

ONYX TRUST

MANAGEMENT REPORT OF FUND PERFORMANCE

December 31, 2005

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements by visiting the website of National Bank Financial Inc. at www.nbfinc.com or SEDAR at www.sedar.com or, at your request, and at no cost, by calling toll-free 1-877-879-6424, or by writing to us at 800 Victoria Square, Suite 3400, Montréal, Québec H4Z 1E9.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's quarterly portfolio disclosure.

Management Report of Fund Performance

This annual management report of fund performance for Onyx Trust (the “Trust”) contains financial highlights but does not contain the complete annual financial statements of the Trust.

Investment Objectives and Strategy

The Trust’s investment objectives are to provide holders of units (the “Unitholders”) with a stream of quarterly distributions consisting of partial capital reimbursement equal to \$1.50 per unit to yield 6% per annum of the original issue price (\$100) and to redeem all outstanding units on May 17 2008 (the “Maturity Date”) at \$100 per unit.

To provide the Trust with the means to meet its investment objectives, the Trust entered into a swap agreement (the “Swap Agreement”) with the Toronto branch of JPMorgan Chase Bank (the “Bank”) to provide Unitholders with a credit exposure to a mezzanine tranche of a Portfolio (the “Reference Portfolio”) of initially 100 equally-weighted investment grade corporate obligors (the “Reference Entities”), such tranche being initially rated A by Standard & Poor’s Rating Service, a division of McGraw-Hill Companies, Inc. (“S&P”). The Trust benefits from a first loss tranche (the “First Loss Tranche”) which absorbs the cumulative net losses on the Reference Portfolio up to 5% (\$40,000,000) of the portfolio size. Pursuant to the Swap Agreement, the Trust:

- (i) invested the net proceeds from the offering in banker’s acceptance from a Canadian financial institution (the “Permitted Investments”);
- (ii) pledged to the Bank, as collateral, the Permitted Investments, which decreases by an amount equal to the quarterly payments paid by the Bank pursuant to the Swap Agreement (the “Collateral Amount”); and
- (iii) pays to the Bank, quarterly, the return on such Collateral Amount.

On the Maturity Date, the Bank will pay to the Trust the Initial Collateral Amount (the gross proceeds of the offering (\$16,000,000)) minus the Outstanding Collateral Amount (the net proceeds of the offering less cumulative quarterly payments) and the Trust will pay to the Bank, the Initial Amount (the gross proceeds of the offering (\$16,000,000)) minus the Outstanding Amount (being the Initial Amount less cumulative net losses in excess of the First Loss Tranche) plus any holdback amount for any unsettled credit event, payable on a net basis. If the cumulative net losses are less than the First Loss Tranche, no payment will be due by the Trust to the Bank. On the same day, the Trust will redeem all outstanding Units at 100% of the net asset value (“NAV”), which will consist of the Outstanding Amount less operating expenses payable by the Trust.

Risk

The Unitholders will assume a levered risk exposure. Any credit event triggered by a Reference Entity in excess of the First Loss Tranche will result in a net loss for the Trust.

The risk of investing in the Trust remains as discussed in its initial public offering prospectus dated April 25, 2003.

Results of Operations

Investments of the Trust

Short-Term Investment

Under the Swap Agreement, short-term investments are pledged to the Bank. The Trust held as at December 31, 2005 short-term investments in the form of banker's acceptance from a Canadian financial institution having a short-term and long-term rating from Standard & Poor's Rating Service a division of McGraw-Hill Companies, Inc. ("S&P") of A-1+ and AA- and a short-term and long-term rating from Moody's Investment Services ("Moody's") of P-1 and Aa3 respectively. The short-term investment as at December 31, 2005 had a maturity date of January 5, 2006 (January 5, 2005 as at December 31, 2004) and bears interest at 3.04% (2004 – 2.50%).

The value of the short-term investment was \$13,176,897 as at December 31, 2005.

Financial Derivative Instrument

Pursuant to the Swap Agreement, the Trust will pay the Bank if a credit event occurs in the Reference Entities comprised in the Reference Portfolio in excess of the First Loss Tranche. The maximum loss that could be assumed by the Trust for a credit event with respect to a Reference Entity amounts to \$8,000,000, up to a cumulative net loss of \$16,000,000 on a total initial Reference Portfolio size of \$800,000,000.

