ABC Company

Third Quarter Portfolio Review
October 2003

The stock market continued to add to its first-half gains despite the seasonally slow summer months. The S&P 500 Index posted a 2.7% gain in the third quarter while the S&P Barra Value index rose 2.5%. If a 2.7% quarter for the S&P 500 seems a bit of a letdown after the second quarter's 15% rise, it is in fact a more-than-respectable performance in terms of what investors should expect longer term. As long as prices are not getting too far ahead of the fundamentals, this more modest gain may be better for the long-term health of the stock market advance. Not so healthy was the rush of investors to buy cheap stocks regardless of quality in an effort to bolster returns. The Nasdaq Composite closed the third quarter in positive territory, bringing the year-to-date gain to 34%. A recent study by Morgan Stanley illustrated the fact that companies with high betas, low ROEs, high capital spending, inadequate accounting for options and pensions and a stock price below $5 have outperformed for the first nine months of this year.

At long last, the third quarter brought signs that the U.S. economic recovery was moving onto more solid ground. Second-quarter GDP came in better than expected at a 3.3% annual rate of growth, up from 1.4% in the previous two quarters. Economic momentum is still coming primarily from the consumer, helped by the implementation of the 2003 tax cut and ongoing auto financing incentives. But there are signs that activity in the manufacturing sector is starting to improve. The ISM surveys and orders for business equipment have edged higher, while inventories are low and need to be rebuilt. Corporate profits topped expectations in the second quarter and solid growth is expected for the rest of this year.

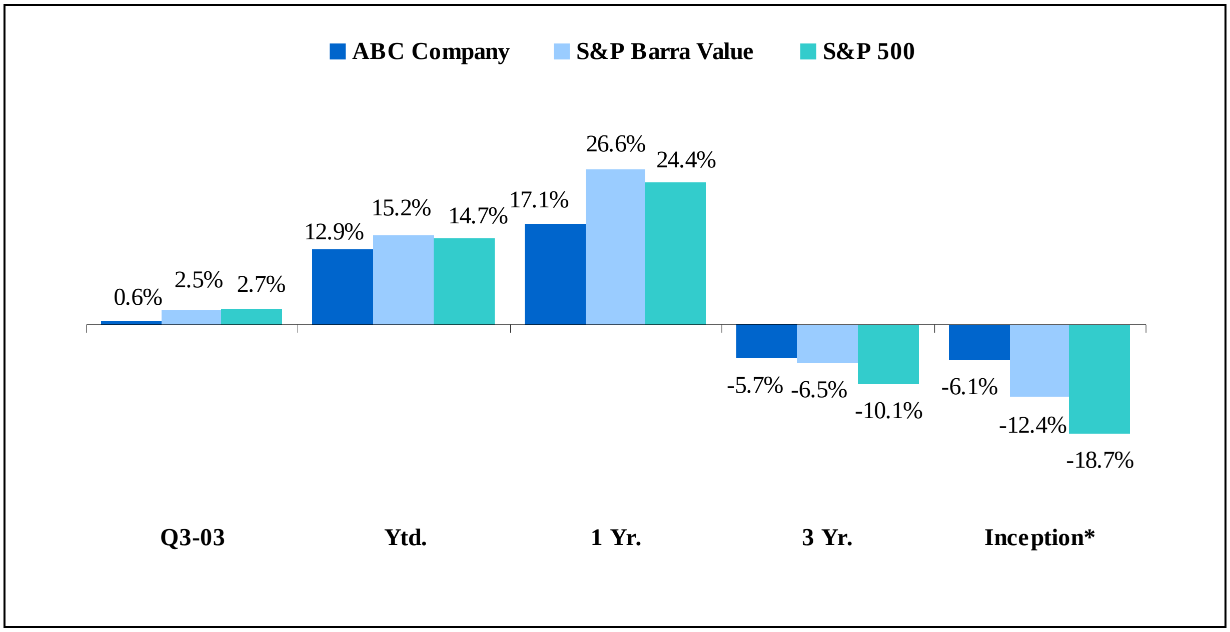
After three years of a major bear market, relentless corporate malfeasance and the Iraqi war, we continued to implement a conservative investment strategy during the third quarter recognizing that our clients are sensitive to losing money. We have maintained fully invested portfolios with low beta, high-quality large value stocks. Our results year-to-date exceed the long-term rate of return on stocks. Moreover, our historical performance demonstrates our ability to deliver returns over multiple market cycles. Over the past five years, our large value composite has returned 5.5% compared to a gain of 2.5% in the S&P Barra Value index. We will continue to implement a conservative investment strategy consistent with our view that the market has a high valuation (see "review of and outlook for financial markets") and we remain concerned about the potential rise in interest rates that could cause many of the more volatile stocks to retrace their gains.

