

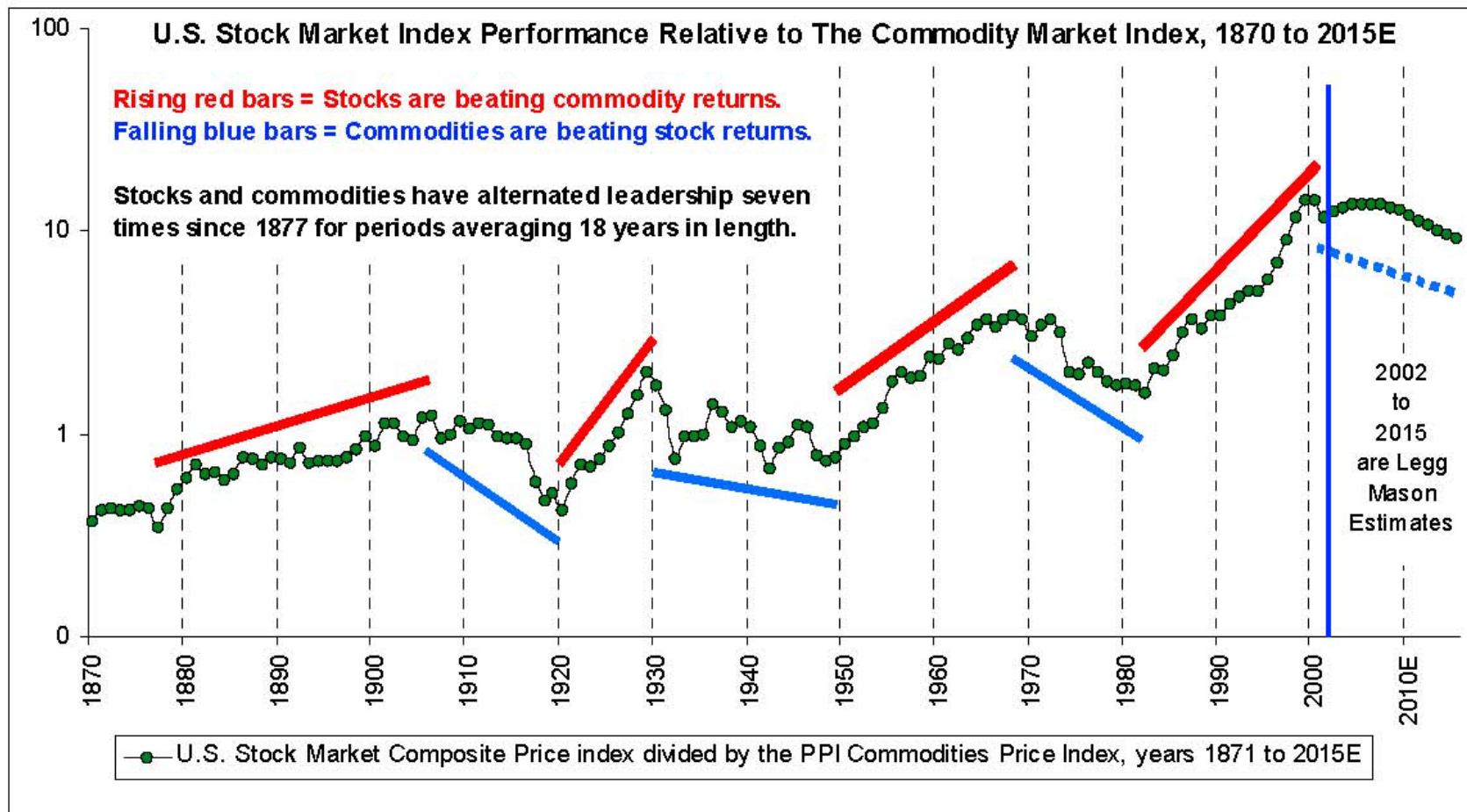
CONFLUENCE OF FACTORS

- **SEARCH FOR ALTERNATIVE, NON-CORRELATED INVESTMENTS**
- **INDUSTRIALIZATION OF CHINA, INDIA, AND OTHER COUNTRIES**
- **INTRODUCTION OF INVESTABLE, RECOGNIZED, COMMODITY INDEXES**
- **PERFORMANCE OF THE INDEXES**

Evaluation & Acceptance of Commodities as an Asset Class

- Asset Class Vs. Skill Class
- White Papers:
 - Legg Mason, Inflation Cycle of 2002 to 2005
 - Yale Paper, Facts & Fantasies of Commodity Futures

