

U.S. LARGE-CAP CORE EQUITY

DATA AS OF MARCH 31, 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 500	Russell 1000
	Gross*	Net*		
March	11.92%	11.92%	8.76%	8.75%
Qtr-to-Date	-2.16%	-2.31%	-11.01%	-10.45%
Year-to-Date	-2.16%	-2.31%	-11.01%	-10.45%
1 Year	-32.18%	-32.60%	-38.09%	-38.27%
3 Year	-9.51%	-10.05%	-13.06%	-13.24%
5 Year	0.06%	-0.50%	-4.76%	-4.54%
7 Year	1.92%	1.38%	-3.20%	-2.86%
10 Year	3.05%	2.51%	-3.00%	-2.57%
Inception	11.08%	10.49%	3.77%	3.89%

*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%	8.8%
Consumer Staples	10.0%	12.8%
Energy	0.0%	13.0%
Financials	0.0%	10.8%
Health Care	15.0%	15.3%
Industrials	0.0%	9.7%
Information Technology	35.0%	18.0%
Materials	0.0%	3.3%
Telecommunications Services	15.0%	4.0%
Utilities	0.0%	4.3%
Cash	0.0%	0.0%

Source: standardandpoors.com

Portfolio Characteristics

	WestEnd	S&P 500
Number of Stock Holdings	20	500
Average Market Cap (\$ billions)	\$48.9	\$13.9
Price to Earnings: Trailing Operating	16.2x	16.1x
1-Year Projected Earnings Growth	-4.9%	-22.7%
Price to Book	3.3x	2.3x
Dividend Yield	1.6%	2.8%

Source: Telemet, standardandpoors.com, WestEnd Advisors

ECONOMIC AND MARKET REVIEW

A deluge of business, economic and political news over the last three months contributed to another volatile quarter for stock prices. The S&P 500 index recorded its best monthly performance in over six years in March after the index declined sharply in the first two months of the year. WestEnd's Large-Cap Core Equity portfolio declined -2.31% net during the quarter while the S&P 500 fell -11.01%. Both our economic Sector weights and stock selection contributed to our returns as the portfolio outperformed the S&P 500 in each month of the quarter.

Early signs of economic stabilization helped drive the market's rally in March. These indications of improvement within a stream of generally ugly economic data captured investors' attention. Consumers, for example, showed signs of revitalization as consumer spending increased +1.3% through the first two months of the quarter. This growth was a decided improvement from the -4.4% decline in consumer spending we saw in the fourth quarter of 2008. Stable or improved consumer spending would go a long way to steady the overall economy as consumer spending accounts for almost 70% of GDP.

We also saw glimmers of recovery in housing and manufacturing. The pace of new home sales rose in February for the first time in seven months while the government's national home price index increased in January after eleven consecutive monthly declines. Beyond housing, orders of durable goods increased in February for the first time since July. This pick up in orders should boost production for beleaguered manufacturing industries.

A substantial slowdown in the rate of decline in other economic indicators that had seemingly fallen off a cliff also heartened investors. Initial unemployment claims, for example, stabilized in February and March, after a sharp increase in January, and the rate of decline in industrial production slowed considerably in the last two reported months. There were also positive developments outside of the economic data. A number of bell-weather companies, including Large-Cap Core Equity holdings Best Buy Co., Research in Motion and Oracle Corp., recently reported stronger than expected earnings, and there was a marked increase in debt and equity issuance during the quarter.

Despite these and other positive developments, the overall economic picture remains mixed as many indicators point to continued economic difficulties. Nevertheless,

even as definitive evidence of a turn in the economy may be months away, these are the uncertain signals we expect to see when the stock market begins to discount an economic recovery.

Another factor which helped drive March's rally was the government's release of additional detail on its plan to rejuvenate the financial system. This more granular information, which was long awaited, was critical to investors as the health of the financial system remains the key concern for investors. The government's plan which Treasury Secretary Timothy Geithner outlined has three principal components: the *Term Asset Backed Securities Lending Facility (TALF)*, the *Bank Stress-Test*, and the *Public-Private Investment Partnership (PPIP)*. The TALF launched in February and securitized more consumer debt in its initial transaction than had been securitized in the previous four months. Despite this solid start, there are still questions as to whether this program can substantially help consumers gain access to credit. The *Stress-Test* is under way to evaluate banks' financial strength, while the *PPIP*, which is designed to remove toxic assets from bank balance sheets, is expected to launch next month.

If investors believe that this multi-faceted government strategy will repair the financial system, the stock market will likely continue to move higher. Unfortunately, if investors believe that the government's actions will not stabilize the financial system in the near-term, the stock market could sell off again and even retest recent lows.

We contend, however, that the recently enacted and proposed government actions will help repair the financial system, and as investors broadly gain confidence in the government's plan, they will shift their primary focus to the health of the economy in the months ahead. The good news is that as investors shift their focus they will likely find multiple catalysts to propel economic growth and a continued recovery in the equity markets over the next several quarters.

Correcting the imbalance between rates of production and sales could prove to be an economic driver in the latter part of this year. Production fell off dramatically in the last two quarters, but sales have fallen less sharply. This has created an imbalance which, combined with tame inventory levels, could lead to a substantial pick-up in manufacturing with only a slight pick-up in demand.

More positive reports on manufacturing activity along with other evidence of economic stabilization could lead

to a less negative news flow, which could in turn positively influence investors' sentiment. We have argued in previous *Monthly Investment Updates* that with the tremendous amount of cash on the sidelines, a change in sentiment that leads investors to reinvest in equities could have a substantial positive impact on equity prices. Finally, we have yet to see the impact of tax cuts or fiscal stimulus legislation which passed during the quarter. These myriad catalysts should benefit the economy and the markets in the months ahead and build on the early signs of improvement we saw during the first quarter.

Companies in the Large-Cap Core Equity portfolio should be helped by an improved economic back-drop. Our portfolio companies are large, market-leading companies that we believe investors will come back to first and stay with because of these firms' competitive advantages and their ability to deliver strong, sustainable earnings growth. More specifically, in the economic environment we foresee, companies are likely to prioritize efficiency over increased capacity. Our portfolio companies in the Information Technology Sector are positioned to benefit from companies' investment in technology to enhance productivity. We also believe that consumers will increase spending after a hiatus in spending growth. Consumer Discretionary Sector stocks should benefit as increased spending coupled with depressed earnings expectations leads to greater than expected earnings growth.

Stocks bounced off of their lows in March, and while there is potential for stocks to continue move higher, a key risk remains. Investors must believe that the government's actions can heal the financial system. And if government actions can not stabilize the financial system, the stock market could experience another leg down. We contend that the government's actions will ultimately work and signs of economic improvement will become more numerous. The Large-Cap Core Equity portfolio remains positioned for an improved economic environment and should benefit as investors increasingly focus on the outlook for the economy and for corporate profits.

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

April 9, 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