In the following pages, we present an analysis of your portfolio at the end of September 2003 and a review of and outlook for financial markets and the economy.

Thank you for your continued support and confidence in Marque Millennium Capital Management.

Wilfred J. Meckel
Senior Managing Director

Section 1: Performance History
for the periods ended September 30, 2003



** Cumulative since June 1, 1999*

During the third quarter, the ABC Company portfolio rose 0.6% compared to gains of 2.5% and 2.7% for the S&P Barra Value index and the S&P 500 index, respectively. Stocks that contributed to positive returns during the quarter continued to be stock-specific stories as opposed to sector or industry-related events. The portfolio's top performer was Sovereign Bancorp that grew earnings by 16% from the year ago quarter. Sovereign focuses largely on small business and consumer loans in the Northeast. It also has a sizable asset management and insurance business through its subsidiary Lantern Investment Services. The company confirmed earnings guidance for 2003 and 2004 that excludes the after-tax merger related costs associated with its pending acquisition of First Essex Bancorp, Inc. The portfolio's biggest loser was Sun Microsystems. Despite some positive events during the quarter, the stock sold off on news of the resignation of the company's co-founder, a layoff announcement and a warning of larger losses in the current fiscal first quarter than Wall Street had expected, leading the company to record a $1 billion tax charge and a revision to its previously reported fourth-quarter results to show a loss. Year-to-date, the ABC Company portfolio is up 12.9% versus gains of 15.2% for the S&P Barra Value index and 14.7% for the S&P 500 index. For three years ended September 2003, the ABC Company portfolio is down 5.7% compared to losses of 6.5% and 10.1% for the benchmark indices. Since inception in June of 1999, the portfolio has had a cumulative decline of 6.1% outperforming the S&P Barra Value index by 6.3% and the S&P 500 index by 12.6%.

Section 2: Contributors to Returns during the Third Quarter 2003

Sovereign Bancorp	+ 0.53%
Dover Corp	+ 0.42%
Prudential	+ 0.37%
Texas Instruments	+ 0.30%
Fluor Corp	+ 0.27%
Sun Microsystems	- 0.57%
Verizon Communications	- 0.38%
Devon Energy	- 0.34%
Burlington Resources	- 0.28%
Bellsouth	- 0.25%

Section 3: Portfolio Characteristics as of September 30, 2003

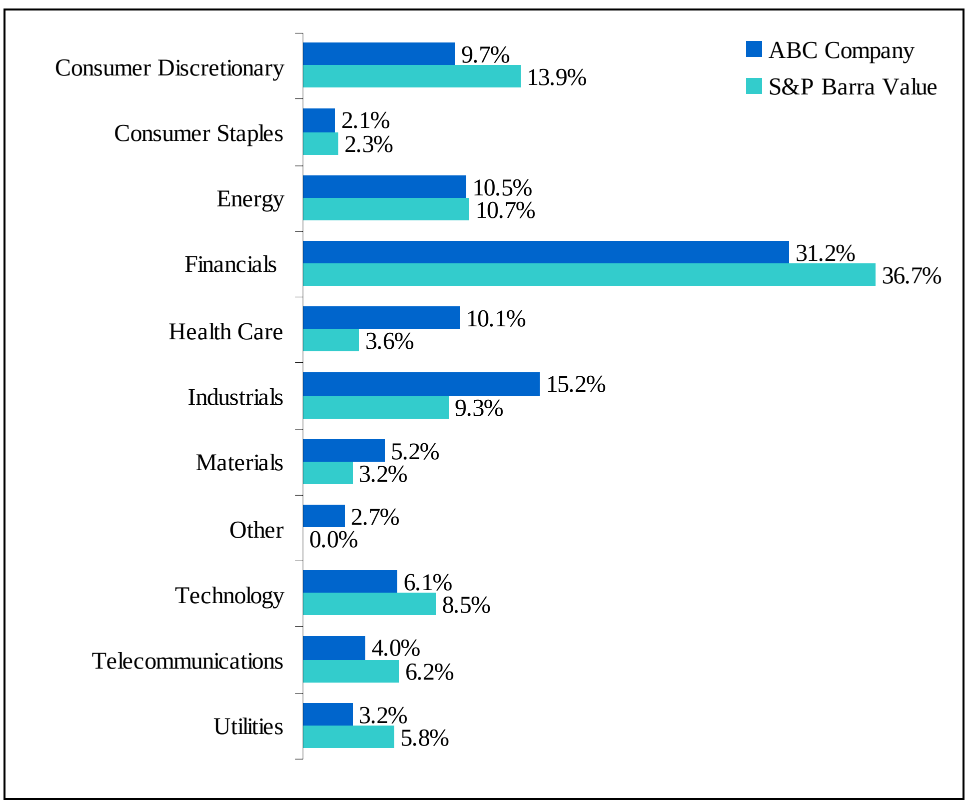
	ABC Company	S&P Barra Value
Number of Holdings	51	340
Weighted Average Market Cap.	$50 billion	$57 billion
Ten Largest Holdings (as % of portfolio)	29%	26%
P/E Ratio	15.9x	17.2x
Price/Book Ratio	2.2x	2.0x
Dividend Yield	1.8%	2.0%
Largest Cap Holding	$289 billion	$243 billion
Smallest Cap Holding	$3 billion	$53 million

