



Brookmont Capital Management



Brookmont Capital Management Firm Profile

Launched in December 2007, Brookmont Capital Management is an employee-owned Registered Investment Advisor based in Dallas, Texas. Our investment professionals average more than 19 years of experience in Asset Management with a background in equities, fixed income, and alternative securities. The firm offers two equity Strategies as well as customized portfolio management, active fixed income management, and concierge services.

Brookmont Capital's Equity Strategies

•The Brookmont Capital Dividend Equity Strategy:

A core Strategy of individual common stocks that provide above average dividend yields with the potential for long-term capital gains. The Strategy is not limited to a certain "style" or market capitalization. Instead, it invests in high-quality stocks that offer attractive valuations with below-market risk profiles. We avoid making large sector bets or concentrations in individual names. The Strategy invests in all ten economic sectors as defined by the S&P 500 Index.

Several reporting agencies have recognized the Strategy's investment performance during the past three years:

- Listed in 2008, 2009, and 2011 as the top-performing investment product that emphasizes dividend-paying equities and is ranked number one based on its three-year track record (according to Morningstar's database of SMA managers)
- Recognized as a "Top Gun" Investment Manager during the First, Third, and Fourth Quarters of 2008, as well as the second quarter of 2009, by Informais Investment Solutions. Informais also named the Strategy a "Bull and Bear Master" based on its 3-year Upside and Downside Capture Ratio (March and June 2011)
- Ranked by Lipper/Thomson Reuters as a Top 40 Investment Manager across all equity styles and market caps (March and June 2011)
- The Strategy was ranked among the top-ten Large-Cap Value Managers on Morningstar's Separate Account platform for 2008-2011.
- Ranked #1 among all Large-Cap Value Managers based on 3-year performance results (Morningstar, May 2011)

•The Brookmont Capital Managed ETF Strategy:

An active approach to indexing the markets. The Strategy includes equity and fixed income Exchange Traded Funds that are allocated by a client's risk tolerance and time horizon. The Strategy is offered in four distinct asset allocations that include a conservative, balanced, and aggressive weighting. The Strategy includes Exchange Traded Funds that are managed by Blackstone and The Vanguard Group.

Brookmont Capital Management Biographies

Robert Bugg, CFA
Principal, Chief Investment Officer
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rbugg@brookmontcapital.com

Mr. Bugg has 23 years of experience in managing portfolios for individuals, corporations, and Foundations. For eleven years, Mr. Bugg served as the Senior Investment Manager for Comerica Bank's Asset Management Department in Texas. In 2000, he helped launch and manage the Dividend Income Strategy.

Prior to his employment at Comerica, Mr. Bugg served as a Portfolio Manager and Equity Analyst for AmSouth Bank and SunTrust Bank. Mr. Bugg's responsibilities include the Dividend Equity Strategy and Managed ETF Strategy. Mr. Bugg serves on the Investment Policy Committee and directs the firm's asset allocation models.

He graduated from Huntingdon College with a Bachelor of Arts in Marketing and History. He earned his Master of Business Administration from the University of Alabama and is a Chartered Financial Analyst.

Susan Begando
Portfolio Manager, Compliance Officer
214-932-6712
sbegando@brookmontcapital.com

Ms. Begando has 26 years of experience in portfolio management, trust administration and trust operations. From 1990-2007, she worked in the Asset Management Department at Comerica Bank. Ms. Begando joined the firm in July 2007.

Ms. Begando is responsible for the firm's compliance efforts, equity and fixed income trading, and the execution of Brookmont Capital's investment policies. She sits on the Investment Policy Committee as a compliance advisor and portfolio manager.

She holds a B.S. degree from Amberton University and Master of Business Administration from the University of Dallas (Sports and Entertainment Management).

Neal Scott
Principal, Fixed Income Manager
214-932-6647
nealscott@brookmontcapital.com

Mr. Scott brings 20 years of experience in fixed income instruments, including taxable and tax-free bonds, short-term investments, and preferred securities.

Prior to Brookmont Capital, he spent nine years at Morgan Keegan in their Birmingham, Alabama office. Previous employment also includes institutional fixed income sales with Compass Bank.