The notional amount of the Swap Agreement as at December 31, 2005 is \$16,000,000 for the Reference Portfolio that consists of a pool of \$792,000,000 (2004 - \$800,000,000) in reference bonds of 99 (2004 – 100) equally weighted Reference Entities. The average Moody's rating of the Reference Entities on December 31, 2005 was Baa2 (Baa2 as at December 31, 2004). The Swap Agreement terminates on May 17, 2008.

The net quarterly payments under the Swap Agreement are based on:

- (a) a quarterly payment by the Trust to the Bank based on the banker's acceptance three-month rate on the Collateral Amount outstanding on the immediately preceding quarterly payment date, pro-rated based on the number of days of the period; and
- (b) a quarterly release by the Bank to the Trust of the Collateral Amount outstanding calculated at an annual rate of 6.46% of \$16,000,000 (less cumulative net losses exceeding the First Loss Tranche from credit events on underlying Reference Entities).

Credit quality of the Reference Portfolio

Risk in the Swap Agreement is a function of the Reference Portfolio credit quality and time remaining to maturity. As the Swap Agreement ages, the risk of the default prior to the Maturity Date decreases for companies with a given rating. Balanced against that time benefit is the fact that credit ratings of higher rated entities have historically moved lower over time. Changes in credit quality as it is measured by the market can be seen through changes in the average credit spread of the Reference Portfolio since lower credit spread indicates that market participants perceive a lesser degree of risk. The average credit spread of the Reference Portfolio was 95 basis points at inception and 49.6 basis points as at December 31, 2005. However, based on information provided by the

Bank, among the 99 Reference Entities remaining in the Reference Portfolio, five Reference Entities, namely Arvinmeritor Inc., Toys R Us Inc., General Motors Acceptance Corp., Ford Motor Credit Company and Visteon Corp. had, as at December 31, 2005, credit spreads between 400 bps and 700 bps, which indicates that the risk of default on these names is perceived to be higher although not necessarily imminent.

Changes in the overall credit quality of the Reference Portfolio as measured by the credit ratings of its constituents may affect the Swap Agreement, which in turn may affect the trading price. The following table describes the Reference Portfolio's ratings characteristics at inception, on December 31, 2004 and on December 31, 2005:

S&P Rating	Inception	December 31, 2004	December 31, 2005
AAA	3%	3%	2%
AA+	0%	0%	0%
AA	0%	0%	1%
AA-	3%	2%	4%
A+	13%	7%	6%
A	16%	17%	16%
A-	12%	16%	18%
BBB+	14%	10%	13%
BBB	29%	22%	18%
BBB-	10%	17%	14%
BB+	0%	5%	1%
BB	0%	1%	2%
BB-	0%	0%	1%
B	0%	0%	2%
B-	0%	0%	1%
CCC	0%	0%	1%

The Reference Portfolio

As at December 31, 2005, the Reference Portfolio is comprised of Reference Obligations of 99 equally weighted Reference Entities. The portfolio size is equal to \$792,000,000. The Reference Entities included in the Reference Portfolio have been selected initially by National Bank Financial Inc., as promoter, and Metcalfe & Mansfield Alternative Investments Corp. (the "Trustee"), based on the following investment criteria:

- (i) Reference Entities with a reference obligation having an investment grade rating by Moody's or by S&P or any successor thereof; and
- (ii) no more than 8% of the Reference Portfolio having been invested in any one industry sector.

The table attached hereto as Schedule "A" sets forth the name of each Reference Entity comprised in the Reference Portfolio, its Moody's industry sector, its Moody's credit rating or its S&P's credit rating.

Substitutions in the Reference Portfolio

The Reference Portfolio is not actively managed and is not expected to change, even if the Reference Entities included in the Reference Portfolio may no longer meet the investment criteria described above. However, the Trustee may, from time to time, request the Bank to replace certain Reference Entities if, in its judgement, such replacement is advisable. Such replacement is subject to the prior approval of the Bank and may result in a loss for the Trust if such loss exceeds the First Loss Tranche, and in an adjustment on the quarterly payments. Changes in the Reference Portfolio are not subject to the approval of the Unitholders. So far, no changes have been requested by the Trustee in the Reference Portfolio.

