

ABC Fund

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Third Quarter, 2004

ANNUAL RETURNS					
	2000	2001	2002	2003	2004 YTD
Advisor	5.91%	17.76%	6.65%	31.12%	-1.31%
Barclay/GHS Hedge	12.19%	6.76%	1.41%	18.00%	3.49%
Funds Managed (\$M)	5.9	21.5	37.4	98.0	103.7

ACCOUNT INFORMATION

Mgmt. Fee: 1.50% Open: Open
 Incentive Fee: 0.00% High Water: No
 Minimum Acct: \$1000K Redemptions: Bi-ann
 Fund Assets: 103M

REWARD/RISK RATIOS

	3-Year	Cumulative
Sharpe Ratio:	1.69	0.83
Sterling Ratio:	1.08	1.08
Barclay Ratio:	2.64	1.04
Efficiency Index:	1.85	1.28

PERFORMANCE ANALYSIS

Start Date: 10/96
 Total Return Since Start Date: 117.94%
 Compounded Average Annual ROR: 10.23%
 Average Monthly ROR: 0.84%
 Standard Deviation of Monthly ROR: 2.31%
 Winning Months: 67 Average Gain: 1.91%
 Losing Months: 29 Average Loss: -1.62%

GEO. ALLOCATIONS

North America: 100.00%
 Western Europe:
 Eastern Europe:
 Pacific Rim:
 Other:

EXPOSURES

Long: Yes
 Short:
 Net:

RELATIVE VOLATILITY

Loss of 25% or more: 47.29%
 Loss of 50% or more: 29.21%

CORRELATIONS

Barclay/GHS Hedge: 0.62 S&P 500: 0.69
 U.S. Treasury Bonds: -0.06 EAFE: 0.61
 World Bonds: 0.02

DRAWDOWN REPORT

Depth	Length (Mos.)	Recovery (Mos.)	Start Date	End Date
9.46%	3	5	Apr-02	Jul-02
7.57%	4	5	Apr-98	Aug-98
6.36%	4	2	May-01	Sep-01
4.24%	8	*	Jan-04	Sep-04
3.91%	3	2	Aug-00	Nov-00
3.53%	2	1	Jan-01	Mar-01
1.80%	1	2	Jan-99	Feb-99

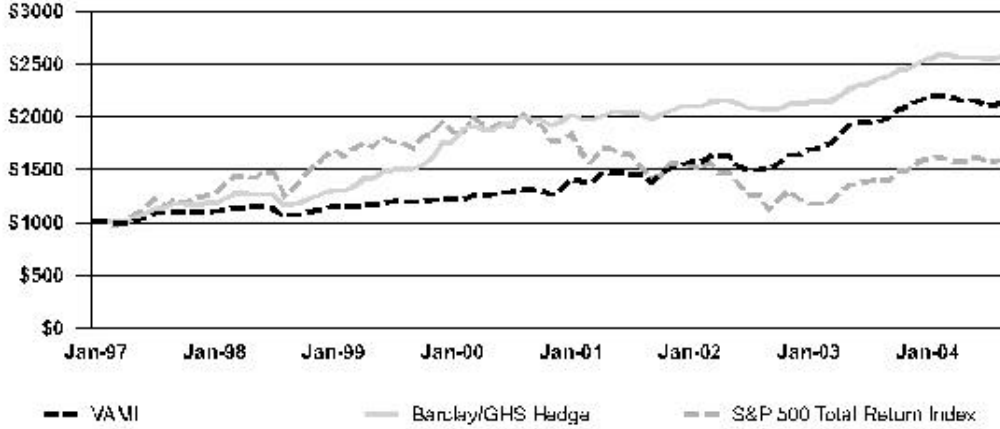
TIME WINDOWS

Length (Mos.)	Best	Worst	Average
1	8.89%	-5.87%	0.84%
3	12.22%	-9.46%	2.59%
6	18.47%	-7.55%	5.39%
9	29.32%	-2.47%	8.50%
12	32.76%	-3.22%	11.49%
18	48.17%	3.87%	17.38%
24	43.53%	7.83%	22.75%

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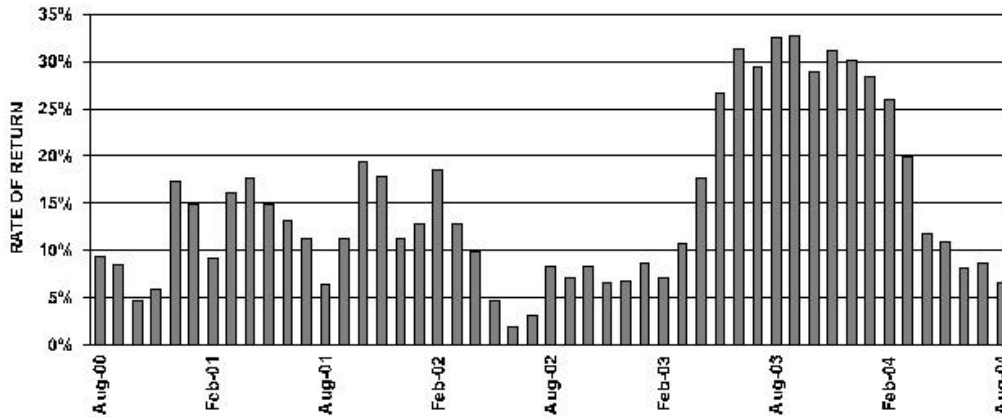
VAMI vs BARCLAY/GHS HEDGE & S&P 500



