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Annualized Returns

	2nd Qtr	Year to Date	1 Year	3 Year	5 Year	7 Year	Since Inception 3/31/1996
CCM Growth	2.6	4.2	7.8	8.7	(5.2)	4.7	10.4
Russell 1000 Growth	2.5	(1.7)	1.7	7.3	(10.4)	(1.1)	5.9
S&P 500	1.4	(0.8)	6.3	8.3	(2.4)	2.2	8.6

Annualized Returns

	2nd Qtr	Year to Date	1 Year	3 Year	5 Year	Since Inception 6/30/1998
CCM Conservative Growth	1.3	2.8	5.6	7.7	(4.5)	4.3
S&P 500	1.4	(0.8)	6.3	8.3	(2.4)	2.2

Annualized Returns

	2nd Qtr	Year to Date	1 Year	Since Inception 12/31/2002
CCM High Quality Tax Exempt Bond	2.8	1.7	6.1	3.9
Lehman 5 Year Municipal Index	1.9	0.7	4.4	3.0

Summary of Investment Results

The stock market posted modest gains in the second quarter of 2005, with the S&P 500 Index gaining 1.4 %. Chilton Capital Management's Growth Composite outperformed the broad market averages, returning 2.6%. CCM's Conservative Growth Composite, up 1.3%, posted results roughly in line with the S&P 500. During the period the equity market showed additional signs of what we believe is the beginning of a transition in leadership from economically cyclical value companies (which have led the way thus far) to companies with more traditional growth-like characteristics. Recent outperformance of growth stocks relative to value stocks seems to confirm this apparent shift. For the three months ended June 30, 2005 returns for the Russell 1000 Growth Index and the Russell 1000 Value Index were 2.5% and 1.7%, respectively. Growth beat value by a good margin with technology and healthcare the stand-out sectors. One quarter may be too early to call a trend, but the return to sustained outperformance of growth over value - a theme we have visited in previous publications - might soon be here.

A Return to Growth?

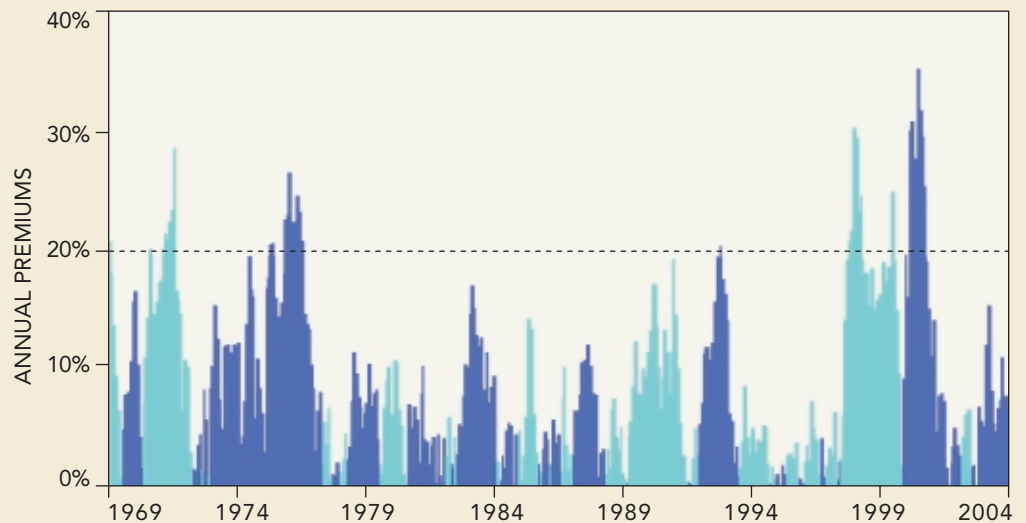
If we are right about a transition in leadership, this shift toward growth would simply be following long-term historical patterns as seen in the chart on the following page. Stock market cycles have roots in economic cycles. Value stocks tend to outperform early in an economic recovery while both cyclical growth and stable growth stocks tend to outperform later in the economic cycle. Looking at the last two economic cycles - one in the 1980's and the other in the 1990's - value stocks did best early in both recoveries. Growth stocks, however, outperformed value stocks by a significant margin during the latter portion of each economic cycle.

