

# Balanced Fund

*Seeks favorable returns and a convenient way to diversify by combining US and non-US stocks, and US bonds into one fund.*

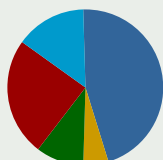
## STRATEGY

A balanced approach offers two important investment advantages. First, diversification across asset classes provides more consistent long-term returns with lower overall risk. Second, a balanced fund allows investors to accomplish their strategy in a single investment option. Investors may also combine this fund with others to attain a more aggressive or conservative strategy, respectively.

The fund employs a globally moderate balanced strategy by investing over half of its assets in stocks, including non-US stocks. The remainder is invested in both short- and intermediate-term bonds.

## INVESTMENT 60% Stocks/40% Bonds

- 45% US Large Cap Stocks
- 5% US Small Cap Stocks
- 10% Non-US Stocks
- 25% Intermediate-Term Bonds
- 15% Short-Term Bonds



## TEN LARGEST LARGE CAP HOLDINGS

General Electric Co.	Exxon Mobile Corp.
Cisco Systems, Inc.	American Int'l Group, Inc.
CitiGroup, Inc.	Sun Microsystems, Inc.
Pfizer, Inc.	Oracle Corp.
EMC Corp.	Nortel Networks Corp.

## TEN LARGEST SMALL CAP HOLDINGS

DST Systems, Inc.	Mallinckrodt, Inc.
Pinnacle West Cap. Corp.	Extreme Networks, Inc.
Investors Fin'l Services Corp.	Bisys Group, Inc.
PMC Sierra, Inc.	Mercury Interactive Corp.
Ultramar Diamond Shamrock	Sempra Energy

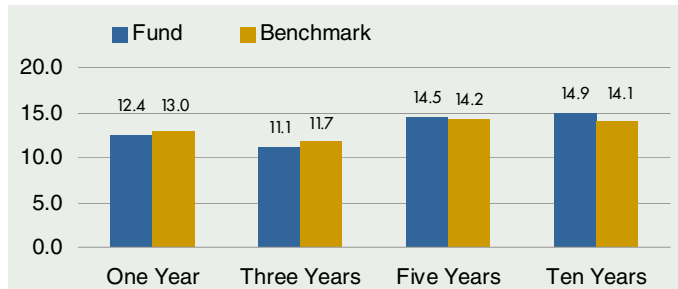
## BOND HOLDINGS BY SECTOR

	Intermediate-Term	Short-Term
Mortgage-Related	50%	18%
Corporates	29%	35%
Asset-Backed	11%	24%
Government	8%	20%
International	2%	3%
Non-Dollar	0%	0%
Municipals	0%	0%
Cash & Cash Equivalent	0%	0%
Other	0%	0%

## MAJOR NON-US COUNTRY WEIGHTINGS

Japan .....	22%
United Kingdom.....	21%
France .....	10%
Germany .....	8%
Netherlands.....	7%

## FUND PERFORMANCE Annualized Periods Ending Sept. 30, 2000



Performance shown for the Fund is simulated prior to 4/1/92 based on actual returns of the underlying funds.

Benchmark = 45% Russell 1000 Index, 5% Russell 2500 Index, 10% Salomon Smith Barney Broad Market Index World ex-US, 25% Lehman Bros. Aggregate Bond Index, and 15% Merrill Lynch 1-2.99 Yrs. Treasury Index.

Historical returns are for illustration only and are not indicative of future performance. Investment results shown do not reflect the deduction of management fees. Because investment return and principal fluctuate, an investor's value, when withdrawn, may be worth more or less than original cost.

The Balanced Fund is managed by Frank Russell Trust Company. This fund has been offered by the Cap 401(k) Plan since 01/01/97.

## FUND FACTS

Market Value (millions) .....	\$572.4
Inception Date .....	4/1/92
Number of Advisors.....	39

## IS THIS FUND FOR YOU?

Investors in this fund seek a moderate risk option that combines US and non-US stocks and US bonds into one fund. Over time, the fund is expected to have higher rates of return and greater volatility than investments with less exposure to the stock market. However, investments with more stocks will likely return more and be more volatile over time. Investors should consider this fund if they:

- Want to achieve a diversification of stocks and bonds in a single fund
- Can accept moderate risk and short-term fluctuation in value
- Want to reduce risk through diversification of stocks and bonds
- Have an intermediate- to long-term time horizon
- Want a diversified "centerpiece" investment that can be made more conservative or aggressive by combining it with other plan funds

The fund is professionally managed by Frank Russell Trust Company (FRTC), incorporating a manager-of-managers investment approach. FRTC is a wholly owned subsidiary of Frank Russell Company, one of the world's leading investment consultants advising clients in more than 30 countries on the investments of US\$ 1 trillion. Russell, through its investment manager subsidiaries, manages US\$ 65 billion globally for more than 600 corporate and public fund clients. For additional information, please contact your company's benefits department and the Frank Russell Homepage at <http://www.russell.com>.