

Montag & Caldwell Funds PLC

(An investment company with variable capital incorporated with limited liabilities under the laws of Ireland)

Audited Financial Statements

For the year ended 31 December 2010

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DIRECTORY

Directors of the Company

David Watson
Rebecca Keister
George Northrop
Barry McGrath*
Rory Mason*
*Independent non-executive Directors

Investment Manager and Promoter

Montag & Caldwell, Inc.
3455 Peachtree Rd. NE
Suite 1200
Atlanta, Georgia 30326
USA

Administrator

SEI Investments – Global Fund Services Limited
Styne House
Upper Hatch Street
2nd Floor
Dublin 2
Ireland

Auditors

KPMG
1 Harbourmaster Place
Dublin 1
Ireland

Listing Sponsor

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Registered Office

75 St. Stephen's Green
Dublin 2
Ireland

Company Secretary

MFD Secretaries Limited
75 St. Stephen's Green
Dublin 2
Ireland

Custodian

SEI Investments Trustee and Custodial Services
(Ireland) Limited
Styne House
Upper Hatch Street
2nd Floor
Dublin 2
Ireland

Legal Advisers to the Company

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Directors submit their report together with the audited financial statements for the year ended 31 December 2010.

Statement of Directors' responsibilities for the Financial Statements

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of Montag & Caldwell Funds plc ("the Company") and of the Profit or Loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (the "UCITS Regulations"), and complies with the listing rules of the Irish Stock Exchange. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review and principal activities

The Company is an umbrella type open-ended self managed Investment Company with limited liability incorporated under the laws of Ireland with segregated liability between its sub-funds. The Company is authorised in Ireland by the Financial Regulator pursuant to the UCITS Regulations, as amended. The Company currently has one active sub-fund. The business of the company and of the sub-fund is reviewed in detail in the Investment Manager's Report on page 8.

Risk management objectives and policies

The principal risks and uncertainties which the Company faces relate to the use of financial instruments and are listed in Note 9 "Risks associated with financial instruments". The investment objective of the Company is disclosed in Note 2 "Investment objective and policy".

Results

The results are set out on page 15.

Subsequent events

Significant events since the end of the year are disclosed in Note 13 "Subsequent Events".

Dividends

No dividend was paid or proposed during the year.

Directors

The Directors that served during the year are listed on page 2. There were no changes to the Directors within the year.

Directors' Interests

At the date of this Report, the Directors or connected persons have no beneficial or non-beneficial interests in the shares of the Company.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

Transactions Involving Directors

There were no other contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest as defined in the Companies Act, 1990 at any time during the year ended 31 December 2010.

Books of Account

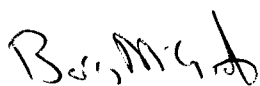
The Directors have ensured that the proper books and records requirements under Section 202, Companies Act 1990 have been complied with by outsourcing this function to a specialist provider of such services. The books of account are held at the company's registered office which is 75 St. Stephen's Green, Dublin 2, Ireland.

Auditors

KPMG, Chartered Accountants, have been appointed as auditors in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board

Director



13 April 2011

Director



13 April 2011

STATEMENT OF CORPORATE GOVERNANCE

(a) General Requirements

The Company is subject to the requirements of the Irish Companies Acts 1963-2009 (the “Companies Acts”) and the Central Bank of Ireland (“Financial Regulator”) in its UCITS Notices and Guidance Notes. Although there is no statutory corporate governance code applicable to Irish collective investment schemes whose shares are admitted to trading on the Irish Stock Exchange, the Company is subject to corporate governance practices imposed by:

- (i) the Irish Companies Acts 1963-2009 which can be obtained from the Irish statute book website at www.irishstatutebook.ie and are available for inspection at the registered office of the Company;
- (ii) the Articles of Association of the Company (the “Articles”) which are available for inspection at the registered office of the Company and may be obtained at the registered office of the Administrator or at the Companies Registration Office in Ireland;
- (iii) the Central Bank of Ireland in their UCITS notices and guidance notes which can be obtained from the Central Bank of Ireland’s website at <http://www.financialregulator.ie/industry-sectors/funds/Pages/default.aspx> and
- (iv) the Irish Stock Exchange (“ISE”) through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE’s website at <http://www.ise.ie/index.asp?locID=7&docID=-1>

In addition to the above, a corporate governance code (“the IFIA Code”) applicable to Irish domiciled collective investment schemes was issued by the Irish Funds Industry Association (“IFIA”) in September 2010. The Board has put in place a framework for corporate governance which it believes is suitable for an investment company and which enables the Company to comply voluntarily with the main requirements of the IFIA Code, which sets out principles of good governance and a code of best practice.

