

U.S. LARGE CAP CORE EQUITY

DATA AS OF NOVEMBER 30, 2006

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 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
November	2.70%	2.70%	1.90%	2.13%
Year-to-Date	15.98%	15.33%	14.19%	14.00%
1 Year	16.24%	15.59%	14.23%	14.16%
3 Year	18.03%	17.41%	11.82%	12.25%
5 Year	12.42%	11.85%	6.08%	6.78%
7 Year	10.46%	9.90%	1.75%	2.34%
10 Year	15.15%	14.57%	8.05%	8.33%

Returns greater than one year are annualized
Source: Ibbotson; Russell.com

Model Sector Weightings

	WestEnd	S&P 500
Consumer Discretionary	25.0%	10.4%
Consumer Staples	0.0%	9.2%
Energy	0.0%	10.2%
Financials	0.0%	21.7%
Healthcare	0.0%	12.0%
Industrials	30.0%	10.9%
Information Technology	30.0%	15.7%
Materials	10.0%	3.0%
Telecommunications Services	0.0%	3.4%
Utilities	0.0%	3.5%
Cash	5.0%	0.0%

Source: Standard & Poors

Portfolio Characteristics*

	WestEnd	S&P 500
Number of Stock Holdings	19	500
Average Market Cap (\$ billions)	\$60.5	\$25.2
Price to Earnings: Trailing Reported	22.0	17.4
1-Year Projected Earnings Growth	14.3%	9.7%
Price to Book	4.8	2.8
Dividend Yield	1.2%	1.8%

* Sources: Standard & Poors, Mulex, Thomson Financial

ECONOMIC AND MARKET REVIEW

Strength in the stock averages continues...

The stock market continued its positive performance in November as the S&P 500 posted a gain for the fifth month in a row with a return of 1.90%. As in previous months the advance was broad-based with seven out of ten S&P 500 Sectors finishing the month in positive territory. The strongest Sectors were Energy (up 8.1%) and Basic Materials (up 4.1%), both of which continued to rebound from losses earlier in the year. The weakest Sectors were Consumer Staples (down 1.1%) and Healthcare (down 0.5%), which as non-economically sensitive Sectors tend to outperform in the later stages of the economic cycle.

The WestEnd Advisors Large Cap Equity Composite of clients' portfolios posted a 2.69% gain (after investment management fees) for the month. While we underperformed the market in Consumer Discretionary and Basic Materials, significant outperformance in Technology and Industrials drove our returns as these Sectors continued to benefit from the tail winds expected during the mid-phase growth period of this economic cycle.

...driven in part by some bounce in the economic backdrop...

Despite some mid-cycle softness we continue to believe we are in an economic growth period as numerous indicators continue to show strength in the economy. Corporate earnings in the third quarter again grew at a double digit rate. And while this rate of earnings growth will eventually slow from record mid-teen levels, there is nothing to indicate that earnings growth will slow precipitously in the near future. In addition, the economy is also being propelled by continued strength in corporate capital expenditures. Capex grew at 12% in 2004 and 14% in 2005 and is projected to grow 16% in 2006. While this acceleration in growth also may not be sustainable in the long term, according to the Fed, the ratio of fixed business investment to GDP is still well below its forty year average. And lastly, despite the housing slowdown, consumer income continues to show strength (real wages up 4.5% year over year through October) due largely to the continuation of tight labor markets (unemployment rate in November was 4.5%).

With these tailwinds we believe that the mid-cycle

growth phase will continue for at least the next six to eighteen months, and probably longer. Research from leading economists suggests that several factors, including improved monetary policy and improved techniques for inventory management, have resulted in less volatile economic activity combined with longer expansions and shorter recessions. So while it is difficult to estimate when the growth phase of this economic cycle will ultimately end, we believe that the current economic expansion will continue into next year and beyond.

In 2007 we believe the economic growth rate will not be consistent throughout the year, but will instead mirror 2006's pattern. Whereas GDP grew strongly early in 2006 and then slowed, we expect growth in 2007 to start at the current reduced pace and then strengthen to at least the longer term trend growth rate of 3% in Q3 and Q4. The decline in new home construction that we have experienced this year has been responsible for much of the slowing in economic growth from Q1. Given the current rate at which home builders are trimming their excess inventories, we expect new home construction to return to more normal, sustainable levels by mid-2007. Because we do not currently expect any other rough patches in the economy during 2007, the resumption of normal housing activity should allow GDP growth to return to improve.

...and by the growing belief that the 2006 experience was a temporary slowdown and not a move to slow growth and recession.

Further support for our view that 2007 will not see a recession comes from a model published by the Federal Reserve Board earlier this year. The Fed model estimates the probability of recession occurring at some point during the next four quarters. Two factors determine the model's output: three-month U. S. Treasury bill yields, less ten-year U. S. Treasury notes yields ("term spread"), and the federal funds rate. For each of the previous six recessions since 1964, the average probability for recession predicted by the model was 90%, with the minimum being 68% probability for the 2001 recession. The model's estimated probability of recession in 2007 currently stands at 45%. The probability has increased from 38% in Q3 this year, but is still far below the minimum probability predicted for previous recessions. The recent increase in probability is due to the increased inversion of the yield curve that has occurred in the last several months, as the average

federal funds rate has held steady since the third quarter.

While yield-curve inversions do historically have a strong correlation with the onset of recessions, we believe that the current positive term spread is due in part to factors other than bond investors' concerns about a recession. Specifically, we have believed for some time that the large purchases of U.S. Treasury bonds by foreign investors have reduced the ten-year U. S. Treasury yield by an economically significant amount. Recent analysis from researchers at the University of Virginia supports that view, suggesting that the current ten-year Treasury yield would be as much as 150 basis points higher without the large foreign accumulation of U.S. Treasury securities. The University of Virginia research also confirms our belief that the foreign purchases influence short-term rates much less than longer-term rates. The short end of the yield curve is more closely linked to monetary policy and the Fed's determination of the appropriate level for the federal funds rate. Combined, these two findings suggest that the current yield curve inversion is due largely to foreign investors' continued strong appetite for Treasury holdings. If adjusted for this phenomenon, the yield curve would likely have a more normal, positive slope and therefore not signal the possibility of a near-term recession.

We remain convinced that the economic outlook remains bright, despite the worries of some pundits and investors that an economic slowdown or recession is waiting just around the corner. This economic expansion, like others, has had its temporary soft patches. We are confident in our view, however, that 2007 will be a positive year for the economy and investors alike.

Robert L. Pharr, Chief Investment Officer
William L. Bachrodt, Investment Analyst
Edmund N. Durden, Investment Analyst

December 15, 2006

Returns for WestEnd's **Large Cap Core Equity Composite** include returns generated under its predecessor firm Providence Capital Management, Inc. 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 inception of this composite on January 1, 1996. 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** 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 for the full historical period are time weighted, account size weighted, 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 ending 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.

The Benchmark: Standard & Poors 500 Index – a market capitalization-weighted index of 500 major U.S. Corporations: 29 energy companies, 30 materials companies, 52 industrial firms, 86 consumer discretionary firms, 39 consumer staples firms, 56 health care companies, 89 financial firms, 78 information technology firms, 10 telecommunications companies, and 31 utilities. The Index provides a broad snapshot of the overall U.S. equity markets. Annualized Standard Deviation of quarterly Composite returns for the trailing 5 years through 12/31/2005: 19.73% vs. 18.17% for the Standard & Poor's 500 Index.

Past performance is not indicative of future results. Sector weightings, portfolio characteristics and representative holdings are as of the date of this report and are subject to change.