

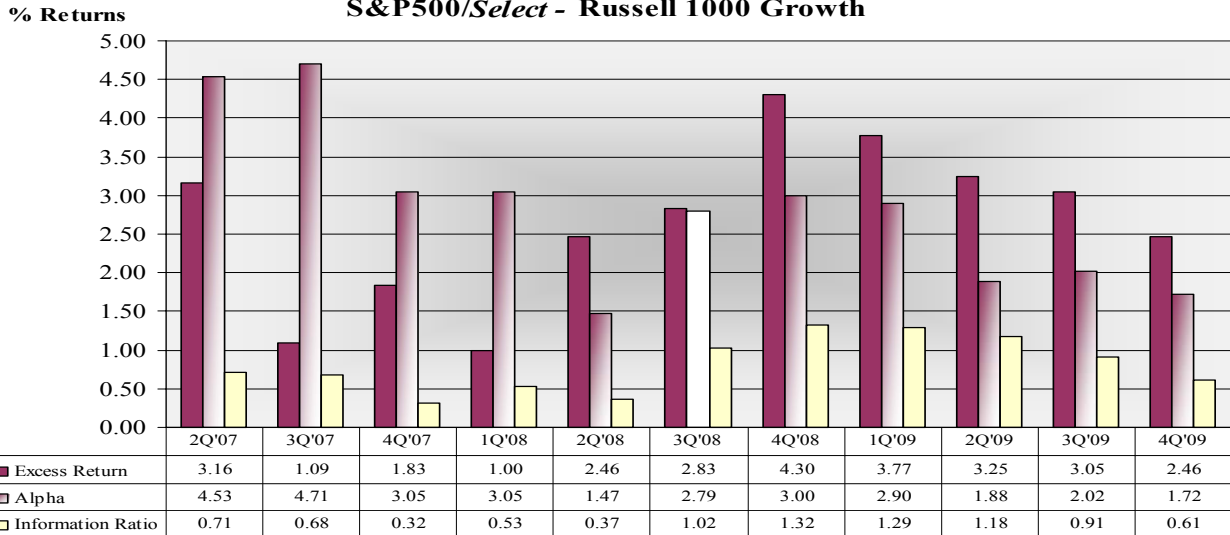
4Q'09

# Performance

## S&P500/*Select*

### US Large Cap Growth Strategy

**Rolling 3-Year Annualized Alpha & Excess Returns**  
S&P500/*Select* - Russell 1000 Growth



**Gross of Fees**

3-Yr. Average Annual outperformance of 219 basis points since inception.

Source: Informa Investment Solutions (PSN) Past performance is not indicative of future results.

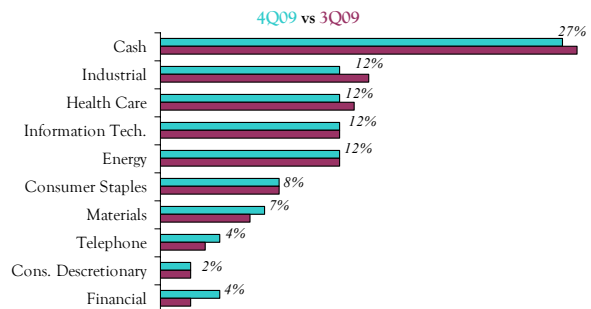
Total Return (before fees)	4Q09	1 Year*	3 Year Avg.*	5 Year Avg.*	Total Since Inception (12/31/01)			Dividend Yield
S&P500/ <i>Select</i>	5.68%	29.64%	0.64%	3.61%	40.82%			2.1%
S&P500 Index	6.04%	26.46%	-5.63%	-0.42%	13.44%			
Russell 1000® Growth Index	7.94%	37.21%	-1.89%	1.63%	7.86%			*Annualized to December 31, 2009
Calendar Year	2009	2008	2007	2006	2005	2004	2003	2002
S&P500/ <i>Select</i>	29.64%	-32.61%	14.4%	8.8%	5.5%	16.0%	11.1%	-11.1%
Russell 1000® Growth	37.21%	-38.44%	11.8%	9.1%	5.3%	6.3%	29.8%	-27.9%
3 Year Statistical Characteristics	Standard Deviation	Alpha	Down Capture	Up Capture	R <sup>2</sup>	Tracking Error	Sharpe Ratio	Information Ratio
Versus Russell 1000® Growth	17.87	1.72	83%	93%	0.98	4.45	-0.06	0.61

Past performance is not indicative of future results.

### Top Ten Holdings

Freeport McMoRan	4.3%
Apple Inc	3.5%
FMC Technologies	2.5%
McDonald's	2.4%
Diamond Offshore	2.3%
Microsoft	2.3%
Flir Systems	2.2%
Verizon Comm.	2.2%
BP PLC	2.0%
Raytheon	2.0%

### Sector Weighting



**THE FIRM:** Beacon Street Capital, LLC, is a registered investment advisor founded in 2001 to provide affluent individuals and business professionals in the Southeast with a conservative, consistent, long-term approach to managing money that will generate excess returns with reduced volatility. The firm is majority owned by its two portfolio managers who work closely together on a daily basis. Its unique investment approach was created in 1992 by one of the founders as a new pathway to alpha and has been used consistently since. It was also accepted as a source of independent research by Lehman Brothers and Credit Swiss First Boston in the Wall Street Global Settlement Program.