At Brookmont Capital, Mr. Scott manages the firm's fixed income and actively managed cash portfolios. He provides credit analysis for holdings in the Dividend Equity Strategy, directs the firm's new business efforts, and serves on the Investment Policy Committee. Mr. Scott is a graduate of the University of Alabama where he majored in Finance.

Lindsay Lowery
Corporate Development
214-932-6855
llowery@brookmontcapital.com

Ms. Lowery joined Brookmont Capital in May 2009 and directs the firm's Corporate Development activities. Her previous work experience includes Collateralized Debt Obligations Manager at LaSalle Bank in Chicago, Commercial Credit Analyst and Capital Market Derivatives for Regions Bank in Atlanta, and Private Client Services for Wells Fargo.

Ms. Lowery graduated from Southern Methodist University in Dallas, Texas where she majored in Marketing and minored in Spanish. She holds her Master in Business Administration from the University of Memphis with an International Business concentration. Ms. Lowery also attended the Monterrey Institute of Technology in Monterrey, Mexico.



Brookmont Capital Dividend Equity Strategy



Brookmont Capital Management

Dividend Equity Strategy Profile

The Dividend Equity Strategy is a core investment for several types of portfolios, including tax-deferred, Split Interest Trusts, Institutional, and taxable personal accounts. The Strategy's investment thesis provides a consistent source of monthly income as well as potential capital appreciation. The portfolio is also tax-efficient as its annual turnover is normally less than 20% and nearly 97% of the Strategy produces qualified dividend income.

- **Diversification** – the Strategy holds 35-40 individual names allocated among all ten sectors of the S&P 500. There are no restrictions on where it can invest, including market capitalization, equity style, and domicile.
- **Unique Portfolio** – the Strategy's unique philosophy has resulted in low correlation with most major indices. History has shown zero correlation with the direction of interest rates.
- **Transparency** – investors know exactly what they own and allows for year-end tax planning.
- **Tax-efficient** – annual turnover averages 10-20%. New holdings are normally held for at least three years. Nearly 97% of its annual income qualifies for the lower 15% tax-rate on dividends.
- **Conservative** – the Strategy avoids taking any sector bets (versus the qualified stock universe). The majority of holdings are equally weighted.
- **Consistent Cash Flow** – with an average yield that is 100% higher than the S&P 500, the stream of dividend income removes the need to sell a security for living expenses or to pay the Required Minimum Distribution from tax-deferred accounts.
- **High Quality** – the Strategy holdings carry an "A-" average credit rating.
- **Experience** – the portfolio manager of the Strategy has more than ten years of experience investing in dividend-paying equities and twenty-two years of experience in asset management.
- **Rigid Screening Process** – as a top-down manager, Brookmont Capital initially focuses on the outlook for the economy and markets to determine sector allocations. We then filter a large universe of eligible holdings down to 35-40 individual names. The initial hurdle is a 3% minimum yield to be added to the Strategy. Stocks are then screened based on a company's debt level, cash flow, history of dividend increases, payout ratio, and earnings outlook.
- **Current Income and Potential Long-Term Growth** – the Strategy's income stream and potential capital appreciation balance the demands from current beneficiaries and remaindermen in Split Interest Trusts, QTIP's, Family Trusts, and other Irrevocable Trust Accounts.
- **Demographics** – as the Baby Boomer Generation enters retirement, their investment portfolios will have to provide current income for monthly living expenses and capital appreciation to keep pace with annual inflation. The Strategy focuses on both objectives.

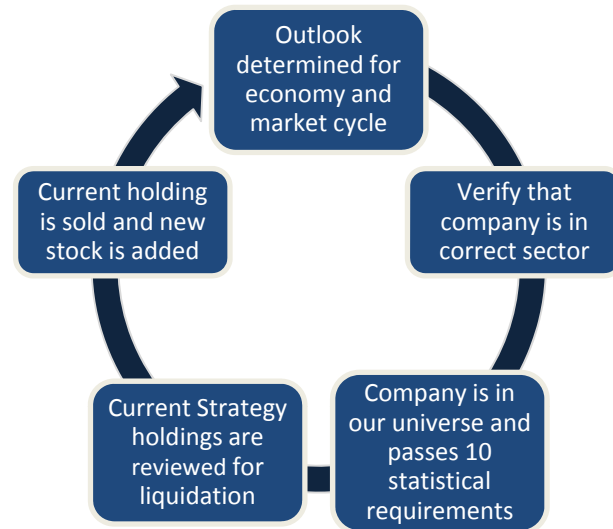
Brookmont Capital Management Dividend Equity Strategy

