

DATE: October 19, 2005

TO: U.S. Private Clients of Oliver Capital Management, Inc.

FROM: Mark K. Oliver - President and Senior Investment Advisor

RE: **Q3 2005 Quarterly Report, including the Strategically Engineered Portfolio Program (SEPP) performance report and related materials.**

Dear Valued Client:

There are two sections to the following Q3 2005 Quarterly Report:

1. The Strategically Engineered Portfolio Program (SEPP) Performance and Statistical Information
2. The Economy, The Markets and Business in general

THE STRATEGICALLY ENGINEERED PORTFOLIO PROGRAM (SEPP)

Our Strategically Engineered Portfolio Program (SEPP), which you are invested in, turned in another solid quarter (up 4.32% for Q3 2005), outperforming the average return of all four major market indexes for the third quarter of 2005 (vs. the S & P 500, the Dow Jones Industrial Average, the NASDAQ Composite and The Russell 3000). In typical fashion, the aforementioned SEPP out-performance was achieved with less risk than most major market indices and asset classes, as measured by standard deviation. This is precisely what we set out to achieve with the SEPP strategy: **greater return than the overall market, with less risk.**

In addition to the Q3 2005 performance numbers, included in this Report is the SEPP's Year to Date, Trailing Twelve Month, and Five Year performance history for your review. Similar to the Q3 2005 comparison, you will see that **our proprietary SEPP strategy has significantly outperformed the average return of the four major market indexes (the S & P 500, the Dow Jones Industrial Average, the NASDAQ Composite and The Russell 3000) during all four time periods** (please refer to the attached **Strategically Engineered Portfolio Program (SEPP) Performance Report**).

Enclosed, you will also find a report listing the TOP 20 HOLDINGS in each of the seven (7) Portfolios that make up the **Strategically Engineered Portfolio Program (SEPP)** for your review.

THE ECONOMY, THE MARKETS AND BUSINESS IN GENERAL

In retrospect, it would seem one would have had to have been a weather expert in order to accurately predict the directional movement of the markets during Q3 2005 as hurricanes Katrina and Rita hit the gulf coast regions during this time period. However, to our satisfaction, fundamentally superior stocks, such as those contained in the seven portfolios that make up our SEPP strategy, remained an oasis amidst the chaos.



The Fed does not seem overly concerned about any long-term negative impacts on economic growth as a result of the recent hurricanes. If anything, the US economy could now grow at a faster pace in the coming months and well into 2006 due largely to the mess left in the wake of Katrina and Rita. With approximately 160,000 homes and 400,000 vehicles destroyed from flooding, these households and vehicles will have to be replaced which will help boost economic growth. Additionally, all the federal spending to repair damaged infrastructure (bridges, highways, levees, etc.) will likely stimulate economic growth well into 2006, as well.

At both the August and September, 2005 Federal Open Market Committee meetings (along with Alan Greenspan), short term interest rates were increased by 25 basis points (.25%) for the tenth and eleventh consecutive time, pushing the Fed Funds rate to 3.75%. You will recall that the Fed dropped the Fed Funds rate all the way down to 1% in June of 2003 to help the economy weather the tech-downturn and the aftermath of the September 11, 2001 terrorist attacks.

Moreover, the Fed made it very clear at the September 20th, 2005 FOMC meeting that its main mission is to squelch inflation, and there is no doubt that higher energy costs have rippled through the US economy and ignited inflation on both the wholesale and consumer levels. As a result, I believe that the Fed will raise rates by a quarter of a point at each of the next two Fed meetings in November and December. History suggests that the Fed may feel comfortable ceasing with rate increases once the Fed funds rate approaches the 4.5% to 5% range (as mentioned above, the Fed Funds rate now stands at 3.75%).

Possibly hitting closer to home, net result of the aforementioned Fed interest rate increases has caused an increase in mortgage lending rates. The 30 year fixed rate mortgage recently topped 6% for the first time nearly a year. This upward trend will more than likely continue (albeit slowly) over the coming months / years.

