B E R K E L E Y
CAPITAL MANAGEMENT LLC

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DIVIDEND EQUITY

Jim Landau | CFA
Dividend Equity Portfolio Manager since 1975

Dave Ruff | CFA
Portfolio Manager and Analyst since 1987

Founded in 1972 in San Francisco

Staff of 6 Investment Professionals

Investment Staff has 20 Years Average Experience, Three of Whom Have Worked Together for over 28 years

$1.3 Billion in Managed Assets as of 3Q04

Philosophy

Berkeley Capital Management's Dividend Equity investment philosophy is based on the belief that over meaningful periods of time, superior returns can potentially be achieved by participating in the market during times of market strength and by significantly outperforming the market in periods of market decline. Berkeley strives to achieve this goal by focusing on stocks we believe to be either out-of-favor or depressed by temporary circumstances, but possessing characteristics which may signify an eventual return to market favor.

Buy Process

1. Screen for yield: stocks with yields higher than market yield
2. Compare to historical relative yield: to identify stocks with historically low prices
3. Analyze: companies' cash flow and other fundamentals
4. Diversify: stocks which represent current sector and industry weightings

Sell Discipline

We maintain a strict disciplined sell process. We will sell a stock for any of the following reasons:

1. A stock's yield falls at least one standard deviation below its historic relative yield;
2. A stock's yield declines to the yield of the market;
3. A stock's price declines 20% from our cost relative to the market (a stop-loss); or
4. A stock's dividend is unlikely to be maintained.

Berkeley strives to minimize portfolio losses and to outperform the overall market by practicing quantitative sell disciplines including a stop-loss discipline.

Distinguishing Features

Low turnover which leads to tax efficiency
Low portfolio volatility
Disciplined, yield-driven buy and sell process
Focus on stocks that currently have high yields

Portfolio Characteristics as of 9/30/04

Beta	0.73
Current Portfolio Yield	2.8%
P/E (on CY2004)	16.0
P/B	4.6
Annual Turnover	13%
Number of Holdings	33
Dividend Growth Rate 10 Year	9.7
Buy Only S&P 500 Stocks	

Top Ten Holdings as of 9/30/04*

McGraw-Hill Co.
Bank of America Corp
Anheuser Busch
ChevronTexaco
Exxon Mobil
Citigroup Inc.
Lincoln National
Avery Dennison
Kimberly Clark
Pitney Bowes

* The information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned.

Professional Profiles

Jim Landau, CFA
CEO & Portfolio Manager
32 years of investment experience.
Past Position: American Express Investment Mgmt. Corp.
Education: BS, Washington University (St. Louis); MBA, Harvard University

Rupert E. Grimm, CFA
Portfolio Manager & Chairman of the Investment Policy Committee
35 years of investment experience.
Past Positions: Goldman, Sachs & Co., Amax, Inc. Education: BS, US Military Academy at West Point; MBA, Wharton Graduate School

Janice E. Encinger
Head Equity Trader
32 years of investment experience.
Past Position: Bank of America
Education: Attended UC Berkeley

Dave Ruff, CFA
Portfolio Manager & Analyst
16 years of investment experience.
Past Position: Chief Investment Officer, London Pacific Advisors
Education: BS, Iowa State University

Randy Coleman, CFA
Portfolio Manager & Analyst
10 years of investment experience.
Past Position: London Pacific Advisors
Education: BA, University of California, Davis; MBA, American Graduate School of International Management

J. P. Marion
Portfolio Manager & Analyst
3 years of investment experience.
Past Position: London Pacific Advisors
Education: BS, Sacramento State

BERKELEY
CAPITAL MANAGEMENT LLC

Dividend Tax Relief is Finally Here

Berkeley Capital Management has 2 portfolios dedicated solely to dividend paying stocks; Dividend Equity and Balanced Equity.

As of 9/30/04 Stock Name	Symbol	Dividend Growth Rate 10 yr PTP	# of Consecutive Yrs Dividend Increased Last 10 Years
33M COMPANY	MMM	4.98	10
AIR PRODUCTS & CHEMICALS INC	APD	8.13	10
ANHEUSER-BUSCH COMPANIES INC	BUD	9.36	10
AVERY DENNISON CORPORATION	AVY	11.92	10
BANK OF AMERICA CORPORATION	BAC	13.87	10
CHEVRONTEXACO CORPORATION	CVX	5.07	3
CITIGROUP INCORPORATED	C	32.92	10
COCA-COLA COMPANY	KO	9.85	10
DOW JONES & COMPANY	DJ	1.76	0
EMERSON ELECTRIC COMPANY	EMR	7.45	10
EXXON MOBIL CORPORATION	XOM	3.75	5
FANNIE MAE	FNM	13.23	10
GENERAL ELECTRIC COMPANY	GE	12.79	10
HEWLETT-PACKARD COMPANY	HPQ	8.77	0
JOHNSON & JOHNSON	JNJ	14.17	10
KIMBERLY-CLARK CORPORATION	KMB	5.82	10
LINCOLN NATIONAL CORPORATION	LNC	5.49	2
MARSH & MCLENNAN COMPANIES	MMC	10.8	10
MAY DEPARTMENT STORES COMPANY	MAY	4.04	10
MBNA CORPORATION	KRB	17.72	10
MCGRAW-HILL COMPANIES	MHP	7.31	10
MORGAN STANLEY	MWD	23.26	1
PFIZER INCORPORATED	PFE	16.16	10
PITNEY BOWES INCORPORATED	PBI	9.22	10
PPG INDUSTRIES INCORPORATED	PPG	4.93	10
PROGRESS ENERGY INCORPORATED	PGN	3.07	10
ROYAL DUTCH PETROLEUM	RD	5.74	3
SBC COMMUNICATIONS INCORPORATED	SBC	5.5	10
STANLEY WORKS, THE	SWK	4.46	10
VERIZON COMMUNICATIONS CORP	VZ	1.18	0
WASHINGTON MUTUAL INCORPORATED	WM	19.69	10
WELLS FARGO & COMPANY	WFC	17.59	10
WYETH	WYE	2.31	0
Median		8.3	10
Mean		9.77	8
Mean S-Wtd		10.03	8

24 of the 33 companies in our Dividend Equity Portfolio have Increased their Dividends for each of the Past 10 years!

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