



Individual Equity Holdings in the Advisor Perspectives Universe

Approximately 85% of the assets in the Advisor Perspectives (AP) Universe are held in individual securities, mostly through investments in separately managed accounts (SMAs). The remaining 15% of assets are held in mutual funds. Our analysis of the individual equity holdings in the AP Universe, as of June 30, 2007, reveals the following:

- Within US equities, the Financial sector (9.0%) and the Consumer Staples sector (2.2%) are over-weighted, as compared to the weightings in the S&P 500 index, and all other sectors are underweighted. Most notably, the Information Technology sector is underweighted by 3.3% and the Energy sector is underweighted by 2.6%. Sector weightings in the Largest Accounts (those with an average account size of \$3.7 million) mirror the weightings in the AP universe, since approximately 94% of the assets in the AP universe are held in the Largest Accounts.
- US equities in the AP universe (as well as in the Largest Accounts) have a weighted average beta of 1.01 and a weighted average P/E of 22.6 (as compared to the P/E of approximately 18 in the S&P 500).
- The above parameters indicate a value bias among the SMA managers of the Largest Accounts in the AP universe. Of the top 25 holdings in the AP Universe, only 10 are growth stocks. [Asset allocation data](#) for the AP Universe (which includes mutual funds) shows that approximately 50% of the assets are in blended securities, so the more detailed analysis provided here reveals that these blended securities are actually more biased toward value than growth, and that mutual funds are more biased toward growth than value.
- Within non-US equities, our comparison to the EFA index (as of June 30, 2007) for the AP Universe and the Largest Accounts shows significant differences. Investments in Asia (excluding Japan) are over-weighted by 36.7%, and the UK/Western Europe region is underweighted by 27.7% and Japan is underweighted by 14.8%. Our [previous analysis](#) showed that the Largest Accounts rely on mutual funds and ETFs extensively for non-US investments (approximately 56% of the non-US assets in the AP universe are held in mutual funds, as opposed to individual securities). Thus, it is not surprising that investments in individual securities do not mirror the EFA index, and instead are directed to specific regions,



countries, and securities, where managers see opportunities not reflected in broader indices such as EFA.

- Country exposure is similarly unaligned with the EFA index, with all major countries (UK, Japan, France, Germany, and Switzerland) underweighted in the AP universe. Israel, which is not among the top 5 in the EFA index, accounts for 38.3% of the exposure in the Largest Accounts and in the AP Universe, mostly through the holdings in Teva Pharmaceuticals (TEVA). Teva is the second most widely held security in the AP Universe.

The AP Universe reflects the investments of high- and ultra-high net worth investors, whose assets are managed by Registered Investment Advisors (RIAs). Approximately \$50 billion of assets are represented, with an average account size of approximately \$900 thousand. The AP Universe is segmented into three tiers, based on account size. The tier containing the Largest Accounts has an average account size of approximately \$3.7 million. The Mid-Sized Accounts have an average account size of approximately \$119 thousand and the Smallest Accounts have an average account size of approximately \$15 thousand.

The four sections below show the data for individual equities in the AP Universe, the Largest Accounts, the Mid-Sized Accounts, and the Smallest Accounts. Within each section the following data is provided:

- Comparison to the S&P Index for US equities
- Weighted average beta for US equities (weighted by market value)
- Weighted average P/E for US equities (weighted by market value)
- Comparison to the EFA index, by region, for non-US equities
- Comparison to the EFA index, by country, for non-US equities
- Top 25 holdings for both US and non-US equities

Section 1 – Full AP Universe

US Equities – Comparison to S&P 500 Index

	AUM	AP Universe	S&P 500	Difference
Consumer Discretionary	\$1,587,457,272	10.1%	10.2%	-0.1%
Consumer Staples	\$1,821,384,819	11.6%	9.3%	2.2%
Energy	\$1,266,411,848	8.0%	10.6%	-2.6%
Financials	\$4,783,137,909	30.4%	21.3%	9.0%
Health Care	\$1,792,539,914	11.4%	11.8%	-0.4%
Industrials	\$1,538,174,866	9.8%	11.3%	-1.6%



Information Technology	\$1,869,204,100	11.9%	15.2%	-3.3%
Materials	\$454,553,651	2.9%	3.1%	-0.2%
Telecommunication Services	\$277,846,461	1.8%	3.7%	-2.0%
Unknown	\$22,797,896	0.1%		0.1%
Utilities	\$332,645,167	2.1%	3.5%	-1.4%
	\$15,749,748,612	100.0%	100.0%	