Strategy Parameters

- 35-40 individual holdings from 10 sectors of the S&P 500
- Stock must offer a minimum 3% dividend to be added to the Strategy
- Holdings are normally equal-weighted and the portfolio is rebalanced semi-annually
- New holdings are added to the Strategy if it passes our macro outlook as well as several fundamental hurdles
- Holdings are removed if the company eliminates its dividend or if it fails to pass our macro outlook or fundamental hurdles
- Cash investments may equal 1-10% of the Strategy's total assets
- The Strategy is dividend-centric and is not bound by market cap, equity style, or company domicile restrictions
- The portfolio is tax-efficient in that turnover ranges from 10-20% and stocks are generally held 3-5 years
- Nearly 97% of the Strategy's annual income qualifies for the lower tax rate on quarterly dividends
- The Strategy is benchmarked against the Russell 1000 Value Index
- The Strategy is transparent and offers year-end tax planning opportunities
- The Strategy is 100% long common equities and does not utilize leverage
- Holdings in the portfolio range from \$300 million to \$250 billion market cap
- The portfolio is comprised of 67% large-cap and 33% mid and small-cap names
- There is a 65% weighting in core/growth securities and 35% in value stocks
- Cash represents 3% of the current portfolio
- Foreign holdings (ADR's) represent 13% of the Strategy

Data as of June 2011

Investment Decision Process



Strategy Manager

- The Strategy manager has more than 10 years of experience directly related to dividend-paying equities (23 years of investment management experience)
- *“Investing in dividend equities requires a different set of parameters than other areas of the market. Factors that we consider include the stock's current dividend yield, management's commitment to raising the dividend in the future and how many times it has been raised over the past five years. We also consider the company's debt structure, free cash flow, and payout ratio to verify that the company is not at risk of reducing or eliminating its dividend” – Robert Bugg, CFA*

Brookmont Capital Management

Dividend Equity Strategy (as of 7/29/2011)

Investment Objective

The Dividend Equity Strategy invests in common stocks that provide above-market average dividends with a history of increased quarterly payouts. The Strategy will normally invest in all 10 sectors of the economy (represented by the S&P 500).

The Strategy may invest in domestic and foreign securities ranging from small to large-cap stocks. The Strategy does not hedge and is 100% long equity. The Strategy will normally hold an individual investment for more than three years, which reduces turnover in the portfolio. Historically, annual turnover has ranged from 10-20%.

Rates of Return (as of 7/29/2011)

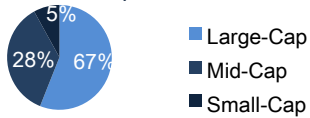
	YTD	1-Yr	3-Yr*	Since Inception*
Dividend Equity Strategy (gross of fees)	7.25%	22.67%	12.52%	9.26%
(net of fees)	6.51%	21.22%	11.20%	7.96%
Benchmarks:				
Russell 1000 Value	2.40%	16.76%	1.26%	-3.08%
S&P 500	3.87%	19.65%	2.92%	-1.36%
Inception January 1, 2008				
*annualized returns				

Largest Composite Holdings

Kellogg	Chevron
McDonald's	Tupperware
Johnson & Johnson	National Fuel Gas
AT&T	Southern Company
CBS	Novartis

	2008	2009	2010
Dividend Equity Strategy	-21.98%	39.50%	17.65%
Net of fees	-22.97%	37.79%	16.24%
Russell 1000 Value	-36.85%	19.69%	15.51%
S&P 500	-37.00%	26.46%	15.06%

