1st Quarter 2006
EDMP, Inc. Quarterly Review

True Predictors

The first quarter of 2006 is best described as respectable but not extraordinary. Although our positive returns were slightly short of the general stock market, they nevertheless represent a double-digit annualized result. Ironically, our modest underperformance is mostly attributed to price weakness in our healthcare holdings, which we believe provide the highest long-term opportunity of any of our holdings. To us, this is a classic example of how irrational short-term stock price volatility can be.

This is the primary reason why EDMP is more interested in measuring operating results rather than stock prices. From this perspective, our healthcare stocks were our best performers last quarter as their earnings growth was spectacular. The great investor Warren Buffett often talks of exploiting other people's folly, which is precisely the strategy EDMP has employed regarding our healthcare holdings.

A clear example can be seen in our approach to UnitedHealth Group, one of our favorite holdings. For whatever reasons, unfathomable to us, the market has rotated out of this high quality fairly priced holding. This past quarter, illogical trading behavior has, in our view, turned an attractively priced holding into an incredible bargain. Therefore, we backed the truck up and bought more at these cheap prices. Thus, when the market comes to its senses, and it inevitably will, we should be in a great position to leverage our upside. The concept of adding more shares when the market is weak (buying low) is a great way to lower risk and increase long-term returns.

Unfortunately, the tendency of most investors is to panic and sell when prices fall, instead of the more rational "buy more at bargain prices" approach. In fact, many investors actually have a rule to sell if prices fall a certain percentage. Our experience clearly validates this to be a strategy of locking in losses rather than exploiting folly.

Our ability to buy when others are fearful is founded on two important factors. First is our calculating the True Worth™ of the businesses we own or are contemplating owning. Second is our understanding of what we contend to be an irrefutable law of investing. Simply put, this law states that a company's stock price once disconnected from its True Worth™ or intrinsic value will inevitably go back to that value. It's the clear understanding of this law that empowers us to go against the crowd whether we are buying or selling. If the stock price is at, or better yet, below our calculation of True Worth™, we buy. If the stock price is significantly higher than True Worth™, we sell. To summarize, when you know the True Worth™ of the businesses you own, you can: 1. Buy when they are cheap. 2. Sell when they are high. 3. Keep emotions from contaminating the process.

This also leads to an explanation of another important aspect of our investing strategy that we believe lowers risk and increases returns. When bargains like UnitedHealth Group manifest, the question is where do you get the money to buy more? The logical common-sense answer highlights an important attribute of sound investing. Since one of the greatest advantages of large cap stocks is their liquidity, the money to buy more of our bargain stocks easily comes from other portfolio holdings that are fully or possibly overvalued. We refer to this tactic as rebalancing and it works beautifully to our long-term advantage.

The rebalancing strategy can take several forms all of which are oriented to increasing returns while simultaneously lowering risk. For example, rebalancing can mean reducing an overweight to a normal weight or simply lowering exposure from less potential to one with more. This could occur even when both companies are in value. This usually occurs after we invested in a great business that was significantly undervalued at the time. Therefore, the logical movement up to fair value creates an overweight that needs to be trimmed. Consequently, we sometimes are required to sell a portion of a fairly priced holding.

This is in contrast to our tactic of partial sales of dangerously overpriced holdings into a hot market. Since hitting the exact top is always a function of luck, this strategy helps maximize returns and lowers risk as well. The prime difference between this and the aforementioned rebalancing is our ultimate objective to sell out completely. It could be thought of as an organized unwinding of a successful position. Nevertheless, the result is generating cash in order to exploit a bargain, if it exists. However, it's important to understand that both strategies are sound practices regardless of whether a bargain exists at the time or not.

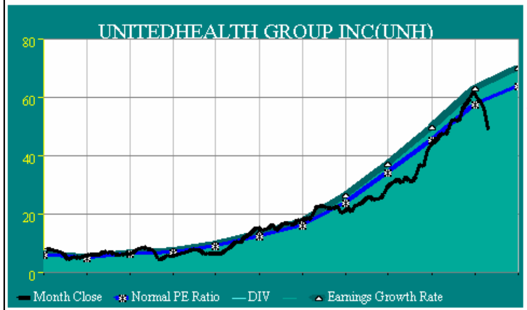
EDMP believes that the successful management of an investment portfolio is predicated on a clear understanding of where long-term returns come from. Our research suggests that the only **true predictors** of long-term returns are future growth rates of earnings and the valuation you pay to purchase that growth. Although short-term returns can come from an almost endless array of circumstances, in the longer run, it inevitably comes down to these two.

In practice, the key to solving the puzzle lies in getting the forecast of future earnings essentially correct. The forecast need not be perfect, but it should at least be realistic. A percentage point or two of error should not make a material difference as long as the valuation you pay correlates to the growth achieved. Perhaps most importantly, it should be recognized that in truth it's a lot easier to forecast the earnings growth of a well managed franchise company, than it is to guess its stock price movement.

