4th Quarter 2005
EDMP, Inc. Quarterly Review

Of Enduring Value

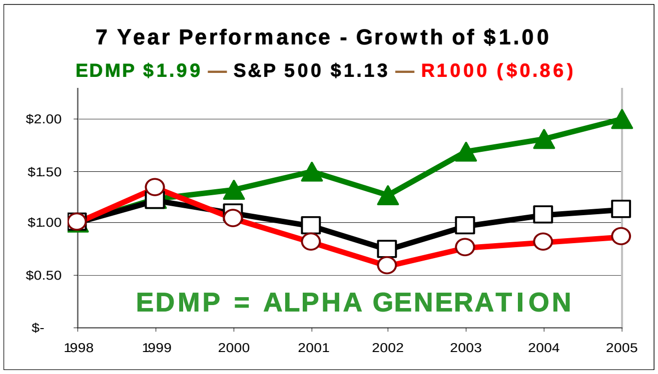
Calendar year 2005 was a very solid one for EDMP and you, our valued clients. Our double digit returns for the year were more than double the S&P 500 results, more commonly known as the market. Although we are proud of that fact, we are even more proud of the low risk manner in which we achieved it. It has steadfastly been our contention that above average returns at below average risk is a hallmark attribute of our sound and reliable investing philosophy.

Investing in superior growth at sound valuations is a common-sense based and time-tested strategy for financial success. One good year, however, does not prove a strategy. It takes longer time periods to truly validate the value of an investment philosophy. Therefore, let's review EDMP's long term records to evaluate how our philosophy stacks up. Before we do that, it's interesting to note that the following records were achieved through some of the most volatile and tumultuous stock markets in all recorded history.

EDMP's three year record of 16.32% is almost 2% per annum better than the S&P 500's 14.38%, which is respectably significant. On the other hand, our five year record of 8.61% per annum is just under sixteen times better than the S&P 500's meager 0.54% per annum, which is huge by comparison. As is our seven year record of 10.31% per annum which is almost six times greater than the S&P 500's 1.77% per annum. (See 7 Year Performance - Growth of $1.00 chart at right.) Finally our inception to year end 2005 (12.5 years) record is 14.24% per annum compared to 10.5% per annum for the S&P 500. By any measure of time, throughout EDMP's history as a money manager we have served our clients well and we are proud of that achievement.

It is not now, nor has it ever been EDMP's policy to market performance. Instead, we have always taken great care and pride in promoting the sound, prudent and reliable manner in which we endeavor to generate performance. At EDMP, we believe that sound investing principles do in fact exist, and feel it is our deep responsibility to share that important knowledge. Furthermore, although there may be many ways to speculate, in truth there exists only one way to invest. Consequently, when and if a strategy fails to meet the criteria that investing principles mandate, it must morally declare itself a speculation. The above statement is not meant to imply that speculating is bad or evil, rather it simply points out that speculating is different than investing. The primary difference is risk, where speculation carries much more risk than true investing. This is due to the fact that speculating is never based on sound foundations of economic reality. Instead, it is usually based on mere guessing of short-term price movements. However, it's also important to acknowledge that even true blue investing carries some risk; it's just the degree that is different.

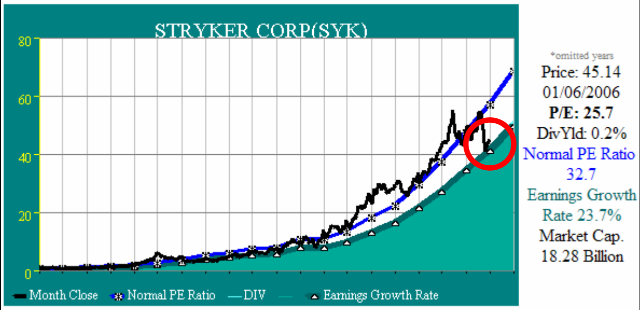
EDMP's sound investment philosophy can be stated very succinctly: Invest in great businesses for long-term growth, but only when they are at attractive valuations. The approach works, primarily because great businesses possess qualities **of enduring value**. We invest in companies with these qualities because they are strong and powerful franchises. It's no accident that the investment results they produce for their shareholders are superior to the averages. Rather, it's because these best of breed companies are simply significantly better than the average company. Being strong and powerful in their own right, they produce strong and powerful investment results.



Since it is said that a picture is worth a thousand words, let's look at a picture of one of our newest holdings, Stryker Corporation (SYK), and examine how it fits our great business definition.

