



STRATEGY OBJECTIVE & PROCESS

Objective

Provide a steadily growing stream of dividend income while providing capital appreciation

Best for individuals and institutions looking for:

- Growing Income via a steadily growing stock dividend
- A little less volatility than the overall market
- Strong long-term growth of dividends without forgoing capital appreciation
- High Quality Companies

The objective of the Dividend Growth strategy is to provide growing current income by investing in companies that are expected to grow their dividends at a faster pace than the overall market. In this case we are seeking dividend growth 50% faster than the S&P 500 Index. A secondary objective is to provide long-term capital appreciation equal with the S&P 500.

Osborn Rohs Williams & Donohoe first screens from a database that includes over 16,000 companies. The eligible universe is then screened for quality, capitalization and dividend yield and growth to reduce the number of candidates. Fundamental research is performed to arrive at companies with the best earnings prospects with proper consideration for sector and industry diversification. Here we look for other factors that would enhance the quality of the portfolio.

The strategy is thoroughly reviewed on a regular basis by the investment committee. Companies that are failing to meet the quality, dividend and earnings growth parameters are replaced with superior alternatives. Normal turnover in this strategy is only 20-30% per year.

Routinely portfolios are customized to adapt to social criteria or special situations such as large, low basis holdings. Because of the growing income stream, the Dividend Growth Equity strategy is well suited for tax sensitive high net worth clients, foundations and endowments who want a combination of increasing dividend income and market participation.

SECTOR WEIGHTS & CHARACTERISTICS

	<i>Dividend Growth</i>	<i>S&P 500 Index</i>
<i>Consumer Discretionary</i>	9.0%	17.5%
<i>Consumer Staples</i>	11.2%	7.6%
<i>Energy</i>	13.6%	8.0%
<i>Financial</i>	14.8%	14.6%
<i>Health Care</i>	13.3%	12.0%
<i>Industrials</i>	6.6%	14.2%
<i>Materials</i>	8.9%	6.4%
<i>Technology</i>	17.8%	13.5%
<i>Telecom</i>	0.0%	0.7%
<i>Utilities</i>	4.6%	5.4%

<i>Characteristics vs S&P 500</i>	<i>Dividend Growth</i>	<i>S&P 500 Index</i>
<i>Market Capitalization</i>	\$72 Billion	\$83 Billion
<i>Current Dividend Yield</i>	2.1%	2.0%
<i>Price/Earnings Ratio est. 2010</i>	13.7	13.8
<i>5 Yr. Dividend Growth</i>	14%	3%
<i>Long Term Earnings Growth</i>	11%	8%
<i>Expected Volatility (beta)</i>	.98	1.0
<i>Quality (S&P Rank)</i>	A-	B+
<i>Source: Baseline</i>		

