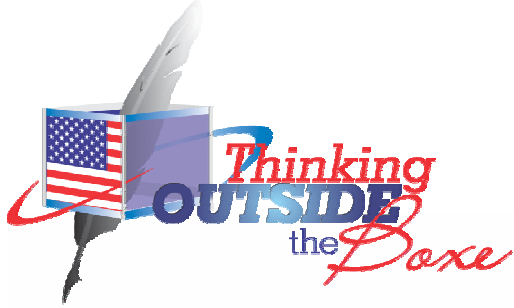


## THE GFA INDICATOR

*SUMMER 2004*

This paper is an updated version of research originally conducted in early 2000 and has been modified to reflect changes since its original conception.



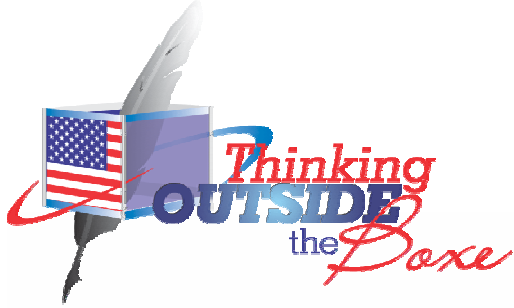
## **Introduction**

Over the last several years, changes in the rapidly expanding U.S. equity markets have rendered traditional measures for "the market" somewhat antiquated. Though averages and indices such as the Dow Jones Industrial Average and the S&P serve a purpose, they are not necessarily an accurate gauge of the nation's economy. In addition, they may not provide a representative framework for the complex external aggregate economic factors which exert significant influence on the economy, the markets, and to a large extent on corporate America. As a result, Global Financial Analysts developed a new indicator which reflects broad economic components, including consumers' purchasing habits, by including a variety of firms from industries which are more representative of the entire economy.

## **Arguments Against the DJIA**

As the "irrational exuberance" of investors propelled the markets to new highs almost daily during the late 1990s, many stocks, especially those associated with the technology sector, became significantly overvalued as measured by price to earnings ratios in the hundreds, assuming there were earnings from which a P/E ratio could be derived. Ultimately, this excess was procured by two main factors: the popularity and ease of online trading (this being a mere extension of the Internet frenzy) and, thus, the participation in the markets by "uneducated" investors who failed to grasp the fundamentals of economics and financial markets. As a result, distorted equity valuations and performance of the DJIA during this period made attempts to gauge and track the economy via averages and indices rather irrelevant.

Critics have long argued that the Dow Jones Industrial Average (DJIA) is an exclusive Wall Street Club, reserved for the thirty companies that Dow Jones & *The Wall Street Journal* believe exert the most influence on the nation's economy. The limited number of stocks included in the DJIA, many of which are in closed related industries, and the market capitalization weighted scheme have also been points of contention. Thus, the DJIA is heavily weighted according to the individual stock prices with companies having higher stock prices exerting more pressure on the average than those having lower prices. Ultimately, a number of external factors such as analyst downgrades, management turmoil, and institutional sell offs are unpropitious to the overall average and may not reflect actual economic conditions.

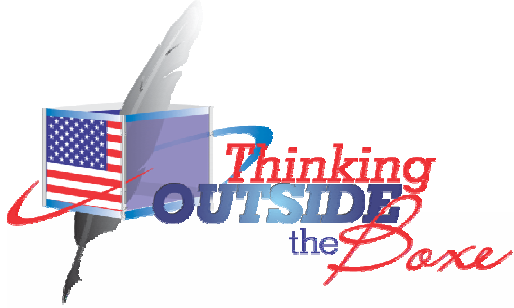


In the case of the DJIA, many sectors of the economy are ignored while others are weighted heavily; indeed, the term "industrial" may be a misnomer given the stocks currently selected for inclusion (See **Exhibit 1**), as compared to the breakdown of the Consumer Price Index by expenditure category, commodity, and service group (See **Exhibit 2**). Since this measure is widely accepted as the leading inflation indicator and its components are drawn from numerous sectors of the economy, the CPI should, in theory, provide the framework for indices that are intended to track the economy. With the DJIA, however, this is not the case as is evident in **Exhibit 3** which reveals the absence of several CPI sectors in the DJIA.

The technology sector is obviously the most heavily weighted in the DJIA with four stocks (Hewlett-Packard, Intel, IBM, & Microsoft) accounting for roughly twelve percent of the average (See **Exhibit 1**). Though this may seem appropriate given the ever-growing importance of technology in the world, the heavy emphasis placed upon it is unjust and proves a disservice to the average for two reasons. First, in such a fiercely competitive sector, falling prices and hyperaccelerated growth would merely distort the actual significance and impact on the economy until prices stabilize and growth settles to a reasonable, sustainable rate. Second, the effects of advances in technology will ultimately have a trickledown effect as cost savings and greater efficiencies improve the performance of companies in other industries. Technology and its affects are, therefore, intrinsic in all sectors outlined in the CPI components in **Exhibit 2**. Technology stocks should be given a much smaller representation in the DJIA.

Food and energy, the two most important components of the CPI given that much of consumers' incomes are spent on these commodities, are the two least weighted sectors in the DJIA. Though select goods within these sectors are subject to volatile prices, the food and energy components should be adequately represented in an index, since the variability in stock prices will be considerably less volatile than price movements in the underlying commodities.

This narrow measure of the economy, based on components included in the DJIA, fails to view the entire picture. Firms in the DJIA may be doing quite well while other sectors exhibit signs of economic weakness, giving investors a false sense of strength of the overall economy. This deception may be to the detriment of the individual investors, especially those "uneducated" ones. Therefore, a new indicator with a much broader array of industries should be chosen in order for the representation of the economy to be complete and accurate.