20 Year Performance History

YEAR	1987	*1989	*1991	*1993	*1995	*1997	*1999	*2001	*2003	*2005	2006
HIGH	1.21	1.56	6.53	4.97	7.31	11.33	18.31	31.60	42.68	56.32	0.00
LOW	0.53	0.81	1.72	2.62	4.52	6.06	11.11	21.65	29.82	39.74	0.00



EPS	0.03	0.05	0.09	0.16	0.23	0.33	0.41	0.69	1.15	1.75 E E	2.10 E
Change /Yr	0.0%	25.0%	50.0%	33.3%	21.1%	37.5%	24.2%	23.2%	26.4%	19.9%	20.0%
DIV				0.01	0.01	0.03	0.03	0.04	0.06	0.08 E	0.10 E

[Please note that November of 2005 represented the first time in more than seven years that we had the opportunity to purchase Stryker at a sound valuation. See red circle on chart above.]

Over the past twenty years, Stryker's earnings have consistently grown at the powerful compounded rate of 23.7% per annum. This is in contrast to the S&P 500 index where earnings growth has been less consistent and only averaged 7.6% per annum.

Consequently, since we hopefully all by now know that Earnings Determine Market Price (EDMP), it should be no surprise that Stryker provided orders of magnitude better results for its shareholders than investors in a passive S&P 500 index achieved. Great businesses produce great returns as can be seen by the following comparison of Stryker's past performance to the S&P 500 below:

STRYKER CORP(SYK)
20 YEAR PERFORMANCE RESULTS

Amount Invested: $ 100,000 Shares: 149,254 Closing Value: $6,737,325.56
Split-adjusted Price(12/31/1986): 0.67 Closing Price(01/06/2006): 45.14

		S&P 500
Closing Cash Value:	$6,737,325.56	$530,890.85
Closing Annualized ROR:	24.8%	9.2%

The crucial point to understand here is that it is not the daily volatility of the stock market that generates gains or losses. In fact, it is the long term business success of the individual company invested in that produces results. Above average companies produce above average results, average companies produce average results, and below average companies produce below average results. The stock market may be fun to talk about, but in truth has little or nothing to do with long-term investing success.

In today's investment world, we believe there is far too much attention being placed on mere statistical analysis of stock price movements. The problem with this mindset is that statistical references are being relied upon to make investment decisions even though they provide little predictive insight into the future. On the other hand, the rate of change of earnings growth of a business, coupled with the valuation you pay to buy the business have been conclusively proven to be accurate predictors of the future. Based on these truths, EDMP understands that our most important job is calculating the true value of the businesses which we invest in on our clients' behalf. Our research has provided a preponderance of conclusive and undeniable evidence that validates the predictive accuracy of valuation and earnings growth.

Therefore, when searching for investment candidates, EDMP focuses its entire resources and efforts on identifying great businesses in which to place our clients' capital. In order for a business to be considered great, we must see a clear thesis for growth, more precisely, a clear thesis for superior (better than average) growth. It is through exceptional growth that a business derives its enduring value. Once a company's growth prospects are clearly understood, then calculating fair value is a mere, albeit critical, mathematical exercise. If the calculated value is at or below current market price, we are willing buyers; if the stock is overvalued, we move on.

The following "Thesis for Growth" and Outlook: Growth by the Numbers for Stryker will hopefully add illumination on these important ideas:

THESIS FOR GROWTH

Founded in 1941, Stryker develops, manufactures and markets orthopedic products and medical surgical instruments. Orthopedic products, which include hip, knee, shoulder and spinal implants, account for approximately 60% of total revenues. Med/surgical instruments include powered surgical instruments and navigation systems, endoscope products, hospital beds and stretchers, and comprise 35% of sales. Outpatient physical therapy represents the remaining 5% of revenues.

