

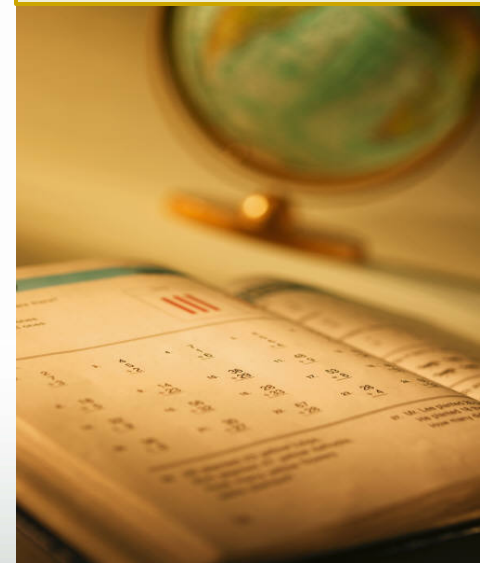
## *Large-Cap GARP Equity*

As of June 30, 2009



TRADITION CAPITAL  
MANAGEMENT, LLC

*“Wealth is best created and preserved through disciplined investments in high quality companies selling at reasonable prices.”*



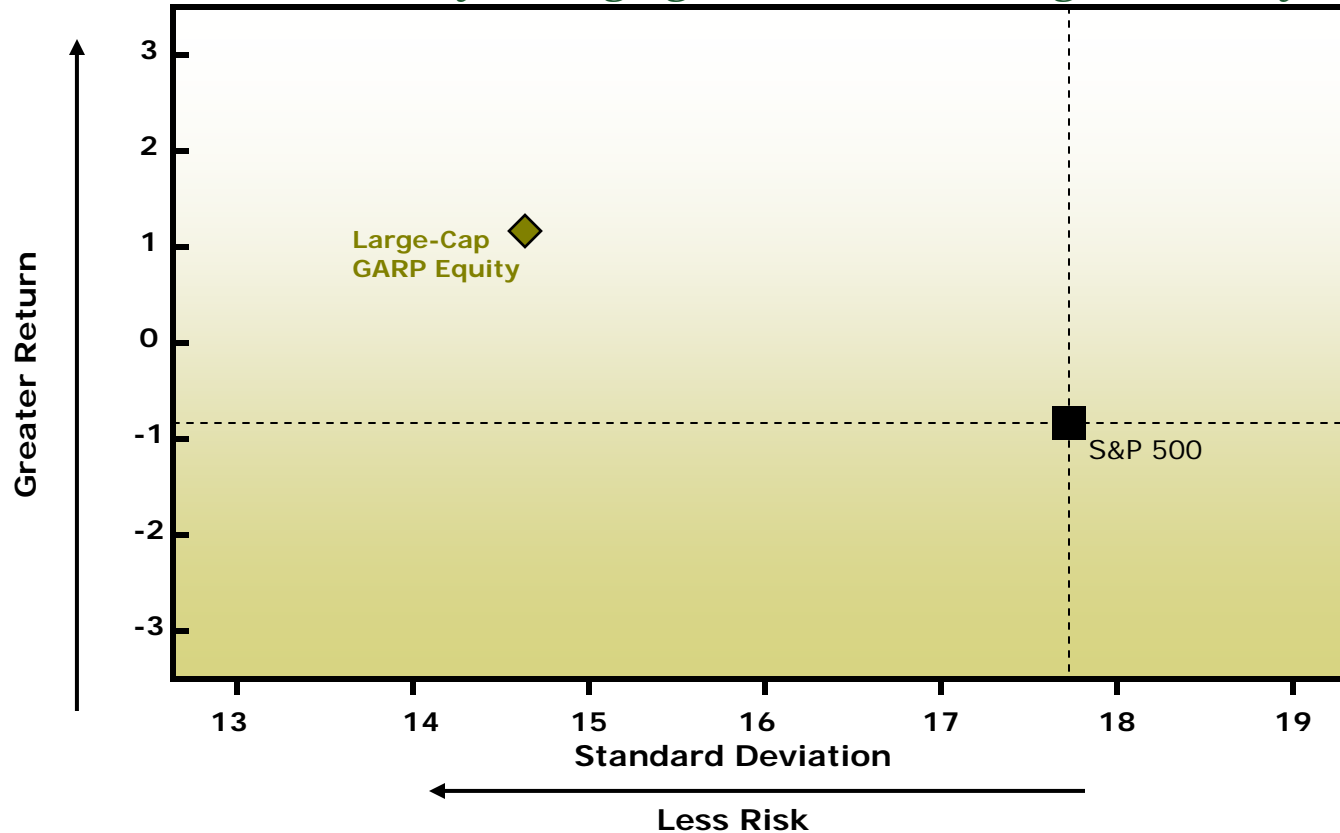
# Tradition Capital Management, LLC

## *Firm Summary*

- ✧ Asset Management Firm. Headquartered in Summit, NJ. Firm Founded in 2000.
- ✧ 13 investment professionals with nearly two centuries of cumulative investment experience. Total of 18 employees.
- ✧ Employee owned with personal assets invested in the same portfolios as our clients.
- ✧ Investment Partners have worked together for over 14 years.
- ✧ Approximately \$535 million in assets under management
  - Large-Cap GARP Portfolio
  - Select All-Cap Core Equity Portfolio
  - Tax Efficient Disciplines offered in all of the strategies.
  - Balanced Disciplines offered in all of the strategies.