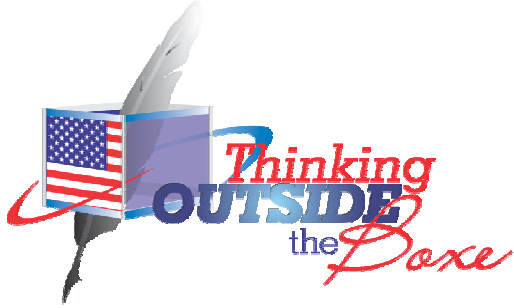
## **The GFA Indicator**

Given the preceding arguments, the criteria for inclusion in the "GFA Indicator" must be stringent, yet logical and unbiased in order for a clear, accurate representation of the economy to be derived from the equity markets. As such, the GFA Indicator may be applicable in various countries where the components may be easily adapted to reflect the selected economy; furthermore, the standards must be rigid enough so that frequent changes remain unnecessary, as this tends to confuse investors and ultimately to undermine the entire credibility of the indicator.

First, the most important aspect (and the one requirement which outweighs all others) is that all companies included in the indicator must have adhered to a stable dividend policy for the last three to five years. The implications of this requirement are far reaching in that only the "pillars of the economy," those companies that are relatively mature and financially stable, may be included in the indicator. A stable dividend policy indicates stability of the firm overall; although historical performance is no guarantee of future performance, the underlying assumption implies that past performance will continue into the future. Subsequently, even if a firm experiences a contraction and, thus, a dividend reduction, the stock price, acting as a self-correcting mechanism, will adjust to appropriately reflect the stream of the firm's future cash flows that are, in effect, an extension of consumers' purchasing power and habits. Furthermore, stable dividend policy reinforces Myron Gordon and John Lintner's bird-in-the-hand theory, which concludes that investors prefer cash dividends in their hands (which is less risky) to promises of capital appreciation (the more risky growth factor) that may or may not materialize in the future. In addition, only the bird-in-the-hand theory recognizes the time value of money. Capital appreciation in the long run may be eroded by inflation and, thus, should be attributed to young, unproven firms whose inclusion in the indicator now is inappropriate but which may be added in the future.

Second, all stocks which are selected must represent categories of the CPI, as this will yield the only true representation of the economy by tracking those industries deemed most critical to affecting prices and purchasing power of the consumers. If the firm does not fall into the categories or subcategories listed in **Exhibit 2**, that firm must be rejected; furthermore, the growing





diversification of firms allows for some leeway in this decision<sup>1</sup>. Even though the calculation of the GFA Indicator will correct for any such statistical anomalies due to firm diversification, careful attention must be given when selecting the stocks so that a serious disruption that challenges the integrity of the indicator may be avoided.

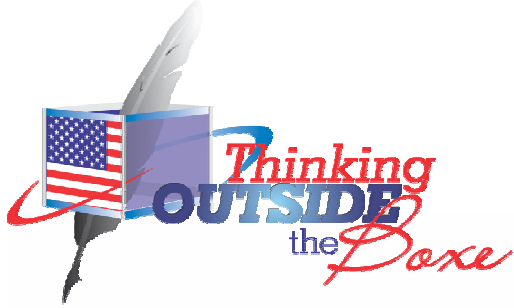
Finally, all firms included in the index, as previously noted, would ideally represent the economy of the country; therefore, their foreign exposure should be minimal, as this will allow only firms with limited risk attributed to economic factors abroad to be included. A firm with zero foreign exposure would represent a pure play firm of the economy whereas a firm with fifty percent foreign exposure would indicate more global ambitions and, thus, cease to be an indicator of the economy as the variability of earnings and dividends may fluctuate dramatically. In addition, including a Chinese energy company (listed in New York) would represent total foreign activity and would not be indicative of domestic economic activity.

Firms that had great exposure overseas experienced significant earnings shortfalls as a result of the "Asian contagion" of 1997 and the collapse of the Russian rouble the following year, whereas those with only limited exposure suffered much less. The threshold for exactly where a pure play becomes a "global player" remains ambiguous, particularly given the growing globalization of firms. Thus, the parameters for such foreign exposure are entirely subjective. However, in developing the indicator, GFA was diligent in selecting companies for inclusion in the indicator.

As previously discussed, a widely accepted criticism of the DJIA is that its thirty stocks are not enough to gauge the remaining broader market and the entire economy. Indeed, thirty stocks are much too small to track the economy with any accuracy. The issue, then, is to find the optimal number of stocks to comprise the indicator without becoming too narrow or too broad which may skew the economic information being sought. Based on the categories and the subcategories that comprise the CPI, (See **Exhibit 2**), GFA selected seventy-three stocks, included in **Exhibit 4**, to comprise the indicator. GFA believes this is a reasonable number of stocks to

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<sup>1</sup> One caveat, however, is that a firm with significant diversification could inadvertently skew the balance of the indicator. For example, a diversified Firm A may have five divisions (each representing twenty percent of the firm's total revenues), whereas diversified Firm B may have two divisions (each representing fifty percent); in such a situation, Firm B would be the closer approximation to the pure play rather than Firm A.



include in the indicator in order to achieve a representation of the broader economy.

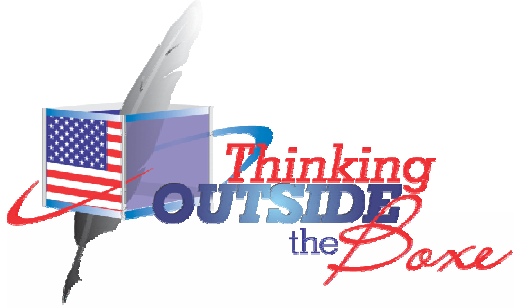
Having selected the stocks listed in **Exhibit 4**, the calculation of the GFA Indicator may proceed. Unlike the DJIA, the GFA Indicator is calculated based on the yields of the stocks selected for inclusion in order to provide a percentage rate of return on the market as well as based on the closing prices of the individual stocks. Once the yield of a stock is calculated and the closing price established, these figures are then multiplied by the pro rata portion of the relative importance weighting of the category or subcategory in which it falls. For example, there are fifteen stocks that fall into the *Food at Home* subcategory of the food category. The weighting of the Food at Home subcategory is 8.256%. Therefore, each stock has a relative importance of 0.550% ( $8.256\%/15$ ). Details are provided in **Exhibit 5**. Once the individual yields and relative importance weightings are calculated, the products are summed to produce the percentage rate of return on the market and the Indicator value based on the closing price of the stocks. **Exhibit 6** calculates in detail the GFA Indicator based on the yield on the stocks with weekly data from January 2002 through December 2004. (Starting in January 2005, however, the GFA Indicator will be calculated on a daily basis.) This GFA Indicator represents the pre-tax rate of return (in dividends) an investor would expect to yield per dollar invested in the basket of stocks comprising the index<sup>2</sup>.

