



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

Source: InvestWorks by Rogers Casey

### Investment Philosophy

- Earnings growth drives stock prices
- Achievable forecasts and realistic total return hurdle rates are central to our philosophy
- Risk/Return is enhanced by our valuation methodology
- Long-term success requires commitment to a proven investment philosophy and process

### Representative Equity Holdings\*

(10 largest holdings as of 03/31/10)

Intel Corporation	Cisco Systems, Inc.
United Technologies	Goldman Sachs Group
Fresenius Medical Care Corp.	Microsoft, Inc.
Nike, Inc.	BlackRock, Inc.
CVS/Caremark Corp.	Hewlett Packard Co.

### Financial Fundamentals of Successful Stocks

- Under appreciated earnings growth potential
- Demonstrated ability to allocate capital wisely
- Low debt and high free cash flow generation
- Positive profitability trends (margins and return on capital)

### Security Selection

Campbell Newman's stock selection process is independent, earnings driven and bottom-up

- Database screening eliminates companies that do not meet our growth style and establishes our active research universe
- Our research staff performs research emphasizing:
  - Return on equity and assets
  - Earnings revisions
  - Balance sheet strength
  - Catalyst for positive market revaluation
  - Low valuation relative to history
  - Demonstrated ability to allocate capital wisely
- Equity portfolios typically contain 35-45 stocks
- Cash balances are a residual of our bottom-up strategy

### Sell Discipline

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

Stocks are sold if they exhibit:

- Achievement of target price
- Overvaluation-Trim position when valuation achieves 90% of 10 year high absolute P/E ratio
- Fundamentals deteriorate
- Changed investment thesis
- Trim overweight positions – maximum position size of 5%

<u>Equity Statistics (as of 03/31/10)*</u>	<u>Portfolio</u>	<u>Russ1G</u>
Avg. Annual Sales Growth Last 5 Yrs.	16.9%	12.1%
Avg. Annual EPS Growth Rate Last 5 Yrs.	14.1%	14.6%
Average 3-5 Year Projected EPS Growth Rate	12.4%	12.8%
Avg. P/E ratio 2010 Est.	15.4x	18.6x
Avg. P/E ratio 2011 Est.	13.5x	15.3x
Average 4 Qtr. Return on Equity	31.8%	29.1%
Avg. Debt-to-Total Capital	28.0%	30.0%
Avg. Current Yield	1.4%	1.5%

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



## Portfolio Team

Thomas H. Bolgert, CFA

- 25 years industry experience
- 8 years managing product

Mary C. Brown, CFA

- 23 years industry experience
- 9 years managing product

Rimas M. Milaitis

- 23 years industry experience
- 5 years managing product

## Firm Information

Founded

1977

Assets Under Management

\$354.1 million

Ownership Structure

Employee Owned

Women's Business Enterprise Status

Investment Professionals

3

Contact

Rimas M. Milaitis

262.243.7000

## Calendar Returns

	<u>1Q10</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Large Cap Growth Composite (Gross)	5.39%	33.72%	-35.82%	15.22%	10.13%	3.92%	5.66%	23.12%
Large Cap Growth Composite (Net)	5.25%	33.04%	-36.21%	14.55%	9.45%	3.30%	5.10%	22.48%
Russell 1000 Growth Index	4.65%	37.20%	-38.44%	11.83%	9.02%	5.27%	6.31%	29.76%
<i>Difference from Gross Return</i>	<i>0.74%</i>	<i>-3.48%</i>	<i>2.62%</i>	<i>3.39%</i>	<i>1.11%</i>	<i>-1.35%</i>	<i>-0.65%</i>	<i>-6.64%</i>

## Trailing Returns – Period ending 03/31/10

	<u>1 Yr</u>	<u>2 Yrs</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>	<u>15 Yrs</u>
Large Cap Growth Composite (Gross)	45.52%	-0.95%	1.32%	4.49%	-2.34%	7.17%
Large Cap Growth Composite (Net)	44.80%	-1.49%	0.75%	3.88%	-2.89%	6.57%
Russell 1000 Growth Index	49.76%	-0.79%	-0.78%	3.41%	-4.21%	6.55%
<i>Difference from Gross Return</i>	<i>-4.24%</i>	<i>-0.16%</i>	<i>2.10%</i>	<i>1.08%</i>	<i>1.87%</i>	<i>0.62%</i>

## Supplemental Statistics\*

(5 Years ending 03/31/10)	Large Cap Growth		Russell 1000 Growth	
Best Quarter (Gross)	15.15%	2Q09	16.29%	2Q09
Worst Quarter (Gross)	-21.31%	4Q08	-22.79%	4Q08
Capture - Up Markets	89.28%			
Capture - Down Markets	91.14%			
Standard Deviation	16.92		17.93	
Sharpe Ratio	0.09		0.02	
R-Squared			0.97	
Turnover (one year)	13.13%			

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

## Large Cap 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 growth composite, formerly the growth equity composite, includes all fully discretionary, institutional, fee paying, tax-exempt portfolios with a minimum market value of \$400,000 and holdings that are primarily large capitalization 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%. Composite name changed 04/01/2009. Only fee paying portfolios are included in the composite. All returns presented are calculated using U.S. dollars. Returns are presented gross and net of management fees. For comparison purposes, the large cap growth composite is shown against the Russell 1000 Growth benchmark. Performance results include the reinvestment of all income. 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®).

