

U.S. LARGE-CAP CORE EQUITY

DATA AS OF JULY 31, 2008

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

WestEnd Advisors

Two Morrocroft Centre
4064 Colony Road, Suite 130

Charlotte, NC 28211

Phone: (704) 556-9300

Toll Free: (888) 500-9025

Website: www.westendadvisors.com

Email: info@westendadvisors.com

Performance vs. Benchmark*

	WestEnd Composite		S&P	Russell
	Gross*	Net*	500	1000
July	1.84%	1.68%	-0.84%	-1.16%
Qtr-to-Date	1.84%	1.68%	-0.84%	-1.16%
Year-to-Date	-10.16%	-10.57%	-12.65%	-12.23%
1 Year	-9.24%	-9.80%	-11.09%	-10.62%
3 Year	5.02%	4.43%	2.85%	3.08%
5 Year	10.88%	10.27%	7.03%	7.55%
7 Year	8.03%	7.46%	2.48%	3.04%
10 Year	10.41%	9.83%	2.91%	3.38%
Inception	14.98%	14.36%	7.70%	7.91%

*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	35.0%	8.1%
Consumer Staples	0.0%	11.2%
Energy	0.0%	14.1%
Financials	0.0%	15.3%
Healthcare	0.0%	12.7%
Industrials	20.0%	11.4%
Information Technology	35.0%	16.5%
Materials	0.0%	3.8%
Telecommunications Services	10.0%	3.1%
Utilities	0.0%	3.8%
Cash	0.0%	0.0%

Source: standardandpoors.com

Portfolio Characteristics

	WestEnd	S&P 500
Number of Stock Holdings	20	500
Average Market Cap (\$ billions)	\$68.2	\$22.1
Price to Earnings: Trailing Reported	19.7x	22.9x
1-Year Projected Earnings Growth	16.4%	1.2%
Price to Book	4.3x	2.5x
Dividend Yield	1.4%	2.2%

Source: Telemet, standardandpoors.com

ECONOMIC AND MARKET REVIEW

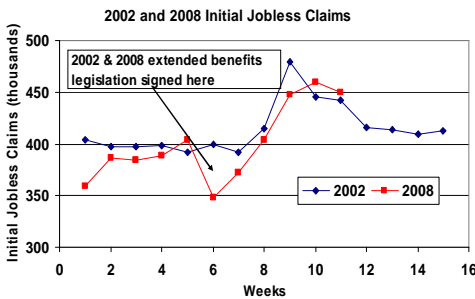
Economic headlines continue to portray a gloomy economic picture. However, analysis of several recent reports on key economic measures, including initial jobless claims and inflation, show a more positive situation than the headline numbers indicate.

On June 30, 2008 the President signed the Emergency Unemployment Compensation (EUC) legislation as part of the Iraq and Afghanistan War Funding Bill. The EUC legislation extends unemployment insurance benefits for an additional 13 weeks beyond the program's standard 26 weeks. States must notify individuals who had their 26 week claim expire after December 2006 that they may be eligible for the extended benefits. State employment offices in recent weeks have contacted those eligible for the additional 13 week benefit and have discovered that many had met the states' work requirements and therefore are eligible again for the full 26 week benefit. These individuals have reapplied for unemployment benefits and are now counted in the Labor Department's weekly initial jobless claims report. These abnormal, but legal, claims are significant enough to distort the unemployment data.

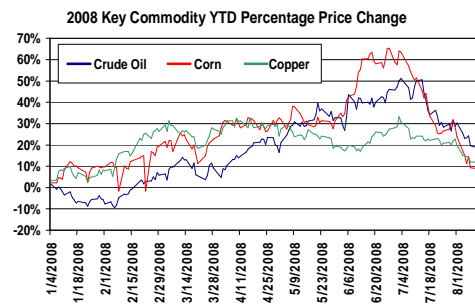
A previous experience with inflated claims provides context in which to examine the current trend in initial jobless claims. The Job Creation and Worker Assistance Act of 2002, which was signed on March 9, 2002, offered extended unemployment benefits in a manner similar to the 2008 EUC legislation. The 2002 bill, like the 2008 legislation, had the unintended consequence of inflating the initial jobless claims for the 26 week standard benefit. The chart below, which examines the trends in initial jobless claims for parts of 2002 and 2008, details the spike and subsequent decline in initial claims which followed the passage of the 2002 bill.

Based on our discussions with the Department of Labor and our analysis of the impact of the 2002 legislation, we believe the current bulge in initial claims attributable to the EUC legislation will recede in the coming weeks. Thus, we are not as alarmed by the recent surge in unem-

ployment claims as others may be.



Recent inflation data also warrants a more thorough review. The Federal Reserve and market analysts continue to cite inflation as a key risk to the economy. Headlines are full of pronouncements about inflation reaching multi-year highs. The Consumer Price Index (CPI) rose 1.1% and 0.8% month-over-month in June and July, respectively. The media highlighted that the June change was the largest increase since 1982. While the headline readings for both CPI and the Producer Price Index (PPI) have risen significantly, it is critical to recognize that



	Close 8/14/2008	2008 High	Date of High	Percent Change from High
Crude Oil /bbl	\$113.99	\$147.27	7/11/2008	-22.6%
Corn /bu	\$5.58	\$7.65	6/27/2008	-27.1%
Copper /lb	\$3.32	\$4.22	5/5/2008	-21.3%

these indices are backward looking, and in addition, the inflation indices include volatile components. Prices of hard and soft commodities, which drove the recent in-

creases in inflation, have declined significantly. The preceding chart and table detail the price declines in three key commodities – oil, corn and copper – from their peaks earlier this year. And since commodity prices have declined, the prices for finished goods should follow.

Market watchers, who have focused on headline inflation, have neglected the positive news from the labor markets. Labor costs have remained in check even as commodity price-driven inflation accelerated. Last week the Bureau of Labor Statistics (BLS) announced that productivity increased 2.8% in Q2 2008 compared with 2007. This productivity growth helped constrain unit labor costs, which increased 1.5% in the second quarter. This is important because unit labor costs represent approximately 70% of CPI.

The Federal Reserve has characterized the current inflation environment as a "significant concern." The Fed's policies have not differentiated between inflation produced by volatile sources like commodity costs (the current causes of inflation) and inflation from an increase in unit labor costs which is more likely to become embedded and not easily removed from the economy. Low to moderate gains in unit labor costs and the temporary nature of the current causes of inflation suggest the Fed will not need to change their accommodative monetary policy.

A thorough examination of the data underlying initial jobless claims and inflation does not indicate lasting concerns with these economic indicators. This bodes well for the economy and for the economically sensitive positions in the Large-Cap Core Equity portfolio.

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

August 15, 2008

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 investment decisions since creation of this 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 ideal 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 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 to March 31, 2008 by Beacon Verification Services. WestEnd Advisors' **Large-Cap Core Equity Composite** has received a performance exam from composite inception through March 31, 2008. A copy of the verification report is available upon request.

Revised June 2008