This report is the final quarterly report you will receive in 2005. Your next quarterly report will be mailed out in mid-January of 2006 and will contain the highly anticipated end of year summary as well as the Strategically Engineered Portfolio Program (SEPP) end of year performance summary for 2005. This year end report will also indicate which market sector of the economy was the worst performing in 2005 and, according to the SEPP strategy, will dictate which Strategically Selected Portfolio will round out the SEPP strategy in 2006. As you know, the SEPP strategy systematically rebalances all 6 core portfolios every January and invests 10% of client assets in the worst performing sector portfolio over the trailing 12 months in an attempt to "BUY Low and SELL High," as the saying goes.

Please do not hesitate to call or e-mail me if you have any questions or comments about this report or any of the enclosures.

Sincerely yours,

Mark K. Oliver
President – Senior Investment Advisor



STRATEGICALLY ENGINEERED PORTFOLIO PROGRAM (SEPP)

SEPP Portfolio Component	Weight	Third Quarter 2005 Total Return	2005 Year to Date Total Return	Trailing 12 Months Total Return	Five Year Average Annual Return as of 12/31/2004	
Large Cap Portfolio	10.00%	3.58%	2.71%	12.20%	7.82%	
Mid-Cap Portfolio	20.00%	4.84%	8.91%	22.08%	8.82%	
Small-Cap Portfolio	20.00%	5.34%	7.13%	21.02%	9.86%	
International Portfolio	10.00%	10.44%	8.98%	25.39%	9.46%	
Aggregate Bond Portfolio	10.00%	-0.73%	1.65%	2.55%	6.80%	
Select Dividend Portfolio	20.00%	1.62%	3.79%	11.94%	9.10%	
Strategically Selected Portfolio *	10.00%	6.34%	0.50%	15.06%	9.20%	
Oliver Capital Management Model SEPP Portfolio		4.32%	5.35%	16.53%	8.88%	
Index / Benchmark	Symbol	Weight	Third Quarter 2005 Total Return	2005 Year to Date Total Return	Trailing 12 Months Total Return	Five Year Average Annual Return as of 12/31/2004
S&P 500	SPX	100.00%	3.60%	2.77%	12.25%	-2.30%
Dow Jones Industrial Average	DJIA	100.00%	3.44%	-0.34%	7.23%	1.42%
NASDAQ	NASDAQ	100.00%	4.78%	-0.59%	14.19%	-11.77%
Russell 3000	RUA	100.00%	4.01%	0.17%	14.57%	-1.16%
Average of all Four (4) Major Market Indexes		3.96%	0.50%	12.06%	-3.45%	

* In 2000 through 2004, the Strategically Selected Portfolios were utilities, telecommunications, technology, technology again, and then telecommunications respectively. In 2005, the Strategically Selected Portfolio is technology (IYW).

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. The results and conclusions made herein are not intended to recommend any specific investment or type of investment, and should not be construed as such. SEPP performance numbers contained herein are that of the Model SEPP as of the printing of this report and do not necessarily reflect that of any OCM client portfolio. All performance data above, for both the Model SEPP and Indexes, are based on Total Return which includes capital appreciation and assumes all dividends and interest are reinvested. Market returns are based upon the midpoint of the bid/ask spread at 4:00 PM Eastern time (when NAV is normally determined for most iShares), and do not represent the returns one would receive if shares were traded at other times.

Before making any investment, all aspects associated with it, including, but not limited to, applicable fees, charges, expenses and tax implications, should be considered. The information and results contained herein are based upon data obtained from sources we believe to be reliable (including, but not limited to, Ibbotson Associates, Barclays Global Investors, SEI); however, Oliver Capital Management, Inc., and/or its affiliates, do not guarantee the completeness or accuracy thereof. Both SEPP and Index performance returns above do not reflect management fees, transaction costs and/or expenses. One cannot invest directly in an index. Index performance is based upon information provided by Bloomberg.



