

# U.S Treasury Bond Management Program

Lara Group, Ltd

Number of Accounts  
68

Total Assets  
\$26 mil

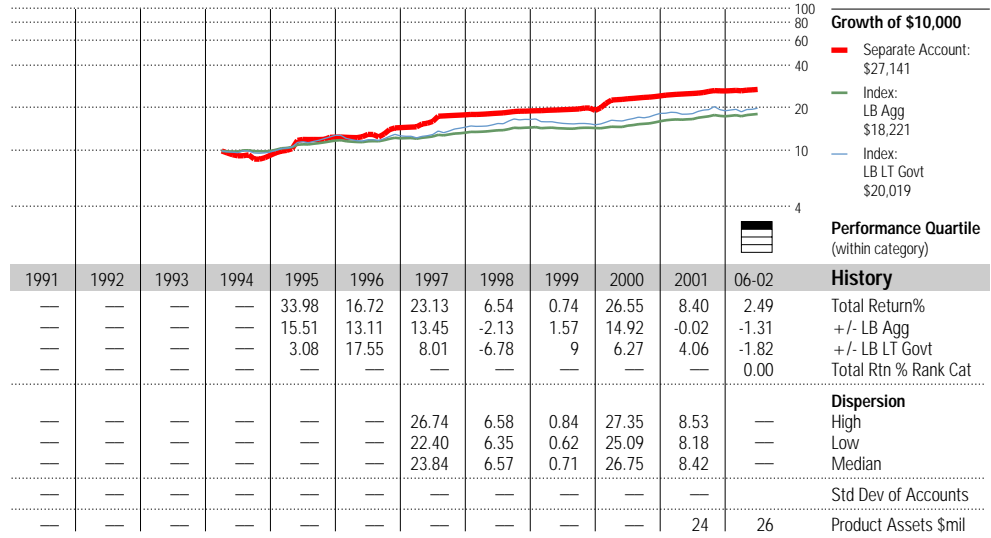
Morningstar Category  
Long Government

## Customization

Exclude securities	No
Modify sector weightings	No
Consult with portfolio manager	No
Consult with portfolio administrator	No
Tax Lot Harvest Rpt to Advisor	No
Access daily portfolio holdings	No
Access daily performance	No
Access daily risk/MPT stats	No
Annual tax document	No

## Tax-Efficiency

Use of tax-optimization software	No
Use of tax-lot trading strategies	No
Ability to harvest tax losses	No
Trades analyzed by holding period	No
Lg-term cap gain use in position chgs	No
Analysis of taxable income streams	No
Sell high cost positions first	No
Short-term gain flag before trade	No
Analysis of loss candidates	No

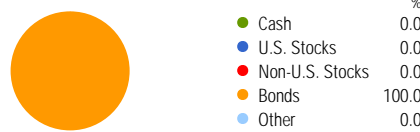


## Portfolio Manager(s)

Edward Ronald Lara Since 04-94. Bachelor of Science  
1968 University of Maryland

## Current Investment Style

Composition as of 03-31-02



## Portfolio Analysis 03-31-02

Share Chg (12-01)000	Amount 000	Total Stocks	0	Total Fixed-Income	1	Value \$000	% Net Assets
* 25M	25M	United States Treas	Ntstripped Prin	Pmt	23,811	100.0	

## Performance 06-30-02

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
1998	0.94	1.72	2.71	1.02	6.54
1999	0.95	1.03	1.18	-2.31	0.74
2000	18.27	2.22	2.16	2.47	26.55
2001	2.61	1.37	3.48	0.72	8.40
2002	0.18	2.31	—	—	2.49

## Trailing

	Total Return%	+/- LB Agg	+/- LB Govt	% Rank All Cat	Growth of \$10,000
1 Mo	0.72	-0.15	-1.11	15	10,072
3 Mo	2.31	-1.39	-3.76	20	10,231
1 Yr	6.81	-1.82	-2.44	24	10,681
3 Yr	11.60	3.49	3.04	10	13,897
5 Yr	10.93	3.36	2.01	14	16,801
10 Yr Avg	—	—	—	—	—
15 Yr Avg	—	—	—	—	—

## Risk Analysis

Alpha	Standard Index S&P 500	4.91	Best Fit Index LB LT Treasury	5.26
Beta		0.58		0.39
R-Squared		10		22
Standard Deviation				1.75
Mean				0.93
Sharpe Ratio				0.33
Average 12-Month Yield				—

## Quarterly Risk Analysis

Total Quarters	33
Total Positive Quarters	28
Total Negative Quarters	5
Consecutive Positive Quarters, 04/01/96-09/30/99	14
Consecutive Negative Quarters, 04/01/94-09/30/94	2

## Equity

Value Blend Growth	Market Cap	%
Large	Giant	—
Mid	Large	—
Small	Medium	—
	Small	—
	Micro	—
	Med Mkt Cap	\$ mil

## Value Grades

Price/Earnings	—	—	Growth Grades	%	Score
Price/Book	—	—	Projected Erngs	—	—
Price/Sales	—	—	Book Value	—	—
Price/Cash Flow	—	—	Sales	—	—
Dividend Yield	—	—	Cash Flow	—	—
			Trailing Earnings	—	—

## Fixed-Income

Short	Int	Long	Avg Eff Duration	2.0 Yrs
			Avg Eff Maturity	0.0
			Avg Credit Quality	AAA
			Avg Wtd Coupon	—

## Account Size Breakdown

Less than \$250,000	Number of Holdings	Total Account Value(\$ mil)	Number of Accounts
\$250,000-\$1 million	—	—	—
\$1 million-\$5 million	—	—	—
More than \$5 million	—	—	—

## Platform Availability

Subadv	Minimum Account Size	Total Account Value(\$ mil)	Number of Accounts
Open Arch	—	—	—
Other/House	—	—	—

## Sector Weighting

	Portfolio %	S&P 500 %
<b>Information Economy</b>	—	<b>20.9</b>
Software	—	4.5
Hardware	—	8.9
Media	—	3.4
Telecommunication	—	4.1
<b>Service Economy</b>	—	<b>46.1</b>
Healthcare Services	—	13.7
Consumer Services	—	9.3
Business Services	—	3.3
Financial Services	—	19.8
<b>Manufacturing Economy</b>	—	<b>33.0</b>
Consumer Goods	—	10.9
Industrial Goods	—	11.5
Energy	—	7.6
Utilities	—	3.1

## Operations

Product Focus	Retail
Retail Minimum	\$100,000,000
Customization Minimum	\$0
Institutional Minimum	\$100,000,000
% Portfolios Customized	—
% Portfolio Tax-Managed	—

Address	8000 Towers Crescent Driv Vienna VA 22182
Telephone	703-827-2300
Web Address	www.lara-group.com
Date of Inception	1994-04
AIMR Compliance Date	1994-04

## Fee Information

Subadvisory Wrap	—	\$0-\$1 million	0.75
Open Architecture Wrap	—	\$1 million-\$5 million	0.75
		\$5 million-\$10 million	0.50
		\$10 million-\$25 million	0.40
		More than \$25 million	0.30