Having calculated the GFA Indicator, the resulting yield has implications for the financial community, particularly with respect to portfolio management. First and foremost, this index's rate of return provides a real rate of return on the market—the actual rate that an investor would realize from dividend payments as opposed to unrealized capital gains<sup>3</sup>. This is significantly different from the DJIA, which measures its performance in terms of share price changes each day. The yearly changes in the DJIA (for example, a -17% change in 2002, +25% in 2003, and +3% in 2004) are likely not representative of the sustainable performance of the markets or the economy in the long-run and are, therefore, not reflective of the return that an

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<sup>2</sup> The GFA Yield Indicator may be adjusted to produce an after tax yield or the actual return on invested wealth for individual investors; this is done by multiplying by one minus the personal tax rate, which varies from investor to investor, of course.

<sup>3</sup> Given a lengthy holding period of a well diversified portfolio under a buy and hold strategy (passive portfolio management), an investor does not realize gains or losses on a yearly basis. Therefore, the investor may or may not realize any capital gains at the end of the holding period.

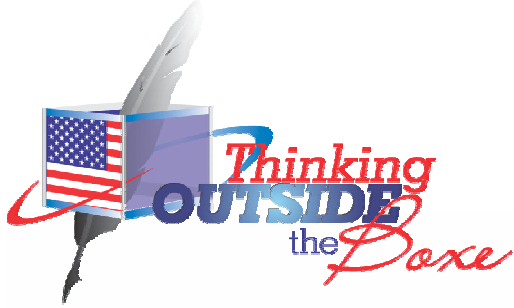


investor would achieve over a holding period of ten, twenty, or even thirty years.

The GFA Indicator may also be useful when comparing the rate of return on the market to the yield on corporate bonds and Treasuries. Just as there is an inverse relationship between bond prices and interest rates, there is an inverse relationship between equity prices and the rate of return on the market based on the GFA Indicator. During a period of rising equity prices, *ceteris paribus*, the GFA Indicator will naturally decline, whereas during falling equity prices, the GFA Indicator will increase. Fears of inflation result in lower bond prices but higher yields, hence as interest rates and inflation rise the GFA Indicator will decline, since stocks become more risky resulting in a flight to quality as vice versa. The GFA Indicator is useful in comparing the rate of return on the market to the return on risk-free Treasuries; the difference between the two may be attributed to the differential risk factors as perceived by investors. Whereas Treasuries are risk free (given that the United States has never defaulted on its debt), investments in equities naturally carry a higher degree of risk and, thus, generally require a higher rate of return to compensate for the higher risk level. For November 2004, two-year Treasuries were yielding roughly 2.85% with ten-year Treasuries yielding 4.19%. As of November 2004, the GFA Indicator was roughly 1.90%. A portfolio modeled after the components of the GFA Indicator would have a beta of roughly 0.68, less than the beta of 1.0 for the market as a whole. Though a GFA Indicator portfolio is less risky than the market as measured by beta, such a portfolio is not entirely risk free<sup>4</sup>. It is unusual, therefore, that the actual, realized yield of a portfolio based on the GFA Indicator carries a much lower yield than that of risk-free Treasuries. It can only be surmised that the lower yield on the GFA Indicator portfolio would be augmented by capital gains of a level that would result in a total return equal to or greater than that of Treasuries at the end of the same holding period. It may take years of further research into this issue before any further conclusions could be drawn. Global Financial Analysts will continue to track and study the results the GFA Indicator and its implications for the markets and investors.

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<sup>4</sup> It is unlikely, however, that an investment in a portfolio modeled after the GFA Indicator components would decline to a value of zero in the absence of any significant shocks to the market and the economy. Only market decline such as the Crash of 1929 would potentially precipitate a total loss in value.



## **Conclusion**

The GFA Indicator, though simple with respect to other financial theories and calculations, provides a unique perspective on the markets and financial analysis. In infancy, all theories and formulas are imperfect, but the friends of this view do not contend that this approach is infallible. Rather, it is open for discussion and modification which time may prove necessary. As the world enters the twenty-first century, the GFA Indicator provides a viable alternative for the DJIA, which should remain in high regard for its endurance, perseverance, and contributions over the past century. In this expanding world of technology and high finance, the need arose for an accurate measure of the economy as represented by the equity markets and, thus, prompted the development of the GFA Indicator. In time, the GFA Indicator may provide valuable information to decision makers and investors and could take a place among the widely respected averages and indices of the world.





## EXHIBIT 1 DOW JONES INDUSTRIAL AVERAGE COMPONENTS

COMPANY	SYMBOL	WEIGHTING % As of December 2004
3M Co.	MMM	5.5298%
Alcoa Inc.	AA	2.2471%
Altria Group Inc.	MO	4.1209%
American Express Co.	AXP	3.8723%
American International Group Inc.	AIG	4.5984%
Boeing Co.	BA	3.6958%
Caterpillar Inc.	CAT	6.4051%
Citigroup Inc.	C	3.2519%
Coca-Cola Co.	KO	2.8577%
E.I. DuPont de Nemours & Co.	DD	3.2120%
Exxon Mobil Corp.	XOM	3.5236%
General Electric Co.	GE	2.5222%
General Motors Corp.	GM	2.6854%
Hewlett-Packard Co.	HPQ	1.4614%
Home Depot Inc.	HD	3.0033%
Honeywell International Inc.	HON	2.4207%
Intel Corp.	INTC	1.5937%
International Business Machines Corp.	IBM	6.8280%
Johnson & Johnson	JNJ	4.2931%
JPMorgan Chase & Co.	JPM	2.6392%
McDonald's Corp.	MCD	2.2253%
Merck & Co. Inc.	MRK	2.0118%
Microsoft Corp.	MSFT	1.9067%
Pfizer Inc.	PFE	1.9165%
Procter & Gamble Co.	PG	3.9479%
SBC Communications Inc.	SBC	1.7520%
United Technologies Corp.	UTX	6.9638%
Verizon Communications Inc.	VZ	2.8850%
Wal-Mart Stores Inc.	WMT	3.6951%
Walt Disney Co.	DIS	1.9341%
	<i>Total</i>	<i>100.00%</i>

