

MODEL PORTFOLIO STRATEGIES



PARTNERS+PROGRAM®

Includes hypothetical performance data through December 31, 2004

The background of the page is a close-up, slightly blurred photograph of several US dollar bills. The focus is on the intricate green and black patterns of the currency, including the large number '1' and the word 'ONE' on a bill. The lighting is soft, creating a professional and financial atmosphere.

Purpose of Brochure

The purpose of this brochure is to give our prospective clients an idea of how our model portfolios would have performed over the past twenty years. We believe that no investor should take more risk than is needed to achieve his or her long-term goals. This brochure is intended to give you an idea of the risks and volatility associated with our Model Portfolios and the historical rewards investors have received for taking varying degrees of risk.

The model portfolios depicted in this brochure represent the investment strategies employed by Capital Directions since their commencement date of January 1999. All of the performance data contained in this brochure is hypothetical in that it does not represent actual trading by Capital Directions. Please see the Disclosure Statement and Sources of Data on Page 13 for important information about the hypothetical performance data contained in this brochure.

Table of Contents

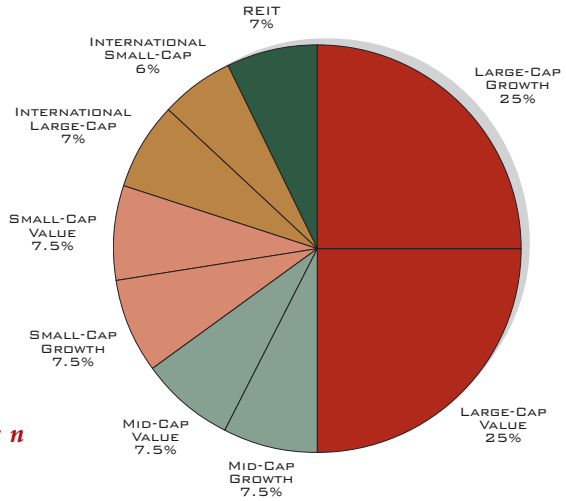
All Equity Portfolio <i>100% Equities</i>	3
Aggressive Growth Portfolio <i>90% Equities / 10% Fixed Income</i>	4
Growth Portfolio <i>80% Equities / 20% Fixed Income</i>	5
Capital Appreciation Portfolio <i>70% Equities / 30% Fixed Income</i>	6
Moderate Growth Portfolio <i>60% Equities / 40% Fixed Income</i>	7
Conservative Growth Portfolio <i>50% Equities / 50% Fixed Income</i>	8
Conservative Portfolio <i>40% Equities / 60% Fixed Income</i>	9
Capital Preservation Portfolio <i>30% Equities / 70% Fixed Income</i>	10
Defensive Portfolio <i>20% Equities / 80% Fixed Income</i>	11
Index Returns	12
Portfolio Changes	12
Personal Notes	12
Disclosure Statement	13
Sources of Data	13



ALL EQUITY PORTFOLIO

100% Equities

 Large-Cap U.S. Stock	50.00%
 Mid-Cap U.S. Stock	15.00%
 Small-Cap U.S. Stock	15.00%
 International Stock	13.00%
 Real Estate Stock	7.00%
 Fixed Income	0.00%
 Cash Equivalent	0.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

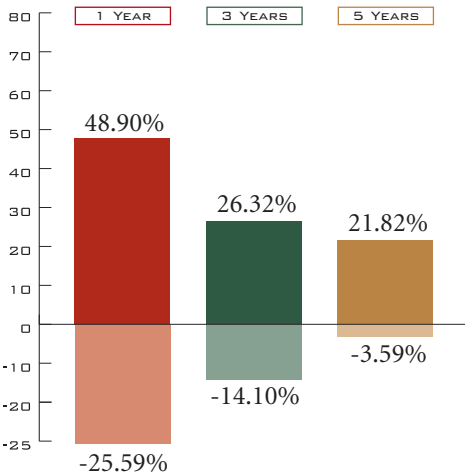
	RETURN
1 yr.	16.13%
3 yr.	8.26%
5 yr.	2.17%
10 yr.	11.46%
20 yr.	12.33%