**2005 Strategically Engineered Portfolio Program
 Top Twenty Holdings Report**

**LARGE CAP PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 EXXON MOBIL CORP	XOM	NYSE
2 GENERAL ELECTRIC CO	GE	NYSE
3 MICROSOFT CORP	MSFT	NASDAQ
4 CITIGROUP INC	C	NYSE
5 JOHNSON & JOHNSON	JNJ	NYSE
6 PFIZER INC	PFE	NYSE
7 BANK OF AMERICA CORP	BAC	NYSE
8 AMERICAN INTERNATIONAL GRP	AIG	NYSE
9 ALTRIA GROUP INC	MO	NYSE
10 INTEL CORP	INTC	NASDAQ
11 PROCTER & GAMBLE CO (THE)	PG	NYSE
12 CHEVRONTXACO CORP	CVX	NYSE
13 INTL BUSINESS MACHINES	IBM	NYSE
14 JPMORGAN CHASE & CO	JPM	NYSE
15 CISCO SYSTEMS INC	CSCO	NASDAQ
16 WAL-MART STORES INC	WMT	NYSE
17 AMGEN INC	AMGN	NASDAQ
18 WELLS FARGO & CO	WFC	NYSE
19 CONOCOPHILLIPS	COP	NYSE
20 PEPSICO INC	PEP	NYSE

**MID CAP PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 LEGG MASON INC	LM	NYSE
2 PEABODY ENERGY CORP	BTU	NYSE
3 WHOLE FOODS MARKET INC	WFMI	NASDAQ
4 SANDISK CORP	SNDK	NASDAQ
5 NOBLE ENERGY INC	NBL	NYSE
6 LENNAR CORP CLASS A	LEN	NYSE
7 PIONEER NATURAL RESOURCES	PXD	NYSE
8 FIDELITY NATIONAL FINANCIAL	FNF	NYSE
9 QUESTAR CORP	STR	NYSE
10 SMITH INTERNATIONAL INC	SII	NYSE
11 ENSCO INTERNATIONAL INC	ESV	NYSE
12 PACIFICARE HEALTH SYSTEMS	PHS	NYSE
13 PRECISION CASTPARTS CORP	PCP	NYSE
14 HARMAN INT'L INDUSTRIES	HAR	NYSE
15 CHICO'S FAS INC	CHS	NYSE
16 COGNIZANT TECH SOLUTIONS	CTSH	NASDAQ
17 SEPRACOR INC	SEPR	NASDAQ
18 MICROCHIP TECHNOLOGY INC	MCHP	NASDAQ
19 NEWFIELD EXPLORATION CO	NFX	NYSE
20 PATTERSON-UTI ENERGY INC	PTEN	NASDAQ

**S&P SMALL CAP PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 SOUTHWESTERN ENERGY CO	SWN	NYSE
2 NVR INC	NVR	AMEX
3 MASSEY ENERGY CO	MEE	NYSE
4 CIMAREX ENERGY CO	XEC	NYSE
5 COOPER COS INC	COO	NYSE
6 ROPER INDUSTRIES INC	ROP	NYSE
7 ENERGEN CORP	EGN	NYSE
8 OSHKOSH TRUCK CORP	OSK	NYSE
9 RESPIRONICS INC	RESP	NASDAQ
10 FLORIDA ROCK INDUSTRIES INC	FRK	NYSE
11 UGI CORP	UGI	NYSE
12 PHARMACEUTICAL PRODUCT DEV	PPDI	NASDAQ
13 STANDARD-PACIFIC CORP	SPF	NYSE
14 RESMED INC	RMD	NYSE
15 CERNER CORP	CERN	NASDAQ
16 SHURGARD STORAGE CENTERS	SHU	NYSE
17 MDC HOLDINGS INC	MDC	NYSE
18 GLOBAL PAYMENTS INC	GPN	NYSE
19 VINTAGE PETROLEUM INC	VPI	NYSE
20 SOUTHERN UNION CO	SUG	NYSE

**INTERNATIONAL PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>
1 BP PLC	BP
2 HSBC HOLDINGS PLC	HSBA
3 VODAFONE GROUP PLC	VOD
4 TOTAL SA	FP
5 GLAXOSMITHKLINE PLC	GSK
6 ROYAL DUTCH SHELL PLC CLASS A	RDSA
7 TOYOTA MOTOR CORP	TM
8 NOVARTIS AG	NOVN
9 NESTLE SA REGISTERED	NESN
10 ROYAL DUTCH SHELL PLC CLASS B	RDSB
11 ROCHE HOLDING AG	ROG
12 UBS AG REGISTERED	UBSN
13 ROYAL BANK OF SCOTLAND GROUP PLC	RBS
14 SANOFI-AVENTIS	SAN
15 ENI SPA	ENI
16 BANCO SANTANDER CENTRAL HISPANO SA	SAN
17 ASTRAZENCA PLC	AZN
18 TELEFONICA SA	TEF
19 NOKIA OYJ	NOK1V
20 BARCLAYS PLC	BARC



