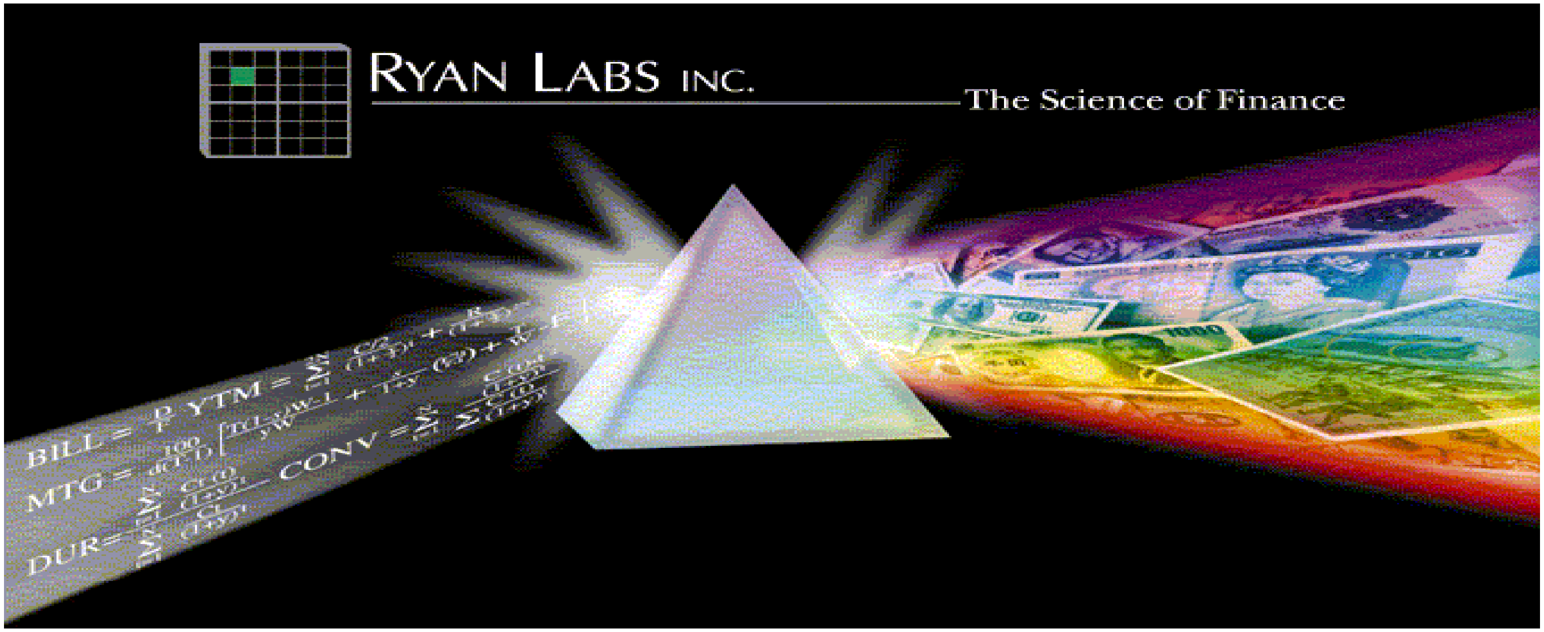
Ryan Labs, Inc.



AIMA
"Innovations in Alternative Investments"
Keynote Discussion
April 27th, 2005
Toronto, Canada

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YTD Asset \ Liability Watch

(2/28/2005)