# Objectives for TCM Strategies

*Create wealth by managing risk/reward through market cycles.*



	ROR	Std Dev	Alpha	Beta	R-Squared	Batting Avg
Large-Cap GARP Equity	1.30	14.68	1.32	0.75	0.83	0.61
Russell 1000 Growth	-1.51	19.08	-0.25	1.03	0.93	0.48
S&P 500	-0.94	17.78	0.00	1.00	1.00	0.00

Since Inception to June 30, 2009



# Cornerstones of Our Philosophy

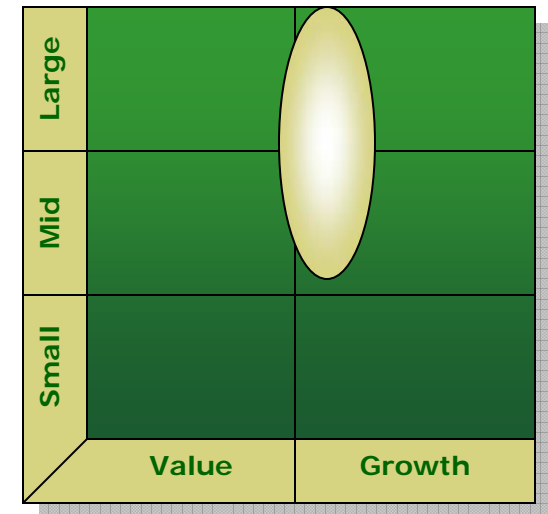
## *Large-Cap GARP Equity*

∞ **We** seek excellent companies with competitive advantages and attractive long-term growth prospects.

∞ **We** look for companies across all sectors of the market when they are selling at a discount to our risk adjusted estimate of fair valuation.

∞ **We** purchase these opportunities only when they are selling at a discount to our estimate of fair value. This “Margin of Safety” provides downside protection and enhances potential projected return.

∞ **We** seek to maximize returns on a risk-adjusted and after-tax basis.



# Large-Cap GARP Investment Process

## Universe

1500 U.S. stocks and ADR's.

### Preferable Attributes

PEG Ratio < 1.5  
Earnings Growth Rate > 10%  
Historical 5 Year Revenue Growth > 4%  
Long-Term Debt/Capital < 30%

### *What we look for*

Confirming a company's long-term strength and growth prospects through a definable and sustainable competitive advantage.

### **Qualitative Review:**

Brand strength, intellectual property, distribution capabilities, efficiencies of scale, and great management.

### **Quantitative Inputs:**

Earnings power, growth rate, cash generating capabilities and overall growth should outpace the industry and overall economy.

**Proprietary Dividend Model:  
Estimates Fair Value on 200  
Stocks**

### **IDENTIFY**

Companies who are trading at a discount to our est. of fair value.

Fundamental  
Research

### **Margin of Safety**

Downside protection and enhances projected return.

**Portfolio of 35-45 Stocks**



# Risk Controls & Portfolio Management

*Active portfolio management does not end with security selection.*

We further control risks through:

- 35-45 Stock Portfolio
- Full initial position = 4%    Maximum position = 6%
- Sectors are limited to 10% points or 2X the S&P 500 sector weighting (Whichever is larger)
- Cash averages 0-10%
- Maximum ADR exposure 25%
- Minimum Market Capitalization of \$2 Billion
- Limited use of inverse ETFs to help preserve capital during times of great uncertainty.

# Exit Strategies

*Objective – limit the emotions*

1. Current stock price exceeds our estimate of fair value.
2. Actual or anticipated deterioration of company fundamentals.
3. Sector or position maximums are reached.
4. New compelling ideas.