The Board considers that the Company has complied with the main provisions contained in the IFIA Code throughout this accounting period.

(b) Board of Directors

In accordance with the Irish Companies Acts and the Articles, unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two. The Board of Directors (“The Board”) currently comprises of five Directors, two of whom are independent non-executive directors. Details of the current Directors are set out in the “Directory” section on page 2, under the heading “Directors of the Company”.

The Board meets on at least a semi-annual basis to fulfil its responsibilities. However, additional meetings in addition to the two meetings may be convened as required and the Board may meet more frequently in general sessions of the Board to discuss matters of general importance to the Company. The quorum necessary for the transaction of business at a meeting of Directors is two.

The Board has delegated management of the Company to certain delegate service providers. These delegate service providers are set out in the “Directory” section on page 2.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

(b) Board of Directors (continued)

Board materials, including a detailed agenda of items for consideration at each Board meeting, minutes of the previous meeting and reports from various internal and external stakeholders, including delegate service providers, are generally circulated in advance of the meeting to allow all Directors adequate time to consider the material.

The Board has not directly established any committees to whom business is delegated. The Board has regular direct contact with the delegate service providers and thus delegated responsibilities to committees are not deemed necessary.

(c) Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. The Board have entrusted the administration of the accounting records to the independent Administrator. The Board, through delegation to the Administrator, has put in place a formal procedure to ensure that relevant accounting records for the Company are properly maintained and are readily available, and includes the procedure for the production of audited annual financial statements and unaudited semi-annual financial statements for the Company. The annual and semi-annual financial statements of the Company are prepared by the Administrator and presented to the Board of Directors for approval, prior to applicable filing such as with the Central Bank of Ireland or the ISE.

The Board has hired an independent external audit firm to audit the annual financial statements in accordance with the Companies Acts. The auditor's report to shareholders, including any qualifications, is reproduced in full in the annual report on pages 9-10.

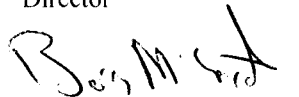
From time to time, the Board will examine and evaluate the Administrator's financial accounting and reporting routines; and will monitor and evaluate the external Auditors' performance, qualifications and independence.

(d) Shareholder Meetings

All general meetings of the Company shall be held in Ireland. Each year the Company shall hold a general meeting as its annual general meeting. Reasonable notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority and a special resolution is a resolution passed by a majority of 75 per cent or more of the votes cast. The Articles provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10 per cent or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

On behalf of the Board

Director



13 April 2011

Director



13 April 2011

**CUSTODIAN REPORT TO THE SHAREHOLDERS OF MONTAG & CALDWELL FUNDS PLC
(The “Company”)**

We have enquired into the conduct of Montag & Caldwell Plc (‘the Company’) for the year ended 31 December 2010, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Financial Regulator’s UCITS Notice 4, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Financial Regulator’s UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and
- (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, (“the Regulations”); and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

SEI Investments Trustee and Custodial Services (Ireland) Limited
SEI Investments Trustee and Custodial Services (Ireland) Limited
Styne House, Upper Hatch Street
Dublin 2

Date: 13 April 2011

INVESTMENT MANAGER'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The Russell 1000 Growth Index and the broader S&P 500 Index both posted double digit returns over the course of 2010. During the year, the Montag & Caldwell US Equity Large Cap Growth Fund (i-shares) gained 8.0% while the Russell 1000 Growth Index gained 16.7% and the S&P 500 Index gained 15.1%. The a-shares of the Fund gained 7.6% over the same period. The year 2010 can be divided into three distinct periods. It began and ended with the equity markets moving sharply higher, fueled by both fiscal and monetary stimulus, while late spring and most of the summer saw downward pressure on the markets as investors feared the European debt crisis would lead to a double dip recession.

Montag & Caldwell's long-held investment process seeks to own large-cap attractively-valued high-quality stocks with earnings that are growing faster than the market. This has resulted in a portfolio that is 97% large-cap with attributes that proved to be a headwind during 2010 as this was another year where low-quality stocks beat high-quality. According to Bank of America/Merrill Lynch, stocks with a quality ranking of B or worse outperformed those stocks ranked B+ or better by more than 500 basis points in 2010. There was a continuation of the move to riskier assets as investors favored smaller, lesser quality, and generally more cyclical names. The larger, higher quality companies with more assured earnings prospects that we favor lagged during the year-end rally and now look even more attractive on our work. Conversely, the more cyclical, lower cap names already appear fully valued and seem to be completely discounting the ongoing recovery in the economy.