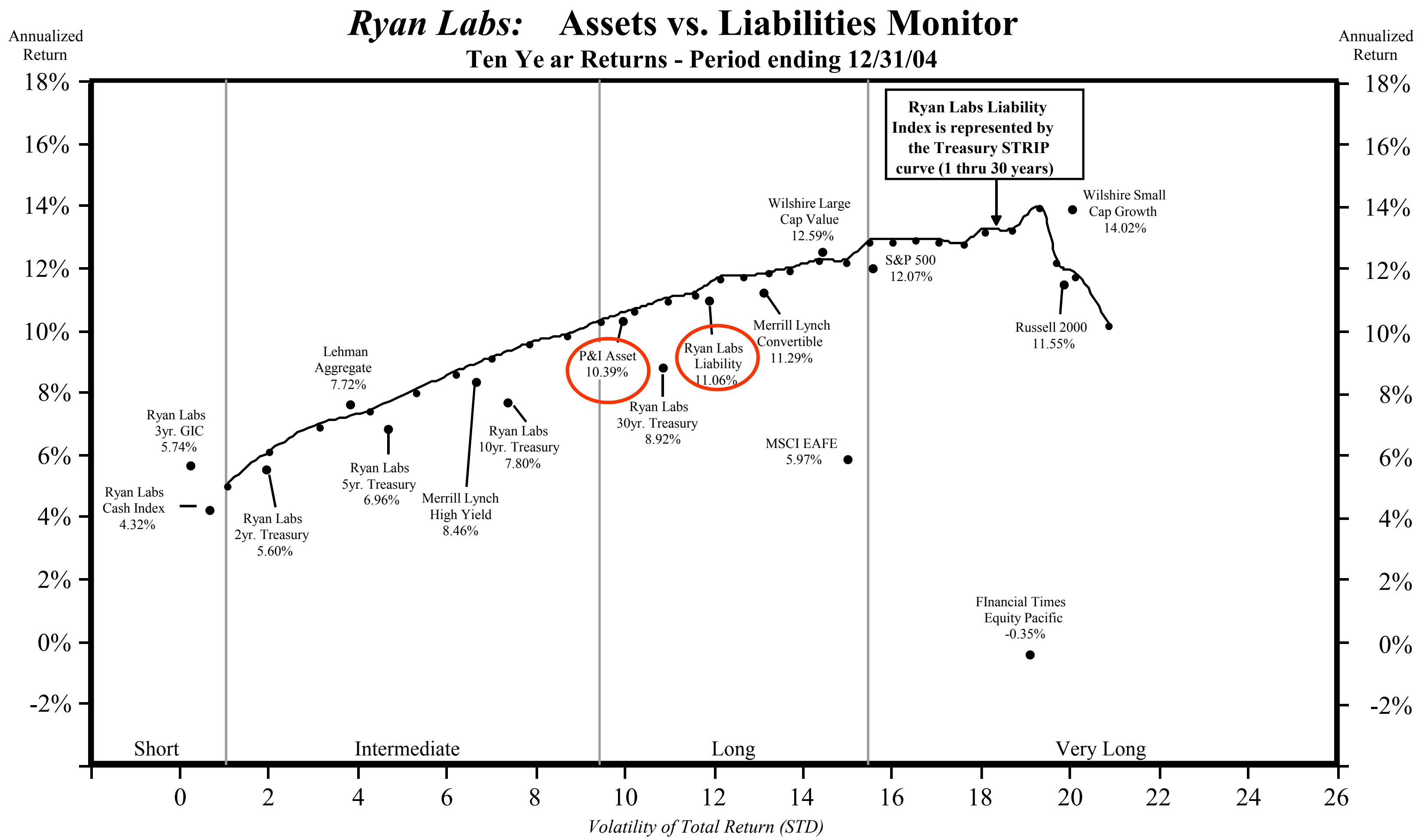
Index	Returns YTD 2005	Estimated Weights
Ryan Labs Liability	2.21 %	100 %
Ryan Labs Cash	0.33	5
Lehman Aggregate	0. 03	30
S&P 500	- 0.39	60
MSCI EAFE Int'l	2.44	5
Asset Allocation Model	- 0.09	100 %
Assets – Liabilities	- 2.30 %	

Historical Asset \ Liability Watch

(2/28/2005)