Objective

The All Equity Portfolio seeks a high degree of long-term capital appreciation through a diversified global equity strategy. The portfolio is entirely invested in stocks. For this reason it is suitable only for investors with longer time horizons who can withstand a high degree of principal volatility. Investors in this portfolio should have a time horizon of ten years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	30.21%	2000	-3.04%
1996	18.73%	2001	-6.52%
1997	23.53%	2002	-20.06%
1998	13.79%	2003	36.61%
1999	23.17%	2004	16.13%

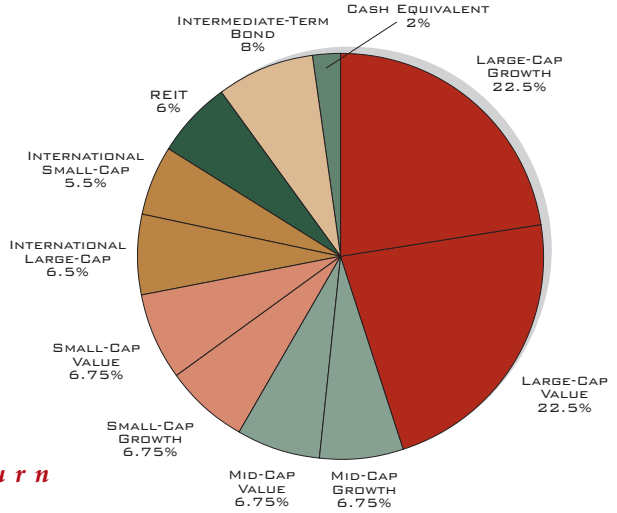
Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure.



AGGRESSIVE GROWTH PORTFOLIO

90% Equities / 10% Fixed Income

 Large-Cap U.S. Stock	45.00%
 Mid-Cap U.S. Stock	13.50%
 Small-Cap U.S. Stock	13.50%
 International Stock	12.00%
 Real Estate Stock	6.00%
 Fixed Income	8.00%
 Cash Equivalent	2.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

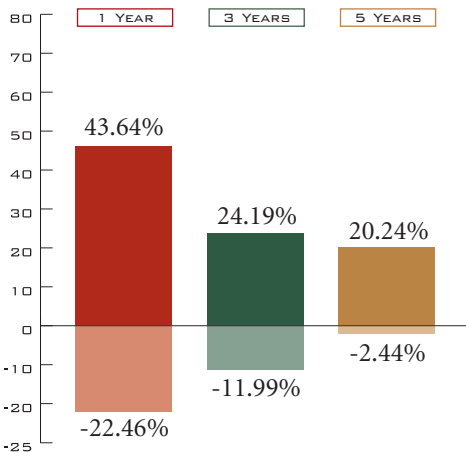
	RETURN
1 yr.	14.83%
3 yr.	8.08%
5 yr.	2.71%
10 yr.	11.03%
20 yr.	11.91%

Objective

The Aggressive Growth Portfolio seeks a high degree of long-term capital appreciation through a diversified global investment strategy. The portfolio is allocated primarily to equities with a small commitment to fixed-income securities to reduce volatility. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of ten years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

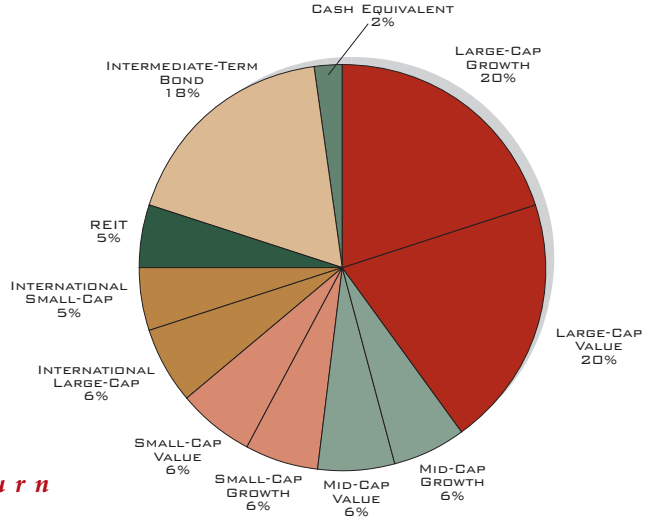
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	28.36%	2000	-1.79%
1996	17.09%	2001	-5.08%
1997	21.65%	2002	-17.29%
1998	13.36%	2003	32.90%
1999	21.05%	2004	14.83%