Credit Event

On October 17, 2005, the Trust received from the Bank, as swap counterparty, a credit event notice advising that a credit event had occurred with regards to Delphi Corporation, one of the Reference Entities. Delphi Corporation had previously filed on October 8, 2005 a petition for Chapter 11 proceedings under the *United States Bankruptcy Code* for itself and many of its U.S. subsidiaries.

The Bank conducted a valuation on October 25, 2005 and a final price was established at 68.625% of par, representing a net loss of \$2,510,000. As the Trust benefits from a First Loss Tranche, this credit event had no impact on the value of the units on the Maturity Date and on the quarterly distributions. Following this credit event, Delphi Corporation has been removed from the Reference Portfolio which now comprised 99 Reference Entities and the First Loss Tranche was reduced to \$37,490,000.

Value of the Swap Agreement

The Swap Agreement is valued on the last business day of each month and reflects among other things the amount that the Bank is willing to pay in order to discharge its obligations under the swap, which is based on the Bank proprietary assumptions concerning current and future market conditions and events. Factors affecting the value of the swap include the market's assessment of overall credit quality of the Reference Portfolio as measured by the trading price of the debt (and derivatives thereof) of Reference Entities, interest rates and other factors, such as correlation, that are proprietary to the Bank. At December 31, 2005, the swap value was \$1,226,168, down from \$1,736,118 on December 31, 2004.

Other investments of the Trust

The Trust held \$1,172 in cash on December 31, 2005 compared to \$15,481 on December 31, 2004.

Net Asset Value of the Units

The NAV of the Trust is calculated by National Bank Trust (the "Administrative Agent") as of the last business day of each month and approved by the Trustee.

The NAV of the Trust on a particular date is equal to the aggregate value of the assets of the Trust, less the aggregate value of the liabilities of the Trust (including any operating expenses payable) and the underlying income taxes on income earned. The "NAV per unit" on any day is obtained by dividing the NAV of the Trust on such day by the number of units outstanding on that day. The

NAV is posted on the Web site of National Bank Financial Inc. at www.nbfinancial.com, on SEDAR at www.sedar.com and published monthly by the Trust.

In determining the NAV of the Trust at any time:

- (i) the value of the Swap Agreement is based on updated credit information pertaining to the Reference Entities included in the Reference Portfolio, current interest rates, the remaining term of the Swap Agreement and information provided by the Bank;
- (ii) in accordance with GAAP, money market instruments are valued at cost at the time of calculation;
- (iii) the value of any bonds, debentures and other debt obligations are valued by taking the average bid and ask prices;
- (iv) the value of any cash on hand or on deposit, prepaid expenses and interest accrued and not yet received, is deemed to be the face amount thereof unless it is determined that any such asset is not worth its face amount, in which event the value is determined by the Administrative Agent; and
- (v) if any of these rules cannot be used or are at any time considered to be inappropriate under the circumstances, then notwithstanding the foregoing rules, such valuation is established in a fair and reasonable manner and in accordance with GAAP. As of December 31, 2005, no investment has been valued other than in accordance with the foregoing rules.

The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

The net asset value per unit was \$104.86 on December 31, 2005 compared to \$108.03 as at December 31, 2004. The decrease in net asset value over the period is attributable to the fact that as the Trust gets closer to maturity, the NAV will drift towards \$100 unless the First Loss Tranche has been exceeded.

Liquidity and Capital Resources

The obligations of the Trust include operating expenses and declared distributions to Unitholders. The funding of these obligations is satisfied primarily through partial redemption of the short-term investments described above and the payments under the Swap Agreement. As at December 31, 2005, the Trust had current assets of \$13,178,069 and current liabilities of \$274,622 taking into account the distributions payable of \$240,000 on January 9, 2006.

Distributions

The Units paid regular quarterly distributions of \$1.50 per unit for fiscal 2005 for a total of \$6.00 per unit, representing a yield of 6% on the \$100 issue price.

Transactions with the Promoter and its Affiliates

The Trustee has retained at the time of the initial public offering of the Trust, the services of the Administrative Agent for the performance of certain tasks pursuant to the Administrative Agent Agreement. The Administrative Agent's tasks include without limitation:

- (i) authorizing the payment of operating expenses incurred on behalf of the Trust;
- (ii) preparing financial statements, financial and accounting information as required by the Trust and making distributions to Unitholders;
- (iii) ensuring that Unitholders are provided with financial statements (including annual and quarterly financial statements) and other reports as are from time to time required by applicable laws;
- (iv) ensuring that the Trust complies with regulatory requirements and applicable stock exchange listing requirements;
- (v) preparing the Trust's reports to Unitholders and the Canadian securities regulatory authorities;
- (vi) providing the Trustee with information and reports necessary for it to fulfil its fiduciary responsibilities and negotiating contractual agreements with third-party providers of services.

