

# Off Wall Street Consulting Group, Inc.

P.O. Box 382107  
Cambridge, MA 02238

tel: 617.868.7880

fax: 617.868.4933

internet: [research@offwallstreet.com](mailto:research@offwallstreet.com)  
[www.offwallstreet.com](http://www.offwallstreet.com)

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January 4, 2004

To: The clients of Off Wall Street.

re: Q4 2003 Off Wall Street performance, full year 2003 performance, long term performance, comments, tables.

Summary:

I. Calendar 2003:

A. Total Portfolio:

Short positions: (24 ave. positions): OWS 2003 loss: 18.6%

Long positions: (3.25 ave. positions): OWS 2003 gain 57.7%.

B. S&P 500: +25.1% in 2003. Outperformance of OWS short portfolio vs. S&P index short: 6.5 percentage points. Three year total outperformance of OWS short portfolio vs. S&P 500 index short: 73%. Five year total outperformance: 121.4%.

C. RTY Index: +41.16% in 2003. Outperformance of OWS short portfolio vs. RTY index short: 22.6 percentage points. Three year total outperformance of OWS short portfolio vs. RTY index short: 109.6%%. Five year total outperformance: 166.1%.

D. New short positions opened in 2003: 23 Long positions opened: 4.

E. Positions closed in 2003: 18 short positions, 3 long positions.

F. Batting average in 2003: 16 winners out of 18 short positions closed: 96% winners. All long positions winners.

## II. Q4 2003:

### A. Total Portfolio:

Short positions: (23 positions): OWS Q4 2003 loss: 9.4%

Long positions: (3 positions) : OWS Q4 gain: 8.3%

B. S&P 500: 11.6% gain in Q4 2003. Outperformance of OWS short portfolio versus S&P 500 index short: 2.2 percentage points.

C. RTY: 14.2% gain in Q4 2003. Outperformance of OWS short portfolio versus S&P 500 index short: 4.8 percentage points.

Summary: 2003 OWS short sale performance was below that of the previous three years, while our long portfolio results were outstanding. 2002 was the best year ever for the OWS short portfolio in terms of absolute performance. The 51.7% total gain that our short portfolio posted in 2002 followed a 49.6% gain posted in 2001 and a 43.4% gain in 2000. 2003 was not nearly as successful as the preceding year, with the short portfolio losing 18.6%. The short portfolio outperformed an S&P index short by 6.5% in 2003, and did far better against a more fair benchmark, the RTY index short, by 22.6%.

The OWS short portfolio has never had a year in which it did not outperform both the S&P index short and the RTY index short. Indeed, even on an absolute basis, over a three and a five year period, the OWS short portfolio has outperformed the S&P and the RTY. Over three years the OWS short portfolio is up 82.7%, and over five years it is up 122.1%, versus a three year decline in the S&P of 9.7% and a five year decline of 0.01% and versus a three year gain in the RTY of 26.85% and a five year gain of 44%.

In calendar 2003 OWS initiated 23 new short positions, similar to the previous two years. We also initiated 4 new long positions in 2003. We closed out 18 short positions in 2003, of which 16 were winners. This extended our batting average calculated from 1993 to 0.872, which means we have been right about 87% of the time. Notable recommendations closed this year on the short side were Eastman Kodak, Goodyear Tire, CTI Molecular and Boston Consulting Group.

Verizon was also a very successful short sale, since it badly underperformed the market in 2003 and was an excellent source of funds for long/short portfolio managers. Since 1993, Off Wall Street has closed out 179 short positions, with 156 winners and just 23 losers. We think our record is unmatched in our investing niche in the U.S. over the medium and long term.

Our long portfolio, though containing only a few names, performed remarkably well, up 57.7% for the year. This was done with names that contained far less risk than the market in general, and with companies that had strong balance sheets and strong and increasing cash flows.

In Q4 2003 we were again hurt badly by just one stock, Administaff, which rose 96% in Q4 and cost us 4.2 percentage points of performance for the quarter and the year, showing again how punishing can be the math for a short seller who gets it wrong, if only for the moment. Our timing in recommending selling ASF in the face of rising employment could not have been much worse. Fortunately, the market capitalization was also quite small, and clients could not be badly hurt.

Last year, ending Q4 2002, about 35% of Q4's portfolio was in health care, 40% in consumer and gambling stocks, 15% in financial stocks, and the 10% balance in technology. Ending Q4 2003 the mix was quite different, with over 50% in technology, 25% in health care, and the balance in consumer and financial stocks. We are entering 2004 with 21 open short positions, versus 16 one year ago. Our portfolio reflects what is likely to be a technology downturn next year, if history is a guide.