# Portfolio Characteristics

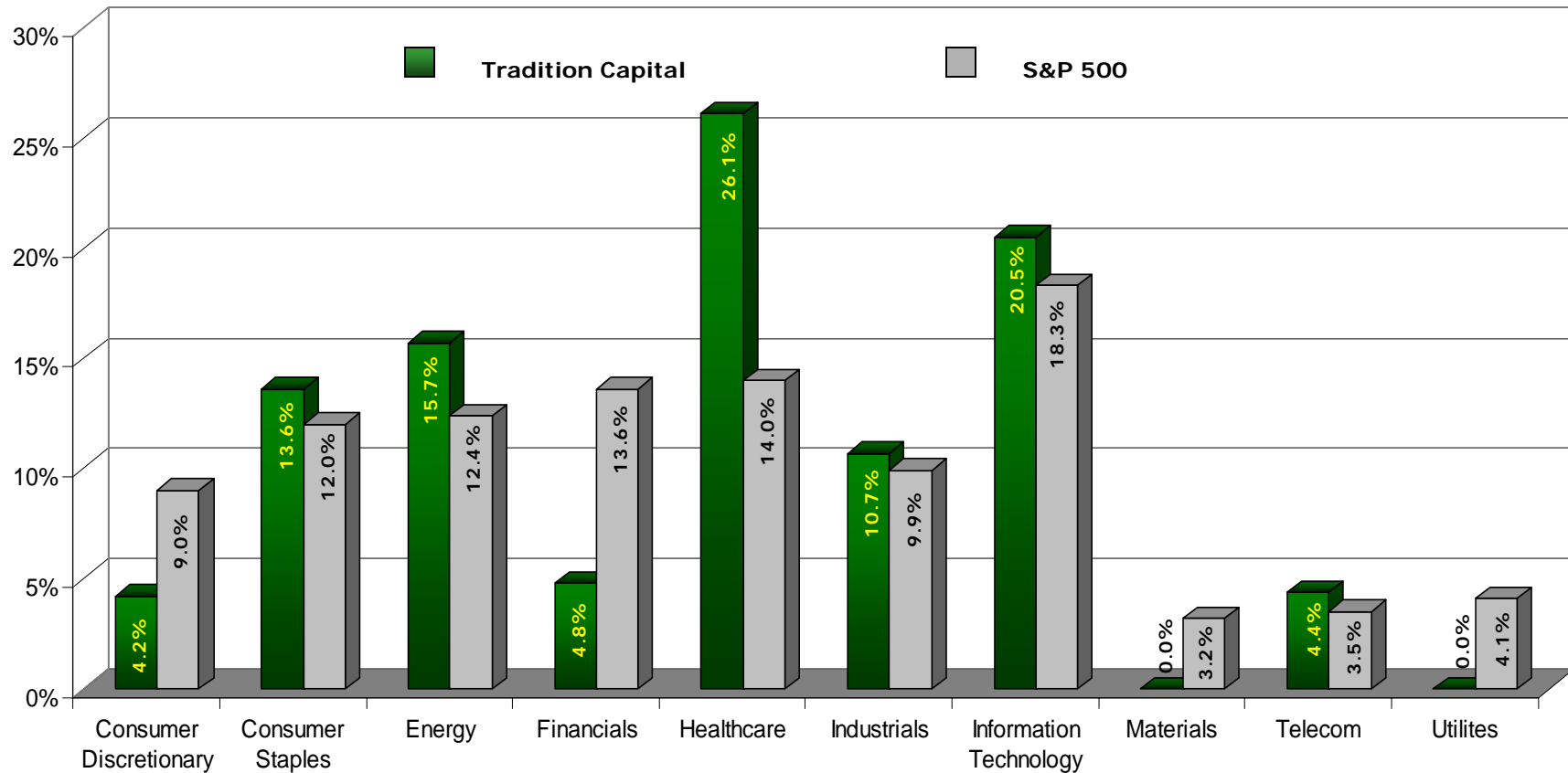
As of June 30, 2009

	Tradition Capital Management	S&P 500
<b>Financial Strength</b>		
Return On Equity	27.3	13.1
Long-Term Debt to Capital	22.0	34.0
<b>Earning Growth</b>		
Long-Term Earnings Growth (annual rate)	10.0	8.0
<b>Attractive Valuation</b>		
P/E – expected 2010	10.7	12.8
PEG (P/E to growth rate)	1.1	1.8
Price/Book	2.1	2.0
Price/Sales	1.2	0.9
Price/Cash Flow	6.7	8.3
Dividend Yield	2.8	2.8
<b>Low Risk ( inception)</b>		
Alpha	1.32	0.00
Beta	0.75	1.00
Standard Deviation	14.68	17.78
<b>Portfolio Structure</b>		
Number of Holdings	35	500
Annual Turnover	63%	N/A
Average Market Capitalization (\$billions)	60.0	71.2
Median Market Capitalization (\$ billions)	25.1	6.9



# Large-Cap GARP Equity\* vs. S&P 500

Sector Breakdown  
As of June 30, 2009



# Large-Cap GARP Equity Representative Portfolio

As of June 30, 2009

## Consumer Discretion

- ▶ Nike Inc. 'B'
- ▶ Walt Disney

## Consumer Staples

- ▶ Coca-Cola Company
- ▶ Hansen Natural
- ▶ Kimberly-Clark
- ▶ PepsiCo
- ▶ Unilever PLC

## Energy

- ▶ Apache
- ▶ ConocoPhillips
- ▶ Diamond Offshore
- ▶ Exxon
- ▶ Marathon Oil
- ▶ Transocean
- ▶ XTO Energy Inc.

