



View from Edgewood – 3Q 2011 Commentary

While the third quarter was the same length as all others, three months, it was an eventful and volatile period that seemed to last twice as long. The market was on a placid upward course during July in the face of the exceedingly contentious debt ceiling debate. It was only after that burlesque ended that the equity markets came unstuck, aided by Standard & Poor's strange downgrade of the U.S. credit rating. We have been saying since the spring that the economy would show 2% growth, but the events of the summer, signified by two very weak employment reports, a new eruption of credit worries in Europe, and the Federal Reserve's statement in August that short-term rates would remain low for at least 2 more years make that look like a ceiling rather than a floor. The question now being asked with great seriousness: are Europe and the U.S. on the verge of their second recession in 3 years?

Great strains in the European currency union, as Greece goes through another round of forced austerity and the euro countries another round of debt service support, have caused an economic slowdown across Europe that is teetering on the edge of a recession. The U.S. economy has slowed down but there are conflicting signals on how weak it has become. The last two weeks have seen increasing speculation that the Chinese economy is slowing. This would have an effect around the world, in particular on Germany, which has the largest trade surplus with China of any country.

After a strong string of earnings reports in July from our portfolio companies we are still expecting similar results when third quarter reports are issued in October. As of the end of September we have

had no pre-announcements in the portfolio and no indications from managements that they are seeing a slowdown from what, as we have been saying, is already a tough economic environment. If there are no changes in the outlooks for the portfolio we have a group of companies that should grow their earnings in excess of 20% while the P/E multiple has declined in the last 2 months.

In the quarter we sold Priceline. This stock did very well for our clients and we believe their business model is unique. However, their largest area of growth is their European subsidiary bookings. We believe that weakness in the European economies will cause a slowdown in inter-European travel and have at least a temporary effect on earnings growth over the next one to two years.

We added a position in Coach. This is one of the best managed global retailers we have seen with very high margins, a solid balance sheet and strong cash flow generation. Driven by solid US growth and very rapid Asian expansion, we expect the company to grow sales and earnings in the teens for at least our three year investment horizon. We were able to buy the stock at a low to mid-teens multiple during the market dislocation this summer.

As always we remain focused on the fundamentals of our portfolio companies. A slower growth environment has led to the change in market leadership we have mentioned in previous market letters. Companies with low debt and high returns on equity should outperform. While markets go through short-term periods of irrationality eventually it does pay attention to the stocks of companies with strong earnings outlooks and solid balance sheets.



Investment Approach

Edgewood's Large Cap Growth Equity strategy pursues long-term capital growth through a portfolio of 22 stocks of mid- to large-sized companies that are distinguished by their financial strength, high levels of profitability, strong management, and an ability to consistently deliver exceptional long-term earnings power of 20%+ annually. We purchase companies that trade at substantial discounts to their fair value and believe that, over time, the stock prices of high-quality companies will rise to reflect the true value of the underlying company. The Large Cap Growth Equity strategy's performance is typically benchmarked against the S&P 500 index over a full-market cycle.

Investment Process Highlights

Edgewood's Large Cap Growth Equity strategy pursues a bottom-up investment process to construct a portfolio of U.S. large-cap growth companies. The investment team looks for potential investments across the economy where it can find growth irrespective of the sector or industry.

Edgewood's investment process focuses on two distinct areas:

Stock Selection – The team's investment process begins by identifying companies that are distinguished by their financial strength, high levels of profitability, strong management, and an ability to consistently deliver exceptional long-term earnings power of 20%+ annually. The team searches for companies that are well positioned for long-term growth, driven by demand for their products and services, trading at substantial discounts to their fair value, and are at an early stage in their profit cycle to benefit from the increased cash flows produced by the profit cycle.

