

U.S. LARGE CAP CORE EQUITY

DATA AS OF SEPTEMBER 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

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Performance vs. Benchmark

	WestEnd Composite		S&P	Russell
	Gross	Net	500	1000
September	5.63%	5.63%	2.58%	2.37%
Year-to-Date	10.07%	9.60%	8.53%	7.95%
1 Year	13.87%	13.27%	10.79%	10.25%
3 Year	18.22%	17.61%	12.30%	12.79%
5 Year	14.05%	13.48%	6.97%	7.64%
7 Year	9.53%	8.98%	2.20%	2.86%
10 Year	15.86%	15.28%	8.59%	8.75%

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

Sector Weightings

	WestEnd	S&P 500
Consumer Discretionary	25.0%	10.1%
Consumer Staples	0.0%	9.6%
Energy	0.0%	9.4%
Financials	0.0%	22.2%
Healthcare	0.0%	12.7%
Industrials	30.0%	10.9%
Information Technology	30.0%	15.3%
Materials	10.0%	2.9%
Telecommunications Services	0.0%	3.5%
Utilities	0.0%	3.4%
Cash	5.0%	0.0%

Source: Standard & Pooors

Portfolio Characteristics*

	WestEnd	S&P 500
Number of Stock Holdings	19	500
Average Market Cap (\$ billions)	\$58.7	\$24.0
Price to Earnings: Trailing Reported	20.5	17.9
1-Year Projected Earnings Growth	14.8%	10.0%
Price to Book	4.5	2.7
Dividend Yield	1.2%	1.9%

* Sources: Standard & Pooors, Multex, Thomson Financial

ECONOMIC AND MARKET REVIEW

The bull is back!

With the Dow Jones Industrial Average and the S&P 500 Index recently moving to new highs for the year, the bull market in stocks has clearly gotten back on track. Since mid-August stocks have staged an impressive rally on the basis of falling interest rates, a large drop in energy prices, declining inflation expectations, and a more benign Fed policy. In addition, stocks have benefited from a resilient economy, a strong corporate earnings backdrop, and a bullish vacuum of selling pressure which was so prevalent during the mid-summer correction in July and August. Surprisingly, although that extreme pessimism has dissipated, the current stock market rally has thus far failed to stir up investor enthusiasm to any significant degree. A variety of sentiment indicators, including short interest, options activity, sentiment surveys, and mutual fund flows, suggest that investors distrust the current rally. This is bullish from a contrary opinion point of view and argues for further gains ahead.

...with Technology and Consumer Discretionary Sectors leading the way...

Our portfolio had a very strong month in September, gaining 5.63% and outperforming the S&P 500 Index (+ 2.38%) by over three percentage points. Our returns last month were attributable to both S & P 500 Sector positioning and individual stock selection. The three Sectors in which our portfolio is nearly 90% concentrated -- Technology, Consumer Discretionary and Industrial -- were among the top five in performance in September out of the ten Sectors that make up the S&P 500. In addition to Sector positioning, our portfolio benefited last month from favorable company-specific developments. Four of our 19 holdings appreciated by over 10% in September. Our portfolio theme of strengthening business investment spending, which applies to our overweight positions in both the Technology and the Industrial Sectors, paid dividends last month. For example, three of our portfolio holdings that provide enterprise technology solutions to corporations -- Cisco Systems, Oracle, and Research in

Motion -- all recently reported strong results and raised their guidance. Our Technology holdings are focused on industries such as software and networking/communications equipment that are exposed to improved capital spending trends. We believe this segment of the Technology Sector has the strongest performance tailwinds because we are in the sweet spot of the economic cycle for business spending on Technology, as corporations flush with cash make investments to sustain their earnings growth and productivity increases.

Our portfolio also benefited in September from a rebound in the Consumer Discretionary Sector, which was the strongest S&P 500 Sector last month. The Consumer Discretionary Sector, and retailers in particular, became oversold and out of favor over the summer as investors fixated on the well-advertised housing slowdown and extrapolated a sharp deceleration in consumer spending. Investors now appear to be rethinking that view and seem to recognize that the combination of low unemployment, rising wages, rallying stock prices, and lower bond yields and energy prices are more than sufficient to offset the headwinds to consumption from a downturn in the housing market. We agree that there were speculative excesses in residential real estate, which are in the process of being unwound. The adjustment that is now occurring is a long way from a housing meltdown that many have described or predicted. We expect the current spike in housing supply to work through the system in the coming year without a destabilizing drop in prices. The large recent drop in long-term interest rates will support home prices and provide a safety valve to households who had taken out adjustable-rate mortgages when short-term rates were much lower. These borrowers now have the opportunity to refinance with an attractive and less expensive fixed-rate mortgage.

...buoyed by numerous positives, including low interest rates and high earnings.

We have been surprised by the degree to which long-term interest rates have fallen. The bond

market seems to assume that the inflation risk has entirely passed, that economic growth will continue to slow, and that the Fed will cut rates in early 2007. We think it is likely that one or more of these assumptions will prove to be erroneous, and we believe bond prices are at risk of a reversal. We do not believe the economy has slowed that much, and we don't buy the idea that the Fed is poised to shift to an easier monetary policy stance. Bonds are also likely to be pressured by capital rotating out of fixed-income investments and into the rallying stock market. With respect to inflation it seems clear that commodity inflation has peaked, but other, more significant, components of the inflation indexes such as labor costs (and more importantly unit labor costs) have not turned down and in fact continue to rise. We continue to see inflation as a greater risk than a sharp economic slowdown, so we think the Fed's current posture of maintaining a tightening bias is appropriate. We expect the Fed to remain on hold at least through the election. With all measures of inflation still running above the Fed's implicit target zone, we certainly do not see grounds for an easing in rates in the foreseeable future.

We continue to have a bullish outlook for the stock market, and particularly for high-quality U.S. large-cap stocks which have finally assumed a leadership position. We expect investors to increasingly recognize that the earnings and interest-rate backdrop is very supportive for equities. Bond yields have fallen to such a degree that stock prices can move higher due to rising P/E multiples even if earnings growth slows appreciably. Conversely, if earnings growth does not slow as much as the bond market would appear to suggest, a firm economy and robust corporate earnings combined with modest P/E multiples are more than sufficient to offset a backup in bond yields. From our perspective, the only way stocks fail to outperform cash and bonds over a medium-term horizon is if the economy weakens substantially or inflation pressures force the Fed to administer painful monetary medicine. We view both of these scenarios as low-probability outcomes.

Robert L. Pharr, Chief Investment Officer
J. D. Steinhilber, Director of Research

October 9, 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 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.