GROWTH PORTFOLIO

80% Equities / 20% Fixed Income

 Large-Cap U.S. Stock	40.00%
 Mid-Cap U.S. Stock	12.00%
 Small-Cap U.S. Stock	12.00%
 International Stock	11.00%
 Real Estate Stock	5.00%
 Fixed Income	18.00%
 Cash Equivalent	2.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

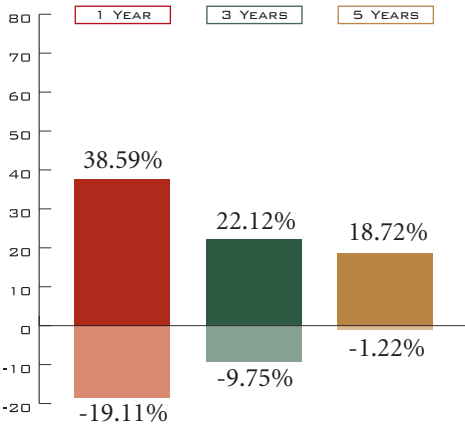
	RETURN
1 yr.	13.61%
3 yr.	8.00%
5 yr.	3.33%
10 yr.	10.65%
20 yr.	11.53%

Objective

The Growth Portfolio seeks long-term capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is allocated primarily to equities with a secondary allocation to fixed-income securities. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of seven years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	26.74%	2000	-0.47%
1996	15.43%	2001	-3.65%
1997	19.81%	2002	-14.26%
1998	12.92%	2003	29.29%
1999	18.93%	2004	13.61%

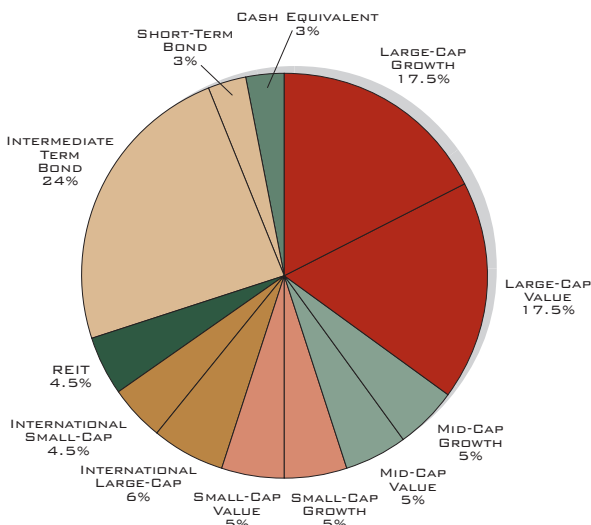
Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure.



CAPITAL APPRECIATION PORTFOLIO

70% Equities / 30% Fixed Income

■ Large-Cap U.S. Stock	35.00%
■ Mid-Cap U.S. Stock	10.00%
■ Small-Cap U.S. Stock	10.00%
■ International Stock	10.50%
■ Real Estate Stock	4.50%
■ Fixed Income	27.00%
■ Cash Equivalent	3.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

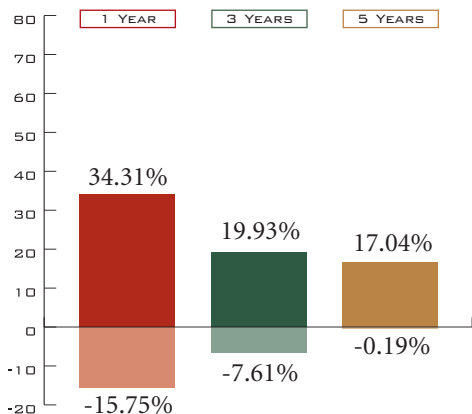
	RETURN
1 yr.	12.30%
3 yr.	7.71%
5 yr.	3.74%
10 yr.	10.07%
20 yr.	11.00%

Objective

The Capital Appreciation Portfolio seeks long-term capital appreciation through a diversified global investment strategy. The portfolio is allocated primarily to equities with a substantial secondary allocation to fixed-income securities. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of seven years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