Capital Allocation – Based on the investment team's fundamental analysis of a company's profit cycle and using a five-year discount to present value model, portfolio holdings evolve through three phases: Phase One investments are in the early part of their profit cycle and will warrant a more sizeable weighting once their profit cycle begins to grow; Phase Two investments are companies that are being increased to a larger weighting due to the relative attractiveness of their valuation which are moving through the strongest part of their profit cycle; and Phase Three investments are companies that are being reduced to a lesser weighting because they are nearing the team's estimate of full valuation or that their profit cycle has begun to deteriorate.

Portfolio Characteristics

	Edgewood	S&P 500	Comments
Weighted Market Cap (Billions)*	\$53bn	\$87bn	Focused on Growth
Number of Holdings	22	500	Focused on Best Ideas
EPS Growth (5 Years Historical)	31%	10%	Superior Earnings Growth
Sales Growth (3 Years)	18%	7%	Superior Revenue Growth
LT EPS Growth CIQ Estimates	18%	11%	Superior Earnings Outlook
Debt/Capital (Weighted Harmonic)	1%	8%	Managing Risk

*All portfolio characteristics produced by Capital IQ, rounded to nearest percentage

Firm Overview

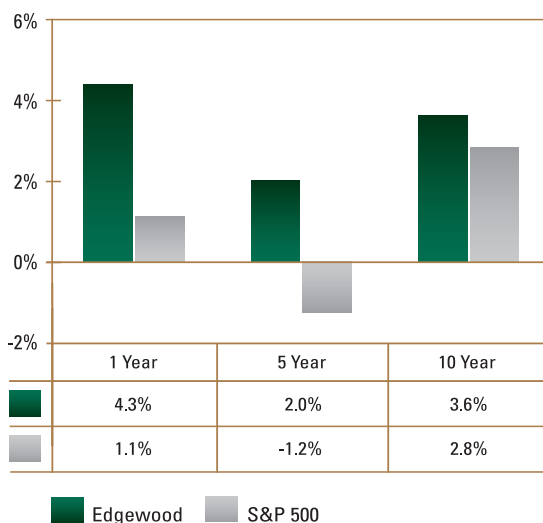
Founded	1974
Employees	36
Total Assets	\$6.0 Billion (as of 9/30/2011)
Ownership	100% Employee Owned
Investment Strategy	Large Cap Growth Equity
Separate Account	\$5 Million Minimum

Ten Largest Holdings as of 9/30/2011**

Amazon.com Inc.	Intuitive Surgical Inc.
American Tower Corp.	Oracle Corporation
Celgene Corp.	Qualcomm Inc.
CME Group Inc.	T.Rowe Price Group Inc.
Cognizant Technology	Visa Inc.

**This information is Supplemental Information to the Large Cap Growth Annual Disclosure Presentation.

Net Composite Returns as of 9/30/2011



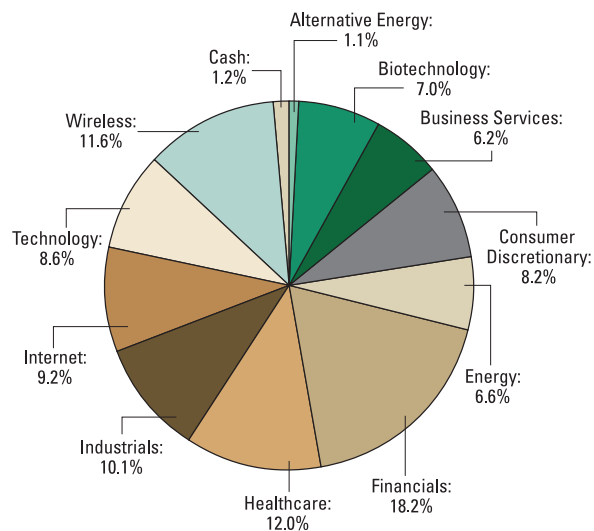
Q3 2011: Edgewood -10.9% S&P 500 -13.9%

Performance is rounded to the nearest tenth.
Returns are net of management fees.
Past performance does not guarantee future results.