## Financials

- ▶ Annaly Capital Management
- ▶ Chubb Corp

## Health Care

- ▶ Abbott Laboratories
- ▶ Becton Dickinson
- ▶ Johnson & Johnson
- ▶ Novartis AG
- ▶ Sanofi-Aventis
- ▶ Schering-Plough
- ▶ Teva Pharmaceutical

## Industrials

- ▶ 3M Company
- ▶ Avery Dennison
- ▶ Foster Wheeler Ltd.
- ▶ Parker Hannifin
- ▶ Terex

## Information Technology

- ▶ Akamai Tech.
- ▶ Amdocs Limited
- ▶ Google
- ▶ Microsoft
- ▶ Nokia
- ▶ Yahoo!

## Telecommunications

- ▶ Vodafone

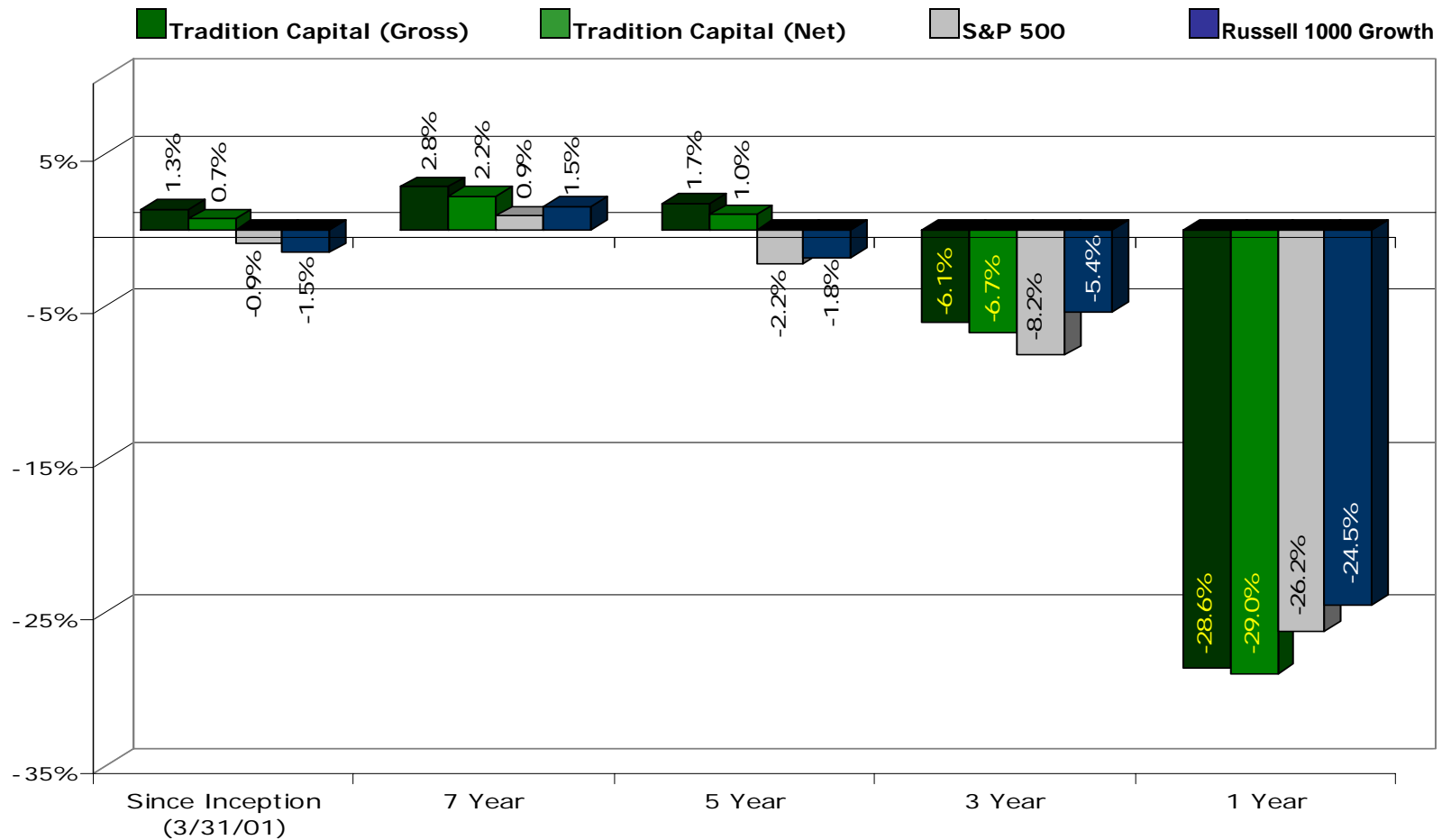
## Inverse ETFs\*

- ▶ Rydex Inverse 2x S&P 500
- ▶ ProShares Short S&P 500
- ▶ UltraShort Russell 2000 ProShares
- ▶ UltraShort S&P 500 ProShares

