

# Targeted Core Growth

2nd Quarter, 2008

## Overview

RCM's long-term, tax aware, large capitalization growth investment approach for private clients seeks to generate superior returns over a full market cycle by investing primarily in U.S. companies that possess superior management, strong balance sheets, differentiated products or services, substantial unit growth, strong commitments to research and development, and a steady stream of new products or services.

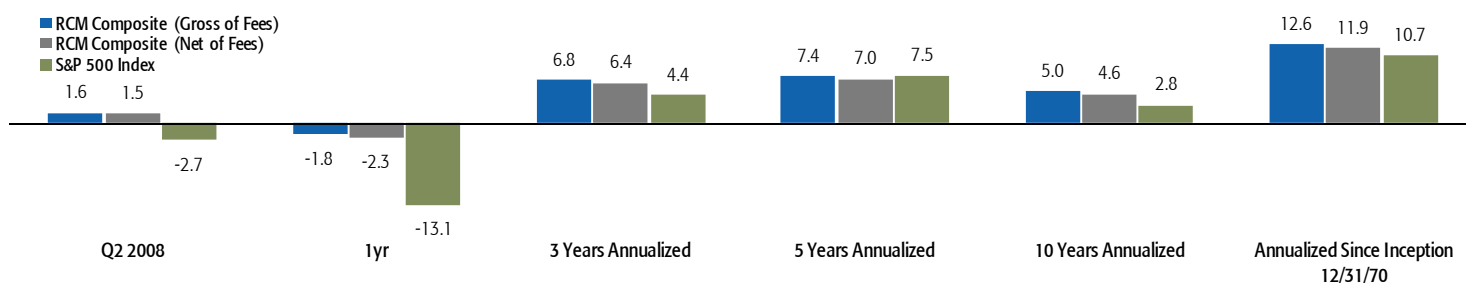
## Portfolio Construction

- Rigorous bottom-up security selection
  - Top-down macro themes
  - Risk control
  - Client objectives and restrictions
  - Concentration of 30-45 stocks
- Disciplined valuation methodology

## The RCM Advantage

- Unique dual research platform – producing bottom-up stock selection:
  - Fundamental research analysts specialize in their sector of expertise
  - Proprietary Grassroots<sup>SM</sup> Research\* network with 50,000 industry contacts and approximately 300 independent reporters and field force investigators
- Consistent and disciplined process since 1970
- Experienced investment team
- Institutional link and team approach
- Customized portfolios
- Individualized client service

## Performance\*\*



All data as of June 30, 2008, unless otherwise noted.

\* Grassroots<sup>SM</sup> Research is a division of RCM. Research data, used by Grassroots<sup>SM</sup> Research to generate recommendations, are received from reporters and field force investigators who work as independent contractors for broker-dealers. These broker-dealers supply research to RCM and certain of its affiliates in connection with brokerage services that is paid for by commissions generated by orders executed on behalf of RCM's clients.

\*\* Past performance is no guarantee of future results. Individual performance will vary. Gross returns were calculated on a total return basis, including all dividends and interest, accrued income, realized and unrealized gains or losses, are net of all brokerage commissions and execution costs, and do not give effect to investment advisory fees which would reduce such returns. Net returns were calculated on a total return basis, including all dividends and interest, accrued income, realized and unrealized gains or losses, and are net of all brokerage commissions, execution cost, and investment advisory fees. Unless otherwise noted, index returns are presented as total returns, which reflect both price performance and income from dividend payments, if any, but do not reflect fees, brokerage commissions or other expenses of investing. The S&P 500 Index, which is not covered by the report of the independent accountants, is a capitalization-weighted index of 500 stocks that attempts to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stock representing major industries. It is not possible to invest directly in an index.

