stocks that have performed well in the past are not always present or future leaders. In fact, it is frequently the opposite...

Our Favorite Glamour Subject

We cannot help but ruminate on our favorite glamour subject… Accounting. Options expensing is here. Stock options are now officially an expense and will appear on corporate profit and loss statements for FY 2006. Many growth companies will show reduced earnings growth because of accounting rules changes from 2005 to 2006. Next on the horizon is adjusting balance sheets for pensions and other post-employment benefits (OPEB's), post-retirement healthcare liabilities among them. Many "old line" companies such as General Motors (GM) and Ford (F) have large off-balance sheet liabilities for unfunded pensions and OPEB's. It seems likely they will be required to add these to their balance sheets beginning FY 2007. This change could illuminate the large number of companies that have actually earned much less than reported for many years. Victims here will generally be value stocks.

Portfolio Actions:

Additions:

Aviall (AVL)

We added Aviall (AVL) to our *Growth* accounts during the quarter. Based in Ft. Worth, TX, Aviall is the largest independent distributor of aftermarket original parts to the aerospace industry. The commercial, government, and general aviation industries are beginning to more widely adopt an outsourcing model for parts and services. Over the past five years, the company's primary growth driver has been an exclusive contract for new parts for the C-150 cargo plane Rolls Royce engines. This past year, however, Aviall expanded its supplier list to include exclusive deals with GE and United

Technologies (UTX) for spare and replacement engine parts. We believe outsourcing distribution is a revolutionary trend among original equipment aircraft manufacturers and something likely to be eagerly adopted by aircraft industry customers seeking to minimize inventory costs.

Biomet (BMET)
We added also Biomet, Inc. (BMET) to both *Growth* and *Conservative* accounts during the quarter. Biomet, based in Warsaw, Indiana, is an established company that designs, manufactures and markets orthopedic devices.

The aging population of the developed world creates a growth opportunity for the orthopedic device industry. The industry has created a huge number of products in recent years to provide aging people with the opportunity to stay more active and mobile than any previous generation. For example, in the past six years Biomet has introduced over 500 new products to the marketplace. Biomet is one of the more diversified in its product offerings among its competitors and thus we believe less at risk to possible negative surprises on pricing. In addition, the company also has a robust pipeline of new products in the important hip and knee product lines.

While shares of all orthopedics companies have declined over the past six months as investors have become concerned about slowing revenue growth and pricing pressure for the industry, we believe the shares of BMET have declined enough to discount much of this concern.

Sales:

JP Morgan (JPM)
We have removed JP Morgan from our *Growth* model and sold the shares out of most accounts. Only those who have short-term capital gains or have higher cash levels retain JPM in their portfolios. We have viewed JPM as a source of funds for those companies we consider to have better long-term growth potential, such as BMET and AVL. We still hold JPM in our *Conservative* accounts. It provides an attractive dividend yield as well as potential long-term earnings growth from cost savings.

"Bernanke's selection was greeted with mostly positive praise from the bond market, the consensus being that he is the right choice at the right time."

Fixed Income Commentary
We now know Ben Bernanke will succeed Alan Greenspan as Chairman of the Federal Reserve Board. Bernanke's selection was greeted with mostly positive praise from the bond market, the consensus being that he is the right choice at the right time. There is also a feeling of caution because there will be a change and no one is quite sure what that change will really mean.

Something that did not change over the quarter was that the Federal Open Market Committee (FOMC) continued to increase the federal funds rate at each meeting in the quarter. The FOMC met twice during the quarter and increased the federal funds rate 25 basis points each time. With these two increases the federal funds rate is at 4.25%, an increase of 200 basis points since the beginning of 2005. The second of the two meetings occurred mid-December. Inflation may be low, but it is still high on the FOMC's list of issues to worry about: "…despite elevated energy prices and hurricane-related disruptions, the expansion in economic activity appears solid. Core inflation has stayed relatively low in recent months and longer-term inflation expectations remain continued." Speculation over whether the FOMC would continue to raise rates was put to rest with the following statement: (the FOMC) "judges that some further measured policy firming is likely to be needed to keep the risks to the attainment of both sustainable economic growth and price stability roughly in balance." Therefore, there will be at least one more increase in the federal funds rate and that will probably occur during the January 31, 2006 meeting, which will also be Alan Greenspan's last meeting as Chairman.

The yield on the ten-year U.S. Treasury increased 7 bps from 4.33% to 4.40% with the low yield being 4.33% and the high yield being 4.66% during the quarter. The Bond Buyer 20 weekly index, a municipal bond index that is comprised of 20 General Obligation bonds rated "A1" by Moody's Investors Service with maturities of 20 years, decreased 2 bps from 4.40% to 4.38% with the low yield being 4.38% and the high yield being 4.63% during the quarter. As a result of the interest rate movement during the three months ended December 31, 2005, in general bonds values were unchanged.

