BEACON STREET CAPITAL, LLC

INVESTMENT MANAGEMENT

Separately Managed Accounts

April 1, 2006

Highlights

- *The S&P500/Select returned +5.50% for the quarter, net of fees, beating its benchmark by 129 basis points.*
- *Beacon Street Capital, LLC, ended the quarter with $21.5 million in assets under management. This represents an increase of $1.3 million in the quarter from an additional client and asset appreciation.*

First Quarter 2006 Newsletter

Our S&P500/*Select* portfolio composite out performed its benchmark by 129 basis points in the first quarter, with a return of +5.50% compared to a gain of +4.21% (dividends included) for the Standard & Poor's 500-Stock Index (S&P 500). For the past year the S&P500/*Select* composite returned +12.14% leading its benchmark by 41 basis points. Since its July 1, 1997 inception[1] the S&P500/*Select* has returned a cumulative 228%, which has outperformed the S&P 500 (+67%) by a cumulative margin of 161 percentage points.

Our DowJones/*Select* portfolio composite returned +1.76%, net of fees, in the first quarter compared to +3.66% for its benchmark, the Dow Jones Industrial Average (DJIA). More significantly, however, since its July 1, 1997 inception[1] the DowJones/*Select* has returned a cumulative +219%, outperforming the DJIA (+45%) by a cumulative margin of 174 percentage points.

Both the DowJones/*Select* and S&P500/*Select* composite performance are rated 5-Stars (five-year performance) by *Morningstar* among its separately managed account advisor database. The DowJones/*Select* strategy has been consistently ranked in the top 3 by *Money Manager Review* in terms of its risk adjusted performance (i.e., strong returns with low volatility).

Best Regards,

BEACON STREET CAPITAL, LLC

BEACON STREET CAPITAL, LLC

3350 Riverwood Pkwy
Suite 1900
Atlanta, GA 30339

Tel: 770-984-5433
www.beaconstreetcapital.com

[1]All results are un-audited and net of fees. Composite returns began November 2001 for the S&P500/*Select* and March 2002 for the DowJones/*Select*, are asset weighted and net of fees. Returns prior to November 2001 and March 2002 are total returns for model portfolios managed by Beacon Street Research, Inc., an affiliated company, on a real-time basis using the same methodology and manager, with stocks selected from those comprising the Standard & Poor's 500-Stock Index and Dow Jones Industrial Average. **Past performance is no indication or guarantee of future performance.**

First Quarter 2006 Newsletter

Market Review

The stock market leaped out of the gates in the early stages of the first quarter after a benign fourth quarter 2005. The major U.S. stock indices advanced in each month to finish with some of the best quarterly gains of the past several years; however, the indices are still significantly below their record closing levels achieved in 2000. The DJIA and the S&P 500-Stock Index remain approximately 5% and 15%, respectively, below their record levels, but the NASDAQ Composite Index must double to reach its record high achieved in March 2000. Nevertheless, each positive quarter represents a victory for those investors who suffered so much in the bear market of 2000-2003.

These market gains were achieved despite the FOMC having raised short-term interest rates twice in the first quarter, once at the last meeting presided over by Alan Greenspan and again in March at the first meeting headed by Ben Bernanke. Although there have been some vague signals from the Fed that rates were nearing a "neutral" level it has become clear that decisions on rates going forward will continue to be based on inflation indicators such as price data and employment levels, as well as data indicating the strength of the economy. Many had hoped that Dr. Bernanke would be a stock market booster and would be less opaque in his commentary than Greenspan had been, but in a major speech in March Bernanke was quite confusing. In addition, after his first meeting as Fed chairman he sent signals that he would be as tough an inflation fighter as his two most recent predecessors. The market has taken this to believe a move to 5% in the Fed Funds rate at the next meeting is near certain and that further increases at later meetings are indeed possible.

The growth track for the economy appears to be at a faster pace in the just ended quarter than it was in the fourth quarter of 2005 when GDP grew by 1.7%. Many analysts are estimating GDP growth for the first half of 2006 in the range of 3.5% to 4%, before slowing to a more sustainable level near 3% for the second half of the year. Growth at these levels should be positive for the stock market. In addition, corporate profits as a percent of GDP are at the highest levels in the past 40 years, led by the energy industry. Capital spending for technology also appears to be picking up which should bode well for the economy over the foreseeable future.

