

# Lateef Mgt LMA Non-Taxable All-Cap Gr Eq

Lateef Management Associates

Morningstar  
Overall Rating  
★★★★★

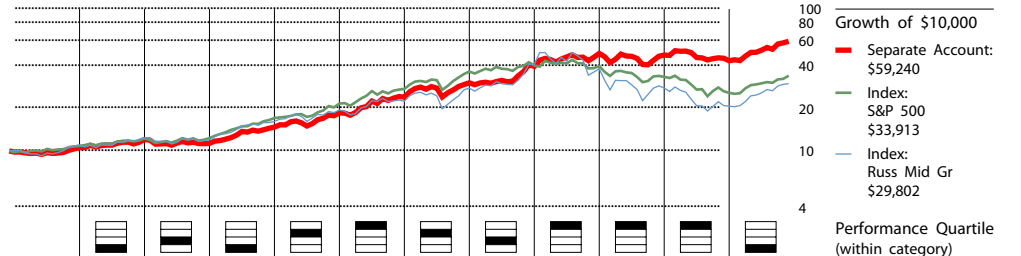
Number of  
Accounts  
131

Total  
Assets  
\$153 mil

Morningstar  
Category  
Mid-Cap Growth

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
Flexibility Level	—



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	12-03	History
Total Return%	3.42	11.23	-2.16	28.41	22.53	36.53	21.42	38.13	12.77	1.69	-3.20	31.61	Total Return%
+/- S&P 500	—	1.17	-3.47	-9.12	-0.42	3.18	-7.16	17.09	21.87	13.57	18.89	2.94	+/- S&P 500
+/- Russ Mid Gr	—	0.04	0	-5.57	5.05	13.99	3.55	-13.17	24.52	21.85	24.2	-11.11	+/- Russ Mid Gr
Total Rtn % Rank Cat		79	69	83	41	8	49	69	23	12	3	78	Total Rtn % Rank Cat
Dispersion													Dispersion
High													High
Low													Low
Median													Median
Std Dev of Accounts													Std Dev of Accounts
Product Assets \$mil								60	72	72	87	153	Product Assets \$mil

## Portfolio Manager(s)

Management Team

## Rating and Risk

Time Period	Morningstar Rtn vs Cat	Morningstar Risk vs Cat	Morningstar Risk-Adj Rating
3 Yr	High	Below Avg	5
5 Yr	Above Avg	Low	5
10 Yr	Above Avg	Below Avg	5

## Performance 12-31-03

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
1999	2.76	2.26	0.41	30.91	38.13
2000	10.75	-0.93	2.51	0.26	12.77
2001	-8.21	11.18	-12.80	14.27	1.69
2002	9.39	-3.08	-11.14	2.74	-3.20
2003	-3.69	14.42	5.08	13.65	31.61

Trailing	Total Return%	+/- S&P 500	+/-Russ Mid Gr	% Rank All Cat	Growth of \$10,000
1 Mo	2.48	-2.76	1.39	59	10,248
3 Mo	13.65	1.48	1.48	28	11,365
1 Yr	31.61	2.94	-11.11	42	13,161
3 Yr	9.01	13.06	15.14	22	12,955
5 Yr	15.08	15.65	13.07	10	20,181
10 Yr Avg	17.81	6.75	8.40	3	51,501
15 Yr Avg	—	—	—	—	—

## Risk Analysis

	Standard Index S&P 500	Best Fit Index S&P Mid 400
Alpha	11.87	4.65
Beta	0.73	0.77
R-Squared	62	75
Standard Deviation		18.39
Mean		9.01
Sharpe Ratio		0.14
Average 12-Month Yield		0.74%

## Current Investment Style

Composition as of 12-31-03



## Equity

Value Blend	Growth	Market Cap	%
Large	Mid	Small	
5.3	6.9	66.2	
21.6	0.0		
Geo Avg Market Cap \$ mil 3,493			

Value Grades	%	Growth Grades	%
Price/Earnings	19.2	Projected Erngs	—
Price/Book	3.7	Book Value	13.7
Price/Sales	1.68	Sales	10.1
Price/Cash Flow	11.4	Cash Flow	18.9
Dividend Yield	0.74	Trailing Earnings	16.5

## Fixed-Income

Short	Int	Long	
High	Med	Low	
Avg Eff Duration —			
Avg Eff Maturity —			
Avg Credit Quality —			
Avg Wtd Coupon —			

Account Size Breakdown	Number of Holdings	Total Account Value (\$ mil)	Number of Accounts
Less than \$250,000	—	—	—
\$250,000-\$1 million	—	—	—
\$1 million-\$10 million	—	—	—
More than \$10 million	—	—	—

