

Thank you for your inquiry regarding Custodian Funds.

Custodian Funds are maintained in a pooled fund with other ASME funds - including dozens of Custodian Funds - totaling about \$100 million. Funds share in the income, gains/(losses), and expenses on a mutual fund basis.

The funds are all professionally managed. The ASME Committee on Finance and Investment provides oversight of the funds. The Committee selects mutual funds and managers (it never selects individual securities) with the help of an investment adviser. The target equity allocation is 60-65%, with the remainder in fixed income. The Committee seeks diversification across the broad market, avoiding concentrations in any one sector.

Last calendar year, 2006, the fund returned a net of 17.2% vs. a 17.1% return that would have been obtained in a theoretical account consisting of 60% in an S&P 500 index and 40% in a bond index. Performance for the last three years and for last five years was, respectively, 12.5% fund vs. 12.5% index and 11.7% fund vs. 10.9% index. Please note past performance is not a promise of future returns.

After establishing an account, funds may be deposited or withdrawn at any time. To deposit funds, you may send a check with the account number (that will be assigned when the fund is established). To withdraw funds, two authorized signatures (that you will provide by letter when the fund is established) are required (letter file is attached). Please provide the address of a person designated to receive Monthly financial statements.

To establish the account, you may send an initial deposit and letter with two authorized signatures to:

ASME Service Center
Ken Hunt, Managing Director, Finance
22 Law Drive
PO Box 2900
Fairfield, NJ 07007-2900

Ken can be reached at (973) 244-2284 or by e-mail at huntk@asme.org.

Please let me know if you have any questions.

Thank you,
Ken Hunt, Managing Director, Finance

CUSTODIAN FUND SIGNATURE AUTHORITY FORM

Division, District, or Section Name: _____

Custodian Fund Account Number: _____ (assigned by NJ)

The following are authorized to withdraw funds from this Custodian Fund for the Fiscal Year beginning July 1, ____ and ending June 30, ____:

Note: A minimum of two signatures is required.

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

Signature: _____

Name: _____

Title: _____

Signature: _____

Please return this form to:

ASME Service Center
Attn: Accounting Manager, General Ledger
22 Law Drive
PO Box 2900
Fairfield, NJ 07007-2900

Fax: (973) 882-4924