Market Capitalization



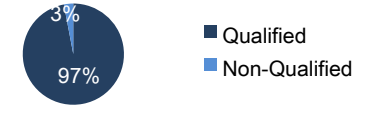
Stock Style



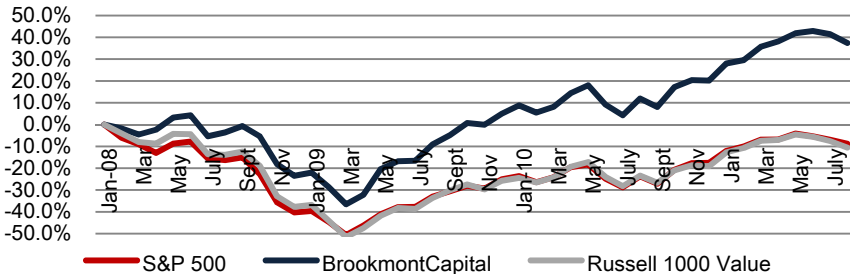
Domicile



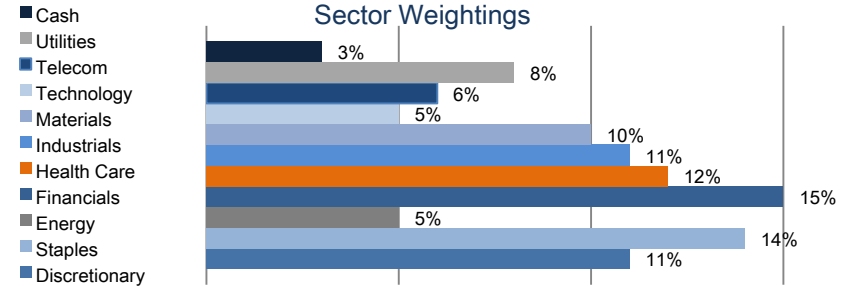
Qualified Income



Cumulative Performance



Sector Weightings



Three-Year Strategy Statistics

	Strategy	Russell 1000 Value
Alpha	10.32	-1.15
Upside Capture	113	102
Downside Capture	78	108
Std. Deviation	22	23
R2	92	97

Strategy Characteristics

	Strategy	Russell 1000 Value
Dividend Yield	3.32%	2.28%
Beta	.93	1.06
P/E Ratio	14x	15x
Market Cap. Avg.	\$25B	\$72B
Credit Quality	A-	B+

Disclaimer: Dividend Equity Strategy returns are based on an asset-weighted composite of discretionary accounts that include 100% of the recommended holdings. Individual accounts will have varying returns, including those invested in the Strategy. The reasons for this include, 1) the period of time in which the accounts are active, 2) the timing of contributions and withdrawals, 3) the account size, and 4) holding other securities that are not included in the Strategy. Dividends and capital gains are not reinvested. Performance results include a cash component as of 01/01/2009. The Strategy does not utilize leverage or derivatives. Returns are based in U.S. dollars. Inception of the Strategy is Jan. 1, 2008. Gross-of-fees returns do not include management or custody fees but do include all trading costs. Benchmarks include major indices and ETF's that are highly correlated to the Strategy. The Russell 1000 Value is a trademark of the Frank Russell Company. The S&P 500 is a trademark of Standard and Poor's.

The Brookmont Dividend Equity Strategy Composite contains fully discretionary accounts with similar value equity investment strategies and objectives. For comparison purposes the Dividend Equity Strategy Composite is measured against the Russell 1000 Value Index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment.

For comparison purposes only, performance returns are listed for the Standard and Poor's 500 Index. The S&P 500 is widely regarded as the best single gauge of the U.S. equities market and includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is also a proxy for the total market.

The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance was calculated using the highest account level fee percentage (1.25%) and actual management fees could be lower. Additional information regarding the policies for calculating and reporting returns is available upon request.

Your account returns might vary from the composite's returns if you own securities that are not included in the Strategy.

Cumulative returns are shown net-of-fees. Returns for the S&P 500 and Russell 1000 Value include reinvested dividends. Strategy returns do not include reinvested dividends. During a rising market, not reinvesting dividends could have a negative affect on cumulative returns.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of at least 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month which follows the cash flow by at least 30 days. Additional information regarding the treatment of significant cash flows is available upon request.

The investment management fee schedule is as follows: U.S. Clients – 1.25% on the first \$1 million, 1% on assets over \$1 million. The minimum annual fee for U.S. clients is \$5,000. Under special circumstances, fees may be negotiable.

