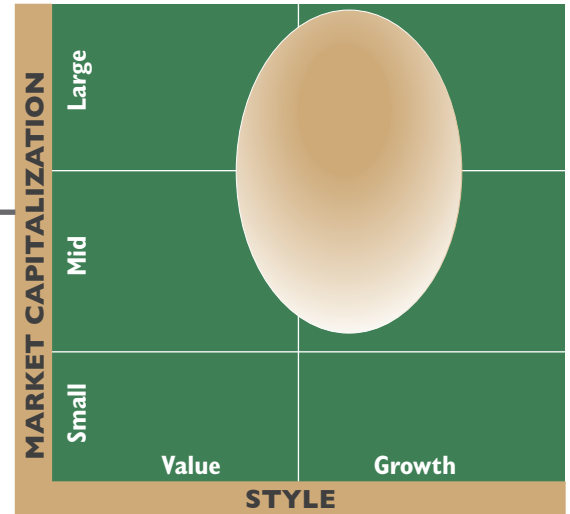




## Large-Cap GARP Equity



*We seek high quality companies with strong earnings potential that are selling at reasonable prices.*

- Independent, privately owned
- Founded in 2000
- Headquartered in Summit, NJ
- Over \$440 million under management
- 11 Investment Professionals, with nearly two centuries of cumulative investment experience

### KEY PROFESSIONALS

#### **Benjamin C. Halliburton, CFA**

*Chief Investment Officer*

- Head of Investment Research & Strategy
- 24 years investment experience
- Duke's Fuqua School of Business - M.B.A.
- Vanderbilt University – B.S.

#### **Christopher J. Trompeter, CFA**

*Senior Portfolio Manager*

- Head of Portfolio Committee & member of the Investment Committee
- 31 years of investment experience
- St. Lawrence University – B.A.

#### **Joseph E. Lavin, CIMA, AIF**

*Director of Sales & Marketing*

- Member of the Portfolio Committee
- 16 years of investment experience
- Temple University - B.S.

**Investment Philosophy** At Tradition Capital Management, we adhere to the time-tested notion that wealth is best created and preserved through diligent, long-term participation in the equity markets. We seek high quality companies with competitive advantages that are positioned to experience strong relative earnings growth. We look at large capitalization companies in all industry sectors and purchase them when they are selling at an initial risk-adjusted discount to our estimate of fair value.

**Our Distinction** Tradition's emphasis on purchasing stocks that are selling at a discount to fair value provides a "margin of safety" or downside protection. However, price alone does not qualify a stock as a great opportunity. The best opportunities are superior companies purchased at a reasonable price allowing investors to participate in the growth of the business and upward value expansion over time. Our disciplined approach identifies opportunities across sectors and industries, while our sector and individual position parameters assist in risk control and diversification goals. This flexibility allows our clients to hold a diversified risk averse portfolio while exploiting inefficiencies in the market place, regardless of style box.

**Firm History** Tradition Capital Management was founded in 2000 by Benjamin Halliburton and Christopher Trompeter. Our disciplined approach of identifying superior companies at the right price has been executed since 1990, when the partners worked together servicing and managing money at a prominent New York-based money manager. Tradition's founders refined and improved upon this previous experience to build the products we offer today. They sought to create a firm grounded in the fundamental belief in equity ownership and chose the name Tradition for its meaning -- "an inherited, established, or customary pattern of thought and action passed down from generation to generation." At Tradition Capital Management, we remain consistent in our strategy that has allowed our clients to build a legacy of wealth.