**2005 Strategically Engineered Portfolio Program
 Top Twenty Holdings Report**

**AGGREGATE BOND PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Credit Rating (S&P)</u>
1 UNITED STATES TREAS	TSY
2 UNITED STATES TREAS	TSY
3 FNMA TBA 30YR	AAA
4 FEDERAL NATL MTG ASS	TSY
5 FNMA TBA 30YR	AAA
6 UNITED STATES TREAS	TSY
7 UNITED STATES TREAS	TSY
8 UNITED STATES TREAS	TSY
9 UNITED STATES TREAS	TSY
10 FHLMC GOLD TBA 30 YR	AAA
11 FHLMC GOLD TBA 30 YR	AAA
12 FEDERAL HOME LN MTG	TSY
13 FNMA TBA 30YR	AAA
14 FEDERAL HOME LN MTG	TSY
15 FNMA TBA 15YR	AAA
16 FHLMC GOLD TBA 15YR	AAA
17 FEDERAL NATL MTG ASS	TSY
18 FHLMC GOLD TBA 15YR	AAA
19 FNMA TBA 15YR	AAA
20 UNITED STATES TREAS	TSY

**SELECT DIVIDEND PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 ALTRIA GROUP INC	MO	NYSE
2 FPL GROUP INC	FPL	NYSE
3 DTE ENERGY CO	DTE	NYSE
4 BANK OF AMERICA CORP	BAC	NYSE
5 PNC FINANCIAL SERVICES GROUP	PNC	NYSE
6 FIRSTENERGY CORP	FE	NYSE
7 PINNACLE WEST CAPITAL CORP	PNW	NYSE
8 UNITRIN INC	UTR	NYSE
9 MARATHON OIL CORP	MRO	NYSE
10 COMERICA INC	CMA	NYSE
11 KINDER MORGAN INC	KMI	NYSE
12 PEOPLE'S BANK	PBCT	NASDAQ
13 LINCOLN NATIONAL CORP	LNC	NYSE
14 BRISTOL-MYERS SQUIBB CO	BMJ	NYSE
15 KEYCORP	KEY	NYSE
16 CHEVRONTXACO CORP	CVX	NYSE
17 MERCK & CO INC	MRK	NYSE
18 GENERAL MOTORS CORP	GM	NYSE
19 SBC COMMUNICATIONS INC	SBC	NYSE
20 NATIONAL CITY CORP	NCC	NYSE

**STRATEGICALLY SELECTED TECH PORTFOLIO
 TOP 20 HOLDINGS AS OF 09/30/2005**

<u>Name</u>	<u>Ticker</u>	<u>Market</u>
1 MICROSOFT CORP	MSFT	NASDAQ
2 INTEL CORP	INTC	NASDAQ
3 INTERNATIONAL BUSINESS M	IBM	NYSE
4 CISCO SYSTEMS INC	CSCO	NASDAQ
5 HEWLETT-PACKARD CO	HPQ	NYSE
6 DELL INC	DELL	NASDAQ
7 QUALCOMM INC	QCOM	NASDAQ
8 TEXAS INSTRUMENTS INC	TXN	NYSE
9 GOOGLE INC CLASS A	GOOG	NASDAQ
10 MOTOROLA INC	MOT	NYSE
11 ORACLE CORP	ORCL	NASDAQ
12 YAHOO! INC	YHOO	NASDAQ
13 APPLE COMPUTER INC	AAPL	NASDAQ
14 EMC CORP	EMC	NYSE
15 APPLIED MATERIALS INC	AMAT	NASDAQ
16 CORNING INC	GLW	NYSE
17 SYMANTEC CORP	SYMC	NASDAQ
18 ADOBE SYSTEMS INC	ADBE	NASDAQ
19 ANALOG DEVICES INC	ADI	NYSE
20 LUCENT TECHNOLOGIES INC	LU	NYSE