Commodities Alternating with Stocks

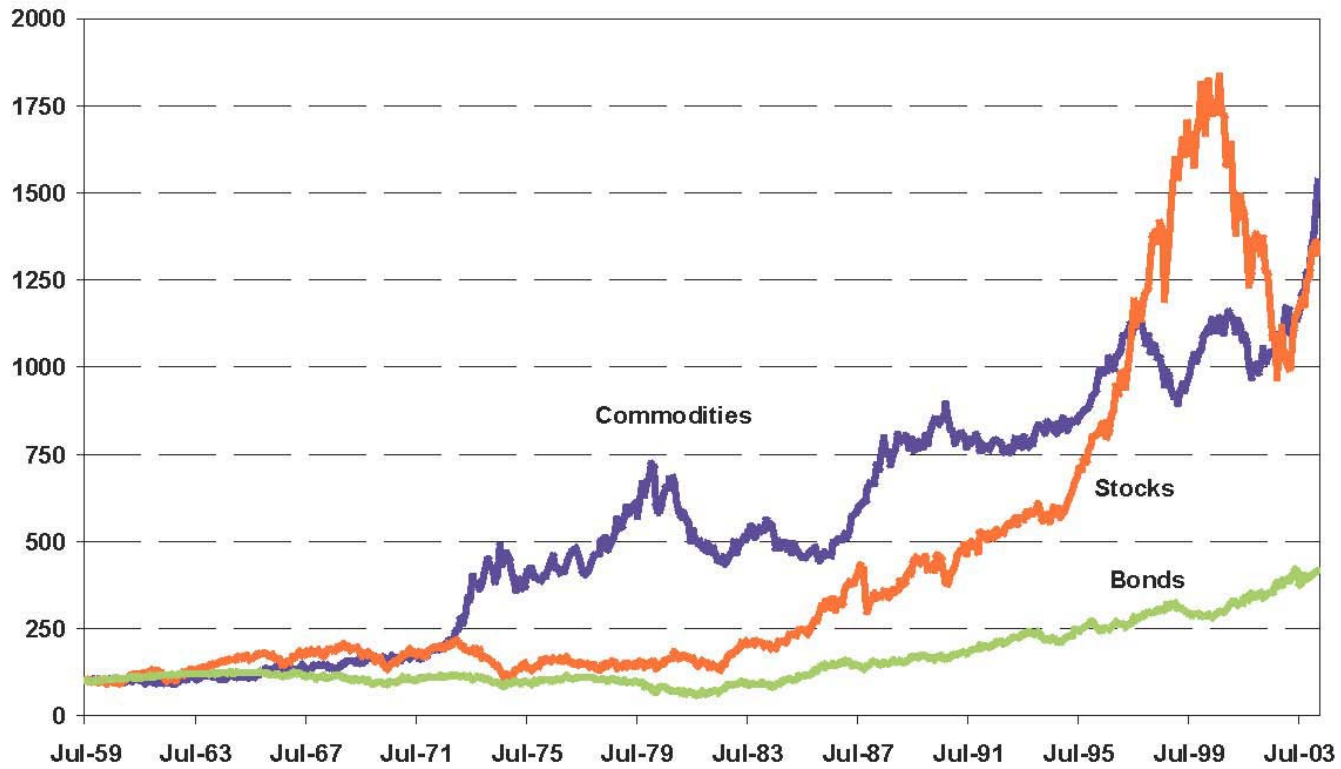


Source: NBER, Standard & Poor's Corporation, U.S. Dept. of Commerce, Legg Mason format and estimates

Chart Comparing Commodities to Stocks and Bonds

Figure 3

Stocks, Bonds, and Commodities
Inflation Adjusted Performance 1959/7-2004/3



From Facts &
Fantasies About
Commodity Futures

Factors in Commodity Index Construction

- Trading Volume
- Production Weight
- Future Demand
- Commodity Liquidity
- Sector Diversification

Why Commodity Indexes Now

- Non-Correlated Returns
- Commodity Indices Out-Performance
- China & India
- Ease of Investment
- Comfort with Recognized Index Strategy
- Their Neighbor Already Invested