Growth vs Value Stocks

One-Year Growth and Value Trends 1969-2004

Data calculated using rolling 12-month returns.

■ Large Value
■ Large Growth



Source: Ibbotson & Associates.

Growth Outperforms when Profit Growth Slows

What could precipitate a rotation back to growth and why now? As earnings growth slows, companies with higher growth rates typically outperform. Corporate earnings growth peaked at almost 26% (year over year) during 1Q 2004 and, in our estimation, will slow to "normal" historical rates of 6-8% per year within the next two quarters. Experience tells us that companies which are growing their earnings faster than the market (i.e. growth stocks) should at this point achieve better relative performance.

Valuations for Growth Stocks are now Compelling

Valuations of each group (growth, value) play a critical role in these cycles, too. By late 1999, the returns of growth stocks had far outpaced those of value stocks for over five years (see previous chart). Meanwhile, growth company valuations far exceeded those of value stocks based on expectations of sustained, rapid economic growth. When these assumptions proved wildly optimistic, the bubble burst and the market tumbled. While the resulting bear market was one of the worst in seventy years, it was mostly growth stocks that got mauled. Many, if not most, value stocks did well from 2000 to 2004. So where are we now? Relative performance and valuations are now reversed to the point where growth stocks are at close to all-time lows in relative performance and price-to-earnings multiples and all-time highs in relative dividend yields. Growth investing has been out of favor for almost five years. But like value investing in late 1999, we believe growth is at an inflection point of outperformance. For these and other reasons we believe that growth stocks today are especially attractive.

Real Estate... Too Hot?

Real estate looks like a better place to be according to the actions of many investors. Investors and speculators are bidding up property prices, confident that they will cover the debt service or, better yet, flip the property for a quick profit. Anecdotal evidence we see on television and read in the press, however, sure seems like a replay of the real estate markets of the late 1970's and 1980's. A recent study by Credit Suisse First Boston confirms growing speculation in the housing markets. According to their findings, the number of U.S. homes purchased by investors rose 31% to 1.15 million in 2004. Additionally, excluding investor buyers, total home sales would have declined 1%, rather than rising the 6.3% reported in the first quarter of 2005.

The equity capital that has poured into this asset class over the past few years is substantial. But the debt used to leverage that equity is really eye-opening. A recent study by Morgan Stanley shows that origination of adjustable rate mortgages rose from about \$330 billion in 2001 to \$1.4 trillion in 2004. Interest-only mortgages have also exploded in popularity. We are reminded of a comment from bond manager Bill Gross a couple of years ago. He called the bear market in tech stocks the result of "too much capacity inappropriately financed". That seems like an appropriate depiction of today's residential housing market. This enthusiasm for real estate is not restricted to the U.S. market, though. The Economist magazine recently referred to the global real estate boom as the "the biggest financial bubble in history". It's impossible to know when this enthusiasm for real estate investing will end. We doubt it will end in a

debacle as some predict. Our view is that returns from real estate will not be nearly as attractive over the next five years as the returns from stocks, particularly growth stocks.

Portfolio Actions:

Additions:

Electronic Arts (ERTS)

We purchased a position in Electronic Arts during the quarter. Founded in 1982, Electronic Arts is the now the world's leading video game publisher with revenues of \$2.9 billion for fiscal year 2004. The video game industry is relatively young, but is one of the fastest growing groups within the entertainment sector. To put the size of the industry in perspective, sales of video games have recently surpassed the motion picture industry in total revenues. Additionally, the average title sold by Electronic Arts generates \$30 million in sales, about 50% higher than the average motion picture with sales of \$20 million. Changing demographics of gamers continue to drive growth. The addressable market is growing as players mature (the average age is now 30) and now play games with their children. Additionally, females now account for 39% of gamers.