Wtd. Avg. Beta = 1.01

Wtd. Avg. P/E = 22.6

Non-US Equities – Comparison to EFA Index (AUM = \$2,042,946,633)

	AP Universe	EFA	
Regional Exposure	% of Assets	% of Assets	Difference
UK/Western Europe	42.5%	70.2%	-27.7%
Japan	6.4%	21.2%	-14.8%
Latin America	4.9%	0.0%	4.9%
Asia ex-Japan	45.1%	8.4%	36.7%
Other	1.0%	0.2%	0.8%
	100.0%	100.0%	

	AP Universe	EFA	
Country Exposure	% of Assets	% of Assets	Difference
United Kingdom	13.7%	23.6%	-9.9%
Japan	6.4%	21.2%	-14.8%
France	4.8%	10.4%	-5.6%
Germany	4.9%	8.3%	-3.4%
Switzerland	5.8%	6.7%	-0.9%
Israel	38.3%		
Netherlands	5.6%		

Top 25 Holdings (US and non-US)

Ticker	Description	# Accounts	AUM
BAC	BANK OF AMERICA CP	1427	\$1,725,112,221
TEVA	TEVA PHARMACEUTICAL INDUSTRIES	544	\$770,523,132
EL	ESTEE LAUDER	71	\$758,298,656



XOM	EXXON MOBIL CP	1505	\$312,636,569
AIG	AMERICAN INTERNATIONAL GROUP	1586	\$291,489,008
GE	GENERAL ELECTRIC CO	2251	\$268,347,105
MRK	MERCK & CO INC	605	\$209,234,949
MSFT	MICROSOFT CORPORATION	1974	\$173,305,163
C	CITIGROUP INC	1912	\$157,218,264
JNJ	JOHNSON & JOHNSON INC	1144	\$150,297,584
LTS	LADENBURG THALMANN FINANCIAL	15	\$135,602,291
CSCO	CISCO SYSTEMS INC	1692	\$130,530,553
CVX	CHEVRON CP	844	\$126,155,485
PG	PROCTER & GAMBLE CO	1385	\$125,338,806
ORCL	ORACLE CP	662	\$114,087,570
SGP	SCHERING PLOUGH CP	167	\$113,162,942
KO	COCA COLA CO	742	\$111,541,544
BEAS	BEA SYSTEMS INC	63	\$106,057,988
INTC	INTEL CP	1194	\$103,658,717
T	AT&T INC	1299	\$101,166,219
PEP	PEPSICO INC	1427	\$99,212,704
JPM	JP MORGAN CHASE & CO	1201	\$93,868,089
MCD	MCDONALDS CP	691	\$93,276,559
VGR	VECTOR GROUP LTD	34	\$92,251,541
PFE	PFIZER INC	1164	\$90,262,439

Section 2 – Largest Accounts

US Equities – Comparison to S&P 500 Index

	AUM	AP Universe	S&P 500	Difference
Consumer Discretionary	\$1,573,032,275	10.1%	10.2%	-0.1%
Consumer Staples	\$1,812,614,656	11.6%	9.3%	2.3%
Energy	\$1,257,307,849	8.0%	10.6%	-2.6%
Financials	\$4,754,183,516	30.4%	21.3%	9.1%
Health Care	\$1,769,327,910	11.3%	11.8%	-0.4%
Industrials	\$1,524,484,195	9.8%	11.3%	-1.6%
Information Technology	\$1,849,853,360	11.8%	15.2%	-3.3%
Materials	\$451,263,374	2.9%	3.1%	-0.2%
Telecommunication Services	\$274,515,933	1.8%	3.7%	-2.0%
Unknown	\$20,564,137	0.1%		0.1%
Utilities	\$328,292,816	2.1%	3.5%	-1.4%
	\$15,618,985,068	100.0%	100.0%	



Wtd. Avg. Beta = 1.01

Wtd. Avg. P/E = 22.6

Non-US Equities – Comparison to EFA Index (AUM = \$2,026,200,090)

	AP Universe	EFA	
Regional Exposure	% of Assets	% of Assets	Difference
UK/Western Europe	42.4%	70.2%	-27.8%
Japan	6.4%	21.2%	-14.8%
Latin America	4.9%	0.0%	4.9%
Asia ex-Japan	45.3%	8.4%	36.9%
Other	0.9%	0.2%	0.7%
	100.0%	100.0%	

	AP Universe	EFA	
Country Exposure	% of Assets	% of Assets	Difference
United Kingdom	13.7%	23.6%	-9.9%
Japan	6.4%	21.2%	-14.8%
France	4.8%	10.4%	-5.6%
Germany	4.9%	8.3%	-3.4%
Switzerland	5.8%	6.7%	-0.9%
Israel	38.6%		
Netherlands	5.6%		