The Administrative Agent also acts as custodian of the assets of the Trust pursuant to a custodian agreement dated as of May 2, 2003, save and except for the Outstanding Collateral Amount which is held by the Bank, and as registrar and transfer agent for the Units pursuant to a registrar and transfer agent agreement dated as of May 2, 2003.

The Administrative Agent received in 2005 an annual fee of \$28,591 from the Trust for its services as administrative agent, custodian and registrar and transfer agent and the reimbursement of the expenses incurred in relation with its functions.

Financial Highlights

The following tables show selected key financial information about the Trust and are intended to help explain the Trust's financial performance since inception. This information is derived from the Trust's audited annual financial statements:

The Trust's Net Asset Value per unit:

	December 31, 2005	December 31, 2004	December 31, 2003 ⁽¹⁾
Net Asset Value, beginning of year	\$108.03	\$110.20	\$97.33⁽²⁾
Increase (decrease) from operations:			
Total revenues	\$6.45	\$6.43	\$4.26
Total expenses	\$(0.43)	\$(0.49)	\$(0.38)
Realized gains (losses) for year.....	-	-	-
Unrealized gains (losses) for year	\$(3.19)	\$(2.11)	\$12.96
Total increase (decrease) from operations⁽²⁾	\$2.83	\$3.83	\$16.84
Distributions:			
From income (excluding dividends).....	-	-	-
From dividends.....	-	-	-
From capital gains	-	-	-
Return of capital	\$(6.00)	\$(6.00)	\$(3.97)
Total Annual Distributions⁽³⁾	\$(6.00)	\$(6.00)	\$(3.97)
Net Asset Value, end of year	\$104.86	\$108.03	\$110.20

(1) From May 2, 2003 to December 31, 2003.

(2) Issue expense of \$428,023 incurred in connection with the initial public offering, principally consisting of agents' fees and other offering expenses, which has been charged to retained earnings prior to calculating the opening net asset value of \$97.33.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of units outstanding over the financial period.

Ratios and Supplemental Data:

	December 31, 2005	December 31, 2004	December 31, 2003 ⁽¹⁾
Net Asset (000's).....	16,778	17,284	17,632
Number of units outstanding.....	160,000	160,000	160,000
Portfolio turnover rate	0%	0%	0%
Trading expenses ratio.....	0%	0%	0%

(1) From May 2, 2003 to December 31, 2003.

Accreted Value

At the Maturity Date, there will be no unrealized gain or loss on the Trust investments. In the interim, the unrealized gain or loss reflects (1) variations in the value of the Swap Agreement as calculated from time to time and (2) an expected gain built in the Swap Agreement because it allows the Trust to recover the \$432,023 issue expense incurred in connection with its initial public offering. If the “accreted value” of the units is defined as their NAV restated to exclude any unrealized gain or loss on the Swap Agreement other than a linear amortization of the issue expense recovery, the accrued value is a good indication of the amount in the Trust assets at a given date which would eventually be contributed towards the redemption of the units, assuming no further credit event. Another way to look at the accreted value is to view it as the net asset of the Trust valued at accreted cost less impairments.

Accreted value per unit⁽¹⁾:

	December 31, 2005	December 31, 2004	December 31, 2003 ⁽²⁾
Accreted Value, beginning of year	\$97.18	\$97.24	\$97.33⁽³⁾
Increase (decrease) from operations:			
Total revenues	\$6.45	\$6.43	\$4.26
Total expenses	\$(0.43)	\$(0.49)	\$(0.38)
Realized gains (losses) for year.....	-	-	-
Amortization of the issue expense recovery	\$0.54	\$0.54	\$0.32
Distributions	\$(6.00)	\$(6.00)	\$(3.97)
Accreted Value, end of year	\$98.60	\$98.04	\$97.56
Reconciliation of the Accreted Value and the Net Asset Value:			
Accreted value, end of year	\$98.60	\$98.04	\$97.56
Unrealized gains or losses on Swap Agreement since inception ⁽⁴⁾	\$6.26	\$9.99	\$12.64
Net Asset Value, end of year	\$104.86	\$108.03	\$110.20

(1) Figures may not add due to rounding.