Off Wall Street employs seven analysts, which include a variety of CPAs, MBAs and PhDs, and a director of research. We have been providing research to our clients for almost 14 years. We hope to continue our record of providing thoughtful, well researched and profitable ideas to a select client group of professional money managers.

We greatly appreciate your continued support and your confidence, which we are constantly striving to merit.

B. Long term performance of OWS closed positions:

**Positions Closed**

Year	#Positions	#Winners	#Losers	Batting Ave
1993	10	8	2	0.800
1994	14	11	3	0.786
1995	15	13	2	0.867
1996 Q1	2	0	2	0.000
1996 Q2	5	4	1	0.800
1996 Q3	5	4	1	0.800
1996 Q4	3	3	0	1.000
1997 Q1	2	2	0	1.000
1997 Q2	1	1	0	1.000
1997 Q3	0	0	0	n/a
1997 Q4	3	3	0	1.000
1998 Q1	8	5	3	0.667
1998 Q2	2	1	1	0.500
1998 Q3	4	4	0	1.000
1998 Q4	2	2	0	1.000
1999 Q1	4	4	0	1.000
1999 Q2	2	2	0	1.000
1999 Q3	5	4	1	0.800
1999 Q4	8	7	1	0.875
2000 Q1	5	5	0	1.000
2000 Q2	8	6	2	0.750
2000 Q3	5	5	0	1.000
2000 Q4	11	11	0	1.000
2001 Q1	3	3	0	1.000
2001 Q2	4	4	0	1.000
2001 Q3	7	6	1	0.857
2001 Q4	4	4	0	1.000
2002 Q1	1	1	0	1.000
2002 Q2	14	13	1	0.929
2002 Q3	4	4	0	1.000
2003 Q1	5	5	0	1.000
2003 Q2	5	4	1	0.800
2003 Q3	6	5	1	0.800
2003 Q4	2	2	0	1.000
Cumulative:	179	156	23	<b>0.872</b>

C. Long term OWS short sale performance relative to S&P 500 index short and relative to RTY index short.

1995	Q1	Q2	Q3	Q4	Totals
S&P 500	9.00%	8.80%	7.30%	5.40%	30.50%
OWS Short	1.00%	0.30%	-16.00%	3.00%	-11.70%
OWS Short Relative to S&P	<b>10.00%</b>	<b>9.10%</b>	<b>-8.70%</b>	<b>8.40%</b>	<b>18.80%</b>
1996	Q1	Q2	Q3	Q4	Totals
S&P 500	4.80%	3.90%	2.50%	7.80%	19.00%
OWS Short	9%	13%	11%	6%	39.00%
OWS Short Relative to S&P	<b>13.80%</b>	<b>16.90%</b>	<b>13.50%</b>	<b>13.80%</b>	<b>58.00%</b>
1997	Q1	Q2	Q3	Q4	Totals
S&P 500	2.20%	16.90%	7.00%	2.40%	28.60%
OWS Short	22%	-26%	-7.80%	0.20%	-11.30%
OWS Short Relative to S&P	<b>24.50%</b>	<b>-9.10%</b>	<b>-0.80%</b>	<b>2.60%</b>	<b>17.30%</b>
1998	Q1	Q2	Q3	Q4	Totals
S&P 500	13.50%	4%	-10%	20.90%	28.40%
OWS Short	-7%	-1%	31%	-14%	9%
OWS Short Relative to S&P	<b>6.50%</b>	<b>3.00%</b>	<b>21.00%</b>	<b>6.90%</b>	<b>37.40%</b>
1999	Q1	Q2	Q3	Q4	Totals
S&P 500	4.60%	6.70%	-6.60%	14.50%	19.20%
OWS Short	4.10%	-1.80%	10.70%	-17%	-4.00%
OWS Short Relative to S&P	<b>8.70%</b>	<b>4.90%</b>	<b>4.10%</b>	<b>-2.50%</b>	<b>15.20%</b>
2000	Q1	Q2	Q3	Q4	Totals
S&P 500	2.00%	-2.90%	-1.20%	-8.10%	-10.20%
OWS Short	-14.00%	4.50%	10.90%	42.00%	43.40%
OWS Short Relative to S&P	<b>-12.00%</b>	<b>1.60%</b>	<b>9.70%</b>	<b>33.90%</b>	<b>33.20%</b>
2001	Q1	Q2	Q3	Q4	Totals
S&P 500	-12.10%	5.50%	-15.00%	10.30%	-11.30%
OWS Short	20.90%	4.40%	26.20%	-1.90%	49.60%
OWS Short Relative to S&P	<b>8.80%</b>	<b>9.90%</b>	<b>11.20%</b>	<b>8.40%</b>	<b>38.30%</b>
2002	Q1	Q2	Q3	Q4	Totals
S&P 500	-0.10%	-13.70%	-17.60%	7.90%	-23.50%
OWS Short	11.70%	24.60%	14.40%	1.00%	51.70%
OWS Short Relative to S&P	<b>11.60%</b>	<b>10.90%</b>	<b>-3.20%</b>	<b>8.90%</b>	<b>28.20%</b>
2003	Q1	Q2	Q3	Q4	Totals