A Solid Foundation for Performance

Our goal at Edgewood Management is to deliver clients superior long-term performance, but to do so in a low risk manner. We feel the key to achieving this goal is to protect investor capital in declining markets, which is part of the foundation for our high-quality, low-risk approach to investing.

Sector Diversification as of 9/30/11



Market Cap Distribution as of 9/30/11

MARKET CAP (In \$ Billions)	EDGEWOOD (%)	COMPANIES (#)
\$1-\$20	40.90%	10
\$21-\$40	26.84%	6
\$41-\$75	6.96%	1
\$76-\$125	11.19%	2
\$125+	12.96%	3

Portfolio Management

Alan W. Breed

President & Portfolio Manager

Alan joined Edgewood Management in 1994 as a partner and a member of the investment committee. Alan previously worked at First Boston and Brown Brothers Harriman & Co. Alan graduated cum laude from the Kellogg School of Management and received a B.A. in economics from Emory University. Alan is on the board of Greenwich Hospital and chair of the Stoney Wold Herbert Fund. He is also on the board of Spider Management Company.

Lawrence G. Creel

Partner & Portfolio Manager

Larry joined Edgewood Management in 1997 as a partner and is a member of the investment committee. Prior to Edgewood, Larry worked for 12 years at DLJ as a VP in the equities division. Larry is a graduate of Lake Forest College and attended the New York University Stern School of Business. Larry is also on the board of trustees at South Kent School. He is also on the board of the Eaglebrook School and the Second Stage Theater in New York City.

Alexander M. Farman-Farmaian

Partner, Vice Chairman & Portfolio Manager

Alex joined Edgewood Management in January 2006 as a Partner, and Vice-Chairman. Prior to that he was at W.P. Stewart & Co. for 19 years. There he was a senior member of the U.S. and Global equity research and portfolio management teams. He was responsible for managing some 20% of the Firm's overall assets. He chaired the Investment Oversight Committee and managed the bulk of the firm's Global account assets since their inception. Alex received a B.A. in Economics from Princeton University in 1987. He was President of the Princeton Club of New York until November 2006 and belongs to the Economics Club of New York. He serves on the board of the International Women's Health Coalition (IWHC).

Peter Jennison

Partner & Portfolio Manager

Peter joined Edgewood Management in January 2006 as a Partner. Prior to joining Edgewood Peter was at W.P. Stewart & Co. for 16 years. There he was a senior member of the US equity research and money management teams responsible for some 10% of the Firm's total assets. He was also President and Portfolio Manager of the W.P. Stewart Growth Fund, the firm's SEC registered mutual fund. While under Peter's management, the fund achieved a Morningstar five star ranking. Peter began his career as a specialist clerk on the floor of the New York Stock Exchange and later became a Research Coordinator at Shearson Lehman Brothers, Inc. While at Shearson, he managed discretionary accounts for individuals with a focus on quality growth shares. He was educated at Babson College and Columbia University. Peter serves on the board of Getsolar.com.

Kevin R. Seth

Partner & Portfolio Manager

Kevin joined Edgewood Management in 1995 as a Partner after 9 years as an institutional salesman for Credit Suisse First Boston. He is on the firm's investment committee. Kevin was hired by First Boston in London and later moved to New York and then Boston covering institutional accounts in the U.S. and Australia. Prior to First Boston Kevin worked in London from 1983 to 1986 for Robert Fleming Ltd. as a North American equities analyst and junior portfolio manager. He is a graduate of Montana State University with a BS degree in Economics and Pre-Law and is currently a board member and chairman of the finance committee for the Montana State University Foundation. Kevin is also on the board of Empire Petroleum Corporation.

