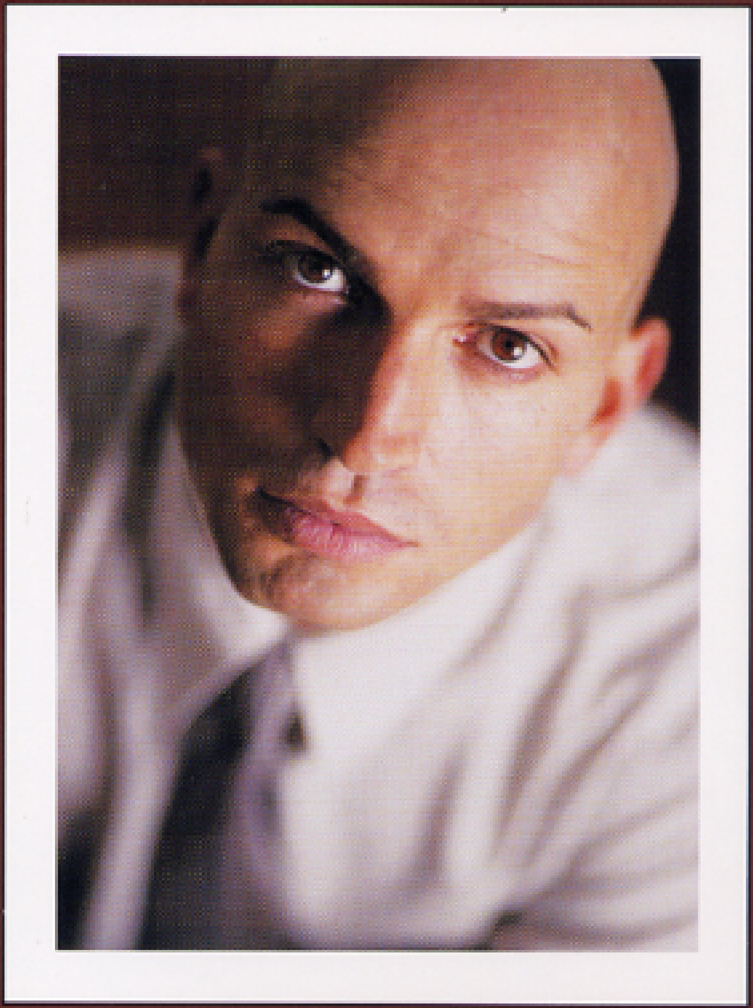
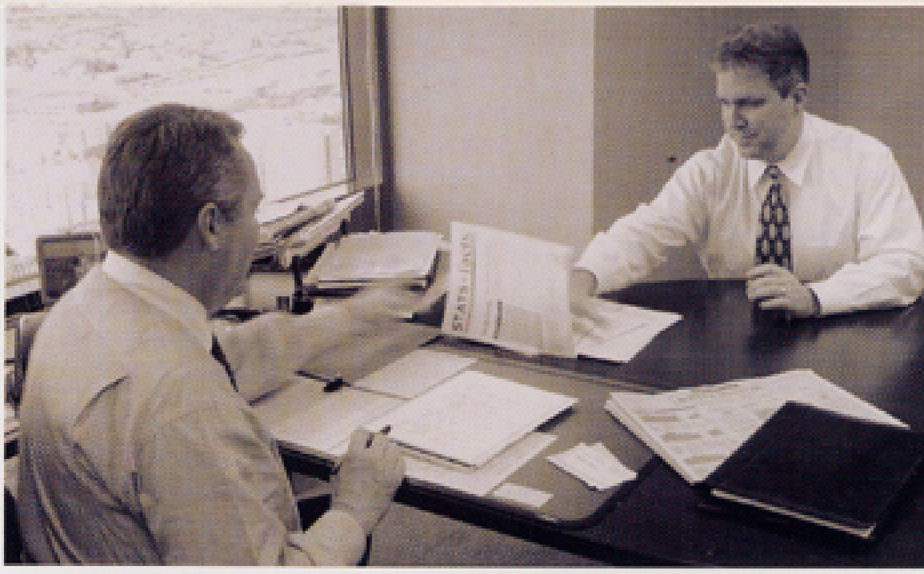
Real World Investment Management



In Business, REAL Is Who
Comes Through For You

Payden & Rygel

To Payden & Rygel,
the REAL world
of investment management
is about who's there for you,
by your side,
speaking with substance,
acting with authenticity.