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

## Portfolio Analysis 12-31-03

Share (20-30)	Chg 000	Total Stocks	15 Total Fixed-Income	Avg Turnover Ratio	% Net Assets
0	0	0	0	60%	Expeditors International of WA 12.97
0	0	0	0	0	Techne 8.96
0	0	0	0	0	Genlex 8.93
0	0	0	0	0	First American 8.33
0	0	0	0	0	Dentsply International 7.78
0	0	0	0	0	CH Robinson Worldwide 6.53
0	0	0	0	0	Suncor Energy 6.47
0	0	0	0	0	International Flavors & Fragrances 6.01
0	0	0	0	0	Rockwell Collins 5.17
+	25	0	0	0	Valassis Communications 4.42
-	-6	0	0	0	Financial Federal 3.94
-	-10	0	0	0	Texas Instruments 3.79
+	5	0	0	0	Associated Banc-Corp 3.68
*	12	0	0	0	McGraw-Hill Companies 3.61
-	-4	0	0	0	Tiffany 3.11
0	0	0	0	0	Network Equipment Technologies 2.84
0	0	0	0	0	Moody's 2.61

## Sector Weighting

Sector	Portfolio %	S&P 500 %
Information Economy	14.8	24.0
Software	0.0	4.6
Hardware	6.7	12.0
Media	8.1	4.1
Telecommunication	0.0	3.3
Service Economy	55.3	47.2
Healthcare Services	16.9	13.1
Consumer Services	0.0	9.4
Business Services	22.3	3.9
Financial Services	16.1	20.8
Manufacturing Economy	29.9	28.9
Consumer Goods	9.2	9.5
Industrial Goods	14.2	11.3
Energy	6.5	5.5
Utilities	0.0	2.6

## Operations

Product Focus	Both
Retail Minimum (\$000)	\$500
Customization Minimum (\$000)	
Institutional Minimum (\$000\$500)	
% Portfolios Customized	—
% Portfolio Tax-Managed	—

## Fee Information

Address	300 Drakes Landing Road; Greenbrae CA 94904	Subadvisory Wrap	—
Telephone	415-461-3800	Open Architecture Wrap	—
Web Address	www.lateef.com		
Date of Inception	1977-12		
AIMR Compliance Date	1991-01		

# Lateef Mgt LMA Non-Taxable All-Cap Gr Eq

Lateef Management Associates

(3) \$5,000,001 and above Fee of category (2) plus 0.625% of fair market value in excess of \$5,000,000.

\* Fair Market Value to be determined by appropriate means as of date of full and due execution and delivery of investment agreement and, if and as applicable, on any anniversary date thereof and thereafter.

The following narratives are provided by the asset manager.

## Product

The LMA Non-Taxable All-Cap Growth Equity Composite strategy focuses on investing in companies with above average profitability at a reasonable price.

## Other

Other Narrative is not available.

## Firm

### FIRM OVERVIEW

Lateef Management Associates has been managing both individual and institutional investment portfolios since 1974. The general partners of LMA have a combined investment experience of over 100 years. In good times and bad, in all kinds of markets, we have reviewed numerous portfolios and have investigated countless companies in a broad list of industries for possible investment.

### FIRM HISTORY

Lateef Management Associates was formed in 1974 by Khateeb A. Lateef after having spent fifteen years in investment research. Today, after more than two and a half decades, the firm has ten full time employees - five investment professionals engaged in portfolio management and securities research, and five employees involved in administration, marketing, trading and back office support. The firm currently has over \$600 million under management.

We believe our first obligation to our clients is to preserve capital followed by our responsibility to build our client's capital and income on a long-term basis. We treat each client and each portfolio as a unique entity with their own financial goals. We rely most heavily on our own research and employ price disciplines with a consistently applied investment philosophy that has evolved over many years of practice. Our decision-making process takes full advantage of individual insights within a team oriented culture.

Over the years, we have put into place a simplified and focused organization in order to provide our present and future clients the high level of service that has been the hallmark of Lateef Management Associates.

While we have served clients from our office in the San Francisco area since 1974, we have also maintained an office in Portland, Oregon since 1982, under the leadership of Larry N. Frager. We look forward to serving our clientele from both locations for many years to come.

Lateef Management Associates is an independent investment advisory firm, registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, the Commissioner of Corporations of the State of California, and the Corporate Division of the State of Oregon. The firm is primarily engaged in management of investment portfolios of individuals, corporations, employee benefit plans, charitable foundations and academic endowments.

## Performance

Performance Narrative is not available.

## Fee

Lateef Management has a portfolio minimum of \$500,000 and the fee schedule for Equity/Balanced accounts is as follows:

Fair Market Value\* of Assets  
under Management Fee

(1) \$100,000 - \$3,000,000 \$2,000.00 plus 1% of fair market value in excess of \$100,000.

(2) \$3,000,001 - \$5,000,000 Fee of category (1) plus 0.75% of fair market value in excess of \$3,000,000.