As investment managers that invest their own capital alongside their clients, they are **committed to taking fewer risks and producing better performance results.**

**Mission:** To provide a better way to invest in large cap stocks.

**Objective:** To add more performance to our clients core equity investments while taking less risk.

**Product:** Separately Managed Accounts with a blend of individually selected large-cap growth stocks.

#### **EQUITY INVESTMENT PHILOSOPHY:**

Beacon Street Capital is a long-only, large-cap growth investment manager, but unlike most managers uses no Wall Street research, economic data or technical trend analysis. The firm believes these traditional sources of information are less reliable in determining potential stock price appreciation than the allocation of corporate capital based on management's view of the company's future. With this in mind it created, in 1992, an accounting-based algorithm that includes key balance sheet items found to have predictive qualities related to a company's internal growth potential. These predictive qualities are not immediately recognized by the market, which provides a competitive edge in buying and selling stocks prior to the market's ability to react. Combining this mechanical trading system with a bottom-up fundamental screening process is the key to finding high-quality stocks with superior appreciation potential that are mispriced by the market. **The result is the compounding of excess returns with low volatility on a consistent and repeatable basis.**

**INVESTMENT DECISION-MAKING PROCESS:** Stocks are initially selected based on fundamental measurements of financial strength, profitability and cash flow. Buy/Sell decisions are made from a proprietary quantitative model that measures the change in growth potential each quarter from 10-Q and 10-K filings. A positive change signals a buy and a negative change signals a sell. Fundamental judgment overlay adds common sense to the process.

Although each company's quantitative model is updated quarterly and the buy/sell/hold decision process is repeated, each company in the portfolio is monitored during the quarter for news that may have a negative impact and warrant the stock to be sold (i.e., SEC investigation, merger or acquisition, misleading information revealed, etc.).

**PORTFOLIO CONSTRUCTION:** The S&P500/*Select* portfolio consists of large cap growth stocks with the maximum initial weighting per stock of 1.5%. This may be pared back if price appreciation causes it to exceed 5%. The nature of the stock selection process prevents any one sector or industry from becoming dominant. Portfolios are monitored on a daily basis.

**ASSET ALLOCATION:** With growth potential being the primary factor in the stock selection process for this product defaults to cash when fewer stocks meet the investment criteria. The increase in cash levels works to de-leverage the portfolio against a market decline as growth premiums are priced out of stocks. Clients prefer this to forcing the portfolio to be more fully invested by increasing the allocation to each stock, or selling stocks short, as a hedge fund would do. Conversely, when growth potential turns positive again cash levels decline as the portfolio becomes more fully invested. This often happens prior to a market uptrend as growth premiums are priced back into stocks. This automatic asset allocation between stocks and cash is part of the reason the firm achieves low volatility coupled with high excess returns.

#### **SEPARATE ACCOUNT BENEFITS:**

- Access to unique investment strategies with individual securities
- Capture stock market returns with greater efficiency
- Control over distribution of capital gains and losses

#### **PRODUCT BENEFITS:**

- Seek Consistent Excess Returns
- Low Volatility
- High Quality Growth Stocks

#### **KEY INVESTMENT OFFICERS:**

##### ***Terry E. Burke:***

**CEO, Co-Founder and Co-Portfolio Manager, 2001 – Present**

**Responsibilities: Equity Co-Portfolio Manager**

Professional Accreditation: RIA

Education Undergraduate: B.A. Finance and Accounting from the University of Florida

Previous Position: 1997-2001 Beacon Street Research

Title: President

##### ***Herron P. Weems:***

**Managing Director, Co-Founder and Co-Portfolio Manager,**

**2001 – Present**

**Responsibilities: Equity Co-Portfolio Manager, Fixed Income Portfolio Manager**

Professional Accreditation: RIA

Education Undergraduate: B.A. Economics and Business

Administration from Vanderbilt University

Graduate: MBA in Finance and Accounting from the University of Chicago Graduate School of Business

Previous Position: 1977-2000 Salomon Brothers/ Salomon Smith Barney

Title: Managing Director

#### **FEES AND MINIMUM ACCOUNT:**

1.25% up to \$1 million; 1% over \$1 million but less than \$5 million; 0.90% over \$5 million but less than \$10 million; 0.85% over \$10 million.

Minimum Account Size: \$1,000,000.

*Beacon Street Capital composite performance results include actual total returns for all full discretion accounts in this strategy. These net-of-fee composite returns are calculated on an asset-weighted basis and include transaction costs and investment dividends. Past performance is no guarantee of future results.*