Asset / Liability Watch

Index	Weight	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05
RL CASH	5%	9.34	8.73	7.42	4.12	3.51	3.94	7.11	5.59	5.72	5.48	4.24	6.49	4.97	1.75	1.04	1.22	0.33
LB AGGREGATE	30%	14.53	8.96	16.00	7.40	9.75	-2.92	18.47	3.63	9.65	8.69	-0.82	11.63	8.44	10.25	4.10	4.34	0.03
S&P 500	60%	31.68	-3.15	30.45	7.64	10.07	1.29	37.57	22.93	33.34	28.55	21.03	-9.09	-11.86	-22.08	28.69	10.87	-0.39
MSCI EAFE Int'l	5%	10.80	-23.32	12.48	-11.85	32.95	8.06	11.56	6.37	2.08	20.24	27.32	-13.87	-21.11	-15.64	39.17	20.70	2.44
ASSETS	100%	24.31	0.16	24.13	6.44	10.79	0.55	28.67	15.21	22.98	21.37	13.69	-2.50	-5.40	-11.41	20.04	8.92	-0.09
RL LIABILITIES	100%	25.40	3.23	19.26	7.87	22.46	-12.60	41.16	-3.70	19.63	16.23	-12.70	25.96	3.08	19.47	1.96	9.76	2.21
Assets - Liabilities		-1.09	-3.07	4.87	-1.43	-11.67	13.15	-12.49	18.91	3.35	5.14	26.39	-28.46	-8.48	-30.88	18.08	-0.84	-2.30
Surplus/ (Deficit)	**100.00**	**98.91**	**95.87**	**100.54**	**99.10**	**87.54**	**99.05**	**86.68**	**103.07**	**106.52**	**112.00**	**141.55**	**101.27**	**92.68**	**64.06**	**75.64**	**75.01**	**73.28**



Sources: Ryan Labs, Inc.- Standard & Poor's Corporation - Lehman Brothers - Merrill Lynch - Morgan Stanley Capital International - Frank Russell Company - Financial Times - Wilshire Asset Management - Crandall, Pierce & Company

The information presented herein was compiled from sources believed to be reliable. It is intended for illustrative purposes only, and is furnished without responsibility for completeness or accuracy. Past performance does not guarantee future results.

Performance Attribution last 10 years

(12/31/2004)

Ryan Labs, Inc.

--------------------------- PASS - Risk/Reward Measurements ------------------ 12/31/04

Horizon : 12/31/94 to 12/31/04		P&I Asset	RL Liability (Benchmark)	Difference
RISK				
1. Annualized Standard Deviation	%	10.00	11.94	-1.94
2. Minimum Periodic Return	%	-8.76	-12.22	3.46
3. Maximum Periodic Return	%	6.48	11.15	-4.67
4. Volatility to Benchmark (Beta)		0.02		
5. R-Square	%	0.1		
6. Correlation	%	2.6		
7. STD of Differential Return	bp	444		
8. Tracking Deviation	bp	330		
9. Shortfall Frequency	%	50.8		
10. Average Shortfall	bp	331		
REWARD				
11. Annualized Total Return	%	10.39	11.06	-0.67
12. Average Periodic Return	bp	87	94	-7
13. Cumulative Total Return	%	168.76	185.60	-16.84
14. Excess Return Frequency	%	49.2		
15. Average Excess Return	bp	329		
RISK ADJUSTED RETURN				
16. Sharpe's Ratio (old)		0.62	0.58	0.04
17. Sharpe's Ratio (new)		-0.05		

All series and calculations are based upon Monthly returns

Performance Attribution last 15 years

(12/31/2004)

Ryan Labs, Inc.