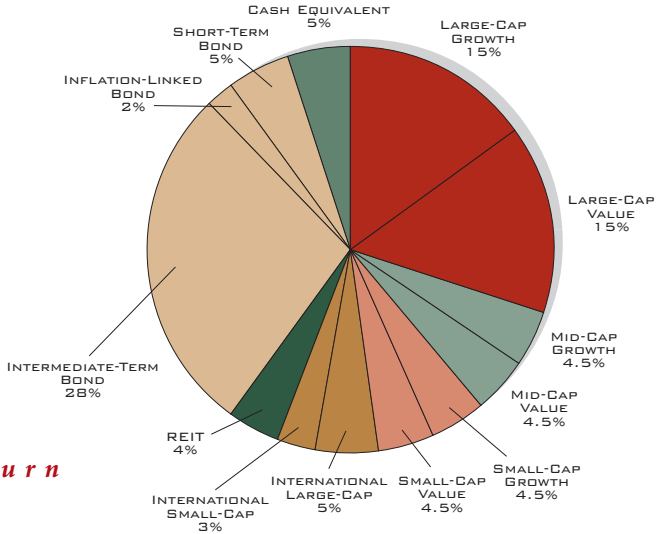
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	24.57%	2000	0.68%
1996	13.86%	2001	-2.47%
1997	17.82%	2002	-11.38%
1998	12.34%	2003	25.55%
1999	16.63%	2004	12.30%



MODERATE GROWTH PORTFOLIO

60% Equities / 40% Fixed Income

 Large-Cap U.S. Stock	30.00%
 Mid-Cap U.S. Stock	9.00%
 Small-Cap U.S. Stock	9.00%
 International Stock	8.00%
 Real Estate Stock	4.00%
 Fixed Income	35.00%
 Cash Equivalent	5.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

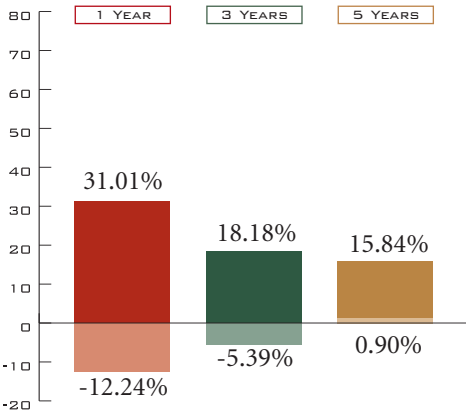
	RETURN
1 yr.	10.97%
3 yr.	7.32%
5 yr.	4.14%
10 yr.	9.63%
20 yr.	10.47%

Objective

The Moderate Growth Portfolio seeks moderate long-term capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is invested primarily in equities with a substantial secondary allocation to fixed-income securities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	22.92%	2000	1.92%
1996	12.65%	2001	-1.13%
1997	16.47%	2002	-8.59%
1998	11.88%	2003	21.82%
1999	14.28%	2004	10.97%

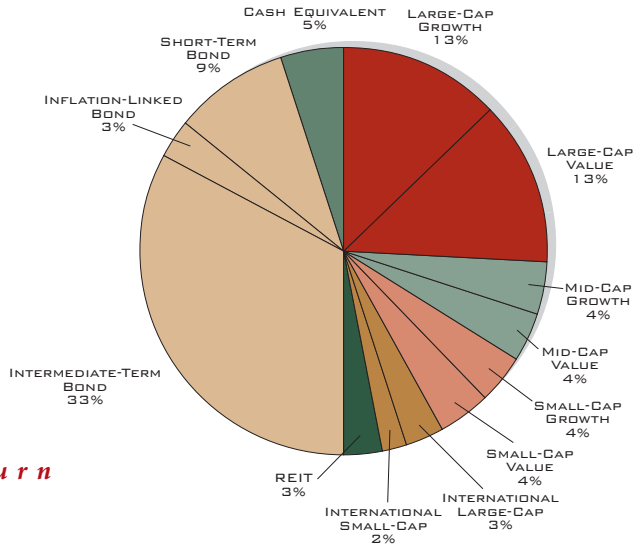
Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure.