Up/Down Capture: This statistic is a measure of managers' performance in up and down markets relative to the market itself. A down market is one in which the index's quarterly return is less than zero. To calculate down-market capture ratio, link returns for the manager and the market for all down-market quarters over the selected time frame, then divide the manager's return during down-market quarters by the index's return during the same quarters. To calculate the upside market capture ratio, this same process is carried out using returns from periods when the index's return was greater than zero.

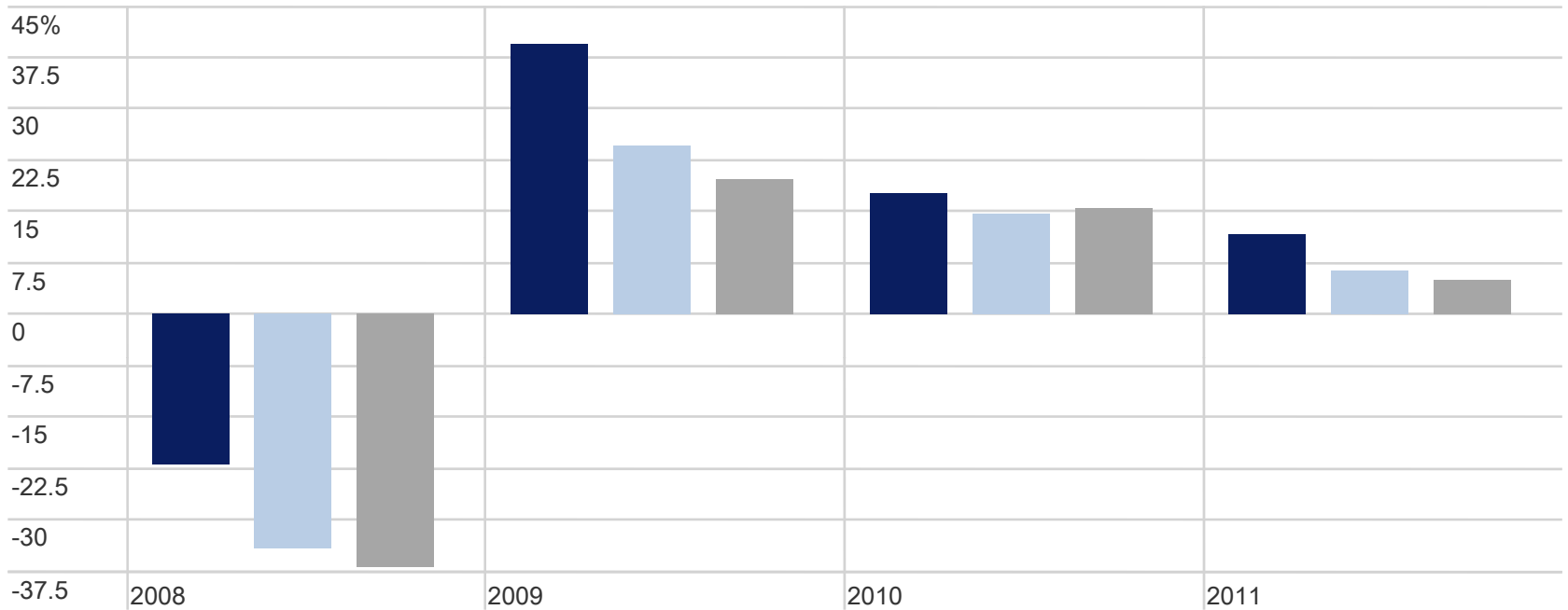
Index Relative Statistics: Statistical risk/return measures. Alpha measures nonsystematic return, or the return that cannot be attributed to the market. Thus, it can be thought of as how the manager performed if the market has had no gain or loss. In contrast, beta measures the return that is attributable to the market and is a measure of the portfolio's overall volatility. Standard Deviation measures the dispersion of an investment's return from its historic mean. Many investors view standard deviation as an investment's volatility or risk.

R2 (R squared) is a measure of how much of a portfolio's performance can be explained by the returns from the overall market (or a benchmark index). If a portfolio's total return precisely matched that of the overall market or benchmark, its R-squared would be 1.00. If a portfolio's return bore no relationship to the market's returns, its R-squared would be 0.

The Price/Earnings ratio is calculated by the share price of a stock divided by its per-share earnings over the past year. For a portfolio, the weighted (P/E Ratio) average P/E ratio of the stocks in the portfolio. P/E is a good indicator of market expectations about a company's prospects; the higher the P/E, the greater the expectations for a company's future growth.

