

## INDEX PERFORMANCE: JANUARY 1991 – JUNE 2005

The Board Accountability Index ("BAI"), an enhanced S&P 500 index, has continued to perform well through the second quarter of 2005. Over the medium- and long-term, the BAI's overweighting of companies whose boards are subject to accountability has produced outsized returns relative to the benchmark S&P 500.

From its inception through June 30, 2005, the BAI has closely tracked the risk characteristics of the benchmark S&P 500 portfolio, while providing superior returns. As demonstrated by Table 2, the BAI consistently outperformed the S&P 500 without differing significantly from the S&P 500. Specifically, the BAI outperformed the S&P 500 in monthly, quarterly, semi-annual and annual average total returns, while maintaining a high correlation to, and a similar risk profile as, the S&P 500.

TABLE 2

	RETURN				STANDARD DEVIATION	
	BAI Average	S&P 500 Average	Difference	Correlation	BAI	S&P 500
<b>Monthly Total Return</b>	1.03%	1.00%	0.03%	99.35%	4.11%	4.10%
<b>Quarterly Total Return</b>	3.16%	3.05%	0.11%	98.21%	7.75%	7.72%
<b>Semi-annual Total Return</b>	6.23%	6.00%	0.23%	96.46%	9.41%	9.22%
<b>Annual Total Return</b>	14.08%	13.53%	0.55%	92.83%	18.96%	18.58%

Based on data from 1/1/1991 to 6/30/2005

BAI's ability to consistently capture excess return is shown in Table 3. In its worst relative performance during a 12-month period, the BAI only underperformed the S&P 500 by 98 basis points. In its best 12-month period in terms of relative performance, the BAI has outperformed the benchmark index by 232 basis points.

TABLE 3

	DIFFERENCE BETWEEN BAI AND S&P 500 IN TRAILING RETURNS			
	1 month	3 months	6 months	12 months
<b>Average</b>	0.03%	0.10%	0.21%	0.51%
<b>Max Positive Deviation</b>	0.47%	1.10%	1.74%	2.32%
<b>Max Negative Deviation</b>	-0.58%	-0.92%	-1.29%	-0.98%
<b>Stddev</b>	0.16%	0.29%	0.43%	0.64%

\*Based on data from 1/1/1991 to 6/30/2005

INDEX COMPOSITION

The BAI is constructed in a manner that aims to minimize differences in sector exposure between the BAI and the S&P 500 while still providing investors with superior overall returns. Going into the third quarter, the weightings of the various sectors and companies in the BAI continue to track closely those of S&P 500.

Table 4 shows the sector weightings in the BAI and the benchmark S&P 500.

TABLE 4

SECTOR BREAKDOWN		
Sector	BAI Weight	S&P 500 Weight
Energy	8.3%	9.0%
Materials	2.7%	3.0%
Industrials	12.0%	11.4%
Consumer Discretionary	10.3%	11.5%
Consumer Staples	10.8%	10.2%
Health Care	12.7%	13.4%
Financials	19.2%	20.0%
Information Technology	16.8%	15.1%
Telecommunication Services	3.5%	3.1%
Utilities	3.7%	3.3%
	100%	100%

\* Based on data as of July 1, 2005

Table 5 shows the weightings in the BAI and the benchmark S&P 500 by market capitalization groups at the start of the third quarter 2005.

TABLE 5

MARKET CAPITALIZATION ASSESSMENT		
Market Cap Group	BAI % Index Weight	S&P 500 % Index Weight
Group 1 (market cap greater than \$50 billion)	51.5%	49.9%
Group 2 (market cap between \$20 billion and \$50 billion)	23.9%	21.7%
Group 3 (market cap between \$10 billion and \$20 billion)	15.0%	17.4%
Group 4 (market cap less than \$10 billion)	9.5%	11.0%
	100%	100%

\*Market cap as of July 1, 2005

Table 6 shows a list of selected underweighted companies in the BAI, relative to their respective S&P 500 weightings, for the third quarter of 2005.

TABLE 6

SELECTED UNDERWEIGHTED COMPANIES			
Size Group #1	Size Group #2	Size Group #3	Size Group #4
SBC Communications Inc.	The Bank of New York Co.	Sara Lee Corp.	Computer Sciences Corporation
Viacom Inc.	Cendant Corporation	Marsh & McLennan Co's	Eastman Kodak Company
The News Corporation Inc.	Kimberly-Clark Corporation	Gannett Co., Inc.	Lexmark International, Inc.
The Walt Disney Company	Boston Scientific Corp.	Avon Products, Inc.	MBIA Inc.
Morgan Stanley	Illinois Tool Works Inc.	Weyerhaeuser Company	Jefferson-Pilot Corporation

\*As of July 1, 2005. See Table 5 for group definition