Payden & Rygel is one of the largest independent investment counselors in the country, and one of the most prominent bond managers in the world. Based in Los Angeles, California, we have nearly $40 billion in assets under management.

We manage individual and institutional portfolios worldwide ranging in size from $1 million to over $500 million. But no matter what the portfolio size, all of our clients expect and receive a complete package of world-class investment management coupled with extraordinary service.

Reality Versus Perception
- Be sure you know what you are getting

Voicemail, Email, ATMs, Websites, Customer Service Centers... Greater productivity? Certainly. More access? Of course. Better personal service?

There are few industries where personal service is more important than in investment management. Yet, we have often heard prospective clients lament the lack of high quality, personal service available from investment management providers today –especially for portfolios between $1 and $25 million.

These investors are often forced to choose a "prefabricated" advisory program relying on computerized asset allocations and pre-set portfolio strategies. Just as often, they are contacted by a retail financial service representative offering standard financial products.

We think there is so much more to offer...

Introducing Payden & Rygel's Real World Investment Management

Our professional team is motivated by a keen focus on each client's personality and investment objectives. We begin by making it our first and foremost priority to get to know you –our client. By starting here, we learn about each other and cultivate the kind of trust necessary for an enduring and successful partnership. Once we know you and fully understand your needs, we can tailor an investment program to help you achieve your financial goals.

Service that makes a real difference

Our clients know that they are more than account numbers and an annual Christmas card. Every Payden & Rygel portfolio is managed by a *dedicated Portfolio Manager* to whom our clients have direct access. Portfolio Managers direct and supervise a comprehensive program of professional investment advisory services and trade execution. They also ensure that all investment activities fall in line with the written guidelines established for each portfolio.

Our clients expect world-class investment service and they get it. What makes Payden & Rygel special is consistently providing the highest level of personal contact and service that our clients deserve. We expect to work together to create the right communication routines that fit our relationship, and we will continue to work at it –committing to high standards by which you can measure us.

Payden & Rygel
Real World Investment Management At-A-Glance

Professional Team	**Dedicated Portfolio Manager** Global Investment Policy Committee Sector Strategists Trading Specialists Account Executive
Accessibility	**Direct access to Portfolio Manager**
Portfolio Plan of Action	Custom proposal prepared by Portfolio Manager following in-depth consultation –includes recommended asset allocation, implementation schedule, and comprehensive investment guidelines
Personal Communication	Monthly market update presented by Portfolio Manager or Account Executive via telephone Quarterly portfolio update delivered by Portfolio Manager or Account Executive either in person or via telephone at client's discretion Semi-annual comprehensive portfolio reviews delivered by Portfolio Manager –one via teleconference and one in person Annual meeting with Account Executive to discuss and understand ongoing business issues
Investment Advice	As needed at client's discretion
Reporting	Monthly portfolio statements Quarterly portfolio performance reports Annual portfolio review
Additional Services	Receipt of quarterly economic review with portfolio reports Access to proprietary investment research and economic reports (as available) Coordination with other advisors as directed by client
Available Investment Strategies	Unlimited –tailored to fit client's financial objectives
Pricing	Extremely competitive institutional pricing – see fee schedule for details
Online Account Access	Portfolio positions and valuations available 24 hours a day, 7 days a week

The Real Difference

At Payden & Rygel, the proof is in our principals. Because we are independently owned, we are entirely accountable to our clients. We provide all Real World Investment Management services under one roof, so there is no impersonal third party or computerized asset allocation report to hide behind. If a client has concerns, they can bring them directly to the decision makers. That is why our team of nine principals is so heavily involved in the day-to-day operations of our firm and in the servicing of our clients.

The fact is, we have more to offer, and it shows.

