

Sustainable Growth Advisers, LP

First Quarter, 2010

INVESTMENT PHILOSOPHY

Sustainable Growth Advisers (SGA) is in business to preserve and grow the capital of our clients. Our approach has generated high relative returns with low relative risk over the long-term by investing in high quality, superior growth businesses at attractive valuations.

INVESTMENT OBJECTIVE

SGA focuses only on those few low-risk businesses that offer strong, predictable, sustainable earnings and cash flow growth over the long-term. Our investment management team is committed to providing thorough research, prudent management and continuous evaluation of our portfolio holdings.

INVESTMENT CHARACTERISTICS

Our experience has shown that certain characteristics increase the probability that a company will sustain strong growth with low business-risk over the long term. We seek companies whose superior earnings growth can be sustained over the long-term through their pricing power, repeat revenues and global reach.

SELECTIVE IDENTIFICATION

- **Pricing Power** provides good profit margins, increased market share and strong returns on invested capital. It is associated with strong franchises, proprietary positions, low-cost production or powerful brands.

- **Repeat Revenues** enables earnings and cash flow to grow through all economic cycles and do so more predictably. This typically results from a core constituency of loyal customers, habitually using and replacing products and services.

- **Global Reach** describes our companies' long runways for future, sustainable growth.

DILIGENT RESEARCH

- Involves proprietary, first-hand analysis of business and management quality, growth potential and financial dynamics.

- We continuously test investment concepts with regular contact with management, monitoring competition and tapping industry information sources. We will not rely on the research of other research firms to make our investment decisions.

- This information is used in our detailed financial projections for our holdings. We build long term models on the earnings and cash flow growth of these quality businesses.

- Our experienced Investment Committee (IC) continuously evaluates all portfolio investments.

PRUDENT VALUATION

SGA uses a disciplined approach to guard against valuation risk.

- Fair value is determined by **discounting future earnings and cash flow**.

- We also determine a company's **Enterprise Yield**, a proprietary measure of the true free cash flow available to shareholders as a percentage of the market value of the company.

Large Cap Growth Strategy

Sustainable Growth Advisers, LP

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Large Cap Growth Strategy Team

George P. Fraise
Principal

Gordon M. Marchand CFA, CIC
Principal

Robert L. Rohn
Principal

Professional Staff:	11
Portfolio Managers and Analysts:	7
Equity Owners:	11
Ownership Stake:	100%

As of March 31, 2010

Total Assets:	\$1.7 Billion
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Total Number of Accounts:	26
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Investment Approach:	Bottom Up Fundamental
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Number of Holdings:	29
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PORTFOLIO CONSTRUCTION

Our portfolios are concentrated, usually holding the securities of 25 to 30 growth companies spread across a number of industries. SGA limits industry exposure to 25% and individual company exposure ranges from 2% to a maximum of 8%. Large capitalization securities with approximately \$50 billion in average market cap enhance liquidity. The firm stays fully invested, with frictional cash of less than 5% cash. Turnover is low, normally in the 25-35% range, maximizing tax efficiency. The average holding period is approximately 3-4 years.

SELL DISCIPLINE

Sales of holdings are generated primarily for such fundamental reasons as maturing or waning dominance of market and internal or external developments that would make the company less attractive relative to other universe companies. Our valuation methodologies often determine the weighting of our portfolio holdings. Forced attrition, i.e., better opportunities, may lead to sales as we continually upgrade the portfolio's growth & quality.

MANAGING RISK

SGA manages risk through the diligent application of our disciplined investment process:

- Reduce **business risk** by identifying the highest quality, most predictable and sustainable superior growth companies.

- Monitor **portfolio risk** continuously through diligent, independent first-hand research.

- Manage **price risk** through the application of proprietary valuation methodologies to ensure that we do not overpay.

