

U.S. LARGE-CAP CORE EQUITY

DATA AS OF APRIL 30, 2009

Investment Philosophy

The cornerstone of WestEnd Advisors' investment philosophy is that Sector and Industry performance is highly correlated with particular stages of the business cycle.

WestEnd Advisors overweights Sectors we believe are experiencing economic **tailwinds** while avoiding Sectors we perceive to be untimely. Within favored Sectors, we target high-quality, market-leading companies.

The result is a core investment style capable of shifting portfolio Sector and style emphasis to remain properly oriented and timely over a full economic and market cycle.

Product Inception: January 1, 1996

Benchmark: S&P 500

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Performance vs. Benchmark*

	WestEnd Composite		S&P	Russell
	Gross*	Net*	500	1000
April	11.71%	11.56%	9.57%	10.12%
Qtr-to-Date	11.71%	11.56%	9.57%	10.12%
Year-to-Date	9.29%	8.99%	-2.49%	-1.39%
1 Year	-27.51%	-27.94%	-35.31%	-35.30%
3 Year	-6.50%	-7.09%	-10.76%	-10.76%
5 Year	3.03%	2.44%	-2.70%	-2.32%
7 Year	4.26%	3.70%	-1.05%	-0.68%
10 Year	3.38%	2.84%	-2.48%	-2.03%
Inception	11.93%	11.33%	4.46%	4.62%

*Returns are preliminary, not verified, and subject to change.

Returns greater than one year are annualized.

Source: standardandpoors.com, russell.com

Model Sector Weightings

	WestEnd	S&P 500
Consumer Discretionary	25.0%	9.5%
Consumer Staples	10.0%	12.0%
Energy	0.0%	12.5%
Financials	0.0%	12.2%
Health Care	15.0%	13.8%
Industrials	0.0%	10.4%
Information Technology	35.0%	18.4%
Materials	0.0%	3.4%
Telecommunications Services	15.0%	3.7%
Utilities	0.0%	4.0%
Cash	0.0%	0.0%

Source: standardandpoors.com

Portfolio Characteristics

	WestEnd	S&P 500
Number of Stock Holdings	20	500
Average Market Cap (\$ billions)	\$52.7	\$15.2
Price to Earnings: Trailing Operating	18.6x	19.1x
1-Year Projected Earnings Growth	1.6%	-6.5%
Price to Book	3.7x	2.0x
Dividend Yield	1.7%	2.5%

Source: Telemet, standardandpoors.com, WestEnd Advisors

ECONOMIC AND MARKET REVIEW

History can provide clues as to what economic indicators might anticipate economic troughs. A review of nearly 40 years worth of economic data that includes five recessions shows that turns in *initial unemployment claims* and *consumer sentiment* data are closely associated with the inflection points for economic recoveries.

Average Timing Difference from Economic Trough (Previous 5 Recessions)

	Months
Stock Market (Low)	1.2 Prior
Initial Unemployment Claims (Peak)	1.0 Prior
Consumer Sentiment (Low)	0.8 Prior
Unemployment Rate (Peak)	7.2 After

Initial unemployment claims and consumer sentiment are reliable indicators of economic troughs because shifts in these measures reflect changes in key drivers of the economy. Initial unemployment claims move inversely with consumers' perception of job security and in turn consumer spending, the largest component of GDP. As jobless claims go up, job security and spending go down and vice-versa. Consumer sentiment provides a broad measure of consumer psychology, which also heavily influences consumer spending.

Weekly initial unemployment claims spiked in January of this year at almost 700,000. By February they had stabilized around 650,000 and have since declined to 601,000 in the most recent reading on May 7th. The four-week moving average of initial unemployment claims' peaked in late March, then declined in April

for the first time in a year. Similarly, the University of Michigan *Consumer Sentiment Index* has also improved recently. The Index reached its lowest level in 29 years in November. Consumer sentiment has moved higher since then, however. The April reading was the highest reading since last September, just before the economic crisis began.

The *retail inventory-to-sales ratio* is an economic measure that typically peaks prior to a trough in the economy. The ratio compares inventory levels to retail consumer spending. It topped out on average about five months prior to the end of the previous three recessions (the government has only measured retail inventory levels since 1981). The ratio peaked 11 months before the 1982 recession ended, but peaked only two and three months prior to the ends of the last two recessions. Most recently, the retail inventory-to-sales ratio may have topped out in December. It has since declined 5%.

Initial unemployment claims, consumer sentiment and the retail inventory-to-sales ratio are examples of economic indicators that can give investors more confidence a turn in the economy will occur. They are not yet *definitive* signals of an economic recovery. For example, the apparent turn in these data that we believe we are seeing could reverse course. Unfortunately, investors do not have the luxury of waiting for definitive data. If they do, they will likely forgo returns as the market discounts the improved conditions before the economic picture comes into focus.

Many investors and market commentators look to an improvement in the *unemployment rate* as evidence of a turn in the economy. A turn in the employment rate typically indicates that the economy has improved. But the unemployment rate also typically peaks many months *after* a recession has ended. If investors wait for this indicator to improve, they will likely miss a substantial portion of the move up in equities that occurs prior to an improvement in the unemployment rate.

