



Large Cap Dividend Growth Returns are Gross of Fees – see performance notes on page 2

Source: InvestWorks by Rogers Casey

### Investment Philosophy

- Earnings growth drives stock prices and a company's dividend policy is one of the clearest indicators of a management's confidence in future earnings growth
- Returns are enhanced by valuation methodology and sell discipline

### Representative Equity Holdings\*

(10 largest holdings as 03/31/10)

Intel Corporation	Microchip Technology
Chevron Corporation	ACE Ltd.
Air Products & Chemicals, Inc.	Emerson Electric Company
Johnson & Johnson	General Mills Inc.
Waste Management, Inc.	Colgate Palmolive Company

### Portfolio Construction

- Portfolios typically contain 25-35 stocks
- Individual stocks are selected through a bottom-up investment process that may result in portfolios having no exposure to certain sectors of the market

### Security Selection

Campbell Newman's stock selection process is independent and bottom-up. The Zacks Research database of approximately 6,400 companies is screened to identify companies that meet the following guidelines:

- Annual dividend increase for past four years through 2008 and stable or increased in 2009.
- Dividend yield equal to or greater than the S&P 500
- Company bonds must be rated investment grade
- Return on equity of 10% or greater
- Projected earnings growth of 6% or greater
- Market capitalization of \$1 billion or greater
- Average daily trading volume 200,000 shares or greater

This quantitative screening process narrows our active research universe to approximately 125 companies, upon which our research staff performs in-house analysis emphasizing:

- Each company's stated goals and management's ability to meet them
- Financial statement analysis and trends
- Valuation
- Technical trends

The selection of specific issues is determined by the portfolio's management team.

<u>Portfolio Statistics*</u>	<u>Dividend Growth</u>	<u>S&amp;P 500</u>
Avg. Current Yield	2.9%	1.8%
Avg. Dividend Increase Trailing 4 Qtrs.	8.9%	-8.4%
Avg. Annual EPS Growth Rate Last 5 Yrs.	8.0%	7.2%
3-5 Yr. Avg. Projected EPS Growth	10.1%	10.3%
Average 4 Qtr. Return on Equity	21.7%	23.6%
Average Price Earnings Ratio:		
2010 Estimate	15.0x	17.8x
2011 Estimate	12.9x	13.9x
Number of Securities	33	500

Data shown as of 03/31/10

\*Shown as supplemental information only and complements the full disclosure presentation, which is available upon request.



## Sell Discipline

The sell discipline at Campbell Newman is an integral part of our ongoing stock selection/evaluation process.

Stocks will be sold if they exhibit:

- Dividend cut
- Bond rating falls below investment grade
- Fundamentals deteriorate
- Overvaluation - Trim position when valuation achieves 90% of 10 year high absolute P/E ratio
- If the position size reaches 7%, we will trim it to reduce single-holding risk

## Portfolio Team

Thomas H. Bolgert, CFA

- 25 years industry experience
- 6 years managing product

Mary C. Brown, CFA

- 23 years industry experience
- 6 years managing product

Rimas M. Milaitis

- 23 years industry experience
- 5 years managing product

## Firm Information

Year Founded: 1977

Assets Under Management: \$354.1 million

Ownership Structure: Employee Owned

Contact: Cedar Partners, Ltd. 720-279-2503

## Calendar Year Returns

	<u>1Q10</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>6 mos. 2003</u>
Large Cap Dividend Growth Composite (Gross)	4.16%	21.72%	-26.45%	13.23%	18.70%	4.99%	15.05%	13.98%
Large Cap Dividend Growth Composite (Net)	4.07%	21.17%	-26.87%	12.64%	18.10%	4.45%	14.32%	13.51%
S&P 500	5.39%	26.47%	-36.99%	5.50%	15.80%	4.91%	10.88%	15.15%
<i>Difference from Gross Return</i>	<i>-1.23%</i>	<i>-4.75%</i>	<i>10.54%</i>	<i>7.73%</i>	<i>2.90%</i>	<i>0.08%</i>	<i>4.17%</i>	<i>-1.17%</i>
Russell 1000	5.67%	28.45%	-37.60%	5.78%	15.45%	6.28%	11.39%	15.63%
<i>Difference from Gross Return</i>	<i>-1.51%</i>	<i>-6.73%</i>	<i>11.15%</i>	<i>7.45%</i>	<i>3.25%</i>	<i>-1.29%</i>	<i>3.66%</i>	<i>-1.65%</i>

## Supplemental Information\*

<u>(5 Years ending 03/31/10)</u>	<u>Large Cap Dividend Growth</u>	<u>S&amp;P 500</u>	<u>Russell 1000</u>
Standard Deviation	13.97	17.25	17.02
Sharpe Ratio	0.19	-0.06	-0.04
R-Squared		0.93	0.86
Turnover	52.7%		

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## Large Cap Dividend Growth Composite Performance Notes:

Campbell Newman Asset Management, Inc., formerly Campbell, Newman, Pottinger and Associates, Inc., is a privately held, independent investment adviser registered with the Securities and Exchange Commission. The firm provides advisory services under equity, balanced and fixed-income strategies to taxable and tax-exempt clients. The large cap dividend growth composite, formerly the dividend growth equity composite, is comprised of tax-exempt portfolios that have a market value greater than or equal to \$200,000 and holdings that are primarily dividend paying growth stocks and cash. Beginning 7/1/09, the criteria used to determine fully discretionary portfolios was amended to include maximum position and cash size of 5% and maximum ADR's of 10%. The composite name changed 04/01/2009. Only fee paying portfolios are included in the composite. For comparison purposes, the large cap dividend growth composite is shown against the S&P 500 and the Russell 1000 benchmarks. All returns presented are calculated using U.S. dollars. Performance results include the reinvestment of all income. Returns are presented gross and net of management fees. Past performance is not indicative of future results. To receive a complete list and description of Campbell Newman Asset Management Inc.'s composites and/or a presentation that adheres to the Global Investment Performance Standards (GIPS®), contact: CNAM Marketing, 12080 N. Corporate Parkway, Suite 130, Mequon, WI 53092, Telephone: 262-243-7000. Campbell Newman Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®).

## Solicitor's Disclosure:

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