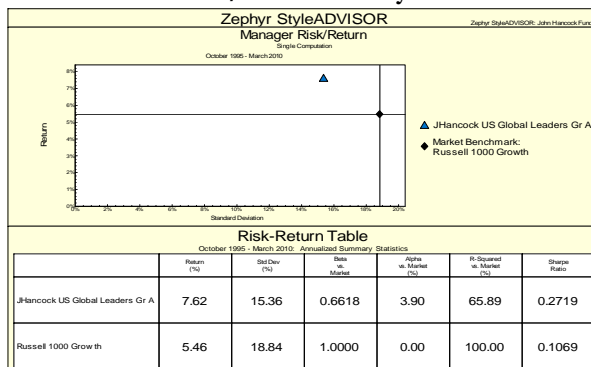
Sustainable Growth Advisers LP
Composite Performance
For the Period Ending March 31, 2010

Gross Performance through 3/31/2010

	1st Q 2010	Trailing 2009	3-Year	5-Year	Inception (1)
SGA	1.7%	46%	1.5%	1.6%	1.7%
Russell 1000 Growth (2)	4.7%	37%	-0.8%	3.4%	-4.8%
S&P 500	5.4%	27%	-4.2%	1.9%	-1.2%
Lipper Large Cap Growth	4.3%	39%	-1.2%	2.8%	-4.9%

(1) Performance through 03/31/2010 is gross composite return data. Inception is 4/1/2000.
(2) The Russell 1000 Growth Index measures the performance of the Russell 1000 companies with the higher price-to-book ratios and higher forecasted growth rates. The returns include reinvestment of dividends

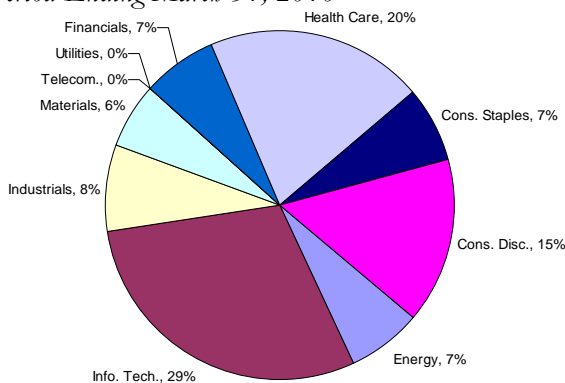
Risk/Return Analysis



Representative account (USGLX) net return data, GIPS inception through 3/31/2010.

Economic Sectors

For the Period Ending March 31, 2010



Top Ten Holdings

For the Period Ending March 31, 2010

(Shown as supplemental information to full disclosure presentation below)

Visa Inc.	5.0%
Fastenal	4.9%
Staples Inc.	4.6%
Oracle Corp.	4.1%
Zimmer Holdings	4.0%
Apple	4.0%
Johnson & Johnson	4.0%
Google	4.0%
Coca-Cola	4.0%
Lowe's Companies	3.9%
Total	42.5%

Portfolio Characteristics

For Period Ending March 31, 2010

SGA (1) Broad Market (2)

SGA OWNS COMPANIES THAT ARE:

More Profitable

Return on Invested Capital (3) 19.2% 16.5%

and

Growing Faster

Historical earnings growth (6) 14.7% 4.0%

Future growth rates (7) 17.2% 14.3%

and have

Strong Balance Sheets

Debt to Total Capital (3) 12.3% 29.3%

generate

Strong Cash Flows

Portfolio Enterprise Yield (4) 4.5%

Relative to 10 Year Bond Yield (5) 117%

and are

Priced at Unprecedented Valuations

% Upside from DCF 33%

(Based on SGA's Discounted Cash Flow Valuation Model)

(1) SGA using USGLX, longest running account. (2) S&P 500 (3) Baseline. ROIC & Debt are ex-financials & cap-weighted. (4) Operating Cash Flow less Cap X & Acquisitions/Market Cap. Exclude STT & AXP. (5) 10-Year Treasury Bond (represents the most liquid and readily available long duration asset with a fixed coupon). (6) Since Fund inception (1995). (7) 2010-12 SGA & Baseline growth estimates.