Source: Dow Jones



## EXHIBIT 2 CONSUMER PRICE INDEX

### EXPENDITURE CATEGORY

#### Food and beverages

##### *Food*

##### Food at home

Cereals and bakery products  
Meats, poultry, fish, and eggs  
Dairy products  
Fruits and vegetables  
Nonalcoholic beverages  
Other food at home

Sugar and sweets

Fats and oils

Other foods

Other miscellaneous foods

##### Food away from home

Other food away from home

##### *Alcoholic beverages*

#### Housing

##### *Shelter*

Rent of primary residence

Lodging away from home

Owners' equivalent rent of residence

Tenants' /household insurance

##### *Fuels and utilities*

##### Fuels

Fuel oil and other fuels

Gas (piped) and electricity

Water, sewer, and trash collection

##### *Household furnishings and operations*

Household operations

#### Apparel

Men's and boys'

Women's and girls'

Infants' and toddlers'

Footwear

#### Transportation

##### *Private Transportation*

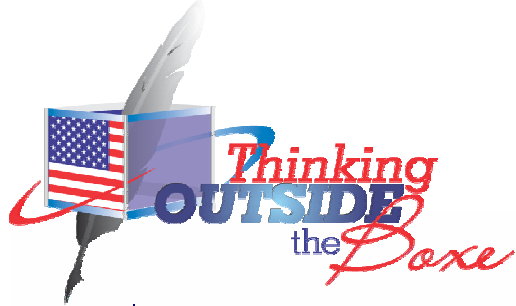
New and used motor vehicles

New Vehicles

Used cars and trucks

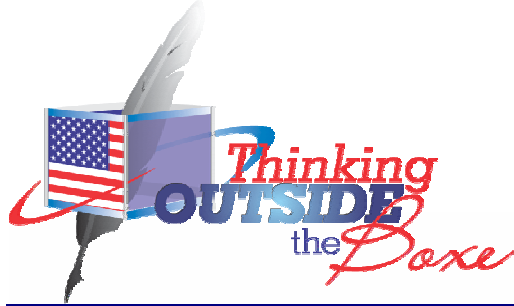
Motor Fuel

Gasoline



	Motor vehicle parts
	Motor vehicle maintenance
<i>Public transportation</i>	
<b>Medical care</b>	
	Medical care commodities
	Medical care services
	Professional services
	Hospital related services
<b>Recreation</b>	
	Video and Audio
<b>Education and communication</b>	
<i>Education</i>	
	Educational books and supplies
	Tuition, other fees, and childcare
<i>Communication</i>	
	Information and information processing
	Telephone services
	Other
	Personal computers/peripheral equipment
<b>Other goods and services</b>	
<i>Tobacco and smoking products</i>	
<i>Personal care</i>	
	Personal care products
	Personal care services
	Miscellaneous personal services

Source: Bureau of Labour Statistics



### EXHIBIT 3 COMPARISON OF DJIA COMPONENTS TO CPI COMPONENTS

#### EXPENDITURE CATEGORY

#### DOW COMPONENTS

Food and beverages

Food

Food at home

Cereals and bakery products

Meats, poultry, fish, and eggs

Dairy

products

Fruits and vegetables

Nonalcoholic beverages

**COCA-COLA**

Other food at home

Sugar and sweets

Fats and oils

Other foods

Other miscellaneous foods

Food away from home

**MCDONALDS**

Other food away from home

Alcoholic beverages

Housing

Shelter

Rent of primary residence

Lodging away from

home

Owners' equivalent rent of residence

Tenants'/household insurance

Fuels and

utilities

Fuels

Fuel oil and other fuels

Gas (piped) and electricity

Water, sewer, and trash collection

Household furnishings and

operations

**GENERAL  
 ELECTRIC  
 HOME DEPOT**

Household operations

Apparel

**WAL-MART**

Men's and boys'

Women's and girls'

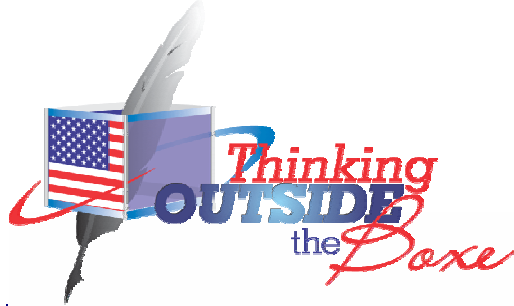
Infants' and toddlers'

Footwear

**GENERAL  
 MOTORS**

Transportation





Private Transportation  
New and used motor vehicles  
New Vehicles  
Used cars and trucks  
Motor Fuel  
Gasoline  
Motor vehicle parts  
Motor vehicle maintenance  
Public transportation

**EXXON MOBIL**

Medical care  
Medical care  
commodities

**PFIZER**

**MERCK  
JOHNSON &  
JOHNSON**

Medical care services  
Professional services  
Hospital related  
services

**WALT DISNEY**

Recreation  
Video and  
Audio

Education and communication  
Education  
Educational books and supplies  
Tuition, other fees, and  
childcare  
Communication  
Information and information processing  
Telephone services  
Other  
Personal computers/peripheral  
equipment