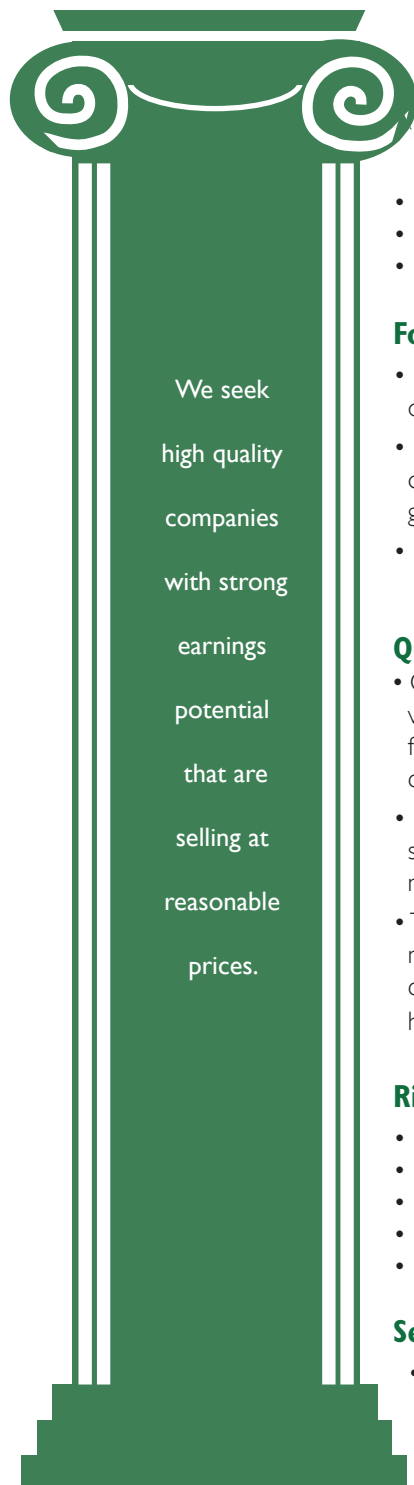
### PORTFOLIO STRATEGIES

#### **LARGE-CAP GARP EQUITY**

- Tax Efficient All-Cap Core Equity
- Select All-Cap Core Equity

*All products are also available in a balanced strategy.*

## GOAL



We seek  
high quality  
companies  
with strong  
earnings  
potential  
that are  
selling at  
reasonable  
prices.

### Initial Universe

1500 US stocks and ADRs

### Preferred Attributes

- P/E to long-term Growth Rate (PEG) < 1.5
- Earnings Growth Rate > 10%
- Historical 5 year revenue growth > 4%
- Long-Term Debt/Total Capital < 30% (excluding financial companies)
- Market Capitalization > \$2 Billion

### Focus List

- Companies that pass quantitative screens or possess qualifying attributes are maintained on our Focus List of roughly 200 names.
- For each stock on our Focus List we estimate fair value utilizing Tradition's proprietary dividend discount model. This model considers earnings power, growth rate, cash generating capabilities, financial strength and stability.
- Companies selling at an initial risk-adjusted discount to our estimate of fair value are evaluated for possible inclusion in the portfolio and are subject to qualitative review.

### Qualitative Review

- Qualitative review consists of independent research by Tradition's analysts to tighten the valuation model inputs and confirm the stock's attractiveness. Analysis includes fundamental research to determine why the stock is trading at a discount and to confirm the company's long-term strength and growth prospects.
- Important company attributes include brand strength, intellectual property development, scale efficiencies, distribution capabilities, a strong balance sheet, and superb company management. Industry structure is also evaluated and considered.
- The Investment Committee reviews all portfolio ideas. Although a majority vote does not need to be established, a consensus opinion is normally achieved. If there is question concerning a particular selection, Benjamin C. Halliburton, CFA, Chief Investment Officer, has the final decision.

### Risk Controls

- 35-45 stock portfolio
- Full position = 4%
- Maximum position = 6%
- Sectors are limited to 10% points or 2x the S&P 500 sector weight (whichever is larger)
- Inverse equity hedges and higher cash balances when downside risks appear probable

### Sell Disciplines

- Current stock price exceeds our estimate of fair value
- Actual or anticipated deterioration of company fundamentals
- Sector or position maximums are reached
- New compelling opportunities
- Automatic review of any stock down 20% from original purchase price

## Portfolio Characteristics\*

	TCM	S&P 500
<b>Financial Strength</b>		
Return on Equity	23.6%	14.6%
Long-Term Debt to Capital	23.0%	34.0%
<b>Earnings Growth</b>		
Long-Term Earnings Growth (annual rate)	9.0%	6.0%
<b>Attractive Valuation</b>		
P/E - expected 2011	10.0	11.2
PEG (P/E to growth rate)	1.1	1.0
Price/Book	2.0	2.0
Price/Sales	1.5	1.1
Price/Cash Flow	7.8	8.6
Dividend Yield	2.7	2.1
<b>Low Risk* (since inception 3/01)</b>		
Alpha	0.06	0.00
Beta	0.71	1.00
Standard Deviation	14.42	18.12
<b>Portfolio Structure</b>		
Number of Holdings	37	500
Annual Turnover	32%	N/A
Average Market Capitalization (\$billions)	72.6	75.2
Median Market Capitalization (\$billions)	34.3	9.5