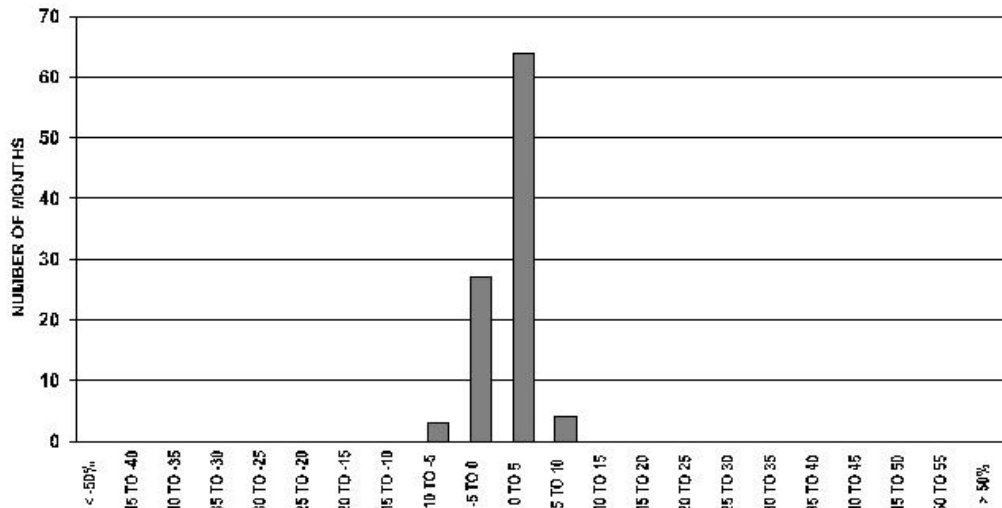
PERFORMANCE HISTORY

DATE	VAMI	ROR
Oct-00	1002	0.16
Nov-00	970	-3.14
Dec-00	1001	3.21
Jan-01	1090	8.89
Feb-01	1069	-1.92
Mar-01	1052	-1.64
Apr-01	1114	5.88
May-01	1136	2.00
Jun-01	1124	-1.07
Jul-01	1115	-0.75
Aug-01	1123	0.66
Sep-01	1064	-5.26
Oct-01	1115	4.81
Nov-01	1158	3.87
Dec-01	1179	1.83
Jan-02	1213	2.90
Feb-02	1205	-0.65
Mar-02	1246	3.38
Apr-02	1256	0.76
May-02	1248	-0.60
Jun-02	1176	-5.78
Jul-02	1137	-3.33
Aug-02	1158	1.84
Sep-02	1152	-0.49
Oct-02	1194	3.62
Nov-02	1254	5.00
Dec-02	1258	0.33
Jan-03	1294	2.92
Feb-03	1309	1.13
Mar-03	1336	2.04
Apr-03	1390	4.06
May-03	1469	5.69
Jun-03	1490	1.42
Jul-03	1492	0.16
Aug-03	1499	0.46
Sep-03	1527	1.84
Oct-03	1585	3.81
Nov-03	1616	1.99
Dec-03	1649	2.02
Jan-04	1685	2.15
Feb-04	1681	-0.23
Mar-04	1684	0.17
Apr-04	1665	-1.07
May-04	1643	-1.34
Jun-04	1652	0.56
Jul-04	1613	-2.38
Aug-04	1630	1.05
Sep-04	1627	-0.16

RETURNS FOR PRECEDING 12-MO. PERIODS



DISTRIBUTION OF MONTHLY RETURNS





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TRADING METHOD

ABC's objective is to buy convertibles with attractive risk/reward characteristics that will capture most of the upside of the underlying stock and provide downside protection. To do so, ABC uses convertible screens, a convertible pricing model, as well as fundamental research to discover ideas internally, while also utilizing sell-side research. This differentiates ABC from those convertible investors who examine these securities strictly from a common stock standpoint, while placing less emphasis on the numerous nuances of the fixed income portion of the security.

KEY PRINCIPALS -- BIO

Joe Smith – President

Prior to founding ABC Fund, Mr. Smith was a Director in the Convertible Securities Department in the Capital Markets Division at Merrill Lynch. In this position, he advised institutions on selecting convertibles for convertible, fixed income and equity portfolios. Mr. Smith was instrumental in introducing convertibles as an asset class to major institutional investors and consulting firms worldwide. With its innovative LYONS and PRIDEs products, Merrill Lynch was on the cutting edge of the convertible market, dominating new issue underwriting with a market share of up to 40%. Mr. Smith's position as the major distribution link between investors and issuers of convertibles, combined with Merrill's preeminent position in the asset class, gave him a unique advantage in investing and trading in the convertible market. Mr. Smith's responsibilities at ABC include co-portfolio management. He graduated from Columbia University with a BA in Economics.