UnitedHealth Group's historical graph clearly is illustrative of a well managed franchise company on an operating basis.

www.unitedhealthgroup.com
11 Year Performance History

YEAR	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
HIGH	8.62	7.52	9.24	8.75	15.86	18.20	25.25	29.34	44.38	64.61	62.93
LOW	3.97	5.30	3.69	4.92	5.80	12.63	16.96	19.60	27.73	42.63	53.20



EPS	0.23	0.29	0.31	0.41	0.56	0.73	1.09	1.55	2.06	2.61	2.91 E
Change /Yr	-14.8%	26.1%	6.9%	32.3%	36.6%	30.4%	49.3%	42.2%	32.9%	26.7%	11.5%
DIV	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01 E

Price: 48.58
05/02/2006
P/E: 17.9
DivYld: 0.0%
Earnings Growth Rate 24.1%
Normal PE Ratio 22.0
Market Cap. 65.91 Billion

SPLITS
05/05 2:1
06/03 2:1
12/00 2:1
03/94 2:1
9/92 2:1

Furthermore, UnitedHealth Group's performance results of 19.5%, closely follow its operating results of 24.1%, whereas the difference can be explained due to its current low valuation. If UnitedHealth Group traded at its True Worth™, the correlation would be even closer.

UNITEDHEALTH GROUP INC(UNH)
11 YEAR PERFORMANCE RESULTS

Amount Invested: $ 100,000 Shares: 12,755 **Closing Value: $619,637.90**
Split-adjusted Price(01/31/1996): 7.84 Closing Price(05/02/2006): 48.58

Dividend Cash Flow

YEAR	Dividend/Share	Cash Dividend	% Return
2001	0.01	$127.55	0.1%
2002	0.01	$127.55	0.1%
2003	0.01	$127.55	0.1%
2004	0.01	$127.55	0.1%
2005	0.01	$127.55	0.1%
2006	0.01 E	$127.55	0.1%

		S&P 500
Total Cash Dividends:	$ 765.30	
Closing Cash Value:	**$619,637.90**	**$206,173.97**
Closing Annualized ROR:	**19.5%**	**7.3%**
Total Value:	**$620,403.20**	
Total Annualized ROR:	**19.5%**	

The following "THESIS FOR GROWTH" and "OUTLOOK: GROWTH BY THE NUMBERS" will validate the concept of forecasting future operating results.

Thesis for Growth

UnitedHealth Group is the nation's largest publicly traded managed care company, with five distinct business units, the largest of which is United Healthcare, which provides at-risk and self-funded health insurance to 11 million members and generates 80% of consolidated revenues and 70% of operating earnings. Other business units include Ovations, which provides Medicare supplemental insurance, Uniprise which provides administrative and wellness services to large, self-insured employers, Specialized Care Services, covering mental health, dental, vision and consumer health information, and Ingenix, which provides market research to the healthcare industry.

The key growth driver for UnitedHealth Group is an aging population whose healthcare needs will be increasing

The key growth driver for UnitedHealth Group is an aging population whose healthcare needs will be increasing, wherein United can use its huge presence to pressure providers to control costs to maintain a reasonable level of access and affordability. United not only provides insurance, its technological skills enable it to monitor patients with chronic disease to encourage treatment compliance to avoid the longer-term higher hospitalization cost of such non-compliance. United has a long history of consistent earnings growth versus its peers for several reasons. First, the company does not sacrifice price in order to increase enrollment growth, especially for at-risk insureds. Second, it has proven to be highly adept at keeping premiums in line with projected medical costs so as to avoid margin pressure from its medical loss ratio. Third, it has a highly successful record of growing through acquisitions. The recent acquisition of Pacific Healthcare added both depth and geographic reach for its product offerings. Fourth, its diversified business mix reduces exposure to the more volatile at-risk insurance business. Fifth, United's relationship with AARP has provided a tremendous advantage in signing up seniors for the new Medicare Part D drug prescription plan. Sixth, its use of a tiered drug co-payment plan and increasing reliance on generic drugs has enabled it to lower its overall drug cost outlays.