The increases in corporate profits from a growing economy have manifested themselves in positive changes in corporate growth potential which serve as leading indicators as to the future direction of the economy. Following on the

Exhibit 1:

DowJones/*Select*

Top Ten Holdings

Caterpillar	9.1%
United Tech.	8.5%
Exxon Mobil	8.3%
Honeywell	8.3%
Home Depot	8.1%
Procter & Gamble	8.0%
American Express	7.9%
Wal-Mart Stores	7.7%
McDonalds	7.6%
IBM	7.4%

Exhibit 2:

S&P500/*Select*

Top Ten Holdings

Aetna	2.6%
Rockwell Auto.	2.6%
Nvidia Corp.	2.5%
Apple Computer	2.4%
Caterpillar	2.4%
Goldman Sachs	2.3%
United Health Grp.	2.2%
Weatherford Intl.	2.2%
Humana	2.1%
Occidental Petrol.	1.9%

Exhibit 3: Sector Weighting

	1Q06	4Q05
Information Tech.	19%	14%
Industrials	17%	17%
Consumer Disc.	16%	19%
Health Care	15%	14%
Consumer Staples	12%	10%
Cash	8%	15%
Energy	7%	4%
Materials	3%	4%
Financial	3%	3%

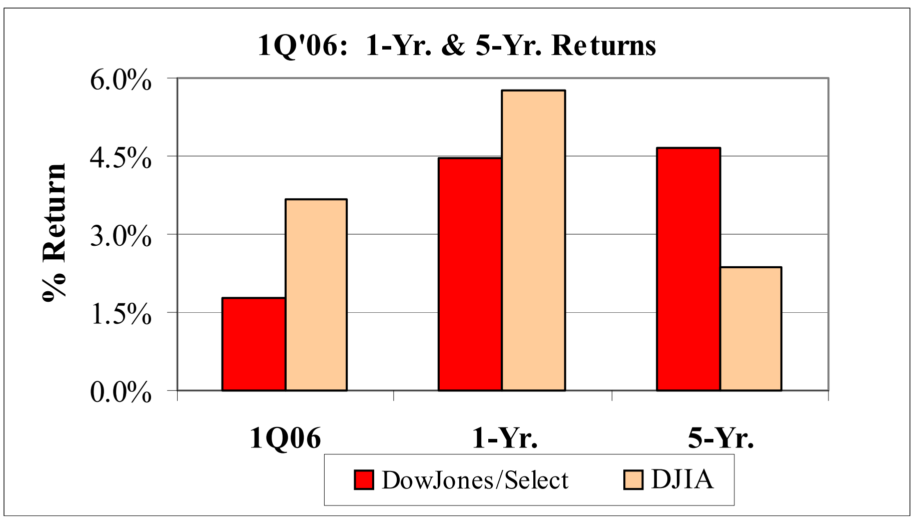
fourth quarter of last year our portfolios moved in the first quarter to the lowest levels of cash and the highest levels of equities we have seen since the market collapsed in 2000. We experienced sector rotation into information technology and energy, and slightly larger allocations to health care and consumer staples; while money flowed out of consumer discretionary and to a lesser extent materials. Our allocation to cash dropped to 8% overall from 15% the previous quarter. Since our process identifies companies with positive growth potential this high level of equities in the portfolios gives us optimism that the economy will continue to improve and that the stock market will continue to seek higher levels in the months ahead.

Herron P. Weems
Managing Director

Performance Summary

DowJones/*Select*: For the first-quarter of 2006 our DowJones/*Select* portfolio composite had a gain of 1.76%, compared to a gain of just 0.14% in the prior quarter, under performing the Dow Jones Industrial Average which improved by 3.66%. However, as the chart in Exhibit 4 shows, over the past five years the Dow Jones/*Select* has returned 4.67% annualized compared to a gain of

Exhibit 4:



2.38% for the DJIA. The recent underperformance is due to one stock, Intel, which declined by 22.5% in the first quarter. In a concentrated portfolio this happens periodically, often with a rebound in the following quarters. The table in Exhibit 5 provides additional comparisons.