CONSERVATIVE GROWTH PORTFOLIO

50% Equities / 50% Fixed Income

 Large-Cap U.S. Stock	26.00%
 Mid-Cap U.S. Stock	8.00%
 Small-Cap U.S. Stock	8.00%
 International Stock	5.00%
 Real Estate Stock	3.00%
 Fixed Income	45.00%
 Cash Equivalent	5.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

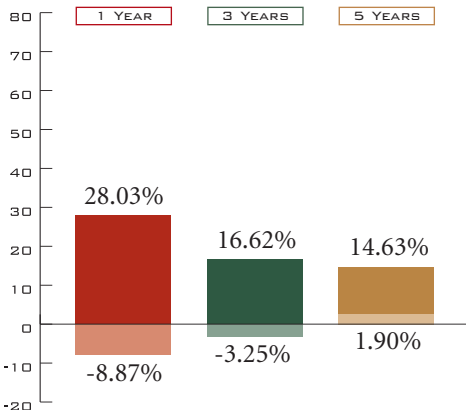
	RETURN
1 yr.	9.50%
3 yr.	6.77%
5 yr.	4.40%
10 yr.	9.17%
20 yr.	9.94%

Objective

The Conservative Growth Portfolio seeks moderate long-term capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is evenly allocated between stocks and fixed-income securities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

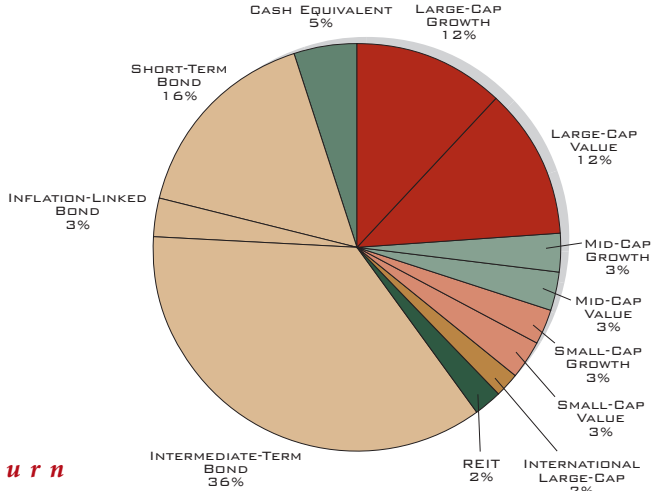
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	21.59%	2000	3.10%
1996	11.46%	2001	0.15%
1997	15.33%	2002	-5.93%
1998	11.59%	2003	18.16%
1999	11.91%	2004	9.50%



CONSERVATIVE PORTFOLIO

40% Equities / 60% Fixed Income

 Large-Cap U.S. Stock	24.00%
 Mid-Cap U.S. Stock	6.00%
 Small-Cap U.S. Stock	6.00%
 International Stock	2.00%
 Real Estate Stock	2.00%
 Fixed Income	55.00%
 Cash Equivalent	5.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

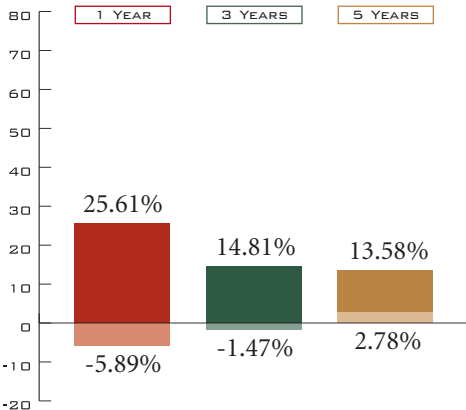
	RETURN
1 yr.	7.64%
3 yr.	6.02%
5 yr.	4.44%
10 yr.	8.55%
20 yr.	9.38%

Objective

The Conservative Portfolio seeks current income and, secondarily, moderate long-term capital growth through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a substantial secondary allocation to equities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	20.03%	2000	4.00%
1996	9.96%	2001	1.37%
1997	13.78%	2002	-3.57%
1998	11.10%	2003	14.79%
1999	10.27%	2004	7.64%