The number of holdings in the ABC Company portfolio was 51, down from 53 at the end of June. The portfolio had a weighted average market capitalization of $50 billion, up from $49 billion in the prior period. The portfolio had an average P/E ratio of 15.9x, down from 17.7x, with a price-to-book ratio of 2.2x and a dividend yield of 1.8%. The portfolio's sector weightings outlined below are not the result of a top-down decision but are a by-product of our stock selection process. The largest deviations from the S&P Barra Value index are:

1. Overweight: Healthcare. Despite this sector's large exposure to Pharmaceutical stocks that continue to be plagued with price fixing by the federal government, re-importation, generic competition, and unproductive R&D, we have identified several companies that have experience in dealing with such risks and that will benefit handsomely from demographic trends worldwide.

2. Underweight: Financials. Even though our portfolio contains several financial companies, our neural net screening process has not identified many undervalued opportunities within this sector. As interest rates begin to rise in 2004, we would expect profitability to trail growth rates in economically sensitive sectors such as Financials.

Section 4: Sector Weighting Analysis as of September 30, 2003



Section 5: Key Holdings in Portfolio as of September 30, 2003

Citigroup, Inc.	Premier global financial services company with dominant consumer presence; diversified consumer and institutional business mix should continue to provide consistent and sustainable returns; responsive management focused on expense control and shareholder value; attractive valuation and dividend yield; dividend increased 75% following recent tax legislation.
Devon Energy	Largest independent oil & gas exploration and production company; recent Ocean Energy acquisition adds excellent offshore and international oil exploration capability to existing domestic natural gas production; combined companies expect 4-6% annual production growth; management has successful history of integrating acquisitions; cash flow from natural gas to reduce debt and support extensive exploration activity; attractive valuation versus peers as investors evaluate success of merged companies.
Kinder Morgan, Inc.	Midstream energy company operating pipelines, power generation and terminal assets; general partner of largest pipeline master limited partnership; excellent location of assets drives above-average internal growth; lower cost of capital creates competitive advantage for favorable acquisition opportunities; experienced management with significant ownership position; attractive valuation relative to expected earnings growth rate; dividend increased 150% following recent tax legislation.
American International Group	Premiere global financial services company with leadership in numerous insurance segments including commercial property, workers compensation and personal lines of insurance. The company should continue to benefit from the financial weakness of competitors and the flight to quality by customers due to its Triple A-rating and premium brand awareness.
Aetna Incorporated	Successful restructuring by leading health care provider with dominant market position; premium increases and expense reductions in health care segment indicate successful revision of business strategy; increasing cash flow from operations; expect significant EDITDA increases in 2003 and 2004.

Section 6: Focus Stock – Comcast Corporation (Nasdaq: CMCSK)

Sector: Consumer Discretionary
Industry: Broadcasting & Cable
Dividend Yield: Nil

Price: $30.76 (as of 10/23/03**)**
Enterprise Value / EBITDA 9.6x
Market Capitalization: $72 billion

Description and Introduction

Comcast is the largest cable operator in the United States. With the completion of the AT&T Broadband acquisition in November 2002, Comcast has taken a leading role in the development of this country's media and entertainment distribution infrastructure.

Investment Thesis

Our interest in Comcast developed from our analysis of companies in the cable and broadcasting arena prior to our purchase of Liberty Media. Our neural network screens began highlighting several stocks with significant upside potential. After reviewing the company's fundamentals, we determined that Comcast's purchase of AT&T made the stock look even more attractive given our belief that distribution should become increasingly more powerful in the entertainment industry.