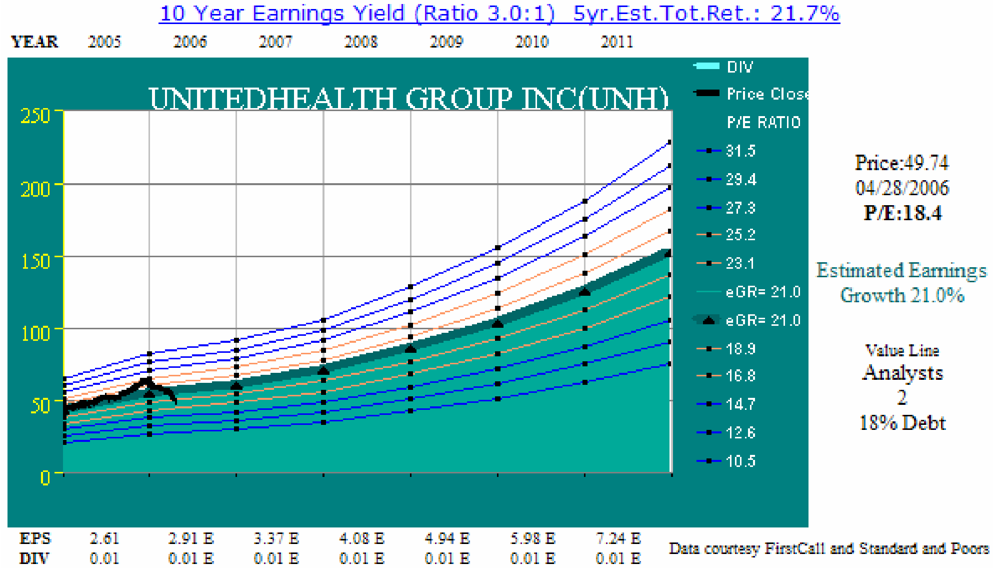
United has a very strong balance sheet and generates substantial amounts of free cash flow, which it continues to return to shareholders, primarily in the form of share buybacks. The company's free cash flow is approximately 1.3x net income.

We were recently able to accumulate a position in United's stock as the industry sector periodically undergoes rotation out of the group. These periods of weakness have historically proven to be excellent buying opportunities.

Forecasting future earnings growth, bought at sound valuations, is the key to safe, sound, and profitable performance.

Outlook: Growth by the Numbers

10 Year Earnings Yield (Ratio 3.0:1) 5yr.Est.Tot.Ret.: 21.7%



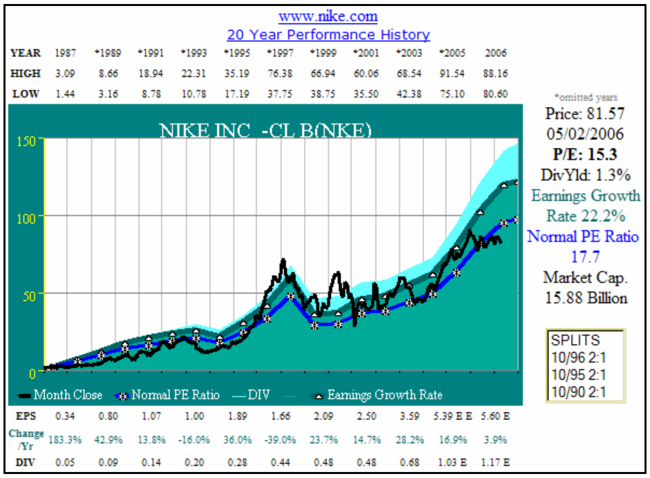
Forecasting Chart for UNH - Copyright © 2006 EDMP, Inc., All Rights Reserved.

Estimated Future Fundamental Valuations

The consensus of EDMP and Value Line estimate UnitedHealth Group's 5 year earnings growth rate at 21.0%. UnitedHealth Group has low long-term debt at 18% of capital. UnitedHealth Group is currently trading at a P/E of 18.4, which is inside the value corridor (defined by brown lines) of a maximum P/E of 25.2. If the earnings materialize as forecast, UnitedHealth Group's True Worth™ valuation would be $152.04 at the end of 2011, which, assuming the company is trading at a 21 P/E at that time, would be a 21.7% annualized rate of return.

EDMP, Inc.

Looking at the future, EDMP is growing more confident regarding the prospects of the exceptional companies we have invested in on your behalf. As the excesses of the late 1990s into the first half of the 2000s continue to correct themselves, more and more opportunities to improve your portfolios' long-term results are presenting themselves. This past quarter, we had the opportunity to add Nike, a true franchise business.



As you can see, Nike's historical performance has been exceptional both on a growth rate and increasing dividend basis.