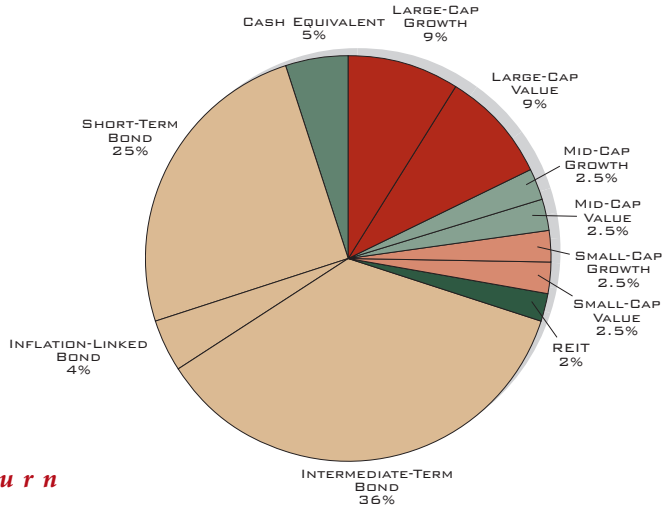
Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure.



CAPITAL PRESERVATION PORTFOLIO

30% Equities / 70% Fixed Income

■ Large-Cap U.S. Stock	18.00%
■ Mid-Cap U.S. Stock	5.00%
■ Small-Cap U.S. Stock	5.00%
■ International Stock	0.00%
■ Real Estate Stock	2.00%
■ Fixed Income	65.00%
■ Cash Equivalent	5.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

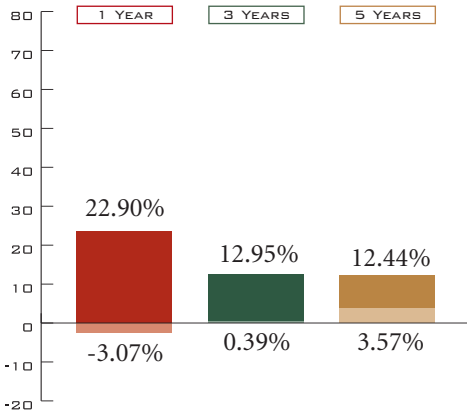
	RETURN
1 yr.	6.37%
3 yr.	5.46%
5 yr.	4.60%
10 yr.	7.83%
20 yr.	8.69%

Objective

The Capital Preservation Portfolio seeks current income and, secondarily, capital preservation through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a secondary allocation to equities. Because of the exposure to equities the portfolio will experience moderate short-term principal volatility. As a result, this portfolio is appropriate for investors with time horizons of three years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

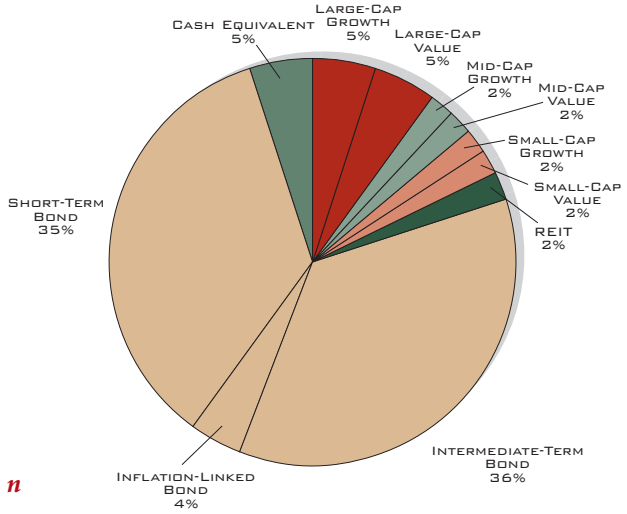
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	17.67%	2000	4.95%
1996	8.47%	2001	2.59%
1997	11.79%	2002	-1.19%
1998	9.97%	2003	11.60%
1999	8.62%	2004	6.37%



DEFENSIVE PORTFOLIO

20% Equities / 80% Fixed Income

 Large-Cap U.S. Stock	10.00%
 Mid-Cap U.S. Stock	4.00%
 Small-Cap U.S. Stock	4.00%
 International Stock	0.00%
 Real Estate Stock	2.00%
 Fixed Income	75.00%
 Cash Equivalent	5.00%



Average Annual Return

FOR THE PERIODS ENDING 12/31/04

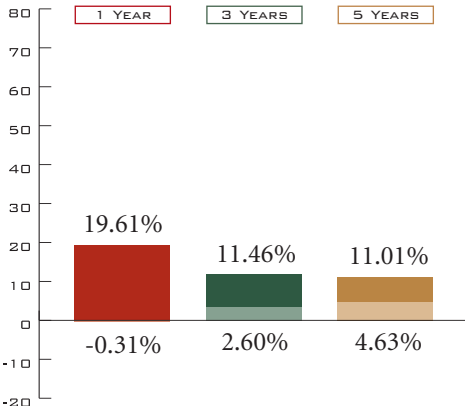
	RETURN
1 yr.	5.16%
3 yr.	4.96%
5 yr.	4.95%
10 yr.	7.18%
20 yr.	7.96%

