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CENTRAL CAROLINA BANK
TRUST DEPARTMENT

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I

WHO WE ARE

The Central Carolina Bank's Trust Department has forty-eight employees; this employee group is divided among personal trusts and estates, endowments and charitable funds, employee benefits, investments, estate planning and operations. We manage assets of approximately \$938 million.

Our investment and administrative staff have extensive experience in the management of various charitable and educational fiscal agencies and trusts.

We are quite proud of our professional staff. These biographical profiles will highlight the qualifications of our senior officers:

Norwood A. Thomas, Jr., Senior Vice President & Senior Trust Officer, Head of the Trust Department-Joined the Trust Department in 1955; graduate of Duke University, National Graduate Trust School at Northwestern University and the Executive Program of the Graduate School of Business at the University of North Carolina; has held or now holds positions of leadership in State and National professional organizations, plus extensive leadership positions in the local community. Is a Certified Financial Services Counselor.

K. Coffield Knight, Vice President & Senior Trust Officer, Head of the Administrative Division-Joined the Trust Department in 1958; graduate of Duke University; Past President, Trust Division of North Carolina Bankers Association; active in Chapel Hill Kiwanis Club and Toastmasters.

James S. Agnew, Vice President & Senior Trust Officer, Head of the Investment Division-Joined the Trust Department in 1969; graduate of Georgia Institute of Technology (undergraduate and masters degrees), L.L.B. from Woodrow Wilson Law College.

Steven D. Templeton, Vice President & Senior Trust Officer, Head of Personal Trust and Estates-Joined the Trust Department in 1977; undergraduate and law degrees from University of North Carolina at Chapel Hill; active in both professional associations and local civic endeavors. Teaches at the National Graduate Trust School at Northwestern.

R. L. Roycroft, Jr., Vice President & Senior Trust Officer-Joined the Trust Department in 1970 (has been with the bank since 1948); graduate of various banking schools and active in professional and local civic organizations.

Charles A. Anderson, Vice President & Senior Trust Officer - Originally joined the Trust Department in 1974-resigned to enter the investment business-rejoined in 1981; graduate of Duke University; Marine Corps Officer; active in professional organizations.

Central Carolina Bank's Trust Department has its own in-house computer system, which gives it the capacity for timely, innovative and accurate reporting. It has all the attributes of any well-managed, well-staffed and competitive major department.

II

GENERAL INVESTMENT POLICY

COMMON STOCKS

We seek long-term growth of both capital and income by investing in well-managed companies which have an established record of consistent and above average growth of both earnings and dividends.

Most of our equity selections share common attributes in that the companies are soundly financed, provide proprietary products or services, and are able to provide some earnings and dividend growth during times of economic contraction as well as expansion.

We seek to identify companies with the above characteristics and accumulate them at attractive price levels in order to insure future growth of our equity portfolio positions.

BONDS

Our emphasis in the management of fixed income assets is to locate the best values relative to risk and to invest funds with capital preservation first in mind with total return as a secondary consideration.

Typically, this policy results in bond portfolios structured with maturities ranging from about three to nine years.

Maturities longer than ten years involve risks which are not readily ascertainable and we usually avoid investing in maturities of this length except on a temporary basis.

CENTRAL CAROLINA BANK & TRUST

ACCOUNT ID: FISCAL YEAR: 11/30
 REPORT PERIOD: 8/31/1981 - 8/31/1987

TIME-WEIGHTED AND DOLLAR-WEIGHTED PERFORMANCE
 FISCAL PERIODS

	FISCAL		1-YR	3-YR	5-YR	FROM 8/81
	THIS QTR	YR TO DATE				
YOUR FUND - TIME WEIGHTED	7.5	16.2	15.5	23.5	23.8	22.1
PRINCIPAL RETURN	7.5	16.2	12.7	18.1	17.8	14.9
INCOME RETURN	.0	.0	2.4	4.5	5.1	6.2
REINVESTMENT RETURN	.0	.0	.4	.8	.9	1.0
YOUR FUND - DOLLAR WEIGHTED	7.5	16.3	15.4	23.5	23.9	21.9
EQUITY INDEXES						
S & P 500 COMPOS	14.5	35.3	34.4	30.2	27.6	23.1
DOW INDUSTRIALS	17.0	42.1	44.7	34.7	29.6	25.9
MUTUAL: GROWTH	12.3	31.7	30.0	25.6	23.4	19.6
MUTUAL: GROW&INC	10.2	23.7	23.2	24.5	23.2	20.0
WILSHIRE UNWGHTD	12.8	45.9	45.1	37.5	39.1	32.1
BANK AGGR GROWTH	9.8	29.4	26.0	22.4	22.2	17.8
FIXED INCOME INDEXES						
S/L LONG GOVTS	-2.3	-7.1	-7.3	19.3	16.0	18.9
BANK FIXED INCME	.4	-.2	1.5	14.4	13.4	15.7
SALOMN CORP BOND	-.4	-3.0	.0	19.0	16.9	19.4
S/L INTERM GOVT	1.2	.6	1.9	13.3	12.7	14.8
CERT. OF DEPOSIT	1.5	4.6	6.0	7.2	8.2	9.1
US TREASURY BILL	1.3	4.0	5.3	6.6	7.6	8.4
BALANCED INDEX	7.6	17.0	16.6	25.0	22.3	20.9