Observing performance attribution for the year confirms that the fund's characteristics were out of favor as stock selection was adverse in every sector with the exception of energy. This is not unusual and in fact we have experienced periods of similar attribution characteristics for our holdings during the peak of the tech bubble in late 1999-2000 and during the 2003-04 period; both of which preceded rotations to large-cap high-quality growth stocks. We also underestimated the impact that the second round of quantitative easing (QE II – announced by Ben Bernanke in late August in Jackson Hole) would have on investors and markets from August onwards. This is not to say that the fund's underperformance was 100% due to market phenomena, as we had several unfortunate stock specific issues in the middle of the year: Hewlett Packard, Research in Motion, Visa, and Kellogg (all of which have been sold).

We believe the high quality growth stocks in our clients' portfolios are well positioned for several years of superior investment returns. The shares of these companies are attractively valued and their earnings growth rates are more assured due to their financial strength and global diversification, particularly their exposure to the faster growing emerging markets. Our clients' energy and technology holdings should benefit from the growth of the emerging markets and recent cyclical improvement in the U.S. economy. Furthermore, our clients' multinational holdings with strong global brands will benefit from the robust growth in consumer spending in the emerging markets. This will be reinforced by the eventual and inevitable shift in the mix of the Chinese economy toward consumption and away from fixed asset investment. Emerging market consumer spending now represents about 35% of global consumer spending, in line with the emerging markets' contribution to global GDP. We continue to highlight the unusually attractive dividend yields and dividend growth prospects of these leading global growth issues in an environment of low interest rates for both short and long term fixed income investments.



KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONTAG AND CALDWELL FUNDS PLC

We have audited the financial statements of Montag and Caldwell Funds PLC for the year ended 31 December 2010 which comprise the Statement of Operations, the Statement of Assets and Liabilities, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, Portfolio of Investments and the related notes to the accounts. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report, including as set out in the Directors' Report and Statement of Corporate Governance, the preparation of the financial statements in accordance with applicable law and accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility, as independent auditors, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We also report to you whether in our opinion: proper books of account have been kept by the Company and whether the information given in the Directors' Report and the Statement of Corporate Governance is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the Company's Statement of Assets and Liabilities and Statement of Operations are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MONTAG AND CALDWELL FUNDS PLC (CONTINUED)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements;

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the Company as at 31 December 2010 and of the result for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

KPMG
Chartered Accountants and Registered Auditor
1 Harbourmaster Place
IFSC
Dublin 1

Date: 13 April 2011

Montag & Caldwell Funds PLC

Montag & Caldwell US Equity Large Cap Growth Fund

SCHEDULE OF INVESTMENTS
As at 31 December 2010

	Shares	US\$ Value	%NAV
Air Freight & Logistics			
United Parcel Service	55,200	4,005,864	2.74%
Total Air Freight & Logistics		4,005,864	2.74%
Apparel Retail			
TJX COS	87,800	3,896,564	2.66%
Total Apparel Retail		3,896,564	2.66%
Communications Equipment			
Juniper Networks	43,600	1,609,712	1.10%
Qualcomm	125,400	6,202,284	4.24%
Total Communications Equipment		7,811,996	5.34%
Computer Hardware			
Apple Computer	18,380	5,926,263	4.05%
Total Computer Hardware		5,926,263	4.05%
Construction & Engineering			
Fluor	88,200	5,843,250	4.00%
Total Construction & Engineering		5,843,250	4.00%
Electrical Components & Equipment			
Emerson Electric	68,100	3,893,277	2.66%
Total Electrical Components & Equipment		3,893,277	2.66%
Footwear			
Nike	53,000	4,527,260	3.10%
Total Footwear		4,527,260	3.10%
Health Care Equipment			
Stryker	106,500	5,717,985	3.91%
Total Health Care Equipment		5,717,985	3.91%
Hotels, Resorts & Cruise Lines			
Carnival	68,500	3,158,535	2.16%
Total Hotels, Resorts & Cruise Lines		3,158,535	2.16%
Household Products			
Colgate-Palmolive	18,500	1,486,845	1.02%
Procter & Gamble	96,600	6,214,278	4.25%
Total Household Products		7,701,123	5.27%
Hypermarkets & Super Centers			
Costco Wholesale	77,100	5,567,391	3.81%
Wal-Mart Stores	25,500	1,375,215	0.94%
Total Hypermarkets & Super Centers		6,942,606	4.75%

Montag & Caldwell Funds PLC

Montag & Caldwell US Equity Large Cap Growth Fund

SCHEDULE OF INVESTMENTS
As at 31 December 2010 – (continued)