Top 25 Holdings (US and non-US)

Ticker	Description	# Accounts	AUM
BAC	BANK OF AMERICA CP	1236	\$1,723,587,088
TEVA	TEVA PHARMACEUTICAL INDUSTRIES	440	\$770,043,468
EL	ESTEE LAUDER	60	\$758,270,471
XOM	EXXON MOBIL CP	1276	\$310,294,269
AIG	AMERICAN INTERNATIONAL GROUP	1356	\$290,353,634
GE	GENERAL ELECTRIC CO	1690	\$264,948,165
MRK	MERCK & CO INC	509	\$208,306,995
MSFT	MICROSOFT CORPORATION	1668	\$171,694,507
C	CITIGROUP INC	1606	\$155,414,973
JNJ	JOHNSON & JOHNSON INC	994	\$149,555,152
LTS	LADENBURG THALMANN FINANCIAL	10	\$135,361,939
CSCO	CISCO SYSTEMS INC	1379	\$128,972,314



CVX	CHEVRON CP	768	\$125,786,868
PG	PROCTER & GAMBLE CO	1135	\$123,788,628
ORCL	ORACLE CP	555	\$113,540,285
SGP	SCHERING PLOUGH CP	153	\$113,101,731
KO	COCA COLA CO	636	\$110,747,349
BEAS	BEA SYSTEMS INC	59	\$106,008,499
INTC	INTEL CP	1035	\$102,610,659
T	AT&T INC	1137	\$99,860,573
PEP	PEPSICO INC	1205	\$98,221,791
JPM	JP MORGAN CHASE & CO	1065	\$92,638,099
MCD	MCDONALDS CP	607	\$92,630,135
VGR	VECTOR GROUP LTD	34	\$92,251,541
GS	GOLDMAN SACHS GROUP INC	436	\$89,548,690

Section 3 – Mid-sized Accounts

US Equities – Comparison to S&P 500 Index

	AUM	AP Universe	S&P 500	Difference
Consumer Discretionary	\$12,452,995	11.6%	10.2%	1.5%
Consumer Staples	\$7,898,617	7.4%	9.3%	-1.9%
Energy	\$7,842,560	7.3%	10.6%	-3.3%
Financials	\$25,283,124	23.6%	21.3%	2.3%
Health Care	\$13,357,719	12.5%	11.8%	0.7%
Industrials	\$12,380,598	11.6%	11.3%	0.2%
Information Technology	\$17,436,761	16.3%	15.2%	1.1%
Materials	\$2,888,015	2.7%	3.1%	-0.4%
Telecommunication Services	\$2,963,244	2.8%	3.7%	-1.0%
Unknown	\$612,680	0.6%		0.6%
Utilities	\$3,923,385	3.7%	3.5%	0.2%
	\$107,046,168	100.0%	100.0%	

Wtd. Avg. Beta = 1.04

Wtd. Avg. P/E = 23.9

Non-US Equities – Comparison to EFA Index (AUM = \$13,726,536)

	AP Universe	EFA	
Regional Exposure	% of Assets	% of Assets	Difference
UK/Western	60.9%	70.2%	-9.3%



Europe			
Japan	11.1%	21.2%	-10.1%
Latin America	8.6%	0.0%	8.6%
Asia ex-Japan	17.9%	8.4%	9.5%
Other	1.5%	0.2%	1.3%
	100.0%	100.0%	

	AP Universe	EFA	
Country Exposure	% of Assets	% of Assets	Difference
United Kingdom	22.0%	23.6%	-1.6%
Japan	11.1%	21.2%	-10.1%
France	7.3%	10.4%	-3.1%
Germany	8.0%	8.3%	-0.3%
Switzerland	6.9%	6.7%	0.2%
Netherlands	5.6%		
Brazil	4.9%		

Top 25 Holdings (US and non-US)