All index returns include reinvestment of income.
 Returns for longer than one year are annualized.

BALANCED INDEX: 60% S&P 500, 35% S/L LONG GOVTS , 5% US TREASURY BILL

Developed by CDA Investment Technologies, Inc., Silver Spring, MD.

CENTRAL CAROLINA BANK & TRUST

ACCOUNT ID: FISCAL YEAR: 11/30
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RATE OF RETURN VS. RISK

TOTAL RISK: 3.4 PERCENT

Since 8/81 your fund's STANDARD DEVIATION of monthly returns has been 3.4 percent. This compares with 4.3 percent for the S & P 500 COMPOS

VOLATILITY: .71

Since 8/81 your fund has been .71 times as volatile as the S&P 500. This statistic is known as the BETA coefficient. It measures the market-related portion of your total risk.

DIVERSIFICATION: 79.5 PERCENT

Since 8/81 your fund has been 79.5 percent as diversified as the S&P 500. This statistic is known as R-SQUARED.

RISK-ADJUSTED PERFORMANCE: 3.2 PERCENT ANNUALLY

Since 8/81 your fund has annually done 3.2 percent better than expected, allowing for the market's performance and your fund's volatility. This statistic is known as the ALPHA coefficient. The table below shows how ALPHA is computed for several time periods.

LINE	DESCRIPTION	FISCAL		1-YR	3-YR	5-YR	FROM 8/81
		THIS QTR	YR TO DATE				
1	S&P 500 PERFORMANCE	14.5	35.3	34.4	30.2	27.6	23.1
2	RISK-FREE PERFORMANCE	1.3	4.0	5.3	6.6	7.6	8.4
3	S&P 500 PREMIUM FOR RISK (LINE 1 - LINE 2)	13.2	31.3	29.2	23.6	19.9	14.7
4	YOUR FUNDS EXPECTED PREMIUM FOR RISK (LINE 3 X BETA)	9.4	22.3	20.8	16.8	14.2	10.5
5	YOUR FUNDS PERFORMANCE	7.5	16.2	15.5	23.5	23.8	22.1
6	YOUR FUNDS PREMIUM FOR RISK (LINE 5 - LINE 2)	6.2	12.3	10.2	16.8	16.2	13.7
7	YOUR FUNDS RISK ADJUSTED PERFORMANCE (ALPHA COEF) (LINE 6 - LINE 4)	-3.1	-10.0	-10.6	.0	2.0	3.2

All statistics include reinvestment of income.
 Returns for longer than one year are annualized.
 Developed by CDA Investment Technologies, Inc., Silver Spring, MD.

The CDA Universe - Equity Fund Performance

644 Bank, Insurance Co & Mutual Fund Portfolios

Rate of Return Percentiles for the Period: 8/81 - 8/87

Name	05	%ROR	%ile
CHARITABLE ENDOWMENT FUND		23.8	12
STANDARD & POOR 500		23.1	18

25

50

75

95

%ile Values: 05=25.4, 25=22.6, 50=20.0, 75=17.4, 95=11.1

Developed by CDA Investment Technologies, Inc., Silver Spring, MD.

SUMMARY

Why you should choose CCB as your money manager:

- Excellent long-term investment performance. (Top 12th percentile of 644 bank, insurance company, and mutual fund portfolios as compiled by CDA Investment Technologies of Silver Spring, Maryland for five years ending August 31, 1987).
- Superior investment results (23% compounded over five years) achieved through low risk investing. Since 1981 our fund has been 71% as volatile as the S&P 500.
- Periodic performance reviews that show your return and the risk taken by your investment manager to achieve your return.
- Total costs lower than most competitors and significantly lower than some.
- Accessibility
- Compensation is performance based rather than transaction oriented.
- CCB does not inventory bonds, make a market in stocks, or receive any percentage on brokerage fees.
- We are a part of your community.