

Philosophy

The International Equity style invests primarily in listed, liquid, large cap ADR's found in the developed markets of Europe, Australia, the Far East and other emerging markets. The portfolio aims to achieve long-term growth through investing in reasonably priced equities that have good earnings prospects; a GARP style. Good quality companies are identified that are financially sound with solid management and strong competitive positions. We particularly focus on those shares where potential may be under recognized, such as where future earnings growth is not yet fully discounted, where there may be triggers for a re-rating or positive surprises. Investment themes are also employed to target growth opportunities across countries, sectors and specific companies. Our style is conservative and we look to invest in good businesses for the long term. We regularly review the companies we invest in and carefully monitor any changes in management or corporate objectives. Significant changes in either will cause us to eliminate the position from the portfolio.

Process

Bottom up stock selection provides the style's framework. A top down overlay of region and sector benchmarks is used to ensure that the portfolio is broadly diversified by country and industry. These may be underweighted or overweighted depending on the fundamentals. However, we are not benchmark driven and more emphasis is given to stock selection. Securities are chosen from a universe of approximately 350 companies whose home markets we consider to be well capitalized, liquid and politically stable. We screen the securities in this index for liquidity and market cap to create an investment universe. These selected equities are then regularly analyzed using various financial criteria to assess financial soundness, earnings growth and valuation. Equities that appear attractive on our screens are then examined in more depth. Industry themes and changed economic or political conditions in a region may encourage us to seek out companies that may particularly benefit.

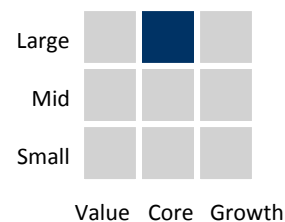
Profile

Our investment process is a team approach. Each member of the team has a considerable number of years of investment experience in international markets and has therefore built up a thorough knowledge of the core shares in our universe. Team responsibilities are assigned by region and by industry. Ideas are discussed and presented to a senior portfolio manager. Analysts typically focus on one sector at a time; reviewing the stocks held in the portfolio to ensure that we own shares that represent the best combination of growth and value. Sector reviews take an average of two weeks and each sector is reviewed at least twice a year.

Composite Summary

Composite Assets	\$6.4 million
Composite Accounts	26
Research Method	Bottom-Up
Target Holdings	50-60
Benchmark	The Bank of New York Mellon ADR

Style / Market Cap.



Portfolio Composition

	Composite*	Benchmark**
Number of Holdings	47	369

Sector Allocation

	Composite*	Benchmark**
Energy	10.0%	16.4%
Materials	14.0	10.2
Industrials	9.4	5.2
Consumer Discretionary	7.5	2.5
Consumer Staples	13.4	13.7
Health Care	12.2	11.5
Financials	15.3	20.4
Information Technology	7.4	7.9
Telecom Services	9.4	10.5
Utilities	1.3	1.9

Top Ten Country Allocation

	Composite*	Benchmark**
United Kingdom	27.7%	30.0%
Japan	21.2	12.3
Switzerland	12.2	6.3
Germany	12.0	4.4
France	6.6	5.4
Australia	6.1	4.0
Netherlands	4.6	3.0
Spain	2.6	3.5
Sweden	2.5	0.6
Italy	2.5	1.9
Other	1.9	28.6

Top Ten Holdings

	Composite*		Composite*
BASF SE ADR	3.8%	Vodafone Group ADR	3.0%
Nestle Spon ADR	3.4	Westpac Banking Corp ADR	2.8
BHP Limited Spons ADR	3.3	Kao Corp	2.7
Diageo PLC-Sponsored ADR	3.1	Siemens AG-Spons ADR	2.7
Novartis AG ADR	3.1	Royal Dutch Shell-A ADR	2.7

* Based on the model portfolio. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities identified herein will be a part of the portfolio at