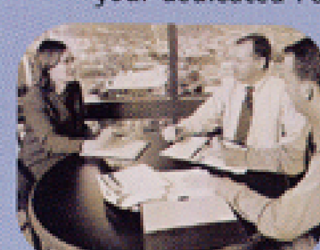
The Relationship Building Process / What to Expect as a Payden & Rygel Client

Introduction –your Payden & Rygel Senior Account Executive introduces Real World Investment Management and begins the process of learning about your organization.

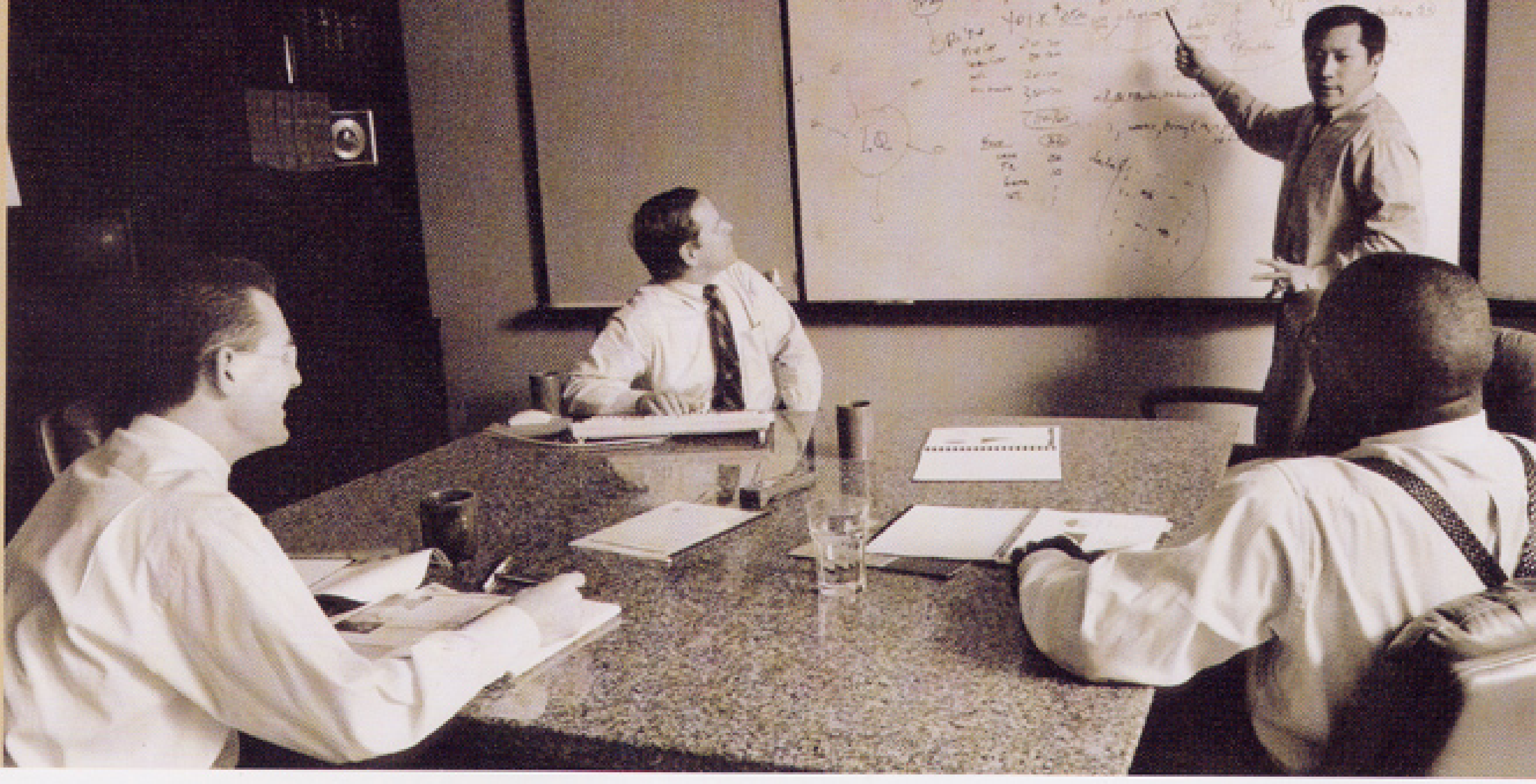
Private consultation – an opportunity to meet with your dedicated Portfolio Manager to discuss your specific financial objectives and unique investment considerations.