	Shares	US\$ Value	%NAV
Integrated Oil & Gas			
Occidental Petroleum	61,900	6,072,390	4.15%
Total Integrated Oil & Gas		6,072,390	4.15%
Internet Software & Services			
Google, Class A	11,205	6,654,425	4.55%
Total Internet Software & Services		6,654,425	4.55%
IT Consulting & Other Services			
Accenture	93,600	4,536,792	3.10%
Total IT Consulting & Other Services		4,536,792	3.10%
Movies & Entertainment			
Walt Disney	104,500	3,918,750	2.68%
Total Movies & Entertainment		3,918,750	2.68%
Oil & Gas Equipment & Services			
Cameron International	80,500	4,083,765	2.78%
Halliburton	51,800	2,114,994	1.44%
Schlumberger	74,600	6,229,100	4.26%
Total Oil & Gas Equipment & Services		12,427,859	8.48%
Oil & Gas Exploration & Production			
Apache	25,000	2,980,750	2.04%
Total Oil & Gas Exploration & Production		2,980,750	2.04%
Other Diversified Financial Services			
JP Morgan Chase & Co	98,200	4,164,662	2.85%
Total Other Diversified Financial Services		4,164,662	2.85%
Packaged Foods & Meats			
Kraft Foods	94,700	2,983,997	2.04%
Total Packaged Foods & Meats		2,983,997	2.04%
Pharmaceuticals			
Abbott Laboratories	92,100	4,412,511	3.02%
Allergan	78,300	5,376,861	3.68%
Merck & Co	166,383	5,996,443	4.10%
Total Pharmaceuticals		15,785,815	10.80%
Restaurants			
McDonald's	74,800	5,740,900	3.93%
Total Restaurants		5,740,900	3.93%

Montag & Caldwell Funds PLC

Montag & Caldwell US Equity Large Cap Growth Fund

SCHEDULE OF INVESTMENTS


As at 31 December 2010 – (continued)

	Shares	US\$ Value	%NAV
Semiconductors			
Broadcom	83,200	3,625,024	2.48%
Total Semiconductors		3,625,024	2.48%
Soft Drinks			
Coca-Cola	100,800	6,629,616	4.53%
Pepsico	89,200	5,826,544	3.98%
Total Soft Drinks		12,456,160	8.51%
Systems Software			
Oracle	114,900	3,592,924	2.46%
Total Systems Software		3,592,924	2.46%
Total Equities		144,365,171	98.71%
Total investments at fair value through profit or loss		144,365,171	98.71%
Cash and bank balances		2,497,091	1.71%
Other net liabilities		(629,556)	(0.43%)
Adjustment to revalue assets from bid to last traded market value		17,859	0.01%
Net assets attributable to holders of redeemable participating shares		146,250,564	100.00%

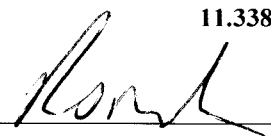
Total Assets comprised as follows:	% of Total Assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market	98.14%
Other current assets	1.86%
Total	100.00%

STATEMENT OF ASSETS AND LIABILITIES
As at 31 December 2010

	Note	31 December 2010 US\$	31 December 2009 US\$
Assets			
Financial assets at fair value through profit or loss			
<i>Designated at fair value through profit and loss upon initial recognition</i>			
Investments in equity securities held long at fair value	3,14	144,365,171	173,846,448
Total financial assets at fair value through profit or loss		<u>144,365,171</u>	<u>173,846,448</u>
Cash and bank balances	15	2,497,091	1,807,723
Dividends receivable		186,205	198,253
Other assets		59,470	80,004
Total Assets		<u>147,107,937</u>	<u>175,932,428</u>
Liabilities			
Securities purchased payable		515,144	-
Management fee payable	6	297,650	328,453
Administration fee payable	6	13,187	16,186
Directors fee payable	7	13,370	7,615
Custodian fee payable	6	13,170	8,662
Audit fee payable	8	13,425	16,116
Legal fee payable		9,286	7,142
Total Liabilities		<u>875,232</u>	<u>384,174</u>
Net assets attributable to holders of redeemable participating shares at bid prices		<u>146,232,705</u>	<u>175,548,254</u>
Adjustment to revalue assets from bid prices to last traded market prices	14	17,859	66,145
Net assets attributable to holders of redeemable participating shares at last traded prices (dealing Net Asset Value)		<u>146,250,564</u>	<u>175,614,399</u>
Number of redeemable participating shares in issue	5		
- Class I		10,110,180	13,098,505
- Class A		20,000	20,000
Net Asset Value per redeemable participating share (at bid prices)			
- Class I		14.4415	13.3861
- Class A		11.3367	10.5450
Net Asset Value per redeemable participating share (dealing NAV)			
- Class I		14.4432	13.3911
- Class A		11.3380	10.5490



Director


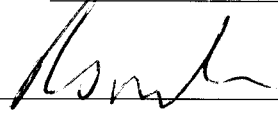


Director

Date: 13 April 2011

The accompanying notes are an integral part of these financial statements.