Past performance is not a guarantee of future results. Investments are not FDIC insured and may decline in value.

Brookmont Capital Management Annual Investment Performance (6/30/2011)



Investment Name		
■	Brookmont Capital Dividend Equity	■ US SA Large Value
		■ Russell 1000 Value TR USD

Source: Morningstar Advisor Workstation

Brookmont Capital Management Strategy Changes in 2011

Added:

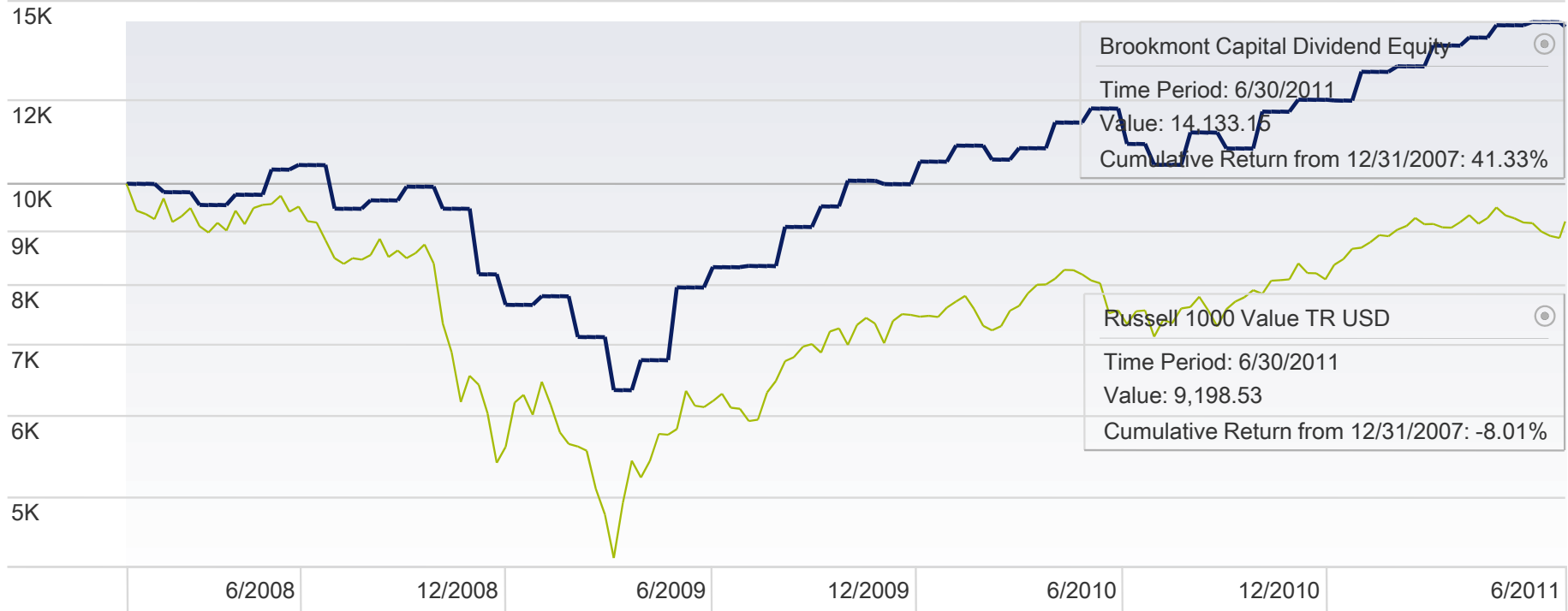
- **Novartis (NVS)** – Novartis is a large Swiss pharmaceutical company with exposure in prescription and generic drugs, over-the counter products, vaccines, and eye-care. Brand names include Alcon, Comtrex, Theraflu, Triaminic, Benefiber, ex-lax, Gas-x, Maalox, Prevacid, Bufferin, Excedrin, Desenex, Keri, No-Doz, and Lamisil. Strong pharmaceutical presence in respiratory, oncology, cardiology, and infectious diseases. A deep pipeline of new drugs and the best patent protection among large drug companies make Novartis an attractive addition.
- **Proctor and Gamble** – we added P&G based on its strong organic growth, healthy 3.5% yield, and consistent revenue growth. This defensive stock should outperform during an uncertain environment as investors look for high quality, pristine balance sheets, and diverse companies. P&G is a brand powerhouse that includes Pampers, Tide, Bounty, Charmin, Gillette, Duracell, Cover Girl, Scope, Secret, Max Factor, Zest, Safeguard, Braun, Head & Shoulders, Tampax, Oral B, Crest, Olay, Old Spice, Pantene, Head & Shoulders, Iams Pet Foods, Gain, Downy, Dawn, Bounce, Cascade, Mr. Clean, Vicks Nyquil, Swiffer, Puffs, Luvs, Prilosec, and more.