NIKE INC -CL B(NKE)
20 YEAR PERFORMANCE RESULTS

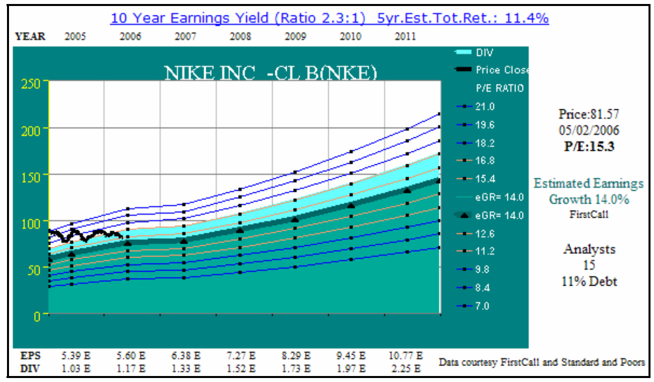
Amount Invested: $ 100,000 Shares: 68,027 **Closing Value: $5,548,962.39**
Split-adjusted Price(12/31/1986): 1.47 Closing Price(05/02/2006): 81.57

Dividend Cash Flow

YEAR	Dividend/Share	Cash Dividend	% Return
1987	0.05	$3,401.35	3.4%
1988	0.06	$4,081.62	4.1%
1989	0.09	$6,122.43	6.1%
1990	0.12	$8,163.24	8.2%
1991	0.14	$9,523.78	9.5%
1992	0.17	$11,564.59	11.6%
1993	0.20	$13,605.40	13.6%
1994	0.23	$15,646.21	15.6%
1995	0.28	$19,047.56	19.0%
1996	0.35	$23,809.45	23.8%
1997	0.44	$29,931.88	29.9%
1998	0.48	$32,652.96	32.7%
1999	0.48	$32,652.96	32.7%
2000	0.48	$32,652.96	32.7%
2001	0.48	$32,652.96	32.7%
2002	0.52	$35,374.04	35.4%
2003	0.68	$46,258.36	46.3%
2004	0.90	$61,224.30	61.2%
2005	1.03 E	$70,067.81	70.1%
2006	1.17 E	$79,591.59	79.6%

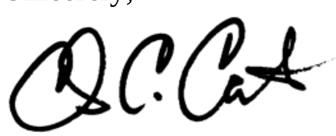
		S&P 500
Total Cash Dividends:	$568,025.45	
Closing Cash Value:	**$5,548,962.39**	**$542,355.73**
Closing Annualized ROR:	**23.1%**	**9.1%**
Total Value:	**$6,116,987.84**	
Total Annualized ROR:	**23.7%**	

This exciting new holding is consistent with the rebalancing theme of this quarter's letter and is currently attractively priced. Therefore, we believe its long-term prospects are safe, sound, and potentially very profitable.



And, as we hope you all agree: in the long run ***Earnings Determine Market Price***. Always have, and always will.

Sincerely,



Charles C. Carnevale
Chief Investment Officer

EDMP, INC. LARGE CAP EQUITY COMPOSITE ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (millions)	Composite Assets: U.S. Dollars (millions)	Composite Assets: % Non-Fee-Paying	Composite Assets: Number of Accounts	Annual Performance Results: Composite Gross	Annual Performance Results: Composite Net	Annual Performance Results: S&P 500	Annual Performance Results: Composite Dispersion
2006Q1	335	239	<1%	332	2.67%	2.51%	4.21%	0.6%
2005	325	228	<1%	325	10.46%	9.76%	4.89%	1.4%
2004	316	166	<1%	291	7.28%	6.58%	10.88%	2.9%
2003	236	120	<1%	250	33.15%	32.30%	28.68%	4.1%
2002	192	67	<1%	214	(15.36%)	(15.96%)	(22.10%)	5.2%
2001	173	68	<1%	201	13.45%	12.67%	(11.88%)	4.3%
2000	155	60	<1%	184	6.02%	5.30%	(9.11%)	10.0%
1999	130	59	<1%	192	24.06%	23.26%	21.04%	12.2%
1998	141	71	1%	219	14.53%	13.80%	28.58%	15.3%
1997	118	43	2%	149	24.70%	23.89%	33.36%	6.7%
1996	77	17	<1%	76	23.43%	22.71%	22.96%	5.5%
1995	60	9	<1%	44	41.43%	40.73%	37.58%	8.1%
1994	10	4	3%	30	0.79%	0.29%	1.32%	1.7%
1993	8	3	4%	22				

Large Cap Equity Composite consists of all fully discretionary large cap equity accounts. For comparison purposes the composite is measured against the S&P 500 Index. The minimum account size for this composite is $100 thousand. EDMP, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). EDMP is a registered investment advisor, focused on valuation-based investing. The firm maintains a complete list and description of composites, which is available upon request. *Results are based on fully discretionary large cap equity accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.* The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding policies for calculating and reporting returns is available upon request. The management fee schedule is as follows: 1.00% on the first $1 million, 0.90% on the next $4 million, 0.80% on the next $5 million, 0.70% on the next $10 million, and the balance is negotiable. Actual investment advisory fees incurred by clients may vary. The Large Cap Equity Composite was created June 30, 2002. Compliance with the GIPS has been verified firmwide by