



Les Jepsen

- Investment Management
- Retirement Planning / Projections
- Goal Setting / Achievement

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Dear Investors,

*The end of the year 2005 is fast approaching; it's hard to believe the first decade of the 21st century is well over ½ over, and by the end of next year we will only have about ¼ of the decade left to experience. It's interesting to think about how much time we have left on this earth, be it a decade or the rest of our lives. Should we look at the decade as almost three-fourths over, or should we look at it as having the opportunity to experience & enjoy almost half this decade? One thing is for certain... **today is the first day of the rest of the decade and the rest of our lives.***

*If you've completed your "Be, Do, or Have" lists detailed in the most recent newsletter, what action thoughts did you have after looking carefully at your lists? Research proves you will accomplish only 3% of the goals you don't write down, and **you will accomplish an astonishing 46% of the goals that you actually write down and review**, which is over 10 times better. Wow, an instant 1,100% improvement!*

*Here's an interesting activity... Pick up a pen, really concentrate and say (with conviction) to yourself several times "**I'm going to drop my pen**" while looking at your pen and concentrating on what you are saying as hard as you can... You can't drop the pen, can you? The only way to drop the pen is to think or say thoughts like "Dropping my pen" or "Drop it"... **When you are setting your goals, consider putting them in first person and in present tense as if you have already accomplished your goal...** "I'm seeing my kids more" rather than "I'm going to try to see my kids more". Another example is writing "I'm exercising more this week" vs. "I'm going to exercise more this week".*

*The majority of my Be, Do, and Have lists is to acquire knowledge. I wish I could literally pour valuable and positive information into my mind and the way to do so is to listen, read, experience, and think. I recently read that 90% of the information we subconsciously take in every day is of negative influence, and 77% of the average person's 'self-talk' (what people think or say to themselves) is negative. Also 12 of every 13 news stories are of a negative nature. The average 18 year old American has been told 'no' an average of 144,000 times. **Fortunately, that leaves a lot of room for improvement!***

If you pick up a newspaper or turn on the television, the editors and producers know that negativity sells, and no matter how positive you are, your mind and life is paying the price. Current news is of high gas prices, the Iraq conflict, hurricanes wreaking havoc, earthquakes & destruction, fears of global warming, and the various murders, kidnappings, and killings. I think my blood pressure just went up considerably thinking the last two lines! Positive experiences are happening right now – you just have to first think to find them. That's great news!

I have some great financial news to report. *The Emerging Markets Index, the European Markets Index, the International Index, and the Small Company Index are at all-time historical highs, including any time prior the 'peak' of the market in early 2000. The Pacific Market Index is as high as it's been in nearly 16 years and up 86% since the first day of 2003. The REIT Real Estate Index is up almost 200% the last five years. Residential real estate prices, except for select areas, are at or near all-time highs. Investors that have used asset allocation discipline and have not panicked in challenging periods have benefited from this good news tremendously.*

The average investor sees past short-term financial successes and often invests into one or two top performing indexes and hope they're going to get the returns in the past 1, 2 or 5 years. As detailed earlier, today is the first day of the rest of our lives and the rest of the decade, not March of the year 2000 or October, 2002 or March, 2003. Reliving the past is non-productive thinking and action; however learning from the past is successful thinking and invaluable experience.

For the year 2005 as of September 30th the Large Company Index is up 1.4%, the Small Company Index is up 2.5%, the NASDAQ is down 1.1%, the International Index is up 8.7%, the Pacific Index is up 12.9%, the European Index is up 7.4%, the REIT Real Estate Index is up 10.0%, the Emerging Markets Index is up 23.2%, the Long Term Bond Index is up 4.3%, the Short Term Bond Index is up 0.8%, the High Yield Corporate Bond Index is up 2.0% and the High Yield Tax-Free Bond Index is up 3.3%. Overall inflation is 3.6% compared with August of 2004, and that includes the higher gasoline prices. The Fed Funds rate is 3.75% which means a higher money market fund yield as well. The Fed has raised short-term interest rates 11 times since June, 2004. Look for higher mortgage rates in the future.

The NASDAQ, the Standard & Poor's 500 and the Dow Jones Industrial average gained during the quarter by 4.6%, 3.1% and 2.9%, respectively. Over the past 15 years, the last three months of the year's investment returns have averaged a positive 6.8%.

Having the ability, opportunity and freedom to think and live in a positive way is such a tremendous gift; let's all make the most of it.

Thank you very much for your business; it's truly a pleasure to serve you.

Sincerely,



*Les Jepsen, MBA
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