Indices Comparison Past 85 months August 1998 thru August 2005

	Index Name	Current YTD Return	Compound Annual Return	Total Return	Sharpe Ratio	Annualized STD	Worst Draw Down
1	Rogers Intl Commodity Index (RICI)	19.71	18.38	230.50	0.91	16.85	23.93
2	GSCI Total Return	41.52	18.07	224.30	0.66	22.71	35.42
3	S. Korean KOSPI Index	20.92	17.61	215.51	0.43	33.65	53.34
4	Dow Jones - AIGCI Total Return Index	19.61	12.89	135.98	0.66	14.76	20.05
5	AMEX Composite Index	15.45	12.61	131.95	0.58	16.40	20.80
6	Russell 2000 Value Index	4.19	11.83	120.84	0.52	16.90	26.66
7	Straits Times Industrial Index	10.13	11.33	113.84	0.32	25.98	48.86
8	Canadian Gov't Bond Index (US\$ 1+Yr)	7.86	10.74	106.04	0.91	8.39	5.69
9	S&P 400 MidCap Index	7.26	10.73	105.78	0.40	18.86	25.13
10	S&P Commodity Index (SPCI)	29.97	10.29	100.07	0.43	16.80	34.63
11	S&P 600 Small Cap Index	5.66	10.01	96.51	0.35	19.92	27.99
12	Hang Seng Stock Index	4.73	9.30	87.79	0.25	25.23	50.39
13	Lehman Brothers L.T. Treasury Index	8.67	8.01	72.58	0.55	8.95	10.19
14	UK Gilt Index (US\$ 1 + yr)	-0.96	7.96	72.04	0.53	9.17	10.46
15	French Bond Index (US\$1+yr)	-4.38	7.71	69.26	0.41	11.14	27.31
16	German Gov't Bond Index (Bund)	-4.40	7.66	68.63	0.41	11.03	25.95
17	Barclay BTOP50 Index	-0.94	7.52	67.16	0.42	10.61	13.31
18	Australia All Ordinaries	8.88	7.16	63.17	0.38	10.81	18.88
19	JPMorgan World Gov't Bond Index	-2.86	6.84	59.78	0.52	7.24	8.43
20	Russell 2000 Index	2.29	6.75	58.78	0.17	21.77	37.60
21	Barclay Diversified Traders Index	-2.94	6.61	57.34	0.30	11.71	11.96
22	Canadian S&P/TSX Index	15.38	6.28	53.93	0.18	17.34	45.05
23	Russell 1000 Value Index	4.25	6.08	51.88	0.19	15.39	27.68
24	Japanese Gov't Bond Index (US\$1+yr.)	-6.71	5.82	49.30	0.23	11.78	19.53
25	CRB Total Return Index	15.67	5.69	48.00	0.26	9.92	19.03
26	Barclay Fin./Met. Traders Index	0.30	5.58	46.86	0.34	7.34	11.14
27	Barclay CTA Index	-1.63	5.52	46.35	0.30	8.10	7.74
28	Dow Jones Utilities Average	21.65	5.51	46.21	0.13	18.39	51.98
29	Barclay Systematic Traders Index	-2.23	5.39	45.04	0.23	9.96	10.13
30	Barclay Discretionary Traders Index	4.53	5.17	42.94	0.50	4.13	3.29
31	Barclay Currency Traders Index	-1.91	4.19	33.73	0.18	6.07	6.61
32	Russell 2000 Growth Index	1.70	3.44	27.11	0.01	28.42	62.60
33	NYSE Composite Index	3.39	3.25	25.41	0.01	14.78	33.96
34	Treasury Bills, U.S.	2.01	3.10	24.12	0.00	0.51	0.00
35	S&P 500 Total Return Index	1.94	2.76	21.28	-0.02	16.48	44.73
36	Wilshire 5000 Total Market (Tot. Ret.)	2.05	2.62	20.14	-0.03	17.00	45.56
37	Dow Jones Industrial Average	-2.79	2.37	18.01	-0.04	16.66	33.96
38	Russell 1000 Growth Index	1.75	2.04	15.37	-0.05	21.02	54.40
39	NASDAQ Composite Index	-1.07	1.98	14.93	-0.03	32.43	75.04
40	Dow Jones Transportation Average	-3.09	1.86	13.95	-0.06	22.49	43.82
41	MSCI EAFE Index (U.S. Dollars)	2.44	1.67	12.48	-0.09	15.91	50.65
42	Barclay Agricultural Traders Index	1.18	1.24	9.10	-0.20	9.27	19.94
43	CAC 40 Index	15.13	0.74	5.33	-0.11	20.84	60.48
44	Milan MIB Telematico Index	9.13	0.69	5.00	-0.12	20.28	52.45
45	MSCI Far East Index (Local Currency)	9.31	0.14	0.98	-0.18	16.21	52.81
46	BEL 20 Index	9.93	-1.15	-7.88	-0.25	17.06	53.47
47	FT-SE 100 Index	10.02	-1.36	-9.24	-0.30	14.66	48.52
48	Frankfurt DAX (30 Stocks)	13.48	-2.72	-17.77	-0.22	26.20	68.29
49	Nikkei 225 Index	8.05	-3.84	-24.22	-0.36	19.10	61.49
50	Amsterdam EOE Index	11.93	-4.94	-30.15	-0.36	22.47	63.95

Sources: Barclay Trading Group and Beeland Mgmt. Co.

<i>Total Return 8/98 - 06/05</i>		
Lehman LT Treasury Index	Rogers Int'l Commodity Index	S&P 500 Total Return Index
72.1%	202.7%	18.0%