Contributors to Return:			
Company	Positive	Company	Negative
Fastenal	1.48	Nat'l Oilwell	-0.71
Teva Pharmaceuticals	0.96	Google Inc	-0.68
Apple	0.95	Amazon.com Inc	-0.66
Oracle Corp	0.52	Staples	-0.43
Visa Inc	0.45	Microsoft Corp	-0.26

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an independent investment management firm that is not affiliated with any parent organization. Sustainable Growth Advisers, LP 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. The SGA Client Composite was created in July 2003. SGA's compliance with the GIPS standards has been verified for the period July 1, 2003 through December 31, 2009 by Ashland Partners & Company, LLP. In addition, a performance examination was conducted on the SGA Client Composite beginning April 1, 2000. Performance presented prior to July 1, 2003 occurred prior to inception of the firm and the portability of this track record was reviewed by Ashland Partners & Company, LLP. Based on their review, Ashland is of the opinion that the requirements for portability have been met. The performance for the period April 2000 through June 2003 was achieved while Messrs. Marchand and Fraise were with their prior firm, Yeager, Wood & Marshall, Incorporated ("YWM"). During that period, they each served on YWM's three-person Investment Policy Committee ("IPC"). Mr. Yeager, the third member of the IPC, is not associated with Sustainable Growth Advisers. All investment decisions for all client accounts reached at YWM were made by the IPC through consensus. SGA's investment decisions are also made by the consensus of a three-person committee, which includes Messrs. Marchand and Fraise and the November 2003 addition of Mr. Rohn. Mr. Rohn was not associated with YWM or the performance achieved at YWM for the period beginning in April 2000 through June 2003. Mr. Rohn was a member of YWM's IPC from 1988 to 1991. YWM dissolved in July 2003 and a substantial portion of the assets from YWM's composite was transferred to SGA. A copy of the verification report is available upon request. SGA Client Composite contains all fee-paying large cap growth equity portfolios under full discretionary management of the firm. Except as described above with respect to portability, no alteration of the composite as presented here has occurred because of changes in firm personnel or other reasons at any time. For comparison purposes the composite is measured against the S&P 500 and Russell 1000 Growth indices. The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. New client portfolios are included in the composite when largely invested; generally the first month following their inception dates. For example, if an account is new to the firm on 3/15/2008 and is 97% invested by 3/31/2008, then the account will enter the composite as of 4/30/2008. The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual dispersion presented is an asset-weighted deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for calculating and reporting returns is available upon request. The investment management fee schedule for the composite is 1% on the first \$10,000,000, 0.75% on the next \$40,000,000, and 0.50% over \$50,000,000. Actual investment advisory fees incurred by clients may vary. For very large client relationships non-standard fee arrangements may be utilized. Past performance is not indicative of future results.

Year End	Total Firm AUM		Composite Assets		Annual Performance Results				
	Millions \$	# of Accounts*	Millions \$	# of Accounts*	Composite Gross	Net	SP 500	Russell 1000 Growth	Dispersion
1Q2010	1,640	1,638	19	1.95%	1.86%	5.39%	4.65%	---	
2009	1,711	1,666	17	46.05%	45.42%	26.46%	37.21%	1.55%	
2008	1,360	1,360	17	-34.13%	-34.33%	-37.00%	-38.44%	0.05%	
2007	2,920	2,912	18	4.89%	4.59%	5.49%	11.81%	0.20%	
2006	3,512	3,467	15	2.74%	2.44%	15.79%	9.07%	0.10%	
2005	2,711	2,661	13	3.42%	3.17%	4.91%	5.26%	0.10%	
2004	1,460	1,408	6	9.29%	9.02%	10.88%	6.30%	0.20%	
2003	777	747	Five or fewer	20.32%	19.95%	28.69%	29.75%	N.A.*	
2002		558	26	-14.71%	-15.26%	-22.10%	-27.88%	2.00%	
2001		305	25	-5.17%	-5.87%	-11.88%	-20.42%	2.00%	
2000		394	25	3.27%	2.71%	-11.14%	-27.58%	0.60%	

*Accounts exclude UAM mandates. N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

US Large Cap Growth Equity Portfolio

Portfolio Review

In the first quarter of 2010, the Sustainable Growth Advisers large cap growth equity composite returned 1.95%, compared with the 4.65% return of the Russell 1000 Growth Index and the 5.39% return of the Standard & Poor's 500 Index. The average return of the Lipper Large Growth category was 4.29%.