# Annualized Returns

## Large-Cap GARP Equity

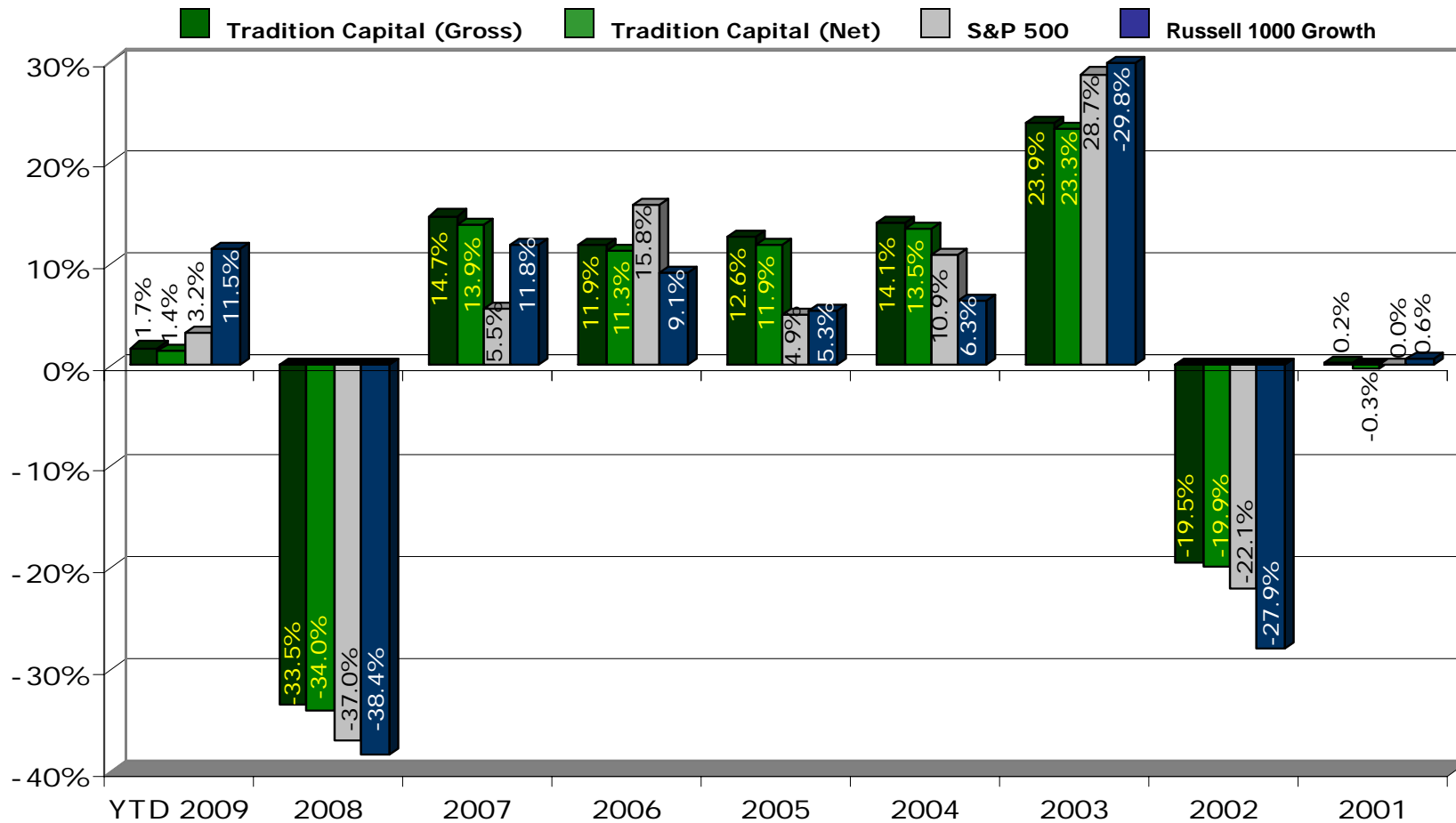
As of June 30, 2009



# Annual Returns

## Large-Cap GARP Equity

As of June 30, 2009



# TCM's Investment Professionals' Biographies



**Benjamin C. Halliburton, CFA**  
Managing Director

Mr. Halliburton is a founder and chief investment officer of Tradition Capital Management. He oversees the investment research and strategy for Tradition. He heads the Investment Committee and is a member of the Portfolio Committee. Mr. Halliburton has twenty two years of professional investing experience including ten years at Brundage, Story and Rose where he was BS&R's Director of Research and responsible for overseeing the firm's equity selection process. He was a principal of the firm and a member of the firm's Investment Policy Committee. He also designed, developed and managed BS&R's successful Disciplined Growth Strategy. He holds the Chartered Financial Analyst designation and earned an MBA from Duke's Fuqua School of Business in 1990, where he was distinguished as a Fuqua Scholar. He earned a BS degree from Vanderbilt University in three years, graduating Magna Cum Laude in 1985, and graduated Salutatorian from the McCallie School.