**VERIZON**

**SBC COMMUNICATIONS**

**HEWLETT-PACKARD  
IBM**

**INTEL MICROSOFT**

Other goods and services  
Tobacco and smoking products  
Personal care

**ALTRIA**

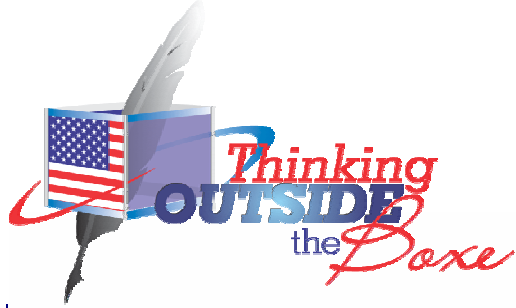
**PROCTOR &  
GAMBLE**

Personal care products  
Personal care services  
Miscellaneous personal services

**3M**

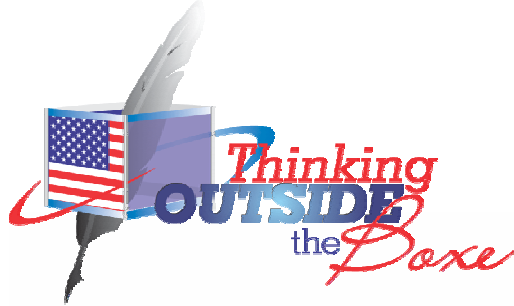
**UNCATEGORIZED DOW COMPONENTS**

ALCOA  
AMERICAN EXPRESS  
AMERICAN INTERNATIONAL  
GROUP  
BOEING  
CATERPILLAR

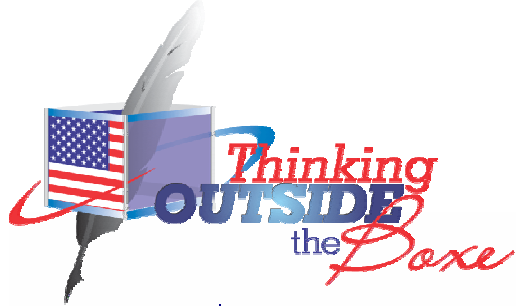


CITIGROUP  
DUPONT  
HONEYWELL  
J.P. MORGAN CHASE &  
CO.  
UNITED TECHNOLOGIES



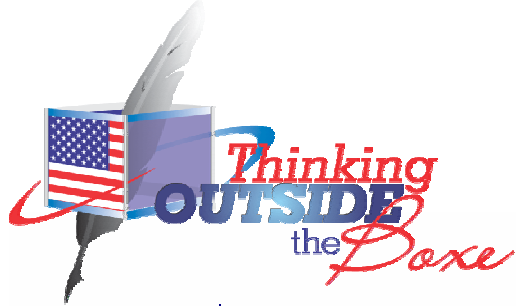


<b>EXHIBIT 4</b>		
<b>THE GFA INDICATOR COMPONENTS</b>		
<b>COMPONENT</b>	<b>SYMBOL</b>	<b>DIVIDEND</b>
		<b>(DECEMBER 2004)</b>
<b>ALBERTSON'S</b>	ABS	\$0.76
<b>SYSCO<sup>1</sup></b>	SYC	\$0.52
<b>WAL-MART</b>	WMT	\$0.52
<b>GENERAL MILLS</b>	GIS	\$1.24
<b>KELLOG</b>	K	\$0.94
<b>FLOWERS IND</b>	FLO	\$0.50
<b>TYSON FOODS</b>	TSN	\$0.16
<b>SEABOARD CORP</b>	SEB	\$3.00
<b>KRAFT</b>	KFT	\$0.82
<b>PEPSI CO</b>	PEP	\$0.92
<b>HERSHEY</b>	HSY	\$0.88
<b>HORMEL FOODS</b>	HRL	\$0.45
<b>CAMPBELLS SOUP</b>	CPB	\$0.68
<b>MCCORMICK</b>	MKC	\$0.56
<b>HEINZ</b>	HNZ	\$1.14
<b>MCDONALDS</b>	MCD	\$2.20
<b>WENDYS</b>	WEN	\$0.48
<b>OUTBACK</b>		
<b>STEAKHOUSE</b>	OSI	\$0.52
<b>DARDEN</b>		
<b>RESTAURANTS</b>	DRI	\$0.08
<b>ADOLPH COORS</b>	RKY	\$0.82
<b>ANHEUSER BUSCH</b>	BUD	\$0.98
<b>CENTEX</b>	CTX	\$0.16
<b>PULTE HOMES</b>	PHM	\$0.20
<b>STARWOOD</b>	HOT	\$0.84
<b>HILTON HOTELS</b>	HLT	\$0.08
<b>FANNIE MAE</b>	FNM	\$2.08
<b>FREDDIE MAC</b>	FRE	\$1.20
<b>US BANCORP</b>	USB	\$0.96
<b>WELLS FARGO</b>	WFC	\$1.92
<b>ALL STATE</b>	ALL	\$1.12
<b>SOUTHERN CO</b>	SO	\$1.43
<b>FPL GROUP</b>	FPL	\$2.72