Thus far, the company's financials demonstrate that the integration of the AT&T Broadband business has truly been a success. Comcast has been able to reverse AT&T's trend of losing customers by increasing the subscriber base and are ahead of schedule in bringing profit margins in line with its incumbent network. Furthermore, the ongoing sale of non-core assets is expected to bring Comcast's debt leverage down by more than 50%.

With its increased leverage as a result of the aquisition, Comcast is aggressively seeking to reduce costs while upgrading its content and service offerings. In recent months, the company has successfully renegotiated agreements with a movie channel provider and third-party customer care and billing service company that were initiated with the former AT&T Broadband systems. At the same time, Comcast has been able to increase the number of VOD (Video on Demand) channels available to its customers and is looking to roll out new services such as PVRs (Personal Video Recorders) and Internet Telephony (VoIP) in the near future.

Conclusion

We look for Comcast to continue its current trend of cost-cutting and product upgrades throughout its service network. As the power within the media and entertainment industry continues to shift to distributors, we expect the AT&T / Comcast combination should continue to produce superior business results while offering its shareholders solid financial returns going forward.

Section 7: Review of and Outlook for Financial Markets and the Economy

Fourth Quarter 2003

The positive performance of the stock market in the third quarter of 2003, after a dynamic rally in the second quarter, attests to the fact that the U.S. economy is back on track. Historically strong stock market rallies are a "symptom" of an economic expansion. The stimulative effects of low interest rates and a huge swing in the federal budget assure us of a sustainable economic expansion. Pessimists are falling back on unemployment levels as the last bastion for the bears but their arguments don't hold water. Unemployment is high because corporations are virtually required to enhance profitability. To get there, layoffs are a natural way to respond to slowing demand and falling prices. As the economy continues to improve, companies will begin to hire workers and the unemployment rate will fall. As the durability of this expansion gains acceptance across financial markets, equity prices will continue to advance, the dollar will strengthen and budget deficits as well as trade deficits will become less of a national concern. Economic growth is an elixir that cures many economic problems.

While the equity markets moved higher in the third quarter, the bond market went on a roller coaster ride. Bond yields skyrocketed as the economy gathered strength but then tumbled as inflation remained at unusually low levels. The interaction of strong growth, low inflation and a weak dollar had the effect of making bond market volatility appear as if it were the stock market. For example, the five-year Treasury note yielded 2.82% on July 18th. By September 5th, the yield was 3.51%, an increase of 69 basis points. However, by October 3rd, it was back down to 2.94% retracing all but 12 basis points. These swings might not have had an impact on the bond market when interest rates were in the 8% range but at these low interest rate levels, such swings were significant. On the other hand, short-term yields have remained virtually unchanged, as the Fed has not budged in response to the gyrations of long-term securities. The interest rate tug-of-war is being waged by optimists who see low inflation as a factor driving interest rates lower while pessimists point to a rising level of economic activity that will drive real interest rates higher. On balance, we expect that bonds will stay within the highs and lows recorded during the third quarter.

Stock market investors have been amply rewarded this year for staying the course rather than jumping to fixed income investments earlier this year. The total return for the stock market as measured by the S&P 500 index for the first nine months of 2003 was 14.7%. This benchmark increased another 5.4% through October 13th. The more volatile NASDAQ composite index rose 33.8% through the first three quarters and tacked on another 8.7% through the 13th of October. At current levels, the market appears rich but, according to a study by a prominent Wall Street firm, the average gain one year after major market declines was about 71%. The conclusion was that the stock market rally was likely to continue.

The early October rally, apparently in response to strong earnings gains, increases our confidence that the market advance will remain intact through the end of 2003. Further gains are on the horizon for 2004 as additional fiscal stimulus kicks in as tax rebates swell. As corporate profits expand, we expect to see business confidence improve followed by increased spending on plant, equipment, and inventories. This phenomenon will provide a much-needed boost to the corporate sector. Unemployment, the last vestige of a technology meltdown, will begin to shrink as the economic expansion accelerates or, at least, continues to run above the 3% historic average. Inflation is likely to remain low as productivity keeps prices low and corporate profits up. As a result, interest rates are likely to remain in a trading range that is defined by recent third quarter highs and lows. Other than the risks associated with terrorism, an uncertain variable that is impossible to predict, the stock market should remain on a positive growth path through the national elections in November of 2004.