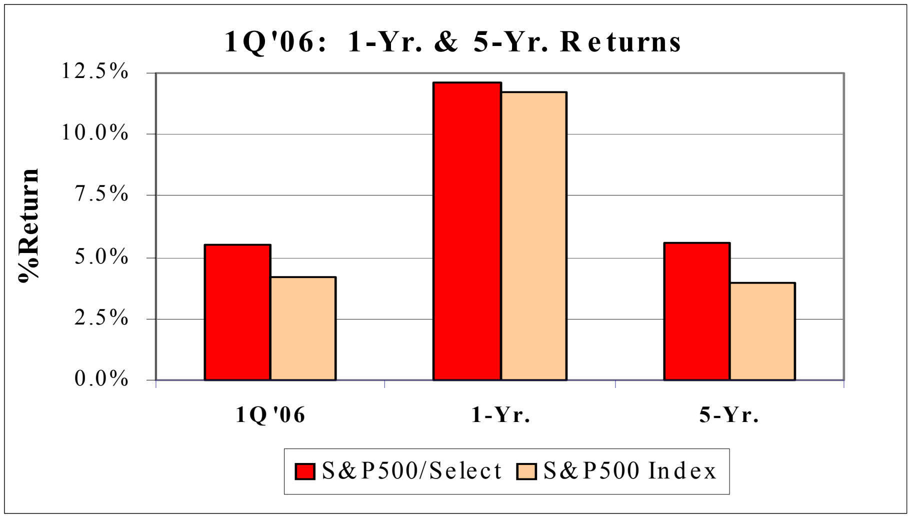
Exhibit 5: DowJones/*Select* Net Return versus Benchmark

	1Q06	1Year	5Yr. Avg.	Inception
DowJones/*Select*	1.76%	4.47%	4.67%	14.16%
Dow Jones Ind. Avg.	3.66%	5.77%	2.38%	4.32%

S&P500/*Select*: Our S&P500/*Select* portfolio composite increased 5.50% in the quarter as the chart in Exhibit 6 shows, outperforming its benchmark by

129 basis points as the S&P500-Stock Index increased 4.21% in the quarter.

Exhibit 6:



From a broader perspective, over the past five year period the S&P500/*Select* has returned 5.6% annualized compared to 3.97% for the S&P500-Stock Index. The following table in Exhibit 7 provides additional comparisons.

Exhibit 7: S&P500/*Select* Net Return versus Benchmark				
	1Q06	**1Year**	**5Yr. Avg.**	**Inception**
S&P500/*Select*	5.50%	12.14%	5.60%	14.55%
S&P 500-Stock Index **w/ dividends**	4.21%	11.73%	3.97%	6.07%

But return is only half of the story. Risk, or volatility, is another factor that is important to consider. As Exhibit 8 shows the volatility for the DowJones/*Select* and the S&P500/*Select* composites over the past five years, as measured by standard deviation (SD) of returns, continues to be just over half that of their respective benchmarks.