STATEMENT OF OPERATIONS
For the year ended 31 December 2010

	Note	31 December 2010 US\$	5 November 2008 -31 December 2009 US\$
Income			
Net gains from financial assets at fair value through profit or loss			
Net realised gains on investments and foreign exchange		24,081,865	3,878,971
Net unrealised loss on investments and foreign exchange		(12,695,003)	38,885,410
Total net gain from financial assets at fair value through profit or loss		11,386,862	42,764,381
Gross dividend income		2,550,706	2,289,613
Interest income		1,064	5,018
Other income		22,106	-
Total income		13,960,738	45,059,012
Less: Withholding tax		(740,246)	(657,567)
Total net investment income		13,220,492	44,401,445
Expenses			
Management fee	6	1,144,677	1,097,714
Administration fee	6	152,851	146,355
Custody fee	6	61,008	59,736
Directors fee	7	51,013	46,718
Audit fee	8	13,962	16,116
Legal fee		23,934	31,712
Other expenses		27,670	29,084
Total expenses		1,475,115	1,427,435
Increase in net assets attributable to holders of redeemable participating shares (at bid prices)		11,745,377	42,974,010
Adjustment to revalue assets from bid prices to last traded market prices	14	17,859	66,145
Increase in net assets attributable to holders of redeemable participating shares (dealing NAV)		11,763,236	43,040,155
			
Director			
			
Director			

Date: 13 April 2011

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF
REDEEMABLE PARTICIPATING SHARES
For the year ended 31 December 2010**

	31 December 2010 US\$	5 November 2008 - 31 December 2009 US\$
Net assets attributable to holders of redeemable participating shares at the beginning of the year	175,614,399	-
Proceeds from redeemable participating shares issued	27,391,248	132,658,802
Cost of redeemable participating shares redeemed	(68,518,319)	(84,558)
Net increase in net assets resulting from operations	11,745,377	42,974,010
Net assets attributable to holders of redeemable participating shares at the end of the year (at bid prices)	146,232,705	175,548,254
Adjustment to revalue assets from bid prices to last traded market prices	17,859	66,145
Net assets attributable to holders of redeemable participating shares at the end of the year (dealing NAV)	146,250,564	175,614,399

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. Organisation

Montag & Caldwell Funds PLC (the “Company”) was incorporated on 5 November 2008 and is an investment company established as an open-ended umbrella fund with variable capital under the laws of Ireland as a public limited company pursuant to the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (“UCITS”) and has been authorised by the Irish Financial Services Regulatory Authority (the “Financial Regulator”) as a UCITS. Notwithstanding the segregation of assets and liabilities within the sub-funds, the Company is a single legal entity and no sub-fund constitutes a legal entity separate from the Company itself.

The Company currently has one active sub-fund, Montag & Caldwell US Equity Large Cap Growth Fund.

Additional sub-funds may be added to the Company by the Directors from time to time with the prior approval of the Financial Regulator, each with a separate investment objective and policies. The Company may issue shares of more than one class in each sub-fund.

The Montag & Caldwell US Equity Large Cap Growth Fund was admitted to listing on the Irish Stock Exchange on 25 November 2008, when Class I Shares were issued at an initial offer price of US\$10.00. On 30 October 2009 Class A Shares were issued at an initial offer price of US\$10.00.

2. Investment objective and policy

The Company has appointed Montag & Caldwell, Inc. as the Investment Manager.

The investment objective of the Montag & Caldwell US Equity Large Cap Growth Fund (the “Fund”) is to outperform the United States markets for companies with large capitalisation, such out performance will be measured against the Russell 1000 Growth Index. In order to achieve the investment objective, the Company on behalf of the Fund intends to invest at least 67% of the gross assets of the Fund (after deduction of ancillary liquid assets) in shares of companies with a market capitalisation of more than US\$3 billion incorporated in the United States or incorporated in another country but exercising their economic activities predominantly in the United States and quoted on the major stock exchanges of the United States. Up to 33% of the gross assets of the Fund may be invested in shares of companies quoted on the major stock exchanges of the United States, but incorporated in or exercising their economic activities outside the United States.

3. Accounting Policies

The significant accounting policies adopted by the Company are as follows:

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

3. Accounting Policies – (continued)

(b) Basis of Preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

The information required by the Financial Reporting Standard No.3 “Reporting Financial Performance” to be included in a Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Unitholders Funds is in the opinion of the Manager, contained in the Statement of Operations and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 13 and 14 respectively.

The financial statements are prepared in U.S. Dollars (“US\$”), the functional currency of the Company.