A cornerstone of our thesis is the coming hardware upgrade cycle across all platforms. The Sony PSP was released this spring, Microsoft's Xbox 360 will be available for the 2005 holiday season, and Sony's Playstation 3 and Nintendo's Revolution are scheduled for release in 2006. The transition to new gaming platforms should trigger a wave of software purchases, driving CAGR revenue growth 10-12% over the next 3 years. Its popular franchise titles, global sales reach, and strong balance sheet leave Electronic Arts well-positioned to benefit from the upcoming video game cycle.

Isis Pharmaceuticals (ISIS)

We added Isis Pharmaceuticals to our Growth accounts during the second quarter. ISIS is a drug discovery and development company focused on developing therapeutic drugs utilizing a ribonucleic acid (RNA) based technology known as antisense. ISIS is viewed as the leader in patent development of antisense with more than 1,200 issued patents owned or exclusively licensed. RNA as a therapeutic target is an exciting area for therapeutic research. Antisense has the potential to target the genetic causes of disease, not just treat the symptoms. The company's knowledge, experience and patent position in antisense place the company in an excellent position to benefit from possible important new drug therapy technologies. This is the longer-term case for owning the shares.

Recent developments at Isis contribute to the timeliness of the purchase. A subsidiary of Isis, Ibis Technologies, has developed and plans to commercialize a new technology called Triangulation Identification for Genetic Evaluation of Risks, or TIGER, which is a diagnostic tool to detect and identify infectious agents quickly. The TIGER biosensor system has unique capabilities, a large market potential and a rapid timeline for commercialization. The research and development was funded primarily by grants from U.S. Government agencies including the Defense Advanced Research Projects Agency (DARPA), the National Institutes of Health, Centers for Disease Control and Prevention, the Federal Bureau of Investigation and the Department of Homeland security. The near-term opportunities for TIGER are in homeland security and defense (assessing biological warfare attacks) and pharmaceutical process control. Longer term, Ibis expects to add products for hospital infection control and infectious disease diagnostics. This is a speculative investment, appropriate only for our Growth portfolios.

Symantec (SYMC) / Veritas (VRTS)

We continue to like the long-term opportunities available to the combination of Symantec and Veritas. However, after Symantec declined on merger worries, we sold our holdings for taxable accounts to capture a short-term loss and added its merger partner, Veritas (VRTS), a leading data storage and management company. On July 2, 2005, the companies completed their merger. Each Veritas share received 1.1242 shares of Symantec.

Analog Devices (ADI)

We added shares of Analog Devices to all portfolios during the second Quarter. ADI is a leader in the design, manufac-

“Growth investing has been out of favor for almost five years. But like value investing in late 1999, we believe growth is at an inflection point of outperformance.”

ture and marketing of analog and mixed signal semiconductors. ADI focuses on solving the engineering challenges associated with signal processing in electronic equipment. Signal processing is where the analog and digital worlds meet to provide the advantages of digital technologies to the real world. Its products are used in industrial applications (36% of 2004 revenues), communications equipment (37%), computing (14%), and consumer electronics (13%).

The analog semiconductor industry generates high internal returns as the production costs for analog chips are lower (by using older generation fabs), analog chips have longer life cycles (many of ADI's chips are 15-20 year old designs) and has high barriers to entry (scarcity of analog engineers, time required to build a portfolio of products). The complex nature of designing analog and mixed-signal semiconductors has allowed ADI to maintain high margins, with GM's approaching 60%. ADI recently indicated that they believe that the industry is approaching the end of a 2-3 quarter inventory correction, signaling stabilizing demand trends.

Sales:

Honeywell (HON)

We sold Honeywell out of our Growth accounts during the quarter, however continue to hold it in our Conservative accounts. While still a high-quality company and benefiting from the improving aerospace cycle, we used Honeywell as a source of funds for faster growing companies in our Growth accounts.