--------------------------- PASS - Risk/Reward Measurements ------------------ 12/31/04

Horizon : 12/31/89 to 12/31/04		P&I Asset	RL Liability (Benchmark)	Difference
RISK				
1. Annualized Standard Deviation	%	9.59	11.91	-2.32
2. Minimum Periodic Return	%	-8.76	-12.22	3.46
3. Maximum Periodic Return	%	8.04	11.15	-3.11
4. Volatility to Benchmark (Beta)		0.19		
5. R-Square	%	5.5		
6. Correlation	%	23.5		
7. STD of Differential Return	bp	387		
8. Tracking Deviation	bp	287		
9. Shortfall Frequency	%	51.1		
10. Average Shortfall	bp	284		
REWARD				
11. Annualized Total Return	%	9.61	9.79	-0.18
12. Average Periodic Return	bp	81	84	-3
13. Cumulative Total Return	%	296.23	305.94	-9.72
14. Excess Return Frequency	%	48.9		
15. Average Excess Return	bp	290		
RISK ADJUSTED RETURN				
16. Sharpe's Ratio (old)		0.53	0.44	0.09
17. Sharpe's Ratio (new)		-0.03		

All series and calculations are based upon Monthly returns

Pension Crisis
Financial and Funding Problem

1. Earnings Drag
2. Higher Contributions
3. Higher Variable PBGC Premiums
4. Lower Funding Status *(Negative Leverage)*

Pension Crisis Cause

1. **Asset Only Framework**
2. **Traditional Asset Allocation using "Mean Variance"**
3. **Actuarial Smoothing Practices**
4. **Accounting Pro forma Return Assumptions**
5. **Reliance on Stable M-V Monte Carlo Statistics**
6. **Lack of Financial Economics in Prevailing Pension Practices**

Pension Solution

1. **Transparency + Fair Value Accounting**
2. **Asset/Liability Risk Management**
3. **Focus on Asset Allocation *(Strategic/Tactical)***

What do you need from your alpha strategy?

Assume Actuarial Expected Return on Assumption = 8.0%

Asset Allocation	**= 50.00% in Lehman Aggregate Bonds**
Expected Bond	**= 4.50% expected return**
Expected Non Bond	**= 11.50%**

Pension Funding	**= 75.00% funding**
Return Required on Available Assets	**= 11.50% / 75% = 15.33%**

RL Portable Alpha

Problems with Traditional Definition of Portable Alpha

1. **Loosely Defined Process**
2. **Difficult measuring performance**
3. **Difficult comparing strategies**
4. **Leverage not allowed by Investment Policy Stmt.**
5. **Not widely practiced**
6. **Asset only framework**

Ryan Labs Portable Alpha

We define Active Management as the sum of 3 portfolios

1. **An Index Portfolio** ***(Liability index portfolio)***
2. **A Market Neutral Long \ Short Portfolio** **(Pure Alpha)**
3. **Excess Liabilities = Negative Beta** ***(Offset by +Alpha)***
4. **Benefits**

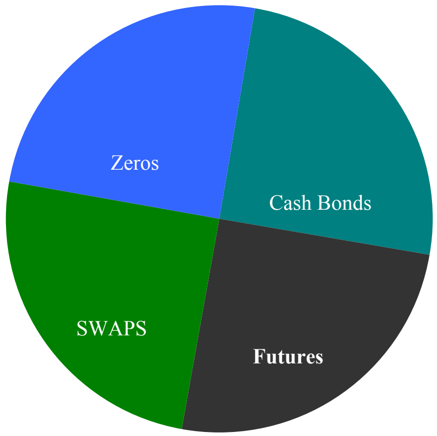
Obeys the client objective … Liabilities

Process Driven

Daily performance measurement (Absolute and Funding)