The Company has availed of the exemption to open ended investment funds under FRSI (Revised) not to prepare a cash flow statement.

(c) Accounting for Investments

In accordance with FRS 26, the Company’s investments could be classified either as financial assets and liabilities held for trading or as financial assets and liabilities at fair value through profit or loss. Financial assets and liabilities held for trading are securities which are either acquired for generating a profit from short-term fluctuations in price or dealer margins, or are included in a portfolio where a pattern of short-term trading exists. Under FRS 26 derivatives and short positions are always deemed held for trading.

Positions within the Company’s portfolio will often be held with a view to long term capital gains, and accordingly, for the purpose of FRS 26, the Directors have classified the Company’s portfolio as financial assets at fair value through profit or loss.

Investment transactions are accounted for on the trade date. Investments are initially recognised at cost, excluding transaction costs, and subsequently valued at fair value at the period end in accordance with FRS 26. Realised gains and losses on sales of investments are calculated using the weighted average cost method.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are recognised at trade date, whereafter any gains and losses arising from changes in the fair value of the financial assets or financial liabilities are recorded.

Listed Investments

The fair value of investments traded on a market is based on their last quoted bid price on the date of determination, on the market where such instruments are principally traded and if unavailable, by reference to the last reported trade price. Where such investment is quoted, listed or traded on or under the rules of more than one market, the Directors shall in their absolute discretion, select the market, which in their opinion, constitutes the main market for such investment for the foregoing purposes.

Note 14 on page 23 provides a reconciliation between the valuation of the investment portfolio using bid prices (the methodology used in the preparation of these financial statements) and the valuation using last traded prices (the methodology used to determine the NAV per share in accordance with the Prospectus).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

3. Accounting Policies – (continued)

(d) Income Recognition

Investment income is reported gross of withholding tax. Dividends are recognised as income on the dates the securities are first quoted “ex dividend” to the extent that information thereon is reasonably available to the Company. Fixed interest, bank deposit interest and other income are accounted for on an effective interest basis. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

(e) Finance Costs

Distributions to holders of redeemable shares are recognised in the Statement of Operations as finance costs in the period in which the dividend is declared.

(f) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

(g) Foreign Currency

The Company’s functional currency for all operations is the U.S. Dollar. Non-monetary foreign assets and liabilities are translated at historical rates and monetary foreign assets and liabilities are translated at exchange rates in effect at the end of the period. Income statement accounts are translated at average rates for the year.

The Company does not isolate that portion of the results of operations resulting from the changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of investments held. Such fluctuations are included with the net realized gains and losses from investments.

(h) Realised Gains and Losses on Investments

Realised gains and losses on sales of investments are calculated based on an average cost basis. The associated foreign exchange movement between the date of purchase and the date of sale on the sale of investments is included in Net Gains/(Losses) arising on Investments in the Statement of Operations.

Unrealised gains and losses on investments arising during the period are taken to the Statement of Operations.

(i) Redeemable Participating Shares

All redeemable shares issued by the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investor’s share in the Fund’s net assets at the redemption date. In accordance with FRS 26 such instruments give rise to a financial liability for the present value of the redemption amount.

In accordance with the Prospectus the Fund is contractually obliged to redeem shares at the net asset value per share.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

4. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

(a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and

(b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

5. Share Capital

Authorised

The authorized share capital of the Company is €300,002 divided into 300,002 subscriber shares of €1 each and 1,000,000,000,000 participating shares of no par value.

Subscriber shares

Subscriber shares originally issued amounted to €300,002, being 300,002 subscriber shares of €1 each, fully paid. On 4 December 2008 300,000 subscriber shares have been redeemed. As of 31 December 2010 the Subscriber shares in issue therefore amount to €2, being 2 subscriber shares of €1 each. The subscriber shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment company.

Redeemable Participating shares

The issued redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The movement in the number of redeemable participating shares is as follows:

	1 January 2010 – 31 December 2010	1 January 2010 – 31 December 2010
	Class I	Class A
Issued and Fully Paid Redeemable Participating Shares		
Opening Balances	13,098,505	20,000
Redeemable participating shares issued	2,119,283	-
Redeemable participating shares redeemed	(5,107,608)	-
Closing Balances	10,110,180	20,000

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

5. Share Capital – (continued)

The movement in the number of redeemable participating shares for the year ended 30 December 2009 was as follows:

	5 November 2008 – 31 December 2009	30 October 2009 – 31 December 2009
	Class I	Class A
Issued and Fully Paid Redeemable Participating Shares		
Opening Balances	-	-
Redeemable participating shares issued	13,106,331	20,000
Redeemable participating shares redeemed	(7,826)	-
Closing Balances	13,098,505	20,000

The relevant movements on share capital are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares. The Company invests the proceeds from the issue of shares in investments while maintaining sufficient liquidity to meet redemptions when necessary.