The fact that 49% of the

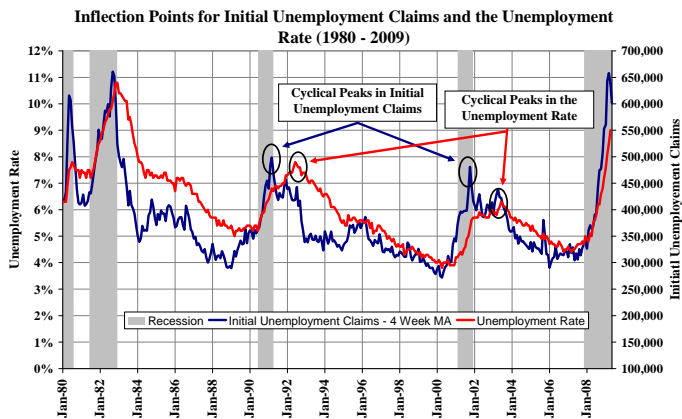
market value of the S&P 500 was on the sidelines in money market funds as of the end of the first quarter indicates that investors continue to struggle with the outlook for the economy and when to move back into stocks. We can't know for sure if we have already seen the stock markets' lows. But investors should find comfort in the recent improvement in key economic indicators like initial unemployment claims, consumer sentiment and the retail inventory-to-sales ratio. These economic indicators have historically turned prior to the trough in the economy, and in close proximity to market bottoms. We believe that now is a good time to invest in stocks as investors have been rewarded for owning stocks prior to economic troughs.

Some investors may be concerned that they have already missed the run up in equities. After all, markets have moved up over 30% since early March. But it is possible that investors have just begun to recapture what was lost since the last market peak. The S&P 500 remains more than 40% below its 2007 high. There is a massive amount of investor money now in cash that we believe will move back to stocks as investors gain more confidence in the prospects for an economic recovery. This gives us confidence that there is still plenty of upside from the current market levels. Whether the market moves higher in the short run, or revisits the March lows, today's investors should be rewarded over the next several years.

The Large-Cap Core Equity portfolio remains fully invested and positioned for an improved economic environment. Our forward-looking approach led us to make changes to the portfolio in October in anticipation of a shift in the economic backdrop that we thought would develop. We have not made subsequent changes as we remain convinced the portfolio is well positioned for the eventual economic recovery. We believe that the recent indications of economic stabilization, and even improvement, are signs of a potential return to economic growth later this year. Client portfolios' should benefit from Large-Cap Core Equity's significant exposure to economically sensitive portions of the S&P 500 such as the Information Technology and Consumer Discretionary Sectors.

Robert L. Pharr, Chief Investment Officer
Edmund N. Durden, Investment Analyst
Frederick O. Porter, Investment Analyst

May 11, 2009



WestEnd Advisors is an SEC-registered investment advisor. WestEnd is an independent investment management firm, 100% owned by its principals. WestEnd manages both equity and fixed-income assets for individual and institutional clients.

WestEnd Advisors' **Large-Cap Core Equity Composite** is an institutional-only composite and does not include portfolios in any wrap-fee program managed by WestEnd Advisors. WestEnd Advisors' **Large-Cap Core Equity Composite** is invested solely in U.S. Equity securities and/or high-grade money market instruments. Returns were achieved without the use of options, derivatives, or leverage of any kind. Results are time weighted, account size weighted, net of withholding taxes, use trade-date valuations, and include cash as well as the reinvestment of dividends, interest income, and other earnings, if applicable. Portfolio returns were weighted using end of prior month values plus weighted cash flows. Portfolios and composites were valued daily, were denominated in U.S. dollars only, and included all discretionary tax-exempt accounts with a minimum of \$1,000,000.

Composite performance results and percentage of firm assets from December 31, 1995 to December 31, 2002 were realized under WestEnd Advisors' predecessor firm Providence Capital Management, Inc. in the **Large-Cap Core Equity Composite**. Providence Capital Management was a registered investment advisor founded October 1, 1995 by Robert L. Pharr. Mr. Pharr served as President and Chief Investment Officer, and made all the investment decisions since creation of the composite. The **Large-Cap Core Equity Composite** creation date is December 31, 1995, and the investment strategy for the **Large-Cap Core Equity Composite** has been consistent since creation.

Net-of-fee performance results are presented after investment management fees paid to WestEnd Advisors, as well as after brokerage or other commissions actually paid by clients in the management of their investment advisory account, but exclude any deductions for custodial fees. The current management fee schedule, as described in WestEnd Advisors' SEC form ADV Part II, is as follows: 1.00% for accounts valued at \$1,000,000 to \$4,999,999; 0.90% for accounts valued at \$5,000,000 to \$9,999,999; 0.75% for accounts valued at \$10,000,000 to \$24,999,999; 0.65% for accounts valued at \$25,000,000 to \$49,999,999; and 0.50% for accounts valued over \$50,000,000.

Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable. The information contained herein is not intended to be an offer to provide investment advisory services. Such an offer may only be made if accompanied by WestEnd Advisors' Form ADV Part II Disclosure Document.

The S&P 500 and Russell 1000 are used for comparative purposes only. The S&P 500, our primary benchmark, is considered an appropriate proxy for the overall U.S. equity market and is comprised of 500 leading companies in leading industries of the U.S. economy. The Russell 1000 is used as our secondary benchmark and represents the extensive large-cap segment of the U.S. equity universe.

The dispersion of annual returns is measured by the standard deviation of the asset-weighted portfolio returns represented within the composite for the full year. Dispersion is calculated based on gross returns and is not shown when there are five or fewer portfolios as the calculation is not statistically meaningful.

A complete list and description of all WestEnd Advisors' composites as well as a presentation that complies with the requirements of the Global Investment Performance Standards (GIPS) may be obtained by phone (888-500-7501) or email (info@westendadvisors.com).

Additional information regarding policies for calculating and reporting returns is available upon request.

WestEnd Advisors has been verified for its claim of firm-wide compliance with the Global Investment Performance Standards (GIPS) for the periods December 31, 1995 through December 31, 2008 by Beacon Verification Services. WestEnd Advisors' **Large-Cap Core Equity Composite** has received a performance exam from composite inception through December 31, 2008. A copy of the verification report is available upon request.

Revised February 2009