(2) From May 2, 2003 to December 31, 2003.

(3) Issue expense of \$428,023 incurred in connection with the initial public offering, principally consisting of agents’ fees and other offering expenses, which has been charged to retained earnings prior to calculating the opening net asset value of \$97.33.

(4) Unrecognized gains or losses are defined as unrealized gains or losses of the Swap Agreement reduced by the amortization of the issue expense recovery recognized by the accreted value.

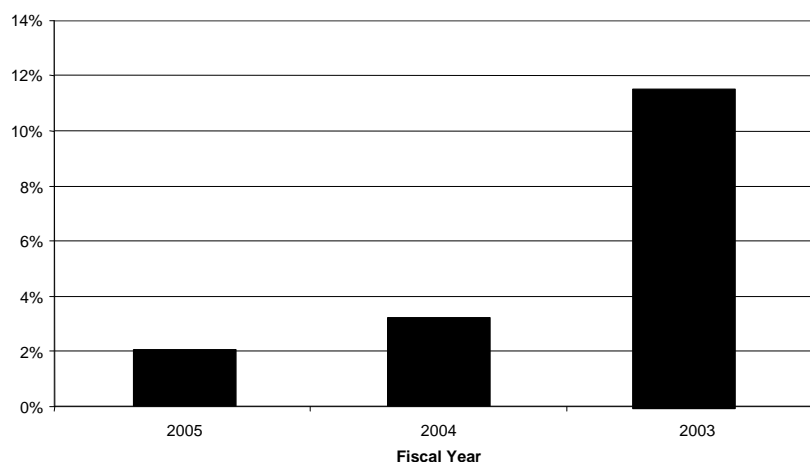
Past Performance

The following bar chart and table indicate the performance of the units by showing both annual returns by fiscal year and annualized compounded returns from inception assuming all the distributions made by the Trust in the period shown were reinvested at the NAV. However, the

Trust does not provide for the reinvestment of any of its distributions. Past performance is not necessarily indicative of future performance.

Year – by – Year Returns⁽¹⁾

The following bar chart shows the Trust's annual performance for the year shown. This bar chart shows, in percentage terms, how much an investment made on the first day of the financial year would have grown or decrease by the last day of the financial year.



Annual Compound Returns

Based on NAV⁽³⁾

Past Year
2.1%

Since Inception⁽²⁾
8.3%

-
- (1) As the Trust objective (safe for any loss exceeding the First Loss Tranche) is to provide a return on investment of 6% to Unitholders over the life of the Trust, average annual return will be 6% although annual returns may differ.
 - (2) Annualized for the period of May 2, 2003 to December 31, 2005.
 - (3) Calculated from initial net asset value of \$97.33 and December 31, 2005 net asset value of \$120.43 assuming all distributions reinvested.

