

Charter Investment Advisors, Inc.

“Best Execution” Update

July 5, 2005

The Securities and Exchange Commission requires that registered investment advisors attempt to obtain “Best Execution” for their clients. As stated in our management contract, Charter Investment Advisors (CIA) does not choose the broker/custodian for our clients. Each client designates a broker/custodian for their assets; therefore, you may not receive best execution on all trades. Below is a section of our contract that outlines the client’s responsibility to designate a custodian:

“The Client must designate a broker (or bank) as custodian to receive, deliver and hold each security or to accept or transmit funds as required to complete transactions. This may be done by completing a Limited Power of Attorney form provided by the custodial firm. All Clients are hereby informed that CIA may be unable to obtain best execution (best price, commission rate, or execution capability) when a client has selected a broker or custodian who executes all trading activities. Commissions charged by a client’s custodial firm may be higher or lower than for clients who select a different custodian. CIA does not select or designate a broker or custodian for client accounts.”

If you have any questions or concerns regarding your current custodian, please let us know.

Benefits of you selecting your own broker:

It is Charter’s strong belief that we should remain completely independent and unbiased in our recommendations. For this reason, it is important that we remain unbound to any single broker or custodian. If any problems should arise with your custodian, we are in a position to impartially review the situation and make suggestions for custodial services that better fit your needs.



**Charter
Investment
Advisors, Inc.**