S&P 500	-3.6%	14.9%	2.2%	11.6%	25.1%
OWS Short	10.1%	-19.1%	-0.2%	-9.40%	-18.6%
OWS Short Relative to S&P	<b>6.5%</b>	<b>-4.2%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>6.5%</b>
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1995	Q1	Q2	Q3	Q4	Totals
RTY	4.16%	8.77%	9.43%	1.80%	24.15%
OWS Short	1.00%	0.30%	-16.00%	3.00%	-11.70%
OWS Short Relative to RTY	<b>5.16%</b>	<b>9.07%</b>	<b>-6.57%</b>	<b>4.80%</b>	<b>12.45%</b>
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1996	Q1	Q2	Q3	Q4	Totals
RTY	4.68%	4.79%	-0.06%	4.69%	14.10%
OWS Short	9%	13%	11%	6%	39.00%
OWS Short Relative to RTY	<b>13.68%</b>	<b>17.79%</b>	<b>10.94%</b>	<b>10.69%</b>	<b>53.10%</b>
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1997	Q1	Q2	Q3	Q4	Totals
RTY	-5.53%	15.71%	14.49%	-3.70%	20.97%
OWS Short	22%	-26%	-7.80%	0.20%	-11.30%
OWS Short Relative to RTY	<b>16.47%</b>	<b>-10.29%</b>	<b>6.69%</b>	<b>-3.50%</b>	<b>9.67%</b>
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1998	Q1	Q2	Q3	Q4	Totals
RTY	9.99%	-4.85%	-20.51%	16.05%	0.68%
OWS Short	-7%	-1%	31%	-14%	9%
OWS Short Relative to RTY	<b>2.99%</b>	<b>-5.85%</b>	<b>10.49%</b>	<b>2.05%</b>	<b>9.68%</b>
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1999	Q1	Q2	Q3	Q4	Totals
RTY	-5.77%	15.10%	-6.64%	18.13%	20.82%
OWS Short	4.10%	-1.80%	10.70%	-17%	-4.00%
OWS Short Relative to RTY	<b>-1.67%</b>	<b>13.30%</b>	<b>4.06%</b>	<b>1.13%</b>	<b>16.82%</b>
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2000	Q1	Q2	Q3	Q4	Totals
RTY	6.80%	-4.05%	0.80%	-7.26%	-3.71%
OWS Short	-14.00%	4.50%	10.90%	42.00%	43.40%
OWS Short Relative to RTY	<b>-7.20%</b>	<b>0.45%</b>	<b>11.70%</b>	<b>34.74%</b>	<b>39.69%</b>
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2001	Q1	Q2	Q3	Q4	Totals
RTY	-6.82%	13.82%	-21.05%	20.66%	6.61%
OWS Short	20.90%	4.40%	26.20%	-1.90%	49.60%
OWS Short Relative to RTY	<b>14.08%</b>	<b>18.22%</b>	<b>5.15%</b>	<b>18.76%</b>	<b>56.21%</b>
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2002	Q1	Q2	Q3	Q4	Totals
RTY	3.68%	-8.65%	-21.70%	5.75%	-20.92%
OWS Short	11.70%	24.60%	14.40%	1.00%	51.70%
OWS Short Relative to RTY	<b>15.38%</b>	<b>15.95%</b>	<b>-7.30%</b>	<b>6.75%</b>	<b>30.78%</b>

2003	Q1	Q2	Q3	Q4	Totals
RTY	-4.84%	23.0%	8.8%	14.2%	41.16%
OWS Short	10.1%	-19.1%	-0.2%	-9.40%	-18.60%
OWS Short Relative to RTY	<b>5.26%</b>	<b>3.90%</b>	<b>8.60%</b>	<b>4.80%</b>	<b>22.56%</b>

D. Performance of long ideas:

2003	Q1	Q2	Q3	Q4	Totals
OWS Long	<b>10.3%</b>	<b>33.2%</b>	<b>5.9%</b>	<b>8.3%</b>	<b>57.7%</b>