Custom proposal – an in-depth recommendation based upon your investment objectives and risk tolerance.

Investment Agreement with Payden & Rygel.



Implementation of strategy – coordination with other advisors – your dedicated Portfolio Manager and a team of Strategists, Analysts and Traders get to work on creating your customized portfolio.



Our approach is quite simple –we concentrate first on getting to know each client and then commit to building a deeper relationship over time. The customized portfolios we build are a reflection of this long-term relationship and our intense focus on helping our clients realize their evolving financial goals.

Knowing you, knowing what you need, and getting it done.
That's the Real World. That's Payden & Rygel

6

Monthly report – keeps you informed of activity in your accounts and offers valuable market insight.

7

Quarterly performance reports and presentations – ensures close personal contact with your dedicated Portfolio Manager and Account Executive, and provides you with your portfolio performance and regular updates on the financial markets.

8

Semi-annual portfolio reviews – enable you and your dedicated Portfolio Manager to review your portfolio's progress and reconfirm your goals.

9

Annual client relationship meeting – provides you and your Account Executive with the opportunity to evaluate our performance and revisit your current situation and long-term objectives.

The Real World Investment Management Team

The Payden & Rygel approach to investing is disciplined, yet flexible enough to meet the unique and diverse needs of our clients. The process starts with our Investment Policy Committee, a team of experienced investment professionals and principals of the firm with an average tenure of 11 years at Payden & Rygel. They are ultimately responsible for all aspects of the process, from formulation of broad strategic themes to sector allocation and portfolio risk management.

Policy decisions are carried out by our team of Sector Strategists and Traders. Sector Strategists provide security selection, sector research, industry focus and sector performance attributes.

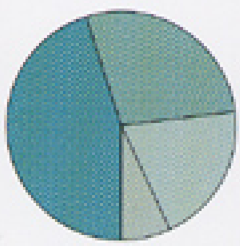
Once securities are selected, our Trade Execution Specialists get to work –delivering the best buy/sell pricing available for every trade.

Bringing all of the elements together is a dedicated Portfolio Manager, the guide, guru and real touchstone for the client's financial enterprise. This experienced investment professional oversees the client's portfolio and all related activities. A thorough understanding of each client's specific objectives and risk tolerances, and a watchful eye ensure compliance with portfolio investment guidelines.

Building a Custom Portfolio

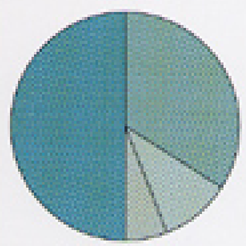
Once the client's investment objectives and guidelines are established, the policy and strategy teams apply a disciplined process that utilizes a compilation of Payden & Rygel's institutionally priced mutual funds. They use the Funds to build portfolios that meet the strategies defined for each client. By using these no-load, low expense stock and bond mutual funds, we are able to build custom portfolios to pursue a wide range of financial objectives such as growth, liquidity, capital preservation, tax minimization, and income.

The following are some samples of portfolio investment strategies that can be built to your specifications:



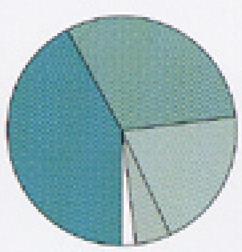
1 Cash Management

Uses three Payden & Rygel short maturity fixed income funds to achieve a diversified portfolio; provides daily liquidity and aims to generate a greater total return than the average money market fund or bank certificates of deposit.



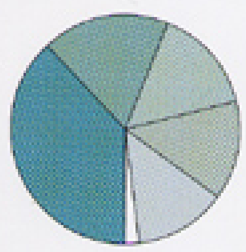
2 Intermediate Maturity, High Quality Bond

Utilizes Payden & Rygel's high quality fixed income funds to seek returns in excess of the general bond market while maintaining a very high average credit quality.



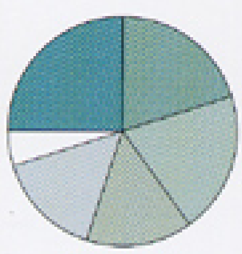
3 Multisector Bond

Makes use of a mix of Payden & Rygel's fixed income funds to seek returns in excess of the U.S. bond market over time.