Exhibit 8: Risk Reward Characteristics: 2Q'01 – 1Q'06

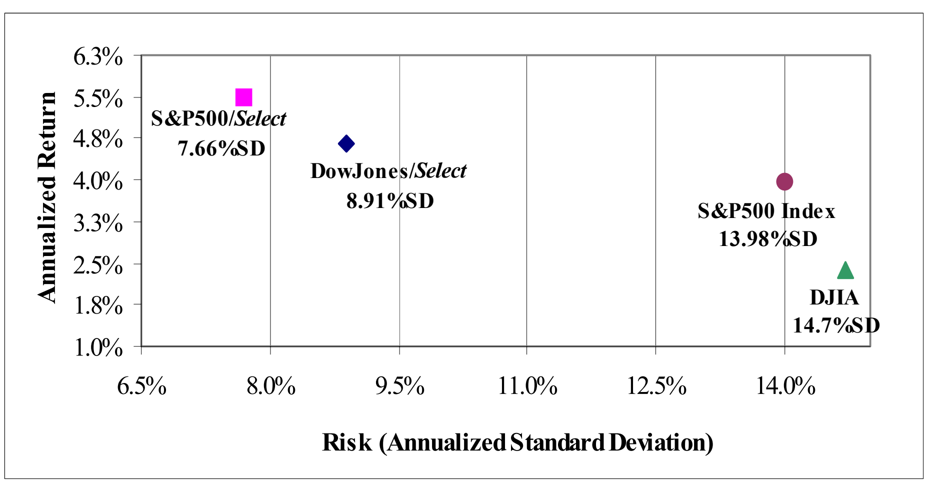


Exhibit 9 compares the risk and reward characteristics of our DowJones/*Select* and S&P500/*Select* composites with both the DJIA and the S&P 500 Index.

Exhibit 9: Risk Statistics	DowJones/*Select*	DJIA	S&P500/*Select*	S&P 500 Index
Annualized Std. Deviation (5 Yr.) [1]	8.91	14.72	7.66	13.98
Sharpe Ratio (5 Yr.) [2]	0.32	0.09	0.49	0.20
Information Ratio (5 Yr.) [3]	0.17	N/A	0.10	N/A
Beta [4]	0.85	1.00	0.44	1.00
Alpha (5 Yr. Average) [5]	2.65%	N/A	3.85%	N/A
Correlation[6]	.81	N/A	.75	N/A
Annual Turnover (5 Yr. Average)	30%	N/A	57%	N/A

Although the DowJones/*Select* strategy under performed its benchmark in the first quarter of 2006, both strategies have performed similarly over the past five years and since inception providing our investors and ourselves with excess returns. Furthermore, this performance has been achieved with low volatility, which enhances the wealth effect of compounding returns (see www.beaconstreetcapital.com). As a result, the coveted *Morningstar* 5-Star rating (five-year performance) has been assigned to both strategies. In addition, for the past fourteen quarters our DowJones/*Select* strategy has been ranked in the top 3 among leading private money managers for risk adjusted returns by *Money Manager Review*, and has been ranked #1 for five of those fourteen quarters.

Terry E. Burke
Chief Executive Officer

Definitions:

[1] *Standard Deviation:* A measure of volatility, or the range of a portfolio's performance. The more an investment's return varies from its average, the higher the standard deviation. Unlike *beta*, which measures volatility relative to the market, standard deviation is a measure of total risk, or the total variation of the return. The lower the standard deviation the lower the risk, or volatility of the portfolio.

[2] *Sharpe Ratio*: A measure of risk-adjusted return. The Sharpe Ratio incorporates the standard deviation and the excess returns over 90-day Treasury bills to measure the reward per unit of risk. The higher the ratio over 0.0 the better the investment's historical risk-adjusted performance.

[3] *Information Ratio*: One of the most important tools for measuring the performance of an active manager against an appropriate benchmark. It is the ratio of excess returns to standard deviation of excess returns of the portfolio, and is used to estimate the return added by the manager for each 1% of risk added by the manager. A 5-year average *Information Ratio* over 0.50 is considered "good", over 0.75 "very good", and over 1.00 "exceptional".

[4] *Beta*: Measures volatility in relation to the benchmark (or market). A portfolio with a *beta* of 1.5 means that the portfolio return is expected to move 1.5 times the benchmark return. If the benchmark return is 10%, the portfolio return is expected to be 15%. If the benchmark return is -10%, the portfolio return is expected to be -15%. A low *beta* represents lower volatility, which is often associated with low returns; a high *beta* represents higher volatility, which is often associated with high returns. It is unusual to have a combination of high returns and low volatility. However, a good manager picking outstanding stocks can provide excess returns without adding excess risk. This is call "adding *alpha*".

[5] *Alpha*: Measures the return added by the manager. It is the excess return over the benchmark return, adjusted for volatility.

[6] *Correlation*:: Measures the correlation between the portfolio return and the benchmark return, or how well they fit from a statistical standpoint. A correlation of a 1.00 means a perfect fit and any number over .70 means the *Alpha* and *Beta* measurements are meaningful.