Viacom (VIA/B)

We sold the last of our Viacom shares in the second quarter. Continued underperformance in radio and other advertising businesses could not offset strength in the cable networks and CBS segments. After years of unfulfilled promises from management, looming succession issues and secular growth challenges, we believe better opportunities lie elsewhere.

Fixed Income Commentary for Second Quarter 2005

The U.S. economy expanded further during 2Q 2005. However, this was not the big story of the quarter. The price of oil and what the price of oil means to the consumer was the real story - this in addition to estimating what impact the price of oil would have on future economic growth. There was little doubt that inflation continued to increase; the only question was what the rate of inflation was. The FOMC raised the Fed Funds Rate 25 bps at each of its meetings during the quarter. Including the increases in 2004 and the first quarter of 2005, the FOMC has raised the Fed Funds Rate a total of nine times for a total of 225 bps. The Fed Funds Rate at the end of the second quarter was 3.25%, up from 2.25% at the beginning of 2005.

“Even as the price of oil continues to rise, many analysts believe we may be nearing the end of the tightening phase that the Federal Reserve has embarked on since early 2004.”

The price of oil has clearly had an impact on everyday decisions that individuals, companies and countries have to make. Even though the increase in the price of oil has influenced major decisions and the extent of its real impact will not be known for several months, if not years, it is just one piece to the complicated inflation puzzle. Even as the price of oil continues to rise, many analysts believe we may be nearing the end of the tightening phase that the Federal Reserve has embarked on since early 2004. Nevertheless, the Federal Reserve appears committed to “measured” increases into the future. The FOMC believes that expansion remains firm and that the conditions in the labor market are improving. The FOMC also believes that

“pressures on inflation have stayed elevated, but longer-term inflation expectations remain well contained.” As has been the policy of the FOMC at the end of each of its statements, the FOMC again stated that it “will respond to changes in economic prospects as needed to fulfill its obligation to maintain price stability,” thus leaving the door open for continued rate increases.

The yield on the ten-year U.S. Treasury Note decreased 57 bps from 4.49% to 3.92% with the low yield being 3.89% and the high yield being 4.49% 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 37 bps from 4.61% to 4.24% with the low yield being 4.18% and the high yield being 4.61% during the

quarter. As a result of the interest rate movement during the quarter, bond prices generally increased.

CCM Update:

We are pleased to announce that last quarter, our Growth Equity strategy was the top-ranked performer nationally among large-capitalization growth portfolio management firms according to Informa Investment Solutions' (IIS) PSN evaluation system. Our longer-term performance was awarded a "Top Gun" ranking from IIS, placing it among the top 10 firms listed in its competitive asset class.

Additionally, Chilton Capital Management, LP was recently selected as manager for a portion of the Allen County Police Department Pension Fund in Ft. Wayne Indiana. We were chosen following a national search of investment managers conducted by Dover Consulting Group of Dayton, Ohio.

We are pleased that we are attracting national attention, a confirmation of our belief and commitment to the quality of our firm and the investment strategies we provide.

Performance Disclosures

GROWTH COMPOSITE								
Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results			
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	Russ 1000 Growth	Composite Dispersion
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%	14.50%
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								
Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results			
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	S&P500	Composite Dispersion
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%				
Conservative Growth Composite	1.39%	1.15%	1.34%	1.08%				

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

HIGH QUALITY TAX-EXEMPT BOND COMPOSITE								
Year End	Total Firm Assets (millions)	Composite Assets			Annual Performance Results			
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	Lehman 5 Yr Muni	Composite Dispersion
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 COMPOSITES								
	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%	2.79%	2.69%				

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

CCM is a registered investment advisor. The firm maintains a complete list and description of composites, which is available upon request. The Chilton Capital Management (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, 2004, the Growth Composite contains approximately 81% of the accounts managed in that strategy and the Conservative Growth Composite contains approximately 57% 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 December 31, 2004. 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.

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

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 this composite. 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 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.