## Top Ten Holdings\*

	% of portfolio
Merck & Co. (MRK)	5.61%
Vodafone Group (VOD)	4.48%
PepsiCo (PEP)	4.38%
Teva Pharmaceuticals (TEVA)	4.38%
Abbott Laboratories (ABT)	4.16%
Becton Dickinson (BDX)	4.06%
Johnson & Johnson (JNJ)	3.89%
Microsoft (MSFT)	3.83%
Sanofi-Aventis (SNY)	3.62%
Kimberly Clark (KMB)	3.46%
	<u>41.87%</u>

## Sector Weightings\*

	TCM	S&P 500
Consumer Discretionary	4.0%	10.1%
Consumer Staples	21.7%	11.5%
Energy	16.2%	10.7%
Financials	3.4%	16.3%
Healthcare	28.0%	12.1%
Industrials	8.4%	10.4%
Information Technology	11.4%	18.7%
Materials	0.0%	3.4%
Telecommunications Services	4.5%	3.0%
Utilities	2.4%	3.8%
	<u>100.0%</u>	<u>100.0%</u>

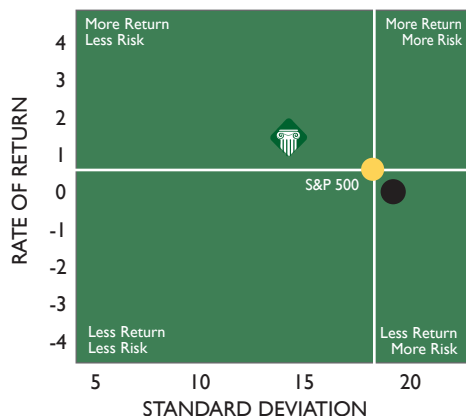
\*This information is presented as supplemental information to a full disclosure presentation.

Data source for the page: Baseline and Tradition Capital Management as of 6/30/10.

The top ten holdings included herein are for illustrative purpose only and should not be considered a recommendation to purchase or sell any particular security.

# INVESTMENT PERFORMANCE

March 31, 2001 to June 30, 2010



	ROR	STD DEV
TRADITION CAPITAL LARGE-CAP GARP EQUITY	1.22	14.42
RUSSELL 1000 GROWTH	0.02	19.21
STANDARD & POOR'S 500	0.62	18.12

RISK BENCHMARK USED FOR THIS ANALYSIS: S&P 500

## Table of Returns

Annualized Returns Since Inception through 6/30/2010	Mar. 2001	7 Years	5 Years	3 Years	1 Year	2Q 2010*
Large-Cap (gross of fees)	1.2	3.5	-1.6	-10.7	0.5	-9.5
Large-Cap (net of fees)	0.6	2.9	-2.2	-11.2	0.0	-9.6
S&P 500	0.6	2.8	-0.8	-9.8	14.4	-11.4
Russell 1000 Growth	0.0	2.9	0.4	-6.9	13.6	-11.7

Calendar Year Returns	Mar - Dec 2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD 2010
Large-Cap (gross of fees)	0.2	-19.5	23.9	14.1	12.6	11.9	14.7	-33.5	12.4	-9.1
Large-Cap (net of fees)	-0.3	-19.9	23.3	13.5	11.9	11.3	13.9	-34.0	11.8	-9.3
S&P 500	0.0	-22.1	28.7	10.9	4.9	15.8	5.5	-37.0	26.5	-6.6
Russell 1000 Growth	0.6	-27.9	29.8	6.3	5.3	9.1	11.8	-38.4	37.2	-7.6

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. After 1/1/2010 the minimum account size is \$200,000. Prior to 1/1/2010, the minimum account size for this composite was \$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 December 31, 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 89% of the composite assets as of December 31, 2009, 93% 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.

\* Quarterly return is not annualized. Partial year from March 2001 to December 2001.

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

Year End	Total Firm Assets (millions)	COMPOSITE ASSETS			
		US Dollars (millions)	Number of Accounts	Pct. of Wrap Accounts	Composite Dispersion
YTD 2010	440	8	14	16%	N/A
2009	516	13	11	6%	1.7
2008	414	22	23	8%	1.0
2007	542	47	31	11%	1.3
2006	463	33	25	12%	1.3
2005	410	31	20	7%	2.6
2004	352	26	16	4%	2.9
2003	308	29	16	5%	1.0
2002	226	14	9	0%	N/A
Partial 2001	254	3	2	0%	N/A



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