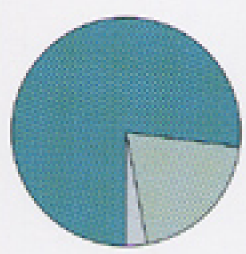
4 Balanced

Combines Payden & Rygel's fixed income and equity funds aiming to create an optimal mix between stocks and bonds to generate growth of assets and income.



5 Global Balanced

Blends Payden & Rygel's domestic and foreign stock and bond funds aiming to produce growth of assets and income.



6 Growth

Uses a mix of Payden & Rygel's equity funds to pursue growth of principal.

Sample Allocations

1 Cash Management
- U.S. Government Bonds 45%
- Corporate Bonds 28%
- Asset Backed 20%
- Mortgage Bonds 7%

2 Intermediate Maturity, High Quality Bond
- Mortgage Bonds 50%
- U.S. Government Bonds 34%
- Corporate Bonds 10%
- International Bonds 6%

3 Multisector Bond
- Mortgage Bonds 42%
- U.S. Government Bonds 31%
- Investment Grade Bonds 20%
- High Yield Bonds 5%
- Emerging Market Bonds 2%

4 Balanced
- Large Cap U.S. Stock 38%
- U.S. Government Bonds 18%
- Corporate Bonds 15%
- Small Cap U.S. Stock 14%
- U.S. Mortgage Bonds 13%
- International Stock 2%

5 Global Balanced
- Large Cap U.S. Stock 25%
- Foreign Bonds 20%
- U.S. Bonds 20%
- Large Cap Foreign Stock 15%
- Small Cap U.S. Stock 15%
- Small Cap European Stock 5%

6 Growth
- Large Cap U.S. Stock 77%
- Small Cap U.S. Stock 20%
- International Stock 3%

The proof is in our performance –just ask our clients

Payden & Rygel was founded in 1983 by our President, Joan Payden. Since then, we have grown to nearly $40 billion in assets under management. Both domestic and international in scope, our broad client base includes:

* Foundations and Endowments
* Unions (National and Local)
* Non-Profit Institutions / Charities
* Private Primary and Secondary Schools
* High Net-Worth Individuals (Including family offices)
* Corporations
* Colleges and Universities
* Municipalities
* Hospitals and Healthcare Organizations

Payden & Rygel Fees

There is one all-inclusive fee for investment, advisory and reporting services. As an institutional investment manager, our fees are extremely competitive. Please review the Real World Investment Management fee schedule for complete details.

Turn over
to see our
representative
client list

Although we stress the unique individuality of each of our clients, chances are we have worked with an organization that has some things in common with yours. This gives us familiarity and the intuitive ability to address your specific needs.

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Payden & Rygel
Representative Client List

CORPORATIONS

Alaska Air Group, Inc.
Affymetrix
Amazon.com
American Airlines, Inc.
Amylin Pharmaceuticals
Blue Diamond Growers
Boeing Corporation
Cedars Bank
ChevronTexaco Corp.
Comsat Corporation
Cor Therapeutics
Dell Computers Corporation
Edison International
Eli Lilly & Company
Federated Department Stores
Fluor Corporation
Genelabs Technologies, Inc.
Genesoft
Golden Rule
Hawaiian Electric Industries
KLA Tencor
Levi Strauss
Liz Claiborne
Lockheed Federal Credit Union
Lockheed Martin Corporation
Mead Corporation
National Automobile Dealers Association Retirement Trust
Nomura Securities
Northeast Utilities
Northrop Grumman
Novell, Inc.
Oglethorpe Power Corporation
PACCAR Insurance Company, Ltd.
R.R. Donnelley & Sons Co.
Qualcomm, Inc.

Payden & Rygel Real World Investment Management

Real people. Real service. Perhaps you are ready to experience the real difference of Payden & Rygel service for yourself.

Making it happen is easy. Call us at (800) 644-9328 for a complimentary analysis of your current portfolio and a proposal to see what Payden & Rygel's Real World Investment Management can do for you.