6. Fees and Expenses

Investment Management Fee

The Investment Manager is entitled to receive out of the net assets of the Fund an annual fee up to a maximum of 0.75% of the Net Asset Value of the Fund, accrued and calculated on each Dealing Day and payable monthly in arrears. During the year, the Investment Manager earned fees of US\$1,144,677 (2009: US\$1,097,714) and at 31 December 2010 US\$297,649 (2009: US\$328,453) remained payable to the Investment Manager.

Administration fee

SEI Investments – Global Fund Services Ltd, the Administrator, is entitled to receive out of the net assets of the Fund an annual fee up to a maximum of 0.10% of the Net Asset Value of the Fund, accrued and calculated on each Dealing Day and payable monthly in arrears. During the year, the Administrator earned fees of US\$152,851 (2009: US\$146,355) and at 31 December 2010 US\$13,187 (2009: US\$16,186) remained payable to the Administrator.

Custodian fee

SEI Investments Trustee and Custodial Services (Ireland) Limited, the Custodian, is entitled to receive out of the net assets of the Fund an annual fee up to a maximum of 0.60% of the Net Asset Value of the Fund, accrued and calculated on each Dealing Day and payable monthly in arrears. During the year, the Custodian earned fees of US\$61,008 (2009: US\$59,736) and at 31 December 2010 US\$13,170 (2009: US\$8,662) remained payable to the Custodian.

7. Directors' remuneration

For the year ended 31 December 2010 the total Directors' remuneration was US\$51,013 (2009: US\$46,718), of which US\$13,370 (2009: US\$7,615) was outstanding at 31 December 2010.

8. Auditors' remuneration

For the year ended 31 December 2010 the total Auditors' remuneration for the audit of statutory accounts was US\$13,962 (2009: US\$16,116), of which US\$13,425 (2009: US\$16,116) was outstanding at 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

9. Risks associated with financial instruments

There can be no assurance that the Fund will achieve its investment objectives. An investment in the Fund involves investment risks, including possible loss of the amount invested. The main risks arising from the Fund's financial instruments are market risk, currency risk, interest rate risk, liquidity risk, and counterparty risk.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The likelihood of these types of adverse changes and the extent to which they affect the business of the Fund cannot always be accurately predicted.

The Investment Manager attempts to mitigate this risk by maintaining a diverse portfolio. As of 31 December 2010 the Fund had 32 positions with the top five being less than 21.83% of net assets.

The Fund also attempts to mitigate risk by diversifying its investments across multiple industries. As of 31 December 2010, the Fund was invested in over 23 industries with the highest industry exposure being less than 10.79% of net assets.

The holdings-based Beta for the Fund's portfolio against the Russell 1000 Growth Index was 0.89 as of 31 December 2010. Consequently, if the Russell 1000 Growth Index were to move 10% higher, the Fund's portfolio will increase in value by 8.90% (US\$12,848,500). Conversely, if the Russell 1000 Growth Index were to move 10% lower, the Fund's portfolio will decrease in value by 8.90% (US\$12,848,500).

Currency Risk:

The Fund's investments are all denominated in US\$ and the vast majority of the Fund's expenses are also denominated in US\$. The Fund has therefore no material exposure to Currency Risk.

Interest Rate Risk:

The Fund has little exposure to interest rate risk. The Fund has no exposure to interest rate sensitive instruments such as fixed income securities, and the cash balances held, while subject to interest rate risk, are a small fraction of the total assets of the Fund.

Liquidity Risk:

This is the risk that a lack of a market in certain portfolio securities could prevent the Fund from liquidating unfavourable positions or prevent the company from funding redemptions from exiting shareholders. At period end the Fund did not hold any securities that in the Investment Manager's opinion could not be liquidated within a reasonable timeframe (less than one month). The Fund's investments are all readily realisable.

Counterparty Credit Risk

The Company currently holds no assets with any party other than the sub-custodian, Brown Brothers Harriman Trustee Services (Ireland) Limited. The sub-custodian, Brown Brothers Harriman, is currently rated by Fitch Ratings with a Long Term Debt rating of A+, a Short Term Debt rating of FI and an individual rating of A/B. Insolvency or bankruptcy of the sub-custodian may cause the Company's rights with respect to its assets held by the custodian to be delayed or limited.

10. Soft Commission Arrangements

There were no soft commission arrangements affecting the Company during the year ended 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

11. Related Parties

Montag & Caldwell Funds PLC is an investor in Class A shares of the Montag & Caldwell US Equity Large Cap Growth Fund.