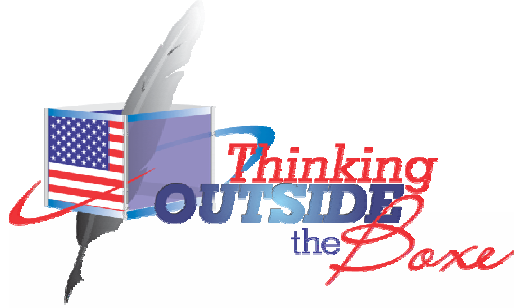


<b>DUKE ENERGY</b>	DUK	\$1.10
<b>BLACK HILLS</b>	BKH	\$1.24
<b>WASTE MANAGEMENT</b>	WMI	\$0.75
<b>COOPER INDUSTRIES</b>	CBE	\$1.40
<b>BLACK &amp; DECKER</b>	BDK	\$0.84
<b>MAYTAG</b>	MYG	\$0.72
<b>WHIRLPOOL</b>	WHR	\$1.72
<b>LA-Z BOY</b>	LZB	\$0.44
<b>LOWES</b>	LOW	\$0.16
<b>HOME DEPOT</b>	HD	\$0.34
<b>TARGET</b>	TGT	\$0.32
<b>JC PENNEY</b>	JCP	\$0.50
<b>THE LIMITED</b>	LTD	\$0.48
<b>NIKE</b>	NKE	\$1.00
<b>FORD</b>	F	\$0.40
<b>GENERAL MOTORS</b>	GM	\$2.00
<b>CONOCO PHILLIPS</b>	COP	\$2.00
<b>CHEVRON</b>	CVX	\$1.60
<b>EXXON MOBIL</b>	XOM	\$1.08
<b>UNOCAL</b>	UCL	\$0.80
<b>ARVIN MERITOR</b>	ARM	\$0.40
<b>ROCKWELL</b>	ROK	\$0.66
<b>WALGREEN</b>	WAG	\$0.21
<b>HCA INC.</b>	HCA	\$0.52
<b>AFLAC</b>	AFL	\$0.38
<b>CARNIVAL CORP</b>	CCL	\$0.60
<b>WALT DISNEY</b>	DIS	\$0.24
<b>HASBRO</b>	HAS	\$0.24
<b>MCGRAW HILL</b>	MHP	\$1.20
<b>AT&amp;T</b>	T	\$0.95
<b>VERIZON</b>	VZ	\$1.54
<b>BELL SOUTH</b>	BLS	\$1.08
<b>SPRINT</b>	FON	\$0.50
<b>ALLTEL</b>	AT	\$1.52
<b>IBM</b>	IBM	\$0.72
<b>ALTRIA</b>	MO	\$2.92
<b>REYNOLDS AMERICAN</b>	RAI	\$3.80
<b>GILLETTE</b>	G	\$0.65
<b>CLOROX</b>	CLX	\$1.08





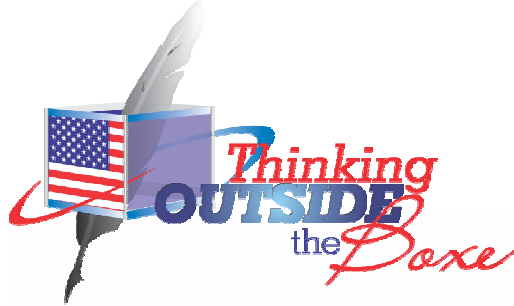
<b>FORTUNE BRANDS</b>	FO	\$1.32
<b>PROCTOR &amp; GAMBLE</b>	PG	\$1.00
<b>Total</b>	<b>73</b>	
<sup>1</sup> Replaced Winn Dixie as of January 2004 when Winn Dixie discontinued dividend.		



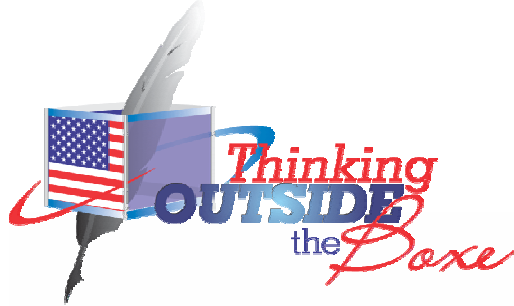
## EXHIBIT 5

### THE GFA INDICATOR WEIGHTINGS

EXPENDITURE CATEGORY	COMPONENT	RELATIVE IMPORTANCE		RELATIVE IMPORTANCE		RELATIVE IMPORTANCE	
		2004		2003		2002	
<b>Food and beverages</b>		15.384%		15.583%		15.719%	
<i>Food</i>							
Food at home	ALBERTSON'S	8.256%	0.550%	8.338%	0.556%	8.468%	0.565%
	WINN DIXIE		0.550%		0.556%		0.565%
	WAL-MART		0.550%		0.556%		0.565%
	GENERAL MILLS		0.550%		0.556%		0.565%
	KELLOG		0.550%		0.556%		0.565%
	FLOWERS IND		0.550%		0.556%		0.565%
	TYSON FOODS		0.550%		0.556%		0.565%
	SEABOARD CORP		0.550%		0.556%		0.565%
	KRAFT		0.550%		0.556%		0.565%
	PEPSI CO		0.550%		0.556%		0.565%
	HERSHEY		0.550%		0.556%		0.565%
	HORMEL		0.550%		0.556%		0.565%
	FOODS		0.550%		0.556%		0.565%
	CAMPBELLS		0.550%		0.556%		0.565%
	SOUP		0.550%		0.556%		0.565%
	MCCORMICK		0.550%		0.556%		0.565%
	HEINZ		0.550%		0.556%		0.565%
Food away from home	MCDONALDS	6.127%	1.532%	6.216%	1.554%	6.220%	1.555%
	WENDYS		1.532%		1.554%		1.555%
	OUTBACK		1.532%		1.554%		1.555%
	STEAKHOUSE		1.532%		1.554%		1.555%
	DARDEN		1.532%		1.554%		1.555%
	RESTAURANTS		1.532%		1.554%		1.555%
<i>Alcoholic beverages</i>	ADOLPH COORS	1.001%	0.501%	1.029%	0.515%	1.031%	0.516%
	ANHEUSER BUSCH		0.501%		0.515%		0.516%