Deleted:

- **Lubrizol (LZ)** – pending buyout by Berkshire Hathaway for \$135/share (all cash).
- **RR Donnelley (RRD)** – company is becoming leveraged to repurchase \$1 billion of outstanding shares and debt is expected to be lowered to junk status. Net margins continue to disappoint and the market cycle is turning against the stock. Corporate revenue growth will be constrained by weak magazine advertising and growth in computer tablets and downloaded books (Barnes and Nobles, Amazon, etc).



Brookmont Capital Management Growth of \$10,000(6/30/2011)



Investment Name	Value
— Brookmont Capital Dividend Equity	14.13K
— Russell 1000 Value TR USD	9.2K

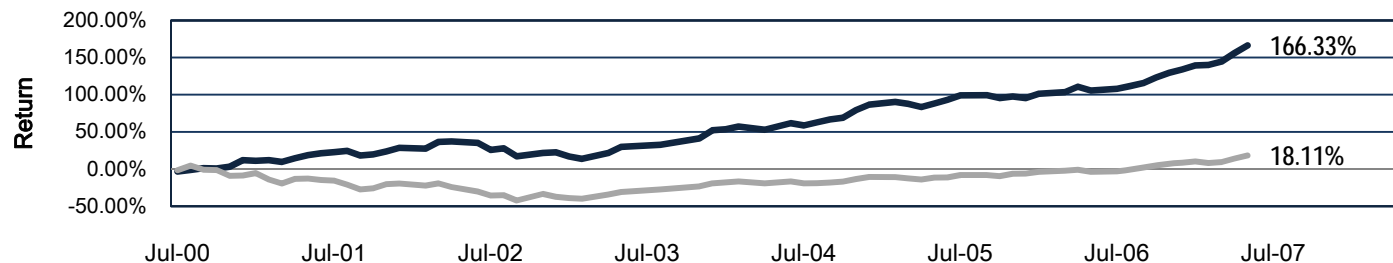
Prior Investment Performance

Performance results include the co-management of a Dividend Strategy that was launched August 2000. The portfolio included a similar philosophy and group of holdings as the Brookmont Dividend Equity Strategy. Performance results are owned by a previous employer and cannot be linked to returns produced by Brookmont Capital Management. Information on this page is not approved for mass distribution.

The cumulative return from August 2000 - May 2007 was 166% compared to an 18% return for S&P 500. The annualized returns from inception equaled 15.83% versus a 1.58% return for the S&P 500. Seven-year cash-adjusted Alpha vs. Market = 11.70 with a .55 Beta.

	2007	2006	2005	2004	2003	2002	2001	2000	3-Yr	5-Yr
Prior Performance	10.22%	20.48%	4.86%	22.47%	27.89%	-1.42%	17.49%	12.80%	15.66%	18.60%
S&P 500	8.78%	15.79%	4.91%	10.86%	28.67%	-22.10%	-11.86%	-9.10%	10.44%	6.19%

Cumulative Return v. S&P 500



Disclaimer:

- Strategy inception date: August 2000. Returns for 2007 are through May 30.
- Three and five-year returns are annualized.
- Returns are gross of account level fees. Data is derived from a composite of accounts (taxable and non- taxable).
- Stated results are based on composite averaged performance. Performance results reflect co-management of an Equity Strategy at a previous employer between August 2000 and May 2007.
- The investment results listed above are only for representative purposes. The performance returns do not include a cash component.
- Past Performance does not guarantee future results. Investments may lose value and are not insured against losses.

CONTACT

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