Nicholas A. Stephens, CFA

Partner & Portfolio Manager

Nick joined Edgewood Management in 1984 as an analyst after three years at Coopers & Lybrand as a management consultant. He became a Partner in 1986 and was given portfolio management responsibilities in 1987. He is on the firm's investment committee. Nick graduated from Bennington College in 1977 with a B.A. in Literature and from Columbia University Graduate School of Business in 1981 with an M.B.A. in Finance. He is co-head of the Investment Committee of the Reformed Church of Bronxville. Nick also serves on the board of the Greater New York Cystic Fibrosis Foundation and Lawrence Hospital Center in Bronxville, New York. Nick also serves on the board of MabVax Therapeutics.



EDGEWOOD
MANAGEMENT LLC



Footnotes

3Q 2011

Edgewood Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Edgewood Management LLC has been independently verified for the periods January 1, 1992 through December 31, 2009. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Edgewood Large Cap Growth composite has been examined for the periods January 1, 1992 through December 31, 2009. The verification and performance examination reports are available upon request. Edgewood Management LLC is an SEC registered investment advisor. Past performance is no guarantee of future results. The performance data presented here should not be taken as any guarantee or other assurance as to future results. The value of any investment may increase or decrease over time. Performance results are expressed and calculated in U.S. dollars. Gross performance results are calculated before deduction of management fees. Net performance results are calculated after all trading and management expenses. Returns are calculated after the deduction of actual trading expenses. Trading expenses comprise of trading commissions. The management fee as disclosed in Part II of Edgewood's Form ADV is 1.5% for accounts up to \$5 million and 1% for accounts above \$5 million. Actual investment advisory fees incurred by clients may vary.

The Large Cap Growth Composite is comprised of accounts that invest in Edgewood's Large Cap Growth portfolio of 22 stocks. Performance for the composite has been calculated on a time-weighted basis since its creation in January 1987. Composites are valued monthly and portfolio returns have been weighted by using beginning of quarter market values plus weighted cash flows. Performance results reflect the reinvestment of dividends and other earnings. Trade date accounting has always been used. No alteration of composites as presented here has occurred because of changes in personnel. A complete list and description of the Firm's composites is available upon request. Annual composite dispersion presented is an asset-weighted standard deviation calculated for accounts in composite the entire year. Edgewood shows performance net of withholding taxes on dividends, interest and capital gains.

Only discretionary accounts are included in the Large Cap Growth Composite. Effective January 1, 2008, Edgewood increased the minimum portfolio size for inclusion in the composite from \$50,000 to \$500,000. From inception to December 31, 2000, the performance results shown represent the Institutional Large Cap Growth Composite, which has the same strategy as the Large Cap Growth Composite, but it only includes tax exempt accounts. This composite is presented because taxable portfolios prior to 2001 typically held restrictions and legacy holdings that were not representative of the strategy. As of January 1, 2001, the results shown include taxable and tax exempt accounts that follow the composite strategy. The composite represents approximately 43% of the firm's Large Cap Growth assets as of December 31, 2010.

From January 1, 1992 to December 31, 1997 accounts were included in the composite the first full month after opening. From January 1, 1998 to December 31, 2004 accounts were included in the composite at the end of its second quarter after opening. As of January 1, 2005 accounts are included in the relevant composite the first full quarter after their opening. Additional information regarding policies for calculating and reporting returns is available upon request.

The composite returns are benchmarked to the Standard & Poor's 500 Index ("S&P 500"). The benchmark is used for comparative purposes only and generally reflect the risk or investment style of the investments reported on the schedules of investment performance. Investments made for the portfolios Edgewood manages according to its Large Cap Growth strategy may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the aforementioned indices. Accordingly, investment results and volatility will differ from those of the benchmark. The S&P 500 is an unmanaged index with no expenses, which covers 500 industrial, utility, transportation and financial companies of US markets. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

To receive a complete list and description of Edgewood Management LLC's composites and/or presentation that adheres to the GIPS standards, contact Michelle Sinajon at 212-652-9100, or write to Edgewood Management LLC, 350 Park Avenue, 18th Fl., New York, NY 10022 or msinajon@edgewood.com.

S&P 500 performance produced by Standard & Poors.