**Joseph E. Lavin, CIMA, AIF**  
Managing Director

Mr. Lavin is Director of Sales and Marketing for Tradition Capital Management. He is responsible for business strategy, relationship management with our intermediary partners, business development and client service. Mr. Lavin is a member of the Portfolio Committee. He joined Tradition after ten years with Rorer Asset Management. As Regional Vice President at Rorer, Mr. Lavin was responsible for business development, marketing, and client service for over a billion dollars of assets. Under his leadership, Rorer Asset Management grew from infancy to one of the largest Separate Account Money Managers with 11 billion dollars in assets under management. Mr. Lavin is a graduate of Temple University with a BS in Business Administration and holds a Certified Investment Management Analyst (CIMA) Designation along with Accredited Investment Fiduciary (AIF).



**Christopher J. Trompeter, CFA**  
Managing Director

Mr. Trompeter is a senior portfolio manager and works on Tradition's Investment Committee and heads the Portfolio Committee. Mr. Trompeter is responsible for the Consumer discretionary sector. He is a founder and principal of the firm and has over two and a half decades of investment management experience. Prior to Tradition Capital Management, Mr. Trompeter was a senior portfolio manager at Brundage, Story and Rose, where he was a member of the Core Stock Selection Group and the Technology Research Group. Mr. Trompeter's extensive experience includes Citibank Global Asset Management as a senior portfolio manager. Mr. Trompeter began his career at Bankers Trust Company in 1978 managing equity, balanced and fixed income portfolios for institutional clients. He is a Chartered Financial Analyst and a member of the New York Society of Security Analysts. Mr. Trompeter graduated from St. Lawrence University with B.A. degrees in Economics and Government.



**Gregg E. Bullwinkel**  
Senior Vice President

Mr. Bullwinkel is a portfolio manager and oversees the firm's trading function. He is a member of both the Investment Committee and the Portfolio Committee. Mr. Bullwinkel has over a decade of experience in the financial services industry where he began his career as a financial advisor. He was employed by Morgan Stanley Dean Witter immediately prior to joining Tradition Capital Management in 2001. At Morgan Stanley Dean Witter, he received extensive training in investments and financial planning. He earned the titles of Retirement Planning Specialist and Lump-Sum 401K Distribution Specialist. He concentrated on the implementation and management of long-term financial plans for high net worth individuals. He graduated from Rutgers University in 1987 with a BS degree in Business Administration.

# TCM's Investment Professionals' Biographies



**Steven Ely**  
Managing Director

Mr. Ely is a Managing Director of Tradition Capital Management. He will continue to manage portfolios for individuals at Tradition Capital Management. In addition he will be a contributor to Tradition's research process, focusing on industry and economic trends. Mr. Ely was a Managing Director and one of the founding members of Haven Capital Management. In addition to equity and economic research, he managed portfolios for individual clients. He is also responsible for the Firm's overall administration, operations and finance. Mr. Ely began his career at Kuhn Loeb & Co. where he became a Partner in charge of the firm's Investment Advisory Department. He joined Haven's predecessor as a Principal, and was a member of the original group that founded Haven. He graduated from Princeton University with a BA in History, and attended the Graduate School of Business at New York University.



**John C. Keating**  
Managing Director

Mr. Keating is a Managing Director of Tradition Capital Management. He brings his fixed income expertise and will help broaden Tradition's fixed income existing philosophy and policy, thus enabling Tradition to offer varied investment products to its clients. Prior to joining Tradition, Mr. Keating was Director of Fixed Income at Haven Capital Management, specializing in fixed income research and portfolio management for institutional, multi employer and individual clients. Mr. Keating has over 29 years of investment experience, including significant expertise in developing risk management and yield enhancement strategies. He has a proven track record that exceeds each strategy's benchmark over relevant market cycles. He received his BA and MBA from the Lubin School at Pace University. He is a member of the Fixed Income Analysts Society, the New York Society of Security Analysts and the CFA Institute.