## Product Profile

|                    |                  |
|--------------------|------------------|
| Number of accounts | 2                |
| Product assets     | US\$29.6 million |
| Years managed      | 37               |
| Benchmark          | S&P 500 Index    |

## Key Investment Professionals



**Joanne Howard, CFA**  
Co-CIO, Senior Portfolio Manager  
U.S. Large Cap Core Growth Equities  
Joined Firm: 1992  
Investment Career Began: 1964



**Raphael Edelman**  
Co-CIO, Senior Portfolio Manager  
U.S. Large Cap Core Growth Equities  
Joined Firm: 2004  
Investment Career Began: 1984



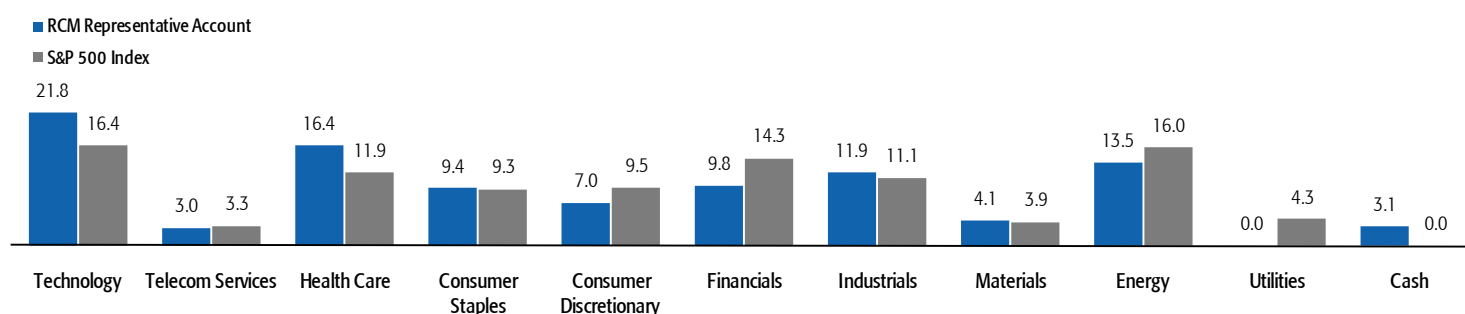
**Peter Goetz, CFA**  
Senior Portfolio Manager  
Joined Firm: 1999  
Investment Career Began: 1985

Representative Account Characteristics<sup>†</sup> - Supplemental Information

|  |                  |
|--|------------------|
| Beta                                       | 1.0              |
| P/E (Next 12 Mo. EPS)                      | 16.2x            |
| Earnings Growth (Next 3-5 yrs)             | 16.9%            |
| P/E (Next 12 Mo.) to Growth (Next 3-5 yrs) | 1.0x             |
| Wgtd Avg Market Cap                        | US\$87.1 billion |
| Number of Holdings                         | 37               |

| Top Ten Holdings     |      |
|----------------------|------|
| Schlumberger Ltd     | 6.4% |
| Apple Inc            | 5.2% |
| Hewlett-Packard Co   | 4.4% |
| McDonald's Corp      | 3.8% |
| Fluor Corp           | 3.7% |
| Abbott Laboratories  | 3.6% |
| Procter & Gamble Co  | 3.6% |
| Microsoft Corp       | 3.3% |
| Walt Disney Co (The) | 3.2% |
| Devon Energy Corp    | 3.1% |

Sector Composition (% of Portfolio and Benchmark)<sup>†</sup> - Supplemental Information