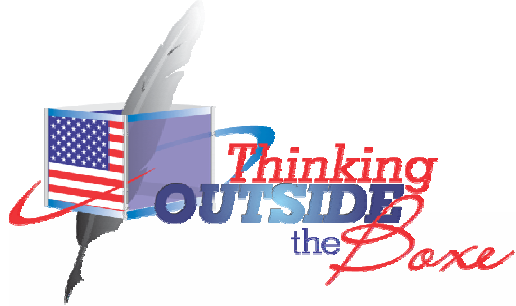


<b>Housing</b>		42.089%		40.855%		40.873%	
<i>Shelter</i>	CENTEX	32.878%	3.653%	31.728%	3.525%	31.522%	3.502%
	PULTE		3.653%		3.525%		3.502%
	STARWOOD		3.653%		3.525%		3.502%
	HILTON HOTELS		3.653%		3.525%		3.502%
	FANNIE MAE		3.653%		3.525%		3.502%
	FREDDIE MAC		3.653%		3.525%		3.502%
	US BANCORP		3.653%		3.525%		3.502%
	WELLS FARGO		3.653%		3.525%		3.502%
	ALL STATE		3.653%		3.525%		3.502%
<i>Fuels and utilities</i>	SOUTHERN CO	4.741%	0.948%	4.469%	0.894%	4.511%	0.902%
	FPL GROUP		0.948%		0.894%		0.902%
	DUKE ENERGY		0.948%		0.894%		0.902%
	BLACK HILLS WASTE MANAGEMENT		0.948%		0.894%		0.902%
<i>Household furnishings &amp; operations</i>	COOPER INDUSTRIES	4.470%	0.639%	4.658%	0.665%	4.840%	0.691%
	BLACK & DECKER		0.639%		0.665%		0.691%
	MAYTAG		0.639%		0.665%		0.691%
	WHIRLPOOL		0.639%		0.665%		0.691%
	LA-Z BOY		0.639%		0.665%		0.691%
	LOWES		0.639%		0.665%		0.691%
	HOME DEPOT		0.639%		0.665%		0.691%
<b>Apparel</b>		3.975%		4.220%		4.399%	
Men's and boys'	TARGET		0.994%		1.055%		1.100%
Women's and girls'	JC PENNEY		0.994%		1.055%		1.100%
Footwear	LIMITED		0.994%		1.055%		1.100%
	NIKE		0.994%		1.055%		1.100%
<b>Transportation</b>							
<i>Private Transportation</i>		16.881%		17.293%		17.055%	
New and used	FORD		2.110%		2.162%		2.132%

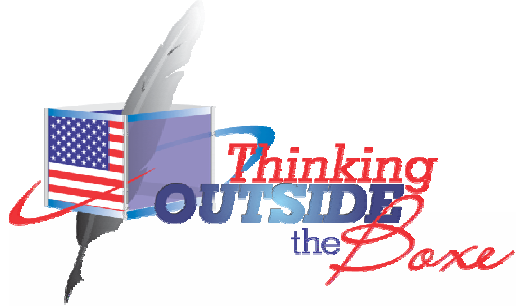


motor vehicles	GENERAL MOTORS	2.110%	2.162%	2.132%
Motor Fuel	CONOCO	2.110%	2.162%	2.132%
	PHILLIPS	2.110%	2.162%	2.132%
	CHEVRON	2.110%	2.162%	2.132%
	TEXACO	2.110%	2.162%	2.132%
	EXXON MOBIL	2.110%	2.162%	2.132%
	UNOCAL	2.110%	2.162%	2.132%
	ARVIN	2.110%	2.162%	2.132%
	MERITOR	2.110%	2.162%	2.132%
	ROCKWELL	2.110%	2.162%	2.132%
<b>Medical care</b>		6.074%	5.961%	5.810%
Medical care commodities	WALGREEN	2.025%	1.987%	1.937%
Medical care services	HCA	2.025%	1.987%	1.937%
	AFLAC	2.025%	1.987%	1.937%
<b>Recreation</b>		5.872%	5.943%	6.019%
	CARNIVAL CORP	1.957%	1.981%	2.006%
	WALT DISNEY	1.957%	1.981%	2.006%
	HASBRO	1.957%	1.981%	2.006%
<b>Education and communication</b>		5.948%	5.798%	5.813%
Education		2.841%	2.835%	2.726%
	MCGRAW HILL	2.841%	2.835%	2.726%
Communication		3.107%	2.963%	3.087%
	AT&T	0.518%	0.494%	0.515%
	VERIZON	0.518%	0.494%	0.515%
	BELL SOUTH	0.518%	0.494%	0.515%
	SPRINT	0.518%	0.494%	0.515%
	ALLTEL	0.518%	0.494%	0.515%
	IBM	0.518%	0.494%	0.515%
<b>Other goods and services</b>		3.776%	4.350%	4.311%
Tobacco and smoking products		0.806%	0.992%	0.928%



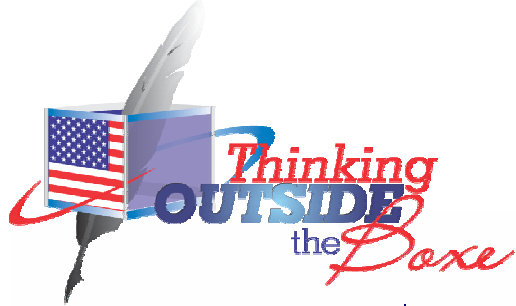


	ALTRIA	0.403%	0.496%	0.464%
	REYNOLDS			
	AMERICAN	0.403%	0.496%	0.464%
Personal care		2.970%	3.358%	3.383%
	GILLETTE	0.743%	0.840%	0.846%
	CLOROX	0.743%	0.840%	0.846%
	FORTUNE			
	BRANDS	0.743%	0.840%	0.846%
	PROCTOR &			
	GAMBLE	0.743%	0.840%	0.846%