Economic Focus

Ryan Labs Portable Alpha



BETA (LIABILITY) PORTFOLIO

- Zeros
- Cash Bonds
- Futures
- SWAPS

ALPHA PORTFOLIO

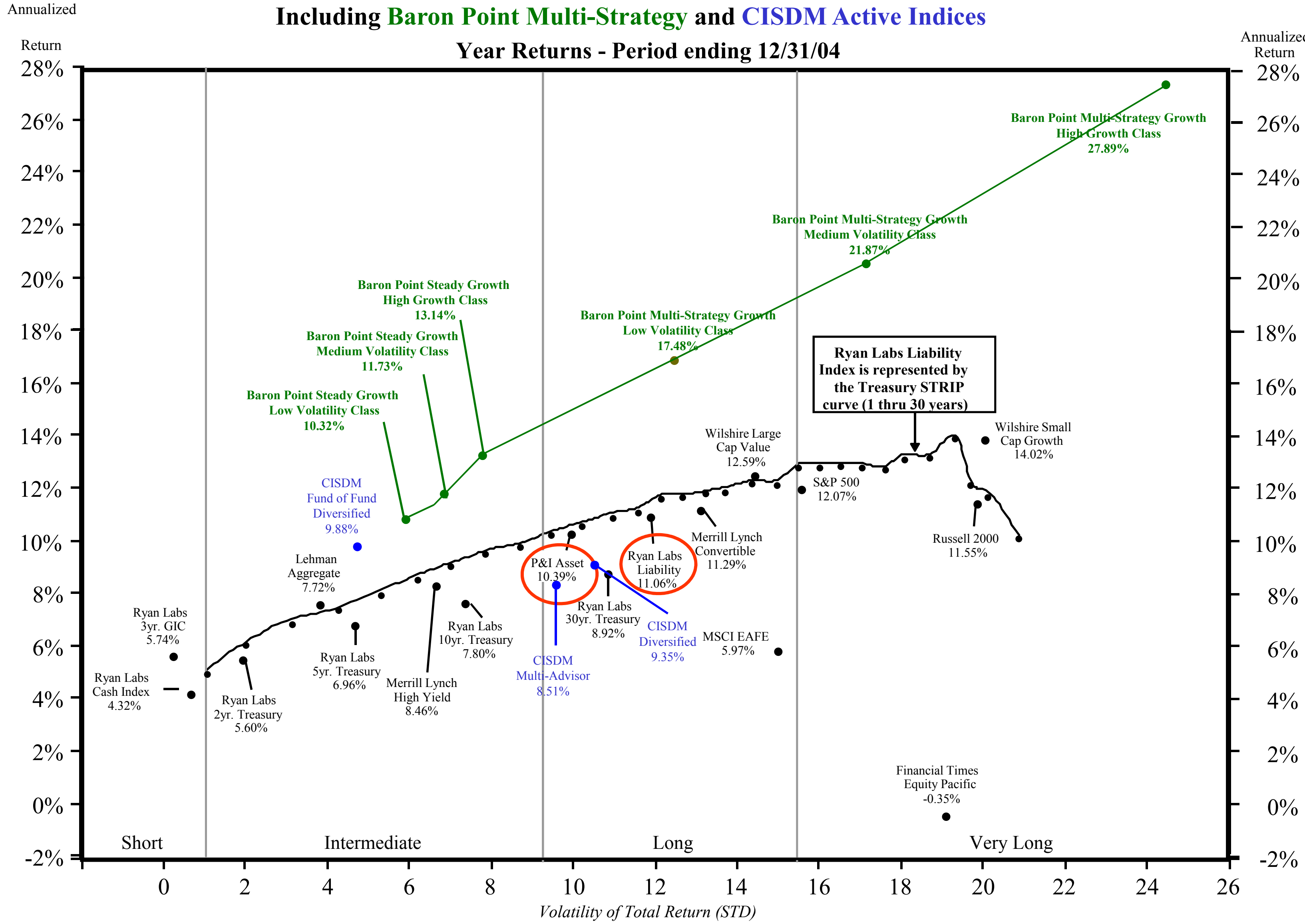
(Baron Point Multi-Strategy Components)

- Core Fixed Income
- Diversified Real Assets
- Disruptive Events Risk Overlay
- Global-Macro
- Aggressive Growth Equity
- Opportunistic Long/Short Equity