**Denis M. Turko**  
Managing Director

Mr. Turko is a Managing Director of Tradition Capital Management. He will continue his research and portfolio management responsibilities at Tradition Capital Management. In addition to his management of all cap portfolios, Mr. Turko brings special expertise in the area of dividend value portfolios. Mr. Turko was a Managing Director and a founding member of Haven Capital Management. He was a Principal in the group that was spun out of Goldman Sachs to form the predecessor to Haven. His role at Haven cut across all aspects of the investment process and management of portfolios. In addition, he coordinated the Firm's institutional business development. He graduated from Yale University with a BS in Engineering, and from Columbia University with an MBA. Mr. Turko is active in community and educational affairs as a member of the Investment Committee of Overlook Hospital Foundation and the area YMCA. He is a former member of the Board of Trustees of Deerfield Academy, where he served as Chairman of both the Finance and Investment Committees. He is also active in Yale alumni affairs.



**Maureen McNellis Gibson**  
Vice President

Ms. Gibson is a Vice President of Tradition Capital Management. She is responsible for the orderly transition of Haven clients to Tradition Capital Management. Once this is achieved she will continue to add her expertise in management, business development, compliance and client relations to Tradition's expanding client base and investment products. Ms. Gibson was a Principal and founding member of Haven Capital Management. She coordinated Haven's general administration and compliance. She began her career at the General Electric Pension Trust and joined Goldman, Sachs & Co. as part of the group that formed Haven's predecessor. She graduated from Pace University with a BPS in Business.

# TCM's Investment Professionals' Biographies



**Marc L. Davis, CFA**  
Senior Vice President

Mr. Davis is an equity research analyst working on the Health Care, Financial and Consumer Staples sectors for Tradition Capital Management. He works on the Investment Committee and Portfolio Committee. Mr. Davis joined Tradition in 2002 and started his investment management career in equity research at Brundage, Story and Rose where he was a junior equity analyst following Health Care, Consumer, Financial, Technology and Basic Materials. He was also a member of the firm's Health Care and Basic Materials industry working groups. He earned a Chartered Financial Analyst (CFA) designation and is a member of the New York Society of Security Analysts and the New York Bar. Mr. Davis graduated from Columbia College in 1985 and earned his J.D. degree from the New York University School of Law in 1989.



**John Heslin**  
Vice President

Mr. Heslin is a junior portfolio manager and an equity research analyst covering Industrials for Tradition Capital Management. He joined Tradition in 2005 as a portfolio assistant responsible for trading, reconciling accounts, and opening of new accounts. Prior to joining Tradition, Mr. Heslin worked for Hennion & Walsh, a broker/dealer specializing in municipal bonds. Mr. Heslin was promoted to equity research analyst in January of 2007 and to junior portfolio manager in November of 2007. He is currently a member of the Investment Committee and the Portfolio Committee at Tradition Capital Management. Mr. Heslin earned a BS degree from Siena College in 2004 and is currently a level I Chartered Financial Analyst (CFA) candidate.



**George Kurian**  
Vice President

Mr. Kurian is an equity research analyst covering Technology and Telecom Service sectors. He joined Tradition Capital Management in 2007 and is a member of both the Investment and Portfolio Committees. He has 8 years of direct work experience in the Information Technology industry as he worked in the United Kingdom, India and the United States. Before joining Tradition, he interned with Citigroup Investment Research in New York in 2006. From 2001-2005, he worked on technology in the financial services sector with insurance majors such as Aviva. From 1997-2000, he worked globally in the technology outsourcing sector primarily with companies such as Satyam Computer Services. This extensive travel has also helped Mr. Kurian learn three languages. He earned an MBA from the Duke Fuqua School of Business majoring in Finance-Investment Management in 2007. He graduated from University of Pune, India in 1996 with an Engineering degree in Electronics and Telecommunications. He currently is a level II Charter Financial Analyst (CFA) candidate.



**Michael C. Provine, J.D., LL.M**  
Managing Director

Mr. Provine is a principal and Chief Compliance Officer for Tradition Capital Management. He is also a wealth counselor servicing Tradition's legacy direct client business. He works with clients to design and implement investment strategies for their portfolios. Mr. Provine also works with clients to make certain their trust and estate plans are designed to best carry out their wishes as he did for the clients of Brundage, Story and Rose for the nine years prior to his founding Tradition Capital Management. Mr. Provine utilizes his legal training for reviews of clients' financial, retirement and estate planning arrangements, and prepares recommendations for execution by their legal, accounting, and insurance professionals. Mr. Provine was President of The Boston Safe Deposit and Trust Company of New York. He earned a law degree and an advanced tax degree from Temple University and is a licensed attorney. He is also a graduate of St. Joseph's University. For over a quarter of a century, he has worked in the investment management business providing Strategic planning and tax reviews.

# TCM's Investment Professionals' Biographies



**Patricia D. Byrnes**  
Senior Vice President

Ms. Byrnes joined Tradition Capital Management in January 2001 with 24 years of professional experience. Eighteen of those years were with Brundage, Story and Rose where she was a Senior Portfolio Manager working with individuals and pension and profit sharing plans. In conjunction with her investment responsibilities, she did extensive research analysis on companies in the Consumer Sector with a focus on innovative retail companies. Ms. Byrnes began her professional career with the Hong Kong and Shanghai Banking Corporation (HSBC). She is a graduate of Long Island University and earned her Masters of Business Administration from Adelphi University.