A Pause after a Strong Run

The stock market began 2010 where it left off in 2009, posting a solid gain in the first quarter of the year and advancing for the fourth consecutive quarter. The continued market rally was driven in part by early signs of evidence that the economic recovery is finally gaining some traction - manufacturing activity is improving, retail sales are ticking up - and in part by hope that the rebound will strengthen as we move deeper into 2010 and into 2011.

The SGA large cap growth portfolio enjoyed strong absolute and relative performance in 2009 and it produced a gain for the first quarter but trailed the returns of the broad market indexes, its growth-oriented benchmark, and its peer group average. Although there were some notable performance headwinds for the portfolio during the quarter - growth, large-cap, and high-quality stocks all underperformed - we believe the portfolio's lag in the first quarter was simply a pause after a strong period of outperformance.

Most importantly, the first quarter's market performance and economic news have not changed our view that the trends that began in mid-2007 will remain in place as we move forward. Specifically, although inventory rebuilding is likely to provide a lift to the economy in the short run, we continue to believe that the recovery will prove to be shallow and uneven, unlike the rebound of the mid-2000s period, which was fueled by the pervasive availability of easy credit. Today, we see few secular engines of growth to fuel a robust recovery and there are plenty of headwinds to keep growth in check—credit availability is still tight and not likely to return to pre-recession levels, heavy government spending is leading to wider state and federal budget deficits, which are likely to result in higher future investment and consumption taxes and unemployment could potentially remain elevated for some time. As these headwinds contribute to a paucity of growth, those companies that are able to deliver strong growth, particularly demand-driven revenue growth (as opposed to the short-term benefits that come from cost cutting efforts), should outperform.

This type of environment favors our investment approach, which seeks companies that can deliver consistent, sustainable growth over the long term. Portfolio companies in aggregate generated annual revenue growth of 11.4% over the

past 10 years—compared to 4.3% for S&P 500 companies—and this was during a period that included two recessions. We expect the stocks in the portfolio to be revalued upward as investors assign a premium valuation to companies that can produce sustainable revenue growth regardless of the economic climate. In addition, portfolio companies have strong balance sheets and generate an enormous amount of free cash flow, which is a significant structural advantage over businesses that are highly leveraged or rely on debt to fund their growth. We have long maintained that these characteristics—sustainable revenue and profit growth, strong balance sheets, and robust cash flow generation—are the keys to superior investment performance over the long-term, and they will be especially important over the next several years as economic growth is unlikely to provide the kind of tailwind it has in past recoveries.

Detractors

The biggest detractors in the portfolio during the first quarter fell into three categories: those that experienced some profit taking after a powerful run in 2009; acquisition-related weakness; and some fundamental disappointments primarily characterized by muted forward guidance.

Members of the first category included online advertiser and search engine **Google** and energy equipment and services provider **National Oilwell Varco**. Both stocks were among the top performers in the portfolio in 2009—Google gained more than 100%, while National Oilwell Varco returned 85%. In early 2010, however, investors began to take profits in both of these stocks, causing them to pull back a bit in the first quarter. Google's withdrawal from the Chinese market also contributed to its decline during the quarter, but we believe the company is well positioned to benefit from both an improved advertising environment and a marked increase in search activity from mobile devices.

Two portfolio companies fell after making acquisitions in the first quarter. **Schlumberger**, our other holding in the energy sector, agreed to acquire competitor Smith International, while beverage maker **Coca-Cola** agreed to purchase its largest domestic bottler, Coca-Cola Enterprises. Although these announcements caused a short-term decline in the two stocks, as is often the case when companies make large acquisitions, we believe these were strategically sound decisions made by companies with the financial strength and cash positions

1st Quarter 2010 Commentary

to take advantage of opportunities that will add value to their franchises over the long term. Schlumberger's acquisition of Smith solidifies its presence in drilling fluids while Coca-Cola's acquisition of its largest bottler gives the company more control over its beverage production.

Agricultural products maker **Monsanto** was the most significant fundamental disappointment. While the profit drop resulting from intense price competition in the company's Round-Up herbicide business was anticipated to a large degree, Monsanto has also experienced lower-than-expected uptake for its newest products that studies have shown can increase farmers' crop yields by about 10%. To stimulate initial trials, Monsanto will have to be more aggressive on pricing which could create some pressure, at least in the near-term, on earnings. Given the higher level of uncertainty, we decided to reduce our position in the stock.