12. Distributions for the period ended

The Directors did not declare any dividends for the year ended 31 December 2010.

13. Subsequent Events

There have been no material subsequent events since 31 December 2010 that would require adjustment or disclosure in these financial statements.

14. Adjustment from bid market prices to last traded market prices

In accordance with the Prospectus, the investment portfolio has been valued for the purpose of determining NAV per share used to price subscriptions and redemptions using last traded price, or if unavailable the probable realisable value. However, in accordance with the requirements of FRS 26 "Financial Instruments: Measurement", the financial statements of the Company have been prepared by valuing the investment portfolio using bid prices at the year end. As at 31 December 2010, the difference between the valuation of investments stated in the financial statements and the valuation methodology indicated in the Prospectus results in a decrease in value of investments by US\$17,859 (2009: US\$66,145).

Net assets attributable to holders of redeemable participating shares represent a liability in the Statements of Assets and Liabilities, carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised the right to redeem the share to the Company. Consequently, the difference described above adjusts the carrying amount of the net assets attributable to holders of redeemable participating shares and are recognised in the Statement of Operations. The difference in the year ended 31 December 2010 was US\$17,859 (2009: US\$66,145). The cumulative differences are included as "Adjustments from bid market prices to last traded market prices" on the Statements of Assets and Liabilities.

15. Cash Balances

All cash balances are held by the sub-custodian, Brown Brothers Harriman Trustee Services (Ireland) Limited.

16. Risk Management Disclosure

Fair Value Estimation

The Company has early adopted the following amendment: FRS29 'Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments'. The amendment is effective for annual accounting periods commencing on or after 01 January 2009, with early application permitted.

The amendment to FRS29 requires to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

16. Risk Management Disclosure (continued)

The fair value hierarchy has the following levels:

- (i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore classified within level 1, include US\$144,365,171 of equities. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include US\$0. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include US\$0. As observable prices are not available for these securities, the Company has used valuation techniques to derive the fair value.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of the instrument in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement of the instrument in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the financial asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Directors in consultation with the Investment Manager. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables provide an analysis within the fair value hierarchy of the Company's financial assets and liabilities, measured at fair value at 31 December 2010:

	Level 1 Quoted Prices In Active Markets US\$	Level 2 Significant Other Observable Inputs US\$	Level 3 Significant Unobservable Inputs US\$	Total Fair Value 31 December 2010 US\$
Financial Assets at Fair Value Through Profit and Loss				
Equities:	144,365,171	-	-	144,365,171
Total Assets:	144,365,171	-	-	144,365,171
Financial Liabilities at Fair Value Through Profit and Loss				
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

17. Transfers Between Fair Value Levels

There were no transfers between levels for securities held during the year ended 31 December 2010.

There were no transfers in or out of level 3 for the year ended 31 December 2010.

18. Exchange rates

The financial statements are presented in US Dollar (US\$). The following exchange rates have been used to translate assets and liabilities in other currencies to US\$ for the respective year ends:

Currency	31 December 2010	31 December 2009
EUR	1.3387	1.4312
GBP	1.5612	1.6152

19. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Directors on 13 April 2011.

TOP 20 PURCHASES AND SALES
For the year ended 31 December 2010

Top 20 Purchases	US\$ Value
Procter & Gamble	5,463,948
Kellogg	5,028,884
Accenture	4,841,548
Stryker Corporation	4,800,139
United Parcel Service	4,732,431
American Express	4,019,975
Oracle	3,525,611
Schlumberger	3,372,220
Broadcom	3,352,007
Kraft Foods	3,261,791
Occidental Petroleum	3,220,901
Carnival Corporation	3,190,715
Qualcomm	2,952,620
Apache	2,919,641
Research In Motion	2,873,341
Walt Disney	2,813,093
Abbott Laboratories	2,678,307
Monsanto	2,653,052
Apple Computer	2,614,838
Merck & Co	2,599,618

Top 20 Sales	US\$ Value
Visa, Class A	7,995,879
Hewlett-Packard	7,841,203
Apple Computer	7,814,462
Wal-Mart Stores	7,474,515
3M	7,048,880
Research In Motion	6,779,668
Charles Schwab	5,282,546
Gilead Sciences	5,157,908
Schlumberger	4,851,906
Kellogg	4,699,081
Abbott Laboratories	4,430,520
Qualcomm	4,270,224
McDonald's	4,261,540
Colgate-Palmolive	4,258,173
American Express	3,867,880
Cameron International	3,775,322
Costco Wholesale	3,766,614
Monsanto	3,581,205
Google, Class A	3,503,731
Coca-Cola	3,493,660