

# Montag & Caldwell Balanced Strategy

Montag & Caldwell's Balanced philosophy combines the disciplines of the Firm's large cap growth equity and high quality fixed income strategies.

## Strategy Highlights

Montag & Caldwell's Balanced Strategy seeks long-term total return through investment primarily in a combination of equity and debt securities and short-term instruments. The equity and fixed income strategies are identical to their respective strategies in equity-only and fixed income-only accounts.

## Investment Process

Montag & Caldwell's equity selection process is a high quality, growth stock approach. Ours is primarily a bottom up process in which we interrelate valuation with earnings momentum.

Montag & Caldwell utilizes a total return approach to fixed income portfolio management. Both sector weighting and weighted average duration targets are actively managed according to our outlook. Our objective is to provide an above market return while assuming less credit risk than the market.

Minimal shifts around the strategic target asset allocation are made based upon the Investment Policy Group's outlook for the equity and fixed income markets.

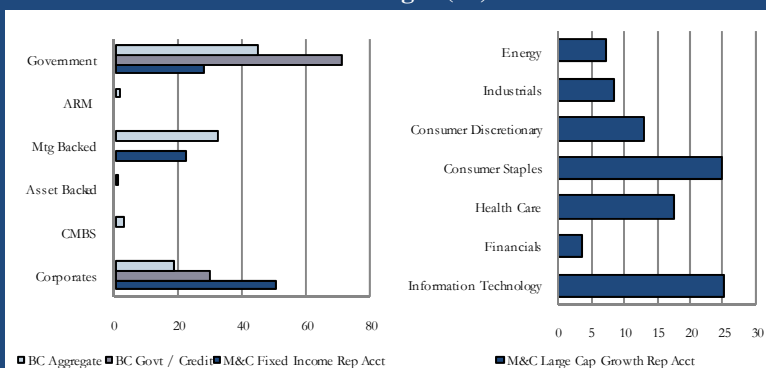
## Investment Team

The Investment Policy Group (IPG), comprised of all portfolio managers and research analysts, is the catalyst in M&C's decision-making process. Portfolio policy and stock selection are reviewed at IPG meetings held at least twice weekly. Specific decisions regarding purchases and sales, as well as the percent of the portfolio any security is to represent, are based on consensus resulting from these meetings and are implemented across all accounts unless there are specific client restrictions.

## Montag & Caldwell Balanced

|   |                                 |
|---|---------------------------------|
| Benchmark                               | 60% S&P 500 / 40% BCGC          |
| Target Capacity                         | None                            |
| Average Number of Fixed Income Holdings | 25-50                           |
| Average Number of Equity Holdings       | 30-40                           |
| Vehicle Availability                    | Separate Account<br>Mutual Fund |

## Sector Weight (%)



## Portfolio Characteristics

| Fixed Income Characteristics | M&C Fixed Income Rep      | Barclays Govt/Credit | Barclays Aggregate |
|------------------------------|---------------------------|----------------------|--------------------|
| Average YTM                  | 2.33%                     | 2.53%                | 2.70%              |
| Average Coupon               | 4.26%                     | 4.07%                | 4.47%              |
| Average Maturity             | 5.04 Yrs                  | 7.63 Yrs             | 6.22 Yrs           |
| Average Quality              | AA1                       | AA1                  | AAA                |
| Current Yield                | 3.97%                     | 3.80%                | 4.18%              |
| Effective Duration           | 3.93 Yrs                  | 5.45 Yrs             | 4.38 Yrs           |
| Distribution by Maturity     |                           |                      |                    |
|                              | M&C Fixed Income Rep Port | Barclays Govt/Credit | Barclays Aggregate |
| 0-1                          | 5.87                      | 0.00                 | 0.00               |
| 1-3                          | 24.20                     | 32.50                | 32.60              |
| 3-5                          | 39.49                     | 20.70                | 29.90              |
| 5-7                          | 19.04                     | 13.40                | 16.00              |
| 7-10                         | 6.61                      | 16.30                | 10.60              |
| 10-15                        | 0.00                      | 2.80                 | 1.80               |
| 15-20                        | 0.00                      | 3.10                 | 2.00               |
| 20-25                        | 0.00                      | 2.50                 | 1.60               |
| 25+                          | 4.79                      | 8.70                 | 5.50               |

| Large Cap Growth Characteristics | M&C Large Cap Growth Rep Port | M&C Large Cap Growth Rep Port              |
|----------------------------------|-------------------------------|--|
| Dividend Yield                   | 1.89%                         | 5 Year Historical EPS Growth Rate 15.1%    |
| P/E (Trailing)                   | 15.40                         | 5 Year Estimated EPS Growth Rate 13.9%     |
| P/E (Forward)                    | 14.07                         | Current ROE 23.90%                         |
| Price to Book                    | 3.82                          | 5 Year Average ROE 11.46%                  |
| Price to Cash Flow               | 12.96                         | Median Market Cap (SMM) \$47,425           |
| Price to Sales                   | 2.69                          | Weighted Average Market Cap (SMM) \$71,159 |

## Top Ten (% of Total Weight)

|                  |      |                 |      |
|------------------|------|-----------------|------|
| MERCK & CO INC   | 5.0% | COCA COLA CO    | 4.3% |
| ABBOTT LABS      | 5.0% | GOOGLE INC      | 4.3% |
| PEPSICO INC      | 4.7% | APPLE INC       | 4.3% |
| COSTCO WHSL CORP | 4.5% | VISA INC        | 4.1% |
| MCDONALDS CORP   | 4.4% | HEWLETT PACKARD | 3.9% |

Data as of June 30, 2010, Source: Vestek, National Consulting Firm, Advent/AXYS

THE LIST OF SECURITIES SHOWN ABOVE MAY INCLUDE NON-PUBLIC INFORMATION. THE ABOVE LIST OF SECURITIES IS NOT INTENDED AS RECOMMENDATIONS OF THE EQUITIES SHOWN AND CARRIES NO IMPLICATION ABOUT PAST OR FUTURE PERFORMANCE. The Montag & Caldwell Representative Portfolio is an actual, separately managed portfolio representative of Montag & Caldwell's large cap growth strategy.