



Views From The Heartland

Investment Perspective of Buena Vista Investment Management

Volume 4 Issue 1
January 2006

ANNOUNCING PORTFOLIO CHANGES

Conservative Equity, Total Return and Income & Growth Strategies

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We are using this special edition of our investment newsletter **to announce three changes to the strategies used in the Buena Vista Investment Management Diversified Mutual Fund program.** As part of our investment process we continually monitor and evaluate the mutual funds contained in our investment portfolios. Our goal is to earn above average returns for our clients, with below average risk. To accomplish this goal we continually analyze current market data to insure we are utilizing the best managers, the best funds and the best combination of funds available. Although our portfolio returns in 2005 were above the indices averages, we still felt there were several potential areas for improvement.

At the beginning of January, we replaced the **Merger Fund** with the **Permanent Portfolio Fund** (PRPFX) within the **Conservative Equity Portfolio**. The Merger Fund is a specialized fund investing in announced buyout and merger deals. Over the last two years, investment returns for this fund have lagged our expectations. The addition of the Permanent Portfolio Fund should help improve returns, but just as important, the fund maintains approximately the same low market correlation and low volatility statistics as its predecessor. We also felt this change would provide better diversification, as the Permanent Portfolio invests a specified portion of its assets in Swiss Francs, precious metals and real estate in addition to traditional growth stocks.

In February we are planning two additional changes. First, we are going to replace the **Parnassus Equity Income Fund** with the **TCW Dividend Focus Fund** (TGIGX). This change will affect both the **Conservative Equity** and **Income & Growth Portfolios**. We are making this change for several reasons. First and most importantly, we anticipate that this change will improve returns as TCW has a 100% equity allocation as compared to the Parnassus Fund which maintains a portion of its investments in fixed income securities. Over the past five years this asset allocation difference has allowed the TCW fund to outperform Parnassus by 1.5% per year. Second, the manager of the fund, Diane Jaffee, has been running this fund for over 15 years and has compiled an annual rate of return of 12.32% over that period. Finally, we like the fact that the TCW Dividend Focus Fund has a much smaller asset base, providing it flexibility that larger funds do not have. It is our opinion that management consistency, solid track record and the smaller assets under management make TCW Dividend Focus Fund a winner.

Our final investment change relates to the **Ariel Fund**. This fund is being removed from both the Total Return and Conservative Equity Portfolios. This change is being made for one very specific reason. The Ariel Fund is now classified as a mid capitalization fund rather than the small capitalization fund we originally invested in. In order to maintain our proper allocations, we need additional exposure to small companies. The **James Small Cap Fund** (JASCX) will be added to the Conservative Equity Portfolio and the **Tamarack Enterprise Fund** (TETSZ) will be added to the Total Return Portfolio. The use of these funds will allow us to increase our exposure to small company investments.

ANNOUNCING PORTFOLIO CHANGES (continued)

The James Small Cap Fund and the Tamarack Enterprise Fund are both small funds with around \$80 million in assets and are relatively unknown fund groups. Both funds have put together excellent track records with proven management teams. Both invest exclusively in small and micro capitalization companies, which is essential to our investment process. Given the small size of the funds we do not expect to see the same asset drift that we saw with the Ariel Fund as their assets grew to over \$1 billion under management.

Overall, the addition of the above mentioned funds to our already strong line-up increases the likelihood that our clients' will continue to earn above average returns, with below average risk. We will continue to strive to put our clients' money in the hands of some of the most talented money managers in the industry.

In conjunction with these changes in portfolio investments we will also be increasing the money market components of portfolios by 5%. As our last newsletter detailed, we are concerned about the duration of this bull market and felt that increasing cash was a prudent move at this time. Buena Vista Investment Management portfolios will maintain money market investments equal to 7% of portfolio values.

PERFORMANCE DATA

Fund Name	Ticker	Category	3Yr Return	5Yr Return	2005	2004	2003
Permanent Portfolio	PRPFX	Specialty	13.25	11.51	7.62	12.04	20.45
TCW Dividend Focus	TGDFX	Large Value	16.88	7.88	3.26	17.48	31.64
Tamarack Enterprise	TETIX	Small Blend	21.67	17.64	3.83	15.17	50.64
James Small Cap	JACSX	Small Value	27.74	16.47	7.51	26.19	53.63

PORTFOLIO DETAIL DATA

Fund Name	Current Manager Tenure	Net Assets (Millions)	Total Portfolio Holdings	Turnover Ratio	Standard Deviation	Beta	Alpha
Permanent Portfolio	14.9	333	101	6	8	0.41	6.04
TCW Dividend Focus	19.3	92	52	32	10	1.06	1.62
Tamarack Enterprise	5.1	29	75	33	12	1.16	4.76
James Small Cap	5.6	80	62	94	16	1.42	6.97

FUND RATINGS

Fund Name	Morningstar Star Rating	3 Year Risk Rank	5 Year Total Return Rank In Category	Morningstar 5 Year Return Rank
Permanent Portfolio	★★★★★	High	1	High
TCW Dividend Focus	★★★★★	Low	10	Above Average
Tamarack Enterprise	★★★★★	Below Average	4	High
James Small Cap	★★★★	Average	20	Above Average

Important Disclosure – The performance numbers contained on this page are provided for informational purposes only. Returns may vary depending on personal objectives and timing of invested dollars. The performance numbers contained on this page are based on investments that have been in place since 1-1-04. Contact Buena Vista Investment Management LLC for more specific information concerning performance and market data. Do not rely on this information to make investments.

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