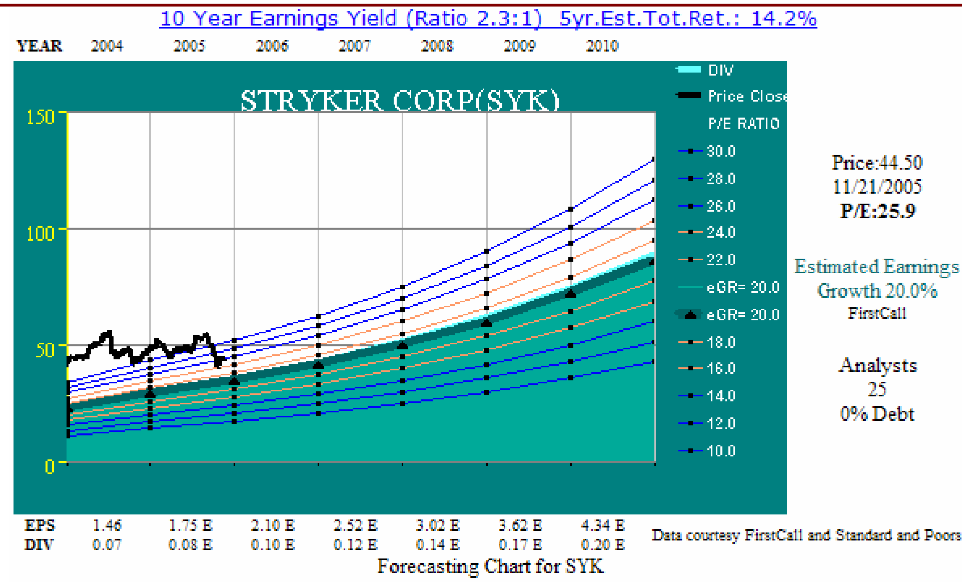
Prospects for continued industry growth are strong, with expansion being driven by favorable demographic trends as the baby-boom generation comes into the prime age for orthopedic and other medical procedures.

The Company is a market leader in this rapidly growing industry, with the top selling products in a large number of sub-categories within the business. Stryker has achieved an outstanding long-term growth record with 88 consecutive 20+% profit growth quarters, by offering an unparalleled variety of high quality, innovative products and services. Prospects for continued industry growth are strong, with expansion being driven by favorable demographic trends as the baby-boom generation comes into the prime age for orthopedic and other medical procedures. More active lifestyles and continued development of markets outside the U.S., combined with improvements in technology should provide for continued future opportunities.

Given the Company's consistency, strong balance sheet and cash flows and high returns generated, the stock has historically traded at a significant premium valuation. A recent more challenging pricing environment in the orthopedic segment has caused a rare stock price drop into a reasonable valuation range, offering us the opportunity to accumulate the shares. We believe the Company will continue to generate substantial growth for several reasons. First, pricing pressures should prove transient when the underlying demand drivers are so strong. Second, 20%+ growth in the med/surgical division continues unabated. The Endoscopy division continues to be the star performer. Strong growth in this division should be sustainable given the trend toward minimally invasive procedures, accelerating demand for video imaging technology, software, scopes and instruments. The Company is increasing the size of its sales force in this division where it believes it can increase its market share. Third, the Company is accelerating its already substantial investment in research and development to maintain its historic market leadership. This includes new pipeline products for a next generation knee, spinal discs, and a novel protein that induces new bone formation.

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

OUTLOOK: GROWTH BY THE NUMBERS



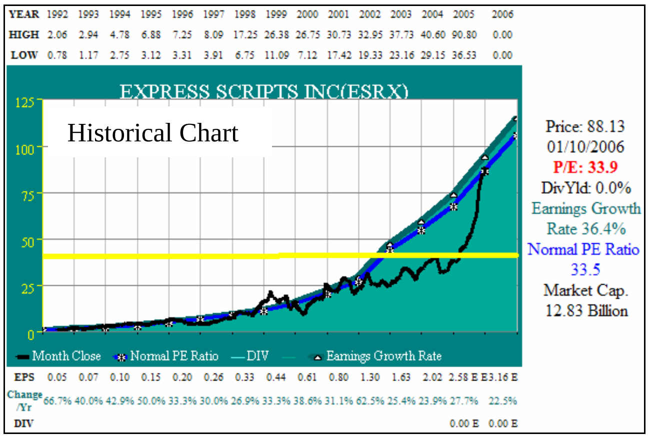
Forecasting Chart for SYK

ESTIMATED FUTURE FUNDAMENTAL VALUATIONS

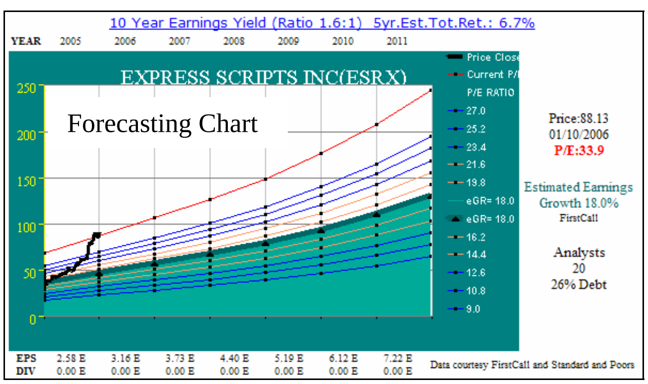
The consensus of the 25 leading industry analysts reporting to FirstCall estimate Stryker's 5 year earnings growth rate at 20%. Stryker has Ino long-term debt. Stryker is currently trading at a P/E of 25.9, which is slightly above the value corridor (defined by brown lines) of a maximum P/E of 24. If the earnings materialize as forecast, Stryker's True Worth™ valuation would be $86.80 at the end of 2010, which would be a 14.2% annualized rate of return.