Schedule A
REFERENCE PORTFOLIO
As at December 31, 2005

Name	Moody's Industries	Moody's Rating		S&P Rating	
		Initial May 2, 2003	December 31, 2005	Initial May 2, 2003	December 31, 2005
ACE Limited	Insurance	A3	A3	BBB+	BBB+
Agrium Inc.	Farming and Agriculture	Baa2	Baa2	BBB	BBB
Albertsons Inc.	Grocery	Baa1	Baa3	BBB+	BBB-
Alcoa Inc.	Mining, Steel, Iron and Non-precious Metals	A2	A2	A	A-
Amerada Hess Corp.	Oil and Gas	Baa3	Ba1	BBB	BBB-
American International Group Inc.	Insurance	Aaa	Aa2	AAA	AA
Amgen Inc.	Healthcare, Education and Childcare	A2	A2	A+	A+
AOL Time Warner Inc.	Leisure, Amusement, Motion Pictures, Entertainment	Baa1	Baa1	BBB+	BBB+
Aramark Corp.	Personal, Food and Misc. Services	Baa3	Baa3	BBB-	BBB-
Arrow Electronics Inc.	Electronics	Baa3	Baa3	BBB-	BBB-
Arvinmeritor Inc.	Automobile	Baa3	Ba2	BBB-	BB
AT&T Corp.	Telecommunications	Baa2	A2	BBB+	A
Bank of America Corp.	Banking	Aa2	Aa2	A+	AA-
Baxter International Inc.	Healthcare, Education and Childcare	A3	Baa1	A	A-
BCE Inc.	Telecommunications	Baa1	Baa1	A	A
Bellsouth Corp.	Telecommunications	A1	A2	A+	A
Boeing Capital Corp.	Aerospace and Defense	A3	A3	A+	A
Carnival Corp.	Leisure, Amusement, Motion Pictures, Entertainment	A3	A3	A	A-
Caterpillar Inc.	Machinery (Non-agriculture, Non-construction, Non-electronic)	A2	A2	A+	A
Cendant Corp.	Diversified/Conglomerate Services	Baa1	Baa1	BBB	BBB+
Centex Corp.	Buildings and Real Estate	Baa2	Baa2	BBB	BBB
Cingular Wireless LLC	Telecommunications	A3	Baa2	A+	A
Citigroup Inc.	Banking	Aa1	Aa1	AA-	AA-
Clear Channel Communications Inc.	Broadcasting	Baa3	Baa3	BBB-	BBB-
CAN Financial Corp.	Insurance	Baa2	Baa3	BBB-	BBB-
Columbia Energy Group	Oil and Gas	Baa2	Baa2	BBB	BBB
Comcast Cable Communications	Broadcasting	Baa3	Baa2	BBB	BBB+
Computer Associates International Inc.	Electronics	Baa2	Ba1	BBB+	BBB-
Conagra Foods Inc.	Beverage, Food and Tobacco	Baa1	Baa1	BBB+	BBB+
ConocoPhillips	Oil and Gas	A3	A1	A-	A-
Cooper Industries Inc.	Machinery (Non-agriculture, Non-construction, Non-electronic)	A3	A3	A-	A-
Countrywide Home Loans Inc.	Finance	A3	A3	A	A
Cox Enterprises Inc.	Broadcasting	Baa1	Baa3	BBB	BBB-
CSX Corp.	Cargo Transport	Baa2	Baa2	BBB	BBB
CVS Corp.	Retail Stores	A2	A3	A	A-
Deere and Company	Farming and Agriculture	A3	A3	A-	A-
Devon Energy Corp.	Oil and Gas	Baa2	Baa2	BBB	BBB
Eastman Kodak Company	Healthcare, Education and Childcare	Baa1	B1	BBB+	B
Electronic Data Systems Corp.	Electronics	Baa2	Ba1	A-	BBB-
ERAC USA Finance Company	Personal Transportation	Baa1	Baa1	BBB+	BBB+

REFERENCE PORTFOLIO (continued)