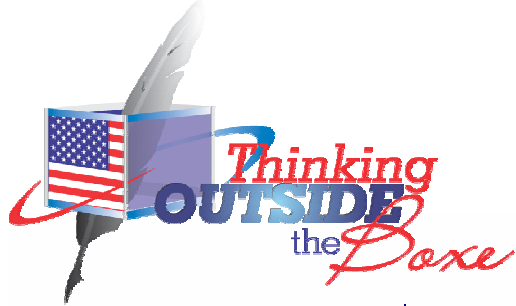


## EXHIBIT 6 THE GFA INDICATOR

DATE	YIELD
27-Dec-04	1.86%
20-Dec-04	1.87%
13-Dec-04	1.89%
6-Dec-04	1.91%
29-Nov-04	1.90%
22-Nov-04	1.90%
15-Nov-04	1.99%
8-Nov-04	1.95%
1-Nov-04	2.00%
25-Oct-04	2.06%
18-Oct-04	2.11%
11-Oct-04	2.09%
4-Oct-04	2.06%
27-Sep-04	2.05%
20-Sep-04	2.09%
13-Sep-04	2.04%
7-Sep-04	1.99%
30-Aug-04	1.99%
23-Aug-04	2.01%
16-Aug-04	2.03%
9-Aug-04	2.08%
2-Aug-04	2.07%
26-Jul-04	2.01%
19-Jul-04	2.06%
12-Jul-04	2.02%
6-Jul-04	2.03%
28-Jun-04	2.02%
21-Jun-04	2.01%
14-Jun-04	2.00%
7-Jun-04	2.00%
1-Jun-04	2.03%
24-May-04	2.03%
17-May-04	2.07%

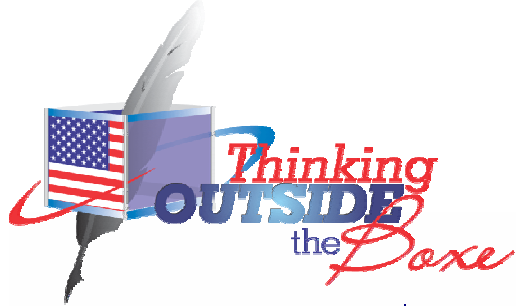


10-May-04	2.06%
3-May-04	2.05%
26-Apr-04	1.98%
19-Apr-04	1.94%
12-Apr-04	1.95%
5-Apr-04	1.94%
29-Mar-04	1.94%
22-Mar-04	1.98%
15-Mar-04	1.96%
8-Mar-04	1.94%
1-Mar-04	1.90%
23-Feb-04	1.90%
17-Feb-04	1.90%
9-Feb-04	1.89%
2-Feb-04	1.91%
26-Jan-04	1.91%
20-Jan-04	1.88%
12-Jan-04	1.89%
5-Jan-04	1.91%
29-Dec-03	1.90%
22-Dec-03	1.83%
15-Dec-03	1.84%
8-Dec-03	1.87%
1-Dec-03	1.90%
24-Nov-03	1.92%
17-Nov-03	1.96%
10-Nov-03	1.93%
3-Nov-03	1.94%
27-Oct-03	1.94%
20-Oct-03	1.97%
13-Oct-03	1.96%
6-Oct-03	1.97%
29-Sep-03	2.00%
22-Sep-03	2.05%
15-Sep-03	2.00%
8-Sep-03	2.03%
2-Sep-03	2.02%
25-Aug-03	2.05%
18-Aug-03	2.10%

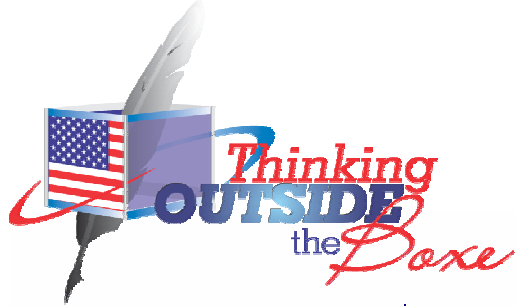


11-Aug-03	2.09%
4-Aug-03	2.06%
28-Jul-03	2.04%
21-Jul-03	2.00%
14-Jul-03	2.01%
7-Jul-03	2.00%
30-Jun-03	2.00%
23-Jun-03	2.00%
16-Jun-03	1.96%
9-Jun-03	1.98%
2-Jun-03	1.96%
27-May-03	2.01%
19-May-03	2.09%
12-May-03	2.09%
5-May-03	2.11%
28-Apr-03	2.11%
21-Apr-03	2.17%
14-Apr-03	2.17%
7-Apr-03	2.24%
31-Mar-03	2.23%
24-Mar-03	2.26%
17-Mar-03	2.18%
10-Mar-03	2.34%
3-Mar-03	2.31%
24-Feb-03	2.24%
18-Feb-03	2.22%
10-Feb-03	2.23%
3-Feb-03	2.21%
27-Jan-03	2.13%
21-Jan-03	2.12%
13-Jan-03	2.01%
6-Jan-03	1.98%
30-Dec-02	2.01%
23-Dec-02	2.15%
16-Dec-02	2.10%
9-Dec-02	2.12%
2-Dec-02	2.11%
25-Nov-02	2.07%
18-Nov-02	2.08%





11-Nov-02	2.11%
4-Nov-02	2.15%
28-Oct-02	2.11%
21-Oct-02	2.09%
14-Oct-02	2.13%
7-Oct-02	2.23%
30-Sep-02	2.27%
23-Sep-02	2.17%
16-Sep-02	2.12%
9-Sep-02	2.02%
3-Sep-02	1.98%
26-Aug-02	1.94%
19-Aug-02	1.91%
12-Aug-02	1.94%
5-Aug-02	1.97%
29-Jul-02	2.05%
22-Jul-02	2.09%
15-Jul-02	2.11%
8-Jul-02	1.93%
1-Jul-02	1.79%
24-Jun-02	1.78%
17-Jun-02	1.76%
10-Jun-02	1.77%
3-Jun-02	1.73%
28-May-02	1.67%
20-May-02	1.66%
13-May-02	1.64%
6-May-02	1.67%
29-Apr-02	1.64%
22-Apr-02	1.66%
15-Apr-02	1.64%
8-Apr-02	1.67%
1-Apr-02	1.68%
25-Mar-02	1.67%
18-Mar-02	1.67%
11-Mar-02	1.66%
4-Mar-02	1.68%
25-Feb-02	1.72%
19-Feb-02	1.78%



11-Feb-02	1.79%
4-Feb-02	1.82%
28-Jan-02	1.78%
22-Jan-02	1.82%
14-Jan-02	1.85%
7-Jan-02	1.77%

Dividend data & Share Prices from Yahoo