**G. Graydon Curtis**  
Senior Vice President

Mr. Curtis joined Tradition Capital Management with over 25 years of professional investment experience. Fifteen of those years were with The Chase Manhattan Bank where he was a Vice President and Senior Portfolio Manager working with both individual and institutional clients. In addition to portfolio management responsibilities, he had numerous research responsibilities in the Consumer Sector focusing on growing retail companies. Mr. Curtis began his investment career with The Chase Manhattan Bank and subsequently was associated with several investment advisors including Brundage, Story and Rose. He was a member of the New York Society of Security Analysts for over 20 years and completed Security Analysis at the New York Institute of Finance. He graduated from the University of Rochester and earned his Ph.D. from Cornell University.

# Large-Cap GARP Equity Performance Disclosure

Period	Total Firm Assets (millions)	Composite Assets		Annual Performance Results					
		US Dollars (millions)	Number of Accounts	Composite		S&P 500	Russell 1000 Growth	Pct. Of Wrap Accounts	Composite Dispersion
				Gross	Net				
YTD 2009	535	19	17	1.7%	1.4%	3.2%	11.5%	4%	N/A
2008	414	22	23	(33.5%)	(34.0%)	(37.0%)	(38.4%)	8%	1.0
2007	542	47	31	14.7%	13.9%	5.5%	11.8%	11%	1.3
2006	463	33	25	11.9%	11.3%	15.8%	9.1%	12%	1.3
2005	410	31	20	12.6%	11.9%	4.9%	5.3%	7%	2.6
2004	352	26	16	14.1%	13.5%	10.9%	6.3%	4%	2.9
2003	308	29	16	23.9%	23.3%	28.7%	29.8%	5%	1.0
2002	226	14	9	(19.5%)	(19.9%)	(22.1%)	(27.9%)	0%	N/A
2001*	254	3	2	0.2%	(0.3%)	(0.0%)	0.6%	0%	N/A

N/A: Is not statistically meaningful due to insufficient number of portfolios in the composite for the entire year.

The Large-Cap GARP Equity Composite contains fully discretionary equity accounts and equity segments of the balanced accounts utilizing the core equity objective and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth. The minimum account size for this composite is \$500 thousand. The equity segments of the balanced accounts are included if the equity segment is at least \$500 thousand and the total account value is at least \$1 million. The S&P 500 and Russell 1000 Growth indexes returns are before taxes. Tradition Capital Management, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. Tradition Capital Management, LLC's compliance with the GIPS standards has been verified for the period October 17, 2000 through September 30, 2008 by Ashland Partners & Company LLP. A copy of the verification report is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The account must have been managed for at least a full calendar quarter and a month during the relevant time periods. Balanced portfolio segments are included in this composite and performance reflects required total segment plus cash returns using a predetermined cash allocation percentage. These segments make up 93% of the composite assets as of December 31, 2008, 81% as of December 31, 2007 and 80% in December 31, 2006. Tradition Capital Management, LLC is an SEC (Securities and Exchange Commission) registered investment advisor. Past performance is not indicative of future results and the performance of a specific individual client account may vary substantially from the performance results reflected above. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees. The net performance results reflect time-weighted rates of return, the re-investment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, as well as Tradition's actual management fee. Gross performance includes all of the aforementioned criteria except for the deduction of Tradition's management fee. Tradition's investment management annual base fee schedule is as follows: 1.0% on the first \$2MM, 0.8% on the next \$3MM, 0.5% on the next \$15MM, and 0.3% on assets over \$20MM. Actual investment advisory fees incurred by clients may vary. Gross returns of wrap accounts are reduced by all transaction costs and other expenses incurred; net returns for all accounts have been reduced by all actual fees incurred. Net of fee performance was calculated using actual management fees. In addition to a management fee, some accounts pay an all-inclusive fee based on a percentage of assets under management. Other than brokerage commissions, this fee includes portfolio monitoring, consulting services, and in some cases, custodial services. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. For purposes of this composite, we've included assets in fee-based commissioned accounts as wrap assets. The annual composite dispersion is an asset-weighted standard deviation calculated when there are more than five accounts in the composite for the entire year. If an account has a 15% of total portfolio withdrawal/deposit, over a 2 month period, account will be taken out of the composite at the end of the month preceding the withdrawal/deposit and won't be put back in for 3 months. Additional information regarding the Policies for calculating and reporting returns is available upon request. This composite was created October 1, 2005 and was previously named Large-Cap Equity prior to September 2007.

\* Quarter return not annualized. \*\*Partial year from March 2001-December 2001.