Objective

The Defensive Portfolio seeks current income and, secondarily, capital preservation through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a secondary allocation to equities. Because of the exposure to equities the portfolio will experience some short-term principal volatility. This portfolio is appropriate for investors with time horizons of three years or longer.

Volatility Index

01/01/85 - 12/31/04



Ten Year Calendar Returns

1995 - 2004

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
1995	15.36%	2000	6.33%
1996	7.26%	2001	4.16%
1997	9.99%	2002	1.43%
1998	8.42%	2003	8.40%
1999	6.71%	2004	5.16%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure.



Disclosure Statement

The hypothetical investment performance in this brochure provides some indication of the risks of investing in a Partners+Program Portfolio. Partners+Program Portfolios commenced operations in January 1999. Performance numbers are blended historical returns for the mutual funds used in the model Partners+Program Portfolios, or the representative index for the periods prior to commencement of operations by the selected fund. See “Sources of Data” below. These hypothetical returns were calculated after the end of the periods shown and reflect the reinvestment of dividends and other earnings. Returns are shown net of fund fees and the maximum Partners+Program advisory fee for Capital Directions. Your advisor’s fee is not included in these returns and would cause your actual returns to be lower, as would other expenses that would be incurred in the management of an actual portfolio. These model portfolio returns do not represent actual investment decisions by Capital Directions and, thus, may not reflect the impact that material economic and market factors might have had on our decision-making if Capital Directions were actually managing the money.

Average Annual Return. Average annual returns for the 1, 3, 5, 10 and 20-year periods ending December 31, 2004.

Volatility Index. This index is designed to show a range of best and worst returns (or “volatility”) of each portfolio during rolling 1, 3 and 5-year periods between 1985 and 2004. For example, the first column shows the highest and lowest return in a single year during this twenty-year period. Typically, the volatility of a Portfolio decreases substantially the longer the investments are held.

Ten-Year Annual Returns. Year-by-year annual total return for each year ended December 31, 1995 to 2004.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Sources of Data

Large-Cap Growth

January 1985 – May 2000: S&P/BARRA 500 Growth Index

June 2000 – December 2004: StreetTracks Dow Jones U.S. Large Cap Growth Index

Large-Cap Value

January 1985 – February 1993: S&P/BARRA 500 Value Index

March 1993 – December 2004: DFA U.S. Large Cap Value

Mid-Cap Growth

January 1985 – July 2000: Wilshire Mid-Cap Growth Index

August 2000 – December 2004: iShares S&P/BARRA Mid-Cap 400 Growth Index

Mid-Cap Value

January 1985 – February 1993: Wilshire Mid-Cap Value Index

March 1993 – December 2004: DFA U.S. Small-Cap Value

Small-Cap Growth

January 1985 – July 2000: Wilshire Small-Cap Growth Index

August 2000 – December 2004: StreetTracks Dow Jones U.S. Small-Cap Growth Index

Small-Cap Value

January 1985 – December 2004: DFA U.S. Micro Cap

International Large-Cap

January 1985 – January 1996: MSCI EAFE Index

February 1996 – December 2004: Scudder EAFE Equity Index Institutional

International Small-Cap

Beginning January 2004: DFA International Small Company

Real Estate/REIT

January 1985 – January 1993: Wilshire REIT

February 1993 – December 2004: DFA Real Estate Securities

Intermediate-Term Bond

January 1985 – June 1997: Lehman Brothers Intermediate-Term Government/Credit

July 1997 – December 2004: Scudder U.S. Bond Index Institutional

Inflation-Linked Bond

January 1985 – January 1997: Lehman Brothers Intermediate-Term Government/Credit

February 1997 – December 2004: PIMCO Real Return Bond

Short-Term Bond

January 1985 – December 2004: DFA One-Year Fixed Income

PARTNERS+PROGRAM[®]
from Capital Directions