<u>Name</u>	<u>Moody's Industries</u>	<u>Moody's Rating</u>		<u>S&P Rating</u>	
		<u>Initial May 2, 2003</u>	<u>December 31, 2005</u>	<u>Initial May 2, 2003</u>	<u>December 31, 2005</u>
Federated Department Stores Inc.	Retail Stores	Baa1	Baa1	BBB+	BBB
FirstEnergy Corp.	Utilities	Baa2	Baa3	BBB	BBB-
FleetBoston Financial Corp.	Banking	A1	Aa2	A	A+
Ford Motor Credit Company	Finance	A3	Baa3	BBB	BB+
FPL Group Capital Inc.	Utilities	A2	A2	A	A-
General Electric Capital Corp.	Finance	Aaa	Aaa	AAA	AAA
General Motors Acceptance Corp.	Finance	A2	Ba1	BBB	BB
Goodrich Corp.	Aerospace and Defense	Baa3	Baa3	BBB	BBB-
Harrah's Entertainment Inc.	Hotels, Motels, Inns and Gaming	Baa3	Baa3	BBB-	BBB-
Hewlett-Packard Company	Electronics	A3	A3	A-	A-
Household Finance Corp.	Finance	A2	A1	A	A
Inco Ltd.	Mining, Steel, Iron and Non-precious Metals	Baa3	Baa3	BBB-	BBB-
International Business Machines Corp.	Electronics	A1	A1	A+	A+
International Lease Finance Corp.	Diversified/Conglomerate Services	A1	A1	AA-	AA-
International Paper Company	Printing and Publishing	Baa2	Baa3	BBB	BBB
Laboratory Corp. of America Holdings	Healthcare, Education and Childcare	Baa3	Baa3	BBB	BBB
Marriott International Inc.	Hotels, Motels, Inns and Gaming	Baa2	Baa2	BBB+	BBB+
MBIA Insurance Corp.	Insurance	Aaa	Aaa	AAA	AAA
MBNA Corp.	Banking	Baa2	Aa2	BBB	BBB
McDonald's Corp.	Personal, Food and Misc. Services	A2	A2	A+	A
McKesson Corp.	Healthcare, Education and Childcare	Baa2	Baa3	BBB	BBB
Merrill Lynch and Company Inc.	Finance	Aa3	Aa3	A+	A+
Metlife Inc.	Insurance	A2	A2	A	A
Monsanto Company	Chemicals, Plastics and Rubber	Baa1	Baa1	A	A-
Motorola Inc.	Electronics	Baa2	Baa2	BBB	BBB+
Nabors Industries Inc.	Oil and Gas	A3	A3	A-	A-
National Rural Utilities Coop. Finance Corp.	Utilities	A2	A2	A	A
Newmont Mining Corp.	Mining, Steel, Iron and Non-precious Metals	Baa3	Baa2	BBB	BBB+
News America Inc.	Broadcasting	Baa3	Baa2	BBB-	BBB
Nordstrom Inc.	Retail Stores	Baa1	Baa1	A-	A-
Omnicom Group Inc.	Broadcasting	Baa1	Baa1	A-	A-
PSEG Power LLC	Utilities	Baa1	Baa1	BBB	BBB
Radian Group Inc.	Insurance	A2	A2	A	A
Raytheon Co.	Aerospace and Defense	Baa3	Baa3	BBB-	BBB
Rydersystem Inc.	Personal Transportation	Baa1	Baa1	BBB	BBB+
Sabre Holdings Corp.	Electronics	Baa2	Baa3	BBB+	BBB
Safeway Inc.	Grocery	Baa2	Baa2	BBB	BBB-
SBC Communications Inc.	Telecommunications	A1	A2	AA-	A
Sears Roebuck Acceptance Corp.	Finance	Baa1	Ba1	BBB+	BB+
Sempra Energy	Utilities	Baa1	Baa1	A-	BBB+
Simon Property Group L.P.	Buildings and Real Estate	Baa2	Baa1	BBB+	BBB+
Southwest Airlines Company	Personal Transportation	Baa1	Baa1	A	A
Supervalu Inc.	Grocery	Baa3	Baa3	BBB	BBB

REFERENCE PORTFOLIO (continued)

<u>Name</u>	<u>Moody's Industries</u>	<u>Moody's Rating</u>		<u>S&P Rating</u>	
		<u>Initial May 2, 2003</u>	<u>December 31, 2005</u>	<u>Initial May 2, 2003</u>	<u>December 31, 2005</u>
Target Corp.	Retail Stores	A2	A2	A+	A+
Temple-Inland Inc.	Printing and Publishing	Baa3	Baa3	BBB	BBB
Textron Inc.	Diversified/Conglomerate Services	A3	A3	A	A-
The Dow Chemical Company	Chemicals, Plastics and Rubber	A3	A3	A-	A-
The Hertz Corp.	Personal Transportation	Baa2	Baa3	BBB	B
The PMI Group Inc.	Insurance	A1	A1	A+	A
Toys R Us Inc.	Retail Stores	Baa3	Caa2	BBB-	CCC
Transocean Inc.	Oil and Gas	Baa2	Baa1	A-	A-
Tyson Foods Inc.	Beverage, Food and Tobacco	Baa3	Baa3	BBB	BBB
Verizon Global Funding Corp.	Telecommunications	A2	A3	A+	A+
Viacom Inc.	Broadcasting	A3	Baa3	A-	BBB+
Visteon Corp.	Automobile	Baa2	B3	BBB	B-
Walt Disney Company	Broadcasting	Baa1	Baa1	BBB+	A-
Weyerhaeuser Company	Diversified Natural Resources, Precious Metals, and Minerals	Baa2	Baa2	BBB	BBB
Wyeth	Healthcare, Education and Childcare	A3	Baa1	A	A
XL Capital Ltd.	Insurance	A1	A3	A+	A-