Ryan Labs: Assets vs. Liabilities Monitor

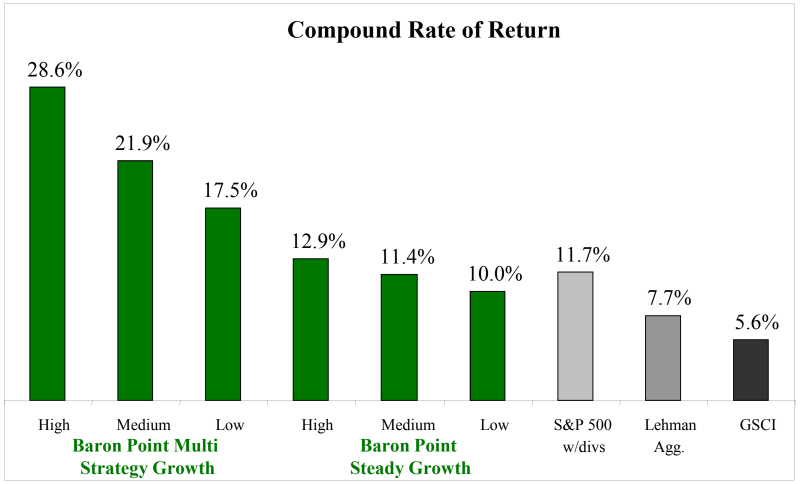
Including Baron Point Multi-Strategy and CISDM Active Indices

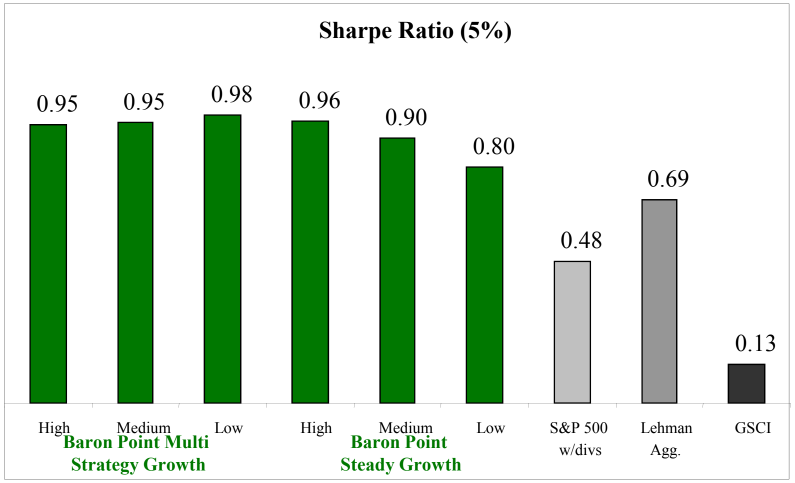
Year Returns - Period ending 12/31/04



Sources: Ryan Labs, Inc.- Baron Point Financial, Ltd. – CISMD Active Indices, The University of Massachusetts, Amherst - Standard & Poor's Corporation - Lehman Brothers - Merrill Lynch - Morgan Stanley Capital International - Frank Russell Company - Financial Times - Wilshire Asset Management - Crandall, Pierce & Company. The information presented herein was compiled from sources believed to be reliable. It is intended for illustrative purposes only, and is furnished without responsibility for completeness or accuracy. **Past performance does not guarantee future results.**