Ticker	Description	# Accounts	AUM
GE	GENERAL ELECTRIC CO	428	\$2,903,533
XOM	EXXON MOBIL CP	204	\$2,091,843
PFE	PFIZER INC	179	\$1,897,083
C	CITIGROUP INC	268	\$1,675,622
BAC	BANK OF AMERICA CP	178	\$1,435,859
PG	PROCTER & GAMBLE CO	224	\$1,415,396
MSFT	MICROSOFT CORPORATION	257	\$1,393,529
CSCO	CISCO SYSTEMS INC	263	\$1,359,752
JPM	JP MORGAN CHASE & CO	111	\$1,158,537
T	AT&T INC	138	\$1,143,361
AIG	AMERICAN INTERNATIONAL GROUP	221	\$1,099,990
SLB	SCHLUMBERGER LTD	193	\$1,049,299
SYK	STRYKER CP	139	\$1,018,078
PEP	PEPSICO INC	207	\$924,833
INTC	INTEL CP	121	\$902,846
MRK	MERCK & CO INC	90	\$898,274
WAG	WALGREEN CO	184	\$850,689
IBM	INTERNATIONAL BUSINESS MACHINE	92	\$834,062
TGT	TARGET CP	154	\$769,439



BP	BP PLC	72	\$764,098
MO	ALTRIA GROUP INC	92	\$764,045
AMGN	AMGEN INC	186	\$745,323
BRK B	BERKSHIRE HATHAWAY INC CL B	33	\$742,240
AAPL	APPLE INC	97	\$740,164
KO	COCA COLA CO	95	\$732,074



Section 4 – Smallest Accounts

US Equities – Comparison to S&P 500 Index

	AUM	AP Universe	S&P 500	Difference
Consumer Discretionary	\$1,151,078	14.9%	10.2%	4.8%
Consumer Staples	\$616,384	8.0%	9.3%	-1.3%
Energy	\$690,037	9.0%	10.6%	-1.7%
Financials	\$1,654,416	21.5%	21.3%	0.1%
Health Care	\$594,169	7.7%	11.8%	-4.1%
Industrials	\$829,267	10.8%	11.3%	-0.5%
Information Technology	\$1,477,347	19.2%	15.2%	4.0%
Materials	\$48,207	0.6%	3.1%	-2.4%
Telecommunication Services	\$267,855	3.5%	3.7%	-0.3%
Unknown	\$71,938	1.2%		1.2%
Utilities	\$277,620	3.6%	3.5%	0.1%
	\$7,700,272	100.0%	100.0%	

Wtd. Avg. Beta = .99

Wtd. Avg. P/E = 24.9

Non-US Equities – Comparison to EFA Index (AUM = \$291,063)

	AP Universe	EFA	
Regional Exposure	% of Assets	% of Assets	Difference
UK/Western Europe	73.5%	70.2%	3.3%
Japan	8.6%	21.2%	-12.6%
Latin America	0.5%	0.0%	0.5%
Asia ex-Japan	17.4%	8.4%	9.0%
Other		0.2%	-0.2%
	100.0%	100.0%	

	AP Universe	EFA	
Country Exposure	% of Assets	% of Assets	Difference
United Kingdom	22.1%	23.6%	-1.5%
Japan	8.6%	21.2%	-12.6%
France	10.5%	10.4%	0.1%
Germany	17.9%	8.3%	9.6%
Switzerland	5.5%	6.7%	-1.2%



Finland	8.7%		
China	6.8%		
Ireland	6.1%		

Top 25 Holdings (US and non-US)

Ticker	Description	# Accounts	AUM
GE	GENERAL ELECTRIC CO	133	\$495,407
XOM	EXXON MOBIL CP	25	\$250,457
MSFT	MICROSOFT CORPORATION	49	\$217,128
CSCO	CISCO SYSTEMS INC	50	\$198,487
PGR	PROGRESSIVE CP	9	\$176,574
T	AT&T INC	24	\$162,286
GM	GENERAL MOTORS CP	33	\$161,156
BLC	BELO CP	5	\$146,889
INTC	INTEL CP	38	\$145,212
PG	PROCTER & GAMBLE CO	26	\$134,783
C	CITIGROUP INC	38	\$127,669
IBM	INTERNATIONAL BUSINESS MACHINE	12	\$125,738
KMP	KINDER MORGAN ENERGY PARTNERS	14	\$119,937
CRK	COMSTOCK RESOURCES INC	85	\$113,397
PCL	PLUM CREEK TIMBER CO	9	\$104,653
PFE	PFIZER INC	31	\$101,742
BAC	BANK OF AMERICA CP	13	\$89,274
PRU	PRUDENTIAL FINANCIAL INC	6	\$87,993
GNTX	GENTEX CP	14	\$86,734
MCD	MCDONALDS CP	12	\$83,990
F	FORD MOTOR CO	13	\$76,383
WFC	WELLS FARGO & CO	6	\$74,162
BRK B	BERKSHIRE HATHAWAY INC CL B	8	\$72,087
JPM	JP MORGAN CHASE & CO	25	\$71,453
AMGN	AMGEN INC	18	\$71,158

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