A couple of other companies reported solid quarters but announced tempered expectations for 2010 growth that disappointed some investors. In particular, some companies were not willing to count on an acceleration in the economy in the second half of 2010. **Staples** and **Ecolab** fell in that category. We believe that both companies are the clear winners in their respective industries, operate their businesses far better than competitors and we have maintained a position in both names. We can't help but wonder whether these high quality businesses - both of which are still expected to report double digit earnings growth in 2010 without much help from the economy - are simply being conservative or are in fact seeing indications that the economy is unlikely to be as robust as some currently hope.

Winners

The top performance contributor in the first quarter was industrial and construction supplies distributor **Fastenal**. We added Fastenal to the portfolio in early 2009 and were able to build a position in the stock at a time when it was trading at a very attractive valuation. Today, Fastenal is a top-10 portfolio holding, and the stock is benefiting from a pick-up in manufacturing activity and inventory rebuilding.

Generic drug maker **Teva Pharmaceuticals** also performed well in the first quarter. After a year of wrangling, Congress finally passed health care legislation in the first quarter, ending the uncertainty surrounding the bill. Teva is structurally positioned to benefit from health reform as it is part of the solution. Generic substitution is one of the easiest ways to lower pharmaceutical costs and Teva should remain in the crosshairs of that powerful trend for quite some time.

Consumer electronics maker **Apple** was another top contributor in the quarter. We took some profits in the stock early in the quarter after its strong performance in 2009, but after a meeting with Apple management that renewed our confidence in the company's outlook and new products, we reversed course and bought more shares. The company has a significant structural competitive advantage as a vertically integrated electronics firm—managing everything from chip

design to hardware production to operating system development to retail distribution and service- giving the company sustainable pricing power. Apple also makes aspirational products that generate tremendous demand, and in the first quarter it introduced the iPad, another potential growth platform for the company.

Portfolio Changes

We eliminated one existing holding and added one new holding to the portfolio in the first quarter of 2010. We sold our remaining stake in enterprise software maker **SAP** after reducing our exposure to the stock in late 2009. In addition to sluggish product execution, the company ousted its relatively new CEO in favor of a more cumbersome leadership structure with two co-CEOs located in different countries. Although we still like the company and its business model, our concerns about product development and management weakened our conviction and led us to sell the stock.

We initiated a small position in **Intuitive Surgical**, which makes the leading robotic surgical system. Using the company's da Vinci Surgical system, surgeons are able to perform minimally invasive surgery with better precision, less trauma, fewer complications, and faster recovery times. Because of these superior clinical outcomes, da Vinci has become the surgical gold standard and is quickly being adopted in a growing number of procedures.

Intuitive Surgical has a monopoly in robotic surgical systems and benefits from very high profit margins. In addition, the company generates recurring revenues via maintenance agreements and instrument replacements for the surgical system.

Outlook & Strategy

We remain enthusiastic about the prospects for portfolio companies going forward. In aggregate, the companies within the portfolio are projected to grow their earnings 17% annually over the next three years—well ahead of the expected growth rate for the broad stock market. Portfolio companies also have higher profit margins and less than half the debt-to-capital levels of the broad market.

Furthermore, the portfolio's valuation remains compelling, even after its substantial absolute and relative outperformance in 2009. The portfolio's enterprise yield—a measure of the true free cash flow of a business—stands at 4.5%, which is still higher than the yield on the 10-year Treasury bond. Based on our discounted cash flow model, the portfolio is significantly undervalued, so there is plenty of upside to come.

Finally, and perhaps most importantly, portfolio companies are well positioned to deliver mid-teens growth in an environment where growth will be a scarce commodity. It is this characteristic that we expect to be the main driver of robust absolute and relative performance for the portfolio going forward.

Please see page 4 for Contribution to Return statistics and composite performance disclosure.

The opinions expressed herein reflect the opinions of Sustainable Growth Advisers, LP and are subject to change without notice. Past performance is no guarantee for future results.

Sustainable Growth Advisers, LP

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