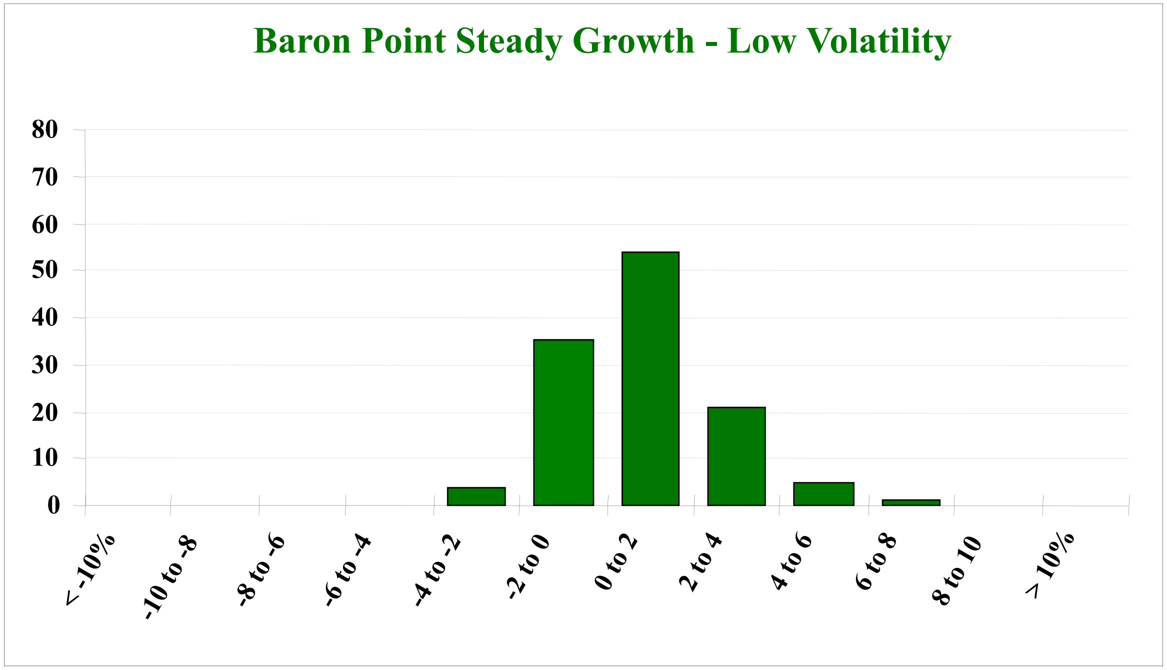
Multi-Strategy Hedge Funds
Deliver Superior Risk-Adjusted Returns
(Ten-Year Data)



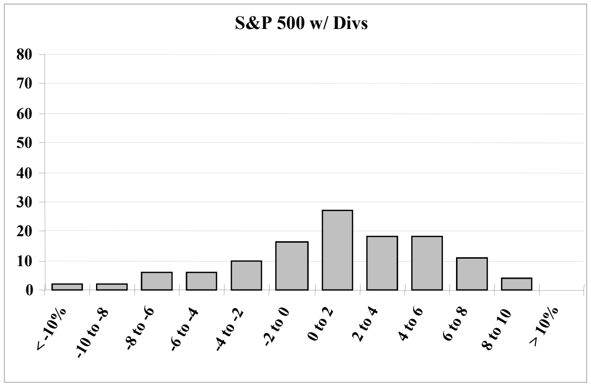


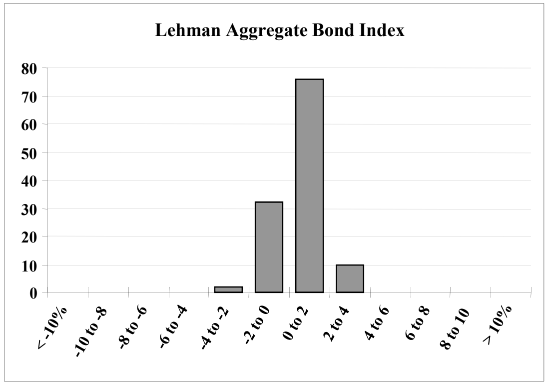
Distribution of Returns: Ten-Year Data

Stability



Varied **Vs.** **Capped**





Deficit Reduction Strategy

1. **Economic Solvency (Marked to Market)**
2. **Cash Flow Budgeting**
3. **Buy Time**
4. **Liability Portfolio = Beta Portfolio**

   Liability Matching **Strategies (Zeros, Cash Bonds, Futures, Swaps)**
5. **Sources of Alpha**

   Conventional and Alternative Asset Classes ***(Low correlation)***
6. **Harvest Alpha**

   Raise Beta Returns and Elevate the Yield Platform