Performance Disclosures

GROWTH COMPOSITE								
	Total Firm	*Composite Assets*			*Annual Performance Results*			
Year End	Assets (millions)	U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	Russ 1000 Growth	Composite Dispersion
2005	304	76	25%	50	12.78%	11.66%	5.27%	0.50%
2004	255	43	17%	27	4.97%	3.95%	6.30%	0.68%
2003	215	42	20%	29	28.27%	26.98%	28.76%	1.31%
2002	165	15	9%	19	-22.66%	-23.45%	-27.89%	2.30%
2001	155	25	16%	31	-19.46%	-20.28%	-20.42%	4.30%
2000	172	37	22%	32	8.33%	7.26%	-22.43%	1.60%
1999	137	17	12%	17	34.37%	33.07%	33.16%	14.43%
1998	109	25	23%	12	25.17%	23.95%	38.71%	4.70%
1997	99	21	22%	12	29.23%	27.97%	30.49%	2.90%
1996	30	11	35%	5 or fewer				

CONSERVATIVE GROWTH COMPOSITE								
	Total Firm	*Composite Assets*			*Annual Performance Results*			
Year End	Assets (millions)	U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	S&P500	Composite Dispersion
2005	304	60	20%	36	8.33%	7.24%	4.89%	1.17%
2004	255	54	21%	41	3.84%	2.82%	10.87%	0.64%
2003	215	64	30%	43	28.17%	26.92%	28.69%	1.60%
2002	165	12	7%	13	-20.66%	-21.46%	-22.10%	1.90%
2001	155	15	9%	9	-18.12%	-18.95%	-11.86%	N.A.*
2000	172	15	9%	5 or fewer	7.32%	6.26%	-9.12%	N.A.*
1999	137	15	11%	5 or fewer	31.39%	30.11%	21.03%	N.A.*
1998	109	8	7%	5 or fewer				

2005 GROSS AND NET QUARTERLY PERFORMANCE FOR COMPOSITES								
	1Q 2005		2Q 2005		3Q 2005		4Q 2005	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Growth Composite	1.48%	1.22%	2.65%	2.38%	5.05%	4.80%	3.07%	2.82%
Conservative Growth Composite	1.39%	1.15%	1.34%	1.08%	4.35%	4.09%	1.03%	0.77%

HIGH QUALITY TAX-EXEMPT BOND COMPOSITE								
	Total Firm	*Composite Assets*			*Annual Performance Results*			
Year End	*Assets (millions)*	*U.S. Dollars (millions)*	*% of Firm Assets*	*Number of Accounts*	*Composite Gross*	*Composite Net*	*Lehman 5 Yr Muni*	*Composite Dispersion*
2005	304	19	6%	16	2.19%	1.77%	0.95%	0.68%
2004	255	15	6%	11	3.12%	2.71%	2.72%	0.42%
2003	215	7	3%	Five or fewer	4.99%	4.73%	4.13%	N.A.*

2005 GROSS AND NET QUARTERLY PERFORMANCE FOR COMPOSITE								
	1Q 2005		2Q 2005		3Q 2005		4Q 2005	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
High Quality Tax-Exempt Bond Portfolio	-1.08%	-1.18%	2.80%	2.69%	-0.09%	-0.19%	0.58%	0.47%

*Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Chilton Capital Management, LP (CCM) is a registered investment advisor. The firm maintains a complete list and description of composites, which is available upon request.

The CCM Growth Composite contains fully discretionary taxable and tax-exempt growth equity accounts. Prior to March 1, 2003, this composite contained only taxable growth equity accounts. The Conservative Growth Composite contains fully discretionary conservative growth equity accounts. The minimum account size for each composite is $250 thousand. The growth composite is measured against the Russell 1000 Growth Index and the Conservative Composite is measured against the S&P500 Index for comparison purposes. Balanced portfolio segments are not included in the composites. Though leverage is not part of the firm's strategy, it is occasionally used in the Growth Composite. The Growth Composite was created April 1, 1996 and the Conservative Growth Composite was created July 1, 1998. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Non-fee-paying accounts are not included in the composites. As of December 31, 2005, the Growth Composite contains approximately 84% of the accounts managed in that strategy and the Conservative Growth Composite contains approximately 72% of the accounts in that strategy. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the accounts. A fee schedule is an integral part of a complete presentation. Net of fee performance is calculated using the highest management fee as described in Part II of the firm's ADV, which is available upon request. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

Chilton Capital Management, LP has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS®), the U.S. and Canadian version of the Global Investment Performance Standards (GIPS®). AIMR has not been involved with the preparation or review of this report.

A third-party verification as set forth by the AIMR-PPS standards has been conducted by Ashland Partners & Company LLP from April 1, 1996 through September 30, 2005. A copy of the Independent Verifier's Report is available upon request.

High Quality Tax-Exempt Bond Composite contains fully discretionary non-custom fixed income accounts and for comparison purposes is measured against the Lehman 5-Year Municipal Index. The minimum account size for this composite is $200 thousand. Chilton Capital Management, LP has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS®), the U.S. and Canadian version of the Global Investment Performance Standards (GIPS®). AIMR has not been involved in the preparation or review of this report.

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The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance was calculated using the highest management fee of 40 basis points per year. Prior to January 1, 2004, the highest management fee was 25 basis points per year. A fee schedule is an integral part of a complete presentation and is described in Part II of the firm's ADV, which is available upon request.

Balanced portfolio segments are not included in this composite. Leverage is not used in this composite.

The High Quality Tax-Exempt Bond Composite was created January 1, 2003.

The Independent Verifier's Report is an integral part of this presentation.