Performance Composite Statistics

| Period | Composite Gross Return (%) | Composite Net Return (%) | S&P 500 Index Return (%) | No. of Clients/Accounts <sup>‡</sup> | Composite Dispersion (%) | Period-End Total Assets (US\$ M) | Total Firm Assets (US\$ M) |
|--------|----------------------------|--------------------------|--------------------------|--------------------------------------|--------------------------|----------------------------------|----------------------------|
| 2007   | 16.33                      | 15.81                    | 5.49                     | 2                                    | N/A*                     | 32                               | 168,131                    |
| 2006   | 3.82                       | 3.49                     | 15.79                    | 4                                    | N/A*                     | 463                              | 164,876                    |
| 2005   | 7.60                       | 7.21                     | 4.91                     | 15                                   | 0.7                      | 548                              | 147,527                    |
| 2004   | 8.22                       | 7.79                     | 10.88                    | 25                                   | 0.4                      | 559                              | 128,432                    |
| 2003   | 20.39                      | 19.92                    | 28.68                    | 34                                   | 0.5                      | 510                              | 123,142                    |
| 2002   | -17.57                     | -17.94                   | -22.10                   | 42                                   | 0.7                      | 371                              | 111,780                    |
| 2001   | -21.08                     | -21.39                   | -11.89                   | 45                                   | 1.6                      | 544                              | 141,056                    |
| 2000   | -5.31                      | -5.64                    | -9.10                    | 24                                   | 1.6                      | 699                              | 82,483                     |
| 1999   | 45.22                      | 44.72                    | 21.04                    | 34                                   | 4.8                      | 825                              | 84,715                     |
| 1998   | 45.99                      | 45.44                    | 28.58                    | 23                                   | 9.2                      | 489                              | 64,825                     |

<sup>†</sup> The Representative Account information is for illustrative purposes only and reflects one account within the composite. Rounding may cause figures to vary from 100%. Portfolio holdings and sector composition are subject to change without notice and should not be considered a recommendation of any particular securities or investment strategy. The representative account characteristics and sector composition data are supplemental to the composite returns in the GIPS compliant presentation shown above.

<sup>‡</sup> As of December 31, 2000 reflects the number of accounts in the composite and prior to December 31, 2000 reflects the number of clients in the composite.

RCM's investment approach emphasizes high quality securities of growth companies and occasionally cyclical and semi-cyclical companies with above-average long-term growth potential.

The investment approach seeks to generate superior returns over a full market cycle by investing in companies which possess superior management, strong balance sheets, differentiated products or services, substantial unit growth, strong commitment to research and development, and a steady stream of new products or services.

RCM (the "Firm") is a global investment advisory organization, consisting of separate affiliated firms, which operates under the brand name RCM. The affiliated firms that comprise the Firm include, among others, RCM Capital Management LLC ("RCM Capital"), an investment advisory firm registered with the Securities and Exchange Commission, which has been in operation since 1970, either directly or through its predecessors. RCM Capital presents the Targeted Core Growth strategy in the United States. RCM has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). To obtain a list and description of all of the Firm's composites, please call 415-954-5400 or write to RCM, Four Embarcadero Center, Suite 3000, San Francisco, CA 94111. For the periods ended December 31, 1998, 1999 and 2000, the composite presentation does not comply fully with GIPS, because RCM has not been able to confirm the total firm assets for those periods.

This composite (formerly known as the U.S. Tax Aware Equity Composite), created in December 1996, includes all fee-paying, discretionary, Large Cap Growth portfolios of private clients who are tax-exempt under the Internal Revenue Code and Large Cap Growth portfolios managed as tax-exempt accounts, which are managed against the S&P 500 Index. This composite contains single asset segments that are carved out of multiple-asset portfolios. Multiple asset portfolio cash flows are allocated to the carve-out segments pro-rata. As of December 31, 2006, the carve-out segments represented 1.11% of the total assets under management in the composite. Performance results and valuation presented are in U.S. dollars.

Stock markets performed exceptionally well in 1998, 1999 and 2003, and RCM's Targeted Core Growth returns benefited from that performance.

Composite performance is net of any applicable withholding taxes on dividends, interests and capital gains. The dispersion of annual returns is measured by the standard deviation across equal-weighted account returns represented within the composite for the full year. Additional information regarding policies for calculating and reporting returns and a complete list and description of all of the firm's composites are available upon request. Our standard fee for this product is as follows: 1.00% on the first \$10 million, 0.70% on the next \$10 million, 0.50% on the next \$20 million, 0.35% on the next \$20 million, 0.30% on the next \$40 million, and 0.25% on all sums exceeding \$100 million. Actual fees may vary depending on, among other things, the type of client and the amounts of assets under management. Advisory fees are described in Part II of our Form ADV.