EDMP, Inc.

Looking to the future, EDMP remains very excited and confident regarding the exceptional companies you currently own. Unfortunately, a few of our holdings have seen their stock price get ahead of their earnings justified valuation. Therefore, they have been placed on our current sell list as we evaluate their earnings potential and research equivalent but better valued replacements. This typical EDMP behavior is precisely why we sold Express Scripts, a health care powerhouse we bought at a low valuation. (See yellow cost line below.)



After its price had risen to dangerously overvalued levels, Express Scripts was replaced with Stryker Corporation, another health care powerhouse with a more sensible and attractive valuation.
(See Fundamental Research page 3.)



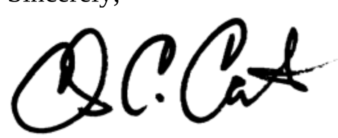
It is interesting to note that we actually liked Express Scripts, the company, more on the day we sold it, than we did on the day we bought it. The only thing we didn't like was the valuation. This follows the old Wall Street adage "Buy on bad news, sell on good news." Most importantly this represents one of the best reasons to hire professional money managers like EDMP. Try as they may, try as they might, individual investors left to their own devices cannot seem to bring themselves to buy when stock prices are low. Instead they get attracted to stocks that have already run or are running up. In other words, they tend to buy high and get frightened and sell low when prices inevitably correct to True Worth™ valuations.

EDMP currently has several very exciting companies that can be used to replace the ones on our sell list. Consequently as we continue to build your portfolios one company at a time, we are confident of the future, regardless of what the "Stock Market" in general may or may not do.

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

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.
EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

	Total Firm	Composite Assets				Annual Performance Results		
Year End	Assets (millions)	U.S. Dollars (millions)	% of Firm Assets	% of Non-Fee-Paying Accounts	Number of Accounts	Composite	S&P 500	Composite Dispersion
2005	325	228	70%	<1%	325	10.42	5.26	1.40%
4th Qtr 2005	325	228	70%	<1%	325	7.25	2.09	1.40%
3rd Qtr 2005	306	201	66%	<1%	317	3.04	3.60	0.72%
2nd Qtr 2005	309	194	63%	<1%	311	3.25	1.37	0.46%
1st Qtr 2005	307	176	57%	<1%	307	-3.23	-2.15	0.80%
2004	316	166	52%	<1%	293	7.28	10.88	2.92%
2003	236	120	51%	<1%	250	33.15%	28.68%	4.1%
2002	192	67	35%	<1%	214	(15.36%)	(22.06%)	5.2%
2001	173	68	40%	<1%	201	13.45%	(11.93%)	4.3%
2000	155	60	38%	<1%	184	6.02%	(9.10%)	10.0%
1999	130	59	45%	<1%	192	24.06%	21.04%	12.2%
1998	141	71	50%	1%	219	14.53%	28.58%	15.3%
1997	118	43	36%	2%	149	24.70%	33.36%	6.7%
1996	77	17	22%	<1%	76	23.43%	22.96%	5.5%
1995	60	9	14%	<1%	44	41.43%	37.58%	8.1%
1994	10	4	46%	3%	30	0.79%	1.32%	1.7%
1993	8	3	43%	4%	22			

Equity Composite contains fully discretionary equity accounts and for comparison purposes 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 Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS®), the U.S. and Canadian version of the Global Investment Performance Standards (GIPS®). AIMR has not been involved with the preparation or review of this report. EDMP, Inc. is a registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Non-fee-paying accounts are included in this composite. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. A fee schedule is an integral part of a complete presentation and is described in Part II of the firm's ADV, which is available upon request. Fees are collected quarterly, which produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) $1,000,000 investment, (b) portfolio return of 8% a year, and (c) 1.00% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Balanced portfolio segments are not included in this composite. Leverage is not used in this composite. The Equity Composite was created June 30, 2002. A third-party verification as set forth by the AIMR-PPS standards has been conducted by Ashland Partners & Company LLP from July 1, 1993 through December 31, 2004. In addition, a performance examination was conducted on the Equity Composite beginning July 1, 1993.